

COMMERCE

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

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IMPORTS CUT TO CONSERVE EXCHANGE

So much has been said and written in the past two months on the problem of balance of payments facing India that it can be confidently claimed that the public is aware of its magnitude and of the need for taking prompt measures to prevent further deterioration. The sharp cuts effected by the Government in the import quotas for a wide range of goods and the tightening of restrictions on imports in the first half of 1957 do not, therefore, require any elaborate justification. These measures have become inevitable. The alternative to them is to deplete the already slender foreign exchange reserves to a dangerously low level and expose the rupee to the risk of heavy devaluation. If the calendar year is taken into account, it is seen that imports in 1956 were of the order of Rs. 800 crores, while exports were no more than Rs. 596 crores, so that there was a trade deficit of Rs. 204 crores, as against Rs. 48 crores in 1955 and Rs. 46 crores in 1954. The figures relating to the fiscal year 1956-57 reveal an even more disquieting picture. According to data compiled by the Balance of Payments Division of the Reserve Bank's Research Department, the actual performance of India during the first half of the year under review—that is, April-September 1956—shows imports running at the annual rate of Rs. 953 crores and exports at Rs. 576 crores. In the six months under reference, total imports were Rs. 476.8 crores and exports Rs. 288.3 crores. The overall balance of payments showed a deficit of Rs. 129.5 crores, or an annual rate of Rs. 259 crores. Surely, with its foreign exchange reserves standing at no more than Rs. 530 crores at the end of 1956, India cannot afford to import on the same scale as in the past year.

Indeed, having regard to the critical balance of payments position as noted above, it cannot be said that the cut effected in the import programme for the first half of 1957 is adequate since the estimated saving as a result of the cut is only Rs. 30 crores for the half-year or Rs. 60 crores for the whole year. This is equal to only about 7½ per cent. of the imports in 1956. Viewed in this light it will be appreciated that it will not be quite appropriate to describe the cut as drastic. It may be that, in the case of certain items, the reduction is substantial enough to merit that description. But, looked at from the angle of the overall picture of the balance of payments, the authorities seem to have applied the axe rather lightly. Even after making allowance for a possible increase in exports, it looks as though the revised import programme will mean a deficit of Rs. 150 crores in the current calendar year. Can the country afford a deficit of even that order? We have our own doubts. Much, however, will depend upon the outcome of the Government's efforts to get foreign assistance. The fact that the authorities have thought it fit to expect a saving of only Rs. 30 crores for six months suggests that they are optimistic on this score. Nevertheless, it will be prudent for the people of this country to be prepared for further restrictions in imports as the year advances. These cuts cannot be avoided, if the attempts to get foreign assistance do not yield the expected results or if exports fail to rise to the anticipated levels.

There are two reasons why the Government has not cut the import programme more sharply than it has done. First, it does not favour a curtailment in the size of the development programme as projects included in the second Plan. Secondly, there was not much scope left for economising in the imports of consumer goods, because they had already been greatly restricted. Some have contended that, in recent years, the Government has been more liberal than was necessary in allowing imports of consumer goods. It is true that the very stringent restrictions placed in 1952-53 on the import of these goods were relaxed later on. But this was due to the demand generated by the general rise in economic activity and to the sound policy of permitting marginal imports, so that there may be healthy competition to indigenous manufactures and a check on their prices. The fact that prices of goods subjected to the latest import cuts have gone up by 5 to 30 per cent. overnight, as it were, is proof enough to show that imports of consumer goods hitherto were by no means excessive. If, therefore, any substantial saving is to be made in imports, it can be done only through a slashing in those of plant and machinery, steel, vehicles and industrial raw materials. As, however, this will retard the pace of economic development, the Government is reluctant to resort to this course.

A careful study of the list of goods the import of which has been chosen for a cut in varying degree shows that the authorities are justified in their claim that they have followed a judicious policy, with due regard to the developmental needs of the country. They are not unaware of the difficulties which some of the importers will have to undergo as a result of the new policy, but these cannot be helped in the present circumstances. They have, however, tried to minimise the hardships of the traders affected by relaxing the conditions relating to entitlement to quotas. On the whole, they have endeavoured to be as helpful as they could afford in the existing state of affairs. The exporting countries, too, have no reason to grumble about India's latest action. It is really surprising that a section of the British Press should feel annoyed over it. Not long ago, British economic commentators were critical, needlessly, of course, of India's rapid withdrawal of sterling balances. For some of them now to complain that India has placed drastic restrictions on imports tantamounts to contradicting themselves. The withdrawal of sterling balances was well within the agreement reached with Britain. The present restrictions on imports is an act of self-denial by India in order to ensure its solvency. It will not be out of place to mention here that India can claim with legitimate pride that, in framing its foreign trade policy, it has discharged its international obligations more scrupulously than most of the free countries of the world. The same is true of its obligations as a member of the Commonwealth and the sterling area alike. In any case, Britain should be the last country to complain about India's import policy.

A feature of the import restrictions announced this week is that, in the case of a large variety of consumer goods affected, there is a fair amount of indigenous productive capacity. In some cases—toiletries, for instance—there is actually a surplus capacity and the domestic manufacturers have been producing high quality goods. In the case of others, it cannot be beyond the wit of manufacturers to expand their capacity and step up their production. For all domestic manufacturers of consumer goods, the latest development offers an excellent opportunity to establish themselves firmly in the home market. They should strive hard to raise the quality of their products and eschew the temptation to profiteer, so natural in times of scarcity. Their aim should be to price their products reasonably, so that they can build up an expanding market for them. The Government, for its part, should render all possible assistance and provide appropriate incentives to indigenous manufacturers to raise their production. It should not mind giving liberal exemptions even from the recently introduced measure of compulsory deposits to those manufacturers who are in need of finance for expanding their activity.

There is a limit up to which restrictions on imports can be relied upon for bridging the gap in the balance of payments, especially if the pace of economic development is not to be slowed down. After all, such restrictions constitute a negative solution when applied by a country already living on austerity standards. The more positive solution lies in promoting exports. The first requisite for successful export promotion is increased production and a soundly based domestic market. It is here the Government's economic policy has not been sufficiently far-sighted and realistic. This is a subject fit enough for a separate article. Suffice it to say that the Government has not done all it can in the sphere of export promotion. While it has been quite conscious of the need for more exports, it has been pursuing a socio-economic policy not quite conducive to the fulfilment of this need. The outcome of this defective policy is not merely the necessity to curtail imports and the consequent rise in internal price levels but also loss of revenue by way of customs duties. It is obvious now that the extra revenue which the Finance Minister hoped to raise by stepping up the import duties on 30th November 1956 will not be as much as he calculated.

Since public memory is proverbially short and the public sector is being boosted with a fanfare, it will be pertinent to state here that the heavy imports in 1956 were partly the result of the policy mistakes made by the Government in the seven years ended 1955. Several instances can be quoted to substantiate this contention. But, for considerations of space, we shall confine ourselves only to three examples. First, the cotton textile policy was so defective that it gave no incentive to the manufacturers of textile machinery to expand, with the result that textile mills have had to depend on foreign sources for supply of machinery to a considerable extent. Secondly, if between 1948 and 1951 the Government had given permission to the steel units in the private sector to expand, it would not have been necessary for the country to import such large quantities of steel as is being done now. It was the dog-in-the-manger policy of the Government based purely on ideological

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considerations, that stood in the way of the steel industry's growth. It may be noted here that, of the increase of Rs. 204 crores in imports during 1956, steel alone has accounted for as much as Rs. 90 crores. Thirdly, automobile vehicles have been responsible for an increase of about Rs. 17 crores in the enhanced imports. This dip into the foreign exchange resources could have been avoided had the Government followed a sensible policy in regard to road development, road transport and taxation of motor vehicles. The most important point to be borne in mind, in this connection, is that, if the Government had actively encouraged the aforesaid three key industries during the period between 1948 and 1955, India's dependence on foreign countries for the supply of machinery would not be as great as it is now. This unhappy experience of the past should serve as a warning to the future.

CO-OPERATIVE FARMING

A MAJOR economic trend in India is the greatly increased interest, both official and non-official, in the cause of Co-operation. Co-operators all the world over are an enthusiastic lot, with something of a religious fervour in their movement. That Indian co-operators, several of whom have attained success in their life by participating in free enterprise, should for ever be thinking in terms of conquering new pastures is understandable. Fortified by official blessings, they have attempted to extend their sphere of activity from consumer goods distribution to marketing and banking. They have, of late, been displaying considerable interest in co-operative industrialisation and farming.

The latest phase of co-operative development, namely, interest in co-operative farming, is by no means a sudden or abrupt departure, for such farming has always exercised a certain fascination for genuine co-operators. In any case, the Gvoernment itself sets great store by co-operative farming in its second Five-year Plan. The main task during the Plan, according to the Planning Commission, is "to take such steps as will provide sound foundations for the development of co-operative farming, so that, over a period of 10 years or so, a substantial proportion of agricultural lands is cultivated on co-operative lines." To this end, the Commission has suggested that special assistance should be given to co-operative farming societies. Such assistance, it is stated, should include technical advice and subsidy for managerial expenses and preferential treatment in the grant of credit from the co-operative or Government agencies, in the supply of seeds, fertilisers and materials, and in the grant of lease of lands reclaimed by the Government.

As regards the forms which co-operative farming could take, the Commission has, in broad terms, suggested three alternatives. In the first place, the ownership of land may be retained by individuals, but the land may be managed as one unit, the owners being compensated through some form of ownership dividend. Secondly, the land may be leased to the co-operative society for a period, the owners being paid agreed rents or rents prescribed by law. Thirdly, ownership may be transferred to the co-operative society but shares representing the value of land may be given to individuals. The Commission does not envisage any rigidity for these forms, any of which, it says, could be used by itself or in combination with other forms.

There can certainly be nothing wrong, in principle, to the application of co-operation to any sphere of human activity, much less to agriculture. But the question is whether, in the Indian context, it can succeed. A related question is whether the experience of other countries suggests that the experiment in co-operative farming has been a marked success, and, even if it has been a success, whether it could be adopted in this country. The Planning Commission itself has recognised that the "practical achievements" in this field are "meagre" in India. Obviously, it must have had before it some tentative results of the working of about a thousand co-operative farming societies that have been formed in this country. Referring to the working of these societies, the Commission says: "A few of these societies have been successful, but many of them have experienced practical difficulties for which they have not always been able to secure the necessary guidance." This appears to be a gross understatement, in the light of the results of the survey of the work of these societies by the Indian Co-operative Union now made public.

Before we set out some of the notable observations of the Union, it is necessary to record here that, although there are about a thousand co-operative farming societies, there are only a few societies in which the farmers have voluntarily pooled their land resources. This is a very important consideration, for the real test of co-operation is whether it induces farmers to pool their land and whether, in such a situation, co-operative farming succeeds. Many of the co-operative farming societies in India have been established on Government land, with Government capital for the resettlement of refugees or landless workers. In other words, capital and land have been found for the landless labour in co-operative farming societies. This, in essence, means that the workers have got something in return for nothing. It may not be very much wide of the mark to describe the members of these societies as mere wage-earners. But the more important point is that, even in these societies, where members could be normally expected to feel grateful for the generous assistance they have received, there is nothing to suggest that co-operative farming has made significant headway. Is there any reason to think that Co-operation will succeed in a situation in which farmers have surrendered their land to a co-operative society?

To revert to the report of the Indian Co-operative Union. There is considerable evidence, according to the Union, about the "impracticability" of joint farming in regard to co-operative farming societies started in India. Except in a few cases, it is stated, it has been found necessary to revert to individual farming everywhere. The Union cites several instances in support of its view about the "impracticability" of co-operative farming. It refers to a survey of 13 societies (in which farmers had pooled their land) conducted by the Planning Commission. In ten of these societies, most or all members did not actually engage themselves in farming. They were, in fact, a kind of joint-stock estate farm run by a group of absentee landlords with the help of hired labour and established only to secure the concessions given by the Government to co-operative farms. It next cites the experience in Bombay which showed that collective cultivation was not always practicable on resettlement co-operatives. Only a few of the co-operative societies maintained their joint farming character. Even among such societies, some "had already succumbed to the innate urge for individual possession and they remained joint-farming societies in name and had reverted to individual cultivation."

Finally, the Union cites its own experience in its refugee resettlement societies. The first two or three crops were raised on a co-operative basis, the next two on a group basis and all the rest on an individual basis. The continuance of joint cultivation, it is stated, became "nearly impossible, because of factionalism among the members and the executive committee, disputes about the relative intensity of work put in by different members, mistrust regarding the use of funds by the executive and so on." It would appear that, although land was initially allotted for joint cultivation, there had been consistent pressure for individual allotment of land and complete individualisation of farms.

Why is co-operative farming so dismal a failure? The Union answers this question by a reference to the psychology of the farmers. It rightly points out that the sense of property is so deeply rooted in the psychology of the Indian peasant and his attachment to land is so strong—because the social prestige attached to land is so high—that any proposal which deprives the farmer of independent rights of cultivation arouses his "deep and instinctive hostility." It adds: "The very fact that, at every succession of joint family, holdings are sub-divided among descendants is enough proof of this truth. How then can one expect that, when members of a joint family, which is a natural co-operative, seldom keep the holding together, a large number of unrelated families would pool them?" The importance of this consideration was recognised by Mr. D. G. Karve, an enthusiastic co-operator himself, in the course of his presidential address at the recent annual conference of the Indian Society of Agricultural Economics, held at Cuttack. Although Mr. Karve is generally sympathetic to joint cultivation, he averred that, "in the comparatively hard and trying conditions of Indian farming, the incentive of direct personal responsibility for the product is so essential that any weakening of this, not counter-balanced by appreciable advantage on the technological and organisational sides, is likely to prove injurious to the objective of greater production."

He, therefore, said that one might advocate the adoption of joint cultivation only where it was likely to yield better economic results.

Mr. Karve has done well to emphasise a pragmatic approach to joint farming. The importance of such an approach will become clear when it is realised that, even in totalitarian countries, the authorities are beginning to have some second thoughts on joint cultivation, whether it takes the form of co-operative farms or State-owned farms. Thus, the U.N. Economic Commission for Europe, in the course of its latest review of the economic developments in the Continent, points out that, in Eastern Europe, the authorities are engaged in modifying the structure of agricultural co-operatives. In each country, the tendency has been towards a more flexible arrangement. The measures which have been taken in various countries fall under three main heads: Changes in the types and membership condition of co-operative farms; changes in methods of planning in agriculture and changes in policies of agricultural credit. On the whole, it looks as though there is a distinct tendency towards a softening of the original rigour of co-operative or collective organisation of agriculture.

In Poland, a lively public discussion has developed on the aims and methods of agricultural policy, in general, and co operative farming, in particular. In his recent address to the Polish Communist Party, Mr. Gomulka attempted a frank appraisal of the achievements of co-operative farming. He declared that co-operative farming in his country presented a "sad picture." He pointed out that, despite several advantages which the co-operative farms possessed, they had not been able to show better results than proprietor-owned farms. These advantages included preferential treatment in respect of allocation of fertilisers and quota deliveries to the State and land tax, assistance from State machine stations and financial aid from the State. And yet, co-operative farms, he said, showed "smaller results and greater costs of production." If co-operative farming cannot show significant results even in a country where authoritarian rule is possible, is there any reason to think that in a country like India, which has chosen the democratic path, it will be possible for co-operative farming to achieve notable progress?

An aspect of co-operative farming, which has apparently received less notice than it deserves, is that a rapid expansion of such farming in a country like India, with a large surplus agricultural population, may conceivably give rise to—at least in the short run—considerable unemployment. Mr. Karve made a passing reference to this aspect by affirming that "joint farming, in the initial stages, would make more conspicuous unemployment." In Russia the problem is different, for the pressure of population on land is relatively less in that country. From this point of view, it is significant that Japan, which has a large population and a relatively smaller *per capita* availability of land, has not taken to joint cultivation. Despite the small land-holdings (about 5 acres per family) Japan has been able to achieve remarkable progress in its agriculture through adoption of modern farming practices. The only country with a large surplus population on land that has taken to co-operative farming is China. But China has taken to this experiment only recently and no satisfactory solution for the problem of surplus labour has yet been found in that country. Thus, the Indian delegation, which visited China recently, found that surplus labour had been temporarily employed on soil conservation and other work. It, however, doubted whether China could continue for long to provide such opportunities for employment for its labour. Such problems are bound to be met with in India if co-operative farming were pushed ahead at a rapid pace.

Small wonder, then, that the Indian Co-operative Union has sounded a note of warning against "unthinking enthusiasm for agricultural co-operativisation." It has rightly suggested that, "in a democracy, only such co-operativisation is legitimate as would be willingly accepted by the people and help them raise themselves as free individuals." The basic dilemma in co-operative farming, as the Union points out, is that, where the management is democratically elected, discipline is poor and efficiency suffers, and, where the management is authoritative, the co-operatives lose their co-operative character, overhead expenditure increases and disgruntled members go slow. It should thus be clear that co-operative farming is no efficient alternative to peasant proprietorship.

STOCK EXCHANGES IN SULLEN MOOD

BUSINESS MEN APPRECIATE GOVERNMENT ASSISTANCE TO INDUSTRIES

THURSDAY, 5 P.M.

THE share markets have received the New Year—A.D. 1957—in a sullen mood. Although more than a month has passed since the "soak-the-rich" tax proposals were announced by the Finance Minister, the markets have not regained confidence in the future. To a very large extent, the share markets still reflect the investors' mind, notwithstanding the heavy reduction in the number of large-scale investors and the nationalisation of life insurance. The mood of these markets is, therefore, a reliable indication of the reactions of a vast majority of investors. In some of his provocative speeches last month, the Finance Minister vigorously denied that his tax proposals would retard capital formation and check the flow of investments to industries. In other words, he meant that it was wrong to say that investors' confidence would be affected. He is only partly correct, in that capital formation has attained a broad meaning in modern economics. To the extent his proposals are designed to transfer the investible resources from the private sector to the public sector, they do not affect capital formation, assuming that the State is able to utilise these resources judiciously in order to achieve maximum production within the minimum time. This is a big assumption. But to the extent his proposals curb the enthusiasm of the private sector to produce more and make it difficult for it to raise enough resources, they will check progress and the rate of capital formation.

MARKET GOSSIP

Today, the greatest incentive to the private sector is the fear that, if it does not keep itself alive by taking to economic activity as much as possible, its end will only be hastened. Fear, however, is no substitute for enthusiasm born of freedom, cheerfulness, spontaneity and encouragement. It looks as though ere long even this fear will fail to have an effect on private enterprise, if some of the taxation proposals that are in the air are adopted, if the Finance Minister continues to deride the private sector as he did throughout the last month of last year and if the State ceases to have respect for the sanctity of private property. Fear will then yield place to disgust and spendthriftness. Wisdom demands that the Government should cry a halt to such of those policies, actions and observations as are calculated to reduce this country to a nation of spendthrifts.

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While capital formation may go on largely through the activity of the public sector, the fact remains that there has been heavy depreciation in equity values following the recent doings of the Government in the name of socialism. This itself is sufficient to make investors fight shy of putting their savings in equities. Accordingly, the task of raising fresh capital by industries will become more and more difficult for a long time to come, unless the Government suitably modifies its fiscal policy and displays a friendlier attitude towards private enterprise. As Gilt-edged securities also have sustained sizable capital depreciation in recent months, investors may not prefer to have them also in their portfolio. Since, however, banks are now offering nearly 4 per cent. for short-term deposits, it will not be surprising if they are inclined to lodge their savings with these institutions and hope for the best or wait till the situation clears itself. There is thus every possibility of bank deposits going up.

Apart from the fact that the new tax proposals and the fear of still more taxes in the current year have upset the confidence of investors, there are also other reasons for the continued slump in shares. Quite a number of speculators have suffered heavy losses and it is feared that one or two parties may fail to pay the differences in the current settlement. For more than three months, bulls have been paying out while the bears have been receiving differences. This has disheartened the former and encouraged the latter to take an aggressive attitude. Just as a bull phase feeds on itself for some time so does a bear cycle. When life insurance was in the hands of private enterprise, it used to provide a corrective to this trend by extending support to good scrips when they fell to tempting levels. Under the State sector, it has ceased to operate in that fashion. It is, therefore, not easy to say as to when equities will recover, though several of them are now standing at levels at which the yield is fairly attractive.

Another factor that is sustaining the downward trend of share markets is the stringency of the money market. Difficulty in getting credit and the rise in interest rates have reduced the holding capacity of the bulls. Many financiers, who used to spare their funds for carrying forward bull positions, have diverted their resources to other sources where rates of interest are high and risks are relatively less. The introduction of the compulsory deposit system, coupled with the expansion of industries, seems to have greatly reduced the chances of some of the industrial and business magnates dabbling in shares. It would thus appear that, for a fairly long time to come, the share markets will be entirely at the mercy of small and medium-scale investors who are slow to act and timid by nature.

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There is, of course, another side to the coin. And it is that, as development proceeds, more savings will be created and with that share values also will rise. Although the Finance Minister has repeatedly stated that deficit financing cannot be practised, he has also been saying that the Plan outlay, which has been increased by Rs. 500 crores, cannot be reduced. There is an element of exaggeration in both the statements. Neither the entire Plan is going to be implemented—that is physically beyond the capacity of the country—nor can deficit financing be avoided completely. A certain amount of inflation is inevitable and, despite all the controls and taxes that may be imposed, it is bound to reflect itself in equity values, assuming, of course, that the Government will not resort to any confiscation of private property either overtly or covertly. Consequently, those who stick to their investments for a fairly long period can hope to see an appreciation in the value of their investments once again. And in that hope it will not be injudicious to make selective buying of good shares.

It will be quite pertinent to mention in this context that the Government itself expects properties and investments in shares to appreciate in value as a result of the implementation of the second Plan. The introduction of Capital Gains Tax itself is based on that assumption. In order to make this point clear, we may recall the Finance Minister's justification for introducing this tax. "For a developing economy like ours," he said, "it is necessary to take early action, as the implementation of the programmes is certain to create conditions in which assets of all kinds will appreciate and it is only fair that the exchequer should get a proportion of these incomes when realised in the form of capital gains."

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Then, again, while it is true that Mr. Krishnamachari has said enough during the past four weeks to frighten investors, there is also the fact that he has promised to administer the scheme of compulsory deposits in a liberal manner, provided the business community co-operated, which it is ready to do. His threat to introduce fresh taxes in season and out of season was probably made only as a retort to some of his critics. It may also have a political significance. It must not be forgotten that, all said and done, Mr. Krishnamachari is a realist. He knows the limitations of the public sector. In his heart of hearts, he must be convinced that a vigorous private sector is necessary to carry out the bulk of the task of economic development. He cannot deny that the success of the first Five-year Plan, on which the Congress Party seeks to cash in in the forthcoming general elections, is mainly due to the efforts of the private sector. He will soon realise, if he has not already done so, that there is always a last straw on the camel's back and that he and his Party will need the camel of private sector to carry them through safely in the 1962 elections. It will not, therefore, be overoptimism to hope that the Budget in February will be a "lame duck," to use his expression. If it is argued, as most people do, that more than the new tax proposals, it was his bellicose attitude towards the private sector that was responsible for the landslide in equity values, then there is reason to hope that things will improve in the not distant future. He cannot afford to stick to that attitude for long.

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The latest crop reports can be regarded as a source of comfort to share markets. They reveal that the production of cotton, foodgrains, oilseeds and jute may be much better than was expected earlier. The chances of commodity prices going down to more reasonable levels are, therefore, brighter. The crisis in West Asia has calmed down following the exit of Anglo-French-Israeli forces from the Egyptian soil. Work in connection with the clearing of the Suez Canal has begun and is going on briskly. These events also point to the possibility of a downward trend in world commodity prices at an early date. A slight reversal of the trend of interest rates in Britain and on the Continent is also not unlikely. The real significance of these developments to share markets in India must be clearly understood. In recent months, we have witnessed a severe drop in the value of equities, while the general price level of commodities was rising. This was due to the Government's policy. Fears of inflation—and deterioration in the world political situation drove it to adopt a policy inimical to equities. If commodity prices decline and the international political situation improves, this policy is likely to be relaxed to some extent. Restrictions on credit, for instance, may be slowed down and the rate of deficit financing may be increased. Similarly, if the chances of getting foreign aid improve, the Government may be less inclined to impose fresh tax burdens.

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The considerable restraint with which business men and industrialists express their opinions and the constructive outlook which they display in making their suggestions to the Government are certainly a notable trend in this country's affairs. It is noteworthy that these representatives of the relatively more substantial private sector, which really stands to lose through the recent changes in the Government's industrial and fiscal policy, far from entertaining any hostility or opposition to the Government, are prepared to make their contribution to the country's welfare. Their attitude is one of responsible co-operation which they seem to exhibit in a spirit of true detachment—that is, irrespective of whether it evokes a sympathetic response or not. If this attitude induces the Government to take less doctrinaire and more practical decisions, it may still make a significant difference to the country's economic future.

An evidence of this constructive attitude is be found in the speeches of the chairmen of the three leading companies, which held their annual meetings, during the closing days of last year—Mr. J. R. D. Tata of the T.E.L.Co., Mr. Ramaswami Mudaliar of the India Steamship and Lala Shri Ram of the Delhi Cloth and General Mills. Mr. Tata, referring to the Government's decision to submit the controversy between his company and the Railway Board, to the Tariff Commission, paid a well-deserved tribute to the Government's sense of justice and fairplay. He said: "In these days, when Government has almost unlimited powers with which to enforce its will, it is gratifying and reassuring to note that, in an industry in which Government is itself a competitor as well as the sole customer, it decided to refer a dispute about costs and prices to an impartial statutory inquiry and abided fully by the resulting recommendations, even though they went, to some extent, against its views." This inquiry has certainly cleared the air, so that the Company, as Mr. Tata himself hoped, should be able to look forward to a period of close and fruitful co-operation between itself and the authorities in the further development of the locomotive industry.

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The attitude of the shipping industry to the Government's economic policy was expressed by Mr. Ramaswami Mudaliar in no less felicitous terms. On behalf of the Company, he gratefully acknowledged the assistance given to it for expanding its fleet. He recalled the observation made by Mr. Lal Bahadur Shastri, ex-Minister for Railways, to the effect that it was not the Government's intention that shipping in the public sector should run in competition on routes in which existing private shipping companies have established themselves. He added: "I trust the categorical statement of the Hon'ble Minister will continue to be the basic policy in the expansion of shipping in the public sector." After referring briefly to the fact that the achievements of the Indian shipping industry were by no means "inconsiderable," that it had established itself against heavy odds, he expressed his confidence that the development of national shipping in the private sector would continue to be encouraged by the Government.

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Lala Shri Ram, after suggesting the dropping of the practice of frequently raising the controversy over the public *versus* the private sector, went on to a dispassionate examination of the problems of the textile industry, especially of its role in the country's export trade. He pointed out how, in the last three years, production of cloth had expanded while exports had gradually declined. He attributed this divergent trend in the production and export spheres to the increase in domestic demand for cloth which makes it more profitable for mills to sell on the home market than to sell for export and to the Government's policy in limiting the expansion of the weaving side of the mill industry. He, however, welcomed the Government's decision to license the installation of 14,600 automatic looms and to revise upwards the cloth target from 18 yards to 18.5 yards *per capita*. But he felt that the target should be raised at least to 20 yards. He rightly warned that the country could not afford to risk a shortage of cloth.

Although Lala Shri Ram felt that the fear that the increase in mill capacity would adversely affect the handloom industry was unwarranted, he suggested that the Government could, after fixing annual targets for cloth requirements, allow the handloom industry a progressively rising proportion of the target in succeeding years, provided the handloom industry could undertake the production effort. He even suggested that, if mills were found, at any stage, to restrict the output by handlooms, the Government could resort to scaling of a small percentage of mill looms. As regards exports, he made the suggestion that the interest of the country would be served better by making all mills share in the task of promoting exports than under the present arrangement whereby only those mills installing the new automatic looms had obligations for cloth exports. Amplifying this suggestion, he said the Government could insist upon all composite mills to export a certain minimum percentage of their cloth output. These suggestions seem to break much unconventional ground in addition to their being in full conformity with the Government's textile policy. But, in trying to fall in line with the Government's thinking, he seems to have ignored considerations of practicability. The point is that, basically, the Government's textile policy is full of muddles and any proposal which seeks to effect a compromise with it, however cleverly designed it may be, cannot be free from that defect and will only constitute a hotchpotch solution.

EXPORT-IMPORT BANK'S LOAN TO U.K.

The Export-Import Bank of the United States has agreed to lend the U.K. Government $500 million to help finance purchases of American oil, coal, tobacco, wheat, steel and other commodities. The credit has been established against Britain's holdings of U.S. dollar securities. According to the Agreement, drawings may be made at any time during the 12 months following the date of the Agreement—21st December 1956. The loans will be repayable in nine semi-annual instalments, beginning three years after each disbursement, thereby making a total repayment time of seven and a half years. The interest charge is fixed at 4⅛ per cent. which compares favourably with 5½ per cent. or even higher charges customarily made by the Export-Import Bank for unsecured loans.

It is expected that substantial drawings will be made by Britain against the line of credit for payments in order to maintain the reserves and strengthen the confidence in sterling.

It will be recalled that, 11 days prior to this Agreement, the I.M.F. had sanctioned a loan of $1.300 million to Britain of which $561,470,000 was made available immediately.

EQUITIES RULE WEAK

NEW YEAR BRINGS FURTHER FALL IN PRICES

(From Our Own Correspondent)

BOMBAY, *3rd January*

THE turn of the year 1956 did not bring any cheer to the share market. On the other hand, equities which closed the past year on a depressed note developed fresh weakness during the first two sessions of the New Year. Official trading for 1957 opened yesterday (after a respite of ten days on account of Christmas and New Year holidays) on a subdued note, with no signs of any fresh support forthcoming even at attractively low levels. With all eyes turned to Laxmibai Nagar (Indore), the venue of the 62nd session of the Indian National Congress, which commences its deliberations today, operators preferred to await the resolutions of the Congress on the economic policy to be followed by the party if returned to power again. Meanwhile, rumours about payment difficulties in the current settlement caused a further landslide in prices.

During the closing week of the past year, equities displayed a nervous tone on reports of heavy offerings in Indian Irons in Calcutta. Fears of levy of heavier excise duties, following the passing of the Bill seeking to vest powers in Government for raising excise duties up to a maximum of 50 per cent. by executive notification during the period when Parliament is not in session, threats of higher taxation and reports of accumulation of cloth with mills and lower prices fetched abroad for Indian cloth accentuated the downward trend.

In the steel section, Tata Ordinaries steadied up from Rs. 176-12 on 13th December 1956 to Rs. 178-8 before winding up at Rs. 173-8 on 22nd December, the last day of business for 1956. There was a further recession during the last two days, the closing today being done at Rs. 171. After an initial hardening from Rs. 30-8 to Rs. 30-12, Indian Irons slided back to Rs. 28-15 *ex-div.* on 18th December, at which level some support on the news that the Company had been granted a loan of $20 million by the World Bank, was forthcoming lifting the shares up to Rs. 29-8½ on the 21st December. The recovery was short-lived and the shares gave way to Rs. 28 today. The World Bank loan to the Company will carry interest at the rate of 5 per cent. and is repayable in 7½ years from 15th April 1960.

Textiles were the worst sufferers, the recession being more marked during the last two days. Bombay Dyeings, after moving up from Rs. 592-8 on 13th December to Rs. 600, retreated to Rs. 581-4 on 22nd December. Opening the New Year lower at Rs. 563-12, the shares fell further to Rs. 555-10 today. Centurys were marked down from Rs. 521 to Rs. 502-8. Kohinoors were on offer and dropped from Rs. 328 to Rs. 317-8. Central Indias lost Rs. 3 to Rs. 126. Finlays dipped from Rs. 316 to Rs. 304-12 and Gokaks from Rs. 233-8 to Rs. 221. A loss of As. 3 was noted in Indu Ordinaries at Rs. 11-6½. Indore Malwas were, however, better by Rs. 3-12 at Rs. 139-6. Khataus shed Rs. 5 to Rs. 222-8. New City Mills declined from Rs. 155-10 to Rs. 147-8 and New Great Easterns from Rs. 247 to Rs. 245. Podar Mills were done Rs. 5-10 lower at Rs. 165. Shree Niwas receded from Rs. 202-8 to Rs. 192-8, Simplex from Rs. 186 to Rs. 182 and Standards from Rs. 447-8 to Rs. 442-8. Svadeshis shed Rs. 4 to Rs. 228-8 and Tata Mills Rs. 2 to Rs. 48. Vishnu Mills reacted from Rs. 158-12 to Rs. 140.

Bank shares displayed an easy trend, with the threat of competition from the new State-owned financial institution which (the Finance Minister on 24th December announced), the Government proposed to start to advance short-term loans to industries. Barodas suffered a loss of Rs. 3-8 to Rs. 99. Centrals were lower by Re. 1-8 at Rs. 51-8 and their new shares by As. 8 at Rs. 55-4. Bank of Indias gave way from Rs. 141 to Rs. 137-8 and Union Banks from Rs. 7-8 to Rs. 7-1½. United Commercials shed Re. 1 to Rs. 53-8.

Moderate losses were common in electricity shares, which lacked support. After an initial rise from Rs. 93-2 to Rs. 94-11 on investment buying, Ahmedabad Electrics gave way to Rs. 92-8. Bombay Suburbans, after being done at Rs. 107-8 *ex-div.*, as against Rs. 111-4 *cum-div.* on 13th December, closed at Rs. 108-2. Surats receded from Rs. 113-2 to Rs. 109-6. Tata Hydros fell sharply from Rs. 126-8 to Rs. 120. Tata Powers, after an initial advance from Rs. 1,230 to Rs. 1,245, gave way to Rs. 1,225. Andhra Valleys finished at Rs. 1,207-8, after being done at Rs. 1,210.

Insurance shares were far from lively in the face of a general depression. New Indias were steady at Rs. 43-8 and Indian Mercantiles at Rs. 41. Some business passed in Orientals today Rs. 15 higher at Rs. 3,655 on reports that the Company would not be wound up, but would be converted into an investment company.

The miscellaneous section followed the general trend with all-round recession. Sugar shares were very depressed during the period before the holidays on fears of an increase in excise duty. During the last two days, however, they ruled steady. Belapurs, after being depressed from Rs. 248-8 to Rs. 241, finished today at Rs. 242. Phaltans dropped Rs. 4-8 to Rs. 143-8 and Walchandnagars Rs. 11-14 to Rs. 260-10. Cements also were weak earlier for the same reason, but towards the close the selling pressure abated. Associated Cements, after reacting from Rs. 133-8 to Rs. 130-8, recovered to Rs. 132. Digvijays shed on balance Rs. 2-4 to Rs. 151-8. Jaipur Udyogs were quiet at Rs. 11-12 and Orissa Cements at Rs. 13. Among engineering and mining shares, Alcocks were conspicuous with a heavy marking down from Rs. 287-8 to Rs. 263-12. Tata Locomotives received some support earlier in the period under review and rose from Rs. 164-8 to Rs. 167, but lost ground to Rs. 162-8 at the close. Larsen and Toubros were quiet at Rs. 15-12, while Premier Constructions closed with a loss of Rs. 5 at Rs. 185-8. Shivrajpurs declined from Rs. 90 to Rs. 86, while Indian Coppers were steady with a gain of As. 3½ at Rs. 3-10½. B.B. Petrols were also steady at Rs. 2-13½.

Shipping shares attracted good support earlier, but later on the general weakness of the market caused a minor setback. Scindias gathered strength from Rs. 18-5 to Rs. 19 before closing at Rs. 18-7½. Great Eastern Shippings moved up from Rs. 17 to Rs. 17-6, but reacted to Rs. 17 at the close. Their right shares were done As. 7 lower at Rs. 4-14. In the automobile group, Hindustan Motors were depressed at Rs. 7-10, while Premier Automobiles finished at Rs. 103, after gaining from Rs. 101-8 to Rs. 106.

In the miscellaneous group, Bombay Burmahs were firm before the holidays on good support and rose from Rs. 650 to Rs. 690-10 on optimistic expectations of settlement in regard to capital reconstruction. While the negotiations failed, two arbitrators were appointed to give an award. The arbitrators whose award was announced on 21st December, fixed the compensation at 10,000 shares of Rs. 125 each for the abolition of the special rights of founder shares. The scheme now awaits the sanction of the High Court and the consent of the Government. Subsequently, the shares dropped to Rs. 656-4 at the close. National Rayons, after an initial improvement from Rs. 245-4 to Rs. 249, lost ground to close at Rs. 238-12. British India Corporations changed hands As. 14 lower at Rs. 8-7. Hindustan Levers, which have been officially listed on the Stock Exchange, were done at Rs. 18-10. Killick Industries shed Re. 1 to Rs. 165. Tata Chemicals were done As. 6 lower at Rs. 16-10. Tata Oils were quiet at Rs. 44-12. Wimcos were put through Rs. 4-6 lower at Rs. 165-10.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *2nd January*

Although the period under review covers almost three weeks, the number of sessions held on the Calcutta Stock Exchange was limited in view of the season's holidays. All the same, values declined gradually, and it appeared as though buyers were enjoying a longer holiday! The Finance Minister's several statements left no doubt that industry need expect no relief in taxation, but that taxes would be increased progressively in order to bridge the gap between the Plan's expenses and internal resources and to keep down deficit financing to the minimum. The draft of the Congress Party's election manifesto gives a clear picture of the socialistic pattern of society as envisaged by the Party which is bound to be returned to power for another term. These factors kept operators and investors athinking. With high taxation and statutory provisions for increased labour amenities the question is being asked whether companies would be able to declare as satisfactory dividends as in the past.

However, the period under review was not free from favourable developments. The import policy for the half-year to June next, which reduces quotas of several consumer goods produced within the country and thereby envisages a saving of Rs. 30 crores worth of foreign exchange for utilisation in productive channels, was welcomed. The grant of a loan of $20 million by the World Bank to the Indian Iron and Steel Company, Ltd., the improved prospects for greater assistance from the U.S. as a result of the recent visit of Prime Minister Nehru, and the Finance Minister's declaration putting at rest fears of an increase in the Bank rate should have normally resulted in some enthusiasm, but the fear of lower dividends was too strong.

Jute shares were for a time better, but as the increase in the prices of jute goods restricted business with overseas countries, shares declined. Nationals opened at Rs. 20-14 and by closing had declined to as low as Rs. 18-10. From Rs. 53-8, Ganges gained to Rs. 56, but closed at Rs. 54-8. Howrahs were unchanged at Rs. 20, while Fort Glosters met with business at Rs. 310, as against Rs. 363 previously. At Rs. 120, Indias lacked interest, but Belvederes, after being lower at Rs. 113-8, were pushed up to Rs. 117. New Centrals hovered between Rs. 13-1 and Rs. 13-8. Deltas regained to Rs. 128 from Rs. 121-8 and Megnas to Rs. 69 from Rs. 68.

Although in common with the rest of the market coals were shown sparse interest, Burrakurs continued to command attention. The quotation was throughout maintained above Rs. 21, while from Rs. 6-12 Central Indias fell to Rs. 6-3. At Rs. 57-4, Khatras Jherriahs were better as were Western Bengals at Rs. 6.

Among textiles, while Kesorams were pushed down to Rs. 14-14 from Rs. 16-3, Dunbars were lifted to Rs. 210 from Rs. 205.

Indian Coppers, in the mining section, after recovering to Rs. 3-12, closed at Rs. 3-10. On the other hand, Burma Mines were steady at Rs. 3.

Selected counters in the engineering section were in better form. Richardson and Cruddas opened at Rs. 22-9 and, after receding to Rs. 21-8, rose to Rs. 24 on interested buying. Kumardhubis at Rs. 8-15 were better by a few annas, but Indian Galvanisings fell to Rs. 18-11 from Rs. 20-8. Guest Keen Williams, a new entrant, came to business at Rs. 23-6 and subsequently on interested buying rose to Rs. 23-10. On the other hand, Texmacos eased to Rs. 19-11 from Rs. 20-9. Jessop & Cos. were at one time lower at Rs. 29-4, but closed better at Rs. 30-4. Burn & Cos. were a shade lower at Rs. 316-8.

Indian Cables highlighted the attention of operators in the miscellaneous industrials section on publication of a highly encouraging statement by the Chairman in regard to the working of the Company during 1955-56. The counter rose to quote as high a rate as Rs. 33 from Rs. 28-13. At Rs. 26, Champaran Sugars scored an impressive gain of Rs. 5. Dunlop Rubbers, after being easier at Rs. 25-10, recovered to Rs. 25-12. Orient Papers were at one time done higher at Rs. 32-7. Niccos were taken down to Rs. 22-14, but soon recovered to Rs. 25-12. National Rollings were quiet at Rs. 9-9 as were Martin Burns at Rs. 22-8.

Although there was a decline in the number of transactions in the tea section, the immediate prospects for the tea industry attracted a good portion of the funds in the market. A distinct feature was the gain in Naga Hills to Rs. 41 from Rs. 32-2 previously. Banarhats were higher at Rs. 327, as against Rs. 305 earlier. Hantaparas lost to Rs. 182 from Rs. 213, and Methonis to Rs. 20 from Rs. 21-8.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *2nd January*

The Madras Stock Exchange depicted a distinctly bearish trend during the three-week period under review. The recent pronouncements of the Union Finance Minister that he would not hesitate to come out with fresh tax proposals any number of times in a year both in season and out of season acted as a great damper on the market. Operators were apprehensive about the possibilities of introduction of taxes such as those on wealth, expenditure and gift. They were also apprehensive about the threat of possible increase in wages for labour, leading to a rise in the production cost of various industries. All these factors induced large offers of equities at substantially reduced rates. Even reports of efforts being made to arrive at an amicable settlement of the dispute over the Plantation Award failed to have an effect on the market.

Textiles came in for heavy selling and suffered sizable losses. Bangalore Woollens moved down by Rs. 20 to Rs. 542-8. Dhanalakshmis fell by Rs. 17 to Rs. 370. Metturs dropped Rs. 12-8 to Rs. 422-8. Buckinghams receded by Rs. 10-8 to Rs. 175-8. Radhakrishnas and Vasantas declined by Rs. 10 each to Rs. 335 and Rs. 330, respectively. Coimbatore Cottons slipped by Rs. 6-4 to Rs. 378, Saradas shed Rs. 4 to Rs. 126, Janardhanas Rs. 3-4 to Rs. 101 and Rajalakshmis Rs. 3 to Rs. 86. Rayalaseemas lost Rs. 2 to Rs. 86. Pankajas were lower by a like amount at Rs. 78. Virudhunagars eased by a rupee to Rs. 37.

In the plantation section, rubber shares were neglected in the absence of buyers. Travancore Rubbers climbed down by Rs. 3-6 to Rs. 20-4. Rajagiris dropped As. 6 to Rs. 23-2 *cum-div.* Cochin Malabars and Pullangodes decreased by As. 4 each to Rs. 9-3 and Rs. 2-9, respectively. Thirumbadis lost 18 pies to Rs. 2-1-6. Among tea shares, Chandramalais gave way from Rs. 4-13 to Rs. 4-6-6. Nilgiris weakened by As. 4 to Rs. 8-14. Devons were on offer As. 2 lower at Rs. 17-6. Chembras lost an anna to Rs. 3-11. Blue Mountains were done at Rs. 5-3-3 *ex-div.*, as against Rs. 5-4 *cum-div.* (15 per cent.). Deals in coffee shares were put through at reduced values. Consolidated Coffees dropped As. 12 to Rs. 20-2 *cum-div.* Coffee Lands declined by As. 2 to Rs. 26-6 *cum-div.* Mysore Coffees shed a similar amount to Rs. 2-8.

Among miscellaneous industrials, Rallis encountered selling pressure and fell by Rs. 2-8 to Rs. 39. Indian Steel Rollings were marked down by Re. 1-12 to Rs. 12. Aluminium Industries were on offer Re. 1-6 lower at Rs. 20-2. Mysore Papers retreated by Re. 1-2 to Rs. 16-4. India Cements receded by As. 7 to Rs. 28-11. Travancore Rayons were dull at Rs. 13-15, as against Rs. 14-6 three weeks ago. Andhra Cement 'B's and Singarenis lost As. 6 each to Rs. 15-2 and Rs. 11-4, respectively. Spencers shed As. 5 to Rs. 16-3. F.A.C.Ts eased by As. 3 to Rs. 6-6.

The U.S. Department of Commerce reports that world natural rubber production in October 1956 was 155,000 tons, as against 172,500 tons in October 1955. World output in the first ten months of 1956 aggregated 1.5 million tons, 2.6 per cent. less than the production in the comparable period of 1955. Consumption of natural rubber during the period was 1.5 million tons, 17,500 tons higher than in the same period of 1955. Synthetic rubber production for October is estimated at 100,000 tons, slightly higher than last year, and consumption at 102,500 tons, 97,300 tons higher than last year.

NEWS IN BRIEF

INDIA imported 1.8 million tons of foodgrains during 1956.

The Railway Board has ordered the survey of the 120-mile stretch between Chinna Salem and Chinglepet for laying railway tracts.

During 1955-56, the Development Wing of the Ministry of Commerce and Industry sanctioned 89 industrial schemes involving foreign collaboration.

The Government of India has decided that the export duty on tea during January should remain at the same level as in December last, namely, eight annas per pound.

An Agreement for providing assistance upto $20 million towards the capital cost of the Kundah project has been signed in New Delhi by the Governments of India and Canada.

The Union Ministry of Natural Resources has taken Kerala as a whole for geological survey of gold, lignite, and non-ferrous metals. It is also considering the proposal to offer the services of geological experts for conducting a preliminary survey of the coastal areas of Kerala for prospecting oil.

The Government of India has decided to license freely the export of woollen yarn other than hand-knitted wool to all permissible destinations excluding the Portuguese possessions in India, up to the end of December 1957. The Government has also decided to license freely the export of sisal floor coverings such as mattings and carpets.

Air India International will buy three jet aircrafts manufactured by the Boeing Corporation of the U.S. and will arrange for American private financing—as loan—to pay for them. The total cost of the airliners is estimated at about $18 million. Negotiations for American financing have reached an advanced stage and the General Manager of the Company is going to New York to finalise the arrangements. It is reported that some leading banks are joining together to put up the bulk of the required amount, with the World Bank lending the remainder.

The U.S. Agricultural Department has authorised India to buy for rupees an additional $22.1 million worth of U.S. wheat or wheat flour. The authorisation is an amendment to the original Public Law 480 Authorisation which permitted India to buy $56.3 million worth of wheat or flour and is part of the agreement between the two countries providing for purchase of U.S. surplus commodities over a three-year period. This authorisation completed the purchase of commodities in the first year. According to the Department of Agriculture, sales contracts can be made until 31st August 1957, with deliveries to India not later than 30th September 1957.

The packing charges for cement for the current quarter have been fixed by the Government of India at Rs. 13-1 per ton. These charges are applicable to cement packed, in new bags only. Cement packed in old bags will be a matter for settlement between the buyer and the seller subject to the above maximum. There will, however, be no change in the equalised f.o.r. destination price of Rs. 102-8 per ton announced in the Cement Control Order of 26th June 1956, on account of the quarterly revision in the rate of packing charges for cement. Such changes in the rate of packing charges will apply only for the supply of loose cement.

A team of eight Indian technicians left for the United States recently on a six-month in-plant training course under the Technical Co-operation Programme. Five of the team are railway workshop foremen who will study modern techniques of welding, locomotive repair, track circuits and centralised control on the U.S. railroad networks. Two are for aircraft engineering and telecommunications and one will study the latest type of fertiliser equipment and accessories. The project, jointly sponsored by the Union Labour Ministry and the Technical Co-operation Mission, is designed to provide advanced training to improve plant performance in productivity and technology of the various industrial projects under the second Five-year Plan.

From Abroad

The Council of States, the Upper House of the Swiss Federal Parliament, has approved an agreement under which the Swiss Government will extend a loan of 200 million Swiss francs (£17 million) to the World Bank.

The flow of oil from the U.S. to Western Europe increased to 421,000 barrels daily during the week ended 19th December 1956, a gain of 34,000 barrels daily over the preceding week. Since 1st November, 20,734,000 barrels of U.S. oil have been moved by tankers to Western Europe.

The United States Atomic Energy Commission has reported that it now requires about $2,000 million a year to operate its vast and far-flung programme. Capital investments in plants, property and other equipment have grown from $1,200 million in 1947 to nearly $7,000 million at present.

The Japanese Plant Export Association is considering plans to export to Pakistan two fertiliser plants valued at 38,000 million yen. One plant, with a daily capacity of 100 tons of urea and ammonium nitrate, is destined for West Pakistan and the other, with a 50-ton daily capacity, for East Pakistan.

Austria joined the multilateral foreign currency arbitrage system of ten European Payments Union countries on the 2nd inst. This will enable Austria to take advantage of direct foreign currency traffic among the countries concerned and to make use of differences in currency exchange rates on various markets.

Peko Mines, producers of copper in the Northern Territory, Australia, have proved the presence of ore reserves for 20 years' operations at the present rate of 200 tons of copper ore daily. At a proposed higher rate of 400 tons a day, the total reserves would be sufficient for about ten years. Early in 1957, a daily output of 300 tons is expected.

Orders for steel in the United States are in excess of production, even though the steel mills recently established a record of 102.4 per cent. of capacity. Demand is strong for virtually all categories of steel, particularly plates and structurals. Production is expected to exceed 115 million tons, despite the 34-day strike last summer. This is 2 million tons below the all-time record set in 1955.

The introduction of an oil allocation scheme for Western Europe will be examined shortly by the Governments concerned on the basis of a study just completed by a special group of O.E.E.C. experts. Meanwhile, the O.E.E.C. Oil Committee has decided on urgent action to assure priority supplies for Sweden, Greece and Turkey which are especially affected by the diminution of shipments from West Asia. The O.E.E.C. Emergency Group of big oil companies (O.P.E.G.) has been given instructions to this end.

According to Dr. Marcus Nadler, consulting economist of the Hanover Bank of the United States, the present boom in the U.S. economy will end sometime in 1957 or in the first half of 1958. This will be brought about by reduced availability of credit and capital, excess of productive capacity over effective demand, and desire of many individuals to reduce their outstanding indebtedness. Any decline that might take place in the future is not likely to go far, nor last long, as the U.S. economy is basically sound.

West German steel output is estimated to have reached a record of 23 million metric tons and is expected to touch 25 million tons in 1957. This makes West Germany the third biggest steel producer in the world, behind the United States and the Soviet Union but ahead of Britain. Britain's estimated output in 1956 is between 20 and 21 million tons. It hopes to produce 23 million tons in the current year. The U.S. produced 115 million tons last year and hopes to reach 125 million tons in 1957. Russia produced 55 million tons in 1956.

The Chinese Government is increasingly favouring British technical aid as well as expanded mutual trade. But it insists that such aid and trade will be flatly refused, if any political strings are attached to it. The first delivery of imported British tractors made recently was greatly welcomed in China. The tractors would appear to have met all requirements and won a reputation for cheapness. Chinese planners hold that there will be an increasing market for British tractors, although the Government is committed to the policy of encouraging expansion of local manufacture.

PERSONAL

PRIME Minister Mr. Nehru returned to India on Friday 28th December 1956, after his epoch-making visit to the U.S. and Canada.

Mr. H. N. Huksar, Indian Ambassador in Ankara, arrived in Bombay from Genoa last Thursday.

Mr. L. T. Madnani has been appointed new Railway Adviser to the High Commissioner for India in the United Kingdom in place of Mr. R. H. DaCosta.

Mr. B. P. Singh Roy has been renominated as Chairman of the reconstituted Coal Transport Advisory Committee set up by the Union Production Ministry.

Mr. Morarji R. Desai, Minister for Heavy Industries and Commerce and Consumer Industries, will henceforth be designated as Minister for Commerce and Industry.

Mr. P. C. Mukerjee, formerly Member (Engineering), Railway Board, has succeeded Mr. G. Pande as Chairman, Railway Board, on the latter's relinquishing charge of his post on 31st December 1956.

Mr. J. K. Srivastava, Chairman, Board of Directors, New Victoria Mills Company, Ltd., Kanpur, has been elected President of the Upper India Chamber of Commerce, Kanpur, for the year 1957.

Mr. Anandilal Poddar, a prominent businessman of the city of Calcutta and Chairman of the Sone Valley Portland Cement Company, Ltd., has joined the Board of Directors of the Calcutta Tramways Company, Ltd. Mr. Poddar is the first Indian to join the Board of this Company.

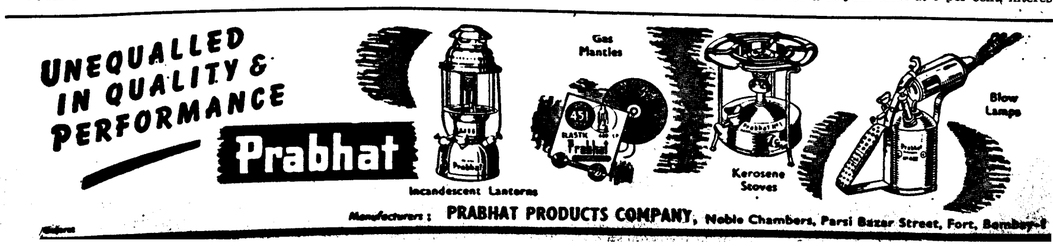
Mr. William Gibson-Parker, Deputy Director of the Radio and Visual Services Division of the United Nations, has been named Director of the Information Service at the European Office of the United Nations in Geneva. He will take up his new duties on 2nd January 1957, succeeding Mr. Jerzy Szapiro, who has retired from U.N. Service.

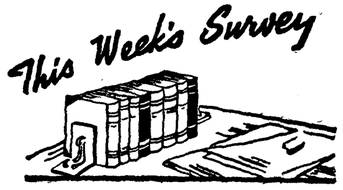
Professor Mahendra Nath Borah, Vice-Principal and Professor of Agronomy at the Assam Agricultural College, is conducting research in Britain aimed at gaining the most advanced knowledge on the growing of potatoes in Assam. He is in the United Kingdom as the holder of a two-year fellowship under the Technical Co-operation Scheme of the Colombo Plan.

The report of the Foreign Affairs Committee of the U.S. House of Representatives has recommended a slowing down of U.S. foreign aid. Less money spent so as to "meet the realities of 1957" would, it is said, do more to further U.S. aims than the present multi-million dollar programme. The report has suggested that U.S. economic aid should be almost entirely in loans, not gifts, as lender-borrower relations are better than those between giver and receiver. It has also suggested easing of the U.S. embargo on shipments of strategic goods to the Soviet bloc, as Britain and other allies of the United States have urged.

The Federal Maritime Board of the U.S. has ordered 40 more cargo vessels to be released from the U.S. "moth-ball" fleet. The ships will be divided against 28 shipping lines for the transport of Government foreign aid and surplus agricultural commodities. The Maritime Administration Office places the total number of vessels released from the "moth-ball" fleet since early August at 112. It may be mentioned here that the Department of Agriculture and the International Corporation Agency had urged putting the Government-owned vessels back into service in order to move Government foreign aid and surplus farm products. The charter rate will be $127.282 a year for Liberty ships and $185,138 for Victory ships.

Japan has received two World Bank loans aggregating $24.3 million for building a steel strip mill near Tokyo and for land reclamation projects. One of the loans, of the value of $20 million, is made to the Japan Development Bank, a State agency which will re-lend the proceeds of the loan to the privately owned Kawasaki Steel Corporation for the construction of the strip mill. The second loan on similar terms is equivalent to $4.3 million in various currencies and is for land reclamation projects and for increasing imports of dairy cattle. The First National City Bank of New York is participating in the loan, without the World Bank's guarantee, to the extent of $1.25 million. It is for a 15-year term at 5 per cent. interest.





LABOUR PROBLEMS

INDUSTRIAL peace is a subject of common interest to both the Government and the private employers, considering that it is vital to the implementation of the industrial programmes in the country, whether they have been undertaken in the public or the private sector. Now that the country is in the first rung of the second Five-year Plan, it was perhaps wise on the part of the Government of India to have convened a conference of State Labour Ministers which was held at New Delhi last week, to consider important labour matters. It is, however, unfortunate that the information on what transpired at the conference is somewhat meagre. The essential approach of the Government towards labour problems, outlined by the Union Minister for Labour, Mr. Khandubhai Desai, at the conference, was, however, on the lines that have been indicated in the second Five-year Plan. As is well known, the Plan emphasises social security for workers, improved amenities, appropriate share in the wealth produced and participation of labour in management.

Mr. Desai, in the course of his speech, dealt at some length on certain specific issues, namely, health insurance scheme, provident fund, wage boards, labour courts and participation of workers in management. Much progress has already been made in the direction of extending the benefits of health insurance to industrial workers, of whom more than a million are now brought under the scheme. The Government has also decided to make available the benefits under the scheme to the families of insured workers. A substantial part of the additional expenditure involved in the extension of the scheme to workers' families, it is stated, will be borne by the Corporation, though there may be a slight increase in the contribution made by the States. In any case, such extension has made the scheme more popular among the workers.

Like the State insurance scheme, the provident fund scheme has been gradually extended to cover an increasingly large section of industrial workers. The Government has also enacted legislation, extending the scheme to the employees working in commercial firms and other establishments which are not industrial establishments. Mr. Desai urged the conference to consider the proposal for increasing the contribution by workers as well as employers from 6¼ per cent. to 8-1/3 per cent. He pointed out that, if this increase were effected, the Government would have at its disposal money to the extent of 16-2/3 per cent. of the wage bill for financing schemes for national development. The consensus of opinion in the conference, it is stated, was that this increase should be effected. But it is not clear whether the decision was actually taken.

Defending the Government's decision to constitute wage boards in various industries, Mr. Desai pleaded for a rationalisation of wage-structure. He said: "We have some sort of wage structure which is today prevailing in the country as a result of collective agreement, arbitration or the award of industrial tribunals." He added that the Planning Commission had recommended that wage boards should be constituted, so that a wage structure could be evolved which would be "rational, practical and realistic." The conference is reported to have agreed to the proposals made by the Government of India for setting up wage boards for a few selected industries of national importance. Such boards, it is stated, are likely to be set up for textiles, iron and steel, jute, plantations and engineering industries. Referring to the kind of approach that was needed in order to solve the problem of evolving a satisfactory wage structure, Mr. Desai said: "It must be a rational and national approach but that cannot be there, unless all the partners in industry are made to sit together and evolve a structure which, while giving some purchasing power to the worker, consistent with the rise in the national income, would leave enough for the expansion of industry, leave enough for financing the other projects in the country; at the same time, it should create a situation whereby the workers are satisfied that their share of the national income is assured to them." Stated in such broad terms, the approach is certainly unexceptionable. But difficulties are bound to arise when it is to be implemented. It is a difficult enough task to evolve a wage structure even for a single industry, what with the presence of a large number of units with different capacities for profitable working. But the situation will be more difficult when it is sought to evolve a wage structure for all industries, all over the country. It remains to be seen how the Government proposes to carry out its policy designed to bring about a nation-wide wage structure, based on equity and capacity of the industry to support the structure.

An issue, connected with the actual working of labour legislation, which figured in the discussions was the setting up of labour courts to deal with all matters arising out of labour legislation. The conference recommended that the permanent labour courts to be set up in pursuance of the recent amendment of the Industrial Disputes Act should be empowered to hear all cases under the various labour laws. Explaining the nature of the change which he had in view, Mr. Desai said: "Today some of our cases go to the sessions court, district courts and magistrates and first class magistrates. Now all those persons whom we will be recruiting for the labour courts may be recruited in such a way that they can deal with the cases which today go to the various miscellaneous courts." The change proposed has the advantage of simplifying the work of implementing labour laws. But it will certainly mark a great departure from existing practice. It is not clear whether High Courts have been consulted on this subject. It is, however, recognised that some further legislation may have to be undertaken, in order to give effect to the proposed change in the jurisdiction of labour courts.

Finally, the conference, after discussing the question of giving a practical shape to the principle of associating workers with management, agreed that a special conference of Labour Ministers should be convened at an early date to examine the report that would shortly be submitted by the tripartite study team which recently visited several European countries and chalk out details for implementing the scheme. The allied question of educating the workers both in the fundamentals of labour problems and labour legislation and in the principles of sound trade unionism was discussed. It was agreed that a committee of experts should be set up to work out the details of the education programme.

The Government, as is well known, attaches considerable importance to participation of workers in management. Explaining the significance of this movement, Mr. Desai said: "Now, in order that an industrial democracy may become a reality, we have to see that the workers feel the sense of participation in the management and also that they are not only wage earners, but are part and parcel of the industrial production and they are as important in stature and status as management itself. I have no doubt that, given the proper will on our part and proper understanding on the part of employers and trade union organisations, we can make our industrial democracy a real success and an example even for others to follow." There is no doubt that any scheme which associates workers with the management at different levels of the organisation of each industrial unit will promote the cause of industrial production as well as industrial peace. Some enlightened employers, Tatas and the Aluminium Corporation, for instance, have already given a commendable lead in associating workers with management. These notable experiments deserve to be more widely emulated by the other employers and even by the Government. The conference of Labour Ministers, which is expected to be convened shortly to consider this question, will therefore do well to examine the working of these experiments, in addition to reviewing the report of the Indian delegation on the subject of participation of workers in management.

EMPLOYMENT AND ECONOMIC GROWTH

Presiding over the thirty-ninth annual conference of the Indian Economic Association held at Cuttack recently, Dr. S K. Muranjan, the noted Indian economist and a member of the Tariff Commission, made some pertinent observations on India's current economic policy. He emphasised that the fundamental contrast in planning for an underdeveloped economy was not between consumption-goods and investment sectors but between the sector of primitive or traditional techniques and the sector of advancing or modern techniques. Warning against an undue emphasis on employment to the detriment of economic growth, Dr. Muranjan observed: "Those who place employment before growth will assuredly live to find that they have achieved neither employment nor growth."

This expert advice, coming at a time when official policy in this country is tending more and more, under political pressure, to encourage outmoded methods of production, without fully grasping the deleterious consequences it produces on economic development, is particularly welcome. Rapid economic growth, the greatest need of all underdeveloped countries, requires a large amount of investible resources which can be obtained only from the rapidly expanding sector of advancing techniques. This is not to deny that the central planning authority is under constant pressure for immediate and maximum relief of unemployment, but this should not be an excuse for misplaced emphasis and ill-conceived economic policy which is sure to result in a distortion in the structure of production which will prejudice balanced growth. For, though lack of planning may not lead the country anywhere, planning, unless carefully devised, may lead to dangerous consequences. Dr. Muranjan rightly observed that the "kindest" thing one could do to the sector of primitive or traditional techniques would be not to relax, whether by subsidies or by discriminatory taxation, the pressure on them for improvement. And it needs no knowledge of economics to say what should be done with those which cannot be improved.

The excuse for tolerating, or rather encouraging, outmoded techniques of production in this country is that it provides employment. It would be to the good of the country if policy-makers realised that employment is required, not for its own sake but for the income it produces, which in turn will stimulate effective demand and economic activity. And there is a direct correlation between income and productivity and no amount of policy manipulations can divorce the one from the other. Taking a peep into the future, Dr. Muranjan pertinently observed that, if this basic fact was not realised "the next generation would accuse us that, despite clear indications of atomic power, etc., we lacked the imagination to assign a greater role to scientific knowledge." This view, with which we like to associate ourselves fully, will find an able supporter in Prof. Dr. Reinhard Kamitz, the Austrian Finance Minister, who recently observed: "Resistance to technological advancement is futile; specialisation and expansion in industry are inevitable. We have to keep in step with evolution elsewhere, for example, in the U.S.A. and in the Soviet Union. Otherwise, we shall lose our power to compete in world markets and deprive ourselves of our basis of employment and well-being."

Commenting on the implementation of the Plan, Dr. Muranjan said that it was the good fortune of humanity that even a planning authority could not enforce a plan according to a military time schedule and a movement schedule. This left a good deal of scope for the initiative, enterprise and enthusiasm of individuals. He tactfully ended his speech on a note of fine sentiment by remarking that politicians and economists might do well to gather courage from the fact that faith could and did move mountains—particularly when the faith was the faith of a people.

FINANCE COMMISSION'S INTERIM REPORT

The interim report of the Finance Commission (Chairman: Mr. K. Santhanam) for the financial year 1957-58, accepted in full by the Government of India, does not contain any significant recommendations which mark a departure from those made by its predecessor—the Neogy Commission—four years ago. This is only to be expected, for, owing to the reorganisation of States and other factors affecting the revenue position of the States, the Commission has not been able to get sufficient material at its disposal even to make a tentative assessment of the assistance that may be required by the States. In formulating the interim recommendations, the Commission has, therefore, sought to maintain the existing position for the various States as far as possible. Thus, in the case of States not affected by reorganisation, it has continued the percentage shares of income-tax and excise duties as recommended by the first Commission, subject to the small readjustment necessitated by the inclusion of the State of Jammu and Kashmir. As regards the States affected by the Reorganisation Act and the Bihar and West Bengal (Transfer of Territories) Act, 1956, the Commission has adopted the readjusted percentages in relation to income-tax and excise duties as embodied in those Acts read with the order issued by the President under the latter Act.

Similarly, in respect of grants-in-aid under the substantive part of Article 275 (1) to States in which certain former Part 'C' States have been merged, the Santhanam Commission has, to some extent, taken into account the assistance received by these States in the past from Central revenues to meet their revenue deficits. It has also treated, for the time being and without prejudice to the final recommendations, the existing grants for the expansion of primary education as general grants. Otherwise, it has continued the existing grants with the modifications made by the aforesaid two Acts.

Since the interim report of the Santhanam Commission does not thus contain any significant change in the existing position, the share of the net proceeds of taxes on income other than corporation tax to be distributed among the various States by the Centre during the ensuing financial year (1957-58) will remain practically unchanged at 55 per cent. This share is exclusive of the proceeds attributable to Union Territories—estimated at 1 per cent.—or to taxes payable on Union emoluments. The same principle will be followed in respect of the distribution of the net proceeds of Estate Duty. Likewise, the States' share in the net proceeds of Union excise duties on matches, tobacco and vegetable products is left unaltered at 40 per cent. There is also no marked change in the grants-in-aid in lieu of a share of the export duty on jute and jute products prescribed under Article 273 of the Constitution, as well as grants given under the substantive part of clause (1) of Article 275. The Commission, however, has not considered it necessary to make any interim recommendations in regard to the rates of interest and terms of repayment of loans made to State Governments by the Centre during the period 15th August 1947—31st March 1956.

The following table gives the shares which the different States will actually get in the net proceeds of income-tax, Estate Duty and excise, as also grants-in-aid during 1957-58:

States	Income-tax and Estate Duty (percentage)	Union excises (percentage)	Grants-in-aid (In lakhs of Rs.)	
			Under the substantive part of clause (1) of Article 275 of the Constitution*	In lieu of a share of the export duty on jute and jute products
Andhra	8.01	8.92	24	..
Assam	2.23	2.58	100	75.00
Bihar	9.31	11.04	80	72.31
Bombay	18.91	13.59	130	..
Kerala	3.60	3.86	41	..
Madhya Pradesh ..	5.09	6.17	251	..
Madras	7.05	8.54	5	..
Mysore	5.93	5.45	46	..
Orissa	3.46	4.17	107	15.00
Punjab	3.98	4.60	163	..
Rajasthan	3.47	4.34	115	..
Uttar Pradesh ..	15.50	18.00	..	..
W. Bengal	11.48	7.49	83	152.69
Jammu and Kashmir..	1.01	1.25	175	..
Total ..	100.00	100.00	1,320	315.00

* These grants-in-aid are paid out of the Consolidated Fund of India, in order to enable the States to meet the costs of development for promoting the welfare of scheduled tribes.

The interim recommendations of the Finance Commission will enable the Central Government to make provisional payments which will help the States to frame their budgets for the coming year. These payments will be readjusted against the final payments that will be made in accordance with the final report of the Commission. The Commission has made it clear, in this connection, that interim report should not be considered as in any way committing the Commission in regard to the principles of distribution of revenue or assistance by way of grants-in-aid. For it is still engaged in a reassessment of the financial position of the Central and State Governments, and it is only on such a reassessment that final decisions can be taken.

West Bengal of all the States is expected to benefit greatly from the interim report of the Finance Commission. It is reported that an additional Rs. 30 lakhs will accrue to this State in 1957-58. The State's share of the income-tax divisible pool has been raised from 11.25 per cent. to 11.48 per cent., which alone, it is said, will yield Rs. 13 lakhs. The balance will result from the increases in excise duties from 7.16 per cent. to 7.49 per cent., in grants-in-aid in lieu of a share of export duty on jute and jute products from Rs. 150 lakhs to Rs. 152.69 lakhs, and in the allocation for the welfare of scheduled tribes from Rs. 80 lakhs to Rs. 83 lakhs. The State Government would appear to feel that the interim recommendations partially reflect the principles advocated by it in its memorandum, and pressed while giving evidence before the Commission, trat the Union excise duties should be distributed also on the basis of consumption and not on population alone and that adequate weightage be given to contribution or derivation in the distribution of income-tax proceeds.

CENTRAL EXCISES

The Central Government is now vested with powers to raise, by notification, existing excise duties subject to a maximum of 50 per cent. of the present rates and to increase correspondingly, where excise duties are so raised, the import duties on foreign goods. The powers are incorporated in the Central Excises and Salt (Second Amendment) Act, 1956, which was passed by Parliament a fortnight ago. This measure is justified on the ground that, in the present price situation, in may be necessary both for encouraging exports and for mopping up excessive profits to make quick changes in excise duties. According to Mr. T. T. Krishnamachari, Union Minister for Finance, the measure more or less fulfils the need for some elasticity in taxation, particularly in the context of economic conditions as they exist today.

Two considerations have weighed with the Government in the assumption of powers to alter the rates of excise and import duties. First, the prices of a number of essential commodities, including some articles of indigenous manufacture, as well as some articles of import, have recorded a rise, which, in many cases, are

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IMPORTS TO BE SUBSTANTIALLY CUT

INDUSTRIAL PRODUCTION RISES BY ONE-TENTH

By A Special Correspondent

NEW DELHI, 31*st December*, 1956

DELHI LETTER

WITH the announcement of the import policy for the six months beginning from 1st January 1957 and the drastic curtailment of quotas for as many as 509 items, the Government of India seems to be bent upon straining every nerve to save as much foreign exchange as possible for financing imports of essential machinery and mill work. As a matter of fact, inquiries made in official circles reveal that every possible care is being taken by several departments to see that only the unavoidable minimum of foreign exchange is spent on their several programmes.

At the customary Press conference preceding the announcement of the import policy, the Secretary for the Commerce and Consumer Industries, Mr. Ranganathan, announced that the coming half-year's import policy had been framed in the context of a drastic depletion of the country's sterling balances. The overall expectation of saving in sterling balances during the six months following the reduction in import quotas for "relatively less essential" items, is placed at Rs. 30 crores.

Quite apart from restricting imports, other measures are also being taken simultaneously to step up exports of Indian goods and raw materials which are calculated to earn more foreign exchange. Among such important items may be mentioned oilseeds, vegetable oil, jute, tea, cotton and iron ores which are in great demand in overseas markets. But, at the same time, it is clear that the Government would not embark upon large-scale exports of these commodities, unless it is sure that internal prices do not go up beyond reasonable levels. The policy of the Government is one of cautious balancing of the situation with minimum of disadvantage to all concerned. How far it would succeed in its efforts could not be stated safely at this stage.

The rather quick depletion of sterling balances, though officially stated to be not "alarming," is one of the main factors which guided the Government to this austerity import programme. The latest position is that, whereas sterling balances in January 1956 stood at Rs. 742 crores and came down to Rs. 539 crores in November last, on 21st December 1956, they stood at Rs. 536 crores. In other words, in the course of about 12 months the sterling balances had shown a sharp decline of Rs. 206 crores. This sharp fall is due mainly to imports of machinery. And the Government's efforts are now to be directed to cut down imports of all "less essential" consumer goods as also of machinery which could be improvised by local talents.

Effects

Officials in charge of the Ministries concerned spoke rather frankly when they pointed out that it was not the intention of the Government to put any blanket ban on the importation of machinery at all. It was pointed out, on the other hand, that the Government would import more steel, the raw material for machine building industry and encourage local industrialists to build up their own machinery for expansion of existing plants and for improvisation of new items. It was also pointed out that, during the Second World War, when it was difficult to obtain essential machinery from abroad, Indian industrialists were not idle. They were able to switch on to something indigenous by improvising new machines and tools. They could do so now, too, in the interest of the nation. On the one hand, this policy would help the Government in saving valuable foreign exchange and, on the other, give a fillip to the growth of indigenous machine-making industries.

Another need of the hour is export promotion. The total exports of India in 1954 stood at a value of Rs. 562 crores. They went up to a little over Rs. 600 crores in 1955 but, in 1956, up to the end of November, for which period alone figures are available, they stood at Rs. 547 crores. This clearly means that "India has to strain more to see that we export more of our goods to foreign countries." From the remarks made by the official spokesman, it is clear that the Government is fully alive to this need. A fresh export drive is in the offing.

The pace at which imports have been rising is striking. Thus, total imports in 1954 amounted to Rs. 618 crores. They went up to Rs. 648 crores during 1955, and still further in 1956; up to the end of November 1956, the total imports were no less than Rs. 736 crores. The main items responsible for the rise in imports were machinery and millwork, iron and steel, staple fibre and yarn and dry fruits.

While the Government is anxious to save foreign exchange, it is equally anxious to see that the industrial economy of India does not suffer in any way. A clear implication of the new policy is that the Government will welcome and encourage greater indigenous production, relying on the machinery already installed or which can be obtained with a minimum expenditure of foreign exchange. As regards the distinction between soft currency and hard currency areas so far as imports are concerned, it is felt in official circles that this distinction has practically lost its significance in the present-day context. The discrimination between "hard" and "soft" currency areas has been further reduced by giving importers the facility to utilise 50 per cent. of their licences on hard currency should they so choose. Official spokesmen point out that imports from sterling area have now become as difficult as those from the dollar area. Indeed, in some cases, importers have already represented to the Government that they find imports from dollar area countries much easier and cheaper.

Dollar Area

The result of the Government's import policy for the first half of 1957 is to give importers the option to import from wherever they find it profitable. The fact that imports from dollar area countries are becoming popular due to various factors is clear from the import statistics. While in 1954 imports from the dollar area were worth Rs. 91 crores, in 1955, they were Rs. 98 crores and, in the first nine months of 1956, they were running at the annual rate of Rs. 110.6 crores.

While efforts have been made to reduce imports of almost all items, it will be noticed that major cuts have been made over the range of items with an indigenous industry angle. This, the Government claims, has been made with a view to giving the indigenous industry ample scope to develop and rise to the occasion. Responsible officials hope that indigenous industry would willingly adjust itself to the new circumstances and maintain production to keep pace with the demand, without, of course, in any way entailing a deterioration in quality or increase in price.

The Government is quite conscious of the fact that the new policy would, doubtless, adversely affect a large sector of private trade; but, at the same time, it is pointed out that this sacrifice will have to be made by the private sector in the interest of the successful implementation of the second Five-year Plan. An assurance has, however, been given to the industry and trade in the country that, should they willingly co-operate with the Government, the latter would always be careful to strike a judicious balance between the various priorities.

Reaction to the new import policy in business circles in Delhi is rather cautious. While they are all anxious to help the Government in implementing the second Plan successfully, by undergoing even a voluntary cut in their import requirements, concern is nonetheless being expressed over the manner in which drastic cuts have been made on as many as 509 items. For instance, the cut in imports of solubilised vat dyes by 50 per cent., they point out, would adversely affect the manufacture of dyes. But they still hope that the Government would keep an open mind on the subject and make suitable changes in its policy in the light of experience and the unavoidably urgent needs of the country.

Industrial Output

One of the main factors which induced the Government to launch on a cut in the import programme of many items is the all-round increase in industrial production last year, apart from the desire to check the further fall of sterling balances. According to the latest official statistics available, industrial production has shown an all-round increase during 1956 and in

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CHRISTMAS IN STOCK MARKETS

COSTS CONTINUE TO RISE

From Our Own Correspondent

LONDON, 28*th December*, 1956

LONDON LETTER

CHRISTMAS and the year-end are normally a difficult time in which to judge market trends. Investors are thinking more about the season of the year and the tax inspectors' demands which open the New Year rather than about buying and selling. But this season has been an exception though for a few days before Christmas it ran true to form. The reason, of course, is that the markets had sunk to depression levels as a result of Suez, petrol rationing and all that might follow, and they were ripe for an improvement at the first sign of encouragement. By mid December, relief that the danger of war had been averted and that the Canal might soon be cleared had caused rises for a substantial section of the market of about 10 per cent. and the market as a whole was not far off this increase from its November low. Then came a quiet period with a further recovery, as the investors who had decided to buy at the bottom and then taken their profits were replaced by others anxious to cash in on any rise there might be left. As a result, the Christmas Eve show in Throgmorton Street was really glittering—and gilt-edged made as good a showing as equities. The wise ones said that there would be an aftermath within a week but events have shown otherwise. Not only was there no relapse but a further rise in those equities in which business was done. But it must be remembered that the volume of turnover is extremely low.

However, now that clearance work in the Suez Canal actually appears to have begun, the strengthening is likely to continue. Besides, a number of borrowers are waiting to come into the market and that has set a good psychological undertone. There are also other factors—shipping and tanker shares are being sought after, so are those of any other company which might benefit out of semi-defensive expenditure. Then there is the announcement of the new orders being placed for the Nuclear Power Stations and the companies concerned with this are bound to be favourites. It is, moreover, being appreciated for the programme is much too small for the realities of the country's future requirements of power and that the programme is likely to be boosted before long.

But back of all this is there not a feeling that the country is likely to go through a new inflationary period? Capital investment all round in industry is due for a spurt and that spurt has only to begin in one sector—it might well be the Nuclear programme—for it to accelerate the development everywhere else. But, at the same time, the resources to support investment are likely to be inadequate: the oil shortage will have seen to that. A pointer was given in mid-December by the 6 per cent. increase in steel prices. Industry is paying more for its transport and for its fuel, now it will pay more for its steel. Costs generally are bound to rise and, in spite of the Chancellor's prophecy that the cost of living would only be fractionally affected, it would be surprising if before long there was not a spiral in which wages took their appropriate place. Even if it is assumed that every possible restraint were put on price increases, the very logic of a demand for investment, coupled with a shortage of resources, is going to be a boom point for the markets.

In view of all this, it is difficult to understand the Government's decision to reduce the deposit payable on the hire purchase of a motor car from 50 per cent. to 20 per cent. Petrol rationing reduces the usage of motor cars and increased sales are unlikely at the present time regardless of the terms of purchase. Perhaps, the gesture is intended as a sop to the car industry for whatever good they may get out of it, but, even assuming it has some success in boosting demand, it is boosting it in the wrong place; the country's investment resources are required very much elsewhere than in the domestic car market. Naturally, if the lower deposit rate is retained when petrol rationing comes to an end, then the market for cars will receive a new boost to add to the general investment demand. Not good economic sense may be but grist to the market's mill.—*All Rights Reserved.*

FINANCE MINISTER'S CHARGES AGAINST BANKING SYSTEM

NEITHER CORRECT, NOR WISE

By Dr. S. G. Panandikar

THE public is greatly puzzled by the recent public utterances of Mr. T. T. Krishnamachari, Finance Minister, Government of India, about bankers in this country, including the top officials of the Reserve Bank of India and the State Bank of India. In the second week of December 1956, he stated in Calcutta that the bankers, as well as the officials of the Reserve Bank, were unable to give him a single constructive suggestion for dealing with the prevailing stringency in the money market in India. About a fortnight later, in a speech at Madras he charged the bankers in the private sector, as well as the officials of the Reserve Bank and the State Bank of India, with possessing a clerical mentality, being completely ignorant of the character of India's economy, desiring autonomy for exploiting the people, and being moribund. Again, a few days after, he stated at Madras that the old Imperial Bank, even after becoming the State Bank of India, still remained imperial in its dealings and that the Reserve Bank was too reserved to take kindly to progressive dealings.

These charges, if taken at their face value, would mean that the entire banking system of the country, including the Central Banking authority, is really incompetent and that, as banking is the basis of all modern economic activities, the success of the second Five-year Plan and, therefore, the rapid economic development of the country are in jeopardy. The writer wishes to state that, although Mr. Krishnamachari's object in making the charges is good, namely, to goad and galvanise the bankers into still more efficient and progressive action, so as to ensure the success of the second Five-year Plan, the charges are not true and are likely to produce a result opposite to what is desired by him. The writer's authority for saying this is threefold. First, as Secretary of the Indian Banks' Association for the last nine years and more, he has had unrivalled opportunities of keeping himself in close touch with the doings not only of bankers in the private sector, but also of the officials of the Reserve Bank, the State Bank, and the latter's predecessor, the former Imperial Bank. Secondly, as an economist of 40 years' standing, who has made a deep study of the banking systems of India and advanced countries of the West, he is in a position to judge the quality of the work which is being done by bankers in this country. Finally, he can take a fairly detached view of the matter, having been a member of the Indian Educational Service for over 30 years and having retired as the Principal of a Government Commerce College.

Efficiency

The writer is emphatically of the opinion that the vast majority of bankers in the private sector and the officials of the Reserve Bank and the State Bank of India are honest, efficient, progressive, patriotic and imbued with a spirit of service to the public and a zeal to do their best for the success of the Five-year Plans and for the rapid economic development of the country. The bankers in the private sector, however, have constantly to bear in mind that they have to manage credit institutions, which depend entirely upon the confidence of the public, and that they have to deal with other people's money, the deposits being from 10 to 20 times the paid-up capital and reserves of banks. As such, however progressive they may desire to be in their hearts, they have to hasten slowly and have to combine sound banking with wise banking.

Sound banking may be defined as protecting and promoting the interests of depositors, the shareholders and the institutions generally by making caution, efficiency and integrity the basis of banking practices. Wise banking consists of the operation of the banking system in a spirit of service, in the wider economic interests of the country as a whole, but without neglecting the interests of the individual banking institutions. If bankers were to try to hasten the pace of wise banking unduly, without paying adequate attention to the needs of sound banking, they would endanger the solidity and even the solvency of the banking system of the country, thereby exposing the economic structure of the country to grave risks. That they have succeeded in combining sound banking with wise banking satisfactorily is seen from the facts that they rapidly overcame the severe setback which banking received from the serious political and economic dislocation that was caused by the partitioning of the country that, since then, the deposits and branches of banks have gone on increasing, that the banks played their proper part in making the first Five-year Plan a success and are endeavouring to do so with regard to the second Five-year Plan and that there has been no important banking failure in recent years. The total deposits of Scheduled and non-Scheduled banks which were Rs. 954 crores at the end of 1952 are now nearly Rs. 1,150 crores.

Reserve Bank's Role

The authorities of the Reserve Bank also appreciate fully the need for combining sound banking with wise banking and the dangers of endeavouring to force the pace of the banking system unduly. The Reserve Bank has played a vital part in making the Indian banking system sounder today than it was a few years ago by its system of periodic inspections of banks and of giving them advice, guidance and help, based on the inspections. Finally, the bankers have given several constructive suggestions to the Finance Minister for dealing with the present stringency in the money market.

It is universally acknowledged that Mr. Krishnamachari is an able administrator, possessing a dynamic personality. He made a great success of the Commerce and Industry Ministry and is imbued with a desire to make the Finance Ministry now under his charge equally successful. As a patriot, he has set his heart on making a complete success of the second Five-year Plan within five years. It seems that he wishes to galvanise all those who have anything to do with the success of the Plan into quicker action for the realisation of his objective. With the same object, he severely criticised the industrialists and business men of the country when he was in charge of the Commerce and Industry Ministry. Such criticism did little harm at that time. But, if he pursues the same policy towards the bankers and even towards the authorities of the central banking institution of the country, the nation runs the risk of shaking the confidence of the public in its banking system. The great need today for the success of the second Five-year Plan is to bring about a further, rapid and substantial increase in banking deposits by developing the saving and banking habit among the people of the country. This need will not be fulfilled if the Finance Minister's utterances produce the effect of shaking the confidence of the public in the banking system. His utterances of the kind mentioned above are, therefore, likely to produce a result opposite of that intended by him. In all humility, therefore, the writer appeals to him to bring the shortcomings of the bankers, such as he may feel to be in existence, to their notice in private conferences. He has already held a few such conferences and has promised to hold more. The bankers are always willing to take his advice and to act according to it, after mentioning their practical difficulties to him. He would render a great service to the cause which he has at heart, by refraining from condemning the bankers in public.



BANKING COMPANIES BILL PASSED

FINANCE MINISTER FIRMLY REJECTS PLEA FOR REFERENCE TO SELECT COMMITTEE

THE Banking Companies Amendment Bill, 1956, vesting in the hands of the Government enormous powers for controlling the operations and management of banks, was passed by Parliament as hastily as it was introduced by the Finance Minister at the fag end of its winter session. Barely two weeks after its dramatic introduction, the Lok Sabha adopted the measure on 21st December last after discussing it for no more than five hours. Within 24 hours after it was passed by the Lower House, it was pressed for consideration in the Rajya Sabha, where also the debate ended in a record time of 2½ hours. The Bill now awaits the assent of the President before it becomes law. This is only a formality, for we have not seen the President using his powers to make any alteration in any of the legislations adopted by Parliament.

A measure of such vital importance would normally have given rise to a heated debate in both Houses, if only the Government had allowed some reasonable time to pass after its introduction in Parliament, so that members would have studied the implications of its far-reaching provisions. In the meantime, it would have also provided an opportunity to the parties affected, namely, the banking companies, to express their views on this important measure. The Government was, however, in such a hurry to carry through the Bill that the debate proved to be a tame affair. Except for the strong protest from Mr. Tulsidas Kilachand (Independent) in the Lok Sabha and from Mr. S. P. Jain (Congress) in the Rajya Sabha, there was no serious opposition to the measure. A few Congress members made a feeble protest against the pressure tactics of the Government, but the Finance Minister just ignored it. It is a significant commentary on the nature of the measure that all the leftist members in the Opposition joined hands with the Government. The Finance Minister's anxiety to have the Bill enacted in the last session itself was reflected in his firm refusal to accede to the well-reasoned request of not only such Independents like Mr. Tulsidas Kilachand but even quite a few Congress members to refer the Bill to a Select Committee.

Finance Minister's Defence

The Finance Minister's speech on the necessity for enacting the Bill was least convincing. He admitted that the general position of the banking system in India continued to be sound and there had been considerable progress in the matter of securing better standards of operation. But he contended that there were some companies the affairs of which were not wholly satisfactory and that the Reserve Bank should be enabled to deal with them effectively and to eliminate the possibility of serious defects occurring in their working. In drafting the Bill, the Government had also in mind the observations of the Gajendragadkar Commission. The Finance Minister went on to add that the Bill would enable the Reserve Bank to issue directives in the national interest, a power which it did not possess now.

Referring to the appointment of observers, the Minister disclosed that the Reserve Bank had already deputed its officers as observers in the case of ten banks. This step was taken without any powers to do so, with a view to checking the exploitation of a banking company by a particular individual or groups of individuals. Only in two cases, the banks co-operated and in the case of others the Reserve Bank had its way under the power it possessed to withdraw licence. The sending of observers brought about a marked improvement in the financial position in "many" cases. At any rate, there was a check on further deterioration. The Minister, however, added that these checks depended entirely on the consent of a bank or the use of powers which ought not to be used. Further, as these steps involved delay, the Government found the necessity to vest more powers in the hands of the Reserve Bank. Hence the provision of the Bill for deputing the officers of the Bank to attend the Board meeting of any banking company.

The Bill seeks to apply the existing restrictions on exercise of voting rights of individual shareholders to banks which were hitherto exempt from such restrictions, namely, those established before 15th January 1937; and to empower the Reserve Bank to direct the election of fresh directors on the basis of the restricted voting rights. There are 45 Scheduled and 247 non-Scheduled banks incorporated prior to 15th January 1937. These will now come under the same category as the others in so far as restriction on voting rights are concerned. Speaking on the provision, the Minister said that he did not want to name any banks, but there were some in which there was concentration of voting rights in the hands of a few. It was, therefore, only right that there should be some kind of control over the misuse of these rights.

Justifying the need for passing the Bill forthwith, Mr. Krishnamachari observed that seven or eight months would have elapsed before the new Parliament took up consideration of the Bill. During this period, he feared, the field would be clearly open for those banks, the actions of which the Government sought to restrict by the Bill, to take such precautions as they wanted to defeat the purpose the Government had in view. It would have been a "grave error", if the Bill was not enacted in this session.

Reference to Select Committee

The first member to suggest that the Bill should be referred to a Select Committee which would report on the first day of the next session was Mr. A. M. Thomas, a Congress member from Kerala. In view of the fact that the Bill sought to clothe the Reserve Bank with sweeping powers, the member said, a Select Committee could examine whether such powers were necessary. He added that the Finance Minister also could place before the Committee the relevant information justifying such powers, as the Minister might not be in a position to place that information before the House, as they were dealing with banks. Mr. Thomas contended that there was no urgency to rush the Bill as the existing powers vested in the Reserve Bank and the Government under the Indian Companies Act were sufficient to prevent abuses by banks. He pointed out that the appointment of observers was "the best way to destroy a bank." Public confidence in a bank would be shaken and deposits would not be forthcoming if the public came to know that an observer had been appointed for a particular bank.

Mr. Tulsidas Kilachand, an Independent member from Bombay, supporting the plea of Mr. Thomas to refer the Bill to a Select Committee, said that nothing would be lost if it was not passed in this session. If any of the banks misbehaved till the legislation was passed, the Government and the Reserve Bank had enough powers to "wring its neck." The Company Law was applicable as much to banks as to any other joint-stock company and it enbled the Reserve Bank to inspect banks and obtain any information it wanted. He quoted extensively from the Reserve Bank's annual report on "Trend and Progress of Banking in India" during 1955 to show how, under the existing powers, the Reserve Bank had been able to secure the co-operation of banks and effect a substantial measure of improvement in the banking system during the last five years. He asked as to why the Government and the Reserve Bank should ask for more powers when they were not exercising the existing powers. He said that the provisions in regard to appointment of top executives and the restriction of their remuneration would destroy the managerial class and deprive banks of the benefit of managerial skill at a time when there was a dearth of trained Indian personnel to manage the national banks.

Mr. C. P. Mathen (Congress-Kerala) said that it was impossible to visualise now the repercussions of the Bill on banking. As the Bill sought to give drastic powers to the Reserve Bank, he wanted the Bill to be considered in detail by a Select Committee. Another Congress member from Bihar, while supporting the Bill, said that it should not be rushed through at the fag end of the session. He added that the Government should utilise the existing powers properly before asking for more powers. During the clause-by-clause discussion, many other members pointed out that the powers sought by the Government were "Draconian." Mr. N. C. Chatterjee and Mr. U. M. Trivedi pointed out that rather than take such powers, the Government could as well nationalise the banks. Mr. Kilachand said that, if observers were present at Directors' meetings, it would be difficult for the latter to discuss the affairs of their clients. Mr. B. Ramachandra Reddi remarked that it would be wrong to look into the secret working of a bank.

Reply to Debate

Replying to the debate, the Finance Minister turned down the request for referring the Bill to a Select Committee, as that would mean that, for some months, the Bill could not be passed and a fresh Bill would have to be brought before the new Parliament. In the meantime, he said, the field would be clearly open for those banks whose actions the Government sought to restrict to take such precautions as would defeat the purpose in view. Referring to Mr. Kilachand's argument that the Government had already enough powers under the Indian Companies Act to deal with the situation, Mr. Krishnamachari said:

"I am not quite sure in my mind that the Companies Act gives me powers to check abuses which are not between the management and the shareholders. That is the defect which I think the Companies Act still has. I have no time to come to the House to amend that Act. In any event, I cannot come with an amendment until I have worked it for at least a whole year.

"Under the Indian Companies Act, the Government had unnecessarily burdened itself with powers such as the sanctioning of the appointment of a manager on a salary of Rs. 430. It is completely meaningless. That is not our intention. But when big things change hands and some people try to get hold of companies, we are completely powerless. We can go upto a point. But we cannot stop the misuse of the privileges of a person who temporarily acquires control of shares. I cannot say now as to how it (the Companies Act) is to be amended.

"As far as Company Law is concerned, the emphasis primarily is to protect the interests of the shareholders and, therefore, the same thing cannot be applied in the same way to the banks. Our intention originally was to protect the interests of the depositors under the Banking Companies Act, but now we want to use the powers as a tool for the purpose of controlling the economy of the country which is something much bigger. It is, therefore, no use saying 'You have already an Act, why don't you use it?'"

Appointment of Observers

Commenting on the members' observations on the drastic nature of the power for keeping observers at Directors' meetings, Mr. Krishnamachari observed:

"It is precisely because Government does not want the banks to work in secret that it proposes to clothe the Reserve Bank with these powers. We have known the instance of a very big bank in which the chief executive and the board of directors were at variance. It may be in one particular case the chief executive is wrong and in another the board of directors is wrong. So the mere fact that we will have some kind of power over the appointment of a chief executive in future does not make it unnecessary for us to know what is being done at board meetings. The argument advanced by members does not seem to arise from an appreciation of the position."

The Finance Minister accepted the amendments moved by Mr. Tulsidas Kilachand in respect of the provisions under which the Reserve Bank may by "general or special order" call upon every chief executive of a bank to furnish particulars of the extent and value of his holding of shares direct or indirect—clause 12(4).

(Continued on page 55)

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ROLE OF WORLD BANK

AN ASSESSMENT OF ITS CONTRIBUTION TO ECONOMIC PROGRESS

By Roy Harrod

NUFFIELD READER IN INTERNATIONAL ECONOMICS.

WAR-TIME planning and the Bretton Woods Conference gave birth to two international institutions, the International Monetary Fund and the International Bank for Reconstruction and Development. Of these, the latter has been the more active. Its duty has been to re-stimulate the process of international lending. It is prepared to support projects that would not be considered by private enterprise at all, or that would not be considered in the prevailing atmosphere. On the other hand, it has been at special pains to make sure that its projects are sound from an economic and a banking point of view.

The Bank has been bound to adopt this policy, for it has to raise a substantial proportion of its finance from the hard-faced investors of the world bourses. It must both be sound, and be seen to be sound. Thus it has to steer a middle course between doing no more than private enterprise would gladly undertake—in which case it would achieve nothing—and doing so much as to alarm that private enterprise on which it partly depends for its funds.

It has gained a good reputation. When it supports a project, it always makes a careful preliminary survey of the *general* economic situation of the borrowing country, the relation of the project to its best line of future development and to its capacity to make repayment in due course.

To date it has been responsible for some £1,000 million of investment in the course of about a decade. This is a substantial sum, although it looks small beside the overseas investment of England in the decade before 1914, having regard to the changed value of money and the increase in the whole scale of economic operations since that time. But England had the advantage of age-old traditions and connections, and of the political security afforded by the British Empire in a large region. The Bank has had to start from scratch, and its build-up has been remarkable.

I.F.C.

We now have to consider it in conjunction with the International Finance Corporation, recently established. The need for the latter was pressed under two heads—(i) the inhibiting influence of the need for a guarantee, under the Bank's articles, by the Government of the borrowing country, which might make private firms reluctant to use this source of finance for fear of possible interference by their own Governments, and (ii) the inability of the Bank to introduce any equity element into the terms of its investments.

From the Commonwealth point of view, it is inevitable that one is drawn into considering the Bank in relation to the alternative of borrowing direct from London. It may be said at once that, however highly one may regard London as a source of finance, there is no harm in having a little competition. Furthermore, it is desirable on general grounds that borrowers, no less than lenders, should support the Bank. It is doing a significant job in the world scene, and there is every reason to suppose that its operations will increase in scale; this job, if well done, can raise productivity and thereby redound to the economic advantage of all members of the world community. How skilful the Bank will be in its handling, compared with its more experienced competitors, can be judged only in the working. It should be given every chance.

Place of London

On the other hand, we need not deny that it is desirable for members of the Commonwealth to consider first the direct use of London. The flow of investment is an important link, and it is accordingly desirable to encourage the greatest possible flow of investment. There is no contradiction in holding that the Bank should be continuously borne in mind as a valuable source of finance, but that, other things being equal, the preference should be given to London.

The crucial question is how much London can afford to do. This is sometimes put in wrong terms. On more than one occasion, prominent spokesmen have warned that Britain will not be able to do its full job overseas in investment until it has established a more favourable balance of payments on current account. This is to put the cart before the horse. If a larger number of investment projects in the Commonwealth receive support in London and require the import of capital goods from Britain, Britain's external balance on current account will get more favourable *as a consequence*.

But there *is* a real question of what Britain can afford, and that turns on the capacity of her manufacturing industry to produce a surplus of capital goods for export on investment account. In the last two years, she has been manifestly incapable of doing this on any scale. Her economy has been overloaded; all her manufacturing capacity has been required to produce goods for her domestic investment programme, for defence, for a flow of exports only slightly more than sufficient to pay for her imports, and to give consumers at home, curbed though they have been by taxation yielding a budget surplus, by credit restrictions, etc., their bare modicum. But the situation is already changing. The danger lying ahead is not that Britain will have insufficient manufacturing capacity to produce goods for export on investment account, but that there will be insufficient advanced planning and encouragement of investment projects overseas to keep her domestic manufacturing capacity fully employed.

In the last decade, the International Bank has lent £1,000 million (dollar equivalent) round the world. In the decade ahead, the United Kingdom should certainly be able to produce more than £1,000 million's worth of plant and equipment available for export on investment account.

Balance of Payments

It is important that the effect of International Bank lending on the world balance of payments, notably the dollar balance, should be understood. Before and during the war, the idea gained ground that the United States should lend more overseas to even out her balance of payments with the rest of the world. But direct productive investment will not affect the overall balance if it increases the outflow of capital goods in like measure. Furthermore, there may be the question—and there is such a question in the case of the International Bank—of repayment.

When the project for the Bank was under discussion, the minds of some moved in the following way. They envisaged (rightly) that dollar loans made by the Bank would not be tied, and that the proceeds would be used to buy capital goods in third-party countries. Thus one would get a triangular balancing. The Bank would provide finance, mostly derived from the United States, which would be used to buy capital goods in third-party countries. Thus, the lending by the Bank would itself be a factor tending to redress a too favourable balance of payments of the United States on current account. Things have not worked out in this way. Perhaps, the idea was never very sensible. Incidentally, the question of repayment was ignored.

On the whole, the aim of the Bank has been to stand ready to supply to borrowers the currencies they have required, thus allowing them to seek out the best available sources of supply of the capital goods that they require. These currencies it acquires by asking members to pay in their subscriptions, by raising loans in markets other than the United States, and by selling obligations from its portfolio in markets other than the United States. If its lending always followed this exact pattern, it would have no effect on the world dollar imbalance at all. The net effect would be the same as if each country had separately provided the exact amount of finance that was required to meet all the expenditures of the borrowing countries on the goods that the said country had to supply.

It is true that the lending of the Bank has not followed this exact pattern. Sometimes the third-party currencies were just not available to it, and it bought them in the market in exchange for the dollars that it had at its disposal. This procedure did increase the flow of dollars to the outside world *temporarily*; but not when one reckons in repayment. The Bank laid down the perfectly proper rule that, when it provided non-dollar currencies out of its own resources of non-dollar currencies, then the repayment would be due in the currency provided. But, when it provided those currencies by selling its own dollars in the market in order to acquire them, then the repayment would be required to be in dollars.

When, on the occasion of its having to provide third-party currencies, it had to decide which bag to take them out of, namely, out of its own resources of those currencies, or by selling its own resources of dollars to acquire them, it has had regard to the power of the country to repay. If it seemed that the country would have difficulty in repaying in dollars, then it would be careful to make the third-party currencies available out of its own resources; but, when, as notably in the case of the Latin American countries, it seemed that repayment in dollars would be no great problem, it found any third-party currencies they might require out of its dollar resources, and marked up against them the obligation to repay in dollars.

Dollar Imbalance

Sometimes it has paid out dollars to countries in excess of the dollar requirements of the investment project, leaving them to dispose of the excess dollars. To the extent that it has done this, it has tended to rectify the world dollar imbalance, but again only temporarily. For the obligation to repay in dollars was chalked up against the country.

Thus it has made a small contribution to the world dollar shortage in two ways, first by sometimes giving its clients more dollars than they actually needed, and secondly by selling its own dollars in the market in order to acquire the third-party currencies that its borrowers needed. But both these contributions have been quite small in relation to its total of lending. And, as the years have proceeded, it has made—quite properly—increasing efforts to acquire the third-party currencies directly, viz., by encouraging nations to pay up their subscriptions and by selling its assets, in one form or another, in their markets.

Thus the target of the Bank is to acquire in the first instance a bag full of currencies constituted in the proportions that will correspond to the varying needs of the borrowing countries. To the extent that it fulfils this aim, which is an absolutely reasonable one, it will entirely fail to make any contribution to curing the dollar imbalance.

A Mistaken Idea

This is by no means a criticism of the Bank. The original idea that it might serve in an important manner to correct the world dollar imbalance was a mistaken one. That has to be done by other methods. It is important to stress this point, however, as there may still be misconceptions that, by resorting to finance by the International Bank, one is doing something that is contributing to ease the world dollar problem. That is not so.

The function of the Bank is different and is, indeed, of the first importance. It is to mobilise resources, not only of money but also of technical know-how, and of wise economic planning, to aid countries to proceed to a more speedy development of their potentialities. The Bank has come into being at an opportune moment, for there is a new-found desire by many underdeveloped countries in the world to go ahead more rapidly.—By arrangement with *New Commonwealth*.

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MODERNISATION OF COTTON MILLS

N.I.D.C.'S TERMS FOR LOANS REASONABLE

IT is gratifying to find that the Government of India has attached great importance to the problem of rehabilitating the equipment and machinery in the cotton mills. Mr. Manubhai Shah, Union Minister for Heavy Industries, has already had discussions with several millowners with a view to assessing the magnitude of this problem. Last week, Mr. Shah held a conference at Madras with the leading textile interests of the State and discussed matters relating to modernisation of textile machinery and improvement of production, as well as the possibility of expanding the manufacture of textile machinery in the country. At this conference, the Minister is reported to have explained the scheme of financial assistance for modernisation of equipment and machinery and indicated that a sum of about Rs. 20 crores was likely to be available during the second Plan period for the textile and jute industries. He is also said to have urged the millowners "to come forward speedily to avail themselves of the facility." This sum, however, seems inadequate, considering that cost of machinery is high and the replacements to be made are large.

The Government's move to assist the cotton mills in the task of rehabilitation has come not a day too soon. Even at the commencement of the first Plan (1950-51), the bulk of the mill machinery had outlived its period of efficient and economical service. It will be recalled that the Working Party for the Cotton Textile Industry had recommended as early as in 1950 that high priority should be accorded to rehabilitation and modernisation of cotton mills. Although more than six years have elapsed since the recommendation was made, the progress actually achieved has not been appreciable; only a few leading mills have modernised their plants. It was only two years ago that the Government of India set up a survey unit for getting factual data relating to the rehabilitation requirements of mills and investigating the working of those units which are uneconomic and, therefore, are either already closed or facing closure. So far, this unit has been able to complete surveys in respect of about 25 mills only. The National Industrial Development Corporation (N.I.D.C.) has been assigned the task of assisting financially the rehabilitation programmes for which the investigations conducted by the aforesaid unit provide the necessary data. A simultaneous investigation is also in progress regarding the rate at which replacements of machinery are required, in order to help in planning the development programme of the textile machinery industry; this investigation has been completed in the case of 75 mills.

Very Costly One

The process of rehabilitation and renovation of cotton mill machinery and equipment is a very costly one. The reserves available with many mills are not adequate for this purpose. The heavy load of taxation—Central and State—and the high wage bill have been absorbing a large part of the current profits. To take, for instance, the rehabilitation scheme of the Central India Spinning, Weaving and Manufacturing Company, Ltd., the details of which were outlined by its Chairman, Mr. A. D. Shroff, at the recent annual meeting of the Company. The scheme envisages complete renovation of two units at a cost of as much as Rs. 170 lakhs. In place of these two units which together account for 51,032 spindles and 1,282 looms, there will be a new unit equipped with about 50,000 spindles and 700 looms; the new unit is expected to start operations by the middle of 1958. Once the first stage of this renovation scheme is completed, the Directors of the Company propose to consider further renovation of mill No. 3 as the second part of the reorganisation programme.

If the above instance is taken as the basis, it will be seen that the rehabilitation programme of the cotton mill industry as a whole involves a financial outlay which is beyond the capacity of the industry to bear. In view of this and the stringency of the money market, the National Industrial Development Corporation has, indeed, done well to offer assistance to cotton mills on terms which appear to be quite reasonable. According to Mr. Shroff, the terms of the loan, when granted to mills, will be substantially as follows:

(a) Simple interest at 4½ per cent. per annum;
(b) repayment in 15 equal annual instalments, the first instalment being payable one year after the machinery has been installed and put into operation;
(c) no payment of dividend on ordinary shares or allocations to reserves out of profits until the annual instalments in repayment of the loan, together with accrued interest, have been fully provided for;
(d) hypothecation to the Corporation of the new plant and machinery installed and the other fixed assets of the Company as guarantee for repayment;
(e) likely appointment of a director nominated by the Corporation on the board of the Company.

While the grant of financial assistance on reasonable terms is most welcome, it is imperative that the workers employed in cotton mills extend their full support and co-operation to the management in the task of implementing the scheme of renovation successfully. For, in this process, there may arise the problem of surplus labour in the case of some mills. The preliminary estimates quoted by Mr. Shroff indicate that, in the case of Central India, approximately 1,300 workers will be rendered surplus once the new unit commences work. Incidentally, the Central India is one of the oldest and biggest cotton mills in India. Since its inception in 1877, it has gradually grown ito a huge complex spread over five different units equipped with 115,188 spindles, 2,062 looms and with finishing and waste plants, and employing roughly 9,000 workers in all. It is certainly encouraging to hear from Mr. Shroff that "the workers appear to have reconciled themselves to the need to accept rationalised operations in the new unit." It is to be hoped that this spirit will permeate the entire rank and file of mill labour throughout India.

HIGHER WAGES FOR AHMEDABAD MILL LABOUR

The dispute arising from the Ahmedabad mill workers' demand for a rise in basic wages in rationalised occupations has ended with the award of Mr. M. R. Meher, the umpire appointed by the Ahmedabad Textile Labour and Millowners' Associations. Under the award, which is given with retrospective effect from 1st October last, all those who are working four looms in the weaving section will get a rise of about 35 per cent. in basic wages and workers running more than 200 spindles in the spinning section will get a rise of 8-10 per cent. The implementation of the award, to which both the parties are bound, will mean that a worker manning four looms, instead of the normal two, will get about 87½ per cent. of his basic wages, in addition to his normal wages. According to an agreement signed in 1952, the worker was receiving only 52½ per cent. of his basic wage as additional compensation for working four looms. The wage rise to workers in the ring frame department for working more than the normal 200 spindles varies from 8 to 10 per cent. for every slab of 20 additional spindles.

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DEVELOPMENT OF HANDLOOMS

"PRICE FACTOR SHOULD NOT BE FORGOTTEN"

SOME of the pronouncements which Mr. Morarji Desai has made since he assumed charge as the Union Minister for Commerce and Industries two months ago reflect a welcome change in the official textile policy at least in so far as the handloom sector is concerned. Addressing the eighth meeting of the All-India Handloom Board at New Delhi on 13th December 1956, Mr. Desai categorically declared that, in the development of handloom industry, the price factor should not be forgotten and steps must be taken to ensure production of quality goods. He minced no words when he said that handloom products must compare favourably with mill textiles, if they were to be marketed easily.

These remarks are realistic and reassuring. We have ourselves emphasised ere now that the employment consideration underlying the Government's policy towards the handlooms should not be stretched so far as to overlook completely the no less significant consideration, namely, the price the consumer is called upon to pay. The output of handlooms has all along been, and will continue to be, uneconomic, so long as the looms are not modernised. The reservation of markets for this output exposes the country to the great risk of price spirals in the case of such an essential item of consumption as cloth. The only effective solution to the problem of handloom industry lies in the mechanisation of operations through introduction of powerlooms. This is the basic problem of the handloom industry which, it is deplorable, has not been recognised by some of the State Governments. These Governments will do well to ponder the statement of Mr. Morarji Desai that "big factories and machinery are essential to increase the wealth of the country, in general; it will be unreal to ignore machines and other technical contrivances in the present age." He also clearly emphasised that necessary measures should be undertaken not only to maintain but also to increase production by adopting new techniques.

Perfectly Justified

Apart from their refusal to introduce powerlooms in the handloom sector, several State Governments have not taken effective steps to ensure a speedy implementation of the handloom development schemes. Out of the Rs. 4.78 crores sanctioned by the Centre in the current financial year, the States have not spent more than Rs. 61 lakhs. This is due to the fact that the Governments have not cared to devise ways and means of overcoming the administrative difficulties facing them. Mr. V. Nanjappa, Textile Commissioner and Chairman of the Handloom Board, was, therefore, perfectly justified in appealing to the States to set up the necessary machinery and complete the formalities in time for them to switch over to the new procedure of securing the requirements of working capital for the handloom industry from the Reserve Bank of India. Under this procedure, it will be recalled, the Reserve Bank will give loans at 2 per cent., the margin for apex and central banks being fixed at 3 per cent. The weavers' co-operative societies will, however, be charged only 3 per cent. The difference of 2 per cent. will be subsidised by the Central Government.

In the course of his speech, Mr. Nanjappa referred to two recent decisions of the Government of India. First, loans will be advanced to the State Governments for investment in the shares of the apex societies. The quantum of these loans will normally be between 33⅓ and 51 per cent. Secondly, loans will be given to the States to participate in the share capital of co-operative spinning mills, subject to a maximum of 51 per cent. of the subscribed share capital of the mills. Incidentally, Mr. Nanjappa revealed that 780,156 handlooms had been registered up to the end of October 1956.

At the meeting of the Handloom Board, some members complained that there was delay in making finance available to the industry for production and marketing of fabrics. Others wanted a provision for "slack season finance," in order to enable societies to hold stocks while maintaining production. The Minister for Commerce and Industries gave the assurance that the suggestion would be sympathetically considered. Replying to the points raised by members, Mr. Nanjappa observed that the Government had already liberalised the conditions for the provision of working capital to weavers' societies by raising the level of advance to Rs. 300 per loom and to apex societies from 5 to 10 times their paid-up share capital.

RAW COTTON POSITION IN U.K.

A NEW SCHOLARSHIP SCHEME TO ATTRACT YOUNG MEN TO INDUSTRY

By Our Special Correspondent

MANCHESTER, *21st December*, 1956

MANCHESTER LETTER

HOPES that the cycle of boom and slump in Lancashire textiles had been halted after the war were dashed five years ago and the subsequent ups and downs have brought the whole problem back into focus. The situation is now more keenly felt than before in view of the gradual elimination of firms and the sharp contraction in the number of available workpeople.

Such thoughts must have been in the mind of Mr. John Lindley, President of the Manchester Cotton Association, when he addressed the annual meeting and commented on trade conditions. "Some means must be found in the near future of stabilising the cotton industry at a level which will permit continuous operation through short-term boom and slump periods," he said.

"In the past, boldness has been lacking from some of the re-equipment schemes because they have been carried through under clouds of pessimistic speculation about the future. School-leavers have been deterred from entering an industry which could not offer them a guarantee of continuous employment. Trades unions have been understandably cautious in their approach to some of the problems facing the industry."

Passing Similarity

As Mr. Lindley pointed out, there is a passing similarity between Lancashire's problem as a manufacturing area and the difficulties facing American cotton growers who are beset by the perennial task of coping with a raw material surplus. Both have basic obstacles to further progress and short-term palliatives will not cure their ills which may well recur all too frequently.

"Operating a cotton industry calls for large-scale capital investment, long-term planning and a highly trained labour force," said Mr. Lindley. "Unfortunately it must operate under circumstances of violent short-term trade fluctuations. Each depression brings about the closing of mills and the dismissal of skilled operatives and each revival finds the industry undermanned to cope with the demand. Soon prices are forced up to uncompetitive levels and the industry slumps back into depression."

Recent economic and political upheavals have made their impression on the business life of Britain and nowhere more so than in the Lancashire textile industry, where trading conditions have so drastically altered. One aspect of the situation which is receiving the careful attention of all those concerned is the impact of various events on the raw cotton supply position.

Stocks had been built up to some extent during the months while the Middle East disturbances have been taking place but the interference with the flow of supplies, together with the improvement in demand and consumption has applied a brake to the accumulation of the raw material. The following table shows the quantity of cotton imported and visible supply in Liverpool, Manchester and at sea:

(In bales)

Week ended	Cotton at sea	Arrivals in Great Britain	Forwardings to spinners	Visible supply
Aug. 6	39,813	19,860	25,689	168,000
,, 13	54,315	16,658	18,337	185,000
,, 20	67,178	20,483	18,875	199,000
,, 27	82,802	24,073	21,900	217,000
Sept. 3	61,615	29,694	18,483	213,000
,, 10	75,411	27,984	19,849	234,000
,, 17	53,431	32,377	25,445	230,000
,, 24	40,674	38,263	32,029	222,000
Oct. 1	66,694	17,671	26,196	224,000
,, 8	50,186	33,334	21,706	219,000
,, 15	73,353	15,430	28,545	229,000
,, 22	87,040	26,359	20,993	249,000
,, 29	85,499	26,547	25,317	224,000
Nov. 5	83,156	36,223	25,568	234,000
,, 12	64,652	43,559	31,211	227,000
,, 19	80,439	25,165	23,230	240,000
,, 26	85,447	17,034	27,383	234,000
Dec. 3	91,656	41,859	25,691	218,000
,, 10	116,737	33,240	29,611	246,000
,, 17	126,577	23,937	27,581	252,000

Arrivals during the past four months have kept up well and so far this season amount to 550,000 bales, as against 1,580,700 bales in the whole of the 1955-56 season. It is interesting to note that imports of United States cotton in four months have already exceeded arrivals from the same source in the whole of last season by over 75,000 bales.

On the other hand, forwardings of raw cotton to spinners so far this season have amounted to 565,000 bales which is lower than the quantity despatched to the mills during the same period a year ago. Supplies of American cotton forwarded this year have already reached 247,000 bales, as against only 80,000 bales a year ago and 218,000 bales in the whole of last season.

The amount of Sudan cotton taken by spinners has declined, being 76,000 bales against more than 100,000 bales this time last year. A fall has also occurred in the amount of Nigerian cotton forwarded, the quantity being 30,000 bales, as against 60,000 bales. Only small amounts of Syrian, Pakistan, Indian and Russian cotton have lately been absorbed in Lancashire mills, amounting to less than 15,000 bales since the beginning of the season, whereas forwardings of these growths in the same period of 1955 exceeded 100,000 bales.

New Scholarship Plan

An important move towards attracting more highly trained technologists and managerial workers to the cotton industry is to be made early in the New Year.

Sir Raymond Streat, Chairman of the Cotton Board, has announced that, in January, the industry would be starting a big new campaign to tell schools about many new scholarships the industry would be offering to boys who would be prepared to study science and technology with a view to becoming key men in the industry. He said: "This is only one of many signs and tokens known to me in my position that cotton industry leaders have sure confidence in the future of Lancashire's traditional industry."

He felt there was still a world-wide trade in yarn and cloth in which Lancashire could share according to its efficiency. He added: "The cotton world will offer many chances of promotion if only because it is not, for the moment, quite so much in the popular stream as some other industries. The cotton industry will go on if we pass from big defence expenditures to small expenditures, if we pass from coal power to atomic power."

A Cotton Board spokesman said in Manchester that the scholarships were being sponsored by cotton firms and trade organisations. Negotiations with some were still going on. Most of the scholarships would be tenable at the Manchester College of Science and Technology.

Fewer Lack Work

The improved state of trade in Lancashire cotton and rayon mills is now being reflected in unemployment totals. The figure in November was the lowest since the end of 1954 and the percentage in relation to the number of those out of work throughout the region has declined sharply, as the following table shows:

	Spinning	Weaving	Finishing	Total cotton and rayon	Total N.W. region
1955					
June	8,213	3,482	794	12,489	41,440
September	8,200	4,894	298	13,392	42,908
December	1,716	1,966	206	3,488	34,449
1956					
March	1,443	1,459	540	3,442	39,651
June	2,368	2,198	355	4,921	35,962
July	2,468	1,421	316	4,203	35,722
August	2,616	2,592	515	5,723	42,091
September	2,254	2,307	567	5,128	42,127
October	1,541	1,359	509	3,409	40,212
November	1,179	1,013	357	2,549	40,517

As the movement towards over-full order books gathers strength there should be a further improvement in the out-of-work position. Operatives are being sought by firms which only a few months ago were forced to let machinery stand idle. Any former cotton operatives who want employment are quickly engaged but the experience of recent years has sapped the confidence of many prospective applicants who are understandably reluctant to pledge their future to an industry which is still subject to such violent swings of fortune.

Arguments Over Research

The use of synthetic fibres in the Lancashire textile industry has made a considerable difference to its operation and there can now be few mills which are solely devoted to processing cotton. Technical advances, particularly in recent years, have enabled many Lancashire firms to take advantage of the opportunities presented by the synthetics to offer customers goods which possess properties formerly unobtainable in fabrics made from the natural fibres.

One of the cases where direct opposition between cotton trade interests and those of

(*Continued on page 41*)

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CULTIVATION OF COTTON IN RUSSIA

PHENOMENAL RISE IN YIELD RECORDED

BEHIND the remarkable development of the Soviet industry in the post-war years lies an equally significant improvement in some lines of Soviet agriculture under collective and State farming. This is particularly evident in the case of cotton, the production of which, in the post-war years, has increased by about 40 per cent. It was only 3.8 million bales (of 478 lbs.) in 1938-39 but stands at the high figure of 5.3 million bales in 1955-56. Production of communist countries as a whole increased from 6.1 million bales in 1938-39 to 8.95 million bales in 1955-56. As compared with this, the total free world output of cotton increased from 23.3 million bales in 1938-39 to 30.5 million bales in 1955-56.

Though most of the countries of the communist world shared in the increase, the rise has been more marked in the case of Soviet Russia both in yield per acre and total output. It may be noted that it is not in respect of the volume of output that the improvement has been most remarkable, though even that is good enough, but in the yield per acre which has risen by leaps and bounds, far exceeding the highest level reached by any of the free world countries. The yield per acre in the U.S.S.R. which stood at about 292 lbs. in 1938-39, increased to 554 lbs. in 1954-55, although in 1955-56 it is estimated to have been slightly lower at 497 lbs. As against this, the yield in the United States was 212 lbs. in 1938-39 and 417 lbs. in 1955-56, while that in Egypt was 478 lbs. in 1938-39 and 391 lbs. in 1955-56. This remarkable improvement in yield per acre in the U.S.S.R. was the result of conscious efforts in developing new high-yielding varieties, as also improvement in the methods of cultivation.

Under the sixth Five-year Plan, according to Mr. B. Straumal, of the Central Plant Breeding Station of the U.S.S.R., the output of cotton in the Soviet Union in 1960 will have risen by 156 per cent. as compared with 1955. This is to be achieved by raising cotton yields and by extending the area under cotton. Progressive methods of soil cultivation, sowing, inter-tillage and mechanised harvesting, etc., are to be introduced to achieve the target. Soviet cotton farming, according to him, requires in the cotton varieties such qualities as early opening of the bolls, early ripening, capacity of the leaves to fall off naturally, and other properties which are necessary for machine harvesting. Cotton breeding in the U.S.S.R. is strictly divided according to districts and most of the cotton-growing districts have breeding stations. The chief method in adopting cotton varieties is hybridisation with subsequent training of hybrids and directed selection. By this method Soviet plant breeders crossed geographically distant forms of Peruvian cotton with fine fibred cotton of the *Gossipium barbadense* species. The hybrids were trained in shortened daylight and the earliest ripening forms were selected. A number of new varieties like S-6001, S-6002, 5010-V, etc., were developed which combine the advantages of early ripening, high yield and good technological fibre qualities. The method of hybridisation with foreign pollen has been broadly applied lately and the result has been the evolution of varieties like S-4507, S-4517 and K-1916 which have big boll, high yield and good fibre length.

Next to plant breeding, seed growing is of major importance and this was successfully conducted in Soviet Russia. The task of multiplying new varieties and improving them in the process of seed cultivation is being done by a system of "elite" seed-growing sections, distributed in collective and State farms. Experiments in plant breeding are going on and Soviet scientists aim at giving their country, within the shortest time possible, new varieties of cotton, high-yielding and with good quality fibre and adapted to harvesting by machines.

The twofold objectives of cotton experiments in the U.S.S.R. are increase in yield and reduction in the cost of cultivation. The former is sought to be achieved by evolving new and better varieties of cotton and the latter by devising more economical methods of cultivation, which at the same time will also increase the yield. The modern agro-technical method of sowing cotton in square hills with narrower space between rows and cultivating it in two directions is broadly applied in the cotton fields of Central Asia and the Caucasus.

The designers of the State design office for cotton, the staff of the Uzbek, Tashkent and Chirchik agricultural machine works and of machine tractor stations have worked hard to adapt the existing tractors, drills, cultivators and other machines for work in narrow inter-rows and the farms are beginning to get new tractor and machine models designed to meet the requirements of progressive agro-technique.

A new double row pneumatic shaft harvester will be tested shortly. Other original designs being tried are harvesting units performing several individual operations in one journey; picking raw cotton from open bolls, cotton harvesting and uprooting stubble. These machines, which have been designed in several models, are meant for clearing fields after the main harvesting has been done by other machines. A mobile machine for picking up cotton heaps after machine harvesting, having a capacity of three to five tons per hour, is being prepared for testing. Drying and sorting plants are being provided in cotton delivery stations and cotton ginneries. The new, highly efficient, gleaning machine combined with a cotton harvester will help to solve the problem of rapidly harvesting the whole cotton crop. Designers are also working strenuously on the mechanisation of loading and unloading operations connected with cotton harvesting and the transportation of cotton without containers. A cotton loader will be tested shortly. It is designed for mounting on a Universal tractor and driven mechanically by a system of hydraulic devices. A set of gripping and lifting devices and an adjustable device make this machine useful in all kinds of loading and unloading operations, including building work and hay stacking. Special transporting devices and machines for the transportation of cotton to the delivery station without containers are also being designed.

In the course of the sixth Five-year Plan, designers propose to provide a wide range of mechanisation for other work connected with cotton plantations and requiring much labour. Agricultural experts and designers are studying jointly the new methods of cotton cultivation and working out agro-technical requirements for the new machines. In this work they also make use of the achievements of foreign science and technique. They are working in close co-operation with collective farm cotton growers, agricultural machine operators, State farm workers and workers of the research establishments so as to raise mechanisation in the cultivation of cotton to a new and still higher level in the course of this sixth five-year period and by doing so to reduce two or three times the amount of labour spent on the production of one ton of raw cotton.

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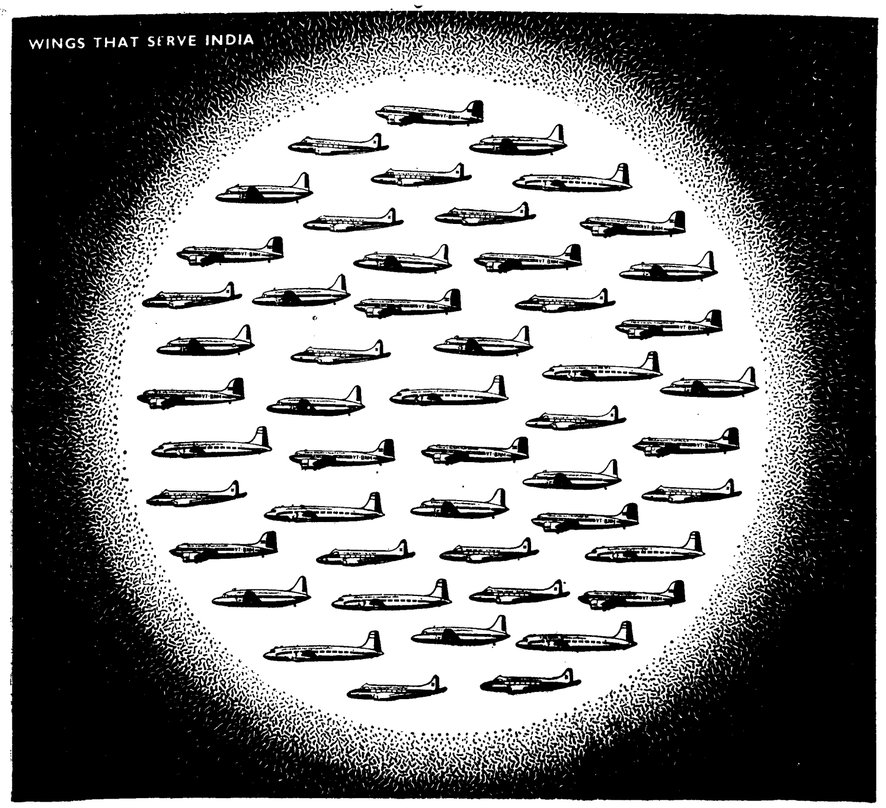

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FINANCIAL CONTROL IN INDIA

ROLE OF AUDIT IN ACHIEVING EFFICIENCY IN USE OF PUBLIC FUNDS

By Prof. V. G. Ramakrishna Aiyar

AT the present time when the ordinary layman hears so much but knows so little about the question of control of public expenditure, it is well to indicate the principles and practices underlying this problem. We may distinguish three degrees of control of public expenditure. The first is accountability control which requires machinery to ensure that public funds are spent in authorised ways. Secondly, there is efficiency control, the aim of which is to ensure that no more is spent on particular forms of expenditure than are required for the purpose in view. Thirdly, there is what might be called economic control, the aim of which is that aggregate spending by the Government is consistent with the desired distribution of resources between public and private uses. Today a large part of the national product is utilised by the Government, and it falls outside the scrutiny of the market mechanism and, therefore, the first two degrees of control, viz., accountability control and efficiency control assume a greater importance than in other circumstances. They afford further instructive examples in the management of public finances which should be considered carefully by administrators concerned with the Technical Assistance Programmes for whom the problem of standards of accountability is of the utmost importance.

In the financial administration and procedure that obtains today so far as Parliament is concerned, accountability control is closely connected with the work of the Public Accounts Committee. Once adequate accounting arrangements are established, it is for the Legislature to be satisfied that these accounts recorded the past intentions of the sovereign body. There are two questions that call for attention in this connection: (1) the extent to which the change in the nature and scope of Government expenditure requires new procedures of the Committee and (2) the relation of the Committee to the nationalised industries. Those of us who are familiar with the history of the control in England during 1939-50 from the epitome of the *Reports of the Committee of Public Accounts* (1952) can recall that the investigations of the Committee range from the abuse of the privilege of duty-free supplies of rum to the Royal Navy to the problem of the intentions of the Civil Aviation Act regarding the timings of subsidies to Airways Corporations.

Efficiency

Accountability deals with the scrutiny of events in the past. Efficiency is concerned with the present and the future. Some criteria of efficiency have to be evolved and somebody must apply them. This scrutiny has been the function of the Estimates Committee. Even in England, rich in its experience of Parliamentary traditions, the function of the Estimates Committee has not been altogether popular. The British convention today is that estimates of expenditure are the concern of the Government in power and given majority rule, the Government must decide on the criteria. The British Estimates Committee has frequently come into conflict with successive Governments and some harsh things have been said of the proposals for a National Expenditure Committee. Moreover, in so far as the application of criteria is concerned, the Estimates Committees have been frowned upon by the Treasury which considers that any cross-check of estimates is a reflection on its efficiency. Nevertheless, the *raison d'etre* of the Estimates Committee cannot be ignored in spite of the impact of modern macro-economics on public finance as a factor influencing the form and level of public expenditure. In many spheres of Government activity, it would be wrong to encourage the view that there is an executive monopoly of expenditure in regard to the assessment of efficiency to which politicians must give way. An Estimates Committee can do a great deal of useful preliminary work which may help to confine discussion to the important issues. There is remarkably little serious thought given so far to these institutional aspects of public finance; yet it is sorely needed if we are to be able to make correct assumptions about the place of Government activity in the national economy.

Indian financial system, procedure and control have been largely modelled on their counterpart prevailing in Britain on account of the British rule in India till 1947. It is, therefore, desirable and necessary to study the British financial system as to how far changes have been introduced in their system during the last one or two decades and in what manner the Indian system has failed to adapt itself to the changing conditions in recent years. Till the beginning of the present century, the Government in the U.K. were largely guided by the principle that both taxation and public expenditure should be kept as low as possible and that "money should be left to fructify in the pockets of the taxpayer." In the early years of the present century, these ideas began to give way to more progressive ones with the embarking of the Government on a number of social reforms. In consequence, the Treasury became less and less concerned with the prevention of public expenditure and more and more concerned with ensuring the most prudent and economical spending on approved projects. The control was exercised through the scrutiny of Estimates, the Budget and the need for Treasury approval for new services.

New ideas about the responsibility of the Treasury as the custodian of the economic welfare of the State are traceable after 1920. In other words, the "Treasury staff began to think of expenditure rather less in terms of prospect of the spending of so much public money and rather more in terms of the employment of the resources; that given the wider views as to the proper objects of Government expenditure, the Treasury came to be regarded by Ministers and Cabinets as having a dual task, first of keeping watch upon the total share of the national resources devoted to public expenditure and, secondly, of shifting the projects submitted to them and only approving those which would give best value for the money." Since 1920 financial officers regarded somewhat in the nature of outposts of the Treasury, were appointed—with the consent of the Prime Minister—to each Ministry to work under the Permanent Secretary of the department. In other words, it became the accepted practice of the British Government that the permanent secretary should also be the accounting officer, so that the responsibility for policies could be entrusted under one man.

According to Sir Warren Fisher, a Permanent Secretary to the Treasury, "the economy was not something to be imposed on other departments by a Treasury acting as the 'single-handed' champion of solvency keeping ceaseless vigil on the buccaneering proclivities of the permanent heads of departments, but rather that the heads of departments should work together as a team in the pursuit of economy in every branch and every detail of the public service." This reform has inculcated a greater sense of financial responsibility in departments. Departments began to recognise that, although it was the duty of the Treasury staff to criticise, such criticism was useful and necessary in the making of plans, and it might even be wise on occasions to consult the Treasury informally before there was any need to seek formal Treasury sanction.

Economic Stability

It was during the war and post-war period that the Treasury adopted a number of measures to achieve economic stability such as restriction of internal spending in order to control inflation, using the budget as a means to hold the balance between income and expenditure, regulation of public spending in such a way as to offset fluctuations in private investment, adjustment of the balance of payments position, regulation of the import programme and maintenance of a high level of employment. The coordinating work on these programmes is now entrusted to the Central Economic Planning staff. The Treasury has two main functions: (1) the prudent house-keeping or the art of the saving of candle-ends and (2) the general coordination in the economic field.

In addition, the Treasury has a separate section specialising establishment matters and the section reviews at intervals the organisation of all departments in which knowledge of those who work in the departments is blended with the experience of those from outside. The traditional doctrine of Treasury authority for every new post or every variation in establishment has now been superseded by widely delegated powers to departments enabling them to deploy their staff at their own discretion provided that an authorised total figure is not exceeded; and this authorised total may have the qualities of a moving target, in that the departments the work of which is increasing or declining may be asked to work within a larger or smaller total 6 or 12 months ahead. These increased delegated powers are balanced by visits of staff inspectors whose duty it is, not so much to look for particular matters on which they can suggest improvements, as to report whether each department has in force a satisfactory system for controlling its staff numbers and keeping its organisation in good order.

In fact, the trend has now definitely changed from that of meticulous control of detail in favour of greater delegation to departments, combined with the use of methods which enables the Treasury to satisfy itself that the standards of prudent housekeeping are being observed. The Treasury has been able to achieve the latter objective by calling a halt when the departmental authorities show signs of getting out of hand. It is a sort of relationship in which the Treasury clerk is a layman dealing with experts who know more of their business than he can hope to acquire. But by sheer practice in weighing up facts and testing evidence and judging men, it is his business to form a layman's judgment on whether any case presented for more expenditure, however admirable from a particular point of view, is out of scale with what can be allowed on a commonsense judgment of things.

Financial Control in India

India has adopted cabinet government on the British model. In successive constitutional reforms, institutional and administrative, checks have been set on the British pattern. For example, expenditure calling for additional funds has to emanate from the President, that is to say, virtually from the President's ministers. Again, a Select Committee on Public Accounts was set up immediately after the Montagu-Chelmsford Reforms. It was accompanied by a Standing Finance Committee corresponding to the British Estimates Committee. But these committees at first functioned with much less independence than their counterparts in Britain.

One of the earliest acts in India after the attainment of Independence (February 1950) was to establish machinery whereby the chairman of the select committees was appointed by the Speaker, thus making it possible to appoint members of the opposition as chairmen and thus giving an opportunity for free criticism of governmental policy. A new Estimates Committee has also been provided for, similar to the British Committee on the Estimates. A day is usually reserved for parliamentary discussion of the reports of the Public Accounts Committee; the reports of the Estimates Committee will also be debated and commented upon in the Press. The Indian Public Accounts Committee works in close co-operation with a strong department of audit, the composition of which also follows the British system. The accounts department is separate from the audit section; as a result, the confusion which exists in many countries, because the same body authorises and audits expenditure, has been avoided in India. Moreover, the Central accounts and audit department functions not only for the Union Government, but is also responsible for supervising and auditing all State accounts. Municipal and local finances are outside the purview of the Central Government, and are under the States, which endeavour to see that local accounting and auditing are performed with reasonable efficiency.

As in Britain, so also in India, the Finance Ministry occupies a dominant position. Like the British Treasury, the Indian Ministry of Finance maintains continuous control over departmental expenditure. There is also a trend to increase the efficiency check on expenditure at the administrative level through the establishment of 'organisation and method' departmental officers on modern British lines.

In the 1930s, India set up an economic advisory department which functioned in the Ministry of Commerce and had a statistical unit attached to it. But economic questions are coming to be more and more the concern of the Ministry of Finance and the Cabinet Secretary associated with it. The Indian Ministry of Finance has been reorganised so as to pay more direct attention to economic questions. One section is responsible for all revenue matters, another, entitled "expenditure" (parallel to British supply), is concerned with departmental estimating and outlay; the remaining departments—internal finance, external finance and the budget division—are closely associated with economic affairs.

Control—Internal and External

Financial control in India is of a twofold character: internal and external. The internal or Treasury control is exercised primarily by the Finance Department, which is charged with the duty of seeing that economy is observed by the administrative departments. In practice, this control is limited by several factors. One of these is the personality of the Finance Minister. In Britain, the Chancellor of the Exchequer is regarded as next in importance only to the Prime Minister and is always a leading member of the party in power. When he says "no" to a proposal, it is final. This is not the case here. Finance Ministers in the States and at the Centre have not been members of the party enjoying a majority in the legislature. The authority of the Finance Department is not final, and its control is not as strict as that of the British Treasury. Finance does not constitute a whole-time charge for a Minister in the States and he is also placed in charge of spending departments like police, jails, law, courts, education, etc. As such, the Finance Minister becomes a party to the expenditure which he is ultimately to sanction as the head of the Finance Department. No Finance Department can dictate or veto policy. Ultimately, administrative considerations must prevail. If the Government, for instance, decides on a policy of prohibition, the Finance Department has to accept it in spite of the resulting loss of revenue. External control over public finance is exercised by (1) the legislature, (2) the committees of the legislature, and (3) the Audit Department. The main function of the legislature in connection with finance is to vote supply which includes voting of expenditure as well as provision of funds by taxation or otherwise to meet the expenditure.

As far as control over expenditure is concerned, the provision in the new Constitution is satisfactory. Many items of expenditure previously classed as non-votable (about 80 per cent. of the total expenditure) will now be votable, such as defence, salaries and pensions of superior civil services, external affairs, etc. The items now classed as non-votable are also non-votable in Britain and other advanced countries such as debt charges, salaries and pensions of High Court judges, allowances and emoluments of the heads of the States, etc. In another respect also, there is an improvement over the Government of India Act of 1935. A vote once passed by the legislature is final in the sense that it cannot be modified by the executive. There can be no restoration by the executive of grants rejected or reduced by the legislature. Sections 162 and 163 of the Government of India Act of 1935 provided that the executive authority of the Federal Government or a State extended to borrowing upon the security of the revenues of the Federation or the State; these provisions have been reproduced in the Constitution. In view of the growing magnitude of the annual loan operations, it seems necessary that the specific sanction of the legislature regarding the purpose and the amount of each loan should be obtained before the loan is raised. If the loan is being raised to meet a revenue deficit or any other unproductive purpose, the legislature and particularly the money market will take due notice of the fact. It will also enable the audit to see whether the loan has actually been spent for the purpose for which it was raised, and whether the amount spent is not greater than that sanctioned by the legislature.

Standing Committees

The main committees of the legislature concerned with financial control are the Standing Finance Committee and the Public Accounts Committee. The function of the Standing Finance Committee is to advise the Government on new proposals for expenditure before they are included in the estimates. The main committee of the legislature concerned with financial control is the Public Accounts Committee. Public Accounts Committees have been in existence at the Centre and in the States ever since the inauguration of the Montagu-Chelmsford Reforms. They have done useful work in improving financial administration. As far as their membership and functions are concerned, they have been generally modelled on the lines of the British Public Accounts Committee. Secretaries to the Governments, heads of departments and other spending officers are called before it to give evidence. This exercises a wholesome influence on the spending of public money. The Auditor-General (or the Accountant-General) in the case of a State) usually attends the meetings of the Committee to assist it in its deliberations and proceedings.

The Auditor-General is rightly given the same position of independence as a judge of the Supreme Court. This is a very necessary provision. The Auditor-General of India exercises powers and functions for both the Centre and the States. As audit and accounts was a provincial subject, provinces were free, even under the Government of India Act of 1935, to make their own arrangements though they did not prefer to do so on grounds of economy and efficiency. In the new Constitution, the provision relating to the States have been separated from those relating to the Centre.

Irregularities

Financial transactions of Governments mostly consist of (i) receipts of revenue, (ii) expenditure and (iii) purchase and issue of stores and stock. As far as the audit of expenditure is concerned, the functions of the Auditor-General are sufficiently comprehensive and are practically the same as those of the Comptroller and Auditor-General in Britain under the Exchequer and Audit Departments Act. There is, however, one important difference. In Britain, the Comptroller and Auditor-General combines in his own person two offices which were formerly separate. In his capacity as Comptroller of Exchequer Issues, he controls the issue of public money; in his capacity as Auditor-General, he is auditor of public accounts. This is not so in India and the separation of Accounts from Audit gives scope for financial irregularities. For instance, during the last war, large sums were issued from the treasuries in Bengal on the authority of the Bengal Government; these payments were found to be irregular and about Rs. 19 crores had to be written off. The English practice is commendable. Another point in relation to the powers of the Auditor-General is that though he is free to decide the scope of audit in relation to expenditure, his budget is controlled by the Finance Department. As far as audit of receipts is concerned, the position is very satisfactory. In Britain, the Comptroller and Auditor-General is required by law to audit all accounts of revenue and to report on them to Parliament. In India, the Auditor-General cannot of his own accord undertake the audit of the receipts of any department. He can do so only with the approval of, and to the extent desired by the executive.

Trends in India

The powers of sanction and control over expenditure have become important at present and will be much more so in the coming years. In a modern developing economy of a country like India, the budgeted expenditure on various development schemes is becoming colossal, and with it the powers of the persons who exercise the control over sanction of enlarged expenditure becomes greater. In the pre-war period, prior to 1939, the budgeted expenditure of the Central Government stood at about Rs. 86.61 crores and out of this, defence absorbed about Rs. 47.35 crores, leaving Rs. 39.26 crores for civil expenditure. The function of the pre-war Central Government was mainly that of a Police State with law and order, while since Independence, the ideal has changed into that of Welfare State. Further, Government have assumed the responsibility of directing the activities of various ministries and State Governments to the attainment of optimum economic activity.

Regulation of this huge quantum of expenditure towards the implementation of the second Plan will mean considerable powers to the Finance Ministry. Some powerful ministers have already begun to chafe at the growing authority of the Ministry of Finance and it is mainly against the constant and irksome interference of the Finance Ministry that other ministries have begun to plead for greater decentralisation over the control of expenditure.

Attempts are being made to decentralise the power over sanction and control of expenditure from the hands of the Finance Minister as much as possible. It will be recalled that this attempt led to a veritable crisis in July 1954 when the then Finance Minister, Mr. C. D. Deshmukh, threatened to resign from the Cabinet over the Chanda Report which had suggested decentralisation in regard to sanction and control over expenditure. The Appleby Report which was recently discussed in the Lok Sabha on the pattern of decentralisation of financial control and audit has brought the issue to the fore, namely, that the present system of too many checks and counter-checks sapped administrative initiative and delayed action.

Audit

On the question of audit, it may be desirable that there should be one organisation that should draw up programmes and priorities and another that should evaluate achievements and examine failures. In fact, the Prime Minister Mr. Nehru has recently made the same suggestion by saying that what we need is not so much financial audit as achievement audit. In the context of vital changes in the national economy, the more important thing to measure is the change effected and not the money spent. It may be said that financial audit comes to the same thing since such audit is of spending on a particular project estimated to cost a particular sum of money. But there is an essential difference; in financial audit we are thinking of the money and in the last resort we are satisfied even if the thing planned is not done, so long as the money is not wasted.

In achievement audit, on the other hand, we look at the concrete changes effected and blame will normally attach to the executor for not having completed a planned task, even though he may plausibly defend himself by saying that he might in that case have incurred more expenditure than originally planned. In other words, the accent is on results and not on penny-pinching. From this point of view, the best auditor would be the technical man and to that extent, the financial auditor who merely concerns himself with the technicalities of orthodox spending has only a minor role to perform. The function of the Auditor-General should not be considered so over-ridingly important as to make actual achievement impossible by fear of what he may have to say on how it was done. In this connection, one cannot ignore the serious difficulty of sanction from the Finance Ministry every time something is to be done. Of late, it is said there have been many instances of how technical men have been thwarted by financial officials who do not have the technical knowledge to evaluate the need for expenditure. It is to avoid such frustrating check on expenditure that has made Mr. Appleby to suggest extensive delegation of powers to the men on the spot.

On the other hand, protagonists of the present system maintain that the Indian audit system has been criticised by Mr. Appleby without sufficient knowledge. In the appraisal of the function of the Comptroller and Auditor-General of India, he treads a somewhat unfamiliar and controversial ground when he says that the function of audit is a strictly negative one. It is, of course, true that the Government audit is a financial audit and audit criticism is limited to financial criticism based on the accounts. But no one can deny that it is the duty of audit to bring to notice the wastefulness in public administration and infructuous expenditure. One has only to glance through the pages of Audit Reports on Appropriation Accounts to have an idea of the innumerable cases of misappropriation of public funds and infructuous expenditure. The maintenance of a high standard of public morality and sound financial administration has been the constant endeavour of audit. The fundamental object of the Audit Department is to secure value for the taxpayer's money by seeing that expenditure is not irregularly and wastefully incurred and Parliament has, therefore, attached great importance to the role of Comptroller and Auditor-General of India and accorded to him the status of an independent constitutional authority.

If the work of enforcing economy is to be done with efficiency, it cannot be left to those whose reputation and power depend upon spending; it must be given to another authority whose power and reputation will depend upon his efficiency in economising public resources. Hence the need for a division of functions and thus out of the three agencies of financial control, audit functions in a dual role both on behalf of the Executive (Finance Ministry/Department) and on behalf of the Legislature/Parliament. As a matter of fact, the present system of Indian audit has done much to point out cases of leakage of public funds and to pinpoint irregular practices. The role of audit has been the positive one of suggesting and helping to take corrective action in the light of past experience and not merely a negative or pedestrian one of watching the mere application of rules and orders, and it has been remarkably useful both in the matter of acting as financial adviser to the Government and in its helpful suggestions and assistance in the field of budgetary and financial control in India.

PROSPECTS FOR TEA IN 1957

DECLINE IN PRICES LIKELY

CONSUMERS of tea in the U.K. have had the most unwelcome New Year "gift" in the shape of an increase in the cost of their cup of tea. Following the recent increase announced by a London tea dealer, several firms stepped up the retail prices of tea on 29th December 1956. The increases ranged from 4*d.* to 8*d.* per lb., making the average retail price about 6*s.* 3*d.* per lb. According to a tea dealer, this step was inevitable and the Suez crisis has accelerated the matter, because many countries which were short of tea had to come to London to get their supplies. The wholesale price of tea in London is also now much higher than it was at this time last year. The average price of tea sold at the London auction two weeks ago was 6*s.* 1*d.* per lb., as compared with an average of 4*s.* 5*d.* per lb. realised in the corresponding week of 1955. The new prices have already been made applicable to the trade, but will operate for the public when shopkeepers' present stocks are exhausted, probably in about a fortnight's time.

The upward trend in prices of tea at auctions in both London and India, noted for the last three months, has been mainly influenced by the situation in the Middle East and the interruption in the "rhythm" of supplies to the U.K., resulting in a sharp fall in stocks. U.K. stocks as on 14th December last amounted to only 83.1 million lbs., as against 123.1 million lbs. a year ago. The rising trend gathered further momentum, following the sharp fall in the North-east Indian crop for the month of November 1956, when the output amounted to 47.2 million lbs., as against 87.0 million lbs. in the previous month and 62.1 million lbs. in November 1955. This brings the total output for the period April-November 1956 to 533.8 million lbs. which represents an increase of only 12.7 million lbs. over the crop for the corresponding period of 1955. It may also be noted that, with the fall in production during November, the lead has been reduced by 14.9 million lbs. from 27.6 million lbs. at the end of October, which, as readers are aware, is attributed to the crop regulation scheme brought into effect by the North-east Indian tea producers during the month.

Easier Trend Expected

The sharp rise in tea prices has no doubt brought about a welcome change in the fortunes of producers of plain tea in India, who had been having a very thin time this season, but such violent price movements are being viewed with concern by producers and distributors alike, for the higher the price goes up the further will it fall when the excitement which has been responsible for the rise dies down. In fact, Sir Eric Miller, Chairman of Harrisons and Crosfield, Ltd., London, expects an easier price situation to develop in the new year when shipments diverted via the Cape of Good Hope arrive in the U.K. Addressing the shareholders of the Company at their annual general meeting held about four weeks ago, Sir Eric referred to the statistical position of tea which did not justify the continuance of the present high level of prices. According to him, the 1956 production in Ceylon may be some 10 million lbs. below 1955 and the South Indian and Indonesian crops will total 10 million lbs. less than 1955. "On the other hand," he added, "the probable increases in North India and Pakistan indicate that 1956 world production may be only 10 million lbs. less than in 1955." Even this level of production is considered by Sir Eric as running ahead of normal absorption and yet new tea areas are being opened in several countries which were formerly content to rely on imports from India, Ceylon or Indonesia, but now aim at self-sufficiency for most of their own domestic requirements.

Crop advices from the important producing countries received after Sir Eric's analysis of the situation show a slightly different picture. They reveal that the shortfall in world production in 1956, as compared with that in 1955 is smaller than that envisaged by him. For the latest reports from Ceylon indicate a substantial increase in production during November, such having gone up from 27.7 million lbs. in October to 38.5 million lbs. (the output for November 1955 being 30 million lbs.). The total production of Ceylon for the first 11 months of the year accordingly amounts to 339.6 million lbs., as compared with 348.7 million lbs. in the corresponding period of 1955, the shortfall having been reduced from 17.5 million lbs. at the end of October to 9.1 million lbs. It will thus be seen that the effect of the decline in production in North-east India during November on the world total has been offset to a larger extent than that expected by Sir Eric Miller. The latest crop figures of major producing countries are shown below:

(In million lbs.)

		1956	1955	1954
North-east India,	Apr.-Nov. ..	533.8	521.1	502.5
South India,	Jan.-Oct. ..	103.8	119.4	108.4
Pakistan,	Apr.-Nov. ..	51.4	48.9	51.7
Ceylon,	Jan.-Nov. ..	339.6	348.7	333.2
Indonesia,	Jan.-Sept. ..	67.3	70.9	75.6
	Total ..	1,095.9	1,109.0	1,071.4

Referring to consumption of tea in the U.K., Sir Eric pointed out that it had been fully maintained; in fact, it had been in excess of 1955 with an average weekly consumption of 9.75 million lbs. for the first 10 months of 1956, as compared with 9.28 million lbs. (weekly) for the same period in 1955. The U.S., which is second to the U.K. as an importer of tea, has, according to him, barely maintained its average imports of recent years, despite a substantial increase in population and energetic merchandising campaign which cost about $2 million in 1955. Sir Eric did not see the prospect of any marked increase in consumption in other important markets, such as Australia, Canada or South Africa.

Outlook

Speaking on the outlook for tea producers in India, in particular, and more specifically producers of plain teas, the Chairman of Harrisons and Crosfield pointed out that the future depended on encouraging tea drinking more widely. To quote him:

"There is never likely to be too much quality tea available, but the future for producers of plain teas is dependent on the wholesome habit of tea-drinking being more widely encouraged. This is happening in India itself where consumption over the past few years has shown a continuing increase, capable of further expansion in the future. From a health point of view, tea-drinking has the merit that the water for the brew has to be boiled. A prerequisite for greatly increased consumption is that sound tea shall be made available at prices within the reach of the masses."

Sir Eric Miller, however, warned that marked progress in this direction could not be relied upon, so long as producers were mulcted in exorbitant export duties, ever-rising wage demands and crippling taxation. It is these factors which are responsible, according to him, for a number of responsible *entrepreneurs* seeking in recent years lands suitable for tea growing in the heart of Africa. He added that these *entrepreneurs* were prepared to invest upwards of £250 per acre in new planting there, in striking contrast to the fact that shares in good Indian tea companies could now be purchased at less than the value of their current cash resources with their estates thrown in for nothing, *quod est absurdum*, as Euclid would have said most emphatically.

Sir Eric also drew attention to the possibilities of India gradually losing its markets abroad for plain tea. Already, India has yielded considerable ground to its competitors in world markets. Supplies from Africa are steadily rising. Tea production in this country has gone up from less than 35 million lbs. in 1946 to more than 60 million lbs. in 1956 and shows every prospect of continual expansion in the future and, what is more important, at an average production cost substantially below that of India.

This aspect of the outlook for Indian tea deserves serious attention of the Government of India. It should re-examine its policy in regard to exports and export duty from the long-term point of view of protecting India's export markets for tea. It should not sleep over this matter, as it did in the case of the jute industry. It is common knowledge now that, in its anxiety to gather as much revenue as possible by keeping the export duties at very high levels, the Government of India actually provided a protective umbrella to jute industries in other parts of the world, especially in Pakistan and Japan, and to industries producing substitutes for jute goods. When the Government realised its mistake, it was too late and much irreparable damage had been done to Indian jute mills. The tea producers also should pay more attention to producing quality teas which alone can keep up the reputation of Indian tea abroad and the country's position as the leading supplier to world markets.

MORE JUTE IN 1956-57

LARGER AREA TO BE BROUGHT UNDER CULTIVATION

THE prospect of an increase in the supply of raw jute to mills in India is indicated by the latest official crop estimate for the year 1956-57. The all-India final estimate of jute for the year places the current year's area and production at 1,883,000 acres and 4,221,000 bales (of 400 lbs. each), as against the partially revised estimate of 1,739,000 acres and 4,197,000 bales for 1955-56. The corresponding final estimates for 1955-56 were 1,581,000 acres and 4,137,000 bales. The latest estimate for 1956-57 represents an increase of 144,000 acres, or 8.3 per cent., in area and 24,000 bales, or 0.6 per cent., in production over last year's revised estimate.

The overall increase in acreage during the current year has been reported mainly by Bihar and to a smaller extent by Tripura, due generally to favourable climatic conditions at sowing time. The increase in acreage in Bihar and Tripura has, however, been offset to some extent by a decline mainly in West Bengal and to a lesser extent in Assam, Orissa and U.P. The rise in production in Bihar and Tripura is due partly to an increase in acreage and partly to efforts made for growing high quality jute under jute development scheme. The decline in West Bengal, Assam and Orissa is attributed mainly to unfavourable weather conditions during the growing period of the crop.

The estimates of production for 1955-56 and 1956-57 in respect of Assam (excluding hill districts), West Bengal (excluding Darjeeling district) and U.P. are based on the results of random sample crop cutting surveys. The latest estimates in respect of Bihar and West Bengal relate to the new set-up of the States after their reorganisation on 1st November last.

With the improvement in acreage during the current year, the area under jute has been considerably enlarged during the last three years, having gone up from 1,196,000 acres in 1953-54, to which level it had declined from a high of 1,951,000 acres in 1951-52. The output of jute, which had also fallen successively from 4,678,000 bales in 1951-52 to 2,928,000 bales in 1954-55, has moved up substantially during the last two years.

An unsatisfactory feature of this progress is that the increase in acreage during the current year has not been accompanied by a correspondingly encouraging rise in production, with the result that the yield per acre has considerably dwindled to 2.24 bales from 2.62 bales in 1955-56; it is the lowest for many years, as will be seen from the following comparative table for the last nine years:

	Area (000 acres)	*Crop* (000 bales)	*Yield* (bales per acre)
1948-49	834	2,055	2.47
1949-50	1,163	3,089	2.66
1950-51	1,454	3,301	2.27
1951-52	1,951	4,678	2.40
1952-53	1,817	4,605	2.53
1953-54	1,196	3,129	2.62
1954-55	1,243	2,928	2.36
1955-56	1,581	4,137	2.62
1956-57	1,883	4,221	2.24

It will be noted in this connection that the production target for jute in the second Five-year Plan was recently raised from 5 million bales originally fixed to 5.54 million bales, along with other agricultural commodities. The subject of reaching this revised target came up for discussion at a meeting of the representatives of the Commerce, Community Development, Finance and Agriculture Ministries and the Chairman of the Indian Jute Mills Association, held in New Delhi on 30th December, 1956. In order to achieve the object in view, it was decided to increase the acreage under jute cultivation in the States of Assam and West Bengal. A concerted drive will be made to enlist the co-operation and assistance of the Community Projects and N.E.S. workers also in these jute-growing States.

It was also emphasised at the meeting that free or cheaper supply of seeds, fertilisers and agricultural equipments would also be necessary. It was decided to undertake "top-dressing" of jute with ammonium sulphate and the entire area under jute cultivation would be fertilised by the end of the second Plan period. The problems of the State Governments and the Plan for production will be discussed further at a conference of Secretaries of State Agriculture Departments and Development Commissioners to be held on the 12th inst. in New Delhi. It is to be hoped that the Conference will discuss and decide upon practical measures for bringing about a substantial increase in the yield per acre.

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PROMOTION OF TOURISM

ESTIMATES COMMITTEE'S SUGGESTIONS

A SIGNIFICANT development in the post-war era is the increased interest in tourism not only in the industrially advanced countries of the world but even in the relatively under-developed countries. Indeed, the latter group of countries has a special interest in tourism, in that it is a welcome source of invisible income. Although it is only in recent years that the authorities in this country have taken a lively interest in the development of tourist industry it is noteworthy that a modest beginning towards building up this industry has been made. Obviously, much more remains to be done before the industry can make a significant contribution to India's foreign exchange earnings. But the progress which has been made so far justifies the hope that tourism will become an increasingly important source of income to this country. After all, the presence of a large number of historical and cultural centres in this country, not to mention the places of great scenic beauty, is a factor that facilitates the task of promoting tourism.

In recent years, there has been a steady increase in the number of tourists who visit India. It has more than doubled in the last five years. Thus, from 20,000 in 1951, it moved up to 25,448 in 1952, to 28,060 in 1953 and still further to 39,333 in 1954. In 1955, as many as 43,645 tourists from abroad visited India. The country is estimated to have earned Rs. 10.1 crores in 1955 by way of income from tourist traffic; at this level, it constitutes about one per cent. of the country's export earnings. The tentative estimates framed by the Union Ministry of Transport place the earnings from tourists in the period of the second Five-year Plan at Rs. 60 crores.

Sargent Committee

Public interest in tourism was first stimulated by the report of a committee (Chairman: Sir John Sargent) set up by the Government of India in 1945. The Committee was unanimously of the opinion that it was in the interest of India to encourage and develop tourist traffic by all possible means. It was, however, only in 1948 that the first step was taken by the Government of India towards the promotion of tourism; an *ad hoc* tourist traffic committee, consisting of the representatives of the Ministries concerned and of tourist, transport and hotel industries, was set up. In 1949, the Government implemented one of the major recommendations of the Sargent Committee, namely, the setting up of a separate tourist branch in the Ministry of Transport. This was followed by the establishment of regional tourist offices in Bombay, Calcutta, Delhi and Madras and overseas offices in New York, San Francisco, London, Paris and Colombo.

Realising the importance of tourism, the second Five-year Plan provides for a total expenditure of Rs. 4.22 crores to be spent on upgrading tourist facilities in the country—Rs. 1.86 crores by the Centre, Rs. 1.51 crores by the States and Rs. 85 lakhs to be paid out of Central funds for promotion of tourism in Jammu and Kashmir. Under the first Five-year Plan, it may be recalled, no specific provision was made for promotion of tourism. The Government of India, however, incurred an expenditure of over Rs. 52 lakhs towards the development and promotion of tourist traffic. Besides establishing the overseas and internal tourist offices, to which a reference has been made at the outset, the Government published a large variety of tourist publicity material and developed valuable contacts with the international bodies interested in promotion of tourism.

Publicity

On many aspects of the tourist industry, such as publicity and hoteliering, the Estimates Committee, in the course of its report on the Ministry of Transport, has made some very important recommendations. Regarding publicity material, the Committee observes that the standard of such material is "generally quite high." Nevertheless, it says that there is scope for improvement. In particular, it has emphasised the need for using types that will not cause any strain to the eyes and for cutting out from such material information about centres which foreign tourists are not likely to visit. It commends to the Government's attention the suggestion made in the U.N. Fellowship Study of the Working of Official Travel Organisations of six European countries. The report of this study stressed that since each country is trying to do its best to "sell" its tourist attractions and is bringing out "shoals of printed publicity material," a good part of the tourist literature produced goes waste. It would, therefore, appear that the more intelligent travel organisations are limiting expenditure on publications and are spending comparatively more on reaching the public at large through advertising, feature articles in newspapers and magazines of general interest and the radio and film. Again, the human interest is being emphasised more than the architecture of cathedrals and the scenic beauties of the countryside. The tourist is looked upon as a human being "interested in meeting people, eating good food and amusing himself with various forms of entertainment." The Committee stresses that these trends should be fostered in respect of tourist literature published by the Government of India.

For the benefit of foreign tourists, the Government has brought out publications giving the road routes to Bombay, Calcutta, Madras and Delhi. Six road maps are now under production by the Survey Department, Dehra Dun. The Committee appreciates the importance of road maps and their easy availability to tourists. But it suggests that the issue of road maps should be entrusted entirely to the Survey Department. It welcomes the fact that the Government has produced 18 documentaries so far, dealing with Kashmir and other centres of interest and 23 more films are under production. It suggests that the documentaries should be widely exhibited in colleges and schools all over the country so as to encourage student tourism.

Hotel Industry

The Committee rightly stresses that "there is no other single factor of such a vital importance for the development of tourist traffic as suitable arrangement for boarding and lodging." It recognises that these facilities have recently been expanded but observes that "the position still remains far from satisfactory." There are about 107 Western style hotels and nine circuit houses in India which have been approved for foreign tourists and included in the Hotel Guide published by the Ministry of Transport. The work of classification of these hotels has been taken in hand. It is stressed that the committee which has been entrusted with this work should be requested to submit its report within a specified period of, say, six months. It has suggested that the Government should consider "sympathetically" and take "early" decisions on the points raised by the representative of the hotels industry at the meeting of the Central Tourist Traffic Advisory Committee, held in June 1956. These points are:

(i) The hotel industry should be recognised as an industry within the meaning of section 2 of the Industrial Finance Corporation Act, 1948. (ii) The hotel industry should be granted concessions such as exemptions from various Acts like the Rent Control Act, Bombay Police Act, etc., and Prohibition Act. (iii) Profits of new hotels and restaurants should be exempt from income-tax for the first five years. (iv) Hotels should be allowed to get loans from foreign countries without the levy of income-tax on the amount paid as interest on foreign loans. (v) Land for building hotels should be allotted on good sites and at reasonable rates. There should be no discrimination between hotels in this respect. (vi) Classification of hotels should be done in co-operation with the Hotel Federation.

The Committee has suggested that the Government should use its good offices to see that the hotel industry gets loans to a reasonable extent from the banks, the State Insurance Corporation, and/or the Industrial Finance Corporation. It adds that while it has no objection to the grant of loans to the hotel industry on easy terms, subject to the availability of funds, it is "definitely of the opinion that the hotel industry is pre-eminently suitable for the private sector and that the public sector should not encroach upon this sphere." Finally, it hopes that business men will be encouraged to build more hotels for tourists in the low and middle income groups.

Customs

The question of simplification of formalities to be observed by foreigners has been under the active consideration of the Government of India for some time past. A special committee, consisting of the Transport Ministry as convenor, and representatives of the Home Ministry (Security Branch), Finance (C.B.R.), External Affairs and Communications (D.G.C.A.), was appointed early last year to examine not only rules regarding registration, customs, currency restrictions, income-tax clearance, etc., but also facilities available at ports of entry for foreigners. The special committee, after visiting the major ports of entry, made a number of recommendations which have been almost entirely accepted and implemented by the Government.

The position now is that all passengers arriving by air are required to fill in only one form, namely, the disembarkation card containing all the information required for purposes of registration. On the basis of this card and the entries in the passport, the registration authorities fill in and issue registration certificates. For passengers arriving by sea, the Master of the vessel ensures that a copy of the passenger manifest, which also contains all the particulars required for registration, is furnished to the registration authorities. The latter issue registration certificates on the basis of the particulars contained in the manifest. Thus, the individual passengers coming by sea do not have to fill in even the disembarkation card.

All foreigners have the option of registering themselves either at the port of entry or at leisure within seven days of their arrival. Further, the hotel arrival reports are furnished not by the foreigner but by the hoteliers on the basis of the particulars entered in the hotel register. A foreigner is able to make his departure report either from the district in which he is staying or at the port of departure. All passengers leaving India by air fill in only one form, namely, the embarkation card. Necessary amendments to the Foreigners' Registration Rules to this effect have been made. The revised procedure came into force with effect from the 1st May 1956.

As regards customs formalities, baggage declaration for the passengers is now oral. The limit for jewellery for personal use has been raised from Rs. 2,000 to Rs. 5,000 and discretion has been given to customs officials on the spot at the ports of entry to permit jewellery upto Rs. 10,000. These two modifications have come into force with effect from the 15th July 1955, and have been greatly welcomed both by the general public and by travel, trade and airline companies. A person can bring in goods for personal use for himself or his family worth Rs. 1,000 duty-free.

To facilitate the speedy clearance of foreigners, the departmental committee had suggested that there will be three batches of registration officers at each port registration office to deal with (i) Indians and Commonwealth citizens, (ii) tourists and (iii) non-tourists, separately. Steps to introduce this system are being taken. Receptionists knowing foreign languages have been appointed at the important points, viz., Bombay, Calcutta, Delhi and Madras.

Home Tourism

An important aspect of the problem of the tourist industry is the encouragement of "home tourism" or "internal tourism." This has a definite economic and cultural significance. Its economic significance stems from the fact that it could serve as a valuable adjunct to foreign tourist traffic and thus lead to balanced development of the tourist industry. Its cultural significance arises from the consideration that, in India, which is a vast country of different languages and ethnic groups, it is of the utmost importance that the spirit of national unity should be deliberately fostered through encouragement to travel by all classes of people in different regions. The Committee, in an earlier report (twenty-fifth report), recognised that "frequent inter-mixing of the people of different areas is very necessary." In its report under review, the Committee has accepted the principle that the development of home tourism should be primarily the responsibility of State Governments. But this arrangement may not be conducive to the development of a national tourist policy. The Committee has, however, urged that the Government of India should continue to act as a central co-ordinating agency in the matter of all aspects of tourism. In the next few years, the task of integrating the country should receive top priority. From this point of view, the Central and State Governments should give more attention than they have done hitherto to the promotion of "home" tourism.

Germany's merchant shipping fleet reached a total of 3.51 million g.r.t. at the end of 1956, an increase of 500,000 tons over the year. It is estimated that German shipping would be able to maintain this rate of increase in the next few years.

The Yamashita Shipping Company of Japan has announced that it will reopen, with effect from February 1957, its north Pacific route, suspended since the war.

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ECONOMIC TRENDS IN UNITED STATES

NEW PEAK LEVELS IN BUSINESS EXPECTED IN 1957

By Our Special Correspondent

NEW YORK, 16*th December*

AT the threshold of 1957, no downturn is in sight for business, industry and financial activity in the United States. Indications are for shortages in many lines which can lead only to greater stimulus. Even the most conservative men in banking and industry predict at this point that early gains will be made in the new year, that the upward momentum is strong and that this will result in raising the level of business to new peaks in the first half of the year.

Some of the elements behind such forecasts are further plant and industrial equipment expansion, higher Government expenditures, the inventory situation, increased farm exports, more automobile sales, better farm implement sales, higher consumer credit and rising costs. Projected outlays in the capital goods industry are such that the momentum will carry through for at least six to nine months, since orders cannot be changed overnight and production schedules have been set.

Expenditure

Government expenditures are expected to be considerably larger in 1957 than in 1956. State and local Government spending is increasing at the rate of $3,000 million annually, owing to demands of the road-building programme, new schools and public building. Defence spending on the national level is likely to rise as well. The road-building programme, half financed by the States and half by the Federal Government, is a wide-range project and will take years to complete. Financial markets will benefit by a steady stream of new issues, many of them no doubt tax-exempt.

In the industrial realm, it means high activity for a long time to come, particularly in the steel industry. A pinch has developed in steel plates. Strong demand for shipbuilding is at the bottom of it. Because of the Suez Canal crisis it is not likely to abate for a long time to come, since it takes about three years to build a freighter in the United States and between five and six years in European yards. The rise in inventories which has taken place in recent weeks and months is regarded as a natural, if related to the backlog of orders and compared with sales. In the retail field, Christmas and New Year holiday sales are expected to show new highs when final figures are completed.

The automobile industry is expected to do better in 1957 than in 1956. The new models are very attractive and carry many improvements. All auto makers joined hands this year in a grandiose show held at the Coliseum in New York. More than 100 of new models and trucks were exhibited and demonstrated by an array of pretty girls. There was also a stage show with a chorus of about 50 girls, singers and dancers which helped sell the new wares to the tune of a very good orchestra and supported by attractive lighting and flower arrangements.

Farm equipment which had a bad time last year because of lower farm income is showing signs of improvement. The Suez crisis helped to lift the prices of commodities and the weather and acreage restriction are also of help. The improvement is also expected to affect the textile industries, although this still remains to be seen.

Tight Money

There is evidence that less emphasis will be placed on tight money by the Federal Reserve system and the U.S. Treasury. The matter has now become a major political issue. Congressman Wright Patman is chairman of a Washington committee which now holds hearings. The general objective is to find whether or not tight money has hurt any important segment of society. If it has, Mr. Patman has promised legislation. In my and many other people's opinion, it will be extremely difficult to prove statistically that anybody has been hurt drastically. From my own experience, I can say this, however—that money is extremely difficult to obtain for long-range projects. It includes shipbuilding, housing and/or mortgages. Liquidity of the financial institutions has shrunk, their holdings of Government securities have been reduced from about 50 per cent. at the end of the war to approximately 18 to 20 per cent. at this time. The great demand for credit and loans of all descriptions has been the motivating factor in this development. Consumer credit (hire-purchase) while quite high has reached the point where payments by the public to the banks and finance companies equal new contracts. The situation, therefore, is in balance, at the present time, and very little new money would be required to finance new expansion.

Rise in Costs

The rise in costs has been fairly constant and promises to be so in 1957. It is chiefly occasioned by rising wages and fringe benefits and by higher prices for more efficient machinery in order to boost productivity. Such conditions are bound to obtain in the future. The inflationary aspect in all this cannot be overlooked. Indeed, there is still creeping inflation in the U.S. It has been checked skilfully by monetary management, but it remains a factor to be reckoned with in the future months to come. Prices have risen in recent months in various lines and more increases are scheduled to take place in the future. Virtually every wage increase in recent years has been followed by an increase in prices. Whether this is sound economic thinking is yet to be determined by history. A quarter of a century ago, lower rather than higher prices were held to be one of the greatest incentives for larger markets. Today, it is higher prices—on credit.

The outlook for foreign trade is excellent. Farm exports in this fiscal year, ending 30th June, 1957, are expected to be considerably ahead of the preceding fiscal year, perhaps by as much as between 16 and 20 per cent.—despite two factors. They are the shortage of shipping which has been created by the closing of the Suez Canal and by the scarcity of oil as a result of the blowing up of pumping stations in Syria. The combination of all these factors is gradually becoming a world-wide problem which will carry well into 1957. Tramp freight rates are now higher than they were even during the Korean war. There is increased demand for coal exports from the United States to ease the fuel shortage in Europe and to prevent a serious curtailment of production.

Britain

Britain has already taken vigorous steps which augur well for the outlook for 1957. Imports of the United Kingdom were reduced greatly by the diversion of shipping around the Cape. Exports to the dollar area were the highest ever recorded in recent months and indications are that the United States has now overtaken Australia as the largest single export market for British goods.

Also, the U.K. economic position was strengthened by action taken in Washington. Whitehall made two agreements with the International Monetary Fund which will bolster London's gold and dollar reserves by $1,300 million and will bring the *de facto* level to more than $3,000 million. Fears that the Suez crisis and the shipping shortage will seriously curtail British and European economic activity, thus, are receding, although petroleum still remains a bottleneck.

These developments prompt American thinking to be optimistic, too—with some exceptions. Shell Petroleum Company, along with others, announced a series of further price boosts. The increase, since closing of the Suez Canal, now amounts to 14.3 per cent. and the whole raw material market as it affects the world and the United States is a double-edged sword. Latin America, for example, is benefiting substantially by the Suez crisis. New interest has been aroused in strategically located rich oil lands in such countries as Peru and Venezuela. Companies are switching operations into this area which look quite promising for 1957. By the same token, the Arab countries are likely to be hurt by lesser production and smaller royalties which are an important factor in supporting their Governments. Because of the international pressure, it is estimated that Peruvian oil properties, alone, will have produced more than 15 million barrels in 1956. This figure could be increased substantially if capacity drilling is in effect.

On the other hand, world tin prices eased sharply and market opinion about the future trend are divided, despite the interruption of Middle East shipping. Increased supplies are expected in 1957 as a result of contracts with smelters in Texas which established fabulous industrial facilities with Government help when Far East shipping was cut off by Japanese invasion in the last war.

Sugar

Another international raw material which is being watched closely here as possibly indicative of a future trend is the world sugar price. It is still a good many points above the International Sugar Agreement's ceiling and the market here waits for word whether export quotas will be raised for the remaining weeks of the crop year. There is a very strong demand for sugar and consumer demand has been going up steadily. West Germany has not yet come into the world market for the one half million tons that were indicated it wants. If orders finally come through, prices should turn up. Japan is still buying and both Chile and Iran have been inviting tenders on this side. A revised estimate of European beet sugar production in the year 1956-57 is more than 600,000 tons lower than last season. The drop in French output is the largest, but production in Czechoslovakia and Germany also will be much lower, the experts maintain.

The prospects for the wool market are generally regarded as good. There is a good deal of Japanese buying. Bidding, as reported by the Melbourne Woolbrokers' Association in Australia, suggested a general and extensive future demand, helped also by Southern and Central European inquiries.

There should be a good market for jute. Scottish markets have been very strong. Spinners and manufacturers at Dundee and the entire district are reported well booked and only forward delivery can be given at this point. It should help Indian suppliers directly and indirectly.

Cotton

On the basis of the latest official crop estimate, the total domestic U.S. supply of all cotton may approximate 27.9 million bales. If consumption and exports for the current season were in line with present estimates, the New York Cotton Exchange says, "a carryover on 31st July next, of 12.4 million bales, would be in prospect." Reported entries of cotton in the U.S. Government's 1956 loan stock continued to decrease.

The political situation in the U.S. is in flux. President Eisenhower, as a lifetime soldier and ex-general, has developed great political talent. There is great expectation in this country that the visit of Prime Minister Nehru of India will prove to be fruitful in the long run. In fact, the stand taken by the Indian Government during the recent Middle Eastern crisis in support of Mr. Eisenhower's policy of non-intervention and Washington pressure to withdraw Anglo-French forces from the international waterway area was received very warmly in this country. Both Messrs. Nehru and Eisenhower are regarded as, essentially, sincere men who want to do the best, in their opinion, for their own countries and the world.

Quite apart of the official statements, the meeting of minds of such leaders, it is felt here, may have a profound influence on the immediate future of the world at large. President Eisenhower's stature is undisputed at this time. As stated in previous despatches, the fact that he is a Republican President, working with a Democratic Congress, means very little. It is a question of semantics. The President has never antagonised any of his opponents wilfully. His loyalty to people, to his own country and to world peace cannot be questioned and this is the common meeting ground of Mr. Nehru, the great leader of the Indian people, and the President of the United States, even though there have been differences of opinion before which are understandable in the concept of human relations.

Loans

There is real pressure on the United States this time. The British Government has asked for a postponement of its interest payments on its loans to Washington. Fuel deficiencies to keep European industries going will have to be made up in the American hemisphere. All of this will be a strain on the U.S., some in the form of greater exports, some in grants and outright losses for the time being. The present time is, indeed, mindful of the Yalta Conference.

While Washington was not informed of Anglo-French action in time to prevent it, there are strong influences which suggest that

(*Continued on page* 41)



This story begins in 1888...



The world still awaits the adventure of Wireless . . . it's the age of the horse-drawn carriage. And people who talk of flying aren't airmen as yet; they're poets.

Calcutta is India's capital, and at one of its busy wharves, there's a picturesque mailboat from England, self-conscious in its new power of Steam. Look away for a moment to something else that is new. There! In those crates . . . the first few cakes of a new soap: *Sunlight*. The crates say: 'Made in England by Lever Brothers.'



Bobbing away on porters' heads, the cakes go off to some obscure bazaar of old Calcutta and from there . . . on to journey's end: the homes for which Levers have made the soap.

That's how it was one summer day of 1888. Lever Brothers (then, a three-year old British enterprise) thought the world of *Sunlight*. Soon, thousands of bazaars were stocking 'the tablet that foamed'—and families became converts for good.



Little by little, the motor car arrived (the model with the turkey-croak hooter); then the telephone began to jangle in Indian homes. And in those homes, time wasn't standing still either. People were asking for new and varied products to meet their changing needs. So, Levers—developing in step with them—produced for the home such things as *Lifebuoy* . . . *Vim* . . . and *Lux Toilet Soap*. This is becoming a story of familiar names, isn't it?



In 1922, Levers started making soaps in Calcutta—encouraged as they were by the increasing demand for their products. In 1934, a second factory went up in Bombay.



In 1926 came Dalda Vanaspati from Holland. And, with it, there started a revolution in India's nutrition—the use of a hardened vegetable oil for cooking. To manufacture *Dalda* in India, a new Lever Company was born in 1932: 'HVM'—the Hindustan Vanaspati Manufacturing Company Limited.

And still the Indian home called for newer and 'different' products. And so there came to India *Pears Soap*, *Erasmic* and *Gibbs* products, *Himalaya Bouquet* toiletries, *Rexona Soap*—familiar members of the Lever family. Marketing of these products led to the formation of yet another Lever Company in 1935: 'UTL'—United Traders Limited.



Now, you can't separate the tale of these products from the tale unfolding *within* Levers. The people in their factories and offices were changing, for one thing. Foreign experts were joined by the young men of India and today over four-fifths of Levers' executives are Indians.

Meanwhile, Levers were buying all the raw materials that India could offer. These purchases grew as manufacture expanded—till, in 1955, about 88 per cent of the oils and fats that Levers needed was supplied by India's fields and coconut groves.



An international partnership—that's what soon grew up in Levers. Foreign technical and marketing experience linked up with the talents and resources of India. Result? The Indian housewife today is supplied with products that are among the world's best.

Today, we are sixty-nine years from the crate of soap that, almost unnoticed, started Levers in India. Today, a new chapter in our story has opened with the association of Indian and foreign capital in Levers. Indian and British Directors work together on the Board, too. Here's a joint venture that serves the nation and advances with it.

Yes, the future arrives with each tick of the clock. And Levers face that future with a new name: 'HINDUSTAN LEVER LIMITED.' So the stories of HVM and UTL end, in a sense—because they've merged with 'Lever Brothers' to form Hindustan Lever.



But the Lever story goes on. For India's story goes on, and Levers have grown with India's needs and progress. As it has done for sixty-nine years, Hindustan Lever will continue to serve the Indian home.

HINDUSTAN LEVER SERVES THE HOME

TATA LOCOMOTIVE AND ENGINEERING COMPANY, LIMITED

MR. J. R. D. TATA GRATIFIED AT TARIFF COMMISSION'S RECOMMENDATIONS

HEAVY PROGRAMME OF CAPITAL EXPENDITURE ENVISAGED

SPEAKING on the occasion of the Annual General Meeting of the Tata Locomotive and Engineering Company, Ltd., held in Bombay on 28th December 1956, Mr. J. R. D. Tata, Chairman, expressed the Company's gratitude to the Tariff Commission for the impartial and constructive approach to the problems placed before it and for the sound and practical recommendations it had made. The Commission's inquiry served, among other things, to set at rest, once and for all, doubts about the Company's progress and efficiency.

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

"LADIES AND GENTLEMEN,

"It has been a matter of satisfaction to my colleagues and to me that after the long period which it has taken the Company to surmount the manifold problems which beset its development and the more recent uncertainties in respect of the prices for locomotives and boilers, we have been able to present to you this year a report and accounts which, I am sure, will have met with your approval.

"I wish, at this stage, to thank the shareholders for their continued confidence and support notwithstanding the disappointingly long period they have had to wait before they could earn a return on their investment. While we live in uncertain and changing times, during which it pays to be cautious, I believe that the shareholders may henceforth view the future with some measure of confidence. One of the most encouraging elements in the situation, from the shareholders' point of view, is the fact that the Company has been able throughout to make full provision for depreciation, so that there is no burden of arrears of depreciation to come in the way of a fair and steady return on the shareholders' investment. At the same time, it is necessary to be realistic in any assessment of dividend potentialities in the immediate future. For instance, in comparing the financial results now before you with those of the previous years, and in basing on them any estimate of future earnings, shareholders should remember that the report and accounts for 1955-56 include the whole of the profits and some of the overheads of the locomotive division in respect of two years. They should also keep in view the fact that the Company faces a heavy programme of capital expenditure in the next few years and that, because of the nature of its business and operations, it will require an exceptionally large amount of working capital. Both these factors will necessitate conservation of resources.

Reference to Tariff Commission

"The most important development since we met last year has been the final settlement of the disagreement which had arisen between the Railway Board and the Company on locomotive and boiler costs and prices, to which I devoted a large part of my speech last year. As you were then informed, the matter was, by agreement between the Railway Board and the Company, referred to the Tariff Commission.

"In view of the importance to us of this inquiry and the Commission's findings, I think you would wish me to amplify here the brief references made in the Directors' report to the principal findings and recommendations of the Tariff Commission.

"With the assistance of an expert adviser, the Commission made a thorough and detailed investigation of the operations of your Company's locomotive division. We are grateful to them for their impartial and constructive approach to the problems placed before them and for the sound and practical recommendations they have made. The inquiry has served a valuable purpose not merely in bringing about a settlement between the Railway Board and the Company in the matter of prices for locomotives and boilers but also in clarifying a number of points about which considerable misunderstanding had prevailed in the past in some quarters and in setting at rest, once and for all, doubts about the Company's progress and efficiency.

"In these days, when the Government has almost unlimited powers with which to enforce its will, it is gratifying and reassuring to note that, in an industry in which the Government is itself a competitor as well as the sole customer, it decided to refer a dispute about costs and prices to an impartial statutory inquiry and abided fully by the resulting recommendations even though they went, to some extent, against its views.

"We have all along been anxious to serve the Government and the country well in regard to the supply of locomotives to the Indian railways and we deplored, no less than the Railway Board did, the causes, mostly beyond our control, which delayed the full fruition of the project and resulted in relatively high costs. This detailed inquiry has largely cleared the air between the Railway Board and ourselves and we look forward to a period of close and fruitful co-operation in the further development of the locomotive industry.

Commission's Findings

"Coming specifically to the findings and recommendations of the Tariff Commission, the Commission have supported the view I expressed in my speech last year that there was no sound or fair basis for comparison between the cost of production at Tatanagar and the prices of imported locomotives. The Commission, therefore, examined Telco's operations and costs of manufacture with reference to those at Chittaranjan. On this footing, they have come to the conclusion that, by and large, and making proper allowance for all relevant factors, Telco's costs do not compare unfavourably. The inquiry has, however, revealed that labour efficiency in our Works is lower and labour costs are higher than they are at Chittaranjan. The Tariff Commission has, therefore, suggested that there is need to re-deploy excess labour and to reduce the level of incentives paid to some of the workers. We were aware of our shortcomings in this respect which were largely due to historical reasons, and we hope that our workers and the union will co-operate with us in removing the causes for the unfavourable comparison which has been drawn between their productivity and that of their brother workers at Chittaranjan.

"The report has fully established that the manufacture of locomotives and boilers has at no time suffered from the concurrent undertaking of other lines of production about which doubts had been expressed in the past. In fact, the inquiry has shown that such additional activities have been helpful in absorbing a substantial portion of factory overheads which otherwise would have been an additional burden on locomotive costs.

Prices of Locomotives and Boilers

"The Tariff Commission have recommended and the Government have accepted certain prices for locomotives and boilers not only in respect of the previous two periods on which the Railway Board and the Company failed to reach agreement but also for the subsequent two years ending 31st March 1958. These prices have been fixed after making allowance for a rise in output and productivity as well as for the cost-reducing advantages of long-run orders for locomotives to be placed on the Company. The prices, which are on a sliding scale, will secure to the Railway Board a progressive reduction in the cost of the locomotives purchased from us while enabling the Company to make a reasonable profit. Prices for deliveries after March 1958 will be fixed after another cost investigation at the appropriate time.

"Before I leave the subject, I may say that, barring unforeseen circumstances or delays in the delivery of equipment and materials over which we have no control, we are confident of achieving the targets of production and costs set before us by the Tariff Commission. The expansion of the locomotive division to a capacity of a hundred complete locomotives per year, to which a reference was made in my last year's report, is well under way and is now expected to be completed a few months ahead of schedule. It will play an important part in reducing costs.

"The steel foundry, which will also reduce costs and end our dependence on imported steel castings, has made excellent progress during the last year and is expected to start production towards the middle of 1957. In fact, the melting furnaces have already started producing steel ingots. I regard the establishment of this steel foundry as an important landmark in the development of the Company's overall activities. Steel castings form an increasingly important proportion of heavy engineering products and the existence of a modern and highly equipped steel foundry in India, capable of turning out large and intricate castings of the highest quality, will render valuable service to the Indian heavy engineering industry.

"Dieselisation" of Railroad System

"India is today one of the few countries left in the world still dependent mainly on steam for its rail traction. In most parts of the world, steam locomotives have given way to diesel locomotives with either electric or hydraulic transmission. It seems inevitable that a similar changeover will, in due course, take place in India, although the process may be spread over many years. With the versatility built into our plant and the human skills and experience we have developed over the years, our Company will be especially well fitted to play an important role in the 'dieselisation' of the country's railroad system and I hope, when the time comes, we shall be given an opportunity to do so.

"The automobile division has continued to make satisfactory progress. The output of Tata-Mercedes-Benz truck and bus chassis has shown a steady increase. The target rate of 6,000 units per year has been attained, and in fact exceeded since the close of the year under review. The demand for Tata-Mercedes-Benz vehicles continues to outstrip supply. In view of this and of the growing need for additional road transport under successive Five-year Plans, we are, at the instance of the Government and in consultation with Messrs. Daimler-Benz, framing a scheme for increasing further the capacity of the auto division.

"We are continuing, year by year, to install the most modern equipment and machinery, including highly specialised machine tools, as part of our phased programme of manufacture. A start has been made with the construction of the engine shop. As stated in the report, the capacity of the alloy iron foundry which is expected to come into operation early in 1958, has been substantially increased in view of the growing demand for the Company's trucks and our plans for further expansion. We have so far fully lived up to the promises we made to the Government in respect of the content of indigenous manufacture in our five-year phased programme, and I have no doubt we shall adhere to that programme in the future.

Automobile Division

"The gratifying progress the automobile division has made is in no small measure due to the continued assistance we are receiving from our partners, Messrs. Daimler-Benz, to whom I take this opportunity of expressing our thanks and appreciation. Our thanks are due also to the Government of India for the realistic and far-sighted policies they have adopted towards the automobile industry. The progress made by the industry, in general, and by our automobile division, in particular, provides, to my mind, a remarkable example of what can be achieved with the help of well conceived and consistently applied policies.

"Government have rightly left this industry to free enterprise. They have set phased targets for indigenous production, controlled imports and granted both assistance and adequate freedom of action to individual manufacturers to exercise independent judgment and initiative in their respective fields while retaining a valuable element of competition within the industry. I earnestly hope the Government will adhere in future to these policies which are best calculated to promote the rapid development of the industry, to conserve foreign exchange, to supply a vital transport need of the country and to protect the user from unduly high prices.

"Now that the initial technical and staff problems concerned with the establishment of the automobile and locomotive industries have largely been solved with the assistance of our partners, Messrs. Daimler-Benz, and our technical consultants, Messrs. Krauss-Maffei and Messrs. Henricot, we anticipate no serious technical difficulty in the further development of our activities. Our main problems in the coming years will lie in the procurement of adequate finance and in the development of technical and managerial personnel.

Further Capital to be Issued

"Between the existing programmes and the expansion schemes already launched and under contemplation, the Company will require, within the next five years, considerable additional funds for capital expenditure and working capital. While a major portion of the requirements will be found from allocations to depreciation and other reserves and, in respect of working capital, from borrowings, some addition to the Company's share capital seems inevitable in due course. Proposals in this regard will be considered by your Directors during the coming year.

"As regards the development of technical and managerial skills, the growth of our business and its value to the community will depend largely on the reputation we establish for our products over the years. This reputation will itself depend on the skill and integrity of the many individual engineers and craftsmen engaged in the manufacture of our products. The importance, not only to ourselves but to the industrial development of our country as a whole, of the creation of such men cannot be overemphasised. If lasting success is to be achieved in India's industrialisation, resources must be developed in men, as well as in raw materials and equipment. No effort should, therefore, be spared in inculcating in our workers, engineers and industrial administrators the sense of responsibility, the integrity of purpose and the dedication to, and pride in, high standards of quality and precision which create the traditions and reputation of a country's industrial products throughout the world. This is one of the most important and difficult tasks facing any country attempting to force the pace of its industrialisation and we have, from the start, attached a great deal of importance to this task in our own organisation. We have achieved a fair measure of success and we shall continue our efforts.

Relations With Labour

"The Company's relations with labour continues to be reasonably satisfactory. I have already referred to the Tariff Commission's finding that, in certain sections of the locomotive shops, there is an excess of labour and efficiency is low. As our workers have, by now, acquired the skills and experience required for their particular jobs, the need for additional men to maintain output no longer exists. Fortunately, our expansion in various directions provides opportunities for deploying excess labour were it exists. I hope that in their own interests as well as those of the country our workers will appreciate the importance of achieving an improvement in productivity.

"An efficient and well led organisation requires amongst the many elements that make for contentment, adequate housing and town services. Although the provision of such housing and services is a particularly heavy burden on new and growing industries, it cannot be evaded and we have consistently provided, alongside our programme of works development, a housing programme to keep pace with the requirements of our employees. We have already spent approximately rupees two crores on our township. We shall need to add further to the township during the next five years.

"In conclusion, it is my privilege once again to express my thanks and those of my colleagues to all members of our staff, from the General Manager downwards, for the year's excellent work. Their initiative and the hard work they have put in have been principally responsible for the Company's progress reflected in the report and accounts before you."

Note.—This is not a report of the proceedings at the above Annual Meeting.

STRUCTURAL ENGINEERING WORKS LTD.

MR. A. D. SHROFF'S PLEA FOR DIFFERENTIAL TAX TREATMENT OF MEDIUM-SCALE UNITS

THE Annual General Meeting of the shareholders of the Structural Engineering Works Ltd. was held in Bombay on 31st December 1956. Speaking on the occasion, Mr. A. D. Shroff, Chairman of the Company, said that there were good and sound reasons which justified a differential treatment of a number of smaller medium-scale industries, in respect of taxation, different from those companies which had been essentially formed to avoid large payment of direct taxes. The following is the full text of Mr. Shroff's speech:

"The Directors' report and audited accounts for the year ended 30th June 1956 have been in your hands for some time and I am sure you will find the results satisfactory.

"As pointed out in the Directors' report, both the works at Sewri and Mulund continued to be fully occupied. As a matter of fact, the demand for structural fabrication capacity in the country has been insistent and your Directors are seriously considering increasing the capacity from 350 to 750 tons per month. The Mulund Works are busily occupied with the completion of the Vaitarna-*cum*-Tansa Pipeline Scheme. I am glad to inform you that the Company has been able to secure by direct and independent negotiations with the Bombay Municipality the work relating to the fabrication and laying of pipes for the third stage for about 15½ miles. It is a matter of considerable gratification that the authorities concerned have been fully satisfied with the type and quality of work executed on this pipeline scheme. Besides, the Company is negotiating with other municipal authorities in the country for substantial contracts of a similar nature, some of which are likely to fructify before the end of this official year.

Completed Thirteen Years

"The Company has now completed its thirteenth year and it would not be inappropriate if I refer to some of the salient features in its operations during this period. I am confident that the shareholders of this Company will look with pride upon the success of this Company as an achievement of free enterprise in the medium-scale industry. It must, however, be put on record that this achievement is very largely, if not entirely, due to the enterprise, pioneering spirit and faith of Mr. N. B. Bhagat, the founder of this Company. Starting with very modest means and with the assistance of the late Mr. M. C. Ghia and the Investment Corporation of India, he embarked on this industry in 1943 when, being unknown to the investing public, he could not gather sufficient capital. But his faith in the ultimate success of the Company and the persistence with which he fought the difficulties in the initial stage have fortunately brought this Company to its present stage of strength and prosperity. Perhaps, it may not be generally known that in undertaking the Tansa Pipeline Project, he mortgaged his personal properties to raise additional finance supplementary to banking facilities to cope with the increasing funds required for the execution of the contract. Men of Mr. Bhagat's courage and faith in the industrial development of the country are contributing towards raising the status of India as an industrial country.

"Your Directors are recommending the payment of a dividend of Rs. 15 per ordinary share, which is fully justified by the results of the last year. As a matter of fact, some shareholders have complained that the dividend recommended is disproportionately low and I have full sympathy with them, realising that since the inception of the Company the average dividend distributed to shareholders only comes to 4.61 per cent. I, however, want the shareholders to appreciate that in view of the number of projects, both expansion and new, the Directors are compelled to plough back a substantial amount of the profits to enable the Company successfully to implement them. It is the general experience of all industries in recent months that the availability of funds, both in the shape of new capital and working capital from banks, is definitely diminishing and I shall be very unhappy, if, for lack of finances, this Company is precluded from completing the various projects under the consideration of your Directors.

Penal Tax on Dividends

"From other platforms I have earnestly pleaded with the Finance Minister for examination of the position of companies like these, which come under the mischief of Section 23A of the Indian Income-tax Act. There are good and sound reasons rooted in the historical background of a number of smaller medium-scale industries which justify a differential treatment from those companies which have been essentially formed to avoid large payment of direct taxes. Similarly, the history of this Company confirms my plea that the penal super-tax on dividends is both illogical and unscientific, as it completely ignores the average return earned by shareholders over a period of years.

"I am glad to say that our relations with our workers have been very happy and satisfactory throughout the year.

"I wish to take this opportunity of expressing our gratitude to all those who have rendered such devoted and loyal services to achieve the results of the last year and I am sure the shareholders will join me in paying this tribute to our entire staff."

Note.—This is not a report of the proceedings at the above Annual Meeting.

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SIR SHRI RAM'S SPEECH AT ANNUAL GENERAL MEETING

GOVERNMENT'S TEXTILE POLICY ANALYSED

SPEAKING to the shareholders of the Delhi Cloth and General Mills Company, Ltd., at their Annual General Meeting held on 18th December 1956, Sir Shri Ram, Chairman of the Company, stated that the profits continued to be satisfactory. The Company also continued their policy of steady expansion and modernisation, the investment on these during the year being of the order of two and a half crores of rupees. During the year, the new textile mill at Hissar went into fuller production. The silk unit at Delhi went into production too and capacity was expanded in the *vanaspati*, caustic soda and sugar plants. Proceeding, Sir Shri Ram said:

"As constituents of a nation determined to raise its living standards, each one of us has a duty to perform *vis-a-vis* the Plan. And it is in this spirit of constructive co-operation that I will draw your attention to a few aspects. And I would, in all humility, suggest to brother industrialists that they might give up raising the question of the private sector *versus* the public sector, in season and out of season, as instead of doing any good, probably it does harm. Enough room has been left for the private sector, I believe, even in the second Plan.

"For reasons well known, the gap in foreign exchange resources anticipated in the course of the second Plan period has further widened. Under the circumstances, even greater responsibility devolves upon the cotton textile industry, one of the more important foreign exchange earners.

Meeting of all Concerned

"I believe that the export of cotton textiles can be raised to 1,000 million yards, and perhaps even higher. For solving the various problems involved in achieving an expansion of our export trade in textiles, I would suggest a meeting of all the interests concerned—the Ministries of Commerce, Industry, Finance, Railways and Labour and the representatives of industrialists and leaders of labour.

"While the production of mill-made cloth has gone up year after year, as may be seen from the figures I give below, it is regrettable that the exports have been declining, and have consistently fallen short of the first Plan target of 1,000 million yards. This state of affairs must cause concern to the industry as much as to the Government.

(In million yards)

	Production of Mill-made cloth	*Exports of Mill-made cloth*
1953-54	4,964	740
1954-55	5,034	761
1955-56	5,101	680

"In other words, on the basis of current indications, in 1956-57 India will export only about 127 out of every 1,000 yards of mill cloth produced, as compared to 151 yards in 1954-55.

Exports by D.C.M.

"While on the subject, I am glad to say that the D.C.M. have not only maintained the volume of their exports but even increased it substantially, very often at profit considerably lower than could have been earned by the sale of the same cloth in India.

	Value of D.C.M. Exports (Lakh Rs.)	*Index* (1953=100)
1953	76	100
1954	156	205
1955	184	242
1956 (approx.) ...	220	289

"Why are exports declining when it is crucial to ensure that exports expand to substantially higher levels? The answers are simple enough. On the one hand, demand in the home market has shot up tremendously, making it more profitable for mills to sell in the home market. On the other hand, the Government policy of not allowing the expansion of the mill industry on the weaving side has prevented the supply of mill cloth from expanding in proportion to the growth of internal demand and has tended to exert a general, upward pressure on prices. The statistics given below bring out the nature of the impact of the higher home demand.

(In million yards)

	1954-55	1956-57*	*Change*
Production of mill cloth ...	5,034	5,350	+316
Exports of mill cloth ...	761	670	— 89
Stocks (with mills) of mill cloth	460 (approx.)	Less than 200	—260

*Estimated on the basis of current trends.

"In other words, in spite of the limitation on weaving capacity inside mills, the country absorbed in these years nearly *twice* as much extra mill-made cloth as it produced, and secured this excess over the rise in production from two sources—stocks and exports. In 1956-57 alone, as compared to 1955-56, the rise in the demand for mill cloth will be of the order of 475 million yards, almost double the growth —250 million yards—in 1955-56 over the preceding year. May I point out that since stocks have been already reduced drastically, future increases in home demand may affect the level of exports even more decisively?

"Attention must be directed to the resolution of this paradox of the imperative need for more cloth exports, on the one hand, and the continuing diversion of exports, on the other, to the home market pressed for ever-larger supplies.

'Per Capita' Consumption

"The gravity of the situation has now been recognised by the Government, who have already announced an upward revision of the cloth target to 18.5 yards *per capita* and also promised a further review of this figure. The Government, as you know, have also decided to license the installation of 14,600 automatic looms whose output will be channelised more or less fully into export. I welcome these measures. However, with all humility, I would like to point out that the marginal raising of the *per capita* target by half a yard over its original level of 18 yards is not enough. The target must be raised to at least 20 yards in 1960-61, for reasons now adduced often enough, and all arrangements for attaining the target, inclusive of sanctioning of new weaving capacity for the home market, about 30,000 looms, both plain and automatic, must be taken in hand well in time. The country cannot afford to risk shortage of cloth, next in importance only to foodgrains in the average consumer's budget. And equally, we cannot risk the loss of our export markets.

"The fear that the increase in mill capacity will adversely affect the handloom industry is, in my opinion, unwarranted. Anyway, to the extent to which it is necessary in the opinion of the Government to augment handloom production, it can be done by fixing annual targets of total cloth requirements, and allowing to the handloom industry a progressively rising proportion of the target in each succeeding year, provided the handloom industry can undertake the necessary productive effort. I will even suggest that if production inside mills is found at any stage to be restrictive of output on handlooms, resort can be had to sealing of a small percentage of mill looms. But in working out our policies in the matter of cloth production, we cannot avoid the compelling consequence of reduced exports so long as output of mill cloth does not expand more or less in proportion to the growth in home demand, the magnitude of which I indicated earlier.

Automatic Looms

"I am sure that the policy of the Government to allow installation of automatic looms, earmarked for export, will afford some relief, but it is obvious that this relief will take a long time to materialise. In fact, I apprehend that about 18 months will lapse between now and the time when the output of these new looms becomes fully available for export. The granting of these licences, I think, is hedged in with too many restrictions, and in view of the much higher capital cost of automatic looms and other required equipment, the level of returns on the investment appears to be unsatisfactory. More so, when viewed in conjunction with the fact that the export price realisation will be definitely on the lower side. It is possible that this will affect adversely the total implementation of this policy in the time desired. I may also point out that time lags are already in evidence in the obtaining of machinery from abroad, a factor of particular importance in the case of automatic looms.

"Moreover, under this policy the obligation to maintain the previous level of export rests only on those mills which are sanctioned looms under this new scheme. There is no such obligation on other mills. In the result, it is possible that to a large extent, the effect on the volume of exports will be only substitutive and not additive, as is to be desired in the interest of the country.

"While this policy to increase the production of mill cloth is being worked out, it is necessary to maintain and add to the exports. In my opinion, the interest of the country will be served better if the task of exporting cloth is distributed more equitably among all composite mills by insisting on the export of a certain minimum percentage of output of cloth. In the first instance, the percentage might be fixed lower, but as soon as possible it should be revised upward, as is required in the overall interest of the exchange position of the country, of course keeping in mind the broad considerations affecting the international trade in textiles. The provision of transferability of quota from mill to mill will generally meet the particular difficulties of any individual producer, without affecting the desired volume of exports in a period of rising and more profitable home demand. The time has come when our export performance must not merely be the sum total of the efforts of a few units but the reflection of an industry-wide effort in the national cause of earning the needed foreign exchange.

Increase in Cloth Prices

"A general impression appears to have arisen that the increase in the prices of cotton cloth during the last one year or so is due to the expansion of the margins of mill profit. I would like to point out that at the same time that profit margins have widened the industry has been faced with the general problem of costs rising in almost every major aspect of its operation. Thus, in the course of the last season cotton prices rose by 20 to 40 per cent. for different varieties. Labour costs have risen, dearness allowance rates having gone up by 10 to 25 per cent. in different centres in October 1956, as compared to May 1955. And the quantum of the increase may be judged from the fact that the dearness allowance payable to a worker in our textile units in Delhi rose from Rs. 48-14 in May 1955 to Rs. 62-12 in December 1956. Likewise, coal rates have increased by nearly 25 per cent.; and railway freight charges were revised upward in the last budget by 6¼ per cent.

"The upward price trend in the cloth market during 1955-56 is thus a reflection, for the most part, of cost increases, and not of unduly extended profit margins for the producer.

Minister's Assurance

"I welcome the assurance given by the Finance Minister that in the administration of the recently enacted provisions regarding the compulsory deposit of varying proportions of current and accumulated reserves with the Government no hardship will be caused in the current operations of companies. Speaking as the Chairman of the Board of Directors of a company where almost every Board meeting deals with some sanctions for capital expenditure, I know that fixed capital expenditure in any established concern will be a more or less current flow in time. In administering the new regulations about deposits, care will have to be taken to see that delays do not obstruct the even flow of investment. I am confident that in the actual operation of the scheme by the Finance Ministry, this aspect will receive due attention.

"Before I conclude, ladies and gentlemen, let me express my appreciation of the efforts of all my colleagues, big or small. I convey my thanks to them."

Note:—This does not purport to be a record of the proceedings of the annual general meeting.

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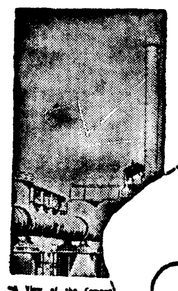

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AT a time when the Government has accepted Co-operative Movement as the chief instrument for bringing about the betterment in the living standards of the people, and when the Movement itself is on the threshold of rapid expansion, especially in the field of credit and banking, any treatise on co-operative banking which dispassionately assesses the record of the Movement and appraises the further role the Movement has to fulfil in the context of the changed conditions and needs, will certainly be welcomed. The publication under review is of this kind. It is not only exhaustive and comprehensive in the treatment of the subject but also bears the impress of a well-informed and sympathetic critic.

This 718-page publication discusses the subject in nine chapters. The topics include the Genesis of the Co-operative Banking Movement, Structure of Co-operative Banking, Farm Credit, Village Banks, Financing Agencies, Peoples' Banks, Industrial Banks and Mortgage Banks. Starting with the definition of co-operative banking, the author provides an illuminating discussion of the difference between co-operative banking and joint-stock banking, of the important features of co-operative credit, and its structure. Dealing in this connection with the history of State aid to Co-operation, the author expresses the view that State aid is no more disliked by co-operatives; the discussion is confined only to the extent to which such aid should be accepted.

In the chapter devoted to "Indian Structure" is provided a stimulating and detailed review of the growth of co-operative banking in India in the face of numerous obstacles and the role that is being played by the Reserve Bank of India and the reorganisation proposals made in the All-India Rural Credit Survey. A significant feature of this growth was that, throughout its long history, the spontaneous effort of co-operators was backed by the Government policy to encourage the Movement. "Independent India," the author observes quite rightly, "has inherited a banking system which was considered suitable as an instrument for ensuring a dynamic development of co-operative effort, so that the entire business life of the country could be organised on co-operative lines through democratic planning." After a further interesting analysis of the limitations under which the Movement had to function during the 50 years of its existence, the author comes to the conclusion that, though viewed in relation to the total requirements of the nation in the field in which it worked the record can be termed "failure," nevertheless, it should be underlined that, in spite of the limitations, the contribution made by co-operative credit to national prosperity and economic activity is not such as to entitle it to be condemned wholesale.

In the chapter on "Farm Credit," the author dwells at length on the essentials of a good agricultural credit system and on the requisites and role of supervised credit. The example set by Latin American countries in the field of supervised credit is also discussed, followed by an examination of the various sources of capital available to the agricultural industry. And, after further consideration of the nature and role of various farm credit agencies in the U.S., the author draws two conclusions. First, for agriculturists, particularly, and rural areas in general, credit through co-operatives is more suitable than that through any other agency. Secondly, such credit develops into a dynamic force for development when it is supervised. He points out that, during the last hundred years, agricultural credit has received a far more favourable treatment from the Governments of different countries than any other branch of co-operative credit. "This fact underlines," the author says, "the recognition of the fact that usual sources of credit are ill-adapted to the requirements of agricultural co-operation and these have to be supplemented by the State which must simultaneously take measures for strengthening the co-operative credit organisation and creating conditions for their successful operation." He next examines the evolution of co-operative credit system in India, the problems faced by it and the solution suggested by the Committee of Direction.

A pertinent suggestion put forward by the author in the chapter on "Mortgage Banks" is that the fact that a separate organisation is called for for the provision of land mortgage credit should not preclude the establishment of close co-ordination between the agencies providing the two types of credit, namely, short-term and long-term. The fears expressed by him about the impact of the agrarian legislation on the structure of credit, particularly long-term credit, are legitimate. Among other important chapters, the one devoted to Industrial Banks is of special interest. The various methods of organisation of credit for small and medium industries in certain important countries such as Germany, Japan, the U.K. and the U.S.A. are considered.

The three distinct features presented by the growth of co-operative credit in different parts of the world, according to the author, are: (1) its pace of expansion was conditioned by factors such as quality of leadership and socio-economic conditions; (2) co-operative credit cannot expand after a certain stage without similar progress in the co-operative effort in the fields of marketing and processing; and (3) though, like other instruments of development, co-operation is entitled to support from the State, "its health will not be robust if it fails to build up its strength from within by carving out appropriate policies."

Looking ahead, the author sums up the crucial role co-operative banking has to play in future as follows:

"The task of co-operative credit in the foreseeable future is, therefore, to provide adequate credit facilities to (1) half the cultivating families whose average annual income is more than Rs. 400 and in whose case the cost element varies from 60 per cent. to 70 per cent., (2) less than half the artisans engaged in cottage, village and small-scale industries, and (3) traders, skilled persons, the middle class and wage earners in urban areas. It demands a favourable climate, adequate resources in men and money, a network of strong and efficient institutions, supported by equally strong and efficient federal organisations and assisted at the top by Government and assured at the bottom of the loyalty of their members, and sound methods which, while assuring the proper use of adequate credit, will keep the depositors' and lenders' funds fully safe. The gap between the present performance and the requirements is wide, inasmuch as the ratio of contribution of co-operative credit to the national needs is hardly 3 per cent., but it also underlines the magnitude of the problem which requires to be tackled if co-operative credit has to achieve the objectives which it has accepted recently."

The author, however, poses three fundamental issues in this connection and the ideas expressed by him are worthy of special attention. The issues are:

(1) Whether the co-operative development in rural areas can be promoted without placing a simultaneous emphasis on its counterpart in the urban sector, (2) what should be the price which co-operation has to pay in return for the powerful support of the State, so that "rural-minded credit" is promoted, and (3) what is the ultimate objective to which State-sponsored rural co-operation has to be wedded.

He stresses the fact that co-operative banking in India is at its cross roads and the test before it is to overcome, with the State as its partner in the rural sector, the handicaps under which it has been operating so far. He is also convinced that co-operation will prove sufficiently adaptable and dynamic and can be relied upon to play its new role in the changed conditions.

The author, who is a journalist of repute, has brought to bear on the subject an objective and dispassionate mind. The publication really fills a void in the literature on co-operative banking and, as such, should prove useful to all those interested in Indian economy, in general, and Co-operation, in particular. It will also serve as a valuable text book to students specialising in Co-operation.

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Change in Asia—The Colombo Plan 1956. Published by the Colombo Plan Information Unit, Colombo.

This attractively got-up pictorial brochure about the Colombo Plan follows the pattern of an earlier publication entitled "Change in Asia 1955." It records, in concrete terms, the new awakening that has taken place in South and South-East Asia and highlights the progress of development plans undertaken by the countries of the region with the help and guidance of other developed countries which have taken an enlightened interest in the prosperity of this part of the world.

After a brief reference to the rich cultural heritage of the region and the long period of economic stagnation through which it passed, the brochure points out that the Colombo Plan is an attempt, in a modest way, to help the national Governments of the region to give shape and content to the new hopes and aspirations of their people for a richer and more varied life. The Plan, which has been in operation for more than five years now, has a membership of 21 countries spread over the four continents of Asia, Europe, America and Australia, including both Commonwealth and non-Commonwealth countries. It is an excellent example of global partnership in co-operative economic development.

Although the economies of the countries of the region passed through many vicissitudes, substantial economic progress has been made during the past few years. The brochure gives a brief account of the progress made in individual countries of the region. The endeavours of the countries in tackling various problems like food self-sufficiency and industrialisation, power and transport development, public health and education are highlighted.

The publication draws attention to the fact that this endeavour of a community of nations to raise themselves from century-old poverty and stagnation is being assisted by friendly foreign nations. This indeed constitutes the international character of the Colombo Plan and the section, entitled "The New Partnership" recounts the assistance given by different countries. The brochure points out how countries like Ceylon, India and Pakistan which are principally receivers of aid have also come forward with assistance to their neighbours along with industrialised nations like Canada, Japan, the U.K. and the U.S., which are primarily donors.

Banking Almanac 1956-57. Published by Insurance and Banking Publications, Post Box 676, New Delhi. Price : Rs. 11-4 (post free).

The latest edition (2nd edition) of the above publication is a welcome improvement over the first one in that the various sections have been revised as well as enlarged. A large number of institutions has been added to the list of banks. The section "Foreign Banks in India" has been re-named "International Banks" and the list of such banks is larger than in the first edition. In the section "Bank Branches," the addresses (wherever available) of branches of banks have been provided. The "General Information" section contains two new features, namely, the monthly average prices (in Bombay) of Government of India securities from March 1955 to March 1956, and the new decimal currency conversion tables. The use of the ready reckoners for conversion of decimal coinage has been also explained. The Negotiable Instruments Act and the Bankers Book Evidence Act have been added to the section "Bank Legislation."

Indian Farming—November 1956. Special Rice Number. Issued by the Indian Council of Agricultural Research, New Delhi. Price : As. 12.

Although rice has been the staple food of a large majority of people in this vast sub-continent and rice-farming their chief occupation since time immemorial, the average per-acre yield of paddy in India, as is well known, is one of the lowest in the world. It is, however, gratifying to note that the Government of India's efforts in augmenting rice production through the Grow-More-Food campaign and other measures have resulted in an increase in the per-acre yield of rice in several regions. Nevertheless, there is great need to disseminate scientific information about cultivation of rice among farmers. From this point of view, the special rice number of *Indian Farming* deserves to be welcomed. It carries several interesting articles by those who have conducted research in the cultivation of rice. The subjects treated in this number include use of fertilisers in cultivation of rice, control of pests and diseases and storage of rice.

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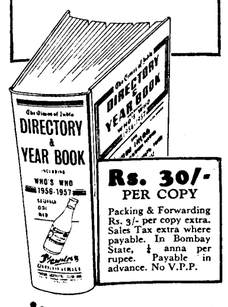

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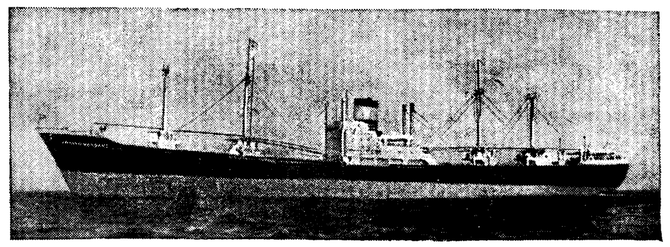
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INDIA STEAMSHIP COMPANY, LIMITED

SIR A. RAMASWAMI MUDALIAR REVIEWS COMPANY'S ALL-ROUND PROGRESS

FLEET TO BE EXPANDED BY 50 PER CENT BEFORE 1960

THE Twenty-eighth Ordinary General Meeting of the Shareholders of the India Steamship Company, Ltd., was held on Wednesday, 12th December 1956, at the Registered Office of the Company, "India Steamship House," 21, Old Court House Street, Calcutta. Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), Chairman, presided.

The proxies received for the meeting were placed on the table and the notice of the meeting was read by the Assistant Secretary. The Chairman delivered his speech and thereafter asked the shareholders whether they had any questions to put with reference to the Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st March 1956.

In answer to a question regarding the sale of the Company's vessel, the *Indian Importer*, the Chairman said that, as the vessel was built in 1929 and was due for special survey shortly, the Directors decided to sell this vessel. No loss was incurred by the sale.

Another shareholder wanted to have a statement of the tonnage carried by the vessels of the Company. This information was supplied and further reports will show both the tonnage and freight earnings.

Certain items in the balance-sheet were referred to by one of the shareholders, who wanted information about these items which were furnished. The increase in the salaries and wages was referred to and this was explained as due to the increase in the number of the vessels of the Company, as also to the revision of the salaries and wages of the staff and more amenities which had to be provided after negotiation with the unions concerned.

The Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st March 1956 were adopted. The dividend of 5 per cent. tax-free on preference shares and an interim dividend of As. 8 per share and a final dividend of a further As. 8 per share on the ordinary shares were approved.

The meeting adopted the resolution that Sir A. Ramaswami Mudaliar do continue as a Director of the Company and that the age limit under section 280 of the Companies Act shall not apply to him.

Directors

It was also resolved that both Sir A. Ramaswami Mudaliar and Sir Bijoy Prosad Singh Roy, who are Directors and members of the Managing Agency Company, do continue as Directors of the India Steamship Company, Ltd.

It was further resolved that the Maharajadhiraja Sir Udaychand Mehtab Bahadur of Burdwan, Mr. S. C. Roy and Mr. R. K. Mitra, I.C.S., be elected Directors of the Company.

Messrs. G. Basu & Co. and Messrs. Singhi & Co., Chartered Accountants, were appointed Auditors for the current year and their remuneration fixed.

The vote of thanks to the chair and to the Managing Agents for their excellent management of the Company were adopted unanimously.

Chairman's Speech

The following is the text of the Chairman's speech:—

"GENTLEMEN,

"The audited accounts and Directors' report for the period ended 31st March 1956, have been in your possession for some time. With your permission I shall take them as read.

"The Directors' report shows that the freight earned during the year is Rs. 5,26,11,831 as against Rs. 4,01,00,132 earned in the previous year. The increase in freight is partly accounted for by the new ships which were added to the fleet by your Company and partly by the slightly less time taken in the turnround of the ships. The delay in ports, however, has not materially decreased, a fact to which I shall make reference later. It must, therefore, be a matter of satisfaction to you that, in spite of these handicaps, the Company made a profit of Rs. 80,22,918 before providing for depreciation and a net profit of Rs. 38,72,859 after providing the full amount of depreciation of Rs. 41,50,059.

Delay in Ports

"I referred in my speech last year to the report of the Vasist Committee which dealt with conditions of dock labour in the various ports in India and made certain recommendations to improve the position of dock labour and promote the better turnround of ships in these ports. These recommendations were accepted by the Government of India and most of them have since been implemented. In the port of Bombay, the piece-rate system has been introduced and is stated to be working fairly satisfactorily. This system has yet to be introduced in the ports of Calcutta and Madras. To the difficulty of getting a satisfactory outturn of work from dock labour in these ports has been added the further difficulty of finding berths for ships both for import and for export. The capacity of these ports to handle freight and to berth ships is limited. The plans of the Government to increase industrialisation, both in the public and in the private sector, and to force the pace of progress in other directions has necessarily resulted in a greater volume of traffic which has to be handled at these ports and in a large number of ships entering these ports for which the ports are not adequately equipped. It is a matter of some satisfaction that the Government has become aware of this aspect of the question and that the Transport Department, through its Secretary and other officers and through the Chairmen of the various Port Trusts, is taking active steps to improve the capacity of these ports. Mechanical equipment, adequate railway sidings, mobile and electric crane facilities for mechanical handling of certain types of cargo and more berths in all the ports are urgently required and I trust that these will be provided for at a very early date.

Dock Labour

"Labour at the ports, both dock labour and port labour, have no doubt to be kept in a contented state and shipping companies have expressed their willingness more than once to make any reasonable contribution for the satisfaction of the legitimate demands of labour. It must, however, be regretfully pointed out that certain sections of labour are prone to put forward what should be considered as unreasonable demands and frequently their alarms and excursions to which the shipping companies are subjected have a detrimental effect on the international trade and commerce of the country. I do trust that labour leaders and those administrators in charge of labour, both in the States and at the Centre, will devote equal attention to securing the legitimate rights of labour and enforcing their patent obligations.

"At the last meeting I referred to the fact that the two ships which had been ordered in 1954 were on commission and were added to your fleet and that two more ships of the same class were under construction. These ships have now been delivered, one in March 1956 and the other in June. The *Indian Importer*, a second-hand ship of 1929, has been sold and the loan which was taken from the Government for the purchase of the coastal vessel, the *Indian Commerce*, has been fully paid-up. There are, therefore, twelve ships including the *Indian Commerce* in the Company's fleet. Your Directors aim at having a fleet of eighteen ships before 1960, all operating on the India-U.K.-Continent route, and orders have been placed for the construction of six more ships which will be delivered at the rate of two per year during the next three years.

"The Company has also placed an order with the Hindustan Shipyard Ltd. for a vessel of 5,500 tons which may be utilised either in the coastal trade or in the trade overseas.

"The assistance which the Government of India has readily given by way of loan has enabled the Directors to plan this programme and, in a period where the shipbuilding yards in foreign countries are fully booked, to take advantage of the offer of the German shipbuilding yard of Howaldtswerke, to order these ships.

Soviet Trade

"Since March 1956, your Company has also undertaken at the instance of the Government, to put two of your ships regularly on the India-Black Sea route to enable exports to and imports from the Soviet Union and, in particular, to afford shipping facilities for the large quantity of plant, machinery and material required for the Bhilai steel plant. This undertaking has naturally reduced the number of ships available for the India-U.K.-Continent trade.

"I should like to repeat that the Directors have kept the financial commitments of your Company, in regard to the loans taken from the Government, closely under review and are confident that there will be no difficulty in meeting these commitments, provided, of course, there are no serious upsetting developments beyond our control.

"The loans granted by the Government for the construction of ships overseas require exchange facilities for payment of instalments to the shipbuilding yards as they become due. I should like, however, to point out that ships of Indian companies engaged in overseas trade earn and save enough foreign exchange to meet the requirements for transmission of the instalments due to the shipbuilding yards abroad. It is needless to add that this is a continuous source of foreign exchange earning and that, therefore, the sooner the tonnage of the Indian companies expand the greater will be the foreign exchange earned by them. These invisible earnings are a considerable factor for every maritime country in dealing with the exchange problem.

Public and Private Sectors

"The industrial policy statement of the Government of India declares that sea transport belongs to the second category of industries which will be developed both by private enterprise and by the State, so as to accelerate progress. The need for Indian shipping to operate on various routes on which at present there are no Indian ships operating is unquestionable. The two Shipping Corporations that have been recently promoted in the public sector have, therefore, a free field in which they can operate without in any way jeopardising the interests of the shipping companies in the private sector. I am glad, therefore, to bring to your attention that the Hon'ble Minister for Transport has stated at the last annual meeting of the Indian National Steamship Owners' Association, as follows:

> "'I may state it very clearly that it is not our intention that shipping in the public sector should run in competition on routes in which existing private shipping companies have established themselves.'

"I trust this categorical statement of the Hon'ble Minister will continue to be a basic policy in the expansion of shipping in the public sector.

"I feel bound to refer to the serious problem which has emerged during the last few weeks, owing to the fact that the route through the Suez Canal is not now available and will not be available for some considerable period. It will be inappropriate for me on this occasion to deal with the political and other aspects of the crisis which resulted in the closure of the Suez Canal. The Company has had, however, to face a series of problems of readjustment of the sailing schedules of your fleet, problems of insurance and of obtaining bunkers and water at new ports of call, consequent on the diversion of your ships to the longer route via Africa. These problems, I am glad to state, are being satisfactorily dealt with by your Company.

"The policy of your Directors in providing a speed of 17 to 20 knots in the new ships has not only contributed considerably to increased freight earnings but also enabled the Company to keep its sailing schedules fairly in line with the requirements, a factor which is of so vital importance at a time like the present when the Company's vessels have to take a longer route on account of international developments.

"The events which have led to the Suez Canal problem, the conferences that have been convened from time to time, to consider the issue, and the position that certain maritime countries have taken with reference to the Suez Canal, all emphasise the need for building up the country's fleet as rapidly as possible. Our status and our dignity as a maritime country seem to require possession of a sufficiently large mercantile fleet, despite our position in the international trade of the world, if we desire to have a tangible share in the settlement of these grave problems.

"I feel certain that the expanding policy which your Directors have adopted will be appreciated whereby there will be at least eighteen ships on the India-U.K.-Continent trade apart from the two ships earmarked for the Black Sea trade by the end of 1960.

Government Loans

"I have referred to the loans that have been sanctioned by the Government enabling us to launch on the expansion of your fleet. We are grateful to the Government for the assistance given so far and we trust that this assistance will continue in the same measure for a further and quicker expansion of the fleet of Indian companies. It is further hoped that some of the terms and conditions of these loans may be liberalised to a reasonable extent. I must take this opportunity of stating that the achievements of the Indian mercantile marine have been by no means inconsiderable. National shipping has established itself in the overseas trade, against heavy odds, by maintaining a high standard of efficiency and service and has in no small measure assisted the development of India's national overseas trade.

"In the matter of training Indian personnel as well, for key positions in the mercantile marine, the Indian companies have done their best and in the coming years the dearth of technical personnel, I am sure, would not be so seriously felt in this industry. In these circumstances, I have no doubt that the development of national shipping in the private sector will continue to be encouraged by the Government and any suggestions which would adversely affect such development will not be looked upon with favour by the authorities.

Earnings and Dividend

"The earnings of the Company have been noted in the Directors' report. I have had during the last two years the not very pleasant duty of informing the shareholders that the Directors were unable to declare dividends on ordinary shares. It is, therefore, some relief and consolation to me that this year we are able to announce the payment of an interim dividend of As. 8 per share and are now proposing to pay a further final dividend of As. 8 per share on ordinary shares.

"I should like to take this opportunity of thanking the shippers both here and abroad for the very generous support that they have given to your Company. Thanks to the fast ships which form our fleet and to the courteous and prompt service which is forthcoming at all ports, the India Steamship Company holds a very high position in the esteem of shippers in different parts of the world. Our shippers have recognised this by their patronage.

"I cannot conclude this speech without reference to the resignation of Sri Lal Bahadur Shastri, Minister-in-charge of Railways and Transport. I do not wish to make any comments on the constitutional propriety which necessitated such resignation or on the parliamentary traditions which it is stated to have helped in building up. I can only refer to the deep regret which is felt almost universally in India at this resignation. The contribution which Sri Shastri has made to the cause of Indian shipping, his earnest and enthusiastic support in expanding the Indian fleet and his deep understanding of the problems of Indian shipping companies have been widely recognised. The personal characteristics of Sri Shastri, his modesty, unassuming manners and his desire to avoid publicity have been appreciated widely. I have no doubt that he will shortly be called upon to fill again high and important posts in the Cabinet of the Government of India. I should like to extend to him on your behalf our good wishes.

New Director

"It gives me great pleasure to inform you that the Board has been strengthened by the addition of another Director, Mr. R. K. Mitra, I.C.S., Chairman of the Commissioners for the Port of Calcutta. His knowledge of port working and its conditions has been of great help to the Board.

Tribute to Staff

"The Company has been well served by all its officers afloat and ashore of all ranks and by its Agents and brokers. On your behalf and on behalf of the Directors I wish to convey our thanks to all of them for their good and enthusiastic work throughout the year.

"It only remains for me now to thank you, gentlemen, for your attendance at this meeting and to join you in the hope that the Company will prosper in the years to come, thanks to the good and enthusiastic work of our staff.

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

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BRITANNIA ENGINEERING CO., LTD.

Designers and manufacturers of:

Complete Jute Mill and Tea Garden Machinery; Railway Signalling Equipment, Lever Frames, Screw Couplings and Components of all types; Road Building Equipment, Steam Rollers; Precision Engineering of all kinds; Structural Engineering.

Manufacturers and Distributors of:

"Colfix" Bitumen Emulsion for Road Dressing.
"Hotfix" Hot Asphalt Road Dressing Material.

CABLES: "OUTLINE" CALCUTTA

P. O. BOX 78

PROFIT OF DELHI CLOTH MILLS LOWER

DIVIDEND, HOWEVER, RAISED

AFTER two years of successive rise, the earnings of the Delhi Cloth and General Mills Company, Ltd. (Managing Agents: Messrs. Bharat Ram Charat Ram & Co., Private Ltd., New Delhi), suffered a shrinkage in the year ended 30th June 1955. This downward trend persisted in the following year also, that is, the year ended 30th June 1956. Thus, the gross profit which had reached a record level of Rs. 324.39 lakhs in 1953-54, slipped down to Rs. 263.96 lakhs in 1954-55 and still further to Rs. 253.28 lakhs in 1955-56. Nevertheless, it is substantially higher than the profit for 1952-53 amounting to Rs. 243.78 lakhs and constitutes the third highest profit earned in the history of the Company. The net profit, however, has risen by Rs. 18.16 lakhs, that is, from Rs. 76.41 lakhs to Rs. 94.57 lakhs, on account of a smaller provision for taxation. But the allocation to the reserves has been increased from Rs. 45 lakhs to Rs. 57.20 lakhs under various heads, namely, debenture redemption fund Rs. 10 lakhs, deferred taxation reserve Rs. 20 lakhs, development reserve Rs. 21 lakhs, provision for bad and doubtful debts Rs. 2.75 lakhs, general reserve Rs. 2 lakhs and provision for contingencies Rs. 1.45 lakhs.

The distribution to ordinary shareholders has been stepped up slightly to 10 per cent. from 9 per cent. paid for the previous two years. The following comparative table brings out the salient features of the Company's working during the past three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1956	1955	1954	1953
Sale proceeds	2,361.13	1,886.51	1,942.41	1,868.65
Subsidy on sugar	..	..	9.00	7.42
Other income	12.94	14.81	25.13	7.79
Closing stocks	778.94	696.39	507.31	453.51
Manufacturing, trading, establishment and other expenses.	2,203.35	1,826.44	1,697.03	1,501.38
Gross profit	253.28	263.96	324.39	243.78
Managing Agents' remuneration	15.34	16.55	21.14	19.35
Depreciation	73.67	66.00	54.00	47.50
Taxation	69.70	105.00	140.00	100.00
Net profit	94.57	76.41	109.25	76.94
Reserves	57.20*	45.00	77.00	52.00*
Dividends—				
Preference	2.99	1.73	1.31	1.31
Ordinary	33.94	30.54	30.54	23.75
	(10%)	(9%)	(9%)	(7%)†
Carry forward	1.29	0.83	1.69	1.32

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

The gross sale proceeds for the year under review amount to Rs. 23.61 crores, having risen from Rs. 18.86 crores for the previous year. Of these, cloth, yarn, tents, garments, etc. account for a rise from Rs. 13.46 crores to Rs. 15.54 crores, sugar and sugar products from Rs. 1.97 crores to Rs. 2.73 crores and chemicals and *vanaspati* products from Rs. 3.44 crores to Rs. 5.04 crores. While sale proceeds have thus gone up, manufacturing, trading, establishment and other expenses have also risen sharply, thereby contributing to the decline in profits.

The recession in profit for the year under review is due, according to the Directors, to the very heavy increase in various items of expenditure and particularly in the excise duty recently levied which is having an adverse effect. Besides, as anticipated in the previous year, the profits of the cotton mill in Lyallpur, West Pakistan, have considerably gone down and the Directors report that they are still on the downward trend. The working results of the textile mills in India continued to be satisfactory. The Hissar textile mill started working during the year. The installation of the silk factory has been completed and its work started during the year. Another gratifying feature is that the Company's exports of cotton textiles are steadily increasing.

In the sugar section, the working of the Daurala Sugar Works has not been very satisfactory due to the go-slow tactics adopted by the workers. The expansion of the Mawana sugar factory could not be completed till long after the factory had started. Hence the full benefit of increased production will show results only in the coming season. The working of the chemical works, however, has been satisfactory. Expansion in the capacity of the caustic soda plant from 11 to 20 tons a day was completed recently. Although the *vanaspati* factory's capacity has been increased to 75 tons per day, the results are considered very uncertain, due to severe competition and wide fluctuations in the prices of oil. The working of the garment factory was found to be unremunerative and it was, therefore, decided to close down this business.

The Company's paid-up capital at Rs. 408.64 lakhs is made up of 1,353,449 ordinary shares of Rs. 25 each, 40,225 ordinary shares of Rs. 2-8 each and the balance in four categories of cumulative preference shares of Rs. 25 each of which only Rs. 10 per share has been called up on the fourth cumulative preference shares. Calls paid in advance amount to Rs. 2.01 lakhs. The reserves and surplus aggregate Rs. 308.11 lakhs. Unsecured loans including provident fund, pension, marriage and other trust funds amount to Rs. 181.38 lakhs. There is a debenture liability of Rs. 100 lakhs on account of 5¼ per cent. mortgage debentures of Rs. 1,000 each. Loans and advances from banks stand at Rs. 368.83 lakhs. The current liabilities including the provision for taxation at Rs. 111.09 lakhs amount to Rs. 281.23 lakhs. The gross block of the value of Rs. 1,116.22 lakhs including an addition of Rs. 241.08 lakhs during the year, has been written down to Rs. 534.55 lakhs. The current assets amount to Rs. 1,115.64 lakhs and more than adequately cover the current liabilities and provision for taxation.

The Rs. 25 paid-up ordinary shares of the Company are being nominally quoted at Rs. 35-12 *ex-div.* On the basis of the dividend for 1955-56, the yield works out to 7 per cent. per annum.

KOTHARI TEXTILES MAINTAIN DIVIDEND

Frequent labour troubles of one kind or another, delay in the arrival of certain essential parts for working the additional spindles and looms, slackness in the yarn market during some portions of the year and a cut in the essential power supply, albeit for a short time, all these have put the clock back in the progress of the Kothari Textiles, Ltd. (Managing Agents: Messrs. Kothari and Sons, Madras), during the year ended 30th June 1956. The upward trend in profit, witnessed in the previous two years, therefore, staged a reversal. The gross profit for the previous year at Rs. 18.12 lakhs, which was the highest since 1943-44, declined by Rs. 5.08 lakhs to Rs. 13.04 lakhs during the year under review.

The net profit, after making a substantially lower provision for depreciation at Rs. 5.99 lakhs as against Rs. 14.50 lakhs, amounts to Rs. 6.25 lakhs, as against Rs. 3.26 lakhs made in the previous year. No provision for taxation has been made for the fifth year in succession. The dividend on ordinary shares has been maintained at 10 per cent., to which level it had been stepped up in the previous year from 5 per cent. paid for the two years preceding that.

The following comparative table clearly brings out the progress of the Company during the past three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1956	1955	1954	1953
Sale proceeds	84.94	88.43	67.19	} N.A.
Stocks	0.61	9.86	5.54	
Expenses	69.20	74.72	63.17	
Gross profit	13.04	18.12	5.58	0.16
Managing Agents' commission.	0.80	0.36	..	..
Depreciation	5.99	14.50	3.50	..
Taxation	..	..	..	..
Net profit	6.25	3.26	2.08	0.16
To reserves	3.00	0.05	..	..
Transfer from reserves ..	..	..	..	1.25
To dividends—				
Preference 6 per cent. ..	0.72	0.72	0.72	0.72
Ordinary	2.40	2.40	1.20	1.20
	(10%)	(10%)	(5%)	(5%)
Carry forward	0.42	0.29	0.20	0.04

For reasons already mentioned, the Company was not able to run all the additional 12,000 spindles and 100 automatic looms; it was only some time about March 1956 that they were able to run a major portion of such spindles and about 40 looms out of the 100. The Directors hope to bring the full plant into commission soon and they anticipate that the next year's results would reflect the working for the full 42,000 spindles and 300 automatic looms for at least six months.

During the year under review, there was a switch-over in the Company's policy towards meeting the large internal demands, in preference to its usual practice of exporting a major portion of its production. The heavy fluctuations in the price of cotton during most part of the year rendered absolute the necessity to buy Indian as well as Egyptian cotton at enhanced prices. Were it not for some of these adverse trends, the Company would have shown far more encouraging results. It is, however, heartening to hear the Chairman, Mr. D. C. Kothari, state in his speech at the annual general meeting that "because our cloth is popular, we have not had much of accumulation of cloth in our mills."

The total installed capacity of the mills is 300 automatic looms and 43,000 spindles and doubling spindles. Out of this, almost all the spindles and 260 looms are working and the balance of 40 looms is expected to go into production shortly. Orders have been placed for the machinery in respect of the additional 24,000 spindles mentioned in the last report. The Company proposes to install these spindles in a separate mill to be put up in Coimbatore district and it is expected the new mill will come into production by the end of 1957.

The latest balance-sheet of the Company shows its paid-up capital at Rs. 46.85 lakhs divided into 120,000 tax-free cumulative preference shares of Rs. 10 each, 48,422 tax-free cumulative preference 'B' shares of Rs. 10 each and 408,507 ordinary shares of Rs. 10 each, of which some preference as well as ordinary shares have not been fully called up. As against this, the reserves and surplus aggregate Rs. 19.67 lakhs. Calls in advance amount to Rs. 3,515. There is no provision for taxation, while the current liabilities total Rs. 48.29 lakhs. The gross block of the value of Rs. 93.32 lakhs, including additions during the year to the tune of Rs. 14.44 lakhs, has been written down to Rs. 60.83 lakhs. The current assets amounting to Rs. 54.01 lakhs cover the current liabilities by a comfortable margin.

Under the Government of India's policy of increasing the loomage for additional exports, the Company has also applied for the allotment of a few looms and Government's orders are awaited. The mill is being designed to undertake the manufacture of finer varieties of cloth, such as mulls, voiles, etc., in the event of the additional looms being granted. The mulls and voiles will be bleached and mercerised and dyed and also possibly printed. The Directors do not anticipate much difficulty in marketing these varieties of cloth in their own areas and near about. Further, they feel that in the years to come, productivity would show a steady increase as capacity will increase on account of the additional machinery coming into production.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 16-12 *cum-div.* On an *ex-div.* basis, the yield works out to 6.3 per cent. per annum.

PREMIER AUTOMOBILE RETURNS TO DIVIDEND LIST

Investors in the ordinary shares of the Premier Automobiles Ltd. (Managing Agents: Messrs. Aero-Auto Private Ltd., Bombay) will be pleased at the prospect of receiving a modest dividend of 6 per cent. per annum after years of anxious waiting, from the profits for the year ended 30th June 1956. For a company which suffered a net loss of Rs. 13.84 lakhs as recently as in 1953-54, to earn some profit, declare a dividend and also carry forward some surplus, is something which rekindles a fair degree of optimism for the future. The Company has earned a gross profit of Rs. 78.76 lakhs for the year under review as against Rs. 61.23 lakhs for the previous year. The Managing Agents' remuneration takes up Rs. 7.17 lakhs, while depreciation is provided with Rs. 23.88 lakhs. The amounts set apart for these purposes in the previous year were Rs. 3.92 lakhs and Rs. 30 lakhs, respectively. After the aforesaid provisions, the net profit stands at Rs. 47.71 lakhs which compares quite favourably with Rs. 27.31 lakhs for 1954-55. Another gratifying feature is that the Company has transferred a sizable sum of Rs. 34.50 lakhs to the reserves, of which general reserve receives Rs. 10 lakhs, development reserve Rs. 10 lakhs and deferred taxation reserve Rs. 14.50 lakhs. In the past year, it may be noted here, the Company was able to set aside only Rs. 8 lakhs and that too for deferred taxation. The dividend at 6 per cent. takes up Rs. 13.02 lakhs, leaving a balance of Rs. 6.05 lakhs to be carried forward as against Rs. 5.87 lakhs brought in.

Following an increase in the demand for vehicles, the Company's sale of cars, trucks and spare parts has been going up. Thus, the year's proceeds on this account at Rs. 14.29 crores is a welcome improvement on that of the previous year at Rs. 12.37 crores. Commenting on the Company's working, the Directors in their report state that the manufacture of front chassis frames, leaf springs, fuel tanks, radiators, complete exhaust system, rear cushion seats and various other small items of Fiat 1100 cars is already in progress. A partial shipment of the machinery required for the manufacture of engines and other components has already arrived and, in the next few months, the Company expects to produce the Fiat engine.

Negotiations for an agreement with Rockwell Spring and Axle Company for the manufacture of Timken axles, which were in progress, are now complete and the agreement with them has been finalised. The Company has received the necessary drawings and technical information and the manufacture of axles is expected to begin in a short period. The Directors further state that the Company has now reached production of petrol engines which is sufficient for its estimated production of Chrysler group cars and petrol trucks. The Company is also producing transmission and chassis frames and plans are afoot to increase production to meet their requirements. To meet all these schemes of expansion, additional capital is required and the Company has received the necessary consent of the Government of India for issue of more capital.

Against reserves and surplus aggregating Rs. 43.20 lakhs, the Company's paid-up capital stands at Rs. 220.14 lakhs divided into 217,061 "A" ordinary shares of Rs. 100 each. Secured loans from the Industrial Finance Corporation of India and banks and other unsecured loans together total Rs. 298.95 lakhs. The current liabilities, including provision for taxation at Rs. 7.02 lakhs, amount to Rs. 138.37 lakhs. The gross block at Rs. 306.59 lakhs, of which additions during the year were Rs. 20.36 lakhs, stands at the depreciated value of Rs. 157.54 lakhs. The current assets aggregate Rs. 545.11 lakhs and cover the current liabilities and provision for taxation by a wide margin.

The Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 103-8 *cum-div.* On an *ex-div.* basis, the yield works out to 6.1 per cent. per annum.

Points From The Chair

Competition in Teas

"AVAILABLE statistics show that the rate of world production is actually ahead of the rate of world consumption and that, in 1955, there was, in fact, a somewhat large surplus production. Let us not forget that today other countries are entering the field where India, Ceylon and Indonesia have hitherto been virtually the sole producers of tea. In a short time, we shall find a number of other countries like East Africa, Nyasaland, South America, New Guinea, Australia, Russia and Iran making weighty additions to the world output. We have seen in recent months East African teas being sold in London auction at 1s. 10d. per pound. It is also reported that East African teas make a good blend with Assam teas. This is a dangerous position because it costs about a shilling for India as c.i.f. charges to London, leaving a margin of only 10d. per lb. which is ridiculously lower than even the cost of production. The prosperity of the tea industry in India depends entirely on foreign trade and export markets."

D. C. KOTHARI,
Waterfall Estates Ltd.

Impact of Excise Duty

"Certain adverse circumstances created by recent taxation, particularly the excessive enhancement in Excise Duty, have materially affected the Company in particular and the textile industry in general, and the Directors share the feeling, unequivocally expressed by others at the helm of this industry, that the industry is and will continue to be seriously affected, and this will naturally act as a brake on the further improvement of the working of the Company. The increase in Excise Duty is so staggering and of far reaching effect that we have thought it advisable to share the burden with our constituents by allowing them substantial rebates, as has been done by a number of other mills, with the dual object of accommodating them in their hour of need and also of liquidating stocks which would otherwise accumulate heavily. This is most likely to affect very adversely the Company's earnings during the next year."

D. P. MEHTA,
Sholapur Spg. and Wvg. Co., Ltd.

Automatic Looms

"I am sure that the policy of the Government to allow installation of automatic looms, earmarked for export, will afford some relief, but it is obvious that this relief will take a long time to materialise. In fact, I apprehend that about 18 months will lapse between now and the time when the output of these new looms becomes fully available for export. The granting of these licences, I think, is hedged in with too many restrictions, and, in view of the much higher capital cost of automatic looms and other required equipment, the level of returns on the investment appears to be unsatisfactory. More so, when viewed in conjunction with the fact that the export price realisation will be definitely on the lower side. It is possible that this will affect adversely the total implementation of this policy in the time desired. I may also point out that timelags are already in evidence in the obtaining of machinery from abroad, a factor of particular importance in the case of automatic looms. Moreover, under this policy the obligation to maintain the previous level of export rests only on those mills which are sanctioned looms under this new scheme. There is no such obligation on other mills. In the result, it is possible that, to a large extent, the effect on the volume of exports will be only substitutive and not additive, as is to be desired in the interest of the country."

LALA SHRI RAM,
Delhi Cloth and General Mills Co., Ltd.

Locomotive Manufacture

"The report (of the Tariff Commission) has fully established that the manufacture of locomotives and boilers has at no time suffered from the concurrent undertaking of other lines of production about which doubts had been expressed in the past. In fact, the inquiry has shown that such additional activities have been helpful in absorbing a substantial portion of factory overheads which otherwise would have been an additional burden on locomotive costs. The Tariff Commission have recommended and Government have accepted certain prices for locomotives and boilers not only in respect of the previous two periods on which the Railway Board and the Company failed to reach agreement but also for the subsequent two years ending 31st March, 1958. These prices have been fixed after making allowance for a rise in output and productivity as well as for the cost-reducing advantages of long-run orders for locomotives to be placed on the Company. The prices, which are on a sliding scale, will secure to the Railway Board a progressive reduction in the cost of the locomotives purchased from us while enabling the Company to make a reasonable profit. Prices for deliveries after March 1958 will be fixed after another cost investigation at the appropriate time. Before I leave the subject, I may say that, barring unforeseen circumstances or delays in the delivery of equipment and materials over which we have no control, we are confident of achieving the targets of production and costs set before us by the Tariff Commission."

J. R. D. TATA,
Tata Locomotive and Engineering Co., Ltd.

ANNUAL MEETING OF BELAPUR CO., LTD.

SIR JOSEPH KAY CALLS FOR GROWING BETTER QUALITY SUGARCANE

ADDRESSING the shareholders of the Belapur Company, Ltd., at their Thirty-seventh Annual General Meeting held in Bombay on 28th December 1956, Sir Joseph Kay, K.B.E., Chairman of the Company, said that signs were not wanting that the sugar industry was spreading and developing. He added that increased activity was called for in the growing of sugarcane having better and better sugar content, for "sugar is made in the ground." As usual, the meeting was well attended.

Welcoming the shareholders, Sir Joseph Kay prefaced his address by drawing their attention to the salient features of the Company's working results for the year ended 30th September 1956. He said that the year had been a successful one; the cane crop was good and the factory also worked satisfactorily. The quantity of cane crushed was a record one at 162,386 tons, as against 159,628 tons in 1954-55. The average yield per acre was also a record at 55.78 tons, as compared with 55.58 tons obtained in the previous year. The quantity of sugar produced, at 20,057 tons, was the highest on record, having risen from 19,286 tons in the previous year. The recovery of sugar had gone up from 12.08 per cent. to 12.32 per cent.

Dividend Maintained

All these efforts, Sir Joseph observed, resulted in a net profit of Rs. 33.34 lakhs, as compared with Rs. 34.69 lakhs earned in 1954-55. The Directors had transferred to the general reserve Rs. 8 lakhs, as against Rs. 7 lakhs in the previous year, and to the gratuity reserve Rs. 2 lakhs, same as in the previous year. A sum of Rs. 5 lakhs had been set aside to the reserve for housing, while in the previous year the provision for housing scheme was as much as Rs. 10 lakhs. The dividend had been maintained at 16 per cent. per annum on the increased capital, raised by the issue of bonus shares, in the ratio of one share for every two, the same being entitled for dividend from 1st April 1956. The distribution of dividend absorbed Rs. 18.80 lakhs, leaving the balance to be carried forward. Sir Joseph hoped that the shareholders would consider the results satisfactory. He disclosed that the stocks of sugar in godowns at the end of the year amounted to 30 per cent. of the year's production. The distribution was controlled by the Government during the year. The final release order of the balance of about 2,600 tons of the stocks was received only last week. He also referred to the re-appointment of Messrs. W. H. Brady & Co., Ltd., as Managing Agents of the Company for a period of 10 years with effect from 15th January 1957 at the remuneration prescribed in the draft agreement.

Good Year for Sugar Industry

Surveying the developments of the year in the sugar industry in general, Sir Joseph observed:

"The Indian sugar year, which recently closed, was a good one in nearly every direction, the total quantity of sugar produced by the Indian Union showing an increase of 17 per cent. over the previous year, at 18.59 lakh tons, whilst in the State of Bombay 2.08 lakh tons were produced, being an increase of 16.5 per cent.

"Cane crushed in all-India was 186.53 lakh tons, in Bombay State 18.07 lakh tons, the recovery being 9.93 per cent. and 11.51 per cent., respectively. The duration of crushing, that is, the number of working days, was 145 for all-India and 153 for Bombay.

"The sugar supply position is represented by an opening stock of 5.61 lakh tons (including 1.20 lakh tons of imported sugar), 18.50 lakh tons produced in the country and imports of 0.55 lakh tons. The estimated total consumption was 19.50 lakh tons, thus leaving a closing stock of 5.57 lakh tons, of which 5.53 lakh tons was indigenous sugar and 0.04 lakh tons imported sugar. The rise in sugar production was brought about by several factors, namely,

"1. Fairly large diversion of cane supplies from *gur* to sugar manufacture, consequent upon the low prices for *gur* which prevailed.

"2. Expectation of continued adoption of the new price formula for linking the price of cane to the price of sugar. All mills in the Bombay Deccan paid to private cultivators Rs. 44 per ton, as against Rs. 43 in the previous season.

"3. Improvement in the quality of cane supplied to the mills and the consequent slightly higher recovery of sugar.

"The trend of prices was slightly upwards, except towards the close of the season.

"During the year, the Union Railway Minister imposed a 6¼ per cent. surcharge on freight—a charge which imposes a levy of about eight pies per maund of sugar.

Expansion of Capacity

"Under the expansion scheme, action has been taken to increase the installed capacity of the sugar industry from 15.0 lakh tons in 1953 to 25.0 lakh tons in 1960-61 and, of the additional capacity, 2.5 lakh tons will go into production during 1956-57. The Government has so far granted licences for the expansion of 57 existing units and for the establishment of 55 new factories, including 34 co-operative units, and 3 units to be installed by shifting the idle plants available in the country.

"That briefly is a review of the year's events in the sugar world in India and indicates that signs are not wanting that the industry is spreading and developing, but increased activity is called for in the growing of cane having better and better sugar content, for 'sugar is made in the ground.'

"I now move 'that the Directors' report and statement of accounts for the year which ended on the 30th September 1956, be and is hereby adopted.'"

Further Capitalisation

One of the shareholders complimented the Company on the excellent working results of the Company and its sound financial position. He asked the Chairman whether the Board of Directors could consider further capitalisation of reserves, in view of the latest amendment to the Indian Income-tax Act. He added that the dividend on the capital thus increased could be proportionately reduced. In reply, the Chairman said that they had just finished the work in connection with the recent capitalisation of reserves and the Board, therefore, required some time to think of the suggestion.

The shareholders then passed unanimously the resolution "that Sir Joseph Kay, K.B.E., who retires by rotation be and is hereby appointed a Director of the Company and that the age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to him." They also approved of the re-appointment of Messrs. W. H. Brady & Co., Ltd., as Managing Agents of the Company for a period of ten years with effect from 15th January 1957. The other resolutions and items on the agenda were also passed.

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D. R. VEDAMUTHU,
General Manager.

BUDGE-BUDGE JUTE SUFFERS LOSS

RAJAGIRI RUBBER PAYS HIGHER DIVIDEND

Budge-Budge Jute Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th April 1956.

After providing Rs. 70,000 (Rs. 65,000) for depreciation, the half-year's results show a loss of Rs. 2,46,556 (profit of Rs. 4,88,707). A total of Rs. 4,51,694 (*nil*) has had to be provided against the anticipated loss on raw jute stock, work-in-progress and jute contracted for, on the basis of the estimated realisable value as at 30th April, 1956. A similar provision in respect of raw jute stock and work-in-progress amounting to Rs. 1,72,315 made during the previous half-year has been written back to the credit of profit and loss account. After making these adjustments and bringing in the balance of Rs. 2,271 (Rs. 1,61,163) from the previous half-year, there is a balance of Rs. 5,23,664 (credit of Rs. 3,72,663) at the debit of profit and loss account, against which the directors have transferred Rs. 5,25,000 (*nil*) from general reserve. The directors have also transferred Rs. 31,500 (Rs. 1,25,000) from dividend equalisation reserve, being the amount required to pay the dividend on the preference shares for the half-year at Rs. 3-8 (Rs. 3-8) per share, and they recommend that this preference dividend be paid. This together with the transfers above referred to would leave a credit balance of Rs. 1,336 (Rs. 3,72,663 from which the directors paid preference dividend at Rs. 3-8 per share and ordinary dividend at Rs. 5 per share leaving Rs. 1,61,163 to be carried forward) in profit and loss account to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed until 7th January 1956. From the 9th January, however, 2½ per cent. of the total looms were unsealed, and a further 5 per cent. from the 20th February 1956.

Trading during the period was again difficult owing to the high price of raw jute in relation to the market for manufactured goods, where prices fell to uneconomic levels due partly to the increased production consequent upon the unsealing of looms, coupled with the fact that the offtake did not come up to expectations. It is hoped, however, that the adjustment in production which has since been effected by re-sealing 7½ per cent. of the total looms will restore the industry to more profitable working conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	44,94,117
Reserves ...	21,81,426	Stock of cloth, bags and raw material ...	52,64,544
Provision for taxation ...	1,49,755	Stores, spare parts and loose tools	7,84,799
Liabilities ...	42,13,382	Debts, deposits and advances ...	4,12,283
Profit and loss account ...	1,336	Investments	79,079
		Cash ...	11,077
Rs.	1,10,45,899	Rs.	1,10,45,899

Rajagiri Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submit the audited accounts of the Company for the year ended 30th June 1956.

Rubber crop: The total estimated crops for the year under report were 5,25,000 lbs. rubber from Rajagiri and 7,50,000 lbs. from Shaliacary (total 12,75,000 lbs.) to be produced at an average cost of 65.86 cents per pound. The actual crops harvested were 13,69,972 (12,61,500) lbs., viz., 5,57,800 (5,24,300) lbs. on Rajagiri and 8,12,172 (7,37,200) lbs. on Shaliacary at an average estate cost of 65.52 (58 29) cents per lb. The average sale price realised was 148.50 cents as compared to 135.83 cents for the previous year.

The net profit for the year after allowing for depreciation and after providing a sum of Rs. 3,65,000 (Rs. 3,35,000) for taxation amounted to Rs. 5,05,582 (Rs. 5,08,403) and the directors recommend this amount be disposed of as under:—

Payment of a dividend of 25 (20) per cent. on equity shares Rs. 3,37,500 (Rs. 2,70,000), transfer to rehabilitation fund (making Rs. 3,50,000) Rs. 50,000 (Rs. 50,000), to dividend equalisation fund (making Rs. 2,60,000) Rs. 1,10,000 (Rs. 1,00,000), and carry forward to next year Rs. 8,082 (Rs. 7,461).

Estimate for 1956-57: A total crop of 13.50,000 lbs. of rubber—5,50,000 lbs. from Rajagiri and 8,00,000 lbs. from Shaliacary—is estimated to be harvested during 1956-57 season at an average cost of 69.00 cents per pound. The capital expenditure for the year is estimated at Rs. 1,44,519.

Depreciation: In view of the fixed assets being charged to depreciation at the rates prescribed under the Indian Income-tax Act on the written down book value of the assets instead of the usual method of being charged on the original cost of the assets, a difference in the amount has been necessitated.

General: The estates have been regularly visited and are reported to be in excellent condition.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,10,000	Block ...	38,43,388
Reserves ...	9,90,000	Stock-in-trade	1,39,088
Provision for taxation ...	3,76,937	Stores and spare parts	68,275
Liabilities ...	6,15,909	Estate nurseries ...	4,870
Profit and loss account ...	8,082	Debts, deposits and advances ...	1,17,217
		Investments	10,000
		Cash ...	14,18,090
Rs.	56,00,928	Rs.	56,00,928

National Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th April 1956.

After providing Rs. 26,000 (Rs. 25,000) for depreciation, the half-year's results show a profit of Rs. 1,90,678 (Rs. 6,10,230). Provision for taxation absorbs Rs. 1,35,000 (Rs. 2,50,000) and, in addition, a total of Rs. 1,50,553 (*nil*) has had to be provided against the anticipated loss on raw jute stock, work-in-progress and jute contracted for, on the basis of the estimated realisable value as at 30th April 1956. After making these provisions and bringing in the balance of Rs. 70,554 (Rs. 1,88,126) from the previous half-year, there is a balance of Rs. 24,321 (credit of Rs. 5,02,588) at the debit of the profit and loss account. The directors have transferred Rs. 1,75,000 (*nil*) from dividend equalisation reserve and recommend the payment of dividends as follows:—

On preference shares at Rs. 3-8 (Rs. 2-8) per share Rs. 17,500 (Rs. 17,500) and on ordinary shares at As. 6 (Re. 1) per share Rs. 1,31,250 (Rs. 3,50,000) thus absorbing Rs. 1,48,750 and leaving Rs. 1,929 (Rs. 1,35,088) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed until 7th January 1956. From the 9th January, however, 2½ per cent. of the total looms were unsealed, and a further 5 per cent. from the 20th February 1956.

Trading during the period was again difficult owing to the high price of raw jute in relation to the market for manufactured goods, where prices fell to uneconomic levels due partly to the increased production consequent upon the unsealing of looms, coupled with the fact that the offtake did not come up to expectations. It is hoped, however, that the adjustment in production which has since been effected by re-sealing 7½ per cent. of the total looms will restore the industry to more profitable working conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	19,92,585
Reserves ...	41,54,326	Stock of cloth, bags and raw materials ...	37,46,597
Provision for taxation ...	1,55,225	Stores, spare parts and loose tools	8,62,180
Liabilities ...	9,96,154	Debts, deposits, and advances ...	4,90,905
Profit and loss account ...	1,929	Investments	15,78,128
		Cash ...	6,37,239
Rs.	93,07,634	Rs.	93,07,634

Consolidated Coffee Estates (1943) Ltd.

The directors of the above Company (Managing Director: Mr. R. C. Paterson, Pollibetta) submitted the audited accounts of the Company for the year ended 30th June 1956.

The net profit for the year is Rs. 20,12,928 (Rs. 16,04,069). Adding the balance brought forward of Rs. 2,42,884 (Rs. 4,24,565) there is a total of Rs. 22,55,812 (Rs. 20,28,634). After deducting a dividend of 6 per cent. on preference shares Rs. 1,12,500 (Rs. 1,12,500), transfer to reserve for debenture redemption fund Rs. 1,00,000 (Rs. 1,00,000) and to general reserve Rs. 5,00,000 (Rs. 5,00,000) there was left a balance of Rs. 15,43,312 (Rs. 13,16,134). Out of this amount the directors have paid a dividend of 20 (22½) per cent. free of Indian income-tax on the ordinary shares absorbing Rs. 14,31,000 (Rs. 10,73,250) leaving a balance of Rs. 1,12,312 (Rs. 2,42,884) to be carried forward.

Acreage:—In order to distinguish between immature and mature coffee more distinctly the board of directors define immature arabica coffee as under five years planted and immature robusta as under eight years planted. After making adjustments to conform to this definition the acreage of the company is as under:—

	Mature	*Immature*	*Total*
Arabica coffee ...	3,845	411	4,256
Robusta coffee ...	2,084	487	2,571
Total coffee	5,929	898	6,827
Oranges			93
Cardamoms			160
Rice land			584
Plantain and other fruit crop			45
Total cultivated area			7,709
Reserve land			2,669
Total ...			10,378

The slight increase in total acreage is due to the purchase of land during the year.

The total planted area under ragi comes to 140 acres and unplanted and grazing area 172 acres. The decrease in acreage is due to the sale of land.

CROPS—1955-56

	Estimated	*Actual*
	Tons	Tons
Coffee—Arabica	1,100	1,270
„ Robusta	775	826
Total coffee	1,875	2,096
Pepper	50	77
	Mds.	Mds.
Cardamoms	200	418

SEASON 1956-57—CROP ESTIMATES

	Arabica Tons	*Robusta* Tons	*Total* Tons
Estimated on blossom ...	1,200	800	2,000
Revised estimate	1,300	700	2,000
Pepper			50
Cardamoms			240 maunds

The crop has been valued on the basis of Rs. 2-6 a point and it is anticipated that the final payment may be slightly in excess of this figure.

The directors have pleasure in reporting that the coffee crop of 2,096 tons for the year under report is the highest since the inception of the Company. The revised estimates for the year 1956-57 in respect of arabica are about the same as for the previous year, while those for robusta are less by 100 tons.

Fruit Juice Factory:—The Factory was closed as from the 1st January 1956, in view of the difficulties in marketing the products.

Taxation:—As Coorg is now part of the Mysore State, provision is made in the accounts for agricultural income-tax at the rate in the Mysore Agricultural Income-tax Act. The Company has been assessed to Central Income-tax for 25 per cent. of the income from coffee in respect of the seasons 1948-49, 1949-50, 1950-51 and 1951-52. The question whether any portion of the income from coffee is liable to Central Income-tax is before the Madras High Court. Pending a decision on this question an estimated sum of Rs. 6,75,000 representing tax, if any, due from 1949 to 1956 has been noted in the balance sheet as a contingent liability not accepted.

Kushalnagar Works:—During the year under review the Works cured 2,603 tons of coffee as against 2,304 tons for the previous year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,30,000	Block ...	91,51,845
Debentures ..	10,00,000	Stock-in-trade	47,97,061
Reserves ...	45,87,750	Stores and spare parts	5,62,376
Provision for taxation ...	16,15,670	Loose tools	2,703
Liabilities ...	25,80,372	Debts, deposits and advances ...	15,16,078
Profit and loss account ...	1,12,312	Investments	13,15,139
		Cash ...	15,80,902
Rs.	1,89,26,104	Rs.	1,89,26,104

Coffee Lands & Industries (Mysore) Ltd.

The directors of the above Company (Secretaries: The Consolidated Coffee Estates (1943) Ltd., Pollibetta) submitted the audited accounts of the Company for the year ended 30th June 1956.

The net profit for the year is Rs. 11,68,162 (Rs. 5,38,445). Adding the balance brought forward of Rs. 1,21,059 (Rs. 1,58,644) there is a total of Rs. 12,89,221 (Rs. 6,97,089). After deducting a dividend of 5 per cent. on preference shares Rs. 52,030 (Rs. 52,030), and transfer to dividend equalisation fund Rs. 50,000 (*nil*), debenture redemption fund Rs. 50,000 (Rs. 50,000) and general reserve Rs. 5,00,000 (Rs. 1,50,000) there was left a balance of Rs. 6,37,191 (Rs. 4,45,059). Out of this the directors paid a dividend of 25 (18) per cent. free of income-tax on ordinary shares absorbing Rs. 4,50,000 (Rs. 3,24,000) and carried forward the balance of Rs. 1,87,191 (Rs. 1,21,059).

In order to distinguish between immature and mature coffee more distinctly, the board of directors define immature arabica coffee as under 5 years planted and immature robusta as under 8 years planted. After making adjustments to conform to this definitions the acreage of the company is as under:—

	Mature	*Immature*	*Total*
Arabica coffee ...	2,160	125	2,285
Robusta coffee ...	302	111	413
Total coffee	2,462	236	2,698
Organges	9	—	9
Cardamoms	17	—	17
Wetlands and ragi-lands	82	—	82
Reserve land			900
Total			3,706

CROPS—1955-56

	Estimated	*Actuals*
Arabica coffee (tons) ...	610	712 11 3 17
Robusta coffee (tons) ...	75	82 18 2 20
	685	795 10 2 9
Cardamoms		43 maunds

The crop has been valued on the basis of Rs. 2-6 per point. It is anticipated that the final pool dividend may be in excess of this amount.

SEASON 1956-57—CROP ESTIMATE

Arabica coffee	670 tons
Robusta coffee	75 tons
Total coffee ...	745 tons
Cardamoms	19 maunds

The directors have pleasure in reporting that the crop of the year has been the highest since the inception of the company.

Taxation:—Provision has been made in the accounts for Mysore Agricultural Income-tax in respect of the year's working. The company has been assessed to Central Income-tax for 25 per cent. of the income from coffee in respect of the seasons 1949-50, 1950-51 and 1951-52. The question whether any portion of the income from coffee is liable to Central Income-tax before the Madras High Court. Pending a decision on this question, a sum of Rs. 3,07,000 representing tax if any due from 1950 to 1956 has been noted in the balance sheet as a contingent liability not accepted.

Hunsur Works:—2,907 tons of coffee were cured during the season compared with 2,178 tons in the previous season.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,40,600	Block ...	29,01,097
Debentures	3,00,001	Stock-in-trade	19,76,623
Reserves ...	21,50,000	Stores, spare parts and loose tools	4,33,041
Provision for taxation ...	7,19,795	Debts, deposits and advances ...	13,00,645
Liabilities ...	11,67,785	Investments	57,185
Profit and loss account ...	1,87,191	Cash ...	6,96,780
Rs.	73,65,372	Rs.	73,65,372

National Iron and Steel Co., Ltd.

The directors of the above Company (Managing Agents: Messrs: Nursing and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1956.

The net profit for the year amounts to Rs. 6,87,033 (Rs. 5,89,495) after providing Rs. 5,12,534 (Rs. 4,31,831) for depreciation, Rs. 1,32,337 (Rs. 1,40,499) for managing agents commission and Rs. 4,81,000 (*nil*) for income-tax for the year 1955-56. The balance to the credit of the profit and loss appropriation account after making profit and loss adjustments, together with this year's profit is Rs. 8,40,940 (Rs. 7,86,680) which the directors disposed of as follows:—

A sum of Rs. 3,12,250 (Rs. 1,24,900) in payment of a dividend at As. 10 (As. 4) per share free of income-tax and Rs. 5,28,690 (Rs. 1,53,906) was carried over to the next year.

The working results of the year under review have been better than that of the previous years and the directors hope that the working will be still better with the expansion and modernising schemes of the works taken in hand.

Fixed Capital Expenditure: At the time of starting the Belur Works, before applying to the Government for land under the Land Acquisition Act, the Company had to purchase some land from different parties in the names of the members of Nursing & Co. as benamdars of the Company and the amount in question was spent from 1934 to 1939. Later this very land was acquired and conveyed by the Government to the Company. Therefore it was not possible for Nursing & Co., or its members to make any conveyance of the same land in favour of the Company. It is recommended that to regularise this the amount should be debited to land development account or land acquisition expenses account.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,96,000	Block ...	37,52,077
Reserves ..	4,90,630	Stores and spares ...	11,32,900
Debentures	5,00,000	Raw materials	7,48,850
Provision for taxation ...	23,08,535	Finished stock	11,02,031
Liabilities ...	36,61,124	Stock-in-process ...	1,65,695
Profit and loss account ...	5,28,690	Goods-in-transit	4,07,535
		Debts, deposits and advances ...	46,52,987
		Investments	3,83,518
		Cash ...	1,39,386
Rs.	1,24,84,979	Rs.	1,24,84,979

Agra Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the company for the half-year ended 31st March, 1956.

The State Government has requested that a supply be afforded to meet a demand for irrigation purposes to an extent of 2,000 k.v.a. and this is to be met on an off peak load basis.

Satisfactory progress has been maintained as indicated in the following schedule:

Half-year ended	*Units sold*	*Revenue* Rs.
30th September, 1953 ...	12,152,915	14,79,566
31st March, 1954 ...	10,703,548	15,27,036
30th September, 1954 ...	12,960,709	15,62,370
31st March, 1955 ...	11,885,291	16,51,759
30th September 1955 ...	14,8?°,534	17,42,371
31st March, 1956 ...	14,238,204	18,03,229

After providing for all charges and placing Rs. 19,514 to statutory contingencies reserve, Rs. 51,500 to reserve for redemption of debentures, Rs. 1,45,903 to tariffs and dividends control reserve and Rs. 95,000 to general reserve, there remains a balance of Rs. 1,49,033 including Rs. 46,084 brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 per cent. per annum free of income-tax for the half-year Rs. 99,980 and carrying forward to next half-year Rs. 49,073.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,01,185	Block ...	1,62,40,639
Debentures ...	30,00,000	Stores, coal, fuel and stationery	21,72,960
Reserves ...	59,86,274	Capital work-in-progress	7,92,349
Provision for taxation ...	3,45,000	Tools and instruments	1,55,100
Liabilities ...	80,09,523	Debts, deposits and advances ...	20,19,892
Profit and loss account ...	80,728	Other assets ...	71,309
		Investments	7,34,334
		Cash ...	8,36,127
Rs.	2,30,22,710	Rs.	2,30,22,710

Upper Jumna Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1956.

With the release of additional power by Hydel, enabling the Company to connect many additional consumers during the past year, considerable improvement in the revenue position is apparent, however, with the development herein referred to, extensions and strengthening of mains and services have to be made, with the result that a capital expenditure of Rs. 5 lakhs on such services is necessary and this matter is receiving attention.

The following schedule indicates the progress during the past three years.

Year ended	*Units sold*	*Revenue* Rs.
March 1954	7,418,260	14,34,080
March 1955	8,947,732	15,41,462
March 1956	10,430,517	19,02,317

After providing for all charges, placing Rs. 9,914 to statutory contingencies reserve, Rs. 79,931 to tariffs and dividends control reserve, Rs. 45,518 to general reserve and bringing forward Rs. 31,490 from the half-year ended 31st March 1955, and deducting Rs. 31,094 in respect of dividends paid for the half-year ended 30th September 1955, there remains a balance of Rs. 65,585 available for distribution and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 per cent. per annum free of income-tax for the half-year ended 31st March 1956 Rs. 24,875, an additional payment of As. 2 per share free of income-tax Rs. 6,219 and carrying forward to next year Rs. 34,492.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,98,750	Block ...	11,68,768
Reserves ...	6,73,215	Stores, tools and instruments ...	5,76,713
Provision for taxation ...	40,757	Capital work-in-progress	18,153
Liabilities ...	19,41,843	Debts, deposits and advances ...	9,54,292
Profit and loss account ...	34,491	Investments	1,28,495
		Cash ...	3,42,635
Rs.	31,89,056	Rs.	31,89,056

Clevedon Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a profit of Rs. 3,72,407 (Rs. 8,26,784). On transfer of this sum to profit and loss account and after sundry adjustments there is a balance at credit of that account amounting to Rs. 4,61,178 (Rs. 1,51,884), of which the directors have transferred Rs. 1,10,000 (*nil*) to revenue reserve and Rs. 75,000 (Rs. 60,000) to buildings and machinery reserve. A special dividend of 25 per cent. for season 1954 was paid on 28th March 1956, while Rs. 1,20,000 have been provided against a dividend distribution at the rate of 30 per cent. payable at a later date, leaving Rs. 56,178 (Rs. 51,884 after paying a dividend of 10 per cent.) to be carried forward.

It is a matter of regret to the directors that they have been unable to recommend the payment of a dividend at this stage as the Company is in debt to the secretaries to the extent of some *Rs. 68,000. It would not therefore be in the Com*pany's interest to extend this indebtedness now but it is hoped that the remittance of profits from Pakistan for season 1954 in the near future will make payment of the dividend mentioned above possible.

The Indian Finance Act, 1956 has given retrospective exemption from taxation in India of agricultural income arising in Pakistan and taxable in that country and accordingly a sum of Rs. 4,50,000 has been credited to profit and loss account, being a reserve for taxation no longer required.

It will be observed that a sum of Rs. 2,01,080 representing loss on exchange resulting from the devaluation of Pakistani Currency (after adjustment of profits on a forward exchange contract and the unappropriated balance in the exchange suspense account) has been charged to profit and loss account.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

Tea crop was 6,347 maunds as against 6,380 maunds in 1954. The average selling price was Re. (P) 1-14-9 per lb. as compared with Rs. (P) 2-4-0 per lb. in the previous year. Planted area is now 547.24 acres.

Estimates for 1956 provide for a crop of 6,000 maunds at an outlay of Rs. 5,90,470, including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	5,29,507
Reserves ...	6,01,396	Stock-in-trade	5,96,530
Provision for taxation ...	5,07,217	Stores and supplies ...	46,811
Liabilities ...	3,34,011	Loans and advances ..	1,05,860
Profit and loss account ...	56,178	Investments	890
		Cash ...	6,19,204
Rs.	18,98,802	Rs.	18,98,802

Bombay Cycle and Motor Agency Ltd.

The directors of the above Company (Managing Agents: Messrs. Aero-Auto Private Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st March 1956.

During the financial year the Company made a profit of Rs. 2,80,233 (Rs. 1,71,762) after providing for depreciation. To this was added the sum of Rs. 12,327 (Rs. 11,362) being the balance brought forward from the last year's account, making a total of Rs. 2,92,559 (Rs. 1,83,124) which the directors disposed of as follows:—

Paid dividend on 57,000 shares at Re. 1-12 (Re. 1-11) per share, free of tax Rs. 99,750 (Rs. 96,188), provided for taxation Rs. 1,50,000 (Rs. 74,610) and carried forward Rs. 42,809 (Rs. 12,327).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,40,000	Block ...	5,89,448
Reserves ...	6,02,246	Stock-in-trade	11,31,841
Provision for taxation ...	2,23,294	Loose tools	8,491
Depreciation fund ...	3,99,525	Debts, deposits and advances ...	9,12,129
Liabilities ...	6,02,600	Investments	2,34,910
Profit and loss account ...	2,92,559	Cash ...	3,83,405
Rs.	32,60,224	Rs.	32,60,224

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

Notices

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday the 14th day of January 1957, at 11-50 o'clock in the forenoon, to consider and, if thought fit, to pass, with or without modification, the following resolutions, namely:—

1 (*a*). (*As an Ordinary Resolution*)—"That as from the first day of April One thousand nine hundred and fifty-six Balmer Lawrie and Company Limited, the Managing Agents of the Company, shall hold such office upon the terms and subject to the conditions contained in the draft Agreement submitted to this Meeting and for the purposes of identification signed by the Chairman thereof, the terms of which said draft Agreement have been approved by the Central Government in conformity with the provisions of Section 329 of the Companies Act, 1956."

1 (*b*). (*As an Ordinary Resolution*)—"That as on and from the fifteenth day of January One thousand nine hundred and fifty-seven, subject to the approval of the Central Government under the provisions of Section 326 of the Companies Act, 1956, Balmer Lawrie and Company Limited be and are hereby re-appointed the Managing Agents of the Company for a fresh term of ten years upon the terms and subject to the conditions contained in the draft Agreement submitted to this Meeting and for the purposes of identification signed by the Chairman thereof; and that the Directors be and are hereby authorised to alter or vary the said terms to such extent and for such purposes only as may be necessary to embody or give effect to the requirements of the Central Government as a condition of granting its approval as aforesaid."

1 (c). (*As an Ordinary Resolution*)—"That the Directors be and are hereby authorised to enter into an Agreement in writing between the Company of the one part and Balmer Lawrie and Company Limited of the other part in the terms of the draft Agreement referred to in resolutions numbers 1(*a*) and 1(*b*) in the Notice convening this Meeting such Agreement to incorporate the alterations and variations (if any) referred to in the said resolution number 1(*b*)."

2. (*As a Special Resolution*)—"That Articles 106, 107, 108, 109, 110 and 111 of the Articles of Association of the Company be deleted and the following new Article 106 substituted therefor:

"Balmer Lawrie and Company Limited are the Managing Agents of the Company and they shall continue and be the Managing Agents of the Company up to and including the fourteenth day of January One thousand nine hundred and sixty-seven upon the terms and subject to the conditions as to remuneration and otherwise as are embodied in an Agreement a draft whereof has, for the purpose of identification, been subscribed by Mr. O. T. Jenkins, Chairman of the Company, to be executed with all convenient despatch and the Board of Directors shall carry the said Agreement into effect. Subject to the provisions of Sections 198 and 348 of the Companies Act, 1956, the Managing Agents shall be entitled to receive from the Company by way of remuneration for their services in relation to such management, in respect of each financial year of the Company (as defined in Section 2 (17) of the Companies Act, 1956) commencing on or after the 1st day of April, 1956, or in respect of any part of such a financial year:

(*a*) A sum of, or, in respect of any period of less than a year, calculated at the rate of Rs. 50,000 per annum, and

(*b*) Such further sum, if any, as together with the said sum of Rs. 50,000 shall make up an amount equal to 10 per cent. of the net profits of the Company for such financial year or part thereof determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956.

The said sum of Rs. 50,000 payable under (*a*) above shall be paid by the Company by eleven monthly instalments of Rs. 4,000 each and a final monthly instalment of Rs. 6,000 payable on the last day of each month. In the event of the Company having no profits or its profits being inadequate in any financial year then to the extent that the amount paid to the Managing Agents under (*a*) above together with the remuneration paid to the Directors of the Company (other than fees for meetings of the Board attended by them) in respect of such year exceed Rs. 50,000 the remuneration payable under (*a*) above shall abate and be repayable to the Company.

The further sum, if any, payable under (*b*) above shall be paid by the Company immediately after the accounts of the Company for the respective financial year shall have been audited and laid before the Company in General Meeting.

In respect of the Company's financial year ending on the 31st day of December 1956, the Managing Agents shall, subject to the provisions of Sections 198 and 354 of the Companies Act, 1956, if applicable, receive remuneration calculated in the manner provided in the Agreement dated the 14th day of April One thousand nine hundred and twenty-five and made between the Company of the one part and the Managing Agents of the other part save that the Managing Agents shall only be entitled to receive the office allowance payable to them thereunder up to and including the 31st March 1956.

The remuneration payable under this Article shall not be regarded as in any manner or to any extent intended to reimburse the Managing Agents in respect of any expenses incurred or to be incurred by them on behalf of the Company and the Managing Agents, in addition to receiving such remuneration, shall be entitled to be reimbursed by the Company in respect of any expenses incurred by them on behalf of the Company and such proportion of expenses that may be incurred by them partly on behalf of the Company and partly on behalf of themselves and/or some other company, concern or person as the Directors of the Company shall determine to be or to have been incurred on behalf of the Company. Without prejudice to the generality of the foregoing, the Managing Agents shall be entitled to recover from the Company the remuneration (whether by way of salary, commission, bonus, gratuity, compensation, allowance or otherwise), provident and superannuation fund contributions and expenses payable to or in respect of all persons employed by them solely in connection with the Company's business and such proportion of the remuneration, contributions and expenses, if any, of any persons employed by the Managing Agents partly in connection with the Company's business and partly in connection with any other business as the Directors of the Company may from time to time likewise determine. Provided always that neither the Company nor the Managing Agents shall without the previous sanction of the Central Government (and then only subject to the provisions of Sections 198, 387 and 388 of the Companies Act, 1956) be entitled to appoint or employ any individual as a Manager of the Company within the meaning of the Companies Act, 1956."

3. (*As an Ordinary Resolution*)—"That pursuant to Clause 9 of the said draft Agreement referred to in Article 106 of the Articles of Association of the Company, Balmer Lawrie and Company Limited and any associate or associates of theirs (as defined in sub-section (3) of Section 2 of the Companies Act, 1956) be and are hereby authorised to retain any commission or other remuneration earned or to be earned by them respectively as the Managing Agents, Secretaries and Treasurers, Manager, Agent, Secretary or Selling or Buying Agent of any firm, body corporate or other concern in respect of any goods, power, freight, repairs or other services, including insurance, for the sale, purchase, supply or rendering of which a contract has been or is to be entered into by such firm, body corporate or concern with the Company, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

4. (*As a Special Resolution*)—"That pursuant to Clause 12 of the said draft Agreement referred to in Article 106 of the Articles of Association of the Company, Balmer Lawrie and Company Limited be and they are hereby authorised to provide the Company with suitable furnished office accommodation at the registered or principal office for the time being of Balmer Lawrie and Company Limited in Calcutta and also, if so required by the Company, at any other place or places in which Balmer Lawrie and Company Limited may be able to provide such accommodation and the Company shall pay to Balmer Lawrie and Company Limited such rent and portion of the outgoings payable by Balmer Lawrie and Company Limited as the Directors of the Company shall from time to time determine to be fairly and reasonably attributable to the accommodation so provided."

5. (*As a Special Resolution*)—"That Article 85 of the Articles of Association of the Company be deleted and the following new Article 85 be substituted therefor:

"Each Director shall be paid out of the funds of the Company by way of remuneration for his services in attending meetings of the Board of Directors the sum of Rs. 250 for each meeting attended by him."

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

CALCUTTA, 21*st December*, 1956.

Notes.—(1) A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

(2) A copy of the draft Agreement referred to in the proposed Resolutions and an explanatory statement are annexed to this Notice.

THE MYSORE SUGAR COMPANY LIMITED, BANGALORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-THIRD ORDINARY GENERAL MEETING of the Mysore Sugar Company, Limited, will be held at the Registered Office of the Company in Sri Jayachamaraja Wadiyar Road, Bangalore City, at 4 p.m., on Monday the 28th January 1957, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 30th June 1956.
2. To declare a Dividend.
3. To elect a Director in place of Sri V. T. Krishnamoorthy, who retires by rotation and, being eligible, offers himself for re-election.

Being a "Government Company," the appointment of Auditors is to be made by the Central Government, under Section 619 (2) of the Companies Act, 1956.

The Share Transfer Register of the Company will be closed from the 12th to the 31st January 1957 (both days inclusive).

By Order of the Board,
V. M. LINGIAH,
Secretary.

BANGALORE, 16*th December* 1956.

Note.—(1) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(2) The Dividend, when declared, will be made payable at the Bank of Mysore, Limited, Bangalore, on and after the 9th February 1957. The Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 11th January 1957.

Notices

THE BENGAL FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 21 Netaji Subhas Road, Calcutta, on Monday the 14th day of January 1957, at 11-30 o'clock in the forenoon, to consider and, if thought fit, to pass, with or without modification, the following resolutions, namely:—

1 (*a*) (*As an Ordinary Resolution*)—"That as from the first day of April One thousand nine hundred and fifty-six Balmer Lawrie and Company Limited, the Managing Agents of the Company, shall hold such office upon the terms and subject to the conditions contained in the draft Agreement submitted to this Meeting and for the purposes of identification signed by the Chairman thereof, the terms of which said draft Agreement have been approved by the Central Government in conformity with the provisions of Section 329 of the Companies Act, 1956."

1 (*b*) (*As an Ordinary Resolution*)—"That as on and from the fifteenth day of January One thousand nine hundred and fifty-seven, subject to the approval of the Central Government under the provisions of Section 326 of the Companies Act, 1956, Balmer Lawrie and Company Limited be and are hereby re-appointed the Managing Agents of the Company for a fresh term of ten years upon the terms and subject to the conditions contained in the draft Agreement submitted to this Meeting and for the purposes of identification signed by the Chairman thereof; and that the Directors be and are hereby authorised to alter or vary the said terms to such extent and for such purposes only as may be necessary to embody or give effect to the requirements of the Central Government as a condition of granting its approval as aforesaid."

1 (c) (*As an Ordinary Resolution*)—"That the Directors be and are hereby authorised to enter into an Agreement in writing between the Company of the one part and Balmer Lawrie and Company Limited of the other part in the terms of the draft Agreement referred to in resolutions numbers 1 (*a*) and 1 (*b*) in the Notice convening this Meeting such Agreement to incorporate the alterations and variations (if any) referred to in the said resolution number 1(*b*)."

2. (*As a Special Resolution*)—"That Articles 3, 4 and 5 of the Articles of Association of the Company be deleted and the following new Article 3 substituted therefor:

"Balmer Lawrie and Company Limited are the Managing Agents of the Company and they shall continue and be the Managing Agents of the Company up to and including the fourteenth day of January One thousand nine hundred and sixty-seven upon the terms and subject to the conditions as to remuneration and otherwise as are embodied in an Agreement a draft whereof has, for the purpose of identification, been subscribed by Mr. A. T. Montgomery, Chairman of the Company, to be executed with all convenient despatch and the Board of Directors shall carry the said Agreement into effect. Subject to the provisions of Sections 198 and 348 of the Companies Act, 1956, the Managing Agents shall be entitled to receive from the Company by way of remuneration for their services in relation to such management, in respect of each financial year of the Company (as defined in Section 2 (17) of the Companies Act, 1956) commencing on or after the 1st day of April, 1956, or in respect of any part of such a financial year:

(*a*) A sum of, or, in respect of any period of less than a year, calculated at the rate of Rs. 50,000 per annum, and

(*b*) Such further sum, if any, as together with the said sum of Rs. 50,000 shall make up an amount equal to 10 per cent. of the net profits of the Company for such financial year or part thereof determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956.

The said sum of Rs. 50,000 payable under (*a*) above shall be paid by the Company by eleven monthly instalments of Rs. 4,000 each and a final monthly instalment of Rs. 6,000 payable on the last day of each month. In the event of the Company having no profits or its profits being inadequate in any financial year then to the extent that the amount paid to the Managing Agents under (*a*) above together with the remuneration paid to the Directors of the Company (other than fees for meetings of the Board attended by them) in respect of such year exceed Rs. 50,000 the remuneration payable under (*a*) above shall abate and be repayable to the Company.

The further sum, if any, payable under (b) above shall be paid by the Company immediately after the accounts of the Company for the respective financial year shall have been audited and laid before the Company in General Meeting.

In respect of the Company's financial year ending on the 31st day of December 1956, the Managing Agents shall, subject to the provisions of Sections 198 and 354 of the Companies Act, 1956, if applicable, receive remuneration calculated in the manner provided in the Agreement dated the 8th day of January One thousand nine hundred and thirty-seven and made between the Company of the one part and the Managing Agents of the other part save that the Managing Agents shall only be entitled to receive the office allowance payable to them thereunder up to and including the 31st March, 1956.

The remuneration payable under this Article shall not be regarded as in any manner or to any extent intended to reimburse the Managing Agents in respect of any expenses incurred or to be incurred by them on behalf of the Company and the Managing Agents, in addition to receiving such remuneration, shall be entitled to be reimbursed by the Company in respect of any expenses incurred by them on behalf of the Company and such proportion of expenses that may be incurred by them partly on behalf of the Company and partly on behalf of themselves and/or some other company, concern or person as the Directors of the Company shall determine to be or to have been incurred on behalf of the Company. Without prejudice to the generality of the foregoing, the Managing Agents shall be entitled to recover from the Company the remuneration (whether by way of salary, commission, bonus, gratuity, compensation, allowance or otherwise), provident and superannuation fund contributions and expenses payable to or in respect of all persons employed by them solely in connection with the Company's business and such proportion of the remuneration, contributions and expenses, if any, of any persons employed by the Managing Agents partly in connection with the Company's business and partly in connection with any other business as the Directors of the Company may from time to time likewise determine. Provided always that neither the Company nor the Managing Agents shall without the previous sanction of the Central Government (and then only subject to the provisions of Sections 198, 387 and 388 of the Companies Act, 1956) be entitled to appoint or employ any individual as a Manager of the Company within the meaning of the Companies Act, 1956."

3. (*As an Ordinary Resolution*)—"That pursuant to Clause 9 of the said draft Agreement referred to in Article 3 of the Articles of Association of the Company, Balmer Lawrie and Company Limited and any associate or associates of theirs (as defined in sub-section (3) of Section 2 of the Companies Act, 1956) be and are hereby authorised to retain any commission or other remuneration earned or to be earned by them respectively as the Managing Agents, Secretaries and Treasurers, Manager, Agent, Secretary or Selling or Buying Agent of any firm, body corporate or other concern in respect of any goods, power, freight, repairs or other services, including insurance, for the sale, purchase, supply or rendering of which a contract has been or is to be entered into by such firm, body corporate or concern with the Company, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

4. (*As a Special Resolution*)—"That pursuant to Clause 12 of the said draft Agreement referred to in Article 3 of the Articles of Association of the Company, Balmer Lawrie and Company Limited be and they are hereby authorised to provide the Company with suitable furnished office accommodation at the registered or principal office for the time being of Balmer Lawrie and Company Limited in Calcutta and also, if so required by the Company, at any other place or places in which Balmer Lawrie and Company Limited may be able to provide such accommodation and the Company shall pay to Balmer Lawrie and Company Limited such rent and portion of the outgoings payable by Balmer Lawrie and Company Limited as the Directors of the Company shall from time to time determine to be fairly and reasonably attributable to the accommodation so provided."

5. (*As a Special Resolution*)—"That Article 42 of the Articles of Association of the Company be deleted and the following new Article 42 be substituted therefor:

"Each Director shall be paid out of the funds of the Company by way of remuneration for his services in attending meetings of the Board of Directors the sum of Rs. 250 for each meeting attended by him."

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

CALCUTTA, 21*st December* 1956.

Notes. (1) A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

(2) A copy of the draft Agreement referred to in the proposed Resolutions and an explanatory statement are annexed to this Notice.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED A Second Interim Dividend of 3 per cent., less Income-tax, on the Company's Preference Shares in respect of the year 1956, payable to Members whose names appear in the Preference Share Register on the 15th January 1957. Warrants will be posted on or after that date to the addresses or in accordance with the instructions recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 8th to the 15th January 1957, both days inclusive.

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

4, BANKSHALL STREET,
CALCUTTA, 19*th December* 1956.

Notices

THE INDIAN GALVANIZING COMPANY (1926), LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday the 14th day of January 1957, at 12-10 o'clock in the afternoon, to consider and, if thought fit, to pass, with or without modification, the following resolutions, namely:—

1. (*a*) (*As an Ordinary Resolution*).—"That as from the first day of April One thousand nine hundred and fifty-six Balmer Lawrie and Company Limited, the Managing Agents of the Company, shall hold such office upon the terms and subject to the conditions contained in the draft Agreement submitted to this Meeting and for the purposes of identification signed by the Chairman thereof, the terms of which said draft Agreement have been approved by the Central Government in conformity with the provisions of Section 329 of the Companies Act, 1956."

1. (*b*) (*As an Ordinary Resolution*).—"That as on and from the fifteenth day of January One thousand nine hundred and fifty-seven, subject to the approval of the Central Government under the provisions of Section 326 of the Companies Act, 1956, Balmer Lawrie and Company Limited be and are hereby re-appointed the Managing Agents of the Company for a fresh term of ten years upon the terms and subject to the conditions contained in the draft Agreement submitted to this Meeting and for the purposes of identification signed by the Chairman thereof; and that the Directors be and are hereby authorised to alter or vary the said terms to such extent and for such purposes only as may be necessary to embody or give effect to the requirements of the Central Government as a condition of granting its approval as aforesaid."

1. (c) (*As an Ordinary Resolution*).—"That the Directors be and are hereby authorised to enter into an Agreement in writing between the Company of the one part and Balmer Lawrie and Company Limited of the other part in the terms of the draft Agreement referred to in resolutions numbers 1(*a*) and 1(*b*) in the Notice convening this Meeting such Agreement to incorporate the alterations and variations (if any) referred to in the said resolution number 1(*b*)."

2. (*As a Special Resolution*).—"That Articles 85, 86, 87, 88, 89, 90 and 91 of the Articles of Association of the Company be deleted and the following new Article 85 substituted therefor:

"Balmer Lawrie and Company Limited are the Managing Agents of the Company and they shall continue and be the Managing Agents of the Company up to and including the fourteenth day of January One thousand nine hundred and sixty-seven upon the terms and subject to the conditions as to remuneration and otherwise as are embodied in an Agreement a draft whereof has, for the purpose of identification, been subscribed by Mr. H. G. Sinclair, Chairman of the Company, to be executed with all convenient despatch and the Board of Directors shall carry the said Agreement into effect. Subject to the provisions of Sections 198 and 348 of the Companies Act, 1956, the Managing Agents shall be entitled to receive from the Company by way of remuneration for their services in relation to such management, in respect of each financial year of the Company (as defined in Section 2 (17) of the Companies Act, 1956) commencing on or after the 1st day of April, 1956, or in respect of any part of such a financial year:

(*a*) A sum of, or, in respect of any period of less than a year, calculated at the rate of Rs. 50,000 per annum, and

(*b*) Such further sum, if any, as together with the said sum of Rs. 50,000 shall make up an amount equal to 10 per cent. of the net profits of the Company for such financial year or part thereof determined in accordance with the provision of Sections 349 and 350 of the Companies Act, 1956.

The said sum of Rs. 50,000 payable under (*a*) above shall be paid by the Company by eleven monthly instalments of Rs. 4,000 each and a final monthly instalment of Rs. 6,000 payable on the last day of each month. In the event of the Company having no profits or its profits being inadequate in any financial year then to the extent that the amount paid to the Managing Agents under (*a*) above together with the remuneration paid to the Directors of the Company (other than fees for meetings of the Board attended by them) in respect of such year exceed Rs. 50,000 the remuneration payable under (*a*) above shall abate and be repayable to the Company.

The further sum, if any, payable under (*b*) above shall be paid by the Company immediately after the accounts of the Company for the respective financial year shall have been audited and laid before the Company in General Meeting.

In respect of the Company's financial year ending on the 31st day of December 1956, the Managing Agents shall, subject to the provisions of Sections 198 and 354 of the Companies Act, 1956, if applicable, receive remuneration calculated in the manner provided in the Agreement dated the 8th day of December One thousand nine hundred and twenty-six and made between the Company of the one part and the Managing Agents of the other part save that the Managing Agents shall only be entitled to receive the office allowance payable to them thereunder up to and including the 31st March 1956.

The remuneration payable under this Article shall not be regarded as in any manner or to any extent intended to reimburse the Managing Agents in respect of any expenses incurred or to be incurred by them on behalf of the Company and the Managing Agents, in addition to receiving such remuneration, shall be entitled to be reimbursed by the Company in respect of any expenses incurred by them on behalf of the Company and such proportion of expenses that may be incurred by them partly on behalf of the Company and partly on behalf of themselves and/or some other company, concern or person as the Directors of the Company shall determine to be or to have been incurred on behalf of the Company. Without prejudice to the generality of the foregoing, the Managing Agents shall be entitled to recover from the Company the remuneration (whether by way of salary, commission, bonus, gratuity, compensation, allowance or otherwise), provident and superannuation fund contributions and expenses payable to or in respect of all persons employed by them solely in connection with the Company's business and such proportion of the remuneration, contributions and expenses, if any, of any persons employed by the Managing Agents partly in connection with any other business as the Directors of the Company may from time to time likewise determine. Provided always that neither the Company nor the Managing Agents shall without the previous sanction of the Central Government (and then only subject to the provisions of Sections 198, 387 and 388 of the Companies Act, 1956) be entitled to appoint or employ any individual as a Manager of the Company within the meaning of the Companies Act, 1956."

3. (*As an Ordinary Resolution*).—"That pursuant to Clause 9 of the said draft Agreement referred to in Article 85 of the Articles of Association of the Company, Balmer Lawrie and Company Limited and any associate or associates of theirs (as defined in sub-section (3) of Section 2 of the Companies Act, 1956) be and are hereby authorised to retain any commission or other remuneration earned or to be earned by them respectively as the Managing Agents, Secretaries and Treasurers, Manager, Agent, Secretary or Selling or Buying Agents of any firm, body corporate or other concern in respect of any goods, power, freight, repairs or other services, including insurance, for the sale, purchase, supply or rendering of which a contract has been or is to be entered into by such firm, body corporate or concern with the Company, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

4. (*As a Special Resolution*).—"That pursuant to Clause 12 of the said draft Agreement referred to in Article 85 of the Articles of Association of the Company, Balmer Lawrie and Company Limited be and they are hereby authorised to provide the Company with suitable furnished office accommodation at the registered or principal office for the time being of Balmer Lawrie and Company Limited in Calcutta and also, if so required by the Company, at any other place or places in which Balmer Lawrie and Company Limited may be able to provide such accommodation and the Company shall pay to Balmer Lawrie and Company Limited such rent and portion of the outgoings payable by Balmer Lawrie and Company Limited as the Directors of the Company shall from time to time determine to be fairly and reasonably attributable to the accommodation so provided."

5. (*As a Special Resolution*).—"That Article 96 of the Articles of Association of the Company be deleted and the following new Article 96 be substituted therefor:

"Each Director shall be paid out of the funds of the Company by way of remuneration for his services in attending meetings of the Board of Directors the sum of Rs. 250 for each meeting attended by him."

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

CALCUTTA, 21*st December* 1956.

Notes:—(1) A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

(2) A copy of the draft Agreement referred to in the proposed Resolutions and an explanatory statement are annexed to this Notice.

THE BRITANNIA BISCUIT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend of 3 per cent. on Ordinary Shares and 4 per cent. on Preference Shares has been declared by the Directors for the year ending 31st March 1957. The Dividend Warrants will be issued to those shareholders whose names appear in the Company's Register on the 11th January 1957.

The Share Transfer Books of the Company will be closed from 4th January 1957 to 11th January 1957, both days inclusive.

By Order of the Board,
A. P. CHANDA,
Secretary.

15, TARATOLA ROAD,
CALCUTTA-27, 20*th December* 1956.

BHARAT ELECTRONICS (PRIVATE) LIMITED

Jalahalli P.O., Bangalore.

(A Central Government Factory under the Ministry of Defence)

ANNOUNCEMENT

REGISTRATION OF FIRMS FOR SUPPLY OF MATERIALS

FURTHER TO OUR ADVERTISEMENT dated 28th and 31st October 1956, the last date for receipt of application for Registration is extended upto 31st January 1957.

K. C. NAMBIAR,
Supplies Manager

Notices

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday the 14th day of January 1957, at 12-30 o'clock in the afternoon, to consider and, if thought fit, to pass, with or without modification, the following resolutions, namely:—

1 (*a*). (*As an Ordinary Resolution*)—"That as from the first day of April One thousand nine hundred and fifty-six Balmer Lawrie and Company Limited, the Managing Agents of the Company, shall hold such office upon the terms and subject to the conditions contained in the draft Agreement submitted to this Meeting and for the purposes of identification signed by the Chairman thereof, the terms of which said draft Agreement have been approved by the Central Government in conformity with the provisions of Section 329 of the Companies Act, 1956."

1 (*b*). (*As an Ordinary Resolution*)—"That as on and from the fifteenth day of January One thousand nine hundred and fifty-seven, subject to the approval of the Central Government under the provisions of Section 326 of the Companies Act, 1956, Balmer Lawrie and Company Limited be and are hereby re-appointed the Managing Agents of the Company for a fresh term of ten years upon the terms and subject to the conditions contained in the draft Agreement submitted to this Meeting and for the purposes of identification signed by the Chairman thereof; and that the Directors be and are hereby authorised to alter or vary the said terms to such extent and for such purposes only as may be necessary to embody or give effect to the requirements of the Central Government as a condition of granting its approval as aforesaid."

1 (c). (*As an Ordinary Resolution*)—"That the Directors be and are hereby authorised to enter into an Agreement in writing between the Company of the one part and Balmer Lawrie and Company Limited of the other part in the terms of the draft Agreement referred to in resolutions numbers 1(*a*) and 1(*b*) in the Notice convening this Meeting such Agreement to incorporate the alterations and variations (if any) referred to in the said resolution number 1(*b*)."

2. (*As a Special Resolution*)—"That Articles 106, 107, 108, 109, 110 and 111 of the Articles of Association of the Company be deleted and the following new Article 106 substituted therefor:

"Balmer Lawrie and Company Limited are the Managing Agents of the Company and they small continue and be the Managing Agents of the Company up to and including the fourteenth day of January One thousand nine hundred and sixty-seven upon the terms and subject to the conditions as to remuneration and otherwise as are embodied in an Agreement a draft whereof has, for the purpose of identification, been subscribed by Mr. H. G. Sinclair, Chairman of the Company, to be executed with all convenient despatch and the Board of Directors shall carry the said Agreement into effect. Subject to the provisions of Sections 198 and 348 of the Companies Act, 1956, the Managing Agents shall be entitled to receive from the Company by way of remuneration for their services in relation to such management, in respect of each financial year of the Company (as defined in Section 2 (17) of the Companies Act, 1956) commencing on or after the 1st day of April, 1956, or in respect of any part of such a financial year:

(*a*) A sum of, or, in respect of any period of less than a year, calculated at the rate of Rs. 50,000 per annum, and

(*b*) Such further sum, if any, as together with the said sum of Rs. 50,000 shall make up an amount equal to 10 per cent. of the net profits of the Company for such financial year or part thereof determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956.

The said sum of Rs. 50,000 payable under (*a*) above shall be paid by the Company by eleven monthly instalments of Rs. 4,000 each and a final monthly instalment of Rs. 6,000 payable on the last day of each month. In the event of the Company having no profits or its profits being inadequate in any financial year then to the extent that the amount paid to the Managing Agents under (*a*) above together with the remuneration paid to the Directors of the Company (other than fees for meetings of the Board attended by them) in respect of such year exceed Rs. 50,000 the remuneration payable under (*a*) above shall abate and be repayable to the Company.

The further sum, if any, payable under (*b*) above shall be paid by the Company immediately after the accounts of the Company for the respective financial year shall have been audited and laid before the Company in General Meeting.

In respect of the Company's financial year ending on the 31st day of December 1956, the Managing Agents shall, subject to the provisions of Sections 198 and 354 of the Companies Act, 1956, if applicable, receive remuneration calculated in the manner provided in the Agreement dated the 27th day of January One thousand nine hundred and twenty and made between the Company of the one part and the Managing Agents of the other part save that the Managing Agents shall only be entitled to receive the office allowance payable to them thereunder up to and including the 31st March 1956.

The remuneration payable under this Article shall not be regarded as in any manner or to any extent intended to reimburse the Managing Agents in respect of any expenses incurred or to be incurred by them on behalf of the Company and the Managing Agents, in addition to receiving such remuneration, shall be entitled to be reimbursed by the Company in respect of any expenses incurred by them on behalf of the Company and such proportion of expenses that may be incurred by them partly on behalf of the Company and partly on behalf of themselves and/or some other company, concern or person as the Directors of the Company shall determine to be or to have been incurred on behalf of the Company. Without prejudice to the generality of the foregoing, the Managing Agents shall be entitled to recover from the Company the remuneration (whether by way of salary, commission, bonus, gratuity, compensation, allowance or otherwise), provident and superannuation fund contributions and expenses payable to or in respect of all persons employed by them solely in connection with the Company's business and such proportion of the remuneration, contributions and expenses, if any, of any persons employed by the Managing Agents partly in connection with the Company's business and partly in connection with any other business as the Directors of the Company may from time to time likewise determine. Provided always that neither the Company nor the Managing Agents shall without the previous sanction of the Central Government (and then only subject to the provisions of Sections 198, 387 and 388 of the Companies Act, 1956) be entitled to appoint or employ any individual as a Manager of the Company within the meaning of the Companies Act, 1956."

3. (*As an Ordinary Resolution*)—"That pursuant to Clause 9 of the said draft Agreement referred to in Article 106 of the Articles of Association of the Company, Balmer Lawrie and Company Limited and any associate or associates of theirs (as defined in sub-section (3) of Section 2 of the Companies Act, 1956) be and are hereby authorised to retain any commission or other remuneration earned or to be earned by them respectively as the Managing Agents, Secretaries and Treasurers, Manager, Agent, Secretary or Selling or Buying Agent of any firm, body corporate or other concern in respect of any goods, power, freight, repairs or other services, including insurance, for the sale, purchase, supply or rendering of which a contract has been or is to be entered into by such firm, body corporate or concern with the Company, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

4. (*As a Special Resolution*)—"That pursuant to Clause 12 of the said draft Agreement referred to in Article 106 of the Articles of Association of the Company, Balmer Lawrie and Company Limited be and they are hereby authorised to provide the Company with suitable furnished office accommodation at the registered or principal office for the time being of Balmer Lawrie and Company Limited in Calcutta and also, if so required by the Company, at any other place or places in which Balmer Lawrie and Company Limited may be able to provide such accommodation and the Company shall pay to Balmer Lawrie and Company Limited such rent and portion of the outgoings payable by Balmer Lawrie and Company Limited as the Directors of the Company shall from time to time determine to be fairly and reasonably attributable to the accommodation so provided."

5. (*As a Special Resolution*)—"That Article 85 of the Articles of Association of the Company be deleted and the following new Article 85 be substituted therefor:

"Each Director shall be paid out of the funds of the Company by way of remuneration for his services in attending meetings of the Board of Directors the sum of Rs. 150 for each meeting attended by him."

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

CALCUTTA, 21*st December*, 1956.

Notes.—(1) A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

(2) A copy of the draft Agreement referred to in the proposed Resolutions and an explanatory statement are annexed to this Notice.

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE OF 88TH DIVIDEND

NOTICE IS HEREBY GIVEN THAT THE Directors by virtue of the power vested in them under the Articles of Association have determined to pay an Interim Dividend of Rs. 3 per Ordinary Share of Rs. 50 and a dividend of Rs. 1-2 per 4½ per cent. Cumulative Preference Share of Rs. 50 for the half-year ended 31st August 1956.

The Dividend will be payable at the State Bank of India, Bombay, on and from Monday the 4th February 1957 to those shareholders whose names stand on the Register of Members on the 25th January 1957.

The Transfer Books of the Company will remain closed from the 25th January 1957 to the 2nd February 1957 (both days inclusive).

By Order of the Board,
N. SIRUR & Co. PRIVATE LTD.,
Managing Agents.
V. N. CHANDAVARKAR,
Managing Agents,

Registered Office:
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 26*th December* 1956.

Notices

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE TWENTIETH ANNUAL GENERAL Meeting of the Shareholders of THE ASSOCIATED CEMENT COMPANIES, LIMITED, will be held at the Registered Office of the Company, Cement House, 121, Queen's Road, Fort, Bombay, on Friday the 25th January 1957, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st July, 1956.
2. To sanction the declaration of a Dividend.
3. To elect a Director in the place of Sir Purshotamdas Thakurdas who retires by rotation and is eligible for re-election and who also vacates office under Section 261(4) of the Companies Act, 1956, by passing the following special resolution of which special notice, as required by Sections 261 and 281 of the said Act, has been received by the Company:—

"RESOLVED that Sir Purshotamdas Thakurdas who has attained the age of 77 years and who is a member of Cement Agencies (Private) Limited, Managing Agents of the Company and hence an associate of the Managing Agents, and who retires by rotation and also vacates office under Section 261(4) of the Companies Act, 1956, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

4. To elect a Director in the place of Mr. Ambalal Sarabhai who retires by rotation and is eligible for re-election, by passing the following resolution of which special notice, as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED that Mr. Ambalal Sarabhai who has attained the age of 66 years and who retires by rotation be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

5. To elect a Director in the place of Mr. M. M. Amersey who retires by rotation and is eligible for re-election, by passing the following resolution of which special notice, as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED that Mr. M. M. Amersey who has attained the age of 66 years and who retires by rotation be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

6. To elect a Director in the place of Mr. S. Moolgaokar who retires by rotation and is eligible for re-election, by passing the following resolution as a special resolution of which special notice, as required by Section 261 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED that Mr. S. Moolgaokar who retires by rotation from his office as a Director of this Company and who is also a Director of Cement Agencies (Private) Limited, Managing Agents of the Company and hence an associate of the Managing Agents, be and is hereby re-elected a Director of the Company."

7. To elect a Director in the place of Mr. R. K. Garg who retires by rotation and is eligible for re-election.
8. To elect a Director in the place of Mr. K. G. Milne who retires by rotation and is eligible for re-election.
9. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
FOR THE ASSOCIATED CEMENT COMPANIES, LTD.,
CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,
N. DANDEKER,
Managing Director.

BOMBAY, *7th December*, 1956.

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

Note.—(*a*) The Transfer Books of the Company were closed from Friday the 9th November 1956 to Friday the 30th November, 1956, both days inclusive.

(*b*) The Dividend when sanctioned, will be made payable on and after Friday the 1st February 1957, to those Shareholders whose names stood on the Register on Friday the 30th November 1956.

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956.

To

THE SHAREHOLDERS OF
THE ASSOCIATED CEMENT COMPANIES, LTD.

Dear Sir/Madam,

In conformity with the Companies Act, 1956, which came into force on 1st April 1956, the following Explanatory Statement, as required by Section 173 of the aforesaid Act, sets out all material facts relating to items, 3, 4, 5 and 6 mentioned in the accompanying Notice dated the 7th December 1956.

2. In respect of item No. 3, it is notified that Sir Purshotamdas Thakurdas who retires by rotation and is eligible for re-election has attained the age of 77 years and hence he cannot be elected a Director of the Company except by a resolution in respect of which special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. Furthermore, Sir Purshotamdas Thakurdas is a member and consequently an associate of Cement Agencies (Private) Limited, the Company's Managing Agents who have the right of appointing one Director on the Board of the Company (the Director so appointed being Mr. E. D. Sheppard). By virtue of Section 261(1) of the Companies Act, 1956, any associate of the Managing Agents can only be re-appointed by means of a special resolution of which special notice has been given. The Company has received such a special notice from some members notifying their intention to move the special resolution as set out in the said item in accordance with Sections 190 and 281 as well as Section 261 of the Companies Act, 1956. Sir Purshotamdas Thakurdas has been a Director on the Board of this Company since its incorporation in 1936. He is a businessman of wide and varied experience and during the long period of his association with the Company he has rendered very valuable services to the Company. It is in the interest of the Company that it should continue to receive the benefit of his services as a member of the Board.

3. In respect of item No. 4, it is notified that Mr. Ambalal Sarabhai who retires by rotation and is eligible for re-election has attained the age of 66 years and hence he cannot be elected a Director of the Company except by a resolution in respect of which special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said item. Mr. Ambalal Sarabhai has been a Director on the Board of this Company since its incorporation in 1936. He is a businessman of wide and varied experience and during the long period of his association with the Company he has rendered very valuable services to the Company. It is in the interest of the Company that it should continue to receive the benefit of his services as a member of the Board.

4. In respect of Item No. 5, it is notified that Mr. M. M. Amersey who retires by rotation and is eligible for re-election has attained the age of 66 years and hence he cannot be elected a Director of the Company except by a resolution in respect of which special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said item. Mr. Amersey has been a Director on the Board of this Company since June 1947. He is a businessman of wide and varied experience and during the long period of his association with the Company he has rendered very valuable services to the Company. It is in the interest of the Company that it should continue to receive the benefit of his services as a member of the Board.

5. In respect of item No. 6, Cement Agencies (Private) Limited, the Managing Agents of the Company, have the right to appoint one Director as a Special Director and the Director so appointed is Mr. E. D. Sheppard. By virtue of Section 261(1) of the Companies Act, 1956, any other Director of the Managing Agents can be re-appointed only by means of a special resolution of which special notice has been given. Such a special notice has been received from some members notifying their intention to move the resolution as set out in the said item.

By Order of the Board,
FOR THE ASSOCIATED CEMENT COMPANIES, LTD.,
CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,
N. DANDEKER,
Managing Director.

BOMBAY, *7th December*, 1956.

THE BURRAKUR COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the abovenamed Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the one hundred and eleventh Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 1st February 1957, at 10 a.m., for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the half-year ended 30th June 1956, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 18th January to 1st February 1957, both days inclusive.

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

CALCUTTA, 21*st December*, 1956.

Note: (*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 8th February 1957 to those shareholders so entitled whose names appear in the Company's books on the 1st February 1957, or to their mandatees. No application for Dividend Warrants will be necessary.

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD.

THE BOARD OF DIRECTORS HAVE DEclared an interim dividend of 3 per cent. on Preference Shares and 3¾ per cent. on Ordinary Shares—both tax-free—for the year 1956-57. The dividends are payable to the shareholders standing in the registers of the Company as on 31st January 1957.

The Share Transfer Books of the Company will be closed from 1st February 1957 to 10th February 1957, both days inclusive.

By Order of the Board,
SESHASAYEE BROTHERS (PRIVATE) LTD.,
Managing Agents.

METTUR DAM R.S., 25*th December* 1956.

Notices

SHREE GOPAL PAPER MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE next Ordinary General Meeting of the Shareholders of the Company will be held at its Registered Office at 5, India Exchange Place, Calcutta, on 19th January 1957, at 12-30 p.m. Your presence at the Meeting is requested. The following business will be transacted:—

AGENDA

(1) To receive the Directors' Report and pass the audited Accounts of the Company for the half-year ending 30th June 1956.

(2) To declare dividends.

(3) *Special business*:

(*a*) To pass the following Resolution with or without modification as a Special Resolution:

"RESOLVED—That pursuant to section 360 of the Companies Act, 1956, the Company hereby consents as from 1st April 1956, to the continuance of the existing arrangements with Messrs. Modern Agencies Ltd., for purchase and supply of stores, chemicals, etc., to the Company on a remuneration of 5 per cent. on all purchases and supplies made through and received from them, subject, of course, to section 361 of the Companies Act, 1956."

(*b*) To pass the following Resolution with or without modification as an Ordinary Resolution as required under section 293 (1) (*e*) of the Companies Act, 1956:—

"RESOLVED—That with effect from the date of commencement of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute and/or subscribe to any national, political, charitable, benevolent, public or general funds or trusts (not directly relating to the business of the Company or the welfare of its employees) from time to time such amounts as may be considered proper by them, in excess of the limits laid down in section 293 (1) (*e*) of the Companies Act, 1956."

(*c*) To pass the following Resolution with or without modification as an Ordinary Resolution as required under section 293 (1) (*d*) of the Companies Act, 1956:—

"RESOLVED—That sanction be and is hereby accorded to the Board of Directors of the Company borrowing (excluding temporary loans from time to time obtained by the Company from its bankers in ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, as the Board may from time to time deem necessary for the purposes of the Company."

(4) To consider any other business that may be brought forward with the permission of the Chairman.

Note.—The Share Transfer Books of the Company will be closed from 10th January 1957 to 19th January 1957, both days inclusive.

NOTICE.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy, who need not be a member, to attend and vote instead of himself.

By Order of the Board,
KARAMCHAND THAPAR & BROS.
PRIVATE LTD.,
Managing Agents.

Dated 8*th December* 1956.

RAILWAY BOARD
Government of India

REQUIREMENT OF ROLLING STOCK AGAINST 1957-58 PROGRAMME TO BE OBTAINED FROM ABROAD

THE RAILWAY BOARD, GOVERNMENT OF India, propose to obtain from established and reliable manufacturers the items of Rolling Stock and other railway equipment shown in the list below. Manufacturers in Europe, the United Kingdom and North America can obtain further details of designs, specifications, etc., from the Director-General, India Store Department, Government Building, Bromyard Avenue, Acton, London, W.3, and manufacturers in other countries and authorised agents in India of all foreign manufactures can obtain these particulars from the Chief Design Engineer (C. & W.), Central Standards Office for Railways, Baroda House Annexe, New Delhi, on or after 2nd January 1957, at a cost of Rs. 2.

List of Rolling Stock and Railway Equipment

(1) **Locomotives:**
2 Nos. NG (2'-6") Steam locos. (Tank) 2-8-4 type.
6 Nos. NG (2'-0") Steam locos. 2-8-2 type.

(2) **Boilers:**
2 Nos. BG Loco-boilers suitable for I.R.S. 'XB' class locos.
10 Nos. MG Loco-boilers suitable for I.R.S. 'YB' class locos.
30 Nos. MG Loco-boilers suitable for I.R.S. 'YG & YP' class locos.
12 Nos. MG Loco-boilers suitable for I.R.S. 'YL' class locos.
12 Nos. MG Loco-boilers suitable for I.R.S. 'YC' class locos.
2 Nos. NG Loco-boilers suitable for I.R.S. 'ZB' class locos.
4 Nos. NG Loco-boilers suitable for 2-8-2 type 'NH/3' class locos.

(3) **Fireboxes:**
73 Nos. BG steel fireboxes for A/CWD boilers.
41 Nos. MG steel fireboxes for MAWD boilers.

(4) **Rail cars:**
12 Nos. BG All metal light-weight rail-cars third class.
12 Nos. MG All metal light-weight rail-cars third class.

(5) **Cranes:**
27 Nos. BG Steam/Diesel operated self-propelling transportation travelling cranes.
4 Nos. MG 5 ton Steam/Diesel operated travelling cranes.
1 No. NG Steam/Diesel operated self-propelling transportation travelling crane general purpose.

H. D. SINGH,
Director, Railway Equipment,
Railway Board.

MANCHESTER LETTER

(*Concluded from page 13*)

man-made fibres has been encountered is in the sphere of research. The establishment of a Rayon Research Association in competition with the Shirley Institute was at the time felt to be at best an unfriendly gesture and subsequent events have not eased the situation. For two years talks have been in progress in an effort to find a formula agreeable to both sides to secure close co-operation and the most economical use of existing and future staff, equipment and buildings of the two bodies.

Mr. N. G. McCulloch, Chairman of the British Cotton Industry Research Association, outlined these negotiations at the annual meeting, and commented on the report issued last year by the Committee formed in an endeavour to bring the two sides into agreement. It found that overlapping existed in the programmes of the two research associations and warned that without improved co-ordination this was likely to grow. The suggestion was made that both bodies should examine their future programmes and report to their respective directors when possibilities of overlapping could be foreseen.

Subsequent talks have failed to secure the understanding which outside observers consider is so necessary if textile research is to continue unhindered by petty differences. Mr. McCulloch's comment was: "Difficulties have arisen and we have failed to achieve that happy atmosphere in which they could be resolved."

Not only is there disagreement between the two associations on finance but also on collaboration, which, according to Mr. McCulloch, "involves giving away knowledge." Although informal exchanges of information have taken place ever since the Rayon Research Association was first established, there is an underlying lack of mutual confidence which cannot be ignored.—*All Rights Reserved.*

LOWER VAGAVURRAI TEA ESTATE
(Including Upper Vagavurrai Division)

UPON INSTRUCTIONS FROM THE KANAN Devan Hills Produce Co., Ltd.,

FIGGIS (PRIVATE) LIMITED

will offer for sale by public auction (unless previously disposed of by private treaty) at the Joint Sale Room 4/147, Ballard Road, Cochin, on the 11th January 1957, at 11 o'clock in the forenoon, the above-named Tea Estate forming part of the area known as Kanan Devan Concession in the Kanan Devan Hills Pakuthy, Kerala State, with all buildings, plant and machinery.

The area of the land to be sold is 2,437.90 acres, approximately, to which will be added further land, mainly grass but including some jungle sholas, lying outside the estate boundary and containing 24,562.10 acres, approximately, provided such further land should be declared to be available at the time of auction.

The Tea Estate will be sold as a going concern as on and from the 1st December 1956. Certain assets will be excluded from the sale, either absolutely or subject to payment therefor at valuation or by agreement, as prescribed by the printed Notification, Particulars and Conditions of Sale whose terms will govern the transaction in all respects, notwithstanding anything in this notice inconsistent therewith.

Prints of the Notification, Particulars and Conditions of Sale may be obtained from Figgis Private Ltd., or Forbes, Ewart and Figgis Private Ltd., at Cochin or D6, Clive Buildings, Calcutta, or the General Manager, Kanan Devan Hills Produce Co., Ltd., Munnar, Kerala State.

FIGGIS (PRIVATE) LTD.

ECONOMIC TRENDS IN UNITED STATES

(*Concluded from page 22*)

the Western alliance against the Soviet bloc cannot be broken, regardless of what happened or may happen in the future. A united front must be presented. The same thing happened at Yalta when a united front emerged against Nazi Germany and Italy—at the risk of a lesser evil. It is strictly a question of human failure and a question of evaluation of values.

The two great bottlenecks which have to be coped with in 1957, as stated above, throughout the world, are the shortage of shipping space and the scarcity of fuel in the form of oil or coal. In the meantime, rapid progress is being made in the field of nuclear fission which will bring an almost unlimited supply of energy to any nation which has the price to pay for the installation.

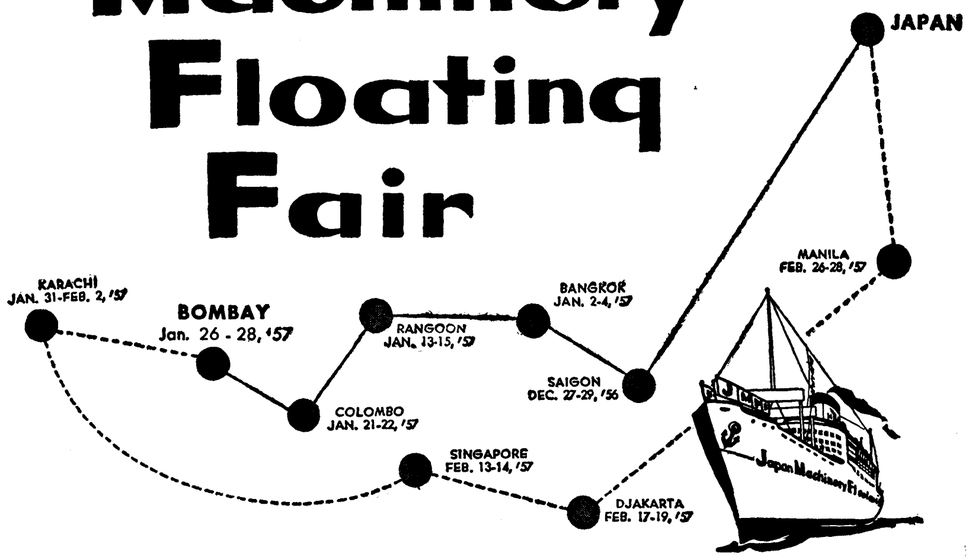
Hopeful Signs

Among the hopeful signs which predominate American thinking at the present time, are the revolts of Soviet satellites. It is no exaggeration to say that no event since the East Berlin and Polish uprisings against Soviet rule has stirred the imagination of the U.S. population so much as the uprising in Hungary even though Washington decided not to intervene. Thousands of refugees are being cared for here at this point and many more thousands are expected. There is a general feeling that the Soviet empire may be falling apart at the seams. An old American expression is "give them enough rope and they hang themselves." This may or may not be the case, but even looking at the currency picture, the Soviet bloc seems to be tumbling.

There have been vicissitudes in all eras of human history. The New Year 1957 is no exception in any way. Viewed from the United States, there is very little to worry about because of the inherent strength of the country, but in the world picture, there are weaknesses which will have to be overcome in the interest of both the East and the West.—*All Rights Reserved.*

INDUSTRIAL POWER OF JAPAN *Shown in*

Japan Machinery Floating Fair



A WHITE SHIP IS COMING.

On January 26, 1957, a trim white ship will enter Bombay harbor. She will be visiting in the capacity of a commercial envoy, for observers will note that painted boldly against her white hull are the words—"Japan Machinery Floating Fair"—an accurate description of her mission. From the time of its departure from Tokyo harbor on December 18, 1956 till it returns to Kobe, the Floating Fair will be two and a half months in Southeast Asian waters and will call at Saigon, Bangkok, Rangoon, Colombo, Bombay, Karachi, Singapore, Djakarta, and Manila.

This ship is the 8,814 deadweight ton Nissho Maru, of the Tokyo Sempaku. For this express purpose she underwent some alteration in a drydock, whereby five holds forward and aft were partitioned into 10 display rooms, each having an average floor space of 2,000 square feet. On display in these rooms are machines of every description built in Japan; precise models of various structural works, metal products, textiles, chemicals, and sundry goods, giving a general perspective of industrial activities in Japan.

REMARKABLE POSTWAR PROGRESS.

The rehabilitation of Japanese industry since the early postwar years has been most impressive. Her paper production has been trebled. Both Portland cement and chemical fertilizer production has been increased tenfold. Pneumatic tire and tube production has seen a twentyfold increase. And Japanese textiles, particularly cotton and chemical fiber fabrics, are now in a commanding position on the world markets.

The production of foodstuffs, drugs and sundry goods has likewise shown a remarkable recovery. In addition to showing a proportionate increase in export quantities, these items have played a decisive part in bringing the Japanese standard of living up to a level closely approximating that of prewar days and, in some instances, surpassing it.

INDUSTRIAL ACTIVITIES ARE WIDE.

The enormous breadth and depth of Japan's industrial activities defies adequate description. Perhaps an indication is given in that a Japanese shipyard recently completed a 85,000 ton supertanker, while an optical concern succeeded in producing a camera lens in the F/1.1 series, previously considered an impossibility.

In Central Japan, the 350,000 KW Sakuma dam and powerhouse—a construction project that required 9,580,000 50kg-bags of cement and 48,000 tons of steel—was completed and placed in operation in a little over three years. Four giant hydraulic-generators, each generating 93,000 KVA, are installed there.

MACHINERY EXPORTS ARE INCREASING.

Every year has seen an appreciable increase in Japanese machinery exports as is revealed by the following validated figures. Calendar year of 1953 - $160 million; 1954 - 300 million: 1955 - $650 million. Japan is now one of the world's heaviest exporters in machinery and about 1,000 different types of machines are shipped out. And their destinations are almost as widely varied, too. The Japan Machinery Floating Fair seeks to demonstrate the major role which that nation is now playing in these fields. And it is most appropriate that it has been planned to encompass Southeast Asia—a market to which Japan attaches great importance.

PRINCIPAL MACHINES ON BOARD

ELECTRIC MACHINERY	AGRICULTURAL MACHINERY	BICYCLES	MACHINES FOR COTTAGE INDUSTRY
COMMUNICATION MACHINERY	INTERNAL COMBUSTION ENGINES	TOOLS	
INDUSTRIAL MACHINERY	VESSELS	BEARINGS	METAL PRODUCTS
TEXTILE MACHINERY	ROLLING STOCK	SEWING MACHINES	TEXTILE PRODUCTS
MACHINE TOOLS	INDUSTRIAL VEHICLES	OPTICAL INSTRUMENTS	OTHER PRODUCTS
WOOD-WORKING MACHINERY	AUTOMOBILES	PRECISION MACHINES	

Admission Ticket: Free admission tickets are available at Consulate-General of Japan, "Megh Doot", 95-B, Marine Drive, Bombay 2, for anyone who desires to visit the Fair.

JAPAN MACHINERY EXPORTERS' ASSOCIATION
MINISTRY OF INTERNATIONAL TRADE & INDUSTRY

MONEY RATES HARDEN

(From Our Own Correspondent)

BOMBAY, *2nd January*

Unprecedented stringency was experienced in the short-term money market during the three weeks under review. In addition to the growing seasonal demand for bank credit, the year-end requirements of banks for window-dressing caused a scramble for funds in a market which was already bare of supplies, with the result that interest rates hardened further.

Inter-bank call money was nominally placed at 3½ per cent. and, in the absence of lenders, business done was small. There was keen bidding for house money at call which was done at 3⅝ to 3¾ per cent. Some business was reported done just before the year-end even at 4 to 4¼ per cent. for seven days' money. Short-term deposits were also in good demand. While the common rate was 3¾ to 3⅞ per cent. for one to six months, some banks were reported to have offered 4 per cent. for one month.

There was no worthwhile variation in notes in circulation during the last three weeks. The Reserve Bank's statement for the week ended 28th December 1956, as compared with that for the week ended 7th December, shows that notes in circulation have gone up by no more than Rs. 1.99 crores. Notes held in the Banking Department are lower by only Rs. 56 lakhs and the consequent rise in total notes issued, namely, Rs. 1.42 crores, is covered by a corresponding increase in rupee coin. There has been no change in foreign securities or rupee securities during this period. In the Banking Department, a rise of Rs. 4.88 crores is noted in deposits of the Central Government, but those of other Governments have declined by Rs. 6.04 crores. Deposits of banks have gone up by Rs. 6.63 crores, of which Rs. 5.77 crores were accounted for in the last week. On the assets side, balances held abroad have fallen by Rs. 8.40 crores. A sharp rise of Rs. 21.47 crores is disclosed by loans and advances other than to Governments, of which outstanding advances to Scheduled banks against usance bills accounts for Rs. 12.55 crores. The total amount advanced by the Reserve Bank against usance bills during the three weeks was Rs. 35.33 crores. This means that repayments of maturing bills were of the order of Rs. 23.28 crores. Investments show an increase of Rs. 1.63 crores. In the last week of December alone, net borrowings against usance bills amounted to Rs. 7.70 crores.

The consolidated statement of position of Scheduled banks for the week ended 21st December 1956 discloses a rise of Rs. 5.23 crores in demand deposits and of Rs. 80 lakhs in time deposits over the three weeks. Inter-bank borrowings have fallen by Rs. 2.11 crores. Borrowings from the Reserve Bank show an increase of Rs. 12.97 crores. A rise of Rs. 21.70 crores is disclosed by advances, while inland bills purchased and discounted show a fall of Rs. 6.42 crores. Foreign bills have, however, risen by Rs. 2.20 crores. Cash balances do not show any notable variation, but money at call and short notice is lower by Rs. 2.13 crores.

The Gilt-edged market continued to rule listless during the period under review. The underlying trend was, however, downward, the decline in prices being particularly marked in medium and long-dated issues. Besides the stringency in the money market, fears of a rise in Bank rate also contributed to the easy trend. There was no change in the official support policy.

3 per cent. 1986 Conversion Loan was nominally placed at Rs. 73. 3 per cent. 1970-75 was marked down by As. 3 to Rs. 86-13 and 3 per cent. 1966-68 by As. 2 to Rs. 92-4. 3 per cent. 1964 held its own at Rs. 94-6, while 3 per cent. 1963-65 and 3 per cent. 1959-61 were each As. 3 lower at Rs. 94-2 and Rs. 97-12, respectively. 3½ per cent. 1962 was unchanged at Rs. 97-14, but 3½ per cent. 1961 suffered a loss of As. 2 to Rs. 99-3. 3½ per cent. 1964 shed an anna to Rs. 98-3. 3½ per cent. 1965 was placed at Rs. 98-2 *ex*-voucher, as against Rs. 98-8 *cum*-voucher three weeks ago. 3½ per cent. 1967 held its ground at Rs. 98-6. Among the State loans, 4 per cent. Bombay 1963 and 1964 each dropped As. 6 to Rs. 100-4 and 1967 an anna to Rs. 99-11. 4 per cent. Bihar 1967 declined by As. 8 to Rs. 98 and 1968 by As. 5 to Rs. 97-11. 4 per cent. Mysore 1963 fell by As. 4 to Rs. 99-4, while 1968 gained an anna to Rs. 97-15.

In the foreign exchange section, the rupee ruled a shade easier in terms of the U.S. dollar, though towards the close it showed a partial recovery. After going up from Rs. 480¼ to Rs. 480½, banks' selling rate for ready dollars closed at Rs. 480¾ per $100 and their buying rate finished higher at Rs. 477, as against Rs. 476¾ per $100 earlier. Sterling was, however, erratic, but on balance showed a small loss. Thus, in New York, spot sterling moved down from $2.78⅜-2.78⅝ to $2.78⅛-2.78⅜ and three months' forward from $2.76⅞-2.77 to $2.76.1/16-2.76.3/16. Transferable sterling fluctuated between 274.95-275.10 cents and 274.55-274.70 cents before closing at 274.85-274.95 cents.

HIDES STRONG

(From Our Own Correspondent)

KANPUR, *30th December* 1956

During the week under review, the hides and skins market depicted a firm trend. The main items of wet salted cow and buff were eagerly sought. New arrivals were considerable. The main purchasers were the local tanners.

The latest available quotations were: Wet salted cow 1st grade Rs. 360 to Rs. 370, 2nd grade Rs. 300 to Rs. 320 and 3rd grade Rs. 150 per score; wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat 1st grade Rs. 300 to Rs. 325 and 2nd grade Rs. 240 to Rs. 270 per 100 pieces; sheep skins 1st grade Rs. 260 and 2nd grade Rs. 200 per 100 pieces.

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, *2nd January*

Trading in the bullion market during the three weeks under review was colourless. The trend was, however, irregular, with fluctuations confined to a narrow range. On balance, silver disclosed a fractional rise, while gold was a shade lower.

Earlier in the period, the market ruled quiet, with prices displaying a slightly downward trend. The sentiment was affected by the large floating stocks in silver and the meagre offtake in the ready section, as reflected in the discount of As. 12 at which the ready metal was placed below the forward. Rumours of arrivals of unauthorised gold and a fall in demand also contributed to the downward trend. There was, however, a recovery from 20th December 1956 onwards on expectations that, while the arrival of Tibetan silver coins would decline considerably during the winter months, the demand for both silver and gold would pick up with the movement of crops. There was also a notable improvement in the offtake in both the metals. There was again a setback, albeit short-lived, on rumours that the sales tax on precious metals would be raised and on fears that import of gold from Arab countries would be permitted during the first half of 1957. As these expectations did not materialise, a recovery soon set in.

Silver for forward delivery (19th December settlement) receded from Rs. 173-8 to Rs. 172-14 before the settlement ran out. The January settlement was marked down from Rs. 174-6 to Rs. 173-13 before advancing to Rs. 175-8 on 21st December. After reacting to Rs. 173-10, it gained ground to Rs. 175-6 today. The closing was done at Rs. 175-0.

Ready silver (.996 Mint) finished at Rs. 174-6, after touching a low of Rs. 173-1. The discount of ready under forward narrowed down from As. 12 to As. 10.

The floating stocks of silver are estimated at 1,800 bars. The daily average offtake which was only 10 bars early in the period improved to 20 bars later on.

Gold for forward delivery (18th December) receded from Rs. 105-2 to Rs. 104-15 before the settlement ran out. The January settlement declined from Rs. 105-8 to Rs. 104-8 and, after staging a recovery to Rs. 105-7, slipped back to Rs. 103-10 on 28th December. Subsequently, however, it gained ground to close at Rs. 104-9.

Ready gold finished at Rs. 104-9, having declined from Rs. 105-7 on 12th December. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 3,500 tolas, while offtake was 3,000 tolas on an average.

In New York, silver was unchanged at 91⅛c. In London, however, spot silver was marked down from 80⅜d. to 79½d. and forward from 80¾d. to 79⅞d. Gold gained from 250s. 6d. to 250s. 8½d.

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

	2-1-1957	Highest	Lowest	12-12-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	104 9	105 10	103 8	105 7
Forward*	104 9	105 11	103 10	105 8
Sovereign	68 4	68 12	68 0	68 12
SILVER				
Ready (.996 fine Mint) ..	174 6	174 12	172 14	173 12
Forward†	175 0	175 8	173 10	174 6
London Silver Ready ..	79⅛d.	80⅛d.	79⅛d.	80⅛d.
London Forward	79⅛d.	79⅛d.	79⅛d.	80⅛d.
London Gold	250s. 8½d.	250s.8½d.	250s. 8½d.	250s.6d.
New York Silver	91⅛c.		—	91⅛c.

* 17th January settlement.
† 18th December settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

METALS MOVE UP

(From Our Own Correspondent)

CALCUTTA, *1st January*

The fortnight under review evidenced fair recovery in the prices of base metals. Business passing was, however, limited. Earlier, the Government's announcement of its decision to permit forward trading in copper, zinc, lead and tin throughout the country was hailed as a step in the right direction. Hedging facilities, it was thought, would lead to expansion of business as well as to an automatic stockpiling on which consumers would lay their hands in the event of an emergency. During the period under review, tin was the strongest feature. The price rose to Rs. 588 from Rs. 566. At the closing level, the quotation was several points above the replacement cost. The British Government's announcement to release 2,500 tons of tin from its stockpile introduced weakness in the London quotation for a time, but when it was realised that six months' would elapse before selling could take place, a recovery set in.

From Rs. 70-4 electrolytic zinc rose to Rs. 71, but after falling to Rs. 69-8 again strengthened to close higher at Rs. 72. The supply position in the local market continued to be satisfactory, but there is no prospect of immediate arrivals. The American Government's decision to continue stockpiling in zinc in the new year also was another source of strength to the quotation. Lead was firm at Rs. 82, although earlier the price had sagged to Rs. 80. Electrolytic copper moved between Rs. 196 and Rs. 198.

COTTON FUTURES BEARISH

(From Our Own Correspondent)

BOMBAY, *2nd January*

The cotton futures market presented a distinctly bearish trend during the period under review. This is only to be expected in view of the presence of a multiplicity of bearish factors. These were: (1) the expectation of a large crop for the current season, (2) the slackness in the domestic textile trade and the consequent accumulation of stocks, (3) heavy arrivals of cotton in interior markets, (4) weak mill demand. The selling spree induced by these factors took both the contracts down to new low levels. Even rumours of the possibility of a fresh export quota failed to exert any appreciable influence.

M.G. Jarilla (March delivery), opening at Rs. 630 on 13th December 1956 as against the previous day's close of Rs. 644-12, began its downward drift consequent on selling pressure and reached a record low of Rs. 621-12 on the 28th. A slight improvement was in evidence thereafter due to rumours current in the market that an export quota of 200,000 to 250,000 bales would be released shortly. Speculative buying induced by the rumour helped a partial recovery of the contract to Rs. 630 today and it closed fractionally lower at Rs. 629-12.

M. G. Vijay (April delivery) opened at Rs. 741 on the 13th December, as compared with the previous day's closing of Rs. 745. After improving to Rs. 743-8, the contract slipped back to Rs. 722-4 on the 28th. The prospect of an export quota imparted strength to the market and the contract rose to Rs. 731-4 today and closed at the same rate.

The following table shows the trend of prices of the two contracts for the period:

(In rupees per candy of 784 lbs.)

	2-1-57	*High*	*Low*	12-12-56
Jarilla (March) ..	629¾	643	618	644¼
Vijay (April) ...	731¼	748	719	745

The East India Cotton Association has amended its by-law subject to the approval of the Forward Markets Commission so that tendering differences can be fixed on the basis of spot rates instead of on the basis of futures prices as at present. This step was taken in order to reduce the wide disparity between the spot and forward prices. However, the amended by-law will not apply to the current contracts but will be operative only in the future when new contracts are inaugurated.

Activity in the spot market remained at a low ebb. Spinner demand was very slack and the heavy arrivals of new crop depressed values. Inquiries from shippers for exportable varieties were few and prices of such styles declined. Inquiries for foreign styles were limited. Some business was reported in Egyptian Karnak and U.S. styles. The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 750; Berar Jarilla 720; Khandesh 760; Vijay 890; Oomra *Deshi* 750; Moglai 710. *Delivery Contracts:* Khandesh 197/3 December 135; Berar 91, Moglai 60 'ON' Jarilla; 320F, 70; 216F, 110; Vijay 13/16; February 105 'ON' Vijay.

A steady trend was depicted by the Karachi cotton market during the period under review. The steadiness was due to local mill support and moderate overseas inquiries. Domestic mill consumption in Pakistan is expected to set a new record this season and this also imparted strength to the market. N.T.R.G. January, which had closed at Rs. 86-11, after improving to Rs. 88-11 on 17th December, declined to Rs. 86-10, on selling pressure induced by the high rates. The March position put on, over the period, Re. 1-3 to Rs. 86-7 The spot section also ruled steady. The latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi are given below:

Sind *Deshi* 93-4; Punjab *Deshi* 87-4; 4F Roller 91-8; S.G. 98; Punjab Roller 93; S.G. 98; 289F N.T. Roller 92-8; 299F N.T. Sind S.G. 97-8; 289F Punjab Roller 96-8; S.G. 105.

The firm trend noted in Alexandria cotton futures market gathered fresh momentum during the period under review also. The improvement in the international situation and the prospect of a speedy clearance of the Canal appears to have helped sentiment as it would facilitate shipments of Egyptian cotton. The strength of the spot section was an additional encouraging factor.

Export sales from the 1st of September 1956 till the end of November, aggregated 199,234 bales (of 730 lbs.), as compared with 434,051 bales in the same period last season. Actual shipments from 1st September 1956 till 5th December were 100,361 bales, as against 196,179 bales during the same period last season.

The latest available rates—in tallaris per lb.—from Alexandria are given below:

Karnak: January 119.75; March 120.30; May 119.75. *Ashmouni*: February 85.20; April 85.35; June 85.55.

Values in the Liverpool market registered some improvement, during the period. Modest gains were recorded by both the American type contracts though the near deliveries of American Cotton Mixed Growth Contract registered a decline. Mill inquiries for ready cotton were mainly in American and Sudan styles. Trading in shipment cotton remained quiet. Some interest was noted in Indian Oomras and purchases of the order of 500 bales for January-February shipment was reported.

It is reported that at an extraordinary general meeting of the Liverpool Cotton Association held on 20th December amendments were proposed to change the basis of the Sudan futures delivery contract from Sakellaridis to Lambert Seed. The latest available rates—in pence per lb.—from Liverpool are given below:

American Cotton One Inch Staple Contract: December-January 26.80; March-April 26.60; May-June 26.25; July-August 25.85. *American Cotton*

Mixed Growth Contract: December-January 27.20; March-April 27.00; May-June 26.62; July-August 26.20. *Egyptian Karnak Cotton Contract*: January-February 60; March-April 60. *Sudan Cotton Contract*: January-February 61.30.

Prices in the New York market ruled generally easy, due mainly to hedge selling in nearby March and May. Trade buying was restricted, reflecting the listless condition in the textile market. Uncertainty over the 1957 price support levels acted as depressing influence in new crop dealings.

The C.C.C. sold a further quantity of 113,800 bales under the new export sales programme, raising the total sold thus far to 6,179,593 bales. The average price at average location accepted for basis Middling 1" cotton was 26.88 cents and the minimum price for basis Middling was 25.40 cents. The minimum price accepted was 15 points higher on account of carrying charges as previously announced. The U.S. Secretary of Agriculture has announced an increase in the Soil Bank payment for Upland cotton for the 1957 season from $24 per acre to $54.15 per acre. The unit rate of Soil Bank payment of 15 cents per lb. has not been changed. Farmers will be encouraged to designate the same lands to Soil Bank in 1958. Those who do so will be paid in 1958 an incentive rate of 110 per cent. of the regular rate. This is proposed because if farmers shift acres each year it will defeat the purpose of the Soil Bank Programme, of reducing production. The Soil Bank Programme does not apply to the American Egyptian cotton in 1957 since it is not in surplus supply.

The following are the latest available quotations from New York, as compared with those on the 11th and 4th December:

(In cents per lb.)

	31-12-56	11-12-56	4-12-56
Spot	34.65	34.65	34.40
December	—	34.37	34.91
March	34.19	33.98	33.98
May	34.16	33.88	33.86

RAYON YARN FIRM

(From Our Own Correspondent)

BOMBAY, *2nd January*

The most important event in the yarn market since our last report on 12th December last is the drastic cut in the import quota for art silk yarn for the half-year ended June 1957. Thus, the overall quota has been reduced from 25 to 15 per cent. The actual extent of the cut in the case of 120 deniers and 150 deniers comes to 5 per cent. and 2½ per cent., the revised quotas being 20 per cent. and 7½ per cent., respectively. The Government's announcement of the reduction in quota—made on Saturday last—immediately let loose a buying spree in the market which resulted in a sharp rise in prices. The rise would have been very much more marked but for unhelpful factors like continued stringency in the money market and reports of depressed conditions from consuming centres. Staple fibre yarns, however, depicted an easy note, thanks to expectation of enlarged arrivals of yarn and fibre in the coming months as a result of the continuance of the same import quotas as those prevailing in the second half of 1956. Cotton yarns also ruled easy, following bearish advices from the cotton market.

Another notable development in the yarn market since the last report has been the settlement, through the good offices of the Bombay Yarn Merchants Association and Exchange Ltd., of the controversy on the question as to who should bear the additional burden of excise duty and import duty on art silk yarn and staple fibre yarn. It has, for instance, been decided to take, for the purpose of settling the difference of the additional import duty, an average of the market rate as on 30th November 1956 and the rate as on the steamer's landing date and then to calculate the import duty on the average price on the old basis. The difference between the new specific duty and the import duty on average price thus calculated will be exchanged between the seller and the buyer. A sub-committee has been appointed to decide all questions of dispute. In the case of excise duty, the National Rayon Corporation Ltd. has agreed to consider favourably the question of forgoing the excise duty on November 1956 delivery goods and its final decision will be communicated in due course. Meanwhile, the Association has advised the members to settle their outstanding payments against the goods of the November 1956 delivery without charging at present the amount of excise duty until the final decision is arrived at. As soon as the final settlement is made, the Association will advise the members to that effect. With regard to the goods of December 1956 delivery, however, the National Rayon Corporation Ltd. has not agreed to forgo the excise duty, in spite of repeated requests, and, therefore, the excise duty shall be payable by the buyers to the sellers. With regard to import duty on staple fibre yarn, it has been decided that the difference between the import duty at the old rate on the invoice value and the present specific duty and, in addition, one anna per lb. should be given by the seller to the buyer.

During the three-week period under review, Snia rayon yarn (120 dull cones) for February delivery jumped up by Rs. 16 to Rs. 823. Spot 120 Japan advanced by 15 pies to Rs. 4-5. 150 Japan spurted by an anna to Rs. 4-8. 120 Italy was firm at Rs. 4-3, as also 150 Italy at Rs. 3-14-6. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade gathered three pies to Rs. 3-8-9. 120 Bt. cones 1st grade, however, receded by half an anna to Rs. 3-12-3.

Staple fibre yarns, as already stated, ruled easy. 40x2 February contract slipped by Rs. 5 to Rs. 648. Spot foreign yarns (80x2) were subjected to heavy selling pressure and moved downwards. Fujis fell by As. 7 to Rs. 5-12. Paramounts dropped As. 5-9 to Rs. 5-9-9. Among indigenous yarns (40x2), Centurys declined by 15 pies to Rs. 3-8-3. New Greats lost an anna to Rs. 3-6-9. Kohinoors shed a like amount to Rs. 3-9-6.

In the cotton yarn section, 40 counts came in for selling. Minaxis receded by As. 11 to Rs. 27-12. Gokaks retreated from Rs. 28-8 to Rs. 28. Deals in 20s were put through at lower rates, Gokaks easing by As. 6 to Rs. 19 and Maduras by As. 2 to Rs. 20. Among 60s, Raghuvanshis were neglected at Rs. 56-10, as against Rs. 57-4 three weeks ago. Moderns lost As. 4 to Rs. 63. Finlays, however, evoked special support and hardened by As. 12 to Rs. 61. Among 80s, Moderns improved by As. 8 to Rs. 77-3, while Finlays declined by As. 4 to Rs. 80. Thirty counts Maduras were quiet at Rs. 24-4. Centurys gained As. 2 to Rs. 22-10. Ten counts Moderns and Podars were unchanged at Rs. 15-10 and Rs. 15-8, respectively.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those three weeks before:

	2-1-1957	12-12-1956
Art silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.
120 Dull Cone Snia February	823 0	807 0
120 Japan (per lb.)	4 5	4 3½
150 Japan (per lb.)	4 8	4 7
120 Italy (per lb.)	4 3	4 3
150 Italy (per lb.)	3 14½	3 14½
Staple fibre yarn (per case of 200 lbs.)—		
40×2 February	648 0	653 0
40×2 New Great (per lb.)	3 6½	3 7½
40×2 Century (per lb.)	3 8½	3 9½
40×2 City (per lb.)	3 8	3 7½
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	15 8	15 8
20s Madura	20 0	20 2
30s Madura	24 4	24 4
40s Gokak	28 0	28 8
60s Finlay	61 0	60 4
80s Modern	77 8	77 0

OILSEEDS MOVE UP

(From Our Own Correspondent)

BOMBAY, *2nd January*

During the period between 15th December 1956 and today, the local oilseeds market displayed, on the whole, an upward trend. During the first three days of the period under review the market remained steady under the leadership of groundnut, following bear covering and keen support from spot houses. Subsequently, however, the constituents of the market reflected varying trends, though, towards the close of the period, prices rallied in the two chief sections, namely, groundnut and castorseed. After the first three days, the trend was influenced by realising pressure, heavy arrivals and heavy unloading by upcountry operators, as in the case of groundnut, and fears that export duty on castor oil might be stepped up, as in the case of castorseed. Since 24th December, however, both groundnut and castorseed displayed, on the whole, an upward trend, following rumours of special export quota for the U.S.S.R. which caused replacement buying from speculative houses, expectations of favourable export policy and normal traffic through the Suez, and bear covering. While linseed, on balance, declined slightly for want of support, cottonseed was sympathetically better.

Groundnut futures section opened on 15th December at Rs. 157-8 and touched the peak level of Rs. 161, on 18th. Subsequently, however, it receded on realising pressure to Rs. 152-4 on 22nd. For the aforesaid reasons, again, the section improved gradually and reached the highest level of the period of Rs. 161-4 today before closing at Rs. 160-6. It made, thus, a gain of Rs. 2-14, as compared with 15th December. In the spot section, Karad Bold hardened by As. 6 to Rs. 32-8 after witnessing similar fluctuations. Groundnut oil ex-mill, however, lost As. 12 at Rs. 18-8 as compared with the opening day.

Linseed May 1957 contract ruled steady during the first three days, having fluctuated between Rs. 30-2 and Rs. 29-14. Subsequently, owing to lack of support, it eased and moved between Rs. 29-4 and Rs. 29-14 till the end of December. Today, again, it reached the level of Rs. 29-14 before closing at Rs. 29-10. Over the period it thus lost As. 6. In the spot section, too, a similar trend was in evidence. Bold Ready shed Rs. 2-6 at Rs. 34. But linseed oil ready, improved slightly and was quoted today at Rs. 19-2.

In the castorseed section the futures contract opened the period at Rs. 158, but declined to Rs. 153-8 on 19th December. On 21st, again, it moved up to Rs. 160, and, though it reacted slightly during the following day, it resumed its upward trend for the reasons already given, and touched the level of Rs. 167 on 27th. On technical grounds it slided back to Rs. 162-4 on the following day, but moved up slowly to Rs. 171-8 today, before finishing at Rs. 168-12. The contract improved during the period by no less than Rs. 11-8. In the spot section, Bold Ready gathered As. 14, at Rs. 36-4. Oil B.S.S. too, rose by As. 4 to Rs. 23-6. Exports of castor oil during the first three weeks of December from Bombay amounted to 2,358 tons. It is expected that for 1956, the total exports would reach the 36,000-ton mark.

Cottonseed February contract, having opened the period at Rs. 89, reached the highest level on 18th December at Rs. 93-12, but subsequently fluctuated between Rs. 88 and Rs. 90-8 before closing today at Rs. 90.

Among the others kardiseed Bold ready lost Re. 1 at Rs. 21 and nigerseed Madras Rs. 1-12 at Rs. 29-4.

The Import-Export Controller of Rajkot announced on 1st January that export of castor oil, linseed oil and cottonseed oil will continue to be licensed freely without quantitative restrictions to all permissible destinations, excluding Portuguese territories, upto the end of June 1957.

The following table shows the prices of oilseeds and oils at close as compared with those on 12th and 5th December 1956:

	2-1-1957	12-12-1956	5-12-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957 ..	160 6	152 12	145 2
Khandesh Quality Ready (per cwt.)	33 4	32 4	30 8
Dec.-Jan.	32 8	30 6	28 13
Linseed—			
May 1957	29 10	29 14	28 14
Bold Ready (per cwt.) ..	34 0	36 0	34 12
Feb.-Mar.	31 14	32 0	31 0
Castorseeds—			
May 1957	168 12	156 8	157 8
Madras (per cwt.) ..	36 4	35 6	37 0
Cottonseed—			
February 1957	..	80 4	86 4
Groundnut oil—			
Ex-mill Ready (per quarter) .	18 8	18 14	18 12
Castor oil—			
Commercial (per quarter) ..	22 4	22 14	22 6
Linseed oil—			
Ready	19 2	19 14	19 6

SUGAR QUIET

(From Our Own Correspondent)

BOMBAY, *2nd January*

Since the last report dated 12th December 1956, the sugar market has been ruling quiet. In the absence of confirmation of reports regarding sugar exports to Pakistan, traders are not inclined to extend their commitments either way. The uncertainty over the release of current season's production and rumours of an upward revision in excise duty on sugar have also chilled the enthusiasm of operators. Consequently, turnover has been limited, with fluctuations in prices confined to a narrow range, the general tendency being downward.

Over the past three weeks, spot quotation for both medium and large grains has dropped Rs. 2 to Rs. 91—Rs. 92 and Rs. 94—Rs. 102, respectively. Small grain is unaltered at Rs. 91. British refined sugar, however, has advanced by Rs. 2 to Rs. 95 per 2 cwts., owing to paucity of stocks.

In the forward section, *Fagan* delivery contract for 'C' grade sugar which had at one time touched a high of Rs. 94 is quoted today at Rs. 92-8.

Arrivals of indigenous sugar into the sugar market during the week under review aggregated 27,600 bags.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER DRIFTS LOWER

(Messrs. Parekh & Co.)

BOMBAY, *2nd January*

Malabar black pepper during the fortnight continued to drift lower with restricted turnover and narrow trading owing to X'mas and New Year holidays. All the arrivals of new crop were not absorbed and, as such, were exerting pressure. As a result, sentiment remained subdued. Alleppey was seller at Rs. 650 while garbled at Cochin was traded at round about Rs. 95. Advice from New York was discouraging, partly owing to the holidays and partly because grinders were showing small interest. New York dealers are, however, reported to be marking time and are likely to start replacement and investment buying as soon as Malabar steadies up.

Sarawak and Lampong are reported firmly held as sellers are cautious owing to Sumatra riots. Short sellers are reported buying. There are rumours of some buying of Malabar pepper by Russia but the quantity involved is not so heavy as to lift up the prices.

The future of the market depends upon how New York shapes its buying policy during the first week of January when business is expected to be more regular after the long holidays. The holding power of Malabar growers and their resistance to lower prices will play an equally important part in arbitering the world pepper prices since Malabar pepper is cheaper than any other pepper.

In the A.S.T.A. section, January shipment was done at $0.24, while January-February-March changed hands from $0.24⅜ to $0.24½. April-May-June was quoted at $0.25.

In the delivery section prices were seesawing under bouts of selling and buying by local operators. Following are today's nominal quotations: Ready delivery Rs. 82 per Bengal maund; February Rs. 562-67 and March Rs. 568-73 per candy of 5¼ cwts.

TEA PRICES HARDEN FURTHER

(From Our Own Correspondent)

CALCUTTA, *1st January*

Fully steady conditions were in evidence during the export and internal consumption sales held on 17th and 19th December 1956, respectively, and a fair addition to prices for the superior teas on offer was recorded. By all accounts, the discontinuance of plucking as from the 20th November by the North-east Indian gardens has turned to the advantage of the tea industry. This timely step has meant a shortfall in production by about 30 million lbs. of tea of the poorer varieties.

The North Indian output up to the end of November amounted to 533.8 million lbs., as against 521.1 million lbs. for the corresponding period of 1955. Output in Ceylon up to the end of November was 9.1 million lbs. shorter, at 339.6 million lbs. World output of tea in 1956 is estimated to have fallen by 11 million lbs. It is this satisfactory statistical position coupled with the fully steady conditions in the Mincing Lane auctions, consequent on several consuming countries having gone to London to get their supplies to overcome their shortage, which was responsible for the upward trend in prices. It is interesting to note, in this connection, that as late as last week-end several firms in London announced an increase in the retail price of tea.

The trade has noted with satisfaction the New Delhi announcement fixing the export allotment for 1956-57 at 443.3 million lbs., representing 62 per cent. of the crop. The trade expects that the present price levels would be maintained in view of the close relation between supply and demand, and also in view of the increased demand for export. There is good demand from Egypt, the Egyptian Government having recently issued a licence for the immediate import of 2.2 million lbs. of Indian tea valued Rs. 80 lakhs. Russia and East European countries continue to act in the Calcutta market. The demand from Communist countries has been more significant during 1956 than in the past, and this factory together with the shortage of shipping space to London is likely to maintain the higher trend in London auctions also, although any shortage of tea is ruled out.

From what Prime Minister Nehru stated, it is clear that traffic through the Suez Canal will be resumed by the end of March. In the meantime, plenty of tea has been bought by consuming countries, which have built up stocks in view of the unsettled conditions. So, when normal traffic through the Canal is resumed there is the fear in local trade circles that depression might set in, notwithstanding the overall shortfall in world output. However, immediate prospects are good.

A total of 68,740 packages was catalogued in the export auctions held on 17th December. There was strong demand and fannings provided the strongest feature. Clean black teas rose by As. 3 and low mediums and clean commons advanced by As. 2. The best liquoring C.T.C. teas were shown keen attention. Among orange fannings and medium Assam B.O.Ps, the lower grades were higher by an anna to As. 2. Whole leaf grades met with keen demand and advanced by As. 3. The better Darjeelings gained by As. 2 to As. 4. The quotations were: Best C.T.C. Assam B.P. Rs. 3, clean black pekoe Rs. 2-7-6, medium Assam B.P. Rs. 2-7, and plain B.P. Rs. 2-5-6.

During the sale for domestic consumption held on 19th December 1956, 26,503 packages of dusts were on offer. Here also there was good general demand. Black leafy teas suitable for export were paid a premium of As. 2 to As. 3. Prices for Dooars, commons and orthodox Assams advanced by As. 1½. C.T.C. Assams possessing good liquors were steady, but the rest of the offerings gave way by an anna. Easier trends were recorded in the grainy teas and Darjeelings on offer. The rates were: best Assam C.T.C. Rs. 2-10 to Rs. 2-11, medium Assam C.T.C. Rs. 2-6, medium Assam grainy dust Rs. 2 to Rs. 2-0-6, and medium Dooars Re. 1-15.

Leaf offerings amounting to 2,613 packages were in good demand. Prices were fully firm, but the residue teas were As. 2 to As. 3 higher.

WIDE FLUCTUATIONS IN JUTE

(From Our Own Correspondent)

CALCUTTA, *1st January*

This review covers the period from 11th December to date. Prices for both raw jute and jute goods advanced during the period and on 18th December reached the highest levels. Since then, the trend was downwards. The period was highlighted by the considerable interest which mills evinced in raw jute. For some time past, mills had realised that getting supplies at economic prices from Pakistan was becoming difficult, and that they should improve their stock position by purchasing as much as possible of the indigenous fibre. Stocks of jute with mills at the beginning of the current jute season amounted to 829,000 bales and arrivals during the four months ended 30th November aggregated 2,557,000 bales, as against mills' consumption in the same period of 2,521,000 bales. It should be noted that, of the arrivals, a considerable portion had found its way to Cossipore stocks. In order, therefore, to improve the stock position before the worst part of the season commenced as regards fresh arrivals, mills began to purchase raw jute in greater quantities. Prices rose, and the uptrend was duly reflected in jute goods also.

With the active support of mills, stockists were able to realise higher prices. In one day, the quantity that changed hands to mills was as much as 300,000 maunds. Stockists were naturally reserved and fully exploited the buying fervour exhibited by mills. On 11th December, Assam upper bottoms had stood at Rs. 32-8. By the 18th, the price rose to Rs. 33-8. At Rs. 34-8, local daissee bottoms added one rupee. There was particularly greater demand for northern and Assam jutes. When mills found that their buying support was causing artificial shortages in the market, they withdrew. Prices reacted, and with restricted buying in the market local daissee bottoms sagged to Rs. 33 and upper Assam bottoms to Rs. 32.

Recent events have clearly demonstrated that India should become self-sufficient in raw jute, as otherwise Pakistan would continue to be in a position to mould Calcutta prices for jute goods and raw jute to its advantage. More area should be brought under jute, and the quality should improve. It is evident that the supply position in Pakistan is getting tight, and naturally that country has already decided to increase the jute area in the next season. From the present trend of the Calcutta market, it would appear that raw jute prices would remain steady for the rest of the season. This would, it is to be hoped, be sufficient incentive for growers to sow more area in the next season.

Shipping during December is believed to have been satisfactory as regards hessians. Between 1st and 20th December hessians shipped amounted to 25,500 tons, as against 26,700 tons for the same period in November. Sacking shipped was lower, at 19,400 tons, as against 27,400 tons. In view of this, the stock position as at the end of December, when announced, would not be encouraging from the market point of view. The rise in prices of goods earlier in the period under review puzzled overseas buyers. By 18th December, ready B. twills touched Rs. 124-12 and hessian 40" 10 oz. Rs. 48-8 from Rs. 121-10 and Rs. 46-4, respectively. Speculators were naturally active. For a time, however, the uptrend was arrested on rumours of the possibility of New Delhi levying an excise duty on jute goods. The reported increase in burlap stocks in the United States by 6 million yards to 268.4 million yards at the end of November was paid little attention, inasmuch as ready stocks were lower and it was actually the goods afloat that had increased not only to the extent of the overall increase in stocks but also to make good the decline in spot goods. The report that burlap consumption in America in November was lower by 6 million yards, at 80.5 million yards, did not influence prices, as for the year as a whole consumption figures were satisfactory.

The uptrend could not, however, be sustained, as it was realised that prices had reached levels that would be resisted by foreign buyers. At the same time, raw jute prices were losing the gains recorded earlier. These two factors were adequate to make jute goods move down. Ready B. twills declined to Rs. 119 before closing for the year at Rs. 121. Hessian 40" 10 oz. closed at Rs. 46-10.

KIPS RULE DULL

(From Our Own Correspondent)

MADRAS, 31*st December* 1956

Trading in kips with the U.K. during the second half of December was dull, as importers kept out of the market, with a view to bring down the Madras prices and averaging their earlier purchases at higher levels during November. Tanners, who were aware that the emergency level would not hold out, once the Suez Canal was reopened for traffic and the West Asian situation eased, were operating in the raw centres cautiously.

Arrivals into the market were moderate and offtake by shippers was halting. Prices declined by As. 2 per lb. It was not expected that shipment business during January would be brisk, because several steamers carrying large stocks of kips had arrived in U.K. ports during December. If Madras tanners and merchants do not refrain from making large offers to the U.K. during early January, they will unnecessarily aid further depression in prices.

Enquiries for tanned goat and sheep skins were small at last prices. Locally, prices ruled unchanged, and are likely to hold, provided Continental support continues. Arrivals of market qualities met with ready clearance at unchanged levels. Prices in the raw centres remained firm.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 31*st December* 1956

Quietly easy conditions prevailed in the foodgrain market during the past week. Despite suspension of sales of wheat at fair-price shops for some days due to non-arrivals of Government stocks, wheat not only failed to score gains but eased slightly to Rs. 15-12 per maund for the average quality and to Rs. 16-12 for farm quality. At Hapur, outside buying enquiry of wheat continued to be slack and local stock was put at 56 *khaties*, as against 94 *khaties* a year before.

The Union Food Minister has stated that the Suez crisis has not at all affected the Government's vital food import programme, except that it has created a mentality for hoarding in the country, which, in his opinion, will prove short-lived. During the first six months of 1957, India will import 1.5 million tons of wheat and 700,000 tons of rice. Sales in fair-price shops is being resumed, but the subsidised rate at 3 *seers* per rupee in rural areas has been lowered to 2 *seers* 12 *chhataks* per rupee as against 2 *seers* 8 *chhataks* a year before.

Rice was subdued due to increasing arrivals of new crop into the market and good crop reports from the South. The prices prevailing on Monday were: *Basmati* Rs. 23 to Rs. 25-8; *Ramajawayan* Rs. 20; *Raimunia* Rs. 21-12; coarse quality Rs. 15-8 per maund.

Among coarse grains, gram lost As. 8 per maund during the past two weeks, due to heavy local stocks put at 65 *khaties*, as against half the quantity last year. Other coarse grains also eased slightly, following adequate supply position and good future prospects of new crop due to rains in some of the producing areas. The week-end prices were: Gram: local Rs. 12-8 and *Punjabi* Rs. 13; barley Rs. 13; *bejhar* Rs. 12-12; maize Rs. 12-6; *bajra* Rs. 13-2; *jowar*: brown Rs. 12 and white Rs. 12-12; *guwar* Rs. 9-12 per maund.

Pulse drifted lower on slack outside demand, although local stocks had gone very much. Peas *dara* was quoted at Rs. 13 and white quality at Rs. 14-4. The local stock was unchanged at 17 *khaties*. *Arhar* remained unchanged at Rs. 13-4 per maund and local stock was put at 24 *khaties*. Other pulses eased slightly, due to better stocks and prevailing prices were: *Urd* Rs. 17-8 to Rs. 20-4; *moong* Rs. 14-8 to Rs. 16; *masoor* Rs. 18-12 per maund. Pulses futures also declined during the week, and the latest quotations as on Monday were:—Peas: *jeth* Rs. 9-10-9, farm *maha* Rs. 12-6-6 and *jeth* Rs. 10-4-3; *arhar*: *maha* Rs. 12-4 and *jeth* Rs. 10-10-3; *urd maha* Rs. 18-4.

SUGAR ADVANCES

(From Our Own Correspondent)

HAPUR, 31*st December* 1956

Mill delivery prices of sugar recorded gains during the fortnight under review, thanks to good buying enquiry from all consuming centres. The fairly easy supply position following the Government's release of a further quantity of 231,000 tons of sugar for sale in the free market out of 1955-56 production failed to have any effect on the market. For there were continued rumours that the Government would soon announce an export quota for sugar to West Asia and Pakistan. Rumours of a likely increase in excise duty on sugar also added to the bullish trend. Most of the mills in the country have started crushing for the season and cane supplies to the mills everywhere is reported adequate. The latest mill delivery prices were: Jaswant Rs. 28-8; Simbhauli Rs. 28-12; Mawana Rs. 28-6; Daurala Rs. 29-10; Amroha Rs. 28; Bijnore Rs. 28; Mansoorpur Rs. 28-8 to Rs. 30; Rampur Rs. 31-12; retail Rs. 31 per maund.

The *khandsari* market also advanced slightly in line with the crystal section. Production for new season has begun is most of the areas. The latest prevailing prices were Rs. 23 to Rs. 27 per maund.

Ready *gur* ruled steady and a further fall in prices was checked, owing to better loading facilities. Daily arrivals were at an average of 3,000 to 4,000 maunds and, as outside buying inquiry continued to be fairly good, there was, unlike in previous years, no stock building of *gur* here as yet. Demand was mostly from Rajasthan, Bihar, Bengal, and east U.P. Total arrivals of *gur* into the local market since the beginning of the season here were estimated at 275,000 maunds.

Notices

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

(Issue of 6,35,928 New Shares of Rs. 100 each at a Premium of Rs. 20 per Share)

Re: COUPONS

NOTICE IS HEREBY GIVEN THAT THE Coupons of the above Issue are now ready and the same will be delivered on and from Monday the 7th January 1957, against the Bankers' Receipts for Application Deposit of Rs. 30 each duly discharged by the Applicants concerned.

The said Receipts should be forwarded to the Company by REGISTERED POST or presented personally or through a representative at the Company's Registered Office at Cement House, 121, Queen's Road, Fort, Bombay.

Parties who have not yet taken delivery of the Application Deposit Receipts from the Company's Bankers, The Bank of India, Limited, or The Central Bank of India, Limited, Bombay, are requested to take IMMEDIATE action in the matter.

Coupon holders are reminded that the Coupons have to be surrendered at the Registered Office of the Company NOT LATER THAN 30TH MARCH 1957, with proper Application for conversion of Coupons into whole shares of the Company.

FOR THE ASSOCIATED CEMENT COS. LTD.,
CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,
P. K. MISTRY,
Director.

BOMBAY, 2*nd January* 1957.

THE BURRAKUR COAL COMPANY LIMITED

AT A MEETING OF THE BOARD of Directors held on 21st December 1956, the following Dividends were recommended to be paid for the half-year ended 30th June 1956:—

	Per cent. per annum
On 1st Preference Shares	7
On Ordinary Shares ... ... (without any deduction for Income-tax payable by the Company in each case)	6¼
On 2nd Preference Shares ... ... (after deduction of Income-tax payable by the Company)	6

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

CHARTERED BANK BUILDINGS,
CALCUTTA.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Canada	Oct., 1956	3½	4
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	6th May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	6.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	May, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	5th Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 28th December, 1956		Week ended 21st December, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,76,229	61,25,34,000	3,18,661	79,96,90,000
Calcutta	1,55,940	61,56,15,240	1,88,368	79,46,90,220
Madras	71,229	8,80,83,048	85,158	9,93,27,829
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
August 1956	..	..	3,057,000	6,45,68,00,000
Sept., ,,	..	..	3,137,000	7,01,29,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 28th Dec., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		57,23,96,000
(2) Other Governments		8,00,10,000
(b) Banks		58,09,16,000
(c) Others		13,87,05,000
Bills Payable		14,34,50,000
Other Liabilities		107,10,71,000
	Rupees	284,65,64,000

ASSETS	Rs.	Rs.
Notes		9,14,06,000
Rupee Coin		9,27,000
Subsidiary Coin		9,29,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		3,29,69,000
Balances held abroad*		82,60,74,000
Loans and Advances to Governments		7,26,70,000
Other Loans and Advances		106,03,95,000
Investments		61,81,62,000
Other Assets		14,30,32,000
	Rupees	284,65,64,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 57,10,69,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1956 is Rs. 425,67,55,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,14,06,000	
Notes in circulation	1466,06,70,000	
Total Notes issued		1475,20,76,000
Total Liabilities		1475,20,76,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	447,30,03,000	
Total of A		565,06,06,000
B. Rupee Coin		124,80,01,000
Government of India Rupee Securities		785,34,69,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1475,20,76,000

Scheduled Banks*

Statement of Affairs for the week ended 21st Dec., 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	9 42,71,00,000
(ii) Other demand liabilities	637,29,07,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,86,00,000
(ii) Other time liabilities	457,00,32,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	9,07,71,000
(ii) Time liabilities	
4. Cash in India	35,29,45,000
5. Balances with the Reserve Bank in India	50,77,90,000
6. Balances with other banks in current account in India	10,75,01,000
7. Money at call and short notice in India	13,03,31,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	364,82,92,000
9. Advances in India	618,76,06,000
10. Inland Bills purchased and discounted in India	110,02,02,000
11. Foreign Bills purchased and discounted in India	55,02,82,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	31st December, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ,,	1-0 11/16	1-5 11/16
Sellers T.T. D.D. upto six months ,,	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months ,,	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months ,,	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. ... Rs.	480¼	480¼
Buyers T.T. Rs.	473	473
London on New York $	2.78¼-2.78¼	2.78¼-2.78¼
London on Paris ... Fcs.	982½	982½
London on Berne Sw. Fcs.	12 22½	12.23¼-12.23¾
New York on London.. $	2.78¼-2.78¼	2.78¼-2.78¼

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	378 07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	¥. 6,148,000	8,133	922
Philippines	1954	21 44	Ps. 7,438	1,770	825
New Zealand	1954	2 09	£ (N.Z.) 802	1,070	5,119
Australia	1954	8 99	£ (A) 3,957	4,269	4,664
U.K.	1954	50.78	£ 15,713	20,950	4 100
U.S.A.	1954	162.41	$ 299,700	142,370	8 766
Canada	1954	15.20	$ 18,751	9,190	6 046
France	1954	42.84	F.Fr. 11,493,000	15,640	3,650
W. Germany	1954	49 52	Dm. 112,300	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,389	1,549
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 33,630	3,544	4,912
Netherlands	1954	10.62	Grs. 21,960	2,640	2,485
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source : *United Nation. Monthly Bulletin* of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 21st Dec., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	42,21,95,000
(b) Provincial Governments	99,87,000
(c) Banks	13,37,27,000
(d) Others	8,54,70,000
Bills Payable	24,27,000
Other Liabilities	11,43,92,000
Rupees	77,86,93,000

ASSETS	Rs.
Notes	8,51,55,000
Rupee Coin	13,000
Bills Purchased and Discounted :—	16,000
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	96,97,000
Loans and Advances to Governments	26,00,000
Provincial Governments' Debtor Balances	1,27,15,000
Other Loans and Advances	15,96,00,000
Investments	40,33,68,000
Other Assets	10,55,37,000
Rupees	77,86,93,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,51,55,000	
Notes in circulation	321,34,05,000	
Total Notes issued		329,85,60,000
Total Liabilities		329,85,60,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	82,02,81,000	
Government of India Securities	21,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
B. Rupee Coin	5,62,64,000	158,01,97,000
Government of Pakistan Securities	160,30,93,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		165,93,57,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets		5,90,06,000
	....	329,85,60,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 49.61 per cent.

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS§§											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposits Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*
1952-53	6.83	65	3.26	23.66	84.17	1.13.35	92.03	— 31.07	7.55	25.64					
1953-54	4.70	1.62	4.99	27.27	1,24.64	1.34 94	1,30.88	— 36.35	5.57	37.15	7.40£	7.33		55††	54
1954-55	3.76	1.98	5.48	27.19	1,44.36	1,58.15	1,67.86	— 38.87	4.79	41.25	9.86	16.37		45	95
1955-56															
September 1955..	4.21	13	5.20	5.54	1,34.88	12.40	1,46.91	— 37.11	44	39.28	94	11.80	4	5	75
October ,, ..	4.14	10	5.21	2.11	1,36.38	11.35	1,47.69	— 38.23	46	39.68	80	12.49	5	5	80
November ,, ..	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.34	43	40.05	82	13.20	5	5	85
December ,, ..	4.00	13	5.26	2.53	1,39.48	12.94	1,52.44	— 38.44	36	40.34	88	13.98	4	5	88
January 1956 ..	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	— 38.55	32	40.61	84	14.73	3	5	91
February ,, ..	3.83	16	5.29	2.33	1,42.37	12.87	1,56.19	— 38.66	39	40.95	93	15.57	2	5	98
March ,, ..	3.76	33	5.48	2.82	1,44.36	23.64	1,67.86	— 38.87	36	41.25	88	16.37	3	5	95
April ,, ..	3.69	24	5.54	2.19	1,45.85	14.54	1,71.08	— 38.96	34	41.51	82	17.13	3	5	91
May ,, ..	3.61	21	5.54	2.49	1,47.58	14.77	1,73.05	— 39.05	38	41.82	85	17.91	2	5	1,00
June ,, ..	3.54	28	5.55	2.70	1,49.48	15.24	1,76.99	— 39.15	38	42.11	92	18.75	4	5	1,04
July ,, ..	3.48	43	5.81	2.73	1,51.53	14.61	1,80.05	— 39.24	38	42.42	1,01	19.68	4	5	1,07
August ,, ..	3.40	29	5.82	2.53	1,53.14	14.10	1,83.21	— 39.35	36	42.72	98	20.58	5	5	1,11
September ,, ..	3.34	17	5.71	2.65	1,55.14	13.27	1,84.83	— 39.17	34	43.00	85	21.34	3	5	1,13
October ,, ..	..	..	..	..	..	..	..	..	35	43.29	..	..	..	..	..

* At the end of period.

† Issued from 10th May, 1954.

‡ Relating to nine months from July, 1954.

§ From July 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, includes those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

†† Relating to eleven months from May, 1954.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	21st Dec., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,465.50	1,466.86	1,439.61	1,351.58
Notes held in Banking Department					
Foreign Securities	35.05	9.36	6.82	23.19	7.75
Rupee Securities	59.50	447.30	447.30	457.24	676.88
	37.39	785.35	785.35	765.47	553.70
Banking Department					
Deposits of :					
Government of India	14.89	55.56	51.69	54.69	50.95
Other Governments	..	0.45	11.20	12.72	7.95
Balances held abroad	10.08	86.57	85.63	84.63	59.37
SCHEDULED BANKS					
Demand Liabilities	134.36	646.72	655.66	647.03	606.08
		(9.43)†	(11.21)†	(12.34)†	(6.81)†
Time Liabilities	102.24	459.86	459.71	458.52	420.26
		(2.80)†	(2.90)†	(2.51)†	(5.79)†
Borrowings from Reserve Bank	..	67.63	62.04	57.41	1.72
		(49.49)‡	(47.52)‡	(45.34)‡	(10.66)‡
Borrowings from State Bank	..	9.90	9.68	9.62	7.76
Cash in India	6.70	35.29	36.18	35.88	33.95
Balances with Reserve Bank	25.17	50.78	50.88	50.80	55.70
Excess over statutory limits	15.52	9.25	8.90	9.28	16.96
Balances with other banks in current account in India	..	10.75	10.47	10.06	10.56
Money at call and short notice in India	..	13.03	14.15	18.30	12.00
Investments (at book value)	..	364.83	365.33	365.50	387.93
Advances and bills	105.00	783.81	777.20	762.31	622.22
STATE BANK					
Deposits	87.76	239.03	237.26	232.80	223.45
Investments	61.99	196.70	196.89	196.62	118.49
Advances	30.35	137.09	134.00	127.43	100.43
Cash	14.69	10.46	17.41	16.15	20.90

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	September,		Six months, April to Sept.,	
	1955	1956	1955	1956
Import Duties :				
Revenue	9.24	11.17	55.81	60.37
Protective	1.05	1.01	4.77	6.05
On surplus disposals	..	..	0.05	0.03
Total import duties	10.29	12.18	60.63	66.45
Export Duties	3.77	2.60	18.09	12.11
Land Customs	0.05	0.27	0.42	1.13
Miscellaneous	0.05	0.12	0.37	0.51
Gross total customs	14.16	15.17	79.51	80.20
Refunds and drawbacks	0.18	0.20	1.32	1.20
Net Customs	13.98	14.97	78.19	79.00
Gross excise	12.37	15.42	74.45	85.98
Refunds	0.38	0.21	2.40	0.95
Net Excise	11.99	15.21	72.05	85.03
Net total of customs and excise†	25.97	30.18	150.24	164.03

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 21st Dec., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		239,03,35,000
Bills Payable		6,53,00,000
Bills for Collection being Bills Receivable as per contra		4,05,93,000
Acceptances, Endorsements and Other Obligations per contra		66,99,000
Other Liabilities (including Inter-Office Adjustments)		7,41,000
Total .. Rs.		9,30,00,000
		271,67,27,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,12,34,000
Balances with other Banks		3,33,95,000
Money at Call and Short Notice		1,80,00,000
INVESTMENTS :		
Government and other Trustee Securities	95,43,82,000	
Other Authorised Investments	11,20,70,000	106,69,52,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	101,82,12,000	
Bills Discounted and Purchased	35,26 55,000	137,08,67,000
Bills Receivable being Bills for Collection as per contra		66,99,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,41,000
Premises less Depreciation		1,24,99,000
Furniture and Fixtures less Depreciation		59,42,000
Other Assets (including Inter-Office Adjustments)		7,04,88,000
Total .. Rs.		271,67,27,000

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 22nd Dec. 1956*	A week ago	A month ago	A year ago
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.7	89 7	89.9	91.0
1. Government of India	89 4	89.5	89.7	90 9
2. Indian States	96.6	96.7	96.7	96.5
3. Municipal Port Trust, etc.	90.9	90.9	91.0	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 0	100 0	100.1	101 0
1. Electricity	100 0	100 0	100.1	102 5
2. Jute	97.6	97.5	97.5	98 0
3. Plantations	98 6	98 6	98.7	99 1
4. Sugar	98.5	98.5	98.5	99 0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100 0	100.0	100.0	100.9
7. Paper	101.8	101.8	101.8	102 3
8. Others	100 5	100 5	101.0	101.0
PREFERENCE SHARES	87.2	87.5	87.7	95.4
1. Electricity	89 3	89 3	91 8	89 5
2. Cotton	75 6	75 6	75.6	86 6
3. Jute	83.0	83.0	82 4	90 9
4. Sugar	83.2	83.2	83.7	89.4
5. Iron and Steel	81.6	82.7	82 7	85.5
6. Sugar	79.6	79 6	80 3	86 4
7. Paper	101.1	101.3	101 8	105.8
8. Plantations	73.0	75.8	75.8	85.2
9. Miscellaneous	80.5	80 9	81 2	87 7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	116.2	117.9	122 4	130.2
(a) Financial	93 2	94.2	95 0	93.6
1. Banks	86 7	88 8	88 5	100.4
2. Insurance	93 9	93.9	95 4	90 2
3. Investment Trust	109.7	110.4	111 4	118 2
(b) Public Utilities	110.7	111.5	111.5	122.3
1. Electricity	..	..	..	..
2. Shipping and other Transport	114.9	115.8	110 6	115.8
3. Railways	81.7	81.8	80 9	92 3
(c) Manufacturing Industries	123.1	125.5	132.8	140.4
1. Cotton, Woollen and Silk	129.6	131.2	136.3	131.4
2. Jute	62.4	64.4	70 1	93.7
3. Iron and Steel	131.9	136.3	151 2	167.1
4. Paper	248.6	252.6	260 1	207.7
5. Cement	169.1	171.1	140 8	184.7
6. General Engineering	173.0	178.6	190 1	210.3
7. Sugar and Breweries	102.2	103.9	108 5	112.3
8. Chemicals	137.3	138.4	147.0	159.5
(d) Non-Manufacturing Industries	143 7	145.3	152 5	169 0
1. Coal	75.8	77.0	78.7	84 6
2. Mining and Oil	203 3	203 2	228 7	271 0
3. Plantations	150 8	162.1	165.3	177 8
(e) Miscellaneous	93 1	94.3	100.2	110 6
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.1	89.1	89.3	90.5
1. Bombay	89.6	89 6	89.9	91.0
2. Calcutta	89.9	89.9	90.1	91.3
3. Madras	..	..	..	..
DEBENTURES OF INDUSTRIAL CONCERNS	99.4	99.4	99.7	100.2
1. Bombay	100.5	100 5	100.5	101.3
2. Calcutta	99.7	99.7	99.8	100.1
3. Madras	..	..	..	..
PREFERENCE SHARES	84.5	84.6	85.1	91.0
1. Bombay	74.5	75.0	75.2	83.4
2. Calcutta	96.2	96.8	97.0	99.3
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	123.8	126.2	135 0	136.9
1. Bombay	101.8	103 2	107 8	119 3
2. Calcutta	127 2	128.7	133 5	125 2
3. Madras	123.0	124.7	135.8	142.6
4. Delhi	..	..	..	..

* Provisional.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,023
1952	963	809,242	3,336,981
1953	772	466,647	3,322,608
1954	840	477,138	3,372,630
1955	1,166	527,767	5,697,848
August 1954 ..	70	51,090	322,887
September ,, ..	97	50,414	303,878
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	249,701
December ,, ..	101	54,455	262,763
January 1955† ..	95	49,088	322,807
February ,, ..	91	38,370	144,302
March ,, ..	112	70,042	334,606
April ,, ..	105	32,432	333,275
May ,, ..	120	68,441	961,776
June ,, ..	152	91,269	1,144,011
July ,, ..	111	55,260	660,492
August ,, ..	236	90,218	533,999
September ,, ..	251	92,019	560,031
October ,, ..	134	47,600	214,214
November ,, ..	99	48,609	178,112
December ,, ..	129	45,277	239,350
January* 1956† ..	107	61,050	349,655
February* ,, ..	122	69,450	796,783
March* ,, ..	148	133,188	678,716
April* ,, ..	148	81,367	534,938
May* ,, ..	137	64,361	558,717
June ,, ..	152	72,843	485,634
July* ,, ..	144	99,431	529,855
August* ,, ..	129	58,260	495 007
Sept. ,, ..	142	109,503 (a)	762,341 (b)

† Figures are provisional. * Revised.

(a) Not known in 9 cases. (b) Not known in 14 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,576.3	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.3	7,135.8
April 1955.. ..	690	691.1	563.9
May ,, ..	691	706.5	569.3
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	583.3
August ,, ..	705	709.9	574.4
September ,, ..	707	719.3	587.1
October ,, ..	716	720.7	591.9
November ,, ..	721	725.5	597.0
December ,, ..	724	785.7	648.0
January 1956.. ..	731	757.2	621.8
February ,, ..	739	749.9	622.0
March ,, ..	715	800.0	651.0
April ,, ..	701	780.8	643.8
May ,, ..	701	825.8	669.1
June ,, ..	710	796.5	658.5
July ,, ..	724	798.0	656 2

* Excluding railway military and factory power stations. Chola Power Station being interconnected with the Tata Power System has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	15th Dec., 1956	8th Dec., 1956	17th Dec., 1955	November 1956	November 1955	Percentage of Increase (+) or decrease (−) in Nov., 1956 as compared with Nov., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	417.7	418 4 R	320.4	411 6 R	326 5	+26.1	313.2	339.6
Cereals	59	542*	543	380	530 R	399	+35.9	372	381
Pulses	8	429 R	432 R	348	413	325	+27.1	299	280
Others	33	261	261	232	262	237	+10.5	235	291
Industrial Raw Materials	(18)	519.3	510.1	438.7	514.1 R	418.9	+22.7	418.8	436 2
Fibres	53	500	493	443	497 R	422*	+17.8	429	447
Oil seeds	30	575*	536*	439	565	403	+40.2	398	424
Others	10	533	532	427	523	430	+22.8	427	423
	7	431	432	463*	428	455	−5.9	431	427
Semi-Manufactures	(17)	417.7*	418.6	345.9	416.3	338.1	+23.1	338.2	350.3
Leather	8	..	448	398	439	376	+16.8	378	376
Mineral oils	13	207	207	202	210	202	+ 4.0	207	221
Vegetable oils	16	630	627	417	616	392	+57.1	389 R	433
Cotton yarn	25	498	504	422	501	411	+21.9	423	454
Metals	13	327	328	279	327	277	+18.1	284	240
Oil cakes	5	477	491	349	483	305	+32.0	338	381
Others	5	364	364	330	362	330	+ 9.7	336	312
Manufactured Articles	(30)	388.8	386.1	372.8	387.8	373.3	+ 3.8	372.9	377.4R
Textiles	64	417	417	405	410	405	+ 3.5	408	421
Jute	11	457	457	415	446	422	+ 5.7	418	448
Cotton	45	415*	415*	399*	421*	399*	+ 5.5	403*	415*
Rayon and Silk	6	429*	429*	486*	421*	479*	−12.1	425*	409*
Woollen	2	266	266	278	266	278	— 4.3	254	311
Metal products	17	390	390	371	390	371	+ 5.1	359	340
Others	19	297	298	284	296	284	+ 4.2	295	295
Miscellaneous	(4)	589.2	591.7	542.3	590.6	543.3	+ 8.7	548 4	612.4
All Commodities	(100)	430.2	429.2

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage			Outturn	
	Forecast	Unit	1955–56	1954–55	1955–56	1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,581
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	5,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,930
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets ..	final	,,	13,095	13,799	2,103	2,456
Total cereals ..	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,314	1,086
Other Kharif pulses § ..	final	,,	15,862	16,719	1,650	1,830
Rabi pulses† ..	final	,,	10,579	10,590	1,858	1,959
Total pulses ..	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut ..	final	tons	13,585	13,543	3,804	4,128
Castorseed ..	final	,,	1,462	1,394	125	174
Sesamum ..	final	,,	5,788	6,501	488	589
Rape and Mustard	final	,,	6,262	6,035	882	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds ..	final	tons	29,471	30,822	5,595	6,242
Fibres—						
Cotton*	final	bales	20,280	18,684	3,995	4,227
Jute†	final	,,	1,561	1,243	4,187	3,223
Mesta†	final	,,	613	533	1,401	1,018
Other crops—						
Potato	final	tons	.....	665	.....	1,762
Sugarcane ..	final	,,	4,446	3,994	57,749	56,928
Ginger (Dry) ..	final	,,	27	25	18	14
Pepper (Black) ..	final	,,	214	208	27	26
Chillies (Dry) ..	final	,,	1,492	1,523	240	263
Tobacco	final	,,	921	846	359	344

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During November, 1956 ..	83.8
	Corresponding month, 1955 ..	90.5
	Five months ended Nov., 1956 ..	432.4
	Corresponding period, 1955 ..	422.2
Stocks	At the end of Nov., 1956 ..	101.9
	Corresponding month, 1955 ..	63.0
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 17th Nov., 1956 ..	4.535
	Corresponding week, 1955 ..	10.760
	From 1st Jan., to 17th Nov., 1956.	336,372
	Corresponding period, 1955 ..	413,306
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 17th Nov., 1956 ..	31,125
	Corresponding week, 1955 ..	4,077
	From 1st Jan., to 17th Nov., 1956.	1,262,975
	Corresponding period, 1955 ..	1,189,834
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	November, 1956 ..	4.86
	Corresponding month, 1955 ..	5.25
	Five months ended Nov., 1956 ..	25.07
	Corresponding period, 1955 ..	24.49

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955..	11,84,400	10,42,900	7,81,200
Do. 31st March, 1956..	11,55,200	10,62,100	7,97,800
June 1955	91,700	80,900	62,600
July	94,900	84,300	64,300
August	92,500	83,900	63,700
Sept.	95,800	87,500	65,700
October	91,700	88,800	64,800
Nov.	91,900	86,200	63,400
June 1956	94,900	89,300	64,400
July	94,400	91,800	66,000
August	97,800	88,000	66,000
Sept.	95,400	88,800	59,700
Oct.	96,700	91,100	71,600
Nov.	94,700	85,800	65,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954..	5,80,020	4,49,930	2,98,440
Do. 31st March, 1955..	7,15,949	5,28,340	4,50,093
Do. 31st March, 1956..	7,06,986	5,81,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954.	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954.	1,88,053	1,36,801	1,20,616
,, ,, ,, Mar., 1955.	1,65,108	1,48,528	1,18,136
,, ,, ,, June, 1955.	1,85,605	1,31,335	1,16,281
,, ,, ,, Sept. 1955	1,76,181	1,30,630	1,08,714
,, ,, ,, Dec., 1955	1,80,750	1,24,696	1,05,752
,, ,, ,, Mar., 1956.	1,84,456	1,41,846	1,19,850
,, ,, ,, June, 1956.	1,48,306	1,17,710	92,609
,, ,, ,, Sept., 1956.	1,74,447	1,33,825	1,13,953

OVERALL BALANCE OF TRADE OF INDIA
September, 1956†

Particulars	September,		Six months, April to Sept.	
	1955	1956	1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. lakhs	Rs. (lakhs)
1. Trade in merchandise— (a) Exports ..	58,18	49,25	291,13	269,76
(b) Re-exports ..	28	37	2,60	4,28
Less—Transit trade ..	..	1	8	5
Net re-exports ..	28	36	2,52	4,23
Total exports ..	58,46	49,61	293,65	273,99
2. Imports ..	51,21	76,75	503,19	394,23
Less—Transit trade ..	1	5	7	30
Net Imports* ..	51,20	76,70	503,12	394,03
Balance of trade in merchandise	+ 7,26	—27,09	— 9,47	—120,04
Balance of trade in gold and silver	..	— 1	— 4	— 11
Total overall visible balance of trade	+ 7,26	—27,10	— 9,51	—120,15

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
* Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	155
1953-54	11,082	2,512	899	163	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
August 1955	4,984	1,122	414	88	50	27	29	10	124	166	17	125	16	62
September ,, ..	5,995	1,354	495	101	56	32	39	12	139	197	20	153	22	78
October ,, ..	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ..	9,235	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	58	114	24	302	339	34	268	42	139
February ,, ..	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	145
April ,, ..	1,136	237	82	23	12	6	13	2	54	34	2	31	2	10
May ,, ..	2,227	470	166	44	22	11	25	5	103	70	5	60	5	21
June ,, ..	3,264	705	256	59	33	15	33	8	115	104	7	89	9	33
July ,, ..	4,310	950	344	71	38	19	44	6	168	139	10	118	14	50
August ,, ..	5,400	1,222	433	87	42	23	58	8	184	178	13	150	19	65
September ,, ..	6,420	1,446	505	97	46	23	72	10	199	207	15	179	26	81

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.–2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 27th Dec., 1956 ..	37,894(J)
	Corresponding week, 1955 ..	35,922(J)
	1st Sept. to 27th Dec., 1956 ..	303,168*
	Corresponding period, 1955 ..	395,409*
Cotton Exports‡ ..	Week ended 27th Dec., 1956 ..	11,286
	Corresponding week, 1955 ..	
	1st Sept. to 27th Dec., 1956 ..	56,728
	Corresponding period, 1955 ..	258,022
Mill Consumption (Estimated) ..	1st Sept. to 27th Dec., 1956 ..	426,627
	Corresponding date, 1955 ..	405,141
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 27th Dec., 1956 ..	430,880
	Corresponding date, 1955 ..	482,964
Cotton Exports from Bombay (by sea)	During Sept., 1956 ..	14,994§
	During Sept., 1955 ..	121,362§
	1st Sept., '55 to 31st Aug., 1956..	715,663
	1st Sept., '54 to 31st Aug., 1955..	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 13th Dec., 1956 ..	563,355
	Corresponding period, 1955 ..	466,438
Exports	1st Sept. to 13th Dec., 1956 ..	223,936
	Corresponding period, 1955 ..	225,571

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. to 24th Dec., 1956	From 1st Sept. to 24th Dec., 1955
	Bales	Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	4,953	22,035
Continent ..	2,343	50,208
Hongkong ..	3,073	21,025
China	3,027	13,925
Japan	32,119	120,460
U.S.A.	425	1,463
Other Countries ..	314	3,871
Total to all foreign countries ..	46,254	249,900
Coastal Ports ..	6,935	41,705
Total	53,189§	291,605§

Particulars	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	September, 1956	377,978
Foreign		53,732
Indian	Twelve months ended Aug., 1956	4,956,456
Foreign		608,231
Indian	Same Period 1955	4,186,423
Foreign		630,474
Stocks (Mills and Elsewhere)—		
Indian	As on 30th September, 1956 ..	1,258,274
Foreign		182 893
Indian	As on 30th September, 1955 ..	1,278,133
Foreign		172,206
Cotton Pressed in India† (In running bales) ..	Week ended 14th Dec., 1956 ..	24,700
	Corresponding week, 1955 ..	18,961
	1st Sept. to 14th Dec., 1956 ..	284,781
	Corresponding period, 1955 ..	492,001

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926–29	62,30,25,000	1960–70	100‡
3 % Loan	1938–39	1,16,17,46,000	1963–65	94‡
3 % Loan	1950	20,38,10,000	1964	94‡
3 % Loan	1945	1,10,11,78,000	1965–68	92‡
2½ % Y. Loan	1946	28,54,89,000	1957	99‡
3 % Loan	1945	1,15,05,88,000	1970–75	86‡
2½ % Ex. Y. Loan	1945	1,13,55,54,000	1959–81	97‡
3 % Loan	1951	50,35,63,000	1968	99
2½ % Loan	1946	45,50,37,000	1960	95‡
2½ % Loan	1946	65,00,69,000	1961	93‡
2½ % Loan	1946	14,77,48,000	1976	88‡
3 % Loan	1947	75,86,72,000	1962	93‡
2½ % Ex. Loan (N.P. Bonds)	1953	75,29,00,000	1961	99‡
2½ % N.P. Loan	1954	1,58,17,34,000	1964	98½
2½ % N.P. Bonds (2nd Series)	1955	1,05,67,92,000	1965	98‡
2½ %	1956	57,27,00,000	1962	97‡
2½ % N.P. Bon s	1956	33,32,00,000	1967	98‡
2½ %	1956	66,64,00,000	1974	98‡
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option of Government after three months notice. On September, 1968 or later at option of Government after three months' notice.	73
3 % Loan	1949	2,48,91,47,000		78
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958–68***	102‡
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97–13‡
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97‡
4 % Bombay	1944	3,06,66,000	15th Aug. 1958	98‡
3 % Bombay	1949	5,57,56,000	1st Aug. 1959	94‡
3 % Bombay	1950	2,87,32,000	31st July 1960	96‡
3½% Bombay	1951	2,05,25,000	17th Sept. 1962	98‡
4 % Bombay	1953	5,42,28,000	16th July 1963	100‡
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100‡
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	97‡
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99‡
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	98
3 % Cochin	1945	2,00,00,000	3rd Sept. 1968	97‡
3½% Cochin	1936	1,00,05,000	16th Dec. 1955–68	98‡
3½% Howrah Bridge (New)	1936–37	1,95,96,700	1956–66	99‡
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	95‡
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99‡
3 % Madras	1939	1,22,95,000	21st June 1959	96‡
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98‡
4 % Madras	1945	2,78,44,000	14th Sept. 1960	99‡
2½% Madras	1946	3,81,77,200	1st Sept. 1961	93–14‡
3 % Madras	1950	4,38,25,400	31st July 1960	96–4‡
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97‡
4 % Madras	1953	10,33,68,000	16th July 1963	99‡
4 % Madras	1952	5,54,81,200	1st Aug. 1964	99‡
4 % Madras	1956	7,00,00,000	1st Sept. 1967	98‡
4 % Mysore(f)	1956	12,50,00,000	3rd Sept. 1968	98
3 % Mysore(f)	1933	2,95,85,200	1st Dec. 1958–68	101
4 % Mysore	1947	5,99,72,900	30th Jan. 1956–61	99
4 % Mysore	1948	5,08,05,700	25th Jan. 1958	99‡
4 % Mysore	1953	1,50,00,000	18th July 1963	99‡
4 % Mysore	1955	5,54,94,000	1st Sept. 1967	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97–14‡
3 % M.P.	1944	82,99,300	15th Aug. 1958	98‡
3½% M.P.	1948	2,03,28,800	15th Sept. 1964	93‡
3 % M.P.	1950	1,01,44,700	31st July 1960	95‡
3½% M.P.	1951	1,02,15,100	17th Sept. 1962	98‡
4 % M.P.	1953	1,10,18,000	16th July 1963	98‡
4 % M.P.	1955	1,68,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97‡
4 % Saurashtra	1955	2,61,66,000	1st Sept. 1967†	99‡
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99
4 % Trav. Cochin	1953	2,00,00,000	15th July 1963	98‡
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98‡
3 % U.P.	1938	1,57,74,000	15th Sept. 1961–66	90‡
3 % U.P.	1939	2,87,11,000	15th Aug. 1958	98‡
3½% U.P.	1945	2,17,89,700	14th Sept. 1960	96
2½% U.P.	1946	2,20,93,600	1st Sept. 1961	93‡
3½% U.P.	1951	1,91,02,000	17th Sept. 1962	97‡
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	99‡
4 % U.P.	1953	5,55,15,500	15th July 1963	99‡
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	98‡
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97‡
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97‡
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97‡
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99‡
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97‡

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
36,50,000	4	1904	1954	..
50,00,000	4	1905	1955	..
15,00,000	4	1906	1967	..
44,00,000	4	1907	1968	..
75,00,000	4	1908	1958	99‡N
40,00,000	4	1909	1970	..
56,00,000	4	1910	1971	..
75,00,000	4	1911	1972	..
1,10,00,000	4	1912	1973	..
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99‡N
88,25,000	4	1914	1975	99‡N
10,00,000	4	1915*	1960	..
75,00,000	4	1915	1975	..
61,61,000	4	1916	1976	..
11,61,000	4	1924*	1960	..
62,25,000	3½	1925*	1960	..
25,00,000	3½	1926*	1959	D
12,50,000	3½	1926*	1960	..
12,50,000	3½	1931*	1961	..
15,35,000	3½	1931*	1962	..
24,58,000	3½	1935*	1975	..
15,00,000	3½	1936*	1966	..
48,00,000	3½	1936*	1960	..
10,00,000	3½	1938	1968	..
7,00,000	3½	1941	1971	..
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99
76,00,100	4	1915	1975	99
1,50,00,000C	2½†	1921	1981	99
68,02,300C	6‡	1921	1981	144N
1,49,40,500C	5	1927	1957–87	108
1,49,30,000	5	1928	1958–88	108
80,00,000	4‡	1931	1991	95
80,00,000	3‡	1935	1995	97‡
25,00,000C	3‡	1938	1958–68	90
50,00,000	3	1945	2005	74
50,00,000	3	1945	1975	85
50,00,000	3	1945	1976	84‡
50,00,000	3	1946	2006	74
50,00,000	2‡	1947	1977	79‡
50,00,000	3	1948	1978	81‡
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1969	97
50,00,000C	3	1950	1960	97
1,00,00,000	3	1950	1980	86‡
1,00,00,000	3	1950	1980	86‡
50,00,000	3	1951	1981	85‡
1,50,00,000	3‡	1951	1961	98‡
50,00,000	4	1953	1983	100
50,00,000	4	1953	1983	98‡
90,00,000	4	1955	1985	98
77,00,000C	4	1956	1986	97‡
78,00,000C	4	1956	1986	97‡
STERLING LOANS				
£802,600	5	1923	1953–83	£79
£901,000	5	1924	1954–84	£79‡
£885,100	5‡	1932	1962	£91‡
MADRAS				
Rs.				Rs.
31,47,169	3‡	1947	1977	..
9,88,000	3	1947	1977	..
6,00,000	3	1949	1979	A
45,00,000	4‡	1954	1984	..

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	..
30,00,000	4	1902	1962	..
50,00,000	4	1903	1963	..
50,00,000	4	1904	1964	..
30,00,000	4	1905	1965	97‡N
25,00,000	4	1906	1966	..
18,00,000	4	1912	1972	..
50,00,000	4	1913	1973	..
25,00,000	4	1914	1974	97‡N
40,00,000	4	1916	1976	..
65,00,000	5	1920	1957–79	118N
50,00,000	5	1920	1955–80	..
25,00,000	5	1926	1956–86	115N
25,00,000	4	1927	1961–70	98N
10,00,000	5	1936	1966	..
STERLING LOANS				
£566,600	..	1909	1969	£95‡N
£338,000	..	1910	1970	£95‡N
CALCUTTA				
Rs.				Rs.
25,00,000	5‡	1920	1959	107
40,00,000	4	1924	1964	99‡
80,00,000	3‡	1935	1965	84
80,00,000	3	1936	1966	90
80,00,000	3	1937	1967	91
50,00,000	3	1938	1968–88	99
80,00,000	4	1955	1985	99
1,02,00,000	4	1956	1988	99

MUNICIPAL LOANS

Rs.				Rs.
20,60,000	4	1913–15	1974	99‡
10,00,000	5	1920	1980	113‡N
25,00,000	5	1928	1988	104
4,45,500	5	1930	1954–59	100
28,21,500	5	1929	1959	102
2,50,00,000	2½	1947	1977	88‡
2,50,00,000	2½	1947	1979	88‡
4,00,00,000	2½	1950	1965	98‡
2,50,00,000	3	1953	1964	99‡
2,00,00,000	3‡	1951	1967	97‡
1,30,00,000	4	1953	1983	99‡
1,00,00,000	4	1953	1964	99‡
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	99‡
CALCUTTA				
Rs.				Rs.
26,00,000	5₹	1923	1953	103
25,00,000	5	1929	1957	103
25,00,000	5	1929	1959	102
10,00,000	5‡	1932	1962	103
33,91,000	3‡	1935	1965	84
60,00,000	3	1938	1968	90
47,50,000	3	1938	1968	90
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1958	99‡
15,56,800	4	1940	1957	99‡
17,64,400	4‡	1942	1959	99‡
21,10,000	3‡	1942	1972	92
15,49,000	3‡	1943	1973	92
16,83,000	3‡	1951	1961	97‡
66,88,000	3‡	1951	1966	97‡
87,36,000	4	1952	1972	99‡
72,50,000	4‡	1954	1979	100
MADRAS				
Rs.				Rs.
15,00,000	3‡	1951	1961	107‡N
15,00,000	3‡	1952	1962	107‡N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	88‡
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99‡
4 % W. Bengal	1953	3,60,25,000	15th July 1963	99‡
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	98‡
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. N—Nominal.
(J) Income-tax free. * Loans held entirely by the Trustees. C—Held by Commissioners. D—Domestic Loan not marketed
‡Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944. *** Rupee Counterparts.
‡ Rate of interest reduced from 6‡ to 6 per cent. With effect from 1st April, 1955. †—Interest free to first 12 years ‡—Index

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	113	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6‡	Mar. Sep.	101	100
Carew Sugar Works	10,00,000	1905–24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar 'A' ..	7,00,000	1920	7	July Apr.	6‡	5
¶East India Distilleries ..	£200,000	1897	7	Jan. July	17‡	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnagger Cane	4,00,000	1933–36	6	Aug. ..	100‡	100
Ravalgaon Sugar	20,00,000	1943	5‡	Oct. Apr.	78N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8‡	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896–97	6‡	Oct. Apr.	103	100
Burrakur (1st)	22,99,800	1901–19

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,728	90,10,670	48,05,872	96,989	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2-9½	2	0 4(c)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	50,596	1,021	B. R. Cotton Mills	47½	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,98,000	2,99,72,778	4,92,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,856	Bombay Dyeing & Mfg.	564½	250	22 8*	20 0	25 0*	7 81	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd.	44,784	800	Bradbury Mills	210½	100	75 0†	75 0†	12 8	20 0 8	3	Y.P.
1,09,42,800	2,69,96,828	2,81,83,264	1,97,06,117	6,34,956	Birla Brothers Private Ltd.	1,26,344	2,698	Century Spg. & Mfg.	508½	100	22 0	22 0	22 0	8 01	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33 08,097	V. J. Pilani (Chairman and Managing Director)	40,608	798	Colaba Land & Mill	90	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	130	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,998	69,10,261	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992		Dawn Mills	160	50	5 0	6 0	15 0		12	Y.
24,00,000	40,06,455	76,75,267	56,21,788	2,88,643	Purannal Bubna Sons	50,084	928	Edward Textiles	310	200	15 0	15 0	18 0		12	Y.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,81,354	M.	41,300	886	Elphinstone Spg. & Wvg. Mills	50½	50	*Nil*	3 0	5 0		12	Y.P.
50,00,000	70,11,875	1,23,88,913	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,382	784	Finlay Mills	309	100	16 0	16 0	20 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,823	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,250	1,000	225 0*	225 0	300 0	75 01	3	Y.P.
16,000									992½	250	56 4*	56 4	75 0	18 121		
2,00,00,000D	62,50,899	4,68,15,552	8,89,00,000	1,93,112	Agarwal & Co.	2,33,812	6,413	India United Mills	11-6½	0 100.	0 10	*Nil*	0 15	0 101	12	Y.
50,00,000D									1½	1D.	*Nil*	*Nil*	8	0 11		
8,86,000	74,24,043	1,30,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,175	1,000	225 0*	225 0	300 0		3	Y.P.
35,000									—	500	112 8*	112 8	150 0			
59,86,000	55,07,831	2,73,73,670	2,03,22,198	26,228	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	222½	100	10 0	8 0	10 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,68,14,796	83,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	321	100	20 0*	18 0	18 0	6 01	12	Y.
22,18,050	41,06,720	1,18,74,348	55,99,116	81,070	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	100N	50	5 0	5 0	8 0*		10	Y.T.
21,75,000	37,05,298	2,35,58,597	1,75,19,559	1,41,489	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	246xd	100	12 0	14 0	14 0	15 0	6	Y.P.
1,57,74,400	58,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.			National Rayon Corporation	242	100	10 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	9,015	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	147½	100	10 0	10 0	10 0		12	Y.
20,00,000	14,61,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	245	100	10 0	7 8	10 0		12	Y.P.
45,00,000	30,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	145	100	8 0	8 0	10 0		12	Y.
48,00,000	43,70,390	39,55,049	23,00,000	3,92,877	Podar Sons, Ltd.	22,600	930	Podar Mills	165½	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd.	9,620	277	Sassoon & Alliance Silk Mill	10	10	1 12	0 8	1 10		12	Y.
87,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,058	1,264	Sassoon Spg. & Wvg.	91	100	1 4	1 12	1 12		12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	105	100	14 0	14 0	12 0		12	Y.P.
42,00,000	38,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	182½	50	15 0	11 0	10 0	12 0	3	Y.
87,80,000	2,23,15,720	2,51,28,099	1,87,85,474	19,888	Mafatlal Gagalbhai & Sons	52,086	1,633	Standard Mills	446½	100	20 0	20 0	20 0		12	Y.P.
99,86,700	84,69,716	2,28,87,547	1,19,01,809	67,611	Tata Industries Private Ltd.	52,286	2,000	Svadeshi Mills	223	100	16 0	8 0	12 0		12	Y.P.
35,00,000	65,33,465	1,28,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd.	38,328	592	Swan Mills	411½	100	20 0	20 0	25 0		12	Y.
45,57,000	51,95,376	1,77,34,889	58,44,553	48,485	Tata Industries Private Ltd.	62,096	1,800	Tata Mills	49	25	1 8	2 8	4 0		12	Y.T.P.
12,00,000	62,55,709	1,15,36,435	81,90,000	2,816	Thackersey Mooljee Son & Co.	64,136	1,209	Western India Spg. & Mfg.	5,125	1,000	225 0*	225 0	300 0	75 01	3	Y.

AHMEDABAD

40,00,000	21,60,000	1,48,70,885	69,76,244	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	200	100	10 0*	5 0	7 0	12 0	6	Y.P.
10,00,000	24,58,068	94,87,398	76,10,164	27,288	F. M. Ruthessing & Co., Ltd.	44,260	912	Aruna Mills	77	100	20 0*	20 0	30 0		12	Y.P.
24,25,000	2,55,00,000	1,84,91,530	1,09,00,000	77,705	Harcolan Lalbhai & Co.	42,448	1,216	Arvind Mills	1,200	100	25 0	25 0	35 0*		12	Y.
20,00,000	81,75,000	96,34,884	72,25,000	3,45,889	Mangaldas & Bros. Ltd.	37,164	892	Aryodaya Ginning & Mfg.	535	200	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,64,953	69,906	Lalbhai Dalpatbhai & Co.	37,366	914	Asoka Mills	1,080	100	22 0*	22 0	30 0		12	Y.P.
1,87,50,000	3,35,76,233	4,61,25,455	2,35,68,344	2,81,712	Kasturbhai Premchand Ltd.	1,89,120	2,572	Calico	566	125	18 0	...	...	30 0†	3	Y.
66,87,000	24,58,000	1,21,06,843	89,25,000	2,750	Tricumlal Bhoglial & Co., Ltd.	45,886	866	New Commercial Mills	1,325	1,000	70 0	70 0	80 0		6,12	H.P.
89,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	61,152	864	New Shorrock Spg. & Wvg.	882	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,63,197	37,98,517	10,058	Jagabhai Bhoglial Manavaty & Co., Ltd.	24,840	572	Nutan Mills	460	100	30 0*	30 0*	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,433	60,39,888		Lalbhai Dalpatbhai & Co.	52,828	686	Raipur Mfg.	1,010	100	25 0	25 0	35 0*		12	Y.P.
32,50,000	14,76,207	1,07,01,469	71,42,809	17,24,749	Lalbhai Gordhanbhai Ltd.	33,156	648	Rohit Mills	200	100	9 0	9 0	*Nil*		12	Y.
22,98,150	2,02,34,538	1,76,92,542	1,02,71,000	2,32,290	Harivallabhdas Kalidas & Co.	94,116	1,788	Shri Ambica Mills	636	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	16,592	Mafatlal Chandulal & Co. (Ahmedabad) Ltd.	35,624	720	Shorrock Spg. & Mfg.	565	100	20 0	25 0*	25 0		12	Y.
26,00,000	90,34,191	1,09,66,008	78,85,291	84,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	690	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,42,800	84,93,029	21,88,880	61,576	Calcutta Agency Private Ltd.	15,044	356	Basanti Cotton Mills	6½	10	0 4	0 8	0 8		12	Y.P.T.
7,00,000	9,10,617	73,14,055	58,99,911	59,390	Bengal Textile Agency, Ltd.	32,544	840	Bengal Linen Cotton Mills	40M	40	*Nil*	4 0	4 0		3	Y.P.
8,00,000	22,72,414	89,08,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	180	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
10,00,000	26,17,514	1,04,88,558	70,76,377	1,87,951	Kettlewell Bullen & Co., Ltd.	42,942	518	Dunbar Mills	210	100	*Nil*	*Nil*	2 8		6,12	H.
1,80,00,000	2,29,43,320	3,76,19,833	1,81,26,888	1,88,672	Birla Brothers Private Ltd.	70,884	1,990	Kesoram Cotton Mills	14½	10	1 12	0 14	1 0	1 0	3	Y.P.
19,47,750O	7,45,000	47,06,298	24,46,358	1,094	Hazaresmull Heeralall	23,086	795	Rampoorta Cotton Mills	15½N	10	0 8	1 0	1 0			
5,00,000D									2½N	1D	*Nil*	*Nil*	0-5 11/25		3	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	66,27,191	29,09,649	—3,54,338	Ramal & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin), Ltd.	9½	10	*Nil*	*Nil*			12	Y.P.T.
11,86,600	5,57,596	81,36,764	15,64,248	5,666	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	35,91,264	1,84,91,530	50,78,582	1,80,048	Indian Trust Fund	35,136	608	Bangalore Woollen, Cotton and Silk Mills	92	100	6 0	*Nil*	8 8(e)		9	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157		542½	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	8½	10	0 4	*Nil*	*Nil*		6,12	H.P.T.
85,00,000	1,09,48,251	1,19,14,492	87,78,992	4,85,521	Birla Brothers Private Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	80N	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,76,52,500	6,38,09,238	3,52,32,130	2,88,445	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	150N	100	10 0	10 0	10 0		3	Y.P.T.
80,00,000	20,00,000	69,09,384	21,06,351	87,598	Peirce, Leslie & Co., Ltd.	38,706	..	Cambodia Mills	14½	10	0 12	*Nil*	9 8		12	Y.P.
15,00,000	5,11,500	48,38,929	24,63,361	8,994	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	162½xd	100	12 0	20 0	12 0	15 0	3	Y.
80,00,000	29,51,420	69,40,829	61,72,376	36,767	Begg, Sutherland & Co., Ltd.	23,796	591	Cawnpore Woollen Mills	84	100	9 0	8 *Nil*	0 4	12 0	3	Y.
9,37,470	2,00,000	50,57,538	13,02,163	58,769	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	124	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.T
12,00,000	20,60,000	34,68,396	27,86,527	34,164	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	378	100	20 0	25 0	25 0		12	Y.
20,00,000	19,95,000	36,59,430	24,25,921	14,323	T. R. N. Naidu & Co.	23,738	..	Coimbatore Pioneer Mills	287	100	15 0	20 0	20 0		6	Y.P.
20,70,900	1,05,000	1,19,09,588	85,68,252	21,920	R. G. S. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg.	90	50	3 0a.	2 0	2 0		12	Y.
46,87,500	46,12,622	2,50,88,371	1,62,61,864	13,215	Tata Industries Private Ltd.	67,228	1,620	Central India	126½	100	5 0	2 0	8 0	*Nil*	12	Y.
8,88,36,225	3,06,82,110	11,16,21,472	5,81,67,327	1,28,712	B. R. Charat Ram & Co., Private Ltd.	1,16,636	2,254	Delhi Cloth & General Mills	864N	25	1 12	2 0	2 8	2 8	2 8	Y.P.T.
	1,00,563									100	0 2 5/5	0 3 8/5	0 5	0 4		
24,84,800	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	380	100	20 0	30 0	30 0		12	Y.
68,00,000	66,33,360	1,52,16,382	1,29,71,681	98,886	Begg, Sutherland & Co., Ltd.	48,452	1,196	Elgin Mills	26	10	1 0	1 0	1 0		9	Y.
48,31,000	35,32,175	1,00,55,187	59,95,268	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	221	100	17 0	15 0	15 0		12	Y.P.
50,00,000	6,16,447	1,33,91,953	1,12,28,576	9,551	K. L. Seksaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	138½	100	6 0	6 0	9 0	5 01	12	Y.
8,90,000	10,65,683	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd.	24,828	..	Janardhana Mills	100	50	4 8	5 0	10 0		12	Y.
32,42,535	10,25,000	99,32,486	82,49,150	41,492	Kothari & Sons	43,000	800	Kothari Textiles	16½d	10	0 8	0 8	1 0		12	Y.
82,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Rombay Co., Ltd.	51,972	1,219	Lakhmi Cotton Mfg.	686½	250	37 8	33 12	42 8	12 81	12	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	253	50	5 0	10 0	12 8	12 8	3	Y.
17,82,050									125	25	2 8	5 0	6 4	6 4		
1,75,02,480	4,13,81,878	5,73,76,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	46½	15	8 0	3 0	8 0		12	Y.
12,00,000	4,17,363	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Sothers.	22,592	100	Malabar Spg. & Wvg.	108	200	8 0	8 0	10 0		12	Y.
60,00,000	69,00,000	68,79,627	43,29,784	45,885	W. A. Beardsell & Co., Ltd.	24,720	608	Meenakshi Mills Ltd.	422½	100	12 0	22 8*	25 0	42 8	3	Y.
29,50,884	19,01,581	89,75,246	49,94,736	16,588	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	90	100	7 0*	5 0(e)	6 0		12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	51,840	948	Model Mills (Nagpur)	160	250	7 8*	5 0(e)	7 8(e)	7 8	6	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,884	Muir Mills	94N	100					12	Y.P.
24,33,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd.	50,480	500	Mysore Spg. & Mfg.	106½	50	10 0*	8 8*	6 0(e)	9 0*	2	Y.P.
19,61,780	6,600	29,25,252	15,12,761	—1,50,655	R. Surveyanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills	7½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
22,89,880O	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	52,428	1,225	New Victoria Mills	12½	O. 2½	*Nil*	*Nil*			12	Y.P
3,07,096D									—	D. 1	*Nil*	*Nil*				
87,19,600	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	77	100	4 0	*Nil*	2 8(e)		9	Y.
6,00,000A	6,50,000	39,12,549	28,46,016	14,609	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	172	50A	12 0	12 0	12 0		12	Y.P.
6,00,000B									225	75B	18 0	18 0	18 0			
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	78	100	*Nil*	*Nil*	4 0(e)		13	Y.
16,81,200A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	340	100A	8 0	16 0	20 0		12	Y.
5,40,900B									170	50B	4 0	8 0	10 0			
15,00,000	20,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	182	50	7 8	10 0	10 0		12	Y.P.
12,00,000	13,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	*Nil*	Rajapalayam Mills	154	100	4 0	6 0	10 0		12	Y.
22,20,225	12,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	152	100	6 0	9 0	10 0	10 0	3	Y.
60,00,000	62,41,568	1,00,25,428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	34,582	600	Raza Textiles	84N		*Nil*	*Nil*			12	Y.P.
15,90,000	1,60,55,917	3,13,49,031	2,05,07,227	—1,65,20,798	Morarka & Co.	95,282	2,234	Sholapoor Spg. & Wvg.	1,590	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
10,000									500	500						
86,69,700	17,10,000	81,44,272	65,63,316	1,09,148	H. N. Pallegar, Esq.	31,668	202	Sri Krishnarajendra Mills	50	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,18,906	17,78,000	—2,46,777	Gopalana Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			3	Y.
15,00,000	8,45,80,155	99,02,153	79,53,780	80,60,553	Birla Brothers, Private Ltd.	36,566	1,242	Sutlej Cotton Mills	105N	10	4 0	5 0	6 0	6 0	3	Y.
17,50,000O	2,80,00,000	4,54,40,847	1,70,63,159	1,09,029	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	11½	100.	0 8	0 12	0 12		12	Y.P.
1,50,00,000P									12½	102.0.	0-14 2/5	1-2 2/5	1-2 2/5	1-2 2/5		
1,00,00,000	30,14,788	3,80,55,817	2,27,16,775	2,63,771	Ernesto & Sons (Travancore), Ltd.		..	Travancore Rayons	13-14½	10	0 8	0 10	0 12		12	Y.P.T.
13,56,670	3,78,332	17,39,181	11,37,836	1,508	Mooljl Ramjee & Sons	17,600	..	Trichinopoly Mills	13½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.
21,00,000	24,50,000	71,88,723	40,63,166	56,000	R. K. Chetty & Brothers	48,974	270	Vasanta Mills	330	100	12 0	15 0	20 0		12	Y.
38,00,000	38,42,971	1,64,67,122	1,05,10,233	23,125	Bombay Co., Ltd.	46,490	1,551	Vishnu Cotton	140	100	4 0	4 0	8 0	2 81	12	Y.P.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (5) For six months ended 31st December 1955.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1955.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11¾cd	5	*Nil*	*Nil*	0 8	0 41	5	Y.P.
16,20,630	26,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries	5½	5	0 8	0 8	0 9	0 9	6	Y.
£5,80,000	£925,777	£1,302,685	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	23½	A. 16sh. B. £1	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1	9	Y.P.
6,00,000	9,80,000	12,47,805	12,47,799	9,111	Vital Mallya, Esq., (Chairman)	United Breweries	193cd	75	15 0	15 0	15 0	7 81	3	Y.
CEMENT														
51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,600O	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
4,70,976D							1½	D. 1						
12,71,67,258	8,46,99,450	27,75,38,613	9,84,43,675	2,93,968	Cement Agencies (Private) Ltd.	Associated Cement Companies	182½	100	9 8	8 8	10 0	10 0	7	Y.T.
60,00,000O							14½	O. 10	1 0	1 0	1 4			
26,50,000O	60,02,261	96,09,338	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	3½	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,000D							4½	D. 1	0-1 3/5	0-1 3/5	0 2			
62,45,750O	19,00,000	1,61,41,804	54,02,378	2,97,128	Esen Private Ltd.	India Cements Ltd.	23½	O. 25	*Nil*	1 4	1 14	2 1	3	Y.P.
7,50,000D							5-10½	D. 5	*Nil*	*Nil*	0 6	0 6 3/5		
11,00,000	2,93,651	28,70,103	20,09,751	9,209	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies		88	*Nil*	*Nil*	*Nil*		10	Y.P.
32,50,000O.	1,24,97,379	74,37,367	31,200	93,606	Walchand & Co., Ltd.	Premier Construction		189	O. 30	6 0	7 0	8 8	12	Y.P.
1,31,250 Pr.														
9,63,75,000	14,75,82,090	69,39,07,755	36,95,00,000	4,04,945	Tata Industries Private Ltd.	Tata Iron and Steel		172	O. 75	21 0	10 8	10 8	3	Y.P.
4,50,00,000	1,18,43,529	9,97,45,361	4,06,92,996	1,29,979	Tata Industries Private Ltd.	Tata Locomotive		165	100	*Nil*	*Nil*	6 0	3

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,29,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105N	25	1 9	3 2	4 11		6,12	H.P.T.
95,00,000	95,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	22½	10	12 0	14 0	1 6 2/5	0 11 1/5	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,156	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	10	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,49,52,500	2,16,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd...	Orient Paper	31½	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,97,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	17½	10	1 8	1 8	0 10½		6,12	H.P.T.
20,00,000	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10½	10	0 12	0 12	1 4		3,9	H.P.T.
10,00,000'A.'							10½	A. 10	0 12	0 12	1 4			
24,00,000A.							36	A. 10	2 0*	1 8	2 0*	1 2½*		
24,04,800B.	3,41,28,015	5,94,12,293	3,88,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	36	B. 10	2 0*	1 8	2 0*	1 2½*	3 9	H.P.
4,37,240F.O.							4½	P.O. 2½	0 4	0 4	0 4	0 2½*		
PRESSING														
5,00,000	6,12,365	15,78,486	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	125	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,09,780O.	6,93,352	43,52,570	22,58,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000A.							2½	D. 1	0 4½*	*Nil*	0 9 3/5			
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	7½	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,70,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	58	100	1 8	4 0	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,533	10,73,832	—5,14,527	Bird & Co. Private Ltd.	Assam Saw Mills	3½	3	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corps.	669½	Old125	15 0	20 0	37 8	11 4½	5	Y.
45,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd. ..		243½	New50	6 0	8 0	15 0	4 8½		
80,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Bengal Timber Trading	35N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
						Indian Wood Products.. ..	45½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	23,97,928	20,880	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	5½	5	*Nil*	0 12	0 1		6	Y.
12,00,000A.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	145N	A. 100	10 0	10 0			6	Y.
3,00,000B							14N	B. 10	1 0	1 0				
19,49,050	5,50,000	23,35,389	24,41,801	51,985	Bangur Bros., Ltd.	Belsund Sugar	10½	10	1 4	1 4	2 0*		4	Y.
15,00,000	13,90,295	15,40,479	11,77,341	12,206	Cotton Agents Ltd.	Bharat Sugar	7½	10	0 12	0 12	1 4*		3	Y.
33,00,000	28,37,080	1,36,90,775	92,37,201	12,445	Gladstone Lyall & Co., Ltd.	Carew & Co.	17N	10	1 8	1 8	1 8		9	Y.
26,00,000	57,83,651	1,08,45,647	84,33,451	88,025	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	8	10	*Nil*	0 12	0 4		6	Y.P.T.
18,00,000	33,04,291	78,35,757	58,46,928	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	17½	10	2 0	0 12	0 12		6	Y.P.
5,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	21½	10	1 0	1 0	1 8		10	Y.
50,00,000A.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.		10N	10	1 0	0 12			6	Y.
10,00,000O.						Hindustan Sugar Mills	285N	A. 100	15 0*	15 0*	15 0*		8	Y.T.
13,00,000	8,61,001	75,81,309	43,63,456	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	100	O. 100	15 0*	15 0*	15 0*		6	Y.P.
							65N	80	*Nil*	*Nil*	4 8			
7,99,100	22,14,058	34,94,612	19,35,822	1,864	Cotton Agents Ltd.	New India Sugar Mills ..	32½N	40	*Nil*	*Nil*	2 4		7	Y.P.
11,00,000	4,20,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	32N	10	2 8	2 0	2 8		6	Y.P.T.
19,37,500A.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.		6	10	0 4	0 4			6	Y.
2,71,875B.						New Swadeshi Sugar Mill ..	240N	100	20 0	20 0	25 0			
17,45,850	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.		60N	25	5 0	5 0	5 0		6	Y.
12,00,000	12,74,233	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Oudh Sugar	148N	100	11 0	11 0	11 0		7	Y.P.
9,00,000	17,54,369	37,85,808	30,57,749	6,871	Begg, Sutherland & Co., Ltd.	Punjab Sugar	105N	100	10 0	10 0			6	Y.
8,00,000	5,81,129	26,43,262	21,70,584	5,234	M.	*Puritabpore Co.*	17	10	1 0	1 0	1 4		10	Y.
11,99,000	18,36,779	38,63,583	32,02,180	5,477	M.	Ryam Sugar	20½	10	1 0	1 0	0 12		10	Y.P.
40,00,000	22,55,560	1,35,20,110	62,59,521	84,046	Sahu Jain Ltd.	Samastipur Central Sugar ..	12	10	0 8	0 8	*Nil*		6	Y.
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	*Nil*		8	Y.P.T.
7,95,468	18,83,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros.	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		8	Y.
9,15,000O.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd... ..	South Behar Sugar	15½	O. 10	2 0*	1 8*			6	Y.T.
4,40,000D.							1N	O. 10	*Nil*	*Nil*				
8,00,000	21,91,635	95,42,062	57,49,754	82,921	Cotton Agents Ltd.	Upper Ganges Sugar	1N	D. 2½	*Nil*	*Nil*			10	Y.P.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	70N	10	2 8	2 8	1 4		6	Y.P.
							17	10	0 8	1 4	1 8		9	Y.
Other Centres														
70,49,650	95,68,087	1,48,40,834	1,08,91,570	52,911	W. H. Brady & Co., Ltd. ..	Belapur Company	211½	50	16 0	16 0	16 0	16 0Z	9	Y.
17,50,000	9,24,292	33,03,879	21,36,722	4,692	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	16½	10	1 0	1 0	1 0		9	Y.P.
15,98,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	75N	100	*Nil*	*Nil*			6	Y.P.
47,94,920	14,00,000	30,54,097	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 3/5		9	Y.P.
23,57,620	45,51,080	42,51,227	21,95,827	18,645	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	14½N	10	1 0	1 0	1 0		10	Y.
19,52,200O.	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd. ..		12½	O.100	7 8	7 8	7 8		6	Y.P.
2,87,190D.						K. C. P. Ltd.	160	D. 10	10 0	10 0	10 0			
21,79,280	95,00,001	1,31,87,677	78,17,730	2,90,340	S. Muninanjappa, Esq., (Managing Director)								6	Y.P.
50,00,000	48,49,531	1,06,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Mysore Sugar	46	10	2 0	2 0	2 0		6	Y.
16,59,820	35,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Phaltan Sugar	145	50	6 0	6 0	8 0		8	Y.
20,00,000O.	21,76,092	89,12,138	58,60,888	54,612	Walchand & Co., Ltd.	Ramnugger, Cane and Sugar ..	23½	10	2 0	1 8	2 0		9	Y.P.T.
4,00,000D.						Ravalgaon Sugar Farm ..	150N	O. 50	*Nil*	2 8	0 8			
12,99,500	47,55,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd. ..		150N	D. 10	*Nil*	*Nil*	0 11 1/5		9	Y.P.T.
20,00,000	9,10,000	59,87,263	32,10,844	45,098	Parry Co., Ltd.	Raza Sugar	15½N	10	1 0	0 12	1 0		10	Y.
1,01,00,000	71,97,993	1,09,66,443	1,16,33,423	1,31,172	M.	Travancore Sugars	122½d	10	*Nil*	*Nil*	0 12	1 0	7	Y.
						Walchandnagar Industries ..	259½	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
80,00,000	1,00,69,622	1,24,00,703	15,56,557	55,836	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	139	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	18,37,619	4,41,05,364	1,85,09,519	1,54,925	Dinshaw (Private) Ltd. ..	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
80,00,000	61,60,611	2,51,00,004	69,55,703	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.									
4,55,580	61,065,198	25,614,160	43,397,531	432,063	Kilburn & Co., Private Ltd. ..	Great Eastern Shipping Co. ..	171xd	10	1 0	1 0	*Nil*		6	Y.P.
2,25,00,000	89,99,232	9,64,47,646	2,22,99,145	25,920	Lionel Edwards Ltd.	India General Navigation & Rly. Co.	64½	£10	*Nil*	Sh. 10	Sh. 10	1 8	6	Y.P.
9,40,19 675	6,94,92,081	18,36,03,413	4,34,44,300	2,73,583	Narottam Morarjee & Co. ..	India Steamship Co.	9¾	10	0 8	*Nil*	*Nil*	1 0	12	Y.P.
8,40,800O.						Scindia Steam Navigation Co. ..	18½	20	0 12	0 8	1 0		8	Y.P.
10,800P.O.	19,88,266	11,55,483	7,20,960	1,84,498	R. S. Aiyar, Esq., (Manager) ..	Walford Transport Ltd.	2½	O. 1	as. 1/25	1 2/3	as 2 6/25		12	Y.
							1½	P.O. 1	as. 10/25	1 10/25	as.1 23/25			
[UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,68,321	4,22,863	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	Y.
15,98,860	3,04,173	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	50	5 0	4 8	*Nil*		9	Y.
25,00,000	1,00,000	22,87,314‡‡	....	225	M.	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	0 12	0 12	3	Y.
20,17,900	13,68,886	36,39,283	29,24,587	38,502	Birla Brothers Private Ltd. ..	Hind Cycles	142½	100	8 0	10 0	10 0		3	Y.
14,98,840	3,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	39½	50	*Nil*	3 0	2 0		3	Y.P.
99,99,250	19,47,386	1,22,03,804‡‡	....	2,82,156	Premchand Roychand & Sons ..	Industrial Investment Trust ..	69½	100	4 8	4 0	2 0		3	Y.P.
99,99,975	35,08,351	85,47,826	3,84,186	4,599	K. G. Milne, Esq. (Mg. Director)	Kilick Nilack	166xd	100	10 0	11 0	11 0	11 0	12	Y.
2,20,13,775A.O.	39,14,265	3,06,59,581	1,49,05,326	6,05,448	Aero-Auto Private Ltd.	Premier Automobiles	103	100	*Nil*	*Nil*	*Nil*	11 0	6	Y.
10,31,700	5,63,605	13,96,085	11,66,085	10,384	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	24½	20	2 8	2 0	2 0*		6	Y.J
3,75,00,000	72,75,000	3,03,67,181	1,03,71,846	5,61,984	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co. ..	165	100	11 0*	11 0*	12 0*		12	Y.
45 00,000	55,24,847	7,24,608	3,07,108	26,434	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,92,000	17,00,000	1,95,40,704	65,00,000	2,582	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	11½	O. 10	*Nil*	*Nil*	*Nil*		6	Y.P.
2,50,000							2½N	D. 2½						
40,00,000	22,25,000	56,26,345	21,56,600	64,587	Seshasayee Bros. (Travancore) Ltd...	Aluminium Industries Ltd. ..	10½	10	1 4	1 4	1 4		3	Y.
20,00,000	25,05,079	32,06,026	21,94,955	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	22½	10	1 4	1 4	2 0*	1 4	3	Y.
30,00,000	3,85,000	38,39,494	20,85,060	1,18,395	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 4*		3	Y.
20,00,000	27,47,888	1,01,49,337	59,87,830	32,683	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	101N	10	0 3 1/5	0 3 1/5	0 6 2/5		12	Y.
30,01,400	1,16,53,000	67 47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co. Ltd. ..	146xd	100	20 0*	13 0‡	12 8		3	
12,00,000	9,10,000	31,37,449	24,05,448	76,850	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	35½	10	1 8	2 8	2 4		12	Y.
20,00,000	7,95,430	62,57 994‡‡	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4	1 21	6,12	Y.
45,97,020	30,11,814	1,10,56,424	33,87,889	1,79,277	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	15	10	0 8	1 0	1 0		9	Y.
2,25,00,000	1,16,11,805	2,82,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	88½	100	6 0	7 0	7 0	1 0	3	Y.P.
1,88,80,000	17,34,264	2,03 27,295‡‡	....	12,76,052	Andrew Yule & Co., Ltd. ..	Clive Row Investment	10½	10	0 4 1/5	0 3 1/5	0 9	1 6	12	Y.
1,60,00,000	3,14,86,174	5,15,52 036	2,20,82,990	11,71,686	Begg, Sutherland & Co., Ltd.	Dunlop Rubber (India) Ltd. ..	29½	10	1 8	1 8	1 8		12	Y.
51,26,000	54,12,212	1,42,47,668‡‡	....	3,06,138	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	129	100	9 0	9 0	9 0		12	Y.P.
14,00,000	10,02,000	33,81,772	18,86,772	27,194	MacNeill & Barry Ltd... ..	Ganges Rope Co. Ltd.	155	100	20 0	15 0	15 0		12	Y.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	100	O. 100	15 0*	15 0*	15 0*		6	Y.P.
30,00,000	14,87,554	61,29,620	33,85,982	7,458	B. P. R. Syndicate	Great Eastern Hotel	13	10	7 8	7 8	1 6 2/5		3	Y.
4,93,05,700		3,94,18,142	1,31,88,541	6,16,062	Birla Brothers Private Ltd...	Hindustan Motors	225	250	15 0	6 0	6 0	15 0	3	Y.
1,60,00,000	46,77,754	4,16,74,246	1,74,76,668	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	7½	10	*Nil*	*Nil*	*Nil*	15 0	3	Y.
1,52,39,220	1,37,00,000	1,99,38,789	71,50,911	32,04,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	15½xd	10	*Nil*	*Nil*	9 0	*Nil*	3	Y.
3,27,970	6,03,000	16,74,908	9,60,806	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	31½	10	1 0*	1 0*	1 4*	1 8*	12	Y.
16,16,00,000	7,59,02,692	4,15,59,461	1,63,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	18	10	0 12	0 8	0 6	0 10	3	Y.
2,00,00,000	57,29,566	37,40,656	11,06,843	6,11,852	G.M. Mackinlay, Esq.	Jardine Henderson	37½	10	....	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.
6,34,000O.	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd. ..	Macfarlane & Co.	86	100	7 8	7 8	7 8	7 8	3	Y.
66,000D.							2½	O. 5	*Nil*					
40,00,000O.	80,86,900	26,18,922	8,72,670	2,57,234	A. T. Doig, Esq. (Mg. Director)	*McLeod & Co.*	215½	D. 2½	*Nil*				3	Y
5,00,000D.														
1,37,53,000	60,54,276	22,58,051	11,34,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director)		2½	10	10 0	17 0	22 8½			
1,15,00,000	55,55,000	1,88,37,973	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Martin Burn Ltd.	22½	D.0.10	0 8	1 3 1/5	1 12		12	Y.
8,35,585	1,55,250	7,83,598	2,80,887	—2,36,881	Shankar Das P. Ozale, Esq. ..	Metal Box Co. of India Ltd. ..	20½	10	1 6*	1 6	1 12			
6,56,250	9,18,696	11,18,541	5,51,038	440	M. J. L. D'Sa (Controller) ..	Mysore Glass and Enamel Works	4	10	1 0	1 0	1 4	1 10	9	Y.
10 00,000	2,18,580	12,54,005	9,41,427	24,513	M. H. Parthasarathy Esq. (Chairman)	Mysore Lamp Works	15	10	1 0	*Nil*	0 12		3	Y.
40,00,000	51,21,172	59,09,527	39,20,120	2,22,282	Associated Industrial Development Co. Ltd.	Mysore Tobacco	13	10	1 0	1 4	1 0	0 14 2/5	3	Y.
79,97,000		1,17,52,757	57,19,288	3,99,982	National Insulated Cable Co. ..		25	10	1 0	1 0	1 8*	1 8	3	Y.
2,25,00,000	7,25,185	1,53,49,091	40,14,109	—63,99,179	M. P. A. Pasanttli, Esq. ..	National Tobacco Co.	12½	10	*Nil*	0 8	0 12 4/5		3	Y.
1,72,24,400	1,31,20,208	7,56,34,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rallis (India) Ltd.	38½	100	*Nil*	*Nil*	*Nil*		6	Y.
40,00,000	93,60,594	1,18,78,870	70,99,687	5,10,675	Rohtas Industries	C. W. Stephenson, Esq. ..	19½	10	*Nil*	*Nil*	*Nil*		8	Y.
75,00,000	54,13,860	17 49,810‡‡	5,83,835	3,65,280	*Spencer & Co., Ltd.*	R. H. D. Campbell, Esq. ..	16½	10	1 8	1 8	1 8		10	Y.J
9,96,850	....	14,99,289	3,84,580	....	Gyale Bros., Ltd.	Shaw Wallace & Co., Ltd. ..	12½	10	1 0	1 4	1 0		12	Y.
						Travancore Quale Glass	10	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,34,864	5,38,169	....	McLeod & Co., Ltd.	825	Amluckie	300xd	100	25 0	72 0	19 0		12	Y.P.
3,50,000	8,43,250	10,99,902	2,43,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea ..	40x1	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,21,676	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd...	437	Ananda Bag	18	10	2 8	8 0*	1 0		12	Y.
3,50,000	8,93,250	11,21,676	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd...	513	Bachmari	24½	10	*Nil*	3 8	1 0		12	Y.
5,50,000	11,21,541	17,56,455	7,08,427	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	28½	10	2 8	3 0	1 8		12	Y.
5,10,000	9,10,000	12,85,583	7,13,759	50,293	National Tea Corporation	570	Batell	27½	10	2 0	4 0	2 8		12	Y.
3,30,600	4,65,000	11,68,776	3,03,945	66,155	Gillanders Arbuthnot & Co., Ltd...	612	Betjan	21xd xr	10	2 0	10 0*	2 0		12	Y.
3,20,000	9,40,000	10,27,063	3,08,925	1,99,547	Williamson Magor & Co., Ltd.	3,997	Bishnauth	20xd	10	3 8				12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	29,686	Octavius Steel & Co., Ltd. ..	485	Bokakhat	17	10	1 0	*Nil*			12	Y.P.T.
6,90,000	2,50,000	10,97,919	3,05,780	15,455	McLeod & Co., Ltd.	450	Borpah Jan Tea ..	10½	10	0 12	3 8	2 0		12	Y.P.
7,50,000	7,27,550	9,56,117	3,05,780	5,15,711	M.	2,334	Brooke Bond	19½	10	0 8	1 4	4 12	1 4	6	Y.P.
35,00,000	11,78,802	79,32,234	2,17,579	42,144	McLeod & Co., Ltd.	282	Dejoo Valley	48½	10	1 0	6 0	3 0		12	Y.
1,20,000	4,25,426	6,44,302	1,84,513	46,610	Jardine Henderson Ltd.	1,184	Dessai & Parbuttia ..	380xd	100	20 0	40 0	10 0		12	Y.
6,00,000	9,76,000	27,66,084	5,10,550	42,736	James Warren & Co., Ltd. ..	661	Dhelakhat	20½	10	1 8	2 8	1 8		12	Y.P.
17,53,440	9,57,962	24,59,777	3,86,404	2,101	M.	646	Dhunseri	10½	10	1 0	4 0	2 0		12	Y.
4,58,970	3,95,000	7,50,451	6,43,291	53,321	McLeod & Co., Ltd.	458	Dibrugarh	23½	10	1 0	4 0	2 0		12	Y.P.
4,50,000	7,25,000	14,15,911	5,60,707	98,251	Williamson Magor & Co., Ltd.	623	Dimak

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
8,00,000	1,60,000	3,92,380	31,236	23 236	Planting Agencies Ltd. ..	Balmadies Plantations ..	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	6	Y.P.
17,94,186	21,11,194	49,25,353	4,71,493	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar ..	0½	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	20fcd	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,730	1,16,65,886	25,13,535	1,12,312	R. C. Paterson, Esq. ..	Consolidated Coffee ..	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,666	7,38,759	40,878	1,069	Associated Planters Ltd. ..	Cottanad Plantations ..	20fcd	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,70,999	4,94,158	46,343	A. V. Thomas & Co., Ltd. ..	*Highland Produce* ..	1½	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,92,899	18,33,325	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates ..	24cd	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber ..	27½	20	5 8	2 4	2 4	3 4	3	Y.
27,00,000	23,11,093	77,71,101	8,84,090	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber ..	10½	10	1 8	1 12*	2 8	2 0	3	Y.P.
8,35,000	3,31,900	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber ..	20½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	10½	10	1 0	1 0	1 8		12	Y.P.
19,45,880	24,00,991	41,39,788	12,04,557	40,999	Peirce, Leslie & Co., Ltd. ..	Quicklerloney Valley Estates ..	4½	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
13,50,000	9,00,000	42,15,515	3,72,127	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber ..	22fcd	10	1 12*	1 12*	2 0	2 8	6	Y.P.
8,66,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Sayamalai Estates Ltd. ..	21	10	3 0	2 8	1 0		11	Y.
10,00,000	3,00,000	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	10fcd	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber ..	22	10	3 0	3 0	3 0		12	Y.P.
6,10,200	8,00,905	8,91,561	60,565	24 920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-1½	1	0 4½	0 1 3/5	0 0 2		9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers ..	22	10	2 0	2 0	3 0		12	Y.
41,00,000	14,30,799	76,82,300	8,68,181	3,71,983	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	30½	10	1 0	1 8	1 4		12	Y.P.T.
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	30½	25	3 0	5 0	4 0		12	Y.
6,25,580	6,40,670	8,51,483	10,123	40,760	Harrisons & Crosfield Ltd. ..	Valkumtam (Travancore) Rubber ..	31	10	2 0	2 4	2 8		12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	18fcd	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,564	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara ..	9½	10	1 0	1 10	0 10	0 4	3.9	H.T.P.
6,00,000	10,25,000	51,45,438	36,83,877	1,38,329	McLeod & Co., Ltd. ..	446	Alexandra ..	180	100	2 8	2 8	10 0		6.12	H.P.T.
80,00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd. ..	1,264	Alliance ..	102	100	5 0	12 0	6 0		6.12	H.P.
49,20,700	69,00,000	2,35,39,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India ..	135	100	12 8	7 8	8 8	8 8	3.9	H.
40,00,000	43,17,051	1,78,37,979	92,91,344	11,377	Bird & Co. Private Ltd. ..	810	Auckland ..	90	100	4 0	3 8	10 0	1 0f	3.9	H.P.T.
20,00,000	23,30,918	96,91,416	65,65,094	65,302	Jardine Henderson & Co. ..	959	Bally ..	160	100	4 0	*Nil*	3 8	*Nil*	3.9	H.P.
5,75,000	4,95,405	£1,47,490	£95,176	....	Sir John H. Burder (Chairman)	1,889	Barnagore ..	102	£5	£1 0	sh. 15	sh. 15	*Nil*	6.12	H.P.
2,80,00,000	32,30,123	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd. ..	820	Belvedere ..	113	100	15 0	10 0	7 8		3	Y.P.T.
45,00,000	38,45,000	57,03,172	31,28,574	2,85,190	Soorajmull Nagarmull ..	600	Bengal ..	10½	10	1 4	1 2	1 2		6.12	H.P.
91,28,000	2,17,45,353	3,34,10,492	1,45,92,951	4,37,393	Birla Brothers Private Ltd. ..	1,573	Birla ..	14½	10	3 0	1 0	1 0	1 0	6	Y.P.T.
36,00,000	21,31,426	1,17,90,947	72,95,930	1,336	Andrew Yule & Co., Ltd. ..	991	Budge-Budge ..	105	100	10 0	7 0	*Nil*	*Nil*	3	Y.P.
7,47,380	3,99,640	42,13,704	31,62,853	—8,31,470	Dayaram & Sons	502	Calcutta Jute Mfg.	9N	10	*Nil*	0 12	*Nil*		4.10	H.P.
18,00,000	30,48,234	57,38,271	41,48,795	6,248	Andrew Yule & Co., Ltd. ..	618	Caledonian ..	160	100	12 0	9 0	6 8		6.12	H.T.P.
59,16,400	95,49,238	2,24,98,769	1,11,69,502	19,010	James Finlay & Co., Ltd. ..	600	Champdany ..	125	100	6 0	3 8	10 0	2 0f	3.9	H.
15,95,000	28,30,232	81,34,655	56,80,175	2,615	Andrew Yule & Co., Ltd. ..	530	Cheviot ..	145	100	12 0	14 0	10 0		5.11	H.
80,15,000	81,60,000	64,16,068	47,77,000	1,32,000	McLeod & Co., Ltd. ..	600	Chitavalsah ..	10½	10	1 12	1 2	1 6		6.12	H.P.
24,00,000	24,00,000	78,13,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive ..	12½	10	*Nil*	*Nil*	1 8		3	Y.P.
31,49,200	46,65,222	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Private Ltd. ..	766	Dalhousie ..	88	100	4 0	2 8	4 0	*Nil*	3.9	H.P.T.
25,00,000	44,74,179	75,56,009	47,00,110	15,912	Andrew Yule & Co., Ltd. ..	779	Delta ..	127	100	20 0	12 0	10 0		5.11	H.P.
15,00,000	84,50,000	82,62,670	59,80,760	78,204	McLeod & Co., Ltd. ..	500	Empire ..	10	10	1 0	1 4	1 4		6.12	H.T.P.
21,00,000	60,80,980	2,70,39,034	1,89,10,193	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	*Fort Gloster* ..	810N	10	*Nil*	5 0	15 0	7½	6.12	H.T.P.
21,00,000	13,00,000	97,38,074	54,03,092	1,34,982	Banzur Bros., Ltd. ..	1,014	Fort William ..	134½	10	5 0	20 0	20 0	0 12½	3.9	H.T.P.
84,32,100		2,11,07,224	1,32,88,825	—2,67,452	Macneill & Barry Ltd. ..	1,709	Gouripur Mfg. ..	544	*Nil*	*Nil*	8 0	2 8	*Nil*	3.9	H.T.P.
10,50,000	25,00,000	71,32,983	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara ..	808	300	15 0	*Nil*			3.9	H.P.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	23,195	Macneill & Barry Ltd. ..	1,304	Gourepore ..	100	100	3 12	10 0	15 0		12	Y.
40,00,000	64,68,233	1,14,86,848	56,72,180	8,40,348	Banzur Bros., Ltd. ..	1,078	Hastings ..	88½N	100	10 0	10 0	10 0	6	3.9	H.P.
16,50,000	13,61,969	66,47,731	47,70,916	—2,95,253	Baijnath Bajoria	720	Hooghly	20	10	1 4	1 0	1 4		3	Y.P.
65,62,500	49,64,372	1,82,66,485	1,10,52,708	57,034	Jardine Henderson Ltd. ..	1,940	Howrah	10½	10	1 8	1 4	0 14	*Nil*	3	Y.P.
52,50,000	27,85,153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas ..	2,272	Hukumchand ..	21	7½	3 0	3 0	2 0	0 4f	3.9	H.P.T.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	125	Q 125	6 4	3 0	4 11	4 11f	3.9	H.
30,000								—	D. 1	0 4/5	0 2/5	0 3/5	3% f		
24,60,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd. ..	1,797	Kamarhatty ..	100	100	9 0	8 0	2 8		3.9	H.
19,20,000								100	'B' 100	9 0	8 0	2 8		6.12	H.P.
30,00,000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd. ..	1,527	Kankinarrah ..	75	100	7 8	6 8	1 0			
24,00,000								75	'B' 100	7 8	6 8	1 0		6.12	H.P.
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,351	McLeod & Co., Ltd. ..	703	Kelvin	198	100	15 0	26 0	17 8		6.12	H.P.
54,00,000	23,33,375	1,71,52,710	1,10,91,627	1,02,192	Andersen Wright Ltd. ..	1,530	Khardah	125	100	17 0	10 0	10 0		3.9	H.
48,00,000	1,00,00,000	2,44,37,914	1,15,66,122	41,037	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	132	100	9 0	7 0	13 0	6 0f	3.9	H.P.T.
24,45,000	30,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Private Ltd. ..	931	Lansdowne ..	100	100	7 0	2 0	7 0	*Nil*	3.9	H.P.
23,00,000	55,75,192	1,16,29,380	64,57,397	3,793	Bird & Co., Private Ltd. ..	840	Lawrence ..	95	100	6 0	2 0	7 0	*Nil*	3.9	H.P.
21,85,200	26,36,045	2,04,13,340	1,26,97,390	1,64,942	M.	1,283	Megna	70	100	5 0	2 0	6 0	*Nil*	3.9	H.P.
29,98,900	38,40,147	1,84,91,406	1,01 37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	915	Naihati	717	100	*Nil*	*Nil*	2 8	3 12f	3.9	H.
20,00,000	15 55 000	29 01,563	18,21,709	17,816	Howrah Trading Co., Ltd.	425	Naskarpara ..	14½	10	0 8	1 4	*Nil*	*Nil*	3.9	H.
35,00,000	41,54,338	30,25,401	19,32,316	1,925	Andrew Yule & Co., Ltd. ..	852	National	33½	10	2 0	2 0	1 12	0 10f	4.10	H.T.
26,25,000	26,25,000	27,71,022	20,74,909	2,08,077	McLeod & Co., Ltd. ..	716	Nellimarla Jute ..	100	100	12 0	8 0	12 0	6 0	4.10	H.P.
85,50,000	2,71,44,342	4,29,15,627	96,26,548	8,71,293	Sahu Jain Ltd.	1,765	New Centralf ..	13½	10	2 12	1 8	1 0		6.12	H.P.T.
16,79,880	40,70,180	1,18,50,857	51,83,018	70,178	Bird & Co. Private Ltd. ..	567	Northbrook ..	21	10	1 2	1 0	1 8	0 12f	12	Y.P.
66,79,500	22,24,961	2,18,55,164	1,39,46,311	17,000	Macneill & Barry Ltd. ..	1,092	Ruttiden	50	50	0 8	0 8	1 8	*Nil*	3.9	H.
24,91,000	26,81,049	72,46,385	50,35,690	5,784	Andrew Yule & Co., Ltd. ..	661	Orient	120	100	12 0	10 0	1 0	*Nil*	3.9	H.
25,00,000	6,29,490	80,86,437	65,32,186	61,595	McLeod & Co., Ltd. ..	400	Presidency ..	4½	5	0 2	0 8	1 0	9 0	5.11	H.P.
20,00,000	2,49,783	26,97,878	8,39,130	—9 1,218	Jardine Henderson Ltd. ..	805	Rameshwara ..	6	10	*Nil*	*Nil*	*Nil*		6.12	H.T.
49,50,000	5,82,405	1,23,83,629	59,15,596	—11,72,341	Jardine Henderson Ltd. ..	1,276	Reliance	9	10	0 8	*Nil*	*Nil*	*Nil*	3	H.P.
£600 000	£1,094,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Sanmuggur ..	11	£1	10%	*Nil*	*Nil*	*Nil*	3.9	H.P.T.
80,00,000	13,12,193	1,04,90,653	75,85,838	4,067	Bazaria Store & Co., Ltd. ..	911	Shree Ambica ..	16N	10	0 8	1 0	10%	3%11	3	Y.P.
14,00,000	11,25,000	66,11,704	38,79,294	3,156	Hindustan Investment Corporation	401	Soorah	12N	10	0 8	1 0	0 8f		12	Y.P.
25,19,600	42,72,182	1,27,38,246	53,23,439	—4,87,127	Bird & Co., Private Ltd. ..	650	Standard	87	100	2 0	2 0	1 8	0 12f	3.9	H.
£600,000	£925,179	£1,137,060	....	£83,348	Thomas Duff & Co. (India) Ltd. ..	1,794	Titaghur	11	£1	10%	10%	10%	*Nil*	12	Y.P.
85,98,600	88,06,723	2,00,00,808	84 23,958	18,334	Bird & Co., Private Ltd. ..	1,226	*Union*	125	100	6 0	6 0	3%11		3.9	H.P.
£400 000	£638,035	£1,124 819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	11	£1	10%	10%	10%	1 0f	3.9	H.P.T.
2,50,000	6,85,000	55,96,982	40,23,991	14,518	McLeod & Co., Ltd. ..	457	Waverley	3½	1	0 1	0 8	0 3		12	Y.P.
														6.12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20½	10	1 0	1 5	1 6		3.9	H.
12,00,000	8,52,573	38,78,477	36,13,477	22,704	Jardine Henderson Ltd. ..	Bararee Coke	18	10	1 6 2/5	1 7 1/5	1 7 1/5		3.9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee ..	6N	10	0 12	0 12			3.9	H.
1,00,00,000	1,40,49,223	5,91,92,014	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	44½	20	32 8*	30 0*	35 0*		6.12	H.
2,25,000	4,22,669	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	15	10	*Nil*	*Nil*			4.10	H.P.
13,97,000	4,73,358	30,70,192	22,77,364	13,498	H. V. Low & Co., Ltd. ..	Bhalgora	6½	10	0 8				6.12	H.P.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries ..	61fxd	10	0 12	0 10	0 10		9	Y.
7,15,000	15,11,080	52,62,558	37,38,500	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulanbararee ..	14N	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
10,00,000	10,17,956	85,14,956	39,99,841	—79,106	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur ..	10N	10					6.12	H.
7,50,000	24,29,026	42,39,603	26,53,403	84,207	F. W. Heilgers & Co., Ltd. ..	Borrea	21	10	2 12	2 0	2 0		6.12	H.
90,92,480	1,75,17,502	4,10,21,370	1,85,17,846	1,15,376	Bird & Co., Private Ltd. ..	Burrakur	21½	10	2 12	2 0	2 0		6.12	H.P.
49,07,750	....	42,33,440	7,80,000	9,987	Hindustan Investment Corpn., Ltd.	Central India ..	6½	10	0 12	0 8	0 10		6.12	H.P.T.
8,00,000	13,54,302	49,10,414	32,83,954	82,768	M.	Central Kurkend ..	12N	10	0 4	0 4	0 4	0 8	3	Y.
6,00,000	1,43,676	7,24 436(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churlia	2½	4	0 2				6.12	H.
18,00,000	....	53,81,794	29,81,276	—1,85,319	Macneill & Barry Ltd. ..	Dhemo Main ..	7½	10	*Nil*	0 2	0 10		6.12	H.
£10,000	£380,553	£970,695	£731,579	£58,922	Jardine Henderson, Ltd. ..	East Indian ..	21fxd	10	2 8	2 8	3 0	2 8	6.12	H.T.
2,63,760	63,55,040	4,04,51,377	2,89,25,605	82 379	Macneill & Barry Ltd. ..	Equitable	24½	10	1 8	1 8	1 8		4	Y.
2,00,000	2,15,000	10,76,864	7,80,000	11,273	Bhatter's Agency Ltd. ..	Ghusick and Muslia ..	14N	10	0 8	0 8			6.12	H.P.T.
12,00,000	1,22,000	41,35,247	23,43,143	1,144	Killick Industries Ltd. ..	Himgir-Rampur ..	41½	50	3 0	*Nil*	2 4	2 4	3	Y.
8,00,000	7,25,000	22,07,121	18,89,341	45,945	*Macneill & Barry Ltd.* ..	Hurrifadih	21	10	1 8	1 12	2 8		6	Y.P.
22,00,000	1,12,000	24,74,412	6,18,546	—5,57,293	Bhatter's Agency Ltd. ..	Jhanjrak Trust Ltd. ..	2½	10	*Nil*	*Nil*			6.12	H.
3,50,000	3,45,579	13,34,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Jogta Coal	2½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
20,00,000	1,77,175	28,89,683	4,65,140	6,065	Bird & Co. Private Ltd. ..	Kalapahari	18N	10	2 12	*Nil*	*Nil*		2.8	H.
5,00,000	16,60,000	46,77,533	36,47,985	1,33,474	Andrew Yule & Co., Ltd. ..	Karanpura Collieries ..	105	100	*Nil*	*Nil*	2 8	5 0	2	Y.P.
1,38,400	5,72,593	12,85,941	5 72,960	—2,60,236	Beriwala & Co.	Katras Jheriah ..	56½	10	4 0	4 0	5 8		1.7	H.
11,60,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd. ..	Khas Kajora	24N	10	*Nil*	*Nil*			6.12	H.P.
9,00,000	11,86,413	28,99,268	22,97,987	2,255	H. V. Low & Co., Ltd. ..	Kunardi	4N	10	*Nil*	*Nil*			6	Y.
7,43,240	2,60,993	13,11,298	9,06,219	81,201	Tantia Brothers Ltd. ..	Lakurka	10N	10	0 8	0 4			4	Y.
7,00,000	26,617	10,33,740	5 20,245	4,500	Martin Burn & Co., Ltd. ..	Nazira	6½	10	0 8	0 8			4	Y.
17 76 200	20,01,763	1,19,78,853	88,03,066	94,383	Andrew Yule & Co., Ltd. ..	New Bandeopur ..	9N	10	0 12	1 4	0 8		6.12	H.
6,00,000	75,000	33,00,471	21,20,197	70,222	Octavius Steel & Co., Ltd. ..	New Beerbhoom ..	16	10	1 0	1 2	1 0		3.9	H.
1,13,000						New Manbhoom ..	10½	10	*Nil*	*Nil*	*Nil*	*Nil*	4.10	H.P.
1 57 500	2,85 193	13,07 219	8,64,731	15,950	Andrew Yule & Co., Ltd. ..	North West	17N	10	0 4	*Nil*	1 6	0 12f	3.9	H.
7,50,000	12,21,353	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	16N	10	0 8	*Nil*	1 0½	0 9f		
10,00,000	1,10,000	39 70 662	17,99,658	3,809	K. C. Thapar & Bros. ..	Oriental Coal ..	8½N	10	0 6	0 8			6.12	H.P.
8 34,000	10,00,000	17,52,137	8,30,795	8,018	Deepchand Kishenlall ..	Parasea	14N	10	0 4	0 12			12	Y.T.
15,75,000	16,00,000	47 70 275	83,30,275	33,343	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	10½	10	1 10	1 10	1 8		6.12	H.P.
13,50,000	20,17,105	1,24,35,583	87,36,104	23,188	B. N. Elias & Co., Private Ltd.	Raneegunge ..	10½	10	*Nil*	*Nil*	0 10		2.9	H.
20,00,000	53,35,765	35,36,765	27,73,784	28,521	Shaw Wallace & Co., Ltd. ..	Rowa	21½N	10	2 0	1 6	0 14	0 6	3.9	H.
2,50,000	3,90,000	44,28,555	18,79,178	2,20,175	Jaipuria Sons Ltd.	Samla Collieries ..	14N	10	0 8	0 12	1 0		6.12	H.
2,80,000	8,36,098	29,99,490	19 07,296	40,299	M.	Seasole	5N	10	0 10	0 10	0 12		12	Y.
8.00 000	5,31,239	....	52,491	28,857	Andrew Yule & Co., Ltd. ..	Seebpore	2½xd	7	1 12	2 0	2 0		1	Y.
63,21,450	23,77,474	4,72,97,817	3,17,80,286	7,393	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9N	10	*Nil*	0 2	0 4		6.12	H.P.
					Industrial Trust Fund (Government of Hyderabad)								6.12	H.T.
17,50,000	10,84,016	37,86,103	15,14,990	—51,533	Bird & Co. Private Ltd. ..	Singareni	11½	10	*Nil*	0 11 1/5	0 12		12	Y.T.
8,00,000	13 69,395	1,69 570	26,510	17 347	F. W. Heilgers & Co. (Private) Ltd.	South Karanpura ..	9½	10	0 4	0 2	0 2		2.8	H.
10,00,000	12,930	30,92,229	18 43,502	—4,07,745	Villiers Ltd.	Standard	20½	10	2 0	1 8	1 0		6.12	H.
3,50,000	2,46,000	20,47,944	13,85,044	—9,659	Williamson Magor & Co., Ltd.	Talcher	2½	10	*Nil*				9	Y.
49 93,000	67 084	55,06,550	22,00,000	7,292	Hindustan Investment Corpn., Ltd.	Union	13½	10	1 12	0 12	*Nil*		6.12	H.
7,00,000	21,569	56,46,371	23,81,698	—1,46,650	Macneill & Barry Ltd. ..	Western Bengal ..	5½	10	0 6	0 6	0 8	0 8	3	H.
						West Jamuria ..	11	10	*Nil*	*Nil*	*Nil*		6.12	H.

M—Managed by the Board of Directors. ‡ Less income-tax. z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(i) Made up of an interim dividend of Re. 1-12 per share on 1 20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (e) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

SURVEY

(*Concluded from page 7*)

out of proportion to the cost of manufacture. Secondly, the Government feels it necessary to take steps, perhaps, to control imports in a manner in which it will not normally do, in view of the necessity to keep the economy on an even keel, but it is prepared to do so because of foreign exchange considerations. The Government, therefore, feels that every possible step has to be taken to ensure that matters do not get out of hand.

Moving the Bill for consideration in the Lok Sabha, Mr. Krishnamachari declared that the Bill was essentially a precautionary measure and that the main purpose was not to gather revenues, though, incidentally, it was so. He made it clear that the Bill was intended to operate only for a period of one year. In this connection, he assured the House that the measure would not be used in the case of cotton cloth or art silk yarn; it would not also be used in respect of other commodities, if their supply was co-terminus with the demand for them. In any case, it was not the Government's intention, Mr. Krishnamachari observed, to allow the multiplier effect to operate. Elucidating this point, he said: "If I raise the duty on commodity X by 50 per cent. and, then, if I say it is again increased by 50 per cent., it is not that, instead of being 150 per cent., it will be increased by 50 per cent. of 150 per cent., that is, it will become 225 per cent. and so on. It will not be so. It will only be an increase by 50 per cent. in the aggregate, and n

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,42,652	Allahabad Bank	352	100	18 0	18 0	18 0	9 0	12	Y.P.
14,50,000				176	50	9 0	9 0	9 0	4 8		
1,01,000	15,40,000	2,46,650	Andhra Bank	120	100	6 8	7 8	6 8	3 12	6,12	H.
33,55,000				80	70	3 4	3 12	4 8 4/5	2 10		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	99½	50	6 0	6 0	6 0	3 0	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	22½	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,52,00,000	13,26,630	Bank of India	138½XR	50	7 0	7 0	8 0	3 0	6,12	R.L.Y.
15,30,375	2,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	39½	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	251	100	16 0	16 0	16 0	8 0	12	Y.
61,21,700	58,73,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		6	Y.T.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 8		12	Y.P.
2,62,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd.	51½	25	3 0	3 0	3 0	1 8	12	R.L.Y.
52,42,375 'A'				55½	25	3 0	3 0	3 0	1 8		
50,00,000	31,00,000	1,76,386	Devkaran Nanjee Banking Co.	43½	50	2 0	2 0	2 8	1 4	12	Y.
1,50,00,000	1,00,00,000	26,77,148	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	26,00,000	1,66,278	Hind Bank	34½	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9½	50	*Nil*	*Nil*			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	13	50	*Nil*	*Nil*			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	6 0	5 0		9	Y.
24,00,000	79,75,000	1,45,140	Indian Bank	199	100	12 0	12 0	12 0	6 8	6,12	R.L.H.
18,00,000				105	95	10 3½	10 3½	10 12½	6 2½		
18,20,000				147	70	7 3½	7 3½	7 12½	4 5½		
49,19,575	80,00,000	2,28,299	Indian Overseas Bank	143½	100	6 0	6 0	7 8		12	Y.
2,25,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	*Nil*	*Nil*			3,12	H.
6,50,000				10½	25(B)	*Nil*	*Nil*				
10,00,000				20	50(C)	3 0	*Nil*				
87,50,000	97,50,000	2,35,108	Punjab National Bank	85	50	2 8	3 0	3 8	2 0	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	17½	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	7‡	5	0 5½	0 5‡	0 6		12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	54	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank	£1-14-6	£1	14†	15†‡	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6‡	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	£92	H.K. $125	5*	5*	5*	2*‡	12	Y.
$18,565,070 'A'	£15,000,000	£558,006	Lloyds Bank	£2-10-9	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A'				£5-18-0	A £2‡	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£3-18-0	B £2‡	14†	14†	14†		12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†			
£2,351,563	£3,104,687	£342,158	National Bank of India	£1-0-6	sh. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96‡	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1956
20,00,000	4½	30 th June and 31st December	Burrakar Coal Co.	1947	91½	30th June .. 1967 (a)
50,00,600	5‡	15th June and 16th December	Equitable Coal Co.	1953	100	14th December .. 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March .. 1972(a)
13,68,000	5½		Jayshree Textiles	1949	90N	1st January .. 1956-59
89,90,000	5	1st June	Tata Mills	1951	100	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
2,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	99½	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
13,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(a)
4,25,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September .. 1953-63
5,00,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1958-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1stJuly .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		90½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	101½	1st July .. 1957-62
41,146,600	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	97	31st December .. 1966(‡‡)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	99‡	31st December .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97½	31st March .. 1969
4,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1962
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1940	90	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1969(a)
2,56,000	5	15th January and 15th July	Empire	1951	94‡	15th July .. 1966(a)
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92‡	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	97½	31st March .. 1970
25,00,000	5	30th June and 31st December	Khinkon Jute Mills Co., Ltd.	1949	96‡	31st December .. 1964(a)
25,60,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1967(a)
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1941	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965(a
8,00,000	4‡	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4‡	30th June and 31st December	Union	1937	90‡	30th June .. 1957
10,00,000	8‡	31st January and 31st July	Waverly	1925	87½	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1954
£350,000	4‡	1st January and 1st July	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77‡N	1st October .. 1974
6,50,000	3‡	30th June and 31st December	Katakhal- Lalabazar Railway	1945	90‡	31st December .. 1959(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	Any time on six months notice (a)
4,33,28,697	4‡	1st March and 1st September	Scindia Steam Navigation	1949	96	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102‡	1st July .. 1957-63
12,50,000	6	1st March and 30th September	Nilgiri Tea		100‡	1st April .. 1958-66
1,89,700	5½	31st March and 30th September	Teekoy	1944	100	31st March .. 1940-59†
MISCELLANEOUS						
16,00,800	6	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
20,80,860	4‡	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1946	100‡	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October .. 1970
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1916	92	1st February .. 1964
19,95,000	4‡	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89‡	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100	1st January .. 1971(a)††
1,00,00,000	5‡	1st January and 1st July	Indian Cable Co., Ltd.	1954	103‡	30th June .. 1969(a)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1940	95‡	 1966
88,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	98	30th September 1976(a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470	31st December .. 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 80N	1st April .. 1971
1,50,00,000	5‡	30th June and 31st December	National Rayon	1955	101‡	30th June .. 1965-70
1,00,000,00	5‡	31st March	Orient Paper Mills Ltd.	1951	96‡	31st March .. 1961(a)
1,00,08,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5‡	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101‡	1st May .. 1968(a)‡‡

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 3rd January, 1957.

—	Closing quotations 22-12-1956	High	Low	Closing quotations 3-1-1957
TETXILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	180	—	—	180
Apollo (2)	2-9½	2‡	2-9½	2-9½
Bombay Dyeing (250)	981‡	986½	955‡	956‡
Bradbury (50)	210‡	—	—	210‡
Central India (100)	128	127	126	126
Century Mills (100)	515	511	502	502‡
Colaba (100)	90	90	85	85‡
Edward Textile (200)	310	—	—	310
Elphinstone (50)	50‡	—	—	50‡
Finlay (100)	310	310	304‡	304‡
Gokak (100)	221‡	223‡	220	221
Ind. Untd. Defd. (1)	1-14‡	1‡	1‡	1‡
Ind. Untd. Ord. (10)	11‡	11-7‡	11-0‡	11-0‡
Indore Malwa (100)	139‡	140	138‡	139‡
Khatau (100)	230	—	—	229‡
Kohinoor (100)	321	322‡	317‡	317‡
Lakshmi (250)	687‡	686‡	678‡	681‡
Madhusudhan (100)	113‡	—	—	113‡
Minerva Mills (100)	90	—	—	90
Model Naspur (250)	173‡	—	—	169
Morarji (100)	261‡	—	—	261‡
Mysore (50)	106‡	—	—	106‡
National Rayons(100)	242‡	243‡	238‡	239‡
New City (100)	147‡	—	—	147‡
New Great (100)	245	—	—	245
Phoenix (100)	145	—	—	142‡
Podar Mills (100)	165‡	166‡	165	165‡
Sassoon Stk (10)	17	—	—	16‡
Sassoon Spg. (10)	39	—	—	39
Sholapur (1,000)	1,590	—	—	1,590
Shrinivas (100)	106‡	—	—	106‡
Simplex (500)	182‡	195	190	192‡
Standard (100)	182‡	183	181‡	182
Svadeshi (100)	447‡	447‡	441‡	442‡
Swan (100)	232‡	233‡	228	228‡
Tata Mill (25)	411‡	—	—	411‡
Vishnu (100)	50	49‡	48	48
Western India (1,000)	138‡	—	—	140
	5,125	—	—	5,125
BANKS				
Bank of India (50)	140	139	137‡	137‡
Bank of Baroda (50)	100‡	99‡	98‡	99
Central (25)	51‡	52‡	51‡	51‡
Central 'A' (25)	55‡	55‡	55	55‡
Dena Bank (50)	43‡	—	—	43‡
Punjab National (25)	51	—	—	50
Union Bank (5)	7‡	7‡	7‡	7‡
United Com. (50)	54	54	53‡	53‡
ELECTRIC COS.				
Ahmedabad (100)	93‡	93‡	92‡	92‡
Amalgamated (10)	11‡	—	—	11‡
Andhra Valley (1,000)	1,210	1,208‡	1,206‡	1,206‡
Bom. Sub-El. (100)	107‡	108‡	107‡	107‡
Surat (100)	110	110	108‡	109
Tata Hydro (100)	123	122	120	122
Tata Power (1,000)	1,237‡	1,237‡	1,225	1,225
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	350	—	—	350
Ind. Mercantile (20)	41	—	—	41
Jupiter (15)	6‡	—	—	6‡
New India (15)	43‡	43‡	42‡	42‡
Oriental (200)	3,640	3,655	3,640	3,655
Universal (10)	11‡	—	—	11‡
Vulcan (10)	15‡	—	—	15‡
STEEL COS.				
Ind. from (10)	-	-	-	-
Tata Steel Ord. (75)	28-11‡xd	28‡	27‡	28
	173‡	173	171	171‡
SUGAR COS.				
Belapur (50)	241	242‡	241	241
Bhopal (10)	16‡	—	—	16‡
Phaltan (50)	149	145	143‡	143‡
Walchand Ind. (100)	260	260‡	258‡	260
CEMENT COS.				
Associated Cts. (100)	180‡	188‡	182	182‡
Digvijay (100)	154‡	153	151‡	151‡
MISCELLANEOUS				
Alcock Ashdown (100)	270	265	263‡	263‡
Bom. Burmah (125)	677‡	677‡	655‡	655‡
Do. (New) (50)	243‡	—	—	239‡
Br. B. Petrol (4 sh.)	2‡	2-14‡	2‡	2‡
Br. I. Corpn. (5)	8‡	9	8‡	8‡
C. P. Rly. (100)	78	—	—	78
Indian Copper (2 sh.)	3-9‡	3-12‡	3-10‡	3-10‡
Ind. Inv. Tr. (100)	69‡	70	69‡	70
Kemp (200)	198‡	—	—	198‡
Killicks (100)	166‡	166	165	165
Folson (100)	165	—	—	165
Fort Canning (100)	7‡	—	—	7‡
Frenston Com. (30)	190	190‡	185‡	185‡
Scindia (20)	18-9‡	18-12‡	18-7‡	18-7‡
G. E. Shipping (10)	17‡	17	17	17‡
Shivtarpur (10)	88	87‡	86	86
Tata Chemicals (10)	16‡	16‡	16‡	16‡
Tata Locomotive (100)	165	166	162‡	162‡
Tata Oil (25)	45‡	45‡	44‡	44‡
W. I. Match (100)	165	166‡	165	165‡

GOVERNMENT SECURITIES	22-12-1956	Earlier Redemption	Later Redemption	3-1-19
		Gross Yield		
	Rs.			Rs.
2½% 1961	98‡	—	4.12	98
2½% 1960	98‡	—	3.89	98
2½% 1962	98‡	—	3.95	98
2½% 1976	83‡	—	4.03	83
3% 1957	99‡	—	3.88	99
3% 1958	99‡	—	3.27	99
3% 1959-61	97‡	3.75	3.55	97
3% 1964	94‡	—	3.86	94
3% 1963-65	94‡	3.96	3.94	94
3% 1966-68	93‡	3.93	3.86	93
3% 1970-75	86‡	4.25	4.03	86
3% 1966 Con. Loan	73	—	4.11*	73
4% 1969-70	100‡	3.83	3.94	100
4% 1968-69	102‡	2.95	4.22	102
3½% 1961 N.P. Bonds	99‡	—	3.70	99
3½% 1964 N.P. Loan	98‡	—	3.80	98
3½% 1965 N.P. Loan	98‡	—	3.75	98
3½% 1962	97‡	—	3.70	97
3½% 1967 N.P. Bonds	98‡	—	3.70	98
3½% 1974	98‡	—	3.87	98

BRITISH GOVERNMENT SECURITIES

	Closing quotations 21-12-1956 £			Closing quotations 1-1-19 £
2½% Brit. Consols	51‡xd	—	—	52‡
3% Savings Bonds 1965-75	73‡	—	—	74‡
3% War Loan 1955-59	94‡	—	—	95
3½% War Loan	69‡	—	—	70‡
4% Victory Bonds 1976	91‡	—	—	91‡
4% Funding 1960-90	86‡	—	—	87

*Current Income. x.d.—Ex-dividend. **Rupee Coun
x.r. Ex-Right.

COMMERCE

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

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SERMON OR SOCIALISM?

IN less than two months from now, the Indian people will be going to the poll to elect a new Government. It will be the second General Elections after India became an independent Republic about seven years ago, on 26th January 1950 to be precise. It is a unique occasion in the history of the free world, because India is the greatest democracy in the world. Almost all the parties have published their election manifestos. The Congress has the largest backing of the people and is, therefore, in power. The others who are in the Opposition are the Praja Socialists, the Communists, and the Jan Sangh. Of these three, the first two have established connections all over India, while the third is not even known south of Hyderabad-Deccan. Unlike in the last elections, the splinter groups have practically ceased to exist, though there are rumblings in Bihar and the Punjab. It looks as though there will be fewer independents than in 1952, not a welcome development in the present Indian conditions. Excepting for a solitary instance in the Madras State, no new parties have made their appearance on the scene. The exception in Madras is provided by a group of individuals drawn from small holders of agricultural land and merchants of limited means. These people feel that the Congress Party is carrying its land reform and other economic policies so far as to affect the individual freedom adversely and to create a new class of unemployed. It is a courageous move, worthy of emulation by all those who believe in the philosophy of free enterprise, but it remains to be seen to what extent it will succeed.

From the economic angle, the election manifesto of the Congress Party is better than that of any other major parties. There is not much difference between the Congress and Socialist Party manifestos, the Congress having moved further towards the left. Only, the Socialists are more outspoken than the Congress in regard to such matters as nationalisation and taxation. Both, however, pay only lip sympathy to private enterprise, the Congress in a more subtle manner than the Socialists. The Communist Party has changed its mantle but not its spots. Under its regime, there can be no real democracy and no scope for free enterprise, though it may talk about these things. The Jan Sangh says that it is a firm believer in free enterprise and is of the view that the burden of taxation should be reduced so as to give more incentive. But, in the same breath, it talks of a ceiling of Rs. 2,000 to individual incomes. In trying to outdo the Congress in its socialistic and democratic objectives, these parties have drawn up their manifestos in a manner which is far from convincing. The Congress has stolen the thunder of the Socialists; the Communists, in view of their past actions and of their known allegiance to authoritarian rule, appear ridiculous when they swear by democracy and offer scope for private enterprise. The Jan Sangh does not count much and is alleged to be communal in its outlook. Thus, in the absence of any other realistic party, the Congress is the only party worthy of support and seems to be fully assured of a resounding victory in the forthcoming elections.

This does not mean that the election manifesto of the Congress Party is perfect in every respect. While it makes fascinating reading taken as a whole, parts of it are too idealistic to be practical. This is particularly so in regard to economic objectives. And failure to realise them will seriously affect the future of the Congress Party, as it will lead to disappointment and cynicism among the people. It would have, therefore, been better for both their party and the country as a whole, if the Congress leaders had borne in mind that, basically, the Indian people are no different from those elsewhere in the world, that they have all the weaknesses of a human being, and that centuries of preaching and sermonising by eminent sages, philosophers and politicians have not transformed them into a nation of angels. The vast majority of them is as materialistic in their outlook as people in other lands and need the same incentives for working hard and raising the wealth of the nation as their confreres do in the rest of the free world.

One of the complaints against the Congress Party's economic policy is that it is very vague and extremely flexible. It has not, for instance, defined its socialism. Such a definition is necessary, especially because it has repeatedly stated that the type of socialism it has in mind is different from that tried elsewhere in the world. Some attempt has been made by the Congress Party in its latest election manifesto to convey what it means by socialism, but this explanation does not throw any fresh light, as will be seen from the following relevant extract of the manifesto:

"Socialism does not merely signify changes in the economic relations of human beings. It involves fundamental changes in the social structure, in ways of thinking and in ways of living. Caste and class have no place in the socialist order that is envisaged by the Congress. It is important, therefore, that these new ways of thinking and of living should be encouraged, and old ideas about privilege on the basis of birth or caste or class or money, or the hierarchy of office, should be discarded. Men should be judged by their labour, their productive and creative efforts, and their services to society and humanity. The dignity of labour should be recognised, as well as the dignity of the individual in every grade of life.

"The socialist order is a way of life based on the people and not merely on the effort of Government. It is in the measure that the people develop their strength, their discipline, their capacity to work and their co-operative activities that socialism comes into being. Governments derive power from the people and reflect that power as well as the other urges of the people. In economic relations, there should be no exploitation and no monopolies, and disparities in income should be progressively lessened. A national minimum in the general standard of living should be aimed at, so that everyone has the necessaries of life and the opportunity for education, for maintaining his health and for productive work."

If the foregoing broad objectives constitute the socialism which the Congress has in mind, it is not something with which one can disagree; for they only emphasise the widely accepted moral and ethical codes for the conduct of modern man. But it is the means adopted to achieve the economic, as distinct from the social, ends that are important. And it is in this respect that the manifesto is vague. The actions of the Government in the last two years in the name of socialism have also been such as not to inspire confidence in the future.

When Mr. Nehru was asked to define socialism in more precise terms, he clearly stated: "I do not see why I should be asked to define socialism in precise, rigid terms, when it is something which should not be rigid." He declared that socialism could be of many varieties and the socialism of an agricultural country like India had to be somewhat different from the socialism in highly developed industrial communities. He then went on to add that a mere Welfare State was not a socialist State nor all socialist States were Welfare States. What he was aiming at was a socialist-*cum*-Welfare State, by which he meant that people should not be acquisitive-minded. In simple language, all this means that people should not go on amassing wealth; they should give up this tendency and develop a spirit of service and co-operation. There is nothing new in all this which sounds more like a sermon from a philosopher or a religious teacher than an economic policy propounded by the head of a State. As already stated, this kind of preaching has been going on for ages, without making any material change in the basic characteristics of man. It must, however, be said to the credit of Mr. Nehru that he is fully conscious of the difficulties in the way of reforming the society to the pattern described above. But he is determined to do it, with the courage of a man who is fully convinced that he is right. It remains to be seen whether he will succeed where others have failed.

The Congress has declared and Mr. Nehru has reiterated that the socialist structure of society should be achieved only through legitimate democratic and peaceful means, with the co-operation of the people. That makes the task more difficult than in totalitarian countries. Mr. Nehru has, therefore, warned the people not to expect socialism to be fully and firmly established overnight as it were. He reckons that it will take ten or twenty years, nay, even more, to reach the goal set before the country. This observation is in keeping with his repeated statement that the change in the structure of the society should be gradual, without evoking any violent opposition that would retard progress and needlessly dissipate people's energies. While this approach is commendable, it is open to question whether the manner in which many legislations of far-reaching significance are nowadays rushed through Parliament and State Legislatures packed with a docile majority of Congress men is in consonance with the spirit of the socialist society outlined above. In our view, the pressure tactics adopted by the party in power whenever such enactments are to be passed are inconsistent with it. They amount to coercion and not co-operation freely given by the interests affected.

On the subject of private enterprise, the Congress manifesto observes that "it is not intended to nationalise the existing private industries, except where such is considered necessary in terms of planning or where they occupy a strategic position in the economy of the country. Private industry will be encouraged but always in the context of the Plan." This statement, too, is rather vague, for the qualification is of such a general nature that the Government can take over any industry in the private sector at any

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time it likes. It supports the widely held impression, both in India and abroad, that private enterprise is being just tolerated as though it is an evil to be discarded as early as possible and not as an essential feature of democracy. The persistent refusal of the Congress Party to recognise private enterprise as a fundamental requisite of democracy is the most disturbing part of its economic policy. It is amazing that a party consisting of many enlightened thinkers and liberal minds should be unable to see that in a country, where the State owns the means of production on an extensive scale and exercises detailed controls over the rest of the economic activity of its people, bureaucracy will flourish and democracy will languish. Such a state of affairs will soon end in State capitalism, which by no stretch of imagination can be called democracy, and ultimately in authoritarian rule. That is the lesson of history and it is hard to believe that history will not repeat itself in India, despite the assurances to the contrary by a democrat and thinker like Mr. Nehru. A little imagination is sufficient to show how vast would be the bureaucracy in India ten years hence, if all the major industries and a large portion of the trade that are now planned were to be in the hands of the public sector, and how easily political opposition could be killed. The fact that the vast majority of the Indian business community is even now afraid of opposing the party in power in the elections, though it is the main critic and sufferer of the latter's economic policy, is a significant pointer to the future.

BHARAT ELECTRONICS

ALTHOUGH the science of electronics, like many branches of modern engineering, commenced with a modest invention in the shape of radio valves in 1904, it has had an astonishingly rapid career, thanks to the impetus given by the Second World War. Electronics is now a major engineering industry and bids fair to become a key industry for a whole group of industries manufacturing a wide range of equipment used in nuclear research, electro-therapy, air-navigation, machine tool industry and defence industries. In India, the benefits of the science of electronics are, perhaps, less well understood than they should be. In any case, their development on commercial lines has been attempted only on a modest scale—and that, too, only recently. The Government-sponsored Bharat Electronics Ltd. is still the only significant effort in India in a field in which other countries are miles and miles ahead of this country.

There may be little use in raking up old issues. But it is difficult to avoid the impression that the course of the electronics industry might have been different if the Government, in 1948, had not held that manufacture of wireless apparatus (excluding radio receiving sets) should be the exclusive responsibility of the Government of India. This passion for possession of industries, nascent as well as unborn, has induced the Government to include, under the Industrial Policy Resolution, 1956, telephones and telephone cables, telegraph and wireless apparatus (excluding radio receiving sets) under the public sector. From the overall national point of view, there is perhaps no great loss, if the Government at least carries out expeditiously enough its self-imposed responsibility for the electronic industry. But actual events show that it is far from making the progress one would expect from it. After years of wearisome discussions, consultations and blue-printing, the Bharat Electronics has just begun to make a little headway, and the equipment it produces is reputed to be three times as costly as the imported counterpart.

Having decided, in 1948, that the manufacture of wireless equipment (excluding radio receiving sets) should be in the public sector, the Government soon set up an exploratory committee to advise it on the steps to be taken to establish an electronics industry. After examining the project reports received from certain foreign firms, the Committee delegated the detailed consideration of these reports to a technical sub-committee in 1950. The sub-committee recommended collaboration with the French firm, C.S.F. Two years elapsed before the Cabinet took a decision on the project. This was followed by the signing of an agreement, in December 1952, for obtaining collaboration and assistance of the C.S.F. for a period of 10 years. An additional two-year period elapsed before the Bharat Electronics (Private) Ltd. was set up in April 1954, with an authorised capital of Rs. 10 crores. It thus took as many as six years for the Government to give its "electronic" idea a concrete shape.

The objectives of the B.E.L. are as wide and varied as they possibly can be. The B.E.L. is expected to design, develop and progressively manufacture electronics equipment, such as transmitters, transreceivers, oscillators, amplifiers and radar x-ray machines, surgical and other appliances and instrument intended for electro and therapy treatment and to undertake the manufacture of specialised electronic components, including valves. The C.S.F., which is to aid the B.E.L. in its manufacturing programme, is to receive Rs. 53 lakhs over a period of 10 years, besides receiving royalties at a graded rate depending on production of equipment patented by the C.S.F. in France; actual payments made so far amount to Rs. 18 lakhs. An exhaustive report on the working of the B.E.L. by the Estimates Committee, which was recently published, reveals that the agreement with the C.S.F. is "working satisfactorily." Nevertheless, the Committee has emphasised that a "true opinion" can be expressed only when the manufacturing programme, in terms of the agreement, has been fulfilled. The revised manufacturing programme (excluding three or four radar sets that may be assembled) for 1956-57 and 1957-58 is as follows:

(In numbers and cost—Rs. in lakhs)

Receivers Universal R.U.—676 (Rs. 27); 400 Watts Transmitter E.T.—304 (Rs. 121); V.H.F.—20 and 10 Watts Transformers—300 (Rs. 15); H.F. 30 Watt Transreceiver—300 (Rs. 18); 50 K.W. S.W. Broadcast Transmitter—3 (Rs. 16); Rawin Transmitter 20,000 (Rs. 5); WSP—120 (Rs. 2.4); 50 Watt H.F. Transmitter—62 (Rs. 4); and miscellaneous equipment such as consoles—(Rs. 2)—Total (Rs. 210).

A rough index of the immense scope there is for the expansion of an industry manufacturing wireless components is furnished by the size of the imports of such components into India. During 1953-54, 1954-55 and 1955-56, imports of such equipment aggregated Rs. 83.94 lakhs, Rs. 96.51 lakhs and Rs. 1.61 crores; these figures show how imports have progressively increased. An assessment of the manufacturing programme of the B.E.L. against this background reveals certain disquieting features. In the first place, the B.E.L. does not manufacture valves, which, as the Estimates Committee points out, are "almost the core of electronics." The Committee has rightly emphasised that negotiations for the manufacture of valves in India should be expedited and production undertaken at an early date. Secondly, it is not clear whether any concerted attempt has been made to manufacture or to get manufactured a larger percentage of components required by the B.E.L. It would appear that, in the second year of production, purchases of raw materials and components will amount to Rs. 120 lakhs, of which imports will amount to Rs. 106 lakhs or about 90 per cent. of the purchase. Thirdly, the overall utilisation of machinery at present is stated to be only 11.17 per cent., out of a total of 77 machines installed so far. The Committee has pertinently stressed the need for "careful advance planning," in order to avoid a situation where machinery is allowed to lie idle for long periods.

Above all, the wireless equipment of the type manufactured by the B.E.L., according to the Estimates Committee, is available in India at "perhaps one-third or half the selling price charged by the B.E.L." The Committee regrets to observe that the prices charged by the B.E.L. should be "so exorbitant", especially in view of the fact that imports by the B.E.L. are permitted at a concessional customs duty of 2⅜ per cent. *ad valorem*, as compared with the normal duty of 31½ per cent. The audit report on Defence Services for 1956 has also referred to the fact that consumers are "reluctant" to pay the high prices charged by the B.E.L., inasmuch as "imported equipment, which will serve their limited purpose, could be obtained at much lower prices." No satisfactory explanation for the divergence in the manufacturing costs of the B.E.L. and those of imported equipment is available. It is perhaps, too much to attribute this wide gap entirely to the fact that foreign countries have an established industry with a much wider market at their command. The Committee, on its part, admits that the efficiency of skilled workers in India is only one-half and, in some cases, even one-third of the output of a French worker. But it is unable to "appreciate that this difference in productivity alone accounts for the enormous disparity between the prices of the equipment manufactured by the B.E.L., mostly with imported raw materials and components and of the imported equipment, since ordinarily labour charges account for only 40 per cent. of the expenditure." It has accordingly called for a review of manufacturing costs, purchase procedure, overheads and other aspects of production. It has urged a careful scrutiny of the reasons for the disparity in prices with the help, wherever necessary, of an experienced chartered or cost accountant and a representative of the Comptroller and Auditor-General. It is to be hoped that the authorities will lose no time in ordering such an inquiry.

Since the public sector is expected to expand very rapidly in the near future, it is of the utmost importance that an efficient system of costing should be implemented. Further, the system of costing adopted should, in fact, be more rigorous than what is allowed for the private sector, in view of the fact that the public sector works in a sheltered atmosphere, free from competition. It may be noted, in this connection, that the prices of equipment manufactured by the B.E.L. are fixed on the basis of actual cost of materials and labour and adjusted overheads—to arrive at overhead rates, the expenditure on the factory is estimated as to what it would be when the factory reaches full production—plus ten per cent. for profit. It may be worthwhile investigating how these terms compare with those allowed for certain controlled industrial enterprises in the private sector.

Be that as it may, the Committee has done well to highlight certain general issues relating to control over production costs in State undertakings. At present, the responsibility for laying down an efficient system of costing, it is stated, rests on the management of the State-sponsored industrial unit concerned, though it also falls within the jurisdiction of the statutory auditors and of the Comptroller and Auditor-General of India to review the system during the course of their audit. Moreover, in the Ministry of Finance, there is a cost accounts branch which investigates into production costs in industrial units as and when the necessity arises. After reviewing the position, as it obtains today, the Committee has made an important suggestion. It has urged the extension of the functions of the cost accounts branch of the Finance Ministry. It would appear that the branch has no statutory or other authority to lay down a system of accounts; nor is it required to investigate whether its reports, once they have been submitted, are being implemented. The Committee has suggested that the branch should be entrusted with the specific duties of laying down the system of costing to be followed in each undertaking in the public sector and of conducting systematic concurrent or periodic reviews in regard to the adequacy or otherwise of the cost accounts system. Perhaps, the adoption of this suggestion will infuse into State undertakings a higher sense of "cost awareness" than what apparently prevails today.

In the section dealing with the organisation of the B.E.L. also, the Committee has drawn attention to certain general issues. Since the B.E.L. should take cognisance of the entire needs of the industry in respect of electronics equipment and plan its production accordingly, the Committee has suggested the gradual replacement, to the extent possible, of the officials on the Board of Directors by non-officials, including industrialists, scientists, a chartered accountant, the Director of the Indian Institute of Science or of the Pilani Institute. Indeed, the Committee feels that, even if production by the B.E.L. were to be confined to the requirements of the Government departments only, the Board of Directors should not have an overwhelming majority of officials, since the presence of a large number of officials "invariably tends to bring to the organisation and its functions an official approach of a type which is generally found in most Government departments and to that extent defeats the very object of setting up a private limited company to work on business principles."

Answering a possible objection to its suggestion that it may be difficult to obtain the services of the right type of non-official who can take a genuine interest in the undertaking in which he has no financial stake, the Committee observes that it should be possible to find men who will undertake the work out of "patriotic motives." Here, the Committee is certainly not straining its optimism too far. Surely, if it is possible for officials to work out of patriotic motives, there is no reason why non-officials with similar motives cannot be found. In this connection, the Committee has reiterated the suggestion, made in an earlier report, that at least 25 per cent. of the share capital of State undertakings should be available for subscription by the public. Such a spread of share capital, as the Committee itself points out, would secure public interest and co-operation in the management of State enterprises. It would also enable the authorities to find suitable non-officials on the Board of Directors.

WILL GOVERNMENT PLEASE CLARIFY ITS POLICY ON BONUS SHARES?

CEILING ON INCOMES—COFFEE INDUSTRY—STERLING

THURSDAY, 5 P.M.

MARKET GOSSIP

THE depression in the share markets continues. Fears of serious settlement difficulties have led to distress selling. Encouraging results of banks for 1956 have been ignored. And so also the handsome dividend declared by the Bombay-Burmah Trading Corporation. On the basis of the dividend proposed and at its current market value, the bigger scrip of the Corporation offers a yield of 7 per cent. and the smaller scrip about 8 per cent. Yet, they have not evoked any fresh support. On the contrary, there has been some liquidation. Earlier in the week, the Life Insurance Corporation extended sizable support to steels and selected miscellaneous scrips. This, too, failed to impart any sustained strength to the market. The reassuring statement of an official Spokesman that the compulsory deposit scheme would be applied lightly and without causing any hardship to the companies affected, as well as his interpretation that the Capital Gains Tax would not impose any heavy burden on middle class investors, did not induce any change for the better. Apparently, the market has sunk to such low levels that it cannot lift itself without some positive encouragement from the Government. The Finance Minister could give some relief in the excise duties on cloth and relieve the stringency in the money market which is retarding the free movement of manufactured goods. But, in the present frame of the Government's mind, to ask for any such relief is to cry for the moon. Indeed, the share market ought to be grateful to him for remaining silent, after his continuous attack against private enterprise, in general, and the banking community, in particular, last month.

Since the beginning of this week, cotton mill shares have lost much more than the others. This is due to adverse reports about the profits of mills for 1956. It is stated that due to higher labour charges, heavier excise duty, fall in production in the last four months of the year, drop in internal offtake, and lower price realisation from September onwards, the profits of Bombay mills for the past year will be only about 80 per cent. of those for 1955. There may be some exceptions, of course, as, for instance, Bombay Dyeing. But, generally, the experience of the majority of mills is believed to conform to the aforesaid expectation. It is even wondered whether, with the higher taxes on dividends and the compulsory deposit system, some of them will be able to maintain the dividend for 1956 at the preceding year's level.

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Among textile shares, Centurys and Bombay Dyeings have suffered heavily. From Rs. 581-4 on 22nd December 1956, Bombay Dyeing has dropped to Rs. 543-12, a decline of Rs. 37-8. Similarly, Century has retreated from Rs. 515 to Rs. 481, that is, a loss of Rs. 34. Such a heavy fall in the case of two first class scrips has caused demoralisation among the operators. Many had bought these shares in the expectation of a bonus issue. In the case of Bombay Dyeing, the expectation was mere speculation, whereas in the case of Century it was based on the Directors' proposal made public in the first week of December. The Directors had, of course, made it clear that their decision was subject to the Government's consent. For the past fortnight, reports are circulating in the market that the Government will not allow issue of bonus shares for some time to come or that it will tighten the conditions of such issues in order to make sure that they do not adversely affect its compulsory deposit scheme. No confirmation of these reports are available, but the market is not inclined to regard "no news as good news." On the contrary, its interpretation of no news in this case is the reverse of it.

Here is a development on which the Government can afford to be helpful to investors, without in any way compromising its position in regard to the future. The Finance Minister has already announced, as part of his tax proposals on 30th November last, that there would be no change in the tax on bonus shares for the financial year 1957-58. If the Government has decided to alter the conditions under which bonus issues can be made, it will lose nothing by taking the public into confidence, instead of waiting to give its reply to each applicant individually. The bonus formula which was being followed till the presentation of the new tax proposals is now fairly well known to the public. There will, therefore, be no harm if the public is informed of any change in this formula or in the policy of the Government. As it is not the intention of the Government needlessly to hurt the interests of genuine investors and as professional speculators are exploiting the uncertainty on this point to their advantage, it will be well advised to issue a statement, clarifying the position. We have no doubt that company managements and thousands of investors will greatly appreciate prompt action by Government in this connection.

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The share markets were afraid that, at the Indore session of the Congress Party, there might be some fireworks against the private sector and that the election manifesto approved by the Working Committee might be tilted against this sector further. Fortunately, however, this fear has not materialised. The only change made in the manifesto relates to landless labour. This change is to the effect that suitable action should be taken to improve the economic position and status of landless labour. Attempts made by some members to get the party committed to a ceiling on incomes and to fix a time limit for bringing down the disparity between the highest and the lowest incomes did not succeed. Mr. Nehru was definitely opposed to any such specific commitment on the part of the Congress Party, as it was impracticable. The remarks made by Mr. Nehru on this question were quite realistic and we wish he had displayed the same sense of realism while commenting upon the capitalist society.

Mr. Nehru said that the Government was trying through legislation to prevent the accumulation of wealth in the hands of a few. What was important was not what a man might earn today but *generations of earnings piling up* and creating conditions where a person could earn without working. Unearned income, he remarked, was bad from the socialist point of view and, therefore, the sources of such income should *gradually* be dried up. The Congress Government, it may be noted here, has already initiated steps in this direction. There is already the Estates Duty, the rate of which is bound to be enhanced progressively. The tax on capital gains has just been introduced. It is far more severe than nine years ago when it was first imposed and suspended after being in operation for a short while. A tax on gifts is widely expected; it may come either next month or in May after the General Elections. Since Mr. Nehru refers only to earnings piled up over generations and favours the gradual drying up of sources of unearned income, an annual tax on total wealth does not seem likely, for it will be too drastic a measure.

To revert to Mr. Nehru's observations on ceiling on incomes. After referring to unearned incomes and piled up savings over generations, he characterised the demand that a man should not have more than a specified income a month as totally impracticable and that it could not be done. "You can say, of course," he added, "that every person above a certain income should be taxed 100 per cent. But you will not be able to enforce it and you will encourage all the wrong tendencies of deception, of hiding, of avoidance and all that." Proceeding, he said:

"Apart from this, the question of incentives is important. It is a fact that today we have to pay sometimes Rs. 5 lakhs a year for the services of a foreign expert but he saves us Rs. 50 lakhs or Rs. 100 lakhs in a huge river valley scheme. May be this is only for a short period till our men have learnt the job, but the point is that, in a dynamic society like this, it is very difficult to say what will happen if you take away the incentives to special effort. I have seen in every country I have been to, socialist, communist or other, that, the moment they took away these incentives, they suffered and they had to go back to providing the incentives.

"The real thing is that we should concentrate on providing a minimum standard for everybody. If you attain that automatically, you achieve the other things—20 or 25 or 30 times. (The ratio between the minimum and the maximum levels of income.) It may not come in regard to a few persons but so far as 99.9 per cent. of the population is concerned, it comes. Then, after achieving a minimum for everybody, you can take the next step. So I beg of you to consider these problems in a realistic way."

It will be seen that Mr. Nehru has a correct appreciation of the difficulties and the dangers involved in fixing a ceiling on incomes either directly or indirectly. It is also very refreshing to find that he has a better realisation now than in the past of the importance of incentives to encourage special effort. It is to be hoped that other Congress leaders, particularly the Finance Minister, Mr. T. T. Krishnamachari, will take note of this shift of emphasis in Mr. Nehru's thought and stop deriding profit-motive as something unworthy of a socialist State. It has become a fashion nowadays among most of the Congress men and top Government officials to advise the people to place service-motive before profit-motive, though they have never cared to explain as to how one could render social service, unless one had the wherewithal for it and well provided for one's old age and family against the rainy day. Nothing makes the ordinary man to work hard as the prospect of good material reward, if not immediately, at least in the near future. And 99 per cent. of the people are just ordinary men.

Mr. Nehru's views on capitalism are, however, out of date, based as they are on blind prejudice. He said: "In the olden days, capitalism was an advance (over feudalism), because it undoubtedly added greatly to the wealth of the world by exploiting machines and the like, apart from exploiting human beings. Capitalism did a great deal of good to the world. But society outgrew it or is outgrowing it and, therefore, it is out of date and we think it is injurious and we want a socialist structure basically." These conclusions will not bear detailed scrutiny. Capitalism in the later half of the twentieth century represents a great advance over its predecessor twenty years ago. Given an enlightened and competent Government, capitalism will provide the quickest road to economic progress and attainment of a real Welfare State, and that without endangering the prospects for democracy, a condition which socialism cannot always fulfil. It is not suggested that capitalism is free from defects, but these defects can be kept well under control, if the Government exercises a careful watch over it. In fact, it is one of the fundamental functions of a democratic Government.

The future of the South Indian plantation scrips continues to hang in the balance. Their recent past has been sufficiently discouraging even to the most courageous among investors. A scrip in an agro-industrial sector, like the plantation industry, is no doubt susceptible to changes in weather so that an investor has necessarily to take this uncertain factor into account. But the odds have unfortunately been heavily weighted against him, for it is not the risks of the weather alone that he has to brave but the more uncertain and, possibly, more hazardous risks in the man-made economic weather. The recent publication of the Madras Plantation Award which is now a subject of appeal in the Supreme Court, shook the industry to its roots—a shock from which it has not yet quite recovered. Although the award applies only to the Madras State, it should be clear that it will have its repercussions on plantations in other States also. The outcome of the appeal in the Supreme Court case is naturally enough awaited with more than ordinary interest. Nor is the award the only disturbing factor for the investor. There is the Plantation Enquiry Commission's report, with its numerous and involved recommendations, the precise effect of which on the fortunes of the industry cannot be determined until the Government takes its decisions on the report.

The interests which ought to know their job well have continued to hold that the Commission's report is based upon mis-statements of facts and also carries recommendations which are not calculated to help the plantation industry. A sober appraisal of some of its recommendations on coffee was made by Mr. R. C. Paterson, Chairman of the Consolidated Coffee Estates (1943) Ltd., in the course of his speech at the recent annual meeting of the Company, published elsewhere in this issue. Commenting on the final recommendations of the Commission, Mr. Paterson said that they constituted nothing more than the complete collectivisation of the coffee industry on a co-operative basis—co-operatives for the management of the smaller estates, co-operatives for the curing of coffee, co-operatives for the selling of estate supplies, co-operative warehouses, control over the sale of properties, all managed under the aegis of the Coffee Board. Mr. Paterson added: "Little thought would appear to have been given as to how the Coffee Board can undertake such a colossal programme." It is a pity that the lessons of the failure of the co-operative experiment in agriculture have been entirely lost on the authorities, and that they continue to prescribe larger doses of co-operativisation and regimentation. Whatever might be the efficacy of these prescriptions for other agricultural activities—they seem to have none—they are particularly unsuited for an export industry like the plantations. Surely, the Government will do well not to insist on the plantation industry experiments in organisation, the value of which has not yet been proved beyond doubt in other spheres of agriculture.

A criticism levelled against plantation companies by the Commission is that they have wasted their reserves on unremunerative assets such as buildings and not on actual land from which their revenue is derived. One would think that the accusation was absurd on the very face of it. For it tantamounts to saying that owners of estates do not know their own interests and would be willing to waste their money on things which do not yield revenue. In point of fact, the position, as Mr. Paterson said, is very different and far more reassuring. He said that houses were needed to accommodate the workers who cannot otherwise look after the property in the gardens—by the way, is it a sin to provide houses for workers in a socialist pattern of society?—that water-supply had to be provided for with a view to spraying *arabica* estates and that godowns and manure sheds were vitally necessary on the plantations. Expenditure on these items cannot, by any stretch of imagination, be called "unremunerative."

The Commission, in its anxiety to do a good turn to the industry by facilitating replanting, has devised a scheme by which the industry will finance its replantation programme. A special fund will be created with a compulsory contribution of Rs. 37-8 per acre per annum to be surrendered to the Coffee Board which will be refunded as and when replanting takes place. This is, perhaps, a variation of the "compulsory deposit" scheme, introduced along with the tax proposals on 30th November last. We do not know whether the Finance Minister took the cue from the Plantation Commission which had submitted its reports on tea and coffee well in advance of his now famous tax proposals. What is clear is that may be, Mr. Paterson rightly emphasised that the scheme lacked a sense of realism. He said: "The building up of a general compulsory replanting fund to be lodged with the Board, which will not be required for many years ahead, if at all, or if made available, could not be used seems to me to be quite unrealistic. According to the Enquiry Commission's recommendation, it would appear that (our) Company would have to contribute to this Fund some Rs. 2½ lakhs a year. The build-up of this over a few years would be quite fantastic."

Realising the immense contribution that the coffee industry could make to the country's export earnings, Mr. Paterson made a number of useful suggestions. He urged that exports should preferably be concentrated on high quality coffees. He called for active measures designed to maintain the country's export markets abroad. He suggested that, for the sake of maintaining the export market, it might be useful even to allow the importation of the less expensive coffees from Indonesia to meet the excess demand in the country. Since coffee is a valuable foreign exchange earner—and an earner of that much-sought-after currency, the dollar—the Government, it is to be hoped, will take such realistic measures as will increase the pace of the industry's progress as well as of its exports.

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The pound sterling has staged a marked recovery during the past four weeks, the latest quotation in New York for spot sterling being $2.79-3/16—2.79-5/16, as against $2.78-3/16—

(*Continued on page 107*)

SHARES STILL EASY

SHARP FALL IN CENTURY

(From Our Own Correspondents)

BOMBAY, 10*th January*

DULL conditions were witnessed in the share market during the week under review. The undertone was easy and most of the scrips, under the leadership of textiles, lost further ground on renewed selling pressure induced by sheer lack of confidence rather than by any distressing factors. The market was completely devoid of any public support and there was persistent anxiety about the outcome of the clearing. The volume of business was extremely small.

The Indore session of the Indian National Congress passed off without any fresh jitters for the market. On the other hand, Mr. Nehru's opposition to fixing a ceiling on personal income and his stress on providing a minimum standard for everybody were significant, but this did not bring any cheer to the market, because of the feeling that, with the present high level of taxation, the ceiling on income had virtually been fixed.

The steel section was devoid of any feature and irregularly narrow movements were noted. Tata Steel Ordinaries looked up a bit in the new account on Monday, having risen from Rs. 171 to Rs. 173, but the higher level brought heavy realising pressure pushing back the shares to Rs. 168 on Tuesday. Abatement of selling pressure and short-covering lifted them up to Rs. 170 at the close. Indian Irons gained from Rs. 28 to Rs. 28-9 and, after a setback to Rs. 27-8½, recovered to close at Rs. 28.

Textiles ruled weak with an all-round drop in values. The outstanding feature of the section was the depression in Centurys, which touched a low of Rs. 479-8 today, as against last week's closing of Rs. 502-8. The closing was done at Rs. 481. Bombay Dyeings, after an early advance from Rs. 555-10 to Rs. 561-4, receded to Rs. 537-8. They recouped a good part of the loss today when they touched Rs. 550, but at the close there was renewed pressure pushing them back to Rs. 543-12. Kohinoors moved between Rs. 320 and Rs. 312, before finishing at Rs. 315-8, as against Rs. 317-8 a week ago. Central Indias shed Rs. 4 to Rs. 122. Despite the general weakness, Bradburys managed to gather Rs. 6-14 on balance at Rs. 217-8. Dawn Mills also gained Re. 1-12 to Rs. 163, following the decision of the Directors to issue bonus shares in the ratio of three shares for every four existing shares held. Finlays lost Rs. 3-12 to Rs. 301, Gokaks Rs. 3 to Rs. 218 and Indu Ordinaries As. 3 to Rs. 11-3½. Indore Malwas changed hands Rs. 3-2 lower at Rs. 136-4 and Khataus were done Rs. 5 lower at Rs. 217-8. Laxmis fell by Rs. 6-4 to Rs. 680, while Model Mills displayed a gain of Rs. 15 at Rs. 175. New City Mills dropped Rs. 6-4 to Rs. 141-4 and New Greats Rs. 5 to Rs. 240. New Kaiser-I-Hinds were maintained at Rs. 120, while Phœnix Mills were Rs. 10 down at Rs. 136-14. Shree Niwas gave way from Rs. 192-8 to Rs. 187-8, Simplex from Rs. 182 to Rs. 180 and Standards from Rs. 442-8 to Rs. 436-4. Svadeshis were marked down by Rs. 6 to Rs. 222-8 and Swans by Rs. 6-4 to Rs. 405. Tata Mills held ground at Rs. 48.

Bank shares attracted some attention following reports of good working results for the year 1956. Barodas picked up Re. 1 to Rs. 100. Centrals were a shade better at Rs. 52, while their new shares were dull at Rs. 54-12. Bank of Indias gained Re. 1-4 to Rs. 138-12, while their new shares lost Re. 1-8 to Rs. 138-8. Punjab Nationals were held at Rs. 51. United Commercials changed hands As. 12 higher at Rs. 54-4.

The insurance section was almost completely neglected. There was some small business in New Indias at Rs. 43-12, as against Rs. 43-8 a week ago. Vulcans were done As. 6 lower at Rs. 15-2.

Electricity shares attracted scattered support, while the general sentiment was on the quieter side. Ahmedabad Electrics drifted down by Re. 1-4 to Rs. 93-7. Amalgamated Electrics were unchanged at Rs. 10-10. Bombay Suburbans, however, crept up by Re. 1-4 to Rs. 109-6 and Surat Electrics by Re. 1-14 to Rs. 111-4. Tata Hydros fetched Rs. 3 more at Rs. 123. Tata Powers shed Rs. 3-12 to Rs. 1,221-4 and Andhra Valleys Re. 1-4 to Rs. 1,206-4.

In the sugar group, Belapurs were erratic, moving between Rs. 244 and Rs. 241, but closed at Rs. 242 with no change over the week. Phaltans gained Rs. 2 to Rs. 145-8, while Walchandnagars lost on balance Rs. 3-12 to Rs. 256-14. Kesar Sugars had business at Rs. 40. Cement shares were far from cheerful. Associated Cements reacted from Rs. 182 to Rs. 178 before gaining to Rs. 181. Digvijays were dull at Rs. 151. Ashoka Cements were done Re. 1 lower at Rs. 11, while Jaipur Udyogs were unchanged at Rs. 11-12 and Orissa at Rs. 13. In the engineering and mining group, Alcock Ashdowns failed to elicit support and sagged by Rs. 7-8 to Rs. 256-4. Tata Locomotives dipped to a low of Rs. 150 *ex-div.*, as against Rs. 162-8 *cum-div.* (div. Rs. 6) last week, but recovered to close at Rs. 153 *ex-div.* Texmacos lost As. 9 to Rs. 19-4. Premier Constructions fell from Rs. 185-8 to Rs. 177-8. Larsen and Toubros were held at Rs. 15-12, but Mahindra and Mahindras were As. 4 lower at Rs. 15 and Mukund Irons shed As. 10 to Rs. 13-12. Shivrajpurs receded by Rs. 2-8 to Rs. 83-8. Indian Coppers were a shade quiet at Rs. 3-10, as expectations of a higher interim dividend did not materialise. The Directors have decided to declare an *ad-interim* dividend of 6¾ per cent. for the year ended 31st December 1956. B.B. Petrols were lower by As. 2 at Rs. 2-11-3.

Shipping shares were quiet in tune with the general trend. Scindias hardened earlier in the week from Rs. 18-7½ to Rs. 18-12, but soon reacted to Rs. 17-12. Towards the close, however, they gained to Rs. 18-1. Great Easterns shed As. 4 on balance to Rs. 16-12. Automobiles were unattractive. Premier Automobiles gave way from Rs. 103 to Rs. 102. Hindustans were featureless at Rs. 7-9.

In the miscellaneous group, Bombay Burmahs were erratic. After advancing from Rs. 656-4 to Rs. 667-8, the old shares fell back to Rs. 637-8 on Tuesday. The announcement of a higher final dividend at 23 per cent. (as against a corresponding distribution of 21 per cent. for the previous year), making 32 per cent. in all for the year, as against 30 per cent., lifted the shares up to Rs. 661-4, but on profit-taking they closed lower at Rs. 656-4. The new shares were, however, down by Rs. 5-10 at Rs. 237-8. British India Corporations lost As. 5 to Rs. 8-2. National Rayons fell from Rs. 238-12 to Rs. 233-8. Gwalior Rayons, a new addition to the cash list this week, had business at Rs. 14. Hindustan Levers were maintained at Rs. 18-10. Tata Chemicals dropped As. 7½ to Rs. 16-2½, while Tata Oils gathered Re. 1 to Rs. 43-12. Wimcos were unchanged at Rs. 165-10.

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Calcutta Stock Exchange

CALCUTTA, 9*th January*

In the absence of any incentives, the volume of business put through on the Calcutta Stock Exchange during the week under review shrunk further and the prevailing depression and dullness took equity prices down. Although reports of industrial production for 1956 recorded a satisfactory all-round increase and several new units were permitted to come into being under the private sector by the Government and several existing units were able to expand with Government encouragement and support, the recent changes in Company taxation have rudely shaken the confidence of the investing public. Reports envisaging settlement difficulties on Dalal Street added force to the existing caution of buyers. In the existing lower levels, most of those who desired to sell postponed unloading in an attempt to avoid losses. Investors thought that recovery would not be before the general elections and the presentation of the Budget.

The fear that, in view of the Government's decision to claim a higher share from the profits of the joint-stock companies by increasing the super tax on the companies paying higher dividends, future dividends would not be as satisfactory as in the past, has come to stay as a standing factor restraining business on the Exchange. The Congress Party's election manifesto accepted by the Indore Congress gives a clear picture of the socialistic conditions envisaged in the next five years. Mr. Nehru, speaking in the Subjects Committee meeting on the demand for a ceiling in income and agreeing with the need to dry up sources of unearned income, desired incentives for special efforts even under a socialist system. This statement was noted with satisfaction. Pakistani threats against India over the Kashmir issue and the Indian anxiety over American arms aid to Pakistan, notwithstanding the American assurance to Prime Minister Nehru that these would not be allowed to be utilised in aggression, were further restraining factors, in view of the fear that a part of the resources for the Plan would have to be diverted for strengthening defence of the country.

In common with the general trend, engineering shares were shown sparse interest. The higher production figures of the Indian Iron and Steel Company, Ltd. for the three months to December last did not receive much attention, inasmuch as there was little prospect of a change in the Government's attitude towards any proposal for a higher distribution. The output of pig iron was higher at 188,546 tons, as against 174,447 tons in the previous quarter to September 1956, steel ingots at 141,450 tons, as against 133,325 tons, and semis for sale and finished steel at 114,703 tons, as against 133,325 tons. Indian Irons hovered around Rs. 28-5 up to Monday, but yesterday they sagged to Rs. 27-11. Guest Keens were fractionally lower at Rs. 23-2, but Texmacos, at Rs. 18-10, were lower by more than a point. At Rs. 28-4, Jessop & Cos. declined by As. 12, and earlier the quotation was as low as Rs. 27-14. Burn & Cos. were sought at Rs. 315, as against Rs. 316-8 previously.

Jute shares were in the doldrums, in view of the extreme improbability of better distribution to shareholders for the current accounting period. For prices of jute goods were falling, and the higher trend in the fibre market generated fears of uneconomic working for mills. Cheviots were put through at as low a rate as Rs. 142, as against Rs. 186 previously, while Chitavalsahs recorded a gain of As. 5 at Rs. 11-15. Nationals closed quiet at Rs. 18 after having realised earlier in the week Rs. 18-14. Ballys met with support at the lower rate of Rs. 154 and Anglo-Indias at Rs. 130. Champdanies hovered around Rs. 127-8.

In coals, Burrakurs were unchanged at Rs. 21-4, while Equitables at Rs. 24-12 were better by As. 4. Western Bengals were quiet at Rs. 5-15 and Raneegunges were pushed down to Rs. 9-12 from Rs. 10-13. New Beerbhooms eased to Rs. 14-7 from Rs. 16.

Although demand during tea auctions continued to be as strong as before, the general trend affected sentiment in tea shares also. Tezpores were put through at Rs. 20-14, as against Rs. 21-4 previously, and Dhekiakhats, at Rs. 20-4, lost As. 2. Hasimaras changed hands at Rs. 27-14, as against Rs. 30-12.

Indian Cables, among miscellaneous industrials, met with profit-taking after last week's rise, and were lower by Re. 1-2 at Rs. 31-14. From Rs. 19-11, Rohtas Industries declined to Rs. 19-1, while Aluminium Corporations remained unchanged at Rs. 10-10. On interested buying, Imperial Tobaccos recovered to Rs. 14-1 from Rs 13-14, but on poor support Indian Aluminiums fell back to Rs. 14-11 from Rs. 15-2 and B.I. Corporations to Rs. 8-5 from Rs. 8-11. Orient Papers were quiet at Rs. 31

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Madras Stock Exchange

MADRAS, 10*th January*

Although the distinctly bearish trend noted on the Madras Stock Exchange in the past three weeks abated somewhat during the week under review, the general tendency was none too encouraging. Apprehensions regarding the possibility of fresh taxes being imposed in the coming months continued to chill the enthusiasm of operators. Investment buying was at a low ebb. If, however, a few shares recorded some improvement in values, it was due to special support induced by optimism about the future of the companies concerned.

Several counters in the textile section were subjected to heavy selling and suffered a sharp break in prices. Palani Andavar 'A' and 'B's were marked down by Rs. 22 and Rs. 15 to Rs. 150 and Rs. 220, respectively. R.C. Ambikais fell by Rs. 18 to Rs. 267. Radhakrishnas dropped Rs. 10 to Rs. 325. Vasantas receded by Rs. 5 to Rs. 325, Lakshmis by Rs. 3 to Rs. 250 and Metturs by Rs. 2-8 to Rs. 420. Coimbatore Cottons shed Rs. 2 to Rs. 376. Malabar Spinnings eased by a like amount to Rs. 108. Buckinghams lost Re. 1-8 to Rs. 174. Pankajas were lower by a rupee at Rs. 77. Coimbatore Pioneers, however, elicited some enquiries and advanced by Rs. 2-8 to Rs. 290. Bangalore Woollens were favoured Re. 1-4 higher at Rs. 543-12.

In the planting section, tea shares were neglected. Coonoor Teas receded by As. 6 to Rs. 25-4. Kalasas and Nilgiris declined by As. 2 each to Rs. 13 and Rs. 8-12, respectively. Blue Mountains and Alageswars were lower by 18 pies each, the former at Rs. 5-5 and the latter at Rs. 3-1-6. Coorg Teas lost an anna to Rs. 11-3. Highlands, however, met with buying support and rose by As. 5 to Rs. 14-5 *cum-div.* (6¼ per cent. interim dividend for the year ended December 1956). Among rubber shares, Kailas eased by an anna to Rs. 5-12. Rajagiris were done at Rs. 20-14 *ex-div.*, as against Rs. 23-2 *cum-div.* Among coffee shares, Coffee Lands dropped As. 8 to Rs. 23-6. Amalgamateds were dull at Rs. 11-4, as also Consolidateds at Rs. 18-3, Mysores at Rs. 2-8 and Maduras at Rs. 3.

Activity in the miscellaneous section was greatly restricted. Textools came in for liquidation and climbed down by Rs. 7-8 to Rs. 265. Indian Aluminiums fell by a rupee to Rs. 14-8. Singarenis declined by As. 8 to Rs. 10-12. Indian Steel Rollings and Spencers shed As. 2 each to Rs. 11-14 and Rs. 16-1, respectively.

Dealings in sugar company shares were put through at reduced rates. Mysore Sugars declined by a rupee to Rs. 45 *cum-div.* Travancores shed As. 4 to Rs. 12-4. East India Distilleries lost a like amount to Rs. 28-4. Cauverys were quiet at Rs. 50, Deccans at Rs. 11-4, Indias at Rs. 16-6 and Jaypores at Rs. 13-12 *cum-div.* United Breweries, on the other hand, elicited attention of some operators and spurted by Rs. 2 to Rs. 187-8. Andhra Sugars registered a rise of As. 8 to Rs. 15-8.

The banking section ruled irregular. Bank of Mysores came in for selling and moved down by Rs. 2 to Rs. 249. Andhra Bank Rs. 70 paids receded by As. 8 to Rs. 85-8. Travancores eased by As. 4 to Rs. 16-14. Punjab Nationals were unchanged at Rs. 50. Indian Overseas were bought Rs. 7 higher at Rs. 152. Indian Bank Rs. 75 paids improved by Rs. 6 to Rs. 158 and fully paids were firm at Rs. 199, same as last week.

BOMBAY-BURMAH RAISES DIVIDEND

The Directors of the Bombay-Burmah Trading Corporation Ltd. have decided to recommend a final dividend of Rs. 28-12 per share of Rs. 125 each fully paid-up and Rs. 11-8 per share of Rs. 125 each (Rs. 50 paid-up) for the year ended 31st May 1956. This represents a distribution of 23 per cent., the corresponding payment for the previous year being 21 per cent. Together with the interim one of 9 per cent. (same as in the previous year), the total distribution for the year comes to 32 per cent., a rise of 2 per cent. over that for 1954-55. In addition to this, the Directors are reported to have kept out of the profit for the year a sum of Rs. 6.5 lakhs to be disbursed to the shareholders after the scheme of arrangement for capital reconstruction goes through. This will mean a distribution of about Rs. 7-10 per old share, making in all Rs. 47-10 per share.

INDIAN COPPER'S INTERIM

The Directors of the Indian Copper Corporation Ltd. have decided to pay an interim dividend of 6¾ per cent., free of income-tax, for the year ended 31st December 1956. This is on the increased capital of £1,371,300 raised by the capitalisation, in November last, of a sum of £457,100 and the issue of one unit of stock of 2s. each for every two units of stock of 2s. each held. The corresponding distribution for 1955 was 10 per cent. on the old capital of £914,200.

NEWS IN BRIEF

THE import duty on betel-nuts has been increased from As. 12½ to Re. 1-0-6 (standard) and from As. 12 to Re. 1 (preferential) with effect from the 1st inst.

Soviet Russia has agreed to purchase Indian tobacco, including the lower grades, at international market prices, provided the supply is made through purchasers' co-operatives.

The Central Government has contracted to buy 60 million marks worth of machinery and electrical equipment for the Rourkela steel mill from a Frankfurt firm, the General Electric Company.

The Government of India has decided to allow export of Indian cotton sewing thread and cotton thread other than sewing thread freely with a ceiling of 4,33,000 lbs. and 67,000 lbs., respectively, on first-come-first-served basis to all permissible destinations, except Tibet and Portuguese possessions in India, during the period January to June 1957.

A meeting of the State Governments will be convened by the Centre shortly to discuss the problems of introducing the metric system of weights and measures. The system is scheduled to be introduced from April 1958. It has also been decided to launch a national sample survey to ascertain the actual requirements of weights and measures under the new system.

The Union Government proposes to issue further licences, under the Industries (Development and Regulation) Act, 1951, for the manufacture of vegetable oils from oilcakes by the solvent-extraction process. The process involves extractions by pressure method of the residual oil left in the oilcake. It requires suitable solvents like petroleum, ether, normal hexane and heptane which are recoverable for re-use.

The Governor of Bihar has appointed a three-man committee to inquire into the conditions of employment in the tea plantations of Bihar. The Committee will advise the Government in revising the minimum wages fixed for the different classes of workers in the tea estates. Mr. C. B. Prasad, Assistant Commissioner of Labour in Jamshedpur, is the chairman and convenor of the Committee.

The Bihar Government proposes to spend Rs. 18 lakhs for intensive development of palm *gur* in the State during the second Plan period. There are about 15 million palm trees in Bihar and, if these trees are properly utilised, about 10 million maunds of palm *gur* can be produced in the State every year. The Bihar *Khadi* and Village Industries Board has already launched a drive for the expansion of the industry in the villages. The industry is expected to provide employment to one million people in the State.

The Rajasthan Government has decided to appoint a Finance Inquiry Committee with Mr. N. Madhav Rau, a former Dewan of Mysore, as Chairman. The Committee will review the trends of public expenditure in the State and resources available and examine the adequacy of the existing sources of revenue for meeting the progressively increasing expenditure with reference to the responsibilities of the State under the Constitution. It will also examine how far the existing taxation structure in Rajasthan is rational and equitable and suggest modifications in the light of the recommendations of the Taxation Inquiry Commission.

A party of 26 Russian engineers has arrived in India to undertake seismic and gravimetric surveys of new areas in Gurdaspur and Hoshiarpur districts of the Punjab. The seismic survey of oil-bearing tracts in Jaisalmer will be conducted in the near future by the French firm, Schlumberger, under a contract with the Government of India. Some parties of the Oil and Natural Gas Commission have already done preliminary work in this desert region. An aero-magnetic survey of the Gangetic alluvium has been completed by a team of Canadian experts whose report is likely to be available in a month. A Rumanian drill is being erected in Jwalamukhi. Five drills to be imported from the U.S.S.R. are expected to be installed during the second half of 1957.

In view of the increasing production of bicycles in India and in order to make the prices competitive in foreign markets, the Government of India has decided that the tube manufacturing industry should be developed in the country as early as possible. Two additional licences have been given for the purpose. The production of bicycles in India in 1956, exclusive of the small-scale sector, is estimated at over 616,000, as against 491,000 in 1955 and 373,000 in 1954. The bicycles industry, it will be recalled, had only two units in 1951 with a rated capacity of 120,000 bicycles and actual production of 101,000 bicycles per year. There are now 63 large and small factories. With the increase in home production, there has been a progressive decline in imports, though imports are allowed on a restricted basis.

The Government of India has sanctioned further financial assistance to the All-India *Khadi* and Village Industries Board for the development of the *khadi* industry. The Board will provide loans to registered institutions and societies for purchasing and stocking raw materials, such as cotton, wool and silk cocoons, implements, chemicals, dyes and other materials required for the production of *khadi*. The Board has been sanctioned Rs. 1.4 crores to be given as loans to registered institutions and societies recognised by it. On the recommendations of the Board, loans amounting to Rs. 1 crore have been sanctioned directly to six institutions. For subsidising half the cost of implements and accessories for the production of *khadi*, a further sum of Rs. 2 lakhs has been placed at the disposal of the Board for distribution through the *Khaddar Bhandars* and centres recognised by the Board.

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From Abroad

A team of scientists at Britain's Atomic Energy Research Establishment is trying to develop a safe and economic nuclear-powered merchant ship.

Portland cement production in the U.K. during 1956 was over 12,750,000 tons, of which about 11,330,000 tons were delivered to the home market. These are new records for the eleventh consecutive year.

The Atlantic Passenger Lines Conference reports that sea travel across the North Atlantic was at a post-war record in 1956. The total number of passengers carried to and from the U.S. and Canada during the year was 1,023,460, as against 964,200 in 1955.

The shipping lines in the U.K.-Aden Conference and the Continental-Aden Rates Agreement have announced that the freight surcharge to Aden would go up from 20 to 40 per cent. In all, thirteen U.K. and twenty Continental lines are affected by this change.

The Ceylon Government is examining a proposal to levy a terminal tax of Rs. 2 on every passenger leaving Ceylon by air or sea. Revenue from this source will be used exclusively for the improvement of amenities at air and sea ports.

The three largest automobile manufacturers of the U.S.—General Motors, Ford and Chrysler—together produced 5,601,854 cars in 1956. General Motors reported passenger-car production of 3,062,428, Ford 1,669,165 and Chrysler 870,261.

The U.S. Farmers Home Administration made and insured a record total of $336,480,000 in loans last year. The U.S. Department of Agriculture says that the loans were used primarily for operation, improvement and purchase of family-type farms.

Four more diesel locomotives purchased by Iran from the General Motors Corporation in the U.S. through a U.S. Export-Import Bank loan have arrived in Iran. So far, 50 of the 70 locomotives ordered have arrived in Iran and others are expected shortly.

The Australian schilling has now been added to the currencies negotiable on the Amsterdam free market. The schilling has also been added to currencies in the multilateral payments traffic with Argentina, in which the Netherlands, Belgium, Denmark, France, Italy, Norway, Austria, Britain, Sweden and Switzerland are now participating.

British shipyards booked 2,000,000 gross tons of new merchantship orders in 1956. About 30 per cent. of this total was work for foreign accounts. The total order booked stood at 6,000,000 gross tons, which means that many shipyards were booked up with work into the 1960's. Over half the order book was tanker tonnage, and a third was cargo tonnage.

Ceylon has agreed to the establishment of a Czechoslovak trade mission in the Island, the first of its kind from a communist country to be set up there. The Czechoslovakian Chamber of Commerce proposes to hold an industrial exhibition at Colombo shortly to acquaint the business and industrial circles in Ceylon with present developments in Czechoslovakia.

The United States has offered to advance to the United Nations a loan of up to $5 million to help pay the initial costs of clearing the Suez Canal. The offer has been made in response to Mr. Hammarskjold's appeal for funds to be advanced to defray the expenses of the initial work in clearing the Canal. The terms and arrangements of the loan are yet to be worked out.

The Brazilian Government Trade Bureau has reported that Americans have increased their consumption of coffee by 12.6 per cent. since 1950. Nearly one person in every three drinks four or more cups of coffee daily. The average daily consumption of coffee by Americans over 10 years old is 2.68 cups, slightly higher than the 1955 rate, but 12.6 per cent. higher than in 1950.

The United States has concluded an agreement with Brazil, whereby it will supply the latter $138.7 million worth of agricultural products, mainly wheat, during the next three years under the term of the American Surplus Agricultural Produce Act. Brazil will pay in cruzeiros, the bulk of which it will retain as a long-term loan for development projects.

A development programme to reclaim vast tracts of land along the river Nile in North Africa is being considered as part of President Eisenhower's plan to maintain peace in West Asia. The plan envisages construction of a series of dams, irrigation networks and power plants. Egypt, Sudan, Ethiopia, Uganda and Tanganyika will be invited to join the proposed project.

PERSONAL

MR. S. C. ROY, a prominent business man, has been appointed Sheriff of Calcutta for 1957.

Mr. J. A. Balenchana, Consul for Spain, left Bombay last Friday for Ankara, Turkey, to take up his appointment as Counsellor of the Spanish Embassy in Turkey.

Dr. N. V. Rajkumar, Commissioner-designate for the Government of India in the British West Indies, including British Guiana, will concurrently be Consul-General for India in Surinam, with residence in Trinidad.

Herr Hans L. Merkle, President of the Cotton Weavers' Association of the Federal Republic of Germany, has been appointed Junior Vice-President of the International Federation of Cotton and Allied Textile Industries.

Mr. Justice Jiwan Lal Kapur, of the Punjab High Court, and Mr. Justice Gajendragadkar, of the Bombay High Court, have been appointed Judges of the Supreme Court. The appointments will take effect from their date of assuming office.

Mr. A. C. Bose, till recently Joint Secretary in the Ministry of Finance, has been appointed member of the Oil and Natural Gas Commission, *vice* Mr. C. S. Menon. Mr. Bose will also function as a Joint Secretary in the Ministry of Natural Resources and Scientific Research.

Sardar H. S. Malik, lately Indian Ambassador to France, has accepted the appointment as Special Director (India) to the Board of the Simon-Carves group of British engineering companies. Simon-Carves have important interests in India and maintain a permanent staff in this country. Simon-Carves group comprises twelve companies engaged in heavy engineering, chemical engineering and the manufacture of turbine gears. They are either direct contractors or sub-contractors in most of the major heavy engineering projects in which British industry participates.

Sir Malcolm Darling, Consultant under the Colombo Plan, has entered on his duties in the Planning Commission as from 3rd January. He will act as consultant to the Planning Commission for about three months and will review some of the recent developments in the field of co-operation with reference to programmes in the second Five-year Plan, and make recommendations for strengthening the organisation of co-operative departments in Indian States and for training programmes for co-operative personnel. Sir Malcolm is a former Indian Civilian, who played a leading part in the promotion of the Co-operative Movement in India during the days of the British regime.

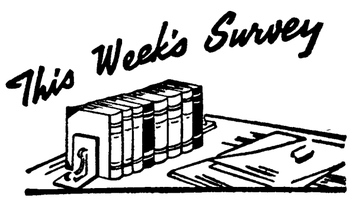
The Vice-Chancellor of West Germany, Herr Blucher, has made proposals for better facilities for long-term exports by Germany to the developing countries of Asia and Africa. The essence of Blucher's proposal is for the Frankfurt Export Credit Bank to operate a third credit fund which would take care of export credits for over five years. The two existing funds cover exports up to five years.

An inter-Governmental conference on world coconut economy opened at Colombo on the 8th inst. The Conference which will continue till the 18th inst., will, among other things, investigate the desirability of establishing a permanent study group on coconut products. The meeting is being held at the request of the 24-nation Committee on Commodity Problems of the Food and Agriculture Organisation of the United Nations and attended by fourteen countries.

Bills, cheques and similar items paid through the London Clearing House in 1956 reached a new peak of £160,889 million, according to the annual report of the Bankers' Clearing House. This is £8.276 million above the previous record of £152,613 million set in 1955. These figures do not represent the total amounts passed through the banking system and do not also include the banks' own internal clearings or cheques handled by local clearing arrangements.

The eighth session of the Transport and Communication Commission of the United Nations is being held at Washington from the 7th inst. The session is expected to last for about a fortnight. It has on its agenda subjects relating to international maritime consultative organisation, tonnage measurement of ships, oil pollution of seawater, road signs and road transport, and facilities for tourists. Mr. S. K. Ghosh, Deputy Secretary of the Union Ministry of Transport, is attending the session as the delegate of the Government of India.

A record business year in U.S. history has been forecast for 1957 by 14 leading American economists, polled by the National Industrial Conference Board. The economists, participating in a recent forum sponsored by the Board, indicated that they expected the gross national product—the total output of goods and services—to hit the $425,000-million mark. The consensus of the forum was that the elements of strength during 1957 will be rising income and higher personal consumption spending, as well as more Government spending at all levels.



PREMCHAND ROYCHAND AND SONS

IT is both interesting and instructive to trace the growth of great commercial and industrial houses, for they often embody some essential human quality which has made their enduring; also, their history reflects the changing economic vicissitudes through which the country has passed. One such house is the well-known Premchand Roychand and Sons Ltd., the centenary of which is being celebrated this year. As dealers in bullion and shares and as finance brokers, the firm has probably unrivalled experience, acquired over several decades of intimate contact with the financial markets, both Indian and international.

The founder of the firm, Mr. Premchand Roychand, was a man of indefatigable energy and great business acumen. Born in 1831, Mr. Premchand who acquired a working knowledge of English at the Elphinstone High School, was early inducted into business. It is not perhaps without significance that the first transaction with which he was so successfully connected involved a sale of shares; it was an auspicious beginning for a man who was later to become one of the founders of the Bombay Stock Exchange. Bullion, however, soon caught his fancy, thanks to the wealth that flowed into Bombay in the sixties of the last century when India became a leading exporter of cotton, the "white gold," following the civil war in that other main source of supply, namely, the U.S. Mr. Premchand Roychand amassed a large fortune. But he lost nearly all of it in a speculation connected with the famous "Back Bay Reclamation" scheme in Bombay. Undaunted by this failure, this financial Titan set to work again, became one of the founders of the Bombay Stock Exchange, and rose to great eminence as a share broker. It is, perhaps, characteristic of the best in Indian traditions that Mr. Premchand Roychand gave of his wealth as freely as he was able to earn it. During the heyday of his fortune, his gifts, it is computed, aggregated over Rs. 100 lakhs.

The traditions which Mr. Premchand Roychand left behind on his death in 1906 have been ably maintained and extended by his sons—the late Mr. Kikabhai and Mr. Maneklal—later by his grandson, Mr. Kishore, son of the latter. The services of Mr. Kikabhai, who died in 1953, are too recent to need special reference. Suffice it to say that, under his efficient direction and assisted by his able brother, the firm has expanded its activities in many directions and established valuable connections with various financial and commercial institutions. By far the most notable development under the ægis of the inheritors of the Premchand traditions is the establishment of the Industrial Investment Trust Ltd. with a paid-up capital of Rs. 100 lakhs. Established in 1933, the shares of the Trust have for long been regarded as one of the "blue chips" on the Bombay Stock Exchange. In this country, the role of investment trusts does not always receive the recognition they deserve. It is, therefore, worthy of special mention that the Industrial Investment Trust has continued to meet a genuine and felt need—the demand for a safe outlet for investible funds by a class of persons who are anxious to invest their money but are understandably unwilling to take risks.

In these days of socialism in India, with the role of middlemen at a discount and scorned at by the party in power, with the money market strictly controlled by the State, with exchange controls giving very little room for the operations of finance brokers, with business in the bullion market having shrunk to only a fraction of its size before the advent of independence owing to the embargo on the import and export of bullion on private account, there is not much scope for a firm of brokers in shares, bullion and money. The future of this house, therefore, lies in switching over its activities to industrial production. Mr. Maneklal and Mr. Kishore, the two living partners of the firm, seem to be fully alive to this need. Mr. Kishore has already made more than a modest beginning in the manufacture of rubber goods and chemicals. Further, both of them are taking an active part in the financing and development of new industries. Mr. Maneklal is an active director in a score of the most substantial joint-stock companies in Bombay. Mr. Kishore, too, is on the board of a number of companies.

FAMILY PLANNING

It is, indeed, heartening to note that, next to Japan, India is the country most conscious of the problem of population in the East. For no Government which aims at the levelling up of the standard of life of the people through conscious economic planning can afford to ignore this important issue. The planner may be able to quote a bewildering array of national income figures and production statistics to prove the success of planning, but the layman will not be convinced unless it is reflected in the kind of food he eats, the quality of house he lives in and the cloth he wears. No such progress may be noticed if population outstrips the pace of economic development. In India, population is growing at the rate of five million a year and the growth in a decade exceeded the entire population of the United Kingdom. Even to maintain the existing standard of life, the national economy will have to advance at a rate which is more than ordinarily possible.

It is common knowledge that the standard of living in India is one of the lowest in the world and a recent U.N. Survey revealed that India's population was the "hungriest" in the world. Food of the average Indian, in terms of calories, did not exceed 2,000, as against the normal requirement of 3,000 calories. The protein content of high biological value in the food is only 5 grams, against the normal requirement of 40 grams. In spite of all that is being done to improve the standard of living, the improvement is not likely to materialise if there is a simultaneous increase in the number of mouths to be fed. Population control by a reduction of the birth rate to the extent necessary to stabilise the population at a constant level, designed to suit the requirements of the national economy, is therefore considered to be the only solution. Success on this front depends on the widespread realisation by the people of the need for family limitation.

But the crux of the problem in India is the extension of family planning to the rural areas. Dr. J. C. Ghosh has, therefore, done well to emphasise the need for popularising family planning in the rural parts in his inaugural address to the third All-India Conference on Family Planning held recently at Calcutta. Dr. Ghosh rightly observed that, as the villages constituted the base of India's social and economic life, family planners must concentrate their major attention on these regions. Due to the spread of education and free access to the information on family planning, the size of the family in the urban areas is tending to fall below the general average. But the problem continues to be as acute as ever in the rural areas. An encouraging factor in the situation, according to Dr. Ghosh, is the general attitude of the womenfolk in rural areas towards family planning. Sample surveys recently carried out in different parts of the country indicated that a large majority of married women would welcome advice and help.

As regards the organisational set-up for popularising the move, Dr. Ghosh observed that the National Extension and Community Development Organisation, which would have a network covering the whole country by 1961, could be the nuclei around which a people's movement for better health and better living could be organised. Each community project is intended to have a health centre, with a complement of doctors, nurses and midwives. It would also have a staff for social education. Rural life has many facets and, if there is one agency for each facet and if their work is closely co-ordinated, there would be better prospects for changing the entire outlook on life of the rural folk which is a necessary pre-condition for the success of any socio-economic reform.

Dr. Ghosh said that it did not require too much optimism to believe that gradually all right-thinking men in India would begin to feel that voluntary parenthood was one of the most vital requirements of social welfare. But a very real limitation to the widespread adoption of contraceptives in the rural area, as he himself recognised, is the absence of an ideal contraceptive, acceptable to the rural folk. It must be harmless and cheap so that it could be supplied free as a welfare measure. Research in this direction is being undertaken by the Indian Council of Medical Research and the success of the drive to popularise family planning hinges, to a large extent, on the extent to which these experiments bear fruit.

CHANGES IN CO-OPERATIVE LAW

The reorientation of Co-operative agency on the lines recommended in the *All India Rural Credit Survey* implies far-reaching changes in the organisational structure and scope of Co-operative agencies. At the primary level, large-sized credit societies will replace small-sized societies, the liability of the members will be changed to one of limited form from one of unlimited, and paid workers will substitute for honorary workers. That is not all. The State will participate in the share capital of the societies—which, of course, is envisaged only as a transitory measure—and the working expenses of the societies will be shared by the State for a few years in the beginning. Moreover, the basis of co-operative credit will be anticipated crop, and the amount will be recovered as and when the crop is sold. There will be progressive organisation on co-operative lines of marketing and processing through appropriate institutions with the needed financial assistance from certain all-India and State organisations. The State will also participate in the share capital of the co-operative institutions at the District and State levels.

For the smooth and expeditious implementation of these and other proposals, what is obviously needed is bringing about necessary modifications in the Co-operative Law as it prevails in various States to suit the present requirements. This also means a uniform Co-operative Law for the whole country.

The Committee on Co-operative Law has been brought into existence to deal with these issues; and the views expressed by the Madras Bar Council in its reply to the questionnaire issued by the Committee should be of special interest. The Bar Council points out that it would be necessary for the successful working of the Central and State Co-operative banks to allow individuals, as different from societies, to become their members, in order to encourage people of well-to-do classes, of integrity and of knowledge useful to the institutions, to associate themselves actively with them. The Council feels that this provision, in addition to State participation in the share capital of co-operative institutions, should go a long way in this direction, and, suggests that maximum limit of such membership may be fixed at 20 per cent. of the total membership. Obviously, there is much force in this argument, for the politics that almost invariably surround the societies and banks usually keep away efficient and honest people from the institutions. Closely allied to this, it may be noted here, is the need for neutralising the political character of the institutions.

Another important suggestion of the Council relates to the question of audit of the credit societies. The Council strongly feels that the present system of entrusting the audit to the Co-operative Department is "vicious in principle and ineffective in many cases," inasmuch as it means "an audit by an agency with reference to its own work." The need for an independent and efficient audit cannot be overemphasised, especially when the State itself has decided to participate in the share capital of the institutions at various levels.

The Council also feels that the present position in regard to the settlement of disputes under section 51 of the Co-operative Societies Act is not satisfactory. The position is that all such disputes are either decided by the Registrar himself or any other officer deputed by him for the purpose. The decision taken by such person is final and cannot be called in question in any court. It can, however, be revised by the Registrar or the local Government. The final decision, which is called an award, can be executed by the Department itself. The Bar Council feels that this system also suffers from the same drawback as the audit system by the Department suffers. Apart from this, the association of the deciding officer with the politics and activities of the society vitiates impartial consideration of the dispute. Hence, the Council argues the award does not command the respect that is due to the decree of a court of law.

For this reason, the Bar Council rightly suggests that, while the departmental officer may investigate and prepare the ground, in cases of disputes, the actual decision itself on the materials so gathered may be left to the ordinary civil courts or specially established tribunals. The Council proceeds to suggest that, with a view to minimising the delay in the settlement of disputes—

...ch is ostensibly the idea in vesting the ...ers of decisions on disputes in the Depart...t—the decisions of the civil courts or tri...als may be made final. This arrangement, ...feel, not only avoids delays in resolving dis...s, but, at the same time, ensures impartial ...sions. The Bar Council also pleads that, if ...suggestion is not acceptable, at least the ...rd made by the departmenal officers may be ...e revisable by the District or Subordinate ...ge whose decision should be made final. The ...ncil also points out that the method of ...ution of the awards by the Department is ... defective, and the prices realised by depart...tal sales are not adequate. It pleads that ...ution for realisation of claims and awards ...east may be entrusted to civil courts which ...e much better record of performance in this ...re.

...The Council is not far from the truth when ...ays that spirit of co-operation is conspicuous ...ts absence in co-operative banks. It has also ...e well to emphasise the truth, as seen by it, ... co-operative institutions are more and more ...res of political squabbles. Indeed, this is the ...t difficult of the problems facing those who ... entrusted with the task of reorganising and ...igthening the Co-operative Movement.

HUMAN FACTOR IN INDUSTRY

The rapid pace at which the technical and ...omic revolution is taking place the world ... has brought to the fore two questions of ...standing importance. First, how can the life ...he community associate the changes accom...ying the revolution? Secondly, how can ...efits of industrial development be reconciled ...a personal needs? Impressive answers to ...e posers were given by Mr. N. S. Bhat, ...our Officer, B. and C. Mills, in the course of ...speech at a meeting of the Madras Institute ...Management held at Madras the other day. ...ming up the results of the Duke of Edin...gh Study Conference in Oxford some time ... Mr. Bhat rightly declared that the most ...ortant problem for the industry was that of ...ting satisfaction among all those who were ...erned with it at all levels. Some of the as...s of human satisfaction, according to him, ...ered organisation relationships at work, in...ling promotion and incentives, tradition and ...age, education and training, employment and ...urity, housing and travel, the impact of indus... on a community or *vice versa*, and social ...ies and ideas. Indeed, he remarked that the ...most important problem for the industry was ...hat of creating satisfaction among all those who were concerned with it at all levels. Proceeding, Mr. Bhat observed:

"... pay is not the only factor that contributes to satisfaction, although it is an important factor. There are many other equally important considerations that create satisfaction. A sense of belonging is man's basic psychological need, but this is normally possible only in works which are not too big. But, even in large establishments, where a general sense of purpose exists, one can notice a sense of belonging.... Unless the concept of work in its full significance is fully appreciated, all human problems present insurmountable difficulties. We have to see that conditions are provided, where men will work as far as possible with a will. We have to satisfy the self-interest of the employees to some extent, before we can expect them to give their best."

There is considerable force in these observations. Great responsibility, of course, lies on the employees who must realise that they work for the good not merely of the concerns in which they serve but of the community at large. Such realisation cannot be expected so long as the workers are ignorant about the importance of their concern to the national economy. Mr. Bhat did well to emphasise this aspect and to urge the advisibility of having a system or practice of keeping all employees fully informed of the Company's policies and the place it occupies in the country.

Mr. Bhat referred next to leadership in industry. Recalling the importance attached to this at the Oxford Conference, he pointed out that what industry in the modern world needed was trained leadership—leadership with vision, foresight and understanding based on sound knowledge and practical experience. Incidentally, Mr. Bhat emphasised—and rightly so—that the industries ought to consider it their obligation to finance, advise and provide the necessary talent by giving experienced men for lectures to workers, so that they may be kept well informed of the current developments in their proper perspective.

FREE TRADE AREA

The deliberations of the Ministerial Council of the Organisation for European Economic Co-operation (O.E.E.C.), which is scheduled to hold a "full" meeting at Paris next month, and the decisions taken thereat will naturally be awaited with considerable interest. The meeting is expected to discuss the report on the establishment of a European free trade area free of customs duties and other obstacles, drawn up by the Technical Committee of the O.E.E.C. countries after examining the scheme for three months. The report was adopted by the Committee at its meeting held at Paris recently. The Technical Committee is confident that the scheme is workable, notwithstanding all the British reservations on Commonwealth preference. It does not see any major difficulty in the working of a scheme for free trade in Europe with British participation. The Committee is also confident that a free trade area can co-exist with the projected but more limited European common market—the economic union of the six nations of the coal and steel pool.

The adoption of the above report marks the completion of the first essential step in the direction of setting up the European free trade area. The next five months are expected to witness negotiations on the details of the treaty envisaging the establishment of the area and, if there is no unexpected obstacle, the treaty may be ready for signature by July next. Of all the details of the treaty, three are considered to be of utmost significance. They relate to (1) the duration of the transitory period, during which the customs duties and quantitative import restrictions will be progressively eliminated; (2) escape clauses in the event of special difficulties such as the balance of payments crises; and (3) "harmonisation" of production conditions within the area which the French are likely to urge as they did in the negotiations for the six-nation common market. Another problem to be settled relates to agriculture. The U.K. wants agriculture to be excluded from the free trade area, while a few countries are anxious to include it.

Among these, the thorniest problem so far as the free trade area is concerned, according to some experts in Bonn (West Germany), is that of escape clauses which permit four devices—temporary delay in the gradual lowering of tariffs,

(*Continued on page 107*)

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BUFFER STOCKS—DYES INDUSTRY—FOREIGN TRADE

By A Special Correspondent

NEW DELHI, *8th January*

THE annual session of the All-India National Congress, as usual, took the centre of national as well as international interest from Delhi to its venue this year in Lakshmibai Nagar, Indore. Almost the entire Cabinet of the Government of India had moved, with the result that, but for routine work, no major events took place at the capital, either from the political or from the economic interest. Now that the session has come to an end, the train of Ministers and other dignitaries has started moving back to the capital carrying with them the impressions of Indore.

DELHI LETTER

Soon after the return of Prime Minister Nehru from his 'successful' American tour, responsible Government officials were talking generally in terms of a hopeful change in the attitude of America towards India's second Plan. They were also not making it a secret that America would generously help India with much needed foreign exchange, either on a long-term loan basis or by outright grants, to help India cover up its big gap in foreign exchange. But the recent announcement of the American policy pertaining to the Middle East, appears to have set the gear on the reverse, and led to some second thoughts. This attitude is reflected in the speeches delivered by many responsible Congressmen at Indore, too.

Military Aid to Pakistan

The Prime Minister said at Indore that India could not afford to "close our eyes to weapons piling up in a neighbouring country." Although he had no doubts that the assurances given to him and to India by President Eisenhower that the military equipment to Pakistan would not be used against India were genuine, still "the basic thing was that highly priced new weapons were being piled up in an increasing measure on India's borders." He repeatedly told the gathering that India had no desire to divert its resources and funds from the second Five-year plan to defence. India wished to spend all its resources for the successful implementation of the second Plan. But, all the same, the Prime Minister did not make it a secret that, in the circumstances in which American military aid was being piled up in Pakistan, "we cannot remain unperturbed and we have to think of what may happen."

In other words, Mr. Nehru spoke plainly and said that, as nobody could be certain about what might happen in the future, "we are also compelled to have weapons," much against India's desire not to join in any race in piling weapons. This is being interpreted in responsible circles here as an indication of the Government's mind that, in the months to come, it is quite possible that the Government might be compelled to divert some of its funds for the purchase of essential weapons from abroad, with a view to balancing its powers and equipping itself adequately, so that it might not be caught by surprise in any eventuality; this would again mean, according to the spokesmen of the ministries concerned, that, in the next budget, a far greater sum might be allocated for defence purposes, so that the meagre financial resources available for the economic and industrial development of India might be depleted to the extent that money was diverted to defence services.

Foodgrains

Be that as it may, all the departments connected with the industrial growth of India are now terribly busy, thinking of ways and means of keeping the economy on an even keel. Large stocks of foodgrains are being moved to various centres throughout the length and breadth of the country with an eye on possible shortage, either real or artificial, and with a view to checking the consequent rise in prices. During the month of December last, according to offical figures, a total quantity of about 1.75 lakh tons of imported wheat and rice were moved to Central Depots and States and also to Defence Services from the ports of Bombay, Calcutta, Madras, Visakhapatnam and Quilon. Industries are being geared up and wherever possible Government would encourage working of three shifts with a view to increasing output.

The Government of India is also working on a plan for building up a buffer stock of two million tons of foodgrains before the commencement of the next lean period. This reserve would be built up by both the imported foodgrains and out of internally procured foodgrains. This buffer stock, according to official spokesmen, would enable the Government to maintain a stable price level of foodgrains so essential for the successful implementation of the second Plan.

It is also pointed out by the spokesmen of the Central Food Ministry that import of foodgrains for the purpose of building up buffer stock would not involve foreign exchange in the strictest sense of the term. Because with America the payment for foodgrains to be imported would be in rupee exchange on a long-term instalment basis running over a period of 30 to 40 years. A portion of this foodgrains deal with America would be in the form of grants and aids. The imports from Burma would be more or less on a barter basis, so that no real payment of money would be involved. According to present estimates, the Government intends importing five lakh tons of rice from Burma and two to three lakh tons of rice from America in the course of the current year.

Manufacture of Dyestuffs

On the industrial side, another important development is the discussions of the Government of India officials with private firms manufacturing dyestuffs in the country, as a result of which it has been decided that licences would be issued to the manufacturing firms to produce particular intermediates, using indigenous raw materials as far as possible. The issue of licences would be finally decided after the manufacturing firms had submitted their final proposals to the Government of India. Special emphasis has been laid on the manufacture of the intermediates required for the production of dyestuffs. Some of the more important intermediates will be produced by a central factory to be set up by the National Industrial Development Corporation, while other intermediates will be included in the manufacturing programmes of private firms producing dyestuffs at present.

As early as October last, the Government of India had decided that the N.I.D.C. should undertake the manufacture of primary intermediates. The Government had also asked firms in the private sector to indicate the kind of development they would be prepared to undertake for the production of subsidiary intermediates. Certain tentative proposals which have been received by the Government from the firms in the private sector in this respect are now being carefully scrutinised.

Targets

While the Government had fixed certain targets of production for dyes by 1965 on the basis of certain reports submitted to it by expert teams from abroad, the original targets laid down have been revised due to certain unavoidable factors such as capacity of the producers in the private sector and the inability of the Government to embark upon production of all the late intermediates, also for lack of technical experience and adequate finance. The revised targets of production of dyes by 1965 are:

	Tons per year
Azos	3,000
Basics	750
Naphthols	1,250
Fast bases	1,250
Vats	1,200 (Absolute)
Sulphur black	2,150 („)
Other sulphurs	225 („)

The Government of India is also anxious to see that the prices of these dyestuffs are kept at reasonable levels within the capacity of consumers to pay. On this aspect, the Government has written to manufacturing firms in the private sector and their detailed replies are being awaited. The Government is also considering favourably the conversion of import licences of private firms which used to import finished dyes

Continued on page 107)

THE SECOND LINE HOLDS

From Our Own Correspondent

LONDON, *5th January*

EXACTLY a month ago, your correspondent commented on the dramatic fall in the sterling area gold and dollar reserves of £100 million and showed how the British Chancellor was planning to call up his second line of reserves. During December, the call up was put into action and the international monetary fund furnished £200 million or less than half the total which may be called upon. As a result, the United Kingdom has been able to meet all its liabilities and end up with the reserves some £60 million higher than at the end of November, and actually slightly higher than a year ago.

LONDON LETTER

In addition to the £200 million from the I.M.F., there has been about £2 million on American defence aid account and £142 million have, therefore, been absorbed during the month in the various drains to which sterling has been subject.

The payment of interest on the U.S. and Canadian loans absorbed £37 million, the repayment of capital on the same loans absorbed £26 million and minor similar payments took another £68 million. To this had to be added the payment to the European Payments Union of £18 million in respect of the November deficit, so there was a grand total of £86 million inevitably committed.

By subtracting this figure from the total gold drain of £142 million, we have £56 million to account for. This is the measure of the loss on trading account and from the continued outflow of capital which went on in the early part of December. It can be compared with the loss through similar reasons in November of £90 million. The strain on the pound and the drain on the reserves through this has now been stopped and the very publication of the end year figures has immediately had a strengthening effect on sterling. With January opening the favourable season for sterling on the commodity exchanges, an interesting situation has developed. The stars are all in favourable conjunction. The bears of sterling can drag the rate down no longer and indeed the crossing on Friday of this week of the $2.79 line on the exchanges has sounded a warning to which the bears may heed. If they do and decide to cover, then a great deal of the November and December gold losses may be made good as these volatile funds flow back to London.

January may also witness the acceptance by the American authorities of the appeal for a waiver of the interest on the U.S. loan paid in December. In this event, the gold and dollar reserves will benefit to the extent of £37½ million.

Besides Mr. MacMillan still has £265 million, in reserve in the International Monetary Fund, though he would obviously be most loth to use them. But it is clear that the inevitable speculative burst set off against sterling by Suez has run its course and the future prospects for sterling must be more soberly reviewed only in the light of the extra dollar cost of oil and freight for the next half-year and the damage which has been done, and is being done, to home production and exports as a result of fuel difficulties. It is perhaps not generally appreciated that ever since the mid-year the trend of production has lagged behind that of 1955 and by October the production index stood at 135 (1948 equals 100) compared with 139 a year before, i.e., a drop of 3 per cent. There was no further worsening in November.

The other aspect of Britain's external position which has been important over the past few months, and is likely to continue, has been the running down of sterling balances. There is no need to make further reference to the running down of India's balances but the process has been paralleled in a number of other countries, particularly in the Far and Middle East whether from need to utilise their funds, or more significantly from a desire to get out of an unpopular currency. To that extent the liquidation of sterling balances has the same practical significance as bear sales in general and there may now follow a certain amount of replenishment of balances.—*All Rights Reserved.*

WORLD BANK LOANS IN 1956 REACH A RECORD TOTAL

ABOUT 45 PER CENT. GRANTED IN LAST QUARTER

PERHAPS the last of the loans granted by the International Bank for Reconstruction and Development (World Bank) during 1956 was the one granted to the Indian Iron and Steel Company Ltd. This loan is for the equivalent of $20 million in various currencies and meant for financing the additional rolling capacity of the Company, in order to enable it to increase its output of semi-finished and finished steel to 800,000 tons per annum. The I.I.S.Co. is India's second largest steel producer and the output of its plant accounts for about a third of the country's present steel production.

The agreement for the loan was signed on 19th December 1956 by Mr. G. L. Mehta, Indian Ambassador in Washington, on behalf of the Government of India, by Mr. Biren Mookerjee, on behalf of the Company, and by Mr. Eugene R. Black, President of the World Bank, on behalf of the Bank.

The loan is for a term of eleven years and bears interest at the rate of 5 per cent., including the usual commission of 1 per cent. charged by the Bank. Amortisation of the loan will begin on 15th April 1960. The loan is guaranteed by the Government of India and will be secured by a first mortgage and charge on the Company's assets under a trust deed, with Messrs. Baring Brothers & Co., Ltd., of London as trustees. The First National City Bank of New York, the Irving Trust Company and the Philadelphia National Bank are participating in the loan, without the World Bank's guarantee, to the tune of $1.03 million, representing the first maturity falling due in April 1960.

The latest loan to the I.I.S.Co. is the second one granted to the Company and the third one made available for increasing iron and steel production in India. The previous loan to the Company was to the tune of $31.5 million; this was made in December 1952. The other steel loan was for $75 million made to the Tata Iron and Steel Co., Ltd., in June 1956. All the three loans are assisting the implementation of expansion schemes which will enable the two joint-stock companies in the private sector to produce 2.3 million tons of finished steel annually. In addition, the Government of India is building, as readers are aware, three plants which will have a total production of 2.2 million tons annually. The combined output of the two aforesaid companies and the Government plants, together with that of the Mysore Iron and Steel Works Ltd., represents the target for steel production to be achieved by 1961 under the second Five-year Plan.

Object of the Loan

The first World Bank loan to the I.I.S.Co. was given to help the Company increase its annual production of iron from about 640,000 tons to 1.4 million tons and double the output of finished and semi-finished steel from about 350,000 tons to 700,000 tons. The Company is now approaching a position where it will be able to expand the production of semi-finished and finished steel to 800,000 tons per annum, besides producing 280,000 tons of iron for foundry requirements. The new expansion programme will be carried out concurrently with the one now under way. The first expansion programme is scheduled for completion in November 1958 and the latest one by December 1959. The total cost of the new project is estimated at about $31 million. The World Bank loan will cover most of the foreign exchange costs. The remaining cost will be met by the Company from its own resources which include the recent issue of ordinary capital to the extent of about Rs. 7 crores, inclusive of the premium.

The loan granted to the I.I.S.Co. brings the total number of the Bank's loans during December 1956 to four and that during the last quarter of the year to ten. In fact, the last three months of 1956 has been the most active period of the year, in the sense that as many as ten out of the total of twenty-four loans for the year were granted during this period, the amount involved being $223.66 million, or 44 per cent. of the aggregate, at $507.4 million. The amount of individual loans varies from $1.60 million in the case of Nicaragua to $74.63 million to Italy. The rate of interest charged by the World Bank on the loans granted during the last quarter is 5 per cent. per annum in the case of six loans and 4¾ per cent. per annum in that of the other four. The period of loans varies from 10 years to 25 years, as will be seen from the following comparative table giving the terms of the loans granted during the three months ended 31st December 1956:

Borrower	Purpose	Amount (in million U.S. $)	Period (in years)	Rate of interest %*
Cassa per il Mezzogiorno, Italy.	Agricultural and industrial development of S. Italy.	74.63	20	5
Port Authority, Thailand.	Port development ..	3.40	15	4¾
U.T.E., Uruguay ..	Electric power ..	25.50	25	5
Fomento and Eudesa, Chile.	Do. ..	15.00	20	5
Nicaragua	Do. ..	1.60	15	4¾
Comm.onwealth of Australia.	Purchase of aircraft.	9.23	10	4¾
Do. ..	Agriculture, transport, industry and mining.	50.00	15	4¾
Agricultural Land Development Machinery Public Corporation, Japan.	Land reclamation ..	4.30	15	5
Japan Development Bank, Japan.	Steel production ..	20.00	15	5
Indian Iron & Steel Co., Ltd., India.	Do. ..	20.00	11	5

* Including the usual commission of 1 per cent.

It will be seen from the above table that the bulk of the loans is for industrial and power development purposes.

As already indicated, the total amount of loans granted by the World Bank during the year ended 31st December 1956 was $507.4 million, the largest sum granted by the Bank in any calendar year so far. This was also the first time that the total amount of loans has exceeded the $500-million mark in any fiscal or calendar year. The number of loans granted was 24 and the number of countries that received them was 17. These operations brought a net income of $33 million, also a record. The additions to the special reserve derived from the 1 per cent. commission charged on the disbursed and outstanding loans held by the Bank amounted to $15.5 million, the highest sum earned from this source so far.

A purpose-wise analysis of the loans made during the year shows that as much as $223.30 million, that is, nearly 44 per cent. of the total, was given for electrical power development, which is most essential for rapid industrial progress, and about $163 million was lent for the expansion and modernisation of industry. A sum of over $71 million was granted for development of ports, roads, rail and air transport, and $49 million for agricultural development, including irrigation and forestry. Of the loans given during the year, Europe received $145.62 million, Latin America $72.4 million, Asia and the Near

(Continued on page 94)

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BURDEN OF DEBT IN RURAL AREAS HIGH

IN A MAJORITY OF FAMILIES NO MARGIN FOR SAVINGS

THAT the level of debt and proportion of indebted families is higher among cultivators than among non-cultivators, that the districts characterised by low monetised subsistence economies reveal, to a great extent, the lowest levels of debt per indebted family and *vice versa*, that the burden of debt is heavier on cultivators with smaller holdings than on those with larger holdings and that the contribution of the rural areas to financial investment is meagre, are some of the notable conclusions highlighted in Volume 1, *Survey Report* (Part I) of the All-India Rural Credit Survey, published last week by the Reserve Bank of India.

The present report follows the publication of the second and third volumes of the Survey, namely, the *General Report* and the *Technical Report*, dealing, respectively, with the recommendations of the Committee of Direction, and the statistical statements prepared from the data collected during the eight months, beginning with August 1951, by the Committee. It embodies the Committee's analysis and interpretation of the enormous volume of data collected on the "demand" side and the conclusions it has arrived at. The data were collected through a General Schedule from as many as 127,343 families scattered over 600 villages which were selected at the rate of eight villages from each of the 75 districts spread all over the country. That apart, detailed information regarding the farm business operations, credit requirements, etc., of a sample of 15 cultivating families from each selected village was obtained in an intensive enquiry.

The discussions in the report are mainly based on data presented district-wise. Regional and all-India data are also given for some of the important items. The data, moreover, are generally presented separately for cultivators and non-cultivators as also for all rural families together. The data for cultivating families are further classified as for deciles or strata. The cultivating families in each village are arranged in descending order of the size of their holding and grouped into ten deciles with roughly equal numbers in each decile. Separate data of averages for the first decile, the first three deciles, the middle four deciles, and the last three deciles, referred to as the 'big', the 'large', the 'medium' and the 'small' cultivators, respectively, are ordinarily presented in the case of the General Schedule items. Data collected in the intensive enquiry are, however, presented separately for cultivators of the first five and the last five deciles, referred to as the upper and the lower strata cultivators, respectively.

Level of Debt per Family

The conclusions arrived at by the Committee on the basis of the aforesaid data, the limited representative character of which is acknowledged by the Committee, reveal the various aspects of the demand side of rural credit. A significant conclusion is that, at the time of the Survey, the level of debt per rural family for all districts together was as high as Rs. 283. This level was regarded as being unusually high, for, during the year covered by the Survey, there was a large increase in the debt level for various reasons, such as fall in agricultural prices and failure of crops. The increase during the year was estimated at no less than 69 per cent. for cultivators, 61 per cent. for non-cultivators, and 68 per cent. for all families. Another important conclusion is that about 63 per cent. of the rural families were found to be in debt. But the level of debt and the proportion of indebted families were Rs. 364 and 69 per cent., respectively, in the case of cultivators, as against Rs. 129 and 52 per cent., respectively, in the case of non-cultivators. Though the level of outstanding debt, as well as the proportion of indebted families, showed considerable variation from district to district, in almost all of them, however, the level of debt was higher among cultivators of the upper deciles as compared with those of lower deciles. The burden of debt, as shown by the pattern of its distribution in relation to cultivated holdings among the different classes of cultivators, however, was much higher on cultivators with smaller holdings as compared to cultivators with larger holdings. But, in most cases, the level of debt, though high in absolute terms, was, in average terms, moderate in relation to the value of assets for all classes of cultivators. For instance, for the country as a whole, outstanding debt was only 5.1 per cent. of the value of total assets for the upper strata cultivators and 8.7 per cent. for the lower strata cultivators.

Trend of Indebtedness

An attempt has also been made in the report to analyse the trend of indebtedness since 1929-30, on the basis of the Survey data and those collected by the Provincial Banking Enquiry Committees and earlier enquiries. The study discloses that a persistent regional pattern has been in evidence for the last two decades in the levels of debt per family. Thus, while the three eastern States, namely, West Bengal, Assam and Orissa, held a low position in the burden of debt per family in both 1929-30 and 1951-52, the States of the Punjab and Bombay were seen to be high-debt States in both the periods. In Madras and U.P., on the other hand, the increase in debt in monetary terms during the period 1929-30 to 1951-52 was significantly large. In the Survey year, however, the real burden of debt was substantially lower than in 1929-30, because of the large depreciation in the value of money. During the Second World War, in particular, not only was there no marked increase in the money burden of debt, but there was actually a reduction in the real burden of past debt, as a result of the changed value of money.

The Survey further reveals that, for all districts together, about 59 per cent. of the cultivating families borrowed during the year covered by the Survey. The proportion of such borrowing families among the different classes of cultivators was much the same. But the proportion of borrowing families was found to be somewhat lower among non-cultivators. While the average amount borrowed per family during the year was Rs. 210 in the case of cultivators, it was Rs. 66 in the case of non-cultivators. The borrowings of the big and large cultivators were, however, substantially higher than those of the medium and small cultivators. The amount so borrowed varied between Rs. 528 for the 'big' cultivator and Rs. 111 for the 'small' cultivator.

Yet another significant feature disclosed by the data is that, of the total borrowings during the year of the Survey by rural families, about half was for family expenditure, slightly more than a quarter for capital expenditure on farm and the balance for current expenditure on farm, non-farm business expenditure and other expenditure. As between cultivators and non-cultivators, however, the emphasis on the purposes varied. Thus, whereas among non-cultivators family expenditure accounted for nearly 70 per cent., non-farm business expenditure for a fifth, and other expenditures for the balance of the total borrowings, among cultivators family expenditure accounted for nearly 47 per cent. and capital expenditure on farm for 32 per cent. of the total borrowings.

Repayments Small in Size

As regards repayments, the report reveals that, during the Survey year, they were generally small in size as compared with the level of borrowings in the case of both cultivators and non-cultivators. To a certain extent, this was attributable to the large increase in debt during the year of the Survey. Further, it was also likely that repayments might have fallen short of the amounts cultivators might have been expected to repay during the year. But a comparison of the average repayment per repaying family and the average borrowings per borrowing family shows that the former was not particularly low as compared with the latter; and where there was a shortfall it was due largely to a relatively small percentage of borrowing families making any repayments at all during the year.

The family expenditure, the chief purpose for which both cultivating and non-cultivating families resorted to borrowing, covered expenditure in respect of construction and repairs of residential and other houses, purchase of durable consumer goods, and special occasions of expenditure, such as death, marriage, currencies, etc. It did not, however, include expenditure on current consumption, entertainment, travel, etc. Thus, while the total family expenditure for a cultivating family amounted to Rs. 361, it was Rs. 148 in the case of a non-cultivating family. The difference in expenditure between the 'big' cultivator and the 'small' cultivator under this head, moreover, was as wide as between Rs. 1,026 and Rs. 191.

It is interesting to note that a large part of the finance for family expenditure came from owned resources comprising current income and past savings. About a fourth of the recorded expenditure on this account was financed through borrowings during the period covered by the Survey. Further, borrowings as a source of finance were found to be relatively more important for the items on which the expenditure per reporting family was high.

Meagre Financial Investments

A noteworthy feature of the report is the light it throws on the saving capacity of the rural families. It shows that investments in shares of co-operative societies and banks, additions to deposits in co-operative societies, postal savings, investments in National Savings Certificates, etc., were provided by a meagre 3.5 per cent. of the rural families. The data collected in the intensive enquiry show that, in the large majority of cases, there was no margin for savings. Capital expenditure on non-farm business was reported by only 4 per cent. of the rural families. The average expenditure per reporting family was high, being Rs. 501 in the case of non-cultivators, and Rs. 409 in the case of cultivators. In the case of 'big' cultivators, the average expenditure per reporting family was Rs. 1,343.

Among the different items of capital expenditure on farms, purchase of land and purchase of livestock were the most important items. It is significant, hower, that only 3 per cent. of the families, a large proportion of which belonged to the upper deciles, reported purchase of land. Expenditure on this item by non-cultivators was very small in almost all the districts. Of the expenditure reported, about 38 per cent. was financed through borrowings. On the other hand, expenditure on purchase of livestock was reported by 25 per cent. of the cultivating families while among non-cultivators, only 3 per cent. reported. Moreover, 45 per cent. of the expenditure on this item was financed by borrowings.

The largest proportion of cultivating families, however, is found to have incurred capital expenditure on items such as purchase of implements, machinery and transport equipment, etc. A striking feature is that, in the case of all items, concentration of expenditure in the upper deciles is marked, while the contribution of small cultivators was very small in the case of most items. "Other" capital expenditure in agriculture was mostly financed out of owned resources, the contribution of borrowings being 30 per cent.

Capital Formation

Another important section of the report relates to capital formation. The broad figures of capital formation amounted to Rs. 420 crores, made up of Rs. 250 crores on items of capital expenditure in agriculture, excluding purchase of land and livestock, and Rs. 170 crores on expenditure on construction and repairs of residential and other buildings. Capital formation by non-cultivators was generally much lower. Further, the regional data reveal that the regions with highly monetised economies and commercialised agriculture came out generally prominent in capital formation, while those with low monetised subsistence economies displayed poor performance.

It is noteworthy, however, that, from the data collected, it was not possible to arrive at net savings by rural families. Nevertheless, the report has made an estimate of the gross savings and indicates the four main directions of their utilisation, each of which accounted for 20 per cent. of the gross savings. The directions are: capital expenditure in agriculture, excluding land and livestock purchase, repayment of old debts, construction and repairs of residential houses and other buildings and lending of funds.

The data is also deficient in many respects for estimating the surplus or deficit in the agricultural economy. However, some broad indications of the results of the economic activity during the year under review are given. In the first place, cultivators and all rural families taken together showed a slight net investment, largely due to the net investment of Rs. 380 per family by the big cultivators. Secondly, the performance of the medium and small cultivators and non-cultivators, especially the latter two, was found to be almost universally poor.

Gross Produce

The intensive enquiry regarding the farm business operation is a notable aspect of the Survey. It shows, among other things, that for all districts together, the average value of gross produce of crops and fodder was of the order of about Rs. 752 per family. The farm expenditure averaged Rs. 495 per family. While the cash expenditure on farm amounted to Rs. 282 or 57 per cent. per family, cash receipts through sale of crops, fodder, etc., amounted to Rs. 470 per family. Sale of crops and fodder formed 66 per cent. of the cash receipts in the case of upper strata of families and 34 per cent. in the case of lower strata. But the latter obtained about 45 per cent. of their cash receipts from cash wages. The intensive enquiry on credit requirements revealed that, for the upper strata, they amounted to Rs. 1,288 per family and for the lower strata Rs. 825.

Among other important features of the report, mention must be made of the analysis of the shifts in income and flow of funds between the urban and the rural sector, and between cultivators and non-cultivators. The study of the capital transactions showed that the flow of funds on capital account was, to a large extent, from the urban to the rural areas. It was also found that nearly one-half to two-thirds of the total funds borrowed during the year by the rural sector must have been derived from the urban sector. This fact shows, it must be stated, that the rural sector will continue to depend on the urban sector for finance for many years to come, despite the increased participation of the State, the Reserve Bank and the State Bank of India in the financing of rural credit, envisaged in the Plan.

The report under review has 17 chapters and covers 1,067 pages. It is very neatly brought out, as in the case of the other two volumes, and is priced at Rs. 9 only. The data and the conclusions given in the report indicate the amount of work the whole Survey and its processing involved, and it is no wonder that the Governor of the Reserve Bank of India hailed it as a "monumental work." Copies of the report can be had from the Accountant, Department of Research and Statistics, Reserve Bank of India, P.B. No. 1036, Bombay. Copies will be also available from the branches of the Reserve Bank of India at Calcutta, Madras, Delhi, Bangalore and Kanpur.

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BANK RESULTS ENCOURAGING

Bank of India Ltd.

If the preliminary results of working of banks for 1956 released so far provide any indication, the performance of banks during the past year should be far more encouraging than in 1955 and their profits should established fresh record levels, despite the credit squeeze during the latter half of the year and the higher interest rates offered by them for deposits. The working of the Bank of India Ltd. has resulted in a profit, after making the usual provisions for contingencies and subject to audit, of Rs. 92.03 lakhs. This represents an increase of Rs. 7.12 lakhs over the previous year, thus not only maintaining the upward trend for the third year in succession but establishing a new record in the history of the Bank.

The Directors have set aside Rs. 28 lakhs as provision for taxation, for which purpose a sum of Rs. 25 lakhs had been provided a year ago. After a lapse of nine years, the reserve fund has been strengthened (out of the profits) with the addition of Rs. 8 lakhs. No allocation has been made to the Bank's landed property account, which had received Rs. 3 lakhs last year. The final dividend is being maintained at 10 per cent., to which level it had been stepped up last year from 8 per cent. paid for the preceding three years, bringing the total distribution for the year to 16 per cent., free of income-tax. This dividend for the year absorbs Rs. 45 lakhs, leaving a balance of Rs. 29.30 lakhs to be carried forward, including a surplus of Rs. 13.27 lakhs brought in from 1955. The amount to be carried forward is subject to payment of bonus to staff, for which a sum of Rs. 12.75 lakhs was utilised last year.

During the year under review, the Bank raised its capital from Rs. 2.50 crores to Rs. 3 crores by capitalising Rs. 50 lakhs out of its reserves and issuing bonus shares in the ratio of one share for every five in commemoration of the Bank's golden jubilee. The bonus shares will be entitled to dividend from the current year onwards only. With the addition of Rs. 8 lakhs from the past year's profit, the reserves of the Bank now stand at Rs. 3.10 crores.

Deena Bank

Another bank to announce an impressive rise in its earnings for the year ended 31st December 1956 is the Devkaran Nanjee Banking Co., Ltd. The net profit of the Bank amounts to Rs. 14.87 lakhs, an increase of Rs. 3.75 lakhs, or over 25 per cent., above that for 1955. The Bank has thus maintained the upward trend in its profit for the fourth year in succession, such having gone up from Rs. 5.34 lakhs in 1952. The Directors have placed a sum of Rs. 3 lakhs to the reserve fund, raising it from Rs. 2.40 lakhs set aside last year and have maintained the allocation to the investment reserve at Rs. 50,000. The provision for taxation has also been raised from Rs. 5.60 lakhs to Rs. 8 lakhs and the dividend is being raised from 5 per cent. to 6 per cent. per annum, by proposing a final distribution of 3½ per cent. This is the second year in succession for which the dividend is being stepped up, the Directors having raised it last year from 4 per cent., the rate for 1954 and 1953. The dividend absorbs Rs. 3 lakhs, leaving a surplus of Rs. 2.13 lakhs to be carried forward, as against Rs. 1.76 lakhs brought in.

State Bank of Saurashtra

The State Bank of Saurashtra, a bank of recent origin, having been established in 1950, has well maintained its progress, with a further rise in its earnings. Its profit for the year ended 31st December 1956 (after meeting all working expenses, depreciation, etc., and subject to audit) amounts to Rs. 22.55 lakhs, as compared with Rs. 19.26 lakhs for the previous year and Rs. 18.99 lakhs for 1954, and constitutes a record for the Bank, notwithstanding the increased overhead charges and higher interest rates on deposits.

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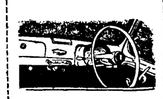

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REHABILITATION OF COTTON MILLS IN BOMBAY

COMMISSION TO ASSESS THE COST SET UP

THE Government of Bombay has constituted a commission, with Mr. S. T. Desai, Judge, High Court, as the Chairman, to determine how the figures for the rehabilitation of the cotton textile mills in Greater Bombay should be adjusted for assessing the quantum of bonus for workers for the years 1956 and 1957. The Commission consists of Messrs. Pratap Bhogilal and T. P. Bharat, representing the Millowners' Association, Bombay, and Messrs. G. D. Ambekar and A. S. Parasuram, representing the *Rashtriya* Mill *Mazdoor Sangh*. Mr. K. R. Gadgil, Technical Inspector (Textiles), Bombay, has been appointed Secretary to the Commission. The appointment of this Commission is in pursuance of an application made by the aforesaid *Sangh* following its disagreement with the Millowners' Association over the composition of the Commission to be appointed to inquire into the question of rehabilitation in the cotton mills of Bombay.

It will be recalled that, in its award on bonus for mill workers given some time in 1947, the Industrial Court had estimated the cost of rehabilitation of the Bombay cotton mills at Rs. 72 crores. The estimate was later confirmed by the Labour Appellate Tribunal also. The workers, however, considered this figure as not reasonable. In their opinion, the rehabilitation requirements were very much less than Rs. 72 crores. They even urged for an inquiry into the conditions of machinery and plant in each mill. On their part, the millowners pointed out that the figure of Rs. 72 crores was an underestimate, inasmuch as it did not take into account the increase in the prices of textile machinery in recent years. The issue came up for consideration before the Appellate Tribunal which reiterated the view that the original estimate of Rs. 72 crores was quite reasonable. It also turned down the plea for a further investigation of each mill.

Workers' Demand Conceded

Subsequently, negotiations were held between the representatives of millowners and workers over the question of bonus and a five-year bonus agreement was arrived at. During the negotiations, the workers again put forward their plea for the setting up of a special body for assessing the approximate cost of rehabilitating the cotton mills. This plea was accepted by the millowners. The agreement provided that the claim of the employees for bonus for the years 1956 and 1957 would be calculated in the same manner and subject to the same conditions as were specified in clauses 3 and 4 of the agreement in respect of the bonus for the years 1952 (where applicable), 1953, 1954 and 1955, save and except that development rebate would be excluded entirely from all calculations for the years 1956 and 1957. The agreement further stipulated that, in adopting the bonus calculation formula of the Labour Appellate Tribunal, the figures for rehabilitation for 1956 and 1957 would be subject to such adjustment as might be determined by a commission to be appointed for the purpose. The Industrial Court, which gave its award on 13th March 1956 in the matter of bonus for the years 1954-57 in terms of the above agreement, conceded the workers' demand for the setting up of a rehabilitation inquiry commission.

Discussions were held between the Millowners' Association and the *Rashtriya* Mill *Mazdoor Sangh* regarding the composition of the Commission. The discussions, however, did not lead to any agreement. Thereafter, the *Sangh* submitted an application to the Government of Bombay urging the latter to take the initiative and set up the Commission. It is in pursuance of this application that the State Government has, as stated at the outset, appointed the Commission, with Mr. S. T. Desai as Chairman.

The Commission has been asked to submit its report within six months. It will inquire into the question of the cost of rehabilitating the cotton textile mills in Greater Bombay (except the Prakash Cotton Mills) to which the bonus award of the Industrial Court applies or has been made applicable. In examining the question, the Commission will approach the issue relating to the assessment of rehabilitation, replacement and modernisation of machinery for the mills individually, as well as for the whole industry. It will also take into consideration the increased cost of machinery, if any, by taking the average prices of machinery ruling during the calendar years 1952 to 1956. Further, it will work out and include, in its report, its estimate of the cost of rehabilitation of machinery for 15 years from the beginning of the bonus year 1956 and, in the case of buildings, for a period of the average estimated life thereof. The Commission will, besides, work out and include, in its report, the cost of requirement of rehabilitation of machinery on the basis of the rehabilitation requirement up to the end of the bonus year 1961.

All the provisions of the Commissions of Inquiry Act 1952 have been made applicable to this Commission.

INDUSTRIAL CO-OPERATIVES OF WEAVERS

Two industrial co-operatives of weavers, one using handlooms and the other using powerlooms, are being set up in Trivandrum with Central Government assistance. A factory, known as the Lakshmi Textiles Ltd., Trivandrum, will be converted partly into an industrial co-operative of handloom weavers and partly into a co-operative of powerloom weavers.

The handloom industrial co-operative will have a membership of 200 weavers working on 159 handlooms. The Government of India has sanctioned to the Kerala State Government an interest-free loan of Rs. 2,08,100 to be utilised for assisting this co-operative. The amount will be spent on providing share capital of weavers and working capital for the handlooms. A part of the loan will also be used for the purchase of land, buildings, equipment and accessories, which originally belonged to the factory. The co-operative is expected to produce 24,000 yards of cloth per month on the basis of a production of six yards a day per loom working 25 days in a month.

The powerloom industrial co-operative will have 25 weaver members and 26 powerlooms. The Centre has sanctioned a loan of Rs. 94,125 to the Kerala Government to assist the society. The amount will be spent for providing weavers' share capital, working capital for looms and purchase of land, buildings and equipment. The average monthly production of the society will be about 19,500 yards of cloth.

"TEXTILE INDUSTRY IN SOUTH INDIA"

The seventh issue of *Textile Industry in South India* (published by Messrs. Dalal & Co., Post Box No. 149, Madras. Price: Rs. 5) maintains its reputation for reviewing in a useful manner the developments in the field of textiles in India generally and in South India in particular. The review pertaining to South India is quite comprehensive, in that it contains references not merely to production and export but to questions like rationalisation, allocation of profit, labour, shareholders' interests and Government's textile policy as well. The review also deals with the problems connected with handlooms and staple fibre, silk and rayon. The utility of the publication is further enhanced by the incorporation of detailed particulars regarding the financial position of as many as 75 cotton mills. If the publishers have not given detailed particulars about other mills, they are not to be blamed, because several mills have refrained from furnishing the details called for despite repeated requests and reminders. The publishers have, however, sought to give information gathered from other sources.

Surveying the developments in cotton textiles, the publishers emphasise the urgent need for making available to the masses more and better goods at cheaper cost. They also stress that the industry should take immediate step to avoid room for complaint from overseas buyers by supplying goods as per sample given, packings perfectly done and goods shipped in time. Commenting on the future of industry, the publishers point out that revision in basic wages for mill labour and heavy bonus payments have made a considerable inroad into the earnings of mills in 1956. Nevertheless, they feel that dividends are likely to be maintained, if not stepped up, by most of the mills, despite the recent increase in tax on dividends. In conclusion, they observe: "By the expansions made by most of the units in the South in the post-war period, mainly out of their own resources, the earning capacity of such units has gone up. Some of the mills have further expansion programmes and are bound to issue fresh capital to the shareholders to meet the cost of such expansions. The financial position of practically all the units is good and, given normal trading conditions, dividend distribution should continue to be generous. The mill industry will continue to enjoy a predominant place in the industrial set-up of this country and, with the demand for cloth rising, the outlook for the industry should be considered good."

RATIONALISATION OF COTTON MILLS

A warning that the Indian cotton textile industry would lose heavily in the international markets, if it were to rely exclusively and increasingly upon the domestic market, was given by Dr. P. S. Lokanathan, Director-General, National Council of Applied Economic Research, while speaking at a symposium on the uses of economic analysis in policy-making in industry at Ahmedabad the other day. This warning is both timely and pertinent. Indian textiles are already facing strong competition in South and South-East Asia not only from Japan but also from European countries; the competition is likely to be more severe in future. Dr. Lokanathan did well, therefore, to stress the need for continuous economic research as contradistinguished from purely technological research for the textile industry as a whole by the industry itself. To quote him: "Both internationally and domestically, the changing complex of factors call for constant adoption of production patterns. Internally, the large-scale developmental works will create a demand which will be subject to the impact of high incomes, new ideas, etc."

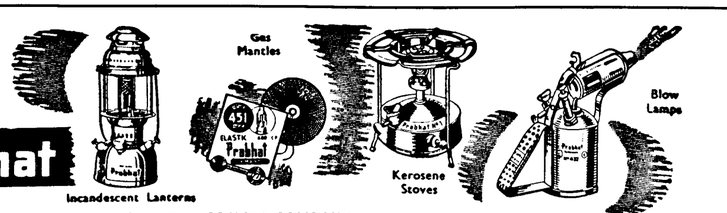
In the considered opinion of Dr. Lokanathan, there is the imperative necessity of evolving an industrial leadership of the highest quality for helping the progress of adjustment between innovation in techniques of production and the consequent unemployment, on the one hand, and the handloom industry, on the other. He referred, in particular, to the displacement of surplus labour as a result of the introduction of modern techniques and equipment in mills and declared that the textile industry itself should plan schemes for the absorption of surplus labour. He, however, hastened to add that the burden of solving the unemployment problem should not fall exclusively on the mills. The mills, according to him, had a right to expect of the Government the granting of special licences and financial aids in its attempts to find new employment avenues.

AUTOMATIC LOOMS

It will be recalled that, on 12th December 1956, the Government of India announced the allotment of 10,512 automatic looms, out of the 18,000 looms (as against 14,600 looms fixed in the textile policy of June 1956) proposed to be installed for the production of 350 million yards of cloth for export. The Government has since issued condition letters to the concerned mills which number 107. The bulk of the 10,512 looms allotted—7,536, to be precise—is accounted for by Bombay and Madras, their individual share being 3,840 and 3,696 looms, respectively. The number of looms allotted to other States is as follows:

West Bengal 960; Madhya Pradesh 576; Delhi 336; Mysore 288; Uttar Pradesh 240; Andhra 240; Kerala 144; Punjab 96; Rajasthan 48; others 48.

The last date for submitting applications for registration of handlooms has been extended up to the end of next month, since the registration has not been completed in several States. Announcing the extension of the date, the Government of India has reiterated the importance of such registration, in order to enable the Central and State Governments to estimate properly and to concert and extend necessary measures of assistance to the handloom industry. To the extent looms are not registered, the quantum of assistance will, it is said, fall short of distribution. It is also pointed out that lack of statistical data regarding handlooms will render difficult the task of assessing the requirements of yarn supplies and the needs for improved technical aid and equipment.



FINANCIAL RESULTS OF COTTON MILLS

REPORT ON RUSSIAN TEXTILE INDUSTRY

From a Special Correspondent

MANCHESTER, *31st December, 1956*

THE financial results of companies engaged in the cotton and rayon industries in Lancashire have, during the past year, reflected the adverse trading conditions which have been experienced throughout most of this period. Only in the final months of 1956 have prospects brightened, far too late to have any effect on the reports issued even at the year-end.

MANCHESTER LETTER

In such uncertain times, when buyers have been reluctant to operate at all freely, profit margins have tended to fall and earnings by individual mills have for the most part shown an equally declining tendency. Considering the state of trade, however, the results now tabulated are not as depressing as might have been expected in view of the severe setbacks encountered by certain concerns. The average profit among spinning mills is admittedly lower than at any time since 1947 but credit balances have been well maintained and a reasonable dividend has been paid out in the majority of instances.

According to our annual analysis, the average profit announced by 52 spinning mills during 1956 was £19,861 per company, as compared with an average of £27,745 for 60 companies in 1955 and £31,226 for 67 concerns in 1954. The average dividend paid by 55 spinning mills last year was 15.75 per cent., as against 23.42 per cent. for 62 companies in 1955.

The average profit of 20 concerns which combine spinning and weaving was £35,500 per company last year, as compared with £57,999 in 1955 and the average dividend paid by 22 such companies was 11.86 per cent., as against 13.39 per cent. For the whole of these 72 firms the average profit was £24,205 in 1956, as against £35,894 for 80 concerns in 1955. The dividend for 77 companies was 14.65 per cent. on average as compared with 17.52 per cent. in 1955.

Substantial Reserves

These companies now have an aggregate credit balance aggregating £11,563,487, an average of £150,175. A year ago, 84 firms had credit balances amounting to £13,120,710, an average of £156,199. While the general trend continues to indicate the difficulties through which the trade has passed, it must not be forgotten that substantial amounts have been placed to reserve, while, in many cases, plant and machinery have not only been maintained in excellent working order but have been modernised and re-equipped where necessary.

A year ago, a feature of the trading results announced, during 1955, was the slightly higher average profits earned by those engaged solely in the weaving branch of the industry. Subsequent events have reacted to the detriment of such firms and the latest accounts show a less encouraging picture. An analysis of 24 weaving concerns shows average profits of £28,090 per company last year, as compared with £52,962 in 1955, while dividends averaged 9.61 per cent., as against 15.24 per cent. Credit balances amounted on average to £91,382 per company as compared with £98,906 a year previously.

Combines' Earnings Down

Nor have the large amalgamations of spinning and weaving units escaped the general adversity which has been so prevalent in the mill towns. Total earnings of 14 of the leading groups and their subsidiaries announced last year amounted to £3,148,656, as against £4,665,012 in 1955. The average profit was £224,904 per company, as against £333,215. The dividend distributed averaged 13.23 per cent., as against 14.99 per cent. Some indication of the strength of these combines can be gauged from the fact that their aggregate credit balances amount to £6,689,266, as compared with £6,333,172 a year ago.

Few cotton companies took steps during the year to reconstruct their capital, either by way of bonus issues or repayments to shareholders. There were three cases of scrip bonuses, involving a total of £334,401, which compares with seven such distributions in 1955 involving £776,975. One capital repayment was made of £123,036 against a repayment of £77,500 in the previous year.

A Pleasant Surprise

Still on the subject of company finance—neither the market nor the stock exchanges have yet quite recovered from their surprise at the encouraging results announced just before Christmas by the Lancashire Cotton Corporation. When so many textile firms have been struggling against the conditions encountered and falling profits have been the rule, merely to maintain earning capacity can be regarded as a considerable virtue. The Corporation actually raised its trading profit by more than £125,000 during a period which barely included any of the trade's current recovery.

Even more startling to observers was the decision of the Directors to raise the dividend by 5 per cent. to a total distribution of 17½ per cent. The resultant rise, not only in the value of the company's stock, but in numerous other textile issues as well, was readily understandable. The fact that the Corporation had ploughed back profits, using them to purchase modern plant and machinery for many years, was given as the reason for now deciding to increase the return to ordinary stockholders.

In his survey of the past, present and future, Mr. Roger Lee, the Chairman, deals with many of the complications which have perplexed textile traders in recent months. Raw cotton prices, he declares, now appear to have reached levels at which buyers have a greater degree of confidence and order books generally had lengthened and were satisfactory. The company has continued its policy of constantly improving machinery with the installation of the most modern large package ring frames incorporating all the latest labour-saving devices.

More evidence to support the case of those who contend that trade in textile goods made from synthetic fibres is steadily encroaching on cotton's territory is contained in the latest quarterly review published by the Cotton Board. "There is little doubt that the massive increase in international trade in rayon piecegoods—principally Japanese—in the last few years has contributed towards the shrinkage of world trade in cotton cloth," says this survey.

During the first nine months of 1956 total world trade in rayon fabrics increased by about 12 per cent., as compared with the previous year. Japan made by far the greatest contribution to this increase, but several European countries also shared in the expansion despite the fact that Britain, France and Germany lost ground. Japanese shipments of rayon cloth, at 281,000,000 square yards, exceeded cotton cloth shipments for the second quarter in succession.

In contrast to this pronounced activity in the man-made fibres branch, the review points to a further sharp, and probably more seasonal, decline in world trade in cotton piecegoods in the third quarter of last year. Indian and German exports, in particular, were well below the level of the second quarter and more moderate decreases in the volume of exports from the United Kingdom, the United States, France and the Netherlands took place.

In the first nine months of 1956, total world trade in cotton cloth declined by about 5 per cent., as compared with the previous year, suggesting that the total for the twelve months will not be appreciably greater than that for the depression years of 1952 and 1953. Japanese exports, however, improved by about 13 per cent. over the 1955 level.

Soviet Textile Rivalry

A forecast that Russian mills could soon become a "formidable competitor" in world textile markets is given in the report of the British Weavers' Amalgamation delegation which visited the Soviet Union in the autumn. The delegation of eight was led by Mr. Harold Bradley, President, and Mr. Lewis Wright, General Secretary, and included three women.

Their report, issued in Manchester, says Russia aims to become self-sufficient in textiles and there is very little chance of its providing an export market for Lancashire cloth. "At the moment the production is mostly basic materials of low quality, mass-produced. As the economy strengthens more mills will be built and better-class fabrics produced and their consumption encouraged." said the report. It added: "It seemed to us that Lancashire need not waste its time wondering about exporting cotton textiles to the U.S.S.R. but spend it in building up and gaining a reputation for original attractive designs to anticipate what the U.S.S.R. may yet try to do to us."

Some of the mills visited by the delegation were housed in old buildings but others were modern, with lofty and well-lighted weaving sheds and automatic ventilation which provided a "clean and fresh" atmosphere.

The delegation reached the conclusion that the standard of life of the Russian workers was much lower than that in Britain and the report comments: "Our wage for the average weaver is about £7 15s. and it buys much more than £20 would in the U.S.S.R."—*All Rights Reserved.*

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REVISION OF HEDGE CONTRACT

MOVE TO RECTIFY THE DEFECTS

THE wide disparity between the spot and futures rates of cotton in recent months has caused much concern to cotton traders and has induced many of them to discuss its causes, with a view to devising appropriate measures for remedying the defect. The anxiety of the traders is understandable, for the forward and spot sections are complementary to each other and the smooth working of the market requires that the two operate in close unison and maintain a reasonable degree of equilibrium. If there is a large difference between the spot and forward rates, the usefulness of the futures contract as a hedge medium will be considerably limited. The spot premium for the basic quality of the contract is an indicator of the relation of the forward and ready sections and the magnitude of the premium is a measure of the degree of divergence between the two. By the very nature of the hedge contract, ready cotton would most often command some premium. So the existence of a premium should not be taken as proof of a basic malady in trade. But, if the tendency, over a period of time, is persistently for greater and greater premiums or *vice versa*, it clearly indicates the presence of a basic defect in the contract and calls for corrective measures.

Such a tendency, it is widely maintained, has been in evidence in the Bombay cotton market during its working for a period of about seven months under the two-contract system inaugurated in June last. It may be observed that the two-contract system itself was introduced, with a view to avoiding wide disparities between spot and forward quotations and to bring hedge trading and hedging facilities to the desired standards of usefulness. Under a single-contract system so many varieties are tenderable against one and the same contract, varieties not only vastly different from each other in grades and staple length, but also very much different in fibre characteristics and spinning performance. There were occasions, it was pointed out, when varieties having a premium value of about Rs. 400 over the lowest variety were tenderable against the contract. This meant that there was no relation between the contract price and the actual spot rates. In such circumstances, a single contract could not provide adequate hedge protection. The adoption of the two hedge contracts system, it was thought, would make almost all varieties grown in India tenderable against the contracts and would also reduce the wide divergence between spot and futures rates.

Main Defect

But this expectation has failed to materialise to the desired extent, as the spot and futures rates continue to show considerable disparity. A majority of traders is inclined to attribute this to the technical defect of the hedge contract, which, it is maintained, in addition to being bearishly biased, is also incapable of preventing a spread between the two rates. Particular reference is made to by-law 55 of the E.I.C.A. relating to the fixation of tendering differences. It is held that it is the presence of this by-law that prevents the automatic functioning of the corrective mechanism. There is a close relationship between the working of the corrective mechanism and the method of fixing tendering differences. If the tendering differences are fixed in such a manner as to give the benefit of any prevailing spot premium (or discount) to the holder of unliquidated contract who receives the tender, the corrective mechanism would automatically start functioning between the two sections and restore equilibrium. But the by-law 55 of the E.I.C.A. lays down that fixation of tendering differences should be on the basis of hedge contract rates and not on that of the spot rates. Under the provisions of the rule, it is contended, the benefit of the premium is passed on to the holder of unliquidated contract only when the basic quality is tendered; in the case of tender of all other tenderable varieties, the sellers enjoy the benefit of the spot premium. Therefore the corrective mechanism can be sufficiently effective only when the quantity of the basic quality accounts for a large percentage of the total volume of tenderable cotton. Since this is not the case, the mechanism works in favour of the sellers.

It is also pointed out that, in the case of failure to tender or rejection of tender, the benefit of the spot premium should pass on to the holder of the contract, for which, it is pointed out, the invoicing back should be on the basis of spot rates. But the present futures contracts provides that it should be on the basis of the forward rates. This is naturally more favourable to sellers as the spot rate is usually higher and at present considerably higher than the forward rate.

Amendment

Market circles are strongly convinced that the only method of setting right this basic defect is a suitable amendment to the said by-laws. The Board of the E.I.C.A., accordingly, met on 14th December 1956 to consider the matter. The Board discussed the various issues regarding the revision of the by-law, but could not arrive at an agreement. It was, however, anxious to patch up all existing loopholes and so it convened a special meeting on 17th December and, after detailed consideration of the pros and cons of the case, reached the conclusion that it was necessary to amend the by-laws 55 and 55A. The proposed amendment to the by-law 55 provides that the tendering differences to be fixed shall be on the basis of spot prices, instead of on the basis of the hedge contract prices as at present, that is, exactly on the same lines as the system was before the last amendment. It also decided that by-law 61 relating to the invoicing back should remain unaltered for the time being. The above change, which is subject to the approval of the Forward Markets Commission, shall apply only to contracts in May 1957 delivery period in respect of Fine Jarilla 25/32" contract and for June 1957 delivery period in respect of Fine Vijay 27/32" contract. Accordingly, the current *vaidas* will not be affected by the proposed changes. This is only as it should be, since it is not desirable to vary the terms of contracts in which dealings have been going on for some months now.

While the amendment has been generally welcomed in market circles, as it was demanded by a wide section of the trade, considerable misgivings have been expressed regarding the advisability of maintaining the *status quo* in respect of the provisions (by-law 61) regarding invoicing back in case of failure to tender or rejection of tender. But there is on this question considerable differences of opinion, especially between the trade and the mill interests. According to some trade circles, the amendment to by-law 55 is a step in the right direction, as the fixation of tendering differences on the basis of spot rates would help to bridge the gap between the latter and the forward rates. But they are in favour of keeping the provisions regarding the invoicing back of cotton as such, their reason being that it would provide a necessary check to any undue benefits the seller may derive from the bullish implications of the proposed change in by-law 55. But mill interests contend that any amendment to by-law 55 should necessarily be followed by a similar amendment to by-law 61. They argue that invoicing back in case of rejection of tender or of failure to tender should also be on the basis of the spot rate. This is especially important, they maintain, in view of the fact that it affects genuine buyers like mills, many of whom purchase large quantities of cotton through forward delivery contracts. It is argued that, if the invoicing back of tenders is to be on the basis of the relevant hedge contract rate and not on the basis of the spot rate, it would amount to the seller being let off, lightly in the event of rejection of docket cotton. All these points of view, it is expected, would be considered by the Forward Markets Commission when it takes up the question of approval of the amendments proposed by the E.I.C.A. shortly. The Commission has already notified the proposed changes in the *Gazette of India Extraordinary* dated the 29th inst. and invited the views of the persons concerned. The question is receiving the active consideration of the Commission at the time of writing.

Another proposal of the Board is that, consequent upon the amendment to by-law 55, the by-law 55A providing for the weightage of 6¼ per cent. be removed. It also proposed to introduce separate standard boxes for black leafy and

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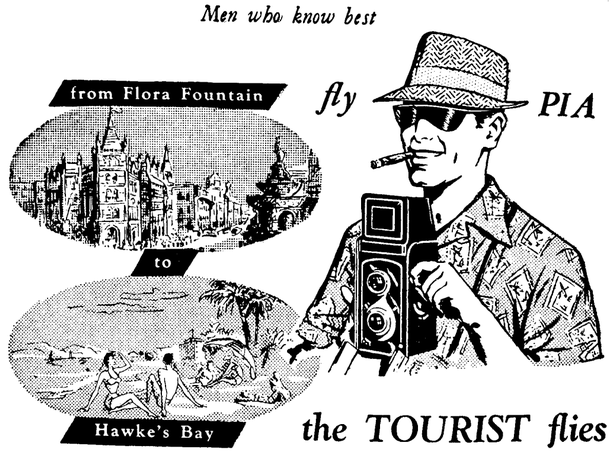
Men who know best



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HIRAKUD DAM IS A GREAT ACHIEVEMENT

ITS ENGINEERING FEATURES AND ECONOMIC IMPORTANCE EXPLAINED

By M. S. Thirumale Iyengar
CHIEF ENGINEER, HIRAKUD DAM PROJECT

FROM time immemorial all rivers, big and small, have been intimately bound up with the life of the people in the valleys for various reasons, the most important of which is the river's hydraulic potential. The Mahanadi—a great river—is no exception to this law. During the last century, when mechanisation and engineering techology had not attained their present levels, a diversion weir and canals were constructed across the river at the head of the delta, to carry waters by gravity to areas near and far from the weir itself, so as to make life possible in villages and to assist in agricultural development. The Mahanadi canals in the Cuttack District form monuments to the pioneering spirit of celebrated engineers of the last century and they have given a high degree of agricultural richness to the lands commanded by them.

The irrigation developments continued unceasingly, but it was realised early that the agricultural interests suffered periodically both from drought conditions and flood ravages. It was realised that the creation of a large reserve of water for agricultural purposes which would at the same time mitigate the flood menace, would remove the difficulties and distress caused by lack of water or too much of it.

The construction of the great Hirakud reservoir is the culmination of the hopes and aspirations of the Orissa people in the Mahanadi valley for liberation from periodical droughts and floods and it took nearly a hundred years of consideration to arrive at a firm decision.

The Mahanadi has a delta as big as England and a catchment area 10,000 square miles larger than that of the Tennessee in the U.S.A. The mean annual run-off is 74 million acre feet, which is five times that of the Colorado at the site of the highest dam in the world—the Boulder Dam. The engineers, who have studied the valley in detail and who have surveyed the catchment, have shown that there are three key-points for the integrated development of the valley. Three reservoirs were proposed—one at Hirakud, the second one at Tikkerpara, a hundred miles below Hirakud and the third one at Naraj, which is almost at the apex of the delta above Cuttack. The scheme for dividing off the river envisages that these three reservoirs should control four power stations, providing 5,000 million kilowatt hours per annum, and safeguard agricultural interests of nearly 2½ million acres of land while completely protecting the deltaic areas down to the coast from floods in the river. In making this forecast of benefits, no account has been taken of the possibilities of developing the major tributaries of the Mahanadi like the 'Ib' and 'Tel' for power and irrigation potential. Out of these tremendous possibilities, the Hirakud reservoir envisaged as the first big one has become a *fait accompli*.

Longest Dam

The Hirakud Dam is situated near Sambalpur in Orissa at Long. 83° 53' and Lat. 21° 32'. The structure is essentially an earthen barrier, 16 miles long, and is perhaps the largest dam in the world. It has created a reservoir of 6.60 million acre feet of water or 288,000 million cubic feet of water which is thrice the capacity of the Mettur reservoir in the South and twice that of the Tungabhadra in the Deccan. The water spreads over 288 sq. miles—a colossal expanse that submerges 283 villages (249 Orissa and 34 Madhya Pradesh), displacing 20,000 families from their homes for the benefit directly of a large proportion of the State's population and indirectly of the nation. The location of the dam, which would appear from its topographical characteristics suitable for a large structure, was not without certain drawbacks. The river was very wide here and the barrier had to be made very long. But it was inevitable, as, by locating it here only, we could get a vast extent of land commanded for irrigation benefits.

Main Dam

The main dam is three miles long, spanning two hills between which the Mahanadi flowed in four channels—two on either side of an island formation. This island is the Hirakud island from which the dam has derived its name. On either side of these main hills, there is a number of hill ranges, gaps in which had to be blocked to hold up the waters. There are five gaps on the left totalling to six miles length and one on the right seven miles long so blocked up. Including the hill sections, the length is 20 miles from end to end with a roadway at 642 contour, which is the top level of the dam.

Characteristics

A brief summary of the characteristics are given below. These are at the dam.

Normal storage level—+630 (above sea-level).
Catchment area—32,200 sq. miles.
Mean annual run-off—74 million acre feet.
Reservoir total capacity—6.6 million acre feet.
Reserve useful capacity—4.72 million acre feet.
Average head on the turbines—87 feet
Installed capacity at the dam—1,23,000 kw.
Annual energy production—750 million kw. hours.

Taken alone, the figure of 750 million kilowatt hours does not properly reflect the actual importance of the dam. It is necessary to add to the production from the power station at the foot of the dam the additional energy provided for at the power station 16 miles lower down which is now under construction and which will produce annually 450 million kilowatt hours. The useful volume of the storage will allow a large flow of 13,000 cusecs to be sustained during the summer. All this flow will, of course, go to irrigate a vast extent of land in the Puri and Cuttack districts of the Mahanadi delta. 1.6 million acres of land will be cropped with this water annually. The summer flow at Hirakud, before the reservoir came into existence, used to dwindle down to as low as 150 cusecs. In future, the minimum flow in the river below Hirakud will be of the order of 13,000 cusecs. All this water, as already mentioned, will be at the disposal of the agricultural interests in the delta where the spectre of famine due to drought conditions will vanish for ever.

In order to obtain the maximum possible benefit from the regulation of the river and to increase the value of the Hirakud reservoir, work is now afoot for developing the additional energy at a power station, 16 miles below the main dam. The tail-race from the main dam turbines is taken along a lined canal for 16 miles and water dropped about 75 feet into the river running close by.

The technical arrangements of the dam will now be described. The length of the dam precluded the adoption of either the mass concrete or the mass rubble stone-masonry type of dam. Except for the spillways and power dam section, the type of structure put in is an earth dam of compacted alluvium.

An earth dam was adopted by reason of the prohibitive cost of concrete or masonry structure in this valley with such an open profile and also of the economy resulting from the use of material freely available with reasonable proximity of the works. Such a type of structure has been adopted for centuries in this country though of small heights. Here we were confronted with putting up an earth section 200 feet high at the lowest point. Such high structures which had been proved in service in other countries had not been built in India in the past. For the main dam a sort of a zoned section was adopted—the central core made impervious by using earth with a permeability coefficient of less than 1 foot per year and cased front and rear, with stable material having a permeability coefficient of about 10 feet per year. A cut-off trench near the upstream toe of the impervious core was provided for the full length of the earth dam. An injected cement grout curtain was made along the whole length of this trench to prevent the passage of subterranean water. The total earthwork involved in the main dam itself was 44 crore cubic feet with 147.3 lakh c.ft. of filter material and 166.8 lakh c.ft. of rip-rap. The front slopes have been protected with 4 feet thick rip-rap over a sand and single filter. 163.7 lakh c.ft. of stone have been used for the rock toe and pitching in rear. In the dykes, the total quantity of earth is 20 crores c.ft. and stone pitching rock toe 208 lakh c.ft.

Use of Modern Instruments

It is obvious that this enormous quantity of earthwork could not be done by manual labour in a reasonable time. Extensive use of earth digging and hauling equipment made it possible to place all the earth in about four years' time. A vast array and number of machines roamed about roaring like monsters, some hauling earth dug and loaded by huge shovels, some loaded by loaders that cut the earth and delivered the same into the waiting dumpers. Draglines, scraper-loaders all worked incessantly to supply the earth for the main dam. Dozers spread the same and sheep-foot rollers compacted the layers. In this process of raising the huge earth dam layer by layer it was not enough if we ensured only the machines working without breakdowns. The most important feature in this field of operations is the non-stop tests of soil used both in the borrow areas and after placement on the dam. The optimum moisture permeability and the compaction factor requirement governed the construction layer after layer. The considerable difference of level existing between the full reservoir level of +630 and the top of dam at +642, ensures a sufficient degree of security and safety.

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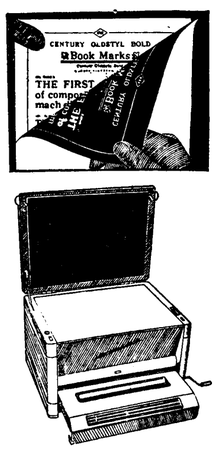

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LINKING SUGARCANE PRICE TO QUALITY

GOVERNMENT'S DECISION ANNOUNCED

AT long last, the Government of India has finally decided to introduce a system for linking the price of sugarcane to its quality, instead of to weight alone as at present. This was disclosed by Mr. T. C. Puri, Joint Secretary to the Union Ministry of Agriculture and President of the Indian Central Sugarcane Committee (I.C.S.C.), in the course of his address at the twenty-second meeting of the Committee held at Dalmianagar on 28th December last. This decision is a sequel to the unanimous recommendation made by the Joint Committee of the Development Council for Sugar Industry and the I.C.S.C. Before applying the system to the whole of India, the Government will, however, try, as suggested by the Committee, the system on an experimental basis in ten factories situated in different regions so as to gain experience of the working details without making any actual payment on quality basis during the trial period. Arrangements in this direction, according to Mr. Puri, are already in progress. Under the scheme, the total price payable by the sugar factory will be divided *inter se*, between the growers on the basis of quality. The growers or groups of growers who supply cane with higher sugar-content will be entitled to a premium, while others will get a proportionately lower price.

The Central Government's decision to link the cane prices to quality, though very much belated, deserves to be welcomed. The present system of paying for cane on the basis of weight only is defective in several respects. It does not, as Mr. Puri pertinently remarked, provide any incentive to the cultivators to grow better varieties of sugarcane with higher sugar-content or to harvest the cane when it is fully matured and deliver the cane to the factory as soon as possible. It is this factor which has largely been responsible for the rigid cost structure of the sugar industry. Surely, the adoption of the method of linking cane to quality will go a long way towards creating conditions most conducive to the growing of varieties with higher percentage of sugar-content which, to quote Mr. Puri, "is the only way in which our cost of production of sugar can go down."

Simultaneously with the scheme for linking cane price to quality, energetic steps must be taken by our research stations to make available adequate quantities of seed of better quality cane—disease-resistant and with higher sucrose-content and adequate yield per acre. Mr. Puri did well to stress this aspect, as also to urge the necessity for pre-harvest spraying of standing cane crop with sodium salt. Such spraying, it is claimed, can augment recovery by 0.4 to 0.8 unit and the cost is comparatively small as compared with the gain in sugar recovery.

Intensive Manuring

The need for intensifying cane development is of special significance in the present context when the sugar industry has launched upon a large expansion scheme. The scheme, the estimated outlay on which is as much as Rs. 51 crores, envisages a rise of over 20 per cent. in the production of sugar, from 1.86 million tons in 1955-56 to 2.25 million tons by 1960-61, with the target of rated capacity being fixed at 2.50 million tons. If this large expansion scheme is to be implemented successfully, it is imperative that the per-acre yield of high sucrose-content cane is augmented. Emphasising this aspect, Mr. Puri revealed that the target for intensive manuring of sugarcane was fixed at 1.5 million acres during 1956-57, as against 808,000 acres actually covered in the previous season out of a target of 1.0 million acres. Of the target of 1.5 million acres, 1.38 million acres had been covered by the end of September 1956, using more than 2.15 million maunds of fertilisers. Mr. Puri described the progress as being "very satisfactory" and hoped that, by 1960-61, the entire cane crop in the country would be covered under the campaign, in order to achieve the production target of 78 million tons of cane. The total cost of cane development schemes (barring those of the Punjab and Mysore States) is estimated at Rs. 10.45 crores, of which the share of the Central Government is Rs. 2.65 crores. The target of 78 million tons fixed for cane production under the second Plan represents a rise of 20 million tons, as compared with the actual output of about 58 million tons in 1955-56. The target fixed in the first Plan, it may be noted, was 63 million tons.

In his speech, Mr. Puri drew attention to the problem of disposing of the excess of sugarcane in some areas, particularly in West Uttar Pradesh and the Punjab. He recalled the special steps taken by the Government to induce the sugar factories in the U.P. to commence crushing earlier than usual in the current season. According to him, 16 factories had started crushing by 4th November 1956, as against only one factory a year before. Up to 12th November, for which the special concession was allowed, the factories crushed a total of 3,466,000 maunds of cane with an average recovery of 7.8 per cent. Thanks to the crushing of immature cane thus, the loss of sugar amounted to about 79,212 maunds, on the basis of the normal recovery of 10 per cent. Surely, it is not, as Mr. Puri rightly stated, in the national interest, and least of all that of the cane growers, that this situation should continue. Steps must be taken to avoid recurrence of such a situation in the next season.

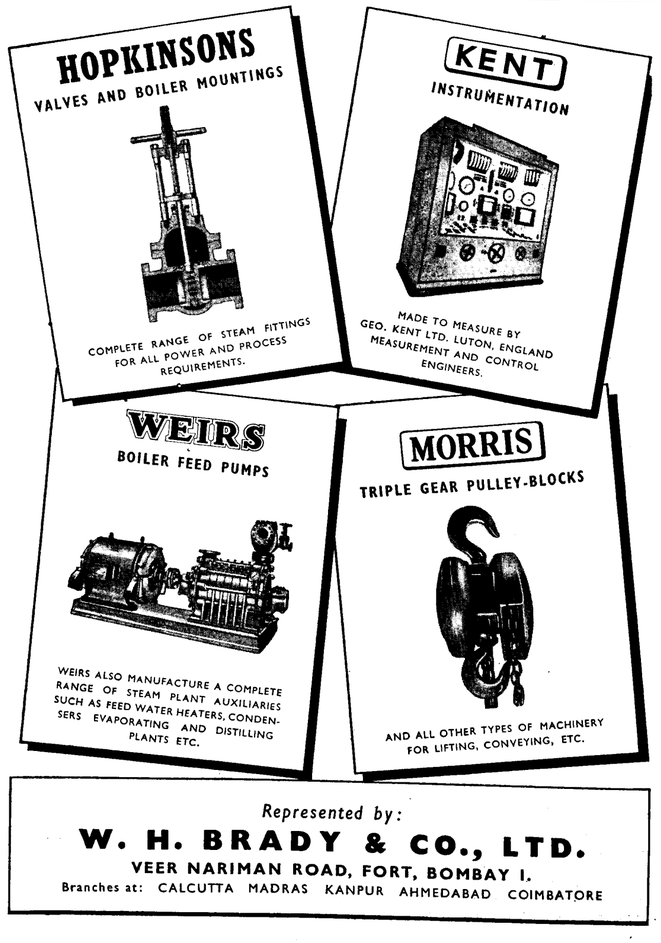
"Gur" Industry

Mr. Puri made a special reference to the decentralised sector of the sugar economy, namely, manufacture of *gur*. Emphasising the important role played by the *gur* industry, he said:

"In spite of the increase made in the production of white sugar, the consumption of sugarcane for this purpose is limited to only about 30 per cent. of the total output and the bulk of the production, amounting to 50 to 55 per cent., continues to be used for the manufacture of *gur* on a cottage industry scale. The present methods of manufacture permit of considerable improvements. To the extent these improvements can be effected, the return to the growers will be higher. With this end in view, the Indian Central Sugarcane Committee sanctioned research schemes in various aspects of *gur* industry in some of the important *gur* producing States on 50:50 basis of pay and allowances of the staff."

Despite the important role played by the *gur* industry, the State Governments have not given adequate attention to the needs of the industry. Regretting this tendency, Mr. Puri observed that only a very few schemes had been received so far, perhaps, for the reason that the State Governments were not inclined to pay the matching grants. He urged the Governments to reconsider the matter and to take advantage of the financial allotment made by the Centre in this regard. He stressed here the need for providing the necessary incentive at all stages for the proper implementation of the schemes so as to achieve the targets fixed.

At the end of its session, the Central Sugarcane Committee sanctioned a five-year scheme for improvement of transport facilities in the sugar factory areas of Bihar. The scheme involves an expenditure of Rs. 50 lakhs as subsidy for the construction of roads and Rs. 50 lakhs as loans for the laying of tramway lines. The Committee also sanctioned a scheme for soil survey and classification of soil in cane tracts in Madras for a period of five years and a scheme for cane development in the Andaman and Nicobar Islands and in the North-East Frontier Agency area under the Second Plan. Besides these schemes, the Committee took four notable decisions. First, the State research stations should properly repeat the trials for increasing the sugar-content in the standing cane crop and carefully scrutinise the data. Secondly, the Governments of Andhra, Madras and Mysore should start investigation and collection of necessary data relating to improvement in acre-yields of cane obtained by change of seed material. Thirdly, an *ad-hoc* expert sub-committee of the I.C.S.C. should give top priority to comparatively backward States like West Bengal, Assam and Madhya Pradesh and visit them at an early date to set their pattern of future cane research and development work. Fourthly, conferences of cane development and research workers should be held annually, with a view to raising the standard of scientific work connected with sugarcane.



AMALGAMATION OF SMALL COLLIERIES

RECOMMENDATIONS OF BALWANTRAI MEHTA COMMITTEE

THE Government is now said to be actively studying the recommendations of the Collieries Amalgamation Committee. This Committee was appointed in November 1955, under the chairmanship of Mr. Balwantrai Mehta, M.P., to examine the position of small collieries in Raniganj and Jharia and to make proposals for their amalgamation. It was expected to submit its report in about two months after taking into account the area, the current output and the capacity of the collieries, as also the geological, geographical and other aspects. The Committee's report is said to have been forwarded to the Government after a year of its appointment, but the full text of the report and the Government's decision thereon are yet to be published. The summary of the recommendations available go to show that the Committee is not unanimous in its decision, because as many as five out of the thirteen members constituting it have submitted notes of dissent on various points.

The Committee has recommended that any colliery in Jharia or Raniganj which is not producing about 10,000 tons per month at the time of implementation of the scheme of amalgamation or has an area of less than 100 acres should be amalgamated with one or more collieries, or part or parts thereof. It has, however, suggested that any colliery may be excluded from the amalgamation scheme, if, due to special circumstances, its amalgamation is not advisable or expedient or in public interest. It has also recommended that any colliery producing more than 6,000 tons of coal per month, but less than 10,000 tons, may be excluded from the scheme, if it is capable of producing 10,000 tons per month within a period of one year and if demand and transport are available for its output.

Seamwise fragmentation of collieries should, the Committee states, be permitted only in special cases in the interests of the country. Cases of such fragmentation, wherever occurring, should be examined and, if they are against the interests of safety and conservation, they should be rectified.

Statutory Commission

In order to carry out the scheme of amalgamation, in cases where such amalgamation is not voluntarily agreed upon, the Balwantrai Committee has suggested the appointment of a statutory body, called the Collieries Amalgamation Commission, in consultation with the West Bengal and Bihar State Governments. The Commission, which will consist of a chairman of the rank of a High Court Judge and two members, one being a senior mining engineer and the other a senior accounts expert, will be entrusted with the task of drawing up a scheme of amalgamation of collieries and adjustment of boundaries, hearing objections and giving decisions regarding the same.

All schemes of voluntary amalgamation and adjustment of boundaries will, nevertheless, be notified to the Commission which will take all necessary steps for the implementation of such schemes, including valuation of collieries. Till such time the statutory Commission is appointed, the Government should, says the Committee, appoint a committee of three technical experts, to examine the proposals of voluntary amalgamation, modify them wherever necessary, and give its decision on them within one month from the date of receipt of the schemes.

The Amalgamation Committee has recommended that composite legislation should be undertaken to effect amalgamation and adjustment of boundaries and for the apointment of the Collieries Amalgamation Commission. Powers of amalgamation of mining leases will have to be taken by an amendment of sections 5 and 7 of the Mines and Minerals (Development and Regulation) Act and the mineral concession rules also will require amendment. In order that difficulties in the way of amalgamation and adjustment of boundaries may be removed, the Committee hopes that the Governments of West Bengal and Bihar will take steps to take over the rights of all intermediaries.

The Committee has also prescribed a detailed procedure for determining the share of each colliery in the amalgamated unit and for fixing the compensation to be paid to a colliery owner who is unwilling to join the amalgamated group, in which case the colliery concerned will be compulsorily absorbed. The share of each colliery is to be decided by mutual agreement between the parties or according to the value of each colliery determined by the Commission on the following basis:

Assets of the colliery, consisting of mining rights, initial capital expenditure, stores and stocks of coal, *less* liabilities consisting of loans and encumberances on property *plus* a surcharge equal to two to four times the net average annual profit according to the income-tax returns over a period of ten years from 1945.

It is left to the Commission to consider whether, in addition to these, any surcharge should be added in respect of coal reserves in working seams.

The compensation in the case of compulsory absorption is also to be decided on the above basis. The compensation shall be payable in five equal annual instalments.

Financial Assistance

The Commission has further recommended the grant of financial assistance to amalgamated units, in order that they may function efficiently. The financial assistance is to be given by the three Government-sponsored organisations which advanced funds to industrial undertakings or by a new corporation to be formed. The latter may be financed by levying a cess on despatches of coal.

As regards the form of organisation to run the amalgamated collieries, the Committee says that it may be left to be decided by the parties concerned, but, in case they fail to come to an agreement, the statutory Commission may decide it. The Committee is, however, in favour of public limited companies.

The Committee has also paid attention to the effects of amalgamation on labour and says:

"There is no likelihood of any appreciable change in the overall employment of labour due to amalgamation. Only in the category of clerical and some other staff, some workers may be rendered surplus. Certain adjustments in the employment pattern will be necessary. We endorse the proposal, which is separately under consideration, for the creation of a pool for surplus colliery workers. The process of rationalisation and mechanisation after amalgamation should be gradual and only after arrangements for the absorption of surplus hands are made. If the surplus hands are not absorbed, they should be maintained till natural elimination or absorption elsewhere takes place; each maintenance will be on such terms and conditions as are provided in the Industrial Disputes Act. Adjustments should be made in consultation with representatives of labour and without adversely affecting the emoluments of the workers or increasing their workloads."

The Committee has fixed 31st July 1958 as the date of implementation of the amalgamation and adjustment of boundaries.

In making the recommendations, the Committee has taken note of the country's growing needs of coal, which it estimates will be more than 200 million tons in the next decade or so. If the industry is to play its part in supplying these needs, the Committee observes, it should be reorganised in the immediate future. Such reorganisation is not possible, it feels, if so many small units of production are allowed to continue. They have, therefore, to be brought under unified control by amalgamating, reorganising and modernising them, so that the existing resources can be fully exploited. The Committee has also stressed the need for a proper evaluation of the country's coal reserves. Amalgamation of collieries will, it says, enable the central washeries to draw coal of fairly uniform washability characteristics from large units. Wastage of coal in thin seams and selected mining may be avoided by extensive stowing and washing. Certain responsibilities have also been evolved on the Coal Board for supply of sand, water, etc. In order to minimise the locking of coal underground due to the existence of railway lines, roads, rivers, etc., the Committee has suggested that boundaries should be readjusted in such a way that these features from the boundaries wherever necessary.

Notes of Dissent

The five members of the Committee who have added notes of dissent to the report are the three representatives of the coal industry: Mr. R. Maulik (Indian Mining Association), Mr. J. N. Mukherjee (Indian Mining Federation) and Mr. B. L. Agarwalla (Indian Colliery Owners' Association), the West Bengal Government nominee, Mr. B. N. Bannerjee, and the Bihar Government nominee, Mr. C. Bhattacharya. In a joint note, the representatives of the industry say that amalgamation should not be based on production, as it is circumscribed by factors like demand and availability of transport which are extraneous to the inherent capacity of the colliery. They suggest that collieries fulfilling the conditions of areas and reserves should generally be excluded from the scheme of amalgamation and, instead of implementing the Committee's recommendations all at once, the Commission should start by amalgamating collieries having very small areas. They also feel that a person with knowledge and experience of the commercial side of the industry should be included in the Commission.

The West Bengal Government representative, in his note, agrees with the representatives of the industry that any scheme of amalgamation based on output as the main guiding factor will be unreal. He and the Bihar Government nominee feel that the respective State Governments should be associated with the process of amalgamation at every stage and represented on the proposed statutory Commission. While the former suggests that in extreme cases where colliery owners are unwilling to be amalgamated the State Government should have the option of stepping in to take over and run such units, the latter is of the opinion that the Bihar Government should have the first option to take over and run all the amalgamated units on its own behalf.

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MALAYAN RUBBER INDUSTRY

INCREASE IN PRICE RAISES WAGE BILL—OUTLOOK PROMISING

THE political developments in Sumatra, the largest rubber-producing area in Indonesia and the biggest overseas supplier of first grade sheet for re-export through Malaya, have been the dominating factor in the Singapore rubber market during the last fifteen or twenty days. Though the prices at the time of writing are a shade lower than at the close of 1956, the January First Grade having buyers at $M1.13¼ per lb., as against $M1.15 per lb., the undertone remains firm on the prospect of a squeeze on nearby shipments. It is feared that, if the bloodless coup in Sumatra develops into a civil war and a squeeze on nearby shipments results, the upward trend in prices will be aggravated, because operators, who sell forward in anticipation of supplies, will be forced to scramble for the available material in the spot section to cover their commitments.

In the event of a civil war in Sumatra, the trade of Indonesia with Malaya will no doubt be affected and the flow of rubber exports will be cut down drastically. This will offset the substantial improvement in the trade between the two countries built up during the past year, particularly after the Suez crisis. The total trade of Malaya with Indonesia in the first ten months of 1956 amounted to $M1,160.8 million, a rise of over $M40 million over that in the corresponding period of 1955, of which Sumatra accounted for $M722.1 million, owing to the large rubber trade. As, however, such factors as the latest developments in Indonesia are only temporary, the sharp rise in price will be followed by a severe reaction when the situation improves. The wide fluctuations are, therefore, looked upon with disconcert by rubber producers, as they affect the normal trade in natural rubber which, despite the competition from synthetic rubber, has a fairly promising outlook.

Rise in Wages

The sharp rise in price following the Suez crisis has already had an adverse effect on the Malayan rubber producers, namely an increase in their wage bill. The wages of tappers and field workers in the Malayan rubber industry are fixed every quarter on the basis of the average market price in the previous quarter. The wages paid in the last quarter of 1956 were based on the price-zone 80 cents to $1. As the average price for the last quarter, at $1.02, fell within the zone $1 to $1.20, a rise in wages for the first three months of 1957 has been announced. Under this system, tappers' wages will be raised from $3.30 daily to $3.65 and those of field workers from $2.90 to $3.25 per day. More than 320,000 workers will thus be benefited by an average increase of 33 cents per day, and this will cost the industry $M8 million (about £933,000).

The year 1956 has been a satisfactory one for the Malayan rubber industry. The production in the first eleven months of the year amounted to 566,907 tons, a fall of only one per cent. from that in the corresponding period of 1955. Exports have also been encouraging. In the first eleven months, shipments to the U.K. remained almost the same as in the corresponding period of the previous year, being slightly over 23 per cent. of the total exports, actual shipments being 212,406 tons. Exports to the U.S. amounted to 146,634 tons, or 16 per cent. of the whole, as against 18 per cent. in 1955. In the same period, Russia bought directly from Malaya 12,791 tons, as against *nil* in the previous year and shipments to China amounted to 8,452 tons, as against *nil*. Japan purchased 60,718 tons in the first ten months, as compared with 58,895 tons in the same period of 1955.

World Consumption

The world consumption of natural and synthetic rubber during 1956 is placed at an annual rate of 3 million tons. In the U.S. alone, the total consumption of new rubber by the rubber manufacturing industry during the past year is estimated at 1,435,000 long tons, the second highest figure on record, as compared with 1,529,699 tons used in 1955. Prospects for 1957 are, according to the spokesmen of the rubber manufacturing industry, better than for 1956, with consumption estimated at 1,510,000 long tons. The proportion of synthetic rubber consumed by the manufacturers is, however, said to have gone up from 58.50 per cent. in 1955 to 60.9 per cent. in 1956. By 1960, the consumption of synthetic is expected in some circles to rise to or even exceed 62 per cent.

The rubber producers are, however, more optimistic about the outlook for natural rubber. For, according to Sir Eric Miller, Chairman of Harrisons and Crosfield Ltd., although the production of new cars in the U.S. was severely curtailed in 1956, there had been no diminution in the number of vehicles, particularly trucks, running and requiring tyre replacements. The unsold stocks of automobiles which stood at a high of 900,000 early in 1956 are said to have been sold out completely, thus greatly assisting the sale of 1957 models, for which there seefns to be a keen and increasing demand. Moreover, stocks of tyres in the U.S. are also said to be on the high side, but the varying sizes in use today has necessitated much larger stocks to be carried. The introduction of the 14" tyre which is being fitted to all 1957 models is said to contain a higher proportion of natural rubber than the 15" tyre.

Sir Eric Miller is of the view that so long as natural rubber is available in ample quantities, European manufacturers outside the Iron Curtain countries will be inclined to use synthetic on only a moderate scale, as imports from the U.S. and Canada have to be paid for in dollars. Any substantial expansion in production of natural rubber can only be gradual. At the same time, the world cannot afford to be short of rubber, so that some increase in synthetic production is inevitable. Nevertheless, rubber goods manufacturers will have to depend on natural rubber to a substantial extent for several years to come.

TEA PRODUCTION IN SOUTH INDIA

The output of tea in South India during November 1956 amounted to 12.42 million lbs., as against 12.60 million lbs. in October 1956. As compared with the corresponding month of 1955, when production aggregated 10.93 million lbs., the latest monthly output shows an increase of 1.49 million lbs. This brings the total output for the first 11 months of 1956 to 116.22 million lbs., as compared with 121.29 million lbs. in the corresponding period of 1955 and 117.80 million lbs. in that of 1954. With the increase in November output in South India, the aggregate world crop as at the end of November is 1,108.32 million lbs., which represents a decline of 2.61 million lbs. from that (1,110.93 million lbs.) at the close of November 1955 and an increase of 27.62 million lbs. over the total (1,090.70 million lbs.) at the end of November 1954. The figures of world total, however, include the Indonesian production only up to September.

RUBBER OUTPUT

The production of rubber in India during November 1956 amounted to 2,800 tons, as compared with 2,326 tons in the previous month and 2,680 tons in the corresponding month of 1955. The total output in the first 11 months of the year aggregated 20,530 tons, as against 19,695 tons in the corresponding period of 1955. The consumption by manufacturers during the month under review shows a much sharper rise, at 2,547 tons, as against 1,837 tons in November 1955, bringing the total consumption for the 11 months to 26,349 tons, the corresponding figure for 1955 being 24,822 tons. The stocks with estates and dealers at the end of November last amounted to 7,833 tons, as compared with 7,388 tons a year before.

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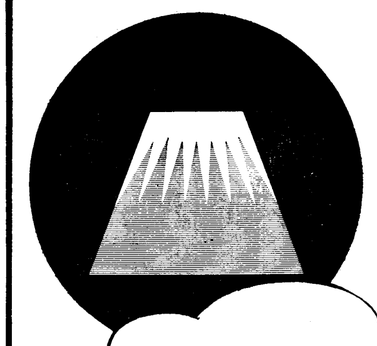

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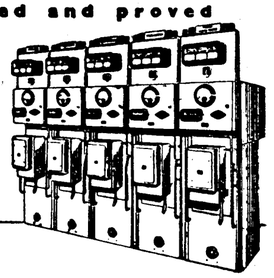

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FORWARD TRADING IN NON-FERROUS METALS

BOMBAY ASSOCIATION RECEIVES RECOGNITION

AS in many countries of the world, so also in India, forward trading in non-ferrous metals has been traditionally confined to copper, lead, zinc and tin. The Forward Markets Commission, after examining the question of regulating futures trading in these non-ferrous metals, has recommended that the Bombay Metal Exchange Ltd., Bombay, be granted recognition for conducting futures trading. It has further recommended that the recognition to the Exchange should be conditional upon its carrying out such modifications in its by-laws and articles as have been suggested by the Commission. The Government of India has decided to accept the recommendations of the Commission and give effect to them for a period of three years in the first instance. Recognition to the Bombay Metal Exchange Ltd., the Government has announced, will be granted as soon as it has carried out the suggested modifications in its articles and by-laws. The Government, however, proposes to review the position at the end of one year from the date of the grant of recognition, in the light of the working of the forward market and other relevant developments.

Copper, lead, zinc and tin are, as is well known, of increasing industrial importance. Copper possesses high electrical and thermal conductivity, fair degree of strength and excellent corrosion resistance. Those characteristics have enabled copper to find extensive use in the electrical and other industries. The chief users of the metal and its products are: electrical and cable industry, brass rolling industry, defence and railways and utensils industry. The present overall demand for copper in India is about 25,000-30,000 tons per year. Consumption by electrical cable and wire industry accounts for 12,000 tons, by the utensils industry for about 8,000 to 10,000 tons and by defence, railways and other industrial purposes for about 5,000 to 7,000 tons. The annual demand is expected to rise to about 35,000 tons by 1960-61.

Copper

The production of copper ingots in 1954 and 1955 was 7,161 tons and 7,192 tons respectively; world output of copper was 2.7 million tons in 1955. Domestic production satisfies about 28 per cent. of the total demand for copper in India. There is only one unit manufacturing virgin copper from ore, the Indian Copper Corporation. The extraction of copper from the ore is done entirely by the fire refining process at present. As there is no production of electrolytic copper in India, supplies of this variety required by the electrical and other consumer industries have to be entirely imported. From time to time, proposals, the Commission states, have been mooted for putting up an electrolytic smelter in the country, but the absence of suitable raw material has been the main difficulty. The Commission adds: "The prospects for the production of electrolytic copper in the country in the immediate future are, therefore, not bright."

Zinc possesses high resistance to atmospheric corrosion. This quality has enabled zinc to find extensive application in spraying, die casting, zinc plating and allied uses in textile and paint industries. World production of zinc in 1955 was 2.8 million tons. The present overall demand for zinc in this country is estimated at about 30,000 tons per year. It is chiefly consumed by the iron and steel industry for the production of galvanised sheets. The demand for copper is expected to increase considerably with the industrial expansion of the country. The production of virgin zinc is not undertaken on a commercial scale as there are no large deposits of high-grade ores in India. Imports of all forms of zinc amounted to 44,400 tons in 1954-55, as against 29,800 tons in 1953-54. Zinc is usually imported either in the wrought or unwrought form. In the wrought form, it includes rods, sheets, strips, tubes and pipes, while in the unwrought form it includes virgin zinc in the shape of ingots, slabs and scrap. The former forms 10 per cent. of the imports and the latter 90 per cent.

Lead and Its Alloys

The chief users of lead and its alloys are the pigments, telephones, electrical and chemical industries. The important uses of lead are in the manufacture of accumulators, and as a component in solders, type metals and bearing metals. The present overall demand for lead in India is estimated at 15,000 tons. Domestic production meets about 14 per cent. of the total demand in the country. In 1955, production amounted to 2,375 tons, as against 1,789 tons in 1954; world production in 1955 was 2.9 million tons. In 1954-55, India imported about 10,000 tons, as against 7,400 tons in the previous year. Lead is imported in wrought as well as unwrought form, the former (about 12 per cent. of total imports) comprising sheets, pipes and tubes and the latter comprising ore, pig lead and other sorts.

The chief property of tin, namely, good resistance to corrosion under many conditions, has enabled the metal to find extensive uses in the manufacture of tin-plates and alloys such as solder, type-metal, white-metal, gun-metal and bronze. It has also a large variety of uses in chemical industries. World output of tin in 1955 was 1.7 million tons. The present overall demand for tin in the country is estimated at about 4,000 tons. The production of tin in India is negligible. All the demand is met entirely from imports which aggregated 3,000 tons in 1953-54 and 4,000 tons in 1954-55. Unwrought tin constitutes about 98 per cent. of total imports and consists of blocks, ingots, bars and slabs, and wrought tin includes foils and other sorts.

Futures Market

The Commission, after examining the case for forward trading in copper, zinc, tin and lead, has come to the conclusion that these metals "fulfil the conditions requisite for being traded in futures market." Explaining this view, it says:

"The metals in their various forms are homogeneous in character and the varieties in which they are marketed are standardised and graded before sale. They are capable of being stored for long periods and the quality does not undergo any deterioration. The demand for these metals springs from fabricating, rolling drawing and manufacturing industries located all over the country and is large and steady. Although indigenous production is relatively small, sufficient imports are usually obtained from abroad to provide adequate supplies of the metals for the country's requirements. There is an adequate volume of stocks at Bombay more or less throughout the year. The futures market enables all participants in the metal industry—producers, smelters and refiners, consumers, manufacturers, scrap merchants, stockists and merchants and others—to effect whatever "covering" transactions their business calls for; and quickly adjust their metal position. They can buy or sell when they wish, for early or forward delivery.

"The futures market also facilitates the fixation of daily prices arrived at as a result of the free inter-play of international factors of demand and supply. Commodities like copper, zinc, lead, and tin are produced in various parts of the world under varying conditions and India has to depend largely upon its imports from those countries. The need for an acceptable price basis for standard copper, zinc, lead and tin is felt by (a) fabricators who usually buy or sell according to the price trends on the futures market, (b) scrap merchants who buy scrap and residues on the basis of the metal market prices, and (c) manufacturers who have to price their products automatically on the basis of the changes in prices in the market. The purchases and sales of these metals and their manufactures throughout the country are effected on the basis of the price for standard metals quoted on the futures market. The provision of a definite and agreed price basis, objectively and impartially registered is, therefore, a distinct necessity to facilitate business at all stages in the non-ferrous industry."

As regards the question whether the futures market can function successfully in respect of copper, zinc, lead and tin as these are commodities which are largely imported, the Commission observes:

"The utilisation of a futures market for the purpose of minimising losses arising from price fluctuations in the handling of a commodity is an accepted procedure in the importation of a number of key international raw materials such as copper, zinc, lead, tin, rubber, etc. Both in the U.K. and the U.S.A., futures markets have been established for handling commodities which are not produced locally and which are largely imported. It was at one time apprehended that frequent Government interference in the marketing of strategic raw materials might put an end to futures trading in these commodities because of the additional risk that it created. In actual fact, however, it led to a revival of futures trading in the U.K. and the U.S.A. The increase in the risks of trading has given rise to a comparative increase in the demand for hedging facilities."

The Commission has, therefore, come to three main conclusions. In the first place, there is need for the establishment of a futures market in copper, zinc, lead and tin in this country. Secondly, such a market can function efficiently on the lines of similar futures markets which are operating in the U.K. and the U.S.A. in respect of imported commodities. Thirdly, regulation of such a market is of prime importance as it is more susceptible to fluctuations.

Suitable Centre

Further, the Commission has expressed the view that Bombay City is a suitable centre for the location of a futures market in non-ferrous metals and also that the Bombay Metal Exchange should be recognised for the regulation of forward contracts in copper, zinc, lead and tin. The Association is the successor to the Metal Traders Association Ltd., Bombay, and the Metal Exchange Association Ltd., Bombay. The members of these Associations, it is stated, have experience in forward trading for about 20 years. The Association has at present a total membership of 180, of whom 99 are ordinary members with voting rights and 81 are associate members with no voting rights. The Association has framed by-laws for conducting forward trading in copper, zinc, lead and tin. It provides for a basic contract in respect of these metals. The unit of trading is 50 cwts. for copper, zinc and lead and 10 bars weighing 9 cwts. for tin. At a time trading is conducted in two futures contracts beginning just after the full moon day and lasting for about two months. Standard contract forms are prescribed. Delivery is to be effected within the prescribed limits of Greater Bombay.

The Association has made provision for a trading ring and a clearing house, but it has no regular ring as yet. Clearing is done on a monthly basis. However, special clearings are effected when prices vary by Rs. 5 or more per cwt. for copper, zinc and lead and by Rs. 5 per quarter for tin, as compared with the last clearing rate. The Board of Directors have power under the articles of association to deal with emergency situations. On such occasions, they have power to introduce special clearing, to call from the members the details of outstanding sales and purchases, to fix maximum and minimum prices and to settle outstanding contracts at rates fixed by the Board. The articles also provide for the levy of margins.

The Commission, in its report, feels confident that, although the Bombay Metal Exchange Ltd. is "a new association, it would be able to carry out its duties because of the considerable previous experience of the associations which have amalgamated to form the Exchange." Accordingly, it has recommended that recognition of the Association should be for a period of three years and for the whole of India. The recognition of the Association, the Commission has suggested, should be conditional on its previously carrying out the modifications in its articles of association and by-laws. These recommendations, as stated at the outset, have been accepted by the Government. The stage has, therefore, been set for discussions between the Metal Exchange and the Commission in regard to the details of the changes and modifications in the former's articles and by-laws.

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POWER SUPPLY LIBERALISED

The first set of the Tata Thermal Power Station, which was commissioned from 15th December last and which has been undergoing trials at present, is expected to come into commercial operation in a short time. Bearing this fact in mind, the Government of Bombay has decided to liberalise the supply of electric power from the Bombay power system and has agreed to the following concessions from 26th January 1957:

(a) Removal of the staggering of mills and industries; (b) industrial loads can be raised without permission from 3.75 kw. to 7.5 kw., inclusive of the existing loads, if any; (c) domestic loads can be raised from 2 kw. to 5 kw., inclusive of existing loads, if any; (d) the restriction on electric supply for lights and fans at the rate of 1 kw. for 1,000 c.ft. of constructed floor area will not be enforced; (e) there will be no restriction on neon signs; and (f) the parties to whom industrial loads have been

(*Continued on page 94*)

NEW PRODUCTS AND PROCESSES

New Technique for Oil Exploration

NEW techniques that make the drilling for oil at an angle as accurate as straight down into the bowels of the earth, are being effectively harnessed to develop the oil resources in the tidelands of California. Drilling on the slant has been practised for several years, but the new techniques make it more economical as well. The key to the new techniques is an up to 10,000-foot drilling pipe that is as flexible as rubber, bending and curving to go around corners. This device employs what is known as the whipstock, a length of steel shaped like a trough. The whipstock comes in lengths of about nine feet, with a two-and-a-half to three degree angle built into it. Whenever the driller wishes to introduce a slant into his vertical hole, he attaches a whipstock, which permits the bit to move in a slanting direction. For every 100 feet drilled, the whipstock permits a deviation of two-and-a-half to three feet from the vertical. The angle of the whipstock can be varied, according to the extent of slant desired. Then when the oil deposit is reached, drilling can be continued straight down to tap it. This technique can be applied up to drilling distances of about 10,000 feet. Using a whipstock, the direction of drilling can be very accurately controlled, according to oil industry experts. This is not true of other methods previously used for slanted drilling: the speed of the bit can be varied, or the pressure of pump delivery. Or a nuckle joint may be set between the drill pipe and bit, and set at an angle. Such methods are considered not to give comparable accuracy, however. As a result, the whipstock, by making possible controlled direction, tends to save costs by eliminating inaccurate holes. The new technique can also be used on land, to avoid difficult terrain. Its use in offshore oil drilling in California is very important, since up to the present time, tidelands deposits have been tapped by slantwise drilling from the shore. This avoids the necessity of establishing platforms in the water.

Penicillin Treatment Without Injections

In the U.S.S.R. Antibiotics Research Institute systematic experimental work is done to find new methods to prolong the time of retention of penicillin in the body. Ordinary benzyl-penicillin is very quickly excreted from the body. Therefore, in certain cases it is necessary to make injections every three hours, which is very inconvenient both for the patients and the medical personnel. Recently the Institute obtained new drugs which have the property of being retained in the body for a long time. This relieves the patients from injections. The above-mentioned drug is the phenoxymethyl penicillin. It is acid-resistant and is not destroyed by gastric juice. If a dose of 200,000 units of this drug is administered three times a day, the therapeutic concentration of penicillin is retained for eight hours. The original Soviet drug "Ekmo" has the same properties and is retained in the body upto 18 hours when taken internally. This makes it possible to administer it twice a day. There is definite clinical and experimental evidence that this type of penicillin is highly effective in surgical complications, lung, throat and other diseases. These new drugs are planned for production by Soviet medical industry in 1957.

Rubber Moulds for Casting Concrete

Progress has recently been made in the development of processes for using rubber moulds for casting concrete surfaces. In this method of concrete casting the shuttering used in the casting process is lined with textured rubber sheet. This enables a final finish to be imparted to the concrete without the need for any further treatment. It also enables a large variety of different surface finishes to be applied to concrete buildings, pillars and other structures in what is virtually one operation. The use of the rubber lining to the shuttering is said to create no especial problems in concreting, although in some cases (but not all cases) a lubricant should be used. Since mineral oils tend to affect the patterned rubber forms, castor oil has most frequently been used as the lubricant in the past, but experiments with limewash and other forms of lubrication are now being carried out at the Wexham Springs section of the Cement and Concrete Association of the U.K.

Japanese Uranium Treatment Process

A new Japanese process for manufacturing uranium from the ore has recently been developed. This "evaporation" process for the extraction and refining of uranium from poor quality uranium ore has been developed by scientists working at the research centre of the Japanese Ministry of International Trade and Industry. The process involves heating the pulverised ore to temperatures of between 700 degrees and 800 degrees Centrigrade in a furnace through which a mixture of chlorine and carbon monoxide gases is subsequently blown. The metallic uranium is then extracted from the uranium chloride thus produced by means of electrolytic techniques. The resulting uranium metal is said to be of high purity and costs about 2,000 yen (about £2) per kilogram to produce.

Expansive Trailer

An American company manufacturing truck-trailers has announced that it is producing a mobile trailer which at the touch of a button can be expanded to more than five times its normal size. The trailer, made of aluminium, is similar in its outward appearance to any other truck-trailer when being hauled on the highway. The button control transforms the 150 square feet of the interior by extending the sides and dropping folded doors into place in about five minutes. The resulting space of 780 square feet can be used for sleeping barracks, housing exhibits, communications centre or shop.

RADIO AND ELECTRICALS MANUFACTURING COMPANY, LIMITED

MR. K. NARAYANASWAMY REVIEWS PROGRESS

ADDRESSING the shareholders of the Radio and Electricals Manufacturing Company, Ltd., at their Tenth Annual General Meeting held in Bangalore on 14th December 1956, Mr. K. Narayanaswamy, I.A.S., Chairman, referred to the Company's plans to specialise in the manufacture of radio components and to undertake the production of water meters. He added that, thanks to the support from the State and Central Governments, the shareholders could look forward to the future with confidence.

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

"LADIES AND GENTLEMEN,

"It gives me great pleasure to welcome you to this, the tenth ordinary general meeting of the shareholders of the Radio and Electricals Manufacturing Company, Limited.

"As notified by the Company in the local newspapers, Mr. T. Shamanna, I.A.S., handed over charge to me in the middle of the year and the Board of Directors have already placed on record their appreciation of the services rendered by Mr. T. Shamanna, as Chairman and Managing Director of your Company. The benefit of his long experience in the working of this concern continues to be available to us, as he is continuing as a Government Director on the Board of Directors.

Maiden Dividend

"The Directors' report and audited accounts for the year ended 31st March 1956 have been before you for some time and, with your permission, I propose to take them as read. I am happy that it has at last been possible to recommend payment of some return to the shareholders, in addition to paying bonus to employees. The shareholders have doubtless shown remarkable patience all these years ever since 1946, and I have every hope that this patience will be rewarded suitably in the coming years also. I wish, however, to mention that the credit for securing this change in the fortunes of the Company goes, on the one hand, to the band of the old Directors commencing with Rajamantrapravina Diwan Bahadur K. Matthan and other distinguished Directors who have piloted the administration of this concern undeterred by the setback met with at the commencement and, on the other, to the unwavering support, rare type of foresight and appreciation of difficulties as well as generous financial aid extended to this Company by the State Government at the time. It is seen from the accounts placed in your hands that a net profit of Rs. 1,67,920 has been realised after completing adjustment of losses sustained in the initial stages and must be considered satisfactory for this reason.

"Production figures of electricity meters of the current year continue to display the same trend of improvement in the turnout of meters as in the past years. Unlike radio receivers, production of these meters in the country has kept up a steady upward trend starting with 34 356 meters in 1952 and now running at an annual production rate of 260,000 meters. This is not surprising when it is remembered that the generation of electric power in the country has climbed up from 6,575 million kw.h. to 11,000 million kw.h. under the impact of the first Five-year Plan.

Measure of Economic Activity

"Ever since power-driven machinery was pressed into service in aid of manual labour, generation and consumption of electricity have verily become the measure of economic activity in a country. Man-hour output has increased at incredible rates in every country that has placed more and more of electric power in the hands of workers, as a supplement to their own muscular effort. When it is remembered that eight hours' labour of an adult can hardly turn out useful work of a ½ kilowatt-hour, it is no wonder that productivity levels and living standards based thereon have soared to enviable heights in countries like America which have been able to place 20 units or more of electric power (equal to 40 human slaves) behind the elbow of each worker. Producers of electrical machinery like this concern must, therefore, do everything possible in their own humble spheres for the success of the Government of India's plans to step up the production and consumption of electric energy from 11,000 million kw.h. to 22,000 million kw.h. in the second Five-year period.

"Latterly, production and sales of domestic radio receivers have also shown signs of improvement in the country after the decline experienced in the years 1952, 1953 and 1954 and your Directors have, therefore, decided that the Company should specialise in the manufacture of radio components, for which there is not much competition at present. The Company has already entered into technical collaboration agreements with reputed U.K. firms for the manufacture of band switches, capacitors, etc. These agreements are being examined by the Government of India and as soon as their approval is received, manufacture of radio component parts on a substantial scale will be commenced in your Company.

"As regards the new line of water meters, indigenous sources for regular supply of the required cast brass parts are being explored and production will commence as soon as sources for a steady supply of the Company's requirements are located.

Promising Future

"On the whole, it can generally be said that operations in all the three existing sections, viz., radio, electricity meters and plastics are progressing satisfactorily and the members can look forward to the future with confidence, thanks to the steady encouragement and support being received from the State as well as the Central Governments.

"I wish to acknowledge with thanks the valuable advice, co-operation and support received from my esteemed colleagues on the Board, on the one hand, and from all employees including officers and staff, on the other. I am glad to inform you that labour-management relationships continue to run on a smooth and co-operative basis.

"With these introductory remarks, I now move that 'the balance-sheet and the profit and loss account for the year ended 31st March 1956 as certified by the auditors together with the Directors' report be received and adopted.'"



SCOPE FOR GENERAL INSURANCE

NEED FOR EDUCATING PEOPLE IN ITS ADVANTAGES

NOW that the Government has decided to let general insurance remain in the private sector, it is the special responsibility of general insurers to see that the scope for this variety of insurance is gradually extended to wider and wider sections of people. This will increase the chances of, if not altogether ensure, the continued retention of general insurance in the private sector, or at least will be a strong argument in favour of such retention. The extension of general insurance is partly bound up with the progress of industrialisation and partly with the wider diffusion of insurance consciousness. The Government's second Five-year Plan is calculated to accelerate the pace of industrialisation which, when it takes place, will certainly enable the general insurers to cast their net far and wide. But insurance consciousness—that is, public awareness of importance of general insurance—is something that has to be deliberately fostered in this country. This is a task which general insurers will do well to face at an early date.

In the sphere of life insurance, the Life Insurance Corporation of India has an advantage in the matter of publicity which general insurers do not possess. Since the Corporation has no competition to encounter, it can concentrate its attention on publicity designed merely to bring home to the public the advantages of life insurance. In the past, each private life insurer was compelled by the facts of the competitive situation to emphasise the special features or advantages he could offer to the prospect, though a modest experiment in joint publicity in the cause of life insurance was made. Perhaps, general insurers will do well to undertake a country-wide publicity campaign through advertisements, posters, pamphlets, films and exhibitions to spread the gospel of general insurance in the country. Such publicity is particularly necessary in this country where general insurance is much less widespread than life insurance. This is in contrast with conditions in economically advanced countries where people attach as much importance to general insurance as to life insurance. Indeed, in the U.S., according to a study made by the National Education Association in 1946, more families have the protection of property insurance than of life insurance.

"Why" of General Insurance

Why do people fail to appreciate the significance or benefits of general insurance? An interesting article on the value of general insurance, which appears in the *Monthly Letter* of the Royal Bank of Canada, says that there are four principal reasons for people's disregard of general insurance protection—the "it won't happen to me" feeling, ignorance of the fact that they are exposed to risk, unawareness of the fact that the protection they need is readily available, and, finally, procrastination. The author rightly holds that "more might be done to remedy this stage of affairs by the insurance companies." Thus, they could tell, through the organs of public information and education, what catastrophes may be averted or remedied. The author emphasises that this education should be carried on in non-technical language. The author himself gives the "what" and "why" of general insurance in a language that must appeal to every lay reader. He says:

"General insurance is our protection against catastrophe. It is the shock absorber of industry and the individual. The farmer with his crop ripening in his fields rests easy because it is insured against hail; the furrier with thousands of dollars worth of furs in his loft knows that his insurance protects him against financial ruin by fire or theft; the home owner who carries adequate insurance need not fear financial disaster by fire, burglary, or public liability . . . .

"Insurance lifts a great load from the minds of the people who are protected by it. It removes the dread that some accident will throw a heavy or fatal financial load on their shoulders. It encourages those who embark upon pioneer ventures by giving them, as it were, elbow-room in their investment operations. The principle behind insurance protection is that what are uncertainties to the individual can be made certainties for the group. Take fire insurance as an example. It cannot be known whether a particular property will be burned down, but there is reasonable certainty based upon statistical experience, that about the same proportion of all similar property exposed to fire will be burned in a year. By the collection of data on the frequency and magnitude of losses in the past, we can construct a measure of the frequency with which such losses will occur in the future. Thus, we apply the principles of probability to economic risks. We base our insurance needs on statistical measures of risk, instead of on casual or inspired estimates and guesses.

Emphasising the value of prudence in business, the author says that a successful business operation, big or small, requires judgment about the risks to be accepted and those to be protected against. He adds: "Tranquil living, in business or personal life, depends to a bigger extent than we realise upon making the correct decision about what risks we shall bear and what risks we shall transfer to specialists in risk bearing." At the same time, one should avoid over-insurance, for there is "no point in carrying insurance that is out of line with the actual value of the property covered." Thus, a large fire policy should be large enough to cover ordinary additions to inventory or, if on home furnishings, the expected additions to furniture and wardrobe, so that the insurance cover need not be charged every time the policyholder buys something.

Wide Range of Risks

A feature of the gradual evolution of general insurance through several decades of its history is that it is now able to offer protection against many hazards. Apart from the well-known fire and marine insurance, general insurance is concerned with the provision of cover against a wide range of risks. Referring to the wide and growing scope of general insurance, the author says:

"Nearly every form of personal or commercial risk that can be put on a mathematical basis can now be insured against. Within the past fifty years, man-made hazards have been added to those brought about by natural causes; falling aircraft, motor vehicles, operation of atomic power installations, and so forth. The property owner can be protected from financial loss due to accidents to visitors. The business man may insure against dishonesty of his employees, defalcations of people to whom he has extended credit, and losses due to raised or forged cheques. Promoters of outdoor events may insure against loss due to rain. The automobile insurance policy protects the owner against fire, theft, collision damage, liability for bodily injury or death, and liability for damage to the property of others. What insurance to carry, and the amount of insurance and the value of the premium measured against other wants and needs; these are individual matters to be calculated against the possible effects of not being insured."

Fire Insurance

The oldest type of general insurance, as is well-known, is marine insurance. Fire insurance also has a long and interesting history. Organised fire insurance commenced its career after the great fire of London in 1666 and by 1720, there were private companies specialising in the business. Today, nearly every article that enters into commerce has, at many stages of its progress from its source to its final use, been covered by fire insurance policies. Sickness insurance as well as insurance against theft, burglary, robbery, larceny and mysterious disappearance, covering property at home or abroad, are comparatively recent developments. Casualty insurance is also a recent development as compared with marine and fire insurance. It started with the growth of railways in England where the first "casualty" company was formed in 1849. The growing use of automobiles has widened the scope for casualty insurance. Explaining the impact of the use of automobiles on general insurance, the author observes:

"Automobile claims frequently run into large sums. Many people think of "damage" as being the scratches or breakages caused by collision with another car, but it can be much more. If your driving is responsible for the overturning of a truck laden with expensive goods that are destroyed, the resulting legal judgment might embarrass you. If your car were to skid when driving in to a service station, strike a pump and set fire to the escaping gasoline, it does not require much imagination to picture the station and cars and adjoining property falling prey to the flames. The damage for which your car could be held responsible might exceed your ability to pay, even allowing for stinted living over many years.

"These are the sorts of thing that justify insurance; the crippling, disastrous accidents that occur so often. Obviously, the insurance against damage your car may cause to persons or property is the most important. Damage to your car itself is limited to its value, but the cost of claims to which you may be subjected because of accidents is almost unlimited. Judgments entered against you might easily wipe out not only your car but other property you own, and your earnings might be attached."

Legal Liability

Casualty insurance has received a great fillip from the principle in the British law that a person is held liable for the consequence of his acts and omissions if, through failure to exercise reasonable care, another person suffers accident or damage to his person or property. The author thus brings out the relevance of this principle to general insurance.

"This is a state of affairs that should be closely attended to by home owners and business people. Any person who is injured on your premises is free to bring action against you. He may be a guest, a customer, a meter reader, a delivery man, or a messenger. The claim may be big or small, resulting from a big or little fault. If you don't clear the snow off your house steps, and somebody slips and falls, you may get a claim for injuries. If your dog or cat causes injury, you may have to pay the bill. If one of your children runs into another with his bicycle, you may be held financially responsible. If a tool breaks away from you or flies out of your hand, if the tree you are trimming strikes a passer-by, if an icicle falls from your roof on a caller, judgment may be given against you in a suit for damages. Even small demands may be troublesome and expensive, while damages given in serious accidents can be enormous. The obligations assumed by the liability insurance company usually include the furnishing to the insured of certain services, the payment of certain costs, and the payment for damages assessed upon the insured because of negligence."

Since the prevention of loss is closely associated with insurance, general insurance companies co-operate with fire departments and safety associations in urging the removal of fire hazards and the inspection of fire protection measures available for the public. The steam boiler companies have succeeded admirably in their effort to prevent by inspection service every boiler explosion that could possibly be prevented. There is, however, a great deal more that could be done by general insurance companies in the direction of educating the public in the value of general insurance. Such education has two aspects—to make people prevent accidents which can be avoided through the exercise of care and use of precautionary measures and to tell the people the facilities that are available for protecting themselves against the perils beyond their control. This is a kind of education that is sadly lacking in this country.

INDIAN MEDICAL ASSOCIATION

The Working Committee of the Indian Medical Association has suggested to the Government of India that a representative of the Association should be included in the Central Board of the Life Insurance Corporation, in order to enable the latter to get the Association's opinion on the medical aspects of insurance. A resolution to this effect was passed by the Committee which recently concluded its two-day session at Trivandrum. The Committee expressed its concern over the loss of employment to a large number of doctors, specially trained in insurance work, as a result of nationalisation. In view of the hardship caused to such doctors, it requested the Government to retain all active and regular insurance medical examiners and to distribute the work in such a manner that all doctors get a fairly equal number of cases.

The Committee also considered the working of the Employees' State Insurance Scheme. It appreciated the decision of the State Insurance Corporation to extend medical service to the families of insured workers, but was of the opinion that the members of the families would not derive the desired benefit unless diagnotic facilities and specialists' services were provided for them.

INSURANCE EMPLOYEES

The validity of the new pay-scales for employees, introduced by the Life Insurance Corporation of India, has been challenged by a few employees in a petition before the Bombay High Court. The Court has admitted the petition and issued a rule returnable on 13th February. The petitioners have contended that, under Section 11(1) of the Life Insurance Corporation Act, the Corporation was bound to continue to give effect to the remuneration and other terms and conditions of employees existing prior to 1st September 1956, the date of the inauguration of the Corporation. They have also contended that there were awards and settlements between the employees and the life insurance companies prior to nationalisation and those awards and settlements were binding on the Corporation under the provisions of the Industrial Disputes Act.

MOTOR INSURANCE

The New York State Insurance Department, according to the *Review* has approved a standard automobile liability policy designed to meet the minimum requirements of the new law. It provides for at least $10,000 insurance for injury or death of one person in one accident, $20,000 for injury or death to two or more persons in one accident and $5,000 for property damage. An Assigned Risk Plan administered by the insurance companies and supervised by the department will be open to any motorist who cannot obtain insurance through the ordinary channels.

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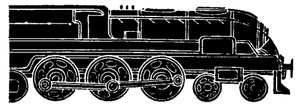

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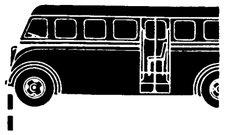



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DECCAN SUGAR AND ABKHARI COMPANY, LIMITED

MR. C. R. SRINIVASAN'S SPEECH AT THE SIXTIETH ANNUAL MEETING

PROGRESS OF DEVELOPMENT PLANS OUTLINED

THE Sixtieth Annual General Meeting of the Deccan Sugar and Abkhari Company, Ltd., was held at Madras on 28th December 1956. Speaking on the occasion, Mr. C. R. Srinivasan, Chairman of the Company, told the shareholders that only the formal order from the Government conveying its approval of the Company's expansion plan of its Pugalur factory at a cost of Rs. 8.5 lakhs was to be received. He also disclosed that the Directors favoured a more cautious approach in respect of the development of the Samalkot factory and drew up a two-phase plan, the total cost of which would amount to Rs. 29 lakhs.

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

"The Directors' report and the accounts for the year ended 31st May 1956 have been before you for the statutory period and, with your permission, I will take them as read. I trust that the shareholders will agree with me that the picture they paint of the Company's affairs is quite heartening. You will recall that in the Chairman's speech last year reference was made to the Board's plans for development and naturally you will be anxious to know what progress has been made in these directions. The first emphasis was laid on expansion at Pugalur, this holding out better prospects for the Company. We have reason to believe that the Government has approved our scheme to expand the boiling house capacity, but formal orders have still to reach us. Much preliminary work on the factory expansion has already been done, the requisite machinery now on order is coming through and it is expected that all that is necessary will be completed by October 1957. The total cost will, it is expected, be round about Rs. 8½ lakhs.

Two-phase Plan

"As regards Samalkot, your Board favoured a more cautious approach because, owing to its geographical position, the difficulty of moving sugar from it to the markets and the lower price realisable, to all of which reference was made last year, profit returns on new plant will be relatively less than at Pugalur. Your Directors, accordingly, drew up a two-phase plan. The first phase provides for the installation of certain new units which are essential, if the efficiency of the factory is to be recovered and maintained. The total cost of this phase amounts to Rs. 14 lakhs. Orders for the plant required have been placed, the main item being a new crushing mill, and it is expected that the installation will be completed in time for the 1957-58 season. The second phase is a more ambitious plan to extend the crushing capacity of the factory to 1,000 tons a day. For this, of course, the Government's permission has to be sought and also, since the cost will be a further Rs. 15 lakhs, additional finance will be required.

"This brings me to the question of the issue of additional capital referred to in last year's speech. Our application to the Government of India for approval of the issue of 398,400 new ordinary shares of Rs. 5 each, that is, on a one-for-one basis to ordinary shareholders at par, is still pending, but I expect it is only a question of time and the Government's approval will be communicated in due course. With the imposition of taxation on dividends and periodic revision of its scale, there is little advantage to shareholders in keeping the share capital of the Company at the present low figure. The new issue lies within the authorised capital of the Company, but it will be necessary to call an extraordinary general meeting for the purpose of converting 398,400 unclassified shares into ordinary shares before the issue can be made. As soon as permission is received, notices will be issued convening such an extraordinary general meeting and the issue will be made thereafter.

Dividend Raised

"Under the agreement with the Industrial Finance Corporation it was necessary to seek their permission to raise the dividend to 15 per cent. We are glad that this has been readily forthcoming and you will also notice that, in spite of a dividend at this rate, we are able to place satisfactory amounts to the reserve. You will appreciate that, having regard to the capital cost of the various improvement and expansion plans, details of which have already been furnished, these appropriations to reserve are very necessary. Shareholders will be happy to know that their interests have been well looked after by the special appropriation of Rs. 2½ lakhs to the dividend equalisation reserve.

"During the year under review the Company underwrote for the usual consideration the issue of 2,000 ordinary shares of Rs. 100 each in the Cauvery Sugars and Chemicals, Ltd. and, of this amount, we were called upon to take 1,453 shares. It may be mentioned that among the reasons which weighed with your Directors to underwrite the issue to this extent were good prospects that lay before the Cauvery Sugars and Chemicals, Ltd. as a long-term investment and also the desirability of having a selling agreement between your Company and Cauvery Sugars and Chemicals, Ltd. to protect mutual interests against a price war in markets which they will both cover.

Prospects for Current Year

"Reviewing the prospects for the current year, the 1956 special season started on 5th October at the Pugalur factory, the crush being 53,797 tons of cane and the recovery 9.31 per cent., as compared with 59,320 tons giving a recovery of 9.71 per cent. in the 1955 special season.

"The slight fall in quantity and quality of cane in the 1956 special season is attributed to lower yields per acre and the existence of scale disease in the area. The main season at Pugalur started on 24th November. An area of 3,456 acres has been registered which, after allowing for a small decline in yield, should give a crop of 130,000 tons, as compared with 127,696 tons crushed in the main season last year. It is as yet too early to say what the recovery will be, but the indication is that we can expect about 0.2 per cent. lower than last year. Your Board has already taken active steps in co-operation with the Government of Madras to check the spread of scale disease.

"In Samalkot, the season started on the 28th November. Registration has been made for 86,500 tons cane and, if the factory is not compelled to accept more, the recovery can be expected to be better than that of 9.48 per cent. recorded last year. During the 1955-56 season, although only 85,000 tons cane were registered for crushing, pressure was brought to bear by cane growers and the Government of Andhra and in the event 103,088 tons were crushed.

Auditors' Remuneration

"Before concluding, there is one other point to which I should like to refer. For some years past, the auditors of the Company have received remuneration of Rs. 3,000 per annum in respect of their statutory audit and have, in addition, received a fee of Rs. 4,000 per annum, plus out-of-pocket expenses, for carrying out internal audit of the accounts of the Company's two factories. In view of the provisions of the Companies Act 1956, the auditors are of the opinion that the factory audit should form part of their statutory audit and have, accordingly, requested that the remuneration to be voted to them should be Rs. 7,000 per annum, plus out-of-pocket expenses, and the resolution has been framed to this effect. The total amount payable to the auditors will, therefore, be exactly the same as has been paid in the previous years.

"I must not conclude my remarks without expressing my appreciation of the honour accorded to me by my colleagues on the Board by electing me as their Chairman. At the same time, I wish to pay tribute to the successful conduct of the Company's affairs by past Chairmen who were the senior Directors of the Managing Agents."

The report and accounts for the year ended 31st May 1956 were unanimously adopted and a final dividend on the ordinary share capital of the Company at the rate of 10 per cent. (making 15 per cent. for the year), free of income-tax, was declared, payable on 29th December 1956. The retiring Directors, Messrs. C. R. Srinivasan and V. Ramakrishna, were re-elected and the remuneration of the Auditors, Messrs. Lovelock and Lewes, was fixed.

The sugarcane growers of Gangavathi taluk under the Tungabhadra Project Ayacut (Mysore State) have decided to set up a sugar factory on co-operative basis. This decision was taken at the first conference of cane growers of the region held at Gangavathi the other day. Some of the promoters of the proposed factory have already formed themselves into a committee, with the Additional Collector for Tungabhadra Project Development as the President, and has contributed a total of Rs. 20,000 as the share capital with which to register the co-operative society. It is proposed to raise, by instalments, a share capital of Rs. 10 lakhs from among the cane growers before the end of this year. Pending the setting up of the factory, the Project Development authorities have decided to get four power-crushers for sugarcane and hire them out to the cultivators on cheap terms. They have also decided to organise a co-operative marketing society for *jaggery*.

The Government of Madras proposes to take over full control over import, export and sale of molasses in the State. The Prohibition Act is accordingly to be amended. Under the amendments now being considered, nobody can import, export or sell molasses without a permit issued by the Government.

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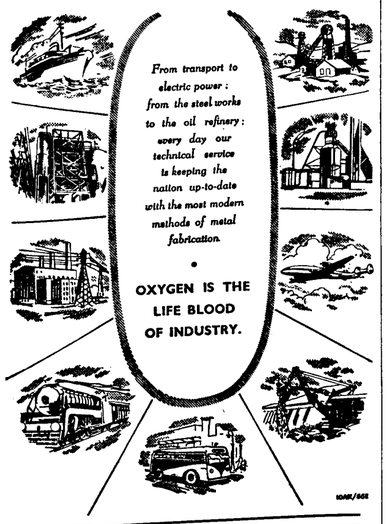

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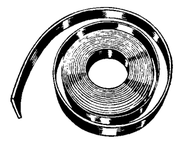

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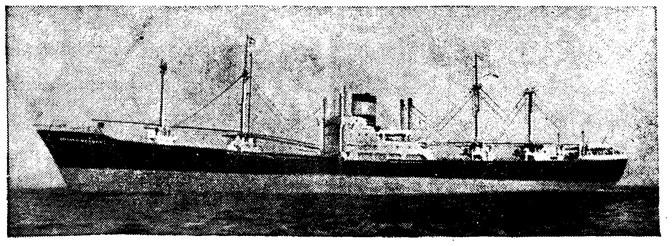

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THE NEW LEGISLATION GOVERNING MOTOR VEHICLES

SALIENT FEATURES ANALYSED

By B. V. Vagh, B.E. (Civil), M.I.E. (Ind.)

THE Motor Vehicles Amendment Bill of 1955 was introduced in the Lok Sabha on 22nd November 1955 and the motion to refer it to a joint committee of the two Houses was adopted by the Lok Sabha on 11th August and by the Rajya Sabha on 30th August. The Joint Committee's report was presented on 20th November and the Bill as amended by the Joint Committee has now been passed by the Lok and Rajya Sabhas. There were four minutes of dissent and several amendments based on them were moved but were negatived.

The Motor Vehicles Act of 1939, particularly Chapter IV thereof, was the result of unregulated conditions of motor traffic in the country during the 'thirties and its competition with the railways. The Act aimed at improving these conditions and regulating motor transport, so as to ensure better standards of driving and road safety and preventing unhealthy competition both amongst the various operating units of road transport and with the railways. However, certain defects in the Act came to light during the period 1940 to 1945 and an amending Bill was introduced in the then Central Legislative Assembly in 1946. It reached the stage of report by a Select Committee but further progress on it was halted by constitutional changes leading to independence and the development in many States of nationalised passenger motor services. The first Five-year Plan, with its estimated increase of about 35 per cent. in the country's overall production over the 1950-51 level, showed the extent to which our transport capacity was short of requirements and brought forth the following observation from the Study Group of the Ministry of Transport in 1955:

"Although the transport facilities available in the country up to the outbreak of World War II were inadequate for the economy of the country, we were not so conscious of the inadequacy as we are today."

The emergence of the second Plan, with its estimated increase in the country's overall production of over 110 per cent. over the 1950-51 level, open the eyes of the country further and the need to reorient our old transport policy of putting all our eggs in the railway basket has not only been realised but recognised. Therefore, the passing of the new Amendment Bill in the first year of our second Plan is most opportune and not a day too soon.

Main Changes

A number of changes have been made in the old Act. They can be summarised under the following heads:

(i) The classification of vehicles will hereafter be based on their types of construction instead of on their uses.

(ii) Conductors of passenger vehicles will be licensed.

(iii) Tribunals will be set up to determine and award damages in cases of accidents. Formerly, this work was done by civil courts and resulted in delays.

(iv) Heavier penalties have been laid down in regard to offences relating to motor vehicles.

(v) Restrictions on road transport in regard to permits, their periods and operation have been relaxed and an incentive has been provided to form viable units of operators.

(vi) An Inter-State Transport Commission will be formed to "develop, co-ordinate and regulate" inter-State long-distance road traffic, particularly in goods.

(vii) There will be uniformity in the law relating to the nationalisation of road transport services.

Of these, (i) to (iv) are safety measures, while (v) to (vii) relate to the operation and development of road transport. There will be no two opinions on safety measures which are essential for the proper functioning of any service. It is necessary to examine (v) to (vii) and assess their effect on the economy of the country.

Operation

Motor transport consists of the following categories:—

(*a*) Personal transport, that is, cars and taxis.

(*b*) Public passenger vehicles.

(*c*) Public carriers carrying goods for hire or reward.

(*d*) Private carriers carrying goods on own account.

Of these (*b*), (*c*) and (*d*) are more important from the point of view of a country's economy than (*a*). The extent to which they will develop will depend on a number of factors, e.g., vehicle cost, taxation, road facilities, cost of operation, facilities for getting permits, periods of permits, and scope for expansion. Of these, the first three are outside the scope of the M.V. legislation. In regard to the others, the law has been extremely harsh so far. Operators' permits were for a period of three to five years only; permits were valid only in the regions in which they were issued; there were mileage restrictions on vehicles; small vehicles of the type of delivery vans required permits; private carriers were subject to the same restrictions as public carriers and, lastly, permissible laden weights and axle-loads were too small to effect economies in operation costs. The result of all this has been a virtual stagnation in our transport system. On the other hand, the country's needs are growing. For financial reasons, development of passenger transport by the railways has been restricted and, in goods transport, the railways will be able to carry only about 162 million tons per annum by 1960-61 against an estimated traffic of about 200 million tons and it has been estimated that, after making allowance for what coastal shipping and inland water transport can carry, there will be a gap of from 30 to 35 million tons of traffic in our transport capacity.

Big Advance

It was inevitable for the Joint Committee to take account of all these factors in considering the M.V. Amendment Bill and it must be said to its credit that it has effected many improvements in it. As a result, the new legislation is a big advance on the old Act and there is no doubt that it will start a new era in road transport. Main items registering this advance in factors influencing the operation of vehicles are as follows:

(1) Light motor vehicles of the type of delivery vans plying on own account, trailers on two wheels attached to motor cars and weighing not more than 1,700 lbs., and transport vehicles owned by automobile manufacturers and used solely for purposes approved by Government are exempt from permits.

(2) A private carrier's permit will be valid throughout a State.

(3) Temporary permits which used to be issued to facilitate nationalisation at any time will be discontinued.

(4) The period of permits for public carriers which used to be from three to five years has been fixed at five years. Also variations in the conditions of permits by Transport Authorities will require at least a month's notice.

(5) Other things being equal, preference will be given to co-operatives and old permit-holders in respect of permits for both passenger and goods vehicles.

(6) The limit of laden weight of a medium vehicle has been raised from 14,500 to 18,000 lbs.

(7) There will be no distance limit anywhere on the operation of motor vehicles.

(8) Inter-State traffic will be placed under a Central Inter-State Transport Commission.

(9) No scheme of nationalisation will be introduced, unless it is first published in a *Gazette* to invite objections to it, if any.

(10) Nationalisation of goods transport on Inter-State roads will require approval of the Government of India.

(11) States have been directed to issue instructions for giving permits to displaced operators for alternative routes in the case of nationalisation.

(12) Compensation will be paid to operators for the cancellation of their permits or for the modification of their routes or areas, but not for refusal to renew them nor for the assets.

Implications of Changes

(i) Private Carriers

Nos. (1) and (2) are a definite encouragement to private carriers plying on own account and there is no doubt that, when the proposed Inter-State Commission is set up [item (viii)], it will extend the validity of private carrier permits to inter-State regions also. These three measures should go a long way in creating confidence in industrial and commercial circles to own their own road transport and run it anywhere they like without let or hindrance. Private carriers play a great role in the economy of other countries. Thus, in 1949 they formed about 80 per cent. of the trucks in the U.S.A. and, in 1951, they were about 87 per cent. of the trucks in the U.K. against our figure of about 22 per cent. in 1954. The big distances which separate our factories from consuming centres and the possibility of having to make return trips of vehicles empty are likely to be the main deterrents in this development, but, perhaps, also there is another reason, that is, that, due to conditions operating in our country so far, we have been too railway-minded. There is a case for investigating this problem, for, as our economy expands, it will not be possible for the country to expect the same measure of service from the railways as before and, therefore, the use of their own road transport is bound to prove more economical to trade and industries than waiting for railway wagons. Moreover, the condition of our roads has been improving, heavier vehicle loads are permissible and multiple-unit trucks are possible. All these will reduce the cost of operation.

(ii) Permits

Items (3) to (5) relate to permits. Here, unfortunately, the advance is limited. The discontinuation of temporary permits was inevitable in any case, since, by no standard, this unfair expedient to facilitate nationalisation could be justified. The old period of three to five years for permits has been retained for passenger vehicles, while that for public carriers has been fixed at five years. Preference to old permit-holders was already there in the old Act. It was proposed to be deleted in the amending Bill to facilitate nationalisation but the Joint Committee retained it. Thus, it is an improvement on the amending Bill but not on the old Act.

The argument generally put forward against raising the period of a permit is that whatever the period, an operator is bound to recoup his original investment within that time. Hence, there is no loss to him if the period is not raised; on the other hand, the shorter the period the earlier can a particular service be nationalised. This argument is economically unsound, since the point at issue is neither an operator nor a State, both of whom are just a means to an end and no more, but the cost of transportation to the consumer. Vehicle costs today are six to seven times their pre-war level. Therefore, if they are recouped in the same period as before, it means that the incidence per ton-mile on account of depreciation and interest on investment will be about four times as much as before, taking into account the extra carrying capacity of modern vehicles. This will raise the cost of operation materially.

In regard to the advantage to a State from the point of view of nationalisation by issuing permits for short periods, such advantage can be derived only at the cost of the consumer. If, as has been acknowledged on all hands, the object of the amended legislation is to develop road transport, not, mind you, for obliging an operator but solely for the requirements of the second Plan, then it goes without saying that every single measure to cheapen the cost of economic development should be taken. From this point of view, the provision in the Amendment Bill regarding the period of permits cannot be said to be satisfactory.

Then, there is the question of credit for buying new vehicles. Excluding replacements, the number of trucks required for passenger and goods traffic by the end of the second Plan has been estimated at about 240,000, the investment on which at an average of Rs. 25,000 per truck works out to about Rs. 600 crores. A great deal of this amount will have to be by way of loans. It is not likely that banks and financiers can give such large credit for a business which can be expected to run only for five years. This point also has to be considered in fixing the period of permits. Another point, in this connection, is that every line of business requires a few years initially to find its feet. It is only after this period is over and business has settled down that a business man will have time to think of improvements and will try and bring down his costs to get more business. From the point of view of cheapening the cost, this is very important. This advantage is lost by restricting the period of permits.

Preference to co-operatives (item (5)) in the matter of permits is an important advance, which should go a long way towards improving the quality of service. Over 95 per cent. of our operators own from one to five vehicles each, the majority owning only one. This state of things is not conducive to efficiency and in many cases also leads to malpractices. Modern business requires operating and managerial skill which is possible only in reasonably large undertakings with good financial backing. Therefore, our transport services need to be reorganised and, if this can be done through co-operatives, it is so much the better for all. Moreover, co-operatives can raise finance relatively cheaply through co-operative banks. This will save a good deal of interest which individuals operators have at present to pay to private financiers. It is hoped that our operators will realise these advantages and quickly form co-operatives, with as large a number of vehicles as possible and employ skilled technicians, accountants and managers to look after business and provide efficient service to the public.

(iii) Laden Weights

The increase in the permissible laden weight of a medium vehicle from 14,500 lbs. to 18,000 lbs., as per No. (6) above, is undoubtedly welcome, but it is not in keeping with either the laden weights of vehicles manufactured in the country or with the standard laid down by the Indian Roads Congress. The former range from about 18,500 to 27,000 lbs. and the latter is 27,000 lbs. Hence, the permissible weight is less than the minimum of vehicles plying in the country. It is true that States have the power to raise this limit wherever they find it feasible, but the point is that an Act like this is not amended often. Further, it should be borne in mind that the condition of our roads and bridges has been improving steadily and that, by the end of the third Plan, the Nagpur Road Plan will be completed. Hence, instead of fixing the limit at the minimum and giving powers to States to raise it here and there, it would have been better to fix it at the maximum and to give powers to States to lower it wherever necessary. The advantage of this suggestion would have been that States would have had to concentrate on weak bridges and get them strengthened under pressure of public opinion.

Another defect of the modification is the omission of the axle-load from the definition of a vehicle. If a vehicle is defined only by its laden weight, as in the amended Act, then any combination of it like an articulated vehicle on three axles and a truck-trailer combination on four will automatically come under a higher class of vehicles on account of its higher weight and be subject to the restrictions of that class. But, in practice, a combination vehicle of the types mentioned does not transmit to a road surface more load than that of a truck on two axles, in spite of its heavier laden weight, because this load is distributed on three or four axles. Hence, from the point of view of load carried, it comes in the same class as a normal truck and not in a higher class. From the point of view of cheapening the cost of transportation without exceeding the carrying capacities of roads and bridges, these combinations are useful and are employed on a large scale in other countries. There is no doubt that, with increasing traffic, we also will have to employ them and it is absolutely essential to provide for their use, without imposing on them restrictions of a higher class of vehicles. For this purpose, the axle-load has to be specified in the definition of a vehicle, as was done in the old Act and as is done in other countries.

(iv) Long-distance Traffic

From the point of view of developing road transport, items (7) and (8) are the most important and should go a long way towards meeting the criticism levelled by the public against the old Act during the past 15 years. No. (7) removes the distance limit which was sought to be imposed in the amending Bill and No. (8) creates a Central Inter-State Transport Commission to "develop, co-ordinate and regulate" inter-State road transport instead of a number of Inter-State Authorities proposed originally. Both these provisions, if enforced in the right spirit, will make long-distance road traffic possible both in passenger and goods and thus relieve the railways of some of the strain to which they have been subjected at present, quite unnecessarily but due solely to their own uncompromising attitude. Both the Joint Committee and the Ministry of Transport deserve to be congratulated on these changes.

(v) Nationalisation

The necessity of publishing in a *Gazette* every scheme of nationalisation, to invite objections, as per item (9), gives an opportunity to operators to represent their point of view. Also, the discontinuance of temporary permits, as per item (3), should create in them some measure of confidence. The provision in item (10) that schemes of nationalisation of goods transport on inter-State roads should require prior approval of the Government of India is a step in the right direction.

A direction has been given to States to issue instructions to grant permits for alternative routes in the case of nationalisation (item (11)), but a great deal will depend on how this provision is used. With increasing demand for transport, there is no reason why States should think of taking over present routes, instead of starting services in areas where there are no services at present and thus opening new lines. Secondly, if they must take over existing routes, it should be compulsory for them to offer to displaced operators alternative routes to develop new services. There is no great point, first, in losing the benefit of the experience of old operators and, secondly, in throwing them out of employment when the employment capacity of our country is limited and when one of the objects of the second Plan is to create new avenues of employment. It is hoped that States will be considerate and even generous in this respect.

It is unfortunate that there is no provision in the amended legislation for the compulsory acquisition of assets when a route is nationalised. The argument on which this omission is sought to be justified, namely, that by the end of his permit period an operator will have recouped his original investment and, therefore, there is no need to acquire his assets, overlooks several points. In the first place, there is no knowing that only those routes will be nationalised for which the period of permits expires. In fact, there is provision for taking over routes at any stage of the period of permits and/or to restrict or modify their areas or lengths. Therefore, the argument about an operator recouping his investment fully will not apply to all cases. Secondly, at the time of nationalisation, the entire fleet of an operator may not be of the same age. Therefore, the investment on newer vehicles will have been partially recouped. Thirdly, in many cases the assets do not comprise vehicles only. There are offices, workshops and machinery. Investment on them cannot be recouped in the same period as in the case of vehicles. Lastly, in point of fact, the assets at the time of nationalisation will have some market value which, in equity, must be paid for.

Policy Inconsistent

The most important point is that this omission will make it obligatory on operators to recoup their entire investment in as short a period as possible just as a safety measure. This they can do only by increasing their cost of operation, which fact is not conducive to the development of road transport which, we have been told, is the object of the legislation. In this respect, the policy of Government does not seem to be consistent and it is difficult to understand why, if the assets of air services can be compulsorily acquired, those of road services should not, particularly when the people concerned in the latter are mostly small men with limited means whose investment has been mostly by way of loans at high rates of interest. In this case, the basis laid down in the U.K. Act of 1947 and endorsed by the Select Committee of Parliament on the Road Transport Corporation Bill of 1949 is sound and should have been accepted.

In regard to compensation, it is payable, on an *ad hoc* basis, only in the case of cancellations of permits or when the routes or areas to which the permits apply are modified but not to non-renewals (item 12). This, again, is not an equitable provision, since the earnings of all vehicles on all routes can never be the same and, therefore, they cannot be assessed on an *ad-hoc* basis of so much per vehicle per mensem, as has been provided. A more equitable basis will be to decide them in each individual case on the basis of actual earnings, say, in a period of three years before nationalisation. The contention that some operators do not keep proper books of account cannot apply, since States have ample powers under the Act to compel operators to do so. Also, the fact that they do not keep proper accounts does not prevent the Income-tax Department from assessing them. If the lack of proper books does not prevent Government from collecting its own dues, it is not easy to see how it can prevent it from paying the operators' dues.

It has been said that compensation for the non-renewal of a permit cannot be paid, since the permit, being for a fixed period, carries no obligation to renew it. This is a legal quibble, which completely and somewhat indecorously overlooks the fact that the grant of a permit opens an avenue of employment and, therefore, by discontinuing it you are depriving a man of the means of his livelihood. You cannot expect him to have earned enough in five years to last him for ten. Therefore, the moment his permit is not renewed, he is literally thrown on the street and it is the duty of the State to provide him sufficient means, based on his previous earnings, to enable him to start a new line. If it is the policy of States gradually to nationalise passenger services irrespective of the fact whether it is in the interest of the development of transport or not, nobody can prevent them from doing so, but let it be done on principles of equity and justice. It is a reasonable expectation that, in a Welfare State, the welfare of operators is not ignored.

Conclusion

It will be seen from the foregoing detailed examination under each individual item that, although there is considerable room for improvement under many heads, the Government has made a serious effort to tackle some problems in a genuine endeavour to liberalise the conditions of operation of road transport. However, here a great deal of spade-work is necessary to create a proper psychological background for that development. A number of measures will be required for this purpose and it may be useful to invite attention to some of them. They are as follows:

It is good that, in future, the chairmen of Transport Authorities will be persons of judicial experience but for a number of years, Transport Authorities in the country have been brought up in an atmosphere of restrictions on road transport. This has to be changed by issuing instructions that, hereafter, the policy should be to develop road transport by all possible means and that the primary duty of Transport Authorities will be to show results under this head. In 1953-54, there were 39,669 passenger and 100,628 goods and miscellaneous vehicles in the country. By 1960-61, their *extra* requirements are estimated at about 60,000 and 180,000, respectively. Therefore, one and a half times the present number of *extra* passenger vehicles and one and three-quarter times the present number of *extra* goods vehicles will be required. It should be the duty of Transport Authorities in various States to see how this number can be reached within the provisions laid down in the new Act. This step is absolutely essential.

There should be a small establishment at the Central Ministry of Transport to study the credit requirements of operators and to take steps to provide the necessary machinery to make available these facilities. The same establishment should prepare model rules for fostering the spirit of co-operation in the road transport industry and to see that co-operatives to form viable units of operators are both formed and are run.

The production of automobiles should be transferred to the Central Transport Ministry whose duty should be to see that the number of vehicles required for the implementation of the second Plan are produced.

Sufficient powers should be given to the proposed Inter-State Transport Commission to implement their scheme and to devise ways and means, including periods of permit, to ensure that Inter-State transport is developed expeditiously on a scale which may be necessary to relieve the strain on the railways.

To build up a system of National Highways on a scale commensurate with the requirements of inter-State road transport.

As part of the export drive, the Federal Government of Australia has decided to sponsor a trade mission to India and Ceylon next March. It has already appointed a Trade Commission at New Delhi. The Government believes that there are good prospects for increasing Australia's present exports of more than £A20 million a year to India and Ceylon. India's second Plan, it is felt, is likely to create demand for many types of secondary products and raw materials which Australia can supply.

LIGHT ON NEW COMPANY LAW

SOME DOUBTS AND CONTRADICTIONS

By F. R. Ginwalla, B.A., LL.B.
CITY CIVIL COURT, BOMBAY

A COURT of law does not speculate upon the reasons which influenced the Legislature but it always sees that, as far as possible, the obvious intention of the Legislature is not defeated by a construction which it puts upon a statute and always leans in favour of that construction which gives effect to the legislature's intention rather than that which leads to difficulties.[1] On the other hand, if the Legislature fails to carry out its objects by giving proper expression to it by using adequate language for the purpose, the Court cannot violate the canons of construction merely for the purpose of assisting the Legislature for a supposed object which it might have.[2] It is also a well recognised principle of law that, before the Court can accuse the Legislature of being guilty of serious blemishes in the drafting of a statute, it is the duty of the Court to see whether a fair and reasonable interpretation can be put upon the language used by the Legislature, bearing in mind the object which the Legislature had in placing a particular piece of legislation on the statute book.[3]

The question of the interpretation of the Companies Act of 1956 is not free from difficulty. Lord Halsbury has opined that the worst person to construe a statute is the person who is responsible for its drafting (*Hilder* vs. *Dexter* (1902) 71 L.J. Ch. 781 at p. 783: (1902) A.C. 474). The new Companies Act partakes of the character of both public law and private law, of substantive law and of adjective law. It imposes many duties on companies, their directors and officers, auditors and others. Many provisions of the Act are penal in character and non-observance of these entails penalties. It is, therefore, necessary for the Courts to see that a strict construction is adopted.

The Government goes along in the light of its experience and continually improves on the present Act by issuing suitable Press notes. Those who are in charge of the administration of the Act have the opportunity to see its defects and deficiencies in its day-to-day working. But the general public only becomes aware of the defects and the deficiencies in the Act when the judicial pronouncements made from time to time are published in the Press. Just as a machine needs adjusting, so does the new Companies Act. In this context, I shall briefly invite attention to some of the provisions of this Act which seem to suffer from want of lucidity, or from conflict with the other provisions of the Act, or need adjustment in the light of judicial pronouncements.

Publication of Name

Section 147 (corresponding with sections 73 and 74 of the Act of 1913) provides for the publication of its name by a company. Clause (c) of sub-section (1) requires a company to mention its name in legible characters in all its business letters, billheads, letter paper, notices, advertisements and other official publications. It is usual for all business or manufacturing concerns to advertise their goods or products by their trade names without mentioning the name of their companies. Technically speaking, such an advertisement to push sales may fall under clause (c) of sub-section (1) and, if a company fails to mention its name in such an advertisement, it becomes liable for an offence punishable with fine under sub-section (3). Obviously, this does not seem to be the intention of Parliament. Having regard to the words "other official publications" occurring in clause (c) of sub-section (1), such an advertisement does not seem to fall within the category of official publications. But this clause seems to suffer from want of lucidity and an advertisement of a purely unofficial nature which does not state the name of the company may amount to an offence under sub-section (3) of section 147.

It is open to doubt as to whether the expression used in the various sections, namely, "a private company which is a subsidiary of a public company," means a private company which is a subsidiary of an Indian public company or whether the expression includes a private company which is a subsidiary of "a body corporate" which includes by reason of the definition in section 2(7) a company incorporated outside India. The definitions in section 3 which define the expressions "company," "existing company," "private company" and "public company" all go to show that these expressions can mean only companies formed and registered under the Act of 1956 or the previous companies laws of India. They will not include a company incorporated outside India. It is, therefore, clear that the expression "a private company which is a subsidiary of a public company" covers a private company incorporated in India which is a subsidiary of a public company which is also incorporated in India and not a public corporation incorporated outside India. If this argument is presumed to be correct, a private company which is subsidiary of a public foreign corporation incorporated outside India will not be affected by the various sections of the new Act, in which reference is made to "a private company which is a subsidiary of a public company." If in this last quoted expression the words "or a foreign corporation" had been added, then a private company incorporated in India which is a subsidiary of a foreign corporation would have been governed by the various provisions of the Act on the same footing as of a public company.

Section 599 imposes a civil disability on a foreign company if it fails to comply with the provisions of Part XI of the Act. This is entirely a new section and has no parallel in the English Act. This section also suffers from want of lucidity and must await judicial interpretation. It raises a question whether the compliance of the provisions of Part XI of the Act by a foreign company is a condition precedent to bringing any suit, claiming any set-off, making any counter-claim or instituting any legal proceeding in respect of any contract, dealing or transaction. Legal opinion is divided. One view is that compliance with the provisions of Part XI is a condition precedent. The other is that it is not. But, having regard to the language of the section, the former view, however strict and unreasonable it may be, seems to be proper.

Technical Director

The Bombay High Court, in a recent case of *Ramaben* vs. *Jyoti Ltd.* and others,[4] considered the provisions of sections 198, 309, 310, 311 and 348. I shall briefly mention the facts and questions of law involved in this case, with a view to showing what important role the case-law plays in giving shape to the provisions of a new statute. The facts in that case were as follows:

The plaintiff was a shareholder of the first defendant company. The second defendants, a partnership firm, were the managing agents of the first defendant company by virtue of an agreement executed in April 1951. The third defendant was one of the two partners of the second defendant firm. The third defendant was also a director of the first defendant company and he was also a technical adviser, being qualified as an engineer, on a salary of Rs. 3,000 per month. His appointment as a technical adviser of the first defendant company was made on 1st January 1944. His appointment as a director of the first defendant company was made in April 1944. The questions involved in the case came up for consideration before the High Court under section 90 of the Code of Civil Procedure.

The main question was whether the third defendant was entitled to payment of Rs. 3,000 per month over and above the remuneration paid to him as an ordinary director of the first defendant company. It was held that the third defendant may receive remuneration as a director of the first defendant company and may also get additional remuneration in a capacity other than that of a director, and that the remuneration payable to directors under section 309 is confined to the remuneration paid to them in their capacity as directors and that the section does not extend to the remuneration paid to the directors in any other capacity. However, as regards managing agents, the Court held that the remuneration to be paid to the managing agents must not exceed the remuneration laid down in section 348, whether the remuneration is in respect of the managing agents' services as managing agents or in any other capacity. It was further held that any payment made to a partner in the managing agency firm for technical services should be treated as payment to the managing agency firm and that, in order to give full effect to the clear and emphatic language used in section 348, a managing agent should not be paid more than 10 per cent. of the net profits either in his capacity as managing agent or in any other capacity.

Their Lordships arrived at the foregoing conclusions after giving full consideration to the relevant provisions of the Act. As we have already observed, a court cannot help if the Act is not couched in clear and precise language. That is, however, a matter for Parliament. The concern of the Court is to take the law as it finds it and do the best it can.[5]

Section 348 contains the words "or in any other capacity." These words mean that the 10 per cent. remuneration mentioned therein is not confined to the services of the managing agents as such but also otherwise. Let us consider what would be the effect on section 348 if the aforesaid words are dropped from it. The section with the aforesaid words deleted would be capable of two different interpretations. The first interpretation is that the absence of the aforesaid words from section 348 would make no difference to the meaning of that section. This interpretation is based upon the assumption that Parliament used the words "or in any other capacity" advisedly by way of abundant precaution. The second interpretation is that it would make a substantial difference to the meaning of section 348. It is in this sense that the 10 per cent. remuneration mentioned in section 348 would then be limited and confined to the services rendered by the managing agents as such and not otherwise. If the second interpretation is presumed to be correct, the result is that the absence of the said words in section 309 dealing with the remuneration payable to directors, and in section 198 dealing with the overall remuneration payable to managing agents, director, manager, etc., produces an effect which is contrary to or inconsistent with the judgment of the Bombay High Court in *Ramaben* vs. *Jyoti Ltd.* The net result in such a case is that, whenever an amount is paid by a company to a person who happens to be a director of the company, then the payment is controlled by section 198 as well as by section 309, whether such payment is made to the person for his services as a director of the company or otherwise. This is also true in regard to section 198.

Charitable and Other Funds

Section 291 deals with the general powers of the board of directors, while section 293 imposes certain restrictions on the powers of the board of directors of a public company and a private company which is a subsidiary of such a public company. The powers specified in section 293 can only be exercised by the directors with the consent of such companies in general meetings. Section 291 and section 293 must be read together. Clause (e) of sub-section (1) of section 293 provides that the board of directors of such companies subject to the approval of such companies obtained in the general meeting of such companies, may contribute, after the commencement of the Act, to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will not in any financial year, exceed Rs. 25,000 or 5 per cent. of its average net profits as determined in accordance with section 349 and section 350 during the three financial years immediately preceding, whichever is greater.

With regard to the foregoing clause (e) of sub-section (1) of this section, a question may well be asked whether the board of directors of such companies can contribute to funds other than charitable funds, as, for instance, funds for helping any national cause, encouraging sports, or for preserving ancient monuments or for constructing works of general public utility, etc. The language of this clause suffers from want of lucidity and therefore, an answer to this question must await judicial pronouncement. The expression "charitable and other funds" occurring in clause (e) of sub-section (1) of this section does not seem to be free from doubt. It is not clear whether the words "other funds" occurring in the foregoing expression mean the funds which are analogous to charitable funds. It is also not clear whether the words "charitable" and "other funds" should be read disjunctively. The popular meanings of the words "charity," "charitable," and "charitable objects" do not coincide with their legal or technical meanings. The legal significance is narrower than popular. (1948 A.C. 31 H.L. p. 41). References to charity in any legislative Act should be construed in their legal technical sense, unless a contrary intention appears from the context.

It must be observed that it is a clearly established principle of the law of charity that a purpose is not charitable, unless it is directed to the public benefit. The element of public benefit is the necessary condition of legal charity.[1] But every object of public utility is not necessarily a good charitable object. In England, the charitable objects should also be of a public nature and they should not be of a nature which the Courts consider as uncertain. There is no indication in the present Act to show what are charitable purposes for the purpose of the Act. The Act is also silent as to what are charitable or other funds within the meaning of clause (e) of sub-section (1). If Parliament, while enacting this section had enacted clause (e) of sub-section (1) as a sub-section commencing with the words "Notwithstanding anything contained in the Act or in the memorandum or the articles, the directors may" or with some other suitable expression, then, perhaps there may not have been any difficulty in answering this question in the affirmative and there would not have been any need for amending the memorandum and the articles.

Another Interpretation

There is also another way of looking at the foregoing question. Section 9 states that the Act shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of a company, etc. It is, therefore, necessary to consider whether clause (e) of sub-section (1) of section 293 read with section 9 would authorise the board of directors of a public company or a private company which is a subsidiary of such a public company to contribute to charitable and other funds, even though there may not be specific powers in the memorandum authorising the board of directors to do so. If this is the correct way of looking at section 293, Parliament could have used appropriate language to make it clear that notwithstanding anything to the contrary contained in the memorandum or articles the board of directors of a public company or a private company which is a subsidiary of such a public company may contribute to charitable or other funds to the extent of the limit specified in clause (e) of sub-section (1) or with the consent obtained of such companies at the general meeting may contribute an amount exceeding that limit.

In the context of the foregoing discussion on section 293, it may be noted that the Gandhi National Memorial Fund Donations (Companies) Act of 1948 was enacted to enable the companies precluded from making donations to charitable or public funds by their memorandum or articles, to make donations to the Gandhi Memorial Fund. Section 2 of that Act had overriding effect upon the provisions of the Companies Act of 1913. Companies were permitted to make donations to the Gandhi Memorial Fund by passing a special resolution if they were unable to do so under the memorandum or the articles.

The new Act is much in advance of other countries in the field of Company Law legislation. It has removed the defects which existed in the retiring Act and thus rendered a considerable portion of case-law under that Act as merely of academic importance only. Under Regulation 13(2) of the new Act, each member is entitled to at least 14 days' notice specifying the time or times and place of payment of amount called on his shares. Regulation 13 has modified the provisions of the corresponding Regulation 12 contained in Table A of the old Act. In view of the modified provisions of Regulation 13 of the new Act, it seems that the judgment of the Bombay High Court in *East and West Insurance Co.* vs. *Mrs. Kamla*,[2] has now academic importance only. The foregoing case is cited by way of illustration only.

[1] 52 Bom. L.R.P. 62; 51 Bom. L.R.P. 280.

[2] 50 Bom. L.R.P. 718; *Craford* vs. *Spooner*, 1846. M.I.A 179 at p. 187.

[3] 57 Bom. L.R.P. 1.000.

[4] Sp. case under S.90 of the Civil Procedure Code.

[5] *Miller* vs. *Solomons* (1852) 21 L.J. (Q.B.) 161 at p. 197. See also (1940). A.C. 1014 at p. 1022.

[1] Halsbury's Laws of England, 3rd Ed., Vol. IV. pp. 206, 207, 209, 213, 226, 227, 228; (1891) A.C. 531 H.L. p. 580; (1926) A.C. 128 P.C.; (1929) A.C. 142 P.C.; (1949) A.C. 426 H. L. at p. 442; also (1951) A.C. 297 H.L. at p. 237; 42 Bom. L.R., 86 *Subash Chandra Bose* vs. *Gordhanbhai Patel.*

[2] 58 Bom. L.R. 660; also 28 Bom. L.R. 441; 35 Bom. L.R. 26.



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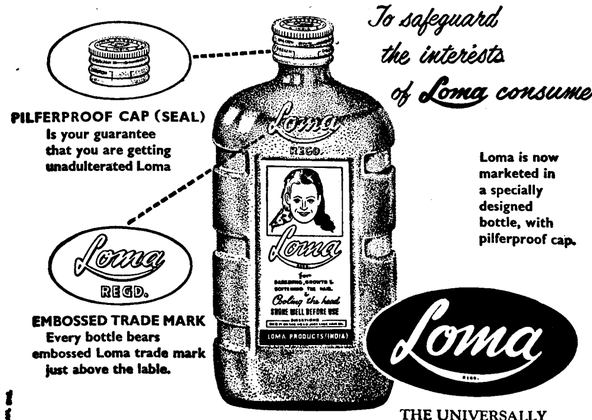

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MR. R. C. PATERSON'S REPLY TO ENQUIRY COMMISSION'S ACCUSATIONS

PLEA FOR AN ACTIVE EXPORT POLICY

A WELL-REASONED reply to some of the aspersions made by the Plantation Enquiry Commission in its report on coffee against the coffee industry was given by Mr. R. C. Paterson, Chairman of the Consolidated Coffee Estates (1943) Ltd., in the course of his address to the Company's shareholders at their Thirteenth Annual General Meeting held at Pollibetta, Coorg, on 29th December 1956. He proved from the experience of the Company that the findings of the Commission have been based on an inadequate appreciation of the industry's position. He also made some suggestions to the Coffee Board for the establishment of a better export market for Indian coffee.

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

"GENTLEMEN,

"On behalf of the Board of Directors I welcome you here today on the occasion of the thirteenth annual general meeting of the Company. The Directors' report and accounts for the year under review have been in your hands for the requisite period and, with your permission, I propose to take them as read. At the end of my speech I will do my best to answer any questions which you may wish to put.

"The year has been a most successful one and it constitutes a record not only for the coffee crop harvested, which, for the first time since the inception of the Company, has passed the 2,000-ton mark, but it is also a record in regard to the gross profits earned. The *arabica* crop is approximately 100 tons less than that of the previous year; but the *robusta* crop of 826 tons is a new record for the Company, the previous highest being 804 tons harvested in the year 1952-53.

Marketing Policy

"In a previous speech I commented on the methods which control the marketing of our coffees. The Coffee Board has more or less followed a policy laid down some years ago giving priority to local market needs both in quantity and quality and exporting the surplus. As our top quality coffees in the form of *arabica* plantation command a premium up to nearly 100 per cent. in the world markets over the price realised at internal auctions, in a large measure we are dependent on the export market for the quantum of profits we can earn. This year the record crop harvested by your Company has synchronised with a record all-India crop and this will have allowed the Coffee Board to export some 8,000 tons. Not only, therefore, has the Company earned a larger point award due to the increase in crop but the value of the Pool point has also been enhanced to Rs. 2-6 in the accounts, as against a valuation of Rs. 2-2 a year ago. Payments declared to date are Rs. 2-5 and final realisations are anticipated to be in the neighbourhood of Rs. 2-9 per point. If this estimation is realised, then the carry forward, being profit on previous season's stock into the new account, will be approximately the same as that brought forward in the accounts under review.

"Cardamoms have proved a satisfactory source of revenue. Not only was the harvest an improvement on the previous year's, being the highest since the inception of the Company, but prices have ruled high.

Pepper Crop

"Pepper produced an average crop and we have now sold most of the balance stock in hand at prices slightly above valuation. Pepper prices are but a shadow of what they were a few years ago and during the year under review we have seen a gradually declining market. At one time bids were not much more than Rs. 100 per cwt. It is, however, a commodity in which we are actively interested and we are continuing an expansion programme.

"Revenue from oranges has more than doubled. Climatic conditions favoured an improved crop, but the increase income has been mainly due to better prices obtained at the sales. This again has been possible due to the larger fruits which were harvested during the year as opposed to the under-sized fruits which formed the bulk of our crop in the previous year.

"Our paddy crop harvested was a good one. Our entire production, as in the previous year, was retained as a strategic reserve for issue to our labour in case of need. This year this reserve has been fully used. Shortage of paddy was noticeable in Coorg even as early as October and was further accentuated by the delay in the ripening of the current crop, due to continued rain from the north-east monsoon. Our existing stock has, therefore, now been disposed of by a weekly ration to our labour at low prices.

"Our accounts this year are presented to you in a different form so as to comply with the regulations of the new Companies Act, and in so far as has been possible we have shown in the left-hand column the comparative figures for the previous year. The profit and loss account is shown on a company basis and the more exact division our former accounts presented between planting and other interests has disappeared.

Larger Provision for Taxation

"You will notice that a very considerable increase in provision for taxation has been necessary. Now that Coorg is part of Mysore State, reservation has been made for agricultural income-tax at Mysore rates. Not only is the standard rate for companies As. 5 in the rupee, as against As. 4 in Coorg, but total depreciation allowances are also less. No special depreciation allowance is now granted as was the case under the Coorg rules.

"Provision for Indian income-tax is also much higher due to the incidence of the bonus issue tax and dividend tax in regard to the business portion of the Company's profits.

"Under normal conditions, one might have looked upon the results we have achieved with some satisfaction and with confidence for the future, but it is to be regretted that, although we have largely succeeded in gearing our estates to a higher economy, our future is today more uncertain than ever before and our very success may recoil on our heads.

"No settlement has yet been reached regarding the structure of the basic price. The present system of marketing, if anything, exaggerates fluctuations in coffee prices. We are always faced with the possibility of interference in the price structure as well as increase in excise duties or reintroduction of export tax, on the one hand, and increasing production costs, on the other. We do not, therefore, know how we will stand from one day to the next.

"Two items of vital importance to the future of the coffee industry have recently been brought pertinently to our notice. You will no doubt have heard of the recent Madras Tribunal Award, which not only granted an astronomical increase in rates of pay to subordinate staff but awarded an increase in wages to labour by as much as 70 per cent. with retrospective effect for four years. Although coffee estates in Coorg are not directly affected by this award, its indirect impact is immense. At present, the case is before the Supreme Court, but it is absurd to think that Coorg will be uninfluenced by the final outcome.

Enquiry Commission's Report

"In November, the report of the Enquiry Commission on Coffee was placed on the table of the Lok Sabha in Delhi. This report has taken some two years to compile. It is only recently that a full copy of the report with the dissenting minute has reached us. The report covers some 400 pages and it will take a very considerable time to digest its full implications.

"Its final recommendations, however, are obvious and are nothing more than the complete collectivisation of the coffee industry on a co-operative basis—co-operatives for the management of the smaller estates, co-operatives for the curing of coffee, co-operatives for the selling of estate supplies, co-operative warehouses, control even over the sale of properties, all managed under the ægis of the Coffee Board. Little thought would appear to have been given as to how the Coffee Board can undertake such a colossal programme. The report has castigated all the larger interests—the planters, the curers —in special measure, the merchants, the traders in fertilisers and even the Coffee Board itself. Some of the suggested opportunities for malpractice are so far-fetched as to be absurd. One cannot fail but gain the impression that the Commission has taken every opportunity, every scrap of evidence, whether responsible or otherwise, to show the larger institutions in the worst possible light.

Company's Position

"This is not the place for me to defend general accusations against the industry as a whole, but in the light of the aspersions made, it would be my duty to give you a picture of how our Company stands in relation to the claims made in the Enquiry Commission's report. It has been stated that coffee companies have been profligate in their financial policy and have trittered away their resources in large dividends which have been concealed from their real worth by bonus issues. From such perusal of the report that has been possible in the short time available it would appear that, although the Company has been classified as Indian, our estates only have been so categorised, while our curing works have been included in the annexures as non-Indian. This I may say would appear to be only one of other errors in the statistics contained in the report.

"Our position as at the closing of the books is that 96.3 per cent. of the ordinary capital is owned by Indians. There are today 1,952 shareholders on our ordinary share register, the largest individual interest being 22,500 shares. The average is 366 per shareholder. In acreage for coffee, this works out to about 3½ acres per head. If ever there was a co-operative undertaking in the real sense of the word it is your Company. The Directors are two-thirds Indian and one-third European. The covenanted staff comprise eight Europeans, of which three only are Senior Managers, and 13 Indians, of which four are Senior Managers.

"Since the Company was formed in 1943 the division of our profits has been as under:—

	Rs.
Total gross profits	2,08,56,995
Allocation to reserves	84,73,821
Ordinary dividend	74,19,952

"Preference dividend, taxation and carry forward account for the balance.

Dividend Policy

"I do not think that by any standard it can be claimed that our dividend policy has been other than most conservative. It is true that in the last few years a more liberal dividend has been possible than was the case in the early days of the Company's career, but surely it is not wrong to earn profits nor is it wrong for shareholders to have an increasing participation in the prosperity once the Company has reached a sound financial position. There is certainly no point in the Company amassing reserves for which no useful purpose is to be assigned. As our rebuilding programme for labour lines and the equipment of our estates with machinery and plant to deal with the higher crops now coming in and still anticipated reaches completion, the necessity to place vast sums to reserve from current profits will no longer arise.

"The Enquiry Commission has suggested in its report that the reserves of companies whether capitalised or not have been largely invested in unremunerative assets, such as buildings, and not in the actual land from which the source of revenue is derived. Although this statement is correct in so far as the accounts of the Company disclose, I would beg to dispute the conclusion. Unless we have suitable lines for our labour we cannot house sufficient labour to look after our properties. Unless we incur considerable capital expenditure in water-supply points throughout our *arabica* estates for spraying our coffee, the bushes will become diseased and die. Unless money is spent in expanding our drying grounds and pulper-houses, on roads and bridges, godowns and manure sheds, we cannot deal with the crops which are being harvested, let alone what we hope to harvest. It is, I claim, not possible to say that this is an earning asset or that a sterile asset merely because it is an investment in bricks and mortar.

"It is true that our balance-sheet shows that a major portion of our reserves has been invested in fixed assets of this nature, but that does not mean that we have neglected the land which is the fountain from which all else flows. On the contrary, we have given it our closest attention and this alone is the explanation for the most substantial increase in crops which has been possible during the past few years. This year we have harvested in all a crop of 2,096 tons. Our average per acre *robusta* and *arabica* combined is 6 cwts. for the four years ended June 1956, as against 4.1 cwts. for the previous four years and 3.7 cwts. for the four years ended June 1948.

New Clearings

"Although our balance-sheet figures do not disclose large accretions in land development, it does not mean that we have been idle in this matter. Since the formation of the Company total new clearings have been as under:

	Acres
Arabica	804
Robusta	717
Total ...	1,521

"These new clearings represent replanting of old abandoned coffee areas and the opening up of virgin jungle. Prior to 1951 it was the policy of the Company to make new clearings largely from revenue as the question of income-tax did not arise.

"I would in this matter emphasise a point I raised in my speech a year ago. Under no circumstances can total expenditure on new clearings until maturity be considered as capital when even in its second year *arabica* will bear fruit. In any estate balance-sheet, therefore, good new coffee clearings will always tend to be under-valued in the books. This is not due to any design, but is the obvious result of a rational system of accounts. If we were to revalue these most valuable assets to their real worth as young mature coffee the assets side of our balance-sheet under land would show a vastly different picture.

"The Enquiry Commission has stated that, in regard to non-Indian companies 75 per cent. of the area under coffee is in urgent need of replanting within the next 10 years and 38 per cent. in regard to Indian-owned properties. The Commission has further recommended that a complete replanting programme be introduced on an industry-wide basis and to finance this a special fund be created with a compulsory contribution of Rs. 37-8 per acre per annum to be surrendered to the Board, which will be refunded as and when replanting takes place.

Company's Policies

"It is a great shock to be informed that so much of our area under coffee will be worthless within the next 10 years, unless something is done about it, and in refuting this suggestion I cannot do better than explain to you as briefly as I can the basic policies which your Company follows. From our total acreage we have 2,669 acres shown as reserve land. This comprises all sorts of land, sheet rock, areas covered by roads, labour colonies, pulper-houses and barbecues, virgin jungle and old abandoned coffee and rubber areas. Out of this, we estimate that possibly a thousand acres is land suitable and available for planting with coffee. The problem of planting new clearings is controlled basically by the availability of labour and many other conditions, but, broadly speaking, as a company we do not think it wise to have much more than 10 per cent. of our total acreage or more than 10 per cent. of the acreage of any one estate as immature coffee. In fact, we estimate that 10 per cent. immature coffee is about as much as an estate can cope with without the introduction of pioneer methods. Our new clearing policy is controlled by these factors and our development policy will be pursued according to that plan.

"We have in addition 6,827 acres of mature and immature coffee, which is again divided into *arabica* and *robusta*. Our *robusta* coffee is situated almost entirely in South Coorg and was planted after the First World War when *arabica* in this area was destroyed by borer and disease. By no stretch of imagination can any of our *robusta* be called old and debilitated. In fact, of the total of 2,084 acres, 1,500 acres have been planted subsequent to 1936. It can, therefore, truthfully be claimed that none of our *robusta* will need replanting for many years to come.

"In regard to our *arabica*, the position is as follows: Out of 4,256 acres, 804 acres represent new clearings or replantings made by the present Company since 1943. Although most of our *arabica* estates are well over 70 years old, there can, in fact, be relatively few of the original trees in existence, or, if they are, they must be virile good cropping plants. Estates are regulated by a more or less standard practice and this, as far as I know, is adopted by all responsible planters to a lesser or greater degree.

"(1) Where coffee areas are really bad, the area is abandoned and complete replanting undertaken.

"(2) Irregular areas or patches are regenerated by removal of diseased and poor cropping trees and replaced with young coffee.

"(3) Continuous supplying up of all coffee areas with young bushes to replace non-yielding plants and those removed due to borer, disease, etc.

"Processes (2) and (3) are carried out as normal routine work on the estate. Process (1) is as for new clearings and is controlled by the availability of labour and other conditions.

"It is difficult to present statistics on an acreage basis to show what we have done, but a record of the total supplies planted by our *arabica* estates will supply the answer. The standard rate for planting *arabica* coffee is 1,200 bushes per acre.

Total number of supplies planted from 1943 to 1956	3,885,696
Less number of supplies required for 804 acres at 1,200 plants per acre	964,800
Number of supplies planted in old coffee of 3,452 acres	2,920,896

"This is the equivalent of 846 plants per acre. This means that slightly over two-thirds of our mature acreage has, in fact, been replanted by us with new bushes in the past 13 years.

Replanting of Old Areas

"If we take into account what the previous owners did in the way of pest control and also the 246 acres of immature coffee that was handed over by them in 1943, I would venture to suggest that far from 38 per cent. of our coffee being old and in urgent need of replanting over the next 10 years, most of our coffee is virile and responding well to the more intensive treatment it has received. I would also question the Commission's sweeping conclusion that 40 years' old coffee is past its peak and should be uprooted and replanted. Certainly that is not our general experience. With proper attention even 40 years' old coffee can produce more than satisfactory crops.

"It may be agreed that the ideal is to own young coffee, but that is a very different question to the destruction of profitable old coffee. Many think that we are in our infancy in regard to knowledge of the coffee plant and I am firmly convinced that the problem is not one that can at all be dealt with on mass-production lines. The building up of a general compulsory replanting fund to be lodged with the Board, which will not be required for many years ahead if at all, or if made available could not be used, seems to me to be quite unrealistic. According to the Enquiry Commission's recommendation, it would appear that your Company would have to contribute to this Fund some Rs. 2½ lakhs a year. The build up of this over a few years would be quite fantastic. It represents further an initial expenditure on something like 250-300 acres per year, if not more, an acreage which under no stretch of ordinary circumstances would be possible for the Company to undertake even if a replanting programme on such a scale was necessary. The freezing of funds in this manner would almost have the equivalent effect of expropriation.

"All that the industry requires is that, in calculating a minimum basic price for coffee according to production costs, some allowance is made for this sort of work.

Curing Works

"The Enquiry Commission, in dealing with curing establishments, has adversely commented on the position within the industry of the larger curers, and it has been suggested that the organisation of the Coffee Board, marketing system and control has enabled these curers to establish monopoly interests. It is unfortunate that the Commission should not have appreciated the record of the past or realised what a vital part in the life of the industry the curing works have played, particularly the old-established curing works on the west coast. I would go so far as to say that, were it not for their financial support given largely without adequate security during the years of slump between the two wars, the industry might well have suffered irreparable damage. Certainly many estates which today are most flourishing concerns would have been abandoned areas of desolation.

"The reason why the curing of coffee would appear to be vested in the hands of a few curers is not because the Coffee Board set up has created 'monopoly conditions' but for no other reason than that it is in those firms that the planter has his faith and trust. So long as the planter is allowed freedom to send his coffee for curing to the works of his choice, so long will the larger share tend to go to those firms, who by their traditions and example have shown themselves most worthy of receiving it.

"Our Company's curing works at Kushalnagar is a new venture and was not opened for business until the 1948-49 season. During that year, the quantity of outside coffee cured was 34 tons. In respect of the year just ended, of the total 2,603 tons, 1,326 tons represents coffee from outside planters.

"The fact that in so few years we have been able to attract such substantial outside support is proof positive of the esteem in which our works is held by Coorg planters. If our works was not operating to full capacity, opportunity would not be lacking for attracting additional custom.

Malpractices in Curing

"The Enquiry Commission in its report has laid great stress on alleged opportunities available to curers for malpractices. From such perusal as has been possible I have come to the conclusion that the Commission has failed to grasp in detail how a normal curing works operates, since many of their conclusions would appear to be based on wrong premises.

"The Enquiry Commission has also recommended that owners of coffee estates should not be owners of curing works as the temptation for malpractice is apparently enhanced. Undoubtedly, in any business, there must always be opportunities for malpractice; some of them real, most of them theoretical or largely imaginary. If any, the opportunities themselves are inherent in the business. A change of ownership of our works to a co-operative society or some other organisation would not remove the opportunity for alleged malpractice. It is well known that there has always keen rivalry among curers in canvassing for the planters' coffee crop and the whole of the curing industry is based upon active and very alive competition. If a curing works even contemplated the malpractices, which are apparently available to them according to the report, it would not be long before such works would be out of business.

"The marketing of coffee has followed the same pattern as for previous years. I do not think it is appreciated by the general public what very large benefits the consumer in India is actually receiving from the industry. He is at present offered best quality coffees as much as he requires at less than half the world price. At export auctions this year, Plantation A has fetched up to Rs. 380 per cwt. and identical coffee is sold at the internal auctions at about Rs. 220 a cwt. or released to the co-operative stores and propaganda units at approximately Rs. 180 exclusive of excise.

Subsidising Internal Prices

"The principle that exports should subsidise the local market was introduced some years ago and has been generally accepted by the industry. With the larger crops that are to be envisaged in the future, it would appear that greater reliance will have to be placed on the export market and, as a precaution, it seems reasonable to suggest that the export should largely, if possible, be concentrated on the high quality coffees. It is only by giving the export markets the type of coffee that they want that a sound export demand for Indian coffees can be built up. Even in the worst days of the slump before the war high grade coffees always found a ready market, but many estates during those days were unable even to obtain bids for their *robusta* or lower grade cherry. If there was a slump in world prices, such conditions might well be seen again. It is, therefore, of vital interest to the industry that the Coffee Board should encourage the consumption of the non-export, but none the less palatable grades in India itself which will allow for the establishment of permanent markets in Europe or elsewhere for our premium coffees. I would further recommend that, in order to keep our export markets, it would be in the interests of all to fulfil any excess demand in India by allowing the importation of the less expensive coffees from Indonesia. An active export policy will not only establish a sound market for our total products but will be of the greatest assistance

(*Continued on page 107*)

VALUE OF AGRICULTURAL RESEARCH

PRACTICAL APPLICATION OF RESULTS ESSENTIAL

THE attainment of the targets fixed for the agricultural sector in the second Plan hinges, in a large measure, on the extent to which our research institutions succeed in evolving new techniques to solve the problems faced by the agriculturist in regard to yield per acre, marketing and storage. A distinguishing feature of these problems, the most important of which pertain to the fields of agronomy, fertiliser use, pest control, animal husbandry and the like, is that they differ in character and degree from region to region. Appropriate solutions to these issues, therefore, lie not only in the study and research on them on a regional basis, so as to be responsive to the peculiarities of various regions in the country, but also in the systematic application of the results, so obtained, in practice, and in disseminating the knowledge to the farmers far and near. The factors, therefore, that ultimately lead to the realisation of the aims of research, are, in the first place, the research findings should have practical value, and, secondly, there should be effective co-ordination between the organisations engaged in research, on the one hand, and those intended for extension work, on the other. The emphasis laid on the research aspect of the question can be seen from the fact that the Planning Commission has earmarked no less than Rs. 14.15 crores for agricultural research during the second Plan period. Moreover, the Indian Council of Agricultural Research (I.C.A.R.), the Central Commodity Committees, and a number of institutions such as the Central Potato Research Institute, Central Rice Research Institute and others have already been engaged in the investigation of individual problems. The Council itself has sponsored a number of investigations, such as breeding of rust-resisting wheat and manurial experiments on the fields of cultivators with a view to preparing manurial schedules suitable for different agro-climatic regions of the country. Similarly, the Central Potato Research Institute has drawn up 68 research projects to be carried out during the second Plan period, the lines of investigation taken up being as varied as soil mapping, rapid soil tests, testing and certification of insecticides, storage pests, appraisal of losses due to plant diseases, and use of atomic energy for solving agricultural research problems. To take another example, the Indian Central Cotton Committee has 72 research schemes under its investigation, and four regional institutes are proposed to be set up.

Lag in Application

But it looks as though requisite attention has not been paid to the practical application of the results of research and the Planning Commission itself observes, in the second Plan, "there has been a lag in the application of the results of research and research workers have not drawn their problems sufficiently from the daily experience and the needs of the farmer." Not long ago (on 22nd November) Mr. Randhwa, Vice-Chairman, Indian Council of Agricultural Research, and Additional Secretary, Union Ministry of Agriculture, drew the attention of all concerned to this lacuna and other problems in the field of agricultural research in the course of his presidential address to the twenty-seventh meeting of the Advisory Board of the I.C.A.R. He cited two notable instances, where the valuable findings of research have not been put into practice through dissemination, to show the wide gulf that separates research and extension. One was the finding that paddy straw washed with water and reinforced with lime would become a palatable and nutritious food for cattle, and the other was the breeding of a new type of wheat which would be resistant to all the three rusts. The latter result is, according to Mr. Randhwa, one of the major achievements of the Indian Agricultural Research Institute. If the hill areas are saturated with rust-resistant wheat, Mr. Randhwa says, the incidence of rust in wheat in the plains would decrease, resulting in a very large increase in the production of wheat. Despite all this awareness, it is regrettable to note that the State Governments have not shown enough keenness in making use of these findings. They have taken no steps to multiply rust-resistant wheat seed according to their requirements and the speaker has done well to call upon the States to demonstrate greater enthusiasm in making wide use of the research findings, a number of which are of great practical value, and, if properly applied on a large-scale, have the potentialities of effecting sizable increases in food production.

The agencies which can best promote the application of the results of research are, according to the speaker, extension organisations. There is, therefore, an urgent need for closer liaison between the research workers, on the one hand, and the staff of the N.E.S.—from Development Commissioners down to the village level workers—on the other. This suggestion, if carried out, must really prove very effective, especially the recommendations made by the Board and once again stressed by the speaker, namely, that the results of research on various problems of agriculture carried out in all the institutes should be compiled subject-wise, crop-wise and State-wise and published in the form of booklets and widely circulated among the extension staff as well as agricultural colleges and staff of the agricultural departments.

A reference was made to a notable development in this field by Dr. Punjabrao S. Deshmukh, Union Minister for Agriculture, in the course of his welcome address at the annual general meeting of the I.C.A.R. held at Delhi on 29th December last. In order to secure greater co-ordination between the I.C.A.R. and the various Commodity Committees, a change in procedure was adopted by holding a combined meeting of the Boards of Research and Extension to which, apart from the Directors of the Central Research Institutes, the Directors of the Commodity Research Institutes and Secretaries of the Commodity Committees, were also invited. At the meeting of the enlarged Board, a list was also drawn up of those research schemes which had been completed and the results of which could be passed on to the extension workers for general adoption.

The Vice-Chairman of the I.C.A.R. is also of the view that deficiencies in our knowledge of correct agronomic practices, despite the extensive research that has already been carried out, constitute another serious handicap to the progress of agriculture. The suggestion advanced by Dr. A. B. Stewart in this regard, that an attempt should be made to translate the results of agronomic experiments conducted on Government farms into cultivators' practices is, according to Mr. Randhwa, worthy of trial, and notable advancements in this direction are the fertiliser trials, already referred to, on the cultivators' fields, in order to prepare manurial schedules to guide the farmers in selecting suitable fertilisers of their fields, and, secondly, the plan, drawn up by the I.C.A.R., of model agronomic experiments to be conducted in 34 centres, selected on the basis of soil-climate complex, with special reference to the requirements of river valley and irrigation projects.

Value of Organic Manures

There is much force in the view expressed by the Vice-President of the I.C.A.R. that it is very much desirable if the chemical fertilisers are used in conjunction with organic manures. It is necessary, according to him, that the practice of green manuring should be popularised, and that the prejudice against the use of human organic waste as manure should be conquered. It is, indeed, high time that it is realised that such prejudice is irrational and that, unless the valuable nitrogen contained in the human organic waste—no less than one kilogram per annum per person—is made use of, the requirements of the country for fertilisers cannot be met adequately. A notable suggestion advanced by Mr. Randhwa for the effective utilisation of this waste is the implementation of a large-scale programme of trench latrines in villages in the N.E.S. and project areas. Three schemes initiated by the Union Ministry of Agriculture for better utilisation of manurial resources to which reference was made by Dr. P. S. Deshmukh are worthy of mention in this connection. They aim at increasing the farmyard manure, better utilisation of night soil compost in village *panchayat* areas, and popularisation of green manurial practices. It is also expected, according to the Union Minister for Agriculture, that, by the end of the second Plan, about 2.5 lakh selected farmers will receive training in improved methods of compost making and popularising of green manuring practices.

Referring to animal husbandry, Mr. Randhwa has called for a co-ordinated effort in research and implementation of its results. He has pointed out, rightly, that great strenuous labour and patience are required in this field both in the execution of research and in the implementation of the results so obtained. What is important, according to him, therefore, is that the research programmes should be realistic enough to provide answers for the existing problems and also techniques for the implementation of development programmes in this field. The research already carried out in this field, though directed chiefly towards acquiring a better understanding of animal epizootics and developing efficient methods for combating them, has been making satisfactory progress. Examples of remarkable achievements in the field, of which, Mr. Randhwa says, we may well be proud, are the improvements effected in the methods of immunisation against our livestock's foremost enemy, namely, rinderpest, culminating in the production of goat tissue vaccine, and the development of an efficient vaccine for immunising poultry against Ranikhet disease which had once threatened the existence of the poultry industry in the country. Though a number of other vaccines for countering diseases such as fowl pox, fowl spirochaetosis, etc., which are as deadly as Ranikhet, have become known, there are still many other diseases deserving immediate attention of the research workers.

Animal Breeding

In the field of animal breeding, a noteworthy step, which should provide definite answers to many puzzling questions, is the comparative study of selective breeding and cross-breeding or grading up of cattle with better breeds of foreign or indigenous origin for the improvement of nondescript and unproductive breeds of cattle. But a more puzzling problem—that of surplus cattle—remains. India's bovine wealth is 203 million, out of the total population of 800 million in the world. Of these, the high class breeds form a very small proportion. When co-operative farming and mechanisation of agriculture gather pace, the already surplus number of bullocks—to the tune of nearly 10 million pairs—will further increase. It is, therefore, emphasised that India should face this problem in a realistic manner, so that the competition between man and animal for the limited food resources is restricted to the minimum.

Among the more significant developments taken note of by Dr. Punjabrao S. Deshmukh in his address to the I.C.A.R. is the one relating to the scheme for the establishment of regional research stations and sub-stations on cotton, millets and oilseeds. The scheme has already been drawn up and the value of the scheme lies in that it will not only facilitate dealing with agricultural problems on a regional basis but will also ensure efficiency and economy in expenditure. Research on cross-commodity problems would be carried out on a regional basis. For the purpose of intensification of horticultural research, again, the country has been divided into five agro-climatic regions. A main fruit research station with one or more substations would be developed in each region. The problems of basic research pertaining to each region would be dealt with at these stations.

Complex Problems

The problems facing the research workers in the agricultural and allied fields are thus complex in nature and also numerous. But the success which attends the endeavours of the planners in solving these problems depends on the availability of qualified technical personnel. Among the steps already taken, mention should be made of the arrangements for organising special training seminars, in anatomy and in bacteriology, at Calcutta and Izatnagar. On the administrative side, on the other hand, the suggestion advanced by Dr. Deshmukh in the course of his address to the State Agricultural Ministers deserves special mention. He suggested that, in order to ensure maximum co-ordination between and competent supervision over research and education, responsibility for these technical fields may have to be assigned to a Joint Director of Agriculture. He is also of the view that the Posts of Directors of Agriculture and Veterinary Services should be invariably filled by technical officers and not administrative personnel.

It is to be hoped that intensive and steadfast research conducted in all these fields will not go waste and that better co-ordination will be established between the workers in the laboratory and the workers in the field to attain the social and economic objectives that motivate such research.

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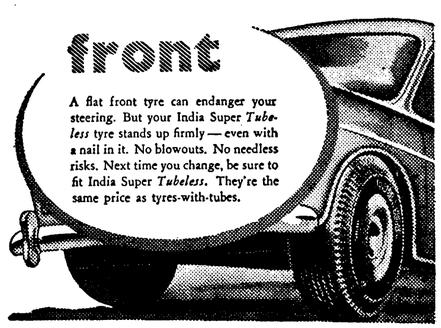

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THE STORY OF LAC

The story of lac makes stimulating reading. The lac insect, the larva, which is not more than about 1/50th of an inch long as it emerges from the mother cell, belongs to the group of scale-insects and mealy bugs. This insect begins to secrete a viscous liquid called lac, when it settles down on the shoots of the host tree. This secretion hardens on exposure to the air and forms a protective covering for the insect. A female insect gives rise to about 300 larvæ, about a third of which are generally male. The production of lac by male insects is negligible.

There are two distinct strains of lac insects, which are known by the host tree on which they thrive. They are called *kusmi* and *rangeeni* varieties. There are four lac crops annually, which are named after the Hindi months in which they are harvested, namely, *Baisakhi*, *Katki*, *Aghani* and *Jethwi*.

The value of lac lies in its use as a dye, and as a resin possessing unique properties. At the beginning of the nineteenth century lac dye assumed great significance when the Western world realised its importance as an alternative to cochineal. With the production of shellac—a refined form of lac resin—the importance of lac rose considerably, because of its use as a multi-purpose resin. Lac is thus used in one form or another at present in a variety of industries, such as gramophone records, electrical goods, varnishes, hats, sealing wax, adhesives, printing ink, ammunition, insulation cloth, micanite, laminated boards, oilcloth, abrasive papers, etc.

Lac is thus like silk, an outstanding gift of nature. India, till recently, held the monopoly position in the production of lac, contributing no less than 90 per cent. of the total production. Every year India produces 1,150,000 maunds of crude lac. More than 90 per cent. of it is exported to a large number of countries, including the U.K., the U.S.A., Russia, China, Japan, Germany, etc., adding as much as Rs. 10 crores annually to the foreign exchange resources of the country.

Lac insect has its enemies, chiefly in squirrels and parasitic wasps. It is estimated that 30 to 40 per cent. of damage to lac crops is caused by these pests. Several methods have been devised to control these pests, and more is being done.

The Indian Lac Research Institute at Ranchi, Bihar, is engaged in research to step up production and find ways and means of putting lac to greater use. The emergence of synthetic lac now poses a challenge to the Indian industry.

A noteworthy event connected with lac was the exhibition held in Bombay during the first week of this month. The interesting story of lac was portrayed through pictures, and models from the beginning to the end. It is to be hoped that the industry will be given the assistance that is its due, because of the pivotal role it plays in the country's economy.

ECONOMIC TRENDS IN SWITZERLAND

1956 was, economically speaking, one of the best years Switzerland ever experienced. Production, income and consumption hit new highs. As for employment, there were more jobs open than there were unemployed persons to fill them, and there was an increased demand for workers from abroad. Also in 1956, Swiss imports increased tremendously, while exports maintained a level which experts term "satisfactory." The foreign trade leaves Switzerland in the red, with a passive balance of about twice that for 1955.

Prosperity, with its advantages, as well as its disadvantages, is still continuing. Most Swiss firms reached the ceiling of their production capacity in 1956, and rare are the industrial sectors for consumer goods where this was not the case. Swiss capital-goods industries continued on a high level and the fact that there has been little expansion here is attributed to the observation that the turnover had reached a maximum at the beginning of the year. Manufacturers of consumer goods, particularly the textile industry, were able to make up for relative lost time and only the shortage of labour is accountable for the fact that the equilibrium was not completely re-established.

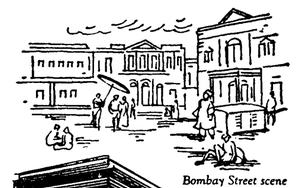
Swiss imports have risen sharply as a result of the increase of the buying power of the population. The turnover of Swiss retailers for the current year was up by about 7 per cent.

The surplus demand for labour and goods, and the insufficient supply of both, have naturally had repercussions on wages and prices. Wage demands of the workers applied for a larger share in the profits due to the period of prosperity, as the rise in the cost of living has already been compensated for. The Government and the country's economic circles have organised consultative conferences between labour and management to study the situation and prevent spiralling prices and wages. The cost of living has gone up by 2 per cent. this year, after having remained stable during the three preceding years.

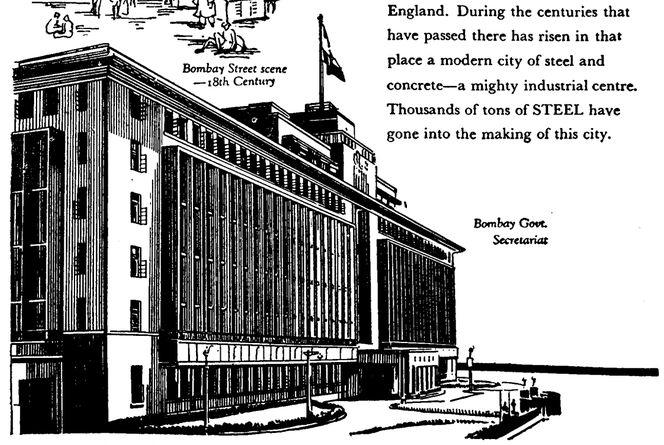
" Where now the city stands,
there was once naught but the city's site. " OVID

Bombay

February 18, 1665. Only a small island of mud-flats and fishing villages, was what Humphry Cooke took over from the Portugese, as part of the marriage portion of the Infanta Catherine of Portugal for her husband, King Charles II of England. During the centuries that have passed there has risen in that place a modern city of steel and concrete—a mighty industrial centre. Thousands of tons of STEEL have gone into the making of this city.



Bombay Street scene —18th Century



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A.C.C.'S TRADING PROFIT DOWN THANKS TO HIGHER PRODUCTION COSTS

RESERVES ENHANCED—DIVIDEND REPEATED

AN appreciable rise in production costs as a result of increases in labour charges, price of coal, royalty, freights, etc., has adversely affected the profit margin of the Associated Cement Companies Ltd. (Managing Agents: Cement Agencies (Private) Ltd., Bombay) for the year ended 31st July 1956. These increases in cost of production are something over which the Company has no control. By this, it is not suggested that the Directors did not make any attempt to improve the efficiency of the manufacturing units. They aver that the rise in costs neutralised, to a considerable extent, the results of their efforts at enhancing the efficiency of production. The gross profit, which had successively staged a progressive rise in the past two years, has fallen by Rs. 41.67 lakhs to Rs. 546.76 lakhs as compared with that for the previous year. That this has happened in spite of an increase in despatches from 28.22 lakh to 29.62 lakh tons and in sale proceeds from Rs. 21.23 crores to Rs. 22.13 crores is a striking commentary on the extent of rise in production costs. The income from other sources also was better by roughly Rs. 16 lakhs at Rs. 52.80 lakhs. In all, the Company earned Rs. 22.66 crores, as against Rs. 21.59 crores, an increase of over Rs. 1.07 crores. But it spent Rs. 32.13 lakhs more on employees and Rs. 134.62 lakhs more on other costs and charges. In other words, while the income rose by only Rs. 107 lakhs, expenditure advanced by as much as Rs. 166.75 lakhs.

Unlike the trading profit, the net profit at Rs. 253.38 lakhs is Rs. 23 lakhs better than that for 1954-55. This 10 per cent. improvement in net profit is largely the result of a drop of Rs. 82.29 lakhs in the provision for taxation and of Rs. 8.81 lakhs in Managing Agents' commission. The provision for depreciation has, however, been substantially enhanced, from Rs. 106.89 lakhs to Rs. 133.64 lakhs.

In appropriating the profits, the Directors have continued to lay stress on building up the reserves. At Rs. 128.88 lakhs, the sum transferred to reserves is more than 50 per cent. of the net profit and exceeds the previous year's figure by a little over Rs. 24 lakhs. Thus, the entire increase in the net profit (and something more) has been utilised to strengthen the Company's reserves. The dividend to shareholders is kept unaltered at the modest level of 10 per cent.

Results at a Glance

The following table shows the Company's progress at a glance:

	For the year ended 31st July			
	1956	1955	1954	1953
Sale proceeds of cement ..	2,213.47	2,123.05	1,712.73	1,515.61
Other income	52.80	36.08	49.71	58.21
Stocks	65.63	54.38	37.08	32.15
Expenses	1,716.32	1,586.12	1,343.23	1,199.42
Gross profit	546.76	588.43	424.12	368.93
Managing Agents' commission..	42.75	51.56	32.96	28.51
Provision for—				
Depreciation	133.64	106.89	85.66	73.84
Taxation	116.09	199.28	134.00	119.60
Net profit	253.38	230.70	171.50	146.98
Transfer to reserves ..	128.88	104.82	60.00	50.00
Dividend	127.18 (10%)	127.18 (10%)	108.11 (8.5%)*	100.37 (9.5%)
Carry forward	2.94	5.63	6.93	3.70

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

A breakdown analysis of the transfers to reserves shows that, while the reserve for plant reinstatement and reserve for gratuities have been maintained at Rs. 55 lakhs and Rs. 15 lakhs respectively, the development reserve has received Rs. 12 lakhs more at Rs. 32 lakhs and that for deferred taxation Rs. 4.69 lakhs more at Rs. 19.51 lakhs. The general reserve, which had received nothing last year, has now been credited with Rs. 7.37 lakhs.

The management of the Company deserves to be complimented for giving all the important information pertaining to the Company's working in a manner that can be easily followed and understood. Specially commendable are the charts showing the position of the A.C.C. in the cement industry of India and Pakistan, the disposition of expenditure and appropriation of profit, and the comparative trend of cement price with that of wholesale prices. It is seen from these charts that, in India, the A.C.C. accounts for about 56 per cent. of total cement production and for a little less than half of that in Pakistan. Of the money earned by the Company in 1955-56, 40.30 per cent. went away by way of raw materials, 18.65 per cent. by way of freight, and 18.60 per cent. to employees. Of the balance, administrative charges constituted 4.62 per cent., taxes 6.65 per cent. and reserves 5.57 per cent. The share of shareholders was no more than 5.61 per cent. It will be seen from this comparison that, contrary to popular belief, the investors, that is, those who put up the capital for establishing industries, are the smallest beneficiaries of industrialisation. The price chart discloses that, while the index number of wholesale prices went up during 1955-56, that of cement price was actually lower till 30th June 1956 and went up to some extent after that date when State trading in the commodity was enforced.

Expansion Schemes

Referring to the Company's various schemes of expansion already put into execution and still under execution, the Directors observe:

"The construction of the new cement works at Sindri was completed during the year, and the first unit with an annual capacity of one lakh tons per year was commissioned in September 1955. The second similar unit was put into commission in December 1955, raising the capacity of the Sindri Cement Factory to 2 lakh tons per year. In view of the increased quantities of calcium carbonate sludge which are expected to be available from the Government Fertiliser Factory from the beginning of 1958, it has been decided to install at Sindri a third similar unit with a capacity of one lakh tons of cement per year.

"Though the installation of plant and machinery required for increasing the capacity of the Bhupendra Cement Factory from 3 lakh tons to 4 lakh tons per year had been completed, it was not possible to obtain appreciable additional production from the extended plant due to the delay in supply of electric power from the Bhakra-Nangal Project which was received only in the middle of August 1956.

"The construction of the new Refractory Plant at Katni was completed by the end of March 1956, and the plant was put into operation. The output of this plant will be gradually stepped up so as to bring it up to its rated capacity. Satisfactory progress was maintained on the installation of additional plant at Kistna Cement Works for raising its capacity from 0.9 lakh tons to 2.55 lakh tons per year. This additional plant is expected to go into production in the beginning of 1957. Work on the extension of the Chaibasa Cement Factory has been progressing satisfactorily and the increased capacity of 3 lakh tons per year from this factory is expected to be obtained by the end of 1957. Work has also commenced on the construction of two new cement factories at Mancherial and Porbandar, which will be equipped with dry process plants. A start has also been made on the modernisation and extension of the Kymore Cement Works which is planned to have a capacity of 5.75 lakh tons of cement per year.

"The installation of a new power plant at Dwarka Works was completed during the year. This plant comprises a 6,200-kw. turbo-generator set and two pulverised coal-fired boilers which are operating satisfactorily. A beginning has been made with the implementation of the Company's plans for supply of bulk cement to the consumers at their sites of construction by the installation of a bulk cement depot at Okhla in New Delhi, which went into commission in April 1956."

The Directors have decided to take up 5,075 ordinary shares of Rs. 100 each at par in Asbestos Cement (Private) Ltd., to which it is entitled from out of the 35,000 additional ordinary shares which the latter Company has offered for subscription. Besides, arrangements have been made for the acquisition of a further 18,000 shares out of the entitlement of another shareholder. Consideration for such acquisition has been fixed at Rs. 40 per share.

New Issue

As readers are already aware, the Company recently increased its capital by the issue of new shares of Rs. 100 each at a premium of Rs. 20 per share. The number of shares so issued is 635,928. Out of the issue price of Rs. 120, the Directors have called up Rs. 60 (Rs. 50 by way of capital and Rs. 10 by way of premium). It is stated that almost the entire amount called has been received by the Company.

Under the State Trading scheme in cement introduced by the Government of India with effect from 1st July 1956, the Company has been allowed a fixed price per ton ex-works at Rs. 54-8 per ton exclusive of packing charges and excise duty. The production of the Company is being marketed by the State Trading Corporation of India (Private) Ltd., through the Cement Marketing Company of India (Private) Ltd. which has been appointed selling agent for the purpose of marketing cement at a remuneration of Re. 1-8 per ton.

As for the financial position of the Company, a broad idea can be had from the following synopsis of its balance-sheet as at 31st July 1956:

Liabilities	Rs.	Assets	Rs.
Capital	12,71,70,508	Gross block	27,75,38,613
Reserves and surplus	... 8,48,86,306	*Less*—Depreciation	... 9,84,43,675
Welfare and endowment fund	... 1,07,112	Net block	17,90,94,938
Reserve for taxation	... 2,03,60,791	Machinery, rolling stock, etc., in transit	... 15,85,095
Liabilities	10,12,03,596	Unallocated capital expenditure	34,99,957
		Stores, spares, etc.	... 8,14,92,459
		Works-in-progress	... 67,82,295
		Stocks	... 23,66,356
		Debts, deposits and advances	... 3,24,55,151
		Investments	78,86,299
		Cash	... 1,85,65,763
	Rs. 33,37,28,313		Rs. 33,37,28,313

The salient features of the Company's financial position are: (*a*) The paid-up capital is well below the block account, (*b*) the reserves and surplus are equal to nearly 70 per cent. of the capital, (*c*) the bulk of the reserves is represented by fixed assets, (*d*) the current liabilities, heavy as they are, are well covered by floating assets, (*e*) of the gross block shown in the summary, additions made during the year 1955-56 alone represent Rs. 3.35 crores (the deductions were only Rs. 50 lakhs), and (*f*) the stores and book debts are large, reflecting as they do the rapid expansion that is going on in the Company's business.

The Company belongs to a rising industry. It has a big programme for expansion. Accordingly, the prospects for it are promising. It is, however, hard to say whether the Company's dividend will increase in the coming years at a rate in proportion to the growth in its activity. That depends on many imponderables, such as the cost of production, and the Government's industrial, labour and fiscal policies. As readers are aware, the Company's affairs are closely regulated by the Government. Nevertheless, it can be said, with reasonable degree of confidence, that it should be possible for the Company to maintain the dividend at the modest rate of 10 per cent. per annum even on the increased capital.

Currently, the shares of the Company (Rs. 100 fully paid-up) are being quoted at Rs. 183 *cum-div*. On an *ex-div*. basis, the yield works out to 5.8 per cent. per annum.

THE
CHARTERED BANK
(Incorporated in England by Royal Charter, 1853)
(Liability of Stockholders Limited)
Capital (Paid-up) - £3,500,000
Reserve Fund - - £5,000,000
Branches throughout India, Pakistan and the East
AFFILIATED BANK IN INDIA & PAKISTAN
THE ALLAHABAD BANK LTD., with over 70 offices in India
The Bank offers a complete Overseas Banking Service and provides exceptional facilities for financing every description of trade with the East.
Deposits for Fixed Periods or repayable at call or at short notice are received at rates which may be ascertained on application.
The Bank's London Office undertakes Trusteeships and Executorships.
Head Office
38, BISHOPSGATE, LONDON, E.C. 2.
Branch: 28, Charles II St., Haymarket, London S. W. 1.
Manchester Branch: 52 Mosley Street,
Liverpool Branch : 27, Derby House, Exchange Buildings, Liverpool, 2.
Hamburg Agency: Borsenbrucke 2A Hamburg 11.
New York Agency: 65 Broadway, New York, 6.
Bombay Branch:
23-25, Mahatma Gandhi Road, Bombay 1. W. MACKAY, *Manager.*

321 NEW COMPANIES REGISTERED

During the first five months of the current financial year, 321 new companies, with a total authorised capital of Rs. 64.05 crores, have been formed, as against 578 companies with an authorised capital of Rs. 52.30 crores during the corresponding period of the preceding year. Of the 321 new companies registered upto the end of August 1956, 31 were public companies, as against 79 public companies registered in the first five months of the year 1955-56. This information is contained in the monthly *Blue Book on Joint Stock Companies in India* for August 1956 (priced at Rs. 6 and available from the Manager of Publications, Delhi).

New registrations during August 1956 numbered 84, which is double the figure recorded in the first month of the current fiscal year. Of the 84 new registrations, nine were public companies, the remaining 75 being private companies.

The industry-wise break-down of the new registrations for the period April-August 1956, shows that agricultural and allied activities accounted for 11 companies, with an authorised capital of Rs. 3.31 crores, mining and quarrying for seven companies with an authorised capital of Rs. 2.08 crores, processing and manufacture (foodstuffs, etc.) for 26 companies with an authorised capital of Rs. 17.81 crores, processing and manufacture (metals and chemicals) for 58 companies with an authorised capital of Rs. 4.83 crores, processing and manufacture (others) for 34 companies with an authorised capital of Rs. 13.44 crores, construction and utilities for six companies with an authorised capital of Rs. 36 lakhs, commerce (trade and finance) for 126 companies with an authorised capital of Rs. 8.41 crores, transport, communication and storage for 21 companies with an authorised capital of Rs. 84 lakhs, community and business services for seven companies with an authorised capital of Rs. 27 lakhs, personal and other services for 25 companies with an authorised capital of Rs. 95 lakhs.

With three more big and giant flotations formed during August 1956, the total number of such companies having an authorised capital of Rs. 50 lakhs and above comes to 11.

A notable flotation of the month is the Heavy Electricals Private Ltd., registered in the State of Bhopal with an authorised capital of Rs. 30 crores. The sponsor of this company is the Ministry of Production of the Central Government. This is the biggest Government company to be formed so far during the current fiscal year, the other two Government companies having a very large capital base being the State Trading Corporation of India (Private) Ltd. and Western Shipping Corporation (Private) Ltd. with authorised capital of Rs. 1 crore and Rs. 10 crores, respectively.

During the month of August 1956, as many as 112 companies were reported to have ceased functioning in the various States. Of these, 64 cases occurred in the State of Uttar Pradesh.

The total amount of capital raised by new companies formed during the current fiscal year is Rs. 10.28 crores, as against an increase of Rs. 17.81 crores made by other established companies registered in the earlier years.

SULEKHA WORKS, LTD.

The working results of Sulekha Works Ltd., manufacturers of the famous Sulekha inks (Managing Agents: Messrs. Maitra Brothers & Co. Private Ltd., Calcutta), for the year ended 31st December 1955, show that the Company is steadily progressing year after year. The Company's sale proceeds, which were only Rs. 3.07 lakhs for the year 1951, have progressively increased in the following years to reach a high of Rs. 15.35 lakhs in 1955. The increase in turnover by five times in the course of only four years should, therefore, be considered satisfactory. The profit, too, has steadily expanded, from Rs. 25,367 for 1951 to Rs. 1,14,439 for 1955. In consonance with the upward trend, dividend also has been stepped up from 5 per cent. to 8 per cent. The Directors have been following a judicious policy in regard to ploughing back a part of the profit. They have built up a reserve fund of Rs. 1.10 lakhs which is less than the paid-up capital (at Rs. 1.13 lakhs) by about Rs. 3,000. This excludes the undistributed surplus amounting to Rs. 13,200. The Company's net block is shown at Rs. 3.11 lakhs. The current liabilities amount to Rs. 6 28 lakhs while current assets aggregate Rs. 5.67 lakhs.

The Company is engaged in the manufacture of high quality inks and, in order to keep pace with modern improvements, it is having its own research department. It has acquired recently a plot of land at Sodepur, where it hopes to start a second factory at an estimated cost of Rs. 10 lakhs. The expense for this will be met partly by raising money by releasing further shares in the market and partly by Government loan. With the starting of the second factory, it will be easy for the Company not only to meet the rapidly increasing demand for its existing products, but also to embark on new ventures in the stationery line in which, it claims, it has already specialised to a considerable extent.

SINGARENI COLLIERIES

The Government of India had suggested to the former Hyderabad Government and is now reported to have suggested to the Andhra Pradesh Government that it should be taken as a senior partner in the Singareni collieries and its capital structure enlarged. The suggestion was made when the former Hyderabad Government recently approached the Centre for a loan of Rs. 2 crores for increasing the production of the Singareni collieries by another one and a half million tons.

Points From The Chair

Export Markets for Coffee

"EVEN in the worst days of the slump before the war, high grade coffees always found a ready market, but many estates during those days were unable even to obtain bids for their *robusta* or lower grade cherry. If there was a slump in world prices, such conditions might well be seen again. It is, therefore, of vital interest to the industry that the Coffee Board should encourage the consumption of the non-export but nonetheless palatable grades in India itself, which will allow for the establishment of permanent markets in Europe or elsewhere for our premium coffees. I would further recommend that, in order to keep our export markets, it would be in the interests of all to fulfil any excess demand in India by allowing the importation of the less expensive coffees from Indonesia. An active export policy will not only establish a sound market for our total products but will be of the greatest assistance not only to the country as a whole but also to the Indian consumer. The difference in foreign exchange between a thousand tons of Plantation A exported and a thousand tons of *robusta* is the equivalent of over Rs. 30 lakhs gain or loss. Indian coffee can, therefore, if given a chance, provide real financial help towards the second Five-year Plan. On the other hand, the additional premium gained by exporting our high quality coffees, might well allow for a further substantial subsidy in the internal release prices."

R. C. PATERSON,
Consolidated Coffee Estates (1943) Ltd.

Tax on Confectionery

"Most serious is the imposition by the Madras State Government of an additional sales tax of one anna in the rupee on sugar, equivalent to no less than Rs. 60 a ton—a tax which, I must emphasise, is not incurred by our competitors with factories outside Madras State. Recent Press reports, however, raise the hope that the existing tax inequalities in respect of sugar may shortly be ironed out by the introduction of a single Central Government tax. A second major cost increase which will be felt almost immediately is due to the rise in import duty (from 33⅓ per cent. to 50 per cent.) on glucose, which is essential for making the highest quality confectionery. Indigenous glucose of acceptable standards is now available, though the shortage caused by import restrictions has resulted in prices rising higher even than that of the imported product. Negotiations are going on through the Confectionery Manufacturers' Association with the Government Food Development Wing, whereby it is hoped the glucose manufacturers will be persuaded that a more co-operative attitude will be to their long-term advantage."

C. R. SHINIVASAN,
Parrys Confectionery Ltd.

Outlook for Bicycles

"It might be helpful to you, before concluding, if I give you my impressions of what the future holds in store for the cycle industry of this country and for your Company in particular. While it cannot be denied that the seller's market has come to an end rather more abruptly than many of us expected, I cannot regard this as grounds for despondency or pessimism. Many of the factors that have contributed to this difficult situation are of a transitory nature only and it would be wrong in my view to attach too much importance to them as pointers to the future. While the pattern in the near future may well require the establishment in certain of our markets of an assembly or manufacturing plant in order to overcome restrictions placed on imports by Governments with nationalist aspirations and an eye to their balance of payments, I have no doubt that the vast sales potential of the many countries in the world where development, both political and economical, is in its infancy will, if exploited with forcefulness and vigour, more than compensate for the loss to us of these markets."

GEORGE WILSON,
Raleigh Industries Ltd.

Indian Shipping Tonnage

"The loans granted by the Government for the construction of ships overseas require exchange facilities for payment of instalments to the shipbuilding yards as they become due. I should like, however, to point out that ships of Indian companies engaged in overseas trade earn and save enough foreign exchange to meet the requirements for transmission of the instalments due to the shipbuilding yards abroad. It is needless to add that this is a continuous source of foreign exchange earning and that, therefore, the greater will be the foreign exchange earned by them. These of the Indian companies expand, the greater will be invisible earnings are a considerable factor for every maritime country in dealing with the exchange problem."

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

Import of Scrap Aluminium

"The Tariff Commission agreed that there was a case for imposition of duty on scrap and accordingly made a recommendation to the Government. The Government also accepted the recommendation and imposed a duty of 25 per cent. *ad valorem* from 3rd December 1955. But unfortunately the duty has again been withdrawn suddenly with effect from 14th July 1956, without any consultation with the industry. As a consequence, once again more and more scrap will be imported instead of virgin metal and the foreign prices of scrap will naturally rise. The door has also opened for import of virgin metal in the guise of scrap to avoid duty and for import of scrap whose purity is doubtful being unguaranteed. The earlier these defects are remedied, the better for the industry as a whole."

LAKSHMIPAT SINGHANIA,
Aluminium Corporation of India Ltd.

COMPANY MEETINGS AND DIVIDENDS

BERAR MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 15th January 1957. Dividend: *Nil*. Transfer books will remain closed from 7th to 19th January 1957, both days inclusive.

INDIAN VEGETABLE PRODUCTS LTD. Annual General Meeting, Bombay, 15th January, 1957. Dividend: Rs. 10 per share, free of tax, payable on and after 17th January 1957. Transfer books remain closed from 29th December 1956 to 16th January 1957, both days inclusive.

KALPETTA ESTATES LTD. Annual General Meeting, Kozhikode, 16th January 1957. Dividend: Rs. 2 per share. Transfer books remained closed from 3rd to 16th January 1957, both days inclusive.

BHAGWATI PRESSING CO., LTD. Annual General Meeting, Calcutta, 17th January 1957. Transfer books remain closed from 10th to 17th January 1957, both days inclusive.

BABABUDIN COFFEE AND PRODUCE CO., LTD. Annual General Meeting, Bangalore, 19th January 1957. Dividend: Re. 1-4 per share. Transfer books will remain closed from 13th to 19th January 1957, both days inclusive.

PREMIER AUTOMOBILES LTD. Annual General Meeting, Bombay, 21st January 1957. Dividend: Rs. 6 per 'A' ordinary share, free of income-tax, payable on and after 4th March 1957. Transfer books remain closed from 21st December 1956 to 18th January 1957, both days inclusive.

SINGELL TEA CO., LTD. Annual General Meeting, Calcutta, 22nd January 1957. Transfer books remain closed from 7th to 22nd January 1957, both days inclusive.

KHARDAH CO., LTD. Annual General Meeting, Calcutta, 24th January, 1957. Dividend: Rs. 5 per share. Transfer books will remain closed from 10th to 24th January 1957, both days inclusive.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Annual General Meeting, Madras, 24th January. 1957. Dividend: As. 6 per share. Transfer books will remain closed from 18th to 24th January 1957, both days inclusive.

ASSOCIATED CEMENT COMPANIES LTD. Annual General Meeting, Bombay, 25th January 1957. Dividend Rs. 10 per share, payable on and after 1st February 1957.

RANEEGUNGE COAL ASSOCIATION LTD. Annual General Meeting, Calcutta, 25th January 1957. Dividend: As. 6 per share. Transfer books remain closed from 10th to 25th January 1957, both days inclusive.

MYSORE SUGAR CO., LTD. Annual General Meeting, Bangalore City, 28th January 1957. Transfer books remain closed from 12th to 31st January 1957, both days inclusive.

STANDARD BATTERIES LTD. Annual General Meeting, Bombay, 31st January 1957. Transfer books will remain closed from 24th January to 6th February 1957, both days inclusive.

KATRAS JHERRIAH COAL CO., LTD. Dividend of Rs. 3 per share for the year ending 31st January 1957. Transfer books will remain closed from 7th to 14th January 1957, both days inclusive.

BURRAKUR COAL CO., LTD. Annual General Meeting, Calcutta, 1st February 1957. Dividend: As. 5-1/5 (6¼ per cent. per annum) for the half-year ended 30th June 1956. Transfer books will remain closed from 18th January to 1st February 1957, both days inclusive.

JEYPORE SUGAR CO., LTD. Dividend of As. 9-3/5 per ordinary share, for the year ended 30th June 1956. Transfer books remain closed from 3rd to 10th January 1957, both days inclusive.

HAILEYBURIA TEA ESTATES LTD. Interim dividend of Re. 1 per ordinary share, for the year ended 31st December 1956. Transfer books remain closed from 3rd to 10th January 1957, both days inclusive.

TWYFORD TEA CO., LTD. Interim dividend of Re. 1 per ordinary share, for the year ended 31st December 1956. Transfer books remain closed from 3rd to 9th January 1957, both days inclusive.

EMERALD VALLEY ESTATES LTD. Interim dividend of As. 5 per ordinary share, for the year ended 31st December, 1956. Transfer books remain closed from 3rd to 9th January 1957, both days inclusive.

CHRESTIEN MICA INDUSTRIES LTD. Interim dividend of As. 10 per ordinary share and As. 6 per deferred share, for the period ending 31st December 1955. Transfer books remain closed from 7th to 12th January 1957, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Interim dividend of 3 per cent. on ordinary shares, for the year ending 31st March 1957. Transfer books remain closed from 4th to 11th January 1957, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Interim dividend of Rs. 3 per ordinary share, for the half-year ended 31st August 1956, payable on and from 4th February 1957. Transfer books will remain closed from 25th January to 2nd February 1957, both days inclusive.

COMPANY REGISTRATIONS

EASTERN INSULATION CO., PRIVATE LTD. (First Director: Lt.-Col. W. P. Horsburgh). Business: Mechanical and electrical engineers. Authorised capital: Rs. 5,00,000. Private company. Address: Hague Building, Sprott Road, Ballard Estate, Bombay.

EAGLE VACUUM BOTTLE MANUFACTURING CO., PRIVATE LTD. (Managing Director: Mr. Abdulla Soomar.) Business: Manufacture of glass and glassware. Authorised capital: Rs. 5,00,000. Private company. Address: 144-46, Sheriff Devji Street, Bombay 3.

RAJA CONSTRUCTION CORPORATION PRIVATE LTD. (First Director: Raja Mahant Digvijai Das). Business: Construction of buildings. Authorised capital: Rs. 5,00,000. Private company. Address: 25, Vasundhara Building, Peddar Road, Bombay 26.

PROFITS OF NEELAMALAI TEA LOWER

KALPETTA ESTATES CUT DIVIDEND

Neelamalai Tea and Coffee Estates Ltd.

THE directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co. (India) Ltd., Madras) submit the audited accounts of the Company for the year ended 30th June 1956.

During the year, the Company acquired Wooligooly Estate, in Coorg, the purchase price being Rs. 12 lakhs. This is considered a first class property fully worth the amount paid. The Company's Katary, Bhawani and Sutton Estates have been surveyed recently and the resurvey figures are being adopted.

Tea—Crop and Cost of Production:—The tea crop harvested during the season, together with the costs, is given below:—

	Estimates 1955-56	Crop harvested 1955-56	Yield per acre 1955-56	Crop secured 1954-55
	Lbs.	Lbs.	Lbs.	Lbs.
Katary and Bhawani	8,25,000	7,89,600	753	7,92,000
Sutton	4,75,000	4,01,810	861	4,73,197
Total ..	13,00,000	11,91,410	786	12,65,197

There has been a short-fall of 73,787 lbs. compared to last season, mainly on Sutton Estate. This was owing to the extremely dry conditions that prevailed during the beginning of the year. The total f.o.b. cost per lb. was as follows:— Estates' cost of production Re. 1-4-4, excise duty, export duty, cess, etc. As. 4-6 and bonus paid to workers As. 1-8.

During the year conciliation proceedings in respect of the disputes relating to bonus to Estate workers for the seasons 1952-54 were held and the Company had to pay an additional bonus of about Rs. 60,000 as 8¼ per cent. on the wages earned by the workers during the season 1954 in settlement of their claim for additional bonus. This, together with the other statutory liabilities under the Plantation Labour Act, has considerably put up the cost of production.

Tea Sales:—The average price realised was Rs. 2-4-10 per lb. against Rs. 2-7-4 per lb. realised last season. During the greater part of the year tea prices at Cochin remained at low levels and with a view to secure more favourable prices for the Company's teas, the directors shipped part of the production for sale in the London auctions. The directors feel that adoption of this procedure would lead to better results in the long run. They also inform that tea prices have since improved and it is hoped the results for the season 1956-57 would be more encouraging.

Coffee—Crop and Cost of Production:—

	Estimates, 1955-56	Secured, 1955-56	Secured, 1954-55
	Cwts.	Cwts.	Cwts.
Katary	25.00	35.53	16.30
Sutton	100.00	171.80	19.29
Total ..	125.00	207.33	35.59

The cost of production was Rs. 315-13-11 per cwt. against Rs. 580-8 during the last season. The entire crop was delivered to the Pool and was valued at Rs. 170 per cwt.

Although the coffee crop on Katary and Sutton has been considerably larger than last year, it is by no means economical and the directors are carrying out their programme of replanting the unremunerative coffee in tea. The directors inform shareholders that the Tea Board has sanctioned new planting permits as shown below and it is expected that the entire unremunerative coffee area will be replaced in tea within the next two or three years as follows:—Katary 30.00 acres, Bhawani 22.56 acres and Sutton 24.25 acres.

With regard to the assessment of coffee profits to income-tax, a decision has been given in favour of the growers in a test case, but the Income-tax Department has appealed against this decision and the position remains unchanged.

Plantation Tribunal Award:—The shareholders will have received the circular issued by the Company regarding the implications of the Award. If the terms of the Award are to be fully implemented from March 1952, the arrears of liability for this Company would be Rs. 17 lakhs and the annual wage bill will be put up by about Rs. 3½ lakhs.

The profit for the year under review amounted to Rs. 4,98,629 (Rs. 13,30,329). Adding the balance brought forward from previous year of Rs. 46,715 (Rs. 88,338) there is a total of Rs. 5,45,344 (Rs. 14,18,666). Out of this, the directors propose to transfer to reserve for taxation Rs. 1,50,000 (Rs. 5,02,225) and pay 5 per cent. dividend on preference shares Rs. 90,000 (Rs. 90,000) leaving a balance of Rs. 3,05,344 (Rs. 8,26,441). This amount, the directors recommend be disposed of as under:—

Payment of 7½ (17½) per cent. dividend on ordinary shares amounting to Rs. 2,70,000 (Rs. 6,30,000) and carry forward Rs. 35,344 (Rs. 46,715 after providing Rs. 1,49,726 for depreciation).

Owing to the lower prices realised for tea and the additional expenditure the Company had to bear during the year, it has not been possible to declare a higher dividend this season.

Estimates for the Season 1956-57:—

	Tea	Cost of production Per lb.	Coffee	Cost of production Per cwt.
	Lbs.		Cwts.	Rs.
Katary and Bhawani ..	8,25,000	128.08	25.00	161.60
Sutton	4,75,000	129.22	80.00	174.04
Woolligooly	..	..	3,800.00	79.98
Total ..	13,00,000	128.51	3,905.00	82.58

Capital Expenses:—An amount of Rs. 74,740 has been expended during the season towards maintenance of immature clearings and opening of new cart roads in the clearings. About 2.25 acres were also opened in tea on Katary during the year. Labour quarters, staff quarters, etc., were constructed during the season at a cost of Rs. 82,625.

Plantation Labour Act:—The Government of Madras enacted the rules in connection with this Act and enforced them from the 1st January 1956. This has imposed certain additional obligations on employers and implementation of these rules has considerably put up the cost of production.

Plantation Inquiry Commission:—The Commission's report on the tea industry has been released. Several of the recommendations made by the Commission are of a far reaching nature, one of them being the creation of a replanting fund, to which all Estate owners will have to contribute at Rs. 50 per acre per annum. This fund, it is said, would be used for the specific purpose of financing replanting programmes.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	54,00,000	Block ...	65,46,614
Reserves ...	19,24,400	Stock-in-trade	10,92,818
Provision for taxation ..	6,59,742	Stores, tools, etc. ...	1,78,824
Liabilities ...	7,36,865	Debts, deposits and advances ...	5,49,460
Profit and loss account ...	35,344	Investments	1,45,939
		Cash ...	2,43,698
Rs.	87,56,351	Rs.	87,56,351

Kalpetta Estates, Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Kozhikode) submit the audited accounts of the Company for the year ended 30th April 1956.

Rubber crop secured during the year was 3,18,700 (3,00,000) lbs. at a cost of 77.78 (64.31) cts. against an estimate of 3,00,000 lbs. at 76.84 cts. per lb. The average selling price was 148.06 cts. per lb. as against 133.35 cts. the previous year.

Tea crop harvested during the year 2,63,489 (2,22,001) lbs. at a cost of 122.94 (136.24) cts. against an estimate of 2,00,000 lbs. at 147.09 cts. The average selling price has been 133.31 cts. only as against 254.56 cts. the previous year.

Cardamoms: The crop secured during the year 6,087 lbs. against an estimate of 6,000 lbs., average price realised being Rs. 8.4 per lb. as against Rs. 6.7 the previous year.

The coffee crop secured amounted to 4,800 lbs. against an estimated crop of 4,480 lbs.

Estimates for 1956-57 provide for a rubber crop of 3,25,000 lbs. to cost 73.27 cts., tea crop of 2,25,000 lbs. to cost 132.99 cts., cardamom crop of 7,000 lbs. to cost Rs. 5.23 and coffee crop of 80 cwts. to cost Rs. 516.7.

The net profit for the year after allowing for depreciation, managing agents' commission, Central income-tax and agricultural income-tax works out to Rs. 1,40,440 (Rs. 1,87,727) to which is to be added the sum of Rs. 17,844 (Rs. 16,748) brought forward from last season, totalling Rs. 1,58,284 (Rs. 2,04,475). From this is adjusted the sum of Rs. 3,425 being the expenses for renewal of one of the leases of Chulika Estate, leaving a balance of Rs. 1,54,859 (Rs. 1,72,844) which sum the directors recommend be disposed of as under:—

To pay a dividend of 20 (27½) per cent. for the year 1955-56 Rs. 80,000 (Rs. 1,10,000), to transfer to staff pension and gratuity reserve Rs. 5,000 (Rs. 5,000), to transfer to development reserve Rs. 65,000 (Rs. 40,000) and to carry forward to next year Rs. 4,859 (Rs. 17,844).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	16,12,584
Reserves ...	10,92,899	Stock-in-trade	1,81,392
Provision for taxation ...	1,35,115	Stores, spares and nurseries	73,521
Liabilities ...	3,29,784	Works-in-progress ...	1,638
Profit and loss account ...	4,859	Debts, deposits and advances ...	45,843
		Investments	22,991
		Cash ...	24,688
Rs.	19,62,657	Rs.	19,62,657

Bababudin Coffee and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas and Co. (Mysore) Private Ltd., Bangalore) submit the audited accounts of the Company for the year ended 30th June 1956.

The acreage of the estate is as follows:—Coffee in bearing 538.75 acres, cardamom in bearing 11.25 acres and cardamom new clearing 17.00 acres. The area of uncultivated land is 749 acres.

The crop particulars are as follows:—

	Estimated for the year 1955-56	Harvested during 1955-56	Harvested during 1954-55
	Cwts.	Cwts.	Cwts.
Arabica ...	2,800	2,575	658
Robusta ...	800	601	503
Total ...	3,600	3,176	1,161

The coffee crop was delivered to the Coffee Pool and dividends were received at regular intervals.

Coffee Valuation: For the purpose of accounting, the valuation of the crop is estimated at Rs. 2-4 per point, against Rs. 2-5-11 realised last season.

Taxation: The Government have reopened the assessment of income-tax on a portion of the profits on coffee as business income. In a test case, the decision has been in favour of the growers. But the Income-tax Department has preferred an appeal and the final result is eagerly awaited. Meanwhile, the tax demanded is shown as "contingent liability" in the balance-sheet. Provision has been made in the accounts for the payment of agricultural income-tax at compounded rates.

The net profit for the season after providing for depreciation, remuneration to managing agents and for taxation is Rs. 1,41,130 (Rs. 25,403). This, together with balance brought forward from previous season of Rs. 9,453 is Rs. 1,50,583 (Rs. 32,049). After paying the dividend of Rs. 18,000 (Rs. 18,000) on preference shares, the balance amount available for disposal is Rs. 1,32,583 (Rs. 23,453), which the directors propose to appropriate as follows:—

To Dividend on ordinary share capital for the season 1955-56 at 25 (15) per cent. Rs. 50,000 (Rs. 30,000), transfer to rehabilitation and development reserve Rs. 75,000 (*nil*), transfer to staff gratuity and pension reserve Rs. 5,000 (*nil*) and surplus carried over to next season Rs. 2,583 (Rs. 9,453).

Estimates for season 1956-57 provide for a coffee crop of 2,800 cwts. at Rs. 111 per cwt. and cardamom crop of 80 lbs. at Rs. 4-6 per lb.

As usual, provision has been made for intensive cultivation works. The property is maintained in excellent condition.

Plantation Labour Act: During the season, the Plantation Labour Act has been enforced and Mysore Government have now published the relevant Rules. There will be an immediate rise in production costs as well as in capital expenditure.

Plantation Enquiry Commission: The Commission's report on coffee industry is now before the Government. One of the recommendations made is creation of a replanting fund to which contributions should be made by the growers. Besides this, some far reaching suggestions about marketing and distribution of coffee have also been made.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	5,33,561
Reserves ..	3,50,748	Stock-in-trade	3,38,046
Provision for taxation ...	20,142	Stores spares, etc. ...	56,884
Liabilities ...	1,19,693	Debts and advances ...	9,379
Profit and loss account ...	2,583	Cash ...	55,296
Rs.	9,93,166	Rs.	9,93,166

Raneegunge Coal Association Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias and Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

Coal raisings, despatches and stocks.

	Half-year ended 31-3-55	Half-year ended 30-9-55	Half-year ended 31-3-56
	Tons	Tons	Tons
Raisings	1,71,520	1,62,989	1,86,769
Despatches	1,58,269	1,88,821	1,93,103
Stocks	53,207	27,375	21,041

Raisings over the half-year increased considerably due to higher output for the period October-December so as to fulfil the target set by the Coal Board. The directors are pleased to report that the target for 1955 was fully raised. Despatches were quite satisfactory and were somewhat higher thereby making it possible to decrease the stocks.

Coke manufacture: The Company manufactured during the half-year under review 3,256 (3,336) tons of hard coke, 2,583 (3,408) tons were despatched and 976 (176) tons remained in stock.

Development and prospects: Future development of the Company's Collieries is progressing well. Coal will be raised from Kustore South pits by the end of 1956 and application has been made to the Coal Board for re-opening Alkusa South pits, so that in the event of increased output being sanctioned by the Government the Company will be able to meet Government's full requirements and raise monthly output to the required target.

The Company's profit for the half-year ended 31st March 1956, after inclusion of Rs. 16,846 (Rs. 47,209) brought forward is Rs. 3,84,294 (Rs. 1,88,000). And after making provision for taxation Rs. 1,71,125 (Rs. 45,000), there remains a balance of Rs. 2,13,169 (Rs. 1,43,001). From this balance the directors have placed to machinery replacement and development reserve Rs. 1,00,000 (Rs. 50,000) and recommend the payment of a dividend at As. 6 (As. 4) per share absorbing Rs. 89,981 (Rs. 59,988) leaving a balance to be carried forward of Rs. 23,188 (Rs. 33,013).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,99,500	Block ...	36,99,424
Reserves ...	20,17,105	Stock of coal	2,79,321
Provision for taxation ...	4,76,125	Stores ...	5,16,708
Liabilities ...	14,33,139	Debts and advances ...	17,85,706
Profit and loss account ...	23,188	Investments	8,138
		Cash ...	59,740
Rs.	63,49,057	Rs.	63,49,057

Agarpara Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias and Co., Private Ltd., Calcutta) submitted the audited accounts of the company for the half-year ended 31st March 1956.

After transferring Rs. 2,50,000 (*nil*) from general reserve, there is a balance of Rs. 2,14,690 (Rs. 5,02,028 after placing Rs. 1,40,000 to taxation and other allocations to general reserve, etc.) at the credit of profit and loss account from which the directors paid dividend on 10,000 preference shares at 7 per cent. per annum free of income-tax Rs. 35,000 (Rs. 35,000), dividend on 6,00,000 ordinary shares at 5 (7½) per cent. per annum free of income-tax Rs. 1,50,000 (Rs. 2,25,000) and carried forward to next period Rs. 29,690 (Rs. 2,42,027).

In accordance with the provisions of the Indian Jute Mills Association's working time agreement, the Mills worked for 48 hours per week throughout the period under review. 12½ per cent. of the looms were sealed up to 7th January 1956; 2½ per cent. of the looms were unsealed as from 9th January, 1956, and a further 5 per cent. were unsealed from the 20th February 1956.

Owing to the continuing disparity between the prices of raw materials and finished goods, trading conditions remained difficult throughout the period.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	49,89,880
Debentures ...	12,00,000	Stocks ...	84,36,582
Reserves ...	47,00,000	Stores and spare gear	8,38,634
Provision for taxation ...	6,63,802	Capital expenditure in progress	1,47,343
Liabilities ...	62,95,880	Debts, deposits and advances ...	48,91,771
Profit and loss account ...	29,690	Investments	4,05,204
		Cash ...	1,79,958
Rs.	1,98,89,372	Rs.	1,98,89,372

Dejoo Valley Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 2,75,071 (Rs. 4,75,760) to which was added profit on farming Rs. 924 (Rs. 1,877), profit on sale of motor vehicle Rs. 3,206 (Rs. 5,454 on sale of machinery) and balance of profit brought forward from 1954 Rs. 6,542 (Rs. 16,624) making a total of Rs. 2,85,743 (Rs. 5,00,493 including Rs. 778 being adjustment). After deducting provision for taxation Rs. 90,441 (Rs. 1,85,906), adjustment Rs. 4,449 (*nil*), unserviceable stores written off Rs. 260 (Rs. 84), bonus to labourers, 1953-54 Rs. 47,885 and depreciation on fixed assets Rs. 39,564 (Rs. 30,673) there was a balance of Rs. 1,03,144 (Rs. 2,63,542 after excluding loss on sale of stores Rs. 289). The directors have transferred to buildings and machinery reserve Rs. 25,000 (Rs. 1,55,000) leaving an available balance of Rs. 78,144 (Rs. 78,542 after placing Rs. 50,000 to general reserve). Out of this the directors paid a dividend at the rate of 30 (60) per cent. for the year ended 31st December 1955, on 12,000 ordinary shares of Rs. 10 each, absorbing Rs. 36,000 (Rs. 72,000), leaving to be carried forward Rs. 42,144 (Rs. 6,542).

Tea Crop.—The saleable crop weighed out at 4,486 (3,480) maunds against an estimate of 4,300 maunds, and was disposed of at an average price of As. 38.23. (As. 53.53) per lb.

Estimate 1956.—The estimate for season 1956 provides for a saleable crop of 4,600 maunds at a total revenue expenditure of Rs. 5,82,686.

Results.—The results may be regarded as satisfactory considering the general recession in tea prices during the period under review.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,20,000	Block ...	4,26,723
Reserves ...	4,25,426	Stock of tea ...	3,67,291
Provision for taxation ...	2,86,000	Stores ...	1,09,003
Liabilities ...	2,46,755	Other assets	1,731
Profit and loss account ...	42,144	Debts, deposits and advances ...	40,921
		Investments	1,206
		Cash ...	1,73,450
Rs.	11,20,325	Rs.	11,20,325

Rajahbhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 1,42,684 to which was added adjustment account Rs. 10,793, balance of profit brought forward from 1954 Rs. 34,441 and amount transferred from general reserve Rs. 1,25,000, making a total of Rs. 3,12,918. After deducting depreciation on fixed assets Rs. 57,926 and bonus to garden labour and staff for 1953-54 Rs. 1,66,465, there was left a balance of Rs. 88,527. Out of this, the directors paid a dividend of 12½ per cent. for the year ended 31st December 1955, on 60,000 ordinary shares of Rs. 10 each, absorbing Rs. 75,000 leaving to be carried forward Rs. 13,527.

Tea Crop.—The saleable crop weighed out at 9,135 (11,267) maunds against an estimate of 12,000 maunds, and was disposed of at an average price of As. 29.49 (As. 41.49) per lb.

Estimate 1956.—The estimate for season 1956 provides for a saleable crop of 11,370 maunds at a total revenue expenditure of Rs. 13,36,792.

Results.—The garden suffered from a labour strike in August-September 1955, which resulted in an estimated loss of nearly 3,500 maunds crop. This drop in crop and the lower prices realised for the teas during the period under review have adversely affected the results.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	6,96,747
Reserves ...	10,26,374	Stock of tea	6,51,160
Provision for taxation ...	4,56,295	Stores ...	2,12,592
Liabilities ...	6,60,602	Other assets	13,167
Profit and loss account ...	13,527	Debts, deposits and advances ...	1,81,762
		Investments	2,264
		Cash ...	9,99,106
Rs.	27,56,798	Rs.	27,56,798

Bombay Safe Deposit Co., Ltd.

The directors of the above Company (Agents: Messrs. Forbes Forbes Campbell and Co., Private Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th September 1956.

The results for the year show a profit of Rs. 68,982 (Rs. 74,397). After providing for bonus to staff Rs. 4,300 (Rs. 4,100), staff gratuity fund Rs. 2,500 (Rs. 2,500) and taxation Rs. 32,000 (Rs. 26,500) the profit was reduced to Rs. 30,182 (Rs. 41,297). Adding the net carry forward from 1955 of Rs. 157 (Rs. 760), there was a total of Rs. 30,339 (Rs. 42,057). Including the sums transferred from the repairs and renewals fund Rs. 2,000 (*nil*), and reserve fund Rs. 4,000 (*nil*), there was an available sum of Rs. 36,339 (Rs. 38,557 after transferring Rs. 1,500 to depreciation fund and Rs. 2,000 to repairs and renewals fund). From this amount the directors paid a dividend of Rs. 30 (Rs. 32) per share, free of income-tax, which absorbed Rs. 36,000 (Rs. 38,400) and carried forward a sum of Rs. 339 (Rs. 157).

The deposit was well patronised during the year under review, and income slightly increased. Unfortunately, however, expenses increased substantially, mainly under the heads of salaries and wages and repairs and renewals. In the latter connection, it was necessary to rewire and repaint the safe deposit and also carry out essential repairs to the air-conditioning plant. All these expenses amounted to Rs. 8,267. As it is considered reasonable for these expenses to be spread over a number of years, the directors have decided to transfer a sum of Rs. 2,000 from the repairs and renewals fund and Rs. 4,000 from the reserve fund to the profit and loss appropriation account. It will be the intention of the directors gradually to build up the reserve fund again in future years, results permitting.

The directors are of the opinion that the safe deposit, air-conditioning plant and furniture and fittings have been adequately written down in past years and thus no further depreciation has been set aside for this year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,40,000	Block ...	1,45,458
Reserves ...	71,000	Investments	2,71,335
Provision for taxation ...	28,482	Loans and advances ...	14,714
Liabilities ...	1,43,641	Cash ...	51,955
Profit and loss account ...	339		
Rs.	4,83,462	Rs.	4,83,462

Indian Vegetable Products Ltd.

The directors of the above Company (Managing Agents: Messrs. Forbes Forbes Campbell and Co., Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1956.

The results for the year show a profit of Rs. 7,34,824 (Rs. 2,95,695). After providing for bonus to staff Rs. 52,000 (*nil*), depreciation Rs. 68,315 (Rs. 75,000), staff gratuity Rs. 53,468 (*nil*) and taxation Rs. 2,90,000 (Rs. 20,000), the profit is reduced to Rs. 2,71,041 (Rs. 2,00,695). Adding the carry forward from 1955 of Rs. 4,034 (debit of Rs. 1,12,975), there is a total of Rs. 2,75,075 (Rs. 87,720). From this amount the directors transferred to the reserve fund a sum of Rs. 55,000 (*nil*) making available a sum of Rs. 2,20,075 (Rs. 1,09,909 including Rs. 22,189 being transfer from dividend equalisation fund). From this the directors recommend the declaration of a dividend of Rs. 10 (Rs. 5) per share, free of income-tax, which will absorb Rs. 2,11,750 (Rs. 1,05,875) leaving a balance to be carried forward of Rs. 8,325 (Rs. 4,034).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,17,500	Block ...	4,83,552
Reserves ...	4,50,169	Stock-in-trade	7,21,218
Provision for taxation ...	3,15,415	Stores ...	1,96,890
Liabilities ...	12,92,027	Debts, deposits and advances ...	17,88,334
Profit and loss account ...	8,325	Investments	72,847
		Cash ...	16,20,595
Rs.	41,83,436	Rs.	41,83,436

Sholapoor Spinning and Weaving Co., Ltd.

The directors of the above Company (Agents: Messrs. Morarka and Co., Bombay) submitted the audited accounts of the Company for the year ended 31st March 1956.

During the year the Company made a modest profit of Rs. 7,85,907 (loss of Rs. 23,04,638) (subject to depreciation). It will be recalled that a hope had been expressed at the last annual general meeting that the working of the Company during the period under review was likely to show an improvement. The directors are glad to state that this expectation has come true and there is every hope of progress continuing to be on the upgrade, provided of course that unfavourable conditions do not crop up to cause a set-back in the near future. Steps are being taken for the modernisation programme of the mills to be implemented, which, when completed is likely to bring about considerable saving in production costs.

The directors have reason to express their sense of appreciation and gratitude for the concession granted by the Government in respect of the payment of instalments for the loan advanced to the Company. The Government have kindly agreed to accept the monthly instalments at a reduced rate in order to enable the Company to launch its programme for renovation, modernisation and rehabilitation of the old machinery. This concession has enabled the Company to pay the instalments regularly during the last few months. The effect of renovation of the machinery is already discernible in the working as well as a fall in the cost of production, but when the entire programme is completed the effect is bound to be more pronounced in the coming years and to the advantage of all concerned.

The Board has sold one out of two boilers ordered out by the Company at a price 7½ per cent. lower than cost, but debit for this has not been made in the account for the year ended 31st March 1956. The debit is expected to be about Rs. 65,000 when the transaction is completed.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,98,000	Block ...	1,08,41,804
Reserves ...	1,60,55,917	Stock-in-trade	81,30,606
Liabilities ...	2,25,94,872	Stores, etc.	21,39,250
		Other assets	1,564
		Debts, deposits and advances ...	27,12,715
		Investments	29,34,148
		Cash ...	1,65,905
		Profit and loss account ...	1,65,20,797
Rs.	4,34,46,789	Rs.	4,34,46,789

Sri Palamalai Ranganathar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. S. K. Rangaswamy Naidu & Co., Periyanaickenpalayam) submitted the audited accounts of the Company for the year ended 31st March 1956.

The Company's working during the year was better than the previous year. After meeting all working expenses including interest and providing Rs. 10,223 for depreciation on the fixed assets, the Company made a net profit of Rs. 1,65,628 during the year. Out of this, the directors paid as donations Rs. 3,350 and paid a tax-free dividend of 6 per cent. for one year on the amounts paid-up as on 31st March 1955 and a tax-free dividend of 6 per cent. per annum on the amounts paid between 1st April 1955 and 31st March 1956 from the dates of payments of the respective amounts till 31st March 1956. This absorbed Rs. 19,492 and the balance of profits for the year was Rs. 1,42,786. The balance to the debit of profit and loss account after payment of dividend for the year ended 31st March 1955 is Rs. 3,92,483. After setting off the balance of profits for the year ended 31st March 1956, i.e., Rs. 1,42,786 against this debit balance, there will be a balance of Rs. 2,49,697 to the debit of profit and loss account which the directors have set off against the general reserve leaving a balance of Rs. 45,153 to the credit of the general reserve account as at 31st March 1956.

Since the profits of the Company have been very low in some years and have incurred losses in some years, the directors have not deemed it necessary to write off sufficient depreciation since 1952. A sum of Rs. 10,223-7-0 has been written off this year and the debit balance of the profit and loss account has been set off against general reserve. The deficiency in depreciation provision will be made good from future profits.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,45,200	Block ...	10,14,464
Reserves* ...	80,153	Stock-in-trade	5,16,008
Provision for taxes ...	8,479	Stores and spares ...	53,754
Liabilities ...	13,25,104	Debts, deposits and advances ...	1,15,808
		Investments	50,025
		Cash ..	8,777
Rs.	17,58,936	Rs.	17,58,936

*Reserves are shown after adjustment of the debit balance in the profit and loss account amounting to Rs. 2,49,697 and includes Rs 35,000 being reserve for machinery replacement.

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

HIRAKUND DAM IS A GREAT ACHIEVEMENT

(*Concluded from page 71*)

The flood water spillways comprise two sections, totalling 2,125 feet with 64 bed level sluices of size 20′-4″×12′-0″ each and surmounted by 34 radial crest gates of size 51′-0″×20′-0″. This structure is of concrete poured continuously on a three-shift working, with the aid of complete mechanised units comprising crushing, mixing and batching, hauling and delivering machines. In the belly of the structures is a huge gallery of size 11′-0″×23′-0″ which provides the facility for sluice-gate operation. It is the largest spillway and gallery in the world, with a total evacuation capacity of one and a half million cusecs through the sluices and over the crest at full reservoir level. The dissipation of the energy of the jets from the sluices and from over the crest is ensured by means of a specially designed bucket after intensive tests and studies on a reduced scale model at the Poona Research Station.

Power Section

The right end of the main dam is the power section. This is 928 feet long tied on to the hill. The construction material used on this is rubble stone in cement mortar. 1,49,70,000 c.ft. of stone masonry in cement mortar have gone into this and elsewhere. It was originally designed as a concrete structure. Rubble stone masonry was substituted in the dam and the transitions in the interest of economy, resulting in a saving of about Rs. 60 lakhs. In this masonry structure are embedded five pipe lines of 25 feet diameter each and two of 23 feet diameter each. The details of this part of the dam are of a standard type. The quality of cement mortar used in this structure was throughout under control and the research station staff were carrying out tests continuously and regulating the use even as they were exercising the measure of control for concrete quality.

The power house at the foot of the masonry dam constitutes a separate building whose foundations are independent of those of the dam itself. It is all concrete pumped into place. It is equipped with four units—two of 37,500 kw. each and two of 24,000 kw. each. Provision has been made for three more units to be installed at a later stage. A few bulk head gates of size 41′-4″×24′-6″ each for the penstock entrances and six drafts tube gates of size 25′-6″×18′-1″ each were manufactured in the project workshops at site.

Employment Potential

An idea of the vast labour employment potential that this project possessed could be had from the fact that at the time of peak constructions year after year during the last three years, the strength of labour employed was well over 30,000. There have been all sorts of troubles and travails in the early stages of construction which affected progress as well as costs. It took some time to shape and adapt men, materials and machines to the best advantage for obtaining speed of construction through maximum possible efficiency. Rapid progress was registered after the monsoon of 1953 and kept up practically without a break till May 1956.

This magnificent undertaking has been completed with several thousand workers drawn from all parts of India, from the Himalayas to Cape Comorin. There was in general a *camaraderie* and harmonious relationship between the people of the various States and, what is most important, every worker was conscious of the contribution he or she was making to the national cause. We have had a band of Indian engineers, possessing initiative and resourcefulness, who worked like a team and who have done a magnificent job creditable to themselves and the Indian engineering profession in the country. Mechanised operations, foundation grouting and various other construction techniques that are ordinarily believed to be the job of foreign technical experts and technicians have all been successfully tackled by our Indian engineers with great confidence and courage. This huge construction at Hirakud has trained and turned out experts in the line who can be trusted to carry out successfully such and other difficult jobs elsewhere with confidence and ease. The good work done has not been confined to civil and mechanical sides; on the electrical side, too, we have Indian engineers and technicians who tackled the job normally believed to be difficult and foreign in the field of operation.

Food Production

We are in an era of great technological activities all over the world. While a few nations are engaged in the manufacture of atomic weapons that can destroy people and civilisations, other countries, specially in the Far East, Middle East and Europe, have set themselves the task of improving living standards and for this purpose have been advancing and utilising technology, particularly in the engineering field, to build industries, dams, power plants, canals, etc., that are all for the good of humanity. India is one such country working for peace and prosperity. In our land, we have had, so far, after independence, many small and medium and some major schemes of development in various fields completed which have laid the foundation for the intensive development of the whole country during the second Plan period. We have laid the foundations for achieving great things, particularly in the field of irrigation and power production. While, on the one hand, food production is being stepped up with the increased facilities for irrigation, on the other, heavy industries are being started to consume the power as it is produced. In this pattern of things, we have now the biggest multi-purpose project in India—the Hirakud Dam and reservoir with its main power plant and canal systems completed. The intensive cultivation of 2¼ million acres of land in the course of the next five to ten years and the utilisation of 200,000 kw. of power in the next five years is now a certainty. One can confidently look forward to an era of steel, aluminium, ferro-manganese industry, with the satellite industries around them, that will make Orissa industrially great and prosperous and economically sound in the domestic sphere within the next five to ten years. In less than a decade from now, Orissa will shine in India's firmament as a big bright jewel—its glory never to fade.

ENGINEERING

(*Concluded from page 76*)

already sanctioned by Government with the condition that they can go on to the system from the date of working of the Trombay set will be allowed to do so from that date.

All these concessions, including that of staggering, are subject to the condition that Government will reimpose them if in the future the power position were to require their re-imposition. All those who wish to avail of these concessions may apply directly to the supply companies concerned.

ELECTRICITY FOR BOMBAY-POONA REGION

The Bombay-Poona region has the distinction of producing 18 per cent. of the industrial goods in India and employing nearly one-sixth of the 2.5 million industrial workers. The region's large contribution to national economy is made possible by the fact that it has been one of the largest producers of electricity. The Tata Hydro-electric system, interconnected with the Central Railway and Bombay Government plant at Chola, supplies nearly one-fifth of the electricity consumed in India. Nevertheless, there has, in recent years, been a great increase in the demand for power. Tata's thermal station at Trombay, which went into production last month, is designed to meet the growing demand for electricity in the Bombay-Poona region.

The Tata electric system has a total installed capacity, at its three hydro-electric stations, of about 274 megawatts, while the Government thermal station at Chola have a capacity of about 118 megawatts, making a total of 392 megawatts. To meet the continuously growing demand, the Government of Bombay has undertaken a large hydro-electric project at Koyna which will ultimately add a further 240 megawatts to the grid. The Tata thermal power station at Trombay is the biggest single unit in India and contributes 50,000 kilowatts and when the second set goes on steam in April-May 1957, the output of electricity will be 100,000 kilowatts. In view of the continued growth in the demand, Tatas have undertaken, with the approval of the Bombay Electricity Board and the Government, to install a third unit at Trombay, to be brought into commission towards the end of 1959.

Co-operation, both international and national, was had in full measure in the construction of the Trombay plant. The project is partly financed by the World Bank. Messrs. Ebasco Services of New York, U.S., have helped in designing and supervising the construction. The main plant was supplied by many countries—steam generators and turbo sets from Germany, high pressure piping, electrical cables and some switchgear from the U.K., feed pumps from Switzerland, auxillary transformers from France and station steel, central control board and automatic controls from the U.S. The Trombay plant will initially use fuels from the Stanvac Refinery—hot pitch and refinery gas. The boilers are, however, designed for conversion to pulverised coal burning. With boilers suitable for using oil, gas or coal or any combination of these fuels, it is expected that fuel supplies will be secured and one or more of the fuels can be selected as will be most economical for the operation of the station at the time.

Mr. J. R. D. Tata, speaking on the occasion of the inauguration of the plant by the Bombay State's Chief Minister, Mr. Chavan, pointed out that the relative degree of material progress in any part of the world could be measured by the use made of electricity. The consumption of electricity per head in India was 30 units, as against 2,200 in the U.S., 1,100 in the U.K. and 300 in Japan. Referring to the contribution to electricity supply made by the Tata hydro-electric companies, which owned the Trombay plant, he said he could claim, without appearing immodest, that they had made available to the industries and people of Bombay an uninterrupted supply of power at the lowest rates in the country. Although he did not wish to enter the lists on the controversial issue of free enterprise *versus* State enterprise, he hoped he could, without offending anyone's susceptibility, say that today Trombay provided one more example of what could be achieved by free enterprise given an opportunity and reasonable measure of encouragement by the Government and the public.

WORLD BANK LOANS IN 1956 REACH A RECORD TOTAL

(*Concluded from page 65*)

East $150.15 million, Africa $80 million and Australia $59.23 million. A notable feature of the Bank's operations during the year was the sharp rise in the volume of lending in Asia, where eight loans were made for an aggregate sum of over $150 million, of which loans to India alone accounted for $95 million, namely, $75 million to T.I.S.Co. and $20 million to I.I.S.Co. No loan was given to any country in the Middle East proper. At one time, however, a loan for financing the Aswan Dam was in contemplation, but it was contingent upon grants being forthcoming from the U.S. and the U.K. Governments. This did not materialise.

Another feature of the operations was that direct participation by private institutional investors in the World Bank's loans during the year were considerably lower, having sharply dropped from a record high of $31.1 million in 1955 to $6.8 million. This is attributed to tight money conditions during the year, as well as to the necessity on the part of commercial banks to devote available funds to meeting the credit requirements of their domestic customers.

Britain has agreed to a request by the Egyptian National Bank for the transfer of 20 million sterling this year from its blocked sterling balances. But Egypt will not be able to draw the money for the present. Under the agreement, since the Second World War, Britain is due to release annually 20 million sterling from Egypt's sterling balances. This is the money credited to the Egyptian Government in payment for services to British troops in Egypt during the War. Recently, Egypt requested that the 20 million sterling should be released—as provided under the agreement—from its number two account where the balances are held to its number one account from which the money can usually be drawn. But, recently, following the nationalisation of the Suez Canal Company, the number one account came under the close control of the Bank of England and Egypt has not been permitted to take sterling out of Britain.

Notice

SOUTH BEHAR SUGAR MILLS LIMITED

BIHTA, DT. PATNA

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Ordinary General Meeting of the Company will be held at the Registered Office of the Company at Bihta on Thursday the 31st January 1957, at 2 p.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and pass the audited Accounts for year ended 31st October 1955.

(2) To elect Directors in place of those retiring.

(3) To elect Auditors for the ensuing year and to fix their remuneration.

(4) To transact any other business that may be brought forward in accordance with the Articles of Association.

The Share Transfer Register of the Company will be closed from 11th January 1957 to 31st January 1957, both days inclusive.

By Order of the Board,

V. VENKATESWARAN,
Secretary.

ARRAH, *7th January* 1957.

Note: A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

NO CHANGE IN MONEY

(From Our Own Correspondent)

BOMBAY, *9th January*

Conditions in the short-term money market continued to remain stringent during the week under review also. There was no relaxation in the pressure of demand for funds, nor was there any significant addition to the resources of banks. In the absence of lenders, the volume of business in the inter-bank section was small. Banks had to resort to borrowings from the Reserve Bank on a larger scale. There was no change in money rates. Inter-bank call money rate was kept at 3½ per cent. among all sections of banks. House money at call was done at 3¾ per cent. Some banks offered to pay even 4 per cent. Short-term deposits were bid at 3¾ to 3⅞ per cent. for one to six months.

A rise of Rs. 15.46 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 4th January 1957. Notes held in the Banking Department were lower by Rs. 1.59 crores, with the result that total notes issued shows an increase of Rs. 13.87 crores. This is covered by a rise of Rs. 14.91 crores in rupee securities and a drop of Rs. 1.04 crores in rupee coin. In the Banking Department, deposits of the Central Government show a fall of Rs. 2.90 crores and those of other Governments an increase of Rs. 5.92 crores. There has been a decline of Rs. 9.76 crores in deposits of banks. Balances held abroad are lower by Rs. 1.54 crores. Loans and advances to Governments do not show any worthwhile variation, while other loans and advances have dropped by Rs. 6.07 crores, of which outstanding advances to Scheduled banks against usance bills accounts for Rs. 4.37 crores.

The Scheduled banks' statement for the week ended 28th December 1956 shows a sharp rise of Rs. 7.45 crores in demand deposits, while time deposits are almost unchanged. Minor variations are noted in inter-bank borrowings. Borrowings from the Reserve Bank have gone up to the tune of Rs. 11.42 crores, of which those against usance bills account for Rs. 7.70 crores. Borrowings from the State Bank stand reduced by Rs. 1.57 crores. There has been a further rise in advances to the extent of Rs. 4.15 crores. Inland bills purchased and discounted have also gone up by Rs. 1.72 crores, while foreign bills are down by Rs. 1.22 crores. Cash balances have been strengthened by Rs. 4.92 crores and balances with other banks in current account by Rs. 2.08 crores, but money at call and short notice has declined by Rs. 2.25 crores.

The Gilt-edged market remained sluggish during the week under review. The extreme stringency in the money market was the main factor which restrained support to the market. There were, on the other hand, sellers in most of the Central and State loans, except in a few cases which had buyers. There was, however, no change in prices in most cases for want of transactions. 3 per cent. 1986 Conversion Loan had business towards the close ¼ anna higher at Rs. 73¾. 3 per cent. 1970-75 had small business an anna higher at Rs. 86-14. 3 per cent. 1966-68 was neglected at Rs. 92-4, 3 per cent. 1964 at Rs. 94-6 and 3 per cent. 1963-65 at Rs. 94-2. 3 per cent. 1959-61 shaded off by an anna to Rs. 97-11. 3½ per cent. 1962 was steady at Rs. 97-14, due to proximity of voucher. 3½ per cent. 1961 gathered an anna to Rs. 99-4. 3½ per cent. 1964 was stagnant at Rs. 98-3 and 3½ per cent. 1965 at Rs. 98-2. 3¼ per cent. 1967 attracted buyers an anna higher at Rs. 98-7 due to proximity of interest payment.

Reflecting the strength of sterling abroad, the rupee gained some ground in terms of foreign currencies during the week. Bank's selling rate for ready U.S. dollars declined from Rs. 480¼ to Rs. 479¼ per $100 and their buying rate from Rs. 477 to Rs. 476 per $100. Banks were sellers of ready Canadian dollars at Rs. 499 per $100, as against Rs. 502 per $100 and buyers at Rs. 493 per $100 (Rs. 496¼ per $100 a week ago). Sterling rallied considerably, the spot rate in New York rising from $2.78½-2.78⅝ to $2.79.3/16-2.79.5/16, the highest rate touched since 24th July last. Three months' forward gained from $2.76.1/16-2.76.3/16 to $2.77⅛-2.77¼ and transferable sterling from 274.85-274.95 cents to 275.20-275.30 cents per £.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, *8th January*

Base metals displayed a steady trend during the week under review. Consumers were interested in buying their day-to-day requirements only. The supply position in tin continued to be tight, and the price, after an early recession to Rs. 572, recovered to close at Rs. 588. There was fair demand, and the rate in Calcutta was above the replacement cost by several points. Fresh arrivals are not expected until the end of the current month. There was Government enquiry for a fair quantity and this imparted additional strength to the market. In contrast, electrolytic copper closed quiet at Rs. 196, as against the opening rate of Rs. 199. Consumers were reported to be carrying fair stocks, and were disinclined to enter into further commitments, in view of the uncertain future. The announcement by the Mufulira and the Roan Antelope copper mines, from which Great Britain gets its major supplies of Rhodesian copper, of a reduction in their selling price of electrolytic copper to £270 a ton from £280 cautioned local stockists. Electrolytic zinc regained to Rs. 72 from Rs. 69-8. The price is expected to strengthen further in the coming weeks, in view of American requirements for stockpiling. Virgin lead was firm at Rs. 82. Government inquiries boosted up sentiment, although stock were believed to be heavy.

SILVER RALLIES

(From Our Own Correspondent)

BOMBAY, *9th January*

The highlight of the week's trading in the bullion market was the sharp rise in silver, the forward position (current settlement) recording a gain of Rs. 3 and ready as much as Rs. 3-10 per 100 tolas over the week. Gold, on the other hand, was featureless, but the undertone was steady.

The rally in the white metal was attributed to strong speculative support, on encouraging offtake in the ready section *vis-a-vis* the arrivals and a decline in arrivals of Tibetan coins. The severe winter in the North led to expectations that the import of coins from Kalimpong would dwindle considerably during the coming weeks. This, together with the prospect of an enlarged seasonal demand, induced support from the "longs," while the "shorts" were forced to cover their sales. In gold, the increase in floating stocks and rumours about large influx of smuggled metal restrained the bulls, but the good demand in the ready section and the strength of silver checked any decline in prices and kept the undertone steady.

*Forward silver (18th January settlement), after an early quietness reflected in a dip from Rs. 175 to Rs. 174-13, advanced rapidly to touch a high of Rs. 178-2 today, the highest level touched since 4th May last. The closing rate was Rs. 178. Business in the next settlement (16th February) commenced on the 3rd inst., the official starting rate being fixed at Rs. 175-12. This settlement also hardened to Rs. 178-11 before closing at Rs. 178-9.

Ready silver (.996 mint) rose from Rs. 174-6 to Rs. 178-2 and closed at Rs. 178. The discount of ready under the current settlement narrowed down from As. 10 to nil today, reflecting the strength of the ready section. The floating stocks of silver are estimated at 1,800 bars. The daily average offtake was about 15 bars.

Gold for forward delivery (17th January settlement) dropped early in the week from Rs. 104-9 to Rs. 103-15, but soon recovered to touch Rs. 104-12 at the close. Trading in February settlement began on the 3rd inst. with the official starting rate at Rs. 104-7½. The closing rate for this settlement today was Rs. 105-3.

Ready gold finished at Rs. 104-12, after an early reaction from Rs. 104-9 to Rs. 103-13. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 3,600 tolas, and the offtake was also of the same order.

In New York, silver was unchanged at 91⅛c. In London, however, silver staged a recovery, spot metal gaining from 79½d. to 80½d. and forward from 79⅝d. to 80¼d. Gold receded from 250s. 8½d. to 249s. 11¾d., reflecting the strength of sterling.

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

	9-1-1957	Highest	Lowest	2-1-57
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	104 11	104 12	103 13	104 9
Forward*	104 12	104 13	103 15	104 9
Sovereign	68 8	68 8	68 0	68 4
SILVER				
Ready (.996 fine Mint) ..	178 0	178 2	174 3	174 6
Forward†	178 2	178 2	174 13	175 0
London Silver Ready ..	80¼d.	80¼d.	79½d.	79½d.
London Forward	80½d.	80½d.	79¾d.	79⅝d.
London Gold	249s.11¾d.	2 ,, 7d.	249s.11¾d.	250s. 8½d.
New York Silver	91⅛c.	—	—	91⅛c.

* 17th January settlement.
† 18th December settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

EXPORT DEMAND FOR TEA STRONG

(From Our Own Correspondent)

CALCUTTA, *8th January*

Demand during yesterday's export sales was very strong, but while certain teas recorded gains, others were supported at declining levels. Offerings amounted to 72,900 chests. Keen competition was offered to Assams and Dooars, the prices of which were raised by an anna to As. 2. Orange fannings and B.O.Ps fell by As. 2 and other teas by an anna. However, there was good demand for the cheapest broken teas. C.T.C. types also met with good demand, but at prices lower by As. 2, while well-twisted and clean whole leaf grades realised an anna to As. 2 above brokers' valuations. Prices for the stylish B.P.Ss were maintained at last rates. On better support, Darjeelings were fully steady. The quotations were: best C.T.C. Assam B.P. Rs. 2-12, medium Assam B.P. Rs. 2-5 to Rs. 2-6, plain B.P. Rs. 2-4, and clean black pekoe Rs. 2-6.

Conditions akin to buoyancy prevailed in export quota rights. From the previous rate of 39 pies the right improved to 48 pies per lb. Towards the close buyers were offering 42 pies only.

Dusts offered during the internal sales held on Thursday last aggregated 18,562 chests. A good general demand pushed up prices. Clean black leafy teas fit for export received the keen attention of buyers, with the leafy teas from Assams and Dooars improving by As. 2 to As. 3 in keen competition. Assams of orthodox manufacture rose by half to one anna, and Dooars and commons by an anna to As. 2. The market was not devoid of weak spots which were provided by C.T.C. Assams falling by about As. 2. The quotations were: best Assam C.T.C. Rs. 2-9, medium Assam C.T.C. Rs. 2-5 to Rs. 2-6, medium Assam grainy dust Rs. 2-1 to Rs. 2-1-6, and medium Dooars Rs. 2 to Rs. 2-0-6.

Leaf grades on offer amounted to 3,300 chests. Opening at easier rates, residue teas gained as the sale progressed. Prices of clean leaf teas were occasionally sold higher by As. 2.

COTTON FUTURES CHEERFUL

(From Our Own Correspondent)

BOMBAY, *9th January*

The cotton futures market put on a cheerful appearance during the week under review. Both the contracts which had touched their lowest levels in the past two weeks ruled distinctly firm, with prices showing a markedly upward trend. The firmness was due to the buying spree induced by factors like brighter prospects of a further export quota, less arrivals in upcountry markets and the consequent high prices, and short covering. The other helpful factors were the strength of the spot market and encouraging advices from the oilseeds market.

M. G. Vijay (March delivery) opened the week at Rs. 630, fractionally higher than the previous closing, and advanced to Rs. 637 on the same day on reports that an export quota announcement was imminent. After having wound up the session a shade lower, the contract took a respite the following day on stray profit-taking operations. It again improved to Rs. 646 on the 4th inst., due to speculative buying. Opening today at Rs. 647, it gained further bull support and touched Rs. 650 before closing at Rs. 644½.

M. G. Vijay (April delivery) followed more or less the pattern of trading in Jarilla. Opening at Rs. 732, as against the previous day's closing at Rs. 731½, the contract received good buying support, pushing it up to Rs. 738½ on the same day. After a brief bearish spell the next day, the contract again improved to Rs. 742 on the 7th inst. Opening today at Rs. 644, it improved to Rs. 747 before closing at Rs. 741½.

The following table shows the trend of prices for the week:

(In rupees per candy of 784 lbs.)

	9-1-57	High	Low	2-1-57
Jarilla (March) ...	644½	650	627½	629½
Vijay (April) ...	741½	747	729	731½

The spot market also ruled firm, thanks to revival of mill interest. Although trading on the opening day was featureless, brisk activity was reported in subsequent sessions. Mill demand was evident for all popular varieties. Inquiries were noted particularly for Vijay, Khandesh and Berar. In the export section, there was sustained buying in anticipation of export quota and the basis of all exportable styles went up. Activity was dull in the foreign section, due to the delay in the announcement of import policy regarding sterling area cotton. The latest available rates—in rupees per candy of 784 lbs.—from the Sewri market are given below:

Bengal *Deshi* 740; Berar Jarilla 740; Khandesh 780; Vijay 870; Oomra *Deshi* 760; Moglai 740. *Delivery contracts*: Khandesh 197/3 135, Berar 113 and Moglai 65 'ON' Jarilla; 320 F 90, Vijay 13/16 February 122 'ON' Vijay.

An easy trend was depicted by the Karachi cotton market during the week under review. Overseas demand was slack and local mill inquiries were also small. N.T.R.G. January which had closed at Rs. 86-10 declined to Rs. 85-9 while the March delivery shed over the week Rs. 1-4 to Rs. 85-3. The spot section was also quiet. The latest available quotation—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi are given below:

Sind *Deshi* 89; Punjab *Deshi* 87; 4F Punjab Roller 89-12; S.G. 94-12; L.S.S. Punjab Roller 91-12; S G. 96-12; N.T.R.G. 92-12; S.G. 97-12; 289 F. Punjab 12G 95-12; S.G. 104-12.

The Alexandria futures market ruled easy during the week and values of both long and medium-staple contracts registered some decline. This was mainly due to profit-taking sales induced by the prevailing high prices. Karnak January which had closed at 119.75 tallaris declined to 115.75 tallaris while *Ashmouni* February came down from 85.20 to 81.90 tallaris. Most other delivery months of both the contracts registered a fall. Meanwhile, the supply position continues to be tight and the offerings of better quality varieties are reported to be limited. The latest available rates—in tallaris per lb.—from Alexandria are given below:

Karnak: January 115.75; March 115.45; May 115 00. *Ashmouni*: February 81.90; April 81.90; June 81.09.

Trading in the Liverpool market was featureless throughout the week. Traders were inclined to follow a policy of wait and watch as the trend of prices in the coming months will be considerably affected by the export policy of the U.S. Department of Agriculture which will be shortly made known. The present expectation is that the U.S. export programme will continue into the 1957-58 season also. Hence traders are hesitant to make fresh commitments until something definite is known about U.S. policy. Trading in the American and American type futures contract was limited. Inquiries for ready cotton were negligible while Sudan and U.S. styles received moderate attention. Some interest was noted in Indian Jarilla and Dhollera but the high prices of such styles made U.S. growths more attractive. Trading in Sudan was limited while the Egyptian contract was neglected. The latest available quotations—in pence per lb.—from Liverpool are given below:

American One Inch Staple Contract: March-April 26.42; May-June 25.95; July-Aug. 25.55; Oct.-November 25.27. *American Cotton Mixed Growth Contract*: March-April 26.75; May-June 26.30; July-August 25.85; October-November 25.50. *Egyptian Karnak Cotton Contract*: January-February 60, March-April 60. *Sudan Cotton Contract*: January-February 61.30.

Values in the New York futures market registered sizable improvements attributed mainly to commission house buying of new crop based on Soil Bank considerations. The limited amount of

hedge selling and liquidation earlier was absorbed by trade buying and short covering. Spot cotton ruled steady. While fluctuations have generally been limited in recent weeks, new crop contracts have moved on a comparatively wider range. This has been explained as due to the many uncertain factors like the impact of the Soil Bank programme next season, the level of price support and probable Government action concerning the replacement of set aside stocks.

It is reported that the U.S. Department of Agriculture has predicted that world exports of cotton will aggregate about 14,500,000 bales (of 500 lbs.) during the marketing year ending the 31st of July this year. World exports last season were 12,750,000 bales and the largest exports of 14,800,000 bales were in 1928-29. Exports in the current season will therefore be close to the record figure.

The following are the latest available quotations from New York, as compared with those on the 31st and 11th December:

(In cents per lb.)

	8-1-57	31-12-56	11-12-56
Spot	34.65	34.65	34.65
December	—	—	34.37
March	34.32	34.19	33.98
May	34.31	34.16	33.88

YARNS DULL

(From Our Own Correspondent)

BOMBAY, *9th January*

Dull conditions prevailed in the yarn market during the week under review. Continued stringency in the money market and reports of depressing conditions in consuming centres together acted as a great damper. Operators were naturally not much inclined to extend their commitments either way. Turnover, therefore, was restricted and values moved narrowly. Over the week, staple fibre yarn and cotton yarn tended to look down, while forward rayon yarn recorded a slight improvement, following some support induced by expectation of reduced arrivals of foreign yarn as a result of the cut in imports.

Staple fibre yarn (40×2) for February delivery encountered selling and declined by Rs. 6 to Rs. 642. Spot Kohinoors receded by an anna to Rs. 3-8-6. Citys lost six pies to Rs. 3-7-6. New Greats and Centurys eased by three pies each to Rs. 3-6-6 and Rs. 3-8, respectively. Among foreign yarns (80×2), Paramounts were quiet at Rs. 5-9-9, as also Fujis at Rs. 5-12.

In the cotton yarn section, forty counts staged a retreat. Moderns dropped As. 4 to Rs. 28-12. Gokaks fell by a like amount to Rs. 27-12. Minaxis lost As. 2 to Rs. 27-10. Thirty counts Maduras gave way from Rs. 24-4 to Rs. 24 and Centurys from Rs. 22-10 to Rs. 22-8. Among 20s, Maduras were neglected at Rs. 19-8, as against Rs. 20. Moderns eased by As. 2 to Rs. 19-8. Ten counts Moderns were quiet at Rs. 15-10 and Podars at Rs. 15-8. Sixty counts, however, elicited some support. Finlays rising by As. 10 to Rs. 61-10 and Raghuvamshis by As. 6 to Rs. 57. Among 80s, Finlays hardened by a rupee to Rs. 81. Moderns were dull at Rs. 77-8.

Snia rayon yarn (120 dull cones) for February delivery improved by Rs. 5 to Rs. 828. Spot 120 Japan gathered an anna to Rs. 4-6. 150 Japan was quiet at Rs. 4-8, as also 120 Italy at Rs. 4-3 and 150 Italy at Rs. 3-14-6. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade eased by three pies to Rs. 3-8-6 for want of support. 120 Bt. cones 1st grade, however, was a shade higher at Rs. 3-12-6.

Imports of art silk yarn into Bombay port in the month of December 1956 aggregated 2.23 million lbs., bringing the total imports for the whole of 1956 to 43.99 million lbs. This quantity represents a rise of 8.30 million lbs., as compared with the previous year. The total imports of staple fibre yarn during 1956 amounted to 567,779 lbs., as against 83,966 lbs. The quantity of staple fibre imported was substantially higher at 24.99 million lbs., as against 5.83 million lbs.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	9-1-1957	2-1-1957
	Rs. a.	Rs. a.
Art silk yarn (per case of 200 lbs.)—		
120 Dull Cone Snia February	828 0	823 0
120 Japan (per lb.)	4 6	4 5
150 Japan (per lb.)	4 8	4 8
120 Italy (per lb.)	4 3	4 3
150 Italy (per lb.)	3 14½	3 14½
Staple fibre yarn (per case of 200 lbs.)—		
40 ×2 February	642 0	648 0
40 ×2 New Great (per lb.)	3 6½	3 6½
40 ×2 Century (per lb.)	3 8	3 8½
40 ×2 City (per lb.)	3 7½	3 8
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	15 8	15 8
20s Madura	19 8	20 0
30s Madura	24 0	24 4
40s Gokak	27 12	28 0
60s Finlay	61 10	61 0
80s Modern	77 8	77 8

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, *9th January*

During the week under review, the oilseeds market displayed, on balance, a slightly easy tendency. The market opened in buoyant conditions under the leadership of groundnuts following the persistent buying by crushers and active buying in pot castor by export houses. On the following day, however, the groundnut section reacted, as a result of offerings from terminal markets, heavy arrivals of new crop, and negligible support from crushers. This trend was further intensified during the rest of the week owing to the persistent weakness of groundnut oil. The castor section, on the other hand, opened easy on the second day, but recovered partially later on speculative support. This recovery was only short-lived, owing to profit-taking at higher levels induced by lack of support and unhelpful overseas advices. While linseed remained easy in sympathy with others, cotton seed displayed a better tone in sympathy with the cotton market.

Groundnut February contract opened the week cheerfully at Rs. 161-4 and touched the peak of the week at Rs. 162-12 before finishing at Rs. 162-8 the same day. On the next day, it moved between Rs. 161 and Rs. 159-12, but subsequently declined to touch Rs. 155-12 on the 8th inst. Today, however, it slightly improved to Rs. 158-8, before finishing at Rs. 158. Over the week, it lost Rs. 2. In the spot section, Bold F.A.Q. shed As. 6 to close at Rs. 32-2 and Coramandel As. 8 at Rs. 32-12. Groundnut oil ex-mill was quoted today at Rs. 18, that is, As. 8 less than a week ago.

Linseed futures section fluctuated narrowly during the week between Rs. 29-14, the peak level on the second day of the week, and Rs. 29-8, the lowest level for the week touched on the 8th inst., before recovering to Rs. 29-12 today. It, however, closed a shade lower at Rs. 29-9, losing over the week only As. 1. In the spot section, Bold ready moved down by As. 4 to Rs. 32-8, while linseed oil ready was quoted at Rs. 18-14, that is, As. 4 less than at the close of the previous week.

Castorseed May contract commenced the week at Rs. 170 and spurted to Rs. 173 the same day. On profit-taking, it moved back to Rs. 167-12 but recovered at the close to Rs. 172-8. On the second day it fluctuated between Rs. 170 and Rs. 172. On the third day also, namely, the 5th inst., the quotation moved between Rs. 172-8 and Rs. 169-4. Subsequently, however, the downward trend began and it touched the lowest level for the week on the 8th inst. at Rs. 166. Today, again, it recovered to Rs. 170, before closing at Rs. 169. As compared with the last week, however, the contract was nominally higher by As. 4. Spot section also reflected, on balance, a slight improvement, as compared with last week, Bold rose by Re. 1-6 to Rs. 37-10, while Kanpur put on Re. 1-4 at Rs. 36-4. Oil B.S.S., however, shed As. 2 to finish at Rs. 23-4.

Cottonseed February contract which opened at Rs. 90 on the 3rd inst. ruled active during the first four days of the week. Later, however, it reacted, but recovered today, following the firm trend in the cotton market. It closed today at Rs. 82-8, gaining, thereby, Rs. 2-8 over the week.

Among the other seeds, kardiseed Bold ready lost As. 4 and February-March and nigerseed Madras maintained their former levels at Rs. 20-8 and Rs. 29-4 respectively.

The Government of India has decided to treat castorseed cake meal as castorseed cake which is classified as "other oilcakes" for the purpose of export outside India.

The following table shows the prices of oilseeds and oils at close as compared with those on 2nd January, and 12th December 1956:

	9-1-1957	2-1-1957	12-12-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	158 0	160 6	152 12
Khandesh Quality Ready (per cwt.)	32 12	33 4	32 4
Dec.-Jan.	32 2	32 8	30 6
Linseed—			
May 1957	29 9	29 10	29 14
Bold Ready (per cwt.)	33 8	34 0	36 0
Feb.-Mar.	31 10	31 14	32 0
Castorseeds—			
May 1957	169 0	168 12	156 8
Madras (per cwt.)	37 10	36 4	35 6
Cottonseed—			
February 1957	92 8	..	80 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 0	18 8	18 14
Castor oil—			
Commercial (per quarter) ..	21 14	22 4	22 14
Linseed oil—			
Ready	18 2	19 2	19 14

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, *9th January*

The sugar market depicted a bearish trend during the week under review. Arrivals of indigenous sugar into the market were considerable, being as much as 42,600 bags, as against 27,600 bags in the previous week. There was, besides, a fall of As. 8 per maund in the ex-mill quotations for Bombay-Deccan sugar. Selling, therefore, ensued and prices staged a retreat. Even reports that the deal for exporting 20,000 tons of sugar to Pakistan would be finalised before the week was out failed to have any effect on the market.

In the spot market, small grain indigenous sugar dropped Rs. 3 to Rs. 88 per bag. Medium grain receded from Rs. 91-Rs. 92 to Rs. 89-Rs. 91. Large grain was quoted at Rs. 95-Rs.102. British refined sugar was done at Rs. 95 per 2 cwts., same as last week.

In the forward section, *Fagan* delivery contract for 'C' grade sugar fell by Re. 1-8 to Rs. 91. Today, however, it was quoted higher at Rs. 91-12.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

BLACK PEPPER IMPROVES

(Messrs. Parekh and Co.)

BOMBAY, *9th January*

After being subjected to continuous decline for the last three or four months, Malabar black pepper during the week showed some improvement, following revival of demand from the U.S.A. where spot price improved from $0.25 to $0.27 in the opening of the market after the holidays. New York purchased various parcels at prices ranging from $0.24 to $0.25½ for shipment per named steamers during January. One of the prominent dealers in the U.S.A. evinced interest in forward and bought some parcels for Jan.-Feb.-March shipments in equal monthly lots at $0.24½.

Alleppey, after going down to Rs. 537½, improved to Rs. 587½ and garbled at Cochin from Rs. 92½ to Rs. 101½ under pressure of buying by exporters. Sellers to Russia who were marking time for picking up at a favourable price had to come out to cover. Most of the arrivals, however heavy, were taken up. Total Russian purchases to date are estimated at about 2,000 tons for shipments during Jan.-Feb.-March. Out of this quantity, about 700 tons are to be lifted during this month. The first Russian steamer *V Kuibyshev* is reported to have sailed and is expected sometime in February. On return voyage, it is likely to take cargo of tobacco and pepper, among other Indian produce. China is likely to buy some parcels of pepper for shipment by the same steamer, as it is likely to touch Chinese ports *en route* to Russia.

The shipment of Malabar pepper during December is estimated at about 1,300 tons. If the present tempo of overseas orders continues, it will be no wonder that the shipments during January to March may prove to be round about 5,000 tons, including purchases by Russia and China. Most of the marketmen, therefore, are now bullish and they consider a price of Rs. 550 a bottom.

Internally, Malabar pepper being cheaper than red chillies, trade is expecting good investment buying locally by the end of January, when pressure of arrivals from Alleppey areas will lessen. Crop report from Tellicherry area is not favourable. Pressure of arrivals from the area, therefore, will not be so heavy even during the peak season as to have any adverse effect on the market.

Sarawak, Lampong and Muntok are firmly held at Singapore and, as such, most of the demand from Europe is likely to be diverted to India. Analyst in the market, therefore, expects slow but sustained rise in the prices of Malabar until the arrival of new crop of Sarawak, since timely support from Russia, the U.S. and Europe came in to cushion the impact of peak arrivals during December and January, which are averaging about 700 candies daily, in Alleppey and Cochin centres.

Pepper price being low, dealers are afraid to go short and hence the market at the moment is more sensitive and susceptible to any bullish factors rather than the bear ones. At the time of writing, however, the market is quiet in sympathy with Alleppey where growers are reported to be willing to give some concession in the price to create interest in foreign buyers who, after sizable buying during the week, are waiting for a new development. Alleppey is quoted at Rs. 570, and garbled at Rs. 99.

In the A.S.T.A. section, January, after selling up to $0.24, was done at $0.25½ with small sellers. Feb-March and April-May-June were quoted at $0.25⅞ and $0.26¼, respectively, with more buyers and few sellers.

In the delivery section, prices for February delivery improved to Rs. 585 to react to Rs. 574 with broadening of interest by outsiders. Local demand which remained dull in declining market is reported to be slowly improving.

Today's nominal quotations are: Ready delivery Rs. 84 per Bengal maund; February Rs. 574-Rs. 579 and March Rs. 582-Rs. 587 per candy of 5¼ cwts.

LOW QUALITY TEAS FIRM

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *4th January*

Dust Sale 'A' held on 3rd January 1957 contained approximately 7¼ lakhs pounds. Prices were firm for lower types of dusts and good coloury mediums, but other types were As. 2 to As. 3 lower. Best liquoring high-grown teas met with much less demand and a fairly heavy weight of this type was withdrawn. Black leaf Middle East types were also neglected. The market can be described as very irregular.

London Market: *Sale of 31st December* 1956:—Good demand at prices generally 1*d.* to 2*d.* lower.

Sale of 1st January 1957.—Active; unchanged.

Colombo Market: *Sale of 31st December* 1956:—Strong demand. High-growns irregular, following quality. Medium B.O.Ps. about 10 cents dearer. Low-growns firm. All fannings generally lower.

Calcutta Market: *Export*.—Reduced demand Prices generally As. 2 lower.

Internal.—18,500 packages. Met a good general demand and were an anna to As. 2 dearer for all types, except C.T.Cs which were weakest feature at As. 2 easier. Middle East types strongest feature at As. 2 to As. 3 dearer. Internal leaf. Fairly good. General demand strengthened as sale progressed. Clean leaf sometimes As. 2 dearer, rest firm to dearer.

Export Quota.—Export quota market has been rather quiet with prices being steadily marked down to 36 pies. At the time of writing, however, the market has strengthened and business has been done at 45 pies.

Forthcoming Auctions.—Dust Sale 'B' will be held on Tuesday, 15th January 1957.

As we go to press Messrs. Forbes, Ewart and Figgis (Private) Ltd. wires:

"*Sale* 1.—3.25 million lbs. Market opened quietly and strengthened towards the middle, but eased again later. Fair general demand, but prices irregularly As. 4 lower for low medium and medium sorts with fannings often neglected. Better liquoring sorts sometimes As. 8 below valuation. Best feature whole leaf irregularly As. 2 easier."

RAW JUTE STEADY

(From Our Own Correspondent)

CALCUTTA, *8th January*

A feature of the trading in jute markets, ever since the reopening for the new year on Wednesday last, was that fibre prices were held extremely steady at higher levels, while prices of jute goods gradually fell following the disinclination of overseas buyers to support the higher prices and the natural desire of speculators to book profits in good time. The strength of the fibre was a direct result of higher prices in Pakistan and the expectation in the local bazar that the higher prices would be maintained in the coming months of the current season. For, with steady conditions in East Bengal and the extreme improbability to get fibre from across the border at economic prices, those who had stocked the indigenous jute feel that their holding would be amply rewarded before the end of the current season. A portion of the jute crop is believed to remain still with those cultivators, who, by virtue of fortunate circumstances during recent years, have been able to stock their output for some time. Another strong reason for the maintenance of higher prices in raw jute, despite the display of limited interest by mills, was reports from Dacca which announced Government's decision for the formation of a jute marketing board and a jute marketing corporation.

The full control of the export trade in raw jute in East Pakistan is aimed at through the Board. Exporters will have to make offers to foreign buyers through the Board only and the Board's agents in all consuming centres will keep it in touch with market conditions in their respective areas. Foreign buyers within the country will not be allowed to purchase jute at the minimum prices for holding on to sell at higher prices subsequently. This would mean that foreign buyers in Pakistan could buy jute for immediate export only. The chief function of the other body, that is, the Jute Marketing Corporation, will be the buying of jute in the country as and when offers are made to it. However, in order to stop the alleged smuggling across the border, the Corporation will have the monopoly of purchasing jute in border areas. As to from which date these two bodies will come into being is not yet known. Market circles here interpret that these bodies are a first step towards State trading in jute. Full State trading is not contemplated now, as cultivators can sell their products both to private traders and to the Government. No doubt, this would lead to the withdrawal of a good portion of private capital now invested in the jute trade.

During the week, prices of jute goods fell in distinct contrast to the rise noted towards the end of December, when prices had moved to such higher levels as to keep away foreign buying. Foreign consumers had in recent months added heavily to their stocks as a precaution in the event of an unsettled conditions being continued. Now that the Suez Canal is being cleared, and the fear of an international emergency has receded at least for the time being, foreign buyers can afford to buy jute goods nebulously and in a limited way. In fact, this was the main factor which contributed to this week's decline in goods prices.

Ready B. twills opened steady at Rs. 120-4 and 40" 10 oz. hessian at Rs. 46-5 on Wednesday last. This steadiness was due to keen inquiries for export and to covering demand in the bazaar. Prices, however, soon declined for reasons already detailed, B. twills sagging to Rs. 119-8 on Thursday and hessian 40" 10 oz. to Rs. 45-10. Sentiment in hessian was affected as a result of the increase in A/B group hessian following the Bemis Bros. grading list finding the names of more mills for the current year. Bear-selling was a feature during the week-end, and the rates of B. twills and hessian 40" 10 oz. closed at Rs. 118-8 and Rs. 44-12, respectively. Yesterday, a fair addition to prices was recorded. Inquiries from overseas buyers were keen and, in fact, there was a marked shortage for ready goods. Ready B. twills advanced to Rs. 119-4 and 40" 10 oz. hessian to Rs. 45-6.

The factors for the maintenance of raw jute prices have already been discussed. Sellers were very reserved, albeit the limited purchases made by mills. Indian northern bottoms were fully steady at Rs. 32, and mills' counter-offers for Rs. 31-8 failed to attract the response of sellers. From Rs. 32-8 local daissee bottoms January-February delivery recovered to Rs. 33-8.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, *6th January*

The hides and skins market ruled steady during the week under review. Fresh arrivals of wet salted cow was comparatively smaller than those in the preceding week. The village tanners made heavy purchases of inferior quality cow. The main purchasers were the local tanners.

The latest available quotations are: Wet salted cow, 1st grade Rs. 360 and 2nd grade Rs. 280 to Rs. 300 per score; wet salted buff, 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat skin 1st grade Rs. 320 and 2nd grade Rs. 300 per 100 pieces; sheep white Rs. 250 to Rs. 260 and black Rs. 200 to Rs. 215 per 100 pieces.

HIDES CLEARANCE VERY GOOD

(From Our Own Correspondent)

MADRAS, *7th January*

There has been very good clearance of tanned cow hides in the local market by shippers—Indian and European. Prices rule firm, though shipment business with the U.K. is difficult, as importers are not willing to operate at asking levels. Market for cow calf and buff calf is a shade weak and that for buff hides unchanged.

Arrivals of market quality goat and sheep skins find ready clearance at unchanged levels, though prime goat skins are a shade easy.

Demand for prime and semi-prime sheep skins has been brisk, and sellers are trying to put up their prices in vain.

Shipments during December 1956 were: To the U.K.: 3,975 bales cow hides, 292 cow calf, 122 buffs, 207 buff calf, 962 goat, 876 sheep and 1 dry goat skins; to the Continent: 1 cow, 5 buff calf, 544 goat, 104 sheep; to U.S. ports: 25 cow calf, 181 buffs, 60 buff calf and 195 goat; to Japan: 2 goat and 168 bales sheep.

WHEAT FIRM

(From Our Own Correspondent)

HAPUR, *7th January*

Divergent trends prevailed in the foodgrains markets during the week. While wheat prices firmed up, prices of some coarse grains recorded an easy trend. The Union Government is still reported to be anxious to build up a buffer stock of two million tons of foodgrains before the commencement of the next lean period. The Union Deputy Food Minister has indicated that instructions have been issued by the Union Government to all the surplus States—Andhra Pradesh, West Bengal, Madhya Pradesh and some parts of Madras—to be ready for the purpose of procurement in case prices go down to an uneconomic level. The Minister has also said that it is proposed to import 500,000 tons of rice from Burma and 200,000-300,000 tons from the U.S. Steamers have already started moving.

Wheat recorded an improvement of As. 4 per maund during the week, due to good consumer demand in the open market, as sales through fair-price shops were very irregular, following non-arrivals of Government's stocks. Outside buying enquiry at higher rates was slack and the week's offtake at 3 *khaties* was for local requirements. Stocks here are now put at 55 *khaties*. Average quality wheat was quoted at Rs. 16-4 and farm quality at Rs. 17 per maund. Sales of wheat, however, continue through fair-price shops in rural areas and, as demand from those centres is satisfied there, a further rise in wheat prices has been checked.

Rice continued to rule depressed, as pressure of arrivals of new crop into the market was still being felt. The area under rice cultivation has gone up by three million acres to 79.3 million acres in the current year 1956-57. The increase in acreage is reported to be mainly in the States of Orissa, Andhra, Bihar and Uttar Pradesh. The crop harvested in many parts of the country is also reported to be good. This improved outlook is already reflected in rice prices in various parts of the country which have recorded a decline in recent weeks. The prices prevailing here now are: *Basmati* Rs. 23 to Rs. 25-8; *mainpuri* Rs. 18-12; *ramajwayan* Rs. 20; *raimunia* Rs. 22; coarse quality Rs. 15-4 per maund.

Gram was in good demand during the week and stocks ran down to 60 *khaties*. Prices of grain were mostly unchanged, while those of other coarse grains eased slightly, as some rains during the week had brightened the coming crop prospects. Maize was in good demand during the week, due to diversion of demand from wheat, following non-availability of wheat from fair-price shops. Prices of maize also recorded gains. The prevailing prices as on Monday were: Gram local Rs. 13 and *Punjabi* Rs. 13-6; barley Rs. 12-12; *bejhar* Rs. 12-6; maize Rs. 12-12; *bajra* Rs. 13-8; *jowar* Rs. 11-8 to Rs. 12-12; *guwar* Rs. 10-4 per maund.

Despite poor loading facilities to needy areas of Assam, pulses recorded a hardening trend during the week. Peas *dara* improved by As. 8 to Rs. 13-8 and white quality was transacted at Rs. 14-12 per maund. Stocks were put at 13 *khaties*. *Arhar's* stock position continued to be unchanged at 24 *khaties*, while prices registered slight gains to Rs. 13-4 per maund. Prices of other pulses also ruled steady during the week, prevailing prices on Monday being *urd* Rs. 17 to Rs. 20-12, *moong* Rs. 15-8 and *masoor* Rs. 18-4.

Pulses futures moved quietly steady. The week-end quotations were: Peas: *jeth* Rs. 10-1-3, farm *maha* Rs. 12-12 and *jeth* Rs. 10-7-9; *arhar*: *maha* Rs. 12-3-6 and *jeth* Rs. 10-13; *urd maha* Rs. 18-6.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, *7th January*

Despite export prospects of about 20,000 tons to Pakistan, sugar prices ruled quiet during the week under review. Turnover of sugar during the week was small, as booking by railways to certain consuming centres was restricted. The latest prevailing mill delivery prices of sugar are: Jaswant Rs. 28-6; Simbhauli Rs. 28-10; Mawana Rs. 28-4; Daurala Rs. 29-8; Amroha Rs. 27-14; Bijnore Rs. 27-14; Mansoorpur Rs. 28-8 to Rs. 30; Rampur Rs. 31-10; retail Rs. 30-10 per maund. Production of sugar in the factories up to 15th December 1956 in the current season amounted to 265,000 tons, as against 191,000 tons in the corresponding period last year. Stocks on this date stood at 574,000 tons, as against 415,000 tons last year.

The *khandsari* market also ruled quiet, as demand was meagre. Arrivals of new quality had begun in the market and inferior grade was quoted at Rs. 20 to Rs. 23 per maund and superior at Rs. 24 to Rs. 27 per maund.

After remaining steady in the early part of the week, *gur* ready prices declined later. Arrivals during the week were small, the average being 3,000 maunds daily, due partly to cloudy weather and partly to fall in prices. All the arrivals, however, were lifted under previous commitments and outside buying enquiry was slack. The total arrivals from the beginning of the season were estimated at about 300,000 maunds and unlike previous years, there has been as yet no stocking building. Loading is, however, restricted to some of the consuming areas. The latest prices as on Monday were Rs. 9-14 to Rs. 10-2 per maund.

Forward *gur* prices also ruled quietly easy in line with those in the ready section. *Gur fagun* opened at Rs. 10-6 last week-end and was today quoted at Rs. 10-2-9. It touched the highest during the week at Rs. 10-7-4½ and lowest at Rs. 10-1-9.

LINSEED RECEDES

(Messrs. A. Bradley and Co.)

CALCUTTA, *7th January*

Quieter conditions were observed in the linseed market during the week, owing to lack of buying support, and prices were appreciably lower. Sellers were also reserved and turnover was small, whilst arrivals to this centre were still scarce. The oil section was dull. Lower offerings from buyers had little response from sellers, who were pausing in expectation of better prices.

The latest available quotations are: January Rs. 24-14 and April-May Rs. 22 per maund.

The United States will permit the sale of surplus farm products to Poland for dollars at world market prices. This is the first step taken by Washington towards easing its restriction on trade with an East European country. According to Mr. Sinclair Weeks, U.S. Secretary of Commerce, this is the only exception to the general policy prohibiting the export of surplus farm products, which are subsidised by the Government, to Soviet bloc nations. The U.S. is studying the ways in which it may expand its economic relations generally with Poland.

British aircraft constructors claim that the British aircraft industry's policy and technical excellence in recent years have been vindicated by its achievements during 1956 when it registered a record export trade. This is the result of orders placed during the last year or two, while the contracts signed during 1956 give cause for quiet optimism for the future. Viscount orders during the year numbered more than 100. Some 23 Britannias were sold and 14 Comet 4's ordered by an American operator. Sea Hawks were ordered by the Netherlands, Gnats by India and Finland, Pembrokes by Denmark, Herons by several countries, Hunter training-planes by the Netherlands, and over 200 aircraft of varying types by the Federal Republic of Germany.



THE BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED
(INCORPORATED IN INDIA)
HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY
Chairman: JAL H. MEHTA General Manager: M. S. DASTUR

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	13th May, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1948	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	6	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	4½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	1	1½
Turkey	6th June, 1956	4½	6
United Kingdom	18th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 4th January, 1957		Week ended 28th December, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,57,863	98,03,53,000	2,70,226	61,25,34,000
Calcutta	1,40,871	57,06,12,253	1,55,940	61,86,15,240
Madras	69,716	8,64,59,472	71 229	8,80,83,048
All Centres—				
1954-55*	..	..	2,895,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Sept., 1956	..	..	3,137,000	7,01,29 00,000
Oct.,	..	..	3,398,000	6,95,92,60,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 4th Jan., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	54,34,22,000
(2) Other Governments	13,02,58,000
(b) Banks	48,33,53,000
(c) Others	13,42,12,000
Bills Payable	12,15,22,000
Other Liabilities	168,26,97,000
Rupees	276,44,64,000

ASSETS	Rs.
Notes	7,55,18 000
Rupee Coin	10,39,000
Subsidiary Coin	9,95,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,99 05,000
Balances held abroad*	81,07,03,000
Loans and Advances to Governments	7,74,70,000
Other Loans and Advances	99,96,44,000
Investments	62 52,98,000
Other Assets	14,38,92,000
Rupees	276,44,64,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 52,82,19,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 3,98,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,55,18,000	
Notes in circulation	1481,52,37,000	
Total Notes issued		1489,07,55,000
Total Liabilities		1489,07,55,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	447,30,03,000	
Total of A		565,06,06,000
B. Rupee Coin		123,76,17,000
Government of India Rupee Securities		800,25,32,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1498,07,55,000

Scheduled Banks*

Statement of Affairs for the week ended 28th Dec., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	9 45,25,000
(ii) Other demand liabilities	644,73,85,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,40,00,000
(ii) Other time liabilities	457,01,29,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,10,81,000
(ii) Time liabilities	....
4. Cash in India	38,32,86 000
5. Balances with the Reserve Bank in India	52,66,38,000
6. Balances with other banks in current account in India	12,33,50,000
7. Money at call and short notice in India	10,78,39,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	864,74 65 000
9. Advances in India	622,91,09,000
10. Inland Bills purchased and discounted in India	111,73 81,000
11. Foreign Bills purchased and discounted in India	53,81,19,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	8th January 1957	Previous week
Bombay on London—		
Sellers T.T. D.D Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6☆	1-6☆
Buyers T.T. 10 to 12 months	1-6☆	1-6☆
Bombay on New York—		
Sellers T.T. D.D. Rs.	480¼	480¼
Buyers T.T. Rs.	473	473
London on New York $	2.794-2.79⅛	2.784-2.78⅛
London on Paris Frs.	982¼	982¼
London on Berne Sw. Frs.	12.257-12.25⅞	12.22½
New York on London $	2.79⅛-2.79⅛	2.784-2.78⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India	'54-'55	378 07	..	10,179	269
Pakistan	'53-'54	79 33	..	1,931	245
Burma	1954	19 24	Kyats 3,905	390	203
Ceylon	1954	8.38	..	470	560
Japan	1955	88 90	Y. 6,575,000	8,608	978
Philippines	1955	21 85	Ps. 7,800	1,857	850
New Zealand	1955	2 13	£ (N.Z.) 846	1,128	5.296
Australia	1954	8 99	£ (A) 3,957	4,220	4.694
U.K.	1955	50 97	£ 10,634	22 178	4.351
U.S.A.	1955	165 27	$ 324 000	155,520	9,410
Canada	1955	15 60	$ 20,738	10,166	6.516
France	1955	43 27	Fr. Fr. 12,440,000	17,010	3.931
W. Germany	1955	49 99	Dm. 126,200	14,460	2,890
Italy	1954	47.80	Lr. 9,718,000	7,480	1,560
Norway	1955	3 43	Kr. 10,764	1,520	3,050
Sweden	1954	7 21	Kr. 38,630	3,544	4,912
Netherlands	1955	10.73	Grs. 22,500	2,850	2,650
Denmark	1954	4 41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 28th Dec., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	43,25,21,000
(b) Provincial Governments	75,67,000
(c) Banks	14,37 24,000
(d) Others	3,16,89,000
Bills Payable	23,66,000
Other Liabilities	10,78,33,000
Rupees	78,57,50,000

ASSETS	Rs.
Notes	10,33,22 000
Rupee Coin	14,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	96,07,000
Loans and Advances to Governments	18,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	21,71,50 000
Investments	34,76,54 000
Other Assets	10,61,87,000
Rupees	78 57,50,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,33,22,000	
Notes in circulation	326,45,62,000	
Total Notes issued		336,78,84,000
Total Liabilities	....	336,78,84,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	82,02,81,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
B. Rupee Coin	5,56,88,000	160,01,97,000
Government of Pakistan Securities	165,30,93,000	
Internal bills of exchange and other commercial paper	....	170,86,81,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		336,78,84,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 40.18 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	28th Dec., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,466.07	1,465.50	1,438.54	1,361.98
Notes held in Banking Department	35.95	9 14	9.36	27 20	12 04
Foreign Securities	59.50	447.30	447.30	457.24	686.88
Rupee Securities	37.39	785.35	785.35	765.47	538.67
Banking Department					
Deposits of:					
Government of India	14.89	57.24	55.56	49.99	54.01
Other Governments	....	8.00	9.45	15 94	10.62
Balances held abroad	10.08	82.61	86.57	79.29	48.30
SCHEDULED BANKS					
Demand Liabilities	134.36	654 10	646.72	650.91	614.48
		(9 45†)	(9 43†)	(11.60)†	(5 22)†
Time Liabilities	102.24	459.50	459.86	458.91	418.40
		(2.49)†	(2.89)†	(2.71)†	(5.34)†
Borrowings from Reserve Bank	....	79 06	67.63	54.67	30 02
		(57.20)‡	(49.49)‡	(43.34)‡	(18.86)‡
Borrowings from State Bank	....	8.11	9.67	10.48	7.23
Cash in India	6.70	38.33	35.29	35.80	38.06
Balances with Reserve Bank	25.17	52.66	50.78	50.84	60.17
Excess over statutory limits	15.52	10.76	9.25	9.12	21.08
Balances with other banks in current account in India	..	12.84	10.75	9.85	14.35
Money at call and short notice in India	6.70	38.33	35.29	35.80	38.06
Balances with Reserve Bank	25.17	52.66	50.78	50.84	60.17
Excess over statutory limits	15.52	10.76	9.25	9.12	21.08
Balances with other banks in current account in India	..	12.84	10.75	9.85	14.35
Money at call and short notice in India	..	10.78	13.03	15.16	10.50
Investments (at book value)	....	364.75	364.83	365.46	385.05
Advances and bills	105.00	788.46	783.81	766.33	631.45
STATE BANK					
Deposits	....	87.76	242.02	239.63	234.90	222 30
Investments	....	51.99	106.89	106.70	106.60	118 37
Advances	....	30.35	140.12	137 09	129.11	103.31
Cash	....	14.69	10.67	10.46	16.03	21.62

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	September,		Six months, April to Sept.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	9.24	11.17	55.81	60 37
Protective	1.05	1.01	4.77	6 05
On surplus disposals	—	—	0.05	0.03
Total import duties	10.29	12.18	60 63	66 45
Export Duties	2.77	2 60	15.09	12 11
Land Customs	0 05	0.27	0.42	1.13
Miscellaneous	0 05	0 12	0.37	0 51
Gross total customs	14.16	15.17	79.51	80 20
Refunds and drawbacks	0.18	0.20	1.32	1 20
Net Customs	13.98	14 97	78.19	79 00
Gross excise	12.37	15 42	74.45	85 98
Refunds	0.38	0 21	2.40	0 95
Net Excise	11.99	15 21	72.05	85 03
Net total of customs and excise†	25.97	30 18	150.24	164.03

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 4th Jan., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		6,91,00,000
Bills Payable		4,01,35,000
Bills for Collection being Bills Receivable as per contra		60,80,000
Acceptances, Endorsements and Other Obligations per contra		8,02,000
Other Liabilities (including Inter-Office Adjustments)		6,49,02,000
Total	Rs.	270,75,60,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		8,33,51,000
Balances with other Banks		3,25,79,000
Money at Call and Short Notice		1,13,33,000
INVESTMENTS:		
Government and other Trustee Securities	95,59,07,000	
Other Authorised Investments	11,45,50,000	107,40,57,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	113,26,63,000	
Bills Discounted and Purchased	33,14 03,000	146,40,66,000
Bills Receivable being Bills for Collection as per contra		60,80,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,02,000
Premises less Depreciation		1,19,81,000
Furniture and Fixtures less Depreciation		58,49,000
Other Assets (including Inter-Office Adjustments)		2,01,66,000
Total	Rs.	270,75,60,000

† Figures are provisional. (a) Not known in 9 cases. (b) Not known in 14 cases.

* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	514	6,301.4	5,134.3
1953-54	648	6,576.8	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
1955-56	694	6,262.7	5,089 4
Jan., to Sept., 1955	720	7,114.6	5,833.8
Jan., to Sept., 1956	700	724.8	583.3
July 1955	705	708.9	574.4
August "	707	719.3	587.1
September "	710	720.7	591.9
October "	721	725.5	597.0
November "	724	785.7	648.0
December "	731	757.2	621.8
January 1956	739	749.9	622.0
February "	715	800.0	651.0
March "	701	780.8	643.8
April "	701	825.8	658.5
May "	710	796.5	656 2
June "	724	798.0	656 0
July "	725	793.7	659 0
August "	737	812.7	666.4
September "	—	—	—

* Excluding railway military and factory power stations. Chola Power Station being interconnected with the Tata Power System has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Saving Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.83	65	3.26	23.66	84.17	1,18.35	92.03	— 31.07	7.55	25.64	..	..	..	..	..
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,34 94	1,30.88	— 36.35	5.57	37.15	..	..	..	..	..
1955-56	3.76	1.98	5.48	27.19	1,44.36	1,58.15	1,67.86	— 38.87	4.79	41.25	7.40E	7.38	55‡‡	54
October 1955	4.14	10	5.21	2.11	1,36.38	11.35	1,48.99	— 38.23	46	39.68	9.86	16.37	45	95
November "	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.34	43	40.05	80	12.49	5	80
December "	4.00	18	5.26	2.53	1,39.48	12.94	1,52.44	— 38.44	36	40.34	82	13.20	5	85
January 1956	3.91	14	5.24	2.02	1,40.78	12 16	1,54.14	— 38.55	32	40.61	88	13.88	5	88
February "	3.83	16	5.29	2.33	1,42.37	12.87	1,56.19	— 38.66	39	40.95	84	14.73	8	91
March "	3.76	33	5.48	2.82	1,44.36	23.64	1,67.86	— 38.87	39	41.25	93	15.57	2	98
April "	3.69	24	5.54	2.12	1,45.85	14.54	1,71.05	— 38.96	36	41.25	88	16.37	3	95
May "	3.61	21	5.54	2.49	1,47.58	14.77	1,73.05	— 39.05	34	41.51	88	17.13	1	98
June "	3.54	28	5.55	2.70	1,49.48	15.24	1,76.09	— 39.15	38	41.82	85	17.91	2	1,00
July "	3.48	43	5.81	2.78	1,51.53	14.61	1,80.05	— 39.24	38	42.11	92	18.75	4	1,04
August "	3.40	29	5.82	2.53	1,53.14	14.10	1,83.21	— 39.35	38	42.42	1,01	19.68	4	1,07
September "	3.34	17	5.71	2.65	1,55.14	13 27	1,84.83	— 39.17	36	42.72	98	20.58	4	1,11
October "	3.28	16	5.69	2.38	1,56.51	13,00	1,85.99	— 39.26	34	43.00	85	21.34	3	1,13
November "	..	..	..	..	..	..	..	..	35	43.29	82	22.06	4	1,17
									25	43.39	..	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, includes those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

E-Relating to eleven months from May, 1954.

§ From July 1954.

Relating to nine months from July, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 29th Dec. 1956 §	A week ago	A month ago	A year ago
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.7	89.7	89.9	91.1
1. Government of India	89 4	89.4	89.6	90.9
2. Indian States	96.6	96.6	96.7	96.5
3. Municipal Port Trust, etc.	90.9	90.9	91.0	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.0	100.0	100.1	101.1
1. Electricity	100.9	100.9	101.0	102 6
2. Jute	97.5	97.5	97.5	98.0
3. Plantations	98.5	98.5	98.7	99 1
4. Sugar	98.5	98.5	98.5	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	102 3
8. Others	100.5	100.5	100.5	101.0
PREFERENCE SHARES	80.2	80.5	81.1	87.6
1. Electricity	87.1	87.2	87.7	95.4
2. Cotton	80.2	80.3	81.7	89 1
3. Jute	75.6	75.6	75.7	86.8
4. Sugar	83.0	83.0	83 0	99.7
5. Iron and Steel	83.0	83.0	83.0	89.5
6. Tea	83.2	83.2	82.7	85.5
7. Paper	81.6	81.6	80.3	86 4
8. Plantations	79.6	79.6	80.3	86 4
9. Miscellaneous	101.2	101.1	101.4	102 4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	73.6	74.8	75.9	84.7
(a) Financial	114 5	115 2	121 4	128 5
1. Banks	91.6	92.1	94 3	94.6
2. Insurance	92.9	93.4	95.1	93.6
3. Investment Trust	86.5	86.7	88.5	100.0
(b) Public Utilities	108 9	109.5	110 8	118 0
1. Electricity	110.1	110.6	111.3	122.2
2. Shipping and other Transport	113.6	114.6	117.8	115.2
3. Railways	81.7	81.7	82 3	122.2
(c) Manufacturing Industries	122.5	123.1	131.2	139.1
1. Cotton, Woollen	129.2	129.5	135.7	130.8
2. Silk	69.9	69.2	68.0	92.5
3. Jute	130.3	131.7	148 2	104.7
4. Iron and Steel	247.5	248.8	250.9	204.8
5. Paper	169.0	169.1	174.8	184.4
6. Cement	177.4	178.0	187.4	205.7
7. General Engineering	102.9	102.2	107.9	111.3
8. Sugar and Breweries	137.2	137.4	143.1	158.0
9. Chemicals	143.0	143.7	151.7	165.6
(d) Non-Manufacturing industries	75.6	75 8	78 0	84.4
1. Coal	203.9	203 2	223.6	264.4
2. Mining and Oil	158.3	159.6	166 2	173.7
3. Plantations	91.9	93.0	99.3	109.3
(e) Miscellaneous	89.5	89.6	89.8	91.0
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.9	89.9	90.1	91.4
1. Bombay	—	89.1	89.2	—
2. Calcutta	100.5	100.5	100.5	101.9
3. Madras	99.7	99.7	99.8	100.1
DEBENTURES OF INDUSTRIAL CONCERNS:	—	99.4	99.7	—
1. Bombay	100.5	100.5	100.5	101.9
2. Calcutta	99.7	99.7	99.8	100.1
3. Madras	710	720.7	727.0	597.0
PREFERENCE SHARES:	84.5	84.5	84.6	—
1. Bombay	73.9	74.5	75.2	83.2
2. Calcutta	96.2	96.2	96.9	98.1
3. Madras	—	124 0	130.7	—
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	100 8	101.7	107 1	117.9
1. Bombay	126 2	127.2	132 5	124 4
2. Calcutta	121.3	123.0	133.8	140.8
3. Delhi				

§ Bombay Market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	772	466,907	3,382,608
1954	840	477,139	3,375,030
1955	1,166	527,767	5,697,848
August 1956	79	51,090	322,887
September "	97	50,414	363,878
October "	88	41,724	276,294
November "	62	25,115	239,791
December "	101	54,455	262,763
January 1955†	95	49,038	322,807
February "	91	38,370	144,302
March "	105	70,042	334,096
April "	120	58,441	333,276
May "	152	91,269	1,144,011
June "	..	..	..
July "	111	55,260	660,492
August "	236	90,218	533,999
September "	251	92,619	580,031
October "	134	48,609	178,112
November "	99	45,277	239,550
December "	129	..	..
January* 1956†	107	61,050	349,655
February* "	122	69,450	678,716
March* "	146	81,367	534,983
April* "	137	64,361	555,717
May "	137	72,843	485,634
June "	152	..	..
July* "	144	99,431	529,855
August* "	129	58,290	495 007
Sept. "	142	100,503 (a)	762,341 (b)

† Figures are provisional. (a) Not known in 9 cases. (b) Not known in 14 cases.

* Revised.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	22th Dec., 1956	15th Dec., 1956	24th Dec., 1955	November 1956	November 1955	Percentage of Increase (+) or decrease (—) in Nov., 1956 as compared with Nov., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	417.7	417.7	325.3	411 6R	326 5	+26.1	313.2	339.8
Cereals	59	533*	542*	385	530 R	390	+35 9	372	331
Pulses	8	419	429 R	350	413	325	+27.1	289	280
Others	33	269*	264	234	262	237	+10.5	235	291
Industrial Raw Materials	(18)	521.1	519.3	445.0	514.1 R	418.9	+22.7	418.8	438.2
Fibres	53	501	500	441	497 R	422*	+17.8	429	417
Oil seeds	30	583	575*	454	565	403	+40.2	398	424
Minerals	10	523	533	431	528	430	+22.8	427	422
Others	7	431	431	431	461*	428	5.9	431	427
Semi-Manufactures	(17)	416.4	417.7*	350 4	416.3	338.1	+23.1	338.2	350.3
Leather	8	445	—	408	439	376	+18.8	378	376
Mineral oils	13	210	207	202	210	202	+4.0	207	221
Vegetable oils	16	634	639	425	616	392	+57.1	389 R	433
Cotton yarn	15	455	498	431	501	411	+21.9	422	454
Metals	18	327	327	279	327	277	+18.1	264	240
Oil cakes	5	468	477	351	483	366	+32.0	338	341
Others	5	363	364	330	362	330	+9.7	336	312
Manufactured Articles	(30)	388.6	386.6	272.6	387.6	373.3	+ 3.8	272.9	277.4R
Textiles	64	421	417	419	405	391	+ 3.5	408	421
Jute	11	473	457	414	448	422	+ 5.7	418	448
Cotton	45	416*	415*	396*	421*	390*	+5.5	408*	415*
Rayon and Silk	6	429*	429*	486*	421*	479*	—12.1	435*	469*
Woollen	2	266	266	278	266	278	— 4.3	284	311
Metal products	17	390	390	371	390	371	+ 5.1	259	240
Others	19	293	297	285	296	284	+ 4.2	295	290
Miscellaneous	(4)	590.6	589.2	546 6	590.6	543.3	+ 8.7	548.4	612.4
All Commodities	(100)	431.0	430.2	370.7	427 7 R	365.0	+17.2	360.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised.

*Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,283	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,527	5,711	1,844	1,649
Small millets ..	final	,,	13,095	13,799	2,103	2,456
Total cereals ..	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,293
Tur	final	,,	5,757	5,944	1,514	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡ ..	final	,,	10,579	10,590	1,858	1,959
Total pulses ..	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut ..	final	tons	12,585	13,543	3,804	4,128
Castorseed ..	final	,,	1,462	1,394	126	134
Sesamum ..	final	,,	5,733	6,501	488	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds ..	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,993	4,227
Jute†	final	,,	1,581	1,343	4,127	2,923
Mesta†	final	,,	618	533	1,201	1,018
Other crops—						
Potato	final	tons	....	665	....	1,762
Sugarcane ..	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry) ..	final	,,	37	35	15	14
Turmer (Bleak) ..	final	,,	214	208	37	36
Chillies (Dry) ..	final	,,	1,492	1,522	340	362
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During November, 1956 ..	88.8
	Corresponding month, 1955 ..	90.5
	Five months ended Nov., 1956 ..	432.4
	Corresponding period, 1955 ..	422.2
Stocks	At the end of Nov., 1956 ..	101.9
	Corresponding month, 1955 ..	83.0
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 24th Nov., 1956 ..	6,768
	Corresponding week, 1955 ..	6,507
	From 1st Jan., to 24th Nov., 1956 ..	393,140
	Corresponding period, 1955 ..	418,313
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 24th Nov., 1956 ..	41,624
	Corresponding week, 1955 ..	31,666
	From 1st Jan., to 24th Nov., 1956.	1,303,899
	Corresponding period, 1955 ..	1,221,500
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	November, 1956 ..	4.86
	Corresponding month, 1955 ..	5.25
	Five months ended Nov., 1956 ..	23.07
	Corresponding period, 1955 ..	24.49

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

Year ended	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Do. 31st March, 1955..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955..	11,54,400	10,42,900	7,81,200
Do. 31st March, 1956..	11,55,900	10,62,100	7,97,800
July 1955	94,900	84,300	64,300
August ,, ...	92,500	83,900	63,700
Sept. ,, ...	95,300	87,500	65,700
October ,, ...	91,700	83,800	64,800
Nov. ,, ...	91,900	86,200	63,400
Dec. ,, ...	103,900	97,500	72,300
July 1956	94,400	91,300	65,500
August ,, ...	97,800	88,000	66,000
Sept. ,, ...	96,400	88,800	59,700
Oct. ,, ...	96,700	91,100	71,800
Nov. ,, ...	94,700	85,800	65,100
Dec. ,, ...	101,500	93,300	66,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954..	5,80,020	5,49,930	2,92,440
Do. 31st March, 1955..	7,15,949	5,28,240	4,50,088
Do. 31st March, 1956..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
,, ,, Sept., 1954.	1,80,018	1,29,741	1,12,861
,, ,, Dec., 1954.	1,88,038	1,36,801	1,20,616
,, ,, Mar., 1955.	1,65,108	1,43,829	1,18,126
,, ,, June 1955.	1,85,605	1,34,333	1,17,281
,, ,, Sept. 1955.	1,76,181	1,30,630	1,08,714
,, ,, Dec., 1955.	1,60,750	1,34,696	1,08,752
,, ,, Mar., 1956.	1,84,450	1,41,846	1,19,860
,, ,, June, 1956.	1,48,306	1,17,710	1,03,609
,, ,, Sept., 1956.	1,74,447	1,33,325	1,13,953
,, ,, Dec., 1956.	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	August, 1955	August, 1956	Five months April to August 1955	Five months April to August 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	2,06	3,88	27,05	14,23
Raw materials	14,23	13,83	69,04	64,53
Manufactures	27,44	46,71	146,26	230,17
Other items	15	34	88	1,80
Total* ..	44,78	64,76	243,23	310,73
By land	1,64	1,79	8,75	6,74
Total Imports ..	46,42	66,55	251,98	317,47
Exports :				
By sea and air—				
Foodstuffs	15,20	19,51	54,06	69,80
Raw materials	12,51	8,05	68,23	48,64
Manufactures	23,00	20,98	106,36	97,57
Other Items	26	45	1,71	1,66
Total ..	50,97	48,99	230,36	217,67
By land	29	48	2,60	2,18
Total Exports ..	51,26	49,47	232,96	219,85
Total Re-exports ..	32	41	2,31	8,91
Balance of trade in merchandise ..	+ 5,16	—16,68	—16,73	—93,61
Balance of transactions in private treasure	— 1	— 2	— 3	— 10
Total visible balance of trade.	+ 5,15	—16,70	—16,76	—93,71
Imports : ‡				
Total C'wealth countries ..	17,05	25,79	110,87	128,34
Total Foreign countries ..	27,73	38,07	132,36	182,39
Exports : ‡				
Total C'wealth countries ..	24,66	26,86	113,80	111,62
Total Foreign countries ..	26,31	22,13	116,56	106,05

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
† Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	199	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	123
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
September 1955 ..	5,985	1,354	495	101	56	33	39	12	139	197	20	153	22	76
October ,, ..	7,016	1,660	565	115	62	38	54	14	151	239	23	179	27	90
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ..	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	139
February ,, ..	11,548	2,541	883	190	97	63	122	27	395	374	38	298	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ..	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,, ..	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,, ..	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,, ..	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,, ..	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September ,, ..	6,420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October ,, ..	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 3rd Jan., 1957 ..	56,581(J)
	Corresponding week, 1956 ..	40,329(J)
	1st Sept. 1956 to 3rd Jan., 1957..	451,649*
	Corresponding period, 1955-56 ..	438,935*
Cotton Exports‡ ..	Week ended 3rd Jan., 1957 ..	9,487
	Corresponding week, 1956 ..	11,631
	1st Sept. 1956 to 3rd Jan., 1957..	66,315
	Corresponding period, 1955-56 ..	269,053
Mill Consumption (Estimated) ..	1st Sept. 1956 to 3rd Jan., 1957..	451,802
	Corresponding period, 1955-56 ..	438,272
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 3rd Jan., 1957	447,337
	Corresponding date, 1956.. ..	472,336
Cotton Exports from Bombay (by sea)	During Sept., 1956	14,994§
	During Sept., 1955	121,362§
	1st Sept., '56 to 31st Aug., 1956..	715,663
	1st Sept., '54 to 31st Aug., 1955..	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 27th Dec., 1956 ..	683,074
	Corresponding period, 1955 ..	615,265
Exports	1st Sept. to 27th Dec., 1956 ..	269,384
	Corresponding period, 1955 ..	282,905

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1956 to 7th Jan., 1957 Bales	From 1st Sept. 1955 to 7th Jan., 1956 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	7,444	25,962
Continent ..	5,593	49,413
Hongkong ..	5,415	20,976
China	3,027	29,938
Japan	43,374	124,202
U.S.A.	475	1,808
Other Countries ..	314	4,471
Total to all foreign countries ..	65,642	256,770
Coastal Ports ..	7,360	49,967
Total	73,002‡	306,737‡

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	September, 1956	377,078
Foreign		53,725
Indian	Twelve months ended Aug., 1956	4,365,456
Foreign		608,251
Indian	Same Period 1955	4,126,438
Foreign		630,474

Stocks (Mills and Elsewhere)—		
Indian	As on 30th September, 1956 ..	1,255,274
Foreign		182,292
Indian	As on 30th September, 1955 ..	1,278,133
Foreign		173,206
Cotton Pressed in India† (In running bales) ..	Week ended 28th Dec., 1956 ..	26,666
	Corresponding week, 1955 ..	119,861
	1st Sept. to 28th Dec., 1956 ..	570,209
	Corresponding period, 1955 ..	741,637

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-28	63,30,26,000	1960-70	100§
3 % Bond	1938-39	1,16,17,46,000	1958-65	94½
2½ % Loan	1943	30,33,12,000	1954	94⅝
2½ % Fg. Loan	1942	1,10,11,78,000	1956-66	92⅝
2½ % V. Loan	1944	32,54,89,000	1957	99⅝
2½ % Loan	1945	1,15,05,85,000	1970-75	86⅝
2½ % 2nd V.Loan	1945	1,13,65,64,000	1965-67	97⅛
2½ % Loan	1951	50,35,63,000	1968	99⅜
2½ % Loan	1946	46,50,37,000	1966	98⅜
2½ % Loan	1946	57,00,69,000	1961	93⅜
2½ % Loan	1946	14,77,48,000	1970	88⅜
2½ % Loan (N.P. Bonds)	1947	75,86,72,000	1962	99½
2½ % N.P. Bonds (2nd Series)	1953	75,39,00,000	1961	99½
2½ % N.P. Loan	1954	1,56,17,92,000	1964	98⅛
2½ % N.P. Bonds	1955	1,03,67,92,000	1965	98⅛
2½ %	1956	57,27,00,000	1962	97⅜
2½ % N.P. Bonds	1956	33,32,00,000	1967	98⅛
2½ %	1956	66,64,00,000	1974	98⅛
NON-TERMINABLE LOANS				
3 %Loan	1896-97	5,93,35,000	At option of Government after three months notice. On September, 1986 or later at option of Government after three months' notice.	73 / 78
3. % Loan	1948	2,48,91,47,000		
REPATRIATE STERLING LOANS				
4½% Loan	1928	£5,85,73,000	1958-68***	102⅜
STATE LOANS				
4 % Andhra	1956	4,50,00,000	1st Sept. 1967	97-18½
4 % Andhra	1956	5,00,00,000	3rd Sept. 1968	97⅜
4 % Bombay	1944	3,06,66,000	15th Aug. 1958	98½
4 % Bombay	1949	2,85,66,000	1st Aug. 1962	94½
3½ % Bombay	1950	2,37,32,000	31st July 1960	90½
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98½
3½ % Bombay	1953	5,42,28,000	15th July 1963	100½
4 % Bombay	1953	3,55,57,000	1st Aug. 1964	100½
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99⅜
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99⅜
4 % Bihar	1955	5,00,00,000	1st Sept. 1967	98
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97⅜
4 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½ % Cochin	1936	70,00,000	1st June 1956-61	93½
3½ % Howrah Bridge (New)	1936-37	1,95,98,700	1956-66	95½
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99½
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99⅜
4 % Madras	1939	1,28,95,000	21st June 1959	98⅜
4 % Madras	1944	1,17,25,000	15th Aug. 1958	98⅜
4 % Madras	1945	2,78,44,000	14th Sept. 1960	96½
4 % Madras	1946	2,81,77,200	1st Sept. 1961	93-7½
3½ % Madras	1950	4,26,25,400	31st July 1960	96-4½
4 % Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1953	10,35,68,000	15th July 1963	99⅜
4 % Madras	1955	8,58,58,200	15th July 1963	99⅜
4 % Mysore(J)	1933	5,99,72,900	30th Apr. 1956-61	99
4 % Mysore	1947	3,08,05,700	25th Jan. 1958	99½
4 % Mysore	1948	2,47,87,400	15th July 1963	99-5½
4 % Mysore	1954	3,54,94,000	1st Sept. 1967	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97-14½
4 % M. P.	1944	82,89,800	15th Aug. 1958	98½
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1963	99½
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97⅜
4 % Saurashtra	1955	2,61,66,000	1st Sept. 1967	99½
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99
4% Trav. Cochin	1952	2,00,00,000	15th July 1963	99⅛
4 % Trav. Cochin	1956	5,00,00,000	3rd Sept. 1968	98
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	96
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98
3 % U.P.	1945	2,17,32,700	14th Sept. 1960	96
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	93⅜
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	97⅛
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	99⅛
4 % U.P.	1953	5,65,15,500	15th July 1963	99⅛
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	98⅛
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97⅜
4 % Rajasthan	1956	2,00,00,000	3rd Sept. 1968	97⅜
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97⅜
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99⅛
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97⅜

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not ma
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest free to first 15 years. §—Interest free for first

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
56,50,000	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1965	
75,00,000	4	1908	1965	99⅛N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,25,876	4	1913	1974	D
80,00,000	4	1913	1974	99⅛N
85,35,000	4	1914	1975	99⅛N
10,00,000	4	1914	1965	
55,00,000	4	1915*	1975	
61,51,000	4	1922*	1960	
12,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
12,50,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,74,800	4	1914	1974	99
75,20,100	4	1915	1976	99
1,50,00,000C	4††	1921	1981	92
68,02,300C	6½	1921	1981	144N
1,49,00,000C	5	1928	1957-87	106
1,49,30,000	5	1928	1958-88	102
80,00,000	4‡	1931	1991	95
80,00,000	4½	1935	1968	97⅛
25,00,000	3	1938	1938-68	90
50,00,000	3	1945	2005	74
50,00,000	3	1945	2005	85
50,00,000	3	1946	1976	84⅜
50,00,000	3	1946	2006	74
50,00,000	3	1947	1977	79½
50,00,000	3	1948	1978	82⅜
50,00,000	3	1949	1959	97
50,00,000	3	1950	1960	97
50,00,000C	3	1950	1980	82
1,00,00,000	3	1950	1980	85½
1,00,00,000	3	1950	1980	85½
50,00,000	3	1951	1981	81
1,50,00,000	3	1951	1961	98½
50,00,000	4	1953	1983	100
50,00,000	4	1953	1983	96⅜
90,00,000	4	1955	1985	95
77,00,000C	4	1956	1986	97⅜
78,00,000C	4	1956	1986	97⅜
STERLING LOANS				
£892,600	5	1922	1953-83	47½‡
£901,000	5	1924	1954-84	47½‡
£885,100	5½	1933	1963	50½‡
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	
9,88,000‖	3	1947	1977	
10,00,000‖	3	1949	1979	A
45,00,000‖	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
20,00,000	4	1901	1961	
20,00,000	4	1902	1962	
40,00,000	4	1903	1963	
20,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
40,00,000	4	1906	1966	
15,00,000	4	1907	1967	
20,00,000	4	1908	1968	
35,00,000	4	1912	1972	
18,00,000	4	1913	1961	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	4	1916	1957-79	118N
65,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	113N
25,00,000	5	1927	1951-70	96N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1969	£95½N
£388,000		1910	1970	£95½N
‡Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1920	1959	107
50,00,000	4	1924	1964	99½
35,00,000	4½	1925	1965	94
20,00,000	3	1926	1956	90
30,00,000	3	1927	1968	91
20,00,000	3	1937	1968-88	90
50,00,000	4	1952	1962	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
20,60,000	4	1918-19	1974	96⅜
10,00,000	5	1920	1980	113N
25,00,000	5	1920	1950	90
8,45,500	5	1929	1954-89	102
28,21,500	5	1929	1959	
8,25,00,000	3½	1946	1966	86½
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1985	86½
2,50,00,000	3½	1950	1980	86½
2,50,00,000	3½	1951	1966	97½
2,00,00,000	3½	1951	1966	97½
1,00,00,000†	4	1953	1963	99½
1,00,00,000†	4	1954	1966	99½
2,50,00,000	4	1955	1967	99½
Rs.		**CALCUTTA**		Rs.
36,00,000	5	1925	1958	108
25,00,000	5	1929	1957	102
25,00,000	5	1929	1958	102½
10,00,000	3½	1932	1962	108
23,91,000	3½	1935	1965	94
60,00,000	3	1936	1966	90
27,50,000	3	1938	1968	90
15,56,800	4	1938	1968	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	97
15,40,000	3½	1942	1962	97½
16,32,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97½
87,50,000	4½	1952	1962	99½
72,50,000	4½	1954	1979	99½
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	102½N
15,00,000	3½	1952	1962	102½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
4 % W. Bengal	1952	5,00,00,000	1st Aug. 1964	99⅛
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99⅛
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	98⅛
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	97⅜

N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6	Mar. Sep.	100	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	128	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	61	5
¶East India Distilleries ..	£200,000	1927	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	65	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	4,00,000	1933-36	6	Aug. ..	100	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	78N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,725	90,10,670	45,05,372	98,989	Rajputana Textiles (Agencies) Ltd.	55,008	898	Apollo Mills	2-7½	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	50,596	1,021	B. R. Cotton Mills	47½	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98,000	2,99,72,778	4,92,35,445	3,29,59,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,068	4,855	Bombay Dyeing & Mfg. ..	648½	250	25 8*	20 0	25 0*	7 81	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd.	44,784	800	Bradbury Mills	217½	50	100 0*	75 0*	12 8	20 0	3	Y.P.
1,09,42,800	2,62,96,826	2,81,83,264	1,97,06,117	6,84,956	Birla Brothers Private Ltd. ..	1,26,344	2,698	Century Spg. & Mfg.	485	100	22 0	22 0	22 0	8 01	12	Y.
49,00,000	25,42,326	1,19,99,766	55,07,095	—39 08,997	V. J. Patel (Chairman and Managing Director)											
26,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd. ..	40,608	798	Colaba Land & Mill	85	100	Nil	Nil	Nil		12	Y.
16,00,000	24,56,594	69,10,561	54,66,041	2,17,076	Ramnarain Sons, Ltd.	30,828	680	Coorla Spg. & Wvg.	180	100	7 8	7 8	7 8	12 8*	3	Y.
24,00,000	40,06,435	76,75,267	56,21,788	2,83,643	Puranmal Bubna Sons	40,592	..	Dawn Mills	162½	50	5 0	5 0	15 0		12	Y.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,81,354	M.	50,084	923	Edward Textiles	310	200	15 0	15 0	15 0		12	Y.
50,98,900	70,11,878	1,23,86,513	74,17,807	1,67,199	James Finlay & Co., Ltd.	41,300	886	Elphinstone Spg. & Wvg. ..	48	50	Nil	3 0	5 0		12	Y.P.
11,64,000	76,64,589	1,27,76,810	99,11,500	9,823	Thackersey Mooljee & Co. ..	49,672	1,122	Finlay Mills	300	100	16 0	16 0	20 0		12	Y.
16,000								Hindoostan Spg. & Wvg. Mills	992½	250	56 4*	56 4	75 0	18 12½	3	Y.P.
2,00,00,000	62,50,899	4,68,15,552	8,89,00,000	1,93,112	Agarwal & Co.	2,33,812	6,413	India United Mills	11¼	0 100.	0 10	Nil	0 15	0 10½		
50,00,000D									1-12½	0 12.	0 1	Nil	0 3	0 11	12	Y.
6,85,000	74,24,048	1,30,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,250	1,000	225 0*	225 0	300 0		3	Y.P.
15,00,000										500	112 8*	112 8	150 0			
59,85,000	55,07,881	2,73,73,670	2,03,22,188	26,228	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg.	317½	100	10 0	8 0	10 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,68,14,796	83,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	317½	100	10 0	8 0	10 0	6 0	12	Y.
22,18,055	41,00,722	1,01,74,348	55,49,115	81,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	100N	50	5 0	5 0	8 0*	6 01	10	Y.T.
51,75,000	37,05,298	2,85,58,597	1,76,19,559	1,41,489	Piramal & Sons	70,416	1,552	Morarjee Goculdas Spg. & Wvg.	240½	100	12 0	14 0	14 0	15 0	6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd. ..			National Rayon Corporation ..	234½	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,858	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg. ..	141½	100	10 0	10 0	10 0		12	Y.
24,00,000	14,61,250	92,85,599	61,42,741	4,980	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	240	100	10 0	7 8	10 0		12	Y.P.
48,00,000	30,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	136½	100	8 0	8 0	10 0		12	Y.
48,00,000	46,70,899	89,55,049	52,00,000	2,90,877	Podar Sons, Ltd.	32,600	980	Podar Mills	163½	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	9½	10	0 12	0 8			12	Y.
37,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	89	10	1 4	1 12	1 12		12	Y.
80,00,000	47,70,061	90,20,958	55,27,025	1,47,422	Marwar Textiles (Agency) Ltd. ..	66,836	1,640	Shree Niwas Cotton Mills ..	187½	100	14 0	14 0	12 0		12	Y.P.
42,00,000	38,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	180½	50	15 0	11 0	10 0	12 0	3	Y.
87,80,000	2,29,15,720	2,51,28,009	1,87,85,474	12,888	Mafatlal Gagalbhai & Sons ..	52,086	1,683	Standard Mills	435	100	20 0	20 0	20 0		12	Y.P.
99,85,700	84,69,716	2,25,87,647	1,19,01,809	67,611	Tata Industries Private Ltd. ..	72,238	2,000	Svadeshi Mills	220½	100	16 0	8 0	12 0		12	Y.P.
66,00,000	66,38,485	1,28,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd.	38,823	852	Swan Mills	405	100	20 0	20 0	25 0		12	Y.
65,57,000	61,96,876	1,77,34,889	68,44,658	48,485	Tata Industries Private Ltd. ..	62,096	1,800	Tata Mills	48	25	1 8	2 8	4 0		12	Y.P.
12,00,000	68,58,709	1,15,85,489	81,90,000	2,816	Thackersey Mooljee Son & Co. ..	64,186	1,209	Western India Spg. & Mfg. ..	5,180	1,000	225 0*	225 0	300 0	75 01	3	Y.

AHMEDABAD

40,00,000	21,50,000	1,45,70,888	69,76,844	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	180	100	10 0*	5 0	7 0	12 0	6	Y.P.
10,00,000	94,55,068	94,37,398	76,10,152	27,288	P. M. Futherseng & Co., Ltd. ..	44,220	912	Aruna Mills	601½	100	20 0*	20 0	20 0		12	Y.P.
26,25,000	2,55,30,694	1,66,65,504	1,16,00,000	76,788	Harivallabh Lalbhai & Co. ..	62,446	1,216	Arvind Mills	1,132	100	25 0	25 0	25 0*		12	Y.P.
20,00,000	81,75,000	96,34,384	72,25,000	2,46,889	Mangaldas & Bros. Ltd.	37,164	892	Aryodaya Ginning & Mfg. ..	535	100	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,84,953	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,030	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35,76,233	4,61,25,352	2,38,88,344	2,81,712	Karamchand Premchand Ltd. ..	1,39,120	2,573	Calico	545½	125	18 0	18 0	....	30 0	12	Y.P.
62,87,000	24,68,000	1,21,06,843	89,25,000	2,760	Tricumlal Bhoglial & Co., Ltd.	45,836	866	New Commercial Mills	1,225	1,000	70 0	70 0	80 0		3	Y.P.
20,00,000	72,52,438	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	842	125	35 0	35 0	35 0		12	Y.P.
10,00,000	58,48,000	50,63,197	37,98,317	16,558	Jagabhai Bhoglial Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	390	100	30 0*	30 0*	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,439	50,39,888		Lalbhai Dalpatbhai & Co. ..	82,828	636	Rajpur Mfg.	1,010	100	25 0	25 0	35 0*		12	Y.P.
83,50,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Lallubhai Gordhandas Ltd. ..	33,156	848	Rohit Mills	163½	100	9 0	9 0	Nil		12	Y.P.
20,98,150	2,02,34,538	1,76,92,842	1,52,75,000	3,23,290	Harivallabhdas Kalidas & Co.	48,314	1,128	Shri Ambica Mills	885	50	40 0	40 0	27 0*		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. .. (Ahmedabad), Ltd.											
30,00,000	90,34,191	1,09,66,008	78,35,291	84,644	Haridas Ashralal & Co., Ltd. ..	35,624	782	Shorrock Spg. & Mfg.	565	100	20 0	25 0*	25 0		12	Y.
						36,176	780	Vijaya Mills	600	100	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,42,800	24,93,029	21,88,830	61,576	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	6½	10	0 4	0 8	0 8		12	Y.P.T.
7,08,060	9,10,617	73,14,055	52,09,911	59,390	Bengal Textile Agency, Ltd. ..	32,544	98	Bengal Luxmi Cotton Mills ..	40N	40	Nil	4 0	4 0		3	Y.P.
6,00,000	22,72,414	89,08,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	100	Nil	Nil	Nil		4 0	6,12	H.P.
1,50,00,000	2,19,43,320	3,76,19,833	1,21,26,833	1,86,572	Birla Brothers Private Ltd.‡	70,384	1,990	Kesoram Cotton Mills	14½	10	1 12	0 14	0 14	1 0	3	Y.P.
5,00,000D	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23,086	798	Rampooria Cotton Mills ..	15½N	10	0 8	Nil	1 0		3	Y.
									21N	1D	Nil	Nil	0-6 11/25			

SOUTH INDIA AND OTHER CENTRES

11,98,600	5,57,596	81,86,764	15,64,243	3,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	Nil	12 8	15 0	6	Y.
71,94,000	35,91,264	1,84,91,550	50,76,338	1,86,043	Industrial Trust Fund	36,136	708	Azam Jahi Mills	92	100	6 0	Nil	3 8(e)		9	Y.
40,50,000	2,00,58,745	3,24,98,906	2,42,38,258	2,85,849	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	543½	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	8½	10	0 4½	Nil 1			3	H.P.T.
25,00,000	1,09,48,251	1,19,14,492	87,76,992	4,25,221	Birla Brothers Private Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	30N	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,78,52,500	6,38,09,203	3,52,32,130	2,38,445	Binny & Co. (Madras), Ltd...	1,20,356	2,787	Buckingham & Carnatic	174	100	10 0	10 0	10 0		3	Y.T.
20,00,000	20,00,000	89,69,354	21,66,351	27,593	Petrce, Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	14½	10	0 12	Nil	9 8	4 01	12	Y.P.T.
30,00,000	29,51,420	69,40,329	51,72,376	8,994	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	163	100	12 0	20 0	12 0	15 0	3	Y.
9,37,470	2,00,000	50,87,536	36,07,636	36,767	Begg, Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	5½	5	0 0	Nil	0 4	12 0	3	Y.
12,00,000	20,60,000	84,68,396	57,86,527	34,164	R. Bheema Naidu & Co.	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	12	10	Nil	Nil	0 10	0 12	3	Y.P.T.
20,00,000	19,95,000	36,59,430	24,25,921	14,823	T. R. N. Naidu & Co.	25,864	..	Coimbatore Cotton Mills ..	376	100	20 0	25 0	25 0		12	Y.
30,76,900	5,076	1,13,00,880	95,58,242	21,922	K. G. S. Naidu & Co.	23,738	..	Coimbatore Pioneer Mills ..	290	100	15 0	20 0	30 0		12	Y.
1,67,87,550	46,12,622	2,50,83,371	1,62,61,854	13,215	Tata Industries Private Ltd. ..	67,228	1,620	Coimbatore Spg. & Wvg. ..	90½	50	3 0s	6 0	8 0		12	Y.
3,88,36,225	3,06,82,110	11,16,21,472	5,81,67,327	1,28,712	B. R. Charat Ram & Co., Private Ltd.	1,16,686	2,354	Contai Textiles	122	700	5 0	2 0	3 0	Nil	6	Y.P.
1,00,563								Delhi Cloth & General Mills	35N	100	25 0	25 0	30 0		3	Y.P.
24,34,800	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	370	100	20 0	30 0	30 0		12	Y.P.
63,00,000	66,33,360	1,52,16,382	1,29,71,681	98,386	Begg, Sutherland & Co., Ltd. ..	48,452	1,198	Elgin Mills	317½	100	6 0	6 0	10 0		12	Y.P.
45,31,000	35,22,175	1,00,55,167	68,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	27,674	4	Gokak Mills	217½	100	17 0	15 0	15 0		12	Y.P.
60,00,000	6,16,447	1,33,91,953	1,12,28,576	9,551	K. L. Seksaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	136½	100	6 0	6 0	9 0		12	Y.
8,90,000	10,65,683	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd.	24,828	..	Janardhana Mills	101	50	4 8	5 0	10 0	5 01	12	Y.T.
32,42,635	19,25,000	93,32,480	32,49,160	41,492	Kothari & Sons	43,000	800	Kothari Textiles	16½	10	0 8	0 8	1 0		12	Y.T.
82,00,000	68,30,185	1,48,62,650	1,12,94,204	14,744	Ramkrishna Cotton Mfg. ..	51,972	1,219	Lakshmi Cotton Mills	680	250	37 8	33 12	42 8	12 81	12	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	260	50	5 0	10 0	12 8	12 8	12	Y.P.
17,82,050									125	25	2 8	5 0	6 4	6 4		
1,75,02,480	4,13,81,878	5,73,76,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	47½	15	8 0	3 0	3 0		12	Y.
12,00,000	4,17,363	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Brothers.	22,592	100	Malabar Spg. & Wvg.	108	200	8 0	Nil	Nil		12	Y.
60,00,000	69,00,000	68,79,627	43,29,784	45,885	W. A. Beardsell & Co., Ltd. ..	24,720	602	Mettur Industries Ltd... ..	420	100	12 8	22 8*	35 0	12 8	3	Y.
29,80,884	19,81,581	89,75,246	49,34,738	16,588	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	90	100	7 0*	5 0(e)	6 0	12 8	3	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	51,840	948	Model Mills (Nagpur)	175	250	7 8*	5 0(e)	7 8(e)	7 8	6	
30,00,000	32,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,884	Muir Mills	94N	100	Nil	Nil	Nil		12	Y.P.
24,83,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd.	50,480	500	Mysore Spg. & Mfg.	101½	50	10 0*	3 8*	6 0(e)	9 0*	12	Y.P.
18,61,780	6,600	29,25,252	15,12,701	—1,50,653	R. Surveyanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills ..	7½	10	Nil	Nil	Nil	Nil	3	Y'h
22,39,8820									1½	0. 2½	Nil	Nil		Nil		
8,07,096D	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd. ..	52,428	1,225	New Victoria Mills		D. 1	Nil	Nil			12	Y.P
87,19,500	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	77	100	4 0	Nil	2 8(e)		3	Y.
4,00,000A	6,50,000	89,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	150	50A	12 0	12 0	12 0		3	Y.P.
6,00,000B									220	75B	18 0	18 0	18 0			
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	77	100	Nil	Nil	4 0(e)		12	Y.
16,81,2004	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co. ..	51,664	301	Radhakrishna Mills	325	100A	8 0	16 0	20 0		12	Y.
8,40,000B									170	50B	4 0	8 0	10 0			
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	181	50	8 0	10 0	10 0		12	Y.
12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	Nil	Rajapalayam Mills	154	100	4 0	6 0	10 0		12	Y.P.
52,52,425	12,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Spg. & Wvg. ..	152½	100	6 0	9 0	10 0	10 0	12	Y.
60,00,000	62,41,[illegible]	1,00,25,428	55,85,414	—15,16,725	J. P. Srivastava & Sons (Rampur).	34,582	600	Raza Textiles	721N	10	Nil	Nil	Nil		12	Y.P.
15,90,000	1,60,55,917	3,13,49,031	2,05,07,227	—1,65,20,798	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	1,450	1,000	Nil	Nil	Nil	Nil	3	Y.P.
10,000										500	Nil	Nil				
26,09,700	17,10,000	81,44,272	65,63,316	1,09,148	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	110	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,500	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,380	440	Shree Sajjan Mills	80N	100	Nil	Nil			3	Y.
15,00,000	2,43,80,155	99,62,153	79,53,780	30,60,553	Birla Brothers, Private Ltd. ..	35,556	1,242	Sutlej Cotton Mills	106N	10	4 0	5 0	6 0	6 0	3	Y.
17,50,000D	2,30,00,000	4,54,40,847	1,70,83,150	1,09,029	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	11½	100.	0 8	0 12	0 12		12	Y.P.
7,50,000PO									11½	10F.O.	0-14 2/5	1-3 2/5	1-2 2/5			
1,00,00,000	30,14,738	3,80,55,217	3,37,16,775	2,63,771	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	14	10	0 8	0 10	0 12		12	Y.P.T.
13,98,570	8,75,538	17,39,181	11,37,736	1,506	Moolji Ramjee & Sons	17,600	..	Trichinopoly Mills	13½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.
31,00,000	24,50,000	71,33,723	40,63,168	56,000	R. K. Chetty & Brothers	45,974	870	Vasanta Mills	325	100	12 0	15 0	20 0		12	Y.
22,00,000	24,43,971	1,64,67,122	1,05,10,223	22,125	Bombay Co., Ltd.	40,490	1,231	Vishnu Cotton	138½	100	4 0	4 0	8 0	2 81	12	Y.P.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (5) For six months ended 31st December 1956.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						Deccan Sugar & Abkhari	11½	5	Nil	Nil	0 8	0 4f	8	Y.P.
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Dyer Meakin Breweries	5½	5	0 8	0 8	0 9	0 9	8	Y.
16,20,030	26,75,014	29,38,961	16,23,422	9,736	Mr. K. G. Khanna		23½	A. 10th.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1	9	Y.P.
						East India Distilleries and Sugar	B. 51	Sh. 4	Sh. 3	Sh. 4				
85,80,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.		187½	75	15 0	15 0	15 0	7 81	3	Y.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vital Mallya, Esq., (Chairman)	United Breweries								

CEMENT

51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,6600.	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	Nil	Nil	Nil		3	Y.P.T.
4,70,976D.							131½	O. 100	9 8	8 8	10 0	10 0	7	Y.T.
12,71,97,253	8,46,99,450	27,75,38,613	9,34,43,675	2,93,968	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	14½	O. 10	1 0	1 0	1 4			
60,00,0000.							3½	O. 2½	0 4	0 4	0 6		12	Y.P.
26,50,0000.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	44	D. 1	0 1-3/5	0-1 3/5	0 2			
5,00,000D.							23½	O. 25	Nil	1 4	1 14	2 1	3	Y.P.
62,45,7500.							5-10½	D. 5	Nil	Nil	0 6	0 6 3/5		
7,50,000D.	19,00,000	1,61,41,304	54,02,378	2,97,128	Dalmia Agencies Private Ltd.	India Cements Ltd.	13	10	0 12	1 4			12	Y.P.
67,98,500	31,41,935	1,33,18,049	89,73,404	6,03,215	Shree Digvijay Cement	Or

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	36,71,841	2,02,57,919	1,49,29,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105N *	25	1 9	3 2	4 11		6,12	H.P.T.
66,00,000	66,05,611	1,15,51,257	79,71,998	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	22	10	12 0	14 0	7		3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16½	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,45,82,500	2,16,71,731	4,58,61,778	1,07,73,652	2,12,435	Birla Brothers Private Ltd...	Orient Paper	30	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,35,97,395	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	17½	10	1 8	1 8	0 10		6,12	H.P.T.
20,00,000														
18,00,000'A.' }	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	{ 10½	O. 10	0 12	0 12	1 4		3,9	H.P.T.
							10½	A. 10	0 12	0 12	1 4			
56,00,000A.														
56,04,800B.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	{ 36½	A. 10	2 0*	1 8	2 0*	1 2f*	3,9	H.P.
4,37,500P.O.							36½	B. 10	2 0*	1 8	2 0*	1 2f*		
							4½	P.O. 2½	0 4	0 4	0 4	0 2f*		
						PRESSING								
5,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
						PROPERTY AND LAND								
19,99,7800. }	6,93,332	43,52,570	22,68,279	36,000	S. A. Basti, Esq., & others (Directors)	Humayun Properties	{ 13½	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D.							2½	D. 1	0 4/5	*Nil*	0 9 3/5			
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	7½	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,70,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	28	100	1 8	4 0	3 0	*Nil*	4	Y.P.
						SAW MILLS AND TIMBER								
12,99,998	28,05,545	31,61,533	10,78,833	—5,14,587	Bird & Co. Private Ltd.	Assam Saw Mills	3½	2	*Nil*	*Nil*	*Nil*			
50,00,000 }	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corps.	{ 656½	Old125	15 0	20 0	37 8	11 4½	9	Y.
43,00,000							235	New50	6 0	8 0	15 0	4 8½	5	Y.
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd. ..	Bengal Timber Trading	85N	100	*Nil*	*Nil*			6	Y.P.
90,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	45½	10	2 8	2 12	3 0		9	Y.
						SUGAR (U.P and Bihar)								
14,00,000	11,41,237	39,45,224	35,97,228	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	5½	5	*Nil*	0 12	0 1		6	Y.
12,00,000A. }	29,18,356	49,46,[illegible]	23,16,665	20,30,666	Narang Bros. & Co., Ltd.	Basti Sugar	{ 145N	A. 100	10 0	10 0			} 4	Y.
3,00,000B. }							143N	B. 10	1 0	1 0				
19,49,050	5,50,000	33,35,382	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	10½	10	0 12	0 12	0 12		2	Y.
15,00,000	19,[illegible]	16,40,479	11,77,841	18,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	28,37,080	1,36,00,775	92,37,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7½	10	*Nil*	0 12	0 4		6	Y.P.T.
35,00,000	57,83,651	1,03,44,647	54,32,451	51,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	17½	10	2 0	0 12	0 12		10	Y.P.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	24	10	1 0	1 0	1 8		10	Y.
5,99,452	6,18,562	24,88,530	15,83,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			8	Y.T.
50,00,000A. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	{ 285N	A. 100	15 0*	15 0*	15 0*		6	Y.P.
10,00,000B. }							100	O. 100	15 0*	15 0*	15 0*			
12 00,000	8,61,001	75,81,309	42,68,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	65N	80	*Nil*	*Nil*	4 8		7	Y.P.
							394N	40	*Nil*	*Nil*	2 4			
7,89,100	22,14,058	34,94,612	19,35,832	1,864	Cotton Agents Ltd.	New India Sugar Mills	32N	10	2 8	2 8	2 8		6	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6	10	0 4	0 4			5	Y.
16,87,500A. }	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	{ 240N	100	20 0	20 0	20 0		6	Y.
2,71,875B. }							60N	25	5 0	5 0	5 0			
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	148N	100	11 0	11 0	11 0		7	Y.P.
12,00,040	12,74,233	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	105N	100	10 0	10 0			10	Y.
9,00,000	17,64,369	37,85,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	17	10	1 0	0 12	0 12		10	Y.
8,00,000	8,31,129	26,43,262	21,70,524	5,234	M.	Ryam Sugar	20½	10	0 8	0 8	*Nil*		6	Y.P.
11,99,000	18,86,779	38,03,583	22,92,180	8,477	M.	Samastipur Central Sugar ..	12	10	0 8	0 8	*Nil*		6	Y.P.
40,00,000	22,68,560	1,35,20,110	62,59,521	24,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 12		8	Y.
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.P.T.
7,95,468	18,82,940	31,60,735	17,68,062	1,06,227	Karamchand Thapar & Bros.	Shri Sitaram Sugar	15½	10	2 0*	1 8*			6	Y.
3,15,0000. }	47,592	27,42,197	11,46,770	—16,14,608	N. K. Jain & Co., Ltd... ..	South Behar Sugar	11	O. 10	*Nil*	*Nil*			3	Y.T.
4,40,000D.							1N	D. 2½	*Nil*	*Nil*			} 10	Y.P.
8,00,000	21,91,585	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	Y.P.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	James Finlay & Co., Ltd. ..	United Provinces Sugar	17	10	0 8	1 4	1 8		9	Y.
						Other Centres								
70,49,650	95,62,027	1,48,40,834	1,08,91,570	52,911	W. H. Brady & Co., Ltd.	Belapur Company	244	50	16 0	16 0	16 0	16 0Z	9	Y.
17,50,000	9,24,202	33,03,879	21,36,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	16§	10	0 10	1 0	1 0		9	Y.
15,98,900	2,45,841	39,19,958	20,01,146	51,998	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	75N	100	*Nil*	*Nil*			9	Y.P.
47,94,920	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	16§	10	2 8	1 12	1 6 2/5		9	Y.P.
23,57,620	45 51,080	42 51 227	21,95,827	18,645	Govan Bros.(Rampur), Ltd. ..	Buland Sugar	14‡N	10	1 0	1 0	1 0		10	Y.
19,52,200D. }	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	{ 132‡	O.100	7 8	7 8	7 8		10	Y.
2,87,190D.							160	D. 10	10 0	10 0	10 0		6	Y.P.
21,79,280	95,00,001	1,31,37,677	78,17,730	2,90,840	S. Muninanjappa, Esq., (Managing Director)	Mysore Sugar	45cd	10	2 0	2 0	2 0		6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	145‡	50	6 0	8 0	8 0		6	Y.
16,59,820	85,50,830	16,01,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	23‡	10	2 0	1 8	2 0		9	Y.
20,00,000D. }							15N	O. 10	*Nil*	*Nil*	2 8		} 9	Y.P.T.
4,00,000D.	21,76,092	89,12,138	58,60,383	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	7N	D. 10	*Nil*	*Nil*	1 0			
19,99,800	47,65,324	46,85,213	32,94,524	44,195	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	15‡N	10	1 0	0 12	1 0		6	Y.
80,00,000	9,19,000	59,87,203	22,10,844	45,098	Parry Co., Ltd.	Travancore Sugars	12‡	10	*Nil*	*Nil*	0 12	1 0	10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,31,172	M.	Walchandnagar Industries	255	100	14 0	16 0	18 0	1 0	7	Y.P.
						TRANSPORT							9	Y.P.T.
20,00,000	1,00,59,622	1,24,00,702	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	189	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,619	4,41,65,864	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
60,00,000	81,60,611	3,31,00,904	59,55,703	88,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	167	10	1 0	1 0	*Nil*	1 8	6	Y.P.
£555,580	£1,098,198	£5,614,160	£3,397,531	£52,063	Kilburn & Co., Private Ltd.	India General Navigation & Rly. Co.	£10	£10	*Nil*	Sh. 1 0	Sh. 10		6	Y.P.
$25,00,000	89,99,232	9,64,47,044	2,22,99,146	25,920	Lionel Edwards Ltd.	India Steamship Co.	91	10	0 8	*Nil*	*Nil*		12	Y.P.
$40,19 673	6,94,02,081	18,36,03,413	4,34,44,300	2,75,683	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co. ..	18-3‡	20	0 12	0 8	1 0	1 0	8	Y.P.
$4,40,000D.							2‡	O. 1	as. 1 3/25	1 23/2	as 2 6/25		} 12	Y.
10,200P.O.	19,68,266	11,55,483	7,29,969	1,34,498	R. R. Alyer, Esq., (Manager) ..	Walford Transport Ltd.	1‡	P.O. 1	as. 10/25	1 19/25	as.123/25			
						UNCLASSIFIED (Bombay)								
2,40,000	71,000	5,68,321	4,22,863	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	Y.
15,98,860	2,04,173	2,26,474	56,040	1,99,851	M.	Bombay-Uganda	62‡	80	5 0	4 8	*Nil*		9	Y
25,00,000	1,00,000	22,87,314§§	....	225	M.	Devkaran Nanji Investment Co.	11‡	10	0 12	0 12	0 12	0 13	12	Y
30,17,960	13,68,888	86,39,283	59,24,587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	28	10	4 0	4 0	4 8		3	Y
14,98,840	8,42,585	28,00,560	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	142‡	100	8 0	10 0	10 0		3	Y.
99,99,250	19,47,386	1,22,03,604§§	....	3,83,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	39‡	50	*Nil*	3 0	2 0		12	Y.P.T.
99,99,975	35,08,351	35,47,826	8,04,331	4,559	K. G. Milne, Esq. (Mg. Director)	Kilick Industries	70	100	4 0	4 0	4 8		12	Y.
2,20,11,775 A.O.	39,14,265	3,06,59,151	1,45,05,326	6,05,448	Aero-Auto Private Ltd.	Premier Automobiles	164‡	100	10 0	11 0	11 0	11 0	12	Y.
10,21,200	5,63,605	13,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	102	100	*Nil*	*Nil*	*Nil*		6	Y.
2,75,00,000	73,75,000	3,03,67,181	1,63,71,846	5,61,984	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co.	165‡	100	11 0*	11 0*	11 0*		12	Y.
45 00,000	55,24,247	7,24,508	3,07,108	30,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
						Other Centres								
47,50,000 }	1,94,82,556	3,73,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd ...	Aluminium Corporation of India Ltd.	{ 10§	O. 10	*Nil*	*Nil*	*Nil*	0 8		
2,50,000 }							63	D. 2½				*Nil*		
40,00,000	28,25,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	20‡	10	1 4	1 4	1 4*	1 4	3	Y.P.T.
30,00,000	35,05,079	32,06,026	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	18‡	10	1 4	1 4	1 4*	1 4	3	Y.
20,00,000	8,85,000	38,39,494	20,52,060	1,18,395	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co.	20‡	10	1 4*	1 4*	1 4*		3	Y.
20,00,000	27,47,883	1,01,49,337	32,87,830	32,583	Oberoi Hotels (India) Ltd.	Associated Hotels of India	104N	10	0 3 1/5	0 3 1/5	0 6 2/5		12	Y.
20,01,400	1,16,53,000	67 47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	150	100	20 0*	13 0‡	12 8		12	Y.
12,00,000	9,10,000	31,37 448	24,05,448	76,830	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	15N	100	1 8	2 8	2 4	1 21	6,12	Y.
20,00,000	7,95,430	62,57 994§§	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17‡	10	0 8	1 0	1 0		12	Y.
45,97,020	30,11,814	1,10,56,424	23,87,839	1,79,577	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	15	10	0 8	1 0	1 4	1 4	9	Y.P.T.
3,25,00,000	1,16,11,805	2,82,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	8-3‡	5	0 8	1 0	1 0	1 0	3	Y.P.T.
1,88,80,000	17,84,264	2,03 27 282§§	....	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	10‡	10	0 4 1/5	0 3 1/5	0 9	1 6	12	Y.
1,50,00,000	3,14,36,174	5,15,52,036	2,20,82,990	11,71,686	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	24‡	10	1 8	1 8	1 8		3	Y.
51,25,000	54,12,212	1,42,47,665§§	....	3,06,138	Bird & Co. Private Ltd.	Eastern Investments Ltd.	129	100	9 0	9 0	9 0		12	Y.P.
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd... ..	Ganges Rope Co., Ltd.	155	100	20 0	15 0	15 0		3	Y.P.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	13	10	7 8	7 8	1 6 2/5		3	H.
30,00,000	14,67,354	81,29,620	25,66,932	7,458	B. P. R. Syndicate	Great Eastern Hotel	225	10	15 0	6 4	6 4	15 0	3	Y.
4,98,05,700	....	3,94,18,142	1,21,88,541	6,18,064	Birla Brothers Private Ltd... ..	Hindustan Motors	7½	10	*Nil*	*Nil*	*Nil*		3	Y.
1,60,00,000	46,77,754	4,16,74,246	1,74,75,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	14‡	10	*Nil*	*Nil*	*Nil*		3	Y.T.
1,52,89,220	1,87,00,000	1,99,38,789	71,50,911	32,04,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	19‡	10	*Nil*	*Nil*	0 0		3	Y.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	18	10	1 0*	1 0*	1 4*	1 8*	12	Y.P.
15,16,00,000	7,89,02,692	4,15,59,461	1,53,28,877	24,04,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd..	14‡	10	0 12	0 8	0 8	0 10	3	Y.P.T.
2,00,00,000	57,29,566	37,46,656	11,08,843	5,11,852	G.M. Mackinlay, Esq.	Jardine Henderson	83	100	....	0 9 3/5	....	0 12 4/5	3	Y.
6,34,0000. }	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	{ 2‡	O. 5	*Nil*	7 8	7 8	7 8	3	Y.P.
66,000D.							2‡	D. 1	*Nil*	*Nil*				
40,00,000C. }	80,86,900	26,18,922	8,72,670	2,57,234	A. T. Dolg, Esq. (Mg. Director)	McLeod & Co.	{ 215N	O.100	10 0	17 0	22 8		3	Y.
5,00,000D.							—	D.O.10	0 8	1 3 1/5	1 12		12	Y.P.
1,37,53,000	60,54,276	22,58,051	11,34,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22‡	10	1 6*	1 8	1 12			
1,15,00,000	55,50,000	1,84,37,973	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	25‡xd	10	1 0	1 0	1 4		9	Y.P.
6,35,585	1,55,250	7,83,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq. ..	Mysore Glass and Enamel Works	4	10	*Nil*	1 0	1 4	1 10	9	Y.P.
6,56,250	9,18,696	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15	10	1 0	1 0	1 8		3	Y.P.
10,00,000	2,18,500	15,54,005	9,41,427	44,513	M. H. Parthasarathy Esq. (Chairman).	Mysore Tobacco	13	10	1 0	1 0	0 12	0 14 2/5	3	Y.P.
40,00,000	51,21,172	59,09,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	24‡	10	1 0	1 4	1 0	1 8	3	Y.T.
79,97,000	....	....	1,17,52,757	57,19,268	8,99 582	B. N. Elias & Co., Ltd.	National Tobacco Co.	24‡	10	1 0	1 0	1 8*		
2,25,00,000	7,25,185	1,53,49,091	40,14,109	—63,99,179	M. P. A. Paspatti, Esq.	Rallis (India) Ltd.	9‡	10	*Nil*	1 0	0 8	0 12 4/5	3	Y.T.
1,72,24,400	1,21,20,208	7,56,34,680	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	38‡	100	*Nil*	*Nil*	*Nil*		12	Y.P.
40,00,000	93,60,594	1,18,78,870	70,99,887	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	19‡	10	1 4	1 8	1 8		8	Y.P.
75,00,000	54,13,860	17,49,816§	5,53,635	3,65,280	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	16‡	10	1 8	1 8	1 8		10	Y.P.T.
9,98,380	....	14,09,289	3,84,580	....	Ogale Bros., Ltd.	Travancore Ogale Glass	11‡	10	1 0	1 4	1 0		6	Y.P.
							3‡	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.
Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	8,70,619	11,34,564	5,33,169	....	McLeod & Co., Ltd.	825	Amluckie	$200xd	100	25 0	72 0	19 0		12	Y.P.
3,50,000	8,43,250	10,09,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	40xd	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,21,676	2,33,926	50,526	Gillanders Arbuthnot & Co., Ltd..	437	Ananda Bag	18	10	2 8	8 0*	1 0		12	Y.
5,50,000	11,21,541	17,56,465	7,08,427	86,051	McLeod & Co., Ltd.	513	Bachimari	24½	10	3 8	3 8	1 0		12	Y.
5,50,000	11,21,541	17,56,465	7,08,427	66,735	Andrew Yule & Co., Ltd.	278	Baamatia	28½	10	2 8	3 0	1 8		12	Y.
5,10,000	9,10,000	12,25,582	4,29,309	56,293	National Tea Corporation	570	Bateli	27½	5	2 0	4 0	2 8		12	Y.
3,30,000	4,65,000	11,68,776	7,13,759	50,298	Gillanders Arbuthnot & Co., Ltd.	512	Beljan	21xd xr	10	2 0	10 0*	2 0		12	Y.
3,20,000	9,40,000	10,27,063	3,08,925	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	20	10	3 8				12	Y.
16,50,000	20,50,000	52,30,169	22,95,169	29,686	Octavius Steel & Co., Ltd. ..	485	Bokakhat	17	10	*Nil*	1 0	*Nil*		12	Y.
6,00,000	2,50,000	10,97,919	3,05,780	15,455	McLeod & Co., Ltd.	450	Bornah Jan Tea	19½	10	0 12	1 8	1 0		6	Y.P.T.
7,50,000	7,27,550	9,56,117	3,05,780	8,15,711	M.	2,334	Brooke Bond	19½	10	0 8	1 4	4 12	1 4	6	Y.P.
$5,00,000	11,78,808	79,82,234	27,45,021	42,144	McLeod & Co., Ltd.	282	Dejoo Valley	48½	10	1 0	6 0	3 0		12	Y.
1,20,000	4,25,426	6,44,302	2,17,379	46,610	Jardine Henderson Ltd.	1,184	Dessai & Parbattia	380xd	100	20 0	40 0	10 0		12	Y.
6,00,000	9,76,000	27,66,084	17,67,782	43,726	James Warren & Co., Ltd. ..	661	Dhekalchat	20½	10	1 8	2 8	2 8		12	Y.
17,53,440	9,57,968	54,59,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING ; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd. ..	Balmadies Plantations ..	6¾*	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	40,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar ..	9¼	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,101	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	23½xd	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,380	25,13,595	1,12,312	R. C. Paterson, Esq. ..	Consolidated Coffee ..	18¼xd	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,666	7,58,759	40,878	1,009	Associated Planters Ltd. ..	Cottanad Plantations ..	18½xd	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,343	A. V. Thomas & Co., Ltd. ..	Highland Produce ..	14½cd	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,92,869	18,33,325	2,21,241	4,359	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates ..	24cd	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	8,46,920	2,80,348		R. T. Thomas Kathanar, Esq. ..	Malankara Rubber ..	27½	10	2 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,002	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber ..	17½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	Kenneth Rubber	Kenneth Rubber	29½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	16½	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates	4¾	2	0 3½	0 0 3/5	0 6 2/5		10	Y.P.T.
13,50,000	9,00,000	42,15,515	3,72,127	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	20½xd	10	1 12*	1 12*	2 0	2 8	6	Y.P.
3,06,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Savannah Estates Ltd. ..	21	10	3 0	2 8	1 0		11	Y.
10,00,000	3,09,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	9-5/8	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber ..	28	10	3 0	3 0	3 0		12	Y.P.
6,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2¾	1	0 4½	0 1 3/5	0 2		9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	20½	10	2 0	2 0	3 0		12	Y.
41,00,000	14,30,799	76,92,309	8,88,181	3,71,083	Aspinwall & Co. (Travancore)	Travancore Rubber & Tea Co., Ltd.	10¼	10	1 0	1 8	1 4		12	Y.P.T.
20,00,000	...	27,70,782	6,45,980	27,027	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co. ..	30	25	3 0	3 0	4 0		12	Y.
6,24,580	5,40,670	8,51,488	16,128	40 789	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber	31	10	2 0	2 4	2 8		12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½xd	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	20,600	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	9⅞	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6,00,000	10,25,000	51,65,438	30,93,377	1,38,329	McLeod & Co., Ltd. ..	446	Alexandra	180	100	2 8	7 8	10 0		3,9	H.P.T.
80,00,000	6,25,000	1,17,61,827	93,76,069	23,473	McLeod & Co., Ltd. ..	1,264	Alliance	102	100	5 0	12 0	8 0	6 0	6,12	H.
40,20,700	69,00,000	2,95,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	153	100	12 0	9 0	8 0	3 8	6,12	H.
40,00,000	45,17,551	1,78,37,879	92,01,344	11,377	Andrew Yule & Co., Ltd. ..		Angus	90	100	4 0	3 8	10 0	1 0f	3,9	H.
20,00,000	23,50,918	96,01 416	65,65,094	65,302	Bird & Co., Private Ltd. ..	810	Auckland	160	100	4 0	Nil	3 8	Nil f	3,9	H.P.T.
£275,000	£867,405	£1,477,480	£987,176	....	Jardine Henderson & Co. ..	959	Bally	160	100	4 0	Nil	3 8	Nil f	3,9	H.P.
£,80,00,000	92,30,132	92,27,349	40,93,231	1,005	Sir John H. Burder (Chairman)	1,889	Balmagore	£1	2	sh. 12	10 0	sh. 15	Nil	3	Y.P.
45,00,000	38,45,000	57 03,172	31,28,574	2,65,100	Andrew Yule & Co., Ltd. ..	820	Belvedere	115	100	15 0	10 0	7 8		6,12	H.P.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,651	4,37,393	Soorajmull Nagarmull	600	Bengal	10	10	1 4	1 2	1 2		6	Y.P.T.
80,00,000	21,31,429	1,17,90,047	72,95,930	1,336	Birla Brothers Private Ltd.	1,373	Birla	10	10	1 4	1 0	1 8	1 0	3	Y.P.
7,47,380	3,09,640	42,15,744	31,62,683	—3,31,470	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	105	100	10 0	9 0	7 8	Nil	4,10	H.P.
18,00,000	30,46,234	87,13,271	41,48,705	6,248	Davenam & Sons	502	Caledonian Jute Mfg.	10	10	Nil	0 12	Nil		6,12	H.P.T.
59,16,400	95,49,238	2,25,05,760	1,11,69,802	19,010	Andrew Yule & Co., Ltd. ..	619	Caledonian	100	100	12 0	9 0	6 8		5,11	H.
15,95,000	28,39,282	81,34,655	56,60,175	2,015	James Finlay & Co., Ltd. ..	600	Champdany	127	100	6 0	3 0	10 0	2 0f	3,9	H.
80,15,000	31,00,000	64,10,068	47,77,690	1,32,949	Andrew Yule & Co., Ltd. ..	530	Cheviot	145	100	12 0	14 0	10 0		5,11	H.P.
24,00,000	24,00,000	78,13,716	66,22,962	1,07,142	McLeod & Co., Ltd. ..	660	Chitavalsah	111	10	1 12	1 2	1 6		6,12	H.P.T.
31,49,250	49,65,252	1,17,35,434	46,04,775	—2,20,845	Shree Krishna Investment Co., Ltd.	969	Clive	124	10	Nil	Nil	1 4z		3	Y.P.
28,00,000	44,74,170	75,56,699	47,00,110	15,912	Bird & Co., Private Ltd. ..	766	Dalhousie	88	100	4 0	2 8	4 0	Nil	3,9	H.P.T.
15,00,000	84,50,000	82,62,679	59,80,760	78,204	Andrew Yule & Co., Ltd. ..	779	Delta	127	100	20 0	12 0	10 0		5,11	H.P.T.
21,00,000	60,00,000	2,70,39,034	1,89,10,198	1,80,415	McLeod & Co., Ltd. ..	500	Empire	16	10	1 0	1 4	1 4		6,12	H.P.T.
21,00,000	13,00,000	97,88,074	54,03,692	1,34,822	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	10	10	Nil	5 0	15 0	7M	3,9	H.P.T.
84,32,100		2,11,07,224	1,32,88,825	—2,67,452	Banzur Bros., Ltd. ..	1,014	Fort William	194	10	5 0	20 0	20 0	0 12½	3,9	H.P.
10,00,000	28,00,000	71,52,983	43,43,692	—74,093	Macneill & Barry Ltd. ..	1,709	Gauges Mfg. ..	55	100	Nil	0 8	2 8	Nil f	3,9	H.P.
24 00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Gollanders Arbuthnot & Co., Ltd.	807	Gondalpara	868	100	15 0	Nil	0	..	12	Y.
40,00,000	64,68,233	1,14,86,343	56,72,180	3,40,348	Macneill & Barry Ltd. ..	1,394	Gourepore	138	100	3 12	10 0	15 0	2 8f	3,9	H.P.
16,80,000	66,47,791	66,47,791	47,70,916	—2,05,253	Banzur Bros., Ltd. ..	1,078	Hastings	82½N	100	10 0	10 0	11 8	5 0	3	Y.P.
65,62,500	49,64,372	1,82,66,485	1,10,52,708	57,084	Jardine Henderson Ltd. ..	1,040	Hukumchand	20	10	1 8	1 4	0 14	Nil	3	Y.
52,50,000	27,85,153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	21	10	3 0	2 0	2 0	2 0	3	Y.P.T.
67,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	123	10	7¼	0 14	0 14	0 4f	3,9	H.
30,000								D 1	10	0 4/5	0 2/5	0 3/5	3% f		
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd. ..	1,797	Kamarhatty	96	100	9 0	8 0	2 8		6,12	H.P.
19,20,000								'B' 100	100	9 0	8 0	2 8			
30 00 000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd. ..	1,527	Kankinarrah	75	100	7 8	6 8	1 0		6,12	H.P.
24,00,000								'B' 100	100	7 8	6 8	1 0			
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd. ..	703	Kelvin	180	100	15 0	20 0	17 8		6,12	H.P.
54,00,000	23,83,375	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd. ..	1,530	Khardah	125	100	17 8	12 8	11 0		3,9	H.P.
48,00,000	1,05,90,860	2,44,37,944	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	130	100	9 0	7 0	13 0	6 0f	3,9	H.P.T.
24,48,000	30,51,884	1,11,32,345	47,99,245	—2,12,717	Bird & Co., Private Ltd. ..	931	Lansdowne	95	100	7 0	2 0	7 0	Nil f	3,9	H.P.
28,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Private Ltd. ..	840	Lawrence	95	100	5 0	6 0	6 0	Nil f	3,9	H.P.
81,65,200	26,36,045	2,64,13,349	1,26,07,309	1,64,942	Megna	70	Megna	70	100	5 0	2 8	8 12	8 12f	3,9	H.
20,98,900	38,40,147	1,34,31,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	815	Naihati	71	100	Nil	Nil	Nil	Nil f	3,9	H.
20,00,000	15,55 000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10	0 5	1 2	0 10		4,10	H.T.
35,00,000	41,54,326	80,25,401	10,32,816	1,059	Andrew Yule & Co., Ltd. ..	852	National	18	10	2 0	2 0	1 12		4,10	H.P.
20,25,000	26,25,000	27,71,022	20,34,900	1,05,667	McLeod & Co., Ltd. ..	316	Nellimarla Jute ..	10	10	1 12	1 8	1 0	0 6	6,12	H.P.T.
85,50,000	2,71,44,342	4,29,15,627	96 26,548	8,71,293	Sahu Jain Ltd.	1,765	New Central†	13	10	24 0	17 0	1 8	0 12	6,12	H.P.T.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Private Ltd. ..	567	Northbrook	21	10	1 2	1 4	1 8	1 8f	Y.P.	
66,79,500	22,24,961	2,16,55,414	1,30,46,311	17,060	Macneill Barry Ltd. ..	1,092	Nuddea	81	10	0 12	1 8	1 8	Nil f	3,9	H.
24,91,000	26,81,049	72,46,385	50 35,690	5,784	Andrew Yule & Co., Ltd. ..	601	Orient	120	100	12 0	10 0	9 0		3,9	H.P.
25,00,000	6 28,490	80,86,437	65,22,186	51,595	McLeod & Co., Ltd. ..	400	Presidency	44	5	0 2	0 3			6,11	H.P.
20,00,000	2 49,761	26,97,978	8,39,130	—9,16,214	Birds Brothers Private Ltd.	305	Rameshwara	6	10	Nil	Nil	Nil	Nil f	6,12	H.T.
49,50,000	5,82,465	1,23,83,629	59,15,596	—11,72,341	Jardine Henderson Ltd. ..	1,276	Reliance	82	10	0 8	Nil	Nil	Nil f	3,9	H.P.
£800,000	£1,093,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	11	£1	10%	10%	8%21		3,9	H.P.T.
90,00,000	13,12,193	1,04,70,653	75,85,838	4,667	Hazaris More & Co., Ltd. ..	911	Shree Ambica ..	16N	10	0 8	1 0	0 8f		12	Y.P.
14,00,000	11,25,000	68,11,794	38,79,204	3,156	Hindustan Investment Corporation	401	Soorah	13N	10	0 8	1 0	1 8		6,12	H.
25,19,600	42,72,182	1,27,38,246	63,23,439	—4,87,127	Bird & Co., Private Ltd. ..	650	Standard	87	100	2 0	2 0	1 0	Nil	3,9	H.P.
£600,000	£955,761	£1,137,660	....	£83,548	Thomas Duff & Co. (India) Ltd.	1,794	Thakurhat	11	£1	10%	10%	8%21		3,9	H.P.T.
85,98,600	88,06,723	2,00,00,808	84 28,958	18,334	Bird & Co., Private Ltd. ..	1,326	Union	125	100	6 0	6 0	10 0	1 0f	3,9	Y.P.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	11	£1	10%	10%	8%21		3,9	H.P.T.
2,50,000	6,85,000	65,86,062	40,23,991	14,518	McLeod & Co., Ltd. ..	457	Waverley	5¾	1	0 1	0 8	0 3		12	Y.P.
														6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	20½	10	1 0	1 5	1 6		3,9	H.
12,00,000	6,26,573	36,78,477	30,13,477	22,708	Jardine Henderson Ltd. ..	Bararee Coke	18	10	1 6 2/5	1 7 1/5	1 7 1/5		3,9	H.
4,49,350	70,000	8,49,159	5,40,966	4,051	Andrew Yule & Co., Ltd. ..	Bengal-Dhanbad ..	6N	10	0 12	1 12		6N	6,12	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,05,77,326	7,81,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	443	200	32 8*	80 0*	85 0*		6,12	H.
2,25,000	4,26,989	24,81,732	22,39,534	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	15	10	Nil	Nil			4,10	H.P.
15 97,000	4,73,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd. ..	Bhalgora	10	10	0 8				6,12	H.P.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries ..	6½xd	10	0 12	0 10	0 10		9	Y.
7,15,000	15,11,000	52,62,538	37,38,500	—1,37,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulanbararee ..	14N	10	Nil	Nil			6	Y.P.T.
15,00,000	10,17,036	68,14,856	39,00,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro Ramgur ..	16N	10					6,12	H.T.
7,50,000	24,29,026	42,39,603	26,53,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borrea	21	10	2 12	2 0	2 0		6,12	H.P.
90,92,480	1,75,17,502	4,19,21,370	1,85,17,848	1,15,376	Bird & Co., Private Ltd. ..	Burrakur	21½	10	0 12	0 9	0 10		6,12	H.
49,97,750		42,33,470	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central India ..	6½	10	0 4	0 4	0 4	0 8	3	H.P.T.
8,00,000	13,54,302	49,10,414	82,63,954	82,788	M.	Central Kurkend ..	12N	10	1 2				6,12	Y.
6,00,000	1,43,676	7,28 438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churlia	2½	4	0 2	0 2	0 1f		6,12	H.
16,00,000		53,81,704	20,81,276	—7,83,318	Macneill & Barry Ltd. ..	Dhemo Main ..	6	10	Nil	Nil	Nil		6,12	H.
£10,000	£280,553	£970,095	£731,579	£58,922	Jardine Henderson. Ltd. ..	East Indian	27	£1	2 8	2 8	3 0		6,12	H.T.
29,63,760	83,55,049	4,04,51,377	2,89,25,665	82,379	Macneill & Barry Ltd. ..	Equitable	24½	10	1 8	1 8	1 8	2 8	4	Y.
10,00,000	2,15,000	10,78,264	7,80,000	11,273	Bhattee Agency Ltd. ..	Ghusick and Musilia	14N	10	0 8	1 4			6,12	H.P.T.
12,00,000	1,22,000	41,35,247	23,43,143	1 144	Killick Industries Ltd. ..	Himgir-Rampur ..	41½	10	3 0	Nil	2 4	2 4	3	Y.
8,00,000	7,25,000	22,07,121	18,89,341	45,995	Macneill & Barry Ltd. ..	Hurriladih	21	10	1 8	1 12	2 8	4	6	Y.P.
22,00,000	1,12,000	24,74,412	6,18,546	—6,57,293	Haljalee Trust Ltd. ..	Jogta Coal	2½	10	Nil	Nil			6,12	H.
8,50,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalapahari	18N	10	2 12	Nil			12	Y.
20,00,000	1,77,175	28,89,683	4,65,140	6,965	Bird & Co. Private Ltd. ..	Karanpura Collieries	105	100	Nil	Nil	2 8	5 0	2,8	H.
5,00,000	16,00,000	46,77,533	36,47,965	1,33,474	Andrew Yule & Co., Ltd. ..	Katras Jheriah ..	56½	10	4 0	4 0	5 8		2	Y.P.
1,38,400	5,72,960	12,85,941	5 72,960	—2,60,236	Beriwala & Co.	Khas Kajora	24N	10	Nil	Nil			1,7	H.
11,00,240	84,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd. ..	Kuardi	4N	10	Nil	Nil			6,12	H.P.
9,00,000	11,86,413	26,69,288	22,97,987	2,253	H. V. Low & Co., Ltd. ..	Lakurka	10N	10	0 8	0 4			6	Y.
7,48,240	2,00,000	13,13,208	9,66,219	81 201	Tantia Brothers Ltd. ..	Nazira	6½	10	0 6	0 8			4	Y.
7,00,000	26,617	10,33,740	5 20,205	4,560	Amritlal Oiha & Co., Ltd. ..	New Banadeopur	9N	10	0 12	1 4	0 8		12	Y.
17,76 230	20,01,763	31,76,853	88,63,066	94,356	Andrew Yule & Co., Ltd. ..	New Beerbhoom	16½	10	1 0	1 2			3,9	H.
6,00,000	75,000	83,00,471	21,20,197	70,222	Octavius Steel & Co., Ltd.	New Manbhoom ..	10½	10	Nil	Nil	1 0	Nil	4,10	H.P.
1,15,000	2,85 193	18,07 219	8,64,731	15,950	Andrew Yule & Co., Ltd. ..	North West ..	17N	10	0 4	Nil	Nil		3,9	H.
1 57 500							16N	10	0 3	Nil	1 6	0 12f		
7 50 000	12,21,858	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	7¾	10	0 3	Nil	1 0½	0 9f	3,9	H.
10,00 000	1,10,000	39 70 662	17,99,658	3,809	K. C. Thapar & Bros. ..	Oriental Coal ..	14N	10	2 0	1 0	1 0			
8,34,000	10,882	17,50,137	8,30,795	8,018	Deepchand Khaitanlall ..	Parasea	8N	10	0 6	0 8			6,12	H.P.
15,75,000	16,00,000	47 70 275	85,30,275	83,343	Shaw Wallace & Co. Ltd. ..	Peach Valley ..	4N	10	0 4	0 12			12	Y.T.
23 99,500	20,17,105	1,24,35,588	87,36,164	23,188	B. N. Elias & Co., Private Ltd. ..	Ranegunge	14	10	1 10	1 10			6,12	H.P.
13,50,000	6,53,385	35,36,765	27,73,764	28,521	Shaw Wallace & Co., Ltd. ..	Rewa	9½xd	10	Nil	0 8	1 8		3,9	H.
20,00,000	3,90,000	44,28,565	18,73,118	2,21,353	Jalpaiya Sons Ltd.	Samla Collieries ..	21N	10	2 0	1 6	0 10	0 6	3,9	H.
2 50,000	1,95,802	13,78,480	12,21,237	21 070	M.	Searsole	14N	10	0 8	0 12	0 14		6,12	H.
2,80,000	6,36,593	20,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd. ..	Seebpore	5N	10	0 10	0 10	0 12		12	Y.
8,00,000	5,31,299	23,491	23,357	7,503	F. W. Heilgers & Co. (Private) Ltd.	Sendra	28½xd	7	1 12	2 0	2 8		1	Y.
63,21,450	23,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Government of Hyderabad)		9N	10	Nil	0 2	0 4		6,12	H.T.
17,50,000	10,84,016	37,86,103	15,14,990	—51,533	Bird & Co., Private Ltd. ..	Singareni	10½	10	Nil	0 11 1/5	0 12		12	Y.T.
8,00 000	13,69,395	1,69 570	26,510	17,347	F. W. Heilgers & Co. (Private) Ltd.	South Karanpura ..	9½	10	0 4	0 2	0 2		2,8	H.
10,00 000	12 050	30,82,299	15 43,502	—4,07,745	Villiers Ltd.	Talcher	20½	10	2 0	1 8	1 0		6,12	H.
3,50,000	2,80,000	20,47,944	15,56,944	—9,656	Williamson Magor & Co., Ltd.	Union	2½	Nil					12	Y.
49 98,000	67 984	55,66,550	22,90,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal ..	13½	10	1 12	0 12	Nil		9	Y.
7,00,000	21,569	56,46,871	23,81,698	—1,46,650	Macneill & Barry Ltd. ..	West Jamuria	5⅛	10	0 6	0 6	0 8	0 8	6,12	H.
							11	10	Nil	Nil	Nil		3	Y.
													6,12	H.

M—Managed by the Board of Directors. ‡ Less income-tax. z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. • Including bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

MARKET GOSSIP

(*Concluded from page 59*)

2.78-5/16 on 7th December last, and three months' forward being quoted at $2.77-5/8—2.77-3/4, as compared with the low of $2.75—2.75-1/8 a month ago. These are the highest levels touched by the pound since 24th July last. The recovery was induced by the publication of the latest position of the sterling area's dollar and gold reserves held by the U.K. These reserves rose by $168 million during December and stood at $2,133 million at the end of the month. They also compare favourably with $2,120 million a year before.

The rise in gold and dollar reserves is due to a number of special factors, of which the drawing of $561 million from the I.M.F. was the main one. In fact, British reserves would have suffered a decline of $393 million during December alone but for the emergency withdrawal of $561 million from the I.M.F. The fall over the year would have been of the order of $725 million but for the assistance from the I.M.F. and $177 million realised by the sale of the Trinidad Oil Company to America. Thus, these two factors actually contributed to a net addition of $13 million over the year to the reserves.

The pressure on sterling, exerted since the end of July, reached the climax with the developments in Egypt and Hungary in November. This pressure is said to have very little to do with the actual state of Britain's economic affairs; it was not due to the fact that the country was spending abroad more than it earned from sale of goods and services. It was due mainly to speculative pressure and the inclination on the part of people to "play for safety and keep their money in U.S. dollars or Swiss francs," in view of the continued rise in the cost of production in Britain and the consequent fall in the internal buying power of the period, as well as of

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	12,42,652	Allahabad Bank	360 / 180	100 / 50	18 0‡	18 0‡	18 0	9 0‡ / 9 0‡	12	Y.P.
1,01,000 / 83,58,600	15,40,000	2,46,650	Andhra Bank	120 / 85	100 / 70	6 8	7 8 / 3 12	6 8 / 4 8 4/5	3 12‡ / 2 10‡	6,12	H.
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	100	50	6 0‡	6 0‡	7 0	3 0‡	12	Y.
50,00,000	20,50,000	1,150	Bank of Bikaner	22½	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,52,00,000	13,26,630	Bank of India	135‡	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	20,25,000	41,770	Bank of Jaipur	30‡	50	1 8	2 0	2 0		12	Y.
50,00,000	54,00,000	4,19,228	Bank of Mysore	240	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,21,700	68,73,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		6	Y.T.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,62,11,375 / £2,42,375 'A'	4,01,81,217	18,40,359	Central Bank of India Ltd.	61‡ / 55	25	3 0	3 0	3 0	1 8‡ / 1 8‡	12	R.L.Y.
50,00,000	31,00,000	1,76,386	Devkaran Nanjee Banking Co.	40	50	2 0	2 0	2 8	1 4‡	12	Y.
1,50,00,000	1,00,00,000	£6,77,148	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	26,00,000	1,66,278	Hind Bank	35	50	1 8	1 8	2 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9‡	50	*Nil*	*Nil*			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	12	50	*Nil*	*Nil*			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	80N	100	5 0	6 0‡	5 0		9	Y.
24,00,000 / 18,00,000 / 18,20,000	79,75,000	1,45,140	Indian Bank	199 / 95 / 158	100	12 0‡	12 0‡	12 0	6 8‡ / 6 2½ / 4 5½	6,12	R.L.H.
49,19,875	80,00,000	2,28,299	Indian Overseas Bank	152	75 / 100	7 8‡ / 6 0	7 8‡ / 6 0	7 12‡ / 7 8		12	Y.
2,25,000 / 6,50,000 / 10,00,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½ / 10‡ / 20	100(A) / 25(B) / 50(C)	*Nil* / *Nil* / 3 0	*Nil* / *Nil* / *Nil*			6,12	H.
87,50,000	97,50,000	2,35,108	Punjab National Bank	51	25	2 0	3 0	3 8	2 0‡	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	25	25	0 10	0 12	0 12		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	7‡	5	0 5‡	0 5‡	0 6		12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	54	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank	£1-17-0	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6‡	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	£94‡	H.K. $125	5*	5*	5*	2*‡	12	Y.
£12,565,070 'A'	£15,000,000	£558,006	Lloyds Bank	£2-9-6	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A' / £375,000 'B' / £720,000 'C'	£1,750,000	£219,372	Mercantile Bank of India	£3-18-6 / £3-18-6 / —	£2½ A / £2 B / C £1	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†		12	R.L.Y.
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-0-3	sh. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99‡	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
5,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96‡	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95‡	30th June .. 1956
20,00,000	4½	30 th June and 31st December	Burrakar Coal Co.	1947	91‡	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March .. 1972(a)
13,68,000	5½		Jayshree Textiles	1949	90N	1st January .. 1956-59
29,90,000	5	1st June	Tata Mills	1951	100	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97‡	31st October .. 1960
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
2,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	99‡	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Gwalpore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1960
13,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September .. 1953-63
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		90‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	101‡	1st July .. 1957-62
£1,146,895	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£97	31st December .. 1956(‡‡)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	99‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97‡	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1958
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	98‡	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsa Jute Mills	1951	96	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1969(a)
8,86,000	5	15th January and 15th July	Empire	1951	94‡	15th July .. 1969(a)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	92‡	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	97‡	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96‡	31st December .. 1959(a)
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	98	31st December .. 1964
5,00,000	4	30th June and 31st December	Presidency	1948	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965(a
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	95‡	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverly	1925	87‡	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1939	90N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October	Katakhal- Lalabazar Railway	1933	£77‡N	1st October .. 1974
6,50,000	3½	30th June and 31st December		1945	90‡	31st December .. 1959(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	Any time on six months' notice (a)
4,33,26,697	4‡	1st March and 1st September	Scindia Steam Navigation	1949	96	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102‡	1st July 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		100‡	1st April .. 1955-66
1,89,700	5½	31st March and 30th September	Teekoy	1944	100	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
25,80,000	4‡	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100‡	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
19,95,000	4‡	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89‡	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1960
1,00,00,000	6	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubbe Co. (India) Ltd.	1950	100	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	103‡	30th June .. 1969(c)‡‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95‡	 1966
38,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	525	30th September .. 1976(a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	99N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	101‡	30th June .. 1965-70
1,00,000 00	5½	30th June and 31st December	Orient Paper Mills Ltd.	1951	96‡	31st December .. 1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101‡	1st May .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 60 lakhs out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Redeemable by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1968, on six months' notice.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 10th January, 1957.

	Closing quotations 3-1-1957	High	Low	Closing quotations 10-1-1957
TETXILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	180	—	—	180
Apollo (2)	2-9‡	2¾	2¾	2-7‡
Bombay Dyeing (250)	555‡	561½	537‡	543‡
Bradbury (50)	210‡	217½	207‡	217‡
Central India (100)	126	126	121½	122
Century Mills (100)	502‡	504	480	481
Colaba (100)	85	—	—	85
Edward Textile (200)	310	—	—	310
Elphinstone (50)	50‡	48	47	48
Finlay (100)	304‡	301	295‡	301
Gokak (100)	221	220	217	218
Ind. Untd. Defd. (1)	1‡	1-13‡	1-11‡	1‡
Ind. Untd. Ord. (10)	11-6‡	11¾	11‡	11-8‡
Indore Malwa (100)	139‡	140	136‡	136‡
Khatau (100)	222‡	220	217‡	217‡
Kohinoor (100)	317‡	320	312	315‡
Lakshmi (250)	686‡	686‡	680	680
Minerva Mills (100)	90	—	—	90
Modak Nagpur (250)	160	175	170	175
Morarji (100)	261‡	—	—	261‡
Mysore (50)	106‡	106‡	101‡	101‡
National Rayons (100)	238‡	240‡	230	238‡
New Great (100)	147‡	147‡	141‡	141‡
New Great (100)	245	241	237	240
Phoenix (100)	146‡	146‡	136‡	136‡
Podar Mills (100)	165	165	163‡	164‡
Sassoon Silk (10)	10	10	9‡	9‡
Sassoon Spg. (10)	39	—	—	39
Sholapur (1,000)	1,590	1,590	1,450	1,450
Shrinivas (100)	192‡	191‡	185	187‡
Simplex (50)	182	182	178‡	180
Standard (100)	442‡	441‡	430	430‡
Svadeshi (100)	228‡	229	216	222‡
Swan (100)	411‡	410	405	405
Tata Mills (25)	48	49	47‡	48
Vishnu (100)	140	—	—	138‡
Western India (1,000)	5,125	—	—	5,180
BANKS				
Bank of India (50)	137‡	139‡	137‡	138‡
Do. (New) (50)	140	140	140	139‡
Bank of Baroda (50)	99	100	98‡	100
Central (25)	51‡	52	51‡	52
Central 'A' (25)	55‡	55‡	54‡	54‡
Dena Bank (50)	38	42	40	40
Punjab National (25)	51	—	—	51
Union Bank (5)	7-1‡	7-1‡	7-0‡	7-1‡
United Com. (50)	53‡	54‡	53‡	54‡
ELECTRIC COS.				
Ahmedabad (100)	92‡	94¾	92‡	93‡
Amalgamated (10)	11‡	10‡	10‡	10‡xd
Andhra Valley (1,000)	1,207‡	1,207‡	1,202‡	1,205‡
Bom. Sub-El. (100)	108‡	109‡	108‡	109‡
Surat (100)	109‡	111‡	109‡	111‡
Tata Hydro (100)	120	123	121	123
Tata Power (1,000)	1,225	1,225	1,220	1,221‡
INSURANCE COS.				
British India (10)	12‡	—	—	12‡
Empire of India (100)	350	—	—	350
Ind. Mercantile (20)	41	—	—	41
Jupiter (15)	6‡	6‡	6‡	6‡
New India (15)	43‡	44	43‡	43‡
Oriental (200)	3,655	—	—	3,655
Universal (10)	11‡	—	—	11‡
Vulcan (10)	15‡	—	—	15‡
STEEL COS.				
Ind. from (10)	28	28‡	27-8‡	28
Tata Steel Ord. (75)	171	173	168	170
SUGAR COS.				
Belapur (50)	242	244	241	242
Bijapur (50)	16‡	16‡	16‡	16‡
Phaltan (50)	143‡	146‡	142‡	145‡
Walchand Ind. (100)	260‡	258‡	253‡	256‡
CEMENT COS.				
Associated Cts. (100)	182	183‡	178	181
Digvijay (100)	151‡	151‡	151	151
MISCELLANEOUS				
Alcock Ashdown (100)	263‡	265	254‡	256‡
Bom. Burmah (125)	656‡	667‡	637‡	655‡
Do. (New) (50)	243‡	242‡	232‡	237‡
Br. B. Petrol (4 sh.)	2-13‡	2¾	2¾	2-11‡
Br. I. Corpn. (5)	8‡	8¾	8¾	8‡
C. P. Ely. (100)	73	73	71	71xd
Indian Copper (2 sh.)	3-10‡	3‡	3-9‡	3‡
Ind. Inv. Tr. (100)	70	—	—	70
Kemp (200)	193‡	193‡	190	190
Killick (100)	165	165	164‡	164‡
Polson (100)	165	165	160	160
Port Canning (100)	7‡	—	—	7‡
Premier Con. (50)	185‡	186	176	177‡
Scindia (20)	18-7‡	18‡	17‡	18‡
G. E. Shipping (10)	17	16-14‡	16‡	16‡
Shivrajpur (10)	86	85‡	81‡	83‡
Tata Chemicals (10)	16‡	16‡	16	16-2‡
Tata Locomotive (100)	169	169	150	153xd
Tata Oil (25)	44‡	46	43	43‡
W. I. Match (100)	165‡	—	—	165‡

GOVERNMENT SECURITIES	4-1-1957	Gross Yield Earlier Redemption	Later Redemption	10-1-1957
	Rs.			Rs.
2½% 1961	93‡	—	4.12	93‡
2½% 1960	96‡	—	3.89	96‡
2½% 1962	93‡	—	3.95	93‡
2½% 1976	83‡	—	4.03	83‡
3% 1957	99‡	—	3.38	99‡
3% 1958	99‡	—	3.27	99‡
3% 1959-61	97‡	3.95	3.55	97‡
3% 1961	94‡	—	3.94	94‡
3% 1963-65	94‡	4.12	3.86	94‡
3% 1966-68	92‡	4.03	3.86	92‡
3% 1970-75	86‡	4.33	4.08	86‡
3% 1986 Con. Loan	73	—	4.11*	73
4% 1960-70	100‡	3.83	3.94	100‡
4½% 1958-68**	102‡	2.95	4.21	102‡
3% 1961 N.P. Bonds	99‡	—	3.70	99‡
3% 1964 N.P.Loan	98‡	—	3.80	98‡
3½% 1965 N.P. Loan	98‡	—	3.76	98‡
3½% 1962	97‡	—	3.70	97‡
3½% 1967 N.P. Bonds	98‡	—	3.70	98‡
3½%1974	98‡	—	3.87	98‡

BRITISH GOVERNMENT SECURITIES

	Closing quotations 1-1-1957 £			Closing quotations 4-1-1957 £
2½% Brit. Consols	52‡	—	—	49‡
3% Savings Bonds 1965-75	74‡	—	—	74‡
2¾% War Loan 1955-59	95‡	—	—	95‡
3½% War Loan	70‡	—	—	71‡
4% Victory Bonds		—	—	
4% Funding 1960-90	91‡	—	—	91‡
	87	—	—	87‡

*Current Income. x.d.—Ex-dividend. **Rupee Counterparts. x.r. Ex-Right.

COMMERCE

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

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AN APPEAL TO FREE ENTERPRISE

MUCH useful work has been done by the Forum of Free Enterprise during the past six months of its existence—it formally came into being on 18th July 1956. It has done considerable publicity for educating the public in the value of enlightened free enterprise as a preserver of the democratic way of life. Its task has not been easy for several reasons. The business community, in general, has been under continuous attack by the party in power as well as by the leftist parties in the Opposition. Its faults have been exaggerated and the whole community has been condemned by many politicians for the wrongs of a few. Even now the people are led to believe by the highest in the land that free enterprise has to be tolerated only for practical considerations and not on grounds of democratic principles. The tragedy of it all is that a section of the business community itself is meekly succumbing to this propaganda. Whether it is doing so out of fear or with some ulterior motives is not so pertinent a question as the fact that it is trying to persuade itself to believe that there is really nothing wrong with the economic philosophy, policies and actions of the powers-that-be. It even views the activities of the Forum with disfavour, apparently because it is afraid that they will rouse the ire of the authorities further and bring more restrictions on free enterprise. This is shortsightedness, of course, but there are many business men who do not seem to realise it yet.

The greatest handicap of the Forum in carrying conviction to the people about its cause is the serious setback to the prestige of private enterprise during the war and post-war years brought about by the dishonourable acts of some. Profiteering, blackmarketing, tax evasion, defrauding of shareholders and lack of concern for workers—these bad qualities are generally attributed to the business community and the public easily believes the politician when he says that it is necessary to place stringent restrictions on the activities of this community and that the State itself should enter the sphere of industry and trade. At the very outset, the Forum clearly stated in its manifesto that "free enterprise must have clean hands." Admitting there were black sheep within the fold of free enterprise, the Forum gave the assurance that it would constantly "endeavour to develop and foster healthy traditions within free enterprise." True to this undertaking, it has now evolved a commendable code of conduct for free enterprise and has given countrywide publicity to it. All those who belong to this system should, in their own interest, scrupulously adhere to this code both in letter and spirit. They should realise that they are living in an age of great conflict between communist and democratic doctrines and that India is on the crossroads. It is for them to set the country on the right road by exemplary behaviour. If they fail to play their part well, India will be lost to the free world.

There should be no great difficulty for any business man except the avaricious type to follow the code of conduct advocated by the Forum. What does it demand of him? Honesty, hard work, courtesy and social sense. Surely, these are the basic qualities expected of a decent human being. The authors of the code do not say that business men should not make profit. They only say that the profit-margin should be reasonable and not excessive and that its realisation should be by fair means. They should aim at making available to consumers high quality products at a reasonable cost. They should eschew adulteration and not fall a victim to the temptation of cheating the customer. Honest and efficient service to the consumer should be their primary objective.

All employers should treat their employees with dignity and take pride in paying them well. It is false economy to save at the expense of workers or to keep the employees in a state of discontentment over their remuneration or treatment. The course advocated by the Forum in regard to employer-employee relations is undoubtedly the right one. The days of free enterprise will be numbered if it does not take care to see that the workers participating in the system themselves fully realise the value of it. It will be no exaggeration to say that, by and large, barring a few exceptions, the vast majority of employers has not yet recognised the importance of this point. This is evident from the innumerable industrial disputes that are adjudicated by the Government year in and year out. The employers should take the initiative in sponsoring labour reforms, instead of leaving it to the Government. It would be sheer bankruptcy of talent and thought to say that they are unable to get the co-operation of their workmen and that the latter are being misled by outsiders. If they get to the root of the problem and are prepared for a slight increase in the cost, which, incidentally, is an allowable item of expenditure for purposes of taxation, they will not find it difficult to solve the problem. In this respect, they should so conduct themselves as to make the Finance Minister exclaim that he is losing revenue, because the private sector is paying its workers on a liberal scale. It is needless to add that, if the workers are with the employers, no Government will find it easy to nationalise any undertaking.

If one recalls the early history behind the comprehensive revision of the Company Law, one will readily appreciate the Forum's stress on the need for sound management of joint-stock companies. All company managements should try to maintain happy relations with their shareholders. They should try to understand the point of view of the dissenting shareholders and accommodate them where their demands are fair and consistent with the larger interests of the country and the company alike. They should encourage formation of healthy voluntary bodies for protecting the rights of investors. It is obvious that, unless there is a large body of investors, they will not be able to raise capital whenever they need. There can be no expansion in the number of investors, unless the joint-stock companies give a fair deal to shareholders and follow a sound policy in regard to appropriation of profits. Again, the tendency to concentrate shareholdings in the hands of a few persons should yield place to wider distribution. Wherever possible, managements should encourage the employees to invest a part of their savings in the shares of companies in which they work. This would serve the triple purpose of diversification of shareholdings, ensuring harmonious relations with workers and providing a constitutional basis for employees' participation in management.

Nepotism in the upper hierarchy of company managements is a fairly widespread evil in this country. While it is human nature to help one's kinsfolk, it should not be allowed to stand in the way of recognising talent or impair efficiency. Men of ability and character should be given appropriate opportunities for shining in their service and going up in life. In other words, to promising young men, service in the private sector should be as attractive as, if not more than, that in the public sector.

The system of free enterprise is not confined only to corporate commercial activity. It also includes a large body of persons self-employed in a variety of professions, such as salesmen, brokers, auditors, accountants, writers, lawyers, teachers, doctors, engineers, architects and artists. All these are part and parcel of free enterprise. The self-employeds cannot hope to retain their freedom for long if the corporate private sector ceases to exist; nor can the latter do without the former. So inter-dependent are both that, if one misbehaves, the other is hurt. It is not untrue to say that this section of the population too is not free from malpractices that are attributed to the business community. The Forum is fully alive to this situation. Hence its appeal to those who practice a profession to discharge their duties truly and faithfully and to subordinate considerations of personal gain to the larger objective of service.

The saying that it is easy to preach but difficult to practise is trite, but it is very true, as human beings are generally susceptible to temptation. Nevertheless, preaching has its value, as some at least are bound to be moved by it. The Forum has, therefore, done well in framing a code of conduct designed to ensure the growth of an enlightened free enterprise. It has no authority to enforce the code. No one is aware of it more than the Forum. The hope that the good sense of the public in a democracy will ensure the acceptance by the society of the social responsibility implied in the code as the norm of life is the inducement to the Forum for launching this educational campaign. Its fructification will accordingly depend on the extent to which free enterprise adheres to the code in its day-to-day activity. But an essential condition for the success of the code of conduct is the creation of a climate that will not engender corruption. This requires the adoption of sound economic policies by the Government. If inflation is allowed to persist, if taxes are levied at confiscatory levels, if too many controls and restrictions are imposed on the people, and if the State refuses to recognise the legitimacy of profit motive and disregards the sanctity of private property, no amount of preaching and appeals for good conduct can check the evil of malpractices. Nothing corrupts the people more than a debased currency.

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HIRAKUD

MR. Nehru, who never fails to communicate his emotional thrill to people whenever he sees the triumph of the human spirit over nature, was naturally in a happy mood last week, when he was at Hirakud. Declaring open the vast man-made lake, with its channel system, at the project site, Mr. Nehru returned to his favourite theme of the battle for economic prosperity. He said that Indians had waged a marathon battle for freedom and urged his listeners to wage a similar battle for economic progress. There is no doubt that Hirakud represents a significant stage in the continuing fight for such prosperity. To Orissa, it marks, as Dr. Harekrushna Mahtab, the Chief Minister, said, a "new age." For the State, which has so long been condemned to live in poverty and face recurrent famines and floods, can now look forward to a new era of agricultural and industrial progress, besides being saved from the ravages of periodical floods.

The Hirakud Dam, which is to store about 6.60 million acre feet of water that will irrigate an area of over two million acres in both *kharif* and *rabi* seasons and help develop 200,000 kilowatts of power, is a modern *akshayapatra*, that is, a perennial source of great wealth to the nation. The magnitude of the Dam will become evident, when it is compared with other dams of its kind. Among the various storage reservoirs in the country, the first large one was the Krishnarajasagar in Mysore, with a million acre-feet capacity, completed in 1931. The next was Mettur, with 2.2 million acre-feet, built in 1934. The Tungabhadra reservoir, finished in 1954, has 3.0 million acre-feet capacity. It will thus be seen that, from the point of view of storage capacity, the Hirakud is more than twice as large as the Tungabhadra. It will remain the largest dam in India till the Bhakra and the Nagarjunasagar schemes are completed. Its storage capacity, extending over an area of 288 square miles, is more than twice the combined capacity of all the four dams of the Damodar Valley project. Hirakud is "big," in every sense of the word, both physically and in technical excellence.

It is not surprising that many administrators in the past should have repeatedly considered the question of harnessing the Mahanadi (which means great river), across which the Hirakud Dam is now built. Orissa has been a land of floods and famines. In the Great Famine of 1865-66, over a million people are reported to have perished in this region. In the following year, there were floods which again took their heavy toll of life and property. Indeed, since 1868, Orissa has witnessed no less than 40 floods. Although Orissa's administrators did, on several occasions, think in terms of taming the turbulent Mahanadi, it was only in 1948 that the Central Water and Power Commission (then known as the Central Waterways Irrigation and Navigation Commission) took up this project in right earnest. Although work was started in 1948, no significant progress had been made till 1952. In the last three years, however, there was a rapid increase in the pace of construction which facilitated the completion of the project.

A problem which held up work in the initial stages was that of rehabilitation of the people of the region that would be submerged by the dam. The 288-square-mile reservoir has been formed by the 16-mile long bund (3 miles of the Dam and 13 miles of dykes) across the Mahanadi, submerging 249 villages and a vast area of forests. The rehabilitation of the families uprooted from their homes and their landed property presented a difficult problem at the time, although the number of people (about a lakh) involved, in relation to the size of the land, was not very large. But the Hirakud Land Organisation, which tackled this issue, proved equal to the task. Another feature of this aspect of the construction of the Dam is that it has not affected adversely the mineral wealth of the State; the Geological Survey carried out earlier revealed no mineral deposits in the now-submerged land. Orissa has not, therefore, lost anything—it has, of course, gained a great deal—through the submergence of land under the Hirakud waters.

It is, however, the more recent advances in technical knowledge that have made possible the construction of the huge Hirakud Dam. A few years ago, the Dam would have been given up as an engineering impossibility. This is because the flat topography of the country necessitated earthen construction for the Dam and the knowledge of such construction was then somewhat meagre. But now the Hirakud Dam, as it has turned out, is reported to be the longest dam in the world; among other earth dams in the world, it ranks within the first ten. If a masonry dam had been attempted—as it would have been attempted in earlier times—the cost would have been prohibitive. Thus, on its technical side, the Dam is claimed to represent a notable achievement. Further, its impressive battery of sluices is reported to be the best and the largest of its kind in the world. Only the Aswan Dam (not to be confused with the proposed Aswan High Dam which has led to a lot of international complications) has a larger number of sluices, but they are much smaller in size. Again, it is noteworthy that, from the beginning, the construction operations were planned in favour of comparatively intensive mechanised techniques, without sacrificing altogether employment considerations. In other words, the comparative costs of labour-intensive and capital-intensive techniques were carefully weighed before arriving at firm decisions; at its peak construction period, the Hirakud project employed no less than 30,000 workers. The employment of mechanical devices was facilitated by timely, generous American assistance. The U.S. Technical Co-operation Mission arranged for the supply of various types of earth-moving equipment like power shovels, dump trucks, road scrapers, cranes and stone crushers. The value of such assistance to Hirakud is estimated at $3 million. Under the Colombo Plan, the authorities received the assistance of two technicians specialised in maintenance of earth-moving machinery.

Generous and well-deserved tributes have been paid to the devoted band of engineers who have built the Hirakud. Since the Dam broke much new ground in engineering technology, the engineers and scientists had to undertake considerable research work. The Research Station was gradually expanded, the two main sections of the Station being the Soil Mechanics Section and the Building Materials and Chemicals Section. A vital responsibility which devolved on the Soil Section was the control of quality in the construction of the earth dam and dykes. The Building Materials Section had similarly to tackle the quality control of concrete and masonry section. The importance of this Research Station will be evident from the fact that its facilities have been made available, on payment basis, to agencies outside the project. The Station has also rendered assistance to the Rourkela and Bhilai steel factories. It is to be hoped that the techniques and methods developed and tested in the Station will be found useful to projects that may be undertaken in future. Indeed, Hirakud has been a valuable training ground for Indian engineers.

The chief beneficiaries of the Hirakud are the region's agricultural and industrial sectors. The Dam will irrigate, as stated at the outset, some two million acres in both *rabi* and *kharif* seasons. The canal system consists of three main canals, the Bargarh canal, the Sason canal and the Sambalpur canal. A great deal of preparatory work has already been completed for the utilisation of the Hirakud waters. This is particularly important in such projects. Since these projects are large consumers of capital—the capital cost of one cusec of water in Hirakud works out to Rs. 32,500—any delay in the utilisation of waters means a wastage of capital resources. With this end in view, the authorities rightly devoted considerable attention to the excavation of water-courses, which is normally undertaken by the farmers themselves. This work involves the construction of 2,000 miles of field channels, 30,000 one-foot stone pitched falls, 1,660 pipe siphons and 1,300 road crossings. In the main canal and branches, 180 structures, out of a total of 212, have been completed and the work on the rest is in progress, the corresponding figures for the tributaries being 150 structures and 280 structures, respectively. The entire canal system is expected to be completed by September 1959. The annual increase in the yield of foodgrains, resulting from the cultivation of additional land, it is computed, will be of the order of 500,000 tons which will help save Rs. 10 crores on imported food. Orissa's contribution to India's food output will increase further when the waters of the other three great rivers—the Brahmani, the Baitarni and the Salandi—are also harnessed for agricultural purposes; schemes for development of these rivers are already on the anvil.

Orissa's industrial sector benefits no less than its agricultural sector from the Hirakud project. Although Orissa is rich in forest and mineral wealth and there is scope for developing steel, cement, paper and other industries, the State has remained industrially backward because of want of power. This deficiency is bound to be made up by the Hirakud project. The completion of the first and the second stages of the Hirakud Dam project will give an installed capacity of 232,500 kw. and a firm capacity of 180,000 kw. At present, a total connected load of 13,000 kw. exists in self-generating concerns and 7,800 kw. in public electric supply companies. With the programme of development envisaged in the second Five-year Plan, the present demand of 1,200 kw. from small and medium industries is expected to rise to 9,000 kw. and the demand of 3,600 kw. from heavy industries will go up to 120,000 kw. Many industries, notably, the Government-owned Rourkela steel plant, and the aluminium, cement and paper industries proposed by the private sector will be able to get their power requirements from the Hirakud power stations. The total load for industries, it is computed, will go up to 128,000 kw. by the end of the second Plan and still further to 259,000 kw. by the end of the third Plan.

The authorities will do well to examine the transport needs of Orissa without delay, for industrial expansion of the State will greatly depend on availability of transport and port facilities. In 1951, a French mission investigated the possibility of navigation on the Mahanadi and of a deep sea port for Orissa. It recommended the progressive development of navigation on the river. There are also possibilities of linking the Mahanadi with the Ganga, the Rihand and the Sone. For the development of a port, the French mission recommended the Mahanadi mouth. It is time the authorities examined these recommendations and initiated measures designed to improve transport facilities in the State—sea, inland water, rail and road facilities—and thereby paved the way for the fuller utilisation of the Hirakud.

Finally, the Hirakud project, which is one of the largest of its kind, is also financially, one of the costliest. The project has so far absorbed a total expenditure of Rs. 70.8 crores. Although some initial mistakes were made, Mr. Gulzarilal Nanda, the Union Minister for Irrigation and Power, claimed that the project represented a "good example of speedy as well as economic construction." Perhaps, the credit for this deserves to be shared by the Government as well as the many private contractors who worked on the project. The importance of the role played by contractors in Hirakud will be evident from the fact that, in 1956, for instance, they employed no less than 26,689 workers, as against 16,805 workers by the Government. Further, out of the estimated expenditure of Rs. 70.78 crores, private firms and contractors were responsible for Rs. 37 crores, or over 50 per cent. of the total outlay. Experience gained by the authorities in Hirakud in the sphere of financial administration, should be carefully sifted with a view to arriving at decisions relating to the best methods of combining governmental and private initiative.

A study of the methods employed in Hirakud in the matter of allocating work between the Government departments and private contractors will reveal that work can be turned out, both expeditiously and economically, if there is close co-operation between the two sectors and the Government exercises careful control and scrutiny at every stage of the work. The few failures, which occurred in the earlier stages of the Hirakud project are attributed to inadequate classification of contractors which resulted in some of them taking up works beyond their resources and capacity. When these defects were remedied, work proceeded speedily and smoothly. The Rates and Costs Committee for Projects (Chairman: Mr. P. C. Agarwal), which was appointed in 1954, has already exhaustively examined the problems of cost control. Its recommendations, along with the positive lessons learnt in Hirakud, Tungabhadra and other projects—and possibly, the negative lessons learnt in Bhakra-Nangal—should be carefully evaluated and applied to all pending and future projects in the interests of their expeditious and economical execution.

TECHNICAL RALLY IN SHARE MARKETS

TAX POLICY—COTTON MISSION—ORISSA'S FUTURE

THURSDAY, 5 P.M.

THERE has been a smart rally in the share market this week. Almost all counters have staged a rise. The gain is substantial in those scrips which had suffered heavily. But not all the ground lost after the taxation proposals of 30th November 1956 has been regained. The recovery is due mainly to technical considerations.

MARKET GOSSIP

The bears who reigned supreme for well-nigh six weeks decided to book a part of their profit this week. There has, of course, been some selective buying by investors but it has not been of an order to say that confidence has returned. It is possible that the upward trend will continue for a little while more as a corrective to the earlier precipitous fall, provided no fresh bearish developments follow. The climate is still cloudy and the immediate future in regard to the Government's economic policies is not clear. Some casual remarks made by the Finance Minister at Madras early this week have given a ray of hope that he will be less harsh on private enterprise and investors than his provocative observations in December last led one to believe. They have, however, been received by the operators with great reservation, as there is no certainty that he will not change his mind again.

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In view of the keen interest taken by the share market in the Finance Minister's remarks at Madras, it will be useful to analyse them briefly. The gathering which he addressed consisted mainly of the middle class. The main subject matter was the development plan for the Madras State. The occasion apparently related to the forthcoming elections. The meeting was presided over by Dr. C. P. Ramaswami Aiyar, a distinguished public worker, who had stressed, in his opening remarks, the importance of free enterprise for maintaining a competitive economy. Referring to the State's entry into the sphere of industries and trade, he recalled his experiments in Travancore and Madras, when he was in charge of their administration, some of which succeeded but others failed due to lack of incentive and competitive spirit. He cautioned that the aspect of competitive enterprise and efficiency—one of the prime incentives to human action—should not be lost sight of by the present rulers. He paid a handsome tribute to Mr. T. T. Krishnamachari as a person of courage and learning, with an aptitude for independent thinking.

It is not surprising that, in such a pleasant atmosphere and under the presidentship of an august personality, Mr. Krishnamachari chose to speak in soft, conciliatory and restrained language. He expressed his sympathy for the middle class and salaried people and said that he could not ask either of them to pay more taxes. Since he had already stated on several occasions that he could not tax the people below these ranks any more, it is obvious that the new taxes that are likely to follow in the coming 12 to 14 months will fall on the rich.

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The Finance Minister complained that the oft-quoted saying that he might bring in new measures "not only on 28th or 29th February, but twice, thrice, four times or five times a year, in season and out of season, for more revenues and for more power, in order to see that the Plan is fulfilled" (statement in Parliament on Wednesday, 12th December 1956) had been torn out of the context and misinterpreted. What he then meant was that there was no sanctity in presenting tax proposals only at the end of February and, if the country's situation required it, there would be more than one Finance Bill. He made it clear that, while he was not one of those who stuck to the idea that there should be only one Finance Bill every year, he had no intention of bringing in five or six Finance Bills a year. He added that, in a year, there were only three sessions of Parliament and that, even if he wanted to introduce more than one Finance Bill, Parliament would get fed up with him.

This reassuring clarification, which incidentally is in keeping with our reading of his mind in these columns a fortnight ago, is welcome. But what we do not understand is as to why he did not come forward with it earlier. Why did he wait for exactly a month? He knew that a section of speculators was making capital out of it and upsetting the confidence of investors. It could not be that he had no opportunity to do so, for, after his said statement in Parliament, he spoke in public on a good number of occasions. And almost every one of these speeches tended to unnerve the investor and gave jitters to the private sector. Anyway, it is to be hoped that, at least in future, the Finance Minister will choose his expressions with care and refrain from making statements in a manner that is likely to be misunderstood or misinterpreted.

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In his speech at Madras, Mr. Krishnamachari made another significant statement. Explaining the taxation policy, he said that, normally, when they were undertaking a plan they had to reconstruct the taxation structure and build up their resources. They did all that was necessary during the first two years, because, if they were going to do something which would give them increased revenue, it would not be good doing it in the fourth or the fifth year of the Plan, as it would not be bringing any money to the Plan. If any reconstruction was made to bring more money either by more efficient collection or extending the range of taxation, it had to be done early in the Plan period. He expressed the hope that, whoever was the Finance Minister, he would put a stop—unless circumstances demanded otherwise—to any large-scale revision of the tax structure after 28th February 1958, and thereafter allow the country to settle down and work out the Plan.

This observation, read in conjunction with some of his earlier statements on this subject, means that the budgets for 1957-58 and 1958-59 will contain additional tax burdens. Assuming that the one coming at the end of next month will be a "lame duck"—a big assumption—the budget that will follow in the summer after the elections and the one in February 1958 will be heavy ones for the investor. Yet the share markets have not been upset at all by this particular statement. On the contrary, it has recorded a modest rise in equity values since then. One explanation for this curious behaviour is that the other parts of the Finance Minister's speech at Madras were conciliatory and that, after the 1958-59 budget, the investor would be left in peace for at least three years to come. All this is wishful thinking. And the real explanation for the recovery of the market is that a correction was overdue and, with the fortnightly settlement falling due tomorrow and with bears seeing substantial gains, they decided to book them, instead of merely leaving them on paper.

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To revert to the Finance Minister's statement on tax policy, Mr. Krishnamachari's approach is somewhat different from that of his predecessor, Mr. C. D. Deshmukh. The latter favoured substantial doses of deficit financing in the first two or three years of the Plan, which would taper off in the subsequent years, and relatively lighter doses of taxation in the beginning to be followed by heavier doses later. Apparently, Mr. Deshmukh wanted to create additional taxable capacity first by proceeding with development through deficit financing on a fairly large scale to cover the gap in the resources and then impose more taxes. That is, first pump in money into the system, leave it to multiply for a while and then collect the harvest. There is, of course, a lot of sense in this approach, especially because it would not kill the incentive to greater effort in the initial years of the Plan as Mr. Krishnamachari's tactics have tended to do. But it could not work, as the supply of food, raw materials and consumer goods failed to keep pace with the rise in the demand and prices rose, upsetting all calculations.

Evidently, it is because of this unexpected development that Mr. Krishnamachari decided to follow the policy of more taxation and less deficit financing. It is, however, not surprising that this change in tactics also is not yielding the desired results. For what is standing in the way of the smooth progress of the Plan is not the absence of rupee resources but that of adequate supply of raw materials, food, trained manpower and foreign exchange. It is noteworthy that, despite the restraints on bank credit and higher interest rates and the tight control exercised by the authorities on money supply as a whole, commodity prices have been tending to go up and foodgrain prices are standing at uncomfortably high levels. In the closing days of December and early this month, these prices showed signs of going down. But this expectation has not materialised. Prices of cotton and oilseeds have gone up, owing to the feeling that the earlier optimistic crop estimates might not fully materialise due to unfavourable weather in some parts of the country. The declining trend in rice prices has been arrested, while wheat and coarse grains are fully steady to firm. Since cotton prices had gone down to unduly low levels, the rise in them during the past few days is not something to cause any anxiety. But the spurt in the prices of oilseeds and the continued high level of wheat and other food prices are somewhat disturbing, as they will, if they persist, limit the pace of development expenditure.

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The British cotton textile delegation, under the leadership of Sir Cuthbert Clegg, has been in this country for a week now. It has already met the leaders of the Indian Cotton mill industry at Bombay and Ahmedabad and had discussions with them. The delegation is very keen that India should agree to a voluntary restriction on the quantum of its mill cloth reaching the British market and is believed to have ably put forth its case. Although no indication of the trend of discussions that took place between the Indian and Lancashire millowners is available, there are reasons to surmise that India will, once again, show some concession to the U.K. cotton industry, as it has done twice in the recent past. It is true that India has an extremely strong case for not obliging Lancashire this time and could have flatly turned down the latter's request. But it has not done so. Instead, its millowners are understood to have discussed with the Lancashire delegation the basis on which their exports to Britain could be limited. There was no need for such exploratory talks if their intention was not to accommodate Lancashire's plea.

It would appear that, in order to keep Indo-British economic relations on a friendly level, India may make a gesture by agreeing to cut its exports of cloth by 10 to 15 million yards, provided Britain can give an assurance that it will not allow any other country to take advantage of this sacrifice on its part. It is, of course, quite premature to be categorical on this point. But India values economic co-operation with Britain to such an extent that it would not be surprising if it were to relent. The Indian Government and the cotton mill industry are quite conscious of the political pull which Lancashire millowners have on the Conservative and the Labour parties alike. For reasons of expediency, they may not wish to cause any embarrassment to the British Government by giving an absolutely negative reply to Lancashire. Much, however, will depend upon Mr. Morarji Desai, India's new Commerce and Industry Minister.

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Many industrial establishments have, for long, been inclined to write Orissa off as a sort of "no-man's land," as a region unworthy of their attention. By and large, they were justified in this attitude, for Orissa, which represents a region of low incomes and periodical floods and famines, has provided little attraction to the trader or the industrial *entrepreneur*. But this attitude deserves to change with the commissioning of the Hirakud project. The area served by the project is likely to experience considerable prosperity very soon. The increase in agricultural production alone, it is computed, will yield the farmers an additional income of Rs. 10 crores. This means so much addition to the purchasing power of the people. But a far more notable factor is the great fillip which the project is bound to give to industrialisation.

Elsewhere in this issue—*vide* the previous page—we have drawn attention to the increase in power which will become available from the Hirakud hydro-electric stations. The completion of the first and second stages of the project will give an installed capacity of 232,500 kw. and a firm capacity of about 180,000 kw. An impressive expansion in the demand for power—from a meagre 4,800 kw. at present to 129,000 kw. at the end of the second Plan—is forecast for this region. At present, Orissa gets its power supply mainly from the Hirakud project and the Machkhund scheme, a joint Andhra-Orissa scheme on the Machkhund in which the latter's share is 34,425 kw. Realising that the growing demand for power will need additional power stations, the authorities are already planning a hydro-electric project on the Baitarni. The power, now generated, is being made available to industrial consumers at a special promotional tariff.

Many industrial units, both in the public and private sectors, are expected to benefit from the power made available to them at very reasonable rates. The State-sponsored Rourkela plant will absorb 40,000 kw. by 1961; it will go up to 50,000 kw. by 1965-66. The Indian Aluminium Co., Ltd., which is installing an aluminium smelter plant, capable of producing 10,000 tons per year, will require an additional 25,000 kw. by 1960. The Tata Iron and Steel Co., Ltd., has decided to set up a ferro-manganese plant at Joda, in Kenonjhra district, with a production capacity of 30,000-40,000 tons. The power requirement of this plant, which is estimated at 12,000 kw. in 1960-61, is expected to rise to 24,000 kw. by 1966. The Kalinga Tubes Ltd. at Chowdhwar, manufacturing galvanised tubes and fittings, with an annual production of 30,000 tons, are expanding their plant to manufacture tubular poles and to handle galvanised tubes and fittings of up to 6" diameter. The Company's present demand of 450 kw. will go up to 2,000 kw. by 1961. The Jeypore Mining Syndicate has finalised its plans to quarry 3,000 tons per month of manganese ore from four mines in the Rayaghada area. The Syndicate also is setting up a ferro-manganese plant, with an annual capacity of 15,000 tons. It will go into full production by 1960 when it will need about 7,000 kw. The few collieries in Orissa, such as the Talcher and Rampur collieries, are also expected to use power.

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Orissa, as is well known, abounds in raw materials necessary for the development of the paper industry. Realising the importance of this factor, and the advent of power, the Orient Paper Mills Ltd. which has a factory with a daily capacity of 100 tons at Bajajnagar, has chalked out plans for doubling the capacity of the factory and also for establishing a caustic soda plant with a 10-ton daily capacity, to be doubled by 1961. The management also intends setting up a rayon factory with a 12-ton production capacity per day. Their power requirements will go up to 7,000 kw. by 1960-61 and to 14,000 kw. by 1966 and 21,000 kw. by 1971. The Titaghur Paper Mills Co., Ltd., as we indicated in an earlier issue (vide *Commerce*, 1st December 1956), has plans for setting up a Rs. 2½-crore new paper mill in Orissa, with an initial annual production of 12,000 tons.

There is, at present only one cement factory in Orissa, namely, the Orissa Cements Ltd. with a production capacity of 500 tons per day. It proposes to add another unit of 600 tons per day which will go into production by 1958. It has also a workshop and a spun pipe factory and is considering the installation of a refractory plant capable of producing 18,000 tons of finished material per annum. The management is also considering the possibility of establishing two slag cement mills and a wagon manufacturing factory, though these proposals may take concrete shape only in the third and fourth Plan periods. The Company's present demand for 2,640 kw. is expected to rise to 5,000 kw. by 1961 and to 8,500 kw. by 1966. The Orissa Textile Mills Limited, with 50,000 spindles and 864 looms, proposes to extend its installations; its demand for power will move up from 2,000 kw. in 1960-61 to 4,000 kw. by 1966.

The total aggregate demand for power in the State from all consumers is expected to go up to 134,000, 268,000 and 498,000 kw. at the end of the second, third and fourth Plans, respectively. Industrial demands form 96 to 97 per cent. of the total demand for power. This, it is claimed, is the highest ratio for any State in India. The anticipated development programme for the industry in the second Plan period, it is computed, will mean an investment of Rs. 150 crores. The additional direct employment likely to accrue from industrial expansion in the State will be about 50,000 in the second Plan period, while the indirect employment will be many times this figure. The Hirakud project is thus expected to pave the way for the industrial prosperity of the entire region and to add to the wealth of the country substantially. Such, in brief outline, is the progress which Orissa expects to make in the next few years.

EQUITIES RECOVER

SMART RISE ALL ROUND

(From Our Own Correspondent)

BOMBAY, *17th January*

TRADING on the Stock Exchange during the week under review indicated that equities are slowly overcoming the effects of the supplementary Budget presented by the Finance Minister at the end of November last and regaining the confidence which marked the pre-Budget deals. For the first time after the Budget was presented the market struck a cheerful note this week and almost the entire list recorded a handsome gain. Barring a setback late on Tuesday and on Wednesday, the trend was steeply upward. The undertone at the close was very firm.

The main inspiration for the optimistic note was the fact that the settlement difficulties had been successfully overcome, although there was one case of default, the effect of which was negligible. The second factor was the note of moderation struck by the Finance Minister in his more recent speeches and his assurance that he had no intention of bringing Finance Bills in season and out of season. His statement in Madras that there would be no major changes in the taxation structure after February 1958 was also noted with satisfaction, though the possibility of much damage being done in the next Budget after the elections was not ruled out.

Yesterday's dip was, however, due to fears of a rise in Bank rate. The presence of the Finance Minister in the City and his reported talks with the Reserve Bank Governor were connected with the prospect of an increase in Bank rate and the bears seized the opportunity to hammer the market down, which had turned against them in the previous four days. They were, however, soon outwitted by bulls who, in the absence of any announcement regarding Bank rate, pulled the market again in their favour and there was an all-round sharp jump in prices today.

In the steel section, Tata Ordinaries employed, early in the week, good investment support, which coupled with renewed speculative buying and heavy bear-covering lifted the shares to a high of Rs. 176-4. After a recession to Rs. 173-12, they rallied again to close at Rs. 176. Indian Irons gained from Rs. 28 to Rs. 29. The reaction which followed brought them down to Rs. 28-8, but at the close they recovered to Rs. 28-12.

Textiles made an impressive performance, the gains being substantial in many cases. Besides the factors mentioned above, the expectations of a cut in excise duty on cloth also fanned the bullish enthusiasm. Bombay Dyeings advanced from Rs. 543-12 to Rs. 571-14 and after a decline to Rs. 558-12 yesterday gained strength to Rs. 566 at the close today. In refreshing contrast to the sharp drop suffered last week, there was smart rally in Centurys this week, gaining from Rs. 481 to Rs. 500-12, but the closing was lowered at Rs. 495. Kohinoors gathered Rs. 13-8 to Rs. 329, the highest level touched being Rs. 332. Central Indias rose by Rs. 3-8 to Rs. 125-8, Bradburys by Rs. 12-8 to Rs. 230, Dawns by Rs. 13-12 to Rs. 178-12 and Finlays by Rs. 12 to Rs. 313. Gokaks were done Rs. 7 higher at Rs. 225. Indu Ordinaries closed at Rs. 11-0½, *ex-div.*, as against Rs. 11-3½ *cum-div.* a week ago. Indore Malwas were bid Rs. 5 higher at Rs. 141-4. Khataus advanced by Rs. 6-9 to Rs. 224-1, Mysore Spinnings by Re. 1-4 to Rs. 102-8, New City Mills by Rs. 3-12 to Rs. 145 and New Greats by a rupee to Rs. 241. New Kaiser-I-Hinds were done at Rs. 112-8 *ex-div.*, as against Rs. 120 *cum-div.* last week. Phoenix changed hands Rs. 8-2 higher at Rs. 145. Shree Niwas gathered Rs. 8-12 to Rs. 196-4 and Simplex Rs. 4-8 to Rs. 184-8. Standards recovered by Rs. 8-12 to Rs. 445, Svadeshis by Rs. 10-8 to Rs. 233, Swans by Rs. 13-12 to Rs. 418-12 and Tata Mills by Rs. 2-8 to Rs. 50-8.

Bank shares came into the limelight with an all-round sharp rise, following the publication of encouraging results and increase in dividends by many banks for 1956. Barodas rose briskly by Rs. 4 to Rs. 104, Central Banks by Rs. 4 to Rs. 56 and their New shares by Rs. 5-8 to Rs. 60-4. Bank of Indias picked up Rs. 3-4 to Rs. 142 and Punjab Nationals Rs. 5 to Rs. 56. The sharpest rise was noted in United Commercials, which had raised the dividend from 5½ per cent. to 7 per cent. The shares, after being lifted up from Rs. 54-4 to Rs. 61-8, closed at Rs. 59-8.

Business in insurance shares was scanty, but was done at fractionally higher rates. New Indias were put through As. 4 higher at Rs. 44 and Vulcans As. 6 better at Rs. 15-8.

A steady tone prevailed in the electricity section which enjoyed fair support. Ahmedabad Electrics staged a rise of Re. 1-15 to Rs. 95-6. Bombay Surburbans were unchanged at Rs. 109-6. Surats picked up no more than As. 10 to Rs. 111-14. Tata Hydros fetched Re. 1 more at Rs. 124 and their New shares gained Rs. 2-4 to Rs. 117-12. Tata Powers moved up by Rs. 6-4 to Rs. 1,237-8 and their New shares by Rs. 25 to Rs. 1,200. Andhra Valleys rose by Rs. 13-12 to Rs. 1,220.

Sugar shares displayed a firm tone, Belapurs fetching Rs. 233-4 *ex-div.*, as against Rs. 242 *cum-div.* (div. Rs. 16) last week. Bhopals were up by As. 8 at Rs. 16-14 and Phaltans by Rs. 2 at Rs. 147-8. Walchandnagars appreciated from Rs. 256-14 to Rs. 266-4. The rise in cement shares was comparatively less marked, Associated Cements gaining over the week no more than Rs. 2-8 to Rs. 183-8, after touching Rs. 185-12. Digvijays moved up by Rs. 2 to Rs. 153. Jaipur Udyogs rose by As. 4 to Rs. 12 and Orissa Cements by an anna to Rs. 13-1, while Andhra Cements shed As. 5 to Rs. 15-6. In the engineering and mining group, Alcock Ashdowns staged a smart rise of Rs. 17-8 to Rs. 273-12. Tata Locomotives were bid from Rs. 153 to Rs. 160 before a reaction to Rs. 157 at the close. Premier Constructions gained Rs. 7-8 to Rs. 185 and Texmacos As. 12 to Rs. 20. Larsen and Toubros were steady at Rs. 16, while Mahindra and Mahindras provided an exception with a drop of As. 12 to Rs. 14-4. Shivrajpurs shot up by Rs. 4-8 to Rs. 88. Indian Coppers ruled steady at Rs. 3-11½, a rise of As. 1½ over the week. B.B. Petrols gained As. 1-9 to Rs. 2-13.

Shipping shares came to favour, Scindias staging a rise from Rs. 18-1 to Rs. 18-12 on reports that the terms of the Managing Agency were being revised, which would prove more favourable to the shareholders. The closing was, however, a shade lower at Rs. 18-8½. Great Easterns were keenly bid to record a rise of Re. 1-9 to Rs. 18-5. Automobile shares also firmed up in consonance with the general trend. Premier Automobiles advanced by Rs. 3-8 to Rs. 105-8 and Hindustan Motors by As. 8 to Rs. 8-1.

In the miscellaneous section, Bombay Burmahs gave a good lead to the general buoyancy, the old shares appreciating from Rs. 656-4 to Rs. 698-12. The closing was done at Rs. 695. The new shares rallied from Rs. 237-8 to Rs. 262-8. National Rayons finished with a gain of Rs. 8-12 at Rs. 242-4, the week's highest level being Rs. 245. British India Corporations rose by As. 6 to Rs. 8-8, Gwalior Rayons moved up by As. 10 to Rs. 14-10 and Hindustan Levers by As. 5 to Rs. 18-15. Tata Chemicals changed hands As. 5½ higher at Rs. 16-8 and Tata Oils were in demand to jump by Rs. 2-4 to Rs. 46. Wimcos were lifted up from Rs. 165-10 to Rs. 170.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *16th January*

For the first time since the announcement of new taxes, conditions on the Calcutta Stock Exchange were cheerful during the week under review. More interest was being shown on speculative stocks and fair-sized investment support was available from the Life Insurance Corporation for shares of first-class equities. Advices from Dalal Street was also encouraging. During recent months, buying on behalf of the Life Insurance Corporation had been conspicuous by its absence, while during the pre-nationalisation days the strength and support the life insurance companies used to give to the market in periods of lethargic conditions acted as a powerful factor to arrest the dullness. The Finance Minister's statement in Madras on Sunday last that industry in general co-operated with the Government and worked for achieving the targets set in the Plan also created a favourable background in the light of Mr. Krishnamachari's views on taxes for the Plan after he had converted into a "full socialist."

The decline in the stocks of jute goods with mills as at the end of the last month invited buying interest in jute shares, although investment support was slow in view of the higher prices for raw jute. The announcement of an interim dividend of 6¾ per cent. on the increased capital by the Indian Copper Corporation was received in the market with considerable satisfaction, although it had been well anticipated and the scrip had remained fully steady in a dull market earlier.

With more interest being shown in jutes, Nationals recovered to Rs. 18-14 from Rs. 18-4. Fort Glosters were put through at Rs. 313, as against Rs. 313 previously, while Deltas moved down to Rs. 124 from Rs. 127 and New Centrals to Rs. 13-4 from Rs. 13-7. Anglo-Indias were a particularly interesting feature yesterday with an improvement to Rs. 136, while Baranagores moved down to Rs. 96 from Rs. 102.

Among cotton textiles, the outstanding feature was the impressive recovery in Elgin Mills to Rs. 28-14 from Rs. 24-8 on interested buying, while Bowreahs recorded the other extreme of the trend by sagging to Rs. 123 from Rs. 145 previously. Kesorams received some attention at the unchanged rate of Rs. 14-8.

Burrakurs, among coals, continued to depict strength and, at Rs. 21-2, there was scarcity of sellers. The uptrend in this scrip during recent weeks was mainly speculative, as also due to attempts at cornering. However, it is stated that the Managing Agents, Messrs. Bird & Co., and their supporters hold more than 50 per cent. of the ordinary shares. The marketable number of ordinary shares being concentrated in a few hands, the advisability of removing the counter from the clearing list of the Calcutta Exchange is being envisaged. The working results of the Company for the half-year to June last, just published, record a fall in profits by Rs. 4·46 lakhs to Rs. 7.43 lakhs, although the dividend has been maintained at 3¾ per cent., at which rate and at the current quoted rate for the scrip the annual return works out to about 3 per cent. Kalpaharis received fair support to rise to Rs. 22-2 from Rs. 20-13. Bengals were higher by a few points at Rs. 445-8. Equitables were fractionally better at Rs. 25-2.

Indian Coppers, among minings, were highlighted by the steadiness and the scrip was difficult to obtain at Rs. 3-11. Among paper mills, Orients, at Rs. 31-14, gained by one point, while Titaghurs, after being held at Rs. 36-3 for most part of the week, scored to Rs. 36-8 yesterday. India Steamships, at Rs. 9-9, were higher by As. 5 and, among sugars, Sree Krishna Gyanodayas were taken to Rs. 11-9 from Rs. 11-2. Champarans improved to Rs. 23-1 from Rs. 22-14.

Engineerings also shared in the general improvement. Guest Keens recovered to Rs. 23-6 from Rs. 22-14 and Indian Irons to Rs. 28-13 from Rs. 27-11. Texmacos came in for more enquiries, following which the counter regained to Rs. 20 from Rs. 19-2. In a similar way, Richardson and Cruddas gained ground to Rs. 22-3.

More shares changed hands in the miscellaneous section, Imperial Tobaccos had buyers at Rs. 14-6, as against Rs. 13-15 earlier, with National Carbons remaining unchanged at Rs. 26-2. Dunlop Rubbers, on fair attention, were better at Rs. 26-1, but Metal Boxes fell to Rs. 25-13 from Rs. 26-10 and Martin Burns to Rs. 22-5 from Rs. 22-7.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *15th January*

The small rally on the Madras Stock Exchange which was in evidence in the previous week proved to be short-lived and the market lacked support during the week under review which was a short one on account of the *Pongal* holidays. The Stock Exchange remained closed on the 12th, 14th and 15th inst. This resulted in a low turnover with prices fluctuating within narrow limits. All sections, except banking, were dull and sellers were found either at current rates or at slightly lower levels.

Several counters in the textile section were dull as the shares ruled quiet, and in the absence of buyers, quotations were talked down. Coimbatore Cotton and Coimbatore Pioneers were marked down by Rs. 2 and Re. 1 to Rs. 374 and Rs. 289, respectively. R. C. Ambikais fell by Rs. 5 to Rs. 262; so also Lakshmis by Rs. 4 to Rs. 246, Vasantas shed Rs. 5 to Rs. 320. Buckinghams were unchanged at Rs. 174, as also Malabar Spinnings at Rs. 108 and Mettur Industries at Rs. 420. Palani Andavars 'A' and 'B' remained quiet at Rs. 150 and Rs. 220, respectively. Pankajas were maintained at Rs. 77 and Radhakrishnas Rs. 325. Bangalore Woollens lost Re. 1-4 to Rs. 542-8.

In the planting section, tea shares were marked down on reports that the demand for tea at auctions had shrunk. Balanoors receded by As. 4 to Rs. 18-12. Blue Mountains declined by As. 3 to Rs. 5-2 and Malabar Agriculturals by As. 4 to Rs. 11-10. Most of the other shares remained quiet. Talayar and Nilgiri Teas, however, met with buying support and rose by As. 2 each to Rs. 11-6 and Rs. 8-14, respectively. Among rubber shares, Kailas eased by As. 3 to Rs. 5-9 and Midlands by As. 4 to Rs. 17-2. Nilambburs were done As. 8 lower at Rs. 16. Among coffee shares, Coffee Lands dropped As. 6 to Rs. 23 and Consolidateds As. 1 to Rs. 18-2. Amalgamateds were dull at Rs. 11-4, as also Mysores at Rs. 2-8.

In sympathy with the general trend, activity in the miscellaneous section was also restricted. Aluminium Industries fell by As. 3 to Rs. 19-14. F.A.C.Ts shed As. 2½ to Rs. 6-5 and Indian Aluminium As. 7 to Rs. 14-1. There was no change in the case of Singarenis, Spencers and Textools and the shares remained inactive at Rs. 10-12, Rs. 16-1 and Rs. 265, respectively.

Dealings in sugar shares were done at lower rates. Mysore Sugars declined by As. 4 to Rs. 44-12 *cum-div.* Travancores lost As. 8 to Rs. 11-12, Deccans fell by As. 2 to Rs. 11-2, as also E.I.Ds to Rs. 28-2. United Breweries shed Rs. 5-8 to Rs. 182. Cauverys were quiet at Rs. 50, Indias at Rs. 16-6 and Andras at Rs. 15-8.

The banking section alone ruled somewhat steady following the announcement of excellent working results for 1956. Indian Overseas were talked Rs. 8 higher at Rs. 160. Pandyans put on As. 8 to Rs. 40 and Punjab Nationals gathered Re. 1-8 to Rs. 51-8. Indian Banks (Rs. 75 paids) remained firm at Rs. 158 and Fully Paids at Rs. 199. Travancores eased by an anna to Rs. 16-13.

TUNGABHADRA PROJECT

Of the eight generators of electricity which are expected to be installed as part of the hydro-electric scheme in the Tungabhadra Project, the first generator with a capacity of 9,000 kw. has been commissioned with effect from 8th January 1957. All the generators will have a capacity of 9,000 kw. each. Since one of them will be reserved as a "stand-by," the total capacity will be 63,000 kw. The second generator, according to Mr. A. R. Venkataraman, Secretary of the Tungabhadra Board, would be ready in February 1957, and two more by April 1957. Power from the Tungabhadra hydro-electric station will be shared between Andhra and Mysore in the ratio of 4 and 1.

As regards the canal waters, the water in the high level canal will be distributed between the Andhra and Mysore States in the ratio of 65 and 35 respectively, the ratio for the water of the low level canal being five to four. The high level canal scheme is expected to be completed within eight years; if the tempo of work were increased, it could be completed even within six years.

NEWS IN BRIEF

ACCORDING to a re-survey conducted by the Geological Survey of India, the Raniganj coalfields in Bihar contain a reserve of nearly 13,000 million tons, nearly twice the amount estimated in 1928. At the present rate of consumption, the reserves are expected to last a few centuries.

The Government of India has decided not to permit any further exports of semi-manufactures of copper. But export of semi-manufactures of brass and aluminium will be licensed freely till the end of June and tinplate containers till the end of December 1957.

The Governments of India and Italy are actively considering a proposal for bilateral agreements envisaging Italian help in India's programme of expansion of shipping during the second Plan period. It is proposed that Italian shipyards should build ships for India. The Italian Government is also likely to assist India in the field of heavy industries.

The Kerala Government will soon sponsor and promote several industrial enterprises in the State. A new ceramic factory, Kerala Ceramics, will go into production immediately at Kundara. Two spinning mills, one at Trivandrum and another in Malabar, will shortly be established and an application for import of machinery will be made to the Government of India.

The Union Government has, on the advice of the Forward Markets Commission, granted recognition to the Indian Pepper and Spice Trade Association, Cochin, for conducting forward trading in garbled Malabar black pepper for a period of three years. The establishment of forward markets in coconut oil at Alleppey and Cochin is also under consideration.

The production of coking coals of selected A and B grades in 1957 will be pegged to the overall ceilings of 7.90 million tons, as against 7.70 million tons, in 1956. The overall ceiling of production in respect of grade I and II coking coals has been fixed at 4.4 million tons and 3.70 million tons, respectively, in 1957, as against the pegging limit of 4.20 million tons and 3.10 million tons in 1956.

The Railway Board has decided to set up a fuel economy training centre at Dhanbad in Bihar. The decision has been taken in pursuance of the recommendation of the Railway Fuel Economy Enquiry Committee which had suggested that a Central Training Institute should be set up for giving intensive training to loco and fuel inspectors in the maintenance and operation of locomotives. The railways are the largest consumers of coal in the country, accounting for about 33 per cent. of the total production. Their annual coal bills aggregate about Rs. 39 crores.

India is the largest buyer of chemicals from the United Kingdom, Mr. T. C. Fawcett, Chairman of the Chemical and Allied Trade Section of the Chamber of Commerce, observed in his annual report that India's purchases rose from £13,800,000 in 1955 to £15,400,000 in 1956, while those of Australia, which had hitherto been the largest customer, fell from £16,200,000 to £14,700,000. This decline, Mr. Fawcett said, resulted from import restrictions imposed by the Australian Government.

The Rubber Board has decided to request the Government of Kerala to re-examine the wage structure of the rubber estate workers for the assessment of fair wages, taking into account the production, manufacture and consumption of rubber. The Board has also decided to request the authorities to fix the quota of rubber imports for 1957 in the light of increased consumption and lesser production figures estimated for the year. It has also been decided to divide the import quota to be allowed for 1957 between the first and the second half of the year in the ratio of 65 : 35 and allocate the quantity amongst the manufacturers on a *pro rata* basis of their consumption during 1956.

The Ministry of Finance's Department of Revenue has already notified the procedure for the export of articles under rebate of duty on the excisable goods used in their manufacture. It has been specified in the procedure that the Central Board of Revenue shall declare, from time to time, to which article this procedure shall apply. To begin with, the procedure has been made applicable, with immediate effect, to (1) ready made apparel, (ii) tents and (iii) sugar products, including biscuits and preserved fruits. Manufacturers of these articles wishing to export them are advised to contact the Collector of Central Excise in whose jurisdiction their factory is situated, in order to avail themselves of the benefit of the procedure, subject to observance by them of the formalities required under Rule 791-1 of the Central Excise Rules 1944.

The engineering survey of the 76-mile Bhavnagar-Tarapore broad-gauge rail-link has begun and is expected to be completed by the middle of February. The traffic survey of the proposed rail-link, which will be the first direct broad-gauge connection for the Saurashtra area with the rest of the country, was completed two years ago. Estimated to cost about Rs. 3.3 crores, the rail link will reduce the travelling time between Bombay and Bhavnagar by about 12 hours. The direct advantage to Saurashtra from the rail link will be an estimated 50 per cent. reduction in the cost of large quantities of coal imported from Bihar by the rail-*cum*-sea route at present. Similarly, it is estimated, that, with the opening of the new line, Bengal, Bihar and Uttar Pradesh will save about Rs. 70 lakhs every year by the resulting decrease in the price of salt which they import from Saurashtra.

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From Abroad

The Norwegian Government has decided to advance $1 million towards the cost of clearing the Suez Canal.

The 4½ per cent. $100 million World Bank bonds (due on 1st January 1977), offered recently, has been oversubscribed and the books have been closed.

The U.S. Bureau of Mines has forecast domestic market demand for crude oil during January at 8.15 million barrels, an increase of 425,000 barrels a day over that of December.

The Portuguese Government will construct a shipyard at Mormagao, the main port of Goa, at a cost of £150,000. The yard will be large enough to provide repair facilities to all ore-carrying vessels using the port. Small vessels will also be built at the yard.

Malayan tin exports to the continent of Europe last year were of the order of 12,909 tons which represents a substantial increase of 39.8 per cent. However, exports to Britain fell by 32.6 per cent. to 1,983 tons and that to the U.S. by 5 per cent. to 41,084 tons. Total exports for the year were 73,276 tons.

The shortest distance separating North America from Asia is between Little and Big Diomede islands. According to Pan American Airways, on Little Diomede, the picture of Abraham Lincoln adorns the school-house, while on Big Diomede, just three miles away, the school-house contains the picture of Karl Marx.

The city of Oberhausen, headquarters of the German Babcock and Wilcox group of companies, plans to build an atomic reactor to provide heat for industry and housing at an estimated cost of £1.5 million. This is independent of the "six-city project" for medium-sized power reactor to provide electricity for the regional power grid.

The naval architects of the Mitsubishi Heavy Industries Ltd. of Japan have begun drawing the basic designs for two atomic-powered oil tankers, one of which will be a 30,000-ton deadweight submarine. Plans for the atom-powered submarine tanker, a spokesman of the Company said, called for construction of a vessel 540 feet long, with a beam of 69 feet and a submerged speed of 22 knots.

An aggregate of 126 dry cargo vessels have been released from the U.S. Reserve Fleet to date. The release of a further 104 cargo vessels is being sought at present. The U.S. authorities impose as a condition for their release that the vessels be chartered for Europe. Of the 126 vessels released, 32 are already in service and most of the remainder will be in operation within a few months. The capacity of these vessels is between 9,000 and 10,000 tons and they are being used mostly for the transport of coal and wheat to Europe.

A shipowner of Norway, Mr. Sigval Bergesen, has announced that his firm is prepared to invest one million kroner (£50,000) in the building of a Norwegian atom ship. A condition for the investment is that a syndicate with a capital of £24-£5 million should be formed for building the ship on a commercial basis and at a time when atomic scientists co-operating with shipping interests have succeeded in finding the right type of reactor. The firm would also insist on the ship being built at a Norwegian shipyard.

Over 20,000 persons are expected to attend the exhibits and sessions of the 1957 Nuclear Congress designed to promote the use of atomic energy for peaceful purposes, scheduled to be held in Philadelphia in March. It will bring together about 3,000 engineers, scientists and industrial leaders. Participants will be able to study more than 200 technical papers based on original material. Dr. Walter G. Whitman, President of the American Institute of Chemical Engineers and Secretary-General of the United Nations 1955 Atoms-for-Peace Conference at Geneva, will be General Chairman of the Congress.

The 17-nation organisation for European Economic Co-operation has announced that Europe's oil supplies were less than 75 per cent. of its needs and would soon be inadequate to maintain normal economic activity. A resolution by O.E.E.C's Executive Committee drew the attention of the United States delegate to the situation which will shortly result in Europe if the production allowed in Texas is not raised to the level permitting the transport to Europe of an increased volume of crude oil and petroleum products. The statement said that only a further increase in supplies from the United States might alleviate a situation which causes anxiety.

A new social insurance law for Cyprus—the first State-sponsored insurance scheme in that colony—came into force on 7th January. It provides benefits for marriage, maternity, unemployment, sickness, old age, widowhood and death. The scheme is based upon that in force in Britain, with workers, employers, and the State each bearing a part of the cost. At the outset, the worker's contribution will be just over 1*s.* per week, women paying slightly less. Benefits for sickness, unemployment, widowhood, and old age will be £1 4*s.* per week, with additional allowances for dependents. The maternity grant will be £5 and the marriage grant £10. Already 50,000 workers, including 12,000 civil servants, have been enrolled under the scheme. Eventually, it is expected that 100,000 will register.

Sweden, which is very much short of fuel oils, is to receive emergency supplies under a decision taken by the Oil Committee of the Organisation for European Economic Co-operation. The O.P.E.G., the emergency group of oil companies, has been asked to examine Sweden's case at once and to advise what measures should be taken. The Oil Committee feels that, with the improvement in the shipping position, supplies to Greece will return to normal. Turkey's case will be studied when more statistics are available.

The U.S. has offered $20 million for constructing and putting into operation of an Asian atomic energy centre at Manila. Announcing this, Mr. Walter Robertson, U.S. Assistant Secretary of State, told a meeting of the Colombo Plan Consultative Committee at Wellington, New Zealand, that the U.S. contribution was conditioned on working out mutually satisfactory arrangements with other countries participating in the project. The amount would come from President Eisenhower's $100 million fund for Asian economic development.

PERSONAL

MR. Justice Jivan Lal Kapur of the Punjab High Court was sworn-in as a Judge of the Supreme Court of India on 14th January.

Mr. Purshotamdas Thakurdas, who was on the Central Board of the Reserve Bank ever since its inception, declined to be re-nominated to the Board, due to the Finance Minister's unilateral and unprovoked strictures on the Bank.

Mr. Chester Bowles, a former U.S. Ambassador to India, arrived in New Delhi on 9th January on a four-week visit to India. During his stay here, he will visit Community Project areas and development works in Uttar Pradesh and Punjab.

Mr. Babulal Bubna, a prominent millowner, left for Rangoon on the 14th inst. at the invitation of the Burmese Government to study the present position of the cotton textile industry in Burma and to suggest measures for its development.

Dr. Shanti Swarup Gupta, lately First Secretary to the Indian High Commission in Canada, Ottawa, has been appointed Consul General of India in Saigon. He will hold the rank of Counsellor. Dr. Gupta will take up his new assignment shortly.

Mr. K. G. Ambegaokar, a Deputy Governor of the Reserve Bank of India, has been appointed Governor of the Bank until further notice, *vice* Mr. B. Rama Rau, who has resigned, following the Finance Minister's recent adverse criticisms about the working of the Bank.

Mr. Kasturbhai Lalbhai, Ahmedabad, Mr. B. M. Birla, Calcutta, Lala Shri Ram, New Delhi and Mr. C. R. Srinivasan, Madras, have been nominated by the Central Government to be the Directors of the Central Board of the Reserve Bank of India with effect from 15th January 1957.

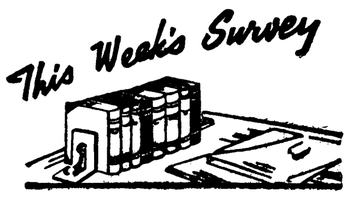
"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *23rd January*

The Reparation Problem

While in India there is apparently an inclination towards economic, industrial and political peace, the best talents of the country being now placidly concentrated on the constitutional reforms recommended by the Round Table Conference, there is a sibilating buzz of despondent anticipation in financial circles in other parts of the world, indicative of a spirit of unrest,—and the animation, to which desperation is closely allied, is chiefly due to the threatened debt repudiation by Germany as a defaulting nation. Following an unconfirmed Paris report that the reparations conference is likely to be postponed for five months, it is now stated that Italy and Britain are ready to grant Germany a longer moratorium without consulting the United States. France, however, is understood to have definitely refused to renounce any of her "sacred rights" in regard to reparations until the United States promises similar action. It is generally believed in London that when the Lausanne Conference meets a proposal will be put forward for the extension of the United States' moratorium to 15th December, when the next payment by the Allies to America falls due. But this plan, even at the best, can, if adopted, merely postpone the apparently inevitable, and unless the nations agree to forgo reparation payments, once and for all, it seems to us that the war-weary world is destined indefinitely to still stumble along on crutches; blindly, painfully, hopelessly. In the meanwhile, either as the result of good luck or of good judgment, Great Britain is the first country in the world to throw off the shackles of trade depression. And the sharp rise that has taken place in sterling in New York has been reflected in an encouraging manner by an appreciable rally on the Paris Stock Exchange.



T. I. S. CO.'S PETITION

MUCH interest attaches to the permission granted by the Bombay High Court to the Tata Iron and Steel Company, Ltd., to alter its memorandum so as to enable the management to contribute to the funds of political parties which, in the Company's opinion, would serve the industry in the country in general, and the steel industry, in particular. The issues which the Court had to consider were whether the Company's request was contrary to public policy and national welfare, and whether it meant a diversion of funds for purposes that did not bring an adequate reward to the shareholder. In granting the requested permission to the Company, Mr. Justice Tendolkar repeatedly referred to these larger issues in a way that merits special notice.

In support of its petition, the management pointed out that it could, under its memorandum of association, subscribe to any charitable or public object and any institution, society or club which may be for the benefit of the Company or its employees. But it felt that the two objects—that is, (1) the public and charitable objects and (2) welfare of the Company's employees—should be separated and that the former should be sufficiently enlarged to take into account modern conditions. It drew attention to the fact that the industrial policy of the Government under present conditions was of vital importance to most industries, and particularly to the key industry of steel. In a socialist pattern of society, such as was contemplated in the country today, the future of a chief basic industry, like the steel industry, depended on the Government's industrial policy. At present, the Company was carrying out a major expansion programme at a cost of Rs. 75 crores, and any further expansion of the Company's activities would depend on the approval of the Government. It was, therefore, considered in the interests of the Company that it should be able to contribute to the funds of political parties which would serve generally the interests of industry and those of the steel industry, in particular. The prosperity of the Company and its shareholders, it was stated, was bound up with the policy of the party in power. The Company was vitally interested in supporting such government as would enable the steel industry to continue in the private sector and to expand and prosper. A resolution to this effect, it was pointed out, had been passed at the last annual meeting of the Company; the Government of India, which had granted a loan of Rs. 10 crores to the Company, had not opposed the resolution.

The Company's petition was, however, opposed by a shareholder on the ground that the proposed alteration was contrary to public good and good government and adversely affected and prejudiced the interests of the shareholders and the Company. He further contended that the interests of the iron and steel industry were fully protected by the Government statement on industrial policy and the second Five-year Plan. There was, therefore, no need for the Company to contribute money to political institutions. Further, the proposed contribution to a political fund was an expense which brought no return to the Company and did not contribute to its economic or efficient operation.

His Lordship rejected the contention that the proposed amendment was against the interests of the shareholders. The shareholders were the best judges of their interests and they had passed a special resolution sanctioning the alteration without dissent. As regards the argument that it was an expense which brought no return, His Lordship observed that an expense need not bring in tangible returns. Power to contribute to worthy causes would add to the prestige of the Company and might help in saving advertising expense. His Lordship recalled that companies, recently formed, contained a clause in their memorandum of association permitting them to contribute to political objects. If the T.I.S.Co. was not granted permission for alteration of its memorandum, it would be placed in a disadvantageous position.

Discussing the larger issues of public policy, His Lordship conceded that the power of making contributions to political parties was obviously capable of being used to corrupt political life in the country. Serious forms of lobbying, His Lordship said, amounted to corrupt practices. But there was a difference between supporting a candidate or a party with whose policy the company was in substantial agreement and of supporting a party or candidate who would, for a consideration in the shape of contribution from the company, support the policy of the company, irrespective of the view of the party or the candidate concerned. His Lordship added that, if there was the remotest suggestion to the party or the candidate to act contrary to its or his own views for a price, that would amount to political corruption and would be against public policy; in such a case even a single shareholder could approach the court and obtain an injunction restraining the company from making any contribution. And, if the contribution had already been made, the shareholder could compel the directors of the company to refund to the company the amount contributed.

The T.I.S.Co., His Lordship pointed out, had undertaken to show in their profit and loss accounts the amount of donations and contributions made to every political party, directly or indirectly, every year. Giving publicity to the amount of donations to political parties, His Lordship said, was a wholesome safeguard against the tendency to corrupt political life in the country. His Lordship was not, however, prepared to hold that donating to political parties had a tendency to corrupt political life. As regards the argument that, if political parties depended on financing by large companies, it might induce the parties to water down their policy in regard to labour and other welfare legislation, the parties might be tempted or induced to disregard the Directive Principles of State Policy, His Lordship said parties with overwhelming popular backing might resist the inducement of accepting large contributions to their funds. The attempt to guard against such danger was admittedly for Parliament to make, and Parliament had to collect data on the effect of contributions on political parties.

In the result, His Lordship confirmed the proposed alteration but added the word "useful" before the words "institution, objects or purposes."

The T.I.S.Co.'s move has attracted considerable public attention, because it is the first of its kind, made by a company of its size, standing and reputation. That the T.I.S.Co. has been compelled to arm itself with powers to support political causes shows how inextricably bound are economics and politics. Till recently, no such need was felt, because industrialists supported certain political causes purely out of patriotic motives, irrespective of the gain or loss such support involved. Since the attainment of independence, they have apparently been convinced that they must be discriminating in their support, that it is only that political party which will help keep alive their economic functions that deserves their assistance. This is an inevitable trend in a democracy. And it is noteworthy that the Government has not opposed the move. This suggests that, in principle, it is not actually opposed to industrialists wanting to support a party of their choice. As things stand today, there is not, perhaps, a political party which will wholeheartedly support the system of free enterprise on which rests the future of independent farmers and industrialists. It remains to be seen whether such a party will come into existence or those engaged in free enterprise will be compelled to continue their support to the Congress as the least "red" of India's political parties. Mr. Justice Tendolkar pointed out that the industrial policy resolution of the Government did not prohibit expansion of private-owned units and, if the party that subscribed to this policy remained in power, it might allow the expansion of the Company and thereby enable it to carry on more efficiently. It is, however, open to doubt whether the party in power will always and in all cases interpret the resolution in favour of private enterprise. There is nothing in the resolution which prevents the Government from engaging in any activity it likes, even if it turns counter to the interests of private enterprise.

FOREIGN TRAVEL ALLOWANCE

A welcome trend in recent years is the impressive increase in the income which this country derives through the incoming tourist traffic. It is computed that such income in 1955 was of the order of Rs. 10.1 crores, thanks to the large number of tourists who visited India in that year; the number is placed at 43,648, as against 39,333 for the previous year and 20,000 for 1951. This increase is particularly significant, considering that India has only recently developed an interest in tourism. Further, there is an inherent difficulty in improving the tourist industry, for the industry does not consist of just one unit, or one variety of industrial units. To improve the industry requires the co-operation of all the interests concerned—Government, transport authorities, catering industry and travel organisations. Although the Government has done much to improve tourism, it has also been responsible for giving the industry a few jolts. Speaking at a recent Press conference in Calcutta, Mr. M. S. Oberoi, President of the Federation of Hotel and Restaurant Associations of India, expressed concern over the Union Government's "encroachment" on the hotel industry—he was referring to the Government's acquisition of the Asoka Hotel and the Janpath Hotel in Delhi—its prohibition policy, import restrictions and the recent withdrawal of the basic travel allowance. All these, he feared, would combine to affect adversely the incoming flow of tourists to India.

That is only about the tourists who visit this country from abroad. Then, there is the outward tourist traffic, that is, people from India going abroad for pleasure. In this respect, the Government has placed severe restrictions on the foreign exchange allowance even for going to non-dollar areas which was fairly liberal until the end of last year. It will be recalled that, unlike visitors to the dollar area, in respect of whom the allowance was determined on the merits of each case, those proceeding to the non-dollar area were being given a basic allowance of £750 per adult and £375 per minor. This allowance was available for a period of two years. It may be recalled that on 1st January 1955 the basic allowance was raised to these levels from £600 per adult and £300 per minor. This concession has been withdrawn with effect from 1st January 1957, as part of the Government's policy designed to conserve foreign exchange. In other words, the restrictions on journeys to non-American account area for pleasure or personal convenience have been brought to the same level as on those to American account area. The abolition of the basic quota, instead of a reduction, is considered as too drastic.

The immediate impact of the new restriction is likely to be felt by the air services. Mr. S. K. Kooka, Traffic Manager, Air-India International, feared that the Corporation might have to cancel its seventh frequency to London, scheduled to start in March next, if the Government of India did not revise its decision about travel restrictions. He expressed the view that, while the £750 allowance hitherto was "overmuch," taking away everything made things "too difficult." Clearly, if the outward flight of airways is restricted, it will also adversely affect the inward traffic. Further, the restriction will tell on the fortunes of the internal air services also, since it is bound to restrict air travel all round; the Indian Airlines carries considerable number of foreign tourists on its domestic routes. Foreign airlines do not expect to be hit hard, for they are likely to have some traffic as a result of the travel of foreign technicians and administrators who may visit India in connection with the implementation of the second Five-year Plan.

The restriction on travel allowances is particularly unfortunate, when it is viewed against the size of the foreign exchange it is expected to save for the country. It has been computed that it will result in saving of no more than Rs. 1 to Rs. 1½ crores. Are such omnibus restrictions necessary in the interests of saving so small an amount by way of foreign exchange? The Government can, if it still considers some restriction necessary, cut the £750 allowance to a lower figure, say, to £600 per adult, the limit until 1st January 1955, or even £500, instead of withdrawing the allowance altogether. Further, there are other ways of reducing the expenditure of foreign exchange. It has been rightly pointed out that there is scope for reducing the number of Government-sponsored delegation abroad and also for reducing the number of delegates in each delegation.

Again, all sections of the tourist industry could be asked to co-operate with the Government in seeing that their foreign exchange expenditure is cut to a reasonable minimum. For instance, the hotel industry, it is stated, has decided to restrict the employment of foreign artistes for cabarets and orchestras; big hotels in Calcutta and Bombay spend about Rs. 20 lakhs a year on this item. The industry will increasingly employ Indian artistes. It is also willing to reduce its imports of foreign crockery. The Government should take up the matter with the Indian crockery industry and see that the industry produces quality goods that will help replace imports. In view of these considerations, as also the difficulties which Indians and foreigners will have to face as a result of the imposition of restrictions on travel allowance, the Government will be well advised to reconsider its decision.

SMALL-SCALE INDUSTRIES

The Government has assigned an important role to the small-scale industries in the country's economic programme. While, during the first Plan, an amount of Rs. 5.2 crores had been spent on the development of small-scale industries, the amount earmarked for them in the second Plan is no less than Rs. 55 crores. The question is how best this programme could be implemented. This is a more important and difficult task than drawing up the programme. For, here, we come to grips with the realities as they obtain in the field, in the organisational structure, and in the outlook and nature of the men the authorities have to deal with.

The occasion to take stock of the situation was provided by the eighth meeting of the Small-scale Industries Board held at Madras on 11th and 12th of this month. In the course of his inaugural address to the meeting, Mr. Bhaktavatsalam, Minister for Industries, Madras State, emphasised quite pertinently the need for adopting modern techniques and new lines of production in small-scale industries. He has endorsed, in this connection, the view, expressed by the Ford Foundation experts, that resistance to modernisation stems from baseless fears of technological unemployment and that perpetuation of inefficient, outdated methods has more drastically reduced employment than any modernisation could have done. Indeed, the Plan itself warns against regarding the sector of small industries as a static part of the economy and stresses that it should be viewed as a progressive and efficient decentralised sector, which is closely integrated with agriculture, on the one hand, and large-scale industry, on the other. The problem, therefore, lies, as Mr. Bhaktavatsalam has observed, in ensuring that the change-over from the outmoded equipment to up-to-date machinery is phased in such a manner as not to worsen the unemployment problem.

This brings us to the important needs of small-scale industries to bring about the smooth change-over. These are, in a nutshell, training and technical advice regarding the adoption of improved tools, machines and new techniques, the supply of raw materials and power and adequate finance at reasonable rates. The progress achieved in some of these directions was reviewed by Mr. S. Ranganathan, Secretary, Union Ministry of Commerce and Consumer Industries, and Chairman of the Small-scale Industries Board, in the course of his address to the meeting. In pursuance of the programme of Industrial Extension Service adopted by the Government, five Major Institutes, and seven Branch Institutes, in addition to the Regional Institutes at Delhi, Bombay, Calcutta and Madras have been opened in different parts of the country for providing technical assistance to small-scale industries. The Government has also approved the starting of 48 Extension Centres during the current year. Moreover, encouraged by the performance of these institutes which have been able to render useful technical advice and service to over 15,000 small industrial units, scattered in different parts of the country, the Government has decided to raise the status of the Branch Institutes at Bangalore, Indore, Cuttack, Gauhati and Agra to Major Institutes during the next financial year. The Board has also decided to start one Major Institute each in Rajasthan and Jammu and Kashmir, ensuring, thereby, that, by the end of the year, there is one Major Institute in every State of India.

A notable development is the new line of activity which the Institutes have taken in hand, that is, the provision of Business Management Service to small industrial units. The evening classes started by the Delhi Institute are found to hold much promise for imparting instruction to small industrialists in proper Business Management methods, and similar classes are proposed to be organised at the Regional Institutes in Bombay, Calcutta and Madras. The programme of supplying machinery on hire-purchase basis undertaken by the National Small Industries Corporation has also got under way. So far the Corporation has delivered machinery valued at Rs. 6,69,000 to small industrialists, and machinery worth Rs. 4,85,000 is expected to be delivered during this month. Further, the value of orders placed by the Corporation for machinery amount to Rs. 53,28,000. A further advance in this field is the decision to start four subsidiary corporations, one each at Delhi, Madras, Bombay and Calcutta, to dispose of applications for hire-purchase of machinery expeditiously. These are also expected to look after the marketing service activities of the region.

Among other developments worthy of mention on the credit side, attention should be drawn to the progress made in the direction of implementing Mr. Weddel's recommendations about Government's purchases from small-scale industries. The Government, after accepting the recommendations, has finalised a new procedure according to which the Government's purchases are divided into four groups. These are so arranged as to help the development of small-scale industries to the maximum extent practicable.

One thing, however, stands out prominently on the debit side. Not much progress has been made in the most crucial part of the programme, that is, field staff, and Mr. Ranganathan has done well to draw the pointed attention of all concerned to this lacuna, in the course of his address. He stressed the need for adequately strengthening the supervisory and field staff of the State Departments of Industries. He has also rightly emphasised that the inadequacy of the field staff at the execution stage may defeat the whole programme. It is all the more regrettable that this deficiency should continue, despite the offer of the Centre to meet 50 per cent. of the expenditure on account of the additional staff appointed by the States. This deficiency should be immediately rectified, if the whole programme is not to end in failure and if the sacrifice that the taxpayer is making in order to encourage small industries is to be of any value.

E. C. A. F. E. REGION

The central problem of economic expansion of industrially backward nations is not merely the raising of adequate material and manpower resources necessary for development. A task of equal, or perhaps even greater, importance is the choice of appropriate economic policies. And in this the underdeveloped countries have not much to learn from the experience of the industrialised West. For the issues facing the former, such as the role to be assigned to private enterprise, the problem of sectoral balance, the technique of production to be adopted, the role of nationalised industries, the monetary and fiscal policies to be followed, etc., are in a sense peculiar and have no precedents in economic history. In the selection of policy, the Planning Authorities should, therefore, be guided not by *a priori* considerations but the realities of the economic situation obtaining in these countries and, above all, by the imperative need for rapid economic progress.

It is in the fitness of things, therefore, that the methods and policies of economic development should have figured prominently in the deliberations of the Working Group on Economic Development and Planning of the Economic Commission for Asia and the Far East recently held at Bangkok. Top economic experts from 20 E.C.A.F.E. countries participated in the deliberations and they examined the major questions which arise as underdeveloped countries formulate and implement development plans. The report of the Working Group rightly cautions that the objective a country sets for itself should be realistic and within its capacity, as, otherwise, the result can only be "waste, confusion and disillusionment."

A fundamental question facing the countries of the region, according to the report, is to take a decision on the extent to which the Government itself will participate in economic activity. The practical choice, of course, is not between absolute State control, on the one hand, and *laissez faire*, on the other. But, if the Government gives some definiteness to its policy, it would go a long way towards restoring the confidence of *entrepreneurs*. This would also serve to remove the fears of foreign investors. The report suggests that arrangements connected with investment on a Government-to-Government basis might create confidence in the foreign investor.

The report also examines certain criteria against which the functioning of nationalised industries should be judged. It considers that, in the interest of efficiency, the products of public enterprises should be exposed to the market mechanism. When broader considerations of national policy will not permit such exposure, nationalised undertakings must be subjected to close financial scrutiny and auditing. It also emphasises the need for giving the management of public enterprises freedom to show initiative and rightly observes that "no enterprise can be run without taking calculated risks and some decisions are bound to go wrong in any venture." At the same time, there is also the need for some degree of parliamentary or legislative checks, but this does not mean, it hastens to point out, "nagging of management over minor details."

The part that monetary and fiscal policies play in the implementation of development plans was also studied. The experts are said to have come to the conclusion that instruments of monetary control such as changes in Bank rate and open market operations are not of such relevance to most countries of the E.C.A.F.E. region, though they feel that the technique of variable reserve requirements deserves careful consideration. They question the usefulness of the time-honoured division of central banks into two departments—issue department and banking department—and point out that Asian countries must take special care to see that their banking organisation is suited to their own conditions and requirements. Regarding the desirable level of interest rate, they are of the view that high rates of interest do more to discourage investment than they do to encourage savings. While pointing out that there is considerable scope for having more direct taxes, their report adds that there should be some way of channelling a part of the increase in agricultural incomes to the State exchequer through land taxes or agricultural income-tax.

The report further states that, as foreign trade accounts for a substantial part of the national income of many E.C.A.F.E. countries and as the latter have a tendency to run easily into balance of payments difficulties, some degree of State control over foreign trade is necessary. It might be useful for these countries to encourage industries which promote exports and cut down imports. It should be borne in mind, observes the report, that these industries will have to catch up with foreign techniques which are continually being improved. A suggestion in this connection is worthy of consideration. It recommends encouragement to the opening of branch factories by foreign firms or the launching of joint ventures by foreign and domestic capital, either private or governmental.

The study also lays emphasis on the need for promoting a proper climate for inspiring confidence and initiative in the people. The rapid increase in population adds urgency to the economic problems of the countries of Asia and the Far East. The importance of this is fully borne out by the experience of many countries of the E.C.A.F.E. region which find that because of the increase in population, economic improvement in recent years has not resulted in a significant increase in *per capita* income and consumption.

WORLD SUGAR AGREEMENT

The protocol amending the World Sugar Agreement of 1953 has been signed by 20 countries. The protocol seeks to re-allocate sugar export quotas among the member-countries and provides for a change in the system of altering price limits in accordance with the quantity of sugar available in world markets. The signing of the protocol is the first step in the process of ratification. Formal ratifications, it will be recalled, were due by the 1st inst., the member-countries being allowed to give, by that date, an undertaking to ratify the protocol. For the protocol to come into effect, 75 per cent. of the votes of exporting countries and 60 per cent. of the votes of importing countries are required. It is reported that, if the 20 cories which have signed the protocol ratify or undertake to ratify it, the addition of one more importing country will be needed for the protocol to take effect.

EXPORT OF MOLASSES

The Government of India has extended, up to the end of December next, the period of free licensing of molasses export to all permissible destinations, excluding the Portuguese possessions, against the unutilised portion of free quotas released previously. Licensing will be done till this date or until the ceiling is exhausted, whichever is earlier. The Government has, however, decided to continue the present ban on the export of *chitta* molasses to all countries, including East Pakistan, up to the end of June 1957.

BUOYANCY OF U.S. ECONOMY

IS IT TOO GOOD TO LAST?

REVIEWING the latest economic trends in the U.S., the January (1957) issue of the *Monthly Letter* of the First National City Bank of New York, observes as follows:

"The closing weeks of 1956 have brought new all-time peaks in most measures of overall business activity. The gains over the figures of a year ago, which were the highest on record up to that time, are not large in physical terms, but they are satisfying in view of the readjustment that some important industries have gone through. New highs in dollar measures of economic activity, such as gross national product and national income, are subject to the qualification that 1956 was a year of rising prices and living costs. Inflation of dollar values in itself adds nothing to real living standards and creates only an illusory prosperity. However, gains have also been made in real terms. The figures of recent weeks include new highs in industrial production, employment, and retail sales. Christmas business disappointed many merchants at the start, but final reports show that the season's sales as a whole made satisfactory gains over 1955.

"As a result of the record outpouring of goods and services, American consumers are enjoying the highest living standards in history. At the same time business and governmental bodies are adding substantially to national wealth and future productive capacity through capital investment and public works. Increases in personal consumption and in real saving—which is the source of future consumption gains—are the twin objectives of balanced economic growth. By either criterion, the country is prospering. It is also entering 1957 under good momentum. In the aggregate, demands on the economy are as large as can be satisfied, and in some key areas they exceed capacity.

The Year of 'Rising Readjustment'

"The year just ended was one of contrasts. Most of the comprehensive measures proclaim it a year of new records—$412 billion in goods and services produced, personal income totalling $325 billion, a peak of 67 million employed (nearly 70 million including the armed forces), and factory wages exceeding $2 per hour. Not all business and individuals, however, shared this prosperity in full. Laid-off auto workers, home builders, steel workers called out on strike, and business men whose profits were pinched by rising costs were among those for whom 1956 fell short of hopes.

"At this time a year ago, few observers would have believed that business could withstand a drop of one-fourth in automobile production, a 15 per cent. cut in the number of homes started, and a five-week steel strike without more serious repercussions. Adjustments were also needed or under way in agriculture and in the textile, farm machinery, and other industries.

"Yet the combined drag of these important sectors of the economy was more than offset without resorting to easy money or to Government stimulus. The strength of consumer demand for non-durable goods and services, the heavy backlog of local Government projects, and business investment needs kept the economy steady and headed upward. Not only was a general recession avoided, but gross national product—the nation's aggregate output of goods and services—rose quarter by quarter, and at the year's end had reached the record annual rate of about $422 billion, $20 billion or 5 per cent. greater than a year earlier. Perhaps, following this demonstration of the economy's ability to absorb substantial shifts in demand without interrupting overall progress, the expression 'rolling readjustment' needs to be laid aside, so far as 1956 is concerned, in favour of 'rising readjustment.'

The Capital Goods Boom

"The key to the resilience of the economy in 1956 was the capital goods boom. It is likewise the key to the 1957 outlook. During the past year and a half, rising costs and stiff competition have stimulated nearly every major industry to increase its capital outlays. Business men have shown increasing awareness of the need for expansion to serve growing markets, for modernisation as a means of saving labour and cutting costs, and for long-range planning of plant and equipment needs. In 1956, business outlays on new plant and equipment increased 22 per cent. over 1955, and, by the fourth quarter, they had reached the peak annual rate of $37.3 billion. In manufacturing alone, capital expenditures rose over 30 per cent.

"In 1957, according to a recent McGraw-Hill survey, business men expect to spend 11 per cent. more on plant and equipment than in 1956. Other surveys, both private and Government, support this finding. Since the current rate of capital outlays is roughly 8 per cent. greater than the average 1956 rate, business can achieve the goals anticipated in the McGraw-Hill survey with only a small increase over the current figure.

"It is doubtful that labour and materials could be found for a greater increase in capital spending in 1957. Necessarily business firms must tailor their plans to fit the cloth. During the greater part of 1956, they could not complete new facilities as rapidly as they had planned. Output and construction were bumping against the ceiling of capacity. Shortages of steel plates, structural shapes, and other critical items delayed deliveries by plants with orders well in excess of capacity, and difficulties in arranging financing limited what could be done. Doubtless they will continue to do so in 1957.

"Thus, a switch from rapid growth to a levelling off of capital outlays seems indicated. This need cause no dismay. A levelling off of the current rate would still produce a record-breaking investment total for 1957 and provide strong support for the economy. The same forces which are trimming the peak off the boom are also prolonging it by deferring demand to a later period. McGraw-Hill, in its survey, found that approximately $2.7 billion of 1956 investment plans had been carried over into 1957 for various reasons, and some 1957 plans already have been put off until 1958. They found little evidence of cancellation or abandonment.

"In other words, demand for capital goods has not subsided, but it is being spread out more evenly.

Flattening Out the Boom

"Such a flattening out is all to the good. It increases the possibility of a long, flat crest to the capital goods cycle, thus avoiding the dislocations which accompany a rapid contraction of demand. It also relieves some of the pressure on prices, which would otherwise accentuate the boom and bust pattern.

"Already price increases have exaggerated the upswing in plant and equipment and added to the demand for investment funds. As much as one-third of the 22 per cent. increase in capital outlays from 1955 to 1956 represented higher prices. Between the insistent demand and the push of higher labour and material costs, prices of producers' finished goods were about 8 per cent. higher in 1956 than in 1955, and construction costs on private non-residential projects were up roughly 5 per cent. In estimating their 1957 plant and equipment outlays, business men allowed for further price increases averaging 6 per cent.—more than half of the overall increase of 11 per cent. which they anticipated.

"The advance in prices would have been greater had it not been for the restraint exercised by the monetary authorities. By dampening money and credit expansion, the Federal Reserve Board has been endeavouring to hold the demand for investment goods more closely in line with capacity to produce them, and thereby restrain the bidding up of prices for the available supplies. Claims that the Board has set its face against economic growth and that the economy will be throttled by tight money, however, find no support in the foregoing evidence.

Characteristics of the 1957 Economy

"Many of the preceding comments on the capital goods outlook apply equally to the general business outlook. Overall employment and production are nearly as high as is economically feasible, limiting next year's gains largely to the growth in the labour force, industrial capacity, and productivity. Yet continuance, on the average of even the present rate of activity during 1957 would make this year the best on record.

"The development of a long and generally flat crest at a high level would not be unprecedented. The industrial production index remained virtually level for about two years in 1950-52 and for even longer in the middle twenties. In an economy pressed against the ceiling of capacity, overall stability can conceal major shifts in demand, such as the shift from consumer goods to defence production in the early fifties and from automobiles to capital goods in 1956. If contrary to current expectations, demand for plant and equipment should slacken in 1957, the steel, manpower, and long-term investment funds thus made available could be put to good use, though probably with a lag, in homebuilding or in schools, highways, and other public works.

"It is also possible that the dollar volume of business may advance appreciably in 1957, despite relative stability in physical output, thus creating an illusion of prosperity through price increases. During 1956, the overall stability of prices which had prevailed since 1952 was upset as wholesale prices advanced 4 per cent. in the course of the year and consumer prices went up 2.8 per cent. between February and November. Pressure on prices will continue into 1957. Labour costs are already slated to rise. The U.S. Bureau of Labour Statistics reports that, in the current year, five million workers will get automatic wage increases—mostly 5 to 11 cents per hour—under contracts signed in 1955 or 1956. In addition, roughly 3.8 million workers will automatically receive raises geared to increases in consumer prices. A cost of living raise of 3 cents per hour for steel workers on 1st January is expected to set the stage for steel price increases which in turn will work their way through the economy.

In a Better Shape

"In other respects, the economy enters 1957 in much better shape than it started 1956. Automobile production and farm income appear to be on the upgrade once again. Automobile dealers and steel users successfully worked down the heavy stocks that they piled up in early 1956. The number of new homes started appears to have stabilised at a lower rate, at least for the present. Backlogs of orders for durable goods, at latest reports, were 17 per cent. higher than a year earlier. Retailers emerged from a record-breaking Christmas season with expectation of sizable year-to-year increases in the months ahead. Federal, State, and local government purchases of goods and services in 1957 are expected to be $4 billion to $6 billion higher than in 1956, according to Grover Ensley, Executive Director of the Joint Economic Committee of Congress. All told, the high level of activity and the atmosphere of confidence in nearly all lines promise to send 1957 off to a running start.

"The problems of prosperity—rising prices and wages, tight money, bottlenecks in labour and materials, rising inventories, and debt expansion—also persist into 1957. There are two ways of looking at these problems. One is that they emphasise the inflationary dangers and the need of restraint. The other is that they are the traditional symptoms of advanced stages of business upswings.

"Dating from the summer of 1954, the forward movement has now lasted two and a half years—with adjustments in particular lines, to be sure, but without a significant general reaction. By historical precedent, this is a fairly long upswing, but not exceptionally so.

"Booms generally contain the seeds of their own destruction. Investments in plant and equipment in specific lines may temporarily increase capacity more rapidly than consumption rises. When this happens in marked degree, competition intensifies, markets favouring sellers change to markets favouring buyers, profit margins narrow, and both the

(*Continued on page* 155)

TURN FOR THE BETTER

TRADE FIGURES ENCOURAGING

From Our Own Correspondent

LONDON, 12*th January*

LONDON LETTER

THE steady improvement of sterling this week has been principally due to the impression that Britain's fortunes economically have now begun to mend. The change of Premiership has had a material influence in developing the improvement which had already manifested itself and, now that the December trade figures are out, sterling is likely to improve even further. Naturally, these December figures are misleading, inasmuch as the fuel shortage has only had time to show itself in a drastic cut in imports without those consequential cuts in experts which are inevitable. Thus, December's imports (C.I.F.) were £308 million, as against £336 million the year before. But the true reduction is not quite as much as appears, since a year ago there was one additional working day, to allow for which would wipe out about half of the difference between the two figures. By the same token, the export figures, which for December 1956 record £254 million, the same as in December 1955, means a real improvement of some £10 million.

But it is the figures for the year as a whole which give the best picture. Here they are for 1956:—

(In million £'s)

Quarter	*Imports* (C.I.F.)	*Exports* (F.O.B.)	*Re-exports* (F.O.B.)
First	985	775	41
Second ...	992	816	39
Third	937	742	27
Fourth ...	982	840	39
	3,896	3,173	146

The corresponding figures for 1955 were:—

First	1,005	742	32
Second ...	899	651	25
Third	981	730	29
Fourth ...	1,011	784	33
	3,896	2,907	119

It will be seen that imports overall in 1956 showed no change over the total for the previous year, the drop in the last quarter having been countered in advance by higher figures in the first half-year. But when account is taken of a 2 per cent. rise in 1956 import prices, the *volume* of imports has been reduced by a corresponding percentage.

It is, on the other hand, encouraging to find that U.K. exports and re-exports in 1956 were nearly £300 million higher, an increase just under 10 per cent. But prices have had their effect here too and, if these are discounted by the average rise of 4 per cent. over the year, then the effective increase in the *volume* of exports is about 6 per cent.

In 1955, the adverse balance of payments on visible account—taking imports C.I.F. and exports F.O.B.—was some £870 million. In 1956, the deficit was about £576 million, that is, an improvement not far short of £300 million. This deficit is indeed rather less than the 1954 deficit of £600 million. In 1954, the overall balance of payments showed a surplus rather better than £200 million and a similar result is therefore *possible* for 1956, even allowing for the additional external costs of the Suez war.

But it is difficult to guess the extent to which invisible income will have suffered in the last quarter of 1956 and the country could well be gratified to find that some part of the first half-year's overall surplus of £140 million still remained when all the accounting for the year has been done.—*All Rights Reserved.*

FORUM OF FREE ENTERPRISE

CODE OF CONDUCT

This Code of Conduct for Free Enterprise has been prepared by the Forum of Free Enterprise and is now placed before industrialists, business men and those belonging to different professions and vocations in India in the belief that they will find it worthy of acceptance and of application in their daily activities. The Forum pledges itself to do all it can to create a widespread awareness in the ranks of Free Enterprise of the obligations that are contained in this Code. We feel that Free Enterprise, which has been tested and proved by time and experience of all democratic societies, should maintain its reputation by insisting on high standards of integrity which are dictated by social purpose. Honesty, hard work, courtesy and continuous initiative are the foundations on which the edifice of Free Enterprise rests.

PRODUCERS and distributors owe it to the consumers of their products that they shall always be of the highest quality and available at reasonable cost. They shall maintain fair measure and guard against adulteration. Customers are entitled to courtesy, promptness and good service, and every endeavour shall be made to see that they receive them.

EMPLOYERS owe it to labour to recognise that welfare is not conceived in terms of philanthropy, but as a social obligation. Men and women engaged in production shall do so with dignity, honour and a sense of security. Fair wages should be paid for work done. Working conditions shall be as pleasant as possible. Opportunities should be made available for the worker to gain technical skills and better his economic prospects and social status. Procedures should be instituted for the removal of legitimate grievances so that the employee is satisfied that he gets a fair deal. The employers should welcome the existence of stable and democratic trade unions. They should recognise that in the sphere of employee-management relations, as in other spheres, checks and balances are essential for the working out of rational and democratic solutions. They should accept the role of labour as one of creative co-operation and recognise the need for providing increasing opportunities for consultation of employees and their progressive association with Management to help in the promotion of increased productivity from which all will benefit.

MANAGEMENT owes it to those who invest in their enterprise that they receive a fair return on their investments commensurate with the risk they take. At the same time, reserves must be created for expansion and modernisation of the plant and machinery and in their utilisation the Management remains accountable to the investor. Money must also be provided for research. The earning by the shareholder of a fair return or profit by the entrepreneur under competitive conditions and after payment of fair wages must be regarded as a legitimate reward for the risk and the work of promotion and development which the community urgently needs. Certain mal-practices have crept into the system of company management. They are to be condemned and should be removed. Hoarding, black-marketing and profiteering are anti-social and evil. Honest business practices can be promoted and encouraged by an honest and efficient administration in a democratic State.

PROFESSIONAL MEN—lawyers, teachers, doctors, auditors, or writers—owe it to those who avail themselves of their services to maintain the highest standards and traditions. They should discharge their duties truly and faithfully, and should always subordinate considerations of personal gain to the larger objective of service.

WE ALL owe it to the community that we accept our obligations as good citizens. We shall bear our share of taxation honestly. We condemn unequivocally any attempt at tax evasion. We shall actively participate in the promotion of social, cultural and civic improvements. Wealth or power shall not be a justification for vainglory or ostentatious display, but an opportunity for rendering service to the community.

FORUM OF FREE ENTERPRISE

Sohrab House, 235, Dr. Dadabhoy Naoroji Road, Bombay 1.

MORE BUMPER BANK RESULTS

DIVIDENDS STEPPED UP

THE string of further bank results for the year ended 31st December 1956 released this week confirms the earlier impression that the past year must have been a highly favourable one for banks. Many of them have stepped up the dividends, after raising substantially the allocations to reserves and taxation.

United Commercial Bank

The United Commercial Bank Ltd. has earned a profit (subject to audit) of Rs. 56.24 lakhs, the highest earned so far in the history of the Bank. It also represents an increase of Rs. 19.55 lakhs, or more than 53 per cent. over the previous record of Rs. 36.69 lakhs earned in 1955. This is the third year in succession for which the Bank has maintained the uptrend in profit, such having gone up from Rs. 23.01 lakhs for 1953. Following the substantial increase in profit for the year under review, the Directors have stepped up the allocation to the reserve fund from Rs. 8.50 lakhs to as much as Rs. 20 lakhs and that to the reserve for taxation from Rs. 14 lakhs to Rs. 16 lakhs. They have also raised the distribution of bonus to staff from Rs. 4 lakhs to Rs. 6.50 lakhs. An increase in the dividend from Rs. 2-12 to a record level of Rs. 3-8 per share, that is, from 5½ per cent. to 7 per cent. per annum, free of income-tax, has also been recommended. This is also the third year in succession for which the distribution to the shareholders is being raised, having been successively stepped up from 4 per cent. paid for 1953. The proposed dividend for 1956 will absorb Rs. 14 lakhs (as against Rs. 11 lakhs for 1955), leaving to be carried forward Rs. 29,420 to the next account, as against Rs. 27,761 brought in.

Bank of Baroda

A rise of Rs. 10.25 lakhs to Rs. 39.90 lakhs is disclosed by the profit (subject to audit) of the Bank of Baroda Ltd. for the year 1956. The profit is a record one for the Bank exceeding the previous high of Rs. 31.98 lakhs earned in 1949 by no less than Rs. 7.92 lakhs. The Directors have set aside Rs. 15.75 lakhs towards provision for taxation, as against Rs. 9 lakhs provided last year, and have raised the allocation to bonus to staff from Rs. 8 lakhs to Rs. 8.75 lakhs. An *ad-interim* dividend of 6 per cent. was paid for the half-year ended 30th June 1956, raising it from 5 per cent. paid for the corresponding six months of 1955. The Directors have recommended a final distribution of 8 per cent. for the half-year ended 31st December 1956, as against 7 per cent. paid a year ago, making in all 14 per cent. for the year, as compared with 12 per cent. paid for 1955. The dividend absorbs in all Rs. 14 lakhs, leaving a surplus of Rs. 4.76 lakhs to be carried forward, as against Rs. 3.36 lakhs brought in.

Indian Overseas Bank

Yet another bank to announce impressive results for the past year and to raise the dividend sizably is the Indian Overseas Bank Ltd. The profit, after providing for contingencies and expenses and subject to audit, amounts to Rs. 28.65 lakhs, an increase of Rs. 12.09 lakhs over that for 1955, at Rs. 16.56 lakhs. What is more encouraging is the striking progress made by the Bank in its earnings in recent years, the profit having successively gone up from a mere Rs. 5.35 lakhs in 1949, a more than fivefold rise in seven years. As compared with last year, the Directors have nearly doubled the provision for taxation from Rs. 7.50 lakhs to Rs. 14 lakhs, raised the transfer to the reserve fund from Rs. 4 lakhs to Rs. 6 lakhs and the bonus to staff from Rs. 1.25 lakhs to Rs. 3.50 lakhs. The dividend is proposed to be stepped up to 10 per cent., free of income-tax, from 7½ per cent. paid for 1955, absorbing Rs. 4.91 lakhs, as against Rs. 3.68 lakhs in the previous year, leaving to be carried forward Rs. 2.52 lakhs, as against Rs. 2.28 lakhs.

Hind Bank

A fresh record profit of Rs. 12.11 lakhs has resulted from the working of the Hind Bank Ltd. during the year 1956. This exceeds the previous best of Rs. 10.86 lakhs for 1955. With the sum of Rs. 1.66 lakhs brought in, the amount available for appropriation is Rs. 13.77 lakhs, from which the Directors have transferred to the reserve fund Rs. 3.75 lakhs, raising this allocation from Rs. 2.50 lakhs made last year, and have made a provision of Rs. 4.50 lakhs (as against Rs. 4 lakhs a year ago) for taxation. Bonus to staff absorbs Rs. 90,000, as compared with Rs. 83,000 provided last year. The dividend is proposed to be maintained at Rs. 3 per share of Rs. 50 each, or 6 per cent. per annum, free of income-tax, to which level it had been raised last year from 3 per cent. paid for 1954 and 1953. The surplus left to be carried forward is Rs. 1.62 lakhs.

Bank of Maharashtra

The net profit of the Bank of Maharashtra Ltd. for the year 1956 (subject to audit) also is higher at Rs. 4,01,214, as compared with Rs. 3,46,103 for the previous year. This profit is arrived at after providing Rs. 60,000 for payment of bonus to staff and making other usual and necessary provisions. With a sum of Rs. 31,744 brought in from 1955, the amount available for appropriation is Rs. 4,32,958, from which the Directors have transferred to the reserve fund Rs. 1,25,000 (as against Rs. 1,00,000 a year ago) and to the provision for taxation Rs. 1,80,000 (Rs. 1,70,000). They have also recommended an increase in the distribution to the shareholders from 5 per cent. per annum, free of income-tax, to 6 per cent. per annum, which will absorb Rs. 96,000 (Rs. 80,000). All these appropriations leave a balance of Rs. 31,958 to be carried forward.

Andhra Bank

The results of the Andhra Bank Ltd. also are encouraging. The net profit has more than doubled from Rs. 4.28 lakhs to Rs. 9.43 lakhs, after payment of 1½ months' substantive salary as bonus to staff and making necessary provision for contingencies. The Directors had already declared an interim dividend of 3¾ per cent., raising it from 3 per cent. paid for the half-year ended 30th June 1955 and absorbing Rs. 1.30 lakhs (as against Rs. 89,000). The transfer to the reserve fund is being increased from Rs. 86,000 to Rs. 1.03 lakhs, leaving for final appropriation Rs. 7.23 lakhs, including Rs. 12,375 brought in from 1955.

INFLATION IN THE NETHERLANDS

Private enterprise in the Netherlands has agreed to co-operate with the Government in the latter's efforts to keep inflation under check. The Government's programme includes price controls and stabilisation programme drawn up by the Ministry of Economic affairs. Following the decision of the four employer associations to co-operate with the Government, the latter imposed price ceilings which will amount to reductions in the prices of certain food items and other consumer goods at the expense of the profit margins of manufacturers.

The two basic principles agreed to by the industry are (*a*) no prices will be raised without the approval of the Government, and (*b*) the justification for increasing prices will be rising costs of imported raw materials and not increases in wages. In other words, higher wages will be met by accepting lower profit per unit.

The co-operation of the trade unions will also be forthcoming under the tripartite anti-inflationary agreement reached earlier. Accordingly, the unions will not seek wage increases to compensate for rising prices resulting from increased price of raw materials. They will also contribute money to the expansion of old age pension programme. The Government also agreed to cut its expenditures.

The Dutch Government, a coalition of four parties, is one of the most progressive governments. The co-operation between the Government, labour and industry has been largely responsible for the success of the wage and price stabilisation programmes since the war.

GERMAN BANK RATE REDUCED

The Central Banking Council of the Federal Republic of Germany has reduced the discount rate from 5 per cent. to 4½ per cent. and the rate of advances on securities by a similar extent to 5½ per cent., with effect from 11th January 1957. This is the second cut in bank rate in the last five months, the previous reduction having been made in September 1956 from 5½ per cent. to 5 per cent. With the latest reduction, the discount rate has been restored to the level which had prevailed in May last, when it was suddenly raised to 5½ per cent. and brought in severe criticism from the Federal Chancellor, Dr. Adenauer.

During the last 18 months, the German bank rate has been changed five times. Thus, in August 1955, it was raised from 3 to 3½ per cent.; in March 1956 to 4½ per cent. and by a further 1 per cent. to 5½ per cent. in May last. After this, it was reduced to 5 per cent. in September last and again last week to 4½ per cent.

The Central Banking Council's latest decision has been prompted by the relative glut in the money market, which made the discount rate unrealistic, and by the slowing down of the boom in the capital goods and building trades, which are reflected in unemployment figures. Even the present rate of 4½ per cent. is considered by Dr. Erhard, Minister for Economics, as fairly high for a creditor country.

CO-OPERATION IN THE COMMONWEALTH

By Margaret Digby

THE Co-operative Movement began in Britain in the mid-nineteenth century, and was carried at a very early date to Canada and Australia by English and Scottish emigrants, often miners. They began by forming consumers' co-operatives, such as they had known at home, and some of these still exist. The greatest need for co-operative action in these new countries, however, was in the field of agriculture. The pioneer farmers of Canada, Australia and New Zealand were far from their markets; produce must pass through many hands before it could reach the consumer. It had to be cleaned, weighed, often processed and packed, and complicated arrangement had to be made for transporting it by land and sea. All this was beyond the capacity of the individual farmer; yet to leave it all to commercial companies could have been to reduce the farmer to economic weakness.

Producers Co-operatives

The first co-operative organisations in these countries were creameries, where milk, produced too far from a town to find a market in its liquid state, was transformed into butter or cheese which could be exported half across the world. Today almost the whole dairy industry of New Zealand and a large part of that of Canada and Australia is carried on co-operatively.

Canada is one of the four great wheat-exporting countries of the world. Co-operation among the grain growers of the prairies began with the discovery that, if two or more neighbouring farmers combined to fill a railway wagon with their wheat, they could get better terms from the railway. They went on to form larger groups, to register them as co-operatives and to build elevators alongside the railway at which grain could be stored, cleaned, conditioned and graded before shipment.

Today, well over half the wheat of the prairies is co-operatively handled. The same system has been applied to other commodities—fruit, wool, livestock, eggs. Not only the farmers, but the fishermen of Canada have their co-operatives.

Consumers' co-operation for domestic purposes has never made as much progress in the other Commonwealth countries as in Britain, but the supply of agricultural requirements has become of great importance, especially in Canada. Farms in these countries are large by European or Asian standards, and can be operated economically only with the use of tractors and other machines.

The supply of machinery and of the oil and lubricants needed to keep it running is of first importance to agriculture, and this has, to a large extent, been taken over by farmers' co-operatives which own their own oil wells, refineries, storage tanks and pumps. They also sell machinery and manufacture certain types in their own factories.

Financial Backing

For many years, there was little co-operative credit in these countries, perhaps because advances to new settlers were available from Government funds. In recent years, however, a vigorous co-operative thrift and credit movement has spread throughout Canada. It is entirely self-supporting, based on the savings of the members, from which loans are made for productive and provident purposes.

Co-operative insurance for life and property has existed for many years. A quite recent development has been in the co-operative use of land. Sometimes family groups, sometimes groups of young men breaking in new land for the first time have agreed to pool their holdings, stock and machinery and farm as a single unit. These experiments are all fairly new and may not be permanent, but they show a vigorous and imaginative use of the co-operative idea.

India was the first of the Asian countries to turn to co-operation as a solution for the problems of agriculture. They differed considerably from those of the newly-settled countries overseas. Holdings were too small, not too large, for the families which farmed them, and were often fragmented; methods had changed little for centuries; the cultivator was burdened with debt and often at the mercy of the merchant who bought his produce and advanced him money. It was this last problem which was first tackled by co-operative means.

The first idea of co-operation originated in Britain, but, in spreading to other European countries, it took on new forms. Germany, in particular, developed, during the second half of the nineteenth century, an admirable system of co-operative credit for the benefit of small peasant farmers. It was this which Indian administrators 60 years ago studied, approved and eventually transplanted to India.

The Indian co-operative movement is mainly, though not wholly, agricultural. It flourished especially in the Punjab, in Bombay and Madras. One form at least, the co-operative marketing of sugarcane, has had its most brilliant success in Uttar Pradesh, and there are few regions of either India or Pakistan which could not point to villages in which some co-operative organisation—a thrift and credit society, a dairy, a weavers' co-operative, a health society, a co-operative for the consolidation of fragmented holdings—has not altered for the better the life of the people. In the towns, there are the urban co-operative banks, the housing and building societies, as well as craftsmen's and consumers' societies with long records of useful work.

State Participation

There are still, however, many towns and villages in the sub-continent which co-operation has not yet reached, and classes of the population which have not been able to take full advantage of its benefits. The Government of India has recently adopted the recommendations of a Committee set up to inquire into the problems of rural credit and has embodied those recommendations in its second Five-year Plan.

They call for a larger participation of the State in co-operative enterprise through the provision of finance and of trained personnel. More attention than before will be paid to the marketing and processing of agricultural produce, and to the improvement of actual production either by the supply of fertilisers, insecticides or improved implements, or by the co-operative grouping of farms for the use of machinery and the planning of satisfactory crop rotation.

From the Indian sub-continent, co-operation spread more than 40 years ago to Ceylon. There, working in a smaller community, it was possible for the pioneers of co-operation to achieve remarkable results, not only in the basic thrift and credit organisation, but in the marketing and processing of coconuts, tobacco, fruit, vegetables and other island products, and in social enterprises such as the establishment of co-operative hospitals and health services.

During the Second World War, when Ceylon was for a time threatened with blockade, an island-wide system of consumer co-operatives was rapidly built up to undertake the rationing and distribution of food. Not all of this has stood, or was indeed meant to stand, the return of more normal trading conditions, but a network of town and village stores remains. More recently, co-operation has been adapted to the needs of settlers on the newly-cleared and irrigated jungle lands, as well as to the services of craftsmen and craftswomen in the traditional Ceylonese industries of weaving and basket-making.

Co-operation today is making rapid progress in the Commonwealth territories in Africa, South-East Asia and the West Indies. A substantial part of the cocoa crop of Nigeria and the Gold Coast (all of which is the product of African farms) is co-operatively marketed, and the same is true of the coffee of Tanganyika and the cotton and tobacco of Uganda. Some of the organisations concerned are strong federations under entirely African management. One has been in existence for 20 years or more. The official co-operative departments in all these territories are also almost wholly staffed by people of the country they serve.

In order to train the staffs of co-operative departments and societies, co-operative training colleges and institutes have been set up in India, Ceylon, Malaya and East and West Africa. In addition, every year a group of selected students, both official and non-official, spend a year at the Co-operative College in England, where they have an opportunity not only to study co-operative law and business, but to visit industrial and agricultural co-operatives and to mix with the coming generation of co-operative administrators in Britain. They in their turn have awakened among their fellow-students a keen interest in co-operation in the other Commonwealth countries.

The link between co-operatives throughout the Commonwealth is further strengthened by the membership of overseas co-operative unions in international co-operative organisations with their headquarters in London, and through participation in gatherings such as the Commonwealth Conference on Agricultural Co-operation held at Oxford six years ago.

U.S. AID TO INDIA

On 5th January this year, the U.S. completed the fifth year of its economic aid programme for India. To celebrate this occasion the U.S.I.S. in New Delhi has brought out a small booklet full of statistics and charts and capsule reports on Indian-U.S. projects. The booklet shows that there are 63 operational agreements between the U.S. and India. They range from locust control to railroad maintenance. The fields covered include agriculture, mining, industrial labour, health, community development and public administration projects.

Since January 1952, the United States has lent, or given to India, or committed itself to do so, a total of $326 million. This is in addition to the large food loan agreements and private foundation help that bring the grand total of gifts and loans to about one billion dollars. At the same time India's contribution to joint projects amounted to an equivalent of $775 million.

It is also interesting to note that direct U.S. aid to India's first Five-year Plan amounted to almost 8 per cent. of the total expenditure. The largest proportion of the contribution went to agriculture and commmunity development.

HONGKONG AND SHANGHAI BANK

The profit of the Hongkong and Shanghai Banking Corporation for the past year, after provision for taxation, amounts to H.K.$20.64 million (approximately £1.29 million), as compared with H.K.$20.58 million for 1955. The Directors had already declared an interim dividend of £2 per share, same for the previous year, and have now recommended a final dividend of £3 per share, also same as that for 1955. They have written off Bank premises H.K.$4 million (approximately £250,000), as in the previous year, leaving a balance of H.K.$11.04 million (approximately £690,000), to be carried forward, including H.K.$10.61 million brought in from 1955.

The Banking Companies (Amendment) Act 1956 has come into force with effect from 14th January 1957.



INTRODUCTION OF POWERLOOMS

OPPOSITION MEANINGLESS

THE Government of India has approved of schemes submitted by five States, namely, Bombay, Kerala, Rajasthan, Bihar and Madhya Pradesh for the installation of 6,055 powerlooms in the non-mill sector (that is, handloom sector) of the textile industry. This is the second batch of such schemes so far approved, since the Union Government decided to introduce 35,000 powerlooms during the current and the next financial year. The two previous schemes approved were those of the Punjab and Bombay Governments, under which the former envisaged the introduction of 500 looms and the latter of 600 looms in their respective territories. Under the newly approved scheme, Bombay State envisages the introduction of 2,500 powerlooms in the co-operative field. The scheme for Kerala is for the installation of 2,000 powerlooms and for the training of 20 instructors for six months. In Rajasthan, 800 powerlooms are to be installed in the co-operative sector and six instructors are to be trained. In Bihar, 300 powerlooms are to be established and in Madhya Pradesh 455 powerlooms will be installed. The schemes of some other States are also under consideration.

Financial assistance, in the form of loans and grants, is being provided to the State Governments on a liberal scale. Powerlooms are to be installed only in co-operatives. The Centre will give loans upto 87½ per cent. of the share capital of each weaver and provide loans to meet the cost of powerlooms, electric motors, etc., as well as for working capital. The Bombay Government has been sanctioned a loan of Rs. 23,30,000 and a grant of over Rs. 1,73,000 while the Kerala Government has been given a grant of Rs. 2,06,000 and a loan of Rs. 19,33,300. Rajasthan gets a loan of Rs. 7,17,000 and a small grant. Bihar has been given a grant of Rs. 46,000 and a loan of Rs. 3,13,500, while Madhya Pradesh has been sanctioned a loan of Rs. 4,31,500 and a grant of Rs. 28,000.

Fear of Unemployment Unfounded

The object of the powerloom scheme is to increase the productivity of the weavers and thereby their earnings. Since low productivity is the basic defect of the handloom industry, any measure designed to augment it must be widely welcomed. But vigorous opposition to this measure has been voiced by organised handloom interests in some States, especially Madras and Andhra. The spokesmen of handloom weavers contend that each powerloom would displace 20 handlooms. This view, presumably based on the Kanungo Committee's formula, not only exaggerates the productive capacity of powerlooms in small decentralised units but also ignores the important fact that the demand for cloth is sure to increase as the income of the people increases under the impact of the large volume of Plan outlay in the coming years. Opposition to the improvement of the technique of production, as this journal has always maintained, stems from the refusal of the self-appointed exponents of the handloom industry to see beyond their nose. The fear that mechanisation of handloom weaving will result in large-scale unemployment is unfounded, especially in view of the extremely cautious, if not halting, policy of the Government. It is common knowledge that the authorities have repeatedly stated that the introduction of powerlooms will be gradual and so phased as to ensure full employment for all the existing handloom weavers. It may be recalled that the output allocation for the powerlooms in the scheme for increased production of cloth under the second Plan is only 200 million yards, whereas the corresponding figure for the handlooms is 700 million yards. In other words, while the powerlooms in the handloom sector will produce only 200 million yards, the handlooms as they are now are to produce no less than 2,500 million yards. It will thus be seen that the apprehension of handloom interests is unwarranted.

There is a point of view, shared to some extent by the Government, that, with its outmoded forms of production, the handloom sector would not be able to hit the target of 2,500 million yards set for it in the second Plan. Exponents of old handlooms hold that it is possible to achieve the target. The divergence between the two views appears to arise from the fact that, whereas the Government estimates the total number of handlooms in the country at about 1.24 million, the weavers' spokesmen have placed them at 2.8 million. While the exact number is not known, the claim of the old handloom sector that it can achieve the target allotted without the aid of powerlooms, cannot be taken at its face value. For, even with the enormous amount of Government subsidies, annual production of handloom cloth is only at the rate of 1,500 to 1,600 million yards and it is extremely doubtful whether they can raise their production by about 1,000 million yards in the next four years and two months without resorting to better machinery like the powerlooms. Even if the changeover were to result in the displacement of some persons from behind the weaving looms, they would be easily absorbed in other ancillary operations such as processing and marketing. The opposition of the weavers' spokesmen is, therefore, ill-advised and the Madras and Andhra Governments would do well to take advantage of the liberal grants and loans offered by the Union Government for increasing the productivity of the handloom industry.

AID TO HANDLOOM WEAVERS

The Andhra State Handloom Weavers' Association had recently made representation to the State Government for the sanction of Rs. 10 lakhs to enable them to purchase the accumulated stocks of handloom cloth from the primary weavers' societies. While the question is under the active consideration of the Government, it is reported that the authorities are favourably impressed by the need for relieving the hardship of weavers. The Government is also examining to what extent the All-India Handloom Board could purchase these stocks from the primary societies in Andhra and would, after proper consideration, advise the Board to take appropriate measures.

The Government would also take steps to audit the accounts of the weavers' co-operative societies in Telengana. It may be observed in this connection that a special officer who had been deputed to study the affairs of these societies had reported to the Government that the accounts of these societies had not been audited for three years.

The Government of West Bengal has decided to exempt all handloom products from the purview of the sales tax, with immediate effect. It may be recalled that, of late, there had been a good deal of agitation among retail cloth and textile merchants all over the State demanding complete withdrawal of sales tax on handloom products. The exemption, it has been calculated, would entail a loss of Rs. 6 lakhs to the State exchequer.

Cloth production during December 1956, according to preliminary figures, amounted to 475 million yards, the highest monthly output since July 1956, when it aggregated 467 million yards. This raises the total production in 1956 to record figure of 5,277 million yards, an increase of 183 million yards over the output in the previous year.

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WORLD CONSUMPTION OF WOOL

DEMAND KEEPS PACE WITH INCREASED PRODUCTION

THERE is reason to believe that world wool consumption during 1956 maintained one of the highest levels of recent years. Final figures will not be available for some time, but estimates upto the end of September prepared by the Commonwealth Economic Committee—and based on the returns of 11 countries which together absorb the greater proportion of the world's wool—show that their combined consumption up to that time was at a rate nearly 10 per cent. higher than in the corresponding period of the previous year. As some of the larger consuming countries are known to have increased their performance in subsequent months, it becomes a reasonable expectation that world wool consumption for 1956 may produce one of the highest aggregate totals of post-war years.

Up to a late stage of 1966, wool consumption in the U.S.A. was holding a level 9.4 per cent. greater than in the similar period of 1955, while that of France was up by 12 per cent., West Germany by 8 per cent., Japan by no less than 36 per cent. and Italy by 8.8 per cent. The figures for the United Kingdom showed little change on the previous year, though it comfortably maintained its position as the largest wool consumer in the world.

At the current rate, world wool consumption exceeds, by about one-third, the estimated average consumption of the immediate pre-war years, and this figure is interesting, in view of the increase in the world's production of wool during recent years. The Commonwealth Economic Committee has estimated world wool output for the 1955-56 season lately concluded—and from which 1956 demand for wool would substantially be met—at an all-time record level of 4,800 million lbs. (greasy basis), with an estimated clean equivalent of 2,724 million lbs. The most recent estimates of probable consumption during 1956 suggest that this vast supply will substantially be absorbed. All the available indications are that there is a state of close balance between supplies and demand.

Despite a succession of problems and difficulties for industry, of which wool and its related trades had their full share, the output of wool goods from the mills of Britain and Continental Europe—which together house approximately half the wool-using machinery of the world—has been maintained at a very satisfactory level. Figures available to the end of November suggest the virtual certainty that Britain's exports of wool tops for 1956 will exceed the previous record set in 1955.

The general direction of wool consumption indicates a changing trend in fashion from woollens to worsteds, and there have been occasions during 1956 when worsted spinning output in the U.K. has touched the highest rate since the war. Exports of wool cloth from all the principal supplying countries have been substantial while reflecting increasingly severe competition for the business available.

Recent political uncertainties created by the situation in West Asia produced a large amount of business in wool, tops and yarns in all the larger consuming countries and, in nearly all cases, the year 1957 will open with well-filled order books which promise a healthy rate of mill output for some months to come. The immediate outlook for the wool and allied trades is, therefore, viewed with confidence. Meanwhile, commercial hopes are centred in the gradual development of more settled international political conditions which are regarded as essential to continued stable business.

Wool, as one of the most universally used of world commodities, is ultimately dependent, to a large extent, on settled international conditions, if the maximum flow of trade between nations is to be encouraged. On such a flow the prosperity of the wool industry depends. Given such conditions, prospects for the coming year are viewed with optimism, as stocks of wool in most consuming countries are relatively low at the turn of the year and prospective demand for the products of the industry is regarded as good.

An increase of about 14 per cent. in shipping freight rates between Australia and Europe is under consideration. It is calculated in Yorkshire that such an increase would add something less than 1d. per lb. to the cost of freighting greasy wool from Australia to the U.K. and Continental European ports.

CHANGES IN FUTURES TRADING IN COTTON REVIEWED

PROMOTIONAL AID FOR TEXTILE GOODS

From Our Special Correspondent

MANCHESTER, *8th January*

IT used to be said of the Liverpool futures market that it successfully acted as a barometer, indicating the general level of activity in Lancashire cotton goods. Despite the many efforts which have been made in the past two and a half years since the market was resuscitated, such a statement is only partly true today.

MANCHESTER LETTER

Latest figures showing the contracts accepted for clearance during December represent the lowest daily average since the reopening of trading in futures in May 1954. This was in marked contrast to the situation in the two previous months when business broadened perceptibly and there was a sharp increase in the turnover at Liverpool.

Some observers regard this as an example of the way in which the minds of present-day operators in Lancashire work. Spinners are inclined to the belief that a well-filled order book presents a better insurance against risk than either the Liverpool or the New York futures markets can provide. So times change and values of the past lose their former importance.

Those responsible for organising the futures markets, however, have done a great deal to bring their mechanism up-to-date and the Liverpool Cotton Association has been particularly ready to adjust its contracts to meet modern needs. Since its revival there have been several shifts in policy, resulting in the establishment of a contract against which mixed American type cotton can be tendered, the provision of a long-staple Egyptian contract and the first-ever Sudan contract. Only this week, a revision in the basis for Sudan futures has brought a change of procedure, as Lambert cotton is now being used as the base compared with Sakel, which was the original choice.

U.S. Cotton Policy

One of the major handicaps which has complicated the efforts of raw cotton traders to achieve their objectives during recent years has been the prolonged era of uncertainty surrounding the intentions of the American Government with regard to its surplus stocks. Under the arrangement providing for competitive bids which operated during the second half of 1956 a large part of the accumulation of supplies was earmarked for overseas shipment. At the end of the year the amount so sold amounted to 6,231,053 bales and actual exports were 2,561,943 bales in the first five months of the season, as against only 664,573 bales in the same period a year previously.

British manufacturers, instead of trying to produce inferior goods to compete with Eastern products, will need all the traditional skill of their craftsmen to pass the standards demanded on the Continent, according to the Annual Report of the Europe Section of the Manchester Chamber of Commerce.

Many parts of Western Europe enjoy a better standard of living than is found in Britain while their industries have benefited from assistance in legislation or moderate taxation brought in to aid exporters.

The need for urgent action to stimulate trade with Europe has been brought into relief by the dislocation of inter-Continental trade caused by the Suez dispute, the report adds. "Long lines of communication are always a danger, especially in a world which is constantly changing both politically and economically."

Finishing Rates Up?

Higher charges for textile finishing because of increasing costs were forecast in the report to the annual meeting of the Finishing and Allied Trades Section of the Manchester Chamber of Commerce. These included "the seemingly perpetual rise" in the price of coal and increases in dyestuffs, chemicals, engineering materials and power supplies.

Japanese "pirating" of Lancashire textile designs has dwindled recently, according to the India Section of the Manchester Chamber of Commerce. Mr. Frank S. Winterbottom, the Chairman, reporting "very fierce" Japanese competition in cotton textiles in Ceylon, told the annual meeting: "A large number of well-established U.K. designs have been copied by Japanese printers but this form of unfair competition has been less pronounced in recent months."

Sales promotion of textile goods has been widely debated in recent years and many traders believe that the best way to achieve progress is to gain a larger share of the available surplus cash at the disposal of the customer. Competition between the distributor of textiles and other consumer goods is therefore tending to increase.

One of the methods adopted in carrying out this object is the wider use of market research and campaigns to promote selling of textiles. The authorities in America have for long been keen on this idea and have lately fired the enthusiasm of European textile producing countries. In this connection, the International Cotton Federation has lately stressed the urgent need for expanded research into consumer habits. Several Continental countries are planning campaigns of this kind, most of them with the technical assistance of the National Cotton Council of America.

So much is generally known, but it is not so widely recognised that part of this promotional drive is being financed by the United States Department of Agriculture from funds raised through the disposal of surplus cotton. Nine nations—France, Austria, Belgium, Germany Italy, the Netherlands, Spain, Sweden and Japan—are participating in programmes to stimulate the sale of textile goods in this way.

Financial aid is being obtained after American cotton is purchased and paid for in the currency of the consuming country. The funds are retained and made available for promotional activities on condition that the local textile industry provides an equal sum for such purposes. A long-term programme of at least three years' duration must be mapped out.

Britain has so far taken no part in this arrangement although there is no reason why a similar scheme should not be adopted in the future. The current programme under the "Buy Britain's Cottons" slogan has been financed by the various trade organisations of employers and unions, together with the Cotton Board.

Mills Working Hard

Revived demand and lengthening order books in the Lancashire cotton spinning trade were the features of the final quarter of 1956, according to the Annual Report of the Yarn Section of the Manchester Chamber of Commerce.

"Many mills are now working as near to capacity as the labour position will allow," Mr. Stephen A. Howarth, the Chairman, said. The better demand was mainly for the home market but export trade also participated in the trend. The industry, however, continued to encounter serious and still growing competition from imported cloth, yarn and made-up textiles.

Although trade with the main European markets was disappointing last year, a useful increase occurred in exports of yarn to the United States.

Rayon Price Rise

Dearer rates for continuous filament viscose and acetate rayon yarn were announced to operate from 7th January by Courtaulds Ltd. This move was not unexpected in the British textile industry and it is confidently predicted that other producers will now follow the lead given by this major group in the man-made fibres industry.

Even before recent transport and other charges went up it was felt that an advance in rayon yarn was inevitable. It is six years since quotations have been revised and the leading producers have been able to achieve this stability because they believe in working on very narrow profit margins.

Some of the smaller firms in this section of the trade have recently complained about the difficulty of keeping prices down. There is now no agreement on fixed selling rates but the minor producers have been reluctant to raise their quotations in the fear that they would lose business to the bigger firms.

No advance has occurred in the price of staple fibre or in yarns for industrial purposes, which include the vast turnover in tyre cord fabric which represents a large proportion of rayon yarn output. Weavers, like most other sections of the textile industry, are at present well sold and most have order books filled for at least three months ahead.

The new prices will only become effective for new contracts so that there has been no immediate rise in the cost of finished goods.—*All Rights Reserved.*

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SALE OF U.S. SURPLUS COTTON

GREAT SUCCESS RECORDED—OUTLOOK FOR CURRENT SEASON

THE surplus cotton disposal policy of the U.S. Department of Agriculture has been a remarkable success, as is evidenced by the mounting volume of export sales that are being effected by the Commodity Credit Corporation. Exports till the end of December 1956 aggregated over six million bales, and present indications are that the trend is likely to be maintained during the rest of the season. A point that deserves special mention, in this connection, is that the C.C.C. was able to effect these sales without any serious disturbance to the world markets, as was feared by a number of countries when President Eisenhower gave his assent to the policy in May 1956. They had apprehended that the dumping of U.S. cotton abroad would bring about a breakdown of the normal trade of other exporting countries. But what has actually happened is that, even though the original export target has been exceeded, prices continue to rule firm—a development which proves that the opponents of the policy were false prophets. The U.S. had lost its export markets because its prices were too high and it is winning them back by becoming the cheapest seller. But it must be said to the credit of the C.C.C. that, though it has the legal sanction to cut its price to compete effectively with foreign countries, it has used the power with considerable restraint, lest it should undermine world market for cloth and cotton to an extent as to defeat its purpose.

Observers of the scene in the U.S. now feel that exports of American cotton may aggregate no less than seven million bales this season. This is, indeed, a startling turnround from views which were being expressed not very long ago. The sponsors of a two-price programme in America had earlier suggested tentatively a goal of five million bales for export. But the actual operation of the programme has shown that the earlier calculations were an underestimate. Certainly, the way was clear for a larger movement of American cotton from the U.S. through the depletion of stocks in many consuming areas. Further, the recent revival of buying fervour and the political disturbances in West Asia and the blocking of traffic through the Suez Canal changed the entire situation for the better in respect of U.S. cotton. In fact, the Suez crisis has had a profound effect on world cotton situation. It is estimated that about 1.5 million bales of cotton passed through the Suez Canal in 1955—in large part westward—and that it costs roughly half a cent to a cent per lb. more and takes a month longer for cotton to move from the East to West European destinations *via* the Cape route. This not only made the supply of sterling area cotton scarce in West European markets but also made U.S. growths, attractive to Continental buyers, pricewise.

Some Other Factors

There were also a few other factors which directly contributed to the increase in the U.S.'s cotton exports. These were an improvement in the textile outlook in some importing countries, greater confidence in the ruling level of cotton prices and the need for stock replenishments. Thus, cotton exports in August and September, that is, even before the Suez crisis, were easily the highest on record since the pre-war period. Exports in these two months alone aggregated 928,000 bales, as compared with the abnormally low exports of 177,000 bales in the corresponding period of 1955. Exports in October and November are believed to have been even larger than in September. A schedule of carrying charges to be applied to the C.C.C. export sales announced at the end of July became effective in November. The prospect of progressively higher prices, due to the addition of carrying charges, has been interpreted bullishly, which explains partly the heavy sales in October and November.

Evidently encouraged by the success of its policy, the U.S. Department of Agriculture announced recently that it has no intention of limiting its sales to the five-million-bale mark and that no "cut off point" has been set for such sales. The six million bales of the 1955 loan cotton were taken over by the Department of Agriculture on the 1st inst. and will be ready for sale after cataloguing. This means that it would not be available until mid-February. The Government-controlled stocks, according to the latest available figures, aggregated 10 million on 21st December, comprising six million bales of 1955 loan cotton, 3.4 million bales of 1956 loan cotton and 620,000 bales of C.C.C.-owned stock.

While the U.S. export sales thus continue successfully, there has been some speculation recently about its repercussions on exports of other countries. The latest monthly publication of the International Cotton Advisory Committee, Washington, makes some interesting observations in this connection. The basic factor here, observes the publication, is the aggregate level of free world exports which, in turn, depends upon several variables—the level of consumption and stock policy in net importing countries, and the net volume of trade with the communist countries.

Determinants of the Volume of Export

Assuming that there will be no setback in the general level of the world economy, it is reasonable enough, observes the Committee's publication, to expect a continuation of the present upward trend in cotton consumption. This is fundamental to the solution of the world cotton problem, for without an increase in consumption or the less palatable alternative of restricted production, changes in export policies of producing countries amount merely to a redistribution of the surplus stocks. With stocks in net importing countries generally at or near minimum levels, any expansion of consumption will inevitably lead to an increase in imports.

An important determinant of the level of trade this season will be the stock policy of the importing countries. The low level of stocks at the beginning of the current season, the greater confidence in cotton and the disturbed international situation are factors that will contribute to the re-building of depleted stocks. Demand from communist countries has also been active and this also points to the possibility of a greater volume of international trade this season.

Aggregate free world exports during the last season were of the order of 11.6 million bales and the above-mentioned factors indicate that exports during the current season will set a new post-war record. It is, however, true that, in view of the exceptionally heavy exports from the U.S., there may be some backing up of stocks in other net exporting countries. But it should be borne in mind that aggregate stocks in these latter countries were very low at the beginning of the season and domestic consumption in many of these countries has been showing a definite upward trend.

In addition to the rather obvious question of price relationship, the impact of heavy U.S. exports on the volume of trade of individual countries is likely to depend on many factors. The existence of bilateral trade agreements, for example, may be of importance to some countries in maintaining a satisfactory volume of exports. Trade missions from importing countries have been active in many producing countries like Brazil, India, Mexico, and Uganda, in negotiating such agreements.

Again, the possibility of substitution is likely to be of some relief in the present situation. Exports of extra-long and extra-short staples may be less affected by the U.S. policy than cottons in the medium-staple range. So also, cottons having particular characteristics may find it easier to maintain exports than the so called 'bread and butter' varieties.

There are, however, two factors, according to the Committee, that may be really important. Countries where harvesting takes place later in the season may find the export situation more problematic. Second, the decline in exports to normal destinations from certain countries may be offset by increased trade with the communist countries. In recent seasons, exports to the communist bloc have assumed much greater importance in the Middle East, particularly in Egypt.

MARKETING DIFFICULTIES OF LONG-STAPLE GROWERS

Growers of long-staple cotton have lately been experiencing considerable difficulty in marketing the crop at reasonable prices and we have referred, in a previous issue, to the experience of producers in Bombay State. Yet another instance of the heavy odds the cultivators have to face owing to lack of sufficient demand is provided by the experience of the cultivators and traders in the districts of Coimbatore, Salem, South Arcot, Madura, Ramnad and Tirunelveli. Large stocks have accumulated with traders and growers in these regions so much so that the Tirupur Cotton Merchants Association has found it necessary to address a communication to the Ministry of Commerce and Industry, drawing its attention to the large quantity of *kapas* and superior quality cotton, namely, Co-4, Mu-1 Mu-2, etc., left unsold with traders and agriculturists. The latter are all the more worried, because a good crop is expected in these regions in the current season. Due to seasonal and adequate rains during the last two years, both quality as well as yield have considerably improved.

Lack of demand, they have pointed out, has resulted in a heavy slump in the Southern markets. Mill buying has not been encouraging, as they are more and more attracted to foreign styles like Californian and other comparable varieties, the importation of which, it is pointed out, continues unrestricted. Further, owing to the recent restrictions on credit, banks, it is stated, are reluctant to continue credit facilities which they have been giving hitherto. In these circumstances, both growers and traders are convinced that, unless the Government adopts some helpful measures, the cultivation of superior styles of cotton would receive a setback. They have requested the Government to include the above mentioned varieties also in the export programme, if, for various reasons, it is not possible to restrict imports of equivalent varieties of foreign cotton.

EXTRA LONG-STAPLE COTTON

A scheme for exploring the possibilities of growing the famous Sea Island cotton as a rain-fed crop in the *modan* and *kumeri* lands of the West Coast districts of Madras State was put into operation by the Indian Central Cotton Committee as early as 1949. The experiments for acclimatisation of such cotton have proved successful and the variety *Andrews* has been found to be the most suitable one for cultivation in Malabar. In 1955-56, this variety recorded a per-acre yield as high as 1,614 lbs. of *kapas* at Pattambi in South Malabar. Small-scale spinning tests proved that this type of cotton was capable of spinning up to 70 counts. In respect of fibre properties, it was found to be superior to the imported Egyptian variety, namely, Karnak. It may be noted that Sea Island cotton is the world's finest cotton, having a staple length of 1⅜"-2" and is grown in the West Indies, which has got a virtual monopoly over this type of cotton.

In view of the fact that India has to depend on imports of long-staple cotton for its requirements to a large extent, an area of about 60,000 acres of *modan* lands in South Malabar is proposed to be gradually brought under this better quality cotton. When this is achieved, it is expected, the country would have a supply of about 40,000 bales of Sea Island cotton spinnable up to 70 counts and this would go a long way towards reducing the shortage of extra long-staple cotton in this country. Experiments have also proved that, given proper conditions of growth, manuring and protection against pests and diseases, the cultivation of this type of cotton could bring a net profit to the growers of about Rs. 500 per acre.

MILL CONSUMPTION OF COTTON

Indian mills consumed, in the first two months of the current (1956-57) season, that is, September-October 1956, about 852,127 bales of raw cotton (of 400 lbs. gross), comprising 747,901 bales of Indian and 104,226 bales of foreign cotton. This is slightly lower than the figure for the corresponding period of the previous season, when aggregate consumption amounted to 860,000 bales, of which Indian cotton accounted for 768,888 bales and foreign cotton for 91,122 bales. The major portion of this decline was accounted for by Indian cotton, while the consumption of foreign cotton actually increased. The variety-wise breakdown of foreign cotton consumed is given below:

	1st September to 31st October	
	1956	1955
Total Indian cotton	747,901	768,888
Total foreign cotton	104,226	91,112
Of which:		
Egyptians	24,995	28,970
Peruvians	774	813
Sudan-Egyptians	18,010	17,705
Sudan-Americans	798	676
East Africans	53,471	35,009
Russians	111	103
U.S. cotton	3,942	7,317
Mexican	174	2
Brazilians	776	94
Other foreign cotton ..	1,175	423
Grand total ..	825,127	860,000

As will be seen from the above table, East African cotton accounts for the largest share, Egyptians and Sudans occupying the second and third places. There has been a steep drop in the consumption of U.S. growths, while that of Brazilians registered a sharp rise.

The monthly average consumption of Indian cotton during the period works out to 373,950 bales and, if the trend continues, aggregate consumption during the 1956-57 season will probably amount to 4.5 million bales, as against the preliminary crop estimate of 5.4 million bales. This would leave a margin of about 900,000 bales, which shows that the supply position is none too tight.

CAPITAL GAINS TAX: OLD AND NEW

A CRITICAL SURVEY

By G. H. Gondalia, B.Com., F.C.A., F.S.A.A.

THE Capital Gains Tax was introduced for the first time by the Finance Act, 1947, and was made applicable to all capital gains made after 1st April 1946. The Government of India, however, after a short interlude of two years, considered it expedient to abolish this tax and, under the provisions of the Finance Act, 1949, capital gains made after 31st March 1948 were not to be subjected to this tax. Taking into consideration the reasons advanced by the then Finance Minister in support of the abolition of this tax, it was believed that the abolition was for good. The requirements of finance for the second Five-year Plan, however, together with the recommendation of Prof. N. Kaldor, seem to have influenced the Government in reintroducing this tax by Finance (No. III) Act, 1956, under which the tax is leviable on all capital gains earned after 1st April 1956. It now appears that, like the proverbial grandmother, the tax has come to stay and it is as well, therefore, that one bestirs oneself to study in detail the provisions of the new legislation.

While the definition of the term "capital asset" has remained the same as under the old Act, certain exemptions which were available under the old section have been removed, with the result that the net has been cast wider. Certain lacuna in the wording of the old section which were pointed out by the Courts have also been filled in. The rates at which the tax is to be levied under the new provisions have been altered considerably.

The Old Section

It would be convenient to deal briefly with the provisions of the old section 12(B) and then discuss the changes introduced therein by the Finance (No. 3) Act, 1956, by substituting the new section 12B. The broad scheme of the Capital Gains section (old) is as under:

Sub-section (1) of section 12(B) deals with cases to which capital gains tax is to be applied, namely, to any profits or gains arising from sale, exchange or transfer of a capital asset; the four provisos to this sub-section contain various exemptions:

Sub-section (2) deals with the manner in which the Capital Gain is to be computed, which broadly is that the full value of the consideration realised on sale or transfer, etc., is to be taken into account and the expenditure for sale and the cost of the capital asset and the subsequent additions thereto (except revenue additions allowable under sections 8, 9, 10 and 12) are to be deducted. The third proviso to this sub-section, however, gives the option to the assessee to adopt the market value as on 1st January 1939, if that is beneficial. Sub-section (3) of the old section further provides that, in certain cases, instead of the actual cost to the seller being set off, it shall be the cost of the previous owner which is to be set off against the selling price. The first proviso to sub-section (3) gives some further alternatives in case of assets which became the property of the assessee before 1st of April 1947 under a deed of gift or on the partition of a Hindu Undivided Family (H.U.F.), in which case a further option is given to adopt the market value of the capital asset on the date of the gift or on the date of the partition, if that is beneficial to the assessee. It is further provided, in case of assets which came to the assessee on partition of the H.U.F. after 1st April 1947, the cost allowable to him shall be the fair market value on the date of the partition (and no other option is given in this latter case). Sub-section (4) of the old section makes provision for giving certain reliefs in cases where the capital asset employed in a business, e.g., plant or machinery or building or house property used for assessee's own residence has been sold and the same is replaced by another similar property.

The New Section

In sub-section (1) of the new section 12(B), one notices the addition of the word "relinquishment," with the result that any profits or gains arising from "sale, exchange, relinquishment or transfer of the capital asset effected after 31st day of March 1956" shall now be subjected to the Capital Gains Tax. It appears that the Government has tried to fill in the loophole that was pointed out by the Bombay High Court in the cases of *Provident Investment Co., Ltd.*, vs. *C.I.T.* (1953) XXIV I.T.R., 33 and *C.I.T.* vs. *Asiatic Textiles Co., Ltd.*, (1955), XXVII I.T.R., 315. In these cases, it was held that, although there was a capital gain made by the assessee, the same was not covered by the wordings of the old section 12(B) (1), inasmuch as the only types of capital gains which were taxable under that section were those which were made by sale, exchange or transfer of a capital asset, and the relinquishment of managing agency cannot be termed either as sale, exchange or transfer of an asset. The addition of the word relinquishment is meant exactly to cover cases of the above type.

Cases, however, may arise where the cessation of managing agency may not be as a result of relinquishment, for example, the termination of the managing agency either by the removal of managing agents by the company, before the end of expiry of the agreement or by not renewing the managing agency contract after the expiry of the period. It is not possible to say that these two cases, can be regarded as cases of relinquishment, as the latter term can only mean voluntary surrender or giving up. It is submitted that the cases of the above two types would not be covered even by the extended wordings of the sub-section and, therefore, as the sub-section stands at present, no capital gains tax would be leviable on the consideration money which the managing agent might receive from the company on their compulsory removal or premature termination of the contract. Such an item would, however, now be liable to income-tax and super-tax under section 10(5A) of the Income-tax Act, like any other item of income.

Relinquishment

An interesting question now arises as to whether consideration money received on the "relinquishment" of managing agency would be taxable as ordinary income under the provisions of section 10(5A) or a capital gain under section 12(B) (1). By the introduction of section 10(5A) in the Finance Act, 1955, (Act XV of 1955), an item of receipt, which was always regarded as of a capital nature, has been sought to be treated as of a revenue nature; such an item would quite clearly be taxable as income under section 10(5A) (*a*) as "any compensation or other payment due to or received by a managing agent of an Indian compay at or in connection with the termination or modification of his managing agency agreement with the company." The item would also be covered by the wording of the new section (12B) (1) and would be liable to Capital Gains Tax. Obviously, both the taxes cannot be levied on the same item and it remains to be seen which of the two sections of the Income-tax Act should prevail. Under the well-recognised principles of interpretation of statutes, where there is a specific provision in a statute to cover a particular item, that provision will be applied to the exclusion of any general provision applicable to the same item. It would, therefore, appear that the item would be taxable under section 10(5A) as income [and not under section 12(B)] as capital gain. Of course, there may be other cases of 'relinquishment' which do not fall under section 10(5A) and to which therefore section 12(B)(1) might be applicable.

Transfer of Assets

Attached to the old sub-section (1) of section 12(B), there were four provisos covering certain cases of transfers of assets which were not to be regarded as sale, exchange or transfer for the purposes of Capital Gains Tax. These cases were:

1. Compulsory acquisition of property for public purposes;
2. Distribution on the partition, partial or total in a joint Hindu family;
3. Distribution on the dissolution of a firm or other association of persons;
4. Distribution on the liquidation of a company, voluntary or compulsory;
5. Distribution under a deed of gift, bequest or will;
6. Distribution resulting on transfer on irrevocable trust;
7. Transfer by a parent company to a cent per cent subsidiary resident Indian company; and lastly,
8. Transfer of house property held by the assessee or his parent for not less than seven years immediately prior to the sale.

Under the new sub-section (1) exemptions covered under items (1), (3), (4), (6) and (8) above, have been removed, with the result that capital gains made on the transfer of capital assets under compulsory acquisition or by way of distribution of assets on the dissolution of a firm or other association of persons or on the liquidation of the company or on irrevocable trust will now be liable to tax. Similarly, the exemption which was conferred under the old section in respect of certain house property held by the assessee or a parent of his for not less than seven years prior to the sale, has also been removed.

Sub-section (2) of the new section 12(B) is substantially the same as the old sub-section (2) with this difference that in cases where the assessee exercised the option of adopting market value as cost to be set off against the selling price, the relevant date on which the market value was to be ascertained was 1st January, 1939 under the old section, whereas, under the new sub-section, the relevant date, if the market value has to be adopted, is 1st January 1954.

A Lacuna

Some important changes have been effected in the provisions of sub-section (3), mostly to conform to the changes effected in sub-section (1). The scheme of the section is that, in those cases where certain transactions were not to be regarded as sale, exchange or transfer under the section, the cost which was to be set off in the hands of the second owner when he sold these assets was the cost to the previous owner. This is quite legitimate, because, the second owner not having paid any cost himself the only way in which he can set off the cost against his own selling price would be the cost to the previous owner and where it was not possible to ascertain such cost to the previous owner, the fair market value at the date on which the capital asset became the property of the previous owner was to be deemed to be the actual cost thereof. It will be noticed from what has been stated in the earlier paragraph that the exemption in respect of certain transactions has been removed under the new section, with the result that transactions referred to in the para above the preceding one are now regarded as sale, exchange or transfer and liable to Capital Gains Tax. With this change in the wording of sub-section (1) corresponding changes should have been made in the wordings of sub-section (iii) to delete from the said sub-section cases in respect of which exemption had been removed under the new sub-section (1). Thus, if the distribution of capital assets on dissolution of a firm or on liquidation of a company or transfer on irrevocable trust is to be regarded as sale, exchange or transfer under the provisions of new sub-section (1), the actual cost which should be set off when these assests are subsequently sold, should be the cost to the second owner thereof and not to the previous owner. The amended wording of sub-section (3) of the section, however, fails to make the necessary change with the result that, as the wording stands at present, the three types of cases referred to above might be subjected to double taxation. It is, therefore, suggested that, in sub-section (3) of section 12(B), the following wording should be removed: "or on the dissolution of a firm or other association of persons or on the liquidation of a company." Similarly, the "on transfer of irrevocable trust" also should be removed.

There are no other material changes in the provisos to sub-section (3), except that the date 1st April 1956 has been substituted for the date 1st April 1947 in cases where a further option was given to the assessee to adopt the market value on the date of the gift or on the partition of a H.U.F. which took place before 1st April 1947 (under the new section before 1st April 1956), and further where the market value was to be adopted in case of assets acquired on partition of H.U.F. which took place after 1st April 1947, the wordings "after 1st April 1956" have been substituted.

Gain on Capital Asset

One notices a material change in the provisions of the new sub-section (4) as compared with the old one. The old sub-section (4) provided for an exemption in cases where the capital gains arose from the sale, exchange or transfer of a capital asset, which was immediately prior to the sale being used by the assessee for the purpose of his business or for his residence and the assessee had within a period of one year before or after that date, purchased a new capital asset for the same purpose of the business, or as the case may be for the purpose of his own residence, the extent of the exemption being the amount of the cost of the new asset, if the capital gains was higher than the cost or the whole of the capital gains, if this figure was lower than the cost of the new asset. There was a further provision that, when this asset was

(*Continued on page* 155)

BIG RISE IN SUGAR PRODUCTION THIS SEASON EXPECTED

SEVERAL NEW FACTORIES TO BEGIN CRUSHING

AT the sixth meeting of the Development Council for Sugar Industry, held at Walchandnagar on the 11th and 12th inst., Mr. T. C. Puri, Joint Secretary of the Union Ministry of Agriculture and Chairman of the Council, gave some useful information in his review of the position and some of the problems of the sugar industry. He said that the total production of sugar in the 1955-56 season was 1,862,000 tons, a record in the history of the industry, exceeding as it did the target by over 50,000 tons. This peak production was due to an increase in the sugarcane crop. It will be recalled that, in order to cope with the increased supply of cane, the crushing season was prolonged in parts of the Punjab, U.P., and Bihar. In some cases, the season went even beyond June. In the current season, the cane supply promises to be bigger than in the past and, though productive capacity of the industry has expanded, as shall be shown presently, the crushing season will have to be at least as long as, if not longer than, the 1955-56 season.

In order to meet this situation, to some extent, an early start of crushing was planned. The idea was that the crushing should begin at least 15 days earlier than it does normally. As an inducement to factories, a concession of As. 5 per maund in the price of cane was offered for those factories which started crushing on 4th November. Of this concession, the cultivators' share was only one anna per maund, the balance being met by the State and Central Governments. The response came only from Uttar Pradesh, the Bihar Government having cold-shouldered the scheme. Sixteen factories in Western U.P. availed themselves of the offer and crushed more than 340,000 maunds of cane.

From an earlier revelation by Mr. Puri on the merits of this scheme, it was clear that it had a serious drawback, in that the recovery was smaller as the cane was not fully ripe. If such waste of wealth is to be avoided and if at the same time more sugarcane has to be crushed, it is necessary to grow varieties of cane with different periods of maturity. Some should become ripe for crushing earlier and some later. In other words, in States like U.P. and Bihar, where the crop is big and tends to become bigger still, there should be a judicious intermingling of early and late ripening varieties of cane. This requires special attention to development and introduction of such varieties. It is gratifying to note from Mr. Puri's speech that the authorities concerned are fully alive to the importance of this problem and are paying urgent attention to it. But mere awareness of the problem is not sufficient; what is more important is quick result.

Production Prospects

Backed by a bigger sugarcane crop and absence of competition from *gur* producers, as in the past season, as well as by an improvement in the capacity of the industry, production of sugar during the current (1956-57) season is expected to be much larger than the record output in the 1955-56 season. Mr. Puri placed it at 2,250,000 tons, an increase of 388,000 tons or about 20 per cent. This constitutes a very substantial increase and might create marketing problems were it to materialise. It is, therefore, essential to think of measures right from now onwards for stimulating domestic consumption. There is talk of exporting sugar to foreign countries as a solution to the problem. And Mr. Puri revealed that the Government had agreed to the industry's proposal to export up to 50,000 tons for the present. But the practicability of this proposal is still in great doubt, as Indian sugar suffers from high cost of production and as such is not competitive.

The second Plan provides for an increase in the industry's productive capacity to 2.5 million tons, to be reached by March 1961. As against this plan, licences have already been granted or recommended to cover this capacity. This increase in capacity will be attained through (*a*) substantial expansion in 69 existing factories, (*b*) utilisation of two old plants, and (*c*) establishment of 54 new factories, of which 39 will be cane growers' co-operatives. Mr. Puri revealed at the meeting of the Council that progress in implementation of this plan was satisfactory. Four new factories went into production last year and 14 are expected to commence operation during the current season. He disclosed that, on a review of the position, the Government came to the conclusion that the target should not be raised any further, pending examination of the consumption trends for some time. The high cost of machinery and the desirability of economising the use of foreign exchange were cited by Mr. Puri as additional grounds for this conclusion. But this decision would not, according to him, be allowed to stand in the way of expansion of existing uneconomic factories with a crushing capacity of less than 1,000 tons a day.

The Development Council, which went into this question, fixed the production target to be hit in the 1957-58 season at 2.16 million tons and estimated the production in the current season at 2.05 million tons. This latter figure falls short of Mr. Puri's estimate of 2.25 million tons by 200 000 tons. The difference between the two estimates is rather large and inexplicable. It remains to be seen which of the two estimates turns out to be correct. Similarly, there is a difference in the number of new factories expected to go into production. As already stated, Mr. Puri put this number at 14, whereas the Council says it will be 22. The latter has also estimated that 17 existing factories would complete their expansion plans and go into production with their expanded capacity in the current season. In all, the Council reckons that the additional capacity to commence production this season will be 350,000 tons and that the resultant increase in output of sugar will be of the order of 250,000 tons. Even on this basis, the Council's estimate of production in the current season is short by 62,000 tons. Another interesting information disclosed by the Council relates to the estimated capital expenditure in the next season. According to it, the sugar industry's investment during the 1957-58 season will be about Rs. 24 crores, of which Rs. 19 crores will be on the setting up of 22 new factories and Rs. 5 crores on the expansion of 17 existing factories.

Pre-harvest Spraying

One of the drawbacks of the Indian sugar industry is the low sucrose content of the cane. For several years now, continuous efforts are being made by scientists to improve the position in this respect. It is now claimed that, by spraying surgarcane before harvest with certain sodium and other salts, the maturity of cane can be accelerated in earlier months and that, by the same method, a rapid fall in sugar content during the hot months can be effectively resisted. Alluding to this development, Mr. Puri said:

"Some experiments conducted in Bihar have supported the (aforesaid) claim and it is said that the recovery can thus be raised to as much as 0.4 to 0.8 per cent. This matter came up for discussion at the last meeting of the Indian Central Sugarcane Committee and appeared to me of such great importance that I have included it as one of the items for discussion here also. It may be that the most favourable conditions for the complete success of this method do not exist all over India, but it seems to me that the matter is of such great importance that we should not waste any time in conducting fairly large-scale experiments even during the current year. I am making arrangements to have fairly extensive experiments in the areas of the nine factories where the scheme of payment according to quality is being tried and I would suggest that serious consideration be given to this item."

The Council concurred with Mr. Puri and approved of a scheme for country-wide experiments in pre-harvest spraying with a solution of sodium salt.

THE HIND BANK LTD.

WORKING RESULTS FOR 1956

The Profit of the Hind Bank Ltd. for the year 1956, subject to audit, including the amount brought forward (Rs. 1,66,000) from last year's accounts is Rs. 13,77,000. Out of this sum, the Directors have made the following appropriations:—

Provision for Taxes	..	Rs. 4,50,000
Transfer to Reserve Fund	..	Rs. 3,75,000
Bonus to Staff	.. ..	Rs. 90,000
Balance	.. .. ..	Rs. 4,62,000
		Rs. 13,77,000

Out of the above balance, the Directors propose to recommend to shareholders at the next General Meeting the payment of a Dividend at Rs. 3 per share, free of income-tax, which will absorb Rs. 3,00,000, leaving Rs. 1,62,000 to be carried forward to the next year's accounts.

The securities and investments of the Bank appear in the accounts on December 31, 1956, at/or below the market rate ruling on that date.

SUGAR CO-OPERATIVE IN U.P.

The inauguration of a pilot-plant project for the production of crystal sugar on 19th December last at Ghosi in the Azamgarh district of Uttar Pradesh opens a new chapter in the industrial history of this State. The project, the first of its kind to be set up, is on co-operative basis with the technical collaboration provided by the Planning Research and Action Institute of the State Government. The factory established under the project is at present crushing at the rate of 700 maunds of sugarcane per day, the estimated yield of crytal sugar being 7 per cent. The average recovery percentage of sugar in cane grown in Uttar Pradesh, it may be noted here, is 9.71.

In view of this substantially low recovery, one naturally wonders why the U.P. Government has taken up this project. The authorities justify the project on the ground that the return to the cultivator from sugarcane in the areas not covered by large-scale white sugar producing factories is extremely low. The low return, in turn, is attributed to the fact that most of the sugarcane grown in these areas is being converted into *gur* which, at the prevailing price, does not bring more than about As. 10 to As. 12 per maund of cane. This compares very unfavourably with the minimum price of Re. 1-7 per maund paid to cane delivered at the gates of sugar factories.

It is claimed by some experts that small-scale production of crystal sugar possesses two distinct advantages over *gur* manufacture or that of *khandsari*. First, it will enable the sugarcane growers to get a higher return by at least 33 per cent., the minimum that he will get per maund of cane being Re. 1 or more. Secondly, there is the possibility of such sugar competing successfully *vis-a-vis* mill-produced white sugar. It is contended that the margin of profit on small-scale manufacture of white sugar is comparatively high.

When the Planning Research and Action Institute of the U.P. Government drew up the organisational pattern of the project, it proposed to run the factory on a co-operative basis, associating the cane growers to the maximum extent possible. The Institute has taken up the initiative, because it was felt that, in the beginning, the villagers might hesitate to run such a costly project on their own. The Institute emphasises that, if the project is to meet with success, it is essential that the co-operative organisation which will own and operate the project should be a producers' organisation. Accordingly, a co-operative processing and marketing society, with the cane growers as members, will be formed in the area with its headquarters in a centrally located village.

SUGARCANE IN 1956-57

The all-India second estimate of sugarcane for 1956-57 puts the current year's area and production at 4,532,000 acres and 58,914,000 tons of cane, as against 3,945,000 acres and 50,455,000 tons in the adjusted corresponding estimate for 1955-56. This shows an increase of 587,000 acres or 14.9 per cent. in area and 8,459,000 tons or 16.8 per cent. in production over last year. The area under sugarcane at the second estimate stage during the current year is the highest on record.

The overall increase in acreage and production of cane during the current year has been reported by almost all the sugarcane-growing States, specially U.P., Bihar, Mysore, Hyderabad, Madhya Bharat and Bombay. It is attributed to timely rain, better irrigation facilities and favourable weather conditions both at the sowing and the growing period of the crop.

This estimate covers the period generally up to the middle of October 1956. Till then, the condition of the crop was reported to be, on the whole, satisfactory, except in parts of U.P. Bombay and Bihar. In U.P. the crop was slightly affected by water-logging in the flood-affected areas. Attack of red-rot, top-borers and pyrilla was also reported from certain parts of eastern U.P. districts. In parts of Bombay, the crop was slightly affected by floods, heavy rains and sporadic attack of smut, stemborer and top-shoot-borer. The estimate does not cover the entire area sown to sugarcane crop during 1956-57. Past experience has shown that the area at the second estimate stage forms roughly 95 per cent. of the area of the crop finally reported.

SUGAR IN U.K.

After a lapse of 17 years, dealings in sugar futures were resumed in London on the 2nd inst. The resumption is the result of the new Sugar Act. Under this Act, private traders are now permitted to import raw sugar for domestic consumption; hitherto, imports were being done mainly by the Ministry of Agriculture. Since imports destined for re-export, either as raw sugar or as refined, are already free from direct control, there is no longer any price control of any kind on sugar imported into the U.K. Britain is, however, bound by the Commonwealth Sugar Agreement of 1951 to provide a market for 1.55 million tons of sugar a year from the Commonwealth.

SMALL COLLIERIES AND THEIR PROBLEMS

AMALGAMATION COMMITTEE'S REVIEW

THE full text of the Collieries Amalgamation Committee's report, which was released to the public by the Government of India only after our reference to the Committee's recommendations in our last issue, shows that the recommendations cover all small collieries in the State of West Bengal and Bihar and not those in the Raniganj and Jharia areas alone. Under the original terms of reference, the Committee was, no doubt, asked to study the position in the Raniganj and Jharia coalfields only, but, in February 1956, the terms of reference were extended so as to cover all small and irregularly shaped coalfields in the two States.

The question of amalgamation of a large number of small and irregularly shaped collieries in West Bengal and Bihar had long been engaging the attention of the Government. The question was, in fact, examined by the Indian Coalfields Committee in 1946 and, subsequently, by the Working Party for the Coal Industry in 1951. Both these Committees strongly recommended that such colliery units should be amalgamated in the interests of the country. The coal industry was consulted and it had also agreed that such amalgamation was desirable. It was, as a consequence of this, that the Committee on Amalgamation of Collieries was appointed in November 1955 to study the position of these small coalfields and work out definite proposals for their amalgamation. In this context, it is worthwhile recording the observations of the Committee on the position of small collieries and their problems.

In 1955, there were 734 collieries in West Bengal and Bihar, producing 30.6 million tons of coal, as compared with a high of 838 collieries in 1948 accounting for an output of 24.47 million tons. In 1940, there were 483 collieries producing 23.79 million tons. Thus, between 1940 and 1948, while the number of collieries increased there was hardly any notable expansion in production. During the period 1948-55, however, when there was a reduction in the number of collieries, their production increased considerably. The fall in the number of collieries was due to the restriction on the opening of new collieries and the ban on opening new mines producing coking coal, which led to a closure of collieries due to exhaustion of the coal seams. The Amalgamation Committee points out that there is likely to be a further reduction in the number of collieries on account of stricter control by the Coal Board on the opening of new mines.

Distribution According to Output

The following table shows the distribution of the collieries according to output in 1955, as compared with the position in 1945:

(In million tons)

Monthly production	In 1945		In 1955	
	No. of collieries	Total output	No. of collieries	Total output
Below 1,000 tons ..	428	1.68	309	1.3
Between 1,000 and 5,000 tons	242	6.60	276	7.5
Over 5,000 tons ..	96	15.60	149	21.8
	766*	23.88	734	30.6

*Out of 810, only 766 were in production.

Of the 734 collieries in production in 1955, 259 produced less than 600 tons per month each and their aggregate output was less than 0.8 million tons. 495 collieries produced less than 2,500 tons per month each, their aggregate production accounting for less than 5 million tons, out of a total of 30.6 million tons. These collieries produced generally grade II and grade III coals. It will thus be seen that the majority of collieries in West Bengal and Bihar are comparatively small ones and that they produce only a small portion of the total output in these areas. The two world wars gave a fillip to the growth of small collieries, as witnessed the rise in their number producing less than 1,000 tons per month from 137 in 1919 to 428 in 1945. Subsequently, however, there has been a decline, as shown in the table above. It should have been possible, the Committee says, to build up large colliery units on the foundations of the small ventures, but the small capitalists found it possible, with their limited resources, to acquire small areas with inferior seams and start small mines in the expectation of quick profits. There was little possibility of expanding the ventures, more so because of the inferior quality of the seams.

Another factor responsible for the growth of small collieries, according to the Committee, was the division of property among members of a family. Such divisions into separate mines would have, however, been possible only in the earlier stages of the workings; for once the mines were developed to the barriers, it would not be permissible to divide them as separate mines without separate barriers. The system of *salami* which prevailed in the past was yet another cause for the existence of small collieries. Under this system, it was profitable for persons who had taken large areas on lease to sub-lease small portions of them at a *salami* which was higher per acre when the property sub-leased was smaller. It is, however, pointed out by the Committee that, in such cases also, the fragmentation would have taken place mostly in the virgin areas or quarry areas. The Committee goes on to observe:

"While forces were at work creating the fragmentation of properties, there was no inducement or incentive to bring about a consolidation or unification of individual collieries. It may even happen that a number of small collieries in different areas of Jharia or even in contiguous areas are owned by a single proprietor or group of proprietors under the names of different companies. It appears to have been found to be more profitable to own small collieries, instead of undertaking large-scale mining enterprises. The coalfields of Karanpura, Ramgarh and other areas in Bihar are still in the early stages of development and most of the ventures there are small collieries. These facts account for the large number of small collieries in Bengal and Bihar."

Colliery Control Order

The Amalgamation Committee admits that the Colliery Control Order has benefited the small collieries to some extent. Thus, it says:

"The control of the prices and the distribution of coal has, no doubt, enabled the inferior grades of coal to get a market. The consumer would prefer to have the better grades of coal, but measures of control have made it imperative that lower grades of coal should be used by specific classes of consumers. But at the same time, classes like brick-making coal and soft coke have the lowest order of priority for movement by rail and a fairly large quantity of such coal moves by road to places as far as 200 miles from the coalfields.

"It is also a fact that in the system of allotment of wagons under the Colliery Control Order, the small colliery may in some cases get an advantage. To put it in other words, for the same owner, the existence of two small collieries side by side provides facilities for better transport than if the two were to be combined as one unit. This advantage is in indenting for wagons and in the soft coke quota where there is a small weightage for the small colliery.

"In the fixation of the prices of coal, the comparative price for inferior coal on the basis of its useful heat units is slightly higher. The small collieries generally produce inferior coal and enjoy, therefore, some advantage in this respect. It, therefore, appears that in getting orders, in movement facilities and in prices the small collieries have derived some benefit because of the Colliery Control Order."

Despite the preponderance in numbers, the small collieries accounted for only a small portion of the total output, as will be seen from the following table:

Collieries producing less than 1,000 *tons a month*

Year	Percentage of total No.	Percentage of total output
1919	49	6.3
1925	54	6.0
1935	54	8.4
1945	56	7.0
1955	40	4.0

The low percentage of output of the small collieries, despite their number, is due to the fact that many of them are ill-equipped and continue to work coal by manual process. In several areas of Raniganj and Jharia, small quantities of coal are still being quarried by primitive methods. Several of the small mines, the Committee says, are "anachronisms in times when coal mining is a process of skilful and scientific winning of coal without waste or risk."

In the case of collieries producing 1,000 to 2,500 tons per month, they work with small capital and small machinery and plant. Many of these machinery are old and not properly repaired and maintained. In these mines, the owners have in the past tried to acquire as much coal as was easily accessible and could be got at a cheap cost. They also do not have the machinery and capital to work deeper and work lower seams. The areas left behind being small, they are beyond the possibilities of economic recovery through new shafts. Thus, water-logged areas and virgin areas in the dip are sometimes left unworked in small mines and will be wasted as long as the mines continue to be small and unless they are joined together.

The number of small collieries, having a monthly output of less than 1,000 tons, had gone up from 132 in 1935 to 428 in 1945 and their total output also rose from 0.57 million tons, or 3.4 per cent. of the total output, to 1.68 million tons or 7 per cent. In 1955, however, the number of such collieries declined to 309, and their output to 1.28 million tons, or 4.2 per cent. of the total. Nevertheless, it is clear that, as compared with 1935, an overall increase in the output of small collieries has been possible only with a corresponding increase in the number of them. These collieries, the Committee says, do not have the means to increase their outputs to any large extent. The Committee dismisses the claim of individual collieries that, given wagon facilities, they can raise their output several times. Thus, it says:

"A careful examination of typical cases shows that these are rather exaggerated claims and that on an average the increase in the production possible is not likely to be more than 20 per cent. The reasons for this are clear. The capacity for production depends on the area of the leasehold, the nature of the seam, the equipment available, the technical know-how and the financial capacity. Small collieries, having small areas, with no finance or equipment, cannot increase their output very much."

The Committee finds that many of the small collieries have at their disposal very little technical knowledge. They do not provide housing and other amenities to labour, who is also not paid wages according to the standards prescribed and provident fund and other facilities are denied. As labour in these mines is not organised, collective bargaiing is not generally possible.

Structure of the Collieries

There were 495 collieries in 1955 producing less than 2,500 tons per month, of which only 263 replied to the Committee's questionnaire. The structural forms of these 263 collieries are as follows:

	No. of collieries
Public limited companies	34
Private limited companies	46
Partnership	90
Sole proprietor	55
Undivided family	46

Thus, there is a preponderance of the forms of ownership other than that of public limited companies. The Amalgamation Committee says that the opening of mines without proper planning, without proper technical skill and advice and without the capacity to undertake measures of safety, conservation and labour amenities is at once recognised as militating against the interest of the State, particularly in the context of our present national status. The existence of mines with small holdings, with bad workings, with either no machinery or old and inefficient machinery, with no facilities and amenities to labour, according to the Committee, is incompatible with the interest of a progressive State. Such mines, it concludes, surely constitute an anachronism in a Welfare State marching towards rapid industrialisation.

Plea for Retention of Small Collieries

The argument was adduced before the Committee that the small collieries produce inferior coal, which has demand, but which fails to get movement. It was further argued that their rationalisation by amalgamation or modernisation was unnecessary, because, if production was increased, there would be no possibility of selling that coal. This coal was not moved to distant parts of the country, because of the high freight rates, which made it uneconomical to the consumer. Besides, the collieries fulfilled a social duty by providing employment to a number of villagers. The reserves of coal were, it was stated, large and these coals could be produced with ease and production could be increased whenever required at the shortest notice by the employment of more labour. Consequently, the small collieries, it was argued, should be left alone to continue as at present.

Replying to these arguments, the Amalgamation Committee says:

"If there is demand for this coal, which is obvious, because soft coke is an ideal smokeless domestic fuel in place of which material like cowdung and wood and charcoal are used all over the country, the need is not to curtail the production or let the *status quo* to continue, but to take steps to ensure that soft coke is supplied at competitive prices to all households in India. What is required is a positive policy and not a passive acceptance of the limitations of railway transport. The re-

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FURTHER FALL IN STOCKS OF JUTE GOODS

OUTPUT OF MILLS, HOWEVER, HIGHER

THE first two weeks of the current month witnessed a slight recession in the prices of jute goods from those which had prevailed in the closing weeks of December. This was attributed to reports that foreign buyers of jute goods were on the cautious side for two reasons. They had already bought heavily as a precautionary measure in anticipation of the worsening of the international situation. Secondly, the international situation has subsequently improved and the supply of jute goods would soon be restored to normal levels. Nevertheless, the undertone of the market was still steady, which is justified, to a large extent, by the latest statistics relating to stocks of jute goods with mills as at the end of December 1956.

The stocks of jute goods at the end of last month, at 96,000 tons, show a further shrinkage of 5,100 tons, as compared with those at the close of November, thus maintaining the downward trend for the third month in succession, having declined from a high of 125,200 tons at the end of September. The mounting level of stocks with mills in the earlier months of the year, it will be remembered, was the main factor which had led the mills to re-seal 7½ per cent. of the looms in two stages. This had, no doubt, the desired effect in reducing the production and stocks. During the last two months of 1956, however, the decline in stocks was due more to keen buying by overseas consumers than to any fall in production. In fact, as will be shown later, the output had gone up during these two months.

The following table shows the trend of stocks as at the close of the past three months, as compared with those as on 31st December 1955:

Jute Goods Stock

(In tons)

	As on 31st Dec., 1956	As on 30th Nov., 1956	As on 31st Oct., 1956	As on 31st Dec., 1955
Hessians	20,000	24,700	30,800	23,500
Sackings	65,100	67,100	77,300	34,400
Others	11,500	9,900	8,600	5,600
Total ..	96,600	101,700	116,700	63,500

The stocks as at the end of last month are, it may be noted, the lowest since March 1956 and the fall over the month is very much less than that witnessed in the previous month. The bulk of the decline in total stocks is accounted for by hessians which shows a fall of 4,700 tons, while that in sackings is of the order of only 2,000 tons, as against 6,100 tons and 10,200 tons, respectively, in November. The comparatively larger decline in hessians, in distinct contrast to the trend experienced in the previous month, shows that the demand for hessians must have been keener. In fact, there have been fears in the market that there might be a squeeze in hessians, despite the rising trend in output of this variety by mills, as the stocks of hessians at the end of December are the lowest for 1956, having successfully declined from 30,800 tons held at the end of October last, and representing a fall of more than 50 per cent. from a high of 40,600 tons held at the close of May 1956. It will be noted from the table above that stocks of sackings still constitute the bulk of the total. They have successively declined from a peak of 93,200 tons at the close of July last and stand at the lowest level since April 1956. The stocks of "other manufactures" have gone up by 1,600 tons as compared with 1,300 tons in November, thus maintaining the upward trend for the fifth month in succession.

Rise in Output

As already indicated, the decline in stocks has occurred, despite an increase in production. The total output for the month amounts to 84,900 tons, an increase of 1,100 tons over that for November and of 4,500 tons over that for October. With the rise in output during the last two months, the downward trend noted during the preceding five months has been reversed. It will be interesting to note here that, during the past two months, the re-sealing of the looms did not occasion a fall in production. It is also noteworthy that the pace of increase in output of hessian has slowed down and that the production of sacking has declined only slightly, notwithstanding the diversion of mills' attention in recent months to manufacture of more hessians than sackings. The fall in the output of sackings has been more than offset by the increase in "other manufactures." Although the rate of increase in total output of mills during December is much less than that in November, it is to be noted that it has taken place, despite a shorter working period. For the number of hours worked in December was 206, as against 209 in November.

Jute Goods Production

(In tons)

	December, 1956	November, 1956	October, 1956	December, 1955
Hessians	37,700	36,800	34,700	34,000
Sackings	41,300	41,800	40,500	56,600
Others	5,900	5,200	5,200	6,700
Total ..	84,900	83,800	80,400	97,300

STEPPING UP JUTE PRODUCTION

The use of improved strains of seeds, better cultural practices, line-sowing by seed drills and inter-culture by wheel hoes and judicious application of fertilisers were among the measures suggested for the promotion of jute production at a conference of the representatives of the main jute-growing States like West Bengal, Bihar and others, held in New Delhi on the 12th inst. The Conference was presided over by Dr. Panjabrao S. Deshmukh, Union Minister for Agriculture.

It will be recalled that the target for jute production under the second Five-year Plan was recently revised upwards from 5.0 to 5.54 million tons. The achievement of this higher target was discussed at a conference of the representatives of the Union Ministers of Commerce, Community Development, Finance and Agriculture and the Chairman of the Indian Jute Mills Association, held on 30th December last. It was decided at this conference that the acreage under jute cultivation in the States of West Bengal and Assam should be increased in order to achieve the target. The latest conference is in pursuance of the decision made at the earlier one.

Dr. Deshmukh referred to the success achieved in the drive for better cultivation of rice and top-dressing of sugarcane, which had yielded striking results. He was very anxious that the problem of increasing jute production should be tackled on a high priority basis. Emphasising the need for larger usage of chemicals, Dr. Deshmukh recalled the experience in China where the minimum quantity of chemicals used by a cultivator wanting to have a good jute crop was 150 lbs. of ammonium sulphate and 100 lbs. of superphosphate per acre.

The conference appointed a sub-committee to study the question of price-support policy, the maximum quantity of *mesta* that the country should produce and the areas where it could be most profitably grown. Stress was laid on the top-dressing of jute and it was decided that 50 per cent. of the area should be treated with fertilisers by the end of the second Plan period and that, in order to encourage the use of fertilisers, cultivators should be supplied with fertilisers as loans in kind. With a view to introducing improved cultural practices, it was decided to press into service 30,000 seed drills and the same number of wheel hoes. It was suggested that a two-week training course should be organised to train block development officers and village level workers in improved cultural practices and plant protection measures.

It was also pointed out that the 25-acre seed multiplication farms which are being set up under the second Plan in the jute-growing States should be utilised for the purpose of multiplying jute seeds. Also, selected growers in the N.E.S. blocks should be asked to multiply improved seeds of jute and for this purpose a list of such growers should be drawn up and, if necessary, a premium which will attract the cultivators to multiply improved seeds should be given.

MADRAS PLANTATION LABOUR AWARD

The possibilities of bringing about an out-of-court settlement between the employers and workers of plantations in the Madras State over the revision of wages, following the Industrial Tribunal's recent award, are being explored by Mr. M. Bhakthavatsalam, Minister for Industries and Labour. The Minister invited representatives of planters on Thursday last week and had talks with them. It is understood that the representatives of planters will furnish statistical details to the Minister to explain their viewpoint. The Minister will also hold talks with the representatives of labour in this connection.

TEA TRADE IN U.K.

The Monopolies Commission of the U.K. has held that there are no monopoly conditions or restrictive practices in the British tea trade. It is of the view that, in general, the tea trade in Britain is conducted on keenly competitive lines. The Commission is satisfied that the severe fluctuations in the price of tea, which have taken place since "decontrol," have not been due to the existence of monopoly conditions or restrictive practices in the trade. By "decontrol," the Commission means the end of Government bulk-buying of tea—the London tea auctions were reopened in April 1951—the removal of the Government subsidy in May 1952 and the end of rationing in September 1952.

CURRENT SEASON'S COFFEE CROP

LIKELY TO EXCEED 36,000 TONS

THE expectation that the 1956-57 coffee crop would establish a new peak is most likely to be realised, according to the latest crop position. What is more, the final crop is expected to be far beyond the earlier estimates. The Coffee Board, in its *Coffee News Letter* for January 1957, reports that picking of Arabica coffee for the current season, which started in November last, will practically be over by the end of the current month. Robusta picking, which commenced in December, will be completed in March next. The latest indications are that the pre-harvest estimate of current crop, at 36,000 tons, is likely to be bettered. The official revised crop estimate for 1955-56 was 33,410 tons, made up of 21,970 tons of Arabica and 11,440 tons of Robusta. This is the highest crop on record for India so far. Thus, the current crop will far exceed the record crop for 1955-56 and private estimates place it still higher at about 40,000 tons. The Coffee Board, however, says that one has to wait till next month to obtain a more accurate estimate.

The new season's coffee is said to have been arriving in the collecting depots and curing works over the past two months. The arrivals up to the end of December amounted to 4,333 tons, made up of 4,120 tons of Plantation, 183 tons of Arabica Cherry and 30 tons of Robusta, but it will take another six to eight weeks for sufficient quantities of this season's coffee to be cured and made ready for sale in the internal market. In the meanwhile, the internal requirements will be met out of the stock of 6,056 tons of last season's crop carried over from December 1956.

At the pool sales to be held this month at Coimbatore, Kozhikode and Mysore, the Coffee Board will offer 2,050 tons of coffee, made up of 850 tons of Plantation, 450 tons of Arabica Cherry and 750 tons of Robusta. The total quantity of coffee released in the internal market during the calendar year 1956 was just under 23,800 tons.

Export Sale

The first export sale of the new season's crop is to be held on the 22nd inst. at Mangalore and the quantity to be offered will be 591 tons of Plantation. On the same day, 279 tons of Arabica Cherry out of the 1955-56 season's crop will also be sold. Recently, a quantity of 275 tons of Arabica Cherry out of the 1955-56 season's crop was offered in the export sale and was accepted by the U.S.S.R. The total quantity released for export so far out of the 1955-56 season's crop amounts to 7,475 tons and, with the further quantity to be sold on the 22nd inst. the total will come to 7,754 tons, as against 7,800 tons recommended by the Marketing Committee out of the 1955-56 crop.

The Coffee Board's 15-year development plan, which envisages the raising of production by 9,700 tons at the end of the first five-year period, by 21,200 tons at the end of the second five-year and by 33,200 tons at the close of the third five-year period was brought into effect on 1st October 1956, with the opening of five regional offices at Chikmagalur, Mercara, Coimbatore, Batlagundu and Kozhikode. Under this plan, the Coffee Board offered the growers monetary assistance in the form of loans and accelerated pool payments. Despite the publicity that the scheme had for some months, the Coffee Board Chairman disclosed at the last meeting of the Board, held in November 1956, that the response from growers to the Board's scheme fell short of expectations. This is also evident from the fact that the last date for receipt of applications for loans was extended from 15th November to 15th December 1956. No information is available on the success of the Board's efforts to evoke better response to its scheme. The investigation of applications received from growers up to 15th December is, however, going on apace and the regional officers are expected to complete the investigations and submit their reports not later than 15th February 1957. The applications received after 15th December will be considered for grant of loans next year. Arrangements are also being finalised for making available to small coffee growers their requirements of fertilisers and pesticides from Government and other depots nearest to them.

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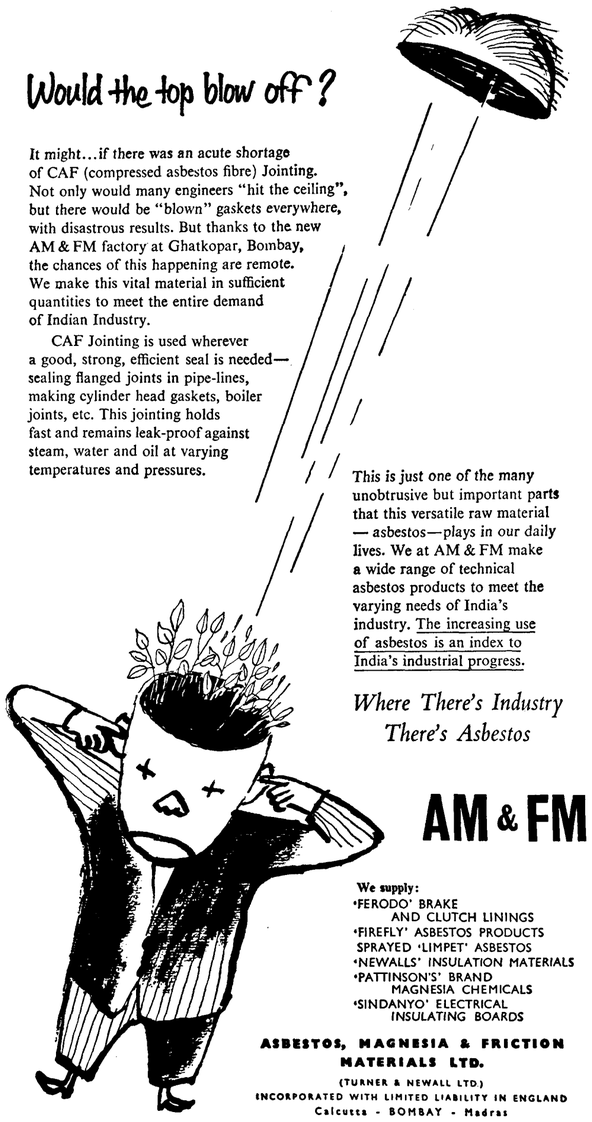



WORKING OF AIR CORPORATIONS

ESTIMATES COMMITTEE MAKES SEVERAL NOTABLE SUGGESTIONS

SEVERAL important issues relating to the working of the nationalised air transport industry, in general, and that of its international wing, represented by Air-India International, in particular, have been examined by the Estimates Committee in its forty-first report (1956-57) dealing with the Ministry of Communications. The Committee has made a number of useful suggestions designed to improve the working of the nationalised industry. These suggestions include the reorganisation of the set-up of the Air Corporations, the immediate setting up of an advisory committee and increased attention to passenger amenities.

In 1953, it may be recalled, the Government nationalised the air services in the country. And, in accordance with the Air Corporations Act, 1953, two air corporations, the Indian Airlines Corporation and Air-India International were set up, the former for the operation of the internal and the latter for the international air services. Air-India International, with which the Committee deals extensively in its report, consists of a Chairman (Mr. J. R. D. Tata) and eight other members, of whom six are officials. The Corporation employs 2,666, including 1,326 engineering, 391 operational, 466 traffic, 204 accounts, 127 administration and 152 stores personnel. The composition of the traffic carried by Air-India International during the four years ended 1955-56 is given below:

	Passengers (Number)	Cargo (In lbs.)	Mails (In lbs.)
1952-53	22,105	1,281,000	486,000
1953-54	30,556	1,925,000	478,000
1954-55	44,382	2,271,000	647,000
1955-56	62,100	2,772,000	976,000

During the period 1st August 1953 to 31st March 1954 and the year 1954-55, the Corporation's operating profit amounted to Rs. 18.30 lakhs and Rs. 33.65 lakhs, respectively. The operating profit for 1955-56 was only Rs. 6.54 lakhs, while that estimated for 1956-57 is Rs. 10.15 lakhs. In calculating these profits, no provision has been made for interest on capital advanced by the Government from time to time. This is in accordance with the Government's decision that no interest will be charged on capital for a period of five years commencing on 1st August 1953. Had interest been debited at 4 per cent. per annum, the incidence of the charge would have been Rs. 1.08 lakhs for 1953-54, Rs. 15.06 lakhs for 1954-55, Rs. 28.00 lakhs for 1955-56; for 1956-57, the incidence of the charge would be as high as Rs. 36.19 lakhs. Taking this factor and also the conditions of competition in the sphere of international air transport into account, the Committee feels that the "financial prospects of the Corporation are not entirely bright." The Corporation has, therefore, been advised not to "relax in its efforts to keep down unnecessary expenditure, to control costs and to attract traffic."

Passenger Amenities

Although the Committee has noted that the facilities offered by Air-India International for its passengers have been, by and large, comparable with those offered by other international airlines, it has drawn attention to the "complaints that the food served by A.I.I. has recently deteriorated." Accordingly, it has suggested that "suitable steps be taken to improve the quality of the food served and also to cater to the differing tastes of the various users of the Corporation's services." It has also stressed the need for providing resthouses for passengers. If this is not feasible, the authorities have been urged to examine the possibility of providing "slumberettes." The Committee has received a complaint that the customs procedure at the Indian airports is "particularly irritating to the foreign passengers." It has suggested that the Corporation should take up the matter with the Customs Department and examine "if the procedure and the method of dealing could be improved so as to cause less irksomeness and inconvenience to the passengers." Since this is a matter which is closely related to the promotion of the tourist industry, we hope that the authorities will particularly avoid causing more than the necessary minimum of disturbance to passengers.

Under the Air Corporations Act, 1953, the Central Government has authority to issue directions to both the Corporations, in case their performance is not satisfactory. Prior approval of the Central Government is necessary for undertaking capital expenditure involving more than Rs. 15 lakhs, for leasing any immovable property for a period extending five years and for disposing of property valued at more than Rs. 10 lakhs. The relations between the Government and A.I.I., the Committee learns, have been cordial; there has been no difference of opinion between them on any important issue. The Committee has, however, noted that the officials of the Government have a "predominant" representation in the Boards of both the Corporations. It adds: "The presence of a non-official chairman with vast experience of air transport industry is a redeeming feature in the A.I.I., which is absent in the other Corporation." The Committee has noticed an increasing tendency on the part of the Government to appoint Secretariat officials as members of State-owned Corporations. It has reiterated the recommendation made in connection with the working of the Bharat Electronics Ltd., namely, the need for "demarcating clearly the Secretariat functions of laying down policies and the executive functions of implementing them and also the necessity to avoid Secretariat officials with the execution of policies laid down by them, so as to enable them to retain the necessary objective outlook." Elaborating this point in relation to the work of the Directorate-General of Civil Aviation, the Committee observes:

"In this connection, the Committee would point out that besides being generally responsible for regulating civil aviation in the country, the D.G.C.A. is also responsible for providing landing and navigational facilities, licensing of pilots, investigation of accidents, etc. It is also observed that the healthy principles followed in keeping the Railway Inspectorate under the control of a Ministry other than the Railway Ministry, has not been followed in this case. In fact, under the present scheme, the D.G.C.A. prescribes the standards of training and qualifications for pilots, while, at the same time, he runs the training schools, examines the trainees and gives them certificates, makes comparative technical studies of different types of aircraft and advises on the type of aircraft to be purchased and the routes on which they are to be used while, at the same time, he serves as a member of the Board which has to take a decision on that advice; he becomes a party to the operation of air transport service, while, at the same time, he controls air transport on behalf of the Government; and, finally, when accidents occur, he conducts enquiries, makes recommendations, while, at the same time, he becomes a party to the implementation of those recommendations. The Committee consider this position as most unsatisfactory and recommend that immediate steps should be taken to rectify the anomalies and inconsistencies underlying such concentration of all these responsibilities in one department or officer."

There is considerable force in the foregoing remarks of the Committee.

Transport Council

The Air Transport Council has been constituted by the Government under the provisions of the Air Corporations Act. The functions of the Council are:

1. (a) To consider at the request of either of the Corporations matters such as the operation of scheduled air transport service, the routes on which such services should be operated, the frequency of such services, the passenger fares and freight rates to be charged, the measure of economy to be adopted in the provision of any services, in regard to overhaul and maintenance, etc. (b) To consider any matter of importance which may be referred to it by the D.G.C.A. or D.G.P.T., including rates for carriage of postal articles by air. 2. To investigate, at the request of the Central Government, any matter relating to fares and freight or other charges levied by either Corporation in respect of any service or facility provided by the Corporation and of the adequacy or efficiency of such services or facility. 3. To tender advice to the Central Government, if so required, in regard to financial and economic analysis, accounting, costing and statistical technique and financial reporting relating to air transport.

The Committee observes that the Council consists of 10 members, including the Chairman. Of these, except two non-officials, the others are either persons in service or retired persons. The Committee does not consider the non-official representation adequate and has recommended that, as a rule, such advisory councils should have a substantial non-official element in them. Since the time of the fixation of the Council in 1955, only one question—it relates to fares and freights—has been referred to it. The Committee has suggested that, as far as possible, the views of the Council may be obtained on all problems which are capable of being referred to it, and, with this object in view, its machinery may be tuned to work expeditiously. The Committee has stressed the need for setting up the Advisory Committee, contemplated by the Air Corporations Act, for purposes of advising the authorities on the provision of amenities to air travellers, proposals for opening of new air stations and related matters.

Single Corporation

Proceeding, the Committee has examined the case for setting up a common corporation for both internal and international air services. It recalls that, at the time the Bill for setting up two Corporations was discussed in Parliament, there was a "strong current of opinion in favour of a single corporation." The protagonists of a single corporation believed that it would save an expenditure of Rs. 6 lakhs per year, if the two Corporations were combined. They suggested that, if necessary, there could be two separate wings, one for external and the other for domestic services. The Government considered it inadvisable to risk a decline in the reputation or efficiency which Air-India International Ltd. had built up in the regions where it operated and thought it necessary that the "goodwill" so built up should be available to the Air-India International Corporation. On the other hand, the domestic services had to be integrated, consolidated, and rationalised. It was, therefore, considered that there should be two separate Corporations, one for international services and the other for the domestic services. The Minister for Communications, however, gave an assurance that, after integration had been completed and after both the Corporations were set up on a sound footing, the Government would consider whether the Corporations could be amalgamated into one.

Now that the integration of domestic air services has been completed, the Committee feels that it should be possible for the Government to review the question of the integration of the two Corporations in the near future. Although the Committee is aware that there are certain obvious advantages to be derived from having a common corporation—with two wings, if necessary, for the domestic and foreign air services—it emphasises that the diversity of the problems connected with the operation of internal and external air travel might cause some difficulties in integrating the services. It has, however, stressed that the question merits "very careful, and detailed examination from technical, operational, financial and commercial aspects." The Committee wishes to recommend that the Chairman of the Indian Airlines Corporation should also be a non-official with extensive business and air transport experience. It, however, sees no objection to the same person being made the Chairman of both the Corporations.

Private Operators

Since the Government's nationalisation measure covered only the scheduled air service operations, some private operators have been permitted to engage themselves in non-scheduled operations. There are at present nine independent operators. Of these, five have been permitted to operate in Assam area. They are: Air Survey Company of India Ltd., Airways (India) Ltd., His Highness the Maharaja of Darbhanga, Indamer Co., Ltd., and Air Taxies India. The other operators, who are permitted to operate on routes other than the Assam area are: Jamair Co., Ltd., Bharat Commerce and Industries Ltd., National Air Operators, and Mr. V. Sundaram. Recently, the Government has issued a licence to an independent air operator to operate a service to the Andamans.

Control over the operations of these non-scheduled operators is exercised by the D.G.C.A. by imposing suitable conditions, while issuing permits to them, so as to ensure that they do not come in the way of the desired growth of civil aviation in the country. The conditions are generally those which are applicable to the I.A.C. and the A.I.I. Corporations which also undertake non-scheduled operations. To safeguard the interests of the nationalised Corporations, executive orders are also issued from time to time, placing restrictions on non-scheduled operators. For example, instructions have been issued recently that, before operating a non-scheduled flight outside India, a non-scheduled operator should obtain a "no objection" certificate both from A.I.I. and the I.A.C.

At present, the Corporations are in a position to undertake just about 50 per cent. of the non-schedule traffic in the country and the balance is carried by independent operators. The Committee, therefore, feels that there is considerable scope and justification for the existence

(*Continued on page* 155)

NEW PRODUCTS AND PROCESSES

Metal Reaming

SHORT Brothers and Harland, aircraft manufacturers of Belfast, England, has developed a new machining technique which, it is claimed, could substantially reduce production and overhead costs in the engineering industry, if generally adopted. It is a new method of reaming—enlarging, to extremely accurate standards, holes pre-drilled in metal. At the same time it imparts a high standard of finish. Shorts state that the technique has already been applied successfully in the production of components for British airliners and for flight controls for other types of aircraft. With the new technique, a hole one inch in diameter and four inches deep can be reamed in just 24 seconds, compared with the 20 minutes taken by standard methods. By performing reaming operations 40 to 60 times faster than standard methods, the Short's technique is estimated to be able to save no less than 98 per cent. of a machine shop's annual overheads for reaming operations. Describing the system, Shorts states that it is a revival of the old-fashioned gun drill, used mainly for drilling gun barrels and other components having deep and extremely accurate bores. The tool now develop has a single tungsten carbide-tipped cutting edge, supported radially by two stabilising wear pads which ensure that the hole is reamed to consistently accurate dimensions. It represents a considerable advance on the older type of gun drill in that only a single reaming operation is necessary.

Separating Tantalum from Titanium

A novel method for separating tantalum from titanium which has been developed by three Russian scientists is described in a recent issue of the Russian technical journal *Zavodskaya Laboratoriya*. The new process depends on the use of organic solvents to separate out the tantalum. The method has the advantage over the conventional, precipitation with tannin, process normally used of being rapid in operation—complete separation of the tantalum from the titanium can be achieved within a few hours. At the same time it enables, it is claimed, the complete extraction of the tantalum to be achieved even when niobium is present. The solvents used in the process were fluoride compounds, to which cyclohexane had been added, in a solution of sulphuric acid.

Measuring Vibration

A vibration calibrator originally designed for the U.S. Armed Forces is now being made available to industry and research laboratories in the U.K. This unit, which is designed to calibrate vibration pick-ups, or to measure the vibration of non-magnetic metallic surfaces, can measure vibrations ranging in amplitude from 0.00002 to 0.020 inch and having frequencies of from 10 to 20,000 cycles per second. An accuracy rating of 5 per cent. is claimed.* The industrial applications of the instrument are expected to cover a wide variety of fields ranging from the motor and the aircraft industries to home appliances, to instrument manufacturers, testing laboratories and universities.

Sun's Magnetism

Research into the occurrence of small magnetic fields on the surface of the sun is now being carried out at the Cambridge University observatories, with the aid of a new recording instrument which has been specially built for the purpose. The operation of the instrument depends on a special photoelectric system. A considerable amount of magnetic structure occurring on the sun's surface has already been studied with the aid of the instrument, which is only the second of its kind to be constructed in the world. Comparatively large magnetic fields which cannot be located by means of ordinary visible light have been discovered.

Silicone Glass Laminates

Heating and air-conditioning ducts made of silicone and glass laminates are being used in place of stainless steel ducts in at least one U.S. military aircraft, the Douglas C-133. The laminates, which are made with glass cloth and silicone resins are said to have proved more resilient than comparable light metal sheet. Silicone laminate ducts have, for example, it is claimed, proved less liable to splitting when engine misfiring occurs and under other jarring conditions.

Sun-powered Radio

A portable radio which is powered by sunlight is now available commercially in the U.S. The radio has been developed by the Admiral Corporation and sells for about $150. During daylight hours the radio is operated by the light of the sun, which is collected by a bank of 32 light-sensitive silicon wafers. At night the radio is equipped to operate on six flashlight batteries. Ordinary flashlight batteries can be used because transistor crystal valves are used throughout the electrical circuits of the radio in place of conventional termionic valves.

Antibiotics for Fish

The Food and Drug Division of the Department of National Health and Welfare of Canada has given Canadian fishermen permission to use a derivative of the antibiotic aureomycin to preserve the quality of fish at sea. It is the Canadian Government's first authorisation of the use of antibiotics for food preservation, although last year the United States Government approved their use on poultry. The method used is to add tiny amounts of the drug to the ice in which fish are kept on board the fishing vessel and during shipment inland.

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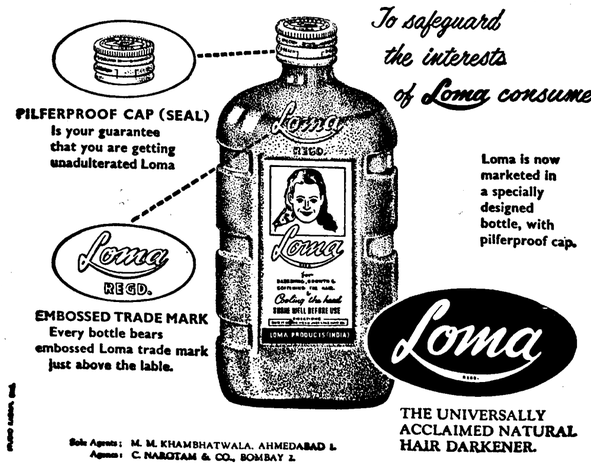

GUARANTEED MINIMUM WEEKLY WAGE IN U.K.

HOW THE SYSTEM WORKS IN INDUSTRIES

A MAJOR development in the U.K., which has obviously been of immense benefit to labour, is the extension of the system of guaranteed minimum weekly wage to industrial workers. This system ensures that, if a worker turns up for his job and finds, through no fault of his own, there is nothing for him to do, he can still draw all or a large part of his normal wage. Before 1939, not many workers had a guaranteed weekly wage when there was no work for them. But now, some or all of the workers in coal-mining, agriculture, transport, steel, textiles, building, engineering, metal and chemical industries are covered by the system of guaranteed minimum wage. They are guaranteed either a full week's wage, or a fixed proportion of that wage or the rate for a certain number of hours.

Reviewing the working of the system of guaranteed minimum wage, Mr. John Walton, a member of the British T.U.C., points out that the fillip to making these arrangements for a guaranteed weekly wage was given when the essential work orders were withdrawn after the war. During the period of hostilities, these orders had limited the employers' right to terminate engagements and the workers' freedom to leave a job. They had also provided for workers on time rates to receive their normal wage for a normal work, provided they were available to do their own or another job. Workers on piece-rates were also guaranteed as a minimum the time-rate applicable to their work on any day they presented themselves only to find they were not needed.

Useful Features

Before the essential work orders were ended, Britain's Minister of Labour suggested that both sides of industry might examine them, with a view to retaining their most useful features. As a result, negotiations were started in many industries, leading to agreements which provided for guaranteed weekly wages. In the same way, in some industries covered by statutory machinery, provision for guaranteed payments was made.

While arrangements vary from industry to industry, these generally cover such features as the extent of the guarantee, the way the payment is reckoned, and the conditions under which it is paid. The guarantee can either be a minimum amount of employment for a fixed number of days, shifts or hours, or a proportion of the worker's time-rate of wages. In most industries, it ranges from two-thirds to four-fifths of the normal weekly hours or of the ordinary weekly wages.

Most arrangements are based on a plain time-rate, whether the worker is on piece-rates or time-rates. In engineering, for example, "workers are guaranteed four days' employment in any pay week such as will enable them to earn during such period the equivalent of their consolidated time-rate for 34 hours." Should a worker do part of a week on his normal job, it may then be that his earnings are above his guaranteed minimum; so the arrangement does not apply. If they are not, then the employer must find the balance. Where a worker is temporarily sent to a job other than his own, then generally he does not lose, even though the rate for that work may normally be lower.

Some Conditions

Most agreements about the guaranteed weekly wage say that a worker must always be available during normal working hours, and that he must be ready to do another job if it is offered to him. Some lay down that absence on one day means giving up all rights to any guaranteed wage for the week. Others provide for a proportionate reduction in the guarantee because of absence. In boot and shoe manufacturing, the guarantee of three-quarters of the weekly wage rate does not apply "in respect of all time lost by the operative on his own responsibility, through sickness or any other cause, and the week under the guarantee shall be reduced correspondingly."

Common features of most arrangements are that men and women have equal rights, and that there is no qualifying period of engagement. But some have penalties for habitual bad-timekeeping or absenteeism, and for absence from work without just cause during a fixed period previous to any claim for the operation of the guarantee. When there is a strike, most arrangements for guaranteed payments fall by the board, though there may need to be a period of notice. In some industries, such as pottery, the agreement is suspended even when work is stopped indirectly through a strike, dispute, or lockout. Shortages of fuel, power or raw materials and breakdown of plant or machinery are other circumstances which may entitle an employer to suspend a guarantee. As a rule, however, no limit is placed on continuing guaranteed payments during prolonged periods of short-time working extending over successive weeks, when none of these qualifications applies.

Period of Notice

Another feature of the essential work order connected with the guaranteed week and continued in a number of agreements is that of the period of notice to be given to end an agreement. In most industries this is seven days, though in building and civil engineering, the period is two hours, the notice to expire at the normal finishing time on Friday. A few agreements emphasise that nothing in the guaranteed week provision is to be taken as limiting the legal right of the employer or worker to end a contract of service.

One noteworthy agreement falling into this category of guaranteed payment arrangements relates to dock workers who, during the last war, enjoyed a guaranteed week for the first time. Under the dock workers scheme of 1947, dock workers reporting for work are paid attendance money, and, if they report for 11 turns in a week on both mornings and afternoons, then, according to age, there is a guaranteed minimum weekly payment negotiated within the industry.

INDUSTRIAL DISPUTES ACT

The Supreme Court held, last week, that the Industrial Disputes Act, 1947, was valid and not *ultra vires* of the Constitution. The judgment was delivered by Mr. Justice Bhagwati in a case filed by some textile mills in the Punjab, challenging the validity of the Act. Before they came in appeal, their case had been dismissed by the Punjab High Court. The main contention of the parties was that the entire Act was *ultra vires* of the Constitution and that its provisions were discriminatory, in that the State Government had been authorised to refer a dispute for adjudication to a tribunal or for a settlement to a conciliation board or for investigation to a court of inquiry. Referring to this argument, Mr. Justice Bhagwati said that these provisions were not discriminatory and that the appropriate Government was at liberty to refer the dispute to one or the other authorities, referred to under the Act, according to the exigencies of the situation. As regards the argument that the authority given to the Government to extend or curtail the period for which the award was to be in force was discriminatory, Mr. Justice Bhagwati said that the basic idea underlying all provisions of the Act was the settlement of industrial disputes and the promotion of industrial peace, so that production might not be interrupted and the community in general might be benefited. This was the end, His Lordship said, which had got to be kept in view by the appropriate Government when exercising the discretion which was vested in it in the matter of making the reference to one or other of the authorities under the Act and also in the matter of carrying out the various provisions contained in the other sections of the Act, including the curtailment or extension of the period of operation of the award of the industrial tribunal.

Yet another contention of the parties was that the industrial tribunals to which disputes were referred for adjudication were legislating in the guise of adjudication and that this amounted to delegation of the powers of legislation which the Central Legislature was not competent to do. In this connection, His Lordship observed that the powers vested in the industrial tribunals, wide though they might be, were guided by considerations of policy and could hardly be characterised as legislative powers. No doubt they laid down certain general principles to be observed in regard to the determination of bonus, reinstatement of dismissed or discharged employees and other allied topics, but they were enunciated mainly with the object of promoting peace while settling particular industrial disputes referred to them.

In the result, the Court held the Industrial Disputes Act valid and dismissed the appeals and petitions.

STATE GOVERNMENT EMPLOYEES

NEED FOR RAISING THEIR PAY SCALES

IN recent months, the employees of State Governments, in general, and the class of employees, known as non-gazetted officers, in particular, have protested vehemently against what they allege to be the low scales of salary and dearness allowance paid to them. In one State, at least, namely, Madras, where they appear to have a well-organised association of their own, they have threatened direct action. The Government of the State has, in turn, threatened to withdraw the recognition of the association. The demands of State Government employees include a general rise in pay scales and a higher dearness allowance, namely, the one followed by the Central Government for its employees.

Generally speaking, the pay scales as well as the dearness allowance of the State Government employees are lower than those of the Central Government. Nor is there any uniformity in the pay scales of the employees, for these scales differ from State to State. A further source of complication is the one arising from the reorganisation of States. In some cases, the salary scales of the employees in certain regions, which have been merged with the larger States, were lower than those of the States with which these regions were merged. Thus, salary scales in Kutch, for instance, were lower than those in Bombay with which the former was integrated. In some cases, the areas merged had higher pay scales than the States to which they were merged. For instance, the pay scales in the Karnatak districts of the Bombay State were higher than those in the Mysore State with which they were merged. Steps are being taken to rationalise pay scales in the new States. The Mysore Government has recently raised the scales of pay of the non-gazetted officers in the State.

No Uniformity

There is, however, no attempt at bringing about a uniformity in the pay scales of the employees in all States. Presumably, it is felt that the determination of the salary levels of these employees should be left to the States themselves. To a certain extent, this is the correct attitude, for the finances of the States differ widely, and it may be difficult to enforce uniformity. At the same time, it should be recognised that salary scales in States should not be allowed to differ markedly. Further, it is also not wise that they should be markedly lower than those of the Central Government employees. It must be remembered, in this connection, that the extension of the sphere of the activities of the Central Government has led to a large increase in the ranks of its employees who are posted in almost all the States. The presence of highly-paid Central Government employees in the State cannot go unnoticed by the less fortunate employees of the Government of the State, where the former work. This leads to some irritation, if not envy. Sooner or later, the authorities concerned will be compelled to review the whole position and take measures designed to bring about a certain measure of uniformity in the pay scales of the Central and State Government employees. After all, the work turned out by the State Government employees is no less onerous, nor any less important, than that of the Central Government servants. And there is, therefore, no reason why their emoluments should be allowed to diverge to any marked extent.

Centre's Attitude

The Central Government, on its part, seems to be aware of the difficulties of the employees of the State Governments. The Union Finance Minister, Mr. T. T. Krishnamachari, speaking recently to representatives of the Press in Madras, expressed his anxiety regarding the condition of the low-paid Government employees in the States and said that the minimum emolument should be raised in course of time to Rs. 100 per month. A 12-rupee increase in emoluments drawn by those getting less than Rs. 100, he said, will cost all the States about Rs. 32 crores. The Centre, he said, would be prepared to help in the endeavour. He added: "This is a human problem and will have to be tackled as such." Addressing the Madras Secretariat Association, he said that he was prepared for an increase of Rs. 12 in the salary of the employees of the State Government, getting less than Rs. 100 per month, if the State Government was also prepared to share a part of the

(*Continued on page* 155)

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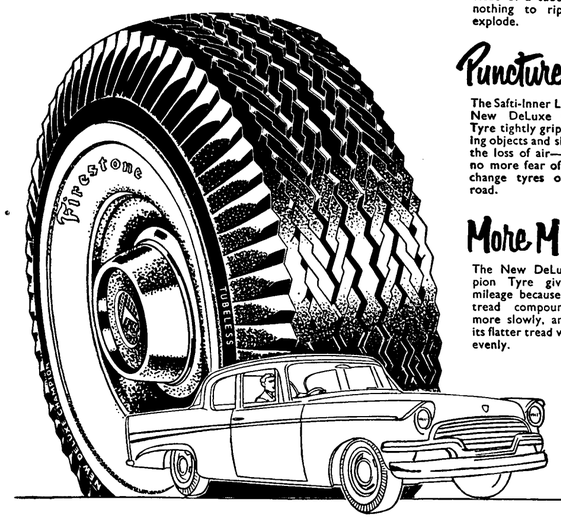

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The following is an extract from Mr. Tennetti Viswanatham's letter, which will speak to the merits of the book as well as the authors of the same.

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Pattern of Electrical Consumption for Industrial Growth

By J. P. Garga, M.A. and R. P. Aiyer

THE growing emphasis on industrialisation and large-scale development of basic industries have tended to shift the pattern of power utilisation in the country. In 1950, industrial consumption of electrical energy was of the order of 62.7 per cent., which in 1955 reached a figure of 65.7 per cent. Towards the end of the second Five-year Plan, this percentage is expected to touch 72 per cent.

It would be an extremely useful study if total industrial consumption of electrical energy in 1960 was built up more reliably on the basis of expansion programme stipulated for *each* industry included in the second Five-year Plan. Of course, the pattern of consumption in each industry will have to be assumed to be the same as that in an existing industry, disregarding technological improvements in the new plants. In the case of industries that do not exist already, the quantum of electrical energy consumption will have to be based on data available from foreign sources.

It would also be useful to know inter-industry differentials in the consumption of electricity. These technological ratios would help the industrialists and the planners not only in spatial fixation of sources of demand and supply but also in forecasting such requirements for planning, beyond the second Five-year Plan period, with some exactitude.

Official information available for such a study is limited; for, what we have are:

(i) annual figures of industrial production and the interim index of industrial production based thereon, from 1946, and

(ii) consumption, as a fuel, of electricity, other than that produced by a unit for its internal use, industry-wise.

The source of data in each case is the statutory census of manufacturing industries, being carried out annually by the Directorate of Industrial Statistics. It is in this context that a brief study of the subject has been attempted.

In arriving at the technological ratios in view, the first approach has been to study whatever correlation could be found in an industry, between the total production and electricity consumption. In important positive cases, regression of the latter on the former has been studied and appropriate regression lines fitted with the method of least squares. The resulting equations indicate the relationship between a unit increase in production in that industry and the electrical energy required to achieve that production.

It may be appropriate to point out here that this method of approach would fail in Indian conditions if regression of electricity used by the Indian industry as a whole was studied over the entire field of production, that is, fitting a regression line on the basis of the interim index of industrial production for all the industries together. The reason of such failure is evident from the fact that the Government of India's interim index of industrial production is based only on 29 industries out of a total of 63. It appears more appropriate, therefore, that any relation between the consumption of electricity and industrial production be instead examined industry by industry. Another important point which should be kept in view prominently in such studies is that any attempt at dividing Indian industry between producer-goods industry and consumer-goods industry, etc., would be less scientific. A more appropriate consideration in making a distinction between one industry and another should, on the contrary, be the intensity of use to which electricity is put in different industrial processes. For instance, it may be (see below) that *industries like general engineering and "chemicals" which are considered basic industries, and produce goods generally of the former type, turn out to be less intensive users of electricity than those like "paper and paper board"* which are not of this type but are far more intensive users of electrical energy.

In this article, such regression lines have been fitted only to seven industries. For lack of suitable data in respect of the others, it has not been possible to add more. Even so, the resulting figures are valuable in studying the technological ratios in these industries for establishing, in each case, requirements of electricity for every unit increase in their respective production. During this study, it was noticed that, in certain industries, like "paints and varnishes" and "sugar," etc., no firm relationship between their production and consumption of electricity could be established.

The data on which regression equations for these industries have been based are reproduced in the table given below:

Table giving indices of electricity consumed and those of corresponding production in some industries

Name of industry		1946	1947	1948	1949	1950	1951	1952	1953
1. Chemicals	x	100.0	102.7	158.5	194.3	229.0	260.2	388.8	517.7
	y	100.0	111.3	152.7	218.8	233.3	318.3	337.1	413.4
2. General engineering	x	100.0	95.2	136.5	167.2	203.1	265.7	233.0	258.7
	y	100.0	131.4	157.4	171.6	186.5	218.9	198.3	240.2
3. Bicycles	x	100.0	74.1	129.0	149.9	240.0	265.9	458.2	614.6
	y	100.0	125.0	62.5	200.0	275.0	287.5	300.0	275.0
4. Paper and paper board	x	100.0	87.8	92.4	97.4	102.7	124.4	129.7	131.8
	y	100.0	180.2	183.0	118.3	105.8	132.6	128.3	145.9
5. Cement	x	100.0	93.9	100.7	136.3	169.5	207.2	229.3	245.1
	y	100.0	92.1	103.0	154.4	219.1	331.3	370.2	370.8
6. Cotton textile	x	100.0	95.8	109.0	99.7	91.1	101.3	113.8	199.9
	y	100.0	105.8	119.4	123.0	112.0	138.9	143.9	160.2
7. Iron and steel	x	100.0	97.1	97.1	104.6	111.2	116.0	122.0	116.5
	y	100.0	122.3	109.3	126.3	146.1	156.0	171.5	165.1

Source :—Census of Manufacturing Industries.

x = Index of industrial production. y = Index of electricity consumed.

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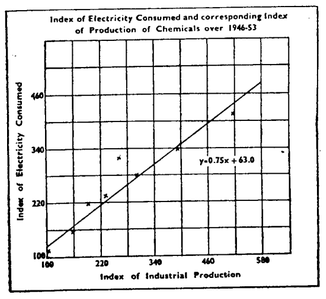

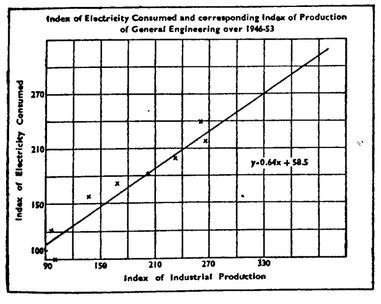

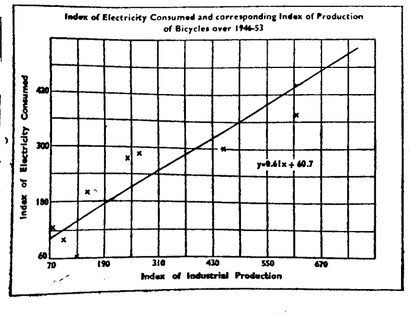

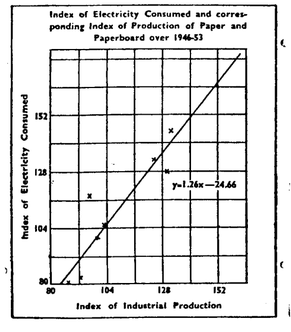

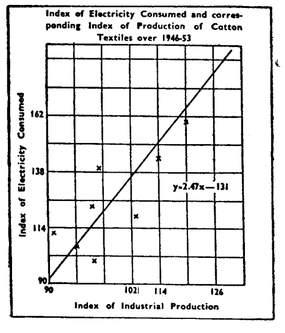

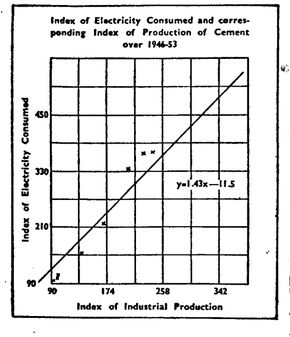

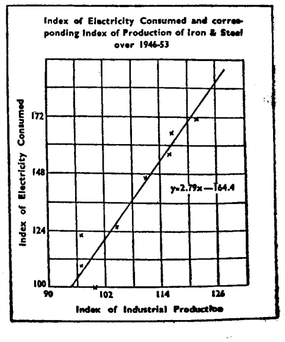

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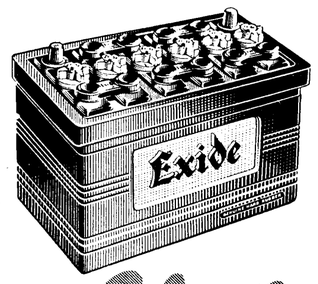

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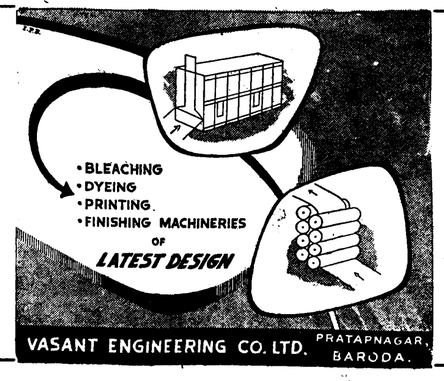

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NEW PUBLICATIONS

Accumulation of Capital. By Joan Robinson. Published by Macmillan & Co., Ltd., London. Student Edition. Pages 440. Price: Rs. 10-8.

WHILE it is true that the theory of economics does not furnish a settled body of conclusions immediately applicable to a given set of problems, its usefulness as a guide to policy is indisputable. But even this was considerably limited by the excessive preoccupation of economic analysis, in the past hundred years, with the study of relative prices under the assumption of static overall conditions to the exclusion of the larger and more important macroeconomic problems of savings, investment and capital accumulation. The assumption of static overall condition is such a drastic departure from reality that it is difficult to submit anything evolved within it to empirical verification. It also ruled out the discussion of most of the dynamic problems which are really interesting. A welcome departure from this approach was Keynes' *General Theory* which broke away from static assumptions to discuss a real problem—the causes of unemployment. But his analysis was framed in terms of a short period in which the stock of capital and technique of production were given. It, therefore, left a huge area of long-run problems quite untouched.

The wheel of economic analysis has come full circle and the centre of interest has returned to the classical problems of the overall growth of the economy. A notable example of this change in emphasis in economic thinking is R. F. Harrod's *Towards a Dynamic Economics*. In order to discuss dynamic problems in a simple manner, Harrod dismisses the whole problem of relative prices and sets out an analysis of the overall development of an economy without paying attention to the theory of value.

Following the same method, the book under review analyses the problems of accumulation of capital in the long run. The method of approach is to proceed, step by step, from the most simple assumptions towards greater and greater complexity by the gradual removal of the assumptions. Book I contains a discussion of the concepts and categories required for the analysis of accumulation. Its general theme is that it is no use framing definitions more precise than the subject matter to which they apply. Book II, "Accumulation in the Long Run," is the central part of the work and the section entitled "Accumulation with one technique" contains the most important proposition; the rest of the book may be regarded as complications and qualifications surrounding this central core. Briefly, the proposition is that, *in an economy* with only one technique, and no consumption out of profits, and where the supply of labour adapts itself to demand, the future rate of accumulation is limited by the technical surplus available above subsistence wages for the workers employed. Within that limit, it is limited by the surplus above the level of real wages that the workers are willing to accept. Again, within that limit, accumulation is limited by the energy with which *entrepreneurs* carry it out. When the size of the labour force is independent of the *entrepreneur's* demand for workers, a minimum is set to the possible rate of accumulation by the rate of increase of the labour force. When accumulation fails to reach this rate, there is growth of long-period unemployment.

Technical progress is then introduced into the picture and its effect on accumulation studied. Here the author develops the concept of a *golden age*. When technical progress is neutral and proceeds steadily, without any change in the time pattern of production, with the competitive mechanism working freely, with population growing (if at all) at a steady rate and with accumulation of capital going on fast enough to supply productive capacity for all available labour, the rate of profit tends, according to the author, to be constant and the level of real wages tends to rise with output per man. There are then no internal contradictions in the system. Provided political events cause no disturbance and *entrepreneurs* have faith in the future and desire to accumulate profits at the same proportional rate as they have been doing over the past, there is no impediment to prevent them from continuing to do so. As long as they do, the system develops smoothly. Total annual output and the stock of capital (valued in terms of commodities) then grow together at a constant proportionate rate, compounded of the rate of increase of the labour force and the rate of increase of output per man. The economy is then said to be in a golden age.

The theory of accumulation in the long run, as developed by the author, may be stated thus: The rate of technical progress and the rate of increase of the labour force govern the rate of growth of output of an economy that can be permanently maintained at a constant rate of profit. The potential growth ratio (increase per annum of output as a percentage of annual output) is approximately equal to the percentage rate of growth of employment plus the percentage growth of output per head. When the potential growth ratio is being realised, the economy is in a golden age. The growth ratio represents the highest rate of accumulation of capital that can be permanently sustained at a constant rate of profit. An economy which is accumulating at a lower rate is experiencing a growth of unemployment. The conditions of a golden age require that the growth ratio be steady, technical progress be neutral, the proportion of annual replacement to the stock of capital be constant and a constant proportional rate of net investment yield a constant growth of stock of capital in use. The relation between the propensities to save and the technical conditions determines the rate of profit at which the natural rate of growth of the economy can be realised.

This scholarly study, meant primarily for advanced students of economics, is remarkably well written and its exposition is so lucid that even less advanced students can, if the arguments are closely followed, gain an understanding of the central issue discussed. The book, as most of the other works of the author, is an invaluable addition to economic literature.

Depreciation, Losses and Penalties under Income-tax Act, 1922. By Ramesh C. Sharma. Published by Practical Tax Publishers, Bagla Buildings, Nahar Shahadat Khan, Delhi 6. Pages 236. Price : Rs. 12-8.

Amongst the spate of books published on taxation, the book *Depreciation, Losses and Penalties* deserves special notice. It deals with three important aspects of income-tax assessment, namely, depreciation, losses and penalties. It is thus divided into three parts; each part gives a summary of provisions, case law thereon, and apt illustrations so that even a layman can follow the principles. The book within its 200 and odd pages compresses much useful information, not easily available in the normal textbooks on income-tax law. The book is, therefore, a welcome addition to the literature on the subject. We congratulate the author on having compressed so much valuable information into so little a compass.

Indian Company Law, 6th Edition. By M. J. Sethna. Published by Educational Publishers, 204, D. Naoroji Road, Fort, Bombay 1. Pages 591 (excluding appendices). Price : Rs. 25.

Professor M. J. Sethna of the Government Law College, Bombay, deserves to be congratulated on bringing out a revised and enlarged 6th Edition of his book, the *Indian Company Law*. It is indeed a new book, rather than a revised edition. It incorporates the decisions of the Bombay High Court and other High Courts in India and also English Courts. It is a comprehensive work dealing exhaustively with every aspect of the new law. An exhaustive appendix gives the text of the Companies Act, the Societies Registration Act, the Companies (Central Government's) General Rules and forms, the Companies Regulations, offences and penalties under the Companies Act, miscellaneous forms and the Banking Companies Act. The book is bound to be of use and benefit to the members of the Bar and others concerned with this branch of law.

The Companies Act, 1956. By R. H. Pandia. Published by N. M. Tripathi Private Ltd., Bombay 2. Pages 900. Price : Rs. 25.

After the passing of the Companies Act, 1956, Mr. R. H. Pandia started the formidable task of revising his well-known book, *The Hand Book of Company Law*, third edition. He has revised this edition with scrupulous care and skill. The commentaries contain a lucid and comprehensive exposition of the provisions of the new Act and the principles underlying the same. Mr. Pandia has also carefully analysed the numerous Indian and English decisions and has presented concisely their effect in a coherent form. The new Act, as is well known, is a complicated piece of legislation, abounding in provisos and exceptions, but Mr. Pandia has succeeded in explaining this difficult branch of law with remarkable ease.

Company Administration under the New Company Law. By Tanubhai D. Desai and Indulal H. Shah. Published by N. M. Tripathi Private Ltd., Bombay-2. Pages 155. Price Rs. 4-8, 10s.

The purpose of this book is to offer the business executives a shorter and a simpler account of the difficult subject of company administration in a comparatively lucid style. Although apologetically, the authors have stated that the book is a small contribution intended to serve as a guide to those who are concerned with the New Company Law, it bears traces of deep thought and profound study of the subject. Undoubtedly, the book gives an overall picture of the various provisions of the new Act. It will, therefore, serve as a guide to those who find themselves in difficulty in the welter of this complicated piece of legislation which has no parallel in the history of Indian enactments.

Economic Resources of India and Pakistan. By K. C. Ghosh. Published by K. P. Basu Publishing House, 42, Cornwallis Street, Calcutta. Pages 486. Price Rs. 20.

This is a revised and enlarged edition of an earlier publication by the same author which had already been reviewed in the columns of this journal. The data on economic resources in the India-Pakistan sub-continent are widely distributed in official reports and documents and in technical journals, many of which are not easily accessible. The present volume is something like a study of world economic products with special reference to India and Pakistan. The compilation which covers a wide range from geographical data to industrial and financial particulars will be found to be really handy for a busy person. The author has taken great pains to give as much information as can be compressed in a book of its dimensions.

Direction of International Trade, Series I, Vol. VII, No. 6. Annual issue. Joint publication of (1) Statistical Office of the U.N., (2) I.M.F., and (3) I.B.R.D.

This 328-page publication covers, as usual, a wide range of statistics connected with international trade. It has four chapters in all, which provide statistics pertaining to (1) reconciliation of the Director of International Trade Data with those of the world trade totals of International Financial Statistics, (ii) trade of principal monetary areas as reported by the reporting countries in each area, (iii) trade as reported by the trading partners of the area, and (iv) totals of D.I.T. trade data by reporting countries.

Indian Agricultural, Industrial and Trade Review, Annual 1955-56. Published by C. M. Ratnam for the Andhra Education Society, Sion Road, Bombay 22. Price : Rs. 10.

Though the aim of the publication under review is to raise funds for the construction of a building for the school managed by the Society, the Society has succeeded remarkably well in bringing out a very interesting and informative publication. Developments in the fields of agriculture, industry and trade have been reviewed by a galaxy of eminent men who have specialised in their respective fields.

Publications of this type play a special role in India today, when the nation has embarked on huge plans of development in various fields. The reader will get more than his money's worth. It has 44 articles and 4 statistical supplements, covering 409 pages of art paper. Printing and get-up are excellent.

Indian Oilseeds Journal. Edited and published by Dr. R. Sankaran, M.A., Ph.D. (London) D.I.C., Secretary, Indian Central Oilseeds Committee, Gandhi Bhavan, Hyderabad (Dn.). Price : Rs. 2, Foreign 12s. (Postage extra).

The publication under review is the first of the issues the Indian Central Oilseeds Committee, Hyderabad (Dn.), has undertaken to publish quarterly. India holds a pre-eminent position in the world in the production of oilseeds. During the second Plan period, the total production is proposed to be stepped up from 5.6 million tons in 1955-56 to 7.0 million tons in 1960-61. Oilseeds and oils are also large earners of foreign exchange for the country, the amount so obtained in 1954-55 being no less than Rs. 25 crores.

The importance of improving the quality and production of all kinds of oilseeds cannot, therefore, be exaggerated. In this connection, scientific research and the implementation of the results of research play a vital role. The journal under review serves a very useful purpose, in that it can give wide publicity to the results of research and other vital information connected with the commodity.

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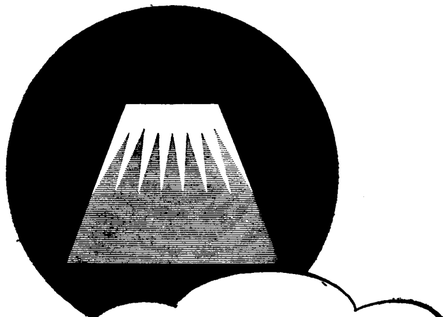

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FIVE-YEAR PLAN FOR PHARMACEUTICAL INDUSTRY

STRESS ON MANUFACTURE OF BASIC DRUGS

THE view that a fresh approach to planning for the development of the pharmaceutical industry in India was needed and that much stress should be laid on manufacture of basic drugs from more fundamental stages was expressed by Dr. A. Nagaraja Rao, Industrial Adviser, Government of India, in the course of his presidential address to the Special Five-year Plan Session of the Indian Pharmaceutical Congress held last week in Calcutta. The pharmaceutical industry, it will be noted, comprises, among others, the industries producing antibiotics such as penicillin, streptomycin, tetracyclin, etc., sulpha drugs, anti-T.B. drugs, antileprosy drugs, anti-dysentery drugs, anæsthetics and insecticides. A noteworthy feature of this industry is that, despite the start made in the production of certain drugs, chiefly, penicillin, certain sulpha drugs and others, their production falls far short of the needs of the country. The production of penicillin at Pimpri, for example, was estimated at 6.6 million mega units for 1955-56 while imports amounted to no less than 35.3 million mega units in 1955. The production of other antibiotics, namely, streptomycin, chloramphenicol and tetracyclin amounted in 1955 to 1,833 kgs. while the imports were no less than 23,430 kgs. In the case of other items, the position is no different. Whereas, to cite another example, production of sulpha drugs aggregated 37,900 kgs., imports were 459,200 kgs. in 1955. The second Plan notes that, with the advent of new synthetic drugs, dependence on imports has considerably increased. Thus, the total value of imports of drugs and medicines which stood at about Rs. 10 crores in 1950-51 rose to Rs. 13 crores in 1954-55, and for the nine months, April to December, of 1955-56, amounted to Rs. 10.41 crores.

Committee's Recommendations

A feature worthy of special mention, however, was the report (submitted in June 1954) of the Committee, appointed by the Ministry of Commerce and Industry in February 1953, to make a comprehensive inquiry into the working of the pharmaceutical industry with a view to suggesting steps to put the industry on a sound basis. Some of the notable recommendations made by the Committee related to the measures to be taken (*a*) to improve the existing conditions in the pharmaceutical industry, (*b*) to ensure the standardisation and control of drugs and pharmaceutical preparations, (*c*) to ensure supplies of essential raw materials to the industry, and (*d*) to promote the development of the manufacture of basic drugs in the country. The Committee proposed, in the first place, that each manufacturing concern should endeavour to produce as many fine chemicals and drugs starting from basic chemicals and/or intermediates as practicable for the time being. Secondly, a long-term programme for the production of coal-tar chemicals designed to meet the requirements of the coal-tar products of the industry should be drawn up. Thirdly, in order to overcome the defects in the operation of the drug control existing at present and to bring about uniformity in the standard of drugs manufactured, the administration of drugs control should be centralised. The Committee also recommended that a Development Council for the pharmaceutical industry should be constituted to ensure future development of the industry along desired lines.

The first step taken by the Government in pursuance of those recommendations was the constitution in 1955 of the Development Council. The Government has appointed the Drug Controller as an ex-officio Industrial Adviser (Pharmaceuticals and Drugs) in order to achieve better co-ordination in the working of the Drugs Act and the Industries (Development and Regulation) Act. It is also actively considering measures for centralising the administration of the Drugs Act and exercising Central control over the quantum of production. Moreover, considerable emphasis has been laid in the second Plan for manufacturing as many pharmaceuticals and drugs as possible, starting from basic chemicals and/or simple intermediates.

Targets for Second Plan

The programmes for many of the items for the second Plan have been so drawn up as to help, in large measure, towards the achievement of self-sufficiency in many items. The targets to be attained in 1960-61 by some of the important drugs are given below:

	Units	Targets for 1960-61
Penicillin	Million mega units	40
Streptomycin	Kgs.	18,000
Chloramphenicol	,,	10,000
Sulpha drugs	,,	450,000
Para-amino-salicylic acid	,,	113,300
Procaine hydrochloride	,,	50,000
D.D.T.	Tons	2,800

Despite these targets, the second Plan admits that there will be need for importing, in varying quantities, a number of essential drugs like vitamins, synthetic anti-malarials, antibiotics, and other raw materials and intermediates. The Plan also recognises that, in view of the rapid pace at which new developments are taking place and more effective and potent drugs are discovered and synthetised, it is difficult to envisage self-sufficiency in regard to all items. Apart from that, it is also not possible to produce at home most of the synthetic drugs, which have been recently put on the market, because they are complex in nature and require a variety of basic chemicals and a high degree of technical skill and know-how for their manufacture. This brings us to another important hurdle in the way of the progress of the industry, that is, the absence of a basic chemical industry to provide the required basic materials for the manufacture of synthetic drugs. Moreover, as the Plan further points out, the demand for these primary chemicals from the drug industry is too small to enable economic units to be set up for their production.

Keeping Abreast of Developments

Viewed against this background of the position and the problems of the pharmaceutical industry, the observations of Dr. Nagaraja Rao are quite pertinent. He suggested that the industry should work out arrangements with other developed countries, not only for deriving benefit from the extensive research going on in different parts of the world, but also to make rapid progress in all the possible fields even within the country on up-to-date lines. The attainment of any self-sufficiency in the absence of constant efforts to keep pace with the progress was not of any large significance. Dr. Rao also felt that the days when the industry could limit its activities to the processing of tablets, capsules, etc., and to formulation of different drugs based on imported raw materials were almost at an end. He stressed that the manufacture of basic drugs had to be undertaken as a part of the pharmaceutical programme. The Industrial Adviser to the Government also expressed the view that Indian technicians should, instead of repeating the work already done in other countries, acquire the know-how from whatever source available in the world and undertake production as soon as possible. Further, the research organisations should also work on the operational and other difficulties facing the industries and evolve more economical methods of manufacture of products.

The speaker gave the manufacturers a wholesome piece of advice on quality of pharmaceutical products. He pleaded strongly for qualitative improvement of the Indian products, because, in the field of drugs, it would be difficult to inspire confidence in the public and medical profession, so long as there were even a few manufacturers of doubtful reputation. In this connection, he suggested the establishment of a well-equipped testing and control organisation owned and managed by the industry itself in co-operation with the representatives of the medical profession for periodically checking up and certifying the quality of the products made by different manufacturers and circulating the names of the delinquents to all members of the medical profession. This method, if adopted, should go a long way towards facilitating a healthy growth of the industry.

Trained Personnel

Whether the future development of the industry will be rapid or otherwise will depend on the availability of trained engineer-technologists and pharmacists. The Russian Committee which visited India recently has estimated the requirements of well-trained engineer-technologists at 300 for the different manufacturing units to be established in accordance with their project reports. The Pharmaceutical Education Committee of the Indian Pharmaceutical Congress suggested, therefore, the setting up of regional pharmaceutical technologists training centres. The need for scientific pharmacy and pharmaceutical education of proper standard were stressed by Mr. S. P. Sen at the Committee. There was also a singular unanimity among the speakers at the Congress on the need for getting adequate number of qualified pharmacists.

The problems facing the pharmaceutical industry are thus by no means small. They arise from causes as diverse as the existence of ill-equipped and badly located units, inferior quality products, unreasonable prices, non-availability of basic chemicals, and technical know-how. It is to be hoped that the deliberations at the conference will prove specially useful in solving these problems and helping the progress of the industry so essential for improving the standard of health of the people.

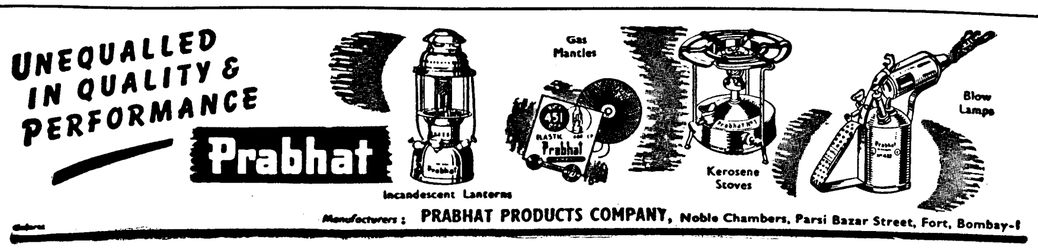
U.K. WORLD'S LARGEST RADIOISOTOPE EXPORTER

The United Kingdom maintained its position as the world's biggest exporter of radioisotopes in the year ended 30th September 1956, by exporting a record total of 8,617 consignments of radioisotopes, worth over £100,000, to 47 countries. Of these, 101 consignments were sent to India. These exports were part of a record total of 22,069 consignments produced during the same period—3,830 more than produced in the previous year. These facts have been revealed by the United Kingdom Atomic Energy Authority. The Federal Republic of Germany was Britain's best customer for radioisotopes, taking 1,266 consignments, followed by France with 1,051 and Sweden with 1,022.

Radioisotopes, of which there are a great number of types, varying greatly in strength, life, and cost, are used mainly in medicine, research, and industry. In British industry, they are being used in increasing numbers for such tasks as controlling production processes as well as for research. Universities are also regular users of isotopes for research purposes. The majority of those manufactured at the Harwell (Berkshire) research establishment and at the Radiochemical Centre, Amersham (Buckinghamshire), were supplied to hospitals for medical therapy and research. Harwell's rate of production and sale is still rising.

Details of these exports show that 42 consignments of isotopes were sent to India from Amersham and 59 from Harwell. Forty-three were sent to Japan from Amersham and 325 from Harwell. Australia imported 92 consignments of isotopes from Amersham and 72 from Harwell.

The Orissa Government will take over for State trading kendu leaf used for making bidis. The leaf is grown extensively in Sambalpur of Orissa, and in the neighbouring M.P., Chota-Nagpur and Junagadh. The decision was taken, according to an official spokesman, in order to augment the income of the State by increasing non-tax revenues.



WORLD INDUSTRIAL PRODUCTION

TREND UP IN FIRST HALF OF LAST YEAR

THE mines and factories of the world turned out a greater volume of products during the first half of 1956 than in any previous six-monthly period, according to the *Monthly Bulletin of Statistics* of the United Nations for October last. Consequently, the index of industrial production for this period stood at the record level of 114 (1953=100) which represented an increase of 5 per cent. over the corresponding half of 1955. The *Bulletin*, however, points out that the unprecedented rate of increase witnessed by the quarterly data for 1955 began to decline during the period under review and that the available data for the third quarter of 1956 pointed to a deceleration in the rate of increase of industrial production.

Among the North American countries, the output in the U.S. rose by slightly more than 4 per cent. in the first six months of 1956, as compared with the corresponding period of 1955. Increases were recorded in all industries, except transport equipment which registered a decline of 3.3 per cent., as compared with the level of the first half of 1955. Among other important industries, the production in which witnessed substantial improvement over that of the first half of 1955, mention must be made of chemical industry (8.7 per cent.), machinery (11 per cent.), foodstuffs (3 per cent.) and mines and oilwells (8 per cent.). During the same period, production in Canada increased by 8 per cent. over that of the corresponding period of 1955 and 11.5 per cent. over the same period of 1953. It is significant, however, that the rate of increase in the mining section was faster than that in the manufacturing sections, owing to increases in the production of crude petroleum and iron ore. The combined index of industrial production for Western Europe also displayed a similar trend. The index was 123 for the first quarter and 128 for the second quarter (1953=100), indicating that the output was one-fourth greater than in the first half of 1953, and 6 per cent. higher than in the first half of 1955. The increases between the corresponding periods of 1953 and 1954, and 1954 and 1955 were 9 per cent. and 10 per cent. respectively. This slowing down in the pace of expansion was due to a levelling off in production in certain countries of this region, in the wake of measures taken to keep inflationary forces under check.

The index for the U.K., for instance, showed only an increase of less than 1 per cent. during the first half of 1956, as compared with the corresponding period of 1955. The indices of production in the major components of food, textiles, chemicals and metals showed little or no change. On the other hand, figures indicate that slight decreases were recorded in most categories in the second quarter of 1956, as compared with the corresponding period a year before.

In France, however, the industrial production continued to rise until in the second quarter when it was nearly twice as high as in 1938 and 10.5 per cent. greater than in the first half of 1955. The industries in which the increases were very marked were durable goods and chemicals. In Western Germany also, the industrial production during the period under review rose by no less than 10 per cent. over that in the same half-year of the previous year. Though this increase was considerably less than the increase of 15 per cent. witnessed between 1954 and 1955, German production was, nevertheless, one of the main factors responsible for the high level of European output. While all the major industries registered substantial gains, electrical equipment and machinery industries appeared to have contributed most to the overall increases.

Italy was another European country to stage a rise. Its index number of industrial production rose by 8 per cent. above the first half of 1955. It is noteworthy that, in the first five months of the period under review, the mining index was marked up by no less than 30 per cent. over the corresponding period of the previous year. The index for manufacturing industries climbed up by 7 per cent. The largest gains were made in the metal producing and consuming industries together with chemicals.

Among the other countries of Western Europe, notable increases were also witnessed in the Netherlands, Belgium and Sweden. In Finland and Denmark, however, declines were registered, owing chiefly to labour unrest.

On the basis of the figures available for the first five months of the year, the *Bulletin* estimates an increase of 6 to 7 per cent. in India's industrial production in the first half of the year, as against the corresponding period of 1955. It is significant that the textile industry displayed considerably greater growth than in North America and most of the European countries. But the most marked rise in industrial production was found in Japan, where, during the period under review, the index climbed up 18 per cent. as compared with the first half of 1955. The three most important sectors of the industry that contributed most to this increase were chemicals, metallurgy and textiles.

USERS' LICENCES

Under the Central Government's import policy for January-June 1957, the concession of granting actual users' licences direct by the Licensing Authorities on the basis of licences for the preceding two consecutive periods has been withdrawn. Actual users will, therefore, have to obtain fresh certificates, irrespective of whether they have obtained licences in the past or not. Applications for such items only as are declared licensable to actual users in the new policy will be considered on their merits as per rules, subject to sufficient justification for import. No application for items which are not shown as licensable to actual users in the Policy Book will be entertained.

Industrial firms not borne on the registers of the Industrial Advisers (Engineering and Chemical Development Wings), Government of India, desiring to obtain such certificates, which are located in the Marathi and Gujarati speaking areas of the pre-reorganisation Bombay State are advised to approach the Director of Industries, Bombay, without any delay. Industrial firms in the Vidarbha and Marathwada regions should approach the Officer on Special Duty, Industries, Vidarbha and Marathwada, Nagpur, and those in the Saurashtra and Kutch regions the Deputy Director of Industries, Saurashtra, Rajkot. The Director of Industries, Bombay, and the Regional Officers at Nagpur and Rajkot or their subordinate officers will entertain the request for certificates only up to 28th February 1957. Intending applicants should not, however, confuse this date with the last date, namely, 30th April 1957, fixed by the Licensing Authority for necessary applications for actual users' licences but should, in their own interest, approach the Director of Industries or his Regional Officers at Nagpur and Rajkot, as the case may be, as early as possible, but in any case not later than 28th February 1957, to avoid delay and secure certificates in time.

UNIFORM STANDARDS

About 125 leaders of industry and important personalities in the field of standards in the Commonwealth will attend the third Commonwealth Standards Conference to be held in New Delhi, from 21st January to 3rd February 1957. The Conference will be inaugurated by Shri Morarji Desai, Minister for Commerce and Industries. This is the first time that India is playing host to this Conference. Its previous two sessions were held in London in 1946 and 1951. The Conference seeks to secure greater alignment of industrial standards and standardisation policies of Commonwealth countries in the interest of inter-Commonwealth relations and trade.

Delegates from Australia, Canada, India, New Zealand, Pakistan and the United Kingdom will attend the Conference. The United Nations' Economic Commission for Asia and the Far East will be represented by an observer. The technical discussions at the Conference will be held in four separate sessions. Each session will cover steel, electric cables, electric equipment of machine tools and safety requirements for domestic electrical appliances.

General questions of policy will be reviewed in separate sessions where problems of common interest like the metric and the inch-pound systems of measurement, certification marking, standards for consumer goods, general alignment of standards and terminology will be considered.

OILSEEDS RESEARCH STATIONS

The Indian Central Oilseeds Committee and the Indian Council of Agricultural Research will soon set up jointly 17 composite regional research stations for cotton, oilseeds, and millets in various States of India. The total cost is estimated at Rs. 75 lakhs. The location of the stations will be as under: Coimbatore, Sulekere (Mysore), Akola, Delhi, Surat, Daresugur (Tungabhadra region), Kanpur, Hissar (Punjab), Junagadh, Ludhiana, Hyderabad, Hoshangabad (M.P.), Mohal (Bombay), Bellary, Gwalior, Nandyal and Jaipur. Radio sets are also expected to be installed in five centres, namely, Tirupur (Coimbatore District), Cuddalore (South Arcot), Koilpatti (Tirunelveli), Vellore (North Arcot) and Virudhunagar (Ramanathapuram), for disseminating marketing information.

These proposals, among others, will come up for consideration before the tenth annual general meeting and the eighteenth ordinary meeting of the Indian Central Oilseeds Committee which will be held at Hyderabad on the 25th of this month.

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S. L. MEHTA, Manager.

RESULTS OF MYSORE SUGAR SATISFACTORY

DIVIDEND MAINTAINED

THE Directors of the Mysore Sugar Company, Ltd. (Chairman and Managing Director: Mr. S. Muninanjappa, B.A., B.L., I.A.S., Bangalore), have decided to maintain the dividend on the Company's shares at 20 per cent. for the year ended 30th June 1956. This is the seventeenth year in succession for which this level of distribution to shareholders has been kept unaltered. It may be mentioned here that the Company stepped up its dividend from 15 per cent. to the now accustomed level of 20 per cent. in 1939-40. Thereafter, for 12 years, that is, until 1951-52, it consisted of a dividend of 10 per cent. and a bonus of 10 per cent. In 1951-52, the bonus was consolidated with the dividend and, since then, the shareholders have been getting their 20 per cent. return wholly as dividend.

The steady return to shareholders for all these 17 years at 20 per cent. does not, however, connote a period of uniform profits or unqualified prosperity for the Company, as may appear on the face of it. On the contrary, it has been a period of ups and downs, true to the status of an agro industry. To go not too far back, the Company made a gross profit of Rs. 39.43 lakhs for 1952-53, only to be followed by a gross loss of Rs. 10.38 lakhs in the succeeding year. The course was again reversed in the next year, that is, 1954-55, when it earned a gross profit of Rs. 15.29 lakhs. This advanced by Rs. 4.52 lakhs to Rs. 19.81 lakhs for the year under review. If, despite such wide swings in the fortunes of the Company, the dividend performance has been steady with scarcely any variation, it is a tribute to the appropriation policy of the Directors. The net profit, after making a slightly higher provision for depreciation and Rs. 5 lakhs for taxation as against nothing at all in the previous year, stands at Rs. 9.12 lakhs. This is a fraction less than Rs. 10 lakhs made in the previous year. Although this profit is only a little over 50 per cent. of that for the year 1952-53 at Rs. 17.73 lakhs, viewed in the context of a net loss of Rs. 15.01 lakhs suffered in 1953-54, the performance for the year under review should be considered fairly satisfactory. No amount has been allocated to the reserves, while, in the previous year, a sum of Rs. 5.02 lakhs had been transferred to this account. Instead, the employees' gratuity fund has been credited with a sum of Rs. 5 lakhs, as against *nil* a year before.

The following comparative table brings out some of the salient features of the Company's working results for the last four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1956	1955	1954	1953
Sale proceeds (sugar and distillery sections)	291.76			
Other income	19.31			
Closing stocks (sugar and distillery including crops-in-progress)	67.50	*N.A.*	*N.A.*	*N.A.*
Expenses	297.78			
Gross profit (+) or loss (—)	+19.82	+15.29	—10.38	+39.43
Depreciation	5.70	5.29	4.63	5.70
Taxation	5.00	..	..	16.00
Net profit (+) or loss (—)	+9.12	+10.00	—15.01	+17.73
Unclaimed dividends paid	0.03	..	..	..
To Employees' Gratuity Fund	5.00	..	..	..
Transfer to reserves	..	5.02	..	..
Dividend	4.36 (20%)	4.36 (20%)	4.36 (20%)	4.36 (20%)
Carry forward	2.03	2.90	2.28	21.65
Sugarcane crushed (in tons)	347,523	375,548	12,582	245,500
Sugar produced (in tons)	34,798	35,312	1,210	27,962
Recovery per cent.	10.14	9.4	*N.A.*	*N.A.*

N.A.—Not available.

The Company's sugar factory at Mandya is capable of crushing 1,500 tons of sugarcane per day. It has also a distillery attached to the factory. Cultivation is done by the Company on an area of 3,500 acres and, in order to meet its requirements in oilcakes, it has its own oil mill at Mandya. More than 10 per cent. of the shares of the Company are held by the Government of Mysore. Besides confectionery, it also manufactures country spirit for consumption in the State and for export.

Commenting on the working conditions experienced by the factory during the year under review, the Directors observe, in their latest report, thus:

"The year under report was a normal one and both production and sales were satisfactory. Crushing of sugarcane in the Company's Mandya factory began on 21st July 1955 and closed on 23rd April 1956. During this period of 279 working days, inclusive of days of trial crushing, a total quantity of 347,523 tons of sugarcane was purchased and crushed. The quantity of sugar produced was 34,798 tons, with a recovery of 10.14 per cent. As usual, the distillery continued to work satisfactorily."

The balance-sheet of the Company as on 30th June 1956 discloses a sound financial position. It has a paid-up capital of Rs. 21.79 lakhs in shares of Rs. 10 each. Against this, the reserves and surplus aggregate Rs. 88.88 lakhs. These include a general reserve of Rs. 62.50 lakhs, development reserve of Rs. 11 lakhs, dividend equalisation fund of Rs. 10 lakhs, stores depreciation fund of Rs. 2.50 lakhs and workmen's compensation fund of Rs. 24,818. The provision for taxation stands at Rs. 15.75 lakhs and other current liabilities total Rs. 97.17 lakhs. The gross block of Rs. 134.65 lakhs together with capital works-in-progress of the value of Rs. 4.76 lakhs, has been written down to Rs. 52.33 lakhs. Additions to the gross block during the year were of the order of Rs. 4.10 lakhs. The current assets, amounting to Rs. 171.26 lakhs, include stores and spare parts at Rs. 36.31 lakhs, stock-in-trade at Rs. 60.16 lakhs, crops-in-progress in Company farms at Rs. 6.66 lakhs, investments Rs. 22.83 lakhs and cash in hand Rs. 3.85 lakhs. It will be noted that the aggregate of current assets cover the current liabilities by a very wide margin.

In the context of the compulsory deposit scheme introduced by the Government of India along with other tax proposals on 30th November last, it will be interesting to note that the Company has no surplus liquid resources for meeting this requirement. Its cash balances are small. The major portion of investments is in respect of employees' provident and gratuity funds. Almost all its reserves are locked up partly in fixed assets and partly by way of working capital. It has not issued any bonus shares at all, though its position would have justified such a course. Now, if the compulsory deposit scheme were to be applied to this Company, it would have to borrow from banks. Here is an instance to show how this system of impounding reserves tantamounts to penalising prudence.

The Rs. 10 fully paid-up shares of the Company are being currently quoted on the Madras Stock Exchange at Rs. 44-12 *cum-div.* On an *ex-div.* basis, the year's dividend at 20 per cent. works out a yield of 4.7 per cent. per annum.

THACKERSEY GROUP

In view of the general weakness of textile shares, the decision of the Directors of the three Thackersey Mooljee group mills to capitalise a substantial part of the reserves of the respective mills and make an attractive bonus offer has failed to attract the attention of the market. In each case, the Directors have decided to issue two ordinary shares as bonus for every ordinary one held. In the case of the Hindoostan Spinning and Weaving Mills, this will mean the capitalisation of a sum of Rs. 24 lakhs, raising the paid-up ordinary capital to Rs. 36 lakhs. The Indian Manufacturing Company will have to capitalise Rs. 18 lakhs and bring the ordinary paid-up capital to Rs. 27 lakhs and the Western India Spinning and Manufacturing Company has to increase the paid-up ordinary capital from Rs. 12 lakhs to Rs. 36 lakhs by capitalising Rs. 24 lakhs. The proposals to issue bonus shares are, however, subject to sanction by the Controller of Capital Issues.

This is not the first occasion that the Companies propose to capitalise a part of their reserves. On a previous occasion, each of them issued 4½ per cent. taxable redeemable preference shares as capital bonus in the ratio of one share for every ordinary share held. Thus, in June 1949, the Hindoostan Mills and Western India capitalised a sum of Rs. 12 lakhs each. The Indian Manufacturing followed suit in March 1950 by capitalising Rs. 9 lakhs.

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BLUE MOUNTAIN AND WATERFALLS

EARNINGS DECLINE

TWO of the Kothari group of plantation companies, namely, the Blue Mountain Estates Ltd., and the Waterfall Estates Ltd., Madras, disclose a fall in their earnings for the year ended 30th June 1956. The gross profit of Blue Mountain has fallen from Rs. 19.35 lakhs for 1954-55 to Rs. 15.65 lakhs and that of the Waterfall Estates from Rs. 14.23 lakhs to Rs. 13.33 lakhs. Both have reduced the dividend from 20 per cent. to 15 per cent.

The year in question was one in which the world tea market had acted in a manner unfavourable to the producers of both the medium and poorer quality teas and to the buyers of good tea, while the fall in the price of coffee, witnessed in the previous year, from the record prices for the year 1953-54 continued. The tea crop in the Waterfall Estate was slightly higher while that in the Blue Mountain Estate was appreciably lower. The output of the coffee crop was substantially higher in both the estates on account of the earnings of two new estates having been incorporated into the accounts for the year. On account of the heavy fluctuations in tea prices in the last year or two, the Waterfall Estates have given up their practice of selling teas on forward contract and have decided to sell them in the Cochin market on a ready basis. They hope that by this new policy they will be able to realise higher average prices in future. The Blue Mountain Estates have been concentrating on producing quality tea in accordance with the new market trends showing a bias for really fine teas. They feel that, even though this might result in a fall in the overall crop of the estates, the effect of this fall on earnings could be made up by the higher prices realised by finer teas.

In line with the gross profit, the net profit of both the companies has also staged a decline. The net profit of the Blue Mountain has fallen from Rs. 11.74 lakhs to about Rs. 9 lakhs and that of the Waterfall Estate from Rs. 7.40 lakhs to Rs. 6.71 lakhs. Blue Mountain has raised the provision for depreciation from Rs. 75,000 to Rs. 78,228 and lowered that for taxation from Rs. 5 lakhs to Rs. 4.40 lakhs. Likewise, Waterfall has raised the provision for depreciation from Rs. 45,000 to Rs. 68,330 and lowered the provision for taxation from Rs. 5 lakhs to Rs. 4.70 lakhs.

In view of the lower prices realised for tea during the period under review and the pendency of the award of the Special Industrial Tribunal for Plantations which has sanctioned substantial increases in wages to both workers and staff with retrospective effect from March 1952, both the Companies have thought it prudent not to recommend a higher dividend than 15 per cent. It may be recalled that a year before, both the Companies had raised the dividend to 20 per cent. from 12½ per cent. paid for 1953-54. Due to unavoidable circumstances, both the Companies have not been in a position to allocate anything to the reserves. It may be noted here that last year Blue Mountain had strengthened the reserves by Rs. 7 lakhs and Waterfall by Rs. 5 lakhs.

The tea crop of Blue Mountain went down from 1.29 million lbs. to 1.08 million lbs. This reverses the rising trend noted since 1951-52. The tea crop of Waterfall, however, maintained the upward trend which began in 1948-49, the harvest having risen from 1.11 million lbs. for 1954-55 to 1.12 million lbs., for 1955-56. This good and fairly increasing yield year after year speaks well of the good treatment and better manurial attention given to the estates by the management. The cost of production per lb. works out to Re. 1-9-2 for Blue Mountain and Re. 1-4-3 for Waterfall, having risen from Re. 1-4-9 and Re. 1-2-4, respectively, in 1954-55. The net price realised by the former, however, fell from Rs. 2-9-2 to Rs. 2-0-1, and that by the latter from Rs. 2-10-1 to Re. 1-14-4.

The coffee crop in both the Estates increased. The increase was from 4,267 cwts. to 11,102 cwts. in the case of Blue Mountain and from 47 cwts. to 6,995 cwts. in the case of Waterfall. These increases are due to the fact that, during the year under review, both the Companies had purchased two good coffee estates.

Estimates for 1956-57 are:

Blue Mountain Estate—Tea 1.13 million lbs. at an estimated all-in cost of Re. 1-4-5 per lb. and coffee 12,220 cwts. at a cost of approximately Rs. 109 per cwt.

Waterfall Estate—Tea 1.17 million lbs. at an estimated all-in cost of Re. 1-4-1 per lb. and coffee in Waterfalls 560 cwts. at a cost of Rs. 127 per cwt. The crop at Coovercolly Estate has been estimated at 8,000 cwts. at a cost of Rs. 104 per cwt.

The Directors of Waterfall report that, though the sanction of the Government has been received for the issue of bonus shares at the rate of one bonus share for every two ordinary shares held, they consider it advisable to await the final results of the Plantation Industry Award pending in the Supreme Court. Blue Mountain had also applied for sanction for the issue of bonus shares on the same terms. The sanction has been accorded but only at the rate of 0.4 bonus share for every share held. In this case also, the Directors have decided to await the final outcome of the Plantation Industry Award.

The financial position of both the Companies is indicated in the following synopses of their latest balance-sheets:

(As at 30th June, 1956)

	Blue Mountain	Waterfall
	Rs.	Rs.
Capital	37,50,000	26,00,000
Reserves and surplus	31,47,790	28,98,920
Provision for taxation	12,45,800	9,41,993
Current liabilities	8,09,927	11,32,325
	63,01,651	52,24,801
Gross block	6,41,995	4,51,488
Less—Depreciation		
	56,59,656	47,73,313
Net block	1,60,907	2,68,215
Stock-on-hand	1,01,370	2,01,293
Stores	20,12,834	12,71,181
Debts, deposits and advances	2,03,368	8,52,982
Investments	7,25,382	1,16,254
Cash		
Total	89,53,517	74,83 238

The Rs. 2 fully paid-up shares of Blue Mountain are being currently quoted at Rs. 5-3½ *ex-div.* and those of Waterfall at Rs. 5-4½ *ex-div.* On this basis, the latest dividends provide a yield of 5.7 per cent. and 5.6 per cent. per annum, respectively.

BARAREE COKE CURTAILS DIVIDEND

The working results of the Bararee Coke Company, Ltd. (Managing Agents: Messrs. Jardine Henderson, Ltd., Calcutta), for the half-year ended 31st March 1956, show a somewhat satisfactory state of affairs. However, this has been neutralised to some extent by certain other factors, not the least of which was the higher wages sanctioned to the colliery workers by the Industrial Tribunal. This has naturally affected the distribution to shareholders. Thus, the dividend for the half-year under review has been reduced to 6 per cent. from 7 per cent. paid for the previous half-year; the overall dividend for the whole year also stands reduced at 13 per cent. as against 14½ per cent. for the whole of 1954-55. This consisted of a dividend of 7 per cent. for the half-year ended 30th September 1954 and 7½ per cent. for the period ended 31st March 1955.

The gross profit stands lower at Rs. 2.90 lakhs, as against Rs. 3.10 lakhs for the half-year ended 30th September 1955 and Rs. 2.19 lakhs for the corresponding half-year ended 31st March 1955. The net profit, after providing for Managing Agents' remuneration, depreciation and taxation, stands slightly higher at Rs. 1.20 lakhs as against Rs. 1.12 lakhs and Rs. 78,084 for the previous two half-years respectively. A sum of Rs. 25,000 has been transferred to general reserve account, same as that in the previous half-year. The dividend at 6 per cent. absorbs Rs. 72,000, as against Rs. 84,000 at 7 per cent. in the previous half-year, leaving a balance of Rs. 45,399 to be carried forward, as against Rs. 22,707 brought in.

The Company's sale of coke and by-products fetched Rs. 19.96 lakhs, as against Rs. 20.09 lakhs and Rs. 18.46 lakhs in the two preceding half-years, respectively. Manufacture and despatches during the half-year under review were: Coke 34,200 and 32,203 tons, tar and pitch 1,390 and 1,347 tons, sulphate of ammonia 339 and 208 tons and benzol 5,483 and 7,547 gallons, respectively.

Commenting on the Company's working during the period under review, the Directors in their report state thus:

"Your Directors consider the results for the half-year under review to be satisfactory. Since then, however, the combination of a number of factors has brought about a less satisfactory situation. As a result of the Award of the All-India Industrial Tribunal (Colliery Disputes) the wages of colliery workers were substantially increased and a consequent increase in the price of coal of Rs. 3 per ton was passed on to consumers. It was expected that a similar increase would take place in the coke plants. To offset to some extent this increase, the prices of hard coke No. 1 were increased by Rs. 6-8 per ton. Unfortunately, no agreement has been reached with labour regarding the increase in wages and the Union has made representations to Government with a view to referring the matter to a Tribunal. In addition, there has been a substantial drop in the output of hard coke during this period and while your Directors have plans in hand for stepping up the production, they have thought it prudent meantime to conserve the resources of the Company and to reduce the dividend to 6 per cent., making 13 per cent. for the year."

The balance-sheet of the Company as at 31st March 1956 shows its paid-up capital at Rs. 12 lakhs in ordinary shares of Rs. 10 each. Against this, the reserves and surplus aggregate Rs. 9.23 lakhs. The provision for taxation stands at Rs. 56,138 and the current liabilities total Rs. 9.37 lakhs. The gross block of the value of Rs. 37.37 lakhs has been written down to Rs. 2.47 lakhs. The current assets aggregate Rs. 28.60 lakhs and more than adequately cover the current liabilities and provision for taxation.

The Rs. 10 fully paid-up ordinary shares are being currently quoted at Rs. 18 *cum-div.* On an *ex-div.* basis, and taking the dividend for the whole year ended 31st March 1956 at 13 per cent., the yield works out to 7.7 per cent. per annum.

Points From The Chair

Capital for Industries

"THERE is no doubt that, within two or three years, the production of cotton shall increase by another ten lakh bales and I wonder what will happen then. Why to export this valuable raw material and not its finished products, i.e., yarn and cloth, is a serious question which deserves the attention of the authorities. The setting up of more factories will provide more jobs to the workers, more money to the exchequer and, at the same time, it will increase the exports and reduce Japanese competition in cloth. There is, however, the question: where to find the funds for putting up such factories? The funds come mostly from the wage earners and middle class people who seek to have additional income by investing their hard-earned savings in manufacturing concerns, instead of putting them into the banks. At the same time, the investors expect that the return for their investment should be sufficiently tempting. While banks pay 4 per cent. on deposits, the investors cannot be attracted to take the risk of investing in industries, unless they hope to get at least double of this, because, during the first three years of the erection of the factory, they do not get any return at all. Unfortunately, the various Acts and actions, seasonal and unseasonal, have made the investors very nervous and capital for the industries is being diverted towards banks and securities. This proves that the money is there, but it is not forthcoming to the Industries due to lack of confidence, and insufficient inducement of high returns."

RAI BAHADUR G. M. MODI,
Modi Spinning and Weaving Mills Co., Ltd.

Production *versus* Strikes

"But there is another side of the account which we have come to call productivity. In my statement a year ago, I talked about industrial relations and I would now like to add a word which has a bearing on productivity. While we are making strenuous endeavours to increase productivity, we still indulge in strikes which have the opposite effect. It is true that they cause less loss of time than in days gone by and it may be that the time lost is not large in relation to time worked, but the effect of the loss cannot be measured in men-days lost by the strikers themselves nor by reference to the area to which they may seem to be confined. The actual individuals who strike may seem to lose only their own wages, but, indirectly, they lose much more, and many other people also suffer injury. Strikes affect the prosperity of the works in which the strikers are employed; they affect the activities of those who supply them with materials and services and those who buy their products. More widely and indirectly, the income of the whole country, which is what we have to live on, is lowered, and still more remotely, the strikers inflict damage on our goodwill in the markets of countries with whom we trade and in others with whom we hope to trade. In a word, the strikers lower the prosperity and prestige of their country, thereby causing a loss not only to themselves but to every one of their countrymen."

SIR WALTER BENTON JONES, BT.,
United Steel Cos., Ltd.

Inflation *vis-a-vis* Replacements

"My own personal view is that, if inflation, which has been with us now for so long, continues unchecked, this troublesome problem of ultimate replacement becomes more and more serious and the real remedy is to achieve stability. We all know the Government is very much concerned with this matter, and, if stability can be attained, then I feel that not only the shipping industry but all businesses throughout the country would be able to plan ahead on the basis of fixed prices, whether for ships, general equipment for factories and, indeed, most, if not all, of the requirements of trade, and depreciation allowances based on current values would then be adequate to provide ultimately for replacements. It is much, therefore, to be hoped that the efforts of our Government will put an end to this inflationary pressure, as, with the achievement of stability, we could, I think, regard the long-term future with confidence."

WALTER C. WARWICK,
Houlder Line Ltd.

Era of Easy Profits Passing

"The era of easy, and often too easy, profits is rapidly passing and this should call for higher efficiency and determined effort. Many firms have courageously pegged their selling prices for many months ahead. Provided prices in other directions can be held in check, these firms should reap their reward not only in adding a spur to their own efficiency but also in making a major contribution in halting inflation. Restrictive practices whether exercised by the workmen or by the employers are suicidal to both. The worker who denies the most economic use of the latest machinery is, in the long run and not a very long run, certainly working himself out of the very job that he imagines he is thereby retaining. Equally, the employer who refuses to re-equip his works will soon find himself out of business being unable to compete with his more venturesome competitors."

SIR A. HAROLD BIBBY,
Martins Bank Ltd.

COMPANY MEETINGS AND DIVIDENDS

BABABUDIN COFFEE AND PRODUCE CO., LTD. Annual General Meeting, Bangalore, 19th January 1957. Dividend: Re. 1-4 per share. Transfer books remain closed from 13th to 19th January 1957, both days inclusive.

PREMIER AUTOMOBILES LTD. Annual General Meeting, Bombay, 21st January 1957. Dividend: Rs. 6 per 'A' ordinary share, free of income-tax, payable on and after 4th March 1957. Transfer books remain closed from 21st December 1956 to 18th January 1957, both days inclusive.

SINGELL TEA CO., LTD. Annual General Meeting, Calcutta, 22nd January 1957. Transfer books remain closed from 7th to 22nd January 1957, both days inclusive.

KHARDAH CO., LTD. Annual General Meeting, Calcutta, 24th January, 1957. Dividend: Rs. 5 per share. Transfer books remain closed from 10th to 24th January 1957, both days inclusive.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Annual General Meeting, Madras, 24th January, 1957. Dividend: As. 6 per share. Transfer books remain closed from 18th to 24th January 1957, both days inclusive.

ASSOCIATED CEMENT COMPANIES LTD. Annual General Meeting, Bombay, 25th January 1957. Dividend Rs. 10 per share, payable on and after 1st February 1957.

RANEEGUNGE COAL ASSOCIATION LTD. Annual General Meeting, Calcutta, 25th January 1957. Dividend: As. 6 per share. Transfer books remain closed from 10th to 25th January 1957, both days inclusive.

SIRPUR PAPER MILLS LTD. Annual General Meeting, Somajiguda, Hyderabad-Deccan, 28th January 1957. Dividend: As. 8 per share, payable on or after 1st March 1957. Transfer books remain closed from 15th to 28th January 1957, both days inclusive.

CENTRAL HYDRAULIC PRESS CO., LTD. Annual General Meeting, Calcutta, 28th January 1957. Dividend: Rs. 6 per share. Transfer books remain closed from 15th to 28th January 1957, both days inclusive.

MYSORE SUGAR CO., LTD. Annual General Meeting, Bangalore City, 28th January 1957. Dividend: Rs. 2 per share. Transfer books remain closed from 12th to 31st January 1957, both days inclusive.

KORNAFULI ASSOCIATION LTD. Annual General Meeting, Calcutta, 29th January 1957. Transfer books will remain closed from 22nd to 29th January 1957, both days inclusive.

NEW TERAI ASSOCIATION LTD. Annual General Meeting, Calcutta, 29th January 1957. Transfer books will remain closed from 22nd to 29th January 1957, both days inclusive.

FRASER AND CO., LTD. Annual General Meeting, Calcutta, 30th January 1957. Transfer books will remain closed from 22nd to 30th January 1957, both days inclusive.

TYROON TEA CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Transfer books will remain closed from 21st to 31st January 1957, both days inclusive.

SHANGRILA FOOD PRODUCTS LTD. Annual General Meeting, Bombay, 31st January 1957.

STANDARD BATTERIES LTD. Annual General Meeting, Bombay, 31st January 1957. Dividend: Rs. 8 per share. Transfer books will remain closed from 24th January to 6th February 1957, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: *Nil*. Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: *Nil*. Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

CHEVIOT JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: *Nil*. Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

DELTA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: *Nil*. Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: Re. 1 per share. Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

BURRAKUR COAL CO., LTD. Annual General Meeting, Calcutta, 1st February 1957. Dividend: As. 5-1/5 (6¼ per cent. per annum) for the half-year ended 30th June 1956. Transfer books remain closed from 18th January to 1st February 1957, both days inclusive.

A. V. THOMAS AND CO. (INDIA) LTD. Annual General Meeting, Madras, 1st February 1957. Dividend: *Nil*. Transfer books will remain closed from 25th January to 1st February 1957, both days inclusive.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. Interim dividend of Re. 1-8 per ordinary share, for the year ended 31st December 1956. Transfer books will remain closed from 22nd to 29th January 1957, both days inclusive.

ANDREW YULE GROUP JUTE COMPANIES SUFFER LOSS

ADVERSE CONDITIONS AFFECT SIRPUR PAPER

Belvedere Jute Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June 1956.

After providing Rs. 77,000 (Rs. 43,000) for depreciation, the half-year's results show a loss of Rs. 2,18,867 (profit of Rs. 2,52,466). A total of Rs. 2,62,170 has had to be provided against the anticipated loss on raw jute stock, work-in-progress and jute contracted for, on the basis of the estimated realisable value as at 30th June 1956. A similar provision in respect of raw jute stock and work-in-progress amounting to Rs. 77,558 made during the previous half-year has been written back to the credit of profit and loss account. After making these adjustments and bringing in the balance of Rs. 1,004 (Rs. 1,11,911) from the previous half-year there is a balance of Rs. 4,02,475 (credit of Rs. 2,27,928) at the debit of profit and loss account, against which the directors have transferred Rs. 4,05,000 (*nil*) from general reserve. The directors have also transferred Rs. 24,500 (*nil*) from dividend equalisation reserve, being the amount required to pay the dividend on the preference shares for the half-year at Rs. 3-8 (Rs. 3-8) per share, and they recommend that this preference dividend be paid. This together with the transfers above referred to would leave a credit balance of Rs. 2,525 (Rs. 63,428 after paying ordinary dividend at Rs. 5 per share, absorbing Rs. 1,40,000) in profit and loss account to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed until 7th January 1956. From the 9th January, however, 2½ per cent. of total looms were unsealed, and a further 5 per cent. from the 20th February 1956.

Trading during the period was again difficult owing to the high price of raw jute in relation to the market for manufactured goods, where prices fell to uneconomic levels due partly to the increased production consequent upon the unsealing of looms, coupled with the fact that the offtake did not come up to expectations. It is hoped, however, that the adjustment in production which has since been effected by re-sealing 7½ per cent. of the total looms will restore the industry to more profitable working conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	43,08,474
Reserves ...	28,00,623	Stock ...	23,90,266
Provision for taxation ..	31,246	Stores, spare parts and loose tools	10,38,185
Liabilities ...	26,08,544	Work-i n-progress ...	2,81,521
Profit and loss account ...	2,525	Debts, deposits and advances ...	8,61,894
		Investments	57,228
		Cash ...	5,370
Rs.	89,42,938	Rs.	89,42,938

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st May 1956.

After providing Rs. 1,80,000 (Rs. 95,000) for depreciation, the half-year's results show a loss of Rs. 1,93,238 (profit of Rs. 1,25,860). A total of Rs. 2,55,518 has had to be provided against the anticipated loss on raw jute stock, work-in-progress and jute contracted for, on the basis of estimated realisable value as at 31st May 1956. A similar provision in respect of raw jute stock and work-in-progress amounting to Rs. 78,836 made during the previous half-year has been written back to the credit of profit and loss account. After making these adjustments and bringing in the balance of Rs. 6,248 (Rs. 78,538) from tre previous half-year, there is a balance of Rs. 3,63,672 (credit of Rs. 1,81,452) at the debit of profit and loss account. The directors have transferred Rs. 4,00,000 (*nil*) from general reserve and recommend the payment of the dividend on the preference shares at Rs. 3-8 (Rs. 3-8) per share. This would leave a credit balance of Rs. 1,328 (Rs. 74,452 after paying ordinary dividend at Rs. 4 per share, absorbing Rs. 72,000) in profit and loss account to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed until 7th January 1956. From the 9th January, however, 2½ per cent. of total looms were unsealed, and a further 5 per cent. from the 20th February 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Block ...	44,11,783
Reserves ...	26,46,234	Stock ...	25,74,325
Provision for taxation ...	41,221	Stores, spare parts and loose tools	7,11,709
Liabilities ...	29,36,269	Work-i n-progress ...	2,21,802
Profit and loss account ...	1,328	Debts, deposits and advances ...	4,51,133
		Investments	46,888
		Cash ...	7,412
Rs.	84,25,052	Rs.	84,25,052

Delta Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st May 1956.

After providing Rs. 30,000 (Rs. 31,500) for depreciation, the half-year's results show a loss of Rs. 1,38,873 (profit of Rs. 2,55,596). A total of Rs. 3,08,225 has had to be provided against the anticipated loss on raw jute stock, work-in-progress and jute contracted for, on the basis of estimated realisable value as at 31st May 1956. A similar provision in respect of jute contracted for amounting to Rs. 5,750 made during the previous half-year and excess provision for taxation of Rs. 38,000 have been written back to the credit of profit and loss account, After making these adjustments and bringing in the balance of Rs. 15,912 (Rs. 1,46,508) from the previous half-year, there is a balance of Rs. 3,87,436 credit of Rs. 2,47,104 at the debit of profit and loss account, against which the directors have transferred Rs. 3,90,000 (*nil*) from general reserve. The directors have also transferred Rs. 12,500 (*nil*) from dividend equalisation reserve, being the amount required to pay the dividend on the preference shares for the half-year at Rs. 2-8 (Rs. 2-8) per share, and they recommend that this preference dividend be paid. This together with the transfers above referred to would leave a credit balance of Rs. 2,564 (Rs. 94,604 after paying ordinary dividend at Rs. 5 per share, absorbing Rs. 1,40,000) in profit and loss account to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed until 7th January 1956. From the 9th January, however, 2½ per cent. of total looms were unsealed, and a further 5 per cent. from the 20th February 1956.

Trading during the period was again difficult owing to the high price of raw jute in relation to the market for manufactured goods, where prices fell to uneconomic levels due partly to the increased production consequent upon the unsealing of looms, coupled with the fact that the offtake did not come up to expectations. It is hoped, however, that the adjustment in production which has since been effected by re-sealing 7½ per cent. of the total looms will restore the industry to more profitable working conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	29,37,365
Reserves ...	40,71,679	Stock ...	33,19,419
Provision for taxation ...	1,11,021	Stores, spare parts and loose tools	9,81,762
Liabilities ...	19,63,326	Work-i n-progress ...	2,42,298
Profit and loss account ...	2,564	Debts, deposits and advances ...	4,28,110
		Investments	15,28,368
		Cash ...	11,268
Rs.	94,48,590	Rs.	94,48,590

Orient Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st May 1956.

After providing Rs. 50,000 (Rs. 42,000) for depreciation, the half-year's results show a loss of Rs. 1,03,140 (profit of Rs. 1,86,450). A total of Rs. 1,82,196 has had to be provided against the anticipated loss on raw jute stock, work-in-progress and jute contracted for, on the basis of the estimated realisable value as at 31st May 1956. After making this adjustment and bringing in the balance of Rs. 5,783 (Rs. 1,21,195) from the previous half-year, there is a balance of Rs. 2,79,553 (credit of Rs. 1,92,645) at the debit of profit and loss account, against which the directors have transferred Rs. 2,80,000 (*nil*) from general reserve. The directors have also transferred Rs. 25,000 (*nil*) from dividend equalisation reserve and recommend the payment of a dividend on ordinary shares for the half-year at Re. 1 (Rs. 5) per share. This together with the transfers above referred to would leave a credit balance of Rs. 537 (Rs. 68,095) in profit and loss account to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed until 7th January 1956. From the 9th January, however, 2½ per cent. of total looms were unsealed, and a further 5 per cent. from the 20th February 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,93,250	Block ...	24,21,968
Reserves ...	23,73,799	Stock ...	19,78,615
Provision for taxation ...	1,10,176	Stores, spares and loose tools ...	8,33,480
Liabilities ...	8,76,654	Work-in-p ro-gress ...	2,48,949
Profit and loss account ...	537	Debts, deposits and advances ...	3,11,197
		Investments	54,401
		Cash ...	5,806
Rs.	58,54,416	Rs.	58,54,416

Sirpur Paper Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Somajiguda, Hyderabad-Deccan) submit the audited accounts of the Company for the year ended 30th June 1956.

The profit and loss account, after providing for interest on loans, minimum remuneration payable to the managing agents and depreciation of Rs. 3 lakhs, and taking into consideration the credit balance of the previous year, shows a surplus of Rs. 15,32,970 which, it is recommended, be disposed of as under:—

To brokerage and underwriting commission on issue of shares Rs. 1,13,622, to dividend on 36,480 cumulative redeemable preference shares of Rs. 100 each fully paid up at 6 per cent. per annum, without any deduction of income-tax Rs. 2,08,773, to dividend on 21,85,524 ordinary shares of Rs. 10 each, fully paid up at As. 8 per share, without any deduction of income-tax Rs. 10,92,762, to reserve for contingencies Rs. 1,00,000 and to balance to be carried over Rs. 17,813.

During the year under report, the production of paper was about 14,200 tons as against 13,700 tons in the preceding year and 9,100 tons in the year before last.

It will be observed that despite an improvement in the production of paper, the corresponding results of the Company are not upto expectations. This is primarily due to higher cost of coal incurred by the Company when compared to that of the last year because of non-availability of adequate supplies from the Singareni Coalfields at Belampalli which necessitated getting coal supplies from distant areas involving higher freight and increased consumption due to its unsuitable quality. The increase in cost for this reason alone amounted to about Rs. 11 lakhs. During the current year, however, the position of coal supplies from Singareni Coalfields have considerably improved. Payment of bonus to workers for past years together with the increase in wages was another factor which affected the Company's profits during the year.

In the last year's report, the directors had mentioned that the Company had entered into an agreement with the Labour Union settling all outstanding disputes and had anticipated cordial relation with the labour for future. However, they regret to state that later on the workers adopted go-slow tactics for a considerable period which naturally affected adversely the production as well as the working results of the Company. The Labour Union raised new disputes which were eventually referred to an Industrial Tribunal by the State Government and are now pending before it for adjudication.

As stated in the last report, the Company was granted a development licence by the Government of India for increasing its capacity to 100 tons a day. The orders for most of the additional equipment required have already been placed and the directors are glad to report that the *soda recovery plant* has already been shipped. The shipments of other plants are scheduled to commence from early 1957. However, the shipment and arrival of machinery according to schedule mainly depend on the international situation. According to the present indications, most of the new plants should go into production by the end of 1957.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,55,52,530	Block ...	3,45,50,571
Reserves ...	49,18,060	Stock-in-trade	19,65,201
Share money suspense ...	117	Stores, spare parts and loose tools	36,08,797
Liabilities ...	1,84,60,776	Debts, deposits and advances ...	51,74,004
Profit and loss account ...	17,813	Investments	75,882
		Cash ...	34,58,812
		Miscellaneous expenditure and looses	1,16,029
Rs.	4,89,49,296	Rs.	4,89,49,296

Central Hydraulic Press Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1956.

After transferring to taxation reserve the excess provision made in previous years, transferring to reserve for depreciation of investments Rs. 37,132 of the profit on investments sold in previous years and providing Rs. 30,000 (Rs. 35,000) for taxation, there is a balance at the credit of profit and loss account of Rs. 56,289 (Rs. 38,957) from which the directors recommend payment of a dividend of Rs. 6 (Rs. 5) per share, absorbing Rs. 30,000 (Rs. 25,000) and leaving a balance of Rs. 26,289 (Rs. 13,957) to be carried forward.

Shareholders were informed in 1953 that baling had ceased at the Press House with effect from 1st July 1953, and that the premises had been leased out to the West Bengal Government. The presses have remained idle since then, and as, in view of the continued poor outlook for the jute baling industry, there is little prospect of the recommencement of baling operations, the directors advise that they have opened negotiations for the sale of the pressses and ancillary plant.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	1,61,435
Reserves ...	2,47,132	Investments	6,16,077
Provision for taxation ...	24,499	Debts, deposits and advances ...	36,113
Liabilities ...	43,867	Cash ...	28,162
Profit and loss account ...	26,289		
Rs.	8,41,787	Rs.	8,41,787

Cheviot Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd. Calcutta) submit the audited accounts of the Company for the half-year ended 31st May 1956.

After providing Rs. 50,000 (Rs. 50,000) for depreciation, the half-year's results show a loss of Rs. 1,81,112 (profit of Rs. 1,22,596). A total of Rs. 2,45,116 has had to be provided against the anticipated loss on raw jute stock, work-in-progress and jute contracted for on the basis of the estimated realisable value as at 31st May 1956. After making this adjustment and bringing in the balance of Rs. 2,615 (Rs. 1,37,479) from the previous half-year there is a balance of Rs. 4,23,613 (Rs. 1,85,075) at the debit of profit and loss account against which the directors have transferred Rs. 4,25,000 (*nil*) from general reserve. The directors have also transferred Rs. 35,000 (*nil*) from dividend equalisation reserve, being the amount required to pay the dividend on the preference shares for the half-year at Rs. 3-8 (Rs. 3-8) per share, and they recommend that this preference dividend be paid. This together with the transfers above referred to would leave a credit balance of Rs. 1,387 (Rs. 54,375 after paying ordinary dividend at Rs. 6 per share, absorbing Rs. 95,700) in profit and loss account to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed until 7th January, 1956. From the 9th January, however, 2½ per cent. of total looms were unsealed, and a further 5 per cent. from the 20th February, 1956.

Trading during the period was again difficult owing to the high price of raw jute in relation to the market for manufactured goods, where prices fell to uneconomic levels due partly to the increased production consequent upon the unsealing of looms, coupled with the fact that the offtake did not come up to expectations. It is hoped, however, that the adjustment in production which has since been effected by re-sealing 7½ per cent. of the total looms will restore the industry to more profitable working conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,91,250	Block ...	25,02,036
Reserves ...	19,83,032	Stock ...	22,94,374
Provision for taxation ...	75,209	Stores and loose tools	9,28,176
Liabilities ...	13,92,574	Work-in-progress ...	1,96,467
Profit and loss account ...	1,387	Debts. deposits and advances ...	4,49,815
		Investments	67,626
		Cash ...	4,958
Rs.	64,43,452	Rs.	64,43,452

Teekoy Rubbers (India) Ltd.

The directors of the above Company (Managing Agents: East India Agencies Private Ltd., Palai) submitted the audited accounts of the Company for the year ended the 31st March 1956.

The area of the Company's Estate remains the same as in the previous year, viz., 1,178 acres seedling rubber, 276 acres budded rubber and 416 acres reserve land. The crop produced during the year was 4,40,760 lbs. rubber against 4,68,989 lbs. in the previous year. The decrease may be attributed to unfavourable weather conditions and to the loss of tapping days on account of statutory restrictions. The average price realised for the year was Rs. 149 per 100 lbs. and the estate expenditure Rs. 84 per 100 lbs. The corresponding figures for the previous season were Rs. 134 and Rs. 75 respectively.

Profit for the year, after meeting all charges and expenses, interest on debentures and depreciation, was Rs. 2,17,142 (Rs. 2,03,803), which together with the amount of Rs. 2,031 (Rs. 1,227) brought forward from the previous year, makes a total of Rs. 2,19,172 (Rs. 2,05,031). Out of this, the directors have paid the preference dividend. for the year ended 31st March 1956, amounting to Rs. 36,000 (Rs. 36,000) and reserved Rs. 84,700 (Rs. 77,000) for taxes. There was left a sum of Rs. 98,472 (Rs. 92,031), which was utilised as under:—

To dividend on ordinary shares at 9 (9) per cent. Rs. 90,000 (Rs. 90,000) and for carry forward Rs. 8,472 (Rs. 2,031).

The world price of rubber has recently been moving swiftly up and down under the impact of developments in the Middle East. The price in India remains fixed at Rs. 155-12-0 per 100 lbs. with effect from the 24th September, 1955. The estimated production of rubber in India for 1956 is 23,750 tons and consumption 30,000 tons.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	20,85,202
Debentures ...	1,73,600	Stock-in-trade	1,02,125
Reserves ...	3,09,600	Stores and spare parts	20,264
Provision for taxation ...	1,60,504	Other assets	500
Liabilities ...	2,64,383	Debts, deposits and advances ...	21,426
Profit and loss account ...	8,472	Investments	11,591
		Cash ...	2,75,451
Rs.	25,16,559	Rs.	25,16,559

Patrakola Tea Co., Ltd.

The directors of the above Company (Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a profit of Rs. 38,32,847 (Rs. 99,25,697). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 42,57,130 (Rs. 25,43,721), of which the directors have transferred Rs. 17,00,000 (Rs. 6,00,000) to revenue reserve. The dividend on the preference shares up to 3rd August, 1955 and the special dividend of 30 per cent. on ordinary shares for season 1954 were paid on 16th August, 1955 and 28th March, 1956 respectively, while Rs. 12,60,000 (Rs. 10,80,000) have been provided against a dividend distribution at the rate of 35 (30) per cent. payable at a later date, leaving Rs. 1,74,719 (Rs. 1,91,721) to be carried forward.

A sum of Rs. 74,937, representing the Company's share of the bonus payable to labourers by Rampore and Jiajuri Tea Estates for the years 1953 and 1954, has been charged in the accounts.

The directors state that the State Bank of Pakistan have recently sanctioned an interim remittance to this country of Rs. 20,00,000 out of the Pakistani trading profits of the Company for Season 1954, and the amount has now been received.

The Indian Finance Act, 1956 has given retrospective exemption from taxation in India of agricultural income arising in Pakistan and taxable in that country and accordingly a sum of Rs. 45,25,000 has been credited to profit and loss account, being a reserve for taxation no longer required. It will be observed from the accounts that a sum of Rs. 20,08,744 representing a net loss on exchange resulting from the devaluation of Pakistani currency has been charged to profit and loss account.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus, the fixed assets which had been written off up to 31st December, 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

Messrs. Duncan Brothers & Co., Ltd. have resigned their office as Managing Agents of the Company with effect from 31st March, 1956 and a new agreement appointing them Agents of the Company for a period of five years as from 1st April 1956 has been executed.

Crop.—The following are particulars of the quantities of tea made and the prices realised in Pakistani currency:—

	Crop	1955 Average selling price per lb.	Crop	1954 Average selling price per lb.
	Mds.	Rs. a. p.	Mds.	Rs. a. p.
Patrakola	14,834	2 2 6	16,274	2 8 1
Madabpore	9,070	2 1 2	8,250	2 7 10
Kurmah	13,135	2 0 10	13,510	2 8 7
Champaral	14,215	2 2 9	15,717	2 6 5
	50,254		53,751	

Estimates for 1956 provide for a total crop of 49,000 maunds at an outlay of Rs. 49,12,060, including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,00,000	Block ...	31,17,244
Reserves ...	52,61,728	Stock-in-trade	52,60,215
Provision for taxation ...	74,74,343	Stores and supplies ...	6,36,695
Liabilities ...	46,49,942	Debts, deposits and advances ...	36,73,634
Profit and loss account ...	1,74,719	Investments	8,09,331
		Cash ...	76,63,613
Rs.	2,11,60,732	Rs.	2,11,60,732

General Investment and Trust Co., Ltd.

The directors of the above Company (Chairman: Mr. D. P. Dunderdale, Calcutta) submit the audited accounts of the Company for the period from 1st March 1956 to 31st August 1956.

In conformity with the Companies Act, 1956, the Company's accounts will henceforth be drawn up on an annual basis. It has been decided that the first annual closing of accounts will take effect from the period commencing on 1st March 1956, and these accounts will be considered therefore as interim accounts and will be incorporated in the accounts to be prepared for the year ending on 28th February 1957.

The profit and loss account after providing for all charges and including the sum of Rs. 9,746 (Rs. 9,201) brought forward from the previous half-year, leaves a balance available of Rs. 49,805 (Rs. 36,065 after transfer of Rs. 25,000 to general reserve, Rs. 25,000 to revaluation of investments reserve and after providing Rs. 20,000 for taxation), from which the following interim dividends have been paid:—

On the 1st cumulative preference shares at the rate of 2½ (2½) per cent., without any deduction for income-tax paid by the Company Rs. 3,000 (Rs. 5,000), on the 2nd cumulative preference shares at the rate of 3 (3) per cent. less tax Rs. 4,425 (Rs. 4,425) and on the ordinary shares at the rate of 2½ (3½) per cent. without any deduction for income-tax paid by the Company Rs. 12,500 (Rs. 18,750).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Investments	12,15,591
Reserves ...	2,55,728	Debts and advances ...	9,163
Provision for taxation ...	34,111	Cash ...	62,663
Liabilities ...	47,773		
Profit and loss account ...	49,805		
Rs.	12,87,417	Rs.	12,87,417

Investment and Finance Co., Ltd.

The directors of the above Company (Chairman: Mr. D. P. Dunderdale, Calcutta) submit the audited accounts of the Company for the period from 1st March 1956 to 31st August 1956.

In conformity with the Companies Act, 1956, the Company's accounts will henceforth be drawn up on an annual basis. It has been decided that the first annual closing of accounts will take effect from the period commencing on 1st March 1956, and these accounts will be considered therefore as interim accounts and will be incorporated in the accounts to be prepared for the year ending on 28th February 1957.

The profit and loss account after providing for all charges and including the sum of Rs. 9,746 (Rs. 9,201) brought forward from the previous half-year, leaves a balance available of Rs. 49,805 (Rs. 36,065 after transfer of Rs. 25,000 to general reserve, Rs. 25,000 to revaluation of investments reserve and after providing Rs. 20,000 for taxation), from which the following interim dividends have been paid:—

On the 1st cumulative preference shares at the rate of 2½ (2½) per cent., without any deduction for income-tax paid by the Company Rs. 3,000 (Rs. 5,000), on the 2nd cumulative preference shares at the rate of 3 (3) per cent. less tax Rs. 4,425 (Rs. 4,425) and on the ordinary shares at the rate of 2½ (3½) per cent. without any deduction for income-tax paid by the Company Rs. 12,500 (Rs. 18,750).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Investments	12,15,591
Reserves ...	2,55,728	Debts and advances ...	3,171
Provision for taxation ...	941	Cash ...	33,794
Liabilities ...	33,446		
Profit and loss account ...	22,773		
Rs.	5,38,053	Rs.	5,38,053

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

PATTERN OF ELECTRICAL CONSUMPTION FOR INDUSTRIAL GROWTH.

(*Concluded from page 132*)

Regression equations fitted to the above data are given below:

1.	Chemicals	$y=0.75x+63.0$
2.	General engineering	$y=0.64x+58.5$
3.	Bicycles	$y=0.61x+60.7$
4.	Paper and paper board ..	$y=1.26x-24.66$
5.	Cement	$y=1.43x-11.5$
6.	Cotton textiles	$y=2.47x-131$
7.	Iron and steel	$y=2.79x-164.4$

A graphical representation of these lines, based on the equations given above, is given as part of the study. It is interesting to observe from these lines how the gradient of each line changes from less steep to more steep, indicating less intensive to a more intensive use of electricity in the various industrial processes.

It will be seen from the above that *for every 10 units of increase in the production of "chemicals," consumption of electricity would rise by 6.4 units only; in "general engineering," the increase would be to the tune of 7.5 units; and for "paper and paper board" it would be about 12 units.*

As should be expected, the proportionate increase is highest in the case of "iron and steel," where consumption of electricity would increase more than two and a half times for every unit increase in production. These ratios can help in fixing up consumption of electricity during the second Five-year Plan, and beyond, for individual industries. Aggregation of such requirements for all the industries would give the requirements of electrical energy in achieving the planned industrial production over the whole field. Any attempt in tackling this problem in a global way would be erroneous.—*All Rights Reserved.*

TRENDS IN NICKEL INDUSTRY

OUTPUT HIGH—PRICES RISE—DEMAND STRONG

THE year 1956 was one of the most eventful in the history of the nickel industry, Dr. John F. Thompson, Chairman of the Board of the International Nickel Company of Canada, Limited, said at Ontario on the 15th inst. Free world nickel production was at a new high. The year marked the beginning of the development in Manitoba by International Nickel of the world's second largest nickel production operation which will result in a substantial increase in nickel supplies by 1960. It also saw the United States Government arrange for the diversion to industry of substantially increased quantities of nickel originally scheduled for shipment to the Government stockpile. The following is an extract from Dr. Thompson's statement:

"Production of nickel by the free world set a new high record in 1956 at approximately 450,000,000 pounds. This compared with the previous high output of about 427,000,000 pounds in 1955 and 387,000,000 pounds in 1954. Output by Canadian producers again accounted for about 80 per cent. of the free world's supply. Deliveries of the metal in 1956 by International Nickel, world's largest nickel producer, were approximately 285,000,000 pounds. In addition, the Company made available nearly 6,000,000 pounds of metallic nickel by converting concentrates supplied by another producer.

"The following figures of deliveries of other producers are estimated from company or Government reports or other published statements:

"Estimated 1956 deliveries by other principal Canadian producers are: Falconbridge Nickel Mines Limited, 43,000,000 pounds, Sherritt Gordon Mines Limited. 19,000,000 pounds. Other free world deliveries included 31,000,000 pounds from the U.S. Government's plant at Nicaro, Cuba; 14,000,000 pounds from Hanna Nickel Smelting Company in Oregon, U.S.A.; 22,000,000 pounds produced by the French company, S.A. Le Nickel, from New Caledonian ores; and 26,000,000 pounds from all other sources, a major portion of which was refined in Japan from New Caledonian ores.

Distribution

"Distribution of the total free world nickel supply in 1956 approximated that of the previous year, with about 65 per cent. going to the United States and 35 per cent. to Canada, the United Kingdom and other countries of the free world. Heavy defence production continued to use a substantial part of the nickel distributed to the United States, far in excess of the percentage for other principal base metals.

"The very high level of industrial activity which was maintained in Europe and North America in 1956 was reflected in the sustained heavy demand for nickel and nickel alloys in every field of application. Increased amounts of the metal were employed for defence uses, and, although the quantity available for civilian applications was somewhat greater than in 1955, limitations in supply and continuation of deliveries to Government stockpile continued to retard the full development of established and potential markets.

"In the United Kingdom, there was a slackening in the general demand for consumer goods, especially in such industries as automotive, radio and television. However, the overall pulse of industry there was strong with the production of stainless steels and engineering alloy steels some ten per cent. above that of 1955. Many new industrial projects were initiated, especially in the petroleum and petrochemical industries.

"The Director of Defence Mobilisation of the U.S. Government in 1956 authorised the diversion to industry of 74,300,000 pounds of nickel originally scheduled for shipment to the Government stockpile. In addition, industry received a portion of a further 5,000,000 pounds authorised as extra diversion for the fourth quarter.

Prices

"In order to deal with higher costs and facilitate maximum production, the International Nickel Company of Canada increased its price of refined nickel by 9½ cents (U.S.) per pound effective 6th December 1956. Like increases were also made by the Company's United States subsidiary, namely, the International Nickel Company, Inc., and its United Kingdom subsidiary, namely, the Mond Nickel Company, Ltd. This brought the export price of electrolytic refined nickel, from the Company's Port Colborne, Ontario, refinery, to 74 cents (U.S.) per pound, from the lever of 64½ cents per pound which had prevailed since 24th November 1954. The price includes the 1½ cents United States import duty which is paid by the Company. Similar changes in price were also made for other forms of primary nickel and nickel oxide sinter. New Price schedules were also announced for nickel and nickel alloys in the form of mill and foundry products produced at the plants of the Company's United States and United Kingdom subsidiaries.

"Other United States prices included those for nickel diverted from the Government stockpile which were for nickel of Canadian origin about 98 cents per pound and for nickel of United States origin approximately $1.17 per pound. This nickel, which was sold at higher than market quotations, was high production-cost nickel contracted for at premium prices by the United States Government and which would not have been available either to the Government stockpile or to industry had it not been for the Government premium price arrangements.

"In addition, relatively small amounts of nickel originating mainly from Japan were sold in the United States market at about $2.00 to $2.50 per pound.

Applications

"As has been the situation for many years, the steel industries of the free world continued during 1956 to use the largest proportion of the primary nickel available to industry, principally in the production of stainless steels, engineering alloy steels and jet engine alloys.

"During the year the output of the *nickel-containing stainless steels* reached an all-time high. This record production was materially aided by the substantial use of stainless steel scrap. Producers in the United Kingdom, France and other countries followed the United States in initiating production of the lower nickel-containing types of stainless steels for use in transportation equipment and certain domestic and allied applications. The chromium-nickel grades continued to be employed in increasing quantities in practically all industries, ranging from consumer products to atomic energy and high speed aircraft.

"Output of the nickel-containing *engineering alloy steels* in 1956 was limited by the availability of nickel and production approximated that of 1955. Established applications, such as in automobiles, trucks, tractors, aircraft, military equipment, farm machinery, road-building equipment, and components for the atomic energy, electronics, railroad and petroleum industries were responsible for the major portion of the consumption of the engineering alloy steels. Most important new applications were those involving heat-treated alloy steel plates and shapes and increasing attention was given to new 'super' strength steels developed initially for aircraft landing gears.

"International Nickel's high nickel-chromium alloys, such as the *Nimonics* developed by the Company's affiliates in the United Kingdom, and the *Inconels*, developed by Inco's United States subsidiary, continued to play a leading role in the construction of aircraft turbo-prop and jet engines, and industrial gas turbines. *Monel* nickel-copper alloys continued to be employed throughout industry because of their resistance to corrosion and good mechanical properties. The *Inconel* nickel-chromium alloys were used where high strength and resistance to corrosion or heat are required, and *Incoloy* iron-nickel-chromium alloys where resistance to oxidation at moderately elevated temperatures is required.

"From the outset of the atomic energy programme, nickel and nickel-containing alloys, because of their resistance to corrosion, have had an established role in every phase of nuclear development. The tempo of United Kingdom atomic energy developments increased, as important industrial groups got into their stride, with projects for the building of power stations following the opening of the first European plant at Calder Hall, England. The advent of atomic energy in the electric power and marine fields promises new and expanded markets for many nickel products.

"While the quantity of nickel available for the *nickel-plating* industry during 1956 was somewhat greater than in 1955, the demand continued to exceed the supply, as was the case in other industries. Among the new developments in this field during the year was the application of 'levelling type' bright nickel deposits to critical items of textile mill equipment requiring hard, smooth corrosion-resisting surfaces. Electro-deposited nickel has continued to be a market of pre-eminent importance in Europe, despite the increasing challenge offered by aluminium and stainless steel.

"The copper-nickel-zinc alloys known as *nickel silvers* continued as the most popular base materials for silver-plated tableware.

"The demand for *cupro-nickel alloys* for heat exchanger tubes used in the marine, petroleum and power industries continued strong. The greater requirements for cupro-nickel alloys arise from feed water heaters and associated equipment to meet the trend of increased pressures and temperatures.

"In the field of *non-ferrous castings*, there were further applications of nickel-containing high-tensile aluminium bronze for propellers for large passenger and cargo ships as well as pleasure boats. This alloy is being used in increasing quantities in Europe as well as in the United States.

"The production of *Ni-Resist* corrosion-resisting nickel cast irons increased during the year. These alloys were broadly used in the chemical process and petroleum industries and in high-powered engine service to resist. corrosion, heat and wear. The output of *Ni-Hard* abrasion-resisting nickel-chromium cast irons also showed an increase over 1955. Leading applications for these cast irons were grinding balls and mill liners as used by the cement and mining industries.

"The use of *nickel in electronics* showed an increase in 1956. In television and radio receivers and high fidelity sound systems, nickel is used principally in tubes and in permanent magnets for speakers. Guided missiles make extensive use of vacuum tubes containing nickel elements, because of the ability of such tubes to operate at temperatures higher than transistors. They also require high quality nickel alloy resistors in their control and computing systems. The forthcoming International Geophysical Year programme will employ nickel in a wide variety of ways, in the control equipment of rockets and satellites, in telemetering devices, and in airborne mass spectrometers and other detecting devices.

"Consumption of *nickel as a catalyst* during 1956 by the chemical and allied industries showed an increase, with consumption about three times that of five years ago.

Inco's Expansion Plans

"Plans announced last month by International Nickel for its new nickel-producing operation in the Mystery-Moak Lakes area of Northern Manitoba and for progressive development of its facilities in the Sudbury District of Ontario constituted the greatest single expansion programme in the history of the nickel industry. The Manitoba project alone will result in an investment in that Province of some $175,000,000 over the next three to four years.

"The new Inco development in Manitoba is located about 400 air miles north of Winnipeg and will serve to open a new North American frontier. It climaxes 10 years of exploration by the Company in Manitoba at a total cost of some $10,000,000. The Thompson town development is being planned to accommodate an initial expected population of some 8,000 persons, inclusive of the expected working force of approximately 2,000.

"The project in Manitoba, together with the progress under way at the Sudbury District operations will lift Inco's regular annual nickel-producing capacity to 385,000,000 pounds.

"It is expected that the capacities of certain other nickel producers will also show an increase by 1960. Based on Inco's programme and these announced expansion plans of others, it is expected that total free world nickel-producing capacity in 1960 will approximate from 600,000,000 to 625,000,000 pounds. This projected capacity is exclusive of supplies from any new Cuban project and represents an increase of some 175,000,000 to 200,000,000 pounds above the total for 1955. It is evident that a huge demand must be provided in order to absorb this projected enlarged nickel-producing capacity. . . . "

THE BANK OF MAHARASHTRA LIMITED

The net profits of the Bank of Maharashtra, Ltd., for the year ended 31st December, 1956 (subject to audit) after providing Rs. 60,000 for payment of bonus to the staff and making other usual and necessary provisions, including Rs. 31,744-1-6, the balance of profit brought forward from the previous year, amounted to Rs. 4,32,958-8-0, which the Directors disposed of as follows:—

The following appropriations have been made:—

	Rs. a. p.
Transferred to Reserve Fund.	1,25,000 0 0
Provision for Taxation ..	1,80,000 0 0
Total ..	3,05,000 0 0

The balance of Rs. 1,27,958-8-0, the Directors propose to recommend to the shareholders to dispose of as follows:—

To pay Dividend at 6% p.a. free of income-tax..	96,000 0 0
To carry forward to next year's account ..	31,958 8 0
Total ..	4,32,958 8 0

DEVELOPMENT COUNCIL FOR MACHINE TOOLS

A Development Council has been set up by the Government of India to keep constant watch on the progress of the machine tool industry and recommend measures for its development. The setting up of a body of this nature was recommended by the Machine Tool Committee appointed by Government last year. Machine tools are the basic instruments of production of the engineering industry as a whole. Even though indigenous production has been on the increase, imports have been rising at a much faster pace. The Development Council will recommend targets for production and co-ordinate production programmes for machine tools. It will suggest norms of efficiency to eliminate waste, obtain maximum production and improve quality. Among other functions of the Council will be promotion of arrangements for better marketing and standardisation of the products of the industry. The Council will also promote labour welfare, measures for increasing the productivity of labour and the training of technical personnel. Mr. S. Moolgaokar of Tata Industries Private Ltd., Bombay, will be the Chairman of the Council.



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CAPITAL

AUTHORISED	... Rs.	1,00,00,000
SUBSCRIBED	... Rs.	72,00,000
PAID-UP	... Rs.	62,02,615
RESERVE & OTHER FUNDS	... Rs.	79,75,000
DEPOSITS (30-6-56)	... Rs.	32.08 Crores

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

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BOMBAY BRANCH: 24-26, Dalal Street.

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

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

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MONEY RATES FIRM

(From Our Own Correspondent)

BOMBAY, 16*th January*

With the traditional busy season in full swing, the stringency in the short-term money market, which was already bare of funds, continued to be keenly felt for yet another week. There was, however, some supply of funds this week from the Insurance Corporation and a few other industrial houses, but it was too inadequate to relieve the stringency to any perceptible extent. The demand for funds was so keen that all available supplies were easily absorbed, with the result that there was scarcely any change in the conditions reported last week; interest rates were well maintained.

In the inter-bank call money section, business was very poor in the absence of any lenders. The rate was nominally quoted at 3¼ per cent. Some activity was noted in the house money which fetched 3⅜ to 3¾ per cent. with some banks offering even 4 per cent. Short-term deposits continued to be bid at 3¾ to 3⅞ per cent. for one to six months.

A further expansion in notes in circulation to the tune of Rs. 13.69 crores is disclosed by the Reserve Bank of India statement for the week ended 11th January 1957, bringing the aggregate rise for the last two weeks to Rs. 29.15 crores. Notes held in the Banking Department are also higher by Rs. 5.61 crores, with the result that the increase in total notes issued is of the order of Rs. 19.30 crores. As in the previous week, the increase in note issue is covered by a rise in rupee securities, which have gone up by Rs. 20 crores. Rupee coin is lower by Rs. 70 lakhs. A fractional decline is noted in the deposits of the Central Government. The deposits of other Governments have receded by as much as Rs. 8.89 crores, while those of banks have risen by Rs. 7.91 crores. Balances held abroad have dropped by Rs. 77 lakhs. Loans and advances to Governments show a rise of Rs. 85 lakhs. Other loans and advances are also up by Rs. 6.63 crores, following an increase of Rs. 8.04 crores in outstanding advances to Scheduled banks against usance bills. Total advances against usance bills during the week were of the order of Rs. 19.78 crores, while repayments of maturing bills were Rs. 11.74 crores.

The Scheduled banks' statement for the week ended 4th January 1957 discloses a fall of Rs. 4.87 crores in demand deposits of banks and of Rs. 1.56 crores in time deposits, the aggregate decline in deposits comparing with the increase of Rs. 7.46 crores in the closing week of December. There has also been a drop of Rs. 2.67 crores in inter-bank borrowings, and of Rs. 5.86 crores in borrowings from the Reserve Bank. Of the latter, those against usance bills account for a drop of Rs. 4.37 crores. Borrowings from the State Bank of India have, on the other hand, gone up by Rs. 2.10 crores. Advances have staged a sharp rise of Rs. 12.99 crores to stand at a peak level of Rs. 635.90 crores and inland bills purchased and discounted an increase of Rs. 1.61 crores. Foreign bills have, however, dropped by Rs. 1.36 crores. Cash balances have shrunk by Rs. 5.22 crores, balances with other banks by Rs. 1.30 crores and money at call and short notice by Rs. 1.72 crores.

Activity in the Gilt-edged market continued to be at a low ebb. The persistence of the acute stringency in the money market restrained buyers. Institutional support was also lacking. There was, however, some buying in 3 per cent. 1986 Conversion Loan, which pushed up the price by As. 3 to Rs. 73-3. Most of this buying represented short-covering by speculators who had sold forward for one month in expectation of a rise in the Bank rate. 3 per cent. 1970-75 gained an anna to Rs. 86-15, while 3 per cent. 1966-68 was unchanged at Rs. 92-4, 3 per cent. 1964 at Rs. 94-6 and 3 per cent. 1963-65 at Rs. 94-2. 3 per cent. 1959-61 shed an anna to Rs. 97-10. 3½ per cent. 1962 was neglected at Rs. 97-14 *ex*-voucher. 3½ per cent. 1961 was kept at Rs. 99-4, 3½ per cent. 1964 at Rs. 98-3 and 3½ per cent. 1965 at Rs. 98-2. 3½ per cent. 1967 was placed at Rs. 98-7 *ex*-voucher. State loans attracted sellers, but, in the absence of any transactions, prices were unchanged.

In the foreign exchange section, the rupee continued to display strength in terms of the U.S. dollar, following the firm trend in sterling abroad. Banks' selling rate for ready dollars was marked down from Rs. 479½ to Rs. 478½ per $100 and their buying rate from Rs. 476 to Rs. 475 per $100. In terms of the Canadian dollar, however, the rupee ruled a shade easier. Thus, banks were sellers of ready dollars at Rs. 499¼, as against Rs. 499 per $100 a week ago, and buyers at Rs. 493½, as against Rs. 493 per $100. In New York, sterling gained further ground, the spot rate rising from $2.79.3/16-2.79.5/16 to $2.79.13/16-2.79.15/16. Three months' forward gained from $2.77⅝-2.77⅞ to $2.78⅛-2.78¼ and transferable sterling from 275.20-275.30 cents to 276.50-276.60 cents per £.

STABLE CONDITIONS IN HIDES

(From Our Own Correspondent)

KANPUR, 13*th January*

Barring a slight decline in price of buff, the conditions of the local hides and skins market during the week under review remained unchanged from those noted in the previous week. The demand for buff in the face of liberal supplies, which were at hand was slightly smaller. Wet salted cow was readily disposed of. The Madras dealers were the main buyers of goat and sheep. For other categories of goods the ready buyers were the local tanners. The latest quotations are as follows:—

Wet salted cow 1st grade Rs. 340 to Rs. 360 and 2nd grade Rs. 300 to Rs. 330 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 320 and 2nd grade Rs. 300 per 100 pieces; sheep (with white wool) Rs. 300 to Rs. 315 and sheep (with black wool) Rs. 225 to Rs. 250 per 100 pieces.

SPECIAL CLEARING IN BULLION

(From Our Own Correspondent)

BOMBAY, 16*th January*

The sharp rise in silver noted in the previous week gained further momentum during the week under review on strong speculative buying which pushed up forward silver (February settlement) to a high of Rs. 182-2. Gold, which was featureless last week, also came to prominence, with the price of ready metal recording a gain of Rs. 3 over the week and forward by Rs. 2-11 per tola. The bullish trend in silver was so strong that the closing forward rate for January settlement stood yesterday at more than Rs. 5 over the last clearing rate and brought into operation special clearing in both silver and gold.

The strength of silver is attributed to expectations that the influx of Tibetan coins would stop shortly for two reasons. The heavy snowfall would hamper transport from Kalimpong. Secondly, the Chinese authorities are said to be issuing cheques on the Bank of China in payment of imports from India, instead of paying in Chinese silver dollars. The offtake in the ready section, which was rather at a low ebb this week, is also expected to expand with the movement of crop. Prospects of higher agricultural prices and increase in labour income resulting in a better demand also aided bullish sentiment.

The satisfactory offtake in gold, *vis-a-vis* the arrivals, together with reports of strict vigilance at ports and the rise in the price of gold in Pakistan, one of the main routes through which gold is smuggled into this country, induced speculative support to the yellow metal. The tense Indo-Pakistan relations over Kashmir is yet another factor for the strength of the yellow metal.

Forward silver (18th January settlement) rallied from Rs. 178 to Rs. 180-15 on Saturday last. After a short-lived reaction to Rs. 179-5 on profit-taking, the rate briskly advanced to Rs. 181-9 before closing at Rs. 181-1. The February settlement gained from Rs. 178-9 to Rs. 182-2, but finished a fraction lower at Rs. 181-15.

Ready silver (.996 mint) moved up from Rs. 178 to Rs. 181-11 before winding up at Rs. 181-8. The floating stocks of silver are placed at 1,500 bars. The daily average offtake during the week was 8 bars, as against arrivals averaging 12 bars.

Gold for forward delivery (17th January settlement) gained from Rs. 104-12 to Rs. 107-7, while the February settlement hardened from Rs. 105-3 to Rs. 107-14.

Ready gold was pushed up from Rs. 104-11 to Rs. 107-11. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 2,600 tolas, while the offtake was slightly higher at 3,000 tolas.

In New York, silver was unchanged at 91⅜c. and London silver prices also were maintained at 80½*d.* for spot and at 80¼*d.* for forward. Gold dipped further from 249s. 11¾*d.* to 249s. 4½*d.*

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

	16-1-57	Highest	Lowest	9-1-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	107 11	107 12	105 1	104 11
Forward*	107 7	107 8	104 15	104 12
Sovereign	68 4	68 8	68 4	68 8
SILVER				
Ready (.996 fine Mint) ..	181 8	181 9	178 6	178 0
Forward†	181 1	181 9	178 6	178 2
London Silver Ready ..	80¼*d.*	—	—	80¼*d.*
London Forward	80¼*d.*	—	—	80¼*d.*
London Gold	249s. 4¼*d.*	250s.	249s. 4¼*d.*	249s. 11¾*d.*
New York Silver	91⅜c.	—	—	91⅜c.

* 17th January settlement.
† 16th December settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 14*th January*

Sugar prices recorded fractional gains during the week, following the Government of India's decision, on the recommendation of the Sub-committee of the Development Council for sugar industry, to allow export of sugar upto 50,000 tons for the present. According to the Government, the prospects for this year of sugar production continued to be good and the production was expected to be above the last year's figure at 18.62 lakh tons. Sugar factories in west U.P. are crushing to their maximum capacity, as, due to fall in *gur* prices, they are attracting a large quantity of cane. Current mill delivery prices are: Jaswant Rs. 28-14, Simbhauli Rs. 28-12, Mawana Rs. 28-10, Daurala Rs. 29-12, Amroha Rs. 28-3, Bijnore Rs. 28-3, Mansoorpur Rs. 28-12 to Rs. 30, Rampur Rs. 31-8. The retail price Rs. 30-10 per maund. The *khandsari* market ruled quiet and dull during the week at unchanged price level of Rs. 23 to Rs. 27 per maund.

Ready *gur* prices, which had declined to the lowest level of Rs. 10-2 per maund during the earlier part of the week, registered a modest improvement in the week-end to be quoted at Rs. 10-4 for best quality today. Arrivals have gone down, due to continued rainy weather and were about 500 maunds today. Outside support is slack, as prices of *gur* in the markets in the South have gone down. Total arrivals from the beginning of the season are roughly put at 3 lakh maunds and there has been no stock building as yet here. In the futures, too, *gur* prices ruled quietly steady during the week; *fagun vaida* opened at Rs. 10-2-9 last Monday and after touching the highest at Rs. 10-6-9, closed at Rs. 10-5.

COTTON FUTURES BUOYANT

(From Our Own Correspondent)

BOMBAY, 16*th January*

The firm trend noted in the futures market last week gathered fresh momentum during the week and buoyant conditions prevailed throughout most part of the period under review. This turnround in sentiment, after a long period of bearish influence, may be attributed to the following factors: (1) the approach of the delivery date and the apprehension that cotton may not then be as cheap as it is now, (2) the psychological influence of changes in By-law 55 of the Hedge Contract although it is binding only on the next settlements, (3) reports of cold wave in certain leading cotton tracts and the consequent fear of deterioration of the quality of cotton. The buying spree induced by these factors resulted in a spurt in values. Both the contracts registered remarkable improvements and the market is steadily gaining strength, notwithstanding the dull textile situation, the comfortable statistical position, the stringent credit conditions and the absence of an export quota announcement.

M.G. Jarilla (March delivery) opened the week at Rs. 646¼, as against the previous closing of Rs. 644½ and improved, on sustained buying support, to Rs. 648. The contract continued to advance on further support and touched Rs. 657½ yesterday before closing fractionally lower at Rs. 657. Opening steady at Rs. 657 today, the contract advanced to Rs. 665 on speculative support and closed near the best levels of the day at Rs. 665.

M.G. Vijay (April delivery), after having opened at Rs. 743, as against the previous day's closing rate of Rs. 741½, rose to Rs. 746½ on bear covering and some call fixing by mills. The contract received fresh support which steadily took it up to Rs. 764 yesterday. Opening higher at Rs. 766 today, it met with heavy speculative buying, with the result that values shot up to Rs. 778 and closed firm at the same rate.

The following table shows the trend of prices during the week:

	16-1-57	*High*	*Low*	9-1-57
Jarilla (March) ...	665	665	644	644½
Vijay (April)	778	778	742	741½

The spot section also ruled firm and sentiment of the futures market appears to have spilled over to the former. Reports of cold wave in cotton tracts coupled with sustained mill inquiries, especially from the South, resulted in a rise in values. The basis of most varieties improved further. Very good inquiries were noted for Vijay and large volume of business was reported. Khandesh and Oomra were also in good demand. Export inquiries were noted for Jarilla C.P. I and II and Moglai. In the foreign section, mill interest was evident in American G.M. 1.5/32" and Egyptan Karnak. The latest available rates—in rupees per candy of 784 lbs.—from the spot market are given below:

Bengal *Deshi*: 740; Berar Jarilla 755; Khandesh 790; Vijay 905; Oomra *Deshi* 775; Moglai 715. *Delivery Contracts:* Khandesh 1325, Berar 107, Moglai 71 'ON' Jarilla, 320F 95, Vijay 13/16, February 119 'ON' Vijay.

The long-awaited import policy announcement has at last been made. The Joint Chief Controller of Imports notified on the 9th inst. that it has been decided to continue issuing licences for import of raw cotton stapling 1.3/16" and above from soft currency areas during the current licensing period, i.e., from January 1957 to 30th June 1957. Licensing will be done on a first-come-first-served basis within a limited ceiling. The cottons eligible for imports are therefore presumably unchanged and there has been no liberalising of the import policy regarding East Africans and lower Sudan Egyptians.

A firm trend was witnessed in the Karachi cotton market during the week. This was attributed to the sizable volume of export business to Liverpool and Hongkong. Another helpful factor was sustained domestic mill demand. It is reported that Pakistani mills have requested the Government to impose restrictions on exports of cotton and to reserve about one million bales for domestic consumption annually. N.T.R.G. January which had closed at Rs. 85-9 improved to Rs. 86-10 on the 14th inst. although, towards the close of the week, the market eased and the contract declined to Rs. 85-10. The March position improved from Rs. 85-3 at the beginning of the week to Rs. 86-6 on the 14th inst. and dipped slightly thereafter to close at Rs. 85-11. The spot section also ruled firm. The latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi are given below:

Sind *Deshi* 93-8; Punjab *Deshi* 87; 4F Punjab Roller 91; S.G. 95; L.S.S. Punjab Roller 92; S.G. 97; N.T.R.G. 92; S.G. 97; 289F; Punjab Roller 96; S.G. 105-8.

In contrast to the easy trend noted last week, the Alexandria futures market depicted a bullish trend during the week. Values advanced sharply on coverage against previous sales. The spurt in price was also inspired by the high premiums ruling in the spot market. Exports sales from 1st September till 15th December 1956 aggregated 231,842 bales (of 730 lbs.) as against 510,068 bales during the corresponding period of the previous season. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing rates:

Karnak: January 122.25 (115.75); March 119.05 (115.45); May 118.0 (115.00). *Ashmouni*: February 83.45 (81.90); April 83.55 (81.90); June 83.55 (81.09).

Values in the Liverpool futures market ruled steady during the week. Moderate demand was noted for ready cotton. U.S. growths continued to attract major attention. Interest was also noted in Turkish and East African styles. There were moderate inquiries for Indian Oomra, Dhollerah and Mathias and some turnover was reported. Reduced offers due to the limitation of export quota and the high premium on the quota value restricted business. While expecting a further quota allocation, users of Indian cotton, it is stated, are conserving their small stocks. Both the American and American type contracts registered some improvement, while the Egyptian and Sudan contracts remained steady. The Liverpool Cotton Association has approved the adoption of a new Sudan futures contract based on Lambert No. 6 quality. Trading in this contract started on the 3rd inst. for May-June and July-August delivery. The present contract based on Sakel seed remains in operation for January-February delivery. The latest available quotations—in pence per lb.—from Liverpool are given below:

American One Inch Staple Contract: March-April 26.70; May-June 26.28; July-August 25.80; October-November 25.45. *American Cotton Mixed Growth Contract*: March-April 26.98; May-June 26.58; July-August 26.12; October-November 25.72. *Egyptian Karnak*: January-February 60; March-April 60. *Sudan Cotton Sakel Contract*: January-February 61.30. *Sudan Cotton Lambert Seed Contract*: May-June 45.50; July-August 44.5.

The New York cotton market ruled steady during the week. The steadiness was influenced partly by the loan entry figures for the week ended 4th January and improved, on sustained buying support, to Rs. 648. The contract continued to advance on further support and touched Rs. 657½ yesterday before closing fractionally lower at Rs. 657. Opening steady at Rs. 657 today, the contract advanced to Rs. 665 on speculative support and closed near the best levels of the day at Rs. 665.

M.G. Vijay (April delivery), after having opened at Rs. 743, as against the previous day's closing rate of Rs. 741½, rose to Rs. 746½ on bear covering and some call fixing by mills. The contract received fresh support which steadily took it up to Rs. 764 yesterday. Opening higher at Rs. 766 today, it met with heavy speculative buying, with the result that values shot up to Rs. 778 and closed firm at the same rate.

The following table shows the trend of prices during the week:

	16-1-57	*High*	*Low*	9-1-57
Jarilla (March) ...	665	665	644	644½
Vijay (April)	778	778	742	741½

The spot section also ruled firm and sentiment of the futures market appears to have spilled over to the former. Reports of cold wave in cotton tracts coupled with sustained mill inquiries, especially from the South, resulted in a rise in values. The basis of most varieties improved further. Very good inquiries were noted for Vijay and large volume of business was reported. Khandesh and Oomra were also in good demand. Export inquiries were noted for Jarilla C.P. I and II and Moglai. In the foreign section, mill interest was evident in American G.M. 1.5/32" and Egyptan Karnak. The latest available rates—in rupees per candy of 784 lbs.—from the spot market are given below:

Bengal *Deshi*: 740; Berar Jarilla 755; Khandesh 790; Vijay 905; Oomra *Deshi* 775; Moglai 715. *Delivery Contracts:* Khandesh 1325, Berar 107, Moglai 71 'ON' Jarilla, 320F 95, Vijay 13/16, February 119 'ON' Vijay.

The long-awaited import policy announcement has at last been made. The Joint Chief Controller of Imports notified on the 9th inst. that it has been decided to continue issuing licences for import of raw cotton stapling 1.3/16" and above from soft currency areas during the current licensing period, i.e., from January 1957 to 30th June 1957. Licensing will be done on a first-come-first-served basis within a limited ceiling. The cottons eligible for imports are therefore presumably unchanged and there has been no liberalising of the import policy regarding East Africans and lower Sudan Egyptians.

A firm trend was witnessed in the Karachi cotton market during the week. This was attributed to the sizable volume of export business to Liverpool and Hongkong. Another helpful factor was sustained domestic mill demand. It is reported that Pakistani mills have requested the Government to impose restrictions on exports of cotton and to reserve about one million bales for domestic consumption annually. N.T.R.G. January which had closed at Rs. 85-9 improved to Rs. 86-10 on the 14th inst. although, towards the close of the week, the market eased and the contract declined to Rs. 85-10. The March position improved from Rs. 85-3 at the beginning of the week to Rs. 86-6 on the 14th inst. and dipped slightly thereafter to close at Rs. 85-11. The spot section also ruled firm. The latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi are given below:

Sind *Deshi* 93-8; Punjab *Deshi* 87; 4F Punjab Roller 91; S.G. 95; L.S.S. Punjab Roller 92; S.G. 97; N.T.R.G. 92; S.G. 97; 289F; Punjab Roller 96; S.G. 105-8.

In contrast to the easy trend noted last week, the Alexandria futures market depicted a bullish trend during the week. Values advanced sharply on coverage against previous sales. The spurt in price was also inspired by the high premiums ruling in the spot market. Exports sales from 1st September till 15th December 1956 aggregated 231,842 bales (of 730 lbs.) as against 510,068 bales during the corresponding period of the previous season. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing rates:

Karnak: January 122.25 (115.75); March 119.05 (115.45); May 118.0 (115.00). *Ashmouni*: February 83.45 (81.90); April 83.55 (81.90); June 83.55 (81.09).

Values in the Liverpool futures market ruled steady during the week. Moderate demand was noted for ready cotton. U.S. growths continued to attract major attention. Interest was also noted in Turkish and East African styles. There were moderate inquiries for Indian Oomra, Dhollerah and Mathias and some turnover was reported. Reduced

offers due to the limitation of export quota and the high premium on the quota value restricted business. While expecting a further quota allocation, users of Indian cotton, it is stated, are conserving their small stocks. Both the American and American type contracts registered some improvement, while the Egyptian and Sudan contracts remained steady. The Liverpool Cotton Association has approved the adoption of a new Sudan futures contract based on Lambert No. 6 quality. Trading in this contract started on the 3rd inst. for May-June and July-August delivery. The present contract based on Sakel seed remains in operation for January-February delivery. The latest available quotations—in pence per lb.—from Liverpool are given below:

American One Inch Staple Contract: March-April 26.70; May-June 26.28; July-August 25.80; October-November 25.45. *American Cotton Mixed Growth Contract*: March-April 26.98; May-June 26.58; July-August 26.12; October-November 25.72. *Egyptian Karnak*: January-February 60; March-April 60. *Sudan Cotton Sakel Contract*: January-February 61.30. *Sudan Cotton Lambert Seed Contract*: May-June 45.50; July-August 44.5.

The New York cotton market ruled steady during the week. The steadiness was influenced partly by the loan entry figures for the week ended 4th January and improved, on sustained buying support, to Rs. 648. The contract continued to advance on further support and touched Rs. 657½ yesterday before closing fractionally lower at Rs. 657. Opening steady at Rs. 657 today, the contract advanced to Rs. 665 on speculative support and closed near the best levels of the day at Rs. 665.

M.G. Vijay (April delivery), after having opened at Rs. 743, as against the previous day's closing rate of Rs. 741½, rose to Rs. 746½ on bear covering and some call fixing by mills. The contract received fresh support which steadily took it up to Rs. 764 yesterday. Opening higher at Rs. 766 today, it met with heavy speculative buying, with the result that values shot up to Rs. 778 and closed firm at the same rate.

The following table shows the trend of prices during the week:

	16-1-57	*High*	*Low*	9-1-57
Jarilla (March) ...	665	665	644	644½
Vijay (April)	778	778	742	741½

The spot section also ruled firm and sentiment of the futures market appears to have spilled over to the former. Reports of cold wave in cotton tracts coupled with sustained mill inquiries, especially from the South, resulted in a rise in values. The basis of most varieties improved further. Very good inquiries were noted for Vijay and large volume of business was reported. Khandesh and Oomra were also in good demand. Export inquiries were noted for Jarilla C.P. I and II and Moglai. In the foreign section, mill interest was evident in American G.M. 1.5/32" and Egyptan Karnak. The latest available rates—in rupees per candy of 784 lbs.—from the spot market are given below:

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	15-1-57	8-1-57	31-12-56
	(In cents per lb.)		
Spot	34.70	34.65	34.65
March	34.43	34.32	34.19
May	34.45	34.31	34.16
July	34.02	—	—

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 16*th January*

The local oilseeds market, after fluctuating within narrow limits during the first three days under the influence of conflicting trends, ruled firm during the second half of the week under review.

Having witnessed persistent selling in all contracts on the opening day, the market recovered on the following day on speculative support from upcountry centres. Unfavourable weather conditions in North India also helped the market gain strength. In linseed, moreover, there was demand from shippers while cottonseed benefited from the firm trend of cotton futures. Castors and groundnut were on demand from speculators and crushers. Though on the 12th inst. the market once again displayed an easy tendency on profit-taking and due to lack of follow-up support, subsequently, it resumed its upward trend under the leadership of groundnut on buying orders from the up-country operators. The continuance of unfavourable weather in North India gave further fillip to the market while offerings remained scarce. The market closed today undertone of the market was firm at the close today.

A notable event of the week under review was the commencement, on the 10th inst., of May 1957 (forward) contracts in groundnut and cottonseed.

In the groundnut section, the February contracts opened the week at Rs. 159-12; and after remaining weak on the first day, touched a high of Rs. 163-8 on the following day, but declined to Rs. 161-4 at the close on 12th inst. On 14th it fluctuated between Rs. 161-2 and Rs. 163, but closed higher at Rs. 162-14. During the rest of the week it climbed up steadily for the reasons already given, and touched its highest of Rs. 166-12 today before finishing at Rs. 165-12. The new contract, namely, May 1957, also witnessed a similar trend. Commencing at Rs. 165, it fluctuated between Rs. 166-8 and Rs. 163-4 during the first three days of the week. From 14th, when it was quoted at Rs. 164-8 on opening, however, the trend was steadily upward, and today it reached the peak of Rs. 170, before finishing As. 8 lower. In the spot section, while Bold F.A.Q. put on no less than Rs. 1-6 at Rs. 33-8, Coromandel rose by Re. 1-2, to Rs. 33-14. Groundnut oil ex-mill was quoted As. 12 higher than a week ago.

Linseed May 1957 commenced the week at Rs. 29-14 and touched a high of Rs. 30-6 on the following day, though it finished at Rs. 31-1. Subsequently, it rose steadily, but with minor fluctuations, and reached today the highest for the week at Rs. 31-5, before closing at Rs. 31-3. During the week it gained Re. 1-10. In the spot, Bold ready put on Re. 1-4 at Rs. 34-12, while small Sutna was marked up by Re. 1-12 to Rs. 33-4. Linseed oil ready was quoted at Rs. 19-10, that is, As. 12 higher than a week ago.

Castorseed futures contract was quoted at the beginning of the week at Rs. 170-8, and touched a high of Rs. 175 on the following day before receding to Rs. 171 on the third day. On the fourth day, however, it recovered to Rs. 172-12 and further shot up to Rs. 176-4 on 15th inst. and Rs. 180 today, before finishing at Rs. 179. Over the week, it improved by as much as Rs. 10. In the spot section, Bold ready rose by As. 6 to Rs. 38 while Kanpur spurted by Re. 1-12 to Rs. 38. Oil B.S.S. was As. 12 higher at Rs. 24.

The cottonseed futures section was active throughout the week with minor fluctuations. Having opened at Rs. 92-8, the February contract rose to Rs. 98-8 on the following day, and, after fluctuating during the three days that followed between Rs. 96-8 and Rs. 98-12, it touched today Rs. 100, the highest reached so far, before finishing As. 8 lower. Over the week, it gained Rs. 7. The May contract, too, reflected the same trend. It opened the week at Rs. 94 and closed today at the highest level, Rs. 99-4.

Among the others, *kardiseed* Bold was As. 8 higher and *nigerseed* Madras Re. 1 more than a week ago.

During the year 1956, exports of oilseeds and oils from the port of Bombay were somewhat lower as compared to those of the previous year. Groundnut oil has suffered a sharp setback in export at 5,864 tons during the year under review, as against 74,964 tons in 1955. Castor oil exports were only slightly lower at 37,739 tons, as against 39,418 tons. It was earlier presumed that castor oil exports would break the all-time record during the past year but they have fallen short by a few thousand tons. All-India exports of castor oil in 1955 were estimated around 41,000 tons.

Exports of oil from Bombay during 1956, as compared to 1955, were as follows:

(In tons)

Oils	1956	1955
Groundnut	5,864	74,964
Linseed	19,785	30,697
Castor	37,739	39,418
Sesamum	76	3,837
Mustard and rapeseed	21	45
Niger	3,131	2,047
Kardi	3,792	14,486
Cottonseed	6,304	N.A.

N.A.=Not available.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	16-1-1957	9-1-1957	2-1-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	165 12	158 0	160 6
Khandesh Quality Ready (per cwt.)	33 14	32 12	33 4
Dec.-Jan.	—	32 2	32 8
Linseed—			
May 1957	31 3	29 9	29 10
Bold Ready (per cwt.) ..	34 12	33 8	34 0
Feb.-Mar.	33 0	31 10	31 14
Castorseeds—			
May 1957	179 0	169 0	168 12
Madras (per cwt.) ..	39 4	37 10	36 4
Cottonseed—			
February 1957	99 8	92 8	..
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 12	18 0	18 8
Castor oil—			
Commercial (per quarter) ..	22 10	21 14	22 4
Linseed oil—			
Ready	19 10	18 2	19 2

YARN STEADY

(From Our Own Correspondent)

BOMBAY, 16*th January*

In refreshing contrast to the dull conditions which existed in the yarn market in the previous week, the week under review witnessed a steady trend. In the staple fibre section, although some fears are entertained that, due to lack of demand, prices might tend to go down, fluctuations have remained fairly narrow. In the case of cotton yarn, quotations have remained practically firm for all varieties and there has also been some improvement in some of the important varieties due to buying enquiries. There are also hopes that the market will improve due to increased demand from handloom weavers. The Bombay Yarn Merchants' Association and Exchange is likely to concentrate on forward trading in indigenous production of rayon yarn. This is due to New Delhi's curb on imports of rayon. A beginning will be made with trading in 150D.

Staple fibre yarn (40x2) for February delivery remained steady at Rs. 642. Spot Kohinoors receded by 3 pies to Rs. 3-8-3. Citys lost 9 pies to Rs. 3-6-9. New Greats eased by three pies to Rs. 3-6-3 and Centurys by six pies to Rs. 3-7-6.

In the cotton yarn section, among the forty counts, Minaxis lost As. 2 to Rs. 27-8. Moderns and Gokaks ruled steady at Rs. 28-12 and Rs. 27-12, respectively. Thirty counts Maduras remained quiet at Rs. 24. Among 20s, there was no change. Maduras and Moderns remained firm at Rs. 19-8 each and Gokaks at Rs. 19. Ten counts Moderns eased by As. 2 to Rs. 15-8 and Podars remained steady at Rs. 15-8. Sixty counts, however, witnessed some support, Finlays gaining by As. 6 to Rs. 62 and Moderns by Re. 1 to Rs. 64. Among 80s, Finlays hardened by a rupee to Rs. 82. Moderns were unchanged at Rs. 75.

Snia rayon yarn (120 dull cones) for February delivery declined by Rs. 5 to Rs. 823. Spot 120 Japan lost 3 pies to Rs. 4-5-9. 150 Japan was quiet at Rs. 4-8 as also 120 Italy at Rs. 4-3.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	16-1-1957	9-1-1957
Art silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.
120 Dull Cone Snia February	823 0	828 0
120 Japan (per lb.)	4 5½	4 6
150 Japan (per lb.)	4 8	4 8
120 Italy (per lb.)	4 3	4 3
150 Italy (per lb.)	3 14	3 14½
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 February	642 0	642 0
40 x 2 New Great (per lb.)	3 6½	3 6¾
40 x 2 Century (per lb.)	3 7½	3 8
40 x 2 City (per lb.)	3 6¾	3 7½
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	15 8	15 8
20s Madura	19 8	19 8
30s Madura	24 0	24 0
40s Gokak	27 12	27 12
60s Finlay	62 0	61 10
80s Modern	75 0	77 8

MIXED TREND IN SUGAR

(From Our Own Correspondent)

BOMBAY, 16*th January*

A feature of the Bombay sugar market during the week under review was the dull to quiet conditions in the spot section, in distinct contrast to the firm trend of ex-mill rates and the futures section. Better prospects of export of at least 50,000 tons of sugar by India and renewed rumours of an increase in excise duty imparted a bullish fervour to the futures section. The same reasons were also more or less responsible for the higher ex-mill rates. The quiet trend in the spot market reflected the heavier stock position and continued large arrivals in the face of poor offtake. It is estimated that stocks-on-hand are well over 90,000 bags, while the offtake is small. Arrivals of indigenous sugar during the week amounted to about 41,600 bags.

In the spot section, turnover was greatly restricted and trading was dull. There was hardly any change in the rate for small grain which stood at Rs. 88, but medium grain was quoted lower at Rs. 89 to Rs. 90, as against Rs. 90 to Rs. 91. Large grain also lost Rs. 2 to finish at Rs. 93 to Rs. 101 per bag. British refined was fully steady at Rs. 95 per bag owing to paucity of stocks.

In the futures section, *Fagan* delivery contract for 'C' grade sugar moved down from Rs. 92-12 to Rs. 91-10 early in the week, due to persistent short sales, but quickly recovered later to Rs. 92-12 for reasons already mentioned.

TEA PRICES IRREGULARLY LOWER

(Messrs. Forbes, Ewart & Figgis (Private) Ltd.)

COCHIN, 11th *January*

Sale No. 1 was one of the largest sales held in Cochin and approximately 3¼ million pounds of tea were offered in this sale held on Tuesday, 8th January. As compared with the previous sale, quality was rather better. The selection in general was useful with a few flavoury highgrown teas. There has been a fair general demand, but prices were irregularly As. 4 lower for low medium and medium sorts and fannings grades among these types were often neglected.

After opening quietly, the market strengthened, but eased off towards the close, resulting in fairly heavy withdrawals towards the last part of the sale. Best liquoring teas met with a considerably easier market and sometimes sold As. 8 below valuations. The best feature of the sale were whole leaf grades which sold well, although at a drop of As. 2. The following are the quotations:—

	1957 Rs.	a.	p.
Plain B.P.	1	15	0
Low medium B.O.P.	2	2	6
Medium B.O.P.	2	4	6
Good B.O.P.	2	8	0
Well made black leaf O.P.	2	9	0

The combined average price of tea fetched in sale No. 1 was Rs. 2-6-9 per lb., as against Rs. 2-0-5 in the corresponding sale of 1956.

London Market: Sale of 7th January 1957:—Market unchanged.

Sale of 8th January 1957:—Unchanged.

Colombo Market: Sale of 7th January 1957:—Strong demand, particularly for useful liquoring sorts. Prices advanced 10 to 15 cents.

Sale of 8th January 1957:—Good demand at lower levels, following quality. Highgrown B.O.Ps. declined 20 to 40c., mediums down 10 to 15c. corresponding fannings dearer. Lowgrowns firm.

Calcutta Market: Export.—73,000 packages met a better general demand. Better liquoring one anna dearer. Ordinary fibrous sorts one anna lower.

Internal.—26,000 dust. Good general demand. Middle East strongest As. 2 dearer. Best C.T.C. As. 2 to As. 3 dearer. Other C.T.C. As. 2 easier. All orthodox dusts firm to one anna dearer. Leaf good demand, particularly fannings which were As. 2 dearer.

Export Quota:—After the announcement by the Government of India of a 12 per cent. release on the "basic crop basis," the market reacted sharply to 37 pies. A quick recovery was, however, made and at the time of writing, the quotation is 48 pies.

Forthcoming Auctions.—Sale No. 2 will be held on Tuesday, 22nd January 1957 and dust sale B on 15th January 1957.

The estimated crop for the month of December 1956 is 10.69 million lbs., as compared with 7.66 million lbs. (actual) for the corresponding month of 1955. This brings the total estimated crop for the year January-December 1956 to 126.93 million lbs., as compared with 128.95 million lbs. (actual).

Shipments of tea from Cochin from 1st January to 20th December 1956 amounted to 77.42 million lbs., as against 72.90 million lbs. in the corresponding period of 1955. Of these, those to the U.K. accounted for 43.65 million lbs, as compared with 42.46 million lbs. a year ago.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale B*:—650,000 lbs. Good general demand. Prices fully firm to dearer for everything, except best liquoring, which were occasionally easier."

JUTE RECOVERS

(From Our Own Correspondent)

CALCUTTA, 15th *January*

A fair recovery in the prices of jute goods was recorded during the week under review. Fibre prices registered a further increase. The satisfactory decline in the stocks of jute goods held by mills as at the end of December was a strong reason for the improvement in goods prices. The total stocks was 96,600 tons representing a fall of 5,100 tons, as compared with the November-end figures and equivalent to about five weeks' production. At 20,000 tons, hessian had fallen by as much as 4,700 tons. It had been earlier expected that sacking would register an increase, in view of the poor shipping effected for this construction in December. However, the announcement that the stock of sacking goods fell by 2,000 tons to 65,100 tons was hailed in the market which attributed the satisfactory statistical position to more internal buying during the month. On the other hand, miscellaneous goods increased to 11,500 from 9,900 tons. This is the time of the year when American demand for hessian falls; and burlap stocks in the United States are already high. Overseas demand for sacking goods continues to be low, and during December sacking shipped was 12,000 tons lower at 34,000 tons. The figures include coastal shipments and, as such, it should be presumed that purchases for consumption in Calcutta and upcountry centres were higher.

There were further signs during the week of a tightening of the supply position in raw jute. Demand by mills during the week was mostly for Murshidabad tossa and northern jute. It is feared that, with imports from Pakistan being ruled out in view of the uneconomic prices, stocks of indigenous jute, including *mesta* and *bimli*, would not be sufficient. A portion of the crop is still held with the more well-to-do cultivators for release at the peak of the tightness in supplies. However, in view of the fall in overseas demand following the slowing down of stockpiling in anticipation of the expected return of the Suez Canal for navgation, it is doubtful if jute goods would continue to be priced even at present levels, which bear a disproportionate relation to the present high fibre prices. For this reason, it is expected that the bazar stocks of raw jute will not at any time rise to an unmanageable proportion. Dealers, who had carried speculative stocks in the last two or three seasons and had suffered huge losses, could illafford an adventure of this type again. However, the position of cultivators is different. For they have the holding power, and even if they are unable to realise prices of their imagination, the question of loss does not arise.

In the background of an expected shortage in raw jute supplies, the steps suggested for increasing jute output by the conference on promotion of jute production, held in New Delhi on Saturday last under the presidentship of the Union Agriculture Minister, Dr. P. S. Deshmukh, were noted with considerable interest here. There can be no doubt about the imperative need for increasing the area under jute, if the second Plan's revised target of 5,540,000 bales by 1961 is to be achieved. Even with the realisation of this target, self-sufficiency would not have been achieved. The measures suggested by the conference, *inter alia*, are: use of improved seeds, line-sowing by seed drills, judicious application of fertilisers, top-dressing, supply of fertilisers to cultivators as loans in kind, and multiplication of improved seeds by selected growers in the National Extension Service Blocks.

Jute goods opened on Tuesday last on a weak note under bear pressure. Ready B. twills declined to Rs. 119-2 from Rs. 119-4, and Ready 40" 10 oz. hessian to Rs. 45 from Rs. 45-6. At the lower levels, business was done with overseas buyers, and this factor together with the announcement of a stock position, satisfactory from the market point of view, boosted speculative sentiment and B. twills rose to Rs. 119-6 and 40" 10 oz. hessian to Rs. 45-4 on Wednesday. Covering business soon followed and by Friday these two constructions, representative of the market, had gained to Rs. 120-4 and Rs. 45-14, respectively. Over the week-end, activity by bears pushed down 40" 10 oz. hessian to Rs. 45-9. B. twills were, however, maintained at Rs. 120-4. On bear pressure again yesterday, the rates declined further to Rs. 45-8 and Rs. 119-12, respectively.

Mills continued to buy raw jute. Sellers were reserved. Prices improved by As. 8 to Re. 1. Latest quotations for the different constructions Jan.-Feb. delivery are given below:

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani:		
Northern (Nominal) ...	42 8	39 8
District	43 0	40 0
Indian:		
Northern	35 8	33 0
Assam Upper	35 8	33 0
Assam Lower	35 8	33 0
Daissee	36 8	34 0
Murshidabad	34 0	31 8
Western	34 8	32 0
Jungli	33 0	30 8
Orissa (Nominal) ...	38 0	35 8
Uttar Pradesh	33 0	30 8
Daissee mesta	31 0	28 8
Bimli f.a.q.		28-8

Pucca bales 1st marks ready ... Rs. 200 per bale.

DEMAND FOR TEA SHRINKS

(From Our Own Correspondent)

CALCUTTA, 15th *January*

Contrary to expectations, general demand during yesterday's export sale, although good at opening, shrinked as the sale progressed, thus affecting prices of certain types of teas. This declining trend should be read against the background of a similar development in the sale held in Mincing Lane on 8th January when offerings consisting of Ceylonese and South Indian teas displayed an irregularly easier trend.

This is a clear sign that Great Britain, with hopes of early resumption of navigation through the Suez Canal, has slowed down purchases. While during the coming few weeks, thus, British demand for tea in the Calcutta and Cochin markets may not be as satisfactory as in the past, it is expected that Russia and the Middle East countries would continue to operate for fair quantities. World output of tea in 1956 would have equalled the 1955 figure, but the increased demand in 1956, both for export and internal consumption, has been reflected in higher prices. In India, the tea-drinking habit is believed to have grown in the past year, thanks to an improvement in the living standards and to the efforts of the Tea Board. Tea gardens expect that common teas, which form the bulk of the tea that remain to be marketed, would meet with enthusiastic buyers and that the price would be maintained at above Rs. 2 per pound. The general elections throughout the country should also cause an increase in tea consumption.

During yesterday's export sale, offerings amounted to 73,000 chests. While the prices of most of the offerings of mediums and commons gave way by an anna to As. 2, "price" teas realised slightly higher rates. There was fair demand for medium-priced C.T.C. teas, prices of which rose above valuations. However, the higher-priced C.T.Cs eased by an anna to As. 2. In keen competition, bright liquoring teas showing seasonal improvement realised higher prices. Tippy teas were steady. Whole leaf grades met with good demand and prices registered a small rise. However, stylish B.P.S's were quiet. Darjeelings met with support at declining prices. The quotations were: Best C.T.C. Assam Rs. 2-12 (nominal), clean black pekoe Rs. 2-6, medium Assam B.P. Rs. 2-4-6 to Rs. 2-5, and plain B.P. Rs.2-3.

With the weakening tendency in export demand, export quota rights were offered at 43 pies per lb., business being done at 42 pies and subsequently, at 41 pies also.

The weekly sale for domestic consumption was held on Wednesday last, when dust tea on offer amounted to 26,674 chests. The general demand was good. The strongest feature was the bright liquoring C.T.C. Assam teas, prices of which were pushed up by As. 2 to As. 3, but the ordinary liquoring teas eased by As. 2. Another strong feature was the black leafy teas, prices of which rose above brokers' valuations, in some instances, even by As. 2. All orthodox dusts met with good support and gained by 4 to 1 anna. The quotations were: Best Assam C.T.C. Rs. 2-9 to Rs. 2-11, medium Assam C.T.C. Rs. 2-5, medium Assam grainy dust Rs. 2-2, and medium Dooars Rs. 2-1.

Leaf teas offered aggregated 2,502 chests. Demand was strong. Prices rose by As. 2 with green leaf teas and fannings receiving special attention.

METALS RULE STEADY

(From Our Own Correspondent)

CALCUTTA, 15th *January*

There was fair activity in the base metals market during the week under review. It was noted that, although the import policy affecting base metals for the January-June 1957 period was the same as the previous half-year—and it cannot be otherwise as unrestricted imports of base metals would have to be continued in view of the meagre indigenous production—the export of semi-manufactures of copper, viz., sheets, circles, strips, plates, bars, rods, tubes, pipes, and bare wires would not be allowed until further notice. This restriction does not apply to the export of semi-manufactures of brass. During the week, the price of tin in Calcutta, at Rs. 553, continued to be several points higher than the replacement cost. Ready supplies were difficult to be located. Electrolytic copper, in consonance with overseas market trends and consequent on an improvement in the supply position, fell to Rs. 192 from Rs. 194-8. Demand was on a low ebb. Lead was maintained at Rs. 82-8 and electrolytic zinc at Rs. 72-10.

LINSEED ADVANCES

(Messrs. A. Bradley & Co.)

CALCUTTA, 14th *January*

Following better enquiries from buyers, prices have advanced somewhat and the undertone of the market is steady. Arrivals are poor and sellers are rather reserved; a fairly small turnover has been recorded. The oil section has been active, with shippers in the market for near positions owing to a good demand from U.K. buyers. The latest quotations are as follows:—January Rs. 25-12 and April-May Rs. 22-8 per maund.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 14th *January*

Steady to firm conditions prevailed in the foodgrain markets during the past week due to paucity of stocks and good enquiry. The Government of India is reported to have decided to expedite imports of foodgrains this year and in the year following. The 3.5 million tons of wheat to be imported under an agreement with the U.S., in three years are now proposed to be imported by the Government of India within two years and 1.5 million tons are expected to reach India by July 1957. Substantial additional quantities of wheat are likely to be purchased from Australia and other sources as well.

Wheat prices at Hapur recorded a steady trend. *Dara* wheat was quoted at Rs. 16-4 and farm quality at Rs. 17-4 per maund. Thanks to the revival of sales through fair-price shops, the prices are not going up. But the demand is increasing daily. The week's offtake at 3 *khaties* was mostly for local needs, barring a despatch of one wagon to Poona. Stocks of wheat are now put at 53 *khaties*.

Rice acreage during the 1956-57 crop year is reported to have gone up by nearly 3 million to 79.3 million, as compared with last year. It is expected that the adverse effects on the crop due to excessive rains in September and October last will be offset by this increase in acreage. This improved outlook is already reflected in rice prices which have declined during the last two months. Prevailing prices here are:—Basmati Rs. 22-8 to Rs. 26, Manipuri Rs. 19 and coarse quality Rs. 15-6 per maund.

Gram continued to be very much in demand. The week's offtake aggregated 12 *khaties*, reducing local stocks to 48 *khaties*. Prices appreciated by As. 3 per maund. Good rains during the week have very much brightened the prospects for the coming crop here and in the Punjab. Maize was in good request during the week from Gujerat, with an offtake of three wagons to Ahmedabad. Prices advanced by As. 6 per maund. Other coarse grains also recorded a hardening trend, in sympathy with maize and due to poor stocks positions. There are still about three months for the arrival of the new crop in the market. The latest prices on Monday were: Gram *desi* Rs. 13-4, Punjab Rs. 13-10, barley Rs. 13-4, *bejhar* Rs. 13, maize Rs. 13-4, *bajra* Rs. 13-12, *jowar* Rs. 12 to Rs. 13, *guwar* Rs. 10-12 per maund.

Despite good crop prospects due to the latest rains, prices of peas recorded gains during the week on account of dwindling stocks and good buying enquiry from outside States. *Arhar* prices, however, ruled quiet, as outside demand was dormant and local stocks are unchanged at 24 *khaties*. Prices of other pulses eased during the week, due to bettter supply position. Week-end prices on Monday were:—peas *dara* Rs. 13-4, white Rs. 14-10, *arhar* Rs. 13, *urd* Rs. 17-4 to Rs. 19-8, *moong* Rs. 14-12 and *masoor* Rs. 18-6 per maund.

Pulses futures moved both ways during the week. While peas farm futures advanced in line with ready prices, other futures ruled quiet. The latest quotations on Monday were:—Peas *jeth* Rs. 10-0-4½, peas farm *maha* Rs. 12-14, *jeth* Rs. 10-6-9, *arhar maha* Rs. 12-3, *jeth* Rs. 10-10-6, *urd maha* Rs. 18-6, as against Rs. 10-1-3, Rs. 12-11, Rs. 10-7-9, Rs. 12-3-6, Rs. 10-13 and Rs. 18-6, respectively, quoted a week ago.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1935	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1955	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1948	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1956	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1956	3½	4
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 11th January, 1957 Number of Cheques	Amount Rs.	Week ended 4th January, 1957 Number of Cheques	Amount Rs.
Bombay	3,28,343	73,11,71,000	2,57,863	58,03,53,000
Calcutta	1,85,022	64,29,44,840	1,40,871	57,60,12,252
Madras	—	—	69,716	8 64,59,472
All Centres—1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Sept., 1956	..	..	3,137,000	7,01,29 00,000
Oct., 1956	..	..	3,398,000	6,99,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 11th Jan., 1957

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15 00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:		
(a) Government—		
(1) Central Government		54.00.40.000
(2) Other Governments		4,93,89,000
(b) Banks		56,24 69,000
(c) Others		13,11.04,000
Bills Payable		11,54.09,000
Other Liabilities		108,99 22,000
	Rupees	274.74,33,000

Assets	Rs.	Rs.
Notes		13,16 20 000
Rupee Coin		8,69,000
Subsidiary Coin		10,94,000
Bills Purchased and Discounted—		
(a) Internal	....	
(b) External		1,06 63,000
(c) Government Treasury Bills		80,30,30,000
Balances held abroad*		8,50,70,000
Loans and Advances to Governments		100,59,60,000
Other Loans and Advances		40 47,91,000
Investments		14.44,27,000
Other Assets		274.74,33,000
	Rupees	

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 60,85,97,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 23,36,48,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	13,16,20,000	
Notes in circulation	1495,21,33,000	
Total Notes issued		1508.37,53 000
Total Liabilities		1508,37,53,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	447,30,03,000	
Total of A		565,06,06,000
B. Rupee Coin		123,06.15,000
Government of India Rupee Securities		820,25,32,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1508,37,53,000

Scheduled Banks*

Statement of Affairs for the week ended 4th Jan., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	6 93,30,000
(ii) Other demand liabilities	639,86.73,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2.34.00.000
(ii) Other time liabilities	455,44,93,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10.21.15,000
(ii) Time liabilities	
4. Cash in India	87,51 95 000
5. Balances with the Reserve Bank in India	48,25,57,000
6. Balances with other banks in current account in India	12,83,76,000
7. Money at call and short notice in India	9,06,15,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	864 45,87 000
9. Advances in India	635.90.24,000
10. Inland Bills purchased and discounted in India	113,84,63,000
11. Foreign Bills purchased and discounted in India	52,45,48,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	15th January 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	480¼	480¼
Buyers T.T. Rs.	473	473
London on New York $	2.79⅞-2.79¾	2.79⅞-2.79¾
London on Paris Fcs.	983¼	982¾
London on Berne Sw. Fcs.	12.26⅛-12.27	12.25¾-12.25¾
New York on London $	2.79⅛-2.79⅛	2.79⅛-2.79⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'55-'54	79.33	..	1,931	243
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.38	..	470	560
Japan	1955	88.90	Y. 6,575,000	8,698	978
Philippines	1955	21.35	P. 7,800	1,857	850
New Zealand	1955	2 13	£(N.Z.) 846	1,128	5,296
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1955	50 27	£ 16,634	22,176	4,351
U.S.A.	1955	166 27	$ 324,090	155,52u	9,410
Canada	1955	15.60	$ 20,738	10,166	9,516
France	1955	43.27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm. 120,200	14,460	2,890
Italy	1954	47.80	Lr. 9,718,000	7,480	1,560
Norway	1955	3 43	Kr. 19,764	1,320	3,050
Sweden	1954	7.31	Kr. 38,630	3,544	4,912
Nether lands	1955	10.75	Grs. 22,500	2,850	2,650
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 4th Jan., 1957

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		50.35.06.000
(b) Provincial Governments		50.48.000
(c) Banks		14,37.66,000
(d) Others		8.17.42.000
Bills Payable		75,73,000
Other Liabilities		10,03,41,000
	Rupees	85,19,96,000

Assets	Rs.	Rs.
Notes		8,21,12.000
Rupee Coin		14,000
Subsidiary Coin		16,000
Bills Purchased and Discounted:—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills		49,87,000
Loans and Advances to Governments		90,00,000
Provincial Governments' Debtor Balances		2,53,51 000
Other Loans and Advances		10.01.12 000
Investments		44.48,20,000
Other Assets		9,55,84 000
	Rupees	85 19,96,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	8,21.12.000	
Notes in circulation	328,36,79,000	
Total Notes issued		336,57,91,000
Total Liabilities		336,57,91,000

Assets.	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	32,02,31,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		160,01,97,000
B. Rupee Coin	5,34,95,000	
Government of Pakistan Securities	165,30,93,000	
Internal bills of exchange and other commercial paper	....	
		170,65,88,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19.02.000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	336 57,91,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 49.21 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	4th Jan., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,481.52	1,466.07	1,464.08	1,385.71
Notes held in Banking Department	35.05	7.55	9 14	9.71	11 60
Foreign Securities	59.50	447.03	447.30	447.30	691 91
Rupee Securities	37.39	800.25	785.35	785.35	558.55
Banking Department					
Deposits of:					
Government of India	14.89	54.34	57.24	52.36	54.11
Other Governments	..	13 93	8.00	14 04	9 73
Balances held abroad	10.08	81.07	82.61	91.01	43.40
SCHEDULED BANKS					
Demand Liabilities	134.36	646.80	654 19	646.79	614.63
		(6 93)†	(9 45)†	(10.31)†	(5.00)†
Time Liabilities	102.24	457.79	459.50	461.69	413 33
		(2.34)†	(2.49)†	(3.11)†	(4.17)†
Borrowings from Reserve Bank	..	73.19	79 06	58.19	29 84
		(52.82)‡	(57.20)‡	(44.65)‡	(14.62)‡
Borrowings from State Bank	..	10.21	8.11	10.82	9 84
Cash in India	6.70	37.52	38.33	36.65	38 27
Balances with Reserve Bank	25.17	48.26	52.66	49.92	50.48
Excess over statutory limits	15.52	6.77	10.76	8.35	11.49
Balances with other banks in current account in India	..	11.54	12.84	10.03	11.53
Money at call and short notice in India	..	9.06	10.78	13.70	8.35
Investments (at book value)	..	364.46	364.75	365.55	382 93
Advances and bills	105.09	801.45	788.46	771.99	652 00
STATE BANK					
Deposits	87.76	240.59	242 02	234 47	223 89
Investments	51.99	107.41	106 89	106 88	116 64
Advances	30.35	146 41	140 12	132.63	109 02
Cash	14.99	11.61	19 67	16 08	17 07

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	October,		Seven months, April to Oct.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	8.71	10.57	64.51	70 94
Protective	0 95	1.13	5 72	7 18
On surplus disposals	0·02		0 07	0 03
Total import duties	9 68	11 70	70 31	78 15
Export Duties	3 58	2 89	21 17	15 28
Land Customs	0 07	0·27	0 50	1 40
Miscellaneous	0·05	0 12	0 41	0 63
Gross total customs	12 34	14 89	92 39	95 44
Refunds and drawbacks	0 23	0·15	1 55	1 35
Net Customs	12 61	14 74	90 84	94 09
Gross excise	11 69	16 15	85 50	102 08
Refunds	0·46	0 20	2 86	1 15
Net Excise	10.63	15.95	82 64	100 93
Net total of customs and excise†	23 24	30.69	173 48	195.02

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 11th Jan., 1957

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20.00.00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62.50 000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		247,76,10,000
Bills Payable		16,64,00,000
Bills for Collection being Bills Receivable as per contra		4,01,70,000
Acceptances, Endorsements and Other Obligations per contra		71,82,000
Other Liabilities (including Inter-Office Adjustments)		8.68,000
Total .. Rs.		3,50,74,000
		284,79 60,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		15.22 54,000
Balances with other Banks		3,38 70,000
Money at Call and Short Notice		1,40,00,000
INVESTMENTS:		
Government and other Trustee Securities	95,67,13,000	
Other Authorised Investments	11,45,50,000	
		107,02,63,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	118,91 44,000	
Bills Discounted and Purchased	32.49 56,000	
		151.41,00,000
Bills Receivable being Bills for Collection as per contra		71,82,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8.68,000
Premises less Depreciation		1,19,81,000
Furniture and Fixtures less Depreciation		58 88,000
Other Assets (including Inter-Office Adjustments)		3.77.46,000
Total .. Rs.		284,79,60,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖‖											
	National Savings Certificates											
	5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●	3½% Ten-year Treasury Savings Deposit Certificates	10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*
1953-54	6,83	65	3,26	23.66	84.17	1,13.35	92.03	— 31 07	7 65	25.64			
1954-55	4,70	1,62	4,99	27.27	1,24,84	1,34 94	1,30,88	— 36.35	5,57	37 15	7,40E	7 38	55††	54
1955-56	3,76	1,98	5,44	27,19	1,44,36	1,58,15	1,67,86	— 38,97	4,79	41.25	9,86	16,37	45	95
October 1955 ..	4,14	10	5,21	2,11	1,36,38	11.35	1,48,99	— 38.33	46	39,68	80	12.49	5	80
November „ ..	4,07	10	5,21	1,98	1,37,68	11.25	1,54,40	— 38,24	43	40,05	82	13,20	5	85
December „ ..	4,00	18	5,26	2,58	1,39,43	12.94	1,58,44	— 38.44	36	40.34	88	13,98	4	88
January 1956 ..	3,91	14	5,24	2,02	1,40,78	12 16	1,54,14	— 38,55	32	40,61	84	14.73	3	91
February „ ..	3,83	16	5,29	2,33	1,42,37	12,87	1,58 19	— 38,56	39	40,95	93	15,57	2	93
March „ ..	3,76	33	5,46	2,82	1,44,36	23,64	1,67,86	— 38,67	36	41.25	88	16,37	3	98
April „ ..	3 69	24	5,54	2,19

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50 = 100)

Group and Sub-Group	Week ended 5th Jan., 1957	29th Dec., 1956 §	5th Dec., 1956	7th Jan., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	**89.7**	**89.7**	**89.8**	**91.1**
1. Government of India..	89.4	89.4	89.5	91.0
2. Indian States ..	96.6	96.6	96.7	96.3
3. Municipal Port Trust, etc.	90.9	90.9	91.0	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	**100.0**	**100.0**	**100.1**	**101.1**
1. Electricity ..	100.9	100.9	100.9	102.6
2. Jute ..	97.5	97.5	97.5	97.6
3. Plantations ..	98.6	98.6	98.6	99.1
4. Sugar ..	98.5	98.5	98.5	99.0
5. Coal ..	90.6	90.6	90.6	90.6
6. General Engineering ..	100.9	100.9	100.9	100.9
7. Shipping ..	101.8	101.8	101.8	102.3
8. Others ..	100.5	100.5	100.5	101.0
PREFERENCE SHARES ..	**80.3**	**80.2**	**80.9**	**87.5**
1. Electricity ..	87.0	87.1	87.6	94.5
2. Cotton ..	80.0	80.2	81.3	80.0
3. Jute ..	75.3	75.6	75.8	90.8
4. Coal ..	83.0	83.0	83.0	90.7
5. Iron and Steel ..	83.7	83.2	82.9	89.3
6. Sugar ..	81.6	81.6	82.7	85.5
7. Paper ..	79.6	79.6	79.6	86.4
8. Plantations ..	100.2	101.2	101.2	102.3
9. Miscellaneous ..	74.0	73.6	75.8	84.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	**113.4**	**114.5**	**118.7**	**126.8**
(a) Financial ..	**90.8**	**91.6**	**93.8**	**96.0**
1. Banks ..	92.0	92.9	94.6	93.0
2. Insurance ..	86.8	86.5	88.0	99.8
3. Investment Trust ..	82.7	82.7	95.5	97.0
(b) Public Utilities ..	**108.0**	**108.9**	**110.7**	**117.2**
1. Electricity ..	108.7	110.1	111.5	121.4
2. Shipping and other Transport ..	113.6	113.6	117.0	114.2
3. Railways ..	81.7	81.7	81.7	92.0
(c) Manufacturing industries.	**121.2**	**122.5**	**127.3**	**135.9**
1. Cotton, Woollen and Silk ..	128.0	129.2	133.0	128.1
2. Jute ..	30.4	30.9	66.2	91.6
3. Iron and Steel ..	137.5	130.3	139.5	159.0
4. Paper ..	247.3	247.5	251.9	289.8
5. Cement ..	168.5	169.0	173.8	176.6
6. General Engineering ..	174.8	177.4	180.0	201.3
7. Sugar and Breweries.	101.5	102.9	106.4	109.5
8. Chemicals ..	137.0	137.2	139.6	155.1
(d) Non-Manufacturing industries ..	**141.5**	**143.6**	**147.7**	**164.0**
1. Coal ..	74.8	75.6	77.7	84.5
2. Mining and Oil ..	209.9	203.9	207.4	257.7
3. Plantations ..	156.9	158.3	165.0	173.1
(e) Miscellaneous ..	**90.7**	**91.9**	**97.2**	**107.4**
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay ..	89.0	—	89.1	90·6
2. Calcutta ..	89.5	89.5	89.6	91.3
3. Madras ..	89.9	89.9	89.9	91.4
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay ..	99.4	—	99.5	100·2
2. Calcutta ..	100.5	100.5	100.5	101·9
3. Madras ..	99.7	99.7	99.7	100.1
PREFERENCE SHARES :				
1. Bombay ..	84.9	—	84.5	90·6
2. Calcutta ..	74.1	73.9	75.1	83.1
3. Madras ..	95.5	96.2	96.8	98.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay ..	121.8	—	127.4	132·4
2. Calcutta ..	100 0	100.8	105.3	116 9
3. Madras ..	125 4	126.2	129 6	124.2
4. Delhi ..	120.8	121.3	127.5	138.1

§ Bombay Market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,923
1952	963	809,248	3,336,961
1953	772	466,607	3,382,605
1954	840	477,138	3,372,620
1955	1,166	527,767	5,097,848
August 1954 ..	79	51,090	322,387
September ,, ..	97	50,414	363,378
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	229,701
December ,, ..	101	54,455	262,763
January 1955† ..	95	49,088	322,807
February ,, ..	91	38,370	144,302
March ,, ..	113	70,042	334,696
April ,, ..	105	32,432	333,275
May ,, ..	120	68,441	961,776
June ,, ..	152	91,269	1,144,011
July ,, ..	111	55,260	660,492
August ,, ..	246	90,218	533,999
September ,, ..	251	92,619	580,031
October ,, ..	154	47,600	214,214
November ,, ..	99	48,609	178,112
December ,, ..	129	45,277	239,550
January* 1956† ..	107	61,050	349,655
February* ,, ..	122	69,450	786,768
March* ,, ..	146	133,188	678,716
April* ,, ..	143	81,367	534,983
May ,, ..	137	64,361	558,717
June ,, ..	152	72,843	485,634
July* ,, ..	144	99,431	529,855
August* ,, ..	129	58,260	495 007
Sept. ,, ..	142	109,503 (a)	762,341 (b)

† Figures are provisional. * Revised.
(a) Not known in 9 cases. (b) Not known in 14 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301 4	5,134 3
1953-54	648	6,576 8	5,572 7
1954-55	666	7,199 9	6,319 2
1955-56	715	8 805 8	7 185 8
Jan., to Sept., 1955 ..	694	6,262 7	5,089 4
Jan., to Sept., 1956 ..	720	7,114 6	5,838 8
July 1955.. ..	700	724.8	583.3
August ,, ..	705	708.9	574.4
September ,, ..	707	719.3	587.1
October ,, ..	716	720.7	591.9
November ,, ..	721	725.5	597 0
December ,, ..	724	785.7	648.0
January 1956.. ..	731	757.2	621.8
February ,, ..	739	749.9	622.0
March ,, ..	715	800.0	651 0
April ,, ..	701	780.8	643.8
May ,, ..	701	825.8	669.1
June ,, ..	710	796 5	658.5
July ,, ..	724	798 0	656 2
August ,, ..	725	793.7	650 0
September ,, ..	737	812 7	666 4

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939 = 100)

Particulars	Weight	29th Dec., 1956	22nd Dec., 1956	31st Dec., 1955	November 1956	November 1955	Percentage of Increase (+) or decrease (—) in Nov., 1956 as compared with Nov., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	392.0	416.7 R	327.4	411.6 R	326.5	+26.1	313.2	338.8
Cereals	59	497	533*	389	530 R	390	+35.9	372	381
Pulses	8	422	419	356	413	325	+27.1	339	390
Others	33	252	267* R	236	262	237	+10.5	235	291
Industrial Raw Materials ..	(18)	520 2	522.3 R	453 4	514.1 R	418.9	+22 7	419.2	426.2
Fibres	53	505	501	454	497 R	422*	+17.8	429	447
Oil seeds	30	564*	593	453	565	403	+40.2	398	434
Minerals	10	540	523	448	528	430	+22.8	427	428
Others	7	438	440 R	460	428	455	— 5 9	451	457
Semi-Manufactures	(17)	415.9*	416.3	351.4	416.3	338.1	+23.1	338.2	366.3
Leather	3	445	445	411	439	376	+16.8	378	376
Mineral oils	12	210	210	202	210	202	+ 4 0	207	221
Vegetable oils	16	626	633 R	424	616	392	+57 1	389 R	422
Cotton yarn	35	492	495	434	501	411	+21.9	422	454
Metals	18	323	327	279	327	277	+18 1	264	240
Oil cakes	5	490	468	351	483	366	+32 0	338	351
Others	5	363	363	320	362	320	+ 9.7	326	312
Manufactured Articles	(30)	387.1	388.6	373.6	387.6	373.3	+ 3 8	378.9	377.4R
Textiles	64	418	421	406	419	405	+ 3.5	408	431
Jute	11	457	473	421	446	422	+ 5 6	418	448
Cotton	45	416*	416*	399*	421*	399*	+ 5 5	408*	416*
Rayon and Silk	6	420*	420*	436*	421*	479*	—12.1	485*	469*
Woollen	2	266	266	278	266	278	— 4.3	284	311
Metal products	17	390	390	371	390	371	+ 5.1	359	340
Others	19	298	298	285	296	284	+ 4 2	285	326
Miscellaneous	(4)	589.3	590.6	547.5	590.6	543.3	+ 8.7	548.4	618.4
All Commodities	(100)	421.9	431.0	373.2	427.7 R	385.0	+17.2	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised.
*Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939 = 100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar‡	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1955																		
September ..	509	409	114	207	207	410	658†	262	158†	749	402	378	394	349	361	399	402	284
October ..	488	430†	127	224	214	399	680†	261	157	761	396	394	389	364	361	401	401	312
November ..	474	469†	147	242	227	358	659	254	192†	720	..	408	399	395†	361	422	391	318
December ..	406	506	133	241	242	346	674†	258	178†	720	449	407	431	422	362	415	399	319
January 1956	449	529	181	240	265	340	678	263	181	691†	455	433	455	451†	362	420	408	319
February ..	471	525	193	224	277	325	669†	266	170	669†	467	457	521	460	362	417	408	319
March ..	504	545	215	208	297	335	645	265	178	617†	478	445	570	492	362	410	408	319
April ..	547	501†	235	248	293†	343	629†	261	181†	557†	471	437	590	455	362	398	408	319
May ..	539†	476	230	253	287†	305†	624	261	173†	570	438	409	554	471	362	390	414	319
June ..	553†	506	258	253	285†	338†	631†	269	177	621	486	412	594	435	362	387	418	325
July ..	568	528	266	255	308	389†	644†	269	187	764	492	435	579	428	427	387	430	329
August ..	598	532	266	319	320	445†	626†	271	194	764	492	457	616	464	430	395	431	329
Sept. ..	600	534	266	324	317	407	626†	266	188	770	492	450	623	469	430	427	430	329
Oct. ..	593	535	287	357	308	445	621	262	177†	848	481	459	589	469	430	426	426	333
Nov. ..	609	555	307	366	329	467	619†	260	208†	882	482	499	586	482	430	446	421	333

‡ Provisional. Source : Reserve Bank of India Bulletin. † Estimated.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949 = 100)	Bombay Base (1934-35 = 100)	Ahmedabad Base (1927 = 100)	Sholapur Base (January 1928 = 100)	Kanpur Base (1940 = 100)	Nagpur Base (1949 = 100)	Calcutta Base August (1939 = 100)	Madras City Base (1949 = 100)	Delhi Base (1949 = 100)	Ajmer Base (1949 = 100)	Gauhati Base (1949 = 100)	Jamshedpur Base (1949 = 100)	Jubbulpore Base (1949 = 100)
1952 Average ..	103	327	259	310	92	101	351	102	108	108	111	112	99
1953 ,, ..	106	352	275	322	95	103	340	102	106	104	108	113	102
1954 ,, ..	101	359	244	294	85	99	327	106	105	91	95	102	93
1955 ,, ..	96	338	217	246	78	96	323	99	99	83	87	98	86
September 1955 ..	96	332	224	248	78	97	327	100	101	84	88	99	88
October ,, ..	97	321	225	248	81	98	324	100	101	84	87	101	89
November ,, ..	98	330	230	255	82	98	330	101	103	88	88	102	91
December ,, ..	98	332	230	262	82	99	329	103	106	91	87	103	94
January 1956 ..	97	324	229	272	85	100	319	103	105	92	87	100	94
February ,, ..	97	327	224	278	82	103	315	103	104	89	87	99	94
March ,, ..	100	350	231	297	88	103	326	105	106	89	89	103	96
April ,, ..	102	358	239	300	86	105	335	110	107	91	93	104	99
May ,, ..	104	357	236	300	85	105	342	110	107	91	95	104	101
June ,, ..	106	358	240	310	88	106	350	112	107	93	96	106	108
July ,, ..	107†	354	244	315	91	106	366	114	109	97	98	107	101
August ,, ..	106†	351	255	329	93	107	365	115	111	99	101	108	102
September ,, ..	106†	352	256	333	93	107	366	114	112	99	101	118†	101
October ,, ..	—	358	261	344	..	..	..	..	116	..	..	..	..
November ,, ..	—	356	261	357	..	..	..	..	..	..	..	..	..

† Provisional.

INDUSTRIAL PRODUCTION

Industries.		1955	Jan. to Sept., 1955	Jan. to Sept., 1956	Aug., 1956*	Sept., 1956*	Sept., 1955
Major Industries—							
Coal	.. million tons	38.21	25.52	29.24	3·31	3.12	3.38
Steel (Ingots and Metal for castings)	.. thousand tons	1,704	1,145†	1,154†	142	136	—
Yarn	.. million lbs.	1,654	1,202	1,214	140	141	146
Cloth	.. million yds.	5,093	3,789	3,954	438	435	466
Cement	.. million tons	4 41	3 31	3 85	0 40	0 34	0 40
Jute	.. thousand tons	1,087	754	844	90	87	85
Paper and paper boards ..	.. tons	184,884	136,982	143,803	16,258	16,243	16,120
Matches	.. cases	604,800	420,600†	397,300†	51,000	54,900	—
Sugar	.. thousand tons	1,615	1,288	1,505	4	9	9
Engineering and Electric Industries—							
Machine tools	.. Value in lakhs of Rs.	74 40	45 50†	54 18†	6·55	5.95	—
Electric lamps	.. millions	24 22	18 74	22 13	2 64	3 28	3.64
Dry cells	.. millions	151 04	107 66	134 52	17 29	13 15	18 03
Power transformers ..	.. k.v.a.	565,200	346,100	627,600	78,900	46 700	75,600
Electric Motors	.. h.p.	252,000	157,900	252,400	32,100	19,400	30,800
Electric fans	.. Nos.	282,000	193,100	246,100	29,500	32,100	35,700
Radio receivers	.. Nos.	81,204	48,415	105,818	9 690	6,612	13,737
Storage batteries	.. Nos.	235,300	151,800	238,200	24,900	16,400	25,700
Copper conductors ..	.. tons	9 436	5 541†	6,907†	917	908	—
Winding wires	.. tons	612	393†	530†	66	60	—
Rubber and plastic Ins. cables and flexibles	million yds.	86 16	59 99†	79 08†	7 77	6 39	—
Insulators—H.T. ..	.. Nos.	252,000	225,800†	45,800†	4,200	3,300	—
Insulators—L.T. ..	.. million Nos.	4 27	2 75†	3 30†	0·45	0 37	—
Diesel engines	.. Nos.	10,224	7,523	8,677†	973	834	925
Chemical Industries—							
Salt	.. million mds.	51 07	76 32	84·45	8 60	2.02	4 78
Caustic soda	.. tons	24,348	25,420	28,619	3,171	2,656	3,235
Soda ash	.. tons	77,258	54,235	59 244	6,308	6,018	7,622
Chlorine liquid	.. tons	11,580	6 974†	9,698†	1,236	1,047	—
Bleaching powder	.. tons	2,700	2,002	3,248	455	192	446
Bichromates	.. tons	2,923	1,936†	2,139†	300	224	—
Sulphuric acid	.. tons	166,200	105,651†	108,841†	10 015	14,745	—
Superphosphate	.. tons	74,160	50,053†	52,657†	8,322	8,248	—
Non-ferrous Metals—							
Aluminium	.. tons	7 225	5,301	4,728	414	619	215
Antimony	.. tons	504	436	431	49	40	55
Copper (virgin metal) ..	.. tons	7,593	5,302	5,666	675	590	680
Lead (virgin metal) ..	.. tons	2,234	1,698	1,713	143	187	182
Gold	.. thousand ozs.	211	139†	140†	19	15	—
Miscellaneous (Minor) Industries—							
Sewing machines	.. Nos.	101,472	73,699	95,087	10.125	9,602	10,835
Bicycles	.. Nos.	491,172	300,824†	398,282†	34,964	45,734	—
Automobiles	.. Nos.	23,088	16,818†	23,791	2,500	1,950	3,282
Cycle tyres and tubes ..	.. million Nos	11 24	8.83	9 64	1 14	1 01	1.18
Motor tyres and tubes ..	.. million Nos.	1 67	1 29	1 39	0 17	0 15	0 17
Cigarettes	.. million Nos.	23,899	17,104†	17,176†	2,301	1,932	—
Plywood—Tea chests ..	.. million sq. ft.	91 12	76 04	75 467	8 10	6 72	6 35
Plywood—Commercial ..	.. million sq. ft.	19 39	14 48	18 137	1 93	1 57	1 85
Sheet glass	.. million sq. ft.	38.88	26 10	32 111	4 26	3 44	3.29
Woollen manufactures { Fabrics / Yarn }	.. million yds.	13.95	9 26	11 91	1 58	1 58	1.55
	.. million lbs.	20.70	14.55	18 63	2 32	2 00	2 37
Footwear—Western tyre (Leather)	.. million pairs	3.24	2 44	2 61	0 34	0 31	0.30
Footwear—Indigenous type (Leather)	.. million pairs	2.30	1 75	2 19	0 26	0 26	0.25
Alcohol—Industrial	.. million galls.	8.14	6 22	4 48	0 59	0 62	—
Alcohol—Power	.. million galls.	10.43	7.33	7 26	0 77	0 76	—
General Index—(Base 1951 = 100 Revised)	.. ..	122 1	125.3	144 5‡	132.7	134 2	—

*Figures are subject to revision month to month. †Upto August only. ‡Average of first eight months. —Not Available.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	100	100
Cawnpore Sugar Works ..	10,00,000	1905-24	6	Feb. Aug.	123	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6½	5
†East India Distilleries ..	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	100	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	76N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	94	10
Upper Ganges	15,00,000	1946	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borrea	4,00,000	1896-97	7	Oct. Apr.	103	100
Burrakur (1st)	4,50,000	1946	5(a)	.. ..	113	100
Do. (2nd)	4,50,000	1946	5	.. ..	8½	10
Equitable	4,00,000	1895	5	Mar. Sept.	100	100½
Karanpura Collieries	1,93,000	1931	5(a)	Oct. ..	61	75(p)
††Khas Kajora	9,57,500	1945	5	Mar. Sept.	44N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	11	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	104	100
COTTON						
Ahmedabad Advance..	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	132cd	100
Banaati Cotton	5,00,000	1935	6½	Nov. ..	7	10
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	98	100
Bowrah 'A'	6,00,000	1900	6	Feb. Aug.	68	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1919	7	June Dec.	63½	50
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	145½	100
Cambodlia	6,00,000	1928	7	Apr. ..	118xcd	100
Camtal India	50,00,000	1912	5	Apr. Oct.	465xd	495
Coimbatore Pioneer	1,00,000	1935	6½	.. ..	104½	100
Elgin	11,00,000	1913	8	May. Nov.	125	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	9½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	89½	100
Kesoram	20,00,000	1919	7	June Dec.	116	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	80	100
Kothari	18,00,000	1937	6	Nov. ..	10½cd	10
Kothari 'B' (Pref.)	6,00,000	..	6	.. ..	5	5
Lakshmi Cotton (Bombay) ..	16,00,000	1896	5(a)	.. ..	207½	250
Morarjee Gooculdas Spg. & Wvg.	17,25,000	1947	4½	.. ..	85	100
Muir Mill	20,00,000	1900	6	Jan. July	81N	100
Mysore Spg.	7,45,080	1944	4½	.. ..	80½	50
National Rayon	1,74,64,700	1947	5(a)	.. ..	79	100
New Great	8,00,000	1913	5½(a)	Mar. ..	180	200
New Victoria	26,05,500	1920	6	Apr. Oct.	4½	5
Podar Mills	10,00,000	1943	4	Feb. ..	84	100
Rajlakshmi	2,00,000	1933	6½	Apr. ..	58	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	81	100
Sholapoor	32,00,000	1943	3(c)	.. ..	78½	100
Svadeshi	15,00,000	1933	5	Apr. Oct.	108	100
Svadeshi (Kanpur)	35,00,000	1927	6	June ..	90	100
Travancore Rayon	50,00,000	..	..	.. ..	8½	10
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	111½	100
Do. (2nd)	1,50,000	1933	6	.. ..	93½	100
Vishnu	15,66,500	1908	7(a)	Apr. ..	567½	500
ELECTRICS						
Andhra Valley Power Supply ..	49,34,000	1917	7(a)	May Nov.	1,038½	1,000
Amalgamated Electric	24,15 000	..	5½	.. ..	100	100
Calcutta Electric	$1,900,000	1909-11	5(c)	June Dec.	10½	£1
Poona Electric	40,00,000	1923	7(a)	June Dec.	111½	100
South Arcot	2,00,000	1933	6	Jan. July	101	100
South Madras (1st)	3,00,000	1940	5½	July Nov.	10xd	10
Do. (2nd)	5,00,000	1939	5½	Apr. ..	9–15xxd	10
Surat Electric Co.	29,28,000	1907	7(a)	May Nov.	12½	100
Tata Hydro Electric Power ..	86,97,000	1918	7½(a)	May Nov.	103½	100
Tata Power	1,25,000	1938	6	Mar. Sept.	1,131½	1,000
Vellore					8–11xd	10
ENGINEERING						
Arthur Butler (Muzaffarpore) ..	1,30,000	1919	7	Mar. ..	3½	10
Burn & Co. Ltd. (1st).. ..	13,00,000	1898-99	7	Feb. Aug.	123xd	100
Do. (2nd)	15,00,000	1903	6	Aug. ..	109xd	100
Indian Iron and Steel Co., Ltd.	2,69,95,400	1950	5	Dec. ..	102	100
Indian Standard Wagon	19,66,500	1918	7	June ..	127	100
Jessop	20,00,000	1941	5	May Nov.	94	100
††Kumardhubi Engineering ..	12,00,000	1915	4

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. D.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	5,62,726	80,10,670	43,05,872	96,989	Rajputana Textiles (Agencies) Ltd.	58,008	898	Apollo Mills	2½	2	0 4(c)	0 X(c)	0 3		12	Y.
40,00,000	84,00,000	1,88,52,007	72,25,655	—6,97,129	M.	50,596	1,021	B. B. Cotton Mills	48	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,96,000	8,99,73,775	4,92,85,445	2,39,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg. ..	558½	250	22 8*	20 0	25 0*	7 81	3	Y.P.Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd. ..	44,784	800	Bradbury Mills	28½	100	0† 2½	0† 2½	12 8	20 0	3	Y.P.
1,09,42,800	8,42,96,826	2,81,38,264	1,97,06,117	5,34,956	Birla Brothers Private Ltd.	1,26,344	2,698	Century Spg. & Mfg. ..	490	100	22 0	22 0	22 0	8 01	12	Y.
40,00,000	52,42,256	1,19,09,766	66,07,085	—23 08,097	V. J. Pilani (Chairman and Managing Director)	40,608	798	Colaba Land & Mill	80	100	*Nil*	*Nil*	*Nil*		12	
25,00,000	13,08,380	90,15,297	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg. ..	130	100	7 8	7 8	7 8	12 8*	12	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd. ..	40,992	..	Dawn Mills	178½	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,435	76,75,267	56,21,788	2,85,643	Puranmal Bubna Sons ..	41,390	926	Edward Textiles	810	200	15 0	15 0	15 0	4 01	12	Y.
19,86,050	11,81,338	1,09,75,549	80,74,274	1,81,564	.. .. ..	41,390	886	Elphinstone Spg. & Wvg. ..	60½	50	*Nil*	2 0	8 0		12	Y.P.
50,00,000	70,11,875	1,33,88,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,382	784	Finlay Mills	310	100	16 0	16 0	20 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,288 / 999½	1,000 / 250	225 0* / 56 4*	225 0 / 56 4	300 0 / 75 0	75 01 / 18 12½	3	Y.P.
1,00,000									11xd	10	0 10	*Nil*	0 15	0 10½		
2,88,00,000	62,50,899	4,68,15,552	3,89,00,000	1,93,112	Agarwal & Co.	2,38,812	6,413	India United Mills	1–181xd	0 10L	*Nil*	0 10	0 15	0 10½	12	Y.
50,00,000									5,250	1,000	225 0*	225 0	300 0	75 01		
6,25,000	74,24,043	1,30,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	900	100	112 8*	112 8	150 0		3	Y.P.
25,000									2284	100	112 8*	112 8	150 0			
56,25,000	85,07,881	2,78,78,670	2,08,22,188	26,228	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg.	100	100	8 0	8 0	10 0		6	Y.P.
1,00,00,000	1,31,62,000	3,56,88,095	2,58,18,795	33,980	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	326½	100	20 0*	18 0	18 0	6 01	12	Y.
23,18,050	41,06,720	1,18,74,848	55,99,115	21,670	N. Sirur & Co., Ltd. ..	49,000	1,200	Modern Mills	540N	50	12 0	12 0	12 0		12	Y.P.
31,75,000	37,05,958	1,32,58,502	1,76,19,548	1,41,469	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	246½	100	12 0	14 0	14 0	15 0	10	Y.P.
1,57,74,400	88,41,004	5,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd. ..			National Rayon Corporation	240½	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,858	46,04,780	8,015	W. H. Brady & Co., Ltd. ..	45,944	432	New Great Spg. & Wvg. ..	100	100	10 0	10 0	12 0		12	Y.
10,00,000	14,61,250	92,35,599	51,42,741	4,880	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	242	100	10 0	7 8	10 0		12	Y.
68,00,000	80,10,989	1,84,29,655	84,72,255	2,40,952	Ramnarain Sons, Ltd. ..	69,208	1,190	Phoenix Mills	145	100	8 0	8 0	10 0		12	Y.
40,00,000	45,70,890	39,55,049	23,00,000	2,98,877	Podar Sons, Private Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	9⅞	10	0 12	0 8	12 0*		12	Y.P.
8,00,000	8,16,999	21,21,521	19,01,540	—1,75,154	David Sassoon & Co., Ltd. ..	60,608	1,254	Sassoon Spg. & Wvg. ..	40	10	4 1	1 12	1 12		12	Y.
37,70,000	82,80,605	1,92,58,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	66,586	1,640	Shree Ajwas Cotton Mills ..	196½	100	14 0	14 0	12 0		12	Y.
50,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.										12	Y.P.
45,00,000	33,08,179	88,78,809	78,58,782	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	183	50	15 0	11 0	20 0	12 0	3	Y.
17,50,000	2,22,15,720	2,51,26,099	1,37,85,474	18,888	Mafatlal Gagalbhai & Sons ..	53,065	1,683	Standard Mills	445	100	20 0	20 0	20 0		12	Y.P.
99,35,700	84,60,715	2,23,57,047	1,19,01,809	97,611	Tata Industries Private Ltd. ..	53,898	2,000	Svadeshi Mills	231½	100	16 0	8 0	12 0		12	Y.P.
99,00,000	65,32,465	1,22,99,971	81,52,725	1,51,080	James Finlay & Co., Ltd. ..	35,898	852	Swan Mills	318½	100	20 0	20 0	25 0		12	Y.
66,57,000	91,96,276	1,77,84,898	68,44,558	42,485	Tata Industries Private Ltd.	62,096	1,800	Tata Mills	50	25	1 8	2 8	4 0		12	Y.P.
13,00,000	66,55,709	1,15,56,486	81,30,000	2,216	Thackersey Mooljee Son & Co.	64,156	1,209	Western India Spg. & Mfg.	5,180	1,000	225 0*	225 0	300 0	75 01	3	Y.
AHMEDABAD																
60,00,000	81,50,000	1,48,70,888	69,76,844	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	180	100	10 0*	8 0	7 0	12 0	6	Y.P.
10,00,000	84,58,068	94,37,998	76,10,164	87,588	P. M. Hutheesing & Co., Ltd. ..	44,280	912	Aruna Mills	1,179½	100	25 0	22 0	30 0*		12	Y.P.
28,35,000	2,55,30,694	1,66,65,504	1,18,00,000	78,768	Narotam Lalbhai & Co. ..	62,446	1,216	Arvind Mills	1,179	100	25 0	25 0	30 0		12	Y.P.
80,00,000	81,77,000	99,34,884	73,23,000	5,45,389	Mangaldas & Bros. Ltd. ..	37,164	892	Arvindas Ginning & Mfg. ..	1,650	100	50 0	50 0	50 0		12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,04,958	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,656	125	18 0	18 0	18 0	80 0‡	3	Y.P.
1,87,40,000	2,25,70,933	4,01,25,852	2,88,85,844	2,31,712	Karamchand Premchand Ltd. ..	1,39,152	2,573	Calico	1,225	1,000	70 0	70 0	80 0		12	Y.P.
48,37,000	24,58,000	1,21,06,843	69,25,000	2,760	Tricumlal Bhogilal & Co., Ltd. ..	45,886	866	New Commercial Mills ..	1,225	1,000	70 0	70 0	80 0		12	Y.P.
55,00,000	72,52,486	1,32,09,282	99,26,093	19,321	Mafatlal Chandulal & Co., Ltd.	45,880	1,056	New Shorrock Spg. & Wvg. ..	860	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,63,197	37,98,817	16,658	Jagabhai Bhogilal Nanavaty & Co., Ltd.										12	
18,50,000	1,14,77,470	85,29,459	60,39,888		Lalbhai Dalpatbhai & Co. ..	24,840	572	Nutan Mills	890	100	20 0*	20 0*	20 0		12	Y.P.
22,50,000	14,28,907	1,07,01,469	71,18,908	17,84,749	Lallubhai Gordhanas Ltd. ..	33,156	648	Raipur Mfg.	1,010	100	25 0	25 0	35 0*		12	Y.P.
22,98,150	2,02,34,538	1,76,92,842	1,58,76,000	8,23,290	Harivallabhdas Kalidas & Co. ..	94,116	1,738	Rohit Mills	178½	50	12 0	12 0	15 0		12	Y.P.
19,83,500	66,51,258	1,15,56,486	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	565	100	20 0	25 0*	25 0		12	Y.
90,00,000	90,84,191	1,09,66,008	78,85,291	84,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	660	400	25 0*	25 0*	25 0*		12	Y.
WEST BENGAL																
15,00,000	1,42,800	84,93,029	21,88,880	61,676	Calcutta Agency Private Ltd. ..	13,044	256	Basanti Cotton Mills	5½	10	0 4	0 8	0 8		12	Y.P.T.
7,98,060	9,10,617	78,14,055	55,60,911	59,890	Bengal Textile Agency, Ltd. ..	32,544	96	Bengal Luxmi Cotton Mills ..	44N	100	*Nil*	4 0	4 0	4 0	3	Y.P.
8,00,000	22,72,414	89,18,154	51,49,000	—23,47,379	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	127	100	*Nil*	*Nil*	*Nil*		12	H.
19,00,000	29,17,571	1,04,88,558	70,76,577	1,87,951	Kettlewell Bullen & Co., Ltd. ..	42,872	518	Dewsar Mills	202	100	2 8	2 8	2 8	1 0	6,12	H.
1,60,00,000	2,29,43,320	3,76,19,833	1,31,26,833	1,88,072	Birla Brothers Private Ltd. ..	70,284	1,990	Kesoram Cotton Mills	14½	10	0 8	0 10	1 0		3	Y.P.
13,17,780									164N	10	*Nil*	*Nil*	0–5 11/25			
5,00,000	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23,036	795	Rampoora Cotton Mills	21N	1D	*Nil*	0 10			3	Y.
SOUTH INDIA AND OTHER CENTRES																
11,98,500	8,57,596	81,36,784	15,64,243	3,566	Seina & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	35,91,264	1,84,91,880	50,78,582	1,26,043	Industrial Trust Fund	36,126	706	Azam Jahi Mills	92	100	6 0	*Nil*	*Nil*		9	Y.
40,50,000	3,00,85,745	3,24,98,906	2,43,85,258	2,38,649	Binny& Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	542½	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	8½	10	0 4 / *Nil*	*Nil*			6,12	H.P.T.
35,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	30N	10	3 0	3 0	3 0		3	Y.
1,78,47,900	1,76,52,500	6,38,09,203	3,58,82,130	2,38,445	Binny & Co. (Madras), Ltd...	1,20,356	2,787	Buckingham & Carnatic ..	174	100	10 0	10 0	10 0	4 01	12	Y.P.T.
30,00,000	20,00,000	80,09,354	31,66,351	57,993	Peirce, Leslie & Co., Ltd. ..	33,706	..	Camadhia Mills	14½	100	0 12	*Nil*	0 8		12	Y.P.
15,00,000	5,11,500	48,38,929	24,63,351	8,994	K. Damodaran, Esq. ..	17,496	..	Cannanore Spg. & Wvg. ..	163	100	12 0	20 0	12 0	15 0	3	Y.
20,00,000	29,51,480	69,40,839	41,79,876	58,767	Begg, Sutherland & Co., Ltd. ..	22,796	591	Cawnpore Textiles	8	5	10	*Nil*	*Nil*	0 12	3	Y.
9,87,470	2,00,000	50,87,536	18,05,152	58,798	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
15,00,000	20,60,000	84,68,396	27,85,527	84,164	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	374	100	20 0	25 0	25 0		12	Y.
20,00,000	19,95,000	98,58,953	34,35,931	1,14,259	B. N. Naidu & Co.	23,736	..	Coimbatore Pioneer Mills ..	289	100	15 0	20 0	20 0		12	Y.P.
30,76,900	5,076	1,18,00,888	85,68,242	21,920	R. G. S. Naidu & Co. ..	72,522	1,407	Coimbatore Spg. & Wvg. ..	90	50	6 0	8 0	8 0		12	Y.P.
46,87,500	46,12,622	2,50,88,371	1,62,61,864	13,215	Tata Industries Private Ltd. ..	67,228	1,620	Central India	125	100	5 0	2 0	2 0	2 8	6	Y.P.
9,38,30,225	3,06,82,110	11,16,21,472	5,81,07,827	1,28,712	B. N. Charat Ram & Co., Private Ltd.	1,16,686	2,854	Delhi Cloth[&] General Mills	354N	25	0 2 4/5	0 3 8/5	0 3 8/5	0 4/	3	Y.P.T.
1,00,568										24						
24,34,800	25,47,878	52,74,942	25,26,958	6,864	M. N. Chettiar & Sons ..	32,566	201	Dhanalakshmi Mills	370	100	20 0	30 0	30 0		12	Y.
66,00,000	66,32,383	1,52,16,382	1,29,71,681	98,886	Begg, Sutherland & Co., Ltd.	43,462	1,198	Elgin Mills	224	10	1 0	1 0	1 0		12	Y.
48,81,000	35,22,175	1,00,55,167	68,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	223	100	17 0	18 0	15 0		12	Y.
50,00,000	6,15,447	1,33,41,953	1,12,29,676	9,551	K. L. Kalsaria, Esq. (Chairman)	51,180	1,420	Jam Shri Ranjitsinhji United	141½	100	4 0	5 0	10 0	5 01	12	Y.
20,00,000	10,65,583	81,06,669	18,45,135	2,079	G. V. Naidu & Co., Ltd. ..	24,822	..	Janardhana Mills	102½	50	4 0	5 0	10 0		12	Y.
32,42,535	19,25,000	93,32,480	32,49,160	41,492	Kothari & Sons	43,000	300	Kothari Textiles	152	10	0 8	1 0	1 0		6	Y.
33,00,000	68,30,135	1,48,62,650	1,12,84,304	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	680	250	27 8	33 12	42 8	18 21	3	Y.P.
22,54,100	66,55,950	1,61,18,090	95,51,437	6,51,654	G. K. Naidu &Co.	85,908	201	Lakshmi Mills	246	50	5 0	10 0	12 8	12 8	3	Y.
17,82,050									122	25	2 8	5 0	6 0	6 4		
1,75,92,480	4,13,81,578	5,73,76,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd. ..	5,00,000	..	Madura Mills	171	15	3 0	3 0	3 0		12	Y.
12,00,000	4,17,863	28,26,768	16,72,202	—99,078	A. L. A. R. S. Chettiar and Mothers.	22,692	100	Malabar Spg. & Wvg. ..	108	200	8 0	*Nil*			12	Y.
60,00,000	69,00,000	68,79,627	43,29,784	45,815	W. A. Beardsell & Co., Ltd.	24,750	608	Maitur Industries Ltd...	420	100	12 8	22 8*	25 0	42 8	3	Y.
29,50,854	19,61,581	89,75,249	49,94,785	10,588	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	90	100	7 0	5 0(c)	7 8		12	Y.
24,91,850	21,56,146	1,71,94,769	78,81,528	1,86,068	M.	51,340	948	Model Mills (Nagpur)	172	250	7	5 0(c)	7 8(c)	7 8	6	Y.
30,00,000	52,19,600	1,53,39,272	1,06,91,851	—7,77,350	Indian Textile Syndicate Ltd.	58,554	1,254	Model Mills	94N	100	*Nil*				12	Y.P.
24,35,500	50,54,035	1,10,95,742	67,14,107	19,041	N. Sirur & Co., Ltd. ..	50,480	500	Mysore Spg. & Mfg.	101½	50	10 0*	8 8*	6 0(c)	9 0*	2	Y.P.
12,51,780	6,600	29,25,252	15,12,751	—1,50,653	R. Suryesanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills ..	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
22,89,3320	25,62,533	1,04,27,223	58,90,719	—42,53,037	J. P. Srivastava & Co., Ltd.	52,428	1,225	New Victoria Mills	14	O. 2½	*Nil*	*Nil*			12	Y.P.
8,07,0960										D. 1	*Nil*	*Nil*				
47,19,500	58,48,220	1,69,99,989	61,91,861	74,732	Industrial Trust Fund[..	37,788	856	Osmanshahi Mills	77	100A	4 0	*Nil*	2 8(c)		12	
4,00,0000A	6,80,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills	150	50A	12 0	12 0	12 0		12	Y.P.
6,00,000B									220	75B	18 0	18 0	18 0			
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	77	100	*Nil*	*Nil*	*Nil*	4 0(c)		
16,81,200A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	325	100A	5 0	16 0	20 0		12	Y.
8,40,600B									175	50B	4 0	8 0	10 0			
15,00,000	80,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons ..	35,472	..	Rajalakshmi Mills	152	50	7 8	10 0	10 0		12	Y.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd. ..	24,996	*Nil*	Rajalapalyam Mills	102	100	4 0	6 0	10 0		12	Y.P.
22,29,625	13,40,000	40,14,000	18,05,147	29,250	Rayalaseema Development Co.	14,500	..	Rayalaseema Mills	102	100	7 0	9 0	10 0	10 0	12	Y.
60,00,000	82,41,568	1,00,25,438	35,44,914	—12,16,733	J. P. Srivastava & Sons (Rampur).	34,582	600	Raza Textiles	7½	N	*Nil*	*Nil*	*Nil*		12	Y.
15,90,000	1,60,55,917	3,13,49,031	2,05,07,227	—1,65,20,798	Morarka & Co.	95,232	2,224	Sholapoor Spg. & Wvg. ..	1,456	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
10,000									500	50	4 0*	4 8	5 0	7 0		
28,69,700	17,10,000	81,44,272	65,53,316	1,09,148	H. N. Pallegar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	110	50	4 0*	4 8	5 0	7 0	3	Y.
28,14,500	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,580	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			12	Y.
15,00,000	3,43,50,155	99,02,152	79,53,780	80,60,554	Birla Brothers, Private Ltd.	35,556	1,242	Sutlej Cotton Mills	106N	10	4 0	5 0	6 0		3	Y.
17,50,0000									118	100	0 8					
7,50,000P	2,80,00,000	4,54,40,547	1,70,68,159	1,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	118	10P.O.	0–14 2/5	1–2 2/5	0 12		3	Y.
1,90,00,000									188	10	0 8	0 10	1–2 2/5	1–2 2/5		
13,95,670	20,14,788	3,80,58,317	2,37,16,775	2,63,771	Ernesto & Sons (Travancore), Ltd...	17,600	..	Travancore Rayons	138½	10	0 8	0 10	0 12		12	Y.P.
13,95,670	8,75,332	17,39,181	11,87,585	1,508	Moolji Ramjee & Sons ..	48,974	870	Travancore Mills	120	100	12 0	0–14 2/5	0–14 2/5	0–14 2/5	12	Y.
21,00,000	24,80,000	71,82,723	40,63,168	56,000	R. K. Chetty & Brothers ..	46,490	1,231	Vishnu Cotton	188½	100	15 0	20 0	25 0		12	Y.
22,00,000	24,42,971	1,04,67,122	1,05,10,333	22,125	Bombay Co., Ltd.						4 0	4 0	8 0		12	Y.P.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (8) For six months ended 31st December 1955.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1955.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	11½	5	*Nil*	0 8	0 41	5	Y.P.	
16,20,630	26,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	5½	5	0 8	0 8	0 9	0 9	3	Y.
£5,49,950	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	28½	A. 16sh. B. 21	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vital Maliya, Esq., (Chairman)	United Breweries	182	75	Sh. 4 15 0	Sh. 3 15 0	Sh. 4 15 0	Sh. 1 7 81	3	Y.
CEMENT														
51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
48,14,8000	18,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	18	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
4,70,970D.								D. 1						
12,71,97,256	8,45,99,450	27,75,38,613	9,84,43,675	2,93,968	Cement Agencies (Private) Ltd.	Associated Cement Companies	183½	O. 100	9 8	8 8	10 0	10 0	7	Y.T.
60,00,000D.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat) ..	122	O. 10	1 0	1 0	1 4		12	Y.P.
20,50,0000.							3½	O. 2½	0 4	0 4	0 5			
5,00,000D.							4½	D. 1	0 1–3/5	0–1 3/5	0 2			
62,45,7500.	19,00,000	1,61,41,304	54,02,373	2,97,123	Hasan Private Ltd.	Dalmia Cements (Bharat) Ltd. ..	22½	O. 25	*Nil*	*Nil*	1 14	2 1	3	Y.P.
7,50,000D.							5–10½	D. 5	*Nil*	*Nil*	0 6	0 6 3/5		
67,36,500	31,41,935	1,35,18,049	39,73,404	2,78,525	Dalmia Agencies Private Ltd.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	26,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105N	25	1 9	3 2	4 11		6.12	H.P.T.
66,00,000	66,05,611	1,15,51,257	79,71,998	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	22	10	12 0	14 0	1 6 0	C11 1/5[1	3.9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16½	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,16,71,731	4,55,61,778	1,97,73,802	2,12,435	Birla Brothers Private Ltd...	Orient Paper	31½	10	2 0	0 15	1 2	0 10	3.9	H.P.T.
1,24,67,295	62,25,837	1,45,34,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	17½	10	1 8	1 8	0 10½		6.12	H.P.T.
90,00,000	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10¼	O. 10	0 12	0 12	1 4		3.9	H.P.T.
10,00,000 A.							10¼	A. 10	0 12	0 12	1 4			
2,18,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	...	10	Nil	Nil	6 0[0	8	6	Y.P.
58,00,000 A.							36½	A. 10	2 0*	1 8	2 0*	1 2½*		
56,04,300 B.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd.	Titaghur Paper Mills Co., Ltd.	36½	B. 10	2 0*	1 8	2 0*	1 2½*	3.9	H.P.
4,37,50,P.O. J							4½	P.O. 2½	0 4	0 4	0 4	0 2½*		
PRESSING														
8,66,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	Y.
5,80,000	2,47,132	10,91,809	4,90,374	26,289	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
20,00,780 D.	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	18½	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000 D.							2½	D. 1	0 4/5	*Nil*	0 9 3/5			
80,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	100		4 0	4 0	*Nil*		4	Y.
94,00,000	36,70,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary[..	28	100	1 8	1 8	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,533	10,78,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	3½	2	*Nil*	*Nil*	*Nil*		9	Y.
80,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corps.	687½	Old125	15 0	20 0	37 8	11 4[	5	Y.
43,00,000 J							260	New50	6 0	8 0	15 0	4 8[	6	Y.P.
6,00,000	.....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading ..	25½	100	*Nil*	*Nil*	*Nil*		6	Y.
90,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	42½	100	2 8	2 12	3 0	1 0[	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	25,97,925	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	5½	5	*Nil*	0 12	0 1		6	Y
12,00,000 A.	29,18,356	49,45,285	33,15,660	15,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	14N	A. 100	10 0	10 0			4	Y.
3,00,000 B.							14N	B. 10	1 0	1 0				
19,49,050	5,50,000	23,35,389	24,41,801	51,985	Bangur Bros., Ltd.	Belsund Sugar	10½	10	0 12	0 12	0 12		9	Y.
15,00,000	15,90,295	16,40,479	11,77,841	13,208	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	25,37,030	1,36,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7½	10	*Nil*	0 12	0 4		6	Y.P.T.
32,00,000	57,33,651	1,03,44,647	84,32,451	58,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	17½	10	2 0	0 12	0 12		10	Y.P.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	24	10	1 0	1 0	1 8		6	Y.
3,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			8	Y.
66,00,000 A.	32,00,000	76,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	226N	A. 100	15 0*	15 0*	15 0*		6	Y.P.
10,00,000 C.							100	O. 100	15 0*	16 0*	15 0*			
12,00,000	8,61,001	75,81,809	42,69,456	27,925	Kilachand Devchand & Co. ..	Kesar Sugar	65N	50	*Nil*	*Nil*	4 8		7	Y.P.
							393N	40	*Nil*	*Nil*	2 4			
7,89,100	22,14,058	34,94,612	19,35,883	1,864	Cotton Agents Ltd.	New India Sugar Mills	30N	10	2 8	2 8	2 8		6	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6	10	0 4	0 4	0 4		5	Y.
19,37,500 A.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	240N	100	20 0	20 0	20 0		6	Y.
2,71,875 B.							60N	25	5 0	5 0	5 0			
77,45,350	52,18,159	1,89,30,445	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	148N	100	11 0	11 0	11 0		7	Y.P.
12,00,000	13,74,233	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	106N	100	10 0	10 0			10	Y.
9,00,000	17,64,369	37,85,808	20,67,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17	10	1 0	0 12	0 12		10	Y.P.
3,00,000	5,31,129	26,43,262	21,70,524	5,234	M.	Ryam Sugar	80½	10	1 0	1 0	*Nil*		6	Y.
11,99,000	19,36,779	38,63,583	22,92,130	5,477	M.	Samastipur Central Sugar ..	12	10	0 8	0 8	*Nil*		6	Y.
40,00,000	22,68,560	1,35,20,110	62,59,521	24,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11½	10	1 8	1 8	1 12		8	Y.P.T.
9,99,950	61,825	37,15,125	13,60,853	—3,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
7,95,468	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros.	Shri Sitaram Sugar	15½	2 0*	1 8*				8	Y.T.
9,15,000 A.							1N	O. 10	*Nil*	*Nil*	*Nil*			
4,40,000 D.	46,462	29,66,360	11,46,770	—16,37,907	M.	South Bihar Sugar	70N	D. 2½	2 8	2 8	2 8		10	Y.P.T.
8,00,000	21,91,685	26,42,063	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	10	10	0 8	1 4	1 8		8	Y.P.
18,00,000	7,66,389	82,69,951	26,68,926	20,564	James Finlay & Co., Ltd. ..	United Provinces Sugar‡‡ ..	17	10	0 8	1 4	1 8		6	Y.
Other Centres														
70,49,850	95,62,027	1,48,40,884	1,08,91,570	52,911	W. H. Brady & Co., Ltd. ..	Belapur Company‡‡	238xd	50	16 0	16 0	16 0	16 0Z	9	Y.
25,00,000	9,34,232	33,03,879	21,86,723	4,932	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	16½	10	0 10	1 0	1 0		6	Y.P.
16,99,900	2,45,841	39,19,958	20,01,146	51,998	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	75N	100	*Nil*	*Nil*			6	Y.P.
47,94,920	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6	2 5/5	9	Y.P.
23,57,620	45 51,080	42 51,227	21,95,827	18,645	Govan Bros.(Rampur), Ltd. ..	Buland Sugar	142N	10	1 0	1 6	1 0		10	Y.
19,52,2000. }	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	87½	O.100	7 8	7 8	7 8	3½	6	Y.P.
9,97,190 D.							160	D. 10	10 0	10 0	10 0			
31,79,230	86,24,818	1,29,89,142	82,31,728	2,63,107	S. Muninarajappa, Esq., (Managing Director)	Mysore Sugar	44½d	10	2 0	2 0	2 0	2 0	6	Y.
							147½	50	6 0	8 0	8 0			
50,00,000	48 49 631	1,08,28,164	59,35,509	11,062	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	74	100	2 0	2 0	2 0		8	Y.
16,59,820	35,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	23½	2	1 8	1 8	2 0		8	Y.P.T.
80,00,000 J	21,76,092	89,12,138	58,60,383	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	154N	O. 50	*Nil*	*Nil*	*Nil*		9	Y.P.T.
4,00,000 D.							7N	D. 10	*Nil*	*Nil*	0 11½			
19 99 800	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd. ..	Rasa Sugar	21N	10	1 0	0 12	1 0		10	Y.
30,00,000	9,10,000	59,87,262	22,10,844	45,098	Parry Co., Ltd.	Travancore Sugars	11½	10	*Nil*	*Nil*	0 12	1 0	7	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,81,172	M.	Walchandnagar Industries ..	265	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
80,00,000	1,00,59,622	1,24,00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	185	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,619	4,41,65,364	1,85,09,619	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
60,00,000	31,60,811	3,31,00,904	69,55,703	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	183	10	1 0	1 0	1 0	1 8	6	Y.P.
						India General Navigation & Rly. Co...	69	A.10	*Nil*	Sh. 1 0	Sh. 1 0		12	Y.P.
£555,580	£1,098,198	£5,614,160	£3,297,531	£32,063	Kilburn & Co., Private Ltd. ..	India Steamship Co.	9½	10	0 8	*Nil*	*Nil*	1 0	8	Y.P.
2,35,00,000	59,99,232	9 64,47,544	2,22,99,149	25,920	Lionel Edwards Ltd.	Scindia Steam Navigation Co. ..	12½	20	0 12	0 8	1 0		8	Y.P.
9,40,19 673	6,94,92,081	18,36,63,413	4,84,44,300	2,73,688	Narottam Morarjee & Co. ..		7½	O. 1	as. 1 9/25	1 2[2	as 2 6/25		6	Y.
4,40,8000. }	19,68,266	11,55,483	7,29,969	1,84,493	R. Rajalyer, Esq., (Manager) ..	Walford Transport Ltd.	1½	P.O. 1	as. 19/25	1 19/25	as.1 23/25		12	Y.
10,200 F.O.														
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,68,321	4,22,863	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	Y.
15,98,400	4,04,173	2,66,474	90,000	1,99,351	M.	Bombay-Uganda	62½	80	5 0	4 8	*Nil*		12	Y.
25,00,000	1,00 000	22,87,314‡‡		225	M.	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	0 12	0 12	3	Y.
20,17,900	13,68,886	86,39,283	59,24,587	88,602	Birla Brothers Private Ltd. ..	Hind Cycles	142½	10	6 0	10 0	10 0		12	Y.P.T.
14,98,940	3,42,585	28,00,000	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	40	50	*Nil*	8 0	8 0		8	Y.P.
99,99,250	19,47,386	1,22,03,604‡‡		2,83,136	Premchand Roychand & Sons	Industrial Investment Trust ..	70	100	4 8	4 8	4 8		12	Y.
99,99,975	35,08,351	86 47,826	8,04,331	4,559	K. G. Milne, Esq. (Mg. Director)	Kilachand Industries	160½	100	11 0	11 0	11 0	11 0	6	Y.
2,20 13,775 A. O.	39,14,295	3,06,59,561	1,49,05,326	6,05,448	Aero-Auto Private Ltd.	Premier Automobiles	105	100	*Nil*	*Nil*	*Nil*	6 0	6	Y.T.
10,21,200	5,63,605	13 96,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	24½	20	2 0	2 0	2 0		12	Y.
2,75,00,000	72,75,000	3,03,67,181	1,53,71,846	5,61,984	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co.	170	100	11 0*	11 0*	11 0*		12	Y.
45 00,000	55,24,847	7,24,608	3,07,108	26,484	Sir Joseph Kay K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	160	20 0	20 0	20 0		12	Y.
Other Centres														
47,92,000	1,94,82,556	3,73,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd... ..	Aluminium Corporation of India Ltd..	10½	O. 10	*Nil*	*Nil*	*Nil*	0 8[		Y.P.T.
2,50 000							6N	D. 2½				*Nil*		
40,00,000	28,25,000	56,26,345	21,56,000	64,587	Seshasayee Bros. (Travancore) Ltd...	Aluminium Industries Ltd.	19½	10	1 4	1 4	1 4	1 4*	8	Y.
30,00,000	35,05,073	82,16,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	18½	10	1 4	1 4	1 4	2 0*	8	Y.
30,00,000	8,85 000	38,39,494	20,85,060	1,18,395	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	20	10	1 4	1 4	1 4	1 4*	8	Y.
20,00,000	27,47,883	1,01,49,337	39,87,880	32,688	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India	102N	10	0 3 1/5	0 3 1/5	0 5 2/5		8	Y.P.T.
80,01,400	1,16,53,000	67 47,111	25,97,111	5,03,129	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	152	100	20 0*	18 0‡	12 8		12	Y.
12,00,000	9,10,000	31,37 443	24,05,443	76,830	Balmer Lawrie & Co., Ltd.	Benpur Lawrie Mills Co., Ltd. ..	24	10	1 8	2 8	2 4	1 2[	6,12	Y.
30,00,000	7,95,430	62,57 994‡‡		1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.P.
45,97,020	30,11,814	1,10,56,424	35,87,889	1,79,277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	142	10	1 0	1 0	1 0	1 0	8	Y.P.T.
2,25,00,000	1,16,11,805	2,82,03,915	2,22,14,167	—27,39,584	Sir Stuart Henties	British India Corporation Ltd. ..	5-7½	5	0 8	0 8	*Nil*		12	Y.P.
1,38,80,000	17,34,704	2,03 27,202‡‡		12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	9½	10	0 4 1/5	0 3 1/5	0 9	1 6	8	Y.
1,50,00,000	3,14,86,174	5,15,59 036	2,20,82,990	11,71,686	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	26½	10	1 12	1 8	1 8		12	Y.
51,28,000	54,12,212	1,42,47,083‡‡		3,06,138	Bird & Co. Private Ltd.	Eastern Investments Ltd.	129	100	9 0	9 0	9 0		12	Y.
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.'	145	100	20 0	15 0	15 0		8	H.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11‡	10	7 8	7 8	1 6 2/5		8	Y.
30,00,000	14,67,354	81,29,620	33,58,922	7,458	B. P. R. Syndicate	Great Eastern Hotel	225	250	15 0	6 4	6 4	15 0	8	Y.
4,98,05,700		3,94,18,142	1,81,88,541	6,16,052	Birla Brothers Private Ltd... ..	Hindustan Motors	7½	10	0 8	1 0	1 0	1 0	8	Y.
1,50,00,000	46,77,754	4,19,74,246	1,74,76,603	6,18,074	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	14½	10	*Nil*	*Nil*	9 0		12	Y.P.
1,52,89,220	1,37,00,000	1,99,38,789	71,50,911	32,04,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	33½	10	1 0*	1 0*	1 4*	1 8*	12	Y.P.
3,27,970	8,03,000	16,74,908	9,60,806	62,722	G. S. Moulton & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	19	10	0 12	0 8	1 0	0 10	8	Y.
15,15,00,000	7,89,02,692	4,15,59,461	1,53,28,377	24,94,274	Mr. G. H. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	14	10	...	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.
2,00,00,000	57,29,566	37,46,556	11,08,845	5,11,852	G.M. Mackinlay, Esq.	Jardine Henderson	75	100	7 8	7 8	7 8	7 8	3	Y.P.
6,34,000	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	2½	O. 5	*Nil*	*Nil*			8	Y.
66,000 D.							2½	D. 1						
40,00,000	80,86,900	26,18 922	8,72,670	2,57,234	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	205N	O.100	10 0	17 0	22 8		12	Y.P.
5,00,000 D.							10	D.10	0 8	1 3 1/5	1 12			
1,37,53,000	60,54,276	22,58,051	11,34,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22½	10	1 6*	1 8	1 13½		9	Y.P.
1,15,00,000	55,50,000	1,88,37,973	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	25½	10	1 0	1 0	1 4	1 10	9	Y.P.
6,35,585	1,55,250	7,83,598	2,60,987	—2,86,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works	4	10	*Nil*	*Nil*	*Nil*		6	Y.
8,56,250	9,18,696	11,18,541	5,51,088	440	M.	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 2/5	3	Y.T.
10 00,000	2,18,500	13 54,005	9,41,427	44,518	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	18	10	1 0	1 4	1 0	1 8	3	Y.T.
40,00,000	51,21,172	1,09,59,527	39,50,120	2,22,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co...	25½	10	1 0	1 0	1 8*		8	Y.
79 97 000		1,17,52,757	57,19,268	8,99 682	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	*Nil*	0 8	0 12 4/5		12	Y.P.
2,75,00,000	7,25,185	1,53,49,091	40,14,109	—33,99,179	M. P. A. Pespatti, Esq.	Ralli's (India) Ltd.	87½	100	*Nil*	*Nil*	*Nil*		8	Y.P.
1,72,24,400	1,31,20,208	7,56,34,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	19½	10	1 4	1 8	1 8		10	Y.P.T.
40,00,000	93,60,594	1,18,78,870	70,99,687	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16½	10	1 8	1 8	1 8		10	Y.
75,00,000	54,13,860	17,49,619‡	5,53,235	2,65,280	Shaw Wallace & Co., Ltd.	Shaw Wallace & Co., Ltd.	11½	10	1 0	0 12	1 0		12	Y.
9,95,880	.....	14,99,289	3,84,580	.....	Govan Bros. (Rampur), Ltd.	Travancore Ogale Glass	3½	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.10 each.

Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,34,884	5,38,169	...	McLeod & Co., Ltd.	825	Amluckie	300	100	25 0	75 0	19 0		12	Y.P.
5,50,000	8,43,250	10,99,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea ..	394	10	1 4	7 81			12	Y.
3,50,000	8,93,250	11,21,676	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	18	10	2 8	8 0*	1 0		12	Y.
5,50,000	11,21,541	17,50,465	7,95,127	36,051	McLeod & Co., Ltd.	513	Bazhmari	23	10	*Nil*	2 8	1 0		12	Y.
5,10,000	9,10,000	12,25,582	4,59,309	56,735	Andrew Yule & Co., Ltd.	278	Basmatia	27½xd	10	2 8	3 0	1 8		12	Y.
3,30,600	4,05,000	11,68,776	7,13,759	50,293	National Tea Corporation ..	570	Batel	27½	5	2 0	4 0	2 8		12	Y.
3,20,000	9,40,000	10 27,063	3,08,925	66,155	Gillanders Arbuthnot & Co., Ltd.	612	Beljan	22½	10	2 0	4 0	2 0		12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,907	Bishnauth	18½	10	3 8	7 0			12	Y.
6,00,000	2,50,000	10,97,919	2,26,068	29,638	Octavius Steel & Co., Ltd. ..	485	Bokakhat	17	10	*Nil*	*Nil*	1 0		12	Y.
7,50,000	7,27,350	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Borah Jan Tea ..	19	10	0 12	3 8	2 0		12	Y.P.T.
25,00,000	11,78,802	79,82,234	27,45,021	5,15,711	M.	2,334	Brooke Bond	19½	10	0 8	1 4	4 12	1 4	12	Y.P.
1,20,000	4,25,426	6,44,302	2,17,579	42,144	McLeod & Co., Ltd.	282	Dejoo Valley	47xd	10	1 0	6 0	3 0		12	Y.
6,00,000	9,76,000	17,66,034	7,67,783	46,910	Jardine Henderson Ltd.	1,134	Desai & Parbuttia ..	300	100	20 0	40 0	10 0		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd. ..	661	Dhelakhat	20½	10	1 8	2 8

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd. ..	Balmadies Plantations ..	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,883	79,711	Peirce, Leslie & Co., Ltd.	Cochin Malabar ..	0-1½	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	28	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,380	25,13,535	1,12,312	R. C. Paterson, Esq. ..	Consolidated Coffee	18½	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,996	7,58,759	40,878	1,069	Associated Planters Ltd. ..	Cottanad Plantations ..	18½	10	1 8	1 8	1 12*	1 8	3	Y.P.T.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	14 4/6d	10	1 4	2 8	2 0	0 10½	12	Y.P.
4,00,000	10,92,899	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24cd	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	27½	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	17½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Neameny Rubber	20½	10	0 12	1 8	1 8	....	12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	16	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	24,00 991	41,19,708	1[illegible]4,557	40,399	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates ..	4½	2	0 3½	0 9 3/5	0 6 2/5	....	10	Y.P.T.
13,50,000	9,90,000	42,15,515	5,,2,127	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	20½xd	10	1 12*	1 12*	2 0	2 8	6	Y.P.
3,65,780	3,90,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd. ..	21	10	3 0	2 8	1 0	....	11	Y.
10,00,000	3,09,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9-5½	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamaranjally Rubber ..	28	10	3 0	3 0	3 0	....	12	Y.P.
2,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-0½	1	0 4½	0 1 3/5	0 2	....	9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Rapen Thomas, Esq. (Mg. Director)	Travancore Rubbers	20½	10	2 0	2 0	3 0	....	12	Y.
41,00,000	14,30,799	76,82,300	8,68,181	2,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd. ..	20½	10	2 0	2 0	3 0	....	12	Y.
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	30½	25	3 0	5 0	4 0	....	12	Y.P.T.
6,24,580	5,40,670	8,51,488	16,128	40 780	Harrisons & Crosfield Ltd. ..	Vaikundam (Travancore) Rubber ..	31cd	10	2 0	2 4	2 8	1 8l	12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	11¼	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	29,600	B. N. Elias & Co., Private Ltd. ..	879	Azarpara	9½	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6,00,000	10,25,000	51,65,438	36,93,877	1,38,329	McLeod & Co., Ltd. ..	446	Alexandra	180	100	2 8	7 8	10 0	....	6,12	H.P.T.
30,00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd. ..	1,264	Alliance	100	100	5 0	12 0	6 0	....	6,12	H.P.
49,20,700	69,00,000	2,90,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	133½	100	12 8	7 8	8 8	8 8	3,9	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co., Private Ltd. ..	810	Auckland	87	100	4 0	3 8	10 0	1 0[illegible]	3,9	H.P.T.
20,00,000	23,80,918	96,01 416	65,85,094	65,302	Jardine Henderson & Co. ..	959	Bally	140	100	4 0	Nil	3 8	Nil f	3,9	H.P.
£275,000	£667,405	£1,477,480	£387,176	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	97	£5	£1 0	sh. 15	sh. 15	Nil	3	Y.P.
2,00,000	28,00,023	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd. ..	820	Belvedere	108	100	15 0	10 0	7 8	Nil t	6,12	H.P.
91,20,000	2,17,45,383	3,34,10,402	1,45,32,651	4,37,393	Soorajmull Nagarmull ..	600	Bengal	13½	100	1 1	1 2	1 2	....	6	Y.P.T.
86,00,000	21,81,426	1,17,90,047	72,95,930	1,338	Birla Brothers Private Ltd. ..	1,373	Birla	14¾	10	3 0	1 0	1 0	1 0	3	Y.P.
7,47,380	3,09,640	42,13,704	31,62,683	—3,31,470	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	100	100	10 0	9 0	7 8	Nil	4,10	H.P.
18,00,000	26,46,234	87,35,341	43,24,058	1,328	Dayaram & Sons	90N	Calcutta Jute Mfg. ..	502	100	1 0	12 12	Nil	....	6,12	H.P.T.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	Andrew Yule & Co., Ltd. ..	616	Caledonian	110	100	12 0	9 0	6 8	Nil t	5,11	H.
15,95,000	10,83,032	82,12 211	57,10,175	1,387	Andrew Yule & Co., Ltd. ..	500	Champdany	125	100	6 0	3 0	10 0	2 0[illegible]	3,9	H.
30,15,000	31,00,000	64,10,068	47,77,690	1,32,949	McLeod & Co., Ltd. ..	500	Chitavalsah	142	100	12 0	14 0	10 0	Nil t	5,11	H.P.
24,00,000	24,00,000	78,13,716	66,22,992	1,07,142	Shree Krishna Investment Co., Ltd	500	Clive	14	10	Nil	Nil	1 4s	....	3	H.P.T.
11,49 200	46,65,252	1,17,35,454	46,04,775	—2,25,843	Bird & Co., Private Ltd. ..	969	Dalhousie	85	100	4 0	2 8	4 0	Nil	3,9	H.P.T.
28,00,000	40,71,679	76,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd. ..	766	Delta	124	100	20 0	12 0	10 0	Nil t	5,11	H.P.
15,00,000	84,50,000	82,62,679	59,80,760	76,204	McLeod & Co., Ltd. ..	779	Empire	155	100	1 0	1 4	1 4	....	6,12	H.T.P.
21,00,000	60,60,960	2,70,39 034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	313N	100	Nil	6 8	15 0	7½	3,9	H.T.P.
21,00,000	13,00,000	97,85,074	54,63,692	1,34,822	Bangur Bros., Ltd. ..	1,014	Fort William	19	10	5 0	20 0	20 0	0 12½	3,9	H.T.P.
54,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	Macneill & Barry Ltd. ..	1,709	Ganges Mfg.	52	100	Nil	0 8	2 8	Nil t	3,9	H.P.
10,80,000	28,00,000	71,52,963	48,43,492	—74,092	Gillanders Arbuthnot & Co., Ltd.	607	Goodall	808	100	15 0	Nil	....	....	12	Y.
24 00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd. ..	1,394	Gourepore	190	100	3 12	10 0	15 0	2 8[illegible]	3,9	H.P.
30,00,000	54,68,233	1,14,86,848	56,72,180	3,40,348	Bangur Bros., Ltd. ..	1,078	Hastings	100N	100	10 0	10 0	11 8	5 0	3	Y.P.
65,62 500	18,61,969	96,47,731	47,70,916	—2,95,253	Baijnath Bajoria	720	Hooghly	20	10	1 0	1 0	1 4	Nil	3,9	H.P.
52,50,000	49,64,372	1,82,66,485	1,10,52,708	57,034	Jardine Henderson Ltd. ..	1,940	Howrah	18	10	1 8	1 4	0 14	0 4[illegible]	3,9	H.P.T.
55,50 000	27,85,153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	20	7½	3 0	3 2	2 0	2 0	3	Y.P.T.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	120	O. 125	6 4	3 0	2 8	4 11½	3,9	H.
								—	D. 1	0 4/5	0 2/5	0 0	0 3/5		
14,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd. ..	1,797	Kamarhatty	97	100	9 0	8 0	8 0	2 8	6,12	H.P.
20 00 000								95	'B' 100	9 0	8 0	8 0	2 8		
24,00,000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd. ..	1,527	Kankanrrah	70½	100	7 8	6 8	8 0	2 8	6,12	H.P.
								68½	'B' 100	7 8	6 8	1 0	0		
21,00 000	53,00,000	1,22,91,697	83 77,484	1,10,851	McLeod & Co., Ltd. ..	703	Kelvin	15	10	15 0	20 0	17 8	....	6,12	H.P.
54,00 000	23,83,375	1,72,56,983	1,18,60,127	56,928	Anderson Wright Ltd. ..	1,530	Khardah	120xd	100	17 8	12 8	11 0	5 0f	3,9	H.P.
48,00 000	1,03,90,860	2,44,37 944	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	123	100	9 0	7 0	13 0	6 0f	3,9	H.P.T.
24,45,000	39,51,564	1,11,32,345	47,99,245	—2,12,778	Bird & Co., Private Ltd. ..	931	Lansdowne	95	100	7 0	2 0	7 0	Nil t	3,9	H.P.
30,00,000	55,75,192	1,16,29,880	64,57,897	3,793	Bird & Co., Private Ltd. ..	840	Lawrence	96	100	5 0	6 0	6 0	Nil t	3,9	H.P.
61,65,200	26,36,045	2,64,13,349	1,26,97,309	1,64,942	M.	1,283	Megna	65½	100	5 0	2 8	3 12	3 12f	3,9	H.
20,98,900	38,40,147	1,84,84,466	1,01,37,572	—3,06,418	M. W. Heilgers & Co. (Private) Ltd.	71	Naihati	100	Nil	Nil	Nil	Nil	Nil t	3,9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	10	10	0 5	1 2	0 10	....	4,10	H.T.
35,00,000	41,54,326	30,26,401	10,32,816	1,929	Andrew Yule & Co., Ltd. ..	852	National	18½	10	2 0	2 0	1 12	0 6	4,10	H.P.
26,25,000	27,75,622	2,77,51,822	20,34,906	1,04,257	McLeod & Co., Ltd. ..	316	Nellimarla Jute	18	10	1 12	1 0	1 0	....	6,12	H.P.T.
55,50 000	2,71,44,342	4,29,15,627	96 26,548	3,71,293	Sahu Jain Ltd.	1,765	New Centralf	18½	10	24 0	17 0	1 8	0 12l	3	Y.P.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Private Ltd. ..	567	Northbrook	10½	10	1 2	1 4	1 8	1 8f	3,9	H.P.T.
16,79,500	22,34,961	2,11,37,666	1,39,46,311	17,000	Macneill & Barry Ltd. ..	1,026	Nuddea	30½	50	1 0	1 0	1 8	Nil t	3,9	H.
24,93 250	23,73,799	75 07 658	50 85,690	537	Andrew Yule & Co., Ltd. ..	601	Orient	105	100	12 0	10 0	9 0	1 0f	3,11	H.P.
35,00,000	6,28,490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd. ..	400	Presidency	4½	5	0 2	0 3	....	....	6,12	H.T.
2,00,000	2,68,500	7,81 436	50,977	5,110	Associated Planters Ltd. ..	305	Ramanbwara	20½	Nil	Nil	Nil	Nil	Nil t	3	H.P.
19,45,980	24,00 991	41,19,708	1[illegible]4,557	40,399	Peirce, Leslie & Co., Ltd. ..	1,276	Reliance	9½	10	0 8	Nil	Nil	Nil t	3,9	H.P.T.
£800 000	£1,093,713	£1,245,244	....	658,994	Thomas Duff & Co. (India) Ltd. ..	2,018	Samnuggur	10½	£1	10%	10%	8%21	....	12	Y.P.
30,00,000	13,12,193	1,04,70,653	75,85,888	4,667	Hazarta Ram & Co., Ltd. ..	911	Shree Ambica	16N	10	0 8	1 0	0 8½	....	3,9	H.P.
14,00,000	11,25,000	66,11,794	38,79,294	3,156	Hindustan Investment Corporation	401	Soorah	18N	10	0 8	1 0	1 8	....	3,9	Y.P.T.
£5,19 600	42 72,182	1,27 38,246	58,23,439	—4,87,127	Bird & Co., Private Ltd. ..	650	Standard	75	100	2 0	2 0	1 0	Nil	3,9	H.P.T.
£600,000	£985,119	2,15,17,660	....	633,648	Thomas Duff & Co. (India) Ltd. ..	1,794	Tribeni	10½	£1	10%	10%	8%21	....	12	Y.P.
£5,88,600	88,06,728	2,00,00,808	84 28,958	18,334	Bird & Co., Private Ltd. ..	1,326	Union	114	100	5 0	6 0	10 0	1 0f	3,9	H.P.T.
£400,000	£688,038	£1,124,819	....	680,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	10	£1	10%	10%	8%21	....	12	Y.P.
2,50,000	6,85,000	85,36,062	40,33,991	14,516	McLeod & Co., Ltd. ..	457	Waverley	3½	1	0 1	0 8	0 3	....	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20½	10	1 0	1 5	1 6	....	5,9	H.
12,00,000	6,77,642	37,37,034	34,90,182	45,399	Jardine Henderson Ltd. ..	Bararee Coke	17½	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 3/5f	3,9	H.
5,49,350	70,000	4,49,159	5,40,966	4,651	Andrew Yule & Co., Ltd. ..	Bengal-Bhaidee	6N	10	0 12	0 12	....	....	6,12	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	445½	200	32 8	30 0	35 0*	....	6,12	H.P.
2,25,000	4,22,889	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	15	10	Nil	Nil	....	....	6,12	H.P.
15 97,000	4,73,358	87,70,192	22,77,364	13,398	H. V. Low & Co., Ltd. ..	Bhalgora	6½	10	0 8	....	....	....	9	Y.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	6¾	10	0 12	0 10	0 10	....	6	Y.P.T.
7,15,000	15,11,000	52,62,538	37,38,500	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulanbararee	14N	10	Nil	Nil	Nil	....	6,12	H.T.
15,00,000	15,17,986	63,14,856	39,90,941	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	9½N	10	0 8	Nil	Nil	Nil t	6,12	H.P.
7,50,000	24 29,026	42,39,603	26,53,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borora	21	10	2 12	2 0	2 0	....	6,12	H.
90,92,480	1,75,17,502	4,19,21,370	1,86,17,846	1,15,376	Bird & Co., Private Ltd. ..	Burrakur	21½	10	0 12	0 9	0 10	....	6,12	H.P.T.
49,97 750	....	42,33,430	7,80,000	9,997	Hindustan Investment Corpn., Ltd.	Central India	6½	10	0 4	0 4	0 4	0 8	3	Y.
8,00,000	13,54,802	49,10,414	32,63,954	82,768	M.	Central Kurkend	12½N	10	1 3	....	....	....	6,12	H.
6,00,000	1,43,676	7,28 438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churila	2½	4	0 2	0 2	0 1f	....	6,12	H.
16,00,000	....	53,81,704	29,81,276	—1,83,318	Macneill & Barry Ltd.	Dhemo Main	6½	10	Nil	Nil	Nil	....	6,12	H.T.
£40,000	£380,653	£970,695	£731,570	£58,922	Jardine Henderson, Ltd. ..	East Indian	26½	£1	2 8	2 8	3 0	2 8	4	Y.
£2,63,760	£8,55,049	4,04,51,377	2,89,25,665	82,379	Macneill & Barry Ltd.	Equitable	24½	10	1 8	1 8	1 8	....	6,12	H.P.T.
10,00,000	2,15,000	10,71,864	7,80,000	11,273	Shatter's Agency Ltd.	Ghusick and Muslia	13½xdN	10	0 8	0 8	....	....	3	Y.
12,00,000	1,22,000	41,35,247	23,43,142	1,144	Killick Industries Ltd.	Hindu-Rampur	41½	50	3 0	Nil	2 4	2 4	6	Y.P.
32,00,000	7,25,000	22,07,121	18,89,341	45,985	Macneill & Barry Ltd.	Hurriladih	21	10	1 8	1 12	2 8	....	6,12	H.
2,50,000	1,12,060	24,74,412	6,18,546	—5,57,293	Rajpale Trust Ltd.	Jogta Coal	2½	10	Nil	Nil	....	....	12	Y.P.
20,00,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalaphari	22½	10	2 12	Nil	Nil	....	2,8	H.
5,00,000	1,77,175	28,89,583	4,65,140	6,965	Bird & Co. Private Ltd.	Karanpura Collieries ..	105	100	Nil	Nil	2 8	5 0	3	Y.P.
16,00,000	16,60,000	48,77,533	26,47,985	1,33,474	Andrew Yule & Co., Ltd. ..	Katras Jheriah	65½xd	10	4 0	4 0	5 8	....	1,7	H.
11,00,240	5,72,960	12,85,941	5,72,960	—2,60,236	Jatiwala & Co.	Khas Kajora	24N	10	Nil	Nil	....	....	6,12	H.P.
9,00,000	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	2½N	10	Nil	Nil	....	....	6	Y.
11,86,413	28,69,268	28,69,268	22,27,987	2,255	H. V. Low & Co. Ltd.	Lakurka	10N	10	0 8	0 4	....	....	4	Y.
2,48,240	2,00,000	13,13,208	9,66,219	31,201	Tantia Brothers Ltd.	Nazira	6½	10	0 8	0 8	0 8	....	12	Y.
7,00,000	26,617	10,33,740	5 20,295	4,560	Amritlal Ojha & Co., Ltd. ..	New Banadeopur ..	9N	10	0 12	1 4	....	....	12	Y.
54,32,100	20,01,224	1,19,78,853	88,63,065	24,808	Andrew Yule & Co., Ltd.	New Beerbhoom	14½	10	1 0	1 2	1 0	....	3,9	H.
6,00,000	75,000	33,00,471	21,20,197	70,222	Octavius Steel & Co., Ltd. ..	New Jhanbhoom	10½	10	Nil	Nil	Nil	Nil	4,10	H.P.
1,15 000 } 1 57 500 }	2,85 193	13,07 219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	17½N 10N	10	0 4	Nil	1 6	0 12f	3,9	H.
							7½	10	0 8	Nil	1 0½	0 9l		
7 50 000	12,21,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	141N	10	2 0	1 0	1 0	....	3,9	H.
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	8½N	10	0 6	0 8	....	....	6,12	H.P.
8,34,000	10,000	17,52,137	8,30,795	3,018	Deepchand Kishenlall	Parasea	14N	10	0 4	0 12	....	....	12	Y.P.
15,75,000	16,00,000	47 70,275	85,30,275	33,343	Shaw Wallace & Co., Ltd. ..	Pench Valley	19½	10	1 10	1 10	1 8	....	6,12	H.P.
23 99 500	20,17,105	1,24,35,588	87,36,164	23,188	B. N. Elias & Co., Private Ltd.	Raneegunge	9½xd	10	Nil	0 8	0 10	....	3,9	H.
13,50,000	8,53,386	35,36,765	27,73,764	28,521	Shaw Wallace & Co., Ltd. ..	Rowa	21	10	2 0	1 6	0 14	0 6	3,9	H.
20,00,000	3,90,000	44,28,885	18,78,113	3,20,175	Jaipuria Sons Ltd.	Samla Collieries ..	14N	10	0 8	0 12	1 0	....	6,12	H.
2 50,000	1,93,802	13,78,480	12,21,237	21,070	M.	Searsole	5N	2½	0 10	0 10	0 12	....	12	Y.
2,80,000	8,36,598	29,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd.	Seebpore	28½xd	7	1 12	2 0	2 8	....	6,12	H.T.
8,00,000	5,31,289	52,491	28,987	7,503	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9N	10	Nil	0 2	0 4	....	6,12	H.T.
63,21,450	23,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Government of Hyderabad) ..									
17,50,000	10,84,016	37,86,103	15,14,990	—51,533	Bird & Co., Private Ltd.	Singareni	10½	10	Nil	0 11 1/2	0 12	....	12	Y.T.
8,00 000	18,69,395	1,69,570	26,510	17,347	F. W. Heilgers & Co. (Private) Ltd.	South Karanpura ..	9N	10	0 4	0 2	0 2	....	2,8	H.
10,00 000	12 950	30,82,299	15,48,502	—4,07,745	Standard	Standard	20½	10	2 0	1 8	1 0	....	6,12	H.
2,50,000	2,80,000	20,47,944	15,85,944	—9,659	Villiers Ltd.	Talcher	2½	2½	Nil	....	....	....	9	Y.
49,98,000	67 984	55,66,550	22,00,000	7,262	Williamson Magor & Co., Ltd. ..	Union	13½	10	1 12	0 12	Nil	....	6,12	H.
7,00,000	21,589	58,46,871	23,81,696	—1,46,550	Hindustan Investment Corpn., Ltd.	Western Bengal ..	5½	10	0 6	0 6	0 8	0 8	3	Y.
					Macneill & Barry Ltd.	West Jamuria	11	10	Nil	Nil	Nil	....	6,12	H.

M—Managed by the Board of Directors. ‡ Less income-tax. z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1956. •]
(1) Made up of an interim dividend of Re. 1-12 per share on 1 20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 sh
† New Central Jute Mills.—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Centra
‡ West William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

BUOYANCY OF U.S. ECONOMY

(*Concluded from page 116*)

incentive and the means to expand capital programmes are diminished. Meanwhile, debts rise and liquidity declines. Inventory accumulation eventually reaches a peak and no longer adds to total demand. Mistakes and miscalculations are made and maladjustments develop which require a period of digestion and correction.

"However, the attitude, 'Things are just too good to last,' is not an adequate basis for expecting a downturn. The stresses and strains which usually accumulate in a booming economy and eventually demand correction are not particularly severe as the new year opens. Inventories are high but not burdensome when related to unfilled orders and general business levels. Inventory liquidation would accelerate a decline but seems unlikely to trigger one. Speculative excesses and unsound credit practices are restrained by the tight money policy. Excess industrial

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	12,42,652	Allahabad Bank	360 / 180	100 / 50	18 0‡ / 9 0‡	18 0 / 9 0‡	18 0 / 9 0‡	9 0‡ / 9 0‡	12	Y.P.
1,01,000 / 83,58,500	15,40,000	2,46,650	Andhra Bank	120 / 85½	100 / 70	6 8 / 3 12	7 8 / 4 8 4/5	8 8 / 2 10‡	3 12‡ / 2 10‡	6,12	H.
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	104½	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	22½	25	0 12	0 12	0 14		12	Y.
2,50,00,000 / 50,00,000 'A'	3,60,00,000	29,29,924	Bank of India	142 / 138½	50 / 50'A'	7 0	7 0	8 0	8 0	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	52½	25	1 8	3 0	3 8		12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	39½	50	16 0‡	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	240	100	2 8	16 0‡	16 0‡	8 0‡	12	Y.
61,21,700	58,73,013	10,060	Bombay State Co-operative Bank	57N	50	4 8	2 8	2 0		6	Y.T.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	5 0‡	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	3 0	5 0	5 8‡		12	Y.P.
2,62,11,875 / 53,42,375 'A'	4,01,81,217	18,40,359	Central Bank of India Ltd.	55½ / 60	25 / 25	3 0	3 0	3 0	1 8‡	12	R.L.Y.
50,00,000	34,50,000	2,13,141	Devkaran Nanjee Banking Co.	42	50	4 0	2 0	2 8	3 0	12	Y.
1,50,00,000	1,00,00,000	26,77,148	Habib Bank (F)	72N	20	1 8	4 0	4 0		12	Y.
50,00,000	26,00,000	1,66,278	Hind Bank	35	50	*Nil*	1 8	3 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9½	50	*Nil*	*Nil*			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	13	50	5 0	*Nil*			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	12 0‡	6 0‡	5 0		9	Y.
24,00,000 / 18,00,000 / 18,20,000	79,75,000	1,45,140	Indian Bank	199 / — / 158	100 / 95 / 75	10 8½	12 0‡ / 7 3‡	12 0 / 10 3‡	6 8‡ / 7 12‡	6,12	R.L.H.
49,19,575	80,00,000	2,28,299	Indian Overseas Bank	160	100	*Nil*	6 0	7 8		12	Y.
2,25,000 / 6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½ / 10½	100(A) / 25(B)	*Nil* / 3 0	*Nil* / *Nil*			6,12	H.
10,00,000				20	50(C)	2 0	*Nil*				
87,50,000	97,50,000	2,35,108	Punjab National Bank	55½	25	0 10	3 0	3 8	2 0‡	12	Y.
1,00,00,000	£3,80,000	43,597	Travancore Bank	16‡	25	0 5‡	0 12	1 0		12	Y.
40,00,000	£5,00,000	1,96,238	Union Bank of India	7‡	5	2 0	0 5‡	0 6		12	Y.
2,00,00,000	95,00,000	£7,761	United Commercial Bank	60‡	50		2 8	5 12		12	H.
PRINCIPAL EXCHANGE BANKS								Dividend (per cent.)			
£3,500,000	£5,000,000	£405,375	Chartered Bank	£1-18-0	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6½	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $10,605,689	Hongkong and Shanghai Banking Corporation	$93½	H.K. $125	5*	5*	5*	2*‡	12	Y.
$18,585,070 'A' / $375,000 'A'	£15,000,000	£558,006	Lloyds Bank	£2-10-0	£5 A	14†	15†	12†		12	R.L.Y.
$375,000 'B' / $720,000 'C'	£1,750,000	£219,372	Mercantile Bank of India	£3-13-6 / £3-13-6	A £2½ / B £2½ / C £1	14†	14†	14†		12	R.L.Y.
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-0-3	sh. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June — 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February — 1960
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	99‡	30th December — 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December — 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November — 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April — 1956-61
£5,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96½	1st November — 1959-64
COAL						
£0,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June — 195b
£0,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91‡	30th June — 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December — 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April — 1964
4,00,000	4½	10th May and 10th November	Benzal-Nagpur	1897	98‡	15th November — 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March — 1972(a)
13,65,000	5½	1st June	Jayshree Textiles	1949	90N	1st January — 1956-59
£9,90,000	5		Tata Mills	1951	99‡	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March — 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd.		100	14th June — 1960
98,23,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97‡	1st October — 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December — 1964(a)
£2,32,30,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	99‡	1st January — 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85‡	31st December — 1970
13,00,000	5	1st January and 1st July	Surat (Dinrithi) Electric Supply Co., Ltd.	1951	96	30th June — 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July — 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October — 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September — 1953-63
5,00,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July — 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1stJuly — 1970
£2,50,00,000	4	1st April and 1st October	Tata Power		88‡	15th September — 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December — 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June — 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100‡	1st July — 1957-62
£1,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£97	31st December — 1966(‡‡)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May — 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98‡	1st October — 1965-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December — 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97‡	31st March — 1959
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June — 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	90	31st December — 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June — 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July — 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June — 1966
£0,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March — 1959(a)
8,88,000	5	15th January and 15th July	Empire	1951	94‡	15th July — 1966(a)
£5,00,000	5½	1st January and 1st July	Hukumchand	1947	92‡	30th June — 1957
£0,00,000	5	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	97‡	31st March — 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	96‡	31st December — 1964(a)
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March — 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May — 1959
£0,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December — 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June — 1958
£5,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September — 1955(a
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September — 1957
12,00,000	4½	30th June and 31st December	Union	1937	96‡	30th June — 1957
10,00,000	5½	31st January and 31st July	Waverly	1925	87‡	31st July — 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July — 1954
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189 363	5	1st April and 1st October		1933	£77½N	1st October — 1974
6,50,000	3½	30th June and 31st December	Katakhal- Lalabazar Railway	1945	90‡	31st December — 1959(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months notice (a)
4,33,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96	1st September — 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102‡	1st July — 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		100‡	1st April — 1958-63
1,89,700	5½	31st March and 30th September	Teekoy	1944	100	31st March — 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December — 1965
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December — 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June — 1957
2,00,00,000	5	1st March and 1st September	Burmah-Shell	1954	100‡	1st September — 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October — 1973
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February — 1964
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89‡	1st July — 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September — 1969
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100	1st January — 1971(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101‡	30th June — 1966(a)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95‡	1966
38,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	525	30th September — 1976(a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470 (per note)	31st December — 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	89N	1st April — 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100‡	30th June — 1965-70
1,00,000 00	5½	31st March	Orient Paper Mills Ltd.	1951	96‡	31st March — 1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December — 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101	1st May — 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on 6 months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th January, 1957.

	Closing quotations 10-1-1957	High	Low	Closing quotations 17-1-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	180	—	—	180
Apollo (2)	2-7‡	2‡	2-7‡	2‡
Bombay Dyeing (250)	542‡	571‡	542‡	565
Bradbury (50)	217‡	230	218‡	220
Central India (100)	122	126‡	121	125‡
Century Mills (100)	481	500‡	479	495
Colaba (100)	85	85	80	80
Edward Textile (200)	310	—	—	310
Elphinstone (50)	48	50‡	48	50‡
Finlay (100)	301	316	302	313
Gokak (100)	218	225	218	225
Ind. Untd. Defd. (1)	1‡	1‡	1-12‡	1-13‡xd
Ind. Untd. Ord. (10)	11-3‡	11‡	10‡	11-0‡xd
Indore Malwa (100)	136‡	141‡	138‡	141‡
Khatau (100)	217‡	226‡	218‡	224★
Kohinoor (100)	319‡	332	316	329
Lakshmi (250)	680	—	—	680
Minerva Mills (100)	90	90	87‡	90
Model Nagpur (250)	175	—	—	175
Morarji (100)	261‡	—	—	261‡
Mysore (50)	101‡	102‡	101‡	102‡
National Rayons (100)	231‡	245	233‡	242‡
New City (100)	141‡	145	141‡	145
New Great (100)	240	242	240	241
Phoenix (100)	142‡	145	138‡	145
Podar Mills (100)	164‡	170	168‡	168‡
Sassoon Silk (10)	9‡	—	—	9‡
Sassoon Spg. (10)	39	—	—	40
Sholapur (1,000)	1,450	—	—	1,450
Shrinivas (100)	187‡	196‡	187‡	196‡
Simplex (50)	180	185	180‡	184‡
Standard (100)	436‡	447‡	436‡	445
Svadeshi (100)	222‡	255‡	221‡	233
Swan (100)	405	420	405	418‡
Tata Mill (25)	48	51‡	48	50‡
Vishnu (100)	138‡	—	—	138‡
Western India (1,000)	5,180	—	—	5,180
BANKS				
Bank of India (50)	138‡	142‡	138‡	142
Do. (New) (50)	138‡	—	—	138‡
Bank of Baroda (50)	100	104‡	100	104
Central (25)	52	56‡	52‡	56
Central 'A' (25)	54‡	60‡	55	60‡
Dena Bank (50)	40	—	—	42
Punjab National (25)	51	56	51	56
Union Bank (5)	7★	—	—	7★
United Com. (50)	54‡	61‡	54‡	59‡
ELECTRIC COS.				
Ahmedabad (100)	93★	95‡	93★	95‡
Amalgamated (10)	10‡xd	10-11‡	10‡	10‡
Andhra Valley (1,000)	1,206‡	1,220	1,205	1,220
Bom. Sub-El. (100)	109‡	109★	108‡	109‡
Surat (100)	111‡	112‡	111‡	111‡
Tata Hydro (100)	123	124‡	122‡	124
Tata Power (1,000)	1,221‡	1,242‡	1,222‡	1,237‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	350	—	—	350
Ind. Mercantile (20)	41	—	—	41
Jupiter (15)	6★	—	—	6★
New India (15)	43‡	44‡	43‡	44
Oriental (200)	3,655	—	—	3,655
Universal (10)	11‡	—	—	11‡
Vulcan (10)	16‡	15‡	16‡	16‡
STEEL COS.				
Ind. Iron (10)	28	29	27-15‡	28‡
Tata Steel Ord. (75)	170	176‡	169	176
SUGAR COS.				
Belapur (50)	242	234	226‡	233‡xd
Bhopal (10)	16‡	16‡	16‡	16‡
Phaltan (50)	145‡	151	146‡	147‡
Walchand (100)	256‡	268‡	258‡	266‡
CEMENT COS.				
Associated Cts. (100)	181	185‡	181	183‡
Digvijay (100)	151	153‡	151	153
MISCELLANEOUS				
Alcock Ashdown (100)	256‡	280	257‡	273‡
Bom. Burmah (125)	656‡	698‡	655	690
Do. (New) (50)	237‡	262‡	240	262‡
Br. B. Petrol (4 sh.)	2-11‡	2-14‡	2-11‡	2‡
Br. Ind. Corpn. (5)	8‡	8‡	8‡	8‡
C. P. Ry. (100)	71xd	71	70‡	71
Indian Copper (2 sh.)	3‡	3‡	3‡	3-11‡
Ind. Inv. Tr. (100)	70	—	—	70
Kemp (200)	190	—	—	190
Killicks (100)	164‡	167	165	166
Polson (100)	160	160	158‡	160
Port Canning (100)	7‡	—	—	7‡
Premier Con. (30)	177‡	188‡	178	185
Scindia (20)	18‡	18‡	18-0‡	18-8‡
G. E. Spring (10)	16‡	18‡	17	18‡
Shivrajpur (10)	83‡	91	82‡	88
Tata Chemicals (10)	16-2‡	16‡	16‡	16‡
Tata Locomotive (100)	150xd	160	153‡	157
Tata Oil (25)	43‡	46‡	43‡	46
W. I. Match (100)	165‡	171‡	166‡	170

GOVERNMENT SECURITIES	11-1-1957 Rs.	Earlier Redemption	Later Redemption	17-1-1957 Rs.
		Gross Yield		
2½% 1961	93★	—	4 12	93★
2½% 1960	94★	—	4 8	94★
2½% 1962	93‡	—	3 15	93‡
2½% 1978	83‡	—	4 08	83‡
3 % 1957	99‡	—	3 38	99‡
3 % 1958	99★	—	3 27	99★
3 % 1959-61	97‡	3 95	3 56	97‡
3 % 1964	94★	—	3 94	94★
3 % 1963-65	94‡	4 12	3 86	94‡
3 % 1966-68	92‡	4 03	3 86	92‡
3 % 1970-75	86‡	4 33	4 03	86‡
3 % 1986 Con. Loan	73	—	4 10*	73‡
4 % 1960-70	100‡	3 78	3 94	100‡
4½% 1958-68**	102‡	2 60	4 21	102‡
3½% 1961 N.P. Bonds	99‡	—	3 70	99‡
3½% 1964 N.P.Loan	98★	—	3 80	98★
3½% 1965 N.P. Loan	98★	—	3 73	98★
3½% 1962	97‡	—	3 70	97‡
3½% 1967 N.P. Bonds	98★	—	3 69	98★
3½% 1974	98‡	—	3 87	98‡

BRITISH GOVERNMENT SECURITIES	Closing quotations 7-1-1957 £			Closing quotations 14-1-1957 £
2½% Brit. Consols	50‡	—	—	51‡
3% Savings Bonds 1965-75	74‡	—	—	75‡xd
3% War Loan 1955-59	95★	—	—	95‡
3½% War Loan	71‡	—	—	73‡
4% Victory Bonds	91‡	—	—	91‡
4% Funding 1960-90	88★	—	—	89★

*Current Income. x.d.—Ex-dividend. **Rupee Counterparts. x.r. Ex-Right.

COMMERCE

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

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MR. MORARJI DESAI'S CRITICISMS

THE business community has always held Mr. Morarji Desai in high esteem, because of his high qualities. He has proved himself as an able administrator. On the few occasions in the past when he was associated with the economic policies of the Government, he had shown himself capable of carrying business men with him and that without much ado. He had, for instance, won the hearts of millowners, when he was the head of the Committee advising the Government on controls over the cotton textile industry, by supporting the realistic proposals made by them. It will be no exaggeration to say that business men understand him much better now than they did before. It is also equally true that he appreciates their difficulties better and knows them well. The most admirable quality of Mr. Desai is firmness of mind, that is, once he takes a decision, he does not waver but sticks to it. Many a business man, therefore, heaved a sigh of relief when he was made the chief of a portfolio that concerns them vitally, namely, the Ministry of Commerce and Industry. His humility of approach is another quality that greatly appeals to this much harassed section of Indian people today. Accordingly, it is natural if the business community is anxious to maintain the most friendly relations with the Government during his regime and do their best for the economic advancement of the country. And, for the same reasons, his observations at Ahmedabad last week, under the auspices of the Gujerat Chamber of Commerce, must have evoked their sincere attention. They also constitute a good subject for reflection on this eventful day when India celebrates the seventh anniversary of its emergence as a Republic.

Mr. Desai's remarks fall into two convenient parts, assurance and advice. He gave the heartening assurance that the Government was prepared to minimise the difficulties of the business community wherever they existed, to offer its co-operation to this community in exploring avenues of investments and setting up new industries and to examine any restriction which might be an impediment to the rapid growth of industries. In return, he expected the business community to have confidence in the *bona fides* of the Government, to be ready to make some sacrifices for evolving a socialist pattern of society and, above all, not to be hypercritical. These are legitimate expectations, provided the sacrifices demanded of them are reasonable and necessary—a point on which there is, however, wide difference of opinion between the tax collector and the taxpayer.

Implied in his call to the business community for wholehearted co-operation is the allegation that such has not been forthcoming. But there is no basis for this implication. We wish Mr. Desai had given a few instances of the business community's failure to co-operate with the Government. It is true that, here and there, there have been ill-advised demonstrations by traders against the rigorous features of sales tax and that some pieces of legislation have been challenged in the Supreme Court. But we do not think that Mr. Desai had these in mind. He must be aware that the vast majority of the business community has disassociated itself from such forms of protest against sales tax and has condemned them. He must also be aware that a large number of the references to the Supreme Court was not unjustified. It can be claimed that, despite all controls, some necessary and some unnecessary, heavy taxation and nationalisation of one sector or another every year, the business community has, by and large, been extending its fullest co-operation and support to the Government, as well as to the party in power. It is unnecessary for us to give proof of it to Mr. Desai, who, of all the Congress leaders, has enough of it. Indeed, the business community can legitimately claim that the boot is on the other leg. There are many things which the Government could have easily got done by the business community through mutual discussion, fervent appeal and evolution of healthy conventions, instead of forcing them on it with the weight of its mighty powers. In our humble opinion, the former methods are more in keeping with the co-operative socialist pattern to be achieved by peaceful means—the cherished goal of the Congress Party—than the latter. Not a session of Parliament or State Assemblies closes without placing on the Statute Book some new legislation or other which infringes the freedom of business men. Further, the days when the business community used to be consulted on legislations affecting it are practically gone. And even on the few occasions when it is consulted, the consultation is more a formality than one induced by the desire to benefit by its views and experience.

If the criticisms of the business community are construed as lack of co-operation on its part with the Government, then it is a different matter. Apparently, Mr. Desai takes criticisms in that light. He does not, of course, question the right to criticise, but he seems to resent criticism strongly. That is unfortunate. There can be no healthy democracy without fair, constructive criticisms. And it is not right to think that criticisms are to be offered only by those who are in the Opposition or to consider all those who criticise as political opponents. It is definitely wrong to regard healthy criticisms as non-co-operation. And we submit that the vast majority of criticisms emanating from the business community is both fair and constructive, offered not in the interest of safeguarding any narrow selfish ends but in that of achieving the goal of the Congress Party surely and steadily. It is surprising that an astute leader like Mr. Desai is surprised that, having accepted the basic ideals of a socialist society, business men should keep on criticising the steps taken by the Government to realise them. If this is an anomaly in the attitudes of business men, it is easily explained. The latter do not simply agree that the ways and means chosen by the Government to attain its ideals are the right ones. These men are afraid that they may not lead India to its cherished goals in the foreseeable future and that, even if they ultimately do, they may unleash certain undesirable tendencies such as bureaucracy, State capitalism and authoritarian rule, which are inimical to the democratic way of life and may even threaten the unity of the country.

It is the contention of the business community—and this journal agrees with it—that it was not necessary to nationalise life insurance in order to bring prosperity to the masses, the main ideal of a socialist order of society. Nor was it necessary to nationalise the Kolar Gold Mines or the Panna Diamond Mines. Equally unnecessary are the drastic powers of control, recently assumed by the Government in great haste after Mr. Desai joined the Union Cabinet, over the banks. If the managements of a few banks had misbehaved, as they appear to have done, it could not have been beyond the wit of the Government to induce them to mend their ways or to bring them to their senses. Application of moral pressure, if persuasion had failed, would have effectively served the purpose. For instance, the persons guilty of wrong deeds could have easily been subjected to political boycott or disciplinary action. Indeed, no business man with a record of such deeds can afford to defy the moral pressure of a constitutionally established popular Government and get away with it. Mr. Desai may contend as to why honest business men should be afraid of such powers. But those who argue thus forget two things. One, these extraordinary powers may be misused by those in authority, a risk much greater in a young, inexperienced and illiterate democracy than in a mature one with a high degree of literacy. Two, they will retard the flow of foreign capital from countries where an energetic and enlightened free enterprise is considered as a prerequisite of democracy. And it is only these countries that can spare capital for export on a large scale. If Mr. Desai has any doubts on this point, he will do well to ascertain, by a thorough independent enquiry, the real reasons why some of the capital markets in Western Europe and America are chary of lending to India.

Not all business men—and this is true of the Press too—criticise the Government for the sake of criticism, as Mr. Desai complained at Ahmedabad. Nor do they criticise all the actions and policies of the Government. It certainly gives no pleasure to criticise Mr. Nehru's Government which has many achievements to its credit, more especially because they have been secured under heavy odds. Yet, persons who happen to be placed in positions of responsibility to the public, would not be true to themselves, if they do not forcefully draw the attention of the Government to what they consider defects in its policies and actions. Several instances can be given to show that most of the criticisms from business men and the Press have been borne out by events. A study of the past volumes of this journal will more than repay in this connection. Suffice to recall the controversy over the Central Government's policy relating to steel and coal industries and the Bombay Government's policy (under Mr. Desai's regime) regarding expansion of power supply in the Bombay-Poona region. Again, if one were to view in retrospect the various criticisms of the Company Law, one would admit that there was a lot of force in many of them. Even official circles recognise that as many as half the number of provisions will either have to be amended or they will have to wink at the inability of companies to comply with them. Mr. Desai's own colleague in the Union Cabinet, the present Finance Minister, openly admitted

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in the last session of Parliament that there were many stupid provisions in this law.

Two recent instances also may be given to prove the genuineness or the appropriateness of the criticisms of the Government's policy. It has all along been contended that the second Plan is overambitious and that either its size will have to be reduced or the period will have to be extended. The planners, excepting one, have consistently refuted this contention. But the latest events do not support them. Steps have already been taken to curtail imports of steel, cement and a few types of capital goods, and to postpone some of the projects included in the Plan. More steps of this nature will shortly follow. Surely, Mr. Desai must be aware of these better than we do. The other instance relates to the tax policy. Business men have been repeatedly pointing out that the system of compulsory deposits made applicable to all corporations, except banks, was conceived in a hurry, without taking into account the realities of the situation and that, if it were to be enforced without substantial modifications (as would retain it only in name), it would have serious repercussions on the economy of the country. Events would soon prove whether this criticism is one of those to which Mr. Desai takes objection.

As though to prove that his criticism of the Government's critics was right, Mr. Desai mentioned that, in spite of the atmosphere of doubts, apprehensions and criticisms, the national economy had continued to show progress. This remark is quite commonplace; it is a very misleading one, in that it does not prove that there are no disincentives to still greater progress. Anyway, anticipating this type of argument, we said in our issue of 8th December last, while commenting on the taxation proposals of 30th November, as follows:

"It cannot be denied that a heavy dose of taxation will have a psychologically bearish effect on prices of almost everything. Such an effect, however, will only be a passing phase. An enduring impression on prices can be brought about only through increased production. Mr. Krishnamachari is quite aware of this point. Yet he has taken steps that will only retard the pace of expansion in production at a time when the pace should be as fast as possible. It must be noted here that we do not say that production will be adversely affected. Nor do we say that production will not expand. No business man with any foresight will cease to work, just because taxation has become very heavy. It will not pay him to do so. Since he has to live, he will work and produce. Hence, although, during the past five or six years, the burden of taxation has gone up steeply, production, too, has been rising. It is this fact that has apparently engendered a feeling of cynical disregard among the powers-that-be for the business man's protests against higher taxation, increasing bureaucratic controls and growing extension of the public sector. But what is, unfortunately, overlooked or is not realised is that the growth in production would have been greater than what it has been had the incidence of taxation been less heavy and had there been fewer incursions and interferences by the Government. Considering the economic momentum which this country had received during the war years, the growth has been much less than what was possible and what would have materialised if the freedom of free enterprise had not been severely restricted. The pressures at various points in our economy, to which Mr. Krishnamachari refers in his budget speech, are mainly the outcome of sacrificing the pace of progress at the altar of some vague and outmoded ideologies."

It would be a pity if Mr. Desai were to dismiss this criticism also as one of those that are made by the financial Press just to fill out its columns or to remain popular with business men. We would only earnestly request him to think of the gains that would have accrued to the country if the Government had not delayed the expansion of the steel industry in the private sector and the growth of power in the Bombay-Poona region or of the loss the country would have continued to suffer had not the business men and the critical section of the Press persisted in harping upon the defects of these policies even at the risk of incurring the displeasure of those in authority. Mr. Desai and his colleagues in the Government, we dare say, will not misjudge the criticisms from these quarters if only they realise that there is no fundamental difference between the interests of the business community and those of the country as a whole.

INDO-PAKISTAN TRADE AGREEMENT

ALL sections of opinion will welcome the three-year Indo-Pakistan trade agreement, which is scheduled to come into effect from 1st February 1957. Much careful preparation preceded the conclusion of the agreement. And reports from New Delhi have continued to emphasise the generally helpful and constructive attitude which the Pakistani delegation brought to bear on trade negotiations. Nevertheless, it is to be feared that the continuing political tension between the two countries has prevented a fuller and better understanding on trade and commercial matters. This is deplorable.

If the last Indo-Pakistan agreement, which came into effect from 1st September 1955, had been preceded by a series of economic setbacks in Pakistan, culminating in the devaluation of the currency, the background to the present agreement has been marked by features that are no less difficult. The closure of the Suez Canal through which flows 70 per cent. of Pakistan's imports and 40 per cent. of all its exports has been a source of considerable anxiety to its planners. So far as India is concerned, the continuing imbalance of its trade with Pakistan as also the fact that the pressure on its foreign exchange reserves continues to be heavier than it ever was are factors that ought to make liberal and well-conceived trade agreements with other countries particularly attractive. Thus, it is in the interests of both countries that an effective trade agreement should be concluded. Few countries have such extensive land frontiers in common between them as India and Pakistan. In the absence of effective collaboration, it is plainly difficult to control and regulate the trade across the frontiers between the two countries. Further, the two countries ought to come closer at least in order to face common perils like floods. Past experience shows that floods, which are no respecters of frontiers, inflict severe damage with a tragic impartiality.

Nevertheless, the course of Indo-Pakistan economic relations, like that of true love, has never run smooth. Among recent efforts at concluding trade agreements, made by the two countries, mention must be made of the trade pact signed in August 1952. Negotiations which were conducted in March 1953 to extend the agreement beyond 30th September 1953, the date of expiry of the agreement, proved only partially successful, in that only a limited agreement covering jute and coal could be concluded. The next serious effort in this sphere was made in July 1955. Prolonged consultations were held. And a one-year trade pact came into force on 1st September 1955. An important feature of the agreement was that it exempted from all trade and exchange controls the border trade across the land customs frontiers between East Pakistan, on the one hand, and West Bengal, Assam and Tripura, on the other. This was intended to encourage free movement of goods of daily use across the common frontier. During the one-year period ended 31st August 1956 covered by the agreement, India's exports to Pakistan, it is estimated, aggregated Rs. 8.77 crores while its imports were Rs. 24.19 crores, thereby indicating an adverse balance to the tune of Rs. 15.42 crores.

Indeed, deficit—that is, a trade balance adverse to India—is the main feature of Indo-Pakistan trade. In 1954-55, such deficit aggregated Rs. 9.7 crores and in the following year, it was as high as Rs. 18.8 crores. The two other features are the small proportion of the Indo-Pakistan trade in India's total foreign trade and the large proportion of land frontier trade, as compared with seaborne trade. The trade between the two countries (India's exports to Pakistan and its imports from that country) aggregated only Rs. 28.9 crores in 1954-55 and Rs. 35.4 crores in 1955-56, as against India's total foreign trade of Rs. 1,216 crores and Rs. 1,234 crores, respectively. Surely, it should be possible for India and Pakistan, which are geographically adjacent to each other, to improve the volume of their trade.

Yet another feature that stands out prominently in Indo-Pakistan trade is its rather exclusive dependence on one or two commodities on either side. Thus, raw jute accounts for major portion of imports from Pakistan; its imports were valued at Rs. 13 crores and Rs. 19.3 crores in 1954-55 and 1955-56, respectively. Among India's exports, coal and coke are the most important; they accounted for a little over Rs. 2 crores in each of the years 1954-55 and 1955-56. The chief aim of any trade agreement ought to be to broaden the basis of the trade, so that an expanding volume of commercial transactions can take place. In other words, the aim must be to include as large a number of commodities as possible in the agreement, and to encourage their exports or imports, as the case may be.

Against this background, it is certainly gratifying to note that, under the agreement now concluded, the two Governments have undertaken to explore all possibilities for expansion of trade between the two countries on the basis of mutual advantage. Under this agreement, which was signed by the representatives of India and Pakistan on 15th January, 1957 and which, subject to ratification by their respective Governments, will come into effect on 1st February 1957, the two countries have agreed to facilitate import and export of commodities specified in two schedules attached to the agreement, to the extent permitted by their laws, regulations and procedures. The commodities available for export from India to Pakistan include coal, chemicals, drugs and medicines, millboard and strawboard, machinery and millwork, workshop equipment, electrical instruments, cinema films, sugar, tea for blending, coffee, betel leaves, *bidis* and *hooka* tobacco and *bidi* leaves. The items available for export from Pakistan to India include raw jute, hides and skins, fish, poultry and eggs, betel-nuts, spices, honey, cinema films, machine tools, bicycles and spare parts, surgical instruments and sports goods. Export or import of commodities not listed in the schedules, it is stated, will also be permitted in accordance with the laws of either country. The two Governments have agreed to enter into special arrangements for commodities listed in a separate schedule, upto quantities or values specified for each item. It is noteworthy that the two Governments have also agreed to accord to each other's commerce most-favoured-nation treatment. The agreement also provides for a review at the end of every six months; the schedules of commodities will be subject to revision before the beginning of each calendar year.

As in the previous agreements, so in the present, the importance of border trade has been recognised. In order to meet the day-to-day requirements of the people living within a ten-mile belt of the border between East Pakistan, on the one hand, and West Bengal, Assam and Tripura, on the other, the two Governments have agreed that border trade will be allowed in the commodities specified in a separate schedule. These commodities include items of daily consumption like fish, poultry and eggs, soap, vegetables and fresh fruits, milk and milk products, kerosene, betel leaves, fodder and firewood. It has, however, been agreed that, after six months from the date the present agreement comes into force, this trade will be carried on only through specified routes. This limitation is proposed evidently with a view to restricting the scope for smuggling.

A new principle which has now been accepted by the two countries is what might well be described as a convenient barter in transport. Indeed, this principle deserves to become an increasingly prominent part of Indo-Pakistani trade agreements in future. Briefly, the new feature envisages the purchase by India of certain commodities from one wing of Pakistan and export from India of the same commodities to another wing of Pakistan. This is a convenient way of solving the problem of transport of goods from one wing of Pakistan to its other wing. The arrangement now effected will mean a considerable saving in transport charges which would have to be incurred whether goods were sent from one wing to the other by the land route across India (over 1,000 miles) or by sea (a distance of over 3,000 miles). In accordance with this feature of the agreement, India, it is stated, will export 50,000 tons of cement to East Pakistan in exchange for the same quantity to be exported by West Pakistan to India. A similar arrangement, it is reported, has been made for salt; India will get rock salt from West Pakistan in exchange for sea salt to be supplied to East Pakistan.

While the working of the Indo-Pakistan trade agreement will naturally be watched with interest, it seems necessary to reiterate the point that, unless the trade between the two countries is allowed to attain a certain balance, it will be difficult to bring about any great expansion in the volume of the trade. So long as the present imbalance lasts, Pakistan will have to be content with a trade which will be largely confined to a few articles of export, such as raw jute and a few articles of import, such as coal. The two countries will do well to examine whether additional commodities cannot be brought within the scope of the agreement.

SHARES, BULLION AND COMMODITIES UP

SUGAR EXPORTS—CAPITAL GAINS TAX—SHORTAGE OF CEMENT

THURSDAY, 5 P.M.

MARKET GOSSIP

FOR the second week in succession, the share markets have presented a cheerful appearance. Further substantial gains in equity values have been recorded on a wide front. But it will be still not right to say that a definite change for the better in market sentiment has come to prevail. Confidence in the immediate future is still lacking. The main factors for the rise in prices are bear covering and bull support to a few selected scrips on a very small scale. It is, of course, noteworthy that bears have chosen to cover their outstanding positions, instead of indulging in further sales. It would appear that a prominent operator, who was a bear in bullion and lost heavily, was also short in shares. He is, therefore, said to have found it necessary to square up his account in the latter too. Further, the last fortnightly settlement showed that, technically, bears were in a particularly weak position. This encouraged some bulls to wag their tail a bit. But, though bears have chosen to be on the defensive, bulls are still timid and are afraid of going far. This is evident from the absence of fresh support at higher levels this week and the fact that the closing rates today are well below the highest levels witnessed yesterday or the day before.

Despite the handsome gains recorded during the past fortnight, the current rates are well below the levels that were prevailing before Mr. T. T. Krishnamachari took the markets by surprise on 30th November last. Many first class equities are standing at levels that are quite attractive. This is particularly so in regard to a number of bank shares. Those who are prepared to take some risk will not have cause to regret if they decide to lock up their savings in them from the long-term point of view. For whatever may be the shocks that are in store in the next 12 months, there is no doubt that, at the end of three or four years, the Indian economy will show a substantial growth. It is in this hope that many investors did not unload their holdings in the depression that overtook equity values in the last quarter of 1956.

A scrip that has staged a remarkable rise in the last fifteen days is Bombay-Burmah; the old shares have added 69 points and the new ones 35 points, to stand at Rs. 725 and Rs. 272-8, respectively. At these levels, they are well above the previous 30th November quotations. But they had suffered heavily even before T.T.K.'s hit at the markets, on account of the Plantation Award, the fate of which is yet hanging in the balance. Nevertheless, the rise in this scrip is well merited in the light of the Company's financial position, its results for 1955-56, and satisfactory outlook. That much of the recent fall was due to short-selling became clear on the last settlement day, when many of those who had bought decided to take delivery rather than carry forward or cut their losses. It is reported in market circles that there is still a sizable short position in this scrip. If that is true and if no further adverse developments take place, this scrip may see a further rise.

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Both the bullion and commodity markets have moved up to further high levels. Groundnut futures have gone up to Rs. 176-10, which compares with Rs. 160 at the end of December, Rs. 152 at the end of November, Rs. 135-12 on 1st November and Rs. 127 on 1st October. This rise is more spectacular than that in the ready rate which at Rs. 35-6 is only Rs. 2-6 higher on 1st October. In other words, whereas spot has gone up by only about 6 per cent. during the last four months, forward has jumped up by 40 per cent. It is thus obvious that there has been too much speculation in this commodity and that the authorities have been very lenient, if not complacent, about it. The Forward Markets Commission was, therefore, quite justified in asking the Board of the Oilseeds Exchange to look into this matter and stiffen the margin system. Its actions against this market now are by no means comparable with the high-handed manner in which it tackled the E.I.C.A. Board and its erstwhile Chairman, Mr. Purshotamdas Thakurdas, early last year. In fact, the oilseeds interests ought to be thankful to the Government and the Commission for not closing down futures trading in groundnuts, though there is a fairly good case for it. It would be folly on their part to exaggerate, as is being done by a few, the minor faults in the steps taken by the market authorities during the last four or five days to curb the bullish fervour. It is also unrealistic to argue that there is no need to place any restrictions on futures trading in castorseeds, as it is chiefly an export commodity. For castorseed has become a hedge against many things and futures trading in it has become a source of unhealthy speculation in other oilseeds, if not other commodities. There is, therefore, a strong case for restraining speculative activity in this oilseed also, though domestic consumption of it constitutes only a fraction of the total crop and the rise in its value may be due to favourable developments in export markets.

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Raw cotton, too, has gone up, but the rise has been very modest, as compared with oilseeds, and not unmerited. Over 1st January, Jarilia March contract has advanced by Rs. 40 and Vijay by Rs. 45 per candy. Unlike groundnuts, cotton futures have remained unduly depressed due to the heavy increase in excise duty on cloth, excessively bearish nature of the hedge contract and the raw deal given by the Government to the bulls a year ago. With the settlement date drawing near and steps initiated for amending the terms of the hedge contracts for the distant *vaidas* of the current season, bears have become a little cautious and have been booking their profits. Again, the futures are standing at ridiculously low levels as compared with the spot rates. There is thus really no justification for finding fault with the rise in the cotton market. It is a corrective movement long overdue. May be, this may cause an increase in the cost of making cloth for the millowner. But that is no reason why cotton growers should suffer, while the growers of all other crops are receiving bumper prices. The increase in excise duty on cloth was not meant to be passed on to them. If mills make less profit or if the consumer has to pay more for the cloth, the solution lies in reducing the burden of taxation on this item.

Prices of wheat, rice and other foodgrains, which were steady to firm early this month, have started moving up again. A rise of nearly Re. 1-8 to Rs. 2 per railway maund has been recorded in wheat and rice. The arrival of new crop in South India has made no difference to the bullish trend of the market.

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There has been a spectacular rise in gold and silver this week, which is only a continuation of the bullish trend that had been begun a few weeks earlier. Silver ready touched a high of Rs. 185-8 and gold of Rs. 103-15 during mid-week and are standing at Rs. 184-7 and Rs. 108-1 at the time of writing. The peaks seen this week are the highest since 1951. It is easy to blame the speculators for this appreciation in the value of precious metals. But, fundamentally, they reflect the law of supply and demand. Smuggling in gold is less attractive now, owing to better vigilance by the customs authorities and the rise in the price of the metal in the sources from which they migrate. The flow of silver from Tibet has dried up due to transit difficulties caused by the winter. In recent years, floating stocks have always been meagre as compared with the size of the annual absorption and the addition of a few hundred bars of Tibetan silver this season has not made much difference. In the face of such a situation, the demand for both the metals has picked up. The tension in Indo-Pakistan relations on account of Kashmir has given additional fillip to the seasonal bullish fervour. Between December and May or June every year, prices of bullion always tend to remain on the high side and, with the absorption by hoarders and consumers exceeding the arrivals, every succeeding year has been seeing this seasonal upward curve at higher and higher levels. This ceased to happen only when money supply tended to shrink but now that money supply has been rising ever since the first Five-year Plan gathered momentum, the phenomenon has begun again. Mere abolition of futures trading in these metals, as suggested by some, is no remedy for reversing this trend. It may arrest the upward movement for some time. But, after the initial effects of the shock are over, it will reappear.

TREND OF EQUITIES

Shares	29-10-56	10-12-56	Lowest since then	24-1-57
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Tata Ordy. ..	192 0	181 8	168 0	181 0
Indian Iron ..	34 6½	31 8	27 8½	29 15
			x.d.	x.d.
A.C.C.	194 12	186 8	178 0	185 8
Belapur ..	253 8	252 0	240 0	234 0
				x.d.
B. Burmah ..	705 0	671 14	637 8	725 0
Bom. Dyeing ..	628 12	603 12	537 8	578 2
Century ..	552 0	539 8	479 0	512 0
Kohinoor ..	346 0	335 8	312 0	331 0
Simplex ..	195 0	188 8	178 8	184 12
National Rayon.	263 0	252 4	230 0	245 8
Tata Loco. ..	172 0	171 8	150 0	155 4
			x.d.	x.d.
Alcock Ashdown.	317 8	297 8	254 6	276 4
Scindia	19 4½	18 9	17 12	19 3

It is now certain that India will have to its credit some export of sugar this year. A small quantity of 10,000 metric tons, equal to a little less than half per cent. of India's production in the current season, has already been sold to Persian Gulf ports at rates ranging between £59 and £62 per ton f.o.b., and further sales are likely. Strenuous efforts are being made to book orders from Pakistan, Burma, Ceylon, Africa and other neighbouring countries also. It is possible that some business with Pakistan may materialise in the near future. Consumers in West Pakistan, it may be interesting to note, are said to be paying Re. 1-12 to Re. 1-14 per seer (2 lbs.), as against only As. 14 to Re. 1 in India, despite the fact that world price of sugar is much cheaper than Indian. This is due to heavy import duty and restrictions imposed by the Pakistan Government.

All the adjacent countries are evincing keen interest in India's offer to sell sugar. But the stumbling blocks are price and shipping. The cost of making sugar in India is pretty high and does not compare favourably with other giant exporters such as Java, Cuba, and the Philippines, the proximity of markets notwithstanding. Indian shipping is small and that too fully booked. The world shipping position, which has been tight for over a year, has been rendered extremely difficult owing to the blocking of the Suez Canal. Freight rates have gone up steeply. Since orders for Indian sugar are only in relatively small quantities, the difficulty of chartering ships is enhanced.

The blocking of the Suez Canal has raised the price of sugar in the Middle East and Pakistan. This gives a small advantage for India in these markets. But this may not last long once the Canal is opened for traffic. Also, the margin in favour of India is so small that the other countries can easily elbow it out even now if they want to. The prospects for exporting any substantial quantity of sugar are thus slender. Nevertheless, India hopes to export at least 50,000 tons, though it has planned for 200,000 tons, that is, about 10 per cent. of its current season's production.

Exports are being arranged by the Indian Sugar Mills Association. All the member mills are co-operating in its efforts and are contributing at the rate of As. 4 per maund (that is, As. 11 per bag) of sugar on their entire production, in order to meet any possible loss on this commendable venture. Hitherto, only U.P. mills have been able to sell for export, because of the readiness of the Uttar Pradesh Government to forgo the cane cess which works out to Rs. 5-2 per bag (of 226 lbs.). The other State Governments have refused to follow this example, despite the recommendation of the Centre. It would appear that, on the sugar already sold for export, the manufacturer has been able to realise approximately Rs. 23 to Rs. 24 per maund, excluding the cane cess, which rate is said to compare not unfavourably with what he can currently realise on sales for the internal market.

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The fear has often been expressed that a capital gains tax, whatever might be its economic and political justification, is bound to have an unhealthy effect on stock exchange activity. That there is basis for this fear is evident from the observations made by the President of the New York Stock Exchange, in a recent article. The present rate of tax in the U.S., it may be mentioned here, ranges upto a rate of 25 per cent. on gains realised from the sale of securities held for more than six months. Reviewing the effect of the tax, in general, the President has estimated that American investors hold more than $200,000 million of unrealised capital gains. Obviously, what the President means is that the gains would have been realised in the absence of a tax on capital gains. The effect of the tax, he rightly points out, is to reduce the supply of stocks. This leads to an unnecessary inflation of equity values and adversely affects the free flow of risk capital into expanding industries.

Surely, if the situation created by the tax in the U.S., where it has been in force for long, is as difficult as is made out by the President, it cannot be long before this country, too, where the tax has been just reimposed, faces a similar situation. Indeed, since risk capital is much less venturesome in India than in the U.S., it is likely that a worse situation may have to be faced. Be that as it may, the President of the New York Stock Exchange has made two suggestions to ease the situation. The first is to reduce the maximum tax rate from 25 to 12½ per cent. and also the holding period from six to three months. The second suggestion—it is stated that the principle of this suggestion has been accepted in the case of commercial and private property—is that realised gains from security sales should be exempt from tax, provided that the proceeds are reinvested in a single stock within 30 days. If the effect on investment of the tax in India proves particularly burdensome, the authorities will probably find a good basis for desirable reform in the President's suggestions.

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In the past one year, the U.K. authorities have wielded the monetary weapon with considerable courage, never having hesitated to put the Bank rate up when the situation demanded it. Although opinions are bound to differ over the precise extent to which the authorities have succeeded in their anti-inflationary mission, there has been some demand for a reduction in the Bank rate—now 5½ per cent., to which level it was raised in February 1956—on the ground that it had been overdone. But the chairmen of the leading British banks, who have now an opportunity of expressing their views on the Bank rate in the annual meetings of the banks, have been somewhat cautious in discussing the issue. At least, they do not seem to have demanded an outright reduction in Bank rate. Nevertheless, the point made by A. W. Tuke, Chairman of Barclays Bank, deserves special mention. He believed that the traditional effect of an increase in the Bank rate on internal borrowing was much less potent with taxation at its present levels. He added: "Similarly, it no longer provides so powerful a magnet as in the past to attract additional overseas balances to this country. The foreigner has not forgotten the devaluation of 1949 and, if he has any doubts about the safety of his capital, they will not be removed and may even be increased by the offer of a higher rate of interest on it."

Although Mr. Tuke did not believe that the Bank rate should have been reduced in recent months, he thought that it would have been far better to concentrate on reducing the supply of money, and to increase the Bank rate only if that became necessary, in order to give recognition to the natural results of supply being unequal to demand.

While all this cautious discussion is taking place, and financial circles are anxiously waiting to see if the new Chancellor would reduce the Bank rate, it is noteworthy that there has already been

(Continued on page 203)

EQUITIES MARKED UP FURTHER

HESITANCY AT HIGHER LEVELS

(From Our Own Correspondent)

BOMBAY, *24th January*

THE share market passed through another week of cheerful conditions. Equity prices made further advance on a wide front on a broadening of speculative support and short-covering. There was also an expansion in the volume of business. The boomlet in the bullion, cotton and commodity markets proved to be a source of inspiration to the bulls. With the Ministers' attention diverted to election campaigns, there were no disquieting pronouncements from ministerial circles. Operators would appear to be trading on the hope that the February Budget, generally expected to be a "lame duck," might contain some election-eve gift by way of reduction in excise duties, particularly in cloth. At higher levels, however, operators appeared to be cautious, as witness the sizable profit-taking which set in today. Uncertainty about the Security Council's decision on the Kashmir issue and recurrent rumours about rise in Bank rate acted as restraining influences on the market.

In the steel section, Tata Ordinaries rallied from Rs. 176 to Rs. 183-8 yesterday. After dipping to Rs. 181-8, they again staged a recovery to Rs. 183-8 today, but at the close they gave way to Rs. 181 on realising pressure. Indian Irons provided a strong feature on consistent support from prominent operators. From Rs. 28-12, the shares advanced to Rs. 30-4 before closing at Rs. 29-15.

Textiles contributed to the general improvement with a further rise in prices under the leadership of Bombay Dyeings and Centurys. Reports that an understanding had been reached between the representatives of the industry and the British textile delegation on the issue of textile exports to the U.K. were noted with satisfaction. The agreement, the details of which have not yet been announced, is said to envisage the stabilisation of exports to the U.K. at present levels, instead of a reduction. Bombay Dyeings rallied from Rs. 565 to Rs. 585, but shaded off to Rs. 578-2 at the close. Centurys moved up from Rs. 495 to Rs. 515 before finishing at Rs. 512. Kohinoors made a cautious advance from Rs. 329 to Rs. 335, but a good part of the gain was wiped out at the close when the shares were done at Rs. 331. Central Indias gathered no more than Re. 1 to Rs. 126-8. Bradburys Re. 1-4 to Rs. 231-4 and Finlays Re. 1 to Rs. 314. Gokaks stood Rs. 2 higher at Rs. 227 and India United Ordinaries were just steady at Rs. 11-1. Indore Malwas were better by Re. 1-4 at Rs. 142-8, while Minervas shed Rs. 2-8 to Rs. 87-8. Hindoostan Spinnings had business Rs. 315 higher at Rs. 5,600. New City Mills were in demand and picked up Rs. 2-8 to Rs. 147-8, as also Phœnix at Rs. 147-8.

Barring one or two counters, bank shares displayed a quiet tone, the recent sharp rise in this section not having attracted follow-up support. Barodas shaded off from Rs. 104 to Rs. 103-8. Centrals were only a fraction better at Rs. 56-4, while their new shares dropped As. 12 to Rs. 59-8. Bank of Indias moved down by a rupee to Rs. 141, while their new shares gathered Rs. 2-8 to Rs. 141. Punjab Nationals shed Re. 1-8 to Rs. 58 and United Commercials Re. 1 to Rs. 58-8. Union Banks came in for good attention and rose by As. 7½ to Rs. 7-8½.

Electricity shares shaped well on small, but sustained, interest and moderate gains were recorded in leading counters. Ahmedabad Electrics jumped from Rs. 95-5 to Rs. 97-8. Bombay Suburbans were well held at Rs. 109-6, while Surats gained from Rs. 111-14 to Rs. 112-8. Tata Hydros moved up by Rs. 2-8 to Rs. 126-8 and their new shares by Rs. 2-4 to Rs. 120. Tata Powers rose by Rs. 11-4 to Rs. 1,248-12 and their new shares by Rs. 5 to Rs. 1,205. Andhra Valleys also stood Rs. 12-8 higher at Rs. 1,232-8.

The miscellaneous section continued to move in consonance with the general trend, though the gains, with a few exceptions, were less prominent than in the previous week. Sugar shares ruled firm, but the movements in Belapurs were narrow, being confined between Rs. 232-8 and Rs. 235-8. The closing was a fraction higher at Rs. 234. Bhopals received good attention, following the increase in dividend from Re. 1 to Re. 1-8 per share for the year ended 30th September 1956 and reports of good outlook for the current year. The shares spurted from Rs. 16-14 to Rs. 19-10. Phaltans gained Rs. 2-8 to Rs. 268-12. In the cement group, A.C.C. hardened from Rs. 183-8 to Rs. 187, before reacting to Rs. 185-8. Digvijays were just steady at Rs. 152-12 Jaipur Udyogs were As. 2 better at Rs. 12-2. Among engineering shares, Alcock Ashdowns were marked up by Rs. 2-8 to Rs. 276-4. Tata Locomotives ruled strong early in the week, with a rise from Rs. 157 to Rs. 159, but the prospect of a fresh issue of capital brought them down to Rs. 152-8. At the lower level, however, there was resistance and the shares gained some ground to Rs. 155-4. Mahindras were steady at Rs. 14-8, while Larsen and Toubros were in the limelight with a spurt from Rs. 16 to Rs. 17-2. Premier Constructions added Rs. 2 to Rs. 187. In the mining group, Shivrajpurs advanced by Rs. 2-8. Indian Coppers were steady at Rs. 3-12, while B.B. Petrols were a shade quiet at Rs. 2-13¾.

Automobile shares ruled steady, following the Government's acceptance of the Tariff Commission's recommendation giving protection to the industry for a period of ten years. Hindustan Motors staged a rise of As. 4½ to Rs. 8-5½. Premier Automobiles were a fraction better at Rs. 106. Shipping shares were strong. Scindias rising from Rs. 18-8½ to Rs. 19-3 and Great Easterns from Rs. 18-5 to Rs. 19-2. India Steamships gathered As. 8 to Rs. 10-10.

In the miscellaneous group, Bombay Burmahs provided the high light with a jump from Rs. 690 to Rs. 731-4. The closing was, however, lower at Rs. 725. The new shares gained by Rs. 10 to Rs. 272-8. National Rayons staged a rise from Rs. 242-4 to Rs. 247-12 before closing at Rs. 245-8. B.I.Cs were better by As. 4 at Rs. 8-12. Hindustan Levers changed hands As. 11 higher at Rs. 19-10. Tata Chemicals added As. 3 to Rs. 16-11 and Tata Oils Re. 1 to Rs. 47. Wimcos were marked up by Re. 1-4 to Rs. 171-4.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *23rd January*

The recovery that had set in last week on the Calcutta Stock Exchange continued during the week under review also. A favourable note was taken of the better Bombay advices and the strength of commodity markets. Nevertheless, the volume of business remained low. Mr. T. T. Krishnamachari's statement held out the hope that changes in taxation would not be made more than once a year normally. He stated that all major changes in taxation would be completed before February 1958. For a time, the reappearance of the Bank rate rumour affected sentiment, but, after it was found baseless, improvement was again in evidence. The conclusion of the Indo-Pakistani trade agreement of longer duration, which provides for the export to Pakistan of many industrial items, was a special factor which brought conditions akin to buoyancy yesterday, when the daily list of transactions reached a record level since the capital gains tax and super tax on dividends were introduced in November last. The market was closed today on account of the State holiday to celebrate Netaji Bose's birthday.

Local factors for the better conditions included local Congress leaders' strong opinion that the Congress would be voted to power in this problem State by a comfortable majority. The proposal by the National Insulated Cable Co. of India Ltd. to issue rights shares in the proportion of one share for every two shares held, at par, contributed to the brisk trading. The Company is also likely to capitalise reserves and issue ordinary shares as bonus in the proportion of one to four shares held. This is subject to approval by Government being obtained. The success of the convertible loan stock issue by Indian Aluminium Ltd. was another favourable factor. Of the issue of Rs. 2.68 crores, Rs. 78 lakhs has been subscribed by the shareholders and other supporters of the Company, and Rs. 1.34 crores or 50 per cent. by the firm of Aluminium Ltd. of Canada. The balance of Rs. 56 lakhs is proposed to be offered for public subscription at par on 4th February.

After a brief spell of quietness, following the West Bengal Ordinance calling on coal companies to pay royalty to the State Government, coal shares came in for more demand, particularly because of the attractively low levels touched in recent weeks. Bengals were lifted from Rs. 445-8 to Rs. 450 and East Indians scored from Rs. 26-12 to Rs. 27-3. Burrakurs continued to be in demand at Rs. 21-6, the scrip at one time touching Rs. 21-9. At Rs. 25-6, Equitables showed a gain of As. 4. In steady trading, Pench Valleys were raised from Rs. 18-12 to Rs. 19-2.

Jutes were in better form following fair support at lower levels. Kamarhatties reached as high a rate as Rs. 102 from Rs. 98. Ganges were stronger by Rs. 2 at Rs. 56. Kinnisons were fully steady at Rs. 137 and Nationals firmed up to Rs. 20. Howrahs, at Rs. 20, showed an impressive gain of Rs. 2, and Birlas hardened from Rs. 14-7 to Rs. 15-13. Another feature was the rise in New Centrals from Rs. 13-4 to Rs. 13-8.

Mining shares were highlighted by the continued steadiness of Indian Coppers at Rs. 3-12. Orissa Minerals were shown good attention and they hardened from Rs. 19-14 to Rs. 21-8. From Rs. 14-7 Karanpura Developments improved to Rs. 14-11.

Orients, in the paper section, were a feature with a rise to Rs. 33-14 from Rs. 30-12. Titaghurs, after being higher at Rs. 37-12 as against Rs. 36-8 earlier, closed at Rs. 37.

Guest Keens, among engineerings, encountered investment support at Rs. 23-12. B.I. Electric Constructions, on fair support, added a few annas at Rs. 12. Indian Irons were involved in replacement buying, and the scrip after opening at Rs. 28-8 improved to Rs. 29. Texmacos, after adding one point, were fully steady at Rs. 20-11. An increase in the number of inquiries for Kumardhubis lifted the counter to Rs. 9-11 from Rs. 9-1.

Miscellaneous industrials were in the forefront, and gains were attractive in selected counters. For reasons already listed, Niccos and Indian Aluminiums hardened from Rs. 25-15 and Rs. 14-6 to Rs. 26-11 and Rs. 14-12, respectively. Indian Cables, at Rs. 32-10, were fully steady. Electric Constructions jumped from Rs. 10-6 to Rs. 11-2. Martin Burns, at Rs. 23-6, were higher, as were Aluminium Corporations at Rs. 11-2. National Carbons were steady at Rs. 26-8 and Imperial Tobaccos at Rs. 14-10. At Rs. 34-6, Indo-Burma Petroleums were higher by As. 6.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *22nd January*

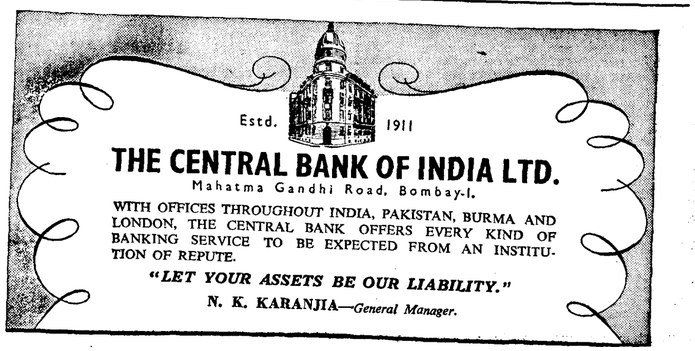
In marked contrast to the dull conditions which existed in the previous week on the Madras Stock Exchange, a steadier feeling came to prevail during the week under review. Activity was broad-based and there were some keen buying enquiries. Some measure of upcountry support was also noticed and sellers were reserved. The undertone at the close was firm.

Several counters in the textile section received large support. Buckinghams were a feature and spurted by Rs. 14 to Rs. 188. Bangalore Woollens showed no change, but there was business at Rs. 542-8. Cannanores and Coimbatore Cottons advanced by Rs. 5 and Rs. 11 to Rs. 168 and Rs. 385, respectively. Lakshmis picked up Rs. 8 to Rs. 254 and Metturs Rs. 12-8 to Rs. 432-8. Rajalakshmis gathered Rs. 9 to Rs. 184, Rajapalayams Rs. 2 to Rs. 154 and Ranga Vilas Rs. 6 to Rs. 92. Travancore Rayons were As. 11 better at Rs. 14-7. There was not much activity in the other counters. Vasantas remained quiet at Rs. 320, so also Premiers at Rs. 193 and Radhakrishnas at Rs. 325. Saradas and Pankajas both shed Rs. 2 to Rs. 122 and Rs. 75, respectively.

Plantation shares witnessed some modest turnover. Barring a few shares, however, there was no noteworthy change in the quotations. Among teas, Blue Mountains advanced by As. 4 to Rs. 5-6, Chandramalais by As. 1½ to Rs. 4-7, Kalasas by As. 8 to Rs. 13-8 and Kil Kotagiris by As. 6 to Rs. 6-11. Coonoor Teas remained unchanged at Rs. 25-4. Among coffee shares, Coffee Lands were Re. 1 better at Rs. 24, Consolidated Coffees by a like amount at Rs. 19-2 and Mysore Coffees by an anna at Rs. 2-9. Among rubber shares, Malankaras were talked Re. 1 higher at Rs. 28-12. Midlands gained As. 12 to Rs. 17-14 and Travancore Rubbers Re. 1 to Rs. 21-8. Nilamburs were dull at Rs. 16.

Activity in the miscellaneous section was restricted. Indian Aluminiums put on As. 7 to Rs. 14-8, Textools Re. 1 to Rs. 266 and F.A.C.Ts. As. 3 to Rs. 6-8. Aluminium Industries fell by As. 2 to Rs. 19-12, Binnys by Rs. 5 to Rs. 180, Mysore Papers by As. 2 to Rs. 16-2 and Singarenis by As. 4 to Rs. 10-8.

Sugars met with good support. Large blocks of Deccan and Travancore Sugars were offered and they were all absorbed, E.I.Ds. elicited attention and the shares were quoted As. 8 higher at Rs. 28-10. Deccans improved by As. 4 to Rs. 11-6 and Travancores by As. 3 to Rs. 11-15. United Breweries were down by Rs. 2 at Rs. 180 and Cauverys by Rs. 4-8 at Rs. 45-8. Mysores were unchanged at Rs. 44-12 *cum-div.*



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NEWS IN BRIEF

THE Government of India will set up a zinc smelter plant at Udaipur. Other industries proposed to be started in the State are two wagon factories, a pig iron factory and a soda ash factory.

About 18,000 new quarters will be constructed in Uttar Pradesh in the second Plan period, at a cost of Rs. 5.61 crores, for persons of the low-income group, including industrial workers.

The Small-scale Industries Board has been reconstituted, with Mr. S. Ranganathan, Secretary to the Ministry of Commerce and Consumer Industries, Government of India, as Chairman. It consists of 44 members, mostly officials of the Central and State Governments.

The Government of India has decided to refer to the Tariff Commission the question of revision of prices of cement payable to certain producers. Firms or persons interested in the matter and who desire that their views should be considered are to address their representation to the Secretary of the Commission.

The validity of export quotas of linseed oilcake has been further extended up to the end of March 1957. The export quotas, announced in July 1956, were valid up to the end of December 1956 and the period was extended up to 15th January 1957. The Government has also decided not to release any fresh quota for the present.

Schemes for setting up 12 soap manufacturing units in Madras State for making soaps with non-edible oils have been sanctioned by the Union Ministry of Production. A grant of Rs. 91,250 has been made by the Ministry for the execution of the schemes. It covers 50 per cent. of the cost of the units and salaries of the chemists to be employed.

India's production of power transformers is estimated to have recorded a sharp increase from 565,200 kw. in 1955 to 817,200 kw. in 1956. The higher level of production has enabled the country to reduce import of this item. In the first seven months of the current fiscal year, imports of transformers were valued at Rs. 88,00,000, as against Rs. 1,05,00,000 in the same period last year.

The Standing Committee of experts on manures and fertilisers, which recently met at New Delhi, has decided to fix the consumption target of potash during the second Plan period at 30,000 tons. It also recommended the manufacture of di-ammonia phosphate, a fertiliser of excellent quality and low cost, for trial production at the Sindri Fertiliser Factory at the rate of 30,000 to 40,000 tons a year.

In order to investigate the possibilities of an export market for India's engineering goods, a five-man trade delegation will shortly leave for British East Africa, Ethiopia and Sudan. Sponsored by the Engineering Export Promotion Council, Calcutta, the delegation is headed by Mr. K. L. Chowdhury, Vice-Chairman of the Council. The delegation will also visit Mombasa, Zanzibar, Dar-es-Salaam and Addis Ababa.

A soda-ash-*cum*-ammonium chloride factory, involving a total investment of Rs. 2 crores, will be established this year at Moghalsarai in U.P. The Union Government has granted the necessary licence to a Calcutta firm. It is expected to produce 120 tons of soda ash and an equal amount of ammonium chloride a day. The factory will employ over 300 skilled and 250 unskilled workers, in addition to other staff in the supervisory scale.

The Chairman of the Forward Markets Commission, Mr. W. R. Natu, recently discussed with members of the Alleppey Oil Millers' and Merchants' Association, the question of setting up a second forward trading centre in coconut oil at Cochin. Formal inauguration of forward trading in coconut oil at Alleppey is held up, pending the approval of the amended constitution of the Association by the Union Government.

The Joint Consultative Board for Industry and Labour, which met in Bombay on the 20th inst., reviewed, among other things, the recent developments in the field of industrial relations. Representatives of both employers and workers felt the need to intensify the work of the joint consultative machinery and transfer the pending disputes to the Wage Board. It was further agreed that the possibility of setting up wage boards for as many industries as possible should be explored. The Board endorsed the suggestion of the Union Labour Minister to organise a seminar on labour-management co-operation on the same line as the recent Oxford Conference.

Under the import policy of the Government of India, the imports of caustic soda and soda ash are being canalised through the State Trading Corporation of India (Private) Ltd. The State Trading Corporation has entered into contracts with foreign suppliers for the regular import of these commodities in sufficient quantities. For efficient distribution in the country, the Corporation has appointed the following firms as its agents: The Imperial Chemical Industries (India) Private Ltd., Tata Industries Limited, Bombay, Chemical Importers and Distributors (Private) Ltd., Calcutta, and Chemical Alkali Distributors Ltd., Bombay. All inquiries for supplies should be addressed to the agents.

Sugar Production during the month of December 1956 was 336,236 tons, bringing the total production during the first two months of the Season 1956-57 to 452,183 tons. The corresponding figures during the last season were 280,000 tons and 357,000 tons respectively. The offtake of sugar from factories during the month of December 1956, was 163,000 tons, as against 113,000 tons during the corresponding period last season. The total offtake of indigenous sugar during the first two months of the current season comes to 316,000 tons, as against 243,000 tons during the same period last season. The closing stocks of indigenous sugar on 31st December 1956 were 658,000 tons, as against 526,000 tons on the same date last season.

A three-member trade delegation from the Democratic Republic of Viet-nam (North Viet-nam) is currently in Bombay to explore the possibilities of developing and promoting Indo-Vietnamese commerce. The delegation, being interested in Indian rayon and silk fabrics, visited the Silk and Rayon Textiles Export Promotion Council. The Council arranged a display of some representative varieties of Indian fabrics in its office which evoked considerable appreciation and enquiries from the delegates. The head of the delegation, Mr. Ngo Thans Giang, detailed the dress habits of the people and the type of demand in his country. The delegation showed interest in some of the pure silk varieties as well as some of the rayon material for women on display. The delegation was also given a set of samples.

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From Abroad

The Australian Government has approved of a loan of $1 million to the United Nations to help meet the initial expenses of clearing the Suez Canal.

Soviet Russia will supply 400,000 tons of wheat to Egypt under an agreement signed between the two countries. Of this, about 98,000 tons have already been delivered.

West Germany is next only to the United Kingdom as the largest television-viewing country in Europe. The number of television sets in Germany currently aggregate 682,000.

A Canadian geologist, Mr. E. E. Smith, has predicted that the value of Canada's annual uranium production would reach $255 million by the end of this year, far exceeding the total production of the rest of the world.

The Australian Government will sponsor a trade mission to India and Ceylon consisting mainly of manufacturers and exporters. The mission will leave Australia towards the end of March and will be in these countries for six weeks.

The Nickel Rim Mines of Canada has announced that it has contracted to sell at least 2.1 million lbs. of nickel over the next 12 months, at prices averaging about 52 per lb. Of this, less than one-third will go to European buyers and the rest to the steel makers and other users in the United States.

Canadian steel mills produced record quantities of pig iron and steel ingots in 1956. According to a report of the Canadian Bureau of Statistics, output of pig iron during the year rose by more than 11 per cent. to 3,568,400 tons from 3,213,800 tons in the previous year and that of steel ingots by 17 per cent. to 5,179,300 tons from 4,441,700 tons in 1955.

Japan is reported to be ready to reduce tariffs for all member nations of the G.A.T.T. and is shortly to inform the headquarters of that organisation to this effect. The reduction will be on the basis of Article 6 of the Agreement which was signed in Geneva on 23rd May 1956 by Japan and other countries providing for mutual tariff benefits between the signatories.

The National Planning Council of Ceylon has set up a sub-committee to frame interim measures for improvement of the island's economy, pending the preparation of a long-term plan for development. The Committee is also charged with the task of formulating the basic objectives of planning and working out means of securing participation of the private sector and various agencies of economic activity in planned development.

The Soviet Union and Burma signed an agreement on the 17th inst. covering an exchange of gifts under which the former will supply the latter with a technological institute, hospital, theatre, stadium, conference hall and hotel, swimming pool and other buildings for agricultural and industrial exhibitions. Burma will give, on its part, rice and other agricultural products. Soviet Russia has also agreed to train suitable Burmese personnel as teachers for the technological institute.

The *Journal of Commerce of the U.S.* has reported that, rising at a record annual rate of 10 per cent., U.S. private investments abroad reached an estimated total of nearly $32,000 million at the end of 1956. In its survey, the paper notes that the accumulated total of investments abroad at the end of 1955 had been placed by the Department of Commerce at $29,000 million. The 1956 figure excludes the reinvestment of earnings by foreign subsidiaries of U.S. corporations and price increases in the U.S.-held foreign securities.

The U.S. Export-Import Bank has announced the authorisation of a credit of $500 million in favour of the British Government to be available for the latter's dollar requirements for purchasing U.S. goods and services including petroleum. The line of credit will be made against the U.K. Government's holdings of dollar securities. It will be available for a period of 12 months. Repayments will begin three years after each disbursement and will be made in semi-annual instalments spread over 4½ years thereafter. Interest on each disbursement will be chargeable at 4½ per cent., payable semi-annually.

The U.K.'s radio isotope production reached a record figure of 22,069 consignments during the twelve-month period from October 1955 to September 1956. This represents an increase of 3,830 consignments over the previous year's production. Thirty-seven per cent. of the total production was exported. Forty-seven countries purchased 8,617 consignments of radio isotope worth more than £100,000. The largest buyers of British radio isotopes in 1955-56 were Germany, France and Sweden, with 1,266, 1,051 and 1,022 consignments, respectively. In terms of monetary value, however, the U.S., which took only 170 consignments, was the biggest purchaser.

The Associated Electrical Industries, Ltd., a leading group of British manufacturers of electrical engineering equipment, is sending its chief, Lord Chandos, on a transatlantic trip to sell British-built atomic power stations to Canada. Announcing his plans in London, Lord Chandos said that his Company was already gaining a fund of knowledge from the work now started on a new 275 MW station at Berkeley, Gloucestershire. This experience put it in a favourable position for exporting gas-cooled, graphite-moderated nuclear-power stations of the Calder Hall type. He will have talks with Canadian Government officials as well as leaders of the electrical supply industry.

PERSONAL

MR. G. L. Mehta, Indian Ambassador in Washington, arrived in Bombay on Tuesday on a five-week holiday.

Mr. Shukri Al-Kuwatly, President of Syria, arrived in New Delhi last Thursday on a brief tour of the country as a guest of India.

Mr. Kewal Singh, at present Joint Secretary in the Ministry of External Affairs, has been appointed India's first Ambassador to Cambodia.

Mr. Merghani Hamza, Deputy Prime Minister of the Sudan, arrived in Bombay from Beirut on Thursday last. He is on a visit to India at the invitation of the Union Government.

Mr. Naval H. Tata has been unanimously elected President of the Indian Merchants' Chamber for the year 1957. Similarly, Mr. Gopaldas P. Kapadia has been unanimously elected its Vice-President for the same period.

Mr. Raj Bahadur, Minister in the Ministry of Communications, will henceforth be designated Minister of Communications. The Department of Civil Aviation will, however, continue to be in the charge of Mr. H. V. Pataskar.

Mr. Ramnath A. Podar, a prominent industrialist and head of the Podar group of concerns, has been elected Chairman of the Millowners' Association, Bombay, for 1957. Mr. Podar has been a member of the Committee of the Association since 1942 and was its Deputy Chairman in 1956.

Mr. W. H. McFadzean, Chairman and Managing Director of British Insulated Callender's Cables Ltd., is on a round-the-world tour and expects to be back in his country just before the end of March. During this tour, Mr. McFadzean will be visiting the B.I.C.C. group organisations in Pakistan, India, Singapore, Australia, New Zealand and North America.

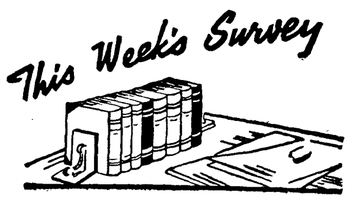
"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *30th January*

Co-operation in Bengal

The failure on the part of many central banks and most credit societies to distinguish between long (or rather intermediate term) and short-term (crop loan) business is the most unsatisfactory feature of co-operative finance at the present moment. Loans for such widely divergent purposes as normal crop requirements and repayment of debts or land improvements are lumped together in one transaction, both in the case of loans granted by central banks to primary societies, nor is it possible to maintain a proper watch over repayments by members with reference to the fulfilment of purposes for which loans are taken. A great advantage of the co-operative credit system under which the danger of cheap credit is avoided by ensuring a proper use of the loan is thus lost. The splitting up of the consolidated loans into its component parts under the test of the uses to which they are put discloses the real nature of loans. The distinction between long (that is, intermediate term and repayable within a period of three years which may be extended a little, to, say, five years at most) and short-term or crop loans (and repayable within a year from the proceeds of the harvest) which corresponds to a real distinction in the needs of agriculturists would undoubtedly assist the movement to introduce better business methods through the maintenance of an effective watch over the proper use of loans and their repayments. It would also help in keeping the major portion of the assets of the societies in a fluid state. The value of this distinction and the need for its adoption has been preached by the department for about seven years now, but unfortunately the distinction has not yet been widely adopted.



INDIA'S ATOMIC PLANS

AN assurance that India would never use atomic energy for "evil purposes" was given by Mr. Nehru, Prime Minister, Government of India, when he formally inaugurated the Atomic Energy Establishment and the atomic reactor at Trombay (Bombay), last week. Speaking in the presence of distinguished atomic scientists from 30 countries, Mr. Nehru emphasised that the world would gain a great deal through the peaceful uses of atomic energy. He said that they were now witnessing an "atomic revolution." It was something in the nature of an inevitability, just as the world had witnessed the Industrial Revolution. He added: "Either you go ahead with it or succumb and others go ahead with it."

Mr. Nehru, as is well known, has taken a special interest in the development of atomic energy in India. For this, posterity will be grateful to him, because indications are that atomic power has come to stay—and, it is hoped, for good. There are several reasons why India should not lose the initiative in the "Atoms for Peace" plans. In the first place, in the technological world, the first entrants, have a decided advantage over others. Secondly, India's hydro-electric and coal resources may be completely utilised in a few generations, so that the need for other sources of power is likely to be keenly felt sooner than many expect. Thirdly, in the context of the difficult transport situation, the large size of India and the concentration of coal only in some parts of the country, atomic power stations, which make very little demand on transport, have a special significance. They will be particularly useful to such regions as Rajasthan, Gujerat and Tamil Nad which are situated far from coal-producing tracts and in which the scope for hydel potential is limited or has been practically fully exploited. Indeed, the Madras Government and the industrialists of Gujerat are already hoping that they will be the first areas to benefit from the establishment of atomic power projects and have started voicing their demand for them. Fourthly, India has large reserves of atomic materials which it would be unwise not to utilise.

Some of these reasons were succinctly explained by Dr. H. J. Bhabha, India's well-known atomic scientist and Chairman of the Atomic Energy Commission. He said that, with only 110 tons of coal *per capita*, small known reserves of oil and an estimated hydro-electric potential of under 40 million kw., India will be unable to attain a standard of living comparable with that in industrially advanced countries. On the other hand, India's uranium and thorium reserves, he pointed out, were more than 15 times its coal reserves. Experience of atomic power stations abroad, he said, suggests the possibility of electricity being available from atomic energy at a cost that will compare favourably with that produced from conventional thermal stations.

Dr. Bhabha, however, admitted that an atomic power station would require 50 per cent. larger initial outlay than a thermal station. But apart from the fact that this difference is likely to narrow down in course of time, there are a few factors which make the establishment of atomic power stations particularly beneficial to this country. Discussing these factors, Dr. Bhabha said:

"A conventional power station of 140 megawatts located at some place in India remote from the coalfields, as, for example, Delhi, would require the transport of nearly 2,000 tons of coal per day, and this would require the permanent locking up of some 1,700 wagons and nearly 30 locomotives, representing a capital investment of over Rs. 3 crores. This does not take into consideration the additional congestion that would be produced on the railway line concerned, and if, as is the case in India, the railway capacity is already overloaded, we would only be able to set up such a power station at the expense of sacrificing the transport of some other commodity, or at the expense of building an additional railway line. An atomic power station of this size would only require the transport of 50 to 100 tons of uranium per annum, and would, therefore, completely avoid all the transport problems and the corresponding expenditure I have just mentioned.

"Moreover, the thermal station just mentioned would require the mining of an additional 750,000 tons of coal per year, with a corresponding investment in coal mines and coal mining machinery. On the other hand, the 50 to 100 tons of uranium required by an atomic power station of the same size could be obtained from only about 150,000 tons of ore, assuming that the ore is of the grade we know to exist in India, having half a part per thousand of uranium. The capital investment required for the mining of this uranium ore would clearly be very much less than that required for the mining of five times as much coal, especially when one remembers that the mining of uranium ore would involve operation at or not far from the surface. Thus, if we take the entire picture, including the cost of mining the fuel, whether conventional or atomic, the cost of its transport and the cost of burning it to produce electricity, it is questionable whether atomic power would involve any greater burden on the economy as a whole. Indeed, it is possible that it may involve less."

A notable stage in the implementation of India's atomic programme was reached on 4th August last, when its first reactor—also the first to go into operation in Asia, outside the U.S.S.R. —reached "criticality." This reactor is of the "swimming pool" type; the fuel elements contain enriched uranium and have been provided by the U.K. Atomic Energy Authority. Indeed, it must be acknowledged that, in setting up this reactor, India has received much friendly co-operation from several British atomic experts. The second reactor, which is in the constructional stage, is of the NRX type, made possible through the generous offer of Canadian assistance. This reactor is likely to be completed in the first half of 1958. It requires some 20 tons of heavy water which was sold to India by the U.S. Atomic Energy Commission. A third reactor, which is also likely to go into operation in the first half of 1958, will enable India's scientists to study the effect of different lattices, shapes and sizes of fuel elements. Since the need in many parts of the country is for small power stations of 20 to 50 megawatts, the authorities are studying the possibility of setting up reactors, moderated with beryllium oxide, gas cooled and working on natural or slightly enriched uranium. In this study, the authorities have received considerable assistance from the Commissariat a l'Europe Atomique, France. It will thus be noted that India owes a great deal to the free world—Britain, Canada, United States and France—for the substantial progress it has made so far in the field of atomic power production. And it has been able to obtain this assistance mainly because of India's desire to use the atomic power only for peace. While acknowledging this help, it is also necessary not to minimise India's own determined efforts, without which it would not have been possible to absorb such aid. It is fortunate that the country has renowned scientists like Dr. Bhabha and Dr. Krishnan, well-versed in the highly technical atomic science, a progressive business firm like Tatas which took considerable interest in the possibilities of producing atomic power in the initial stages and a far-sighted Prime Minister like Mr. Nehru who could visualise miles ahead of others the vast potentialities of the atom for the benefit of mankind.

India has yet to make much progress even in the fundamental stages of atomic power production. None is more keenly alive to this aspect than Dr. Bhabha himself, as will be seen from the following quotation from his aforesaid speech:

"It is likely that in future more advanced and efficient types of atomic power stations will use concentrated atomic fuel, such as uranium 235, uranium 233, or plutonium, rather than the naturally occurring uranium. If we are not to depend on the import of such fuel from abroad, and not to build a gaseous diffusion plant, involving an enormous expenditure and technical effort, it is necessary for us to start producing this fuel now by converting natural uranium into plutonium, and thorium into uranium 233 in atomic reactors. If we are, therefore, not to lose further ground in the modern world, it is necessary for us to set up some atomic power stations within the coming five years, which will produce plutonium for our future power reactors, in addition to producing electricity now. These problems are being studied in the Department of Atomic Energy in consultation with the Planning Commission and the other Ministries concerned of the Government, and we hope to reach some decisions within the next few months."

India's planners realise that the programme of industrial expansion cannot be implemented in the absence of adequate supply of power. Thus, Mr. Gulzarilal Nanda, the Union Minister for Irrigation and Power, stated in his inaugural address at the All-India Power Engineers Conference, which commenced this week at Bangalore, that he visualised a mounting demand for power in the next few years. Mr. Nanda pointed out that a million kw. had been added during the first Five-year Plan period and that 3.5 million kw. would be added to generating capacity in the second Plan period. In order to meet the growing demand for power, the Government, he revealed, had proposed to set up a nuclear power station with a capacity of 140,000 kw. at a suitable place in India. Mr. Nanda too admitted that generation of energy at the proposed nuclear station might be costlier than hydro or thermal power station. Nevertheless, it is likely that improved techniques and designs, as Mr. Nanda himself recognised, might enable economies to be effected, thereby making the cost of power generated in nuclear stations compare favourably with that in a conventional thermal power station located at some distance from the coalfields.

COCONUT INDUSTRY

It is heartening to note that the method of international discussion and co-operation is being applied to solving the problems in the field of coconut industry. Thus, last week, Colombo played host to a conference between major coconut producing and consuming countries. The participants at the Conference were twelve countries, eight of them were present as members, while the remaining four were present as observers and representatives of the U.N. Economic Commission for Asia and the Far East. Appropriately enough, the participating countries agreed that some of the problems facing the coconut industry could be solved only through regular international consultations, under the auspices of the F.A.O. between both importing and exporting countries. It was recognised that the subjects calling for international study were trends in the demand for and supply of coconut and coconut products, instability of prices and international trade, terms of trade in international markets, problems of quality and grades, improvement of statistics in world coconut industry and study of new processing techniques.

The value of coconut oil for edible and industrial purposes and that of copra for industrial purposes is too well known to need repetition. But, all these years, the coconut industry has not received as much attention as it deserves. A start has been made in India to overcome the problems facing the industry with the establishment of the Indian Central Coconut Committee and of a research station in Kerala. Some more research stations in other parts where coconut is abundantly grown are also proposed to be started. But, no amount of effort in the domestic field of any one country interested in this industry could solve the aforesaid problems without the willing and the unstinted co-operation of producers and consumers of coconut in the rest of the world. New methods of cultivation and processing are matters which should get priority. In this connection, an interesting new development is the evolution of a new process in the Philippines for the extraction of edible oil and meal from fresh coconut.

Stability of prices, as is well known, provides security to the grower, and the necessary incentive for increasing production. This need is no less important in regard to coconut than other commodities which figure in international trade. Not the least important is the need for dissemination of information about the results of research and marketing. It is expected that these problems will come up for consideration at the session of the Committee on Commodity Problems to be held at the F.A.O. headquarters at Rome, in March next. The Colombo Conference, on its part, has recommended to the F.A.O. that a permanent study group should be set up to serve as a forum for international consultation on world coconut economy. It also recommended the establishment of a bureau for collection and dissemination of information relating to the coconut industry.

OILS FOR PERFUMES

The products of essential oils and perfumes occupy today a place of priority among the needs of people belonging to the rich and upper middle classes, while the people lower down in the scale of incomes are also gradually getting familiar with their use. The number of people using these products is thus increasing day by day. This is reflected in the rising demand for such products and in the imports of essential oils and perfumery. Such imports aggregated Rs. 1.29 crores in 1955-56, as against Rs. 89.21 lakhs in the previous year. Since the increase in these imports intensify the pressure on India's limited foreign exchange resources, any step that is designed to obviate the need for such imports should be welcomed. It is, therefore, gratifying to note that Messrs. W. J. Bush Products, a British firm, has taken the initiative in establishing a factory at Nellikuppam (South India) for the manufacture of essential oils, liquid colours and perfume compounds, in collaboration with East India Distilleries, a company under the management of Parrys, Madras. Inaugurating the factory last week, Mrs. Maragatham Chandrasekhar, Union Deputy Minister for Health, predicted a great future for the essential oil industry in this country.

The factory has been set up at an initial cost of about Rs. 5 lakhs. It is expected to produce initially 150,000 lbs. of essences, 50,000 lbs. of liquid colours, and 4,000 lbs. of perfume compounds per annum. It will also produce extracts from ginger, chillies and essential oils from indigenous raw materials, the value of which together amount to Rs. 40 lakhs. It is estimated that, in the first year alone, foreign exchange to the tune of £80,000 would be saved as a result of the production of these items. The factory is the result of fruitful co-operation between Messrs. Parry & Co., one of the oldest foreign enterprises in India, and the century-old British firm, Messrs. Bush & Co., the association between the two firms extending over a period of 50 years. The establishment of the factory also represents a step in the direction of India retrieving its former role in the production and supply of spices, perfumes and aromatics. Essential oils, as is well known, find an extensive use in the pharmaceutical industry, in the preparation of cosmetics and perfumes, confectioneries and ærated waters.

Declaring open the factory, the Union Deputy Health Minister rightly pointed out that India lost its predominant position in the trade of these commodities because of the ignorance of scientific methodology, and the reluctance of the indigenous producers to change over from the relatively crude methods of manufacture to more refined and technically advanced ones. Another factor responsible for the decline in the Indian position is, as the Minister remarked, intensive cultivation abroad of the various aromatic plants, as, for instance, the growth of roses in the Balkans which have become the world's leading producers of rose oil. The Minister also complained that much interest had not been evinced in the varied uses of these essential oils, spices and aromatics.

Climatic conditions in India are quite suitable for the cultivation of a large number—no less than 100 varieties—of aromatic plants in the country. What is, therefore, of importance for effecting expansion in the cultivation of these plants is dissemination of information about the conditions in which they can be grown and facilities for immediate disposal of the harvests. Research, obviously, has a great role to play in this field and it is gratifying to note that it has been found that certain varieties of lavender can be grown successfully in the lower altitudes of the Nilgiri and Shevaroy hills and that cloves can be grown in Kerala.

As the Minister has pointed out, cultivation of roses can be stepped up considerably, and distillation of oil started. There is also scope for the manufacture of citrus oil. This underlines the need for technical knowledge, on the one hand, and convenient transport and marketing facilities, on the other. The need for co-operation among agriculturists, industrialists, plant physiologists, engineers and synthetic chemists is, of course, the *sine qua non* for the success of the projects. Moreover, if the resources are developed in a co-ordinated manner, as the Minister pleaded it should be, there is scope for earning substantial amounts of much needed foreign exchange.

ENGINEERING EDUCATION

One of the major impediments in the way of rapid industrial development in India is the shortage of adequate technical personnel to man the various development projects. The Government had early enough realised this lacuna and appointed the Engineering Personnel Committee to study the problem and make suitable recommendations. The Committee submitted its report in May last. The Planning Commission and the Union Ministry of Education, after a thorough re-examination of the whole problem and a study of the Committee's report, have made certain proposals which mark a departure from the basic assumptions of the Committee and the scheme drawn up by it. The divergence between the two points of view appears to lie in the reversal of emphasis as between establishing a number of new educational institutions and expanding the existing facilities. The Planning Commission and the Union Ministry of Education favour the latter approach.

It may be recalled, in this connection, that the Engineering Personnel Committee had recommended the establishment of 18 new engineering colleges and 62 new polytechnics. But, under the new proposal, only three new engineering colleges and 27 polytechnics are to be started. These are considered adequate to meet the requirements, if the training capacity of the existing 19 engineering colleges and 46 polytechnics are increased. Under the new proposals, the number of additional seats available will increase by 264 for degree and 684 for diploma courses, as compared with what the new institutions proposed by the Committee would have provided for. The Engineering Personnel Committee had estimated that, according to the projected demand for and supply of technical personnel in 1960-61, the shortage will be of the order of 1,800 graduates and 8,000 diploma holders. After carefully considering the question as to the best means by which the required expansion of technical education may be brought about, the Planning Commission and the Ministry of Education, in consultation with the All-India Council of Technical Education and the heads of various technical institutions, have come to the conclusion that it would be impracticable at this stage to start a number of new institutions.

Shortage of sufficient teaching personnel and other difficulties attendant on the starting of new institutions appear to have been the most important considerations which weighed with the Planning Commission and the Ministry in their decision not to favour the multiplication of institutions. The second Plan already includes five new engineering colleges, 21 polytechnics and three higher technological institutes. In these circumstances, they seem to have taken the realistic view that, if the existing institutions can be expanded and better utilised, it will not only lessen the difficulties of starting the minimum number of new institutions but also hasten the process of expansion of technical education and make possible economies in resources and teaching personnel. The best and the most economical way of increasing the facilities is considered to be to enlarge the "unit size" of selected existing colleges and polytechnics.

Nineteen engineering colleges have been selected for the proposed expansion, five each from the three regions, northern, eastern and western and four from the southern region. At present, the average strength of an engineering college is between 400 and 500 students, on the basis of an annual admission of 100 to 120 students, whereas that of a polytechnic is about 360 students. It is estimated that, as the institutions are at present working on the single-batch system, the laboratories, workshops and classrooms are generally not used more than 60 per cent. of the time each working day. It is considered entirely feasible to have an engineering college with an enrolment of 1,000 to 1,600 students and polytechnics with a capacity of 600 to 1,000 students each, provided instructional facilities and the administrative structure are suitably adapted.

After discussion with the heads of selected institutions, the Ministry of Education and the Planning Commission are reported to have arrived at certain "ceilings" of cost for the expansion proposed. On the basis of these ceilings, it is estimated that the total cost of the expansion of existing institutions and the establishment of new ones in the second Plan period might come to Rs. 12 crores non-recurring and Rs. 3 crores recurring. The estimate of the Engineering Personnel Committee placed the non-recurring cost of the engineering education scheme adumbrated by it at Rs. 16 crores which is now regarded by experts in the field as an underestimate.

An aspect of economising costs of technical education is to locate, wherever possible, both diploma and degree courses in the same institution. This will also enable the diploma students to get better facilities—both tutorial and laboratory—than would be available in an institution specialising only in diploma courses. Further, diploma students should be given opportunities of acquiring a degree at a later stage of their career, provided they are willing to take the examination and undergo the necessary laboratory and workshop training.

An important objective which should not be lost sight of in implementing the scheme is the maintenance of the standards of instruction. It would be quite undesirable, if, for the sake of numerical increase, standards are allowed to fall. But the authorities appear to be fully alive to this question, as they have recognised that the main problem lies in ensuring a proper student-teacher ratio.

FISH PRODUCTION

From the nutritional point of view, the lack of protein makes the average Indian diet a poor one. This deficiency has to be made up in the interests of balanced diet. In such a situation, fish, an important source of proteinous food, comes in handy and offers a feasible and permanent solution. According to the nutritional standards of balanced diet for this country, a daily consumption of three ounces of fish is required, as against an estimated *per capita* consumption of only 3.9 lbs. per annum. It, therefore, becomes imperative that, in order to maintain adequate standards of nutrition, the present estimated fish production of about 11 lakh tons in this country would have to be stepped up to many times that level.

The question of improving and increasing the fish supply in the country, in view of the rapidly increasing population, has been seriously engaging the attention of the Government of India since independence. Under its ægis, the State Governments received sufficient impetus in implementing programmes of fisheries development and the progress achieved thus far is, in itself, commendable. The estimated landings of sea fish and the marketable surplus of inland fish amounted to 5.22 lakh tons in 1948 and increased to 8.1 lakh tons in 1954. Improved methods of fishing by mechanisation and better type of craft, provision of ice and cold storages for fish and other methods envisaged in the fisheries schemes in the second Plan, are expected to increase the output of fish at a faster rate.

Since fish is among the most perishable of food products, it has to be handled in such a way that it retains its freshness from the time it is caught up to the moment of consumption. It is estimated that about two-thirds of the world fish catches are marketed as fresh, frozen, canned or cured fish products for human food and the remaining one-third is converted into fishmeal and oil. The trend of preservation since 1940 has been increasingly towards fresh-fish consumption in the form of iced, chilled or frozen fish. It is estimated that, in India, only 43 per cent. of the total production is consumed as fresh fish. This quantity could be increased if adequate facilities for proper storage and rapid transport are provided. Against this background, the ice-factory plant at Quilon, which was opened recently by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, acquires special significance. The plant is being set up under the Indo-Norwegian Aid Programme in connection with the Community Project established in 1953 at Quilon.

Ice is now being extensively used in some parts of the country for preservation of fish. The few ice plants that the State Governments and the trade had established during the last five years have not been found adequate. The Central Government established a large ice factory and quick freezing and cold storage plant in 1951 in conjunction with their Deep-sea Fishing Station at Bombay. The plant provides ice, freezing and storage facilities not only for the catches of the vessels of the Central Government operating at Bombay but also for the fishing industry. This plant supplied about 2,500 tons of ice in 1954, 3,500 tons in 1955 and over 4,000 tons in 1956 to meet the increasing demands of the fishing industry in and around Bombay. There are also several other private ice and cold storage plants in the city. In addition to this, on the West Coast, two fairly large ice and cold storage plants are now operating—one in Mangalore and the other in Kozhikode—with considerable success. Private enterprise has, in addition, established some small units. The State Governments of West Bengal, Orissa, Andhra, Madras, Bombay and Kerala are also setting up ice and cold storage plants. Under the Indo-American Technical Co-operation Programme, several plants of this type have been procured and they are under installation in these States.

It is hoped that the ice plant now being inaugurated at Quilon will definitely bring a better return for the fishermen through better preservation of the catches. The plant is designed to produce 25 tons of ice per day. Facilities will also be provided for freezing fish at a later date along with frozen fish storage. This plant will greatly assist in developing not only the fresh fish trade within the country but also frozen prawns and fish for export purposes. The unit in question will also create an expansion in frozen prawn trade. It will be the first large unit in the southern area to meet the needs of the region till such time as more units are established. It is to be hoped that the activities of this ice factory in the successful preservation of fish in fresh condition, as the Union Minister for Agriculture pointed out, would give a fillip to the establishment of more of such units at important landing and consuming centres.

AMERICAN LETTER

ENQUIRY INTO FINANCIAL SYSTEM

NO CAUSE FOR PESSIMISM ABOUT THE FUTURE

From Our Special Correspondent

NEW YORK, 10*th January*
(Delayed in Transit)

THE resignation of Sir Anthony Eden as British Prime Minister, came as no surprise in the United States where Anglo-French action in the Middle East found no sympathy. The action by London and Paris was regarded as completely inexcusable and in violation of the United Nations charter. Moreover, the bombing of Egypt and the occupation of the Suez Canal was a first-class blunder, not only in the opinion of editorial writers here, but in Britain as well.

The choice of Mr. Harold MacMillan to succeed Sir Anthony is largely attributed to recommendations by Sir Winston Churchill to Queen Elizabeth. There is no preconceived opinion here about Mr. MacMillan and the country has adopted a wait-and-see attitude and hopes that the rift in Anglo-American relations will be healed by Mr. MacMillan who has an American mother.

President Eisenhower's State of the Union message was the subject of much applause by the Press here. He made many constructive suggestions. The President spoke of the strides which had been made on the road to greater freedom of oppressed people.

"Our pledged word, our enlightened self-interest, our character as a nation commit us to a high role in world affairs, a role of vigorous leadership, ready strength, sympathetic understanding," the Chief Executive declared.

Turning to the economic state of affairs, he pointed to the high level of activity, unprecedented in peace-time. "We can look back on four years of prosperous activities during which prices, the cost of living, have been relatively stable," he said.

Mr. Eisenhower called for further economy in Government, but he warned that the Government alone could not prevent inflation and the efforts of everyone are required in this direction.

President Orders Probes

Of particular interest to the financial community was the President's recommendation to create a commission "of able and qualified citizens" to survey the nature, performance and adequacy of the U.S. financial system, both in terms of its direct service to the whole economy, and in terms of its functions as the mechanism through which monetary and credit policy takes effect.

There are various investigations going on now in several States regarding revision of the banking laws. However, since the dual banking system of the U.S. comprises both State- and Federally chartered institutions, an overall Federal inquiry into the mumbo-jumbo of the U.S. financial structure is not only desirable, but long overdue. Such a commission, the President hoped, would come up with legislation which would improve the workings of the economy.

Among the general prosperity prevailing here, there are now cries from disbelievers that this cannot possibly continue. The doubting Thomases point out that, once before in our lifetime, the idea of a new era was promulgated and that the biggest depression in history followed. Do not follow false prophets again, these people warn, including well-known economists.

There is, indeed, a new era in progress now. Backed by the experience and knowledge acquired in the fateful 'thirties, banking and Government are trying hard to create a depression-proof society. Owing to wise advance planning, the generally expected setback in business has been avoided since the end of the last war and the economy has been booming along.

That not everything is rosy, is strictly human and natural. There are bottlenecks in supplies, raw materials and shipping, to mention only a few items. If not corrected in time, such conditions may lead, in due course, to a reduction of activity here and abroad with detrimental effects all around, here and abroad.

It is such conditions that the pessimists fear might occur. While it is a possibility, it is by no means a probability. The oil pinch was met promptly by American oil companies through a seaborne oil lift. The fuel shortage arising out of the Middle Eastern situation was also met by greater exports of coal from this side and there are still dozens of ships in the so-called mothball fleets on both coasts which could be reactivated in the event the situation should become more serious.

The reserve fleets were laid up after the last war. They comprise vessels of all descriptions, but the bulk are so-called "Liberties" which are relatively slow. However, if the necessity should arise, the active world shipping space could certainly be increased substantially.

Outside of world political perils, the picture in this country is thoroughly reassuring. The automobile industry expects to make a much better showing this year than last. The labour contracts in both steel and the automotive industry run beyond 1957 and no major strikes are foreseeable—no interruption of production except for model changeovers. Steel expects an excellent year even though capacity has been built up steadily to an estimated 130 million tons-plus annually.

Building, construction and housing, other big mainstays of the economy, also should have no complaints this year either. While individual housing starts have fallen in number, actual construction and construction blue-prints are on the way up.

This upward movement is supported mainly by the Federal highway programme and the large private extension of plant and other buildings. Municipal projects enter into this picture, too. Airports all over this country are being rebuilt and enlarged and the network of roads is being expanded.

The news in the agricultural field is good as well. Farm surpluses are being whittled down by stepped up exports. The soil bank will not be allowed to fail and acreages for certain crops will be smaller this year, so that the outlook for the price structure seems to be reassuring.

Foreign trade is enjoying a bonanza also which is likely to continue, despite and above the steady movement of United States military goods' shipments. The only possible deterrent in this direction could be a further severe depletion of gold and foreign exchange reserves by European nations. Imports to the U.S. are rising and provide considerable foreign exchange reserves and act as a cushion before the situation straightens itself out.

Inflation is another subject to be watched closely in the coming months. Government policies are designed to stem it, but continual

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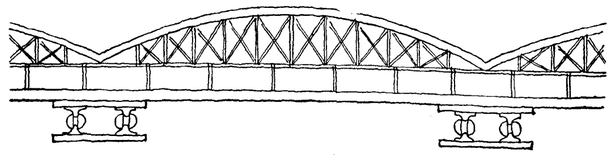
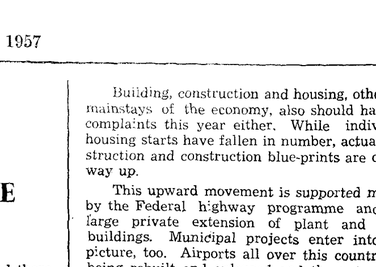


Bridging the Future...



Rs. 25 crores are to be spent during the next five years on bridges alone. For these reinforced concrete and structural steel bridges, thousands of cast steel roller and rocker bearings will be needed. These cast bearings form an integral part of bridge construction because they allow for free movement of the bridge caused by temperature variations.

We, at Mukand, have a large expansion programme under way. Production capacity at the Mukand foundries is being stepped up to supply India's construction and engineering companies with the cast steel roller and rocker bearings which they will need. We are proud of our role in India's industrial progress.

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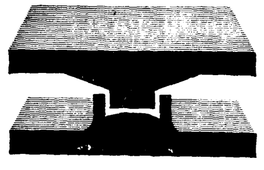

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NEW BROOM OR OLD LAMP?

SIGNIFICANCE OF CHANGE IN GOVERNMENT

From Our Own Correspondent

LONDON, 19*th January*

LONDON LETTER

THE joy and relief with which the appointment of the new Prime Minister has been greeted by much of the Conservative Party and a section of the Press is basically a reaction to the uncertainty which has surrounded Sir Anthony Eden's future after the utter failure of his Suez policy and of his unfortunate need to seek temporary rest in Jamaica. So far as the Government Party was concerned, Sir Anthony's fate was sealed while he was abroad—the trouble was which successor to appoint. In the end, the right wing of the Party proved dominant and Mr. Macmillan stepped into office.

But a moment's analysis of the fact of the appointment of Mr. Macmillan instead of Mr. Butler—who was Acting Premier in Sir Anthony Eden's absence—and of the composition of the new Government, makes it clear that all that has happened is that the old lamp has been polished up to shine as new. If, while it still retains some of its brightness, the new Premier is lucky enough with this country's domestic problems, he may find an opportunity of renewing his authority in a General Election: but, if not, then the lamp will surely go dim again.

The first point, on which it is obvious that no real change is going to occur, is that of Foreign Policy. Mr. Macmillan has been criticised for retaining Sir Anthony's Foreign Secretary but what else could he have done? Mr. Macmillan was as implicated as the former Premier in the Suez Policy and Mr. Selwyn Lloyd faithfully carried out that policy. To have dropped him would have indicated a complete repudiation of the Suez Policy which would not have been tolerated by that section of the Party which supports Mr. Macmillan. The new Premier is clearly basing his approach to the rest of the world on the simple proposition that there is a change of Government and that, whatever the faults of the past, that Government will work with U.N.O. to put them right. But what about Britain's relations with Cyprus? and with the Middle East, the Arabian oil countries?

Free Trade Area

What about Britain's economic relations with Europe? Mr. Macmillan is enormously keen to develop the idea of the "Common Market," but the biggest difficulty in this country's co-operation with Europe is the refusal so far to agree that foodstuffs and agricultural products can be brought into the market. Mr. Macmillan's supporters are not likely to allow a departure from this stand. He will in any case have enough difficulty in carrying through the United Kingdom's adherence to a "Common Market" if this proves to be possible against the opposition of industries such as the motor car manufacturers and the textile trades.

On the domestic front, a really worthwhile move has been made in appointing a leading industrialist, Sir Percy Mills, as Minister of Power. He has absorbed the Ministry of Fuel and Power and will be charged primarily with developing the atomic energy programme. But everything will depend upon the real weight which the Government as a whole are prepared to give to the priorities of this programme. For instance, in spite of the need for economies to avoid inflation, is Sir Percy Mills to be told that there is virtually no financial limit to be put on the building of the new stations? He may, indeed, well be told this, because the real brakes can be put on when it comes to the allocation of the materials. Must the new stations, essential to the development of this country's industries, take their place in a queue for steel and equipment, or are they to be given priority? If the latter, then there will be some hope of real progress.

Outlook

On the broad economic front, the immediate outlook is more promising than it has been since the Suez crisis began to develop. The pound looks strong, the visible balance of trade has been satisfactory for the last half-year, spending by the ordinary consumer has been restricted, the rise in the cost of living over the past year has been held down to about 3½ per cent.—but all this has been achieved at the cost of a 50 per cent. increase in the numbers of unemployed from a figure of a little over 200,000 a year ago to 300,000 at the present time. However, this in itself is not an alarming figure since it is no more than the level of two years ago. Back of it, however, is the fact that overtime in industry has been drastically reduced over the last couple of months and large numbers of workers have been put on to short time. The number of vacancies notified to the Labour Exchanges has fallen dramatically. Thus, against the ever-present fears of inflation must be reckoned the possibility of depression, viz., a fall in incomes and employment and a slackening of the economy to an extent not known since the war. With these problems Mr. Macmillan's Government will have to contend.—*All Rights Reserved.*

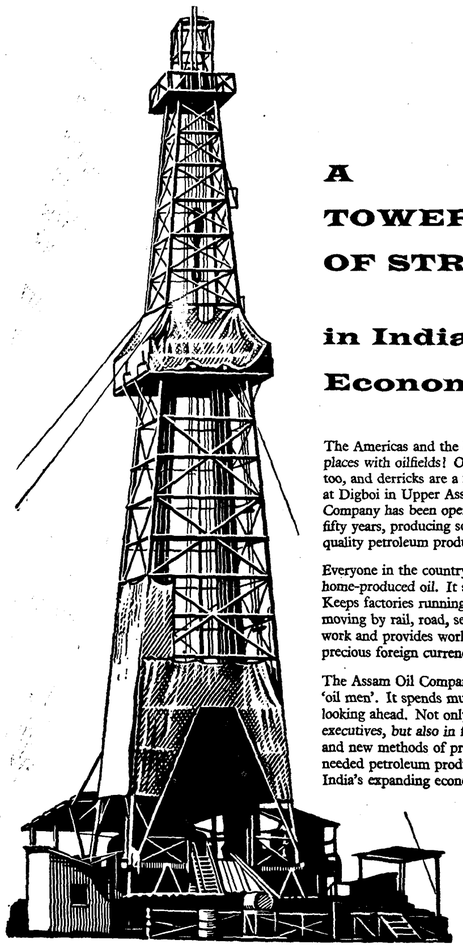
AMERICAN LETTER

(Concluded from previous page)

wage boosts and increases in prices exert a steady pressure. This development goes on quite unnoticed, because all these increases are rather fractional but the steady and cumulative effect is there. Rising costs stemming from automation and other costlier machinery are contributing to the upward trend.

Savings continue satisfactory, but they will be required to carry an unusually large amount of new issues for capital purposes. The emphasis on increased savings which has become a concerted effort of all organised banking will become more important as the years go by, since the American population is increasing at the rate of 3 million a year which compares with 130,000 new babies being born every day the world over. This population explosion is, of course, offset by deaths, but these have become lower in relation to the entire populations because of greater medical knowledge. The financial and economic implications are enormous. The need for expansion in nearly everything we require in daily life is self-evident.

Thus the main pillars upholding the U.S. economy are fairly strong and no major setbacks are expected.—*All Rights Reserved.*



A TOWER OF STRENGTH in India's Economy

The Americas and the Middle East are not the only places with oilfields! Oil is produced here in India, too, and derricks are a familiar part of the landscape at Digboi in Upper Assam. The Assam Oil Company has been operating this oilfield for over fifty years, producing some 300,000 gallons of high quality petroleum products daily.

Everyone in the country benefits from this flow of home-produced oil. It speeds food production. Keeps factories running smoothly. Keeps goods moving by rail, road, sea and air. Takes people to work and provides work for them—as well as saving precious foreign currency.

The Assam Oil Company itself employs over 8,000 'oil men'. It spends much time and money in looking ahead. Not only in training technicians and executives, but also in finding new sources of oil and new methods of processing it into the much-needed petroleum products which are so vital to India's expanding economy.

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ASSAM OIL COMPANY

BANKING AND MONETARY TRENDS

MONEY SUPPLY EXPANDS BY 23 PER CENT. IN FIVE YEARS

(Now that monetary data have become available for the whole of 1956, we publish on this page a review of banking and monetary trends, supplementing the one in our 1956 Annual Review Number in which figures only up to the end of November last could be given.—ED.)

THE year 1956, which witnessed the completion of the first Five-year Plan and the beginning of the second Plan, experienced a perceptible acceleration of the pace of economic activity in the country. The economic expansion was reflected in a rise in industrial production of over 15 per cent. (up to the end of September), though agricultural production as a whole disclosed a slight fall. There was also a considerable increase in the level of development expenditure. The higher industrial production and the increased development outlays on a wide front by the public and private sectors caused a sizable rise of nearly 25 per cent. in bank credit. This, together with a larger budgetary deficit, mainly contributed to a 6 per cent. expansion in money supply.

The tempo of economic activity caused some strain on the economy. The strain was rather heavy especially during the latter part of the year, as witness the marked rise in commodity prices and cost of living index during this period. The general index number of wholesale prices (base year ended August 1939=100) recorded an advance from 373.2 at the end of 1955 to 421.9 at the end of 1956. The rise was quite marked in food articles which rose from 327.4 to 392, and so also in industrial raw materials which went up from 453.4 to 520.2. Semi-manufactures advanced from 351.4 to 415.9, manufactured articles from 373.6 to 387.1 and miscellaneous articles from 547.5 to 589.3. The all-India cost of living index moved up from 98 to 108 (in September). The heavy rise in the cost of raw materials, stores, labour, unaccompanied by a corresponding rise in selling prices, enhanced the industrialists' demand for bank credit. The heavy increase in imports as well as a larger domestic production, led to an addition in the demand for bank accommodation from traders too. The Governments' reliance on banks for making their borrowing programme a success also added to the strain on the latter's resources. As there was no corresponding expansion in banks' resources, the money market experienced an unprecedented stringency even during the traditional slack season.

Rise in Money Supply

The expansion of credit by banks to the private sector, together with the rise in the Reserve Bank's credit to the Government, resulted in an expansion of money supply, which over the year showed a rise of 6 per cent. Was this increase in money supply during a year, which witnessed the inauguration of a gigantic development plan, excessive? Was the growth in bank credit, which is said to be one of the contributory factors for the rise in money supply, abnormal, what with the rise in tempo of industrial development? Some say "yes" and others "no". To us, it seems that the latter is correct, though it must be said that it is difficult to give a categorical answer in the absence of adequate data for judging the velocity of money correctly. But this much can be stated without fear of contradiction. The rise in prices and cost of living in the past year was not due to monetary causes. It was due mainly to the failure of the supply of goods to keep pace with the demand, the momentum for which was given in the preceding two years. It may be argued that a further increase in money supply will accentuate the rising spiral of prices, but such a trend is inevitable to a large extent if the large-scale developmental work is to be pushed through. The rise in money supply must, therefore, be studied against the background of the expansionary trends in production, industrial and agricultural, and the general level of economic activity; in other words, the issue must be judged whether money supply has outpaced the rise in production and economic activity.

The object of this survey, however, is not to raise a controversy over this point, but to present, as already stated, the monetary and banking trends during 1956, as well as during the past five years. The relevant monetary data are given in the table at the foot of this page.

The money supply during the year rose by Rs. 131.03 crores to Rs. 2,178.18 crores, the expansion being much less than that noted in 1955. The bulk of this rise was accounted for by the currency with the public, of which notes in circulation and rupee coin alone represent over 72 per cent. This shows that the disbursements arising out of the development expenditure have gone to raise the income of those classes of people among whom the banking habit has not developed. The demand deposits of banks which form the other main constituent of money supply show a relatively smaller rise, as witness the increase of only Rs. 35.48 crores, or 5.8 per cent., in the demand deposits of Scheduled banks.

The main factors which have contributed to the expansion in money supply are the budgetary deficit and credit extension by banks to the private sector. For purposes of analysis of money supply variations, the budgetary deficit is measured by the extension of credit by the Reserve Bank to the Government which now mainly takes the shape of purchase by the Bank of Government securities (mostly *ad hoc* Treasury Bills). Some idea of the budgetary deficit for the year can be had from the increase of Rs. 246.68 crores in rupee securities held by the Bank, which at Rs. 785.35 crores probably constitute a year-end record.

Foreign Exchange Reserves Down

The expansion in notes in circulation noted above has occurred against a rise of Rs. 246.68 crores in rupee securities, and of Rs. 77.74 crores in gold and bullion following the revaluation of the Reserve Bank's gold holdings. The notes in circulation would have been more, as indicated by the rise in rupee securities and gold coin and bullion, but for the contraction in foreign securities to the tune of Rs. 239.58 crores, which represented the transfer over the year from the Issue Department to the Banking Department. Balances held abroad have, on the other hand, risen by Rs. 34.31 crores, with the result that the total foreign assets of the Reserve Bank have suffered a net recession of Rs. 205.27 crores, as against an accretion of Rs. 4.39 crores in 1955.

The reduction in foreign exchange reserves, it is now well known, is due to the substantial deficit in the country's external payments position, brought about by the huge imports of capital equipment for the Plan projects and the deterioration in the terms of trade. This, together with the decline in holdings of Government securities by banks, considerably reduced the impact of the rise in development expenditure (budgetary deficit, to be precise) on money supply. Further, the effect of the huge import surplus on price levels was not fully felt, because there was no corresponding addition to the supply of consumer goods. On the contrary, the large quantity of plant and machinery, steel, and transport equipment, which constituted the bulk of the imports, generated a larger demand for bank credit as they are heavy consumers of capital in the initial stages and do not produce saleable goods forthwith. In contrast to these developments in 1956, the preceding year witnessed a slightly favourable external payments position. There was also an increase in banks' holdings of Government securities. Both these factors were favourable for an increase in money supply.

A glance at the table (given at the bottom of the page) shows that, over the past five years, the money supply has risen by Rs. 404.79 crores, or nearly 23 per cent. It should, however, be noted that the trend during this period was not one of continuous rise. For, in 1952, there was a contraction to the tune of Rs. 90.58 crores, reflecting the deficit in external transactions—as indicated by the fall of Rs. 75.60 crores in foreign exchange reserves—and the decline in Reserve Bank's credit to Government and banks' credit to the private sector. In the subsequent four years, however, the expansion in money supply was of the order of Rs. 495.37 crores, thus more than making good the contraction in 1952. This was mainly due to the substantial rise in budgetary deficit of the Government during the last two years, as also in bank credit during the last three years. The improvement in the external payments position during 1953, 1954 and 1955, as reflected in the net rise of Rs. 29.69 crores in foreign exchange reserves, also contributed to the expansionist trend in money supply, but the effect of this was more than wiped out in 1956, following the substantial fall of Rs. 205.27 crores in foreign assets as already noted.

Rise in Banks' Advances

The growing industrial activity, the larger volume of imports and the issue of Central and State loans during the year all called for a larger credit from banks. Consequently, the Scheduled Banks' advances (including bills purchased and discounted) recorded an increase of Rs. 157.01 crores in 1956, as compared with that of Rs. 93.04 crores in the previous year. Over the past five years, the rise in this item is of the order of Rs. 245.93 crores, or 45 per cent. The increase in the Scheduled banks' resources, however, lagged very much behind the increased demand for credit, the rise in net deposits of Scheduled banks during 1956 being only Rs. 79.43 crores, as against Rs. 90.02 crores in 1955 and Rs. 255.54 crores over the five years. Consequently, the ratio of advances to net deposits touched a peak of 71.6 per cent. at the end of 1956, having gone up from 61.8 per cent. a year before. At the end of 1953, it was only 55.4 per cent.

An interesting feature of the rise in banks' resources is the relatively larger expansion in time deposits as compared with that in demand deposits. This is not a peculiar feature of 1956 alone; it has been the case in previous years also, with the result that the share of time deposits in the total at the end of 1956 was 41.5 per cent., as against 34.6 per cent. at the close of 1951.

Larger Borrowings from Reserve Bank

With the calls on the banks for credit exceeding their readily lendable resources and the consequent stringency in the money market, interest rates ruled firm throughout the past year. The customary slack season was almost unfelt, while the busy season was felt more acutely than in recent years. The result was that banks had to resort to larger borrowings from the Reserve Bank besides reducing their liquid assets to the barest minimum. Thus, the aggregate borrowings by scheduled banks from the Reserve Bank during the year amounted to Rs. 903.77 crores, more than double those in 1955. What is more noteworthy is that the share of borrowings against Government securities was larger than those against usance bills, in distinct contrast to the trend noted in 1955. This is explained by the fact that the cost of borrowing against usance bills, which was cheaper as compared with that against Government securities in 1955, went up in 1956, following the increase in the Reserve Bank's lending rate under Section 17(4)(c) of the Reserve Bank of India Act, first from 3 to 3½ per cent. and the withdrawal of stamp duty concession with effect from 1st March 1956, and again, to 3½ per cent. (that is on par with the Bank rate), with effect from 21st November. Banks, therefore, found it less cumbersome to borrow against Government securities. Nevertheless, the pressure of demand for bank accommodation was so great that the utility of usance bills to the Scheduled banks was substantially greater than in the preceding years.

Be that as it may, over the year 1956, banks had to reduce their investments by Rs. 20.30 crores, in distinct contrast to the accretion of Rs. 37.01 crores in 1955, and their cash balances by Rs. 7.23 crores, as against only to the extent of Rs. 5.22 crores in the previous year. The result, as will be seen from the table, was that the cash ratio—and presumably the total liquidity ratio also—fell to the lowest level on record.

MONETARY DATA

As on last Friday. (In crores of rupees)

	1951	1952	1953	1954	1955	1956	Increase (+) or decrease (—) in 1955 over 1954	Increase (+) or decrease (—) in 1956 over 1955
RESERVE BANK OF INDIA								
Notes in circulation	1,141.09	1,092.12	1,132.15	1,200.49	1,361.98	1,466.07	+161.49	+104.09
Rupee coin in circulation	125.51	116.47	113.50	111.51	117.46	115.05†	+ 5.95	— 2.41
Money supply	1,773.39	1,682.81	1,714.90	1,845.89	2,047.15	2,178.18†	+198.26	+131.03
Foreign exchange reserves	781.09	705.49	727.47	739.79	735.18	529.91	+ 4.39	—205.27
Gold coin and bullion	40.02	40.02	40.02	40.02	40.02	117.76		+ 77.74
Rupee securities	468.13	450.06	421.38	417.75	538.67	785.35	+120.92	+246.68
Central Government's deposits	210.49	174.79	113.43	54.89	54.01	57.24	— 0.88	+ 3.23
Outstanding advances to Scheduled banks	..	4.54	5.99	9.63	30.02	79.06	+ 20.39	+ 49.04
Of which those against usance bills	..	0.99	0.49	2.90	18.86	57.20	+ 15.96	+ 38.34
Total advances to Scheduled banks during the year	76.57	245.70	195.42	336.21	425.38	903.77	+ 89.17	+478.39
Of which those against Government securities	76.57	164.25	129.58	188.70	199.94	466.95	+ 11.24	+267.01
Time „ „ usance bills	....	81.45	65.84	147.52	225.44	436.82	+ 77.92	+211.38
SCHEDULED BANKS								
Net deposits	846.21	830.72	840.89	932.30	1,022.32	1,101.75	+ 90.02	+ 79.43
Demand deposits	553.74	517.45	511.24	567.17	609.26	644.74	+ 42.09	+ 35.48
Time deposits	292.47	313.27	329.64	365.14	413.06	457.01	+ 47.92	+ 43.95
Borrowings from banks	23.07	16.80	8.65	9.76	19.56	11.04	+ 0.80	+ 1.39
Demand „ „	22.32	13.01	6.54	6.19	5.22	9.45	— 0.97	+ 4.23
Time „ „	0.75	3.79	1.51	3.57	5.34	2.49	+ 1.77	— 2.85
Advances and bills purchased and discounted	542.53	468.33	465.94	538.41	631.45	788.46	+ 93.04	+157.01
Investments in Government securities	307.48	323.20	328.65	348.04	385.05	364.75	+ 37.01	— 20.30
Cash	89.51	78.53	82.14	103.44	98.22	90.99	— 5.22	— 7.23
Ratio to net deposits of—	%	%	%	%	%	%		
Advances and bills	64.1	56.4	55.4	57.7	61.8	71.6		
Investments	36.3	38.9	39.5	37.3	37.7	33.1		
Cash	10.6	9.4	9.8	11.1	9.6	8.3		

† Provisional.

DECIMAL COINAGE

Arrangements for the changeover from the existing coinage to the decimal system with effect from 1st April 1957 are in progress. The new coins will be put in circulation on that date. While the existing coins will continue to be in circulation as legal tender side by side with the new ones till they are ultimately withdrawn, the Government proposes to make every effort to have the existing coins withdrawn from circulation as early as possible.

In the first instance, only coins of the denomination of one naya paisa, 2 naye paise, 5 naye paise and 10 naye paise will be issued. This will be followed later by the issue of 25 and 50 naye paise coins and the new rupee (equivalent to 100 naye paise). Coins of the denominations of As. 2 and under will be withdrawn first, as decimal coins of 10 naye paise and below will be put in circulation in sufficient quantities in the initial stages.

The Comptroller and Auditor-General of India has issued a circular to the effect that, from 1st April 1957, all Government accounting will be maintained in terms of rupees and naye paise, instead of in rupees annas and pies. Explaining the procedure to be followed by Government departments, the circular says that all *challans* in support of money tendered in payment of Government dues are to be expressed in new coinage. Similarly, all bills for withdrawals also are to be expressed in terms of rupees and naye paise. The forms of bills, *challans* and other books of account used by Government Departments are to be revised to provide only two columns to show rupees and naye paise separately. Until, however, the new forms and bills, etc., are printed, the existing ones will be suitably adapted for use. The circular indicates the standard method of expressing amounts in the new coinage. A sum of Rs. 25 and 5 naye paise is to be written as Rs. 25.05 and not Rs. 25.5 and Rs. 55 and 83 naye paise is to be written as Rs. 55.83. For entering an amount of Rs. 25 and 5 naye paise, in forms providing for separate columns for rupees and naye paise, 25 will be entered in the rupee column and 5 in the naye paise column. Amounts expressed in annas and pies will be converted into whole numbers of naye paise according to the conversion table before they are entered in the books. The abbreviated forms to be used for naye paise will be N.P.

Rounding off is to be made only at the stage when payment of tender of money takes place. In agreements, enactments, etc., where rates are specified, the rounding off should be made only in respect of the total amount payable, or receivable in a single transaction, and the amounts specified in rupees annas and pies in financial sanctions, rules, orders, notifications, contracts, deeds or other enactments will be automatically construed as expressed in terms of equivalent value under the decimal system without any rounding off. While payment of Government dues will be accepted in whatever currency it is made, every endeavour shall be made to make payment of Government dues only in new coins.

According to the rate of exchange prescribed in the Indian Coinage (Amendment) Act, 1955, there is no exact equivalent in naye paise in respect of coins of two annas and below and their exchange individually, or in combination with other coins, will result in a small profit or loss in the aggregate to either of the parties exchanging the coins. This element of profit or loss, it is pointed out, will occur so long as the existing coins continue to circulate, but it will diminish progressively as increasing quantities of new coins enter into circulation. The public can, however, keep down to the minimum the element of profit or loss in exchange of coins by having their holdings of existing coins exchanged for new ones by tendering amounts in terms of four annas and multiples thereof, for which exact equivalents in terms of new coinage exist. The treasuries, etc., will give new coins in exchange for existing coins only on this basis.

The Government of India has published in this connection two tables for conversion of the existing coins into the decimal system, giving the decimal coin equivalents of the existing coins and explaining how and when to make use of them. The longer table gives the naya paisa equivalent of each pie up to one rupee, while the shorter table omits references to pie coins. The rate of conversion between the existing coins and the new coins in the shorter table does not follow the strict arithmetical proportion.

The conversion tables are to be made use of only when actual tender of existing coins takes place in the course of any single transaction, namely, the total amount one has to pay or receive in a deal. The Coinage Act lays down a method of computation only for finding out the equivalents of existing coinage in the new coinage in the course of transactions involving actual tenders of money. When, however, actual tenders of coins are not involved, such as calculations of rates, or for construing existing values mentioned in Acts, etc., in terms of decimal coinage, no elaborate conversion table is required. The values are to be converted into their exact equivalents at the rate of 100 naye paise to 16 annas, or 64 pice or 192 pies. To avoid inconvenience in working out exact equivalents in terms of decimal coinage, calculations ought to be made on the basis of existing rates and the total amount arrived at should then be converted into decimal coinage.

RESULTS OF MORE BANKS FOR 1956

Central Bank of India

The working of the Central Bank of India Ltd. during the year ended 31st December 1956 has resulted in a profit (subject to audit) of Rs. 104.36 lakhs, which represents an increase of Rs. 26.60 lakhs over that for 1955. The profit for the year is by no means a record as in the case of many other banks; for it falls very much short of the highest level of Rs. 152.53 lakhs touched in 1948. It is, however, the highest since 1951, when the Bank earned a profit of Rs. 125.40 lakhs. After bringing a surplus of Rs. 18.40 lakhs from the previous year, the Directors have set aside a sum of Rs. 13 lakhs as provision for taxation, raising it from Rs. 5.50 lakhs provided a year ago. The allocation to the Bank's investments has been maintained at Rs. 15 lakhs, while that for staff gratuity has been reduced slightly from Rs. 5.50 lakhs to Rs. 5 lakhs. Bonus to staff has been more than doubled from Rs. 13.50 lakhs to Rs. 27.50 lakhs. The interim dividend at 12 per cent. per annum (same as that for the previous year) absorbed Rs. 18.87 lakhs. The Directors have now recommended a final distribution at 16 per cent. per annum, raising it from 12 per cent. per annum paid last year and requiring Rs. 25.16 lakhs (Rs. 18.87 lakhs). The total dividend for the year thus amounts to 14 per cent., as against 12 per cent. paid for the previous three years, thus restoring the cut made in 1953 from 14 per cent., a rate which the Bank had paid consistently for six years from 1947 to 1952. The surplus left to be carried forward after these appropriations is Rs. 18.23 lakhs.

Punjab National Bank

The profit of the Punjab National Bank Ltd. for the year 1956 amounts to Rs. 87.85 lakhs, as compared with Rs. 64.41 lakhs for the previous year. With this rise, the profit has not only maintained the upward trend for the fourth year in succession but established a fresh record in its history. The Bank's deposits as at the end of the year, at Rs. 106 crores, also constitute a record, having risen from Rs. 90 crores at the end of 1955.

Canara Bank

The Canara Bank Ltd. has earned a profit of Rs. 8.21 lakhs for the past year, after making the usual and necessary provisions and after payment of special Golden Jubilee bonus to staff and dividend to the shareholders in July last. The profit for the previous year was Rs. 10.01 lakhs. The Directors have raised the provision for taxation from Rs. 3.75 lakhs to Rs. 4.60 lakhs and that for bonus to staff from Rs. 1.25 lakhs to Rs. 1.40 lakhs. The dividend on 5 per cent. preference shares absorbs Rs. 52,500 and the ordinary dividend, which is being maintained at 10 per cent. per annum, requires Rs. 1.50 lakhs, leaving to be carried forward Rs. 38,502, as against Rs. 19,501 brought in.

Indian Bank Ltd.

An impressive rise of Rs. 23.93 lakhs to Rs. 44.21 lakhs in the profit (subject to audit) is disclosed by the working results of the Indian Bank Ltd. for the year 1956. The profit, which has thus more than doubled itself, constitutes a record. The interim distribution to shareholders, made up of a dividend of 5 per cent. and a bonus of 1½ per cent., as against the corresponding payment of 5 per cent. dividend and 1 per cent. bonus last year, absorbs Rs. 3.91 lakhs (Rs. 3.40 lakhs). After making the other usual and necessary provisions, the Directors have recommended, a similar increase in final distribution, by raising the bonus part from 1 per cent. to 1½ per cent.—the dividend part being unchanged at 5 per cent.—thereby making the total distribution for the year 13 per cent., as against 12 per cent. paid for the previous six years.

Travancore Bank

For the second year in succession, the Travancore Bank Ltd. has shown an upward trend in earnings. The profit, which had gone up from Rs. 7.36 lakhs in 1954 to Rs. 10.20 lakhs in the following year, has staged a further rise to Rs. 11.91 lakhs in 1956, thus establishing a new record in its history. After bringing in Rs. 43,597, the Directors have raised the provision for taxation from Rs. 4 lakhs to Rs. 4.90 lakhs and the transfer to the reserve fund from Rs. 2.05 lakhs to Rs. 2.40 lakhs. The allocation for depreciation reserve on investments has been reduced from Rs. 25,000 to Rs. 20,000, while that for gratuity and bonus to staff has been maintained at Rs. 40,000. These appropriations leave a surplus of Rs. 45,060 to be carried forward.

Union Bank of India

Encouraging results are disclosed by the working of the Union Bank of India Ltd. during the year ended 31st December 1956. The profit for the year, at Rs. 11.14 lakhs (subject to audit), shows an increase of Rs. 1.69 lakhs over the previous year, thus keeping up the upward trend for the second year in succession. The provision for taxation has been raised from Rs. 1.75 lakhs to Rs. 2.25 lakhs, while the transfer to the reserve fund has been maintained at Rs. 2.50 lakhs. Bonus to staff has also increased from Rs. 1.25 lakhs to Rs. 1.80 lakhs. Besides, a sum of Rs. 1.25 lakhs has been set aside to the investment account, for which purpose no provision was made last year. The dividend is proposed to be stepped up to 8¾ per cent. per annum from 7½ per cent., to which level it had been raised last year from 6¾ per cent. paid for the preceding four years. The surplus left to be carried forward is Rs. 1.81 lakhs, as against Rs. 1.96 lakhs brought in.

THE CENTRAL BANK OF INDIA LIMITED

PROFITS FOR 1956 — DIVIDEND INCREASED

The Net Profits of the Central Bank of India, Limited, for the year ended 31st December 1956, subject to audit, including the sum of Rs. 18,40,358-8-6 brought forward from the previous year's Account, amounted to Rs. 1,22,76,643-7-11 which the Directors have disposed of as follows:—

The following appropriations have been made:—

	Rs.	a.	p.
An *ad-interim* dividend paid for the half-year ended 30th June 1956, at the rate of 12 per cent. per annum, free of income-tax, i.e., Rs. 1-8-0 per share, on 12,58,170 shares	18,87,255	0	0
Amount transferred to Bank's Investments	15,00,000	0	0
Amount provided for Taxation	13,00,000	0	0
Amount transferred to Staff Gratuity Fund	5,00,000	0	0
Amount provided for Bonus to Staff	27,50,000	0	0
	79,37,255	0	0
The balance of Rs. 43,39,388-7-11 the Directors propose to recommend to the Shareholders to dispose of as follows:—			
To pay a final dividend for the half-year ended 31st December 1956, at the rate of 16 per cent. per annum, free of income-tax, i.e., Rs. 2 per share, on 12,58,170 shares (making in all 14 per cent. for the whole year as against 12 per cent. for the previous year)	25,16,340	0	0
To carry forward to next year's account	18,23,048	7	11
	Rs. 1,22,76,643	7	11

OVERDRAFT Vs. PROMISSORY NOTE

The Economic Department of the Bank of America has prepared a note showing the desirability of extending credit through promissory notes rather than through overdraft facilities. From the standpoint of the economy as a whole, it makes little difference whether credits are extended via the overdraft method or by promissory notes. That is, the effect on the effective money supply will be the same. From the standpoint of the individual bank at any given time, however, there may be a significant difference.

If the credit is extended by an overdraft, the proceeds of the loan are advanced as they are spent and there is no increase in deposits of the lending bank. If, on the other hand, the loan is against the promissory note, the entire proceeds of the loan are credited to the account of the borrower and drawn subsequently as need arises. Consequently, at any given time there will be more funds available with the bank using promissory note method than the overdraft.

The Bank of America note mentions the following disadvantages of extending credit through the overdraft system: (1) There is less control over borrowing; (2) there is an extra routine, such as referring cheques to the manager or other competent officer; (3) credits extended by overdrafts do not give rise to eligible paper for rediscounting or advances from the Central bank, and (4) legal difficulty may arise in proving the liability of the borrower.

This is one side of the medal; on the other side, according to the *Fortnightly Business Letter* of the United Commercial Bank, is the reluctance of customers to use promissory notes rather than overdrafts, since the first is considered disreputable and the second enterprising. Moreover, overdrafts provide flexibility in the credit requirements of the borrower. Apart from the academic aspect of this, India is, says the *aforesaid Business Letter*, specially interested in any scheme for switching loans from overdrafts to promissory notes. Under the 'bill market scheme,' Scheduled banks may obtain advances from the Reserve Bank against their promissory notes, if they are secured by usance bills or time promissory notes.

SOCIALIST PATTERN AND PRIVATE OWNERSHIP

MUCH OF THE POPULAR THINKING IN INDIA OUT OF DATE

By "Mithras"

THE metamorphosis that the motives and attitudes of the business class have undergone and the diminution of the power of this class to make economic decisions have led to a growing thought that private ownership of means of production is not an antithesis of socialism or the socialist pattern of society. Denoting a purpose and not merely an institutional change, socialism may be defined as consisting of "every aspiration towards the amelioration of our society." In the historical development of economic thought, some of the evil consequences of the industrial revolution and vast technological improvements, such as "exploitation of workers," "ever-increasing misery" of the masses, occurrence of "economic crises" and what Bernard Shaw later described as "division of society into hostile classes with large appetites and no dinners at one extreme and large dinners and no appetites at the other," all began to be ascribed to the private ownership of means of production. Their "socialisation," it was believed, would in one stroke put an end to all these "inner contradictions" and let humanity get the full benefit of technological discoveries.

Thus, State ownership began to be regarded as the fundamental conditioning factor for the amelioration and progress of the society. And, gradually, this purpose or end, which was denoted by the word socialism, was equated with State ownership, so much so that Marx defined socialism as the "nationalisation of the means of production, distribution and exchange." In the changed circumstances of today, there seems to be no logical reason why nationalisation of large-scale units of production should be so inextricably linked with socialism. Pattern of society need not be uniquely dependent on pattern of ownership. We may agree on ends but legitimately disagree on means. The means most suitable in past generations may be wholly irrelevant in contemporary circumstances.

Happily, the Government and the majority of the people in this country favour a non-doctrinal approach to the evolution of a socialist society. But, in reality, enslavement to the Marxist dogma of no socialism without State ownership still persists in our thoughts and feelings, and the growing irrelevance of ownership of means of production to the setting up of an egalitarian society is not yet clearly perceived.

General Approach

There may be an economic case for State ownership of certain industries or certain units in these industries. These cases have to be considered on their individual merit. For instance, the importance and necessity of public ownership of basic industries and industries requiring unitary control or involving very heavy risks is more or less universally recognised in this country. But we are concerned here not with the specific approach but with the general approach, under which the catalogue of industries reserved for the State sector has been growing in the name of the socialist pattern of society, ever since the Industrial Policy Statement of 1948 which assigned only the basic industries to the exclusive responsibility of the State.

This general approach is based very largely on the equalitarian argument. The belief that maldistribution of wealth and incomes gets worse as a result of economic growth has led to a policy of enlarging the State sector of ownership of industries. This belief has been challenged and disproved in countries like the United Kingdom and the United States. But, quite apart from that, the equalitarian argument has been given absurdly excessive importance. A glance at the national income accounts of this country would show that the amount of company profits forms an infinitesimal proportion of the national income—hardly 3 per cent. Only a part of this goes to the wealthy people, the distribution of whose incomes alone is the target of policy.

There is also much exaggeration in the logic that the share of industrial profits in national income will increase as industrial development proceeds apace. In a highly industrialised country like the United Kingdom, dividends on ordinary shares net of tax are only some 3 per cent. of total net personal income.

And how much of this "great unearned income" can be extinguished by a policy of State ownership of industries? Public ownership can appropriate only the difference between the rate of dividends and the yield on Gilt-edged securities, because, in a democracy, the policy has to be one of nationalisation with compensation. If the average yield on equities is 6 per cent. and that on Gilt-edged securities 4 per cent., then public ownership can extinguish only one-third of the already puny share of business profits in the national income. It comes to only 1 per cent. of the national income. What an equalitarian effect!

A Fallacy Exposed

This single point of fact smashes the equalitarian argument advanced in favour of State ownership, and the vast and heated controversy that has been raised seems utterly futile. But this is by no means the major point in the *rationale* of new socialist thinking which regards ownership as of not much relevance to "Socialism in practice." In the new thought, decisive importance is given to consumption and not income. There is nothing disquieting about high business profits, so long as they are not sequestered for personal consumption but are largely added to the "national investment fund." It was a fallacy in the old socialist thought to talk of "large dinners and no appetites" but to refuse to carry this assertion to its logical conclusion. The growing enrichment of men of "no appetites" is of little consequence to a true socialist, when the additional incomes of these men are, by and large, for no other purpose than to be ploughed back into investment. Concentration of income, in our generation, is not inconsistent with more equitable enjoyment of goods and services.

This reasoning does not appear plausible to many. The basis of doubt is the question why the industrialists should carry on a hard struggle of business, if extension of, and more success in, business is not meant for larger material enjoyments. But men of knowledge and insight know that a transformation in the motives of the business class has taken place. John Strachey, in his book *New Capitalism* (1955) writes:

> "... Such developments point to the fact that capitalism as characterised by the struggle for maximum profit has already been metamorphosised into another system characterised by the struggle for more prestige. ... Their motive is no longer self-enrichment. They wish their 'show' to expand and succeed even if they continue to get much the same remuneration. Competition for profit has given place to rivalry for prestige. The acquisitive element is after prestige and not wealth."

Thus, for the reason that additional income will not bring about any change in his level of consumption, the attitude of the contemporary business leader towards profit has changed. He wants high profit not primarily as a source of high personal income but because his social status and prestige depends on the level of profits. Good profit is the conventional test of business performance; it determines the strength and prestige of the firm and the social status of its executives. Though profit still remains an essential incentive, it is so largely as a source of social status and influence and not as an avenue to a privileged consumption position. The frame of mind of the business leaders has changed. This change has, of course, not spread to all large owners of means of production. But the leading businessmen, whose incomes are an eye-sore to us, have changed and have set the tone for others also.

Positive Contribution

With the shift from accumulation of personal incomes to earning of social reputation and status, the aggressive pursuit of maximum profit has also come to an end. Maximum profit is one source of prestige and influence but not the only source. The contemporary industrialists are trying to acquire a position of high status and prestige in society through a number of benevolent activities—by opening educational trusts, research foundations, social welfare and cultural centres, by giving grants or donating buildings to universities and various schools of economics, sociology and sciences, by constructing temples, by acquiring local and civic reputation and seeking elections to Parliament, by becoming intellectuals and getting positions on high-ranking committees, commissions, tribunals, missions to foreign countries, by establishing reputation as progressive employers and by adopting fair and reasonable price policies. These activities of the industrialists fulfil an important national task of expanding and developing higher pursuits of life.

No Sequestration of Surplus for Consumption

The abandonment of aggressive pursuit of profits and the shift in emphasis from consumption to vertical and horizontal expansion of business is partly voluntary and partly has been forced on the business class by the Government's fiscal policies and physical regulation. Whatever the reasons, the fundamental point is that profits should not be used for increasing the consumption and other material enjoyments of the *bourgeoisie*. On the relevance of pattern of ownership to this desideratum, Mr. C. A. R. Crosland, a former Labour M.P. in Britain, in his book *The Future of Socialism* (1956) says:

> "Now, in fact, this possibility (increased consumption) does not depend on private ownership. It also exists in a State-owned economy, where the State bureaucracy responsible for appropriating and disposing of surplus value may equally well use it to allot themselves a privileged consumption position. The possibility of the 'misuse' of surplus value arises inevitably from the alienation of the means of production from those who operate them. But, under conditions of large-scale production, the alienation has little to do with ownership. *The Soviet worker is no more able than the British worker to determine the disposal of his surplus value. Conversely, the Gosplan manager is as easily able as the British shareholder or director to appropriate surplus value not for reinvestment but to allocate himself a differential income. In practice, of course, he is far more easily able, since he has neither free trade unions nor political opposition to contend with.* (Italics mine). In any society, in which the disposal of surplus value is determined from above, the possibility of its sequestration for privileged consumption must exist. But the likelihood of this occurring depends far less on the pattern of ownership than on the strength of democratic institutions.
>
> "The problem facing us, therefore, is so to use our democratic institutions as to ensure that profits in the private sector are used primarily for reinvestment—i.e., mainly as a source of collective capital accumulation and not as a form of personal income."

That the democratic processes in this country are effectively preventing the sequestration of surplus value for consumption is beyond doubt. Of the total amount of profits in the organised industrial sector, roughly one-third goes towards taxation, another one-third is retained as reserves and the remainder is distributed as dividends. About two-thirds of the capital expenditure of companies is financed from retained profits. Even the distributed profits are not entirely utilised for privileged consumption. A large part of the amount of dividends, particularly that accruing to men with "no appetites," is saved and reinvested. Thus, out of the amount of total industrial profits, which forms 3 per cent. of the national income, only one-third, that is, 1 per cent. of the national income, is distributed as dividends, a substantial portion of which again is saved. It is manifestly clear how ludicrously small part of the national income is the amount of surplus value going to privileged consumption. The newly introduced Capital Gains Tax will help in preventing the consumption of enhanced value of share capital, which, in any case, seems to be already insignificant.

Situation Has Changed

The above discussion shows that socialisation of large-scale enterprises as a means for establishing an egalitarian society was never very important. Whatever importance it had in the past generations has now been lost as a result of increase in the powers of the political authority and its extensive regulation of the economy. When public ownership was first stressed as a necessary condition for socialism, the State was weak and subservient to the business class on the analogy of an executive committee which carries out the directions of the Board of Directors. All economic decisions were made by the business class and the political authority only underwrote them; political power belonged to those who possessed the economic power. In that situation, phrases like "ever-growing misery" of the masses corresponded to reality of the situation. But now the situation has changed. Economic power belongs to those who possess the political power.

Owing their existence to the popular vote of a welfare-conscious electorate, Governments today are concerned with safeguarding the interests of the masses rather than underwriting or buttressing the actions of the business class.

Similarly, there has been a tremendous loss of power from the business class to the labour, which has outmoded the theory of exploitation. "Wage-slavery" has passed into history. Indeed, people today are not so much worried about exploitation of the labour by management but what has made them nervous is the fear of abuse of new bargaining strength by the trade unions. The view is gaining more and more acceptance that, in the context of the increasing bargaining strength of the trade unions, Government should preserve its position of playing the role of an arbitrator in labour-management disputes, and should not, through nationalisation, become a party to the disputes. The Government's new role as owner of industries would land it into a difficult position, as labour gains further and further strength. Only a totalitarian political authority can deal with such a situation, by excluding bargaining from the functions of the trade unions. There would be no half-way to totalitarianism.

Ownership and Management

Another aspect generally mentioned in favour of the altered situation is the divorce between ownership and management. In view of the increasingly specialised nature of industrial production, the management consisting of the plant engineer, the research chemist, the market expert and the lawyer is becoming more and more independent of the capitalist owner. Economic decisions are, therefore, made largely by paid experts who have different motives and outlook than those of a capitalist.

These developments have taken out whatever wind was left in the sails of the Marxist gospel of State ownership. It never deserved much esteem, which was, however, enjoyed by it, because of the scant attention hitherto paid to the argument of insignificant privileged consumption. But now, due to an agglomeration of factors—namely, the consumption argument, the tiny share of distributed dividends in the national income, the change in the attitude of the business class from the cult of exploitation to the cult of co-operation and service, the pervasive power of the State, the bargaining capacity of labour and the divorce between management and ownership—little room is left for doubt about the irrelevance of pattern of ownership to the creation of an egalitarian society.

Capitalist Socialism

In spite of these advances in the socialist thought, the Marxists continue to identify socialism with State ownership and capitalism with private ownership. But the new socialist thought regards socialism as a flexible *method* and not a rigid *system*. The thousand and one names given, in current literature, to socialism and capitalism—and we may add two more to this list, namely, socialist capitalism and capitalist socialism—testify to the diminishing area of controversy between State ownership and private ownership. These "isms" are used as facility for, and not a fetter on, social analysis. The ultimate end is kept in mind, and the doctrinaire adherence to the belief that this end can be achieved by State ownership alone is being given up.

While the thought on the subject has considerably advanced, Marxists have continued to call a society with private ownership as capitalist. Once claimed to be scientific socialism, Marxist thought has now degenerated into a most unscientific set of ideas. Instead of taking part in the latest development of thought, rebutting or accepting new ideas, Marxists have continued to harp on old ideas, which, in the changed circumstances of the present generation, are devoid of sense and appeal.

To cite an instance, a booklet, *The Basic Economic Laws of Modern Capitalism*, published by the Foreign Languages Publishing House in Moscow in 1955, has nothing to say except repeating the eighteenth century slogans of Marx. These slogans are so obsolete, outmoded and have so often been exploded that no columnist today would see any purpose in quoting them, let alone their discussion. The political division between Communist countries with State ownership, and major Democracies with a large sector in private hands, has precluded the realisation by people of the diminishing area of controversy on the economic front. Had there been a congenial political atmosphere between the two power blocs, economic issues would have been viewed in an objective way and the irrelevance of ownership would have been seen properly.

India, being free from power blocs, the atmosphere here is favourable for an impartial and scientific treatment of economic problems. But there is another difficulty. Marxist doctrine being sloganish is easy of mass appeal than the new socialist thought which is somewhat difficult to comprehend. The Government has to do what the masses wish. The present stress in Government circles on State ownership is, therefore, the result of absence of a well-organised campaign to educate the illiterate masses on the growing irrelevance of pattern of ownership.

Planning

Another argument in favour of State ownership which has been popular among the new socialists also is that of planning. This argument, which is in line with the Marxist doctrine of "anarchy of production" under private ownership, stresses that, first, under private ownership, no planned set of priorities laid down in accordance with the needs of the people and availability of resources, can be enforced, and, secondly, though the State can by law subject private enterprises to control, in practice it becomes difficult to prevent evasion of this control and to enforce efficiency. The belief has, therefore, gained ground that titular ownership by the State is a condition of State control and the only effective remedy for planned production.

This argument underrates the potentialities of the mighty and comprehensive legislation which goes by the name of the Industries (Development and Regulation) Act. Under this Act, no new enterprises can be established and no substantial expansion of an industrial undertaking can be effected, except under licence from Government which lays down conditions as to the location of the undertaking, minimum standards in respect of size, etc. The Central Government may order a full and complete investigation into the functioning of an undertaking, if there has been a substantial fall in production or a marked deterioration in quality or arise in price for which there is no justification. It may also order an inquiry, if an undertaking is suspected of being managed in a manner likely to cause serious injury to the interests of the consumers. Government may issue directions to the industrial undertaking for regulating production of an article, fixing standards of production, and requiring the undertaking to take such steps as Government thinks necessary to stimulate the development of the industry. It may control the price and regulate the distribution of any article which has been the subject matter of investigation. If an undertaking is being managed in a manner detrimental to the public interest or to the industry concerned, even after Government's issue of directions, Government may order the taking over of the management of the undertaking. This Act, together with the Capital Issues Act, gives Government every power, short of ownership, of control over an enterprise.

Importance of Ownership

As against this, control over public enterprises has fallen short of expectations. The Boards of public undertakings are no more accountable and amenable to Government control than private enterprises. The functioning of public undertakings has provoked widespread complaints. Lay Ministers often take the line of least resistance, allowing the nationalised Boards to do as they wish. In the first instance, they are not aware of the technicalities and do not possess the specialised knowledge about the technical aspects of production of a nationalised corporation. As such, it is very easy for the specialists of the enterprise to give justification for their activities, however questionable they may be, to the Minister or any other officer or body inquiring into the working of the enterprise. Moreover, the belief in the theory of independence of public enterprises prevents them from imposing their views on the nationalised boards. The detailed Parliamentary supervision or even departmental control is considered to be against the smooth functioning of the State enterprises and is not conducive to the adoption of dynamic policies and programmes by these enterprises. Parliamentary debates on the working of these enterprises in which the Minister acts as counsel for defence, do not improve the position. In these circumstances, it has begun to be remarked that the Government has less power of control over public enterprises than over private enterprises. In any case, ownership is no longer an important determinant of economic control over enterprises.

Thus, the general case for State ownership in the name of a socialist pattern of society and welfare State is getting weaker and weaker. The private industrialists are like bees that gather honey but do not eat it. These industrialists are no longer after profit and privileged consumption but after social honours. The bigger the industrialist, the more is this true. It is not in the national interest to kill this new spirit of seeking distinction by trying to make the best performance. Private ownership might have led to "inner contradictions" of capitalism in the days of Marx. But, today, the inner contradiction is that we are trying to eradicate those who are the locomotives of progress and best servants of society and who do all this for nothing but a name in the society.—*All Rights Reserved.*

"PEOPLE'S CAPITALISM" IN AMERICA

That the present American economic system is a far cry from the outmoded capitalism of the past is made clear by Dr. Marcus Nadler, Professor of Banking and Finance at New York University and Research Director of the University's Institute of International Finance, in a pamphlet published by the Hanover Bank of New York.

"The economy of the United States," Dr. Nadler writes, "is rapidly assuming the character of what may be termed 'People's Capitalism,' under which the production facilities of the nation—notably manufacturing—have come to be increasingly owned by the people in the middle and lower income brackets or indirectly by mutual institutions which manage their savings. "Management is being rapidly dissociated from ownership. The standard of living—and, with it, financial security—is rising at a rate which two or three decades ago would have been thought impossible. The number of people receiving college education has reached an all-time high, and the opportunities of advancement for those qualified—irrespective of their income or family background—are greater today than ever before. All these economic gains have been achieved without any sacrifice of political freedom or social and moral values."

Professor Nadler cites a good many facts to back up his statements. He notes that 8,600,000 people own stock in the nation's publicly held corporations—a figure that has increased substantially in recent years. He shows how life insurance ownership, savings accounts and mutual investment funds—ways in which people invest in U.S. industries indirectly—have increased both in dollar amounts and in numbers of people participating. He lists other forms of indirect ownership—investment in common stocks by pension and profit-sharing funds, by American universities endowment funds, by foundations and philanthropic institutions, and even by some labour unions. He notes that many family-owned corporations have been converted into investor-owned companies, leading to the wider spread of shares of industrial companies among the public. And he cites other facts about high U.S. living standards—an increasing growth in home ownership, the broadening of educational training, and the like.

How have these things been achieved? What are the basic characteristics of this system? Here are some key factors mentioned by Professor Nadler. He says: "Private ownership of the means of production, private initiative; the right to earn profits and to enjoy the fruits of one's labour (after taxes)—these are the keynotes of capitalism as a form of economic organisation. As practised in the United States, competition is keen and drives management to produce better products and evolve new ones."

He points out that the concentration of wealth in the hands of a few families and individuals has been decreasing rapidly. Wealth concentrated in the hands of mutual organisations, foundations and philanthropic institutions is increasing at a rapid pace. This process, he says, is accelerated by steeply graduated income-taxes and inheritance taxes and by the growth of the middle class.

Professor Nadler singles out one fact—the advance of labour, particularly skilled labour, into the middle class—as being notably significant. Labour as a group, he points out, has been the principal beneficiary of the substantial increase in the national income over the past two decades. This has meant new savings by individuals who previously had no surplus funds. The savings of this new middle class have gone—through mutual institutions—into the building of new factories, new assembly lines, new power plants, new machinery, new trains and trucks for transportation. As Professor Nadler writes:

"The increase in productive capacity and productivity benefits the entire population—in the form of higher wages and salaries, larger dividends, better products and increased investment in plant, equipment and research. These, in turn, lay the foundation for new wealth, greater productivity and a still higher standard of living. The economic security of the people is high and increasing—and the average citizen is protected against most of the economic emergencies and contingencies. Freedom from want and fear as the ultimate goal is rapidly being achieved.

"Economic and social developments in the United States ... have demonstrated ... that a free nation—living under a system of law administered by elected officials responsible to the people, a system that encourages individual initiative and free competitive enterprise—holds out the greatest hope for the future of mankind and by far surpasses in achievement even the wildest promises made by the leaders of totalitarian countries."

JAPANESE TEXTILE EXPORTS TO U.S.

VOLUNTARY RESTRICTION IMPOSED

OF late there has been much agitation in the United States over the large-scale imports into the country of Japanese textiles. In 1955, the latest year for which complete figures are available, actual shipments of Japanese textiles to the United States aggregated 270 million square yards. During the first six months of 1956 they are said to have been well over double that in the corresponding period of 1955. It has been argued by U.S. textile interests that Japan is able to undersell them, because it can take advantage of the cheaper raw cotton offered by the U.S. Department of Agriculture for foreign buyers. Another advantage which Japan is said to have over the U.S. is lower labour costs. This affects U.S. exports of cotton cloth also.

Owing to the insistent demand for governmental measures to improve the competitive position of the U.S. textiles and to place it on a basis of equality with foreign goods, the Eisenhower Administration introduced a subsidy programme in August 1956. The measure was designed to compensate exporters for the difference between the domestic cotton price and the lower foreign price. The base subsidy rate on exports was fixed at 6.58 cents per lb. and this rate was applicable till the end of September. Thereafter, the rate was to be fixed monthly on the basis of the difference, as determined by the C.C.C., between the average price for Middling 1" cotton in 14 designated spot markets, converted to average location and the average price at which the C.C.C. sells its cotton basis Middling, at average location, under the export programme in the month preceding the announcement of such rate.

Recently there has been considerable overtures from domestic textile interests for some sort of governmetal regulation of imports from Japan. It may be observed, in this connection, that, actually, total textile imports from foreign countries represent only about 4 per cent. of domestic production of which imports from Japan account for 3 per cent. It is, however, pointed out by the interests concerned that, though the volume is not much, their impact on particular segments of the textile industry, such as velveteens and ginghams, is much more significant. The Tariff Commission also had suggested recently quota restrictions on velveteens.

The Japanese Plan

The textile producers of the United States have, therefore, heaved a sigh of relief at the Japanese decision of the 16th inst. to restrict, voluntarily, exports to the U.S. markets. According to the agreement, negotiated between the two Governments, Japan has undertaken to restrict cotton textile exports to the U.S. to 235 million square yards per annum. The agreement is to run for five years and the position would be reviewed annually. The general figure of 235 million yards, with provisions for spreading shipments equitably over the year, is reported to have satisfied the interests concerned in the U.S. as it is believed that this would go a long way towards dispelling the doubt and uncertainty overhanging the domestic textile markets. Some quarters are, however, known to be unhappy over some of the details of the agreement and certain complaints have been raised regarding the quotas for individual items. A section of the U.S. manufacturers is still concerned about the potential competition from ginghams and velveteens. Under the agreement, Japan's gingham exports to the U.S. will be limited to some 35 million square yards and those of velveteens to 2.5 million square yards per annum. These represent only 50 per cent. of the permitted shipments under official export quotas applied by Japan last year. The total quota for cotton cloth is set at 113 million square yards, as compared with 150 million yards last year. Japanese exports of blouses which too raised complaints from the U.S. industry, have also been limited, under the agreement, to 1.5 million dozens per annum, as against the quota of 2.5 million dozens last year.

Whatever the deficiency of the Japanese plan, it is believed in U.S. industrial circles that the measure will help to improve the domestic textile situation. It is also expected that, since the Japanese action is unilateral, it does not necessarily rule out the imposition of restrictions on individual categories of textiles. There is a general feeling in business circles that, now that Japan has voluntarily restricted exports, the U.S. President will reject the Tariff Commission's recommendation for quota restrictions on velveteens and also that the appeal to the Commission for similar action on ginghams will be shelved.

MILL CONSUMPTION OF COTTON

Indian mills consumed during the first quarter of the current season 1,269,045 bales of raw cotton (of 400 lbs.) comprising 1,117,406 bales of Indian and 151,639 bales of foreign cotton. This compares with 1,255,533 bales consumed during the corresponding period of the previous season, of which 1,121,560 bales were indigenous growths and 133,993 bales imported foreign styles. Thus, there has been a slight fall in the volume of Indian cotton consumed, whereas consumption of foreign cotton registered an improvement.

The following table gives the variety-wise break-down of the foreign cotton consumed by mills:

(In bales of 400 lbs.)

Variety	1st September to 30th November	
	1956	1955
Indian cotton	1,117,406	1,121,560
Foreign cotton	151,639	133,993
Of which:		
Egyptians	34,925	42,532
Peruvians	1,821	1,195
Sudans	26,298	28,073
East Africans	75,052	51,467
Russians	174	185
U.S.A.	10,453	9,609
Mexican	174	21
Belgian Congo	926	138
Other foreign cotton ..	1,816	773
Grand total ..	1,269,045	1,255,553

As will be seen from the above table, East African cotton accounts for the largest share, Egyptians and Sudans occupying the second and third places. Offtake of U.S. cotton by mills during the period was a shade higher at 10,453 bales, as compared with 9,609 bales in the corresponding quarter of the 1955-56 season. It is expected to increase further in the current season, as a result of the increasing use of U.S. aid cotton.

The monthly average consumption of both Indian and foreign cotton during the period works out to 423,015 bales, as against 418,518 bales in the corresponding period of last year.

RUSSIAN COTTON

A record cotton crop was harvested by the cotton growers of Uzbekistan Soviet Socialist Republic, the premier cotton growing region of Soviet Russia in 1956. About 5.5 million acres of land are sown to cotton in the Soviet Union every year, of which the major portion is in Uzbekistan. And this Central Asian Republic accounts for more than 60 per cent. of the total output of cotton. In 1956, about 1,300,000 hectares (3,250,000 acres, approximately) were sown to cotton in Uzbekistan. The yield is estimated to have been 22 metric centners per hectare (about 985 lbs. per acre), this being 3 centners more than that of the previous year. The progress of cotton growing in the Republic is primarily attributable to the adoption of scientific methods of cultivation. Sowing in close rows which "thickens" the crops is widely prevalent. Square packet sowing is also followed and in 1956 about 800,000 hectares were sown in this manner.

Mechanisation of almost every aspect of cultivation has been one of the remarkable features of cultivation of cotton in Russia. The square packet method of sowing enables the tractor cultivators to loosen and weed the soil between the rows in two directions and, therefore, the need for handhoeing no longer exists. Mechanisation of sowing and ploughing has enabled the diversion of fewer workers from other more important operations requiring personal attention. Thus the care of crops has greatly improved and as a result crops develop better and yield more.

Development of cotton growing was promoted by undertaking measures for the general improvement of agriculture adopted by the Soviet Government. An aspect that deserves special attention in this connection is the newly introduced scheme for a material incentive for production. Procurement of cotton by the Government has also been based on the specific features of cotton growing in the different zones characterised by varying soil and climatic conditions. As a result, in all the cotton-growing districts, the farmer's interest in increasing the crop has correspondingly enhanced. Intensification of the collective farmers' work was also promoted by the changes introduced by the Soviet Government in the methods of planning agriculture. The collective farms have been given more initiative in devising such changes. The introduction of monthly advance payments to the collective farmers, replenishment of the machine and tractor stations with new machinery, provision of State farms and collective farms with agronomists and machine operators, etc., had done much to intensify work in collective farm villages. The income of collective farmers has, therefore, increased considerably.

During the course of the sixth Five-year Plan (1956-60), Uzbekistan is to increase cotton production by about 50 per cent. Cultivation of virgin soil in the Hungry Stepees for future cotton growing has already commenced. Irrigation work is planned on a big scale for this area which is sought to be converted into one of the largest areas of irrigated cotton in the U.S.S.R. Considerable attention is also being devoted to the all-round mechanisation of cultivation, propagation of new varieties and further improvement of the methods of cultivation.

THE

UNION BANK OF INDIA LTD.

BOMBAY

PROFIT FOR THE YEAR 1956

The net profit of the Union Bank of India Ltd. for the year ended 31st December 1956, including the sum of Rs. 1,96,238-0-5 brought forward from the last year's account, amounts, subject to audit, to Rs. 13,10,787-0-9. Out of this sum the Directors have made the following appropriations :—

	Rs.	a.	p.
1. To Reserve Fund Account ..	2,50,000	0	0
2. To Investment Account ..	1,25,000	0	0
3. To Provision for Taxation Account	2,25,000	0	0
4. To Provision made for Bonus to Staff	1,80,000	0	0
5. To Balance	5,30,787	0	9
Rs.	13,10,787	0	9

Out of the above balance the Directors propose to recommend to the Shareholders at the next General Meeting payment of dividend at the rate of 8½ per cent. per annum, free of income-tax, i.e. As. 7 per share on 8,00,000 shares leaving Rs. 1,80,787-0-9 to be carried forward to the next year's account.

EXPORTS OF EGYPTIAN COTTON

Figures relating to export sales of Egyptian cotton from 1st September to 15th December show that the performance in the current season has been poor, as compared with the same period of the previous season. During the 3½ months under reference, total export business aggregated only 231,842 bales (of 730 lbs.), as against 510,068 bales in the previous season. The fall was shared by almost all types of cotton, except Menoufi. Export sales of Karnak, Giza 30 and Ashmouni were of the order of 94,345 bales, 57,130 bales and 26,883 bales, as against 196,207 bales 143,021 bales and 144,851 bales, respectively, in the comparable period of the 1955-56 season. But Menoufi registered a distinct improvement from 22,546 bales to 51,539 bales. The following table gives the variety-wise break-down of the total sales effected:

(In bales of 730 lbs.)

	1st September to 15th December	
	1956-57	1955-56
Karnak	94,345	196,207
Menoufi	51,539	22,546
Giza 30	57,130	143,021
Ashmouni	26,883	144,851
Others	1,945	3,443
Total ..	231,842	510,068

This fall in export sales is generally attributed to the high prices prevailing in the Alexandria market and the limitation of offerings. It may be recalled, in this connection, that the second official crop estimate put the 1956-57 crop at 958,000 bales, which is slightly less than the first estimate and about 30,000 bales below last year's production. In view of the fact that the carry-over stock at the beginning of the current season was practically *nil*, the supply position of Egyptian cotton is not very encouraging.

PRICES OF IMPORTED RAW SILK

The Central Silk Board, Bombay, has issued a notification to the effect that the present selling prices for imported raw silk will be continued unchanged, in order to maintain a reasonable price level. The Board has also revealed that the State Trading Corporation of India had imported 57 metric tons of raw silk from Japan and China for distribution to the weaving industry through the Board. This was in pursuance of the decision to allow imports of raw silk only through the agency of the Government to meet the demand of the silk weaving industry and to protect the interest of the indigenous sericulture industry. Allotments of silk are under issue to Varanasi, Surat and other important silk-weaving centres. The ex-godown prices at Madras, Calcutta and Bombay has been fixed by the Board as under:

(1) Chinese raw silk 20/22 denier 'A' grade Rs. 33-8, (2) Japanese raw silk 20/22 denier 'A' grade Rs. 35-8, and (3) Japanese raw silk 13/15 denier 'A' grade Rs. 37-8.

GROWING COMPETITION IN CLOTH IN WORLD MARKETS

U.S. MANUFACTURERS SEEK HIGHER PROTECTION

From A Special Correspondent

MANCHESTER, 15*th January*

MANCHESTER LETTER

THE full export and import returns affecting British trade during 1956 are due to be published very shortly. Needless to say, the results collated on behalf of the cotton and rayon industries will fail to give much satisfaction to traders. The trend of events throughout the past year has been too discouraging for any last-minute revival to offer salvation in that direction.

The hampering effect of import restrictions, tariff barriers and foreign competition is increasingly accentuated by the steady industrialisation of areas which were formerly ready to accept textiles from beyond their own boundaries. The market, in fact, is getting progressively smaller while rivals multiply and only a steady expansion in consumption of clothing and other textiles *per head* of the world population can redress the balance.

This is the background against which the series of annual meetings of various sections of the Manchester Chamber of Commerce are held. Every year, these accounts can be calculated to provide a gloomy commentary on Lancashire's former glories, with only an occasional gleam of light when some special effort has achieved success which all too frequently proves transitory in character.

One such case has lately been the limited revival of business with India following the 1955 trade mission which secured certain concessions from the Indian Government. Much of the credit for the slightly better trend in shipments of cotton goods to certain Eastern markets, including Pakistan, Burma and Indonesia, must be attributed to the triangular deals under which surplus American cotton has been processed in this country for disposal in Asia.

In the Far East, however, as the China sectional report points out, markets which are already the scene of highly competitive textile trading are seeing the entry into the arena of more and more manufacturing countries. "The fight for the bulk trade in cheaper fabrics is increasing in intensity and the Lancashire exporter remains quite unable to meet the prices of the low cost producing countries."

Hong Kong Rivalry

The name of Japan inevitably crops up when assessing the strength of competitors to Lancashire's textile trade, but it is noticeable that the reports under review more readily turn to the current threat from Hong Kong. The overall trade picture shows that the Colony absorbed more British goods of all kinds by value last year than were exported to this country. Lancashire's complaint, however, is that most of Hong Kong's exports were in textiles, to the detriment of our local industry.

The Far Eastern section of the Chamber, however, looking a little further ahead, poses the question as to whether Hong Kong's recovery in her role as the leading *entrepot* port in the area will affect the activity of the manufacturing industry which has arisen in the Colony since the war. "Hong Kong's imports from all sources, particularly from Japan and China, conflict greatly with some of her own major products, and it is difficult to see how the two interests can continue expansion," the report remarks.

Imports from Hong Kong were also the subject of comment at the meeting of the Garment Manufacturers' Section. Pointing out that arrivals from this source now constituted 40 per cent. of clothing imports from all areas, the report described the average price of Hong Kong shirts at about one quarter of the selling rates of British goods, although both quality and size were not comparable.

In Africa, for so long a large buyer of Lancashire-made textiles, further appreciable reductions in purchases have occurred. The Africa Section of the Chamber painted a gloomy picture of the outlook, commenting: "The continued price differential between British goods, on the one hand, and Japanese and Indian goods, on the other, has not narrowed, if anything, it has widened, and it cannot be expected that, in its new-found independence, which in the Gold Coast will mature in March, there will be any urge to support British products at a substantial cost to the consumers."

Where textiles are faltering, however, other industries are benefiting materially from the development of African territories. In particular, many types of building materials, hardware, machinery, electrical appliances and other general merchandise are being imported in increasing quantities.

Rayon Pay Cuts

The demand by employers in the Lancashire weaving industry for pay cuts of upto 3s.-in-the-£ for 20,000 operatives engaged on weaving rayon is to be put before the conciliation committee for the industry under the chairmanship of Lord Terrington. This follows the final rejection of the demand by union leaders at a joint meeting with millowners in Manchester. The cuts would range up to 30s. weekly.

The employers asked for a premium of 40 per cent. paid to rayon weavers operating four to six looms to be reduced to 12½ per cent. The premium was introduced more than 20 years ago when rayon was a novelty fibre, more difficult to weave than cotton.

Mr. G. B. Fielding, Director of the Cotton Spinners' and Manufacturers' Association, representing millowners, said, after the meeting, that the premium was no longer justified, because technical progress had made it easier to weave rayon. This system of payment, known as the uniform list system, was a discouragement to higher productivity, because weavers did not want to switch to a more modern system where they received a smaller premium but operated more looms.

Rayon Cloth Dearer?

An increase in the price of rayon cloths produced from filament yarns has been foreshadowed by Mr. R. W. Pennington, Chairman of the Rayon Weaving Association, which represents 320 firms.

Referring to the recent 10 per cent. increase in viscose and acetate filament yarn prices, he refuted suggestions that this might not affect retail prices and might be absorbed by the rest of the textile industry.

The rayon weaving industry, he said, had not merely held its prices for the last three and a half years but had actually reduced them. This had meant absorbing substantial increases in pretty nearly every item of cost.

After the yarn cost, the next and largest item in the weavers' costs was wages and these had risen during this period by over 16¾ per cent.

"The plain facts are that not only is there a limit to the cost increase that can be absorbed at any given time but the rayon weaving section has already reached that limit and many of its prices are so unremunerative that it is hardly able to maintain its plant and machinery adequately, let alone provide for essential re-equipment," said Mr. Pennington.

Textile Unemployment

Latest returns of unemployment in the Lancashire textile industry show that 794 spinning workers and 804 weaving operatives are unemployed. Of this number, 99 are temporarily stopped in spinning and 209 in weaving.

When the last survey of the position was made by the Ministry of Labour in mid-December, 5,498 workers were needed in the spinning section and 1,343 in weaving.

In the finishing section of the industry, of the 563 unemployed, 299 were on short-time. Unfilled vacancies in finishing total 421.

"Export to U.S.", Call

British manufacturing firms, now turning to new export outlets because of the credit squeeze in the home market, have been urged to consider the "vast potentialities" of the United States market. The report to the annual meeting of the Manchester Chamber of Commerce said there was an excellent chance of success for goods with a relatively high labour content or in which traditional British skill or quality constituted an appeal. British goods which continued to be favoured by American buyers included whisky, woollen goods, clothing, footwear, linens and cottons. The quality and value of British machinery was also appreciated.

Reviewing Lancashire textile trade with the U.S. the report said that slight gains were recorded in 10 months of last year with shipments of 10,693,000 square yards.

The executive of the Chamber's U.S. Section was gravely concerned, however, at recent moves

(*Continued on page 189*)

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RESERVES OF RANIGANJ COALFIELD

EXPECTED TO LAST A FEW CENTURIES

A RE-SURVEY undertaken by Mr. D. R. S. Mehta of the Geological Survey of India during 1951-52 has shown that the Raniganj coalfields contain an estimated reserve of about 13,000 million tons, which is nearly twice the amount estimated as far back as in 1928. The reserves, at the current rate of consumption, should last a few centuries. The results of Mr. Mehta's survey, which form part of the *Memoirs of the Geological Survey of India*, indicate that coal seams of the Raniganj and Barakar measures of the Raniganj coalfield fall into two distinct groups, which may be termed "high volatile" and "low volatile." The survey has also revealed that the Sanctoria and Dishergarh of the Raniganj measures in the coalfields are caking coals, while the better quality of coals of the Barakar measures exhibit a tendency to form hard coke. None of the coal seams of the Raniganj measures in the eastern part of the coalfield is known to be caking coal, while the Barakar seams are generally of inferior quality in the Gaurangdih-Churulia and Trans-Ajay Kasta areas.

The latest survey of the Geological Survey of India has re-established the correlation of some of the seams, which is of almost equal importance to the revised mapping of faults and coal seams and the revised estimates of reserves. The correlation is said to have taken place in the key area in the east central part of the coalfield in the Raniganj coal measures. The re-survey has discovered the Taltor seam outcrop south of the village Taltor and east of the Nandi fault. The seam previously designated as the Peniati seam in the area has now been correlated with the Koithi seam to the west of the Nandi fault. Further to the south-east, in the Satgram-Tapasi area, the Satgram seam has now been found to be the continuation westwards of the Jote Janaki seam.

Satgram Seam

It has also been found that an outcrop of coal seam mapped previously at the Satgram seam to the east of the Jamuria-Raniganj fault corresponds to the Shripur seam and this has been found to continue further to the east as the Toposi seam. The outcrop of another seam located on both sides of the Jamuria-Raniganj fault, some distance to the north of the Satgram seam outcrop, appears to be the Dhasul-Chichuria seam of the eastern part of the coalfield. The Dhasul-Chichuria seam is, thus, more likely to be the equivalent of the Dishergarh seam in the eastern part of the coalfield than the Chowkidanga-Jote Janaki seam.

The survey has also shown that the dip direction in the area south of the Damodar River near Raniganj is actually the strike direction of the seams and that the Ghusick, Raniganj and Narainkuri seam outcrops swing southwards across the river in the general north-east-south-west direction. The re-survey report draws attention to the fact that this part of the coalfield was much neglected in the past, due perhaps to the confusion about the identity of the seams cropping out along the north and south banks of the Damodar River. It is hoped, adds the report, that additional areas will now be opened up to the south of the Damodar River and necessary bore hole data will become available in due course to enable more detailed mapping of the coal seams in that part of the coalfield.

An Important Field

The Raniganj coalfield in W. Bengal, it may be noted, is one of the two most important coal-producing areas of India. This, along with the Jharia coalfield in Bihar, accounts for the bulk of the country's coal production. The two coalfields also produce the best coals in India and contain the entire reserves of coal considered suitable for metallurgical purposes, the best gas coals and the best coals for the generation of steam. The Raniganj coalfield was opened in 1820 and the Jharia field in 1893. Till 1906, Raniganj was producing more coal than Jharia, but, since then, the share of the latter coalfield has exceeded that of the former.

The first attempt to estimate the total reserves of coal in India was made by Dr. C. S. Fox in 1932. His estimate, made on the basis of a rough and ready method of assessment, placed these reserves at 60,000 million tons, of which only 20,000 million tons were workable. Out of these, only 5,000 million tons were, according to Dr. Fox, good quality coal, of which Raniganj coalfield accounted for 1,800 million tons and Jharia for 1,250 million tons. The figure of Dr. Fox in respect of good quality coal was brought up-to-date by the Coal Mining Committee in 1937, on the basis of subsequent production, and its estimate was 4,889.1 million tons, of which Raniganj accounted for 1,763.3 million tons and Jharia for 1,209.5 million tons. Allowing for the production in subsequent years, the reserves at the end of 1944 was placed by Dr. Gee at 4,520 million tons of good quality coal. In 1946, Mr. A. B. Dutt, working on Dr. Fox's figure, estimated that there were 4,460 million tons of good quality Gondwana coal in seams not less than 4 ft. thick and within 2,000 feet from the surface. He also stated that reserves of tertiary coals would be of the order of 2,527 million tons.

First Attempt At Qualitative Survey

The first attempt to determine the reserves qualitatively with some precision was made in 1950 by the Metallurgical Coal Conservation Committee which, after a survey of the working collieries and a study of data regarding reserves in virgin areas, estimated the reserves of coking coal as follows:

Grades	*Quantity* (In million tons)
Selected A and B	1,300
Grade I	659
Grade II	553

The data taken by the Coal Conservation Committee and its methods of estimation were not, however, accepted without criticism.

The Working Party of the Coal Industry made an estimate in 1951 of non-coking coal in the country, according to the figures furnished by the Geological Survey of India as based on Dr. Fox's estimates, and stated that the total quantity of non-coking coal, including tertiary coals, was of the order of 39,650.25 million tons. The Working Party, however, was not sure of the total reserves of good quality non-coking coal. Though there might be a shortage of the best quality coal, the Party stated, there was not likely to be any shortage of the good quality non-coking coal in the country. It suggested that steps should be taken to determine the total availability of non-coking coal. In order to bring up-to-date the estimation made by Dr. Fox in regard to Jharia coalfield and Dr. Gee in respect of the Raniganj coalfield, the Geological Survey of India undertook more recently a re-assessment, by fresh boring and mapping, of the reserves of coal in Jharia and Raniganj coalfields and the aforesaid estimate of the reserves of the Raniganj coalfield is the result of this re-survey.

Amalgamation Committee's Suggestion

The question of estimating the reserves of coal received the attention of the Collieries Amalgamation Committee also. In its report, it has urged the need for laying down a definite procedure for estimating the quantum and quality of reserves. The Committee says:

"It appears that no definite procedure has been laid down in India in regard to elimination of reserves of coal, and no attempts made *de novo* to estimate the total reserves of coal qualitywise. Other countries have adopted certain principles and have by now evolved standard methods of estimating the reserves. We understand that the importance of this matter has been realised and that the appointment of a committee to draw up the principles and procedure of determining the reserves of coal has been proposed by the Coal Board and that the Government of India will soon take action to appoint such a committee, not only to draw up the procedure but also to determine the reserves of coking and non-coking coal in India. We also understand that the Government of India have appointed a Coal Council, one of the functions of which will be to make an estimate of the reserves of coal. Considering the fact that no dependable data regarding the reserves of coal gradewise and fieldwise is available in India, we feel that it is high time that the procedure is laid down and the reserves are properly estimated. Arrangements should also be made to reassess the reserves every five years."

It is not known whether the latest re-survey of the Geological Survey of India has made any attempt to estimate the reserves quality-wise. For we have received a brief summary of its report giving the total reserves in the Raniganj field only.

BRITISH COALMINERS' RECORD

Workers in Britain's coal mines last year beat two output records. It was disclosed by Mr. James Bowman, Chairman of the National Coal Board, in London last week. Output per man-shift at the coal-face increased from 65.50 cwts. in 1955 to 66.67 cwts. and output per man-year by coal-face workers from 728 to 734 tons. Both figures were the highest ever recorded. There were also fewer fatal and serious pit accidents last year than in any previous year.

Continuing his review for 1956, Mr. Bowman said that by reducing the amount of coal exported from 13.9 million tons in 1955 to 9.7 million tons, it had been possible to cut down imports by more than half. Britain's total exports this year would be about 1 million tons less than in 1956. The financial results of the mining industry for the year were not yet available, but it was known that there was a substantial surplus. Work had been started on 15 new collieries, and 146 major reconstruction schemes were in progress.

Young German mining engineers would shortly be helping to meet Britain's shortage of technicians. Following discussions in West Germany, the National Coal Board had decided to recruit up to about 40 German university graduates in the next three years, and it was possible that qualified people from other Continental countries would also be recruited. The Board had also agreed to help about 40 students and lecturers from one Hungarian university, now refugees in England, to complete their studies. They might enter British universities and, when they graduated, the Board would offer them jobs. Those already qualified would be able to take up appointments as soon as they learned English.

INTERNATIONAL CLASSIFICATION OF COAL

The need for an internationally recognised and commercially operable system of coal classification was felt by the Coal Committee of the Economic Commission for Europe as far back as in 1949. The absence of such classification had created confusion and inconvenience in several fields of the Committee's activity. Moreover, since a number of countries were in the course of reviewing their various classification systems, many of which had not yet been rigidly established on a national level, it was considered by the Committee that the time was particularly opportune for the development of an international system. Accordingly, it set up in 1949 the Classification Working Party to examine work on the classification of coals and to make recommendations designed to achieve an international coal classification. The classification system and the statistical grouping of hard coals worked out by the Working Party are contained in a report* published by the E.C.E. Secretariat last month.

The international coal classification system has been drawn up to meet the needs of producers, traders and users of coal for a common language. The system provides a relatively simple procedure for the accurate identification of hard coals by type and should facilitate international trade in coal as well as encourage efficient utilisation.

The Working Party first collected and examined detailed information on the national systems of classification and methods of coal sampling and analysis used in the various European countries and the United States of America. Many of the national systems were found to have certain features in common and there seemed every possibility of evolving an international classification of hard coals by type which would retain the best features of the individual systems.

Extensive exchanges of coal samples among the participating countries were arranged so that laboratories could compare methods of analysis and testing. Examination of the results showed that, while methods of both sampling and analysis called for international standardisation, there was sufficient comparability between the results of proximate and ultimate analysis and the determination of calorific value for the various methods to be used for an international classification until such time as final standards became available. The question of standardisation was referred to the International Organisation for Standardisation and the Solid Mineral Fuels Technical Committee of that organisation is now proceeding with this work. The classification system finally agreed, and described in the report, is based on the intrinsic properties of coal and includes classes, groups, and sub-groups according to volatile matter, calorific value, caking and coking properties.

Experts from Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, the Federal Republic of Germany, France, Greece, Hungary, Italy, the Netherlands, Poland, Sweden, the Union of Soviet Socialist Republics, the Eastern Zone of Germany, the United Kingdom, the United States of America and Yugoslavia participated in the various stages of the Working Party's activities.

Following a decision of the E.C.E. Coal Committee in December 1953, the international classification system of hard coals by type and the statistical group of hard coals were both given a two-year trial period, ended 31st December 1955; during this time no major difficulty was encountered in the implementation of these systems in the countries participating in the Coal Committee's work. In March 1956, the Coal Committee, noting that the trials had been successful, recommended to governments the practical application of the system.

*"*International Classification of Hard Coals by Type*," 56 pages including 3 tables and 21 charts, Geneva; available in bilingual edition, English-French from Sales Section, European Office of the United Nations, Geneva, or may be ordered through Sales Agents for United Nations Publications. Price: $0.50, 3s. 6d., Swiss frs. 2—or equivalent in local currencies.*



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TEA TRADE IN BRITAIN

MONOPOLY COMMISSION GIVES CLEAN BILL OF HEALTH

THE Monopolies and Restrictive Practices Commission of the U.K. has found, after a thorough inquiry, that there is no monopoly in the tea trade in Britain and that the trade, in general, is conducted on keenly competitive lines. It will be recalled that, in September 1955, the Commission was asked to inquire into the conditions in the trade, in response to the vociferous demand by British housewives, consequent upon the violent fluctuations in tea prices, following the "decontrol" of tea in Britain. At the end of 1954, it may be noted, tea prices recorded a steep rise and touched a peak of 7*s.* per lb. in the London auctions in January 1955. The precipitous rise was due to the shortage of supplies caused by (*a*) heavy floods in Assam and (*b*) the strike at the London docks. The supply position had been underestimated and the fear that prices would shoot up accentuated the rising trend. There was a strong tendency to accumulate stocks and push up prices. But soon the trade had to face consumer resistance and prices began to recede. By the summer of 1955, prices of tea were no more than half of those which had prevailed in January 1955.

These violent movements in prices within a short period were thus due more to factors beyond the control of the trade than to any deliberate practices on the part of traders, such as cornering of stocks by a few. This, however, was not popularly understood by consumers and there was, therefore, a clamour for reference of the case to the Monopoly Commission. The Commission could have rejected the demand for inquiry, as the Monopolies Act of 1948 did not apply to the tea trade. But the steps taken to curb the violent fluctuations, namely, the organisation of the London tea auctions and the arrangements for regulating the quantity of tea offered at each auction, though without any restriction on the total quantity offered during the year, brought the trade within the conditions to which the Act applied and required a fuller study by the Commission. As already stated, the Commission has held that the severe fluctuations in the price of tea following decontrol were not due to the existence of monopoly conditions or restrictive practices in the U.K. trade.

The Commission has found that the conditions to which the Monopolies Act, 1948, applies prevail in relation to the supply of tea on three separate grounds. These are: (1) about 55 per cent. of the tea supplied in the U.K. during 1954 was sold at London auctions where all sales are subject to uniform and obligatory conditions laid down by the Tea Brokers' Association in agreement with the association representing producers and buyers, (2) the volume of tea sold at the London auctions is regulated from time to time by the sub-committee for regulation of sales set up by the associations representing producers and selling brokers of tea; and (3) at least half the tea supplied in the U.K. is sold subject to resale price maintenance.

The Commission is of the view that, in these respects, those concerned conduct their affairs in such a way as to restrict competition in connection with the supply of tea in the U.K. It has, however, vindicated these measures by saying that the scheme to regulate sales is "a reasonable and practical measure which does not operate against the public interest." The Commission has also taken a similar view of the uniform conditions of sale at the London auctions. It says that it had no evidence that the regulation-of-sales schemes at Calcutta and Colombo, or the uniform conditions of sale at Calcutta, Cochin, Colombo and Chittagong are in any way against the public interest in the U.K. So far as individual resale price maintenance is concerned, the Commission is of the view that no special circumstances or practices distinguish the tea trade from other trades in this respect and it is not against the public interest.

The Monopoly Commission's report draws attention to the understanding between Brooke Bond & Co. and J. Lyons & Co. to notify each other, in advance, of any changes in prices of their packeted teas. Commenting that these two firms are keenly competitive, the Commission says that it is satisfied that there is no agreement on the level of prices. The understanding between the two, according to the Commission, is no more than a reasonable administrative measure and does not operate against the public interest. The Commission is of the view that, as a result of the passing of the Restrictive Trade Practices Act, 1956, agreements for the collective enforcement of conditions as to resale prices will become unlawful.

The Commission's findings have been welcomed by tea traders in London. At least, as the Chairman of the Tea Trade Committee put it, they have no complaints about the report, which describes the tea trade as the traders have always known it. Nevertheless, the findings of a public inquiry commission, such as the Monopoly Commission, serve a very useful purpose in clearing any misunderstanding against the trade and as such are beneficial to the latter. They also help the cause against restrictive practices in the trade.

OUTLOOK FOR NATURAL RUBBER

The way in which investment plans are being pushed forward by the U.K. rubber manufacturers suggests that there is no lack of confidence in the future of natural rubber. This is the considered view of the *Manchester Guardian*, expressed in the course of a comprehensive survey on the British rubber industry.

Discussing the relative shares of natural and synthetic rubber in future world consumption, the survey points out that increased output of synthetic rubber has brought about misgivings in Ceylon, Malaya and other Asian countries, for the well-being of which sales of natural rubber are vital. The industry's answer to this is two-fold. In the first place, the industry denies that there is any danger that natural rubber will give way to synthetics altogether. There is still a wide range of uses in which natural rubber is technically preferable. Secondly, the industry complains that the output of natural rubber has failed to keep pace with the growing market and that, without the production of synthetics, there will now be a world shortage. It also points to the severe fluctuations which have added greatly to the commercial hazards of industrial planning.

In the course of an editorial on the subject, the *Manchester Guardian* says:

"Until the war, almost the whole of this vast enterprise depended on the rubber planter and on the labourers who tapped the trees. That dependence has been broken—indeed, a few decades from now natural rubber may seem a rarity. There are good economic reasons why it should not, and there will certainly be a place for natural rubber in the world—provided that those who produce it understand that they are not indispensable. Technical ingenuity is making that a proviso that should be understood by primary producers everywhere, not only on the rubber plantations."

WORLD CONSUMPTION OF RUBBER

World consumption of natural rubber during 1956 is expected to be about 1,900,000 tons, the same as in the previous year, while production is believed to have declined from 1,950,000 tons to about 1,925,000 tons, due to a fall in output by small holders, consequent on the lower prices fetched during the major part of 1956. Consumption, too, would have shown a shrinkage but for the purchases of Russia and China, which have been the main feature of trading in the London and Singapore markets during the past 18 months.

Preliminary figures for November released by the International Rubber Study Group show that the world output of natural rubber for the month amounted to 167,500 tons, an increase of 12,500 tons over October 1956, while the aggregate production for the first 11 months of the year reveals a fall from 1,687,500 tons to 1,677,500 tons. World consumption during the month went up by 2,500 tons to 162,500 tons. The rise in usage is mainly accounted for by Russian and Chinese buying which rose by 11,800 tons to 27,200 tons, more than offsetting the fall of 9,500 tons in U.S. consumption. For the 11 months, as a whole, world consumption shows a slight increase, despite a fall in consumption outside the Communist countries, on account of the cut in car production in the free world and the larger use of synthetic rubber.

(*Concluded from next column*)

should be forthcoming from the Middle East and some of the other outmarkets."

If a stable and remunerative market is to be assured, a correct adjustment of supply against demand is necessary and Messrs. Thomas & Co. suggest that producers in India should bear in mind the experience of the early months of 1956 when setting the production targets for 1957. For, they say, a recession from the present price level may set in at the outset of the 1957 season, if production is allowed to increase too sharply in the early months of the new season.

TEA PRODUCTION IN 1956

GOOD RISE IN OFFTAKE

THE output of tea by North-east Indian estates during December 1956 amounted to 2.9 million lbs., as compared with 12.1 million lbs. in the corresponding month of 1955. This quantity probably represents an adjustment of the previous month's production, as the gardens in Assam had stopped plucking on 20th November and the other gardens at the end of the month. The fall in production during December has considerably reduced the excess in output seen up to the end of November over that in the corresponding period of 1955. Thus, the production of North-east Indian tea for the year 1956 amounts to 536.7 million lbs., as compared with 533.2 million lbs. in 1955.

The estimated production of South Indian tea for December is 10.7 million lbs., bringing the total production for the 12 months to 126.9 million lbs. (estimated), as against the actual output of 128.9 million lbs. in the corresponding period of 1955. On this basis, India's production of tea in 1956 may be placed at 663.6 million lbs., as against 662.1 million lbs. in 1955, that is, a fractional increase of 1.5 million lbs.

With the productions of Pakistan and Ceylon for the month of December and Indonesian output for the last two months of the year yet to be announced, the total world crop stands at 1,131.2 million lbs., as against 1,189.6 million lbs. in the whole of 1955. At best, the final world crop for 1956 is expected to be the same as that for the previous year.

In distinct contrast to the aforesaid world supply position, the world offtake has, according to Messrs. J. Thomas & Co., Calcutta, risen by over 125 million lbs., as compared with that in 1955. Although the increased offtake includes a substantial surplus brought in from 1955 North Indian teas, there has been heavy buying and the total world absorption out of the 1956 crop is expected to show a net increase of 50 million lbs. over the averages of recent years. Indian shipments account for the bulk of the increase in exports, with the result that the quantum of tea left for internal consumption in India is likely to show a shortfall. If, therefore, the domestic requirements are to be fully secured, internal buyers will have to operate on a heavier scale than usual and compete with the outmarkets.

The latest statistics of shipments of tea during 1956 to the U.K. from the main producing countries, aggregating 477.7 million lbs., show an increase of 134.5 million lbs. over 1955, and 43.2 million lbs. over 1954. Deliveries from the U.K. warehouses during the last few months have been consistently on a higher level, as compared with 1955 and 1954, and the total for 1956, at 543.9 million lbs., represents not only an increase of 25.8 million lbs. over 1955 but a record in recent years. It is not known whether there has been an actual rise in *per capita* consumption in the U.K. It is also difficult to say whether the *per capita* consumption is likely to be affected by the recent increase in retail prices. Be that as it may, the increased imports and purchases by the U.K. have to a very large extent contributed to the current "prosperity" of the tea industry.

The stocks in London at the end of December amounted to 62.5 million lbs. (as compared with 101.2 million lbs. at the close of 1955), the lowest figure in many years. They will, however, be augmented, to a considerable extent, when the large quantity of tea afloat—estimated at 78 million lbs., as against 29.7 million lbs. a year ago—arrives in the U.K. Besides, there were 27.8 million lbs. (as against 23.4 million lbs.) of tea entered for customs, but not received in warehouse.

Discussing the prospects for the earlier months of 1957, Messrs. Thomas & Co. observe:

"Prospects for the balance crop available for sale in Calcutta are good and it is difficult to conceive that clean common tea will be available below Rs. 2 per lb. at any time during the current season. January sales may show a slightly easier tendency, especially as a heavy weight of rains' teas are placed on the market from week to week. It is possible, however, that the market may register an upward trend during February, with the seasonal improvement in quality and reduction in the weight of auction offerings. There may be a slight decline in the tempo of purchases by the U.K. as its depleted stock position builds up, but this is likely to be offset by increased internal purchases of the end-of-the-season teas. The U.S.S.R. is expected to continue to lend its support to this market, especially for autumnal teas, while satisfactory demand

(*Continued in previous column*)

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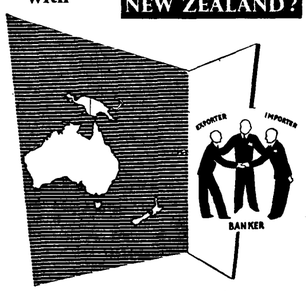

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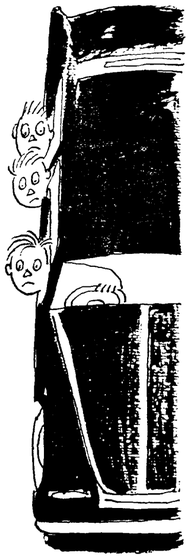

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STORY OF BURMAH-SHELL IN INDIA

FINANCIAL RESULTS OF TRADING ACTIVITY REVEALED FOR THE FIRST TIME

CONSIDERING that oil is a commodity in daily use, whether as fuel for lamps or energy for transport and machines, it may be somewhat surprising that so little is known about the economics of the industry. This ignorance often lies at the root of the wrong notions in some quarters that, in the oil industry, it is all fun and money and little labour. Perhaps, this prejudice can be traced to the numerically small number of units in relation to the magnitude of the industry's operations and also to the stories of large and quick fortunes which men built up through striking oil and the glamour which the great oil "kings" acquired in the public eye. Obviously, these stories, like all good stories, are true in a way, but they never wholly reflect the truth about the oil industry—the hard labour of exploration of oil, the large sums of money involved in its exploitation and the thin margin of profit with which it has to work, in order to meet taxation and save money for further prospecting for and production of oil.

It is not for nothing that the phrase "wild cat" scheme is particularly used in the context of oil exploration. For the essence of the process lies in chance occurrence of oil, though intelligent anticipation based on years of patient investigation has necessarily to precede explcration. In India, in particular, the misunderstanding about oil industry is widespread, due largely to absence of popular literature about the economics of the industry and the financial results of the few foreign companies that operate here. The blame for this must be laid mainly at the doors of the companies themselves. In pre-independent India, they could afford to ignore public opinion and keep their secret to themselves. But not so in an independent democratic India, where the public is quite conscious of its rights and politicians of all shades are tempted to exploit public ignorance to serve their ends. Much of the wrong notion about the operations of oil companies in India would not have survived had a true account of them been furnished to the public and the Press.

Energy Pattern

Against this background, one will certainly appreciate the need for a publication of the kind represented by *Background to Burmah-Shell*, brought out by the Burmah-Shell Oil Storage and Distributing Company of India Ltd. "Burmah-Shell" is a household name in this country, thanks to the fact that it produces articles of such vital necessity as kerosene and petrol. The pamphlet which it has brought out is somewhat inappropriately termed *Background to Burmah-Shell* for it contains much material that is of wider general interest, namely, the world energy pattern, the role of oil in that pattern and the financial magnitude of the industry. But the most noteworthy feature of this publication is the disclosure, for the first time, of the financial position and the trading results of the Burmah-Shell Oil Storage and Distributing Company of India Ltd., an aspect which was a closed book to the public till now. A perusal of the accounts of the Company shows that, contrary to popular belief, net earnings work out to no more than 6.58 per cent. of the capital employed and to 3.30 per cent. of gross proceeds of sales. It is to be hoped that other oil companies too will follow this example of Burmah-Shell and tell the public the story of their operations in this country. Meanwhile, the management of Burmah-Shell deserves to be complimented for giving this excellent lead.

The three main sources of commercial energy, as is well known, are oil, coal and water power. World energy output is rapidly expanding, in order to meet the growing demand from ordinary and industrial consumers. In 1955, the quantity of energy effectively consumed by the world was about 2½ times as much as in 1920. But, in this rapid improvement in production of energy, oil and natural gas have made a more notable contribution than even coal, the traditional source of energy. Over the last 35 years, the consumption of petroleum fuels has increased almost sevenfold and moved up in rank as the supplier of effective requirements of energy from one-seventh to over one-half of such requirements. Coal, on the other hand, has moved down from five-sixths to much less than one-half of the world's energy requirements. At the same time, the effective supplies of hydro-electricity have grown from 3 per cent. in 1920 to 7 per cent. in 1955. Expert opinion, it is stated, is now agreed that world supply of energy by coal is not likely to increase significantly from now onwards.

Atomic Energy

The energy locked up in the atom presents the picture of a source which makes the long-term future entirely secure, but the "speed of development and the extent of its possible application to the full range of energy requirements is still uncertain and speculative." The probability is that, for the next 20 years, the contribution of atomic energy will still have only small significance in relation to present established sources. The rate of growth of the world demand for energy is expected to be about 3 per cent. per year in the next three years. Coal consumption is expected to grow at less than 1 per cent. only. By comparison, oil together with natural gas is expected to grow at four times this rate. In the next 20 years, world demand for oil will have doubled. In India, the demand for oil is likely to double itself in less than ten years. Indeed, it doubled itself in the seven-year period ended 1955. There is certainly scope for increased consumption, considering that the *per capita* consumption is only 3 gallons per year, as against the world average of 70 gallons and the *per capita* consumption of 500 gallons in the industrially advanced countries.

Large investments of capital are needed in order to meet the growing demand for oil, a fact little realised in this country. The pamphlet avers that it appears unlikely that more than 10 per cent. of the money required can be drawn from the world's markets, without "seriously disrupting the flow of badly needed capital required for a multitude of other important claimants in industry and development schemes." The logical consequence of this fact, as the pamphlet rightly points out, is that the oil industry as a whole must be largely self-financing. This means that, after provision has been made for replacement of outdated existing plant, the money required to meet the expanding demand for oil can only be found by retaining in the business the major proportion of net earnings, and also that the size of those earnings must be adequate to sustain the required growth. It is noteworthy that, in the Shell group of companies, the finance set aside for reinvestment is no less than 80 per cent. of net earnings and forms a pool of finance to be employed where the expansion of facilities is required.

An important point which must be remembered in estimating the cost of meeting the expansion in the demand for oil is that the "marketing facilities which the public see represent only a relatively small proportion of the total cost." Money has to be found continuously to finance exploration for new oil sources often in extremely difficult territory without roads or the normal amenities of life, for drilling and for production facilities after oil has been found, for tankers, refineries, research and, finally, the network of ocean installations, depots and other marketing facilities. The cost for every additional ton of oil required in excess of existing demand, it is computed, calls for an investment of at least the equivalent of Rs. 535 per ton. And this cost is steadily rising. Fresh capital required by the oil industry throughout the world in 1956 is placed at Rs. 4,000 crores. During the last ten years, investment has been of the order of Rs. 26,000 crores and, in the next ten years will probably more than double itself to Rs. 55,000 crores. So far as India is concerned, according to the pamphlet, to find and supply the additional oil which the country will need in the next ten years, an investment of Rs. 360 crores will be required.

Pricing System

The pricing system for oil, it is needless to add, must take into account the growing cost of undertaking the capital investments necessary for meeting the increase in demand. Viewed against this need, it is noteworthy that the price of oil has been held well below general price levels. In India, for instance, the index of kerosene prices (Base 1939=100) in the last quarter of 1956 was 180, as against the general wholesale price index of 420. Explaining the pricing system for oil now in vogue, the pamphlet says:

"As an international commodity, oil moves freely across the oceans from several main supply sources and a number of tributary supply sources to almost every country of the world. It is, therefore, inevitable that there should be an integrated world market. This market develops from the activities of a very large number of buyers and sellers, including the biggest groups. It follows that world market prices are not based on any 'structure' laid down by any individual authority, but reflect the equilibrium between many factors frequently in conflict with each other. Tributary sources of supply bear a natural price relationship to main sources of supply and the range of prices offered for various qualities of crude are posted at these main sources of supply. An example of a reporting system which records oil prices is that of Platt's Oilgram Price Service published in the U.S. Gulf, which, in fact, is an independent market survey on a day-to-day basis. It is a reflection, and no more than a reflection of the equilibrium of prices caused by supply and demand and is influenced by the pattern and pressures of world oil trade. The basic product prices at Indian ports are established on the basis of Platt's quotations plus freights from the Persian Gulf and revised from time to time in sympathy with fluctuations in world prices and tanker freight rates.

"It is commonly believed that the big oil companies own the bulk of the world's tanker tonnage and therefore control the freight, market; this is quite incorrect. In point of fact, although the big companies have invested heavily in tanker fleets, 60 per cent. of the total tonnage is owned outside the oil industry, mostly by a number of independent operators. It follows that, here too, the quotations offered and accepted for short-term and long-term charters reflect the interplay of supply and demand and competitive forces.

"The more important petroleum products in India are sold in accordance with an establishd price formula and the prices are reviewed from time to time. This formula is simply the f.o.b. to c.i.f. computation, as already outlined, plus expenses, plus remuneration to give a reasonable return on capital employed. The size of these earnings which accrue should be enough to maintain the self-financing nature of the business. In fact, over several years, after payment of all taxes the net earnings of Burmah-Shell and its consignors averaged about one anna per gallon sold, and in 1955, amounted to about 3 per cent. of the proceeds of sales. As we have pointed out, this has not in fact proved adequate in India to meet the required increase in capital employed over these years. The small margin of profit, coupled with the necessity to finance continuous expansion, is at once the explanation and the justification of the large size of the major companies in the competitive world of the oil industry."

Vague charges are sometimes made against oil companies to the effect that they charge high prices for their product. But an analysis of the accounts of the Burmah-Shell, included in the pamphlet, shows that the earnings have proved insufficient to finance the capital investments and that the parent companies of the Burmah-Shell have had to provide the shortfall of capital. In 1955, the trading receipts of the Company aggregated Rs. 106.53 crores. The f.o.b. value of the oil accounted for 35.8 per cent. of the total receipts, ocean freights for 4.5 per cent., costs of distribution for 27.4 per cent., and duties and taxes paid to Government for 29.0 per cent. This left a balance of Rs. 3.52 crores or 3.30 per cent. of the receipts, representing the tax-paid earnings in India. In other words, net earnings constitute only 3.30 per cent. of the gross proceeds of sales. On the capital employed of Rs. 53.52 crores, made up of fixed assets (Rs. 10.83 crores), stocks (Rs. 18.91 crores) and other net assets (Rs. 23.78 crores), the net earnings represented a return of no more than 6.58 per cent.

Foreign Capital

The gross earnings during the seven-year period 1949-55 aggregated Rs. 57.95 crores. Out of this amount, Indian taxes absorbed about half or Rs. 28.84 crores, and U.K. taxes Rs. 6.08 crores, leaving a balance of Rs. 23.03 crores. The entire net earnings, it must be noted, were ploughed back into industry in the shape of an increase in working capital to the tune of Rs. 13.45 crores and in the net capital expenditure of Rs. 9.58 crores. The total capital employed increased, during this period, from Rs. 21.56 crores to Rs. 53.52 crores. In other words, the increase in capital employed was of the order of Rs. 31.96 crores, whereas the net earnings, re-

(*Continued on page 187*)

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THE Raytheon Manufacturing Company of the U.S. has developed long-range Terminal and Airways Surveillance Radar Systems. These radar systems will cost approximately $9,000,000. The Civil Aeronautics Administration of the U.S. has ordered 23 of these radar systems. Deliveries will begin in the summer of 1957 and will be part of an expanding coast-to-coast traffic control network of more than 70 civil and military radar installations. The network will give controllers a picture of aircraft traffic from 15,000 to 70,000 feet in virtually all the nation's air space and of aircraft at lower altitudes on the densely travelled routes. It will serve to track the civil and military jets which move at 600 miles per hour or more in the higher altitudes, as well as the conventional aircraft traffic using the lower altitudes. Some of the special features of the T.A.S.R. systems are a giant 40-foot antenna, which effectively covers more than 125,000 square miles of area . . . circular polarization which enables the radar to detect and track aircraft in rain and other weather conditions that often cause excessive "clutter" . . . an improved "moving target indication" which enables the radar to select only moving objects by filtering out reflections from buildings, mountains and similar fixed objects . . . an ingenious system of pin pointing the exact geographical location of a plane at all times by superimposing an electronically-generated map onto the face of the radar scope. The T.A.S.R. radar system is designed from a *basic* system with a "growth potential" that enables it to add units to meet the air traffic needs of the future. The current requirements are met by combining units already developed while other units are being perfected to meet the requirements as they present themselves, two to ten years hence. It is this "growth potential," it is claimed, that has attracted world-wide attention ever since the system was made available to the Governments of other countries. The Canadian Government ordered long-range radar systems to be installed at all airfields from coast to coast at a cost of approximately $5,000,000. The Raytheon systems are "tailored" to meet the needs of each airfield in every country.

TV on Tape

A demonstration of television programmes recorded on magnetic tape was recently staged by the Columbia Broadcasting System, and officials predicted it would not be long before programmes could be presented that would be as technically good as filmed TV shows. A popular talent-type show, "Art Linkletter's House Party," was used for the experiment. The show was staged in Hollywood, and was relayed by closed-circuit to the company's headquarters at Madison Avenue, New York City. The tape recorder used was made by the Ampex Corporation, of Redwood City, California, a leading U.S. manufacturer of this type of equipment. The tape was two inches wide, and recorded both picture and sound simultaneously. As soon as the show has been taped, it can be projected at once, without further processing, through a standard TV transmitter. The only unfavourable feature of the telecast was some instances of what is known as "drop-out"—a flashing of white lines intermittently across the screen. These were attributed to flaws in the tape, which could be eliminated as more experience was gained in the new technique. C.B.S. has begun to make commercial use of tape-recorded television shows, in the first instance involving rebroadcast of the news. News programmes presented "live" in New York have been recorded on tape, and telecast to the West Coast later, to take care of the time differential.

Measuring Ozone in the Atmosphere

An exceptionally sensitive unit for automatically analysing the amounts of ozone (a specially heavy form of oxygen) occurring in the air has been developed for the American Petroleum Institute. The device which operates electrically and not chemically, can, it is claimed, detect the presence of proportions of ozone as low as two parts of ozone per million parts of air in the atmosphere, and quantities as high as 50 parts of ozone per million parts of air. In between these ranges it can measure the quantity of ozone present with exceptional sensitivity. The instrument which was developed by the Armour Research Foundation of the United States is expected to contribute valuable information about the causes and form of atmospheric pollution, since the ozone in the atmosphere is believed to play an important role in air pollution. The operation of the ozone measuring unit is not affected by the occurrence of air polluting chemicals such as carbon monoxide, hydrocarbon vapours, or chlorine. A similar but more sensitive electronic ozone measuring system is now being developed by the Armour Research Foundation.

Welding of Plastic Materials

An electronic welding process which permits the quilting of plastic materials has been developed and perfected by an Australian firm, Moulded Products Ltd., of Richmond, Victoria, Australia. Quilted plastic materials are now widely used to trim motor car interiors, as upholstery for furniture and baby carriages, bedspreads, toilet bags and pillow covers. They consist of two sheets of plastic film, the top of vinyl plastic, the bottom of polythene, between which there is a padding material such as cotton wool. The welding apparatus manufactured by Moulded Products is electronically powered and operated, and the electronic generator converts the electricity to high-frequency power to weld the material. Welding is done on dielectric heating principles.

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GENERAL INSURERS ACCEPT NEW CODE OF CONDUCT

PROVISION MADE FOR PERIODICAL INSPECTION OF ACCOUNTS

LAST week, general insurers accepted a new code of conduct which provides for periodical inspection of their accounts by the Controller of Insurance and also seeks to reform the general insurance business, with a view to eradicating malpractices like rebating, which unfortunately continue to be practised. The new code supplements, rather than supplants, the existing code, formulated four years ago. In other words, the new code has substantially the same object in view, namely, the maintenance of right standards of business. Only, it introduces certain new restrictions, with a view to making the observance of those standards more universal than it has been. Explaining the significance of the new code, at a Press conference held last week, Mr. H. M. Patel, Chairman of the Executive Committee of the General Insurance Council, stated that it was a "renewed" effort by the general insurance industry to "set its house in order."

The last code of conduct for general insurers, it may be recalled, was revolved in 1952. An administrative machinery was also set up to ensure proper observance of the code. Further, the code was modified, reformed and improved from time to time in the light of the actual experience gained in its administration. It would appear that the Executive Committee of the General Insurance Council, which carried out an exhaustive review of the operation of the code, found that the code had not succeeded in achieving its objective.

The review also indicated certain lines of reform. They were: (1) insurers should maintain certain minimum departmental reserves; (2) they should maintain a certain minimum margin between their assets and their liabilities, called the "minimum security margin"; (3) they should, except in specified cases, collect premium before assuming risk; and (4) the Controller of Insurance should carry out an inspection of all insurers as often and at such intervals as he considers necessary, in order to establish that their business is being conducted in accordance with the law and tariff regulations.

Giving the background to the code, now formulated for observance by general insurers, a Press note says:

"The regulations prescribed so far by the Executive Committee of the General Insurance Council with a view to setting up high standards of conduct and sound practice for conducting the business were found, from experience, not to have produced the desired results. Certain practices which were found to be undesirable have unfortunately been found to persist despite all efforts. This question was reviewed by the Executive Committee a few months back and the matter was also discussed with various associations. Eventually, a scheme was drawn up by the Chairman of the Executive Committee and put to the Executive Committee for consideration. The Chairman's proposals were accepted by the Executive Committee and thereafter the scheme was circulated to all the general insurers, requesting them voluntarily to undertake to comply with the new set of regulations and also accept such disciplinary action as may become necessary, where there is failure to comply with these. The scheme is to be administered under the general supervision of the Executive Committee itself by the Controller of Insurance, acting on the advice of an independent committee consisting of (1) a senior member drawn from the profession of auditors, (2) another member, an experienced solicitor, lawyer or a business man, (3) an insurance executive appointed with reference to each case under consideration.

"The revised code came into operation from 1st January 1957, except in respect of one provision, namely, the payment of premium in advance. The proposal to insist upon advance payment of premium before assumption of risk was discussed again and the provision has now been decided upon to be made operative from 1st March 1957. It was felt that this additional time was essential in order that the insurers may be able to advise their clients. In the meantime, the Executive Committee would also arrange for examining, further points, if any, of practical difficulties so that from 1st March 1957, when these regulations would become operative, provision would be made for meeting such practical difficulties."

Under the new code, the Board of Directors of a general insurance company has to give an undertaking to afford all necessary facilities for inspection by the Controller, to abide by the disciplinary action imposed by the Controller in the event of breach of the code, to maintain minimum departmental reserves and, generally, to observe the code of conduct. The various provisions of the new code are:

Minimum Reserves

(i) The minimum departmental reserves to be provided by way of unexpired risk reserve plus additional reserves, if any, shall be 50 per cent. of the net premium income in the year in fire and miscellaneous (including aviation) departments and 100 per cent. in the case of marine cargo and marine hull business. (ii) Insurers, who provided less than the above percentages on the 31st December 1955, shall step up the reserves to the above percentages by increasing the reserve each year by not less than 2 per cent. of the net premium income or the profit earned in the department, whichever is higher, till the above percentages are reached; provided that, on 31st December 1956, they shall maintain not less than 42 per cent. in fire and miscellaneous departments, 52 per cent. in respect of marine cargo and 100 per cent. in respect of marine hull business. (iii) The Controller of Insurance may relax the above requirement and fix lower percentages in individual cases for any particular year, if he is satisfied that, by reason of transfer of portfolio at the beginning of a calendar year in any class of business, or rapid expansion of the portfolio in marine cargo business, undue hardship will otherwise be caused. (iv) In the case of country craft insurers, the Controller of Insurance may lower the above percentages to the extent he deems fit, but with the ultimate aim that these insurers should also come up to the level of maintaining 100 per cent. reserves in respect of both cargo and hull business.

Minimum Security Margin

(i) Every general insurer must maintain an excess of assets over liabilities of at least Rs. 5 lakhs or 10 per cent. of his net premium income, whichever is higher.

(ii) The existing insurers who do not have this excess margin at present will be given time to come up to this level by the 31st December 1959, provided that the excess margin should at least be Rs. 2½ lakhs or 10 per cent. of the net premium income in the year, whichever is higher, as at the end of 1956; Rs. 3½ lakhs or 10 per cent. of the net premium income in the year, whichever is higher, as at the end of 1957; and Rs. 4 lakhs or 10 per cent. of the net premium income in the year, whichever is higher, as at the end of 1958.

(iii) In respect of insurers not having a share capital and operating in a restricted way, that is, not doing business with the general public, the excess margin will be such as may be fixed by the Controller of Insurance.

(iv) In the case of country craft insurers, the excess margin shall be Rs. 1 lakh or 10 per cent. of the net premium income, whichever is higher, but such an insurer will be allowed to come up to this level by adding to whatever excess margin he holds as on 31st December 1956, at least Rs. 5,000 each year by way of additional margin. The relevant sum for the year or 10 per cent. of the premium income in that year, whichever is higher, will be the minimum margin for such an insurer.

(v) The minimum margin which has to be maintained by an insurer (whether Indian or non-Indian) will be assessed in respect of his world business.

(vi) In valuing the assets, a proper value will be placed on all the assets. However, assets will be excluded. Such assets are:

(1) *Agents' Balances and Outstanding Premiums in India*: (a) In respect of the year ending the 31st December 1956 such balances and outstandings not confirmed by the 31st March 1957 shall be excluded. Out of the confirmed balances and outstandings, what is not realised by the time the balance-sheet for 1956 is signed, to the extent it exceeds 10 per cent. of the gross premium income in India in 1956, shall also be excluded. (b) In respect of the year ending the 31st December 1957 and subsequent years this item shall be excluded except to the extent the amount is realised by the 15th January following.

(2) *Agents' Balances and Outstanding Premiums outside India*: These to the extent they are not realisable shall be excluded.

(3) *Sundry Debts*: Sundry debts not realised before the signing of the balance-sheet shall be excluded.

(4) *Advances*: Advances of an unrealisable character shall be excluded.

(5) *Furniture, Fixtures, Dead Stock, Stationery*: These shall be excluded.

(6) Pre-paid expenses may be included, but deferred expenses shall be excluded.

(vii) In valuing the liabilities, share capital plus other free reserves (like general reserve, investment reserve, reserve for bad and doubtful debts, depreciation fund, except on such items which are taken credit for as "assets") shall not be included. All other liabilities shall be included. In particular, the liabilities that will be included are: (1) provision for dividends and unpaid dividends in full. (2) Reserves for unexpired risks in respect of fire and miscellaneous departments: 40 per cent. of the net premium income; marine cargo: 40 per cent. of the net premium income and marine hull: 100 per cent. of the net premium income. (3) Outstanding claims in full. (4) Amounts due to insurance companies carrying on insurance business in full. (5) Amounts to sundry creditors in full. (6) Provision for taxation in full.

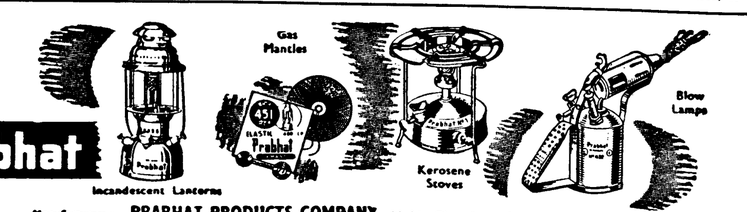
(viii) A statement of assets and liabilities and the values placed thereon, certified by the auditors of the insurer, should be submitted to the Controller of Insurance along with the annual accounts.

Premium Payments

Premium should be paid to the insurer before assumption of risk by the insurer, except: (i) where an insured or a principal agent gives business with a premium income of Rs. 25,000 or more per year and where an adequate bank guarantee is forthcoming as to payment of the premium, risks may be assumed without payment of premium, provided that the premiums in respect of risks assumed in a calendar month are paid by the 15th of the next calendar month and (ii) in cases where the exact premium for a risk cannot be ascertained without reference to head office or to the Tariff Committee, or for any reason, the risk may be assumed if there is a deposit made by the insured with the company at a suitable rate not less than As. 4 per cent. The premium must be adjusted within a month if it involves a reference to the Tariff Committee otherwise within a week. However, in the case of open covers in the marine department where declarations of interests are made overseas, adjustments of premiums may be made within 14 days.

It is to be hoped that general insurers will abide by the new code of conduct. After all, it must be remembered that the alternative to the acceptance of restrictions by their own representatives is legislative enactment. They ought to know that, if any Bill were brought forward in Parliament for a reform of the law relating to general insurers, there might be a more insistent clamour for nationalisation of general insurance than was witnessed at the time of the nationalisation of life insurance. It is, therefore, in the interests of general insurers that they should abide by the code of conduct. Further, there is a certain inherent advantage in observing a code formulated by their own representatives and accepted voluntarily by them. The advantage is that it can be worked in a manner that is free from the rigour and inhibiting restrictions inevitable in the observance of a legal enactment. It is noteworthy that a certain degree of flexibility will be maintained in the enforcement of the code. Although there will be no general relaxation, each hard case, it is stated, will be examined on its merits.

What is necessary is that the insurers should observe, and the authorities should enforce, the spirit of the code, rather than merely its letter. The authorities should not be lenient in taking disciplinary action against those insurers who fail to follow the code. All the insurers should be on the alert and see to it that no black sheep are harboured in their midst. Further, it takes two to establish malpractices, the insurer and the insured. The vast majority of those who take protection under general insurance belongs to the business community, the most important section of free enterprise. This community is as much responsible for the prevalence of malpractices in general insurance as the insurers themselves. If free enterprise is to be protected from the intervention of the State and saved from ultimate extinction, those who seek general insurance cover should neither ask for rebates, etc., nor take them even if offered by the insurer. Business men should realise that, if general insurance also is nationalised on the ground of corruption and other malpractices, it would seriously hurt the cause of free enterprise and reduce the field of their activity. If all this is done, it should not be long before the industry's house is set in order.



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INSURANCE OF AIRCRAFT

Discussing the problems of insurance of aircraft, the Estimates Committee, in its recent report on the Air-India International Corporation, has made a number of observations. Referring to third party claims, which arise mainly from accidents resulting in injuries from aircraft and motor vehicles to persons or damages to property of those not travelling in the Corporation's aircraft or motor vehicles, the Committee says that such claims are generally covered by a comprehensive insurance policy. There are certain cases, however, in which third party claims are not strictly covered by the terms and conditions of insurance relating to liability. In such cases, the Corporation is not able to recover the claims from the insurance companies, though it may have paid compensation to such parties. In order to meet such liabilities, the corporation has proposed that a sum of Rs. 5 lakhs should be earmarked annually for establishing a fund pursuant to the rules made under section 44(2) (c) of the Air Corporations Act.

Prior to nationalisation, A.I.I. Ltd. used to insure their aircraft comprehensively with outside insurers. This question was reviewed after nationalisation, and the Government decided that the Corporation should continue the same policy as the one the Company followed before nationalisation. An insurance fund is, however, being built up from the surplus which remains after meeting the expenditure on operations and also by crediting to the fund any rebate that may be received from the insurer in the shape of difference between the standard rate premium paid for insurance of aircraft and minimum rate chargeable in those areas in which the claims position is satisfactory. Miscellaneous insurance covers are being progressively effected from this fund. The Committee says that it understands that, when the fund is sufficiently built up, a portion of aircraft risks may also be covered by this fund. The effect of this policy is to increase the risks which the Corporation has to carry on itself, for the Corporation cannot, unlike a general insurer, reinsure the risks it carries. The Committee has, therefore, recommended that a "cautious policy should be followed in this matter." It adds: "The question of laying down a policy in respect of insurance of properties belonging to all State-controlled undertakings is stated to be under consideration of the Government. The Committee recommends that the policy should be made applicable uniformly for State-controlled undertakings under all the Ministries of the Government."

PENSION LAW IN U.S.S.R.

Under the recently introduced changes in the pensions law in the U.S.S.R., higher scales for old age pensions, disability benefits and benefits for families in the event of the death of the breadwinner are provided. As a result of these changes, the budget allocation for pensions has been increased from 13,000 million roubles to 25,100 million roubles. Under the new law, the range of people qualifying for pensions has been greatly extended. In the past, students who study in colleges, specialised secondary schools, junior technical schools and in special courses for training skilled workers did not qualify for pension rights. Today, however, they come within the scope of the Act. In addition to the husband or wife, parents, children, brothers or sisters of a deceased breadwinner, grandchildren, grandfather and grandmother qualify for benefits; adoptive parents and adopted children enjoy equal rights with parents and children. The gap between higher pensions and the ordinary ones has been narrowed considerably. The lower category pensions have been doubled or trebled. All factory and office workers without exception will, upon retiring, receive from 50 (for skilled workers) to 100 per cent. (low-paid workers) of their last earnings.

Old-age pensions range from 300 to 1,200 roubles monthly, and depend on previous earnings, length of service, conditions of work and number of dependents. Pensions are computed on the basis of the actual average monthly earnings for the 12 past months of work, or at the wishes of the claimants for pension, for any five years in succession of the 10 years before applying for pension. This provision is important in cases where earnings fluctuated during the last decade. The applicant is entitled to choose the years when his earnings were highest. Factory and office workers are entitled to old age pensions: men upon reaching the age of 60, women upon reaching 55. Factory and office workers on underground jobs, on jobs with harmful or arduous conditions of labour or in hot shops are entitled to old age pensions at an earlier age.

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MACHINERY MANUFACTURE IN INDIA

GOVERNMENT GIVING PRIDE OF PLACE TO IT IN THE DEVELOPMENT PLAN

By Manubhai Shah

UNION MINISTER FOR HEAVY INDUSTRIES

THE basic feature of the second Five-year Plan is the emphasis on the development of heavy industries. The first Five-year Plan had laid the foundation for this by stimulating agricultural production, and it is now possible to lay the basis for large-scale industrial development.

The foundation of such development is the expansion of the steel industry, through establishment of three new units in the public sector and the expansion of existing units, which will raise production to six million tons (crude) by the end of the Plan period. Only some time ago, there was much discussion as to whether the targets for steel and cement were not too ambitious; it was argued that the country would not be able to absorb six million tons of steel by 1961. It is now clear that, if anything, we should have planned in a more ambitious way even earlier. Meanwhile, development is being fostered by imports of steel, so that the steel processing industry will be in existence when the new plants come into production. During 1956, the production of steel within the country was about 1.33 million tons, and, in addition, imports amounted to about 1.8 million tons of iron and steel. We are thus in a position to more than fully utilise the steel that will become available to us as a result of our planning. In order to accelerate the tempo of development, we will have to plan soon for 10 to 15 million tons or more of steel per annum in the third Plan period and onward.

Striking Feature

Indeed, the most striking feature of our industrial development during the last three years has been the progress of the engineering industry. The output of this set of industries is now running at well above twice the level of 1951. Since the beginning of 1956, the index has risen from 179.3 in January 1956 to 226.8 in August 1956, as compared to 100 in 1951. In some lines, the increase even over the past nine months or so has been very large. Thus, between January-September 1956, the index for complete ring spinning frames has risen from 282.3 to 437.6, for wood screws from 850.7 to 1,080.0, for electric motors from 170.3 to 263.1, for power transformers from 313.3 to 471.5 and for electric lamps from 151.4 to 207.6.

These are merely illustrations; there has been increased demand and production over the whole range of engineering industry, and, in many cases, the available capacity is fully booked for many months. Contrary to the common assumption, the engineering industries also save foreign exchange in a big way. By and large, the investment of foreign exchange in machinery for an engineering works is recouped in terms of lower imports within a year or 18 months. Experience reveals that, with more electric power and skilled personnel becoming available, the engineering industry would be able to forge ahead faster. We have already begun to develop an export trade in engineering products, and hope to develop this trade much more. In this respect, we have natural advantages, in view of the relatively lower cost of steel manufacture in our country.

Not Complacent

We are not, however, complacent about the capacity available in the engineering industry. While much progress has been made in the lighter steel-using industries, there are certain key developments which have not so far taken place. We do not as yet have the capacity for the heavier types of structurals. Nor is there capacity in the country for casting heavy pieces of machinery and for large forged components. To these, the National Industrial Development Corporation has directed its attention. Again, an adequate supply of machine tools of the right kinds is essential for industrial expansion. Estimated annual demand at the end of the second Plan period for machine tools has been worked out at Rs. 17.5 crores per annum, as against the current year's production of machine tools in the country of Rs. 80 lakhs only and Rs. 7 to Rs. 8 crores of imports of machine tools in the current year.

Past experience in India shows that manufacture of machinery usually follows but does not precede the establishment of any industry. This results in two handicaps. First of all, in the initial stages, a large amount of foreign exchange is needed to import the machines. Secondly, the country remains dependent upon continuous supplies of spare parts from abroad.

This leads us to the consideration of the basic needs of an industrialised nation. There should be a sufficient number of designers and technicians to help the industries. They should, from experience, build up a store of "know-how," which can be utilised in any desired direction. India does not have enough of them today. We are laying special emphasis in all our industrial programmes on this aspect of the problem. And we welcome the help given by other countries by way of collaboration and extension of "know-how." Even after this, it would not always be economic to make all the specialised items of equipment, which an advanced industrial country requires. The leading industrial countries invariably specialise in certain lines of equipment which they export to one another. For certain small requirements of specialised machinery and equipment, we may have to depend on imports. Also, it is better to have our demands running fast ahead of our rapidly increasing production. This would, therefore, mean some imports. But, at the same time, continuous efforts should be made at increasing the volume of exports in lines which we can profitably manufacture in excess of our requirements.

Heavy Machinery

In the field of machinery manufacture proper, we have established some capacity for the manufacture of modern machinery for the jute and cotton textile industries. We have planned to manufacture textile machinery (cotton textiles, jute, rayon, silks, woollens, etc.) worth Rs. 19.5 crores by 1960-61, as compared to Rs. 4.7 crores worth of production of this machinery in 1956. The demand for sugar mill machinery has been increasing significantly, in view of the increased demand for sugar within the country, and several sugar mills have been licensed. In order to provide the machinery for these sugar mills, a number of schemes for manufacture of sugar mill machinery has been approved. When these are completed, it should be possible for the country to produce 14 to 15 complete sugar mills every year. Progress is also being made with the manufacture of machinery for the cement industry in a big way. One scheme has been already approved, with a capacity to manufacture complete cement plants capable of manufacturing one million tons of cement per annum. There is, however, yet considerable scope for expansion; this field is very promising, in view of the steadily rising demand for cement within the country. We have made some progress also with machinery manufacture for the paper industry.

On present indications, we should be able, by the end of the second Plan period, to make within the country about Rs. 83 to Rs. 100 crores worth of machinery per annum, as against about Rs. 23 crores per annum at present. The following table indicates the tentative break-up of this programme:

(In lakhs of rupees)

	Estimated production in 1960-61	Production in 1956
Textile machinery	17,00	4,50
Jute machinery	2,50	21
Sugar machinery	2,50	22
Printing machinery	2,00	(a)
Machine tools	5,00	80
Electric motors	7,50	4,16
Transformers	8,20	5,59
Tea machinery	1,50	70
Diesel engines	15,00	4,10
Pumps	7,00	1,70
Rice and flour mills machinery	50	13
Oil mill machinery	40	9
Paper mill machinery	4,00	(a)
Compressors	4,00	Nil
Exhaust fans and blowers	1,00	3
Other machineries	5,00	50
Total	83,00	22,73

(a) = Negligible.

The establishment of machinery manufacture is necessarily a long-term process and any target adopted must take cognisance of our probable demands in years subsequent to the second Plan as well. Some tentative calculations have been made and the annual demand for machinery by 1960-61 is expected to be at about Rs. 200 to Rs. 250 crores, as against the actual demand at the end of the first Plan of about Rs. 126 crores, of which imports of machinery alone in 1955 accounted for about Rs. 106 crores. Our current rate of imports of machinery, on the basis of figures for 1956, is much higher. Studies in perspective planning are also being undertaken, in order to estimate and plan the requirements and the demands of the country for machinery and machine tools in the third Plan period.

Foreign Help

We have already had valuable discussions with technical missions from the United Kingdom and the U.S.S.R. on comprehensive lines. One of the ideas that are being considered is the establishment of an integrated heavy machine building plant to produce machinery of use to

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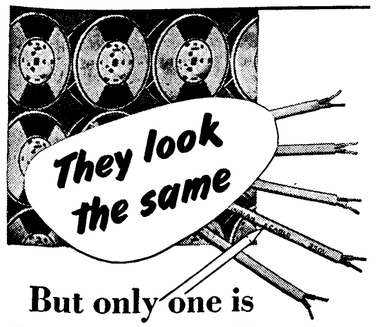

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various big industries. We would need machinery not merely for the replacement requirements of the existing industries, but also for the growing industries such as steel, mining, heavy machine tools, heavy engineering and heavy chemicals and other industries. Perhaps, our present estimates may themselves prove low by later experience. In any case, it would be, in keeping with the practice of advanced nations, necessary to depend upon specialised foreign sources for certain items rather than to approach the problem from the view of self-sufficiency in every item.

We may now consider certain other aspects of heavy industries. For many industrial purposes, aluminium is displacing steel, because of its physical and chemical properties. India has abundant supplies of bauxite and reserve sources of electric power. There is no doubt that we should exploit our natural resources in this regard. Expansion schemes raising the present annual production of 7,500 tons of aluminium to 20,000 tons have already been sanctioned, and we hope to establish additional capacity of 10,000 tons of aluminium per year in the public sector during the second Plan period. Our annual demand for aluminium by 1960-61 is estimated at 35,000 to 40,000 tons.

Chemical

Chemical industries are also essential for a developing economy. The manufacture of certain basic chemicals, such as caustic soda and soda ash, has already been undertaken in the country and big expansions are contemplated during the next few years. In the dyestuffs industry, notable progress has been made in the finishing operations. There is scope for further expansion and for the development of capacity for the more basic intermediates and chemicals required by the dyes industry as also others such as drugs, plastics and explosives. In heavy chemicals, the country will be more than self-sufficient, during the second Plan. It is hoped to produce 60 to 70 per cent. of our requirements of dyes, drugs and their intermediates by 1960 61. The National Industrial Development Corporation is also helping in this task. For the last years of the second Plan and for the period of the third Plan, very big expansions in the production of pharmaceuticals and drugs are to be undertaken and, for this purpose, we have been conducting discussions with the U.S.S.R., West Germany, the U.S.A., the U.K., Italy and other countries.

Cement

The programme for the expansion of cement manufacture is well known. In this field also, our estimates of demand have proved too low and we have had to arrange for imports of cement in order to meet even essential needs under the second Plan. I am glad to say that internal production capacity is now at the rate of 5.8 million tons per annum and is being rapidly expanded to enable us to produce 16 to 17 million tons of cement per year by 1960-61. By the third Plan period, this may have to rise to 30 million tons or more per annum.

Textiles

Regarding cotton cloth, our target of 8,400 million yards (18.5 yards *per capita*) which may have to be raised to 9,000 million yards (20 yards *per capita* plus 1,000 million yards for exports) in due course is a modest and satisfactory one. As a matter of fact, our programme for manufacture of textile machinery is being already geared up, so as to manufacture almost all the textile machinery in the country for reaching the production target of 20 yards of cloth *per capita*, in addition to meeting the needs of replacement and renovation. The demand for artificial silk cloth has risen rapidly and the handlooms have been able to make a significant contribution towards meeting the demand of this variety of cloth. We have at the moment to import a large part of the staple fibre and the filament yarn required by the art silk looms. However, in this field also, there are plans for expansion, with a view to meeting the growing demand. Very shortly, we will have approved production capacity upto 100 million lbs. per annum in the country.

In sugar, our production has risen from 11.16 lakh tons in 1950-51 to 18.62 lakh tons in 1955-56. Over and above the existing 143 factories, 57 new factories have been licensed, besides allowing for expansion of several existing factories, raising the target of production to 25 lakh tons annually by 1960-61.

The railway programme plays a vital part in the second Five-year Plan in the field of transport. Here again, the Railway Equipment Committee had made useful recommendations. We have already over the past few months sanctioned expansion in the capacity available for wagon manufacture, and, on the basis of the Committee's recommendation, more schemes are under consideration.

Automobiles

The automobile industry has special importance in the context of industrialisation. This industry has been steadily increasing its production and also the percentage of indigenous components in the finished vehicle is going up. There can be no doubt that a substantial increase in the output of trucks and other commercial vehicles must take place to supplement the efforts of the railways. We are hoping to produce 65,000 or more automobile vehicles of all kinds, including 40,000 trucks per annum, by the end of the second Plan, as against 21,000 units in 1955. The growing demand for transport, especially of the lower income groups, is being met by the increased output of scooters and bicycles. In the field of bicycles and indeed of components for all vehicles, the small-scale industries have been able to play a notable part.

I have referred here only to some selected aspects of our industrial programme. Obviously, it would not be possible to describe in a small compass, even cursorily, the many important developments that are taking place. The Industrial Policy Resolution has cleared the ground for rapid development of industry. I am glad to say that, within this framework, both public and private industrial developments are taking place on an impressive scale. Over the last few months, applications to the Licensing Committee established under the Industries (Development and Regulation) Act have increased considerably in volume, and there is greater willingness to take up the manufacture of producer goods even when complicated techniques are involved.

It is important that the industrial development of the future should result in a balanced regional structure. Naturally, all parts of the country are anxious to share in the industrial progress that lies ahead. In order to ensure that the hitherto industrially underdeveloped areas secure their fair share of development, the prices of steel and cement throughout the country have been equalised. This will help in the establishment of engineering works and other steel processing industries, and especially the dispersal of small-scale industries which are basic to them.

The Central and State Governments have been assisting industrial development through the provision of finance and also by directly undertaking major projects. The Small-scale Industries Loans, the State Financial Corporations, the Industrial Finance Corporation of India, the Industrial Credit and Investment Corporation and some other industrial credit agencies and institutions are helping to provide credit finance for the development of industries in the country. In the National Industrial Development Corporation is available a flexible and useful instrument for establishing key industries in the public sector. As mentioned earlier, the Corporation proposes to establish the basic heavy plants for manufacture of machinery and equipment on modern lines and plants in the fields of dyes, drugs and many other chemical, engineering and metallurgical industries. The N.I.D.C. is also financing the modernisation of jute and cotton spinning industries. We are thus laying the true foundations for a big edifice in the realm of industrial production.—*All Rights Reserved.*

British atomic scientists are working on nuclear reactors capable of propelling a large high-speed oil tanker designed for the Cape route. This was announced in Paris early this week by Sir John Cockcroft, Director of the British Atomic Energy Research Establishment at Harwell. Sir John was addressing a group of European industrialists at the inaugural dinner here of an atomic energy course for management. The advantages of such oil tankers—as big as the *Queen Mary* and capable of speeds of 25 to 30 knots—were obvious at the present moment, Sir John said, but he warned that they were still far from discovering whether atomic propulsion of tankers was a paying proposition.

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The shareholders are entitled to apply for shares in the above issue at the rate of one share in respect of every share held by them as on 1st February 1957.

It is proposed to collect only Rs. 5/- per share on application and give shareholders time to pay this sum on or before 1st April 1957. The balance of Rs. 5/- per share is made payable in one instalment on or before 1st October 1957. Those shareholders who prefer to make an earlier payment of the second instalment of Rs. 5/- per share will be entitled to interest at 6 per cent. per annum on such advance remitted, for the period of advance payment beyond 1st April 1957.

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PRODUCTION OF PAPER AND NEWSPRINT

SELF-SUFFICIENCY ENVISAGED

A SIGNIFICANT fact about the paper industry is that most of the raw materials necessary for it are available indigenously. Yet, if the production of paper and paper products, including newsprint, has been lagging behind demand, it is primarily because of (1) inadequate knowledge about the sources of raw materials, (2) inadequate transport facilities, and (3) the non-availability of machinery within the country. It is true that, during the first Plan period, the paper industry witnessed a substantial expansion, and a newsprint factory at "Nepa" came into existence. But the demand for paper has outpaced production. The difficulties facing the industries, however, are being increasingly realised and a concerted and determined effort is being made to attain self-sufficiency in paper and its products, including newsprint. This is reflected in the speech of Mr. Manubhai Shah, Union Minister for Heavy Industries, at the first meeting of the Panel for Paper and Pulp Industries. The Minister disclosed at this meeting that under the second Plan, the Government had given permission for setting up 22 new paper mills and a substantial expansion in the capacity of 21 existing paper factories. This is a major step by the Government in the direction of increasing paper production. It is expected that these new units, together with the expansion of existing ones, would raise the country's capacity for paper production from 210,000 tons per year in 1955-56 to 540,000 tons in 1960-61. It is also proposed to establish at Shakarnagar, near Hyderabad, a new newsprint factory in the public sector through the National Industrial Development Corporation. The annual capacity of this factory is put at 30,000 tons and the raw material will be bagasse, that is, sugarcane trash. The Minister pointed out that there was still scope for two more newsprint factories with a capacity of 30,000 tons each, as India's newsprint needs by 1960-61 were placed at 120,000 tons.

The actual production of paper and paperboard and newsprint together in 1955-56 was 227,000 tons as against 114,000 tons in 1950-51. As against this, the consumption rose during the same period from 209,000 tons to 317,000 tons. In consequence, the country has been importing annually 40,000 tons of paper, 80,000 tons of newsprint and 12,000 tons of rayon grade pulp, together valued at Rs. 15 crores, to meet the growing demand.

In his address to the Panel, Mr. Shah pointed out that the *per capita* consumption of paper in India was among the lowest in the world, averaging about two lbs. per year, as compared with no less than 400 lbs. in the U.S., about 100 to 200 lbs. in almost all the European countries and more than 50 lbs. in Japan. It was clear, therefore, that, with literacy and education in India rapidly increasing, the consumption of paper would increase considerably. According to present estimates, the Minister pointed out, the country's annual consumption would rise by 1960-61, to 350,000 tons of paper, 120,000 tons of newsprint, and 50,000 tons of rayon grade pulp. In terms of value, the consumption by 1960-61 would be to the tune of Rs. 69 crores, as against the present value of Rs. 29 crores. The country would thus require an additional production per annum of the value of Rs. 40 crores by 1960-61, and, as Mr. Shah rightly stressed, this is a formidable challenge to the industry and the Government.

Since the manufacture of wood-pulp belongs to the family of paper industry, Mr. Shah's reference to the production of this raw material at the Panel's meeting was appropriate. Wood-pulp, it may be noted, is a raw material common to both paper and rayon industries. The Minister disclosed that the Government had approved of a scheme, submitted by an industrial concern, for setting up a plant in Assam to manufacture chemical pulp, required for the production of paper, at the rate of 100 tons per day, that is, 30,000 tons per annum. In addition, two proposals for the establishment of rayon grade pulp plants, with a total capacity of 50,000 tons a year, were also under consideration. If these projects materialised, the requirements of the country for rayon grade pulp would be satisfactorily met.

An important suggestion was made by the Minister for Heavy Industries in regard to raw material for paper industry. It was that the industry should explore the prospects of converting bamboo, *sabai* grass and other cellulose raw materials into pulp near the site of their availability by establishing more pulp plants in these areas. The pulp would then be conveniently utilised by paper factories at their location. The merit of this suggestion lies in the fact that it would considerably save haulage and transport of bulky raw materials for paper manufacture over long distances.

Supply of Raw Materials

The primary difficulty facing the industry relates to the supply of raw materials such as bamboo, *sabai* grass and other basic materials. Inadequate information about the availability of raw materials in different regions, lack of sufficient transport facilities, restrictive policies adopted by some of the State Governments and absence of any planned programme for replacing the supply of these raw materials through afforestation have been found to be the main cause of these difficulties. An important measure recently taken by the Government to overcome these obstacles was the appointment of an *ad hoc* committee, under the chairmanship of the Inspector-General of Forests, Government of India. This Committee has been asked to examine the cellulose raw material resources of the country, such as bamboo, fir, spruce, bagasse, *sabai* and other grasses. The Minister expressed the hope that the report of the Committee would be soon available to this Panel for its consideration. The Minister also stressed that, since the present consumption of bamboo was going to be doubled in the next five years, there was need for doubling the cultivation of bamboo—the present resources of which are estimated at 1.8 million tons on a felling cycle of four years—and other woods like eucalyptus and wattle.

The Minister made a fervent plea for the utilisation of bagasse for the manufacture of paper. He pointed out that the old and the proposed new sugar mills would produce 3.75 million tons of bagasse on dry basis, which could easily yield one to two million tons of paper. It would be very wrong, he contended, to burn away as fuel such an important cellulosic raw material as bagasse, when it was far more profitable and suitable to convert it into paper and paper-boards. He thought that it should not be difficult to organise the replacement of bagasse by coal as fuel. But, having regard to the transport situation, there is reason to feel that the Minister is underestimating the difficulty in switching over to coal as fuel by sugar factories. The problem may be relatively less difficult to factories in U.P., Bihar and Bengal, but it is a very serious handicap to those in the Deccan, Mysore, Andhra, Kerala and Madras. If Mr. Shah could solve it without adversely affecting the cost and quantum of sugar production in these areas, it would be a feather in his cap.

Assuming that the aforesaid difficulty could be solved, Mr. Shah's suggestion that small paper factories of one to five tons could be established for producing inferior grades of paper, 50 per cent. of which was being imported, is worthy of special consideration. For, as the Minister himself has pointed out, the small units could utilise the small quantities of available cellulosic raw materials in the different regions of the country. Moreover, a unit of this nature would cost between Rs. 5 lakhs and Rs. 15 lakhs and would be as economic as big plants in cost of production. Machinery for such plants could be manufactured conveniently in the country itself. He urged the Panel to consider this aspect and draw up a programme for the setting up of small and medium-sized units. There are, however, two points to be borne in mind in this connection. One is the possibility of world prices of such paper going down; if they do, the Government should be prepared to give sufficient tariff protection. The other is whether the *Sarvodayists*, for whom the Government has great sympathy, will not come down on such manufacturers as competing unfairly with hand-made paper. Will Mr. Shah be able to assure the small paper manufacturers that the Government would protect them against pressure tactics from the faddists of cottage industry?

The Minister estimated the value of the need for machinery of various types for paper, newsprint and pulp plants at Rs. 30 to Rs. 40 crores. He described the present position of supply of machinery as being unsatisfactory. The target fixed for 1960-61 for the production of machinery in the country was fixed at only Rs. 4 crores. He, therefore, called upon the industrialists running engineering units and making paper to come forward and establish units for the manufacture of machinery required by the paper industry. It is easy to make a suggestion of this nature, but extremely difficult to fulfil. In the first place, manufacture of paper machinery, as the Minister himself recognised, is a complicated business, requiring great skill and experience. These requisites cannot be developed in time for turning out the machines urgently needed by the paper industry under the second Plan. And, secondly, there is not enough capital in the country to produce all the capital goods required by the various consumer goods industries. If, therefore, the paper industry is to reach the targets placed before it within the specified time, it has to buy the machinery from abroad. But this does not mean that the scope for establishing this machinery industry should not be explored, so that, at least in the third Plan period, India could meet most of its requirements.

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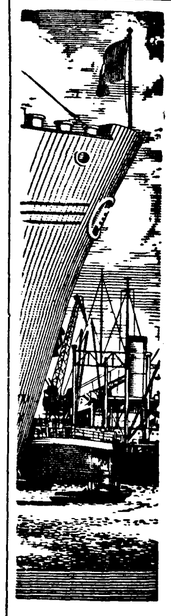

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PROBLEM OF OVERCOMING SHORTAGE OF OILS AND FATS

COTTONSEED OIL FOR EDIBLE USES SHOULD BE POPULARISED

ONE of the indices of the rise in the standards of nutrition of people is provided, in a large measure, by the extent to which the *per capita* consumption of oils and fats is stepped up. In the first Plan period, the *per capita* consumption went up by only one lb. to 11.5 lbs. It is likely to increase much faster in the second Plan period, because of the higher rate of expected increase in the national and, consequently, *per capita* income. Apart from the increase in consumption for edible purposes, the industrial demand for vegetable oils, as, for instance, for soap, paints and varnishes and pharmaceuticals, all of which use substantial quantities of those oils, is also expected to go up considerably. Again, the need for augmenting exports of oils, oilseeds and oilcakes cannot be overemphasised, in view of the pressing need for foreign exchange. The target fixed in the second Plan for stepping up the production of oilseeds from 5.6 million tons in 1955-56 to 7.6 million tons in 1960-61, implying an increase of 2 million tons, is not, therefore, high.

Viewed in this context, the views expressed by Dr. J. C. Ghosh, Member, Planning Commission, at the special session of the Oil Technologists Association held at Calcutta on the 15th inst., are of special importance. Dr. Ghosh rightly stressed that the attainment of the targets fixed for the second Plan for oilseeds would require an organised effort on the part of the agricultural and community project extension staff and spontaneous co-operations of the agriculturists. He pertinently pointed out that, if the yield per acre of groundnuts in other parts of India than Madras could be raised to the level obtaining in Madras—where it is 1.5 times the all-India average—the increase in groundnut alone would be 1.3 million tons. Dr. Ghosh also pleaded that the problem of surplus labour in rural areas especially underlined the need for adoption of labour-intensive methods. He, therefore, advised oil technologists to pay attention to the task of improving labour-intensive processes for the extraction of oil from the seeds. It will be recalled that the Oilseeds Crushing Industry Inquiry Committee also recommended, in its report, that *ghani* oil should be encouraged, not only because it is more palatable and nutritious than mill oil, but also for the reason that, in the conditions prevailing in India where malnutrition of the animals is common, it is important to ensure that the cake remains in the villages and is utilised for feeding the cattle.

But, according to Dr. Ghosh, the percentage of oil that is left in the oilcake as it comes out from the village presses is very high and needs to be reduced, in order to increase the quantity of oil for domestic consumption. The cake does not benefit by this large residue of oil; on the contrary, it is a liability to the animal as it leads to extra accumulation of fat which in turn reduces the utility of the animal. Thus, this residue of oil becomes a double waste which a poor country like India cannot afford. One solution to this problem is the widespread adoption of solvent extraction process. But, as Dr. Ghosh pointed out, though plant capacity for the solvent extraction of oilcakes of the order of 340,000 tons in terms of oilcakes has been permitted up to the end of March 1956, the progress in this direction has been poor. It would appear that inadequate supply of fresh oilcake has been primarily responsible for this slow progress, for, as is well-known, the *ghani*-pressed oilcake undergoes quick spoilation. Accordingly, it is highly desirable that methods should be found to overcome these difficulties and to attain the target fixed in the second Plan, namely, 64,000 tons of oil by 1961 through the solvent extraction of 800,000 tons of oilcakes.

Cottonseed Oil

In order to overcome the shortage of edible oil in India, Dr. Ghosh urged the increasing use of cottonseed oil for cooking purposes. The stumbling block in the way of making any progress here is the people's reluctance to use this oil as cooking medium; they have no taste for it. Dr. Ghosh, therefore, advocated constant efforts for getting rid of people's prejudice against this oil.

World production of cottonseed oil, he said, was 1.5 million metric tons, as against 1.8 million tons of groundnut oil. In India, the production of cottonseed oil was no more than 9,000 tons in 1955-56 and is expected to be a mere 30,000 tons by 1960-61. This would require only 250,000 tons or 11 per cent. of the cottonseed that would be available by 1960-61. A chief advantage arising from the production of this oil, according to the speaker, was that modern cottonseed oil mills would be equipped with de-linting machinery, and there would be simultaneous production of 20 million lbs. of cotton linters for meeting the requirements of cellulose acetate and nitro-cellulose industries. Another handicap to the rapid growth of cottonseed oil industry is the opposition of many who advocate the use of whole cottonseed as cattle-feed. Dr. Ghosh was quite right when he said that these persons would not believe even when told by eminent experts that cattle could obtain their energy requirements from cellulose and could also synthesise fat in their system from cellulosic materials. What is worse, quite a large number of popular leaders belong to this class of persons. A few years ago, Rajaji decried in public the extraction of oil from cottonseed purely on the basis of this popular prejudice. Unfortunately, the common man believes these ignorant political leaders rather than the scientist who has done enough research to prove his theory. The oil technicians have, therefore, a hard task to perform in overcoming the resistance to the use of cottonseed oil from ill-informed people. But it is worth doing, considering that the output of cottonseed is of the order of 2.5 million tons and that this seed can form a valuable basic raw material for a flourishing edible oil industry.

Non-edible Oilseeds

Closely allied to this suggestion is another pertinent point raised by Dr. Ghosh. He urged the utilisation of non-edible oil-bearing seeds of trees such as *karanj*, *neem*, *kusum* and *punsi*, for the purpose of producing oils to meet the needs of soap manufacture, hair-dressing, massaging the skin and the like. A switch-over to these raw materials will release larger quantities —as much as 300,000 tons—of edible oils for home consumption. Incidentally, the collection of the non-edible seeds would also help relieve unemployment in rural areas.

Dr. Ghosh made yet another valuable suggestion when he said that, in order to meet the requirements of people suffering from chronic intestinal infection, lower melting-point fat should be produced. He felt that harder fats were not easily melted, and were apt to become lumpy, and, therefore, less liable for penetration and emulsification by digestive juices. They thus took longer to digest. Accordingly, Dr. Ghosh suggested the manufacture of a special brand of vegetable fat with pretty low melting-point and suitably fortified by vitamins, for the use of people with weak digestive systems. "There is no reason," he went on to add, "why refined vegetable oil, without any hardening whatever but fortified with vitamins and flavouring materials, should not be packed as such and popularised for consumption in India." Here is a question for the oil technicians to answer. But, according to some, it is difficult to say how far this suggestion is practicable. For it would appear that the vegetable oil fortified by vitamins but without hardening undergoes oxidization quickly.

Needs of Foreign Exchange

Turning to the role of oilseeds and oil exports in augmenting foreign exchange, the speaker rightly emphasised that the need for developing export trade was obvious. The export trade in oils fluctuated between 63,000 tons in 1953 and 340,000 tons in 1955. It is noteworthy that these violent fluctuations were, according to Dr. Ghosh, not due to lack of demand, but due to the country's inability to meet that demand, and, in the nature of things, subjected business relations with foreign buyers to too much strain. He voiced the view that is commonly held that it would be a boon to the industry if some economic method of carryover could be devised, which would minimise the fluctuations in export trade. The only effective solution to this problem, in our opinion, is to step up domestic production of oilseeds at a rate faster than that at which domestic consumption expands, coupled with a scientific programme for creating buffer stocks built out of surpluses in those years when the demand is slack or when the crop turns out to be a bumper one.

Another solution that would help increase foreign exchange, to which the speaker referred, is augmenting domestic coconut production. In this connection, the Plan aims at stopping imports of coconut oil and copra by 1961. It is proposed to increase the production of coconuts from 130,000 tons in terms of oil to 210,000 tons by 1961. Much has to be done if this target is to be achieved. Special steps will have to be taken for increasing the production of coconuts in Malabar, parts of Madras and Andhra, which are ideally suited for this purpose.

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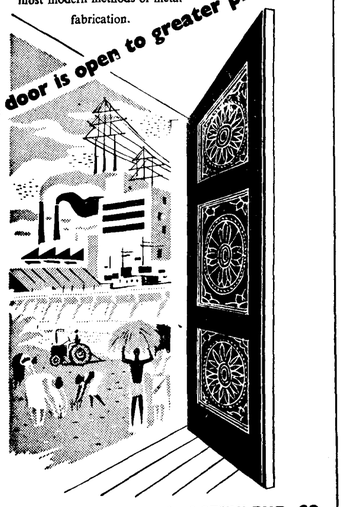

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Needs of Foreign Exchange

Turning to the role of oilseeds and oil exports in augmenting foreign exchange, the speaker rightly emphasised that the need for developing export trade was obvious. The export trade in oils fluctuated between 63,000 tons in 1953 and 340,000 tons in 1955. It is noteworthy that these violent fluctuations were, according to Dr. Ghosh, not due to lack of demand, but due to the country's inability to meet that demand, and, in the nature of things, subjected business relations with foreign buyers to too much strain. He voiced the view that is commonly held that it would be a boon to the industry if some economic method of carryover could be devised, which would minimise the fluctuations in export trade. The only effective solution to this problem, in our opinion, is to step up domestic production of oilseeds at a rate faster than that at which domestic consumption expands, coupled with a scientific programme for creating buffer stocks built out of surpluses in those years when the demand is slack or when the crop turns out to be a bumper one.

Another solution that would help increase foreign exchange, to which the speaker referred, is augmenting domestic coconut production. In this connection, the Plan aims at stopping imports of coconut oil and copra by 1961. It is proposed to increase the production of coconuts from 130,000 tons in terms of oil to 210,000 tons by 1961. Much has to be done if this target is to be achieved. Special steps will have to be taken for increasing the production of coconuts in Malabar, parts of Madras and Andhra, which are ideally suited for this purpose.

Dr. Ghosh made yet another valuable suggestion when he said that, in order to meet the requirements of people suffering from chronic intestinal infection, lower melting-point fat should be produced. He felt that harder fats were not easily melted, and were apt to become lumpy, and, therefore, less liable for penetration and emulsification by digestive juices. They thus took longer to digest. Accordingly, Dr. Ghosh suggested the manufacture of a special brand of vegetable fat with pretty low melting-point and suitably fortified by vitamins, for the use of people with weak digestive systems. "There is no reason," he went on to add, "why refined vegetable oil, without any hardening whatever but fortified with vitamins and flavouring materials, should not be packed as such and popularised for consumption in India." Here is a question for the oil technicians to answer. But, according to some, it is difficult to say how far this suggestion is practicable. For it would appear that the vegetable oil fortified by vitamins but without hardening undergoes oxidization quickly.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted on the Calcutta Stock Exchange at Rs. 21-4 *ex-div.* On the basis of 6¼ per cent. dividend per annum, the yield works out to 3 per cent. per annum.

	For the half-year ended			
	June 30, 1956	Dec. 31, 1955	June 30 1955	Dec. 31, 1954
Sales	95.05	95.99	93.18	92.12
By products and other sales ..	15.03	11.79	18.81	16.99
Other income	11.21	8.57	9.70	9.39
Stock	9.54	6.64	8.01	9.31
Expenses	102.77	97.29	102.27	98.88
Gross profit	13.74	17.70	18.16	17.61
Managing Agents' commission.	1.32	1.50	1.72	1.57
Depreciation	4.99	4.30	4.91	4.90
Taxation	5.29	6.54	4.93	4.67
Net profit	4.23	6.36	6.60	6.47
Transfer to reserves	1.24	2.87	3.32	2.35
To dividends—				
Preference	0.90	0.90	0.90	0.90
Ordinary	2.84 (61% p.a.)	2.84 (61% p.a.)	2.84 (61% p.a.)	2.84 (61% p.a.)
Carry forward	0.36 Rs. (86,168)	1.16	1.41	1.87
Production (in tons) —				
Of coal	500,931	516,165	513,556	510,755
Of coke	48,416	40,712	36,710	36,726
Despatches (in tons) —				
Of coal	517,428	526,106	506,281	530,960
Of coke	48,266	40,491	36,722	36,767

As compared with the previous half-year, the Company's sale proceeds dropped from Rs. 95.99 lakhs to Rs. 95.05 lakhs but by-products and other sales improved from Rs. 11.79 lakhs to Rs. 15.03 lakhs. Its raisings of coal fell from 516,165 tons to 500,931 tons, accompanied by a fall in despatches from 526,106 tons to 517,428 tons. Sand got and transported by the Loyabad Ropeway System was 321,819 tons, as compared with 389,558 tons for the previous six months. The Loyabad coke plant manufactured a larger quantity of metallurgical coke at 48,416 tons as compared with 40,712 tons in the six months to December 1955. The relative despatch figures were 48,266 tons and 40,491 tons respectively. The Directors state that repairs to the ovens had almost been completed and that the plant went into full production by October 1956, at an output of 8,000 tons per month. As regards the plans for expansion of coal production, they observe that they have still had no direct reply from the Government in connection with the expansion programme submitted to them. Until, therefore, the Directors are given definite instructions regarding the part they will be permitted to play, orders for the equipment required to increase the output in accordance with the expansion programme, cannot be placed. The first year of the second Plan is drawing to a close and it is surprising that the Government has not yet taken a decision on this question. It has to be borne in mind that orders for machinery take time to be fulfilled, more so because the public sector also is competing in the world markets for colliery plant and machinery.

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at economic levels. Yet another major problem confronting the industry is the wide and rapid fluctuations in the prices of both the raw material and the finished goods occasioned by the unrestrained activities of local speculators which continue to be a feature. In these days with the buyers' market very much still in evidence, the instability in prices thus created acts as a deterrent to the use of jute goods and tends to intensify the use of substitutes which have already made deep inroads. A well regulated futures market is, therefore, an imperative necessity and, in this regard, it is hoped that such a market, which is expected to function shortly, will curb some of the evils which are the direct consequences of unrestricted trading and impair the industry's progress.

"The modernisation programme of the mills referred to in the last report is going ahead according to schedule. Your Directors are glad to report that the National Industrial Development Corporation has sanctioned a loan of Rs. 29 lakhs, which sum covers the first two stages of the scheme which will completely modernise the sacking section. The machinery comprising the first stage has already arrived and is in the course of being erected; in fact some units have already gone into production."

The Company's mill is situated on the left bank of the river Hooghly, at Khardah, which is about 12 miles north of Calcutta. Its total loomage of 1,530 is divided into hessian 914 and sacking 616. The mill is driven by electricity.

The Company's balance-sheet, as at 31st March 1956, shows its paid-up capital at Rs. 63 lakhs, divided into 9,000 six per cent. cumulative preference shares of Rs. 100 each and 54,000 ordinary shares of Rs. 100 each; of which 45,000 shares represent bonus issues. The reserves and surplus aggregate Rs. 24.40 lakhs. Loans from bank amount to Rs. 66.67 lakhs. The provision for taxation stands at Rs. 45,499 and including this, the current liabilities total Rs. 28.29 lakhs. The gross block of Rs. 172.57 lakhs stands depreciated at Rs. 53.97 lakhs. Additions to the gross block during the half-year were of the order of Rs. 1.11 lakhs. The current assets aggregate Rs. 128.40 lakhs. Of these, the main items are, stores at Rs. 18.40 lakhs, stocks of jute, cloth and bags Rs. 83.38 lakhs, book debts Rs. 24.99 lakhs and investments Rs. 1.40 lakhs. The current assets cover the current liabilities by a wide margin of Rs. 100.11 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are currently quoted on the Calcutta Stock Exchange at Rs. 119 *ex-div.* On the basis of a dividend of 10 per cent. per annum, the yield works out to 8.4 per cent. per annum. Such a high yield, even in the case of a financially sound scrip such as this, reflects the investor's lack of confidence in the future of the jute industry.

RESULTS OF KHARDAH JUTE POOR

RISE IN PRODUCTION COST

nutrition of the animals is common, it is important to ensure that the cake remains in the villages and is utilised for feeding the cattle.

But, according to Dr. Ghosh, the percentage of oil that is left in the oilcake as it comes out from the village presses is very high and needs to be reduced, in order to increase the quantity of oil for domestic consumption. The cake does not benefit by this large residue of oil; on the contrary, it is a liability to the animal as it leads to extra accumulation of fat which in turn reduces the utility of the animal. Thus, this residue of oil becomes a double waste which a poor country like India cannot afford. One solution to this problem is the widespread adoption of solvent extraction process. But, as Dr. Ghosh pointed out, though plant capacity for the solvent extraction of oilcakes of the order of 340,000 tons in terms of oilcakes has been permitted up to the end of March 1956, the progress in this direction has been poor. It would appear that inadequate supply of fresh oilcake has been primarily responsible for this slow progress, for, as is well-known, the *ghani*-pressed oilcake undergoes quick spoilation. Accordingly, it is highly desirable that methods should be found to overcome these difficulties and to attain the target fixed in the second Plan, namely, 64,000 tons of oil by 1961 through the solvent extraction of 800,000 tons of oilcakes.

The dividend, however, has been maintained at 10 per cent. per annum to which level it was cut six months ago from 12 per cent. per annum declared for the half-year ended 31st March 1955. No allocation to reserves has been made since the latter half of 1954 for which period an amount of Rs. 1 lakh was transferred to general reserve.

The following table brings out the salient features of the Company's working during the past four half-years:

(In lakhs of rupees)

	For the half-year ended			
	Mar. 31, 1956	Sept. 30, 1955	Mar. 31, 1955	Sept. 30, 1954
Sales of cloth and bags ..	150.66	140.09	158.88	132.56
Other income	0.17	0.30	0.16	0.18
Stock of cloth and bags ..	23.22	21.31	8.39	N.A.
Expenses	146.20	144.85	139.63	123.46
Of which:				
Manufacturing expenses ..	98.84	80.50	87.22	79.15
Salaries and wages ..	39.25	33.23	33.53	33.56
Gunny purchases ..	4.58	18.83	14.48	7.64
Gross profit	6.55	8.65	7.22	9.28
Managing Agents' remuneration	0.83	1.03	0.89	1.10
Depreciation	1.68	1.60	1.00	2.00
Taxation	1.52	2.70	1.60	2.00
Net profit	2.52	3.42	3.73	3.38
Transfer to reserves ..	..	..	..	1.00
Dividend—				
Preference	0.27	0.27	0.27	0.27
Ordinary	2.70 (6%)	2.70 (6%)	2.24 (5%)	2.70 (6%)
Carry forward	0.27 Rs. (56,929)	1.02	0.67	0.36

N.A.—Not available.

It will be seen from the table that, although the Company's sales of cloth and bags improved, as compared with the half-year ended 30th September 1954, there has been a progressive rise in manufacturing expenses, salaries and wages, with a corresponding fall in the profit-margin of the Company.

Commenting on the Company's working, its modernisation programme and the present position of the jute industry in general, the Directors observe thus:

"In compliance with the working time agreement of the Indian Jute Mills Association, the mills continued working 48 hours per week with 12½ per cent. of the total complement of looms sealed until the 7th January 1956, and with 10 per cent. of the total looms sealed from 9th January to 18th February 1956 and with 5 per cent. of the total looms sealed from 20th February until 16th July 1956, when permission was given for 2½ per cent. of the total looms to be resealed. A further 5 per cent. of the total looms were resealed on 17th September 1956, thus reverting to the original position whereby 12½ per cent. of the total complement of looms remain sealed. It was thus evident that the earlier decision to increase production by unsealing 5 per cent. of the looms was premature and that, while stocks of jute goods increased with the corresponding depression in prices, fibre prices which remained high constantly, rendered simultaneous business unremunerative.

"Although our country has made rapid strides towards increased production of raw jute, we have still to attain self-sufficiency, this being the only solution for the procurement of supplies by mills

(Continued in previous column)

Points From The Chair

Restrictions on Imports

"THE effect of varying forms of restriction on imports in many overseas markets, together with the growing tendency towards the encouragement of secondary production in such markets, coupled with the fact that, as markets for political or economic reasons close, the competition in the remaining ones left open becomes more intense, makes it essential that nationally and individually we 'cut our coat according to our cloth.' It will be obvious that the nation must limit the burden of taxation, and the burden of the continual rises in the charges of our nationalised industries, if the inflationary repercussions resulting therefrom are to be kept within reasonable bounds. Only by the increased effort of every firm and individual can we, as a nation, continue to face the ever-increasing foreign competition and retain that share of the export trade which, above all else, is so essential to the well-being of our people."

SIR PERCY LISTER,
R. A. Lister & Co., Ltd.

Expenditure of Public Sector

"So long as depressive action is still required, the enforced artificial contraction in bank advances, known as the credit squeeze, is one factor which can bring it about; but a much more potent factor, for better or worse, in influencing the supply of money is the volume of Government expenditure which has to be financed by borrowing from the banks on Treasury Bills, because it is not covered by revenue or savings. If the expenditure of the public sector is excessive, the efforts which the Government make to press down bank advances, and thereby to reduce the deposits in the banking system, will be negatived by the creation of additional credit in the form of Treasury Bills, which will provide the banks with abundant liquidity and have their counterpart in increased deposits. It is very discouraging, in fact infuriating, when one is labouriously pulling in rope, to find that someone else is incontinently paying it out. There is said to be virtue in not letting your left hand know what your right hand is doing; but I doubt its application to this particular set of circumstances. Perhaps it is not for me, as a banker, to complain of this when it makes life easier for me. But I know that this is not the time for an easy life, and I would much rather see the country's credit improving more rapidly, both at home and abroad."

A. W. TUKE,
Barclays Bank Ltd.

Economic Strength

"Whilst we have eased the burden for other countries, some of which as a consequence enjoy comparative freedom from economic anxieties, we have deflected materials and manpower to defence in such quantity as to accelerate the upward movement of prices and wages and so aggravate our inflation. This relatively heavy outlay has meant that we have the lowest rate of internal investment in Europe: in other words that we have relatively less of our national income available for the development of our essential productive industries. Plainly, inflation and the lack of capital for these industries are serious embarrassments for a country which has to live by its foreign trade, and it seems to me more than time that we took steps to restore, and, thereafter, greatly strengthen, their competitive power. Urgent as may be these internal investment needs, the capital requirements for our nuclear energy programme are even more pressing, since imported coal and oil form an unrealistic basis for this country's economic growth. This is not to suggest a complete reversal of policy but rather that we should bring our commitments into line with our existing resources. After all, it is becoming increasingly apparent, that real strength is economic strength, and we shall serve ourselves and others best by making sure that we have a margin over and above our obligations sufficient to enable us to expand our economy and build up our gold and dollar reserves."

SIR THOMAS D. BARLOW,
District Bank Ltd.

Effect of Rising Interest Rates

"In a market where interest rates are rising and are expected to rise still further, some borrowers float capital issues to provide cash balances which they may need later. In other words, there is a growing tendency for some, who have future but undefined and as yet unplanned expansion in mind, to go into the capital market unduly far in advance of their actual needs. With high short-term rates for the temporary use of these funds, the net additional cost may not be great; and the general deterrent effect of high rates is weakened by the expectation that rates are going even higher. What we have is a sort of panic: a panic to get money now for fear it will not be available later. This is an unexpected cousin of the typical inflation—it is inflation of the capital funds market. As a result, corporate securities may be sold to non-bank investors, who presumably either have surplus funds or divest themselves of other assets, such as Government Securities, to those who have these funds. Thus, otherwise idle money may be put into the hands of spenders."

JAMES MUIR,
Royal Bank of Canada.

Measure of Economic Activity

"Ever since power-driven machinery was pressed into service in aid of manual labour, generation and consumption of electricity have verily become the measure of economic activity in a country. Man-hour output has increased at incredible rates in every country that has placed more and more of electric power in the hands of workers, as a supplement to their own muscular effort. When it is remembered that eight hours' labour of an adult can hardly turn out useful work of a ½ kilowat-hour, it is no wonder that productivity levels and living standards based thereon have soared to enviable heights in countries like America which have been able to place 20 units or more of electric power (equal to 40 human slaves) behind the elbow of each worker. Producers of electrical machinery like this concern must, therefore, do everything possible in their own humble spheres for the success of the Government of India's plans to step up the production and consumption of electric energy from 11,000 million kw. h. to 22,000 million kw. h. in the second Five-year period."

K. NARAYANASWAMY,
Radio and Electricals Manufacturing Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

INVESTMENT TRUST OF INDIA LTD. Annual General Meeting, Calcutta, 30th January 1957. Dividend: Rs. 4-8 per share, payable on and after 31st January 1957. Transfer books remain closed from 21st to 30th January 1957, both days inclusive.

SOUTH BEHAR SUGAR MILLS LTD. Annual General Meeting, Bihta, Patna, 31st January 1957. Dividend: *Nil.* Transfer books remain closed from 11th to 31st January 1957, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: *Nil.* Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: *Nil.* Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

CHEVIOT JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: *Nil.* Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

DELTA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: *Nil.* Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st January 1957. Dividend: Re. 1 per share. Transfer books remain closed from 18th to 31st January 1957, both days inclusive.

BURRAKUR COAL CO., LTD. Annual General Meeting, Calcutta, 1st February 1957. Dividend: As. 5 (6¼ per cent. per annum) for the half-year ended 30th June 1956. Transfer books remain closed from 18th January to 1st February 1957, both days inclusive.

A. V. THOMAS AND CO. (INDIA) LTD. Annual General Meeting, Madras, 1st February 1957. Dividend: *Nil.* Transfer books remain closed from 25th January to 1st February 1957, both days inclusive.

CALCUTTA LANDING AND SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 8th February 1957. Transfer books will remain closed from 30th January to 8th February 1957, both days inclusive.

ANDHRA SUGARS LTD. Annual General Meeting, Tanuku, Andhra Pradesh, 15th February 1957. Transfer books will remain closed from 1st to 15th February 1957, both days inclusive.

SAMASTIPUR CENTRAL SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 16th February 1957. Dividend: *Nil.* Transfer books remain closed from 9th to 16th February 1957, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Final dividend of Rs. 28-12 per share on fully paid-up shares of Rs. 125 each and Rs. 11-8 per share on partly paid-up shares of Rs. 50 each, payable on 4th March 1957. Transfer books will remain closed from 9th February to 2nd March 1957, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Dividend of Re. 1 per ordinary share (10 per cent.), for the year ended 31st July 1956.

JAM SHRI RANJITSINGHJI SPINNING AND WEAVING MILLS CO., LTD. Dividend of Rs. 60 per share, for the year ended 30th June 1956.

HOOGHLY FLOUR MILLS CO., LTD. Interim dividend of As. 12 per ordinary share, for the half-year ended 30th June 1956. Transfer books will remain closed from 28th January to 6th February 1957, both days inclusive.

SOOM TEA CO., LTD. Interim dividend of Re. 1-8 per ordinary share, for the year ended 31st December 1956, payable on or after 28th January 1957. Transfer books remain closed from 21st to 26th January 1957, both days inclusive.

LINGIA TEA CO., LTD. Interim dividend of Re. 1-8 per ordinary share for the year ended 31st December 1956, payable on or after 28th January 1957. Transfer books remain closed from 21st to 26th January 1957 both days inclusive.

UNITED FLOUR MILLS CO., LTD. Interim dividend of Re. 1-8 per ordinary share, for the year 1956. Transfer books will remain closed from 28th January to 6th February 1957, both days inclusive.

COMPANY REGISTRATIONS

ANIL HARDBOARDS LTD. (First Director: Mr. R. L. Khanna). Business: Manufacture of hardboards. Authorised capital: Rs. 1,00,00,000. Public company. Address: Laxmi Buildings, Sir Phirozeshah Mehta Road, Fort, Bombay.

MAHARASHTRA PAPERS LTD. (First Director: Mr. P. K. Atre.) Business: Printers and publishers. Authorised capital: Rs. 10,00,000. Public company. Address: Lakshmi Building, Sir Phirozeshah Mehta Road, Fort, Bombay.

HAZARAT ELECTRONICS PRIVATE LTD. (First Director: Mr. P. V. Hazarat). Business: Manufacture of textile machinery. Authorised capital: Rs. 5,00,000. Private company. Address People's Building, Sir Phirozeshah Mehta Road, Fort, Bombay.

ASHOK PICTURES (BOMBAY 1956) PRIVATE LTD. (First Director: Mr. Ashok Kumar Gangoly). Business: Producers and exhibitors of motion pictures. Authorised capital: Rs. 5,00,000. Private company. Address: 28, Rampart Row, Fort, Bombay.

ENGINEERING

(Concluded from page 176)

employed in industry, amounted only to Rs. 23.03 crores. The balance, namely, Rs. 8.93 crores, had to be met, as already stated, from external sources. The parent company did not take out of this country any money by way of dividend on the capital invested here. On the contrary, it exported to India additional capital of the order of nearly Rs. 9 crores. This serves to show the important role played by foreign capital in supplementing the capital resources needed by this country. Another important point to be noted here is that, if the entire job is carried out by Indian capital, the price of oil would necessarily have to be higher than it is now, because it will have to include a sufficiently large margin for covering the cost of additional capital required for meeting the increasing demand for this commodity.

A notable contribution made by Burmah-Shell is in respect of training Indians to take positions of responsibility. The main administrative organisation of the Company operates through four main branch areas, based on Bombay, Calcutta, Madras and Delhi, and a network of 22 divisional offices. In 1955, the Company had on its pay-roll 15,364 personnel, made up of administrative and technical 463, supervisory 1,217, clerical 3,024 and labour 10,660. Every branch office has well-equipped facilities for the regular training of staff at all levels and at Juhu, near Bombay, the Company maintains a residential training centre. Besides, the Company has established two scholarships (of the value of £450 per year) to be awarded annually and tenable at the Loughborough College of Technology, England.

These activities, as well as the policy of conservation of resources adopted by the oil industry on a large scale, show that the industry, far from being a symbol of capitalistic greed as it is often represented to be, is in fact a fine example of private joint-stock enterprise imbued with a commendable sense of social responsibility.

RESEARCH ON INDIAN RAILWAYS

Among the important investigations carried out at the Railway Testing and Research Centre at Lucknow during the year 1955-56, according to the Centre's Annual Report for the year, were trials in connection with the running of high speed vestibuled air-conditioned train services on some trunk routes development of cycle trolleys, use of loco coal ash as building material, performance of different types of sleepers in the track, investigation into compounds for prevention of corrosion of rails, design and construction of better instruments for measuring forces exerted by locomotives, riding quality and comfort of coaches, pressure exerted by soils and development of paints and varnishes. Successful designs of broad-gauge and metre-gauge trolleys capable of being pedalled without fatigue by one man at a time at a speed of eight miles per hour when carrying a load of about 1,200 lbs. were finalised. Only two trolleymen would be required in place of four for running these trolleys, which are light enough to be removed off the track by two men without any difficulty.

Nearly 1·5 million tons of loco coal ash are annually produced by the railways, and a large quantity out of this goes waste. This material has been successfully used by the Centre in building materials and attempts are now being made to pulverise it, when it can replace a portion of cement in concrete work without affecting strength. The economics of pulverisation are being studied. Research is also being carried out on bridges and structures as well as on the effect of wind pressure on platform shelters. The report says: "Our investigations have convinced us that there is a wide field of study in railway engineering, whether in the track work or in the design of locomotives and rolling stock. Indeed, almost the whole problem of track, in relation to the vehicle remains unsolved."

S.A.S. TO OPEN POLAR ROUTE

A new air route between Europe and Asia across the top of the world will be opened on 14th February by Scandinavian Airlines System, pioneer of the historic Los Angeles-Copenhagen transpolar service. With the start of regularly scheduled Copenhagen-Tokyo flights, S.A.S. routes will circle the world according to Globe Press Service. The new polar route will cut travel distance between the two cities to about 7,800 miles. Flights over the present route—across Europe and Asia—cover nearly 10,300 miles. Global Express DC-7C airliners will make the one-stop flight between Copenhagen and Tokyo in about 30 hours. The one stop, for refuelling will be made in Anchorage, Alaska. Present plans call for two combination (tourist and first-class) flights a week in each direction. They will take off from Copenhagen on Tuesdays and Saturdays, from Tokyo on Tuesdays and Fridays.

The world's first transpolar service was inaugurated by S.A.S. just two years ago, linking the West Coast of the United States and Europe. The Los Angeles-Copenhagen service—over what was called the "first new commercial route in 1,000 years"—began with two flights weekly in each direction. Today there are five round trips a week. During last summer's peak travel season, east-bound and west-bound flights covered the route each day.

FLOODS AFFECT SAMASTIPUR SUGAR

STANDARD BATTERIES REPEAT DIVIDEND

Samastipur Central Sugar Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Begg, Sutnerland & Co. Private Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th June 1956.

It will be observed that the accounts are presented in the new form required by the Companies Act, 1956.

The results for the year, after making the usual provisions, charging depreciation, and adjustments, show a profit of Rs. 95,077 (loss Rs. 18,061 before depreciation). To this sum has been added the carry forward from the previous year of Rs. 8,477 (Rs. 13,455) making a total of Rs. 1,03,554. After placing to contingencies reserve on stock realisation Rs. 25,000 (Rs. 60,000) and rehabilitation reserve Rs. 75,000 (*nil*) there is a balance to be carried forward to the next account of Rs. 3,554 (Rs. 8,477 after adjustment).

Floods again affected the areas supplying cane to the Factory but as it later appeared these floods did not affect the quantity of cane to the extent that was originally anticipated and the crop taken off was one of the highest on record, amounting to 28,35,276 (16,97,490) maunds. The longer crushing season to take off the larger crop together with the effects of the floods reduced the sugar recovery to the low figure of 9.32 (9.93) per cent.

The cane price remained at the high rate of Rs. 1-7 per maund at the Factory gate and Rs. 1-5 per maund at outstations, and these relatively high prices encouraged farmers to grow more cane. This was a general experience throughout the Sugar Industry with the result that the sugar production in the country rose to an all-time record of 18.5 lakh tons. The result of this high production of sugar in India tended to reduce the market prices for sugar, particularly in Bihar and U.P. where factories have to compete with sugar factories nearer the port towns. This disadvantage, aggravated by a shortage of railway wagons on the N. E. Railway in the early part of the selling season, also tended to depress prices. The stocks of sugar remaining unsold on the 30th June were considerable, particularly stocks of sugar which had been sold but could not be delivered due to the shortage of railway wagons. Since the 30th of June, sugar prices have fallen considerably and on that account the directors have considered it prudent to create a contingency reserve.

The efficiency of factory operations continued at a high level although labour difficulties continued, which adversely affected production.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,99,000	Block ...	21,07,973
Reserves ...	19,38,520	Stock-in-trade	46,95,017
Liabilities ...	60,34,295	Stores, spare parts and tools ...	8,10,421
Profit and loss account ...	3,554	Goods-in-transit ...	1,856
		Debts, deposits and advances ...	15,19,530
		Investments	600
		Cash ...	39,972
Rs.	91,75,369	Rs.	91,75,369

Standard Batteries Ltd.

The directors of the above Company (Managing Agents: The Industrial Enterprises Private Ltd., Bombay, submit the audited accounts of the Company for the year ended 30th June 1956.

The profits after providing for all expenses and depreciation amounted to Rs. 5,14,322 (Rs. 5,26,800) after adding the amount brought forward from last year's accounts of Rs. 1,485 (Rs. 2,785) there is a total of Rs. 5,15,807 (Rs. 5,29,585). The directors recommend this amount to be utilised as under:—

To payment of dividend on 20,000 ordinary shares at Rs. 8 (Rs. 8) per share, tax free Rs. 1,60,000 (Rs. 1,60,000), to provision for taxation Rs. 1,17,000 (Rs. 1,93,100), to payment of bonus to staff and operatives equivalent to one fourth of their basic earnings for the year ended 30th June 1956 exclusive of dearness allowance and other allowances Rs. 98,000 (Rs. 85,000), to provision for repayment of loan instalments on two loans availed from the Industrial Finance Corporation of India Rs. 75,000 (Rs. 90,000), to gratuities reserve Rs. 63,500 (*nil*) and to carry forward Rs. 1,807 (Rs. 1,485).

In the financial year under report some of the latest type of equipments ordered with a view to supplementing and modernising the plant, arrived and the same were being erected.

The lead refining plant has gone into production. The plant for the manufacture of microporous latex separators was received during the year and erection work is being taken up in the current financial year. In terms of the agreement with the technical collaborators, Messrs. A. B. Tudor of Sweden, one of their Technicians has been deputed to work in the Factory.

Considerable improvement in the process control and tests have been effected. The laboratory—the heart of this industry is being reorganised and installed with the latest equipment for testing, control and development. This has resulted in very marked improvement in the life and performance of our batteries and has rationalised production.

The demand for aircraft and special batteries for defence services to accepted standards are being met on a regular basis. Special "STANDARD" RPG patented train lighting batteries are in regular production and have been supplied to all the railway systems in the country. The factory is developing batteries for electric traction, telegraph and telephone departments, using the patented process under technical advice from Messrs. A. B. Tudor of Sweden.

During the year under report, the directors took possession of about 6,260 square yards of adjoining land acquired on the company's behalf through the good office of the Government of Bombay and they have constructed a compound wall on the southern boundary of the Factory. With the construction of this compound wall the properties of the Factory have been fully secured on all the four sides of the factory premises. The building for location of the plant for the manufacture of microporous latex saparators was completed during the year under report. As reported last year, the directors have acquired about 43,000 square yards of land near the Factory for location of a housing colony for the Employees of the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	24,50,589
Reserves ...	6,55,850	Stock of raw materials, finished and semi-finished materials	11,81,105
Provision for taxation ...	6,06,934	Stores, tools and spares ...	79,814
Liabilities ...	29,75,530	Work-in-progress ...	4,23,257
Profit and loss account ...	1,807	Canteen stock	440
		Debts, deposits and advances ...	20,89,370
		Investments	2,438
		Cash ...	13,108
Rs.	62,40,121	Rs.	62,40,121

Berar Manufacturing Co., Ltd.

The directors of the above Company (Agents: Messrs: Maneckji Bhimjibhai and Co., Bombay) submitted the audited accounts of the Company for the year ended 30th June 1956.

The directors inform that during the year under report, the Company made a loss of Rs. 2,13,587 (Rs. 4,01,846) subject to depreciation which, along with the previous loss of Rs. 8,68,776 after writing off Rs. 11,995 from the reserve fund and Rs. 16,208 business profits tax refund amounted to Rs. 10,54,160 (Rs. 8,68,776) which the directors carried forward to the next year's account.

The main reasons for the loss incurred by the Company during the year are as under:—

Thinking that for several years the prices of cotton were low in the months of March and April, the company did not buy much cotton in the months of November and December but unfortunately the prices went up very high and this placed it in a very awkward position and had to buy cotton at very high prices. This is mainly responsible for the loss incurred.

The electrification of the mill which was taken in hand as reported by the directors in their last report was not completed before the end of August and full working of the weaving department with electricity started only in the middle of September. However they had to keep all the boilers working in the month of September and as the consumption of coal was not reduced proportionately inspite of the electrical energy used. Due to these reasons during the first three months working was not satisfactory as a number of machines had to be kept idle. During this period as the company had not been taking the full load of electricity from the grid for power and had to take the full load for lighting purposes, it had to pay very heavy charges for electrical energy consumed for lighting as according to the agreement a certain percentage only of the energy taken for motive power is allowed at the bulk rate and the extra energy used for lighting purposes had to be paid at the small consumers' rate. The directors represented the matter to the Electricity Board a number of times but without any result. Further, electrical duty both on energy consumed for motive power and for lighting were also saddled on the consumers by the Government. This also took up a large amount.

The freight on coal also was increased and the coal supplied was not up to the mark inspite of the representations to the authorities and the suppliers.

Absenteeism among the workers was rampant and this has affected the working of the machines and the Company had to keep a large number of machines idle for want of workers.

State Insurance Premium is to be paid by the Company even though no benefit is given to it. The Company has to make provision for its workers under the Workmen's Compensation Act and the Maternity Benefit Act. Thus even though the company has to bear the medical expenses, the maternity benefit and all the other claims for accidents etc. under the Workmen's Compensation Act it has to pay a large sum to the Government without receiving any benefit. The State Insurance Scheme of the Government is made applicable to Nagpur, Bombay, Burhanpur and Akola but the directors still do not know when it is going to be applied to Badnera and until then the company will have to pay the State Insurance charges without any corresponding advantage.

During the year under report workers agitated for higher salary and so the Millowners' Association had to agree to an increment of about 12½ per cent. to all the workers in the mechanical and engineering departments. This has also put the company to a further expense every month and also to a payment for certain months previous to the award as it was made retrospective. Similar is the case with the clerical staff. When they were employed after the reorganisation they were employed at different scales but now they have agitated and asked for re-instatement of their original pay before the closure and that too with retrospective effect. Somehow or other the directors managed to effect a compromise, still they had to pay a large sum under this head also.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,50,000	Block ...	8,26,329
Liabilities ...	44,54,431	Stock-in-trade	24,03,442
		Stores and spare parts	2,55,893
		Work-in-progress ...	2,86,394
		Debts, deposits and advances ...	1,48,576
		Investments	19,419
		Cash ...	10,218
		Profit and loss account ...	10,54,160
Rs.	50,04,431	Rs.	50,04,431

Teliapara Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclosed a profit of Rs. 7,11,533 (Rs. 21,13,275). On transfer of this sum to profit and loss account and after sundry adjustments, there was a balance at credit of that account amounting to Rs. 13,81,706 (Rs. 5,51,058); of which the directors have transferred Rs. 8,00,000 (Rs. 2,00,000) to revenue reserve. A special dividend of 30 per cent. for season 1954 was paid on 28th March 1956, while Rs. 2,25,000 (Rs. 1,35,000) have been provided against a dividend distribution at the rate of 25 per cent. payable at a later date, leaving Rs. 86,706 (Rs. 66,058) to be carried forward.

The directors inform that the State Bank of Pakistan have recently sanctioned the remittance to this country of Rs. 7,75,789, representing the Pakistani trading profits of the Company for season 1954, and the amount has now been received.

The Indian Finance Act, 1956 has given retrospective exemption from taxation in India of agricultural income arising in Pakistan and taxable in that country and accordingly a sum of Rs. 11,50,000 has been credited to profit and loss account, being a reserve for taxation no longer required.

It will be observed from the accounts that a sum of Rs. 1,86,079 representing a net loss on exchange resulting from the devaluation of Pakistani currency has been charged to profit and loss account.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

Crop.—The outturns produced and the average selling prices realised compare with those of the previous year as follows:—

Crop	1955	1954
	Mds.	Mds.
Teliapara	6,196	7,866
Satchurie	4,820	5,468

Average selling prices per lb. in Pakistani currency:—

	1955	1954
	Rs. a. p.	Rs. a. p.
Teliapara	2 4 1	2 7 4
Satchurie	2 3 2	2 7 2

Estimates for 1956 provide for a total crop of 13,000 maunds at an outlay of Rs 12,37,110, including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	12,00,597
Reserves ...	20,48,827	Stock-in-trade	11,58,730
Provision for taxation ...	9,25,029	Stores and supplies ...	1,68,917
Liabilities ...	7,99,056	Debts, deposits and advances ...	8,44,636
Profit and loss account ...	86,706	Investments	2,25,580
		Cash ...	11,51,128
Rs.	47,59,618	Rs.	47,59,618

Bengal Luxmi Cotton Mills Ltd.

The directors of the above Company (Managing Agents: The Bengal Textile Agency Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1956.

The Company made a net profit of Rs. 7,12,912 (Rs. 3,60,576) during the year. Adding to this the sums of Rs. 98,783 (Rs. 49,818) brought forward from the previous year's account and Rs. 9,814 (*nil*) transferred from reserve for bad and doubtful debts no longer required and providing the sums of Rs. 2,65,991 (Rs. 60,000) for taxation and Rs. 4,25,000 (Rs. 1,25,000) for general reserve there remains a balance of Rs. 1,30,518 (Rs. 1,69,911) to the credit of profit and loss account, which the directors recommend, be dealt with as under:

Dividend on old 17,782 ordinary shares at Rs. 4 (Rs. 4) per share free of income-tax Rs. 71,128 (Rs. 71,128) and balance to be carried forward Rs. 59,390 (Rs. 98,783).

The year under review was a year of satisfactory progress as compared to the past few years. The net profit for the year has been Rs. 7,12,912 as against Rs. 3,60,576 in the previous year. The main reasons for this higher profit are increase in production and decrease in the cost of production owing to comparatively lower prices of cotton during the year under report.

The directors report that 77 new looms have been installed in replacement of 78 wornout looms at a cost of Rs. 1,07,800 and spinning and other preparatory machines valuing to the extent of Rs. 3,95,231 have been added during the year under review. Further, with a view to economise the cost of production by installing up-to-date machinery, orders have been placed for drawing and speed frames from the United Kingdom to the value of Rs. 5,50,000 approximately as first instalment. The total value of the machinery required for the said purpose will be about Rs. 16,00,000.

The directors regret to note the poor response from the shareholders in the matter of subscribing to the shares offered to them out of the New Issue of Capital during the year under review. The directors are, however, quite alive to the situation and are doing everything in their power to raise the required capital.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,20,830	Block ...	20,44,144
Reserves ...	9,11,017	Stock of raw materials and finished goods	36,58,652
Provision for taxation ...	2,13,861	Stores and spare parts	4,29,497
Liabilities ...	42,40,977	Debts, deposits and advances ...	5,48,259
Profit and loss account ...	59,390	Investments	27,153
		Cash ...	38,370
Rs.	67,46,075	Rs.	67,46,075

Bhagalpur Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The revenue account shows a profit on the year's working of Rs. 1,61,614 (Rs. 1,65,679). Adding to this the profit on sale of investments Rs. 86 (*nil*), there is a total of Rs. 1,61,700 (Rs. 1,65,679). From this amount is deducted arrears of depreciation Rs. 1,759 (Rs. 3,620), gratuity to retired employees Rs. 959 (Rs. 8,606), bonus to staff Rs. 9,835 (Rs. 9,315), expenses relating to loan from the Government of Bihar—written off Rs. 440 (*nil*), reserve for deferred taxation Rs. 14,700 (Rs. 13,000), provision for redemption of Government loan Rs. 30,000 (*nil*) and appropriations—under the Electricity (Supply) Act, 1948 Rs. 46,654 (Rs. 3,900) leaving a net profit for the year of Rs. 57,353 (Rs. 79,238 after providing Rs. 48,000 for taxation). After adding to this Rs. 41,818 (Rs. 35,103), the adjusted balance brought forward from the previous year, Rs. 603 (Rs. 685) on account of forfeited dividends (net) and Rs. 957 (*nil*), being over-provision for taxation for 1955-56 and deducting therefrom Rs. 419 (Rs. 113) for sundry adjustments, there is a credit balance of Rs. 1,00,312 (Rs. 1,08,778) out of which the directors have decided to transfer Rs. 30,000 (Rs. 30,000) to general reserve leaving a balance bf Rs. 70,312 (Rs. 78,778) which they recommend be disposed of as follows:—

Payment of a dividend of As. 8 (As. 8) per share for 1955 without any deduction for income-tax payable by the Company Rs. 36,960 (Rs. 36,960) and carry forward Rs. 33,352 (Rs. 41,818).

Referring to the qualifications in the auditors' report the directors have to explain, that as these accounts relate to a period prior to the commencement of the Companies Act, 1956, they have been prepared in accordance with the provisions of the Indian Companies Act, 1913, which was in force for that year. The figures in the accounts have been taken to the nearest rupee for purposes of convenience.

The registered office of the Company has been transferred from Bhagalpur to No. 14, Old Court House Street, Calcutta, by passing of a special resolution on 25th May 1956, in respect of which confirmation by the Court was obtained in September 1956.

A continuous supply of electricity was maintained throughout the year and as compared with the previous year an increase of 7 per cent. in the number of units sold has been recorded. During the year the number of units of electricity sold was 39,72,312 as compared with 37,28,657 units in the year 1954. The total number of consumers connected to the Company's system as on 31st December 1955 was 3,544 (3,343) and the total connected in kw. was 4,011 (3,843).

Prospects.—The new 720 kw. diesel engine alternator set was brought into commission on the 29th June 1955. The cost of this set was met from the loan of Rs. 6,00,000 made by the Government of Bihar, and the balance of the amount is being utilised on the re-organisation of mains and services. The Company's business continues to expand and future prospects are considered good.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,91,360	Block ...	13,56,751
Reserves ...	8,21,389	Stores ...	3,51,767
Liabilities ...	10,00,877	Other assets	12,133
Profit and loss account ...	33,352	Debts, deposits and advances ...	3,55,982
		Investments	41,050
		Cash ...	3,29,295
Rs.	24,46,978	Rs.	24,46,978

Kotamullai Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta, submitted the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclosed a net loss of Rs. 36,724 (profit Rs. 73,171). On transfer of this sum to profit and loss account and after sundry adjustments, there was a balance at credit of that account amounting to Rs. 16,331 (Rs. 73,171), which the directors carried forward. In January 1956 an agreement was entered into between the representatives of the industry and employees on an industry-wise basis by which bonuses became payable to labourers for the years 1953 to 1956 inclusive. As the Company made a loss for season 1955 no provision has been made for the bonus for that year but the bonus payable by Rampore and Jiajuri Tea Estates in respect of the previous period appears in the accounts. The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956.

Crop.—The following are particulars of the quantities of tea made and the prices realised:—

	Crop	0955 Average selling price per lb.	Crop	0954 Average selling price per lb.
	Mds.	Rs. a. p.	Mds.	Rs. a. p.
Jiajuri	5,725	1 15 2	5,344	2 12 0
Rampore	3,789	1 10 7	4,173	3 0 0
Kotamullai	6,601	1 11 2	7,512	2 9 4

Planted area is 1,955·57 acres. Estimates for 1956 provide for a total crop of 17,075 maunds at a cost of Rs. 24,41,595, including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,93,275	Block ...	18,37,905
Provision for taxation ...	56,000	Stock-in-trade	11,67,636
Liabilities ...	30,51,765	Stores and supplies	1,34,191
Profit and loss account ...	16,231	Quota rights receivable	24,878
		Other assets	49,315
		Debts, deposits and advances ...	1,11,998
		Cash ...	1,96,138
Rs.	35,22,371	Rs.	35,22,371

Duffla ghur Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit on revenue account of Rs. 6,58,504 (Rs. 10,91,847) (after providing for depreciation amounting to Rs. 20,404 (Rs. 2,04,134). After transferring the above profit, making various adjustments, charging labour bonus for 1953-54 and making a provision for labour bonus for 1955 and setting aside Rs. 1,95,000 (Rs 4,90,000), for taxation and transferring to dividend equalisation account Rs. 75,000 (*nil*) and paying an interim dividend of 10 (10) per cent. for season 1955 absorbing Rs. 50,050 (Rs. 56,050), the profit and loss account showed a balance at credit of Rs. 3,50,790 (Rs. 3,88,560) from which was paid a final dividend of 30 (40) per cent. for season 1955 (making a total of 40 (50) per cent. for the year) absorbing Rs. 1,68,150 (Rs. 2,24,200) and carried forward Rs. 1,82,640 (Rs. 1,64,360).

The following are comparative statistics of sales for the past three years:—

	Lbs.	Average price per lb.
		Rs.
1953	863,496	2 4 1¾
1954	951,149	3 0 6
1955	891,538	2 7 8½

The estimates for 1956 provide for a crop of 960,000 lbs. of tea at a cost of Re. 1-8-5¾ per lb.

Accounts in brief were as under:—

Liabilities	Rs	Assets	Rs
Capital ...	5,60,000	Block ...	6,97,119
Reserves ...	8,82,000	Stock-in-trade	11,01,393
Provision for taxation ...	3,93,312	Stores ...	1,58,712
Liabilities ...	9,42,601	Debts, deposits and advances ...	40,393
Profit and loss account ...	3,50,790	Investments	2,04,750
		Cash ...	9,26,826
Rs.	31,29,203	Rs.	31,29,203

Rajendra Coffees Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Madras, submitted the audited accounts of the Company for the year ended 31st March 1956.

The result of the Company's working for the period under review showed a profit of Rs. 1,47,572 (Rs. 36,781) and after making provisions for depreciation written off Rs. 5,191 (Rs. 6,015), Company's contribution to provident fund Rs. 986 (Rs. 1,950) and debenture interest and income-tax payable thereon Rs. 7,068 (Rs. 7,068), the net profit left was Rs. 1,34,327 (Rs. 22,648). To this amount was added a sum of Rs. 16,463 (Rs. 35,315) being the last year's balance brought forward, making a total of Rs. 1,50,790 (Rs. 57,963). Transfer to agricultural income-tax reserve absorbed Rs. 65,000 (*nil*) and transfer to debenture redemption reserve absorbed Rs. 10,000 (*nil*) leaving for appropriation a sum of Rs. 75,790 (Rs. 57,963). The directors have paid dividend at 6 per cent. tax-free on 10,000 preference shares absorbing Rs. 6,000 (Rs. 6,000), dividend at 5½ per cent. tax-free on 10,000 redeemable preference shares Rs. 5,500 (Rs. 5,500) and dividend at 20 (15) per cent. tax-free on 40,000 ordinary shares Rs. 40,000 (Rs. 30,000), leaving a balance of Rs. 24,290 (Rs. 16,463) to be carried forward.

The estimated agricultural income-tax for 1954-55 is Rs. 20,000 and for 1955-56 Rs. 45,000 and the directors have transferred a sum of Rs. 65,000 to agricultural income-tax reserve to meet this contingency liability.

Working.—The directors feel that the working results for the year ended 31st March 1956 have been quite satisfactory. The coffee crop as well as the profits earned for the period are a record for the Company. As may be noted from the estimated crop for the year 1956-57, the next year's coffee crop also is very encouraging. The systematic manuring programme and intensive cultivation have improved the estates of the Company. The eel worm attack on the coffee bushes of the Horikhan Estate of the Company has not yet abated and the crop is very poor.

Crop.—The coffee crop realised for the year under review was 136 (48 tons *robusta* and 4 (7) tons *arabica* against the estimate of 75½ tons *robusta* and 4 tons *arabica*. The cardamom crop was 37 (16½) maunds against the estimate of 15 maunds.

The coffee crop estimate for the year 1956-57 is about 126 tons *robusta* and 4 tons *arabica* and the cardamom crop is estimated at 50 maunds against the previous year's estimate of 15 maunds.

The average cost of coffee per cwt. stood at Rs. 51-3-0 as against Rs. 101-15-0 during the previous period. The increase in crop has substantially reduced the cost per cwt. of coffee, though the per acre cost was high during the year.

General.—The estates of the Company have been maintained well and the labour position is quite satisfactory. The supply of food materials to the estate labourers are also quite satisfactory. The Rules of the Mysore Agricultural Income-tax Act were framed only very recently and hence the assessment of the agricultural income-tax is not yet over. The results of the enquiry about the cost of production of coffee conducted by the Government of India has not yet been published.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	4,44,550
Debentures ...	1,00,000	Stock-in-trade	2,75,055
Reserves ...	1,82,000	Tools, stores, etc. ...	14,191
Provision for agricultural income-tax	65,000	Loans and advances ...	1,58,213
Liabilities ...	2,37,050	Investments	1,00,220
		Cash ...	16,076
Rs.	9,84,050	Rs.	9,84,050

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

MANCHESTER LETTER

(*Concluded from page 171*)

to secure tariff increases on imports of velveteens and cotton ginghams into the U.S. While these steps were aimed at curbing large-scale imports of Japanese fabrics into America, they were also a serious threat to Lancashire's trade with the market. The "gravest possible view" was taken of an application for greater protection made by U.S. manufacturers of cotton ginghams and related cloths, because 27 per cent. of Lancashire's exports to the U.S. could be affected.

Australian Trade

The serious effects of Australian import restrictions on exports of Lancashire textiles were discussed at the annual meeting of the Commonwealth Section of the Manchester Chamber of Commerce. The report to the meeting said Australia remained the Lancashire industry's biggest overseas customer, but, in the first ten months of 1956, shipments of cotton cloth fell to 67,000,000 square yards, as compared with more than 88,000,000 in the previous year and rayon cloth to 13,800,000 yards, as against 21,000,000 yards.

Towards the end of last year, Australia's payments position showed some improvement, and, if this trend continued, it should influence the Australian Government in making relaxations. "The Executive hopes," to quote the report, "that the Australian Government will not maintain the severity of the existing restrictions longer than is absolutely necessary."—*All Rights Reserved.*

NEW PUBLICATIONS

Agricultural Marketing in India—Vol. I. By Prof. K. R. Kulkarni. Published by The Co-operator's Book Depot, 9, Bakehouse Lane, Bombay 1. Pages : 501. Price : Rs. 20.

THE link between production and consumption is marketing. It is important both in the case of industrial as well as agricultural products. This technique might be said to have advanced considerably during the last few decades in respect of industrial products. But, at least as far as this country is concerned, the poverty of the rural area is largely attributed to the inefficient marketing arrangements in respect of agricultural produce. Indian agriculture is largely a subsistence one, but where surplus production exists, owing to the malpractice adopted by the intermediaries, the gap between the producer's price and the consumer's price is very large. This gap might be said to be greater in the case of foodgrains than in the case of cash crops. It is in this context that agricultural marketing becomes very important for the economy of this country. Central and State Governments have taken various steps from time to time, such as introduction of regulated markets, but they are yet to yield tangible results.

With the growing emphasis on co-operative organisation, considerable reliance has been placed on co-operative marketing. The two factors that contribute to the poverty of the Indian peasant may be grouped as lack of credit facilities and proper marketing arrangements. The Rural Credit Survey Report has emphasised the inter-linking of credit and marketing ; without the one, the other cannot be there. That has been the history of agricultural production in all countries. In this connection, it has underlined the need for simultaneously promoting economic activities like warehousing, grading, processing and marketing. The new policy of the Government, as is well known, envisages a larger expansion of the co-operative movement. National and State warehousing corporations are to be established to build and manage warehouses throughout the country ; financial assistance will be given to co-operative societies.

The literature on the subject of agricultural marketing is limited. A book on the subject is, therefore, to be welcomed. Five years ago Prof. Kulkarni published his book on Agricultural Marketing. The years since the first publication have witnessed many important developments. The fact that the author has found it necessary now to publish the book in two volumes, instead of two parts, indicates the growing importance of the subject. For dealing with this subject, Prof. Kulkarni is eminently suited on account both of his previous background and of his present responsibility as a professor at the Co-operative Training College, Poona.

He has devoted the present volume to the principles and functions of marketing ; the second volume will cover the practical aspects of co-operative and agricultural marketing in India. The 17 chapters in the present volume cover wide ground. The theoretical aspect of the subject is exhaustively dealt with and the economic background is properly presented. As Dr. T. G. Shirname, Agricultural Marketing Adviser, Government of India, points out in his "Note of Observations," the "aim of studying marketing is not necessarily one of defending existing practices or institutions, nor of advocacy of other or new practices or institutions ; but either may be justified under certain conditions." Perfection in marketing systems depends on the attainment of the best possible relationships between the functions and the value of services rendered by the various agencies, along with the development of dependable and adequate market information. Appropriately enough, in the second chapter of the book, the importance of marketing research has been emphasised. It is indicated that the improvement in the technique of marketing witnessed in the last few years has been brought about largely as a result of marketing research which is now being undertaken by the various agencies such as private firms, trade associations, governmental agencies, universities and the like. A chapter has been devoted to advertising. Though this might be a little premature for Indian agriculture, its importance for marketing cannot be minimised. In this context, the free flow of market news or information is important. The farmer now depends for information very largely on reports received from friends or neighbours who go to the market or from itinerant dealers or the local *banias*. The sixth chapter dealing with the financial aspect of marketing is, however, disappointing even in regard to India.

A whole chapter has been devoted for the discussion of transportation since any measures towards marketing presupposes facilities for transport. Again, in a market economy, produce exchanges and the facilities for futures trading and hedging are important. In this connection, the experience of other countries such as the U.S.A. and Canada are valuable. In marketing, the technique of selling is as important as any other factor. This subject has also been dealt with adequately. The last chapter is devoted to a discussion of agricultural prices. The welfare of the agriculturists depends largely on the stability of the market prices for their produce and as the Prices Sub-Committee of the Government of India wrote, when a general expansion of agricultural production is aimed at, in the present circumstances of the country a guarantee of minimum price is an effective measure to adopt and forms, therefore, an essential part of the policy of agricultural development. In this connection, the observation of the F.A.O., is pertinent: "Marketing is the crux of the whole food and agricultural problem. It would be useless to increase the output of food and it would be equally futile to set up optimum standards of nutrition unless means could be found to move food from the producer to the consumer at a price which represents a fair remuneration to the producer and is within the consumer's ability to pay."

The book can be recommended to all students as a compact study, particularly to students of commerce and at the various co-operative training institutions.

Recent Developments in Certain Aspects of Indian Economy—III. Published by the International Labour Office, India Branch, New Delhi. Pages : 176. Price : Re. 1-8.

This moderately priced book, like the earlier volumes, contains four articles giving an objective review of recent Indian developments in such spheres as industry, industrial wages, collective bargaining and co-operative marketing societies. The article "Industry in India" briefly traces the history of industrial development in the nineteenth century and early twentieth century till the outbreak of the First Great War. It then analyses in some detail the progress of industrial production till the attainment of freedom. Special attention is given to the post-independence period, particularly to the progress under the first Five-year Plan, and the rise of the public sector and the anticipated progress in the second Five-year Plan.

The article "Industrial Wages in India" reviews mainly the wage trends of industrial workers. Besides tracing the wage fluctuations, questions of wage policy are also briefly touched upon. An attempt has been made to cover the developments from the rise of industrial working class in the early decades of this century, but more attention has been devoted, as in the case of articles in this series, to the post-Second World War period.

A number of collective agreements have been concluded in India recently. This new development in the labour field is considered in detail in the article entitled "Collective Bargaining in India." The article reviews all important collective agreements and information has been drawn from original texts of agreements wherever possible. Like the earlier article on "Co-operative Housing Societies" which appeared in the second volume, the present article on "Co-operative Marketing Societies in India" has been prepared on the basis of replies to a questionnaire from State Governments. It reviews in detail the activities and progress of co-operative marketing societies in India with particular reference to their organisation and work, financing, storage and warehousing facilities and education and training programmes.

Problems in Indian Economics. By Dr. P. C. Jain. Published by Chaitanya Publishing House, Allahabad. Pages : 688. Price : Rs. 11-8.

The rapid changes in the economy of this country render any textbook on Indian Economics out of date within a short period. It is, therefore, gratifying to note that Dr. Jain has brought out three rapid editions of his book within the space of three years. The book has already been reviewed in the columns of this journal. In this edition, the author has added new chapters on important topics such as decimal coinage, deficit financing, the Taxation Enquiry Commission's Report and the second Five-year Plan. A significant improvement is that the facts and figures in the various other chapters have been brought up to date. While attempting to give a faithful version of the various topics, the author has also taken pains to attempt their critical assessment. For example, he has stated that the suggestion of the Taxation Enquiry Commission to reduce consumption, if accepted, would make investment impossible and any developmental expenditure financed by reducing consumption will defeat its own purpose. Similarly, it is pointed out that several of the suggestions such as including the value of any benefits granted to an employee in the taxable income or surcharge for compulsory deposit scheme, will have an adverse effect on the economy of an underdeveloped country where it is not possible to impose such burdens on the *entrepreneurs* without producing harmful effects. The chapter on the second Five-year Plan gives a critical appraisal of the Plan. This book undoubtedly sets a standard for textbooks to the college student as well as the general reader.

Trade and Finance in the Bengal Presidency (1793-1833). By Amales Tripathi. Published by Orient Longmans Private Ltd., 17, Chittaranjan Avenue, Calcutta 13. Pages : 209. Price : Rs. 20.

The book analyses the inter-connection between the private British traders and capitalists, on the one hand, and the East India Company's Bengal Government, on the other, during a period of transition from monopoly to free trade and of rapid growth of the British Empire in India.

The book contains important financial statistics and private papers, hitherto unpublished, of the Governors-General and the Agency Houses, which throw light on the first phase of British Capitalism in India. It also discusses the effects of industrial revolution on Indian economy. A successful attempt is made in presenting Indian economic history in its proper perspective in the context of world economy and of Indo-British relations as a whole. The book will be specially useful to students of economic history. The get-up of the book is good.

Our Second Five-Year Plan. Published by the Publications Division, Ministry of Information and Broadcasting, New Delhi. Pages : 72. Price : As. 6 ; 9d. ; 10 cents.

Although much is seen and read in the daily papers about India's progress and achievement towards self-sufficiency under its Five-year Plans, a clear insight into the aims and objectives envisaged under the Plans cannot be had from such scattered material. The book under review is, therefore, useful in that it brings together in a concise form the various phases of the Plan, how it is to be administered and what are the developments contemplated. Priced very low, the book contains 12 chapters of interesting and useful information.

About India. Revised and Enlarged Edition. Issued by the Publications Division, Ministry of Information and Broadcasting, Old Secretariat, Delhi 8. Pages: 128. Inland Price: Rs. 3-8. Foreign Price: 7s. 6d. ; $1.00.

The Publication Division of the Government of India has brought out a handy volume, entitled *About India*. The book, though small, covers a wide ground, and deals with India, its land and people, its history, culture, industries, Five-year Plans, mineral resources, scientific research, foreign trade and Community Development Projects. The book, besides, is copious with pictures and photographs depicting India's art and culture as well as its agricultural and industrial progress.

Report of the Bombay Chamber of Commerce and Industry for the year 1955. Published by the Secretary, Bombay Chamber of Commerce, Ballard Estate, Bombay 1. Pages: 271.

The report under review covers briefly the developments in the year 1955 in the fields of agriculture, trade, finance, banking, etc., including the new legislation in these fields, besides extracts from the memoranda on different subjects submitted by the Chamber during the year.

Annual Report of the Indian Merchants' Chamber for the year 1955. Published by A. C. Ramalingam, Secretary, Indian Merchants' Chamber, Back Bay Reclamation, Fort, Bombay. Pages : 535.

The report under review gives in detail the activities of the Chamber during 1955, including the report of the Committee of the Chamber for the year 1955 and statement of accounts. The appendices give the important communications on topics of commercial interest addressed by the Chamber to the Government of India and other authorities.

GILT-EDGED CHEERFUL

(From Our Own Correspondent)

BOMBAY, 23rd *January*

The short-term money market continued to experience acute stringency this week also. With the pressure of demand for bank credit on an increased scale, banks had to bid for house money and short-term deposits at higher rates. The money placed by the Insurance Corporation and one or two industrial houses last week would appear to have provided only a temporary relief to a few banks, with the result that the demand for funds was very keen.

Inter-bank call money was placed at 3¼ per cent., but the volume of business was very thin. There was keen bidding in house money, the common rate being 3⅞ to 4 per cent., as against 3¾ to 3⅞ per cent. last week, the higher rate being offered for large amounts. There was a hardening of deposit rates also, one to six months' money fetching 3⅞ to 4 per cent., as against 3¾ to 3⅞ per cent.

A decline of Rs. 4.32 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 18th January 1957. As notes held in the Banking Department have gone up by Rs. 4.49 crores, the total notes issued are up by Rs. 17 lakhs. This rise is covered on the assets side by a similar increase in rupee coin. There has been a drop of Rs. 4.97 crores in foreign securities offset by a corresponding rise in rupee securities. In the Banking Department, a drop of Rs. 3.29 crores is noted in Central Government deposits and a rise of Rs. 2.09 crores in other Government deposits. Deposits of banks have dwindled by Rs. 3.26 crores. On the assets side, there has been an increase of Rs. 93 lakhs in balances held abroad, while loans and advances other than to banks were lower by Rs. 3.99 crores, of which outstanding advances to Scheduled banks against usance bills accounted for only Rs. 16 lakhs. Fresh advances to banks against usance bills during the week were of the order of Rs. 11.05 crores, but repayments have been larger at Rs. 11.21 crores.

The Scheduled banks' statement for the week ended 11th January 1957 discloses a sharp rise of Rs. 8.72 crores in demand deposits of banks, while time deposits are slightly lower by Rs. 68 lakhs. Inter-bank borrowings have also declined by Rs. 2.63 crores, while borrowings from the Reserve Bank have gone up by Rs. 5.91 crores, following the rise in borrowings against usance bills to the extent of Rs. 8.04 crores. A further increase of Rs. 9.56 crores is noted in advances, whereas bills purchased and discounted have fallen by Rs. 2.83 crores. The total of advances and bills now stands at Rs. 808.43 crores, as against Rs. 663.05 crores a year before. Investments have fallen by Rs. 2.04 crores. No notable variation has taken place in cash balances, while balances with other banks and money at call have declined by Rs. 1.13 crores and Rs. 2.14 crores, respectively.

Cheerful conditions prevailed in the Gilt-edged market. There was an all-round marking up in prices. The absence of selling pressure and scattered enquiries contributed to the general improvement in the tone of the market. The volume of business did not, however, show any marked expansion. 3 per cent. 1986 Conversion Loan rose for the second week in succession from Rs. 73-3 to Rs. 73-7; a fortnight before it stood at Rs. 73. This spurt was chiefly due to covering by speculators who had sold short in expectation of a rise in the Bank rate. 3 per cent. 1970-75 had buyers an anna higher at Rs. 87. 3 per cent. 1966-68 gathered an anna to Rs. 92-5, while 3 per cent. 1964 was maintained at Rs. 94-6. 3 per cent. 1963-65 and 1959-61 were in request an anna higher each at Rs. 94-3 and Rs. 97-11, respectively. 3½ per cent. 1962 had sellers at Rs. 97-14, while 3½ per cent. 1961 hardened by As. 2 to Rs. 99-6 and 3½ per cent. 1964 by As. 3 to Rs. 98-6. 3½ per cent. 1965 improved by As. 2 to Rs. 98-4 and 3½ per cent. 1967 by an anna to Rs. 98-8.

State loans were neglected, but prices were well maintained at quoted rates.

In the foreign exchange section, there was a further slight hardening of the rupee in terms of the U.S. dollar, in consonance with the persistent strength displayed by sterling abroad. Banks' selling rate for ready dollars was marked down from Rs. 478¾ to Rs. 478 per $100 and their buying rate from Rs. 475 to Rs. 474½ per $100. In terms of the Canadian dollar, the rupee ruled steady, banks' selling rate being maintained at Rs. 499¼ per $100 and buying rate declining from Rs. 493¾ to Rs. 493¼ per $100. In New York, spot sterling, after declining from $2.79.13-16-2.79.15/16 to $2.79.11/16-2.79.13/16, rallied to $2.79.15/16-2.80.1/16.

DEMAND FOR LINSEED POOR

(Messrs. A. Bradley & Co.)

CALCUTTA, 21st *January*

Prices have displayed a slight decline, owing to a slackening in the demand from buyers; ready stocks are still scarce and sellers have been fairly reserved. Trading during the week has been poor. In the oil section, shippers have been rather less active, owing to a small decline in overseas prices. Sellers are, however, pausing in expectation of a further rise in prices.

Latest quotations are as follows: January Rs. 25-4 and April-May Rs. 22-6 per maund.

HIDES STEADY

(From Our Own Correspondent)

MADRAS, 21st *January*

Arrivals of kips have been smaller than usual and clearance by shippers brisk. Importers have increased their limits by one penny, but as the local market is firm, shipment business has been difficult to conclude. Prices of cow calf, buff calf and buff hides are steady in the local market and out of line with the buyers' ideas.

Tanned goat and sheep skins are steady, but sales overseas have been patchy. There has been good clearance of market goat and sheep skins by shippers.

BULLS PAY MARGIN IN SILVER

(From Our Own Correspondent)

BOMBAY, 23rd *January*

The boom in the bullion market made further headway during the week under review, as the bulls tightened their grip over both the metals. Frantic covering on account of a leading bear operator, who had substantial commitments in the market, was another cause for the advance in prices. It is alleged that the loss suffered by this operator was so large that he was unable (some say he was unwilling) to meet it. The default by the prominent bear is said to have resulted in heavy loss to his constituents.

The growing Indo-Pak political tension, the substantial fall in the arrival of Tibetan coins and unauthorised gold and the strong advices from other commodity markets were the main factors which sustained the bulls for another week. The floating stocks in both the metals, which were small, would appear to have been cornered by the more resourceful operators, resulting in a scarcity of ready metals. This was particularly the case in silver, as indicated by the change from a discount of As. 7 to a premium of As. 8 at which ready was quoted over the forward. The rise in silver was so sharp that the bulls had to pay a margin of Rs. 500 per bar yesterday, under by-law 33C, as the closing price in February settlement stood over Rs. 182-12, that is, Rs. 7 more than the starting rate for the settlement.

Silver for forward delivery (16th February settlement) advanced from Rs. 181-15 to Rs. 182-8, but profit-taking at the higher level brought it down to Rs. 181-5. Renewed support and frantic short-covering lifted the price once again yesterday to a high of Rs. 185, a level not seen since 1951. The sharp jump, however, brought a technical correction and the closing today was slightly lower at Rs. 184-6, which showed a rise of Rs. 2-7 over the week.

Ready silver (.996 Mint) rallied from Rs. 181-8 to a high of Rs. 185-8 before closing at Rs. 184-14. The floating stocks of silver are reported to be 1,400 bars. The daily average offtake was of the order of 12 bars.

Forward gold (15th February settlement) shaded off early in the week from Rs. 107-14 to Rs. 106-15, but soon gathered strength to touch a high of Rs. 108-15, which is also a peak for the past five years. On profit-taking, due to slackening of demand at higher levels, there was a slight recession to Rs. 108-6 at the close.

Ready gold moved up from Rs. 107-11 to Rs. 108-15 before finishing at Rs. 108-4 today. The floating stocks in gold are placed at 30,000 tolas. The daily average arrivals were 3,000 tolas, and the offtake was also of the same order.

In New York, silver was kept unchanged at 91⅛c., as also in London at 80½d. for spot and 80¼d. for forward. Gold recorded a further recession from 249s. 4½d. to 248s. 11d.

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

	23-1-1957	Highest	Lowest	16-1-57
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	108 4	108 15	106 12	107 11
Forward*	108 6	108 15	106 15	107 14
Sovereign	68 12	68 12	68 8	68 4
SILVER				
Ready (.996 fine Mint) ..	184 14	185 8	180 14	181 8
Forward†	184 6	185 0	181 5	181 15
London Silver Ready ..	80¼d.	—	—	80¼d.
London Forward	80¼d.	—	—	80¼d.
London Gold	248s.11d.	249s.4½d.	248s.11d.	249s.4½d.
New York Silver	91⅛c.	—	—	91⅛c.

* 15th February settlement.
† 16th February settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 21st *January*

Sugar prices remained steady, due to export prospects. According to the Government's view, sugar production is likely to exceed last year's figure at 1,862,000 tons. Production of indigenous sugar amounted to 451,000 tons up to 31st December 1956, as against 358,000 tons during the corresponding period of 1955 and the stocks with the factories on this date stood at 660,000 tons, as compared with 526,000 tons a year ago. Loadings from this station have very much improved and the offtake during the week was mostly for Saurashtra. Latest mill delivery prices were:

Jaswant Rs. 28-10 ; Simbhauli Rs. 28-14 ; Mawana Rs. 28-12 ; Daurala Rs. 29-14 ; Amroha Rs. 28-2 ; Bijnore Rs. 28-2 ; Mansoorpur Rs. 28-12 to Rs. 30 and Rampur Rs. 31-8 ; retail price Rs. 30-15 per maund. The *khandsari* market too ruled steady, but demand was negligible. Inferior grade was quoted at Rs. 20 to Rs. 23 per maund, while fine quality was transacted at Rs. 24 to Rs. 27 per maund.

Ready *gur* prices, after an improvement to Rs. 10-14 per maund in mid-week, following continued cloudy weather and occasional rains, declined at the week-end to Rs. 10-8 per maund as the weather cleared up and arrivals increased to 1,500 maunds today. Outside buying inquiry was slack and, although easy loading facilities were available, prices tended to go down. About half of the total produce for the season is reported to have reached the market.

Gur for forward delivery which had also recorded strident advance in line with ready prices and had touched the highest at Rs. 11-3-4½ for *Fagun* delivery in the mid-week, as against the week's opening level of Rs. 10-5, declined at the week-end and was quoted today at Rs. 10-13-3.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, 23rd *January*

A firm trend was depicted by the cotton futures market during the week under review. The firmness was due mainly to the decision of the Board of the East India Cotton Association (E.I.C.A.) to reconsider its earlier decision to keep by-law 61, relating to invoicing back, unaltered. This was interpreted bullishly in some trade quarters as they expected that the Board may decide to amend the by-law. But this expectation proved baseless, for the Board, at its meeting yesterday, resolved to maintain the *status quo* in respect of the said by-law. Other helpful factors were the fears of the scarcity of cotton tenderable against the maturing contracts and reports of cold wave and rains in Punjab and Saurashtra. The consequent mill and spot house support pushed the contracts higher. But the rates were held in check by the profit-realising sales induced by the high prices and the dampening of enthusiasm by the delay in the anticipated announcement of a fresh export quota. The forward section remained closed today.

M. G. Jarilla (March delivery) opened the week at Rs. 662-8, as against the previous close of Rs. 665, and advanced to Rs. 665; but it later eased, on profit-realising sales, to Rs. 658-4. On buying support induced by the reported decision of the E.I.C.A. to reconsider the question of altering by-law 61, the contract firmed up to Rs. 668 the next day and the trend was maintained the following two days also. Opening yesterday at Rs. 662-8, the contract rose to Rs. 672 before closing at Rs. 669.

M. G. Vijay (April) followed more or less the same course. After having opened at Rs. 775, the contract made a gain of two or three points before facing liquidation which brought it down to Rs. 767. It again received fresh support which raised the contract to Rs. 774-8 on the 21st inst. Opening yesterday at Rs. 767, and advancing to Rs 780, the contract met with selling pressure, shedding most of the earlier gains. It wound up the session lower at Rs. 777.

The following table gives the trend of prices of the two contracts for the week:

(In rupees per candy of 784 lbs.)

	22-1-57	*High*	*Low*	16-1-57
Jarilla (March) ...	669½	668½	656½	665
Vijay (April) ...	777	780	762	778

The spot section ruled quiet. Mill demand was slack. Some interest was noted in Jarilla, Berar and Khandesh. In the export section, moderate inquiry was evident in Bengals, Oomra, Dholleral and C.P. II. Small business was put through in these styles. Japan's interest in Bengals is reported to have fallen off. In the foreign section, U.S. growths continued to be popular. It is believed in market circles that the monetary ceiling for U.S. aid cotton will soon be reached and the grant of an additional quota of about 50,000 bales is regarded as likely. Egyptians and Sudans were entirely neglected due, probably, to their high prices. The delivery contracts also were easy. The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 720; Berar Jarilla 758; Khandesh 780; Vijay 890; Oomra *Deshi* 770; Moglai 720. *Delivery Contracts*: Khandesh 197-3, 135, Berar 110, Moglai 72 'ON' Jarilla ; 320F 95 ; Vijay 13/16 February 115 'ON' Vijay.

The Karachi market depicted an easy trend during the week. The good buying support, noted last week, was not forthcoming due mainly to the accumulation of city stocks. Activity in the futures section was also affected by the weakness of the spot market. The total Pakistani cotton crop in the current season is estimated at round 1.5 million bales which is 200,000 bales less than last year's output. N.T.R.G. January which had closed at Rs. 85-10 improved slightly to Rs. 85-13 while the March position eased from Rs. 85-11 to Rs. 85-3. The spot section also was quiet. The latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan, prevailing at Karachi, are given below:

Sind *Deshi* 93-8; Punjab *Deshi* 85-12; 4F Roller 90-13; S.G. 94-13; Punjab Roller 92-1; S.G. 96-9; 289F N.T. Roller 90-5; 289F N.T. Sind S.G. 96-1; 289F Punjab Roller 95-5; S.G. 105-5.

The firm trend noted in the Alexandria futures market continued unabated during the week under review also. The main influencing factor appears to have been the reported decision of Japan to purchase, on barter basis, half a million dollars worth of Egyptian cotton, in exchange for fertilisers. Medium-staple Ashmouni registered fair advances. Karnak contracts also improved but not to the same extent. The following are the latest available rates —in tallaris per lb.—from Alexandria:

Karnak: January 123.20; March 119.30; May 118.60. *Ashmouni*: February 84.30; April 84.35; June 84.25.

The Sudan Gezira Board has announced that the sales policy for 1957 is to offer the cotton crops of the Gezira, Alternative Livelihood Scheme, Gash and Nuba mountains for sale by free and frequent public auctions which will be open to all buyers without discrimination. Auctions will be held every day with the exception of Sundays, Mondays and public holidays and the procedure will be the same as in 1956. Sample types of all cotton will be shown in Port Sudan as early in the season as possible. While the Board has reserved the right to change its system of sales at any time, it has no intention of doing so unless there is an appreciable change in circumstances. The Board has stated that this policy has the full support of the Government of the Sudan. It has not yet indicated any reserve prices but prominent shippers believe that they will do so early in March when auctions are likely to commence. There is some anxiety regarding finding early freight space but if the clearance of the Suez Canal is expedited, it is hoped, freight opportunities will increase considerably.

Trading in the Liverpool futures market was easy throughout the week. Inter-month switching was a notable feature. There were some scattered hedge selling in the American contract a portion of which was absorbed by local short-covering. The Egyptian contract was idle and the Sudan Sakel inactive while Sudan Lambert evoked some inquiries and registered fair gains. Mill demand for both ready and shipment cotton was slack. What little interest evinced was confined to U.S. growths. A consignment of 10,000 to 12,000 bales of Turkish cotton, which had recently arrived in Liverpool, was very popular with spinners and is reported to be taking the place of Pakistani American seed cotton. Small business was put through in Indian Oomras but the high prices and the limitation of offerings restricted business. The latest available quotations—in pence per lb.—from Liverpool are given below:

American Cotton One Inch Staple Contract: March-April 26.47; May-June 26.15; July-August 25.60; October-November 25.27. *American Cotton Mixed Growth Contract*: March-April 26.82; May-June 26.37; July-August 25.86; October-November 25.54. *Egyptian Karnak Cotton*: January-February 60; March-April 60. *Sudan Sakel*: January-February 61.30. *Sudan Lambert Seed Contract*: May-June 46.50; July-August 45.50.

Fair gains were recorded by the New York cotton market. There was good demand from textile mills and exporting houses and the contracts improved as a result. But further rise was prevented by reports of Government plans to cut the 1957 support price below the present rate of 82½ per cent. of parity.

Total purchases in the 14 spot cotton markets for the week ended the 10th inst. were 250,100 bales, as against 136,900 bales during the previous week. In spite of considerable demand from abroad shippers are reported to be reluctant to enter into large forward commitments. Among the factors restraining them are the congested condition at ports and limited cargo space. Exports during the week ended the 10th inst. were 192,235 bales which raised the aggregate exports for the season till then to 3,885,022 bales. The corresponding figure for last season was only 710,121 bales. The Commodity Credit Corporation has sold a further quantity of 43,030 bales under the new export sales programme, raising the aggregate sold thus far to 6,273,192 bales. The average price for basis Middling 1 inch accepted by the C.C.C. was 26.87 cents gross weights average location and the minimum price for basis Middling 15/16" 25.55 cents.

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

(In cents per lb.)

	22-1-57	15-1-57	8-1-57
Spot	34.95	34.70	34.65
March	34.45	34.43	34.32
May	34.48	34.45	34.31
July	34.22	34.02	—

GROUNDNUT ACTIVE

(From Our Own Correspondent)

BOMBAY, 23rd *January*

Barring castorseed the local oilseeds market displayed a cheerful trend during the week under review. The most impressive advance was witnessed in the cottonseed futures section. The market opened easy on the first day of the week on fears regarding Government's intervention to check the rising trend of prices. It received further setback following the announcement of introduction of margin system on 18th inst. On the 19th, the market remained almost featureless with irregular movements, except in linseed which remained steady on scattered fresh support. On the following three days, however, the market advanced steadily, weak interests having been eliminated on account of margin requirements and the consequent domination by the buyers. The upcountry advices were also firm. Moreover, subsidence of liquidation and stop-loss buying from bears who had sold previously on expectations of bearish trend on the enforcement of the new margin in castor and groundnut futures caused substantial rise in values. Castorseed futures, however, suffered a technical setback on profit-taking and closed today at a level much lower than a week ago, while groundnut closed firm. Linseed and cottonseed were firm in sympathy with groundnut.

In the groundnut section, February contract opened at Rs. 164-8, and after fluctuating between that level and Rs. 161-12 touched on 18th, for the first three days, moved up on the 21st inst. to Rs. 167-2. Subsequently, it further went up to Rs. 176-10 today before finishing at Rs. 168-8. Over the week it put on Rs. 2-12. The May (futures) contract witnessed a similar trend. Opening easy at Rs. 168 it declined to Rs. 162-12 on the following day but moved up to Rs. 169 on 21st and Rs. 170 on 22nd and Rs. 171 today. It, however, was quoted at Rs. 169-12 at the close. In the spot section, Bold F.A.Q. rose by Re. 1-8 to Rs 35. Groundnut oil ex-mill was done at Rs. 19-3, that is, As. 7 higher than last week.

Linseed May contract, opening at Rs. 31-12, touched the lowest level of the week at Rs. 30-12 on the following day and reached the peak on 22nd at Rs. 32. At the close today it was done at Rs. 31-12, that is, As. 9 higher than a week ago. In the spot section Bold ready rose by Re. 1-8 to Rs. 36-4. Linseed oil ready was unchanged at Rs. 19-10.

In the castor futures section, however, the May contract reflected a downtrend over the week. Commencing at Rs. 176-8 it slided down to Rs. 167-12 on the 18th before closing the same day at Rs. 173-4. After irregular movements on the two days that followed, it moved up to Rs. 176-12 on 22nd, but declined at the close to Rs. 171-8 on profit-taking. Today again it advanced to Rs. 176-4 before retreating at the close to Rs. 173-8. Over the week it lost Rs. 5-8. In the spot section, however, a steadier trend was in evidence. Castor Bold put on Re. 1-8 to Rs. 59-8. Oil B.S.S. was nominally lower.

The most impressive trend was found in the cotton-seed section. The two contracts, February and May displayed steadily upward trend. February contract commenced at Rs. 98-8 and touched today the peak of the week at Rs. 106 before closing at Rs. 103. So also, the May contract opened at Rs. 98-12 and reached the same peak level today before finishing at Rs. 104. Over the week they respectively put on Rs. 3-8 and Rs. 4-12.

Among the other seeds, kardi Bold was higher at Rs. 22-6, and nigerseed Madras was quoted at Rs. 30-12.

An important development of the week was that the Bombay Oilseeds Association brought into effect from Tuesday a more rigorous system of margins, designed to arrest the upward tendency in castorseed and groundnut futures prices. The Association's Board imposed margins at the rate of Rs. 15 per candy against open "long" positions if the closing rate for both castorseed and groundnut is above Rs. 165 per candy on a trading day. The decision, it is stated, followed a recent meeting between the Forward Markets Commission and the Association's President, Mr. Ramdas Kilachand, at which the Commission is reported to have expressed its anxiety over the rise in castorseed and groundnut prices. The Association had tightened margin regulations once before in June last year to meet a similar situation.

During the week, an announcement of a simplified procedure for the export of vegetable oils was made. With effect from 1st February 1957, a simplified procedure for export by sea of excisable goods under claim for rebate of duty or under bond will come into force. It will apply to exports of all excisable goods through the ports of Bombay, Madras and Calcutta, except tea and vegetable non-essential oils. As regards tea, the existing procedure will remain unchanged. As for non-essential vegetable oils, a somewhat different simplified procedure will be brought into effect from the same day. Under the revised procedure, the payment of refund will be made directly by the maritime Collector of Central Excise concerned on production by the exporter of proof of shipment.

The main advantage of this procedure is said to lie in the fact that the existing time lag in the payment of refunds in case of exports under claim for refund, and in discharging the bond in case of exports under bond, involving correspondence with the Collectorates from which the goods were originally despatched, will be largely eliminated. A further reduction in the time taken is expected because payment will be made by the maritime Collectors of Central Excise concerned themselves by cheques and not by an order on various treasuries and sub-treasuries as at present.

For exports of vegetable non-essential oils also, the simplified procedure now being introduced will do away with the system of strict identification of oil exported with the duty-paying documents at the time of shipment.

The Joint Chief Controller of Exports has issued a notification to the effect that it has been decided that the validity of the unutilised export quotas of linseed oilcake granted in July 1956 will be further extended up to the end of March 1957.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	23-1-1957	16-1-1957	9-1-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	168 8	165 12	168 0
Khandesh Quality Ready (per cwt.)	35 6	33 14	32 12
Dec.-Jan.	—	—	32 2
Linseed—			
May 1957	31 12	31 3	29 9
Bold Ready (per cwt.) ..	36 4	34 12	33 8
Feb.-Mar.	33 12	33 0	31 10
Castorseeds—			
May 1957	173 8	170 0	169 0
Madras (per cwt.)	39 8	39 4	37 10
Cottonseed—			
February 1957	103 0	99 8	92 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 3	18 12	18 0
Castor oil—			
Commercial (per quarter) ..	23 14	22 10	21 14
Linseed oil—			
Ready	19 10	19 10	18 2

ART SILK YARN EASY

(From Our Own Correspondent)

BOMBAY, 23rd *January*

There was no change in conditions in the yarn market during the week under review. Dull trading was in evidence and the market was generally weak. Due to lack of buying enquiries, quotations tended to look down and business was restricted in practically all the varieties. The easy trend was most probably due to increasing supplies of both staple and rayon yarns. It was, however, reported that, taking advantage of the Suez Canal deadlock, Japan has booked a large rayon yarn business during the past three months. Cotton yarn did not show any improvement in spite of spurt in raw cotton.

Staple fibre yarn (40x2) for February delivery encountered selling and declined by Rs. 2 to Rs. 640. Spot Kohinoors advanced by 3 pies to Rs. 3-8-6. Citys lost 3 pies to Rs. 3-6-6 and likewise New Greats to Rs. 3-6. Centurys receded by 3 pies to Rs. 3-7-3. Among foreign yarns (80x2), Paramounts and Fujis both shed As. 2 to Rs. 5-7 and Rs. 5-9, respectively.

In the cotton yarn section, among the forty counts, Mnaxis and Gokaks eased by As. 2 to Rs. 27-6 and Rs. 27-10, respectively. Moderns remained quiet at Rs. 23-12. Thirty counts Centurys were quoted at Rs. 22-8. Among 20s, Maduras were quoted one anna down to Rs. 19-7. Moderns were dull at Rs. 19-8. Ten counts Moderns and Podars both remained unchanged at Rs. 15-8. Among sixty counts, Raghuvamshis witnessed some support and gathered As. 6 to Rs. 57-6. Finlays were done As. 12 lower at Rs. 61-4. Among 80s, Moderns hardened by Rs. 3 to Rs. 78.

Staple rayon yarn (120 dull cones) for February delivery improved by a rupee to Rs. 824. Spot 120 Japan shed 21 pies to Rs. 4-4. 150 Japan lost an anna to Rs. 4-7, 120 Italy 6 pies to Rs. 4-2-6 and 150 Italy one anna to Rs. 3-13.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	23-1-1957	16-1-1957
	Rs. a.	Rs. a.
***Art silk yarn* (per case of 200 lbs.)—**		
120 Dull Cone Spun February	824 0	823 0
120 Japan (per lb.)	4 4	4 5½
150 Japan (per lb.)	4 7	4 8
120 Italy (per lb.)	4 2½	4 3
150 Italy (per lb.)	3 13	3 14
***Staple fiber yarn* (per case of 200 lbs.)—**		
40 s 2 February	640 0	642 0
40 s 2 New Great (per lb.)	3 6	3 6½
40 s 2 Century (per lb.)	3 7½	3 7½
40 s 2 City (per lb.)	3 6½	3 6½
Cotton yarn (per bundle of 10 lbs.)—		
Tin Podar	15 8	15 8
20s Madura	19 7	19 8
30s Madura		24 0
40s Gokak	27 10	27 12
60s Finlay	61 4	62 0
80s Modern	78 0	75 0

SUGAR LISTLESS

(From Our Own Correspondent)

BOMBAY, 23rd *January*

The sugar market was devoid of any outstanding developments during the week under review. The spot section was listless due to poor offtake. In the forward section, the tone was a shade quiet towards the close, after remaining firm in the beginning of the week. There was no change in the ex-mill quotations. Although stock position is substantially heavy, the overall tone of the market is one of steadiness due to better prospects for exports.

In the spot section, there was scarcely any change in the rates. Small grains were quoted at Rs. 88 per bag, medium at Rs. 89 to Rs. 90 and large at Rs. 92 to Rs. 101. These rates include sales tax. British refined sugar improved by a rupee to Rs. 96 per bag (excluding sales tax), owing to extremely poor stocks of this variety. Damaged and torn British refined sugar fetched Rs. 90 per bag (excluding sales tax).

In the forward section, *Fagan* delivery contract for 'C' grade sugar touched a high of Rs. 93 early in the week, but receded to finish at Rs. 92-10. The trend at the time of writing is quietly steady.

Rumours of additional excise duty on sugar are still thick and the delay in the usual monthly release is bullishly interpreted by some. The new season's production, it is expected, may be released at the end of this month with an additional burden of excise duty. Knowledgeable trade circles rule out any upward movement in the price of sugar, at least for the time being, owing to the fact that the much talked of shipment of indigenous sugar to Persian Gulf ports will not take place before the middle of February and mills would not be in a mood to bargain for better prices in the midst of a heavy crushing season.

PEPPER ARRIVALS POOR

(Messrs. Parekh & Co.)

BOMBAY, 23rd *January*

After a pause, Malabar black steepper during the week showed improving tendency, following news from all the terminal centres that new arrivals are slowly tapering off. Usually arrivals during the last week of January and the first two weeks of February are the heaviest. Analysts are, therefore, posing a question whether the present comparatively smaller arrivals are a passing phase or it denotes smaller crop in Alleppey and Travancore areas as well. The coming three weeks are, therefore, likely to give a clearer picture as to the final turnout of Malabar crop. Growers in jungle areas appear to be reserved sellers. Continuous and scattered inquiries from Russia, China and other East European countries have made exporters cautious. A couple of hundred tons are reported to have been booked by Poland, Czechoslovakia and China during the week.

New York is reported to have revised its buying price from $0.24½ to $0.25. The dealers there are offering firm at $0.25 for January shipment but little business is reported to have been done. By repeatedly offering the same price for days together New York dealers seem to be testing the intrinsic strength of the market. When they are unable to buy at their price they come out ultimately to pay sellers' price. The present behaviour of New York market appears deceptive in so far as the dealers there want to buy but without showing any anxiety. Grinders appear to be slow to follow through but with the steadiness at the origins they will be forced to come out, possibly in large numbers.

Alleppey is reported quoting Rs. 587½ to Rs. 612½ according to quality while garbled at Cochin is changing hands at Rs. 99¼ for ready, Rs. 100 for February and Rs. 105 for March.

January shipment for Malabar black to all foreign destinations is estimated to be between 2,200 and 2,300 tons while February export to all countries including Russia, China and other East European countries is tentatively placed at round about 3,000 tons. If this figure turns out to be correct the statistical position of Malabar will be quite healthy. There are chances of the market improving in the long run, if Sarawak crop turns out to be 20 to 25 per cent. less, as some informed sources predict, though it is too early to say anything definitely.

Investment buying in pepper in March delivery seems to have begun and at every drop new parties are coming in. *January is done at* $0.25 while February-March at $0.25½ and April-May-June at $0.26½ with reserved sellers. At the time of writing, however, the market is a shade quiet thanks to profit-taking.

Following are today's nominal quotations: Ready delivery Rs. 83 per Bengal maund; February delivery Rs. 581-86 and March delivery Rs. 593-98 per candy of 5½ cwts.

GOOD DEMAND FOR TEA

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 18th *January*

Approximately 650,000 pounds of tea were offered in dust sale "B" held on 15th inst. There was a good general demand and prices ruled fully firm to dearer for all types. Best liquoring teas, were, however, occasionally easier. Black leaf Middle East types continues to be in poor demand.

The combined average price realised in dust sale "B" was Re. 1-15-7 per lb., as compared with Re. 1-9-8 per lb. in the corresponding sale of 1956.

London Market—Sale of 14th January 1957.—Very best steady. Others 3d. to 5d. easier.

Sale of 15th January 1957.—Plain 2d., good 3d. easier.

Colombo Market—Sale of 15th January 1957.—Good demand. High-grown brokens irregular, following quality. Medium brokens declined five to ten cents. Low-growns, including Gulf types, down five to ten cents. All fannings dearer.

Calcutta Market—Export.—After firm opening market weakened generally one anna to As 1½ lower, except brighter liquoring sorts.

Internal.—26,000 chests. Dust met with good demand. Best liquoring C.T.C. and black export types were firm, but prices for the remaining offerings tended generally easier. Commons were, however, fairly steady. Assam orthodox were easier by one anna to As. 1½. The poorer C.T.Cs were As. 2 easier. 3,000 leaf. Good general demand, particularly clean leaf teas.

Export Quota.—The market for export quota fluctuated between 38 pies and 42 pies during the week and, at the time of writing, there are buyers reported in Calcutta at 40 pies.

Forthcoming Auctions.—Dust sale "C" is due to be held on 29th January 1957.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 2.—2,200,000 lbs. Good general demand from exporters, but internal buyers very quiet. Low and low medium declined irregularly As. 2, Medium one anna to As. 2 lower and better sorts mediums one anna to As. 2 lower and better sorts As. 4 to As. 6 easier. Whole leaf generally As. 2 to As. 3 down."

JUTE GOODS QUIET

(From Our Own Correspondent)

CALCUTTA, 21st *January*

Although business put through for export during the week under review was limited, prices of jute goods were well maintained at lower levels, on speculative manipulations. The New York report that burlap consumption in the United States in December was as low as 71.6 million yards, as compared with 81 million yards in the previous month and 74 million yards in December 1955, was read with alarm in the first instance. However, it was realised that this was usually the time of the year when consumption begins to fall. Consumption figure for the year as a whole was more than satisfactory. It was 878 million yards, an increase of 52 million yards over 1955. Such an increase as this was interpreted here as being due to the cheapness of burlap as compared with the substitutes. No doubt, economic activity in America in 1956 was also considerably higher. As on 31st December last, burlap stocks, at 267.4 million yards, were higher, and represented consumption of 9 to 10 weeks. In view of the easing of the international tension, there is no doubt that foreign buyers have slowed down their purchases. Stocks that were increased during recent months would now be utilised partly towards consumption.

It was earlier announced that production in mills during the last month was 84,900 tons, which was higher by 1,100 tons as compared with November. During December, the total number of hours worked was only 206, as against 209 in the previous month, and the increase in output was due to the resumption of work in mills that had stopped working in the previous month. Adding stocks to production, the total availability of goods during December was 186,600 tons and stocks at the end of December being 96,600 tons, demand both for export and internal consumption during December was of the order of 90,000 tons. This was considered satisfactory, as it was higher than production for the month.

On Tuesday last, ready B. twills improved to Rs. 119-14 from Rs. 119-12 and 40" 10 oz. hessian to Rs. 45-10 from Rs. 45-8 following speculative activity. Business took place at these levels. At this stage, the report of higher stocks of burlap in the United States induced caution in speculative transactions. However, an analysis of the American consumption figures for 1956 as a whole encouraged sentiment, and on renewed speculative buying 40" 10 oz. hessian gained to Rs. 45-14 on Wednesday. B. twills rose to Rs. 120-10. Profit-taking, however, soon followed, and genuine business was meagre. These caused rates to sag by the week-end. Thus, ready 40" 10 oz. hessian were quoted at Rs. 45-2 and B. twills at Rs. 119-6.

During the week, raw jute prices eased by As. 8 per maund for most constructions. This followed an increase in offers and mills' need to depress prices. However, good quality jute was difficult to obtain. Arrivals were small. Indian northern bottoms were priced at Rs. 33, as against Rs. 33-8 earlier in the week, and local daissee bottoms at Rs. 34, as against Rs. 34-8. Reports from Pakistan indicated reluctance on behalf of overseas buyers to pay higher prices. With the result, rates eased slightly.

TEA PRICES DROP

(From Our Own Correspondent)

CALCUTTA, 22nd *January*

Although there was steady demand during the export sales held yesterday, when offerings amounted to 76,000 chests, prices eased noticeably. All lots, excepting tippy teas which were well supported and bright liquoring teas, prices of which gained, recorded a rise of As. 2 to As. 3. At the lower level, fannings were in good demand. Whole leaf grades provided the market's weakest spot which eased by As. 3. Darjeelings were also quiet, although a few lots were steady. Withdrawals were heavy. The quotations were: Best C.T.C. Assam B.P. Rs. 2-9 to Rs. 2-10, medium Assam B.P. Rs. 2-2 to Rs. 2-3, plain B.P. Rs. 2-1, and clean black pekoe Rs. 2-3.

Export quotas changed hands at 34 pies. The rise to 35 pies was for a while only, as buyers were not prepared to pay more than 33 pies.

Dusts offered during the internal sales held on Wednesday last aggregated 26,298 packages. General demand was good, but most prices were easy. Dooars and Commons were sold well at firm prices, and a similar trend was reported in black leafy teas suitable for export and in the best liquoring C.T.C. Assams. Good buying was registered in the very best liquoring and non-fibrous C.T.C. Assams, but all other C.T.C. Assams gave way further by As. 2. Prices of orthodox Assams, with the exception of those lots in which Middle East buyers showed interest, eased by As. 1½. Among Darjeelings, a few selected lines were steady, but the rest of the offerings declined by an anna to As. 2. The quotations were: Best Assam C.T.C. Rs. 2-9 to Rs. 2-11, medium Assam C.T.C. Rs. 2-4-6, medium Assam grainy dust Rs. 2-1 to Rs. 2-2, and medium Dooars Rs. 2-1.

Leaf grades on offer amounted to 2,852 chests. Demand was good. Unlike the dusts market, prices improved. C.T.C. Assams represented the general trend, orthodox clean leaf teas being firm.

METALS ADVANCE

(From Our Own Correspondent)

CALCUTTA, 21st *January*

Prices of base metals were better during the week under review. Consumer demand, however, continued to be small. The report of the formation of a Development Council for the non-ferrous metals industry, in order to co-ordinate the production programme, was noted, and it was thought that the Council would ensure the achievement of output. The Council is composed of prominent men in the industry and would inspire confidence. Calcutta has adequate representation in the Council.

Tin continued to wield considerable strength and hardened further from Rs. 555 to Rs. 560. New arrivals were reported, but these were insufficient to meet commitments. More ships with tin were anticipated, and only after these arrived the price would decline to the replacement cost level. Electrolytic copper opened at Rs. 193 and, after advancing to Rs. 195, closed at Rs. 194-8. Demand by fabricators was small. Stocks with them were believed fair. It was reported that demand in the United States was not expanding and that the increase in production was resulting in imbalance, although Japan had been increasing its purchases at 34.5 cents per lb. Virgin lead was unchanged at Rs. 82-8. Electrolytic zinc jumped to Rs. 75 from Rs. 73-8. Supplies were comfortable and demand was small. However, the price improvement was due to the possibility of further arrivals being delayed.

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KEEN DEMAND FOR BUFF

(From Our Own Correspondent)

KANPUR, 20th *January*

Conditions in the local hides and skins market were rather steady during the week under review. The demand for buff was keener than in the previous week. The supply of wet salted cow was not as plentiful as it was some time back. The Madras dealers were hesitant buyers. The main purchases were effected by Cooper Allens who have been entrusted with further orders of footwear for Soviet Russia. The latest quotations over the main categories of goods are as follows:—

Wet salted cow 1st grade Rs. 320 to Rs. 360 and 2nd grade Rs. 140 to Rs. 150 per score; wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat 1st grade Rs. 320 and 2nd grade Rs. 300 per 100 pieces; sheep 1st grade Rs. 300 and 2nd grade Rs. 225 per 100 pieces.

GRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 21st *January*

Quietly steady conditions prevailed in foodgrain markets during the past week. The price of wheat average quality was unchanged at Rs. 16-4 per maund, while barley quality at Rs. 13-8. The sale of wheat through fair-price shops continues and demand on such shops is daily increasing. Diversion of wheat from these shops to the black market has been checked many times, thanks to the vigilance of the marketing staff. Outside buying inquiry of wheat at the prevailing rates is slack and the stock figure ran down by one *khati* only during the week to 53 *khaties*. Although local supply position continues satisfactory, due to the arrivals of the new crop in the market, rice prices recorded slight gains during the week in line with steady trend of wheat and coarse grain prices. Prevailing prices on Monday were: Basmati Rs. 23 to Rs. 26, Mainpuri Rs. 19-8, coarse quality Rs. 15-8 per maund.

Gram continued to be very much in demand during the week and, although reports of fairly good crop prospects were being received following rains last week, gram prices remained steady at Rs. 13-6 per maund for local quality and Rs. 13-14 for Punjab produce. Stock figure ran down by 12 *khaties* during the week to 36 *khaties*. *Bajra* and maize were still in good demand for seasonal consumption and prices stayed at previous week's levels. Poor local stocks accounted for hardening trend in the prices of barley and *bejhar* and the week-end prices were: Barley Rs. 13-4; *bejhar* Rs. 13; maize Rs. 13-6; *bajra* Rs. 13-12; *jowar* Rs. 12 to Rs. 13 and *guwar* Rs. 10-14 per maund.

Fast dwindling stocks due to good outside buying inquiry accounted for steady conditions in the prices of peas during the week, although latest rains have very much brightened the prospects of standing crops. Peas *dara* is quoted at Rs. 13-8 and white quality at Rs. 14-10 per maund and local stock is put at 6 *khaties*. *Arhar* prices, however, ruled quiet around Rs. 13 per maund and the stock here is put at 16 *khaties*. Prices of other pulses moved narrowly during the week and were quoted at: *Urd* Rs. 18 to Rs. 20-8, *moong* Rs. 14-8 to Rs. 16 and *masoor* Rs. 17 per maund.

After early gains on bull support, pulses futures declined to be quoted near the opening level of the week and latest quotations on Monday were: Peas *Jeth* Rs. 10, peas farm *Maha* Rs. 12-15, *Jeth* Rs. 10-6-3, *arhar Maha* Rs. 12-2, *Jeth* Rs. 10-10 and urd *Maha* Rs. 18-7-6.

U.K. TRADE WITH INDIA AND CEYLON

Britain's trade outlook is "particularly good" with Ceylon, and "good" with India. This assessment is made in the January issue of the General Electric Company's export guide, which has just been published. The guide assesses the United Kingdom's overall opportunities for 36 groups of manufactured goods in 34 of the most important oversea markets. It considers that in 14 of them the outlook is "good", in nine the prospects are "improving," in 10 they are "deteriorating", and in only one—Egypt—are the prospects "bad."

Markets with continuing good, or particularly good, prospects are—in addition to Ceylon and India—Canada, Rhodesia, Switzerland, the United States, Venezuela, Western Germany, the Gold Coast, Nigeria, Kenya, New Zealand, Sweden, and South Africa. Since the publication of the last guide in October, the outlook for British trade has improved in Argentina, Australia, Belgium, Norway, and Spain, and further improvement is noted for the Irish Republic, Italy, Malaya, and Trinidad.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov, 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1956	3½	4
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 18th January, 1957		Week ended 11th January, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,20,075	77,60,84,000	3,28,343	73,11,71,000
Calcutta	1,92,444	71,27,36,929	1,85,022	64,29,44,840
Madras	65,156	7,30,95,135	99,827	11,17,73,402
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Sept., 1956	..	..	3,137,000	7,01,29,00,000
Oct.,	..	..	3,398,000	6,99,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 18th Jan., 1957

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	50,70,89,000
(2) Other Governments	7,03,06,000
(b) Banks	52,98,34,000
(c) Others	13,28,98,300
Bills Payable	13,72,70,000
Other Liabilities	111,66,34,000
Rupees	275,40,27,000

Assets	Rs.
Notes	17,65,59,000
Rupee Coin	9,15,000
Subsidiary Coin	11,43,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	90,80,000
Balances held abroad*	81,23,54,000
Loans and Advances to Governments	8,41,70,000
Other Loans and Advances	102,61,03,000
Investments	49,70,17,000
Other Assets	14,66,75,000
Rupees	275,40,27,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 50,69,97,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 34,41,48,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	17,65,59,000	
Notes in circulation	1490,88,98,000	
Total Notes issued		1508,54,57,000
Total Liabilities		1508,54,57,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	442,33,16,000	
Total of A		560,09,19,000
B. Rupee Coin		123,23,19,000
Government of India Rupee Securities		825,22,19,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1508,54,57,000

Scheduled Banks*

Statement of Affairs for the week ended 11th Jan., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	4,56,78,000
(ii) Other demand liabilities	648,59,25,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,07,00,000
(ii) Other time liabilities	454,77,12,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10,51,92,000
(ii) Time liabilities	....
4. Cash in India	50,72,22,000
5. Balances with the Reserve Bank in India	10,41,09,000
6. Balances with other banks in current account in India	6,92,54,000
7. Money at call and short notice in India	....
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	826,41,65,000
9. Advances in India	645,45,88,000
10. Inland Bills purchased and discounted in India	111,39,28,000
11. Foreign Bills purchased and discounted in India	51,57,59,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	23rd January 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot £.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months £.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months £.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months £.	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	475 1/4	480 1/4
Buyers T.T. Rs.	473 1/4	473 1/4
London on New York $	2.80-2.80 1/16	2.79 1/2-2.79 1/2
London on Paris Fcs.	983 1/4	983 1/4
London on Berne Sw. Fcs.	12.27 1/2-12.27 1/2	12.26 1/2-12.27
New York on London $	2.79 11/16-2.80 1/16	2.79 11/16-2.79 11/16

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	..	10,170	269
Pakistan	'53-'54	79.33	..	..	1,931	243
Burma	1954	19.24	Kyats	3,905	390	204
Ceylon	1954	8.38	..	..	470	560
Japan	1955	88.90	Y.	6,575,000	8,698	978
Philippines	1955	21.85	Ps.	7,800	1,857	850
New Zealand	1955	2.13	£ (N.Z.)	846	1,128	5,296
Australia	1954	8.99	£ (A)	3,957	4,220	4,694
U.K.	1955	50.97	£	16,634	22,178	4,351
U.S.A.	1955	165.27	$	324,000	155,520	9,410
Canada	1955	15.60	$	20,738	10,166	6,516
France	1955	43.27	F.Fr.	12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm.	120,200	14,460	2,690
Italy	1954	47.80	Lr.	9,718,000	7,480	1,560
Norway	1955	3.43	Kr.	19,754	1,320	3,050
Sweden	1954	7.21	Kr.	38,650	3,544	4,912
Netherlands	1955	10.75	Grs.	22,500	2,850	2,650
Denmark	1954	4.41	Kr.	23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr.	22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 11th Jan., 1957

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:	
(a) Central Government	51,90,86,000
(b) Provincial Governments	50,00,000
(c) Banks	14,47,47,000
(d) Others	8,18,20,000
Bills Payable	24,25,000
Other Liabilities	10,37,12,000
Rupees	86,67,93,000

Assets	Rs.
Notes	10,24,18,000
Rupee Coin	14,000
Subsidiary Coin	17,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	9,03,000
Loans and Advances to Governments	1,74,00,000
Provincial Governments' Debtor Balances	2,09,80,000
Other Loans and Advances	21,39,48,000
Investments	40,93,04,000
Other Assets	10,13,09,000
Rupees	86 67,93,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	10,24,18,000	
Notes in circulation	330,28,60,000	
Total Notes issued		340,52,78,000
Total Liabilities	....	340,52,78,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	....	
Sterling Securities	82,48,28,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
B. Rupee Coin	5,29,82,000	160,47,44,000
Government of Pakistan Securities	168,85,46,000	
Internal bills of exchange and other commercial paper	....	
		174,15,28,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	340,52,78,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.77 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	11th Jan., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,495.21	1,481.52	1,439.61	1,388.75
Notes held in Banking Department	35.05	13.16	7.55	23.19	13.00
Foreign Securities	50.50	447.30	447.03	457.24	601.91
Rupee Securities	37.39	820.25	800.25	765.47	563.62
Banking Department					
Deposits of:					
Government of India	14.89	54.00	54.34	54.69	52.11
Other Governments	..	4.94	13.03	12.72	8.46
Balances held abroad	10.08	80.30	81.07	84.63	43.96
SCHEDULED BANKS					
Demand Liabilities	134.36	653.16	646.80	647.08	633.11
		(4.57)†	(6.93)†	(12.34)†	(6.35)†
Time Liabilities	102.24	456.84	457.70	458.52	412.51
		(2.07)†	(2.34)†	(2.51)†	(3.70)†
Borrowings from Reserve Bank	..	79.10 (60.86)‡	73.19 (52.82)‡	57.41 (45.34)‡	28.45 (14.38)‡
Borrowings from State Bank	..	10.52	10.21	9.62	11.33
Cash in India	6.70	35.21	37.52	35.88	35.95
Balances with Reserve Bank	25.17	50.72	48.26	50.80	51.02
Excess over statutory limits	15.52	8.93	6.77	9.23	12.02
Balances with other banks in current account in India	..	10.41	11.54	10.06	11.86
Money at call and short notice in India	..	6.93	9.06	18.30	9.59
Investments (at book value)	..	362.42	364.46	365.50	381.92
Advances	105.09	808.43	801.45	762.31	663.06
STATE BANK					
Deposits	87.76	247.76	240.59	232.80	231.12
Investments	51.99	107.04	107.41	106.62	116.58
Advances	30.35	151.41	146.41	127.43	111.84
Cash	14.69	18.59	11.61	16.15	23.50

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	October,		Seven months, April to Oct.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	8.71	10.57	64.51	70.94
Protective	0.95	1.13	5.72	7.18
On surplus disposals	0.02	—	0.07	0.03
Total import duties	9.68	11.70	70.31	78.15
Export Duties	3.04	2.80	21.17	15.26
Land Customs	0.07	0.27	0.50	1.40
Miscellaneous	0.05	0.12	0.41	0.63
Gross total customs	12.84	14.89	92.39	95.44
Refunds and drawbacks	0.23	0.15	1.55	1.35
Net Customs	12.61	14.74	90.84	94.09
Gross excise	11.09	16.15	85.50	102.08
Refunds	0.46	0.20	2.86	1.15
Net Excise	10.63	15.95	82.64	100.93
Net total of customs and excise†	23.24	30.69	173.48	195.02

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 18th Jan., 1957

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		2,35,00,000
Deposits and Other Accounts		245,75,86,000
Borrowings from Other Banking Companies, Agents, etc.		18,75,00,000
Bills Payable		4,41,91,000
Bills for Collection being Bills Receivable as per contra		74,28,000
Acceptances, Endorsements and Other Obligations per contra		7,89,000
Other Liabilities (including Inter-Office Adjustments)		3,61,88,000
Total .. Rs.		285,34,32,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		13,90,13,000
Balances with other Banks		4,12,67,000
Money at Call and Short Notice		60,00,000
INVESTMENTS:		
Government and other Trustee Securities	95,59,92,000	
Other Authorised Investments	11,45,50,000	
		107,05,42,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	119,42,39,000	
Bills Discounted and Purchased	35,35,01,000	
		154,77,40,000
Bills Receivable being Bills for Collection as per contra		74,28,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,89,000
Premises less Depreciation		1,19,90,000
Furniture and Fixtures less Depreciation		60,68,000
Other Assets (including Inter-Office Adjustments)		2,25,95,000
Total .. Rs.		285,34,32,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates‡	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.83	65	3.26	23.66	84.17	1,13.35	92.03	— 31.07	7.55	25.64					
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,24.94	1,30.88	— 36.35	5.57	37.15	7.40	7.38	55‡‡	54
1955-56	3.76	1.98	5.48	27.19	1,44.36	1,58.18	1,67.86	— 38.87	4.79	41.25	9.86	16.37	45	95
October 1955	4.14	10	5.21	2.11	1,36.38	11.35	1,48.99	— 38.23	46	39.68	80	12.49	5	80
November ,,	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.34	43	40.05	82	13.20	5	85
December ,,	4.00	18	5.26	2.58	1,39.48	13.04	1,52.44	— 38.44	36	40.34	88	13.98	4	88
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	— 38.55	32	40.61	84	14.73	3	91
February ,,	3.83	16	5.29	2.33	1,42.37	12.87	1,56.19	— 38.66	39	40.95	93	15.57	2	93
March ,,	3.76	33	5.48	2.82	1,44.36	23.64	1,67.86	— 38.87	26	41.25	88	16.37	3	95
April ,,	3.69	24	5.54	2.19	1,45.35	14.54	1,71.08	— 38.96	34	41.51	82	17.13	3	98
May ,,	3.61	21	5.54	2.49	1,47.58	14.77	1,73.05	— 39.05	38	41.82	85	17.91	2	1.00
June ,,	3.54	28	5.55	2.70	1,49.48	15.24	1,76.09	— 39.15	38	42.11	92	18.75	4	1.04
July 1955..	3.46	43	5.51	2.78	1,51.53	14.61	1,80.05	— 39.24	38	42.45	1.01	19.68	4	1.07
August ,,	3.40	29	5.52	2.53	1,53.14	14.10	1,83.21	— 39.35	36	42.75	98	20.58	4	1.11
September ,,	3.34	17	5.71	2.65	1,55.14	13.27	1,84.83	— 39.17	34	43.00	85	21.34	3	1.13
October ,,	3.28	16	5.69	2.38	1,56.51	13.00	1,85.99	— 39.26	35	43.29	82	22.06	4	1.17
November ,,	..	..	..	..	..	..	..	..	25	43.39	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

†† Relating to nine months from July, 1954.

§ From July 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 12th Jan., 1957	5th Jan., 1957	15th Dec., 1956	14th Jan., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.7	89.7	89.7	91.1
1. Government of India	89.4	89.4	89.5	91.0
2. Indian States	96.6	96.6	96.7	96.5
3. Municipal Port Trust, etc.	90.8	90.9	90.9	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.0	100.0	100.0	101.1
1. Electricity	100.9	100.9	100.9	102.6
2. Jute	97.6	97.5	97.6	97.6
3. Plantations	98.6	98.6	98.6	99.1
4. Sugar	98.5	98.5	98.5	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.0	100.0	100.9
7. Shipping	101.5	101.8	101.8	102.3
8. Others	100.5	100.5	100.5	101.0
PREFERENCE SHARES	80.5	80.3	80.9	87.3
1. Electricity	87.0	87.0	87.5	94.5
2. Cotton	79.9	80.0	80.9	79.7
3. Jute	75.4	75.5	75.8	86.8
4. Coal	83.0	83.0	83.0	90.6
5. Iron and Steel	83.6	83.7	83.1	89.1
6. Sugar	81.6	81.6	82.7	85.5
7. Plantations	79.7	79.6	79.6	86.5
8. Miscellaneous	74.3	74.0	75.8	84.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	112.6	113.4	117.0	126.8
(a) Financial	91.4	90.6	93.2	98.8
1. Banks	92.8	92.0	94.2	92.8
2. Insurance	86.8	86.8	86.8	99.3
3. Investment Trust	82.7	82.7	93.0	85.2
(b) Public Utilities	109.2	108.7	111.5	117.2
1. Electricity	112.7	113.6	115.8	115.3
2. Shipping and other Transport	81.2	81.7	81.8	92.3
3. Railways	120.0	121.2	125.5	136.0
(c) Manufacturing Industries	139.6	141.5	145.3	164.3
1. Cotton, Woollen and Silk	73.6	74.8	77.0	87.2
2. Jute	197.0	200.9	203.2	261.6
3. Iron and Steel	155.1	156.9	162.1	170.6
4. Paper	90.0	90.7	94.3	107.5
5. Cement	168.2	168.5	171.9	176.7
6. Chemicals	173.2	174.8	178.6	205.6
7. Sugar and Breweries	100.1	101.5	105.9	109.3
8. Miscellaneous	136.5	137.0	138.4	153.6
(d) Non-Manufacturing Industries	139.6	141.5	145.3	164.3
1. Coal	73.6	74.8	77.0	87.2
2. Mining and Oil	197.0	200.9	203.2	261.6
3. Plantations	155.1	156.9	162.1	170.6
(e) Miscellaneous	90.0	90.7	94.3	107.5
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.0	89.0	89.1	90.6
1. Bombay	89.0	89.0	89.0	91.1
2. Calcutta	89.9	89.9	89.9	91.4
3. Madras	..	..	..	..
DEBENTURES OF INDUSTRIAL CONCERNS:	99.4	99.4	99.4	100.2
1. Bombay	100.5	100.5	100.5	101.9
2. Calcutta	99.7	99.7	99.7	100.1
3. Madras	..	..	..	..
PREFERENCE SHARES:	85.4	84.9	84.6	90.5
1. Bombay	74.1	74.1	75.0	83.1
2. Calcutta	95.0	95.5	96.8	97.4
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	121.4	121.8	126.2	132.4
1. Bombay	99.0	100.0	103.3	117.2
2. Calcutta	125.1	125.4	128.7	123.5
3. Madras	..	..	..	..
4. Delhi	121.1	120.8	124.7	138.7

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,923
1952	963	809,242	3,336,951
1953	772	466,607	3,382,608
1954	840	477,738	3,372,030
1955	1,166	527,767	5,697,848
August 1954	79	51,090	322,887
September ,,	97	50,414	353,878
October ,,	88	41,724	276,294
November ,,	62	25,115	239,701
December ,,	101	54,455	262,763
January 1955†	95	49,038	322,807
February ,,	91	38,370	144,302
March ,,	112	70,042	334,696
April ,,	105	32,432	353,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	533,999
September ,,	251	92,619	580,031
October ,,	134	47,600	214,214
November ,,	99	48,609	178,112
December ,,	129	45,277	239,550
January* 1956†	107	61,050	349,655
February* ,,	122	69,450	796,765
March* ,,	146	133,188	678,716
April* ,,	143	81,367	534,983
May ,,	137	64,361	558,717
June ,,	152	72,843	425,634
July* ,,	144	99,431	599,855
August* ,,	129	58,390	495,907
Sept.,	142	109,503 (a)	702,341 (b)

† Figures are provisional. * Revised.

(a) Not known in 9 cases. (b) Not known in 14 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.5	5,577.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
Jan., to Sept., 1955	694	6,262.7	5,089.4
Jan., to Sept., 1956	720	7,114.6	5,838.8
July 1955..	700	724.8	583.3
August ,,	705	709.9	574.4
September ,,	707	719.3	587.1
October ,,	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956..	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	825.8	669.1
June ,,	710	796.5	658.5
July ,,	724	793.0	656.2
August ,,	725	793.7	650 0
September ,,	737	812 7	666 4

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

† At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	5th Jan., 1957	29th Dec., 1956	7th Jan., 1956	November 1956	November 1955	Percentage of increase (+) or decrease (—) in Nov., 1956 as compared with Nov., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	382.4	392.0	331.3	413.6 R	326.6	+26.1	313.2	339.8
Cereals	59	476	497	397	530 R	390	+35.9	373	381
Pulses	8	424	422	258	413	325	+27.1	289	280
Others	33	252	252	236	262	237	+10.5	235	291
Industrial Raw Materials	(18)	517.6	520 2	456.0	514.1 R	418.9	+22.7	419.8	438.2
Fibres	53	502	505	455	497 R	422*	+17.8	429	447
Oil seeds	30	572	564*	490	563	403	+40.2	398	424
Minerals	10	509	540	445	528	430	+22.8	427	422
Others	7	437	438	463*	428	455	— 5.9	431	427
Semi-Manufactures	(17)	411.2	415.8 R	351.9	416.3	338.1	+23.1	338.2	350.3
Leather	8	433	445	412	439	376	+16.8	378	376
Mineral oils	13	210	210	202	210	208	+ 4.9	207	221
Vegetable oils	16	620	625 R	426	616	392	+57.1	389 R	433
Cotton yarn	25	490	492	433	501	411	+21.9	422	454
Metals	18	328	328	330	327	277	+18.1	254	240
Oil cakes	5	439	490	360	483	366	+32.0	338	381
Others	5	362	363	330	362	330	+ 9.7	336	312
Manufactured Articles	(30)	386.9	387.1	375.6	387.6	373.3	+ 3.8	372.9	377.4R
Textiles	64	417	418	409	419	405	+ 3.5	408	421
Jute	11	456	457	424	445	428	+ 3.9	418	448
Cotton	45	414*	416*	403*	421*	399*	+ 5.7	415*	415*
Rayon and Silk	6	436*	429*	436*	421*	479*	—12.1	435*	469*
Woollen	3	256	256	278	256	256	— 4.3	284	311
Metal products	17	390	390	371	390	371	+ 5.1	359	340
Others	19	298	298	285	296	284	+ 4.2	285	286
Miscellaneous	(4)	594.1	589.3	548.7	590.6	543.3	+ 8.7	548.4	612.4
All Commodities	(100)	417.6	421.9	375.7	427.7 R	385.0	+17.2	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugar‡ | Gur | Tobacco | Raw Cotton | Raw Jute‡ | Groundnut | Linseed | Coal‡ | Jute manufactures | Cotton manufactures

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,100	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,657	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,888
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	,,	12,585	13,543	3,804	4,128
Castorseed	final	,,	1,402	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,010
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute A.	final	,,	1,581	1,243	4,137	2,928
Mesta A.	2nd	,,	695†	553††	1,430†	1,101††
Other crops—						
Potato	final	tons	693	658	1,839	1,736
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1956	84.9
	Corresponding month, 1955	97.3
	Six months ended Dec., 1956	517.3
	Corresponding period, 1955	519.5
Stocks	At the end of Dec., 1956	96.6
	Corresponding month, 1955	63.5
		(In 000 bags)
Exports (Jute Bags)	Week ended 1st Dec., 1956	3.528
	Corresponding week, 1955	16.571
	From 1st Jan., to 1st Dec., 1956	396,688
	Corresponding period, 1955	435,384
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 1st Dec., 1956	72.166
	Corresponding week, 1955	19.134
	From 1st Jan., to 1st Dec., 1956	1,376,065
	Corresponding period, 1955	1,240,814
	RAW JUTE	(Inlakh bales)
Consumption by Mills†	December, 1956	4.92
	Corresponding month, 1955	5.64
	Six months ended Dec., 1956	29.9
	Corresponding period, 1955	30.13

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended	31st March, 1953	11,58,000	10 61,900	7,91,800
Do.	31st March, 1954	11,54,000	10,70,200	7,80,000
Do.	31st March, 1955	11,34,400	10,42,900	7,81,200
Do.	31st March, 1956	11,55,900	10,62,100	7,97,800
July	1955	94,900	84,300	64 300
August	,,	92,500	83,900	63,700
Sept.	,,	95,300	87,500	65,700
October	,,	91,700	83,800	64,800
Nov.	,,	91,900	86,200	63,400
Dec.	,,	103,900	97,500	72,300
July	1956	94,400	91,300	65,500
August	,,	97,800	88,000	66,000
Sept.	,,	96,400	88,800	69 700
Oct.	,,	96,700	91,100	71,800
Nov.	,,	94,700	85,800	65,100
Dec.	,,	101,500	93,300	66,000
Indian Iron and Steel Co., Ltd.				
Year ended	31st March, 1953	6,26,710	4,31,460	3,13,940
Do.	31st March, 1954	5,80,020	3,49 930	2,92,440
Do.	31st March, 1955	6,15,040	5,28,240	4,55,068
Do.	31st March, 1956	7,06,986	5,81,506	4,50,607
Three months ended	June, 1954	1,82,770	1,17,870	1,07,480
,, ,,	Sept., 1954	1,80,018	1,22,742	1,12,551
,, ,,	Dec., 1954	1,88,052	1,36,801	1,20,616
,, ,,	Mar., 1955	1,65,108	1,43,828	1,18,126
,, ,,	June, 1955	1,85,605	1,34,353	1,16,281
,, ,,	Sept. 1955	1,76,181	1,30,630	1,06,714
,, ,,	Dec., 1955	1,50,750	1,24,695	1,05,752
,, ,,	Mar., 1956	1,54,450	1,41,846	1,19,860
,, ,,	June, 1956	1,48,306	1,17,710	92,509
,, ,,	Sept., 1956	1,74,447	1,33,235	1,19,953
,, ,,	Dec., 1956	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	September, 1955	September, 1956	Six months April to Sept., 1955	Six months April to Sept., 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	2.92	2.03	29.97	17.16
Raw materials	10 78	19.81	79.82	84.36
Manufactures	34 20	51.48	180.46	281.64
Other Items	2.09	33	1.17	2.14
Total*	48 19	74 55	291 42	385 30
By land	3.02	2 20	11 77	8.93
Total Imports	51.21	76.75	303.19	394.23
Exports:				
By sea and air—				
Foodstuffs	18.15	21.43	72.21	91.82
Raw materials	15.52	9 23	83 75	57.86
Manufactures	23.63	17.72	129 99	115 72
Other Items	50	40	2 21	2.07
Total	57.80	48.78	288 16	267 07
By land	38	47	2 97	2.69
Total Exports	58.18	49 25	291 13	269.76
Total Re-exports	28	37	2.60	4.28
Balance of trade in merchandise	+ 7.26	— 27.09	— 9.47	—120.04
Balance of transactions in private treasure	....	— 1	— 4	— 11
Total visible balance of trade	+ 7.26	— 27.10	— 9.51	—120 15
Imports:				
Total C'wealth countries	24 08	30 03	134 95	158 39
Total Foreign countries	24.11	44.52	156.47	226.91
Total C'wealth countries	28.69	27.70	142.49	139.59
Total Foreign countries	29 11	21.08	145.67	127.48

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
September 1955	5,985	1,354	495	101	56	32	39	12	130	197	20	153	22	76
October ,,	7,016	1,600	565	115	62	38	54	14	151	230	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2 341	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,,	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,,	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September ,,	6,420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October ,,	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1956.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 17th Jan., 1957	53,072(J)
	Corresponding week, 1956	28,724(J)
	1st Sept. 1956 to 17th Jan., 1957	565,256*
	Corresponding period, 1955-56	511,452*
Cotton Exports‡	Week ended 17th Jan., 1957	7,470
	Corresponding week, 1956	5,671
	1st Sept. 1956 to 17th Jan., 1957	83,262
	Corresponding period, 1955-56	284,199
Mill Consumption (Estimated)	1st Sept. 1956 to 17th Jan., 1957	493,067
	Corresponding period, 1955-56	487,972
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 17th Jan., 1957	488,226
	Corresponding date, 1956	447,487
Cotton Exports from Bombay (by sea)	During Nov., 1956	9,238
	During Nov., 1955	——
	1st Sept., '55 to 30th Nov., 1955	33,221
	1st Sept., '54 to 30th Nov., 1955	266,581
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 10th Jan., 1957	770,496
	Corresponding period, 1955-56	743,603
Exports	1st Sept., 1956 to 10th Jan., 1957	322,705
	Corresponding period, 1955-56	336,146

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1956 to 21st Jan., 1957 Bales	From 1st Sept. 1955 to 21st Jan., 1956 Bales
From Bombay Cotton Shipments to—		
United Kingdom	10,184	28,923
Continent	9,441	52,867
Hongkong	7,988	21,076
China	3,027	29,938
Japan	51,113	128,626
U.S.A.	600	1,908
Other Countries	314	4,571
Total to all foreign countries	82,667	267,909
Coastal Ports	7,860	58,158
Total	90,027§	326,067§

Consumption of Cotton— Period	Quantity (Bale of 400 lbs.)
Indian—	
Foreign	
Indian	
Foreign	
Indian	
Foreign	
Stocks (Mills and Elsewhere)—	
Indian	
Foreign	
Indian	
Foreign	
Cotton Pressed in India† (in running bales)	
November, 1956	369,605
Three months ended Nov., 1956	47,413 / 151,639
Same Period 1955	1,117,406 / 1,121,660 / 133,993
As on 30th November, 1956	1,026,767
As on 30th November, 1955	189,065 / 1,055 219 / 167,365
Week ended 11th Jan., 1957	14,565
Corresponding week, 1956	93 187
1st Sept., 1956 to 11th Jan., 1957	449,959
Corresponding period, 1955-56	941,856

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-28.	68,30,25,000	1960-70	100⅜
3 % Loan	1928-29	1 16,17,46,000	1968-65	94⅛
2½ % Loan	1950	20,33,10,000	1954	94⅜
2¾ Yr. Loan	1943	1,10,11,78,000	1965-68	92⅝
2½ % Loan	1944	33,54,89,000	1967	99⅝
2½ % Loan	1945	1,15,05,88,000	1970-75	88⅝
2½ % Nat'l V. Loan	1945	1,15,65,64,000	1969-61	97⅛
3 % Loan	1951	50,25,63,000	1958	99⅛
2½ % Loan	1946	45,80,27,000	1960	95⅛
2½ % Loan	1946	57,00,69,000	1961	93⅜
2½ % Loan	1946	14,77,48,000	1976	88⅛
2½ % Loan	1947	75,86,72,000	1962	93⅛
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99⅛
2½% N.P Loan	1954	1,58,17,34,000	1964	98⅛
2½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98⅛
2½ % Loan	1956	57,27,00,000	1962	97⅜
2½ % N.P. Bonds	1956	23,25,00,000	1967	98⅛
2½%	1956	66,64,00,000	1976	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,35,000	At option of Government after three months' notice. / On September, 1986 or later at option of Government after three months' notice.	73 / 73-⅝
3 % Loan	1946	2,48,91,47,000		
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,75,000	1958-65***	102⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97-18⅛
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97⅜
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98⅛
3 % Bombay	1949	5,58,56,000	1st Aug. 1958	98⅛
3 % Bombay	1950	2,87,82,000	31st July 1960	96⅛
3½ % Bombay	1951	2,95,35,000‡	17th Sept. 1962	98⅜
4 % Bombay	1952	5,42,25,000	16th Aug. 1963	100⅛
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100⅛
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99⅜
4 % Bombay	1956	7,50,00,000	3rd Sept. 1973	97⅜
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97⅜
3 % Cochin	1945	2,00,00,000	3rd Sept. 1968	97⅜
3½% Cochin	1926	1,00,000	16th Dec. 1955-68	98⅝
3½% Howrah		70,09 000	1st June 1956-61	99½
Srdzs (New)	1956-57	1,95,96,700	1956-66	98⅛
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99⅛
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99⅛
3 % Madras	1939	1,82,86,000	1st June 1959	96⅛
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98⅛
3 % Madras	1946	2,78,44,000	14th Sept. 1960	96⅛
3 % Madras	1946	2,31,77,200	1st Sept. 1961	95-1⅛
3½ % Madras	1950	4,33,35,400	31st July 1960	96-4⅛
3 % Madras	1951	3,01,49,300	17th Sept. 1962	97⅛
4 % Madras	1952	10,33,58,000	15th July 1963	99⅛
4 % Maras	1952	8,24,81,300	1st Aug. 1964	99⅛
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99⅛
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98
3 % Mysore(J)	1933	2,98,35,300	1st Dec. 1953-62	101
3 % Mysore(J)	1936	5,99,72,900	20th Apr. 1956-61	99
4 % Mysore	1947	8,08,05,700	25th Jan 1958	99½
4 % Mysore	1953	3,45,47,000	16th July 1963	99-3⅛
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99
4 % M.P.	1956	4,00,00,000	3rd Sept. 1968	97-14⅛
3 % M.P.	1944	82,69,800	15th Aug. 1958	98⅛
3 % M.P.	1948	2,03,58,600	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95⅛
4 % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1963	99⅛
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98
4 % Saurashtra	1956	1,50,00,000	3rd Sept. 1968	97⅛
4 % Saurashtra	1956	2,61,56,000	1st Sept. 1967	99⅛
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99
4 % Trav. Cochin	1953	3,00,00,000	15th July 1963	99⅜
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
3 % U.P.	1936	1,07,14,000	15th Aug. 1961-66	99⅛
3 % U.P.	1944	2,37,11,000	15th Aug. 1958	98⅜
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96⅛
4 % U.P.	1946	2,20,93,600	1st Sept. 1961	95⅛
4 % U.P.	1951	1 01,02,000	17th Sept. 1962	97⅛
4 % U.P.	1952	6,11,45,700	1st Aug. 1964	99⅛
4 % U.P.	1953	5,65,15,500	15th July 1963	99⅛
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	98⅛
4 % U.P.	1956	5,00,00,000	3rd Sept. 1968	97⅜
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97⅜
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97⅜
4 % M. Bharat	1953	1,00,00,000	15th July. 1963	99⅛
4 % M Bharat	1956	1,00,00,000	3rd Sept. 1968	97⅜

ABBREVIATIONS.

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
26,50,000	4	1904	1964	
55,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	98⅛N
40,00,000	4	1909	1970	
40,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,876	4	1913*	1960	D
80,00,000	4	1913	1974	98⅛N
88,25,000	4	1914	1975	99⅛N
10,00,000	4	1915*	1960	
10,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,25,000	4½	1925*	1960	
25,00,000	3½	1929*	1969	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,00,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,25,300	4	1914	1974	99
76,80,100	4	1916	1976	99
1,50,00,000C	4½	1921	1951	99
68,02,300C	6½	1921	1951	144⅜N
1,49,50,000C	4	1927	1977	108
1,49,30,000	5	1928	1958-88	108
80,00,000	4½	1931	1961	98
50,00,000	3½	1935	1975	97½
25,00,000	3	1938	1968-88	90
50,00,000	3	1945	2005	74
50,00,000	3	1946	1976	84⅛
50,00,000	3	1946	2006	74
50,00,000	3	1947	1977	87½
50,00,000	3	1948	1978	88⅛
50,00,000	3	1949	1979	87
50,00,000	3	1949	1999	87
1,00,00,000	3	1950	1980	85
1,00,00,000	3	1950	2000	85
50,00,000C	3	1950	1960	88⅛
1,50,00,000	3	1950	1980	85⅛
50,00,000C	3	1951	1961	88⅛
1,50,00,000	3	1951	2001	86
50,00,000	3	1953	1983	100
50,00,000	4	1953	1983	98⅜
50,00,000	4	1955	1985	95⅜
90,00,000	4	1956	1986	97⅛
77,00,000C	4	1956	1986	97⅛
78,00,800C	4			
STERLING LOANS				
£802,600	5	1928	1958-88	£79⅛
£901,000	5	1924	1954-84	£79⅛
£385,100	5½	1932	1962	£91⅛
MADRAS				
Rs.				Rs.
$1,47,166	2½	1947	1977	
9,88,000C	3	1940	1979	A
5,00,000C	3	1954	1984	
45,00,000C	4½			

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	97⅝N
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	97⅛N
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	118N
40,00,000	4	1919	1957-79	
66,00,000	5	1920	1958-80	
25,00,000	5	1926	1966-86	115N
25,00,000	5	1927	1961-70	98N
10,00,000	5	1936	1966	
STERLING LOANS				
£566,600		1909	1969	£95⅛N
£338,000		1910	1970	£95⅛N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1924	1964	99½
25,00,000	3½	1925	1965	94
25,00,000	3	1926	1956	90
50,00,000	3	1926	1966	91
50,00,000	3	1927	1968	90½
50,00,000	3	1928	1968-88	99⅜
50,00,000	4	1955	1968	99⅜
80,00,000	4	1956	1968	99
1,02,00,000	4			

MUNICIPAL LOANS

Rs				Rs.
BOMBAY				
20,60,000	4	1912-18	1974	99
10,00,000	5	1920	1958	112⅜
50,00,000	5	1928	1958	
5,45,500	5	1929	1954-89	103
26,21,500	3½	1947	1977	86⅛
3,25,00,000	3½	1948	1978	86⅛
2,50,00,000	3½	1949	1979	86⅛
4,00,00,000	3½	1950	1980	86⅛
2,00,00,000	3½	1951	1964	99⅛
2,00,00,000	3½	1952	1966	99⅛
1,80,00,000	4	1953	1966	99⅛
1,00,00,000†	4	1954	1966	99⅛
1,00,00,000†	4	1955	1967	99⅛
2,50,00,000	4	1955	1967	99⅛
Rs.				Rs.
CALCUTTA				
26,00,000	5	1928	1958	108
25,00,000	5	1929	1957	102
25,00,000	5	1929	1958	108⅛
10,00,000	5½	1932	1962	108
23,91,000	3	1935	1965	94
47,50,000	3	1936	1966	90
47,50,000	3	1938	1968	90
15,56,800	3	1940	1957	99⅛
17,64,400	3½	1942	1962	96⅛
21,10,000	3½	1942	1972	92
15,49 000	3½	1950	1960	97
16,33,000	3½	1951	1961	97⅛
66,88,000	3½	1951	1966	97⅛
87,36,000	4	1954	1978	99⅛
72,50,000	4½	1954	1978	100
Rs.				Rs.
MADRAS				
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99⅛
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99⅛
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99⅛
4 % W. Bengal	1956	7,00,00 000	3rd Sept. 1968	99

N—Nominal. D—Domestic Loan not marketable.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1951	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	123	100
Cawnpore Sugar Works	10,00,000	1905-24	6	Feb. Aug.	128	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6½	5
†East India Distilleries	£200,000	1897	7	Jan. July	17⅜	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	14½	10
Rammugger Cane	4,00,000	1925-26	6	Aug. ..	100	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8⅝	10
Upper Ganges	12,00,000	1922	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borrea	4,00,000	1897-97	6½	Oct. Apr.	102	100
Burrakur (1st)	25,00,800	1901-19	7	Apr. Oct.	113	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	100	100⅛
Karanpura Collieries	9,67,500	1946

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and Dece respectively. Reserves include general and other reserves and all other funds, which a company may i excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual c land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and s for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where qu for portion of a year they represent the proportionate dividend for that period. In the case of those comp which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed		Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares				Accounts Closed	Ref ence
						Spindles	Looms				1953	1954	1955	1956		
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	5,62,725	90,10,670	43,05,872	96,989	Rajputana Textiles (Agencies) Ltd.	56,608	898	Apollo Mills	2½	2	0 4(c)	0 2½(c)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,907	72,25,655	—5,87,129	M.	46,506	1,021	B. B. Cotton Mills ..	4	100	*Nil*	*Nil*	*Nil*		3	Y.P.
8,50,98,000	2,99,72,778	4,92,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd. ..	2,21,068	4,255	Bombay Dyeing & Mfg. ..	63½	250	22 8*	20 0	25 0*	7 81	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd.	44,784	800	Bradbury Mills	231½	50	100 0†	75 0†	12 8	20 0	3	Y.H
1,09,42,000	2,63,96,826	2,81,82,264	1,97,06,117	6,34,956	Birla Brothers Private Ltd. ..	1,26,344	2,698	Century Spg. & Mfg. ..	515	100	22 0	22 0	22 0	8 01	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,085	—33,08,997	V. J. Pilani (Chairman and Managing Director)	40,068	798	Colaba Land & Mill ..	75	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	30,228	680	Coorla Spg. & Wvg. ..	180	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd. ..	40,092	..	Dawn Mills	173½	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,435	76,75,267	56,21,788	2,83,643	Puranmal Bubna Sons ..	50,064	928	Edward Textiles ..	310	200	15 0	15 0	18 0		12	Y.
29,95,650	11,31,223	1,09,78,049	80,74,224	1,81,334	M.	50,603	1,016	Elphinstone Spg. & Wvg. ..	61	50	*Nil*	3 0	5 0		12	Y.H
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	41,300	886	Finlay Mills	314	100	16 0	16 0	20 0		12	Y.
11,84,000 / 16,000 / 2,00,00,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co. ..	49,392	784	Finlay Mills	5,285	1,000	225 0*	225 0	360 0	75 01	12	
50,05,000 D	62,50,399	4,68,15,552	8,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,413	India United Mills ..	5,250	1,000	225 0*	225 0	360 0	75 01 / 18 12½	3	Y.3
8,85,000 / 1,15,000	74,24,043	1,30,07,998	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	11¼ / 13-13½	0 100. / 0 1D.	0 10 / 0 1	Nil / Nil	0 15 / 0 3	0 10 / 0 11	3	Y.
59,35,000	55,07,831	2,73,73,670	2,03,22,138	26,228	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg.	225½	100	10 0	8 0	10 0	10 0	6	Y.H
1,00,00,000	1 21,50,000	3,56,88,095	2,68,14,796	83,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	335	100	20 0*	18 0	18 0	6 01	12	Y.
22,18,050	41,06,720	1,18,74,345	55,99,115	81,670	N. Sirur & Co., Ltd.	49,000	664	Modern Mills	100 N	50	6 0	6 0	8 0	6 0*	12	Y.T
51,75,000	37,05,298	2,35,58,597	1,76,19,359	1,41,489	Piramal & Sons	70,416	1,662	Morarjee Goculdas Spg. & Wvg.	246½	100	12 0	14 0	14 0	15 0	6	Y.P
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd. ..			National Rayon Corporation	247½	100	9 0	10 0	12 0		12	Y.P
24,00,000	24,50,660	76,57,253	46,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	147½	100	10 0	10 0	10 0		12	Y.
80,00,000	14,61,250	92,85,049	61,42,741	4,389	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	241	100	10 0	7 8	10 0		12	Y.P
48,00,000	30,10,989	1,34,29,555	84,72,255	—1,72,154	Ramnarain Sons, Ltd.	2,40,352	1,190	Phoenix Mills	147½	100	8 0	8 0	10 0		12	Y.
40,00,000	45,70,399	89,55,049	53,00,000	3,92,877	Podar Sons, Private Ltd. ..	32,000	930	Podar Mills	168½	100	10 0	10 0	12 0*		12	Y.P
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	9½	10	0 12	0 8			12	Y.
87,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	40	10	1 4	1 12	1 12		12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd. ..	66,836	1,040	Shree Niwas Cotton Mills ..	195	100	14 0	14 0	12 0		12	Y.P
42,00,000	33,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	84,840	1,276	Simplex Mills	184	50	15 0	11 0	10 0	12 0	3	Y.
87,80,000	2,23 15,720	2,51,28,099	1,37,85,474	12,888	Mafatlal Gagalbhai & Sons ..	52,086	1,633	Standard Mills	445	100	20 0	20 0	20 0		12	Y.P
99,55,760	84,69,716	2,28,57,647	1,19,61,809	67,611	Tata Industries Private Ltd. ..	72,236	2,000	Standard Mills	237	100	16 0	8 0	12 0		12	Y.P
50,00,000	65,33,465	1,28,99,971	81,52,715	1,61,680	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	418½	100	20 0	20 0	25 0		12	Y.
65,57,000	51,06,376	1,77,34,889	68,44,553	48,485	Tata Industries Private Ltd. ..	62,094	1,500	Tata Mills	51½	25	1 8	2 8	4 0		12	Y.H
12,00,000	61,05,709	1,27,41,228	90,20,000	4,524	Thackersey Mooljee Son & Co.	64,126	1,209	Western India Spg. & Mfg.	5,250	1,000	225 0*	225 0	360 0	360 0	3	Y.
AHMEDABAD																
60,00,000	81,50,000	1,48,70,883	99,76,944	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills	160	100	10 0*	5 0	7 0	12 0	6	Y.P.
10,00,000	94,58,068	94,37,398	76,10,164	27,288	P. M. Huthesing & Co., Ltd. ..	44,220	912	Arvind Mills	710	100	20 0*	20 0	80 0		12	Y.P.
25,00,000	2,55,30,694	1,66,65,504	72,76,768	1,16,00,000	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,173	100	25 0	25 0	35 0*		12	Y.P.
30,00,000	81,75,000	96,34,384	72,25,000	2,46,388	Mangaldas & Bros. Ltd. ..	37,368	914	Aryodaya Ginning & Mfg.	535	200	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,033	84,56,974	59,94,958	1,91,712	Lalbhai Dalpatbhai & Co. ..	1,39,120	2,573	Calico	571	125	18 0	18 0		30 0‡	12	Y.
1,37,50,000	3,35,76,233	4,61,25,322	2,58,58,344	8,31,712	Karamchand Premchand Ltd. ..	1,26,344	2,698	Century Spg. & Mfg. ..	515	100	22 0	22 0	22 0	8 01	12	Y.
42,87,000	24,58,000	1,21,06,643	89,25,000	2,760	Tricumlal Bhogilal & Co., Ltd. ..	45,884	866	New Commercial Mills ..	1,525	1,000	70 0	70 0	80 0		12	Y.P.
89,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co. ..	47,152	518	Sarangpur Cotton Mfg. & Wvg.	175	125	35 0	35 0	35 0		12	Y.
10,00,000	58,45,000	50,63,197	37,96,317	16,658	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	300	100	30 0*	30 0*	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,439	60,30,888	....	Lalbhai Dalpatbhai & Co. ..	52,828	636	Raipur Mfg.	940	100	25 0	25 0	35 0*		12	Y.P.
82,50,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Lalbhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	177½	100	9 0	9 0	*Nil*		12	Y.P.
88,98,150	2,02,34,538	1,76,92,842	1,52,75,000	8,23,290	Harivallabhdas Kalidas & Co.	94,116	1,738	Shri Ambica Mills ..	609½	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. .. (Ahmedabad). Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	525	100	20 0	25 0*	25 0		12	Y.
88,00,000	90,34,191	1,09,66,008	78,35,291	34,544	Haridas Ashratlal & Co., Ltd.	86,176	760	Vijaya Milling Co. ..	600	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,42,800	24,03,029	21,33,830	41,576	Calcutta Agency Private Ltd. ..	13,044	256	Basanti Cotton Mill's ..	5½	11	0 4	0 8	0 8		12	Y.P.T.
7,98,060	9,10,617	72,14,035	52,60,911	50,590	Bengal Textile Agency, Ltd. ..	32,544	981	Bengal Luxmi Cotton Mills ..	40N	40	*Nil*	*Nil*	4 0	4 0	12	Y.
5,00,000	22,75,414	89,08,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Howreah Cotton Mills	127	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd. ..	42,944	816	Jubilee Mills	602	100	*Nil*	*Nil*	2 8		6,12	H.
1,40,00,000	2,29,43,320	3,76,19,333	1,31,26,333	1,58,772	Birla Brothers Private Ltd. ..	70,384	1,990	Kesoram Cotton Mills	154	100	12 0	0 14	1 0	1 0	3	Y.
19,47,750 / 5,00,000 D	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23,036	795	Rampooria Cotton Mills ..	15½ N / 5½ N	10 / 1D	0 8 / *Nil*	0 10 / *Nil*	1 0 / 0-6 11/25		12	Y.
SOUTH INDIA AND OTHER CENTRES																
11,98,600	5,57,596	31,36,764	15,64,243	3,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd. ..	217	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	35,91,264	1,84,91,530	50,78,582	1,36,043	Industria Trust Fund	61,136	708	Azam Jahi Mills	92	100	6 0	*Nil*	8 8(c)		9	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,58,949	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	542½	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	8½	10	0 / *Nil* †				6,12	H.P.T.
25,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	80N	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,76,52,500	6,38,09,203	3,52,32,130	2,38,445	Binny & Co. (Madras), Ltd...	1,20,356	2,787	Buckingham & Carnatic Mills	188	100	10 0	10 0	10 0	4 01	12	Y.P.
20,00,000	20,00,000	89,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	38,766	..	Cannanore Mills	10	10	0 12	*Nil*	0 8		3	Y.
15,00,000	5,11,500	48,38,928	24,63,361	8,994	K. Damodaran, Esq.	17,496	168	Cannanore Spg. & Wvg. ..	100	100	12 0	20 0	12 0	15 0	3	Y.
80,00,000	29,51,420	69,40,829	61,72,376	86,767	Begg, Sutherland & Co., Ltd. ..	28,796	691	Cawnpore Textiles	8	5	0 0	0 8	*Nil*	0 4	3	Y.P.T.
9,37,470	2,00,000	50,87,536	18,02,163	58,782	K. R. Srinivasan (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	114	10	*Nil*	*Nil*	1 0	0 12	3	Y.
12,00,000	60,60,000	34,68,000	27,86,127	4,164	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	385	100	20 0	25 0	25 0		12	Y.
20,00,000	19,95,000	36,59,430	24,25,921	14,323	T. R. N. Naidu & Co.	23,736	..	Coimbatore Pioneer Mills ..	203½	100	15 0	20 0	20 0		6	Y.P.
20,76,900	5,076	1,13,00,888	85,68,242	21,920	R. G. S. Naidu & Co.	72,320	407	Coimbatore Spg. & Wvg. ..	92½	3	0	8 0	8 0		12	Y.P.
46,87,500	46,12,022	2,50,83,371	1,61,68,242	13,215	Tata Industries Private Ltd. ..	67,228	1,620	Central India Cotton Mills ..	127	100	5 0	2 0	5 0	*Nil*	12	Y.
8,38,36,225 / 1,00,563	3,06,82,110	11,16,21,772	5,81,67,327	1,28,712	B. R. Charat Ram & Co., Private Ltd.	1,16,656	2,354	Delhi Cloth & General Mills	85½ N / 25	1 12 / 0 2 4/5	2 4 / 0 2 5/8	2 4 / 0 2 5/8	2 8 5 / 0 4		12	Y.P.T.
24,34,800	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons ..	32,568	201	Dhanalakshmi Mills	370	100	20 0	30 0	80 0		12	Y.
63,00,000	66,33,360	1,52,16,382	1,29,71,681	98,386	Begg, Sutherland & Co., Ltd. ..	48,452	1,198	Elgin Mills	28½	10	1 0	1 0	1 0		9	Y.H
48,81,000	35,22,175	1,00,55,167	68,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	227½	100	17 0	15 0	15 0		12	Y.
80,00,000	6,16,447	1,33,91,953	1,12,28,576	9,551	L. K. Sekaaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	116½	100	6 0	6 0	9 0	5 01	12	Y.
8,00,000	10,65,683	31,06,969	18,48,135	2,079	G. V. Naidu & Co., Ltd.	24,828	..	Jam Shri Ranjitsinghji ..	110	50	4 8	5 0	10 0		6	Y.
15,54,000	18,24,703	45,22,234	33,88,095	7,012	Lalji Naranji & Co.	1,505	1,000	Jam Shri Ranjitsinghji ..	1,505	..	20 0	50 0	60 0	60 0	6	
32,42,535	19,25,000	93,32,460	32,49,160	41,492	Kothari & Sons	43,000	500	Kothari Textiles	16½	10	0 0	0 8	1 0	1 0	6	Y.P.
82,00,000	69,30,185	1,48,62,550	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg. ..	680	250	37 8	32 12	42 8	12 81	12	Y.P.
1,75,02,450	4,13,81,878	5,73,76,126	3,58,74,019	18,86,613	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	254	50	5 0	10 0	12 8		3	Y.
12,00,000	4,17,363	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Brothers	22,592	100	Maisabar Spg. & Wvg. ..	108	200	8 0	10 0	12 0		12	Y.
60,00,000	69,00,000	68,79,627	43,29,734	46,385	W. A. Beardsell & Co., Ltd.	24,720	603	Mallya Industries Ltd...	424½	100	12 8	22 8*	25 0	42 8	12	Y.
20,80,864	19,61,581	89,75,246	49,94,739	16,588	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	87½	100	7 0	5 0(c)	6 0	6 0	12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,098	M.	51,340	948	Model Mills (Nagpur) ..	180	250	7	5 0(c)	7 8(c)	7 8	6	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	75N	100	10 0	10 0	10 0		12	Y.P.
84,53,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd.	50,480	500	Mysore Spg. & Mfg. ..	102½	50	10 0*	8 5*	6 0(c)	9 0*	3	Y.P.
13,61,780	5,000	29,25,252	15,12,761	—1,50,653	R. Surveyanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills ..	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
22,89,8650 / 5,07,995 D	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	52,428	1,225	New Victoria Mills ..	2 / D. 1	O. 2½ / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*			12	Y.P
87,19,600	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund ..	37,788	856	Osmanshahi Mills	77	100	4 0	2 0	2 8(c)		9	Y.
4,00,000 A / 6,00,000 B	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills	150 / 220	50A / 75B	12 0 / 18 0	12 0 / 18 0	12 0 /		12	Y.P.
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd. ..	75	100	/	/	4 0(c)		12	Y.
16,81,200 A / 4,40,000 B	22,75,000	83,60,150	49,86,177	4,852	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	325 / 170	100A / 50B	5 0 / 4 0	16 0 / 8 0	20 0 / 10 0		12	Y.
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	184	50	7 8	10 0	10 0		12	Y.P.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,096	*Nil*	Rajalakshmi Mills	154	100	4 0	6 0	10 0	10 0	3	Y.
52,29,625	12,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	152	100	6 0	9 0	10 0		12	Y.
60,00,000	62,41,568	1,00,25,428	35,44,914	—12,16,728	J. P. Srivastava & Sons (Rampur).	34,532	600	Raza Textiles	7 8N	10	*Nil*	*Nil*	*Nil*		12	Y.P
15,96,000 / 10,143	1,80,56,917	3,13,49,031	2,05,07,227	—1,65,20,798	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	1,400 / 500	1,000 / *Nil*	*Nil*	*Nil*	*Nil*		3	Y.P.
85,69,700	17,10,000	81,44,272	65,63,318	1,09,148	H. N. Pallegar, Esq.	31,668	202	Sri Krishnarajendra Mills ..	109	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,380	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			3	Y.
15,00,000	3,43,80,155	99,02,183	79,63,780	30,60,553	Birla Brothers, Private Ltd. ..	30,560	1,242	Sutlej Cotton Mills	106N	10	4 0	5 0	6 0	6 0	3	Y.
17,50,000 A / 7,50,000 PO	2,30,00 000	4,54,40,847	1,70,63,159	1,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	11½ / 10P	100 / O. 0-14 2/5	0 8 / 1-2 2/5	0 12 / 1-2 2/5	0 12 /		12	Y.P.
1,00,00,000	30,14,788	3,80,55,317	2,27,16,775	2,63,771	Escorts & Sons (Travancore), Ltd...	..	..	Travancore Rayons	14½	10	0 8	0 10	0 12		12	Y.P.T.
13,98,670	8,78,332	17,39,181	11,37,856	1,568	Moolji Ramjee & Sons	17,600	..	Trichinopoly Mills	13½	10	0-11 1,5	0-14 2/5	0-14 2/5		12	Y.
21,00,000	34,50,000	71,83,723	40 63,168	56,000	R. K. Chetty & Brothers ..	48,072	870	Vasanta Mills	82½	100	12 0	15 0	20 0		12	Y.P.
82,00,000	34,42,971	1,54,67,122	1,05,10,233	23,125	Bombay Co., Ltd.	46,496	1,331	Vishnu Cotton	138½	100	4 0	1 0	8 0	2 81	12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (5) For six months ended 31st December 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1954.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	11½	5	*Nil*	*Nil*	0 8	0 41	5	Y.P.
15,20,630	20,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	5½	5	0 8	0 8	0 9	0 9	6	Y.
55,49,950	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	28½	A. 15sh. B. £1	Sh. 1 3/5 Sh. 4	Sh. 3 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	Sh. I	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vital Mallya, Esq., (Chairman)	United Breweries	180	75	15 0	15 0	15 0	7 81	3	Y.
CEMENT														
51,27,660	13,05,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,8000 / 4,70,976D	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement ..	0-½ / 1½	O. 10 / D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.T.
12,71,67,253	8,46,99,450	27,75,38,613	9,81,43,675	2,93,968	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	12½	O. 10	1 0	1 0	1 4		9	Y.T.
60,00,0000. / 28,50,0000.	60,02,261	96,09,338	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat) ..	3½	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,0000. D / 62,45,7500.	19,00,000	1,61,41,804	54,02,378	2,97,123	Essen Private Ltd.	India Cements Ltd.	4½ / 30½	D. 1 / O. 25	0-1 3/5 *Nil*	0-1 3/5 1 4	0 2 1 4	2 1	3	Y.P.
7,50,0000 D								D. 5	*Nil*	*Nil*	0 6	0 6 3/5		
67,36,500	31,41,935	1,33,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13½	10	0 12	1 4			12	Y.P.
88,93,275	44,50,000	2,04,39,192	88,59,093	2,78,525	Shree Laxmi Agents Ltd. ..	Shree Digvijay Cement ..	152½	100	5 0	8 0	8 0		12	Y.P.
73,00,000	22,45,000	1,91,72,337	1,45,45,476	41,941	M.	Sone Valley Portland Cement ..	9½	10

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105N	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	23½	10	12 0	14 0	1 6 [illegible]		3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,880	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16½	10	1 0*	0 12*	0 12*	0 11 1/5‡	3,9	H.
1,46,53,500	2,16,71,781	4,58,61,778	1,07,73,862	2,12,435	Birla Brothers Private Ltd...	Orient Paper	33½	10	2 0	0 15	1 2	0 10	3	Y.
1,28,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	16½	10	1 8	1 8	0 10‡		3,9	H.P.T.
20,00,000 }	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10½	O. 10	0 12	0 12	1 4		3,9	H.P.T.
10,00 000 A. }							{ 10½	A. 10	0 12	0 12	1 4	}		
2,13,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	...	10	Nil	Nil	5 0‡	0 8	6	Y.P.
54,00,000A. }							{ 37	A. 10	2 0*	1 8	2 0*	1 2*		
56,04,800B. }	3,61,28,015	5,94,12,293	3,28,98,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	{ 37	B. 10	2 0*	1 8	2 0*	1 2*	3,9	H.P.
4,37,500F.O. }							3½	F.O. 2½	0 4	0 4	0 4	0 2*		
						PRESSING								
3,00,000	6,12,355	215,78,488	11,18,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	Y.
5,00,000	2,47,132	210,91,309	9,30,374	26,289	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0	6 0	6	Y.
						PROPERTY AND LAND								
10,00,750O. }	6,93,333	43,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 13½	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D. }							2½	D. 1	0 4/5	*Nil*	0 9 3/5			
60,00,000	18,07,374	54,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	7½	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,70,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	23	100	1 8	4 0	3 0	*Nil*	4	Y.P.
						SAW MILLS AND TIMBER								
12,00,000	23,05,545	31,61,533	10,73,333	—5,14,537	Bird & Co. Private Ltd. ..	Assam Saw Mills	3½	3	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000 }	4,13,67,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corps.	{ 728½	Old125	15 0	20 0	37 8	11 4‡	5	Y.
43,00,000 }							272½	New50	6 0	8 0	15 0	4 8‡		
6,00,000	.....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	35N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
90,00,000	21,15,487	19,00,295	14,35,560	2,76-619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products... ..	43½	10	2 8	2 12	3 0	1 0‡	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	15,41,237	29,45,224	25,97,928	20,880	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	5½	5	*Nil*	0 12	0 1			
12,00,000A. }	29,18,356	49,46,285	33,16,660	15 50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	{ 145N	A. 100	10 0	10 0			6	Y
2,00,000B. }							14N	B. 10	1 0	1 0			4	Y.
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	103‡	7½	0 12	0 12	0 12		9	Y.
18,00,000	13,90,295	16,40 479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	23,37,230	1,35,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7½	10	*Nil*	0 12	0 4		6	Y.P.
36,00,000	57,83,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	20½	10	2 0	0 12	0 12		10	Y.P.T.
14,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	24	10	1 0	0 12	1 8		8	Y.P.
5,99,455	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	10N	10	1 0	0 12			8	Y.
50,00,000A. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills ..	285N	A. 100	15 0*	15 0*	15 0*		6	Y.P.
10,00,000O. }							100	O. 100	15 0*	15 0*	15 0*			
12 00,000	5,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	65N	80	*Nil*	*Nil*	4 8		7	Y.P.
7,89,100	22,14,058	24,94,612	19,35,833	1,864	Cotton Agents Ltd.	New India Sugar Mills ..	30½N	40	*Nil*	*Nil*	2 4			
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	32N	10	2 8	2 8	2 8		6	Y.P.T.
19,37,800A. }							6	10	0 4	0 4			6	Y.
2,71,875B. }	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	240N	100	20 0	20 0	20 0		8	Y.
77,45,250	52,18,159	1,86,90,445	95,00,000	8,540	Cotton Agents Ltd.		{ 60N	25	5 0	5 0	5 0	}		
13,00,000	15,74,223	23,77,669	19,95,283	65,000	Narang Bros. & Co., Ltd. ..	Oudh Sugar	148N	100	11 0	11 0	11 0		7	Y.P.
9,00,000	17,64,369	37,85,808	20,57,249	5,971	Begg, Sutherland & Co., Ltd.	Punjab Sugar	105N	100	10 0	10 0			7	Y.P.
8,00,000	5,31,129	26,43,262	21,70,524	5,784	M.	Purtabpore Co.	17	10	1 0	0 12	0 12		10	Y.P.
11,39,000	19,35,520	45,29,102	24,12,129	3,554	Begg, Sutherland & Co., Ltd.	Ryam Sugar	22	10	1 0	0 8	*Nil*		10	Y.P.
40,00,000	22,68,560	1,35,20,110	62,59,021	34,046	Sahu Jain Ltd.	Samastipur Central Sugar ..	12	10	0 8	0 8	*Nil*	*Nil*	6	Y.P.
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 12		8	Y.P.T.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros.	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,0000. }						Shri Sitaram Sugar	9½	10	*Nil*	0 8	0 12 4/5		8	Y.T.
4,40,000D. }	46,462	29,66 360	11,46,770	—16,37,907	M.	South Behar Sugar	{ 33½	O. 10	*Nil*	*Nil*	*Nil*		12	Y.P.
8,00,000	21,91,635	95,42,062	57,49,754	82,931	Cotton Agents Ltd.		20½	D. 2½	*Nil*	*Nil*	*Nil*		8	Y.P.
16,00,000	7,66,589	82,69,951	25,68,926	20,554	M.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		10	Y.P.T.
						United Provinces Sugar ..	17	10	0 8	1 4	1 8		6	Y.P
						Other Centres							9	Y.
47,50,000 }	1,94,82,556	3,73,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	{ 11½	O. 10	*Nil*	*Nil*	*Nil*	0 8‡		
2,50,000 }							6N	D. 2½				*Nil*		Y.P.T.
40,00,000	28,25,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd...	Aluminium Industries Ltd. ..	19½	10	1 4	1 4	1 4*	1 4	3	Y.
30 00,000	35,05,079	82,06,026	21,94,951	3,43,961	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	22½	10	1 4	1 4	2 2		3	Y.
20,00,000	8,85 000	38,39,494	20,85,060	1,18,395	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd. ..	20	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	27,47,888	1,01,49,337	39,87,830	82,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	10½N	10	0 3 1/5	0 3 1/5	0 6 2/5		3	Y.P.T.
80,01,400	1,16,53,000	57 47,111	33,97,111	8,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	152	100	20 0*	13 0‡	12 8			
12,00,000	9,10,000	31,37 448	24,05,448	76,830	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	34	10	1 8	2 8	2 4	1 21	6,12	Y.
20,00,000	7,95,430	62,57 994‡‡	.....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.P.T.
45,97,020	80,11,814	1,10,56,424	.....	13,37,839	K. Jullan Scott, Esq. (Mg. Director).	Britannia Biscuits	14½	10	0 8	1 0	1 0	1 0	3	Y.P.T.
2,52,00,000	1,15,11,805	3,52,03,903	2,22,14,167	—27,76,584	Sir Robert Menzies	British India Corporation Ltd.	8-10½	5	0 8	0 1	*Nil*		12	Y.P.
1,88,80,000	17,34,264	2,03,27,282‡‡	.....	12,76,052	Andrew Yule & Co., Ltd. ..	Clive Row Investment	9½	10	0 4 1/5	0 3 1/5	0 9	1 6	3	Y.P.
1,60,00,000	3,14,86,174	5,15,52 036	2,20,82,990	11,71,686	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	26½	10	1 8	1 8	1 8		12	Y.P.
81,25,000	54,12,212	1,42,47,555‡‡	.....	3,05,188	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	129	100	9 0	9 0	9 0		12	Y.P.
14,00,000	10,02,000	33,31,773	18,89,772	27,194	MacNeill & Barry Ltd... ..	Ganges Rope Co., Ltd.	145	100	20 0	15 0	15 0		3	H.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11½	10	7 8	7 8	1 6 2/5		3	Y.P.
30,00,000	14,67,354	31,29,620	23,68,922	7,458	B. P. R. Syndicate	Great Eastern Hotel	225	250	15 0	6 0	6 4	15 0	3	Y.
4,98,05,700	.....	3,94,18,142	1,31,88,541	6,16,062	Birla Brothers Private Ltd... ..	Hindustan Motors	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
1,50,00,000	45,77,754	1,16,74,766	1,74,37,666	8,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	14½	10	*Nil*	*Nil*	9 0		12	Y.P.
1,52,89,220	1,37,00,000	1,99,38,789	71,50,911	82,04,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables Co., Ltd.	22½	10	1 0*	1 0*	1 0*	1 0*	3	Y.P.
8,27,970	6,03,000	16,74,908	9,50,806	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	23½	10	0 12	0 8	0 8	0 10	3	Y.P.T.
15,10,00,000	7,89,12,692	4,15,59,461	1,63,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	14½	10	...	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
2,00,00,000	57,29,566	87,46,556	11,08,843	5,11,852	G. M. Mackinlay, Esq.	Jardine Henderson	75	100	7 8	7 ..	7 8	7 8	3	Y.P.
6,34,0000. }	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	{ 2½	O. 6	*Nil*	*Nil*				
66,0000D. }							2½	D. 1					3	Y.
40,00,0000. }	80,86,900	26,18,92‡	8,72,670	2,57,284	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	205N	O.100	10 0	17 0	24 8‡			
5,00,00D. }							—	D.0.10	0 8	1 8 1/5	1 12		12	Y.P.
1,57,53,000	50,54,276	22,58,051	11,34,226	2,03,456	T. Leslie Martin, Esq.(Mg. Director).	Martin Burn Ltd.	23½	10	1 6*	1 6	1 13*			
1,15,00,000	65,00,000	1,88,37,973	73,00,772	10,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	17	10	1 0	1 0	1 4	1 10	3	Y.P.
6,35,585	1,55,250	7,83,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq. ..	Mysore Glass and Enamel Works	4	10	*Nil*	*Nil*	*Nil*		3	Y.P.
6,56,250	9,18,696	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 2/5	3	Y.
10,00,000	2,18,500	15,84,008	9,41,457	44,513	M. H. Partasarathy Esq. (Chairman).	Mysore Tobacco	12½	10	1 0	1 4	1 0	1 8	3	Y.P.
40,00,000	51,21,172	59,09,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.								8	Y.T.
						National Insulated Cable Co. ..	27	10	1 0	1 0	1 8*			
79,97,000	.....	1,17,52,757	57,19,268	8,99,582	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	*Nil*	0 8	0 12 4/5		3	Y.T.
2,25,00,000	7,25,185	1,53,49,091	40,14,109	—63,99,179	M. P. A. Paspatti, Esq. ..	Rallis (India) Ltd.	33½	100	*Nil*	*Nil*	*Nil*		12	Y.P.
1,72,24,400	1,31,50,208	7,56,34,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	20½	10	1 4	1 8	1 8		8	Y.P.
40,00,000	93,60,594	1,18,78,870	70,99,657	2,10,675	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	16½	10	1 8	1 8	1 8		10	Y.P.T.
75,00,000	54,13,860	17,49,815‡	5,53,635	3,66,280	R. H. D. Campbell, Esq. ..	Shaw Wallace & Co., Ltd. ..	11½	10	1 0	1 4	1 0		6	Y.P.
9,98,380	.....	14,99,289	3,84,580	.....	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
													12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.10 each.

Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	8,70,619	11,34,864	5,38,169	....	McLeod & Co., Ltd.	325	Amluckie	300	100	25 0	72 0	19 0		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	B. K. Kanoria, Esq.	429	Ananda (Assam) Tea	39½	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,21,676	2,32,925	50,526	Gillanders Arbuthnot & Co., Ltd...	437	Ananda Bag	18	10	2 8	8 0*	1 0		12	Y.
5,50,000	11,21,541	17,55,465	7,08,427	36,051	McLeod & Co., Ltd.	513	Baghmari	21½	10	*Nil*	3 8	1 8		12	Y.
5,10,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	27½xd	10	2 8	3 0	1 8		12	Y.
3,30,500	4,65,000	11,68,774	7,12,759	50,293	National Tea Corporation	570	Bateli	28½	5	2 0	4 0	2 8		12	Y.
3,20,000	9,40,000	10,27,063	3,08,925	66,155	Gillanders Arbuthnot & Co., Ltd...	612	Betjan	22½	10	2 8	10 0*	2 0		12	Y.
16,50,000	20,50,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	2,967	Bhalnanth	19½	10	5 8				12	Y.
6,00,000	2,50,000	10,97,919	2,26,068	29,556	Octavius Steel & Co., Ltd. ..	435	Bokakhat	17	10	*Nil*	1 0	*Nil*		12	Y.
7,50,000	7,87,550	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Bormah Jan Tea	19	10	0 12	3 8	2 0		12	Y.P.T.
25,00,000	11,78,302	79,82,234	27,45,021	8,15,711	M.	2,324	Brooke Bond	19½	10	0 8	1 4	4 12	1 4	6	Y.P.
1,20,000	4,25,426	6,44,302	2,17,579	42,144	McLeod & Co., Ltd.	253	Dejoo Valley	47½d	10	1 0	6 0	3 0		12	Y.
6,00,000	9,76,000	27,66,034	17,67,783	46,610	Jardine Henderson Ltd.	1,184	Dessai & Parbutia	300	100	20 0	40 0	10 0		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd.	661	Dhelakhat	21½	10	1 8	2 8	2 8		12	Y.
4,68,970	5,95,000	7,50,451	3,86,404	2,101	M.	646	Dhunseri	21	10	2 0	5 0	2 0		12	Y.P.
4,50,000	7,25,800	14,15,911	6,45,291	58,921	McLeod & Co., Ltd.	458	Dibrugarh	22½	10	1 0	4 0	2 0		12	Y.
2,36,700	6,11,700	11,36,207	5,66,707	98,251	Williamson Magor & Co., Ltd.	623	Dimakusi	27½	10	4 8	5 0	2 0		12	Y.P.
5,60,500	8,82,000	20,32,232	13,35,163	1,89,640	Williamson Magor & Co., Ltd.	615	Dufflaghur	32½xd	10	4 0	5 0	4 0		12	Y.P.
10,00,000	5,50,000	25,74,436	10,10,936	65,711	Williamson Magor & Co., Ltd.	1,151	East India Tea	21½xd	10	2 8	3 8	3 0		12	Y.
5,03,780	3,40,000	9,87,135	4,58,883	18,815	L. C. Kanoi, Esq.	407	Gillapukri	27	10	1 12	3 0	3 8		12	Y.
3,38,000	6,88,000	17,32,156	8,19,156	87,696	Williamson Magor & Co., Ltd.	546	Gohpur	22	10	3 0	5 0	3 0		12	Y.
A. 7,41,540 }	17,32,810	34,59,276	7,39,116	24,898	Octavius Steel & Co., Ltd.	1,910	Grob	{ 20½	A. 5	2 8	3 8	2 8	1 8	12	Y.
B. 3,61,180 }								{ 14½	B. 5	1 8	2 8	1 4			
5,00,000	5,75,000	8,35,391	3,05,660	1,849	Andrew Yule & Co., Ltd.	576	Hoograjuli	28N	10	3 0	4 0	2 8		12	Y.
8,50,000	12,17,715	20,46,352	11,56,556	79,382	Andrew Yule & Co., Ltd.	1,310	Hoolungooree	245	100	15 8	5 8	1 0		12	Y.
58,56,000	54,40,839	.....	.....	72,556	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens ..	11½	10	*Nil*	1 0	1 0		12	Y.
7,50,000	7,25,000	14,55,327	3,31,056	7,568	Gillanders Arbuthnot & Co., Ltd...	945	Jutlibari	25	10	*Nil*	3 8	*Nil*		12	Y.
2,40,000	2,65,000	11,47,520	5,37,250	6,198	G. L. Neogi, Esq.	1,155	Kingler Golaghat (Assam).	280N	100	*Nil*	*Nil*	*Nil*		12	P.Y.
4,80,000	.....	19,29,634	91,729	16,331	Duncan Bros. & Co., Ltd. ..	1,656	Kotamullai Tea	27	5	..	*Nil*	*Nil*		12	Y.P.
6,50,000	11,88,557	10,05,397	3,45,512	1,760	Duncan Bros. & Co., Ltd. ..	636	Ledo	20½	10	2 0	2 12	1 0		12	Y.
10,00,000	9,37,500	20,03,555	3,32,587	54,150	Duncan Bros. & Co., Ltd. ..	873	Methoni	21½	10	1 4	5 8	1 12		12	Y.
4,80,000	30,000	10,09,337	3,43,636	1,317	Duncan Bros. & Co., Ltd. ..	673	Mohoema	24	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,50,000	7,22,434	8,34,459	4,56,995	70,964	Kettlewell Bullen & Co., Ltd.	433	Mothola	410N	100	40 0	65 0	50 0		12	Y.
O. 1,75,000 }	5,05,000	9,67,340	3,56,656	33,401	Andrew Yule & Co., Ltd.	344	Murphulani	O. 27	O. 10	2 8	4 0	1 4		12	Y.
O. 2,50,000 }								{ 29½	P.O. 10	2 8	5 0	1 12			
4,00,000	3,61,274	6,00,838	3,80,669	9,587	S.C. Sen, Esq., Supervising Director	543	Naga Hills	37½	10	3 0	3 0			12	Y.
5,35,000	.....	12,71,401	4,75,621	1,055	M.	1,010	Nambuwadi	28½	10	*Nil*	*Nil*	*Nil*		12	Y.
5,00,000	1,36,000	5,79,872	2,71,566	584	Duncan Bros. & Co., Ltd. ..	987	New Cinnakollah	110N	100	5 0	10 0	*Nil*		12	Y.
2,00,000	7,52,500	7,96,955	3,87,118	21,331	Andrew Yule & Co., Ltd. ..	353	Rajgarh	29	10	2 8	7 8	0 8		12	Y.
5,00,000	4,45,000	10,78,612	5,04,350	4,197	L. C. Kanoi, Esq.	950	Sapoi	29	10	1 8	5 8	1 8		12	Y.
3,49,000	2,90,000	9,08,684	5,02,884	27,939	Williamson Magor & Co., Ltd.	463	Seajuli	29	10	3 0	4 0	1 8		12	Y.
4,50,000	7,80,000	11,93,818	3,97,136	24,533	Octavius Steel & Co., Ltd. ..	527	Teen Ali	25	10	3 0	6 0	2 8		12	Y.
5,98,000	10,73,724	11,17,968	4,13,150	62,549	McLeod & Co., Ltd.	495	Tolojan	35	10	1 0	3 8	1 8		12	Y.
4,00,000	3,35,127	10,28,391	2,77,850	37,738	Gillanders Arbuthnot & Co., Ltd.	516	Tsangpani	40N	10	2 8	6 0*	2 12		12	Y.
19,82,880	11,98,032	37,31,760	15,99,760	85,378	Shaw Wallace & Co., Ltd. ..	2,143	Tuspore	20½	10	2 8	3 8	1 8		12	Y.P.
5,20,000	16,00,250	25,31,257	11,65,400	98,341	McLeod & Co., Ltd.	1,050	Tyrcon	45	10	1 0	6 0	3 0		12	Y.
							CACHAR								
2,00,000	3,40,000	5,20,768	1,79,876	—3,36,155	M.	863	Arentippore	10	10	*Nil*	*Nil*			12	Y.
7,00,000	11,000	7,79,391	73,101	—1,09,081	Octavius Steel & Co., Ltd. ..	840	Eastern Cachar	15½	10	*Nil*	*Nil*	*Nil*		12	Y.
13,50,000	11,62,719	29,90,111	10,97,934	23,310	Octavius Steel & Co., Ltd. ..	1,844	Hattikhura	15½	10	2 0	4 0	0 12		12	Y.
4,50,000	2,50,000	2,32,721	3,274	15,680	Buillon Co., Ltd.	577

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
8,00,000	1,60,000	3,02,380	31,236	23 236	Planting Agencies Ltd. ..	Balmadies Plantations ..	8¼	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21 11 164	49 25 353	4 71 863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar ..	9¾	3	0 12	0 12	0 7 1/5	0 12	5	Y.P.
18,00,000	21,50,000	38,13,155	7,12,058	1,87,191	Cons Coffee Estates (Secretaries)	Coffee Lands and Industries ..	24	10	1 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45 87 750	1,16,65,380	25,13,535	1,12,312	R. C. Paterson, Esq. ..	Consolidated Coffee ..	19½	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	8 47,666	7,58,759	40,878	1,069	Associated Planters Ltd. ..	Cottanad Plantations ..	18½	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce ..	13 3/4d	10	1 4	2 8	2 0	0 10½	12	Y.P.
4,00,000	10,02,899	18,33,825	2 21 341	4,859	A. V. Thomas & Co., Ltd. ..	Kaljetta Estates ..	23/4d	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,88,920	2,80,348	..	K. T. Thomas Kadiamar, Esq. ..	Malankara Rubber ..	2½	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber ..	17½	10	1 8	1 12*	2 8	2 0	3	Y.P.
8,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nennemy Rubber ..	29½	10	0 12	1 8	1 8	..	12	Y.P.T.
2,00,000	7,83,000	7,51,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	16	10	1 0	1 0	1 8	..	12	Y.P.T.
19,45,980	24,00,991	41,10,708	13 34,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4½	2	0 3½	0 9.3.5	0 6 2/5	..	12	Y.P.
3,00,000	9,00,000	42,15,515	5,.2,127	8,082	A. V. Thomas & Co. Ltd. ..	Rajagiri Rubber ..	2½	10	1 12*	1 12*	2 0	2 8	10	Y.P.T.
3,00,000	6,70,359	6,70,359	62,177	71,342	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd. ..	21	10	3 0	2 8	2 0	2 8	6	Y.P.
10,00,000	3,09,600	22,34,273	1,49,011	8,472	East India Agencies Private Ltd.	Teckor Rubber (India) Ltd. ..	9¾	10	0 14 2/5	0 12	1 0	0 14 2/5	11	Y.
5,10,200	3,00,005	8,01,561	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarajully Rubber ..	2*	10	3 0	3 0	3 0	..	3	Y.P.T.
6,00,000	75,491	9,79,479	3,23,517	24,920	Peirce Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 3.0.5	3 0	..	12	Y.P.
41,00,000	14,30,799	76,82,300	8,68,181	3,71,083	Estate Thomas, Esq. (Mg. Director)	Travancore Rubbers ..	21½	10	2 0	2 0	3 0	..	12	Y.
20,00,000	..	27,70,792	6,45,980	27,027	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd. ..	10½	10	1 0	1 8	1 4	..	12	Y.
6,28,580	5,40,670	8,51,483	10,128	40,749	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co. ..	32½	25	3 0	2 0	4 0	..	12	Y.P.T.
6,76,010	97,259	13,34,568	19,198	2,245	Harrisons & Crosfield Ltd. ..	Vaikundam (Travancore) Rubber ..	22cd	10	2 0	2 4	2 8	1 8i	12	Y.
					M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	11¼	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	29,600	B. N. Elias & Co., Private Ltd. ..	879	Agarpara ..	9¾	10	1 0	1 10	0 10	0 4	3.9	H.T.P.
6,00,000	10,25,000	51,65,438	36,93,877	1,38,329	McLeod & Co., Ltd. ..	446	Alexandra ..	180	100	2 8	7 8	8 0	..	6.12	H.P.T.
30,00,000	6,23,000	1 17,81,327	93,76,069	23,103	McLeod & Co., Ltd. ..	1,264	Alliance ..	100	100	5 0	12 12	8 0	..	6.12	H.P.
40,20,700	69,00,000	2,90,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India ..	135	100	12 8	7 8	8 0	3 8	6.12	H.P.
40,00,000	43,17,071	1,78,37,979	92,01,344	11,377	Bird & Co. Private Ltd. ..	810	Auckland ..	87	100	4 0	3 8	10 0	1 0f	3.9	H.P.T.
20,00,000	23,80,918	96,91,416	65,65,094	65,302	Jardine Henderson & Co. ..	959	Bally ..	143	100	4 0	Nil	4 0	Nil	3.9	H.
£275,000	£667,405	£1,47,480	£887,176	..	Sir John H. Burder (Chairman) ..	1,889	Barnagore ..	97½	£5	£1 0	sh. 15	sh. 15	Nil	3.9	H.P.
2,00,00,000	28,00,023	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd. ..	820	Belvedere ..	108	100	15 0	10 0	7 8	Nil	3	Y.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull ..	600	Bengal ..	134	100	1 4	2 8	1 4	Nil	6.12	H.P.
86,00,000	2,17,48,383	3,34,10,402	1,45,32,651	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla ..	15½	10	3 0	1 4	2 0	..	6	Y.P.T.
7,47,380	3,09,940	42,13,704	31,62,683	—3,31 470	Duncan Bros. & Co., Ltd. ..	502	Calcutta Jute Mfg. ..	90	100	10 0	9 0	7 8	Nil	3	Y.P.
18,00,000	20,40,234	87,32,581	43,24,858	1,328	Andrew Yule & Co., Ltd. ..	616	Caledonian ..	118	100	12 0	9 0	6 8	Nil	4.10	H.P.
59,16,400	95,49,238	2,23,08,769	1,11,60,802	10,010	James Finlay & Co., Ltd. ..	600	Champdany ..	126	100	8 0	3 0	10 0	Nil	6.12	H.P.T.
15,95,000	10,83,032	82,12,211	57,10,175	1,357	Andrew Yule & Co., Ltd. ..	530	Cheviot ..	142	100	12 0	10 0	10 0	2 0f	5.11	H.
24,00,000	24,00,000	64,10,068	47,77,446	1,32,949	McLeod & Co., Ltd. ..	500	Chittavalsah ..	114	10	1 12	1 12	1 0	Nil	3.9	H.
31,49,200	46,65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Private Ltd. ..	766	Dalhousie ..	Nil	Nil	1 4	1 4	1 4x	..	5.11	H.P.T.
28,00,000	40,71,679	76,67,475	47,39,110	2,044	Andrew Yule & Co., Ltd. ..	779	Delta ..	90	100	4 0	2 8	4 0	Nil	6.12	H.P.T.
15,00,000	84 50 000	82,62,679	59,80,760	76,204	McLeod & Co., Ltd. ..	500	Elgin ..	124	100	20 0	12 8	8 0	Nil	3.9	H.P.T.
21,00,000	60,60,960	2,70,39,034	1,89,10,108	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster ..	154	10	1 0	1 4	1 4	Nil	5.11	H.P.
21,00,000	13,00,000	97,88,074	54,63,092	1 34 822	Andrew Yule & Co., Ltd. ..	1,014	Fort William ..	312N	100	Nil	5 0	2 0	1 0	6.12	H.T.P.
84,32,100	..	2,11,07,224	1,32,88 825	—2,67,452	Macneill & Barry Ltd. ..	1,709	Gouripore ..	19	10	5 0	20 0	20 0	7½	3.9	H.P.T.
10,80,000	28,00,000	71,52,993	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara ..	56	100	Nil	0 8	2 8	0 12½	3.9	H.T.P.
24,00,000	20,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd. ..	1,394	Gouripore ..	868	100	15 0	Nil	..	Nil	3.9	H.P.
40,00,000	64 68,233	1,14,86,848	56,72,180	3,40,348	Bangur Bros., Ltd. ..	1,078	Hastings ..	106	100	3 12	10 0	15 0	2 8f	12	Y.
16,80,000	16,61,989	66,47,731	47,70,916	—2,95,253	Jaipuria Sons Ltd. ..	720	Howrah ..	106N	100	10 0	10 0	11 8	5 0	3.9	H.P.
49,50,000	5,82,465	1,23,83,629	1,10,34,708	—9 18,218	Peirce, Leslie & Co., Ltd. ..	2,815	Hooghly ..	19½	10	1 4	0 8	0 14	Nil	3.9	H.
52,50,000	27,85,153	2,86,51,559	1,56,51,559	—11,72,341	Jardine Henderson Ltd. ..	1,527	Kankinarra ..	124	10	1 8	1 2	2 0	0 4f	3.9	Y.P.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	Thomas Duff & Co. (India) Ltd. ..	2,013	Kamarhatty ..	20	10	3 0	2 0	2 0	0 10f	3.9	H.P.T.
30,000					M.	1,076	India	123 O.	100	6 4	3 2	4 12	2 0	4.10	H.T.
24,00,000	16,50,000	1,87,65,836	1,24,18,036	86,624	Jardine Henderson Ltd. ..	1,797	Kamarhatty ..	102	100	9 0	8 0	8 0	2 8	4.10	H.
24,00,000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd. ..	1,527	Kanknarrara ..	91½ 'B'	100	7 0	6 0	6 0	1 0	6.12	H.P.
21,00,000	53,00,000	1,22,91,697	83 77,484	1,10 851	McLeod & Co., Ltd. ..	703	Kelvin	77 'B'	100	7 8	6 8	7 0	1 0	6.12	H.P.
54,00,000	23,33,375	1,75,56,983	1,18 60,127	56,928	Anderson Wright Ltd. ..	1,530	Khardah	189	100	15 0	10 0	20 0	17 8	6.12	H.P.
48,00,000	1,08,00,860	2,44 37 244	1,15,00,362	41,0617	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	119	100	17 8	12 0	11 0	5 0f	3.9	H.P.
24,48,000	39,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co. Private Ltd. ..	1,250	Kinnison	137	100	9 0	7 0	13 0	6 0f	3.9	H.P.T.
38,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Private Ltd. ..	1,011	Lansdowne	97½	100	7 0	2 0	7 0	Nil	3.9	H.P.
61,65,200	26,36,045	2,64,13,849	1,26,97,369	1,64,942	M.	840	Lawrence	96	100	6 0	6 0	6 0	Nil	3.9	H.P.
20,98,300	38,40,147	1,84,91,466	1,01 37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	1,283	Megna	69½	100	5 0	2 8	3 12	3 12f	3.9	H.
35,00,000	15 55 000	29 01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naihati	71	100	Nil	Nil	Nil	Nil	3.9	Y.P.
26,25,000	26,25,000	27 71,022	20,34,906	1,029	Andrew Yule & Co., Ltd. ..	852	National	124	10	1 8	1 2	2 0	0 10f	3.9	H.
85,50,000	2,71 44 342	4,29 15,627	96 26,548	1,08,232	McLeod & Co., Ltd. ..	316	Nellimarra Jute ..	20	10	2 0	1 12	2 0	1 12	4.10	H.T.
16,79,880	49,70,146	1,18,50,927	51,63,018	8,71 293	Sahu Jain Ltd.	1,765	New Central† ..	10½	10	1 12	1 8	1 8	1 0	4.10	H.P.
66,79,500	22 24 961	2 18 55 164	1,39,46,311	70,116	Bird & Co., Private Ltd. ..	567	Northbrook ..	19½	10	1 2	1 4	1 8	0 12f	6.12	H.P.T.
24,92,250	23 73 790	75 07 658	17,00,623	1,74,340	Macneill & Barry Ltd. ..	1,093	Nuddea	17½	10	1 8	1 12*	2 8	1 8f	3.9	Y.P.
25,00,000	6 28 490	80,86,437	65,22,166	537	Andrew Yule & Co., Ltd. ..	601	Orient	80½	10	1 8	1 8	2 0	Nil	3.9	H.
20,00,000	2 49 781	26 07 878	8,39,130	51,595	McLeod & Co., Ltd. ..	400	Presidency ..	109	100	12 0	10 0	9 0	1 0f	5.11	H.P.
49,50,000	5,82,465	1,23,83,629	1,10,34,708	—9 18,218	Peirce, Leslie & Co., Ltd. ..	2,815	Rameshwara ..	4½	5	0 2	0 3	305	..	6.12	H.T.
£600 000	£1,095,713	£1,245,214	£58,994	—11,72,341	Jardine Henderson Ltd. ..	1,276	Reliance	5½	10	Nil	Nil	Nil	Nil	3	H.P.
80,00,000	13,12,193	1,04,60,653	75,85,838	4,997	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur ..	8½	10	0 8	Nil	Nil	Nil	3.9	H.P.T.
14,00,000	11,25,000	66,11,704	38,79,294	3,156	Bangaria Sons & Co., Ltd. ..	611	Shree Ambica ..	16N	£1	10%	10%	3%21	..	12	Y.P.
25,19 600	42 72,182	1,27 38,246	63,23,439	—4,87,127	Hindustan Investment Corporation	132N	Soorah	10	10	0 8	1 0	0 8	..	3.9	H.P.
£600,000	£925,119	£1,137,660	..	—4,87,127	Bird & Co., Private Ltd. ..	650	Standard	75	100	2 0	1 0	1 8	..	12	Y.P.T.
35,98,600	88,06,723	2 60,00,808	84 28,958	18,334	Thomas Duff & Co. (India) Ltd. ..	1,704	Titaghur	10½	£1	10%	10%	3%21	Nil	3.9	H.P.T.
£400,000	£686,055	£1,124,819	..	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,826	Union	114	100	5 0	6 0	3%21	..	12	Y.P.
2,50,000	6,85,000	55,98,662	40,23,991	14,518	McLeod & Co., Ltd. ..	457	Victoria	10	£1	10%	10%	3%21	1 0f	3.9	H.P.T.
							Waverley	3½	1	0 1	0 8	0 3	..	12	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19	10	1 0	1 5	1 6	..	3.9	H.
12,00,000	8,77,542	37,37,094	34,00,182	45,399	Jardine Henderson Ltd. ..	Bararee Coke	17½	10	1 6 2/5	1 9 1/5	1 7 1/5	0 9 3/5f	3.9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee ..	6N	10	0 12	0 12	..	..	6.12	H.
1,00,00,000	1,40,49,223	5,01,92,614	3,05,77,326	7,31,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	450	200	32 0*	30 0*	35 0*	..	6.12	H.
2,25,000	4,22,660	24,81,732	22,33,534	..	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	15	10	Nil	Nil	..	..	4.10	H.P.
40,00,000	4,75,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd. ..	Bhalgora	6½	10	0 8	..	..	..	6.12	H.P.
7,15,000	15,11,880	52,62,538	37,38,500	27,433	Sohn & Sons	Bharat Collieries ..	6½	10	0 12	0 10	0 10	..	9	Y.
16,00,000	16,17,036	68,14,856	39,09,941	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulanbararee ..	14N	10	Nil	Nil	Nil	..	6	Y.P.T.
24,00,000	24,29,026	42,39,603	26,53,408	—70,196	Burrakur Industries (Coal) Co. ..	Bokaro-Ramgur ..	114N	10	..	..	..	..	6.12	H.T.
96,92,480	1,79,05,983	4,22,38,647	1,90,16,824	84,207	F. W. Heilgers & Co., Ltd. ..	Borjora	20½	10	2 12	2 0	2 0	..	6.12	H.P.
49,07 750	..	42,33,430	36,16,8	36,168	Bird & Co., Private Ltd. ..	Burrakur	21½	10	0 12	0 10	0 10	..	6.12	H.
8,00,000	13,54,302	49,10,414	32,63,954	9,027	Hindustan Investment Corpn., Ltd.	Central India ..	6½	10	0 4	0 4	0 4	0 5f	6.12	H.P.T.
6,00,000	1,43,676	7,28,436(k)	..	2,129	M.	Central Kurkend ..	12N	10	1 2	..	..	0 8	3	Y.
16,00,000	..	53,81,704	29,81,276	—1,83,318	F. W. Heilgers & Co. Private Ltd.	Churlia	2½	4	0 2	..	..	..	6.12	H.
£240,000	£380,553	£970,695	£731,579	£58,922	Macneill & Barry Ltd. ..	Dhemo Main ..	6½	10	Nil	0 2	0 1f	..	6.12	H.
2,03,760	83,55,049	4,04,51,377	2,89,25,065	82 379	Jardine Henderson, Ltd. ..	East Indian	27¾	£1	2 8	Nil	Nil	..	6.12	H.
10,00,000	2,15,000	10,76,864	7,90,000	82,379	Macneill & Barry Ltd. ..	Equitable	25½	10	2 8	2 8	3 0	2 8	6.12	H.
12,00,000	1,22,000	41,35,247	23,43,143	11,273	Bhattee's Agency Ltd. ..	Ghusick and Mualia ..	13½dN	10	1 8	1 8	1 8	..	4	Y.
8,00,000	7,25,000	22,07,121	18,29,341	1 144	Killick Industries Ltd. ..	Himgir-Rampur ..	41½	10	0 8	0 8	0 8	..	6.12	H.P.T.
22,00,000	1,12,060	24,74,412	6,18,546	45,985	Macneill & Barry Ltd. ..	Hurriladih	21	50	3 0	Nil	..	..	3	Y.
3,50,000	3,45,579	13,54,857	7,23 658	—5,57 203	Andrew Yule & Co., Ltd. ..	Jagata Coal	1½	10	1 8	1 12	2 4	2 4	6	Y.P.
20,00,000	1,77,175	28,89,683	4,65,140	6,965	Andrew Yule & Co., Ltd. ..	Kalyanbari	22½	10	Nil	Nil	2 8	5 0	6.12	H.
5,00,000	16,60,000	46,77,533	26,47,995	1,33,474	Bird & Co., Private Ltd. ..	Karanpura Collieries ..	105	10	2 12	Nil	Nil	..	12	Y.P.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Andrew Yule & Co., Ltd. ..	Katras Jheriah	53½xd	10	Nil	Nil	Nil	..	2.3	H.
11,00,240	2,00,000	13,13,208	9,66 219	81 201	Heriwala & Co.	Khas Kajora	24½	10	4 0	4 0	5 8	5 0	2	Y.P.
9,00,000	11,86,413	26,09,268	22,97,987	2,255	H. V. Low & Co., Ltd. ..	Kuardi	2½N	10	Nil	Nil	..	..	1.7	H.
7,48,240	2,00,000	13,13,208	9,66 219	81 201	H. V. Low & Co., Ltd. ..	Lakurka	10N	10	Nil	Nil	..	..	6.12	H.P.
7,00,000	26,000	10 32,740	5 20,205	4,560	Tantia Brothers Ltd. ..	Nuira	6½	10	0 8	0 8	..	..	6	Y.
17,76 230	20,01,763	1,19,78,853	88,63 166	94,393	Andrew Yule & Co., Ltd. ..	Amritlal Oiha & Co., Ltd. ..	8½	10	0 8	0 8	0 8	..	4	Y.
6,00,000	75,000	33,00,471	21,20,197	70,222	Andrew Yule & Co., Ltd. ..	New Banadeopur ..	8N	10	0 12	1 4	..	..	12	Y.
1,15,000	26,015	1,12,819	..	..	Gestetner Steel & Co., Ltd. ..	New Beerbhoom ..	14½	10	1 0	1 4	1 0	..	12	Y.
1 57 500	2,85 193	13.07 219	8,64,731	15 950	Andrew Yule & Co., Ltd. ..	New Manbhoom ..	10½	10	Nil	Nil	Nil	Nil	4.10	H.P.
7 50 000	12,21 858	5,17,866	3,97,866	55 646	F. W. Heilgers & Co. (Private) Ltd.	North West	17½N	10	0 4	Nil	1 6	0 12f	3.9	H.
10,00 000	1,15,000	39 70,662	17,90,658	3,809	K. C. Thapar & Bros. ..	Ondal	10N	75	0 4	Nil	1 0½	0 9f	3.9	H.
8 34,000	10,662	17,52,137	8,80,795	8,018	Oriental Coal	Parasea	14½	10	2 0	1 0	1 0	..	6.12	H.P.
15,75,000	16,00,000	47 72,275	35,30,275	33,343	Deepchand Kishenlall ..	Pench Valley	19½	10	0 6	0 8	..	..	12	Y.
23 99 500	20,17,105	1,24,35,588	87,36,104	23,188	Shaw Wallace & Co. Ltd. ..	Ramegunge	9½xd	10	1 10	7 12	..	..	6.12	H.P.
13,50,000	8,53,355	35,38,765	27,73,764	28,521	H. N. Elias & Co., Private Ltd. ..	Rewa	21	10	1 10	1 10	1 8	..	6.12	H.
20,00,000	2,90,000	44,23,585	18,73,118	2,20,175	Shaw Wallace & Co., Ltd. ..	Sanla Collieries ..	14N	10	2 0	0 10	0 10	0 6	3.9	H.
2 50,000	1,95,802	13,78,480	12,21,237	21,070	Jaipuria Sons Ltd.	Searsole	21	10	1 6	1 6	0 14	..	3.9	H.
2,80,000	8,36,593	29,99,490	19 07,296	49,299	Bainath Bajoria	Seebpore	6N	10	0 8	0 12	1 0	..	6.12	H.
8,00,000	5,21,269	52,491	28,367	7,503	Andrew Yule & Co., Ltd. ..	Sendra	24½xd	10	0 10	0 10	0 12	..	12	Y.
63,21,450	23,77,474	4,72,97,817	3,17,80,286	7,310	Barjorji Nankisseindas ..		9N	7	1 12	2 0	2 8	..	1	Y.
					M.			10	Nil	2 0	2 0	0 4	6.12	H.P.
					Industrial Trust Fund (Government of Hyderabad)								6.12	H.T.
17,50 000	10,84,016	37,86,103	15,14,990	—51,533	Bird & Co., Private Ltd. ..	Singareni	10½	10	Nil	0 11 1/5	0 12	..	12	Y.T.
8,00 000	13 60,395	1,69 570	26,510	17 347	F. W. Heilgers & Co. (Private) Ltd.	South Karanpura ..	10½N	10	0 4	0 8	0 2	..	2.8	H.
10,00 000	12 950	30,82,299	15 43,502	—4,07,745	Standard	Vijliers Ltd.	2½	10	2 0	1 8	1 0	..	6.12	H.
2,50,000	2,80,000	20,47,944	15 85,944	—9,659	Tatelier	Willamson Magor & Co., Ltd. ..	2½	2½	Nil	..	..	..	9	Y.
49,98,000	67 684	55,66,550	22,00,000	7,262	Union	Western Bengal ..	14	10	1 12	0 12	Nil	..	6.12	H.
7,00,000	21,569	56,46,871	23,81,698	—1,46,650	Williamson Magor & Co., Ltd. ..	West Jamuria	5½	10	0 6	0 6	0 8	0 8	3	Y.
					Macneill & Barry Ltd. ..		11	10	Nil	Nil	Nil	..	6.12	H.

M—Managed by the Board of Directors. ‡ Less income-tax. z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (c) For seven months ended 31st March 1954.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
‡—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

HIGHER DEFENCE SPENDING—CRUX OF U.K.'S PROBLEM

BANK CHAIRMEN URGE CUTTING COAT ACCORDING TO CLOTH

IT is no exaggeration to say that the economic situation now facing Britain is the severest, if not disturbing, witnessed in recent years. This view is shared in public by a number of eminent practical economists and bankers; for it is no more possible to hide the underlying weakness of the economy. No less a man than Mr. Thomas D. Barlow, Chairman of the District Bank Ltd., has forthrightly voiced the opinion in his annual statement to the shareholders that, though the country has muddled through the recurrent troubles of recent years because the difficulties with which it had to contend were not formidable enough to reveal the hidden deficiencies in the economy, the present situation is of so stern a character that it has ruthlessly exposed the accumulated internal weaknesses as well as external dangers. Thus, the impact of the Suez trouble, which has laid bare the most serious weaknesses of the economy, was reflected in the catastrophic fall in the gold and dollar reserves which more than wiped out in one month the painful gains of the first ten months of the year. As a consequence, the economy has received a grave setback. Inflationary forces have gained further momentum with imported food and raw materials becoming dearer, and freight and transport charges growing higher, forcing, in turn, a rise in the cost of living and wages. Moreover, profits of industries have begun to decline, affecting adversely the attitude towards development plans. The Bank Rate continues to be high, accompanied by credit squeeze, and also, paradoxically, by high Government spending. In the external field, sterling has been subjected to unprecedented pressure at a time when the world's faith in it was being gradually restored after the 1949 devaluation, calling for the repetition of the extraordinary measures resorted to during the war in order to fortify the pound sterling. But is it possible, in

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,03,00,000	12,42,652	Allahabad Bank	360	100	18 0	18 0	18 0	9 0	12	Y.P.
14,50,000				180	50	9 0	9 0	18 0	9 0		
1,01,000	15,40,000	2,46,650	Andhra Bank	120	100	6 8	7 8	6 8	3 12	6,12	H.
83,5,600				86	70	3 4	3 12	4 8 4/5	2 10		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	104	50	6 0	6 0	6 0	3 0	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	22½	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,60,00,000	29,29,924	Bank of India	140	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
50,00,000 'A'				136½	50 'A'	...	...	...	...		
15,30,375	28,00,000	60,636	Bank of Indore	52N	25	1 8	3 0	3 8		12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	39½	50	16 0	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	249	100	2 8	16 0	16 0	8 0	12	Y.
61,21,700	68,73,013	10,069	Bombay State Co-operative Bank	52N	50	4 8	2 8	2 0		12	Y.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	6 0	4 8	6 0		6	Y.T.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80	50	3 0	5 0	5 0		12	P.Y.
2,62,11,375	4,01,81,217	18,40,359	Central Bank of India Ltd.	80½	50	3 0	5 0	5 8½		12	Y.P.
'A'				56½	25	3 0	3 0	3 0	1 8½		
82,42,375				59½	25	2 0	3 0	3 0	1 8½	12	R.L.Y.
50,00,000	34,50,000	2,13,141	Devkaran Nanjee Banking Co.	42	50	4 0	2 0	3 0	1 8½		
1,50,00,000	1,00,00,000	25,77,148	Habib Bank (P)	72N	20	1 8	4 0	2 8	3 0	12	Y.
50,00,000	29,75,000	1,62,000	Hind Bank	35	50	Nil	1 8	4 0		12	Y.
1,25,00,000	18,43,000	16,019	Hindustan Commercial Bank	9½	50	Nil	Nil	3 0	3 0	12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	13	50	5 0	Nil			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	86N	100	12 0	6 0	5 0		12	Y.
24,00,000	79,75,000	1,45,140	Indian Bank	269	100	10 3½	12 0	12 0	6 8½	6,12	R.L.H.
18,00,000				158	95	7 3½	10 3½	10 12½	6 2½		
18,20,000					75	6 0	7 8½	7 12½	4 8½		
49,19,875	80,00,000	2,28,299	Indian Overseas Bank	159	100	Nil	6 0	7 8		12	Y.
2,25,000				42½	100(A)	Nil	Nil				
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	10½	25(B)	3 0	Nil			6,12	H.
10,00,000				20	50(C)	2 0	Nil				
87,50,000	97,50,000	2,35,108	Punjab National Bank	58	25	0 10	3 0	3 8	2 0	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	16½	25	0 5½	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	7½	5	2 0	0 5½	0 6		12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	59	50		2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,875	Chartered Bank	£1-17-6	£1	14†	15†	15†	8†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6½	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $123,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	$92	H.K. $125	5*	5*	5*	2*½	12	Y.
$18,565,070 'A'	£15,000,000	£558,006	Lloyds Bank	£2-11-0	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A'				£3-6-6	A £2½	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£3-18-6	B £2½	14†	14†	14†		12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†			
£2,351,563	£3,104,687	£342,158	National Bank of India	£1-0-9	sh. 12½	16†	15†	15†		12	R.L.Y.

$ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Hannuggar Cane & Sugar Co., Ltd.	1936	99½	30th Decémber .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
25,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	86½	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	93½	30th June .. 1959
20,00,000	4½	30 th June and 31st December	Burrakar Coal Co.	1947	91	30th June .. 1957 (e)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1958(e)½
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	88	30th April .. 1954
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	95½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1953	99	1st March .. 1972(a)
12,85,000	5½		Jayshree Textiles	1949	90N	1st January .. 1956-59
29,90,000	6	1st June	Tata Mills	1951	99½	.. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(e)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1954(e)
2,32,89,400	5	30th June and 31st December	Calcutta Electric Supply Corporation Ltd.	1950	90½	1st October .. 1970
25,00,000	4	1st January and 1st July	Gourepore Electric Supply Co., Ltd.	1946	85½	31st December .. 1970
15,00,000	5	15th January and 15th July	Sijua (Dharriah) Electric Supply Co., Ltd.	1951	96	1st April .. 1976(e)
4,95,000	5½	31st March and 30th September	South Madras Electric Supply	1940	97½	15th July .. 1957-61
1,00,000	5½	3rd April and 3rd October	South Madras Electric Supply	1939	94	1st October .. 1960-64
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94½	30th September .. 1958-63
47,73,000	5	1st April and 1st October	Tata Power	1940	94	1st July .. 1956-61
2,50,00,000	4	1st April and 1st October	Tata Power	1940	103	1stJuly .. 1970
			Tata Power		88½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100½	1st July .. 1957-62
61,46,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	89†	31st December .. 1956(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st December .. 1960(e)
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(e)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97½	31st March .. 1959
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1940	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,69,000	5½	30th June and 31st December	Chhatrisah Jute Mills	1951	96	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1951	94½	15th January and 15th July .. 1960(e)
6,86,000	5	15th January and 15th July	Empire	1951	94½	15th July .. 1960(e)
25,00,000	5½	1st January and 1st July	Fatehchand	1947	92½	30th June .. 1957
80,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	97½	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96½	31st December .. 1964
35,00,000	5½	30th June and 31st December	Naihati	1953	98	31st March .. 1964(e)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92	14th May .. 1967(e)
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1959
8,00,000	4	30th June and 31st December	Prestleigh	1948	91	30th June .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1951	96	30th June .. 1958
8,00,000	4½	14th March and 14th September	Scorah Jute	1950	91	4th September .. 1965(e
12,00,000	4½	30th June and 31st December	Union	1937	96	14th December .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1927	98½	30th June .. 1957
					87½	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1958†
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	56½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1932	67½N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal- Lalabazar Railway	1945	90½	31st December .. 1959(e)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	55½N	Any time on six months'
4,33,36,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96	notice (e) .. 1968
						1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102†	1st July .. 1957-62
12,50,000	5	31st March and 30th September	Nilgiri Tea		100†	1st April .. 1958-68†
1,89,700	5½	31st March and 30th September	Teakoy	1944	100	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	96	31st December .. 1962
4,00,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	5½	31st March and 1st September	Burmah-Shell	1954	100½	1st September .. 1964-69(a)
3,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102½	1st October .. 1970
£1,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89½	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1945	87½	15th September .. 1960
1,80,00,000	5	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	.. 1960
1,00,00,000	5½	1st January and 1st July	Dunlop Rubbe. Co. (India) Ltd.	1950	100	1st January .. 1971(e)††
17,75,000	5	15th March and 15th September	Indian Cable Co., Ltd.	1954	101½	30th June .. 1959(e)‡
38,08,500	4	31st March and 30th September	Mettur Chemical Industries	1949	95½	.. 1966
45,00,000	6	30th June and 31st December	Martin Burn Ltd. (Convertible Notes)	1946	525	30th September 1976(g)
			McLeod & Co., Ltd. (Convertible Notes)	1947	470	31st December .. 1972(g)
					(per note)	
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	89N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100½	30th June .. 1965-70
1,00,000.00	5½	31st March	Orient Paper Mills Ltd.	1951	96½	31st March .. 1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101	1st May .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1968, on six months' notice. †† Option to repay at par on 3 months' notice, on or after 1st January 1961

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th January, 1957

	Closing quotations 17-1-1957	High	Low	Closing quotations 24-1-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Alum. Adv. (100)	180	—	—	180
Apollo (2)	2½	2-10½	2-0½	2½
Bombay Dyeing (250)	565	585	562½	578½
Bradbury (50)	230	231½	230	231½
Central India (100)	125½	127	124½	126½
Century Mills (100)	495	515	494	512
Colaba (100)	80	—	—	75
Edward Textile (200)	310	—	—	310
Elphinstone (50)	50½	—	—	51
Finlay (100)	313	316	312	314
Gokak (100)	225	227½	223	227
Ind. Untd. Defd. (1)	1-13½xd	1½	1-13½	1-13½
Ind. Untd. Ord. (10)	11-0xd	11-3½	11-0½	11
Indore Malwa (100)	141½	144½	141½	142½
Khatau (100)	224	225	223½	224½
Kohinoor (100)	329	335	327½	331
Lakshmi (250)	680	—	—	680
Minerva Mills (100)	90	90	87½	87½
Model Nagpur (250)	175	180	170	180
Morarji (100)	261½	—	—	261½
Mysore (50)	102½	—	—	102½
National Rayons (100)	242½	247½	241½	245½
New Delhi (100)	145	147½	146½	147½
New Great (100)	241	—	—	241
Phoenix (100)	145	147½	145	147½
Podar Mills (100)	168½	—	—	168½
Sassoon Silk (10)	9½	—	—	9½
Sassoon Spg. (10)	40	—	—	40
Sholapur (1,000)	1,450	1,450	1,400	1,400
Shrinivas (100)	196½	196½	193½	193½
Siddhi (100)	184½	186	184	184½
Svadeshi (100)	445	447½	443½	445
Swan (100)	238	238	233½	234½
Tata Mill (25)	41½	—	—	41½
Vishnu (100)	50½	52½	50½	51½
Western India (1,000)	138½	147½	138½	147½
	5,180	—	—	5,180
BANKS				
Bank of India (50)	142	142	140	141
Do. (New) (50)	138½	141	138½	141
Bank of Baroda (50)	104	104	103½	100½
Central (25)	56	56½	56	56½
Central 'A' (25)	60½	60½	59½	59½
Dena Bank (50)	42	—	—	42
Punjab National (25)	56	58½	56	58
Union Bank (5)	7½	7-8½	7½	7-8½
United Com. (50)	59½	60	58	58½
ELECTRIC COS.				
Ahmedabad (100)	95½	97½	95	97½
Amalgamated (10)	10½	—	—	10½
Andhra Valley (1,000)	1,220	1,232½	1,220	1,232½
Bom. Sub-El. (100)	109½	109½	108½	109½
Surat (100)	111½	—	—	112½
Tata Hydro (100)	124	126½	124	125½
Tata Power (1,000)	1,237½	1,255	1,235	1,248½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	350	—	—	350
Ind. Mercantile (20)	41	42	41	41
Jupiter (15)	6½	—	—	6½
New India (15)	44	45	43½	44
Oriental (200)	3,655	—	—	3,655
Universal (10)	11½	—	—	11½
Vulcan (10)	16½	—	—	16½
STEEL COS.				
Ind. from (10)	28½	30½	28-9½	29½
Tata Steel Ord. (75)	176	183½	175½	181
SUGAR COS.				
Belapur (50)	233½xd	235½	232½	234
Bhopal (10)	19½	19½	17	19½
Phaltan (50)	147½	151	147½	150
Walchand Ind. (100)	266½	268½	266½	268½
CEMENT COS.				
Associated Cts. (100)	183½	187½	183½	185½
Dirvlay (100)	163	163½	152½	162½
MISCELLANEOUS				
Alcock Ashdown (100)	273½	278½	271½	276½
Bom. Burmah (125)	690	731½	686	725
Do. (New) (50)	262½	276	262½	272½
Br. B. Petrol (4 sh.)	2½	2-14½	2½	2-13½
Bt. I. Corpn. (5)	8½	8½	8½	8½
C. P. Riy. (100)	71	—	—	71
Indian Copper (2sh.)	3-11½	3-12½	3-11½	3½
Ind. Iron. Tr. (100)	70	76	70	70
Kemp (200)	190	—	—	190
Killicks (100)	166	168	166	168
Peninsular (50)	160	—	—	160
Port Canning (100)	73	—	—	73
Pre. Automobiles (100)	105½	107½	105½	106
Sponge Iron. (30)	188	192	185½	187
Scindia (20)	18-9½	19½	18½	19½
G. E. Shipping (10)	18½	19½	18½	19½
Shivrajpur (10)	88	91	87½	90½
Tata Chemicals (10)	164	164	162½	163½
Tata Locomotive (100)	157	159	152½	155½
Tata Oil (25)	46	48	46	47
W. I. Match (100)	170	172½	170	171

GOVERNMENT SECURITIES	18-1-1957	Gross Yield Earlier Redemption	Later Redemption	24-1-1957
	Rs.			Rs.
2½% 1961	93½	—	4.12	93½
2½% 1960	96½	—	3.82	96½
2½% 1962	93½	—	3.95	93½
2½% 1976	85½	—	3.93	85½
3% 1957	99½	—	4.03	99½
3% 1958	99½	—	3.88	99½
3% 1959–61	97½	3.95	3.97	99½
3% 1964	94½	—	3.94	97½
3% 1965–66	94½	4.13	3.96	94½
3% 1966–68	92½	4.03	3.86	94½
3% 1970–75	86½	4.33	4.02	92½
3% 1986 Con. Loan	73½	—	4.02	86½
4% 1960–70	100½	3.78	4.08*	73½
4½% 1955–68**	103½	3.60	3.93	100½
3½% 1961 N.P. Bonds	99½	—	4.21	102½
3½% 1964 N.P. Loan	98½	—	3.68	99½
3½% 1965 N.P. Loan	96½	—	3.77	98½
3½% 1962	97½	—	3.75	98½
3½% 1967 N.P. Bonds	98½	—	3.70	97½
3½%1974	98½	—	3.68	98½

BRITISH GOVERNMENT SECURITIES

	Closing quotations 14-1-1957 £				Closing quotations 21-1-1957 £
2½% Brit. Consols	51½	—	—	—	55½
3% Savings Bonds 1965-75	75½xd	—	—	—	76½
3½% War Loan 1955-59	95½	—	—	—	95½
3½% War Loan	73½	—	—	—	74½
4% Victory Bonds 1976	91½	—	—	—	93½
4% Funding 1960-90	89½	—	—	—	90½

*Current Income. x.d.—Ex-dividend. **Rupee Counterparts. x.r. Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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PROTECTION FOR AUTOMOBILES—I

THE Tariff Commission has done full justice to the problem of improving the economics of the automobile industry, though its findings and recommendations have brought little relief to consumers. After some unsuccessful attempts to tackle it, the Commerce and Industry Ministry thought it better to transfer the task to the Commission. This was done on 6th August 1955, twenty-six months after an entirely new policy had been announced by the Government on the basis of a comprehensive inquiry conducted by the Commission into the affairs of the industry in 1952-53. It will be recalled that it was under this policy that the two foreign assemblers, Fords and General Motors, had to cease their operations in this country and that opportunity was given only to those concerns that were prepared to undertake progressive manufacture of motor vehicles. That it was found necessary to order a fresh inquiry within so short an interval was the result of Government's exaggerated hope that the domestic producers-*cum*-assemblers would be able to sell their cars at lower prices. The hope did not materialise and consumers were naturally disappointed. At the same time, at least one of the manufacturers—Hindustan Motors—bitterly complained that the selling price of its car was uneconomic and that it should be permitted to raise it. Confronted with this demand, which was not unreasonable as events have shown, and disappointed at the failure of its expectation, the Government remitted the case to the care of the Commission. The latter was asked to fix fair prices for manufacturers and consumers, as well as to make a comprehensive review of the industry again. The Commission has handled this twofold task in a commendable manner, with the assistance, albeit for a short period, of a British automobile expert, whose services were secured under the Colombo Plan.

The Commission's appraisal of the industry's affairs has been thorough and painstaking. It has reported its findings in a candid manner. It has not hesitated either to criticise or to commend where such was due. It has endeavoured to protect the interests of consumers from their long-range and national points of view. That is the consolation consumers can have for not getting any relief in the price of cars or for having to pay a slightly higher price for one of the light cars, namely, the Hindustan Landmaster. On the whole, the Commission's report gives the impression that the job has been done in as impartial a manner as is humanly possible in the prevailing circumstances. The Government, too, it must be said to its credit, has done well in accepting the Commission's findings and suggestions, except in one or two important respects. On the last occasion, that is, in 1953, however, it modified the Commission's proposals in good many respects. Subsequent events have not borne out the Government's wisdom in full. It is gratifying to find that the Government has been wiser this time.

The Commission's findings on the main question of prices show that, though consumers have been paying for automobiles prices higher than those in advanced Western countries, no manufacturer has exploited them, taking advantage of the protected market. The margins between the current net dealer prices and the ex-works costs of the vehicles produced by the approved manufacturers have not been unreasonable, in the case of any model of car or truck, except diesel trucks produced by the Premier Automobiles, to some extent. The latter has already been directed to reduce the price of these trucks. In the case of Hindustan Landmaster, the ex-works (or net dealer) price per car has actually been Rs. 833 less than the ex-works costs. The Commission, however, found that the dealers' margins were higher than necessary and, therefore, recommended a reduction in them. It proposed that the dealers' commission should be Rs. 1,000 per vehicle or 10 per cent. of the ex-factory price, whichever is lower, for passenger cars and jeeps and Rs. 1,000 per vehicle or 7½ per cent. of the ex-factory price, whichever is lower, for trucks, buses and other commercial vehicles. The dealers, however, complained that this reduction would tell on their capacity to render efficient service facilities. The Government, as a compromise, has decided that the dealers' commission should be fixed at the percentages mentioned by the Commission, but without the monetary ceiling of Rs. 1,000 per vehicle. This decision may give some relief to consumers, but, as manufacturers have been given the freedom to vary their prices, subject to Government's previous consent, not much benefit will accrue to them. On the contrary, Hindustan Landmasters will cost a thousand more per car, as a rise of that order is justified by the Commission's inquiry into their cost of production.

On the last point, namely, manufacturers' freedom to fix a reasonable price, the Government has needlessly modified the Commission's recommendation. After a careful study of the problem, the Commission came to the conclusion that a rigid system of price control was likely to have adverse repercussions on the development of the industry. It, therefore, recommended that the interests of consumers could be adequately safeguarded by replacing the present system of price control by a more flexible system. Under this system, no maximum prices are to be fixed

could on the basis of its findings. This is not surprising, because no bureaucracy ever wishes to surrender its rights and this is much more so in a socialist State.

In another important respect also the Government has modified the Commission's recommendation. After examining the working of protection to the industry through import duties as evolved in 1953, the Commission came to the conclusion that it did not provide adequate incentive to manufacturers to proceed with their manufacturing programmes. On the contrary, it penalised the manufacturer who took the trouble of making in this country as many components as possible and conferred a bigger margin of profit on the one who went slow with the programme of progressive manufacture and continued to stay mainly as an assembler. The Commission has given enough data to prove this point. The Hindustan Motors Ltd., for instance, has been making a smaller profit than the Premier Automobiles Ltd. mainly because it has made much greater advance than the latter in implementing the manufacturing programme. It will be recalled that, in 1953, the Commission recommended, and the Government accepted the suggestion with some modification, that the import duties on components should be brought down in order to lower the cost of vehicles in the building of which a very large number of imported parts was used. Of course, while recommending this system of protection, the Commission was aware of the possibility that progressive manufacture of components might result in higher cost of vehicles and, therefore, lower profits, but it took the view that this adverse factor might be neutralised by the larger volume of demand which was expected to result from its recommendations regarding import arrangements and heavy burden of taxation and other measures that are having an inhibiting effect on the offtake of motor vehicles. Actual events, however, have not fully justified its expectations. Although the offtake of cars has increased in the past five years, the cost of manufacture too has gone up very appreciably.

The State Governments have done nothing to reduce the burden of taxation on motor vehicles and the Central Government also has taken no effective steps in this direction. Some gain has been made in reducing the rigour of the other measures that are restraining the demand for cars, but it is not appreciable. The import control, too, has not been administered in such a manner as to provide adequate incentive to manufacturing activity. Again, the Central Government itself departed from the policy indicated by the Commission and gave licences to two more manufacturers, thereby increasing the number of those who are predominantly assemblers. Three of the other manufacturers, who were already in the field, have also been defaulting in their manufacturing programme for some reason or other. All this has aggravated the trend under which it is more profitable to import automobile components than to manufacture them. In order to arrest this unfortunate trend and to encourage the manufacture of components, the Commission recommended a judicious readjustment of import duties. It proposed a higher level of duties on the import of those components which should have a higher order of priority in the manufacturing programme as, for instance, the engine, transmission and axle, and a lower level for those components which are on a lower order of priority. This sensible rearrangement of duties, designed to speed up the manufacture of cars and commercial vehicles in the country, has failed to evoke the Government's consent. Giving its reasons for not implementing this proposal of the Commission, the Government says:

"Government recognise the force of the point made by the Commission that the existing rates of duty are inadequate for protecting the industry. They feel, however, that a change in tariffs as recommended by the Commission is not particularly necessary at this stage, having regard to the fact that the domestic industry is sheltered to a very considerable extent by restrictions on imports. It is Government's intention, and the Tariff Commission also has recommended such a course, that, in the grant of import licences for components, special weightage should be given to firms, which show the maximum progress in indigenous manufacture, while firms that lag behind the programmes, which they have given to Government, should be penalised. Government, therefore, propose, instead of making any changes in the tariff at this stage, to convert the existing revenue duties into protective duties and this will enable them to change the tariffs on these components, if at any time such a course appears to be essential."

The aforesaid line of reasoning is not convincing, for the administration of import controls hitherto has not been such as to inspire confidence that it will work any better in future. It is, however, gratifying to be told that the Government appreciates the force of the Commission's contention and would follow the course advocated if the situation warranted it.

Excepting on the two issues discussed above, the Government has concurred with all other recommendations of the Commission. The most valuable of these are: protection for the industry to continue for a period of ten years and no more new manufacturers to be allowed to enter this industry, so that all future expansion in the demand for automobiles may be met by existing manufacturers. By accepting these important suggestions, the Government has demonstrated its desire to see established in this country a strong automobile industry. This should sustain the hope of automobile manufacturers, whose lot is by no means enviable today, that better days are bound to come.

SHIPBUILDING

INDIA is in the unenviable position of having to pay a heavy penalty for its past neglect of shipping and shipbuilding. The scope for progress in both operating and building ships is immense, but it now finds that, while ships are not easy to obtain from the world's shipyards, which are booked for a long time ahead—almost till April 1961—its only shipyard, owned by the Hindusthan Shipyard Private Ltd., Visakhapatnam, is still unable to meet even its modest needs for ships. Lack of steel and cement, difficulties of obtaining imported equipment which goes into the building of ships and paucity of trained personnel are factors which still dog the progress of the Visakhapatnam shipyard. The sooner these impediments are removed, the quicker will be the pace of progress of the Shipyard, and brighter will be the prospects of establishing the contemplated second shipyard.

Although the Shipyard is thus unable to meet the country's shipping needs, it is gratifying to note that some notable progress has been achieved in recent years. Reviewing the progress of the Shipyard, at its recent annual general meeting, held at New Delhi, its Chairman, Mr. N. R. Pillai, pointed out that the year 1955-56 witnessed the completion of the first two of the new series of modern diesel ships which the Shipyard was building. The third ship of the same design was delivered in May 1956. The *State of Kutch*, built for the Eastern Shipping Corporation and delivered in November 1956, is the largest the Shipyard has built so far. The first passenger-*cum*-cargo ship, the *Andaman*, to be built at the Shipyard, is now being fitted out. The Shipyard has also started work on a mooring vessel, the first naval craft to be built by it for the Indian Navy. The total value of production in 1955-56 was Rs. 247.92 lakhs, as compared with Rs. 210.84 lakhs in the previous year. In the absence of the text of the annual report and accounts, it is difficult to offer any comment on the results of the Shipyard's working. It may, however, be mentioned here that the total paid-up capital of the Company is Rs. 4.53 crores, of which the Union Government's share is Rs. 3.49 crores and that of Scindia Steam Rs. 1.04 crores.

The Shipyard's shipbuilding as well as development programme would have been more expeditiously carried out if the supply position of steel and cement had been more favourable. Arrangements have, however, been made to import steel from abroad. The total quantity of steel now ordered is expected to meet the requirements for shipbuilding upto the middle of next year. The importation of ships' equipment, according to the Chairman, Mr. Pillai, continues to present difficulties, as the order books of foreign firms are already full and as there is a paucity of freight space. Another impediment to speedy progress is shortage of trained personnel. It is gratifying to note that the authorities have decided to set up a training school which will train skilled workmen and junior supervisory staff to meet their own requirements and also to provide a nucleus of trained technical personnel for the second shipyard. The French firm, the agreement with which has been extended by a period of one year, to 15th July 1958, has agreed to make available the services of skilled French workers from their shipyards to work along with the Indian workers for purposes of instructing the latter in the use of modern tools and methods.

For development works in the Shipyard, the Government of India has sanctioned a sum of Rs. 30 lakhs, bringing the total amount of advances made to Rs. 140 lakhs; expenditure upto 1st September 1956 was Rs. 122 lakhs. The progress of the work, according to the report of the Board of Directors, has been retarded by the difficulty in obtaining necessary materials. The project is likely to be completed only in the third quarter of 1957, though it was originally expected to be completed by the end of 1956. The important works completed so far include berths 4 and 5, installation of travelling cranes, certain cutting and bending machines and air compressor, and blacksmith, welding, electrical and joiners' shops. Satisfactory progress has been made in connection with the preparatory work of the Rs. 2.15-crore Dry Dock project which is expected to be completed by the end of 1959. When all the major works are completed, the production capacity of the Shipyard, it is stated, will increase from 2½ ships (equal to four ships of the old type) of the modern type in 1956 to about four ships (equal to six ships of the old type) of modern type.

The situation which faces the Shipyard is that, though we are only in the first year of the second Five-year Plan, it is unable to take any more orders for delivery during the period of the Plan. The Indian Shipyard is, however, in good company, in that no shipyard in the world is in any better position to undertake construction of ships for quick delivery. Only, the Indian Shipyard is in a somewhat worse plight, because some of the machinery and equipment it needs for the ships it builds have to be imported from abroad. No foreign manufacturer, it is stated, is in a position to offer delivery within less than 24 months, while 36 months is the normal period. After referring to these facts, the Chairman said: "In the circumstances, it seems clear to me that the plans for expansion of the shipping industry should be made some years in advance. I would go further and suggest that the proposals for the expansion of shipping during the third Five-year Plan should be finalised now." In the interests of both the shipping and the shipbuilding industry, we commend this advice to the attention of the Government and shipowners alike.

A closely related problem is that of the price of ships. The present practice is to fix the price payable by the buyer on the basis of the cost of a similar ship in the U.K. This practice, as Mr. Pillai pointed out, has its limitations. Since ships are not bought across the counter and no two ships are alike, it is extremely difficult to arrive at the correct U.K. parity price. It would, of course, be even more difficult to determine the "world parity" price which some shipowners are said to be demanding. Mr. Pillai said: "Unless foreign shipyards know that there is a reasonable chance of securing an order, they will not be willing to spend time, labour and money in computing and giving a realistic estimate of cost. The estimates given by them would further be subject to 'extras' and escalator clauses. In other words, the actual cost can be ascertained only after the ship has been completed."

In order to avoid the difficulties met with in implementing the U.K. price parity formula and those that would be raised by any attempt to determine the world parity price, the authorities have submitted a proposal to the Government under which the price of the ships built in the Shipyard would be fixed on the basis either of a percentage of the total cost of the ship or varying percentages of the different elements of cost. Commending this proposal to the shipowners, the Chairman said: "This has the advantage of avoiding uncertainty and of relating the amount payable by the shipowners to the actual costs, not to hypothetical estimates. It gives the shipowners an opportunity to keep their requirements to the minimum and thus bring down the price." The chief merit of the proposal seems to lie in the fact that it would insulate Indian shipbuilding costs from world currents and also eliminate the metaphysical difficulties of estimating the costs of ships that have never been built. But the implementation of the proposal implies that the Shipyard, on its part, is capable of giving a fairly accurate estimate of costs of the ships it undertakes to build. Further, it should be remembered that, as shipowners have to compete on the high seas, they must have some reasonable certainty that the prices which they pay for the ships built in India are fairly competitive. The existing practice, though it may not be mathematically accurate in arriving at the U.K. parity price, offers that certainty, besides setting a "costing" standard for the Shipyard. The question which remains to be examined is whether the proposal can give these benefits in addition to its obvious advantages.

CONFUSION OVER BANK RATE

SILVER—GOLD—FREIGHT RATES—COAL AWARD

THURSDAY, 5 P.M.

MARKET GOSSIP

WILL the Bank rate go up? This question was being raised in the share markets for well over a month. Even the Finance Minister's statement in Parliament and elsewhere to the effect that he was not in favour of raising the Bank rate did not satisfy the curiosity of the market. Some of the operators continued to assert that an increase in it was a certainty and that it was only a question of time. Every Wednesday, the fear of that event materialising used to subdue the trend of equities. The firmness of the Gilt-edged market during the last three weeks, and the resumption of buying Government loans by the Life Insurance Corporation, however, gave rise to the impression that an increase in the Bank rate was most unlikely. It is possible that even those who were almost certain of a rise a few days ago must have given up their hopes. Anyway, after being distinctly easy on Tuesday and yesterday, the share market opened firm today and staged a smart rally from the lowest levels touched twenty-four hours earlier. But, after the close, the Reserve Bank sprang a surprise on the market; not a pleasant one, of course. It took the unprecedented step of by-passing the Bank rate. We do not think that even the few that were expecting a higher Bank rate would have anticipated this step.

The Reserve Bank announced this afternoon that "as from Friday the 1st inst., its rate of interest on advances to Scheduled banks against Government and other eligible securities has been raised to 4 per cent. per annum." Earlier in the day it had announced that the Bank rate remained unchanged. This means that, for the first time, the Bank rate in India is not what it always used to be.

Unlike in Britain and other Western countries where the Bank rate represents "discount rate," that is, the rate at which the central banking authority rediscounts fine bills in order to enable the banks to borrow money from it, in India, the Bank rate is an "advances rate," that is, the rate at which the Reserve Bank lends money to member banks against Government securities and other eligible Gilt-edged securities. It is true that a new method, called the Bill Market Scheme, was introduced in 1952, in order to provide the banks with an alternative method of getting central banking credit. Under this scheme, the so-called usance bill—in other parts of the world it is called a finance bill—was evolved and banks have been utilising this instrument on a fairly large scale since 1955, when the pace of demand for bank credit began to exceed that of expansion of deposits. But the rate at which banks borrow from the Reserve Bank against these bills has been having a distinctly separate name for itself, namely, usance bill rate. Though we often used to describe this rate as the *de facto* Bank rate, none has so far mistook it to be the Bank rate as is commonly known.

We are now suddenly told by the Reserve Bank—that at any rate what this afternoon's announcement means—that the interest rate at which it lends money to member banks against Government securities is different from the Bank rate. If that is so, what is Bank rate? Has the Reserve Bank changed the generally understood meaning of the Bank rate? Does it mean that, from tomorrow onwards, there will be three rates—the Bank rate (the meaning of which is not clear now), the advances rate to Scheduled banks against Government securities, and the usance bill rate? Again, can the member banks borrow from the Reserve Bank at the Bank rate, which now remains unchanged at 3½ per cent., and, if so, against what collateral? We are not having in mind here the usance bill rate which is also standing at 3½ per cent. But the effective rate is higher, in that the banks have to pay the stamp duty on the bills. Since from tomorrow this duty will be at ¼ per cent., the actual usance rate will be 4 per cent. It looks as though some explanation is called for from the authorities to clear these doubts.

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Meanwhile, it is not difficult to see why the Reserve Bank has pushed up the rate of interest on advances against Government securities, leaving, at the same time, the Bank rate unchanged at 3½ per cent. Since the cost of borrowing against usance bills has already been raised to 4 per cent. by enhancing the stamp duty with effect from tomorrow, it became clear that all those banks which are in need of accommodation from the Reserve Bank would first borrow against Government securities to the extent possible if the rate of interest on such advances were left unchanged at 3½ per cent. If this were to happen, the Reserve Bank would be faced with the risk being loaded with large blocks of Government securities as had actually happened in 1951-52. In order to avoid this risk, it must have decided to bring the cost of advances against such securities also on par with that of raising credit against usance bills.

Whatever the cause, the effect of this unusual step is to push up the cost of bank credit to trade and industry further. It is almost similar to that of putting up the Bank rate. The only difference is that it may not adversely affect the Gilt-edged market to any perceptible extent. But we wonder as to how long the Bank rate, if there is anything like that now, can remain divorced from the other short-term interest rates. It is bound to be pulled up by the *de facto* bank rates sooner or later, at least before the Government comes to borrow from the open market this year, assuming that the *de facto* rates will be allowed to remain at the enhanced levels till then.

By thus by-passing the Bank rate, the Reserve Bank and the Government have undermined the understanding with the electricity companies the standard rate of return of which is related to the Bank rate. Similarly, they have prevented an automatic increase in the rates of interest on bankers' advances to trade and industry which are also usually related to the Bank rate. This amounts to breaking faith with the banking system. Now the banks will have to negotiate separately with each of their parties before putting up their lending rates. If the Government's real intention in asking the Reserve Bank to raise the rate of interest on advances to banks was to tighten the credit squeeze further, the proper thing to do would be to raise the Bank rate itself. It now looks as though the authorities are willing to wound but afraid to strike. This may appear to be a clever move on their part, but it is unfair to those who have contractual obligations based on the Bank rate.

Following the Reserve Bank's announcement this afternoon, the short-term interest rates have already hardened further. The house money on call is fetching 4 per cent., as against 3¾ to 3⅞ per cent. before. The banks have raised their *hundi* rate from 5½ to 6 per cent. The State Bank, too, has raised its hundi rate from 5¼ per cent. to 5½ per cent. The firm tone in the share market earlier in the day has yielded place to an easier tone, while the sagging tendency in commodities and bullion, which had begun as a natural reaction to the bullish phase at its peak last week, has received some impetus.

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Financial circles in the U.K. have been disappointed again this week by the fact that their expectations of a reduction in Bank rate have not materialised. The optimism about the reduction in Bank rate from 5½ per cent. to at least 5 per cent. has been mainly responsible for the rise in Gilt-edged and other securities and for a generally upward trend in the Stock Exchange. The main grounds on which a reduction in Bank rate is expected are: (1) a reduction in Bank rate would reduce the interest payable on the externally-owned sterling balances; (2) it would facilitate the funding of Floating Debt and enable the authorities to exert monetary control more effectively in the future, and (3) it would offset the disinflationary trend caused by the closing of the Suez Canal and the rationing of petrol.

Further, since the discount rate for bills has fallen to about 1 per cent. below the Bank rate, it was argued that the authorities would be compelled to correct this anomalous position by reducing the Bank rate. Finally, it was pointed out that, if the authorities did not avail themselves of this opportunity to reduce fairly safely the Bank rate, they would leave themselves without adequate room for raising the rate to meet any new deterioration in the country's economic situation in the future.

Apparently, these considerations have not yet carried conviction to the Government. Presumably, the authorities feel that the danger of inflation has not so far receded as to justify a reduction in Bank rate. Or, it may be, that they would like to wait till they have stronger evidence to show that their disinflationary policy has reached a stage at which its continuance would mean a painful setback to the economy.

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Over the year ended today, silver has risen by about Rs. 10 to Rs. 184-10 per 100 tolas. This increase in price reflects the general upward trend in commodities as also the traditional Indian demand for silver for marriage and other purposes. In a way, it also reflects world conditions of shortage of silver—that is, the inadequacy of supplies in relation to the demand for the white metal. World offtake of silver (for coinage and commercial purposes) in 1956, according to the well-known U.S. silver traders, the firm of Messrs. Handy and Harman, aggregated 260 million ozs., or 17 per cent. heavier than in 1955. On the other hand, world output of silver in 1956 continued to remain at the previous year's level of 204 million ozs.

It should thus be clear that there was a sizable gap of nearly 54 million ozs. representing the excess of offtake over production. How was the gap generally filled? Broadly speaking, there used to be one important source which could meet the excess demand. It is the Governments of those countries which demonetised silver and were therefore in a position to release the silver withdrawn from circulation. This source, it is now stated, has practically dried up. An important source in recent years has been the U.S. which has found it possible to release silver from its "free" stocks—ed as reserves against its currency. These "free" stocks have been continuously fed by receipts of silver from countries to which the U.S. had lent silver under its lend-lease schemes. Nevertheless, its releases (estimated at 30 million ozs. in 1956, as against 35 million ozs. in 1955) have been modest as compared with the inflow which aggregated 95 million ozs. last year. Towards the close of 1956, the U.S.'s "free" stocks of silver amounted to 87 million ozs. These stocks are in no danger of any immediate depletion, considering that, in the first quarter of the current year, the U.S. is expected to receive from the U.K., India and Pakistan about 150 million ozs. and about 105 million ozs. in the next two years, being return of lend-lease silver.

So long as releases from the U.S.'s "free" stocks continue, there is no likelihood of any shortage in silver, and, therefore, of any rise above the U.S. official selling price of 92c. per oz. At any rate, no shortage, it is predicted, is likely to develop before 1960, provided, of course, the U.S. continues to adhere to its present policy of releases from its free stocks. What of the future beyond that date? In discussing this question, it is well to remember that the demand for silver for industrial and commercial purposes is growing at a faster pace than the basic demand for the production of new coinage is contracting. Against the background provided by the increase in the demand for silver, the failure of supply to meet the demand and the likelihood of exhaustion of "free" stocks in the U.S., it is easy to see a situation in which a steep rise in the world price of silver may well take place in the not too distant future. A deterrent to such a rise would be the possibility of development of substitutes for silver. Another such deterrent is a possible change in the U.S. official policy designed to sell silver from its monetary reserves. These reserves, as is well known, are sufficiently large to enable the U.S. Government to sell silver without endangering in any way the stability of its currency.

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An interesting suggestion has been made in the U.K. to the effect that the British Government should mint sovereigns—a practice discontinued for some years now—and sell them in order to take advantage of the premium which these coins command over bar gold. The word "sovereign," though it is now perhaps used in many countries to denote coined gold, owes its origin to the good (or is it, golden?) old days when gold coins carrying the imprint of British kings and queens freely circulated in many countries. In India, itself, these coins were preferred to bar gold; so great was the popular belief in the purity of the gold in the coin. Indeed, in many parts of the country, people still rate the weight of a given article of jewellery as so many sovereigns, instead of using the traders' weight—the tola. Some families are proud to own Queen Victoria's coin, the popular superstition in the rural areas being that these old coins contain better gold than the best of the gold bars. It is also interesting to note that these coins have different market prices, the oldest among them quoting somewhat less than the later coins; this represents the market's assessment of wear and tear.

Nor is this preference for gold sovereigns confined only to India. It would appear that, in many countries, this preference persists. This is attributed to the fact that coins could be purchased for smaller amounts than gold bars, they are easier to hoard and are more readily marketable. In some markets, the premium for these coins, it is stated, is as high as 27½ per cent. over their value as metal. This has led to illicit minting of gold sovereigns in certain markets. Although the British Government has tried to put down this evil through threats of legal action, it is still said to flourish in isolated centres. The suggestion now made is that the British Government should itself revive the minting of sovereigns and derive what benefit it can from the premium they command. Though in the past this suggestion has been turned down by the Treasury, it remains to be seen whether the change in Government will make any difference. The new Government, it may be noted, is anxious to strengthen the foreign exchange reserve by all possible means and the suggestion may appeal to it, as it adds to the opportunities for augmenting foreign exchange at a higher rate. It will be recalled, in this connection, that ever since the gold market in London was opened in 1954, the bullion dealers have been permitted to sell gold bullion for dollars and to replenish their stocks from official reserves. If bullion could thus be sold for a profit, why not coins?

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The much-feared, though long-expected, increase in freight rates has taken place. The freight rates on all shipments between ports in India and Pakistan and those in the U.K. and the Continent will be increased by 10 per cent. with effect from 15th March, 1957 and the existing surcharge of 15 per cent. raised by 2½ per cent. with effect from 1st February 1957. The Karmohan Conference, which made this announcement, stated that the decision to raise the freight rates and the surcharge was taken in order to meet "to some extent the continuing increases in operating costs, including higher prices of fuel oil."

The increase in freight rates, now announced, is part of a world-wide movement towards higher freight rates which can be traced to the closure of the Suez Canal and the large increase in ship operating costs in the past year. Many conferences have now announced an increase in freight rates, though the dates from which they will come into effect seem to vary. The North Atlantic Freight Conference has stated that cargo freight rates from the U.K. and Eire to the east coasts of the U.S. and Canada are to be increased by about 10 per cent. with effect from 1st April 1957. The Australian Outward Conference Lines have decided to increase the freight rates to Australia by about 14 per cent. with effect from 1st March. The Far Eastern Passenger Conference has announced increase in passenger fares, which will come into effect from 1st March 1957. The Conference includes such well-known lines as the American President Lines, British India Steam Navigation, the N.Y.K. and the P. and O. Four conferences, operating from certain South American countries, including Brazil and Argentina, have also decided to increase freight rates by about 10 per cent., the increase to come into effect from 1st April 1957. In nearly all cases, the Lines have pointed out that their decision stems from the continuing heavy increases in costs.

There is no doubt that the increase in freight rates, perfectly justified though it is, is a factor which must adversely affect the export capacities of different countries and also their import costs. To India, in particular, which finds that its foreign exchange reserves are falling and the scope for reduction in imports is strictly limited because they are made up of the much-needed plant and machinery and essential raw materials, the increase in freight rates is an additional source of economic difficulty.

(Continued on page 251)

EQUITIES REACT

SLIGHT RECOVERY AT CLOSE

(From Our Own Correspondents)

BOMBAY, 31*st January*

EQUITIES on the Stock Exchange experienced a mild shake-out during the week under review, which wiped out a substantial part of the previous week's gains. Towards the close, however, there was a mild recovery, but on balance equities stood to suffer moderate losses over a wide front. The sudden change in sentiment, after two weeks of sustained bullish trend, was due to a fresh wave of selling in Indian Irons on fears of heavy carry forward charges which buyers would have to pay in tomorrow's settlement on account of the closure of the Company's transfer books from 21st February to 11th March for the issue of right shares. The Company proposes to issue 5,183,708 new ordinary shares of Rs. 10 each at a premium of Rs. 3-8 per share in the ratio of one share for every ordinary share held to those shareholders who are on the books of the Company on 11th March. Besides the prospect of heavy *budla* charges, another dampening factor was the report that the shareholders would be called upon to pay the entire sum of Rs. 13-8 per share in one instalment.

The other factors which induced selling pressure were apprehensions of heavy deliveries in the coming settlement, the anxiety over the Kashmir issue, following the U.N. Security Council's decision to maintain *status quo* in Kashmir till the fate of the State was decided by a plebiscite, and weaker advices from commodity and bullion markets. Renewed rumours about rise in Bank rate also chilled the enthusiasm of operators. Notwithstanding the slight recovery today, the market's undertone was not quite encouraging.

In the steel section, Tata Ordinaries were a little erratic early in the week, moving between Rs. 182 and Rs. 179-12, before reacting to Rs. 177 on Tuesday. Today, however, they improved to Rs. 180-12 before winding up at Rs. 179-12. Indian Irons gave way from Rs. 29-15 to Rs. 29-0½, but gained strength to Rs. 29-5½ at the close.

Modest losses were common in the textiles section. The expectation that the excise duties on cloth would be reduced from 1st February was the main factor which checked widespread recession. Bombay Dyeings dropped from Rs. 578-2 to Rs. 562-8, but staged a recovery to Rs. 570. Centurys moved down from Rs. 512 to Rs. 499-8 before gaining to Rs. 507-8. Kohinoors shed Rs. 4-8 to Rs. 326-8, the lowest touched being Rs. 323-8. Central India's were lower by Rs. 2-8 at Rs. 124 and Finlays by Rs. 2 at Rs. 312. Gokaks were fairly steady at Rs. 226-8 and Indu Ordinaries at Rs. 11. A sharp fall of Rs. 31-4 to Rs. 230 was noted in Morarjee Goculdas. New Citys kept their own at Rs. 147-8. New Greats were steady at Rs. 241-8. New Kaiser-I-Hinds had business Re. 1-4 higher at Rs. 113-12 and Podars Re. 1-4 better at Rs. 170. Shree Niwas Cottons declined by Rs. 3-12 to Rs. 190 and Simplex by Re. 1-4 to Rs. 183-8. Standards moved down by Rs. 5 to Rs. 440, Svadeshis by Rs. 4-4 to Rs. 230 and Swans by Rs. 3-12 to Rs. 415. Tata Mills were a fraction lower at Rs. 50-12.

Bank shares presented a mixed pattern and business was limited. Barodas were unchanged at Rs. 103-8, while Centrals gave way by Re. 1-12 to Rs. 54-8 and their new shares by As. 8 to Rs. 59. Bank of Indias were maintained at Rs. 141, but their new shares hardened by Re. 1 to Rs. 142. Punjab Nationals were down by Rs. 2 at Rs. 56. United Commercials were a shade quiet at Rs. 58-4. Bank of Jaipurs were better at Rs. 40. Union Banks had business a fraction higher at Rs. 7-9.

Insurance shares were steady, but transactions were very few. New Indias changed hands As. 4 lower at Rs. 43-12. Vulcans were done As. 2 better at Rs. 13-10.

A small reactionary trend was noted in electricity shares. Ahmedabad Electrics dropped As. 15 to Rs. 96-9. Bombay Suburbans were, however, unchanged at Rs. 109-6 and Surats at Rs. 112-8. Tata Hydros recorded a decline of Rs. 2-8 to Rs. 124 and their new shares a drop of Rs. 2 to Rs. 112. Tata Powers were marked down by Rs. 13-12 to Rs. 1,235 and Andhra Valleys by Rs. 5 to Rs. 1,227-8.

The miscellaneous section showed a mixed trend and except in a few counters the variations were not marked. Sugar shares were quiet, Belapurs shedding Rs. 3 to Rs. 231. Phaltans receded by Rs. 2 to Rs. 148 and Walchandnagars by Re. 1-4 to Rs. 267-8. In the cement group, A.C.Cs. were affected by the Chairman's announcement at the annual general meeting on Friday last that there was no prospect of an increase in dividend and that it would be very difficult even to maintain the present level. The shares dipped from Rs. 185-8 to Rs. 181-4, but recovered at the close to Rs. 183. Ashoka Cements were done As. 2 better at Rs. 11-2 and Jaipur Udyogs As. 2 higher at Rs. 12-4. Digvijay Cements were quiet at Rs. 152-4. In the engineering group, Alcocks were the worst affected with a decline of Rs. 11-4 to Rs. 265. Tata Locomotives drifted down from Rs. 155-4 to Rs. 153-8. Premier Constructions gave way from Rs. 187 to Rs. 181-8. Larsen and Toubros changed hands As. 4 lower at Rs. 16-14, but Kamani Engineerings were steady at Rs. 6-11. Texmacos improved by As. 6 to Rs. 20-14. Among mining shares, Shivrajpurs displayed a firm tone gaining over the week Rs. 3 to Rs. 93-8. Indian Coppers dropped As. 2 to Rs. 3-10, despite the announcement of an interim dividend of 6¼ per cent. or As. 1-5 per unit stock on the increased capital of £1,371,300 in respect of the year ended 31st December 1956, as against an interim of 10 per cent. paid on the old capital of £914,200 paid for the previous year. B.B. Petrols were quiet at Rs. 2-13.

Automobile shares were quiet. Premier Automobiles being a fraction lower at Rs. 105-8. Hindustan Motors shed As. 2½ to Rs. 8-3. Shipping shares were affected by the general sentiment. Scindias were marked down from Rs. 19-3 to Rs. 18-12, before they gained to Rs. 18-15½. Great Easterns were down by an anna to Rs. 19-1.

In the miscellaneous section, Bombay Burmahs reacted from Rs. 725 to Rs. 714-6, but the loss was more than made good today when the shares closed at Rs. 727-8. Their new shares recorded a rise of Rs. 3-12 at Rs. 276-4. British India Corporations shed As. 4 to Rs. 8-8, while Killick Industries gained Re. 1 to Rs. 169. National Rayons moved between Rs. 248-8 and Rs. 244, before finishing at Rs. 246-4. Tata Chemicals dropped As. 5 to Rs. 16-6 and Tata Oils Re. 1-4 to Rs. 45-12. Wimcos gathered Re. 1-4 to Rs. 172-8. Hindustan Levers were quiet at Rs. 19-6, while Gwalior Rayons were marked up by As. 12 to Rs. 15-12. Bombay Potteries were done Rs. 4-4 higher at Rs. 47 and Industrial Credit and Investment Corporations at Rs. 75.

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Calcutta Stock Exchange

CALCUTTA, 30*th January*

Trading on the Calcutta Stock Exchange was cheerful up to Monday this week and not only were earlier gains well maintained and transactions widespread in most sections but selected counters recorded a further improvement. However, on bull liquidation yesterday, a part of the gains was lost, although the undertone remained steady. Earlier in the week, for a time, the Security Council's resolution on Kashmir restrained activity, but this proved purely a temporary phase, as it was realised that Indian official views did not show any alarm to the changed situation. The Bombay report of a mutually beneficial understanding in the recent Indo-British textile talks was noted with satisfaction, and it was thought that Great Britain would not place official restriction on imports of Indian cloth. The possibility of an American loan of $600 to $700 million, in addition to the existing American aids and grants, was another cheerful news. For, if this materialised, import restrictions on capital goods would be liberalised; otherwise, the difficult foreign exchange resources situation, it was thought, would hamper progress at least in the private sector.

The call for public subscription for a portion of the 5 per cent. convertible loan stock by the Indian Aluminium Company, Ltd., was received by the share market with enthusiasm. The Governor, Miss Padmaja Naidu's address to the joint session of the West Bengal Legislative Assembly and Council, in which she foresaw better economic conditions for the State during 1957, was noted as a long-term factor favourable to the widening of investment activity. The ban on cement imports in the light of indigenous production being inadequate to meet demand should have normally invited •buoyancy to cement shares; however, the prospect of cement companies making larger profits was ruled out, in view of the control on manufacturers' prices as well as increased production costs. If any reminder was needed that industrial profits were increasing and the country's economy was expanding, this was provided by the latest banking results. There was more activity in jute shares following the fall in raw jute prices and the extreme improbability of any actual fibre shortage during the current season.

Selected counters in the coal section were involved in cheerful trading. Khatras Jherriahs were buoyant at the higher rate of Rs. 63-2, and Bengals, at Rs. 456, showed a gain of six points. From Rs. 21-8, Burrakurs receded to Rs. 21, as did Equitables to Rs. 26-6 from Rs. 27-3. Central Indias, at Rs. 6-12, were fractionally better.

More shares changed hands in the jute sections; first, because the lower levels attracted support and, secondly, there was the prospect that jute mills' working results for the current accounting period would be more satisfactory. Cheviots hardened to Rs. 145 from Rs. 142. Anglo-Indias were at one time as high as Rs. 141, as against Rs. 136 previously. At Rs. 57-8, Ganges were higher by Re. 1-8, but Howrahs were quiet at Rs. 19-7. Fort Glosters were lower at Rs. 309, but Deltas had buyers at the higher rate of Rs. 140.

Engineering shares responded well to fair investment support. In unsatisfied demand Guest Keens rose to Rs. 24-15 from Rs. 23-12. Indian Irons, on short-covering, improved to quote as high as Rs. 30-2, but were soon subjected to profit-taking, which brought them down to Rs. 29-3. After realising Rs. 21-5, Texmacos sagged to Rs. 20-12. On the other hand, Kumardhubis, at Rs. 9-13, maintained the improvement on investment support. After realising Rs. 29-8, Jessop & Cos. closed lower at Rs. 29, while Braithwaite & Cos. recorded a steady improvement to Rs. 27-8 from Rs. 26-4. Indian Galvanisings, at Rs. 19-11, were up by Re. 1-4, and National Irons were bought at Rs. 7-10, as against Rs. 7-8 previously.

Among shippings, India Steamships, on profit-taking, receded to Rs 10-4 from Rs. 10-10, while India General Navigations recorded a gain from Rs. 73 to Rs. 78. In view of the proximity of the Tariff inquiry into the cement industry, cement shares were shown less attention, and representative of the general sentiment in the section, Sone Valley Cements declined to Rs. 7-12 from Rs. 8-2. Among minings, Indian Coppers were fractionally lower at Rs. 3-10 on profit-taking, and in view of the expansion plans, which among others envisage the installation of an electrolytic copper refinery, the counter is looked at with great interest in investment circles.

Tea shares were steady, but transactions were lower, in view of the poor reports from the auctions. Bishnauths were one point higher at Rs. 21, Tezpores were steady at Rs. 21-4.

In accord with the general trend, profit-taking also invaded miscellaneous industrials yesterday. Indian Cables sagged to Rs. 32-14 from Rs. 33-3, but National Carbons were steady at Rs. 26-12. Angelo Bros. were put through at the improved rate of Rs. 24-4, while Orient Papers, after being higher at Rs. 34-8, finished lower at Rs. 34-1.

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Madras Stock Exchange

MADRAS, 31*st January*

The Madras Stock Exchange witnessed a firm trend during the week under review. There were buyers for most of the shares and the turnover was large. The chief contributory factor which helped to enliven sentiment was the firmer conditions which prevailed in Bombay. At the close of the week under review, however, a few shares reacted due to profit-taking.

In the textile section, Lakshmis were in the limelight and there was strong buying, with the result that the price jumped by Rs. 11 to Rs. 265 and their "A" shares by Rs. 5-8 to Rs. 132-8. Metturs were active and spurted by Rs. 7-8 to Rs. 440. Maduras, however, displayed a reactionary trend, with a drop of Re. 1-12 to Rs. 47, following the cut in dividend from 20 per cent. to 17½ per cent. for the year ended 31st December 1956. Bangalore Woollens advanced by Rs. 12-8 to Rs. 555 and Cannanores by Rs. 10 to Rs. 178. Cauvery Spinnings gathered As. 8 to Rs. 12-4, while Coimbatore Spinnings dropped Rs. 3-8 to Rs. 89, Dhanalakshmis were better by Rs. 4 at Rs. 374, Pankajas by Rs. 2 at Rs. 77 and Radhakrishnas by Rs. 5 at Rs. 330. Buckinghams eased by Rs. 5 to Rs. 133, Rajalakshmis by As. 8 to Rs. 183-8, Ranga Villas by Rs. 2 to Rs. 90 and Travancore Rayons by As. 2 to Rs. 14-5. Malabar Spinnings, Rajapalayams and R. C. Ambikais remained quiet at Rs. 108, Rs. 154 and Rs. 262, respectively. Sri Krishnarajendras declined by Re. 1 to Rs. 108.

There was a lively turnover in the planting section. Coffee shares were highlighted during the week. These were closely followed by tea and rubber. Among coffee shares, Consolidated Coffees put on As. 2 to Rs. 19-4 and Coffee Lands and Mysore Coffees each by an anna to Rs. 24-1 and Rs. 2-10, respectively. Among teas, Kalasas were As. 12 better at Rs. 14-4. Coorg Teas gathered As. 4 to Rs. 11-8, Talayar Teas As. 6 to Rs. 12-2 and United Nilgiris As. 4 to Rs. 18-14. Coonoor Teas remained firm at Rs. 25-4. Chandramalais at Rs. 4-7 and Waterfalls at Rs. 5-6. Periakaramalais were a shade quiet at Rs. 7-12, but Peermades rose by Re. 1-4 to Rs. 29-4. Haileyburias gained As. 4 to Rs. 23. Among rubber shares, Kalpettas improved by As. 12 to Rs. 24-4. Midlands picked up an anna to Rs. 17-15, Mercaras As. 2 to Rs. 9-4 and Rajagiris As. 4 to Rs. 21-12. Travancore Rubbers remained quietly steady at Rs. 21-8, Thirumbadis at Rs. 2-2 and Malankaras at Rs. 28-12. Travancore Rubber and Teas were lower by As. 3 at Rs. 10-1.

Activity in the miscellaneous section was again restricted during this week also. Indian Aluminiums declined by As. 2 to Rs. 14-6. Aluminium Industries were neglected at Rs. 19-12, Binnys at Rs. 180, Textools at Rs. 266 and Singarenis at Rs. 10-8. F.A.C.Ts. were an anna down at Rs. 6-7. Ranes were quoted at Rs. 7-5 *cum-right*. The Company announced an issue of 91,920 ordinary shares of Rs. 5 each at par at the rate of one new share for every ordinary share held.

Among sugar shares, E.I.Ds. witnessed support and gained As. 2 to Rs. 28-12. Deccans were unchanged at Rs. 11-6, Mysores at Rs. 44-12 *cum-div.* and Jeypores at Rs. 13-8. Cauverys were done As. 8 lower at Rs. 45 and Travancores As. 3 at Rs. 11-12. K.C.P. Ordinaries were unchanged at Rs. 127-8, despite the announcement of an interim dividend of 7½ per cent. for the year ended 30th June 1956.

The banking section was active and there was business in several scrips. Prices, however, remained unchanged. Andhras remained firm at Rs. 120, Indian Overseas at Rs. 159, Canara Bankings at Rs. 80-8 and Travancore Forwards at Rs. 4-15. Indian Banks eased by Rs. 2 to Rs. 207.

NEWS IN BRIEF

A NEW factory for the manufacture of raw films and other photographic materials will be set up by the Government of India at Ootacamund.

Exports of Pashmina wool from the State of Jammu and Kashmir against the quota of 315 maunds announced on 19th November 1956 will be allowed up to 15th February 1957.

Established shippers or mine-owners will be granted export allotments of manganesediozide or peroxide for 1957 equal to the quotas allotted to them during 1956. The allotment of quotas will be valid for shipment till 31st December 1957.

The Cashew and Pepper Export Promotion Council, Cochin, has recommended to the Union Government the enactment of legislation for the levy of a cess on the exports of pepper and cashew kernels in order to promote the activities of the Council.

The Railway Board has sanctioned a scheme, estimated to cost over Rs. 40 lakhs, for remodelling the railway yard at Godhra on the Western Railway. The remodelling has become necessary to enable the yard to cope with the expected increase in traffic during the second Plan period.

A coke oven plant, with an initial production capacity of 300 tons per day, will shortly be installed at Rajkot. The estimated cost of the plant is Rs. 2.6 crores. The State Government is also considering the establishment of two plants in Rajkot, one for the manufacture of elemental sulphur and the other for the production of aluminium.

The validity of the Indo-Czechoslovak Trade Agreement has been extended upto 31st March 1957, pending further negotiations between the two countries. The Agreement was signed on 17th November 1953, and was initially valid up to 31st December 1954. It was extended thereafter from time to time and was valid upto the end of 1956.

The Union Government has decided to continue to allow for export limited quantities of cotton yarn during the period January-June 1957 to all permissible destinations, excluding Portuguese Possessions in India. Allotments for export will be made to mills for the period January-March and April-June 1957 on the same basis as was done during the same quarters of 1956.

The Kashmir Government has placed orders for heavy electrical equipment worth Rs. 29 lakhs with the Hungarian Government's Ganz Factory. Generators and turbines, forming part of the equipment, will be used to expand the new Sindh Valley Hydro-Electric Project in Kashmir. Others who competed for the contract were British, American and Japanese firms.

An agreement, effective from 1st January, has been reached between the management of the Indian Copper Corporation Ltd., on the one hand, and two labour units, separately for mines and works, on the other, on issues of wage structure, bonuses, retiring gratuities, housing, etc. The agreement is for a period of two years and will benefit about 2,500 workers in the Corporation's factory at Moubhandar and about 5,000 miners at Mosabani.

The Government of India has decided to set up a seven-member wage board for the cotton textile industry. The Board will consist of an independent chairman and six members—two each for employers and workers and two independent members. The Board is being set up in pursuance of the recommendations in the second Five-year Plan for the establishment of tripartite wage boards for individual industries.

Problems, such as competition from road transport, facing the 550 miles of light railways in the country, are being studied by a group of Union Government officials. The study group, set up by the Planning Commission, has already inspected some light railways in and around Calcutta and is inspecting light railways in Bihar. It will submit its recommendations after inquiries in other parts of the country.

Rebate at a rate not exceeding As. 2 in the rupee has been allowed by the Government of Bombay on the cash sales of all varieties of coir goods produced and sold through industrial co-operative societies, coir institutions and co-operative coir societies conducted by it. The rebate, tenable for a period of three months from 1st January, in the first instance, is admissible in respect of wholesale as well as retail transactions, provided the retail sales exceed Rs. 3 at a time.

A milk conservation project, costing about Rs. 28 lakhs, is to be installed at Rajkot as part of an ambitious scheme to provide more and better milk to the people of Saurashtra region. Machinery worth Rs. 12 lakhs is to be supplied for the project by the U.N.I.C.E.F. Dairies involving a capital outlay of Rs. 5 lakhs each have been established at Jamnagar, Bhavnagar, Surendranagar and Junagadh. The State Government owns 60 per cent. of the shares in the dairies which will distribute 10,000 lbs. of pasteurised milk to the public daily.

The Railway Board has sanctioned a Rs. 22-lakh scheme for improving signalling facilities at the eight stations situated between Wardha and Balharshah on the Delhi-Madras section of the Central Railway. These stations will be provided with modern interlocked signalling. At present, they have a signalling system worked by hand levers which severely restricts section capacity, besides perpetuating hazards inherent in non-interlocked working. The interlocking of stations will ensure greater safety and speed in the operation of trains, and also help in stepping up line capacity.

The Ministry of Finance had, in a notification, fixed 5th January 1957 as the date on which the provisions of the Central Sales Tax Act 1956, except section 15, shall come into force. This has caused some misapprehension about the date from which the liability of dealers to pay tax under the provisions of the Act on inter-State sales arises. In order to remove this misapprehension, the Ministry has further notified the public that the liability of dealers to pay tax under the said Act on inter-State sales can arise only on and from the date which may hereafter be appointed by the Central Government in a notification. The notification has not yet been issued and therefore no tax is payable for the time being on inter-State sales.

India's overall trade balance disclosed a deficit of Rs. 151.79 crores during April-November 1956, as compared with Rs. 26.28 crores in the corresponding period of the previous year. While total exports of merchandise by sea, air and land during the said period declined in value to Rs. 383.19 crores from Rs. 391.81 crores in April-November 1955, imports rose sharply to Rs. 534.93 crores from Rs. 418.35 crores. The increase in imports was wholly due to larger imports by sea and air, which rose by more than Rs. 120 crores to Rs. 521.9 crores. Imports by land, on the other hand, declined in value from Rs. 16.68 crores in April-November 1955 to Rs. 12.93 crores in the period under reference.

A 10 per cent. increase in the existing rates of freight to Canadian-Atlantic ports has been announced by the Malabar Coast-Canadian (Atlantic) ports shipping lines. The *ad valorem* rates in this respect remain unchanged. The present increase in freight rates has been necessitated by the steadily increasing operating costs. The new rates will come into force from 15th February and will apply to all shipments made on vessels commencing to load at each individual Malabar Coast port from that date. The Karmahon Conference has also announced that the freight rates on all shipments between ports in India and Pakistan and those in the U.K. and the Continent will be increased by 10 per cent. and the existing surcharge by 2½ per cent. with effect from 15th March.

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From Abroad

The British House of Commons has approved of the Government's Anti-dumping Bill. It seeks to give the Board of Trade power to place a duty on goods dumped into Britain or sent with the aid of subsidy.

Holland's two leading shipping companies, the Royal Rotterdam Lloyd and the Nederland, have decided to increase passenger fares on the Cape route by about 15 per cent. with effect from 1st March.

Output of coke in the European Coal and Steel Community in 1956 reached a new record level of 74.8 million metric lbs. This represented an increase of 9 per cent. over the 1955 figure of 68.6 million metric lbs.

The National Foreign Trade Council of the U.S. has forecast that foreign nations will increase their combined gold-dollar reserves by $600 million in 1957. Earnings of foreign nations from U.S. imports in 1957 will, according to the Council, be increased by $300 million.

Japan, for the first time, overtook Britain as the world's largest shipbuilding nation in peacetime last year by more than doubling its production in 15 months. According to Lloyd's Register of shipbuilding, Japan's total tonnage commenced, launched and completed last year was 4,311,000, as compared with Britain's 4,179,000.

Aluminium producers of the United States set a new all-time output record during 1956 when they produced 3,358.8 million lbs. of aluminium, about 227 million above the 1955 record. The highest monthly figure on record was set in July last, when 303.1 million lbs. were produced. The output in December was of the order of 297.1 million lbs.

A joint hearing by two Senate sub-committees on the operation of the emergency programme to provide oil for Europe will start on 5th February. The sub-committees would seek to determine why oil prices to consumers have advanced in the United States, while oil deliveries to Western Europe, to offset the shortage from Middle East sources, have fallen off.

The Nippon Yuseh Kaisha Shipping Company of Japan has announced that nine Japanese shipping firms have decided to increase their freight rate on the Japan-New York liner service by 10 per cent. The Company gave increased costs and higher freights on other routes as reasons for the rise. Foreign shipping companies would also be asked to raise the rates.

The Egyptian Government has issued a decree deleting the names of 64 insurance companies, including Lloyds of London, owned by "enemy countries", from the register of insurance companies. The Government had announced earlier that foreign banks and insurance companies would be Egyptianised and capital transferred to Egyptian nationals.

Exports of British-made footwear touched a new high in 1956. According to the estimates of the Footwear Manufacturers' Federation, total exports of footwear, wholly or mainly made of leather, during the year amounted to 8 million pairs, valued at £10 million—an increase of 25 per cent. over the past four years. This success in the export front is mainly attributed to intensive market research undertaken by the Federation.

Japan-India Industrial Co-operation Council, formed to act as a go-between the Indian Government and private traders and Japanese industry, held its inaugural meeting in Tokyo recently. The Council will assist the Indian Government in placing orders with Japanese industrialists for machinery and other goods. The Council will hold monthly meetings to discuss Indo-Japanese trade problems.

Chinese geological teams, who have been surveying the eastern part of Tibet, reported discovery of rich mineral deposits in Eastern Tibet. Two iron mines, with high "quality deposits" in concentrated seams, have been located in the Tangla range on the north-eastern border of Tibet. Rich crystal deposits, several oil and coalfields and deposits of lead, zinc and manganese are also reported to have been found by the team.

PERSONAL

MR. Shukri Al-Kuwatly, President of the Syrian Republic, left Bombay for Damascus on Sunday after a ten-day stay in India.

Mr. Frank A. Lytton, a senior executive of Messrs. J. J. Saville & Co., Ltd., Triumph Works, Sheffield, arrived in India from London on 15th January on a two-month visit to India.

Mr. Inche Abdul Aziz Bin Ishak, Minister for Agriculture, Federation of Malaya, arrived in New Delhi on 24th January, along with two other senior officials of the Malayan Government.

Mr. Boon Charoenchai, Legal Adviser in the Thai Foreign Office, has been named as Thailand's new Ambassador to India. The present Thai Ambassador in New Delhi, Mr. Phra Vibhuddha Nukara, is due to return home soon.

Mr. Karnail Singh, at present General Manager, Chittaranjan Locomotive Works, has been appointed Member (Engineering), Railway Board. He succeeds Mr. P. C. Mukerjee, who was appointed Chairman, Railway Board, on 31st December 1956.

Mr. R. K. Gupta, former Chief Engineer of the Punjab, has been appointed Managing Director of the recently-constituted National Projects Construction Corporation. Mr. T. Sivasanker, I.C.S., Secretary, Ministry of Irrigation and Power, will be the Chairman of the Board.

Sir Charles Goodeve, Director of the British Iron and Steel Research Association, will arrive in New Delhi at the end of this month in the course of a round-the-world tour. After spending a few days in the Capital, he will go to Calcutta, where he is to advise the Tata Iron and Steel Company, Ltd.

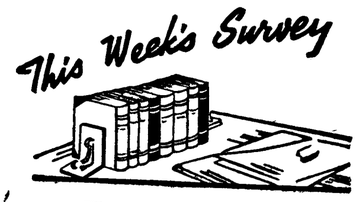
"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 6*th February*

Bamboo Paper Industry

The Tariff Board has issued its report on the question of the continuance of protection to the bamboo paper industry. Under the Bamboo Paper Industry (Protection) Act of 1925, protective duties were imposed on certain kinds of paper in order to develop the manufacture in India of paper from bamboo. These duties are due to expire on 31st March next. The Government of India in the Commerce Department, therefore, requested the Tariff Board in March last year to enquire and report as to how far these duties have achieved their object and what measure of protection, if any, should be continued after 31st March next. The total consumption of paper of all kinds in India (including pasteboard) increased from 111,963 tons in 1924-25 to 175,627 tons in 1929-30. In 1930-31, the figure fell to 154,277 tons. Of this total consumption, the Indian mills have steadily supplied from 22 to 25 per cent. The consumption of protected classes of paper increased from 43,331 tons in 1924-25 to 53,584 tons in 1929-30. In 1930-31, the figure fell to 49,046 tons. Of these classes of paper, the Indian mills have supplied from 53 to 71 per cent. There are now nine paper mills working in India, of which two belong to the Titaghur Paper Mills Company and two to the Deccan Paper Mills Company. The total capacity of the Indian mills in 1930-31 was about 45,000 tons of paper and the total output nearly 40,000 tons. There has also been a considerable increase in the use of indigenous auxiliary materials. Most auxiliary materials can now be obtained in India at economical prices.



FINANCIAL CONTROL

THE long-awaited reform of governmental administration which envisages the appointment of internal finance officers in each department, has now been announced. It is the culmination of a series of examinations of the problem of evolving a technique of expenditure control which would be both effective and expeditious. The search for a solution of this problem has been carried on ever since it became evident that the old and leisurely forms of financial control were not so well suited to the needs of the present day, marked as it is by growing economic activity of the Government. Examination of the problem by several authorities, including the American expert, Dr. Appleby, the Estimates Committee and the Comptroller and Auditor-General, has indicated the need for some reform of the procedure of financial control in the interests of the speedy execution of the Government's economic programmes.

Since the reform now proposed seems to stem from the note appended by Mr. A. K. Chanda, the Comptroller and Auditor-General, to the Audit Report of 1955, it may be appropriate to recall the essence of the changes in administrative procedure which he advocated. Overall financial control, with reference to financial policy and principles, he said, should continue to vest in the Finance Ministry but detailed scrutiny of proposals at expert level should vest in the administrative Ministry by installing "balancing personnel" within the Ministry. He pointed out that external financial advisers could not become familiar with the peculiar difficulties which arise in the formulation and execution of schemes. He added: "Without a full realisation of these difficulties, external advice tends to become unreal and detached." He felt that the "unnatural divorce of authority from responsibility is the *malaise* of our administration." He, therefore, suggested that the administrative Ministries should be provided with "internal financial advisers." Commending this reform to the attention of the Government, he said that it would lead to the growth of "financial consciousness" at all levels in the spending Ministries.

The reform now introduced by the Union Finance Minister, Mr. T. T. Krishnamachari, is conceived on the lines suggested by the Comptroller and Auditor-General. The scheme envisages the appointment of an Attached Financial Adviser (A.F.A.) to each Ministry to assist it from the very inception of a proposal. Apart from the A.F.As there would be two or three senior joint secretaries of the Finance Ministry who would deal with the major items of expenditure like multi-purpose projects and public enterprises. The Government would also nominate representatives of the Finance Ministry on industrial undertakings in the public sector. Explaining the merits of the scheme, Mr. Krishnamachari, in the course of his speech made at a conference of the Secretaries of the Administration Ministries of the Government of India, stated that the Attached Financial Adviser would be able to advise the Ministry concerned on financial aspects of administration. The Adviser would exercise functional control over the budget cell in each Ministry, particularly in the preparation of the Budget, in receiving and reviewing reports of the progress of expenditure and in ensuring that expenditure did not outrun allotment. The Minister also emphasised the need to transfer increasingly the administrative responsibility for expenditure to secretaries and to give them a certain latitude in regard to expenditure, provided it has already been budgeted for.

The working of the new procedure will be watched with interest. Since much thought has gone into the evolution of this procedure, it is reasonable to expect that it will result in a marked diminution in official delays and an improvement in accuracy of budgeting. The Comptroller, in his note commending the scheme of internal financial advisers, pointed out, it may be recalled, that it would reduce appreciably the "time-consuming vertical movement, up and down, of files dealing with projects and sanctions." The Attached Financial Advisers should also be able to advise the spending Ministries in the preparation of budgets in a way that would avoid the twin evils of overestimating and underestimating, the former leading to lapse of grants and the latter to the necessity of obtaining supplementary grants. In fine, the revised procedure ought to result in more realistic budgeting. It is, however, necessary to emphasise that, at least in the initial stages of the working of the reform, only men with some financial experience, sufficient imagination and ability to co-operate with others, should be chosen to work as Attached Financial Advisers. The success of the new scheme would, therefore, depend on the careful choice of personnel. In the absence of sufficient care in this respect, the new officers, instead of being healthy connecting links between the Finance Ministry and the spending Ministry concerned, could easily become additional bottlenecks to administration.

IMPORTANCE OF SAVINGS

As a result of the economic crisis that developed in the U.K. in the wake of the Suez hostilities, there has been in evidence a certain measure of serious re-thinking on economic policies. It has been difficult even for experts to foresee clearly the future course of events, for the simple reason that events are still in a nebulous stage. There are, however, certain trends in recent thinking which are becoming prominent as the situation crystallises. One important school of thought holds the view that the Government should cut its spending, especially defence spending. The realisation of the value of such a step has already resulted in certain far-reaching steps taken by the Government to effect economies in defence expenditure. There is another school which vehemently emphasises that Britain, as a nation, depending for its sustenance on its exports, ought to take measures for encouraging investment and productivity.

In this context, the observations made in the annual statement, circulated with the report and accounts of Lloyds Bank Ltd., for the year ended 31st December 1956, by the Bank's Chairman, Sir Oliver Franks, make interesting reading. He is of the view that the credit squeeze was achieving its aim prior to the Suez crisis. For there was a substantial improvement in the balance of payments position in the first half of 1956, as compared with the second half of 1955. Moreover, unemployment had remained low at 1 per cent. and the level of capital investment was high. In the light of this experience, he says, there should be no more of the cry that any measure of disinflation, however gently applied, can result in wholesale slump and unemployment.

Answering, in this connection, the argument that even a temporary check to production is too high a price to pay for the achievement of monetary stability, Sir Oliver points out that it is not the corrective measures taken to check the investment boom that constitute the limiting factor to investment and production. He concedes that the country has to step up the rate of investment and thereby the rise in productivity, if it is to keep pace with other industrial nations of the world and to keep up its status. "We have to put," he says, "more horse-power and better machinery behind the efforts of every member of the labour force." At the same time, he warns that one should not suppose that, in the absence of corrective measures, domestic production could have gone on rising without limit. He adds:

> "It cannot be sufficiently emphasised that the limiting factor is the supply of savings; it is this which sets an upper limit to the amount of investment that can be sustained. For a time, no doubt, the amount of voluntary saving which is forthcoming can be supplemented by the forced savings imposed by inflation. Even so, there comes a point at which any further increase in domestic capital formation tends to be offset by a deterioration in the external balance of payments: the resources needed to finance the extra investment at home are provided not by the savings of the domestic population—even forced savings—but by means of borrowing from the outside world or running down our gold reserves or other external assets."

According to Sir Oliver, this period has already been, reached and further rise in domestic capital formation alone will make no net addition to the national wealth, for every factory built will have to be paid for by gold. The real need, therefore, is not to press ahead with domestic capital formation regardless of what is happening to the balance of payments, but the creation of conditions, in which "a revival of savings will make it possible to press on more rapidly, at one and the same time, with additions to our domestic wealth and with the rebuilding of our overseas capital." Explaining the manifold streams which go to make the broad river of national savings, he says: "Savings, however, take many forms. The undistributed profits of companies, the current surpluses of local authorities and the public corporations, the surplus on the budget, as well as the unspent income of private persons—all these are the tributary streams which combine to make up the flow of savings as a whole. It is this combined flow of savings in the aggregate that we have to augment."

The Chairman welcomes the disinflationary measures adopted by the Government for the favourable results they have produced on the level of personal savings. Commenting on the taxation measures taken by the Chancellor last April to effect a budget surplus, he agrees with the Chancellor that they may be necessary in an emergency but cannot be erected into a permanent system. He rightly warns—this warning is as much applicable to this or any country as to the U.K.—that high rates of taxation needed to produce a sizable surplus will not only react adversely upon other forms of saving but in time stifle the very well-springs of enterprise.

U.S. ECONOMY

The assessment of the state of U.S. economy and its prospects in 1957 contained in President Eisenhower's economic message to Congress is couched in very cautious terms. For the U.S. economy, running at the rate of $412,000 million a year with full employment and rising incomes, is passing through a very critical period which calls for utmost care in economic management. Business activity has almost touched the limit set by the available resources and the problem is to prevent it from bumping against the ceiling and taking a downward course. The crucial task, therefore, lies in devising appropriate measures to sustain the rate of growth without at the same time provoking inflationary tendencies which might precipitate the very thing that is sought to be avoided—that is, a business depression.

Since the conflict is between economic expansion and a stable level of prices and costs, the Administration's main problem is to seek a compromise between the two. The Federal Reserve Board and the Council of Economic Advisers appear to be most sensitive to the dangers of inflation, as it is considered that the present prosperity is most likely to continue in the coming year also. The upward pressure of prices and costs is, therefore, the principal source of danger. This view found itself reflected in the President's message to the Congress. Mr. Eisenhower observed that, though there were grounds for confidence about the economy's prosperity in 1957, uncertainty was always present in the scene, especially the international situation and the upward pressure on costs and prices. But he was equally aware of the opposite danger—namely, a depression. Last year, business investment expenditure was the main motive force which helped the upswing of the economy. But indications are that this will suffer a slight setback in 1957. So also, building expenditure may fall at a more rapid rate. If this happens, it is likely that the tempo of activity may ease or even be reversed. But any such tendency is sure to be countered by the Government through appropriate measures. The level of consumer expenditure, due to the unpredictability of spending habits, continues to be the most uncertain element in the situation.

Of more direct interest to the world outside and the underdeveloped countries, in particular, is the growing realisation of America's responsibility for the well-being of the free world and the feeling that U.S. prosperity is closely bound up with economic development abroad. This conviction finds itself echoed throughout the entire economic report of the President to the Congress. The prosperity of the rest of the world deserves to be fostered even in the U.S's own interest. The Administration has fully realised this as witness the observation in the report that, if trade is conducted on a non-discriminatory, multilateral basis, the prosperity elsewhere will be reflected in increased demand for U.S. products. The sharpest expansion in U.S. exports, for instance, has been in shipments to industrialised countries with high *per capita* income, which are often competitive with America, and to certain less developed countries in which the rate of economic expansion has of late been high. To facilitate and increase international flow of goods and capital on a non-discriminatory basis, therefore, continues to be the major objective of the U.S. Since the volume of imports and the amount of private funds available for foreign investment depend mainly on domestic prosperity, the President's message stressed the need for a stable and growing economy as an essential foundation for a sound structure of world trade. But it particularly emphasised that positive measures are needed to help other nations to participate in the prosperity of the free world. The President therefore called on the Congress to authorise U.S. membership in new organisations for trade co-operation, to support new programmes of economic aid to underdeveloped areas abroad, to encourage the growth of private U.S. investment abroad and extend beyond June 1958 the authority of the Government's Export-Import Bank to encourage U.S. exports through loans to foreign Governments and to private business within the country. It is to be hoped that the U.S. Congress will extend its full support to a programme inspired by real concern for the economic health of the entire community of free nations.

PRODUCTION OF POWER

The importance of electricity to the economic advancement and prosperity of a country is well known. In fact, electric power has now come to be regarded as the *sine qua non* of a nation's industrial progress. In the words of Mr. Jaishuklal Hathi, Union Deputy Minister for Irrigation and Power, "it is actually the consumption of electricity which determines the progress and development of a country." Measured by this yardstick, the position, so far as this country is concerned, is far from satisfactory. The *per capita* generation of electricity in India in 1953 was only 18.51 units—now it is 25 units—while it is 88 times this level in the U.K., 162 times in the U.S. and 360 times in Norway. Against this background, the deliberations of the second All-India Power Engineers' Conference, held in Bangalore last week under the ægis of the Union Ministry of Irrigation and Power, acquire a national significance. The Conference, which was attended, among others, by several power engineers from all over the country, concluded its seven-day session after passing a number of resolutions on important aspects of the power supply industry.

The Conference urged the need for commencing detailed investigations of hydro-electric projects in each State in sufficient numbers to enable appropriate selections being made for inclusion in the third Five-year Plan. The need for early commencement and intensive work in this field by a special organisational set-up headed by a superintending engineer in each State was stressed. The Conference appointed a committee to go into the question of procuring equipment and materials for implementation of the power projects and evolve a procedure acceptable to the power supply industry and to the relevant departments of the Government. The need to accelerate rural electrification was particularly stressed. The Conference expressed the view that, unless the Central Government granted the required subsidy in some form or other, progress in the field of rural electrification was bound to be limited. The assembled engineers were also urged to devise ways and means of reducing the cost of rural electrification to the absolute minimum. Other resolutions related in some cases to appointing committees to go into the technical problems facing the industry and evolving such procedures as would secure the expeditious implementation of the second Plan.

Inaugurating the Conference, Mr. Gulzarilal Nanda, Union Minister for Irrigation and Power, stressed in his speech the importance of electricity as the symbol of civilisation and a measure of our material progress. He pointed out that, even though the *per capita* generation in this country had doubled itself over the last eight years or so, still, in respect of actual magnitude of the *per capita* generation, India stood very low in the scale of development. Again, even though the number of villages served by electricity had doubled under the first Plan, and the Government was planning to carry electricity to about 10,000 more villages and small towns during the second Plan period, the number of villages electrified by 1960-61 would form hardly three per cent. of the total in the country. There was also much to be done in the interest of "regional justice." To illustrate this, he compared backward regions like Orissa and Assam with advanced States like Mysore and Bombay. It was, therefore, their endeavour to even out these disparities in development in the various regions progressively.

Reviewing the progress of power generation in India, Mr. Nanda stated that a total generating capacity of one million kilowatts was added during the first Plan period, bringing the total installed capacity in hydro, steam and power plants to 2.7 million kilowatts. The projects taken up under the first Plan and expected to yield substantial benefits in the second Plan include the Bhakra-Nangal, in which 450,000 kw. of generating capacity will be installed, the Ghandisagar Power Station under the Chambal Scheme and the Rihand Project. The commissioning of the Hirakud Power Station on 13th January, the Minister stated, marked an important milestone in the progress of power development. A more ambitious programme of power development, he said, had been included in the second Plan. Forty-four hydro-electric and steam generating schemes are to be undertaken in this Plan. Of these, 25 would be hydro-electric stations and 19 thermal power stations. With the successful completion of these projects, an additional generating capacity of 3.5 million kilowatts will have been added. This represents a marked advance over the first Five-year Plan in which a generating capacity of one million kw. was added. The total outlay on power projects in the public sector during the second Plan will be about Rs. 427 crores, as compared with Rs. 160 crores in the first Five-year Plan. These projects, commendable in themselves, may not prove sufficient to meet the country's growing power requirements. It is this factor that points to the need for further exploration of hydro-electric resources and setting up of thermal stations, and emphasises the importance of early preparation for the establishment of nuclear power stations.

WORLD FOOD RESERVE

One of the most serious difficulties that affect the pace of economic development in the underdeveloped areas is insufficiency of food supplies. Efforts directed towards, and expenditure incurred in the cause of, economic development almost invariably increase the pressure on the supplies of numerous essential items of consumption, especially food. Thus, if the supplies of essential articles are not increased commensurate with the growing needs, a chain of reactions, starting with higher prices, and affecting wages and costs of production, are set in motion which ultimately jeopardise the implementation of the Plan. Hence an essential part of the programmes of economic development should be the creation of buffer stocks of essential food supplies to meet the contingencies that may arise either from failure of crops or from the increasing demand or both.

The world food reserve plan, which was under discussion last week at the U.N. Economic and Social Committee, will, therefore, be widely welcomed. The essential function of any such organisation should be not one of providing after-care emergency relief, but one of protective action. This is necessary if the clock of economic development is not to be put back. Speaking on this subject in the U.N. Economic and Social Committee, Mr. B. R. Sen, Director-General of the Food and Agricultural Organisation, emphasised this essential aspect. He advanced certain very important but workable suggestions in regard to the proposed world food reserve. He suggested the establishment of a high-powered combined operations committee for international relief of food shortages. According to him, this group should be made up of one high level officer from each of the interested international agencies. Moreover, these members would form a focal point of joint responsibility for the better organisation of international assistance in the speedy detection and relief and a world-wide detection system, which would strengthen the effectiveness of all the aid that other existing programmes could provide. Mr. Sen also visualised that such a body would be eventually given some resources of its own in earmarked reserves of funds.

The body envisaged by Mr. Sen thus can fulfil an important function. The part that can be played by countries having farm surpluses in not only building up a pool of food stocks but also in strengthening the national reserves is great indeed. Mr. Sen informed the Committee, in this connection, that the F.A.O. was trying to explore new ways of using surplus stocks on special terms for such purposes as financing of crop insurances in some of the underdeveloped countries. It had also tried, according to him, to explore the possible functions of an international pool of food stocks which would mainly provide a channel for the use of surplus stocks in aid of additional investment in underdeveloped countries.

The usefulness of any such pool, however, depends on the terms on which the surpluses are made available to the needy countries. The problem of scarcity of food supplies in certain parts of the world is not always one of the inability of the exporting countries to meet the demand. It is also one of inadequacy of purchasing power in these food-deficit regions. The issues, therefore, centre on the terms of providing the surpluses as development capital, whether on a grant basis or on the basis of low-interest long-term loans. An important aim of the national policies in this regard should be, as Mr. Sen rightly pointed out, to prevent the danger of relapse into anything like a disastrous depression of the early thirties.

FREE ENTERPRISE

India is known to the world as the land of thought and spirit; and its contribution to this sphere is one of which we may legitimately be proud. Through the ages, values governing the thoughts and actions of people have been constantly changing, and today it is generally accepted that the welfare of every citizen is the responsibility of every other citizen of the country. Indeed, in course of time, the system of values obtaining today may well be replaced by more expansive values, and the individual in one country may actively extend his sympathies and concern to individuals in other parts of the world. But, throughout the ages, the individual remained as the fountain-head of all new thought and values. In short, the *raison d'etre* of planning in India is the acceptance of the values of the day. So far there can be no dispute, and such acceptance vindicates the country's pragmatic outlook. However, the question arises, whether the acceptance of the new values should mean the complete disavowal of the individuality of man. Obviously, the essential virtues of man, that is, his inexhaustible creative powers and adventurous spirit, are the qualities which have made for his survival through the ages. There is, therefore, need for preserving these qualities. Planning in democracy implies a synthesis of social and individual values. It should not mean undue regimentation and regulation of individual freedom.

The Prime Minister, Mr. Nehru, is fully aware of these dangers as his statement at the Indore session of the Congress clearly reveals. After referring to the tragic consequences of unbalanced planning in totalitarian countries, he said: "We attach great value to individual freedom, because, in the final analysis, we want the creative and adventurous spirit of man to grow. It is not enough for him merely to produce the material goods of the world." Mr. Nehru also said: "We want to produce the material goods of the world and to have a high standard of living, but not at the expense of the spirit of man, not at the expense of his creative energy, not at the expense of his adventurous spirit, not at the expense of all those fine things of life which have ennobled man throughout the ages."

Appropriately enough, the Forum of Free Enterprise, in a Press statement, has welcomed these observations of Mr. Nehru. The Forum says that it is reassuring to learn that the Prime Minister has underlined the dangers of unbalanced planning resulting from undue emphasis on heavy industry at the cost of agriculture and consumer goods industries.

The Forum rightly believes that enlightened free enterprise, working within the framework of planning, is an indispensable part of the democratic set-up. There is a close interrelationship, it affirms, between socially regulated free enterprise and democracy. Free enterprise is indispensable to the democratic way of life. It is not to be accepted merely on sufferance and to be tolerated on grounds of political expediency. It adds: "Free Enterprise has a legitimate and vital function to perform in democratic planning." The Forum has assured the Prime Minister and the country that free enterprise is prepared to accept its full share of responsibility as a partner in the great national adventure which democratic planning implies.

WORLD RICE PRODUCTION

Indications are that world rice production in 1956-57 may exceed the high level of last season as a result of larger acreages and favourable conditions in many producing areas, states the Commonwealth Economic Committee *Rice Bulletin*, just published in London. First estimate of acreage under rice in India shows an increase of 4.8 per cent. over the previous year, while "some increase" in production is expected in Pakistan. Ceylon also is growing more rice.

In Burma, the harvested area is reported to have reached a post-war peak of over 10,000,000 acres. In Formosa, the second rice crop was also large—a record total of nearly 950,000 tons of brown rice (the equivalent of 1,239,000 tons of paddy) being forecast, of which 70 per cent. had been harvested by the end of November.

In the Middle East, rice harvests are reported to be good, those in Iran and Iraq being well above the average, and possibly equalling peak figures of two years ago. Other countries reporting good yields are China and the Philippines.

AMERICAN LETTER

PRESIDENT OPTIMISTIC ABOUT FUTURE

POPULATION REACHING 170-MILLION MARK

From Our Special Correspondent

NEW YORK, 23rd *January*

PRESIDENT Eisenhower's inauguration for his second and last term as head of the United States and his economic message to Congress were two important events in recent days and weeks.

The inauguration ceremonies were very tactfully handled and no rift between Democrats and Republicans were in evidence. There was also no vindictiveness apparent so far as persons were concerned who had taken issue with Administration policy.

Former Governor Stassen, for example, who lead a campaign against re-election of vice-President Nixon, had a seat in a governmental box, although he is no longer an official member of the Government.

George M. Humphrey, Secretary of the Treasury, who has vigorously opposed the Administration's new record peace-time budget of more than $71,000 million, was very much in evidence.

The economic message to Congress was generally applauded. The President took cognizance of Mr. Humphrey's remarks that, if the spending is not stopped or curtailed, expenditures by a chain of events might drive this country into a depression.

But Mr. Eisenhower was optimistic about the future and predicted continuation of the present prosperity and boom conditions, generally. He made it clear, however, that, if activity should fall, no stone would be left unturned and all necessary measures would be taken by the Government to correct such conditions.

Both the securities and commodities markets reacted favourably to the economic message. The President said he would recommend to Congress at an early date improved acreage allotments and price support for maize.

Disposal of Government surplus commodities, overseas and private exports are important features of the markets these days. The potential for future export business is also large and the Commodity Credit Corporation has been selling large amounts of corn to exporters.

Middle East

The next few weeks will see the visit to this country of Arabian dignitaries who will present their views on the Middle East situation to the Washington Government. They will be guests of President Eisenhoweer.

Their presence here is eagerly awaited, since it may have an important influence on passage of the Eisenhower defence plan for the Middle East on which hearings have been held by Congress. It may be interesting to note that the best legal brains maintain that the President already has the powers he seeks and merely wants a double confirmation from the legislative branch of the Government.

The original reception of the Eisenhower doctrine had a lukewarm reception in the Arab world. Since that time, both the Kremlin and China, in a joint statement, also pledged their intention to "defend the Middle East." Even if it had been planned that way deliberately, the Soviets could not have rendered a greater service to the United States. The Eisenhower proposals are almost certain to pass, despite all the wranglings over details which have made the headlines.

Oil and Ocean Freights

Factors affecting U.S. foreign trade and domestic trade are several. Freight rate increases, previously scheduled for the Middle East, have been cancelled, but ocean shipping rates of cargoes from Brazil, Argentina and Uruguay to East Coast ports of the U.S., Canada and U.S. Gulf Coast harbours, will be raised by about 10 per cent., effective 1st April 1957.

An increase of about the same proportions is scheduled to go into effect on south-bound shipments between the same areas on 18th March. Rates on these routes were last increased in August 1956. The latest boost was due to increased cost of operations and it will certainly boost the cost of the merchandise involved.

Extremely active demand for oil arising out of the Middle Eastern crisis, has led to another boost in prices. Canadian producers have boosted their prices between seven-tenths of a cent to one cent a gallon of gasoline and light fuel oils on a wholesale basis.

Sterling

Another factor is the unexpected strength of sterling, due to active support by the Bank of England and negotiations for a standby dollar credit from the International Monetary Fund. In fact, since the appointment of Sir Harold MacMillan as Prime Minister, sterling has shown remarkable strength and, for the first time since last June, it broke through the $2.80 parity level on the upside the other day.

The overall economic situation remains in quasi-balance. Steel has shown some weakness in recent weeks. Close to the year-end the industry operated at above rated capacity. It is now down to about 92 per cent.

Steel plates for shipbuilding and structural steel are still in extremely tight supply. Some manufacturers have backlogs of orders of about three years. Both the shipping shortage and the enormous demand of the national and State highway programmes are the principal reasons for it. Other categories of steel, however, are quite easy to get. Moreover, the industry is continually increasing its capacity and by the end of this year this may reach 150 million tons annually.

Population

One of the underlying factors for the constant pressure for more supplies in certain sections of the economy is the population growth here. The most recent statistics show that 1956 broke all previous yearly records.

The increase in population last year is authoritatively estimated at 2.9 million, bringing the total, including the armed forces overseas, to 169,670,000 at the year-end. In the eleven and one-third years since the close of the last war, almost 29.5 million people have been added to the population.

This is more than the total gain during the 23 years between the two world conflicts. The number of births exceeded deaths by an unprecedented margin and infant mortality dropped to a new low. Owing to advances in medical sciences, the proportion of older people in relation to the total population has also been growing. It may be noted, in passing, that, last year, there was a further rise in accidental deaths. Accidents in the U.S. continue to outrank every other cause of death, except the cardiovascularrenal diseases and cancer. The population growth is the biggest prop under the U.S. economy.—*All Rights Reserved.*

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MR. MACMILLAN'S EUROPEAN DREAM

From Our Own Correspondent

LONDON, 25th *January*

LONDON LETTER

IN Press Conferences and speeches, Mr. Macmillan conveyed the impression immediately after assuming the Premiership that his principal constructive policy in foreign affairs was the setting up of the European Common Market. There is no question at all that Britain's Premier is bent on creating that impression and his efforts have been so far successful that they have drawn the maximum reaction from those who are fearful that a European Common Market will spell the end of the Commonwealth ties and of some of Britain's "infant industries," i.e., industries that have been infants since the Ottawa Agreement of 1932.

But, in conveying these indications of his policy, the Premier has had to spell out what he really envisages by the Common Market and it is now becoming clear that what he envisages is nothing very revolutionary after all! The Common Market is not, of course, to be confused with the Customs Union which is being mooted by a much narrower group of the O.E.E.C. Companies.

Moreover, the stage has now been reached of putting into draft a treaty ultimately to be signed by the O.E.E.C. countries adhering to the Common Market and that treaty will have to be laid before Parliament. Its details are not yet available other than in Mr. Macmillan's speeches. It is, of course, common knowledge that agricultural products are to be ruled out by this country. It is less well known that certain raw materials and a specific range of industrial articles will also be exempt from the general provisions.

Free to What Extent?

In brief, Mr. Macmillan, for all his enthusiasm as a good European, is not going to sacrifice any vital British interests or any Commonwealth preferences. What is left? Certainly not a large free trade area. Instead, we shall have an extension of the O.E.E.C. quota-free arrangements with the aim of guaranteeing the exchange of commodities at equalised tariff rates. The tariffs themselves will still be there, unlike in the European Customs Union. In the latter, there will be no tariff between the members of the Union and a Common Tariff by all the members to the outside world; but, in the Common Market, countries will maintain their tariffs against each other, the aim being to bring them into line. It is furthermore intended to permit the free movement of capital for investment between the adhering countries. But no positive proposals have so far emerged. Nor are they likely to do so, given Mr. Macmillan's general philosophy—for positive measures mean planning to increase production and exchange.

Mr. Macmillan's idea is that, by putting a number of commodities on the same tariff basis, putting a number of countries on the same footing regarding the exchange of these commodities, he will achieve the liberal ideal of maximising production and minimising cost under the theory of comparative costs. This theory is valid in a true Common Market such as the United States but, when applied to a number of independent European countries with their different conditions of employment, different rates of investment, different standards of taxation and welfare, there are in practice likely to be set up enormous hindrances to the realisation of the economic ideal. What we may get instead is the protectionists' nightmare of foreign competition killing home industries without equivalent expansion in the export industries to absorb the labour and capital. In brief, the policy, instead of being expansive, could be deflationary.

But this is not to say that there is sound reason for opposing Mr. Macmillan's plans, it is rather that, one must point out, in themselves they do not go very far, that they have some undesired consequences, and that, if one is really concerned about expanding trade, one has to take more positive steps. The O.E.E.C. countries should be considering the giving of encouragement, industry by industry, regardless of country, to the most efficient and the potentially most efficient producers. It is clear, however, that nothing positive of this kind is envisaged; there is no real stimulus, so far as can be seen, to be given to European production as a whole.—*All Rights Reserved.*

ECONOMIC SYSTEMS ARE INDIVIDUAL TO EACH NATION

IDEAS ARE, HOWEVER, ADAPTABLE

By Dr. Marcus Nadler

[The author of this article is widely known in the field of international economics. In addition to his post as Professor of Economics, Graduate School of Business Administration at New York University, he is Consultant to the Hanover Bank and Trust Company, New York, and Associate Editor of the Journal of Commerce. His published works include "Foreign Securities," 1929, "International Money Markets," 1955 (both with J. T. Madden), "The Money Market Primes," 1948 (with J. T. Madden and S. Heller), as well as numerous articles and brochures on various phases of economics.—ED.]

THE economic system of each individual country is the result of historical, social and political developments and these differ from country to country. However, while economic institutions and practices have served one nation well, they would not necessarily lead to the same results in another country. Each country, however, has a great deal to learn from the others and the United States certainly has learned a great deal from the institutions established in the older countries.

The economic system of the United States has served the people well and provided them with a very high standard of living. In part, this is due to the favourable geographic position of the United States and to the vast natural resources which exist in the country. The climate is varied, permitting the growing of a wide variety of crops, from cotton and citrus fruits in the south to spring wheat in the north. It is, on the whole, moderate and healthful.

The composition of the population differs in many respects from that which prevails in other countries in the Western Hemisphere. It embraces a great many peoples and cultures, all of which have contributed to the American culture and the American way of thinking. All Americans, with the exception of the native Indians, are immigrants or descendants of immigrants.

The geographic position of the United States, the character of the frontier, and the background of the population have had a marked impact on political and economic developments. The need for co-operation in conquering the wilderness led to the establishment of democratic institutions which had a pronounced effect on later political developments. The self-reliance required of the new settlers developed a feeling of equality, which was further strengthened by the absence of the institution of nobility. From the earliest days, there was usually a shortage of labour, with the result that wages in the United States were generally higher than in most countries. This situation, together with the rapidly expanding market, led to the creation of labour-saving devices and the emphasis on increased productivity which have had such an important impact on economic development in the United States.

In all these years of growth and expansion, the United States has learned a great deal from foreign countries. In fact, up to the outbreak of World War I, thousands of American students studied at the institutions of higher learning throughout the world in order to acquaint themselves with the institutions and practices of other countries. While many of the ideas and concepts were adopted by the United States, however, based on different historic, social and economic developments, important differences in the economic system of the United States were developed. Some of these differences may be mentioned as follows:

(1) Competition in the United States is, perhaps, keener than in most other countries. To meet this competition, business concerns are forced to spend large sums on new machinery and equipment, in order to reduce labour costs and to maintain their competitive position. Some foreign observers believe that this severe competition is harmful to the American economy, that it leads to a large number of failures and too rapid obsolescence of productive facilities. Yet this policy has served the American people well; it has resulted in increased productivity, higher wages, and relatively low prices of manufactured goods.

(2) The American economy is one of mass production, mass consumption and mass financing. The domestic market is the largest that has ever existed thus far, in the world, and in order to meet the demand of this huge market, mass production is essential. Many foreign observers are concerned over the widespread use of instalment sales and the huge volume of consumer indebtedness in the United States. At the end of September 1956, consumer credit outstanding amounted to $40,000 million, or 17 per cent. of annual disposable personal income. In many other countries, this would not only be considered unwise financing but also dangerous to the economy. In the United States, consumer financing is part and parcel of the way of life. The average individual thinks nothing of buying an automobile or other types of consumer goods on the "pay-as-you-use-it" plan. The experience with consumer loans, on the whole, has been satisfactory and the loss ratio has been exceedingly small. Without such mass financing, mass distribution and mass production would have been impossible.

(3) The banking system in the United States is unique, in that it is a dual banking system. While in other countries the banks operate under only one set of laws, in the United States banks may be chartered either under national laws or under 48 separate codes of State laws. In other countries, nation-wide branch banking is usually permitted. In the United States, there is State-wide branch banking in some States, while, in others, branches are not permitted at all or only over a limited area. Strange as it may seem to some foreign students of banking, this system has served the United States well and has contributed materially to the economic growth of the country.

(4) The savings of the people are enormous, and, to a considerable extent, they are contractual in character, such as those made in the form of insurance premiums. The life insurance companies, as well as other major savings agencies, such as savings banks and savings and loan associations, are largely private and mutual in character, that is, they are not owned by stockholders but by the policyholders or depositors. The total resources of American life insurance companies at the end of June 1956 amounted to $93,000 million. Savings of individuals in savings and loan associations and mutual savings banks amounted to $64,000 million on that date. Private pension funds are also playing an increasingly important role in the economy. Usually, these are managed by the companies, sometimes with the participation of the beneficiaries.

This system has served the American economy well. It has made available to industry and Government huge sums of money at relatively low rates of interest and, at the same time, has given the people a degree of economic security which few countries can rival.

(5) In the United States, with certain notable exceptions in the field of power, the utilities and transportation, facilities are largely privately owned and managed. All railroads in the United States are privately owned. The telephone and telegraph system is in the hands of private enterprise, as is the bulk of the power and gas facilities. And yet even the severest critics of private enterprise admit that the service rendered to the users of these facilities is excellent and probably not surpassed anywhere. The American people are satisfied to leave these facilities, which are monopolistic in character, in the hands of private enterprise, subject to Government regulation, particularly as to rates and service.

The above examples were taken at random and were cited not to prove that these institutions are superior, but merely to indicate that each country develops its own economic system, its own institutions, its own methods of doing business, based on its requirements and needs. Some are typically American, as, for example, the banking system. Others are adaptations of principles which have been adopted from other countries.

Many other examples of the pecularities and uniqueness of the American economic system could be cited. This system, as was previously stated, is the product of deep-rooted, historical, geographic and political developments. It is not static and it is in a constant state of flux, changing itself to meet changed economic and social conditions. Although the means of production, transportation and distribution are largely in the hands of private enterprise, it could be said that the American economy is rapidly becoming a "people's capitalism," in the sense that the means of production, while managed by industrial executives, are, to a large extent, owned by the people themselves, either directly, in the form of stock ownership, or indirectly, through their interest in such mutual institutions as insurance companies and pension funds.

While Americans do not advocate wholesale adoption of their economic system, the system does have features which could properly be adapted to the needs of other countries. Similarly, as has been shown before, the United States has learned and seeks to learn from the systems in operation in other lands and from the experiences of other nations. Each nation is endowed with a special creative genius from which all other nations can learn. It is, however, fallacious to believe that, because an economic system has served one nation well, its adoption by other countries would lead to the same results. An economic system that is not deeply rooted in the character of the people nor based on its history and traditions, whether adopted voluntarily or imposed by force, is bound to fail.

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PAYMENTS UNDER STANDING ORDERS

BANKS IN INDIA SHOULD POPULARISE THE SYSTEM

ONE of the main worries of commercial banks in India at present is to find adequate resources to meet the growing demand for bank credit and to maintain a fair level of liquidity ratio. The increase in interest rates offered by them on time deposits and savings bank accounts has not yet yielded sufficient deposits to meet the situation. As was pointed out in our last issue, while notes in circulation have gone up by nearly Rs. 325 crores over the past five years, the net deposits of Scheduled banks have risen by only Rs. 256 crores. This means that a substantial part of the increase in currency has found its way into non-productive channels, being held mostly by those among whom the banking habit has not spread. Banks in India should, therefore, strive to raise their resources.

This can be done by infusing the banking habit among the population by intensive efforts. One of the ways in which this can be done among the urban population is to offer services other than mere keeping of deposits and paying interest on them. Banks can, for instance, undertake to do almost all monetary transactions of their customers, such, for instance, as payment of insurance premia, rents, subscriptions to societies, associations, clubs, etc., amortisation of debts by instalments, and all other remittances which are to be made at regular intervals. This service, known as Standing Order System, is very common in Western countries and can be conveniently adopted and popularised in India. It is true that many leading banks in this country offer some of these services, but the system is neither widespread nor popular for two reasons. In the first instance, the public at large does not know that such facilities are available to them; a wider publicity of these services may, therefore, yield better results. Secondly, the cost of these services is rather high, with the result that customers have no incentive to avail themselves of these services. The banks should render them at charges lower than those made for other forms of remittances. In this context, the system prevalent in the U.K. can be usefully followed by banks in this country.

The Standing Order System is gaining popular favour in Britain. Under this system, customers entrust the work of making a series of periodical payments to their bankers. This is done by completing a single form, in which are mentioned the amounts to be paid, to whom they are to be paid and the dates on which the transfers are to be effected. Such a system is particularly suited for transactions which involve payments at fixed regular intervals, namely, insurance premiums, rents, etc. All commercial banks provide these facilities to their customers. Trustee savings banks also offer them, though in some cases in a limited form. Even post office savings banks render these services to their customers, albeit on condition that the payments under a Standing Order are not more frequent than once a month and that a reasonable balance is maintained in the account, that is, a sum sufficient to ensure that the amount involved can be transferred without the necessity of the bank having to intimate the customer that his account must be brought up to an adequate level.

The main attraction of this system is that the customer is saved the bother of keeping note of the due dates, and issuing a cheque for each payment or sending each remittance by money order or postal order. The second attraction is that the cost is not materially more than the total cost of all remittances by other methods. It also saves the stamp duty on every cheque issued. (In India there is no stamp duty on cheques.) It is stated that commercial banks do not make any special charge at all, if an annual payment is to be made under a Standing Order. Where frequent regular payments are to be made, some additional charges are levied, which, however, vary from account to account. For instance, the charges are much less in the case of those who keep large balances in their account and do not utilise them for other transactions than in the case of those who maintain small balances. Generally, the charges do not exceed a few pence more than those ordinarily charged for clearing cheques. Post office savings banks charge 8d. a time for transfers under Standing Orders. But even this cost is less than that involved in postal remittances. Trustee savings banks which provide Standing Order facilities levy charges varying from 8d. to 1s. per payment.

The Standing Order System generally operates only in respect of regular payments of even amounts. Savings banks do not usually offer such facility where irregular payments are involved, while in the case of commercial banks, the arrangements for irregular payments and payments of uneven amounts are previously discussed and fixed with the branches concerned. Some commercial banks have been accepting instructions from customers to make a number of payments set out on a slip in exchange for a single cheque reimbursing the bank for the total amount involved. Thus, some commercial concerns have been in the habit of disbursing salaries to their staff in this way, while some private customers have been availing of this facility for making household payments. This practice is, however, being discouraged, on account of the extensive work which it entails for bank staff. The banks also levy sometimes very heavy charges for such payments in order to discourage this practice.

The Standing Order System can also be adopted in cases where dues are to be collected at regular intervals, but in such cases powers-of-attorney may have to be executed in favour of banks by the customers. The system can very conveniently be adopted in cases where the person who has to make the payment and the one who has to receive happen to be customers of the same bank, because the transactions involve only a book entry.

STATE BANK OF INDIA

In line with the general trend of bank profits for 1956, the State Bank of India has made an impressive performance. The net profit of the Bank for the year under review amounts to Rs. 156.18 lakhs, which compares very favourably with the combined profit of Rs. 135 93 lakhs made by the former Imperial Bank of India during the first half of 1955 and by the State Bank in the latter half. It also exceeds by Rs. 19.27 lakhs the record profit of Rs. 136.91 lakhs made by the Imperial Bank of India in 1954, before it was nationalised. With the sum of Rs. 34.37 lakhs brought in from 1955, the total sum available for appropriation is Rs. 190 55 lakhs (as against Rs. 170.12 lakhs), out of which the Directors have set aside Rs. 2.50 lakhs to the reserve fund, as against *nil* a year ago, Rs. 6.14 lakhs to the pension funds, which had received Rs. 5.75 lakhs last year, and bonus to staff Rs. 40 lakhs, same as in the previous year. In addition, the Directors have transferred Rs. 10 lakhs to the staff amenities fund, for which no allocation had been made last year. The dividend has been maintained at 16 per cent. per annum, a rate which the former Imperial Bank of India had been paying from 1950 onwards after raising it from 14 per cent. This requires Rs. 90 lakhs, leaving to be carried forward Rs. 41.91 lakhs to the next year.

INTERNATIONAL FINANCE CORPORATION

The membership of the I.F.C. has now risen to 47 countries with capital subscriptions aggregating $90.396,000. It will be recalled that the I.F.C. came into existence on 24th July last with 31 member countries. The purpose of the I.F.C. is to further economic development by promoting the spread of private enterprise in the less developed countries of the world.

(*Concluded from next column*)

The information collected by the Committee for Invisible Transactions, in the course of its examination of the various reservations, has shown that, in certain cases, it should be possible to extend liberalisation. Consequently, the Council of the O.E.E.C. adopted a unanimous Recommendation to the effect that the countries concerned should withdraw 16 reservations entirely and two partially and should modify five others. With regard to 16 other reservations, the Council made no formal recommendation for withdrawal to the member-countries concerned, but considered it desirable that they should envisage the possibility of removing or reducing, according to circumstances, the restrictions which they still maintain. The Council also approved of the programme of work of the Committee for Invisible Transactions. This Committee will continue, at regular intervals, to examine the reservations maintained by the member-countries, and will submit to the Council appropriate suggestions to assist such countries in withdrawing their reservations. It will also explore the possibility of widening the general obligations of liberalisation laid down in the Code and will make thorough studies of problems arising with regard to transport, films, insurance and personal capital movements.

EXCHANGE CONTROL IN WESTERN EUROPE

MORE FREEDOM FOR INVISIBLES

FURTHER steps have been taken by the Council of the O.E.E.C. towards the gradual overcoming of those obstacles to so-called "invisible" transactions and transfers which still remain at international level. The Council has sent a Recommendation to member-countries for abolishing some of the restrictions which they still impose on such transactions and given its approval to the programme of work to be undertaken by its Committee for Invisible Transactions. The terms of reference of this Committee, which was established in 1955, are to consider by what means it is possible to extend the liberalisation of invisible transactions, i.e., services rendered by persons residing in one of the member-countries to persons residing in another member-country, such as operations concerned with freights, insurance, advertising, use of patents, etc.; its task is also to facilitate the liberalisation of transfers on current account arising out of such transactions, as well as financial transfers relating, for instance, to dividends, interest, rents, tourist allowances, inheritances, etc.

When codifying previous decisions of the Organisation on invisible transactions in June 1955, the Council of the O.E.E.C. approved a list of transactions and transfers, annexed to the Code of Liberalisation, for which the principle of liberalisation had been affirmed. In other words, all the items in this list—designed to be an exhaustive list of all invisible transactions and transfers on current account—were to be freed, subject to certain limitations regarding some of them; it was provided, however, that, if, in the case of any given item not freed hitherto, a country was unable to authorise the transaction and corresponding transfer, that country had the right to make a reservation, which had to be brought to the notice of the Organisation. The latter has the task of carrying out a periodic examination of such reservations, in order to determine whether the reasons invoked are justified and to define the action which might be taken to bring about their elimination.

In recent months, the Committee for Invisible Transactions, in conjunction with the experts of member-countries, examined the various reservations notified to the O.E.E.C., and submitted to the Council a report, analysing the present state of the liberalisation of invisible transactions in Europe, and proposing suitable measures to extend such liberalisation by means of a Recommendation to member-countries.

Great progress has been made in recent years and exchange control restrictions on invisibles have largely disappeared. Thus, in most of the O.E.E.C. area, a business man can avail himself of all services offered as freely in other member-countries as in his own. He can ship and insure his goods through foreign companies and warehouse them in the country of his choice. He can travel and advertise abroad; commissions and expenses relating to foreign trade can be freely transferred; foreign experts and technicians can be consulted. The investor can receive his foreign dividends, interest or other capital earnings. Similarly, the foreign worker can, generally speaking, transfer earnings and maintain social security payments. Royalties can be paid to foreign authors under copyright and licence fees to foreign owners of patents. The private person can obtain substantial allowances in foreign currencies for travel in member-countries, for pleasure, health or study. Inheritances and dowries are transferable.

The list of invisible transactions given in the O.E.E.C. Code of Liberalisation covers 47 items, only 18 of which have given rise to reservations by certain member-countries, and in some cases only one or two reservations were made. It may, therefore, be said that, for a large number of transactions and transfers, there is a common market in Europe. It should also be pointed out that the mere fact of a country making a reservation against an item does not necessarily mean that the transaction or transfer in question is not free in practice; it often happens that a country, without accepting a formal undertaking to liberalise, follows a very liberal policy.

Certain items in the Code of Liberalisation which have given rise to reservations are, in fact, of great economic importance. For example, important restrictions are maintained by several countries on inland transport, insurance and films.

(*Continued in previous column*)

ROLE OF CO-OPERATION IN SOCIAL ADVANCE

SOME RECENT TRENDS

By G. D. H. Cole

CHICHELE PROFESSOR OF SOCIAL AND POLITICAL THEORY AT OXFORD UNIVERSITY

THE Co-operative Movement, in its long history of development in many countries, has shown itself remarkably adaptable to a wide variety of social and economic conditions.

In Britain, ever since the foundation of the Rochdale Pioneers' Society in 1844, it has developed mainly as a movement of consumers for the collective sale and production of everyday household supplies—above all, of foodstuffs, but with a growing tendency to invade other forms of retail and wholesale trading and of manufacture in establishments collectively owned and managed by consumers' societies.

It has developed in largely similar ways in a number of other Western countries—for example, in Scandinavia, in Germany, and in Switzerland. On the other hand, in many of the less developed countries it has taken root, in the first instance, mainly as a means for the supply of credit to small farmers or other small-scale producers; and in certain advanced agricultural areas, such as the prairie provinces of Canada, it has grown up chiefly as a producers' movement among farmers, large and small, for the collective purchase of farm requisites such as seeds and machinery.

In yet other countries, industrial co-operation among producers has played an important part, through productive societies largely owned by the workers employed—for example, in France and Italy and also, on a smaller scale, in Britain. In the United States, one of the most successful co-operative ventures has been in the sale of petrol, chiefly to farmers, and there have also been interesting adventures in co-operative credit to university students and in co-operative home-making.

Wide Diversity

In almost every country, some form of co-operative enterprise seems to be adaptable to the local conditions. In recent years, some of the most interesting developments in many branches of co-operation have occurred in colonial areas—for example, in West Africa and in Malaya, including both consumers' societies for collective supply and producers' societies for marketing of rural products.

This almost unlimited adaptability of the co-operative method indicates the enormous scope that is open for its further development, especially in the countries that are economically less advanced. Forms of agricultural development range from the complete co-operative socialisation that exists in some, but not by any means all, of the *kibbutsim* in Israel to single-purpose marketing societies for particular products among farmers who cultivate their land or breed stock as individual *entrepreneurs*, as in Denmark or Canada.

Given this wide diversity both of methods and of social composition, it is not always easy to see what binds all the varying groups of co-operatives together into a common movement; for there are obviously great differences between bodies of consumers who are banded together in order to secure supplies of unadulterated goods at fair prices on a non-profit basis and societies of farmers or industrial producers who are seeking to market their products, whether individually or co-operatively produced, on favourable terms. There are, however, certain principles which all co-operative societies that can claim to belong to the great international Co-operative Movement are required to accept as the basis of their work.

Democratic Basis

First and foremost among these principles is the democratic basis of membership, which assures to each member an equal voting right regardless of the amount of capital he has invested in his society or of the amount of his transactions with it. This sharply marks off co-operative from all forms of capitalist enterprise; for, in capitalist companies, voting is weighted by the amount of risk-bearing capital held by the investor, and a few wealthy shareholders can outvote a large majority of small investors, so that the latter usually have no effective control at all.

Secondly, all real co-operative societies work on the basis of a limited return on invested capital, in the form of fixed interest and not of a variable dividend on capital depending on the amount of profit or surplus. This interest cannot, indeed, be fixed absolutely for all time: it has to be varied in accordance with the rates of interest prevailing for other forms of borrowed money in the country in question, but is kept as low as the conditions allow. Thirdly, wherever possible co-operative societies work on a basis of open membership—which means that anyone who wishes can join a society on an equal footing with the existing members.

This principle can be fully applied to the consumers' societies which dominate the movement in Western Europe: it cannot be applied in the same way to the producers' societies, which must limit their working numbers to the members they are in a position to employ with the capital resources they possess and with the markets open to them. But here too the principles of equal membership and democratic control are applicable, and mark co-operative sharply off from capitalist enterprise.

Relations with State

In most countries, it is a matter of pride to co-operators to keep their movement fully independent of control by the State or by any outside body. But this is not always possible. In the totalitarian countries, the Co-operative Movement is inevitably subjected to different forms of State control, which co-operators in advanced Western countries would decisively reject; and, in the less developed countries, it is often necessary for the State to maintain some control, especially over the provision of credit through central agencies for co-operative banking—whereas, in the more advanced countries, the Co-operative Movement usually develops its own banking arrangements independently both of the State and of the capitalist banks.

Despite these differences, it is a remarkable fact that, whereas both the trade unions and the labour and socialist parties have become divided into rival Communist and non-Communist Internationals, the International Co-operative Alliance has continued to include the Co-operative Movements of the Soviet Union as well as of the Western countries—though not without a good deal of friction arising out of differences of view concerning the proper relations between the co-operative societies and the State.

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CORRESPONDENTS ALL OVER THE WORLD

In Britain and in other Western countries, the predominant consumers' co-operative movement continues steadily to add to its membership and to increase the volume of its trade, but is subject to increasing challenge from private traders, and especially from large capitalist multiple concerns. Rising standards of living in many of these countries have been greatly altering the typical patterns of consumers' expenditure and have been reducing the proportion of total income spent on goods and services which the co-operative societies have equipped themselves to supply: so that, despite rising membership, a smaller percentage of members' total incomes has been spent at the co-operative stores.

It has also become less easy to raise co-operative capital as more alternative openings for the investment of small savings have become available—especially in loans to the State or other public bodies. This has slowed down the rate of expansion, especially of productive enterprises under co-operative control; and a good many friends of co-operation are wondering whether it may not become necessary, as the range of social enterprise grows wider, for Governments, as an alternative to nationalisation, to give aid to the co-operative movements to expand their activities into new fields of production and service. In general, however, co-operators are reluctant to contemplate anything that would involve any sort of State control over their movement and tend to prefer a slower rate of expansion that can be financed out of their own resources.

Dividend on Purchases

In Britain, one effect of the keener competition of private with co-operative trade has been a tendency for the rate of "dividend on purchases"—a characteristic co-operative device since Rochdale days—to fall off, so that the average rate of dividend is now not much above one shilling in the £1. In the past, the co-operative dividend has been of great help to the housewife in meeting expenses that arise, not day by day, but at longer intervals. It still is so, but no longer to the same extent as when most wage-earnings left no margin above bare subsistence; and the fall in "dividends" is not altogether a bad thing when it is used for maintaining reserves at a level adequate to cover current and prospective needs for capital replacement.

The "dividend," however important it has been in attracting and holding members, has always been a matter of expediency rather than of co-operative principle. Some societies, though few in Britain, have never used this device, and have preferred to devote their surpluses to the provision of collective services, especially in countries in which the public social services are inadequate, or even almost non-existent. Whether "dividend" on purchases should or should not be paid depends on the social environment in which each particular movement is operating. It is an error to regard it as a matter of essential principle.

Political Activities

Finally, there is the question of co-operative participation in, or abstention from, political activities. Abstention has sometimes been regarded as a matter of principle, whereas, in other cases—for example, in Belgium—co-operative societies have grown up in close alliance both with the trade unions and with the labour or socialist parties. In Britain, the co-operative societies for a long time held aloof from politics, until, in 1917, they formed a Co-operative Party of their own—a party which has since worked in close alliance with the Labour Party, but has not in fact prevented the co-operative societies from enrolling members of widely differing political views.

Whether the Co-operative Movement should or should not enter politics surely depends on the situation it has to face in each country at any particular time. The very successful Swedish movement is non-political: the no less successful British movement has been in politics for nearly 40 years with no adverse effects on its trading activities. There is room in the world for many kinds of co-operation and for many different policies corresponding to varying local needs. What seems certain is that, over the world as a whole, a period of great co-operative expansion lies ahead of us, and that the movement can, above all, make a great contribution to raising standards of living and of productivity in the less developed countries in which it has been spreading fast in recent years.

FINANCE (NO. 3) ACT, 1956

REVIEWED, ANALYSED AND COMMENTED

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

ON 30th November 1956 the Finance Minister introduced interim budget proposals involving far-reaching changes in the structure and level of taxation at the fag end. It came as a veritable bolt from the blue. The markets reacted to these proposals sharply and registered a steep decline in equity values. It is proposed to review, in this article, the new taxation proposals in some detail, so as to give a clear idea of the underlying intentions inspiring these proposals.

Capital Gains

The first and foremost measure is the revival of Capital Gains Tax from the financial year 1957-58.

The Finance (No. 3) Act, 1956, revives with some modification the scheme of capital gains tax which was in existence during the period 1st April 1946 to 31st March 1948.

The new scheme applies to capital gains arising on or after 1st April 1956, irrespective of the year of account of the assessee. The present provisions regarding capital gains tax have some characteristic features, as compared with the capital gains tax of 1946.

The old capital gains tax was levied on profits arising on sale, exchange or transfer of capital assets. This let a loophole, for relinquishment of an asset attracted no tax. In order to plug this loophole, the new section provides that "the tax shall be levied under the head of capital gains in respect of any profits or gains arising from sale, exchange, *relinquishment* or transfer of capital asset after 31st March 1956."

The Bombay High Court in *Provident Investment Co. Ltd.*, vs. *C.I.T.* 1953 (24) I.T.R. 33, held that section 12B does not subject to tax capital gains arising to an assessee by reason of relinquishment of property belonging to him or some rights vested in him. It is with a view to providing against such "relinquishment" of rights escaping capital gains tax that the additional word "relinquishment" is added in the section.

Further, in computing capital gains, the assessee is given the option to adopt, instead of the actual cost of the asset, its fair market value on 1st January 1954. This is a valuable option, for any capital gains arising out of the rise in price of capital asset prior to 1st January 1954 is made ineligible.

Important Departure

There is an important departure as regards the rate of tax. Under the old section, in case of non-company assessee, only the excess of capital gains over Rs. 15,000 was subjected to tax. In the new provision, it is provided that there will be no levy of capital gains tax, if the capital gains do not exceed Rs. 5,000 or if the total income, including capital gains, does not exceed Rs. 10,000.

Further, in the old section, the rates of tax were not related, in the case of non-company assessee, to the total income of the assessee. It is now decided to link up capital gains liability to the total income thus: one-third of the capital gains will be added to the other income and the income-tax rate applicable to the sum so arrived at will be the rate at which the whole of the capital gains will be charged to tax.

Thus, capital gains liability is based on a man's total income. Accordingly, two persons having equal capital gains, but unequal total incomes, will now pay different capital gains tax based on their total incomes and not based only on the amount of total capital gains made.

What is not clear, however, is whether, when the total income shows a *nil* income or a loss—large enough to absorb the one-third capital gains—capital gains would earn an exemption on the ground that there is no rate applicable to the total income, and *a fortiori*, therefore, to the capital gains. If the intention is to ignore the loss of total income, it would, indeed, be very unfair and inequitable, for it would tantamount to saying that, while positive income will set up the rate of capital gains tax, negative loss will not correspondingly reduce the charge. They say income-tax and equity are strangers; but, if this logic is to prevail, one must be driven to the conclusion that income-tax and common sense are positive enemies.

Under the old scheme, companies were not charged capital gains if the amount was less than Rs. 15,000. Under the new section, the full amount of capital gains without any exemption limit is chargeable. The rate of capital gains on companies will be the ordinary income-tax rate applicable to the company.

There is no super-tax chargeable on the capital gains.

Coming to exemptions, the Finance Act has deleted the following exemptions expressly given under the old section 12B dealing with capital gains:

(1) The gains arising on the transfer of property on compulsory acquisition for public purpose.

(2) The gains arising on the distribution of assets on the dissolution of the firm or an association of persons or on liquidation of a company.

The latter exemption was based, it seems, on the strict meaning attached to sale, exchange and transfer. It applied to a case where a property passed by sale, etc., from one person, who was an owner, to another, who was a purchaser; but it did not apply to the case where the transfer was between one owner as an entity and another owner as an individual. This was clearly a weakness. If a firm sold a property and made a capital gain, it would be chargeable to tax. Why not, when the partner on dissolution took over the asset of the firm in satisfaction of his claim at a valuation? Thus, the deletion of exemption may be justified. But, if this argument is true as regards entities like a firm, association and company, it should, logically speaking, apply to H.U.F. (Hindu undivided families) also. But the Act retains the exemption in case of H.U.F.

(3) Gains arising on the sale of residential property possessed by the assessee or his parent for seven years or more are now made exigible to tax, though exempted under the old Act.

Gains from Property

Gains arising from sale, exchange, relinquishment or transfer of property, the income of which is chargeable under section 9 and which was used by the assessee or his parent for residence in the two years before the date of sale, etc., and the assessee has, within a period of one year before or after that date, purchased a new property for his own residence, are charged as under:

(a) if the capital gain is greater than the cost of new asset, the difference will be charged as income of the previous year;

(b) if the capital gain is equal to or less than the cost, capital gain shall not be charged.

(4) Gains arising on the sale of building, plant and machinery belonging to a business invested in the purchase of a new building, plant and machinery within a specified period is made subject to the tax, though it was previously exempted.

(5) Gains on the transfer of asset to an irrevocable trust have been similarly made liable to the tax, though exempted previously.

Exemptions, however, are retained in the following cases:—

(i) Gains arising on the distribution of assets on the total or partial partition of an H.U.F.

(ii) Gains arising on the transfer of assets by will, bequest or deed of gift.

(iii) Gains arising on the transfer by a parent company of its assets to a 100 per cent. Indian subsidiary.

Exemption to H.U.F. does not seem to be logical when similar exemption is not granted to entities like a firm, association and a company.

Exemption from capital gains tax of gifts and bequests is due to the fact that they do not strictly fall within the ambit of sale, exchange and transfer in the sense of a property being transferred from one to another for value. In order that there may be no doubt, the Amendment Act clearly provides an exemption. Gifts may soon come to be taxed—who knows?—under Prof. Nicholas Kaldor's scheme of gift tax. Exemption of a sale, transfer or exchange of capital asset with a 100 per cent. Indian subsidiary seems to be actuated by the principle that, factually, the seller and the purchaser are the same, though legally constituted into two separate entities.

With regard to capital losses, it is provided that such losses as cannot wholly be wiped off by capital gains of the year in which they are made may be carried forward *indefinitely* for set off against future capital gains. In order to permit of such carry forward, the capital loss sustained in "any previous year" must exceed Rs. 5,000 in the case of non-company assessee. Companies would be allowed to carry forward any loss without regard to the amount, for they are taxed on capital gains without any minimum exemption of Rs. 5,000, as in case of non-company assessee.

The provision for carry forward of loss to be set off against capital gains seems to be eyewash, for, unlike revenue sources, capital gains is not a recurring source, which can yield gain or loss with any manner of continuity or regularity. The only consolation is that, over a period of years, when you dispose of capital assets, the gains on some may be set off against loss on the other—so that the net gains come under the taxation charge. Here also there is a snag. If you first made a capital gain in one year and capital loss in the next, the relief of net gain is not available as it would be, if a person first made a capital loss and then a capital gain. The loss provisions, unfortunately, do not operate backwards.

Deposits Out of Profits

The next feature of the new Finance Act, 1956, lies in its provisions for deposit to be made with the Central Government by companies which are allowed in their assessment depreciation allowance and development rebate.

It is provided that, in the case of companies, the depreciation allowances and development rebates allowed should be added as an item of income, unless the Company deposits with the Central Government before 30th June of the relevant assessment year a prescribed amount depending on its undistributed profits and reserves.

The amount deposited will consist of two parts. The first part is a prescribed percentage of so much of the accumulated profits and reserves as are not represented by fixed assets in the business.

The second part is a prescribed percentage of the amount by which available profits of the year, i.e., profits before deduction of depreciation or development rebate less taxes payable less dividends, exceed Rs. 1,00,000.

The formula seems to be based on the following line of reasoning:

What are profits available for distribution in order that Government may claim a compulsory deposit of 75 per cent.? The criterion taken is the Company's assessable profits. Out of these profits, taxes represent an outgo and, therefore, must be deducted. The dividend declared in the previous year also represents an outgo. Then, since the Government wants to control depreciation and development rebates, the formula requires the company to add back these sums, for, in computing the total income, they have been deducted. Next, allowance must be made for outgo in shape of expenditure actually incurred, but disallowed as admissible for purpose of computation of total income. This cannot be adequately measured; so, it is best to provide an overall figure of Rs. 1,00,000 to cover such outgoings. The balance thus left is clearly available for distribution or deposit and Government claims a compulsory segregation of at least 75 per cent. thereof in deposit.

Fifty Per Cent. to be Deposited

The exact percentages referred to above will be prescribed by the Central Government and notified from year to year; but will not exceed 25 per cent. for the first and 75 per cent. for the second part of the deposit. As regards the latter, the Finance Minister stated in Parliament that, at present, the Government's intention is to demand a deposit of only 50 per cent.

The deposit will carry such rate of interest as prescribed by Government and it is refundable wholly or in part where the Government is satisfied that the amount refunded will be used in the business for purpose approved by the Government. Rules for these matters will be issued by the Central Government.

These proposals are startlingly new and novel, having for its object, it seems, to take away from the company's resources, surplus finance for the Government's second Five-year Plan, thereby severely restricting the company's dividend policies. There has been a two-pronged attack on companies: one, by taxing excess dividend over 6 per cent. of the capital of the company; another, by taking away by compulsory deposits as much surplus finance represented by reserves not represented by fixed

(*Continued on page 251*)

EFFECTS OF ENHANCED EXCISE DUTIES ON SMALL MILLS OF GUJERAT

WRONG BASES LEAD TO INCORRECT CONCLUSIONS

By Bipinchandra M. Mehta, B.Sc. (Tech.), B.S. (Michigan), A.M.I.E.T.

[The author of this article is more a technician than a writer. His business is to produce cloth, but he has been provoked to write by the heavy incidence of excise duty, because he must have realised that he will be in the business only if the cloth that he makes is sold and a profit is made. The recently enhanced excise duty on cloth has made serious inroads into the earnings of small, yet not necessarily inefficient, mills and their existence has been rendered difficult. The author belongs to one such mill. He knows where the shoe pinches. So, he has taken a lot of trouble to gather data about a group of mills in the Baroda area of Gujerat to show that the bases chosen for levying the excise duty have ignored the economics of these mills, besides being defective in many other respects. Since he is very keen that his data should receive the attention of the Government, we have published his analysis in detail, though parts of it make disjointed reading and do not perhaps apply to most of the big mills in the country.—ED.]

A steep increase in excise duties on cloth was announced on 1st September 1956. The Government introduced a Bill in Parliament, Bill No. 60 of 1956, fixing the maximum limits of excise duties at 4 annas per sq. yard on coarse and medium cloth and 6 annas per sq. yard on fine and superfine cloth. The incidence of the excise duties as announced on mill-made cloth during 1956 are as follows:—

(Per square yard)

Category	Jan., 1956	March, 1956	Sept., 1956	Increase between March and Sept.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Coarse ..	0 0 6	0 1 0	0 1 6	0 0 6
Medium ..	0 0 6	0 1 0	0 2 0	0 1 0
Fine ..	0 1 3	0 1 9	0 3 0	0 1 3
Superfine ..	0 2 0	0 2 6	0 4 0	0 1 6

(Handloom cess at 3 pies per square yard extra)

The declared aims of the Government in increasing the excise duties were: to arrest the rising spiral of prices of cotton textiles, to mop up the extra profits as an indirect source of revenue, and to restrict the consumption of mill-made textiles with a consequent fillip to the handloom industry and the export trade. It was anticipated that the new rates of the duties will fetch Rs. 17.5 crores in seven months and will raise the overall figure of revenue from excise duties on cloth to Rs. 61.5 crores, thus making cloth the most heavily taxed material in the country.

In the "statement of objects and reasons" (hereinafter referred to as the "Statement") appended to the Bill and in a note (hereinafter referred to as the "Note") submitted by the Union Finance Ministry to the members of Parliament at the time of the introduction of the Bill, it was stated that, even though production of cloth had increased, production had not kept pace with the increase in demand. A sellers' market had prevailed, and prices of cotton piecegoods soared high and, therefore, the necessity arose to arrest this rising trend. The following is an abstract from the note referred to above:

"From January 1956, the rise in prices has been particularly steep:

(In annas per lb. of yarn woven)

	Coarse	Medium	Fine	Superfine
January, 1956 ..	30.60	46.13	65.60	142.37
April, 1956 ..	45.50	58.88	75.67	158.50
August, 1956 ..	47.06	66.95	83.00	166.00
Increase since January, 1956 ..	7.46	20.82	17.4	23.63"

The comments which are made in this article refer more particularly to coarse and medium varieties of cloth, and to the case of medium-sized mills situated in the mofussil area such as mills in the Gujerat districts of Bombay State.

On the basis of authoritative data available, it can be definitely stated that the quantum of rise in the prices given in the note does not apply to most of the sorts manufactured by the mills in coarse and medium varieties, and gives an exaggerated picture which is not in consonance with the material facts.

Table I appended to this article shows the price trends in the respective groups 13s/14s, 18s/18s, 18s/24s and 28s/38s for the months of January 1956, April 1956 and August 1956 and also realisation per lb. of yarn woven for the respective months in grey and in finished state of the majority of the mills coming under the Federation of Gujarat Mills and Industries, Baroda. Simultaneously, the wholesale realisation per lb. in the finished state is arrived at by adding excise duty prevalent to the ex-mill uncontrolled price *plus* 3 per cent. commission of the wholesale merchants which is normally allowed to the trade, e.g., the realisation in column 12 of the table equals price in column 3 *plus* excise duty *plus* 3 per cent. wholesalers' margin (excluding items such as transport cost, sales tax, etc.). Since comparison in the note and in the statement are of wholesale prices which are inclusive of excise duty, an attempt has been made to compile the wholesale prices which are arrived at from the ruling prices from the mills and a comparison, a difficult task, is made with the wholesale realisation shown in the note.

To what extent the wholesale prices prevalent in the market are higher than the contracted prices of the mills during the same period is a difficult proposition, as such will vary from mill to mill, sort to sort and from market to market. The wholesale prices depend upon so many factors such as excise duty, the popularity of the sorts, and competitive and similar sorts of other manufacturers. The realisation per lb. will increase as the number of processes increases. Bleached realisation will be more than grey and the dyed realisation will be more than the bleached realisation per lb. and so on.

The realisation per lb. is, however, increased to a considerable extent by the inclusion of excise duty, and, after all, excise being revenue, should be deleted for a fair comparison, more so because of the prevalence of different rates of excise duty such as in January 1956 and during the period March to August 1956.

Apropos the coarse group in Table I, the price of grey drill sort indicates an increase in price, while grey realisation per lb., on ex-mill price basis, moves up from Rs. 2 to Rs. 2-4-5, that is, a rise of Re. 0-4-5 per lb. If the processed material is also considered, more or less a similar rise may be there, and, due to inclusion of excise duty, the difference per lb. is inflated. If the wholesale price for grey drill is also considered, it shows a rise of Re. 0-5-8 per lb., as shown below:

Count 13s/14s	January 1956	August 1956	Difference
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Grey realisation ..	2 0 0 (col. 4)	2 4 5 (col. 8)	0 4 5
Wholesale realisation.	2 2 11 (col. 10)	2 8 7 (col. 12)	0 5 8

It will be observed from the two sample calculations shown above that the quantum of excise duty determines the increase in the realisation per lb. of yarn woven. The quantitative rise in the realisation per lb. from sort to sort for the months of January and August could be observed as the quantum of excise duty, say, for medium group was Re. 0-0-9 per sq. yard in January and Re. 0-1-3 per sq. yard during March-August, that is, a difference of Re. 0-0-6 per sq. yard, and, on a rough approximation of six yards to a pound in the medium group, this very increase of Re. 0-0-6 per sq. yard would increase the realisation multiplier by Re. 0-3-0 per lb.

Similarly, observations could be confined to other sorts in 18s/24s group and 28s/38s group also, belonging to the medium category. It may not be out of place to mention that the price increase in the 28s/38s group has not been so very predominant because of the bulk manufacture among the mills as compared with the other counts, and in this group the price fluctuation is not very significant.

Now, on focussing one's attention on the wholesale price realisation per lb. in column 12 of the table, one will note that the same moves up from Rs. 2-8-7 in the coarse category to Rs. 2-14-5 in 18s/18s, Rs. 214-10 to Rs. 3-15-3 in 18s/24s group and Rs. 4-5-11 to Rs. 5-6-4 in 28s/38s group. Similar observations could be made for the wholesale realisation for the month of January 1956 as per column 10. The pertinent observation follows from this that, for groups 13s/14s, 18s/18s, 18s/24s, 28s/38s and other similar count groups, the realisation per lb. moves distinctly in certain groups as shown above and, if all these wholesale realisations per lb. were grouped together by any suitable statistical method, it does not convey as to the precise price fluctuation among the groups concerned but presents an overall picture which may be far from the truth.

Table I, it may be mentioned here, is the compilation of authoritative data available due to the courtesy of the Federation of Gujarat Mills and Industries, Baroda.

It is difficult to gauge to what extent the wholesale price should be above the free ex-mill price. As already mentioned, the rise above the free ex-mill price may be different for different sorts and will be a variable factor from market to market. With these limitations to arrive at a fair approximation and possible comparison. 3 per cent. wholesalers' margin is considered fair.

The trend of cloth prices presented in the official note suffers from inflated realisation because of the inclusion of different rates of excise duties prevalent at different times. The data presented in the note depicts an overall picture. It is not very effective in giving a dissected picture in various count groups in the same category, such as coarse, medium, etc. One fails to understand such a presentation in its proper perspective.

During the control period upto June 1953, the destiny of the textile mills was governed by the schedule of realisation multipliers of cotton cloth for certain count groups on the basis of the Tariff Board formula which was arrived at after a painstaking review of the cost structure of the mills at that time. An actual reproduction in barest details of the schedule is given in Table II appended herewith.

From this it will be seen that, for group No. IV count 14s/14s, in June 1952 the realisation multiplier was As. 28.5. Similarly, for group No. V, count 20s/20s, it was As. 35.00, group VII, count 30s/30s, As. 45.5, group VIII, count 30s/40s, As. 50.5. If the same original sequence were to be followed, it would have been fair to the industry and trade had the data been presented in the note in different count groups for various sorts. This would not have been an easy task, but would have been very commendable as it would project a correct picture in all its dimensions in the minds of the industry and trade.

The following data are reproduced from the statement of the indices giving the trend of prices of both cotton cloth and cotton (coarse and medium categories only):

Month	Coarse		Medium	
	Cloth price	Cotton mix price	Cloth price	Cotton mix price
1956				
January ..	39.60	14.35	46.13	18.12
February ..	39.60	14.35	47.25	18.12
March ..	41.37	14.35	50.56	18.12
April	45.50	15.01	58.88	18.16
May	47.57	15.01	64.90	18.16
June	46.78	15.01	64.92	18.16

As indicated in the note submitted to the members of Parliament, the difference beween the cloth price and the cotton mix price will represent the manufacturing cost of cloth and profits of the mill and the wholesaler.

Confining ourselves to the medium category only the difference between cloth price and cotton mix price for the month of January 1956 is as follows:

As. 46.13 — 18.12 = As. 28.01

Similarly, for June 1956:

As. 64.92 — 18.16 = As. 46.76

The difference indicates the manufacturing cost *plus* the profit of the mill and the wholesaler.

If the difference between As. 46.76 and As. 28.01 is taken, the result is As. 18.75 which measures the rise in profit per lb. for the mill and the wholesaler.

Without any consideration of the cotton mix price, if the difference between June and January cloth prices were to be considered, which is As. 18.79, the difference represents the profit of the mill and the wholesaler. The quantum of difference in the excise duty between January and June 1956 of Re. 0-0-6 per sq. yard and considering as a fair average for medium category six yards per lb., this increase in excise duty has added to the extent of As. 3 per lb. Hence, if a correction factor for the increase in excise duty were to be applied to arrive at the same base, the figure of As. 18.75 per lb. which represents the profit of the wholesaler and the mills, should be reduced by As. 3 per lb. and comes to As. 15.75 per lb.

Applying the same analogy for coarse category, the results are as under:

January 1956 As./lb.	June 1956 As./lb.	
39.60	46.78	
— 14.35	—15.01	
25.25	31.77	— Manufacturing cost *plus* profit of mill and wholesaler.

As./lb.	
31.77	
— 25.25	
6.52	— Profit of the mill and the wholesaler only.

If the cotton mix price is not taken into consideration as is done in the note, the following would be the result:

As./lb.	
46.78	January 1956
— 39.60	June 1956
7.18	Difference

Applying the excise duty at Re. 0-0-6 per sq. yd. and considering as fair approximation four yards to a lb., As. 2 should be subtracted from the profit of the mill and the wholesaler, that is,

As. 6.52— As. 2 = As. 4.52.

Thus, As. 4.52 is the correct profit made by the mill and the wholesaler and not As. 7.18 as alleged in the note.

It will thus be evident that, while there was a moderate increase in the prices of several varieties of cotton textiles, the increase is not to the extent as assumed by the Government. So the new excise duty for coarse category of Re. 0-1-6 per sq. yard and for medium category of Re. 0-2-0 per sq. yard *plus* handloom cess of 3 pies extra, does not represent the correct levy. There is thus a clear justification for a revision of the rate of excise duty in a downward direction.

Further, measures taken in quick succession by the Government for putting down the prices of cotton textiles, have shocked the industry and the trade. While the new excise duties came into force from 1st September 1956, in the second week of September, credit control was announced whereby banks were directed to decrease their advances against cotton textiles to merchants from 75 per cent. to 65 per cent. This led to the liquidation of stocks by merchants, as money supply was already inadequate. At about the same time, fair prices of cloth were announced in Calcutta for the *Puja* festival, and the prices were arrived at on the basis of the old Tariff Board formula. The expected demand did not materialise and the markets were glutted and prices moved downwards. At the fag end of September came the announcement on the restriction of stocks with the mills and wholesalers which had to be subsequently amended and relaxed as regards mills' stocks were concerned and did away with restrictions on stocks with the merchants.

The increased excise duties have hard hit all the mills, and, in particular, the medium-sized mills situated in the mofussil which manufacture coarse and medium varieties. The coarse and medium varieties of cloth account for about 80 per cent. of the total consumption of the country. In most cases, it was the mills who have had to bear the major portion of the increased duties, and the ruling prices are back to the December 1955/January 1956 level.

Of the 13 cotton mills which are members of the Federation of Gujarat Mills and Industries, Baroda, the percentage of gross profit (before tax and depreciation) to total sales was less than 5 in the case of five mills, less than 7 in the case of two mills, 10 in the case of one mill, 12 in the case of four mills and 15 in the case of one mill. There were no mills that reported more than 15 per cent. It will be seen that no mills have earned more than 15 per cent. of the total sales as gross profit, and the majority of the mills have earned less than 10 per cent. This is no profiteering.

The incidence of excise duty at the increased level cannot be borne by all the mills alike, and many of the mills who have earned meagre profits ranging between Rs. 5 to Rs. 7 lakhs in 1955 will be in the minus group so far as 1956 is concerned. Mopping up of excess profits is justifiable but it should be dependent upon the profit-earning capacity of the mills. Mills in the mofussil, and mills in the coarse and medium groups do not have the same earning capacity as the urban mills which are well established and which do not have to incur heavy overheads.

An element of injustice is introduced in the incidence of excise duty which all the mills have to bear without distinction whatsoever between the groups of mills in the higher earning and the lower earning categories. After all, the lower earning group of mills also do contribute to the production of the industry and their existence also has to be preserved. Just as the uneconomic handloom industry merits consideration and all the help—fiscal and technical—so also the uneconomic or marginal units in the mill industry deserve a part of the same consideration, if not the whole. Excise duty is an indirect tax which falls on all the units alike, and it would be more considerate and there would be more justice, if the surplus profits which the Government wants to mop up is taxed by way of direct taxes.

The Finance Minister had declared that he would consider making necessary adjustments in the excise duty if prices indicated a downward trend. The prices have already receded and have gone back to the pre-January 1956 level, and the case for the revision of the duty seems evident.

TABLE I

Sort	Counts	Reed	Pick	Inch	Length	Ex-mill (uncontrolled) prices. 1956 Jan. (1)	Ex-mill (uncontrolled) prices. 1956 April (2)	Ex-mill (uncontrolled) prices. 1956 August (3)	Ex-mill (uncontrolled) realisation per lb. 1956 January Grey (4)	January Finished (5)	April Grey (6)	April Finished (7)	August Grey (8)	August Finished (9)	Wholesale price realisation per lb. 1956 Jan. (10)	April (11)	August (12)
Grey drill	13/14s	3/44	44	29	40	Rs. a. p. 0 10 3	Rs. a. p. 0 11 6 (July)	Rs. a. p. 0 11 8	Rs. a. p. 2 0 0	..	Rs. a. p. 2 3 10 (July)	..	Rs. a. p. 2 4 5	..	Rs. a. p. 2 2 11	Rs. a. p. 2 8 1 (July)	Rs. a. p. 2 8 7
Bleached longcloth ..	18/18s	48	40	41/42	40	0 10 0	0 10 4½ (March)	0 11 4½	2 1 0	2 3 3	2 2 4	2 4 7	2 5 10	2 8 1	2 7 6	2 10 10 (March)	2 14 5
Grey sheeting	18/24s	56	52	50	40	0 13 4½ (March)	0 14 4½ (May)	0 14 4½	2 5 9	..	2 8 7	..	2 8 7	..	2 12 0 (March) 2 10 0 (Jan.)	2 14 10 (May)	2 14 10
Bleached mulls	18/24s	36	32	26	20	0 5 3	0 5 4½ (July)	0 5 4½	2 7 2	2 9 8	2 8 1½	2 10 7½	2 8 1½	2 10 7½	2 15 5	3 3 5 (July)	3 3 5
Gin sucis	18/24s	3/44	36	29	24	0 8 0	0 8 3	0 8 9	2 2 0	2 6 10	2 3 10	2 8 0	2 6 5	2 10 6	2 11 1	2 14 3	3 0 11
Dyed poplin	18/24s	40	32	24	20	0 5 3	0 5 6	0 5 6	2 7 2	2 11 2½	2 9 3	2 13 3	2 9 3	2 13 3	3 0 8	3 5 8	3 5 8
Printed chintz	18/24s	40	32	41	20	0 10 3	0 11 3 (July)	0 11 3	2 5 0	3 1 7½	2 10 4	3 7 9	2 10 4	3 7 9	3 7 5	3 15 3 (July)	3 15 3
Bleached mulls	28/38s	40	36	42	20	0 8 2	0 8 1 (July)	0 8 1½	8 7 9	3 9 9	3 7 0	3 9 0	3 7 6	3 9 6	4 1 11	4 5 7 (July)	4 5 11
Dyed poplin	28/38s	64	44	29	20	0 9 9	0 10 0 (July)	0 10 0	3 14 0	4 4 7½	3 15 6	4 6 5	3 15 6	4 6 5	4 11 1	4 15 9 (July)	4 15 9
Printed voile	28/38s	40	32	44	20	Nil.	0 10 3 (July)	0 10 3	..	..	3 7 1½	4 8 11	3 7 1½	4 8 11	N.A.	5 6 4 (July)	5 6 4
Bleached *dhoti*	28/38s	48	40	44	10	6 7 0 (Printed)	6 12 0 (Printed)	6 15 0 (Printed)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N. A.=Not Available.

TABLE II

Schedule of Realisation Multipliers of Cloth Packed by the Mills After.....

Group	Count of Warp	Count of Weft	Reed Nos.	Pick Nos.	Permissible count variation for linking with each group: Warp counts	Weft counts	Realisation multiplier in annas per lb. of yarn woven: December 1951	March 1952	April 1952	May 1952	June 1952	Variation in realisation multiplier per count of yarn
IV	14	14	44	44	12 to 16	13 to 16	31.75	31.75	26.75	27.00	28.50	
V	20	20	52	52	18 to 20	18 to 24	37.75	37.75	35.25	35.50	35.00	0.20
VI	22	30	54	54	22 to 24	28 to 32	42.50	42.50	39.00	39.50	39.25	
VII	30	30	56	56	28 to 32	28 to 32	47.25	47.25	45.50	46.00	45.50	0.30
VIII	30	40	62	62	28 to 32	38 to 42	50.25	50.25	50.25	51.25	50.50	

DIVERGENT VIEWS EXPRESSED OVER FREE TRADE AREA SCHEME

FAILURES IN TEXTILE TRADE LAST YEAR

From Our Special Correspondent

Manchester, 22nd January

MANCHESTER LETTER

THOSE Lancashire traders who attended the Cotton Board conference a few months ago came away under no illusions as to the Government's attitude towards the proposed free trade area linking European and British economic interests. Mr. Low, the spokesman on that occasion, clearly favoured the plan and nothing has subsequently transpired to alter the opinions which were then expressed. The latest indications point to the new administration being even more disposed to commit British industry to this important decision.

Among textile traders divergent views must be expected on so controversial an issue. Certain prominent leaders of the Lancashire trade have already given their views on the subject, some of which have been favourable and others equally distrustful of the scheme. The main point at issue appears to be whether Continental textile products will make wider gains in our home market than Lancashire will achieve in Europe. Many observers contend that the cotton and rayon industries will lose on balance, but that other British trades will derive benefit and thereby assist the economic position of the country as a whole.

Among those who take the opportunity each year to assess the trend of events during the past 12 months are the chairmen of the various banks, some of which are closely connected with the textile areas by reason of their geographical locality. In particular, the heads of the District Bank and Williams Deacon's Bank are both themselves directly interested in the cotton trade and, as such, their comments are widely read in Lancashire.

The banking chiefs cannot avoid reference to the vexed question of the European common market, which seems likely to be primary economic topic of 1957. Sir Thomas Barlow, for the District Bank, says: "It seems to me that we cannot ignore the European free market which is now under discussion, even though it may present severe problems to particular industries."

On the same important theme, Sir Eric Carpenter, Chairman of Williams Deacon's Bank, also admits the project is not without its difficulties. "At the same time, we can hardly remain aloof from a scheme which covers one-fifth of both our imports and our exports," he adds. "It seems to me we would be well advised to participate in the framing of the scheme."

The Lancashire textile industry must be prepared to revise its policies to meet changing circumstances, according to the Annual Report of the Board of Directors of the Manchester Chamber of Commerce.

"The cotton and rayon industry is entering a critical phase in its history," said the report. "There will need to be the utmost alertness to the quickly changing pattern of events and a willingness to face adjustments of policies."

Building Hold-up

The credit squeeze has been responsible for a hold-up in building operations on the new mill at Barrow being erected by Sir Elkanah Armitage and Sons, the Manchester textile group.

Mr. P. Gordon Armitage, Chairman, said the Board has been unable to make satisfactory arrangements for financing the main phase of the building project. Treasury consent to borrowing had been received and, in November, it was announced that negotiations were proceeding for a mortgage not exceeding £150,000 on the new building and plant.

"The Directors are greatly concerned by this unforseen delay in carrying into effect the new factory plans which they regard as most important for the future successful conduct of the firm's business," said Mr. Armitage. He added: "It is hoped that present credit restrictions will be relaxed soon and meanwhile the Board will watch the position closely with a view to proceeding with this project as soon as financial conditions are favourable."

Failures in 1956

Cases of financial difficulty encountered by cotton textile firms in Lancashire during the past year have not shown any startling change compared with recent similar periods. The total number of bankruptcies, deeds of arrangement, liquidations and receiverships during 1956 was 99, as compared with 90 in the previous year and 101 in 1954.

Bankruptcies notified numbered six, as compared with none in the previous year, and involved one manufacturing firm and five merchants and agents. One deed of arrangement was drawn up by a doubling firm, there being no similar transaction in 1955. The number of cases of receivers being appointed, however, was only five last year, comprising one manufacturer, one spinning and weaving firm and three merchants and agents, compared with ten in 1955.

For the third year in succession, the number of compulsory company liquidations was six, the 1956 cases involving one manufacturing unit, four merchants and agents and one miscellaneous textile trader. Creditors' voluntary liquidations affected 12 firms, including five manufacturers, one finisher and six merchants. Members' voluntary liquidations rose from 60 to 69, foreshadowing reconstruction, amalgamation or a decision to give up business. Decisions were taken on behalf of 22 manufacturing firms, 29 merchants, seven spinners, five finishers, three weavers, one doubling firm and two miscellaneous traders.

There was a further decline in 1956 in registrations of new limited companies in the industry. The reduction has been most marked since the peak of 236 in 1953 and last year, only 85 new companies were registered, as against 96 in 1955, the nominal capital involved dropping from £642,300 to £498,900. Merchants and agents continued to account for the majority of registrations, numbering 67, as against 69. Seven manufacturing firms, three finishers, one doubling unit and seven miscellaneous traders were also included in the list.

Australian Quota

Any change in the circumstances affecting trade with Australia—still Lancashire's largest single outlet for cotton yarn and cloth—must cause local traders to watch the position closely. Variations in import quotas during the past few years have caused considerable dislocation of output and resulted in shippers being left with frustrated exports.

A shortage of cloth for making-up purposes in Australia has now brought a relaxation in the restrictions which has been welcomed in Lancashire as giving merchants the opportunity to regain some lost ground. Manufacturers' quotas of textiles are being increased by 60 per cent. over the allocations of July last year and other traders' textile quotas are being increased by 20 per cent.

Such a move at a time when Lancashire's export trade remains so unmistakably in the doldrums must cause optimism but there are other factors in the situation which are not entirely favourable. The more promising outlook may well be outweighed by the adverse possibilities inherent in the recently-concluded trade agreement between the United Kingdom and Australia which threatens to undermine Lancashire's important textile trade in cotton yarn.

Under the terms of this pact, Australia can reduce the preferential tariff enjoyed by this country over a large number of manufactured goods. Although there is no sign of any immediate action, the possibility exists that in the future British products may have to face very considerable competition from Eastern yarns, especially those made in Japan.

Production Census

Preliminary details of the latest census of production, now issued by the British Board of Trade, indicate that textiles as a whole, and the cotton industry in particular, lost further ground between 1951 and 1955. Gross output of textiles, representing the total value of goods made and work done for customers, declined from £2,460 million in 1951 to £2,056 million in 1955. On this basis textiles, as a group, took fifth place in 1955, whereas four years previously they were second only to the food, drink and tobacco trades. In the interim, the value of output of engineering, shipbuilding and electrical products, metal manufacture and building and contracting overtook textile production.

Considering the state of the textile trades during the period, the survey shows that capital expenditure had not decreased. The amount spent on plant, machinery and vehicles was £51,000 000 in 1955, as against £46,600,000 in 1951. In addition, new building work accounted for £13,800,000 in 1955, as against £9,600,000.—*All Rights Reserved.*

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RAISING OILSEEDS PRODUCTION

STRESS LAID ON INTENSIVE CULTIVATION

IT is but appropriate that the question of achieving the targets fixed for oilseeds in the second Plan period should have figured prominently in the deliberations of the tenth annual general and the eighteenth ordinary meeting of the Indian Central Oilseeds Committee, held at Hyderabad on 25th January. It is well known that oilseeds play a vital role in the economy of India adding, as they do, to the foreign exchange resources of the country at the rate of about Rs. 25 crores every year. The estimated value of the produce from the five major oilseed crops in India during 1955-56 was Rs. 343.4 crores; and the value of oil from these oilseeds amounted to Rs. 184.9 crores in the same year. India is also the largest producer of groundnuts in the world, accounting for no less than 3.4 million tons, or nearly one-third of the total production. One depressing factor, however, is the yield per acre, which is only 639 lbs., as compared with 1,519 lbs. in China, and 887 lbs. in the U.S.A.

Viewed in this light, there is not only special force but also significance in its timing in the view expressed by Dr. Randhawa, Chairman, Indian Central Oilseeds Committee, in the course of his address, that targets fixed for the second Plan, namely, 7.6 million tons by 1960-61 —an increase of 2 million tons over the 1955-56 level—should be achieved only through intensive methods of cultivation and scientific practices similar to the Japanese method of paddy cultivation. Apart from the fact that the yield per acre of oilseeds in India is one of the lowest in the world and can be improved substantially through better and more scientific methods of cultivation, there is also the inescapable situation that the area under cultivation cannot be increased indefinitely when the demands for production of other crops, especially food, are so pressing. It should be noted that the area under cultivation of oilseeds has increased in the first Plan period itself by 3 million acres, from 26.5 million acres to 29.5 million acres, and accounts for about 9 per cent. of the total area under agricultural crops in India. Although the area under cultivation has gone up during the first Plan period by 11.3 per cent. the production has increased from 5.076 million tons to 5.596 million tons, or about 10 per cent. This reveals that the yield per acre has not increased at all. There is thus wide scope for increasing the yield per acre and it is not merely desirable that it should be exploited, but it is also inevitable, if the targets fixed for the ensuing five years are to be achieved.

New Schemes

The deliberations and some of the decisions taken at the meeting of the Indian Central Oilseeds Committee are of particular relevance in this context. Worthy of special mention in this regard is the sanctioning of seven new schemes which include the intensive breeding of sesamum in Madras State, research on sesamum in Kerala State and trial of improved groundnut and sesamum varieties in the same State. The scheme for crop competitions in West Bengal and Rajasthan, designed to provide certain measure of incentive for higher production, was also approved. In addition, a scheme for research on anatomical and morphological studies of fruits and seeds of some crucifers at Meerut College and another for production of hybrid castor and for evolving short-duration high-yield castor strains in Madras were also approved.

Yet another important outcome was the sanctioning of new extension schemes in different States. These are in addition to 11 schemes on agricultural research. But it should be noted that no amount of research is likely to be useful, if it is not coupled with extension work. A notable step taken by the Committee towards promoting research was the decision to meet all the recurring expenditure in respect of new agricultural research schemes, hitherto met by the State Governments. The Committee also approved the establishment of 17 composite Regional Research Stations for cotton, oilseeds and millets. Of these stations, research work on oilseeds will be taken up in five main stations and four sub-stations.

The cultivation of castor also figured prominently at the meeting. The Committee noted that castor stems could be advantageously used in the manufacture of wrapping paper and has done well to emphasise the need for cultivating castor along irrigational channels, and as border crop in the Community Project areas. Much, however, rests with the State Governments which are as a rule slow in propagating new practices among farmers.

Fruits of Research

Of particular importance to the dissemination of the fruits of research and of new techniques is the recommendation of the Committee for the compilation of information regarding improved strains of seed, with particular reference to their morphological and economic character. To the same class also belongs the decision to produce documentary films on groundnuts and castor. The emphasis laid by the Committee on promoting intensive cultivation of groundnut on lines similar to the Japanese method of paddy cultivation should be welcome, for the reason that the method has already proved successful in the country.

Certain notable decisions related to the technological side also. The Committee approved nine research schemes, besides the extension of certain schemes, for the study of new anti-oxidants related to plant pigments at the Chemistry Department of the Delhi University. The new projects include a scheme for pilot plant studies of the optimum conditions for groundnut milling at the Oil Technological Institute, Anantapur; for preparation of useful chemical from castoroil at the National Chemical Laboratory, Poona; for research on storage of seed and cake of groundnut in Madras State; for the manufacture of edible proteins from commercial oilcakes at the Central Food Technological Institute, Mysore; and for the preparation of activated carbon for bleaching purposes from shells of *neem* and *mahua* at the Harcourt Butler Technological Institute, Kanpur.

It is needless to add that the success of the Plan for stepping up production of oilseeds hinges on the progress that will be made by these research and extension schemes in the months ahead. It is likely that substantial improvements may not be felt immediately for, in the nature of things, the process of research, extension and propagation of the results of research takes a long time. It is from this angle that the need for quick action on the part of the States and Extension Departments must be underlined, especially as the targets fixed for oilseeds are to be attained through intensive methods of cultivation and not through allocation of additional land.

GROUNDNUT CROP

The All-India second estimate of groundnut, 1956-57, puts the current year's area and production at 11,299,000 acres and 3,559,000 tons (of nuts in shell) as against 10,968,000 acres and 3,372,000 tons for 1955-56. This shows an increase of 331,000 acres or 3.0 per cent. in area and 187,000 tons or 5.5 per cent. in production during the current year, as compared with last year. The increase in acreage during the current year is reported to have occurred mainly in Bombay, Mysore and Andhra Pradesh and, to a smaller extent, by Madhya Pradesh, Madras, the Punjab and Uttar Pradesh and is attributed generally to favourable climatic conditions at sowing time.

The increase in production is stated to have been shared mainly by Bombay, Andhra Pradesh and Mysore and, to a lesser extent, by Madras, Madhya Pradesh and the Punjab. The increase in production is attributed partly to increase in acreage and partly to timely rains during the growing period of the crop.

This estimate covers the period generally up to the end of September or the beginning of October 1956. Till then, the condition of the crop was reported to be, on the whole, satisfactory except in parts of Andhra Pradesh, Bombay, Rajasthan and Madhya Pradesh where it was affected by heavy and continuous rains during July-August 1956. In parts of Kurnool district of Andhra Pradesh, the crop was reported to have been attacked by pests. The estimate, however, does not cover the entire area sown to the crop during 1956-57. Past experience has shown that the area at the second estimate stage forms roughly about 84 per cent. of the area under the crop finally reported.

It will be noted that the information given in this estimate relates to the set-up of States after their reorganisation on 1st November 1956.

Britain's textile industry will stage its biggest trade show of the year—and the biggest of its type in the world—from 4th to 8th March. The British Textile Show will embrace four separate trade fairs—the National Men's and Boys' Trade Fair; the British Cloth Fair; the National Household Textiles and Soft Furnishings Fair; and the National Carpet and Floor-coverings Trade Fair. More than 500 firms will take part in the show, exhibiting a cross-section of everything that is new in British textiles. The show is being sponsored by six national trade organisations.

The Japanese Government's decision not to conclude a third agreement with the U.S. to re-receive surplus American farm products has now opened the way for resumption of trade talks with Australia. Earlier, Australia had offered to remove discriminatory import barriers against Japanese goods in return for most-favoured-nation treatment by Japan in the purchase of wheat. The former Japanese Minister for Agriculture had vetoed the proposal on the ground that it would interfere with the import of American farm surplus. The recent increase in the foreign exchange position, coupled with two excellent harvests in the past two years, has enabled Japan to dispense with the importation of agricultural commodities on long-term interest-bearing credit, and it is now in a position to purchase food products in cash or on short-term credit.

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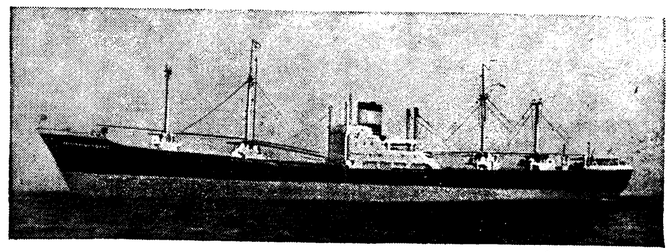

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RUBBER PRODUCTION AT RECORD LEVEL

CONSUMPTION, HOWEVER, HIGHER

THE production of rubber in India during December 1956 amounted to 2,914 tons, as compared with 2,800 tons in the previous month and 2,787 tons in the corresponding period of 1955. It also represented the highest monthly output so far. This brings the total production for the past year to 23,444 tons, an increase of only 926 tons over that for 1955, at 22,482 tons. With this rise during 1956, the rubber production in the country has shown a consistent upward trend since 1953, when it amounted to 21,136 tons, and has reached a record level. What is more, the production has gone up by more than 50 per cent. since 1950.

The consumption during the month under review amounted to 2,647 tons, as against 2,547 tons in the previous month and 2,721 tons in December 1955. The total consumption by manufacturers during the past year was 28,996 tons, having gone up from 27,543 tons in 1955, thus maintaining the upward trend for the fourth year in succession from 21,061 tons in 1952. The gap between consumption and production during the past year was, accordingly, 5,552 tons, such having widened from 1,237 tons in 1953. As against this, the total quantity of rubber imported during the year amounted to 6,463 tons, while the imports during the previous year aggregated no more than 3,839 tons. It, however, fell short of 6,921 tons imported in 1951.

The stocks with estates, dealers and manufacturers as on 31st December 1956 amounted to 8,311 tons, having risen from 7,454 tons at the end of 1955, thus reversing the downward trend noted since 1952, when the closing stocks were as high as 10,351 tons.

The following table shows, at a glance, the progress of raw rubber production since 1950 and how far it has been able to meet the internal requirements:

(In tons)

	Production	*Imports*	*Consumption*	*Stocks*
1950 ...	15,599	1,082	17,735	6,281
1951 ...	17,148	6,921	22,427	7,779
1952 ...	21,863	3,851	21,061	10,351
1953 ...	21,136	272	22,373	9,221
1954 ...	21,493	3,371	25,487	8,687
1955 ...	22,482	3,839	27,543	7,454
1956 ...	23,444	6,463	28,996	8,311

The widening gap between production and consumption, consequent on the quickening pace of consumption, is expected to increase progressively. The target of consumption at the end of the second Plan period is estimated at 40,000 tons. This quantity, of course, includes reclaimed and synthetic rubber also. Nevertheless, the shortfall in production as compared with consumption will continue for some years to come, as the replanting scheme sanctioned by the Government of India, covering 70,000 acres, will be spread over a period of ten years, commencing from 1957. The production of rubber, as a result of this programme, is expected to go up to 36,600 tons by 1974. Further expansion in production is also expected by the extension of cultivation to new areas. In all, about 40,000 tons of raw rubber are expected to be produced by 1974, whereas consumption is expected to reach that level, as indicated above, thirteen years earlier, that is, in 1960-61. It is, therefore, clear that, for many years to come, India has to depend on imported rubber, unless the proposed synthetic rubber plant, with a capacity of 15,000 to 20,000 tons, fills the gap.

The Rubber Board is seized of the problem of meeting the shortage, but it has, curiously enough, not made any specific recommendation to the Government of India on the quantity of rubber to be imported in 1957. It has, however, decided to place before the Government facts and figures about production and consumption and leave it to the latter to decide the quantum of imports. According to the Board, the quantity of rubber (including synthetic imported) that is expected to be available in 1957 is 39,713 tons and reclaimed rubber will be of the order of 782 tons. The production of raw rubber is expected to go up to a record level of 27,000 tons during the current year. The Board's estimate of total consumption and carry forward of natural and synthetic rubber is 53,444 tons and of reclaimed rubber 6,640 tons. Whatever be the quantity of natural and synthetic rubber that the Government permits to be imported, the Board has recommended, it may be divided between the first and second half of 1957 in the ratio of 65:35, because, during the first six months, usually the tapping of rubber is very much less. It has further recommended that manufacturers may be allowed to import on *pro-rata* basis of their consumption during 1956. The Board is in favour of import against D.R.C. of exported goods. It wants the manufacturers to continue to pay the difference between the landed cost of imported natural rubber and that of indigenous rubber to the Board's pool fund, this condition being imposed while granting import licences. This is no new condition; it was introduced in the latter half of 1956 and the Board is said to have received so far about Rs. 2 lakhs on this account. It is, however, doubtful whether any worthwhile sum can be collected on this account during the current half-year, on account of the recent rise in prices abroad.

The Rubber Board has requested the Government of India to expedite its decision on the Board's proposal to grant loan for new planting. The scheme for replanting sponsored by the Board is said to have received very good response from the growers, applications having been received for replanting 8,500 acres during the current year, as against the targeted area of 7,000 acres.

The Board is of the view that the minimum wages having been in force for nearly five years, the time has now come for re-examining the position, with a view to assessing the fair wages for rubber estate workers.

WORLD RUBBER

The world rubber market is faced with an uncertain outlook for consumption of natural rubber, although at present prices rule somewhat steady, the latest spot quotation in London being 2s. 3¼d. per lb., as against 2s. 2¾d. a week before, to which level it had declined from 2s. 8d. early in January. The present steady tone is said to be due to a relatively tight position for R.S.S. 1 for January shipment in Singapore, where a number of dealers have oversold, as also due to covering by Dutch dealers against sales to Russian buyers.

Consumption in Europe is expected to decline in the next two months and the strength of the market is, therefore, mainly dependent on the support from America and Russia. Trading in New York has, however, been far from active, as dealers are inclined to scale down their earlier estimates, with the accumulation of unsold new cars at the end of 1956 to the extent of 550,000, an increase of 300,000 in the last two months. It is, therefore, considered more prudent to revise the estimate of car production to 6.2 to 6.5 million, as against the previous figure of 6.5 to 7 million.

Russia, on the other hand, is said to be active lately, with an estimated purchase of 1,000 tons per week, but this business is not being done in London, as the Liverpool dockers are refusing to handle the rubber meant to be shipped to Russia and about 10,000 tons out of the earlier purchases are stated to be held up at Liverpool. The general expectation, therefore, is that rubber prices will react soon unless American or Russian buying picks up.

Consumption of rubber in the U.S. during 1956 amounted to 1,437,762 tons, having dwindled from 1,529,700 tons in the previous year, the share of natural rubber being 562,249 tons, as compared with 634,800 tons in 1955, and that of synthetic 875,513 tons, as against 894,899 tons.

Exports of rubber latex from Malaya during the past year showed a decline of 14.5 per cent., at 92,181 tons, the lowest since 1953. This recession reflected the reduced output of the American automobile industry and the consequent fall in demand for foam rubber. Among the other factors which were responsible for the decline in exports was the 10 per cent. premium which latex commanded over sheet rubber, thus rendering the former less attractive. The U.S. purchased 27,605 tons, a drop of about 39 per cent. The U.K.'s imports fell from 31,127 tons to 26,282 tons, owing to credit squeeze and the tightening of hire-purchase regulations. West Germany's purchases, however, rose from 7,103 tons to 9,320 tons, France's from 4,965 tons to 6,027 tons and Japan's from 3,230 tons to 5,428 tons.

FOREIGN TEA ESTATES IN CEYLON

The Minister for Food and Agriculture, Ceylon, is reported to have recommended to the Cabinet the nationalisation of all foreign-owned tea estates in Ceylon, paying a compensation at the rate of Rs. 925 per acre. On this basis, the amount required to pay compensation is estimated at Rs. 24 crores. He is also said to have suggested that the payment of compensation should be spread over a period of four years. The report claims that foreigners have made a profit of Rs. 6 crores from tea estates in the Island during the past ten years. The Minister has further suggested, it is said, that a special tax of 5½ cents per lb. should be levied on every pound of tea exported to finance payment of compensation to the owners.

RAW JUTE SUPPLIES

PAKISTAN'S CROP FALLS SHORT

JUDGED from the latest statistics of raw jute and mesta, the jute mills in India do not seem to be assured of a very comfortable supply position in respect of its raw materials, though the prospect cannot be said to be discouraging. As already mentioned in these columns, the all-India final estimate of jute crop for 1956-57 is 4.22 million bales, as against 4.14 million bales for 1955-56. The second estimate of mesta crop for the current season places the production at 1.43 million bales, as against the adjusted second estimate of 1.10 million bales for 1955-56, thus showing an increase of 329,000 bales or 29.9 per cent. over last year.

Accordingly, the total supplies of raw materials from India alone will be of the order of 5.65 million bales. In addition to this, there will be import of jute from Pakistan under the recent trade agreement. Up to the end of December arrivals of raw jute from East Pakistan amounted to 375,000 bales. The mills had at the beginning of the season stocks amounting to 1.02 million bales. As against these supplies, the consumption by mills at the current rate of operation is estimated at 6.2 million bales. it must, however, be noted that a large quantity of mesta crop is not available to the mills, as it is consumed locally. The total domestic consumption of jute and mesta by manufacturers other than mills during the current season is estimated at 200,000 bales while the stocks (other than those held by mills) brought forward from the previous season aggregated 247,000 bales.

Consumption

The consumption of raw jute by mills reporting to the I.J.M.A. during the half-year ended 31st December 1956 amounted to 3.02 million bales, as compared with 3.03 million bales in the corresponding period of 1955 and 6.34 million bales in the whole of 1955-56. Receipts by mills during the six months aggregated 3.31 million bales, as against 3.17 million bales in the corresponding period of 1955. Arrivals of Indian jute in July-December 1956 were of the order of 2.94 million bales (as against 2.39 million bales) and those from Pakistan 371,300 bales, as compared with 774,500 bales in July-December 1955. In the earlier months of the season, arrivals fell very much short of consumption, but it was only from October onwards that they tended to exceed consumption, with an increase in arrivals and a decline in consumption following the re-sealing of the looms in September. Over the six months to December, the arrivals exceeded consumption by 292,000 bales.

The fairly comfortable supply position depends, to a large extent, on further imports from Pakistan, but the prospect does not seem to be very assuring. For the third and final official estimate of jute crop for the 1956-57 season places the Pakistan crop at only 5.51 million bales, as against the earlier estimate of 5.5 to 6 million bales. It appears that flood caused more damage to crop this season than was anticipated earlier. This will mean that production in Pakistan will be less than that (5.59 million bales) yielded in 1955-56. Past experience shows that the Pakistan official estimate of jute crop must be taken with a pinch of salt, for, in order to boost the price of the commodity, the authorities of the country are prone to underestimate the size of the crop. It will not, therefore, be surprising if the actual crop happens to be higher than the official estimate.

It will be recalled that Pakistan supplied to India during 1955-56 1.47 million bales. If imports are maintained at this level during the current season, the mills can enjoy a fairly comfortable supply position. But this means that Pakistan will have to step up its exports of raw jute to India very considerably during the current half-year, as its despatches in the first half declined by over 50 per cent. Since this is too large a leeway to be made up, it seems that the prospects of supply position of raw jute getting tight in the coming months of the current season cannot be completely ruled out. It is true that, at the time of writing, the trend of the raw jute market is a shade easy, but this is due mainly to a similar trend in the manufactures section induced by lack of fresh orders.

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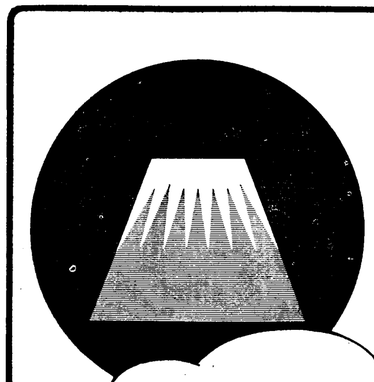
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ROLE OF NON-FERROUS METALS IN INDIAN ECONOMY

MR. M. M. SHAH REVIEWS POSITION AND PROSPECTS

ALTHOUGH India is endowed with large reserves of iron and steel, it is somewhat deficient in the supply of non-ferrous metals, except ores bearing aluminium. There is no need to be surprised at this position nor is there any reason to deplore it, for there are few countries in the world which are naturally endowed with reserves of all metals. All that the position calls for is that efforts should not be relaxed in the sphere of prospecting for fresh deposits of non-ferrous metals and that, simultaneously with continuing these efforts, imports of ores should be liberally permitted, so as to enable the non-ferrous fabricating industry to get the raw material it needs. These considerations were succinctly brought out by Mr. M. M. Shah, the Union Minister of Heavy Industries, in the course of his speech at the recent meeting of the Development Council for Non-ferrous Metals which he inaugurated.

Theoretically, all metals, other than iron and steel, are classified as non-ferrous metals. In practice, however, the non-ferrous metals group chiefly includes copper, lead, tin and zinc (also called major base metals), aluminium, magnesium and titanium (called light metals) and such "minor" metals as manganese, chromium, nickel, antimony, tungsten, cobalt, molybdenum, and vanadium. From the foreign trade figures of five principal non-ferrous metals (in all forms), namely, aluminium, copper, lead, tin and zinc, it would appear that India has been importing these metals to the value of Rs. 20 crores to Rs. 25 crores every year. With the development in engineering, chemical and other consuming industries, contemplated in the second Plan period, India's consumption of non-ferrous metals is expected to increase substantially. It is thus estimated that, in 1960-61, India would need imports of the value of Rs. 41 crores. The wide gap that exists between domestic supply and demand will be evident from the fact that, in 1955-56, Indian production of non-ferrous metals was of the order of only Rs. 6 crores.

In the two following tables, the first gives the imports of the principal non-ferrous metals in 1953-54, 1954-55 and 1955-56, while the second gives the trend in domestic production of these metals:

Imports

(Quantity in tons. Value in crores of Rs.)

Metal in all forms	1953-54		1954-55		1955-56	
	Quantity	Value	Quantity	Value	Quantity	Value
Aluminium ..	5,455	1.81	12,380	3.60	15,805	4.77
Copper ..	8,532	2.71	28,979	8.74	18,122	8.71
Lead ..	7,422	0.98	10,177	1.42	13,274	2.07
Tin ..	3,147	2.90	3,935	3.82	3,923	3.58
Zinc ..	29,778	3.59	44,493	5.29	29,071	4.15
Total ..	54,334	11.97	97,964	22.87	80,195	23.28

N.B.—Imports of antimony in 1953, 1954 and 1955 were 4.2 tons, 54.7 tons and 30.15 tons, respectively.

Production

(In tons)

Metal	1953-54	1954-55	1955-56
Aluminium	3,647	5,476	7,333
Copper	5,640	7,181	7,455
Lead	1,845	1,881	2,143
Zinc			12,000*
Tin	*Nil*	*Nil*	*Nil*
Antimony	130†	508†	504†

* Estimated output in 1957.
† Production refers to earlier calendar year.

India, as stated at the outset, is well endowed only with reserves of aluminium ore, whereas its known reserves of other non-ferrous metals are somewhat limited. The following gives an account of known reserves of different non-ferrous metals in India.

Deposits of Non-ferrous Metal Ores

Bauxite

Bauxite deposits are known to occur in Bihar, Orissa, Madhya Pradesh, Bombay, Madras, Mysore and Kashmir. The total reserves of bauxite of all grades from all the deposits in the various parts of the country are roughly estimated at about 250 million tons.

Bihar: The most important deposits in this State are situated in Ranchi and Palamau districts of Bihar. The reserves of high grade ore containing about 50 per cent. Al_2O_3 in this area are estimated at about 10 million tons.

Orissa: Although some bauxite deposits occur in Kalahandi and Sambalpur districts of the State, the total reserves of quality suitable for aluminium manufacture are estimated at less than 4 lakh tons.

Madhya Pradesh: Next to Bihar, Madhya Pradesh contains the most extensive deposits of bauxite in Surguja, Raigarh and Bilaspur region, Balaghat and Katni areas in Jabalpur district. The total reserves of bauxite of grades suitable for manufacture of aluminium metal in this State are estimated at about 7 million tons.

Bombay: The most important deposits of bauxite in this State are in Kolhapur and Halar district in Saurashtra. It was reported that reserves in these areas may be more than 10 million tons, although no detailed prospecting and proving of these deposits appear to have been carried out as yet.

Madras: The important deposit of bauxite in this State is situated in Shevaroy hills in the Salem district. The total reserves of all grades of bauxite in this region are estimated at 7 million tons while the grade suitable for manufacture of aluminium are estimated at about 2 million tons.

Mysore: Some minor deposits of bauxite occur in Baba Budan hills in the State. Bauxite deposit in the Belgaum region, which now is in this State, is estimated to contain about 7 lakh tons.

Kashmir: It has been estimated that about 2 million tons of bauxite are available in Poonch and Riasi areas of Kashmir State. However, these deposits are entirely diasporic in nature and are very refractory and not easily soluble in caustic soda. It may therefore be difficult to process this bauxite by Bayer process to manufacture alumina.

Copper Ore

The most important ore of copper is chalkopyrite which occurs in the copper belt of Singhbhum district in Bihar. The proved reserves of copper ore of the area which is worked by the Indian Copper Corporation is estimated at 3.3 million tons with an average copper content of 2 per cent. The company is engaged in more development work and it is hoped that more reserves of ore will be proved in the near future. Other important regions where occurrence of copper ore has been reported are Sikkim, Garhwal, Rajasthan and Andhra Pradesh.

Sikkim: Best known deposit in this region is Bhotang near Rangpo; some 16 miles from the nearest railway. At the Bhotang mine there is lode of 10' to 15' thick containing ore on an average tenor of 3 to 4 per cent. copper. Several other prospective regions exist, namely, Dikchu, Rhotok, Sirbong, Sisni, Jugdum, etc. As these areas have not been systematically prospected no reliable estimate of the ore reserve is available. In the Garhwal district of U.P. there are ore workings at Dhanpur and Pokhri. Little information is, however, available about the reserves as no prospecting in a systematic manner has been done so far.

Rajasthan: The Khetri deposits in Jaipur State, Rajasthan, are marked by numerous workings which are about 10 centuries old. No estimate of the reserves are available as systematic test-drilling has not been carried out so far. A recent examination by the Geological Survey indicated that ancient mining was extensive and has reached in places at a depth of 300 feet from the outcrops. There are indications that there are some rich lodes which, however, require detailed investigation by diamond drilling, to prove the extent of the deposit. Another deposit of some importance in this State is found at Dariba in Alwar State, about 20 miles from Rajgarh station. Here also there are extensive old workings. But no estimate of reserves is available as detailed prospecting and drilling has still to be carried out.

Andhra Pradesh: There are two prospective areas in this State which require systematic prospecting. These are Agmigundala, 9 miles north of Vinukonda in Guntur district and Gani in the Kurnool district. Here also, no estimate of reserves is available; detailed test drilling has still to be carried out.

Lead and Zinc Ore

The only important ore deposit for lead and zinc is Zawar mines near Udaipur in Rajasthan. There are five hills in this area where the occurrence of ore deposit has been reported. At present, deposit in the one hill is being exploited by the Metal Corporation of India Ltd. According to the recent estimate of the above firm, the total lead-zinc ore is at least 3.2 million tons. As the development work is carried out in the remaining hills, it is likely that more reserves will be proved.

Occurrence of Galina, which is the ore for lead, has been recorded in Hazaribagh in Bihar, Durg, Datia and Gwalior in Madhya Pradesh. However, no detailed prospecting has been carried out and therefore no estimates of reserves are available.

Tin

Small deposits of tin have come to light in the State of Bihar at a few places in Gaya and Hazaribagh districts. Pits were sunk several decades ago at Narungo to a depth of 600 feet but the tin values are stated to have decreased with depth and the deposits were not considered an economic proposition. Small amounts of cassiterite (tin ore) are found associated with granite and pegmatite at Chapatand, Simratal and Chakkar-Bandha. Some work was done a few years ago on this deposit but the operations were not profitable. It may be stated that the deposits known so far have not yielded sufficiently encouraging results.

India's known reserves of bauxite ores are, as noted above, estimated at 250 million tons. Out of these, it is estimated that about 27 million tons are of high grade. With the aid of modern technological processes, it may be possible to work even low-grade ores in course of time. The known estimates of 250 million tons of bauxite would then enable a production of 40 to 50 million tons of aluminium metal. The installed capacity for aluminium is at present sufficient to produce only 7,500 tons a year. The quantum of demand for the metal has been increasing. In 1954-55 it was 17,856 tons and in 1955-56 it was 23,138 tons and, by the end of the second Plan, it is expected to go up to 35,000-40,000 tons. Referring to these estimates, Mr. Shah said:

"From these figures, it will be observed that there is a large gap between the installed capacity and the demand and, therefore, as you are already aware, a target of production of 30,000 tons has been fixed to be achieved by the end of the second Plan period. I would, however, mention that this is the minimum and may be suitably revised in the light of increasing demand which may develop during these years. To achieve the production capacity of 30,000 tons per year, two licences have already been issued, one for installation of a new unit of 10,000 tons at Hirakud and another for expansion of existing unit to 5,000 tons per annum. This will bring the capacity to 20,000 tons. Further, in order to establish on modern scientific lines, the balance of the target, a committee of experts for aluminium industry was constituted for advising the Government, *inter alia*, on the suitable site or sites of new aluminium smelters and the minimum economic size of such smelters. The committee has recommended that two smelters of 10,000 tons capacity each should be established at suitable sites, provided with facilities for expansion to 20,000 tons in due course as soon as possible and has indicated that Mettur and Rihand dam area appear to be very suitable sites. It is expected that one of the 10,000 smelters will come into operation during the second Plan period while the other might come into production during the early stage of the third Plan period."

As regards copper, one of the oldest known metals, the gap between demand (25,000 to 30,000 tons) and domestic production (about 7,200 tons) is also a wide one. The demand for copper is made up of: electrical cable and wire 12,000 to 15,000 tons; utensils 8,000 tons; and defence, and railways and miscellaneous requirements 5,000 to 7,000 tons. Electrical industries are thus the major consumer of copper. The demand of this industry for high conductivity electrolytic copper has to be met from imports, as copper produced in the country is of fire-refined variety and does not conform to specifications laid down for high conductivity copper. The Indian Copper Corporation which is the only producer of copper in India, has a scheme for the installation of an electrolytic copper refinery. The Government has also received a few other schemes of a similar character. The main problem facing the copper industry, according to Mr. Shah, is the "proving of existing deposits and/or locating of new workable ores." If sufficient reserves are available, there will be scope for setting up a plant with a capacity of 10,000 tons per annum. From all available information, the most promising site is near Khetri deposits in Rajasthan.

Lead

The present production of lead in the country is about 2,400 tons per year. The major producer is the Metal Corporation of India Ltd. But demand is now running at the annual rate of 10,000 to 12,000 tons; it is expected to go up to 20,000 tons per annum at the end of the second Five-year Plan. Steps are being taken by the existing producer to expand the mining and ore dressing facilities. It is expected that, by the end of 1957, they will be operating their lead smelter at an annual capacity of 6,000 tons of lead. The allied non-ferrous metal ore, the zinc ore—zinc and lead occur as mixed ores—is also being worked by the Metal Corporation of India Ltd. No zinc is being produced in the country. Zinc concentrates are being exported and recovered zinc imported. India's annual production of zinc concentrates containing about 50 to 54 per cent. zinc is of the order of 6,800 tons. The Corporation is, however, installing more equipment and is expected to treat about 500 tons of ore per day. The production of zinc concentrate during the current year is likely to be some 12,000 tons. India's present demand for zinc is of the order of 35,000 to 40,000 tons. By 1960-61, it is likely to go up to 50,000 tons.

In view of the increasing importance of zinc metal, a committee of experts, known as Zinc Committee, was constituted to go into the question of establishment of a zinc smelter based on the supply of zinc ores from Zawar deposits. The committee has reported that India should have proved reserves of ores to mine continuously upto the extent of 1,000 tons per day for a reasonable number of years in order to be able to establish and feed the smelter of an economic size. The Metal Corporation of India Ltd. are

(*Continued on page 237*)

NEW PRODUCTS AND PROCESSES

Electric Watch

THE Hamilton Watch Company claims to be the first to market an electric wrist-watch, powered by a 1½-volt battery which releases energy through a coil of fine wire fixed on a balance wheel. Two magnets are placed on either side of the wheel. The interaction of the battery energy with the magnetic field causes the balance wheel to oscillate, controlling the movement of the hands within 99.995 per cent. of accuracy, according to the watch manufacturer. Hamilton says it has been working for ten years on the perfection of the electric watch, which has now been brought to the commercial stage. It has been put on sale on a test basis in a number of cities at a retail price of $175. In a few weeks, an $89.50 model is expected to be on the market. The electric wrist-watch is being offered with a 12-month guarantee on the battery, although an anticipated life of about 18 months is suggested by Hamilton. The batteries are being made by Union Carbide and Carbon, and will be on sale at jewellers and other outlets for $2. One advantage of an electric watch is said to be that it does not run down when removed from the wrist, as a standard watch tends to do. Although Hamilton Watch is the first in the field with an electric watch, several other U.S. manufacturers, and the Swiss watch industry, are also developing them. The Elgin National Watch Company and Bulova Watch Company are known to be experimenting with "electronic" watches. While the electric watch does away with the mainspring, an electronic watch would eliminate such standard features as the balance wheel.

Traffic Control

Helicopters are the latest device to be called into service in an attempt to solve traffic congestion in New York City. Officials of the city's Transit Authority recently took to helicopters to carry out an aerial survey of bus operations in the five boroughs of New York. During the flight, the officials maintained constant two-way radio contact with cruising patrol cars, to whom they relayed details of traffic congestion. After the flight, they said that from a helicopter it was easy to spot traffic jams and their causes. The General Manager of the Transit Authority, Mr. Thomas J. McLernon, afterwards discussed how a fleet of six helicopters might be used to help ease traffic congestion. He suggested that these might each patrol an aerial "beat," and maintain constant contact with the 2,200 city buses through a closed circuit radio communications system. The buses could carry luminous numerals painted on their roofs to permit identification. Mr. McLernon said he believed that such a system of inspection could be set up within about a year, involving the purchase of six helicopters at a cost of $65,000 each. The helicopters would be able to re-route buses, or cut short their trips, when congested traffic areas were spotted. Now the Transit Authority plans to carry out a number of other experimental aerial surveys before deciding whether or not to put such an inspection system into effect on a regular basis.

Novel Doors and Pavings

An all-steel entrance door, first on the market in the U.S., has the advantages of resisting shrinking, swelling and warping. It is also completely insulated. Available with it in a kit: a steel frame with factory-applied bronze weather-stripping plus extruded aluminium threshold with built-in vinyl seal. It is being made by Steelcraft Manufacturing Company, Rossmoyne, Ohio, in many styles, trims and colours at prices competitive with doors of other materials. A new cold paving material is being offered to home-owners who would like to pave, or repave, their own driveways, walks, garden paths, etc. Available in 50 and 100 pound bags, the material can be raked over any area, or hole and tamped down with a shovel. Immediately thereafter it is ready for use, and is said to wear like a government-built highway. The manufacturer is Sicilian Asphalt Paving Company, New York. A new process for curved rolling of thin-gauge, channel-ridged, metal sheets without use of cross corrugating or other weakening devices has been developed by the Behlen Manufacturing Company of Columbus, Nebraska U.S.A. Shaped sections for curved industrial roof buildings and other applications are being produced, with costs expected to be considerably reduced.

Molybdenum Greases

Molybdenum disulphide and a modified form of bentonite clay are the base materials of a new series of greases which have been developed for high temperature operation. The greases which are said to be capable of giving efficient lubrication at working pressures of the order of 100,000 lbs. per square inch can, it is claimed, be used in machinery which is operating continuously at temperatures as high as 450 degrees Fahrenheit. Since the molybdenum greases, as they are called, also possess water repellent properties, their lubricating efficiency is not impaired when they are used under wet conditions, or in the presence of high pressure steam. The composition can also be varied to meet special operating conditions, such as exceptionally high temperatures, or applications where petroleum compounds must be avoided, as for example, where engineering requirements entail the greasing of rubber parts.

Quieter Helicopters

Quieter helicopter travel can be expected to result from research that has been carried out recently into methods of reducing the noise inside helicopters. Although the soundproofing of helicopters presents special difficulties owing to the necessarily light weight construction of these aircraft and the restrictions which are imposed on the use of sound deadening materials owing to weight restrictions, considerable success has been achieved by combining a number of special sound reducing techniques. Measurement of the amount of sound heard inside experimental helicopter units has shown, for example, that large reductions in noise can be achieved by altering the design of the fuselage in such a manner that the sound is transmitted along it, and away into the air, exceptionally rapidly. Other experiments have shown that similar significant improvements can be achieved by modifying the engine design. These modifications can, it is claimed, be undertaken without affecting in any way, the performance of the engines.

LLOYDS BANK LIMITED

INCESSANT DEMAND FOR ACCOMMODATION: SIR OLIVER FRANKS'S STATEMENT

THE Annual General Meeting of Lloyds Bank Limited will be held on 15th February 1957 in London.

The following are extracts from the statement by the Chairman, The Rt. Hon. Sir Oliver Franks, G.C.M.G., K.C.B., C.B.E., circulated with the report and accounts for the year 1956:—

"The profit for the year, at £2,541,793, is £219,354 higher than last year and, in conformity with the intention announced in the circular letter to the shareholders dealing with the scheme of capital reorganisation, since carried into effect, we propose a dividend of 13 per cent. per annum, an increase of 1 per cent. compared with 1955. Our business in general continues to expand year by year, as evidenced, for example, by the growth in the number of accounts.

The Credit Squeeze

"Throughout the year, our lending operations have been governed by the principles of the so-called 'credit squeeze' initiated by the Chancellor's appeal for credit restraint originally made in July 1955 and reaffirmed, among other occasions, as recently as November last.

"We continue to give effect to the Chancellor's wishes. In June 1955, our normal advances to domestic customers, falling within the purview of the Chancellor's directives, amounted to £298.5 million. By December last, their total had been reduced to £278.4 million. This contraction masks a substantial increase in our lendings to customers in a group of industries—engineering, iron and steel, shipping and chemicals—whose contribution to exports and to the strength of the economy in general has justified larger borrowings from the banking system.

"These figures, of course, relate only to part of our total business. At each of the dates mentioned, the aggregate figure of loans and overdrafts appearing in our published statements was about £50 million higher than those I have just quoted.

"The margin of £50 million was made up of three special categories of lendings falling outside the scope of the directives. One of these is advances to the nationalised industries. As is well known, finance for these industries is being provided as a temporary measure by the Treasury. Our own lendings have thus fallen substantially and in November last amounted only to about £10 million. For the rest, the margin is accounted for by two other categories of lending, both of which have been expanding during the period of the squeeze.

Eastern Branches

"First, it happens that, alone among the clearing banks, we have a number of branches in three overseas countries, whose figures are included among our balance-sheet totals. These are our 20 offices in India, Pakistan and Burma. The lendings of these Eastern branches naturally fall outside the ambit of the United Kingdom credit squeeze, since these are rupee advances made against rupee deposits. In India especially, with an economy expanding so rapidly, there is an incessant demand for bank accommodation which, owing to tightness of funds, banks do not always find easy to meet to the full. This demand is reflected in our own advances, which show material expansion.

"The increasing business is being handled in a most satisfactory manner by our staff in the East, both European and Asian, and to them I would express our appreciation of their good work.

"The second special category of lendings consists of a relatively new form of accommodation, namely, medium-term credits extended to overseas buyers to enable them to purchase capital equipment manufactured in this country.

"We have made facilities available in this form to assist the export of capital equipment for such projects as power stations, railways, steelworks and hydro-electric schemes overseas, and in some cases this has enabled British manufacturers to secure valuable contracts that would otherwise have gone elsewhere. Among the more important transactions of the kind have been medium-term credits to finance the export of large numbers of civilian jet airliners to dollar markets.

Approach to Monetary Stability

"The 'credit squeeze' is, of course, only one strand in a far wider programme of disinflationary measures. Prior to the crisis in the Middle East, these seemed steadily to be achieving their aim. Indeed, in one most important respect they had already brought satisfactory results, namely, in swinging our balance of payments back from a deficit of £107 million in the second half of 1955 to a surplus of £144 million in the first half of 1956.

"This movement is one more convincing demonstration of the truth that our recurring overseas crises since the war had their origin in an excess of demand at home. The favourable turn in the balance of payments could not have come about but for the disinflationary measures.

The New Phase

"It is clear that the events in the Middle East have opened a completely new phase in our economic affairs. Our long-term problems are unchanged; we still have to maintain the value of sterling and to speed up the rate of accumulation. What has gone is the prospect of a smooth transition to a state of monetary equilibrium in the course of the next few months.

"A new chapter has been opened. At best, we must reckon with an interruption of some months in the advance towards our long-term objectives. Fortunately, American co-operation has been forthcoming in the measures taken to avert some of the more serious possibilities that were at one time feared. We can now count upon a sizable flow of oil across the Atlantic and also upon dollar facilities to help in paying for it. Moreover, the danger to sterling arising out of speculative attacks has been dispelled by the action of the International Monetary Fund, under the leadership of Dr. Per Jacobsson, in making available for use if necessary the whole of our quota.

"The situation we face is a complex one, calling above all for flexibility and resolution. One overriding principle alone is certain: it is that we must seek to emerge from this temporary period of difficulty with our ability to achieve our long-term objectives unimpaired.

"We have to maintain the position of sterling as a world currency, fully viable on the basis of existing rates of exchange. This in turn means that we must maintain and improve our position in export markets. We must also be prepared during the emergency to draw upon the reserves to pay for necessary food and raw materials. Only so can we hope to achieve our second and parallel objective, which is to maintain a high level of production and employment. We must be thankful that the reserves now seem large enough to permit these two objectives to be reconciled—but also resolute to use the respite given to produce a lasting consolidation of the position.

"A great task of reconstruction lies ahead of us. To a very large extent, this task is a political one. We have to restore relationships that have been gravely damaged with many of our overseas friends and allies, above all our relationships with the other members of the Commonwealth and with the United States. These are not subjects which the annual statement of a bank chairman can properly discuss at length. But success in these endeavours so conditions the speed with which we can hope to solve our economic problems that it would be equally inappropriate to end without stressing their paramount importance."

TOWARDS INDUSTRIAL DEMOCRACY

SHOULD WORKERS BE MADE DIRECTORS?

IN recent months, the concept of participation of workers in management has gained more and more adherents and received particular emphasis in discussions on matters of labour policy. Inaugurating the Labour Ministers' Conference, held recently at New Delhi, the Union Labour Minister, Mr. Khandubhai Desai, declared that they had to evolve what he called "industrial democracy" by making the workers "feel the sensation of participation in the management of industry." He stressed that workers must have the feeling that they were not mere wage earners but were part and parcel of industrial production and that they were as important in stature and status as the management itself.

The Planning Commission, on its part, has already emphasised that, for the successful implementation of the Plan, increased association of labour with management is necessary. Such a measure, it has suggested, will help in (a) promoting increased productivity for the general benefit of the enterprise, the employees and the community, (b) giving employees a better understanding of their role in the working of industry and of the process of production, and (c) satisfying the workers' urge for self-expression, thus leading to industrial peace, better relations and increased co-operation. The Industrial Policy Resolution has also stressed that "workers and technicians should, wherever possible, be associated progressively with management."

Since the concept of workers' participation in management has thus received considerable emphasis, the question arises whether such participation should take the form of representation of workers—strictly speaking, their representatives—in the board of directors of the companies in which the workers are employed. In other words, should workers be made directors of the companies with which they are associated? Such a measure would clearly involve fundamental changes in proprietorial rights, blur the distinction between employer and employee and thereby raise certain difficult legal and constitutional issues. Apart from this consideration, there is reason to believe that a section of the workers is itself opposed to representation on the board of directors. This section seems to hold the view that such a change in the workers' status would make a person at once an employer and a worker and thereby reduce labour's bargaining capacity. Further, it does not want to identify itself with the possible faults and imperfections of the management. Again, the method of selecting workers for appointment on the board would cause a great deal of controversy. If the method of selection is adopted, workers may get the feeling that their representatives are being bought by the management. On the other hand, if the method of election is adopted, it might easily become the prelude to the introduction of party politics into the boards of directors, thereby converting the placid board room into a political cock-pit.

Discussing some of the issues arising out of proposals for inclusion of workers' representatives in boards of companies where they are employed, Mr. C. A. R. Crosland, a former labour M.P. in the U.K., in a recent book entitled *The Future of Socialism*, observes:

"We are then left with the proposals relating to the legal position of the workers. First, it is suggested that the workers in a firm should become, if they so choose (and after a minimum length of service), legal members of the company, with the same rights as shareholders to receive financial information, and with some fixed proportion of total voting rights at annual general meetings. This could be achieved by the issue of a special class of non-interest-bearing shares. Secondly, the workers should have the right to elect a proportion of the board. The workers' moral (and logical) claim to such representation is incontrovertible. The trouble is first that they seem to have little desire to exercise it, and, secondly, that such a reform, besides being subject to severe practical difficulties, cannot be guaranteed to produce any real benefit.

"On the first point, the trade unions would be indifferent, if not actually hostile, to the change. They fear the creation of a parallel hierarchy of workers' representatives, neither chosen by nor responsible to themselves, possible rivals for the loyalty of their members, and dangerously likely to interfere in the proper union function of negotiation. These fears may or may not be irrational, but they exist; and it is not easy to press a reform on behalf of the workers which their chosen leaders show no sign of wanting. Nor is there any sign that the rank and file very much want the change. Most of them probably prefer to be left in peace, and not to take on added responsibilities.

"The technical difficulties are manifest enough: the shortage of potential worker-directors of the right calibre—men combining a strong personality, some financial and technical knowledge, and ability in committee work; the danger of divided counsels on the board and a consequent loss of entrepreneurial initiative; the ambivalent relationship of the worker-directors to the unions, especially when wages come to be discussed; the risk that a large number of communists may be elected, bent solely on disruption: and so on.

"The economic effects are harder to assess. There are two issues: the effect on managerial efficiency, and on the supply of capital. The first would depend simply on the quality of the worker-directors, and the way in which they interpreted their duties on the board. The effects on the supply of equity capital can no doubt be exaggerated. The role of the shareholder as a source of new capital is consistently overrated. But we should exert a much more adverse influence on the supply of new capital by causing complete uncertainty such as these changes would create, than by any definite measures of taxation or dividend limitation. Investors would never know what policy a board so constituted, and with a membership possibly changing every year, was likely to pursue.

"There is little reason to expect a gain in contentment or industrial morale. These seem to depend on the quality of local management and supervision, the degree of effective consultation at the point of production, the nature of the wage-bargain, and wider considerations of social equality. None of these will be much affected by the presence of a minority of worker-directors on the central board of large public companies; and the instinctive indifference of the workers to the suggested change is thus perhaps well justified. Indeed, the election of worker-directors might easily become a source of resentment of its own."

It would be difficult to improve upon Mr. Crosland's discussion of the basic issues arising out of proposals for participation of workers in the boards of directors of the companies concerned. It serves to bring into bold relief the many difficulties in the way of implementing such proposals. In this connection, it is well to recall that the Planning Commission itself did not go beyond suggesting the setting up of councils of management, consisting of representatives of management, technicians and workers. It stressed that it should be the responsibility of management to supply such a council of management fair and correct statements of all relevant information which would enable the council to function effectively. The Commission's suggestion is both sensible and practicable. And it reflects no small credit on certain enlightened units of the private sector—notably, the T.I.S.Co. and the Indian Aluminium Co., Ltd.—that they have already translated the spirit of these suggestions into action by setting up suitable consultative machinery. Such procedures deserve to be emulated by other large units in the private sector and also by the enterprises in the public sector.

PRODUCTIVITY OF LABOUR IN THE U.S.S.R.

The growth of the productivity of labour, according to Mr. Y. Ioffe, of the Economic Institute of the State Planning Committee of the U.S.S.R., is the decisive source of increase of production in Russia. The growth of the productivity of labour was responsible for a 51 per cent. increase of industrial output in the first Five-year Plan period and 79 per cent. increase in the second Five-year Plan period. The plan for the development of national economy for the coming five-year period (1956-60) provides for no less than four-fifths of the overall increase of industrial output due to the growth of the productivity of labour and only one-fifth due to the increase of the number of workers. The productivity of labour is expected to go up by 50 per cent. as a result primarily of technical improvement in production.

There are, according to Mr. Ioffe, no barriers for the development of technique in Soviet society. The elimination of manual labour and introduction of machinery, application of the more advanced and perfected technical equipment, of most progressive methods of production, and implementation of the latest technical achievements attained by man—these are the most important and decisive methods of raising the productivity of labour in the U.S.S.R. Mr. Ioffe emphasises that machines not only save much of the workers' labour, but also make it much easier. Arduous manual labour, causing great strain and exhaustion, is now being substituted by the work of the machine. Thus, powerful suction dredges are now used on the Soviet hydro-construction jobs. These are serviced by 10 workers. Each dredge does the work of 35,000 men and 15,000 horses. Hence, each worker's productivity increases several thousand times. Eighteen to 24 working days, depending on the skill and strength of the labourer, are necessary for reaping one hectare of wheat with a sickle and threshing it with a flail. Each combine—and there are hundreds of thousands of them working on the fields of the U.S.S.R.—reaps and threshes one hectare of wheat in 30 minutes.

Experience in the development of Soviet economy shows that the improvement of technical and cultural standards of the workers and peasants is also of great significance for the growth of the productivity of labour. Modern technical equipment is very complicated and becomes more complicated with every year. Only those who know the elements of modern science can master this equipment.

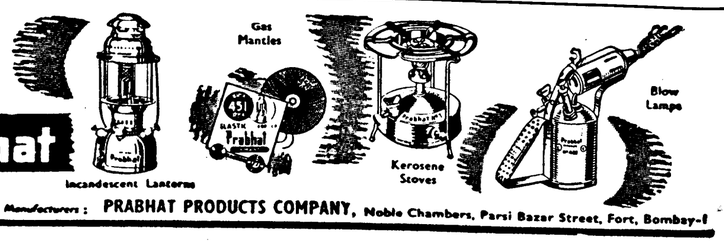
A broad network of various schools, courses, and correspondence, educational system, training scores of millions of persons, is spread all over the country. The people are an eternal source of talents. Over 8,000,000 inventions, technical innovations and production-improving suggestions it is stated, have been made by industry, construction and transport workers only in the last five years. Four and a half million of these have been put into practice. These inventions were a priceless contribution in the matter of raising the productivity of labour.

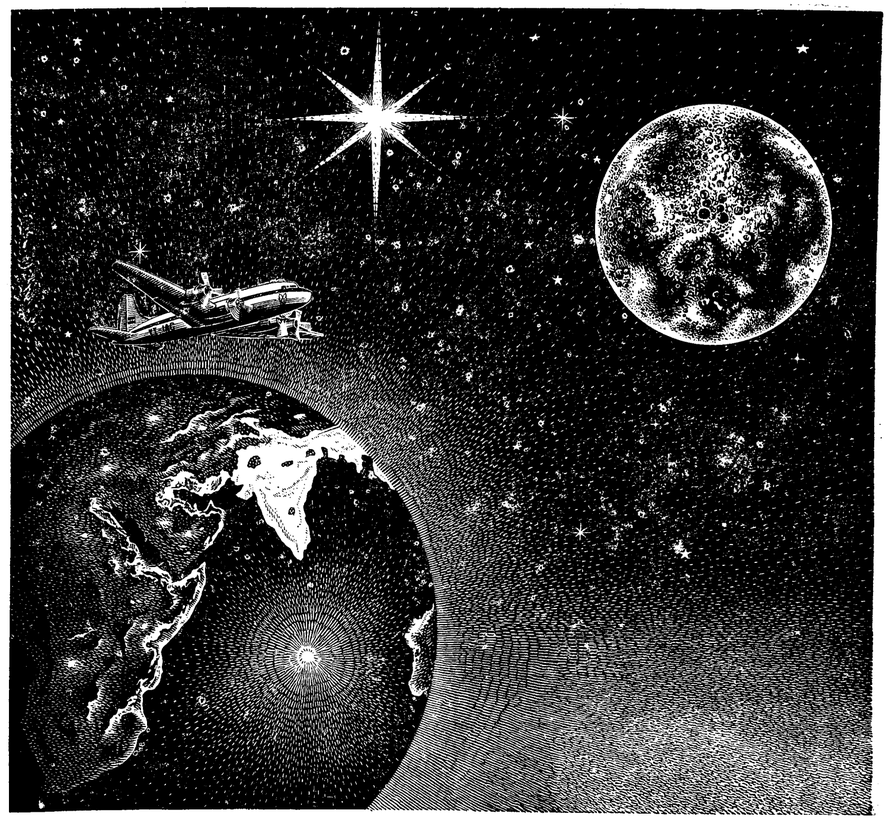
INDUSTRIAL RELATIONS

The index of industrial relations (Base 1939=100) for the manufacturing industry group for November 1956 was 149.8, as compared with 143.3 for the previous month. This index, it may be mentioned here, is computed by taking as 100 the quotient obtained as a result of dividing the estimated number of man-days actually worked by the man-days lost due to industrial disputes in the base year (1939). Only those disputes which result in work stoppage are taken into account in the statistics of industrial disputes. Even here, only disputes involving 10 or more workers are included.

The total time-loss during the month under review was 4¼ lakh man-days, which was lower by about 47.5 per cent. than the figure during October. This was also lower than the monthly average time-loss during 1955 by about 9.0 per cent. Following the reorganisation of States with effect from 1st November 1956, the statistics of industrial disputes for the month relate to the reconstituted States. Among the States, West Bengal recorded the highest time-loss during the month. Next in order came Bombay, Andhra Pradesh and Madras. As compared with the previous month, the time-loss increased in Andhra Pradesh, Assam, Bihar and Punjab whereas it decreased in other States.

The number of fresh disputes arising during November 1956 was 77 and these involved 27,862 workers. The corresponding figures during the previous month were 76 and 49,007 respectively. One hundred and four disputes were current at any time during the month. These involved about 46,000 workers. In the previous month, the number of disputes was 145 and these involved about 112,000 workers. The average duration of disputes current at any time during the month was 9.4 days as against 7.4 days during the previous month. Fourteen of the disputes resulted in lockouts. These involved about 16,000 workers and accounted for a time-loss of nearly 3½ lakhs of man-days. The number of lockouts was highest in West Bengal, namely, 11. Uttar Pradesh and Madras came next with two and one lockout respectively. Eighty-one disputes terminated during November, 1956. Of these, 53 lasted for not more than five days each and only eight lasted for more than 30 days each. The workers achieved complete or partial success in 36 cases. In 24 cases they were unsuccessful. The results were indefinite in 13 and not known in eight cases. The major reasons for these disputes were "wages and allowances" and "personnel." Among the industry groups, the time-loss increased in "electricity, gas, water and sanitary services," and decreased in all other industry groups.





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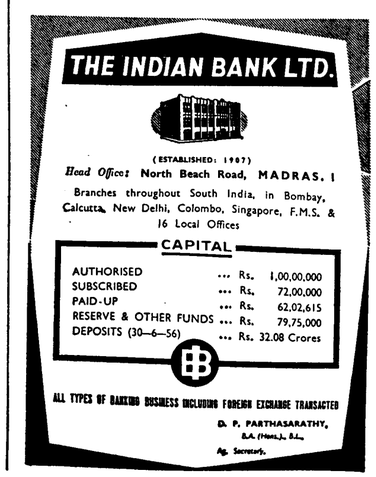

This is an advertisement and not a Prospectus. A formal Prospectus dated 20th December, 1956 has been prepared and filed with the Registrar of Companies, West Bengal.

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

A licence has been obtained from the Central Government for the establishment of the new industrial undertaking described in the Prospectus and a copy of the licence is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

THE SUBSCRIPTION LIST WILL OPEN ON THE 4th OF FEBRUARY, 1957, AND WILL CLOSE ON 15th FEBRUARY, 1957, OR EARLIER OR LATER AT THE DISCRETION OF THE DIRECTORS.

SHAREHOLDERS, DIRECTORS AND FRIENDS HAVE ALREADY SUBSCRIBED TO Rs. 212 LAKHS OF THIS ISSUE.

INDIAN ALUMINIUM COMPANY, LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913)

SHARE CAPITAL

Authorised		Issued, Subscribed and Paid Up
Rs. 5,60,00,000	in Ordinary Shares of Rs. 10 each ...	Rs. 2,01,10,000
Rs. 40,00,000	in 5 per cent Cumulative Redeemable Preference Shares of Rs. 100 each ...	Rs. 40,00,000
Rs. 6,00,00,000		Rs. 2,41,10,000

LOAN CAPITAL

Authorised		Now being Issued
Rs. 2,68,13,200	5 per cent Convertible Loan Stock ...	Rs. 2,68,13,200

Out of this issue, the existing Ordinary shareholders of the Company, Directors and friends have subscribed to Rs. 212 lakhs Convertible Loan Stock. (Aluminium Limited, the Company's majority shareholder, has subscribed to 50 per cent of the issue and in order to permit increased Indian participation, has renounced, with the approbation of the Government of India its right to subscribe in excess of 50 per cent) The remaining Rs. 56 lakhs Convertible Loan Stock is available for allotment to the public.

AVAILABLE FOR PUBLIC SUBCRIPTION Rs. 56 LAKHS

5% CONVERTIBLE LOAN STOCK 1971-81 AT PAR

PAYABLE IN FULL ON APPLICATION

Applications must be for multiples of Rs. 200 with a minimum of Rs. 200.

The Convertible Loan Stock now offered for subscription was created by a Resolution passed at an Extraordinary General Meeting of Shareholders held on the twelfth day of November 1956 and is constituted by a Deed Poll as an unsecured obligation of the Company. Interest at the rate of 5 per cent per annum (less tax) will be payable on the 1st January each year for the year ending on the preceding 31st December, except that the first payment to be made on the 1st January, 1958, shall be nine rupees and four annas (less tax) for each unit of Stock of Rs. 200 outstanding on 31st December, 1957.

The following is a summary of the principal terms and conditions upon and subject to which the Rs. 2,68,13,200 Convertible Loan Stock is being issued:

CONVERSION RIGHTS

Stockholders will be entitled on the terms and conditions mentioned in the Deed Poll, by giving written notice to the Company, to convert every Rs. 200 nominal amount of Stock held by them into fifteen fully paid Ordinary Shares of the Company up to 15th December, 1957, and into fourteen such Ordinary Shares during the period from 1st January, 1958, to 30th June, 1960, inclusive, and into twelve such Ordinary Shares during the period from 1st July, 1960 to 15th December, 1970, inclusive, after which date the conversion rights shall cease to be exercisable. After the 15th December, 1970, the Stockholders will be subject to and entitled to the benefit of all the conditions endorsed on the Stock Certificates except the option to convert. The Ordinary Shares into which the Stock is converted will rank *pari passu* in all respects with the then existing Ordinary Shares of the Company and will be entitled to participate in any dividend that may be declared after receipt by the Company of notice of intention to convert.

REDEMPTION

On the 2nd January, 1971, and on the same date in each succeeding year the Company will redeem at par Stock amounting to Rs. 25,00,000 until all the Stock has been redeemed. The Stock to be redeemed will be selected by drawings. In addition, the Company may redeem at par all or any of the Stock outstanding at any time after 31st December, 1970, upon giving three months' notice in writing and if the Company elects to redeem part only of the Stock, the part to be redeemed will be selected by drawings. The Company will redeem at par any Stock, which remains outstanding on the 2nd January, 1981.

DIRECTORS

KAILASH CHANDRA MAHINDRA, "Mont Blanc," Dadyseth Hill, Bombay, 26, Industrialist and Chairman of the Company.

ERIK SPENCER GREENWOOD, 7, Mayfair Road, Calcutta, Managing Director of the Company.

LAWSON GREENE BASH, Apt. 19D, Hotel Ten Park Avenue, New York, 16, U.S.A. Merchant.

JAKOB BOETSCHI, *Alternate for Mr. Bash*, 9, Dover Park, Calcutta, Merchant.

JAMES WILLIAM CAMERON, 146, Easton Avenue, Montreal West, P.Q. Canada, Engineer.

MUTHIAH ANNAMALAI CHIDAMBARAM, Chettinad House, Raja Annamalaipuram, Madras, 28, Industrialist.

JAMES ATWOOD DULLEA, Dogwood Lane, Westport, Connecticut, U.S.A., Senior Vice-President, Aluminium Limited, Canada.

SIR UDAY CHAND MAHATAB, K.C.I.E., *Maharajadhiraja Bahadur of Burdwan*, "Aftab Ville." 14/1, Burdwan Road, Alipore, Calcutta, Landlord.

DR. PARAMESWAR VELAYUDHAN NAIR, "Saraswathi Sadan," Cotton Hill Road, Trivandrum, Additional Director of Industries and Commerce, Kerala State.

WILLIAM ARCHIBALD RUSSELL, M.C., 1, Minto Park, Calcutta, 27, Stockbroker.

MANU SUBEDAR, Lotus House, Marine Lines, Bombay, Businessman.

REGISTERED OFFICE

31, CHOWRINGHEE ROAD, CALCUTTA, 16.

BANKERS

LLOYDS BANK LIMITED, 41, Chowringhee Road, Calcutta, 16.

THE FIRST NATIONAL CITY BANK OF NEW YORK, 9, Brabourne Road, Calcutta, 1.

SOLICITORS

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

AUDITORS

PRICE, WATERHOUSE, PEAT & COMPANY, B-4, Clive Buildings, Calcutta, 1.

HISTORY AND BUSINESS

The Company was incorporated in Bengal on the 17th December, 1938, under the name Aluminium Production Company of India Limited as a private limited company. On the 21st June, 1944, the name of the Company was changed to Indian Aluminium Company, Limited, and on the 28th March, 1945, the Company was converted into a public limited company.

The Company undertook the construction of a rolling mill at Belur, Calcutta, in 1939 for the fabrication of aluminium and its alloys and operations commenced mid-1941 with an initial capacity of 2,500 tons per annum which has since been increased to 7,000 tons per annum. This rolling mill was at first entirely dependent upon the importation of aluminium ingot. However, by 1943, an aluminium smelter to produce 2,500 tons of ingot per annum was constructed and completed at Alupuram, near Alwaye, Travancore. When this smelter commenced operations in 1943 it was dependent on imported alumina but by 1946 the Company was operating its own bauxite mines at Lohardaga, Bihar, and producing alumina at Muri also in Bihar and about 80 miles from the bauxite mines. The capacity of these mining, alumina and aluminium smelting facilities was subsequently increased to produce 5,000 tons of aluminium ingot per annum at which level the smelter is now operating. However, due to recent improvements in operating techniques and the installation of additional furnace pots, it is expected that the smelter will operate at approximately 5,600 tons per annum commencing 1957.

In addition to the above smelting and fabricating facilities, in 1951 an aluminium powder and paste plant was completed at Kalwa, near Bombay, with an annual capacity to produce 600 tons of aluminium powder and 250 tons of aluminium paste, in respect of which India was formerly dependent upon imported supplies. During 1955 the Company completed the installation of a modern extrusion press capable of producing 1,000 tons of extrusions per annum. This extrusion press is located adjacent to the smelter at Alupuram, Travancore.

DEVELOPMENT PLANS

With the evidence that India is becoming increasingly dependent upon the importation of aluminium ingot, and since technological developments in the industry are creating greater demands for aluminium, the Company has decided to construct at the Hirakud power project site an aluminium smelter with an initial capacity to produce 10,000 tons of aluminium ingot capable of easy expansion to 20,000 tons or more per annum in the future. The necessary licence has been granted by the Government of India under the Industries (Development and Regulation) Act of 1951.

Simultaneous with the construction of the new smelter at Hirakud, the Company's bauxite mining and alumina producing facilities will be suitably expanded and subsequent further expansion will provide sufficient bauxite and alumina for all the Company's expanded smelting operations. Pending completion of the necessary bauxite and alumina producing facilities, arrangements are being made, with Government approval, to import alumina to ensure full use of the new smelter.

Negotiations with the Government of Orissa for the supply from the Hirakud Power Project of sufficient electric power to enable the new smelter to produce 10,000 tons of aluminium ingot per annum and for a lease of the necessary land at Hirakud for the establishment of the smelter have reached an advanced stage and it is expected that such negotiations will be successfully concluded in the very near future.

MARKET POSSIBILITIES

The Tariff Commission enquiry into the aluminium industry held in 1955 determined that the then prevailing demand for aluminium was about 20,000 tons per annum and it was expected to increase at the rate of approximately 5,000 tons per annum so that by the end of 1958 it would reach about 35,000 tons as follows: Utensils 10,000 tons; electrical conductors 14,000 tons; transportation 5,000 tons; foil, canning and packaging 3,000 tons; engineering, building construction and other uses 3,000 tons.

However, consumption of aluminium in India in 1955 was about 27,000 tons of which approximately 10,000 tons of semi-fabricated products and 4,100 tons of ingot were imported. Since India's present capacity to produce primary aluminium ingot only approximates 7,200 tons there is an obvious and urgent need to expand ingot producing facilities and when the proposed new smelter is in operation it is expected that the new production will be promptly absorbed. Furthermore, since the Tariff Commission estimates that the demand for aluminium will increase at the rate of 5,000 tons per annum the need for smelting facilities in addition to those now planned is evident and it is already envisaged that the capacity of the proposed Hirakud smelter may eventually be doubled from 10,000 to 20,000 tons per annum.

TECHNICAL AND RESEARCH FACILITIES

The highly complicated operations of smelting and fabricating aluminium in this relatively new industry, must necessarily be supported by extensive and unceasing efforts in exploration, engineering and research. Fortunately, due to close affiliation with its principal Shareholder, Aluminium Limited, Montreal, Canada, this Company is, by agreement, able to use and benefit from the research and technical facilities of Aluminium Laboratories Limited, which is a fully owned subsidiary of Aluminium Limited, and is thereby provided with technical information, engineering services and advice regarding all developments in the aluminium industry and guidance on operational problems and the development of new products.

The research facilities of Aluminium Laboratories Limited are located in Canada and the United Kingdom and are probably the most extensive of their kind. Aluminium Laboratories Limited's annual budget for research and development exceeds 4 million dollars.

FINANCING

The amount required for the expansion programme and for additional working capital is estimated to be Rs. 8.65 crores, part of which will be financed by the proceeds of the recent new and fully subscribed issue of 4,11,000 Ordinary Shares and this issue of Convertible Loan Stock; the balance will be financed by bank loans, depreciation reserves and undistributed earnings. Part of the proceeds of this issue will be utilised for the purpose of repaying the sum of Rs. 50 lakhs which the Company has borrowed from Aluminium Limited.

The financial information included herein reflects the effect of the increased aluminium ingot capacity which commenced in the second quarter of 1955 when the capacity of the Alupuram smelter was increased from 2,500 tons to 5,000 tons per annum. The increased ingot production was most rewarding and it will be noted that profits of Rs. 20,44,011 in 1955 and Rs. 23,57,567 for the nine months ended 30th September, 1956, were recorded, compared with Rs. 2,69,243 in 1954.

The new ingot capacity of 10,000 tons per annum now envisaged by this Company together with India's existing capacity of approximately 7,200 tons per annum is, as previously indicated, substantially below the Tariff Commission's estimate of an overall demand of 35,000 tons per annum by 1958. Consequently, it is expected that production from the new smelter will be marketed at profitable levels and will provide a reasonable return on the new capital invested as well as sufficient funds to service and repay loans which will become necessary during the construction period.

FINANCIAL INFORMATION

The following is a condensation of the accounts of the Company which have been audited by the Company's Auditors, Price, Waterhouse, Peat & Co.

	Sales	Net Profits before Depreciation and Taxation	Net Profits after Depreciation and Taxation*
	Rs.	Rs.	Rs.
Year ended September, 1951, 15 months ended December, 1952	1,20,62,170	38,60,187	15,96,102
Year ended December, 1953	1,61,46,021	35,20,673	12,78,145
Year ended December, 1954	1,17,85,372	10,106	Loss 8,17,109
Year ended December, 1955	2,37,62,809	14,82,019	2,69,243
Year ended December, 1955, 9 months ended September, 1956	3,65,65,903	48,39,370	20,44,011
	3,13,07,499	52,61,884	23,57,567

*Figures as adjusted by the Auditors to reflect Normal Depreciation and Taxation.

ASSETS AND LIABILITIES as at 30th September 1956

	Rs.
Fixed Assets—At Original Cost less Depreciation	2,43,73,182
Investments—At Cost	16,854
Current Assets	2,33,61,438
Total Assets	4,77,51,474
Less—Liabilities and other Provisions	1,96,87,222
Net Assets as at 30th September, 1956	2,80,64,252

DIVIDENDS ON PAID-UP CAPITAL

Dividends paid on Ordinary shares were 3½ per cent for the year ended September 1950, 5 per cent for the year ended September 1951, Rs. 5 per share for the 15 months ended December 1952, 9 per cent for the year ended December 1955 and an interim dividend of 5 per cent was paid in respect of the year 1956. Dividends on the 5 per cent Cumulative Preference Shares have been paid regularly.

GENERAL INFORMATION

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

Interest of Directors: Mr. K. C. Mahindra is the Financial and Technical Adviser of the Company and receives remuneration for his services as such.

Mr. E. S. Greenwood is the Managing Director of the Company and receives remuneration for his services as such.

Mr. W. A. Russell is a partner in the firm of Place, Siddons and Gough, Stock and Share Brokers, brokers to this issue.

Mr. J. A. Dullea is a Director of Aluminium Laboratories Limited which Company is a party to contracts for the supply of engineering and technical services at cost to this Company.

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

Underwriting: The Convertible Loan Stock now being issued is not underwritten.

Brokerage: A brokerage of one half of one per cent will be paid on allotment of Stock made in respect of applications bearing the stamp of a recognised Stockbroker.

APPLICATIONS FOR STOCK

Applications for the stock, which must be for Rs. 200 or multiples thereof, must be made on the official forms issued by the Company, and sent together with a remittance for the full amount payable on application to one of the undermentioned Brokers, or a branch of Lloyds Bank Ltd., in India, or a branch of The First National City Bank of New York, in India. Copies of the official application forms and of the formal prospectus may be obtained from the Registered Office of the Company at 31, Chowringhee Road, Calcutta 16, the Company's Bankers and the following Brokers.

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THE ASSOCIATED CEMENT COMPANIES LIMITED

SHRI DHARAMSEY M. KHATAU'S SPEECH AT ANNUAL MEETING

STATE TRADING IN CEMENT UNWARRANTED

THE following is an abstract of the speech delivered by Shri Dharamsey M. Khatau at the Twentieth Annual General Meeting of the Associated Cement Companies Limited held in Bombay on 25th January 1957:

"Following upon drastic amendments to the Constitution enabling outright nationalisation, or the assumption by the Government of complete managerial control over private property upon such terms as to compensation as the Government of the day might think proper, there have been enacted a series of laws of the most far-reaching character. Taken together with the previously existing restrictive laws and the voluminous labour legislation already on the statute book, they furnish such a complete range of weapons in the Government's armoury that it seems pointless to talk any longer of freedom for the private sector. The issue must be joined hereafter on the broader base of preservation of freedom and democratic institutions, because what is now in danger of being smothered is not just the private sector in the industrial field, but free enterprise generally."

State Capitalism

Shri Khatau mentioned the nationalisation of life insurance and the resort to State trading in cement as the two most outstanding recent examples of the suppression of free enterprise and the onward march of State capitalism. He referred to the notable contribution of these two industries and their achievements over the last 20 years and observed that in the case of life insurance, the grounds on which that vast and growing industry was nationalised, did not bear dispassionate scrutiny. Nor had the results been conspicuously successful or demonstrably in the larger public interest. In fact, there had been an alarming drop in the volume of new business since nationalisation.

State Trading in Cement

"As for State trading in cement," the Chairman continued, "the Government's reason for resorting to this remain a mystery to this day. The Government's decision is all the more inexplicable, because the conditions obtaining in the cement industry did not warrant any such measure. The cement industry had on the basis of its performance and record, honourably justified its stewardship."

Referring to the "cement gap" which existed in the country, despite the industry's impressive production efforts and performance, Shri Khatau pointed out that the A.C.C. was the first to foresee the gap which was likely to develop due to the requirements of the second Five-year Plan. The A.C.C. brought this to the notice of the Government as far back as September 1955 and offered to import cement and to distribute it to the consuming public *without profit*. "After taking little or no notice of this suggestion for some months," the Chairman continued, "the Government seemed suddenly to feel the urgency to resort to State trading in cement and sought to justify this step on the following grounds:

(a) the need to import substantial quantities of foreign cement to meet the current 'cement gap';

(b) the need to sell both indigenous cement and imported cement (which would cost about Rs. 40 to Rs. 45 per ton more than indigenous cement) at an equalised price; and

(c) the need to rationalise all rail-borne cement movements, so as to impose the minimum strain on the transport system in the country."

The Chairman met these points by stating: "We had already recognised the existence of the 'cement gap' and had offered to import foreign cement and to sell it to the consumer at cost. We suggested that price equalisation should be done *without profit*, by raising the price of Indian cement by just so much as would be necessary to meet losses on the sale of imported cement at a common delivered price applicable to both. We suggested that this could be done either through the medium of enhanced excise duty, or by imposing a 'price equalisation pool' or 'trust fund,' either voluntary or statutory. We also offered to evolve a pattern of distribution which would involve only the minimum rail movement. But the disappointing outcome of all this was that, while the Government accepted our main proposals, it rejected all the alternative price equalisation mechanism we had suggested. And so the country was launched upon State trading in cement."

Mechanism of State Trading

The Chairman then examined the mechanism of State trading in cement. The entire production is sold to the State Trading Corporation of India and the Corporation pays to the producers of cement the old ex-works price which, in the case of the A.C.C., is Rs. 54-8 per ton for naked cement, *plus* packing charges (varying from Rs. 13-8 to Rs. 14-8 per ton) to be determined by the Government each quarter. "But the State Trading Corporation in turn sells the cement to the public at the new equalised price of Rs. 102-8 per ton f.o.r. destination, inclusive of excise duty, selling expenses, freight and other handling charges, all of which are borne by the Corporation. As against this, our selling price f.o.r. destination before the advent of State trading was approximately Rs. 90 per ton. The purchase and sale of cement is arranged by the State Trading Corporation through the existing selling agencies of the cement manufacturers, who were appointed as agents of the State Trading Corporation for this purpose. The agents' remuneration for their services comes out of the ex-factory prices originally fixed for the manufacturers. The Cement Marketing Company of India Private Ltd. is accordingly the agent of the State Trading Corporation since 1st July 1956 for the sale and distribution of A.C.C. cement at a commission of Re. 1-8 per ton."

Free Enterprise and the Freedom to Trade

Stating that the cement industry's *objection to State trading was fundamental*, the Chairman stated: "We believe that all forms of State trading constitute a serious infringement of the right of freedom of trade in a democratic society. The mere fact that State trading *can* resolve a given problem in terms of agreed objectives is not, by itself, a sufficient justification for its adoption, if other solutions of equal, or superior or even slightly inferior validity, are available, which do not involve State interference. Moreover, State trading lops off the essential sales function from a basic productive industry—a function laboriously built over the years by free enterprise, thereby causing grave injury to it. I would also emphasise that State trading in cement runs counter to the declared policies of the Government itself as enunciated in the Industrial Policy Resolution early last year and in which an attempt was made to strike an admirable balance between State and free enterprise. The continual maintenance of such a balance is of the very essence of a socialistic pattern of society, *if it is to be built on the foundations of a democratic constitution.*

"In this context, the recent assurances of the Prime Minister in respect of the urgent need for India's adherence to democratic processes in planning and of evolving a balanced approach between State and free enterprise are indeed welcome. Experience has shown that the concentration of economic power in the hands of the Government, backed by monolithic majorities in the legislatures and operated through a well organised bureaucracy must, in course of time, result in whittling down both individual freedom and liberty. It is with this larger objective in view that one must repeatedly warn the Government against adopting a doctrinaire and unrealistic approach to problems of planning and in the techniques for achieving industrial development. Issues like nationalisation and State trading should be conceived only as the means to an end, and not as ends in themselves.

"Enlightened free enterprise working within the framework of planned development is an indispensable part of the democratic set-up, for there is a close interrelationship between socially regulated free enterprise and democracy. Free enterprise should, therefore, be positively encouraged to thrive by appropriate incentives and reliefs whenever needed, because it had a legitimate and vital function to perform in national planning and development so long as democracy is the foundation upon which our Constitution rests."

Production and Sales

Turning to the affairs of the Company, the Chairman reported another year of successful working for the A.C.C. Both production and sales of cement were satisfactory. Yet the results were less profitable than for the preceding year, due to repeated increases in freight rates, the price of coal, imported stores and spares, royalty on limestone, etc. The Chairman felt that this trend of rising costs was likely to continue, and that the Company would have to face up to a substantially higher cost of production in the future. This would be further aggravated by the irresponsible demands for wage increases which were being sponsored by the I.N.T.U.C., and the threat of hasty legislation to enhance the rates of provident fund contribution which was being pressed for by the Government.

Plant Rehabilitation and Expansion

Reviewing the Company's programme of modernisation and expansion, Shri Khatau reported that it was progressing according to schedule and that the Company had formulated plans to expand its installed capacity over the next five years to a total of 5·2 million tons per annum as its contribution to the national target of 12.5 million tons of cement under the second Five-year Plan. During the year, the modernisation and expansion of the Company's Bhupendra, Kistna, Chaibasa and Kymore factories continued satisfactorily. The Chairman also announced the Company's intention to install a third unit at the Sindri Works, "provided that a satisfactory price for the additional raw material (calcium carbonate sludge from the Sindri Fertiliser Factory) required can be negotiated with the Fertiliser Factory."

New Projects

The Chairman stated that satisfactory progress had been made in the construction of the Company's new cement factories at Mancherial and at Porbandar and that work on the construction of a new plant at Drug would be started in the near future. All these three factories would operate the dry process, instead of the wet process employed at other A.C.C. factories. The Company's newly constructed refractory plant at Katni was functioning satisfactorily and its output would steadily be stepped up to its rated capacity.

Finance for Expansion Projects

Speaking about the very heavy capital outlay entailed by the expansion programme, Shri Khatau stated that the projects would be financed partly out of the proceeds of the recent issue of new shares and partly by borrowing against the Company's cash-credit arrangements with the State Bank of India up to the full limit of Rs. 4 crores. He continued: "Despite this, however, substantial additional funds will obviously be needed. By far the largest portion of this extra finance will have to come out of the internal resources of the Company, consisting of depreciation allocation and undistributed profits retained to the credit of various reserves. This process of ploughing back as large a portion of the profits as was possible is in serious danger of being prejudiced in the years to come by recent trends in bonus awards and in the taxation policies of the Government. As for the former, there appears to exist no appreciation whatsoever of the need to plough back into industry an adequate volume of profits not merely for rehabilitation and modernisation of existing plant but also for expansion of capacity; with the result that these needs are virtually ignored and a substantial portion, if not the whole, of the so-called "surplus" is cheerfully awarded as bonus. The time has come for some realistic thinking in this matter, with a view to evolving a fair and workable formula for the award of bonus, so that the industry may not be deprived of that steady volume of annual accretions to internal resources so essential for financing both expansion and modernisation. If there must be a curb on industrial dividends, then there must also be one on bonus to industrial workers."

Dealing next with the effects of the recent Finance Act upon industrial development, the Chairman observed: "The Act directly impinges upon industrial development in two ways. In the first place, there can be no doubt that with the existing confiscatory level of personal taxation, the capital gains tax and the heavy additional corporation tax on dividends in excess of 6 per cent. can only act as decisive disincentives to new investment and to ploughing back profits into industry. On the other hand, the deposit scheme for canalising in approved directions the utilisation of corporate funds represented by undistributed profits and the tax saved on depreciation and other allowances need not, in itself, give cause for anxiety. But the effect of the whole scheme will depend entirely upon the flexibility and consideration with which it is operated in practice. In particular, companies such as ours which may have already used their funds for approved purposes should not be required to make any deposits; and 'approved purposes' should include not merely the full range of fixed capital and working capital requirements of a company but also the repayment of moneys borrowed and utilised for those purposes. There is every reason to hope that the rules, which are now being framed, will fulfil these expectations. And if the deposit scheme is so operated, it need cause no undue concern; but otherwise, it may precipitate a major crisis in the money market and bring all significant industrial development to a grinding halt."

The A.C.C.-Vickers-Babcock and Wilcox Project

The Chairman reported that satisfactory progress had been made in the Company's negotiations with Messrs. Vickers Ltd. and Messrs. Babcock and Wilcox Ltd. for the establishment of an up-to-date heavy engineering plant, which within a few years, would make India largely self-sufficient in the whole range of cement-making machinery. The new project would also provide a substantial proportion of the country's requirements of water tube boilers and mining machinery.

Pakistan

The Chairman stated that the A.C.C.'s two factories in Pakistan were operating satisfactorily. As anticipated, prices of coal, stores and other materials had risen sharply in that country, with the devaluation of the Pakistan rupee. But the price increase granted by the Government of Pakistan covered only a portion of the actual increase in costs and, unless production costs declined, Shri Khatau felt that the Company would have to approach the Government there for an upward revision again. Shri Khatau also reported that, as a result of the representation by the Company, the Pakistan Government had since rescinded certain restrictive clauses in the Cement Control Order which were not warranted, in view of the supply position there.

Labour-Management Relations

Turning to labour-management relations the Chairman observed: "I am very glad to report that the present year has been one of distinct improvement in our relations with our employees. I am heartened to think that the enlightened and progressive policy which your Company has always followed in promoting the welfare and well-being of its employees is not without its due response from them. And I would like to congratulate my labour friends and officials of the trade unions at the various factories for the generally realistic attitude which they have adopted in solving problems of common interest and for showing an increasing awareness of their responsibilities in our common endeavour. Unlike in past years, there was no strike or stoppage of work to mar the growing accord and understanding based on good faith and goodwill.

"In my report last year I had referred to the unanimous decision of the Industrial Committee on Cement to abolish the contract system wherever possible in the normal working of our factories. With the co-operation of the unions we were able to implement this decision during the year under review. This provides an excellent example of the Company's workmen and management striving together with singleness of purpose to achieve satisfactory results in solving important issues."

Bonus and Appreciation

The Chairman announced that the Board had recommended this year the payment of a bonus equivalent to three months' basic earnings to all employees at the head office, the works and branch offices, including those employed in the Cement Marketing Company, and concluded by recording the Company's warm appreciation of the unstinted co-operation and unremitting hard work put in by all members of the Company's staff during the year.

Note.—This does not purport to be a record of the proceedings of the Annual General Meeting which will be sent separately to the shareholders.

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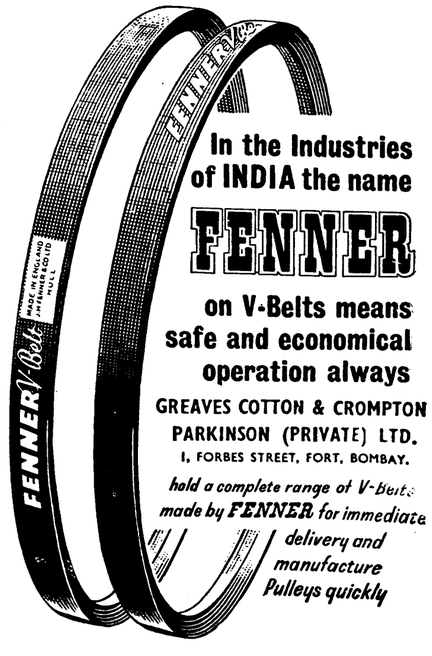

EVOLUTION OF UNIFORM STANDARDS

THIRD COMMONWEALTH CONFERENCE

THE advantages of standardisation lie in the simplification of production and distribution by the elimination of unnecessary types, sizes and qualities of articles produced for the same purpose. When rapid strides are being made in various fields of human activity, as, for instance, sciences, technology, industry, both productive and consumer, and commerce, and the number of varieties of articles that come into vogue is being multiplied, the importance of standardisation cannot be overemphasised. Attempts are being made constantly to standardise the products of industries. To take one example, certain countries have standardised the components of the motor industry. They include tyres, safety glass, plugs, screws, bolts, bearings, lamp bulbs and so on which are, as a result, replaceable. In the aircraft industry, to take another example, between 5,000 and 6,000 parts, varying from rivets and washers to complete pilots' seats, rudder bars and the components for wiring system are standardised.

Standards, in fact, affect almost every aspect of household and everyday life. To mention only a few, they affect clocks, refrigerators, clothes, line posts, electric fittings, basins, taps and milk bottles. It is noteworthy that the British Standards Institution (B.S.I.) has now established the standard measurement for the "spoonful," so common in cookery recipes. The exact capacity of a teaspoon is to be 60 minims in dispensing medicine, and 100 minims in measuring ingredients for cookery. Further, size and workmanship of children's and women's garments are standardised. In the field of medicines and drugs, the Medical Act of 1858 of Britain prescribes the standard for the substances and the preparations concerned for the whole of the Commonwealth.

A pioneer in the evolution of standards is the B.S.I. The embryo of this huge organisation was the Engineering Standards Committee formed in 1901 following a vigorous movement started by Mr. H. J. Skelton, a London iron and steel merchant, and Sir John Wolfe Barry, then President of the Institute of Civil Engineers. Today the constitution and the scope of the B.S.I. serves four main industrial groups—engineering, chemical, building and textiles—with sectional committees to cover such fields. The work of standardisation is carried out mainly by Industry Standards Committees, each one representative of the manufacturers, distributors, users and professional bodies, associated with that particular industry. At present there are 60 such committees and nearly 2,000 technical and sub-committees. A noteworthy feature is that the institution is an entirely voluntary body, formed and maintained by industry with the co-operation and support of the Government.

Role of N.P.L.

The National Physical Laboratory in the U.K. plays a vital role in the field of standards. It works out and maintains the accepted standards of measurement without which scientists today would have had no foundation upon which to base advanced theories. It has also fostered several offshoots now doing work in highly specialised subjects such as radio, radar, aviation research and other fields. What is all-important in the work of the laboratory is accuracy—whether it is in measuring 1,000,000 volts of electricity or a millionth part of an inch. In short, its job is to check the gauges which check the precision tools which make the precision instruments. In the last half century, the laboratory has made countless contributions to the progress of standards. Work in the study of fluid flow, perhaps, has been the most important. Originally, its only direct relation was to the movement of water past a ship's hull. Now, with travel revolutionised and with the theories propounded by men like Lord Raleigh to broaden the scope, "fluid flow has just as much to do with the design of the latest aircraft, buildings, concert halls and radio techniques as with things seemingly so unrelated as the latest ships, and the ventilation of the House of Commons." Today, British standards, promoted, established and maintained by the British Standards Institution are known and used all over the world. The story of the evolution of standards in Britain can be traced to many years back. In early modern times, navigational standards and those based on astronomical data, such as longitude, marine chronometer and nautical almanac, were largely initiated by Britain. By far the largest number of standards, however, are industrial and have been evolved in more recent times. Some of the notable instances are the "horse-power," "block system" of working passenger lines, the gauge of 4 ft. 8½ inches, etc., in the field of railways. Britain has also adopted international standards in such matters as metric ball bearings and 16mm. film. It is noteworthy that the cause of the success and prestige of British standards is stated to be the principle of procedure, which ensures that only standardisation demand by both producers and users is carried out and that standards are prepared by agreement and accepted by all the interests concerned and are, therefore, assured of general adoption.

Developments in Commonwealth

An important feature of the development of standardisation in the Commonwealth which started about 45 years ago is that, while the different standard bodies are organised on similar lines as the B.S.I., and closely related with it and British industry, they are independent standard bodies closely identified with the industrial progress of their respective countries. In India, till 1946, the use of British standards was fostered by a local committee established in 1919 by the Institution of Engineers (India). In 1946, however, the Indian Standards Institution was constituted on the lines similar to the B.S.I.

The third Commonwealth Standards Conference, which opened in New Delhi on 21st January and is in session as these lines are written, is a landmark in the evolution of standards in the Commonwealth. The first conference, held in London in 1946, revealed that standardisation is a dynamic activity, that those that collaborate must do so on a free and voluntary basis. Bearing these in mind, the first conference made 34 recommendations relating to general policy and procedures of standardisation and also on some technical issues like screw threads, universal decimal classification and glossary terms. The second conference, also in London, was held in 1951 with the object of furthering the collaboration between the national standards organisations of the Commonwealth and to secure agreement on common objectives and principles of operation in the interests of Commonwealth relations and trade. A notable feature of the progress made since the first conference was that the national standards bodies in the Commonwealth had implemented, to a very satisfactory degree, the recommendations of the first Conference and that the intra-Commonwealth agreement in standards had been fostered, without conflict with the needs for international agreement under the International Standards Organisation. The last conference, moreover, helped to establish the fact that the consultation and co-operation that had developed between the Commonwealth countries had led to a commendable degree of practical alignment of the standards issued in the various Commonwealth countries.

The programme for the present session includes, besides the general session of the type held in 1946 and 1951, four technical sessions relating to electrical equipment for machine tools, cables, safety requirements for domestic electrical appliances and steel.

Technical Sessions Welcomed

Inaugurating the Conference, Mr. Morarji Desai, Union Minister for Commerce and Industry, welcomed the inclusion of technical sessions in the Conference. He pointed out that such inclusion would provide the necessary incentive for busy people to participate in the Conference. Especially, it would also enable the technical personnel of Indian Committees to benefit by the exchange of views with their compeers and peers from other countries. Referring to the India Government's decision to "go metric," Mr. Desai expressed the view that it provided ample proof of the fact that there was no thought of regimentation of standards within the Commonwealth and that national standards bodies were perfectly free to adopt measures suited to the needs of their countries. Nevertheless, an important hurdle that had to be crossed in the path of international standardisation was, according to him, the question of conversion from the inch-pound system to the metric system. The protagonists of the two systems, he pointed out, were naturally apt to take a partisan view, making agreement on conversion somewhat difficult. He, however, hoped that the Conference would not only streamline the Commonwealth point of view but also provide a basis for compromise that might lead to a world agreement.

Welcoming particularly the inclusion of a technical session on steel on the agenda of the Conference, the Minister pertinently observed:

"Unlike most other Commonwealth countries, India is very deficient in steel production. In our bid for self-sufficiency, we have not only to aim at greater production but better utilisation of our resources. One may suppose that, in the competitive world of today, such economies are always of interest to any country, but, in the case of India, which has to plan for a several-fold increase in its production at heavy capital cost in the next five years, the need is paramount for the most economical utilisation of what we produce by a proper reassessment of the improvements in the quality of steel which have been made during the past decades as also by encouraging the newer techniques of welding and improvement in design."

The Conference is attended by over a hundred experts from different Commonwealth countries. It is to be hoped that the deliberations of the Conference will pave the way for greater uniformity of standards throughout the Commonwealth and especially succeed in ensuring that India's decision to "go metric" will not hamper Commonwealth trade. Indeed, with Britain's latest decision to join the free trade area in Western Europe where the metric system is in vogue, there can scarcely be any conflict. If anything, India can claim to be ahead of the leader of the Commonwealth. It is only a question of time before Britain, too, follows suit.

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JAPAN'S EXPORTS TO CHINA

The value of Japan's exports to mainland China during the first eleven months of 1956 amounted to $53 million, as against $29 million in 1955. As against this, Japan's imports from that country during the same period remained at about the same level as in the previous year.

Some of the items that figured prominently in the exports from Japan were light machinery, particularly textile machinery, farm equipment, three-wheeled trucks and office equipment. The value of these exports increased nearly fourfold in 1956 over that of the previous year. Sales of chemical products also advanced substantially.

With a view to accelerating Japan's exports to China, the Japanese Government is reported to be taking measures for encouraging greater utilisation of the exceptions incorporated in the Chincom embargo regulations (regulations governing exports of strategic goods). The Japanese Government, it is further stated, is well aware, that any violation of the ban on strategic exports would give rise to serious repercussions in U.S.-Japan relations.

Japan is also said to be preparing to offer a wide range of technical assistance to China, as a method of circumventing the embargo without violating it. The technical assistance will serve two purposes, it is stated. First, it will pay for some Japanese imports from China. Secondly, it prepares the ground for selling industrial equipment when the ban is finally lifted.

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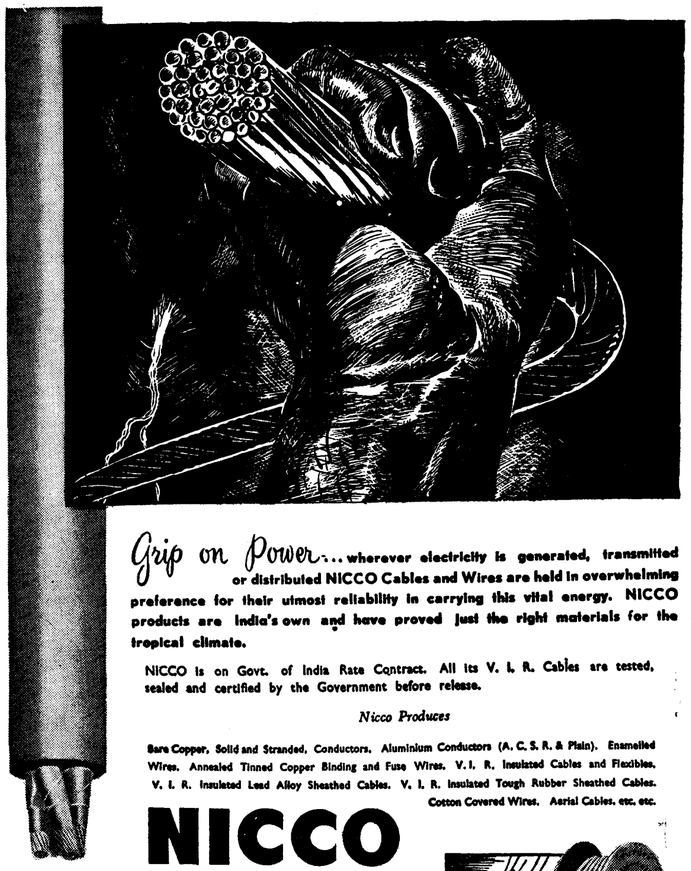
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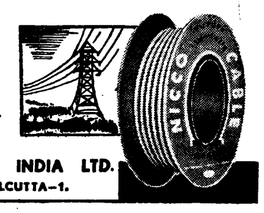

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PROCEEDINGS OF THE A.C.C. MEETING

PROSPECTS OF HIGHER DIVIDEND REMOTE

THE annual general meeting of the Associated Cement Companies Ltd. was held on Friday, 25th January 1957. It was well attended. But only a small number of them—less than a dozen—spoke. While some of these were rather critical of the growing cost of administration, most of them criticised the Government's policy relating to the cement industry. The approach of the latter was identical to that of the Chairman. The highlight of the speech of the Chairman, Mr. Dharamsey M. Khatau, was his detailed reference to the growing restrictions on the freedom of the private sector by the State through such measures as nationalisation of life insurance and the extension of State trading even to internal trade, as, for instance, the distribution of cement. He said that, in the range and scope of their achievements over the last 20 years, life insurance and the cement industry and trade had made a significant contribution to the well-being and development of the country. The grounds on which life insurance was nationalised, did not, he asserted, bear dispassionate scrutiny. Similarly, he observed, the Government's reasons for resorting to State trading in cement remained "a mystery even to this day." Appropriately enough, he dwelt at some length on the latter subject, as it concerned the industry most. He said that the cement industry objected to State trading not because it involved any financial loss—it really did not—but because it raised *fundamental* issues. Amplifying this point, he stated that State trading lopped off the essential sales function from a basic productive industry, thereby causing grave injury to it. Besides, it also ran counter to the declared policies of the Government itself as enunciated in the Industrial Policy Resolution early last year.

Alluding to the Company's programme of modernisation and expansion, Mr. Khatau explained the plans for expanding its installed capacity over the next five years to a total of 5.2 million tons per annum as its contribution to the national target of 12.5 million tons of cement under the second Plan. He reported that satisfactory progress had been made in the Company's negotiations with Messrs. Vickers Ltd. and Messrs. Babcock and Wilcox Ltd. for the establishment of an up-to-date heavy engineering plant, which, within a few years, would make India largely self-sufficient in the whole range of cement-making machinery. The new project was also expected to provide a substantial proportion of the country's requirements of water tube boilers and mining machinery.

Expansion

Explaining the ways and means of financing the very heavy capital outlay entailed by the expansion programme, Mr. Khatau stated that funds would be found partly out of the proceeds of the recent issue of new shares and partly by borrowing against the Company's cash-credit arrangements with the State Bank of India up to the full limit of Rs. 4 crores. He hastened to add that, despite this, substantial additional funds would obviously be needed. By far the largest portion of this additional finance would have to come out of the internal resources of the Company consisting of depreciation allocation and undistributed profits retained to the credit of various reserves. He, however, warned, and that rightly, that this process of ploughing back as large a portion of the profits as possible was in serious danger of being prejudiced in the years to come by the recent trends in bonus awards to workers and in the taxation policies of the Government. Surprisingly enough, he did not view the compulsory deposit scheme introduced as part of the tax proposals on 30th November last in the alarmistic fashion, as has been done by many other business men. He felt that this scheme need not give cause for anxiety, though he agreed that the effect of the whole scheme would depend on how it was operated in practice.

The Directors' report and the audited balance-sheet were adopted by the shareholders of the Company present at the meeting. There was all-round satisfaction over the financial results for 1955-56. Doubts were, however, raised by a few with regard to the necessity for certain items of expenses and allocations. Besides, there was the usual demand for a higher dividend, at least for the current year. One shareholder (Mr. Dhirajlal Maganlal) referred, in particular, to the proposed Tariff Commission inquiry into cement prices and suggested that the Directors of the Company should demand a substantial increase in prices in order to cover the cost of expansion, a practice adopted by the Commission for determining the ex-factory prices of steel. He said that the Company, as a producer of about 50 per cent. of India's total output of cement, had to spend about Rs. 30 crores to Rs. 35 crores to achieve the target. He thought that the internal resources of the Company would help to the extent of about Rs. 12½ crores and capital resources would meet about Rs. 7½ crores. There was still a leeway of Rs. 10 crores to Rs. 15 crores to be made up. There was, therefore, a strong case for a vigorous plea for a suitable increase in price, as in the case of steel, for purposes of expansion. This rise, he suggested, could be of the order of Rs. 5 or Rs. 10 per ton. Appreciating this valuable suggestion, Mr. Khatau assured the shareholders that suitable representation would be made to the Tariff Commission for an upward revision in prices.

Dividend

Mr. Dhirajlal Maganlal also recalled his demand made three years ago, when a dividend of 9.5 per cent. was declared for the year 1952-53, and said that the then return of 6.3 per cent. should be maintained. The Chairman, he pointed out, had assured the shareholders that it would be done, but actually the return to the shareholders had gone down since then to 5.8 per cent. He pleaded that the return should be maintained at over 6 per cent. In his reply, Mr. Khatau said that the question of raising the dividend level did not arise, as the maintenance of the existing level itself was difficult. He added that the Directors would see whether the dividend could be maintained in the years to come. With sales of cement controlled, the costs going up and prices fixed, it all depended on how far the Company was able to cut down its costs, as well as on the recommendations of the Tariff Commission, which was about to conduct an inquiry into the industry.

Referring to the suggestion of a shareholder that the Company should build up a dividend equalisation fund, from which such amount as would be needed for maintaining the dividend could be drawn, Mr. Khatau said that the idea of having such a fund was a good one, but sufficient funds must be available for building it up. "Our problem is to fulfil our expansion programme. We want to do it without any more borrowings or further issue of capital," he added. There would be no issue of further capital, if it could be helped. It all depended on exigencies of the situation. Nothing could, however, be said categorically on the subject at present.

A pleasant surprise at the meeting was the support to labour extended by a lone shareholder. While every shareholder spoke in favour of increasing his own returns in the shape of dividend, there was at least one shareholder to champion the cause of workers and staff of the Company. He pointed out that the success of the Five-year Plan, in general, and that of the Company, in particular, depended on a staff who were adequately paid and well contented and that, therefore, their bonus for the year should be increased from three to four months.

Joint Venture

As regards the joint venture with Messrs. Vickers Ltd., Mr. Khatau said that it would be carried out by a separate company. There was a suggestion that in case the shares of this Company were offered to the public, the A.C.C. shareholders should be given the right to subscribe in the first instance. To this, the Chairman answered that this question was not likely to arise, as Vickers might not be in favour of a public issue at all.

The reference, in the Directors' report, to the acquisition of a further 18,000 shares of Asbestos Cement (Private) Ltd. out of the entitlement of "another" shareholder (in addition to the 5,075 shares to which the A.C.C. itself was entitled out of the 35,000 additional ordinary shares of Rs. 100 each at par which the Company proposed to issue) provoked the inquisitiveness of some shareholders who wanted to know who that "another" shareholder was and why the Company should acquire the 18,000 shares at a premium of Rs. 40, when the Asbestos Cement was issuing the shares at par. In his reply, Mr. Dharamsey M. Khatau said that the Asbestos Cement Company was started many years ago and that the A.C.C. had an interest in it right from the beginning. Cement formed a large part in the manufacture of asbestos products and the cement used by the Company was entirely A.C.C. cement. The Company was increasing its share capital and the A.C.C. as a shareholder, got its allotment of 5,075 shares. One of the main shareholders, Messrs. Turner Newall of England, wanted to part with a part of their holdings and the A.C.C. was approached. The financial position of the A.C.C. did not permit it to take up the entire lot of shares offered by this British firm, though purely as an investment, it was a good proposition. Mr. Khatau did not consider the premium of Rs. 40 per share as high. The products of Asbestos Cement were of a very high quality and enjoyed a very good market. With the acquisition of the 18,000 shares, the A.C.C. would hold 24 per cent. of the entire share capital of Asbestos Cement and it was also represented on the Board of Directors of the latter.

Directors' Age

The resolutions calling for the re-election of Directors who were due to retire and who were over 65 years of age gave rise to a heated debate. One of the shareholders wanted that those directors who were above 65 should not be re-elected and that they should "quietly vacate" their offices. He added that, however experienced they were and however valuable their services had been so far, nobody was indispensable and they should be replaced by younger blood, because the services of the older people would not be available for all time. The reappointment of Mr. Purshotamdas Thakurdas (who is now 77), in particular, was objected to by a shareholder, on the ground that he was not in good health and had not attended a single board meeting in the past one year. Another shareholder suggested, as a compromise, that, while retaining the services of the aged Directors and getting the benefit of their sage counsel, some younger people should be elected to the Board and trained.

Replying to the debate, Mr. Khatau said that the remarks about the age of the Directors and their utility were based on wrong appreciation of facts. He said that the Board of the A.C.C. was one of the best. It was not the age that should be considered but the immense knowledge and experience that counted. The amount of responsibility and importance of their suggestions were valuable to the Company in various ways. It might be that the aged Directors were not attending all the meetings of the Board, but what the Company was in need of was direction on general policy and conduct of the Company's affairs and these were available to the Company on the few occasions when they attend the Board meeting. Mr. Khatau added that it was not they who wanted to continue in office but it was the Company which wanted their services.

State Trading

In reply to a question whether the cement industry would be nationalised, Mr. Khatau said that it was very difficult to say anything on this question. So far as the existing industries were concerned, the Government might not nationalise, but would go in for new ventures. Nevertheless, he said that he could not say what the Government had in mind. Strangely enough, there was one shareholder who felt that nationalisation of life insurance was justified and did not see why the cement industry, too, should not be nationalised.

Speaking on the State Trading Corporation, Mr. Khatau said that it was a Government body and its profit depended on what it undertook. It was making a profit on cement produced in India, thus more than making good the loss on import of foreign cement. It looked as though the Corporation was making a substantial profit.

The suggestion made by one of the shareholders that the Company should start a factory of its own to manufacture gunny or paper bags, so that it could save a good lot of the cost on bags, did not find favour with the Chairman. He said that the Company was fully occupied with development of cement production, manufacture of machinery, etc. It was, therefore, not possible to start a bag manufacturing unit. The bags supplied by others were good, he said.

The other main points of Mr. Khatau's replies to various questions are: (1) The repatriation of such portion of the profit made in Pakistan and the cash balances held there is being allowed by the Pakistan Government as it thinks fit. Last year, a sum of Rs. 15 lakhs was received by the Company out of its cash balances in Pakistan and has still to receive Rs. 80 lakhs from that country. No progress has been made regarding the taking over of the Company's factories in Pakistan by the Government. (2) The latest restriction on import of machinery will

(*Continued on page 237*)

INDIAN ALUMINIUM'S NEW ISSUE

AN ATTRACTIVE INVESTMENT

THE Directors of the Indian Aluminium Company, Ltd., have, as readers are already aware, decided to issue 5 per cent. convertible loan stock of the value of over Rs. 2.68 crores, the full details of which are published elsewhere in this issue. The list will open for subscription on 4th February 1957 and will close on 15th February or earlier or later at the discretion of the Directors.

The convertible loan stock has been offered in the first place to the existing shareholders of the Company, of which Aluminium Ltd. of Montreal, Canada, the Company's majority shareholder, has agreed to subscribe to 50 per cent. of the issue. In order to permit increased Indian participation in the Company's capital, Aluminium Ltd. has renounced, with the approbation of the Government of India, its right to subscribe in excess of 50 per cent. The response to the issue is already encouraging, the shareholders, the Directors and their friends having already subscribed to the extent of Rs. 2.12 crores. The small balance of only Rs. 56 lakhs, now available to the non-shareholder public, assures the Company of the success of this novel form of issue.

The convertible loan stock is constituted by a Deed Poll as an unsecured obligation of the Company and carries the right of conversion into ordinary shares. Interest at the rate of 5 per cent. per annum (less tax) will be payable on 1st January each year for the year ended 31st December preceding. The first payment of interest, which will be made on 1st January 1958, will amount to Rs. 9-4 (less tax) for each unit of stock of Rs. 200 outstanding on 31st December 1957.

The proceeds of this issue, together with the recent issue of Rs. 41.1 lakhs of ordinary capital, will be utilised for financing a part of the expansion programme and providing additional working capital, estimated to aggregate Rs. 8.65 crores. The balance will be financed by bank loans, depreciation reserves and undistributed earnings. A part of the issue will be utilised for repaying the sum of Rs. 50 lakhs which the company has borrowed from Aluminium Ltd.

Remunerative

The new ingot capacity of 10,000 tons per annum, together with India's existing capacity of about 7,200 tons per annum, is substantially below the Tariff Commission's estimate of an overall demand of 35,000 tons per annum by 1958. Consequently, the Company expects to market its production from the new smelter at profitable prices, which will provide a reasonable return on the new capital invested, as well as make available sufficient funds to service and repay loans which will become necessary during the construction period. It will be interesting to note that the increased aluminium ingot capacity of the Company, which commenced in the second quarter of 1955, when the capacity of Alupuram smelter was doubled from 2 500 tons to 5,000 tons per annum, has proved to be most rewarding. Thus, the net profit, which was only Rs. 2.69 lakhs in 1954, rose to Rs. 20.44 lakhs in 1955 and, for the nine months ended 30th September 1956, it had risen further to Rs. 23.58 lakhs.

The Company had, no doubt, a difficult period since 1951 and, for the two years 1953 and 1954, it had to skip over the ordinary dividend. Since then, the prospects have considerably improved, following the increase in the ingot capacity of the Alupuram smelter, as is evident from the figures of net profit quoted above and the return of the ordinary shares to the dividend list with the distribution of 9 per cent. for the year 1955. For 1956, the Company has paid an interim dividend of 5 per cent. which, apart from being an increase of 1 per cent. on the corresponding distribution for 1955, is on the increased ordinary capital of Rs. 2.01 crores. The Company comes within the purview of section 23A of the Income-tax Act.

The Rs. 10 ordinary shares are being currently quoted at Rs. 14-10. On the basis of the conversion terms, that is, 15 ordinary shares for every Rs. 200 stock unit during the current year, the price per share works out to Rs. 13-5-4, so that the issue is quite attractive. Even if the conversion facility is not availed of, the stockholders are assured of a decent return of 5 per cent. per annum (taxable).

Points From The Chair

State Trading in Cement

"WE had already recognised the existence of the 'cement gap' and had offered to import foreign cement and to sell it to the consumer at cost. We suggested that price equalisation should be done *without profit*, i.e., that the price of Indian cement should be raised by just so much as would be necessary to meet losses on the sale of imported cement at a common delivered price applicable to both. We suggested that this could be done either through the medium of enhanced excise duty, or by imposing a 'price equalisation cess' on indigenous cement or through the mechanism of a 'price equalisation pool' or 'trust fund,' either voluntary or statutory. We also offered to evolve a pattern of distribution which would involve only the minimum rail movement. But the disappointing outcome of all this was that, while the Government accepted our main proposals, they rejected all the alternative price equalisation mechanisms we had suggested. And so the country was launched upon State trading in cement."

DHARAMSEY M. KHATAU,
Associated Cement Companies, Ltd.

Credit Squeeze Intensified

"The credit squeeze by the banks had to be maintained and even intensified during the year, and has at last been reinforced by a somewhat similar squeeze in the sector of public finance; though I still feel that, by contrast with the Central Government and with Local Authorities, the banks have been asked to carry more than their fair share of the task of exercising monetary restriction. The published figures of the movements in the different categories of advances show clearly that the squeeze has been selective, in that advances to farmers have been but little reduced while advances to some of our chief exporting industries have actually shown increases—but these increases have been much more than offset by the decreases to those industries which are deemed to be less essential to the maintenance of the balance of payments. This selective nature of advances policy has already gone a little way towards enabling the most essential industries to attract more labour. It is sincerely to be hoped that, in the relatively near future, we shall be enabled to judge all applications for assistance purely on their merits from a banking standpoint and not with the spectre of 'directives' looking over our shoulders. It is natural for employers to wish to retain their best workpeople by working short time when markets are poor, but it is clearly very wasteful of the nation's resources at a time like the present, when many jobs are left unfilled; and it is, therefore, a good thing that some steps towards making notices of redundancy less painful have been achieved in recent months."

THE RT. HON. LORD ALDENHAM,
Westminster Bank, Ltd.

Concentration on Exports

"Any forecast of economic conditions in 1957 would be a rash venture at this time. Our economy is so intimately bound up with oil that any doubt about the supply of oil must dominate consideration of our trading prospects. One thing, however, seems clear. We must keep consumer demand at home in check and concentrate on production for export, and we must do our utmost to prevent an increase in the costs of production which will price us out of the export markets. Only by earning a substantial balance of export proceeds over import costs, can we hope to rebuild the gold and dollar reserves we have lost, and to make these reserves adequate in relation to the liabilities of this country as the banker to the sterling area. It should be borne in mind that half of the world's trade is still conducted in sterling."

DAVID JOHN ROBARTS,
National Provincial Bank Ltd.

Results of Disinflationary Measures

"Fortunately, one of the most encouraging results of the disinflationary measures has been the indication of a substantial increase in personal savings, a revival most strikingly manifest in the recent figures of the National Savings Movement. Nothing could be more welcome. There have been other signs of progress. For example, the overburden on the economy has been reflected in a great excess in the number of vacancies on offer, compared with the numbers seeking work. Throughout most of 1956, the gap was narrowing rapidly, and by the end of the year, had disappeared. Up to November, too, the index of retail prices showed no further rise on balance after April, notwithstanding the round of wage increases in the early months of the year."

THE RT. HON. SIR OLIVER FRANKS,
Lloyds Bank Ltd.

Getting Rid of Faulty Thinking

"No one can take out of the common pot more than he puts into it and each of us must in fact take out less, for from what is left in the pot come the resources to bring about the development to which I have referred. The compulsory cutting back of personal spending by controls, credit squeezes and so on will not solve this problem. People themselves must be able to save and invest, and, to do so, the burden of taxation must be lightened. In America, the man who can earn a high salary is highly regarded, and the fact that he is allowed to keep a large part of his earnings, does not excite the feelings of jealousy or attract the odium to which he is subjected in this country. Profits are rightly regarded as a safeguard for employment and are not constantly denigrated as not quite respectable. No political party seeks support by suggesting that levelling down is a worthy object of policy. I am quite sure that we, in this country, must get rid of much faulty thinking on this subject as an essential step in maintaining our position and influence in the world."

SIR NUTCOMBE HUME,
The Charterhouse Investment Trust Ltd.

COMPANY MEETINGS AND DIVIDENDS

PENCH VALLEY COAL CO., LTD. Half-yearly General Meeting, Calcutta, 6th February 1957. Dividend: As. 11-1/5 per share. Transfer books remain closed from 29th January to 6th February 1957, both days inclusive.

AMALGAMATED COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 7th February 1957. Dividend: As. 8 per share. Transfer books remain closed from 29th January to 7th February 1957, both days inclusive.

CALCUTTA LANDING AND SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 8th February 1957. Dividend: As. 11-1/5 per share. Transfer books remain closed from 30th January to 8th February 1957, both days inclusive.

BIRDS INVESTMENTS LTD. Annual General Meeting, Calcutta, 15th February 1957. Dividend: Re. 1 per share. Transfer books remain closed from 1st to 15th February 1957, both days inclusive.

ANDHRA SUGARS LTD. Annual General Meeting, Tanuku, Andhra Pradesh, 15th February 1957. Dividend: Re. 1 per share. Transfer books remain closed from 1st to 15th February 1957, both days inclusive.

SAMASTIPUR CENTRAL SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 16th February 1957. Dividend: *Nil*. Transfer books will remain closed from 9th to 16th February 1957, both days inclusive.

BALRAMPUR SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 20th February 1957. Dividend: *Nil*. Transfer books will remain closed from 11th to 20th February 1957, both days inclusive

INDIAN COPPER CORPORATION LTD. Interim dividend of 1.6d. (6⅔ per cent.) per unit of stock, payable on 15th April 1957. Transfer books will remain closed from 23rd February to 2nd March 1957, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Final dividend of Rs. 28-12 per share on fully paid-up shares of Rs. 125 each and Rs. 11-8 per share on partly paid-up shares of Rs. 50 each, payable on 4th March 1957. Transfer books will remain closed from 9th February to 2nd March 1957, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Dividend of Re. 1 per ordinary share (10 per cent.), for the year ended 31st July 1956.

UNITED FLOUR MILLS CO., LTD. Interim dividend of Re. 1-8 per ordinary share, for the year 1956. Transfer books remain closed from 28th January to 6th February 1957, both days inclusive.

HOOGHLY FLOUR MILLS CO., LTD. Interim dividend of As. 12 per ordinary share for the half-year ended 30th June 1956. Transfer books remain closed from 28th January to 6th February 1957, both days inclusive.

COMPANY REGISTRATIONS

CAMBATA FERRO-MANGANESE PRIVATE LTD. (First Director: Mr. K. S. Cambata.) Business: Manufacture of ferro-alloys, steels and other by-products. Authorised capital: Rs. 1,50,000. Private company. Address: 42, Queen's Road, Bombay.

COLOUR-CHEM LTD. (First Director: Mr. R. R. Ruia.) Business: Manufacture of dyes, etc. Authorised capital: Rs. 1,00,00,000. Public company. Address: 143, Mahatma Gandhi Road, Bombay 1.

SHREE SAYYAJI PRAKASHAN LTD. (First Director: Mr. Fatesinhrao P. Gaikwad.) Business: Printers and publishers. Authorised capital: Rs. 10,00,000. Public company. Address: Modi Khana Road, Near Sardar Bhavan, Baroda.

JOLLY INDUSTRIAL AGENCIES PRIVATE LTD. (First Director: Mr. G. R. Jolly.) Business: Managing agents. Authorised capital: Rs. 5,00,000. Private company. Address: Lakshmi Building, Sir Pherozeshah Mehta Road, Fort, Bombay 1.

M. O. WADIA AND SONS PRIVATE LTD. (First Director: Mr. Jayantilal M. Wadia.) Business: Manufacture of gin and mill machinery. Authorised capital: Rs. 5,00,000. Private company. Address: 127, Thakurdwar Road, Bombay 2.

BALRAMPUR SUGAR SUSTAINS LOSS

RESULTS OF ROOPACHERRA TEA BETTER

Balrampur Sugar Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th June 1956.

It will be observed that the accounts are presented in the new form required by the Companies Act, 1956. The results for the year, after making the usual provisions, charging depreciation, and adjustments, and after providing a contingencies reserve for stock realisation of Rs. 70,000 show a loss of Rs. 69,251 (profit of Rs. 3,14,853). From this amount has been deducted the carry forward from the previous year of Rs. 20,880 (Rs. 23,527) leaving a debit balance to be carried forward of Rs. 48,371. Credit balance of Rs. 3,38,380 from the directors allocated Rs. 1,20,000 for depreciation; Rs. 1,00,000 to rehabilitation reserve; Rs. 80,000 to contingency reserve and paid a dividend of one anna per share, absorbing Rs. 17,500, leaving a balance of Rs. 20,880 to be carried forward.

The crops taken off by the Factories in the crushing season covered by this report are disappointing as compared with other factories in the U.P. and Bihar. Balrampur crushed 18,65,905 (21,49,154) maunds of cane with an extraction of 9.57 (9.75) per cent., while Tulsipur crushed 22,00,961 (24,42,946) maunds of cane with an extraction of 9.97 (9.46) per cent. There was an improvement in the quality of the cane supplied to the Tulsipur Factory, but at the Balrampur Factory there was a deterioration in the quality of cane supplied. Balrampur Factory started crushing on the 12th December 1955 and finished on 16th March 1956. Tulsipur Factory started crushing on 1st December 1955 and finished on the 6th April 1956.

The cane price remained at the high rate of Re. 1-7 per maund at the Factory gate and Re. 1-5 per maund at outstations, and these relatively high prices encouraged farmers to grow more cane. This was a general experience throughout the Sugar Industry with the result that the sugar production in the country rose to an all-time record of 18.5 lakh tons. The result of this high production of sugar in India tended to reduce the market prices for sugar, particularly in Bihar and U.P. where factories have to compete with sugar factories nearer the port towns. This disadvantage, aggravated by a shortage of railway wagons on the N. E. Railway in the early part of the selling season, also tended to depress prices. The stocks of sugar remaining unsold on the 30th June were considerable, particularly stocks of sugar which had been sold but could not be delivered due to the shortage of railway wagons. Since the 30th June, sugar prices have fallen considerably and on that account the directors have considered it prudent to create a contingency reserve.

There was a high standard of efficiency at both factories. Shortage of wagons delayed the delivery of sugar during the selling season. The utilisation of (Rs. 2,00,000) out of the rehabilitation reserve is included in the accounts.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,30.000	Block ...	12,16,880
Reserves ...	12,32,202	Stock-in-trade ...	59,72,548
Provision for taxation ...	1,17,415	Stores, spares and loose tools ...	10,23,281
Liabilities ...	67,29,236	Goods-in-transit ...	23,037
		Debts, deposits & advances ...	14.62,649
		Cash ...	1,10,458
Rs.	98,08,853	Rs.	98,08,853

Roopacherra Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 1,86,020 (Rs. 4,55,805) to which was added the profit on sale of machinery Rs. 1,533 (*nil*) and balance of profit brought forward from 1954 of Rs. 22,603 (loss of Rs. 3,71,177) making a total of Rs. 2,10,156 (Rs. 48,603 after providing for taxation and depreciation). Provision for taxation absorbed Rs. 45,977 (Rs. 14,000), adjustment account Rs. 37,553 (Rs. 2,030) and depreciation on fixed assets Rs. 33,001 (Rs. 27,730) leaving a balance of Rs. 93,625 (Rs. 48,603). From this amount the directors transferred to buildings and machinery reserve Rs. 40,000 (*nil*) and paid a dividend of 15 (10) per cent. for the year ended 31st December 1955, on 26,000 ordinary shares of Rs. 10 each, absorbing Rs. 39,000 (Rs. 26,000) leaving to be carried forward Rs. 14,625 (Rs. 22,603).

Crop.—The saleable crop weighed out at 8,453 (6,309) maunds against an estimate of 7,300 maunds, and was disposed of at an average price of As. 25.97 (As. 36.37) per lb.

Estimate 1956.—The estimate for season 1956 provides for a saleable crop of 8,000 maunds at a total revenue expenditure of Rs. 9,80,977.

The results may be regarded as satisfactory, considering the general recession in tea prices during the period under review.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2.60,000	Block ...	4,24,515
Reserves ...	3,56,592	Stock of tea ...	3,93,524
Provision for taxation ...	59,968	Stores ...	1,50,333
Liabilities ...	3,30,166	Debts and advances ...	49.984
Profit and loss account ...	14,625	Investments ...	1,110
		Cash ...	1,885
Rs.	10.21,351	Rs.	10,21,351

Nelliampathy Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submitted the audited accounts of the Company for the year ended 30th June 1956.

The tea crop harvested was 7,60,720 lbs. costing 120.82 cents per lb. against an estimate of 7,50,000 lbs. to cost 115.03 cents per lb. The crop harvested was 10,720 lbs. more than the estimate. Owing to enhanced bonus for 1953 and 1954 paid to the labourers during the year, as per the decision of a Tripartite Conference in T.-C. State, the cost of production per lb. exceeded the estimated figure of 115.03 cents by 5.79 cents. The average sale price realised during the year was 195 cents per pound as against 233 cents per pound for the previous year. There was a phenomenal drop in tea prices during the year and this has affected adversely the profit for the year under report, in comparison with the previous year.

Rubber crop harvested was 75,200 lbs. at a cost of 64.45 cents per lb. The rubber crop harvested was satisfactory being 10,200 lbs. more than the estimate. The yield per acre worked out at 601.6 lbs. per acre. Coffee crop harvested was 88 50 (113.33) cwts. against an estimate of 100 cwts. Cardamom crop harvested was 13,554 (12,911) lbs. against an estimate of 10,000 lbs.

After providing for depreciation and income-tax amounting to Rs. 2,29,769 and payment of 6 per cent. preference dividend for 1955-56 amounting to Rs. 27,000, the net profit including the previous year's carry forward of Rs. 43,289 amounted to Rs. 1,49,623 available for distribution which the directors disposed of as under:—

Payment of a dividend of 10 per cent. for the year 1955-56 on equity shares Rs. 1,20,000, transfer to rehabilitation reserve Rs. 25,000 and carry over to next year Rs. 4,623.

Estimate for 1956-57

	Crop Lbs.	*Cost of production* Cents per lb.
Tea ..	7,50,000	114.39
Rubber ..	65,000	75.19
Cardamom .	12,000	Rs. 5.42 per lb.
Coffee ...	100 cwts.	Rs. 691.58 per cwt.
Tea seed ..	40 mds.	Rs. 119.95 per md.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,50.000	Block ...	19,20,953
Reserves ...	4.40,341	Stock-in-trade ...	2,23,310
Provision for taxation ...	5.64,423	Stores and spare parts	1,43,487
Liabilities ...	3,37,776	Estate nurseries ...	52,428
Profit & loss account ...	4,623	Debts, deposits & advances ...	1,74,258
		Investments ...	11,300
		Cash ...	4,71,427
Rs.	29,97.163	Rs.	29,97.163

Hooghly Mills Co., Ltd.

The directors of the above Company (Chairman: Mr. Baijnath Bajoria, Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1956.

During the year 1955-56 the Company was managed by the then managing agents Messrs. Gillanders Arbuthnot & Co., Ltd., who resigned with effect from 11th August 1956. Since then the Company is managed by the board of directors.

In accordance with the Indian Jute Mills Association's agreements the Mill worked 48 hours per week from 1st April 1955 to 31st March 1956 with 12½ per cent. looms sealed from week ending 5-4-55 to 10-1-56, 10 per cent. from week ending 17-1-56 to 21-2-56 and 5 per cent. during the remaining part of the year.

During the period under review, a threatened shortage of raw jute caused prices to reach uneconomic levels.

The result of the year's working was a loss of Rs. 3,65,329 (profit of Rs. 5,74,972) deducting rebate on foodstuffs purchased in previous year Rs. 4,252 (Rs. 2,843). Refund of income-tax on investment income Rs. 616 (*nil*) and provision made in previous year against contingent loss on forward jute purchase written back Rs. 39,030 (*nil*) there was Rs. 3,21,431 (Rs. 6,30,315). Adding to this income-tax and super-tax short provided in previous year Rs. 9,027 (Rs. 1,51,388), provisions against contingent loss on forward jute purchase Rs. 9,343 (Rs. 39,030) there was a balance of Rs. 3,39,801 (Rs. 3,39,747). Deducting the credit balance brought forward from previous year of Rs. 44,548 (Rs. 32,401) there was a net loss of Rs. 2,95,253 (Rs. 44,548 after paying a dividend of 12½ per cent. on ordinary shares) and this the directors carried forward Rs. 2,95,253.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,56.000	Block ...	18,76,815
Reserves ...	18,51,969	Stock of jute	18.03.885
Provision for taxation ...	1,90,785	Stores ...	9,89,885
Liabilities ...	20,81,561	Deots, deposits & advances ...	18,63,654
		Investments	83,603
		Cash ...	17,220
		Profit & loss account ...	2,95,253
Rs.	69,90,315	Rs.	69,90,315

Investment Trust of India, Ltd.

The directors of the above Company (Managing Agents: Messrs. Kothari Mehta and Co., Private Ltd., Madras) submitted the audited accounts of the Company for the year ended 30th September 1956.

The result of the Company's working for the year under review is a profit of Rs. 63,485 (Rs. 1,27,826) after adding the balance brought forward from last year of Rs. 4,531 there was a total of Rs. 68,016. Provision for taxes absorbed Rs. 5,000 and transfer to general reserve Rs. 10,000. Leaving a balance of Rs. 53,016. The directors disposed of this balance as under:—

Paid a dividend at 4½ per cent. on the ordinary shares (free of tax) Rs. 45,000 and carried forward to next year Rs. 8,016.

The share market was active during the year under review and there has been an all-round increase in the value of the shares held by this company. The total market value of the investments held by the Company as on 30th September 1956 was about 47 per cent. higher than the book value. Since closing our account, the award of the Special Tribunal on Plantations has increased the financial burden on the industry to an enormous extent and has lowered the market prices of shares of planting companies. A further fall in the market prices of shares in general has been brought about by the recent budget announcement of the Finance Minister levying capital gains tax as well as increased taxes on dividends.

In spite of such fall in share values, the total market value of the investments held by the company is substantially higher than the book value.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Investments	9,61,240
Reserves ...	1,39,782	Loans and advances ...	1,72.478
Provision for taxation ...	27.274	Cash	1,06,651
Liabilities ...	65.297		
Profit and loss account ...	8,016		
Rs.	12,40,369	Rs.	12,40,369

Woodland Estates Ltd.

The directors of the above Company (Managing Director: Mr. M. K. Thomas, Trivandrum) submitted the audited accounts of the Company for the year ended 31st March 1956.

Capital.—It will be recalled that the Company's authorised capital was increased during the year under review from Rs. 3,50,000 to Rs. 20,00,000 by the creation of 1,25,000 ordinary shares of Rs. 10 each and 40,000 6½ per cent. tax-free redeemable *cum*-preference shares of Rs. 10 each, on 12th September 1956.

The Company purchased from the Poonmudi Tea and Rubber Company Limited, London, the Braemore Estate measuring 765.06 acres for a consideration of Rs. 10,50,000.

To finance the purchase, the directors issued during the year 53,000 ordinary shares of Rs. 10 each at par, ranking *pari passu* with the old ordinary shares in all respects except as to dividends and 13,250 6½ per cent. tax-free redeemable-*cum*-preference shares of Rs. 10 each at par ranking *pari passu* with the old preference shares in all respects, except as to redemption, along with an issue of 1,000 6 per cent. income-tax free first mortgage debentures of Rs. 500 each secured by a first mortgage on the immovable properties of the Company including the new estate with a floating charge on the Company's business on the terms of a trust mortgage deed executed in favour of Mr. Thomas Vellapally, Barrister-at-Law, Kottayam—the trustee for the debenture holders. Of this issue 52,001 ordinary shares, 9,350 6½ per cent. tax-free redeemable-*cum*-preference shares and 923 debentures have been subscribed for, till date of this account and the balance subsequently.

The Ackal Estate was sold during the year for a consideration of Rs. 90,000 on 14th September 1955.

The Braemore Estate was taken possession of on 28th February 1956 and the conveyance was registered subsequently on 5th July 1956. The Braemore and Marigold Estates were amalgamated together for all working purposes from 1st March 1956. With the addition of Braemore Estate, the Company's total acreage under various cultivation, at present, is as follows:

Tea in bearing 329.04 acres, tea immature 26.45 acres, abandoned tea 4.00 acres, rubber tapped area 567.63 acres, rubber untapped area 49.50 acres and sundry produce and wasteland 199 34 acres.

Rubber.—The crop harvested during the year was 1,16,845 (89,972) lbs. (Lekshmi Estate—61,714 (56,554) lbs.; Marigold Estate—29,211 (23,710) lbs.; Ackal Estate (till the date of sale—7,170 (9,708) lbs.; Braemore Estate—150 (*nil*) lbs.) at a cost of 60.53 (59.22) cents per lb. which includes a sum of Rs. 8,620 spent on the rubber area of Braemore Estate during March 1956. Sales during the year including the opening stock of 18,600 (7,628) lbs. and 160 lbs. taken over from Braemore Estate on 28th February 1956, was 39,977 (46,804) lbs. sheet at 146.2 (132.99) cents per lb., 15,084 (17,551) lbs. scrap at 101.3 (87.00) cents per lb. and 44,043 (14,645) lbs. latex at 143.1 (130.00) cents per lb. There is a balance of 12,831 (13,726) lbs. sheet and 5,070 (4,874) lbs. scrap which have since been sold.

Tea.—Consequent on the taking over of Braemore Estate on 28th February 1956, the Company stopped manufacture of tea in Marigold Tea Factory from 1st March 1956 onwards, and the green leaf of Marigold Estate too was taken over to Braemore Factory for manufacture thereby eliminating the cost of running the Marigold Factory as a separate unit.

The crop harvested during the year was 47,788 lbs. (37,510 lbs. from Marigold Estate and 10,278 lbs., from Braemore Estate from the date of taking over) at a cost of 148.7 cents per lb. as against 36,002 lbs. from Marigold Estate at a cost of 148.58 cents in the previous year. Sales during the year including the opening stock of 6,112 (6,053) lbs. and 1,601 (*nil*) lbs. taken over from the Braemore Estate on 28th February 1956, was 29,399 (34,943) lbs. at an average price of 154.00 (210.59) cents per lb. Due to the slump in the tea market, the quantity sold and the prices realised were comparatively low. There is a closing stock of 26,102 lbs. which has since been sold.

Minor Produce.—The income for the year was Rs. 18,263 as against Rs. 15,434 in the previous year. Capital expenditure during the year amounted to Rs. 8,531 (Rs. 9,405).

The net profit after providing for depreciation and other expenses; Rs. 2,579 for accrued interest on debentures and Rs. 30,000 (Rs. 30,000) for taxation, was Rs. 37,706 (Rs. 47,086). After adding the amount brought forward from the previous year of Rs. 5,524 (Rs. 1,063) there was a total of Rs. 43,230 (Rs. 48,148). After deducting 6½ per cent. *cum* preference shares (old) dividend declared for 1955-56 Rs. 6,500 (Rs. 6,500) there was left a balance of Rs. 36,730 (Rs. 41,648). Out of this the directors paid a dividend at 12½ (20) per cent. on the ordinary shares (old) Rs. 20,625 (Rs. 33,000), paid bonus equivalent to three months emoluments to staff Rs. 3,859 (Rs. 3,125), transferred to general reserve Rs. 10,000 (*nil*) and carried forward to next year's accounts Rs. 2,245 (Rs. 5,524).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,78,510	Block ...	13,15,370
Debentures	4,61,500	Stock-in-trade	65,633
Reserves ...	87,259	Estate stores	33,031
Provision for taxation ...	42,921	Other assets	17,963
Liabilities ...	50,574	Debts, deposits and advances ...	1,01,914
Profit and loss account ...	43,229	Cash ...	30,082
Rs.	15,63,993	Rs.	15,63,993

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

ENGINEERING

(*Concluded from page 224*)

now implementing their programme to develop these mines so as to raise 1,000 tons of ore a day which will be sufficient to feed a zinc refinery of 10,000-12,000 tons per annum. It is expected that this zinc refinery will come into operation by 1960-61 to coincide with the availability of electric power from the Chambal hydro-electric scheme. In this connection, Mr. Shah said: "Even after the establishment of this refinery, there would still remain a large gap between the demand and projected capacity. However, the establishment of further units of zinc refinery will depend upon proving of ore reserves in different hills of the Zawar mines area and/or discovery of new workable deposits."

India is not producing any tin at present, for no workable deposits have been located so far. Sporadic occurrences have, however, been reported in Bihar. The main consumers of tin are the tin plates industry and the alloy-making industry. The demand for tin is of the order of 3,000-4,000 tons, all of which is now met by imports. It is expected to go up to 7,000 tons by 1960-61 due to increased production of tin plates and copper-tin base alloys.

There is sufficient capacity in the country for the smelting of antimony ore. The installed capacity of the unit engaged in smelting operations is 1,000 tons per year which is more than sufficient to meet the present demand, estimated at 600 tons and the projected demand of 800-1,000 tons by 1960-61. The main consumers of antimony metal are storage battery, printing and type metals, the anti-friction bearing metals, railways and ordnance factories. The consumption of antimony by these industries will increase as a result of their expansion during the second Plan period. Although there is requisite ore smelting capacity to meet the demand, in order to ensure the uninterrupted working of this industry there is urgent necessity of locating workable deposits inside the country or making some long-term arrangement for importing the ores from other countries, such as China, which has the largest deposit of antimony. Mr. Shah, therefore, felt that it may be useful to explore the possibilities of supplies of ores from this source.

Non-ferrous Semis

In the sphere of non-ferrous metal semis, the country has capacity for the production of plates, sheets—strips, foils, circles, bars and sections, pipes and tubes and wires of aluminium, copper, brass, zinc and lead. There is also a large capacity for the manufacture of various types of copper-base strong alloys and soft alloys of lead, tin and antimony. The installed capacity of the alloy-making industry is more than sufficient to meet the demand of the country. However, the position of copper and brass sheet rolling industry is not very healthy as there is substantial idle capacity in this industry. This state of affairs has arisen due to the fact that many units which came into existence just after the Second World War, are capable of producing only commercial quality sheets suitable for utensils and hollow-ware industry. Demand for this type of product has gone down since the war. Thus, the demand for brass and copper utensils has decreased due to high prices and the inroads made by substitutes such as aluminium and stainless steel utensils. Mr. Shah, therefore, felt that it was necessary to rationalise the production of existing units and to diversify their products through installation of suitable balancing machinery so that industrial types of sheets conforming to rigid standard specifications are manufactured. These are used by the industries such as automobiles, electrical accessories and appliances, industrial machinery, flashlight torch, etc. Mr. Shah urged the Council to investigate the existing state of affairs in this sector of the industry and suggest ways and means to rationalise production and place it on a sound footing.

Finally, Mr. Shah did well to draw the attention of the Council to the twin problems of active prospecting for fresh sources of metals and of importing ores to feed the metal industries. He said that, while, on the one hand, they must concentrate intensively on efforts at rapid surveys and provings of different ores in order to have the availability of indigenous ores, they must, on the other, remember that many industrially advanced countries have gone ahead with the production of metals and alloys from imported ores. The Council, as Mr. Shah himself suggested, should, therefore, consider the question of facilitating the establishment—wherever it was profitable, economic and essential to do so —of smelting and metal-producing units in the country dependent even on imported ores.

COMPANY AFFAIRS

(*Concluded from page 234*)

affect the Company to some extent, but it will not affect it to such an extent as others, since the Company is using a large portion of the machinery manufactured in India. (3) The Company is supplying 46 per cent. of its cement production to the Government and 54 per cent. to the public. (4) Interest at 9 per cent. has to be charged on the amount of calls received after the due date, in fairness to those who have paid the calls in advance and on due date. The interest so charged is roughly equivalent to the dividend paid. (5) The travelling expenses spent by the Company's officials were justified, as periodical inspection of factories spread over the various parts of the country is very essential in the interests of the Company. The shareholders should, in fact, encourage more visits by officials to the factories. The Directors are convinced that such visits should be more frequent and hence the proposal to buy an aeroplane for the use of officials. Anyway, it is very difficult to get the Government's permission to purchase an aeroplane and the question of luxury does not, therefore, arise now. (6) It is not possible to reduce the managing agency commission. With the heavy personal taxation, it is not worthwhile for anybody to continue as managing agent. Any reduction in the commission will, therefore, tantamount to adding insult to injury. (7) The Company's income-tax has been settled up to 1953-54 in India and up to 1952-53 in Pakistan. (8) The import duty on cement is Rs. 5 per ton. (9) With 30,000 shareholders on the books of the Company, it takes two months for the preparation and the posting of dividend warrants to the shareholders. (10) Despatch of dividend warrants by registered post will mean delay and will cost Rs. 20,000 more. The loss in transit is, however, very small.

Notices

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-third Ordinary General Meeting of the Shareholders of the Corporation will be held at the Indian Merchants' Chamber Hall, Lalji Naranji Memorial Building, 76, Veer Nariman Road, Bombay 1, on Monday, 25th February 1957, at 3 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st May 1956.
2. To sanction the declaration of a Dividend.
3. To confirm the appointment of Mr. R. E. Forrester as Director.
4. To elect a Director in the place of Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., who retires by rotation and is eligible for re-election, by passing the following resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Corporation.

   "Resolved that Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., who has attained the age of 77 years, and who retires by rotation, be and is hereby re-elected a Director of the Corporation and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."
5. To elect a Director in the place of Mr. M. G. R. Aitken, who retires by rotation and is eligible for re-election.
6. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
R. E. FORRESTER,
Chairman.

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

The Transfer books of the Corporation will be closed from 9th February 1957 to 2nd March 1957, both days inclusive.

BOMBAY, *9th January* 1957.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956.

The Special Resolution set out under item 4 is required as Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., has attained the age of 77 years and hence cannot be re-appointed a Director except by a resolution in respect of which special notice has been given in accordance with Sections 190 and 281 of the Companies Act, 1956. Notice has been received that this Special Resolution will be proposed.

Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., has been on the Board of the Corporation for over 25 years. In view of his wide and varied experience in the business life of the country and the valuable services he has rendered to the Corporation, it is most desirable that the Board should continue to receive the benefit of his services.

BURMAH-SHELL REFINERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debentures 1965-69 will be closed for transfers from 15th February 1957 to 28th February 1957, both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer, State Bank of India, Agents for Burmah-Shell Refineries Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 1, *1st February* 1957.

Notices

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE following posts in the Reserve Bank of India:

(A) Posts and Scales of Pay:

1. Probationary Assistants, Department of Research and Statistics/Legal Division—Rs. 250-25-450 E.B. 25-650.
2. Economic/Statistical Assistants, Department of Research and Statistics—Rs. 175-12½-300 E.B. 20-440.
3. Field Inspectors—Rs. 175-12½-300 E.B. 20-440.
4. Field Investigators—Rs. 90-5-100-8-140 E.B. 10-250 E.B. 12½-300.

Note:—Candidates possessing exceptionally good qualifications and experience of value to the Bank and those having experience of field investigation work, may be given a higher starting pay in the prescribed scale.

In addition to pay, the selected candidates will be eligible to draw local pay, house rent allowance and dearness allowance at the rates prescribed by the Bank from time to time.

(B) Age Limits as on 1st January 1957:

1. Probationary Assistants, Department of Research and Statistics/Legal Division—Not less than 21 years and not ordinarily over 24 years.
2. Economic/Statistical Assistants—Between 18 and 24 years.
3. Field Inspectors—Between 18 and 24 years.
4. Field Investigators.
   (a) *Undergraduates*—Between 18 and 22 years.
   (b) *Graduates*—Between 18 and 24 years.

The maximum age limit is relaxable but not beyond 30 years, in the case of—

(1) Probationary Assistants in the Department of Research and Statistics possessing special qualifications and experience of value to the Bank;

(2) Probationary Assistant in the Legal Division;

(3) Candidates having extensive field experience;

(4) Candidates with approved war service;

(5) Ex-employees of Banking Institutions whose services had to be terminated for reasons of economy or as a result of the Banks going into liquidation;

(6) Personnel retrenched from Government offices after at least one year's service, applying through Employment Exchanges and

(7) Candidates belonging to the Scheduled Castes or Scheduled Tribes.

(C) Qualifications:

1. Probationary Assistants, Department of Research and Statistics.
   Essential: A brilliant academic record with a first or high second class Master's degree in Economics or Agricultural Economics or Commerce or Statistics/Mathematics.
   Desirable: 1. A period of research work in
   (a) Agricultural Economics
   (b) Co-operation
   (c) Rural Sociology, or
   (d) Sampling Theory.
   2. Experience gained in a responsible position in a Co-operative Institution/Department.
   3. Experience of field investigation work.
2. Probationary Assistant, Legal Division.
   Essential: Applicants should be Advocates or Solicitors and must possess high academic qualifications in law and practical experience of work in an Advocate's or Solicitor's office or experience of independent practice, *for a minimum period of four years.*
3. Economic/Statistical Assistants.
   Essential: A first or high second class M.A. or M.Com. degree in Economics or Statistics of a recognised University.
   Desirable: Practical experience of research in Economics or Statistics.
4. Field Inspectors.
   Essential: At least a second class Bachelor's degree in Economics, Commerce, Agriculture, Mathematics or Statistics of a recognised University.
   Desirable: (1) Practical experience of the working of Co-operative Credit Institutions or Agricultural Marketing and Processing Societies or Industrial Co-operatives.
   (2) Experience of field investigation work.
   (3) Special study of Agricultural Economics or Rural Sociology.
6. Field Investigators.
   Essential: Matriculation or equivalent examination of a recognised University or Board in first or second class with *at least* 50 per cent. marks in English, Mathematics and Geography.
   Desirable: (1) A Bachelor's degree of a recognised University.
   (2) Experience of field investigation work or of work in Co-operative Institutions.
   (3) Knowledge of two or more vernacular languages.

Note:—Field Investigators and Field Inspectors should be able to *speak and write* one or more of the following vernacular languages:

(1) Bengali, (2) Gujarathi, (3) Hindi, (4) Kannada, (5) Punjabi, (6) Tamil, (7) Telugu.

The selected candidates for the posts of Probationary Assistants, Department of Research and Statistics/Legal Division will ordinarily be on probation for a period of three years.

The selected candidates for the posts of Probationary Assistants in the Department of Research and Statistics should be prepared to work in Districts selected for Rural Surveys and should be able to conduct the field work, if required.

The selected candidates for the posts of Field Inspectors and Field Investigators will be appointed on a temporary basis for a period of one year in the first instance but are likely to be made permanent and they will be stationed in Districts selected for Rural Surveys and will be required to carry on investigations in selected Villages in such Districts.

The selected candidates for the posts of Economic/Statistical Assistants will be required to appear for a written test.

Candidates who wish to apply for more than one category of posts must submit *separate* applications accompanied by *separate* application fees and *they should also mention prominently on their applications the other posts applied for by them.*

Applicants for the posts of Probationary Assistants must remit application fee of Rs. 7-8 by Postal Order, Cheque or Bank Draft on a *Scheduled Bank payable at Bombay* along with the application. Applicants for the posts of Economic/Statistical Assistants and Field Inspectors must remit an application fee of Rs. 2 in a similar manner. The application fee is in no case refundable. *Bona fide* Refugee candidates who are NOT IN EMPLOYMENT applying through any of the Government Employment Exchanges are exempted from payment of application fees while in the case of candidates belonging to Scheduled Castes/Scheduled Tribes the fee will be reduced to 1/4th.

Applications should be in the candidate's own handwriting. Applications for the posts of Probationary Assistants, Department of Research and Statistics/Legal Division, Economic/Statistical Assistants should be in the prescribed form obtainable from any office of the Reserve Bank. Applications for the posts of Field Inspectors and Field Investigators should be on plain paper and must contain the following information:

Name in full; educational qualifications—Examinations passed with subjects, distinctions, classes and marks obtained; Schools, Colleges and Universities attended; date of birth; age; address; place of birth and domicile; community; details of previous office/research experience, if any; period of approved war service, if any; *number of languages able to speak and write;* father's name; father's occupation; extra curricular activities; proficiency in games, etc.

All the applications should be accompanied by copies of two testimonials (originals should not be sent; the Bank does NOT accept responsibility for returning the originals if sent through oversight) and forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay No. 1, so as to reach him on or before the 18th February 1957. *Candidates already in service must submit their applications through their employers.* Candidates belonging to Scheduled Castes or Scheduled Tribes should mention this fact prominently on their applications and also enclose a copy of certificate to that effect from a competent authority.

Appointments will be subject to candidates being found medically fit for service in the Bank. If any candidate desires to have his application acknowledged he should send it by "Registered Post Acknowledgment due." Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into any correspondence with them.

Canvassing in any form will be regarded a disqualification.

THE INDIAN CABLE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Shareholders of The Indian Cable Company, Ltd., will be held at the Registered Office of the Company, 9, Hare Street, Calcutta, on Friday the 22nd February 1957, at 11.00 a.m., to consider and if thought fit to pass, with or without modification, the following resolutions, namely:—

1. (*As a Special Resolution*) That the capital of the Company be increased to Rs. 4,00,00,000 by the creation of 20,00,000 additional Ordinary Shares of Rs. 10 each.
2. (*As a Special Resolution*) That the regulations contained in the printed document submitted to the meeting, and for the purpose of identification subscribed by the Chairman thereof, be approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, all the existing Articles thereof.

By Order of the Board,
S. N. MUKERJEE,
Chairman.

9, HARE STREET,
CALCUTTA, *21st December* 1956.

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

STATE BANK OF INDIA

NOTICE

THE SECOND ANNUAL GENERAL MEETING of the Shareholders of the State Bank of India will be held at the Local Head Office of the Bank, Apollo Street, Bombay, on Thursday the 28th February 1957, at 4 p.m., (Standard Time), for the transaction of the following business:—

To receive the Central Board's Report, the Balance Sheet and Profit and Loss Account of the Bank made up to the 31st December 1956 and the Auditors' Report on the Balance Sheet and Accounts.

H. V. R. IENGAR,
Chairman.

BOMBAY, *25th January* 1957.

MONEY RATES FIRM

(From Our Own Correspondent)

BOMBAY, *30th January*

There was hardly any change in the trend of the short-term money market; it continued to experience stringency during the week under review also. In the face of acute scarcity of funds, the demand for bank credit showed no signs of abatement, with the result that banks had to seek temporary accommodation from the Reserve Bank of India or the State Bank. Interest rates were, therefore, firmly held at the previous week's levels.

The inter-bank call section was dull in the absence of lenders. The rate was, however, unchanged at 3½ per cent. among all sections of banks. House money at call was in keen demand at 3¾ to 4 per cent. Short-term deposits also were sought at 3¾ to 4 per cent.

For the second week in succession, there has been a small contraction in notes in circulation. The Reserve Bank of India statement for the week ended 25th January 1957 shows a fall of Rs. 5.37 crores in this portfolio, following the decline of Rs. 4.32 crores in the previous week. Notes held in the Banking Department have, on the other hand, gone up by Rs. 5.91 crores; the consequent rise of Rs. 54 lakhs in total notes is covered by a similar increase in rupee coin. There has been a further fall of Rs. 14.91 crores in foreign securities, which is offset by a corresponding expansion in rupee securities. In the Banking Department, a fractional rise of Rs. 75 lakhs is noted in deposits of the Central Government and an increase of Rs. 6.30 crores in deposits of other Governments. Deposits of banks are lower by Rs. 1.23 crores. On the assets side, balances held abroad have risen by Rs. 1.94 crores, while loans and advances to Governments have dropped by Rs. 94 lakhs and other loans and advances by Rs. 42 lakhs. Outstanding borrowings of Scheduled banks against usance bills are also lower by Rs. 1.39 crores. Fresh borrowings by banks against usance bills during the week were of the order of Rs. 11.21 crores, but the decline in outstanding borrowings noted above indicates that repayments must have been Rs. 12.60 crores.

A rise of Rs. 11.71 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 18th January 1957. This brings the aggregate increase for the two weeks ended 18th January to Rs. 20.43 crores. Time deposits have also risen by Rs. 1.67 crores during the week under review. Inter-bank borrowings are also up by Rs. 1.91 crores, while borrowings from the Reserve Bank stand reduced by Rs. 3.97 crores. Borrowings from the State Bank of India have, on the other hand, risen by Rs. 1.28 crores. On the assets side, advances show an increase of Rs. 4.21 crores and bills purchased and discounted Rs. 3.23 crores. Cash balances are lower by Rs. 1.13 crores, while money at call and short notice are up by Rs. 2.12 crores.

The Gilt-edged market maintained a steady tone during the week under review, with a further small rise in some of the securities. The scarcity of stocks, paucity of offerings and demand from the Life Insurance Corporation for some of the long-dated issues were all responsible for the improvement in the undertone. The volume of business also showed a slight improvement. 3 per cent. 1986 Conversion Loan staged a further rise of As. 2 to Rs. 73-9. 3 per cent. 1970-75 gained an anna to Rs. 87-1. 3 per cent. 1966-68 was unchanged at Rs. 92-5. 3 per cent. 1964 at Rs. 94-6 and 3 per cent. 1963-65 at Rs. 94-3. 3 per cent. 1959-61 held its own at Rs. 97-11. 3½ per cent. 1962 was on offer at Rs. 97-14. 3¾ per cent. 1961 was maintained at Rs. 99-6, while 3¾ per cent. 1964 hardened by an anna to Rs. 98-7. 3½ per cent. 1965 was marked up by As. 2 to Rs. 98-6. 3½ per cent. 1967 had sellers at Rs. 98-7½ and 3¾ per cent. 1974 at Rs. 98-8.

In the State loan section, some of the 4 per cent. Bombay, Hyderabad and Saurashtra loans attracted some attention at quoted rates, while others were neglected.

In the foreign exchange section, the rupee was a little erratic in terms of the U.S. dollar, but, on balance, showed a slight weakening, in consonance with a similar trend displayed by sterling abroad. Thus, banks' selling rate for ready dollars, after rising from Rs. 478 to Rs. 478¼, dropped to Rs. 478¾ per $100. The buying rate improved from Rs. 474¼ to Rs. 475. The selling and buying rates for Canadian dollars were Rs. 500¼ and Rs. 494¼, as against Rs. 489¼ and Rs. 493¼, respectively, a week ago. In New York, spot sterling reacted from $2.79.15/16-2.80.1/16 to $2.79.11/16-2.79.13/16, but towards the close gained to $2.79¾-2.79¾. Three months' forward showed a drop from $2.78¾-2.79 to $2.78¾-2.78¾. Transferable sterling was, however, a shade better at 276.65-276.75 cents, as against 276.55-276.65 cents a week ago.

HIDES STEADY

(From Our Own Correspondent)

MADRAS, *28th January*

The Madras tanned cow hides market has remained steady, due to brisk clearance of stocks by shippers. Though for shipment business U.K. importers have been offering prices which are As. 2 to As. 3 lower than Madras market, shippers who have earlier high-priced orders to cover have been in the market and this has prevented prices at origin to come into line with U.K. current asking levels. It is likely that the market will decrease during the middle of February at this end, once shippers have completed their old orders.

Shippers to the U.S. have been slowly buying buff hides at Re. 1-7 to Re. 1-7-3 per lb. Sales of buff calf and cow calf have been slow.

In the tanned skins section, arrivals of market qualities have met with ready clearance and prices rule firm. Superior tannages also have been in good demand. The stocks available for sale in the London public auctions which commence today are 400,000 goat skins and 200,000 sheep skins.

BULLION DRIFTS LOWER

(From Our Own Correspondent)

BOMBAY, *30th January*

An erratically lower trend was witnessed in the bullion market during the week under review, which was a short one on account of two holidays. The market remained closed on Saturday and today, being Republic Day and Mahatma Gandhi death anniversary, respectively.

The bullish fervour witnessed in the previous three weeks abated a little. There was nervous unloading by bulls on fears of Government intervention and reports of fresh arrivals of Tibetan silver coins. The expectation that there would not be any more arrivals of coins from Kalimpong did not prove correct, as a fresh consignment of coins, equivalent to 300 bars, was reported to have been received. Even though this quantity was not large, it sapped the enthusiasm of the bulls. The increase in arrivals of gold, with no corresponding improvement in offtake, also affected sentiment. The bears availed of the opportunity to hammer down the prices. There was a sizable recovery on Monday this week, but this proved shortlived; for there was again a setback yesterday which brought the prices below the previous week's closing levels. The undertone was by no means weak, as the closing levels were still well above those two weeks ago.

Forward silver (16th February settlement) reacted from Rs. 184-6 to Rs. 182-14 on Friday last. After improving to Rs. 184-15 on Monday, there was a recession to Rs. 182-14 yesterday. The closing was done at Rs. 183-6.

Ready silver (.996 Mint) was marked down from Rs. 184-14 to Rs. 183-6 and, after gaining to Rs. 185-11, finished lower at Rs. 184-2. The floating stocks of silver are reported to be 1,400 bars. The daily average offtake was 15 bars. The scarcity of ready stocks and the slight improvement in offtake was reflected in the widening of the premium of ready over forward from As. 8 to Re. 1, before narrowing down to As. 12 at the close.

Gold for forward delivery (15th February settlement) moved down from Rs. 108-6 to Rs. 107-8. After hardening again to Rs. 108-9, forward gold dipped to Rs. 107-8 at the close.

Ready gold fluctuated between Rs. 107-5 and Rs. 108-6, before finishing at Rs. 107-5, as against the previous week's closing of Rs. 108-4. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake was 3,000 tolas per day on an average.

In New York, silver was unchanged at 91⅛c. In London, spot silver weakened from 80½d. to 79⅞d. and forward from 80½d. to 79⅞d. Gold, however, gained strength from 248s. 11d. to 249s. 1⅜d., reflecting the weakening of the pound sterling.

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

	29-1-57	Highest	Lowest	23-1-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	107 5	108 6	107 1	108 4
Forward*	107 8	108 9	107 4	108 6
Sovereign	68 8	68 8	68 4	68 12
SILVER				
Ready (.996 fine Mint) ..	184 2	185 11	183 11	184 14
Forward†	183 6	184 15	182 14	184 6
London Silver Ready ..	80d.	80½d.	80d.	80½d.
London Forward	79⅞d.	80⅛d.	79⅛d.	80⅛d.
London Gold	249s. 11d.	249s. 2½d.	249s. 0d.	249s. 11d.
New York Silver	91⅛c.	—	—	91⅝c.

* 15th February settlement.
† 16th February settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

METALS QUIET

(From Our Own Correspondent)

CALCUTTA, *29th January*

Quiet conditions visited the metal market during the week under review. Prices were, however, maintained at about previous levels, despite the inclination on the part of consumers to cover for day-to-day requirements only. The British Government's decision to reduce the defence expenditure was reflected in advices from the London market. On the other hand, reports from the United States indicated increased purchases of copper, and this was reflected in fractional improvement in price in New York. Japanese purchase of copper and copper scrap continued in greater measure, and, according to a London report, by April, Japan would have imported 12,000 tons of copper scrap and 20,000 tons of electrolytic copper. It would, therefore, appear that Japanese activity would keep copper prices steady in the coming weeks. That Indian demand for copper has been increasing, following the impetus to industrial development, as against 14,962 tons only in 1955. However, consumers here strongly felt that world supplies were plentiful and that caution was necessary in replenishing supplies. That was why the quantity of copper that changed hands during the week was meagre and the price for the electrolytic material was throughout at Rs. 193 per cwt.

Fair activity was in evidence in tin, but that the tightness in the supply situation eased slightly was evident from the fall in the price from Rs. 558 to Rs. 542; the lower level was several points higher than the replacement cost. In lead also, a fair quantity changed hands, but the supply position continued to cause no anxiety whatsoever. The price was maintained firm at Rs. 82. Electrolytic zinc was steady at Rs. 75-8 and reports of good activity in London were noted by stockists with satisfaction.

COTTON FUTURES SHED EARLIER GAINS

(From Our Own Correspondent)

BOMBAY, *30th January*

The cotton futures market had a limited trading period during the week, as it was closed on the 26th inst., it being Republic Day. The market was officially closed today also because of the death anniversary of Mahatma Gandhi. During this short period, the forward market witnessed a continuation of the firm trend noted in the last few weeks. In fact, both the contracts scaled new heights, Jarilla touching a high of Rs. 681 and Vijay rising to Rs. 793. After hovering round this level for a brief period both the contracts dipped, towards the close of the week, on heavy liquidation. Operators appeared to have been extremely cautious to ensure that a situation was not created which would provoke Government intervention. The general feeling was that the Forward Markets Commission (F.M.C.) will not brook any speculative spurt in prices and the recent experience of the Oilseeds Exchange was fresh in their minds. Further, the uncertainty regarding the exact stand of the F.M.C. in respect of By-laws 55 and 61 and the cotton policy of the Government of India prevented traders from taking an unduly bullish view of the market trends. As a result of the selling, based on these considerations, most of the earlier gains were wiped out in yesterday's session.

M.G. Jarilla (March delivery) opened the week at Rs. 666-8, as against the previous close of Rs. 669, and improved, on brisk demand, to Rs. 670 the same day before closing lower at Rs. 668. Extended spot house support pushed the contract higher the next day to Rs. 675. On profit-realising sales forthcoming at this stage, the contract eased to Rs. 671-4. The upward march continued, bringing the contract up to Rs. 681 on the 28th inst. The heavy liquidation, promoted by the abovementioned factors, resulted in a sharp break in values yesterday and the session was wound up at Rs. 667½.

M.G. Vijay (April delivery) followed more or less the same pattern. After having opened at Rs. 773, it steadily firmed up to Rs. 793 on the 28th inst., due to heavy buying support. The earlier gains were, however, wiped out in yesterday's trading, and the contract closed at Rs. 779¼.

The following table gives the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	30-1-57	*High*	*Low*	22-1-57
Jarilla (March) ...	667½	681	665	669½
Vijay (April) ...	779¼	793	772	777

The spot market at Sewri ruled steady. Although, at the opening of the week, mill demand was slack, it revived subsequently. Vijay and Khandesh 197/3 attracted attention. Jaydhar and Khamgaon also came in for business. In the export section, inquiries were noted for Jarilla, Oomra *Deshi* and Bengals. Zodas were also on offer. The foreign section was featureless. It was reported that the ceiling fixed for the import of American cotton under P.L. 480 had been reached and no further applications for American cotton would be immediately entertained. It is expected in trade circles that the Government would enlarge the ceiling. The following are the latest available spot rates—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 720; Berar Jarilla 755; Khandesh 775; Vijay 910; Oomra *Deshi* 770; Moglai 720. *Delivery Contracts*: Khandesh 135, Berar 117, Moglai 82 'ON' Jarilla; 320F 95, Vijay 13/16" 122 'ON' Vijay.

The Karachi market dipicted a bearish trend during the week. Speculative selling and slack overseas demand resulted in a sharp dip in prices. N.T.R.G. January which had closed at Rs. 85-13 last week declined to Rs. 82-6, while the March position shed, over the week, Rs. 2-13 to Rs. 82-7. The spot section also was depressed. The latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton, prevailing at Karachi, are given below:—

Sind *Deshi* 90; Punjab *Deshi* 82-8; 4F Roller 87; Punjab Roller 88-12; F.N.T. Sind S.G. 92-8; F.N.T. Punjab Roller 91-8; 289F Punjab S.G. 103-8.

The Alexandria futures market ruled easy during the week as a natural reaction to the sharp rise witnessed in the preceding two weeks. Premiums of Karnak and Ashmouni have eased a little. Karnak January went off the board at around 122 tallaries per lb. Towards the close, however, a revival was in evidence. This was due to reports that Egypt had concluded an "enormous" cotton deal with the U.S.S.R. involving £E12 million. Payments, it is understood, would be made partly in certain foreign currencies required by Egypt. It may be recalled that last April, the two countries signed a £E1 million barter trade agreement which was followed by further agreements for the supply of 400,000 tons of wheat by Russia during the 1956-57 season to be paid for in Egyptian currency which would be used to purchase Egyptian cotton.

Export sales of Egyptian cotton to the free world have of late been small. Exports from the commencement of the current season till the 2nd inst. were 137,798 bales (of 730 lbs.), as against 324,605 bales shipped during the same period of the 1955-56 season. The Egyptian Cotton Commission has announced that it will sell, by public auctions, in the near future all their old crop steampressed stocks. The sales are meant only for export against payment within two months in American dollars, Deutsche Marks and Swiss Francs. This means that India cannot participate in these auctions. The latest available quotation—in tallaris per lb.—from Alexandria are given below:

Karnak: March 119.00; May 117.70; July 117.00.
Ashmouni: February 84.50; April 84.15; June 84.15.

Reports indicate that the Sudan cotton crop is likely to be late. The Gezira Board will announce the reserve prices only in March. But shippers have already begun to make limited offers mostly for shipment in April-May and after.

Cotton values in Liverpool received a setback during the week, and quiet conditions prevailed in the market. The quietness was influenced by the recent large arrivals of U.S. cotton. The turnover was small, confined mainly to medium and lower U.S. styles. Some business was also reported in Turkish, East African and Peruvian cotton. Interest in Indian cotton continued to be low because of high prices and further export quota was awaited. Both the American and American type contracts declined on hedge pressure. The limited amount of trade buying and local short-covering were inadequate to absorb the offerings. Activity was affected by reports of the likelihood of a resumption of U.S. dock workers' strike. A majority of traders were inclined to wait and watch before entering into fresh commitments. The Egyptian Karnak contracts were neglected and nominally unchanged. Sudan Sakel remained steady, while Lambert seed eased. The following are the latest available rates—in pence per lb.—from Liverpool:

American 1-inch Staple Contract: March-April 26.40; May-June 26.05; July-August 25.60; October-November 25.25. *American Cotton Mixed Growth Contract*: March-April 26.64; May-June 26.24; July-August 25.79; October-November 25.43. *Egyptian Karnak*: January-February 60; March-April 60. *Sudan Sakel*: January-February 61.30. *Sudan Lambert Seed*: May-June 46.00; July-August 45.00.

The New York cotton market ruled generally firm, due to domestic mill buying and fair export demand based on tightening free market supply as a result of the loan programme. Commission houses purchased new crop positions. Part of the demand was attributed to the prolonged drought in the south-west and expectations of a higher mid-February parity price. Spot values also registered a marked increase.

The C.C.C. sales, against bids received on 22nd January, were 43,502 bales. This brings the total cotton sold so far under the new export programme to 6,316,694 bales. The minimum price for basis middling 15/16", average location, continued unchanged at 25.35 cents, while the average price for Middling 1" cotton was 27.21 cents, as compared with 26.87 cents at the previous sale. Exports for the week ended 17th inst. were 285,894 bales, making and aggregate for the season till then of 3,170,916 bales, as against only 731,975 bales during the corresponding period of the previous season.

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

(In cents per lb.)

	30-1-57	22-1-57	15-1-57
Spot	35.15	34.95	34.70
March	34.83	34.45	34.43
May	34.81	34.48	34.45
July	34.32	34.22	34.02

ART SILK YARN DULL

(From Our Own Correspondent)

BOMBAY, 30*th January*

The decision of the Government of India to continue to allow for export limited quantities of cotton yarn during January-June 1957 has not been received with much optimism by shippers. In view of the keen competition prevailing in world markets, it is stated, prospects of exports of Indian yarn are not very encouraging. During the week under review, the yarn market witnessed somewhat dull conditions. The demand for coarse cotton yarn was limited, whereas finer counts evoked good support. There were good enquiries for staple yarn. Art silk yarn, however, remained dull and the offtake was rather restricted.

Staple fibre yarn (40×2) for February delivery, on good support, spurted from Rs. 640 to Rs. 652. Spot Citys advanced by 6 pies to Rs. 3-7, New Greats by 3 pies to Rs. 3-6-3 and Centurys by a like amount to Rs. 3-7-6. Among foreign yarns, (80×2) Paramounts shed 6 pies to Rs. 5-6-6, while Fujis remained quiet at Rs. 3-9.

In the cotton yarn section, among the forty counts, Minaxis picked up an anna to Rs. 27-7, and Moderns As. 4 to Rs. 29. Gokaks eased by As. 2 to Rs. 27-8. Among 20s, Maduras were As. 5 better at Rs. 19-12 and Gokaks As. 15 at Rs. 19-11. Moderns remained unchanged at Rs. 19-8. Ten counts Moderns declined by As. 2 to Rs. 15-6 and Podars were quietly steady at Rs. 15-8. Among sixty counts, Raghuvamshis gathered As. 6 to Rs. 57-12 and Finlays As. 4 to Rs. 61-8. Among eightys, Moderns remained firm at Rs. 78.

Snia rayon yarn (120 dull cones) for February delivery declined by Rs. 4 to Rs. 820. Spot 120 Japan improved by As. 1½ to Rs. 4-5-6; so also 150 Japan by the same amount to Rs. 4-8-6. 120 Italy were 6 pies down at Rs. 4-2 and 150 Italy an anna lower at Rs. 3-12.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	30-1-1957	23-1-1957
Art silk yarn (per case of 200 lbs.)—		
120 Dull Cone Snia February	Rs. a.	Rs. a.
120 Japan (per lb.)	820 0	824 0
150 Japan (per lb.)	4 5½	4 4
120 Italy (per lb.)	4 8½	4 7
150 Italy (per lb.)	4 2	4 2½
	3 12	3 15
Staple fibre yarn (per case of 200 lbs.)—		
40 × 2 February	652 0	640 0
40 × 2 New Great (per lb.)	3 6½	3 6
40 × 2 Century (per lb.)	3 7½	3 7½
40 × 2 City (per lb.)	3 7	3 6½
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	15 8	15 8
20s Madura	19 12	19 7
30s Madura	—	—
40s Gokak	27 8	27 10
60s Finlay	61 8	61 4
80s Modern	78 0	78 0

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 30*th January*

The local oilseeds market remained weak, on balance, during the week under review. No trading was done in the futures sections of the market on 24th and 25th as a mark of protest against the introduction of the margins system last week.

The market opened steady on 24th January, but while groundnut improved slightly on demand from crushers in the following two days, castorseed reacted as a result of lack of support, discouraging overseas advices and further increases in freight rates by 10 per cent. and increase in surcharge by 2½ per cent. to 17½ per cent. between India, the U.K. and Continent. Following demand, cottonseed, too, hit new levels on 28th January. On the next two days, namely, 29th and today, groundnut remained somewhat easy. Castorseed, however, sagged on professional selling and unloading. Cottonseeds and linseed moved in sympathy with groundnut.

In the groundnut section, the February contract in which trading was resumed on 28th January, opened at Rs. 171 and touched the level of Rs. 173-8, before closing at Rs. 170-12. On 29th the peak level touched was only Rs. 171-12, while today it touched a low of Rs. 168-2, before finishing up As. 6 higher. Over the week there was no change in the contract. May contract commenced at Rs. 172-4 and moved up to Rs. 174-12 on the same day, that is, 28th, before finishing at Rs. 171-12. While on the following day it moved between Rs. 170-8 and Rs. 172-4, today it moved down from Rs. 172 to Rs. 169-8. Over the week it lost only As 2. In the spot section, Bold F.A.Q. was a shade lower at Rs. 34-14. Groundnut oil ex-mill, however, was nominally higher at Rs 19-4.

Linseed futures (May), having opened on 28th at Rs. 31-14, gradually moved down to Rs. 30-10 today, before finishing up at Rs. 30-12. It lost during the week Re. 1. In the spot section, Bold ready was quoted Rs. 2-4 less at Rs. 34 than a week ago. Linseed oil ready was, again, done at Rs. 19, that is, As. 10 lower than last week.

Castorseed May contract, however, lost heavily. Having commenced at Rs. 174-8 on 28th, it moved down the same day to Rs. 171 and further to Rs. 165-12 on 29th and still further to Rs. 163 today. It closed As. 8 higher. Over the week the loss was no less than Rs. 10. In the spot, Bold shed Rs. 3-8 at Rs. 36. Kanpur lost Rs. 3-12 at Rs. 34-8. Oil B.S.S. was Re. 1-8 lower.

Cottonseed futures section was only nominally lower over the week. While the February contract moved down slowly but steadily from Rs. 107 on 28th to Rs. 103 at the close today, the May contract came down during the same period from Rs. 105 to Rs. 103. The latter, however, finished As. 12 higher.

Among other seeds, *kardi* seed Bold was done at Rs. 21-2 while *niger* seed Madras maintained the level of Rs. 30-12 of last week.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	30-1-1957	23-1-1957	16-1-1957
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	168 8	168 8	165 12
Khandesh Quality Ready (per cwt.)	35 4	35 6	33 14
Dec.-Jan.	—	—	—
Linseed—			
May 1957	30 12	31 12	31 8
Bold Ready (per cwt.)	34 0	35 4	34 12
Feb.-Mar.	32 4	33 12	33 0
Castorseeds—			
May 1957	163 8	173 8	179 0
Madras (per cwt.)	36 0	39 8	39 4
Cottonseed—			
February 1957	103 0	103 0	99 8
Groundnut oil—			
Ex-mill Ready (per quarter)	19 4	19 8	18 12
Castor oil—			
Commercial (per quarter)	20 14	23 14	22 10
Linseed oil—			
Ready	19 0	19 10	19 10

PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, 30*th January*

Malabar black pepper, during the week under review, ruled quiet, following the pressure of sales by a Singapore house. They are reported to have sold locally rather heavily both in delivery and in A.S.T.A. Sarawak pepper in Singapore remained weak to quiet in sympathy with rubber and owing to liquidation by weak holders in view of the approaching Chinese New year. White and black pepper, at Singapore, showed a break from Str.$113 and Str.$81 to Str.$103 and Str.$76 respectively. The break in white was more severe as the stock thereof was rather heavy.

New York is said to be firm buyers for Malabar black at $0.25 for January shipment. But only small business is reported since growers and exporters are sellers, nearly 37½ per cent. of the crop having already been marketed.

Alleppey, after going down to Rs. 575, improved to Rs. 587½ and garbled from Rs. 97½ to Rs. 99½. January is done at $0.25 while February-March are nominally quoted at $0.25½. February delivery, after receding to Rs. 574, is moving between Rs. 579 and Rs. 584 for want of fresh incentive.

The sentiment among the growers and exporters is bullish but lack of constructive buying from the U.S. and want of short sales in the markets are responsible for the present narrow fluctuations.

Sarawak offers being cheaper, Europe is said to be taking little interest in Malabar. The freight rate is increased by 10 per cent. as from 15th February 1957 both for U.S. and European ports.

Following are today's nominal quotations: Ready delivery Rs. 82 per Bengal maund; February Rs. 578-83 and March Rs. 590-94 per candy of 5¼ cwts.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, 30*th January*

In spite of a release of 155,000 tons of new season's production, the sugar market displayed no perceptible change in the quietly steady trend that had come to prevail a week ago. While the upcountry markets appeared to be steady, the local market continued to be dull in the face of substantial stock position. Arrivals of indigenous sugar during the week under review amounted to about 10,600 bags. The closing prices for small, medium and large grain sizes were: Rs. 88, Rs. 89-91 and Rs. 94-100 per bag, respectively, including sales tax. Stocks of good British refined sugar are now nearly exhausted and it is pointless to quote for this variety.

In the forward section, Fagan delivery contract for 'C' grade sugar, which had moved up Rs. 92-5 at one time, receded to Rs. 92 per bag today under sustained bearish outlook. Ex-mill quotations were more or less unchanged.

TEAS MARKED DOWN

[Messrs. Forbes Ewart and Figgis (Private) Ltd.]

COCHIN, 25*th January*

Approximately 2.2 million lbs. were offered in Sale No. 2 held on Tuesday, 22nd January. The quality of offerings registered a definite improvement, particularly amongst the medium and good medium sorts. A good general demand prevailed throughout the auction. Most of the enquiry emanated from exporters and internal operators were very quiet. Low and Low medium teas declined irregularly As. 2 to As. 3, whilst mediums were an anna to As. 2 lower. There has been a better demand for fannings grades, than of late, at the drop in price. Better sorts again found an easier market and prices were marked down As. 4 to As. 6. Whole leaf grades generally sold well at As. 2 to As. 3 down. The following are the quotations:—

1957	Rs.	a.	p.	
Plain B.P.	2	0	0	nominal
Low medium B.O.P. ...	2	2	6	
Medium B.O.P.	2	4	6	
Good B.O.P.	2	8	0	
Well made black leaf O.P.	2	7	0	

The combined average price fetched in sale No. 2 was Rs. 2-6-6 per lb., as against Rs. 2-0-3 in the corresponding sale of 1956.

London Market.—Sale of 21st January 1957.—20 per cent. withdrawn, due dock strike. Generally half penny to two pence dearer.

Sale of 22nd January 1957.—Coloury teas steady. Others very irregular and generally one penny to two pence lower.

Colombo Market.—Sale of 21st January 1957.—Strong demand. Black grainy dusts and good liquoring fannings dearer. Other sorts firm.

Sale of 22nd January 1957.—Quieter demand. Twenty to thirty cents lower, except fannings and good brokens with improved quality.

Calcutta Market—Export.—Generally As. 2 to As. 3 lower.

Internal.—Fair general demand for the 25,400 chests of dust on offer. Prices were generally As. 2 easier at the commencement of sale and at the close were a full As. 3 down. There were a fair number of withdrawals. The few lines of bright liquoring C.T.C. teas were sold at valuation, but the more ordinary varieties were often As. 2½ easier. There was limited middle east demand for black exportable types and these were all sold at easier rates. Commons dooars and orthodox Assams opened As. 2 easier and closed As. 3 easier. There was good general demand for the 2,300 chests of leaf on offer and any clean leafed types sold well at slightly easier rates. The more fibrous residue varieties were firmer.

Export Quota.—During the beginning of the week, export quota changed hands at 35 pies, but the price fell away sharpy and business has been done as low as 33 pies. Buyers have, however, reappeared at this level.

Forthcoming Auctions.—Sale No. 3 will be held on Tuesday, 5th February and Dust Sale 'C' on 29th January 1957.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale C.*—400,000 lbs. Strong demand. Market irregularly dearer for everything, except best liquoring sorts, which are rather easier."

JUTE PRICES FALL

(From Our Own Correspondent)

CALCUTTA, 29*th January*

A feature of the trading in jute markets during the week under review was a fall in the prices in both jute goods and fibre. While covering demand forced a recovery in jute goods, raw jute met with demand at lower levels only. This has been a good development from the point of view of the jute goods industry, as it is time that the raw material price should be economical to mills. This trend was due to the strong feeling in mill circles that there was sufficient raw material within the country and that, even if no further supplies from Pakistan were forthcoming, there was no need to apprehend any shortage. Consumption of raw jute by mills in the current season to June next has been estimated at about 5,800,000 bales, assuming that mills maintain the present basis of working. As against this, availability is estimated at 7,126,000 bales, made up as follows: 375,000 bales being imports from East Pakistan up to the end of December, 4,221,000 bales being the 1956-57 jute crop in India, 1,430,000 bales being the indigenous mesta crop, 1,100,000 bales being the carry-over stocks with mills from the last season. The second all-India estimate of the mesta crop places the output at 1,430,000 bales, representing an increase of 329,000 bales compared to the first estimate. Huge stocks are believed to be in the possession of dealers, and cultivators have also sufficient jute yet to be disposed off. Pakistani prices have not so far shown signs of falling, and unless they fall, further imports in the current season would be negligible.

The possibility of mills increasing working hours or unsealing looms, either in part or in full, now remaining idle is out of question, past experience in this regard being what it was. As such, no shortage in raw jute is expected, and mills may be able to carry over about 1,000,000 bales for the next season. It is this changed position in the light of the revised mesta crop which made raw jute prices fall during the week. Indian northern bottoms declined to Rs. 31-8 from Rs. 32-8, and local daissee bottoms to Rs. 33 from Rs. 34. During the week, the reserved tendency on the part of sellers gradually gave way and took the place of anxiety to book business.

The market was closed on Wednesday last on account of Netaji's birthday, and on Saturday, being Republic Day. The conclusion of the Indo-Pakistani trade agreement was noted, and it was thought that India would be able to get any quantity of jute from Pakistan. The only condition is that Pakistan must be let known before sowing time an idea of the quantity that India would require in the season following, in order to enable Pakistan to plan for a crop taking into consideration probable Indian needs. Such a condition is thought to be a clever move on the part of the Pakistani negotiators for the trade agreement, since, even if prices increased subsequent to sowing and by the time the crop was ready, Pakistan would be able to impress on India the latter's obligation to lift the quantity earlier agreed to. However, with the difficulties Indian importers have felt in the past in getting the E.P.C. forms by the State Bank of Pakistan and the abnormal delay in movement, Indian mills would be inclined to do with as little Pakistani jute as possible, and with the efforts now being made by the State and Central Governments, it is expected that the indigenous crop for the 1957-58 season would more or less be able to meet the needs of mills in full. If this situation can be achieved, Pakistani prices may as well fall. In which event, India can import some of the better varieties from Pakistan, and, if need be, export any excess from the domestic crop. It was noted that the third and final estimate of the 1956-57 Pakistani crop reduces the crop to 5,500,000 bales from 6,000,000 bales forecast earlier. The reason given for this revision is more damages on account of floods.

On Tuesday last, there was considerable activity on the part of speculators. In the liquidation that followed, ready B. twills fell from Rs. 119-6 to Rs. 117-4 and hessian 40" 10 oz. from Rs. 43-2 to Rs. 44-6. At the lower levels, mills kept off the market, as sales could be put through only at a loss. As stated earlier, Wednesday was a holiday. On Thursday, weak holders continued to lessen their commitments and B. twills lost further to Rs. 115-8 and 40" 10 oz. hessian to Rs. 43-12. Bear-covering and shippers' demand induced some recovery, and on Friday B. twills were better at Rs. 116-10 and 40" 10 oz. hessian at Rs. 44-4. Yesterday, prices were further lower at Rs. 116-6 and Rs. 43-14, respectively, but the firmer tendency was attributed to activity in *fatka* and expected Government orders.

TEA QUIET

(From Our Own Correspondent)

CALCUTTA, 29*th January*

Conditions during the tea export internal sales held last week were easy with prices ruling quiet. This was in striking contrast with the trend in London auctions held last week. Prices there were dearer because of the dock strike which resulted in withdrawals from original catalogues. It was noted that in the Mincing Lane auctions there was better demand for low medium, good plain and coloury Assam teas.

The difficulties facing the tea gardens which can only grow common and medium teas due to soil and climatic conditions were highlighted in Mr. J. P. Shaw's recent address to the annual meeting of the Dooars Branch of the India Tea Association. He said that taxation and the provision for increased labour amenities were causing serious headaches to the small gardens, as well as the marginal units. Fine plucking in gardens producing medium teas had no doubt given better results, but the majority of production being common and medium teas, the fine plucking could not be reflected in working results. He, therefore, pleaded for relief in export duty for common teas by taking into consideration the price-disparity between quality and plain teas. This deserves sympathy in New Delhi, as also the need for implementing the Plantation Inquiry Commission's recommendation for doing away with the Assam road and waterway tax and the West Bengal entry tax. The pleadings of Mr. Shaw should be read in the light of the marked fall in prices in the internal sales held in recent weeks.

In the sale for domestic consumption held on Thursday last, dusts offered amounted to 25,139 packages. Demand was poor, and prices fell, the decline in some cases being as much as As. 3. In view of this, withdrawals were marked. Orthdox Assams, commons and Dooars opened lower by As. 2½ and by closing time the drop was as much as As. 3. There was, however, fair support for a few lots of bright liquoring C.T.C.'s, but the ordinary teas in this category fell by As. 2½. Although black teas suitable for export were in good demand, prices represented the general decline. The quotations were: best Assam C.T.C. Rs. 2-9 (nominal), medium Assam C.T.C. Rs. 2-2 to Rs. 2-3, medium Assam grainy dust Re 1-15, and medium Dooars Re. 1-14-6.

In contrast to the above trend, leaf offerings, amounting to 4,088 packages, met a steady market. Prices of residue teas rose above valuations. Green teas were readily absorbed. Although there was good demand for clean leaf teas, prices were easier.

LINSEED FAIRLY STEADY

(Messrs. A. Bradley and Co.)

CALCUTTA, 28*th January*

Fairly steady conditions have been maintained throughout the week, although buyers are less keen to pay higher rates, owing to a poorer offtake of oil; the weekly turnover has been small. Activity in the oil section has been on a smaller scale, as a result of lower advices from overseas buyers. The latest quotations are as follows: January-February Rs. 25-6 and April-May Rs. 22-12 per maund.

WHEAT PRICES DECLINE

(From Our Own Correspondent)

HAPUR, 28*th January*

Quiet conditions prevailed in foodgrain market during the past week. The supplies of wheat in the market have improved, following the Government of India's decision to rush special trains carrying wheat from Bombay to Uttar Pradesh to meet the urgent requirements of the State. About 73,000 tons of wheat is being distributed in U.P. during the current month. Sales of wheat through fair-price shops, which were irregular for some weeks past, due to paucity of Government stocks, continued with increased quantity during the week under review and, as a result, wheat prices registered a decline of As. 4 per maund. Wheat dara was quoted at Rs. 16 and farm produce at Rs. 17-4 per maund. Outside buying inquiry at prevailing rates is dormant and wheat stocks here is unchanged at 53 *khaties*, as against 43 at this time last year when average wheat was quoted at Rs. 14-11 per maund.

Rice prices, on the other hand, recorded an improvement both here and in other centres. Following heavy purchases from Assam in Bengal markets, rice prices there went up by about Re. 1 to Re. 1-4 per maund and prices here also advanced in sympathy. Prevailing prices on Monday were: Basmati Rs. 23 to Rs. 26-4, Manipuri Rs. 20-4 and coarse Rs. 15-12 per maund. Although demand for gram continued unabated and the local stock position was tight when compared to previous years, superior quality gram prices here registered a fall of a few annas per maund on lower Punjab advices where standing crop is progressing very satisfactorily. Gram stock here ran down by 8 *khaties* during the week to 33 *khaties*, as against 12 only last year. Local gram is quoted at Rs. 13-6 and Punjab produce at Rs. 13-12, as against Rs. 10-6 last year. Prices of other coarse grains also ruled quiet on good crop prospects and prevailing prices were: barley Rs. 13-2, *bejhar* Rs. 12-12, maize Rs. 13-6, *bajra* Rs. 13-14, *jowar* Rs. 11-12 to Rs. 13, and *guwar* Rs. 11 per maund.

Firm conditions prevailed in the prices of peas, despite reports that standing crop was excellent. This was due to fast dwindling stocks, which are now put at one *khati* only and there is still about one and a half months for the arrival of the new crop in the markets. Prices of *arhar*, however, ruled quiet and local stock ran down by 5 *khaties* during the week to 13 *khaties*. Prices of other pulses eased slightly due to better supply position and prices on Monday were: Peas *dara* green Rs. 14-8, white Rs. 15-10, *arhar* Rs. 13, *urd* Rs. 18-8 to Rs. 21, *moong* Rs. 14-8 to Rs. 16 and *masoor* Rs. 16-10 per maund.

Pulses futures ruled firm during the week and the latest quotations on Monday were:—Peas *jeth* Rs. 10-3 (Rs. 10), peas farm *maha* Rs. 12-15 (Rs. 12-15), *jeth* Rs. 10-10 (Rs. 10-6-3), arhar *maha* Rs. 12-7 (Rs. 12-2), *jeth* Rs. 10-15-9 (Rs. 10-10), *urd maha* Rs. 18-11 (Rs. 18-7-6), *basaikh* Rs. 18-15 (Rs. 18-13). The figures within brackets represent the quotations a week ago.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 28*th January*

Sugar prices continued steady during the week under review and new quality prices were quoted As. 2 to As. 4 per maund higher. Sugar being one of the commodities to be exported to Pakistan under the recent agreement, prices recorded modest gains on that account. But due to growing political tension between the two countries on the Kashmir issue, export prospects at an early date were discounted in trade circles. The production and despatches of sugar from indigenous factories amounted to 620,000 tons and 382,000 tons, respectively, up to 15th January 1957 in the current season, as against 528,000 tons and 303,000 tons, respectively, in the corresponding period last year. The stocks with the factories on this date stood at 765,000 tons, as against 637,000 tons last year. Prevailing mill delivery prices were: Jaswant Rs. 28-15, Simbhauli Rs. 28-12, Mowana Rs. 29, Daurala Rs. 30, Amroha Rs. 28-5, Bijnore Rs. 28-5, Mansoorpur Rs. 29 to Rs. 30, Rampur Rs. 31-8; retail Rs. 31 per maund.

The *khandsari* market also ruled steady and the U.P. Government's decision to reduce the sales tax from 6 ps. to 3 ps. on *khandsari* has been welcomed in trade circles. Prevailing prices are: Rs. 23 to Rs. 27 per maund.

Ready *gur* prices which improved in the mid-session to Rs. 10-13 per maund, declined and were today quoted at Rs. 10-10 per maund, following increased arrivals estimated at 5,000 maunds today. Outside demand at higher rates was slack. Total arrivals were put at about 310,000 maunds from the beginning of the season, which were nearly half of the total produce expected in the market by the end of the season. Future gur prices, after having touched a high of Rs. 11-6-6 for *fagan* delivery, declined towards the close and were quoted at Rs. 11-1 today. Week's opening quotations were Rs. 10-13-3.

The concentration of British Commonwealth's industrial strength in the British Isles has been severely criticised by Mr. Harold Holt, Australian Cabinet Minister. The Suez crisis had demonstrated how dangerously placed was the Commonwealth. Good sense and national survival, Mr. Holt said, dictated a very much greater movement of people and resources from the heart of the Commonwealth to its outlying parts. Too big a proportion of British manpower and industry was concentrated in a small and highly vulnerable island. Canada, Australia, Rhodesia, Kenya, etc., he observed, would welcome the kind of development which increased British migration and additional capital investments would provide. He also suggested the formation of a Commonwealth Plan for developing the resources of the region.

THE
CHARTERED BANK
(Incorporated in England by Royal Charter, 1853)
(Liability of Stockholders Limited)
Capital (Paid-up) - £3,500,000
Reserve Fund - - £5,000,000
Branches throughout India, Pakistan and the East
AFFILIATED BANK IN INDIA
THE ALLAHABAD BANK LTD., with over 70 offices in India
The Bank offers a complete Overseas Banking Service and provides exceptional facilities for financing every description of trade with the East.
Deposits for Fixed Periods or repayable at call or at short notice are received at rates which may be ascertained on application.
The Bank's London Office undertakes Trusteeships and Executorships.
Head Office
38, BISHOPSGATE, LONDON, E.C. 2.
Branch: 26, Charles II St., Haymarket, London S. W. 1.
Manchester Branch: 52 Mosley Street,
Liverpool Branch: 28, Derby House, Exchange Buildings, Liverpool, 2.
Hamburg Agency: Borsenbrucke 2A Hamburg 11.
New York Agency: 65 Broadway, New York, 6.
Bombay Branch:
23-25, Mahatma Gandhi Road, Bombay 1.
W. MACKAY, Manager.

Notice

THE MYSORE KIRLOSKAR LIMITED
YANTRAPUR P.O. (HARIHAR)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING of the Mysore Kirloskar Ltd. will be held at the Registered Office of the Company at Harihar, on Monday the 18th day of February 1957, at 2 p.m. (S.T.), to transact the usual business and also special business, the details of which are contained in the Notice and an Explanatory Statement accompanying the Notice as separately posted to the members of the Company. The Share Transfer Books and the Register of Members of the Company shall remain closed from the 11th February 1957 to the 25th February 1957, both days inclusive.

By Order of the Board,
For THE MYSORE KIRLOSKAR LTD.,
M. S. VARTAK,
Secretary

HARIHAR, *the 11th day of October*, 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
	May, 1955	5	5½
Denmark	13th May, 1948	7	10
Ecuador	15th Nov., 1952	2½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	5½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	28th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1956	3½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 25th January 1957		Week ended 18th January, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,10,072	69,29,45,000	3,20,075	77,60,84,000
Calcutta	1,58,301	58,48,69,971	1,92,444	71,27,36,929
Madras	—	—	65,156	7,30,95,135
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Sept., 1956	..	..	3,137,000	7,01,29 00,000
Oct.,	..	..	3,398,000	6,99,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 25th Jan., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		51,45,67,000
(2) Other Governments		13,33,23,000
(b) Banks		51,75,57,000
(c) Others		12,68,30,000
Bills Payable		13,02,83,000
Other Liabilities		113,81,43,000
	Rupees	281,87,03,000

ASSETS	Rs.	Rs.
Notes		23,56,33,000
Rupee Coin		9,98,000
Subsidiary Coin		12,33,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		1,10,75,000
Balances held abroad*		88,13,09,000
Loans and Advances to Governments		7,47,70,000
Other Loans and Advances		102,18,89,000
Investments		49 61,65,000
Other Assets		14,51 61,000
	Rupees	281,87,03,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 59,31,17,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 45,62,48,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	23,56,33,000	
Notes in circulation	1485,51,88,000	
Total Notes issued		1509,08,21,000
Total Liabilities		1509,08,21,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	427,42,53,000	
Total of A		545,18,56,000
B. Rupee Coin		123,76,83,000
Government of India Rupee Securities		840,12,82,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1509,08,21,000

Scheduled Banks*

Statement of Affairs for the week ended 18th Jan., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	6,08,49,000
(ii) Other demand liabilities	660,29,95,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,48,00,000
3. Borrowings in India from the State Bank and/or a notified bank:	456,44,65,000
(i) Demand liabilities	11,80,37,000
4. Cash in India	36,48,14 000
5. Balances with the Reserve Bank in India	10,20,85 000
6. Balances with other banks in current account in India	9,04,30,000
7. Money at call and short notice in India	302 12,11 000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	549 67,09,000
9. Advances in India	113,21,25,000
10. Inland Bills purchased and discounted in India	52,98,89,000
11. Foreign Bills purchased and discounted in India	

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	29th January 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot $	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months $	1-5⅛	1-5⅛
Buyers T.T. spot to nine months $	1-6¼	1-6¼
Buyers T.T. 10 to 12 months $	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	478½	480
Buyers T.T. Rs.	473½	473½
London on New York $	2.80-2.80¼	2.80-2.80¼
London on Paris Fcs.	993½	993½
London on Berne Sw. Fcs.	12-27⅞-12-27¼	12-27¼-12-27⅞
New York on London $	2.79⅛-2.79⅛	2.79⅛-2.80¼

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378 07	..	10,170	269
Pakistan	'53-'54	79 33	..	1.931	243
Burma	1954	19 24	Kyats 3,905	390	204
Ceylon	1954	8 38	..	470	560
Japan	1955	88 90	Y. 6,375,000	8.698	978
Philippines	1955	21 85	Ps. 7,800	1.857	850
New Zealand	1955	2 13	£ (N.Z.) 846	11.24	5.296
Australia	1954	8 99	£ (A) 3.957	4.220	4.694
U.K.	1955	50 97	£ 16.634	22.178	4.351
U.S.A.	1955	165 27	$ 224,000	155,520	9.410
Canada	1955	15 60	$ 20,738	10.166	6 516
France	1955	43 27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49 99	Dm. 126,200	14,460	2,890
Italy	1954	47 80	Lr. 9,718,000	7,480	1.560
Norway	1955	3 43	Kr. 19,764	1,320	3,050
Sweden	1954	7 21	Kr. 38,630	3,544	4,912
Nether lands	1955	10 75	Grs. 22,500	2,850	2 650
Denmark	1954	4 41	Kr. 23,374	1,610	3,654
Switzerland	1954	4 92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 18th Jan., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00 00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		46,36,05,000
(b) Provincial Governments		1,01,23 000
(c) Banks		14,70,39,000
(d) Others		8,11 70,000
Bills Payable		24,25,000
Other Liabilities		11,16,23,000
	Rupees	87,60,75,000

ASSETS	Rs.	Rs.
Notes		10,58,37 000
Rupee Coin		14,000
Subsidiary Coin		18,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		7,31,000
Loans and Advances to Governments		26,00,000
Provincial Governments' Debtor Balances		3,18,94,000
Other Loans and Advances		20 54,00,000
Investments		42,72,48,000
Other Assets		10,23,33,000
	Rupees	87,60,75,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,58,37,000	
Notes in circulation	329,94,62,000	
Total Notes issued		340,52,99,000
Total Liabilities		340,52,99,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	....	
Sterling Securities	82,48,28,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		160,47,44,000
B. Rupee Coin	5,30,03,000	
Government of Pakistan Securities	168,85,46,000	
Internal bills of exchange and other commercial paper	....	
		174,15,49,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19.02.000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		340,52,99,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.77 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	18th Jan., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,490.89	1,495.21	1,465.50	1,382.71
Notes held in Banking Department	35.05	17 66	13.16	9.36	19.11
Foreign Securities	59.50	442 83	447.30	447.30	667.07
Rupee Securities	37.39	823.22	820.25	785.35	588.36
Banking Department					
Deposits of:					
Government of India	14.89	50 71	54.00	55.56	50.30
Other Governments	4.3	7 03	4 94	9 45	13.88
Balances held abroad	10.08	81.24	80.30	86.57	72.55
SCHEDULED BANKS					
Demand Liabilities	134.36	666.38	653.16	646.72	655.46
		(6 08)†	(4 57)†	(9 43)†	(7 34)†
Time Liabilities	102.24	458.91	456.84	459.86	411 08
		(2.45)†	(2.07)†	(2 86)†	(2.88)†
Borrowings from Reserve Bank	..	75 13	79.10	67.63	27 54
		(60.70)‡	(60.86)‡	(49.40)‡	(15.25)‡
Borrowings from State Bank	..	11.80	10.52	9.90	11.21
Cash in India	6.70	36 48	35.21	35.29	36 28
Balances with Reserve Bank	25.17	48.31	50.72	50.78	63.28
Excess over statutory limits	15.52	5.82	8.93	9.25	22.24
Balances with other banks in current account in India	..	10.21	10.41	10.75	10.99
Money at call and short notice in India	..	9.04	6.93	13.03	9.97
Investments (at book value)	..	362.12	362.42	364.83	381 60
Advances and bills	105.09	815.87	803.43	783.81	665 80
STATE BANK					
Deposits	..	87.76	245.76	247.76	239 03
Investments	..	51 99	107 05	107 04	106 70
Advances	..	30 35	154 77	151 41	137 09
Cash	..	14 69	18.02	18.59	16 46
					241 90
					116 32
					110 39
					30.77

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	October,		Seven months, April to Oct.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	8.71	10.57	64.51	70.94
Protective	0.95	1.13	5.72	7.18
On surplus disposals	0.02	—	0.07	0.03
Total import duties	9.68	11.70	70.31	78.15
Export Duties	3.04	2.80	21.17	15.56
Land Customs	0.07	0.27	0.50	1.40
Miscellaneous	0.05	0.12	0.41	0.63
Gross total customs	12 84	14 89	92 39	95 44
Refunds and drawbacks	0 23	0 15	1.55	1 35
Net Customs	12 61	14 74	90 84	94 09
Gross excise	11.09	16 15	85.50	102 08
Refunds	0 46	0 20	2.86	1 15
Net Excise	10.63	15.95	82.64	100.93
Net total of customs and excise†	23.24	30 69	173.48	195.02

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 25th Jan., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20.00.00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50 000
Reserve Fund and Other Reserves	..	6,37,50,000
Deposits and Other Accounts	..	252,02,59,000
Borrowings from Other Banking Companies, Agents, etc.	..	17,63,00,000
Bills Payable	..	4,39,58,000
Bills for Collection being Bills Receivable as per contra	..	75,67,000
Acceptances, Endorsements and Other Obligations per contra	..	8,26,000
Other Liabilities (including Inter-Office Adjustments)	..	4,25,74,000
Total ..	Rs.	291.14 84,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	13,85,33,000
Balances with other Banks	..	4,11,00,000
Money at Call and Short Notice	..	1,06,67,000
INVESTMENTS:		
Government and other Trustee Securities	95,46,50,000	
Other Authorised Investments	11,46,50,000	
		106,92,00,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	123,63,70,000	
Bills Discounted and Purchased	37,13,85,000	
		160,82,55,000
Bills Receivable being Bills for Collection as per contra		75,67,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,26,000
Premises less Depreciation		1,19,87,000
Furniture and Fixtures less Depreciation		60,81,000
Other Assets (including Inter-Office Adjustments)		1,72,68,000
Total ..	Rs.	291,14,84,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @		3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year											
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,82	65	3,26	23 66	84,17	1,13,35	02.03	— 31.07	7.55	25.64						
1954-55	4,70	1,62	4,99	27.27	1,24,64	1,34 94	1,30,88	— 36,35	5,57	37.15	7,40¶	7 38	55††	54		
1955-56	3,76	1,98	5,48	27.19	1,44,36	1,58,16	1,67,86	— 38,87	4,79	41.25	9,86	16,37	45	95		
October 1955	4,14	10	5,21	2.11	1,36,38	11,24	1,48,99	— 38,23	46	39,68	80	12.49	5	80		
November ,,	4,07	10	5,21	1,98	1,37,68	11,25	1,50,40	— 38,34	43	40,05	82	13,20	5	85		
December ,,	4,00	18	5,26	2.58	1,39,48	12.94	1,52,44	— 38,44	36	40.34	83	13,93	4	88		
January 1956	3,91	14	5,24	2.02	1,40,78	12 16	1,54,14	— 38,55	32	40,61	84	14.73	2	91		
February ,,	3,83	16	5,29	2.33	1,42,37	13,87	1,56,19	— 38,66	29	40,95	93	15,57	2	93		
March ,,	3,76	33	5,48	2.82	1,44,36	23,64	1,67,85	— 38,87	26	41.25	88	16,37	2	95		
April ,,	3 69	24	5,54	2.19	1,45,85	14,54	1,71 08	— 38,98	24	41.51	92	17,13	3	98		
May ,,	3,61	21	5,54	2 49	1,47,58	14,77	1,73 05	— 39,05	38	41,82	85	17,91	2	1,00		
June ,,	3,54	28	5,55	2.70	1,49,48	15,24	1,75,99	— 39,15	38	42,11	92	18,75	4	1,04		
July ,,	3,48	43	5 81	2.78	1,51 53	14,61	1,80,05	— 39,24	38	42 42	1,01	19,88	4	1,07		
August ,,	3,40	29	5,82	2.63	1,53,14	14,10	1,83,21	— 39,35	36	42,72	98	20,58	5	1,11		
September ,,	3,34	17	5,71	2.65	1,55,14	13,27	1,84 38	— 39,17	34	43.00	85	21,84	5	1,19		
October ,,	3,28	16	5,69	2,38	1,56,51	13,00	1,85,99	— 39,28	25	43,29	82	22,06	4	1,17		
November ,,	..	..	..	..	..	..	..	..	25	43,39	..	..	..	..		

* At the end of period.

‡ Issued from 10th May 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

†† Relating to nine months from July, 1954.

§ From July 1954.

¶ Outstandings at the end of period.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 12th Jan., 1957	5th Jan., 1957	15th Dec., 1956	14th Jan., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89 7	89.7	89.7	91.1
1. Government of India	89 4	89.4	89.5	91.0
2. Indian States	96.6	96.6	96.7	96.5
3. Municipal Port Trust, etc.	90.8	90.9	90.9	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.0	100.0	100.0	101.1
1. Electricity	100 9	100.9	100 9	102.6
2. Jute	97.5	97.5	97.5	97.6
3. Plantations	98 6	98.6	98.6	99.1
4. Sugar	98.5	98.5	98.5	99.0
5. Coal	90.6	90.6	90.6	89.6
6. General Engineering	100 9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.5	100.5	101.0	101.0
PREFERENCE SHARES	80.5	80.3	80 9	87.3
1. Electricity	87 0	87.0	87.5	94.5
2. Cotton	79 9	80.0	80 9	79 7
3. Jute	75 4	75 5	75.6	88 8
4. Coal	83 0	83 0	83.0	90 6
5. Iron and Steel	83.5	83.7	83.6	89.1
6. Sugar	81.6	81.6	82.7	85.5
7. Paper	79 7	79.6	79 8	86 5
8. Plantations	99 9	100 5	101 8	101.1
9. Miscellaneous	74.3	74.0	75.8	84.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	112 6	113 4	117 0	128 8
(a) Finance	91 4	90 9	93 2	93 8
1. Banks	92.8	92 0	94 2	92 8
2. Insurance	89.3	89.8	99 3	93 3
3. Investment Trust	82.7	82 7	93 0	97 2
(b) Public Utilities	108 0	108 0	110 4	117 2
1. Electricity	109.2	108.7	111.5	120.9
2. Shipping and other Transport	112.7	113.6	115.8	115.3
3. Railways	81.2	81.2	92 3	92 3
(c) Manufacturing Industries	120.0	121.2	125.5	136.0
1. Cotton, Woollen and Silk	126 7	128.0	131 2	127 6
2. Jute	58.9	60 4	64 4	91 3
3. Iron and Steel	127 1	127 5	136 3	160 2
4. Paper	245 6	247 3	252 6	250 5
5. Cement	168 5	168 5	171 9	176 7
6. General Engineering	173 2	174 8	178 6	205 6
7. Sugar and Breweries	100 1	101 5	105 9	109 3
8. Chemicals	136.5	137 3	138 4	153 6
(d) Non-Manufacturing Industries	139 6	141 5	145 3	184 3
1. Coal	73 6	74 8	77 0	87 2
2. Mining and Oil	197 6	200 9	203 2	261 6
3. Plantations	155 1	156 9	162 1	170 6
(e) Miscellaneous	90 0	90 7	94 3	107 5
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89·0	89·0	89.1	90·6
1. Bombay	89.5	89.5	89 6	91 1
2. Calcutta	89.9	89.9	89.9	91.4
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	99·4	99.4	99 4	100·2
1. Bombay	100 5	100.5	100 5	101.9
2. Calcutta	99.7	99.7	99.7	100.1
3. Madras				
PREFERENCE SHARES:	85·4	84.9	84.6	90·5
1. Bombay	74 1	74 1	75 0	83 1
2. Calcutta	95.0	95.5	96.8	97.4
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	121·4	121.8	126 2	132·4
1. Bombay	99 0	100 3	103 3	117 2
2. Calcutta	125 1	125 4	125 7	123.5
3. Madras	121.1	120.8	124.7	138.7
4. Delhi				

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	772	466,607	3,382,608
1954	840	477,138	3,372,630
1955	1,166	527,767	5,697,848
August 1954	79	51,090	322,887
September ,,	97	50,414	363,878
October ,,	88	41,724	276,204
November ,,	68	25,115	239,701
December ,,	101	54,455	262,763
January 1955†	95	49,038	322,807
February ,,	91	33,370	144,302
March ,,	112	70,042	334,696
April ,,	105	32,432	333,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	650,492
August ,,	236	90,218	533,999
September ,,	251	92,619	580,021
October ,,	134	47,000	214,214
November ,,	99	48,009	178,112
December ,,	129	45,277	239,850
January* 1956†	107	61,050	349,655
February* ,,	122	69,450	786,766
March* ,,	146	133,188	678,716
April* ,,	143	81,367	534,988
May ,,	137	64,361	558,717
June ,,	152	79,343	485,634
July* ,,	144	99,431	529,855
August* ,,	129	58,260	495 007
Sept.	142	109,503 (a)	762,341 (b)

† Figures are provisional. * Revised.

(a) Not known in 9 cases. (b) Not known in 14 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,576.5	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
Jan., to Sept., 1955	694	6,262 7	5,089.4
Jan., to Sept., 1956	750	7,114.6	5,858.8
July 1955	700	724.8	583.3
August ,,	705	708.9	574.4
September ,,	707	719.3	587.1
October ,,	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	734	785.7	648.0
January 1956	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	825.8	669.1
June ,,	710	796.5	658.5
July ,,	724	798.0	656.2
August ,,	725	798.7	650.0
September ,,	737	812 7	666 4

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

‡ At the end of period. § From all sources.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	12th Jan., 1957	5th Jan., 1957	14th Jan., 1956	December, 1956	December, 1955	Percentage of increase (+) or decrease (—) in Dec., 1956 as compared with Dec., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	389.0	382.4	333 8	413.9	323 7	+27 9	373.2	339.8
Cereals	59	488	476	399	532	385	+38 2	372	351
Pulses	8	429	424	362	427	345	+23 8	389	380
Others	33	253	252	237	262	234	+12.0	238	291
Industrial Raw Materials	(18)	522.0	517.6	453.8	517.5	436.9	+18 4	478.8	436.2
Fibres	58	508	502	456	499	488	+13.9	429	447
Oil seeds	20	566	572	458	570	431	+32 3	398	464
Minerals	10	540	509	426	531	434	+22 4	427	422
Others	7	434	437	458*	434	462	— 6.1	431	427
Semi-Manufactures	(17)	413.6	411.2	352.4	417.5	346 6	+20 5	338.2	350.3
Leather	8	433	433	418	443	400	+10 8	378	376
Mineral oils	13	210	210	202	209	203	+ 3 5	207	221
Vegetable oils	16	623	620	426	632	414	+52 7	389 B	433
Cotton yarn	25	495*	490	433*	499	424	+17 7	422	454
Metals	18	328	326	280	327	279	+17 2	254	240
Oil cakes	4	449	439	359	484	355	+36 3	388	381
Others	5	362	362	330	363	330	+10 0	336	312
Manufactured Articles	(30)	386.1	386.9	375.8	386 9	373 0	+ 3.7	372.9	377.4R
Textiles	64	416	417	409	418	405	+ 3 2	408	421
Jute	11	448	456	420	459	415	+ 8 0	418	448
Cotton	45	414*	414*	403*	415*	399*	— 4 0	403*	433
Rayon and Silk	6	436*	436*	436*	429*	430*	—11.7	435*	469*
Woollen	4	266	266	266	266	266	— 4.8	264	311
Metal products	17	390	390	371	390	371	+ 5.1	359	349
Others	19	298	298	285	297	294	+ 4.6	285	286
Miscellaneous	(4)	593.0	594.1	538.4	590 3	544 2	+ 8.5	548 4	612.4
All Commodities	(100)	420 6	417.6	376.0	428 9	388 2	+16.5	380.4	377.6

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,930
Ragi	final	,,	5,627	5,711	1,844	1,846
Small millets ..	final	,,	13,095	13,709	2,103	2,456
Total cereals ..	final	tons	211,000	212,025	53,349	55,784
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,314	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,880
Rabi pulses‡ ..	final	,,	10,579	10,590	1,858	1,959
Total pulses ..	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut ..	final	tons	12,585	13,548	3,804	4,128
Castorseed ..	final	,,	1,462	1,394	126	124
Sesamum ..	final	,,	5,738	6,501	456	549
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds ..	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,908	4,227
Jute A.	final	,,	1,581	1,243	4,137	2,028
Mesta A	2nd	,,	695†	55311	1,430†	1,101††
Other crops—						
Potato	final	tons	693	658	1,839	1,736
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry) ..	final	,,	37	35	15	14
Pepper (Black) ..	final	,,	214	208	37	36
Chillies (Dry) ..	final	,,	1,492	1,523	340	382
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During December, 1956	84 9
	Corresponding month, 1955 ..	97 3
	Six months ended Dec., 1956 ..	517 3
	Corresponding period, 1955 ..	519 5
Stocks	At the end of Dec., 1956 ..	90 6
	Corresponding month, 1955 ..	88 5
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 8th Dec., 1956 ..	7,596
	Corresponding week, 1955 ..	5 171
	From 1st Jan., to 8th Dec., 1956..	404,274
	Corresponding period, 1955 ..	440,555
		(In '000 yds.)
Exports* (Jute Cloth) ..	Week ended 8th Dec., 1956 ..	86,165
	Corresponding week, 1955 ..	68,583
	From 1st Jan., to 8th Dec., 1956..	1,412,230
	Corresponding period, 1955 ..	1,300,402
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	December, 1956	4 02
	Corresponding month, 1955 ..	3 64
	Six months ended Dec., 1956 ..	29 9
	Corresponding period, 1955 ..	30 13

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1953 ..	11,58,000	10 61,900	7,91 800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955..	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956..	11,55,000	10,62,100	7,97,800
July 1955	94,900	84,300	64 300
August ,, ...	92,500	83,900	63,700
Sept. ,, ...	95,800	87,500	65,700
October ,, ...	91,700	85,800	64 800
Nov. ,, ...	91,900	86 200	63,400
Dec. ,, ...	103,900	97,500	72,300
July 1956	94,400	91,300	65,500
August ,, ...	97,800	88,900	66,000
Sept. ,, ...	96,400	86,800	65 700
Oct. ,, ...	96,700	91,100	71,400
Nov. ,, ...	94 700	85,800	65,100
Dec. ,, ...	101,500	93,300	66,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March,1953 ..	6,26,710	4,31,460	3,12,940
Do. 31st March,1954 ..	5,80,020	3,49 930	2 92,440
Do. 31st March,1955 ..	7,15,949	5,28,340	4,59,003
Do. 31st March,1956 ..	7,06,886	5,31,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
,, ,, Sept., 1954.	1,80,018	1,29,717	1,13,951
,, ,, Dec., 1954.	1,83,053	1,36,801	1,30,616
,, ,, Mar., 1955.	1,69,108	1,43,822	1,18,136
,, ,, June 1955.	1,85,605	1,34,333	1,16,241
,, ,, Sept. 1955.	1,75,181	1,30,630	1,05,714
,, ,, Dec., 1955.	1,60,750	1,24,696	1,05,752
,, ,, Mar. 1956.	1,84,450	1,41 846	1,19,860
,, ,, June, 1956.	1,48,306	1,17,710	92,609
,, ,, Sept. 1956	1,74,447	1,33,325	1,13,951
,, ,, Dec., 1956.	1,88,546	1,41,450	1,14,703

OVERALL BALANCE OF TRADE OF INDIA
October 1956†

Particulars	October, 1955	October, 1956	Seven months April to Oct. 1955	Seven months April to Oct. 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. lakhs	Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports ..	47,82	52,73	338,95	322,65
(b) Re-exports ..	55	42	3,14	4,70
Less—Transit trade ..	..	..	8	6
Net re-exports ..	55	42	3,06	4,64
Total exports ..	48,37	53,15	342,01	327,29
2. Imports	51,91	70,95	355,02	465,28
Less—Transit trade ..	1	1	8	21
Net Imports* ..	51,90	70,94	355,02	464,97
Balance of trade in merchandise	—3,53	—17,79	— 13,01	—137,68
Balance of trade in gold and silver	..	— 1	— 4	— 12
Total overall visible balance of trade ..	—3,53	—17,80	— 13,05	—137,80

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	940	171	108	61	188	21	160	207	25	260	46	156
1953-54	11,982	2,512	899	153	92	61	152	18	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	209	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	20	474	412	41	331	48	148
September 1955 ..	5,085	1 354	495	101	56	32	39	12	139	197	20	153	22	76
October ,, ..	7,016	1 6m	565	115	62	38	54	14	151	230	23	179	27	90
November ,, ..	8,0-2	1 844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ..	9 238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956 ..	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,, ..	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ..	1,135	237	82	23	12	5	13	2	64	34	2	21	3	10
May ,, ..	2,227	470	166	44	23	11	25	5	115	70	5	60	5	21
June ,, ..	3 294	705	256	59	33	15	33	8	148	104	7	89	9	28
July ,, ..	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,, ..	5,406	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September ,, ..	6 420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October ,, ..	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	93

Note.—The figures relate to Broad and metre gauges of Class I Railways. The montly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 24th Jan., 1957 ..	64,854(J)
	Corresponding week, 1956 ..	10,604(J)
	1st Sept. 1956 to 24th Jan., 1957:	634,857*
	Corresponding period, 1955-56 ..	524,556*
Cotton Exports‡ ..	Week ended 24th Jan., 1957 ..	14,166
	Corresponding week, 1956 ..	9 376
	1st Sept. 1956 to 24th Jan., 1957:	97,701
	Corresponding period, 1955-56 ..	293,575
Mill Consumption .. (Estimated)	1st Sept. 1956 to 24th Jan., 1957:	518,232
	Corresponding period, 1955-56 ..	512,822
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 24th Jan., 1957	501,178
	Corresponding date, 1956.. ..	444,721
Cotton Exports from Bombay (by sea)	During Nov., 1956	9,238
	During Nov., 1955	..
	1st Sept., '55 to 30th Nov., 1956..	33 221
	1st Sept., '54 to 30th Nov., 1955..	266,581
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 10th Jan., 1957	770,496
	Corresponding period, 1955-56 ..	743,603
Exports	1st Sept., 1956 to 10th Jan., 1957	322,705
	Corresponding period, 1955-56 ..	336,146

J By Rail and Sea. † Incomplete. * By Rail Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1956 to 21st Jan., 1957 Bales	From 1st Sept. 1955 to 21st Jan., 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	10,184	28,923
Continent ..	9,441	52,867
Hongkong ..	7 088	21,076
China	8,927	20,938
Japan	51,113	124,026
U.S.A. ..	600	1 908
Other Countries ..	314	4,571
Total to all foreign countries ..	82,667	267 909
Coastal Ports ..	7 360	58,138
Total	90,027§	326,047§
	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1956	369,505
Foreign		47 413
India	Three months ended Nov., 1956	1,117 406
Foreign		151,839
Indian	Same Period 1955	1,121,560
Foreign		133,993
Stocks (Mills and Elsewhere)—		
Indian	As on 30th November, 1956 ..	1 026,767
Foreign		180,065
India	As on 30th November 1955 ..	1,055 219
Foreign		167,068
Cotton Pressed in India† (In running bales) ..	Week ended 11th Jan., 1957 ..	14,565
	Corresponding week, 1956	93 187
	1st Sept., 1956 to 11th Jan., 1957	640,859
	Corresponding period, 1955-56	941,356

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63 30,20,000	1960-70	100½
3 % Loan	1933-39	1 16 17 46,000	1963 65	94½
3 % Loan	1950	30 33 10,000	1964	94½
3 % Rs. Loan	1943	1,10,11,78,000	1966-68	92½
3 % V. Loan	1944	33,54,89,000	1957	99½
3 % Loan	1945	1,13,05,88,000	1970-75	87½
3 % 2nd V.Loan	1945	1,13,85,64,000	1959-61	97½
3 % Loan	1951	50,35,63,000	1958	99½
2½ Loan	1946	45,80,37,000	1960	91½
2½ Loan	1946	57,00,69,000	1961	93½
2½ Loan	1946	14,77,48,000	1976	83½
2½ Loan	1947	73,86,72,000	1962	93½
3½ Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ N.P. Loan	1954	1,58,17,34,000	1964	98½
3½ N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98½
3½ %	1956	57,27,00,000	1962	97½
3½ % N.P. Bon s	1956	33,82,00,000	1967	98½
3½ %	1956	66,64,00,000	1974	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months notice. On September, 1986 or later at option of Government after three months' notice	73
3 % Loan	1946	2,48,91,47,000		73½
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958-68***	102§
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97-15§
4 % Andhra	1956	6,00,00,000	1st Sept. 1968	96½
3 % Bombay	1944	3,66,66,000	15th Aug. 1958	94½
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94½
3 % Bombay	1950	2,87,82,000	31st July 1960	95
3½% Bombay	1951	2,95,25,000	15th Sept. 1967	98
3 % Bombay	1953	5,42,28,000	15th July 1963	100½
3 % Bombay	1952	3,55,87,000	1st Aug. 1964	97½
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99½
4 % Bombay	1956	7,50,00,000	3rd Sept 1970	99½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97½
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97½
3 % Coehin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½ % Coehin	1936	70,00 000	1st June 1956-61	99½
3½ % Howrah Bridge (New)	1936-37	1,95 96,700	1956 66	95½
4 % Hyderabad	1955	2 12,42,000	1st Sept. 1967	99½
4 % Hyd-rabad	1956	6,00 00,000	3rd Sept 1968	99½
3 % Madras	1939	1,23,95,600	21st June 1959	96½
3 % Madras	1944	1,07,95,300	15th Aug. 1958	94½
3 % Madras	1945	2,76,44,000	14th Sept. 1960	96½
2½% Madras	1946	3,81,77,200	1st Sept. 1961	93-1½
3 % Madras	1950	4,38 25,400	31st July 1961	96-4½
3½ % Madras	1951	3,01 49,100	17th Sept. 1962	97½
4 % Madras	1953	10,3-,,6,000	15th July 1963	99½
4 % Mysore	1952	5,24 81,200	1st Aug. 1964	99
4 % Mysore	1955	7,00,00,000	1st Sept. 1967	98½
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98
3 % M.P.	1953	1,63,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,50,00,000	3rd Sept 1968	97
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99½
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99½
4 % Trav Cochin	1953	2,00,00,000	15th July 1963	99½
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90½
3 % U.P.	1944	2,87,13,000	15th Aug. 1958	94½
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96
3½ % U.P.	1948	2,20,93,000	1st Sept. 1961	93½
3½ % U.P.	1951	1,91 02,000	17th Sept. 1962	97½
4 % U.P.	1952	5,11,45,200	1st Aug. 1964	99½
4 % U.P.	1953	5,65,15,500	15th July 1963	99½
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	98½
4 % U.P.	1956	5,00,00,000	3rd Sept. 1968	97
3 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97½
3 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97½
4 % M Bharat	1955	1,00,00,000	15th July 1963	99½
4 % M Bharat	1956	1,00,00,000	3rd Sept 1968	97½

ABBREVIATION—
M—Nominal.

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	98½N
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98½N
84,22,000	4	1914	1975	99½N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1916*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1926*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1966	
10,00,000	3½	1936*	1966	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99
78,90,117	4	1915	1975	99
1,50,00,000	4††	1921	1981	99½
68,62,3-,6§	6½	1921	1981	144N
1,40,00,000	5	1927	1957 87, 197	99½
1,49,30,000	5	1928	1958-88, 198	99½
80,00,000	4½	1931	1991	95
1,00,00,000	5½	1935	1975	97½
25,00,000	3½	1938	1968- 88	99½
50,00,000	3	1945	1995	74
50,00,000	3	1946	1975	85
50,00,000	3	1946	1978	84½
50,00,000	3	1946	2-06	74
50,00,000	3	1947	1977	79½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1959	97
50,00,000	3	1950	1980	82
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1961	84½
50,00,000	3½	1951	1961	98½
50,00,000	4	1953	1963	100
50,00,000	4	1953	1963	98½
90,00,000	4	1955	1985	98
77,00,000	4	1956	1986	97½
75,00,000	4	1956	1986	97½
STERLING LOANS				
£892,600	5	1923	1953-83	£70½
£901,000	5	1924	1954-84	£70½
£535,100	5½	1932	1962	£91½
MADRAS				
Rs.				Rs.
$1,47,169	3½	1947	1977	
9 84 000	3	1947	1977	
3,00 000	3	1949	1979	A
45,00,000§	4½	1954	1984	

IMPR TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
25,00,000	4	1906	1966	
40,00,000	5	1910	1957-79	118N
66,80,000	5	1920	1955-80	
25,00,000	5	1926	1966-86	115N
25,00,000	4	1927	1961-70	99½
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1969	£95½N
£338,000		1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968-88	90
50,00,000	4	1952	1982	99½
1,02,00,000	4	1956	1986	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20 60,000	4	1913-15	1974	99½
10,00,000	5	1926	1956	113½
25,00,000	5	1929	1954-84	102
8,45,500	5	1929	1954-84	
20,21,500	5	1929	1959	
8,25,00,000	3½	1947	1977	86½
2 50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1980	86½
2,50,00,000	4	1952	1984	99½
2,00,00,000	3½	1951	1986	97½
1,30 00,000	4	1953	1983	99½
1,00,00,000	4	1953	1984	99½
1,00,00,000	4	1954	1984	99½
2,50,00,000	4	1955	1985	99½
1,50,00,000	4	1956	1986	99½
Rs.				Rs.
36,00,000	5	1926	1958	108
25,00 000	5	1929	1957	102½
25,00,000	5	1929	1958	102½
17,50,000	5	1929	1962	94
33,91,000	3	1934	1964	90
60,00,000	3	1936	1966	90
17,50,000	3	1938	1968	90½
15,56,000	3	1940	1957	99½
17,64,400	3½	1942	1959	99½
21,10,000	3½	1942	1972	97½
15 49 000	3½	1951	1990	97½
16 33,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	99½
87,36,000	4	1952	1982	99½
72,50,000	4½	1954	1979	100
Rs.				Rs.
15,00,000	3½	1951	1961	107½
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W Bengal	1951	1,75,00,000	17th Sept. 1968	98½
4 % W Bengal	1952	2,00,00,000	1st Aug. 1964	99½
4 % W Bengal	1953	3,00,23,000	15th July 1963	99½
4 % W Bengal	1955	7,58,72,000	1st Sept. 1967	98½
4 % W Bengal	1956	7,00,00,000	3rd Sept. 1968	99

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	99	100
Cawnpore Sugar Works ..	1,00,00,000	1905-24	8	Feb. Aug.	126	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6-1½	5
¶East India Distilleries ..	£200,000	1897	7	Jan. July	10½xd	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnagger Cane	4,00,000	1933-36	6	Aug. ..	99	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borrea	4,00,000	1896-97	6¼	Oct. Apr.	103	100
Burrakur (1st)	£2,99,800	1901-19	7	Apr. Oct.	114½	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	6,00,000	1923	6	Mar. Sept.	100	100½
Karanpura Collieries ..	9,87,500	1946	5½(a)	.. ..	60	75(p)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	4N	10
New Beerbhoom	4,00,000	1920	5(c)	Jan. July	11	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	104	100
COTTON						
Ahmedabad Advance.. ..	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	120	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7	10
Bengal-Nagpur	3,00,000	1898	7	Apr. Oct.	98	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	130	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	£1,75,000	1919	7	Jans Dec.	63½	50
Buckingham & Carnatic ..	£1,30,200	1920	7½	Jan. July	142½	100
Cambodias	1,00,000	1928	7	Apr. ..	115	100
Central India	50,00,000	1912	5	Apr. Oct.	465xd	495
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	104½	100
Elgin	11,00,000	1912	8	May. Nov.	124	100
Do. 'B' Pref. ..	4,00,000	1943	5	July Jan.	9	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	90	100
Kesoram ..

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. F.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and gross for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
50,00,000	5,62,726	90,10,670	43,05,378	96,889	Rajputana Textiles (Agencies) Ltd.	50,008	888	Apollo Mills	2½	2	0 4(c)	Nil	12 8	15 0	6	Y.P.
40,00,000	24,80,096	1,38,52,007	72,25,555	—6,97,129	B.K. Cotton Mills	49,616	1,021	Bombay Dyeing & Mfg. ..	108	100	10 0*	20 0	20 0		12	Y.F.
2,56,26,000	2,99,72,772	4,92,56,446	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd. ..	563½	250	Bombay Dyeing & Mfg. ..	563½	250	22 8*	20 0	22 0*	7 81	12	Y.F.
15,00,000	23,74,398	50,31,956	35,57,495	91,711	Ramnarain Sons, Ltd.	228½	50	Bradbury Mills	228½	50	100 0†	75 0†	12 8	20 0	3	
1,00,42,800	8,68,96,626	2,81,82,264	1,97,06,117	6,54,956	Birla Brothers Private Ltd. ..	1,26,344	2,986	Century Spg. & Mfg. ..	500½	100	22 0	22 0	22 0	8 01	12	
45,00,000	25,42,226	1,19,99,766	65,07,035	—23,08,807	V. J. Pilani (Chairman and Managing Director)											
25,00,000	13,96,350	90,18,907	57,80,041	17,916	Cowasjee Jahangir & Co., Ltd.	40,608	798	Colaba Land & Mill	75	100	Nil	Nil	Nil		12	
10,00,000	24,86,996	69,10,641	54,66,041	2,17,076	Ramnarain Sons, Ltd.	20,833	660	Dawn Mills	178½	50	6 0	6 0	18 0	12 8*	3	
24,00,000	40,00,435	75,75,267	56,21,782	2,88,643	Purannal Bubaa Sons	50,084	928	Edward Textiles	310	200	15 0	15 0	18 0		12	
22,86,050	11,81,325	1,06,72,549	80,74,324	1,81,354	M.	41,280	836	Elphinstone Spg. & Wvg. ..	55	50	Nil	Nil	Nil		12	
50,00,000	70,11,675	1,23,88,512	74,17,297	1,67,199	James Finlay & Co., Ltd. ..	49,382	784	Finlay Mills	310	100	16 0	16 0	20 0		12	
11,84,000	75,14,589	1,52,34,660	1,07,26,500	608	Thackersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,600	1,000	225 0*	225 0	300 0	325 0	3	Y.F.
16,000									902½	250	56 4*	56 4	75 0	81 4		
2,00,00,000	68,50,899	4,66,16,552	3,89,00,000	1,93,112	Agarwal & Co.	2,33,812	6,413	India United Mills	111	100	0 10	Nil	0 15	0 101	12	Y.F.
50,00,000D									0 1D.	0 1	Nil	0 0	0 3	0 11		
8,66,000	72,74,043	1,41,26,890	1,00,89,000	4,386	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,250	1,000	225 0*	225 0	300 0	300 0	3	Y.F.
35,000									500	112 8*	112 8	112 8	150 0	150 0		
50,86,000	55,07,881	2,73,72,678	2,03,22,128	28,228	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg.	224½	100	10 0	8 0	10 0	10 0	6	Y.F.
1,80,00,000	1,21,40,000	3,54,88,095	2,65,14,796	33,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	324½	100	20 0*	18 0	18 0	6 01	12	
23,18,054	41,06,780	1,18,74,848	55,99,116	51,670	M. Struc & Co., Ltd.	49,000	544	Modern Mills	100M	50	5 0	5 0	8 0*		12	
51,75,000	37,06,398	2,85,58,597	1,76,19,569	1,41,488	Piramal & Sons	70,416	1,552	Morarjee Goculdas Spg. & Wvg.	246½	100	12 0	14 0	14 0	15 0	6	Y.F.
1,97,74,400	58,41,004	6,54,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd. ..			National Rayon Corporation	245½	100	9 0	10 0	12 0		12	
24,80,000	24,80,000	76,57,858	48,04,750	9,015	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	147½	100	10 0	10 0	10 0		12	
20,00,000	14,61,250	92,85,599	61,42,741	4,880	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	247½	100	10 0	7 8	10 0		12	
42,50,000	30,10,989	1,54,20,555	84,72,256	2,40,852	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	147½	100	8 0	8 0	10 0		12	
40,00,000	45,70,890	89,55,049	59,00,000	3,92,577	Podar Sons, Private Ltd. ..	52,800	980	Podar Mills	170	100	10 0	10 0	12 0*		12	
5,00,000	8,16,999	21,21,521	19,01,840	—1,78,164	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill		10	0 12	0 8	0 10	0 0*	12	
57,70,000	82,80,605	1,10,93,742	47,14,207	19,041	M. Struc & Co., Ltd.	49,616	1,244	Sassoon Spg. & Wvg. ..	40	10	1 4	1 12	1 12		12	
80,00,000	47,70,061	90,30,668	58,37,925	1,47,422	Marwar Textiles (Agency) Ltd. ..	56,856	1,940	Shree Niwas Cotton Mills ..	188½	100	14 0	14 0	12 0		12	
42,00,000	23,08,179	98,72,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	54,840	1,276	Simplex Mills	182½	50	15 0	11 0	10 0	12 0	3	
37,50,000	2,23,13,782	2,51,28,099	1,87,35,474	11,888	Mafatlal Gagalbhai & Sons ..	62,088	1,332	Standard Mills	441½	100	20 0	20 0	20 0		12	
99,58,700	84,09,716	2,26,87,647	1,19,01,809	67,611	Tata Industries Private Ltd. ..	72,286	2,000	Svadeshi Mills	228½	100	10 0	8 0	12 0		12	
24,00,000	68,33,485	1,22,99,971	81,82,715	1,51,060	James Finlay & Co., Ltd. ..	58,828	852	Swan Mills	415	100	20 0	20 0	25 0		12	
66,67,000	81,06,576	1,77,84,589	68,44,553	42,485	Tata Industries Private Ltd. ..	62,096	1,900	Tata Mills	504	25	1 8	2 8	4 0	3 0	12	Y.F.
12,00,000	61,06,709	1,27,41,223	90,20,000	4,524	Thackersey Mooljee Sons & Co.	54,186	1,209	Western India Spg. & Mfg. ..	5,250	1,000	225 0*	225 0	300 0	300 0	3	Y.F.
AHMEDABAD																
60,00,000	21,50,000	1,48,70,885	99,76,844	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	180	100	10 0*	5 0	7 0	12 0	6	Y.F.
10,00,000	24,58,088	84,87,898	76,10,164	87,288	P. M. Ruthesing & Co., Ltd. ..	44,280	1,212	Arvind Mills	218	100	20 0*	20 0	20 0		12	Y.F.
26,25,000	2,55,30,694	1,56,65,504	1,16,00,000	78,768	Narotam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,152	100	20 0*	25 0	30 0		12	Y.F.
20,00,000	81,75,000	96,84,884	72,33,305	3,448	Mangaldas & Sons, Ltd.	57,164	992	Arvindeya Ginning & Mfg.	525	200	15 0	15 0	25 0*		12	Y.F.
12,00,000	1,19,28,263	84,50,971	69,54,358	69,606	Lalbhai Dalpatbhai & Co. ..	57,156	1,025	Bharat Mills	1,025	100	22 0*	22 0	30 0		12	Y.F.
1,87,50,000	2,28,76,223	4,61,25,252	2,56,68,344	2,81,712	Kasamchand Premchand Ltd. ..	1,39,120	2,572	Calico	562½	125	0 0	0 0	Nil		4	Y.F.
2,37,470	3,00,000	50,27,554	19,02,143	16,764	C. E. Srinivasan, Esq. (Chairman).	24,800	..	Canvery Spg. & Wvg. Mills Ltd.	124	10	Nil	Nil	Nil	0 12	3	
12,00,000	20,60,000	84,58,996	37,56,527	84,164	R. Bhoma Naidu & Co.	52,564	..	Coimbatore Cotton Mills ..	100	100	16 0	16 0	20 0		12	
20,00,000	19,05,000	36,59,480	24,25,921	14,828	T. R. N. Naidu & Co.	22,738	..	Coimbatore Pioneer Mills ..	293½	100	15 0	20 0	25 0		12	
5,00,000	1,07,676	1,19,00,858	81,68,245	21,280	R. G. S. Naidu & Co.	75,822	407	Coimbatore Spg. & Wvg. ..	89	50	3 0*	6 0	8 0		12	
24,87,500	46,12,632	2,50,88,371	1,62,61,554	19,216	The Indian Textiles Private Ltd.	97,252	1,630	Kothari Textiles	128	100	10 0	10 0	12 0		12	
3,25,26,225	3,06,82,110	11,16,21,472	5,81,67,327	1,28,712	B. B. Charat Ram & Co., Private Ltd.	1,16,636	2,854	Delhi Cloth & General Mills	363N	25	1 12	2 0	2 4	2 8	3	Y.F.
1,00,568										25	2 4/5	0	3 2/5	0 3	4	
34,50,000	25,47,678	52,74,245	32,26,522	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	374	100	25 0	30 0	30 0		12	
66,00,000	66,33,860	1,55,16,382	1,29,71,681	99,886	Begg, Sutherland & Co., Ltd. ..	48,452	1,198	Elgin Mills	284½	10	1 0	1 0	1 0		12	
46,81,000	35,22,176	1,00,55,157	68,95,982	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	225	100	17 0	15 0	15 0		12	
50,00,000	6,15,447	1,51,91,953	1,12,25,976	9,851	K. L. Saksaria, Esq. (Chairman)	51,180	1,450	Indian Manila United	146½	100	10 0	10 0	12 0	5 01	12	
3,00,000	10,65,683	31,06,669	18,48,185	2,079	G. V. Naidu & Co., Ltd.	14,828	..	Janardhana Mills	108	50	4 8	5 0	10 0		12	
15,54,000	18,24,703	45,22,234	33,88,095	7,012	Lalji Naranji & Co.			Jam Shri Ranjitsinghji	1,506	Nil	20 0	50 0	50 0	60 0	6	
32,42,555	19,25,000	92,32,450	52,49,160	41,492	Kothari & Sons	45,000	900	Kothari Textiles	159	100	10 0	8 0	10 0	10 0	3	
33,00,000	68,30,185	1,48,62,650	1,18,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakhmi Cotton Mfg.	686	250	37 8	32 12	42 8	12 81	12	
25,54,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	55,908	201	Lakshmi Mills	265	50	5 0	10 0	12 8	12 8	3	
17,52,050									1324	25	2 8	3 0	3 4	6 4		
1,76,25,450	4,13,81,878	5,73,76,125	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	176d	15	3 0	3 0	3 0		3	
12,00,000	4,17,388	28,26,768	16,72,262	99,078	A. L. A. R. S. Chettiar and Brothers.	22,992	100	Malabar Spg. & Wvg.	108	100	8 0	8 0	8 0		12	
60,00,000	69,00,000	58,79,627	43,59,784	45,825	W. A. Beardsell & Co., Ltd. ..	24,792	668	Mettur Industries Ltd. ..	440	100	12 8	22 8*	32 0	42 8	3	
29,50,584	19,81,581	89,75,546	49,94,728	16,588	N. Struc & Co. Private Ltd. ..	49,296	704	Minerva Mills	87	100	7 0	5 0(c)	6 0		12	
94,91,850	21,50,146	1,71,94,766	78,51,523	1,55,008	M.	51,840	948	Model Mills (Nagpur)	180	250	7 0	5 0(c)	7 8	7 8	12	
30,00,000	58,19,600	1,53,89,272	1,05,91,551	—7,77,590	Indian Textile Syndicate Ltd. ..	58,540	1,334	Muir Mills	753N	100					12	
34,53,500	50,54,235	1,10,93,742	47,14,207	19,041	N. Struc & Co., Ltd.	49,616	500	Mysore Spg. & Mfg.	162½	50	10 0*	8 8*	6 0(c)	9 0*	12	
13,61,780	9,000	59,25,253	19,12,761	—1,80,688	R. Suryavanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills ..	84	10	Nil	Nil	Nil		3	
28,29,2880	25,02,533	1,04,27,292	58,90,719	—48,53,037	J. P. Srivastava & Co., Ltd. ..	52,425	1,225	New Victoria Mills	2	0 2½	Nil	Nil	Nil		3	
5,97,066D									—	D. 1	Nil	Nil	Nil			
57,19,500	55,42,220	1,69,99,989	61,91,561	74,725	Industrial Trust Fund	57,788	856	Osmanshahi Mills	69½	100	4 0	Nil	2 8(c)		9	
4,00,000A									150	50A	12 0	12 0	12 0			
6,00,000B	6,80,000	39,12,549	23,66,016	14,600	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	220	75B	16 0	16 0	16 0		12	
15,00,000	1,85,000	34,16,017	17,49,676	—14,99,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	77	100	Nil	Nil	4 0(c)		12	
10,61,200A									320	160A	8 0	16 0	20 0			
5,40,600B	22,75,000	83,60,150	49,56,177	4,802	A. G. Gurusamy Naidu & Co. ..	51,664	201	Radhakrishna Mills	170	80B	4 0	8 0	10 0		12	
15,00,000	30,00,000	48,74,196	25,94,337	11,081	B. R. Naidu & Sons	25,472	..	Rajalakshmi Mills	188½	50	7 8	10 0	10 0		12	
10,14,000	12,00,000	52,92,516	17,41,434	10,510	Ramco Agencies Ltd.	24,996	Nil	Rajapalayam Mills	154	100	4 0	6 0	10 0	10 0	3	
22,32,625	12,40,000	48,14,000	18,05,149	19,256	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	162	100	6 0	9 0	10 0		12	
60,00,000	62,41,565	1,00,35,433	35,44,914	—15,16,788	J. P. Srivastava & Sons (Rampur).	24,582	600	Raza Textiles	75	10	Nil	Nil	Nil		12	
10,000	1,80,58,017	2,18,49,081	2,05,07,227	—1,05,20,796	Menarka & Co.	95,222	2,234	Scholapoor Spg. & Wvg. ..	1,400	1,000	Nil	Nil	Nil	Nil		
56,46,726	17,10,000	51,44,272	45,32,218	1,09,146	H. N. Palkeya, Esq.	51,648	292	Sri Krishnarajendra Mills	108	50	4 0*	4 8	5 0	7 0	3	
26,14,500	3,00,246	38,12,956	17,72,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,850	440	Shree Sajjan Mills	90N	100	Nil	Nil			12	
15,00,000	3,48,36,155	90,92,186	79,35,730	30,00,553	Birla Brothers, Private Ltd. ..	55,556	1,242	Sutlej Cotton Mills	105N	10	4 0	5 0	4 0	6 0	3	
17,58,2000	2,20,00,000	4,54,40,247	1,78,82,186	1,09,289	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	114	100	6 0	8 0	9 12			
7,50,000PO									11½	10Z.O.	0-14 3/6	1-2 2/5	1-2 2/5		12	
1,00,00,000	30,14,788	2,99,52,317	2,27,16,775	2,63,771	Ramnarain Sons (Travancore), Ltd.				14½	10	0 5	0 10	0 12		12	
15,96,670	5,72,523	17,39,181	11,37,226	1,626	Moolji Ranajee & Sons	17,600	..	Travancore Rayons	18½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	
21,00,000	24,42,000	71,92,792	48,96,196	58,000	R. K. Chetty & Brothers	24,000	..	Trichinopoly Mills	18½	10	0 10	0 12	0 15		12	
52,50,000	34,62,971	1,04,67,132	1,06,10,332	22,125	Bombay Co., Ltd.	48,976	879	Vasanta Mills	320	100	12 0	15 0	20 0		12	
						46,480	1,321	Vishnu Cotton	147½	100	4 0	4 0	8 0	2 81	12	
WEST BENGAL																
15,00,000	1,42,500	84,93,029	51,82,884	61,576	Calcutta Agency Private Ltd. ..	18,044	356	Basanti Cotton Mills	5½	1	0 4	0 8	0 8	0 8	12	Y.F.
7,50,000	1,00,017	78,14,065	53,90,290	53,891	Bengal Textile Agency, Ltd. ..	29,544	961	Bengal Luxmi Cotton Mills ..	40N	40	Nil	4 0	4 0		3	
5,0,000	23,72,414	89,06,142	51,49,000	—23,47,873	Kettlewell Bullen & Co., Ltd. ..	42,672	941	Dunbar Mills	100	100	Nil	Nil	Nil	4 0	6,12	Y.F.
19,96,000	26,17,571	1,04,58,558	70,76,377	1,97,951	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	205	100	Nil	Nil	Nil		6,12	Y.F.
1,00,00,000	8,29,42,250	3,76,19,553	1,81,26,883	1,86,072	Birla Brothers Private Ltd. ..	70,384	1,996	Kesoram Cotton Mills	153	10	1 12	0 14	0 14	1 0	3	Y.
13,47,7800	7,45,000	47,06,298	24,48,333	1,094	HazareemullHeeralall	23,036	795	Rampoora Cotton Mills)	164N	10	0 8	0 10	1 0		6	Y.
5,00,000D									34N	1D	Nil	Nil	0-6 11/25			
SOUTH INDIA AND OTHER CENTRES																
11,00,000	5,87,596	31,56,764	15,54,243	3,566	Salem & Co., Ltd.	24,200	..	Ashar Textiles Ltd.	217	100	4 0	Nil	12 8	15 0	6	
71,94,000	25,91,354	1,84,91,580	50,78,582	1,26,048	Industrial Trust Fund	26,126	706	Azam Jahi Mills	82½	100	6 0	Nil	8 0		9	
46,85,000	2,00,58,745	2,34,98,906	2,43,58,258	2,28,549	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	555	100	25 0	30 0	30 0	10 0	12	Y.F.
37,80,000	15,50,000	77,25,162	58,72,128	18,199	M.	29,926	810	Bengal-Nagpur Cotton Mills ..	8	10	0 4	Nil	Nil		3	H.F.
35,00,000	1,09,45,351	1,19,14,492	87,78,992	4,95,231	Birla Brothers Private Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	30N	100	10 0	8 0	8 0		6,12	Y.F.
1,76,47,500	1,76,52,500	6,38,09,203	3,59,32,130	2,36,445	Binny & Co. (Madras) Ltd...	1,20,356	2,787	Buckingham & Carnatic	183	100	10 0	10 0	10 0		3	Y.F.
20,00,000	20,00,000	89,50,354	57,98,883	1,56,161	Peirce, Leslie & Co., Ltd. ..	58,706	..	Cambodia Mills	144	10	0 12	Nil	Nil	4 01	12	Y.F.
15,00,000	5,11,500	48,38,929	24,63,361	8,994	K. Damodaran, Esq.	17,440	..	Damodaran Spg. & Wvg. ..	158	100	12 0	20 0	12 0	15 0	3	
30,00,000	29,51,480	69,40,829	61,72,376	26,767	Begg, Sutherland & Co., Ltd. ..	26,796	591	Cawapore Textiles	6	10	0 0	0 0	Nil	0 4	3	
2,37,470	3,00,000	50,27,554	19,02,143	16,764	C. E. Srinivasan, Esq. (Chairman).	24,800	..	Canvery Spg. & Wvg. Mills Ltd.	124	10	Nil	Nil	Nil	0 12	3	
12,00,000	20,60,000	84,58,996	37,56,527	84,164	R. Bhoma Naidu & Co.	52,564	..	Coimbatore Cotton Mills ..	100	100	16 0	16 0	20 0		12	
20,00,000	19,05,000	36,59,480	24,25,921	14,828	T. R. N. Naidu & Co.	22,738	..	Coimbatore Pioneer Mills ..	293½	100	15 0	20 0	25 0		12	
5,00,000	1,07,676	1,19,00,858	81,68,245	21,280	R. G. S. Naidu & Co.	75,822	407	Coimbatore Spg. & Wvg. ..	89	50	3 0*	6 0	8 0		12	
24,87,500	46,12,632	2,50,88,371	1,62,61,554	19,216	The Indian Textiles Private Ltd.	97,252	1,630	Kothari Textiles	128	100	10 0	10 0	12 0		12	
3,25,26,225	3,06,82,110	11,16,21,472	5,81,67,327	1,28,712	B. B. Charat Ram & Co., Private Ltd.	1,16,636	2,854	Delhi Cloth & General Mills	363N	25	1 12	2 0	2 4	2 8	3	Y.F.
1,00,568										25	2 4/5	0	3 2/5	0 3	4	
34,50,000	25,47,678	52,74,245	32,26,522	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	374	100	25 0	30 0	30 0		12	
66,00,000	66,33,860	1,55,16,382	1,29,71,681	99,886	Begg, Sutherland & Co., Ltd. ..	48,452	1,198	Elgin Mills	284½	10	1 0	1 0	1 0		12	
46,81,000	35,22,176	1,00,55,157	68,95,982	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	225	100	17 0	15 0	15 0		12	
50,00,000	6,15,447	1,51,91,953	1,12,25,976	9,851	K. L. Saksaria, Esq. (Chairman)	51,180	1,450	Indian Manila United	146½	100	10 0	10 0	12 0	5 01	12	
3,00,000	10,65,683	31,06,669	18,48,185	2,079	G. V. Naidu & Co., Ltd.	14,828	..	Janardhana Mills	108	50	4 8	5 0	10 0		12	
15,54,000	18,24,703	45,22,234	33,88,095	7,012	Lalji Naranji & Co.			Jam Shri Ranjitsinghji	1,506	Nil	20 0	50 0	50 0	60 0	6	
32,42,555	19,25,000	92,32,450	52,49,160	41,492	Kothari & Sons	45,000	900	Kothari Textiles	159	100	10 0	8 0	10 0	10 0	3	
33,00,000	68,30,185	1,48,62,650	1,18,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakhmi Cotton Mfg.	686	250	37 8	32 12	42 8	12 81	12	
25,54,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	55,908	201	Lakshmi Mills	265	50	5 0	10 0	12 8	12 8	3	
17,52,050									1324	25	2 8	3 0	3 4	6 4		
1,76,25,450	4,13,81,878	5,73,76,125	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	176d	15	3 0	3 0	3 0		3	
12,00,000	4,17,388	28,26,768	16,72,262	99,078	A. L. A. R. S. Chettiar and Brothers.	22,992	100	Malabar Spg. & Wvg.	108	100	8 0	8 0	8 0		12	
60,00,000	69,00,000	58,79,627	43,59,784	45,825	W. A. Beardsell & Co., Ltd. ..	24,792	668	Mettur Industries Ltd. ..	440	100	12 8	22 8*	32 0	42 8	3	
29,50,584	19,81,581	89,75,546	49,94,728	16,588	N. Struc & Co. Private Ltd. ..	49,296	704	Minerva Mills	87	100	7 0	5 0(c)	6 0		12	
94,91,850	21,50,146	1,71,94,766	78,51,523	1,55,008	M.	51,840	948	Model Mills (Nagpur)	180	250	7 0	5 0(c)	7 8	7 8	12	
30,00,000	58,19,600	1,53,89,272	1,05,91,551	—7,77,590	Indian Textile Syndicate Ltd. ..	58,540	1,334	Muir Mills	753N	100					12	
34,53,500	50,54,235	1,10,93,742	47,14,207	19,041	N. Struc & Co., Ltd.	49,616	500	Mysore Spg. & Mfg.	162½	50	10 0*	8 8*	6 0(c)	9 0*	12	
13,61,780	9,000	59,25,253	19,12,761	—1,80,688	R. Suryavanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills ..	84	10	Nil	Nil	Nil		3	
28,29,2880	25,02,533	1,04,27,292	58,90,719	—48,53,037	J. P. Srivast

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						PAPER								
45 00,000	26,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	95N	25	1 9	3 2	4 11		6,12	H.P.S.
63,00,000	66,05,511	1,15,61,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp †‡	23½	10	12 0	14 0	1 6 ..	0 11 1/5†	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,660	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	16‡	10	1 0*	0 12*	0 12*	1 0*	3	H.P.S.
1,46,32,500	2,16,71,731	4,58,61,778	1,07,73,396	2,12,435	Birla Brothers Private Ltd....	Orient Paper	16‡	10	1 8	1 8	0 10†		3,9	H.P.S.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	33½	10	2 0	0 15	1 2	0 10	3,9	H.P.S.
20,00,000	6,50,000	95,83,644	61 01,926	13,795	Bajoria & Co.	Star Paper Mills	16‡	10	1 8	1 8	0 10†		6,12	H.P.S.
10,00,000 'A' }							10½	O. 10	0 12	0 12	1 4		3,9	H.P.S.
2,18,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	10½	A. 10	0 12	0 12	1 4			
56 00,000A. }	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	Nil	Nil	1 0	1 0	1 0		6	H.P.S.
56 00,000B. }							39	A. 10	2 0*	1 8	2 0*	1 2†*		
4,37,500 P.O. }							39	B. 10	2 0*	1 8	2 0*	1 2†*	3,9	H.P.S.
							4½	P.O. 2½	0 4	0 4	0 4	0 2†*		
						PRESSING								
5,00,000	6,12,885	15,78 488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	Y.
5,80,000	2,47,132	10,91,809	9,30,374	26,289	Andrew Yule & Co.	Central Hydraulic	129xd	100	4 0	5 0	5 0	6 0	6	Y.
						PROPERTY AND LAND								
10,00,7860. }	4,93,332	43,52,570	22,63,279	[36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	14N	O. 10	0 11½	0 9 3/5	0 9 3/5			
2,00,000D. }							3N	D. 1	0 4/5	*Nil*	0 9 3/†		9	Y.P.
40,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	9	100	1 8	4 0	*Nil*		4	Y.
94,00,000	36,70,109	193,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	24	100	1 8	4 0	3 0	*Nil*	4	Y.
						SAW MILLS AND TIMBER								
13,99,998	28,05,545	21,61,533	10,78,833	—5,14,587	Bird & Co. Private Ltd.	Assam Saw Mills	3½	5	*Nil*	*Nil*	*Nil*			
50,00,000 }	4,18,54,388	3,98,84,871	1,71,03,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corps. ..	72½	Old 125	15 0	20 0	37 8	40 0†	9	Y.
4,00,000 }		7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	27½	New 50	6 0	8 0	15 0	16 0†	5	Y.
20,00,000	21,15,487	19,00,295	14,35,560	2,76-619	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	25N	100	*Nil*	*Nil*			6	Y.P.
							42½	10	2 8	2 12	3 0	1 0†	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	12,32,202	42,04,482	29,87,602	—48,371	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	6‡	5	*Nil*	0 12	0 1	*Nil*	6	Y.
12 00,000A. }	29,18,356	49,46,285	33,16,660	15 50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	14N	A. 100	10 0	10 0				
3,00,000B }							14N	B. 10	1 0	1 0			4	Y.
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	10‡	7½	0 12	0 12	0 12		9	Y.
15,00,000	13,90,295	16 40 479	11,77,841	13 206	Cotton Agents Ltd.	Bharat Sugar	15N	10	1 8	1 8	1 8		6	Y.P.
45,97,020	37,71,814	1,36,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7½	10	*Nil*	0 12	0 4		6	Y.P.S.
25,00,000	57 88,651	1,03,44,647	84,35,451	22,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	19‡	10	2 0	0 12	0 12		6	Y.P.
15,00,000	89 72,340	81 58,085	56,46,244	29,503	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	23‡	10	1 0	0 12	0 12		10	Y.
5,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	1 0	1 8	1 0	6	Y.
50,00,000A. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	288N	A. 100	15 0*	15 0*	15 0*			
10,00,000B. }							100	O. 100	15 0*	15 0*	15 0*		6	Y.P.
	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	65N	80	*Nil*	*Nil*	*Nil*			
7 89,100	22,14,058	34,04,612	19,35,833	1,864	Cotton Agents Ltd.	New India Sugar Mills	39½N	40	*Nil*	*Nil*	4 8		7	Y.
11,00 000	4,20,000	42,21,480	24,87,558	4,136	Karamchand Thapar & Bros., Ltd. ..	New Savan	30N	10	2 8	2 8	2 8		6	Y.P.
19,37,500A. }	49,60,297	67,74,122	21,56,900	5,817	Cotton Agents Ltd.	New Swadeshi Sugar Mill	6‡	10	0 4	0 4			6	Y.P.S.
2,71,87,5B. }							240N	100	20 0	20 0	20 0			
77 45,250	52,18,159	1 86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	60N	25	5 0	5 0	5 0		6	Y.
12,00,000	12,74,232	28,77,669	19,05,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	145‡	100	11 0	11 0	11 0		7	Y.P.
5,00,000	17,64,369	27,85,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	106N	100	10 0	11 0				
5,00,000	8,31,129	26,43,202	21,70,224	5,234	M.	Ryam Sugar	17‡	10	1 0	0 12	0 12		10	Y.P.
11,99,000	19,38,520	45,20,102	24,12,120	3,554	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	20N	10	0 8	0 8	*Nil*		10	Y.P.
40,00,000	22,68,580	1,35,20,110	62,59,521	24,046	Saliu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	12	10	0 8	0 8	*Nil*		6	Y.P.
9,99,950	61,225	27,15,126	12,60,858	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..		12½	10	1 8	1 8	1 12	*Nil*	6	Y.P.S.
7,95,452	18,82,940	31,50,735	17,68,063	1,06,227	Karamchand Thapar & Bros. ..	Sitalpore Sugar	4‡	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,000 }							15N	10	2 0*	1 8*	*Nil*		8	Y.P.
4,40,000D. }	46,462	29,66 360	11,46,770	—16,37,907	M.	South Behar Sugar	1N	O. 10	*Nil*	*Nil*	*Nil*		8	Y.P.
5,00,000	21,91,685	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	4‡N	D. 2½	*Nil*	*Nil*	*Nil*		10	Y.P.S.
16,00,000	7,66,589	32,09,951	26,68,926	20,564	M.	United Provinces Sugar	70N	10	2 8	2 8	2 8		4	Y.P.
							16½	10	0 8	1 4	1 8		6	Y.P.
						Other Centres								
30,00,000	8,00,000	48,07,304	14,63,228	1,90,837	Rangarao & Co.	Andhra Sugars Ltd.	16cd	10	*Nil*	*Nil*	0 9 3/5	1 0	9	Y.
79,49,650	86,62,027	1,48,40,834	1,08 91,578	92 911	W. H. Brady & Co., Ltd.	Belapur Company	233	50	16 0	16 0	16 0	16 0‡	9	Y.
17,50,000	9 24,292	33,03,879	21,85,722	4,592	A. H. Bhindawalla & Co.	Bhopal Sugar Industries Ltd. ..	19‡	10	0 10	1 0	1 0		6	Y.P.
18,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	60N	100	*Nil*	*Nil*			6	Y.P.
47,84 920	14,60,000	80,54,997	18,71,125	5,22,218	India Sugar Agencies Private Ltd.	Indian Sugar and Refineries ..	16‡	10	2 8	1 12	1 6 2/5		9	Y.
23 57,625	40 51,080	42 51 227	21,96,827	18,645	Govan Bros.(Rampur), Ltd. ..	Buland Sugar	14‡N	10	1 0	1 0	1 0		6	Y.
19,53,2000. }	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd. ..	K. C. P. Ltd.	127‡cd	O.100	7 8	7 8	7 8			
2,87,100D. }	86,24,818	1,29,89,142	82,31,728	2,63,107	S. Munnanjappa, Esq., (Managing Director)		160cd	D. 10	10 0	10 0	10 0		6	Y.P.
50 00,000	45 49 681	1,08,28,164	59,35,509	11,068	Mafatlal, Apte and Kasitlal Ltd.	Mysore Sugar	44‡cd	10	2 0	2 0	2 0			
16 99 320	25,50,830	56,11,940	29,77,341	20,949	Anderson Wright Ltd.	Phaltan Sugar	147	50	5 0	5 0	5 0	2 0	6	Y.
20,00 0000. }	21,76,092	89,12,138	58,60,883	64,612	Walchand & Co., Ltd.	Ramnagar, Cane and Sugar ..	24‡	10	2 0	1 8	2 0		6	Y.
4,00 0000. }	47,65,324	46,85,218	22,94,584	44,168	Govan Bros.(Rampur), Ltd. ..	Ravalgaon Sugar Farm	15‡N	O. 50	*Nil*	2 8	2 0		6	Y.P.S.
19 99 600	9,10,000	59,87,262	32,10,844	45,098	Parry Co., Ltd.	Raza Sugar	7N	D. 10	*Nil*	*Nil*	0 11½		9	Y.P.S.
30 00,000	71,97,998	1,99,96,448	1,15,32,428	1,31 172	M.	Travancore Sugars	15‡N	10	1 0	0 12	1 0		10	Y.
1,01,00,000						Walchandnagar Industries	11‡	Nil	1 8	1 8	1 8		7	Y.P.
							267½	100	14 0	16 0	18 0	1 0		Y.P.S.
						TRANSPORT								
20,00,000	1,00,69,622	1,24 00,703	13,56,557	755,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	185	100	10 0	7 8	7 8			
1,00,00,000	15,37,619	4,41,65,864	1,85,09,519	1,54,925	Director) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		10	Y.P.
80,00,000	31,60,611	3,31,00,904	59,55,703	88,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.								12	Y.
£555,580	£1,098,198	£5,614,160	£3,397,531	£32,063	Kilburn & Co. Private Ltd. ..	Great Eastern Shipping Co. ..	10‡	10	1 0	*Nil*	*Nil*			
2,25 00,000	89,99 232	9 64,47,644	2,22,99 146	25,920	Lione: Edwards Ltd.	India General Navigation & Rly. Co.	£10	*Nil*	Sh. 10	Sh. 10	*Nil*	1 8	6	Y.P.
9,40,19 675	5,94 92 081	18,35,53,413	4,34,44,300	2,73,682	Narottam Morarjee & Co.	India Steamship Co.	10‡	10	0 8	*Nil*	1 0		6	Y.P.
40,80000. }						Scindia Steam Navigation Co. ..	18–12‡	20	0 12	0 8	*Nil*	1 0	8	Y.P.
10,3002P.O. }	1,19,68,266	11,55,483	7,29,069	1,84,493	R. R. Aiyer, Esq., (Manager) ..	Walford Transport Ltd.	2½	O. 1	as. 1 3/25	1 2/8/2	as 2 6/25			
							1½xd	P.O. 1	as. 19/25	1 19/25	as.1 2 8/25		12	Y.
						UNCLASSIFIED (Bombay)								
2,40,000	71,000	5,66,321	4,22,863	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	Y.
15,98,866	2,04 173	2 26,474	90,000	1,99,861	Dinshaw (Private) Ltd.	Bombay-Uganda	62‡	80	5 0	4 8	*Nil*		9	Y.
25,00,000	3 60 000	22,87 314‡‡			M.	Devkaran Kanji Investment Co. ..	11‡	25	0 12	0 12	0 12	0 18	12	Y.
30,17,900	13,68,866	86,39,283	59,34,587	225	Birla Brothers Private Ltd. ..	Hind Cables	142‡	100	8 0	10 0	11 0		3	Y.
14 98 840	3 42,585	28,00,600	17,75,000	38,602	Chonnilal Manilal Ltd.	Estrela Batteries	40	50	*Nil*	3 0	2 0		12	Y.
99 99,250	19,47,386	1,22,03,604‡‡		4,110	Premchand Roychand & Sons ..	Industrial Investment Trust ..	8	10	*Nil*	*Nil*	*Nil*		12	Y.
99,99,975	35,08,351	35,47,726	8,04,321	4,559	R. G. Milne, Esq. (Mg. Director)	Killick Industries	170	100	4 8	4 8	4 8		12	Y.P.
2,80 13,775 A.O.	39,14,265	3 06,29,681	1,40,05,326	6,0::,443	Tata-Auto Private Ltd.	Premier Automobiles	103‡	100	10 0	11 0	11 0	11 0	6	Y.
10,21,200	5,63,605	13 06 085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	24‡	10	2 0	2 0	2 0	6 0	6	Y.
2,75,00,000	72,75,000	3,03,67,181	1,63 71,846	5,61 984	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co.	171‡	100	11 0*	11 0*	11 0*		12	Y.
45 00,000	55,24,847	7,24,608	3,07,108	36,434	Sir Joseph Kay K.B.E.(Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
						Other Centers								
47,50,000 }	1,94,82,556	3,73,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	11‡	O. 10	*Nil*	*Nil*	*Nil*	0 8†		
2,50 000 }							2‡	D. 2½						Y.P.
40,00 000	28,25,000	56,26,345	21,56,600	64,587	Seshasayee Bros. (Travancore) Ltd..	Aluminium Industries Ltd.	10‡	10	1 4	1 4	1 4*	1 4	3	Y.
30,00 000	35,05,070	32,16,026	21 94,951	3 43,961	Turner Morrison & Co., Ltd. ..	Birla Bros., Ltd.	10‡	10	1 4*	1 4*	1 4*		3	Y.
30,00 000	26,85,000	38,36,494	20,85,086	1,18,395	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	22‡	10	1 4	1 4	1 4*		3	Y.
20,00,000	27,47,883	1,01,49,337	39,87,880	32,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India	20	10	1 4*	1 4*	1 4*		3	Y.
							8N	10	0 3 1/5	0 3 1/5	0 6 2/5		12	Y.P.S.
80,01,400	1,16,53,000	67 47,111	33 07,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.							12	Y.
12,00 000	9,10 000	31 37 448	24,05,448	76,830	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	166	100	20 0*	13 0†	12 8		6	Y.
20,00,000	7,95,430	62 57 094‡‡		1,15,707	Lovelock & Lewis	Birds Investment Ltd.	34	10	1 8	2 8	2 4	1 21	6,12	Y.P.S.
45,97,020	37,71,814	1 10,56,424	33,87,589	1 79 277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	16‡	10	1 8	2 8	2 4		12	Y.
3,25,00,000	1,16 11,805	2,82,03 905	2,22,14,167	—27,36,584	Sir Robert Stevens	British India Corporation Ltd. ..	14‡	10	1 4	1 4	1 4		6	Y.
1,38,80,000	17,34,264	2,03 27 2‡‡‡		12,76,052	Andrew Yule & Co., Ltd.	Clive Jute Investment	9‡	10	0 8	1 0	1 0	1 0	3	Y.P.S.
1,60,00,000	3,14,96,174	5,15,52,036	2,20,82,990	11,71,664	Cecil Stack Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd.	5	10	0 8	0 1	*Nil*		3	Y.P.
51,25 000	54,12,212	1,42,47 668‡‡	....	8,06,138	Duncan Bros. & Co.	Eastern Investments Ltd.	9‡	10	0 4 1/5	0 8 1/5	0 9	1 0	3	Y.
14,00,000	10,02,000	33,81,772	18,80,772	27 194	Kilachand Devchand & Co.		26‡	10	1 8	1 8	0 9	1 6	12	Y.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	MacNeill & Barry Ltd....	Ganges Rope Co., Ltd.	12‡	100	9 0	9 0	9 0		12	Y.
30,00 000	14,67,354	81,29,620	23,68,982	7,458	J. F. E. d'A. Willis, Esq.		145	100	20 0	15 0	15 0		12	Y.
4,95,05,700		3,94,18 142	1,81,88,541	6,16,062	B. P. R. Syndicate	Gillanders Arbuthnot & Co., Ltd.	11‡	10	7 8	7 8	1 6 2/5			
1,60,00,000	46,77,754	4,16,74,246	1,74,76,663	6,18,074	Birla Brothers Private Ltd.... ..	Great Eastern Hotel	225	250	15 0	6 4	6 4	15 0	3	Y.P.
1,52,89,220	1,37,00,000	1,99,38,789	71,50,911	82,04,214	E. S. Crosswood (Mg. Director) ..	Hindustan Aluminium Co.	8‡	10	*Nil*	*Nil*	0 8	*Nil*	12	Y.P.
8,27,970	5,03,000	16,74,908	9,50,306	62,722	R. J. Woodley, Esq. (Mg. Director)	Indian Aluminium Co.	14‡	10	*Nil*	*Nil*	0 8	*Nil*	12	Y.
18,16,00,000	7,89,02,692	4,16,59,461	1,63,28,877	24,94,274	G. S. Moulton & Co. (India) Ltd. ..	Indian Cables	32‡	10	1 0*	1 0*	1 0*	1 8*	12	Y.
2,00,00 000	57,29,666	27,46,656	11,08,842	5,11,852	Mr. G. H. J. Clarke (Chairman) ..	Indian Rubber Manufacturers ..	24‡	10	1 0*	1 0*	1 4*		12	Y.
6,34,000O. }	1,91,892	5,94,030	3,53,758	2,668	G.M. Mackinlay, Esq.	Imperial Tobacco Co. of India Ltd.	14‡	10	0 12	1 8	0 8	0 10	12	Y.
66,000D. }					James & Co. Private Ltd.	Jardine Henderson	82‡	100	7 8	7 8	0 9 3/5	0 12 4/5	12	Y.P.
40,00,0000. }	80,86,900	26,18 928	8,72,670	2,57,234	A. T. Doig, Esq. (Mg. Director) ..	Macfarlane & Co.	2‡	10	7 8	7 8	7 8	0 12 4/5		
5,00,0000. }							0	D. 1	*Nil*	*Nil*		7 8	12	Y.P.
1,37,58,000	60,54,276	22,58,051	11,34,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director).	McLeod & Co.	205‡	O.100	10 0	17 0	2‡ 8			
1,15,00,000	55,50,000	1,38,37,972	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman).	Martin Burn Ltd.	—	D.10	10 0	10 0	10 0		12	Y.P.
8,35,585	1,65,250	7,83,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq.	Metal Box Co. of India, Ltd. ..	28‡	10	1 8	1 8 1/5	1 12		12	Y.P.
6,85,250	9,18,696	11,18,541	5,51,078	440	Mr. J. L. D'Sa (Controller)	Mysore Lamps and Enamel Works	27‡	10	1 0	1 0	1 13‡		3	Y.
10 00,000	2,18,800	15 74,005	9 41 427	44,518	M. H. Partasarathy Esq. (Chairman)	Mysore Lamps Works	4	10	1 0	1 0	*Nil*		6	Y.
40,00,000	74,71,172	63,80 914	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd.	Mysore Tobacco	15	10	*Nil*	*Nil*	*Nil*	1 10	3	Y.
40,00,000	15,00,000	93,19,395	21,17,403	75,726			12‡	10	1 0	1 4	0 12	0 14 2/5	12	Y.P.
79,97 000		1,17,62,757	57,19,268	8,99 582	National Insulated Cable Co. ..	National Rolling & Steel Ropes	27‡	10	1 4	1 4	1 0	1 8	3	Y.
2,25,00,000	7,25,185	1,53,49,091	40 14,109	—63,99,179	B. N. Ellias & Co., Ltd.	National Tobacco Co.	9‡	10	1 0	1 0	1 8*	2 0*	6	Y.
1,72,24,400	1,31,20,208	7,56,34,689	3,47,94,970	4,91 624	M. P. A. Paapatti, Esq.	Rallis (India) Ltd.	10‡	10	0 9	0 9‡	0 9‡	2 0*	6	Y.P.
40,00 000	93,80,894	1,18,78,870	70,99,687	5,10,675	Sahu Jain Ltd.	Robtas Industries	10	*Nil*	*Nil*	0 8	0 9‡		6	Y.P.
75,00,000	54,18,560	17,49,816	5,58,685	5,51,685	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	37‡	10	1 0	1 0	0 12 4/5		12	Y.P.
9,98,380	.....	14,99,289	3,84,580	....	R. H. D Campbell, Esq.	Shaw Wallace & Co., Ltd.	16‡	10	1 4	1 8	1 8		10	Y.P.
					Orzale Bros., Ltd.	Travancore Ogale Glass	11‡	10	1 8	1 8	1 8		10	Y.P.
							8‡	10	1 0	1 4	1 0		12	Y.P.
										Nil	*Nil*		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.10 each.
Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.
‡ On old capital. § Excluding R... 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	8,70,619	11,34,864	5,38,169	....	McLeod & Co., Ltd.	825	Amluckie	300	100	25 0	72 0	19 0		12	Y.P.
3,50,000	8,42,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	39	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,81,676	2,63,993	50,526	Gillanders Arbuthnot & Co., Ltd...	437	Ananda Jag	18‡	10	2 8	3 0*	1 0		12	Y.
5,50,000	11,21,541	17,56,466	7,08,427	36,051	McLeod & Co., Ltd.	513	Bachmari	22‡	10	*Nil*	3 8	1 0		12	Y.
5,10,000	9,10,000	12,25,582	4,59,309	66,725	Andrew Yule & Co., Ltd.	378	Baamatia	27‡	10	2 8	3 0	1 8		12	Y.
3,30,600	4,65,000	11,68,776	7,18,759	50,299	National Tea Corporation	370	Balasi	23‡	5	2 0	4 0	2 8		12	Y.
3,20,000	9,40,000	10,37,063	3,08,925	66,155	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	22	10	2 0	10 0*	3 0		12	Y.
16,50,000	20,60,000	26,30,169	22,95,159	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	21	10	3 8				12	Y.
6,00,000	2,50,000	10,97,919	2

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Refer ence
PLANTING: PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	81,836	23,236	Planting Agencies Ltd.	Balmadies Plantations	3	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.F.
17,94,186	21,11,164	49,25,353	4,71,363	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	3*	10	0 12	0 12	0 7 1/5	0 12	2	Y.F.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	9½	3	0 12	0 12	1 12 4/5	2 8	6	Y.F.
71,55,000	45,87,750	1,16,65,380	25,13,535	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	24*	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.F.
4,00,000	c 47,866	7,53,759	40,378	1,009	Associated Planters Ltd.	Cottanad Plantations	19½	10	1 8	1 12	2 4	2 0	6	Y.F.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	18½	10	1 8	1 8	1 12*	1 8	3	Y.F.
4,00,000	10,92,899	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	13½xd	10	1 4	2 8	2 0	1 8	3	Y.F.
9,00,000	8,17,955	5,46,920	c 80,348	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	24½xd	10	2 0	2 0	2 0	0 10½	12	Y.F.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	28½	10	5 8	2 4	2 12	2 0	4	Y.F.
3,00,000	3,31,000	14,16,774	1,67,177	16,737	A. V George & Co., Ltd. ..	Nenmeny Rubber	17½	10	1 8	1 12*	2 4	3 4	3	Y.F.
2,00,000	2,58,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	20½	10	0 12	1 8	2 8	2 0	3	Y.F.
19,45,980	24,00 991	41,19,708	1r 74,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	16	10	1 0	1 8	1 8	..	12	Y.F.
13,50,000	9,90,000	42,15,515	5,42,127	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	4*	2	0 3½	0 3/5	0 6 2/5	..	12	Y.F.
8,66,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	21½	10	1 12½	1 12*	2 0	..	10	Y.F.
10,00,000	3,09,000	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	21	10	3 0	2 8	1 0	2 8	6	Y.F.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	9½	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	11	Y.F.
6,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	28	10	3 0	3 0	3 0	0 14 2/5	3	Y.F.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	2½	1	0 4½	0 1 3/5	0 2	..	12	Y.F.
41,00,000	14,80,799	76,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	21½	10	2 0	2 0	3 0	..	9	Y.F.
80,00,000	..	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	10*	10	1 8	1 8	0 8	..	12	Y.F.
6,24,580	5,40,670	8,51,488	16,128	40,790	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	33	25	3 0	5 0	4 0	..	12	Y.F.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	32½	10	2 0	2 4	2 8	1 8½	12	Y.F.
							10½	10	1 0	1 8	2 0	1 4	3	Y.F.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Refer ence
60,00,000	47,00,000	1,06,27,544	56,37,564	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	9¾	10	1 0	1 10	0 10	..	3.9	H.P.
6,00,000	10,25,000	51,65,438	36,93,877	1,88,329	McLeod & Co., Ltd.	446	Alexandra	180	100	2 8	7 8	10 0	..	6.12	H.P.
20,00,000	6,25,000	1,17,61,827	93,76,059	23,103	McLeod & Co., Ltd.	1,254	Alliance	100	100	5 0	12 8	6 0	..	6.12	H.P.
49,20,700	69,00,000	2,96,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	139	100	12 8	7 8	8 8	3 8	3.9	H.P.T.
40,00,000	43,17,051	1,76,37,979	92,01,344	11,377	Bird & Co. Private Ltd.	810	Auckland	92	100	4 0	3 8	10 0	1 0f	3.9	H.P.
20,00,000	23,80,918	96,91 416	65,85,094	65,302	Jardine Henderson & Co.	959	Bally	155	100	15 0	10 0	10 0	2 0f	3.9	H.P.
$275.000	$567,405	$1,477,480	$957,176	..	Sir John H. Burder (Chairman) ..	1,889	Barnagore	101¼	100	Nil	Nil	3 8	Nil f	3.9	H.P.
25,00,000	28,00,623	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd.	820	Belvedere	55	£1 0	sh. 15	sh. 15	sh. 15	Nil	3	H.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Sooralmull Nagarmull	115	Bengal	600	100	15 0	10 0	7 8	Nil f	6.12	H.P.
91,26,000	2,17,45,338	3,34,10,402	1,45,32,851	4,87,393	Birla Brothers Private Ltd. ..	1,373	Birla	14½	10	1 4	1 2	1 4	Nil f	6.12	Y.F.
36,00,000	21,81,426	1,17,90,047	72,95,930	..	Andrew Yule & Co., Ltd.	991	Budge-Budge	16*	10	1 0	1 0	1 2	..	6	Y.F.
7,47,380	3,09,640	42,13,704	31,62,683	—$31,470	Dayaram & Sons	502	Calcutta Jute Mfg.	108	100	10 0	9 0	7 8	1 0	3	Y.F.
18,00,000	26,49,234	87,35,841	43,24,958	1,253	Andrew Yule & Co., Ltd.	616	Caledonian	9	10	Nil	9 0	Nil	Nil	4.10	H.P.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	Jardine Flower & Co., Ltd. ..	600	Champdany	125	100	12 0	9 0	Nil	Nil f	6.12	H.P.T.
15 95,000	19,83,582	82,12,211	57,10,176	1,387	Andrew Yule & Co., Ltd.	600	Cheviot	135	100	6 0	3 0	10 0	2 0f	3.11	H.
30,15,000	31,00,000	64,10,068	47,77,000	1,32,949	McLeod & Co., Ltd.	500	Chitavalsah	145	100	12 0	8 0	10 0	Nil f	3.9	H.
24,00,000	24,00,000	78,13,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	12	10	1 12	1 2	1 8	..	5.11	H.P.
31 49 200	46 65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Private Ltd.	134	Dalhousie	92	10	Nil	Nil	1 4	Nil	6.12	H.P.T.
15,00,000	40,71 679	76,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd.	766	Delta	779	100	4 0	2 0	1 4	..	3	Y.F.
21,00,000	84,50 000	82,62,679	59,30,760	78,204	McLeod & Co., Ltd.	500	Empire	140	100	20 0	12 0	14 0	Nil	3.9	H.P.T.
21,00,000	18,00,000	2,70,39 034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	154	100	1 0	1 4	15 0	Nil f	5.11	H.P.
84,32,100	..	97,98,074	54,53,092	1,34,822	Bangur Bros., Ltd.	1,014	Fort William	309N	100	Nil	1 4	1 4	..	6.12	H.P.
10,80,000	25,00,000	71,52,963	48,43,692	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	19	10	5 0	20 0	15 0	7½	3.9	H.P.T.
84 00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Gillanders Arbuthnot & Co., Ltd.	574	Gondalpara	100	100	Nil	20 0	20 0	0 12½	3.9	H.T.F.
40,00,000	64 68,233	1,14,86,848	56,72,180	3,40,348	Macneill & Barry Ltd.	607	Gouripore	775	100	12 0	8 0	2 8	Nil f	3.9	H.P.
15,00,000	18,61,966	66,47,731	47,70,916	—2,95,253	Bangur Bros., Ltd.	1,394	Hastings	200	100	8 12	Nil	..	..	12	H.
65,52 500	49,64,372	1,82,66,485	1,10,62,708	57,034	Baijnath Bajoria	1,078	Hoogbly	100N	100	10 0	10 0	15 0	2 8f	3.9	H.
82,50,000	27,85,153	2,86,51,559	1,56,51,559	1,18,035	Jardine Henderson Ltd.	720	Howrah	20	10	10 0	10 0	11 8	5 0	3	H.P.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	Hamdutt Ramkissendas	1,940	Hukumchand	19½	10	1 8	1 0	1 4	Nil	3	H.P.
30,000						2,272		20	10	1 8	2 0	1 4	Nil f	3.9	H.P.T.
24,00,000	16 50,000	1,37 65,826	1,24,18,036	86,624	Jardine Henderson Ltd.	1,076	India	74	10	3 0	2 0	2 0	2 0	3	Y.F.T.
30,00 000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,797	Kamarhatty	132	O. 125	6 4	4 0	4 11	4 11f	3.9	H.
24,00,000								—	D. 1	4/5	2 0	2/5	2¾ f		
31,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	1,527	Kankanrahh	100	100	9 0	8 0	2 8	..	6,12	H.P.
64,00,000	28,83,375	1,72,56,983	1,18,60,127	66,928	Anderson Wright Ltd.	708	Kelvin	97	'B' 100	9 0	8 0	2 8	..		
48,00,000	1,08,90,860	2,44 37 944	1,15,64,722	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,530	Khardah	73	'B' 100	9 0	8 0	2 8	..	6,12	H.P.
24,48,000	39,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Private Ltd.	204	Khardah	100	100	7 8	6 8	1 0	..		
28,00,000	58,75,192	1,16,29,380	64,57,897	3,792	Bird & Co., Private Ltd.	1,550	Khinlson	119	100	15 0	20 0	17 8	..	6.12	H.P.
61,65,200	26,36,045	2,54,13,349	1,26,97,309	1,64,942	M.	931	Lansdowne	138	100	9 0	12 0	11 0	5 0f	3.9	H.P.
29,98,900	38,40,147	1,84,91,466	1,01 87,372	—3,06,111	F. W. Heilgers & Co. (Private) Ltd.	816	Lawrence	100	100	7 0	8 0	7 0	Nil f	3.9	H.P.T.
15,00,000	41,54,326	30,25,401	18,21,709	17,814	Howrah Trading Co., Ltd.	777	Magna	91	100	5 0	6 0	6 0	Nil f	3.9	H.P.
26,25,000	26,25,000	27 71,022	10,32,516	1,929	Andrew Yule & Co., Ltd.	425	Naihati	815	100	5 0	6 0	9 12	5 12f	3.9	H.
85,50,000	2,71,45,548	4,29,15,627	1,18,39,609	1,06,257	McLeod & Co., Ltd.	858	Naskarpara	73	100	Nil	Nil	Nil	Nil f	3.9	H.
16,79,880	49,70,164	1,18,86,857	51,63,018	9,71,353	Sahu Jain Ltd.	316	National	124½	10	0 5	1 2	1 0	..	3	H.
66,79,500	22,24,961	2 18 55,164	70,116	1,39,411	Bird & Co., Private Ltd.	1,765	Nellimarla Jute	19½	10	1 12	1 8	1 0	..	4.10	H.P.
24,93,250	25,73,709	75 07 858	1,10,62,708	57,034	Jardine Henderson Ltd.	567	New Central	11¾	10	24 0	17 0	11 8	0 12½	6.12	H.P.
35,00,000	6 28,490	80,86,437	50 85,690	65,25,186	Andrew Yule & Co., Ltd.	1,002	New Standard	20½	10	1 2	1 0	1 8	0 12½	3.9	Y.F.
20,00,000	2 49,781	26,97,878	65,22,186	51,595	McLeod & Co., Ltd.	601	Nuddea	52	10	0 8	0 8	1 0	1 8f	3.9	H.P.
49,50 000	5,22,495	1,23,53,629	5,39,192	—9,18,218	Birla Brothers Private Ltd. ..	400	Orient	115xd	100	12 0	10 0	9 0	Nil f	3.9	H.
£400 000	£1,093 713	£1 945 544	59,15,596	—11,78,841	Jardine Henderson Ltd.	305	Ramkissenwara	6	10	0 2	Nil	..	1 0f	5.11	H.P.
30,00,000	13,14,910	1,15,50,877	..	558 994	Thomas Duff & Co. (India) Ltd. ..	1,376	Reliance	10	10	Nil	Nil	Nil	..	6,12	H.T.
14,00,000	11,25,000	66,11,794	35,79,294	7,972	Bagaria More & Co., Ltd.	2,015	Samnuggur	4½	10	0 8	Nil	Nil	Nil f	3	H.
25,19 800	42 75,182	1,27 38,246	68,18,496	8,166	Hindustan Investment Corporation	911	Shree Ambica	10½	10	10%	10%	3¾ 21	..	3.9	H.P.
£600,000	£925,119	£1,137 960	53,23,439	—4,87,127	Bird & Co., Private Ltd.	401	Soorah	16N	£1	10%	..	3¾ 21	..	12	Y.F.
99,98,500	68,06,728	2,00,00,808	..	458,548	Thomas Duff & Co. (India) Ltd. ..	657	Standard	12N	10	8 0	1 0	1 8	..	6.12	H.P.
£400 000	£668,035	£1,154,819	54,23,958	10,384	Bird & Co., Private Ltd.	1,794	Titaghur	75	100	2 8	2 0	1 8	..	12	Y.F.
8,50,000	6,85,000	55,98,062	40,32,901	560,501	Thomas Duff & Co. (India) Ltd. ..	1,826	Union	10½	£1	10%	10%	3¾ 21	Nil	3.9	H.P.
				14,518	McLeod & Co., Ltd.	1,331	Victoria	125	100	8 0	6 0	10 0	..	12	Y.F.
						457	Waverley	10	£1	10%	10%	3¾ 21	1 0f	3.9	H.P.
								8½	1	0 1	0 8	0 8	..	12	Y.F.
														6.12	H.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Refer ence
25,50,000	24 50,000	86,12,991	61,77,991	28,958	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19½	10	1 0	1 5	1 6	..	3.9	H.
12,00,000	8,77,542	37,37,094	24,90,152	45,899	Jardine Henderson Ltd.	Barakur Coke	16f	10	1 6 2/5	1 7 1/5	1 6	..	3.9	H.
4,49,850	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6N	10	0 12	0 12	0 7 1/5	0 9 3/5f	3.9	H.
1,00,00,000	1,40,00,000	1,72,56,983	3,95,77,326	7,81,563	Anderson Wright Ltd.	Bengal Coal	456	100	20 0*	20 0*	..	..	6.12	H.
2,25,000	4,22,669	24,81,732	22,33,534	..	Andrew Yule & Co., Ltd.	Bengal-Nagpur	16	10	Nil	Nil	35 0*	..	6.12	H.
15 97,000	4,73,358	37,70,192	22,77,304	18,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8	..	..	..	4.10	H.P.
40,00,000	8,00,000	1,89,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	6¾	10	0 12	..	..	..	6.12	H.P.
16,40,000	16,17,936	66,14,856	37,38,500	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulanbarree	9	10	0 10	0 10	0 10	..	9	H.
7 50,000	24 29,026	42 39,603	26,58,408	—77,146	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	14N	10	Nil	Nil	Nil	..	6	Y.F.
90,92,490	1,79,05,998	4,22,26 047	1,90,16,824	54,207	F. W. Heilgers & Co. Ltd.	Borrea	12N	10	0 8	1 0	0 8	..	6,12	H.T.
49,97 750	..	42,33,430	7,80,000	38,168	Bird & Co., Private Ltd.	Bushrey	20½	10	2 12	2 0	2 0	..	6,12	H.P.
8,00,000	13,54,302	49,10,414	32,68,954	9,927	Hindustan Investment Corpn., Ltd.	Central India	21	10	0 12	0 9	0 10	0 8½	6,12	H.P.
6,00,000	1,43,578	7 32 458(K)	..	53,795	M.	Central Kurkend	6½	10	0 4	0 4	0 4	0 8f	6,12	H.P.
16,00,000	..	55,81,704	29,91,276	2,129	F. W. Heilgers & Co. Private Ltd.	Churia	12½	10	1 2	..	..	..	6,12	H.P.T.
£240,000	£580,553	£970,695	—1,53,318	4731,579	Macneill & Barry Ltd.	Dhemo Main	2½	4	0 3	0 2	0 1f	..	3	Y.
19 83 760	33,55 949	4,04,51,377	2,89,25,665	82 379	Jardine Henderson, Ltd.	East Indian	5½	10	Nil	Nil	Nil	..	6.12	H.
10,00,000	1,40,999	13,81,144	4,28,567	23,363	Macneill & Barry Ltd.	Equitable	27½	£1	2 8	2 8	3 0	..	6.12	H.
5,00,000	7,35,000	41,35,247	23,43,148	7 144	Killick Industries Ltd.	Ghusick and Mualia	26½	10	1 8	1 8	1 8	2 8	4	H.
22,00,000	22,07,121	22,07,121	18,89,341	45,985	Macneill & Barry Ltd.	Hingir-Rampur	13½	10	0 8	0 8	1 8	..	6,12	H.P.
3,50,000	3,45,579	13,54,857	6,15,548	—5,57,293	Baijnath Trust Ltd.	Hurriladih	41½	10	0 8	0 8	0 4	..	3	Y.
20,00,000	1,77,176	28,89,683	7,23,658	..	Andrew Yule & Co., Ltd.	Jogta Coal	21	10	1 8	1 12	2 8	2 4	6	Y.F.
5,00,000	16,60,000	46,77,535	4,65,140	6,965	Bird & Co. Private Ltd.	Kalapahari	1½	10	Nil	Nil	..	..	6,12	H.
1,88,400	5,72,960	12,85,041	86,47,985	1,32,474	Andrew Yule & Co., Ltd.	Karanpura Collieries	284	10	2 12	Nil	..	..	12	Y.F.
11,00,240	84,314	16,72,961	5 78,960	—2,80,286	Berriwala & Co.	Kasra Jheriah	105	10	Nil	Nil	Nil	..	2,6	Y.
9,00,000	11,26,418	28,69,268	10,41,862	—41,330	H. V. Low & Co., Ltd.	Khas Kajora	63½	10	Nil	Nil	2 8	5 0	3	Y.F.
7,48,240	2,00,000	12,85,041	23,97,987	2,255	H. V. Low & Co. Ltd.	Kuardi	4	10	4 0	2 4N	5 8	..	3	Y.F.
7,00,000	36,617	19,13,208	9,66,219	81,201	Tantia Brothers Ltd.	Kusunka	2½N	10	Nil	Nil	..	..	1,7	H.
17 76 240	20 01 783	1,19,78,853	56,63,066	94,383	Amritsal Oliva & Co., Ltd. ..	Nadra	10N	10	Nil	Nil	..	..	6,12	H.P.
6,00,000	75,000	38,00,471	21,20,197	70,322	Andrew Yule & Co., Ltd.	New Banadeopur	6½	10	0 8	0 4	..	..	6	Y.
1,15,000	2,55 198	13,07 219	5,64,731	15,980	Octavius Steel & Co., Ltd. ..	New Beerbhoom	9N	10	0 8	0 8	0 8	..	4	Y.
1,57 500						New Maubhoom	17	10	0 12	1 4	..	..	12	Y.
7 50 000	12,21,458	5,12,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	North West	10½	10	1 2	1 8	1 0	..	3.9	H.
10,00,000	1,10,000	29 70,662	17,99,658	3,809	K. C. Thapar & Bros.	Ondal	20	10	Nil	Nil	Nil	..	4,10	H.P.
2 84,000	10,962	17,52,137	8,30,795	8,019	Deepchand Khaitan	Oriental Coal	17	10	0 4	Nil	Nil	..	3,9	H.
15,75,000	16,00,000	47 70 275	85,30,275	23,243	Shaw Wallace & Co., Ltd.	Parasea	14½	10	0 12	Nil	Nil	..	3,9	H.
22 99 500	20,17,105	1,24,55,585	87,35,164	23,188	B. N. Elias & Co., Private Ltd. ..	Pench Valley	18	10	0 6	0 8	1 0	..	6,12	H.P.
12,50,000	8,58,385	35 36 766	27,78,764	23,551	Shaw Wallace & Co., Ltd.	Ramchunga	19½	10	0 12	..	..	..	6,12	Y.F.
30,00,000	3,80,000	44,25,685	16,78,118	3,20,175	Jalpuria Sons Ltd.	Rewa	10½	10	1 10	1 10	1 8	..	3,9	H.
2 50,000	1,95,802	18,78,480	12,81,237	21,070	M.	Samla Collieries	21	10	Nil	1 0	0 8	..	3,9	H.
2,80,000	8,36,598	29,99,490	19,07,296	49,292	Andrew Yule & Co., Ltd.	Searsole	28½	10	2 0	1 6	0 10	0 6	3,9	H.
6,00,000	5,31,249	52,491	22,867	7,503	Seebpore	Sendra	7	10	0 8	1 0	0 14	..	6,12	Y.
68,21,450	23,77,474	4,75,97,817	3,17,80,386	7,310	F. W. Heilgers & Co. (Private) Ltd.	Singareni	1	10	1 12	2 0	0 12	..	1	H.
					Industrial Trust Fund (Govern. ment of Hyderabad)		9N	10	Nil	Nil	2 0	2 8	6,12	H.P.
17,50,000	10,84,016	37,86,103	15,14,990	—51,533	Bird & Co. Private Ltd.	South Karanpura	10½	10	Nil	Nil	0 4	0 4	6,12	H.P.
3,00 000	13 69,395	1,59 570	26,510	17,247	F. W. Heilgers & Co. (Private) Ltd.	Standard	10½	10	0 11 1/5	0 12	..	..	12	Y.
10,00 000	12 950	30,82,289	15,43,502	—4,07,745	Villiers Ltd.	Talcher	20½	10	0 4	0 2	0 2	..	3,9	H.
2,50,000	3,80,000	20,47,944	15,85,944	—9,659	Williamson Magor & Co., Ltd. ..	Union	2½	10	2 0	1 8	1 0	..	6,12	H.
49 98,000	67 944	55,56,550	32,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	13½	10	2 0	..	..	..	6,12	H.
7,00,000	21,569	56,46,871	23,81,998	—1,46,650	Macneill & Barry Ltd.	West Jamuria	6½	10	1 12	0 12	Nil	..	9	H.
							11	10	0 8	0 6	Nil	..	6,12	H.
								10	Nil	Nil	Nil	0 8	3	H.
													6,12	H.

M—Managed by the Board of Directors. ‡ Less income-tax. s) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1 20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (c) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothlian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

MARKET GOSSIP

(*Concluded from page 207*)

It will be some time before the precise effect on the fortunes of the coal industry of the recent award by the Special Bench of the Labour Appellate Tribunal in respect of wages and emoluments of the colliery workers, announced this week, can be fully assessed. Considering that it serves to increase the emoluments of coal labour by making certain important changes in the award given by the Lower Tribunal, namely, the All-India Industrial Tribunal (

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,42,652	Allahabad Bank	365	100	18 0‡	18 0‡	18 0	9 0‡	12	Y.P.
14,50,000				182½	50	9 0‡	9 0‡	18 0	9 0‡		
1,01,000	15,40,000	2,46,650	Andhra Bank	120	100	6 8	7 8	6 8	3 12‡	6,12	H.
33,58,500				86½	70	3 4	3 12	4 8 4/5	2 10‡		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	103½	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	22½	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,60,00,000	29,29,924	Bank of India	141	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
50,00,000 'A'				141	50'A'	..	..	..	..		
15,80,375	28,00,000	60,636	Bank of Indore	52N	25	1 8	3 0	3 8		12	Y.
40,00,000	20,25,000	41,779	Bank of Jaipur	40	50	16 0‡	2 0	2 0		12	Y.
50,00,000	54,00,000	4,19,228	Bank of Mysore	250	100	2 8	16 0‡	16 0‡	8 0‡	12	Y.
61,21,700	58,78,018	10,059	Bombay State Co-operative Bank.	57N	50	4 8	2 8	2 0		6	Y.T.
15,00,000	23,00,000	19,501	Canara Bank Ltd.	86	50	5 0‡	4 8	5 0		12	P.Y.
7,50,000	18,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	3 0	5 0	5 8‡		12	Y.P.
3,03,11,875	4,01,81,817	18,40,359	Central Bank of India Ltd.	54½	25	3 0	3 0	3 0	1 8‡	12	R.L.Y.
26,43,375 'A'				59	25	2 0	3 0	3 0	1 8‡		
50,00,000	34,50,000	2,13,141	Devkaran Nanjee Banking Co.	42	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,46,911	Habib Bank (P)	72N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,62,000	Hind Bank	37	50	Nil	1 8	3 0	3 0	12	Y.
1,25,00,000	15,45,000	16,919	Hindustan Commercial Bank ..	9½	50	Nil	Nil	Nil		12	Y.
50,00,000	1,87,00,000	2,771	Hindustan Mercantile Bank ..	13	50	5 0	Nil	Nil		9	Y.
75,00,000	75,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	12 0‡	6 0‡	5 0			
24,00,000	79,75,000	1,45,140	Indian Bank	207	100	10 3½	12 0‡	12 0	6 8‡	6,12	R.L.H.
19,00,000				95	100	7 3½	10 3½	10 12½	6 2½		
18,20,000				156	75	6 0	7 3½	7 12½	4 6½		
49,19,575	80,00,000	2,28,299	Indian Overseas Bank	159	100	Nil	6 0	7 8		12	Y.
2,25,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	Nil	Nil			6,12	H.
6,50,000				10½	25(B)	3 0	Nil				
10,00,000				19½	50(C)	2 0	Nil				
37,50,000	97,50,000	2,85,108	Punjab National Bank	56	25	0 10	3 0	3 8	2 0	12	Y.
1,00,00,000	23,80,000	42,597	Travancore Bank	16½	25	0 5‡	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,288	Union Bank of India	7⅞	5	2 0	0 8‡	0 6		12	H.
2,00,00,000	95,00,000	27,761	United Commercial Bank ..	58½	50		2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS — Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank.	£1-18-6	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6½	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $10,605,689	Hongkong and Shanghai Banking Corporation	$91½	H.K. $125	5*	5*	5*	2*½	12	Y.
£12,565,070 'A'	£15,000,000	£558,006	Lloyds Bank	£2-11-0	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A'				£2-18-6	A £2½	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£2-18-6	B £2½	14†	14†	14†		12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†			
£2,851,563	£2,104,687	£242,158	National Bank of India	£1-0-6	£h. 12½	10†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	98½	1st June 1963
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage)	1941	95	25th February .. 1960
4,00,000	6½	20th June and 20th December..	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	20th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1943	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)..	1944	96½	1st November .. 1959-64
COAL						
30,00,000	4½	20th April and 21st October ..	Bharat Collieries	1944	95½	20th June .. 1959
20,00,000	4½	20 th June and 21st December..	Burrakar Coal Co.	1947	91	20th June .. 1967 (e)
50,00,000	5½	15th June and 15th December..	Equitable Coal Co.	1953	100	14th December .. 1963(e)½
COTTON						
3,50,000	5½	20th June and 21st December..	Basanti Cotton Mills Ltd.	1942	85	20th April .. 1964
4,00,000	4½	10th May and 10th November..	Bengal-Nagpur	1897	98½	15th Novemeer .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	99	1st March .. .. 1972(e)
15,68,000	5½		Jaykhrishna Textiles	1949	90A	1st January 1956-59
99,90,000	5½	1st June	Tata Mills	1951	99½‡	 1966-71
ELECTRICS						
10,00,000	4½	21st March and 20th September..	Agra Electric Supply Co., Ltd. ..	1950	95	21st March .. 1968(e)
1,25,00,000	4½	15th June and 15th December..	Ahmedabad Electric Co., Ltd. ..		100	14th June .. 1960
93,33,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	97½	1st October .. 1956
12,00,000	4½	20th June and 21st December..	Benares Electric Light and Power Co., Ltd.	1949	94	21st December .. 1964(e)
2,22,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	99½	1st January .. 1970(e)
25,00,000	4	20th June and 21st December..	Gouripore Electric Supply Co., Ltd.	1945	85½	21st December .. 1970
19,00,000	5	1st January and 1st July ..	Hira (Theriali) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(e)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97½	15th July 1957-61
2,00,000	5½	31st March and 30th September.	South Madras Electric Supply ..	1939	94	1st October 1960-64
1,00,000	5	2nd April and 2nd October ..	South Madras Electric Supply ..	1944	96	30th September .. 1959-63
5,000	4½	1st April and 1st October]	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	103	1stJuly 1970
2,50,,,0,000	4	1st April and 1st October ..	Tata Power		88½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	20th June and 21st December ..	Britannia Engineering	1945	99	21st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1938	99	30th June 1958
80,00,000	5½	15th September and 15th March.	Indian Rume Pipe (Bearer)	1942	100‡	1st July 1961-62
81,145,000	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)..	1936	97	31st December .. 1956(§§)
10,00,000	4½	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	97	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	98½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(e)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	97½	31st March .. 1969
6,00,000	5½	20th June and 21st December ..	Alexandra	1939	99	30th June 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	99	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	93½	30th June 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10,69,000	5	30th June and 31st December ..	Ghiteshwari Jute Mills	1951	96	30th June 1966
20,48,000	5½	31st March and 30th September.	Dalhousie Jute Co.	1954	99½	31st March .. .. 1969(e)
3,86,000	5	15th January and 15th July ..	Empire	1951	94½	15th July .. .. 1960(e)
25,00,000	5½	1st January and 1st July ..	Mukundchand	1947	92½	30th June 1957
20,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1956	97½	31st March 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	96½	31st December .. 1964(e)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	98	31st March .. .. 1967(e)
5,00,000	4½	14th November and 14th May..	Nellimarla Jute Mills Co., Ltd. ..	1939	96	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
3,00,000	4	30th June and 31st December..	Presidency	1943	93	30th June 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1951	91	8th September .. 1965(e
5,00,000	4½	14th March and 14th September.	Soorah Jute	1937	96	14th September .. 1957
13,00,000	4½	30th June and 31st December..	Union	1937	99½	30th June 1957
10,00,000	5½	31st January and 31st July ..	Waverly	1935	97½	31st July 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat light Railway ..	1939	90N	1st July 1956
£850,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October ..		1931	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal- Lalabazar Railway	1945	90½	31st December .. 1956(e)
£300,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railwa	1905	£55½N	Any time on six months notice (e)
4,33,36,597	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	96	1st September .. 1962
PLANTING						
10,00,000	5½	20th June and 21st December..	Consolidated Coffee..	1952	102†	1st July 1957-62
15,50,000	6	31st March and 30th September.	Nilgiri Tea		100†	1st April 1956-66
1,89,700	5½	31st March and 30th September.	Teakoy	1944	100	31st March .. .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1963
25,50,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December..	Bengal Paper Mills	1937	97	30th June 1957
3,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	100‡	1st September .. 1964-69(e)
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	102‡	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
19,95,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	89½	1st July 1956
80,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Bharat Ltd.	1946	86	 1960
1,20,00,000	5	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	100	1st January .. 1971(e)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	101½	30th June .. 1969(e)½
17,75,000	5	15th March and 15th September.	Mettur Chemical Industries	1949	95½	 1966
28,08,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	525	30th September .. 1976(e)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes).	1947	470	31st December .. 1972(e)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	(per note) 593N	1st April 1971
1,50,00,000	5½	30th June and 31st December..	National Rayon	1955	100‡	30th June 1965-70
1,00,000,00	5½	31st March	Orient Paper Mills Ltd.	1951	96‡	31st March .. .. 1961(e)
1,00,00,000	4	30th June and 31st December..	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	101	1st May .. .. 1968(e)††

(e) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1/6 per cent. to be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawing at par of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1964

WEEK'S STOCK EXCHANGE TRENDS

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 31st January, 1957.

	Closing quotations 24-1-1957	High	Low	Closing quotations 31-1-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	180	—	—	180
Apollo (2)	2½	2⅜	2–3⅛	2–2½
Bombay Dyeing (250).	578‡	578‡	562½	570
Bradbury (50)	231½	231½	228½	230½
Central India (100)	126½	125	123	124
Century Mills (100)	512	511½	490½	502½
Colaba (100)	75	—	—	75
Edward Textile (200).	310	—	—	310
Elphinstone (50)	51	—	—	51
Finlay (100)	314	315	310	312
Gokak (100)	227	227	224½	226½
Ind. Untd. Defd. (1)	1-13½	1-13½	1-12½	1-12½
Ind. Untd. Ord. (10)	11⅛	11⅛	10⅜	11
Indore Malwa (100)	142½	143½	141½	141½
Khatau (100)	224½	224½	222½	224½
Kohinoor (100)	331	331½	323½	326½
Lakshmi (250)	680	—	—	680
Minerva Mills (100)	87½	89	87	87
Model Nagpur (250)	180	—	—	180
Morarji (100)	261½	261½	230	230
Mysore (50)	102½	—	—	102½
National Rayons (100).	245½	247½	244	246½
New City (100)	147½	—	—	147½
New Great (100)	241	241½	240	241½
Phoenix (100)	147½	—	—	147½
Podar Mills (100)	168½	170	168½	170
Sassoon Silk (10)	9⅜	—	—	9⅜
Sassoon Spg. (10)	40	—	—	40
Sholapur (1,000)	1,400	—	—	1,400
Shrinivas (100)	193½	192½	190	190
Simplex (50)	184½	184½	182½	183½
Standard (100)	445	445	440	440
Svadeshi (100)	234½	234	226½	230
Swan (100)	418½	418½	413½	415
Tata Mill (25)	51½	52	50½	50½
Vishnu (100)	147½	—	—	147½
Western India (1,000).	5,180	—	—	5,180
BANKS				
Bank of India (50)	141	141	140	141
Do. (New) (50)	141	142	141	142
Bank of Baroda (50).	103½	104	103	103½
Central (25)	56½	56	54½	54½
Central 'A' (25)	59½	59½	59	59
Dena Bank (50)	42	—	—	42
Punjab National (25).	58	—	—	58
Union Bank (5)	7-8½	7⅛	7⅛	7⅛
United Com. (50)	58½	58½	58	58½
ELECTRIC COS.				
Ahmedabad (100)	97½	98½	96½	96½
Amalgamated (10)	10⅜	10⅜	10⅜	10⅜
Andhra Valley (1,000).	1,332½	1,332½	1,227½	1,327½
Bom. Sub-El. (100)	109½	—	—	109½
Surat (100)	112½	112½	111½	112½
Tata Hydro (100)	126½	126½	124	124
Tata Power (1,000)	1,348½	1,347½	1,285	1,285
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100).	350	—	—	350
Ind. Mercantile (20)	41	—	—	41
Jupiter (15)	6⅛	—	—	6⅛
New India (15)	44	44½	43½	45
Oriental (250)	3,655	—	—	3,710
Universal (10)	11½	—	—	11½
Vulcan (10)	18½	—	—	18½
STEEL COS.				
Ind. Iron (10)	29⅜	29–15½	29–0½	29–5
Tata Steel Ord. (75).	181	182	177	179½
SUGAR COS.				
Belapur (50)	234	235	231	231
Bhopal (10)	19⅜	19⅜	19⅜	19⅜
Phaltan (50)	150	150	147	148
Walchand Ind. (100).	268½	269½	266½	267½
CEMENT COS.				
Associated Cts. (100)	185½	185½	181½	183
Digvijay (100)	152½	152½	152	152½
MISCELLANEOUS				
Alcock Ashdown (100).	276½	275	262½	265
Bom. Burmah (125)	725	735	714½	727½
Do. (New) (50)	272½	270½	271½	270½
Br. B. Petrol (4h.)	2–13½	2⅜	2⅛	2⅜
Br. I. Corpn. (5)	8⅜	8⅜	8¼	8¼
C. P. Ely. (100)	73	—	—	70½
Indian Copper (2sh.)	3⅜	3⅜	3⅜	3⅜
Ind. Inv. Tr. (100)	76	—	—	76
Kamp (200)	190	190	180	180
Killick (100)	168	170	169	169
Polson (100)	160	—	—	165
Port Canning (100)	7⅛	7⅛	7¼	7⅛
Pre. Automobiles (100)	106	106	103	105½
Premier Con. ($0)	187	187½	180	181½
Scindia ($0)	19½	19⅜	18⅜	19
G. I. Shipping (10)	10½	10½	10 3/4	10½
Shivrajpur (10)	90½	94	89	93½
Tata Chemicals (10)	16½	16–11¼	16⅛	16⅛
Tata Locomotive (100)	162½	165½	162	163½
Tata Oil (100)	47	47	45½	45½
W. I. Match (100)	171	172½	170½	172½

GOVERNMENT SECURITIES	25-1-1957	Gross Yield Earlier Redemption	Gross Yield Later Redemption	31-1-19
	Rs.			Rs.
2½% 1961	93⅛	—	4.12	93⅛
2½% 1960	96⅛	—	3.82	96⅛
2½% 1955	98⅛	—	3.86	98⅛
2½% 1976	83½	—	4.08	83½
3 % 1957	99½	—	3.38	99½
3 % 1959	99⅜	—	3.27	99⅜
3 % 1959–61	97⅜	3.95	3.56	97⅜
3 % 1964	94⅛	—	3.96	94⅛
3 % 1965–66	94¼	4.10	3.85	94½
3 % 1966–68	93⅜	4.03	3.86	93⅜
3 % 1970–75	86½	4.33	4.02½	87
3 % 1986 Con. Loan	73	—	4.08*	73½
4 % 1960–70	100⅜	3.77	3.93	100⅞
4½% 1958–68**	102½	2.60	4.21	102½
2½% 1961 N.P. Bonds.	99½	—	3.66	99½
2½% 1964 N.P.Loan .	98⅜	—	3.66	98½
2½% 1965 N.P. Loan .	98½	—	3.74	98½
2½% 1968	97⅜	—	3.76	97⅜
2½% 1967 N.P. Bonds.	98½	—	3.68	98½
3½%1974	98½	—	3.87	98½

BRITISH GOVERNMENT SECURITIES

	Closing quotations 21-1-1957 £			Closing quotations 28-1-19 £
2½% Brit. Consols	55½	—	—	55½
2½ % Savings Bonds 1965-75	76⅜	—	—	76⅜
3½%War Loan 1955-59	95½	—	—	95½
3½% War Loan	74½	—	—	75
4% Victory Bonds 1976	93⅜	—	—	93⅜
4% Funding 1960-90	90½	—	—	91½

*Current Income. x.d.—Ex-dividend. **Rupee Counterparts. x.r. Ex-Right.

COMMERCE

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

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EQUAL WAGES FOR MEN AND WOMEN?

A MAJOR decision involving the principle of equal wages for men and women was taken by the Special Bench of the Labour Appellate Tribunal in its award for colliery labour. Reversing the lower Tribunal's award, which fixed women colliery workers' wages at 75 per cent. of the wages for men workers, the Special Bench eliminated this element of inequality in wages. It held that the payment of lower wages for women was a matter of tradition and that the "tradition had to go with the upsurge of social conscience." It seems necessary to examine the repercussions of this aspect of the Special Bench's award, for it may conceivably lead to a wave of fresh demands for equality in wages of men and women, thereby creating new controversies in the sphere of industrial relations.

It may be found useful to review briefly the arguments by which the demand for equality in wages, irrespective of sex, was supported and opposed at the time of the inquiry by the lower Tribunal which finally decided in favour of lower wages for women. The representatives of labour unions contended that it was now a well-recognised principle, also embodied in the Constitution, that "there should be no difference between the wages of a male and female worker for the same amount of work." The demand for equal wages for both men and women, it was further contended, was the latest landmark in the women's struggle for social, economic and political equality. A labour union declared: "It is the fundamental right of women to be on par with men sharing the fruit of her labour and to deny this right to women is to deny a fundamental right guaranteed to them by the Constitution of India. We claim this reactionary system to be abolished once for all."

Since the subject has thus already aroused considerable emotional ferment, it will be somewhat difficult to make the labour unions see the other point of view. But it is noteworthy that the employers urged the Tribunal to take into account some relevant considerations in deciding the issue. The Indian Mining Association contended that the wages paid to a man were supposed to be sufficient to permit him to support a family, whereas a woman employee usually belonged to a family, in which her father or husband was employed, and, in the majority of cases in which the woman did not belong to such a family, she had only herself to support. The Indian Mining Federation stated that, for the same amount of work, more women had to be employed, and that they also enjoyed special amenities. It is noteworthy that the State-owned collieries also argued that there was no denying the fact that, on account of certain legal and physical limitations, women could not provide the employer with the same "flexibility or value" of service as their male counterpart. Convinced by these arguments, the lower Tribunal held that a woman worker's wage should be calculated on the basis of 2.25 consumption units per family, as against the basis of 3 units for a man's wage. Accordingly, it recommended the fixation of minimum wages for women at 75 per cent. of the wages for men. It further averred that this was a fair arrangement, if it was remembered that (1) the female worker generally belonged to a family group with at least one male earner as its head and (2) special amenities enjoyed by women like maternity benefits, provision of creches, etc., should make up for the deficiency in the wages of women workers. It is this decision which the Special Bench of the Appellate Tribunal, as stated at the outset, has reversed.

The immediate impact of the Special Bench's decision will be clearly to reduce the scope for employment of women in the coal industry. Considering that employers have consistently held that women workers cannot do the same amount of work as men workers and that special amenities have to be provided for women, the only conceivable result of equalising the wages of men and women could be a definite disinclination on the part of colliery owners to take women workers. The Indian Mining Federation, in fact, had warned that a decision in favour of equality in wages would "act as a deterrent to the future employment of women labour in coal mines." Already, the number of women employed in coal mines is going down. From 1950 to 1954, the total labour force (men and women) in the industry, with figures in brackets representing the numbers of women workers, were: 1950: 350,204 (57,290); 1951: 351,975 (55,226); 1952: 348,663 (51,468); 1953: 341,193 (48,812); 1954: 340,964 (47,876). Commenting on these figures, the lower Tribunal pointed out that the fall in the women labour force was greater than that in the total labour force. This trend will, if anything, gather fresh momentum, as a result of the Special Bench's decision to equalise the wages of men and women. So much for the effect of the award on the coal industry.

To look at the question in its wider context. It is well known that the principle of "equal wages for equal work," irrespective of sex considerations, is one of the important conventions adopted by the International Labour Organisation. Although the value and significance of this convention have never been disputed, it has been found extremely difficult to implement it in practice. So far as India is concerned, although it has not ratified the convention, the principle forms one of the directive principles of the Constitution (Article 39d). It was accepted by the Central Pay Commission and approved by the Fair Wages Committee. Nevertheless, distinctions persist in the wages of men and women in diverse occupations. The Government's view is that, in the absence of an objective study, it is not possible to determine to what extent, if any, the existing disparities in wages between men and women workers constitute a violation of the principle of equal remuneration. By and large, this is a correct view. For the I.L.O. convention cannot be interpreted to mean that there should be equal pay, irrespective of the differences in work turned out by men and women. All that the conventfon emphasises is that, given proof of equal work, there should be no difference in wages. So long as there is no scientific evaluation of the work turned out by men and women workers in an industry or occupation, it will be difficult to enforce the principle of equal remuneration. If, despite this consideration, equal remuneration were enforced, the only result would be a certain decline in the opportunities of employment for women.

The persistence of lower wages for women, as compared with those for men, is attributed to five factors: (*a*) habit and customs, (*b*) biological factors which make it difficult for women to do strenuous and heavy work continuously, (*c*) limited obligations and responsibilities for financing home expenditure, (*d*) lack of the same urge to stick to employment and improve their economic position as in the case of men, and (*e*) lack of education and specialised training. There are, however, certain jobs in which women are actually preferred. Generally speaking, such jobs are those that require dexterity, lightness of touch, deftness and speed. Thus, in the cashewnut industry, in the packaging sections of industrial units and in the winding and reeling sections in mills, employers prefer women workers. Furthed, women are found suitable in certain professions, like nursing and teaching. In these sectors of industry or profession, women workers should actually be paid more than men.

Where the piece-rate system is followed, as, for instance, in *bidi*, cashewnut and plantation industries in which the percentage of women workers to the total labour force is 20, 82 and

supplement men's earnings. Again, because there is practically an unlimited labour force, any forced regulation of wages designed to bring about an artificial equality between men's and women's wages is bound to result in the displacement of women by men. This could mean considerable hardship to women who are single, widowed, or divorced or separated from their husbands, or who have, out of economic necessity, to supplement men's incomes. A solution that is only fair to employers is that minimum wages should be fixed, leaving it to them to choose men or women for the work. But this solution will not, however, enlarge the employment opportunities for women. These considerations point to the need for hastening slowly in the direction of enforcing equality of wages for men and women, especially in those fields where the output by women has not been proved to be as good—quantitatively and qualitatively—as that of men.

PROTECTION FOR AUTOMOBILES—II

THE Tariff Commission's report on the automobile industry makes sad reading. It clearly shows that the industry is not in good health and that it has to go a long way yet before it can become a strong link in our industrial chain. There is little prospect of consumers getting cars at reasonable prices for several years. The progress made by the industry in the manufacture of automobiles is disappointing. Despite the high level of prices of cars, the financial position of the automobile companies is far from sound. And they still require large sums of capital for becoming economic units. The problem of raising additional finance is, therefore, a tough one and a test to the ingenuity of *entrepreneurs*. The lack of sensible planning in the industry and at Government level is surprising to a degree, especially because we are supposed to be living in an era of planned development. There is hardly any co-operation among the various manufacturers even in regard to matters of common interest, with the result that there has been a lot of duplication of effort and waste of resources. If, despite all this, the Tariff Commission has favoured strong protection for the industry for a decade through import duties, import control and regulated internal competition, it is because the industry is essential for the economic well-being of a vast country like India with a population of over 370 million as well as for its defence. It is unthinkable that India can attain economic prosperity and retain its political freedom and solidarity without a healthy and efficiently managed automobile industry. No sacrifice is too much for this purpose.

Yet we wonder whether this point is adequately realised by both the Government and the manufacturers. The history of the industry during the past three or four years offers enough room for raising this doubt. One has only to go through chapters 15 to 23 of the Commission's report to appreciate the veracity of this point. Here is an industry in which there ought to have been, in the interests of the country's defence and speedy economic progress, careful planning, co-ordination of effort and close co-operation between the Government and manufacturers, on the one hand, and manufacturers *inter se*, on the other. But none of these requisites was fulfilled to the extent necessary. The result is that the industry's survival and growth have become a more complicated problem than it need be. Perhaps, the position would have been very much better had the Government not departed from the Tariff Commission's 1953 recommendations to the extent it did.

The first major defect is that there are too many manufacturers in the industry in relation to the size of the market for cars. This was there even before the 1953 Tariff enquiry, but it has been aggravated since then by allowing more manufacturers to enter the field. At the time the Government accepted the recommendations of the Tariff Commission, it recognised five companies as manufacturers. These were: the Hindustan Motors, the Premier Automobiles, the Standard Motors, the Automobile Products of India and the Ashok Motors. Besides these, it allowed Messrs. Mahindra and Mahindra Ltd. and Dewar's Garage and Engineering Works as assemblers of jeeps and Land Rovers, respectively. But now there are eight approved manufacturers. It is true that the demand for all types of vehicles has risen from about 13,100 per annum in 1954 to 31,090 in 1956 and that, similarly, the production of approved manufacturers has also advanced from 12,146 to a little over 31,000. While the final figures of sales and output for 1956 are not yet available, those relating to 1955 show that sales were 25,048 and production 22,153. Further, it is estimated that, by 1961, the total demand for all vehicles will be of the order of 65,000. Even assuming that this estimate will turn out to be correct, there are too many producers in the field to enable manufacture of cars at an economic price.

The hope in 1953 was that at least two companies recognised as manufacturers would go out of the field, for want of resources, if not for anything else, and thereby pave the way for the speedy growth of the remaining three companies. This hope was about to materialise, but the Government, instead of cancelling their licences, gave them a fresh lease of life. In addition, it permitted Messrs. Mahindra and Mahindra to assume the role of manufacturers of jeep, instead of that of assemblers, as was originally intended, and gave licences to two new manufacturers, the T.E.L.Co. and Messrs. Simpson & Co., Ltd. Before taking these steps, the Government did not consult either the existing manufacturers or the Tariff Commission. If the Government had thought that diesel cars and trucks required to be manufactured in the country, it could have asked the then existing manufacturers to undertake that task. Even granting for argument's sake that the Government had good reasons for allowing two new manufacturers for making diesel vehicles and engines, was it necessary for it to go to the rescue of two of the permitted manufacturers who were about to close their show?

It may be argued that, in licensing more manufacturers, the Government had in mind the desire to maintain internal competition as a safeguard against undue increases in cost or deterioration in quality. But, as the Tariff Commission has rightly pointed out, this approach is wholly unsound. What are the reasons for taking this view? This question is best answered in the words of the Commission:

> "If planned development is the objective, it would be an admission of failure if, for the purpose of keeping costs and prices under control, it was found necessary to promote internal competition at the expense of economic volume, since this would involve a waste or uneconomic use of resources which it is the very object of planning to avoid. ... Besides assuring all units of an economic volume, it is also desirable in some cases to see that the approved units obtain a large enough volume to achieve the economies of mass production. This, however, is a consideration which may reasonably be weighed against the desirability of maintaining internal competition." But "the claims of internal competition could be considered only after an economic volume is assured to all the units."

The second major defect of the industry is that too many types of vehicles are being manufactured, with the result that it has become difficult to achieve the economies of mass production. This defect is probably the offshoot of the first one. The grounds on which it has been allowed to develop are also the same as those relating to the first defect. Of course, the advantages of diesel vehicles over petrol vehicles must have induced the Government to license the manufacture of these types. But this consideration should have weighed with the authorities only to a limited extent. While one can appreciate the importance of diesel engines for commercial vehicles, such is not easy so far as passenger cars are concerned. It is not necessary, for instance, to place in the market a diesel car as a competitor to either a Fiat 1100 or Hindustan Landmaster; nor is it necessary to allow a Land Rover to be pitted against a jeep. In view of the extremely limited size of the market for automobiles and the necessity for ensuring an economic volume, India cannot afford to have the luxury of producing too many types and ranges of cars and trucks. It must wait for some more years to enjoy this luxury, that is, until the market for automobiles expands to a size comparable with that of some of the Western countries. The need for bringing down the cost of vehicles and achieving self-sufficiency in manufacture at an early date must have priority over this luxury.

It can be argued that, in allowing a larger number of manufacturers and types of automobiles, the Government had in mind the necessity to create a large enough capacity to meet India's future needs of road transport which are immense. It will be interesting to note here that the Indian Roads and Transport Development Association, Bombay, has expressed the view that about 300,000 additional commercial vehicles alone will be needed during the decade from 1950-51 to 1960-61. A similar estimate of passenger cars that will be required in the next four years is 80,000. But the Tariff Commission regards that these estimates are valid to a limited extent only, as they are subject to the assumption that various obstacles to transport development will be substantially removed or eliminated in the near future—an assumption not fully justified by experience during the past five years. Some, however, may not agree with this view and may refer, in support of it, to the increase in the demand for steel and cement which has exceeded even the most optimistic expectations. Even granting that there is some force in this argument, the fact cannot be denied that, unless the existing units are made economic and enabled to work at a reasonable profit, it will not be possible for the industry to grow to a size necessary to meet that demand. Thus, whichever way the question is looked at, it is clear that there has been serious bungling in planning the growth of this vital industry.

It will not be fair to say that the entire blame for the defective growth of the automobile industry must be laid at the doors of the Government. Some of the manufacturers, too, have erred in planning and assessing the needs of the country. In this respect, the pioneers—the Hindustan Motors and the Premier Automobiles—have sinned more than the others, apparently because they have been in the field for a longer period. In saying this, we do not underestimate either their difficulties or their achievements so far. In fact, the Tariff Commission has paid high compliments to the Hindustan Motors for having achieved "notable" progress in the manufacture of cars and to the Premier Automobiles for the "satisfactory" progress it has made, especially in the manufacture of trucks. But, with all that, their judgment of the market has evoked certain criticisms at the hands of the Tariff Commission. They have, for instance, paid more attention to passenger cars than to commercial vehicles, which should have received first priority from the point of view of both economic development and strategic importance. There are also many economic advantages in giving priority to commercial vehicles. They have a high value per unit—a material consideration in a country where the total demand for vehicles is relatively small—changes in their design are far less frequent, self-sufficiency could be achieved sooner than in the case of cars, and capital expenditure would be relatively less. Again, despite the growing demand for diesel vehicles and the uncertain outlook for petrol engines for use in trucks, the Hindustan Motors has not moved with the times.

Another criticism of the Tariff Commission which applies mainly to the two pioneers, as also to the Standard Motors, is that they have developed the automobile industry in a direction opposite to the one favoured by public opinion. It would have been more appropriate, in the opinion of the Commission, if they had paid attention to the manufacture of baby cars rather than to light, medium or big cars. In that case, they would have had a bigger market and served the socially more desirable purpose of producing a car for the common man. This initial mistake, which has led to firm commitments and locking up of large capital in the manufacture of light and medium cars, "precludes," according to the Commission, "any prospect of a baby car being produced in the near future at the low production cost desired by the consumer."

Yet another weakness of all manufacturers, not necessarily confined to the two pioneers only, has been the tendency constantly to ask for permission to take up new projects, even before fully consolidating progress in those already undertaken. Thus, "manufacturers have," to quote the Commission, "tended to under-rate the difficulties involved in implementing manufacturing programmes in respect of several vehicles simultaneously. Although the Hindustan Motors, the Premier Automobiles and the Standard Motors had each undertaken to carry out more than one project, none of them was able to show appreciable progress in respect of more than one project during the last three years. Except in the case of Hindustan Landmaster, all other manufacturing programmes undertaken by these firms are in arrears. And yet every one of them has asked for permission to take up new projects and is promising to carry out the old and the new projects simultaneously." There has thus been an unhealthy tendency among the manufacturers to bite more than they could chew and digest in time. The result has been delay in the implementation of the manufacturing programme.

RESERVE BANK TO PROVIDE MORE FUNDS TO THE BANKING SYSTEM

KALDOR'S PROPOSALS—SPATE OF NEW ISSUES

THURSDAY, 5 P.M.

MARKET GOSSIP

THE share markets are, once again, chary of taking a bullish view of the future. It is being assailed by doubts and fears, which are partly political and partly economic. There is a fear that India's stand on Kashmir may lead to hostilities between India and Pakistan. The economic fears are many. The continued delay by the Controller of Capital Issues in giving permission to applications from companies for issuing bonus shares has given rise to the fear that the tax on bonus issues will be raised either in the forthcoming budget or the one that will be presented after the General Elections. Secondly, it is apprehended that the Government might close the futures trading in commodities and bullion, in view of the pronounced bullish fervour that prevails in these markets. It is noteworthy that the rise in short-term interest rates and the bankers' lending rates following the ½ per cent. increase in the *de facto* Bank rates has made no perceptible impression on these markets. On the contrary, cotton, foodgrains and bullion are now quoting higher than they did a week or ten days ago. Thirdly, the deteriorating balance of payments position and the dimmer prospects of getting more foreign aid have strengthened the possibility of further substantial doses of new taxation.

Some persons, however, are setting great store by the meeting that took place yesterday at New Delhi between the top leaders of the business community and the Finance and Commerce and Industry Ministers. They are hoping against hope that the outcome of this meeting will impart a bullish fervour to the share markets. It is expected that, following this meeting, there will be some relaxation in the burden of taxation on cloth, that the compulsory deposit scheme will be so simplified as not to hurt the companies which are using their reserves for purposes in consonance with the requirements of the development plan, that the rigours of the dividend tax will be modified in favour of investors, that more bank credit will be made available to trade and industry, that no further incursions will be made by the State into the sphere of private enterprise and that there will be better appreciation of the merits of free enterprise than now. It remains to be seen whether all this is mere wishful thinking or at least some of them will materialise.

It seems that big operators are still optimistic and are holding large blocks of shares. In other words, the market is believed to be long, with most of the short-sales that were effected before and after the November-end tax proposals having been covered. Some say that these operators have no other go but to stick to their holdings, as it is not easy to get rid of them without suffering serious losses and that it is in their interest to nurse the market. How far this is true is not an easy question to answer. The occasional upward pull of the market and the absence of any marked buying at higher levels are said to be the outcome of the aforesaid situation.

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The share market is inclined to think that the Bank rate has not gone up, for, in its opinion, the ½ per cent. increase in the Reserve Bank's lending rate to banks last week does not amount to that. It is just deluding itself in thinking thus. For all practical purposes, the Bank rate has gone up. The trends in the money market have already begun to support this conclusion. The short-term deposit rates of banks have risen by ½ per cent. This is only the beginning and this journal would not be surprised if a further rise in these rates were to materialise. There is reason to believe that the Reserve Bank has no intention of using its good offices for bringing about an understanding among the banks for keeping the rates of interest on deposits pegged at agreed levels. With the exit of Mr. Benegal Rama Rau, who had been persuaded by some of the bankers to extend his sympathy and support to such a proposal, what little chances there were for its implementation have now completely disappeared. The new regime, under the leadership of Mr. T. T. Krishnamachari, does not want to interfere in this matter. It seems to believe in the theory that higher interest rates on deposits will attract more savings. And, in any case, now that banks are making good profits, as is evident from their financial results for 1956, the official circles are said to hold the view that banks can afford to pay higher rates on deposits.

Several banks have raised the rate of interest on some of their advances to trade and industry. This is also only a beginning. In their anxiety to better their margin of profit and to provide for the possibility of a fall in the value of Gilt-edged securities in the coming months, the banks are bound to apply higher rates of interest to all advances. It is only a question of time. Business men will, of course, grumble in the beginning, but since they need more credit and do not find any difficulty in passing on the additional burden to consumers, they will ultimately agree to the change. Indeed, many of them will not mind paying more for bank credit if they can get their requirements in full. It is significant that no section of the business community has so far protested against the rise in the Reserve Bank's advances rate to member banks, though all sections must be fully aware of the significance of this step. Incidentally, the State Bank of India, too, has raised its rate of interest on advances to banks against Government securities from 4 to 4½ per cent.

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Enquiries made in official circles reveal that the authorities were prompted to take the unprecedented step of divorcing the Reserve Bank's rate of interest on advances to member banks against Government securities from the Bank rate for three main reasons. These, in their order of importance, are: (1) The need for keeping the usance bill rate and this rate at par, lest there should be a pronounced tendency on the part of banks to borrow against Government securities to the maximum extent possible and to reduce the use of usance bills; (2) the increase in the profit-margin of banks and the consequent desire of the Government to charge a little more on the money that is lent by the Reserve Bank to them; and (3) the presence of inflationary pressures in the economy and the necessity for keeping them under control. The last mentioned factor implies that the Scheduled banks must pass on the increase in the cost of their deposits and borrowings from the Reserve Bank to their customers. There is thus no question of the Reserve Bank frowning at the banks putting up the rates of interest on their advances so long as the increase is within reasonable limits.

This attitude may seem to be in conflict with the relaxation of restriction on bank credits to cloth trade. But one should not mix these two issues. Bank credits to cloth trade are on a different footing now. This restriction has already served its purpose. The boom in cloth trade, noted in the second and third quarters of 1956, has been successfully killed. Instead of a boom, there are now prospects of a recession in cloth trade. Stocks of cloth with mills have accumulated to uncomfortable levels. Several mills are holding stocks in excess of the limit prescribed under the Textile Control Order, because they cannot be sold at remunerative levels. It is in order to ease this situation that the Government directed the Reserve Bank to lift the restriction on bank credits to cloth traders. The Reserve Bank gave the necessary orders to the banks on the 1st inst., but news about it appeared in the daily Press only on Wednesday.

SUGAR EXPORTS

Since our reference to export of sugar by India in these columns a fortnight ago, we understand that orders for 30,000 tons have been booked, bringing the total firm sales to 40,000 tons, as compared with the initial target of 50,000 tons. The buyers include, besides the Persian Gulf countries, Pakistan, Ceylon and Africa. There has, however, been a fall in the price realised on such sales, from £62 per ton, f.o.b. to £60 per ton f.o.b. The demand for Indian sugar at the latter level is said to be good and further business is likely.

Despatches of sugar from the factories in Uttar Pradesh which have sold for export have already begun and the first shipment to the Middle East is scheduled to begin on the 15th inst.

Indeed, now that interest rates have been pushed upwards, it will not be surprising if the authorities are prepared to make available more credit to the market. The Reserve Bank is already reported to have bought Government securities from the open market and some of the credit institutions to the tune of Rs. 16 crores since the commencement of 1957. This incidentally explains the recent spurt in the value of Gilt-edged securities and their current steadiness in the face of higher *de facto* Bank rates. It is also reliably understood that the Reserve Bank has enhanced the limit for discounting usance bills (outstanding at any time) to as much as Rs. 145 crores, as against which the banks have so far availed of only Rs. 56 crores. If this limit were to be exceeded on account of heavy demand for bank credit and if the authorities were satisfied that such demand was for genuine trade purposes and not for speculation, they would be prepared to raise it by Rs. 25 crores to Rs. 30 crores. It would accordingly appear that the business community need not be unduly perturbed by prospects of a famine in bank credit in the coming months, though it is now certain that they will have to pay a little more for such credit.

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Assuming that the Union Finance Minister is the best astrologer of the country's fiscal future, the forthcoming budget is bound to be a "lame duck." This does not, however, rule out the possibility of the succeeding budgets turning out to be more menacing centipedes, armed with a multitude of fiscal fangs. There is a widespread impression that the Government will derive its inspiration for fiscal reform from the British economist, Dr. Kaldor, who, at the instance of the Indian Statistical Institute, investigated the Indian tax system and submitted a report on the devices by which the Government could augment its revenue. Although his proposals have rightly attracted considerable attention, it is a pity that no comprehensive attempt was made to subject them to a very careful scrutiny. This deficiency has now been made good—and that, very ably too—by the Federation of Indian Chambers of Commerce and Industry, in a brochure entitled *Kaldor's Report on Indian Tax Reform—An analysis*. The brochure, besides making interesting reading, contains much food for thought for those who devise and administer fiscal policies.

The Federation, in this brochure, analyses and comments upon the different proposals made by Dr. Kaldor, including those relating to reduction in income-tax, personal expenditure tax, tax on wealth, capital gains tax and gift tax. It welcomes Dr. Kaldor's proposal for a reduction in the top marginal rates of income-tax and super-tax but rightly holds that the proposal will lose its merit if it is combined with the numerous other taxes he has advocated. As regards expenditure tax, it emphasises the now well-known criticism that though, theoretically speaking, it may be a more equitable tax, it is "almost impossible to impose it in practice." Referring to tax on capital gains, it reiterates the view it expressed in its memorandum to the Taxation Enquiry Commission that the tax is inequitable and that it will act as a disincentive to investors.

Perhaps, the Federation's criticism of Dr. Kaldor's proposals relating to annual tax on wealth and gift tax deserves special notice, because they are less impracticable than the expenditure tax and may, as such, be engaging the serious attention of the Finance Ministry now. Dr. Kaldor, it may be recalled, proposed an annual rate of tax on wealth at varying rates—Below Rs. 1 lakh—nil; Rs. 1 lakh to Rs. 4 lakhs—1/3 per cent.; Rs. 4 lakhs to Rs. 7 lakhs—½ per cent., Rs. 7 lakhs to Rs. 10 lakhs—¾ per cent; Rs. 10 lakhs to Rs. 15 lakhs—1 per cent.; above Rs. 15 lakhs—1½ per cent. The Federation points out that, though the percentages may appear small and harmless, in practice, the tax could be a very inequitous one. It argues that if the tax is levied on the value of property, the person who has a larger income on his property will be in a better position to pay the tax than another whose investments yield little or no income. Productive enterprises have a long period of gestation and a person holding a share in a new enterprise may not receive any dividend for the first few years. He will nonetheless be liable to pay a tax based on the market value of his shares. He may thus be forced to consume his capital to be able to meet his tax liability. The Federation observes that the problems of valuation which will arise if the tax is to be administered efficiently and equitably have been grossly underestimated.

After examining the working of the system of annual tax on wealth in countries where it is levied, it reaches the conclusion that the tax is invariably associated with low rates of income-tax and the rates of property tax themselves are placed at low levels in those countries. It admits that Mr. Kaldor's proposals include both these elements, but doubts whether the introduction of the wealth tax, in the present administrative set-up, would be practicable in this country. It concludes by affirming that the tax would discriminate against genuine savings and would create difficult problems both in valuation and assessment of property. For these reasons, it suggests that the proposal should be given up.

The gift tax was advocated by Dr. Kaldor as a measure to replace the present Estate Duty. It will be a tax on all gifts including gifts *inter vivos* as well as inheritance. In contrast to the system adopted for estate duty, the tax will be assessed not with reference to the estate of the donor but that of the donee. An exemption limit of Rs. 10,000 for any single recipient is suggested. Gifts over and above that will be taxed at the rate of 10 per cent. if the net wealth of the recipient is below Rs. 1 lakh, at 15 per cent. if his net wealth is between Rs. 1 lakh and Rs. 1.5 lakhs, at 20 per cent. between Rs. 1.5 lakhs and Rs. 2 lakhs and so on, the rate becoming 80 per cent. if the total estate (including the gift) of the donee exceeds Rs. 20 lakhs. In other words, for slabs above Rs. 1 lakh, the rates proposed are double the present estate duty rates.

Commenting on Dr. Kaldor's proposal, the Federation says that a gift tax on *inter vivos* gifts is levied in the U.S., Sweden, Canada, Australia, the Netherlands and a few other countries. But, in all these cases, the tax is meant to supplement death duties and not to replace them. It is in fact an extension of the principle that gifts made within a prescribed period prior to death should be aggregated with the estate for purposes of death duty. The tax on gifts in these countries is imposed not with a view to raising additional revenue, but with a view to making the administration of death duties more effective and reducing the possibility of evasion Dr. Kaldor's proposals, however, go beyond the case for a gift tax as a supplement to death duties.

A more basic objection to the general tax on gifts, according to the Federation, is that at the present stage of administrative experience it would be a very difficult tax to put into practice. The taxation Enquiry Commission has said that the tax requires considerable experience in the operation of estate duty before it can be introduced. In view of the fact that it is hardly three years since estate duty was introduced in India, it has expressed itself not in favour of introducing a gift tax at this stage. Moreover, a gift tax coupled with a personal expenditure tax of the kind proposed, it is stated, would result in inequalities of treatment and may also involve double taxation. In calculating personal expenditure, Dr. Kaldor recommends that gifts above a certain limit only should be excluded from expenditure. Gifts below the prescribed limit would be treated as expenditure and would be liable to expenditure tax. But the same would also be charged to a gift tax in the hands of the recipient, if the latter has already received

(*Continued on page 290*)

EQUITIES COLOURLESS

UNDERTONE QUIET

(From Our Own Correspondents)

BOMBAY, *7th February*

DULL conditions prevailed on the Stock Exchange during the week under review. There was a general apathy on the part of operators to extend their commitments and business was, therefore, very much restricted, with fluctuations confined to a narrow range. The increase of ½ per cent. in the Reserve Bank's rate of interest on advances to Scheduled Banks against Government securities, did not have any effect on equity prices, but the fear that there was likely to be a corresponding rise in banks' lending rate, in which case the costs of industries would go up, had a restraining influence. The end-of-account considerations also restricted business.

The new account on Monday opened on a subdued note and prices were well marked down on that day on fears of increasing tension over the Kashmir issue. Reports of mounting stocks of cloth also depressed sentiment. From Tuesday onwards, however, there was a slight recovery on bear covering. The removal of credit restriction on cloth was a favourable factor, but this did not bring about any cheer to the market. For it is stated that a reduction in excise duty alone would help movement of cloth. The market at the close was hesitant.

In the steel section, Tata Ordinaries were marked down from Rs. 179-12 to Rs. 176-4, before they crept up to Rs. 179-8 today. The closing was, however, a shade lower at Rs. 178-12. Indian Irons, which were listed *ex*-right on the 4th inst. at Rs. 22-6, as against the previous week's closing of Rs. 29-5½ *cum*-right, dropped to Rs. 22-1½. After recovering to Rs. 22-7½, they wound up at Rs. 22-6. Indian Irons Rights were placed in the forward list today and business was done between Rs. 7-3½ and Rs. 7-2½.

Notwithstanding the recovery in the last three days, textiles were the worst affected and losses over the week were on a wide front. Bombay Dyeings receded from Rs. 570 to Rs. 552-8, but managed to recover to Rs. 564-6 today and closed at Rs. 562-8. Centurys dropped from Rs. 507-8 to Rs. 496 before regaining to Rs. 501-8. Kohinoors declined from Rs. 326-8 to Rs. 320, but the loss was more than made good when the shares closed today at Rs. 327-4. Central Indias shed over the week Re. 1 to Rs. 123, Finlays Rs. 5 to Rs. 307 and Gokaks Rs. 3 to Rs. 223-8, while Indu Ordinaries were unchanged on balance at Rs. 11. Indore Malwas were lower by Rs. 2-8 at Rs. 138-12. Morarjee Goculdas dropped Rs. 2-8 to Rs. 227-8. New Greats softened from Rs. 241-8 to Rs. 240, while New City Mills hardened from Rs. 147-8 to Rs. 151-14. Both New Great and New City Mills have maintained the dividends at Rs. 10 each for the year ended 31st December 1956. New Kaiser-I-Hinds lost Rs. 3-12 to Rs. 110 and Phœnix Rs. 2-8 to Rs. 145. Podars were done at Rs. 165 *ex-div.*, as against Rs. 170 *cum-div.* Shree Niwas held their own at Rs. 190, but Simplex drifted down from Rs. 183-8 to Rs. 180. Standards gave way from Rs. 440 to Rs. 427-8 and Svadeshis from Rs. 230 to Rs. 225-8. A drop of Rs. 3-12 to Rs. 411-4 was noted in Swans and of As. 12 to Rs. 50 in Tata Mills.

Bank shares were featureless, but the undertone was quiet, with moderate losses in some scrips. Barodas were unchanged at Rs. 103-8 and Central Banks at Rs. 54-8, while the New shares were marked down by a rupee to Rs. 58. Bank of Indias also lost a rupee to Rs. 140, as also their new shares to Rs. 141. Punjab Nationals suffered a loss of Rs. 3 to Rs. 55 and United Commercials As. 4 to Rs. 58. Union Banks were steady at Rs. 7-10.

Business in the insurance section was confined to New Indias only, which were fractionally lower at Rs. 43-8.

Barring Ahmedabad Electrics, which ruled firm on good investment support, the electricity section ruled quiet and business was on a limited scale. Following the declaration of a higher final dividend of Rs. 4 per share for the year ended 30th September 1956, as against Rs. 2-8 in the previous year (bringing the total distribution for the year to Rs. 6-8 per share, as against Rs. 5 for 1954-55), Ahmedabad Electrics shot up from Rs. 96-9 to Rs. 99-6. Bombay Suburbans were unchanged at Rs. 109-6 and Surats at Rs. 112-8. Tata Hydros declined by Rs. 3 to Rs. 121, Tata Powers by Rs. 2-8 to Rs. 1,232-8 and Andhra Valleys by Rs. 12-8 to Rs. 1,215. Andhra Valleys (New) were maintained at Rs. 1,195.

The miscellaneous section fully reflected the general apathy of the operators. In the sugar group, except for Walchandnagars, fluctuations were narrow. Belapurs moved between Rs. 231-8 and Rs. 230, before closing at Rs. 231. Bhopals shed As. 8 to Rs. 18-14, but Phaltans showed no change on balance at Rs. 148. Walchandnagars were marked down by Rs. 4-12 to Rs. 263-12. Cement shares drifted lower, A.C.C. moving down from Rs. 183 *cum-div.* to Rs. 168-4 *ex-div.* before closing at Rs. 170-8 *ex-div.* Digvijays were taken down by Rs. 2-12 to Rs. 149-8. Orissa Cements were held at Rs. 13-3. Among engineering shares, Alcocks were quiet, shedding Re. 1-4 over the week to Rs. 263-12. Tata Locomotives were hammered down from Rs. 153-8 to Rs. 148, but they staged a recovery to Rs. 150 at the close. Premier Constructions were unchanged on balance at Rs. 181-8, but Larsen and Toubros gained As. 2 to Rs. 17. In the mining group, Shivrajpurs were conspicuous with a gain of Re. 1-8 at Rs. 95, on rumours of a bonus issue. Indian Coppers were steady at Rs. 3-10½, while B.B. Petrols were colourless at Rs. 2-12.

Hindustan Motors changed hands As. 2½ lower at Rs. 8-0½ and Premier Automobiles As. 12 down at Rs. 104-12. Shipping shares also were quiet, Scindias receding from Rs. 18-15½ to Rs. 18-13 and Great Eastern Shippings from Rs. 19-1 to Rs. 18-12.

In the miscellaneous group, Bombay Burmahs were subjected to heavy selling pressure, despite the Company's announcement that the Directors proposed to issue bonus shares, if the scheme of capital reorganisation became operative and the Controller of Capital Issues and Exchanges Controller gave permission. The shares slumped from Rs. 727-8 to Rs. 706-4. After a recovery to Rs. 718-12, they again receded to Rs. 711-4. Their new shares dropped Rs. 8-2 to Rs. 268-2. National Rayons were marked down from Rs. 246-4 to Rs. 239-12, before closing at Rs. 241-4. Gwalior Rayons were done As. 2 lower at Rs. 15-10. British India Corporations were a fraction lower at Rs. 8-6. Tata Chemicals lost As. 5 to Rs. 16-1 and Tata Oils As. 4 to Rs. 45-8. Wimcos were steady at Rs. 173. Hindustan Levers were unchanged at Rs. 19-6. Texmacos were quiet at Rs. 20-12.

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Calcutta Stock Exchange

CALCUTTA, *6th February*

Earlier in the week under review on the Calcutta Stock Exchange, share values moved down and the volume of transactions thinned, but on Friday a little improvement in sentiment was recorded, mainly because of the attractively low levels equity values had reached. However, on Monday again, prices moved down on selling pressure, although the volume of transactions was satisfactory. The market was closed yesterday on account of *Saraswati Pooja*.

The recovery that was in evidence for about a fortnight was arrested early in the week, following the market's disappointment over the details of the rights issue by the Indian Iron and Steel Company Ltd. Although these details had been known even as early as November last, their official announcement kept many an operator and investor athinking pondering over the prospects. First, the premium of Rs. 3-8 for the 5,183,708 new ordinary shares, which are to be issued in the proportion of one share to every one ordinary share now held, was considered too great. Secondly, the new shares would not be eligible for the dividend for the year ending 31st March 1957, and the market's presumption that the dividend on the existing shares would be maintained at 10 per cent. or Re. 1 per share was indicated when, in unofficial transactions, the new shares were quoted at Rs. 20-8 and the old ones at Rs. 21-8. No indication was available if the new shares would be eligible for dividend for the year ending 31st March 1958. But it was thought that they would and that the dividend of 10 per cent. would be maintained.

The bearish tendency gained momentum when the Reserve Bank of India announced on Thursday night the increase in interest rate to 4 per cent. from 3.5 per cent. as from 1st February on advances to Scheduled banks against Government and other eligible securities. No surprise was caused in Calcutta financial circles, in view of the dearer tendency in the money market noticeable in recent weeks. However, the earlier announcement to the effect that the Bank rate would remain unchanged at 3½ per cent. caused some surprise, but it was thought that the Bank rate would also soon be raised, although the 3.5 per cent. now existing comes to 4 per cent., if the increased stamp duty on the Bill market scheme is taken into account. As Scheduled banks would be obliged to borrow larger sums in the coming months against Government securities to finance development plans in the private sector, it is seen that for all practical purposes the Bank rate is also 4 per cent. If the Reserve Bank avoided a *de jure* announcement in this regard, it was only to prevent an impact on people's psychology.

Pakistani threats over the Kashmir issue contributed to making a re-analysis of prospects by operators. The proximity of the elections and the expectations of an increase in taxation in the coming Budget also contributed to the earlier dullness. The Labour Appellate Tribunal's award, which provides for its retrospective implementation from 26th May 1956 (the date of the last award which substantially increased the wages bills of collieries), has made a further addition to labour costs. The increase of Rs. 3 per ton in the price of coal has been found inadequate to cover the additional labour costs following the earlier award. How the Government can avoid a further increase in coal prices is difficult to see as the private sector has to ensure first that existing production is economic before embarking on expansion plans.

Among textiles, Kesorams were unchanged at Rs. 15-11, and Cawnpores declined to Rs. 7-11 from Rs. 8-1.

More selling was recorded in the coal section and, although most counters gave way, a few selected scrips looked up latterly, on buying attracted by the low levels. Thus, while South Karanpuras were pushed down from Rs. 10-6 to Rs. 10-1, Burrakurs were unchanged at Rs. 21-4 and Bengals were put through at Rs. 459, as against Rs. 456 a week ago. Western Bengals declined by As. 5 to Rs. 5-15. Central Indias receded to Rs. 6-8 from Rs. 6-12.

The decline in raw jute prices was noted in jutes later in the week. At Rs. 21, Nationals were up by Re. 1-4. Gourepores were a strong feature for the jump from Rs. 205 to Rs. 225. Another equally strong counter was Kinnisons which recovered from Rs. 135 to Rs. 140. Deltas were taken from Rs. 140 to Rs. 146, Cheviots from Rs. 142 to Rs. 150, Megnas from Rs. 77 to Rs. 80-8, and Barnagores from Rs. 103 to Rs. 110.

Engineering scrips were reflective of the general trend as referred to above. Indian Irons gave way from Rs. 29-4 to Rs. 28-11 on bull liquidation. Business in shares of Indian Irons would continue on *cum*-right basis until further notice, according to an announcement by the Stock Exchange Committee on Monday night. It is also stated that the delivery of Indian Iron shares in the clearing on 20th February would be compulsorily carried over to the clearing on 6th March at the fixed carry-over charge of one anna nine pies. Jessop & Cos. moved down from Rs. 29 to Rs. 28-8, and Guest Keens from Rs. 24-10 to Rs. 24-4. From Rs. 20-12, Texmacos had improved to Rs. 21-2 before sagging to Rs. 20-11.

Tea shares responded to selective inquiry. Bishnauths were taken to Rs. 22-1 from Rs. 21 and Ranicherras had buyers at Rs. 16-10, as against Rs. 16-3 in the beginning of the week. Tezpores hardened to Rs. 20-12 from Rs. 20-2 and Rydaks to Rs. 36 from Rs. 31-8. Methonis, at Rs. 20-4, put on an improved appearance.

Earlier in the week miscellaneous industrials were featureless, but subsequently they improved. Indo-Burma Petroleums, after scoring to Rs. 36-4, were fully steady at that rate. On interested buying, Metal Boxes were taken from Rs. 27-8 to Rs. 29-10, while Indian Aluminiums receded from Rs. 14-8 to Rs. 14-2. Indian Cables were marked down from Rs. 32-14 to Rs. 31-15. After moving down to Rs. 33-2 Orient Papers recovered to Rs. 33-10.

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Madras Stock Exchange

MADRAS, *5th February*

The firm trend noted on the Madras Stock Exchange last week abated somewhat during the week under review. In fact, the market depicted an easy note. Buying enquiries were at a low ebb, thanks to continued stringency in the money market and weakness in commodity markets. There was large-scale profit-taking. Consequently, equity values generally tended to recede.

In the textile section, Radhakrishnas encountered heavy selling and were hammered down by Rs. 15 to Rs. 315. Lakshmis dropped Rs. 3 to Rs. 262. Cannanores declined by a rupee to Rs. 177. Loyals shed a like amount to Rs. 50-12. Maduras receded by As. 4 to Rs. 46-12 *cum-div.* Cambodias eased by an anna to Rs. 14-11. Trichinopolys were neglected at Rs. 13-5. Travancore Rayons were done at Rs. 14-1, as against Rs. 14-5 last week-end. Bangalore Woollens, on the other hand, met with good buying support and rallied Rs. 17-8 to Rs. 572-8. Buckinghams and Janardhanas were favoured As. 8 higher each at Rs. 183-8 and Rs. 108-8 respectively.

Among tea shares in the planting section, Taleyars dropped As. 4 to Rs. 11-14. A similar loss was suffered by Twyfords which were quoted at Rs. 19-8. Kil Kotagiris receded by As. 3 to Rs. 6-5. Nelliampathys, however, elicited some support and put on As. 4 to Rs. 3-6. Waterfalls improved by As. 2 to Rs. 5-8. Blue Mountains were a shade better at Rs. 5-5. Deals in coffee shares were put through at slightly reduced rates. Coffee Lands eased by an anna to Rs. 24. Mysore Plantations lost nine pies to Re. 1-12-9. Rubber shares, however, elicited attention of operators and recorded some improvement in values. Highlands strengthened by As. 11 to Rs. 14-14. Tropicals hardened by As. 10 to Rs. 33-10. Midlands increased by As. 5 to Rs. 18-4 and Kallas by As. 4 to Rs. 6-2. Pullangodes and Cowcoodys were better by an anna each, the former at Rs. 2-13-6 and the latter at Rs. 7-15. Thirumbadis were firm at Rs. 2-2. Cochin Malabars, on the other hand, came in for some selling and shed As. 3 to Rs. 9-3.

Activity in the miscellaneous section continued to be restricted. Aluminium Industries drifted down by As. 4 to Rs. 19-8. Mettur Chemicals were quiet at Rs. 10 *cum-div.* Cement shares received some support. India Cements and Travancore Cements picked up an anna each to Rs. 29-15 and Rs. 9-12, respectively. F.A.C.Ts ruled firm at Rs. 6-7.

Among bank shares, Indian Overseas receded from Rs. 159 to Rs. 154-8. Indian Bank Fully Paids declined by Rs. 3 to Rs. 204. Travancores were done at Rs. 16-15.

BRADY GROUP DIVIDENDS

It is realiably understood that the directors of companies under the management of Messrs. W. H. Brady & Co., Ltd., have decided to maintain the dividends for 1956 at the preceding year's levels. Thus, the shareholders of New City Mill will get Rs. 10 per share (of Rs. 100 each), of New Great Mill Rs. 10 per share (face value Rs. 100), of Empire Dyeing Rs. 3 per share (face value Rs. 15) and of Brady Engineering Rs. 3 per share (paid-up value of Rs. 60). The dividend on the shares of the managing company, namely, Messrs. Brady & Co., Ltd., has, however, been raised from Rs. 20 per share (of Rs. 100 each) to Rs. 22-8.

NEWS IN BRIEF

THE hundredth lathe built by the Hindustan Machine Tool Factory was out on the 5th inst. The Factory achieved a record production of 24 lathes per month during November and December last. It surpassed this record by producing 25 lathes in January.

The Union Government has sanctioned an interest-free loan of Rs. 5.81 lakhs for the development of the silk handloom industry in Bihar during the financial year 1956-57. The loan is being utilised for advancing loans for share capital to 1,500 silk weavers.

The Bombay State Electricity Board has been reconstituted under the chairmanship of Mr. M. H. Hasham Premji. The other members of the reconstituted Board are Messrs. C. V. Bedekar, I.C.S., Pestonji C. Hansotia, Jamiyatram K. Modi and P. H. Bhutta. The reconstituted Board came into existence on 1st February.

Two large deposits of limestone, containing an estimated reserve of nearly 124 million tons, have been discovered in the Guntur district of Andhra State. According to the Geological Survey of India, more reserves are likely to be discovered if a detailed examination is undertaken.

In order to remove the lack of statistical data on trade and industry and also to avoid inaccuracy and delay in publication, the Bihar Government has set up a Directorate of Statistics to co-ordinate statistical work of the different departments and carry out special investigations. The Government also proposes to have a statistical section in each N.E.S. block and district statistical organisations.

Production of formulated D.D.T. in the Hindustan Insecticides, Ltd., New Delhi, during the month of December 1956, was 98.66 tons, which is the highest produced so far in any month. During the same period, 40.8 tons of technical D.D.T. was also produced. The stock position at the end of the month was 163.3 tons of technical D.D.T. and 48.19 tons of formulated D.D.T. Despatches of formulated D.D.T. during the month amounted to 42.4 tons.

The validity of schedules 'A' and 'B' attached to the trade agreement between India and the U.S.S.R., signed in December 1953 and valid till December 1958, has been extended for another year. The schedules are subject to annual renewal. The schedules have been modified to include the import of aluminium and rough emeralds into India from Russia and the export of cashew nuts, hydrogenerated oils, footwear, woollen fabrics and mica from India to Russia.

Discussions took place early this week between the representatives of the Dunlop Rubber Company (India) Ltd. and those of the Madras Government in regard to the proposed establishment of a tyre factory very near Madras City. The State Government is said to have promised to the Company to provide the facilities necessary for the acquisition of land both for factory and for sinking wells for the supply of water required in plenty for the manufacture of tyres. The factory is expected to cost Rs. 3 crores and provide direct employment to 1,000 persons.

The British India Steam Navigation Company, a subsidiary of the P. and O. Steam Navigation Company, has taken over the shipping business of Messrs. Mackinnon Mackenzie and Company, their Managing Agents since 1862. The latter are established in Calcutta and Bombay and have associated companies in Pakistan, Burma, Ceylon, Singapore, Malaya, Hong Kong and Japan, all of which are also being taken over by the British India Company. The Company has also terminated, by mutual agreement, its London agency held by Gray Dawes and Company, and has taken over its staff.

In view of reports of good rice harvests, the Government of India was examining the possibility of making some purchases of rice and paddy to build up stocks. In consultation with the State Governments concerned, preliminary arrangements were accordingly made to watch the price-level in the surplus areas, and to make purchases if prices came down to sufficiently low levels. Having regard to the present trend of prices and to avoid any possible bullish effect on the market, the Government of India has decided not to make internal purchases from the present harvest. The preliminary arrangements already made in this connection are, therefore, being cancelled.

The Development Councils for heavy electrical and light electrical industries have been reconstituted by the Union Government. The new Council for heavy electrical industries will cover industries manufacturing electric motors and machinery and equipment for the generation, transmission and distribution of electric power. Mr. N. N. Iengar, Technical Director, Tata Power Company, Bombay, will be its Chairman. The new Council for light electrical industries will cover industries manufacturing telephones, telegraph apparatus, wireless communication apparatus, electric lamps, etc. Mr. T. R. Gupta of Messrs. Jay Engineering Works, Calcutta, will be its Chairman. The functions of the two Councils remain unchanged.

Schemes for establishing 34 industrial extension centres to provide technical assistance to small-scale industries have been approved by the Union Government. Nine of these centres will be in the southern region, 14 in the western and 11 in the northern region. Schemes for the eastern region are under examination. These centres will be equipped with modern machines and machine tools. They will provide common service facilities for those artisans who cannot afford to purchase costly machinery. Each extension centre will have, on an average, machinery and equipment worth Rs. 2 lakhs. Technical officers of the centres will visit small-scale factories and workshops in the vicinity and suggest improved designs and better techniques of manufacture. The centres will also train workers in improved methods of production, management and marketing.

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From Abroad

A Greek shipowner has offered to lay an oil pipeline from Suez to Port Said, parallel to the Canal. The plan is estimated to cost £40 million and could be completed in 10 months.

Two West German building concerns have been awarded a contract worth £E5.2 million for the building of an irrigation canal in the Sudan. The canal, which is 134 kilometres long, will be the major piece of a new irrigation system in the Gezira cotton-growing area.

According to General Raymond Wheeler, Chief of the U.N. Canal Salvage Operations, about 154 kilometres (85 miles) of the waterway south of Port Said has been cleared. The salvage forces are being utilised to its maximum capacity to speed up the process of clearance.

The U.S. Tariff Commission has announced the opening of a new investigation into imports of bicycles at the request of the Bicycle Manufacturers' Association of America. It is the third time since 1951 that the tariff body is looking into imports of bicycle supplies to the U.S. market by the U.K., West Germany, Austria and Holland.

The Argentine Government has issued a decree freezing all collective labour contracts for one year in a bid to stem inflation. The decree will put an end to the chaotic situation created by protracted wage negotiations resulting in retro-active agreements which in recent months have increased wages by about 40 per cent. Another decree, issued simultaneously, gives employers up to one year's time to pay arrears.

Representatives of the six West European countries planning to form the Euratom atomic energy pool will ask the U.S. to back the development of the project. One aim of the Euratom project is to make Western Europe less dependent in future on Middle East oil and it is partly on that basis that the U.S. aid is sought. If the U.S. does not cooperate, the sponsors believe, the project will have to be greatly scaled down or perhaps even abandoned.

The Japanese Government is planning to raise the port entry tax on all ocean vessels from the present five yen per ton to eight yen and to impose a new additional tax of 10 yen per ton. While this applies to both foreign and Japanese ships, Japanese shipowners will get a simultaneous 50 per cent. cut in the one per cent. annual fixed asset tax on the depreciated value of their vessels. This will probably more than offset the enhanced entry tax burden. Since the tax is in effect shifted to foreign vessels, foreign owners will be placed at a relative disadvantage.

Japanese trade with Malaya is increasing rapidly and last year it aggregated $M591.9 million, about 12 per cent. above the previous year. Japanese exports to Malaya were up by 7.7 per cent. to $M256.4 million and Malayan exports to Japan rose by 16 per cent. to $M335.5 million. Although Malaya was the last country in S.E. Asia to admit the Japanese after the war, the tempo of trade is accelerating and the number of resident Japanese in Malaya is now 100. More Japanese business men are visiting Malayan markets than from any other country. Also, the first Japanese bank has now been established in Singapore.

The Government of Nepal has received Rs. 1 crore, the first instalment of China's Rs. 6 crores economic aid. Under the economic agreement signed last October in Peking, China offered Nepal aid amounting to Rs. 2 crores in cash and Rs. 4 crores worth of machinery. Nepal's newly constituted Planning Commission will shortly consider the question of utilisation of foreign aid. For its projected Rs. 33-crore first Five-year Plan, the Nepalese Government has received promises of aid to the tune of Rs. 24 crores from three countries—Rs. 10 crores from India, Rs. 8 crores from the U.S.A. and Rs. 6 crores from China.

Pakistan's proposal to float a joint shipping company, with capital being shared with Iraq and Iran, has made some progress. Iraq is understood to have already approved of the idea, while the consent of Iran is awaited. According to tentative plans, the capital for the undertaking would be between thirteen and fifteen million pounds sterling. Private capital would be sought to finance the venture; but, if sufficient private investors were not forthcoming, the Governments themselves would provide the money. The proposed company is expected to operate a cargo-*cum*-passenger service between Chittagong and Basra and to serve all intermediate ports.

An Electric Lamp industry Council is now being set up in Britain, as it has been decided to wind-up the Electric Lamp Manufacturers' Association at the end of this month. The latter was the subject of considerable criticism in a Monopolies Commission report in 1951 and it did not also fully represent the industry. The Council, which has as founder members all lamp manufacturers, will start functioning from 1st March. The first Chairman of the Council is Mr. J.G. Christopher of Thorn Electricals Ltd. The aim of the new body is to maintain quality standards, encourage fair trading, promote development and achieve standardisation as far as possible. To be a member, a company must have a factory licensed by the British Standards Institute.

Small atomic-power plants have just been placed on the market by a British company, Humphreys & Glasgow Ltd., which is ready to accept orders immediately for plants of up to 25,000 kw. with a completion time of two years. The plant, it is claimed, is extremely compact, occupying about the area of a tennis court. A complete power station, in the 10,000 kw. to 15,000 kw. range, installed at an average site, will cost approximately £180 per kw. Operating costs are also competitive, and electricity can be supplied at just under 1¼ pence per unit. The reactor uses enriched uranium fuel and will run for 18 months to two years without a change of fuel elements. A high degree of safety is claimed for the design. The small- and medium-sized plants, modelled on a full-scale U.S. prototype, are likely to prove most useful to communities or industrial concerns in areas where the cost of fuel is high and long-range transmission uneconomic.

PERSONAL

MR. H. V. R. Iengar, I.C.S., at present Chairman of the State Bank of India, has been appointed Governor of the Reserve Bank of India with effect from 1st March 1957.

Mr. Merghani Hamza, Deputy Prime Minister of the Sudan, who had been in India on the invitation of the Government of India, left Bombay for Beirut on Tuesday, after a two-week stay in the country.

Mr. P. C. Bhattacharyya, at present Secretary, Ministry of Finance, Department of Expenditure, has been appointed Chairman of the State Bank of India, *vice* Mr. H. V. R. Iengar.

Sir Alexander Fleck, a distinguished British scientist and Chairman of Imperial Chemical Industries, England, arrived in Delhi on Tuesday to discuss with the Government of India several expansion plans the I.C.I is undertaking during the second Plan period.

Dr. M. S. Krishnan, Mineral Adviser, Government of India, has proceeded on three months' leave preparatory to retirement. He is likely to be appointed Director, Indian School of Mines and Applied Geology, which is being reorganised to meet the shortage of mining and geological personnel in the country.

Mr. Raymond C. Firestone has been elected as the President of the Firestone Tyre and Rubber Company of the U.S. He is a brother of Mr. Harvey S. Firestone Jr., Chairman and Chief Executive of the Company, and a son of the Company's founder. He succeeds Mr. Lee R. Jackson, who has been President since 1948.

Mr. R. S. Hingorani, Technical Officer in the Mechanical Engineering Department of the Bombay State Road Transport Corporaton, is now in Britain making a special study of diesel engines at the Diesel Instruction School of F. Perkins Ltd., at Peterborough, Northamptonshire. He will stay in the United Kingdom for six months. After leaving the school, Mr. Hingorani will spend some time with the Birmingham City Transport Authority studying maintenance and workshop organisation.

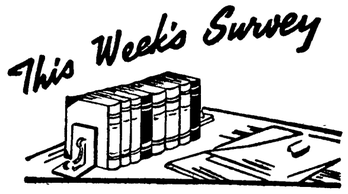
"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *13th February*

South Africa and the Gold Standard

At the reopening of the South African Assembly last week-end, General Hertzog, the Premier, gave notice of a motion for the appointment of a Select Committee to inquire whether the welfare of the country demanded the maintenance of the gold standard. All exporting industries have severely criticised the South African Government for its continuance on the gold standard. By maintaining a high value for the South African pound the Government is said to have knocked the bottom out of the markets. Wool is one of South Africa's most important exports, but whereas the clip used to bring in about £20,000,000 annually, it is not likely this year to bring in more than £7,000,000. Sellers hope to do better if the country abandons the gold standard, and they are exerting great pressure upon the Government to leave it. Some people, however, blame the banks for the present exchange difficulties. The South African pound is maintaining its present level only through the imposition of severe restrictions upon exchange operations. When sterling began to depreciate the South African Reserve Bank disposed of its sterling balances with the result that the Bank has lost all its reserve fund and half its capital. It is also complained that speculators embarrassed the exchange by transferring £15,000,000 to London in anticipation of South Africa's changing over to a sterling basis. There is a volume of opinion which is strongly against satisfying the speculators. Interest payments from South Africa are due on London early each year. With South Africa still on the gold standard, £70 in that country is now worth about £100 in London. It may be that, in view of these interest payments, Government is sticking to the gold standard and that when these payments have been made, it might consider the expediency of changing over to sterling.



LEGAL SYSTEM

CONSIDERING that the rule of law is an essential element in the working of democratic constitutions, it is of the utmost importance that the laws in this country, most of which were framed in the pre-independence era, are suitably amended to reflect the spirit of our new Constitution. The Law Commission, to which this important task has been assigned, is now touring different parts of the country to gather evidence and hear the opinion of legal experts and other bodies. The work on which the Commission is now engaged was explained by its Chairman, Mr. M. C. Setalvad, in the course of his recent address at the Rotary Club, Hyderabad.

Mr. Setalvad said that, as civilisation advanced and as they were on the move towards a Welfare State, laws and regulations tended to become more complex. The Law Commission, he said, had divided itself into two sections—the Statute Revision section and the Judicial Administration Reform section. The Commission had been charged not only with bringing the laws into conformity with the Constitution but to see that they were made simple. The work of the Statute Revision section, he said, would be a long-term affair and it might take two or three decades to achieve complete revision. He revealed that the Commission had already made certain recommendations in regard to the law of limitation and the inter-State sales tax law and that legislation on the basis of these recommendations would be undertaken shortly.

As regards the problem of the reform of judicial administration, Mr. Setalvad pointed out that it varied from State to State. In some places, suits were pending for 10 or 15 years. The Commission was considering the question of simplifying the judicial system. It was also seized of the fact that the court fee was very high in certain States and the amount thus collected was spent on other purposes. He emphasised that the Commission should investigate whether the present system of legal education was adequate or whether it would be necessary to give law graduates some training after they took their degree.

A well-worn adage has it that justice delayed is justice denied. Although it is impossible to eliminate all delays—"law's delays" are proverbially irksome—a system if judicial administration should be evolved in which the delays are reduced to a minimum. The essence of the problem lies in combining speed with efficiency in judicial administration. Another aspect of the problem of judicial administration, which we hope the Commission will carefully consider, is the effect of the various laws which confer wide discretionary powers on the Executive. The question is whether such powers are not calculated to reduce the democratic content of the Constitution by which the country is governed. Despite all its subtlety and elaborate legal forms, the tyranny of the Executive could be no less cruel, no less harmful to democracy, than that of dictatorship.

CUSTOMS PROCEDURES

The Government of India's move to appoint a committee to conduct a comprehensive inquiry into customs procedures and organisation and to make recommendations for their improvement, though very much belated, will be widely welcomed. The Committee is presided over by Mr. F. C. Badhwar, retired Chairman of the Railway Board and at present Managing Director of Messrs. Bird & Co., Calcutta. The proposed inquiry, it is said, will examine, *inter alia*, procedures for clearance of goods and passengers' baggage through the customs, administration of import, export and exchange control regulations, methods of classification and valuation of goods, procedure for grant of customs refunds and drawbacks, and liaison between the customs, port trust and trade control authorities.

The findings of the Committee will be awaited with utmost interest, especially by all those importers who know best where the import control and customs procedures shoe pinches most. Innumerable instances can be cited to prove the vagaries in the administration of control and customs regulations. Suffice it to mention two most disquieting features, namely, arbitrariness over values for assessment purposes and rigid system of classification adopted by the customs authorities in their anxiety to secure maximum revenue. Particular mention must also be made of irregularities in determining agency commissions and protracted examination of individual agency agreements. Although traders and manufacturers have repeatedly brought the hardship caused by customs difficulties to the notice of the authorities ere now, the vagaries not only persist but have, in fact, increased considerably. Indeed, hardly any meeting of the chambers of commerce or trading associations or Export and Import Advisory Councils has been held without a pointed reference to the customs difficulties and irregularities. It is as a sequel to the repeated complaints and protests by the mercantile community that the Government of India has, at long last, set up the Committee for conducting a detailed inquiry into customs formalities. Announcing the appointment of the Committee, the Government says:

> "The procedures for the clearance of goods and passengers' baggage at present followed by the customs houses in India have grown into their present form over many years, during which rapid changes have taken place in the practices adopted in international trade and commerce. Although these procedures have been under constant review by Collectors of Customs, as well as by the Central Board of Revenue, basically, they are still the same as those followed more than three-quarters of a century ago. Both the Government of India and the commercial public have, therefore, felt the need, particularly in recent years, for a detailed investigation of the content and operation of these procedures so as to achieve the requisite degree of modernisation, especially in respect of speed and efficiency. An examination would simultaneously be necessary of the connected questions of adequacy and level of efficiency of the organisation and staff of customs houses."

The foregoing account will indicate the magnitude of the task entrusted to the Badhwar Committee. If the Committee is to serve the object for which it is set up, it must spare no effort to study the whole issue thoroughly and suggest effective steps to improve the working of the Customs Department. This is of the utmost importance to the country in the present context of the huge imports of manufactured goods and commodities contemplated under the second and subsequent Five-year Plans. Unless these imports are freed from unnecessary and cumbersome customs procedures and regulations, there is the danger of a setback to the pace of implementation of development schemes. It is to this aspect that the Badhwar Committee will have to address itself in right earnest.

MACHINE TOOLS

Although machine tools have been manufactured in this country for over three decades now, it is even now true to say that Indian industries still depend upon imported equipment, thanks to the wide gap between domestic production and demand. This situation is obviously the result of absence of technical know-how and an economic and continuously growing demand for machine tools. Machine tools are at once the basis and the by-product of industrialisation. In fact, there is a certain vicious circle about machine tools industry in that, while only a high level of industrialisation can help improve the industry, even the basis of industrial progress cannot be laid without an adequate supply of precision tools. India has fortunately reached a stage at which the vicious circle could be cut without much difficulty. For the progress of industries, in the recent past, and the contemplated programmes of industrial development point to a period of expanding demand for machine tools which, in its turn, should provide sufficient incentive for machine tools manufacturers.

Against this background, it will be easy to appreciate the sense of urgency with which the Government regards the progress of the machine tools industry. Addressing the first meeting of the newly constituted Development Council for Machine Tools, the Union Minister for Heavy Industries, Mr. Manubhai Shah, emphasised that the development of the industry was a "must" in India's industrial progress. The state of the machine tools industry, he said, was an index of the technological advancement of a country in its engineering industries and machinery manufacture. Deploring India's dependence on imported machine tools, he added: "This is the most important and vital part of industrialisation and we cannot tolerate such a helpless position. We do not mean to tolerate it any more." Now that the second Five-year Plan has been drawn up with a marked emphasis on industries, particularly steel and heavy industries, it is more than ever necessary to lay the foundation of enduring economic progress through the development of the machine tools industry along right lines.

To review the position of and prospects for the industry. At the end of 1956, the total number of machine tools installed in the country was estimated at 80,000. It would appear that over 50 per cent. of the machine tools was older than 10 years. This means that nearly half the machine tools in India have outlived their life of utility. It is difficult to forecast accurately the demand for machine tools. But it is known that the demand depends upon two important factors—the number of machine tools already installed and the consumption of steel. In India, taking into account the overage machine tools which require to be replaced and the prospective increase in steel consumption from the present level of about 2 million tons to 4.5 million tons towards the end of 1960-61, it is estimated that the requirements of machine tools would be doubled. For the next five years, such requirements are estimated at 170,000. At present, the country has achieved a certain measure of progress in the manufacture of lathes, drilling machines, shapers and a few other simple machines. Attempts have been made to manufacture radial drilling machines, surface grinders, tool and cutter grinders, capstan lathes, and the results are said to be encouraging.

There is already a wide gap between the demand for and the domestic production of machine tools. Although the value of output has increased from Rs. 47 lakhs in 1951 to Rs. 1 crore in 1956, the production is still insufficient to meet the demand (estimated at Rs. 8 crores) so that the gap is being filled by imported equipment. The existence of this gap, and even more, the prospect of the demand moving up to higher levels in the next few years should give more than the necessary fillip to the machine tools industry. The value of the total demand is expected to go up to Rs. 15 to Rs. 17 crores in the next five years. "Even if it were not possible to manufacture all the categories of machine tools by the end of the second Plan," Mr. Shah said, "we must plan for the production of about 75 per cent. of our annual requirements." This would mean that the country should be in a position to manufacture tools worth about Rs. 10 crores annually by 1960-61. With expansion of the three State-owned factories—the Hindusthan Machine Tools Ltd., Bangalore, the Praga Tools Corporation, Secunderabad, and the Machine Tool Prototype Factory, Ambarnath—the annual value of production is expected to go up to Rs. 5 crores by the end of the second Plan. This would leave a balance of Rs. 5 crores to be covered by the private sector in the sphere of the machine tool industry.

Perhaps, an important task which the Development Council may well perform to the country's advantage is to ensure that, as far as possible, the production schedules in the private and public sectors are suitably harmonised to meet the demand for machine tools. In this connection, Mr. Shah did well to stress the essentially "complementary" roles of the two sectors. He said: "For some time past, there has been a certain amount of doubt and hesitation, so to say, on the part of the private sector, as to the role the public and private sectors have to play in the overall development of the machine tools industry in the country. The Government's view, however, is quite clear that the roles to be played are to be complementary and not unnecessarily competitive or overlapping." He pointed out that there was enough room for both the public and the private sectors to go ahead as fast as they could in meeting the requirements of the country.

It is heartening to note that the Minister promised "all assistance" to the industry in securing the necessary foreign technical collaboration for the production of different types of heavy duty and medium duty machine tools such as lathes, drilling machines, grinding machines and milling machines. Foreign technical collaboration, though very important, is not the only need of the machine tools industry. As the Machine Tools Committee which investigated the requirements of the industry has pointed out in its report, there is need for Governmental help to the private sector both in the matter of easy availability of raw materials and of finance for purposes of installing additional plant and equipment in the interests of balanced production. The Council should study the requirements of the industry and suggest to the Government such measures as will enable it to improve and expand its output.

Finally, there is the vital consideration of quality of machine tools. Clearly, since machine tools are the basis of production, shoddy tools will have a sort of multiplier effect in that they will lead to production of shoddy goods. The Minister rightly urged the necessity for maintaining high quality and standards in the manufacture of machine tools. The Government, it may be remembered here, has already instituted a system of free inspection of graded machine tools, with a view to maintaining accuracy and precision in the manufacture of these tools. It has also accepted the recommendation of the Machine Tools Committee to the effect that there should be periodic inspection of machine tools after their installation. The implementation of this recommendation should go a long way towards the maintenance of high standards. But the Development Council has also an important role to play in setting and enforcing correct standards. Indeed, the Council, as Mr. Shah suggested, should play the role of a "watchdog" of the consumers' interests.

ARECANUT INDUSTRY

As a major commercial crop of the South and a luxury of the poor as well as of the rich throughout India, arecanut occupies an important position in the economy of the country. The annual production of this crop, on which depend thousands of agriculturists in the States of Mysore and Kerala, is not sufficient to meet the demand and the deficit is estimated at about 10 lakh maunds. In 1955-56, India imported 835,717 cwts. of arecanut, valued at Rs. 4.36 crores, from foreign countries like Ceylon, Singapore, Malaya and East Pakistan. This underlines the need for taking adequate measures to stimulate production so as to balance demand and supply and thereby effect a significant saving of foreign exchange. This aspect was particularly stressed by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, in his inaugural address to the eighth annual meeting of the Indian Central Arecanut Committee held recently at Bangalore. The meeting, which was presided over by Dr. M. S. Randhawa, Additional Secretary to the Union Ministry of Agriculture, considered various schemes relating to the development, research, and marketing of arecanuts, and important decisions in this respect were taken.

Arecanut in India has remained throughout the ages a neglected crop and it is only recently that it has begun to receive the attention of the Government. The Indian Central Arecanut Committee was constituted in 1949, with the object of conducting investigations into the cultural practices, controlling arecanut diseases and improving marketing conditions. The Committee had before it a very difficult task, as it had to begin almost from scratch. Even in the other principal producing countries such as Ceylon, Singapore and Indonesia, no research work worth the name had been done and, therefore, every item of research had to be initiated and carried out without any background knowledge. In the second Five-year Plan, the Government of India has set apart Rs. 26.5 lakhs for arecanut research and development schemes and this will be utilised by the Committee. The Central Government has also offered to give assistance to arecanut development schemes of State Governments to the tune of Rs. 12.64 lakhs.

The target of production fixed in the Plan is 27.22 lakh maunds of which Kerala and Mysore are expected to account for 23 lakh maunds and Assam for about 2.5 lakh maunds. Other States like West Bengal, Bombay and Madras, which have only limited areas under arecanut, are expected to produce the balance.

Arecanut being a perennial crop, research and development work, designed to increase output, will take time to bear fruit. Attainment of self-sufficiency has necessarily to be a somewhat long-term objective. But through the supply of seedlings of guaranteed quality and improved cultural practices, it should be possible to achieve self-sufficiency within a reasonable period of time. During the second Plan period over 400 lakhs seedlings, sufficient to cover an area of 16,000 acres, are proposed to be raised and distributed.

It is with this object that the Central Research Station was started in South Canara. Since cultural and manurial practices vary from State to State, it has been proposed to start Regional Research Stations in various centres to deal with local problems. The Committee has assessed the materials available for research, surveyed the scope for development and drawn up a practical programme.

One of the major handicaps of the crop is that the demand for it comes from a single source, that is, from those who chew the nut. But technological tests have shown that it can be made to yield valuable by-products like arecanut hard-board, wool and writing ink which points to the possibilities of profitable uses of the nut. If arecanut could be utilised economically for commercial and medicinal purposes, and thereby its uses diversified, the arecanut grower can count on a profitable market. The proposed Technological Laboratory has, therefore, a very important part of play.

In the marketing of the crop also, the cultivators face many difficulties. Since arecanut is grown by small cultivators with limited resources, they have to depend upon middlemen. It is, therefore, imperative that they should form their own associations, pool their produce and market them on co-operative basis. The Minister said that the Government of India was always ready to help the growers and the protective duty imposed on imports was only a token of that attitude. The All-India Co-operative Marketing Board, which the Government is setting up, will, it is stated, do its best to help the arecanut growers also. The Central Arecanut Committee also has constituted a separate committee to plan the development of the co-operative marketing societies in Kerala.

BRITISHERS EMIGRATE

A few days ago, Mr. Harold Holt, an Australian Cabinet Minister, remarked that there was an unhealthy concentration of the Commonwealth's industrial strength in the British Isles. Characterising such concentration as "suicidal," Mr. Holt recalled that the Suez crisis had demonstrated how dangerously placed was the Commonwealth. "Our Commonwealth," to quote him, "has more than 600 million people and one-fifth of the world's total land area. But there is a fundamental weakness in our present situation. Too big a proportion of our British manpower and industry is concentrated in a small and highly vulnerable island..." In his considered opinion, good sense and national survival dictated a very much greater movement of people and resources from the heart of the British Commonwealth to its outlying parts. Mr. Holt said that Canada, Australia, Rhodesia, Kenya and others in Africa would welcome the kind of development which increased British migration and resulted in additional capital equipment. Urging the importance of a plan for making the best use of the resources in the Commonwealth, he warned: "It will be rash for us to think that time is on our side or that solutions to our difficulties will suggest themselves."

It looks as though in one respect at least the trend is already on the lines desired by Mr. Holt. Recent reports from London indicate that the rush to emigrate from Britain was accentuated by the Suez crisis and continues unabated.

(*Continued on page 261*)

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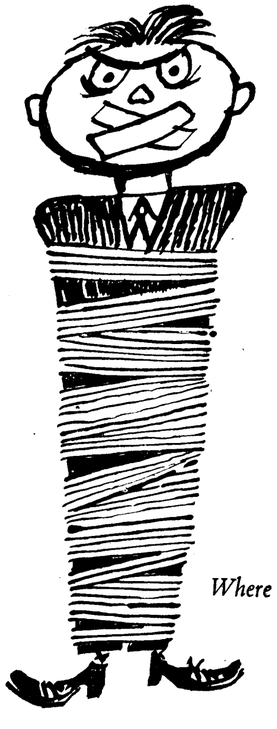

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EXTENSION OF PERIOD OF SECOND PLAN INEVITABLE

INDO-DENMARK TRADE RELATIONS

From Our Special Correspondent

NEW DELHI, *6th February*

DELHI LETTER

ALTHOUGH Government circles are busy with the latest developments relating to Kashmir, consequent upon the resolution of the Security Council directing India not to alter the status of the State as it existed before Republic Day, it will be wrong to think that other pressing problems are not receiving the attention they merit. On the contrary, work is going on as usual in an atmosphere of absolute normalcy. There has been no slackening of interest in economic matters. Talks were held this week between the officials of the Railway Board and the four-man technical delegation of the World Bank on the working of Indian railways and its schemes for expansion. The Commerce and Industry Ministry met a trade delegation from Denmark and explored the scope for expanding the trade between the two countries. The Russian proposal for manufacturing heavy machinery was being studied. A high-level conference between six top-ranking Indian industrialists and the Ministers for Finance and Commerce and Industry is currently going on. The Prime Minister also is expected to participate in these talks. The object of this conclave is to bring about a better understanding between the business community and the Government. The mercantile community is rather optimistic that this conference will serve to minimise their difficulties arising from the series of restrictive measures introduced in the last four months of 1956.

The Planning Commission and the Finance Ministry are busy rearranging the priority of various development projects, in the light of the current foreign exchange position and the availability of domestic resources. The prospects of getting any substantial measure of foreign assistance are less bright than a month ago. It is now doubtful whether India will receive as much aid from the U.S. as its planners and officials had hoped on the eve of the Prime Minister's visit to the U.S. There is not much hope of obtaining any sizable assistance from the U.K. either. The latter's economy is by no means so sound as to enable it to spare much capital for India, even assuming that there has been no deterioration in the political relations between the two countries. The position of France is no different. West German enthusiasm for participating in India's development plans is said to be cooling off. The other small European countries such as Switzerland, Sweden, Norway, Denmark and the Netherlands have become hesitant, what with India's talk of undefined socialism and its lack of warmth for the Western nation's political philosophy and economic systems.

A Delusion

Official opinion is now beginning to realise that it will be just a delusion to think that, somehow or other, foreign exchange resources can be found to implement the second Plan without any substantial modification. Despite the Finance Minister's repeated assertion that there will be no difficulty in raising domestic resources, the officials are not inclined to be that optimistic. They feel that this task is no less difficult than that of finding foreign exchange, if it is to be carried out without adding to inflationary pressures and killing the initiative of the people. There will undoubtedly be more taxation in the coming, as well as in the next (summer), budget. But this can yield only modest sums.

Scarcity of technical personnel also is beginning to assert itself. While the demand for such personnel from both the public and private sectors is steadily rising, the supply is not keeping pace with it. The promoters of new projects are finding it extremely difficult to locate suitable works managers, foremen, superintendents, chemists, etc., notwithstanding repeated advertisements in all the leading dailies of the country calling for applications. One has only to go through these papers during the past three months to realise the truth of this statement. A paper factory in Western India took several months to discover a suitable works manager. It is not only the new industries that are feeling the shortage of trained personnel, but also such well-established industries as cotton textiles and sugar. These industries, too, need more men for implementing their expansion schemes. Even trained accountants, stenographers and other administrative staff are not in sufficient supply. The neglect of the English language in educational institutions ever since independence is beginning to make itself felt now in the availability of suitable administrative and technical staff. This neglect, for which the politicians are to be blamed in the main, have very severely affected the efficiency of a large percentage of middle class young men who are just out of schools and colleges and are in search of employment.

Adjustment Inevitable

For reasons mentioned above, it is now almost certain that the second Five-year Plan cannot be completed by 31st March 1961. The first year of the Plan is rapidly drawing to a close. It would not be surprising if an evaluation of the achievements during this year were to show that the realisation is no more than 60 per cent. of what was aimed. It is becoming more and more obvious that either the period of the Plan will have to be extended or work on some of the projects will have to be deferred, unless a miracle happens and the U.S. decides to fill our foreign exchange gap. Indeed, the State Governments have already been asked to re-write their plans on the basis of a smaller outlay. Imports of steel, cement and capital goods, as readers are already aware, are also being cut. This step cannot but mean a pruning down of the second Plan. It is now politically inconvenient for the Government to admit all this in public. But it may tell the people after the elections are over that the period of the Plan has been extended. It cannot hide this fact from the public for long. The Finance Minister is, therefore, making this inevitable task more difficult and awkward than it need be by continuing to repeat in public that the Plan would be carried out without any reduction in its recently extended size and that, within five years. Does he realise that, if he were re-elected, as there is no doubt he would be, it would fall to his lot to face the facts and tell the public the truth?

Danish Trade Mission

After perambulating through New Delhi, Bombay, Madras, Calcutta, Tatanagar and Banglore for well over a fortnight, the Danish Trade Goodwill Mission left India on Wednesday last week. The Mission was in this country at the invitation of the Central Government. During its stay, it met the representatives of the Government, industry and trade, and discussed the possibilities of promoting the trade relations between the two countries. While one has to wait for the publication of the reports that the Mission will submit at a later date, there is a clear indication of brighter prospects of increasing trade relations and Danish collaboration in the industrial field of India. Speaking at a Press conference on the eve of the Mission's departure from New Delhi, Count K. G. Knuth-Winterfeldt, leader of the Mission, for instance, declared that "there is great scope for expanding the trade between Denmark and India." In support of this view, Count Knuth-Winterfeldt pointed out that markets in Denmark for some of India's wares and commodities, such as textiles, handicrafts, coffee, tea and tobacco, could be developed greatly. He also detailed the ways by which Denmark could help India in the implementation of industrial and agricultural schemes under the second Five-year Plan. Briefly summed up, the position is as follows:

Denmark can offer a wide variety of industrial and agricultural machinery required by India, as well as technical know-how. Quality machinery needed in shipbuilding, fishing, dairy industry, cement, pharmaceutical and canned goods production, and tractor manufacture is available in Denmark at competitive prices. Denmark can also build ships, tankers and fishing boats. While the latter two can be delivered within seven or eight months from the time orders are placed, ships of 8,000-9,000 tons can be delivered in 1961 or a little earlier. Denmark can also help in the implementation of the project for the manufacture of marine diesel engines. Discussions on the project have already taken place. Further, there is a possibility of Denmark sending to India breeding cattle.

While the goods that Denmark can supply to India thus are of great value, the chief handicap is foreign exchange. A look at the figures relating to trade between the two countries in the past few years will reveal that India has been having a continuously adverse balance of trade with Denmark. This is due to the fact that exports from India to Denmark have not kept pace with imports from that country. Thus, the value of goods and commodities exported from India to Denmark has risen from Rs. 1.11 crores in 1953-54 to only Rs. 2.04 crores in 1955-56, whereas that of imports has gone up from Rs. 1.63 crores to as much as Rs. 4.18 crores. Consequently, the adverse balance has widened from Rs. 52 lakhs to Rs. 2.14 crores. The gap may be expected to be larger still in the coming years, what with the increasing tempo of imports.

Viewed thus and considering the tight foreign exchange position that India is experiencing at present, the question arises as to whether Denmark cannot help India by supplying goods against long-term credits, as some of the industrially advanced countries are doing. This question was, in fact, posed to the Danish Mission at the Press conference. Replying to it, the leader of the Mission said that, being a small country, Denmark might find it difficult to give such long-term credits. He, however, felt—this is, indeed, reassuring—that credits for three to four years should not be difficult. It is obvious, therefore, that greater stress must be laid on augmenting India's export trade with Denmark, the scope for which is, as indicated by Count Knuth-Winterfeldt, great. India, for instance, can supply Denmark large quantities of textiles —bedsheets, curtain cloth, pillow cases and the like—and handicrafts, provided that the exporters take care to ensure supply of quality goods. One of the members of the Danish Mission referred to some complaints of the goods not conforming to the samples shown. Count Knuth-Winterfeldt did well to stress the need for the Indian shippers studying the requirements—measurements, designs, etc.—in Denmark. Incidentally, he suggested the establishment in that country of a full-fledged commercial office, so that the import and export markets there could be closely studied and commercial intelligence made available regularly to India.

Heavy Machinery Manufacture

The Government of India has just received from the Soviet team of experts the report on heavy machinery manufacture in the country. The contents of the report are not known, but it is understood that the Soviet experts have put forward a scheme envisaging construction of a factory capable of manufacturing 80,000 tons of heavy machinery and equipment per annum which are needed for the steel and mining industries. The proposed plant is so designed that it can be switched over to other types of machinery and equipment according to the country's needs. The plant will be set up in two stages, the production capacity at the end of the first stage being 45,000 tons of metallurgical and mining machinery and equipment per year. It will be installed side by side with the proposed factory for the manufacture of castings and forgings. The plant, when completed, is estimated to provide employment to more than 10,000 persons, including officers, most of whom will be highly skilled engineers.

The heavy machine-building project, as already stated, will be implemented in two stages, the estimated outlay on them being Rs. 42 crores and Rs. 52 crores, respectively. Of the total outlay, the foreign exchange content is expected to account for about Rs. 47 crores. The Soviet experts have suggested Ranchi as the suitable site for putting up the plant. The suggestion is based on two grounds. First, Ranchi is situated in the rapidly developing Bihar-Bengal coal-iron industrial complex. Secondly, it is in close proximity to Bokaro where the next steel plant will probably be located.

The Russian collaboration in the above project, it is said, will be on the same basis as that in respect of the Bhilai steel plant. Thus, the Russians will not only take the technical responsibility for setting up the plant but also supply the necessary equipment on long-term credit at a low rate of interest.

Meanwhile, the scheme for establishing a foundry-forge plant, as drawn up by the National Industrial Development Corporation has reached an advanced stage. Three foreign firms have already been asked by the Government of India to submit detailed reports on the project. It will be interesting to know how the Russian proposal will be reconciled and co-ordinated with this project.

PRODUCTION OF QUALITY TOBACCO

STRESS LAID AT CENTRAL COMMITTEE MEETING

ONE of the dependable ways of augmenting India's foreign exchange resources, to an appreciable extent, is through the production of better quality and greater quantity of tobacco and through export promotion. India is in an advantageous position in respect of the production of tobacco, for it is now grown on well over 921,000 acres of land, the total quantity produced every year being no less than 580 million lbs. India occupies third place among the tobacco-producing countries of the world. The first and second places, it may be noted, are held by the U.S. and China, respectively. Indian tobacco is exported to 32 different countries and fetches as much as Rs. 12 crores worth of foreign exchange every year. Tobacco's contribution as a cash crop to the internal resources of the country is no less significant. Tobacco contributes about Rs. 36 crores by way of excise duties alone to the national exchequer.

The problems that face tobacco cultivators are, first, improving the quantity and quality of tobacco through (i) better and scientific methods of cultivation and (ii) the application of effective remedies for the diseases and pests which damage tobacco crop and, secondly, promotion of exports.

Inaugurating the meeting of the Indian Central Tobacco Committee on 30th January at Bangalore, Dr. Punjabrao S. Deshmukh, Union Minister for Agriculture, threw considerable light on these aspects. He welcomed the establishment of the Committee, for that would enable the authorities to deal with the problems facing this commodity comprehensively and quickly. As in the case of certain other commodities, tobacco, too, deserved such attention. Stressing the importance of tobacco to the nation, he pointed out that the "golden weed," as tobacco was called, gave to producers alone as much as Rs. 32.4 crores per annum, on an average. Besides, the curing and processing industry provided wide employment opportunities.

Extension Work

In this context, the provision made in the second Plan for extension work in tobacco cultivation should be welcomed. The Minister stated that extension schemes were already in operation in the Virginia growing tracts of Andhra Pradesh, and that the Government was considering the initiation of extension programmes in other tobacco-growing parts of the country. The object should be, as the Minister stressed, not the quantitative yield alone, but also the quality of the product, to which buyers attach the greatest importance. Further, the Minister rightly stressed that the fact that the importing countries had either been able to get better quality tobacco elsewhere, or produce it in their own countries, was another reason for taking effective measures for increasing the quality. Moreover, foreign buyers, such as the British, were also becoming increasingly quality-conscious, and the failure of India to meet this challenge would do much harm to its economy.

Not only for raising the quality, but also for increasing the quantity, the part that research has to play is vital. Dr. Deshmukh pertinently observed in the course of his address to the Tobacco Research Workers Conference at Bangalore that it was not possible to extend the area under cultivation in order to increase the crop, because of the pressing demands of higher food production on the available area of land. He warned that it might be even necessary to reduce the area under a "luxury" cash crop like tobacco to meet those demands. Hence the paramount need for research on various aspects of tobacco cultivation and the practical application of the findings. Certain other problems, the solution of which depended on research, were the culture, processing and curing of different varieties of tobacco for different types of uses such as cigars, *bidis*, *chuttas*, pipe, etc. According to the Minister, utmost care should be taken to produce the types of tobacco "to suit the idiosyncrasies of the consumers." To be successful in this direction, one must have knowledge of research in the raising of nurseries, soil management, field culture, evolution of varieties, crop protection and details of curing and processing. It is necessary that attention should be paid to all these aspects if the right sort of physical and biochemical changes are to be produced in the product.

Quality Standards

The need for raising the quality standards of tobacco if the country wanted to expand the exports was also stressed by Dr. P. N. Uppal, Agricultural Commissioner, Government of India, and Chairman of the Central Tobacco Committee in the course of his address. Dr. Uppal referred to some of the important developments that had taken place in the field of research under the auspices of the Central Committee. Notable among them were the steps taken on the basis of the report submitted by Dr. N. R. Bhat, who visited Southern Rhodesia to study the methods of production of flue-cured tobacco. The steps included studies into the effect of soil improvement by deep tillage through incorporation of humus into the soil and conservation of moisture by mulching in order to stimulate the response of flue-cured Virginia tobacco to manuring.

Dr. Uppal also referred to the schemes sanctioned for intensification of tobacco research which fell into two categories, namely, Central schemes and State schemes. Some of the schemes worthy of special mention for which the Central Committee was responsible were the production and distribution of pure seeds and seedlings, training in improved methods of cultivation, handling and curing of tobacco and establishment of a tobacco research station at Hunsur. It is noteworthy that the first two schemes have already been initiated and the third awaits the creation of certain facilities, such as provision of land, by the State Government. Research institutes have also to address themselves to another task. The problem arises from the fact that the cultivation of tobacco in saline lands has brought down the reputation of Indian tobacco in the world market. Consequently, it has become incumbent on the authorities to discourage cultivation of cigarette tobacco in saline lands. The Central Tobacco Research Institute, according to Dr. Uppal, has taken up a general survey of the tobacco-growing areas so that lands of high salinity which are unsuitable for production of quality leaf may be mapped out and excluded. Dr. Uppal's suggestion that the possibility of utilising some of the plant breeding techniques which have been successfully exploited in other crops is worthy of special consideration.

Export Promotion

The other aspect of the industry requiring the greatest attention is export promotion. An encouraging development here is that foreign countries, especially Russia and China, are showing increasing interest in Indian tobacco. Every effort should be made to cultivate these new markets by paying proper attention to their needs. The Middle East and Africa provide a wide field for the *bidi* industry, according to the *Bidi* Delegation sent out by the Export Promotion Council. Dr. Uppal has done well to emphasise the need for improving the packing methods and the competitive position of this industry, in order to be able to capture these wide markets. Export prospects for Indian Virginia and Natu tobacco are also said to be bright in Egypt. Dr. Uppal's warning in this connection is pertinent. He said that, in view of the unsettled and fluctuating conditions of foreign trade and the shifting national policies, it would be inexpedient to count on any country remaining a stable importer of our goods. He rightly added: "We have constantly to be in touch with the market conditions in the importing countries and have to keep wide-awake to cater for external demand wherever it is to be discovered."

Dr. Punjabrao Deshmukh added a valuable suggestion for promoting exports. He expressed the desirability of growers of tobacco organising themselves on co-operative lines, so that such co-operatives could deal directly with the co-operatives in foreign countries and thus secure the best possible prices for their produce. There is, as is obvious, much to be said in favour of this method. But, having regard to lack of experience among the growers of tobacco in the intricate business of finding export markets, the feasibility of this suggestion is in doubt. Dr. Deshmukh revealed that the Central Consumers Co-operative Organisation in Russia was in favour of entering into trade agreements with similar co-operative organisations in other countries. It was also stated that Russia would deal with these co-operatives on barter basis. The Union Minister thought that if India could supply Russia with tobacco on that basis, it would not be impossible for India to obtain in return tractors, steel or corrugated iron sheets, or cement. This surely would not be an ideal arrangement. The co-operatives in Russia are not an exact replica of the co-operatives in India; the latter are no match for the former and would easily be outwitted in the barter deals, unless they are carefully supervised by persons who know the intricacies of trade. Then, there is the danger of such trade connections turning out to be convenient channels for Russian influence and communist activities spreading in this country. It is specially in order to avoid this danger that the State Trading Corporation was brought into existence. We do not, therefore, see any necessity for by-passing the S.T.C. for this purpose. If co-operatives are to do the job of marketing also, they can as well trade with the S.T.C., leaving it to the latter to handle the Russians.

Several important research schemes were adopted by the Committee. These related to the study of physical and chemical characters of *bidi* tobacco, exploratory research on cigarette tobacco in U.P., soil survey of P.C.V. tobacco-growing areas in Andhra, research in *bidi* and chewing types of tobacco in Orissa, cytological studies in Indian types of *Nicotiana tobacum*, investigation of the control of the root parasite, and leaf burn of tobacco in Kaira district of Bombay State. It is noteworthy that the Committee recommended to the Government of India the inclusion of tobacco in the list of commodities under the Agricultural Produce (Development and Warehousing) Corporations Act 1956, and the inclusion of tobacco industry, except cigarette manufacture, in the list of recognised cottage industries.

Table showing Production and Exports of Tobacco by Major Exporting Countries in the free world.

(In thousands of metric tons)

Countries	Production				Exports			
	1948 to 1952	1953	1954	1955	1948 to 1952	1953	1954	1955
U.S.A.	958	934	1,018	1,023	210	234	206	244
Canada	62	63	84	61	12	13	14	22
Brazil	113	132	147	141	30	24	28	—
Cuba*	36	50	47	43	14	16	19	13
Columbia* ..	22	25	25	25	4	5	5	4
Dominican Republic	20	19	20	20	16	9	72	..
India	247	272	260	*254	48	31	32	39
Indonesia :								
(i) Farms ..	20	*69	*80	*75	10	13	19	13
(ii) Estates ..	8	11	*16	*16	..	..	..	..
Philippines ..	22	27	30	37	6	12	9	..
Turkey	85	118	98	117	59	72	64	60
Greece	49	62	67	81	29	49	53	55
Yugoslavia ..	24	30	29	33	11	6	7	..
Total ..	1,666	1,812	1,921	1,936	444	484	528	450
Total World production ..	..	3,380	3,470	..	..	..	..	..

* Estimated.

SURVEY

(*Concluded from page* 259)

thanks to hardships caused by high taxes, high living costs, gasoline rationing, job lay-offs and threats of greater austerity. Indeed, Britishers are said to be lining up daily in increasing numbers at the emigration offices. In the last eight years, it is estimated that an average of 124,000 persons left Britain each year, in order to seek new homes. Most of them have gone to the Commonwealth countries. The flow to Canada has been particularly marked, the yearly average for the last ten years being 36,000 persons. In 1956, the total number of persons who emigrated from Britain to Canada was higher at 50,000 and the number is expected to touch 100,000 in the current calendar year. As many as 1,500 inquiries a day about immigration are being received at Canada's London Office. Another country of great attraction to those who wish to leave Britain is Australia. Last year, 52,000 Britons went to new homes in Australia. Inquiries about emigration to this country during the first week of last month were as many as 3,205, as against 701 two months before. New Zealand also has received more attention, while a small number has moved into the U.S.

The continued emigration from Britain, while it is welcomed by the Commonwealth countries, is considered in the U.K. as a disturbing trend. For it is felt that many who have decided to leave Britain in the last few months are in the professions such as engineering and medicine or are those having technical skills. Until recently, it will be recalled, emigration from Britain was officially encouraged as a means of keeping British influence strong in the Commonwealth.

WEAK FINANCES OF NATIONALISED INDUSTRIES

VIEWS OF TWO MORE BRITISH BANKERS

RECENT economic thinking in the U.K. has been directed chiefly towards finding ways of reducing unproductive spending, increasing production and productivity at home, and through them fortifying the gold and dollar reserves and the pound sterling. A reference has already been made to the pertinent views expressed in this regard by a few bank chairmen. Some more equally relevant views expressed by the Chairmen of Lloyds Bank Ltd. and the Midland Bank Ltd. bear testimony to the fact that an earnest attempt has been made to reappraise the economic situation and remedy the maladies.

Sir Oliver Franks, Chairman of Lloyds Bank, for example, expresses the view, in the course of his annual statement to the shareholders, that though there are certain encouraging features in the economy, such as those reflected in the increase in personal savings, a very unsatisfactory feature of the economy is the weak financial situation of the nationalised industries. He concedes the need for heavy investment outlays to improve the capital equipment of these basic industries. But what may be criticised, according to him, is the pricing policies that render the public corporations as a whole incapable of providing even for the replacement of capital used up in their current operations, not to speak of financing new capital expenditure. Illustrating his point, he says that, in 1955, more than £300 million was needed to maintain intact the capital used in these industries. Yet the combined surpluses of the public corporations themselves covered barely half of this amount. Consequently, the remaining half, and the funds needed for new investment—to the tune of £400 million in all—had to be raised by borrowings. He pertinently asks in this connection: "What would be thought of the future of any private enterprise that failed to provide even for the maintenance of capital?" This is so, because, according to him, the nationalised industries as a group have been fixing uneconomically low prices, in relation to their costs, for their products. This tendency is particularly serious if the products in question are fuel and power, "where the seeming impossibility of raising the output of coal means that everything should be done to stimulate economy in consumption."

Price Restraint

Sir Oliver has dealt at considerable length with the desirability of price restraint. He concedes that there is a justifiable fear that any increase in prices will be made the pretext for an increase in money incomes, thereby giving a fresh impetus to inflationary spiral. He also agrees with the view that inflation itself means that the flow of voluntary savings is inadequate to finance the amount of investment that is taking place. Despite all this, unchanging prices in the face of rising costs will, he asserts, reduce the amount of savings in the form of the surpluses of public corporations or the undistributed profits of companies. Explaining this point further, he observes:

"The expedient of pegging prices is thus a hazardous one. Adopted at precisely the right moment, with everything else pulling in the right direction, it could afford us a momentary breathing space and so help in breaking the price-wage spiral. But it is bound to be a gamble; for the pegging of prices will tend to increase real purchasing power when the basic problem of checking inflation is to reduce it. Unless output is falling, rising costs mean rising incomes. And rising incomes combined with stable prices mean an increase in inflationary pressure, unless one condition is satisfied; it is that the increase in incomes should be cancelled out, or more than cancelled out, by an increase in voluntary saving. In an inflationary situation, we can safely create purchasing power only if there is real assurance that the additional claims upon output will not for a time be exercised."

Cancelling Purchasing Power

Hence, according to Sir Oliver, the problem centres on the question of cancelling out purchasing power. In the final analysis, there are two ways of doing this: (1) through budgetary surplus, and (ii) by allowing the prices to increase. The first can be done, according to him, either through direct taxes or indirect taxes, though he concedes that, under the arrangements obtaining in his country, indirect taxes will ultimately lead to rising prices. He emphasises, however, that whether price rises are effected either through indirect taxes or by producers, a rise in price may not only serve to withdraw purchasing power in general, but to curb consumption where that is most needed. He regrets that the rules of the game as they are practised in the country impel the authorities almost irresistibly to choose the method of direct taxation to effect the budgetary surplus. This method, he strongly feels is the least calculated to promote the country's well-being in the long run.

Problems of Planning

Lord Harlech, Chairman of the Midland Bank, refers at some length to the problems of planning and management in the present context in Britain. He is certain that, in the light of experience in 1956, as in 1951, 1949 and 1947, Great Britain, in its exceptional position as a great trading nation and financial centre, has insufficient liquid resources and economic resilience to absorb the shock of such unforeseen events as were witnessed last year. He admits that the margin for swift response to the challenge of the violently changing circumstances is too narrow for safety.

Alluding to the contrasting attitudes of business men towards the situation—some sceptical about the possibilities of present high level of business activity and employment to continue, and certain others confident that because of greater knowledge of events and Governmental participation in the economic activities there would not be any recurrence of depression—Lord Harlech feels that the crucial element in the determination of the ups and downs of economic activity lies in shaping and carrying through of numerous plans of public authorities and private individuals.

Role of Modern Planning

Dealing with the role of modern planning in this connection, he points out:

"It seems often to be assumed that 'planning' is the simple answer to the problem of economic instability, whereas in practice the timing and balancing of plans, in such a way as to ward off or allow for economic fluctuations, is a most delicate and difficult operation. This is true for both Government and business, even though Government, besides full authority over its own plans, has extensive powers to influence those of other public bodies and of private business. These powers the Government of our own country has repeatedly called into use in recent years—with not altogether happy results."

In this regard, according to the speaker, a prerequisite of successful economic policy is full knowledge of facts, obtained in time, to prompt any corrective action that may be found necessary. He admits, however, that much progress has been made in this direction. But a further limitation lies "in a tendency to presume that statistics are the only valid kind of information for economic planning." His observations in this connection are very interesting and valuable to this country. He says:

Impressions of People

"In fact, non-statistical information, particularly the day-to-day knowledge and impressions of people close to the fields of operation may sometimes be of greater practical help than the bare statistics in detecting a turning point in the course of affairs. A Government authority concerned in such matters should take steps to ensure constant sensitiveness to the 'feel' of things, especially, as to the development of business plans concerning capital expenditure and stocks, the prospective course of prices, sales, orders on hand and so on."

Moreover, it is also essential, according to Lord Harlech, that the authorities should be fully aware of the changes that may be taking place in the structure and processes of the business—changes that may be important in relation to working out of a new monetary policy. There is also need for "another thing, namely, human judgment." Lord Harlech states that human judgment, though well-trained and well-informed, is always fallible both in diagnosis and in treatment. He stresses that there is need for balance, without which the available data on some aspects of changing situation may attract too much attention to the arithmetical tests of success or failure in monetary policy. All these limitations lead, he says, to one conclusion. It is that "planning by central authorities to keep the national economy on an even keel, while moving in an expansive direction, is a most difficult task. Success in such a task ought not to be lightly presumed. It calls for the use of a wide variety of instruments, for provision of the fullest and most up-to-date information, and for objective comment by those who, while not directly responsible for policy, can contribute much to the attainment of its aims."

Government Intervention

Discussing the question whether intervention by the Government in economic matters through planning and adaption of fiscal and monetary policies has brought any benefit, the Midland Bank Chairman observes:

"There is much to support the view that the world-wide extension of official responsibility for shaping the course of economic affairs has reduced the probability, if it has not ruled out the possibility, of a repetition of prolonged depression such as occurred in the 'thirties. For some purposes it has been argued that this development has correspondingly reduced the risks of private business, which has thus come to reap uncovenanted benefit accruing to the owners of the equity of business undertakings, whether they be company shareholders or partners or individual traders. We may well ask, therefore, whether official "management" of the national economy as a whole has made any easier the task of "planning" in private business. It is true that business undertakings can plan ahead with greater assurance if fears of general and prolonged depression can be set aside as outdated. It is equally true, on the other hand, that major risks and uncertainties remain, and that these, moreover, are added to by the very fact and forms of official "intervention."

"A high level of business activity in general does not afford a guarantee that any particular branch of industry and trade, or any particular business undertaking, will be maintained in full prosperity. Many familiar, well-recognised risks remain—changes in demand, fluctuations in prices of raw materials, international disturbances and so on. Moreover, the maintenance of steadiness in the economy as a whole, for which Governments have responsibility, calls for measures which themselves may prove highly disturbing to particular industries or undertakings. The experience of the motor industry during the past year or so provides an illustration of this fact. What business nowadays has to face, over and above the older types of risk, is the chance of changes in official regulations affecting, for example, new capital issues or the terms of hire-purchase transaction, and of variations in taxes, such as changes in rates of purchase tax or profits tax and in depreciation allowances, imposed for reasons of economic policy."

The foregoing remarks of Lord Harlech on the prerequisites of modern planning and the significance of such planning to private enterprise as well as those of Sir Oliver on the pricing policies of nationalised undertakings have special relevance to India which is developing its economy in a manner planned by the Government.

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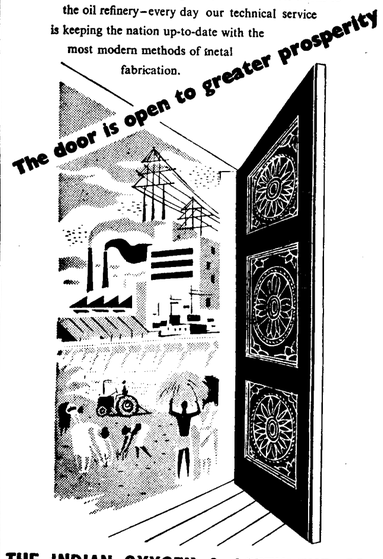

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COMPULSORY DEPOSITS BY COMPANIES

BOMBAY SHAREHOLDERS' ASSOCIATION SEEKS CLARIFICATION

VERY few fiscal measures of the Government of India have startled the business world and investors alike and created so much confusion as those introduced under the Finance (No. 3) Act, 1956. It is nearly two months since the Act was passed by Parliament, but no clear interpretation of its provisions, particularly that relating to compulsory deposits by companies under section 3 of the Act, has emerged, and even leading accountants and experts on taxation differ on the interpretation of the relevant clauses. The Finance Minister promised in Parliament that much of the rigour of section 3 would be taken out by incorporating more liberal provisions in the rules to be issued, but the much promised rules have yet to see the light of day. This section, coupled with the one seeking to levy penal super-tax on dividends in excess of 6 per cent., restricts the dividend-paying capacity of joint-stock companies. In the circumstances, the anxiety of investors is understandable, more so when the provisions are not clear. It is reflected in the two memoranda recently submitted by the Bombay Shareholders' Association to the Union Finance Minister on section 3 of the Finance (No. 3) Act, 1956.

As readers are aware, the amount to be deposited by companies consists of two parts; the first is a prescribed percentage, not exceeding 25 per cent., of so much of the accumulated profits and reserves as are not represented by fixed assets in the business, and the second is a prescribed percentage, not exceeding 75 per cent., of the amount by which available profits of the year, that is, profits before deduction of depreciation or development rebate less taxes payable less dividends, exceed Rs. 1 lakh. Thus, in the first part, the amount of deposits is linked to the accumulated profits and reserves other than those represented by the fixed assets. Such a linking, the Bombay Shareholders' Association says, introduces an element of artificiality, inasmuch as there would be several cases of companies which might have utilised such moneys for current requirements of the business, because, with the increase in fixed assets, a corresponding increase in the working capital automatically follows and, therefore, an increased amount of working capital ought to be maintained. In other words, the Association points out, the reserves may be represented partly by fixed assets and partly by the current assets of the company relating to the business itself. "The attack should, therefore, be on the amounts which are utilised as pure investments or utilised in buying concerns of an extraneous character, which activities may have nothing to do with the basic structure and business of the company."

Exemptions

The Association then goes on to point out the necessity of examining the current assets of a company and finding out what part of these assets represents pure investment or investments of a character which have no business connection with or bearing on the company as such. It also draws attention to the Finance Minister's statement to the effect that he would specify about 20 industries and, if the moneys were utilised for investment in such industries, the deposit scheme would not apply to a corresponding extent. The Association suggests that the solution would be found by making a provision in the rules to the effect that the amount of deposits will be further reduced in proportion to the moneys of the company which are found utilised in any one or all of the following purposes:

(a) for the normal working requirements of the company that is utilised and found reflected in either the stock-in-trade or stores and spare parts or raw materials or other current assets of the company relating to the business of the company;

(b) for the purpose of acquiring industries or shares of industrial concerns list whereof may be specified;

(c) temporary cash resources left with the company, but utilised within a period of a year or two for the rehabilitation programme of the company. For this a specified percentage may be laid out in relation to the total current assets of the company and in relation to the rehabilitation programme and its layout as planned for each future year.

Moreover, the Association points out that, since the commitments already made by various companies so far would not permit the immediate changeover or a change or a realisation of such extraneous asset items, it would be very desirable if appropriate relaxation of this part of the section were to be made. The Association contends that the provision should not be operative in an absolute manner, and that relaxation should be made in respect of present commitments, so that the financial structure of the companies in general is not hit. It also urges the necessity of making due provision in the rules for exempting either the whole or a very substantial portion of the existing layout, if it be not covered by the permitted investment in the three categories mentioned above.

Available Profits

As regards the other part of the provision, namely, a prescribed percentage of the available profits of the year, the Shareholders' Association feels that the term 'available profits' should be defined as the profits reflected in the profit and loss account, that is, after taking into consideration all the outgoings in the nature of expenditure in the profit and loss account, though for purposes of income-tax assessments the same might have been added to the assessable income. It is the actual surplus available that is material for consideration and not the assessable surplus. Even for the purposes of section 23A, a distinction has been made for the declaration of the required minimum and special consideration is given to cases where the difference arises as a result of the disallowables of certain items for purposes of income-tax assessment. The Association, therefore, desires that the rules should clarify the position in this respect. Further, it says:

"The provision of the Finance Act speaks of the total income of the company for the previous year as reduced by the amount of income-tax and super-tax payable in respect thereof. To avoid any ambiguity, a clear mention should be made that a deduction should be made for all the taxes payable by the company in respect of its assessment for the particular assessment year and the total income, which would normally mean the total income as defined under the Income-tax Act, should, instead, be taken to mean the actual available surplus as per the profit and loss account and not the total income for income-tax purposes, because, as a matter of fact, the moneys to that extent would have gone out and would not be capable of being deposited to the proportionate extent. The rules should provide for this clarification as well."

As regards the penal provision under section 3, which says that an amount equal to the sum of all the allowances made under clauses vi, via, vib or vii of sub-section (2) shall be included in the total income of the previous year, unless the company deposits the required sum before 30th June of the year succeeding the previous year, the Association desires that the rules must clarify that the amount to be forfeited should be the amount for the particular assessment year and not all the amount of depreciation and development rebate which may have been allowed to the company in the past. The latter interpretation, it says, would create an absurd position indeed, inasmuch as the company would stand to forfeit the whole of the past allowances.

Development Rebate and Depreciation

Again, in respect of the allowances that will be forfeited, the Association is of the view that a distinction is necessary between the development rebate and depreciation allowances. For, it says, whereas the former "is a pure gift to the industry and the Government would be fully justified in imposing conditions for the continuance of this allowance," so far as depreciation allowances are concerned, the position is different. The Association's argument in this connection is as follows:

"They are inherent allowances claimable by way of wear and tear of the asset or by its user and they represent expenditure which must be taken into consideration in determining the profits. The Government should consider the question in the light that, with higher allowances in earlier years the tax liability is lesser, but in later years the allowances would be lesser and the tax liability would be higher. In any event, the total allowance in respect of any asset cannot go beyond 100 per cent. of the cost even including the initial allowance. The Government may insist on funds being created to a proportionate extent, but as regards the question of deposits, the position would become very difficult for depreciation amounts. In case the company in question fails to deposit the amount, there should be ample justification to add back the depreciation amount, so that the tax payment is accelerated, i.e., there is more payment in the earlier years and the Government is able to take that much amount by way of tax earlier and, in later years, it would collect lesser, but the depreciation amount should not stand totally forfeited. It should be added to the written down value, so that the company gets the depreciation allowed in later years. What the Government wants is that, in respect of the accelerated allowances where tax is saved, the moneys do not go to the Government earlier and the process of disallowing the depreciation amount will enable the Government to recover the tax in earlier years instead of in later years. The submission in this behalf is that the depreciation amount should not stand forfeited, although the development rebate may be forfeited. The rules should, therefore, bring about this position by making a suitable provision, whereby the amount would stand added to the written down value in case of the deposit not being made and the amount being added to the assessable income of the company."

The Association has made several other suggestions to reduce the rigour of the provisions in respect of compulsory deposits. Thus, it says, the rules should provide for part allowance, if the company is able to, and makes, a part deposit. Companies, which have made borrowings either by mortgaging their fixed assets or otherwise and the investments of which are negligible in relation to the fixed assets (the margin may be fixed at 10 per cent.), should be exempted from making deposits, because such companies *ipso facto* would have utilised all the available resources for the business requirements only, as otherwise they would not resort to borrowing. The rules should also provide for allowing sufficient time to companies to make the deposit.

Opportunity To Be Given

In the meantime, the Association submits, companies should be given an opportunity to approach the Government and prove that their funds would be required to be utilised in the companies themselves for genuine purposes and that they would not, therefore, be in a position to make the deposit. In other words, the Association suggests, the procedure should be such that deposits need not necessarily be made in the first instance and then followed by application for exemption or reduction, etc. Also, the amount to be deposited and the time within which it is to be done must be agreed beforehand between the companies and the Government. In case the Government is not willing to allow companies to approach it before making deposits, as stated above, then the Government should dispose off the companies' applications within a special period of time, say, within two weeks and inform the applicants of its decision.

Similarly, the reference to the Board of Referees must have a time limit, as also the disposal of appeals by them. The rules should also provide for refund of deposits within a very short specified time, so that companies will be able to utilise them for their urgent needs. The Association also requests the Government to fix the percentages of deposits for the current year within a maximum of 12½ and 37½, that is, half of the limits prescribed in the Act, because the savings to companies as a result of the allowances and development rebate and depreciation are to the extent of about As. 8 in the rupee. The percentages prescribed in the Act, the Association says, appear to have been laid down without a consideration of the fact that the amounts involved are the tax amounts and not the allowance amounts. It may be noted, in this connection, that the Finance Minister stated in Parliament that the Government's intention was to demand a deposit of 50 per cent. only in respect of the latter deposit, as against 75 per cent. prescribed in the Act.

What are Accumulated Profits?

In the second memorandum, the Association poses two questions to the Government, seeking clarification on the meaning of (1) "the accumulated profits and reserves" and (2) the words "to the extent to which such profits and reserves are not represented by the fixed assets of the company," as the first is not clear and there is widely differing views on the latter. The Association asks whether the accumulated profits and reserves mean those shown in the balance-sheet of companies or those according to income-tax assessments. It is well known that the profits shown in the balance-sheets differ widely from those computed for the purposes of taxation by the income-tax authorities. In the latter case, how will the amount to be deposited be determined? It is well known that assessments of incomes are pending for long periods, and, if assessments are not finalised and consequently the amounts to be deposited are not known, the companies will be penalised for no fault of theirs. Giving an illustration, the Association says that, in the case of a company having the calendar year as the financial year before 30th June 1957, its total income for 1956 will have to be ascertained in income-tax assessment in order to find out the amount of retained profits. Will it be reasonable and proper to consider, and would it even be feasible, that the assessment for the year

(*Continued on page 299*)

STATE OF COTTON MILL INDUSTRY AFTER ENHANCED EXCISE DUTIES

DANGER OF MALADY BECOMING CHRONIC

By Bipinchandra M. Mehta, B.Sc. [Tech.] B.S. [Michigan], A.M.I.E.T.

AFTER the psychological shock treatment effected during the months of September and October 1956, an incentive of a rebate of excise duty at the rate of 6 pies per square yard of cloth produced by the textile mills in excess of its average monthly production during the eight months January to August 1956 was announced. The concession has been extended till March 1957. This production incentive is negligible and more or less of academic value only. The incidence of excise duty has been heavy and hardly two months had elapsed from the imposition of the duty when this incentive was announced. This is like "taking away in wholesale and paying back in retail."

The fair prices published by the Government are on the basis of the Tariff Board formula. This formula has become outdated and if at all price, and not distribution, control is intended, then it is necessary that a review of the present cost structure of the mills is made, in view of the fact that the conditions which existed at the time the Tariff Board formula was formulated are no more there, and new conditions have been created on account of bonus awards to the workers from year to year, increase in freight, increase in price of coal and other cost charges, etc. The pace of cloth production has not been consistent with that of the demand. Consequently, prices have advanced, and, with this new burden, the sacrifice which the consumer has to make has also increased. The optimism prevalent prior to August 1956 does not exist now and, because of the sharp measures taken in quick succession, trade and industry have been shocked. Practically, the entire burden of the new duties has been borne by the mills, and not passed on to consumers, and cloth prices have receded to that of December 1955 level. Stocks of cloth with mills are mounting, the rising spiral of prices has been arrested and even a downward trend is visible again. All this calls for a review of the excise duty and relaxation of credit restrictions on cloth.

There is always a fear lurking in the minds of mills and traders about the increase or reduction in excise duty, as the rate of the duty can be varied by executive order subject to the maximum limits fixed by Parliament. This has an adverse psychological effect on the merchants. It tends to cause stagnation in trade, because the trader does not risk in future ventures due to uncertainty about the future rate of excise duty. In order to stabilise the trade and for improving the sentiment, a decisive announcement as to the quantum of excise duty and its duration is required.

The Only Solution

The availability of cloth supplies in the country is not large enough to meet the growing domestic demand and still leave sufficient balance for exports. Possibly, the only remedy with reference to the law of supply and demand lies in augmenting the mill cloth production, as the handloom sector cannot expand rapidly. Further, the stiffer the controls on a particular commodity, the greater is the desire to go in for that commodity and this applies to cloth also. The good part played by the handloom sector cannot be ignored and merits credit and attention, but encouragement to this sector should not be such as to restrict the growth of the mill sector. Expedients like control on production, price, distribution and opening of fair price shops are a dismal picture of the past and the grim experience of the public about control and rationing is still fresh in our minds. The right solution to the cloth muddle lies in the expansion of the mill sector rapidly, as this is the only way to make cloth available to consumers at economic price.

There have been restrictions on the expansion of spindleage and loomage in the name of handlooms. The cloth crisis, however, has impelled the Government to sanction expansion by 2.1 million spindles and 14,600 automatic looms (for export promotion only) and 35,000 powerlooms for the handloom sector in July 1956. But this does not go far enough and the future for consumers still appears dark.

Despite the restrictions on production and other handicaps, the cotton textile industry has played its part well, as could be seen from the production figures. From the table given below, it will be evident that the production of cloth and yarn by the mills has increased over 1950 figures which were the lowest since 1946. It is estimated that, production by the mills during 1956 is a record in the history of this country :

Production by Mills

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

	Cotton yarn	*Cloth*
1950	1,174.8	3,666.8
1955	1,634.4	5,092.8
1956	*1,652.0	5,288.0

* The figures for the month of December are estimates.

The total exports of mill-made cloth from India during 1955 were 859.29 million yards, and for 1956, they are estimated to be in the neighbourhood of 776 million yards. The break-up figures for coarse, medium, fine and superfine varieties are as follows :

Total Exports

(Million yards)

	1955	1956
Coarse	184.05	200.71
Medium	618.24	535.52
Fine	35.96	22.09
Superfine	21.04	17.51
Total ..	*859.29	775.83

* The figures for the month of December are estimates.

In 1950, India's cloth exports were 1,190 million yards, a record high, and since then, they have not reached that high level. It would be evident from the aforesaid table that, in 1956, exports of cotton piecegoods fell sharply, as compared with those in 1955. Due to abolition of export duty on coarse cloth in May 1956, exports of coarse goods have shown an improvement, while there is a moderate fall in the medium category and a notable fall in fine and superfine categories. In other words, exports of medium, fine and superfine qualities have all shrunk.

Export Prospects

The future for exports of cotton textiles from India is bleak, in view of the fact that the neighbouring and other importing countries are setting up modern composite mills, with complete processing equipment. In Pakistan, it is reported, cloth is being produced at the annual rate of 455 million yards, as against a mere 127.5 million yards in 1951. The rise in production in this country has been due to expansion in the size of the industry. The loomage has grown up from 5,984 in 1951 to 26,000 in 1955-56 (estimated). The number of spindles has also increased from 333,126 in 1951 to 1.7 million in 1955-56 (estimated) and the capital invested in the industry amounts to Rs. 60 crores, approximately.

East Africa also is considering installation of a big modern cotton mill in collaboration with a leading Indian industrialist. Similarly, a mill is going up in Ethiopia. In Burma, the Industrial Development Corporation of Burma has negotiated with Japanese firms for setting up three cotton mills, each with 40,000 spindles and 200 powerlooms, as a joint venture. The total outlay is expected to be of the nature of Rs. 6 crores. The Government-owned spinning and weaving factory in Tamaing has also plans to expand from 20,000 to 40,000 spindles and from 200 to 600 looms. Increasing competition is being experienced from Hongkong, China, Japan, Russia, etc. in several markets to which India has been exporting cloth and it is reported that, in some of the markets, arrival of Russian goods has greatly increased.

Plans are afoot in England to produce fabrics which are neither woven on the loom for spun on the spindle. The concept of non-woven fabrics wherein the fabrics are bonded together by physical and chemical means is being studied by Messrs. Tootal Ltd., in Lancashire. This is an indication of the great progress made by the industry in other foreign countries with their modernised plants and techniques. Unless and until incentives are offered and healthy conditions are created, modernisation and rehabilitation of the Indian cotton textile industry will be a painfully slow affair, if not utterly impossible.

Recently, the Indian National Trade Union Council (popularly called I. N. T. U. C.), which commands 650,000 workers employed in 400 textile mills, demanded a 25 per cent. straight increase in wages. If this demand is conceded, it will add to the cost of production further. Again, it is proposed to enhance the rate of provident fund contribution by employers from 6¼ per cent. to 8⅓ per cent. If this enhancement of contribution by 2-1/12 per cent. were to take place, the increase in the total cost of the textile industry (cotton, jute and wool but excluding art silk) would probably be 0.4 per cent. as per the figures based on the Census of Manufactures, 1951. To what extent this increase will work out for the cotton textile industry alone is not clear, as separate figures are not available. Nevertheless, the importance of this factor cannot be overlooked.

The total income of a cotton mill worker in Bombay amounts to Rs. 1,760, while the national income of a family of four is Rs. 1,120 on the basis of *per capita* income of Rs. 280 for the year 1955-56, as estimated by the Planning Commission. That is to say, the total earnings of a textile worker is more than one and a half times the national income for a family of four. Similarly, the current earnings of an Ahmedabad textile mill worker is Rs. 1,668 as per the figures available from the Ahmedabad Millowners Association. It will thus be seen that the mill worker in India is already relatively well paid, as compared with the rest of the masses.

It will be noted from the foregoing account of the present state of affairs of the cotton textile industry that its economic malady will become chronic, unless appropriate measures are taken, without any further delay, to restore its health and vigour. The industry's capacity to compete in world markets is being steadily undermined by mounting costs and taxation, on the one hand, and lower productivity, on the other. It is able to sell its production in the internal market at a profit, because of near-scarcity conditions and absence of competition from foreign manufacturers. This situation is neither fair to consumers, the vast majority of whom are poor, nor to the long-range interests of the industry itself, because it is not conducive to efficiency and honesty.

INTERNATIONAL COTTON CALIBRATION STANDARDS PROGRAMME

Marking a milestone in better understanding in world cotton trade, the International Cotton Calibration Standards Committee announced this week that a set of standard tests cottons will soon be made available for merchants and spinning mills throughout the world. The international committee, which developed the programme for establishing the standards, represents the American Cotton Manufacturers' Institute, the American Cotton Shippers' Association, the International Federation of Cotton and Allied Textile Industries, the National Cotton Council of America and the U.S. Department of Agriculture. Several hundred laboratories throughout the world are expected to use the standard cottons for calibrating cotton fibre instruments.

The necessity for the standard calibration cottons came about through increasing use, by both mills and merchants, of scientific instruments to measure cotton fibre properties. These standard cotton samples enable testers to "zero in" their instruments. In other words, when fibre instruments in Memphis, Manchester and Frankfurt get the same results on their standard sample, they are more likely to be "on the beam" in their commercial testing.

The International Cotton Calibration Standards Programme has been set up to work towards better understanding in cotton trade through the use of standard cottons. The blending, preparation, and distribution of the samples will be carried out by the Cotton Division, Agricultural Marketing Service, of the U.S. Department of Agriculture. The testing and certification of the standard cottons will be the responsibility of the five sponsoring organisations and their designated laboratories.

Initially, cotton calibration standards will consist of three samples, having high, medium and low readings in the Micronaire test for fineness, and the Pressley test for strength. Later on, additional fibre property tests may be included in the programme.

Two representatives of each sponsoring organisation serve as a special committee of the American Society for Testing Materials to supervise the programme. Standard test methods of the A.S.T.M. will be used to establish the cotton calibration readings. When standard test procedures of the International Organisation for Standardisation (I.S.O.) become available, they will be used as the official test methods in the calibration standards programme.

Three laboratories in the United States and two in Europe will establish the official readings on the calibration cotton standards. U.S. laboratories include the Department of Agriculture, the U.S. Testing Company in Dallas, Texas (appointed by the American Cotton Shippers' Association), and the laboratory of the American Cotton Manufacturers' Institute in Clemson, South Carolina. The International Federation has designated the Shirley Institute in Manchester, England, and the Bremen Cotton Exchange in Bremen, Germany, as its representative laboratories.

The new test cottons will be placed on sale by the Cotton Division of the Agricultural Marketing Service by about the 15th inst.

CLOTH EXPORTS IN 1956 LOW

SLIGHT INCREASE IN YARN SHIPMENTS

From A Special Correspondent

MANCHESTER, 29*th January*

AS the months went by, during 1956, it was increasingly obvious to Lancashire traders that textile exports during the year would eventually be very much lower than in recent similar periods. The final figures now released by the British Board of Trade have, therefore, caused no surprise among those closely connected with the market. Nor at the outset of 1957 can any more promising outlook be forecast.

MANCHESTER LETTER

Last year, cotton cloth exports were at their lowest since 1945 and, therefore, smaller than in any recent peace-time year, as the following table shows:

	Cloth (in thousand sq. yds.)		Yarn (in thousand lbs.)	
	Cotton	Rayon and synthetics	Cotton	Rayon and synthetics
1949	903,578	160,708	82,061	21,469
1950	822,473	189,568	70,036	28,428
1951	864,375	217,206	65,481	28,189
1952	710,913	149,794	35,722	20,887
1953	709,905	176,826	41,920	31,497
1954	637,378	179,256	40,431	32,345
1955	554,504	183,747	35,563	30,816
1956	474,150	120,337	35,792	36,200

Cotton cloth shipments again fell by 80,000,000 square yards, an equivalent decline to that encountered in the previous year. In the past 12 months the reduction was mainly accounted for by a loss of nearly 30,000,000 yards in the West African territories of the Gold Coast and Nigeria and a further drop of 20,000,000 yards in shipments to Australia. The remainder of the decline was spread over numerous markets abroad but it is noticeable that the position was held in South Africa after a fall of nearly 30,000,000 yards in 1955.

Leading buyers were (in thousand square yards): Australia 80,118, South Africa 54,134, New Zealand 32,675, Nigeria 30,433, Rhodesia and Nyasaland 25,323 and the Gold Coast 23,537.

Yarn Sales

Exports of cotton yarns kept remarkably steady throughout the year, the figures being practically identical with 1955. The only notable increase was in shipments to India, which rose by 1,600,000 lbs. to nearly 4,000,000 lbs. Canada also took more cotton yarn but minor setbacks were encountered in several European countries, including Germany, France and Switzerland. An improvement occurred in the offtake in rayon and synthetic fibre yarns, which for the first time exceeded the exports of cotton yarns. This was largely the result of increased shipments to India, which were nearly 3,000,000 lbs. higher at 7,333,000 lbs.

The reduction in shipments of cloth made from rayon and synthetic fibres was less drastic than in cotton goods, as although exports declined by 13,000,000 square yards the fall in the previous year had exceeded 40,000,000 yards. A feature was the emergence of Rhodesia and Nyasaland as the chief consumers, taking 17,600,000 square yards and superseding Australia, the purchases of which dropped from 23,500,000 square yards to less than 15,700,000 square yards. Again, South Africa absorbed almost the same quantity at 15,820,000 square yards but purchases by New Zealand were some 3,000,000 square yards lower at 12,822,000 square yards.

Imports Rise Too

Combined totals of cotton and rayon cloth imports in 1956 exceeded the comparable volume of goods reaching this country in the previous year. Arrivals of cotton grey cloth were almost identical at 267,684,000 square yards. The quantity of rayon fabric imported increased—from 65,415,000 square yards to 74,147,000 square yards.

Features of the intake of foreign-made cotton grey cloth into Britain last year were the maintenance of almost the same quantity of Indian material for the third year running, the continued expansion in arrivals of Hong Kong cloth and the halving of imports from Japan. A substantial increase was also recorded in purchases from a number of unspecified sources, known to include Pakistan, the Soviet Union, France, China, Bulgaria and Yugoslavia.

India supplied 128,052,000 square yards, as against 130,284,000 square yards, while Hong Kong provided 55,857,000 square yards, as against 48,761,000 square yards. Arrivals from Japan amounted to 32,139,000 square yards, as compared with 63,879,000 square yards but imports from "other foreign countries" rose from 11,200,000 square yards to 30,699,000 square yards and from "other Commonwealth countries" from 137,000 square yards to 7,784,000 square yards.

Quotas from the East?

Until some official intimation of the measure of agreement reportedly reached between the leaders of the Lancashire trade mission and the Indian textile industry is made public, there must inevitably be speculation as to the terms of any pact concerning the quantity of Eastern cloth to be shipped to this country. The team representing British cotton and rayon interests certainly made its journey in the hope that some understanding could be achieved with their opposite numbers in the Asian countries visited and if initial reports prove correct there will be satisfaction in Lancashire that an agreement has been fixed up in so short a time after the many months of pressure exerted on successive British Governments for action.

Some background to the talks has lately been given by Mr. W. T. Winterbottom in a speech made in his capacity as President of the Textile Institute. As long ago as July 1954, he said, such a mission was suggested by the industry at a time when the volume of trade was much smaller than it is now and when any agreement would consequently have been more in our favour.

"At that time we were peremptorily told not to interfere as this was a matter to be dealt with at Government level," he declared. "Now, when conditions are less favourable and the Government has done precisely nothing in two and a half years, the mission goes with, I believe, Government approval."

But, in Mr. Winterbottom's view, a purely quantitative agreement is not in itself enough. "More damage can be done to the cotton industry by 50,000,000 yards a year coming in at assisted or dumping, prices than by 250,000,000 in fair competition," he added. "Any agreement made should specify, as the American-Japanese pact has done, that fair trading practices are observed. I do not think we can rely solely on the proposed anti-dumping legislation whose machinery would be too slow and cumbersome to be really effective."

New Mill Purchase

The Lancashire Cotton Corporation, which already controls 55 mills in Lancashire and Yorkshire, has acquired a Scottish chenille manufacturing company. This was announced at the annual meeting in Manchester by Mr. Roger M. Lee, the Chairman, who said that since the end of the Corporation's financial year, in October, Tullialan Fabrics Ltd., a private company employing about 160 workers at its Glasgow mill, had been taken over. He added: "We have every reason to believe that this will be a profitable investment," he told stockholders. "We are continuing our policy of seeking suitable expansion of our interests."

The £27,000,000 Corporation now has a more satisfactory order book than 12 months ago, Mr. Lee continued, mainly as a result of the greater stability now prevailing in raw cotton.

"Until all the American surpluses have been liquidated and Governments throughout the major producing countries have withdrawn from the marketing of raw cotton, it is unlikely that normal market machinery of free enterprise can function satisfactorily," he declared. "Until this can happen we shall not have adequate hedging facilities for our necessary stocks of raw materials."

Cotton Campaign

The second phase of the Cotton Board's sales promotional campaign, "Buy Britain's Cottons," will begin next month.

Teams of cotton industry representatives will visit nearly 6,000 shops and stores in the main centres of population throughout the United Kingdom in an effort to persuade retailers to sell more Lancashire-made cotton goods.

Advertising will also be intensified, leading up to the spring buying peak around Easter.

Big Plant Earnings

By volume, the quantity of textile machinery shipped from Britain last year was slightly lower than in 1955 but earnings from this source have only once before been exceeded —in 1950 when their value was over £50,000,000. Last year, the machinists exported goods worth £44,992,761.

(*Continued on page 299*)

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PROSPECTS FOR RAW COTTON

RISE IN CONSUMPTION AND FALL IN PRODUCTION ANTICIPATED

NOW that half of the normal course of the current cotton season has already been run, it seems appropriate to attempt an analysis of the supply and distribution pattern of cotton for the whole season ending 31st July 1957. For the free world as a whole, the supply-demand relationship during the current season appears to have improved considerably as compared with previous seasons. Total supply is expected to stabilise itself around last season's level, while aggregate consumption is likely to register an improvement. The net result would, therefore, be a scaling down of the total carryover stock at the beginning of the next season. Production in the U.S. this season is estimated to fall by 1.5 million bales, as compared with the previous season, but this is more than offset by an increase in the carryover stock at the beginning of the season, while consumption also is expected to show a slight fall.

Production in the free world, outside the U.S., is expected to be maintained or may even show some improvement over last season's level. But this will be more than counterbalanced by an increase in consumption which is expected to be higher by about 700,000 bales (of 478 lbs. each). The gap will be made up by imports from the U.S. which will also be the major source for building up the low carryover stocks at the beginning of the current season. This means that the U.S. can count on a more or less easy outlet for its cotton in these regions. Taking all these factors into consideration, the International Cotton Advisory Committee, Washington, comes to the conclusion that the world cotton situation is presently somewhat more hopeful than in recent seasons. Control of production, according to the latest monthly *Review* of the Committee, together with a rising trend in consumption, has halted the accumulation of fresh surpluses. It further observes that there should be some reduction in existing stocks this season.

In the U.S., as has been pointed out, despite a much lower production, of the order of 13.2 million bales (December estimate), as against the previous season's 14.7 million bales, supply is much larger than in the last season. This is because of the record carryover stock at the beginning of the season which stood at 14.5 million bales. Total supply (including imports), therefore, comes to 27.8 million bales, as compared with 26 million bales in 1955-56. In refreshing contrast, there is a noticeable contraction in supply in the free world outside the U.S. which is presently expected to aggregate 24 million bales, that is, about 1.7 million bales less than last season. But the total estimated acreage and average yield show very little change this season and production would be on a par with last season's 16.2 million bales. The following table shows the estimated production in the free world outside the United States in the current season:

(In thousand bales)

Country	1955-56	1956-57
Mexico	2,240	1,855
India	3,880	4,400
Pakistan	1,425	1,545
Sudan	440	515
Egypt	1,541	1,490
Syria	410	457
Others	6,235	6,056
Total ..	16,171	16,318

As will be seen from the above table, increases in the output of cotton in India, Pakistan, Sudan and Syria, is only partially offset by lower production in Mexico, Egypt, and a few other countries, so that the total is slightly higher. It is clear, therefore, that the reduction in supply is primarily due to the very low carryover stock in both exporting and importing countries. But a factor which must be borne in mind, in this connection, is that the drop in supply outside the U.S. is offset by heavy imports from the U.S. As a result, total supply would be well over 2 million bales higher than that of the previous season.

The conclusion that emerges from this analysis, therefore, is that the main factor responsible for the improved demand-supply relationship is the expected increase in consumption, and that, too, outside the U.S. and the possibility of some build-up of stocks in some importing countries. This expectation appears to be fully justified, in view of the low carryover in some importing countries and also because the price outlook now is much less of a deterrent to forward purchases.

Consumption in the U.S. is running at about four per cent. under a year ago, and, though there may be some improvement during the rest of the season, the total for the season is expected to decline to 9 million bales, as compared with 9.2 million bales last season. Outside the U.S., however, consumption, which was of the order of 19.3 million bales last season, is expected to increase to 20 million bales in the current season. Offtake of raw cotton by mills, in the first quarter of the current season in the U.K., was about 7 per cent. under a year ago. But, with the recent improvement in the industry, a change in trend is anticipated. Aggregate consumption in Continental Western European countries had remained unchanged at 5.5 million bales during the last three seasons. But, in the current season, a distinct improvement was in evidence, except in Portugal, and, if the trend continues, there could be some increase in consumption. Japanese exports of cotton textiles were heavy during the last quarter of 1956, and present conditions appear to justify the expectation of a further rise in textile production. This is sure to be reflected in increased utilisation of raw cotton by that country and could probably rise to a new record for the post-war period. In India, textile production set a new record in 1956.

Export outlook for U.S. cotton is, indeed, bright. Exports too date are higher than what was shipped during the entire 1955-56 season. Sales under the special export programme, till the end of January, were 6.316 million bales. But a fall in the tempo of sales for export is expected, because of the limited range of qualities now available for export under this programme. It is true that an additional 6 million bales of 1955 loan cotton came into Government ownership on 1st January, but present indications are that this will be catalogued and made available for sales not earlier than 15th February or probably 1st of March. There is also no certainty whether this will be sold for delivery next season only or for delivery both this season and the next. Official ideas of exports centre around 6.5 million bales for this season. Exports, together with consumption, would, therefore, make for a disappearance of about 15.5 million bales in the U.S., that is, 2.3 million bales in excess of current production.

The following table gives the supply and disappearance position of cotton for the free world:

Supply and Disappearance of Free World Cotton

	1954-55	1955-56	1956-57
Free World:			
Opening stocks, 1st August.	19.0	20.6	22.1
Production	29.5	30.9	29.5
Total ..	48.5	51.5	51.6
Disappearance	27.9	29.4	30.2
Closing stocks, 31st July ..	20.6	22.1	21.4
U.S.A.:			
Opening stocks	9.7	11.2	14.5
Production	13.6	14.7	13.2
Imports	0.1	0.1	0.1
Total supply ..	23.4	26.0	27.8
Consumption	8.8	9.2	9.0
Exports	3.4	2.2	6.5
Destroyed	..	0.1	0.1
Total Disappearance ..	12.2	11.5	15.6
End season stocks	11.2	14.5	12.2
Free World outside U.S.:			
Stocks, 1st August ..	9.3	9.4	7.6
Production	16.0	16.2	16.3
Imports from U.S. ..	3.4	2.2	6.5
Imports from U.S.S.R. ..	0.3	0.3	0.3
Total supply ..	29.0	28.1	30.7
Consumption	18.8	19.3	20.0
Exports to U.S.	0.1	0.1	0.1
Exports to Communist Countries	0.5	1.0	1.1
Destroyed	0.2	0.1	0.1
Total Disappearance ..	19.6	20.5	21.3
Closing stocks	9.4	7.6	9.4

Increased carry over stocks on 1st August 1956, as will be seen from the table above, more than offsets the expected reduction in production. Total supply will, therefore, set a new all-time record. Consumption is, however, expected to increase by more than the increment to supply and, if this happens, the carryover stock at the end of the season should decline slightly. The aggregate supply in the next (1957-58) season will, therefore, be lower, if total free world production falls as a result of the greater response by the U.S. farmers to the Soil Bank programme. There is ground for supposing that cotton production in the U.S. next season will be considerably reduced.

It was announced on 12th December that payments on land taken out of cotton production under the Soil Bank programme will be on the basis of 15 cents per pound of Upland cotton, the same as in 1956. The yield figures, to which this basis is applied, are being increased, however, from an average of 309 pounds for the entire country to an average of 361 pounds, so that the payments at a national average of $54.15 per acre in 1957-58 will be considerably higher than in 1956-57. The national goal for cotton land under the Soil Bank programme is 3.5 to 4.5 million acres, with a maximum for each farm of 10 acres or 30 per cent. of the acreage whichever is higher, a rule which should cause the largest reductions in acreage to take place on the small cotton farms in the South-eastern part of the United States. Average yields, on which payments are made, are being established for each farm. Undoubtedly, the acreage planted to cotton will decline very considerably but this may be partially offset by more intensive cultivation of remaining acres. Drought conditions in the South-west, however, continue to be a problem. In any event, observes the *Review* of the Committee, reduced production in the United States next season should help further to reduce the cotton surplus. Total supply, however, would still be many million bales in excess of what is considered as normal, given the present and the projected rate of consumption in the future. This represents, according to the *Review*, "the extent of adjustment necessary to re-establish a more healthy relationship between supply and demand."

ALL-INDIA SECOND ESTIMATE OF COTTON

The second all-India estimate of cotton for the 1956-57 season, released by the Directorate of Economics and Statistics, Ministry of Agriculture, Government of India, places the area under the crop at 15.955 million acres, as compared with the adjusted second estimate of 15.442 million acres for the 1955-56 season, representing an increase of about 3.5 per cent. This estimate does not cover the entire area sown to the crop during the current season. Past experience has shown that the area at the second estimate stage forms roughly 75 per cent. of the acreage finally reported. The current estimate relates to the period up to the end of September 1956.

Among the different varieties of cotton, the increase in area has occurred mostly in Jarilla (including Virnar), American and Broach Vijay. Decrease in acreage has, however, been reported mostly in Malvi and Oomras varieties. As regards staple lengths, increases have been shared by medium and long-staple cotton. The following table gives details regarding the area under the crop, in terms of trade description and staple length, along with that of the second estimate of the previous season.

All-India Second Estimate of Cotton

(In thousand acres)

	1956-57 (Second Estimate)	1955-56 (Adjusted Second Estimate)
Trade description:		
Bengals	916	833
Americans	2,798	2,364
Jarilla (including Virnar) ..	3,363	2,753
Verum	273	261
H. 420	437	522
Oomras	1,949	2,207
Hyderabad Gaorani ..	1,088	1,077
Malvi	1,232	1,511
Broach-Vijay	1,199	1,071
Surti-Suvog	499	586
Dholleras	1,205	1,291
Southerns	942	912
Comillas	54	54
Total ..	15,955	15,442
Staple lengths:		
Long staple	5,002	4,767
Medium staple	7,695	7,296
Short staple	3,258	3,379
Total ..	15,955	15,422

The estimates, it must be borne in mind, relate to the old set-up of States and does not correspond to the States as reorganised on 1st November 1956.

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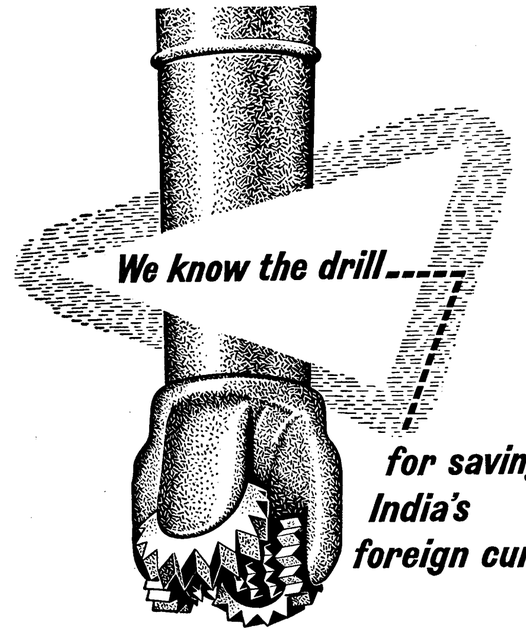

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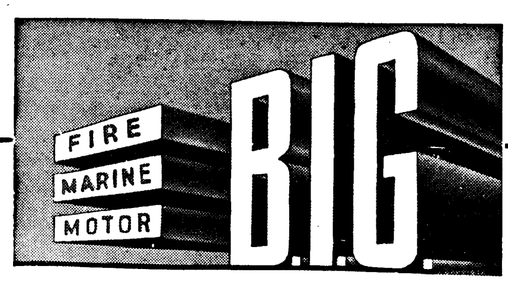

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CHANGE IN WORLD SUGAR SITUATION

EXPORT QUOTA RESTRICTIONS REMOVED

THE International Sugar Council concluded its three-day session at London on Thursday last week. Details regarding the deliberations of the meeting and the decisions taken thereat are not yet available. The brief Press reports that have emanated from London, however, indicate that the Council has lifted all restrictions on sugar exports by member-countries during the current calendar year. Accordingly, the member-countries of the World Sugar Agreement are now permitted to unload in the sugar market any quantity of sugar at any price. The Council has also called upon all the participating countries to release immediately to the free sugar market the minimum stocks held by them under the World Sugar Agreement. It has made clear, in this connection, that, should the market price of sugar fall below 3.90 cents, the exports made by any country up to the next meeting of the Council shall not be charged against its quota when quotas become operative.

The aforesaid decision of the Council—that is, removal of export quotas—is a sequel to the changed condition in the international sugar market. Ever since the Suez crisis, the market has been ruling distinctly firm, with a sharp upward trend in prices. Spot Cuban raw sugar (f.o.b. Cuba) at New York, which stood 0.03 cent below the World Sugar Agreement minimum of 3.25 cents a pound at the end of August 1956, was quoted as high as 6.37 cents on 15th January last. Although the price has since come down to 5.80 cents (as on 30th January), thanks to some sales by Italy and India, it is still very much above the ceiling of 4.00 cents prescribed in the Agreement. Under the Agreement, it will be recalled, sugar export quotas should be lifted, if the spot price of sugar at New York continues to be well above the ceiling for 17 market days. The latest reported decision of the Council is in accordance with this condition.

Supply of Sugar

The renewed firmness in the world sugar market must be attributed to the supply of sugar being less plentiful than it has been for some years, on the one hand, and strong consumer demand, on the other. The change in the supply position, in turn, is partly due to the reduction, albeit of about 2 per cent., in the European beet crop harvested in the last few months. Consequently, Europe, which was until recently a net exporter of sugar, has almost turned out to be a net importer. This change in its status has come about at a time when the Cuban sugar surplus is much reduced. Commenting on this development, the *Financial Times* correspondent gives the following statistics:

"On 15th December 1955, Cuban stocks amounted to 1,766,000 long tons which may be compared with a final export quota for Cuba in that year of 2,109,000 tons. But, of the stocks, 1,065,000 tons formed part of the stabilisation reserve; the reserve was built up in order to control the disposal of the very large 1952 crop and this was to be released at the rate of about 350,000 tons in each of the five following years. So the stocks available last year (1956) amounted to a little over 715,000 tons. In addition to this, 2,400,000 tons of the 1956 Cuban crop were available for export to the free market. But, on 15th December 1956—the last date for which figures are available—total Cuban sugar stocks had fallen to 876,769 tons barely half as much as the previous year. Of this quantity, about 575,000 tons are expected to come on the market."

The shrinkage in Cuban sugar surplus reflects the steadily rising world consumption. A report of the U.N. Food and Agriculture Organisation estimates the aggregate world consumption of sugar for 1956 at 39.8 million tons, as against 38.0 million tons in 1955 and 36.4 million tons in 1954. The total world output of sugar during the season September 1955—August 1956 was only 39.1 million tons. The gap between world sugar production and demand thus, together with the running down of Cuban stocks, is the major cause of the rise in prices. It will be interesting to note here that the *per capita* consumption of sugar in Asia, the Near East and Africa has nearly doubled since 1951. Of the total 38.0 million tons of sugar presumed to have been consumed during 1955, the free world accounts for 31.5 million tons (30.2 million tons in 1954) and the communist bloc for 6.5 million tons (6.2 million tons in 1954).

Following the removal of all restrictions on sugar export quotas, prices are expected to come down, but it is felt that "the smaller quantity of sugar available will break the fall." This at any rate is the view of the *Financial Times* correspondent. He, of course, points out that what will happen in the immediate future is anybody's guess. For he observes:

"Although price movements have recently been much wider than they have been for years, they are not altogether surprising, since not much more than one-third of the sugar which enters into international trade comes on to the free market. What would be a comparatively small fluctuation in supply or demand if there were only one market becomes much more important when there are several regional and bilateral agreements covering a substantial part of the world trade in raw sugar. If exports from the Commonwealth producing countries came on to the world market, they would increase the volume traded at the world price from about 5 million tons to about 7½ million tons, but, under the present Sugar Act, they merely reflect world prices without being able to influence them."

In the course of an editorial, the *Financial Times* states that the running down of the Cuban sugar surplus and the estimates of a lower sugar beet outturn in Europe would of themselves lead to prices higher than those ruling throughout most of the year. According to it, for this time of the year, sugar supplies are reasonably low, so that the abolition of export quotas is unlikely to cause an immediate increase in sugar available. But, as the year progresses, additional supplies should bring down prices from their present level. Alluding to the present structure of sugar prices, the *Financial Times* feels that the recent sharp drop in sugar prices is unusual and that there is little evidence of any significant increases in supplies or any appreciable slackening of demand. To quote it: "There have been small sales by Italy and India and, at high prices, they may offer more from their stocks, but they have not yet seriously begun selling. And, on the other hand, further buying by other countries—by Holland, Japan and perhaps France—is still expected by the market." In view of the uncertainty of price movement thus, the *Financial Times* concludes that "if the decline in sugar prices continues, it is more probable that it will be caused by sales from Italy and India than by the lifting of quotas."

SUGAR PRICES

A well-worn but pertinent point which Mr. S. Muninanjappa, Chairman and Managing Director of the Mysore Sugar Company, Ltd., stressed in the course of his address at the annual meeting of the Company last week, was that a more rational method of remunerating sugarcane suppliers would be to relate cane price to the percentage of sugar recovery. This journal has repeatedly pointed out that the present system of linking cane price only to quantity irrespective of recovery per cent. is very defective, inasmuch as it does not provide any incentive to cane growers to improve the quality of their cane. The replacement of this system with the one which takes into account both quantity and quality will, as Mr. Muninanjappa pertinently remarked, create the necessary incentive in the growers to produce cane of high sucrose-content and, at the same time, ensure supply of good cane to the sugar factory. The Chairman, however, pointed out that the adoption of the system was beset with certain practical difficulties. In this context, he said:

". . . it may not be out of place, if I draw attention to a disparity between conditions in Mysore and those in the neighbouring States which has a bearing on the application of any formula for calculation of extra cane price. While factories in Mysore have to pay cess on sugarcane at a rate of Rs. 6 per ton, which is the highest rate prevailing in any part of India, the rate of cess in Madras is only Re. 1 per ton of cane, while in Andhra it is Rs. 2. This accounts for a difference of Rs. 40 to Rs. 50 per ton in the price of sugar. The existence of such widely different rates of cane cess not only results in unequal competition but also vitally affects the ability of factories to pay extra price for cane."

The difficulty mentioned by Mr. Muninanjappa is no doubt a genuine one, but it can be removed. The Government of Mysore, for instance, could effect a substantial reduction in the rate of cess on cane. The cess of Rs. 6 per ton of cane now being collected by the Government works out to as much as 15 per cent. of the price of sugarcane. Nowhere in the world is an essential raw material like cane subjected to such a heavy incidence of taxation.

Be that as it may, in his address, Mr. Muninanjappa touched on the expansion scheme undertaken by his Company. The review reveals that the sugar manufacturing plant has been augmented and balanced in many respects, though the goal of 2,000 tons crushing capacity can be maintained only after the installation of an intermediate cane carrier and mechanical unloading devices. Early action is being taken to overcome these deficiencies so as to ensure steady and comfortable working of the plant at 2,000 tons of cane per day. Mr. Muninanjappa also alluded to the proposal for the manufacture of paper out of bagasse which is now being utilised as fuel in place of coal. He revealed that a firm interested in starting a factory for producing paper out of bagasse had come forward to undertake the responsibility for supply of coal and also bear the

(*Continued on page 285*)

EXPORT OF COAL TO PAKISTAN

100,000 TONS PER MONTH AGREED UPON

THE three-year Indo-Pakistan trade agreement, which was signed on 22nd January last and which has come into force with effect from 1st February 1957, is of much significance to the Indian coal industry inasmuch as it is assured of a regular and easily accessible market. Coal figures prominently in schedule 'A' attached to the agreement, among the items available for export from India to Pakistan. It is one of the goods for which both the Governments will provide facilities for import from and export to each other's territories to the extent permitted by their respective laws, regulations and procedures. It is also one of the goods, the imports and exports of which will normally take place through ordinary commercial channels, except where either Government finds it necessary to buy or sell part or the whole of the quantity or value of any item on Government account. The two Governments have agreed to enter into special arrangements as contemplated by Article XXIV (11) of the G.A.T.T. in respect of some commodities; these commodities are set out in schedule 'C.' Coal is one of the chief items which come within the purview of this special arrangement.

Quantities Agreed

Under the scheme of special arrangements, India has agreed to supply Pakistan with 100,000 tons of coal per month, of which 30,000 tons will be exported to West Pakistan by rail only, 55,000 tons to East Pakistan by rail and river and 15,000 tons by sea or river. The agreement to provide this quantity is, however, subject to the condition that supplies are not interrupted by causes beyond human control, such as strikes, accidents, floods, etc., which are not uncommon, particularly the last mentioned natural catastrophe. There is, however, no binding on either of the two countries that the quantity mentioned above, as in the case of other commodities the specific quantities or value whereof are agreed upon, should be despatched or absorbed. The only significance of specifying the quantities under the special arrangement is that, when there is demand for these commodities, the authorities of the respective countries should issue export-import licences to the extent specified. Thus, the two Governments have agreed to permit export or import up to at least the quantity or value specified in schedule 'C,' the actual imports and exports depending upon terms, delivery periods, specifications, etc., being mutually agreed upon between the exporters and importers on either side. In other words, there is a considerable flexibility in the terms of the agreement and either country can fulfil the terms according to the exigencies of the situation. With the implementation of the targets for coal production under the second Five-year Plan and the efforts to control floods and to increase transport facilities bearing fruit, it is to be hoped that India will be able to fulfil the terms of the agreement.

Larger Exports

That the trade in coal between the two countries need not be restricted to the minimum quantities provided under the agreement and can be higher is borne out by the figures of export of coal during the period of the last agreement. The previous Indo-Pakistan trade agreement came into force on 1st September 1955 and was to be effective for a period of one year. Under this agreement, India was to provide a minimum of 30,000 tons per month to West Pakistan and 48,000 tons per month to East Pakistan, which comes to 936,000 tons per annum. Actually, however, India exported 1.10 million tons of coal valued at Rs. 2.86 crores during the year ended 31st August 1956, as compared with 0.97 million tons of the value of Rs. 2.77 crores in the previous 12 months. Of these, those exported by sea accounted for 293,675 tons and those by land for 803,093 tons, as against 148,676 tons and 822,790 tons, respectively, in the preceding year. During the subsequent four months, the exports from India aggregated 339,360 tons, as compared with only 280,279 tons in the corresponding period of 1955. It is apparently in the light of this trend that the quantity to be exported by India under the present agreement has been raised from 78,000 tons to 100,000 tons per month.

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INCREASING RUBBER PRODUCTION

PLANTATION ENQUIRY COMMISSION'S SUGGESTIONS

THE Plantation Enquiry Commission's third and final report on the rubber plantation industry has now been made public. From the official Press summary of its recommendations released last week, it is gathered that the Commission has underlined the need for increasing rubber production in the country, in order to meet fully the internal requirements. In the programme for raising the output, the Commission has assigned an important role to small growers and has advocated many measures to help them play their part. One of the most important problems to be faced by the industry in fulfilling the target of increased production is that of finding the necessary finances. The Commission has not ignored this aspect. It has suggested several measures to meet the problem, of which some are on the same lines as those proposed by it for tea and coffee plantations. One of the members, Mr. K. G. Sivaswamy, who is now no more, has added a note of dissent to this report also, as he had in the case of the two other reports.

The main recommendations of the Commission in respect of rubber are: (1) 120,000 acres of land should be brought under cultivation with high-yielding rubber trees by 1965, of which 50,000 acres are to be set apart for new planting and the balance of 70,000 acres for replanting, as already sanctioned by the Government; (2) half of the areas under new planting and replanting should be earmarked for small growers holding 50 acres and less; (3) a rubber replanting fund should be created on the lines of the replanting funds for the tea and coffee industries; (4) dividends and managing agency commissions should be reduced, in those companies where they are high, to increase the internal resources for replanting and to meet labour welfare costs; (5) a surcharge of about 2 per cent. *ad valorem* should be levied on excise duties on tyre manufactures to provide for a "small holders' assistance fund"; and (6) State-partnered co-operative joint farming societies of small growers, multi-purpose primary co-operative societies and central marketing societies should be formed to assist the small growers.

Production

Rubber production in India is insignificantly small, as compared with the world output. The area under rubber is less than 2.5 per cent. of the world acreage and the output is hardly 1.25 per cent. of the world total. Nevertheless, rubber cultivation plays an important role in the economy of the Kerala State, South India, where it is concentrated. In this State, rubber plantations have been responsible for the opening of vast areas of lands and for providing direct employment for nearly 100,000 workers in the estates. Indirectly, they employ a large number of dealers and middlemen.

Though rubber cultivation is known to have been in existence for many years, it began on a commercial scale in about 1902. The invention of the pneumatic tyre resulted in increased demand for raw rubber and a large number of plantations sprang up, particularly in Kerala. By 1910, an area of 29,500 acres was brought under rubber cultivation and in 1925 it expanded to 67,297 acres. The new planting of rubber had, however, to be regulated on account of the depression of the thirties, but the Second World War created an abnormal demand for Indian rubber, since 90 per cent. of the world resources of rubber were cut off by Japanese occupation. Under this stimulus, the area under rubber witnessed the sharpest increase between 1943 and 1946, having expanded from 124,943 acres in 1942 to 169,923 acres in 1946. At the end of 1955, there was a further expansion to 207,239 acres and the output to 22,481 tons. The consumption has, however, risen steadily, with the result that, at present, not only the entire indigenous production is being consumed by the Indian rubber goods manufacturing industry but substantial quantities have to be imported to meet the industry's needs.

One of the main problems before the planters is to increase the production of raw rubber to meet the demands of manufacturers and to make India self-sufficient, as far as possible, in its present and future requirements of rubber. The Commission estimates that consumption will rise to 40,000 tons in 1960 and 65,000 tons in 1970. The extra production of natural rubber required to meet the demand by 1965, after providing for the synthetic rubber that may be available under the Government of India's scheme to set up a synthetic rubber manufacturing plant, will, according to the Commission, be about 20,000 tons. This quantity, it says, can be obtained from 120,000 acres of high-yielding rubber on the assumption that the yield will be 800 lbs. per acre. The Commission has, accordingly, suggested that the minimum area that should be brought under high-yielding rubber may be fixed at 120,000 acres.

Additional Acreage

It will be recalled that the Government of India had sanctioned a scheme for replanting 70,000 acres with high-yielding trees over a period of 10 years. The Commission has recommended that this target should be reached within seven years and a further area of 50,000 acres should also be set apart for new planting with high-yielding trees, as it feels that a certain amount of new planting will be necessary to meet the loss in production. Some of the small estates may need extension by new planting. Small holders should also be helped to own at least four acres, considered to be the minimum unit for a single tapper. Some estates may need substitute acreage. Holdings with an area of 50 acres or less constitute 89,670 acres or 43 per cent. of the total area under rubber. Thus, the small growers occupy an important place in the industry. The Commission has kept this in mind when recommending the allotment of the area to be brought under replanting and new planting. Thus, out of the sanctioned area of 70,000 acres for replanting, the Commission suggests, 35,000 acres should be allotted to estates over 50 acres and 35,000 to small growers holding 50 acres and less. The new area of 50,000 acres recommended by it should, it says, be distributed likewise.

The Commission has made a number of recommendations regarding the programme of replanting. Thus, it says that, in regulating replanting and new planting of rubber, a set of principles should be observed. The provision in the Rubber Act for licensing of replanting or new planting should be rigorously enforced. Replanting and new planting should be allowed only in areas suitable for rubber. In consultation with the estate owners, a phased programme of abandoning unsuitable areas should also be prepared. The new planting and replanting should be permitted only with high-yielding planting material approved by the Rubber Board and the Board should arrange to provide such material. In the matter of issuing licences to the large and small holders, if the applications for replanting and new planting permits exceed the target fixed for both, the Commission has suggested, the Board should give priority to smaller holders and smaller estates. The Commission is anxious to see that concentration of rubber area is not unduly increased in the hands of a few concerns. The Commission has further suggested that, besides these principles, "it is for the Government of India to consider how far it would be desirable to permit expansion of the non-Indian sector in this strategic and sheltered industry."

Effect of Shelter

Reviewing certain aspects of the industry's working, the Commission says that depreciation in rubber trees had been brought about by intensive tapping during the war. Poor cultural practices were also a factor responsible for low yields. The present plight of the industry is attributed by the Commission to the policy of price guarantee adopted since 1943 which has been unaccompanied by a regulation of production techniques and profit allocations. This made it profitable for the producers to keep even the oldest trees, despite their poor yield. As the Government has sheltered the industry by restricting imports and fixing a price, the Commission goes on to observe, the standards of estate maintenance, production costs and distribution of profits should be reviewed from time to time to ensure that inefficient and uneconomic practices do not continue.

The Commission has recommended that a phased programme of replanting for each estate to be implemented over a reasonable period should be drawn up. This programme should, it says, continue even when estates are transferred. Maximum use of future profits for a replanting programme before distributing dividends or repatriating profits will, therefore, be justifiable, according to the Commission.

Referring to new planting, the Commission says that expansion should be limited to demand and related to the production of synthetic rubber. It may not be out of place to refer here to the Commission's view on manufacture of synthetic rubber. It is not opposed to the Government's proposal on the same, but it says that the scheme should be co-ordinated with that of natural rubber, so that rubber growers may have no cause for dismay. The Commission also wants the Government to make a clear statement of policy on rubber development. At the same time, the Commission emphasises the need for reducing the cost of production to the minimum to meet the competition from synthetic rubber.

New Planting to be Regulated

The Commission is of the view that it will not be wise to permit any new planting without proper regulation. In the case of estates and the larger holdings, new plantings may be permitted in those cases where no arrears of replanting exist and where replanting is being carried out according to the programme drawn up by the Rubber Board. The Commission says that its recommendations in the reports on tea and coffee regarding regulation of sales of estates have an equal application to rubber also. It says that proper valuation of estates is particularly important, because wrong valuations may lead to over-capitalisation and may affect the foreign exchange position on account of repatriation of the sale proceeds of sterling estates.

As regards allocation of land for replanting and new planting, the Commission has, as already mentioned, suggested that 35,000 acres should be earmarked for replanting by small growers. Out of this area, it says, the Rubber Board should allocate a suitable area for replanting by holders below 15 acres. The total area that may thus be allocated to holders below 15 acres is roughly taken as not less than 21,000 acres. Out of the 25,000 acres to be set apart for new planting by smaller holders of 50 acres and below, the Commission has suggested that about 12,000 acres may be set apart as a provision for making uneconomic units of less than four acres into holdings of four acres. The Commission is of the view that the proportion fixed for new planting by small holders should not be a rigid one.

The Commission estimates the cost of replanting for large estates at Rs. 1,400 per acre and that of replanting and new planting in the case of small holders at about Rs. 1,000 per acre. On this basis, the total cost for replanting 21,000 acres (in respect of holders of less than 15 acres) and new planting of 12,000 acres (to be set aside for making uneconomic units economic) would work out to about Rs. 3.3 crores over a period of seven years.

Finance

The next important question examined by the Commission is that of finding adequate finance for replanting. It has suggested in this connection of creation of a rubber replanting fund, out of the element provided in the price of rubber for replanting. It says that this element should be separately funded with the Rubber Board to the credit of each estate and withdrawals from this fund should be allowed only for the specific purpose of replanting. In this connection, the Commission draws attention to the "tardy" progress in the matter of replanting, although financial provision for such a purpose was specifically included in the price paid to growers. It has, therefore, recommended that the amount which has been specifically included in the price structure for purposes of replanting, as well as that in the cess fund proposed to be used as replanting subsidy, should be placed in the rubber replanting fund of each estate and each holding in the case of holdings of over 15 acres. The Commission is of the opinion that, with an increase in the area of high-yielding trees, the replanting cess may be reduced from time to time. Holders of 15 acres and below should, it says, be made liable to pay only that portion of the cess which is intended to cover administrative research and other expenses of the Rubber Board, but not the element which is to cover the replanting subsidy. The Commission finds that there is no case for subsidy for replanting, except for those growers whose earnings leave no surplus for investment or are inadequate for their maintenance. Even in such cases, it says, controlled credit over a long term may in its opinion be far more useful than a charity grant.

Perhaps the most objectionable part of the Commission's recommendations, in respect of financing the replanting and new planting programmes, is its suggestion to levy a surcharge on the excise duties on tyre manufacturers of about 2 per cent. *ad valorem* to provide for a small holders assistance fund. The fund should be administered by the Chairman of the Rubber Board in consultation with the Committee of small holders. Another method of finding finance for replanting suggested by the Commission, is the reduction of dividends and managing agency commission, where they are on the high side. It says that its recommendations in this connection for tea and coffee, in order to increase the internal resources for replanting and meeting labour welfare costs, apply to rubber also.

The finances raised through the above sources will not be adequate to carry out a rapid programme of replanting smoothly. Additional funds will also be required by way of long-term loans for buildings, plant and machinery. The Commission recommends that the State Finance Corporations and the Co-operative Land Mortgage Banks of the States concerned should meet these needs. The State Finance Corporations should, it adds, appoint a panel of experts in consultation with the Rubber Board to scrutinise the technical aspects of the applications for loans. The Rubber Board, on its part, should have a Plantation Finance Committee to keep a close watch on the financial needs of the rubber industry.

Marketing

Referring to marketing of rubber, the Commission says that, as the large consumer-buyers in the market are only two or three, the sellers have often no option but to sell their better grades as lower grades. The large growers are in most cases able to sell their production without any difficulty regarding grading, while the small holders have to suffer loss arising out of such degrading of rubber. The suggestion made by the Commission to avert this loss is the stepping in of State-partnered co-operative societies which should undertake processing and marketing of small holders' production of latex. As there is no marketing agency for rubber, as in the case of coffee, the Commission feels that central marketing societies are necessary to collect latex directly and process it or collect the smoke sheets where primary multipurpose societies undertake processing. The marketing societies should, it is suggested, purchase the rubber outright and collect the charge for meeting administrative expenses and losses in marketing. When licences are granted to manufacturers for the purchase of rubber, a condition should be laid down that they should preferentially purchase rubber from these societies. These societies should be partnered by the Rubber Board and should have their warehouses and special grading inspectors.

The Commission has made some more suggestings for the absorption of all rubber produced without any loss to small producers. It recommends that licences granted for import of rubber should not be valid for imports of Grade I quality. It adds that the manufacturing industry should absorb the growers' output in proportion to the quantities produced, because the industry is benefited by the fixation of maximum prices for raw rubber. During seasons of higher production of rubber, the Commission further observes, the manufacturers should step up their purchases *quid pro quo* for the assured internal supply of rubber. The important manufacturing concerns should come to an agreement on this point. Otherwise, import licences should be issued to them on a quarterly basis proportionate to the quantum of production of raw rubber in the quarterly periods on the basis of a formula. At present, the maximum and minimum prices are fixed only on f.o.b. Cochin basis. The Commission feels that these prices should be fixed for other important marketing centres also, particularly Kottayam, as such will remove one of the obstacles in the way of a large number of small holders getting the minimum prices.

Small Holders

The Commission has devoted an entire chapter on the position of small growers and the need for helping them on a wider basis. A very large number of small holdings exist in the rubber plantation industry. While the minimum economic holding for a single tapper is four acres, the Commission finds that there are 23,364 holdings with an average of two acres and 1,948 holdings with an average of seven acres. Most of these small holdings are concentrated in the Kottayam district. Such concentration, the Commission feels, should facilitate the successful promotion of State-partnered co-operatives among them. Among the measures suggested by the Commission to help the small holders are: (1) fixity of tenures should be assured and rents on rubber lands should be frozen at the level existing before planting of high-yielding trees by the tenant; (2) besides maintaining a staff for pests control, the Rubber Board should establish a central seedlings nursery and provide instruction to small holders in less severe methods of tapping; (3) a chain of primary co-operative societies is needed to maintain smoke houses where latex of small holders would be converted into smoked sheets of uniform and better quality; (4) multipurpose primary co-operative societies should be formed to provide full finance for the crop, to implement the scheme of subsidies and assistance to holders of 15 acres and less and to introduce improved methods of rubber production and processing; (5) the Reserve Bank may consider permitting the formation of a special rubber co-operative central bank for the rubber-growing areas, as in the case of coffee; (6) State-partnered co-operative joint farming societies should be formed, as in the case of coffee, to provide long-term credit.

By joint farming, the Commission does not mean pooling of lands of small holders—cultivation in individual family holdings need not be disturbed—but removal of low-yielding trees, clearing of new areas, maintenance of nurseries, etc., on a joint basis. Thus, at the bottom there will be ordinary multipurpose primary societies and joint farming societies of small growers. These societies will be fostered by a central co-operative bank, a central supply society and a central marketing society.

Note of Dissent

In this note of dissent, the late Mr. K. G. Sivaswamy has suggested some more drastic measures than those recommended by the other two members. He has also favoured the undertaking of new planting by the State. In his opinion, there is no case for any scheme of new planting by estates, except in unavoidable circumstances when substitute areas have to be found in the case of abandonment of inherently unsuitable areas. An immediate ban, the note says, is necessary on new planting by the estate group pending investigation of unregulated expansion. Mr. Sivaswamy has also observed that there is absolutely no case for the expansion of sterling and non-Indian rupee companies and that there ought to be no new planting by these companies.

The note says that, even in spite of the difficulties in permitting new planting by estates, if the area of 25,000 acres suggested by the Commission for allocation to estates has to be brought under new planting, other methods should be devised to reach this target. It refers to the new industrial policy of the Government of India and says that new planting should be undertaken by Government bodies or the Government should take shares in existing companies which are permitted to undertake new planting on a large scale. It says, "all the new planting of 25,000 acres allotted to estates (by the main report) will have mainly to be undertaken by a Development Corporation in which Government holds 51 per cent. of the shares and the public the remainder. Private enterprise will have enough to do in replanting high-yielding trees in the existing area for which full assistance will have to be given by the Government."

FOREIGN TEA ESTATES IN CEYLON

Considerable uncertainty prevails over the future of foreign-owned tea plantations in Ceylon, because the members of the Ceylon Cabinet do not seem to be unanimously in favour of the suggestion to nationalise these estates. Three members have expressed differing views on the subject. Thus, the Minister of Lands considers it futile to adopt any policy which threatens to disturb the large tax revenue derived by the Ceylon Government from these plantations. He has even expressed the view that the estates are well managed and that the Government's energy ought not to be diverted by the issue of nationalisation from its main task of speeding up the economic development of the country.

As stated in our last issue, the Minister of Food and Agriculture is in favour of nationalisation of foreign estates, the terms of which are considered in plantation circles as confiscatory. Following the statements by these two Ministers, the Prime Minister has expressed himself against any precipitate action now on this issue. Addressing the Government Parliamentary Group meeting last week, Mr. Bandaranaike is reported to have stated that, though the Government was committed at the last general election to the nationalisation of foreign-owned tea plantations, no precipitate action was necessary. But this does not mean that the Prime Minister has devowed the suggestion of the Minister of Food and Agriculture who wants nationalisation.

As regards the terms of compensation in the event of nationalisation, the Minister of Food and Agriculture has suggested the payment of Rs. 920 or about £70 per acre for the highly developed and well managed estates. This sum is considered woefully inadequate, because it costs about £300 to open and plant the land with tea and bring it to maturity. According to Mr. W. H. Marr, Chairman of Messrs. James Finlay & Co., Ltd., a firm owning extensive tea plantations in the Island, the addition of the requisite buildings, factory, machinery, etc., on the basis of the present-day costs, would amount at least to another £150 to £250 per acre. In estimating the cost of tea plantations, therefore, he says, account must be taken of the full equipment. In his view, a new tea project cannot be undertaken today at less than about £500 per acre. By paying compensation of £70 per acre, if nationalisation is seriously thought of, the Government of Ceylon is doing more harm to itself, by cutting off all foreign investments which will be of considerable assistance to the future development of the Island.

EXPORT DUTY ON TEA CUT

The Government of India has fixed the price of tea, for the purpose of determining the export duty, at Rs. 3-15 per lb., as against Rs. 4-3 per lb. in force from 1st January 1957. At this price, the export duty during the current month will be As. 6 per lb., as against As. 8 per lb. levied during the previous month. With the announcement of the tea price for the purpose of levying export duty, the Government of India has again restored, after a lapse of two months, the old practice of mentioning the price and export duty thereon.

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DEVELOPMENT PROGRAMME FOR INDIAN RAILWAYS

WORLD BANK MISSION COMMENCES ITS STUDY

A FOUR-MAN team of World Bank railway consultants, led by Mr. John E. Slater, arrived in New Delhi on 30th January last for a three-week intensive study of the programmes for the development of Indian railways and to determine the extent to which the Bank can help in their implementation. This is the result of the preliminary studies of India's economic programmes undertaken by the World Bank authorities which convinced them that transportation problems should receive top priority. This view has been specifically expressed by Mr. Eugene R. Black, World Bank chief himself, in a letter which he wrote to the Union Finance Minister, Mr. T. T. Krishnamachari, some months ago.

Mr. Black, in his letter dated 5th September last, it may be recalled, stated that the authorities of the World Bank "are struck by the extent to which the lack of adequate transportation facilities threatens to constitute a bottleneck in the country's economic development." To apprise the Bank of the precise problems of external finance in relation to India's economic plans, in general, and of transport, in particular, Mr. B. K. Nehru and Mr. P. C. Bhattacharya of the Government of India held a series of discussions with the Bank authorities which were concluded in November last. As a result of these discussions, in his letter dated 15th November last, Mr. Black promised the Bank's "early consideration" of four projects—the second expansion programme of the I.I.S.CO.; an initial loan in support of the railway investment programme; such additional projects in the field of transportation, notably ports and shipping as may, upon further investigation, prove suitable for the Bank's consideration and the Koyna and Rihand hydro-electric projects, the two new projects of the Damodar Valley Corporation and the expansion of the Trombay steam plant. He also indicated that the Bank's consultants on railways, Messrs. Coverdale and Colpitts, would visit India in January 1957 to advise the Bank on some aspects of the operations of the Indian railways and that their report "should provide a basis for a first railway loan under the second Five-year Plan."

Team of Experts

It is in accordance with this suggestion that the Bank has deputed a four-man team of experts, belonging to the firm of Coverdale and Colpitts. The experts are expected to spend about three weeks in India. They will study the operational aspect of the railway system, in general, and the schemes and projects for expansion of railway capacity, in particular. Questions of general economic nature, it is stated, do not fall within the scope of their study. Soon after high-level discussions in New Delhi, the team will leave for a country-wide tour of railway installations, including marshalling yards and workshops, various industrial and power projects, sites of the three steel plants, colliery areas and nerve-centres of railway movement. After a final round of discussions with the Railway Board on 21st February, the team is expected to leave for Washington to advise the World Bank. The Bank's decision, it is stated, is likely to be known by June next.

There is no doubt that the Bank's assistance will be of great value in the implementation of the development programme of the railways. Under the second Five-year Plan, the allotment to railways will amount to Rs. 1,125 crores. This is much lower than the original estimate of Rs. 1,480 crores, prepared by the Railway Board. The revised allocation, as is now well known, will not enable the railways to attain a capacity that will permit them to lift all the traffic that may be offered at the end of the second Plan. At the end of 1955-56, the railways had to meet an estimated demand for 120 million tons of traffic. The additional traffic that will be generated at the end of the second Plan is placed at 60.8 million tons, made up of coal 20 million tons, steel and raw materials 18 million tons, cement 5 million tons and miscellaneous traffic 17.8 million tons. Thus, the total traffic at the end of the second Plan will be about 180.8 million tons.

It is felt that, with the resources so far allocated for railway development, the railways will not be able to carry all this traffic and that the facilities provided by them may fall short of requirements by about 10 per cent. in respect of rolling stock and by about 5 per in respect of line capacity. Indeed, the shortage of railway transport may even be more acute than now feared, considering that, in certain quarters, it is believed that the overall increase in goods traffic may turn out to be more than the 60.8 million tons assumed for purposes of planning. As regards passenger services, the Plan provides for an increase of 3 per cent. per annum. This provision is also held to be inadequate. The Planning Commission itself has recognised that the provision now made "will not help much to relieve overcrowding."

Efficiency

Besides increasing the quantitative equipment of the railways, the authorities are also devising means to improve the operational efficiency. It may be interesting to note in this connection that, in 1955-56, the net ton-miles per wagon-day, a term followed internationally to measure the intensity of wagon usage, touched the new high of 541, as compared with the wartime best of 451 in 1942-43, the U.S.'s figure of 330 and the Canadian Pacific's 438. Wagon-miles per wagon-day, it is stated, are 48.49, as compared with 48.10 in the U.S. It must, however, be noted that the density of traffic is much greater on the railway system of this country than on railroads in most parts of the world. In the case of goods traffic, only the U.S., it is computed, can show a higher density. Thus, the net ton-miles per track-mile on the broad-gauge, over which 80 per cent. of goods traffic moves in this country, is 1.15 million, as compared with 1.33 million in the U.S., 0.67 million in W. Germany and 0.98 million in South Africa. In view of the high density of traffic which the railways have to carry and the fact that mere improvement in operational efficiency cannot do much to relieve the position appreciably, there is urgent need to increase the equipment of the railways to a level at which they would be able to make a substantial contribution in respect of the carriage of available traffic.

It is not known what specific projects the Bank will examine. But it is presumed that the Bank, in addition to making a thorough study of the contemplated lines of development, will make an appraisal of the foreign exchange component of the programme. Of the total outlay of Rs. 1,125 crores, approximately Rs. 425 crores, it is computed, will be required in terms of foreign exchange. The foreign exchange requirements for different programmes are: locomotives Rs. 81 crores; wagons Rs. 82 crores; rolling stock (special types) Rs. 125 crores and steel Rs. 137 crores—total Rs. 425 crores. Schemes for which World Bank loans are being sought, it is stated, relate mainly to the provision of additional transport capacity in the coal area and for serving the steel plants and projects. Among these projects are plans for electrification of the Asansol-Gomoh-Gaya-Moghalsarai, Asansol-Anara-Raj Kharswan-Rourkela and Raj Kharswan-Barajamda sections. Diesel or electric traction, it is believed, are particularly needed in these areas. Since electrification will take time, it is proposed to buy from abroad 100 diesel locomotives for early service on these sections. When electric traction is introduced on these routes, the diesel fleet can be diverted to service on other sections where engine capacity may be hard-pressed. Schemes for doubling tracks mainly in the coal and steel areas and in certain other areas, such as Ratlam-Godhra, Bina-Bhopal and Madras-Bezwada sections, construction of marshalling yards and improvement of signalling equipment are also stated to be among the plans that will be studied by the World Bank team.

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PREVENTION OF RAILWAY ACCIDENTS

A number of suggestions designed to prevent accidents of the type which took place on 23rd November 1956 at Ariyalur has been made by the Commission of Inquiry which had been asked to investigate the causes of the accident and suggest safeguards against similar accidents in future. The Commission, the full text of the report of which has been published in the *Gazette of India Extraordinary* dated 19th January 1957, has taken to task the regional engineer in charge of the Trichi region where the accident occurred, the patrolman on duty at the time of the accident, the station master and the permanent way inspector and his assistant on duty. The accident has been traced to "unprecedented and unforeseen" flood in the river Marudayur which caused erosion or scour under and around the southern part of the bridge. The Commission has discounted the view that the accident was due to defective design and construction of the bridge and its abutments or was due to wrong location of the bridge.

As regards safeguards for prevention of similar accidents in future, the Commission has recommended that rules in the Railway Way and Works Manual should be rigidly observed and mere nominal compliance should be avoided. The rules in the Manual, it is suggested, should be amplified to include an appendix on river training and control of big and small rivers. The Railway Assistant Engineers and District Engineers, it is stated, should undergo a short course in river training. The other suggestions are:

(1) The foundations of abutments of bridges resting on screw piles should be strengthened and construction of rivetments or pitching of the river banks or margins on either side of the abutments to a sufficient length, should be at once undertaken. (2) On sections where railway quarters are not provided to patrolmen, at least two patrollers should be appointed for each beat from experienced gangmen, specially trained for the purpose. (3) The length of beat of patrollers should not exceed three miles. (4) Night patrolmen should have as part of their equipment a strong electric torch to enable them to observe the level of water and the strength of current flowing through the bridges or along the abutments. (5) Patrollers should be trained to take soundings, probings near abutments and piers to determine the depth of scour in order to decide whether trains should be slowed down or stopped and piloted over the danger point, and the selection of men for this work should be from people who can usefully function in this manner. (6) Stationary watchmen should be posted at the bridge during floods or heavy rainfall whether there is imminent danger to the bridge or not, until the flood water subsides and the water reaches the normal level. (7) In case of doubt, the patrolman should not allow trains to pass over bridges when the river is flowing at high velocity. (8) Signboards should be put at higher end of the bridges at adequate distance from the bridge. (9) The speed limit of the train should be restricted to 5 to 10 miles per hour over bridges whenever there is rise in the level or increase in the flow of water during monsoon. (10) Good glass should be fitted to the YP engines to make it possible for the drivers to see through the glass at a distance especially during rains. (11) Daily water reading should be taken at all important bridges during the monsoon and the register should be available for perusal by the superior engineering staff, at any time. The staff should be properly trained for the purpose. (12) The high flood level mark should be prominently marked on every bridge and a danger level mark below high flood level should be fixed by the engineering authority and marked in red. When the level is exceeded, the patrolman should be prepared to stop trains and pilot them if necessary. (13) Passenger trains should carry portable telephone instruments so that they can communicate with the nearest railway station in the event of trains being halted between stations by patrolmen.

It is to be hoped that the suggestions made by the Commission will receive the necessary attention from the authorities. The Government, on its part, has accepted the Commission's findings and has indicated that it "will, after due consideration, take such action as may be necessary on the various matters brought out in the report."

Several recommendations relating to conservation of steel and increased efficiency in the use of steel have been made by the Steel Session of the Commonwealth Standards Conference, which concluded its deliberations at New Delhi on 31st January. The Conference has recommended to the national standard bodies of the Commonwealth countries that information should be exchanged continuously on items which have an important bearing on steel economy. Delegates were of the view that co-ordination achieved through this procedure would greatly facilitate Inter-Commonwealth trade. The Session was attended by delegates from Australia, Canada, India, Pakistan and the United Kingdom. This was the first occasion when the Commonwealth Standards Organisations held a full session on steel. Mr. J. J. Ghandy, Chairman of the Structural and Metals Division Council of the Indian Standards Institution, and Mr. E. W. Senior of the British Iron and Steel Federation, were the Chairman and co-Chairman of the Session respectively.

Considerable interest, it is stated, was shown by visiting delegates in the pioneering work carried out in India on the formulation of higher efficiency standards for steel sections. It is expected that the new sections will mean a saving of 5 to 15 per cent. steel for the consumer. Steel sections conforming to this new standardisation would be produced in the new steel plants in the public sector and by the existing steel producers in India.

NEW PRODUCTS AND PROCESSES

Sealed Charge Car Battery

THE Golden Crompton car battery with a Factory Sealed Charge (F.S.C.), was introduced a short while ago by Crompton Parkinson. This feature means that motorists are assured of receiving an absolutely factory-fresh battery when they need a replacement, and that garages can have a new battery ready for use in as little as 30 minutes—instead of the 80 hours it takes to make an ordinary battery ready for service. The Factory Sealed Charge can be defined as a charge which is built into a battery during its manufacture and which, by the use of a special process and hermetic sealing, is retained until the battery is actually required for service. Only then would the seals be broken and the acid added so that the latent charge becomes active. The life of a battery commences as soon as it receives the first charge and, consequently, if a motorist buys a battery that has been charged and held in stock for months, the life he can expect from it on his car may be almost that much shorter. On the other hand, the Golden Crompton battery will be only half an hour old when it is put into the car and the motorist does, in effect, receive, without delay, a brand new undeteriorated battery which has been pre-charged at the factory with all the skill necessary to guarantee maximum life in service. In the "formation" stage in battery plate production the sets of positive and negative plates are immersed in electrolyte and an electric current passed through them for many hours. This process changes the chemical composition of the plate pastes; that on the positive plate is changed to lead peroxide, and the grey oxides on the negative plate are converted to metallic lead in a porous or spongy state. At the end of this formation process the plates are in a charged state, but upon being dried the negative plate loses this charge, and the finished battery has to go through a lengthy charging process again before it can be used. The plates in the Golden Crompton battery, however, go through a special process after formation to seal in them all the power of the original formation charge. In the finished battery this power is released for use as soon as the electrolyte has soaked into the plates. This soaking has progressed sufficiently far by the end of half an hour to enable the battery to be put into immediate use.

New Fodder Cutter

An Austrian engineer specialising in the field of mill construction, has developed a new type of hammer mill which has already yielded excellent results in practical operation. With this type of mill any kind of fodder can be cut. The customary types of hammer mills are superior to all other mill systems, when processing hard, brittle and dry material, but when cutting soft, damp or viscous types of grains such as barley and oats, clogging occurs very frequently which interrupts smooth operation. In this newly designed mill a strong air current is produced which carries the mash away from the sieve towards the outlet. The clogged material is thus disposed of during the operation and the mill cannot be fouled nor is interruption of full power operation necessary. The new machine is the only type of hammer mill fit for cutting up soft, light-weight, tough and damp material, and has such an astonishingly high output that it can process, for instance, 3,000 kg. of maize per hour or 1,000 kg. of oats. The mill has several exchangeable accessories enabling it to operate as bone, hay and fruit mill, or as beet cutter, cabbage cutter, fruit masher, straw cutter, cutter of green fodder for silos, etc. Maintenance and handling of the new mill are very simple and very little space is required for its installation.

New Type of Nuclear Reactor

What is claimed to be a new type of experimental nuclear reactor furnace, which is said to combine the advantages of a fast reactor (which has no moderator to slow down the atomic particles which keep the nuclear fire burning) and a conventional thermal, or moderated reactor has been developed by the U.S. Argonne National Laboratory. In the new design a fast reactor fuelled with enriched uranium is surrounded by what is virtually a second reactor whose uranium fuel rods are immersed in water. In the case of this second reactor furnace the water acts as a moderator. The operation of the inner fast reactor can then, it is claimed, be controlled simply by controlling the operation of the second outer reactor furnace. This outer reactor furnace is built up of a series of sections each one of which is, when on its own, too small to sustain the burning reaction in the uranium fuel.

Heat Resistant Plastic Metal

A new type of heat resistant plastic metal which can, when set, withstand a compression force of over 5,000 lbs. per square inch at temperatures of up to 400 degrees has now been developed. The material, which can be moulded into diverse shapes by pouring it into a mould while it is in its liquid form, contains approximately 80 per cent. of metal and 20 per cent. of plastic material, together with a hardening agent. The material hardens rapidly after pouring and finished parts can, it is claimed, be produced within one to three hours after the pouring. The metals used in the compound are powdered aluminium and steel and the final moulded product is a light aluminium-like material, which can be machined, or cut, with normal metal-working tools.

POWER ENGINEERS IN CONCLAVE

SEVERAL IMPORTANT PROBLEMS DISCUSSED

By R. P. Aiyer

WHEN the first All-India Power Engineers Conference met in New Delhi in February 1949, most of the major river valley projects were in the offing and, consequently, discussion largely centred round administrative and legal problems which then confronted the electric supply industry both in the public and private sectors. In contrast, in the second All-India Power Engineers Conference, which met in Bangalore during the week commencing 20th January 1957, the accent was on development, and how best power engineers and administrators could accelerate the pace.

Problems

The inaugural address by the Union Minister for Irrigation and Power (which in the unavoidable absence of the Minister was read out by Mr. A. B. Shetty, a Senior Minister of Mysore) set the tone of the Conference. The address underlined the leeway the country had to make in electricity generation and utilisation. With the country's hydro potential estimated at 35 million kw. and non-coking and steam coal resources estimated at 40,000 million tons, power resources could meet the country's requirements "for some decades to come." Nevertheless, the Atomic Energy Department were investigating the possibility of setting up a nuclear power station "at a suitable location" in the country. Unless the rural population received electricity supplies, the benefits of power development would not have been achieved by the country at large. With only 6,000 villages out of 560,000 electrified so far (a mere 3 per cent.), the problem of rural electrification is stupendous, and, as these schemes are not usually self-supporting, "some kind of direct or indirect subsidy has to be thought of." The past record of the power engineers is creditable and achievements of a much higher order awaits them in the future.

The Institute of Science, with its vast *campus* and massive structures, offered a fitting setting to about 140 delegates, representing all sections of the electric supply industry (both the public and private sectors) and connected Ministries and Government Departments, to a week-long wrestling with 42 papers, 16 resolutions and numerous visits to nearby industrial establishments.

Immense Strides

The period 1949-57 is spanned by eight short years, but the strides the country has taken in the field of electric development have been immense. The D. V. C. has marched ahead with the Bokaro thermal station and some hydro development; the Hirakud Dam has been completed; the Bhakra-Nangal project has turned the corner; the high efficiency Trombay thermal station of Tatas has commenced feeding power to the Bombay-Poona inter-connected system; the Chola thermal extensions have been completed; the Sabarmati station of the Ahmedabad Electricity Company has reached the 150 M.W. mark, with more to follow; the Calcutta power system and many others in the country have expanded to take on growing obligations; the Neiveli lignite project has come to be regarded as a reality; the possibilities of the giant Sharavati project loomed large; the long-awaited Koyna project has been sanctioned, and many other schemes, both major and minor, have begun to yield results or are on the eve of doing so. These developments were reflected in the tone and tempo of the discussions at the Conference, more especially as the power systems in the country will have to attune themselves to the responsibilities of facing up to doubling up of generating capacity, in the country every five years for the next three five-year Plans at least.

Future Development

The second Five-year Plan period visualised addition of hydro plant to the extent of 2.2 million kw. with sizable expansion in thermal generation to be followed by the third Five-year Plan envisaging the establishment of additional generating capacity of eight million kw. In this context, outspoken criticisms bearing on bottlenecks in development reverberated through most of the discussions.

Planning is a continuous process and to be sustained must be backed up by timely investigations. The Conference, therefore, had no difficulty in calling upon State Governments not to divert funds earmarked for investigation of schemes for other purposes and for establishing suitable special organisations for the purpose.

Electricity Boards

The lukewarm attitude of certain State Governments to constitute Electricity Boards under the Electricity (Supply) Act, 1948, has been a sore point, and it was, therefore, with relief that the Conference heard the announcement that all States would establish Electricity Boards. This would resolve some of the difficulties encountered in the administration of power projects.

River Valley projects with multi-purpose benefits had their own crop of troubles. Such projects, it was thought, could best be executed by Control Boards. Whether personnel from the electricity industry should be accorded representation in such Boards in future will largely depend upon the experience of the Koyna Control Board where one representative of the industry has a seat.

Co-ordination

The need for tapping the hydro resources, which otherwise would go waste, has largely governed the country's power development plans, but the Conference well saw the need for co-ordinated development of hydro and thermal power for securing the optimum benefit from the country's available resources. The river systems of the country have already been surveyed, and reports, correctly dubbed as "River Valley Bibles," are available dealing with the following regions.

Ganga Basin.	West Flowing Rivers.
East Flowing Rivers.	Rivers of Central India.

It now remains for the Central Water and Power Commission to survey suitable locations of large and efficient thermal stations, of course taking into account expansion of existing efficient stations.

Regional Emphasis

With the coming into being of the U. S. Tennessee Valley Authority, the phrase "regional development" has come into vogue. Regional development, as distinct from development of areas demarcated by artificial State boundaries, has much to commend itself, in that harnessing the resources of a river for the entire valley dominated by the waterway is a logical process. Such zonal development should secure the best utilisation of natural resources, and will have the additional merit of overcoming linguistic jealousies engendered by the creation of States based on languages and forced by historic necessity. This consummation has been brought nearer by the Conference creating a representative Technical Committee to plan power development on a zonal basis.

Rural Electrification

The Herculean task inherent in furthering rural electrification dominated a good portion of the Conference proceedings. It was a decade ago that Mr. N. V. Gadgil, the then Union Minister for Works, Mines and Power, spoke of "electric light and radio in every home." The country has had significant electric power development since, but, with only 6,000 villages electrified so far, only the outer fringe of the problem has been touched. Where could one rest the blame? It is the magnitude of the problem, which carries within itself the limitation for development. Even in the greatest advanced country like the U.S.A., subsidy to sustain rural electrification is the order of the day. Then, what of India, the villages of which require more urgently such facilities as improved sanitation, protected water-supplies and all-weather roads? The Conference, therefore, had to recognise the stark reality that subsidy in one form or another is essential if extensive rural electrification is to be accomplished.

Industrial Base

Rural electrification to be of some economic significance must be connected with development of cottage, small-scale and light industries so as to promote employment opportunities. Mere lighting of the village road or giving supply to the village headman for a couple of hours' consumption for light would not meet the situation. Siting of some of the light industries in the rural areas will offer base loads for the rural power systems, thus making them self-

(Continued on page 286)

INSURANCE OF ATOMIC RISKS

U.K. AND U.S. GIVE CLEAR LEAD

IT is always necessary that an insurer should be alive to all the new developments in science and technology. An insurer with a closed mind hardly serves his cause. He must for ever be prepared to underwrite new risks which the progress of science and its applications are continually throwing up. One such risk is that associated with the development of atomic energy and the numerous possibilities of its application. The U. K. and the U. S. have now given a lead in the sphere of atomic insurance. Insurers in these two countries, it is stated, have now clearly made up their mind to underwrite atomic risks.

Insurers in both the U. K. and the U. S. have been quick to visualise the immense possibilities in the development of atomic energy and the vast scope for the coverage of risks which such development implies. Many countries, particularly those which, like Japan, are short of coal, are interested in developing nuclear power stations, while nearly all countries are examining the scope for the application of by-products of atomic power for peaceful purposes. Among the fields in which the application of atomic energy seems to promise quick results, mention must be made of shipping. It would appear that the relatively high cost of nuclear power would not stand in the way of the development of nuclear-powered vessels. This is because such vessels carry several advantages. In the first place, they would save the space which steam vessels have to reserve for carrying fuel. Secondly there would be no re-fuelling problems, so that their turnround would be better than in conventional vessels. This respresents an instance of the possibilities of commercial exploitation of atomic energy with great profit.

Atomic Risks

Although considerable progress has been made in the acquisition of the knowledge of atomic energy and its application, the knowledge of the risks involved in the development and uses of atomic power is somewhat limited. Some of the important questions are : What are the risks of an atomic explosion ? How dangerous is such an explosion ? Or, what are the risks of a "runaway" nuclear power station? What are the risks in transportation of radioactive isotopes. Unfortunately—rather fortunately—there is little information on which an actuary may base the assessment of risks, for the simple reason that such accidents have not so far taken place in any country. Nevertheless, it is believed that the risks could be held within bounds through the adoption of an elaborate system of safety devices. Further, since the practice is to locate nuclear power stations only in sparsely-populated areas and such stations require relatively small manpower to operate them, the risks to which life and property are exposed as a result of nuclear explosion need not be regarded as particularly great.

These considerations have encouraged the British and American insurers to enter the field of underwriting atomic risks. In the U.S., three insurance syndicates have been formed to provide personal liability and property damage insurance in the atomic energy field. The British insurance market, it is stated, is now prepared to undertake the insurance of privately-owned nuclear reactor furnaces and atomic power stations both in the U.K. and abroad. Among other countries which have taken a lively interest in atomic insurance, mention must be made of Sweden, where an Atomic Insurance Pool has been formed for the insurance and reinsurance of risks connected with the production of atomic energy.

Explaining the arrangements which have been made in the U.K. in the sphere of atomic insurance, the correspondent of the London *Financial Times* says that overall insurance cover for atomic power stations, which cost £30 million to £40 millon, and for third-party risks can be arranged through the British Insurance (Atomic Energy) Committee, which has been formed under the auspices of the British Insurance Association and Lloyd's to represent the whole British insurance market in the field of atomic energy. At the same time, the U.K. is prepared to handle higher liability limits than the $50 million (nearly £18 million) ceiling for any claim for one accident fixed by U.S. insurance syndicates. Although many special problems of insurance and atomic energy have yet to be worked out such as the feasibility, or not, of loss of profits insurance due to the failure of a reactor in an atomic power station, British insurance interests, it is stated, are satisfied that it is in general easier to overestimate rather than to underestimate the risks involved in the development of nuclear energy and in particular, of nuclear power.

Safety Record

The exceptional safety record of the operation of experimental nuclear reactors in both the U.S. and the U.K.—where the powerful plutonium-producing reactors at Windscale, Cumberland, have been operated without serious failure for seven years and the BEPO reactor at Harwell for nine years—has given U.K. insurers a confidence in assessing safety factors concerning reactors that no amount of scientific data could equal. Against this safety record, however, must be set the lack of a code of practice for handling reactors in the U.K. A committee is trying to formulate such a code.

Insurance rates for plants involving nuclear reactors, according to the correspondent, are not likely to be vastly greater than those for other plants of equal value. While it is not considered that there is any great risk of catastrophe in the case of nuclear power, insurance rates would probably be affected if there were a group accident and sickness scheme in the neighbourhood. At the same time, several special risks, it is stated, are encountered in the atomic energy industry. These include the problem of radioactivity which could not only cause physical harm to many people, if accidentally released into the atmosphere, but also cause serious losses by making it inaccessible to repair crews for long periods of time. The handling of radioactive isotopes in industry and medicine, which is already widespread, is being treated by U.K. insurance companies as a normal risk.

Although India is engaged in the development of atomic power, insurers, as a class, do not seem to have evinced any special interest in the possibilities of covering the risks involved in the generation and use of atomic energy. Perhaps, this is because no great headway has been made in the use of atomic power. It is also due to the fact that the Indian insurance industry, at its present stage of development, would not be equal to the immensity of the task. But in insurance, no task can be immense, thanks to the facility of reinsurance. In any case, there can be no excuse for not studying the rich new fields offered by atomic insurance. The least that they could and should do is to undertake a study of the problem involved in atomic insurance. In this task, it is to be hoped they will receive the co-operation and guidance of the British Insurance (Atomic Energy) Committee which is actively studying all aspects of the problem.

SOCIAL SECURITY IN THE U.S.

The effect of the recent amendments made in the U.S. in respect of the Social Security Scheme is to widen the scope of the Scheme and to liberalise the provisions of eligibility. Thus, old-age and survivors' insurance has been extended to cover more than 200,000 lawyers, dentists, osteopaths and other self-employed professional groups, and only doctors of medicine remain excluded. Some 600,000 additional self-employed farmers are now covered, thanks to a liberalisation of the method of computing farm income and a redefinition of certain types of income formerly classified as rentals or as net income from self-employment. The coverage test for agricultural employees has also been modified; at present, such workers are covered if they receive cash wages of $150 or more a year or perform agricultural labour for cash wages on 20 or more days during the year. Finally, additional categories of minor Government employees now come within the scope of the scheme.

The social security amendments lower from 65 to 62 years the age at which women may qualify for old-age and survivors' insurance benefits. Women eligible for benefits as widows or dependent parents may receive full benefits at the age of 62. The benefits paid to insured women workers and to wives of insured workers, however, are subject to reduction if claimed between the ages of 62 and 65. The reduction for a retired woman worker is 5/9 of 1 per cent. and that for a wife 25/36 of 1 per cent. for each month during which the benefit is drawn before the recipient reaches the age of 65. Such reduced benefits continue to be paid after 65 as well. Disabled children may henceforth receive children's benefits regardless of their age, provided they became totally disabled before the age of 18.

The amendments provide for the first time for the payment of disability insurance benefits to totally disabled workers. To qualify for such benefits, workers must be between the ages of 50 and 65 years, have served a six-month waiting period after the onset of the disability, be fully and currently insured and have had 20 quarters of coverage out of the preceding 40. To be considered totally disabled, workers must be unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. Disability shall, in general, be determined by State vocational rehabilitation agencies, which are also to provide rehabilitation services to the workers concerned. Disability insurance benefit amounts will be the same as the old-age insurance benefit would be if payable at the same time. Benefits are not provided, however, for the dependants of a disabled worker. There will be no earnings test, but workmen's compensation or other federal disability benefits received will be deductible. Deductions will also be made if a beneficiary refuses rehabilitation without good cause.

INSURANCE OF AIRCRAFT

Some light is thrown on the insurance of aircraft of the Indian Airlines Corporation by the Estimates Committee, in its forty-third report (1956-57), which deals with the Corporation. The overall question of laying down a uniform policy in respect of insuring property belonging to State-controlled undertakings is under the consideration of the Union Ministry of Production. The Corporation, however, is adopting a policy of both self-insurance and outside insurance. The self-insurance scheme operates in respect of 66 Dakotas insured to the value of Rs. 1 lakh each, 12 Vikings to the value of Rs. 2.5 lakhs each and Twin Beach to the value of Rs. 1 lakh. The Corporation insures with outside insurers six Skymasters to the value of Rs. 28 lakhs each. Other forms of insurance effected by the Corporation are: (1) Passenger legal liability (applicable to passenger aircraft only)—Rs. 50,000 per passenger including Rs. 2,500 for baggage liability; (2) freight legal liability: Rs. 50,000 per aircraft, excluding Twin Beach TV-ANJ, (3) third party legal liability: Rs. 10 lakhs in respect of each Skymaster, Rs. 5 lakhs for each Heron, Viking and Dakota and Rs. 2.5 lakhs for Twin Beach VT-ANJ; (4) mail liability: Rs. 1 lakh in respect of all claims arising out of any one event and any one aircraft.

As regards passenger insurance, the Committee understands that, so far as international services are concerned, the Warsaw Convention fixes legal liability on the international air transport companies for an amount of 120,000 gold francs in respect of each passenger. But this liability does not extend to the domestic airlines. The Committee considers that the matter of providing insurance cover to the passenger should be considered by the Corporation. The fear has been expressed that introduction of compulsory insurance may give an impression to the public that the safety factor has gone down. But the Committee feels that the safety factor would be judged by the travelling public not by introduction of compulsory insurance but by other independent means. It also feels that it would be advantageous if there was a system by which on payment of a certain sum to the Corporation the passenger would be deemed to be covered by an insurance. It recommends that this question be considered in consultation with the Life Insurance Corporation and a suitable system evolved in consultation with the insurers to provide for a certain cover for every passenger.



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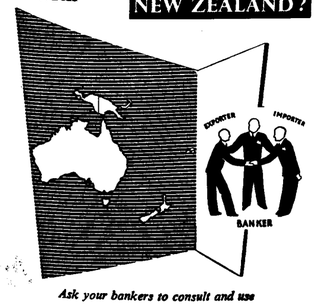

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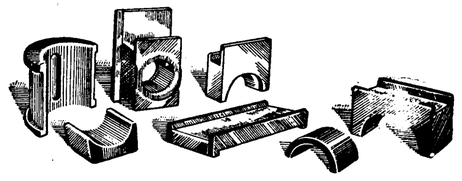
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THE MYSORE SUGAR COMPANY LTD.

MR. S. MUNINANJAPPA'S SPEECH AT ANNUAL GENERAL MEETING

RECORD PRODUCTION EXPECTED IN NEXT SEASON

THE Twenty-third Annual General meeting of the Mysore Sugar Company, Limited, was held at the Registered Office of the Company at Bangalore on Monday, 28th January 1957. The meeting was attended by a large number of shareholders and was presided over by Mr. S. Muninanjappa, B.A., B.L., I.A.S., Chairman and Managing Director of the Company. Moving the adoption of the report and accounts, the Chairman made a speech reviewing the working of the Company. The following is the full text of the speech.

"GENTLEMEN,

"I have great pleasure in welcoming you to the twenty-third annual general meeting of the shareholders of the Mysore Sugar Company, Limited. The report of the Directors and the audited statements of accounts for the year 1955-56 have been in your hands for some time and, with your permission, I shall take them as read.

"Many important events have taken place since we last met. The administrative map of the country has vastly changed and nowhere is this change more noticeable than in our own State of Mysore. Greater Mysore, with its area and population almost doubled, now ranks as one of the leading States of India with vast industrial potential, considering its rich forest and mineral resources and the newly-acquired sea coast. Speaking with reference to the sugar industry, the new State of Mysore has within its territory four sugar factories and another four or five are expected to come up in the course of a year or two. The State will thus be fully self-sufficient in regard to sugar.

"The year under report saw the enactment of the mammoth piece of legislation dealing with the law and procedure relating to the working of joint-stock companies. Of particular significance to your Company is the creation, under the Companies Act, 1956, of what is known as 'Government Companies,' that is to say, companies in which more than 50 per cent. of the equity share capital is held by Government. Needless to say that your Company in which the Government of Mysore hold 55 per cent. of the shares, comes under this category and is, in many respects, unique among Government companies. An important provision affecting Government companies is that the auditor of such a company is to be appointed by the Central Government on the advice of the Comptroller and Auditor-General of India and the audit report on the affairs of the company is to be placed before Parliament and the State Legislature. It is on account of this that the usual business of appointment of auditors does not find a place in the agenda for today's meeting. This and several other provisions of the new Act render it necessary to make large-scale alterations in the Articles of Association of your Company. Your Directors have thought it best to adopt an entirely new set of Articles, conforming to the requirements of the Act, and they hope to take an early opportunity of convening an extraordinary general meeting for this purpose.

A Favourable Year

"The year 1955-56 was, on the whole, a favourable one for the sugar industry, free from any crisis of the nature to which it had been accustomed in the past. Sugar production reached an all-time record of 18.6 lakh tons, as compared to 15.9 lakh tons in the year 1954-55 and 10 lakh tons in the year before that. Consumption too has risen to 19 lakh tons and promises to go up higher. This is as it should be, if we bear in mind that, in order to meet this growing demand, the target of sugar production in the second Five-year Plan is put at 22.5 lakh tons. To achieve this production the installed capacity of the industry is being raised to 25 lakh tons by the licensing of a number of new units and the expansion of several existing ones. The major part of the expansion programme is confined to the Deccan and South India which enjoy natural advantages for the development of the industry. This should go a long way to meet the temporary shortages that frequently occur in the South, which is at present deficit in sugar.

"If all the factories licensed come up and when the anticipated benefits from the various development schemes begin to materialise, it may not be surprising if the actual production goes far above the target, creating new problems for the industry. Even at the present moment an important problem that is facing the industry is the large surplus stock which it is burdened with. Fortunately, the present is an opportune time for exporting Indian sugar to neighbouring foreign countries and it is a matter for gratification that the Government of India have acted quickly in releasing an initial quota of 50,000 tons of sugar for export through the Indian Sugar Mills' Association. This timely gesture of the Government will not only afford some relief to the industry but will also bring in valuable foreign exchange which the country is in dire need of at the present time. It is to be hoped that this experiment will prove a success, thus paving the way for larger exports in the years to come.

Crushing and Output

"I shall now briefly review the working of your Company. As will be seen from the report and accounts placed in your hands, the year was a normal one and the results of working were satisfactory. The factory at Mandya went into production for the 1955-56 season on 21st July 1955 and was shut down on 24th April 1956. The duration of the crushing season was 279 days which, as usual, was the longest for any sugar factory in India. The quantity of cane purchased and crushed during the season was 347,523 tons and the output of sugar was 34,798 tons, with a recovery of 10.14 per cent. These figures, I am glad to say, compare favourably with the results obtained during previous years. The year's crush was the second highest in the history of the factory, while sugar output, at 34,798 tons was the third highest.

"The total quantity of sugar sold during the year was 33,540 tons and the gross realisation therefrom was Rs. 2,78,88,375, as against Rs. 2,16,17,846 realised during the previous year from the sale of 26,957 tons of sugar. Trading conditions were throughout steady and the price of sugar ruled slightly higher than that of the previous year. But there was a drop in net realisation, consequent on the higher rate of excise duty that came into force from 1st March 1955. While there is no control as such on sugar, release of stocks from factories continues to be controlled by the Central Government. This system has been found to work satisfactorily, for, besides enabling Government to have a hold on production, the regulated releases have a steadying effect on prices.

Cane Price

"The price of sugarcane continued to be Rs. 39-2-1 per ton delivered at the factory gate and Rs. 35-11-8 per ton delivered at rail centres. Over and above these prices, fixed by the Government, there is now a tendency on the part of the cane suppliers to expect an additional price. In my address to you last year I referred to this matter and stated that the whole question of determining the share of the cane suppliers in the price realised for sugar was under the examination of an expert committee. The publication of the report of this committee is awaited with interest.

"Meanwhile, a request from the cane growers of Mandya for an extra price for cane supplied during 1954-55 was settled, as a result of negotiations, by granting an additional price of Rs. 3 per ton. The amount paid on this account was Rs. 11,19,983 and this was met by utilising a provision of Rs. 4 lakhs made in the accounts for that year and by charging the balance to the accounts of the year under report. Similar demands for additional cane price in respect of subsequent years are likely to arise, causing a serious burden to the industry. The days of high sugar price are now gone and, with prices ruling steady and showing a downward trend, there may be little or nothing to pay by way of extra price.

"A more rational method of remunerating cane suppliers would be to relate cane price to the percentage of sucrose recovery. Such a system would create the necessary incentive in the growers to produce cane of high sucrose content and, at the same time, ensure supply of good cane to the factory. The implementation of this system is, however, beset with certain practical difficulties. In this context, it may not be out of place, if I draw attention to a disparity between conditions in Mysore and those in the neighbouring States, which has a bearing on the application of any formula for calculation of extra cane price. While factories in Mysore have to pay cess on sugarcane at a rate of Rs. 6 per ton, which is the highest rate prevailing in any part of India, the rate of cess in Madras is only Re. 1 per ton of cane, while in Andhra it is Rs. 2. This accounts for a difference of Rs. 40 to Rs. 50 per ton in the price of sugar. The existence of such widely different rates of cane cess not only results in unequal competition but also vitally affects the ability of factories to pay extra price for cane.

Disposal of Alcohol

"The working of the Company on the distillery side continued to be satisfactory, though offtake of alcohol remained far behind production, necessitating occasional suspension of manufacturing operations. The problem of disposal of alcohol is becoming more and more difficult and the situation has been aggravated to some extent by the recent drastic reduction in the quotas of denatured and rectified spirits to licensees in the Mysore State. Your Directors are exploring the possibilities of entering into arrangements with large-scale consumers of alcohol for industrial purposes, as they are convinced that the only permanent solution for the satisfactory disposal of alcohol lies in its use in chemical industries, both existing and those expected to come into existence in the near future. In anticipation of this demand and, with a view to dealing with the large output of molasses, steps are being taken for the expansion of the distillery, so as to increase production from the present installed capacity of 9 lakh gallons to 12 lakh gallons per annum. The requisite licence for this expansion scheme has been secured from the Government of India.

"The accounts that have been placed in your hands are so elaborate and informative that there is hardly any need for me to dwell on them or offer any explanation. The figures give a complete picture of the working of the Company on the manufacturing, trading and management sides. The gross profit from trading during the year under report was Rs. 23,51,487-8-10, as against Rs. 19,79,593-14-6 during the preceding year. The improvement in earnings is due to the larger quantity of sugar sold and also to the lower production cost arising from better recovery, as compared to the previous year. The net profit for the year, after meeting administration expenses and after making provisions of Rs. 5,29,008-6-5 for depreciation and Rs. 5,00,000 for taxation, stands at Rs. 9,11,573-11-4. Including the surplus of Rs. 2,90,339-11-11 brought forward from last year's account, the total amount of profit available for distribution comes to Rs. 12,01,913-7-3. True to the tradition set up over a long period of years in the past, your Directors recommend, as usual, a dividend of 20 per cent. absorbing Rs. 4,35,856. As shareholders are aware, a dividend tax is now in force and the burden to your Company on account of the proposed dividend would be Rs. 70,827.

Compulsory Deposit

"Here I cannot help referring to the provision contained in the recent Finance Act making it obligatory on the part of companies to deposit with the Government of India a portion of their accumulated reserves and surplus. A considerable proportion of the reserves of our Company has already been ploughed back for financing expansion and development schemes undertaken from time to time in the past. For an undercapitalised company like ours, and having regard to the nature and magnitude of our business, the reserves provide the much-needed working capital. Even under present conditions, borrowing has become a regular feature in our finances, and we may have to resort to further borrowing in order to keep the requisite deposit with the Government.

"It is not proposed to make any additions to the reserves, but a sum of Rs. 5 lakhs is proposed to be set apart to form the nucleus of a fund for award of gratuity to employees by way of retirement benefit, over and above the existing provident fund. After these appropriations, there will be a surplus of Rs. 2,63,106-11-3 which it is proposed to carry forward.

"Labour relations during the year were not as happy as could have been expected in a company like yours with a record of fair treatment towards workers. On 13th March 1956 the workers resorted to a total strike, which paralysed sugarcane crushing operations for a couple of days. The strike itself was called off after 24 hours, following a settlement conceding some of the demands of labour. Recently, some fresh demands have been put forward and they are likely to be referred to arbitration.

"As I hinted when I addressed you on the last occasion, the current year does not promise to be a normal one for your Company. Sugar production is expected to suffer a setback due to insufficiency of cane resulting from the partial drought conditions that prevailed in Mandya in 1955. But a bumper cane crop has been raised in 1956 and we may look forward to a record production in the coming season. The plant has been augmented and balanced in many respects, though the goal of 2,000 tons crushing capacity can be maintained only after the installation of an intermediate cane carrier and mechanical unloading devices. Early action is being taken to overcome these deficiencies so as to ensure steady and comfortable working of the plant at 2,000 tons of cane per day.

Manufacture of Paper

"In this connection, I may make a reference to the proposal for the manufacture of paper at Mandya out of bagasse, the fibrous waste matter turned out by the sugar factory. Though bagasse is a valuable raw material for manufacturing paper, to the sugar factory it is a convenient fuel and is almost indispensable when it is remembered that Mandya is not favourably situated with regard to supply of alternative fuel like coal. An enterprising firm interested in starting this industry at Mandya has now come forward to undertake the responsibility for supply of coal and also to bear the cost of conversion of the sugar factory boilers so as to adapt them for burning of coal instead of bagasse. Your Directors are examining the offer carefully from all angles and hope to take an early decision on the important matter of release of bagasse for paper manufacture and the terms of such release. I need hardly assure you that the interests of your Company will be fully safeguarded in any arrangement that may be entered into with the promoters of the paper factory.

"Before concluding, I wish to take this opportunity to express my warm thanks to my colleagues on the Board for their valuable advice and co-operation. The Government of Mysore continue to give us their sympathy and support and we are grateful to them, as also to the various Ministries of the Government of India for their prompt assistance and guidance. The employees of the Company, from the General Manager downwards, have served the Company with loyalty and zeal which deserve appreciation."

• • • •

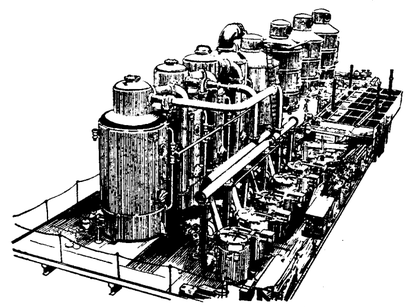
At the conclusion of the speech, questions were put by some of the shareholders eliciting information on various points and suitable replies were given by the Chairman.

After the adoption of the report and accounts for the year 1955-56, approval was accorded for payment of a dividend of 20 per cent. Mr. V. T. Krishnamoorthy, the retiring Director, was re-elected unopposed.

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

V. M. LINGIAH,
Secretary.

BANGALORE, 29th *January* 1957.



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COPPER SHORTAGE FINALLY ENDED

CHANCES OF ITS RECURRENCE REMOTE

By Jack R. Ryan

THE copper shortage that finally drove prices of the metal to the highest level since the Civil War came to an end in 1956. And producers appeared convinced they could maintain a comfortable supply-demand balance at least through the coming year and probably longer. The Copper and Brass Research Association (New York) cited these factors in copper's future as making a serious recurrence of shortages seem remote.

Substantial increased capacity is expected at new mine facilities scheduled for completion by 1962, and further expansion could be undertaken, if necessary. Extensive exploration for new ore bodies continues. And three-year labour agreements concluded at all major United States mines in 1956 promise steady output from domestic sources.

"To the degree that copper supply can continue to keep pace with demand, corollary problems that have plagued the industry in the past—such as sudden price fluctuations or unusually high price levels abroad—will be eliminated," the Association said in an outlook report as the new year began.

Copper prices in the United States were the lowest in the free world early in 1956. The major domestic producers quoted 46 cents a pound, the highest since 1865—yet prices abroad ranged upwards from 54 cents—and much refined copper of foreign origin was attracted to Europe.

But then new copper came into the market from expanded operations at existing mines and from entirely new properties begun three to five years earlier. At the same time, automotive and other use of copper eased.

By the second quarter, it was becoming apparent that there would soon be more than enough copper to go around. Prices dropped everywhere, though not as much in this country as abroad.

Prices Lower

By the year-end, the United States producers' price of 36 cents was no longer the lowest in the world—it was the highest. Foreign prices were a few cents lower, and foreign producers were eager to sell their metal here. Overtime work schedules in American mines were discontinued. Government restrictions on copper exports were removed, and some metal authorities were predicting a further but modest price decline in the first quarter of 1957.

Nowhere, however, was there any evidence of any real concern that copper producers might develop top-heavy surpluses. Increasing population, higher personal incomes, rising consumer spending for durable and non-durable goods, and business expansion for plants and equipment all were expected, according to the Association, to give strength to the economy and, therefore, to copper.

In addition, major copper-using industries such as electric power and electrical manufacturing still were expanding. Utilities were anticipating more increases in electrical consumption, particularly with the spread of automation. And both the automative and overall construction industries were expected to show improvement.

One of the more dramatic newer applications of a copper alloy was in a bronze "curtain wall" to enclose a metal clad skyscraper—one that the copper industry hoped would become a prototype for similar uses in the future. Also, architect Frank Lloyd Wright used pre-oxidised sheet copper in the facade of a nineteen-storey building in Oklahoma.

A Vital Element

Copper was a vital element in the trans-Atlantic telephone cables that went into service last year, and in the particle accelerators—cyclotrons, bevatrons, and Van de Graaf generators—used in basic atomic research. The brass mill industry managed to extrude—by forcing metal through dies—shapes having larger cross-sections than had previously been thought possible. Integrally tubed sheet copper came on the market and was being used experimentally.

Metallurgical laboratories were conducting research on special property alloys made by adding more recently developed metals such as zirconium to copper. Hardened coppers obtained by bombardment with atomic particles were being investigated, and inquiries into the behaviour of copper alloys at temperatures down to minus 180 degrees Centigrade were under way.—*By Courtesy of New York Times.*

Free World's Copper Expansion

The copper mining capacity of the free world is scheduled to rise rapidly during the next five years. The table below, compiled by the authoritative Copper and Brass Research Association, shows how actual production in 1955 will be increased more than 30 per cent. by 1962 just by mine projects that are under way or have been announced.

The figures do not include excellent known prospects that could add more than 100,000 additional tons of capacity to the 1962 total if demand warranted.

(Thousands of tons)

Year	U.S.		Outside U.S.		Total	
	Capacity	Increase over 1955	Capacity	Increase over 1955	Capacity	Increase over 1955
1955	*1,014	..	*1,997	..	3,011	..
1956	†1,130	116	†2,183	186	3,313	302
1957	1,190	176	2,315	318	3,050	494
1958	1,226	212	2,391	394	3,617	606
1959	1,237	223	2,414	447	3,681	670
1960	1,244	230	2,578	581	3,822	811
1961	1,278	264	2,652	655	3,930	919
1962	1,278	264	2,666	669	3,944	933

* From American Bureau of Metal Statistics.
† Estimate based on first ten months' report of A.M.B.S.

NEW PUBLICATIONS

Industrial Enterprises in India. By Dr. Nabagopal Das. Publishers: Orient Longmans, 17, Chittaranjan Avenue, Calcutta 13. Pages: 200. Price: Rs. 8.

THIS book, which was originally published in 1938, enters its second edition as an entirely new one. It attempts to study, within the brief compass of about two hundred pages, the legal and institutional framework within which industrial enterprises have to function in the context of the Five-year Plan and the new Indian Companies Act. It deals particularly with the problems of raising finance for industries and examines the role of the new financial agencies in fostering industrial development.

After a brief survey of the development of industries in India and a discussion of the general principles of financing industries, the author examines the system of industrial financing prevalent in a few Western countries. His conclusion is that, in view of the peculiar character of the financial and economic background obtaining in India, commercial banks cannot in practice and should not in principle attempt to meet the long-term capital requirements of industries. This is the traditional view, with which many modern bankers do not agree. The author relies on the British pattern and points out that, in the U.K., the relation between the British financial world and British industry had never been very close and the latter depended for its financial requirements on the extremely varied facilities and unrivalled financial machinery of the English capital markets. But even in England the growing needs of industry made the ordinary credit mechanism insufficient and special institutions like the Industrial and Commercial Finance Corporation and the Finance Corporation for Industry Ltd. had to be started. Even on the continent of Europe, where the German system of mixed banking has had the greatest influence, the need was felt for special institutions to cater to the long-term financial needs of industry. In India, therefore, the Industrial Finance Corporation and the Industrial Credit and Investment Corporation have to play a crucial role and this forms the subject matter of the third chapter.

After describing the managing agency system and its merits and defects, the author examines the new Indian Companies Act and its economic significances. The basic aim of the Act, Dr. Das points out, is to encourage and reasonably safeguard private enterprise in fields not marked out for the public sector. This indeed is a reasonable aim, but one only wishes that in practice also the aim continues to be one of healthy hedges rather than that of finding fetters for private enterprise.

Referring to the repeated charges against concentration of control and the growing size of industrial units, the author makes some pertinent remarks. He rightly points out that, in this age of atomic energy and automation, it is foolish to decry big industrial units. The really important issue is whether it can be usefully controlled and made to serve the general interest. An efficient government, armed with sufficient powers, he avers, could find no difficulty in doing so.

Controversial Ground

The author, however, is treading on more controversial grounds when, in the chapter entitled Savings, Investment and Capital Formation, he examines the factors inhibiting investment in the private sector and the effect of the taxation policy. The various causes listed by the Shroff Committee as preventing the flow of funds into industrial undertakings such as the threat of nationalisation, procedural difficulties and uncertainties, Government's labour policy and various forms of control and legislation are examined in this connection. The author's conclusion is that governmental policy is not detrimental to the growth of private investments. But he is able to cite only a negative proof to establish his case. A cursory glance, according to him, at the licences granted for starting new ventures or expanding existing ones shows that private enterprise has not been overwhelmed by the "so-called" adverse factors. This, of course, is an indirect tribute to the resilience and adaptability of free enterprise, but is no proof of the absence of inhibiting factors referred to by the Shroff Committee.

As regards taxation policy, Dr. Das quotes with approval the dictum of Prof. Colin Clark that, in a developing economy, the limit to taxa-

(Concluded from next column)

tion is more psychological than physical. But it should not be forgotten that a taxation policy which does not realise the limiting factor of the size of the national income and the effect on incentives of the tax measures is an unrealistic one. However, much the reformist may wish for the replacement of economic incentives with new kinds of incentives like the incentive of service and that of promoting the general welfare, human nature being what it is, a majority of men will continue to be motivated by the former.

Dr. Das's estimate of the future of private enterprise is, indeed, cautious. He associates himself with the oft-repeated remark that the destiny of private enterprise rests in its own hands. No intelligent man will deny that, in this era of the ascendancy of the common man, the future of private enterprise hinges to a large extent on the extent to which it can fit itself in the larger framework of the national economy and subserve the common interest. But the question is whether private enterprise will be allowed to play its legitimate role, or whether, on ideological grounds, the circumstances will be so devised as to give the dog a bad name as a prelude to hanging it.

The author, despite his official position as the Secretary to the Commerce and Industries Department of the Government of West Bengal, has tried to maintain throughout the discussion a scholarly objectivity and scientific detachment which contribute much to the value of the book.

(Continued in previous column)

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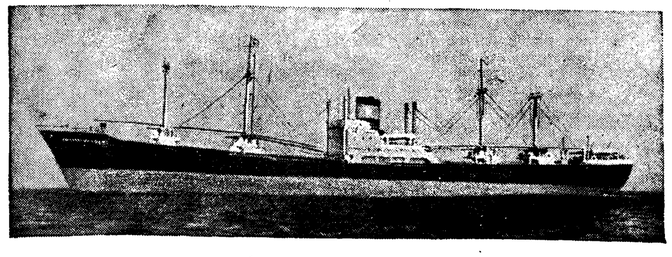

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TRENDS IN BALANCE OF PAYMENTS

STRAIN OF ECONOMIC DEVELOPMENT REFLECTED

DEVELOPMENTS in India's balance of payments position during the eight years from 1948-49 to 1955-56 reflects primarily the basic changes that have come about in the economy of the country. While the period covering the first four years of the period under review was characterised by inflationary pressures and shortages, the last two years were marked by accelerated economic development. Over the period, the level of imports came down from Rs. 766.3 crores in 1948-49 to Rs. 750.6 crores in 1955-56, whereas exports increased from Rs. 482.5 crores to Rs. 641.1 crores. In other words, import quantity index (1952-53=100) dropped—after touching for various reasons, the biggest level of 146 in 1951-52—from 135 in the first year of the period to 114 in 1955-56. At the same time, export quantity index rose from 106 to 115. But there was a decline in the terms of trade, as a result of the higher proportion of rise in import price index as compared with export price index, from 110 in 1948-49 to 99 in 1955-56. A very significant change took place in the composition of the trade also, chiefly in import trade. For example, among imports, those of food articles, which rose in value from Rs. 101.5 crores in 1948-49, to Rs. 133.9 crores in 1949-50, and to as much as Rs. 229.1 crores in 1951-52, came down to a mere Rs. 17.5 crores in 1955-56. At the same time, imports of machinery and iron and steel rose steeply, the former from Rs. 81.8 crores to Rs. 120.2 crores in 1955-56 and the latter from Rs. 12.9 crores to Rs. 66.5 crores. Among the exports, too, notable changes occurred in the export of cotton manufactures, tea, oils (vegetable) and others.

A Reserve Bank publication, entitled *India's Balance of Payments 1948-49—1955-56*, conveniently divides the period covered by the review into three periods. The characteristic features of the first period covering 1948-49—1951-52 were inflationary pressures and shortages. Exports rose continuously, reaching a record level in 1951-52, following the devaluation in September 1949 and the Korean war boom. The level of imports, though higher than exports, reflected wide swings from year to year as a result of a variety of factors, such as shortages of food and raw materials, strong inflationary pressures inherited from the Second World War, and changes in import policy. The high level of imports were particularly significant in the case of raw jute, raw cotton, food and machinery. Thus, a progressively rising level of imports (in terms of value) were witnessed in the two years following 1949-50, owing to price increases and to disinflationary policy adopted in 1951-52. In the final result, imports attained the highest level (Rs. 962.9 crores) for the whole of the post-war period in 1951-52. On the other hand, the value of exports during the first two years of this period was low, as compared with the latter half, mainly because of the substantial rise in prices in the latter period, especially in the prices of jute manufactures, hides, skins, cotton manufactures, etc. The upward trend in prices was due, first, to devaluation, and then, to a greater degree, to the Korean war boom. The value of exports reached the highest level at 117 (1952-53=100) in 1950-51. As a consequence of the net current deficit of Rs. 422.9 crores, and of certain extraordinary payments to the U.K. and Pakistan, the foreign exchange reserves declined substantially during the first period.

Recessionary Period

The second period covering the two years 1952-53 and 1953-54 was characterised by a slackening in the pace of economic activity abroad and a fall in demand and prices. Exports, therefore, declined during this period by 3.8 per cent. in terms of value and by 7.4 per cent. in terms of volume, as compared with the earlier period. Imports, too, declined and that to a greater extent than in exports. This was the result of several factors, chief among them being the impact of the recessionary tendencies abroad on the economic activity at home, overstocking of goods during the Korean war boom, official measures to counteract inflation at home, and the change-over from a liberal to a restrictive import policy. These factors, together with the increased output—agricultural and industrial—brought down the average annual level of imports by 18 per cent. in value and 25 per cent. in volume from that of the previous period. Besides the much smaller trade deficit caused by this trend, the net receipts by way of such invisibles as private donations and Government transactions also increased during this period from Rs. 31.7 crores in 1948-49 to Rs. 80.5 crores a year. As a result, the current account, excluding official donations, showed surpluses of Rs. 49.4 crores and Rs. 28.4 crores in 1952-53 and 1953-54, respectively. Receipts from official donations rose during the period by about Rs. 14 crores. There was, thus, a substantial addition to the foreign exchange assets.

The third period, covering the last two years, namely, 1954-55 and 1955-56, witnessed a recovery in economic activity at home and abroad. Imports, as well as exports, were substantially higher than in the previous period. The value of exports rose by nearly Rs. 100 crores over that at the end of the preceding period. The largest increases took place in vegetable oils, raw cotton and tea. Characteristically, the rise in imports was, once again, much higher, following the higher rate of developmental expenditure in the public sector and investment in the private sector and the controlled relaxation of import restriction. At the level of Rs. 750.6 crores by 1955-56, the imports stood, in terms of volume, 20 per cent. higher than at the close of the previous period. As a result, the trade deficit rose progressively to Rs. 109.5 crores. There was little change in the net receipts from invisibles, as compared with the preceding period. The current account, excluding official donations, showed small but rising deficits. Though official donations increased considerably during 1955-56, the foreign balances at the end of the year showed a slight recession over the two-year period.

During the period under review, a consistent outward movement of capital on private account was in evidence. Such movements for the entire eight-year period amounted to Rs. 92 crores, of which no less than Rs. 28.5 crores was exported in the first year. A large part of the outflow was in the nature of migrants' transfers after independence and not an ordinary capital movement. During the past four years, the outflow was of the order of Rs. 6.7 crores per annum.

Another important feature of the capital movements constituted the receipts from official loans which amounted to Rs. 84.6 crores in the first period. Of this, mention must be made of the U.S. wheat loan which accounted for Rs. 58.6 crores and the loans from the I.B.R.D. for another Rs. 21.4 crores. In the second quarter, again, the balance of Rs. 32 crores of wheat loan was drawn. In addition to this, the I.B.R.D. extended another Rs. 4.7 crores. Over the whole period, the total net receipts by way of loans in the official sector aggregated to Rs. 125.4 crores of which as much as Rs. 121 crores (U.S. wheat loan and loans from World Bank) helped to augment the resources for financing the first Plan.

Following the impact of heavy current deficits and extraordinary transfers, the country's short-term account position showed a worsening of nearly Rs. 860 crores during the first period. This, according to the review, reflects broadly the position of the country's exchange reserves. During this period the country has not only to draw from its reserves, but also borrow from the U.S. Government (Rs. 58.6 crores) and the I.M.F. (Rs. 23.9 crores). In the subsequent two periods, however, there was some addition to the reserves, despite a repurchase of Indian currency from the I.M.F. of Rs. 17.2 crores in the first period and Rs. 24.3 crores in the second period.

Position in a Nutshell

The Reserve Bank's report under reference sums up the position for the whole period as follows:

"For the eight-year period as a whole the current deficit, excluding official donations, amounted to Rs. 387.4 crores. This deficit would rise to Rs. 471.9 crores, if errors and omissions are also merged with this total. In addition, there was a private capital outflow of Rs. 92.1 crores and official long-term transactions (excluding loans) gave rise to a net payment of Rs. 405.0 crores, largely on account of partition settlements with Pakistan and purchase of pensions annuities from the U.K. The total outgo on current account, errors and omissions, private capital and official long-term transactions aggregated Rs. 969.0 crores. As against this, the combined receipts from official donations and official loans amounted to Rs. 223.4 crores. The net deficit requiring accommodation from official assets and other sources thus amounted to Rs. 745.6 crores. India's foreign exchange assets declined during the eight-year period by Rs. 720.7 crores. Over and above this, there was a net increase in foreign exchange liabilities of the country to the extent of Rs. 22.0 crores."

The Bank's review also deals with certain notable developments in the regional pattern of India's foreign trade. The share of the dollar area in India's total exports declined from 23.3 per cent. in the first period to 18.9 per cent. in the third. Even sharper was the fall in imports from that area, which retreated from 24.8 per cent. in the first period to 16.9 per cent. during the third period. This marked decline in the trade with the dollar area affected most of the principal commodities which enter into India's foreign trade. The resultant effect of these trends was that there was progressive improvement in the current balance with the dollar area, excluding official donations, from a deficit of Rs. 48.7 crores during the first period to a deficit of Rs. 13.8 crores in the second, and then a surplus of Rs. 0.8 crore in the third. The sharp contrast to this trend, however, was the trade with the O.E.E.C. countries. Their share of India's imports went up from 11 per cent. in 1951-52 to 15 per cent. and 20.2 per cent. during the second and third periods, respectively, mainly due to increased imports of capital goods. The share of exports, however, remained more or less constant at 10 per cent. The current deficit with these countries, consequently, increased from Rs. 34.8 crores to an annual average deficit of Rs. 79.9 crores in the third period.

Sterling Area's Share

The sterling area's share in India's trade registered a decline in the second period as compared to the first, but almost recovered again in the third period. Thus, while the imports moved down from 50 per cent. in the first period to 47.7 per cent. in the second, exports fell from 55.4 per cent. to 52.3 per cent. As a result, the current annual average surplus rose between the two periods from Rs. 10.1 crores to Rs. 80.6 crores. During the third period, however, the share of imports from the sterling area climbed up to 49.8 per cent. and that of exports to 54.2 per cent. with the result that the current annual average surplus, excluding official donations, came down to Rs. 48.3 crores.

An important feature of the survey relates to shifts in the trade policies witnessed during the period under review. While, in the immediate post-war period, import policy was framed to suit the requirements of sterling balances agreements, and to the needs of conserving dollar resources, subsequent to 1949, controls over imports were intensified in successive stages as a result of huge overall current deficits. Following the Korean war boom and the improvement in the payments position, however, the restrictions on imports were gradually relaxed during the latter half of 1950 and in 1951, though imports from the dollar area continued to be regulated on the strict list of essentiality. In the second half of 1952 and 1953, imports, except those of machinery, industrial raw materials, etc., were, again, tightened. A significant aspect of the import policy during the last two years of the first Plan was that there was a deliberate attempt to link import policy with the needs of development. For this purpose, a policy of progressive but controlled liberalisation of imports was adopted.

Export Front

On the export front, on the other hand, the policy came to be governed by considerations of supply at home. The shortages of various commodities felt in the post-partition period led to considerable reductions in the export quotas. There was a shift in favour of promotion of exports in 1950. With the onset of the Korean war, and the consequent increase in the prices of many raw materials, the policy was again reversed. Faced by inflationary conditions at home, overall quotas were fixed in the case of commodities where domestic demand was pressing. Heavy export duties were also levied on several others. After the Korean war, export promotion was given renewed emphasis. Subsequent to 1952, there was in evidence consistent liberalisation in export restrictions either through the adoption of free licensing procedures or enhancement of export quotas. During the last two years of the first Plan, further, export policy was geared to the needs of the Plan. Export promotion featured prominently for increasing foreign exchange resources. Export Promotion Councils came into existence for a number of commodities. A draft has also been submitted by a committee for an export promotion guarantee scheme.

During the years the first Plan had been in operation, the Reserve Bank Review states, the actual current deficit, excluding official donations, was only of the order of Rs. 125 crores, as against the estimated current deficit of Rs. 667-727 crores on the basis of 1948-49 terms of trade. Even the actual deficit was more than matched by receipts from official donations and official loans amounting to Rs. 196.3 crores. The reasons for the improvement were the lower level of food imports, the lower imports of machinery following the failure to implement the contemplated construction work on the iron and steel and heavy electrical equipment plants and, finally, the lower level of actual investment during the Plan period, as compared with what was envisaged. The cumulative effect of all these was that foreign exchange reserves declined by only Rs. 121.3 crores, as against an amount of Rs. 290 crores contemplated in the first Plan.

DEVELOPMENT OF SALT INDUSTRY

Attainment of self-sufficiency in salt, which is an essential article of consumption, and encouragement of export of this commodity to foreign countries are stated to be the main objectives of the policy of the Government of India in regard to salt. India attained self-sufficiency in salt in 1951 when the production was 74.4 million maunds. The peak production of 86.1 million maunds was achieved in 1953. Although the production in 1954 and 1955 declined to 73.9 million maunds and 81.1 million maunds, respectively, the production in 1956 increased to 88.9 million maunds, which is the highest indigenous production so far achieved. It exceeds the peak production of 86.1 million maunds in 1953. The target of salt production fixed for the second Five-year Plan period is 100 million maunds per annum.

A provision of Rs. 1,87,75,340 for the development of the salt industry has been made in the second Five-year Plan, out of which the investment in the private sector will be Rs. 1,20,75,740 and in the public sector Rs. 66,99,600. Programmes for the development of the industry in the private sector include establishment of laboratories and model farms, improvement in brine supply channels, installation of plant and machinery, provision of amenities for labour and provision of educational and medical facilities for the workers. In the public sector the rock salt mines at Mandi are to be developed on scientific lines by sinking shafts, etc., at a cost of Rs. 8 lakhs. These developments will not only meet the requirements of the Mines Act but the production of salt from this source will also increase to 4 lakh maunds per annum, as against the present production of 150,000 maunds.

As there is surplus production of salt in the country its export to foreign countries is encouraged. The main countries of export are Japan, Indonesia, Nepal, Malaya, the Maldives, etc. Exports to Japan in the year 1956 were 7.372 million maunds against 5.565 million maunds in the year 1955. Under an agreement entered into between the Government of India (through the agency of the State Trading Corporation) and the Government of the Republic of Indonesia, India is to supply 50,000 metric tons of salt to Indonesia. Out of this quantity, 10,914 metric tons have been exported to Indonesia up to the end of December 1956.

RE-EXPORT OF GOODS

The Government has decided that an applicant desiring to re-export raw material components imported for industrial manufacture in India, or heavy machinery items, should, along with the application, submit a declaration to the effect that goods had not been imported either under an actual user licence or under a capital goods licence.

It is also stated that, if the goods sought for re-export had been imported under such import licence, the applicant should furnish particulars of licences against which the goods in question were imported, the reasons for re-export, that is, whether the goods in question are surplus, unserviceable or obsolete and the effort, if any, made to dispose of the goods in the home market and with what results. This procedure, it is further stated, will be made applicable in respect of all controlled goods, even those which are licensed freely for export, and it will come into effect from 1st March.

In case of items which are licensed on merit, applications should also be accompanied by a detailed report stating the circumstances in which the goods are to be re-exported and justifying the special need for the re-export in question.

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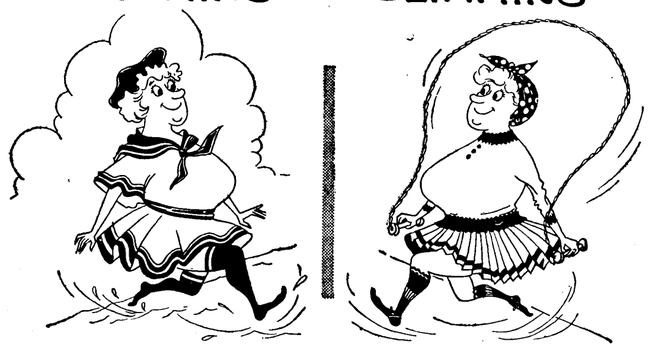

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TIMBER TRADE GOES TO THE RESCUE OF BOMBAY BURMAH

TEA SECTION REPORTS LOWER PROFIT

THE trading results of the Bombay Burmah Trading Corporation Ltd. (Secretaries, Treasurers and Managers: Messrs. Wallace & Co., Bombay), for the year ended 31st May 1956, have stolen a march over those for the previous year, which was considered to be the most prosperous one in the history of the Company. The Company's earnings for the year under review have registered a commendable rise over those for the preceding year, which was in itself a record, to create a fresh record. The aggregate trading profit from its various branches of business amounts to Rs. 151.81 lakhs, an increase of Rs. 27.65 lakhs over Rs. 124.16 lakhs earned in 1954-55. The year under review is the third one in succession when the Company's profit has recorded a substantial increase, having risen from Rs. 53.38 lakhs earned in 1952-53. To put it in another way, the aggregate trading profit has gone up by Rs. 98.43 lakhs or 184.4 per cent. in so short a period as three years.

The net profit amounts to Rs. 49.10 lakhs having advanced from Rs. 43.93 lakhs for 1954-55 and Rs. 17.91 lakhs for 1953-54. In conformity with such gratifying results, the Directors have revised the dividend on the Company's shares by a modest rise of 2 per cent., that is, to 32 per cent. from 30 per cent. for the previous year. This makes a striking comparison with only 16 per cent. for 1953-54 and 12 per cent. for 1952-53. It may be remembered that, by raising the dividend to 30 per cent. in the previous year, the Directors had restored it to that paid for 1950-51. It follows, therefore, that the year's dividend is a further step on the steady upward trend in the level of distribution.

Results Compared

The following comparative table brings out the salient features of the Company's working results for the past four years:

(In lakhs of rupees)

—	For the year ended 31st May			
	1956	1955	1954	1953
Trading profit on—				
Timber	96.84	43.75	39.09	21.25
South Indian plantations ..	44.59	68.02	45.69	23.77
Namhsan Tea Factory ..	6.81	7.08	6.99	7.63
Sundries	3.57	4.41	0.56	0.53
Total trading profit	151.81	124.16	92.53	53.38
Other income	14.22	11.11	9.57	14.43
Establishment and other expenses	15.42	22.23	38.40	26.37
Secretaries' commission ..	24.66	20.30	16.84	11.34
Depreciation	28.45	26.39	18.92	12.99
Taxation	48.40	22.42	9.82	6.70
Net profit	49.10	43.93	17.91	10.40
Reserves	8.58	5.00	..	..
Dividend	30.24 (32%)	28.35 (30%)	15.12 (16%)	11.34 (12%)
Preferential dividend ..	10.50	10.53	2.86	..
Carry forward	0.39	0.62	0.57	0.63

It will be seen from the table that the trading results for each of the sections have not maintained the uniform all-round progress witnessed a year ago. The timber section has more than doubled its earnings, whereas all other sections have staged a decline. In fact, it is the excellent trading profit on the timber side that has not only offset the shortcomings of the other sections, but has also helped to create the fresh record in total trading profit. It will thus be noted that, unlike in the previous three years, the share of tea to the profits of the Company for 1955-56 is much less than that of timber. This important point must be borne in mind by those who have come to regard the Company more as a plantation venture and are, therefore, likely to form an impression of the fortunes of the plantation industry on the basis of the Company's profits.

Fresh Forest Leases

The Directors, in their report, state that forest work in Thailand ceased during the year and the remaining activities in the upcountry were confined to rafting stocks of log to Bangkok. The saw-mill continued working till 31st May 1956, after which it was closed. Sales of logs and sawn timber were well maintained. Negotiations for fresh forest leases were continued. As a result, an understanding has been reached, under which certain very limited forest areas will be offered to a proposed joint organisation to be formed between the Government-owned Forest Industry Organisation and five former lessees of which the Company is one. The Company's share in the total is 26 per cent. An agreement was entered into with an American collaborator for the formation of a joint company for the manufacture of high-grade tapioca starch in Thailand. The capital of the Company is Tcs. 1 million which has been subscribed in equal proportion by the two partners. Work on the erection of the factory and organisation of supplies of roots had made good progress by the end of the financial year. Production and purchases of hardwood logs at Wallace Bay in Borneo reached a total of 65,750 tons, as against 50,487 tons in 1954-55. The power house was brought into use during the year. Progress was also made in the erection of the saw-mill.

South Indian Plantations

The trading profit on South Indian plantation account, at Rs. 44.59 lakhs, falls very much below the record profit of Rs. 68.02 lakhs earned in the previous year. This has happened in spite of a bumper crop for the year under review. The States produced a record crop of 5,940,276 lbs. as against 4,876,500 lbs. in 1954-55. On account of the large crop, the unit cost per lb. of made tea fell to 18.78 annas, as compared with 20.21 annas per lb. in the previous year. At the same time, the average gross return fell by a greater extent, from as much as 41.48 annas per lb. in 1954-55 to as low as 34.24 annas per lb. in the year under review. Production of the coffee estates in Coorg amounted to 9,086 cwts., as against 7,919 cwts. in 1954-55, with satisfactory results. The closing stocks have been valued at Rs. 2-4 per point.

The Namhsan tea factory in Burma did not produce quite satisfactory results, due to adverse weather conditions in the monsoon of 1955. The output of made tea dropped to 803,763 lbs. from 914,967 lbs. in the previous year. Sales totalled 902,147 lbs. at an average price of K3.18 as against K3.41 in the preceding year. Costs stood higher at K2.54, as against K2.41 per lb. The Directors state that continued delay by the Government of Burma in the issue of sanction for remittance of past profits is a source of anxiety.

Receipts from sundry trading in Burma also stands at a lower ebb. A small number of duty-paid teak logs were salvaged and sold. In the sundries trading, receipts from the repair of small craft at the dockyard increased, but these were offset by rising costs. Other receipts also diminished, as a result mainly of controls on imports. A beginning was made with the sale of Caltex lubricating oils and greases. The erection of a plant for the manufacture of concrete pipes and similar products was completed towards the end of the year and initial production started.

The Company has procured a total of some 3,000 acres of land in the South Usambaras in Tanganyika and planting of tea has started.

The record trading profit of Rs. 151.81 lakhs has been reinforced by other income amounting to Rs. 14.22 lakhs. While this is in itself encouraging, another happy feature is that establishment and other expenses have declined from Rs. 22.23 lakhs to Rs. 15.42 lakhs.

Strong Finances

A strong financial position is disclosed by the Company's balance-sheet as at 31st May 1956. The reserves and surplus at the end of May last aggregate Rs. 435.17 lakhs, as against a paid-up capital of Rs. 94.50 lakhs. Forfeited shares stand at Rs. 83,000. The provision for taxation appears at Rs. 36.48 lakhs and current liabilities aggregate Rs. 219.31 lakhs. The gross block of the value of Rs. 398.85 lakhs has been written down to Rs. 226.92 lakhs. Additions to block account during the year were of the order of Rs. 67.56 lakhs. These are exclusive of buildings and machinery, etc., under erection shown at Rs. 34.38 lakhs. Investments in shares of subsidiary companies, other companies, Government securities and debentures, together with interest accrued, appear at Rs. 114.27 lakhs. Of these, the holdings in Government securities amount to Rs. 28.93 lakhs and those in debentures to Rs. 38.52 lakhs. It may be noted here that all the investments in debentures are only in those of oil refining companies, an investment considered as first class. The current assets aggregating Rs. 410.72 lakhs include, among other things, stores at cost Rs. 43.56 lakhs, stock-in-trade of timber, tea, coffee and sundry trading stock Rs. 64.54 lakhs, sundry debtors Rs. 58.60 lakhs, loans and advances Rs. 89.85 lakhs and cash and bank balances Rs. 153.51 lakhs. The current assets cover the current liabilities, as well as the provision for taxation, by a substantial margin of Rs. 154.93 lakhs.

The Rs. 125 fully paid-up shares of the Company are being currently quoted at Rs. 733-12 *cum-div.* On an *ex-div.* basis, the shares offer a yield of 5.67 per cent. per annum, free of tax.

As readers are already aware, a scheme for converting the preference-dividend ranking founder shares has been approved by the shareholders and is now awaiting the sanction of the High Court, Controller of Capital Issues and the Reserve Bank. If this scheme goes through, as is expected, a sum of Rs. 6,50,467 will be available for distribution to shareholders at a subsequent date by way of special dividend.

INSTITUTE OF COMPANY SECRETARIES INAUGURATED

Realising that there is a serious dearth of qualified company secretaries both in the management of joint-stock enterprises and in the Government administration, the Central Government has sponsored an Institute of Company Secretaries which was inaugurated at Calcutta a few days ago by the Chief Minister, Dr. B. C. Roy. The Institute seeks to set up a professional body of secretaries whose services have become indispensable in the management of joint-stock concerns as well as in the various administrative departments of the Government.

Inaugurating the Institute, Dr. Roy stressed the importance of the Institute to the country and said that the aim of the Institute should be broad enough to embrace the needs of different organisations, besides that of the joint-stock enterprises. According to him, the Government, which was one of the biggest "joint-stock enterprises" of the day, was equally in great shortage of trained administrative personnel.

Proceeding, the Chief Minister stated that, while the main course of study should be broad enough to meet the requirements of different types of organisations, there should also be provision for shorter training courses to provide training for particular type of organisations. Such short courses should be as varied as possible, because specialised training was essential for handling the special complications of different categories of organisations. In the selection of personnel, again, preference should be given to those who had already undergone a period of apprenticeship in different organisations for secretarial work. This would call for the co-operation of industrialists in recruiting young men for their organisation and in providing them training. This had a twofold advantage, in that, while ensuring better selection of personnel, this would remove the possibility of wastage of trained personnel of the Institute, as they would be assured of their work after the successful completion of the training. The Institute should also provide for training in different languages on account of the fact that different organisations kept their accounts in different languages. The Chief Minister also stressed the need for introducing post-graduate courses because, he said, the competency in any profession could not be fully acquired without undergoing a post-graduate course for that profession.

The new Company Law has imposed heavy responsibilities on company management and, without adequate assistance from expert secretaries, it will be difficult for them to discharge satisfactorily their obligations. The Government of India, also, had recognised at the time the new Act was enacted, that the services of a competent secretary in every company organisation would greatly help in implementing the spirit and substance of the Companies Act. The existing organisation of secretarial profession in India is hardly adequate to meet the requirements of the situation. Company secretaries are badly required and the time has come when the country should no longer depend upon outside professional bodies to supply such personnel. The Institute will be, as is only to be expected, a non-profit-making one. It has on its first Council of Management representatives of the Federation of Indian Chambers of Commerce and Industry, the Associated Chambers of Commerce, Government and experienced company secretaries. The Institute requires the support and co-operation from all sectors of public life, so that adequate facilities for practical training of the future entrants to the profession can be given.

The dearth of such trained personnel, as Dr. Roy rightly pointed out, will open up bright prospects for the graduates of the Institute and even the Government would like to give preference to such trained secretaries in the cadre of All-India Administrative Service and State Services.

INDIAN IRON AND STEEL

The Indian Iron and Steel Company, Ltd., has, at a meeting of the Board of Directors of the Company held on 28th January, decided that, in accordance with the resolution passed at the extra-ordinary general meeting of the Company on 1st December 1956, the rights offer of 5,183,708 new ordinary shares of Rs. 10 each at a premium of Rs. 3-8 per share be made to those persons who are registered as ordinary shareholders in the Company's register of members on 11th March 1957, in the proportion of one new ordinary share for every ordinary share held by each such person on the said date. The entire amount of Rs. 13-8 per share will have to be paid in one instalment on or before 31st March 1957.

For the purpose of this offer, the ordinary share register of the Company will remain closed from 21st February 1957 to 11th March 1957, both days inclusive.

N.I.C.C. REACHES NEW HIGH IN PROFIT

DIVIDEND LEVEL RAISED

THE maxim "quality pays" applies more forcefully to business than to any other walk of life. Indeed, if we go a step further, a more accurate dictum would be "quality pays, but only in the long run." Never has this dictum been more illustrative and convincing than in the case of the National Insulated Cable Company of India Ltd. (Managing Agents: Messrs. Associated Industrial Development Co. Private Ltd., Calcutta), as disclosed by its results for the year ended 31st March 1956. A comparative study of the Company's working for the past three years reveals that, for the year 1952-53, the Company earned a handsome gross profit of Rs. 43.71 lakhs. In the following year, on account of keen competition from new-comers in the field of cable industry and also due to the fact that the Company's products had not become so popular, its earnings received rather a rude setback. Consequently, the gross profit for that year fell by Rs. 25.53 lakhs to a low of Rs. 18.18 lakhs. In spite of this depressing trend, the Company stuck to its wise policy of manufacturing only quality goods, even though that might have meant a lower margin of profit in the initial stages. And it was rewarded. The next year, the gross profit more than doubled to Rs. 37.18 lakhs, and for the year under review, it reached a record figure of Rs. 67.92 lakhs.

The net profit, too, after paying a higher amount for Managing Agents' commission and more than twice the amount for taxation, stands at Rs. 30.92 lakhs, as against Rs. 17.02 lakhs in the previous year and Rs. 7.08 lakhs for 1953-54. In consonance with these encouraging results, the dividend to the ordinary shareholders has also been increased from 15 per cent. for the previous year to 20 per cent. for the year under review. It may be remembered that, for the years 1952-53 and 1953-54, the Company paid a dividend of 10 per cent., that is, Re. 1 per share. In the succeeding year, consequent on the good results, it stepped up its dividend to 15 per cent. composed of a dividend of 10 per cent. and a cash bonus of 5 per cent. The dividend for the year under review at 20 per cent. is shared by a dividend of 15 per cent. and a cash bonus of 5 per cent.

It is noteworthy that the year's enhanced dividend is on a higher ordinary capital of Rs. 40 lakhs. The entire preference share capital of the Company of the face value of Rs. 10 lakhs was redeemed on 31st March 1955 at a premium of Rs. 15 per share. After the closing of the financial year on 31st March 1955, at an extraordinary general meeting of the Company, the authorised capital was increased to Rs. 75 lakhs by the creation of a further 250,000 ordinary shares of Rs. 10 each. Having obtained the necessary consent from the Central Government, 200,000 ordinary shares of Rs. 10 each were offered to the existing shareholders.

In proportion to the rise in profits, reserves also have been strengthened. The year's allocation on this account at Rs. 23.70 lakhs is a distinct improvement on the previous year's contribution at Rs. 11.49 lakhs. A break-down of the total shows that the general reserve has received Rs. 12.50 lakhs, dividend equalisation fund Rs. 5 lakhs and reserve for expansion of schemes in hand Rs. 6 lakhs. The previous year's allocations were general reserve Rs. 8.99 lakhs and dividend equalisation fund Rs. 2.50 lakhs.

The following table will enable the reader to make a comparative study of the Company's working during the past four years:

(In lakhs of rupees)

—	For the year ended 31st March			
	1956	1955	1954	1953
Sales	277.31	N.A.	N.A.	N.A.
Other income	0.10	0.29	0.62	0.27
Closing stock	41.16	N.A.	N.A.	N.A.
Manufacturing expenses ..	198.24	N.A.	N.A.	N.A.
Establishment and other expenses	19.99	16.81	14.26	13.72
Gross profit	67.92	37.18	18.18	43.71
Managing Agents' commission ..	6.93	4.81	4.25	5.72
Depreciation	2.07	2.10	1.85	6.58
Taxation	28.00	13.25	5.00	15.00
Net profit	30.92	17.02	7.08	16.41
Transfer to—				
Reserves	23.70	11.49	3.50	13.25
Premium on redemption of preference shares	..	1.50	..	..
Dividend—				
Ordinary	8.00* (D. 15% + B. 5%)	3.00 (D.10% + B. 5%)	2.00 (10%)	2.00 (10%)
5½ per cent. Preference ..	..	0.55	0.55	0.55
Carry forward	1.44	2.22	1.76	0.72

N.A.—Not available.
* On a higher capital of Rs. 40 lakhs, raised by the issue of an additional 2 lakhs ordinary shares of Rs. 10 each.

While no data about the Company's sale proceeds for the past three years is available,

(*Continued on page* 285)

Points From The Chair

Classical Bank Rate Theory

"IN considering the value of the classical Bank Rate theory, and its effectiveness under present-day conditions, either in combating inflation, or restoring confidence abroad in our economy, and thus attracting foreign deposits—a problem to which I referred in my statements to you both in 1954 and 1955—it must not be forgotten that, in the year 1957, the Government has to meet maturing liabilities on previous bond issues of about £900 million and, if the present policy is continued, the cost of this conversion must make a considerable addition to the heavy burden which is already carried by the British taxpayer in respect of interest on the National Debt. And I must remind you that overseas holdings of sterling balances are to a very considerable extent invested in Treasury Bills. It has been stated that, mainly as a result of the increase in short-term rates in the United Kingdom, disbursements made on account of dividends, interest and profits transfers have risen to the extent of about £100 million per annum since the end of 1951, a great handicap surely to our efforts to establish a satisfactory surplus in our external account. Hence it may be argued that a high Bank rate does, in fact, in some degree, have an opposite effect to that which is generally regarded as part of its object. One thing is, I think clear, namely, that it is in the best interests of the Government and of the British taxpayer that every possible effort should be made by all concerned to reduce short-term interest rates without undue delay. Whether this policy, if adopted, can be made effective depends not only on drastic economy in Government expenditure, but on national and international confidence in the £ sterling."

SIR ERIC GORE BROWNE,
Alexanders Discount Co., Ltd.

The Pound Sterling

"We must not forget, however, that the reserves are those of the whole sterling area and that there have been heavy drawings by some of its members. In particular, India has reduced her balances in 1956 by £150 million or by the whole amount it was expected she would use during the period of the second Five-year Plan. In addition to this, the very fact that it was felt to be necessary to counter the seizure of the Suez canal by a blocking of Egyptian balances here was bound to create some degree of nervousness since sterling is so generally used as the leading currency in international trade, and the deficits in the following months have arisen more from a reluctance to hold sterling than from an inherently unsound trading position here. The effects of these special and temporary strains on the reserves can only be mitigated in the long run by a sound trading position throughout the whole sterling area and, in the short run, by the sort of measures the Government has taken to show its determination to defend the pound sterling."

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

Production of Sugar

"The year 1955-56 was, on the whole, a favourable one for the sugar industry, free from any crisis of the nature to which it had been accustomed in the past. Sugar production reached an all-time record of 18.6 lakh tons, as compared to 15.9 lakh tons in the year 1954-55 and 10 lakh tons in the year before that. Consumption too has risen to 19 lakh tons and promises to go up higher. This is as it should be, if we bear in mind that, in order to meet this growing demand, the target of sugar production in the second Five-year Plan is put at 22.5 lakh tons. To achieve this production, the installed capacity of the industry is being raised to 25 lakh tons by the licensing of a number of new units and the expansion of several existing ones. The major part of the expansion programme is confined to the Deccan and South India which enjoy natural advantages for the development of the industry. This should go a long way to meet the temporary shortages that frequently occur in the South, which is at present deficit in sugar. If all the factories licensed come up, and when the anticipated benefits from the various development schemes begin to materialise, it may not be surprising if the actual production goes far above the target, creating new problems for the industry. Even at the present moment, an important problem that is facing the industry, is the large surplus stock which it is burdened with. Fortunately, the present is an opportune time for exporting Indian sugar to neighbouring foreign countries and it is a matter for gratification that the Government of India have acted quickly in releasing an initial quota of 50,000 tons of sugar for export through the Indian Sugar Mills' Association. This timely gesture of the Government will not only afford some relief to the industry but will also bring in valuable foreign exchange which the country is in dire need of at present time. It is to be hoped that this experiment will prove a success, thus paving the way for larger exports in the years to come."

S. MUNINANJAPPA,
Mysore Sugar Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

BIRDS INVESTMENTS LTD. Annual General Meeting, Calcutta, 15th February 1957. Dividend: Re. 1 per share. Transfer books remain closed from 1st to 15th February 1957, both days inclusive.

ANDHRA SUGARS LTD. Annual General Meeting, Tanuku, Andhra Pradesh, 15th February 1957. Dividend: Re. 1 per share. Transfer books remain closed from 1st to 15th February 1957, both days inclusive.

SAMASTIPUR CENTRAL SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 16th February 1957. Dividend: *Nil*. Transfer books remain closed from 9th to 16th February 1957, both days inclusive.

MYSORE KIRLOSKAR LTD. Annual General Meeting, Harihar, 18th February 1957. Dividend: 6 per cent. payable on 1st March 1957. Transfer books will remain closed from 11th to 25th February 1957, both days inclusive.

BALRAMPUR SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 20th February 1957. Dividend: *Nil*. Transfer books will remain closed from 11th to 20th February 1957, both days inclusive

CAMPERDOWN PRESSING CO., LTD. Annual General Meeting, Calcutta, 20th February 1957. Transfer books will remain closed from 11th to 20th February, 1957, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Annual General Meeting, Bombay, 25th February 1957. Final dividend of Rs. 28-12 per share on fully paid-up shares of Rs. 125 each and Rs. 11-8 per share on partly paid-up shares of Rs. 50 each, payable on 4th March 1957. Transfer books remain closed from 9th February to 2nd March 1957, both days inclusive.

STANDARD COAL CO., LTD. Annual General Meeting, Calcutta, 27th February 1957. Dividend: As. 8 per share. Transfer books will remain closed from 13th to 27th February 1957, both days inclusive.

CHAMPARUN SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 1st March 1957. Dividend: Re. 1 per share. Transfer books will remain closed from 14th February to 1st March 1957, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Final dividend of Rs. 4 per share (making Rs. 6-8 for the year), for the year ended 30th September, 1956. Transfer books will remain closed from 22nd February to 18th March 1957, both days inclusive.

MADURA MILLS CO., LTD. Dividend of Rs. 2-10 (17½ per cent.) per share, free of tax, for the year ended 31st December 1956.

K.C.P. LTD. Interim dividend of Rs. 7-8 per ordinary share and Rs. 10 per deferred share, for the year ended 30th June 1956. Transfer books will remain closed from 16th to 25th February 1957, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Interim dividend of Re. 1 per ordinary share, for the year ended 31st December 1956. Transfer books will remain closed from 14th to 20th February 1957 both days inclusive.

INDIAN COPPER CORPORATION LTD. Interim dividend of 1.6d. (6⅔ per cent.) per unit of stock, payable on 15th April 1957. Transfer books will remain closed from 23rd February to 2nd March 1957, both days inclusive.

COMPANY REGISTRATIONS

LAXMI ASBESTOS PRODUCTS LTD. (First Director: Mr. Gokulchand Bangur.) Business: Manufacture of asbestos products. Authorised capital: Rs. 2,00,00,000. Public company. Address: "Shriniwas House," Waudby Road, Bombay, 1.

BARODA INDUSTRIAL DEVELOPMENT CORPORATION PRIVATE LTD. (First Director: Mr. Ramanbhai B. Amin.) Business: Promotion and development of small-scale industries. Authorised capital: Rs. 10,00,000. Private company. Address. Rameshchandra Dutta Road, Racecourse, Baroda.

D. M. G. (BOMBAY) PRIVATE LTD. (First Director: Mr. Balkrishna Mehta.) Business: Manufacture of art silk, synthetic fibre, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 28, Apollo Street, Bombay.

THE MODEL PROCESSING CO. PRIVATE LTD. (First Director: Mr. Rajendra J. Desai.) Business: Silk spinning, weaving, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Registered office of the Company will be situated in the State of Bombay.

The Directors of the Midland Rubber and Produce Company, Ltd., have decided to drop the question of the sale of Mukampala group of estates. This, the Directors state, is in view of the "thoroughly altered circumstances now obtaining, as compared with what they were at the time the proposition was originally entertained."

ANDHRA SUGARS EARN HANDSOME PROFIT

CHAMPARUN SUGAR CUTS DIVIDEND

Andhra Sugars Ltd.

THE directors of the above Company (Managing Agents: Messrs. Rangarao and Co., Tanuku, Andhra) submit the audited accounts of the Company for the year ended 30th September 1956.

The accounts show that a profit of Rs. 13,59,518 (Rs. 2,64,760) has been made for the year 1955-56 after providing one-sixth of the basic earnings of the year 1955-56, subject to a minimum of Rs. 40 as bonus; to which sum is to be added the amount brought forward from 1954-55 of Rs. 1,43,760 (debit of Rs. 1,22,240) making a total of Rs. 15,03,278 (Rs. 1,42,520). After deducting appropriations out of the profit of 1954-55 the dividend for 1954-55 on ordinary shares at 6 per cent. Rs. 1,39,411, there is a balance of Rs. 13,63,867. Out of this the directors recommend the payment of a dividend at Re. 1 (As. 9-3/5) per share, i.e., 10 (6) per cent. for 1955-56 Rs. 3,00,000. Donations and charities expended in the year 1955-56 amounted to Rs. 600, extra amounts paid on purchase of cane during 1952-53 absorbed Rs. 67,068, brokerage paid on shares Rs. 5,362, amount transferred to general reserve Rs. 5,00,000 and amount transferred to dividend equalisation reserve Rs. 3,00,000 leaving a balance to be carried to the next year's account of Rs. 1,90,837 (Rs. 1,43,760).

During the year under report, the Company's sugar factory commenced crushing on 20th November 1955 and closed on 22nd April 1956 during which period 86,488.7 (53,934.22) tons of sugarcane was crushed and 9,374.97 (5,917.15) tons of sugar was produced. The recovery of sugar for the season was 10.84 as against 10.97 for the previous season. As mentioned in the last report, the directors are now glad to inform that the machinery for the expansion programme ordered with the manufacturers in West Germany has almost been received and installed in time. The sugar factory commenced production on 12th December 1956 for the 1956-57 season.

During the year, the directors acquired for the company shares in The Andhra Pradesh State Finance Corporation, 200 fully paid up shares of Rs. 100 each, of the total value of Rs. 20,000 and on the same, a sum of Rs. 175 has also been received as dividend.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	33,44,076
Reserves ...	8,00,000	Capital expenditure in-progress ...	6,99,233
Liabilities ...	39,49,077	Stock-in-trade ...	18,43,502
Profit and loss account ...	1,90,837	Stores and spare parts	6,66,072
		Other assets	4,666
		Debts, deposits and advances ...	12,73,883
		Investments	75,825
		Cash ...	32,657
Rs.	79,39,914	Rs.	79,39,914

Champarun Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland and Co., Ltd., Kanpur U.P., Kanpur) submit the audited accounts of the Company for the year ended 30th June 1956.

The accounts and balance sheet are presented in the new form required by the Companies Act, 1956. The results for the year, after making the usual provisions, charging depreciation, and adjustments, show a profit of Rs. 5,50,484 (Rs. 6,84,690). To this has been added the carry forward from the previous year of Rs. 24,019 (Rs. 24,329) making a total of Rs. 5,74,503 (Rs. 7,09,019). The directors have placed to contingencies reserve for stock realisation Rs. 1,10,000 (Rs. 65,000 for contingency reserve and to rehabilitation reserve Rs. 2,55,000 (Rs. 3,50,000) leaving at credit of profit and loss account Rs. 2,09,503 (Rs. 2,94,019). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend of Re. 1 (Re. 1-8) per share, free of income-tax, for the year ended 30th June 1956 Rs. 1,80,000 (Rs. 2,70,000) and to carry forward to next account Rs. 29,503 (Rs. 24,019).

The quantity of cane crushed at the Barrah Factory has improved considerably over previous years and was indeed the highest crush ever taken off at this factory during the last 20 years. The crop taken off at the Chanpatia Factory was disappointing both in quantity and in quality. Barrah Factory crushed 35,52,767 (24,62,683) maunds of cane with an extraction of 9.54 (10.16) per cent. while Chanpatia Factory crushed 20,69,019 (19,21,055) maunds of cane with an extraction of 9.89 (10.77) per cent.

Barrah Factory commenced crushing operations on the 24th November 1955 and completed the season on the 5th May 1956 while Chanpatia Factory commenced crushing on the 12th December 1955 and completed the season on the 6th April 1956.

The cane price remained at the high rate of Re. 1-7 per maund at the Factory gate and Re. 1-5 per maund at outstations, and these relatively high prices encouraged farmers to grow more cane. This was a general experience throughout the Sugar Industry with the result that the sugar production in the country rose to an all-time record of 18 5 lakh tons. The result of this high production of sugar in India tended to reduce the market prices for sugar, particularly in Bihar and U.P. where factories have to compete with sugar factories nearer the port towns. This disadvantage, aggravated by a shortage of railway wagons on the N. E. Railway in the early part of the selling season, also tended to depress prices. The stocks of sugar remaining unsold on the 30th June were considerable, particularly stocks of sugar which had been sold but could not be delivered due to the shortage of railway wagons. Since the 30th June, sugar prices have fallen considerably and on that account the directors have considered it prudent to create a contingency reserve.

The efficiency of both factories has continued at a high level and in particular the capital expenditure in Barrah Factory now shows an increase in the efficiency of Factory operations, Rehabilitation reserve has been utilised to the extent of Rs. 1,75,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,10,000	Block ...	26,46,921
Reserves ...	37,62,380	Stock-in-trade ...	1,07,87,246
Provision for taxation ...	2,38,990	Stores and spare parts	11,46,279
Liabilities ...	1,14,49,298	Loose tools	1,10,498
Profit and loss account ...	29,503	Goods-in-transit ...	35,151
		Debts, deposits and advances ...	25,21,633
		Investments	36,600
		Cash ...	2,05,843
Rs.	1,74,90,171	Rs.	1,74,90,171

Deccan Sugar and Abkhari Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Parry and Co., Ltd., Madras) submitted the audited accounts of the Company for the year ended 31st May 1956.

The balance sheet and profit and loss account have been drawn up in conformity with the requirements of the Companies Act 1956 and the comparative figures for the previous period have been adjusted accordingly. The net profit for the year before providing for taxation was Rs. 21,08,865 (Rs. 15,45,554) upon which taxation [including the sum of Rs. 2,30,000 (Rs. 5,40,000) transferred to taxation equalisation reserve] amounts to Rs. 9,55,211 (Rs. 5,40,211) leaving a net profit, after taxation, of Rs. 11,53,654 (Rs. 6,99,032). To this was added the surplus brought forward from last year amounting to Rs. 1,12,386 (Rs. 21,554) making the profit available for appropriation Rs. 12,66,040 (Rs. 7,20,586). The directors have transferred to capital reserve Rs. 45,000 (Rs. 20,000), general reserve Rs. 5,00,000 (Rs. 3,40,000), and to dividend equalisation reserve Rs. 2,50,000 (*nil*). Dividends, free of income-tax, for the year on preference share capital at 7 (7) per cent. absorbed Rs. 49,000 (Rs. 49,000). Interim dividend at 5 (5) per cent. on ordinary shares absorbed Rs. 99,600 (Rs. 99,600) and final dividend at 10 (5) per cent. absorbed Rs. 1,99,200 (Rs. 99,600) leaving a surplus to be carried forward to next year of Rs. 1,23,240 Rs. 1,12,386).

Review of operations:—The year under review has again brought about a very substantial increase in the profit of the Company. The purchase price of cane for the year was the same as that ruling during the previous year and cultivation of cane continued to be remunerative to the growers with the result that the requirements of both the Company's Factories were fully met.

The Government of India continued to release sugar stocks from factories in such a way as to keep markets fully supplied without overstocking, and so selling prices were maintained at a reasonable level. Distribution of sugar from the Company's Samalkot Factory was again hampered by bottlenecks on the Waltair-Madras section of the railway.

Samalkot:—Crushing for 1955-56 season started on the 19th November 1955 and closed on the 8th May 1956 after crushing 1,03,088 tons of cane with a production of 9,778 tons of sugar, the recovery being 9.485 per cent. Both the quantity of cane crushed and the sugar produced during this season constituted a record for this factory. The quality of cane was good due to improvements in the application of fertilisers and to the availability of adequate irrigation facilities throughout the year; this is reflected in the substantial increase in the recovery rate from last year's level of 8.99 per cent.

Pugalur:—Crushing for the 1955 special season commenced on the 1st August 1955 and ended on the 12th October 1955; 59,320 (86,306) tons of cane were crushed and 5,762 (7,881) tons of sugar were produced, giving a recovery of 9.7 (8.99) per cent. The 1955-56 main season started on the 24th November 1955 and continued until the 5th May 1956; during this period 1,27,696 tons of cane were crushed and 12,970 tons of sugar produced at a recovery of 10.16 per cent. The recovery rate for the main season has shown a deterioration from the previous year's level of 10.52 per cent. due to climatic conditions and to the incidence of diseases in cane. The elimination of these diseases is receiving the constant attention of the Board.

The total production of the Company's factories during the year under review was 28.510 (21,600) tons of sugar; this represents an increase of some 30 per cent. over the production in the previous year, which was in itself the highest in the history of the Company.

Reserves:—On the 31st May 1956 the capital and revenue reserves of the Company, excluding the taxation equalisation reserve, aggregated Rs. 26,71,740. The directors have appropriated to general reserve out of the profits of the year under review the sum of Rs. 5,00,000; this has been done in order to provide in part for the cost of the habilitation of the Company's plant and machinery, for the purpose of certain expansion for which Government permission is being sought, and for the purpose of conserving funds for the repayment of the loan on mortgage from the Industrial Finance Corporation of India, the first instalment of which is due on the 1st December 1956.

Financial Position:—The liquid position of the Company has improved substantially during the year, the excess of current assets over current liabilities and provisions being Rs. 19.87 lakhs as compared with Rs. 8.33 lakhs at the end of the preceding financial year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,92,000	Block ...	54,58,998
Reserves ...	25,48,500	Buildings, machinery, etc., under erection ...	43,658
Taxation equalisation reserve	10,60,000	Stocks and stores ...	1,08,79,404
Provision for taxation ...	7,25,000	Debts, deposits and advances ...	12,90,659
Liabilities ...	1,12,93,291	Investments	1,33,640
Profit and loss account ...	1,23,240	Cash ...	6,35,672
Rs.	1,84,42,031	Rs.	1,84,42,031

Clive Mills Co., Ltd.

The directors of the above Company (Managing Agents: Shree Krishna Investment Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1956.

The result of the year's working was a profit of Rs. 5,33,170 (Rs. 19,51,134). Reserve for income-tax and super-tax absorbed Rs. 3,00,000 (Rs. 13,70,000) and depreciation Rs. 90,377 (Rs. 1,28,495) leaving a balance of Rs. 1,42,793 (Rs. 4,52,639). With the credit balance brought forward from last year of Rs. 1,07,142 (Rs. 9,753) there was a total of Rs. 2,49,935 (Rs. 4,62,392).

From this amount the directors paid preference dividend at 7 per cent. absorbing Rs. 56,000 (Rs. 56,000), preference dividend at 6 per cent. absorbing Rs. 48,000 (Rs. 48,000) dividend on ordinary shares at As. 8 per share Rs. 1,20,000 (Re. 1-4 per ordinary share absorbing Rs. 2,00,000 and dividend of As. 10 ps. 3 on bonus shares absorbing Rs. 51,250) and carried forward to next year Rs. 25,935 (Rs. 1,07,142).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	13,91,998
Reserves ...	9,00,000	Stock-in-trade ...	51,31,530
Provision for taxation ...	17,66,746	Stock and spare parts	6,01,629
Liabilities ...	30,46,548	Debts, deposits and advances ...	24,85,986
Profit and loss account ...	25,935	Investments	58,348
		Cash ...	69,738
Rs.	97,39,229	Rs.	97,39,229

Ghusick and Muslia Collieries Ltd.

The directors of the above Company (Managing Agents: Messrs. Bhatter's Agency Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1955.

Coal raisings, despatches and consumptions were as follows:—

	During the year under review		During the previous year ended 31-3-54	
	Tons	*Cwts.*	*Tons*	*Cwts.*
Raisings ...	1,38,836	1	1,51,944	10
Despatches ...	1,34,583	15	1,48,081	6
Colliery consumption ...	7,068	0	9,525	11

Capital Expenditure:—During the year under review 815 Bighas of virgin coal bearing land were purchased at a cost of over Rs. 2 lakhs and coal cutting machine and Haulage and other equipments at a cost of about Rs. 89,000 were added to the collieries.

After providing for all expenses including Rs. 59,300 (Rs. 50,000) for depreciation and also Rs. 56,011 (Rs. 15,000 for taxation) for sales-tax liabilities and rates and taxes liabilities of previous years in respect of which appeals have been pending and also income-tax and transferring a sum of Rs. 75,000 (*nil*) from the reserve fund, the available profit was Rs. 73,353 (Rs. 74,253) which was disposed of as below:—

Dividend on 5 per cent. redeemable preference shares for the year Rs. 25,000 (Rs. 12,980) and dividend on 1,00,000 ordinary shares at As. 4 (As. 3) per share, i.e., at 2½ (5) per cent. Rs. 25,000 (Rs. 50,000) and carry forward Rs. 23,353 (Rs. 11,273).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	9,52,587
Reserves ...	1,40,999	Buildings incomplete ...	36,468
Provision for taxation ...	1,47,421	Stocks ...	4,07,154
Liabilities ...	12,02,040	Stores ...	4,23,345
Profit and loss account ...	73,353	Debts, deposits and advances ...	9,34,170
		Investments	3,00,000
		Cash	10,089
Rs.	30,63,813	Rs.	30,63,813

Tyroon Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 8,66,864 (Rs. 16,43,214) to which was added the profit on sale of assets Rs. 8.078 (Rs. 3,408) and balance of profit brought forward from 1954 of Rs. 9,014 (Rs. 31,146) Rs. 8,83,956 (Rs. 9,21,014 including Rs. 11,058 being adjustment). Provision for taxation absorbed Rs. 2,96,200 (Rs. 6,28,876), adjustment account Rs. 2,11,084 (*nil*), obsolete stores written off Rs. 216 (*nil*), loss on farming Rs. 10,224 (Rs. 12,489) and depreciation on fixed assets Rs. 1,11,891 (Rs. 1,26,447) leaving a balance of Rs. 2,54,341 (Rs. 9,21,014). From this amount, the directors paid a dividend at the rate of 30 (60) per cent. for the year ended 31st December 1955, on 52,000 ordinary shares of Rs. 10 each, absorbing Rs. 1,56,000 (Rs. 3,12,000) leaving to be carried forward Rs. 98,341 Rs. 9,014 after transferring Rs. 3,50,000 to general reserve and Rs. 2,50,000 to building and machinery reserve.

Crop.—The saleable crop weighed out at 15,693 (14,597) maunds against an estimate of 15,000 maunds, and was disposed of at an average price of As. 38.22 (As. 50.47) per lb.

Estimate 1956.—The estimate for season 1956 provides for a saleable crop of 16,000 maunds at a total revenue expenditure of Rs. 20,42,175.

The results may be regarded as satisfactory, considering the general recession in tea prices during the period under review.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,26,000	Block ...	14,15,857
Reserves ...	16,00,250	Stock of tea	12,98,917
Provision for taxation ...	9,25 262	Stores ...	2,37,211
Liabilities ...	11,48,956	Other assets ...	26,180
Profit and loss account ...	98,341	Debts and advances ...	1,37,354
		Investments	1,107
		Cash ...	11,76,183
Rs.	42,92,809	Rs.	42,92,809

South Behar Sugar Mills Ltd.

The directors of the above Company [Chairman: Mr. Chandradeva Prakash Sinha, Bihta (Patna)] submit the audited accounts of the Company for the year ended 31st October 1955.

The year's working shows a loss of Rs. 23,304 (Rs. 24,454).

Supply of sugarcane to the factory during the year under report was inadequate and similar to the supply during the previous decade. As an outcome of the measures taken by the factory with the active assistance of the Government of Bihar, cane cultivation is now showing an upward curve of increase and the quantity crushed in 1955-56 was 32.69 (7.28) lakhs of maunds or 120 per cent. more than the average crushing achieved by the factory in the past ten years.

The State of Bihar have, by now, advanced to the Company the sum of Rs. 19 lakhs for cane development and transport and for improvements of plant and for sinking of tubewells. About 36 tubewells have by now been brought into irrigation work and it is expected that this irrigation will augment the yield of sugarcane per acre of land and thus make sugarcane more attractive in the future to the growers.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,55.000	Block ...	18,19,590
Debentures	15,00,000	Stock-in-trade	6,01,535
Reserves ...	46,462	Stores, spare parts and tools ...	10,74,338
Liabilities ...	38,87,724	Other assets	1,21,030
		Debts, deposits and advances ...	19,14,325
		Investments	10,575
		Cash ...	1,09,886
		Profit and loss account ...	16,37,907
Rs.	72,89,186	Rs.	72,89,186

Jam Shri Ranjitsinghji Spinning and Weaving Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Lalji Naranji & Co., Bombay) submitted the audited accounts of the Company for the year ended 30th June 1956.

The profit for the year after providing Rs. 1,14,210 for depreciation, amounted to Rs. 4,18,844 (Rs. 4.22,810). Adding thereto the balance brought forward from the previous year's accounts of Rs. 6,408 (debit of Rs. 1,63,302) the amount available for disposal was Rs. 4,25,252 (Rs. 2,59,508). From this sum the directors have transferred to general reserve Rs. 1,25,000 (Rs. 1,20,000 for depreciation) and to dividend equalisation reserve Rs. 2,00,000 (Rs. 35,400), leaving a balance of Rs. 1,00.252 (Rs. 1,75,400). From this the directors paid a dividend at Rs. 60 (Rs. 50) per share free of income-tax for the year ended 30th June 1956, on 1,554 shares of the Company Rs. 93.240 ₹Rs. 77,700) and carried forward Rs. 7,012 (Rs. 6,408).

In order to improve the working efficiency of the units, orders had been placed as reported last year for (1) blow room machinery, (2) dyeing plant, and (3) winding machine. The directors report that the erection of these machineries is nearing completion. During the year, the humidification system of the Ring Frame Department was renewed, and for the Preparatory Department, it is under installation. As a step further to our policy of renovation, an order has been placed for 12 Weft Frames from Messrs. Texmaco, out of which 2 frames have been already received. In order to improve the finish of the cloth, the directors have placed an order for three bowl friction calender.

With a view to increase the productive capacity of the Mills in accordance with the Government's policy, the directors have started the third shift in the spinning department and have put into working all the looms hitherto remaining idle.

Labour relations during the year remained cordial and the bonus for the year 1954-55 was voluntarily agreed upon, for which a provision of Rs. 40,000 has been made in the accounts.

In spite of the increase in cotton prices during the latter half of the year, and increase in dearness allowance of more than Rs. 2,00,000 as compared with the last year the Company was able to show this result due to more production and higher realisation of cloth and yarn.

In addition to depreciation already provided by the Company in its accounts in earlier years, the directors have further allocated a sum of Rs. 5,50,000 to various fixed assets to make the provision, in their opinion, adequate. Income-tax assessments are completed upto the accounting year 1951-52. It is estimated that there would be no further tax liability till the accounting year 1955-56, in view of carry forward of past losses and unabsorbed depreciation. Sales-tax liability in respect of the Bombay State and other States is indeterminate. As regards Bombay State, the assessments are completed upto 1st November 1952 In the opinion of the Company there is no pending liability. No provision has been made for bonus to employees for the year as it is not considered due.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,54,000	Block ...	11,34,139
Reserves ...	18,24,703	Machinery uninstalled	1,31,697
Provision for taxation ...	1.943	Stock-in-trade ...	35,76,272
Liabilities ...	24,93,067	Stores and spare parts	4,85,247
Profit and loss account ...	7,012	Other assets	26,841
		Debts, deposits and advances ...	4,40,853
		Investments	20,800
		Cash ...	64,876
Rs.	58,80,725	Rs.	58,80,725

Bisra Stone Lime Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1956.

In conformity with the provisions of the Companies Act, 1956, the Company's accounts will henceforth be drawn up on an annual basis. From now on therefore, the Company's accounts will be closed and audited as at the 31st March each year and the first annual closing will be for the 12-month period ending on 31st March 1957.

Limestone.—Raisings were on a reduced scale, the tonnage mined being 3,88,574 (4.28,051) tons as against 4,15,913 tons during the previous half-year. Sales were similarly reduced to 3,64,865 (4,02,222) tons from 4,15,797 tons owing to the decreased requirements of one of the major steel producers. The wagon supply position continued to be fairly satisfactory but it is still rather irregular and frequently below our actual requirements.

Dolomite.—Production was increased by 4.994 tons to 20,972 (16,017) tons as against 15,978 tons in the previous half-year. Sales also increased by 2,897 tons to 21,399 (13,978) tons from 18,502 tons.

Lime.—Output increased slightly by 2,429 mds., the total output being 6,32,819 (6,80,983) mds. Sales improved to 5,80,333 (4,64,419) mds. from 5,64,899 mds., an increase of 15.434 mds. Sales and output continue to be controlled by wagon supplies and during the period there was a slight improvement.

The profit and loss account after providing for all charges, and making provisions of Rs. 2,25,000 (Rs. 1,30,000) for taxation and Rs. 43,855 (Rs. 49,175) for depreciation showed a profit of Rs. 3,34,190 (Rs. 4,76,445) to which was added the balance brought forward from the previous half-year of Rs. 24,689 (Rs. 29.803) making a total of Rs. 3,58,879 (Rs. 5,06,248). The amount transferred to reserves was Rs. 2,51,200 (Rs. 87,383), to tax contingency reserve Rs. 23,000 (Rs. 20,000), to development rebate reserve Rs. 3,200 (*nil*), to mechanisation reserve Rs. 1,75,000 (Rs. 75.000) and to water supply reserve Rs. 50,000 (*nil*) leaving a balance available of Rs. 1,07,679 (Rs. 96,642). The directors utilised this amount for payment of a dividend of As. 14 (As. 14) per share, without any deduction for income-tax paid by the Company Rs. 87,500 (Rs. 87,500) and for carrying forward Rs. 20,179 (Rs. 9,142).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	25,69,068
Reserves ...	27,63,242	Capital work-in-progress	29.292
Provision for taxation ...	2,80,915	Stock-in-trade	2,22,856
Liabilities ...	16,42 051	Stores and spare gear	5,87,093
Profit and loss account ...	20,179	Stores-in-transit ...	80,244
		Debts, deposits and advances ...	18,09.980
		Investments	3,720
		Cash ...	4,17,134
Rs.	57.07,387	Rs.	57.07.387

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

COMPANY AFFAIRS

(*Concluded from page* 283)

that for the year under discussion stands at Rs. 277.31 lakhs. The Directors state that "the result of the year under review is satisfactory due to the cautious policy adopted by the Company as mentioned in our last year's report." Commenting on the Company's schemes of expansion and the progress achieved so far, the Directors observe thus:

"The march of progress has continued, the expansion scheme which was under contemplation for some time has now been sanctioned by the Government of India under the Industries (Development and Regulation) Act, 1951, and licence granted. The Company has placed orders in the U.K. for up-to-date plant and machinery as additional units and is going ahead with the necessary factory buildings. The scheme of expansion is to increase the productive capacity in many sections by nearly 70 per cent. It is hoped that, by the end of next year, most of the additional plant and equipment would have been installed and the Company's production will be substantially increased. The expansion programme is estimated to cost more than Rs. 3 million; we shall be able to offer employment to many more personnel. The Company's products have been introduced in new areas and it can now be said that the Company's goods are well known practically in every important place in India. Special mention may be made of a large contract received by the Company for the supply of copper conductors of large size in connection with the electrification of the Howrah-Burdwan line of the Eastern Railway. The Company possesses an up-to-date laboratory and test house where very rigid tests are carried out on both raw materials and finished goods at every stage of manufacture. A high standard of quality is being maintained. Every yard of cable produced is tested by the Inspectorate of the Government of India and all coils of cables released from the works do, therefore, carry a seal and certificate under Government authority testifying to the compliance with the standard specifications. The Company derives the benefit of technical advice and researches from Messrs. British Insulated Callender's Cables Ltd., London, one of the leading cable manufacturers in the world, by virtue of their services to the Company as technical consultants."

The Company's financial position, as disclosed by its balance-sheet as at 31st March 1956, is impressive. Its paid-up capital of Rs. 40 lakhs consists of 400,000 ordinary shares of Rs. 10 each. This is supplemented by reserves and surplus aggregating Rs. 76.35 lakhs. Secured loans against debentures and cash-credit arrangements with banks account for Rs. 67.60 lakhs, unsecured loans for Rs. 44.10 lakhs, and other current liabilities for Rs. 37.74 lakhs. The provision for taxation stands at Rs. 51.56 lakhs. The gross block of the value of Rs. 63.81 lakhs stands depreciated at Rs. 22.28 lakhs. The current assets aggregate Rs. 295.08 lakhs, and include, besides other items, stores and spares Rs. 13.50 lakhs, raw materials Rs. 63.64 lakhs, stock of finished products Rs. 32.91 lakhs, work-in-progress Rs. 8.25 lakhs, sundry debtors considered good Rs. 127.58 lakhs, loans and advances Rs. 41.41 lakhs and cash and bank balances Rs. 7.70 lakhs. The current assets cover the liabilities and provision for taxation by a fair margin of Rs. 94.08 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted at Rs. 26-12 *ex-div*. On the basis of the total dividend for the year at 20 per cent., the yield works out to 7.5 per cent. per annum, free of income-tax.

SUGAR

(*Continued from page* 268)

cost of converting the sugar factory boilers so as to adapt them for burning coal instead of bagasse. This is, indeed, a bold offer considering that Mandya is far away from collieries and that transport has been a big bottleneck in the movement of coal to these parts of the Mysore State. It will be interesting to know the grounds on which the said *entrepreneur* is optimistic enough to overcome this formidable difficulty.

A CLARIFICATION

It will be recalled that the deliberations of the sixth meeting of the Development Council for Sugar Industry held at Walchandnagar last month were reviewed in these columns three weeks ago (*vide* issue dated 19th January 1957). In that review, we drew pointed attention to the difference between the estimates of sugar production during the current season as made by the Council (2.05 million tons) and by the Council's Chairman (2.25 million tons). Apropos this reference, the Secretary to the Council has addressed a letter to us, in which he says that the figure of 2.25 million tons reported in the Press was a typographical error. The estimate of sugar production given by the Chairman, he says, was the same as that given by the Council, that is, 2.05 million tons. The Secretary further states that there is also no difference as regards the number of new factories expected to go into production during 1956-57, which, according to him, is 14; the figure of 22 taken by us relates to the new units which are likely to go into production in the next (that is, 1957-58) season. The figure of 17 existing factories expected to complete their substantial expansion programme also relates to the 1957-58 season and not the current season.

Notices

THE PHALTAN SUGAR WORKS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIFTH ANNUAL GENERAL MEETING of THE PHALTAN SUGAR WORKS LTD., will be held on Friday the 1st day of March 1957 at 4.30 p.m. (S.T.), at the Registered Office of the Company, Sangli Bank Building, 296, Bazargate Street, Bombay-1, to transact the following business:

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September 1956.
2. To declare a Dividend.
3. To elect Directors in place of Shri Natverlal Bhikhabhai and Shri R. B. Apte who retire by rotation but being eligible, offer themselves for re-election.
4. To elect a Director in place of Shri M. L. Apte who retires by rotation as well as under Section 261 of the Companies' Act, 1956, but being eligible, offers himself for re-election and to consider and if thought fit to pass the following as a Special Resolution of which Special Notice has been received by the Company and is hereby given.

   "That Shri M. L. Apte who retires by rotation as well as under Section 261 of the Companies' Act, 1956, be and is hereby appointed a Director of the Company."
5. To elect Directors in place of Shri Arvind N. Mafatlal, Shri Rasesh N. Mafatlal and Shri Himatlal Kantilal who retire under Section 261 of the Companies' Act, 1956, but being eligible, offer themselves for re-election, and to consider and if thought fit to pass the following as Special Resolutions of which Special Notice has been received by the Company and is hereby given.

   "That Shri Arvind N. Mafatlal who retires under Section 261 of the Companies' Act, 1956, be and is hereby appointed a Director of the Company."

   "That Shri Rasesh N. Mafatlal who retires under Section 261 of the Companies' Act, 1956, be and is hereby appointed a Director of the Company."

   "That Shri Himatlal Kantilal who retires under Section 261 of the Companies' Act, 1956, be and is hereby appointed a Director of the Company."

The reasons which make these resolutions at item Nos. 4 and 5 necessary are set out in the statement of material facts annexed to this Notice which statement shall be deemed to be incorporated in the notice.

6. To appoint Auditors for the current year and fix their remuneration.

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

By Order of the Board of Directors,
FOR MAFATLAL, APTE & KANTILAL PRIVATE LIMITED,
L. V. APTE,
Managing Director,
Managing Agents.

BOMBAY, 25th *January* 1957.

Notes.—The Transfer Books of the Company will be closed from the 12th February 1957 to the 18th February 1957, both days inclusive.

The Dividend when declared will be made payable through The United Commercial Bank Ltd., Fort, Bombay, on and after the 4th day of March 1957. The Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on the 12th day of February 1957.

ANNEXURE

Statement of material facts and reasons in respect of Special Business in the accompanying notice dated 25th January 1957:—

Items 4 and 5.—Shri M. L. Apte, Shri Arvind N. Mafatlal, Shri Rasesh N. Mafatlal and Shri Himatlal Kantilal are associates of the Managing Agents as defined in Section 2(3) of the Companies' Act, 1956. According to Section 261 of this Act, they can only be re-elected as Directors by Special Resolutions. All these Directors have rendered valuable services to the Company and it is considered desirable that their association with the Company be maintained by their re-election as Directors.

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE STANDARD COAL COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-50 a.m. on Wednesday the 27th day of February 1957, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December 1956, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 13th to 27th February 1957, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CALCUTTA, 31*st January* 1957.

Note.—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The Dividend, if declared, will be paid on or after 6th March 1957, to those shareholders so entitled whose names appear in the Company's books on the 27th February 1957, or to their mandatees. No application for Dividend Warrants will be necessary.

THE STANDARD COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on 31st January 1957, a Dividend of 10 per cent. per annum was recommended to be paid for the year ended 31st December 1956, without any deduction for Income-tax paid by the Company.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE

AT A MEETING OF THE BOARD OF DIRECtors of the Indian Iron and Steel Company, Ltd., held today, it was decided that in accordance with the resolution passed at the Extraordinary General Meeting of the Company held on the 1st December 1956, the Rights Offer of 5,183,708 new Ordinary shares of Rs. 10 each at a premium of Rs. 3-8-0 per share be made to those persons who are registered as holders of Ordinary shares in the Company's Register of Members on the 11th March 1957, in the proportion of one new Ordinary share for every Ordinary share held by each such person on the said date.

The Ordinary Share Register of the Company will remain closed for the purpose of this offer from the 21st February 1957 to 11th March 1957, both days inclusive.

Holders of Ordinary shares under blank transfer are particularly reminded that it is necessary to lodge the Certificates of Shares with instruments of transfer duly completed in all respects before the Register is closed in order to be entitled to the Rights Offer. Authority of persons signing instruments of transfer and in cases of transfer of shares out of the names of deceased shareholders, grants of legal representation, Estate Duty Discharge Certificates or evidence of acquiring the shares by the transferees for valuable consideration must be registered with the Company, otherwise applications for transfer of shares in such cases can not be entertained by the Company.

Legal Representatives of deceased shareholders should get their legal representations immediately registered with the Company to enable them to receive and deal with the Letters of Rights on behalf of the estate of the deceased.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

29*th January* 1957.

POWER ENGINEERS IN CONCLAVE

(*Concluded from page* 273)

sufficient, if not remunerative, as early as possible. Assisting the establishment of such industries in rural areas could, therefore, be regarded as part of the rural electrification programme.

Apart from financial assistance both by way of capital and revenue subsidies one more method by which the rural electrification programme could be accelerated is by cheapening construction costs, without, of course, materially sacrificing efficiency and safety. This would need amending statutes and how best this could be done was left for the consideration of an expert Committee.

Accounting Code

Submission of statutory accounts by licensees to the various authorities is subject to one "yardstick." With undertakings varying in sizes, such "yardstick" imposes unnecessary burden on small licensees without adding much to the sum total of statistical knowledge. The Conference saw the real necessity for the early preparation—in consultation with the industry—and issue of a code for the purpose.

With general steel shortage in the country, and cement also in short supply, there was general recognition of the need for limiting the usage of these materials to the minimum level practicable. The seriousness with which the problem was considered reflected in an expert committee being constituted to investigate and to recommend ways and means of effecting maximum economy in the use of cement and steel.

Technical Personnel

The tempo with which the country's power development could be sustained will largely depend upon the availability of suitable technical personnel, a need which is sorely felt. Various Government committees have reported on the general problem of technical training but field training for technical personnel in power projects is a special problem, a study of which would not involve in duplication of labour. And so has come about another expert committee to examine the problem and make appropriate recommendations.

The eight-day session of the Conference came to a close, having offered, as its main achievement, a forum for free interchange of knowledge. The resolutions adopted were distilled essence of the vast ground covered by the discussions, and it is now left for the Government to consider the various recommendations made by the Conference, so that the Committees constituted by the Conference could carry forward the tale.

SWISS INDUSTRIES FAIR

The Forty-first Swiss Industries Fair will be held this spring between 27th April and 7th May in Basel. This will be one among the many large fairs that will be held in Europe about the same time.

The total number of exhibitors at the Fair are expected to be 2,300, occupying an area of 1,300,000 sq. ft. It is claimed that the Basel Fair offers excellent opportunity to foreign visitors to become acquainted with Swiss industrial production.

The exhibits are divided into 17 different groups, covering, among other things, applied art and ceramics, paper, textiles and clothing, footwear and leather goods, electrical industry, machinery, transport, and building industry. It is stated that the traditional export industries of Switzerland will be prominently exhibited at the Fair. The main export groups will be: watches, textiles (with the special exhibits "creation" and Madame Monsieur), textile machinery, general engineering and the electrical industry.

The Fair accommodation department arranges suitable accommodation for visitors. The reception staff are qualified and speak foreign languages. Booklets, catalogues and any other information are obtainable from the Swiss Consulate Offices in Bombay and Calcutta, Swiss Legation, New Delhi, and the Swiss Trade Commissioner, Bombay.

THE INDUSTRIES ACT

The Government of India, it is stated, will bring into force as from the 15th inst. the Act amending the Industries (Development and Regulation) Act of 1951. The amending legislation brings 34 new industries within the purview of the Industries Act to enable the Government to secure the development of those industries in conformity with the country's industrial policy.

Some of the industries covered by the amending measure are: ferro alloys and special steels, electrical furnaces, earthmoving machinery, typewriters and calculating machines, air-conditioners and refrigerators, plastic moulding industries, paints, varnishes and enamels, staple fibre, pulp, food processing industries, matches and cigarettes. It is further stated that certain minor modifications in the registration and licensing procedure under the Act have been notified in a *Gazette of India Extraordinary* for eliciting comments from the public. The Government will receive suggestions or coments on the proposed modifications until 9th February.

MONEY RATES HARDEN

(*From Our Own Correspondent*)

BOMBAY, 6*th February*

The most important development of the week, in so far as the short-term money and the Gilt-edged markets are concerned, was the announcement by the Reserve Bank on Thursday last of a rise of ½ per cent. to 4 per cent. in its rate of interest on advances to Scheduled banks against Government securities, with effect from the 1st inst. Earlier in the day, the Bank also announced that there was no increase in the Bank rate, which would continue at 3½ per cent., and that its lending rate against usance bills would also be unchanged at 3½ per cent. The effective rate of interest on borrowings by banks against usance bills as from the 1st inst., is, however, 4 per cent., following the increase in stamp duty on these bills to ½ per cent. The rise in the effective bill rate was said to be the main reason for increasing the interest rate on advances against Government securities also. By raising the advances rate against securities without increasing the Bank rate, the Reserve Bank took the unprecedented step of divorcing its lending rate from the Bank rate.

The effect of this action was an immediate hardening of the interest rates in the short-term money market, which had already been experiencing acute stringency and borrowers had been bidding funds at considerably higher rates of interest than those they had paid in any of the previous busy seasons. Inter-bank call money which had been nominally placed at 3½ per cent. was bid at 3¾ per cent. Some lenders in this section demanded even 3¾ per cent., but borrowers were reluctant to pay more than 3¾ per cent. House money at call was done at 4 to 4¼ per cent.—the higher rate for substantially large amounts—as against 3¾ to 4 per cent. in the previous week. The rates for short-term deposits also rose from 3.7/8-4 per cent. to 4-4¼ per cent.

The Reserve Bank of India statement for the week ended 1st February 1957 shows a small rise of Rs. 8.50 crores in notes in circulation and a fall of Rs. 9.01 crores in notes held in the Banking Department. The fractional decline in total notes issued is covered by a similar contraction in rupee coin. There has been a further fall of Rs. 14.91 crores in foreign securities, bringing the aggregate recession in the past three weeks to Rs. 34.79 crores. As in the previous two weeks, there has been a corresponding rise in rupee securities. In the Banking Department, deposits of the Central Government are higher by Rs. 89 lakhs, those of other Governments by Rs. 3.35 crores and of banks by Rs. 2.68 crores. The decline in foreign securities noted in the Issue Department has been offset to the extent of Rs. 10.66 crores in balances held abroad, so that the net fall in foreign assets is only Rs. 4.25 crores. Loans and advances to Governments are lower by Rs. 1.23 crores, while other loans and advances have gone up by Rs. 6.27 crores. Investments are also up by Rs. 1.81 crores. Advances to Scheduled banks against usance bills during the week amount to Rs. 13.50 crores, but repayments have been of the order of Rs. 13.94 crores.

The Scheduled banks' statement for the week ended 25th January 1957 discloses a further increase in deposits of banks, demand deposits rising by Rs. 3.73 crores and time deposits by Rs. 3.29 crores. Inter-bank borrowings are also higher by Rs. 81 lakhs and borrowings from the State Bank of India by Rs. 2.01 crores, while those from the Reserve Bank have declined by Rs. 97 lakhs. A rise of Rs. 7.40 crores is noted in advances and Rs. 2.76 crores in bills purchased and discounted. Cash balances have shrunk by Rs. 1.68 crores, while money at call and short notice have gone up by Rs. 2.06 crores.

The Gilt-edged market ruled quiet during the week under review. The effect of the rise in interest rate on advances against Government securities by the Reserve Bank, referred to above, did not have any serious effect on prices, as was initially feared as soon as the announcement came and as would have been the case if the Bank rate had been raised. There was no more than a psychological reaction. The sentiment was, however, affected and the cheerful tone noted in the previous week was completely absent. The volume of business very much dwindled, with buyers reserved. There was, however, sellers in State loans, and marked decline in prices was noted in 4 per cent. 1963 and 1964 issues.

3 per cent. 1986 Conversion Loan was marked down from Rs. 73-9 to Rs. 73-8. 3 per cent. 1970-75 also shed an anna to Rs. 87 and 3 per cent. 1966-68 suffered a similar drop to Rs. 92-4. 3 per cent. 1964 and 1963-65 were unchanged at Rs. 94-6 and Rs. 94-3, respectively. 3½ per cent. 1962 lost an anna to Rs. 97-13. 3½ per cent. 1964, 1965 and 1967 each was marked down by an anna to Rs. 98-6, Rs. 98-5 and Rs. 98-7, respectively. Among State loans, 4 per cent. 1963 and 1964 Bombay dropped by As. 4 to Rs. 100 and 1967 by an anna to Rs. 99-10. 4 per cent. 1963 and 1964 W. Bengal receded by As. 3 to Rs. 99-12, Madras by As. 2 to Rs. 99-1 and Rs. 99, respectively, and U.P. by As. 6 to Rs. 99. U.P. 4 per cent. 1967 lost As. 2 to Rs. 98 and 1968 by an anna to Rs. 97-14. 4 per cent. 1963 Bihar gave way by As. 8 to Rs. 98-8 and Madhya Bharat by As. 8 to Rs. 99 and Travancore-Cochin by As. 6 to Rs. 99.

In the foreign exchange section, the rupee continued to display a hardening tendency in terms of the U.S. and Canadian dollars, in tune with the strength of sterling abroad. Banks' selling rate of ready dollars declined from Rs. 478¼ to Rs. 478 and their buying rates from Rs. 475 to Rs. 474¾ per $100. In the case of Canadian dollars, their selling rate was reduced from Rs. 500¼ to Rs. 500, but their buying rate was kept unchanged at Rs. 494¼ per $100. In New York, spot sterling, after an initial reaction from $2.79½-2.79¾ to $2.79.11/16-2.79.13/16, hardened to $2.79.13/16-2.79.15/16. Three months' forward improved from $2.78.5/8-2.78¾ to $2.79-2.79¼ and transferable sterling from $276.65-276.75 to $276.75-276.85 cents.

BULLION TOUCHES NEW PEAK

(*From Our Own Correspondent*)

BOMBAY, 6*th February*

After a lapse of one week, the bullion market displayed, once again, buoyancy during the week under review; the prices of both silver and gold reached fresh high levels since 1951. Silver, in particular, made considerable headway on strong speculative buying and heavy short-covering and encouraging advices from Calcutta. It was stated that in both Calcutta and Bombay, a considerable long position, very much in excess of the available floating stocks, had been built in recent days. This, coupled with the fact that arrivals of Tibetan coins had considerably dwindled, pushed up prices swiftly. Fairly good offtake in the ready section also fanned the bullish enthusiasm.

Gold also displayed a firm trend, though at higher levels the tendency was somewhat hesitant. Satisfactory offtake in the ready section and reports of confiscation of large quantities of smuggled gold were the main factors for the brighter sentiment in the yellow metal.

Forward silver (15th February settlement) rallied from Rs. 183-6 to Rs. 186-6 on Saturday. After a reaction to Rs. 184-14 on Monday, the upward trend was resumed and the current settlement touched a peak of Rs. 186-11 today before closing at Rs. 186-1. The next settlement, the business in which began on Friday last at Rs. 184-6, advanced to Rs. 186-14, but finished today at Rs. 186-4.

Ready silver climbed up from Rs. 184-2 to Rs. 187, but, after a short-lived reaction to Rs. 185-8, spurted to Rs. 187-3 today. The closing was, however, lower at Rs. 186-9. The floating stocks of silver are placed at 1,300 bars. The daily average offtake was about 20 bars.

Gold for forward delivery (14th February settlement) crept up from Rs. 107-8 to Rs. 108-11 on Saturday. On profit-taking, following a shrinkage in offtake, the price dropped to Rs. 107-15 on Monday. But during the last two days again, there was a sizable improvement in demand, which pushed up the price to Rs. 108-9. The closing was done at Rs. 108-7. The March settlement closed today at Rs. 108-12, as against the opening rate of Rs. 108-3.

Ready gold advanced from Rs. 107-5 to Rs. 108-8, the highest level touched during the week being Rs. 108-11. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was slightly higher at an average of 3,500 tolas per day.

There was no change in silver price at New York, which stood at 91⅛c. London silver prices also were unchanged at 80d. per spot and 79¾d. for forward. Gold displayed a firm tone, rising from 249s. 1¾d. to 249s. 4d.

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

	6-2-1957	Highest	Lowest	29-1-57
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	108 8	108 11	107 7	107 5
Forward*	108 7	108 11	107 10	107 8
Sovereign	69 0	69 0	68 8	68 8
SILVER				
Ready (.996 fine Mint) ..	186 9	187 3	184 7	184 2
Forward†	186 1	186 11	183 13	183 6
London Silver Ready ..	80d.	—	—	80d.
London Forward	79¾d.	—	—	79¾d.
London Gold	249s. 4d.	249s.4d.	249s.2¾d.	249s. 1¾d.
New York Silver	91⅛c.	—	—	91⅛c.

* 14th February settlement.
† 15th February settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

METALS QUIET

(*From Our Own Correspondent*)

CALCUTTA, 5*th February*

Quiet conditions were in evidence in the metal market during the week under review. Consumers were content with purchasing small quantities to meet day-to-day needs only. From Rs. 193, electrolytic copper declined to Rs. 190-8 and the fire-refined material to Rs. 189 from Rs. 192. Scrap prices, however, were maintained at previous rates, the utensils scrap quoting at Rs. 185. The price change in regard to electrolytic copper was in full accord with the trend in London and New York. Consumers in the above foreign markets were not entering into commitments, in view of reports of a downward revision in the American price. It was anticipated that local prices, which were above the replacement costs, would fall further.

There were fewer transactions in lead, in view of the comfortable supply position, and reflecting this, the price gave way from Rs. 81-12 to Rs. 80-12. On the other hand, tin at Rs. 544 added three points. Ready material was in good demand, and recent arrivals did not alleviate the tight supply position. Fair activity was also reported in electrolytic zinc, the price improving from Rs. 74-8 to Rs. 75.

LINSEED RECEDES

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 4*th February*

Linseed prices have shown a notable decline and trading has been limited, with both buyers and sellers somewhat reserved. The discount for forward delivery has narrowed slightly, but little interest is shown by upcountry sellers to make new crop sales. The main factor witholding crushers' activity has been the dull condition of the linseed oil market. In addition to poor local offtake, much quieter advices have been received from overseas, with buyers pausing even below parity level.

The latest available quotations are: February Rs. 24-12 and April-May Rs. 22-4 per maund.

COTTON FUTURES EASY

(*From Our Own Correspondent*)

BOMBAY, 6*th February*

Although earlier in the week a declining trend was in evidence in the futures section of the local cotton market, towards the close of the week, values staged a partial recovery. The earlier weakness was due to the decision of the East India Cotton Association to maintain the *status quo* in respect of By-law 55 which nullified its earlier resolve to fix the tendering differences on the basis of the spot rate. The Board of the E.I.C.A. appears to have been influenced by the growing concern of the Government over the recent spurt in cotton values. Presumably, with a view to preventing any kind of development that would provoke Government intervention, the Board has decided to keep intact the existing law. This has been bearishly interpreted in trade circles and the selling pressure that ensued brought down prices. Values, however, recovered yesterday on trade buying and both the contracts regained some of the lost ground.

M.G. Jarilla (March delivery) opened the week at Rs. 664-8 as against the previous closing of Rs. 667-12 and succumbed to selling pressure, reaching a low of Rs. 658-4 on the same day. Continued bear hammering brought the contract further down to Rs. 654 on the 2nd inst. The revival in demand witnessed in subsequent sessions pushed the contract up to Rs. 662-8 yesterday. Opening higher today at Rs. 665 it firmed up to Rs. 670 before closing a shade lower at Rs. 668.

M.G. Vijay April delivery, after having opened at Rs. 775-8, as against last week's closing of Rs. 779-4, eased to Rs. 765-8 the same day. The wave of speculative selling, touched off by reports that Government is taking a serious view of the recent rise in prices, resulted in a virtual landslide and the contract slumped to as low as Rs. 755 on the 2nd inst. It again improved to Rs. 769-8 yesterday. Opening today at Rs. 773 and having displayed a slightly firm trend, the contract eased to Rs. 770 and closed higher at Rs. 771.

The following table gives the trend of prices of the two contracts for the week:

(In rupees per candy of 784 lbs.)

	6-2-57	*High*	*Low*	29-1-57
Jarilla (March) ...	668	670½	648½	667¾
Vijay (April) ...	771	774½	775	779½

The spot section ruled steady. Mill interest was noted for ready lots of quality cotton, especially for 0394, Khandesh, Jarilla, etc. Because of the downward trend of the futures section, mills were not inclined to enter into large commitments. Export inquiries were noted for Jarilla ¾" (passable) and some business was reported to have been put through in this quality. In the foreign section, American styles attracted attention. It is reported that the Board of the E.I.C.A. at its meeting held today considered the question of discontinuance of trading in delivery contracts. The decisions taken are, however, not known. The latest available spot quotations—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 730: Berar Jarilla 760; Khandesh 780; Vijay 910; Oomra *Deshi* 775; Moglai 725. *Delivery Contracts*: Vijay 13/16 February 124 'ON' Vijay. Others are not being quoted.

The Joint Chief Controller of imports has announced that it has been decided not to entertain any application for the import of American cotton under Public Law 480 as the monetary ceiling allotted for the issue of the licences has been reached. This refers to licensing under Trade Notice No. 198 of the 23rd November 1956 issued by the Joint Chief Controller of Imports. However, it is generally expected that Government will make available early a further import quota for U.S. cotton under Public Law 480 although this will be possible only after the U.S. Government has issued a new Procurement Authorisation favouring India. The Indo-U.S. Aid Agreement contemplates import of 500,000 bales (500 lbs.) of U.S. cotton and Trade Notice 198 covered only about 145,000 bales (500 lbs.). Applications for import of American cotton will, however, continue to be considered against the quantity available for import under the Indo-U.S.-Burma Tripartite Agreement. This programme covers about 37,000 bales and upto the 29th of December only about 2,000 bales had been licensed.

In contrast to the bearish trend noted last week, the Karachi market ruled firm during the week under review. The firmness was due to large export inquiries and good demand by shippers. Rumours, which later proved to be unfounded, that Russia was inquiring also affected the sentiment earlier. But speculative selling based on the possibility of granting export subsidy by the U.S. Government and larger crop estimate (Pakistan) caused values to fall. The recent announcement of higher freight rates also acted as a damper. N.T.R.G. January went off the board on 31st at Rs. 83-5. The March position, which had closed at Rs. 82-4, improved to Rs. 83-1, while May delivery which stood at Rs. 82-12 on 31st January improved fractionally to Rs. 82-14. The spot section also ruled steady. The latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton are given below:

Sind *Deshi* 93; Punjab *Deshi* 85; 4F Punjab Roller 89; S.G. 92-8; L.S.S. Punjab Roller 90-8: S.G. 94-8; N.T.R.G. 88-8; S.G. 95-8; 289F Punjab Roller 93-8; S.G. 106.

A firm trend was depicted by Alexandria cotton futures market during the week. Despite the small inquiries from abroad, the market remained strong and appreciable gains were recorded by both Ashmouni and Karnak contracts, especially the former. There was fair domestic spinner demand. The speedy clearance of the Suez Canal, it is hoped, will facilitate the shipment of Egyptian cotton, the export performance of which in the current season has

been poor. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 121.35; May 120-10; July 118.75. *Ashmouni*: February 87.30; April 86.65; June 86.40.

Cotton values were maintained in the Liverpool market during the week. There were some small inquiries for ready cotton and limited turnover was reported in medium and lower grades of U.S. cotton and Turkish Adana. Some business was also put through in Indian Dholleras. Earlier, although there was the fear of the resumption of U.S. dock workers' strike, no fresh business was done on this account. But later it was reported that the terms of settlement of the dispute had been agreed upon. This removed the possibility of renewal of the strike. Both the American and American type futures contracts registered only moderate improvement. The small gain was due to mill covering against yarn sales. Rates were prevented from rising by hedge selling and American liquidation. Egyptian Karnak contract was neglected and nominally unchanged while Sudan Lambert Seed eased. The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: March-April 26.35; May-June 26.10; July-August 25.68; October-November 25.32. *American Cotton Mixed Growth Contract*: March-April 26 60; May-June 26.28; July-August 25.88; October-November 25.5. *Egyptian Karnak*: March-April 60. *Sudan Lambert Seed Contract*: May-June 45.00; July-August 44.

The New York market ruled firm during the week. The firmness was aided by the support extended by trade interests for current crop months. The strength of the market was also due to the tightening up of free supplies owing to the large entry into Government loan programme. New crop buying was attributed to drought conditions in the South-West. The high spot premium was another helpful factor.

Total purchases in the fourteen spot markets for the week ended 24th January were 137,900 bales, as against 212,800 bales during the previous week. Exports up to the week ended 24th January were 264,199 bales and the aggregate figure for the season thus far 3,435,115 bales. Total exports during the same period last season were only 741,677 bales.

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

(In cents per lb.)

	5-2-57	30-1-57	22-1-57
Spot	35.40	35.15	34.95
March	35.20	34.83	34.45
May	35.07	34.81	34.48
July	34.52	34.32	34.22

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 6th *February*

The sugar market ruled distinctly easy during the week under review. The chief bearish influence was the drop of As. 12 per bag in the ex-mill quotations for Bombay-Deccan sugar and of As. 6 per maund, for U.P. and Bihar sugar. Two other unhelpful factors were the rumour that no levy of additional excise duty on sugar was contemplated and the expectation of the issue of a normal monthly release on the due date. Several mills which had large quantities of previous season's stocks were keen sellers at a discount. Some of them were also trying to unload current season's output against the recent release orders. Arrivals of sugar into the market during the week were, as a consequence, quite large, being 18,600 bags, as against 10,600 bags in the previous week.

Spot large grain indigenous sugar fell from Rs. 94-Rs. 100 to Rs. 92-Rs. 99 per bag (inclusive of sales tax). Small grain was neglected at Rs. 88, as also medium grain at Rs. 89-Rs. 91.

In the forward section, *Fagan* delivery contract for 'C' grade sugar receded by As. 4 to Rs. 91-12 per bag (inclusive of sales tax).

RAYON YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, 6th *February*

An outstanding event of the week in the yarn market was the commencement, with effect from yesterday, of business in 150D rayon yarn for April delivery. The new contract is a broad-based one, in that it covers both foreign as well as indigenous yarns in 150 and 120 bright hanks and cones. The contract has been sufficiently widened to make bright cone yarns 150 deniers 1st, 2nd and 3rd qualities tenderable at a difference of an anna per lb., 150 deniers 1st quality being the standard quality. Furthermore, even 120 deniers bright 1st, 2nd and 3rd qualities on cones are tenderable on the Exchange at a difference of As. 4 per lb. over the prices of 150 deniers bright. The new feature of this forward trading is that indigenous yarn in both 120 and 150 deniers (1st, 2nd and 3rd qualities) is also tenderable on the Exchange at the same prices as those of foreign yarns, except in the case of Travancore Rayons which are tenderable only at a discount of As. 2 per lb. In the case of bright cone yarns, the packing allowed to be tenderable is 180 lbs. to 220 lbs. per case. Besides this, even the hank yarns are tenderable (both foreign and indigenous), but the packing should necessarily be 10 lbs. bundles and 20 lbs. bundles per case.

During the week under review, the rayon yarn section depicted a bearish trend. There was considerable selling pressure induced by the reported conclusion of a bulk deal for 3.22 million lbs. of yarn which the Japanese producers have agreed to sell to the silk and Art Silk Mills' Association at 10 per cent. lower than their official prices. Consequently, rayon yarn prices in the market staged a setback. Snia rayon yarn (120 duil cones) for February delivery was hammered down by Rs. 23 to Rs. 797. 150 Bt. cones April delivery, business in which commenced yesterday at Rs. 671, was neglected at Rs. 657 today. In the spot section, 150 Japan fell by As. 2 to Rs. 4-6-6. 120 Japan dropped half an anna to Rs. 4-5. 120 Italy and 150 Italy both lost a like amount to Rs. 4-1-6 and Rs. 3-11-6, respectively. Among indigenous yarns, 150 Bt. cones first grade receded by 15 pies to Rs. 3-5-9. 120 Bt. cones first grade was dull at Rs. 3-11-6.

The staple fibre yarn section ruled quiet. Transactions put through were limited and prices moved narrowly. (40×2) April delivery was unchanged at Rs. 662. February delivery was somewhat better at Rs. 656, as against Rs. 652 last week-end. Among spot indigenous yarns (40×2), Kohinoors declined by half an anna to Rs. 3-8. New Greats were unaltered at Rs. 3-6-3, as also Citys at Rs. 3-7 and Centurys at Rs. 3-7-6. Deals in foreign yarns (80×2) were reported at lower prices, Fujis easing by 18 pies to Rs. 5-7-6 and Paramounts by 6 pies to Rs. 5-6.

Barring coarse counts which elicited support, cotton yarns generally ruled easy. Among forty counts, Moderns slipped by As. 8 to Rs. 28-8. Minaxis lost As. 2 to Rs. 27-5. Among sixtys, Moderns and Finlays shed As. 8 each to Rs. 63 and Rs. 61, respectively. Raghuvamshis were quiet at Rs. 57-12. Eighty counts Moderns came in for selling and declined by As. 8 to Rs. 77-8. Mahendras were done at Rs. 75. Twenty counts Maduras met with excellent buying inquiries and spurted by Rs. 2 to Rs. 21-12. Moderns strengthened by a rupee to Rs. 28. Ten counts Moderns hardened by As. 2 to Rs. 15-8. Podars were fully maintained at Rs. 15-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	6-2-1957	30-1-1957
	Rs. a.	Rs. a.
Art silk yarn (per case of 200 lbs.)—		
150 Drull Cone Snia February	797 0	820 0
150 Bt. Cones April	657 0	—
120 Japan (per lb.)	4 5	4 5½
150 Japan (per lb.)	4 6½	4 6½
120 Italy (per lb.)	4 1½	4 2
150 Italy (per lb.)	3 11½	3 12
Staple fibre yarn (per case of 200 lbs.)—		
40×2 February	656 0	652 0
40×2 April	662 0	662 0
40×2 New Great (per lb.)	3 6½	3 6½
40×2 Century (per lb.)	3 7½	3 7½
40×2 City (per lb.)	3 7	3 7
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	15 8	15 8
20s Madura	21 12	19 12
40s Gokak	27 8	27 8
60s Finlay	61 0	61 8
80s Modern	77 8	78 0

OILSEEDS REACT

(From Our Own Correspondent)

BOMBAY, 6th *February*

During the week under review, the local oilseeds market witnessed a setback in values. The chief factors responsible for this trend were the offerings from the local as well as upcountry operators, increase in the interest rates of the Reserve Bank, and fears that the Board of the Oilseeds Association might impose ceiling rates in furtherance of its efforts to control the rising trend of prices. The reaction in the castor section was more pronounced than in the groundnut section owing to lack of support and foreign advices and increased inflow of stocks from upcountry centres. The linseed and cottonseed sections were also weaker owing to lack of support.

Groundnut February contract, opening at Rs. 168-8, touched a high of Rs. 169-6 the same day before finishing lower at Rs. 166-10. Subsequently, with minor fluctuations, it consistently but slowly declined to Rs. 163-4 yesterday. Today, however, it reached the level of Rs. 167-12 before finishing at Rs. 167. Over the week it lost Re. 1-8. May contract, too, reflected a similar trend. Having commenced at Rs. 169-14 on 31st January, it touched the same day the level of Rs. 170-4. During the following days it reflected a steadily declining trend, touching the lowest level of the week at Rs. 162-4 on 5th inst., before finishing today at Rs. 165-10. In the spot section, Bold F.A.Q. lost As. 14 at Rs. 34 over the week, while groundnut oil ex-mill was lower by As. 10 at Rs. 18-10.

In the linseed section, linseed May contract having opened at Rs. 30-12, steadily receded to Rs. 29-2 on 4th inst. and to Rs. 28-12 on 5th. Today it opened at Rs. 27-15, but finished higher at Rs. 29-7. It lost over the week Re. 1-2. In the spot section, Bold was quoted at Rs. 31-4, that is, Rs. 2-12 less than a week ago. Linseed oil ready was done at Rs. 18, or Re. 1 less than last week.

Castorseed May (futures) contract reflected a steeper fall than the rest. It commenced the week at Rs. 163-4, but reacted after minor fluctuation to Rs. 157-12 on 2nd inst. It, however, climed up to Rs. 160-8 on the following day before again falling back to Rs. 156-12 the same day. Yesterday, after commencing at Rs. 156-8, it further declined to Rs. 154-4, before closing As. 4 higher. Today, however, it recovered partly to Rs. 157-12 before finishing at Rs. 157. The decline over the week was no less than Rs. 6-8. In the spot section, Bold receded by Rs. 3-4 to Rs. 32-12; and Oil B.S.S. by Rs. 2-2 to Rs. 20-4.

Cottonseed February contract was almost equally dull. Opening steady at Rs. 101, the contract sagged to Rs. 99-8 the same day. Though on the following day it went up to Rs. 101, it declined in subsequent sessions and was quoted at Rs. 96-8 on 4th inst. Today, it closed higher at Rs. 99. It lost over the week Rs. 4. The May contract, similarly, opened at Rs. 101-12 and touched the peak level of the week at Rs. 103-8 the same day. During the following days the trend was markedly downward, and it receded to Rs. 97 yesterday, before finishing up today at Rs. 99.

Among the other seeds. *kardiseed* Bold was a shade lower at Rs. 21-8 and *nigerseed* Madras was done Re. 1-4 lower at Rs. 29-8.

On 30th January, the Union Government raised the maximum limit of 100 tons on individual shipments for export of coconut oilcake to 250 tons. Thus the maximum quantity of coconut oilcake that an exporter, along with his branch or associate concern. holding the same income-tax verification certificate registration exemption, is allowed to export from all the ports is 250 tons. The trade is also informed that requests for further allotments will be considered on *ad hoc* basis, on completion of shipment of the maximum ceiling of 250 tons.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	6-2-1957	30-1-1957	23-1-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	167 0	168 8	168 8
Khandesh Quality Ready (per cwt.)	33 12	35 4	35 6
Feb.-Mar.	—	—	—
Linseed—			
May 1957	29 0	30 12	31 12
Bold Ready (per cwt.)	31 4	34 0	36 4
Feb.-Mar.	30 14	32 4	33 12
Castorseeds—			
May 1957	157 0	163 8	173 8
Madras (per cwt.)	32 12	36 0	39 8
Cottonseed—			
February 1957	99 0	103 0	103 0
Groundnut oil—			
Ex-mill Ready (per quarter)	18 10	19 4	[19 8
Castor oil—			
Commercial (per quarter)	19 2	20 14	[23 14
Linseed oil—			
Ready	18 0	19 0	19 10

PEPPER WEAK

(Messrs. Parekh & Co.)

BOMBAY, 6th *February*

During the earlier part of the week, Malabar black pepper rallied in sympathy with New York where spot improved to $0.28½ owing to demand from grinders, following the uncertainty regarding the dock strike. New York bought January at prices ranging from $0.25 to $0.25¾. Alleppey improved to Rs. 600 and garbled to Rs. 10¼. On a trading ring, February and March were done at Rs. 103 and Rs. 106 respectively. Calicut had sellers at Rs. 635.

In the later part of the week, New York, having withdrawn, prices eased. Pressure of liquidation by weak holders in February delivery owing to proximity of due date is another factor responsible for the present weakness. The market is so sensitive that a small reduction in Bombay is having its effect on the original centres as well as on New York.

Alleppey came down to Rs. 575 while garbled was traded at Rs. 97½, the demand having failed to keep pace with arrivals. Growers are bullish. They refuse to sell in sizable quantities at lower prices. But for the sake of testing the market they often sell small parcels at the ruling price.

Continuous enquiries by Russia for further purchases are, however, a supporting factor. Western Europe is reported to be out of the market for Malabar owing to its higher cost but Eastern Europe is said to be negotiating off and on for sizable parcels. Prices being lower, exporters are unwilling to keep their position blank. They, therefore, either buy first and then sell or come out to hedge their sales immediately by purchasing ready or forward according to their opinion. After an earlier shake out, Singapore is reported steady and is now quoting Str.$80 for black and Str.$105 for white.

The financial position of Indonesia being far from healthy pressure for selling from that source is reported; holders there prefer to keep their money in pepper rather than in paper currency.

The future at the moment is uncertain but lack of anxiety to sell on the part of growers is interpreted as a healthy sign for the commodity.

February-March moped down from $0.25½ to $0.25¼ while April-May-June from $0.26 to $0.25¾ with small selling. February delivery is depressed owing to pressure from weak holders in view of the approaching due date. Following are today's nominal quotations: Ready delivery Rs. 81 per Bengal maund; February Rs. 565-70 and March Rs. 575-80 per candy of 5¼ cwts.

DUST TEAS DEARER

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 1st *February*

400,000 lbs. of tea were offered in dust sale 'C' held on Tuesday, 29th January 1957. The offerings met with a strong demand and the market can be quoted irregularly dearer for all types. Colours, mediums and lowest residual types continue to be fancied, whilst best liquorng sorts were rather easier.

The combined average price realised in dust sale 'C' was Re. 1-15-4 per lb., as compared with Re. 1-9-9 per lb. in the corresponding sale of 1956.

London Market.—Sale of 28th January 1957.—

Fully firm to occasionally dearer, although light liquoring brokens slightly easier.

Sale of 29th January:—Generally firm to dearer for everything, except light liquoring brokens, which were irregularly slightly easier.

Colombo Market.—Sale of 28th January 1957:—

Black grainy dusts and black fannings dearer. Other kinds 10 to 20 cents lower. Stalky broken mixed down 30 to 40 cents.

Sale of 29th January 1957:—Highgrowns lower, following quality. Coloury low medium brokens 10 cents dearer. Lowgrowns firm. High and medium fannings appreciably lower.

Calcutta Market.—Export.—Fairly general demand at lower rates. Brokens As. 1½ to As. 2; fannings half to one anna lower.

Internal:—24,000 dust. Fair general demand upto As. 2½ easier. Bright liquoring C.T.Cs firm. Black exportable types fair support. 2,800 leaf. Fair demand. Generally As. 1½ easier.

Export Quota:—The market for export quota has been rather quiet during the beginning of the week, with business taking place at As. 3 per lb. But the market has now hardened and business has been done at 40 pies.

Forthcoming Auctions:—Dust sale 'D' will be held on Tuesday, 12th February 1957.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 3:—1.9 million lbs. Very strong general demand for all low medium and medium descriptions, with B.O.Ps As. 3 to As. 4 dearer and fannings one anna to As. 2. Good medium and best liquoring quieter demand and prices very irregular."

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, 5th *February*

The absence of sufficient inquiries, in the face of a welcome fall in the prices of raw jute was one of the factors which contributed to a modest decline in the prices of jute goods during the week under review. Markets are closed today on account of *Saraswati Pooja*, but yesterday, while raw jute prices continued to give way, jute goods recorded a fractional rise in rates following the Government call for tender for 8,000 bales of B. twills. The market was earlier anticipating sizable buying by the Government, and more orders were expected in the near future. That overseas buyers were enjoying a pause did not cause any surprise to shippers and traders generally. For, during and after the Suez Canal crisis, foreign consumers had increased their stocks as a preparation to meet any international emergency. It should be stated here that this was the cause for arresting the decline in prices of jute goods early in November and stocks of goods with mills recorded satisfactory declines. Now that the Suez crisis has almost ended and the Canal is expected to open for navigation in the month of March, it is only natural that overseas consumers should fall back on their stocks. Covering demand during the week under review was naturally confined to small quantities here and there. Traders believed that the reduced activity on account of export would not affect stocks with mills, since they expected that internal buying both on account of Government and private industry would be substantial in the coming weeks. During recent months, stocks of hessian had fallen more noticeably than those of heavy goods, on account of higher exports for the reason already indicated, and, to bring the statistical position to a more satisfactory proportion, mills are reported to have switched over a portion of the sacking looms to the production of hessian.

This week's decline in the prices of jute goods in Calcutta has caused awe and anxiety to the Pakistani mills, which are unable to compete with India in foreign markets. For, their raw jute stocks had been built up in a rising market, and it should be stated that Pakistani raw jute prices were far higher than the Indian prices. Pakistani mills, it is now stated, desire to replenish their fibre stocks. Prices in Narayanganj have also fallen, but, as and when Pakistani mills render support, there is the apprehension that prices might go up and make production of goods all the more uneconomic to them. Therefore, the prospect of Pakistani competition to Indian goods in foreign markets is very remote in the coming weeks. Raw jute prices in Pakistan began to fall during the week, in view of the poor demand for export at the prevailing high prices. It is stated that, in Pakistan, exports of raw jute to countries other than India and the United Kingdom have been much below than usual, and these countries are probably biding time to resume buying after prices move down. Current Indian buying from East Bengal is little, and in view of the satisfactory stocks of the indigenous fibre with both the trade and cultivators, Indian mills are not expected to purchase any substantial quantity from Pakistan, if prices do not fall further.

Conflicting reports continue to emanate from Dacca as to the functions of the proposed Jute Marketing Board and the Jute Marketing Corporation. The trade there is naturally opposed to the formation of these bodies, which, if they function for purposes earlier announced and already reviewed in these columns, would place severe restrictions on and scope for private trade. The trade has understandably been representing to the Government against the desirability of the Government competing with it. The authorities in Dacca are reported to have been convinced of the force of the arguments by the trade, and it is now believed that the Board would operate only as far as exports to India are concerned. This would mean that all offers for export to India would have to be put and processed through the Board. The Board would, therefore, give trial to its existence only in relation to India. Similarly, the Jute Marketing Corporation is not likely to purchase jute from all over the country, but would restrict its buying activity in the border areas only, aimed at the prevention of jute smuggling to India.

Early in the week, when it was learnt that export inquiries had fallen, weak holders started selling. This was reflected in ready 40" 10 oz. hessian declining from Rs. 44 to Rs. 43-11. In view of the larger stocks of heavy goods with mills, the reaction in ready B. twills was more noticeable, the rate sagging to Rs. 116-12. It was noted that there would be some delay in the inauguration of forward trading in raw jute and jute goods, as a section of the gunny trade at a recent meeting had vehemently opposed the recognition accorded by the Government to the East India Jute and Hessian Exchange under the provisions of the Forward Contracts Regulation Act. It would seem most advisable for the Union Commerce Ministry to depute a personal representative to Calcutta and thus have firsthand information, with a view to quickening the commencement of hedging facilities to the industry and trade. On Thursday, prices recorded a fractional recession with B. twills being priced at Rs. 117 and hessian 40" 10 oz. at Rs. 44, following manipulation by speculators in the *fatka*. However, the absence of genuine buying affected sentiment and by the week-end B. twills had fallen to Rs. 114.12 and hessian 40" 10 oz. to Rs. 43-2. There was an improvement in sentiment yesterday following the Government tender for B. twills referred to above and the price for this construction rose to quote Rs. 115-12. Hessian 40" 10 oz., in sympathy, was fractionally better at Rs. 43-6, with the 8 oz. quoting at Rs. 35-8 f.a.s.

Raw jute was quiet. Prices declined by Re. 1 to Re. 1-8 per maund for most constructions. This was due to the small support given by mills as well as to the fall in prices of jute goods. The latest quotations with February-March delivery position for the 1956-57 crop are:

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani:		
Northern	39 0	36 0
District	39 8	36 8
Indian:		
Northern	33 0	30 8
Assam Upper	33 0	30 8
Assam Lower	33 0	30 8
Daissee	35 8	33 0
Murshidabad	32 0	29 8
Western	32 0	29 8
Jungli	30 8	28 0
Orissa	37 0	34 8
Uttar Pradesh	30 8	28 0
Daissee mesta	28 8	26 0
Bimli f.a.q.	25 8	
Pucca bales, 1st marks, ready Rs. 190 per bale.		

TEA PRICES RECEDE

(From Our Own Correspondent)

CALCUTTA, 5th *February*

The general demand during yesterday's, as well as last week's, tea export sales was good, but prices were lower. It was noted that, during last week's sale in London, prices of medium and common teas declined, while those of the best quality teas ruled steady. In accord with the fall in world prices of tea recorded during the month of January, the Government of India has fixed the price of tea for determining the export duty, at Rs. 3-15 per lb. for the current month, as against Rs. 4-3 in the last month. The duty thus moves down to As. 6 per lb. from As. 8.

Despite the unanimous opposition by the industry and trade to the continuation of the West Bengal entry tax and the Assam road tax on tea and the Plantation Inquiry Commission's recommendation for the abolition of the same, the two State Governments concerned continue to levy these two taxes on the industry. On behalf of the Tripura Tea Association, its Secretary, Mr. J. C. Bhattacharyya, said in Calcutta yesterday that the withdrawal of these taxes was among the measures he would propose for according the much-needed relief to the tea industry in Tripura, which has 55 gardens spread over an area of 11,900 acres and employing 10,000 workers. He said that, in view of climatic conditions, the yield in Tripura gardens was poor and Tripura tea realised the lowest average price. He, therefore, urged the Government to accord relief in freight rates also and provide seeds, fertilisers, fuel and machinery at subsidised rates to the gardens in Tripura, in addition to the grant of loans on favourable terms.

The strongest feature during yesterday's export sale, which had on offer 66,900 chests, was bright liquoring teas, the prices of which shot up by As. 2. A slight gain was also recorded in the prices of well-made and stylish whole leaf grades. Poor support was accorded to the superior C.T.C. types and, reflecting this, prices declined. Subsequently there were withdrawals. On the other hand, good attention was afforded to the lower priced C.T.Cs, which displayed a dearer tendency. Keen competition was noted in the commonest teas, which realised prices an anna to As. 2 above brokers' valuations. However, medium and medium brokens eased by an anna to As. 1¼. Demand was better for Darjeelings. The quotations were: best C.T.C. Assam B.P. Rs. 2-9 (nominal), medium Assam B.P. Rs. 2-1, clean black pekoe Rs. 2-4, and plain B.P. Re. 1-15 to Re. 1-15-6.

From 40 pies export quota declined to 39 pies, but subsequently sellers were prepared to part with their rights at 41 pies per lb. with buyers offering 39 pies.

Export offerings during last week's sale aggregated 68,700 packages. Keen competition was offered for good medium Assams and bright liquoring teas. Prices of these were higher occasionally. A few selected lots among C.T.C. teas met with better support, but all other lots in this category eased. Withdrawals from the thin liquoring and stalky B.Ps were heavy, and prices of these recorded a rapid recession earlier. Prices of common and medium teas fell by As. 2. There was good demand for clean well-made whole leaf grades and stylish B.P. teas. Prices of the former were often higher. Prices of tippy teas improved by As. 2 on strong demand. On the other hand, due to poor demand, Darjeelings were easy. The rates quoted were: best Assam B.P. Rs. 2-9 to Rs. 2-10, medium Assam B.P. Rs. 2-1-6, clean black pekoe Rs. 2-3-6 to Rs. 2-4, and plain B.P. Re. 1-15 to Rs 2.

Despite good general demand during the internal sales held last week, prices eased. Dusts on offer amounted to 24,095 chests. As an exception to the general trend, bright liquoring C.T.C. Assams were firm. This was so, in view of the smallness of these offerings. All other C.T.Cs declined by an anna to As. 3. Black leafy teas sold well. Other offerings met with an easier market. The rates that ruled were: best Assam C.T.C. Rs. 2-1, medium Assam grainy dust Re. 1-13, and medium Dooars Re. 1-12-6.

Prices of leaf grades, offerings of which amounted to 2,950 chests, declined by an anna to As. 2½.

HIDES EASY

(From Our Own Correspondent)

MADRAS, 4th *February*

Arrivals of tanned cow hides were moderate and clearance kept pace with arrivals. Prices were a shade easier than last week, as U.K. importers held off the market, and quoted 5 per cent. lower than the asking prices at origin. E.I. tanners are going slow with their raw stock purchases, which at current levels are 7½ per cent. above tanned U.K. parity. Trading with the U.K. has been limited and is not likely to revive during the first half of this month, as several steamers are discharging cargo in the U.K. in a bunch and dressers are not anxious to enter into fresh commitments.

Shipment business in tanned skins was restrained, on account of the progress of the London auctions.

In the January London tanned skins public sales, prices of goat skins—better tannages—8/9 and 11/12 lbs. averages maintained December levels, while lighter averages and other sorts declined by 3d. to 6d. per lb. In the tanned sheep skins section, prices declined by 6d. to 12d., though stocks available were smaller than usual. As there will be larger stocks available for sale in the March auctions, it is feared that price declines are a certainty, and consignors will be hard hit, unless Continental demand forges ahead.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 3rd *February*

During the week under review, the hides and skins market ruled steady. Demand for wet salted cow of superior quality was particularly keen. Supplies of goat and sheep were ample and the main purchasers in this line were the Madras dealers. The local tanners were the main parties to effect transactions in wet salted cow and buff.

The latest available quotations are: Wet salted cow 1st grade Rs. 360, 2nd grade Rs. 300 to Rs. 340 and 3rd grade Rs. 175 per score; wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat 1st grade Rs. 320 and 2nd grade Rs. 315 per 100 pieces; sheep 1st grade Rs. 315 and 2nd grade Rs. 250 per 100 pieces.

FOODGRAINS RULE STEADY

(From Our Own Correspondent)

HAPUR, 4th *February*

Foodgrain markets displayed a steady trend during the past week. Despite better supplies of wheat at fair price shops, following large-scale arrivals of imported wheat from Bombay, wheat prices did not record any appreciable decline, as stockists still wanted to store in expectation of better prices in the lean period during March. Over 73,000 tons of wheat were distributed last month in U.P. Outside buying inquiry for wheat was slack and wheat stock ran down by only one *khati* during the week to 52 *khaties*. The latest wholesale prices in important markets in Uttar Pradesh are: Hapur average Rs. 16-2; farm quality Rs. 17-8; Chandausi Rs. 17-4; Kasgunj Rs. 16; Gonda Rs. 16-4 and Sitapur Rs. 17-12-6.

The standing crop of wheat is reported to have slightly suffered, due to untimely heavy rains in the middle of January. Other coarse grain crops are progressing under healthy conditions.

Rice ruled quiet during the week. The Government, in order to avoid any possible effect on the market, has decided not to make any internal purchases of rice and paddy for the purpose of building stocks from the present harvest. The prevailing prices are: *Basmati* Rs. 23 to Rs. 26-4; *Manipuri* Rs. 20-8; coarse quality Rs. 16-4 per maund.

Gram ruled quietly steady during the week at Rs. 13-6 per maund for local quality and at Rs. 13-12 for Punjab produce. The gram stock here ran down by 4 *khaties* to 31 *khaties*. Maize recorded a slight fall, due to heavy stock position—11 *khaties*—and falling seasonal demand. The all-India first estimate of maize for 1956-57 puts the current year's area at 8,223,000 acres, as against the adjusted first estimate of 8,173,000 acres for 1955-56. Other coarse grains ruled steady during the week. The quotations as on Monday were: Barley Rs. 13-2; *bejhar* Rs. 12-14; maize Rs. 13-2; *bajra* Rs. 13-12; *jowar* Rs. 11-8 to Rs. 12-12; and *guwar* Rs. 11 per maund.

Pulses further advanced during the week due to fast dwindling stocks and fairly good outside buying inquiry. Peas stock was put at one *khati* only and there is still one and a half months for the arrival of the new crop in the market. *Dara* green quality peas was quoted at Rs. 14-14 and white quality at Rs. 17 per maund. *Arhar* improved to Rs. 13-4 per maund and stocks ran down to

(Continued on page 299)

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1936	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	4th May, 1955	5	5½
Menador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	4th May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1953	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	3½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	25th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 1st February, 1957		Week ended 25th January, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,71,216	77,15,68,000	3,10,072	99,29,45,000
Calcutta	1,71,815	69,10,45,688	1,58,301	58,48,59,971
Madras	74,073	9,56,06,107	89,503	10,81,28,809
All Centres— 1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,680,200,000
Nov., 1956	..	..	3,284,000	7,25,06,00,000
Dec.,	..	..	3,373,000	7,84,19,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 1st Feb., 1957

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up	..	5,00,00,000
Reserve Fund	..	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	..	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	..	1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government	..	52,34,51,000
(2) Other Governments	..	16,68,48,000
(b) Banks	..	64,44,01,000
(c) Others	..	13,40,42,000
Bills Payable	..	15,00,38,000
Other Liabilities	..	132,87,07,000
	Rupees ..	290,74,87,000

Assets	Rs.
Notes	14,54,88,000
Rupee Coin	6,51,000
Subsidiary Coin	12,73,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,42,19,000
Balances held abroad*	93,84,24,000
Loans and Advances to Governments	6,24,70,000
Other Loans and Advances	108,45,67,000
Investments	51,42,84,000
Other Assets	14,61,11,000
Rupees	290,74,87,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 58,87,67,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 59,12,48,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	14,54,88,000	
Notes in circulation	1494,02,16,000	
Total Notes issued	..	1508,57,03,000
Total Liabilities	....	1508,57,03,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	..	
Foreign Securities	412,51,91,000	
Total of A	..	530,27,94,000
B. Rupee Coin	..	123,25,65,000
Government of India Rupee Securities	..	855,03,44,000
Internal Bills of Exchange and other commercial paper	..	....
Total Assets	..	1508,57,03,000

Scheduled Banks*

Statement of Affairs for the week ended 25th Jan., 1957

	Rs.
1. Demand Liabilities in India:	
(a) Borrowings from banks other than the State Bank and a notified bank†	6,79,67,000
(dd) Other demand liabilities	664,02,59,000
2. Time Liabilities in India:	
(b) Borrowings from banks other than the State Bank and a notified bank †	3,56,00,000
(dd) Other time liabilities	459,78,99,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(c) Demand liabilities	13,81,19,000
(d) Time liabilities	..
4. Cash in India	88,06,35,000
5. Balances with the Reserve Bank in India	50,04,94,000
6. Balances with other banks in current account in India	9,94,05,000
7. Money at call and short notice in India	11,10,85,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	361,63,51,000
9. Advances in India	657,07,44,000
10. Inland Bills purchased and discounted in India	115,39,35,000
11. Foreign Bills purchased and discounted in India	53,66,86,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	5th February 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	478¼	478¼
Buyers T.T. Rs.	472¼	472¼
London on New York $	2.79½-2.80	2.80-2.80 1/16
London on Paris Fcs.	983½	983½
London on Berne Sw. Fcs.	12.27½-12.27½	12.27½-12.27½
New York on London $	2.79½-2.79½	2.79½-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'55-'54	79.33	..	1,931	243
Burma	1954	19.24	Kyats 3,905	390	304
Ceylon	1954	8.88	..	470	560
Cyprus	1955	88.90	£ 6,575,000	8,698	978
Philippines	1955	21.35	Ps. 7,800	1,857	880
New Zealand	1955	2.13	£ (N.Z.) 846	1,128	5,296
Australia	1954	8.99	£ (A) 2,957	4,220	4,694
U.K.	1955	50.97 £	16,534	22,178	4,351
U.S.A.	1955	165.27 $	324,000	155,520	9,410
Canada	1955	15.60 $	20,738	10,166	6,516
France	1955	43.27	N.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm. 125,200	14,460	2,690
Japan	1954	47.80	Lr. 9,718,000	7,480	1,560
Norway	1955	3.48	Kr. 19,764	3,130	8,950
Sweden	1954	7.21	Kr. 25,820	3,544	4,912
Netherlands	1955	10.75	Grs. 22,500	2,850	2,650
Denmark	1954	4.41	Kr. 23,574	1,510	3,554
Switzerland	1954	4.93	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 25th Jan., 1957

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	47,15,86,000
(b) Provincial Governments	2,64,51,000
(c) Banks	14,00,49,000
(d) Others	8,13,00,000
Bills Payable	27,05,000
Other Liabilities	10,67,69,000
Rupees	89,48,70,000

Assets	Rs.
Notes	11,48,91,000
Rupee Coin	12,000
Subsidiary Coin	17,000
Bills Purchased and Discounted:—	
(a) Internal	12,70,000
(b) External	12,00,000
(c) Government Treasury Bills	....
Other Loans and Advances	22,69,92,000
Investments	43,92,29,000
Other Assets	11,12,59,000
Rupees	89,48,70,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	11,48,91,000	
Notes in circulation	328,77,79,000	
Total Notes issued	..	340,26,70,000
Total Liabilities	....	340,26,70,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	11,38,41,000	
Silver Bullion	..	
Sterling Securities	83,07,74,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	48,02,28,000	
B. Rupee Coin	5,03,73,000	
Government of Pakistan Securities	168,26,01,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	340,26,70,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.98 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	25th Jan. 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,485.52	1,490.89	1,466.07	1,379.07
Notes held in Banking Department	35.05	23.56	17.66	9.14	22.97
Foreign Securities	59.50	427.43	442.33	447.30	447.07
Rupee Securities	37.39	840.13	829.22	785.35	588.37
Banking Department					
Deposits of:—					
Government of India	14.89	51.46	50.71	57.24	54.32
Other Governments	..	13.33	7.03	8.00	18.47
Balances held abroad	10.08	83.18	81.24	82.61	67.05
SCHEDULED BANKS					
Demand Liabilities	134.36	670.62	666.38	654.19	648.88
		(6.80)†	(6.08)†	(9.45)†	(6.45)†
Time Liabilities	102.24	462.30	458.91	459.50	409.86
		(2.56)†	(2.46)†	(2.49)†	(3.31)†
Borrowings from Reserve Bank	..	74.15	75.13	79.06	29.37
		(59.31)‡	(60.70)‡	(57.20)‡	(17.70)‡
Borrowings from State Bank	..	13.81	11.80	8.11	11.56
Cash in India	6.70	33.06	36.48	38.33	37.32
Balances with Reserve Bank	25.17	50.05	48.31	52.66	62.04
Excess over statutory limits	15.52	7.27	5.82	10.76	21.40
Balances with other banks in current account in India	..	9.94	10.21	12.84	10.80
Money at call and short notice in India	..	11.10	9.04	10.78	9.45
Investments (at book value)	..	361.64	362.12	364.75	381.77
Advances and bills	105.09	826.04	815.87	788.46	677.60
STATE BANK					
Deposits	87.76	252.03	245.76	242.02	238.42
Investments	51.99	106.92	107.05	106.89	116.12
Advances	30.35	160.32	154.77	140.12	114.47
Cash	14.69	17.96	18.02	19.67	32.04

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	October,		Seven months, April to Oct.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	8.71	10.57	64.51	70.94
Protective	0.95	1.13	5.72	7.18
On surplus disposals	0.02	—	0.07	0.08
Total import duties	9.68	11.70	70.31	78.15
Export Duties	3.04	2.80	21.17	15.26
Land Customs	0.07	0.27	0.50	1.40
Miscellaneous	0.05	0.12	0.41	0.63
Gross total customs	12.84	14.89	92.39	95.44
Refunds and drawbacks	0.22	0.15	1.55	1.38
Net Customs	12.61	14.74	90.84	94.06
Gross excise	11.09	16.15	85.50	102.08
Refunds	0.45	0.30	2.86	1.16
Net Excise	10.63	15.85	82.64	100.93
Net total of customs and excise†	23.24	30.69	173.48	195.02

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 1st Feb., 1957

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves	..	5,62,50,000
Deposits and Other Accounts	..	2,67,50,000
Borrowings from Other Banking Companies, Agents, etc.	..	2,02,25,37,000
Bills Payable	..	11,69,00,000
Bills for Collection being Bills Receivable as per contra	..	4,95,01,000
Acceptances, Endorsements and Other Obligations per contra	..	74,80,000
Other Liabilities (including Inter-Offices Adjustments)	..	8,26,000
	..	3,54,70,000
Total ..	Rs.	2,94,97,14,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank	..	14,29,50,000
Balances with other Banks	..	3,73,00,000
Money at Call and Short Notice	..	66,67,000
INVESTMENTS:		
Government and other Trustee Securities	..	95,48,17,000
Other Authorised Investments	..	11,43,81,000
	..	1,06,91,98,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	..	1,32,99,01,000
Bills Discounted and Purchased	..	31,69,03,000
	..	1,64,68,04,000
Bills Receivable being Bills for Collection as per contra	..	74,80,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	..	8,26,000
Premises less Depreciation	..	1,19,20,000
Furniture and Fixtures less Depreciation	..	61,24,000
Other Assets (including Inter-Office Adjustments)	..	2,03,75,000
Total ..	Rs.	2,94,97,14,000

SMALL SAVINGS

(In lakhs of rupees.

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bonds Outstandings ●		3½% Ten-year Treasury Savings Deposit Certificates	
	5-Year		7-Year		12-Year							
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*	Receipts	Outstandings	Receipts	Outstandings*
1955-56	6.62	65	3.26	23.66	54.17	1,18.25	92.66	— 31.07	7.55	25.64	..	..
1954-55	6.70	1.62	4.99	27.27	54.84	1,24.94	1,20.38	— 36.35	5.57	37.15	7,40.91	7.38
1955-56	3.76	1.93	5.43	27.19	54.36	1,15.16	1,07.56	— 33.57	4.79	41.35	9,26.16	16.37
November 1955	4.07	10	5.21	1.93	1,37.62	11.25	1,50.40	— 33.34	43	40.05	82	12.30
December ..	4.00	13	5.26	2.56	1,39.48	13.94	1,52.44	— 33.44	36	40.24	83	13.06
January 1956 ..	3.91	14	5.24	3.03	1,40.78	12.16	1,54.14	— 33.55	32	40.61	84	14.78
February ..	3.83	16	5.20	2.33	1,42.37	13.47	1,56.10	— 33.66	29	40.95	92	15.87
March ..	3.76	23	5.13	2.82	1,44.86	23.64	1,67.26	— 33.57	26	41.35	88	16.37
April ..	3.69	24	5.04	2.19	1,45.85	14.54	1,71.08	— 33.96	24	41.51	83	17.13
May ..	3.61	21	4.54	2.69	1,47.68	14.77	1,73.05	— 33.05	28	41.82	85	17.91
June ..	3.54	28	4.55	2.79	1,49.42	14.24	1,74.61	— 32.45	25	42.11	92	18.76
July ..	3.48	43	5.21	2.73	1,51.53	14.61	1,80.05	— 39.54	28	42.43	1.01	19.68
August ..	3.40	39	5.28	2.53	1,53.14	14.19	1,82.21	— 39.35	26	42.72	98	20.58
September ..	3.34	17	5.71	2.05	1,55.14	13.27	1,84.38	— 39.17	24	43.00	85	21.34
October ..	3.28	16	5.69	2.28	1,56.51	13.00	1,85.99	— 39.26	25	43.29	82	22.06
November ..	3.23	13	5.66	2.50	1,57.62	12.70	1,86.39	— 39.35	25	43.39	77	22.78
December ..	..	..	..	..	..	..	..	..	26	43.68	..	..

	10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Receipts	Outstandings*	Receipts	Outstandings*
1955-56	7.88	16.37	55††	55
1954-55	9.26	16.37	41	55
1955-56	..	..	3	55
November 1955	..	..	3	91
December ..	..	..	3	91
January 1956 ..	..	..	3	91
February ..	..	..	3	91
March ..	..	..	3	91
April ..	..	..	3	98
May ..	..	..	3	98
June ..	..	..	3	1,00
July ..	..	..	4	1,04
August ..	..	..	4	1,07
September ..	..	..	4	1,11
October ..	..	..	4	1,15
November ..	..	..	3	1,17
December ..	..	..	4	1,19

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

● Progressive net repayments at the end of period from 15th August 1947.

†† Relating to nine months from July, 1954.

§ From July, 1954.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 10th Jan., 1957	12th Jan., 1957	22nd Dec., 1956	21st Jan., 1956
ALL-INDIA	89.7	89.7	89.7	91.1
1. Government and Semi-Government Securities	89.4	89.4	89.4	91.0
2. Indian States	96.6	96.6	96.6	96.5
3. Municipal Port Trust, etc.	90.7	90.8	90.9	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.0	100.0	100.0	101.1
1. Electricity	100.9	100.9	100.9	102.6
2. Jute	97.5	97.5	97.5	97.6
3. Plantations	98.6	98.6	98.6	99.1
4. Sugar	98.5	98.5	98.5	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.5	100.5	100.5	101.0
PREFERENCE SHARES	80.4	80.5	80.5	87.2
1. Electricity	87.8	87.0	87.2	94.7
2. Cotton	80.1	79.9	80.3	79.8
3. Jute	75.4	75.4	75.6	86.7
4. Coal	83.0	83.0	83.0	90.5
5. Iron and Steel	84.0	84.2	83.2	88.9
6. Sugar	81.6	81.6	81.6	86.5
7. Tea	79.7	79.7	79.6	86.5
8. Plantations	99.8	99.9	101.1	101.2
9. Miscellaneous	73.8	74.3	74.8	84.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.7	112.6	115.2	125.8
(a) Financial	94.7	91.4	92.1	93.7
1. Banks	96.9	92.3	93.4	92.6
2. Insurance	84.8	85.3	86.7	99.7
3. Investment Trust	92.7	92.7	93.7	96.9
(b) Public Utilities	108.5	108.0	109.5	116.6
1. Electricity	109.5	109.2	110.6	120.7
2. Shipping and other Transport	113.9	112.7	114.6	113.8
3. Railways	81.0	81.2	81.7	92.3
(c) Manufacturing industries	120.9	120.0	123.1	134.5
1. Cotton, Woollen and Silk	127.7	126.7	129.5	125.9
2. Jute	58.1	58.9	62.2	91.1
3. Iron and Steel	129.5	127.1	131.7	156.4
4. Paper	248.8	245.6	248.8	290.9
5. Cement	169.7	168.2	169.1	173.8
6. General Engineering	175.2	173.2	178.0	204.5
7. Sugar and Breweries	100.2	100.1	102.2	108.5
8. Chemicals	136.8	136.5	137.4	153.0
(d) Non-Manufacturing industries	138.7	138.6	143.7	163.8
1. Coal	74.2	73.6	75.8	86.8
2. Mining and Oil	196.6	197.6	203.2	262.6
3. Plantations	155.4	155.1	159.6	169.4
(e) Miscellaneous	90.8	90.0	93.0	108.0
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.1	89.0	89.1	90.6
2. Calcutta	89.6	89.5	89.6	91.0
3. Madras	89.9	89.9	89.9	91.4
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.4	99.4	99.4	100.2
2. Calcutta	100.5	100.5	100.5	101.9
3. Madras	99.7	99.7	99.7	100.1
PREFERENCE SHARES:				
1. Bombay	85.4	85.4	84.5	90.4
2. Calcutta	74.1	74.1	74.5	83.1
3. Madras	94.6	95.0	96.2	97.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	124.0	121.4	124.0	130.3
2. Calcutta	99.5	99.0	101.7	116.9
3. Madras	125.4	125.1	127.8	122.2
4. Delhi	124.9	121.1	123.0	135.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	775	456,607	3,382,606
1954	840	477,139	3,378,690
1955	1,166	627,767	5,697,848
August 1954	79	51,090	322,887
September	97	50,414	363,878
October	88	41,724	276,294
November	62	25,115	239,701
December	101	54,455	262,763
January 1955†	95	49,088	322,807
February	91	25,370	144,302
March	113	70,042	334,896
April	106	32,432	333,375
May	130	93,441	961,776
June	152	91,269	1,144,011
July	111	55,260	660,492
August	226	90,218	533,999
September	251	92,619	580,081
October	134	47,500	214,214
November	99	48,609	178,113
December	129	45,277	239,550
January* 1956†	107	61,080	349,855
February*	122	69,450	786,766
March*	146	133,188	678,716
April*	143	81,267	534,983
May	137	64,361	555,717
June	152	73,243	485,634
July*	144	99,431	539,855
August*	129	58,290	495,907
Sept.	142	109,503 (a)	762,341 (b)

† Figures are provisional.

(a) Not known in 9 cases. (b) Not known in 14 cases.

* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1953-54	614	6,301.4	5,184.3
1954-55	646	6,976.5	5,572.7
1954-55	646	7,760.9	6,319.2
1955-56	715	8,805.3	7,185.8
Jan., to Oct., 1955	716	6,983.4	5,681.3
Jan., to Oct., 1956	753	7,983.7	6,508.9
September 1955	707	719.3	587.1
October	716	720.7	591.9
November	721	725.5	597.0
December	724	785.7	648.0
January 1956	731	757.3	621.8
February	739	749.9	622.0
March	715	800.0	651.0
April	701	780.8	648.8
May	701	855.5	669.1
June	701	796.5	658.5
July	710	796.8	656.3
August	724	798.0	650.0
September	735	793.7	666.4
October	737	812.7	670.1
..	753	824.1	..

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System has been included.

‡ At the end of period.

‡ Including purchases from non-electric utilities.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	19th Jan., 1957	12th Jan., 1957	21st Jan., 1956	December, 1956	December, 1955	Percentage of Increase (+) or decrease (—) in Dec., 1956 as compared with Dec., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	396·5	395.9 R	334.2	413.9	323.7	+27.9	373.2	339.8
Cereals	59	494	489 R	397	532	385	+38.2	372	351
Pulses	8	433	433 R	370	427	345	+23.8	289	280
Others	33	262*	253	240	262	234	+12.0	235	291
Industrial Raw Materials	(18)	527·9	522·0	451·1	517.5	436.9	+18.4	419.8	426.2
Fibres	53	509	508	448	490	488	+13.9	429	447
Oil seeds	30	583	586	458	570	431	+32.3	395	424
Minerals	10	528	540	447	531	434	+22.4	427	422
Others	7	435	434	453*	434	462	— 6.1	491	427
Semi-Manufactures	(17)	412·4*	413·0 R	354.4	417.5	346.6	+20.5	338.2	350.3
Leather	3	..	433	424	443	400	+10.8	378	370
Mineral oils	13	210	210	202	209	210	— 0.5	207	221
Vegetable oils	16	626	618 R	424*	632	414	+52.7	389 R	433
Cotton yarn	35	492	495*	434	499	424	+17.7	452	454
Metals	18	328	328	280	327	279	+17.2	254	240
Oil cakes	5	435	449	394*	434	355	+36.3	335	381
Others	5	362	362	330	363	330	+10.0	336	312
Manufactured Articles	(30)	387·7	388.8 R	374.4	386.9	373.0	+ 3.7	372.9	377.4R
Textiles	64	417	416	407	418	405	+ 3.2	403	421
Jute	11	456	448	412	459	415	+10.6	418	448
Cotton	45	414*	414*	408*	415*	399*	— 4.0	408*	415*
Rayon and Silk	6	436*	436*	486*	429*	486*	—11.7	435*	469*
Woollen	3	286	286	327	279	327	— 4.3	354	311
Metal products	17	394	394 R	371	390	371	+ 5.1	359	340
Others	19	298	298	285	297	284	+ 4.6	285	286
Miscellaneous	(4)	592·9	594.0 R	536.0	590.3	544.2	+ 8.5	548.4	612.4
All Commodities	(100)	424·2	421.0 R	375.7	428.9	388.2	+10.5	380.6	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

R—Revised.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage		Outturn	
	Unit	1955-56	1954-55	1955-56	1954-55
Cereals—					
Rice	tons	76,253	75,949	25,474	24,551
Wheat	"	29,225	27,517	8,348	8,778
Jowar	"	42,721	43,446	9,940	9,093
Bajra	"	27,025	27,983	3,400	3,421
Barley	"	8,145	8,309	2,721	2,870
Maize	"	8,909	9,311	2,519	2,939
Ragi	"	5,627	5,711	1,844	1,646
Small millets ..	"	13,096	13,799	2,103	2,456
Total cereals ..	tons	211,000	212,025	53,349	55,734
Pulses—					
Gram	tons	22,092	22,047	4,865	5,293
Tur	"	5,757	5,944	1,814	1,688
Other Kharif pulses § ..	"	15,862	16,719	1,650	1,830
Rabi pulses‡ ..	"	10,579	10,590	1,858	1,959
Total pulses ..	tons	55,100	55,300	10,187	10,870
Oilseeds—					
Groundnut ..	tons	11,299†	10,968‡	3,559†	3,372‡
Castorseed ..	"	1,463	1,394	126	124
Sesamum ..	"	5,738	5,501	458	389
Rape and Mustard	"	6,303	6,025	333	1,019
Linseed	"	3,424	3 354	376	332
Total oilseeds ..	tons	29,471	30,322	5,596	6,242
Fibres—					
Cotton*	bales	20,230	18,684	3,998	4.227
Jute A.	"	1,883†	1,739‡	4,221†	4,197‡
Mesta A.	"	695†	553†‡	1,430†	1,101†‡
Other crops—					
Potato	tons	692	688	1,839	1,736
Sugarcane ..	"	4,532†	3,945‡	58,914†	50,455‡
Ginger (Dry) ..	"	37	35	15	14
Pepper (Black) ..	"	214	208	27	26
Chillies (Dry) ..	"	1,402	1,223	240	205
Tobacco	"	921	846	259	244

Source: Ministry of Food and Agriculture. ‡ Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	December, 1956	84·9
	Corresponding month, 1955 ..	97·3
	Six months ended Dec., 1956 ..	517·3
	Corresponding period, 1955 ..	519·5
Stocks	At the end of Dec., 1956 ..	96·6
	Corresponding month, 1955 ..	63·5
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 15th Dec., 1956 ..	4,505
	Corresponding week, 1955 ..	15,049
	From 1st Jan., to 15th Dec., 1956.	408,779
	Corresponding period, 1955 ..	455,604
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 15th Dec., 1956 ..	17,636
	Corresponding week, 1955 ..	8,606
	From 1st Jan., to 15th Dec., 1956.	1,429,866
	Corresponding period, 1955 ..	1,318,008
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	December, 1956	4·92
	Corresponding month, 1955 ..	5·64
	Six months ended Dec., 1956 ..	29·9
	Corresponding period, 1955 ..	30·13

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	11,58,000	10 61,900	7,91,800
Do. 31st March 1954..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955..	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956..	11,55,900	10,62,100	7,97,800
August 1955	92,500	83,900	63,700
Sept. "	87,500	87,500	65,700
October "	91,700	83,800	64,800
Nov. "	91,900	86,200	63,400
Dec. "	103,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
August "	97,800	88,000	66,000
Sept. "	96,400	88,800	66,700
Oct. "	96,700	91,100	71,800
Nov. "	94,700	85,800	65,100
Dec. "	101,500	93,300	68,900
January 1957	97,400	94,300	70,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954..	5,80,020	3,49 930	2,92,440
Do. 31st March, 1955..	7,15,949	5,28,240	4,50,093
Do. 31st March, 1956..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
" " " Sept., 1954.	1,80,018	1,20,741	1,12,861
" " " Dec., 1954.	1,88,053	1,36,801	1,20,616
" " " Mar., 1955.	1,65,108	1,48,828	1,18,136
" " " June, 1955.	1,86 605	1,54,323	1,16,281
" " " Sept. 1955.	1,76,181	1,30,630	1,08,714
" " " Dec., 1955.	1,60,750	1,24,696	1,05,752
" " " Mar., 1956.	1,84,450	1,41,846	1,19,860
" " " June, 1956.	1,45,806	1,17,710	98,609
" " " Sept. 1956.	1,74,447	1,33,325	1,12,953
" " " Dec., 1956.	1,88,546	1,41,460	1,14,703

OVERALL BALANCE OF TRADE OF INDIA

October 1956†

Particulars	October,		Seven months April to Oct.	
	1955	1956	1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. lakhs	Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	47,82	52,73	338,95	322,65
(b) Re-exports ..	55	42	3,14	4,70
Less—Transit trade	..	..	8	6
Net re-exports ..	55	42	3,06	4,64
Total exports ..	48,37	53,15	342,01	327,29
2. Imports	51,91	70,95	355,02	465,18
Less—Transit trade	1	1	8	21
Net Imports* ..	51,90	70,94	355,02	464,97
Balance of trade in merchandise	—3,53	—17,79	— 13,01	—137,68
Balance of trade in gold and silver	..	— 1	— 4	— 12
Total overall visible balance of trade	—3,53	—17,80	— 13,05	—137,80

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
* Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	163	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	309	25	281	47	125
1955-56	12,761	2,772	972	212	110	67	156	29	474	412	41	331	48	148
October 1955	7,016	1,600	569	115	62	38	55	14	151	230	23	179	27	90
November "	8,076	1,835	647	133	68	43	78	17	174	266	27	205	33	104
December "	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,219	806	173	86	56	114	24	302	339	34	268	42	129
February "	11,548	2 541	883	190	97	63	133	27	395	374	33	298	45	136
March "	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April "	1,135	257	87	23	12	5	13	2	54	34	2	31	2	10
May "	2,227	470	166	44	22	11	25	3	115	70	5	60	5	21
June "	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July "	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August "	5,400	1,222	432	87	42	23	53	8	184	173	13	150	19	61
September "	6,420	1,446	505	97	46	26	73	10	199	207	15	179	25	81
October "	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98
November "	8'619	1,950	659	129	59	37	121	15	257	276	20	246	39	114

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=$ M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept. 1956 to 4th Feb. 1957 Bales	From 1st Sept. 1955 to 4th Feb. 1956 Bales
Bombay Island—			From Bombay Cotton Shipments to—		
Cotton Receipts ..	Week ended 31st Jan., 1957 ..	43,854(J)	United Kingdom ..	13,516	30,761
	Corresponding week, 1956 ..	41,821(J)	Continent ..	12,883	55,843
	1st Sept. 1956 to 31st Jan., 1957.	638,501*	Hongkong ..	11 937	21,676
	Corresponding period, 1955-56 ..	567,079	China	3,277	31,488
			Japan	64,661	134,561
Cotton Exports‡ ..	Week ended 31st Jan., 1957 ..	7,177	U.S.A. ..	1,100	2 108
	Corresponding week, 1956 ..	5 565	Other Countries ..	442	4,984
	1st Sept. 1956 to 31st Jan., 1957.	104,382	Total to all foreign countries ..	107,821	279 421
	Corresponding period, 1955-56 ..	299,140	Coastal Ports ..	7,360	56,939
Mill Consumption .. (Estimated)	1st Sept. 1956 to 31st Jan., 1957.	543,397	Total	115,181§	336,360§
	Corresponding period, 1955-56 ..	512,352		Period	Quantity (Bale of 400 lbs.)
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 31st Jan., 1957	519,093			
	Corresponding date, 1956.. ..	468,320	Consumption of Cotton— Indian	November, 1956	369,505
Cotton Exports from Bombay (by sea)	During Nov., 1956	9,238	Foreign		47,413
	During Nov., 1955	—	Indian	Three months ended Nov., 1956	1,117,406
	1st Sept., '55 to 30th Nov., 1955 ..	33 221	Foreign		151,639
	1st Sept., '54 to 30th Nov., 1955..	266,581	Indian	Same Period 1955	1,121,550
Karachi (Pakistan)—			Foreign		133,998
Receipts	1st Sept., 1956 to 24th Jan., 1957	833,862	Stocks (Mills and Elsewhere)— Indian	As on 30th November, 1956 ..	1,026,767
	Corresponding period, 1955-56 ..	857,949	Foreign		189,065
Exports	1st Sept., 1956 to 24th Jan., 1957	365,895	Indian	As on 30th November, 1955 ..	1,055 219
	Corresponding period, 1955-56 ..	395,885	Foreign		167,865
			Cotton Pressed in India† (in running bales) ..	Week ended 25th Jan., 1957 ..	27,895
				Corresponding week, 1956 ..	27 377
				1st Sept., 1956 to 25th Jan., 1957	571,470
				Corresponding period, 1955-56	1,141,545

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
2 ¾ % Bond	1926-27	63,30,26,000	1960-70	100⅜
3 % Loan	1938-39	1 16,17 46,000	1968-65	94⅜
3 % Loan	1950	30,33,10,000	1964	94⅜
2½ % Fd. Loan	1943	1,10,11,78,000	1966-68	92⅜
2½ % V. Loan	1944	23,54,89,000	1957	99⅛
2½ % Loan	1945	1,15,05,88,000	1970-75	87
2½ % 2nd V.Loan	1945	1,13,53,54,000	1959-61	97⅛
2½ % Loan	1951	50,35,63,000	1958	99⅛
2½ % Loan	1945	45,50,37,000	1960	96⅛
2½ % Loan	1946	57,00,69,000	1961	93⅝
2½ % Loan	1945	14,77,48,000	1976	83¼
2½ % Loan	1947	75,86,72,000	1962	93⅛
3½ % Loan (N.P. Bonds)	1952	75,29,00,000	1961	99⅜
3½ % N.P. Loan	1954	1,50,17,84,000	1964	98¼
3½ % N.P. Bonds (2nd Series)	1955	1,08,67,92,000	1955	98⅛
2½ %	1956	57,27,00,000	1962	97⅛
2½ % N.P. Bon s	1956	33,92,00,000	1967	98⅛
3½ %	1956	66,64,00,000	1974	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,85,000	At option of Government after three months notice. On September, 1986 or later at option of Government after three months' notice.	73
3 % Loan	1940	2,48,91,47,000		73½
REPATRIATE STERLING LOANS				
4½%Loan	1925	5,85,73,000	1958-68***	102⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97-13/32
4 % Andhra	1956	5,00,00,000	3rd Sept. 1968	97⅜
3 % Bombay	1944	2,06,66,000	15th Aug. 1958	98⅛
3 % Bombay	1949	2,53,56,000	1st Aug. 1962	94⅛
3 % Bombay	1950	2,57,28,000	31st July 1960	94⅛
2½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98⅛
4 % Bombay	1952	5,42,28,000	15th July 1963	100
4 % Bombay	1953	2,55,87,000	1st Aug. 1963	100⅛
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99⅛
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99⅛
4 % Bihar	1955	5,00,00,000	1st Sept. 1967	97⅛
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97⅛
4 % Cochin	1946	1,00,00,000	15th Dec. 1955-58	98⅛
2½ % Howrah Bridge (New)	1936-37	70,09 000	1st June 1955-61	99⅛
4 % Hyderabad	1955	1,95,96,700	1956-66	95⅛
4 % Hyderabad	1956	2,12,42,000	1st Sept. 1967	99⅛
3 % Madras	1939	2,00,00,000	3rd Sept. 1968	99⅛
3 % Madras	1943	1,33,95,600	21st June 1959	96⅛
3 % Madras	1944	1,07,96,000	15th Aug. 1958	98⅛
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96-4/32
2½ % Madras	1946	3,81,77,300	1st Sept. 1961	93-1/32
3 % Madras	1950	4,88,35,400	31st July 1960	95-4/32
2½ % Madras	1951	3,01,49,300	17th Sept. 1962	97⅛
4 % Madras	1952	10,33,68,000	15th July 1963	99⅛
4 % Madras	1953	3,96,91,300	1st Aug. 1963	99
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98⅛
4 % Madras	1956	12,80,00,000	3rd Sept. 1968	98
3 % Mysore(f)	1933	3,96,56,300	1st Dec. 1955-63	100⅛
3 % Mysore	1936	5,99,72,900	30th Apr. 1956-61	99
3 % Mysore	1947	3,08,05,700	25th Jan. 1958	99⅛
3 % Mysore	1953	3,33,47,000	15th July 1963	99-2/32
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97-14/32
3 % M.P.	1943	82,09,800	15th Aug. 1958	98⅛
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	95⅛
2½ % M.P.	1951	1,62,18,100	17th Sept. 1962	98
4 % M.P.	1952	1,10,18,000	15th July 1963	98⅛
4 % M.P.	1955	1,62,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97⅛
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99⅛
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99⅛
4 % Trav. Cochin	1953	3,00,00,000	15th July 1963	99⅛
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
3 % U.P.	1936	1,67,14,000	15th Sept. 1961-66	90⅛
3 % U.P.	1944	2,37,11,000	15th Aug. 1958	98⅛
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	93⅛
2½ % U.P.	1951	1 91,02,000	17th Sept. 1962	97⅛
4 % U.P.	1952	6,11,45,300	14th Aug. 1964	99⅛
4 % U.P.	1953	5,65,15,800	15th July 1963	99⅛
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	98⅛
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97⅛
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97⅛
4 % Orissa	1956	2,00,00,000	3rd Sept. 1968	97⅛
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99⅛
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
25,50,000	4	1904	1954	
25,00,000	4	1905	1955	
15,00,000	4	1906	1957	
15,00,000	4	1907	1958	
75,00,000	4	1908	1968	98⅛N
40,00,000	4	1909	1970	
40,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
1,35,87,500	4	1913*	1960	D
80,00,000	4	1913	1974	98⅛N
85,25,000	4	1914	1975	99⅛N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
1,51,00,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,25,000	3½	1935*	1965	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000C	2½†	1921	1981	82
68,02,300C	6½	1921	1981	144N
1,49,40,500B	5	1927	1957-87	102
1,49,30,000	5	1928	1958-88	103
80,00,000	4½	1931	1991	95
80,00,000	3	1935	1955	97½
85,00,000	3	1935	1955-68	90
50,00,000	3	1945	2005	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84½
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	70½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1979	87
1,00,00,000	3	1949	1949	97
50,00,000	3	1950	1980	88
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1981	81½
1,50,00,000	3½	1951	1961	98½
50,00,000	4	1953	1963	100
50,00,000	4	1953	1983	98⅛
90,00,000	4	1955	1968	96
77,00,000C	4	1956	1986	97⅛
78,00,800C	4	1956	1986	97⅛
STERLING LOANS				
£802,600	5	1922	1953-83	67½‡
£901,000	5	1924	1954-84	67½‡
£885,100	5½	1925	1955	69½‡
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	
9,85,000F	3	1947	1977	
8,00,000F	3	1949	1979	A
45,00,000	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
80,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
60,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
30,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	6	1915-19	1957-79	113N
60,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	5	1927	1957-87	98N
10,00,000	3	1936	1956	
STERLING LOANS				
£566,600		1909	1959	498½N
£338,000		1910	1970	498½N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1920	1980	107
50,00,000	4	1934	1956	99½
25,00,000	5½	1935	1965	94
30,00,000	3	1936	1966	90
60,00,000	3	1937	1955	96
20,00,000	3	1938	1968-68	90
80,00,000	4	1952	1952	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
20 60,000	4	1913-15	1974	99⅛
10,00,000	5	1928	1980	113⅜
25,00,000	5	1928	1958	
5,45,500	5	1929	1954-59	103
26,21,500	5	1929	1959	86⅛
3,25,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1948	1978	86⅛
4,00,00,000	3½	1950	1958	97
2,50,00,000	4	1952	1964	99⅛
1,00,00,000	4	1953	1963	99⅛
1,30,00,000	4	1953	1968	99⅛
1,00,00,000†	4	1952	1964	99⅛
1,00,00,000†	4	1953	1963	99⅛
2,50,00,000	4	1953	1967	99⅛
1,50,00,000	4	1956	1968	99⅛
CALCUTTA				Rs.
86,00,000	5	1928	1958	103
25,00,000	5	1929	1957	103
25,00,000	5	1929	1958	103
10,00,000	5½	1929	1973	97
35,91,000	3½	1935	1965	90
60,00,000	3	1936	1966	90
47,50,000	3	1936	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1943	1959	93
61,70,000	3½	1943	1973	97
15,49,000	3½	1951	1960	97
16,33,000	3½	1951	1961	97⅛
66,85,000	3½	1951	1968	99⅛
87,26,000	4	1952	1952	99⅛
72,50,000	4½	1954	1979	100
MADRAS				Rs.
18,00,000	3½	1951	1961	107N
16,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99⅛
4 % W. Bengal	1953	2,50,25,000	15th July 1963	99⅛
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99⅛
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99⅛

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(f) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
*Bombay State Transport. †† Rate of interest reduced from 6 to 2 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡—Interest free for first 12 years §—Interest free for first 7 [illegible]

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	3,00,000(b)	1875	6½	Mar. Sep.	99	100
Dawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	126	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6–1½	5
East India Distilleries	£200,000	1897	7	Jan. July	16½xd	£1
Gwalior Sugar	6,75,000(e)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Puritabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnagger Cane	4,00,000	1933-36	6	Aug. ..	99	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	80N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	90N	100
Upper Ganges	12,00,000	1923	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borrea	4,00,000	1896-97	7	Apr. Oct.	103	100
Burrakur (1st)	£2,99,000	1901-19	7	Apr. Oct.	113½	100
Do. (2nd)	6(a)	..	..	..	7½	10
Equitable	4,50,

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.= Preferred Ordinary shares. Y= Accounts published yearly. H.= Accounts published half-yearly. P.= Company has Preference shares. T.= Company has Debenture. N.= Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where given for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,788	90,10,670	45,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,008	896	Apollo Mills	2½	1	0 4(e)	0 N(e)	0 8		12	Y.
48,00,000	54,00,000	1,38,52,007	72,25,655	—6,97,129	M.	50,596	1,021	B. B. Cotton Mills	44½	100	Nil	Nil	Nil		3	Y.P.T.
2,80,98,000	3,99,72,778	4,92,35,446	3,39,99,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	561½	250	22 8*	20 0	25 0*	7 8‡	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd.	44,784	800	Bradbury Mills	280½	50	100 0†	75 0†	12 8	20 0	3	
1,00,42,500	3,62,96,826	2,81,33,264	1,97,06,117	6,24,956	Birla Brothers Private Ltd.	1,26,344	2,698	Century Spg. & Mfg.	600½	100	22 0	22 0	25 0	8 0‡	12	Y.
49,00,000	54,48,336	1,19,99,766	65,07,085	—33 08,907	V. J. Pilani (Chairman and Managing Director)	40,608	798	Colaba Land & Mill	75	100	Nil	Nil	Nil		12	Y.
16,00,000	13,08,880	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	125	100	Coorla Spg. & Wvg.	125	100	7 8	7 8	7 8		12	Y.
16,00,000	24,85,596	59,10,861	54,56,041	2,17,076	Ramnarain Sons, Ltd.	40,992	680	Dawn Mills	178‡	50	6 0	6 0	15 0	12 8*	3	
24,00,000	40,96,435	76,76,267	56,81,788	3,55,643	Parsanmal Bubna Sons	50,084	923	Edward Textiles	312	200	15 0	15 0	18 0		12	Y.P.
29,94,050	11,31,233	1,09,78,649	80,74,324	1,81,354	M.	41,300	886	Elphinstone Spg. & Wvg.	51	50	Nil	Nil	5 0		12	Y.
50,00,000	70,11,775	1,52,88,513	74,17,807	1,67,199	James Finlay & Co., Ltd.	49,382	784	Finlay Mills	307	100	16 0	16 0	20 0		12	
11,84,000	75,14,589	1,52,34,660	1,07,26,500	608	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,600	1,000	225 0*	225 0	300 0	325 0	3	Y.
2,99,00,000									5,600	1,000	225 0*	225 0	300 0	300 0		
50,08,000D	62,50,399	4,48,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,413	India United Mills	992½	250	66 4*	56 4	75 0	81 4	12	Y.
8,65,000	72,74,043	1,41,26,390	1,00,89,000	4,386	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	{11	0 100	0 10	Nil	0 15	0 10‡		
35,00,000									{1-11‡	0 1D	0 1	Nil	0 3	0 11		
									5,250	1,000	225 0*	225 0	300 0	300 0		
59,35,000	35,07,831	2,73,78,676	2,03,32,128	29,228	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	—	500	112 8*	112 8	150 0	150 0	9	
1,00,00,000	1,21,50,000	2,56,88,095	2,08,14,796	33,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	211½	100	10 0	8 0	10 0	10 0	6	
12,18,050	41,08,783	1,19,74,548	55,99,115	61,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	223½	100	10 0	5 0	18 0	6 01	12	Y.
51,75,000	37,05,298	2,35,58,597	1,75,19,889	1,41,489	Piramal Sons Private Ltd.	71,662	1,662	Morjee Gocculdas Spg. & Wvg.	227½xd	100	12 0	14 0	14 0	15 0	6	
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,065	Chinai & Co., Private Ltd.			National Rayon Corporation	241½	100	10 0	10 0	12 0		12	Y.
54,00,000	54,50,000	75,57,352	45,04,750	2,015	W. H. Brady & Co., Ltd.	45,044	422	New City of Bombay Mfg.	150‡	100	10 0	10 0	10 0		12	
30,00,000	14,61,250	92,85,599	61,42,741	4,580	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	240	100	10 0	7 8	10 0		12	
48,00,000	30,10,989	1,34,29,555	84,72,255	2,40,852	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	146	100	8 0	8 0	10 0		12	
40,00,000	45,70,393	99,55,049	23,00,000	2,92,677	Podar Sons, Private Ltd.	32,500	920	Podar Mills	169‡	100	10 0	10 0	12 0*		12	Y.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	9‡	10	0 12	0 8			12	
37,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	40	10	1 4	1 12	1 12		12	
80,00,000	47,70,051	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,886	1,640	Shree Niwas Cotton Mills	180½	100	14 0	14 0	12 0		12	
43,00,000	32,02,179	98,78,809	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	182½	50	15 0	11 0	10 0	12 0	3	
87,50,000	2,33,15,780	2,51,28,099	1,87,85,474	12,888	Mafatlal Gagalbhai & Sons	52,086	1,633	Standard Mills	427½	100	20 0	20 0	20 0		12	
99,85,700	84,69,716	2,25,87,647	1,19,01,809	67,511	Tata Industries Private Ltd.	72,226	2,000	Svadeshi Mills	225½	100	16 0	8 0	12 0		12	
36,00,000	65,38,465	1,28,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd.	38,822	552	Swan Mills	415	100	20 0	20 0	25 0		12	
12,00,000	61,05,706	1,77,54,889	68,44,553	48,485	Tata Industries Private Ltd.	62,096	1,800	Tata Mills	50	25	1 8	2 8	4 0		12	
					Thackersey Mooljee Bon & Co.	64,185	1,209	Western India Spg. & Mfg.	5,280	1,000	225 0*	25 0	300 0	300 0	3	

AHMEDABAD

40,00,000	31,50,000	1,48,70,885	69,76,844	17,060	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	180	100	10 0*	5 0	7 0	12 0	6	
10,00,000	94,58,000	76,10,764	54,37,398	37,525	P. M. Muthesaing & Co., Ltd.	44,220	912	Aruna Mills	710	100	20 0*	20 0	80 0		12	
26,25,000	2,58,30,694	1,66,65,504	1,16,00,000	72,768	Narotam Lalbhai & Co.	69,448	1,216	Arvind Mills	1,152	100	25 0	25 0	25 0*		12	
90,00,000	81,76,000	96,34,384	72,25,000	2,46,380	Mangaldas & Bros. Ltd.	37,164	892	Aryodaya Ginning & Mfg.	336	200	15 0	20 0	25 0*		12	
15,00,000	1,15,00,783	1,16,56,974	69,54,953	69,506	Lalbhai Dalpatbhai & Co.	37,808	914	Asoka Mills	1,025	100	22 0*	22 0	30 0		12	
1,37,50,000	3,35,76,338	4,61,25,252	2,88,58,344	2,81,712	Karamchand Premchand Ltd.	1,39,120	2,572	Atlas Mills	562	125	18 0	18 0	20 0	80 0‡	3	
62,37,000	24,58,000	1,21,06,843	89,25,000	2,760	Tricumlal Bhoglial & Co., Ltd.	45,836	866	New Commercial Mills	1,325	100	70 0	70 0	80 0*		12	
12,00,000	72,52,486	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	855	125	35 0	35 0	35 0		12	
10,00,000	53,48,000	50,83,197	37,98,517	16,558	Jagabhai Bhoglial Nanavaty & Co., Ltd.											
12,50,000	1,14,77,470	86,23,439	50,98,888		Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	407½	100	30 0*	30 0*	20 0		12	
33,50,000	14,78,207	1,07,01,469	71,42,808	17,24,749	Lallubhai Gordhandas Ltd.	32,828	636	Rajpur Mfg.	940	100	25 0	25 0	25 0*		12	
26,96,150	2,02,34,538	1,76,92,842	1,52,75,000	3,22,290	Harivallabhdas Kalidas & Co.	33,156	648	Rohit Mills	178‡	100	9 0	9 0	Nil		12	
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	66,116	1,738	Shri Ambica Mills	605	50	18 0	20 0	27 0*		12	
26,00,000	90,34,191	1,09,66,008	78,35,291	24,644	Haridas Ashralal & Co., Ltd.	36,676	780	Shorrock Spg. & Mfg.	525	100	20 0	25 0*	25 0		12	
								Vijaya Mills	660	400	35 0*	35 0*	35 0*		12	

WEST BENGAL

15,00,000	1,42,800	24,02,029	21,82,890	61,576	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	5½	10	0 4	0 8	0 8			
7,98,000	9,10,617	73,14,055	51,49,000	59,390	Bengal Textile Agency, Ltd.	32,544	98	Bengal Luxmi Cotton Mills	40N	40	Nil	4 0	4 0	4 0	12	
6,00,000	22,72,414	89,06,142	51,49,000	—23,47,372	Kettlewell Bullen & Co., Ltd.	43,376	841	Dunbar Mills	150	100	Nil	Nil	Nil		6,12	
19,00,000	26,17,571	1,04,86,558	70,76,377	1,37,961	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	205	100	Nil	Nil	2 8		6,12	
1,60,00,000	3,89,43,320	3,76,19,833	1,31,26,823	1,88,672	Birla Brothers Private Ltd.	70,884	1,990	Kesoram Cotton Mills	164	10	1 12	0 14	0 14	1 0	3	
19,47,750O									21N	1D	Nil	0 10	1 0			
5,90,000D	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23,036	795‡	Rampoora Cotton Mills	21N	1D	Nil	Nil	0-5 11/25		6	

SOUTH INDIA AND OTHER CENTRES

11,25,000	5,57,596	31,36,764	15,54,248	2,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	Nil	12 8	15 0	6	
91,94,000	85,51,354	1,54,91,530	50,78,582	1,38,043	Industrial Trust Fund	36,136	708	Azam Jahi Mills	82½	100	6 0	Nil	8 8		6	
40,50,000	2,00,68,745	3,24,98,986	2,42,85,288	8,58,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	570	100	25 0	30 0	30 0	10 0	12	
27,00,000	15,50,000	77,25,162	58,72,122	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	8	10	0 4	Nil				
25,00,000	1,09,48,351	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	80N	10	3 0	3 0	3 0			
20,00,000	20,00,000	69,69,354	51,66,351	87,593	Buckingham & Carnatic	183	100	Cambodia Mills	14‡	10	0 12	Nil	0 8	4 0‡	12	
15,00,000	5,11,500	48,58,929	24,63,361	8,994	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	178	100	12 0	20 0	12 0	15 0	3	
30,00,000	29,51,420	99,40,629	61,72,376	36,767	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	7½	5	0 8	0 8	Nil	0 4	3	
12,00,000	20,60,000	54,68,896	27,86,527	34,164	C. R. Srinivasan, Esq. (Chairman)	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	12½	10	Nil	Nil	0 10	0 12	3	
30,00,000	19,95,000	39,59,450	24,25,921	14,822	R. Bheema Naidu & Co.	25,864	..	Coimbatore Cotton Mills	285	100	20 0	25 0	25 0		12	
20,76,900	5,076	1,15,00,588	85,58,242	1,15,000	T. R. N. Naidu & Co.	22,738	..	Coimbatore Pioneer Mills	297½	100	20 0	20 0	20 0		6	
46,87,500	46,12,022	2,50,83,371	1,62,61,554	19,215	R. G. S. Naidu & Co.	22,623	407	Coimbatore Spg. & Wvg.	89	50	3 0	3 0	3 0		6	
3,35,36,225					Tata Industries Private Ltd.	67,728	1,630	Central India	122½	100	6 0	6 0	6 0		12	
1,00,563	3,06,82,110	11,16,21,472	5,81,67,527	1,28,712	B. B. Charat Ram & Co., Private Ltd.	1,16,686	2,254	Delhi Cloth & General Mills	86N	{2½	0 2 4/5	0 3/5	0 3 3/5	2 8‡		
24,24,800	25,47,978	52,74,245	38,26,582	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	874	100	20 0	30 0	30 0	0 4‡		
48,00,000	66,33,350	1,52,16,582	1,29,71,681	98,586	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	107	100	7 0	7 0	10 0		12	
48,51,000	93,33,167	1,09,65,164	68,95,985	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	228½	100	17 0	17 0	1 0		12	
50,00,000	6,16,447	1,88,91,953	1,12,28,576	9,851	K. L. Seksaria, Esq. (Chairman)	51,190	1,432	Indore Malwa United	188½	100	6 0	6 0	15 0		12	
5,90,000	10,65,583	31,06,669	18,48,158	2,079	G. V. Naidu & Co., Ltd.	24,828	..	Janardhana Mills	100	100	6 0	6 0	5 0	5 0‡	12	
15,54,000	18,24,708	45,22,324	33,86,095	7,012	Lalji Naranji & Co.		..	Jam Shri Ranjitsinghji	100	10	4 8	5 0	10 0		12	
32,42,535	19,25,000	93,33,480	52,49,160	41,492	Kothari & Sons	48,000	800	Kothari Textiles	162	10	0 8	0 8	50 0	60 0	6	
33,00,000	68,80,185	1,48,62,580	1,13,84,204	14,744	Rombay Co., Ltd.	51,972	1,319	Lakshmi Cotton Mfg.	630	250	27 8	32 12	42 8	12 8	12	
54,54,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	{25	5	2 8	2 8	3 0	1 8		
17,83,050									{254	50	10 0	12 8	12 8	12 8		
1,78,02,480	4,13,81,878	5,73,76,126	3,88,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	1332½	25	2 8	5 0	6 4	6 4‡		
15,00,000	4,17,883	52,20,763	16,72,262	—99,078	A. L. A. R. S. Chettiar and Brothers	22,592	100	Malabar Spg. & Wvg.	46Cd	15	2 0	3 0	3 0		12	
60,00,000	60,00,000	68,79,627	43,59,784	45,885	W. J. Beardsell & Co., Ltd.	24,720	603	Mathur Industries Ltd.	108	200	Nil	Nil			12	
29,80,884	19,61,581	80,75,246	49,94,738	16,588	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	440	100	12 8	22 8*	25 0	42 8	12	
94,91,550	21,56,146	1,71,94,760	78,51,588	1,88,008	M.	51,340	948	Model Mills (Nagpur)	878	100	7 0	5 0(e)	5 0		12	
30,00,000	52,10,000	1,58,99,272	1,09,91,651	—7,77,590	Indian Textile Syndicate Ltd.	58,640	1,284	Muir Mills	180	250		5 0(e)	5 0	7 8	12	
24,53,500	50,54,035	1,10,28,742	67,14,107	19,041	N. Sirur & Co., Ltd.	50,480	800	Mysore Spg. & Mfg.	75N	100			7 8(e)		12	
15,61,780	6,000	29,25,252	16,12,761	—1,50,683	R. Suryanarayana Rao, Esq. Manager	101Pxd	56	Mysore Spun Silk Mills	101xd	10	0*	8 8*	6 0(e)	9 0*	3	
22,99,8830						7,000	..		56	10	0*	8 8*	6 0(e)	9 0*	3	
5,07,9930	25,62,583	1,04,37,293	58,90,719	—42,53,037	J. P. Srivastava & Co., Ltd.	52,426	1,225	New Victoria Mills	83	10	Nil	Nil	Nil			
67,19,600	55,48,220	1,69,99,959	61,91,861	74,723	Industrial Trust Fund	37,788	856	Osmanshahi Mills	2½	O. 2½	Nil	Nil	Nil		12	
4,00,000A	9,50,000	39,13,549	23,46,016	14,409	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	69	D. 1	Nil	Nil	Nil			
6,00,000B									100	4 0	Nil	2 8(e)			12	
10,00,000	1,65,000	24,16,017	17,49,876	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	{148	50A	12 0	12 0				
16,81,2.00A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	{220	75	18 0	18 0	18 0		12	
8,40,000B									100	Nil	Nil	Nil	Nil		12	
15,00,000	30,00,000	68,74,198	25,04,837	11,081	S. R. Naidu & Sons	25,472	..	Rajalakshmi Mills	{217½	100A	8 0	16 0	20 0			
16,14,500	12,00,000	82,92,216	17,41,424	10,510	Ramco Agencies Ltd.	24,996	Nil	Rajalayalam Mills	{190	50B	4 0	8 0	10 0		12	
22,50,000	12,40,000	40,14,000	18,05,147	29,250	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	182	50	7 8	10 0	10 0		12	
60,00,000	62,61,588	1,00,25,452	25,44,914	—17,16,728	J. P. Srivastava & Sons (Rampur)	54,582	600	Rsra Textiles	152	100	4 0	6 0	10 0	10 0	3	
10,00,000	1,60,58,917	2,10,49,081	2,06,07,227	—1,65,20,708	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg.	100	10	Nil	Nil	Nil	Nil	3	
44,68,700	17,10,000	81,44,272	65,63,218	1,06,148	M. N. Pallegar, Esq.	21,668	292	Sri Krishnarajendra Mills	{1,600	1,000	Nil	Nil	Nil			
38,14,500	2,00,246	85,18,906	11,72,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	112	500	Nil	Nil	Nil		12	
15,00,000	8,48,80,155	99,62,158	79,53,780	20,60,553	Birla Brothers, Private Ltd.	35,556	1,242	Sutlej Cotton Mills	80N	50	4 0*	4 8	5 0	7 0	3	
17,50,000O									94xd	100	Nil	Nil	Nil		12	
7,50,000Pq	2,80,00,000	4,54,40,847	1,70,63,160	1,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	{11	100	4 0	5 0	6 0	6 0	3	
1,00,00,000	30,14,788	2,80,55,217	2,37,16,775	2,63,771	Ennote & Sons (Travancore), Ltd.			Travancore Rayons	11½	10P.O.	0-14 2/5	1-2 2/5	1-2 2/5		12	
12,26,670	8,75,332	17,20,181	11,37,236	1,508	Moolji Ramjee & Sons	17,600	..	Trichinopoly Mills	10	6	0 8	0 10	0 12		12	
21,00,000	24,50,000	71,42,728	40,08,188	56,000	R. K. Chetty & Brothers	14,974	270	Vasanta Mills	18‡	10	0-11 1/5	0-14 2/5	0-14 2/5		12	
33,00,000	24,48,971	1,64,67,122	1,05,10,322	22,126	Bombay Co., Ltd.	46,490	1,321	Vishnu Cotton	147‡	100	4 0	4 0	5 0	2 8‡	12	

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right, (e) Paid out of reserves. (8) For six months ended 31st December 1955.

The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
19,99,000	25,43,500	1,12,43,027	57,89,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11‡	5	Nil	Nil	0 8	0 12	5	Y.P.
16,30,630	25,75,014	239,35,961	16,23,422	8,796	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 9	0 9	3	Y.
45,49,950	2925,777	51,302,585	5566,540	456,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	28‡	A. 10sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	3	Y.P.
							—	B. 5‡	Sh. 4	Sh. 5	Sh. 5	Sh. 4		
6,00,000	9,80,000	12,47,805	13,47,799	9,111	Vital Mallya, Req..[(Chairman)	United Breweries	180	75	15 0	15 0	15 0	7 8‡	3	Y.

CEMENT

81,27,660	13,06,128	83,35,530	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15‡	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
44,14,8000							6‡	D. 10	Nil	Nil	Nil		3	Y.P.T.
4,70,976D	13,13,133	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	1‡	D. 1					3	Y.
11,71,97,368	8,46,99,450	27,75,38,613	9,54,43,675	2,93,963	Cement Agencies (Private) Ltd.	Associated Cement Companies	170xd	100	9 8	8 8	10 0	10 0	7	Y.P.
40,00,0000							14‡	O. 10	1 6	1 0	1 4			
25,00,0000	60,02,361	96,09,833	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	9‡	O. 2½	0 4	0 4	0 5		12	Y.P.
10,00,0000							4‡	D. 1	0 1-3/5	0-1 3/5	0 2			
60,45,7600							29‡	O. 25	Nil	1 4	1 14	2 1	3	Y.P.
7,50,0000D	19,00,000	1,51,41,804	54,02,378	2,97,128	Messn Private Ltd.	India Cements Ltd.	6	D. 5	Nil	0 6	0 6	0 8 3/5		
87,95,500	31,41,935	1,83,18,049	89,73,404	6,03,315	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13‡		10	0 12	1 4		12	Y.P.
28,58,375	44,50,000	2,04,30,192	86,59,098	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	152‡		10	0 8	1 8		12	Y.P.
5,00,000	2,70,116	1,06,41,856	2,10,19,833	1,94,941	M.	Sone Valley Portland Cement	7‡		5	0 4	0 4	0-4 4/5	12	
50,00,000	22,45,000	1,01,72,337	1,45,45,476	41,941	Rsel Ltd.	Travancore Cements Ltd.	9‡		10	0 8	0 10	0 10	12	Y.
	....	1,04,63,117	89,26,503	15,36,902										

CERAMIC; MINING AND QUARRYING

31,70,655	2,85,000	93,15,303	33,02,683	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3‡	2½	0 2½	0 4	0 4		12	Y.
10,00,000	27,03,242	59,67,645	33,93,577	93,179	Bird & Co., Private Ltd.	Biura Stone Lime Co.	80‡M	10	1 8	1 8	1 12	0 14‡	3,9	H.
9,44,4,200	31,455,500	53,133,038	31,256,039	$117,083	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3‡	Sh. 2	2.4d.	6d.*	10.5d.*		12	Y.
15,00,000							1‡				1 0			
5,00,000	24,32,396	43,31,247	12,21,311	17,839	Bird & Co., Private Ltd.	Karanpura Development	16‡	10	Nil	Nil	5 0		6,12	H.
5,00,000											5 0			
50,00,000	3,96,809	9,09,017	5,43,377	615	Mysore Industrial Development Cor.	Mysore Stoneware

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	95N	25	1 9	3 2	4 11	6 12 1/5	6,12	H.P.
63,00,000	66,05,011	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	23½	10	12 0	16 0	1 6	0 12	3,9	
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	10½	10	1 0*	0 12*	0 12*	1 0*	3	H.P.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,852	2,12,435	Birla Brothers Private Ltd...	Orient Paper	83½	10	2 0	0 15	1 2	0 10	3,9	H.P.
1,35,07,395	62,25,037	1,45,54,422	87,21,557	1,31,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	16½	10	1 8	1 8	0 10½		6,12	H.P.
20,00,000	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10½	O. 10	0 12	0 12	1 4	}	3,9	H.P.
10,00,000'A.'							10½	A. 10	0 12	0 12	1 4			
2,18,55,240	49,18,050	3,75,66,264	57,92,379	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	10½ xd:	10	Nil	Nil	5 0‡	0 8	6	
54,00,000A.							30½	A. 10	2 0*	1 8	2 0*	1 2½*	3,9	H.P.
54,04,800B.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	29½	B. 10	2 0*	1 8	2 0*	1 2½*		
4,27,560F.O.							4½	F.O. 2½	0 4	0 4	0 4	0 2½*		
PRESSING														
2,00,000	6,12,265	15,78,488	11,13,591	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	2 0	4 0	*Nil*		6	Y.
2,00,000	2,47,132	10,91,809	9,80,874	26,289	Andrew Yule & Co.	Central Hydraulic	129xd	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
19,99,7500.	6,93,332	43,52,570	[22,63,270	[36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	14N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D.	18,07,374	[84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	8N	D. 1	0 4/5	*Nil*	0 9 3/5		4	Y.
94,00,000	36,70,109	98,05,154	98,892	]—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	24	100	1 8	1 8	*Nil*	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,583	10,78,338	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	8½	8	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000	4,13,54,388	3,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	713½	Old 125	15 0	20 0	37 8	40 0	5	Y.
42,00,000							270	New 50	6 0	8 0	15 0	16 0		
6,00,000	.....	7,23,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	*Nil*	*Nil*			6	Y.
20,98,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	42½	10	2 8	2 12	3 0	1 0‡	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,502	—48,371	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	6½	5	*Nil*	0 12	0 1	*Nil*	6	Y.
18 00 000A.	29,18,356	49,46,285	33,16,660	15 50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	145N	A. 100	10 0	10 0			4	Y.
5,00,000B.							16	B. 10	1 0	1 0			3	
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Rangur Bros., Ltd.	Belsund Sugar	10½	10	0 12	0 12	0 12		6	Y.
15,00,000	13,90,295	16,40,479	11,77,841	12,206	Cotton Agents Ltd.	Bharat Sugar	15N	10	1 8	1 8	1 8		6	Y.
22,00,000	28,37,030	1,26,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7½	10	*Nil*	0 12	0 4		6	Y.P.
56,00,000	57,88,651	1,03,44,647	54,32,451	82,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	2 0	0 12	0 12		10	Y.
18,00,000	29,72,380	81,58,085	55,46,244	29,503	Begg, Sutherland & Co., Ltd.	Champarun Sugar	19½	10	1 0	1 0	1 8	1 0	6	Y.
5,99,453	6,18,563	24,58,330	15,33,747	48,304	Karamchand Thapar & Bros.	Deoria Sugar	8-0½	5	0 8	0 12	*Nil*		8	Y.P.
50,00,000A.							10N	10	1 0	0 12				
10,00,000O.	32,00,000	75,94,877	56,00,000	62,419	Baehhraj & Co., Ltd.	Hindustan Sugar Mills	265N	A. 100	15 0*	15 0*	15 0*		6	Y.P.
							100	O. 100	15 0*	15 0*	15 0*			
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	65N	80	*Nil*	*Nil*	4 8		7	Y.P.T.
7,89,100	22,14,058	34,94,612	19,35,882	1,854	Cotton Agents Ltd.	New India Sugar Mills	40N	40	*Nil*	*Nil*	2 4			Y.
11,00,000	4,50,000	45,21,480	24,87,558	4,136	Karamchand Thapar & Bros., Ltd.	New Savan	90N	10	2 8	2 8	2 8		5	Y.
19,37,400A.							6½	10	0 4	0 4				
2,71,875B.	49,60,397	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	225N	100	20 0	20 0	20 0		6	Y.
77,45,350	52,18,159	1,56,90,446	96,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	60N	25	5 0	5 0	5 0			
12,00,000	12,74,238	28,77,669	19,95,923	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	145½	100	11 0	11 0	11 0		7	Y.
9,00,000	17,64,369	27,85,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	105N	100	10 0	10 0			10	Y.P.
3,00,000	4,31,129	26,45,268	21,70,554	5,284	M.	Ryam Sugar	17½	10	1 0	0 12	0 12		10	Y.P.
11,99,999	19,38,520	45,20,102	24,12,129	3,554	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	20N	10	0 8	0 8	*Nil*	*Nil*	6	Y.
40,00,000	22,68,560	1,35,20,110	62,59,521	24,045	Sahu Jain Ltd.	Ravalgaon Sugar Farm	10N	10	0 8	0 8	*Nil*		6	Y.P.T.
9,99,950	61,825	27,15,126	13,60,852	—3,37,855	H. E. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 12		6	Y.
7,95,462	18,82,940	31,60,785	17,68,068	1,06,227	Karamchand Thapar & Bros. ..	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,0000	46,462	29,66,360	11,46,770	—16,37,907	M.	Shri Sitaram Sugar	15½	O. 10	*Nil*	*Nil*	*Nil*		8	Y.P.T.
4,40,000D.							1N	D. 5	*Nil*	*Nil*	*Nil*			
8,00,000	21,91,635	96,42,062	57,49,754	82,031	Cotton Agents Ltd.	South Behar Sugar	1N	10	*Nil*	*Nil*	*Nil*		10	Y.P.
16,00,000	7,66,889	33,59,951	25,05,926	20,854	M.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	Y.
						United Provinces Sugar	16½	10	0 8	1 4	1 8		9	Y.
Other Centres														
30,00,000	8,00,000	48,07,304	14,65,228	1,90,837	Rangarao & Co.	Andhra Sugars Ltd.	16cd	10	*Nil*	*Nil*	0 9 3/5	1 0	9	Y.
70,49,650	95,62,027	1,48,40,854	1,08 91,579	52 911	W. H. Brady & Co., Ltd.	Belapur Company	231	50	16 0	16 0	16 0	16 0Z	9	Y.
17,50,000	9,24,552	43,03,879	21,30,723	4,592	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	19½	10	0 10	1 0	1 0		9	Y.P.
16,98,900	2,45,841	39,19,958	20,01,146	51,998	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	60N	100	*Nil*	*Nil*			6	Y.P.
47,94 920	14,00,000	30,54,997	18,71,128	5,82,818	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	1 8	1 12	1 8		9	Y.P.
23 57,620	45 51,080	42 51 227	21,95,827	18,545	Govan Bros.(Rampur), Ltd. ..	Buland Sugar	37½	10	1 0	1 0	1 8	1 6 2/5	9	Y.
19,52,2000.	69,50,000	95,98,953	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	127cd	O.100	1 8	1 8	1 8		10	Y.
2,87,190D.							160cd	D. 10	10 0	10 0	10 0		6	Y.P.
31,79,380	86,24,818	1,29,89,142	82,31,728	2,63,107	S. Muninarajappa, Esq., (Managing Director)									
50,00,000	48,49 631	1,05,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Mysore Sugar	42xd	10	2 0	2 0	2 0	2 0	6	Y.
16,50 820	35,50,880	56,11,940	29,77,241	20,949	Anderson Wright Ltd.	Phaltan Sugar	148½	50	6 0	8 0	8 0		9	Y.P.
30,00,0000.	21,76,092	89,12,188	58,60,388	64,815	Walchand & Co., Ltd.	Ramnagar, Cane and Sugar ..	125N	O. 50	*Nil*	2 8	0		9	Y.P.
4,00,000D.								D. 10	*Nil*	*Nil*	0 11			
19 99 500	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd. ..	Rana Sugar	151N	10	1 0	0 12	1 0		10	Y.
20,00,000	9,10,000	59,87,262	22,10,844	45,068	Parry Co., Ltd.	Travancore Sugars	11½	*Nil*	*Nil*	*Nil*	0 12	1 0	7	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,438	1,81 178	M.	Walchandnagar Industries	263½	100	14 0	16 0	18 0	1 0	9	Y.P.
TRANSPORT														
20,00,000	1,00,69,622	1,34 00,703	15,56,557	[55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	135	100	10 0	7 8	7 8		10	Y.P.
1,80,00,000	18,37,619	4,41,65,864	1,85,09,979	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.P.
60,00,000	31,60,511	2,31,00,904	59,55,708	52,515	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.									
4255,580	61,066,198	45,614,160	42,397,551	632,063	Kilburn & Co., Private Ltd. ..	Great Eastern Shipping Co. ..	18½	10	1 0	1 0	*Nil*	1 8	6	Y.P.
2,25,00,000	69,99,228	9,64,47,544	2,22,99,145	25,929	Lionel Edwards Ltd.	India General Navigation & Rly. Co.	78	410	*Nil*	Sh. 1 0	Sh. 10	1 0	12	Y.P.
9,40,19 675	6,94,92,081	19,36,63,413	4,84,44,300	2,73,633	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	10½	10	0 8	*Nil*	*Nil*	1 0	3	Y.
3,40,8000.							18½	20	0 12	0 8	1 0		6	Y.
10,800F.O.	119,68,266	11,55,483	7,29,969½	1,34,493	R. R. Aiyer, Esq., (Manager) ..	Walford Transport Ltd.§§	2½	O. 1	as. 1 2/3	1 2/3	as 2 6/25		12	Y.
							1½xd	F.O. 1	as. 19/25	1 19/25	as.123/25			
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,68,321	4,22,562	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	Y.
18,98,860	2,04 173	2 26,474	90.000	1,99,851	M.	Bombay-Uganda	60N	50	5 0	4 8	*Nil*		12	Y.
15,00,000	1,00,000	22,57 314‡‡	....	225	Birla Brothers Private Ltd. ..	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	0 12	0 12	12	Y.
30,17,900	13,68,886	36,39,283	59,24,587	38,602	Hind Cycles	Estrela Batteries	145½	100	8 0	10 0	10 0		12	Y.
14 98,840	9,42,585	28,00,500	17,75,000	4,110	Choonilal Mantlal Ltd.	Industrial Investment Trust ..	40	50	2 0	2 0	2 0		3	Y.
99,99,250	104,7,386	1,22,09,504‡‡	....	2,83,126	Premchand Roychand & Sons ..	Investment India Ltd.	74	100	4 8	4 8	4 8		12	Y.
99,99,975	35,09,351	35,47,826	8,04,321	4,559	T. G. Milne, Esq. (Mg. Director)	Premier Automobiles	169	100	11 0	11 0	11 0	11 0	6	Y.
2,80,13,775 A.O.	39,14,265	3 06,59,581	1,49,06,326	6,07,448	Aero-Auto Private Ltd.	United Motors (India) Ltd. ..	104	100	*Nil*	*Nil*	*Nil*	6 0	6	Y.
10,21,200	5,65,605	13 96,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	Western India Match Co.	24½	20	3 0	3 0	2 0		6	Y.
2,75,00,000	78,75,000	3,03,67,181	1,03,71,846	5,01,984	Mr. A. Hyderi & Mr. S. Gothberg	W. H. Brady & Co., Ltd.	175	100	11 0*	11 0*	11 0*		12	Y.
48 00,000	35,24,847	7,24,608	2,07,108	36,484	Sir Joseph Kay K.B.E. (Mg. Director).		350	150	20 0	20 0	20 0		12	Y.
Other Centers														
47,50,000	1,94,82,556	3,73,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd	Aluminium Corporation of India Ltd.	11½	O. 10	*Nil*	*Nil*	*Nil*	0 8		Y.P.
2,50 000							53	D. 2½				*Nil*		
40,00,000	28,25,000	56,26,345	21,56,500	64,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd. ..	106	10	1 4	1 4	1 4	1 4*	3	Y.
20 00,000	35,05,079	52,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	22½	10	1 4	1 4	1 4	2 0*	12	Y.
30,00,000	8,85 000	38,39,494	18,56,060	1,16,895	Mr. A. Hyderi & Mr. S. Gothberg	Bird & Co.	20	10	1 4	1 4	1 4	1 4*	12	Y.
20,00,000	27,47,883	1,01,49,337	39,87,380	32,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	8N	10	0 3 1/5	0 3 1/5	0 6 2/5		12	Y.
30,01,400	1,16,53,000	67 47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	166	100	20 0*	12 0‡	12 8		12	Y.
12,00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	34	10	1 0	1 0	1 0		6	Y.
20,00,000	7,95,430	62,57 ·94‡‡	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	14½xd	10	1 2	2 0	2 4	1 2‡	6,12	Y.
45,97,020	30,11,814	1,10,56 424	33,97,889	1,79,277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	14½	10	1 4	1 4	1 4		3	Y.
8,25,00,000	1,16,11,605	2,82,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	8-0½	5	0 8	1 0	1 0	1 0	2	Y.
1,88,80,000	17,34,264	2,03,27,292‡‡	....	12,76,082	Andrew Yule & Co., Ltd.	Clive Row Investment	10½	10	0 4 1/5	0 3 1/5	0 8	1 6	3	Y.
1,60,00,000	3,14,86,174	5,15,52,086	2,20,22,990	11,71,585	Cecil Stack & Co. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	25½	10	1 8	1 8	1 8		12	H.
81,26,000	54,12,212	1,42,47,668‡‡	....	3,06,138	Bird & Co. Private Ltd.	Eastern Investments Ltd.	133	100	9 0	9 0	9 0		12	Y.
14,00,000	10,02,000	33,31,772	18,59,772	27,104	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	145	100	20 0	15 0	15 0		3	Y.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	7 0	7 8	1 6 2/5		3	Y.
4,98,05,700	16,67,354	81,29,620	33,68,982	2,468	B. P. R. Syndicate	Great Eastern Hotel	225	250	15 0	6 0	6 0	15 0	3	Y.
1,60,00,000	46,77,754	4,16,74,246	1,74,76,668	6,18,074	Birla Brothers Private Ltd. ..	Hindustan Motors	8-0½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
1,52,80,220	1,37,00,000	1,99,88,789	71,50,911	32,04,214	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	14½	10	*Nil*	*Nil*	9 0		12	Y.
3,27,970	6,09,000	9,50,306	16,74,908	52,782	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	31½	1	0*	0*	0*	1 8*	3	Y.
15,10,00,000	7,89,02,692	4,15,59,461	1,63,28,877	24,94,274	O. S. Monilon & Co. (India) Ltd.	Indian Rubber Manufacturers ..	24½	10	0 12	0 8	0 8	0 10	3	Y.
2,00,00,000	57,29,666	37,46,666	11,08,843	5,11,852	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	14½	10	*Nil*	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.
6,34,0000.	1,91,892	5,94,080	3,53,758	2,668	G. M. Mackinlay, Esq.	Jardine Henderson	85½	100	7 8	7 8	7 8	7 8	3	Y.
66,000D.							8½	O. 5						
40,00,000O.	80,86,900	26,18,928	8,72,670	2,57,234	A. T. Doig, Esq. (Mg. Director)	Macfarlane & Co.	8	D. 5	*Nil*	*Nil*			3	Y.
2,00,00D.							205N	O.10	10 0	17 0	2‡ 8‡			
1,37,53,000	60,54,276	22,58,051	11,34,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director).	McLeod & Co.	—	D.O.10	0 8	1 3 1/5	1 12		12	Y.
1,15,00,000	55,50,000	1,88,37,972	76,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Martin Burn Ltd.	23½	10	1 6*	1 6	1 12‡		3	Y.
2,31,886	1,95,250	7,58,298	2,50,987	—2,38,681	Shankar Rao P. Ogale, Esq. ..	Metal Box Co. of India, Ltd. ..	29½	10	1 0	1 0	1 4	1 10	3	Y.
6,56,250	9,18,996	11,18,541	5,51,035	440	Mr. J. L. D'Sa (Controller) ..	Mysore Glass and Enamel Works	4	10	*Nil*	*Nil*	*Nil*		3	Y.
10,00,000	2,18,500	15,94,006	9,41,427	44,518	M. H. Parthasarathy Esq. (Chairman).	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 2/5	3	Y.
40,00,000	74,71,172	63,80,914	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd.	Mysore Tobacco	12½	10	1 0	1 4	1 0	1 8	3	Y.
40,00,000	15,00,000	93,19,995	21,17,408	75,736	Do	National Insulated Cable Co. ..	21 & XR	10	1 0	1 0	1 8*	2 0*	3	Y.
79,97,000	....	1,17,55,794	57,19,265	8,99,552	B. N. Elias & Co., Ltd.	National Rolling & Steel Ropes	9½	10	0 8	0 9‡	0 9‡	0 9‡	6	Y.
2,25,00,000	7,35,185	1,53,49,091	40,14,109	—83,90,179	M. P. A. Pasupatil, Esq.	National Tobacco Co.	10½	10	*Nil*	*Nil*	0 8	0 12 4/5	12	Y.
1,72,24,400	1,81,20,208	7,56,84,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rallis (India) Ltd.	88	100	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	93,80,894	1,35,78,870	70,92,637	3,16,676	G. W. Stephenson, Esq.	Bohtas Industries	10½	10	1 4	1 8	1 8		10	Y.
78,00,000	54,18,860	17,49,816‡‡	5,53,035	3,85,250	E. H. D. Campbell, Esq.	Spencer & Co., Ltd.	10½	10	1 8	1 8	1 8		6	Y.
9,95,880	.....	14,99,289	3,84,580		Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd.	8½	10	1 0	1 4	1 0		12	Y.
						Travancore Ogale Glass	8½	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. §§ Investments at cost. • Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Re.10 each.

E—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Re. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,70,619	11,34,864	5,38,169	....	McLeod & Co., Ltd.	525	Amluckie	300	100	25 0	72 0	19 0		12	Y.P.
2,50,000	8,43,250	10,59,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea ..	39	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,21,576	2,33,926	50,526	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	22	10	1 8	5 0*	1 0		12	Y.
3,50,000	11,21,541	17,56,455	7,08,427	26,051	McLeod & Co., Ltd.	513	Bazhmari	22½	10	1 8	3 0	1 0		12	Y.
5,10,000	9,10,000	12,35,583	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	27½	10	2 8	3 0	1 8		12	Y.
2,30,000	4,65,000	10,12,776	7,13,759	50,298	National Tea Corporation	570	Batel	28½	5	2 0	4 0	2 8		12	Y.
3,20,000	9,40,000	10,27,063	3,08,925	66,155	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	22½	10	2 0	10 0*	2 0		12	Y.
15,50,000	28,00,000	58,38,162	28,30,932	1,49,359	Williamson Magor & Co., Ltd.	4,002	Bishnauth	22½	10	3 8	5 8	2 0		12	Y.
5,00,000	2,50,000	10,97,919	3,29,068	59,686	Octavius Steel & Co., Ltd. ..	485	Bokakhat	16½	10	*Nil*	1 9	*Nil*		12	Y.
7,50,000	7,27,550	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	18½	10	0 12	2 8	2 0		12	Y.P.
55,00,000	11,78,802	79,83,284	27,46,021	5,15,711	M.	2,234	Brooke Bond	20½	10	0 8	1 4	4 12	1 4	6	Y.P.
1,50,000	4,25,436	5,41,302	2,17,579	42,144	McLeod & Co., Ltd.	282	Dejoo Valley	46	10	1 0	6 0	3 0		12	Y.
6,00,000	9,76,000	27,56,284	17,67,782	46,510	Jardine Henderson Ltd.	1,184	Dessai & Parbattia ..	300	100	20 0	40 0	10 0		12	Y.
17,53,440	9,57,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Refer ence
PLANTING : PRODUCE AND RUBBER														
5,00,000	1,60,000	3,92,380	21,236	52 236	Planting Agencies Ltd.	Balmadies Plantations	8¾	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.E.
17,94,186	21,11,154	49,25,353	4,71,363	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9¾	3	0 12	0 12	0 7 1/5	0 12	2	Y.E.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,197	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	24½	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.E.
4,00,000	16,47,668	7,80,759	40,878	1,009	R. C. Paterson, Esq.	Consolidated Coffee	19¾	10	1 8	1 12	2 4	2 0	6	Y.E.
18,00,000	9,30,543	25,79,999	4,94,138	46,543	Associated Planters Ltd.	Cottanad Plantations	18½	10	1 8	1 8	1 12*	1 8	3	Y.E.
4,00,000	10,92,899	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalluvila Estates	14½	10	1 4	2 8	2 0	0 10	12	Y.E.
9,00,000	8,17,985	5,98,920	2,80,348		A. V. Thomas & Co., Ltd. ..	Malankara Rubber	25	10	2 0	2 0	2 12	2 0	4	Y.E.
27,00,000	29,11,062	77,71,181	8,84,980	1,07,340	K. T. Thomas Kathanar, Esq. ..	Midland Rubber	29	10	5 8	2 4	2 4	3 4	3	Y.E.
5,85,000	3,31,000	14,16,774	1,67,177	16,737	A. V. Thomas & Co., Ltd. ..	Nenmeny Rubber	18½	10	1 8	1 12*	2 8	2 0	3	Y.E.
2,00,000	2,68,500	7,81,436	50,971	5,110	A. V. George & Co., Ltd. ..	Nilambur Rubber Co.	20½	10	1 8	1 8	1 8		12	Y.E.
19,45,980	24,00,991	41,19,708	1r 74,557	40,399	Associated Planters Ltd.	Quicklerloey Valley Estates ..	16	10	1 0	1 0	1 8		12	Y.E.
18,50,000	9,00,000	42,15,515	5,42,127	8,082	Peirce, Leslie & Co., Ltd. ..	Rajakri Rubber	4-9½	2	0 3¼	0 9 3/5	0 6 2/5		10	Y.E.
3,66,780	3,00,000	6,70,359	62,117	71,342	A. V. Thomas & Co., Ltd. ..	Sayamalai Rubber	21½	10	1 12*	1 12*	2 0	8	6	Y.E.
10,00,000	3,00,000	22,34,273	1,49,071	8,472	Peirce, Leslie & Co., Ltd. ..	Sayamalai Estates Ltd.	21	10	3 0	2 8	1 0	1 8	12	Y.E.
4,50,000	2,37,500	5,37,767	30,934	14,867	Eastern India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9¾	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.E.
6,10,200	3,00,005	8,91,561	80,565	24,920	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	28	10	3 0	3 0	5 0		12	Y.E.
6,00,000	75,491	9,79,479	5,23,517	3,745	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2¾	1	0 4½	0 1 3/5	0 2		9	Y.E.
41,00,000	14,80,799	76,82,300	8,68,181	3,71,093	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	22	10	2 0	2 0	3 0		12	Y.
30,00,000		27,70,782	6,45,980	27,927	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	10	10	1 0	1 8	1 4		12	Y.E.
6,28,560	5,40,670	8,51,488	16,128	40,780	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	33½	10	3 0	3 0	4 0		12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	31½xd	10	2 0	2 4	2 8	1 8l	12	Y.
					M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10½	10	1 0	1 8	2 0	1 4	3	Y.P.E.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Refer ence
60,00,000	47,00,000	1,06,27,544	56,37,664	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	9¾	10	1 0	1 10	0 10	0 4	3.9	H.P.E.
5,00,000	10,25,000	51,65,438	36,93,377	1,38,329	McLeod & Co., Ltd.	446	Alexandra	180	100	2 8	7 8	10 0		6.12	H.P.E.
30,00,000	6,25,000	1,17,61,827	93,76,069	23,103	Andrew Yule & Co., Ltd. ..	1,264	Alliance	190	100	2 8	7 8	10 0		6.12	H.P.
49,20,700	69,00,000	2,60,00,382	1,93,15,000	2,30,132	Duncan Bros. & Co., Ltd. ..	2,261	Anglo-India	139	100	1 8	1 8	1 0		6.12	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co. Private Ltd. ..	810	Auckland	97	100	4 0	3 8	3 8	3 8	3.9	H.P.E.
30,00,000	23,80,918	96,91 416	65,85,094	65,302	Jardine Henderson & Co. ..	959	Bally	155	100	4 0	3 8	10 0	1 0f	3.9	H.P.
£275,000	£667,405	£1,477,489	£367,176	...	Sir John H. Hurder (Chairman) ..	1,889	Barnagore	105	55	£1 0	Nil	3 8	Nil	3.9	H.P.
28,00 623	28,00 623	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd. ..	820	Belvedere	115	100	£1 0	sh. 15	sh. 15	Nil	3	Y.E.
45,00,000	33,45,000	57 03,172	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	100	100	15 0	10 0	7 8	Nil t	6.12	H.P.
31,26,000	2,17,45,383	3,34,10,402	1,45,32,051	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla	143	10	1 4	1 2	1 2		6.12	Y.E.
30,00,000	21,81,426	1,17,00,047	72,96,930	1,336	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	16½	10	1 8	1 12	2 8	1 0	3	Y.E.
7,47,380	3,09 640	42,13,704	31,62,053	—8,31 470	Dayaram & Sons	502	Calcutta Jute Mfg.	108	100	10 0	9 0	7 8	Nil	4.10	H.P.
15,00,000	25,45,234	87,85,581	43,24,058	1,223	Andrew Yule & Co., Ltd. ..	616	Caledonian	9	10	Nil	1 2	Nil		6.12	H.P.E.
66,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	600	Champdany	125	100	12 0	9 0	6 8	Nil t	5.11	H.
15,95,000	19,83,082	62,12,211	57,10,175	1,387	Andrew Yule & Co., Ltd. ..	530	Cheviot	140	100	6 0	3 0	10 0	2 0f	3.9	H.
30,15,000	81,00,000	64,10,068	47,77,990	1,32,949	Macneill & Co., Ltd.	500	Chitavalsah	153	100	12 0	14 0	10 0	Nil t	5.11	H.P.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	1,012	Clive	109	100	1 12	1 12	1 4		5.11	H.P.E.
31,49 200	46 65,222	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Private Ltd.	766	Dalhousie	92	10	Nil	Nil	1 4	0 8	3	Y.E.
23,00,000	40 71,679	76,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd.	779	Delta	180	100	4 0	2 8	3 0	Nil	3.9	H.P.E.
15,00,000	84,50,000	82,62,670	59,80,760	78,204	McLeod & Co., Ltd.	800	Empire	146	100	20 0	12 8	10 0	Nil t	5.11	H.P.
21,00,000	60,00,000	2,70 39 034	1,89,10,198	1,80,412	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	109	10	1 0	1 4	1 4		6.12	H.P.
21,00,000	13,00,000	97,88,074	54,33,692	1,34,822	Andrew Yule & Co., Ltd.	809 N	Fort William	100	Nil	5 0	5 0	15 0	7½	3.9	H.P.E.
84,32,100		2,11,07,224	1,32,38 925	—2,67,452	Macneill & Barry Ltd.	1,014	Ganges Mfg.	19	10	5 0	20 0	20 0	0 12½	3.9	H.P.
10,80,000	25,00,000	71,52,863	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	1,709	Gondalpara	100	100	Nil	0 8	2 8	Nil t	3.9	H.P.
24 00,000	29,32,827	2,19,00,513	1,61,28,422	25,195	Macneill & Barry Ltd.	607	Gouripore	775	100	15 0	Nil			3.9	H.P.
40,00,000	64 68,233	1,14,86,848	56,72,186	3,40,348	Bangur Bros., Ltd.	1,394	Hastings	217	100	8 12	10 0	15 0	2 8f	3.9	H.P.
15,80,000	18,51,969	66,47,751	47,75,915	—2,95,253	Baijnath Bajoria	1,078	Hastings	109N	100	10 0	10 0	11 8	5 0	3	Y.E.
65,62 500	49,64,372	1,82,86,485	1,10,52,708	57,034	Jardine Henderson Ltd.	720	Hoogly	20	10	1 4	1 8	1 4	Nil	3	H.P.
22,50,000	27,86,163	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	1,940	Howrah	19¾	10	1 8	1 0	0 14	0 4f	3.9	H.P.E.
67,50,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	2,272	Hukumchand	20	7½	3 0	2 0	2 0	2 0	3	Y.P.E.
24,00,000						1,076	India	135	O. 125	4 0	3 2	4 13	4 11f	3.9	H.
19,20,000	16 50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	D. 1	D. 2½/5	0 4/5	0 3 2/5	3/5	3% 11		H.
30 00 000	7,00,000	1,32,86,300	1,00,46,425	82,115				109	100	9 0	8 0	2 8		6.12	H.P.
24,00,000					Jardine Henderson Ltd.	1,527	Kankanarrah	97 'B'	100	9 0	8 0	2 8		6.12	H.P.
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	204	100	7 8	6 8	1 0			
54,00,000	23,83,375	1,72,56,983	1,18,60,127	56,928	Andrew Wright Ltd.	1,530	Khardah	119	100	15 0	20 0	17 8		6.12	H.P.
48,00,000	1,08,90,860	2,44 37 944	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	138	100	9 0	7 0	12 0		6.12	H.P.
25,00,000	55,75,192	1,16,29,380	64,57,897	—2,12,719	Bird & Co. Private Ltd.	831	Lansdowne	100	100	7 0	2 0	13 0	6 0f	3.9	H.P.
61,65,200	26,36,046	2,64,13,349	1,26,97,309	1 64,942	B rd & Co., Private Ltd.	840	Lawrence	93	100	6 0	2 0	7 0	Nil t	3.9	H.P.
29,90,000	69,00,147	1,84,91,466	1,01 37,572	—3,09,111	M.	1,283	Megna	77	100	5 0	2 0	6 0	Nil t	3.9	H.
20,00,000	16,58,000	29,01,562	18,21,709	17,315	Hawrah Trading Co., Ltd. ..	815	Naihati	72	100	2 8	2 8	3 12	3 12f	3.9	H.
35,00,000	41,54,328	30,25,401	10,32,816	1,929	Associated Planters Ltd.	425	Nazakarpara	12½	10	Nil	Nil	Nil	Nil t	3.9	H.
35,35,000	66,35,000	27 71,052	20,34,909	1,08,257	Andrew Yule & Co., Ltd.	868	National	20¾	10	2 0	2 0	1 12		6.12	H.P.
35,50 000	2,71,44,342	4,29,15,627	99 26 548	5,71,293	Sahu Jain Ltd.	316	Nellimarla Jute	12	10	1 8	1 8	1 0	0 6	4.10	H.P.E.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Private Ltd.	1,765	New Central†	13½	10	24 0	17 0	18 0		6.12	H.P.
66,72,500	22,25,061	2,15,55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	667	Northbrook	21¾	10	1 8	1 4	1 8	0 12l	12	Y.E.
24,93,250	23,73,799	75 07 658	50 85,690	1,837	Andrew Yule & Co., Ltd.	1,092	Nuddea	81½	50	1 8	1 8	2 0	1 8l	3.9	H.
15,00,000	6 28,490	80,86,437	65,22,166	51,596	McLeod & Co., Ltd.	601	Orient	122	100	12 0	10 0	5 0	Nil t	3.9	H.
30,00,000	2 49,781	26,07,878	8,84,980	1,07,340	A. V. Thomas & Co., Ltd. ..	490	Prasonney	4¾	5	0 2	0 2	0 3	0 4	3.9	H.
49,50 000	5,82,465	1,23,63,629	59,15,595	—11,72,841	Jardine Henderson Ltd.	1,576	Rameshwara	6	10	Nil	Nil	Nil	Nil t	6.12	H.P.
£4,000,000	£1,093,713	£1,245,244		£58 994	Thomas Duff & Co. (India) Ltd. ..	2,018	Reliance	10¼	10	0 8	Nil	Nil	Nil t	3	H.P.E.
20,00,000	13,14 010	1,15,50,377	79,06,145	7,972	Peirce, Leslie & Co., Ltd. ..	911	Samnuggur	10¾	10	1 0	1 0	1 8	Nil t	3.9	H.P.E.
14,00,000	11,25,000	66,11,794	38,79,394	3,156	Hindustan Investment Corporation	401	Shree Ambica	16¾	10	0 8	1 0	0 8	8%21	12	Y.E.
5,10 600	42 72,182	1,27 38,246	59,23,439	—4,87,127	Bird & Co., Private Ltd.	1,385	Soorah	18¾	10	0 8	1 0	1 8		3.9	H.P.
£600,000	£925,061	£1,137,660		£58,548	Thomas Duff & Co. (India) Ltd. ..	650	Standard	75	100	2 0	2 0	1 0	Nil	3.9	H.P.E.
25,98 800	89,06,722	2,00,00,808	84 29,958	18,384	Bird & Co., Private Ltd.	1,794	Titaghur	10¼	£1	10%	10%	8%21		12	Y.E.
£400,000	£688,035	£1,124,819		£80,501	Thomas Duff & Co. (India) Ltd. ..	1,326	Union	125	100	5 0	6 0	10 0	1 0f	3.9	H.P.E.
2,50,000	6,85,000	55,96,062	40,29,991	14,518	McLeod & Co., Ltd.	1,331	Victoria	10	£1	10%	10%	8%21		12	Y.
						457	Waverley	8½	1	0 1	0 8	0 4		6.12	H.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Refer ence
25,50,000	24,50,000	58,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	10½	10	1 0	1 5	1 6		3.9	H.
12,00,000	8,77,542	37,37,084	34,90,182	45,899	Jardine Henderson Ltd.	Bararee Coke	16¾	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 3/5	3.9	H.
4,49,350	70,000	N. 49,156		4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	12	10	1 12	0 12			3.9	H.P.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	456	200	32 8*	30 0*	25 0*		6.12	H.P.
2,25,000	4,22,669	24,81,732	22,88,534		Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil				6.12	H.P.
15 37,000	13,73,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8				6.12	H.P.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	6½	10	0 12	0 10	0 10		9	Y.E.
7,15,000	15,11,080	52,62,535	37,38,500	—1,37,446	F. W. Heilgers & Co. (Private) Ltd.	Bhutandharacre	14¾	10	Nil	Nil	Nil		6.12	H.P.
16,00,000	10,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	20¾	10	Nil	Nil	Nil		6.12	H.P.
7 50,000	24 29,026	42 39,603	26,53,408	64,207	F. W. Heilgers & Co., Ltd. ..	Borrea	10¾	10	2 12	2 0	2 0		6.12	H.P.
9r 92,480	1,79,05,968	4,22,86 647	1,90,16,824	36,168	Bird & Co., Private Ltd.	Burrakur	21½	10	0 12	0 9	0 10	0 8l	6.12	H.P.
49,97 750		42,33,430	7,90,000	9 927	Hindustan Investment Corpn., Ltd.	Central India	10	10	0 4	0 4	0 4	0 8	3	Y.E.
3,00,000	13,54,302	40,10,414	32,65,954	62,768	M.	Central Kurkend	12¾	10	1 2				6.12	H.P.
6,00,000	1,43,676	7,28 438(k)		2,129	F. W. Heilgers & Co. Private Ltd.	Churlia	2¾	4	0 2	0 2	0 1f		6.12	H.P.
£240,000	£380,558	£3,931,704	£731,579	£58,022	Macneill & Barry Ltd.	Dhemo Main	4	10	Nil	Nil	Nil		6.12	H.
29 63 760	58,55,049	4,04,51,377	2,89,25,665	82 379	Jardine Henderson, Ltd.	East Indian	27½	£1	2 8	2 8	2 0	2 8	4	H.P.
10,00,000	1,40,999	13,81,144	4,28,557	23,363	Macneill & Barry Ltd.	Equitable	26	10	1 8	1 8	1 8		6.12	H.
5,00,000	1,22,000	41,59,247	23,43,143	1 144	Bhatter's Agency Ltd.	Ghusick and Mrulia	18½	10	0 8	0 8	0 4		3	Y.E.
23,00,000	7,25,000	22,07,121	18,89,341	45,985	Killick Industries Ltd.	Hindr-Rampur	41½	50	3 0	Nil	2 4	2 4	6	Y.E.
3,50,000	1,12,000	24,74,412	6,18,546	—5,57,293	Macneill & Barry Ltd.	Hurriladih	21	10	1 8	1 12	2 8	2 4	6	Y.E.
20,00,000	1,77,175	13,54,857	7,23,058		Rajpal Trust Ltd.	Jogta Coal	1¾	10	Nil	Nil	2 8		6.12	H.
5,00,000	16,60,000	28,89,583	4,65,140	6,965	Andrew Yule & Co., Ltd.	Kalapahari	22½	10	2 12	Nil			12	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Bird & Co. Private Ltd.	Karanpura Collieries	105	100	Nil	Nil	Nil		6.12	H.
11,00,240	64,314	16,72,961	10,41,863	—41,320	Andrew Yule & Co., Ltd.	Katras Jheriah	63½	10	Nil	Nil	2 8	2 8	3	Y.E.
5,00,000	11,86,413	28,69,268	22,97,987	2,255	Beriwala & Co.	Khas Kajora	21N	10	4 0	4 0	5 8	5 0	3	Y.E.
7,48,240	2,00,000	13,13,208	9,64,219	—2,60,236	H. V. Low & Co., Ltd.	Khas Kajora	21N	10	4 0	4 0	5 8		1.7	H.
7,00 000	26,617	10,33,740	8,20,295	4,000	Tantia Brothers Ltd.	Khargi	21N	10	Nil	Nil			6.12	H.
17 76 280	20,01,758	1,19,78,853	68,63,066	94,388	Amritlal Oliha & Co., Ltd.	Lakurka	10N	10	0 8	0 8	0 8		3	Y.E.
6,00,000	76,000	85,00,471	21,20,197	70,222	Andrew Yule & Co., Ltd.	Nazira	6¼	10	0 8	0 4			4	H.
1,15,000	2,85,193	13,07,212	8,64,781	19,960	Octavius Steel & Co., Ltd.	New Banadeopur	9N	10	0 8	0 8	0 8		3	Y.E.
1,57 500						New Beerbhoom	17	10	0 12	1 0			12	H.
7 50 000	12,21,858	5,17,666	3,97,666	56,666	Andrew Yule & Co., Ltd.	New Manbhoom	10¼	10	1 0	1 2	1 0		4,10	H.
10,00,000	1,10,000	39,70,662	17,90,588	2,869	F. W. Heilgers & Co. (Private) Ltd.	North West	10	10	Nil	Nil	Nil	Nil	3.9	H.P.E.
5 34,000	10,000	17,92,157	8,80,795	8,018	C. Thapar & Bros.	Ondal	29	10	0 4	Nil	Nil		3.9	H.P.
15,75,000	16,00,000	47,70,273	25,03,044	1,29,271	Deepchand Rakhrasiall	Oriental Coal	17	10	0 8	0 8	1 0	0 12l	12	H.
22 99 500	20,17,105	1,24,35,588	65,30,275	33,343	Shaw Wallace & Co. Ltd.	Panerea	7¾	10	3 0	2 0	1 4	0 8l	3.9	H.P.
12,50,000	8,58,385	35,36,785	27,75,764	23,188	B. N. Elias & Co., Private Ltd. ..	Pench Valley	18	10	0 4	0 12			6.12	H.
20,00,000	3,90,000	44,25,858	16,78,118	28,521	Shaw Wallace & Co. Ltd.	Raneegunge	19½	10	1 10	1 8			3.9	H.
2 50,000	1,95,802	18,78,480	15,78,118	3,20,176	Jaipuria Bona Ltd.	Rewa	10¾	10	Nil	0 8	0 10	0 6	3.9	H.
2,50,000	3,36,598	39,99,490	12,31,237	21,076	M.	Samla Collieries	21	10	2 0	1 6	0 14		6.12	H.
8,00,000	5,31,289	52,491	19,07,296	49,399	Andrew Yule & Co., Ltd.	Searsole	12½	10	0 8	0 12	1 0		12	H.
63,21,450	22,77,474	4,72,97,817	3,17,80,286	7,510	F. W. Heilgers & Co. (Private) Ltd.	Seebpore	5¾	5	0 10	0 10	0 12		1	H.
					Industrial Trust Fund (Government of Hyderabad)	Sendra	28½	7	1 12	2 0	2 8		6.12	H.
17 50,000	10,84,016	37,86,103	15,14,990	—61,583	Bird & Co., Private Ltd.	Singareni	9N	10	Nil	0 4	0 4		6.12	H.
5,00 000	13,59,895	1,69,570	26,510	—17,347	F. W. Heilgers & Co. (Private) Ltd.	South Karanpura	10½	10	Nil	0 11 1/5				
10,00,000	12 950	30,82,289	15,48,502	—4,07,745	Villiers Ltd.	Standard	10¼	10	0 4	0 2	0 2		12	H.
2,50,000	2,80,000	20,47,944	15 16,944	—9,959	Williamson Magor & Co., Ltd. ..	Talcher	20¾	10	2 0	1 8	1 0		6.12	H.
49 98,000	57 084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	2½	2½	Nil				6.12	H.
7,00,000	21,569	56,46,871	23,81,698	—1,46,550	Macneill & Barry Ltd.	Western Bengal	13½	10	1 12	0 12	Nil		6.12	H.
						West Jamuria	6¾	10	0 6	0 6	0 8	0 8	3	Y.E.
							11	10	Nil	Nil	Nil		6.12	H.

M—Managed by the Board of Directors. † Less income-tax. s) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year 1955. * Including bonus. (k) Investment (f) Made up of an interim dividend of Re. 1-12 per share on 1,50,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,30,000 shares are bonus shares. (e) For seven months ended 31st March 1956. † New Central Jute Mills—*Dividend for 1955* is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

MARKET GOSSIP

(*Concluded from page 255*)

some other gifts and crossed the exemption limit for the purpose of the gift tax. In fact, the kind of difficulties that arise follow from the fact that a group of new taxes is proposed to be levied with a view to covering the income, expenditure, transfers of property and property itself. In conclusion, the Federation avers that it would be difficult with a series of taxes of this kind to avoid in practice taxation of the same thing twice over.

* * *

There has been a spate of announcements in recent weeks regarding fresh issue of capital by joint-stock companies. By a strange coincidence these issues are being made at a time when the money market is experiencing acute stringency and banks find it hard to attract funds even at higher rates of interest. It is not, however, suggested that the issues are ill-timed and may not find good response. On the other hand, attractive issues by well-established companies will always be taken up by discriminating investors. This is evident from the success of the recent issues by Guest, Ke

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000	1,08,00,000	12,42,652	Allahabad Bank	360 / 193½ / 126cd	100 / 50 / 100	18 0	18 0	18 0	9 0	12	Y.P.
3,58,800	15,40,000	2,46,650	Andhra Bank	86½cd	70	6 8	7 8	6 8	3 12½	6,12	H.
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	103½	50	3 4	3 12	4 8 4/5	2 10		Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	23	25	6 0	6 0	6 0	3 0	12	Y.
2,50,00,000	3,50,00,000	29,29,924	Bank of India	140	50	0 12	0 12	0 14	..	12	Y.
50,00,000 'A'				140	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	142 / 52N	50'A' / 25	.. ..	.. ..	.. ..	.. ..	12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	40	50	16 0	2 0	2 0		12	Y.
50,00,000	54,00,000	4,19,228	Bank of Mysore	250	100	2 8	16 0	16 0	8 0	12	Y.
61,21,700	58,78,013	10,069	Bombay State Co-operative Bank	57N	50	4 8	2 8	2 0		6	Y.T.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	5 0	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	3 0	5 0	5 8		12	Y.P.
2,03,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd. ..	54 / 58	25 / 25	2 0	3 0	3 0	1 8	12	R.L.Y.
50,00,000	24,50,000	2,13,141	Devkaran Nanjee Banking Co. ..	42½	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,49,911	Habib Bank (P)	72N	25	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,62,000	Hind Bank	36½	50	*Nil*	1 8	3 0	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	9½	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13	50	5 0	*Nil*	*Nil*		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	12 0‡	6 0‡	5 0		9	Y.
24,00,000 / 19,00,000 / 18,20,000	79,75,000	1,45,140	Indian Bank	205 / — / 156	100 / 100 / 75	10 3½	12 0	12 0	6 8½	6,12	R.L.H.
49,19,375	30,00,000	2,23,299	Indian Overseas Bank	159	100	*Nil*	6 0	7 8		12	Y.
2,25,000 / 6,50,000 / 10,00,000	5,64,500	—1,12,440	Indo-Commercial Bank ..	48½ / 10½ / 10½	100(A) / 25(B) / 50(C)	*Nil* / 3 0 / *Nil*	*Nil* / *Nil* / *Nil*			6,12	H.
87,50,000	97,50,000	2,35,108	Punjab National Bank	56	25	0 10	3 0	2 8	2 0	12	Y.
1,00,00,000	22,80,000	43,597	Travancore Bank	16½	25	0 5½	0 12	1 0		12	Y.
40,00,000	35,00,000	1,95,238	Union Bank of India	74	5	2 0	0 5½	0 6		12	Y.
2,00,00,000	98,00,000	27,761	United Commercial Bank ..	58	50		2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS — Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank.	£1-18/9	£1	14†	15†	15†	8†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6½	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K.$15,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	$90‡	H.K. $125	5*	5*	5*	2*‡	12	Y.
£12,565,070 'A'	£15,000,000	£558,006	Lloyds Bank	£2-10-0	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A' / £375,000 'B' / £720,000 'C'	£1,750,000	£219,372	Mercantile Bank of India ..	£2-18-6 / £2-18-6 / —	A £2½ / B £2½ / C £1	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†		12	R.L.Y.
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-0-0	sh. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1955-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries ..	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96½	1st November .. 1959-64
COAL						
20,00,000	4½	20th April and 21st October	Bharat Collieries	1944	98½	20th June .. 1958
20,00,000	4½	20 th June and 21st December	Burrakar Coal Co.	1947	91	20th June .. 1957 (e)
50,00,000	5½	15th June and 15th December	Equitable Coal Co., ...	1953	100	14th December .. 1968(e)‡
COTTON						
8,50,000	5½	20th June and 21st December	Basanti Cotton Mills Ltd.	1942	85	20th April .. 1964
4,00,000	4½	15th May and 15th November	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000		1st April and 1st October	Buckingham and Carnatic	1952	99	1st March .. 1972(e)
13,68,000	5½		Jayshree Textiles	1949	90N	1st January .. 1956-59
99,90,000	5½	1st June	Tata Mills	1951	99½	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(e)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd. ..		100	15th December .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(e)
2,25,89,500	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	99½	1st January .. 1970(e)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
18,00,000	5	1st January and 1st July	Sirsa (Jhenrian) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(e)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply ..	1940	97‡	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply ..	1940	94½	30th September .. 1953-63
5,000	4½	1st April and 1st October‡	South Madras Electric Supply ..	1940	94	1st July .. 1956-61
47,75,000	5	1st April and 1st October	Tata Power	1940	103	1stJuly .. 1970
2,50, 0,000	4	1st April and 1st October	Tata Power		88½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December .. 1969
2,50,000	5	30th June and 31st December	Bridge and Roof (India), Ltd. ..	1938	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer) ..	1942	100‡	1st July .. 1957-62
51,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	89‡	31st December .. 1966(‡‡)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98‡	1st October .. 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(e)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97½	31st March .. 1959
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1946	93‡	30th June .. 1960
9,00,000	5	1st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,59,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1946	96½	31st March .. 1969(e)
3,86,000	5	15th January and 15th July	Empire	1951	94‡	15th July .. 1966(e)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	95‡	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd. ..	1947	97‡	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd. ..	1949	96½	31st December .. 1964(e)
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1967(e)
5,00,000	4½	14th November and 14th May	Nellimerla Jute Mills Co., Ltd.	1945	93	14th May .. 1959
30,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1959
5,00,000	5	30th June and 31st December	Presidency	1942	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd. ..	1951	91	14th September .. 1965(e
5,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	96½	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1928	87‡	31st July .. 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat light Railway ..	1939	90N	1st July 1956
£850,000	4½	1st January and 1st July	Calcutta Tramways	1900	56½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,368	5	1st April and 1st October		1938	47½N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal- Lalabazar Railway ..	1948	90½	31st December .. 1959(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railwa	1905	£55½N	Any time on six months' notice (e)
4,82,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee..	1952	102‡	1st July 1957-63
15,50,000	6	31st March and 30th September	Nilgiri Tea		100†	1st April .. 1958-66
1,89,700	5½	31st March and 30th September	Teakoy	1944	100	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1946	93	31st December .. 1963
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100‡	31st September .. 1964-69(e)
51,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd. ..	1955	103‡	1st October .. 1970
19,95,000	4½	28th February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
20,00,000	4	1st July and 1st January	Clive Buildings (Calcutta) Ltd. ..	1936	89½	1st July .. 1986
1,00,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1960
1,80,00,000	5	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	 1966-71
1,00,00,000	5½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd. ..	1950	100	1st January .. 1971(e)††
17,75,000	5	15th March and 15th September	Indian Cable Co., Ltd.	1954	101½	30th June .. 1959(e)‡
25,08,500	4	31st March and 30th September	Mettur Chemical Industries	1948	95‡	 1966-71
45,00,000	4	30th June and 31st December	Martin Burn Ltd. (Convertible Notes)	1946	525	30th September .. 1976(e)
			McLeod & Co., Ltd. (Convertible Notes)	1947	470	31st December .. 1972(e)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.		(per note)	
1,50,00,000	5½	30th June and 31st December	National Rayon	1951	89N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1953	100‡	30th June .. 1965-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	96‡	31st March .. 1961(e)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101	31st December .. 1959
						1st May .. 1968(e)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 2 months' notice at any time at 2 per cent. premium. (c) Option to repay on 6 months' notice at ½ per cent. after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,60,00,000 debentures will be redeemed at par by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Redemption of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings at par from May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1963

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 7th February, 1957.

—	Closing quotations 31-1-1957	High	Low	Closing quotations 7-2-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	180	—	—	180
Apollo (2)	2-9½	2-9½	2-8½	2-9
Bombay Dyeing (250)	570	570	552½	562½
Bradbury (50)	230½	—	—	230½
Central India (100)	124	124	121½	122½
Century Mills (100)	507½	510½	496	501½
Colaba (100)	75	75	73½	73½
Edward Textile (200)	310	—	—	310
Elphinstone (50)	51	—	—	51
Finlay (100)	312	310	307	307½
Gokak (100)	220½	225½	223½	224½
Ind. Untd. Defd. (1)	1-12½	1-12½	1⅜	1⅜
Ind. Untd. Ord. (10)	11	11	10-14½	11
Indore Malwa (100)	141½	140	137½	138½
Khatau (100)	224½	217½	211½	217½
Kohinoor (100)	326½	328	320	327½
Lakshmi (250)	680	—	—	680
Minerva Mills (100)	87	—	—	87
Model Naygpur (250)	180	—	—	180
Morarji (100)	230	228½	226½	227½
Mysore (50)	106½	105	104½	104½
National Rayons (100)	246½	246½	239½	241½
New City (100)	147½	151½	150	151½
New Great (100)	241½	241½	240	240
Phoenix (100)	147½	147½	143½	145
Podar Mills (100)	170	169½	165	165½
Sassoon Silk (10)	9⅜	—	—	9⅜
Sassoon Spg. (10)	40	—	—	40
Shahajpur (1,000)	1,400	—	—	1,400
Shrinivas (100)	190	190	187½	190
Simplex (50)	183½	183½	179½	180
Standard (100)	440	438½	417½	427½
Svadeshi (100)	230	230	223	225½
Tata Mill (25)	415	415	410½	411½
Vishnu (100)	50½	51½	49½	50
Western India (1,000)	147½	—	—	147½
	5,180	—	—	5,180
BANKS				
Bank of India (50)	141	140½	139½	140
Do. (New) (50)	142	—	—	142
Bank of Baroda (50)	109½	109½	108	108½
Central (25)	54½	54½	53½	54½
Central 'A' (25)	59	59	57½	58
Dena Bank (50)	42	42½	42	42½
Punjab National (25)	58	58	55	55
Union Bank (5)	7⅜	7⅜	7-7⅛	7⅛
United Com. (50)	58½	58½	58	58
ELECTRIC COS.				
Ahmedabad (100)	96⅜	99⅜	97⅜	99⅛
Amalgamated (10)	10⅜	—	—	10⅜
Andhra Valley (1,000)	1,227½	1,227½	1,215	1,215
Bom. Sub-El. (100)	109½	—	—	109½
Surat (100)	112½	—	111½	112½
Tata Hydro (100)	125	125	119½	121
Tata Power (1,000)	1,335	1,335	1,320	1,328½
INSURANCE COS.				
British India (10)	18½	—	—	18½
Empire of India (100)	350	—	—	350
Ind. Mercantile ($0)	41	—	—	41
Jupiter (15)	6⅜	—	—	6⅜
New India (100)	433	—	—	434
Oriental (200)	44	44	43½	44
Universal (10)	3,710	—	—	3,710
Vulcan (10)	11½	—	—	11½
	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	29-5½	29⅜	29-14XR	29½X
Tata Steel Ord. (75)	179½	180	176½	178½
SUGAR COS.				
Belapur (50)	231½	230	230	231
Bhagwati (10)	19½	19½	18½	18½
Phaltan (50)	146	149	146½	148
Walchand Ind. (100)	267½	268½	262½	263½
CEMENT COS.				
Associated Cts. (100)	183	172½	168½	170½
Dig. Vijay (100)	152½	152½	149½	149½
MISCELLANEOUS				
Alcock Ashdown (100)	265	266½	260	263½
Bom. Burmah (125)	727½	738½	706½	711½
Do. (New) (50)	276½	278½	267½	269½
Br. B. Petrol (4 sh.)	2⅜	2-12⅛	2-11⅛	2⅛
Br. I. Corpn. (5)	8½	8⅝	8⅛	8⅛
C. P. Rly. (100)	70½	714	702	70½
Indian Copper (2sh.)	3½	3⅝	3-9½	3⅜
Ind. Inv. Tr. (100)	76	76	74	74
Kemp (200)	180	190	180	180
Killicks (100)	169	—	—	169
Polson (100)	165	—	—	165
Port Canning (100)	—	—	—	—
Pre. Automobiles (100)	7⅛	—	—	7⅛
Premier Con. ($0)	105½	105	103	104½
Scindia (20)	181½	183	178½	179½
G. E. Shipping (10)	19-15½	19-0½	18-0½	18-0½
Shivrajpur (10)	19⅜	19⅜	18½	18½
Tata Chemicals (10)	93½	95½	90	90½
Tata Locomotive (100)	16⅜	16⅜	15½	15½
Tata Oil ($5)	153½	153½	148	150
W. I. Match (100)	45½	46	44	45½
	172½	175	171½	170

GOVERNMENT SECURITIES — Gross Yield

	1-2-1957	Earlier Redemption	Later Redemption	7-2-1957
	Rs.			Rs.
2½% 1961	98⅜	—	4.12	98⅜
2½% 1960	98½	—	3.98	98½
2½% 1962	93⅜	—	3.95	93⅜
2½% 1963-65	88⅜	—	4.03	88⅜
3% 1957	99⅛	—	3.38	99⅛
3% 1958	99⅜	—	3.27	99⅜
3% 1959-61	97⅜	3.95	3.56	97⅜
3% 1964	94½	—	3.94	94½
3% 1963-65	94⅜	4.10	3.85	94⅜
3% 1965-68	92⅜	4.03	3.86	92⅜
3% 1970-75	87⅜	4.31	4.02	87⅜
3% 1986 Con. Loan	73⅜	—	4.08*	73⅜
4% 1960-70	100⅜	3.77	3.93	100⅜
4½% 1958-68**	120⅛	2.60	4.21	120⅛
2½% 1961 N.P. Bonds	99⅜	—	2.66	99⅜
2½% 1964 N.P. Loan	98⅜	—	3.77	98⅜
2½% 1965 N.P. Loan	98⅜	—	3.77	98⅜
3½% 1962	97⅛	—	3.75	97⅛
3½% 1967 N.F. Bonds	98⅜	—	3.68	98⅜
3½% 1974	98⅜	—	3.87	98⅜

BRITISH GOVERNMENT SECURITIES

	Closing quotations 28-1-1957 £			Closing quotations 1-2-1957 £
2½% Brit. Consols	55‡	—	—	55‡
3% Savings Bonds 1965-75	77½	—	—	77⅝
3% War Loan 1955-59	95⅝	—	—	95⅝
3½% War Loan	75⅜	—	—	75⅜
4% Victory Bonds 1976	93⅜xd	—	—	93⅜
4% Funding 1960-90	91⅛	—	—	91⅛

*Current Income. x.d.—Ex-dividend. **Rupee Counterpart. xR. Ex-Right.

COMMERCE

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

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PAKISTAN'S ECONOMIC PLIGHT

IT is distressing to find that India's next-door neighbour, Pakistan, has made no marked progress on the economic front during the past nine years of independence. On the contrary, its economy has suffered considerable deterioration in recent years, as the pace of its economic growth has been lagging behind that of its population, which is rising at the rate of 1.4 per cent., or approximately 1.2 million, per annum, and is marred by continuous inflationary pressures. It is true that it has made notable progress in certain consumer goods industries, especially in cotton textiles and jute goods. But this has been more than offset by the failure of agricultural, especially food, production to expand to the extent necessary. Its dependence on foreign countries for both wheat and rice is out of proportion to its capacity to produce, and is resulting in a severe strain on its balance of payments position. In the initial years of independence, Pakistan used to have a surplus of wheat, and, at the time of Partition, none thought it would have to depend upon outside supply of foodgrains. It will be interesting to note, in this connection, that, though the area under wheat has gone up from 10.43 million acres in 1949-50 to 11.58 million acres in 1955-56, production has fallen from 3.88 million tons to nearly 3 million tons. Similarly, output of rice has fallen during this seven-year period from 8.17 million tons to 7.85 million tons, though the area has gone up from 21.83 million to 22.87 million acres. Clearly, the yield per acre seems to have suffered a marked deterioration.

While it is true that Nature has not been kind to Pakistan in recent years, especially in 1955-56, it cannot be denied that there has been a grievous neglect of agriculture on the part of the authorities. It would also appear that the Pakistani nationals, who took over the land from the Hindus and Sikhs in West Pakistan, following their migration to India after the Partition, have not adapted themselves into efficient farmers. This conclusion is borne out by data relating to cotton, the increase in the outturn of this crop falling behind that in acreage. Evidence of neglect of agriculture is also found in the statements of impartial foreign observers. Mr. John O. Bell, Chief of the U.S. Aid Programme to Pakistan, has come out with candid criticisms of the Pakistan Government. He has accused this Government of not properly utilising the aid given to it by the United States. He points out that Pakistan has not put to maximum use the tools and materials supplied by his country for its agricultural development. "In view of the fact that the resources of the country are not being properly utilised, there is no reason," he says, "for Pakistan for turning year after year to the U.S. and other countries for assistance." He is very much pained to see that the help given by the U.S. is being wasted. The degree of his disappointment is reflected in his grim warning that, "if this state of affairs is permitted to continue at its present rate, the Indus Valley will become a desert within less than a half century." He then goes on to add: "It is one thing in time of floods, droughts and other natural disasters to proclaim an emergency which must be met by assistance from an outside country, and quite another thing to accept and to plan food deficits and food imports as a normal state of affairs and to suggest that little can be done about it. It is indefensible to take the foreign exchange earnings produced by the cultivators to invest in the procurement of offshore supplies of foodgrains—which can be grown in great abundance here at home with far less investment."

This deterioration in the state of agriculture is due largely to lack of encouragement to tenants and actual cultivators, as also to the aggravation of feudalism. In the words of another American observer, who has been in Pakistan long enough to know what he is saying, Pakistan is "a land of backward peasants, ruled by a few rich overlords" and heavily subsidised by the U.S. Further, the Pakistan Government has taken no worthwhile steps to step up agricultural production as India has done.

In the field of industries, Pakistan has doubtless made considerable advance. Official publications claim that the country has already attained self-sufficiency in a large number of consumer goods and in a few of the basic materials. The goods that are named include coarse and medium varieties of cotton cloth, jute manufactures, woollen and worsted yarn, art silk fabrics, paper excepting high-grade paper and newsprint, cement, cigarettes, matches, soap, edible oils, footwear and other leather goods, paints and varnishes, plastic manufactures, cycle parts, rubber tyres and tubes, tin containers, electric fans and lamps, and dry cells. It is difficult to say to what extent this claim is true. But, if the trend of prices and the large volume of a variety of goods that are being smuggled into Pakistan are any indication, there seems to be an element of exaggeration in the claim. In one manufactured article, however, it is very near self-sufficiency and that is cotton goods. In 1956, Pakistan's output of cloth was of the order of 500 million yards and of surplus yarn 170 million lbs. (both the figures are approximate). Assuming that a pound of yarn is equal to 4.5 yards and that all the yarn spun is woven into cloth, which is not the case at present, the total production of cloth works out to more than 1,265 million yards. This gives a *per capita* availability of 15 yards, after allowing for exports at the rate of about 60 million yards per annum. Another industry in which Pakistan has made commendable progress is jute. Here it has reduced its dependence on India in two ways, first, by finding foreign markets for raw jute outside India and, secondly, by rapidly raising its manufacturing capacity. Out of a total export of 5.68 million bales of raw jute in the 1955-56 season, India's share was only 1.35 million bales, while as many as 4.33 million bales went to other countries. From almost nothing a few years ago, Pakistan's domestic consumption of raw jute has advanced to a million bales. In other words, Pakistan's dependence on the Indian jute mills for selling its raw jute is now no more than 20 per cent. of its annual output of the order of 6.6 million bales. This is a remarkable achievement, considering the short period in which it has been carried out.

Notwithstanding the progress made on the industrial front, the standard of living of the Pakistan masses has not improved. The latest estimates of national income, contained in the State Bank of Pakistan's *Report on Currency and Finance* for 1955-56, place the *per capita* income at Rs. 237 for 1954-55. This compares unfavourably with Rs. 241 for 1950-51. It is doubtful whether the *per capita* income for 1955-56, for which figures are not yet available, was any better. A rough estimate puts it at Rs. 250, but much depends on as to what extent it is rough. The aggregate national income for 1954-55 is placed at Rs. 1,890.30 crores, an increase of 3.6 per cent. over 1950-51. As against this increase, the population has gone up by as much as 5.3 per cent. to stand at 79.71 million.

Not only has there been no improvement in the *per capita* national income in Pakistan, but there has also been a heavy rise in the cost of living. The increase is literally crushing in East Pakistan, in particular. Thus, the general cost of living index for industrial workers in Narayanganj (base 1948-49=100) stood as high as 143 in June 1956, as against 88 a year earlier. It is a testimony to the patience of the masses in East Pakistan that, despite this enormous advance in their cost of living, they have not taken the law into their hands and are suffering silently. Be that as it may, the high cost of living reflects the scarcity of essentials of life in East Pakistan. It is no wonder then that the effect of this situation is being acutely felt in West Bengal and that people in Calcutta complain about scarcity of cloth, rice, wheat, vegetable oil, etc. These goods are being regularly smuggled across the frontier into East Pakistan.

The position in this respect is relatively better in West Pakistan. The working class cost of living index for Karachi shows only a three point rise to 108 between July 1955 and 1956, but, in the inter

was compelled by force of circumstances to devalue its currency, it did not do so to the fullest extent warranted by the fall in the purchasing power of its currency. Not only that, it even tried to exploit its near monopoly in raw jute by stepping up the export duty and fixing a minimum price, thereby compelling the rest of the world to pay the price it wanted. It is not, therefore, surprising that Pakistan failed to derive the full benefit of devaluation. The worst sufferers of this policy were the jute growers in East Pakistan, because, while they received a lower price for their crop, they had to pay more for their needs, especially rice; a good part of it was imported at a higher price.

Again, shortly after devaluation, the terms of trade went against Pakistan. The drop in the world price of cotton, coupled with higher freights and increase in the cost of plant and machinery, adversely affected Pakistan's economy. Thus, during the quarter ended June 1956, the terms of trade index (1948-49=100) was appreciably lower at 68·7, as against 80 a year before and 106.3 in April-June 1949. The rise in export prices has not been proportionate to the change in the par value of its rupee, while the import prices bore the full brunt of devaluation. Over the year 1955-56, the average index of import prices, for instance, went up by more than 51.7 per cent. to 129.6 (in the quarter April-June 1956), whereas that of export prices rose by only 30 per cent. This is what happens when a primary producing country, employing no more than primitive methods of production, tries to be clever with the rest of the world for too long a period.

The position since June last must have become definitely bad, owing to the blocking of the Suez Canal, and the subsequent rise in the cost of freight, steel, cement, sugar and capital goods. As against a surplus of £24.1 million at the end of 1955 on trade and payments account, 1956 has ended with a nominal surplus of a mere £100,000. Sterling assets of Pakistan, after going up from Rs. 38.22 crores in August 1955 to Rs. 96.98 crores in June 1956, had dropped again to Rs. 82 crores by the end of 1956. The position would have been much worse if all the trade which is taking place between India and Pakistan through smugglers were to pass through regular trade channels. An idea of the trend of this trade can be had from the fact that the unofficial exchange value of the Pakistani rupee in India is at a discount of 20 to 25 per cent., that is, 100 Pakistani rupees fetch only 80 or 75 Indian rupees. The unhappy balance of payments position of Pakistan is further evident from the fact that it is extremely difficult for foreigners doing business in that country to repatriate their earnings and profits. There are numerous instances where Indian as well as other foreign business men have not been able to withdraw from Pakistan even a small fraction of their accumulated profits and cash balances.

Although on the face of it, the foreign exchange position may not appear to be desperate, what with the continuous flow of American military and economic aid, in reality it seems to be getting worse. Otherwise, it is hard to explain the Pakistan Government's decision early this week to levy, as a part of its 1957-58 budget proposals, a 25 per cent, surcharge on foreign exchange sold for purposes of travel in foreign countries, except India and the centres of pilgrimage in West Asia. Such a levy tantamounts to introducing multiple exchange rate system and may conceivably amount to trespassing the rules of the I.M.F. Although the latest Press reports from Karachi say that the Finance Minister has abandoned this levy, its imposition must have widely undermined the confidence of people, both inside and outside Pakistan, in the Pakistani rupee. Indeed, it has already depreciated the black market value of this currency, which in turn has caused a feeling of disquiet among those who have assets in Pakistan. It is reported that unofficial foreign exchange rates in Karachi are Rs. 20 per pound sterling and Rs. 8 per U.S. dollar, as against the official rate of Rs. 13-8 and Rs. 4-14, respectively.

The fundamental causes of Pakistan's economic difficulties are two: (1) heavy expenditure on defence, and (2) unstable government. In the past eight years, Pakistan has spent no less than Rs. 660 crores on defence, according to published figures, and proposes to devote another Rs. 100 crores in 1957-58, according to the budget for that year. On an average, it has been utilising two-thirds of its revenue for unproductive defence expenditure. According to reliable estimates, which have not been contradicted by Pakistan officials, a little over 5 per cent. of its national income, as against about 2 per cent. in India, is being absorbed by defence. This is too high a ratio for an underdeveloped country and is almost the same as that incurred by several industrially advanced countries in Europe. It may be noted here that even Britain, which is spending only 9 per cent. of its large national income on defence, is finding the burden backbreaking. If an economy, which is deficient in material resources, trained manpower and lacking in industrial know-how, goes on incurring unproductive defence expenditure of this order, it is pursuing a self-defeating policy, for it is actually breeding within its own borders, a most powerful enemy, namely, inflation, which will gravely undermine the best of armed forces and demoralise the civilian population. This danger becomes greater when the Government of that country is not stable. During the past nine years of its existence, Pakistan has had six Prime Ministers, with every change in Prime Ministership bringing about a virtual change in the Government as a whole. In this respect, Pakistan seems to be Asia's counterpart of France in Western Europe. Such frequent changes in Government have a deleterious effect on the ability of administration to exercise effective controls for keeping inflation under check and to promote and implement effectively measures for raising the living standards of the masses. In such a situation, no amount of foreign aid can help a country. On the contrary, such aid will only encourage waste, recklessness and corruption and thereby hasten the country's downfall, with adverse repercussions on its neighbours.

PROTECTION FOR CYCLES

THE bicycle is aptly described as a poor man's vehicle and it is necessary that "he should get the best product in return for the hard-earned savings which he invests in a cycle." This is the acid test by which one has to judge the progress of the bicycle industry in India. This industry, as readers are aware, has been enjoying tariff protection for ten years now and the Tariff Commission has just taken up for examination the question of continuing protection beyond 31st December next. While the Commission can be relied upon to arrive at the right decisions after taking into consideration all the aspects of the case, it will be appropriate to consider whether the industry has endeavoured to fulfil the obligations of a protected industry.

A review of the progress made by the cycle industry in the past five years reveals that the industry has grown rapidly and has met the major part of the country's needs. The aggregate rated capacity (on single-shift basis) of the industry at the end of 1955-56 was as high as 760,000 cycles per annum, which compares very favourably with 120,000 in 1950-51; it means a rise of over 533 per cent. At the public inquiry into the continuance of protection held in Bombay the other day, Mr. K. R. Damle, Chairman of the Tariff Commission, placed the sanctioned capacity of the industry at 1,273,500 cycles a year, including permission accorded to some of the units to work double shifts. The number of large units producing cycles has risen from just two in 1950-51 to six in 1953 and to as many as 18 at present. It is stated that four more units have been licensed recently, with a total capacity of 234,000 cycles. The aggregate capacity of the 22 units will thus come to 1,507,500 cycles a year. In addition to large units, there are 41 small-scale producers of complete cycles and components. The sanctioned capacity of these is estimated at 219,000 cycles per annum.

Following the marked expansion in capacity, the actual production of cycles has registered a substantial improvement. During 1956, 660,000 cycles were manufactured by 14 units, as against 490,000 by 12 units in 1955, about 370,000 (7 units) in 1954 and 101,000 (2 units) in 1950-51. The production of cycles by 14 small units during the nine months ended December 1956 amounted to 22,190. There are as many as 500 units which produce cycle components.

While the expansion of the cycle industry has thus been phenomenal in recent years, the quality of the product does not seem to have improved as much as it should have, though undoubtedly some makes are said to be much better than they were two or three years ago. The cycles having larger percentage of indigenously made components are reported to be not very satisfactory. The complaints relate to poor finish, hard and difficult running, quick wearing out of fast moving parts, and poor enamelling and electroplating. It is needless to add that, so long as these defects persist, consumers' prejudice is bound to be there. Moreover, despite the marked expansion in production, the prices of cycles produced in India continue to rule high, as compared with the capacity of people to pay. If, therefore, the cycle industry is to be assured of steady expansion and development of an export market, it is of the utmost importance that sustained efforts should be made to improve quality and to reduce costs. Mr. Damle did well in drawing pointed attention to this aspect and remarking: "As an industry, which essentially caters to the needs of the common man, it can look forward to unstinted support from all sectors of the community only if it keeps the objectives mentioned earlier always in the forefront."

It is gratifying to find that most of the manufacturers have considerably reduced their dependence on imported components and that the Commerce and Industry Ministry has, while licensing new units, made it a condition that they will not be permitted to import more than Rs. 24 worth of components per bicycle even in the initial stages. It would appear that the position in regard to supply of raw materials has vastly improved and that all large-scale manufacturers, except two, have no difficulty in securing their requirements. The greatest handicap of the cycle industry hitherto has been the dependence on foreign countries for steel tubes. This is being steadily overcome and will be completely eliminated in a year or two, when two large-scale manufacturers commence production. The question of manufacturing special steels also is receiving the attention of the Government.

The cycle industry has a bright future, if only it strives hard to raise the quality of its products to British standards and to keep prices at reasonably low levels. With the improvement in the standards of living of the people in the coming years, the offtake of cycles may be expected to go up appreciably. As the Planning Commission has rightly remarked, the construction of a network of new roads, especially in the rural areas, and the expansion of trade within the country will stimulate the demand for cycles. Further, if the prices of indigenous cycles come down, as they should, when the leading producers begin manufacture on a mass scale and when imported components are replaced by those of indigenous manufacture, it will not only stimulate internal demand for cycles but also enable a reasonable volume of exports to neighbouring countries. It is on the basis of these assumptions that the Planning Commission has estimated the total requirements of cycles at the end of 1960-61 at 1,250,000 (including 150,000 for export), as against 680,000 absorbed in 1955-56.

The domestic and export requirements will be met by augmenting the production of cycles through increase in capacity of both the organised and the decentralised sector of the industry. The annual capacity of the organised sector on a single-shift basis is expected to increase from the present level of 760,000 cycles to about 895,000 with the completion of the schemes now in progress. Since all the units may ultimately work on double shift, the potential capacity of the 22 organised units (including the four units recently licensed) may be very much more than 1.5 million per annum. In addition, the decentralised sector of the cycle industry is being given encouragement to produce about 250,000 bicycles per annum by 1960-61.

To sum up, during the second half of the decade of tariff protection, the bicycle industry has justified the assistance given to it against foreign competition by raising its output and by improving its quality to some extent. It is true that, quality-wise, the industry has yet to cover substantial ground, but one should not forget that Rome was not built in one day. Its performance in the past five years sustains the hope that it will do better in the coming years. As for the question whether protection should be continued, there can be no two opinions on the view that it should be. The industry is still in a state of infancy and will wither away, if the hand of protection is withdrawn at this stage. Its confreres in Japan, the U.K., Germany, Austria and Holland, not to mention the rest of the European countries, are giants in this field who are feared by the bicycle manufacturers even in the United States. Currently, the U.S. Tariff Commission is once again conducting investigations into imports of bicycles at the request of the Bicycle Manufacturers' Association of America. The question which the Indian Tariff Commission has to decide, therefore, relates only to the quantum of protection and to the steps which indigenous manufacturers should take to safeguard the legitimate interests of consumers.

MORE ON INTEREST RATES

SMALL SAVINGS—I.M.F. LOAN—MANGANESE EXPORTS—TEA TRENDS

THURSDAY, 5 P.M.

THE share market seems to be sagging. Barring occasional support by one or two speculators and some buying by the Life Insurance Corporation of cement and steel shares, it has been devoid of sustenance. Bears seem to be merciful, in that they are not pressing hard. Renewed sales by Madras operators earlier in the week caused some uneasiness, because they are considered to be knowledgeable people. It is alleged that they successfully forestalled the Plantation Award and the now famous 30th November taxation proposals. During the last two days, there has been a mild rise from the lowest levels of the week but that is probably due to technical considerations. The series of new issues and the prospect of some more coming in the near future are weighing heavily on the market. The cost of bank credit has gone up and market circles are beginning to realise that the end of higher interest rates has not yet begun. Taxation uncertainties are real and several people are more and more inclined to believe that an increase in the tax on bonus shares is almost a certainty. Otherwise, they are unable to account for the Government's continued delay in giving permission to companies which have sent in their applications for issue of bonus shares.

MARKET GOSSIP

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There are some in this country who really believe that the authorities have done well in not raising the Bank rate in order to make the cost of bank credit dear as a part of anti-inflationary weapons. This view is not very convincing. It is argued that, if the traditional Bank rate had been raised, the Gilt-edged market would have come tumbling down and that, by not raising this rate, this development has been avoided. Those who argue thus are under an illusion. As was pointed out in these columns last week, the steadiness of Gilt-edged values is due to substantial purchases of some of the existing loans by the Reserve Bank. It was mentioned then that, since the beginning of the year, the Bank had bought from the market, including the banks and the Life Insurance Corporation, about Rs. 16 crores worth of securities. During this week, the Bank bought further large parcels of short-medium dated securities, believed to be of the order of Rs. 2 crores. By not raising the traditional Bank rate, the Government is actually pumping in more money and adding to the volume of deficit financing.

There are a few others who believe that, by keeping the Bank rate unchanged, the Government will be in a position to carry through its borrowing programme this year at the same rates as last year. This view, too, sounds hollow. The Government will have to offer higher rates on its new loans if they are to be successful, unless between now and July, when the Government usually borrows from the market, the money market eases and the rates of interest go down. The Reserve Bank itself will have to reduce the cost of its lending to banks at least to 3½ per cent., otherwise the banks will not be in a position to extend any sizable support to such loans. Surely, they cannot be expected to borrow from the Reserve Bank three months' money at 4 per cent. and lend to the Government for long term at 3½ per cent. Since the chances of money becoming so perceptibly easy as to cause a fall in short-term rates on the aforesaid lines, the Government will have to pay more on its new loans. And it will be absurd to do so without raising the Bank rate, in the hope that thereby a fall in Gilt-edged values can be avoided. If the Government's main concern is not to disturb the Gilt-edged market, the only other alternative is to give up the borrowing programme of at least the Central Government and to rely exclusively on created money. After all, the total of the 3 per cent. 1957 loan held outside the Reserve Bank cannot be more than Rs. 30 or Rs. 35 crores which can be easily repaid in cash. But to skip the borrowing programme and to repay the maturing loan in cash is to make nonsense of the present monetary policy.

Anyway, the failure to raise the Bank rate has only put the investors on guard and caused serious misgivings about the future of interest rates. The belief is growing that an increase in the Bank rate is inevitable. This has induced some of the investors to sell their holdings of Government securities when the going is good and limit the possibility of further losses in future. These investors include not only banks but also corporations, which are likely to need cash to pay the compulsory deposits or for plant and machinery. Even some of the individual investors have begun to do so. After all, they do not lose much thereby. On the contrary, they stand to gain something, apart from restricting the chances of future loss. With banks ready to pay 4 to 4½ per cent. on short-term deposits, they can earn a little more and do not have to bother about tax deductions at source, as is the case on investments in Government securities. This tendency will gain momentum, if the stringency in the money market becomes more acute.

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It is surprising that, with the all-round increase that have taken place in interest rates in recent months, the authorities have paid no thought yet to the question of effecting a corresponding rise in the rates of interest on small savings. If our memory is right, these rates have remained unchanged for [illegible] and were determined before the Bank rate was raised from 3 to 3½ per cent. in November 1951. They are thus completely out of alignment with the current interest rates. It is true that, as a result of not effecting an upward revision in the yield on small savings in consonance with the rise in the Bank rate well over five years ago, the small savings movement has not suffered a setback; if anything, it has gained considerable strength. But that should be no argument for keeping the return on these investments unchanged further. It is quite possible that this momentum will lose strength in future as the disparity is becoming more and more marked. Such a possibility should be avoided. That apart, why should not the authorities think of making the small savings more popular by offering a little higher return? In this connection, it will be pertinent to recall that large sums are finding their way into gold and silver. A considerable percentage of this money comes from classes to whom small saving certificates can be sold if a little more effort is made and the return on them is enhanced. Now is the time for the authorities to bestow some thought on this question and take a quick decision, because it is at this time of year that farmers and workers keep surplus cash which they either invest in bullion or spend away in merry-making for which the spring festivals offer plenty of opportunity.

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So, the Government of India has resorted to the International Monetary Fund, the lender in the last resort to the countries of the free world, for replenishing its greatly depleted foreign exchange reserves. A country usually goes to this source of foreign exchange supply only after it has exhausted other sources of speedy assistance. It now seems that economic aid to India from the U.S. will take a longer time than expected. Even if the U.S. Government is willing to give, the Congress has to sanction the aid. And the present is not the opportune time for making the necessary move in the Congress. Although the World Bank is taking a sympathetic interest in India's development projects, it has not finished its examination of specific projects only against which it is willing to lend. This will take time and the first loan in relation to projects now being studied may not materialise before June. Meanwhile, the sterling balances have been fast receding; by the beginning of this month they had declined to a low level of Rs. 506.36 crores. Many countries in the world had taken notice of this trend and were talking about it. Something had to be done to raise the external resources of the country.

It is these considerations which must have forced the Government of India to approach the Fund. It is encouraging to find that the Fund authorities have been quick in taking a favourable decision and giving a liberal credit line of $200 million, which is equal to 50 per cent. of this country's quota. Apparently, they did not insist upon applying to India the limitation of drawing rights to 25 per cent. of the quota within a year.

Normally, during a period of 12 months, a member country can get assistance from the Fund only to the tune of 25 per cent. of its quota, in addition to its contribution to the Fund's capital in gold and dollars. In technical language, the latter is called the gold tranche, while the former is called the credit tranche. There is also an aggregate quota limitation confined to 200 per cent. of its quota. These quota limitations do not preclude a member from securing additional assistance from the Fund, if that is required, since the Fund may waive the quota limitations specified in the Fund Agreement and has frequently done so. Recently, that is, two months ago, the Fund sanctioned Britain a credit of $1,300 million which is equal to that country's full quota. This sum consisted of two parts, namely, $561½ million representing the gold tranche and the first 25 per cent. credit tranche of Britain's quota, and $738½ million in the form of stand-by facility. In sanctioning credit of this magnitude, the Fund took the unprecedented step of releasing the whole quota of a member country on a single application, a relaxation of the Fund's rules to an extent which none had anticipated. By this action, the Fund had proved itself to be a far bigger reserve of international liquidity than it had admitted itself to be till then.

In extending credit to India now, the Fund seems to have followed more or less that liberal policy which it adopted towards Britain. Under the limitation of 25 per cent. of quota, India can draw in a year, besides its gold tranche of $27.5 million ($27,486,453.61 to be precise), only $100 million, or a total of $127.5 million. But it has actually been sanctioned an aggregate credit of $200 million. As in the case of Britain, this total is divided into two parts, the first instalment of 25 per cent. of the quota *plus* the gold tranche yielding $127.5 million, and a stand-by credit of $72.5 million. Out of the first part, $60 million was given immediately, that is, on the 7th inst., and the balance, $67.5 million, can be drawn after 30 days. The stand-by credit can be utilised at any time during the next 12 months.

The rate of interest on borrowings from the Fund is fairly high. Besides a service charge of ¾ per cent. payable only once, interest will have to be paid at rates varying from 2 per cent. to 3¼ per cent., depending upon the period for which the credit is used. Since the Fund is essentially a short-term lender, failure to repay within three years will involve payment of penal rates of interest which go up to as high as 5 per cent.

In the case of stand-by facility, only an annual service charge of ½ per cent. is involved. If and when it is utilised, interest will be charged at the Fund's scheduled rates on the amounts outstanding. If the interest burden is not to become too heavy, India must repay these loans within three years of their becoming effective. It can, however, hold on to these credits for five years, but it will have to pay interest at penal rates. Failure to repay within five years will gravely undermine the international credit of India. Under the spirit of the Fund's Agreement, its resources are to be regarded as a revolving fund to be used as needed and to be restored promptly when the need has passed.

In terms of rupees, the loans agreed to by the Fund amount to Rs. 95.20 crores. Of this, the first part is Rs. 60.69 crores, and the second part, namely, the stand-by credit, is Rs. 34.51 crores. Out of the first part, India has withdrawn Rs 28.56 crores. This is reflected in the Reserve Bank's statement for the week ended the 8th inst., where the balances held abroad have risen by Rs. 28.32 crores. The total foreign exchange reserves on that day were Rs. 534.68 crores, against Rs. 506.36 crores a week earlier.

The reason given by the Government of India to the Fund for seeking its assistance is the combined impact of (1) the second Plan, (2) disappointing crops and (3) the Suez Canal blockade on the foreign exchange resources of the country. It has informed the Fund that it proposes to press ahead with anti-inflationary measures, including higher taxes, promotion of small savings and tightening of bank credit. This explanation of the Government to the Fund should give investors an idea of the shape of things to come in the fiscal and monetary fields.

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The initial quota of 50,000 tons of sugar fixed for export, it is reported, has almost been exhausted. Further sales were possible this week, the principal buying countries being Ceylon, Burma, Pakistan, Africa and Persian Gulf ports. Enquiries are still being received from these countries and the Indian Sugar Mills Association has requested the Union Food Ministry to permit an additional quota. Considering the currently ruling high prices in foreign markets and the need for more foreign exchange, the Government is expected to concede the request. There is no need for domestic consumers to have any uneasy feeling on this score, as there is plenty of sugar in the country.

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It looks as though a new threat has arisen to India's manganese ore, one of the most valuable dollar earners. A recent report from Canada avers that a completely new method of processing the low-grade manganese ore deposits situated in New Brunswick has been evolved by one Dr. M. J. Udy. The new process is now being tested at a prototype plant installed at Niagara Falls (in Ontario) at a cost of $1.5 million. The process, it is claimed, will prove economic and will allow plans to go forward for the design of a production plant proper, with a capacity to handle 5,000 tons of manganese ore per day for an annual output of 75,000 tons of ferrow-manganese and 75,000 tons of ingot iron (a low-grade steel). The utilisation of the process on a broad scale is expected to make the North American Continent "completely independent as to the sources of manganese by making possible the treatment of the large deposits of low-grade manganese ores known to exist in the U.S. and Canada which were hitherto regarded as incapable of treatment."

Another country which has launched upon a project for developing manganese ores is Brazil. It has secured the co-operation of American capital. The project is located in the Amazonian jungle in Amapa district of Brazil, where there are rich manganese mines—the reserves of ore are estimated at 11 million tons, the purity of the ore being 45 per cent. The development scheme covers the construction of a 150-mile long broad-gauge railway for moving the ore to the Amazon river and a new port for handling the ore export. The U.S. Export-Import Bank has given a loan of $67.5 million towards the cost of the project. When fully completed, the project is expected to produce 700,000 tons of manganese ore annually. In addition to this, the U.S. Steel Corporation is developing manganese mines in the Mattogrosse district of Brazil and production here is scheduled to commence at an early date.

The aforesaid developments will, there is no doubt, adversely affect the export trade in Indian manganese ores. The steel producers in the U.S. and Canada who are now importing large quantities of manganese ore from India may not do so to the same extent. This will mean a considerable loss of precious dollars. Out of the foreign exchange earned by manganese ore exported from India every year, the share of the U.S. alone comes to nearly 33 per cent. During the financial year 1955-56, India exported to the U.S. 321,468 tons of manganese ore valued at Rs. 4.06 crores, the total exports to all destinations being 920,847 tons valued at Rs. 10.72 crores.

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Teas for export sales have been ruling quietly steady in recent weeks, with good demand at slightly easier rates. Bright liquoring teas and well made and stylish whole leaf grades have, however, been strong features, with keen competition at dearer rates, but teas with poorer appearance are fetching lower rates. Anyway, the downward trend in prices noted since the middle of December seems to have considerably slowed down, if not been arrested. This is apparently due to the seasonal improvement in quality and the reduction in the weight of offerings at auctions. Thus, at the export auctions this week, the quantity of tea on offer was 65,236 chests, as compared with 66,900 chests in last week's sale and 75,910 chests in the sale held on 22nd January. Another helpful factor

(Continued on page 351)

SHARES DRIFT LOWER

BUSINESS THINS DOWN

(From Our Own Correspondents)

BOMBAY, *14th February*

FOR the third week in succession equities remained depressed, with a further drop in prices. This week's recession was more pronounced and widespread than in the previous two weeks, bringing equity values to the lowest levels seen since the middle of last month. There was, however, no large-scale selling pressure. Some investment buying was forthcoming at lower levels, but this failed to stem the recession. Speculative support was conspicuous by its absence. Notwithstanding the attractive levels to which they have retreated, equities remained friendless, apparently due to lack of confidence in the near future.

The worry over the Kashmir issue is not over and there is an understandable anxiety about the ultimate outcome of the issue. The market does not seem to be impressed with the Finance Minister's statement in Guntur last week about the compulsory deposit scheme. He said: "If the private sector is opposed to depositing the surplus reserves with the Government, I want at least a guarantee from the private sector that they will utilise those reserves for the good of the country in any scheme proposed for the development of the economy of the country." Though this reflects a considerable change in the Finance Minister's attitude, it is not quite clear, whether the deposits will be allowed to be utilised in the private sector itself or will be required for use in the public sector's projects. Anyway, operators would appear to await the publication of the relevant rules which is long overdue. The accumulation of cloth stocks and the persistent stringency in money are the other depressing factors.

In the steel section, Tata Ordinaries retreated from Rs. 178-12 to Rs. 172-12, the lowest level since 11th January last, despite the report that two blast furnaces had been commissioned at Jamshedpur on Sunday, 10th inst., marking the first stage in the expansion scheme which would raise the steel output to 2 million tons by 1959-60. There was, however, a partial recovery today, when the shares closed at Rs. 175. Indian Irons gave way from Rs. 22-6 to Rs. 21-12 before gaining to close at Rs. 21-15. The main worry of operators in this counter is that of subscribing to the Rights issue. The Rights dropped from Rs. 7-2½ to Rs. 6-14.

Textiles were conspicuous in the recession. Bombay Dyeings sank from Rs. 562-8 to a low of Rs. 546-14, but crept up to Rs. 554-8 at the close. Centurys dropped from Rs. 501-8 to Rs. 489 before regaining to Rs. 493 at the close. Kohinoors came down from Rs. 327-4 to Rs. 324-8, but there was a sharp jump to Rs. 329 on Monday on reports of good working results for 1956. This recovery proved short-lived and the shares retreated to Rs. 320-8 yesterday. The closing today was better at Rs. 324. Central Indias closed Re. 1 lower at Rs. 122. Finlays shed Rs. 2 to Rs. 305 and Gokaks Rs. 3 to Rs. 220-8. Indu Ordinaries were dull at Rs. 10-11½. New Greats dropped Rs. 5 to Rs. 235, while New City Mills were stagnant at Rs. 151-14. New Kaiser-I-Hinds changed hands Re. 1-4 lower at Rs. 108-12. Shree Niwas Cottons moved down by Rs. 5 to Rs. 185. Simplex reacted from Rs. 180 to Rs. 176-8, but recovered to close at Rs. 179. Standards were done Rs. 6-4 lower at Rs. 421-4, and Svadeshis Rs. 5-12 down at Rs. 219-12. Swans lost Rs. 7-8 to Rs. 403-12, Vishnus Rs. 6-4 to Rs. 141-4 and Tata Mills As. 12 to Rs. 49-4

Bank shares were unimpressive and business was thin. Fluctuations were narrow. Barodas were steady, gaining a fraction to Rs. 103-12. Centrals were dull at Rs. 54-4, while their new shares gathered As. 8 to Rs. 58-8. Bank of Indias lost Re. 1 to Rs. 139. Punjab Nationals shed As. 8 to Rs. 54-8, as also United Commercials to Rs. 57-8. Union Banks were done As. 1½ lower at Rs. 7-8½.

In the insurance section, business was again confined to New Indias only, which, on balance, showed no change at Rs. 43-8.

Ahmedabad Electrics, Surats and Poona Electrics provided the main features of the electricity section, which otherwise ruled quiet. On investment support, Ahmedabad Electrics gained to cross the par value after a long lapse and touched Rs. 100-5. The closing was done at Rs. 100, a rise of As. 10 over the week. Surats moved up from Rs. 112-8 to Rs. 113-2. Poona Electrics were taken Re. 1-4 higher at Rs. 108-12. Bombay Suburbans were maintained at Rs. 109-6. Tata Hydros dropped Re. 1 to Rs. 120. Tata Powers Rs. 16-4 to Rs. 1,216-4 and Andhra Valleys Rs. 12-8 to Rs. 1,202-8.

A sharp rise of Rs. 12-8 to Rs. 276-4 in Walchandnagars on expectations of bonus issue was the highlight of trading in sugar shares. Belapurs receded from Rs. 231 to Rs. 228-8, but were restored to Rs. 230 at the close. Phaltans were lower by Re. 1-8 at Rs. 146-8. Kesar Sugars were done Rs. 3 higher at Rs. 43. Cement shares were featureless and the undertone was quiet. Associated Cements relapsed from Rs. 170-8 to Rs. 167-8, but partially made good the loss when they closed at Rs. 169-8. Digvijays were unchanged at Rs. 149-8. Jaipur Udyogs were done As. 2 lower at Rs. 12-1, and Orissa Cements As. 3 down at Rs. 13. In the engineering group, Alcocks reacted from Rs. 263-12 to Rs. 257-8 before regaining to Rs. 260. Premier Constructions closed with a loss of Rs. 2-8 at Rs. 179. Tata Locomotives were on offer and came down from Rs. 150 to Rs. 145-4, but closed a shade better at Rs. 147. There was abatement of buying in Shivrajpurs and they came down from Rs. 95 to Rs. 92-8 before finishing at Rs. 94-8. Indian Coppers were quiet at Rs. 3-9, as against Rs. 3-10½. B.B. Petrols were unchanged at Rs. 2-12.

Hindustan Motors were quiet at Rs. 7-15 a drop of As. 1½ over the week. Premier Automobiles were subdued at Rs. 104. Scindias were marked down from Rs. 18-13 to Rs. 18-8, but the impressive results of the Company for the year ended 30th June 1956 and the better outlook for the current year lifted the shares to Rs. 19-0½ at the close. Great Eastern Shippings were lower by As. 6 at Rs. 18-6.

In the miscellaneous group, Bombay Burmahs experienced renewed selling, moving down from Rs. 711-4 to Rs. 681-14. At the close, however, there was some hardening to Rs. 695. Their new shares were lower by Rs. 8-2 at Rs. 260. National Rayons were weak with a decline from Rs. 241-4 to Rs. 230 on long liquidation, but recovered to close at Rs. 234. Gwalior Rayons lost As. 6 to Rs. 15-4. B.I.Cs. were lower by As. 5 at Rs. 8-1. Tata Chemicals shed As. 5 to Rs. 15-12, Tata Oils Re. 1 to Rs. 44-8, while Wimcos hardened from Rs. 175 to Rs. 178-2. Hindustan Levers were quiet at Rs. 19-2 and Texmacos at Rs. 20-6.

* * * *

Calcutta Stock Exchange

CALCUTTA, *13th February*

Budget fears, despite the Finance Minister's earlier promise to present a "lame duck," led to lethargic conditions on the Calcutta Stock Exchange during the week under review, and an extension of commitments was a difficult proposition. Excepting for an earlier uptrend in the jute section and for a steady tea section throughout on selective business, there was little of note. The announcement of a substantial increase in stocks of jute goods held by mills as at the end of January arrested the earlier steadiness in jutes, although the decline in raw jute prices was looked at with interest. However, export enquiries for goods continued to be poor, and it was feared that mills' stocks would continue to increase. The better trend in teas was attributed to the recent reduction in the export duty, and to expectations of an uptrend in tea prices in forthcoming auctions during the current season. Other sections, including engineerings and miscellaneous industrials, were marked down, and closing values, excepting those of the popular counters, were markedly lower on balance.

Reports of rising cloth stocks caused selling pressure in textiles, and prices moved down. Thus, Bengal-Nagpurs gave way from Rs. 8 to Rs. 7-13. Elgin Mills moved down from Rs. 26-10. to Rs. 26-4. Kesorams were fractionally lower at Rs. 15-14. New Victorias were wanted at Rs 2, as against Rs. 2-3 earlier in the week.

Coals were generally lower, but Burrakurs were for a time steady at Rs. 21-8 before giving way to Rs. 21. At Rs. 25-4, Equitables showed a loss of one point. Bengals changed hands at Rs. 462 in small lots, as against Rs. 463. South Karanpuras were quiet at Rs. 10, as were Amalgamateds at Rs. 18-10.

Although generally poor attention was accorded to jutes for reasons already indicated, the section was not devoid of features which were provided on selective buying. Nationals recorded an early rise from Rs. 20-12 to Rs. 21-5 only to fall back to Rs. 20-13. Deltas scored from Rs. 146 to Rs. 147 before closing lower on balance at Rs. 145. Northbrooks improved from Rs. 21-7 to Rs. 22-1, and Belvederes realised Rs. 111, as against Rs. 108 previously. Gourepores sagged from Rs. 224 to Rs. 222, but Anglo-Indias were fractionally better at Rs. 139.

Selected teas absorbed a good portion of the funds available in the market, and prices showed improvement. From Rs. 195, Hantaparas ascended to Rs. 205. Brooke Bonds hardened from Rs. 20-12 to Rs. 21-3 and Hansquas from Rs. 23 to Rs. 23-10. Hasimaras picked up Re. 1-6 at Rs. 28-14, and East Indias As. 4 at Rs. 23-4. In fair attention, Dibrugarhs were driven up from Rs. 23 to Rs. 23-14, and Sapois from Rs. 29-8 to Rs. 30. After being higher at Rs. 21-14, Tezpores resumed the opening rate of Rs. 21-6, Bishnauths were unchanged at Rs. 22-2.

Earlier, Burn & Cos., among engineerings, were a feature with a rise from Rs. 315 to Rs. 336. Indian Irons had recovered from Rs. 28-14 to Rs. 29-8 before sagging to Rs. 28-13 on renewed offerings. Kumardhubis were unchanged at Rs. 9-14. Texmacos were quiet at Rs. 20-8. On interested buying, Braithwaite & Cos. put on As. 8 to Rs. 28-6. Indian Galvanisings realised Rs. 19-10, as against Rs. 19-7. Jessop & Cos. were quiet at Rs. 27-14. Guest Keens were put through at Rs. 24-6, as against Rs. 24-4 a week ago.

Miscellaneous industrials were quiet. Indian Coppers were taken at the lower rate of Rs. 3-8, and India Steamships were fractionally lower at Rs. 10-2. The recovery from Rs. 33-5 to Rs. 33-12 in Orient Papers was not fully sustained as the counter met selling pressure and was pushed down to Rs. 33-9. Indo-Burma Petroleums fell from Rs. 36 to Rs. 35-12, and B.I. Corporations from Rs. 8-8 to Rs. 8-4. Niccos changed hands at Rs. 21-6 on an ex-rights basis, and Sone Valley Cements hovered around Rs. 7-12. Dunlop Rubbers were unchanged at Rs 25-13, while Rohtas Industries sagged from Rs. 19-15 to Rs. 19-10. F. & C. Osiers, however, showed an improvement of As. 2 to Rs. 8-4, but Indian Cables moved down from Rs. 31-15 to Rs. 31-2.

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Madras Stock Exchange

MADRAS, *12th February*

The Madras Stock Exchange continued to rule easy during the week under review. Operators were hesitant to enlarge their commitments, thanks to absence of any encouraging news. The stringency in the money market also acted as a restraining influence. Textiles were subjected to selling on renewed reports of heavy accumulations of stocks in several centres. Interest of operators in planting shares was also at a low ebb, despite considerations of improved prices for tea of late. The fears of fresh taxes and continued uncertainties relating to the Plantation Labour Award acted as a damper. The banking and miscellaneous sections put on a dull appearance.

In the textile section, Radhakrishnas encountered heavy selling and were pushed down by Rs. 10 to Rs. 305. Coimbatore Pioneers dropped Rs. 7-8 to Rs. 290. Lakshmis shed Rs. 4 to Rs. 258. Rajalakshmis receded by Rs. 2 to Rs. 180. Ranga Vilas declined by a similar amount to Rs. 87. Coimbatore Spinnings receded by Re. 1-8 to Rs. 87-8. Janardhanas lost a rupee to Rs. 107-8. Balasubramanias eased by a like amount to Rs. 74. Palni Andavar 'B's moved down by Rs. 5 to Rs. 215. Buckinghams were lower by As. 8 at Rs. 183 and Travancore Rayons by As. 3 at Rs. 13-14. Vijayalakshmis were quiet at Rs. 151-8, as also Vasantas at Rs. 320, Pankajas at Rs. 77 and R.C. Ambikas at Rs. 262. Dhanalakshmis, however, met with some buying enquiries and advanced by Rs. 2 to Rs. 376. Coimbatore Cottons were also favoured a rupee higher at Rs. 386.

Among tea shares in the planting section, Coonoor Teas dropped As. 4 to Rs. 25. Nelliampattys shed an anna to Rs. 3-5. Neelamalais were neglected at Rs. 6-1 and Waterfalls at Rs. 5-8. Nilgiri Teas, however, elicited some support and put on As. 6 to Rs. 9-12. Nonsuch Teas improved by As. 4 to Rs. 22-12. Talayar Teas were a shade better at Rs. 12. Among rubber shares, Kalpettas decreased by As. 6 to Rs. 24-10. Kailas declined by As. 2 to Rs. 6 *cum-div.* (interim). Thirumbadis shed an anna to Rs. 2-1 *cum-div.* Pullangodes eased by 6 pies to Rs. 2-13. Among coffee shares, Karmergodes lost As. 2 to Rs. 6-12 *cum-div.* Amalgamateds were quiet at Rs. 12-4, as also Rajendras at Rs. 11-6. Consolidated Coffees, on the other hand, were on request, their quotation advancing by As. 11 to Rs. 20-3. Coffee Lands gathered As. 2 to Rs. 24-2.

Activity in the miscellaneous section followed the general trend. India Cements were quoted As. 4 lower at Rs. 29-11 and Mysore Papers As. 3 at Rs. 16-3. Textools were neglected at Rs. 265; Binnys at Rs. 180 and Singarenis at Rs. 10-8. Travancore Cements, however, gathered As. 3 to Rs. 9-15.

In the sugar group, Cauverys suffered a drop of Rs. 5 to Rs. 35. Deccans shed As. 2 to Rs. 11-2 and Travancores As. 5 to Rs. 11-4. United Breweries and E.I.Ds were unaltered at Rs. 180 and Rs. 28-8, respectively. Andhras, however, were better by Re. 1-2 at Rs. 17-2 *cum-div.*

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Notice

THE BORREA COAL COMPANY LIMITED

NOTICE OF INTERIM DIVIDEND

THE BOARD OF DIRECTORS OF THE above Company has sanctioned payment of the following Interim Dividends in respect of the year ending 31st December 1956, without any deduction for Income-tax paid by the Company.

	Per cent. per annum
On Preference Shares for half-year at the rate of	6¼
On Ordinary Shares	5

payable on or after 7th March 1957, to those shareholders (or their mandatees) whose names appear in the Company's books on 28th February 1957, as the registered holders of the above shares.

The Share Transfer Registers of the Company will be closed from 21st to 28th February 1957, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents

CHARTERED BANK BUILDINGS,
CALCUTTA, *31st January* 1957.

NEWS IN BRIEF

ART silk yarn waste, art silk thread waste and staple fibre waste have been decontrolled and export of these will be allowed without licensing restrictions.

The existence of extensive reserves of good quality limestone in the Dehra Dun-Mussoorie areas has been reported by the Geological Survey of India. A team of geologists surveyed the limestone formation of the area in detail on a qualitative basis, carried out representative sampling and calculated the reserves. The quarriable deposits of limestone in the area are estimated at about 406 million tons.

The Union Ministry of Natural Resources and Scientific Research is contemplating the amendment of the Mineral Concession Rules, in order to attract foreign firms willing to undertake oil exploration in India. The Ministry is reported to be of the view that the present Rules are too stringent and can be liberalised in respect of both area and period of lease without infringing the letter or spirit of the latest Industrial Policy Resolution.

The Tata Iron and Steel Company put into operation the two-hundred-ton open hearth furnace on the 10th inst., marking the first stage in the gradual expansion of production which will raise the firm's steel output to two million tons by 1959-60. Against the present output of 800,000 tons of finished steel, the Company hopes to produce 900,000 tons in 1957-58, 1.2 million tons in 1958-59 and 1.5 million tons in 1959-60, which are equivalent to 2 million tons of steel ingots.

A delegation of Japanese steel interests is arriving in India next week to negotiate the purchase of five million tons of Indian iron ore over the next five years from April 1957. A broad agreement on this matter was reached between a representative of the Ministry of Commerce and Japanese steel interests in Tokyo last November. India may be willing to export additional quantities of iron ore, if the Japanese steel interests assist in the development of west coast ports such as Karwar and Honavar, through which the ore can be moved.

A five-man American trade mission, headed by Mr. Preston Forbes, Director of Foreign Commerce of the U.S. Department of Commerce, will shortly visit India to assist and advise business men in this country on commercial activities in the U.S. During its stay in India, the mission will explain to business men who are interested in the sale of their products in the U.S. the trade regulation and credit possibilities of the latter country. It will also furnish information to those interested in importing materials from the U.S.

A new direct maritime link between the Soviet ports in the Far East and India has been inaugurated under the provisions of the Indo-Russian shipping agreement of last year. The first Russian freighter reached Calcutta recently from the Soviet port of Nakhodka in the Far East. Under the agreement, there is already a direct shipping service between the Soviet Black Sea ports and India for the last one year. Russia and Indian steamers coming from the Black Sea ports go direct to Visakhapatnam to deliver steel cargo for the Bhilai plant.

A two-and-a-half-mile long iron-ore band, containing an estimated reserve of over 2 million tons, has been discovered by the Geological Survey of India at Mohendragarh in the Punjab. An analysis of the samples of this ore has shown that the ore is good enough for conversion into pig iron. However, this deposit is not sufficient to support a steel plant. It has, therefore, been suggested to investigate iron ore deposits in the neighbouring areas and, if these prove to be of the same quality and of similar character, the scattered deposits may together support a steel plant with the aid of power from the Bhakra Nangal.

Problems relating to financial and technical aid for the execution of several milk supply projects in the country like the Delhi and Calcutta milk supply schemes and also the question of supply of equipment for the Aarey Milk Colony were recently discussed at New Delhi by the members of a New Zealand mission now in the country with the officials of the Union Ministry of Food and Agriculture. As regards the International Training Hostel at Aarey, the mission accepted the idea of financing the whole project costing about Rs. 11 lakhs.

The Indo-Ceylon agreement on the avoidance of double taxation of income between the two countries has been notified in the *Gazette of India*. With this notification, all legal formalities for giving the agreement the force of law in India and Ceylon are complete. Assessments for the year ended 31st March 1953 and for subsequent years will be governed by this new agreement. For the two previous assessment years, namely, the years ended 31st March 1952 and 31st March 1951, relief will be available in accordance with the Income-tax (Double Taxation Relief) Rules, 1942, which held the field till 26th January 1950.

During December 1956, the total value of exports (including re-exports) of merchandise, gold and silver, fell short of imports by Rs. 12.24 crores. This was revealed by the provisional figures of foreign sea- and air-borne trade of India on private and Government accounts. Among merchandise, excluding transit trade of Pakistan, but including that of other land frontier countries, exports amounted to Rs. 54.85 crores. Re-exports were Rs. 60 lakhs and transit trade Rs. 2 lakhs. Imports amounted to Rs. 67.69 crores and transit trade Rs. 1 lakh. Total foreign trade was of the order of Rs. 123.14 crores.

The Tata Iron and Steel Company Ltd., will provide a six-week orientation course to over 400 young graduate engineers who have been selected by the Union Public Service Commission for the three Government steel plants at Rourkela, Bhilai and Durgapur. This orientation course is a preliminary to the foreign training arranged for the engineers by the Government of India in the U.K., U.S.A., Canada, Australia and the U.S.S.R. The course at Jamshedpur, arranged at the instance of the Union Ministry of Iron and Steel, will consist of lectures, visits to various departments of the works, and general training in the departments to which the trainees have been assigned.

The possibilities of increasing trade with India and of investment in Indian enterprises are to be examined by a nine-member Swedish trade-*cum*-goodwill mission now on a two-week tour of the country. Mr. Einar Modig, leader of the mission, said that his country was anxious to collaborate with Indian enterprises, especially in the context of the second Plan, and observed that the climate was now favourable for it. He said that Sweden was a highly competitive market having no import restrictions and interested on such Indian commodities as fruit, tea, coffee and textiles. The mission would also discuss the question of direct technical assistance to India, instead of through the U.N. as at present.

Officials of the Director-General of Shipping, Bombay, have been asked to arbitrate over the question of freight rate for salt to be sent by ships from Saurashtra ports to Calcutta. The Indian Coastal Conference which controls the entire coastal shipping had asked for a rise in the freight rate for salt from Rs. 31 to Rs. 40 per ton to meet higher operational costs. The salt manufacturers in Western India are reported to have opposed the move on the ground that such a rise in freight rates will lead to higher prices of salt in Calcutta and will affect the offtake of salt by Calcutta from Saurashtra ports. The freight rate on salt is reviewed every year, after mutual consultations between the salt manufacturers and representatives of the Indian Coastal Conference.

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From Abroad

The International Paper Sales Company has announced an increase of $4 a ton for newsprint, with effect from 1st March.

The Pakistan Industrial Corporation has received inquiries from Poland for the construction by the latter of four 7,000-ton ships at an estimated cost of about £3.75 million.

Newspapers in the U.S. reached a record circulation last year, the dailies touching a total of 57 million copies per day. This represents an increase of almost one million over the 1955 figure.

Britain's first atomic-powered merchant ship will be built, according to Sir Ronald Garret, Chairman of Lloyds Register of Shipping, in about seven years from now. He said that it would be a super-tanker.

Rubber production in Ceylon during December last amounted to 11,440 tons, which brought 1956 production to 95,389 tons, as against 93,830 tons produced in 1955. Stock of rubber held at the end of December amounted to 31.771 tons.

Czechoslovakia, according to its Deputy Foreign Trade Minister, will provide Egypt with technicians and industrial equipment to help it in the implementation of its five-year plan. Czechoslovakian products will also be given in exchange for Egyptian cotton.

Gold reserves recently discovered in Egypt's Eastern Desert will help, according to Mr. Aziz Sidky, Egyptian Minister for Industry, finance the Aswan High Dam scheme. The mines are expected to provide enough funds to finance half the dam scheme, estimated to cost more than £460 million.

Imperial Chemical Industries Ltd., London, has concluded an agreement with two Japanese firms under which the latter will get patent rights for the manufacture of polyester fibre in Japan. The Japanese companies, however, will not have the right to export these products to the U.K. or any other country.

A 200 per cent. increase in the international production of man-made timber during the next two or three years is predicted by Mr. Frank C. Lynam, a Director of the Airscrew Company. Since 1950, output of man-made timber has been multiplied 50 times by the 30 producer nations, with Europe accounting for over two-thirds of the total.

Britain has expressed its inability to contribute to the Special United Nations Fund for Economic Development. Mr. D. N. Brinson, the British delegate to the Economic and Financial Committee of the U.N. told the Committee that his country was too hard-pressed to contribute to the Fund and that further strain would jeopardise the stability of British economy. France, it may be observed, has promised to give $15 million to the Fund.

The Ceylon Government is planning to manufacture cement from coral. Coral is not widely used in the manufacture of cement, but it contains calcium carbonate which is the property found in limestone, the more commonly used raw material. If the Government's experiments succeed, a factory, which will be the first one of its kind in the East, will be set up in Akural on the south coast.

PERSONAL

MR. Jorge-Govantes Y. Aguirre has been appointed Envoy Extraordinary and Minister Plenipotenitary of Cuba to India, in place of Dr. Francisco Linares Y. Blazquezke.

Dr. V. S. Huzurbazar, Professor and Head of the Department of Mathematics and Statistics, University of Poona, has been elected Fellow of the National Institute of Science of India.

Sir Gilbert Laithwaite, Permanent Under-Secretary to the Commonwealth Relations Office in London, arrived in New Delhi on 5th February on a brief visit to India.

Mr. John A. Collings has announced his resignation as Executive Vice-President of Trans World Airlines Inc. He will continue on the Board of Directors and will serve as Senior Consultant to the Board of Directors and the President. His headquarters will be in Kansas City.

Mr. J. M. E. Fell, Export Director of one of Britain's largest groups of commercial vehicle manufacturers, will be visiting India, Pakistan and Ceylon in the course of a world tour. Mr. Fell, who left London by air on 1st February, represents A. C. V. Sales Ltd., the selling organisation of Associated Commercial Vehicles Ltd.

Mr. W. J. R. Warren, Director of Export Sales for the Standard Motor Company Ltd., is now in India on a month's tour of the country. Mr. Warren's tour will include a visit to the Standard Motor Products of India Ltd., in Madras, where the assembly and progressive manufacture of Standard cars and Ferguson tractors continues to expand.

"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *20th February*

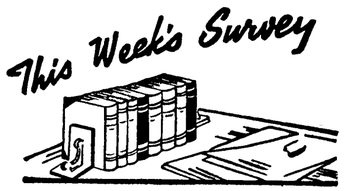
Tragedy of the Pound

The tariff proposals of His Majesty's Government are commended by Mr. Walter Runciman, President of the Board of Trade, mainly because of the anticipated function of the tariffs as protectors of sterling; but he does not lose sight of the fact that the proposed 10 per cent. import duty will, if adopted, add something like £30,000,000 to the country's annual revenue. Reviewing the history of the crisis since it began last June, Mr. Runciman said that "they had been able, partly through the integrity of their financial houses and the enterprise of their people, to maintain trade at a surprisingly high level, while the rest of the world had grown progressively poorer." Had the President of the Board of Trade travelled a little further in his explanation the effect of his utterances might have been one of thankfulness rather than of jubilation, for, as it is, only those intimately "in the know" can fully realise how narrowly Great Britain escaped disaster when the pound crashed. The history of the great collapse of 21st September 1931 contains the basic elements of a classic tragedy; to such an extent, indeed, that Paul Einzig, in the book he has just written, *The Tragedy of the Pound*, ventures to suggest that in a few hundreds of years' time, when the economic affairs of the world will presumably be regulated by international five-year plans, the twentieth century will be regarded as a highly romantic epoch. Amidst the dull regularity of a well-planned economic system our troubles, our struggles and our crises will be looked back upon in the same way as we look back upon the romantic glamour of the Age of Chivalry. An economic crisis, however sordid it may appear to those who have experienced it, will be regarded as a thrilling adventure by a generation to which economic crises will be only known through historical textbooks.

Japan is planning a five-year atomic energy programme, costing about £300 million and capable of producing 3 million kw. of electricity. Mr. Koichi Uda, Japanese Minister for Economic Planning, has said that this will alleviate a threatened electricity shortage of some 9 to 10 million kw. in 1962. In connection with this, a research-purchase team will be sent to Britain and America and a specialised atomic energy university will also be established.

A working group for co-operation with underdeveloped countries has been founded at Frankfurt, West Germany, to advise and help the West German Government in all branches of technical assistance to these countries and to co-ordinate the country's efforts in the field. This body has been sponsored by organisations representing German industrialists, bankers, farmers and exporters. Dr. Hans C. Boden, Chairman of A.E.G., has been chosen as the President of the Working Group.

The U.S. Department of Agriculture has lowered the support levels for a wide range of farm products for 1957. This will result in a saving of $200 million (about Rs. 95 crores) in the amount committed to the support programme, provided production does not outstrip the average levels. The programme had cost the Eisenhower Administration $2,994 million in the last four years, nearly three times the total Government losses in the preceding 20 years of Federal farm aid programmes. At the end of 1956 the Commodity Credit Corporation owned surplus commodities valued at $5,892 million.



CHEMICAL INDUSTRY

NEXT to metallurgical and engineering industries, the chemical industry accounts for the largest outlay in the industrial development programme drawn up under the second Five-year Plan. Thus, out of the total outlay of Rs. 1,094 crores on industrial expansion, the share of the chemical industry comes to Rs. 132 crores, or 12 per cent. An idea of the important role which Imperial Chemical Industries (England) would play in the development of this industry was given by the Company's Chairman, Sir Alexander Fleck, on his arrival at Calcutta last week. According to Sir Alexander, I.C.I. (England) has undertaken several projects of vital importance to India. These include the establishment of a plant to manufacture polythene at Rishra near Calcutta, expansion of the explosive plant at Gomia, Bihar (Indian Explosives Ltd., in which I.C.I. (India) Ltd. is the principal shareholder in partnership with the Government), and expansion of the chlorine factory at Rishra. The last-mentioned factory also manufactures caustic soda, B.H.C. insecticides, nitro-cellulose, and synthetic paints and industrial finishes. Another I.C.I. enterprise is Atic Industries Private Ltd., a company in which it has as partner Atul Products Ltd. for manufacturing vat dyes at Bulsar.

Sir Alexander felt that, in India, the demand for chemical products would become "more sophisticated and complicated" as experience widened. In support of this view, he cited the case of Australia. At one time, this country had imported 60 per cent. of its chemical requirements, but, as the indigenous industry developed, the demand for imports fell to 25 per cent., but the 25 per cent. imported was of greater value to industry than the original and less discriminating 60 per cent. demand had been. To quote him: "A similar trend towards greater and more informed discrimination in chemical imports is already becoming evident in India, and I think there will be the carefully considered import of chemical products into India for a long time to come."

Among the many products of I.C.I. is the relatively new synthetic fibre called Terylene. Pure Terylene contains no textile fibre, but many of its products consists of 50 per cent. cotton or wool. Alluding to this fibre, Sir Alexander pointed out that neither Terylene nor nylon would at any foreseeable time constitute a danger, or even a challenge, to the textile industries. He revealed that the initial dyeing problems in regard to Terylene had been solved and products, whether of pure Terylene or 50 per cent. textile mixture, could now be produced in almost any shade, colour or variety.

D.A. TO BANK EMPLOYEES

The recent decision of the Labour Appellate Tribunal of India, regarding the dearness allowance scheme embodied in the award of the All-India Industrial Tribunal (Banking Disputes), as modified by the Labour Appellate Tribunal, removes much of the confusion that surrounds this issue. The occasion for the interpretation arose when the Government of India referred the issue to the Tribunal for a decision whether the minimum and maximum limits of dearness allowance laid down in the said award could be reduced or increased when the half-yearly cost of living index number fell or rose, as the case may be, by more than ten points on the basic index figure of 144.

According to Mr. Jeejeebhoy, the minimum limit, as well as maximum, were fixed with reference to the cost of living at the time of the award. Its object was to ensure that no employee got less than a particular minimum, and, *ipso facto*, more than a particular maximum. It was illogical, therefore, to argue that this minimum should not be touched when there was a fall in the cost of living and, consequently, a proportionate decline in the dearness allowance. The same argument would apply to the maximum also.

It should be noted that the employees' contention was somewhat unsound. It was their contention that the minimum should not be touched when there was a decline in the cost of living index, but there should be an increase in both the minimum and maximum when the cost of living rose. It was a case of wanting to have the best of both worlds.

On the face of it, this is illogical and untenable. Mr. Jeejeebhoy, therefore, rightly stated that it was impossible to accept this contention. He pointed out that the scheme of the Bank Tribunal was compact and consisted of three inter-related things, namely, (1) the minimum, (2) the dearness allowance as given, and (3) the maximum. This was a co-ordinated scheme, and as a corollary, if the dearness allowance fell, the other two would follow suit. Otherwise, the minimum would continue to exist even after the justification for it had gone. Mr. Jeejeebhoy, therefore, upheld the view of the bankers that the minimum and maximum dearness allowance should "register a proportionate rise or fall according to the change in the dearness allowance" which in turn is influenced by the trend of cost of living index.

I. F. C.'S LENDING POLICY

Business men all over India would have heaved a sigh of relief on being assured by the Chairman of the Industrial Finance Corporation of India that no application for loan to the Corporation would be rejected because of paucity of funds. He added that the Corporation would find enough resources to meet the requirements of business men. It had, however, not yet decided whether to seek the help of the Government by way of larger allotments for the purpose or to raise the amount by itself entering the open market. The I.F.C. Chairman, Mr. K. R. K. Menon, made this statement in reply to the memoranda submitted by the Southern India and Andhra Chambers of Commerce in Madras last week-end. Mr. Menon had been to that city to attend the meeting of the Board of Directors of the I.F.C., when his presence was availed of by the members of the two Chambers of Commerce to discuss with him questions relating to the financial aid given by the Corporation to industrial concerns and *entrepreneurs*.

As the Southern India Chamber of Commerce pointed out in its memorandum, if the private sector is to play its role and fulfil the targets allotted to it under the second Five-year Plan, it has to be provided with long-term finances and for that purpose it has to look up to the I.F.C. for aid to a larger extent than hitherto. If the industries in the private sector are unable to attract capital from the open market on account of the Government's fiscal and other measures, naturally they have to look for long-term finances. The banking situation, according to the Chamber, is far from reassuring from the point of view of industrialists. In the circumstances, there is likely to be a greater demand on the Corporation for providing long-term loans. The Chamber urged the Corporation to take a comprehensive view of both the capital market and the banking situation and come forward with liberal assistance of long-term finance to industrial ventures.

This raises the question whether the Corporation will be able to lend to an unlimited extent, even if the loans prove to be sound and remunerative propositions. Looking back to the balance-sheet of the Corporation as on 30th June 1956, the outstanding loans and advances amounted to Rs. 14.24 crores, out of a total working capital of Rs. 15.18 crores. The balance left for future lending was less than Rs. 1 crore. Such a policy of lending to the hilt had come to be viewed with concern in some quarters. In fact, the Corporation's Chairman himself referred to this issue in his speech in September last. He then said:

"The fourth, and, in a sense, the most important factor which is likely to come in the way of expanding our activities to the fullest extent otherwise possible, is the fact that, if we succeed in inviting business at the present rate and dealing with applications for loans at the pace that we have achieved last year, our own monetary resources will soon be tapering off, thereby accelerating the advent of the day when we shall perhaps be forced to borrow under conditions which might leave us little or no margin of profit after meeting our tax obligations and our working expenses. This matter is engaging our serious attention already, and we hope that we should be able to find a satisfactory solution in collaboration with the Central Government who have been apprised of the matter. It will take some time before a final decision is taken; I mention it now merely to reinforce my point that, if the outlook is on the whole bright and we could be quite optimistic regarding the future, it behoves us also to take note of other factors which we shall have to take into account."

Mr. Menon's reply to the Chambers of Commerce mentioned at the outset is no doubt reassuring. He also gave the categorical assurance that there was no proposal before the Government of India to fix a ceiling on the loans that could be sanctioned to sugar and textile industries.

The only question to be decided by the Corporation is how to raise the necessary resources to provide larger finances to industries. Two courses are open, namely, (1) to borrow more from the Government and (2) to raise fresh capital from the market. If the Corporation is to fulfil its functions and if the Government "does not intend to kill the initiative and enterprise of the private sector, but wants it to prosper," as the Finance Minister said in Guntur a few days ago, then there is no reason why the Government should not allot some funds to the Corporation. As regards the other course, that is, to raise capital in the open market, it is doubtful whether the Corporation will be able to attract funds from the public in the present conditions of the money market at reasonable rates of interest, unless the suggestion made by the Southern India Chamber of Commerce is followed. The latter suggested that, by offering an attractive return on the share capital and also by allowing free private holding of the shares, it should be possible for the Corporation to popularise the shares and increase its capital from time to time. Mr. S. Narayanaswami also said that it was important to secure marketability of the shares of the Corporation by having them freely traded on the stock exchanges. Even this free marketing of the shares will be possible, as in the case of other leading industrial equities, only if the shares are more widely held, which in turn depends on the attractiveness of the shares. In reply, Mr. Menon said that he would pass on the suggestion for the consideration of the Government.

We, however, wonder whether this suggestion will be of much benefit to the industrial borrowers, apart from the fact that its practicability is doubtful. If the Corporation were to ensure an attractive rate of return on its capital, it would have to charge a much higher rate of interest on its advances than it does at present. But borrowers are complaining that even the current rate, which is not fetching the Corporation enough profit to pay even the guaranteed minimum dividend without a subvention from the Central Government, is high. Moreover, the Corporation having been deliberately "officialised" only recently, the Government will be very reluctant to let the private sector, again, have a say in the control and management of the Corporation.

CERAMIC INDUSTRY

In modern times, the progress of a nation is synonymous with its industrial expansion. Rising effective demand for both production and consumption, consequently, reflects the rate of expansion of industrial capacity and standard of living. If this is true, it will be no exaggeration to say that Indian economy is expanding at a fairly good pace.

An important sector of industry, which, in a way, sets a limit to the overall industrial expansion is the ceramic industry. Adequate capacity in refractories is a prerequisite for the expansion of a number of important industries, namely, iron and steel, cement, glass and ceramic, and housing. Railways, too, consume substantial quantities of refractories. Refractory industries, as is well known, is the name collectively used for the group of industries comprising fireclay, silica, magnesite, chrome-magnesite, fireclay insulating, diatomic or vermiculite bricks, sillimanite and others. These refractories are used essentially to withstand the thermal, chemical and physical effects that are met with in furnace operations.

On the occasion of the twenty-first annual conference of the Indian Ceramic Society held at Morvi on the 10th inst., the Union Minister for Heavy Industries, Mr. Manubhai Shah, gave certain indications of the measure of expansion envisaged in this sector, especially refractories and glasses, during the second Plan period. He stated that the present production of 300,000 tons of refractories would be increased to 1.1 million tons by the end of the second Plan. It may be noted that the estimated requirements of various industries are placed at 800,000 tons by the end of the second Plan. The Minister also pointed out that the present investment of Rs. 7 crores in the industry would go up to Rs. 20 crores during the same period.

In view of this large expansion envisaged in the industry, it is but appropriate that the Government should have decided to set up a standing panel for the refractory industry to look after its development. Further, the production in industries such as pottery, chinaware, sanitaryware and porcelain in the 66 factories existing has gone up threefold, according to the Minister, during the last eight years. This is expected to increase further to 200,000 tons in the ensuing five years. There is thus a need to ensure that this growth takes place on sound lines. It is to be hoped that the Panel would prove useful in ensuring a smooth and co-ordinated expansion in all these units.

Referring to glass industry, Mr. Shah expressed the view that the industry was producing adequate goods to meet the country's requirements. It is noteworthy that, before the year is out, the country would be producing rock and glass wool, unbreakable glass and building bricks. Further, Mr. Shah's announcement of the decision by the Government to set up an optical glass factory in the public sector should be specially welcomed, in view of the present large imports of optical glass. The Minister's disclosure of the plans for the establishment of a synthetic stone factory at Mettupalayam, and raising the production of asbestos sheets from the present capacity of 100,000 tons to 200,000 tons should also be welcomed. It is gratifying to hear that plans are being drawn up for conducting a survey of the asbestos resources in the South and for exploiting them.

AUTOMATION

With the growth and development of technology, automation, which forms a part of it, has been receiving rather greater attention than any other branch of technology. Mechanisation replaces human muscles, while automation seeks to replace the human brain. The fear entertained in some quarters that, in future, automation might drive people out of factories and cause unemployment when applied in certain societies is, therefore, not entirely without foundation. In other words, a country should not resort to automation irrespective of its manpower situation, simply because some other country has done so.

Speaking on this subject at the Rotary Club at Calcutta, Mr. Oliver Humphreys, Director of the General Electric Company's research laboratories, emphasised that every country engaged in industrialisation should look at the problem in the circumstances prevailing in that country and not allow considerations of prestige to influence its policy. Labour had no fear from automation, said Mr. Humphreys, if it was used properly. He opined that, while automation might suit Britain and the U.S.A., it was unsuitable for India and other countries where there was a reserve of labour. It might, therefore, be more economical for India to use human labour instead of expensive imported machinery. He felt that automation was "certainly no panacea for national economy."

These are wise words. Another instance of what is good for one is not necessarily so for another is on generation of power by nuclear energy. Mr. Humphreys thought atomic power for peaceful uses was a must for Britain but not so for the U.S., at any rate for the present. According to him, the importance of nuclear power to Britain was more pronounced than in the case of the U.S. since maintenance of a sound economy for it depended on generation of such power. This was so, because Britain's coal reserves were being fast depleted and large imports of oil would be necessary to replace coal. The position was, however, different for the U.S. which had plenty of oil. Consequently, it was studying other aspects associated with the use of nuclear energy.

SOVIET ECONOMIC PLAN

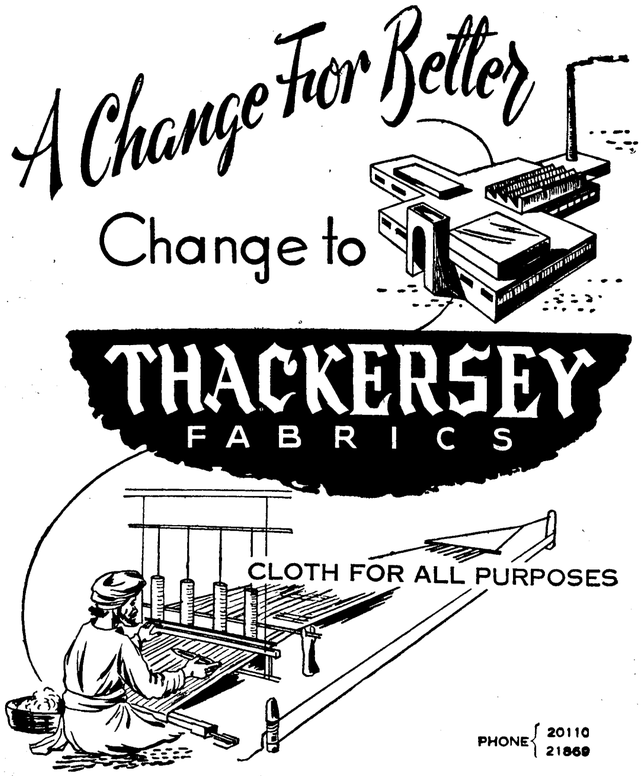
"We suggest to the West that it compete in the development of peaceful economy and not in the creation of military bases and the intensification of the destructive power of armaments." This challenge was thrown to the free countries of the West by Mr. M. G. Pervukhin, Chairman of the Soviet Economic Commission and First Deputy Premier, while presenting his report on the State Plan for the development of the National Economy of the U.S.S.R. for 1957 to a joint session of the Supreme Soviet (Parliament) early this month. Behind this challenge lies the conviction that, in respect of sheer productive efficiency, the Socialist economic system is on a par with, if not above, the alternative system based on the principle of private ownership of the means of production. That the Soviet authorities are determined to prove to the uncommitted nations of the world the soundness of this conviction is evident from the massive size of the economic Plan formulated for the current year.

The Soviet Union has entered the second year of its sixth Five-year Plan, the fifth having been completed by the end of 1955. The 1957 Plan, as Mr. Pervukhin put it, is aimed at giving Russian workers a better life and to put the Soviet industry on an equal footing with that of the West. It is designed, in particular, to satisfy the requirements, as laid down by the twentieth C.P.S.U. Congress for the Sixth Five-year Plan period, of the national economy in respect of fuel, metal, cement and other supplies and raw materials, agricultural development, expansion of consumer goods production, improvement of housing construction, etc.

The highlight of the 1956 Plan, according to Mr. Pervukhin, was that Soviet industry overfulfilled the Plan target, increasing the volume of production by almost 11.0 per cent. above that of the previous year, comprising an increase of 11.4 per cent. in the production of capital goods and a 9.4 per cent. increase in that of consumption goods. On the agricultural front also, remarkable results were achieved. During the last three years, 35.5 million hectares (1 hectare= 2.5 acres approximately) of virgin land were brought under the plough. This greatly contributed to the aggregate output of agricultural products which in 1956 was about 20 per cent. above the highest level reached in the history of Russian agriculture. Even then, production of foodgrains was not sufficient to meet the growing consumer needs.

In the current year, Soviet national income is estimated to rise by at least 8 per cent. as compared with the 12 per cent. increase registered in 1956. As regards industrial production, the Plan envisages an increase of about 7.1 per cent. Output of capital goods is to increase by about 7.8 per cent. and that of consumer goods by about 5.9 per cent. The target for coal, admitted to be a weak point of the Soviet economy, is 446 million tons, a modest increase over the 1956 figure of 429 million tons. Oil output is to go up to 97 million tons from 83.8 million tons, iron to 38.1 million tons from 35.8 million tons. Power pro-

(*Continued on page* 351)



NEW DEAL FOR NON-GAZETTED RAILWAYMEN

COST PUT AT ABOUT RS. 5 CRORES PER ANNUM

From Our Special Correspondent

NEW DELHI, *13th February*

DELHI LETTER

AS many as 170,000 employees out of the 229,000 in the non-gazetted cadres of all Government railways will be greatly benefited by the re-adjustment in pay scales and re-distribution of posts announced on Sunday last by the Union Minister for Railways, Mr. Jagjivan Ram. The announcement was made at a specially convened meeting of the representatives of the National Federation of Indian Railwaymen and top-ranking office-bearers of the recognised zonal railway unions from all over the country. A perusal of the details of the new scheme will reveal that the Railway Minister has endeavoured his best to meet the two long-standing complaints of railwaymen, namely, that the scales of pay are very low and that opportunities for promotion to higher grades are meagre. The scheme, for instance, provides for the transfer of a substantial proportion of posts in the lower pay grades to higher pay grades. Such a transfer is expected to help 16 major categories of employees, including station masters and assistant station masters. As a result, a large section of the non-gazetted employees will benefit in the shape of either increased emoluments or improved opportunities for advancement through promotion of higher grades.

The new scheme envisages an upward revision in the starting basic pay of station masters and assistant station masters to Rs. 100 and Rs. 80, respectively. The number of posts in the scale of Rs. 100-Rs. 500 will be increased by 6,000 to 9,000 and that in the grade Rs. 100-Rs. 185 by 5,000 to nearly 7,000. As a result of this revision, the number of station masters drawing a basic salary of Rs. 100 and over will rise to 40 for every 100, as against only 14 at present. The number of assistant station masters in the grade Rs. 80-Rs. 170 will be 13,500. Nearly 29,000 clerks in the Rs. 60-Rs. 130 grade can in future seek promotion in the scale Rs. 80-Rs. 220. As against 8,000 posts in the present Rs. 80-Rs. 160 grade, there will be over 14,000 posts in the new combined grade Rs. 80-Rs. 220. With regard to train examiners, the starting salary is to be enhanced from Rs. 80 to Rs. 100; their prospects of promotion will be trebled, resulting in 40 per cent. of the posts being in the higher grades, as against only 15 per cent. now. In the case of commercial clerks, the number of posts in the higher grades will be raised from 3,000 to almost 7,000 and the percentage of posts in the higher grades increased from 13 to 30 of the total cadre. The running staff will get a higher rate of running allowances as an incentive to greater output of work; the rise will range between Rs. 20 for the lower grade employees and Rs. 4 for higher grade employees.

The large-scale upward redistribution of posts in the non-gazetted cadres of railways is fully justified, especially in the present context of the increased work-load on station masters and other employees resulting from the greater pressure at which the railways are operated now. Surely, the new scheme amounts to a recognition of the heavier responsibilities and larger work-load which the workers in the non-gazetted cadres are now carrying and the still larger responsibilities they will be asked to carry in the coming years. Viewed thus, the additional cost which the railways have to incur for implementing the scheme —this is estimated at about Rs. 5 crores per annum—is not much. Indeed, it is nothing, considering that the concessions now announced will go some way towards securing greater contentment among the railway employees, thereby leading to a more efficient working of this important means of transport. It is to be hoped that the railway workers will welcome the new scheme and extend their full co-operation to the Railway Ministry in the task of meeting the vastly increased transport requirements during the period of the second Five-year Plan.

Life Insurance

What is claimed as "the unique line of life insurance on easy terms" for rural areas and industrial workers is expected to be launched by the Life Insurance Corporation of India. The details of the proposal are now being worked out by the Corporation officials at Bombay and indications are that it will not take much time before the proposal is actually finalised and made known to the public. Under the proposal as it stands now, the minimum sum assured under any policy is fixed at Rs. 250, the total sum assured not exceeding Rs. 1,000 on any one life. The latter sum will, however, be up to Rs. 3,000, if the life assured has any other policies under non-medical schemes. A striking feature of the new line of business is that there will not be any medical examination. What is more, the terms of payment for such insurance are expected to be easy. To start with, the aforesaid proposal will be implemented on an experimental basis in two areas in each zone of the Corporation—one in the rural and the other in the urban area.

The new line of life insurance business, it is believed, will cover about 105 million self-supporting persons in India, representing nearly 28 per cent. of the total population. Of these, the vast majority is concentrated in the rural areas. It will be interesting to note here that the number of persons who have insured their lives at present does not exceed 4.5 million or less than 1.2 per cent. of the aggregate population.

Assistance to Shipping

There are strong reports that the Government of India has decided to charge a higher rate of interest on loans given to shipping companies for acquiring new ships. The extent of the increase contemplated is said to be 2 per cent., that is, from 2½ to 4½ per cent. The revised rate will be applicable to all ships purchased for overseas or coastal trade. In other words, there will be no difference in the rates of interest charged on loans for overseas and coastal trades which now amount to 2½ per cent. and 4½ per cent., respectively.

The reported decision of the Government, it is stated, has been prompted by the consideration that the shipping companies are making reasonable profits and as such they cannot claim assistance on more favourable terms than are allowed in comparable cases. The following figures give an idea of the profit earned by the three leading shipping companies in the past three years:

	Year ended 30th June		
	1956 Rs.	1955 Rs.	1954 Rs.
Scindia Steamship Co.			
Net profit	48,40,882	22,72,555	23,45,300
Dividend	1–0–0	0–8–0	0–8–0
Great Eastern Shipping Co.			
Net profit	24,95,346	10,38,254	14,33,827
Dividend	1–8–0	*	1–0–0
India Steamship Co.†			
Net profit	38,72,859	1,30,182	1,76,195
Dividend	1–0–0	*Nil*	*Nil*

Net profit calculated after providing for depreciation.
* Reserves capitalised 1 : 5 in lieu of dividend.
‡ Year ended March.

Despite the improvement in profits of shipping companies, shipping circles feel that the financial position generally is not so happy as to bear a higher rate of interest on loans granted to companies for acquiring new ships. In fact, the shipping companies have been urging the Government to lower the interest rate. This plea has not been found convincing.

INDO-U.K. AGREEMENT ON TAXATION

An agreement between the Government of India and the Government of the United Kingdom for the avoidance of double taxation and the prevention of fiscal evasion with regard to estate duty was signed on 3rd April 1956. The agreement came into force in India with effect from 30th June 1956, but its provisions are also applicable retrospectively, if the accountable person so elects. The Central Board of Revenue has now prescribed by Rule 38 of the Estate Duty Rules, 1953, the procedure for claiming relief under the said agreement in cases where Estate Duty has been paid both in India and in the United Kingdom on the same property.

LOWER RATES AND TIGHTER MONEY

(From Our Own Correspondent)

LONDON, *8th February*

THE drop in the Bank rate after a year at 5½ per cent. may look queer against the aftermath of the Suez crisis and the threatened intensification of the credit squeeze. But it had been so long heralded—its coming stuck out through the bankers' speeches—that one must simply put these other factors into the general background of the reduction and analyse its causes independently. The same week that has seen the ½ per cent. fall in the Bank rate began with the announcement of a heavy gold loss in January, reducing the reserves from their end 1956 figure of about £762 million to about £744 million. As for the credit squeeze, it has not been the rates of between 6 per cent. to 6½ per cent. which the banks have been charging that have kept down the total of bank advances, but, of course, the directives issued to the banks which have forced them to look at their customers' demands with the utmost conservatism.

LONDON LETTER

The market has, however, for some time enjoyed a level of money rates which have increasingly tended to get out of touch with the Bank rate, so that the latter became merely an index which the banks applied in fixing their deposit rates and their loan rates. It was not a factor in controlling the market, e.g., day-to-day money has been around 3½ per cent.

The immediate effect of the reduction of the Bank rate to 5 per cent. is that the bankers' rate on deposit accounts is now down to 3 per cent., while they charge on loans 5½ per cent. to 6 per cent., and, of course, the whole money rate structure looks sense once again. But why, it may be asked in overseas centres, should such a reduction take place even though apparently necessary to restore the normal structure of money rates? Surely, it will be interpreted as a relaxation of the credit squeeze? Indeed, this is a valid criticism, for industrial leaders in this country have already made ill-advised comments that this means a relaxation of the credit squeeze. Such, unfortunately, is far from the truth.

Return to Old Methods

What the Treasury and the Bank are getting at here is a gradual return to the old methods of monetary control. Your correspondent referred to these in his letter last week (published this week on the next page) commenting on the speech of Lloyds Bank Chairman. The Bank rate is intended to become once again, an index of short-term market conditions and the bellwether of the market. Clearly, a crisis rate (and by long tradition anything over 5 per cent. is to the City a crisis rate) which has been maintained for a year is no longer a flexible weapon of credit control. If the Bank rate is to be restored to its traditional function, then movements in it must be capable of influencing the market. Obviously, on this occasion, it is the market which has influenced the Bank rate and this only serves to point the moral that the Bank rate had ceased to perform any useful function. The authorities, however, intend that now they have lined the Bank rate up with the market structure, they should be able to move it when they want in turn to move the market.

If this interpretation is correct, then the authorities have only begun their new measures. They must go on, as the Chairman of Lloyds indicated, to a funding operation designed to reduce drastically the outstanding volume of Treasury bills and make the bank more susceptible to control by Bank of England policy. A mild degree of funding has been in evidence from time to time but what is wanted is a very much bolder move and it is clearly in the light of whether such a move is made or not that the markets will be able to decide how seriously the Government is embarking upon this apparently new road of policy. [*The British Government has since announced a £300 million 42-47 year Funding loan at a discount of 20 per cent.*—ED.]

Only two further comments need to be made. The first, that the rise in stock market prices, which followed the announcement of the change in the Bank rate, is simply the normal adjustment of prices, particularly the gilt-edged, to a confirmed change in rate levels; the second, that the warning that the Chancellor of the Exchequer made this week in the House about the significance of the change in rate, must be taken at its face value. The Government has certainly no intention of relaxing its credit squeeze in any way and we have yet to see, in the budget to be presented in two months' time, whether Mr. Macmillan's earlier threat of heavier taxes to reinforce credit stringency will be borne out by the new Chancellor.—*All Rights Reserved.*

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BANK CREDIT, TAXATION AND INCENTIVES

LONDON, *2nd February*

The credit squeeze was naturally uppermost in the minds and speeches of the Chairmen of the Big Five in this year's annual round of dissertations upon the economy. But different chairmen regard it in different ways, putting their own interpretation upon the likelihood of whether the Bank rate would stay as it is or go down—its work done—and whether that would be a good or a bad thing. But all of them were able to show that credit had been squeezed.

The speech of Lloyds Bank Chairman was, however, remarkable for his approach to the basic problems of inflation. What he said, in effect, was that one cannot really control credit by direction. The only effective means was for the monetary authorities to exercise direct control over the liquid resources of the banks. He wanted to go back to the pre-war situation when movements in Bank rate were effective and when they were supplemented by the Bank of England going into and coming out of the market. This, of course, was only possible when the Bank's activities materially affected the volume of short-term assets of the Banks and accordingly their liquidity ratios. Under modern conditions, the volume of Treasury Bills outstanding is so much that bank operations cannot normally substantially affect the liquidity ratios. Thus, many economists have urged that, in spite of the greater cost of funding the Government's short-term debt, this course should be taken in order to reduce the volume of Treasury Bills outstanding, and thereby the banks' resources for extending credit. It would certainly be an expensive price to pay for bringing the banks to heel as it were, but the Chairman of Lloyds thinks it is the only way in which it can and should be done.

The other point that Lloyds' Chairman made was to attack the generally held notion that this country ought to increase its capital investment. "Of course it ought," he said, "but only if that is matched by increased saving, whether voluntary or enforced." He, again as an exponent of private enterprise, rules out the alternative which the Opposition would adopt of physical control of investment.

But his analysis of the weakness of the system of enforced saving was cogent. The Government can force saving by a budget surplus. If they do this through increased *direct* taxation, there is no direct counterbalancing affect. If they do it through indirect taxation, then the cost of living goes up and workers demand higher wages and all the good is undone. Similarly, if the Government allows inflation to take its course and prices to rise in order to curtail spending, under modern conditions, the Trade Unions immediately press for higher wages and again the good is undone.

But *direct* taxation, the only effective alternative, carries with it the seeds of later damage to the economy, for, by stifling incentive, by encouraging the emigration of the best technical and managerial workers, the basic resources of Britain's economic strength are undermined. But the Chairman of Lloyds did not feel compelled, having posed this problem, to re-examine the doctrine for compulsory direction of resources. Yet, given the background of the Middle Eastern crisis which had interrupted the "smooth transition to a stage of monetary equilibrium," some measures had to be taken. The balance of payments could not be ignored in the formation of domestic capital and he noted that the Chancellor of the Exchequer had already given a hint of increased direct taxation to reduce purchasing power. In the light of the long-term damage which this would cause, he wanted the whole matter and manner of the contraction of purchasing power to be re-appraised "uninhibited by the shibboleths of the past." One could almost hear the Trade Unions listening for what was coming next—but nothing more was said!—*All Rights Reserved.*

AMERICAN LETTER

POSSIBILITY OF DEPRESSION NOT RULED OUT

DECLINE IN EUROPE'S EXCHANGE RESERVES CAUSES CONCERN

From Our Special Correspondent

NEW YORK, *6th February*

WARNINGS of a possible business setback in the United States and in Europe continue to be heard here with increasing frequency. Former President Herbert Hoover, who occupied the White House from early 1929 until 1933, was the latest one to voice forebodings. He says the current inflation shows signs that a depression may be breeding.

He asserted "the obvious sign of inflation is the advance of prices, wages and the cost of living." Unless checked, he added, there is danger of a depression "agony" like that which beset his own Administration at the time.

Mr. Hoover repeated the forecast of George M. Humphrey, U.S. Secretary of the Treasury, that big Federal budgets will produce "depression that will curl your hair." He concluded, "mine has already been curled once—and I can detect the signs."

Similar warnings have come from other Government sources. Testifying before the Congress, Treasury Secretary Humphrey said that present tax rates are so high that "they will in the long run hamper our economic growth." Rising receipts in terms of inflated dollars from an expanding economy will not be enough to enable the Government to reduce taxes. He again turned a critical eye on the $71,800 million Federal Budget for the fiscal year starting 1st July, 1957.

King Saud

In the political arena, the spotlight remained on the visits of foreign dignitaries to Washington. From all indications, King Saud's talks with President Eisenhower were successful. The potentate indicated that the Arab world would accept America's Mid-East Doctrine.

The Saudi Arabian monarch was much more loquacious during the closing days of his stay here than at his arrival. He suggested he felt the proposal to use U.S. arms, if necessary, to counter Soviet aggression would be acceptable to other Arab leaders "if the points I raised in Washington could be clarified to them as they have been to me."

This, somehow, left open the question whether the King would undertake himself such an explanation after his return to his native land, or whether his royal associates in Arabia should be told the exact U.S. position by emissaries from here. In the meantime, Crown Prince Abdul Ilah of Iraq arrived at Washington for some firsthand information on the Eisenhower doctrine and he conferred also with King Saud. The latter's son was treated here for cerebral palsy and an American physician will accompany him home.

German Leader to Visit

Among the foreign visitors' list for next month is West German President Theodore Heuss. He too will be the guest of President Eisenhower. The significance in this particular case would seem to lie in German rearmament and in that country's contribution to the European defence forces. Voluntary enlistments in the new German army have been lagging, because of conditions of full employment prevailing throughout the economy.

Another Russian spy ring has been uncovered here by the Federal Bureau of Investigation. A Federal Grand Jury in New York indicted three New Yorkers, Jack and Myra Soble and Jacob Albam, on charges of peace-time spying on behalf of the Kremlin. They face possible death penalty. Named as conspirators were 12 Russians, mostly diplomatic employees. All have left this country.

Such incidents do not exactly help to establish a friendlier atmosphere between the United States and Soviet Russia. Indeed they breed further suspicion and may be detrimental to the Administration's desire to conclude agricultural surplus disposal deals with such borderline Soviet satellites as Poland and Yugoslavia.

Exchange Reserves

Deterioration of the British and French gold and foreign exchange reserves is causing concern here. The January drop of sterling area holdings brings the total to only $84 million above the $2,000 million level, considered by many as the minimum safety amount for the value of the pound. There is a strong feeling, however, that, regardless of what may happen, the present value of sterling will be maintained, if necessary with help from the U.S.

The effect of the fall in European reserves is the subject of many learned discussions here and has been for some time. The latest spokesman was a well-known New York University Professor, Raymond Rogers. Economic developments abroad, particularly those created by the Middle East crisis, are hastening the end of the U.S. business boom, he said. He predicted further shortages of oil, dollars and shipping space in Europe, all stemming from Mid-East developments, would bring about decreased business activity and deflation on the Continent and these effects would be felt adversely on this side of the Atlantic.

If foreign buyers have less money to spend, foreign trade would, naturally, be affected. So far, U.S. exports and imports have been very satisfactory and the prospects seem excellent.

Exports in 1956 soared to a record of $17,300 million which was $3,000 million greater than the previous high established in 1955. December shipments alone boosted the total by $1,900 million. It was the largest for any month in American history.

This year's figures may also be influenced by the strikes of tugboat workers and the threatened walkout of longshoremen. At this writing, it seems, however, that only New York will be affected and other ports will remain open, so that the flow of foreign trade is unlikely to stop altogether.

Sale of Farm Surplus

Overseas sales of U.S. farm goods are expected to reach a record of more than $4,200 million for the 12-month period ending 30th June next. Foreign competition gets tougher, though, every week. Argentine has been a large seller of agricultural commodities recently and other nations are stepping up their exports to earn funds for the import of industrial goods. There is, therefore, an increasing tendency here to permit the Washington Government to sell raw materials against foreign currencies rather than dollars.

Another element in this picture is that U.S. wheat production in 1956 was reduced by severe drought conditions and planting curbs. Output here accounted for only 34 per cent. of the world total, as compared with 42 per cent. shortly before outbreak of the last war.

The textile goods picture is dim. Several mills have closed for lack of orders. Converters continue to bid for forward goods at prices well below the selling ideas of the mill managements. Orders for 1957 fall woollens and worsteds are small and there are only limited sales of rayon acetate goods for first quarter delivery. Outside of the weaknesses, either real or potential, mentioned above, the American economy is humming with high personal incomes and full employment.—*All Rights Reserved.*

The United States Government has agreed to give $7 million as aid to Ceylon for its development projects in 1957. This represents an increase of $2 million over the aid granted last year. It was only last year that the U.S.A. waived its embargo which had disqualified Ceylon from receiving American assistance on account of its trade with China.

IS SAVING BAD CITIZENSHIP?

SECULAR STAGNATION THEORY EXPLODED

[With the advent of the historic depression of the thirties, a habit that became the target of libel was saving. In the scale of personal virtues, thrift forfeited its former place. All this originated from the theory of secular stagnation, according to which, in an economy which has reached the level of full employment, people tend to save much more than could be utilised for productive investment, thereby leading to a fall in demand which, in turn, affects employment. Present trends in the industrially advanced countries of the world, where employment has reached the highest levels in history, reflect an entirely different picture. But the frontiers of economic expansion are far from being reached. An increasing need for capital investment is being felt, giving rise to an ever-growing demand for savings, even to sustain the ground already gained and to prevent the economy from falling back. The following brief but interesting article, taken from the December (1956) issue of The Guaranty Survey, *published by the Guaranty Trust Company of New York, highlights the urgent need for savings for present as well as future industrial expansion, with particular reference to the U.S. economy. The article is of topical importance to India, not only because this country's needs of capital are insatiable but also because its leaders, in their fervour for the vague ideals of socialism, are unwittingly undermining the value of thrift and placing a premium on spendthrifts. The result is more and more inflation.—*Ed].

LONG-RANGE economic thinking is shaped to a large extent by short-range economic conditions. Twenty years ago, when the United States, along with most other countries, was in the grip of the great depression, the theory of secular stagnation was born. The economy, we were told, had reached a state of maturity. The great divide between scarcity and abundance had been passed. The economic frontier had been reached. Never again would the industrially advanced countries experience the spontaneous, dynamic growth and expansion that had taken place in the past. A chronic condition of depression and mass unemployment was inevitable unless Governments intervened with their taxing, spending, and regulatory powers and generated enough demand to keep productive resources fully employed. So ran the theory.

Now, with a world-wide business boom under way, little is heard of secular stagnation. The demand for more consumer goods and services and for more of the means of producing them has seldom been stronger. The economic frontier looks farther away than ever. Governments are no longer concerned with the problem of stimulating demand in order to increase employment. Instead, they are wondering how to restrain demand in order to prevent inflation.

Changing Attitude Toward Saving

Among other effects, this reversal of conditions is bringing a change of attitude towards saving. The theory of secular stagnation held that, in a situation of full employment, people would try to save too much; that is, they would try to save more than could be profitably invested in new productive equipment. Hence, part of the income generated by production would be spent neither for consumption nor for investment, so that demand would fall short of output, and employment would be reduced.

As long as such ideas prevailed, and as long as current conditions could be interpreted as giving those ideas some support, there was a tendency to regard saving as bad citizenship. The age-long respect for thrift as a personal virtue was called into question. Low interest rates were made an object of governmental policy, partly because it was believed that they would discourage saving and stimulate business investment. Tax rates on individual income in the higher brackets were raised sharply, in some cases to almost confiscatory levels, in the belief that thereby income would be taken from those who would otherwise save it and transferred to those who would spend it. The Federal Government set a shining example in the anti-thrift campaign by spending some $20 billion more than it received during the decade of the nineteen-thirties.

The over-saving or under-investment theory, even in its heyday, never had much statistical support and never was unanimously accepted by economists or others. Yet, at a time when demand was weak and mass unemployment was an urgent problem, the theory had enough plausibility to be eagerly seized upon by harassed Governments and made a basis of public policy. In the light of today's conditions, its validity seems more questionable than ever. More saving, not less, is needed. Thrift has become respectable again.

The Outlook

What about the future? Is the present demand for savings merely a respite in a long-range situation of secular stagnation? Or is the economy as vigorous and dynamic as ever, and the individual impulse to save for the future matched by an economic need for saving as a means—indeed the only means—of investing, building up the stock of productive equipment, and thus satisfying the universal desire for higher standards of living? The desire obviously exists; it is one of the things that make men save. Do the physical instruments for satisfying it also exist?

Almost all current evidence points to the conclusion that the defeatist, depression-born theory of secular stagnation belongs in the realm of exploded fallacies. Barring setbacks from extraneous causes, and with allowance for the corrective readjustments that free societies require from time to time, the economy appears to be facing a period of growth and expansion as spontaneous and dynamic as any that occurred in the past—a period in which saving on a large-scale will be as indispensable to economic progress as it ever was.

For some years to come, the growth of population alone will require a considerable amount of industrial expansion. The birth rate rose during the war and has remained comparatively high ever since. This rise implies an increase in the rate of family formation in coming years, with the prospect of a relatively high birth rate extending indefinitely into the future.

The progress of industrial technology is creating more than new products; it is creating whole new industries. There seems to be almost no limit to the capacity of chemistry and metallurgy to produce new substances with physical properties needed for particular uses. Plastics, synthetic fibres, electronics, automation, atomic energy—such words suggest the dynamic character of the industrial era that the world has entered.

Prospects for Home Construction

Some serious attempts are being made to gauge past and future trends in capital formation. The National Bureau of Economic Research, for example, with the financial assistance of the Life Insurance Association of America, is engaged in an inquiry into such trends in the principal capital-using sectors of the economy—agriculture, mining, manufacturing, public utilities, residential real estate, Governments, and the foreign sector. The full results of the study of residential real estate, made with the collaboration of Columbia University, have just been published. Some of the findings for other sectors have been presented in part or in preliminary form.

As far as residential real estate is concerned, the Bureau's study tends to cast doubt on the widely held view that expenditures for residential construction in recent years have been abnormally or unduly high. On the contrary, more new homes are expected to be built in the next two decades than in any similar previous period. This expectation rests partly upon an anticipated increase in the number of new households and partly upon the fact that "demolitions, for the first time in many decades if not in the history of residential real estate in this country, seem to reach proportions calling for a large volume of new construction over and above the long-term rate of net household formation."

The forces supporting the high level of demolitions are believed to be more than temporary. "If withdrawals from the housing supply of 300,000 dwelling units per year are added to an annual average net non-farm household formation in the neighbourhood of 1,000,000, close to the median estimate derived from the projections of the Bureau of the Census, the average number of new dwelling units that would equal these two potential sources of demand by far exceeds any historical record for a similar period. In combination with a decelerated decline in the real value per new dwelling unit . . . such a level of housing starts on the average would yield total real expenditures for housing construction greater than those recorded for any previous period of 20 years."

The financial implications are clear. "Not only would mortgage investment remain a large outlet for funds, but there may be a question as to whether the supply of savings will be adequate to meet the demand for financing a high average volume of housing construction as well as the demand for long-term funds in other sectors of the economy, without an appreciable increase in interest rates."

Capital Formation in General

Despite the prospective rise in home building, capital formation in residential real estate is expected to undergo a relative decline in the nation's total productive effort. In other words, capital formation in other sectors is believed likely to increase even more rapidly. This suggests that other research groups engaged upon the Bureau's overall project are encountering similar evidence that the basic long-run prospect is not one of secular stagnation, with savings tending to exceed investment opportunities, but one of vigorous and dynamic growth, with higher interest rates needed to produce savings sufficient to meet the investment demand.

If these expectations are borne out by the actual course of events, there need be little fear of irresistible political pressure or more governmental spending merely to stimulate demand and increase employment. Unfortunately, however, recent experience has shown that the outcry for governmental intervention can arise in good times as well as bad. Interventionists are for intervention under any and all conditions. In times of inactive investment, they want intervention in the form of governmental spending. In times of high investment, they call for intervention in the form of easy money. Both of these forms of intervention are ultimately inflationary, but the latter is probably the more dangerous of the two, because its inflationary effects are more immediate.

If complaints against tight money are to be avoided or minimised, and if economic growth is to proceed swiftly and soundly, large volumes of savings are needed, now and in the years ahead. The alternatives are inhibited growth, inflation, or a combination of the two. Higher interest rates are tending to encourage saving. The monetary authorities are aiding the process by refusing to yield to popular pressure for easy-money policies that would reduce interest rates and cheapen the dollar. The Government is helping by keeping the budget in balance and promoting confidence in currency stability.

If these policies can be maintained in the face of political and popular demands for new and larger governmental handouts and easier money, the vital objective of sustained prosperity and growth without inflation may be achieved. The outlook is not unpromising. It would be even better, however, if a generation of Americans had not been taught to believe that thrift was an outmoded virtue.

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BRITISH BANK RATE REDUCED

CHANCELLOR RULES OUT RELAXATION OF CREDIT RESTRICTION

THE Bank rate in Britain was cut on the 8th inst. from 5½ per cent. to 5 per cent. after being held at the former level for almost a year. It was on 16th February 1956 that the Bank rate was raised by 1 per cent. from 4½ per cent. It will be interesting to note, in this connection, that this is the first reduction since 1954 when the rate was cut from 3½ to 3 per cent., from which level there has been only successive increases to the erstwhile level of 5½ per cent. With the latest change, Britain has altered its Bank rate for the eighth time in the last six years, the change, either a rise or a reduction, having taken place every year. In 1955, it was raised twice in quick succession. The following table records the exact variations that have taken place in the British Bank rate from 1951 onward.

Date of change	(Per cent.) *From*	*To*
8th November 1951	2	2½
12th March 1952	2½	4
17th September 1953	4	3½
14th May 1954	3½	3
27th January 1955	3	3½
24th February 1955	3½	4½
16th February 1956	4½	5½
7th February 1957	5½	5

It will also be noted that, during the past six years, the longest interval when the Bank rate had been kept unchanged was only 18 months; that was between March 1952 and September 1953. Also, the sharpest rise was 1½ per cent., from 2½ to 4 per cent. in 1952, but, whenever a reduction was effected, at least during the past six years, it had been no more than ½ per cent.

The latest reduction in the British Bank rate did not cause any notable reaction in the London market, as is usually the case whenever a change in the rate is made. This was because a cut had for some time been expected. In fact, the authorities themselves had prepared the market for it, by bringing about a re-shaping of the open-market structure of short-term rates, so that they could claim now that the present cut is only a technical adjustment to the changes that had been taking place for some months now. In other words, the authorities created a situation which could justify their saying that they followed the market rather than give a lead to it.

Change in Government Attitude

This is how it happened. In the middle of December last, the Discount Market found that there was growing competition for a diminishing supply of Treasury Bills and was tempted to raise its bid. The Bank of England showed no objection to it, because it was deeply concerned over the effects of the persistent high level of interest rates on the cost of servicing the Government's debts at home and abroad. This concern is understandable, because the cost of debt servicing is about £100 million more than it was before the authorities first decided, towards the close of 1951, to use the weapon of interest rates to fight the inflation. With the change in the official attitude, the price of bills began to rise and the bill rate to fall. It declined almost continuously from over 5 per cent. to about 4½ per cent. This also brought about a corresponding reduction in other interest rates, with the result that the short-dated bonds rose and institutional investors were attracted, once again, by medium-dated stocks, and industrials grew firmer.

With the growing conviction that a cut in the Bank rate was inevitable, the upward trend gathered momentum. The New Issue market was reopened and the Government was able to sell considerable quantities of securities to the public, thus reducing the floating debt and regaining technical control over the liquidity of banks. In effect, the authorities had not only allowed the Treasury Bill rate to decline but encouraged such a trend. The authorities had, in fact, showed a change in their attitude towards the Treasury Bill rate much earlier than mid-December last, that is, in the autumn itself, but the Suez Canal crisis and the drain on gold reserves prevented any action to engineer a reduction in the Treasury Bill rate.

The change in the official attitude amounts to an admission that the restrictive monetary policy, which the Government had so long followed, had not worked smoothly. The high Bank rate would appear to have been effective only to a limited extent in restricting the supply of credit, the other steps, such as directive to banks to curtail lending and similar controls, playing the major role in enforcing credit control. On the other hand, it had some undesirable effects in other directions. Thus, the cost of servicing the National Debt rose substantially. The higher interest charge on sterling balances held by foreigners imposed an additional strain on the balance of payments. With the short-term interest rates remaining as high or higher than long-term rates, it became almost impossible to sell long-term securities to the public and banks.

Proved its Worth

The decline in short-term rates which the authorities have been encouraging since the middle of December has proved its worth. The cost of Government borrowing has come down and, by selling large quantities of securities to the public in a rising market, it has been possible to reduce the floating debt and regain technical control over the liquid assets of banks. This has been done, while keeping, at the same time, the long-term interest rates more or less at the same levels as they were before.

The present adjustment of the Bank rate to a lower level naturally raises doubts whether it amounts to a change in the Government's economic policy and whether it is an indication of the Government's desire to relax credit restrictions. Anticipating these doubts, the Chancellor of the Exchequer warned, while announcing the cut in Bank rate in the House of Commons, that it would be wrong to interpret the cut as a change in economic policy. It was not a signal, he added, for bankers and others controlling sources of finance to relax credit or to ease restrictions on lending. This reduction in the very high rate which had prevailed for the last 12 months was designed to enable the Bank of England to maintain the full effectiveness of monetary policy. The Chancellor said that he was assured that its control would not be weakened by this move.

There is also a belief, in some circles, that there will be a further reduction in the Bank rate within the next few months. These circles are of the view that the authorities are unlikely to be satisfied with such a relatively moderate reduction in short-term interest rates which has taken place so far. It seems almost certain, they contend, that, after a short pause to consolidate the progress already made, the authorities will begin to condition the money market for a further fall in short-term rates. Thus, unless the economic climate becomes so unfavourable that it is unsafe to carry out even technical adjustments within an overall tight money policy, it is believed, a further reduction in the Bank rate is possible.

Subsequent Fall in Other Rates

The expectation that there might be a further cut in the Bank rate seems to have been generated by the further trimming of interest rates following last week's cut. Thus, the London clearing banks have reduced their interest rate on seven-day deposits from 3½ to 3 per cent. and Scottish banks have also reduced it on similar deposits from 3 to 2½ per cent., except for balances held with their London branches which follow the practice of paying the same rates as the London clearing banks. The clearing banks in London pay no interest on current accounts. They have cut their rate of interest on overdrafts from 5½ to 5 per cent. for nationalised industries, from 6 to 5½ per cent. for first class industries and from 6½-7½ to 6-7 per cent. to other business concerns and private borrowers. Hire-purchase finance houses have likewise reduced the interest on money subject to three months' notice from 6 to 5½ per cent. and on deposits subject to six months' notice from 6½ to 6 per cent. The rates on borrowing by local authorities under mortgage and similar arrangements have also gone down from about 6 per cent. to 5¼-5⅝ per cent. for periods between 20 and 30 years. The rates on national savings and those paid by building societies have not, however, changed. The rates on both these classes of investments will be affected to some extent by any marked recession in interest rates. It is customary to change the rates on national savings only if a major swing in the Bank rate takes place. The building societies normally change their rates when the change in the Bank rate is of the order of one per cent. and that too after a lapse of a few months from the date of change in Bank rate.

BRITAIN ISSUES FUNDING LOAN

The British Treasury issued, on Thursday this week, funding stock of the value of £300 million, maturing in 1999 to 2004. The stock will carry interest at the rate of 3½ per cent. per annum, as against the present long-term rate of over 4½ per cent. prevailing in London. But the issue price of the stocks is at £80 per cent., that is, at a discount of 20 per cent., with the result that a buyer is assured of a capital profit of 25 per cent. at the time of redemption.

The issue of such a long-dated loan, closely following the cut in the Bank rate on Thursday last week, provides the key to Britain's present policy of monetary control. With the fall in short-term interest rates, people will be inclined to go in for long-term loans. Further, the issue of long-term loan will make the money market more tight for banks, thus placing an indirect restraint on bank lending.

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SPINNING CAPACITY OF MILLS RISES

LOOMS INSTALLED, HOWEVER, RECEDE

THE modest rise in the size of the Indian cotton mill industry noted during 1954-55 was further accelerated in the cotton year ended 31st August 1956. The number of mills actually working as at the end of that year was 449, as against 434 on the corresponding date in 1954-55, according to the latest Mill Statement of the Millowners' Association, Bombay. The increase in the number of mills working was due partly to the addition of four new mills and partly to the reopening of 11 units which were lying idle in the previous year. The paid-up capital of the mills recorded a rise of Rs. 1.19 crores to Rs. 115.15 crores; the extent of the rise in 1954-55 was a shade less, being Rs. 1.07 crores.

The expansion in the cotton mill industry's size during the year under review was accounted for solely by the spinning side of the mills. The number of new spindles installed was 307,261 which compares favourably with 180,379. As at 31st August 1956, there were 12,375,805 spindles, as against 12,068,544 spindles a year before. In contrast, the weaving capacity of mills suffered a further setback, the number of looms installed decreasing from 207,347 to 206,580, or a reduction of 767 looms; in the previous year, there was a fall of only 416 looms.

The decline in loomage thus reflects the scrapping of looms worn out without being replaced by an equal number. The Government's policy of "no expansion in weaving capacity" may have contributed to this net fall in the number of looms. The continued shrinkage in weaving capacity was in evidence at a time when the demand for cloth had gathered considerable momentum, thanks to the general increase in the volume of purchasing power and rise in population. The Government failed to recognise this aspect. Consequently, production of cloth did not keep pace with the increase in demand, so that there was a continuous fall in stocks held with the mills, leading to a rise in prices. If the Government had allowed the mills to expand their weaving capacity, the country would not have faced the problem of meeting enlarged demand for cloth at an economic cost.

Progress Made

The salient features of the quantitative progress made by the mill sector in the past three years are given below:

	As on 31st August		
	1956	1955	1954
Number of mills	465	461	461
No. of mills registered and/or in course of erection	32	34	22
No. of mills idle	16	27	23
Paid-up capital (Rs. crores) ..	115.15	113.96	112.89
Spindles installed	12,375,805	12,068,544	11,888,165
Spindles working (first shift only) ..	10,723,608	10,423,075	10,502,832
Looms installed	206,580	207,347	207,763
Looms working (first shift only) ..	188,449	186,094	189,648
Cotton consumption (in bales of 392 lbs.)	4,979,890	4,797,084	4,688,866
Total No. of workers employed* ..	835,419	762,616	743,622
First shift	453,514	411,607	415,521
Second shift	282,617	261,327	261,751
Third shift	99,288	79,622	66,350

* *Indian Labour Gazette.*

The foregoing figures reveal that, despite the fall in the number of looms installed during 1955-56, the cotton mills endeavoured to make more intensive utilisation of the existing capacity. The average number of looms actually working in first shift as at 31st August 1956 was higher by 2,355 at 188,449. In the previous year, it will be recalled, there was a fall of 3,554 in the number of looms working. Similarly, the average number of spindles working (first shift only) improved from 10,423,075 to 10,723,608, a rise of 300,533, in contrast to a drop of 79,757 during 1954-55. The extent of actual utilisation of capacity (in first shift alone) was greater as compared with that in the previous year, such being 91.2 per cent. for looms and 86.7 per cent. for spindles, as against 89.7 per cent. and 86.3 per cent., respectively.

Reflecting this trend, as also the addition of four new mills and decline in the number of units remaining idle (11), the average number of workers employed (first shift only) registered an increase of 6,598, from 423,595 to 430,193. During 1954-55, the number was lower by 11,826. It may be noted here that several mills worked double shifts and a large number even worked treble shifts. According to the *Indian Labour Gazette*, which give data relating to 418 mills, as many as 230 mills worked three shifts in August 1956, the corresponding figure for August 1955 being 200 out of a total of 406 mills. The number of mills working two shifts was 149, as against 161, and that of only one shift 17, as against 24. It will be seen that there has been a substantial rise in the mills working three shifts. The effect of this change on production is clearly indicated by the rise in the mill consumption of cotton. During the year under review, about 4,979,890 bales (of 392 lbs. each) of cotton were consumed, as against 4,797,084 bales in 1954-55. The rise in cotton consumption is fully reflected in the all-time peak output of mill cloth—estimated at 5,238 million yards—and of yarn—estimated at 1,651 million lbs.—touched during the calendar year 1956.

The modest expansion in the spinning capacity of the mill sector noted during the cotton year ended August 1956 was shared by all the States (as they were before Reorganisation), barring Madhya Bharat (and Bhopal), Hyderabad and Pondicherry. The expansion was particularly marked in the State of Madras, the rise in the number of spindles being 216,595 to 2,437,579. A large part of this increase must be attributed to the rise in the number of mills in existence from 99 to 104. Bombay accounted for an increase of 32,637 spindles, of which the share of the city and island was no more than 11,948 spindles. The reduction in the number of looms installed occurred solely in Bombay and Madhya Bharat States. In Bombay alone, the reduction was 1,368 looms.

Cotton Mills Working

The following table shows the cotton spinning and weaving mills working as on 31st August 1956 (before Reorganisation):

Situation	No. of mills	Spindles installed	Looms installed	Average number of hands employed
Bombay—				
City and Island ..	66	3,113,620	64,467	111,339
Ahmedabad	71	2,039,162	41,550	71,904
Saurashtra	9	163,760	3,345	7,419
Rest of Bombay and Kutch	59	1,292,760	24,070	47,400
Total Bombay State ..	205	6,609,302	133,432	238,062
Madras	104	2,437,579	9,528	62,603
W. Bengal	39	539,034	10,652	22,609
Uttar Pradesh ..	29	832,368	13,945	24,361
Madhya Bharat and Bhopal	17	430,332	10,980	21,658
Rajasthan, Ajmer and P.E.P.S.U. ..	12	189,264	3,942	7,683
Punjab and Delhi ..	12	255,356	5,093	7,423
Madhya Pradesh ..	11	375,593	7,354	17,291
Mysore	11	236,684	3,706	12,068
Travancore-Cochin ..	10	136,504	718	3,787
Hyderabad	7	157,632	3,295	7,255
Bihar and Orissa ..	5	90,024	1,999	2,310
Pondicherry	3	77,128	2,326	3,078
Grand Total ..	465*	12,375,805	206,580	430,193

* This number does not include 32 mills which have either been registered and/or in course of erection.

It will be seen from the above statement that, despite the gradual fall in looms and spindles in recent years, Bombay continued to be the major seat of the cotton mill industry. This State accounts for as much as 53.4 per cent. of the aggregate spindleage of the entire industry, 64.5 per cent. of the loomage and over 56 per cent. of the working force (first shift only), while the percentage share in the number of mills is only 44 per cent. It is thus evident that the average size of a cotton mill in Bombay is larger than that in other States and that the mills are well-balanced composite units. In view of its predominant position, it is but natural that Bombay accounts for the major portion of the woven goods produced in India. Thus, out of the estimated mill cloth output of 5,238 million yards in the whole of India during 1956, as much as 3,565 million yards or about 68 per cent. of the total came off the looms of Bombay State.

The annual Mill Statement of the Millowners' Association, Bombay, also gives an idea of the progress made by the cotton mill industry of Pakistan during the year 1955-56. Over the year, both West and East Pakistan witnessed a rise of seven new mills, the number of mills in existence as at 31st August 1956 being 87. The number of spindles and looms installed also rose from 1,561,258 and 23,021 to 1,754,682 and 26,684, respectively. The average number of spindles working (first shift) during 1955-56 was higher at 1,649,832, as against 1,426,096 a year before, and of looms at 23,815, as against 18,868.

AMBAR CHARKA SCHEME

About 727,115 square yards of cloth were produced under the Ambar Charka programme up to 21st January 1957. An official Press note, which contains this information, does not, however, state the date of commencement of this period. The bulk of this quantity—620,500 square yards—was accounted for by cloth woven from yarn spun on Ambar Charkas, the balance being woven out of mixed yarn. The quantity of yarn spun up to that date was 277,600 lbs. Nearly 150,000 square yards of cloth are under production; yarn for this has already been distributed and weaving arrangements completed.

The number of Ambar Charkas manufactured upto 21st January 1957 was 50,026, of which 32,765 were distributed to *Parishramalayas* and 20,134 to spinners. The number of spinners who had completed their training was 26,312, out of a total of 57,205 admitted for training. Out of 3,018 candidates admitted for Ambar Charka instructors' training, 1,410 completed the training. The number of Ambar *mistries* who had completed the training was 219 out of 574 admitted. The number of *Saranjam Karyalayas* (workshops for the manufacture of Ambar Charkas) established till January 1957 was 74, the number of *Vidyalayas* (training centres) 35, and *upa-vidayalayas* 10. The number of *Parishramalayas* (work-*cum*-training centres) started during the year was 310 and *upa-parishramalayas* 691. Upto the end of the third week of January 1957, about 20,000 Ambar Charkas were available for commercial production of yarn.

Khadi to be produced from Ambar Charkas is estimated to cost on an average Re. 1-4 per yard, as against the average of Rs. 2 per yard in the case of *khadi* produced from handspun yarn of the traditional *charka*. The *Khadi* and Village Industries Board is contemplating the combining of yarn spun on the traditional *charka* with Ambar Charka yarn in the weaving of cloth, so as to bring down the price of *khadi* generally.

TEXTILE INDUSTRY IN RUSSIA

The sixth Five-year Plan of Soviet Russia envisages a further expansion in the output of fabrics, as well as a marked improvement in their quality and finish. The production target set for the different kinds of textiles in 1960 are as follows:

	Million metres
Cotton fabrics	7,270
Silk	1,174
Linen	556
Woollen cloth	363

N.B.—A metre=39.37 inches.

The above targets are expected to be reached in two ways. First, several new large mills will be established in Kamiyashin, Kherson, Cheboksary, Kansk and other towns. Secondly, equipment in mills will be modernised and many production processes automatised.

In the development programme for textiles, great emphasis will continue to be laid on the improvement of working and living conditions of workers. Large capital investments are envisaged for construction of houses. Special attention is to be focussed on the need for raising the skill of women workers. Women, just like men, are said to hold leading positions in the textile industry. About 40 per cent. of the engineers and technicians employed consists of women. Several women work as factory directors and their assistants, chief engineers, etc.

ADVANCES ON COTTON TEXTILES

The Reserve Bank of India has, as stated in our Market Gossip columns last week, withdrawn the directive, issued by it to the Scheduled banks on 13th September 1956, asking them to raise the margins in respect of limits and advances against the security of cotton textiles, including yarn. The increase in margin which had to be not less than 10 per cent. of the value of stocks, it will be recalled, applied to all advances against cotton textiles except those to textile mills or textiles meant for export. The directive was intended to restrict the credit facilities to traders in the domestic market, with a view to curbing any tendency on the part of some traders to use bank credit for speculative buying and hoarding of textile goods. The Reserve Bank's decision to withdraw this directive has been prompted by the consideration that the restrictions are not necessary now and that advances to the cloth trade having been properly regulated, there is no longer any reason to impose rigorous conditions on normal bank financing of distributors and dealers in cotton textiles.

GRANTS TO SERICULTURE INDUSTRY

The Government of India has so far sanctioned for 1956-57, 138 grants amounting to Rs. 27.98 lakhs for the development of sericulture industry under various State schemes. Loans and grants of the order of Rs. 24.92 lakhs have also been granted for 12 other schemes. The latter include the establishment of a modern filature at Malda, West Bengal, the setting up of a raw silk marketing society in Bangalore and modernisation of filature machines in Jammu and Kashmir. West Bengal tops the list of States which received grants, with Rs. 4.7 lakhs, while Jammu and Kashmir, Bihar, Assam, Mysore and Madras follow with grants amounting to Rs. 4,23,764, Rs. 3,67,932, Rs. 3,38,263, Rs. 2,39,350 and Rs. 2,27,165 respectively. 147 schemes for the development of sericulture industry during 1957-58, which have been drawn up by 12 States, are under examination.

During the first half of 1956, the Silk Board imported 109,916 lbs. of raw silk, of which 30,088 lbs. have been allotted to States, 22,813 lbs. to silk associations and 40,181 lbs. to actual users. About 16,093 lbs. have also been earmarked for export promotion purposes. It is proposed to depute five officers to Japan for training in sericulture and two officers to China for training in silk-worm seed production and silk reeling. In furtherance of measures for the development of sericulture industry in the country, a foreign Race Seed Station and a Central Sericultural Training Institute are proposed to be started in Mysore State.

EFFORTS TO REDUCE REDUNDANCY IN COTTON MILLS

FINISHING INDUSTRY PAYS MORE TO WORKERS

From A Special Correspondent

MANCHESTER, *5th February*

ON several occasions during the past year or two, it has been freely forecast that more mill deals would inevitably follow the unsatisfactory trading conditions which have prevailed in Lancashire. The final two months of last year brought no such published developments, although it now appears that negotiations must have been proceeding in connection with several fresh ventures. At all events, no sooner had 1957 dawned but a number of announcements were made, resulting in changes in several sections of the industry.

MANCHESTER LETTER

Once more, the major spinning groups have taken the lead in adapting their production to meet current circumstances. Hardly had the Fine Spinners and Doublers indicated the intention to close a mill at Stalybridge than a bid for control of the Moorfield Spinning Company was made public. If this deal is completed, the combine will secure two mills producing yarn from synthetic staple, both of which are considered to be valuable properties.

This announcement followed closely upon the decision of the Lancashire Cotton Corporation to acquire Tulliallen Fabrics, a private chenille manufacturing company in Glasgow, thus widening its sphere of activity. Another pending transaction involves an offer for the Burnley weaving concern of Harry Walton (Holdings), whose recent financial results have been far from prosperous.

Redundancy in Mills

Despite the improved trading conditions which have been evident since last autumn, the directors of some firms have felt the time was ripe to end their connection with the trade. Among these have been Samuel Buckley and Sons, the Oldham doubling concern, and Riddick, Stuttart, the Nelson weaving firm. Such action by producing units in the trade has been fairly frequent over the past few years, but similar moves by firms engaged in the finishing branch have been extremely rare. Now, however, both the Calico Printers' Association and the Bradford Dyers' Association have indicated their decision to close down individual finishing works in an effort to reduce redundancy.

In view of the strictures of the Monopolies Commission on several vital aspects of organisation in the textile finishing industry, the leading firms in this branch have lately been considering their position. Mr. James Ewing, Chairman of Bradford Dyers' Association, has for long been an advocate of organised redundancy and the move to curtail surplus plant within his own group may prove to be the forerunner of other developments of a similar nature.

This action has been officially taken owing to "the continuing diminution in the volume of textile exports." The Bradford Dyers' Association believes such measures are necessary to maintain efficient production, but it has drawn attention to the "serious excess capacity existing in all sections of the textile industry which requires concerted action by responsible leaders, if it is to be solved effectively."

New Campaign on Imports

An unusual approach to the problem of large-scale imports of cheap Indian and Hong Kong cotton cloth into this country has been made by Mr. Cyril Lord, an industrialist with mills in many parts of Lancashire He has sent a wallet containing overseas currency—including a Japanese 100-yen note, an Indian rupee and a one cent Hong Kong note—to every Member of Parliament and to members of the House of Lords. A message in the wallet points out that this country spent £27,000,000 in a year on imported textiles and comments: "Britain is the only country in the world which allows unlimited quantities of textiles to be imported duty-free."

Lancashire's cotton industry is being driven out of business by unfair prices and conditions, he contends, and money is being poured out unnecessarily.

Silk Trade's Opposition

"Permanent impoverishment" of the home textile industry might result, if Britain enters the proposed European common market plan. The Silk and Rayon Users' Association voiced this fear when it announced its opposition to further negotiations unless certain safeguards were made. "Our entry into the common market plan may result in the permanent impoverishment of our industry since it is clear that the advantages of such a scheme are likely to go principally to those countries with lower rates of wages, standards of living and defence costs, fewer social services and more effective export incentives," said the Association in a report. It urged careful consideration of issues ranging from manufacturers' selling prices to anti-dumping measures and called for agreement before negotiations on the plan on levelling of wage rates, living standards, social services and defence outlay and the ending of export incentives.

Prices in 1956

Among the most notable factors which contributed to the sharp transformation in textile trading in Lancashire which occurred during 1956 was the steep fall in yarn prices which occurred in August and the subsequent advance in quotations, following the revival in confidence in raw cotton values and the political disturbances in the Middle East. These variations in prices are duly reflected in the appropriate index numbers published by the Board of Trade, details of which are given below (the numbers are based on the figure 100 at the end of June 1949):

	American type	Egyptian type	Spun rayon yarn	Cotton cloth	Rayon fabric
1955					
May	134.2	130.8	125.0	123.5	112.8
June	134.4	128.8	125.0	123.1	112.8
July	134.1	128.2	125.0	122.8	112.7
August	133.5	128.2	125.0	122.2	112.8
September	132.1	127.2	125.0	120.9	112.7
October	130.3	124.4	125.2	120.3	112.3
November	133.4	123.4	124.2	120.6	112.1
December	132.7	123.4	124.2	120.2	112.0
1956					
January	133.4	124.2	122.4	120.4	111.9
February	134.9	128.2	122.4	121.2	112.0
March	134.1	135.5	127.2	121.3	112.1
April	134.3	139.8	127.2	121.8	112.1
May	134.4	150.5	127.2	123.0	113.1
June	134.4	151.2	127.2	123.0	113.5
July	133.2	149.9	127.2	122.0	113.6
August	125.6	148.3	127.2	118.6	113.8
September	124.5	146.4	129.0	118.5	113.6
October	124.5	146.8	129.0	118.8	113.6
November	126.5	152.2	129.0	120.8	113.6
December	128.3	154.0	129.0	121.5	113.6

The outstanding feature of these statistics is the fact that American cotton yarn prices are the only section in which values in December were lower than at the beginning of the year. Due to the sharp upward movement in corresponding quotations for Egyptian type yarn, the general trend in values has been very firm, despite the reduction which occurred in some directions during the autumn.

European Competition

A warning that Continental textile firms are already studying distribution arrangements in Britain to take advantage of opportunities offered, if the European common market project goes through, has been given by Mr. W. T. Winterbottom, President of the Textile Institute. He told the Leigh Textile Society: "Our Continental friends are already active. They estimate they can achieve a reduction of at least 10 per cent. in cost through access to the larger market, and some of them are already studying distribution arrangements in this country." "How many of our firms are studying competitive prices and distribution facilities on the Continent?" he asked.

Re-equipment of Lancashire mills with modern machinery working an intensive shift system was an essential factor, if the textile trade was to take advantage of the common market plan and boost export, Mr. Winterbottom said. The agreements to introduce shift working in spinning mills signed in December were "a most encouraging forward step in the drive for greater efficiency."

Finishers' Pay Rise

About 60,000 workers in the cotton and wool textile finishing industry have been awarded pay increases by the Industrial Disputes Tribunal. The award provides for time rates to be raised by 4*s.* a week and piece rates by 2 per cent. The new minimum rates for time workers will be 143*s.* 1*d.* a week.

The National Union of Dyers, Bleachers and Textile Workers had demanded an extra 10*s.* a week for time workers and 5 per cent. for piece workers. This was rejected by the Textile Finishing Trades' Association and the deadlock was submitted to the Tribunal for decision. Most of the workers who benefit are in Lancashire, Yorkshire, Derbyshire and Cheshire.—*All Rights Reserved.*

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SUPPLY POSITION OF SHORT-STAPLE COTTON IN THE U.S.

CARRYOVER STOCKS REACH ALL-TIME RECORD

ALTHOUGH the major portion of raw cotton output in the U.S. is long-staple cotton, the short-staple variety, by which is here meant cotton of staple lengths below one inch but not below ⅞ inch (cotton below ⅞ inch is described as extra-short staple), occupies an important position in the economy of the country. In India, short-staple refers to cotton 11/16 inch and below, and what is described as short-staple in the U.S. is called medium- (11/16 inch to 27/32 inch) and long-staple (7/8 inch to 31/32 inch). In the 1955-56 season, of the total production of 14.7 million bales in the United States, the short-staple varieties, as just defined, accounted for 3.6 million bales. Since internal consumption is not large enough to absorb the entire output, foreign markets have to be sought for such cotton also. The supply position of short-staple cotton in the U.S. is of vital interest to countries like India, Pakistan, Argentina, Brazil, etc., which are major producers as well as exporters of comparable varieties. In the latest *Monthly Review* of the International Cotton Advisory Committee, Washington, Mr. J. C. Stanley, Economist of the Committee, makes an interesting analysis of the supply position of short-staple cotton in the U.S.A. which is of topical interest.

The most important source of supply of such cotton in recent seasons, according to the author, has been the large carryover stocks. At the beginning of the current season, stocks are estimated to have aggregated 4.7 million bales, more than a million bales higher than the 1955-56 production. The following table gives the staplewise breakdown of the stocks.

Carryover Stock on 1st August 1956.

Staple-length	1954	1955	1956			
			Total	Government owned	1955-56 loan cotton	Free stock and in mills
13/16"	185	219	449	124	299	26
7/8"	628	829	1,112	368	605	139
29/32"	683	918	1,000	380	531	179
15/16"	858	1,101	1,108	361	600	237
	499	629	848	330	293	225
Total ..	2,853	3,696	4,679	1,563	2,328	806

Production of American short-staple cotton in the current season is estimated at three million bales which means that total supply for the season will be about 7.7 million bales. It is true that the new export programme, which has hitherto proved to be an unprecedented success, has resulted in a scaling down of the stocks of short-staple cotton. Out of the 5.7 million bales sold for export till 15th November 1956 under the new programme, roughly 29 per cent. or 1.6 million bales were cotton of staple length below one inch. Even then, the stocks of old crop were more than three million bales which, together with the current season's estimated production, are expected to make an aggregate supply of six million bales. A point that requires special mention in this connection is that, despite the acreage control, production of short-staple cotton in the U.S. has greatly exceeded demand, and the accumulating surpluses have consequently swelled supplies to a level far above disappearance. For example, aggregate supply (production plus carryover stock) of cotton of staple length under one inch in the U.S. was only 4.3 million bales in 1951-52 of which carryover stock was as low as 310,000 bales and production 3.9 million bales. Production declined to 3.61 million bales in 1955-56, while carryover increased, by the end of the season, to 4.69 million bales. The following table gives the details regarding production and export.

Production and Export

(In thousand bales)

Production	1953-54	1954-55	1955-56	1956-57
Staple length				
13/16" and shorter ..	81	264	372	141
7/8"	673	916	862	404
29/32"	1,026	840	821	457
15/16"	1,361	1,031	1,021	737
31/32"	812	887	540	734
Total ..	3,953	3,938	3,616	2,563

(In thousand bales)

Export	1953-54	1954-55	1955-56	1956-57
Destination				
France	35	23	26	71
Germany	4	4	11	20
Italy	20	22	32	51
U.K.	155	132	154	112
Japan	350	422	237	415
Korea	30	93	163	122
Hong Kong	..	2	5	42
Formosa	73	103	111	118
Others	125	105	106	156
Total ..	819	906	845	1,116

Apart from low internal consumption, another reason why stocks have accumulated is that the U.S. has not been able to export the entire surplus over consumption. In 1955-56, its export of short-staple type of cotton was of the order of 1.1 million bales, as compared with 845,000 bales in 1954-55. The U.K., Japan, Korea and Formosa are the leading outlets for U.S. exports. But the U.S. is not the only, nor even the principal, producer of short-staple cotton. A sizable volume of American type cotton under 1 inch staple is produced outside the United States, especially in India, Pakistan, Brazil, Argentina, Paraguay and Belgian Congo. The entire production of American type cotton in India, most of the American varieties grown in Pakistan, a fair proportion of the Sao Paulo crop in South Brazil and the Mata crop in North Brazil, the bulk of the crop in Argentina and Paraguay and some of the Stoneville and Gar varieties in the Belgian Congo are cottons of comparable qualities and competitive with U.S. growth. But in the case of India, Pakistan and Argentina, the bulk of the annual production of such cotton is domestically consumed. In India, the staple length of cottons allowed for export is below ⅞ inch which is regarded as extra short-staple in the U.S. Very little of this variety is produced in the latter country. It can, therefore, be stated that India does not compete with the U.S. in world trade in cotton. Pakistan and Argentina, however, do compete with the U.S. but on so small a scale that their bearing on export prospects for comparable U.S. cottons is less than what the aggregate figure might suggest. But it is a fact that though consumption in these countries is steadily increasing, so also is production. The U.S. cannot, therefore, count on these countries as profitable outlets for its cotton. Further, production figures in these countries are important, in so far as this factor affects the size of the exportable surplus.

Not all the exports from these countries are short-staple cotton. Exports from India and Pakistan include what the U.S. calls extra short-staple. In India, in recent seasons, exports have been exclusively of cottons shorter than 13/16 inch and exports of other staples are prohibited. In Pakistan, some 15 to 20 per cent. of total exports are extra short-staple *Deshi* type of about ½ inch staple. In Brazil and Belgian Congo, only a proportion of total exports fall within the category of short-staple cotton. Aggregate exports of short-staple cotton by the free world countries other than the U.S. averages about 1-1.5 million bales, annually.

Stocks Outside the U.S.

Almost the entire exportable surplus of short-staple cotton in the countries named above has been shipped recently and stocks are, as a result, much lower than a year earlier. Stocks at the beginning of the season in Pakistan were very close to the minimum and, with not much change in production and the growing domestic consumption needs, exportable surplus of that country this season may not be much. Brazil is another most important country with which U.S. cotton has to compete. But in this country, too, stocks on 1st August 1956 were the lowest for several years. They, however, contained a large proportion of short-staple cotton, so that, if production does not decline, export availabilities may be well maintained. Argentina's exports of the varieties under review last season were almost *nil*. Production in the current season is expected to increase, but, as carryover stocks were low at the beginning of the season and internal consumption is rising, exports from this country are not likely to be much. Thus, on the whole, export availabilities of short-staples outside the U.S. are likely to decline this season.

Owing to the accumulation of large surpluses of short-staple varieties in the U.S. and the shrinking overseas demand, cotton interests in Texas where much of these types is grown are inclined to look for other methods of solving the problem. Some parties, according to the article, are for increasing the staple length to 1 or 1.1/32 inch which would mean moving into an area of greater world demand. But it also represents, at the same time, a switch-on to an area of greater supply, where competition is likely to be as intense and where countries like Mexico, Turkey, Iran, Syria and Greece are serious contenders. Nevertheless, the main argument for this inclination among Texas farmers appears to be the fact that the world trend is towards the production of higher count yarns and finer quality of cloth. It may be noted here that production of yarns of 20 counts and below in the U.S., the U.K., Western Europe and Japan is downward.

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EXPORT QUOTA FOR COTTON

The Government of India has announced (on the 6th inst.) an additional export quota of 2 lakh bales of cotton, bringing the total allowed so far for the current season to 4 lakh bales. The announcement was a surprise to the trade, because it came at a time when hopes of an immediate quota were beginning to subside. The release of 2 lakh bales of cotton for export was made at a time when prices were beginning to look up on adverse reports about the size of the crop on account of cold wave and untimely showers in Gujerat. This may appear to reflect badly on the Government's critical attitude towards the recent rise in prices as reported in the daily Press. Perhaps, the authorities are so concerned with the need for earning foreign exchange that they must have decided to ignore the repercussions of their action on domestic prices.

Of the quota of 2 lakh bales of cotton, 150,000 bales are in staple length ¾" and below and 50,000 bales Bengal *Deshi*. As usual, a small quantity has been reserved for allotment to co-operative societies. The last date for submission of applications, in respect of the above quota, has been fixed at 15th February. Applications from co-operative societies, however, are to be submitted not later than 20th February. Licences issued will be valid for shipment till 30th June 1957 to any permissible destination, except Tibet and Portuguese possessions in India. Contrary to the fear generally entertained in trade circles, that the quota announcement would be followed by a simultaneous increase in the export duty, the Government has thought it desirable not to make any change in this respect. Export duties, therefore, remain unchanged at Rs. 100 per bale for Bengal *Deshi* and Rs. 50 per bale for other exportable varieties. It will be recalled that, at the time of the last announcement, the export duty on Bengal *Deshi* was raised from Rs. 50 to Rs. 100 per bale.

The trade has welcomed the step in so far as it is expected to give a fillip to the market which has of late been in a state of suspense. When the first quota was announced on 1st December it was felt that it was too small in relation to the fair export surplus expected this season and the sustained demand for Indian cotton overseas. It may be observed, in this connection, that the export quota for the whole of the last season was only 425,000 bales comprising 300,000 bales of all varieties of ¾" staple and below other than Bengal *Deshi* and Coconada, 95,000 bales of Bengal *Deshi*, 25,000 bales of all varieties of 25/32" staple cotton and 5,000 bales of Coconada.

The considerations which weighed with the Government in releasing 4 lakh bales for export this season seem to have been the expectation of a good crop of about 54 lakh bales, as against last season's 50 lakh bales and the need for pushing up exports so as to get as much foreign exchange as possible.

(*Continued on page* 351)

PRODUCTION OF COCONUTS

PRICE FIXATION BEING CONSIDERED

PEOPLE who live among coconut palms declare that the coconut tree is a *Kalpvriksha* to mankind. In fact, almost everything in this physical world can be regarded as a boon to mankind, if only we discover its true utility. But the story of coconut is different. Without any discovery worth its name, for generations the coconut tree has been found to be useful to man in innumerable ways. In about five years after the seedling is planted, man begins to derive the benefits of the tree. There are the half-riped nuts which provide sweet delicious water, which, with the present advancements in science, man has not been able to produce synthetically. The ripe nut enters trade, copra is removed and oil is prepared out of it. The coir, on the other hand, besides being used as fuel in some parts, is used to prepare a myriad things, among others, ropes, carpets, floor-matting and the like, providing employment to many people, as many as 700,000 in Kerala alone. The numerous uses of oil are too well known to need repetition. Again, the dry leaves of the tree are used either as fuel, or for roofing thatched houses. These benefits continue as long as the tree is alive—which is normally 100 years. Afterwards, the trunk is used for constructing thatched and similar houses which endure for generations. The roots are used as fuel.

Despite its importance, the coconut industry in India has remained neglected all these years. No concerted attempts were made to raise the yield or acreage. On the contrary, the acreage seemed to be declining, first because of instability of the prices of coconuts and coconut oil and secondly because other crops that could be produced in the same area fetched higher income. Absence of any systematic attempts to improve the fertility of the soil, coupled with the habits of growing in the coconut gardens various kinds of crops, have led to decreasing yields. In addition to this, there is the fact that the coconut crop is not of that type which can be produced in a year or two. It requires not a few years of careful nurturing at the beginning when no return can be expected. The cumulative effect of all these factors is that India today imports from Ceylon and Malaya 40,000 tons in terms of coconut oil, which is expected to go up to 80,000 tons in the next five years.

Acreage

Today, coconut is grown in 1,080,000 acres, accounting for 69 per cent. of total production in Kerala, 213,000 acres in Mysore (13.5 per cent.) and 131,000 acres (8.3 per cent.) in Madras. Scattered areas are also devoted to coconut in some of the other States, such as Andhra Pradesh, Bombay, Orissa, West Bengal and Assam. The principal problems facing the industry and the steps that were being taken by the Central Committee to solve them were vividly described by Dr. M. S. Randhawa in the course of his address to the meeting of the Central Coconut Committee, which was held at Bangalore last week. One of the problems is that, in the State of Kerala alone, the coconut palms in an area of about 100,000 acres are affected by root or leaf disease. The annual loss arising from this malady amounts to no less than Rs. 2 crores. Dr. Randhawa stated that, through the initiative of the Committee, a comprehensive scheme had been launched with Central assistance to spray the palms with pesticides and thus restore them to health. According to the scheme, the campaign has to be carried out for five or six years and the growers have to carry it out by themselves after three years.

A second problem is that of supplying quality seedlings and of popularising better manuring and cultivation. In this regard Dr. Randhawa dealt at considerable length on the long-term measures taken by the Committee to improve the industry. One of these measures is the setting up of two central coconut research stations in Kerala and regional research stations in Kerala, Madras, Orissa, Bombay and Andhra Pradesh. In addition, the Committee is also financing, jointly with the States, a chain of nurseries supplying the cultivators with quality seedlings at a subsidised price of As. 8 each. It is noteworthy that two more regional research stations in Mysore and some more nurseries and demonstration shops in various centres are proposed to be set up in the second Plan period in order to popularise quickly better methods of cultivation. Dr. Randhawa pointed out that the total production target for the nurseries run by the Coconut Committee and its research stations and the State Governments was about 2,000,000 seedlings. Of this, about 1,100,000 plants had been produced so far, at a cost of Rs. 16 lakhs. Obviously, these targets are inadequate if appreciable results are to be produced. There is much to be said, therefore, in favour of Dr. Randhawa's suggestion that the target should be raised 100 per cent. The recommendation of the Committee that fertilisers should be given to coconut growers as loans to be repaid in suitable instalments after three years is also worthy of special consideration, inasmuch as it would give, as Dr. Randhawa hoped, a fillip to coconut cultivation. Yet one more useful proposal, referred to by Dr. Randhawa in this connection, was that of establishing nurseries in the coconut-producing N.E.S. blocs which would help save the transport charges to the cultivators. It is noteworthy that the Committee has decided to make a start in Kerala with this programme. These measures apart, no scheme directed towards expanding coconut production would be complete without simultaneous efforts to exploit fully the possibilities of growing coconut in areas such as West Bengal, Assam, etc. To this end Dr. Randhawa made a valuable suggestion when he said that the States should come forward to give liberal financial assistance.

Instability of Prices

Yet another serious problem facing the industry is instability of prices. Referring to this, Dr. Randhawa recalled the recommendation of the Minimum Prices Sub-Committee that, in view of the close relationship subsisting between the wholesale prices of coconut, copra and coconut oil, it was sufficient to fix the minimum price of coconut oil alone, leaving the prices of others to adjust themselves, at Rs. 1,425 per ton at Cochin. Dr. Randhawa revealed that this suggestion was under the consideration of the Central Coconut Committee.

Dr. Randhawa also alluded to the functions of the Central Coconut Committee. It was responsible, among other things, for the expansion of work at the Central Coconut Research Stations at Kasargode and Kayankulam, for schemes pertaining to the setting up of regional coconut research stations at Madras and Orissa, where the task has already been accomplished, and at Mysore, for schemes for conducting surveys to estimate the area and yield statistics of coconut, for ascertaining the cost of cultivation of coconut on the west coast and for the compilation and analysis of statistical data. The Committee was also concerned with setting up in Madras, Andhra, Bombay and West Bengal parasite breeding stations to rear and liberate parasites for the biological control of *nephanite serinope*. Considerable progress has been made in all these directions.

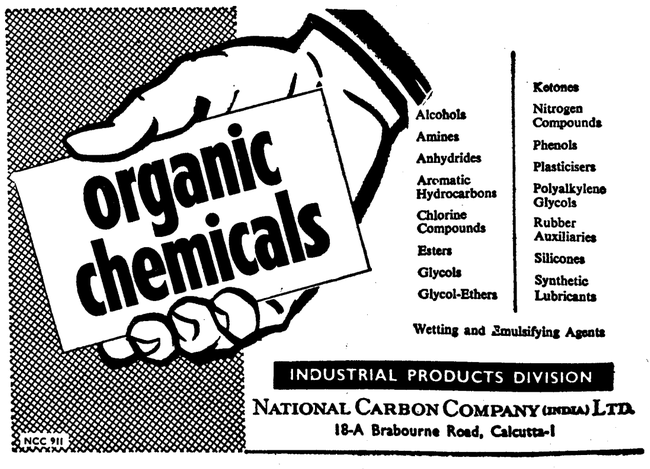
Certain important resolutions were passed by the Central Coconut Committee at its meeting. One such resolution recommended to the Government of India the abolition of the cess of four annas per hundredweight collected at present on copra crushed in mills and the payment of a lump-sum grant every year by the Government to the Committee for its proper functioning. A more important recommendation—in favour of which there is much to be said—asked the Government to grant long-term security loans (repayable in easy instalments after the crop begins to yield income) to the growers of fresh coconut plantations involving heavy initial expenditure. This suggestion, if accepted, would go a long way towards securing an expansion of the area under coconut cultivation. The Committee's decision to appoint an Expert Reviewing Committee for the purpose of reviewing the work of the research institutions and for proper planning of research during the ensuing five years on a rational basis should be specially welcomed. The Expert Committee would also indicate clearly what results of practical value had been achieved which could be passed on to the coconut growers immediately.

Co-ordination

The question of effecting co-ordination between Central Coconut and Arecanut Committees also figured prominently in the deliberations of the Committee. The Committee, in this connection, approved the suggestions of a sub-committee which had gone into the question. One of these suggestions was to the effect that the *status quo* of the two Committees should be maintained. Besides, the suggestions that the Secretary of each of the Committees should be a member of the other and that the Director of the Central Coconut Research Station, Kayangulam, and the Joint Director of the one at Kasargode be co-opted as members of the Agricultural Research and Development Sub-Committee of the Coconut Committee were also accepted. A sub-committee was also appointed to examine the question of co-ordination between coconut and arecanut research.

Among other notable resolutions adopted were the one calling for soliciting detailed proposals from the Kerala State Government for setting up a parasite breeding station at Kozhikode, and another recommending various States to provide *taccavi* loans and fertilisers to growers to encourage coconut cultivation. To the same end was also the decision taken by the Committee to recommend to the Government to declare coconuts a food crop. In order to examine the technological problems of research, the Committee also decided to appoint a special subcommittee with Dr. D. R. Dhingla as Chairman.

It would be clear from the foregoing account that a new era has been ushered in for the coconut industry. Much depends, however, on the progress that will be made in these research institutions in developing new and more effective methods of cultivation, and in providing expeditiously loans and fertlisers to the cultivators. It may be stated, in this connection, that, though the yield per acre of coconuts in India is higher at 2,614, as against 2,000 in the Philippines, 2,133 in Indonesia, and 2,006 in Ceylon, it is possible to increase it tremendously if appropriate care is taken. Granted all these measures being taken, the core of the problems still remains, namely, the assurance of a fair and effective minimum price for the producers. This is a question on which immediate decision should be taken, if all the other measures are to yield maximum results.



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INTENSIFYING SUGARCANE DEVELOPMENT

SOIL SURVEY WORK SHOULD BE UNDERTAKEN IN FACTORY AREAS

THERE are no two opinions on the view that the successful implementation of the large expansion scheme drawn up for the sugar industry under the second Five-year Plan depends on the progress in the sphere of sugarcane cultivation. The Plan envisages a rise of 20 million tons in the output of cane, from 58 million tons in 1955-56 to 78 million tons in 1960-61, an increase of 35 per cent. The additional production is expected to be achieved largely through schemes of intensive cultivation. It is only through such cultivation that it is possible to augment the per-acre yields of sugarcane having rich sucrose-content which at present are at a deplorably low level, the all-India averages of yields and recovery being not more than 13 tons and 10 per cent., respectively. The climatic factors no doubt are, to some extent, responsible for low yields and poor quality. But there is no gainsaying the fact that the adverse influence of these factors can be counteracted, to a considerable extent, by adopting suitable cultural practices, with special reference to the prevailing soil conditions. How else can one explain, for instance, the yields of cane ranging from 60 to 80 tons per acre secured by some growers even under the unfavourable conditions of North India? The importance of sugarcane soil survey and analysis has been stressed by Dr. B. K. Mukerji, a well-known sugarcane expert of India, as follows:

"The importance of soil to sugarcane has been recognised chiefly due to the realisation that further progress in securing notable increases in the yield of cane by breeding and selection can only be possible through improvements in cultural practices. The methods of appropriate crop rotation, manuring and irrigation must be relied upon to a much greater extent for securing increased yields as also the soil differences studied in detail in planning measures of improvements on rational lines. . . . A thorough and intimate knowledge of the soils alone can help planning of cane cultivation on a long-term basis for ensuring high levels of yield and quality without unduly taxing the capacity of the soils."

Progress Disappointing

Viewed thus, Mr. T. C. Puri, Joint Secretary to the Union Agriculture Ministry and Chairman of the Development Council for Sugar Industry, did well, indeed, to draw, in his speech at the recent meeting of the Council, special attention to the need for undertaking soil survey work by the technical staff of the sugar factories during off-seasons. Although this need has been repeatedly emphasised by sugarcane scientists, the progress actually achieved has been utterly disappointing. It was as early as in February 1954, it will be recalled, that the second biennial conference of sugarcane research and development workers in the Indian Union, at its session held in Jullundur, had adopted a special resolution urging the Central and State Governments and the Central Sugarcane Committee to take immediate and concrete steps in the direction of soil survey. It had been stressed at the conference that Soil Advisory Service must be developed where the cultivator can turn to for advice in the matter of variety to plant, the kind and quantity of manure and fertilisers to add, and time of their application and, when irrigation facilities are available, the quantity of water to apply. It had further recommended that an intensive survey of cane areas should be completed within three years, so that early benefits could accrue to the cultivators. In fact, the Conference had emphasised that, in the States where soil survey and soil advisory service had not yet been initiated, they should be taken up without further delay.

Two years had elapsed after this resolution, but there was no progress at all. At its fourth meeting held in March 1956, the Development Council for Sugar Industry drew pointed attention to the need for undertaking soil survey work in factories. The matter was further considered by the Central Sugarcane Committee. The Committee was of the opinion that the soil survey work was of the utmost importance. It urged that the services of the factory chemists should be utilised and, if necessary, they should be given adequate training to take up the work. With this end in view, the Committee had even arranged for the training of factory chemists in soil survey at the Indian Institute of Sugarcane Research, Lucknow. But the response from sugar factories to the offer of training has been very poor. Mr. Puri made particular reference to this and revealed that the demand received so far was only for the training of 38 chemists. Mr. Puri called upon the sugar factories to avail themselves of the facilities offered and have the soils of their zones analysed by their staff.

A New Technique

One of the important aspects of soil survey work relates to the categorisation of cane soils in the tropics and sub-tropics. In these regions, the diagnostic characteristics, Dr. B. K. Mukerji opines, may have to be very different from those recognised for classification in temperate countries. In his considered opinion, there is need for thoroughly investigating the phosphate requirements of cane crop in different soils and correctly placing the phosphate for the proper uptake of that nutrient by the growing crop. He has suggested the adoption, wherever possible, of the new technique which is now being developed for studying the nitrogen and phosphatic contents of soils by observing the reaction of radio isotopes. The technique will help arrive at a satisfactory solution of the entire problem of the nutrient requirements of the cane crop under varying environmental and cultural conditions.

In view of the vital role which soil survey work plays in the sugarcane economy thus, the sugar factories will do well to devote greater attention to the problem. Instead of each factory doing the work, it will be better if it is done on a regional basis and the regions may be supplemented by a special body of sugarcane soil workers not merely for co-ordinating the data available in the different regions but also for standardising the methods of cane soil survey and analysis.

NEW SUGAR MILLS IN BELGAUM

The Belgaum district of Mysore State will have two co-operative sugar factories in the not distant future. One of them will be located at Sankeshwar and the other at Mugutkhanhubli on the bank of the Malaprabha river. The Sankeshwar factory has already been registered and the first meeting of shareholders was held recently. The capital outlay of this venture is put at Rs. 80 lakhs, of which about Rs. 9.63 lakhs have already been collected, mainly from agriculturists. The Government of Mysore has agreed to contribute Rs. 10 lakhs to the share capital. The Industrial Finance Corporation of India is expected to grant a loan of Rs. 50 lakhs and the State Apex Co-operative Bank Rs. 20 lakhs. The proposed factory will have a daily cane-crushing capacity of about 1,000 tons.

As regards the Mugutkhanhubli factory, a preliminary meeting was held at Belgaum last month. At this meeting, nearly a lakh of rupees was collected. Efforts are being made to raise more funds towards the share capital.

SUGAR PRODUCTION AND STOCKS

The aggregate production of sugar in India during the 2½ months ended 15th January 1957 was 620,000 tons, as against 528,000 tons in the corresponding period of the previous season. Despatches of sugar during the same period amounted to 382,000 tons, as against 303,000 tons a year before. Stocks with factories as on 15th January 1957 aggregated 765,000 tons, which represent a rise of 128,000 tons as compared with the same period in 1955-56.

Out of the total production of 620,000 tons in the aforesaid 2½-month period, about 176,702 tons have already been released for sale in the free market. Of this quantity, the share of the Deccan sugar mills is 23,325 tons.

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CLASSIFICATION OF COAL

I. S. I. FIXES TENTATIVE STANDARD

THE Indian Standards Institution has published an Indian Standard General Classification of Coal (tentative). This work provides a revised scientific classification of coal based on calorific value, ash content, moisture and coking property. It aims at fixing the types and grades suited for various purposes and is intended to rationalise the utilisation of coal in the country.

This Indian standard was adopted by the I.S.I. on 27th December 1955 on the endorsement, by the Chemical Division Council, of the draft finalised on 4th November 1955 by the Solid Mineral Fuels Section Committee. The work on this standard was undertaken on the advice of the Planning Commission, Government of India, which pointed out the desirability of the classification of Indian coals and the scope for its application. The Coal Grading Board, set up on the recommendation of the Indian Coal Committee, in 1925, it will be recalled, drew up a classification of Indian coals, but it was mainly for purposes of export. Subsequently, in 1944, the Coal Commissioner drew up a revised specification applicable to all coals. The Planning Commission, however, felt that a revised scientific classification should be introduced based on calorific value, ash content, moisture and coking property. It also desired that the classification should aim mainly at fixing the types and grades suited for various purposes and thus depend upon the uses to which the coal is to be put. This question, the Commission said, should be referred to a technical committee of experts familiar with Indian coals and with scientific classification in other countries. Such a classification, it added, would assist in controlling distribution and allocation of coal for different industries, as also make it possible to buy and sell in accordance with specifications.

The object of working out the standard was to evolve a classification which would enable those concerned to allocate coals rationally and to draw up specifications for the different types, qualities, sizes, etc., in the light of consumers' requirements and of the coals available in the country. It may be noted, in this connection, that the three main issues which decide the value of coal are: (*a*) the nature of the purely combustible or organic part of the coal, (*b*) the nature and quantity of impurities present, and (*c*) the size of the coal. The latest standard evolved by the I.S.I. is concerned mainly with the first of these factors, namely, the different types of pure coal substance.

Three conditions have been prominently kept in view in preparing the standard. They are: (1) the classification should make it possible to place a coal, after testing, in the right group in the classification table, i.e., to state the correct type and sub-division in terms of basic or inherent properties; (2) when there is a question of using coals for a given purpose, such as steam raising, manufacture of metallurgical coke, etc., it should be possible to specify the categories of coal which are suitable or unsuitable, or suitable only under certain conditions; and (3) the classification should not be so detailed as to be cumbersome and complicated.

The Committee responsible for the preparation of this standard had before it a number of papers relating to the proposals in other countries, including the work so far done by the Working Party dealing with the classification of European coals under the ægis of the E.C.E. Coal Committee, and on the proposal for an International Scientific System of Hard Coal Classification. (The E.C.E. has since published the report of the Working Party on International Classification of Hard Coal—*vide* page 172 of *Commerce* dated 26th January 1957.) The Committee had also a document issued by the Economic Commission for Asia and the Far East on proposals for classification of coals in Asia. It was found that the scheme for classification of coals in the U.S. was simple and yet scientifically systematic and flexible to serve as a basis for the scheme to be drawn up for the classification of Indian coals. Naturally, the kinds of coal available in India and the uses to which they should be put have been the main deciding factors in the preparation of the Indian standard.

The standard prescribes a general classification of coals in India. The three main types of coal dealt with in this standard are: anthracites, bituminous coals and lignites. There is also another type of coal, named cannels, but this is rare in India. Anthracite is a hard, compact variety of coal, almost pitchlike in appearance, but frequently showing striations. It breaks with irregular fracture, does not soil the fingers and is difficult to ignite. But when ignited, it gives intense local heat, the flame being short and nearly non-luminous. Anthracite does not coke. True anthracite does not occur in India and semi-anthracite is practically unknown. Bituminous coals are the usual coals of commerce. They burn with a yellow, often smoky, flame. They are bluish black to greyish black in colour and are usually banded, that, is, made up of alternating bands of different thicknesses of shiny coal. Lignite or brown coal is probably an intermediate stage in the formation of black or bituminous coal from peat. Lignites are usually chocolate brown in appearance, but may be light brown or even black. In their natural state as mined, the moisture constitutes often one-half to two-thirds of the material. The moisture in lignite is reduced on exposure to air to 15-20 per cent. and the lignite then tends to go to slack and become powder.

The following table shows the general classification of Indian coals and their chief uses:

Type	Group	Group symbol	Chief uses
Anthracites.	Anthracite ..	A1	Gasification, producers, domestic stoves and where intense local heat and no smoke are essential.
	Semi-anthracite	A2	
Bituminous.	Low volatile (caking).	B1	Carbonisation for metallurgical coke. Typical coking coals.
	Medium volatile (caking).	B2	
	High volatile (caking).	B3	Coking coals, gas coals, gasification.
	High volatile (semi-caking).	B4	Gas coals, gasification, long flame heating.
	High volatile (non-caking).	B5	Steam-raising, gasification, long flame heating.
Sub-bituminous.	Non-caking: Slacking on weathering.	B6	Steam-raising and gasification.
Lignites or brown coals.	Normal lignite	4	Steam-raising, briquetting, gasification, distillation.
	Canneloid lignite.	L2	

Note.—All coals may be used for combustion purposes, for example steam-raising. Minor plant adjustments may be required for good efficiency, especially with low volatile coals, such as A1, A2 and B1.

The nature and composition of the organic matter of coal basically determine the suitability of a coal for a particular purpose. All coals, however, contain impurities which limit the usefulness of the coal for service in a particular application. These impurities affect principally commercial grading which is based on questions of purity of coal and not on the type of the coal substance. The practical advantage of the method of classification used by the I.S.I. is that it is possible to assess the type and properties accurately by the ordinary tests, which can be conducted without difficulty in laboratories possessing the usual equipment.

In deciding the usefulness of a coal for a particular purpose, the I.S.I. has devoted its attention to (1) the type, as indicated by the nature of the coal substance, i.e., the unit coal; (2) impurities—the amount and nature of impurities present; (3) availability—one is frequently compelled by lack of transport facilities or by considerations of overall economy, to make use of a local coal, although it may not be ideal for the purpose; and (4) size of coal—in order that certain plant may operate at high efficiency, size specification within close ranges is necessary.

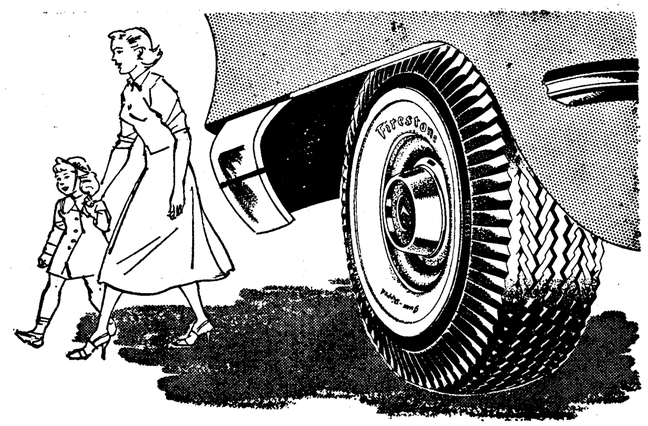
The present standard has, however, been kept tentative for a period of three years, since the subject is engaging the attention of coal technologists and coal consumers in many countries, as also since extensive plans for rapid industrialisation are being made in India. At the end of three years, it is intended to review the matter again, in the light of experience gained and of the changes in the technique in the use of coal that may develop in the meantime.

KORBA COALFIELDS

That the Korba coalfields in Madhya Pradesh is rich in coal and can be developed to produce 4 million tons per annum by 1960-61 is the considered view of the team of Russian experts. This view is expressed in a report submitted by the team to the Union Ministry of Production last week-end. The Russian experts are also of the opinion that conditions in Korba for carrying out coal mining operations through mechanised processes are quite favourable and that the coal produced at the Korba coalfield should be washable by the wet process.

It is expected that the equipment needed for conducting quarrying operations could be made available in 1958 and that for mining operations in 1959-60, so as to enable the attainment of production target of 4 million tons per annum—2 million tons by mining and 2 million tons by open cut—before the end of the second Five-year Plan period. The Russian experts' conclusions are said to be broadly on the lines of those of the Indian team which had investigated the problem much earlier.

The Russian experts' report will be studied by the Indian experts and the Union Ministry of Production to decide on the further steps necessary to implement the scheme. Already, mining operations in two mines in Korba are going ahead and work on another will be taken up shortly.



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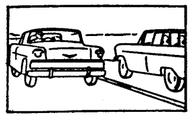

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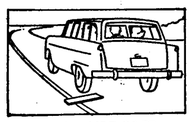

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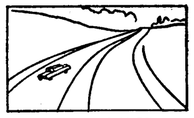

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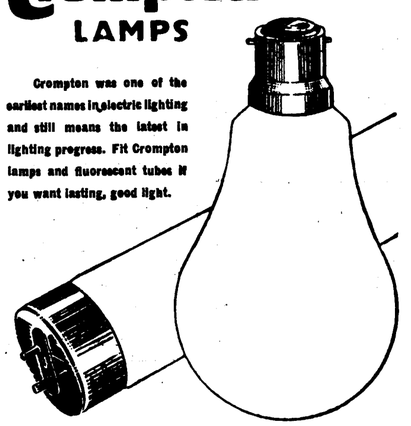

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RESISTANCE TO HIGHER PRICES

THE Indian coffee crop during the current season is expected to exceed 36,000 tons, as against the present record quantity of 33,400 tons in 1955-56. In fact, coffee production has increased considerably during the past 15 years, from 14,226 tons in 1940-41 to 33,400 tons in 1955-56. Notwithstanding this expansion, India's production constitutes only one per cent. of the total world production. The Coffee Board has, however, evolved a 15-year scheme for further expansion of coffee production to about 70,000 tons. Even such an expansion in output is not likely to influence world supplies and prices to any noteworthy extent, because the increased output at the end of 15 years will hardly constitute 2 per cent. of the world total, assuming that the present level of world production will remain constant.

While India thus does not have much influence on world coffee trade, its export trade in this beverage commodity is influenced considerably by world marketing conditions, in striking contrast to its domestic trade which is sheltered from any violent movements in world prices, thanks to State control. So far as the current year is concerned, an increase in world price of coffee is expected, because all estimates point to a substantial decline in world crop for 1956-57. The reduction is expected mainly from Brazil, the leading coffee-producing country in the world, where the crop is said to be poor. Production in Colombia and other countries, which produce mild coffee, is expected to be better, but this will not make good the fall in output from Brazil. This does not mean that growers in these countries can look forward to a boom in coffee, for any sharp rise in prices is likely to be resisted by consumers, who have become more and more price-conscious nowadays. The experience of the U.S. retail trade during 1956 shows how far higher prices affect consumption.

In the U.S., the world's leading consumer of coffee, consumption of coffee rose to touch a record level during 1956; this increase was due to two factors, namely, a rise in population and lower average prices than in the previous two years. In 1954, the retail price of coffee soared and there was a reduction in sales on account of consumer resistance. Prices started to decline in 1955, but it was not until late in the year that the housewife began to buy normal quantities. Again, in 1956, the retail prices rose by 17 cents to $1.13 per lb. by September. The first break in prices for the year occurred in November, with an average drop of 3 cents per lb. The retail price at any time during the past year was higher than that at the close of 1955, but the average price for 1956 was lower than that for the previous year.

The housewife in the U.S. is not averse to any rise in coffee price so long as it is in keeping with the behaviour of other commodities. During the past year, she was willing to follow up coffee prices, because there was a general increase in prices of all other commodities. The rise in coffee prices was gradual and not sharp and sudden as in 1954. It was generally felt that substantial consumer resistance would manifest itself when the retail price-level crossed $1.15 per lb., but this level was not reached. No doubt, there was a cut in purchases by some consumers at every rise in prices, but the decline in consumption was negligible in the overall picture. In other words, the total consumption did not suffer any recession.

The increase in price during 1956 was largely due to the higher cost of mild coffee grown in Colombia and Central American countries. The price of the basic Brazilian variety, Santos 4, was relatively steady, with the result that the price differential between the milds and the Brazilian grades widened. Normally, the Colombian varieties command a premium of 3 to 4 cents per lb. over the Santos 4, but, in 1956, it widened to over 20 cents per lb. The Colombian mild coffee is generally considered a better grade than the Brazilian Santos 4 and the two are blended to produce most of the coffee consumed. If, therefore, a greater proportion of milds is used in the blend, the coffee will be more expensive. The steady rise in prices of green Colombian coffee forced the roasters to put up their prices. When the price of roasted coffee goes up, there is an increase in retail prices. The rise in prices of Colombian coffee was due to a fall in crop, which was affected by adverse weather conditions. Towards the end of the year, new supplies began to arrive from Colombia and other Central American countries and the pressure of arrivals pushed down the prices.

Though the total consumption in the U.S. rose to a record level in 1956, the *per capita* consumption still lagged behind the high of 23.3 lbs. of green coffee consumed in 1949. It was, however, slightly higher than that of 21.4 lbs. touched in 1953. In 1954, the *per capita* consumption declined to 18.7 lbs. on account of the high prices, and it rose slightly to 19.6 lbs. in 1955.

An interesting feature of coffee consumption in the U.S. is the growing use of soluble or instant coffee, which has gained popularity after World War II. Thus, the soluble coffee which accounted for 8.1 per cent. of the coffee consumed at home in 1951, rose to 12.3 per cent. by 1953, 13.4 per cent. in 1954, 18.5 per cent. in 1955 and 20 per cent. in 1956. In other words, in just five years, the intake of soluble coffee more than doubled. This shows that Americans are not very fastidious about their taste for coffee and that, though the flavour and aroma of soluble coffee may not be as enjoyable as those of freshly ground coffee, they do not mind this drawback. So important are time and labour-saving devices for them.

In the current year, the total consumption in the U.S. is likely to increase, on account of the growth in population and national income, but the *per capita* offtake will depend, to some extent, on prices, which, as already pointed out, can be expected to go up, in view of the anticipated fall in world crop.

There is, however, a growing number of coffee-producing countries bidding to enter the world coffee market, the latest one in the line being New Guinea, part of East Indies. This country is now selling coffee extensively in Australia and small shipments have been well received in Britain, West Germany and Japan. Experts have graded the territory's product as "good mild." According to a leading exporter of New Guinea's coffee and cocoa, coffee has become a very valuable export industry for New Guinea and, within a few years, it is expected to be developed into something really big with world-wide markets.

Though the Indian coffee industry has to depend, to a large extent, on the domestic market, it can develop its export market, provided it improves the quality of its product and supplies the best quality to foreign consumers. A concerted effort in this direction by the Coffee Board and the growers will pay rich dividends to the country.

TEA CESS IN CEYLON

The Prime Minister of Ceylon reiterated in his weekly Press Conference last week that the question of nationalisation of tea estates was unlikely to be taken up at an early date. Meanwhile, the Minister of Trade and Commerce has come out with a proposal to raise the cess on tea from the present rate of Re. 1.70 per 100 lbs. to Rs. 2.20 in order to provide finance for tea propaganda. According to the Minister, at least 350 million lbs. of tea are exported annually, so that an increase in the cess to the extent recommended by him will yield an additional sum of Rs. 1.75 million. The decision of the Government on the Minister's proposal is not known at the time of writing.

The Coffee Board has released for export 1,325 tons of coffee out of the 1956-57 crop. This quantity will be made up of 971 tons Plantation 'A', 150 tons Plantation 'B', 119 tons Plantation Triage and 85 tons Arabica Cherry flats.

(Concluded from next column)

The following table, showing the statistics of gunny shipments, gives an idea of the extent to which they have contributed to the rise in stocks:

(In tons)

	January 1957	December 1956	January 1956
Hessians ...	39,195	39,619	23,946
Sackings ...	31,380	34,091	28,724

The above figures include coastal shipments and represent gross figures based on shipping bills presented. It will be noted from them that shipments of hessians have not suffered to any notable extent, while those of sackings have declined perceptibly.

STOCKS OF JUTE GOODS

SHARP RISE IN HESSIANS

JUTE shares on the Calcutta Stock Exchange have been attracting some attention during the past two weeks and business is reported at higher levels. The change in sentiment is attributed to reports that the industry's position in regard to raw material is no more discouraging and that there is no fear of any squeeze in the supply position at the end of the current season. There is a widespread belief in market circles that the combined yield of jute and mesta during the current season, along with the carryover stocks from the previous season, would be sufficient to meet the requirements of Indian mills and that the latter might manage without any further supply from Pakistan till the new crop arrives.

In the meantime, there has been a perceptible fall in raw jute prices in Pakistan also, which has engendered a similar trend in Calcutta as well. The weakness of the Pakistani raw jute market is due to accumulation of stocks with traders on account of some unexpected developments. The market was paralysed by the strike on 26th January last in observance of "Kashmir Day." This was followed by a strike on the 28th in the Adamjee Mills, one of the largest buyers of the fibre, with the result that there was more jute on offer in the market. There was also a report that on account of the stringency in the money market in Pakistan, banks are refusing to give more accommodation to balers.

Substitutes

It, however, remains to be seen how far the decline in raw jute prices would prove beneficial to mills by enabling them to produce goods at prices which will not only attract more foreign inquiries but render such goods relatively more attractive as compared with substitutes used for packing. In fact, if the present trend in raw jute prices in Pakistan continues, there is a chance of that country emanating as a stronger competitor to India in foreign jute goods markets.

The fall in raw jute prices in the last two weeks has not, however, proved to be a bullish factor for the manufactures section of the market. On the contrary, jute goods have been a little depressed, due to absence of inquiry from overseas. The Government of India, no doubt, placed orders last week for 19,000 bales of B. twills but this factor, apart from imparting a temporary boost, failed to arrest the recession. In fact, the trend gained further momentum with the announcement of the stock figures as at the close of January by the Indian Jute Mills Association. The stocks of manufactured goods at the end of last month showed a rise of 8,400 tons, as compared with those at the close of December 1956, and of 25,700 tons over those a year ago, as the following table indicates:

(In tons)

	As on 31st Jan. 1957	As on 31st Dec. 1956	As on 30th Nov. 1956	As on 31st Jan. 1956
Hessians	23,900	19,700	24,700	25,000
Sackings	68,500	64,700	67,100	45,300
Others	11,700	11,300	9,900	7,500
Total ..	104,100	95,700	101,700	78,400

The rise in stocks is probably due to an increase in production and a fall in offtake, particularly from overseas countries, where consumers have put off their purchases following the improvement in the international political situation. With the increase noted above, the downward trend in stocks witnessed in the previous three months has been reversed and stocks stand at the highest level since the end of October last.

Rise in Hessian

The bulk of the increase in stocks is accounted for by hessians which have gone up by no less than 4,200 tons, thus nearly offsetting the decline of 5,000 tons which occurred in the previous month. Notwithstanding this rise, hessian stocks are still lower than those at the end of November last—albeit by a small extent—and those a year ago. Sackings, which still constitute the bulk of the total stocks, have gone up by 3,800 tons to the highest level in the past three months. At 68,500 tons, they represent a rise of 23,200 tons over the year. Stocks of "other manufactures" have gone up by only 400 tons, but this has served to maintain the upward trend since the end of July last, when they amounted to 6,200 tons. It will thus be seen that the stocks of these varieties have mounted up by nearly 90 per cent. in six months.

(Continued in previous column)

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POSITION OF AUTOMOBILE INDUSTRY

EVEN PROGRESS FOR ALL MANUFACTURERS OF PASSENGER CARS UNLIKELY

THE automobile industry in India consists of eight approved manufacturers. These are: the Hindustan Motors Ltd., Calcutta; the Premier Automobiles Ltd., Bombay; the Standard Motors Products of India, Ltd., Madras; Ashok-Leyland Ltd., Madras; Mahindra and Mahindra Ltd., Bombay; Tata Locomotive and Engineering Company, Ltd., Bombay; Simpson & Co., Ltd., Madras, and the Automobile Products of India, Ltd., Bombay. Of these, the first six are manufacturers of vehicles, while the last two are scheduled to make only diesel engines. It will thus be seen that Bombay accounts for four companies, Calcutta for one and Madras for three. As T.E.L.Co.'s factory is in Jamshedpur (in Bihar), Bombay has only three factories, the same as in Madras. But the aggregate productive capacity of factories in Madras is much smaller than those in Bombay as well as that of the Hindustan Motors at Calcutta.

The following statement shows the annual assembling capacity, on a single-shift basis, of the six approved manufacturers of vehicles, as declared by them in their memoranda to the Tariff Commission:

Hindustan Motors Ltd.	18,000
Premier Automobiles Ltd.	12,000
Standard Motor Products of India Ltd.	6,000
Tata Locomotive and Engineering Co., Ltd.	7,500
Ashok-Leyland Ltd.	1,500
Mahindra and Mahindra Ltd. ...	4,800
Total ...	49,800

Since the foregoing statement was submitted, the Premier Automobiles has taken steps to raise its assembling capacity to 18,000 per annum. An important point that requires to be noted, in this connection, is that the assembling capacity of a unit is generally more flexible than its manufacturing capacity and can be stepped up at short notice and without incurring substantial additional expenditure. The Tariff Commission is of the view that the assembling capacity in the country as mentioned above is sufficient to meet the future demand estimated by it.

Messrs. Simpson & Co., Ltd., and the Automobile Products of India, Ltd., have assembling capacity for diesel engines. The former is equipped to assemble 850 Perkins engines per month, that is, 10,000 engines per annum on a single-shift basis, while the latter claims to have a capacity to assemble 3,000 Meadows engines per annum on double-shift basis.

A brief reference may now be made to the position of each approved manufacturer as found by the Tariff Commission during its investigation last year.

Hindustan Motors

The Hindustan Motors Ltd., Calcutta, is under the management of Messrs. Birla Bros., Ltd. It has permission to manufacture a light car, a big car and medium petrol truck. It has agreements with Morris Motors (Britain) for the manufacture of Hindustan cars and with the Studebaker Corporation for the manufacture of Studebaker cars and trucks. The factory is situated in the district of Hooghly, eight miles from Calcutta. It started with a body shop, paint shop, assembly shop, machine shop, tool room, heat treatment shop, electroplating shop and a laboratory; a foundry and a forge shop were subsequently added. Considerable additions to the tool room and machine shop have also been made. The Company has made appreciable progress in its manufacture of engines for the Landmaster car. It now makes most of the important components of the engine, with the exception of electrical accessories, fuel pump, carburettor, air cleaner, gaskets, main bearings, radiator assembly, exhaust muffler, fuel tank, fuel lines and ventilator. It makes all the components of gear boxes, except oil seal and synchroniser parts. The rear axle, including differential and the front suspension, are also made, the only two items imported for their assemblies being oil seals and bearings.

The Company has a licence for manufacturing Baby Hindustan cars and submitted a programme to the Government four years ago which was approved by the Government as early as in November 1953. But it has not yet made a beginning with this manufacturing programme, as its foreign associates propose to introduce a completely new model of that engine, transmission, etc. As a result, no fresh licences have been issued to the Company for importing Baby Hindustan cars since January 1956.

As regards the Studebaker car and truck, the Company is making only fly-wheel, starter gear wheel, water pump body, fan drive pulley, and piston pins for its V-8 engine. It is also machining imported semi-finished components, namely, connecting rods, timing gears, rocker shafts, rocker levers, exhaust and intake manifolds and piston assembly.

According to calculations made by the Tariff Commission, about 43.7 per cent. of the value of Landmaster (on the basis of c.k.d. pack ex-factory, U.K.) is manufactured by the Hindustan Motors. If account is taken of such items as tyres and tubes, batteries, etc., which are made in India, and the cost of paint and other non-assembly allowances, about 56.8 per cent. of the value of the Landmaster (on the aforesaid basis) is made indigenously. These are the highest percentages attained by any of the domestic manufacturers.

The progress of the Hindustan Motors in the manufacture of Studebaker trucks and cars is very much behind that of Landmaster cars. As against 2,360 Studebaker trucks produced by the Company in 1955 and 733 in the first four months of 1956, only 308 and 616, respectively, contained some of the parts made by it. No indigenous engine components were used in the assembling of the remaining trucks, which were fitted with wholly imported engines. Similarly, all the Studebaker cars were fitted with imported engines. In other words, the Company is making only a small part of the components required and even that is not adequate to cover the needs of all the trucks that are assembled by it.

Since the Company proposes to manufacture the engines for Hindustan Baby car on the Landmaster version of new engines and as the Tariff Commission seems to be satisfied that this arrangement will be economical to both the Baby and the Landmaster cars, it has recommended, and the Government has agreed, that its licence for making Baby cars should not be withdrawn. The Commission has, however, turned down the proposal of the Hindustan Motors to manufacture four-wheel drive Land Rover cars, though it has no objection to the manufacture of a two-wheel drive version of the Land Rover, provided no technical difficulties are involved. It has also refused to support the Company's move to manufacture automobile diesel engines. The Government has endorsed these views of the Commission.

Premier Automobiles

The Premier Automobiles' factory is situated at Kurla on the Bombay-Agra Road. The Company has manufacturing programme for Dodge cars, Dodge trucks and Fiat 1100. It has agreements with the Chrysler Corporation in the U.S. for the manufacture of Chrysler, Dodge, De Soto and Plymouth cars as well as Dodge, De Soto and Fargo trucks, with Dodge Brothers (Britain) Ltd. of the U.K. for the manufacture of the last mentioned trucks, and with Fiat Societa Per Azini, Italy, for the manufacture of Fiat cars. It has also agreements with Monroe Auto Equipment Company of the U.S. for the manufacture of shock absorbers and with Rockwell Spring and Axle Company of the U.S. for Timken axles.

The Company has an assembly line, paint shop, body building department, press shop, machine shop, tube manufacturing plant, heat treatment department, transmission department, shock absorber department, forge shop, heavy press shop and pickling department. It has also a foundry at Wadala, six miles from the main factory.

The Company has, according to the Tariff Commission, made satisfactory progress in the manufacture of Dodge engines for which the cylinder heads and cylinder blocks are machined in its machine shop, while certain important forgings also are made in the factory. It has not yet started making castings for cylinder heads or cylinder blocks. It has developed important components for Dodge engines with the exception of electrical accessories, fuel pump, carburettors, gaskets, bearings and H.T. nuts and bolts. It makes all the components for gear box, except oil seals and synchroniser parts, as also propellor shafts, universal joints and chassis frame (including side members) for its trucks.

In the case of some of the assemblies mentioned above, the Company supplements its production by imports as and when required. It makes its own radiators, leaf springs, mufflers and exhaust pipes. Of late, as the demand for diesel commercial vehicles is steadily increasing, the Company is converting its petrol trucks into diesel-driven vehicles by fitting Perkins P-6 diesel engines supplied by Simpson & Co., Ltd., Madras. Recently, the Company has imported a few Deutz air-cooled diesel engines also. The Company has not made any great progress in the manufacture of Fiat 1100. Recently, it has submitted a revised programme of manufacture, which is under the consideration of Government.

The Company sought permission to manufacture Fiat 600, a Baby car, and also diesel engines. The Tariff Commission has disapproved of it and the Government has concurred with the Commission.

Standard Motors

The Standard Motors Products of India Ltd. is smaller in size than either of the two mentioned above. It first received permission to manufacture Standard 8 cars; this was later replaced by Standard 10. It has a factory at Vandalur, 18 miles south of Madras. It has a machine shop and an assembly shop. A gear cutting shed is under erection and some machinery has arrived. A heat treatment section also is nearing completion. Its sister concern, Unicon Ltd., is putting up a foundry in Madras, which is expected to supply all the castings. The Company has started machining several important components. It is planning to manufacture 3,000 engines a year. It has not made any of the components for Standard 10, nor has it submitted any revised programme of manufacture. Its latest scheme for the manufacture of 112" wheelbase chassis has not found favour with either the Commission or the Government.

Ashok-Leyland Ltd., Madras, has an agreement with Leyland Motors, England, for the manufacture of heavy duty trucks. It has a five-year programme for the manufacture of Leyland Comet trucks. A beginning was made in this direction a year ago, but not much progress has been made, owing to the reorganisation of the Company.

Messrs. Mahindra and Mahindra have entered into an agreement with Willys Motors Inc. of the U.S. for the manufacture of Willys jeeps. Their manufacturing activity was to have begun in the second half of 1955 and completed in three years. But no progress has been made and they are still said to be in the planning stage.

T.E.L.Co.

Next to the Hindustan Motors and the Premier Automobiles, the T.E.L.Co. figures prominently in the Indian automobile industry. Its resources, its manufacturing programme, the growing demand for diesel trucks, and its success in obtaining the collaboration of the world-famous Daimler Benz A. G. of West Germany entitle it to a bright future; it will not be surprising if, in the near future, it puts in the shade all other automobile manufacturers in the country. The Company is permitted to manufacture 3- to 5-ton class diesel vehicles. Its programme includes the manufacture of frames, front axles, springs, fuel tanks, pedals, control system, brakes, exhaust system, sheet metal parts and other related work in the first stage of manufacture which started on 1st November 1955. The Company proposes to take up the manufacture of engines at the last stage which will be completed in October 1959. Its application for permission to manufacture 6.M. 636 Mercedes-Benz diesel engine and related vehicles, including passenger cars, has failed to get the support of either the Tariff Commission or the Government.

Messrs. Simpson & Co., Ltd., have an agreement with F. Perkins Ltd. London, for the manufacture of P.6 light automobile diesel engine. This Company expects to complete the machining and assembling of all the components, except the proprietary parts, very soon. Indeed, according to its version to the Tariff Commission, it must have completed this programme by now. It has no plans yet for the manufacture of castings and forgings. It is expected to import 9,000 complete engines in the 12 months ending September 1957, as compared with its projected output of 3,000 partially manufactured engines. The refusal to accord permission for the manufacture of automobile diesel engines to the Hindustan Motors and the Premier Automobiles ensures for the Company an assured market for its engines and also throws on it the responsibility to fulfil its manufacturing programme efficiently and within the specified time limit.

(*Continued on page 337*)

NEW PRODUCTS AND PROCESSES

Control of Humidity

PHILLIPS N. V. of the Netherlands has developed a new hygrometer consisting of a precision mercury thermometer for determining the ambient temperature, and a dew-point thermometer, the action of which is based on the hydroscopic properties of lithium chloride. When a tube covered in glass wool and wound with two silver threads is soaked with lithium chloride, an electrolytic contact will be made between these threads if they are connected to the electric light main via a transformer. This produces heat, as a result of which the moisture evaporates and the current decreases, so that a state of equilibrium arises between the vapour tension of the lithium chloride and the water-vapour tension of the ambient air at a temperature which is higher than the ambient one. With the aid of a nomograph which is included the relative humidity of the air can be determined from the difference in temperatures. The measuring range of the two thermometers lies between —10°C and +60°C. The accuracy exceeds ±0.2°C for temperature measurement and exceeds ± 1°C for dew-point determination; the maximum permissible air velocity is 0.5 m/sec. The instrument requires little maintenance, consumes a minimum of current, is insensitive to dust and is not subject to wear. This hygrometer is suitable for use in the papermaking, textile, foodstuffs, pharmaceutical and photographic industries for instance, and also in departmental stores, cooling and drying chambers and hospitals and for meteorological purposes.

Tilting Lift Bridge

A Netherland firm "Engineering Works Marco" manufactures a lift bridge for cars by means of which it is not only possible to move them vertically up and down, but to turn them through an angle of 90° on their longitudinal axes. When the car is tilted, the gasoline and oil charging holes should be on the top; the air filter should be removed beforehand. Six rubber caps are provided for sealing the batteries. The cars are secured in two places by the chassis or by the springs. If this has not been done the car cannot be tilted. The tracks can be adjusted with respect to each other to the car's track width. The bridge is moved up or down by turning a switch to the right or left. Limit switches ensure automatic stoppage at the highest or the lowest position. The bridge is driven by a 3 h.p. electric motor. The advantages of this tilting lift bridge are as follows: The work can be seen much more readily and is less fatiguing to staff. No trouble is caused by falling dirt or oil or grease drips. Repairs and other jobs can be carried out better and more thoroughly. Customer and garage manager can easily check the work. The device is being patented in many countries.

Mushroom-shaped Electric Heater

A Netherland electrical equipment factory, Indola N.V. has produced a new type of mushroom-shaped electric heater. Owing to this shape and the 20-cm diameter built-in fan it gives an exceedingly good heat distribution. The design of the heater ensures a high degree of safety, especially where children and animals are concerned. The housing is of very sturdy construction and provided with a wire grill and a built-in fuse as extra safety. The induction motor of the fan does 1,300 r.p.m. for a consumption of 20 watts. The motor is suspended in rubber to absorb sound vibrations. The use of the heater does not interfere with radio or television. The heater can be connected to 750, 1,000 or 1,750 watts. Moreover, it can be so adjusted that only the fan works, i.e., for cooling in summer.

Heavy-duty Seeder

Agricultural specialists of the University of California in the United States are developing a new type of heavy-duty seeder which may replace airplanes in the seeding of rough land. Now being tested, the heavy-duty seeder can drill fertiliser and seed into the ground and cover the seed with earth all in one operation. Its advantages over the airplane for such operations are that it can perform the work in one step, eliminating discing of ground which is required before seed can be planted from the air; also that it uses only about one-half the amount of seed required by air seeders. The seeder weighs one ton and is mounted on wheels. It is not yet available for commercial use.

Sawdust as Cattle Food

Sawdust may be used as cattle food if recent laboratory experiments can be translated into an industrial process. The basis of the new process is the irradiation of the sawdust with radioactive isotopes. This brings about chemical changes in the sawdust converting the indigestible cellulose in the wood particles into a new form of material which the cattle can readily digest. The experiments have shown, it is claimed, that the treated sawdust can be digested by cows and other cattle and converted into sugar food in a perfectly normal manner. The problem at present is one of devising an efficient method of large-scale processing which will ensure that all the cellulose is properly converted into the digestible form. Further experiments are now being carried out towards the development of a small pilot plant process for this purpose.

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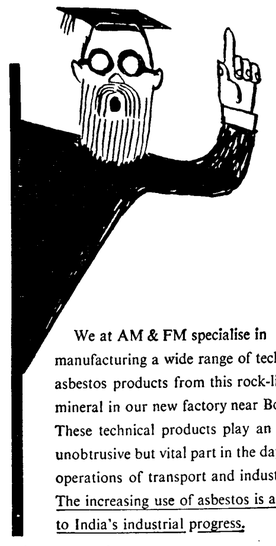

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WORKING CONDITIONS OF LABOUR IN DOCKYARDS

PROVISION MADE IN MANY UNITS TO ENQUIRE INTO GRIEVANCES

DOCK workers all over the world have, in recent years, been somewhat discontented with their conditions of service. There are few countries which have not had to face strikes and demonstrations by dock labour. Some sociologists even wonder whether there is not something in the nature of the work and conditions of living of dock workers that make them frequently restless. The workers employed in Indian dockyards are no exception to this general rule about periodic unrest in the ranks of world dock labour force. This is a matter which deserves special investigation by India's sociologists and psychologists. Perhaps, the way for such extended investigation has been paved by the Survey of the working conditions of dockyard labour, conducted by the Labour Bureau, Government of India, the results of which have been published in the latest issue of the *Indian Labour Gazette*.

The Survey is based on the replies to the questionnaire issued by the Labour Bureau to the dockyards in India. It would, however, appear that only 17 dockyards out of 22 responded to the Bureau's questionnaire. It is a pity that a few dockyards failed to reply to the questionnaire, for the Survey would have been much more comprehensive if all dockyards had responded. Be that as it may, in 1955, the 17 dockyards (three in Andhra, three in Madras, four in Bombay, one in Kerala and six in W. Bengal) which are included in the Survey, employed 36,709 workers, as against 52,809 in 1953. The fall in labour force was particularly marked in the case of contract labour. In 1953, over 18,000 workers—that is, more than 34 per cent. of the total labour force—were employed through contracts. The number declined to 1,055 in 1955 or to only 2.9 per cent. of the total labour force. The decline in the number of contract workers has been mostly in W. Bengal. The dock labour force, it may be noted here, consists predominantly of men, women constituting a mere 0.8 per cent. of the total.

Recruitment

The system of recruitment of workers prevalent in all dockyards was mostly direct and 12 out of 17 have stated that they utilised the services of employment exchanges. There was apprenticeship scheme in all the units, except four, namely, two in Madras and one each in Andhra and West Bengal. The period of training in the units varied from six months to five years. All the 13 units granted stipends to apprentices which varied from Rs. 9-12 to Rs. 200 per month. In addition, nine units gave dearness allowance and one allowed tiffin allowance at the rate of As. 4 per day. Only four units granted compensatory allowance and two units paid house-rent allowance to apprentices. Workers who had put in more than 10 years' service (till September 1955) constituted 46.8 per cent. of the total labour force. The percentage of workers who had more than five years' service to their credit was 79.4. Only 8.7 per cent. of the workers had rendered service of less than one year.

With the exception of two dockyards, where the weekly hours of work are 47½, all the remaining 15 dockyards work 48 hours a week. Most units work eight hours a day on all the six days of a week. Four units work 8½ hours and two units eight hours, 36 minutes on week days and shorter hours on Saturdays to complete the weekly limit of 48 hours. The rest interval varies from half an hour to two hours. Six units work two shifts, five units two shifts and six units one shift. The changeover of shifts is generally effected on a weekly basis.

The basic wages differ from Rs. 12 to Rs. 38 a month, while dearness allowance varies from Rs. 18 to Rs. 58-8 per month. In six units, dearness allowance is linked to the consumer price index number, in seven units it varies with income groups and in three units it is paid according to Government rates. Only in one unit is dearness allowance paid at a flat rate to all workers. One unit in Andhra pays a night shift allowance at the rate of 10 per cent. of basic wages; another unit in W. Bengal pays this allowance at the rate of 25 per cent. of the basic wage.

Other Allowances

Compensatory allowance is paid by one unit each in Bombay and W. Bengal and three units in Madras to low-paid workers. In Bombay the allowance paid varies from Rs. 5 to Rs. 15 per month, in W. Bengal it is Rs. 7-8 per month and in Madras Rs. 3 per month. One unit in Andhra pays sundry allowance (As. 10 per day), washing allowance (Re. 1 per month) to those who are supplied with uniform and ferry allowance (Re. 1-8 per month) to those who come from the town. Three units in Bombay also pay a special allowance varying from As. 10 to Re. 1 to those who are sent to work in stream on ship repair and other work. One unit in Bombay supplies woollen jersies to workers employed on ship repair work.

Special dispensaries or hospitals are maintained by 13 dockyards. All dockyards, except two, have opened canteens. In three units, they are conducted by co-operative societies of workers. In the remaining units, they are being run by contractors. The provision for creche exists only in one unit. Rest shelters have been built in five units. Schools for the benefit of workers' children are being run by the managements of three units. Scholarships for higher studies to workers' children are being granted by three units. Library and reading room facilities exist in only three units.

Grievance Machinery

It is of the utmost importance to the maintenance of industrial peace in dockyards that there should be efficient and prompt redressal of grievances. Experience in the sphere of industrial relations, in general, and in the field of dock labour, in particular, shows that even small grievances, unless they are promptly redressed, have a tendency to grow into menacing proportions. From this point of view, it is noteworthy that 16 dockyards have instituted a "grievance machinery" for purposes of redressal of the grievances of workers. In most of these units, grievances are settled either by labour officers or works committees or by both. Only in two units are they looked into directly by the management. Perhaps, some further inquiry into the working of the grievance machinery may prove valuable in that it may well throw light on efficient methods of redressing grievances of workers.

I.L.O.'S ASSISTANCE TO INDIA

An increase in technical assistance marked the activities of the International Labour Office in India during 1956. During the year, nine I.L.O. experts were in India in the fields of productivity, instructor training, manpower information and training within industry (T.W.I.). I.L.O. expert assistance in the field of productivity has been given to India on a continuing basis since December 1952. The I.L.O. mission itself recognised that the problem in a country with abundance of manpower and shortage of capital required treatment on a wholly different basis from other countries where conditions are the reverse. The Mission said: "Emphasis must, therefore, be placed upon productivity improvements requiring little or no new investments and not involving retrenchment or increase in unemployment." It, however, required a good deal of discussion before trade unions could agree that this was possible. Last year, the Mission was busy in organising the work of the National Productivity Centre, set up by the Government of India, at Bombay, as well as with work connected with productivity in certain industrial projects. Remarkable results, it is stated, were achieved in a productivity project at the central workshops of the Bombay State Transport. All-round increases in productivity were achieved through improved layout, handling and other devices. A similar project is now under way at the workshops of the Delhi Transport Service. Fellowships were awarded to two Indian officials for studies in productivity.

Three experts from the U.K. assisted in the reorganisation of the Central Instructors Training Institute of the Union Ministry of Labour, at Koni-Bilaspur. This institute, it may be mentioned here, was established, because the Government found that it could not expand training facilities without adequate supply of instructors. The Institute, which was set up in 1949, has a capacity of 140 seats in 10 trades. By June 1955, it had turned out 1,375 instructors. During the period of the second Five-year Plan, it has been decided to train three times as many instructors and also to establish another institute for training instructors. The I.L.O. is also assisting the Institutes in the matter of equipment.

Two I.L.O. experts have rendered assistance in implementing the programme of Training Within Industry (T.W.I.). Even before the first expert on T.W.I. arrived in India, the Asian Office of the I.L.O. at Bangalore, had initiated the development of T.W.I. programme in India in collaboration with the Ahmedabad Textile Industry Research Association. The T.W.I. project in India was evolved out of this preliminary work. The Government of India asked two experts, the first of whom was assigned in August 1953, to work in the Ahmedabad area. In addition to training a large number of T.W.I. trainees to ensure a systematic introduction of T.W.I. programme in interested mills, he gave special coaching to an official of A.T.I.R.A. who was later given an I.L.O. fellowship for the study of T.W.I. programmes in the United Kingdom. He also conducted a T.W.I. project in Baroda and later gave assistance to the Associated Cement Companies Ltd., with a view to introducing T.W.I. programmes in their network of establishments. The second expert, who arrived only in November 1954, organised and conducted T.W.I. Institutes for industrial and other establishments in Madhya Pradesh. Both the experts helped in meeting demands from South India for assistance in introducing T.W.I.

When the experts left in the summer of 1956, after completing their assignments, they had trained officers for approximately 100 establishments in industries such as textiles, steel, engineering, chemicals, cement, oil and mining. Some 5,000 supervisors had been trained in the programmes of T.W.I. An organised follow-up scheme was being used in more than 50 firms. By the end of the experts' mission in August 1956, about 10,000 industrial supervisors had received T.W.I. supervisory training in India. The Indian Ministry of Labour has set up a T.W.I. centre in Bombay, which is responsible for the introduction and development of the T.W.I. programme in the country. The experts have trained counterpart officials who will also be trained under I.L.O. fellowships.

It was not all one-way traffic. India also provided experts for technical assistance in other countries. Mr. N. K. Adhyanthaya is at work in Indonesia in the field of labour statistics. In the Philippines, Mr. K. Ramaiah completed a project in co-operation. Mr. M. A. Meccai and Mr. S. M. Ali were at Afghanistan and Ceylon, respectively, for assistance in the organisation of handicrafts and small-scale industries. Besides, India offered training facilities for 15 I.L.O. fellows from Burma, Japan, the Philippines, Thailand and Egypt in the fields of personnel management, employment policy, all kinds of co-operation, family living studies, social security and labour administration. An Asian Regional Training Course in Co-operation was also held at Mysore during November 1956.

The New Delhi Office of the I.L.O., besides its normal work of maintaining close contacts with the Government, employers and workers in India and publicising the I.L.O.'s activities, brought out two publications during the year.

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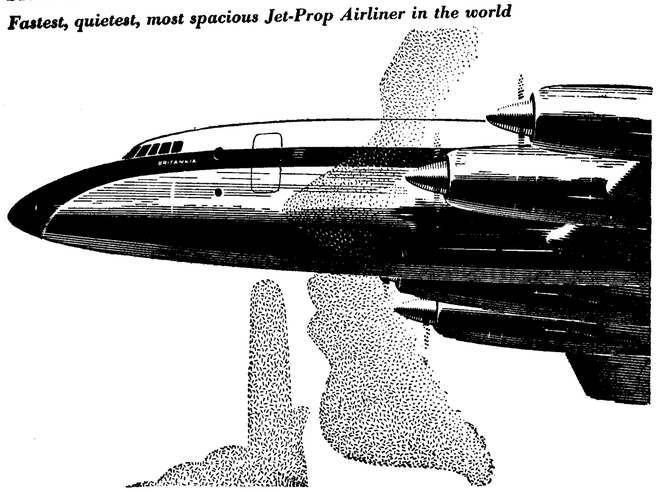

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EMPLOYEES PROVIDENT FUNDS

RELEVANT SECTIONS OF COMPANIES ACT ANALYSED

By Premjus Roy

THE Companies Act 1956 contains the following provisions in respect of provident funds of employees:

"418. *Provisions Applicable to Provident Funds of Employees.*—(1) Where a provident fund has been constituted by a company for its employees or any class of its employees, all moneys contributed to such fund (whether by the company or by the employees) or according by way of interest or otherwise to such fund, shall be either deposited in a Post Office Savings Bank account or invested in the securities mentioned or referred to in clauses (a) to (e) of section 20 of the Indian Trusts Act, 1882 (II of 1882):

"Provided that where one-tenth part of the whole amount of the moneys belonging to such fund exceeds the maximum amount which may be deposited in a Post Office Savings Bank account under the rules regulating such deposits for the time being in force, the amount of such excess may be kept or deposited in a special account to be opened for the purpose in a Scheduled bank.

"(2) Notwithstanding anything to the contrary in the rules of any provident fund to which sub-section (1) applies or in any contract between a company and its employees, no employee shall be entitled to receive, in respect of such portion of the amount to his credit in such fund as is invested in accordance with the provisions of sub-section (1), interest at a rate exceeding the rate of interest yielded by such investment.

"(3) Nothing in sub-section (1) shall affect any rights of an employee under the rules of a provident fund to obtain advances from or to withdraw money standing to his credit in the fund, where the fund is a recognised provident fund within the meaning of clause (a) of section 58A of the Indian Income-tax Act, 1922 (XI of 1922), or where the rules of the fund contain provisions corresponding to rules 4, 5, 6, 7, 8, and 9 of the Indian Income-tax (Provident Funds Relief) Rules.

"(4) Where a separate trust has been created by a company with respect to any provident fund referred to in sub-section (1), the company shall be bound to collect the contributions of the employees concerned and pay such contributions as well as its own contributions, if any, to the trustees; but, in other respects, the obligations laid on the company by this section shall devolve on the trustees and shall be discharged by them instead of by the company.

"419. *Right of Employee to see Bank's Receipt for Moneys or Securities referred to in Section 417 or 418.*—An employee shall be entitled, on request made in this behalf to the company, or to the trustees referred to in sub-section (4) of section 418, as the case may be, to see the bank's receipt for any money or security such as is referred to in sections 417 and 418.

"420. *Penalty for Contravention of Sections 417, 418 and 419.*—Any officer of a company, or any such trustee of a provident fund as is referred to in sub-section (4) of section 418 who, knowingly, contravenes, or authorises or permits the contravention of, the provisions of section 417, 418 or 419, shall be punishable with fine which may extend to five hundred rupees."

These sections are practically a reproduction of section 282B of the Indian Companies Act 1913, which was introduced by the Companies Amendment Act of 1936. Prior to the Amendment Act of 1936, the Companies Act did not contain any provision in respect of employees' provident funds maintained by companies. The only change of substance made by the Companies Act 1956 is that, in accordance with the recommendation of the Company Law Committee, it is now provided that, where a company has established a separate trust with respect to any provident fund, it is the trustees of the fund, and not the company, which will be responsible to carry out the obligations imposed by section 418 of the new Companies Act. Section 420 of the new Act also now prescribes a specific penalty for contravention of sections 418 and 419 of the Act.

Some Difficulties

Sub-section (1) of section 418 lays down that the entire moneys of the employees' provident fund must be either deposited in a Post Office Savings Bank account or invested in what are commonly known as trust-securities. Under the proviso to that sub-section, where one-tenth of the provident fund moneys exceeds the maximum amount which may be deposited in a Post Office Savings Bank account under the rules, the amount of such excess may be kept in a Scheduled bank.

Now the first difficulty which arises is that, under the Post Office Savings Bank Rules (rule 7), deposits in Trust are not allowed and cannot be recognised. On the other hand, section 58C of the Income-tax Act prescribes, as an essential condition for recognition of a provident fund as a recognised provident fund under the Act, that the fund should be vested in two or more trustees or in the official trustee under a Trust which shall not be revocable, save with the consent of all the beneficiaries. However, the Government has tried to solve this difficulty by allowing "public accounts" being opened for a provident fund trust under rule 42 of the Post Office Savings Bank Rules, although the public accounts there contemplated do not strictly include an account such as that of a company's Provident Fund Trust.

Another, and a very real, difficulty arises in the interpretation of the proviso to sub-section (1) of section 418. The Department of Company Law Administration, Government of India, is understood to have taken the view that the provident fund moneys of a company should be kept deposited only in a Post Office Savings Bank account, and should not be kept in any account with a Scheduled bank. This view does not, however, appear to be based on a correct interpretation of the proviso, nor does it make a practical businesslike approach to the problem. The use of the words in the proviso "the maximum amount which may be deposited in a Post Office Savings Bank account under the rules" would appear clearly to indicate that what the proviso contemplates is the maximum amount of deposit prescribed under rule 10 of the Post Office Savings Bank Rules, which is Rs. 15,000 in the name of one person and Rs. 30,000 for a joint account, i.e., an account in the joint names of two persons. For public accounts, there is no maximum limit prescribed for the deposit under the Post Office Savings Bank Rules, and as such the proviso, when it uses the words "the maximum amount which may be deposited in a Post Office Savings Bank account" cannot refer to a public account which does not prescribe any maximum limit.

It may be noted here that the proviso to sub-section (1) of section 418 is a reproduction of the proviso to sub-section (2) of section 282 which was added by the Indian Companies (Amendment) Act, XIII of 1946, which received the assent of the Governor General on 18th April 1946. In the statement of "objects and reasons" given to that Act, it was stated as under:—

"The upward limit of the amount that can be kept in a Post Office Savings Bank is Rs. 5,000 which is insufficient to meet the day-to-day running expenses in the case of provident funds of big concerns. It is, therefore, proposed to amend the above section, so as to afford greater liquidity to a provident fund, where necessary, by allowing a part of its funds being kept as deposit in a Scheduled bank."

This very clearly shows what the intention of the Government was in introducing the proviso in 1946. It would also be pertinent to note that it is very clearly stated in the rules of Post Office Savings Bank accounts that such Savings Bank accounts are not to be used for the purpose of keeping a current account. Even in rule 42 relating to public accounts in the Post Office Savings Bank Rules, explanation (3) states that the prohibition of current accounts, when applied to a public account, extends to the use of the account for full details of the income and expenditure of the fund, and does not prevent the periodical credit of subscriptions or other receipts or the periodical withdrawals of money for expenditure. Not only that this explanation refers only to "periodical withdrawal of money for expenditure" which is a very restrictive provision, but, taken together with the other rules of the Post Office Savings Bank accounts such as regarding withdrawals, etc., even a public account would be thoroughly inadequate to meet the needs and requirements of provident funds of any big sized companies.

Practical Aspects

The practical aspects of the matter may now be examined. The keeping of provident fund moneys only in Post Office Savings Bank account, and not in an account with any Scheduled bank, could meet the requirements of only very small provident funds, having just a few members and very small number of transactions. In Provident Fund Trust of any good sized company having hundreds or even thousands of members, there are a number of transactions from day to day, such as temporary or permanent withdrawals from the provident fund by the members, settlement of accounts of retiring employees, purchase of investments, payment of various bills for stationery, staff, and other expenses, and the like. If the Provident Fund Trust is not to keep an account in a bank but is to keep an account only in a post office where the cheque system has not so far been introduced (though the system is being given a trial only in the General Post Office, Bombay), all transactions of the Provident Fund Trust would have to be in cash, instead of through cheques as at present. The restriction of all transactions to cash would render the conduct of the work of the Provident Fund Trust well-nigh impossible, apart from the obvious risks involved in handling large amounts of cash from day to day. It is usual for Provident Fund Trust to instruct their bankers to make purchases of Government securities, etc., in which the trustees decide to invest the funds of the Trust from time to time; this facility will not be available if no account is kept with a commercial bank. It would obviously be ridiculous to suggest that if the Trust has to invest Rs. 5 lakhs in Government securities, it should withdraw Rs. 5 lakhs in cash from its Post Office Savings Bank account for payment of value of such securities. The position, in short, would be as chaotic as if any fair-sized industrial and commercial concerns were made to transact all their business in cash, instead of through cheques.

Withdrawals

It would also be relevant to refer to the severe limitations imposed on withdrawals of moneys under sub-clause (M) of rule 42 of the Rules of Post Office Savings Bank, which is reproduced below:

"The amount of withdrawals within a calendar month from a public account is limited to Rs. 1,000 unless the person who holds the account gives notice to the post office at which the account stands of his intention to make additional withdrawals. The notice must specify the amount to be withdrawn and be given one month in advance by means of an ordinary letter addressed to the postmaster which should specify the date on which it is intended to make the withdrawal and, if it is intended to withdraw the amount in two or more instalments, specific information must be given in the notice as to the number of instalments and the amount and date of withdrawal of each instalment."

This limit of withdrawal is obviously most inadequate for provident funds of any big or fair-sized companies, where the volume of transactions of withdrawals, investments, etc., may run into lakhs in a month. Usually, it will be very difficult and even impossible to anticipate all the requirements a month in advance, nor will it be possible to postpone payments of withdrawals, or payments in settlement of provident fund accounts or payments for investment for as long a period as one month for which previous notice is required to be given to the Post Office for a withdrawal. Even if the notice on the basis of estimated requirements may be given to them, it will be difficult to determine the number of instalments in which the amount may be required to be withdrawn, for the amount of each withdrawal will depend upon the circumstances of each case. Further, a lumpsum amount cannot be withdrawn, for it appears that under section 418, a Provident Fund Trust cannot retain any amount even for a day.

It would thus appear that the only way in which the proviso to sub-section (1) of section 418 can and should be construed is that, where one-tenth part of the total provident fund exceeds Rs. 15,000 in the case of an individual Trust, the Trust should keep Rs. 15,000 in the Post Office Savings Bank account and may keep the balance of uninvested funds in an account with a Scheduled bank. To consider that the proviso is inapplicable to the case of a Provident Fund Trust which is allowed to open a "public account" in the Post Office Savings Bank is not a justifiable interpretation of the language of the proviso, and would defeat the very purpose of the introduction of the proviso. As a Provident Fund Trust, being a Trust, cannot open an ordinary Post Office Savings Bank account but could have only a "public account," it is clear that a Provident Fund Trust, however small, cannot have account with any Scheduled bank whatsoever, if the interpretation being placed upon the proviso by the Department of Company Law Administration is to be accepted. Even if the interpretation of the proviso is left alone, the practical impossibility of carrying on the day-to-day work of the Provident Fund Trust of any fair-sized company without an account with a Scheduled bank should be enough to make the authorities reconsider their view.

Retention of Cash Balances

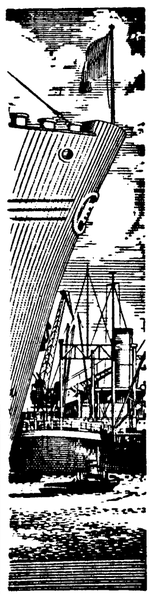
Another point to be noticed in sub-section (1) of section 418 is that it does not allow retention of any cash balances, however small, with either the trustees or the employees of the trusts, even for meeting petty day-to-day needs of the Trust. In case the Trust, for example, withdraws Rs. 100 from its Post Office Savings Bank account for its petty needs, is the unspent balance at the end of the day with the Trust accountant to be deposited back in the Post Office Savings Bank account the same day? Since the Post Office Savings Bank account is usually closed at 3 p.m., the redeposit of the petty cash with the Trust accountant has to be made before 3 p.m., and there can be no further transactions after that time for the rest of the day. These operations of day-to-day deposits and withdrawals from a Post Office Savings Bank account would be still more difficult and hazardous if the post office is situated at a distance from the office of the Trust.

Ambiguities

We have so far discussed the provisions of sub-section (1) of section 418 of the Companies Act 1956. Let us now discuss the other sub-sections of this section. Sub-section (2) refers to "portion" of provident fund invested under sub-section (1). The sub-section does not refer to portion of an individual member's provident fund which is not invested, but is kept deposited in a Post Office Savings Bank or in a Scheduled bank. How is an allocation possible between the amounts invested and the amounts in deposit in Post Office Savings Bank and in Scheduled banks, because the same keep fluctuating from time to time? It is also not clear how an individual member's portion of provident fund is to be identified in the total investments of the entire provident fund. The investments are normally pooled and not made separately for individual employees. The sub-section also does not clarify whether the interest yield to be considered is before or after taking into account any gains or losses made or suffered on sale of any investment or any appreciation or depreciation in the market value of investments.

Apart from these difficulties, sub-section (2) does not answer the question whether, while the employees could not as of right claim to be paid a rate of interest on their provident fund exceeding the rate of interest yielded by investment of their provident funds, the employer was also prohibited from paying a higher rate of interest voluntarily to the employees. The Department of Company Law Administration, Government of India, have finally accepted the view that there is nothing in sub-section (2) of section 418 to preclude the employer from voluntarily paying on the employees' provident funds interest at a rate higher than that actually earned on provident fund investments, if the employer so desires.

Looking to sub-section (3) of section 418, it will be seen that provident funds usually adopt two different methods in respect of interest on withdrawals. The first method is that in respect of the amount withdrawn by a member, no interest is charged from the member, and interest is paid to him only at the net balance to his credit in the provident fund account, i.e., the amount at credit minus the amount withdrawn. The other method is that interest is paid on the amount at credit, whether after or without making a deduction for the amount withdrawn, but interest is separately recovered from him on the amount withdrawn. For instance, the provident fund rules applicable to recognised provident funds under the Income-tax Act prescribe that, where the amount withdrawn is repaid in 12 instalments, an instalment of interest equal to 4 per cent. of the amount withdrawn would be chargeable, and where the amount withdrawn is repaid in more than 12 but not more than 24 instalments, instalment of interest equal to 8 per cent. of the amount withdrawn would be chargeable. Where interest is charged on the provident fund, it may be credited either to the account of the member himself from whom interest is charged, or it may be credited to the general funds of the Provident Fund Trust. Where interest is charged on provident fund withdrawn, is it to be treated as a yield on investment within the meaning of sub-section (2)? Strictly construed, such interest cannot be treated as yield on investment, but then how else is it to be considered?



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INDIA'S POTENTIAL IN STRATEGIC AND CRITICAL METALS

DEFICIENCY IN A LONG LIST OF BASIC METALS

By Dr. D. N. Wadia

GEOLOGICAL ADVISER, ATOMIC ENERGY DEPARTMENT

METALS form one of the earth's most important gifts in the support and development of the world's present-day civilisation. If petroleum is the life-blood of our industrial civilisation, metals form the skeletal framework of that civilisation. To the long list of vitality important metals which since ancient and medieval times have helped man directly in his various avocations, his arts and crafts, has now to be added the list of atomic metals whose use for providing nuclear energy is going to play a dominant role in the coming decades, by endowing the world with a new source of power, so versatile and responsive to human needs that it will bring into shade all the existing conventional sources of power. In the mineral economics of the world in the coming years, metals are going to play a predominant role, as more metals will be needed, as much for industrial and construction work of the world in implementing human welfare, as for the stockpiles of munitions of future destructive wars. In this context, the growing depletion of the earth's store of metals, progressively going on since the eighteenth century and culminating in the first five decades of the present century, is likely to become one of the biggest problems of the next century. The last two world wars have consumed more metals than during the preceding 18 centuries of human history. The diminishing stocks of metals such as tin, lead, zinc, nickel are nature's grim warning that man is spending away a prime treasure of the earth which is non-replenishable.

Signs are apparent that besides these four, critical shortages have already begun to appear in the accessible deposits of copper, manganese, cobalt, tungsten and antimony, and new discovery is not keeping pace with demand. The extractable stock of platinum, silver and gold left for future needs within minable depth is becoming meagre. This situation is more or less general for the world, but is becoming acute particularly for North America and Western Europe, where modern standards of life and defence munitions and armaments for preserving these against ideological and hyothetical enemies, demand an inordinate use of metals. For the Eastern world, whose consumption of metals was comparatively insignificant uptil lately, and who have so far played the role of suppliers of tin, manganese, wolfram, chromium, or a host of minor but essential metals, the situation is not so grave. This disequilibrium in the world's mineral economics calls for adjustment by wise and equitable solution and not by resort to the old policy of colonial expansion, tariff barriers or security pacts against nations.

Consumption

The *per capita* consumption of metals for the last few years has been at the rate of over 1,000 pounds in the United States, 600 pounds in the United Kingdom and 550 pounds in a young nation like Australia. In most Eastern countries, even in the more progressive ones which have got a programme of industrialisation like India, it is yet barely 15 to 25 pounds. Happily, this situation is changing fast. A growing trend towards conservation of mineral resources and their utilisation in nation-building industry in the Eastern countries, however, is going to be the most significant development of the coming decade. India has already launched an ambitious programme for industrial development, needing heavy engineering plants and machines which will make large drafts on metals. We may, therefore, examine here in some detail India's potential in metals, especially her resources in the more valuable, strategic and critical metals, that will be demanded for the specialised industries and advanced technologies for fulfilling the above objectives, as well as the main objective of all planning—the lifting of the living standards of the people at large. A long list of metals will be in requisition for this, which we may classify under the following heads:—

(i) Metals which exist in India in *surplus* amounts for present requirements and those which can be exported to foreign countries in return for other urgencies;

(ii) Metals in which India may be considered, for immediate purposes as fairly *self-sufficient*; and

(iii) The group of strategic and essential metals which are in *deficit* supply and for which India has to depend on imports from foreign sources, wholly or to a large extent.

Surpluses: Aluminium, Magnesium, Rare metals, Cerium group, Strontium, Iron, Manganese, Titanium, Thorium and Zirconium.

Sufficiencies: Beryllium, Columbium, Hafnium, Lithium, Uranium, Chromium, Copper (—), Lead (—), Tantalum, Vanadium and Zinc (—).

Deficiencies: Antimony, Cadmium, Germanium, Molybdenum, Platinum, Tin, Bismuth, Cobalt, Mercury, Nickel, Selinium and Tungsten.

Strategic Minerals include besides materials for munitions and armaments of war, all other minerals which are required for industrial self-sufficiency and preparedness for defence. Our domestic resources of many of these minerals are ample and well distributed. Such is, however, not the case with *critical minerals* and metals, that is, metals of essential use, the supply and procurement of which in adequate amount in the event of any national emergency is uncertain.

I shall now briefly review the various strategic and critical metals needed for India's second and succeeding industrial plans. To take first the minerals which are surplus in India's present requirements and sizable quotas of which can be exported with profit.

Surpluses

Aluminium: India's resources in this metal may be put at about 75 to 100 million tons of good grade ore and a considerably larger tonnage of moderate grade ore. The deposits are fairly evenly spread throughout the country. In the Jammu area, there are deposits of aluminium-ore analysing 60 to 80 per cent. of Al_2O_3. The utilisation of these resources was till late wholly neglected, but an output of about 20,000 tons of aluminium metal is planned for the next decade. The present-day requirements are 15,000 tons. Aluminium has lately come into use for nuclear power developments as an alloying substance with uranium and as a sheath for the uranium fuel rods in atomic reactors.

Iron: Reserves of high-grade (60 per cent. Fe and over) ores are of a vast extent in the Singhbhum area. The reserves are computed at over 8,000 million tons. The reserves in M.P., Orissa and Madras are also of equal size and richness. In contrast with the vastness of the ore resources, however, production of pig iron, steel and various steel products still remain small. Barely 2½ million tons of pig iron and less than 2 million tons of steel are produced today. The projected new steel plants are expected to manufacture 6 million tons of steel by 1961, together with a fair range of ferro-alloys. Even this target is low enough, as compared to the requirements of 36 million people. Ferro-Silicon,-Ch,-Ti,-W,-V are still of subordinate use in metal fabrication industries.

Magnesium: Magnesite deposits of large extent and high degree of chemical purity occur in Madras, where, near Salem, the estimated reserve is over 90 million tons, analysing 96 per cent. magnesium carbonate. Dolomite deposits are widely distributed throughout the country and can supply large tonnages of magnesium compounds. Research in the production of metallic magnesium and production of light-metal alloys, principally with aluminium and beryllium has not progressed to the desired extent.

Magnesium-beryllium alloys possess valuable properties for use in nuclear reactors.

Manganese: India has exported in the past five decades over 50 million tons of super-grade manganese ore (48 to 70 per cent.). Proved reserves of this ore are computed at about 50 to 60 million tons; the reserves of ores within the 40-30 per cent. range are several times this magnitude. A welcome development of late years is the starting of manganese ore-dressing plants which are expected greatly to add to the country's resources in this metal. Manufacture of ferro-manganese on industrial scale is another welcome development. Electro-metallurgical production of 172,000 tons of ferro-manganese has been planned as the target in the new development plan.

Rare Metals (Cerium Group): India possesses high resources in this category of metals, which mostly centre round the cerium group of rare earths and metals. The chief ore for these metals is monazite, which carries as many as 14 rare earths and metals which are now coming into various technological uses, such as their employment in carbon electrode-cores, misch metal and other pyrophoric alloys, and a variety of technical uses.

Strontium: Large deposits of remarkably pure celestite, aggregating about a million tons, occur in the Trichinopoly district of Madras, but so far this metal is not finding appreciable industrial application in India.

Thorium: The main source of this metal, next in importance to uranium at present, but likely to be of much greater potential in the future as a source of atomic energy, is monazite. Monazite is widely spread in the beach sands of the east and west coasts. The thorium content of Travancore monazite ranges from 8 to 10½ per cent., as against 5 to 6 per cent. of Brazilian and other foreign monazites. A provisional conservative estimate of total reserves of monazite in India is calculated at over 2 million tons, which is expected to yield 150,000 to 180,000 tons of thorium oxide.

Recent research in nuclear science tends to suggest that thorium will emerge in the near future as a fission fuel of greater potential than uranium. The conversion of thorium into U^{233} in a Breeder reactor is no longer a mere speculation. This fact is of greatest importance to us in India, because of India's high potential in thorium.

Titanium: The mineral ilmenite, important source of titanium, is also widely distributed in India, mainly as beach sands along the Malabar and Coromandel coasts. Ilmenite occurs as highly concentrated black sand along the 100-mile stretch on the Travancore coast, and in isolated spreads and pockets along various places on both the west and east coasts. The percentage of TiO_2 in Indian ilmenite ranges from 52 to 62. About 200 million tons of this rich ore is available in a readily accessible form at the surface, only requiring electro-magnetic separation for its processing. Some rutile (TiO_2—97 per cent.) is associated with ilmenite sands.

Titanium has been loudly acclaimed as the "wonder metal of the future" and it possesses properties—lightness, strength and resistance to fatigue and corrosion—which are likely to bring it into a wide variety of metallurgical uses. The production of metallic titanium has risen to considerable proportions in the last five years in the U.S.A., with a considerable fall in price from $25 to $3 per pound. There is, however, just at present, a tendency for production to outrun consumption.

Zirconium: The mineral zircon is the principal ore of zirconium and hafnium. India possesses an exportable surplus of zircon which occurs in the large placer deposits of ilmenite sands to the extent of 6 per cent. of the sand grains. Up to the present, the output of this mineral is highly irregular and varies from 100 to 1,500 tons per annum, mainly worked for foreign export. The metal possesses high potentialities as a structural and sheathing material in the mechanical and constructional parts of atomic reactors. Because of its high resistance to heat and corrosion, it is largely used in jet planes, rocket-nozzles and guided missiles.

Sufficiencies

These form an ill-defined group. While there is a sufficiency for all current needs and the of the immediate future in such metals chromium, beryllium, lithium, columbium tantalum, uranium and vanadium, the remaining metals included in this group (e.g., the non-ferrous metals) are distinctly in short supply for the present. They are listed with "sufficiencies" with a minus (—) sign. They are included here because there are signs that the intensive programme of exploratory work undertaken in various parts of India may result in discovery of deposits of copper, lead and zinc, which may bring some measure of sufficiency in the supply of these metals. In the centuries before the eighteenth century industrial era, India supplied its own—rather extensive requirements in these metals, both for civilian as well as military use in carrying out its internecine wars.

Beryllium: Indian beryl contains 11 to 14 per cent. BeO. Exploration during the last few years has disclosed good workable deposits of beryl in Bihar and Rajputana. The mining and production of dressed beryl from these areas has risen to over 1,000 tons per year. Beryllium and its alloys are of increasing application in nuclear power production. Beryllium oxide is used as a moderator.

Chromium: Pre-Cambrian rocks in parts of Bihar, Orissa and Mysore carry workable deposits of chromite. The annual production from this has been up to 65,000 tons. Possibilities of up-grading lean cromite ore and manufacture of ferro-chrome and chromium steels are promising possibilities. Its chief use is in stainless steels, in pigments and as a chemically neutral refractory.

Columbite and Tantalite deposits occur in association with mica and beryl in pigmatites of crystalline rocks in Bihar and Madras. At times they are uraniferous. Use: High temperature alloys for jet engines and gas turbines.

Copper: Deposits of copper are met with in several parts of India and the Himalayas, but today the only producing centre is the copper belt of Singhbhum in Bihar—some 80 miles long—which produces an output of about 7,000 tons of metallic copper, against the country's annual consumption of 30,000 tons. Some new reported deposits are under investigation together with a number of abandoned sites, where copper industry flourished till a century or two ago.

Hafnium: This rare metal is found as a more or less constant associate of the mineral zircon. Zircon from the ilmenite placer sands contains 5.1 per cent. of hafnium—a metal that has to be eliminated in the refining of zirconium for atomic uses.

Lead and Zinc: The present production of lead in India, about 2,000 tons against annual consumption of 12,000 tons, is insignificant, though two centuries ago considerable amounts of ingot-lead was produced in several parts of the country, mainly for military requirements. Promising deposits, however, have lately been indicated in continuation of the Zawar lead-zinc mines of Udaipur.

Zinc lodes of considerable size have been located at Zawar and at a few other centres (Riasi in Jammu, etc.), but no smelting of zinc is practised in India today. Slag deposits of large size at some sites suggest a flourishing zinc industry in medieval times. The annual consumption of zinc in India is at present about 35,000 tons, almost wholly met by imports. Plans for smelting zinc-ores from Zawar are being matured.

Lithium: This light metal, a likely source of helium in future thermo-nuclear fusion developments, occurs as a constituent of the minerals lepidolite and spodumene, occurrence of which in appreciable amounts is recorded from several localities in Bihar and Madras. Lithium metal is widely coming into use as an alloy metal, a considerable amount of it being now used for alloying with magnesium.

Uranium: Since 1945, the tremendous significance acquired by uranium as a fission metal has led to intensive search for this metal, and its discovery in a large number of localities in many parts of the world. In the coming atomic age, a momentous accession of atomic power is forecast, derivable from the nuclear fission of uranium atoms. It has been computed that, in the next 50 years or so, the demand for electricity to cope with the world's power requirements may increase to 9,000 billion kw.h. per year, the generation of which in thermal power stations may need 3½ billion tons of coal per year, or its equivalent in oil (about one-ninth of India's total coal reserves), a demand on the fuel resources of the world which only China or the United States can meet from year to year. The world's known uranium resources can easily meet the challenge.

Uranium occurs in India principally as a product of igneous and metamorphic sedimentary rocks. Three categories of uranium ores have been noted in India—(i) Low-grade ores in the Archean and Pre-Cambrian rocks, containing from ½ pound to 2¼ pound of uranium per ton of rock; (ii) complex uranium minerals occurring in pegmetites as niobates, tantalates and titanates of uranium. These contain from 2 to 30 per cent. U_3O_8; (iii) monazite sands on the west and east coasts of Peninsular India constitute an important source of uranium. Monazite contains from 0.2 to 0.46 per cent. of U_3O_8, besides 8 to 10 per cent. of thorium oxide. There are variants of monazite which contain much higher percentage of both Th and U. Estimates of uranium available from all these sources are computed at about 12,000 to 15,000 tons. Detailed prospecting and mining of uranium in India are in progress in Bihar and Rajasthan.

Vanadium: Considerable reserves of this metal, an important alloying element in steel manufacture, have been located in Bihar and Orissa as vanadium-bearing iron ores, vanadium content of which varies from 0.8 to 3 per cent. The reserves of vanadiferous iron ore is estimated at about 5 million tons.

Group of Deficit Metals

Against the above enumerated metals which occur in surplus amounts and those in which there is attained some measure of sufficiency, the list of metals which are in deficit in India is a long one. This group comprises the category of metals which are being employed in various specialised modern industries and technologies, but which do not occur locally and have wholly to be imported in order to meet the Indian requirements. Basic and industrial metals such as mercury, nickel, tin, cobalt, cadmium, selinium and platinum are wholly absent in India and have to be imported *in toto*; and, in the case of antimony, bismuth, cobalt, molybdenum and tungsten, a small, undependable and fitful production has been obtained from a few scattered deposits, or in the refining of associated metal compounds. Germanium has been observed in minute amounts in the ashes of some coal and lignite and in flue gases.

I have tried to present here an overall picture of India's position in respect of metals. The country's resources in the above listed strategic metals in group (i) may be considered to be of world importance. Abundant and rich ores of iron, manganese, ferro-alloy metals, titanium and vanadium, besides those of thorium, beryllium and the other rare metals, together with a proved sufficiency of strategic non-metals such as mica, monazite, bauxite, fluxes, refractories and abrasives are such as to give it a commanding, if not a controlling position in the Eastern world in times of international peace. But the disequilibrium caused by an inadequate "sufficiency" and a long list of deficits, together with the serious gaps in the supply position of petroleum and sulphur, may be a source of double danger to national security in a war emergency, when imports of rare essential commodities, e.g., petroleum, may be jeopardised and our credit-earning exports may be stopped. But there are safeguards against this. A healthy economy can be achieved by such measures as the following:

(1) Building up of a strong civilian industrial power for production;

(2) Offsetting the surpluses against deficits by exchange or barter;

(3) Stockpiling of about 13 essential minerals and raw materials; and

(4) Substitutes and synthetics in place of submarginal commodities.

Germany and Japan are two nations which had a most unbalanced economy in respect of mineral resources and yet they developed their industrial potential to such high pitch that they achieved balance and fought a world war for years. By the same means, they have regained, in large measure, their pre-war balance and industrial power.

* * * *

N.B.—The foregoing account is the full text of the author's Pandya Memorial Lecture delivered at the Tenth Annual Meeting of the Indian Institute of Metals.

IRIDIUM PLATING STEEL WIRE

A new process for plating steel wire with iridium metal has been developed in a National Coal Board, Edinburgh laboratory. The process, which was described in a recent issue of the scientific journal *Nature*, coats the steel wire with a dark grey deposit of iridium, which behaves in a manner characteristic of the metal. A plating solution of ammonium fluoride, ammonium borate and iridium chloride dissolved in water is used and a small quantity of ethanol is added. The mixture is then boiled gently until the smell of ethanol can no longer be detected and filtered after which concentrated ammonia is added. The subsequent electroplating process is then carried out at room temperature.



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IMPORTANCE OF EXPORT PROMOTION

WORKING OF COUNCILS REVIEWED

A CLEAR picture of the stupendous gap that exists between the available foreign exchange resources and the estimated requirements of the second Plan indicates the Herculean task that lies ahead of Export Promotion Councils, business men and the Government in the sphere of export trade. Whereas during the entire first Plan period the total actual current deficit, excluding official donations, was of the order of Rs. 125 crores, during the second Plan period, the corresponding figure is estimated to be as high as Rs. 1,120 crores. The Planning Commission had estimated that, if foreign exchange resources available for the second Plan from unutilised grants, World Bank loans, as well as from loans agreed to by the U.S.A., the U.K. and the U.S.S.R. to the tune of Rs. 400 crores, and the private foreign investment of Rs. 100 crores estimated for this period were taken into account, the gap in the foreign exchange resources would be Rs. 620 crores. Since, however, it was proposed to draw down the existing foreign exchange resources to the extent of Rs. 200 crores (net), the estimated need for foreign assistance (grants and/or loans) was placed by the Commission at Rs. 420 crores. Since the publication of the Plan, however, the estimates have undergone an upward revision, pushing up further the needs of foreign exchange. The sterling balances have already been drawn down by more than Rs. 200 crores. They now stand at no more than Rs. 506.36 crores, only Rs. 106.36 crores higher than the minimum level of Rs. 400 crores.

India has already gone to the lender in the last resort in the world, namely, the I.M.F., and arranged for credits to the tune of $200 million (about Rs. 95 crores) to be drawn during the next 12 months. Of this, $60 million (Rs. 28.50 crores) will be taken immediately and another $67.5 million after a month. It may be noted that a country borrows from the I.M.F. only when its balance of payments position becomes acute.

Viewed against this background, there is no way of appropriately describing the role of export promotion. It occupies a pivotal place, for on the availability of foreign exchange resources depends to a large extent the full implementation of programmes in respect of industrialisation. Viewed in the same context, again, the progress of the eight Export Promotion Councils, set up in the last two years with Government support, reviewed at a meeting convened by the Export Promotion Wing of the Ministry of Commerce and Consumer Industries last week, can be regarded as a good beginning. The meeting was attended by the Secretaries of the eight Export Promotion Councils set up so far for cotton textiles, silk and rayon, plastics, engineering goods, tobacco, mica, cashew and pepper and leather.

Role of Councils

The real role of the Export Promotion Councils was explained by Mr. K. B. Lall, Joint Secretary, Ministry of Commerce and Consumer Industries, when he said, in the course of his address to the meeting, that the Councils were an administrative device to achieve export promotion, and that they had to create conditions in which export promotion could take place. The study of the foreign markets and of the export trade at home were their first responsibility. Indeed, the progress reports of six Councils for the period April-September 1956, reviewed at the meeting, revealed manifestly that the Councils have been doing, in a sense, pioneering work, as Mr. Lall termed it.

The Councils' main activities can be conveniently divided into two types: those pertaining to the importing countries and those relating to the home country. To the first type of activities belong survey of the markets, by delegations sponsored for the purpose and by resident representatives and correspondents in various world centres, and publicity through display, advertisement and exhibitions. So far, the Councils' attention has been concentrated on these two functions. The problems that the Councils have to solve at the exporting end are no less important, and in fact, no amount of work and progress at the receiving end can be sustained without the solution of the tasks at home. These are standardisation, quality control, examination of complaints from both exporters and importers, and compilation of data regarding the availability of exportable products. It is noteworthy that some of the Councils have already addressed themselves to this task.

Of the Councils, the progress of which was reviewed, that of the Cotton Textiles Export Promotion Council, which was the first to be set up in 1954, was notable. Among the more important features of its work is the finalisation of the standard contract form. Moreover, it agreed to co-operate with the Government in the implementation of the Indo-Burma trade agreement under U.S. Public Law 480, according to which India exports to Burma textiles against raw cotton received from the U.S. It is also noteworthy that the factual inspection scheme under which mills and exporters voluntarily submit their goods for inspection is increasingly becoming popular. This is illustrated by the fact that, during the first seven months of 1956, 50 mills in Bombay and 16 mills in Ahmedabad took advantage of the scheme. These are some of the favourable factors which should help check the continuous declining trend that has been in evidence in the exports of cotton textiles since the beginning of 1955.

Declining Market

A major problem that is facing the Council for rayon and silk industries is that the market for Indian rayon and silk fabrics has been steadily declining in countries of West Asia, such as Sudan, Afghanistan, Kuwait, Muscat, Aden, etc. The Council is now stated to be studying the reasons for the decline. There is also an important difficulty to which the Council has rightly drawn the attention of the authorities. It is the delay made in the disposal of claims for drawbacks of customs duty admissible in respect of exported fabrics. This delay, according to the Council, should especially be avoided because of the fact that the export trade in rayon and silk textiles consists of a large number of small operators and is highly competitive.

As regards quality control, the measures taken by the Cashew and Pepper Export Promotion Council deserve special mention. The Council has appointed two entomologists to inspect the factories and recommend measures for controlling the quality of the goods manufactured and exported. The Council is also stated to be examining the question of controlling the prices of cashew kernels, which are rising as a result of speculation and keen competition among producers so that the industry may obtain enough raw material for processing at reasonable prices. As regards pepper, a significant development is the completion of a tour by the delegation, sponsored by the Council, of the Central and East European countries. It is stated that the delegation has secured trial orders for Indian pepper.

In the case of tobacco, the delegation sent out by the Council to survey the West Asian and African markets found that Indian flue-cured virginia tobacco had virtually no market in those areas except in Egypt. *Bidis*, however, were found to be capable of being introduced in the Sudan, Zanzibar and Aden. The Council is stated to be considering proposals made by its sub-committee for revision of Agmark specifications for tobacco exported.

An important step taken by the Government in the drive for more exports is the appointment of a Committee of experts. The Committee is headed by an academician, Dr. V. L. D'Souza, a former Vice-Chancellor of the Mysore University, and consists of six other members. These are: Mr. T. C. Kapur, who was the Chairman of Export Credit Insurance Committee and now a special officer in the Ministry of Commerce and Industry, Mr. Karamchand Thapar, Mr. G. B. Kotah, Mr. Ratilal M. Gandhi, Mr. Nazir Hussain and Mr. Chentsal Rao, Secretary of the Federation of Chambers of Commerce and Industry, which submitted a comprehensive report on export promotion towards the close of last year. The Committee is expected to make a comprehensive study of all aspects of export promotion and make recommendations with particular reference to the nature of fiscal and other concessions to be granted to increase exports and the nature and extent of credit facilities required for the export trade. Another task to which it will address itself is the study of the working of the Export Promotion Councils and Special Commodity Boards in order to suggest the lines on which they should be developed. Transport problems and quality control also figure in its terms of reference. The Committee is expected to submit its report by June next. It is to be hoped that the report of the Committee will throw adequate light on the problems and facilitate their expeditious solution.

That apart, the various Export Councils already set up will themselves survey the foreign markets for their respective products with the Government's assistance. The Councils, it is further stated, will also undertake similar surveys of Indian industries with an export angle for the benefit of foreign importers. Further, it has also been decided that the various Councils should set up a committee to devise methods of conducting efficiently the five Indian showrooms in foreign countries, to examine whether more showrooms can be opened jointly by the Councils. The deliberations of the Councils' meeting, among other things, also pertained to taking follow-up action to take full advantage of holding such exhibitions and to the importance of supplying goods of quality according to specifications.

U.K. FAVOURS FREE-TRADE AREA IN EUROPE

In a memorandum to the Organisation for European Economic Co-operation (O.E.E.C.), published as a White Paper in London last week, the British Government has reaffirmed its view that a European industrial free-trade area could be set up and has proposed that negotiations should be undertaken in O.E.E.C. to establish such a free-trade area. The memorandum, it is pointed out in London, is a definitive statement of the U.K. Government's attitude to the proposal for a free-trade area and a customs and economic union in Europe on the eve of important negotiations in Paris, namely, the meeting of the O.E.E.C. Council this week. In it the desire of the U.K. to "strengthen the cohesion and promote the prosperity of Western Europe" is stressed.

While the U.K. is unable to join the customs and economic union because of its interests and responsibilities in the Commonwealth, it considers the establishment of free-trade over as wide an area as possible in Western Europe a matter of great importance. That is why the U.K. strongly supported the O.E.E.C. Council's decision of July 1956 to study urgently whether other O.E.E.C. countries could be associated with a customs union comprising France, the German Federal Republic, Italy, Belgium, Holland, and Luxembourg.

A working party of the O.E.E.C. Council having reported favourably on the practicability of a European free-trade area—a view shared by the U.K. Government, provided foodstuffs are excluded from its scope—the British memorandum now expresses the hope that other countries will be willing to negotiate along these lines. The main grounds for the U.K.'s advocacy of a free-trade area are that it will raise industrial efficiency by encouraging increased specialisation, large-scale production, and new technical and industrial development.

The proposals for a free-trade area aim at the removal of trade barriers over a significant portion of the world. But they do not involve the creation of any new barriers against trade with the rest of the world. The U.K. Government considers it indispensable that the free-trade area should be fully consistent with G.A.T.T. obligations and envisages the proposals as a step on the road towards a world-wide system of multilateral trade and payments.

The proposals in the White Paper, according to London observers, do not represent any sudden reorientation in the U.K.'s foreign economic policy and in no way stem from the recent developments in the Middle East. This is evident since the initiative was taken by the U.K. at the July 1956 meeting of the O.E.E.C. Council.

The White Paper sets out the U.K.'s views on the general economic problems of a free-trade area, and particularly on the methods of association with the customs union. These are questions which will clearly need considerable negotiation. The main point now is that the U.K. has made clear-cut proposals that such negotiations should be entered into. And it is the U.K. view, as to institutions, that the free-trade area should be established within O.E.E.C. and that some departure from the unanimity rule would be necessary in certain carefully defined matters.

CENTRAL BOARD FOR SALT

The Government of India has wound up the Salt Advisory Committee and delegated its functions to the Central Board for Salt. The functions of the Board, among other things, will be to advise the Government on the administration of the proceeds of the salt cess. It also makes recommendations for the development of salt industry, chiefly in respect of the setting up of research stations, model farms and factories, fixing grades and improving quality, promotion of exports, encouraging co-operatives and so on. The Joint Secretary in the Ministry of Production will be the Chairman of the Board. The Board will be composed of (1) the Deputy Secretary, Ministry of Production, concerned with the administration of salt, (2) representatives of the Ministries of Finance, Commerce and Consumer Industries, (3) the Director of the Central Salt Research Station, Bhavanagar, (4) the Chief Industrial Adviser in the Ministry of Heavy Industries, (5) one representative each of the Governments of Madras, Andhra Pradesh, West Bengal, Bombay and Rajasthan, (6) three representatives from manufacturers' associations in the country in different regions, (7) one from the Indian Chemical manufacturers Association, (8) two non-officials nominated by the Union Government, and (9) also one representative of labour employed in the industry. The Salt Commissioner will be member-Secretary.

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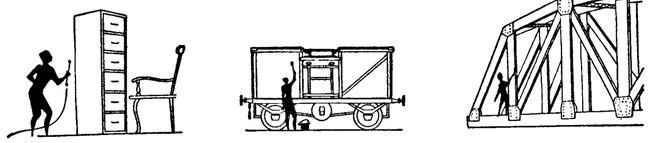

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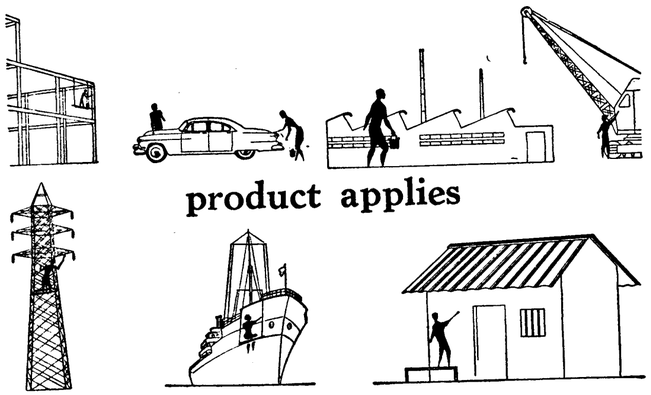

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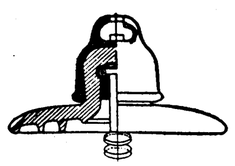

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OUDH SUGAR REGAINS LOST GROUND

RESERVES FULLY EMPLOYED

AN improvement in the supply and quality of sugarcane and fairly smooth trading conditions in the sugar market have enabled the Oudh Sugar Mills Ltd. (Managing Agents: The Cotton Agents Private Ltd., Bombay) to recover the ground which it had lost in the preceding year and to strengthen its finances. Its profit for the year ended 31st July 1956 is higher, permitting it to set aside larger sums for depreciation and reserves and maintain the dividend with comfort. Although a higher dividend could have been declared, the Directors have wisely chosen, in the national interest, to plough back the major portion of the profit. The adoption of this policy suggests that the Company's Directors have not been perturbed by the recent pronouncements and actions of the Government in furtherance of its socialist pattern of society.

The Company's gross profit, it may be recalled, had made a modest improvement from Rs. 27.13 lakhs for 1952-53 to Rs. 30.64 lakhs for 1953-54. But in the following year, that is, 1954-55, due to heavy imports and larger indigenous production of sugar, there was a depression in the sugar market which resulted in reducing the profit margin. Consequently, the Company's gross profit for that year dropped by Rs. 7.28 lakhs to Rs. 23.36 lakhs. The improvement by Rs. 11.11 lakhs to Rs. 34.47 lakhs during the year under review could, therefore, be taken as an indication that the Company has been set, once again, on the road to better working conditions and higher earnings.

One significant feature of the Company's working is that, even though the profits have thus fluctuated, whether by a wide or narrow margin, the dividend to equity shareholders has been uniformly maintained at 11 per cent. per annum all these years, including the year under review. This is the fourth year in succession when the Company has maintained its dividend at 11 per cent. For the years 1948-49 and 1949-50, the Company had paid a dividend of only 3½ per cent. For the year 1950-51, the dividend was stepped up to 6 per cent. and maintained at that rate for 1951-52.

After making larger allocations for Managing Agents' commission, depreciation and taxation, the net profit stands higher at Rs. 12.01 lakhs, as against Rs. 8.62 lakhs for 1954-55 and Rs. 11.08 lakhs for 1953-54. The reserves, which had received nothing in the previous year, are the recipient of an amount of Rs. 2.92 lakhs this year. Of this sum, capital redemption reserve gets Rs. 2.50 lakhs and contingencies reserve Rs. 42,000. The Directors have considered it expedient to create a capital redemption reserve fund, apparently for redeeming the 4 per cent. cumulative preference shares, aggregating Rs. 12.69 lakhs, at the appropriate time. These shares can be repaid by the Company at par at any time after three months' notice. To the sum transferred from the profit for 1955-56, the Directors have added the balance of Rs. 2 lakhs standing to the credit of the dividend equalisation fund, so that the capital redemption reserve now has Rs. 4.50 lakhs.

The following comparative table will show the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st July			
	1956	1955	1954	1953
Sales	582.11	379.25	515.09	510.56
Other income	6.43	0.61	0.61	1.31
Closing stock	148.13	117.61	69.64	101.80
Expenses	585.64	404.48	452.90	476.15
Gross profit	34.47	23.36	30.64	27.13
Managing Agents' commission ..	3.51	2.34	3.06	2.71
Depreciation	10.50	7.00	8.00	11.00
Taxation	8.45	5.40	8.50	4.00
Net profit	12.01	8.62	11.08	9.42
Transfer to—				
Reserves	2.92	..	2.00	0.70
Dividend—				
Preference	0.41	0.41	0.41	0.41
Ordinary	8.52	8.52	8.52	8.52
	(11%)	(11%)	(11%)	(11%)
Carry forward	0.21	0.05	0.37	0.23

As the table reveals, the Company's sale proceeds for 1955-56 have jumped up by Rs. 202.86 lakhs, that is, from Rs. 379.25 lakhs in the previous year to Rs. 582.11 lakhs. This represents an increase of 53.5 per cent. over the preceding year. The year's satisfactory results are also due, no less, to a substantial increase in other income from a little over half a lakh of rupees to Rs. 6.43 lakhs. These have, however, been offset, to a large extent, by the steep rise in expenses from Rs. 404.48 lakhs to Rs. 585.64 lakhs.

Commenting on the Company's working for the year, the Directors in their report, observe thus:

"The Company's Sugar Mills, during the year under review, worked satisfactorily. The total cane crushed amounted to 10,526,005 maunds and the average recovery was 9.59 per cent. as against the cane crushing of 8,024,566 maunds and the average recovery of 10.03 per cent. in the previous season. The season for lower recovery is to be attributed to the abnormally long season this year, besides supply of cane from distant places. However, the loss due to lower recovery was, to a certain extent, compensated as a result of the Government granting a rebate in the price of cane purchased by sugar factories on and from 8th May 1956.

"The distillery also functioned efficiently and satisfactorily. A record production of alcohol was obtained during the year amounting to about 10,10,000 gallons against about 6,82,000 gallons only in the previous year. There was an improvement in the yield and quality of cane grown in the Company's farms. The cane crop amounted to about 633,000 maunds as against about 475,000 maunds only in previous year. Consequently, the farms have shown much better profits during the year under review.

"The *vanaspati* factory also achieved a record production during the year. The Directors, however, regret that the cost of production was much higher as a result of considerable increase in the cost of raw materials due to poor crop of oilseeds during the year while it could not be possible to increase the selling rates correspondingly on account of keen competition in the industry."

The Company has a factory at Hargaon, District Sitapur in U.P., with a crushing capacity of 2,000 tons per day; besides a distillery. It has also oil mills, hydrogenated oil and allied products factory at Akola.

In 1948, the Company increased its paid-up capital to Rs. 90.22 lakhs by capitalising reserves to the tune of Rs. 33,20,700 and issuing, as fully paid-up, ordinary bonus shares, in the proportion of three such additional ordinary shares for every four existing ordinary shares. Even after this transfer, the Company's reserves and surplus aggregate Rs. 55.30 lakhs, as against a paid-up capital of Rs. 90.18 lakhs of which Rs. 12.69 lakhs are in ordinary shares and Rs. 77.48 lakhs in 4 per cent. redeemable cumulative preference shares, as already mentioned. The current liabilities amount to Rs. 181.24 lakhs. These include Rs. 96.83 lakhs by way of secured loans from banks and Rs. 12.49 lakhs provision for taxation. The gross block of the value of Rs. 204.73 lakhs has been written down to Rs. 99.23 lakhs. Additions during the year were of the order of Rs. 19.81 lakhs. The current assets amount to Rs. 227.49 lakhs and include, among other items, stores, chemicals, spare parts, etc., Rs. 17.04 lakhs, finished products and goods-in-process Rs. 148.13 lakhs, sundry debtors considered good Rs. 9.89 lakhs, loans and advances Rs. 21.87 lakhs, farm assets Rs. 21.55 lakhs and cash and bank balances only Rs. 2.68 lakhs. The current assets cover the liabilities and provision for taxation by a fair margin of Rs. 46.25 lakhs. The low cash balance and the absence of any sizable investment in Goverment securities show that the Company's reserves are fully utilised by way of working capital. Indeed, it has already a large borrowing from banks, in order to cover the needs of such capital. As will be noted from the figures quoted here, large sums of money are locked up in stock-in-trade.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 140 *cum-div.* On an *ex-div.* basis and taking the dividend at 11 per cent., the yield works out to 8.5 per cent. per annum, free of tax.

STANDARD COAL CO., LTD.

The proposed amalgamation of the Standard and Burrakur Coal Companies, both of which belong to the Bird-Heilgers group, Calcutta, has been dropped and the Directors of Standard Coal have now decided to run it as an investment company. It will be recalled that, in June 1956, the shareholders of the Standard Coal Company had approved of a scheme for amalgamating their company with the Burrakur Coal Company, Ltd., the consideration being that the shareholders of the Standard Coal Company would receive two ordinary shares of Burrakur Coal for every share of their company.

There was, however, considerable opposition to this scheme from a section of the ordinary shareholders of the Burrakur Coal Company. In view of the present market price of Burrakur ordinary shares, it is expected that the formula of two Burrakur shares for one Standard share will not be acceptable to Burrakur shareholders while any lower ratio will be equally unacceptable to the shareholders of Standard. In the conditions obtaining now, the Directors have felt that the scheme of amalgamation would be impracticable.

The other alternative is to take the Standard Coal Company into liquidation. The Directors gave careful consideration to this alternative but ruled it out, because of some impediments in the way of doing this also. They found that there were certain legal obstacles connected with the transfer of the title of the coal properties originally owned by the Company and, in addition, certain outstanding matters such as pending tax appeals which would delay the liquidation proceedings for several years. In addition to this, recent changes in the taxation laws concerning the liquidation of companies would result in a substantial percentage of the Company's assets, represented by accumulated reserves, being dissipated by tax liabilities during the process of liquidation.

The Directors accordingly decided to convert the Company into an investment concern. Since, however, it will be undesirable to continue the membership of a shareholder if he does not approve of the new character of the Company, they have obtained the consent of Messrs. F. W. Heilgers & Co. (Private) Ltd. for buying, at the current market price of Rs. 20-12 per share, the ordinary shares of any member who wishes to dispose of his holding.

The Company proposes to dispose of its share in the Chief Mining Engineer's bungalow at Bhulanbararee and its holding of Government securities and debentures. This will leave the Company with the following assets: (1) 15,000 ordinary shares in Coal Shipments Ltd., (2) 9,275 ordinary shares in Sijua (Jherriah) Electric Supply Company, Ltd., (3) 200 ordinary shares in the Industrial Credit and Investment Corporation of India Ltd. and (4) 802½ bighas of coal-bearing land in Mouza Sowardih. The first three items yield a reasonable return, though, in the case of Coal Shipments Ltd., the profits fluctuate according to the coal export market.

It is intended to retain Sowardih Mouza as the Directors feel that the property could be worked profitably in the event of a change in the policy of the Government towards the private sector in the coal industry. Alternatively, they also hope to get a reasonable price even if it is compulsorily acquired by Government.

This will leave the Company with a fund of Rs. 18 lakhs available for investment. The Directors intend to invest this amount in ordinary shares, partly in companies under the management of Bird & Co. Private Ltd. and F. W. Heilgers & Co. Private Ltd., and partly in other companies. They state that, though it is difficult to make accurate prediction as to the future earning capacity of individual companies and the future tax liabilities of Standard Coal, it is estimated, from conservative figures which have been prepared, that it should be possible to pay a dividend of not less than 10 per cent. per annum, and possibly higher.

The accounts of the Company for the year ended 31st December 1956 show that the Company has made a net profit of Rs. 40,064 as against a net loss of Rs. 74,927 in the previous year. The dividend has been maintained at the rate of 10 per cent. by drawing a sum of Rs. 70,000, being the excess provision for taxation no longer required.

WORKING OF THE NEW COMPANIES ACT

Thirty public companies with an authorised capital of Rs. 50.65 crores and 221 private companies with an authorised capital of Rs. 57.14 crores were registered in the eastern region comprising West Bengal, Assam, Bihar and Orissa under the New Companies Act during the first nine months after the Act came into force on 1st April 1956, according to a review made by the Regional Director, Eastern Region, Company Law Administration, Calcutta. During the same period, 106 companies went into liquidation in this region.

The total number of registrations of public companies in West Bengal was 25 with a total authorised capital of Rs. 50.40 crores. The number of private companies incorporated during the same period was 199 with a total authorised capital of Rs. 6.07 crores. The above new flotations include (i) East Anglia Plastics (India) Ltd.—authorised capital Rs. 1 crore; (ii) Indo-Asahi Glass Co., Ltd.—authorised capital Rs. 65 lakhs; (iii) Bengal Sugar Mills Ltd.—authorised capital Rs. 50 lakhs; (iv) Parbati Cotton Mills Ltd.—authorised capital Rs. 50 lakhs; and (v) Techno Products Ltd.—authorised capital Rs. 30 lakhs.

The corresponding figures of public and private company registrations with their authorised capital for the first nine months period of 1955-56 were 45 public companies with authorised capital of Rs. 13.90 crores and 332 private companies with authorised capital of Rs. 9.78 crores. The number of companies that went into liquidation during the said period were 47 public limited companies, 51 private limited companies and one company limited by guarantee. Nineteen public limited companies with a total authorised capital of Rs. 3.06 crores and 11 private limited companies with a total capital of Rs. 35.5 lakhs were finally dissolved during the said period.

In Bihar, three public companies with a total authorised capital of Rs. 15 lakhs and 12 private companies with a total authorised capital of Rs. 50.28 crores were incorporated, while two public companies and two private companies with authorised capital, respectively, of Rs. 35 lakhs and Rs. 3 lakhs went into liquidation. The one giant flotation during this period in Bihar was Hindusthan Collieries Private Limited with an authorised capital of Rs. 50 crores.

In Assam, six private companies with a total authorised capital of Rs. 22 lakhs were registered during this period.

In Orissa, two public companies with an authorised capital of Rs. 10 lakhs and four private companies with an authorised capital of Rs. 5.70 crores were incorporated during this period, while two public companies and one private company with authorised capital of Rs. 10 lakhs and Rs. 2 lakhs, respectively, have gone into liquidation.

KIRLOSKAR BROTHERS EARN MORE

BONUS SHARES TO BE ISSUED

THE financial results of Messrs. Kirloskar Brothers Ltd. (Managing Agents: Messrs. Kirloskar Sons & Co., Kirloskarwadi, District South Satara), for the year ended 31st July 1956, are encouraging. The Company's business in that year recorded a fairly substantial improvement over that in the preceding two years. The gross profit of the Company, which amounted to Rs. 8.00 lakhs for 1953-54, registered a small improvement to Rs. 8.53 lakhs for 1954-55. From this level it has made a commendable advance by Rs. 4.27 lakhs to Rs. 12.80 lakhs during the year under review. Looking to the very modest—almost negligible—improvement in the previous year, the year's progress should be considered as quite satisfactory. In the words of the Board of Directors, "the business of the Company, no doubt, has shown some improvement and, if the same progress is maintained, the financial position of the Company would greatly improve." They further anticipate that, during the second Plan period, when special importance has been given to the country's industrial development, the Company would be able to secure far better business and also show its usefulness to the country. The Directors have, however, expressed concern over the transport bottleneck and shortage of raw materials like pig iron, hard coke, etc., which continue to create difficult situations at times.

After paying Rs. 1.17 lakhs as Managing Agents' commission and setting apart Rs. 4.80 lakhs on account of depreciation and Rs. 3.61 lakhs for taxation, the net profit works out to a higher figure of Rs. 3.22 lakhs and compares favourably with Rs. 1.39 lakhs for 1954-55 and Rs. 1.18 lakhs for 1953-54.

In conformity with the rise in profit, the dividend has been progressively stepped up. Thus, the dividend for the year under review is 6 per cent., as compared with 5 per cent. a year ago and 4 per cent. two years ago.

The following table will give some idea of the Company's working during the past three years:

(In lakhs of rupees)

	For the year ended 31st July		
	1956	1955	1954
Sales—Manufacturing ..	69.56	N.A.	N.A.
Closing stock—Manufacturing ..	22.96	N.A.	N.A.
Sales—Trading	47.13	N.A.	N.A.
Closing stock—Trading	5.38	N.A.	1.69
Other income	3.36	1.45	8.39
Expenses	106.47*	9.12	8.00
Gross profit	12.80	8.53	..
Managing Agents' commission ..	1.17	..	4.32
Depreciation	4.80	5.14	2.50
Taxation	3.61	2.00	1.18
Net profit	3.22	1.39	..
Transfer to—			
Reserves	1.86	0.20	0.30
Dividend	1.36	1.13	0.91
	(6%)	(5%)	(4%)
Carry forward	0.05	0.06	0.07
Rs.	(6,304)	(6,530)	(990)

* Includes also manufacturing expenses.

It will be seen that not only has the return to shareholders been raised but reserves also have been strengthened. Of the year's provision at Rs. 1.86 lakhs, general reserve has claimed Rs. 1.75 lakhs.

The Company would appear to be undercapitalised. As against a net block of Rs. 30.48 lakhs (arrived at after deducting Rs. 39.74 lakhs of depreciation from the gross block of Rs. 70.22 lakhs), the paid-up capital is only Rs. 22.57 lakhs, all in ordinary shares of Rs. 25 each. The Directors' decision to capitalise (subject to Government's consent) a sum of Rs. 7.57 lakhs from the general reserve is, therefore, fully justified. Under this proposal, a bonus share of Rs. 25 will be issued in the proportion of one share for three shares. It may be noted here that the Company's reserve position is strong enough to meet this transfer. Indeed, its reserves and surplus, aggregating Rs. 72.08 lakhs, are equal to more than three times the paid-up capital. The financial position of the Company is very satisfactory in other respects, too. Thus, its current liabilities aggregating Rs. 32.88 lakhs are well covered by current assets of the value of Rs. 97.57 lakhs, that is, by a wide margin of Rs. 64.69 lakhs.

It may be added that the proposed bonus shares, if sanctioned by the Government, will rank for dividend from the current year, namely, 1956-57, onwards.

Points From The Chair

Outlook for Steel

"THERE have been many statements made as to the likely total future demand for steel in this country; the question now is whether these are in fact reliable both as to the total quantity and the dates by which such quantities will be required. I have said on previous occasions that the demand so long as the standard of living is on the upgrade, because such a large quantity of sheet steel is used by the industries providing articles which make life easier and more pleasant. But these are the very articles which are largely controlled by political and economic expediencies; if the balance of payments is going the wrong way, one of the corrective measures is to control the consumption of consumer goods in the home market, either by the tightening up of hire-purchase arrangements, by a higher purchase tax, or by the credit squeeze, or by a combination of all three. Nevertheless, I think it is safe to assume that these setbacks, by their very nature, must be of a temporary character and that the rise in the standard of living throughout the world will continue."

RICHARD F. SUMMERS,
John Summers & Sons Ltd., Britain.

Taxation and Interest Rates

"Last year I referred to the fact that high taxation had tended to blunt the effect of the traditional method of controlling the supply of credit through movements in interest rates and, while I personally do not like direct controls being imposed through the banking system, I am more than ever convinced that the interest rate weapon cannot any longer be relied upon by itself, not at any rate unless we are prepared to see Bank rate pushed up to a level which would be harmful in other directions. For one thing, high interest rates increase the cost of Government borrowing and are thus a burden on the taxpayer. They also place an additional strain on our external payments account by increasing the cost of servicing the overseas holdings of sterling. These considerations alone make it desirable that the Government should not maintain high interest rates any longer than necessary and, I think, we may look forward to a downward movement of interest rates. As I have indicated, I do not consider that this need necessarily be accompanied by relaxation of the directive on bank lending. At the same time, however, I feel bound to add that I regard the directive as essentially a short-term expedient and at best an imperfect instrument of control. It should, therefore, be the policy of the Government to authorise its withdrawal at the earliest possible moment. For my part, I shall welcome the day when bankers are again free to consider applications for advances solely on their merits as banking propositions."

DUKE OF BUCCLEUCH AND QUEENSBERRY,
Royal Bank of Scotland.

Tube-making in India

"Last year I informed you that The Indian Tube Company's first plant—a continuous weld plant for the production of commercial quality tubes—had just started to operate. It was officially opened by the Chief Minister of Bihar on 7th March 1956. A good start was made and 17,000 tons of tubes had been produced by the end of September. Our prior training of Indian personnel in this country enables the plant to work with Indian operators only, and chiefly under Indian supervision. The continuous weld plant can, of course, produce a much greater tonnage and the Company therefore has the capacity to satisfy the expanding Indian demand for this class of tube for some time to come. Satisfactory progress has also been made with the electric resistance weld-tube plant and ancillary cold strip mill, and it is expected that these plants will start operation early in 1957 as I forecast in my speech last year. The Government of India have also sanctioned the installation of the seamless tube plant to which I referred last year. Orders have been placed for the buildings, plant and equipment and it is hoped that it will be completed towards the end of 1958. The Indian Tube Company also acts as our selling agents in India for certain of our products, in particular, those which it is likely to make in the future. Our subsidiary, Stewarts and Lloyds of India Private Ltd., continues to represent us for our other products and to fabricate and manipulate pipework in Calcutta of which it also undertakes the erection. The Company has had a successful year. Business in fabricated and manipulated pipework has substantially increased and it has been decided to extend facilities for this work."

A. G. STEWART,
Stewarts and Lloyds, Ltd., Britain.

Iron Ore Reserves

"The reserves of iron ore in the world, fortunately, seem more than adequate to cover the foreshadowed expansion of the steel industry for many years to come. The discovery of new deposits is more than keeping pace with the exhaustion of the older deposits. New mines, however, take a long time to bring into active production, particularly when they are situated in out of the way localities as many of them are. The difficulties of transporting the ore from the mines to the centres where it can be used, involving as it does both rail and sea carriage, are already making themselves evident. The rate of expansion in steel production must be determined by the rate of progress in the development of the ore fields, both old and new. Whether that development and progress are moving fast enough at the present time to keep pace with the world's demand for steel is not yet clear."

SIR ANDREW MCCANCE,
Colvilles Ltd., Glasgow.

COMPANY MEETINGS AND DIVIDENDS

ODDALEAH LTD. Annual General Meeting, Calcutta, 22nd February 1957. Dividend: *Nil.* Transfer books remain closed from 14th to 22nd February 1957, both days inclusive.

KODALA LTD. Annual General Meeting, Calcutta, 22nd February 1957. Dividend: *Nil.* Transfer books remain closed from 14th to 22nd February 1957, both days inclusive.

NEW CHURULIA COAL CO., LTD. Annual General Meeting, Calcutta, 27th February 1957. Transfer books will remain closed from 19th to 26th February 1957, both days inclusive.

INDIAN STEEL AND WIRE PRODUCTS LTD. Annual General Meeting, Calcutta, 27th February 1957. Transfer books remain closed from 15th to 27th February 1957, both days inclusive.

NEW SAVAN SUGAR AND GUR REFINING CO., LTD. Annual General Meeting, Calcutta, 28th February 1957. Transfer books will remain closed from 18th to 28th February 1957, both days inclusive.

MALWA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 28th February 1957. Transfer books will remain closed from 18th to 28th February 1957, both days inclusive.

BRITANNIA ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 28th February 1957. Dividend: 15 per cent. Transfer books remain closed from 12th to 28th February 1957, both days inclusive.

HIND CONSTRUCTIONS LTD. Annual General Meeting, Calcutta, 28th February 1957. Transfer books will remain closed from 18th to 28th February 1957, both days inclusive.

OUDH SUGAR MILLS LTD. Annual General Meeting, Bombay, 28th February 1957. Dividend: Rs. 11 per share. Transfer books will remain closed from 20th to 28th February 1957, both days inclusive.

JHARIA AND RANIGUNJ COLLIERIES LTD. Annual General Meeting, Calcutta, 28th February 1957. Transfer books will remain closed from 18th to 28th February 1957, both days inclusive.

KARAM CHAND THAPAR AND BROS. (COAL SALES) LTD. Annual General Meeting, Calcutta, 28th February 1957. Transfer books will remain closed from 18th to 28th February 1957, both days inclusive.

PHALTAN SUGAR WORKS LTD. Annual General Meeting, Bombay, 1st March 1957. Dividend: Rs. 9 per share, payable on 4th March 1957. Transfer books remain closed from 29th January to 18th February 1957, both days inclusive.

PANNA DIAMOND MINING SYNDICATE LTD. Annual General Meeting, Bombay, 4th March 1957. Transfer books will remain closed from 18th February to 4th March 1957, both days inclusive.

MADURA MILLS CO., LTD. Annual General Meeting, Madurai, 25th March 1957. Dividend: Rs. 2-10 per share (17½ per cent.). Transfer books will remain closed from 5th to 25th March 1957, both days inclusive.

SCINDIA STEAM NAVIGATION CO., LTD. Dividend of Re. 1 per share, for the year ended 30th June 1956, payable on 18th March 1957.

NEW SWADESHI SUGAR MILLS LTD. Dividend of Rs. 20 per share, for the year ended 30th June 1956. Transfer books will remain closed from 8th to 14th March 1957, both days inclusive.

GUJERAT SAFE DEPOSIT CO., LTD. Dividend of Rs. 4-12 per share, payable on 18th March 1957. Transfer books will remain closed from 19th February to 7th March 1957, both days inclusive.

KAILAS RUBBER CO., LTD. Interim dividend of As. 4-4/5 per share, for 1956-57. Transfer books will remain closed from 20th to 28th February 1957, both days inclusive.

THIRUMBADI RUBBER CO., LTD. Dividend of 12½ per cent. on the ordinary shares, for the year ended 30th September 1956. Transfer books will remain closed from 19th to 28th February 1957, both days inclusive.

KUMERGODE ESTATES LTD. Dividend of As. 6-2/5 per share (20 per cent.) for the year ended 31st October 1956.

KIL KOTAGIRI TEA AND COFFEE ESTATES LTD. Dividend of As. 6-2/5 per share (20 per cent.) for the year ended 31st October 1956. Transfer books will remain closed from 19th to 28th February 1957, both days inclusive.

ANDHRA CEMENT CO., LTD. Interim dividend of 10 per cent. on the ordinary shares for the year ended 31st December 1956. Transfer books will remain closed from 12th to 15th March 1957, both days inclusive.

COMPANY REGISTRATIONS

BAKSHI JAGTAR SINGH AND SONS PRIVATE LTD. (First Director: Sardar Bahadur Bakshi Dalip Singh.) Business: Manufacture of motor cars, trucks, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 16, Arthur Bunder Road, Colaba, Bombay 5.

ECK HAUBOLD AND LAXMI PRIVATE LTD. (First Director: Mr. K. M. D. Thackersey.) Business: Manufacture of paper bowls. Authorised capital: Rs 5,00,000. Private company. Address: Sir Vithaldas Chambers, 16, Apollo Street, Fort, Bombay.

BRITANNIA BUILDING'S PROFIT LOWER

SEAJULI TEA CUTS DIVIDEND BY 25 PER CENT.

Britannia Building and Iron Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Holmes Wilson & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1956.

The net profit for the year was Rs. 1,08,001 (Rs. 2,45,547) after providing for depreciation Rs. 5,44,402 (Rs. 53,526), for managing agents' commission Rs. 20,000 (Rs. 27,525 , for directors' commission Rs. 3,240 (Rs. 7,179) and for income-tax for the year 1953-54 Rs. 66,691. No provision for income-tax for the year 1953-54 was made before, but the income-tax department disallowed certain portion of the loss in that particular year and the same will be considered in the current year. Income-tax assessment is complete upto the year ended 31st March 1955 and there is a carried over loss therein. Accordingly no provision has been made in this year's account for income-tax for the years 1954-55 and 1955-56. A sum of Rs. 1,50,000 has been transferred from reserve for doubtful debts to the profit and loss appropriation account as the reserve is not required now. The credit balance in the profit and loss account is Rs. 2,08,508 (Rs. 1,17,197) which the directors disposed of as under:—

Paid Rs. 98,929 (Rs. 1,00,000) as dividend at As. 8 (Re. 1) per share on the 1,97,857 (1,00,000) ordinary shares issued, subscribed and paid up upto 31st March 1956, Rs. 57,942 (*nil*) as dividend at 6 per cent. per annum, on the 9,657 redeemable cumulative preference shares issued, subscribed and paid up upto 31st March 1956 and carried forward to the next year Rs. 51,637 (Rs. 7,179). The directors report that some of the development schemes proposed have already been taken in hand and hope that the working results will be better in the future years.

The factory of Messrs. National Structurals Ltd., has already been acquired and extensive additions are being made there. Abount 93 Bighas land has been acquired at Rajbundh near Durgapur for putting up the Company's structural shop. Negotiations are going on with the Industrial Finance Corporation of India for securing a loan for the development of the factory.

By an agreement entered into with the West Bengal Government, the Government has purchased the Company's claim against dues from the National Cricket Club for a sum of Rs. 3,80,000 and the same amount has been received from the Government on the guarantee of Sri N. D. Agarwalla, a director, as earnest money, which will become refundable to the Government only if the Company fails to obtain any decree in its suits against the National Cricket Club or if such decrees are set aside in subsequent appeals or if the Company fails to assign the decrees to the Government.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29.44.270	Block ...	31.90.232
Debentures	5.00.000	Stock-in-trade	22,21,652
Reserves ...	5.14.361	Work-in-progress ...	18,14,437
Liabilities ...	58.67,100	Loose tools ...	14,796
Profit and loss account ...	51,637	Stock-in-transit ...	9,777
		Debts, deposits and advances ...	22.62.382
		Investments	2.00.227
		Cash ...	1.63.865
Rs.	98.77.368	Rs.	98.77.368

Seajuli Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1955.

The season's working resulted in a profit on revenue account of Rs. 1,29,792 (Rs. 3,23,198) after providing for depreciation amounting to Rs. 14,993 (Rs. 83,493). After transferring the above profit making various adjustments, charging labour bonus for 1953 and 1954 and making a provision for labour bonus for 1955 and setting aside Rs. 35,000 (Rs. 1,40,000) for taxation the profit and loss account showed a balance at credit of Rs. 65,189 (Rs. 1,41,543 after providing Rs. 75,000 for reserve account and Rs. 10,000 to staff account) from which the directors paid a dividend of 15 (40) per cent. for season 1955 absorbing Rs. 37,350 (Rs. 1,16,643) and carried forward Rs. 27,839 (Rs. 74,700).

The following are comparative statistics of sales for the past three years:—

	Lbs.	*Average sale price per lb.*
1953	390.712	Rs. 2-4-8¼
1954	368,082	Rs. 3-7-4½
1955	359,962	Rs. 2-10-10

The estimates for 1956 provide for a crop of 368,000 lbs. of tea at a cost of Rs. 2-3-4½ per lb.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Liabilities ...	2.49.000	Block ...	4,05.800
Reserves ...	2,50,000	Stock-in-trade	5,29,975
Provision for taxation ...	1.79.919	Stores ...	73,934
Liabilities ...	4,15,221	Debts, deposits and advances ...	30.901
Profit and loss account ...	65,188	Cash ...	1.18.718
Rs.	11.59,328	Rs.	11.59,328

Krishnabehari Tea Co., Ltd.

The directors of the above Company (Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The net profit on the year's working was Rs. 61,895 (Rs. 2,68,388) after deducting all expenses including depreciation etc. To this was added the amount brought forward from last year of Rs. 9,384 (Rs. 936) making a total of Rs. 71,279 (Rs. 2,69,384). Out of this amount the directors paid a dividend of 10 (25) per cent. per annum free of income-tax on the paid up capital of the Company, viz., 30,000 fully paid up ordinary shares of Rs. 10 each for the period ended 31st December 1955 absorbing Rs. 30,000 (Rs. 75,000) transferred to general reserve account Rs. 15,000 (Rs. 80,000) transferred to income-tax reserve account Rs. 23,104 (Rs. 1,05,000) and carried forward Rs. 3,175 (Rs. 9,384).

Area: The area under tea cultivation as at 31st December 1955 was 267.98 acres.

Crop and sales:—The relative figures from 1951 onwards are given in the following table:—

Year	*Crop* Lbs.	*Sale Average* Rs. a. p.
1951	234,708	1 9 2
1952	187,450	1 6 9
1953	224,478	2 0 1
1954	277,508	2 15 0
1955	314,374½	1 12 10

Tea Market:—The tea market opened with a note of despondency with little demand from overseas buyers. There was, however, some revival of activity in July but buyers were following quality very closely. The demand, however, appeared short-lived and common teas saw a landslide in value. Good quality teas which form a small percentage were readily saleable at satisfactory prices. One line of *Tippy fbop* of the Tea Estate was sold at Rs. 7-1 per lb.

The Government of India effected a change in the procedure of export duty. A slab system was introduced linking the export duty to the weighted average sale price of Indian teas in the London auctions during the previous month. Thus the price of tea and the export duty are fixed at the beginning of every month. The export duty under the new procedure varied from As. 4 to As. 8 per lb. during the year. Further the Government of India on the recommendation of the Tea Auction Committee, curtailed direct shipments to London to 140 million lbs. for the year. This fact coupled with the credit squeeze in U.K. restricted the U.K. buyers from freely operating in the Calcutta Auctions. However, in the month of February 1956, the Government removed the restrictions imposed earlier on direct shipments to London. Though the Government's decision was a belated one, the market revived but it only brought a little relief to the producers as the major portion of their teas was sold out earlier.

The system of alloting quotas at different periods of the year has encouraged speculative activities in the export quota market which is detrimental to the interest of the industry. The price of export quotas varied from As. 5 to As. 9 per lb. during the year and after the final allotment, the price went down to As. 4 per lb.

Estimate for the year 1956: Estimated crop for the year is 320,000 lbs. The price concertina between common and *c.t.c.* teas has further widened this year and it now appears that producers of common teas will have a difficult time. Enforcement of entry tax on tea by the West Bengal Government has further worsened matters and has further increased the cost of production. It was, therefore, decided to manufacture *c.t.c.* teas at the Estate and it is gratifying to note that the new machine which was on order, recently arrived from U.K. and has been brought under commission on and from 31st October 1956. Initial reports on *c.t.c.* manufactured teas are satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3.00.000	Block ...	7.78.134
Reserves ...	2,25,010	Stock-in-trade	2,29,995
Provision for taxation ...	1.11.886	Stores and implements ...	51,609
Liabilities ...	6,19,675	Debts, deposits and advances ...	2,60.836
Profit and loss account ...	71,280	Investments	2.000
		Cash ...	5.277
Rs.	13.27.851	Rs.	13.27.851

Bor Pukhuri Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The reason's working resulted in a profit on revenue account of Rs. 1,75,419 (Rs. 2,76,288) after providing for depreciation amounting to Rs. 29,888 (Rs. 54,281). After transferring the above profit, making various adjustments, charging labour bonus for 1953-54 and making a provision for labour bonus for 1955 and setting aside for taxation Rs. 7,000 (Rs. 1,20,000) the profit and loss account showed a balance at credit of Rs. 73,920 (Rs. 1,66,285 after placing Rs. 1,00,000 to reserve account and Rs. 2,500 to staff account). From this the directors paid a dividend of 10 (35) per cent. for season 1955 absorbing Rs. 30,000 (Rs. 1,05,000) and carried forward Rs. 43,920 (Rs. 61,285).

The following are comparative statistics of sales for the past three years:—

	Lbs.	*Average sale price per lb.*
1953	535,334	Rs. 2-3-5½
1954	480,636	Rs. 2-13-11½
1955	607,768	Rs. 2-3-5½

The estimates for 1956 provide for a crop of 640,000 lbs. of tea at a cost of Re. 1-11-2½ per lb.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3.00,000	Block ...	7,13,500
Reserves ...	2,50,000	Stock-in-trade	8,24,339
Provision for taxation ...	74,959	Stores ...	56,873
Liabilities ...	10,02,014	Debts, deposits and advances ...	86.354
Profit and loss account ...	73.920	Cash ...	19,827
Rs.	17,00.893	Rs.	17,00.893

Bishnauth Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit on revenue account of Rs. 16,30,680 (Rs. 31,04,781) after providing for depreciation amounting to Rs. 1,25,021. After transferring the above profit, making various adjustments, charging labour bonus for 1953-54 and making a provision for labour bonus for 1955 and setting aside Rs. 3,85,000 (Rs. 12,00,000) for taxation, the profit and loss account showed a balance at credit of Rs. 4,79,359 (Rs. 11,27,131 after placing a total of Rs. 9,65,000 to various reserves) from which the directors paid a dividend of 20 (55 per cent. on the ordinary shares for season 1955 absorbing Rs. 3,30,000 (Rs. 9,07,500) and carried forward Rs. 1,49,359 (Rs. 2,19,631).

The following are comparative statistics of sales for the past three years:—

	Lbs.	*Average sale price per lb.*
1953	3,344,429	Rs. 2-5-1½
1954	3,758,823	Rs. 2-14-5½
1955	3,765,852	Rs. 2-7-1½

The estimates for 1956 provide for a crop of 3,880,000 lbs. of tea at a cost of Re. 1-15-1½ per lb.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,50.000	Block ...	31.57.500
Reserves ...	28,00,000	Stock-in-trade	50.36.959
Provision for taxation ...	15.26,183	Stores ...	6,70,425
Liabilities ...	36,76,154	Debts, deposits and advances ...	7,20,656
Profit and loss account ...	4,79,360	Investments ...	3.18.116
		Cash ...	2.28.036
Rs.	1,01,31.697	Rs.	1,01,31.697

Radio and Electricals Manufacturing Co., Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. K. Narayanaswamy, Bangalore) submitted the audited accounts of the Company for the tenth year ended with 31st March 1956.

The working of the Company has resulted in a net profit of Rs. 6,62,098 including the aggregate share of net profits of Energy Meter Section (Rs. 5,23,855) and Plastics Section (Rs. 1,23,044). This profit is arrived at after providing a sum of Rs. 22,000 towards a month's basic salary as bonus for the year 1955-56 to the Company staff. After adjusting the loss of Rs. 4,18,723 brought forward from last year and meeting a provision of Rs. 74,252 for income-tax and Rs. 1,203 representing donations and gifts made during the year, the directors recommend the following appropriations to be made out of the balance of net profit of Rs. 1,67,920.

To declare a dividend of 6 per cent. tax free on 2,44,463 shares of Rs. 10 each absorbing Rs. 1,46,678 and to carry forward to next year Rs. 21,242.

During the year under review 1,179 *Remco* brand radio receivers and 1,614 community radio receivers of the total value of Rs. 4,77,960 were sold. The community receivers were supplied to the Government of India.

Mention was made in the last report about the manufacture of water meters in technical collaboration with Swiss Manufacturers of repute. The directors inform that 1,000 water meters obtained in kit form were assembled and put on the market. The next stage of production of these meters on a large scale importing only such of the components as are not available indigenously will be taken up in the near future.

In regard to the manufacture of Radio components, the Engineer deputed for training in three U.K. Firms with whom the Company has entered into technical collaboration agreements has returned and a programme of production of radio components on a substantial scale has been drawn up.

Operations in the Energy Meter and Plastic Sections entrusted by Government to the Company's Management were satisfactory during the year as is evident from the financial results indicated above.

(*Continued on page* 338)

Notices

W. H. BRADY AND COMPANY LIMITED, BOMBAY

NOTICE

To

THE SHAREHOLDERS OF
W. H. BRADY & CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE Forty-fourth Annual General Meeting of the Company will be held on Tuesday the 12th day of March 1957, at 10.30 a.m. (S.T.), at the Registered Office of the Company, "Brady House," 12/14 Veer Nariman Road, Bombay, to transact the following business:

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1956.
2. To sanction the payment of Dividend.
3. To appoint a Director in place of Mr. Jehangir P. Patel whose term of office expires at this Annual General Meeting under Article 102 of the Articles of Association of the Company and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Nanabhoy Byramjee Jeejeebhoy whose term of office expires at this Annual General Meeting under Article 102 of the Articles of Association of the Company and, being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. Kishore Maneklal Premchand whose term of office expires under Section 260 of the Companies Act 1956 and, being eligible, offers himself for re-election.
6. To appoint a Director in place of Mr. Vasant Shrikrishna Velinker whose term of office expires under Section 260 of the Companies Act 1956 and, being eligible, offers himself for re-election.
7. To appoint a Director in place of Mr. Prataps:nh Mathuradas whose term of office expires under Section 260 of the Companies Act 1956 and, being eligible, offers himself for re-election.
8. To consider, and if thought fit, to pass the following resolution of which a Special Notice as required by Sections 190, 280 and 281 of the Companies Act 1956 has been received by the Company:

   "RESOLVED that pursuant to the provisions of Sections 280 and 281 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Sir Joseph Kay, K.B.E., Managing Director of the Company, who has attained the age of 73 years, be and the same is hereby approved and confirmed and that it is hereby specifically declared that the age limit prescribed by Section 280 of the said Act shall not apply to him."

9. To appoint Auditors for the current year and to fix their remuneration.
10. To consider, and if thought fit, to pass the following as an Ordinary Resolution:

    "RESOLVED that the Registers, Minute Book and Documents of the Company required to be kept open for inspection under the provisions of the Companies Act 1956 and particularly under Sections 49, 118, 144, 163, 196, 301, 302, 304, 307, 362 and 372 of the said Act, be kept open for inspection by the persons entitled thereto under the aforesaid provisions, to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid sections, at the Registered Office of the Company on any working day between the hours of 2.30 p.m. and 5 p.m. except on Saturdays and between 11 a.m. and 1 p.m. on Saturdays, unless otherwise provided in the said Act. PROVIDED, however, that the Register required to be maintained under Section 307 of the Act shall be open to the inspection of any member or holder of debentures of the Company (if any) as aforesaid between the times abovementioned during the period prescribed by clause (*a*) of subsections (5) and (7) of Section 307 of the said Act."

By Order of the Board,
JOSEPH KAY,
Managing Director.

BOMBAY, *6th February* 1957.

Note.—(1) A member entitled to attend and vote is entitled to appoint a proxy, or where that is allowed, one or more proxies, to attend and vote instead of himself. A proxy need not be a member.

(2) Inspection of the notice received by the Company under Section 190 of the Companies Act 1956 may be had at the Registered Office of the Company between the hours of 2.30 p.m. and 5 p.m. on any working day except on Saturdays and between 11 a.m. and 1 p.m. on Saturdays.

(3) The Transfer Books of the Company will be closed from Friday the 22nd day of February to Friday the 15th day of March 1957, both days inclusive.

Explanatory Statement in respect of items 8 and 10 as required by Section 173 of the Companies Act 1956

Item 8.—Sir Joseph Kay, K.B.E., is a Managing Director and Chairman of the Board. He has completed the age of 73 years. In view of the restrictions contained in Section 280 of the Companies Act 1956, a Special Notice as required by Section 190 has been received by the Company for passing a resolution mentioned in this item, specifically declaring that the age limit for Directors contained in the said Section 280 is not to apply to him.

Item 10.—The Companies Act 1956 entitles the Company to impose reasonable restrictions upon the availability of its registers, books and documents for inspection; the draft resolution set forth under this item of business specifies such reasonable restrictions which are desirable in the interests of the Company's business.

THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-seventh Ordinary General Meeting of the Shareholders of The Empire Dyeing and Manufacturing Company, Limited, will be held at the Registered Office of the Company, Brady House, 12/14 Veer Nariman Road, Fort, Bombay, on Tuesday the 12th March 1957, at 12-15 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year eneded 31st December 1956.
2. To sanction payment of Dividend.
3. To appoint a Director in place of Mr. Kantilal Nahalchand who retires by rotation in accordance with the Articles of Association of the Company and being eligible offers himself for re-election.
4. To appoint a Director in the place of Mr. Kishore M. Premchand who retires by rotation and being eligible offers himself for re-election and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:

   "RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, Mr. Kishore M. Premchand who retires by rotation and who is a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), be and he is hereby re-appointed a Director of the Company."

5. To appoint a Director in place of Mr. Nanabhoy B. Jeejeebhoy, whose term of office expires under Section 260 of the Companies Act 1956 and being eligible offers himself for re-election, and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice, as required by Sections 190 and 261 of the Companies Act 1956, has been received by the Company:

   "RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, Mr. Nanabhoy B. Jeejeebhoy, a Director and Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), who retires pursuant to Section 260 of the Companies Act 1956, be and he is hereby re-appointed a Director of the Company."

6. To appoint Auditors for the current year and fix their remuneration.
7. To consider and if thought fit to pass the following resolution as an Ordinary Resolution in respect of Sir Joseph Kay, K.B.E., the Ex-officio Director and Chairman of the Board and in respect of which a Special Notice as required by Sections 190, 280 and 281 of the Companies Act 1956 has been received by the Company:

   "RESOLVED that pursuant to the provisions of Sections 280 and 281 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Sir Joseph Kay, K.B.E., who has attained the age of 73 years, be and the same is hereby approved and confirmed and that it is hereby specifically declared that the age limit prescribed by Section 280 of the said Act shall not apply to him."

BOMBAY, *6th day of February* 1957.

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

BRADY HOUSE,
12-14, VEER NARIMAN ROAD,
BOMBAY, 1.

Note.—1. A member entitled to attend and vote is entitled to appoint a proxy and, where that is allowed, one or more proxies to attend and vote instead of himself. A proxy need not be a member.

2. The notices under Section 190 referred to in Resolution Nos. 4 and 5 mentioned in the notice are available for inspection of the members at the Registered Office of the Company between the hours of 11 a.m. and 1-30 p.m. on any working day except Saturdays and between the hours of 11 a.m. and 1 p.m. on Saturdays except Sundays and Holidays when the books and registers are closed under the provisions of the Companies Act 1956 or the Articles of Association of the Company.

3. The Transfer Books of the Company will be closed from Friday the 22nd February to Friday the 15th March 1957, both days inclusive.

4. The Dividend when declared will be made payable at the Registered Office of the Company on and after Tuesday the 26th March 1957. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 15th March 1957.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

Item No. 4—Mr. Kishore M. Premchand retires by rotation. He is also a Director and Associate of Messrs W. H. Brady & Co., Ltd., the Managing Agents of the Company who are authorised by the Articles of Association and the Managing Agency Agreement to appoint two persons as Directors to the Board. In accordance with Section 261 of the Companies Act, he cannot be appointed as a Director of the Company except by a Special Resolution and in accordance with Section 261. A Special Notice has been received by the Company under the said Section 261 from a member intimating his intention to propose Mr. Kishore M. Premchand as a Director in terms of the resolution mentioned in the said item.

Item No. 5—Mr. Nanabhoy B. Jeejeebhoy is also a Director and Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company. The said Managing Agents are

authorised by the Articles of Association of the Company as well as the Managing Agency Agreement to appoint two persons as Directors to the Board. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 261 of the Companies Act 1956 intimating his intention to propose at this meeting the resolution mentioned in this item for confirming his appointment by a Special Resolution.

Item No. 7—Sir Joseph Kay, K.B.E., has attained the age of 73 years. He is an Ex-officio Director and Chairman of the Board for the last 36 years. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 281 of the Companies Act 1956 intimating his intention to propose at this meeting the Ordinary Resolution mentioned in this item for confirming his appointment.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *6th February* 1957.

G. CLARIDGE AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SEVENTH Ordinary General Meeting of the Shareholders of G. Claridge and Company, Limited, will be held at the Company's Registered Office, "Brady House," No. 12/14 Veer Nariman Road, Fort, Bombay, on Tuesday the 12th March 1957, at 12-45 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1956.
2. To sanction payment of Dividend.
3. To appoint a Director in the place of Mr. Jehangir P. Patel who retires by rotation and being eligible offers himself for re-election and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:—

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956 Mr. Jehangir P. Patel who retires by rotation and who is a Director, and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), be and he is hereby re-appointed a Director of the Company."

4. To appoint a Director in the place of Mr. Kishore M. Premchand who retires by rotation and being eligible offers himself for re-election and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:—

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956 Mr. Kishore M. Premchand who retires by rotation and who is a Director and an Associate of Messrs. W. H. Brady & Co., Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), be and he is hereby re-appointed a Director of the Company."

5. To appoint a Director in place of Mr. Kishore D. Khatau who retires in accordance with the Articles of Association of the Company and being eligible offers himself for re-election.
6. To appoint a Director in place of Mr. Dwarkadas H. Vora who retires in accordance with the Articles of Association of the Company and being eligible offers himself for re-election.
7. To appoint Auditors for the current year and fix their remuneration.
8. To consider and if thought fit to pass the following resolution as an Ordinary Resolution in respect of Sir Joseph Kay, K.B.E., the Ex-officio Director and Chairman of the Board and in respect of which a Special Notice as required by Sections 190, 280 and 281 of the Companies Act 1956 has been received by the Company:—

"RESOLVED that pursuant to the provisions of Sections 280 and 281 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Sir Joseph Kay, K.B.E., who has attained the age of 73 years, be and the same is hereby approved and confirmed and that it is hereby specifically declared that the age limit prescribed by Section 280 of the said Act shall not apply to him."

BOMBAY, *6th day of February* 1957.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BRADY HOUSE,
12-14, VEER NARIMAN ROAD,
BOMBAY, 1.

Note.—1. A member entitled to attend and vote is entitled to appoint a proxy and, where that is allowed, one or more proxies to attend and vote instead of himself. A proxy need not be a member.

2. The notices under Section 190 and referred to in Resolution Nos. 3, 4 and 8 mentioned in the notice are also available for inspection of the members at the Registered Office of the Company between the hours of 11 a.m. to 1-30 p.m. on any working day except Saturdays and between the hours of 11 a.m. to 1 p.m. on Saturdays except Sundays and holidays and when the books and registers are closed under the provisions of the Companies Act 1956 or the Articles of Association of the Company.

3. The Transfer Books of the Company will be closed from Friday the 22nd February to Friday the 15th March 1957, both days inclusive.

4. The Dividend when declared will be made payable at the Registered Office of the Company on and after the 26th day of March 1957. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 15th day of March 1957.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

Item No. 3—Mr. Jehangir P. Patel is a Director and being an Associate of Messrs. W. H. Brady & Co., Limited, the Managing Agents of the Company, who are authorised by the Articles of Association and the Managing Agency Agreement to appoint two persons as Directors to the Board retires by rotation. In accordance with Section 261 of the Companies Act, he cannot be appointed as a Director of the Company except by Special Resolution and in respect of whose appointment a Special Notice has been received by the Company from a member intimating his intention to propose Mr. Jehangir P. Patel as a Director in terms of the resolution mentioned in the said item.

Item No. 4—Mr. Kishore M. Premchand is a Director and being an Associate of Messrs. W. H. Brady & Co., Limited, the Managing Agents of the Company, who are authorised by the Articles of Association and the Managing Agency Agreement to appoint two persons as Directors to the Board, retires by rotation. In accordance with Section 261 of the Companies Act, he cannot be appointed as a Director of the Company except by Special Resolution and in respect of whose appointment a Special Notice has been received by the Company from a member intimating his intention to propose Mr. Kishore M. Premchand as a Director in terms of the resolution mentioned in the said item.

Item No. 8—Sir Joseph Kay, K.B.E., has attained the age of 73 years. He is an Ex-officio Director and Chairman of the Board for the last 37 years. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 281 of the Companies Act 1956 intimating his intention to propose at this meeting the resolution mentioned in this item for confirming his appointment under the said section by an Ordinary Resolution.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *6th February* 1957.

THE NEW CITY OF BOMBAY MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 52nd Ordinary General Meeting of the Shareholders of The New City of Bombay Manufacturing Company, Ltd., will be held at the Company's Registered Office, "Brady House," 12/14 Veer Nariman Road, Fort, Bombay, on Tuesday the 12th March 1957, at 2-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1956.
2. To sanction the payment of Dividend.
3. To appoint a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation, in accordance with the Articles of Association of the Company, and being eligible offers himself for re-election.
4. To consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice, as required by Sections 190 and 261 of the Companies Act 1956, has been received by the Company:

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Mr. N. B. Jeejeebhoy, who is a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), be and the same is hereby approved and confirmed."

5. To consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice, as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Mr. K. M. Premchand, who is a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), be and the same is hereby approved and confirmed."

6. To appoint Auditors for the current year and fix their remuneration.
7. To consider and if thought fit to pass the following resolution as an Ordinary Resolution in respect of Sir Joseph Kay, K.B.E., the Ex-officio Director and Chairman of the Board and in respect of whom a Special Notice, as required by Sections 190, 280 and 281 of the Companies Act 1956, has been received by the Company:

"RESOLVED that pursuant to the provisions of Sections 280 and 281 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Sir Joseph Kay, K.B.E., who has attained the age of 73 years, be and the same is hereby approved and confirmed and that it is hereby specifically declared that the age limit prescribed by Section 280 of the said Act shall not apply to him."

BOMBAY, *7th day of February* 1957.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

"BRADY HOUSE,"
12/14 VEER NARIMAN ROAD,
BOMBAY 1.

Note.—1. A member entitled to attend and vote is entitled to appoint a proxy and, where that is allowed, one or more proxies to attend and vote instead of himself. A proxy need not be a member.

2. The notices under Section 190 and referred to in Resolutions Nos. 4, 5 and 7 mentioned in the Notice are also available for inspection of the Notice are also available for inspection of the members at the Registered Office of the Company on any working day between 11 a.m. to 1 p.m.

3. The Transfer Books of the Company will be closed from Friday, 22nd February 1957, to Friday, 15th March 1957, both days inclusive.

4. The dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after 26th March 1957. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 15th day of March 1957.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

Item No. 4.—Mr. N. B. Jeejeebhoy is a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company. The said Managing Agents are authorised by the Articles of Association of the Company as well as the Managing Agency Agreement to appoint two persons as Directors to the Board. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 261 of the Companies Act 1956, intimating his intention to propose at this meeting the Resolution mentioned in this item for confirming his appointment under the said section by a Special Resolution.

Item No. 5.—Mr. K. M. Premchand is also a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company. The said Managing Agents are authorised by the Articles of Association of the Company as well as the Managing Agency Agreement to appoint two persons as Directors to the Board. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 261 of the Companies Act 1956, intimating his intention to propose at this meeting the Resolution mentioned in this item for confirming his appointment under the said section by a Special Resolution.

Item No. 7.—Sir Joseph Kay, K.B.E., has attained the age of 73 years. He is an Ex-officio Director and Chairman of the Board for the last 36 years. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 281 of the Companies Act 1956, intimating his intention to propose at this meeting the Resolution mentioned in this item for confirming his appointment and specifically declaring that the age limit prescribed by Section 280 of the said Act shall not apply to him.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *7th February* 1957.

THE NEW GREAT EASTERN SPINNING AND WEAVING COMPANY, LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 83rd Ordinary General Meeting of the Shareholders of The New Great Eastern Spinning and Weaving Company, Ltd., will be held at the Company's Registered Office, "Brady House," 12-14, Veer Nariman Road, Fort, Bombay, on Tuesday the 12th March 1957, at 3-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1956.
2. To sanction the payment of Dividend on Preference and Ordinary Shares of the Company.

3. To appoint a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation, in accordance with the Articles of Association of the Company, and being eligible offers himself for re-election.
4. To apoint a Director in place of Mr. Tulsidas Kilachand, who retires by rotation, in accordance with the Articles of Association of the Company, and being eligible offers himself for re-election.
5. To appoint a Director in place of Mr. N. B. Jeejeebhoy, whose term of office expires under Section 260 of the Companies Act 1956, and being eligible offers himself for re-election, and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice, as required by Sections 190 and 261 of the Companies Act 1956, has been received by the Company:

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, Mr. N. B. Jeejeebhoy, a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), who retires pursuant to Section 260 of the Companies Act 1956, be and he is hereby re-appointed a Director of the Company."

6. To consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice, as required by Sections 190 and 261 of the Companies Act 1956, has been received by the Company.

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Mr. K. M. Premchand, who is a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board) be and the same is hereby approved and confirmed."

7. To appoint Auditors for the current year and fix their remuneration.
8. To consider and if thought fit to pass the following resolution as an Ordinary Resolution in respect of Sir Joseph Kay, K.B.E., the Ex-officio Director and Chairman of the Board and in respect of whom a Special Notice, as required by Sections 190, 280 and 281 of the Companies Act 1956, has been received by the Company.

"RESOLVED that pursuant to the provisions of Sections 280 and 281 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Sir Joseph Kay, K.B.E., who has attained the age of 73 years, be and the same is hereby approved and confirmed and that it is hereby specifically declared that the age limit prescribed by Section 280 of the said Act shall not apply to him."

BOMBAY, *7th day of February* 1957.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

"BRADY HOUSE,"
12-14 VEER NARIMAN ROAD,
BOMBAY, 1.

Note.—1. A member entitled to attend and vote is entitled to appoint a proxy and, where that is allowed, one or more proxies to attend and vote instead of himself. A proxy need not be a member.

2. The Notices under Section 190 and referred to in Resolutions Nos. 5, 6 and 8 mentioned in the Notice are also available for inspection of the members at the Registered Office of the Company on any working day between 11 a.m. to 1 p.m.

3. The Transfer Books of the Company will be closed from Friday, 22nd February 1957, to Friday, 15th March 1957, both days inclusive.

4. The dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after 26th March 1957. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 15th day of March 1957.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

Item No. 5.—Mr. N. B. Jeejeebhoy who retires at this meeting is a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company. The said Managing Agents are authorised by the Articles of Association of the Company as well as the Managing Agency Agreement to appoint two persons as Directors to the Board. In order to re-appoint him as a Director of the Company, a Special Notice has been received by the Company, from a member under Section 261 of the Companies Act 1956, intimating his intention to propose at this meeting the resolution mentioned in this item for his re-appointment under the said section by a Special Resolution.

Item No. 6.—Mr. K. M. Premchand is also a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company. The said Managing Agents are authorised by the Articles of Association of the Company as well as the Managing Agency Agreement to appoint two persons as Directors to the Board. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 261 of the Companies Act 1956, intimating his intention to propose at this meeting the resolution mentioned in this item for approving and confirming his appointment under the said section by a Special Resolution.

Item No. 8.—Sir Joseph Kay, K.B.E., has attained the age of 73 years. He is an Ex-officio Director and Chairman of the Board for the last 36 years. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 281 of the Companies Act 1956, intimating his intention to propose at this meeting the resolution mentioned in this item for approving and confirming his appointment and specifically declaring that the age limit prescribed by Section 280 of the Act shall not apply to him.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *7th February* 1957.

THE BRADY ENGINEERING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eleventh Ordinary General Meeting of the Shareholders of the Brady Engineering Company, Limited, will be held at the Company's Registered Office, "Brady House," No. 12-14, Veer Nariman Road, Fort, Bombay, on Tuesday the 12th March 1957, at 4-45 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1956.
2. To sanction payment of Dividend.
3. To appoint a Director in place of Mr. Kantilal Nahalchand who retires by rotation in accordance with the Articles of Association of the Company and being eligible offers himself for re-election.
4. To appoint a Director in place of Mr. Kishore M. Premchand who retires by rotation and being eligible offers himself for re-election and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, Mr. Kishore M. Premchand who retires by rotation and who is a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Manag-

ing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board), be and he is hereby re-appointed a Director of the Company."

9. To consider and if thought fit to pass the following resolution as a Special Resolution in respect of Mr. Nanabhoy B. Jeejeebhoy, a Director and Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:

"RESOLVED that pursuant to Section 261 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Mr. Nanabhoy B. Jeejeebhoy who is a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two persons as Directors to the Board) be and the same is hereby approved."

6. To appoint a Director in place of Mr. Bhagwandas C. Mehta who retires in accordance with the Articles of Association of the Company and being eligible offers himself for re-election.

7. To appoint Auditors for the current year and fix their remuneration.

8. To consider and if thought fit to pass the following resolution as an Ordinary Resolution in respect of Sir Joseph Kay, K.B.E., the Ex-officio Director and Chairman of the Board and in respect of which a Special Notice as required by Sections 190, 280 and 281 of the Companies Act 1956 has been received by the Company:

"RESOLVED that pursuant to the provisions of Sections 280 and 281 and other applicable provisions, if any, of the Companies Act 1956, the appointment of Sir Joseph Kay, K.B.E., who has attained the age of 73 years be and the same is hereby approved and confirmed and that it is hereby specifically declared that the age limit prescribed by Section 280 of the said Act shall not apply to him."

9. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED that the Registers, Minute Books and Documents of the Company required to be kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 144, 163, 196 301, 302, 304, 307, 362 and 372 of the said Act be kept open for inspection by the persons entitled thereto under the aforesaid provisions, to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid sections, at the Registered Office of the Company on any working day between the hours of 2-30 p.m. to 4-30 p.m. except on Saturdays and between 11-00 a.m. to 1-00 p.m. on Saturdays, unless otherwise provided in the said Act. PROVIDED however that the Register required to be maintained under Section 307 of the said Act shall be open to the inspection of any member or holder of debentures of the Company (if any) as aforesaid between the times mentioned during the period prescribed by clause (a) of sub-sections (5) and (7) of Section 307 of the said Act."

BOMBAY, 6th *day of February* 1957.

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

BRADY HOUSE,
12-14, VEER NARIMAN ROAD,
BOMBAY 1.

Note.—1. A member entitled to attend and vote is entitled to appoint a proxy and, where that is allowed, one or more proxies to attend and vote instead of himself. A proxy need not be a member.

2. The notices under Section 190 and referred to in Resolution Nos. 4, 5 and 8 mentioned in the notice are available for inspection of the members at the Registered Office of the Company between the hours of 11 a.m. to 1-30 p.m. on any working day except Saturdays and between the hours of 11 a.m. to 1 p.m. on Saturdays except Sundays and Holidays and when the books and registers are closed under the provisions of the Companies Act 1956 or the Articles of Association of the Company.

3. The Transfer Books of the Company will be closed from Friday the 22nd February to Friday the 15th March 1957, both days inclusive.

4. The Dividend when declared will be made payable through the Bank of India Limited, Bombay, on and after the 26th day of March 1957. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 15th day of March 1957.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

Item No. 4.—Mr. Kishore M. Premchand is a Director and being an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company who are authorised by the Articles of Association and the Managing Agency Agreement to appoint two persons as Directors to the Board retires by rotation. In accordance with Section 261 of the Companies Act, he cannot be appointed as a Director of the Company except by Special Resolution and in respect of whose appointment a Special Notice has been received by the Company from a member intimating his intention to propose Mr. Kishore M. Premchand as a Director in terms of the resolution mentioned in this item.

Item No. 5.—Mr. Nanabhoy B. Jeejeebhoy is also a Director and an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company. The said Managing Agents are authorised by the Articles of Association of the Company as well as the Managing Agency Agreement to appoint two persons as Directors to the Board. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 261 of the Companies Act 1956 intimating his intention to propose at this meeting the Resolution mentioned in this item for confirming his appointment under the said section by a Special Resolution.

Item No. 8.—Sir Joseph Kay, K.B.E., has attained the age of 73 years. He is an Ex-officio Director and Chairman of the Board since the inception of the Company in 1946. In order to continue his appointment, a Special Notice has been received by the Company from a member under Section 281 of the Companies Act 1956 intimating his intention to propose at this meeting the resolution mentioned in this item for confirming his appointment under the said section by an Ordinary Resolution.

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

BOMBAY, 6*th February* 1957.

THE TATA MILLS LIMITED

NOTICE

THE TRANSFER BOOKS OF THE TATA Mills Limited will be closed from Monday the 11th March to Tuesday the 9th April 1957 both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 7*th February* 1957.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE TRANSFER BOOKS OF THE SVADESHI Mills Co., Ltd., will be closed from Monday the 11th March to Tuesday the 9th April 1957, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 7*th February* 1957.

ORIENT PAPER MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the ORIENT PAPER MILLS LIMITED will be held on Wednesday the 13th March 1957, at 8, India Exchange Place, Calcutta-1, at 2-30 p.m., to consider and, if thought fit, to pass, with or without modification, the following resolutions:—

As an Ordinary Resolution:

1. "RESOLVED that consent of the Company be and is hereby given to the transfer of the Coal Mining Lease dated the 19th August, 1955, granted in favour of the company by the Orissa State Government for a period of 30 years, to the Central India Coal-Fields Limited for the unexpired residue of the said term of 30 years together with the benefits, rights, liberties and privileges and subject henceforth to the payment of the rent reserved by and the performance and observations of the conditions and covenants as contained in the said Lease and payment by the Central India Coal-Fields Ltd. of the actual cost of this Company incurred in connection with the Colliery and that the Directors of the Company be and are hereby authorised to effect the said transfer and to do the needful in this connection."

As A Special Resolution:

2. "RESOLVED that the Articles of Association of the Company be altered in the manner following:

A. For Article 37, the following shall be substituted, namely:

'37. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Clause 14 hereof is to have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the company's lien, if any, on such shares.'

B. For Article 38, the following shall be substituted, namely:

'38. (a) For the purpose of enforcing such lien, the Board of Directors may sell the shares, subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee, *curator bonis* or other legal representatives as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.

(b) The net proceeds of the sale shall be received by the company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall be paid to such member, his executors or administrators or assigns or his committee, *curator bonis* or other legal representatives as the case may be.'

C. The word 'three' appearing in line 4 of the Article No. 184 be substituted by the word 'six'."

By Order of the Board,
BIRLA BROTHERS PRIVATE LIMITED,
Managing Agents.

8, INDIA EXCHANGE PLACE,
CALCUTTA, 8*th February*, 1957.

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

ENGINEERING

(*Concluded from page* 320)

The Automobile Products of India Ltd. was formed for the purpose of manufacturing automobiles, but had to give up that project. It later obtained permission from Government to manufacture Lambretta motor scooters, Lockhead brake equipment, Borg and Beck clutches and Firestone brake linings. In December 1955, its programme for the manufacture of a vehicular type diesel engine was approved by Government. The Company has entered into an agreement with Henry Meadows Ltd., England, for the manufacture of 4 D.C.-330 diesel engines in the country. It has imported a few engines and has taken up the manufacture of conversion kits.

The following extract from the Tariff Commission's report is of particular importance in regard to the programmes of both Simpson and Automobile Products:

"While we do not approve of additional projects being sanctioned at this stage for manufacture of diesel engines, we would like to see effective steps taken to meet the growing requirements of these engines during the next few years, if necessary, through imports of built-up engines. As far as we are able to gather, there is a world-wide shortage of diesel engines, and it has not been denied that, owing to difficulties in the supply of raw materials and the unforeseen increase in world demand, some measure of rationing of supplies to the export markets is in existence in the United Kingdom. The position regarding Perkins diesel engines is that production has to be scheduled about 12 months ahead of deliveries, and assurances of offtake are required from indentors to ensure production according to schedule. It would appear that "extraordinary efforts" are required (and being made) to maintain supplies at 1,000 engines per month subject to the above reservations. As regards Meadows Diesel engines, we are informed that Henry Meadows' own production of 300 c.c. type of engine (which has been licensed for progressive manufacture in India) was only at the rate of 25 engines per week in 1955, and is 45 per week in 1956. In 1957, the English Company expects to increase production to 250 engines per month. Its agreement with Automobile Products of India guarantees a supply of 75 per cent. of its production to the Indian market. In these circumstances, while the Indian manufacturers of diesel engines may give assurances of their ability to meet the domestic demand, they may, in fact, find it difficult to do so. It may not be prudent to rely too much on any scheme which involves setting up of substantial additional capacity at the factory of the foreign manufacturer in order to meet Indian demand, especially when the policy is to meet the demand from domestic production within a short period. We, therefore, recommend that the position regarding the future supply of diesel engines should be kept under constant review, and that, if the domestic production of these engines cannot be stepped up in the immediate future, measures should be taken temporarily to obtain additional imports of built-up engines to avoid scarcity."

Trend of Production

The following table shows the number of vehicles produced by the approved manufacturers since 1953:

	1953	1954	1955	1956 Jan.–June
I. CARS—				
(a) *Light Cars*—				
Standard 8/Standard 10	37	449	909	654
Fiat 1100		574	2,173	1,922
Baby Hindustan	21	21	373	194
Hindustan-Landmaster	1,640	2,330	3,878	2,507
Total	1,677	3,374	7,333	5,277
(b) *Big Cars*—				
Standard-Vanguard	301	527	637	123
Dodge/De Soto/Plymouth	307	774	1,403	567
Studebaker	207	277	617	285
Total	815	1,578	2,657	975
(c) *Jeeps*	1,094	2,157	2,777	2,210
Total of all cars	3,586	7,109	12,772	8,462
II. COMMERCIAL VEHICLES—				
(a) *Petrol*—				
Light (less than 3 tons):				
Dodge/De Soto/Fargo	1,023	447	616	460
Studebaker	47	429	1,525	408
Medium (3 to 5 tons):				
Dodge/De Soto/Fargo	407	2,648	1,856	653
Studebaker	987	689	835	783
Total	2,464	4,213	4,832	2,304
(b) *Diesel*				
Medium (3 to 5 tons):				
Tata-Mercedes-Benz	93	120	2,338	2,198
Dodge/De Soto/Fargo	399	399	1,416	1,265
Heavy (above 5 tons):				
Leyland	159	305	796	428
Total	252	824	4,549	3,891
Total of all Commercial Vehicles	2,716	5,037	9,381	6,195
Grand Total	6,302	12,146	22,153	14,657

It will be seen from the foregoing statement that production of automobiles has been steadily rising since 1953. The total production of all types of vehicles increased from 6,302 in 1953 to 12,146 in 1954, 22,153 in 1955 and 14,657 in the first half of 1956. Preliminary figures for the whole of 1956 indicate that total production was over 31,000 vehicles. The production of light cars has increased more than that of big cars and, among trucks, the demand for diesel trucks has outstripped that for petrol vehicles. The output of diesel trucks which was only 15 per cent. of the total production of medium and heavy trucks in 1953 increased to 63 per cent. in 1955 and 73 per cent. in the first half of 1956.

Quality

The Tariff Commission has observed a gradual improvement in the quality of automobiles assembled in India since 1954. It is, however, of the view that, though the current series of Landmasters is of satisfactory quality and represents a great improvement over the previous one which led to a lot of complaints from the users, the Hindustan Motors should tighten up inspection in their machining and assembling shops, arrange for more careful scrutiny of the purchased components and take further steps to improve the quality of their castings. The Commission has also stated that all manufacturers should undertake full responsibility for all the parts fitted to their vehicles, without making any distinction, for the purpose of their warranties, between the parts made by them and those purchased from other sources.

The Commission is of the view that, in the coming years, the demand for commercial vehicles will outstrip that for passenger cars and jeeps and that, among commercial vehicles, diesel trucks have a better future than petrol trucks. It thinks that the manufacturers of petrol truck engines will do well to amend their programme, in view of the growing popularity of diesel vehicles. The Commission is further of the opinion that "the demand for motor vehicles would be much higher than is indicated by the current trends, if effective action were taken to eliminate the various factors which are hampering such demand. Having regard to past history, however, it is hardly realistic to expect these factors to disappear in the near future. . ." Accordingly, it estimates the annual demand for motor vehicles to increase by 1960-61 to 40,000 commercial vehicles, 20,000 passenger cars and 5,000 jeep type vehicles, making up a total of 65,000 vehicles. It expects that about 70 to 80 per cent. of the demand for commercial vehicles would be for the diesel-driven type.

Although the demand for vehicles is thus expected to go up substantially in the next four or five years, the Commission feels that it would be unrealistic to expect even progress in the case of all approved manufacturers of passenger cars. For, as against an annual demand of 20,000 cars by 1960-61, there are as many as seven makes of vehicles to participate in this demand, excluding jeeps, and three manufacturers to supply them. But the economic volume of production for any model of passenger car cannot, according to the Commission, possibly be below 5,000 cars. It, therefore, comes to the conclusion that the volume available for at least some of the approved passenger cars is inadequate and is bound to make the relative projects uneconomical in the long run.

MINERAL BENEFICIATION

A symposium on mineral beneficiation and extractive metallurgical techniques was inaugurated at Jamshedpur last week by Prof. M. S. Thacker, Director General of Scientific and Industrial Research. This four-day symposium, the sixth to be arranged by the National Metallurgical Laboratory, was attended by 110 delegates from all parts of India and several distinguished visitors from the U.K., the U.S.A., and West Germany. In his welcome address, Sir Jehangir Ghandy, Chairman of the Laboratory's Executive Council, pointed out that minerals were being used up all over the world in increasing quantities each year. Since minerals did not admit of replacement, it was important to conserve these "wasting assets." The Planning Commission had, therefore, advocated the adoption of modern techniques of mineral beneficiation, so that inferior off-grade qualities of ore, now largely wasted, might also be put to some economic use. Citing the example of manganese ore, he pointed out that, for every ton of good ore now mined in the country, two tons of inferior ores were thrown away as waste. Much work had already been done to remedy this problem and a pilot plant would shorty be established at the National Metallurgical Laboratory to carry out beneficiation trials.

Apart from manganese, beneficiation could be employed to great advantage in the case of several other minerals, particularly those required for the production of atomic energy. Referring to the mining industries, Sir Jehangir Ghandy said that, although the rapid expansion of ore exports was particularly important in the context of the present need for foreign exchange, domestic processing and utilisation of minerals was a prime necessity for integrated economic development.

Inaugurating the symposium, Prof. Thacker said that better utilisation of India's mineral wealth was vital to the country's industrial development. Techniques and methods for mineral beneficiation were well known, but their application in the conditions obtaining in India posed problems which required continuing research and study.

FINANCE (NO. 3) ACT, 1956—II

By R. K. Dalal, B. Com., F.S.A.A., F.C.A.

[*The following is the concluding portion of the aforesaid article published on pages* 216 *and* 251 *of* Commerce, *dated the* 2nd *inst. In this portion, the author discusses the changes made in the companies' rates of super-tax.*—ED.]

With regard to companies' rates of super-tax, it has been provided as follows:

(1) Companies which have made prescribed arrangement for declaration and payment in India of dividends and for deduction of super-tax from dividends paid to shareholders not resident in India—

(a) for companies referred to in section 23A(9), i.e., companies in which the public are substantially interested with total income not exceeding Rs. 25,000—1 anna 9 pies in a rupee.

(b) other companies—2 annas 9 pies in a rupee.

(2) Public companies not included in (1) (e.g., foreign public companies)—

(a) on income other than dividend from Indian subsidiary—5 annas 9 pies in a rupee.

(b) on dividend from Indian subsidiary—3 annas 3 pies in a rupee.

(3) Private companies not included in (1) (e.g., foreign private companies)—

(a) income other than dividend from Indian subsidiary—5 annas 9 pies in a rupee.

(b) on dividend from Indian subsidiary—3 annas 3 pies in a rupee.

Additional super-tax on dividends distributed by a company in excess of 6 per cent. of its paid-up capital will continue for the financial year 1957-58 with the following alteration in rates:—

(a) Dividends in excess of 6 per cent. but not more than 10 per cent. of the paid-up capital—2 annas in a rupee.

(b) Dividends in excess of 10 per cent. but not more than 18 per cent. of the paid-up capital—4 annas in a rupee.

(c) Dividends in excess of 18 per cent. of the paid-up capital—6 annas in a rupee.

Extra super-tax at two annas in a rupee for companies on the face value of bonus shares issued by them will continue to be levied.

Another most radical change is the provision that the quantum of bonus shares and excess dividend which could not be subjected to additional super-tax during the financial year 1956-57 for want of adequate total income, shall be carried forward to the financial year 1957-58. This is a revolutionary change, for it affects the computation of tax in the next year by—not what has happened or done in that year—but by what has happened in the previous year.

If super-tax is levied on a total income, it must have relation to the total income of that year only. Here an excess of super-tax which could not be levied in the absence of total income is sought to be levied on the total income of the next year.

The tax levy should be in respect of the total income of the year and no tax normally should be levied for a year in respect of the total income of another year. That would not seem to be legal.

This may raise a hare of constitutional arguments for legal pundits, but, meanwhile, the assessee is called upon, by way of taxes, to pay more than the total income itself—a proposition the Bombay High Court has held clearly *ultra vires*, that is, any tax levy shall not exceed the total income itself. To do so is *per se ultra vires*.

Under section 23A it is provided that, if a company is a company in which the public are not substantially interested, it must distribute at least 60 per cent. of the distributable profits; in default, it will have to pay an additional super-tax on the whole amount of its undistributed profits of the year. The rate of non-investment company which was 4 annas is raised to 6 annas in a rupee. The rate for investment company is retained at 8 annas in a rupee as in the previous year.

For companies engaged in an industrial activity, the statutory percentage of 60 per cent. distribution is reduced to 50 per cent.

Under the aforesaid section, if you do not distribute, you pay penalty by way of additional super-tax; if you do, then you must pay excess dividend super-tax. Either way you are sped. There does not seem to be logic in penalising both retention and distribution in the same breath. If the statutory distribution under section 23A entails an excess distribution over 6 per cent. of the paid-up capital; and since the assessee has no volition in the matter, no penal super-tax should be levied. Not to do so, sounds like running with the hare and hunting with the hound—not a very laudable thing for the legislature to do.

INDIAN RAILWAYS DURING 1956

OPERATIONAL EFFICIENCY IMPROVES

By P. C. Mathew

JOINT DIRECTOR, RAILWAY BOARD

TOWARDS the end of 1955, when the busy season for movement of goods traffic commenced, railwaymen all over India were keyed up to the task of handling additional traffic programmed to be moved and for which targets had been set. On account of a favourable monsoon in 1955, agricultural production had increased. Materials for the various multi-purpose projects and expanded industries had to be carried quickly; movement from Bombay, Calcutta, Madras and other ports of imported foodgrains, iron and steel, cement, machinery, etc., had to be stepped up and time was of great consequence. Detailed planning was done at headquarters, regional, district and staff levels. Staff at the lowest rung of the ladder was also made aware of the objectives set for attainment in 1956.

Traffic from the coalfields and from Calcutta industrial area to Uttar Pradesh and the Punjab and Western India has to move through Moghalsarai yard which is the focal point of railway operation in India. The yard at Moghalsarai was designed to move about 1,400 wagons each way. By concentrated supervision and continuous day and night vigil throughout the period, it has been possible to put through about 1,900 wagons each way through this yard during 1956. During certain months, the record has been an average of 2,100 wagons a day. The increased loadings at Moghalsarai yard have been effected without any additional yard facilities and largely through the sustained and enthusiastic effort of the yard and supervisory staff. In recognition of this meritorious work and as a token of commendation, the staff at Moghalsarai have been given an additional privilege pass each and an award of Rs. 5,000 to be utilised for staff amenities.

Wagon Chasing Body Formed

With the additional traffic being carried over the various sections, it became necessary to devise special measures to reduce detention to wagons and engines to the minimum possible. A wagon chasing organisation was developed to keep constant watch on trouble spots like transhipment points and marshalling yards. Experienced and dependable staff were selected as wagon chasers whose main work was to move about the yards and industrial areas where there was heavy detention to wagons.

In normal times, detailed supervision of the transportation work on railways is done at district, divisional and headquarters level, while the Chief Operating Superintendent and the Transportation Cell in the headquarters office closely watch the trend of movement of traffic and take corrective action according to the conditions obtaining from time to time. In view of the heavy increase in passenger as well as goods traffic and the limited resources available, however, it was felt that better results could be obtained by a close watch and daily check by the Railway Board on the day-to-day operation, particularly on wagon movement on the railways. For this purpose, important details of day-to-day working are obtained by wireless or telephone in the Board's office and reviewed by the Transportation Directorate. Difficult problems, particularly of co-ordination with the operating heads, have to be anticipated from the trends of movement and advance orders issued from the central organisation in the Board's office.

The whole picture of wagon movements on Indian railways being readily available, prompt orders are issued without delay and assistance given to individual railways according to need by intelligent interpretation of stock movements, close co-ordination of the day-to-day work and the issue of prompt orders in regard to movements on the vast network of Indian railways. The result can be seen from the satisfactory operating results during 1956.

During 1956, the number of wagons loaded as compared with 1955 increased by 7 per cent. on the broad-gauge and by 9.8 per cent. on the metre-gauge. As a result of increased loading, outstanding registrations decreased progressively and, by the end of October 1956, the total outstanding registrations on the broad-gauge sections were 11,800, representing barely a day's loading. Wagon miles per wagon-day during 1955-56 have increased to 46.3 as compared with 43.3 in 1954-55. This improvement was maintained from April onwards, a record figure of 49.7 miles having been obtained in August 1956.

The statistical figure which indicates the maximum operational efficiency is "net ton-miles per wagon day." Here, the increase from 483 miles in 1954-55 to 519 miles in 1955-56 on the broad-gauge is a substantial improvement. From April 1956 to December 1956, this figure has further increased to 541 miles on the broad-gauge and 203 miles on the metre-gauge.

More Passenger Trains

Although the emphasis in the Second Five-year Plan is on movement of more and more goods traffic, it has been possible to increase passenger train services also to some considerable extent. Passenger train miles during 1956 increased by about 4,700 miles per day as compared with 1955. The *Janata* express train was used to run between Delhi and Madras thrice a week was converted into a daily service from July 1956, and a daily *Janata* express train was introduced between Bombay and Delhi from October. Fully air-conditioned vestibuled trains have also been introduced on a bi-weekly basis between Delhi and Howrah and Delhi and Bombay. A similar service between Delhi and Madras is also being introduced from the beginning of February.

The substantial increase in the volume of traffic handled during the year has been due to a judicious combination of bold and decisive direction and the enthusiasm of the workers at the lower levels. But there is a limit to what can be done by personal efforts. Additional facilities and modern equipment are necessary, so that railways can meet the challenge of the future.

COMPANY REPORTS

(*Concluded from page 332*)

The directors inform that the Government of Mysore have, in their order dated 31st August-3rd September 1956, sanctioned the amalgamation of the Meter Section owned by them with the Company and have enhanced the limit of cash credit loan from Rs. 18 lakhs to Rs. 26½ lakhs as a consequence thereof. Since the paid-up capital of the Company is Rs. 24,44,630 only and the directors cannot, under Section 293 (d) borrow moneys in excess of the aggregate of the paid-up capital and its free reserves, a special resolution permitting the board of directors to borrow up to the limit of Rs. 26½ lakhs cash credit loan sanctioned by the Government of Mysore is being placed before the shareholders for approval.

The new Companies Act, 1956, which came into force from 1st April 1956 contains many new provisions. Under Section 617 of this Act, the Company is termed a "Government Company" by virtue of the Government of Mysore holding sixty per cent. of the share capital. As a result of this change, the auditor of the Company for the year 1956-57 has been appointed by the Government of India under Section 619 of the Act.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,84,556	Block ...	15,56,110
Provision for taxation ...	74,252	Stock-in-trade	7,24,774
Liabilities ...	19,56,082	Stores ...	6,409
Profit and loss account ...	1,67,920	Debts, deposits and advances ...	22,04,453
		Investments	15,027
		Miscellaneous expenditure and losses	85,970
		Cash ...	90,067
Rs.	46,82,810	Rs.	46,82,810

Tukvar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a loss on revenue account of Rs. 1,54,050 (Rs. 5,17,842) after providing for depreciation amounting to Rs. 12,892 (Rs. 18,669). After transferring the above loss, making various adjustments and charging labour bonus for 1953-54 the profit and loss account showed a balance at debit of which the directors carried forward Rs. 2,40,269 (credit of Rs. 65,599 after placing Rs. 2,50,000 to reserve account and Rs. 12,200 to staff account and also paying a dividend of 10 per cent. absorbing Rs. 80,135).

The following are comparative statistics of sales for the past three years:—

			Average sale price per lb.
		Lbs.	
1953 ..	..	668,693	Rs. 2-3-6
1954 ..	..	711,945	Rs. 3-2-5½
1955 ..	..	709,403	Rs. 2-2-4½

The estimates for 1956 provide for a crop of 880,000 lbs. of tea at a cost of Rs. 2-4-11½ per lb.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,01,350	Block ...	11,54,000
Reserves ...	2,50,000	Stock-in-trade	4,01,656
Provision for taxation ...	40,419	Stores ...	1,64,515
Liabilities ...	11,62,443	Debts & advances ...	2,38,046
		Cash ...	55,726
		Profit and loss account ...	2,40,269
Rs.	22,54,212	Rs.	22,54,212

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

THE HIND BANK LIMITED

Head Office: **CALCUTTA**

Chairman
Mr. K. P. GOENKA

General Manager:
S. D. PARDIWALLA

Paid-up Capital - - **Rs. 50,00,000**
Reserve Fund - - **Rs. 26,00,000**

COMPLETE BANKING SERVICE OFFERED

Transacting all kinds of Foreign Exchange Business.

Bombay Office:
Sir Pherozshah Mehta Road
BOMBAY 1

S. L. MEHTA, *Manager.*

Notices

RALLIS INDIA LIMITED

CLOSURE OF REGISTER OF MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Transfer Books of the Company will be closed from 1st March 1957 to 14th March 1957, both days inclusive.

By Order of the Board,
KENNETH SHEPPARD,
Secretary.

16, HARE STREET, CALCUTTA,
14th February 1957.

THE GOKAK MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from 8th March 1957 to the 28th March 1957, both days inclusive.

The Dividend, if sanctioned, will be paid to those Shareholders whose names stand on the Register of the Company on the 28th March 1957.

By Order of the Board,
FORBES FORBES CAMPBELL & CO.
PRIVATE LIMITED,
Managing Agents.

BOMBAY, *11th February* 1957.

NOTES IN CIRCULATION CROSS RS. 1,500-CRORE MARK

(*From Our Own Correspondent*)

BOMBAY, *13th February*

Conditions in the short-term money market were extremely stringent during the week under review. The rise in interest rates, following the increase in the Reserve Bank's lending rate against eligible securities two weeks ago, did not bring any fresh supply of funds to the market, where the available floating funds were very much short of the demand. Banks had to resort in a substantial measure to borrowing from the Reserve Bank and the State Bank of India.

The cut in Bank rate in the U.K. has not improved the position of exchange banks in respect of getting their requirements of funds. For the interest rates in Britain are still much higher than in India. It has, however, reduced the cost of whatever they used to borrow from London, after exploring all avenues of supplies in India.

Inter-bank call money continued to be placed at 3½ per cent. House money at call, as also short-term deposits for one to six months, fetched 4 to 4½ per cent.

A sharp expansion of Rs. 25.63 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 8th February 1957, bringing the total rise for the last two weeks to Rs. 34.12 crores. With the rise noted during the week under review, notes in circulation have exceeded the Rs. 1,500-crore mark to stand at Rs. 1,519.65 crores. This falls short of the peak of Rs. 1,525.88 crores recorded on 11th May 1956 by a little more than Rs. 6 crores. But at the present rate of expansion, this all-time peak will soon be crossed in the current year.

Notes held in the Banking Department have declined during the week under review by Rs. 7.54 crores, with the result that the increase of Rs. 18.09 crores in total notes issued is covered by a rise of Rs. 20 crores in the rupee securities and a contraction of Rs. 1.91 crores in rupee coin. In the Banking Department, deposits of the Central Government show a fall of Rs. 1.33 crores, deposits of other Governments Rs. 3.15 crores, and of banks Rs. 3.74 crores. Deposits of others have risen sharply by Rs. 28.38 crores. On the assets side, balances held abroad have gone up by Rs. 28.32 crores. This is apparently due to the receipt of the first instalment of credit from the I.M.F. amounting to Rs. 28.56 crores (the equivalent of $60.00 million) on the 7th inst. It looks as though a small part of this credit has already been spent. Loans and advances other than to Governments have risen by Rs. 15.76 crores, of which outstanding advances to banks against usance bills account for Rs. 8.75 crores. There have been fresh borrowings by banks against these bills during the week to the tune of Rs. 21.33 crores and repayments of maturing bills have been of the order of Rs. 12.58 crores. There has been a reduction of Rs. 14.71 crores in the Reserve Bank's investment portfolio.

The Scheduled banks' statement for the week ended 1st February 1957 show that the rising trend in banks deposits has been maintained with a further increase of Rs. 8.68 crores in demand deposits and of Rs. 2.44 crores in time deposits. Borrowings from the Reserve Bank are up by Rs. 6.36 crores. Advances have gone up by Rs. 12.06 crores, and bills purchased and discounted by Rs. 2.61 crores. Cash balances also have risen by Rs. 2.88 crores.

The Gilt-edged market ruled dull during the week under review. Though many issues were on offer, prices were fairly well held, except in one or two cases. In the absence of any buyers, the volume of business was on a small scale. 3 per cent. 1986 Conversion Loan provided a feature with a rise of As. 2 to Rs. 93-10 due to short covering. 3 per cent. 1970-75 gained an anna to Rs. 87-1, at which level it attracted sellers. 3 per cent. 1966-68 was unchanged at Rs. 92-4 and 3 per cent. 1964 at Rs. 94-6. 3 per cent. 1963-65 was on offer at Rs. 94-3. 3 per cent. 1959-61 was an anna better at Rs. 97-12 due to proximity of voucher. 3½ per cent. 1962 had sellers at Rs. 97-13, and 3½ per cent. 1961 at Rs. 99-7, while buyers offered Rs. 99-6½. 3½ per cent. 1964 lost an anna to Rs. 98-5 and 3½ per cent. 1965 As. 2 to Rs. 98-3. 3½ per cent. 1967 held its own at Rs. 98-7. State loans were all on offer at quoted rates.

Government promissory notes of the following loans, interest on which falls due for payment during March 1957, will be accepted by the Public Debt Office, Reserve Bank of India, Bombay, for payment of interest from the 15th February 1957.

Central Government Loans: 3 per cent. Conversion Loan 1946, 4 per cent. Loan 1960-70, 2½ per cent. Loan 1976. *State Government Loans*: 3 per cent. Loans 1960, 2½ per cent. Loans 1961, 3½ per cent. Loans 1962, 4 per cent. Loans 1967 and 4 per cent. Loans 1968.

Holders of the above loans are advised to lodge their securities well in advance of the due dates to facilitate delivery of the securities and interest warrants on the due dates.

In view of the heavy work involved, the period for delivering securities tendered for payment of interest will be extended to four clear working days.

In the foreign exchange section, the rupee ruled a shade weaker in terms of U.S. and Canadian dollars. Banks' selling rate of U.S. dollars rose from Rs. 478 to Rs. 478½ per $100 and their buying rate from Rs. 474½ to Rs. 475 per $100. Banks were sellers of Canadian dollars at Rs. 500½, as against Rs. 500 per $100 a week ago, and buyers at Rs. 494½, as against Rs. 494. This is only in consonance with the trend of sterling abroad. Thus, in New York, spot sterling dropped from $2.79.13/16-2.79.15/16 to $2.79½-2.79¾. Three months' forward came down from $2.79-2.79¼ to $2.78.15/16-2.79.1/16. Transferable sterling receded from 276.75-276.85 cents to 276.60-276.70 cents.

SHARP FALL IN SILVER

(*From Our Own Correspondent*)

BOMBAY, *13th February*

The bullion market displayed a downward trend during the major part of the week under review, in distinct contrast to the sharp rise noted in the previous week. Today, however, the declining trend was reversed, when both silver and gold staged a sizable recovery. Nevertheless, on balance, silver was lower over the week by Re. 1-12 in the ready position and by Re. 1-14 in the current settlement. Gold, on the other hand, was fractionally higher over the week.

The recession in silver till the fag end of the week was due to nervous liquidation by bulls and absence of fresh support, following reports that a fresh consignment of Tibetan coins, equivalent to over 100 bars, had arrived in Calcutta. Fears of further receipts of silver coins chilled the enthusiasm of bulls who had been fostering the hope that import of coins from Tibet would soon stop on account of severe winter and had been rigging up the market for some weeks past. The bears now seized the opportunity to turn the market in their favour. Consequently, the carry forward charges, which were against bulls up to Thursday last week at As. 3½ to As. 4½, turned in their favour on Friday to As. 2 to As. 3 and subsequently widened to As. 6½ to As. 7½ yesterday. Today, however, they were lower at As. 5½ to As. 6¼. This shows that the volume of short-sales must have risen substantially after Thursday last week. The hardening of prices today was due to reports that the earlier expectations of further arrivals of coins had not materialised.

In sympathy with silver, gold also ruled quiet during the major part of the week. However, the continued anxiety over the Kashmir situation and fairly good demand in the ready position *vis-a-vis* the arrivals checked the pace of recession. A substantial drop in arrivals today and good demand from Madras and Calcutta pushed up the price today to an extent which more than made good the earlier loss.

Forward silver (15th February settlement) retreated from Rs. 186-1 to a low of Rs. 182-7 yesterday, before hardening today to Rs. 184-3. The next settlement (16th March) declined from Rs. 186-4 to Rs. 182-4, but part of the recession was regained today, when it closed at Rs. 183-13.

Ready silver closed at Rs. 184-13, after having drifted down from Rs. 186-9 to Rs. 183-2. The premium of ready over the current settlement widened from As. 8 to As. 10 and that over the next settlement from As. 4 to Re. 1. Such widening reflects the scarcity of floating stocks and the heavy short sales. The floating stocks of silver are reported to be 1,200 bars. The daily average offtake was 20 bars.

Gold for forward delivery (14th February settlement) moved down from Rs. 108-7 to Rs. 107-11, but rallied to close today at Rs. 108-11. The next settlement (15th March) gave way from Rs. 108-12 to Rs. 107-9 before recovering to Rs. 108-6 today. The carry forward charges which stood at As. 5 in favour of sellers at the close of the previous week turned against them this week and were quoted As. 5 to As. 6.

Ready gold finished at Rs. 109, after drifting lower from Rs. 108-8 to Rs. 108. As in the case of silver, the premium of ready over the current settlement widened from As. 2 to As. 5 and that over the next one from *nil* to As. 10. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 2,500 tolas, while the offtake was 4,500 tolas.

New York silver price was unchanged at 91⅛c. while, in London, spot and forward silver dropped ¼d. to 79¾d. and 79½d., respectively. London gold, on the other hand, climbed from 249s. 4d. to 249s. 6d.

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

	13-2-1957	Highest	Lowest	6-2-57
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	109 0	109 1	108 0	108 8
Forward*	108 11	108 12	107 11	108 7
Sovereign	69 8	69 8	69 0	69 0
SILVER				
Ready (.996 fine Mint) ..	184 13	185 14	183 2	186 9
Forward†	184 3	185 6	182 7	186 1
London Silver Ready ..	79¾d.	—	—	80d.
London Forward	79¾d.	—	—	79¾d.
London Gold	249s.6d.	249s.6d.	249s. 3½d.	249s. 4d.
New York Silver	91⅛c.	—	—	91⅛c.

* 14th February settlement.
† 15th February settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

LINSEED DECLINES FURTHER

(*Messrs. A. Bradley and Co.*)

CALCUTTA, *11th February*

There was a further notable decline in linseed prices and trading was very restricted. Sellers were discounting prices, particularly for forward delivery, in anticipation of lower levels in the near future when new crop supplies begin moving. Buyers were cautious for many reasons. An excellent crop, together with a carryover from last season, resulted in a bearish outlook. The conditions prevailing in the oil market were also stagnant. Crushers were working on a very limited scale, and with fair stocks of oil in hand, they were pressing sales at lower prices. The continued drop in overseas prices permitted no prospect of fresh business.

The latest quotations are: February Rs. 23-8 and April/May Rs. 21 per maund.

COTTON FUTURES BUOYANT

(*From Our Own Correspondent*)

BOMBAY, *13th February*

The most important development of the week in the cotton market was the issue of the directive by the Forward Markets Commission (F.M.C.) to the Board of the East India Cotton Association asking the latter to alter the marginal line and the rates at which deposits are calculated for payment into the Clearing House. The alterations suggested by the Commission are as follows:

A deposit of Rs. 50 per bale shall be payable if the price of the hedge contract rises above Rs. 70 (instead of Rs. 25 as at present) below the ceiling price.

A deposit of Rs. 35 per bale shall be payable if the price of the hedge contract rises above Rs. 95 (instead of Rs. 50 as at present) below the ceiling price.

A deposit of Rs. 25 per bale shall be payable if the price of the hedge contract rises above Rs. 120 below the ceiling price. The present marginal line with reference to the floor price shall, however, remain unchanged.

The new margins are evidently proposed to check any undue rise in prices of cotton futures. The reaction of the market to the Commission's directive has somewhat been strange, in that there has been a spurt in prices. This is because the bearish implicatons of the tightening up of the margins are not sufficient to offset the effect on market sentiment of the export quota of 200,000 bales announced last week-end. Another helpful factor was provided by fears of damage to the quality of the crop as a result of cold wave in the leading cotton tracts.

The uncertainty regarding By-laws 55 and 61 of the E.I.C.A. has been removed, as the Board has now decided not to make any changes in them. It proposes to run hereafter four contracts simultaneously, instead of the two contracts as at present. Transactions in the May and July contracts of Jarilla and the June and August contracts of Vijay are expected to commence shortly after the permission of the F.M.C. is received. The Board has also decided to make minor technical adjustments in Jarilla A and B descriptions. Further, the weightage in respect of Madhya Bharat Jarilla, Khandesh Jarilla and Moglai Jarilla shall be 9¾ per cent., while that in respect of other varieties tenderable against both the contracts shall continue to be 6¼ per cent. It has also been decided that a Rejection Box be prepared for Jarilla and Punjab growths on the basis of the average quality of the crop of the season and that cotton up to that standard be tenderable with an "off" allowance to be fixed by the Board.

The export quota announcement imparted considerable firmness to the cotton futures market during the week under review. Jarilla (March delivery) opened the week higher at Rs. 676, as against the previous close of Rs. 668, and advanced to Rs. 681-8 the same day. The contract gathered fresh support, thanks to reports of cold wave causing damage to the crop, and touched a high of Rs. 697 yesterday. It was, however, a shade lower at Rs. 692 today. The net gain over the week was Rs. 24.

Fluctuations in Vijay April delivery were comparatively wide. Opening at Rs. 781, as against the previous close of Rs. 771, the contract fluctuated violently on alternate bouts of buying and selling, but maintaining on the whole an upward trend, touching Rs. 825 on Monday. After declining to Rs. 795 on the same day, following speculative sales, it again improved to Rs. 825 before closing at Rs. 818. The net gain over the week was Rs. 47.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	13-2-57	*High*	*Low*	6-2-57
Jarilla (March) ...	692	697	670	668
Vijay (April) ...	818	825	770	771

The spot section was also active. Mill interest was centred mostly round 0394, 197/3 Punjab and Jarilla and a fair volume of business was reported in these varieties. Following the quota announcement, the prices of all exportable varieties went up. In view of the fact that the monetary ceiling in respect of import of U.S. cotton had been reached, there was no activity in that style. Licences are now available only for eligible sterling area cottons. It is hoped that the Government will make available, early enough, further quotas for import of U.S. cotton. The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 735; Berar Jarilla 775; Khandesh 795; Vijay 945; Oomra *Deshi* 795; Moglai 750. *Delivery Contracts*: Vijay 13/16 145 'ON' Vijay.

The Karachi market ruled easy during the week. The easiness was due to the release of 200,000 bales of cotton for export by the Government of India. It was feared that foreign countries like China and Japan, which had lately been in the market, would now buy less of Pakistan cotton. There were, besides, reports that Hong Kong, which usually purchases a sizable portion of Pakistan cotton, had contracted to buy 60,000 bales of American cotton. These factors let loose a selling spree which brought down cotton prices. March contract fell to Rs. 79-12 from the last week's closing of Rs. 83-1 and the May position slumped to Rs. 79-14. The spot rates of cotton also registered a marked decline. The latest available rates —in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton are given below:

Sind *Deshi* 89; Punjab *Deshi* 81; 4F Roller 85-2; S.G. 88-10; Punjab Roller 86-10; S.G. 90-14; 289 N.T. Roller 84-10; 289F N.T. Sind S.G. 91-10; 289F Punjab Roller 89-2; 289F Punjab S.G. 102-10.

In contrast to the firm trend noted last week, the Alexandria cotton futures market presented easy conditions during the week under review.

Trading was slow, with narrow fluctuations in prices. Trade covering and professional support noted last week following reports of a big cotton deal with Russia abated and values suffered a setback. Export sales from 1st September to 15th January aggregated 310,632 bales (of 730 lbs.), as compared with 593,582 bales during the same period last season. The following are the latest available rates—in tallaris per lb.—from Alexandria:

Karnak: March 120.70; May 119.90; July 118.95. *Ashmouni*: February 87.20; April 86.05; June 85.85.

There was a drop in cotton values in the Liverpool market during the week. Trading in both American and the American type contracts was slow and prices moved within a narrow range. Demand was very slack, as local spinners had sufficient stocks to meet the requirements for several weeks. Arrivals of American cotton continued to be heavy. It was felt that, unless there was some improvement in the textile situation, demand might not revive to any appreciable degree in the immediate future. Reports of proposals for replacing the U.S. current export programme based on the competitive bid by a direct export subsidy gave rise to further uncertainties regarding U.S. cotton policy and, consequently, traders were hesitant to enter into large commitments. Egyptian Karnak was neglected and nominally unchanged, while Sudan Lambert Seed contract remained steady. The release of a further export quota by the Government of India, however, revived interest in Indian cotton. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton 1" staple contract: March-April 26.03; May-June 25.83; July-August 25.44; October-November 24.99. *American cotton mixed growth contract*: March-April 26.30; May-June 26.03; July-August 25.60; October-November 25.15; December-January 24.99. *Egyptian Karnak*: March-April 60. *Sudan Lambert Seed*: May-June 45.00; July-August 44.00.

Sizable gains in prices were recorded in the New York cotton futures market during the week, thanks to good trade and commission house buying. The spot market was firm on tight free market supplies, owing to large entry into the loan programme.

The U.S. Secretary of Agriculture has announced the support prices for the 1957 crop. Prices are the minimum at which the Department of Agriculture will support commodity prices this year and are lower than the minimum prices in effect during 1956. The minimum price for 1957 cotton will be 28.15 cents per lb. gross weight on the basis of Middling $\frac{7}{8}$" cotton at average location. This compares with the 1956 support price of 29.34 cents.

The Bureau of Agricultural Economics has announced the mid-January parity price as 36.56 cents per lb. If the usual practice is followed, this will be the basis for the interim and minimum loan rate for the next season. Some quarters anticipate that the new loan rate may be based between 78 and 81 per cent. of parity as compared with the basis of 82½ per cent. of parity for the present crop. The mid-January parity figure, however, is one cent per lb. higher than the mid-July parity price on which the present loan rate is based. It will be recalled that the mid-January 1956 parity price was 34.84 cents on which a preliminary and minimum loan rate of 32.25 cents per lb. for Middling 1" cotton was announced. The mid-July 1956 parity rate was 35.56 cents, higher by 72 points than the mid-January 1956 parity price. Accordingly, the present loan rate was finally fixed at 32.74 cents per lb. for Middling 1" cotton—an increase of 49 points over the preliminary figure. It is reported that trade attention is presently focussed on a statement by the Secretary of Agriculture, Mr. Benson, that the Department of Agriculture is about to decide on whether to continue the present competitive bid programme for Government sales of cotton for export or shift to an export subsidy. While the National Cotton Council is in favour of continuing the present competitive bid programme, the cotton exchanges prefer an export subsidy.

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

(In cents per lb.)

	12-2-57	5-2-57	30-1-57
Spot	35.55	35.40	35.15
March	35.38	35.20	34.83
May	35.29	35.07	34.81
July	34.70	34.52	34.32

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 13*th February*

The sugar market continued to depict an easy trend and there was a further fall in prices during the week under review. Stocks of sugar available were plentiful, thanks to heavy arrivals, aggregating 22,800 bags, as against 18,600 bags in the previous week and 10,600 bags two weeks before. Some parcels of sugar were reported to have been sold in distress. The drop in prices would have been marked but for rumours of an additional export quota and good demand from Malabar side where large-scale evasion of sales tax is alleged to be practised. A section of sugar traders in Malabar, it is said, is anticipating that the inter-State sales tax would definitely come into force with effect from 1st April next.

Large grain indigenous sugar fell by a rupee to Rs. 91-Rs. 98 per bag (including sales tax). Medium grain receded from Rs. 89-Rs. 91 to Rs. 89-Rs. 90. Small grain was dull at Rs. 88.

Fagan delivery contract for 'C' grade sugar declined from Rs. 91-8 to Rs. 90-14 but recovered to Rs. 91-4 today. The recovery was aided by rumours of a possible additional export quota of sugar.

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, 13*th February*

A bearish trend was in evidence in the yarn market during the week under review. Despite favourable reports from consuming centres, there was selling pressure, as holders were somewhat busy reducing their stocks following tightness in money market. Even expectations of enlarged seasonal demand in the coming weeks failed to induce support to the market. Consequently, yarn values continued their downward march.

Snia rayon yarn (120 dull cones) for February delivery was pushed down by Rs. 11 to Rs. 786. 150 Bt. cones April delivery declined by Rs. 4 to Rs. 653. In the spot section, 120 Italy and 150 Italy lost 6 pies each to Rs. 4-1 and Rs. 3-11, respectively. 150 Japan, however, gained an anna to Rs. 4-7-6 and 120 Japan rose by 18 pies to Rs. 4-6-6. Among indigenous yarns, National Rayons 150 Bt. cones first grade was done at Rs. 3-6. 120 Bt. cones first grade was dull at Rs. 3-11-6.

In the staple fibre yarn section, (40×2) April delivery dropped Rs. 8 to Rs. 654. February delivery was lower at Rs. 649, as against Rs. 656 last week-end. Among spot indigenous yarns, (40×2) Citys declined by half-an-anna to Rs. 3-6-6. New Greats shed 3 pies to Rs. 3-6. Centurys lost a like amount to Rs. 3-7-3. Kohinoors remained quiet at Rs. 3-8. Deals in foreign yarns (80×2) were put through at reduced prices, Paramounts receding by 21 pies to Rs. 5-4-3 and Fujis by an anna to Rs. 5-6-6.

Offtake in cotton yarns continued to remain poor, due mainly to reports of accumulation of handloom cloth in several markets. Among 10 counts, Moderns shed As. 2 to Rs. 15-6. Podars fell by As. 4 to Rs. 15-4. 20s Maduras and Gokaks were unchanged at Rs. 21-12 and Rs. 18-12, respectively. Among 40s, Minaxis fell by As. 2 lower to Rs. 27-3. Moderns and Gokaks remained dull at Rs. 28-8 and Rs. 27-8, respectively. Among 60 counts, Moderns, Raghuvamshis and Finlays were unaltered at Rs. 63, Rs. 57-12 and Rs. 61, respectively. Eighty counts Moderns were subjected to selling and decreased by As. 8 to Rs. 77. Mahendras were neglected at Rs. 75.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	13-2-1957	6-2-1957
	Rs. a.	Rs. a.
Art silk yarn **(per case of 200 lbs.)—**		
150 Dull Coms Snia February	798 0	797 0
150 Bt. Cones April	653 0	657 0
120 Japan (per lb.)	4 6½	4 5
150 Japan (per lb.)	4 7½	4 6½
120 Italy (per lb.)	4 1	4 1½
150 Italy (per lb.)	3 11	3 11½
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 February	649 0	656 0
40 x 2 April	654 0	662 0
40 x 2 New Great (per lb.) ..	3 6	3 6½
40 x 2 Century (per lb.) ..	3 7½	3 7½
40 x 2 City (per lb.)	3 6½	3 7
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	15 4	15 8
20s Madura	21 12	21 12
40s Gokak	27 3	27 3
60s Finlay	61 0	61 0
80s Modern	77 0	77 8

OILSEEDS IRREGULAR

(From Our Own Correspondent)

BOMBAY, 13*th February*

The oilseeds market ruled irregular during the week under review. It showed signs of recovery from the previous week's inactivity on the first day of the week under the spell of the spurt in cotton futures. The market, however, did not make much headway during the two following days, especially in castor, linseed and cottonseed, because of discouraging overseas advices. But the groundnut section continued to be steady as a result of the support lent by the millers. On the 11th inst., the market staged a slight rally on reports of bad weather conditions in Gujerat. But the recovery was short-lived, especially in castorseed, owing to profit-taking. Yesterday and today castors weakened further on reports of favourable weather conditions in Gujerat and lack of foreign advices. Groundnut, however, maintained its level on millers' support. Linseed and cottonseed moved in sympathy with castorseed. The undertone of the market was firm at the close today.

In the groundnut section, February contract opened the week at Rs. 167-12 and touched the same day the highest level of the week at Rs. 169-12 before closing at Rs. 168-4. Subsequently, however, the contract fluctuated between Rs. 168-2 on 8th inst. and Rs. 164-14—the lowest witnessed—on 11th inst. On enquiries, it improved to Rs. 167-14 today, before closing at Rs. 167-8. May contract displayed similar trend. Opening at Rs. 166-4, it climbed up to Rs. 168-8 the same day, but declined to Rs. 163-12 on the 8th inst. During the following days, the contract displayed again irregular movements. It touched the level of Rs. 167 on the 11th inst. but declined to Rs. 162-10 today before finishing at Rs. 164-14. While the February contract was higher by As. 8 over the week, the May contract lost As. 12. In the spot section, Bold F.A.Q. shed As. 6 to Rs. 33-10. Groundnut oil ex-mill was nominally lower at Rs. 18-8.

The linseed May contract varied between Rs. 29-12 on the opening day and Rs. 28-12 on the 12th inst. It closed today at the same level. Bold ready was done As. 8 lower at Rs. 30-12. Linseed oil ready declined by a rupee to Rs. 17.

The castor futures section, however, suffered a substantial decline in prices. September contract opened at Rs 157-8 and moved up to Rs. 159 the same day. On the 8th inst., it receded to Rs. 154-12, but recovered again to Rs. 159-12 on the 11th. Owing to profit-taking, however, it reacted the same day to Rs. 155-8 and further to Rs. 151-4 today. Over the week, the loss was no less than Rs. 4-4. In the spot section, Kanpur shed As. 4 to Rs. 32-8. Oil B.S.S. was quoted at Rs. 19-12, that is, As. 8 less than a week ago.

Cotton futures February contract reflected irregular movements. Commencing the week at Rs. 101-8 and rising to Rs. 102 on the following day, it declined to Rs. 99-8 on the 9th inst. but improved to Rs. 101 on the 11th. It, however, reacted on 12th and today, having closed the week at Rs. 97-8. May contract, again, touched the peak level at Rs. 103 on the opening day, but subsequently reflected a steadily declining trend before closing at Rs. 98-8 today. Over the week, it lost Rs. 98-8.

Among others, *kardi* seed Bold remained the same as a week ago at Rs. 21-8. *Niger* seed Madras fell by As. 12 to Rs. 28-12.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	13-2-1957	6-2-1957	30-1-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	167 8	167 0	168 8
Khandesh Quality Ready (per cwt.)	34 6	33 12	35 4
Feb.-Mar.	33 10	—	—
Linseed—			
May 1957	28 12	29 0	30 12
Bold Ready (per cwt.)	30 12	31 4	32 4
Feb.-Mar.	30 12	30 14	—
Castorseeds—			
May 1957	152 12	157 0	168 8
Madras (per cwt.)	32 8	32 12	36 0
Cottonseed—			
February 1957	97 8	99 0	103 6
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 8	18 10	19 4
Castor oil—			
Commercial (per quarter) ..	18 12	19 2	20 14
Linseed oil—			
Ready	17 0	18 0	19 0

BLACK PEPPER GIVES WAY

(Messrs. Parekh & Co.)

BOMBAY, 13*th February*

Malabar black pepper ruled easy during the week under pressure of liquidation of February delivery by bulls, as the final due date was drawing nearer. New York having reduced its buying price, the market at Alleppey and Cochin also gave way, though Northern Malabar was comparatively steady.

Alleppey was quoting from Rs. 556½ to Rs. 575 according to quality, while garbled was quoted from Rs. 95 to Rs. 97½. Arrivals of Russian steamers at Malabar ports having been delayed, those traders who were in the market for purchasing long forward as a hedge stood back. The necessary support was, therefore, lacking.

Singapore, after declining to Str.$77, improved to Str.$80 with little anxiety on the part of packers to press sales. The reports regarding the size of new crop Sarawak are conflicting. Some Chinese firms who have got firsthand information from the Chinese planters are more emphatic that the new crop will be small during the season. But it is too early to believe such reports. Traders are treating all estimates, whether small or large, with reserve.

In view of the impending Dock strike, spot in New York improved to $0.29, with sellers unwilling to give concession, pending a clear picture of the contemplated strike. February was done at as low as $0.24½, while March was traded up to $0.24½. April-May-June was done at $0.25. February delivery continued to mark down and is now quoted at Rs. 552.

Today's nominal quotations are: Ready delivery Rs. 80 per Bengal maund; February Rs. 552-Rs. 557 and March Rs. 561-Rs. 566 per candy of 5½ cwts.

TEAS DEARER

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 7*th February*

Offerings amounting to 1,900,000 lbs. were catalogued in Sale No. 3, which was held on Tuesday, 5th February. Quality again showed improvement, particularly amongst the low medium and medium teas, many of which were brighter and thicker in cup. The sale opened to a very strong demand for the medium and low medium teas. Broken grades advanced by As. 3 to As. 4 per lb., whilst similar fannings were an anna to As. 2 dearer, despite the fall in export duty. Good medium and best liquoring teas met with a quieter demand and prices were rather irregular. Teas with flavour advanced on last rates, but plainer types were in less demand. Whole leaf grades were fully firm. The following are the quotations:—

	1957 Rs. a. p.
Plain B.P.	2 1 8
Low medium B.O.P.	2 6 0
Medium B.O.P.	2 8 0
Good B.O.P.	2 12 0
Well made black leaf O.P.	2 7 0

The combined average price realised in sale No. 3 was Rs. 2-8-3 per lb. as against Rs. 2-2-11 fetched in the corresponding sale of last year.

London Market: *Sale of 4th February 1957*:—Good teas firm. Others irregularly 2d. to 4d. lower.

Sale of 5th February 1957:—Good teas firm. Others irregularly 1d. to 3d. lower.

Colombo Market:—Strong demand for low growings, including gulf types. Also medium slightly dearer rates. Highgrown brokens lower, except small selection best quality. High and medium fannings dearer. Off grades generally steady.

Calcutta Market: *Export*.—Except for improved liquoring sorts some whole leaf grades and more useful fannings, market irregularly one anna to As. 2 lower.

Internal.—23,000 dust. Good demand. Strongest feature best C.T.Cs and black exportable types which were generally firm to dearer. Medium Assams and dooars slightly dearer. 2,000 leaf. Good demand fairly firm rates.

Export Duty.—The "price of tea" for the month of February has been fixed at As. 3-15-0 and consequently the duty falls to As. 6 per lb.

Export Quota.—After advancing to 46 pies, the market fell away and there are now buyers at 39 pies, at which figure business has been done.

Forthcoming Auctions.—Sale No. 4 will be held on Tuesday 19th February.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale D*:—350,000 lbs. good general demand. Commonest and best liquoring steady. Others irregularly one anna easier.

TEAS FOR EXPORT QUIET

(From Our Own Correspondent)

CALCUTTA, 12*th February*

Quiet conditions prevailed during the tea export sales held yesterday. Such a trend was in full accord with the conditions in the recent sales in Mincing Lane and in other centres of world auctions. In the London sales on 6th February, prices of the best teas fell by 2d. per lb. and those of the poorer medium varieties by 3d to 4d. per lb. However, in the earlier sales on 4th February, it was noted that good liquorings were maintained while all other teas were in poor demand.

A *Reuter* report reviewing the sales for the week ended 2nd February in Djakarta stated that, in spite of the quantity offered being small, at 1,500 packages, in view of the Chinese new year celebrations, prices of better teas gave way, while the rates for low growns were maintained steady. On the other hand, it was noted that a strong trend was in evidence in the Colombo sales held on 5th February. Prices of the best liquorings, and high and medium grown fannings were higher.

Opening on an irregular note, last week's internal auctions in Calcutta witnessed a rise in prices as the sale progressed. Dusts on offer amounted to 18,533 chests. Improved orthodox Assams, on good demand, realised higher prices, while the prices for the small powdery kinds were maintained. The strongest feature of the sales was the bright liquoring C.T.C. Assams which were fully firm. Black teas suitable for export were firm for a time after opening, but eased subsequently. On the other hand, Dooars and commons opened one anna easier, but firmed up at closing time. The rates were: Best Assam C.T.C. Rs. 2-10, medium Assam C.T.C. Rs. 2-2, medium Assam grainy dust Re. 1-14, and medium Dooars Re. 1-13-6.

Leaf teas offered aggregated 2,120 chests. Demand was good and prices were firm.

Yesterday's export offerings amounting to 65,236 chests met with good demand. Prices, however, tended to be lower. Prices of C.T.Cs gave way by one anna, but a few lots of the best liquoring types were maintained at firm rates. "Teas for price" displayed an irregular trend and were noted for an occasional fall by ½ to 1 anna. Common and medium teas possessing plain liquors eased by one anna, while broken grades recording a similar feature met with better demand. In strong demand, well-made and stylish whole leaf grades recorded an upward tendency, while teas with poorer appearance moved down by As. 2. The strongest feature of the sales was provided by bright liquoring teas which met with competition and, therefore, moved up. Darjeelings eased by As. 2 to As. 4. Stylish tippy teas were about firm. The quotations were: best C.T.C. Assam B.P. Rs. 2-8 (nominal), medium Assam B.P. Rs 2, clean black pekoe Rs. 2-4 and plain B.P Re. 1-15.

Export quota rights changed hands at 36 pies per lb. Subsequently, sellers raised the rate to 37 pies, but buyers withdrew, offering only 35 pies.

JUTES WEAK

(From Our Own Correspondent)

CALCUTTA, 12*th February*

A further decline in the prices of raw jute and manufactured goods was the feature during the week under review. The fall in the former was attributed to (1) the disinclination of mills to purchase the fibre at current rates, (2) increased arrivals from the mofussil centres, and (3) adequate stocks with mills, while that in the latter occurred consequent on the lack of business for export in fair quantities and on the announcement of a sizeable increase in stocks of all constructions with mills. At the end of January, mills possessed as much as 104,100 tons of goods, and this represented an increase of 8,400 tons over the previous month. Hessian was higher at 23,900 tons, as against 19,700 tons at the end of December, sacking at 68,500 tons, as against 64,700 tons, and miscellaneous goods at 11,700 tons, as against 11,300 tons. That foreign buyers are falling back on their stocks built up during recent months and are not entering into fresh commitments is clearly indicated in the shipment figures available for the first five days of February. Sacking shipped amounted to 5,500 tons, as against 8,700 tons for the corresponding period in January. Hessian shipped, at 7,700 tons, was lower by 8,000 tons.

The fall in the prices of raw jute has not been significant towards making mills work economically. Although the report from the United States stating that a substantial increase was recorded in the consumption of burlap for making bags in the nine months to September last, as compared to the same period in 1955, made cheerful reading, reports from other consuming countries have revealed that substitutes and bulk handling methods continue to be serious threats to jute goods. From Great Britain comes the news that an economy in consumption of bags is being effected by sending supplies to retailers and farmers in lorries. The bulk of the raw material supplies to mills in Dundee and other countries go from East Bengal, where the minimum export prices are maintained at a high rate. While this factor places the Calcutta-produced goods with the indigenous jute at a distinct advantage in world markets, countries such as Brazil where jute mills are fed with their own raw material, either in full or in part, have learnt the wisdom of meeting their baggage requirements from within the country, which are cheaper than imports.

Such a feeling in foreign countries can be stemmed and attempts at the expansion of the bulk handling methods and the use of substitutes put a stop to, if only Pakistan reorients its export policy on raw jute. On the other hand, strenuous attempts are being made by the Textile Manufacturers' Association in the United States to combat the use of paper and bulk-handling, and the Association is spending $60,000 during the current year on the bag promotion programme. Noted with great interest in Calcutta trade circles is the American report, quoted in the *Jute Bulletin* of the Indian Central Jute Committee, that the 50-lb. potato burlap bag has become very popular with farmers and that its use during the nine months ended September 1956 recorded an increase of 50 per cent. Substantial increases were also reported in the use of burlap bags for meal and fertiliser, and considerable satisfaction is expressed on the returnable burlap bag programme particularly in the farm belt.

During the week under report, New Delhi invited tenders for a further quantity of 11,000 bales of B. twills. Although this led to an initial improvement in the prices of heavy goods, the fact that the quantity fell shorter than earlier expectations soon reversed the trend. On Wednesday, ready B. twills had fallen to Rs. 113-10, and on Thursday an improvement to Rs. 114-14 was recorded following the Government tender. However, the rate soon receded and by the week-end was at Rs. 114-10. On the other hand, hessian all along displayed a downward trend. On Wednesday, ready 40" 10 oz. hessian was quoted at Rs. 42-10 and by the week-end the rate had fallen to Rs. 41-14. Yesterday, fully dull conditions prevailed, and ready B. twills were taken down to as low a rate as Rs. 113-2. The 10 oz. hessian receded to Rs. 41-2 and eight oz. to Rs. 33-10.

With the falling trend in raw jute, both cultivators and stockists became nervous, and this was duly reflected in more arrivals, most of them being *jungli* and mesta. Sellers were anxious for business, but mills purchased only small quantities. Most varieties of raw jute fell by Re. 1-8 to Rs. 2. Latest quotations for raw jute futures (February-March delivery) of the 1956-57 crop are given below with those of a week ago in brackets:

	Middles	*Bottoms*
	Rs. a. Rs. a	Rs. a. Rs. a.
Pakistani:		
Northern	37-0 (39-0)	34-0 (36-0)
District	37-8 (39-8)	34-8 (36-8)
Indian:		
Northern	31-0 (33-0)	28-8 (30-8)
Assam Upper ..	31-0 (33-0)	28-8 (30-8)
Assam Lower ..	31-0 (33-0)	28-8 (30-8)
Daisee	33-8 (35-8)	31-0 (33-0)
Murshidabad ..	30-0 (32-0)	27-8 (29-8)
Western	30-0 (32-0)	27-8 (29-8)
Jungli	29-0 (30-8)	26-8 (28-0)
Orissa	34-8 (37-0)	32-0 (34-8)
Uttar Pradesh ..	29-0 (30-8)	26-8 (28-0)
Daissee mesta ..	26-8 (28-8)	26-8 (26-0)
Bimli f.a.q.	.. ..	Rs. 23-8 (25-8)

Pucca bales, 1st marks, ready Rs. 182-8 per bale (190-0).

WHEAT DECLINES

(From Our Own Correspondent)

HAPUR, 11*th February*

Steady conditions continued to prevail in the foodgrain markets during the past week. The Government of India is understood to have decided that extensive sales of wheat and rice should be enough to meet the present situation and that there is no need to impose any controls on distribution of foodgrains. Imports of wheat are reported to be satisfactory and about 200,000 tons of wheat were imported last month and the same quantity is expected in February and 250,000 tons in March. The State of Uttar Pradesh which was facing an acute shortage of wheat is reported to have been receiving heavy quantities of imported wheat daily and the position has very much eased. Consequently, wheat prices at Hapur and in other parts of the State have recorded a downward trend. Sales through fair-price shops is very regular and in some centres they are on an increased scale.

Wheat at Hapur ruled quiet at Rs. 16 per maund for average quality and farm quality was quoted upto Rs. 17-8 per maund. Outside buying enquiry was slack and wheat stocks ran down by 2 *khaties* to 48 *khaties* on Monday. The late sowing of the wheat crop due to excessive rains and floods in September and October and strong westerly winds last week and frost conditions have all adversely affected the standing crops, which is reported to be not very good. Stockists still expect better prices in the lean period of March and early April and are holding up stocks.

Rice continued to be steady. The Government has decided to continue to supply rice through fair-price shops in deficit areas. The prevailing prices of rice were: *Basmati* Rs. 23 to Rs. 26-8; *Manipuri* Rs. 20-8; and coarse Rs. 16-8 per maund.

Gram continued to be in good demand. The week's offtake was 5 *khaties*. Local produce was quoted at Rs. 13-6 and Punjab quality at Rs. 13-12. Barley and *bejhar* improved fractionally during the week, as strong gusty westerly winds were reported to have damaged the standing crops. Maize and *bajra* also ran up in sympathy with other coarse grains. The week-end prices as on Monday were: Barley Rs. 13-4; *bejhar* Rs. 13; maize Rs. 13-8; *bajra* Rs. 14; *jowar* Rs. 12 to Rs. 13; *guwar* Rs. 11-8 per maund.

Pulses ruled quiet during the week, although stock position deteriorated further. Peas *dara* green was quoted at Rs. 14-8 and white quality at Rs. 16-8 per maund. The new crop is expected in the market by the middle of March. *Arhar* was quoted at Rs. 13-4 per maund and local stock was put at 10 *khaties*. Other pulses were held steady. *Urd* was done at Rs. 18-12 to Rs. 21, *moong* at Rs. 15 to Rs. 16-8 and *massoor* at Rs. 16-8 per maund.

Pulses futures moved both ways during the week in heavy speculative turnover. The quotations as on Monday were near the opening level of the week at: Peas *jeth* Rs. 10-7-7½; peas farm *jeth* Rs. 10-10-4½; *arhar jeth* Rs. 11-1-6; *urd baisakh* Rs. 18-15.

"GUR" DEPRESSED

(From Our Own Correspondent)

HAPUR, 11*th February*

The sugar market continued to rule steady during the week. The export quota of 50,000 tons is reported to have almost been exhausted and the firmness in the current international price may encourage the Government to permit additional exports; nearly a dozen countries it is said, have approached India for sugar, West Asia being the main customer. In the State of Uttar Pradesh, a fair business for Punjab and Saurashtra was reported, but want of loading facilities hampered despatches. Crushing for the new season is in full swing and, due to a further fall in ready *gur* prices, producers are trying to pass on their cane to the factories.

The current mill delivery prices of sugar are: Jaswant: Rs. 28-14; Sinobhauli Rs. 28-13; Mawana Rs. 28-8 to Rs. 29-4; Daurala Rs. 29-12; Amroha Rs. 28-6; Bijnore Rs. 28-6; Mansoorpur Rs. 29 to Rs. 30; Rampur Rs. 31-8; retail Rs. 30-15 per maund.

The *khandsari* market was a little depressed as demand was negligible. Inferior quality were quoted at Rs. 21-Rs. 23 and fine quality at Rs. 24-Rs. 27 per maund.

Ready *gur* prices were further depressed during the week, as outside demand was slack. Daily arrivals were at an average of 4,000 to 5,000 maunds and local stock swelled to about 40,000 maunds. The latest prices as on Monday were Rs. 10-2 to Rs. 10-6 per maund according to quality.

Future *gur* prices also declined in line with spot sections. *Fagun* and *baisakh* deliveries opened at Rs. 10-14-6 and Rs. 11-7-6 on Monday last. They touched the highest in the mid-session at Rs. 10-15-6 and Rs. 11-9-6 and lowest at Rs. 10-8-3 and Rs. 11-3, respectively. They were quoted today at Rs. 10-11-6 and Rs. 11-6.

KIPS WELL MAINTAINED

(From Our Own Correspondent)

MADRAS, 11*th February*

The kip market ruled steady, though shippers of F.A.Q. types expected that prices might decline during the second half of February, as U.K. dressers had been adamant on the buying limits. Prices ruled steady and arrivals met with ready clearance. U.K. buying was selective and small in all sections, and *nil* on buff hides.

There were several inquiries for prime tanned goat skins 11/12 lbs., but sellers were quoting 3*d*. higher, as tanners had been in a well sold position on 8/9 and 11/12 lbs. averages. Light weights were easier. There was good call for lining sheep fifths and inferiors which were in short supply and prices ruled firm as a consequence. Semi prime class sheep was weak.

Shipments during January 1957 were: To the U.K.: 3,024 bales cow, 267 cow calf, 107 buff hides, 389 buff calf, 1,005 goat and 861 sheep skins. To the Continent: 5 bales cow calf 6 buff calf, 378 goat and 145 sheep skins. To the U.S.A.: 2 bales cow, 1 cow calf, 49 buffs, 11 buff calf, 46 goat and 10 sheep skins. To Japan: 133 bales sheep skins.

Notice

MADURA MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Pandyan Building, West Veli Street, Madurai, on Monday the 25th March 1957, at 4 p.m. The Share Transfer Books will be closed from 5th to 25th March 1957, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person(s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 5th March 1957.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managers.

MADURAI, 2*nd February* 1957.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	5th May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	5th May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	26th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	7.66	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	2	1½
Philippines	12th Jan., 1944	3	2½
Portugal	29th Sept., 1955	4	3½
South Africa	Sept., 1956	3½	4½
Spain	22nd Nov., 1956	3½	4
Sweden	26th Nov., 1936	4	1½
Switzerland	6th June, 1956	4½	5
Turkey	8th Feb., 1957	5	5½
United Kingdom	1st July, 1936	2	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1956	3½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 8th February, 1957		Week ended 1st February, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,08,314	67,16,08,000	2,71,218	77,15,68,000
Calcutta	1,60,231	59,02,32,669	1,71,815	69,10,45,688
Madras	94,077	10,39,40,505	74,673	9,56,06,107
All Centres—1954-55*	..	..	2,885,000	6,041,300,000
1955-56*	..	..	3,100,000	6,630,200,000
Nov., 1956	..	..	3,284,000	7,25,06,00,000
Dec.,	..	..	3,373,000	7,64,19,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 8th Feb., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,01,08,000
(2) Other Governments	13,53,40,000
(b) Banks	59,59,97,000
(c) Others	41,78,78,000
Bills Payable	15,17,43,000
Other Liabilities	112,59,22,000
Rupees	310,79,58,000

ASSETS	Rs.
Notes	7,00,63 000
Rupee Coin	3,05,000
Subsidiary Coin	13,49,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,15,31,000
Balances held abroad*	122,16,34,000
Loans and Advances to Governments	9,20,70,000
Other Loans and Advances	124,22,01 000
Investments	36,71,90,000
Other Assets	13,05,15,000
Rupees	310,79,58,000

* Includes Cash and Short-term Securities.

(1) The item Other Loans and Advances" includes Rs. 67,62,54,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 80,45,48,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,00,63,000	
Notes in circulation	1519,65,02,000	
Total Notes issued		1526,65,65,000
Total Liabilities		1526,65,65,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		121,34,27,000
Government of India Rupee Securities		875,03 44,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1526,65,65,000

Scheduled Banks*

Statement of Affairs for the week ended 1st Feb., 1957

	Rs.
1. Demand Liabilities in India:	
(a) Borrowings from banks other than the State Bank and a notified bank†	7,04,16,000
(d) Other demand liabilities	672,70,75,000
2. Time Liabilities in India:	
(c) Borrowings from banks other than the State Bank and a notified bank †	2,21,00,000
3. Borrowings in India from the State Bank and/or a notified bank:	462,18,51,000
(c) Demand liabilities	
(d) Time liabilities	14,51,02,000
4. Cash in India	34,36,14,000
5. Balances with the Reserve Bank in India	51,63,39,000
6. Balances with other banks in current account in India	9,64,95,000
7. Money at call and short notice in India	10,34,62,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	361 27,03 000
9. Advances in India	669,18,78,000
10. Inland Bills purchased and discounted in India	118,44,51,000
11. Foreign Bills purchased and discounted in India	58,12,50,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	12th February 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5/16	1-5/16
Sellers T.T. D.D. upto six months	1-5/16	1-5/16
Buyers T.T. spot to nine months	1-6	1-6
Buyers T.T. 10 to 12 months	1-6	1-6
Bombay on New York—		
Sellers T.T. D.D. Rs.	473¼	473¼
Buyers T.T. Rs.	473¼	473¼
London on New York $	2.79¼-2.80	2.79¼-2.80
London on Paris Fcs.	983¼	983¼
London on Berne Sw. Fcs.	12-27¼-12-27½	12-27¼-12-27½
New York on London $	2.79 1/16-2.79 1/16	2.79 1/16-2.79 1/16

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	79.33	..	1,931	243
Burma	1954	19.54	Kyats 3,905	390	204
Ceylon	1954	8.58	..	470	560
Japan	1955	88.90	Y. 6,575,000	8,698	978
Philippines	1955	21.38	Ps. 7,300	1,857	850
New Zealand	1955	2.13	£ (N.Z.) 546	1,128	5,290
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1955	50.97	£ 16,634	22,176	4,351
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.60	$ 20,758	10,166	6,516
France	1955	43.27	Fr. 12,440,000	17,010	3,931
Germany	1955	49.99	Dm. 126,200	14,490	2,690
Italy	1954	47.80	Lr. 9,718,000	7,480	1,560
Norway	1955	3.43	Kr. 19,764	1,320	3,050
Sweden	1954	7.21	Kr. 28,630	3,544	4,912
Netherlands	1955	10.75	Grs. 22,500	2,850	2,650
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 1st Feb., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00 00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	45,46,52,000
(b) Provincial Governments	3,20,97,000
(c) Banks	14,90,72,000
(d) Others	8,23 52,000
Bills Payable	10,39,000
Other Liabilities	10,57,80,000
Rupees	88,58,92,000

ASSETS	Rs.
Notes	9,62,87,000
Rupee Coin	13,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	8,62,000
Loans and Advances to Governments	26,00,000
Provincial Governments' Debtor Balances	1,45,62,000
Other Loans and Advances	23,45,03,000
Investments	42,81,52 000
Other Assets	10,88,97,000
Rupees	88,58,92,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,62,87,000	
Notes in circulation	330,92,76,000	
Total Notes issued		340,55,63,000
Total Liabilities	....	340,55,63,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	83,07,74,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	48,02,30,000	
B. Rupee Coin	5,32,64,000	161,06,92,000
Government of Pakistan Securities	168,26,01,000	
Internal bills of exchange and other commercial paper	....	
		173,58,65,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90 06,000
Total Assets	....	340,55,63,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.94 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	1st Feb., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,494.02	1,485.52	1,481.52	1,302.37
Notes held in Banking Department	35.05	14.55	23.56	7.55	8.46
Foreign Securities	59.50	412.52	427.43	447.03	652.16
Rupee Securities	37.39	855.03	840.13	800.25	603.27
Banking Department					
Deposits of:					
Government of India	14.89	52.35	51.46	54.34	52.88
Other Governments	..	16.68	13 23	13.93	14.40
Balances held abroad	10.08	93.84	83.18	81.07	81.41
SCHEDULED BANKS					
Demand Liabilities	134.36	679.75 (7.04)†	670 82 (0 80)†	646.80 (6.93)†	635.76 (6.88)†
Time Liabilities	102.24	464 40 (2.21)†	462 50 (2.56)†	457.79 (2 34)†	412.30 (3.56)†
Borrowings from Reserve Bank	..	80.51 (58.88)‡	74.15 (59.31)‡	73.19 (52.82)‡	34.79 (18.88)‡
Borrowings from State Bank	..	14.15	13.81	10.21	13.78
Cash in India	6.70	34.36	33.06	37.52	34.66
Balances with Reserve Bank	25.17	51.63	50.05	48.26	63.22
Excess over statutory limits	15.52	8.35	7.27	6.77	23.19
Balances with other banks in current account in India	..	9.65	9.94	11.54	11.20
Money at call and short notice in India	..	10.35	11.10	9.06	8.90
Investments (at book value)	..	361.27	361.64	364.46	380.45
Advances and bills	105.09	840.71	826.04	801.46	653.04
STATE BANK					
Deposits	..	87.76	262.25	252.03	240.59
Investments	..	51.99	106.92	106.92	107.41
Advances	..	30.35	164 68	160.83	146.41
Cash	..	14.69	18.02	17.96	11.61
					236.68
					116.91
					117.71
					29.58

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November,		Eight months, April to Nov.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	9.90	11.07	74.41	82.01
Protective	0.87	1.21	6.59	5.39
On surplus disposals	..	..	0.07	0.03
Total import duties	10.77	12.28	81.07	99.43
Export Duties	2.76	2.67	24.48	18.23
Land Customs	0.20	0.22	1.49	1.62
Miscellaneous	0.06	0.11	0.48	0.74
Gross total customs	13.79	15.28	106.72	111.06
Refunds and drawbacks	0.20	0.22	1.75	1.57
Net Customs	13.59	15.06	104.97	109.49
Gross excise	11.67	16.23	96.63	117.97
Refunds	0.17	0.17	3.08	1.92
Net Excises	11.50	16.06	93.60	116.05
Net total of customs and excise†	25.09	31.12	198.57	226.14

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 1st Feb., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50 000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		2,62,25,87,000
Bills Payable		11,60,00,000
Bills for Collection being Bills Receivable as per contra		4,65,01,000
Acceptances, Endorsements and Other Obligations per contra		74,80,000
Other Liabilities (including Inter-Office Adjustments)		8,26,000
Total ..	Rs.	3,54,70,000
		2,94,97,14,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,29,50,000
Balances with other Banks		3,73,00,000
Money at Call and Short Notice		66,67,000
INVESTMENTS:		
Government and other Trustee Securities	95,48,17,000	
Other Authorised Investments	11,45,81,000	
		1,06,91,98,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	1,32,99,01,000	
Bills Discounted and Purchased	31,69,03,000	
		1,64,68,04,000
Bills Receivable being Bills for Collection as per contra		74,80,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,26,000
Premises less Depreciation		1,19,00,000
Furniture and Fixtures less Depreciation		61,24,000
Other Assets (including Inter-Office Adjustments)		2,03,75,000
Total ..	Rs.	2,94,97,14,000

SMALL SAVINGS

(In lakhs of rupees.

POSTAL SAVINGS‡‡	National Savings Certificates 5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ⊕	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates†		15-Year Annuity Certificates §	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.62	65	3.26	22.66	84.17	1,12.25	92.03	— 31.07	7 55	25.64	..	..	..	55‡‡	55
1954-55	4.70	1.62	4.99	27.27	1,24.44	1,54.94	1,06.55	— 36.35	8.57	37.15	7,40R	7 38	..	45‡‡	95
1955-56	3.76	1.98	5.48	27.19	1,44.36	1,58.18	1,67.86	— 38.87	4.79	41.25	9,86	16,37	..	48	..
November 1955	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.84	42	40.05	82	13.20	5	5	85
December	4.00	16	5.26	2.58	1,39.48	12.94	1,52.44	— 38.44	36	40.34	83	18.98	4	4	89
January 1956	3.91	14	5.24	2.02	1,40.79	12.16	1,54.14	— 38.55	32	40.61	84	14.72	3	3	91
February	3.88	16	5.29	2.32	1,42.37	12.57	1,56.19	— 38.66	28	40.95	83	15.57	3	3	93
March	3.76	32	5.48	2.82	1,44.36	23.64	1,67.86	— 38.87	26	41.25	88	16.37	3	3	96
April	3 80	24	5.54	2.19	1,45.88	14.54	1,71.08	— 38.96	24	41.51	82	17.13	3	3	99
May	3.61	21	5.54	2.49	1,47.58	14.77	1,73.05	— 39.05	23	41.82	85	17.91	3	3	1,02
June	3.54	22	5.58	2.70	1,49.48	15.24	1,76.09	— 39.15	23	42.11	92	18.75	4	4	1,06
July	3.48	43	5.91	2.78	1,51.53	14.61	1,80.05	— 39.24	23	42.42	1,01	19.68	4	4	1,07
August	3.40	29	5.82	2.53	1,53.14	14.16	1,83.21	— 39.35	26	42.72	98	20.53	5	5	1,11
September	3.34	17	5.71	2.65	1,55.14	13.27	1,84.83	— 39.17	24	43.00	85	21.34	4	4	1,13
October	3.28	16	5.60	2.38	1,56.51	13.00	1,85.99	— 39.26	35	43.29	82	22.06	4	4	1,17
November	3.28	13	5.66	2.30	1,57.62	12.70	1,86.89	— 39.35	25	43.39	77	22.73	3	3	1,19
December	..	..	..	..	..	..	..	..	26	43.58	..	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Relating to nine months from July, 1954.

§ From July 1954.

⊕ Progressive net repayments at the end of period from 15th August 1947.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

† Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 2nd Feb., 1957	26th Jan., 1957	5th Jan., 1957	4th Feb., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.8	89.8	89.7	91.2
1. Government of India	89.5	89.5	89.4	91.0
2. Indian States	96.6	96.6	96.6	96.6
3. Municipal Port Trust, etc.	90.7	90.7	90.9	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.1	99.4	100.0	101.1
1. Electricity	98.9	99.5	100.9	102.6
2. Jute	97.5	97.5	97.5	97.6
3. Plantations	98.6	98.6	98.6	99.1
4. Sugar	98.5	98.5	98.5	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.4	100.5	100 5	101.0
PREFERENCE SHARES	80.1	80.5	80.3	87.0
1. Electricity	88.5	88.3	87.0	94.7
2. Cotton	80.6	80.3	80.0	80.3
3. Jute	75.4	75.4	75.5	86.6
4. Coal	83.0	82.9	83.1	90.5
5. Iron and Steel	82.2	82.9	83.7	87.9
6. Sugar	81.6	81.6	81.6	85.5
7. Paper	79.7	79.7	79.6	86.5
8. Plantations	99.9	99.7	100.2	101.2
9. Miscellaneous	74.0	73.9	74.0	84.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	114.7	115.1	113.4	121.9
(a) Financial	94.8	95.5	90.8	90.6
1. Banks	96.9	97.7	92.0	91.7
2. Insurance	94.9	95.8	90.8	91.2
3. Investment Trust	83.5	84.5	82.7	94.9
(b) Public Utilities	109.9	109.8	108.9	114.8
1. Electricity	110.2	110.3	108.7	119.3
2. Shipping and other Transport	116.9	116.7	113.8	107.5
3. Railways	81.4	81.3	81.7	92.3
(c) Manufacturing Industries	122.0	122.5	121.2	130.0
1. Cotton, Woollen and Silk	127.7	128.2	128.0	122.6
2. Jute	60.6	59.3	60.4	90.4
3. Iron and Steel	132.1	134.0	127.6	144.5
4. Paper	254.0	251.8	248.3	235.0
5. Cement	166.7	171.4	168.5	168.5
6. General Engineering	178.7	178.9	174.8	198.9
7. Sugar and Breweries	100.6	100.9	101.5	106.7
8. Chemicals	138.3	138.8	137.0	149.2
(d) Non-Manufacturing Industries	141.0	141.1	141.5	159.4
1. Coal	75.2	74.8	74.8	85.3
2. Mining and Oil	200.2	200.4	200.9	248.5
3. Plantations	155.9	156.2	157.5	167.3
(e) Miscellaneous	92.3	92.4	90.7	102.7
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.2	89.2	89.0	90.7
2. Calcutta	89.7	89.6	89.5	91.1
3. Madras	90.0	89.9	89.9	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.4	99.4	99.4	100.3
2. Calcutta	98.6	99.3	100.5	101.9
3. Madras	99.7	99.7	99.7	100.1
PREFERENCE SHARES:				
1. Bombay	84.3	85.4	84.9	89.7
2. Calcutta	74.2	74.1	74.1	83.2
3. Madras	94.8	94.8	95.5	96.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	124.8	125.9	121.8	123.3
2. Calcutta	100.9	100.8	100.0	115.3
3. Madras	126.7	127.0	125 4	119.7
4. Delhi	124.7	126.5	120.8	127.3

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	962	809,242	3,395,951
1953	772	466,607	2,382,605
1954	840	477,138	2,372,640
1955	1,166	527,767	5,697,548
October 1954	88	41,724	276,204
November ,,	62	25,115	239,701
December ,,	101	54,455	362,763
January 1955†	95	49,088	323,807
February ,,	91	38,370	144,802
March ,,	112	70,042	334,696
April ,,	105	58,428	335,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	226	90,218	535,999
September ,,	251	98,518	580,081
October ,,	124	47,500	214,814
November ,,	99	48,609	178,113
December ,,	129	45,277	239,550
January* 1956†	107	61,050	349,655
February* ,,	122	69,450	773,886
March* ,,	146	133,188	675,716
April* ,,	143	83,580	565,994
May ,,	137	54,861	553,720
June ,,	153	71,318	476,166
July* ,,	140	100,069	535,775
August* ,,	136	64,516	495,639
Sept.* ,,	135	125,226	903,399
Oct. ,,	109	79,392	505,789

† Figures are provisional. * Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,124.2
1953-54	648	6,876.8	5,578.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
Jan., to Oct., 1955	716	6,983.4	5,681.3
Jan., to Oct., 1956	753	7,938.7	6,508.9
September 1955	707	719.8	587.1
October ,,	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	900.0	451.0
April ,,	701	780.8	645.8
May ,,	701	825.8	689.1
June ,,	710	786.9	656.2
July ,,	726	798.0	656.2
August ,,	725	798.7	650.0
September ,,	737	812.7	666.4
October ,,	753	824.1	670.1

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System has been included.

‡ Including purchases from non-electric utilities.

§ At end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	26th Jan., 1957	19th Jan., 1957	28th Jan., 1956	December, 1956	December, 1955	Percentage of Increase (+) or decrease (—) in Dec., 1956 as compared with Dec., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	399.7	398.5	334.0	413.9	323.7	+27.9	313.2	338.8
Cereals	59	506	494	398	532	355	+49.8	372	351
Pulses	8	426	433	356	427	345	+23.8	389	380
Others	33	258*	262*	241	262	234	+12.0	236	291
Industrial Raw Materials	(18)	533.7	527·7 R	456.1	517.5	436.9	+18.4	419.8	438.2
Fibres	53	512	509	451	499	488	+13.9	422	447
Oil seeds	10	561	588	474	570	431	+32 3	398	434
Minerals	10	543	528	433	531	434	+22 4	427	432
Others	7	433	435	449*	434	462	— 6.1	481	487
Semi-Manufactures	(17)	413·1	412·3 R	355.2	417.5	346.6	+20.5	338.2	350.3
Leather	3	433	433 R	414	443	400	+10.8	373	376
Mineral oils	13	210	210	202	209	215	+3.5	207	221
Vegetable oils	16	620	626	426	632	414	+52 7	389 R	433
Cotton yarn	35	493*	492	436	499	424	+17 7	423	454
Metals	18	326	328	280	327	279	+17 2	264	240
Oil cakes	5	440	435	372	484	355	+36 3	338	381
Others	5	362	362	364	363	330	+10.0	336	312
Manufactured Articles	(20)	386.2	387·7	374.9	386.9	373.0	+ 3.7	372.9	377.4R
Textiles	64	415	417	408	418	405	+ 3.2	408	431
Jute	11	441	456	417	459	415	+10.6	413	448
Cotton	45	414*	414*	403*	415*	399*	— 4 0	408*	416*
Rayon and Silk	6	436*	436*	436*	429*	436*	—11·7	433*	469*
Woollen	2	266	266	278	266	278	— 4.2	264	311
Metal products	17	394	394	371	390	371	+ 5.1	359	340
Others	19	298	298	285	297	284	+ 4.6	286	306
Miscellaneous	(9)	589.2	592·9	537.1	590.3	544.2	+ 8.5	548.4	612.4
All Commodities	(100)	425.7	424.1 R	376.6	428 9	388.2	+10.5	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarcane	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1955																		
November	474	462†	147	243	227

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—						
Rice	final	tons	76,258	75,949	25,474	24,551
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	43,731	43,445	6,940	9,092
Bajra	final	,,	27,025	27,983	3,400	3,431
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	8,211	2,519	2,049
Ragi	final	,,	5,627	5,711	1,544	1,646
Small millets	final	,,	13,095	13,799	2,108	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,784
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,893
Tur	final	,,	5,757	5,944	1,514	1,658
Other Kharif pulses ‡	final	,,	15,562	16,719	1,680	1,820
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	2nd	tons	11,299†	10,963‡	3,559†	3,372‡
Castorseed	final	,,	1,462	1,394	195	124
Sesamum	final	,,	5,782	6,501	488	589
Rape and Mustard	final	,,	2,988	6,085	893	1,019
Linseed	final	,,	3,434	3,354	376	333
Total oilseeds	final	tons	29,471	30,833	5,596	6,242
Fibres—						
Cotton*	final	bales	20,330	18,684	2,998	4,227
Jute A	final	,,	1,888†	1,730†	4,221†	4,197‡
Mesta A	2nd	,,	695†	653††	1,430†	1,101††
Other crops—						
Potato	final	tons	693	688	1,339	1,736
Sugarcane	2nd	,,	4,532†	3,945‡	58,914†	50,455‡
Ginger (Dry)	final	,,	37	25	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,498	1,523	240	263
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1956	84.9
	Corresponding month, 1955	97.3
	Six months ended Dec., 1956	517.8
	Corresponding period, 1955	519.5
Stocks	At the end of Jan., 1957	104.1
	Corresponding month, 1956	78.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 22nd Dec., 1956	4,038
	Corresponding week, 1955	3,243
	From 1st Jan., to 22nd Dec., 1956	412,817
	Corresponding period, 1955	458,847
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 22nd Dec., 1956	1,534
	Corresponding week, 1955	7,636
	From 1st Jan., to 22nd Dec., 1956	1,431,400
	Corresponding period, 1955	1,325,644
	RAW JUTE	(Unlakh bales)
Consumption by Mills†	December, 1956	4.92
	Corresponding month, 1955	5.54
	Six months ended Dec., 1956	29.9
	Corresponding period, 1955	30.13

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1955	11,58,000	10,81,900	7,91,800
Do. 31st March, 1956	11,54,000	10,70,800	7,80,000
Dec. 31st March, 1956	11,54,400	10,42,900	7,51,800
Do. 31st March, 1956	11,55,800	10,68,100	7,97,500
August 1955	98,500	89,900	68,700
Sept. ,,	95,800	87,500	65,700
October ,,	91,700	82,800	64,800
Nov. ,,	91,900	86,300	63,400
Dec. ,,	103,900	97,500	72,500
January 1956	1,03,900	96,800	71,600
August ,,	97,800	88,000	66,000
Sept. ,,	96,400	88,800	69,700
Oct. ,,	98,700	91,100	71,800
Nov. ,,	94,700	88,500	68,100
Dec. ,,	1,01,500	93,800	66,900
January 1957	97,400	94,300	70,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,19,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955	7,15,940	5,25,340	4,59,095
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,83,770	1,17,870	1,07,480
,, ,, Sept., 1954	1,80,018	1,39,741	1,12,561
,, ,, Dec., 1954	1,88,083	1,36,801	1,30,016
,, ,, Mar., 1955	1,65,108	1,42,828	1,18,126
,, ,, June, 1955	1,58,608	1,34,331	1,16,381
,, ,, Sept. 1955	1,76,181	1,30,630	1,08,714
,, ,, Dec., 1955	1,60,750	1,34,096	1,05,752
,, ,, Mar., 1956	1,64,450	1,41,546	1,19,860
,, ,, June, 1956	1,45,306	1,17,710	92,950
,, ,, Sept., 1956	1,74,447	1,39,225	1,13,053
,, ,, Dec., 1956	1,88,546	1,41,450	1,14,705

OVERALL BALANCE OF TRADE OF INDIA
November, 1956†

Particulars	November, 1955	November, 1956	Eight months April to Nov., 1955	Eight months April to Nov., 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise— (a) Exports	49,45	54,35	388,36	378,000
(b) Re-exports	39	57	3,53	5,27
Less—Transit trade	..	3	8	8
Net re-exports	39	54	3,45	5,19
Total exports	49,84	55,89	391,81	383,19
2. Imports	62,98	69,07	418,45	535,08
Less—Transit trade	3	4	10	25
Net Imports*	62,96	69,93	418,35	534,83
Balance of trade in merchandise	—13,12	—14,04	—26,54	—151,64
Balance of trade in gold and silver	..	— 3	— 4	— 15
Total overall visible balance of trade	—13,12	—14,07	—26,58	—151,79

† Total values of foreign trade of India by all routes (i.e., sea, air and land.)
* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	166
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	95	62	164	13	299	399	25	281	47	158
1955-56	12,761	2,772	972	212	110	67	150	39	474	413	41	331	48	168
October 1955	7,016	1,600	569	115	62	38	55	14	151	230	22	179	27	99
November ,,	8,076	1,835	647	133	68	43	78	17	174	266	27	205	33	124
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,219	805	173	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	133	27	395	374	38	298	45	146
March ,,	12,761	2,772	972	212	110	67	150	39	474	412	41	331	48	168
April ,,	1,134	227	82	18	11	7	13	3	64	34	3	31	5	21
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	9	35
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	50
July ,,	4,310	950	344	71	35	19	44	6	168	139	10	118	14	69
August ,,	5,400	1,222	433	97	45	23	55	6	184	173	13	150	19	68
September ,,	6,420	1,446	505	97	46	23	73	10	199	207	15	179	26	81
October ,,	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	95
November ,,	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 7th Feb., 1957	49,922(J)
	Corresponding week, 1956	44,352(J)
	1st Sept. 1956 to 7th Feb., 1957	732,513*
	Corresponding period, 1955-56	613,931*
Cotton Exports‡	Week ended 7th Feb., 1957	12,228
	Corresponding week, 1956	9,799
	1st Sept. 1956 to 7th Feb., 1957	116,610
	Corresponding period, 1955-56	103,939
Mill Consumption (Estimated)	1st Sept. 1956 to 7th Feb., 1957	567,757
	Corresponding period, 1955-56	517,259
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 7th Feb., 1957	530,682
	Corresponding date, 1956	489,853
Cotton Exports from Bombay (by sea)	During Dec., 1956	32,410
	During Dec., 1955	60,493
	1st Sept., '56 to 31st Dec., 1956	65,631
	1st Sept., '54 to 31st Dec., 1955	327,074
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 24th Jan., 1957	833,862
	Corresponding period, 1955-56	857,949
Exports	1st Sept., 1956 to 24th Jan., 1957	365,895
	Corresponding period, 1955-56	395,885

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1956 to 11th Feb. 1957 Bales	From 1st Sept. 1955 to 11th Feb. 1956 Bales
From Bombay Cotton Shipments to—		
United Kingdom	15,117	34,489
Continent	13,128	56,783
Hongkong	15,678	22,782
China	3,277	31,488
Japan	71,609	139,002
U.S.A.	1,284	2,210
Other Countries	442	5,039
Total to all foreign countries	120,535	291,793
Coastal Ports	7,360	58,327
Total	127,895§	350,120§

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	November, 1956	369,506
Foreign		47,412
Indian	Three months ended Nov., 1956	1,117,406
Foreign		151,539
Indian	Same Period 1955	1,121,560
Foreign		138,999
Stocks (Mills and Bizwhere)—		
Indian	As on 30th November, 1956	1,026,767
Foreign		189,066
Indian	As on 30th November, 1955	1,055,219
Foreign		167,845
	Week ended 1st Feb., 1957	37,920
	Corresponding week, 1956	1,091,515
	1st Sept., 1956 to 1st Feb., 1957	911,370
	Corresponding period, 1955-56	1,251,616

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,20,26,000	1940-70	100‡
2 ½ Loan	1935-39	1,16,17,46,000	1945-55	94
2 ½ Loan	1939	80,88,10,000	1964	94
2 ½ Fg. Loan	1942	1,10,11,78,000	1966-68	92
2 ½ V. Loan	1944	93,54,39,000	1957	99
2 ½ % Loan	1945	1,15,58,58,000	1970-75	87
2 ½ % Nd V. Loan	1945	1,13,05,64,000	1969-91	97
2 ½ % Loan	1951	80,25,63,000	1968	99
2 ½ % Loan	1945	45,90,37,000	1960	96
2 ½ % Loan	1946	57,00,69,000	1961	98
2 ½ % Loan	1946	74,77,48,000	1970	93
2 ½ % Loan	1947	76,86,72,000	1992	93
2 ½ % Loan (N.F. Bonds)	1953	75,20,00,000	1961	99
2 ½ % N.F. Loan	1954	1,58,17,24,000	1964	98
2 ½ % N.F. Bonds (2nd Series)	1955	1,08,07,92,000	1965	98
2 ½ %	1956	57,27,00,000	1962	97
2 ½ % N.F. Bon s	1956	23,82,00,000	1967	96
2 ½ %	1956	66,54,00,000	1974	96
NON-TERMINABLE LOANS				
3 ½ % Loan	1896-97	5,93,25,000	At option of Government after three months notice. On September, 1986 or later at option of Government after three months' notice.)	73
2 ½ % Loan	1946	2,48,91,47,000		73‡
REPATRIATE STERLING LOANS				
4 ½ % Loan	1938	15,85,72,000£	1958-68***	102‡
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97
3 % Bombay	1944	2,06,66,000	15th Aug. 1958	98
3 % Bombay	1949	5,52,56,000	1st Aug. 1968	94
3 % Bombay	1950	2,57,32,000	21st July 1960	96
3 % Bombay	1951	2,93,25,000	17th Sept. 1962	93
3 % Bombay	1953	5,42,35,000	15th July 1963	93
4 % Bombay	1952	3,55,57,000	1st Aug. 1964	100
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97
4 % Coochin	1954	1,00,00,000	16th Dec. 1955–58	98
3 ½ % Coochin	1956	70,09 000	1st June 1956-61	99
3 % Howrah Bridge (New)	1936-37	1,95,06,700	1956–66	98
4 % Hyderabad	1955	2,13,42,000	1st Sept. 1967	99
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99
3 % Madras	1939	1,32,95,600	21st June 1955	98
3 % Madras	1944	1,07,05,800	15th Aug. 1958	98
3 % Madras	1948	2,78,44,000	14th Sept. 1960	96
3 % Madras	1946	81,77,700	1st Sept. 1961	92
3 % Madras	1950	4,88,28,400	21st July 1960	96
3 % Madras	1951	3,01,49,300	17th Sept. 1962	97
3 % Madras	1953	10,82,68,000	15th July 1963	99
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98
3 % Mysore	1953	2,66,55,200	1st Dec. 1952–63	100
3 % Mysore§	1956	5,99,72,900	30th Apr. 1956–61	99
3 % Mysore	1947	3,05,05,700	25th Jan. 1958	99
3 % Mysore	1953	3,33,47,000	15th July 1963	99
4 % Mysore	1955	2,54,94,000	1st Sept. 1967	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97
3 % M.P.	1944	52,69,800	15th Aug. 1958	98
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	92
3 % M.P.	1950	1,01,44,700	21st July 1960	96
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	93
3 % M.P.	1953	1,10,18,000	15th July 1963	99
4 % M.P.	1955	1,52,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97
4 % Saurashtra	1955	2,61,66,000	1st Sept. 1967	99
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99
4% Trav. Cochin	1953	3,00,00,000	15th July 1963	99
4% Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
3 % U.P.	1936	1,57,14,000	15th Sept. 1961–66	99
3 % U.P.	1944	2,57,11,000	15th Aug. 1958	98
3 % U.P.	1945	2,17,59,700	14th Sept. 1960	96
3 % U.P.	1946	2,20,93,600	1st Sept. 1961	92
3 % U.P.	1951	1,91,02,000	17th Sept. 1962	97
3 % U.P.	1953	6,11,45,200	1st Aug. 1964	99
3 % U.P.	1953	5,65,15,800	15th July 1963	99
4 % U.P.	1955	5,62,54,000	1st Sept. 1967	97
4 % U.P.	1956	8,00,00,080	3rd Sept. 1968	97
3 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97
4 % M. Bharat	1953	1,00,00,000	15th July, 1963	99
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
56,40,000	4	1904	1964	
15,00,000	4	1906	1966	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
40,00,000	4	1908	1968	98¼N
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
34,77,400	4	1911	1972	
1,10,00,000	4	1912	1972	
14,85,876	4	1913*	1950	D
50,00,000	4	1913	1974	98¼N
83,25,000	4	1914	1974	99¼N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,800	4	1915*	1960	
11,61,000	4	1924*	1960	
10,38,000	3½	1926*	1960	
35,00,000	3½	1929*	1960	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
55,00,000	3½	1938*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99
76,90,100	4	1915	1974	99
1,80,00,000C	3½†	1921	1981	82
68,08,200C	4†	1921	1981	82
1,49,40,500B	5	1927	1957-87	104
1,49,80,000	5	1928	1958-88	102
60,00,000	3½	1931	1991	95
80,00,000	3½	1931	1958	97½
25,00,000	3	1938	1968–88	90
1,50,00,000	3	1946	2006	74
50,00,000	3	1946	1976	85
50,00,000	3	1946	1976	84‡
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	82‡
1,00,00,000	3	1949	1989	97
50,00,000C	3	1950	1980	97
1,00,00,000C	3	1950	1980	97
50,00,000	3	1950	1980	95½
50,00,000	3	1951	1981	95½
50,00,000	3	1951	1981	95½
50,00,000	3	1952	1982	100
90,00,000	4	1955	1988	98½
77,00,000C	4	1956	1988	97½
75,00,000C	4	1956	1988	97½
STERLING LOANS				
£892,500	5	1922	1952–82	67½‡
£901,000	5½	1932	1952–64	67½‡
£855,100	5½	1932	1962	68½‡
MADRAS				
Rs.				Rs.
31,47,100	3½	1947	1977	
9,88,000£	3	1947	1977	
8,00,000£	3	1949	1979	A
45,00,000£	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				
80,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
80,00,000	4	1903	1963	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	97½N
80,00,000	4	1906	1966	
80,00,000	4	1907	1967	
80,00,000	4	1908	1968	
80,00,000	4	1909	1969	
80,00,000	4	1910	1970	
80,00,000	4	1911	1971	
80,00,000	4	1912	1972	
80,00,000	4	1913	1973	
80,00,000	4	1914	1974	97½N
80,00,000	4	1915	1975	
40,00,000	5	1919	1957–79	113N
66,00,000	5	1920	1955–80	
55,00,000	5	1921	1955–85	115N
25,00,000	4	1927	1961–70	96N
10,00,000	3	1936	1966	
STERLING LOANS				
£866,600		1909	1969	89½N
£330,000		1910	1970	89½N
CALCUTTA				
Rs.				Rs.
£5,00,000	5½	1929	1959	107
£5,00,000	4	1934	1954	99
£5,00,000	3½	1935	1965	94
£5,00,000	3	1936	1966	90
£5,00,000	3	1937	1967	91
£2,00,000	3	1938	1968–88	90
£2,00,000	4	1952	1982	99
1,02,00,000	4	1956	1958	99

MUNICIPAL LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
£2,60,000	4	1913–14	1974	99½
£1,00,000	5	1920	1980	113‡
£1,00,000	5	1928	1958	102
5,45,500	5	1929	1954–59	102
£2,21,500	5	1929	1959	86‡
8,25,00,000	3½	1939	1979	86‡
2,50,00,000	3½	1940	1979	86‡
4,00,00,000	3½	1950	1965	96‡
1,50,00,000	3½	1950	1965	96‡
2,00,00,000	3½	1951	1966	97‡
1,50,00,000	4	1952	1962	99‡
1,00,00,000†	4	1953	1963	99‡
1,00,00,000†	4	1954	1966	99‡
2,50,00,000	4	1955	1965	99‡
1,50,00,000	4	1956	1968	99‡
Rs.				Rs.
56,00,000	5	1923	1953	102
25,00,000	5	1929	1957	105‡
25,00,000	5	1929	1959	105‡
10,00,000	5½	1932	1962	94
23,01,000	3½	1935	1965	96
60,00,000	3½	1938	1968	96
47,50,000	4	1938	1968	99
15,56,800	4	1940	1957	99‡
17,54,400	3½	1942	1972	97
31,10,000	3½	1943	1973	97
16,49,000	3½	1951	1966	97‡
13,33,000	3½	1951	1966	97‡
66,55,000	3½	1951	1966	97‡
67,26,000	4	1952	1962	100
72,50,000	4½	1954	1979	99
Rs.				Rs.
15,00,000	3½	1951	1961	107‡
25,00,000	3½	1953	1963	107½

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	4	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	99	100
Champore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	126	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6–11	5
East India Distilleries	£200,000	1897	7	Jan. July	17	£1
Jwalier Sugar	6,75,000(c)	1940	7(a)	Dec.	67	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	67	100
Partabpore Co.	5,00,000	1922	10	Oct.	15	10
Samalkot Cane	4,00,000	1933–36	6	Aug.	100	100
Savalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Tayanpore	15,00,000	1946	5(c)	Dec.	9½	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borea	4,00,000	1895–97	6½	Oct. Apr.	181	100
Burrakur (1st)	22,99,800	1901–19	7	Jan. Oct.	113½	100
Do. (2nd)	4,50,000	1946	6(3a)		7½	10
Burrakur Collieries	4,00,000	1895	6	Mar. Sept.	100	100½
Karanpura Collieries	9,87,500	1946	5½(a)		59	75(p)
†Khas Kajora	1,92,000	1931	5	Mar. Sept.	4N	10‡
New Beerbhoom	2,00,000	1920	7	Jan. July	11	10
Oudal	2,00,000	1898–99	6½	Apr. Oct.	194	100
COTTON						
Ahmadabad Advance	10,00,000	1939	5	Apr. Oct.	108‡	100
Bangalore	6,00,000	1884	6	Jan. July	120	100
Basanti Cotton	5,00,000	1924	6½	Nov.	7	10
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	98	100
Berrush	3,00,000	1900	7	Feb. Aug.	130	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1919	7	June Dec.	63½	50
Buckingham & Carnatic	£1,30,200	1920	7½	Jan. July	142½	100
Cambodias	1,00,000	1923	7	Apr.	116	100
Central India	50,00,000	1912	5	Apr. Oct.	455	495
Coimbatore Pioneer	1,00,000	1925	6½	Nov.	104‡	100
Elgin	11,00,000	1918	8	May. Nov.	124	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	9	10
Hubliotaone	25,00,000	1919	7(a)	May Nov.	90	100
Kesoram	20,00,000	1919	7	June Dec.	113½	100
Khatau Makanji (2nd)	50,00,000	1947	4	Nov.	79xd	100
Kohlapur	25,02,500	1947	5	Nov.	10-12	10
Kothari 'B' (Pref.)	18,00,000	1947	6		5	5
Lakshmi Cotton (Bombay)	1,00,000		5(a)		210	250
Lakshmi Goonidas Sp

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.= Preferred Ordinary shares. Y.= Accounts published yearly. H.= Accounts published half-yearly. P.= Company has Preference shares. T.= Company has Debentures. N.= Nominal quotations. x.d.= Ex. Dividend. c.d.= Cum. Dividend. i= Interim Dividend. (= Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and not for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Remarks
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	5,63,728	90,10,670	43,05,872	96,989	Rajputana Textiles (Agencies) Ltd.	55,008	898	Apollo Mills	2½	2	0 4(e)	0 2(e)	0 3		12	Y.P.
40,00,000	24,00,000	1,85,52,007	72,26,655	—6,97,129	M.	50,506	1,021	B. K. Cotton Mills ..	44½	100	*Nil*	*Nil*	*Nil*		3	Y.
3,50,00,000	2,99,72,778	4,92,35,445	2,39,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	554	250	22 8*	20 0	25 0*	7 81	12	Y.
10,00,000	28,74,393	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd.	44,784	800	Bradbury Mills	230½	50	100 0†	75 0†	12 8	20 0	3	Y.
1,00,42,500	2,63,96,826	2,81,88,264	1,97,06,117	9,34,956	Birla Brothers Private Ltd.	1,26,344	2,698	Century Spg. & Mfg. ..	401½	100	22 0	22 0	22 0	8 01	12	
49,00,000	25,43,826	1,19,99,766	65,07,285	—23,08,997	Y. J. Pilani (Chairman and Managing Director)	40,068	798	Colaba Land & Mill ..	75	100	*Nil*	*Nil*	*Nil*		12	Y.
28,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	40,328	680	Coorla Spg. & Wvg. ..	125	100	7 8	7 8	7 8		12	Y.
10,00,000	24,56,896	69,10,851	54,56,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	175½	50	6 0	6 0	15 0	0 0	12	Y.
84,00,000	40,06,435	76,75,267	56,21,788	2,83,642	Purannal Bubna Sons ..	50,084	928	Edward Textiles ..	312	200	15 0	15 0	18 0		12	
29,98,040	11,81,325	1,09,78,649	80,74,224	1,81,854	M.	41,376	856	Elphinstone Spg. & Wvg.	504	*Nil*	5 0	5 0	5 0		12	
80,00,000	70,11,875	1,22,35,613	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,382	784	Finlay Mills	100	16 0	16 0	20 0	20 0		12	
50,00,000	51,19,022	87,77,494	52,02,387	36,368	James Finlay & Co., Ltd. ..	40,040	1,020	Gold Mohur Mills Ltd. ..	208½	100	12 8	12 8	15 0		12	
11,84,000	75,14,589	1,52,34,660	1,07,26,500	608	M.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,660	1,000	225 0*	225 0	300 0	325 0	3	Y.P.
16,000									9923	250	56 4*	56 4	75 0	81 4		
2,00,00,000	82,50,399	4,68,15,552	2,39,00,000	1,98,112	Agarwal & Co.	2,33,812	6,413	India United Mills	10 11½	0 10	*Nil*	0 15	0 10½		12	Y.
50,00,000									1-10½	0 1D.	1 *Nil*	0 3	0 11			
8,65,000	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	56,256	1,192	Indian Mfg.	5,250	1,000	225 0*	225 0	300 0	360 0	3	Y.P.
35,000										500	112 8*	112 8	150 0	180 0		
29,85,000	55,07,881	2,73,78,670	2,03,22,185	25,523	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	211½	100	10 0	8 0	10 0	10 0	6	
1,00,00,000	1,21,50,000	1,92,63,351	1,59,71,824	23,080	Kilachand & Co.	1,20,504	1,846	Kohinoor Mills	308	100	10 0	8 0	10 0	10 0	12	
23,18,050	41,06,720	1,18,74,348	55,99,115	81,670	N. Sirur & Co. Ltd. ..	49,000	644	Modern Mills	70XR	100	20 0*	18 0	18 0	6 01	12	
51,75,000	87,06,298	2,35,58,597	1,76,19,569	5,12,085	Hiramal Sons Private Ltd. ..	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	227½	100	12 0	14 0	14 0	15 0	6	
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000		National Rayon Corporation ..	223	..	New City of Bombay Mfg. ..	151½	100	9 0	10 0	12 0		12	
24,00,000	24,50,000	76,57,855	46,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,944	432	New Great Spg. & Wvg. ..	153½	100	10 0	10 0	10 0		12	
30,00,000	14,61,250	92,85,599	61,42,741	4,880	W. H. Brady & Co., Ltd. ..	49,012	1,018	Phoenix Mills	239½	100	10 0	7 8	10 0		12	
48,00,000	80,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd. ..	69,208	1,190	Phoenix Mills	145	100	8 0	8 0	10 0		12	
40,00,000	45,70,390	39,55,049	23,00,000	3,92,877	Podar Mills	32,000	920	Podar Mills	105	100	10 0	10 0	12 0*		12	
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	9½	10	0 12	0 8	1 0		12	
37,70,000	82,80,605	1,92,63,351	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	40	100	1 4	1 12	1 12		12	
30,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,826	1,640	Shree Niwas Cotton Mills ..	183½	100	14 0	14 0	12 0		12	
42,00,000	83,02,179	98,78,809	78,58,782	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	178	50	15 0	11 0	16 0		12	
87,50,000	2,28,15,720	2,51,28,099	1,87,86,474	12,888	Mafatlal Gagalbhai & Sons ..	52,056	1,633	Standard Mills	418½	100	20 0	20 0	20 0	12 0	3	
99,85,700	84,69,716	2,28,87,647	1,19,01,809	67,611	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	210	100	16 0	8 0	12 0		12	
36,00,000	66,33,465	1,89,99,971	61,52,715	91,080	James Finlay & Co., Ltd.	38,388	552	Swan Mills	403½	100	20 0	20 0	25 0		12	
85,87,000	81,96,276	1,77,84,889	63,44,553	48,485	Tata Industries Private Ltd.	62,096	1,800	Tata Mills	484	25	1 8	2 8	4 0		12	Y.P.
12,00,000	61,05,709	1,27,41,228	90,20,000	4,524	M.	64,126	1,209	Western India Spg. & Mfg.	6,280	1,000	225 0*	25 0	300 0	300 0	3	
AHMEDABAD																
40,00,000	21,50,000	1,48,70,888	69,76,844	17,069	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	180	100	10 0*	8 0	8 0	12 6	6	Y.P.
10,00,000	94,58,068	94,87,998	76,10,164	27,823	P. M. Hutheesing & Co., Ltd.	44,220	912	Aruna Mills	700	100	20 0	20 0	30 0		12	Y.
88,15,000	2,55,80,694	1,66,65,504	1,10,00,000	76,768	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,118	100	25 0	25 0	35 0*		12	
90,00,000	81,70,000	90,34,384	72,25,000	2,45,388	Mangaldas & Sons	37,164	992	Aryodaya Ginning & Mfg.	500	100	15 0	15 0	25 0*		12	
12,00,000	1,18,89,083	84,56,974	69,64,953	69,606	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,600	100	20 0*	22 0	30 0		12	
1,87,40,000	3,85,76,233	4,61,25,358	2,85,85,814	2,81,712	Kasamchand Premchand Ltd.	1,39,120	2 573	Calico	542½	125	18 0	18 0	20 0	80 0‡	3	
28,87,000	24,58,000	1,21,06,543	82,09,301	2,760	Tricumal Bhoglal & Co., Ltd.	45,886	866	New Commercial Mills ..	1,325	1,000	70 0	70 0	80 0		12	Y.
89,00,000	72,62,436	1,32,09,232	90,25,068	19,281	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	800	125	35 0	35 0	35 0		12	Y.
16,00,000	58,48,000	60,63,197	37,06,317	16,658	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	407½	100	20 0*	20 0*	20 0		12	
12,50,000	1,14,77,470	86,29,489	60,39,588		Lalbhai Dalpatbhai & Co. ..	32,828	636	Raipur Mfg.	975	100	25 0	25 0	25 0*		12	
22,50,000	14,78,207	1,07,01,469	81,75,723	17,24,749	Lalbhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	178½	100	9 0	9 0	10 0		12	
22,98,150	2,02,84,588	1,76,92,842	1,52,75,008	8,28,290	Harivallabhdas Kalidas & Co.	94,116	1,788	Shri Ambica Mills	587½	50	18 0	20 0	27 0*		12	
19,32,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. .. (Abolished)	35,624	780	Shorrock Spg. & Mfg. ..	525	100	20 0	25 0*	25 0*		12	
26,00,000	90,24,191	1,09,66,068	78,35,591	24,644	Haridas Ambalal & Co., Ltd.	36,176	780	Vijaya Mills	690	400	35 0*	35 0*	35 0*		12	
WEST BENGAL																
16,00,000	1,48,800	84,98,029	21,62,880	61,576	Calcutta Agency Private Ltd.	13,044	356	Bazaati Cotton Mfg. ..	5½	1	0 4	0 3	0 3		12	
7,80,000	10,10,617	78,10,055	52,09,911	59,290	Bengal Textile Agency, Ltd.	32,544	901	Bengal Luxmi Cotton Mills	40N	40	*Nil*	*Nil*	*Nil*		12	
20,00,000	22,79,414	89,08,148	51,49,000	—23,47,277	Kettlewell Bullen & Co., Ltd.	43,972	1,000	Howrah Cotton Mills ..	180	100	*Nil*	*Nil*	4 0	4 0	3	
19,00,000	26,17,571	1,04,58,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,844	518	Dunbar Mills	205	100	*Nil*	*Nil*	*Nil*		6,12	
1,50,00,000	2,59,43,320	3,76,10,833	1,31,20,833	1,86,672	Birla Brothers Private Ltd.	70,384	1,996	Kesoram Cotton Mills ..	154	10	1 12	0 14	0 14	1 0	3	Y.
19,47,750D	7,48,000	47,06,298	24,48,858	1,094	Hazaresmull Heeralall	23,086	798	Ramaporia Cotton Mills ..	16N	10	0 8	0 10	1 0		6	Y.
5,00,000D									21N	1D	*Nil*	*Nil*	0-5 11/26			
SOUTH INDIA AND OTHER CENTRES																
11,96,600	5,57,506	21,36,764	15,64,343	3,566	Sahu & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	58,91,264	1,84,91,580	80,78,582	1,86,043	Industrial Trust Fund ..	36,126	706	Azam Jahi Mills	82½	100	6 0	*Nil*	8 8		6	Y.
40,50,000	2,00,68,745	3,24,96,906	2,42,98,358	2,58,549	Binny & Co. (Madras) Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	572½	100	25 0	30 0	30 0	10 0	12	
37,00,000	16,50,000	77,25,168	58,72,128	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	8	10	0 0	*Nil t*			12	
35,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,231	Birla Brothers Private Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	80N	10	3 0	3 0	3 0		6,12	
1,78,47,800	1,76,52,500	6,38,09,203	3,58,82,130	2,58,445	Binny & Co. (Madras), Ltd...	1,20,856	2,787	Buckingham & Carnatic ..	188	100	10 0	10 0	10 0		12	
20,00,000	20,00,000	80,60,354	21,66,351	87,593	Patrick, Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	144½	100	0 12	*Nil*	0 8	4 01	12	
18,00,000	8,11,500	48,88,929	24,63,361	8,994	K. Damodaram, Esq. ..	17,496	..	Canasanore Spg. & Wvg. ..	177	100	12 0	20 0	12 0	15 0	3	
80,00,000	29,51,420	99,40,329	61,72,376	26,767	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles		100	12 0	12 0	12 0	15 0	3	
9,37,470	2,00,000	50,97,536	18,02,163	58,798	G. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	73	5	0 9	0 3	*Nil*	0 4	3	
12,00,000	20,60,000	84,68,396	57,86,527	84,164	R. Bheema Naidu & Co. ..	25,864	..	Coimbatore Cotton Mills ..	122½	10	*Nil*	*Nil*	0 10	0 12	3	
30,00,000	19,95,000	86,59,430	54,25,921	14,922	T. E. N. Naidu & Co. ..	38,386	1,000	Coimbatore Pioneer Mills ..	386	100	20 0	25 0	25 0		12	
30,76,900	9,07,000	1,01,06,569	69,66,542	21,920	K. G. D. Naidu & Co. ..	37,632	807	Coimbatore Spg. & Wvg. ..	87½	50	5 0*	5 0	5 0		12	
46,87,500	46,12,622	2,50,83,371	1,62,61,854	13,215	Tata Industries Private Ltd.	67,252	1,620	Central India	122	100	12 8	12 8	15 0	*Nil*	12	
2,58,26,225					B. R. Charat Ram & Co., Private Ltd.	1,26,726	2,254	Delhi Cloth & General Mills ..	86N	25	1 0*	2 0	2 8	2 8	3	Y.P.
1,00,000	25,47,678	52,74,245	35,26,582	6,864	M. N. Chettiar & Sons ..	32,568	201	Dhanalakshmi Mill's	2½	10	2 4/5	0 5/8	0 3 3/5	0 4	3	
48,00,000	66,32,360	1,52,16,382	1,29,71,681	98,866	Begg, Sutherland & Co., Ltd.	45,452	1,198	Elgin Mills	376	100	20 0	30 0	30 0		12	
48,51,000	85,23,176	2,00,55,167	68,96,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	263	100	2 0	1 0	1 0		12	
2,50,00,000	2,25,000	3,41,27,131	..	1,06,76,700	Birla Gwalior Private Ltd. ..	221	..	Gwalior Rayon	100	100	17 0	18 0	16 0		12	
50,00,000	6,16,447	1,38,91,953	1,12,28,676	9,551	K. L. Seksaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	10	*Nil*	*Nil*	*Nil*	*Nil*		3	
8,00,000	10,95,683	81,06,569	18,48,126	2,079	G. V. Naidu & Co., Ltd. ..	24,828	..	Janardhana Mills	107½	50	4 8	5 0	5 01		12	
15,54,000	18,24,703	45,22,284	33,88,095	7,012	Mr. Bhairurstan Demani (Mg. Director)											
22,42,535	19,25,000	93,32,480	52,49,160	41,492	Kothari & Sons	45,000	800	Jam Shri Ranjitsinghji	1,505	1,000	*Nil*	20 0	50 0		12	
32,00,000	48,30,185	1,48,02,656	1,12,84,204	14,744	Bombay Co., Ltd.	67,272	1,319	Kothari Textiles	15½	10	0 8	0 8	1 0	60 0	6	
25,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	708	250	37 8	22 12	41 8	12 81	3	
17,82,050									129	25	2 0	5 0	10 0	12 8		
1,78,02,480	4,18,81,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd. ..	5,00,000	..	Madura Mills	15	5	0 0	5 0	6 0	8 0*	3	
12,00,000	4,17,263	28,26,768	16,72,202	—99,072	A. L. A. R. S. Chettiar and Brothers.	22,592	100	Malabar Spg. & Wvg. ..	461cd	100	*Nil*	*Nil*	*Nil*	*Nil*	6	
60,00,000	69,00,000	68,79,527	42,29,734	45,825	W. A. Beardsell & Co., Ltd.	24,720	603	Metiur Industries Ltd...	108	100	8 0	8 0	8 0		12	
29,50,884	19,51,581	89,75,246	49,94,735	16,588	N. Sirur & Co. Private Ltd.	23,936	704	Minerva Mills	440	100	12 0	12 0	12 0		12	
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	51,240	948	Model Mills (Nagpur) ..	87	100	7 0	5 0(e)	6 0(e)		12	
80,00,000	52,19,600	1,53,59,272	1,05,91,851	—7,77,290	Indian Textile Syndicate Ltd.	55,640	1,584	Moir Mills	180	100	7 0	5 0(e)	7 8(e)	7 8	3	
24,32,500	50,54,035	1,10,23,743	67,14,107	19,561	N. Sirur & Co., Ltd. ..	50,640	500	Mysore Spg. & Mfg. ..	75N	100					12	
16,61,780	6,600	29,25,252	16,12,761	—1,50,653	R. Surveyanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills ..	101½	50	10 0*	8 2*	6 0(e)	9 0*	3	
22,89,582	25,62,533	1,04,27,923	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	52,428	1,225	New Victoria Mills ..	81	10	*Nil*	*Nil*	*Nil*	*Nil*	3	
3,07,096D									2½	O. 2½	*Nil*	*Nil*				
87,19,500	55,48,220	1,69,99,980	61,91,851	74,722	Industrial Trust Fund ..	37,788	856	Osmanabahi Mills	—	D. 1	*Nil*	*Nil*			12	
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills ..	69	10	4 0	*Nil*	2 8(e)		12	
6,00,000B									148	50A	12 8	12 8	12 8			
15,00,000	1,65,000	84,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	215	75B	18 0	18 0	18 0		12	
16,81,200A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	77	100	*Nil*	*Nil*	0 0(e)		12	
3,40,500B									805	100A	8 0	16 0	20 0†			
15,00,000	80,00,000	48,74,198	25,94,837	11,081	B. R. Naidu & Sons	25,472	..	Rajalakshmi Mills	150	50B	4 0	8 0	10 0†		12	
15,14,800	12,00,000	33,92,216	17,41,434	10,510	Ramco Agencies Ltd. ..	24,996	*Nil*	Rajapalayam Mills	180	100	7 8	10 0	10 0		12	
23,29,625	13,40,000	40,10,000	18,05,147	29,350	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	154	100	4 0	6 0	10 0	10 0	12	
60,00,000	62,41,568	1,00,25,428	35,44,914	—10,16,728	J. P. Srivastava & Sons (Rampur).	34,532	600	Raza Textiles	162	100	6 0	8 0	10 0		12	
16,90,000	1,60,55,917	3,18,49,031	2,05,07,227	—1,65,20,798	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	7-5½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	
3,00,000									1,400	1,000	*Nil*	*Nil*	*Nil*	*Nil*		
56,69,700	17,10,000	81,44,372	46,62,318	1,09,148	H. N. Pallegar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	500	10	4 0*	4 8	5 0	7 0	3	
26,14,800	2,00,546	35,18,906	17,73,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			12	
15,00,000	3,43,80,165	3,62,12,183	79,84,780	30,60,553	Birla Brothers, Private Ltd. ..	86,556	1,242	Sutlej Cotton Mills	94xd	10	4 0	5 0	6 0		3	
17,50,00,000	2,20,00,000	4,54,40,547	1,70,62,159	1,09,029	Jaipuria Brothers]	1,12,216	2,077	Swadeshi Cotton (Kanpur)	10	10	1 0	1 0	1 0	1 0	3	
7,50,00,000PO									11½	102P.O.	0-14 2/5	1-2 2/5	1-9 2/5			
1,00,00,000	80,14,788	2,80,55,217	2,27,16,775	2,63,771	Emcete & Sons (Travancore), Ltd...	..	..	Travancore Rayons	138	10	0 3	0 10	0 12		12	
1,00,00,670	8,75,332	17,39,161	11,37,836	1,508	Moolji Ramjee & Sons ..	17,600	..	Trichinopoly Mills	13½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	
21,00,000	24,50,000	71,25,722	40,65,188	84,000	R. K. Chetty & Brothers ..	48,974	570	Vasanta Mills	320	100	12 0	15 0	20 0		12	
33,00,000	24,42,971	1,61,67,122	1,05,10,332	23,125	Bombay Co., Ltd.	46,460	1,331	Vishnu Cotton	147½	100	4 0	4 0	5 0	2 81	12	

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of reserves. (S) For six months ended 31st December 1955.

The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Remarks
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
10,92,000	25,43,500	1,12,43,027	57,89,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	11½	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,30,630	26,75,014	29,33,951	10,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6	5	0 8	0 8	0 9	0 9	3	Y.
80,49,950	2925,777	$1,302,535	$566,540	$56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	28½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1	9	Y.P
4,00,000	10,60,000	12,47,805	12,47,799	9,111	Vital Maliya, Esq., (Chairman)	United Breweries	— 180	B. 5t	Sh. 4 15 0	Sh. 3 15 0	Sh. 4 15 0	7 8½	3	Y.
CEMENT														
1,37,87,600	13,06,128	$33,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
2,14,00,000							6½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
1,70,976D	13,13,133	1,44,65,792	53,43,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	1½	D. 1						
1,87,87,253	8,46,99,450	27,75,38,913	9,84,43,675	2,93,903	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	168½	100	9 8	8 8	10 0	10 0	12	Y.T.
50,00,000D.							—	O. 10	1 0	1 0	1 4			
50,00,000D.	60,02,261	96,09,333	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat) ..	3½	O. 2½	0 4	0 4	0 5		12	Y.P.
2,50,00,000D.							4	D. 1	0 1-3/5	0-1 3/5	0 2			
2,50,79,900D.	19,00,000	1,61,41,804	54,02,378	2,97,123	Hissen Private Ltd.		29½	O. 25	*Nil*	*Nil*	1 4	1 14	3	Y.P.
2,50,00,000D.							6	D. 5	*Nil*	*Nil*	0 6	0 6 3/5		
1,50,00,000	31,41,935	1,33,13,049	39,73,404	6,03,315	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13	10	0 12	1 4	1 12		12	Y.P.
75,00,000	44,59,000	2,04,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	26,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	93N	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	22½	10	12 0	14 0	1 6	(11 1/5)	3,9	Y.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16½	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,72,652	2,12,435	Birla Brothers Private Ltd...	Orient Paper	33½	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,67,295	62,25,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	16½	10	1 8	1 8	0 10‡		6,12	
20,00,000	} 6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	{ 10	O. 10	0 12	0 12	1 4	}	3,9	H.P.T.
10,00 000'A.'							{ 10	A. 10	0 12	0 12	1 4			
(2,18,55,240	49,18,060	3,75,66,264	67,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	101 xd.		Nil	Nil	5 0‡	0 8	6	
24,00,000A							{ 30	A. 10	2 0*	1 8	2 0*	1 2½*		
56,04,800B.	2,41,28,015	5,04,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	{ 39	B. 10	2 0*	1 8	2 0*	1 2½*	3 9	
4,87,500P.O.)							{ 4½	P.O. 2½	0 4	0 4	0 4	0 2½*		
PRESSING														
3,00,000	16,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	95N	100	3 0	4 0	Nil		6	
5,00,000	2,47,132	10,91,809	4,30,30,374	726,289	Andrew Yule & Co.	Central Hydraulic	125	100	4 0	5 0	Nil	6 0	6	
PROPERTY AND LAND														
10,00,7860.	} 6,93,333	43,52,570	22,63,279	35,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 134N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D.							{ 21N	D. 1	0 4/5	Nil	0 9 3/5			
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	7	100	1 8	1 8	Nil		4	Y.
94,00 000	36,70,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	23½	100	1 8	4 0	Nil	Nil	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,05,545	21,61,533	10,78,882	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	3¾	3	Nil	Nil	Nil		9	
50,00,000	4,13,54,388	3,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 660	Old125	20 0	20 0	27 8	40 0	5	Y.
43,00,000							{ 260	New50	6 0	8 0	15 0	16 0		
6,00,000	....	7,28,559	7,26,267	—1,69,907	Jardine Henderson Ltd. ..	Bengal Timber Trading	25N	100	Nil	Nil	Nil		5	Y.P.
80,08,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	42½	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,371	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	6¾	5	Nil	0 12	0 1	Nil	6	Y.
18,00,000A.	} 29,18,356	49,46,285	33,14,660	15 50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	{ 140N	A. 100	10 0	10 0			4	Y.
3,00,000B.							{ 10	B. 10	1 0	1 0				
19,49,050	5,50,000	38,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	10½	7½	0 12	0 12	0 12		9	Y.
15,00,000	18,90,295	16,40,479	11,77,841	12,206	Cotton Agents Ltd.	Bharat Sugar	15N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	23,37,080	1,36,00,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7½	10	Nil	0 12	0 4		6	Y.P.
36,00,000	57,88,651	1,03,44,647	84,33,451	33,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	19½	10	2 0	0 12	0 12		10	Y.P.
18,00,000	39,72,380	81,58,985	55,45,244	30,503	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	21½	10	1 0	1 0	1 8	1 0	8	Y.P.
5,99,452	6,18,562	24,56,530	15,33,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			6	Y.P.
50,00,000A.	} 33,00,000	75,94,377	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	{ 285N	A. 100	15 0*	15 0*	15 0*		6	Y.P.
10,00,0000.							{ 100	O. 100	15 0*	15 0*	15 0*			
12,00,000	8,61,001	75,81,809	43,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	{ 65N	50	Nil	Nil	4 8		7	Y.P.
7,89,100	22,14,058	24,94,612	19,25,882	1,864	Cotton Agents Ltd.	New India Sugar Mills ..	{ 40N	40	Nil	Nil	2 4			Y.P.T.
11,00,000	4,50,000	42,31,480	24,87,558	4,135	Karamchand Thapar & Bros. Ltd.	New Savan	{ 80N	10	2 8	2 8	2 8		5	Y.
19,37,500A.	49,60,397	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	{ 225N	100	20 0	20 0	20 0		6	Y.
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	{ 60N	25	5 0	5 0	5 0		6	Y.P.
12,00,000	12,74,233	28,77,669	19,05,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	140	100	11 0	11 0	11 0		7	Y.P.
9,00,000	17,64,869	37,35,908	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Pratabpore Co.	100	100	10 0	10 0			7	Y.P.
9,00,000	8,31,129	26,43,263	21,70,524	5,234	M.	Ryam Sugar	17½	10	1 0	0 12	0 12		10	Y.
11,99,000	19,38,520	45,20,102	24,12,120	8,554	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	20N	10	0 8	0 8	Nil		6	Y.
40,00,000	22,68,660	1,25,20,119	62,59,521	34,046	Bahu Jain Ltd.	Shree Krishna Gyanoday Sugar	111	10	1 8	1 8	1 12	Nil	8	Y.P.
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	11½	10	1 8	1 8	1 12		8	Y.
7,95,462	18,82,940	21,60,785	17,68,063	1,06,227	Karamchand Thapar & Bros.	Shri Sitaram Sugar	4¾	10	Nil	Nil	Nil		6	Y.T.
9,15,000D.	} 46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	{ 15N	O. 10	Nil	Nil	Nil		10	Y.P.
4,40,000D.							{ 4N	D. 2½	Nil	Nil	Nil			
8,00,000	21,91,585	96,42,068	52,93,921	57,449,754	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	Y.P.
16,00,000	7,66,589	32,69,951	25,68,926	20,954	M.	United Provinces Sugar ..	16½	10	0 8	1 4	1 8		9	Y.
Other Centres														
80,00,000	8,00,000	48,07,304	14,63,228	1,90,837	Rangaroo & Co.	Andhra Sugars Ltd.	17½cd	10	Nil	Nil	0 9 3/5	1 0	9	Y.
70,49,650	96,62,027	1,48,40,854	1,08,91,579	52,911	W. H. Brady & Co., Ltd. ..	Belsar Company	228½	50	16 0	16 0	16 0	16 0Z	9	Y.
17,50,000	9,24,252	33,03,879	21,35,722	4,092	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	18½	10	0 10	1 0	1 0		9	Y.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,992	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	60N	100	Nil	Nil			10	Y.P.
47,94,920	14,00,000	80,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries	16½	10	2 8	1 12	1 6 2/5		9	Y.P.
23,57,620	45 51,080	42 51,227	21,95,827	15,645	Govan Bros.(Rampur), Ltd. ..	Buland Sugar	14½N	10	1 0	1 0	1 0		9	Y.
18,58,2000	....	....	....	....	....	....	127xd	O.100	7 8	7 8	7 8		6	Y.P.
1,87,190D.)							160cd	D. 10	10 0	10 0	10 0			
31,79,380	86,24,818	1,29,89,142	82,31,728	2,63,107	S. Muniandjeppa, Esq., (Managing Director)	Mysore Sugar	42	10	2 0	2 0	2 0	2 0	6	Y.
50,00 000	48,49,831	1,08,28,164	59,35,509	11,063	Matalial, Apte and Kanitkal Ltd.	Ekalkan Sugar	145	50	6 0	8 0	8 0		8	Y.
16,59 820	36,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd. ..	Ramnugger, Cane and Sugar ..	24½	10	2 0	2 0	2 0		9	Y.P.
80,00,0000.	} 21,76,092	89,12,138	58,60,388	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	125N	O. 50	Nil	2 8	9 0		10	Y.P.T.
4,00,000D.							7N	D. 10	Nil	Nil	0 11½			
19,99 500	47,65,324	46,85,213	23,94,524	44,168	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	16½N	10	1 0	1 0	1 0		10	Y.
30,00,000	9,10,000	59,87,262	22,10,844	45,096	Parry Co., Ltd.	Travancore Sugars	11½	10	Nil	Nil	0 12	1 0	10	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,31 172	M.	Walchandnagar Industries ..	265	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69,622	1,24 00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	130	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,619	4,41,65,864	1,85,09,819	1,54,925	Dinshaw (Private) Ltd. ..	Bharat Line	74	100	5 0	5 0	5 0		10	Y.
60,00,000	31,60,611	3,31,00,904	59,55,702	53,816	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	18½	10	1 0	1 0	Nil		13	Y.
£655,580	£1,098,198	£5,614,160	£3,397,521	£23,068	Kilburn & Co., Private Ltd. ..	India General Navigation & Rly. Co..	75½	£10	Nil	Sh. 1 0	Sh. 10	1 8	6	
2,25 00,000	89,99,238	9 04,47,544	2,22,99,146	25,950	Lionel Edwards Ltd.	India Steamship Co.	10-3½	20	0 8	Nil	Nil	1 0	3	
9,39,98,000	9,00,12,101	22,64,99,394	4,85,66,202	5,62,020	M.	Scindia Steam Navigation Co. ..	18-9½	20	0 12	0 8	1 0		3	Y.P.
6,40,8000.	} 19,68,266	11,55,483	7,29,969	1,34,493	R. B. Aiyar, Esq., (Manager) ..	Walford Transport Ltd.	{ 2½	O. 1	as. 1 3/25	1 23/2	as 2 0/25		6	Y.
10,200P.O.)							{ 1½xd	P.O. 1	as. 10/25	1 19/25	as.1 23/25		12	
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,68,321	4,22,868	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	Y.
15,98,860	2,04,173	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	60N	80	5 0	4 8	Nil		9	Y.
25,00,000	1,00,000	22,37,314‡‡		225	M.	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	0 12		8	Y.
30,17,400	13,68,886	86,39,283	59,24,587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	145	100	8 0	10 0	10 0	0 18	3	Y.P.
14,98,840	3,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	40	50	Nil	3 0	10 0		12	Y.P.
99,99,210	19,47,358	1,22,05,904‡‡		2,35,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	100	100	4 8	4 8	4 8		12	Y.
99,99,975	35,08,351	35,47,826	8,04,321	4,559	K. G. Milne, Esq. (Mg. Director)	Killick Industries	169	100	10 0	11 0	11 0	11 0	6	
2,30,13,775 A.O.	39,14,265	3 06,59,831	1,49,05,326	6,00,448	Aero-Auto Private Ltd.	Premier Automobiles	104	100	Nil	Nil	Nil	6 0	6	
10,31,250	5,55,505	13 96,088	11,66,088	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	94½	20	2 0	2 0	2 0		12	Y.
3,75,00,000	78,75,000	3,08,67,181	1,63,71,846	5,61,984	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co.	176½	100	11 0*	11 0*	11 0*		12	Y.
48 00,000	35,24,847	7,24,608	3,07,108	36,434	Sir Joseph Kay M.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000	1,94,82,556	3,73,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd ..	Aluminium Corporation of India Ltd.	{ 10¾	O. 10	Nil	Nil	Nil	0 8		Y.P.T.
2,50 000							{ 5N	D. 2½						
40,00,000	28,25,000	55,26,845	21,55,600	64,537	Seshasayee Bros. (Travancore) Ltd..	Aluminium Industries Ltd. ..	15½xr	10	1 4	1 4	1 4	Nil	6	Y.
80,00,000	35,05,079	82,06,624	31,94,051	1,14,167	Turner Morrison & Co., Ltd.	Angelo Bros.	21½	10	1 4	1 4	1 4*	1 4	8	Y.
80,00,000	8,85 000	88,39,494	20,85,060	1,18,895	M. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	19½	10	1 4	1 4*	2 0*		12	Y.
20,00,000	27,47,883	1,01,49,337	39,87,880	32,683	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	8N	10	0 3 1/5	0 3 1/5	0 6 2/5		12	Y.P.
30,01,400	1,16,58,000	67,47,111	33,97,111	5,08,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co. Ltd. ..	162	100	20 0*	12 0‡	12 8	12		Y.
12,00,000	9,10,000	81,37,448	24,08,448	76,830	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	33½	10	1 8	1 8	1 8			Y.P.
30,00,000	7,95,430	62,57,994‡‡		1,15,707	Lovelock & Lewis	Birds Investments Ltd.	14½xd	10	1 4	1 4	1 4	1 21	6,12	Y.P.T.
45,97,020	80,11,614	1,10,56,424	33,87,889	1,79,277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	142	5	0 8	1 0	1 4		9	Y.P.
2,25,00,000	1,16,11,805	2,82,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	8½	5	0 8	1 0	1 0	1 0	3	Y.P.
1,88,80,000	17,34,264	2,03,27,725‡‡		18,76,065	Andrew Yule & Co., Ltd. ..	Clive Row Investments	10½	10	0 4 1/5	0 3 1/5	Nil		12	Y.
1,60,00,000	3,14,86,174	5,15,52,036	2,20,82,990	11,71,686	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	22½	10	1 8	1 8	0 9	1 6	8	Y.P.
51,25,000	54,12,212	1,42,47,668‡‡		3,06,138	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	132	100	9 0	9 0	9 0		12	Y.P.
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd	Ganges Rope Co., Ltd.	140	100	20 0	15 0	15 0		8	Y.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11½	10	7 8	7 8	1 6 2/5		8	Y.
80,00,000	14,67,854	81,29,620	32,63,932	7,458	D. P. R. Syndicate	Great Eastern Hotel	225	250	15 0	6 4	6 4	15 0	3	Y.
4,98,05,700	....	3,94,18,142	1,31,88,541	6,16,062	Birla Brothers Private Ltd....	Hindustan Motors	7–15½	10	Nil	Nil	Nil	Nil	12	
1,60,00,000	46,77,754	4,16,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	14	10	Nil	Nil	Nil	Nil	12	
1,58,87,920	1,87,00,000	1,99,88,788	71,50,913	32,04,514	R. J. Woodley, Esq. (Mg. Director)	Indian Cables	31½	10	1 0*	1 0*	9 0		12	Y.
8,27,970	6,03,000	10,50,806	6,26,806	62,722	G. S. Moodon & Co. (India) Ltd.	Indian Rubber Manufacturers ..	7–15½	10	0 12	0 8	0 8	1 8*	3	Y.
15,16,00,000	7,89,02,592	4,15,59,461	1,68,28,877	24,04,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	14½	10	1 8	1 8	1 8	0 10	3	Y.P.
2,00,00,000	57,29,556	37,46,656	11,08,843	5,11,865	G.M. Mackinlay, Esq.	Jardine Henderson	81	100	7 8	0 9 3/5	0 12 4/5	0 12 4/5		Y.
3,94,0000.	} 1,91,892	5,94,030	3,58,758	2,668	James & Co. Private Ltd. ..	Macfarlane & Co.	{ 7¾	O. 5	7 8	7 8	7 8	7 8	3	Y.
66,000D.							{ —	D. 1	Nil	Nil				
40,00,0000.	} 80,86,900	26,18,922	8,78,670	2,57,234	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	225	O.100	10 0	17 0	2‡ 8‡		12	
8,00,000D.								D.O.10	1 0	1 8 1/5	1 12			
1,87,53,000	60,54,276	22,58,051	11,34,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	25	10	1 0*	1 8	1 12		8	Y.P.
1,15,00,000	55,50,000	1,88,37,972	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	288½	10	1 0	1 0	1 0		9	Y.P.
6,35,585	1,55,250	7,58,598	2,98,681	—2,35,031	Shankar Lal P. Ogale, Esq. ..	Mysore Glass and Enamel Works	4	10	1 0	Nil	1 4	1 10	3	Y.P.
6,56,250	9,18,996	11,18,541	5,51,088	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15	10	1 0	1 0	0 12		8	Y.P.
10,00,000	2,18,500	15,84,005	9,41,427	44,513	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	12½	10	1 0	1 4	1 8	0 14 2/5	3	Y.P.
40,00,000	74,71,172	63,80,914	41,55,861	1,44,443	Associated Industrial Development Co., (Private) Ltd. ..	National Insulated Cable Co. ..	20½	10	1 0	1 0	1 8*	2 0*	2	Y.
40,00,000	15,00,000	93,19,395	21,17,403	75,726	Do	National Rolling & Steel Ropes	10½	10	0 9	0 9½	0 9½	0 9½	6	Y.
79,97,000		1,17,52,757	57,19,288	8,99,982	B. N. Elias & Co., Ltd. ..	National Tobacco Co.	101½	10	Nil	0 8	0 12 4/5		12	Y.P.
2,25,00,000	7,25,185	1,53,49,091	40,14,109	—68,99,179	M. F. A. Paspatti, Esq. ..	Rallis (India) Ltd.	38	100	Nil	Nil	Nil		12	Y.
1,72,24,400	1,31,20,206	7,56,34,689	5,47,94,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	19½	10	1 4	1 8	1 8		10	Y.
40,00,000	93,60,594	1,18,78,870	70,99,857	5,10,675	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	116xd	10	1 8	1 8	1 8		6	Y.
75,00,000	54,18,860	17,49,816‡	5,53,635	3,65,280	E. H. D. Campbell, Esq. ..	Shaw Wallace & Co., Ltd. ..	118	10	1 0	1 0	1 0		12	Y.
9,98,980	....	14,99,289	3,84,580	....	Ogale Bros., Ltd.	Travancore Sugar Glass	3½	10	Nil	Nil	Nil		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

Σ—In the case of Belsar Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
45,700	8,70,619	11,24,864	5,38,169	....	McLeod & Co., Ltd.	825	Amluckie	300	100	25 0	72 0	19 0		12	Y.P.
2,50,000	8,43,250	10,69,902	2,43,089	77,477	R. K. Kanoria, Esq.	439	Ananda (Assam) Tea ..	39	10	1 4	7 8‡			12	Y.
2,50,000	8,93,250	11,21,676	2,83,926	80,522	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	22	10	1 8	3 8	0* 1 0		12	Y.
2,50,000	11,21,541	17,56,468	4,59,309	80,051	McLeod & Co., Ltd.	513	Bagbmari	22½	10	Nil	3 8	1 0		12	Y.
3,10,000	9,10,000	13,25,588	7,13,759	80,298	Andrew Yule & Co., Ltd. ..	378	Baamatia	33	10	1 8	3 8	1 0		12	Y.
2,50,000	4,65,000	11,48,776	5,08,925	66,155	Gillanders Arbuthnot & Co., Ltd.	4,002	Bahtari	28	10	2 8	4 0	2 8		12	Y.
2,50,000	9,40,000	10,27,063	26,80,662	1,49,359	Williamson Magor & Co., Ltd.	435	Bahtari	27½	10	2 0	10 0*	2 8		12	Y.
25,00,000	25,00,000	58,38,162	29,68,162	1,56,298	Williamson Magor & Co., Ltd.	450	Bamuni Jan Tea ..	19	10	0 12	3 8	2 0		12	Y.
5,00,000	5,50,000	10,97,919	2,26,068	15,455	McLeod & Co., Ltd.	2,534	Brooke Bond	21½	10	1 8	4 0	2 8		12	Y.
2,50,000	7,27,550	9,58,117	27,45,021	5,16,711	McLeod & Co., Ltd.	282	Dejoo Valley	47½	10	1 0	3 0	1 8		12	Y.
1,50,000	11,78,808	6,44,302	2,17,579	46,610	Jardine Henderson Ltd.	661	Dhalakhat	290	100	20 0	40 0	10 0		12	Y.
2,50,000	4,25,436	27,66,084	17,67,738	43,736	James Warren & Co., Ltd. ..	646	Dhunseri	21½	10	2 0	5 0	2 0		12	Y.P.
2,50,000	9,76,000	24,59,777	5,10,650	2,101	M.	453	Dibrugarh	23½	10	1 0	4 0	1 8		12	Y.
4,68,440	9,57,963	54,59,777	3,86,404	58,921	McLeod & Co., Ltd.	623	Dimakusi	27½	10	1 4	3 8	2 0		12	Y.P.
4,68,970	3,95,000	7,50,451	5,43,391	98,251	Williamson Magor & Co., Ltd.	615	Dimakusi	34	10	1 0	5 0	3 0		12	Y.
2,50,000	7,25,800	14,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING ; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	31,235	23,236	Planting Agencies Ltd.	Balmadies Plantations	8½	5	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	5	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	24½	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.H.
71,55,000	45,87,750	1,16,65,380	25,13,635	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	20½	10	1 8	1 12	2 4	2 0	6	Y.P.H.
4,00,000	6,47,866	7,58,759	40,978	1,009	Associated Planters Ltd.	Cottanad Plantations	18	10	1 8	1 8	1 12*	1 8	3	Y.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	14½	10	1 4	2 8	2 0	0 10 1	8	Y.
4,00,000	10,92,899	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24½	10	2 0	2 0	2 0	0 10 1	12	Y.
9,00,000	8,17,955	5,66,920	2,80,348	....	T. Thomas Kathanar, Esq. ..	Malankara Rubber	29½	10	5 8	2 4	2 12	2 0	4	Y.
27,00,000	29,11,662	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18½	10	1 8	1 12*	2 8	2 4	8	Y.
2,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	21½	10	2 0	2 0	2 8	2 0	8	Y.P.
2,00,000	2,85,500	7,81,436	50,077	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	18	10	0 12	1 8	1 8	....	12	Y.P.
19,45,980	24,00,991	41,19,708	17,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4-8½	5	1 0	1 0	1 8	....	12	Y.P.
13,50,000	9,90,000	42,16,515	5,42,127	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	21½	10	0 3½	0 9 3/5	0 6 2/5	....	10	Y.P.
3,65,780	3,00,000	6,70,359	62,117	71,552	Peirce, Leslie & Co., Ltd. ..	Savannalai Estates Ltd.	21½	10	1 12*	1 4	2 0	8	6	Y.
10,00,000	3,09,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9½	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	11	Y.P.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	28	10	3 0	3 0	3 0	....	12	Y.P.
6,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 13/5	0 2	....	9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	22½	10	2 0	2 0	3 0	....	12	Y.
41,00,000	14,30,799	76,32,300	8,65,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	9½	10	1 0	1 0	1 4	....	12	Y.P.T.
20,00,000	....	87,70,762	5,45,980	27,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	33½	25	3 0	3 0	3 0	....	12	Y.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	31½	10	3 0	2 4	2 8	1 8	12	Y.
6,76,010	97,259	13,34,668	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	20,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	9½	10	1 0	1 5	1 6	....	3,9	H.T.P.
6,00,000	10,25,000	51,65,438	36,95,877	1,29,329	McLeod & Co., Ltd.	446	Alexandra	180	100	2 8	7 8	10 10	0 4	3,9	H.P.T.
30,00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd.	1,264	Alliance	106	100	1 0	1 0	1 0	....	6,12	H.P.
49,20,700	69,00,000	2,95,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	139	100	12 0	6 0	12 0	....	6,12	H.P.
40,00,000	43,17,051	1,76,37,329	99,01,344	11,377	Bird & Co., Private Ltd.	810	Auckland	99½	100	7 8	8 8	8 8	2 8	3,9	H.P.T.
20,00,000	23,80,918	96,91,416	65,65,094	65,802	Jardine Henderson & Co.	959	Bally	160	100	4 0	3 8	10 0	1 0f	3,9	H.
£275,000	£667,405	£1,477,480	£987,176	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	107	£5	0 10	Nil	3 8	Nil †	3,9	H.P.
28,00,000	28,00,823	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd.	820	Belvedere	111	100	15 0	sh. 15	sh. 15	Nil	3	Y.P.
45,00,000	38,45,000	57,03,173	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	144	10	1 4	1 2	1 4	Nil †	6,12	H.P.
91,28,000	2,17,48,383	3,34,10,402	1,45,32,651	4,87,393	Birla Brothers Private Ltd. ..	1,373	Birla	10	10	3 0	1 2	1 2	....	6	Y.P.T.
36,00,000	21,81,426	1,17,90,247	72,95,930	1,326	Andrew Yule & Co., Ltd.	991	Budge-Budge	108	100	10 0	9 0	7 0	1 0	3	H.P.
7,47,380	3,09,640	42,13,704	31,62,583	—3,21,470	Dayaram & Sons	502	Calcutta Jute Mfg.	9	10	Nil	0 12	Nil	Nil	4,10	H.P.T.
18,00,000	26,46,234	87,85,841	43,24,068	1,328	Andrew Yule & Co., Ltd.	616	Caledonian	119	100	12 0	9 0	Nil	....	6,12	H.P.
59,16,400	95,49,238	2,23,08,709	1,11,69,802	19,310	James Finlay & Co., Ltd.	600	Champdany	136	100	6 0	9 0	6 8	Nil †	5,11	H.
15,35,000	19,38,032	52,12,211	37,10,175	1,387	Andrew Yule & Co., Ltd.	530	Cheviot	153	100	8 8	8 8	10 0	2 0f	3,9	H.
30,15,000	31,00,000	84,10,068	47,77,690	1,32,949	McLeod & Co., Ltd.	500	Chitavalsah	124	100	12 0	14 0	10 0	Nil †	5,11	H.P.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	969	Clive	134	10	1 12	1 2	1 6	....	6,12	H.P.
22,00,000	31,49,200	49,65,252	1,17,85,454	46,04,775	—2,20,545	Bird & Co., Private Ltd.	766	Dalhousie	100	1 8	Nil	1 4s	0 8	3	H.P.T.
28,00,000	40,71,679	76,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd.	779	Delta	100	4 0	2 8	4 0	Nil	....	3,9	H.P.
15,00,000	54,50,000	82,82,579	59,80,760	79,304	McLeod & Co., Ltd.	500	Empire	145	20 0	12 0	12 0	Nil †	5,11	H.P.T.
21,00,000	60,60,960	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	154½	10	1 0	....	....	....	5,12	H.T.P.
21,00,000	13,00,000	97,88,074	54,63,692	1,34,822	Bangur Bros., Ltd.	1,014	Fort William	309½	100	Nil	5 0	15 0	7½	3,9	H.P.T.
84,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	19½	10	5 0	20 0	20 0	0 12½	3,9	H.
10,00,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	57½	100	Nil	0 8	2 8	Nil †	3,9	H.P.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd.	1,394	Gourepore	775	100	15 0	Nil	....	....	12	Y.
40,00,000	54,68,233	1,14,86,848	56,72,180	5,40,848	Bangur Bros., Ltd.	1,078	Hastings	225	100	3 12	10 0	15 0	2 8f	3,9	H.
15,80,000	15,61,969	66,47,731	47,70,916	—2,06,253	Baijnath Bajoria	720	Hooghly	109N	100	10 0	10 0	11 8	5 0	3	Y.
65,62,500	49,64,372	1,82,66,485	1,10,52,708	57,034	Jardine Henderson Ltd.	1,940	Howrah	10	10	1 4	0 8	1 4	Nil	3	Y.
52,50,000	27,85,153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	10½	10	1 8	1 4	0 14	0 4f	3,9	H.P.T.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	22	7½	0 8	1 0	2 0	2 0	3	Y.P.T.
30,000								135	O. 125	6 4	3 2	4 11	4 11f	3,9	
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	D. 1	100	0 4/5	0 2/5	0 3/5	5% ‡		H.
19,20,000								100	100	9 0	8 0	8 8		3,9	
30,00,000	7,00,000	1,32,86,800	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanrah	97	'B' 100	9 0	8 0	8 0		6,12	H.P.
24,00,000								70½	100	7 8	6 8	1 0			
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	70	'B' 100	7 8	6 8	1 0		6,12	H.P.
54,00,000	23,83,375	1,72,56,983	1,18,60,127	56,028	Anderson Wright Ltd.	1,530	Khardah	204	100	15 0	20 0	17 0	....	6,12	H.P.
48,00,000	1,08,90,860	2,44,37,944	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	119	100	17 8	12 8	11 0	5 0f	3,9	H.
24,48,000	39,51,564	1,11,32,345	47,99,246	—8,12,719	Jardine Henderson Ltd.	931	Lansdowne	133	100	7 0	7 0	13 0	6 0f	3,9	H.P.T.
36,00,000	55,75,192	1,16,29,880	64,57,897	9,703	Bird & Co., Private Ltd.	940	Lawrence	104	100	7 0	2 0	7 0	Nil †	3,9	H.P.
31,65,200	26,36,045	2,64,13,349	1,26,97,309	1,64,942	M.	1,283	Megna	98	100	5 0	6 0	6 0	Nil †	3,9	H.
22,98,900	38,40,787	1,24,51,466	1,01,37,572	—8,08,111	F. W. Heilgers & Co. (Private) Ltd.	815	Naihati	77	100	6 0	8 0	8 12	2 12f	3,9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	100	Nil	Nil	Nil	Nil	Nil †	3,9	H.
35,00,000	41,54,326	30,25,401	10,32,816	1,929	Andrew Yule & Co., Ltd.	852	National	124½	10	0 5	1 2	0 10	....	4,10	H.T.
26,25,000	26,25,000	27,71,022	20,34,909	1,09,257	McLeod & Co., Ltd.	316	Nellimarla Jute	20½	10	2 0	2 0	1 12	0 6	4,10	H.P.T.
85,50,000	2,71,44,342	4,29,15,627	96,26,548	6,71,293	Sahu Jain Ltd.	1,765	New Central†	12	10	1 12	1 8	1 8	....	6,12	H.P.T.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Private Ltd.	567	Northbrook	13½	10	24 0	17 0	11 8	0 12f	12	Y.P.
66,79,500	22,24,101	1,11,32,345	1,39,46,311	17,000	Macneill & Barry Ltd.	1,092	Nuddea	32½	10	2 0	1 0	1 8	1 8f	3,9	H.P.T.
24,93,250	23,78,799	75,07,658	50,85,690	537	Andrew Yule & Co., Ltd.	501	Orient	50	100	8 0	8 0	8 0	Nil †	3,9	H.P.
25,00,000	6,28,490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency	122	100	12 0	10 0	9 0	1 0f	6,11	H.
20,00,000	2,40,781	26,97,678	6,39,193	—8,08,218	Birla Brothers Private Ltd. ..	805	Rameshwara	4½	5	0 4	Nil	....	....	6,12	H.P.
49,50,000	5,82,465	1,23,83,629	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance	6	10	Nil	Nil	Nil	Nil †	3	H.P.T.
£600,000	£1,093,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	9½	10	0 8	Nil	Nil	Nil †	3,9	H.
30,00,000	13,14,910	1,15,50,977	79,96,145	7,072	Birla Brothers Private Ltd. ..	911	Shree Ambica	10½	10	0 8	10%	8%21	....	12	H.
14,00,000	11,25,000	26,11,794	18,79,294	2,156	Hindustan Investment Corporation	401	Soorah	10N	10	0 6	1 0	0 8	....	3,9	H.P.
25,19,600	42,72,182	1,27,38,246	53,23,439	—4,87,127	Bird & Co., Private Ltd.	650	Standard	13N	10	0 6	1 0	1 8	....	12	Y.P.T.
£600,000	£925,190	£1,137,750	....	£85,548	Thomas Duff & Co. (India) Ltd. ..	1,794	Titaghur	75	100	2 0	1 0	1 0	Nil	3,9	H.
25,90,000	88,06,723	2,00,00,908	84,28,958	18,334	Bird & Co., Private Ltd.	1,326	Union	10½	£1	10%	10%	8%21	....	12	Y.P.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	132	100	5 0	6 0	10 0	1 0f	3,9	H.P.T.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd.	457	Waverley	33	£1	10%	10%	8%21	....	12	H.P.T.
									1	0 7½	0 8	0 8		6,12	

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18½xd	10	1 0	1 5	1 6	....	3,9	H.
12,00,000	8,77,542	37,37,034	34,40,182	45,309	Jardine Henderson Ltd.	Bararee Coke	16½	10	1 0	1 0	1 0	0 4	3,9	H.
4,49,350	5,00,000	5,49,159	5,40,966	26,953	McLeod & Co., Ltd.	Bengal-Bhatdee	6N	10	0 2 2/5	0 7 1/5	1 7 1/5	0 9 3/5†	3,9	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	462	200	12 0	0 12	....	....	6,12	H.P.
2,25,000	4,22,669	24,81,732	22,35,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	32 8*	30 0*	35 0*	....	4,10	H.P.
15,97,000	4,72,356	37,70,192	22,77,304	13,498	N. V. Lowe & Co., Ltd.	Bhalgora	6½	10	Nil	Nil	....	....	6,12	H.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	6½	10	0 8	....	....	....	9	Y.P.
7,15,000	15,11,080	52,62,538	37,38,500	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulanbararee	13N	10	0 12	0 10	0 10	....	6	Y.
16,60,000	16,17,936	89,14,956	59,98,541	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12N	10	Nil	Nil	Nil	....	6,12	H.
7,50,000	24,29,026	42,39,603	26,53,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borree	20	10	2 12	2 0	2 0	....	6,12	H.
96,92,480	1,79,05,968	4,22,86,647	1,90,16,824	36,168	Bird & Co., Private Ltd.	Burrakur	21	10	2 12	2 0	2 0	....	6,12	H.P.T.
49,97,750	....	42,33,430	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central India	6½	10	0 9	0 9	0 11	0 8f	6,12	H.
3,00,000	13,54,302	49,10,414	32,63,954	52,702	M.	Central Kurkend	12N	10	0 4	0 4	0 8	0 8	3	H.
6,00,000	1,43,676	7,28,438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churlia	2½	10	0 2	....	....	....	6,12	H.
16,00,000	....	53,31,704	29,81,276	—1,88,318	Macneill & Barry Ltd.	Dhemo Main	6½	10	Nil	0 2	0 11	....	6,12	H.
£340,000	£980,553	£970,695	£731,579	£58,922	Jardine Henderson, Ltd.	East Indian	27½	£1	2 8	Nil	Nil	....	6,12	H.
29,83,760	83,55,049	4,04,51,377	2,89,25,665	82,379	Macneill & Barry Ltd.	Equitable	25½	10	2 8	2 8	3 0	2 8	4	H.
10,00,000	1,40,000	13,51,144	4,25,557	23,353	Hunter's Agency Ltd.	Ghusick and Mualia	13½	10	1 8	1 8	1 8	....	6,12	H.P.
12,00,000	1,22,000	41,35,247	23,43,143	1,144	Kilnick Industries Ltd.	Hindu-Rampur	6½	10	0 8	0 8	0 4	....	3	Y.
8,00,000	7,25,000	22,07,121	18,49,341	45,985	Macneill & Barry Ltd.	Hurriladih	21½	50	2 0	Nil	2 4	2 4	6	Y.
22,00,000	1,12,000	24,74,412	5,18,546	—5,57,293	Rajpale Trust Ltd.	Jogta Coal	1½	10	1 12	1 12	2 8	....	6,12	H.
3,50,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd.	Kalaphari	20N	10	Nil	Nil	....	....	12	H.
20,00,000	1,77,175	28,89,683	4,65,140	6,965	Bird & Co., Private Ltd.	Karanpura Collieries	97	100	2 12	Nil	Nil	....	3,9	H.
8,00,000	16,60,000	46,77,533	36,47,995	1,35,474	Andrew Yule & Co., Ltd.	Katras Jheriah	62½	10	Nil	Nil	2 8	5 0	2	H.
1,38,490	5,72,960	12,85,941	5,72,960	—2,60,236	Belvalia & Co.	Khas Kajora	2½	10	4 0	4 0	5 8	....	1,7	H.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	21N	10	Nil	Nil	....	....	6,12	H.
9,00,000	11,86,413	28,69,268	22,97,987	2,254	H. V. Low & Co., Ltd.	Lakurka	10N	10	0 8	0 8	....	....	6	Y.
7,48,240	2,00,000	13,13,208	9,06,219	81,201	Tantia Brothers Ltd.	Nadira	6½	10	0 8	0 8	....	....	4	Y.
7,00,000	26,617	10,33,740	5,20,295	4,550	Amritlal Ojha & Co., Ltd.	New Bansdeopur	9N	10	0 8	0 8	0 8	....	12	H.
17,76,240	20,01,078	1,19,78,853	88,63,166	94,383	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	1 4	....	....	....	3,9	H.
6,00,000	75,000	83,00,471	73,20,197	70,222	Orissa Steel & Co., Ltd.	New Manbhoom	17	10	1 0	1 0	1 0	....	4,10	H.
1,67,500	2,85,193	13,07,219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	8	10	Nil	Nil	Nil	Nil	3,9	H.
7,50,000	12,21,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	20	10	0 4	Nil	1 6	0 12†	3,9	H.
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	17	10	0 8	Nil	1 0½	0 9†	6,12	H.P.
8,34,000	10,98,952	17,52,187	8,30,795	8,018	Deepchand Kisheulall	Parasea	14½	10	2 0	1 0	1 0	....	12	Y.
15,75,000	16,00,000	47,70,275	35,30,275	23,343	Shaw Wallace & Co., Ltd.	Pench Valley	8N	10	0 4	0 12	....	....	6,12	H.
23,99,500	20,17,105	1,24,35,588	87,36,164	23,188	B. N. Elias & Co., Private Ltd.	Ranegunge	18½xd	10	1 10	1 10	1 8	....	3,9	H.
18,50,000	8,59,365	85,36,765	27,73,764	28,521	Shaw Wallace & Co., Ltd.	Rewa	10½	10	Nil	0 8	0 10	0 6	3,9	H.
20,00,000	44,25,855	18,78,118	18,78,118	2,20,175	Jaipuria Sons Ltd.	Samla Collieries	11N	10	2 0	1 6	0 14	....	6,12	H.
2,50,000	1,95,802	18,78,480	12,21,237	21,070	M.	Searsole	6N	10	0 8	0 12	1 0	....	12	Y.
2,80,000	8,36,698	29,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd.	Seebpore	2½	10	0 10	0 10	0 12	....	1	H.
10,00,000	5,81,299	52,491	28,887	7,583	F. W. Heilgers & Co. (Private) Ltd.	Sendra	7	10	1 12	2 0	2 8	....	6,12	H.
63,21,450	23,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Govern-ment of Hyderabad) ..	9N	10	Nil	0 2	0 2	0 4	....	6,12	H.
17,50,000	10,84,016	37,86,103	15,14,990	—51,533	Bird & Co., Private Ltd.	Singareni	10½	10	Nil	0 11 1/5	0 12	....	12	H.
8,00,000	14,18,464	1,09,57,570	27,510	17,411	F. W. Heilgers & Co. (Private) Ltd.	South Karanpura	9½	10	0 4	0 2	0 2	....	2,3	Y.
10,00,000	12,950	30,82,299	15,43,502	—4,07,745	Villiers Ltd.	Standard	20½	10	2 0	1 8	1 0	1 0	12	H.
2,50,000	2,90,000	20,47,944	15,56,944	—9,950	Williamson Magor & Co., Ltd.	Talcher	2½	£1	Nil	....	....	....	9	H.
49,98,000	67,084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	13½	10	1 12	0 12	Nil	....	6,12	H.
7,00,000	21,569	56,46,871	23,81,698	—1,46,550	Macneill & Barry Ltd.	Western Bengal	6	10	0 6	0 6	0 8	0 8	3	H.
						West Jamuria	10½	10	Nil	Nil	Nil	....	6,12	H.

M—Managed by the Board of Directors. † Less income-tax. a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investment to
(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March
‡ New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
16,00,000	1,08,00,000	12,42,552	Allahabad Bank	350	100	18 0	18 0	18 0	9 0	12	Y.P.
14,50,000				182½	50	9 0	9 0	18 0	9 0		
1,01,000				120cd	100	6 8	7 8	6 8	3 12	6,12	H.
23,58,600	15,40,000	2,46,650	Andhra Bank	86cd	70	3 4	3 12	4 8 4/5	2 10		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	103½	50	6 0	6 0	6 0	3 0	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	25	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,10,00,000	15,54,924	Bank of India	140	50	7 0	7 0	8 0	8 0	6,12	B.L.Y.
				142	50'A'	..	..	..	..		
15 30,375	28,00,000	60,636	Bank of Indore	62N	25	1 8	3 0	3 8	3 8	12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	40	50	16 0	2 0	2 0	..	12	Y.
50,00,000	24,00,000	4,19,228	Bank of Mysore	255	100	2 8	16 0	16 0	8 0	12	Y.
61,21,700	58,72,013	10,069	Bombay State Co-operative Bank	57N	50	4 8	2 8	2 0	..	6	Y.T.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	5 0	4 8	5 0	..	12	Y.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	3 0	5 0	5 8	..	12	Y.P.
2,03,11,875 †				54	25	3 0	3 0	3 0	1 8		
88,43,375 'A'	4,01,81,217	18,40,859	Central Bank of India Ltd. ..	58	25	2 0	3 0	3 0	1 8	12	B.L.Y.
50,00,000	84,50,000	2,18,141	Devkaran Nanjee Banking Co. ..	42½	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,40,911	Habib Bank (F)	72N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,62,000	Hind Bank	36½	50	*Nil*	1 8	3 0	3 0	12	Y.
1,25,00,000	15,42,000	16,919	Hindustan Commercial Bank ..	9½	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13	50	5 0	*Nil*	*Nil*		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	12 0	6 0	5 0		12	Y.
24,00,000				200	100	10 8	12 0	12 0	6 8		
18,00,000	79,75,000	1,45,140	Indian Bank	—	95	7 2	10 8	10 12	6 2½	6,12	B.L.H.
18,20,000				152	75	6 0	7 8	7 12	4 0		
49,19,875	80,00,000	2,25,299	Indian Overseas Bank ..	169	100	*Nil*	6 0	7 8		12	Y.
2,25,000				42½	100(A)	*Nil*	*Nil*				
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank ..	10½	25(B)	2 0	*Nil*			6,12	H.
10,00,000				19½	50(C)	2 0	*Nil*				
87,50,000	97,50,000	2,35,108	Punjab National Bank ..	56	25	0 10	2 0	3 8	2 0	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	17cd	25	0 5½	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India ..	7-8½	5	2 0	0 5½	0 6		12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank ..	57½	50		2 8	2 12		12	H.
PRINCIPAL EXCHANGE BANKS						**Dividend (per cent.)**					
£3,500,000	£5,000,000	£495,875	Chartered Bank.	£1-17-0	£1	14†	15†	15†		12	B.L.Y.
£1,000,000	£1,250,000	£59,917	Eastern Bank	66½	£5	8†	8†	8†		12	B.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,506,689	Hongkong and Shanghai Banking Corporation	$20½	H.K. $125	5*	5*	5*	2*1	12	Y.
£12,565,070 'A'	£15,000,000	£558,006	Lloyds Bank	£2-9-0	£5 A	14†	15†	12†		12	B.L.Y.
£375,000 'A' †	£1,750,000	£219,872	Mercantile Bank of India ..	£3-19-6	A £2½	14†	14†	14†		12	B.L.Y.
£375,000 'B' †				£3-19-6	B £2½	14†	14†	14†			
£720,000 'C' †				—	C £1	14†	14†	14†			
£3,351,563	£3,104,687	£342,158	National Bank of India ..	£1-1-0	sh. 12½	16†	15†	15†		12	B.L.Y.

$ Includes bonus. † Less Tax. (P) Pakistan Currency. B.L.—Reserve liability on shares. ††O.S. Currency. (i) Interim. * 5 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99½	1st June .. 1958
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December..	Ramnugger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-68
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
80,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
88,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)..	1944	96½	1st November .. 1959-64
COAL						
20,00,000	4½	20th April and 21st October ..	Bharat Collieries	1944	98½	20th June 1956
20,00,000	4½	30 th June and 31st December..	Burrakar Coal Co.	1947	91	30th June .. .. 1957 (c)
50,00,000	5½	15th June and 15th December..	Equitable Coal Co.	1953	106	14th December .. 1965(c)‡
COTTON						
3,50,000	5½	30th June and 31st December..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November..	Bengal-Nagpur	1897	95½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	99	1st March .. .. 1972(c)
13,68,000	5½		Jaykrishe Textiles	1949	90N	1st January 1956-59
99,90,000	5½	1st June	Tata Mills	1951	99½	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September..	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(c)
1,25,00,000	4½	15th June and 15th December..	Ahmedabad Electric Co., Ltd. ..	..	100	14th June .. 1960
93,25,000	4½	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	97½	1st October .. 1959
12,00,000	4½	30th June and 31st December..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,32,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	98½	1st January .. 1970(c)
25,00,000	6	30th June and 31st December..	Gourepore Electric Supply Co., Ltd.	1946	85½	31st December .. 1956
12,00,000	5	1st January and 1st July ..	Sijua (Dharriah) Electric Supply Co., Ltd.	1951	96	30th June .. .. 1970(c)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97½	15th July 1957-61
3,00,00,000	4½	31st March and 30th September..	South Madras Electric Supply ..	1939	94	1st October 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1953-63
5,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	102	1st July 1960
2,50, 0,000	4	1st April and 1st October ..	Tata Power	..	88½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	99	30th June 1958
20,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1945	100½	1st July 1957-62
£1,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage).	1936	89†	31st December .. 1960(i)‡
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	98½	1st October 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(c)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	97½	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June 1969
15 00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90	31st December .. 1956
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.. ..	1945	93½	30th June 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June 1965
20,48,000	5½	31st March and 30th September.	Dalhousie Jute Co.	1954	95½	31st March .. .. 1969(c)
8,56,000	5	15th January and 15th July ..	Empire	1951	94½	15th July .. .. 1966(c)
25,00,000	3½	1st January and 1st July ..	Hukumchand	1947	92½	30th June 1957
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1955	97½	31st March 1970
60,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96½	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	98	31st March .. .. 1967(c)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd.	1939	92	14th May 1959
80,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June 1954
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1950	91	5th September .. 1965(c)
8,00,000	4½	14th March and 14th September.	Sourah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December..	Union	1937	96½	30th June 1957
10,00,000	5½	31st January and 31st July ..	Waverly	1925	87½	31st July 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway	1939	90N	1st July .. .. 1954†
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter 1st October .. 1974
£189,363	5	1st April and 1st October ..		1931	£77½N	
6,50,000	2½	30th June and 31st December ..	Katakhal- Lalabazar Railway	1948	90½	1st October .. 1956(a)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months notice (a)
4,33,26,697	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	96	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December..	Consolidated Coffee..	1952	102½	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nigiri Tea	..	100	1st April 1958-63
1,89,700	5½	31st March and 30th September.	Teekoy	1944	100	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
26,80,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December..	Bengal Paper Mills	1937	97	30th June 1957
2,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	100½	1st September .. 1964-69(a)
20,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	102½	1st October .. 1970
21,00 000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
19,95,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	89½	1st July 1986
30,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Bharat Ltd.	1946	92	 1960
1,30,00,000	5	1st January and 1st July ..	Dunlop Rubbe Co. (India) Ltd. ..	1950	98½	1st January .. 1971(a)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	101½	30th June .. .. 1969(a)‡
17,75,000	5	15th March and 15th September.	Metur Chemical Industries	1949	95½	 1966
28,08,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	525	30th September .. 1974(a)
45,00,000	4	30th June and 31st December..	McLeod & Co., Ltd. (Convertible Notes)..	1947	470	31st December .. 1972(a)
					(per note)	
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	99N	1st April 1971
1,50,00,000	5½	30th June and 31st December..	National Rayon	1955	100½	30th June 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	96½	31st March .. .. 1961(a)
1,00,00,000	4	30th June and 31st December..	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	100½	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Redemption of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1965, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st [illegible] 1961.

WEEK'S STOCK EXCHANGE TR

THE following quotations indicate the tren transactions on the Bombay Stock Exch during the week ended 14th February, 1957.

	Closing quotations 7-2-1957	High	Low	Closing quotations 14-2-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	180	—	—	180
Apollo (2) ..	2½	2-9½	2-8½	2½
Bombay Dyeing (250) ..	562½	561¼	546½	544
Bradbury (50) ..	230½	—	—	227
Central India (100) ..	123	123	121¼	122
Century Mills (100) ..	501½	502¾	489	493
Colaba (100) ..	73½	73½	70	70
Edward Textile (200).	310	—	—	310
Elphinstone (50) ..	51	51¼	50	50
Finlay (100)	307	306	304	305
Gokak (100) ..	223½	223	219½	219
Ind. Untd. Deld. (1) ..	1-11¼	1-11½	1½	1-10½
Ind. Untd. Ord. (10) ..	11	11	10¾	10-11
Indore Malwa (100) ..	138½	138½	136½	138
Khatau (100)	211½	211¾	203½	211
Kohinoor (100) ..	227½	229	220½	224
Lakshmi (250) ..	680	700	680	700
Minerva Mills (100) ..	87	87	86	87
Model Nagpur (250) ..	180	—	—	180
Morarji (100) ..	227½	227½	221½	227½
Mysore (50)	104½	—	—	104½
National Rayons (100).	241½	240½	230	234
New City (100) ..	151½	—	—	151½
New Great (100) ..	240	241	235	235
Phœnix (100)	146	—	—	145
Podar Mills (100) ..	165xd	—	—	165
Sassoon Mills (10) ..	9½	—	—	9½
Sassoon Spg. (10) ..	40	—	—	40
Sholapur (1,000) ..	1,400	—	—	1,400
Shrinivas (100) ..	190	—	—	185
Simplex (50)	188½	188½	184½	179
Standard (100) ..	427½	425	416½	421½
Swadeshi (100) ..	225½	225	216½	219½
Swan (100)	411½	411½	403½	403½
Tata Mill (25) ..	50	50½	48½	49½
Vishnu (100)	147½	147½	141½	141½
Western India (1,000).	5,180	—	—	5,180
BANKS				
Bank of India (50) ..	140	140	139	139
Bo. (New) (50) ..	142	—	—	143
Bank of Baroda (50)..	103½	103½	103	103½
Central (25)	54½	54½	53½	54½
Central 'A' (25) ..	55	55	57½	55½
Dena Bank (50) ..	42½	55	54½	54½
Punjab National (25).	55	7⅝	7-8½	57½
Union Bank (5) ..	7⅝	58½	57½	57½
United Com. (50) ..	58			
ELECTRIC COS.				
Ahmedabad (100) ..	99½	100½	99½	100
Amalgamated (10) ..	10½	10½	10½	10½
Andhra Valley (1,000).	1,215	1,217½	1,202½	1,202½
Surat (100)	109½	109½	109½	109½
Tata Hydro (100) ..	112½	113½	112½	113½
Tata Power (1,000) ..	121	122	120	120
	1,232½	1,227½	1,216½	1,216½
INSURANCE COS.				
British India (10) ..	13½	—	—	13½
Empire of India (100).	350	—	—	350
Ind. Mercantile (20) ..	41	—	—	41
Jupiter (15)	6½	6½	6½	6½
New India (15) ..	45½	45½	45	45½
Oriental (100) ..	3,710	3,710	3,705	3,705
Universal (10) ..	11½	—	—	11½
Vulcan (10)	16½	—	—	16½
STEEL COS.				
Ind. from (10) ..	22½XR	22½	21½	21½
Tata Steel Ord. (75)..	178½	178½	172½	175
SUGAR COS.				
Belapur (50)	231	231	228½	230
Bhopal (10)	18½	18½	18½	18½
Phaltan (100)	148	147½	145	146½
Walchand Ind. (100)..	263½	276½	261½	270½
CEMENT COS.				
Associated Cts. (100) .	170½	170½	167½	169½
Digvijay (100)	149½	150	149	149½
MISCELLANEOUS				
Alcock Ashdown (100).	263½	263½	256½	260
Bom. Burmah (125) ..	711½	708½	681½	695
Do. (New) (50) ..	268½	265	256½	260
Br. B. Petrol (4 sh.) .	2½	2-12½	2½	2½
Br. I. Corpn. (5) ..	8½	8½	8½	8½
C. P. Ry. (100) ..	71½	71½	70½	70½
Indian Copper (2 sh.) .	3-10½	3-10½	3-8½	3-9½
Ind. Inv. Tr. (100) ..	74	—	—	74
Kemp (200)	190	192½	190	190
Killicks (100)	169	169	168	169
Polson (100)	165	—	—	165
Port Canning (100) ..	74	—	—	74
Pre. Automobiles (100)	104½	—	—	104½
Premier Con. (30) ..	181½	104½	102½	175
Scindia (20)	18½	180½	175	175
G. E. Shipping (10) ..	19½	19-0½	18-4½	18½
Shivrajpur (10) ..	18½	18½	18½	18½
Tata Chemicals (10) ..	95	95	92	95
Tata Investment (100)	16½	16½	15-10½	15½
Tata Oil (25)	156	150½	145½	145
W. I. Match (100) ..	45½	45½	43½	44½
	173	173½	170	170½

GOVERNMENT SECURITIES	8-2-1957	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	14-2-1957
	Rs.			Rs.
2½% 1961	95½	—	4.16	95½
2½% 1962	94½	—	3.89	94½
2½% 1962	93½	—	3.95	93½
2½% 1963	83½	—	4.03	83½
3 % 1957	99½	—	3.88	99½
3 % 1958	99½	—	3.27	99½
3 % 1959-61 ..	97½	3.95	3.54	97½
3 % 1964	94½	—	3.94	94½
3 % 1963-65 ..	94½	4.10	3.85	94½
3 % 1966-68 ..	93½	4.03	3.86	93½
3 % 1970-75 ..	87	4.32	4.02	87
3 % 1986 Con. Loan	73½		4.08*	73½
4 % 1960-70 ..	100½	3.73	3.93	100½
4½% 1958-68 ..	120½	2.60	4.21	102½
3½% 1961 N.P. Bonds.	91½	—	3.66	91½
3½% 1964 N.P.Loan ..	98½	—	3.78	98½
3½% 1965 N.P. Loan ..	98½	—	3.75	97½
3½% 1962	98½	—	3.72	98½
3½% 1967 N.P. Bonds.	98½	—	3.68	98½
3½%1974	98½	—	3.87	98½

BRITISH GOVERNMENT SECURITIES	Closing quotations 5-2-1957 £			Closing quotations 11-2-1957 £
2½% Brit. Consols ..	55½	—	—	55½
3% Savings Bonds 1955-65	77½	—	—	77½
3%WarLoan 1955-59	90½	—	—	90½
3½%War Loan 1952 ..	74½	—	—	74½
4% Victory Bonds 1976	95	—	—	95½
4% Funding 1960-90..	92	—	—	92½

*Current Income. x.d.—Ex-dividend. **Rupee Counterparts. x.r. Ex-Right.

COMMERCE

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

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FILLING THE FOREIGN EXCHANGE GAP

FOREIGN exchange is number one economic problem of India today. That it would be so was quite clear to many even when the second Plan was finalised a little less than a year ago. It has not, therefore, come as a bolt from the blue. The authorities, too, have been trying to meet it for several months now, but success has been only of a limited nature. Hence the recent steps to tighten the restrictions on imports of both capital and consumer goods. How serious is the problem? It is necessary to answer this question correctly, so that people may have no illusions about it and the authorities may not repeat some of the past mistakes which have aggravated the problem to a fairly considerable extent. It is often stated by Ministers of the Central Government that the problem is not such as to cause alarm or panic. If the object of this statement is to infuse confidence among the people that the situation is under control and that they should not lose heart, it is quite understandable. It is a sign of immaturity, if people get disheartened in their efforts to raise their living standards the moment they come in contact with difficult stumbling-blocks in their way. But it would be a bad thing for the country, if the authorities were to minimise the difficulties, for they would thereby create a complacent spirit among the people and might themselves become a victim of it. The way in which some of the Ministers are reacting to the candid criticisms on the second Plan and the economic policy of the Government, in general, suggests that they are prepared neither to face the facts nor to tell the truth to the public. What else is one to say of Ministers who keep on reiterating, even after taking steps to curtail imports of capital goods and to postpone some of the projects included in the Plan, that neither the size of the second Plan would be reduced nor the period fixed for its implementation extended?

As readers are fully aware, India has already spent Rs. 200 crores of sterling balances, a sum which the planners said would be spread over a period of four or five years. There might have been special reasons for such swift drawing down of these balances, but the fact remains that sterling balances today are no more than Rs. 525.95 crores, even after adding Rs. 28.32 crores, being the first instalment of the I.M.F. loan of Rs. 95.20 crores sanctioned a fortnight ago. These balances are large enough to support the claim that India is still quite solvent on external account. In fact, as compared with many countries in the free world, India's external debts are less than appreciable. But the present size of its external assets is low enough, in the context of its second Plan commitments, to sound the warning bell. If it is conceded that India requires Rs. 100 crores of sterling balances as essential working balance, there is really not much room left for further depletion of these balances. Under the recent amendment to the currency reserve provisions of the Reserve Bank of India Act, the minimum reserve could be reduced to Rs. 300 crores, albeit with the sanction of Parliament, thereby releasing Rs. 100 crores for financing imports. But this provision is meant for covering extreme emergencies and should, therefore, be reserved for use only as a measure of last resort.

Whatever the Ministers may say in public today, the Government has shown, by its recent actions, that it views the foreign exchange position pretty seriously. First came the restrictions on imports of consumer goods, durables, and essential materials such as steel and cement. Then came the reduction in foreign exchange availability for overseas travel. This was soon followed by a drastic revision of the conditions for issue of import licences for capital goods. As a result of this revision, schemes for new development, however important and desirable in themselves, are given a very low priority. Generally speaking, import licences will be given only for those new projects which do not require payment in foreign exchange for a considerable time to come. This means that the applicants themselves should explore ways and means of reducing their immediate foreign exchange requirements to the minimum.

The Government has put forward three alternatives for getting over the difficulty caused by the serious fall in foreign exchange reserves. First, *entrepreneurs* should secure foreign capital investment in their undertakings at least to the extent of the value of plant and machinery to be imported. Secondly, they should try and get long-term suppliers' credit for a period of seven years sufficient to cover a minimum of 80 per cent. of the cost of plant and machinery. Thirdly, the applicants should try to secure credit from lending institutions in countries from where they seek plant and machinery. In the U.S., for instance, there is the Export-Import Bank, as also a co-operative credit organisation sponsored jointly by the leading American banks specifically for assisting investment in foreign countries. In the U.K., there is the Commonwealth Development Bank and the Export Credit Guarantee Department, besides some of the commercial banks, such as Lloyds and the Chartered, which are prepared to provide medium-term credits for financing exports of capital goods. West Germany has, perhaps, been the first after the last war to specialise in providing suppliers' credit of the type suggested by the Government. According to reliable reports, East Germany, too, is prepared to arrange for suppliers' credit needed by importers of capital goods in India. Almost every capital goods exporting country has thus provision for financing exports of plant and machinery. And there is nothing novel about it either; several countries have received suppliers' credit in recent years. At one time—about two years ago—they were so popular that even the World Bank President thought it necessary to warn against its indiscriminate use, lest it should distort the picture of balance of payments of the countries involved and create fresh balance of payments problems at the time of repayment.

Of late, the suppliers' credit system is not very much in vogue in some of the countries of Europe, because of inflation and high rates of interest. In the U.S., too, its popularity seems to be waning almost for identical reasons. Britain and France may be willing to provide such credit, to some extent, now that they have to prop up their exports to meet the cost of their Suez misadventure. It is, however, a moot point whether they will be very keen on extending this facility to India, as their eyes seem to be more on other markets. Nevertheless, it is possible that India will be able to obtain a fair amount of suppliers' credit from all the sources—big and small—put together, provided it is prepared to pay substantially high rates of interest and makes a proper approach to the problem. Commenting on the merits of the Government's suggestion, Mr. Murarji J. Vaidya, a prominent industrialist and the outgoing President of the Indian Merchants' Chamber, observed, in his speech at the annual meeting of the Chamber, thus:

> "There are automatic limitations to the extent to which such facilities would be available or forthcoming from the countries from which such equipments are normally available. Apart from that, it is also a moot point if such arrangements could be evolved, except on the bas

renewed every six months. Some of the banks do not consider this as a satisfactory solution, as it implies a risk of non-renewal and involves additional expense; in any case, it does not provide full cover. They, therefore, prefer a straight cover for the duration of each credit. All these are, of course, matters of detail, but they should be discussed threadbare and settled satisfactorily, so that *entrepreneurs* may be enabled to implement the suggestion at an early date.

While on the subject of suppliers' credit, it will be pertinent to recall the cancellation by the Government of India of the arrangement it had concluded with Krupp-Demag for financing the Rourkela iron and steel project. Under this arrangement, the German firm had agreed to participate in the capital of the project to the tune of 10 per cent.—roughly about Rs. 10 crores—with an option to withdraw this capital after 10 years. In effect, the arrangement was a form of suppliers' credit. In the present context of foreign exchange scarcity, the Government, it seems, was ill advised to cancel this arrangement and agree to pay in cash. The fact that the Government resorted to this step only towards the close of 1956 when the foreign exchange difficulty was quite manifest does not speak well of its judgment. The main reason for this action was that the rate of interest in Germany was so high that it unduly raised the cost of plant and machinery which the German firm had agreed to supply for the steel project under reference. This argument does not sound weighty enough to be convincing. Is consideration of interest so important as to give up the bird in the hand? If that is so, there is no point in the Government advocating suppliers' credit system now, because there has been no material change for the better in the rates of interest, the recent fall in the British and German Bank rates being only fractional.

Suppliers' credit can best be only a palliative. They do not solve the problem of foreign exchange, but only postpone it. Indeed, they may add to the country's difficulties later, if the purpose for which loans are now taken does not augment the capacity to export more, so that enough foreign exchange may be earned when the time comes for repayment. It is needless to add that failure to service and repay loans as and when they fall due will inflict serious damage on the country's credit abroad. In the anxiety to tide over the foreign exchange difficulty, there is a danger of this important aspect being overlooked. It will not be wise planning to proceed on the assumption that the future will take care of itself. Before taking on commitments by way of loans with definite time limits for repayment, it is very necessary to examine the country's capacity to honour them on the due dates.

This question is pertinent not only from the point of view of suppliers' credit but also from that of all external debts that are sought to be incurred and that will pile up between now and the end of the second Plan perod. When examined from this angle, the Plan contains a serious weakness; it has not given due prominence to export industries. Since those who are in the seats of power attach more importance to the views of foreign observers than those of domestic critics—this is apparently a case of familiarity breeding contempt and distance lending charm—let us quote the observations of Mr. Paul Bareau, a noted British economist and a specialist on foreign exchange matters, on this particular question. Mr. Bareau was one of the team of British financial journalists which visited this country as its guest and had an opportunity of seeing the second Plan in action and of discussing the problems with the Ministers. Giving his impressions of the Plan in an article to the *N.B.I. Review* of the National Bank of India Ltd., Mr. Bareau has to say this on this particular issue:

"Most of the industries that are being developed in India today are intended to serve the domestic market. It may well be that, when India produces more than 6 million tons of steel—the production target for the end of the second Five-year Plan—it will have some exportable steel with which to earn foreign exchange. There are certain articles which India is manufacturing at present for the domestic market which could be exported—sewing machines are a case in point—but there is very little evidence that the careful planning which has gone into the elaboration of the second Five-year Plan has been matched by the thought given to the encouragement of the export industries that will ensure balance of payments equilibrium in the long run. India's best industrial foreign exchange earner is the cotton textiles industry, but this industry is being handicapped in the maximisation of its export outlets by the efforts of the Indian Government to subsidise and encourage the cottage weaving industry. There are no doubt good social and political reasons for giving some encouragement to the handloom weaver. This policy gives employment and supplements the low earnings that are extracted from the soil. But, when protection of a small-scale industry (which many Indians regard as uneconomic any way) proceeds to the length of preventing efficient units to install more powerlooms, the offence against economic realism begins to outweigh all reasonable short-term political and social arguments in favour of the cottage industry."

That is the conclusion which this journal has been urging for long but to no purpose. It is to be hoped that at least Mr. Bareau will succeed where we have failed.

A more desirable way of closing the foreign exchange gap is, as we have all along contended, to encourage the flow of foreign private capital into India and of such Indian capital invested abroad as would like to be repatriated. But every year that passes sees a change in the climate which is unfavourable for the influx of such capital and favourable for the efflux of foreign capital already invested in this country. Speaking at Madras in a public gathering on the 16th inst., the Finance Minister frankly admitted the great value of foreign capital, especially equity capital, to India's economic development. He declared that the Government of India was never against foreign capital; on the contrary, it welcomed such capital, though within the four corners of its industrial policy. But such mere verbal pronouncements are no good. He has spoken in this vein on many occasions in the past, but there is no visible evidence of his speeches having induced any significant flow of foreign private capital.

Now that the foreign exchange position has deteriorated, some positive steps must be taken to attract foreign savings. The forthcoming budget offers an early opportunity for doing so. In the first place, the burden of personal taxation must be lowered. Secondly, the perquisites of foreign employees should not be tampered with to the same extent as is being done now. Thirdly, the controls on the private sector should be relaxed considerably, as they are of a sweeping nature and could be used by a future Government to wipe out the private sector overnight; a beginning in this direction could be made by giving up the system of compulsory deposits. There is no economic necessity for it and the absence of it so far has not meant any serious harm to the country. Fourthly, the Government must relax, as was pointed out by Mr. Vaidya in his speech referred to earlier, the terms and conditions, particularly in regard to royalties payable, the basis of collaboration, etc., under which foreign capital is allowed to participate with Indian capital. Giving an example, Mr. Vaidya said:

"One of the conditions sometimes laid down for permitting payment of royalties for know-how to be supplied by foreign firms is that the maximum rate of such royalty should not exceed 2½ per cent. subject to Indian tax. It will be appreciated that, if the full rate applicable to a non-resident assessee is paid on the amount of royalty, the net amount in the hands of the recipient foreign firm would be so small that it would be difficult, if not impossible, to induce any well-known and large foreign firms to enter into any financial or technical collaboration with their Indian counterparts."

Fifthly, the Government must disown all those recommendations of the Plantation Inquiry Commission which seek to place foreign capital in plantation industries at a disadvantage *vis-a-vis* Indian capital. Sixthly, India can attract a large amount of foreign capital almost immediately by offering liberal terms to foreign oil companies to discover and exploit mineral oil deposts. It is surprising that the Government of India should higgle-haggle for years with these companies in reaching an understanding and, what is more, be keen on reserving a large part of the field to itself, even though it has neither the know-how nor adequate financial resources. And, finally, the Government must recognise in public that an enlightened and vigorous system of free enterprise is an important pre-requisite for the preservation of democracy in the country. It is needless to add that no amount of wooing of foreign capital will yield fully satisfactory results, unless domestic private capital is treated with respect and affection.

COMMON MARKET FOR EUROPE

THE official reports reaching from Paris about the meeting of the Organisation for European Economic Co-operation (O.E.E.C.) on the free trade area tend to be rather sketchy and one must have access to "eye-witness" reports and some ability to read between the lines to discover what is going on. The first point of interest that has emerged, however, is that the seventeen European countries concerned have decided to turn the Chairman for the time being of the Ministerial Council into the Chairman of the Special Committee set up to co-ordinate the planning of the Common Market. The significance of this is that that Chairman is the British Chancellor of the Exchequer, Mr. Thorneycroft. Now, in spite of his predecessor's well-known affection for the idea of the Common Market, Britain is the one country opposed to the inclusion of agricultural products in the scheme for tariff reduction. But it must be remembered that most of the other seventeen countries—one may except the six who are busy organising themselves into a Customs Union—while giving full lip servce to the need for a Common Market, are also making all manner of reservations on matters affecting their own trade interests. They feel safer, therefore, to go forward under the leadership of the country which has the biggest reservation of all!

Mr. Thorneycroft's approach to Britain's position, and to that of equally wary but less outspoken colleagues, has been to explain that all that the O.E.E.C. is doing at this stage is to prepare "the plans of the house"; there has not been any attempt yet to build the house. Only when the plans have been prepared will the seventeen countries decide whether to go forward on those plans or not. Moreover, the U.K. Government is able to represent its attitude towards continued protection for agriculture in a very practical way. It points out that Britain imports more agricultural produce from Western Europe than any other O.E.E.C. member, so that, in its case, production is not a device for limiting imports unreasonably; it is only a device designed to secure a preference for the Commonwealth countries and the colonial territories, a preference which must be maintained, if the British Commonwealth is to remain associated with Great Britain in its European free trade experiment.

The French, however, have another approach. They are busy bringing in their overseas territories to form an inclusive part of the free trade area. It is supposed that they are doing this in the hope of throwing these territories open to capital investment by the other member nations, but, in any event, the French problem is entirely different—its colonial agricultural imports are not those indigenous to W. Europe.

The Ministerial Council has now decided (and this is Britain's doing) to press ahead on one committee to consider the reduction of tariff barriers on industrial products; then to set up another committee to consider the special difficulties of immature countries—Greece and Turkey are specifically mentioned—which are likely to lag behind the others in the tariff reduction programme. Finally, the British argument about agricultural products is to be relegated to a separate working party. It is the work of these three groups that comes under the co-ordination of the British Chancellor.

Among the observers at the O.E.E.C. are the American and Canadian delegates and it is always intriguing to hear the American spokesman playing his dual role of insisting that the European countries combine economically to become a viable group justifying past American economic aid and not requiring it in the future, and, on the other hand, exercising restraint on any action by the European countries which might conceivably redound against North American interests. His argument is fairly simple: it is a good thing for the European countries to get together in the matter of tariffs, provided that, when they had got together, they reduced tariffs between themselves without raising them against outside countries. Of course, what America would like to see is a sort of "most-favoured-nation clause" applied to the Common Market, the effect of which would be that tariffs should be unified on the basis of the *lowest* tariff of any member of the group or *less*. If, for example, in the Common Market scheme, there are, say, three important importers of an American product with tariff ratings of, say, 10 per cent., 20 per cent. and 30 per cent., respectively, America would feel that the Common Market was failing in its higher purpose if the unified tariff of all three countries to the rest of the world were anything higher than 10 per cent.

INVESTORS' CONFIDENCE AT LOW EBB

KANPUR INDUSTRIALIST ON ECONOMIC TRENDS

THURSDAY, 5 P.M.

THERE has been a sharp fall in equities since last week. The bears who were hesitant before have become aggressive again, taking advantage of the helplessness of the bulls. Some of the leading counters have gone even below the lowest levels recorded in the landslide in December last caused by the 30th November taxation proposals and the Finance Minister's subsequent tirade against the private sector. Confidence seems to have completely shattered. Big bulls are still suffering from indigestion. Every fall in prices aggravates their malady. Investors have been frightened. Those who have holdings must be worried over the continuous depreciation in the value of such holdings and those who have funds to spare must be reluctant to buy in a falling market. The tension in Indo-Pakistan relationship is mounting; money is stringent and interest rates are high; cloth stocks are rising on account of continued lack of demand; jute goods at Calcutta are languishing for want of business; the coal companies are losing due to an increase in their wage bill unaccompanied by a corresponding rise in their selling price for coal; industrialists are in a state of despair, because of the heavy burden of taxation and the difficulty of finding adequate capital to finance expansion of the existing industries; and establishment of new ones; the prices of foodgrains and raw materials alone keep on moving up, thereby reducing the profit-margin of manufacturers. The whole picture is thus depressing. Only the Government can bring some cheer to investors and *entrepreneurs*. The Finance Minister, however, says that he does not care whether the shares go up or go down but his caravan will go on, *vide* his speech at Madras a week ago. If this remark means anything, it is that he cares little for the private sector, because this sector cannot find the capital it needs for discharging its role in the economic development of the country if the Stock Exchanges remain depressed.

MARKET GOSSIP

There is not the slightest exaggeration in this statement. If any proof were needed, one should only look at the rapid rate at which the value of rights for new shares issued by some of the existing well-known companies has been going down. The Indian Iron rights have lost more than Rs. 2 within a short period of 17 days and are going abegging at about Rs. 5-6 on all the Stock Exchanges. At this rate, it will be pretty difficult for the I.I.S.Co. to raise the additional capital which it has been allowed. The A.C.C. and the T.I.S.Co. also have yet to receive a substantial part of the first and second instalments, respectively, of their new issues. The A.C.C. is charging a penal interest of 9 per cent. for non-payment of the instalment. The T.I.S.Co. first announced that it would charge interest on arrears at 6 per cent., and then, apparently taking the cue from the A.C.C., put it up to 9 per cent. These steps do not seem to have yielded the desired results.

* * * *

Mr. T. T. Krishnamachari continues to make great play of the rush that took place for the shares of such predominantly foreign-owned companies as Imperial Tobacco, National Carbon, Hindustan Levers and Guest, Keen Williams. He quotes these instances to substantiate his contention that there is no dearth of capital for soundly-managed enterprises. If he really believes in what he says, he is deluding himself. If he is using them merely as a propaganda against Indian enterprises, he is misleading the innocent public. Can he say that the A.C.C., the T.I.S.Co., and the I.I.S.Co., to give only three instances, are not progressive and soundly run companies? He cannot, of course. Yet their shares remain unsubscribed. Why?

The reason is simple. The Government fixed the premium on these new shares at a time when the Stock Exchanges were buoyant. Since then, it has imposed fresh burdens on the industry and upset the climate for investment, thus converting what appeared as reasonable premia then into heavy penalties now. It is the actions of Mr. Krishnamachari as Finance Minister that are primarily responsible for the present plight of the capital markets. Since he has upset the basis on which the premia on these shares were determined, justice demands that he should direct these Companies to cancel the premia on their new issues. The Government loses nothing by this directive, but it will greatly help the investors to discharge their obligation to take up new capital with ease. It will also help the drooping Stock Exchanges to recover their poise. Incidentally, the greatest beneficiary of this action will be the Life Insurance Corporation, which holds a substantial part of the share capital of **these three companies.**

As compared with the stiff terms demanded from investors in the shares of the aforesaid three leading Indian companies, Mr. Krishnamachari successfully persuaded the wholly-owned foreign subsidiaries to release a part of their shares to the investors of this country at attractively low prices which gave a yield of 9 to 10 per cent. In other words, there was an element of gift in these issues and, in order to grab the *bakshis* as much as possible, many people rushed for these shares. Most of them were well-to-do investors who applied for these scrips in several names. A large number of people sold some of their existing investments in order to buy these scrips. It is not, therefore, right for Mr. Krishnamachari to quote these instances in support of his contention that there is no dearth of savings in the country for the right type of show or that something is wrong with the companies or promoters who have not been able to match the success of the few foreign concerns. As an industrialist in Kanpur, Mr. R. L. Powell, put it this week: "it is not a healthy market for risk capital in which support is forthcoming only if the investor considers that there is virtually no risk and in which, if there is risk, he considers the limitations on possible rewards to be too severe to compensate him for venturing his savings. Industrial development through a market in such a mood can only be patchy and uneven."

It will be a good thing for the country as a whole, if the Finance Minister frankly recognises the true state of affairs of the capital market and takes suitable steps to restore its vitality. By keeping the share markets more and more depressed during the last six months, he has not gained his primary objective of keeping down the prices of foodgrains and commodities and the cost of living. In fact, this policy of his, if continued for long, will seriously hamper the progress of the Plan. Too much taxation will kill initiative and enterprise and thereby retard the pace of production. While framing his next budget proposals, he will do well to remember that the Law of Diminishing Returns will operate even in a socialist pattern of society.

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A special feature of the presidential speech of Mr. R. L. Powell at the annual meeting of the Upper India Chamber of Commerce, Kanpur, held this week, is an interesting discussion of the recent trends in the financial world. In this, he has displayed a keen insight into Indian conditions and a lively sense of humour, so rare in most of the speeches on such occasions. The central theme of Mr. Powell's survey was that, in India, there was a danger of the phrase "democratic planning" coming to mean a growing concentration of economic power in the hands of the ruling few—which would be a very fair example of Orwellian "double-speak"; such a development would hardly encourage that widespread spirit of individual independence, enterprise, self-reliance and personal liberty that was probably a nation's best safeguard of democracy. A look at the Government's economic policy since Independence will clearly reveal that the phrase "democratic planning" is being interpreted in such a way as completely to rob it of its real meaning. How else can one explain, for instance, the excessive regulation of the private sector, the denial of adequate rewards for saving and investment, the promotion of industry's increasing dependence on Government and Government-controlled agencies for capital, and the elevation of mediocrity as the social ideal? All these which flow mainly from excessive and inequitable taxation of both companies and individuals are, as Mr. Powell rightly declared, tending to weaken large-scale industry in the most productive sector of the economy. Appropriately enough, he observed:

"The left hand may grow stronger, if the right is paralysed, but two strong hands are better than one. If industry is weakened—indeed, if it is not strengthened by a wise revision of current policies—not only will the success of the second Five-year Plan be prejudiced, but also one of the strongest bulwarks of democratic thought will have been undermined. The present and prospective financial problems are both a warning of past errors and an opportunity to pause and think again. Let us make good use of them, at all levels of endeavour, to reassess ends and means. If saving and investment are rewarded, if initiative and enterprise are encouraged, the economic development of India is assured. Let us hope that, with it, will eventually come the day when every employee is also a shareholder in the company for which he works—perhaps the most effective form of co-operative commonwealth, whether or not you call it 'socialist,' that has yet been devised."

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Mr. Powell was at some pains to show how, in the formulation of Government economic policies, the short-term view is allowed too often to prevail over the long, particularly when elections block the horizon, and ideological prejudices have too much influence on economic policies. In support of this view, he cited the instances of nationalisation of life insurance, debilitation of the cotton mill sector in favour of the less efficient handloom sector, and nationalisation of Kolar Gold Fields companies. None of these, he argued, has helped India to obtain foreign exchange at a time when it is becoming clearer that success in attaining the physical targets set in the Plan largely depends on success in obtaining foreign exchange. It is in this context that he questioned the efficacy of the State Trading Corporation and warned: "India will not benefit economically, and may suffer socially, if that particular concentration of economic power merely diverts the conduct of export business from the hands of **the many to the hands of the few**, without enlarging it." This warning is, indeed, not only timely but very pertinent. Considering the swift deterioration in the foreign exchange position of India, as also the growing competition in world trade, what matters most, or ought to matter most, if the Plan targets are to be taken seriously, is, as Mr. Powell said, the increase in foreign exchange earned, not the label—public sector or private sector—borne by the agency that gathers it in.

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The Upper India Chamber President devoted a great part of his speech to the problems of finance which "are at the heart of most of our other problems." He enumerated the mounting difficulties directly felt by industry and commerce in the sphere of internal finance. Among them, the most pressing ones are those relating to stringency in the money market, with a tendency for interest rates to rise and for credit to be restricted; generally rising prices of raw materials, stores and machinery; high sales tax, excise duties, cesses and other imposts; transport delays and bottlenecks continuing to tie up large sums of money; and locking up of large sums in debts due by Government for an unduly long time. The shortage of working capital is further aggravated by the damage to confidence suffered by trade and industry as a result of too frequent alterations, and threats and rumours of alterations, in the rates of such imposts as excise duty and sales tax. Surely, production and distribution cannot proceed smoothly so long as there is no atmosphere of confidence.

As if the measures listed above are not sufficient to act as a heavy drain on working capital of industries, the Union Finance Minister has recently imposed compulsion on the companies to deposit with the Reserve Bank 25 per cent. of past accumulated profits and reserves, together with a high proportion of current net profits. This measure is very stringent and is beset with grave consequences, as the following extract from Mr. Powell's speech will show:

" . . . the Act of Parliament has yet to be devised which can extract a quart from a pint pot, and many companies just do not have either the money or the credit to pay the deposits required. In industries which are at present the hardest pressed for working capital, there will certainly be some companies which have already pledged their capital to the limit, in order to raise the money for their workers' wages. When reserves are fully invested in stocks, which, in turn, are pledged to the banks against overdraft facilities fully employed, it is difficult to see what alternative a company has (unless the prospective rules provide one) other than to accept taxation of its depreciation allowances and development rebate, which is the penalty for not making the required deposits. If that comes about, it will mean the erosion of productive capacity in that sector of the industry which produces most of India's consumer and export goods. I would think it bad for India, if only 10 per cent. or even 1 per cent.—no matter how small a proportion—of the companies now producing and giving gainful employment were thus condemned to death by slow strangulation."

There is considerable force in these observations. The withdrawal of the measure of compulsory deposits, of course, requires considerable political courage. But there is no denying the fact that "it is," to quote Mr. Powell, "the only wise course at present." Otherwise, not only will the industries be put to untold hardship for want of sufficient working capital but the capacity of the industries to raise new risk capital will also be seriously undermined. It is necessary to stress this aspect, because a large part of the industrial development that will take place in the coming years will undoubtedly have to be financed, as in the past, in the main by existing industry. Characterising such financing as "auto-finance," Mr. Powell said: "In future, that source of development finance will diminish, if companies' net profits fall and if the incentive to invest is reduced by a curtailment of dividends." In his considered opinion, even the funds made available by bodies such as the Industrial Finance Corporation and the National Industrial Development Corporation can never adequately replace risk capital supplied by shareholders, for these funds are mainly lent and only against adequate security, on rigid conditions and for a not negligible rate of interest. Nor can such corporations facilitate the varied and many-pronged advance on a broad industrial front by a large number of comparatively small companies in which stock exchanges have played so useful a part.

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Coffee shares have been a steady feature during the last two weeks in an otherwise depressed planting section on the Madras Stock Exchange. Leading scrips have attracted enquiries and are being taken up at quoted rates and in some cases even at slightly higher levels. This is due to reports that the current year's crop would be a record at 38,000 tons. Though such a bumper production raises the problem of storage facilities, the higher prices expected in world markets during the current year and the country's need for foreign exchange give room for the hope that the Government would not be slack in giving timely releases for export and in taking suitable measures for raising domestic consumption.

In the circumstances, the new issue of capital to the public by Sangameshwar Coffee Estates Ltd. is timely. The Company, as will be seen from the detailed announcement published elsewhere in this issue, is issuing Rs. 15.50 lakhs, made up of 600,000 ordinary shares of Rs. 2 each and 35,000 7 per cent. cumulative preference shares of Rs. 10 each. In addition, it offers 1,400 7 per cent. debentures of Rs. 500 each for subscription at par. Of these, the promoters, the Directors and their friends have agreed to take up 375,000 ordinary shares, 15,000 preference shares and 300 debentures. The balance of 225,000 ordinary shares, 20,000 preference shares and 1,100 debentures are available to the public. It will also be noted from the announcement that the preference and debenture issues have virtually been underwritten. For, in addition to the 15,000 preference shares and 300 debentures which the promoters, Directors and their friends have agreed to take up, the vendors have expressed their willingness to subscribe to 600 debentures and the promoters have offered to procure subscriptions or subscribe themselves the balance of 500 debentures and 20,000 preference shares. The subscriptions to the ordinary and preference shares are payable in full on application.

Though the Company has been formed only recently, it has taken over three well-known coffee estates in North Mysore belonging to the Crawford group of estates and the present issue is to finance the purchase of the three estates and to

(*Continued on next page*)

EQUITIES UNDER BEAR PRESSURE

STEELS VERY WEAK

(From Our Own Correspondents)

BOMBAY, 21*st February*

THERE was a veritable bear raid on the Stock Exchange during the week under review. The recession noted in the previous three weeks gathered further momentum this week on heavy bear selling and nervous bull liquidation. Despite the attractively low levels touched and the good performance of industries in general, equities suffered from absolute lack of support. The persistent anxiety over the Kashmir issue, the weakness of Indian Irons, the coming into force of the Securities Contracts (Regulation) Act 1956 with effect from the 20th inst., the growing fears that the Government of India might postpone indefinitely the sanctioning of bonus issues, and absence of any encouraging news from the cloth market were all factors which came in handy for the bears. In the result, equities were taken down to the lowest levels since the first week of January. In some cases, even the bottoms touched during the December depression, caused by the supplementary Budget and the unwarranted attacks of the Finance Minister on private enterprise, were pierced this week. The undertone at the close was weak.

The sentiment in the steel section was affected by the depression in Indian Irons. The sellers in Tata Ordinaries would appear to be unconcerned with the good prospects for the Company, what with the commissioning of two blast furnaces under the expansion scheme. The shares were hammered down from Rs. 175 to Rs. 169-12 on Tuesday. After a short-lived recovery to Rs. 172-12, they slumped to Rs. 167-12, which compares with the previous low of Rs. 168 touched on 8th January last. The closing was, however, a shade better at Rs. 168-4, the loss over the week being Rs. 6-12, which is more than the aggregate loss in the previous three weeks. The forthcoming issue of Right shares by the Indian Iron and Steel Company, which would double the number of ordinary shares and would greatly reduce the scope for speculative manipulations in this counter and anxiety over finding the necessary funds for the same, induced operators to liquidate their holdings, pushing the shares down from Rs. 21-15 to Rs. 20-2½. This together with the Rights at today's rate of Rs. 5-6½ gives a *cum*-right value of Rs. 25-9, which is almost Rs. 2 down from the previous *cum*-right low of Rs. 27-8¼ witnessed in the first week of January. The Rights were marked down from Rs. 6-14 to Rs. 5-6½.

Reports of encouraging trend in cloth exports failed to stem the rot in textiles, which were evidently still concerned with the absence of any increase in domestic consumption on account of the high prices. Bombay Dyeings slumped from Rs. 554-6 to Rs. 543-12 and, after a recovery to Rs. 551-14, retreated hastily to Rs. 538-12. Century gave way from Rs. 493 to Rs. 470-8. Kohinoors, however, proved to be a better feature with an erratically better trend. On buying support induced by expectations of encouraging working results, the shares climbed up to Rs. 329-8, after an initial drop from Rs. 324 to Rs. 321-8. Towards the close again, there was a setback to Rs. 325. Central Indias dropped by Rs. 9 to Rs. 113. Finlays were lower by a rupee at Rs. 304, as also Gokaks at Rs. 219-8. Indu Ordinaries were quiet at Rs. 10-7½, while Indore Malwas showed a gain of Re. 1-14 at Rs. 140. New Greats were maintained at Rs. 235, but New City Mills shed Rs. 2-8 to Rs. 149-6. New Kaiser-I-Hinds fell by Rs. 3-12 to Rs. 105 and Phoenix by Rs. 3-12 to Rs. 141-4. Khataus suffered a decline of Rs. 17-8 to Rs. 193-12, and Shree Niwas Rs. 6-14 to Rs. 178-2. Simplex moved down from Rs. 179 to Rs. 175-8, before gaining to Rs. 178. Standards drifted down from Rs. 421-4 to Rs. 407-8 and Svadeshis from Rs. 219-12 to Rs. 212-4. Tata Mills were quiet at Rs. 48-12. Colabas lost Rs. 9-8 to Rs. 60-8.

Bank shares were dull, but there was not any selling pressure and prices were nearly well maintained at the previous week's levels. Barodas were As. 4 lower at Rs. 103-8. Centrals were unchanged at Rs. 54-4, while their new shares shed As. 4 to Rs. 58-4. Bank of Indias gained As. 8 to Rs. 139-8, while Punjab Nationals were a shade quiet at Rs. 54-4. United Commercials were, however, lower by Re. 1 at Rs. 56-8.

Selected counters in the electricity section attracted investment enquiries and recorded fractional gains over the week. Ahmedabad Electrics were, however, erratic, moving between Rs. 100 and Rs. 99-6 before finishing As. 5 lower at Rs. 99-11. Bombay Suburbans moved up from Rs. 109-6 to Rs. 110, while Surat Electrics were lower by As. 10 at Rs. 112-8, despite the declaration of a second interim dividend at 5 per cent. per annum for the six months ended 31st December 1956. Tata Hydros gathered Rs. 2-8 to Rs. 122-8, Tata Powers Re. 1-4 to Rs. 1,217-8 and Andhra Valleys Rs. 7-8 to Rs. 1,210.

Sugar shares presented a mixed pattern. Belapurs were marked down from Rs. 230 to Rs. 228 and Phaltans from Rs. 146-8 to Rs. 144-8, while Walchandnagars advanced from Rs. 276-4 to Rs. 280, following the declaration of a higher dividend of Rs. 21 per share of Rs. 100 each for the year ended 30th September 1956, as against Rs. 18 for the previous year. On profit-taking, the shares slipped back to Rs. 277-8 at the close. Kesar Sugars changed hands Rs. 2 higher at Rs. 45 and Changdeo Sugars Re. 1 better at Rs. 30. The cement group shared the general depression, with A.C.C. receding from Rs. 169-8 to Rs. 165-8 and Digvijays from Rs. 149-8 to Rs. 147. Orissa Cements were featureless at Rs. 13, while Dalmia Cements gave way from Rs. 14-8 to Rs. 12. Jaipur Udyogs were dull at Rs. 12-0½. In the engineering and mining section, Alcocks were depressed at Rs. 251-4, a drop of Rs. 8-12 over the week. Tata Locomotives were subjected to heavy selling pressure, which pushed them down from Rs. 147 to Rs. 139-8. Premier Constructions were done Rs. 3-12 lower at Rs. 175-4. Jost's Engineerings were Rs. 3 down at Rs. 66. Shivraipurs continued to move down, declining by Rs. 2-12 to Rs. 91-12, during the week. Indian Coppers lost As. 3½ to Rs. 3-5½, as also B.B. Petrols to Rs. 2-8½.

Scindias displayed an erratic trend moving between Rs. 19-7 and Rs. 18-13, before finishing As. 2½ lower over the week at Rs. 18-14. Great Easterns were relatively steady with a fractional rise at Rs. 18-10. Hindustan Motors relapsed from Rs. 7-15 to Rs. 7-7 and Premier Automobiles from Rs. 104 to Rs. 103.

In the miscellaneous group, Bombay Burmahs (Old) declined earlier in the week from Rs. 695 to Rs. 678-2, following the extension of the Employees Provident Fund Act to plantations. The reports from Madras that the State Minister for Labour was having a round of talks with representatives of estates and labour to effect a settlement over the Tribunal's Award lifted the shares to Rs. 699-6. However, this improvement was short-lived and the shares receded to Rs. 681-4 at the close. National Rayons were on offer receding from Rs. 234 to Rs. 227-8. B.I.Cs lost As. 9 to Rs. 7-8 and Tata Chemicals As. 7 to Rs. 15-5, while Tata Oils were unchanged at Rs. 44-8. Wimcos dropped from Rs. 178-2 to Rs. 173-12. Hindustan Levers were steady at Rs. 19-3. Industrial Credit and Investment Corporations had business at Rs. 75-8 and United Motors at Rs. 24-8.

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Calcutta Stock Exchange

CALCUTTA, 20*th February*

Lack of incentives was responsible for this week's decline in the volume of transactions and the marked fall in prices on the Calcutta Stock Exchange. Mr. T. T. Krishnamachari's helpful statement in Madras, wherein he declared that the Plan would not stifle the private sector and that he could not visualise the State at any time being in complete charge of industry and trade, as also his confidence in the country's economy being resilient to raise adequate funds for the Plan either by saving, or taxation, or investment by the people, aided sentiment for a time. However, lethargic conditions soon set in, and the Government of India's announcement that the Securities Contracts (Regulations) Act would come into force on 20th February, made operators reluctant to enter into fresh commitments. Speculative counters naturally looked back, and the heavy liquidation in Tata Steels in Bombay chilled operators' enthusiasm.

Government measures to prevent excessive speculation in industrial securities led operators to think over the future of Calcutta's leading speculative counter, Indian Irons. With the forthcoming rights issue, it was thought that there would be no shortage in these scrips, and this factor would also act as an element against excessive speculation.

Budget fears continued to restrain business, and the delay occurring in New Delhi in the disposal of the pending bonus issue applications was thought as a possible clue to apprehensions that tax on bonus shares would be increased in the same way as the recent raising of the super-tax on dividends. No indications from New Delhi were available as to the way of official thinking on the coal industry's demand for a further increase in coal prices to cover the new burdens which the Appellate Tribunal's award had imposed on collieries. The industry has represented that implementation of the award would raise output cost by Re. 1-12 per ton. Coals were naturally in the doldrums. The increase in jute goods stocks with mills and the rapid fall in prices of goods affected trading in shares of jute mills, while the general apathy led to an extremely quiet trend in the engineering and miscellaneous industrials section.

Coals were paid little attention, and Burrakurs turned quiet at Rs. 21. Talchers fell from Rs. 2-9 to Rs. 2-3, and East Indias from Rs. 27-4 to Rs. 27. Bengals were sought at Rs. 462, as against Rs. 463 previously. Central Indias were unchanged at Rs. 6-3.

Among minings, Indian Coppers shaded off from Rs. 3-8 to Rs. 3-4, but Burma Mines were firm at Rs. 3-12. Sone Valleys moved down from Rs. 7-11 to Rs. 7-6. Shares of paper mills were also affected, Titaghurs sagging from Rs. 38-9 to Rs. 38-2 and Orients from Rs. 33-8 to Rs. 32-6.

Engineering shares were far from lively. Selling pressure continued to depress Indian Irons which recorded a gradual fall from Rs. 28-11 to Rs. 26-15. Texmacos, at Rs. 19-8, were one point lower, and Jessop & Cos. were driven from Rs. 27-6 to Rs. 26-12. Braithwaite & Cos. gathered attention at Rs. 28, as against Rs. 28-6 early in the week and after mid-week fall to Rs. 27-11. Guest Keens had recovered to Rs. 24-7 before being lower at Rs. 24. Kumardhubis were steady at Rs. 9-13.

Teas were this week affected by the general dullness, and Tezpores, at Rs. 20-6, represented a fall by almost a point. Bishnauths recorded a rapid fall from Rs. 21-11 to Rs. 20-13. At Rs. 28-9, Hasimaras were lower by a few annas.

Miscellaneous industrials joined the quiet and featureless trend. B.I. Corporations, at Rs. 7-13, were lower by As. 6. Martin Burns on poor support realised Rs. 23-12, as against Rs. 24-14. Indian Cables at Rs. 29-4 were lighter by nearly two points. After a period of absence, National Rollings attracted support at Rs. 9-15, as against Rs. 10-6 previously.

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Madras Stock Exchange

MADRAS, 19*th February*

Dull conditions prevailed on the Madras Stock Exchange during the week under review. The continued stringency in the money market acted as the chief restraining influence. Even reports of efforts to reach an amicable settlement with regard to the Plantation Labour Award failed to infuse confidence. Transactions, therefore, were few and far between, the general tendency of prices being downward. Textile shares were subjected to selling on fears of fresh taxes and reports of accumulation of stocks at various centres. Planting shares were subdued. Banking and miscellaneous shares were neglected in the absence of buyers.

In the textile section, Radhakrishnas were pushed down by Rs. 10 to Rs. 295. Vasantas dropped a like amount to Rs. 310. Rajalakshmis and B. Woollens fell by Rs. 7 each to Rs. 173 and Rs. 365-8, respectively. Lakshmis receded by Rs. 6 to Rs. 252. Rajapalayams declined by Rs. 2 to Rs. 152. Vijayamohinis and Palani Andavar 'A's shed a rupee each, the former to Rs. 86 and the latter to Rs. 147. Balasubramanias were neglected at Rs. 73, as against Rs. 74 last week-end. Ranga Vilas eased by As. 8 to Rs. 86-8. Cauvery Spinnings lost a like amount to Rs. 12. Pankajas were quiet at Rs. 77, as also Premiers at Rs. 194, R. C. Ambikais at Rs. 262 and Metturs at Rs. 440. Malabar Spinnings, however, met with some buying enquiries and moved up by a rupee to Rs. 109. Coimbatore Spinnings were also favoured As. 8 higher at Rs. 88.

Among tea shares in the planting section, Coonoor Teas receded by As. 8 to Rs. 24-8. Kalasas and Peeranades decreased by As. 6 each to Rs. 14-2 and Rs. 29-2, respectively. Periakaramalais shed As. 3 to Rs. 7-5. Nelliampathys lost an anna to Rs. 3-4. Nilgiris Teas remained quiet at Rs. 9-12, Nonsuch Teas at Rs. 22-12 and Neelamalais at Rs. 6-1. Waterfalls, however, gathered half-an-anna to Rs. 5-8-6. Among rubber shares, Tropicals decreased by As. 10 to Rs. 33. Rajagiris declined by As. 9 to Rs. 21-3. Midlands and Pullangodes eased by As. 2 each to Rs. 18-3 and Rs. 2-11, respectively. Nennemys, on the other hand, had some support and rose by a rupee to Rs. 22-8. Malankaras were bought As. 12 higher at Rs. 30. Coffee shares proved an exception to the general trend and tended to move up, following reports of an all-time record output of coffee in the current season. Consolidated Coffees rallied As. 9 to Rs. 20-12. Coffee Lands were on request, their quotation advancing by As. 4 to Rs. 23-6. Rajendras were firm at Rs. 11-6, as also Mysore Coffees at Rs. 2-14 and Kumergodes at Rs. 6-12 *cum-div.*

In the sugar section, Mysores and Kirlampandis were both done As. 8 lower, the former at Rs. 41-8 and the latter at Rs. 33-12. Travancores eased by As. 3 to Rs. 11-1 and E.I.Ds. by As. 2 to Rs. 28-6. Deccans were a fraction lower at Rs. 11-1. Cauverys were quiet at Rs. 35. United Breweries, however, had some buying enquiries and advanced by Rs. 2 to Rs. 182. Indias were better by As. 2 at Rs. 16-8.

Activity in the miscellaneous section was restricted. Textools came in for selling and dropped Rs. 5 to Rs. 260. India Cements lost As. 8 to Rs. 29-3. F.A.C.Ts declined by As. 2 to Rs. 6-4-6 and Mysore Papers by an anna to Rs. 16-3. Singarenis were quiet at Rs. 10-8, Travancore Cements at Rs. 9-15 and Sen-Raleighs at Rs. 13-6. But Binnys were in request and the value increased by Rs. 2 to Rs. 182.

In the banking section, Indian fully paids and Rs. 75 paids eased by Rs. 2 each to Rs. 198 and Rs. 150, respectively. Indian Overseas declined by As. 8 to Rs. 132. Punjab Nationals were neglected at Rs. 56. Pandyans were stagnant at Rs. 40 *cum-div.* Bank of Mysores, however, elicited some support and gathered As. 8 to Rs. 255-8 *cum-div.* (final).

MARKET GOSSIP

(Concluded from previous page)

provide working capital. The purchase consideration, including the value of current season's crop, is Rs. 20.5 lacs. The estates, which have 890 acres under Arabica and 260 acres under Robusta, have given an average yield of 3.6 cwts. per acre during the past eight years and, with more intensive cultivation, the yield is expected to go up to 4½ cwts. per acre. On a conservative basis, the profit on current year's crop is estimated at Rs. 4.6 lakhs. This is arrived at on a selling price of Rs. 2.6 per pound and an estate expenditure of Rs. 450 per acre. On the basis of a yield of 4.5 cwts. per acre and an estate expenditure of Rs. 500 per acre, the future profits are assessed at an average of Rs. 3.23 lakhs, which will provide enough cover for the interest on the preference shares and debentures and will also give a return of 17.5 per cent. on the ordinary capital. Even after taking into account the amortisation of the debentures and capital expenditure on labour amenities which have to be provided out of this profit margin, the return to ordinary shareholders is expected to be reasonable.

NEWS IN BRIEF

THE Tariff Commission has taken up for investigation the claim of the woodscrew industry for continuance of protection beyond 31st December 1957 and proposes to conduct a public inquiry some time next month.

The trade agreement between India and Indonesia, which was concluded on 30th January 1953, has been extended up to the end of June next. The agreement was last extended up to 31st December 1956. India has a favourable balance of trade with Indonesia.

The 12,970-ton *m.v. Jaglaxmi*, the largest cargo ship to be listed on the Indian registry, built by a Japanese ship-building yard for the Great Eastern Shipping Company, Bombay, was handed over to the latter at Osaka, Japan, on the 14th inst. The ship is fitted with the largest cargo-handling appliances and will be operated by the Company on its overseas tramp service.

A geological and geophysical survey conducted by experts of the Government of India has revealed the possibility of striking oil in parts of Jaisalmer district of Rajasthan. An aero-magnetic survey by foreign experts has strengthened the belief. No drilling operations have been undertaken so far, but tube-wells sunk in the areas, have revealed the presence of shells and hard rock formations, instead of porous sandstone, even at a depth of 1,000 feet.

The Government of India has increased the allotment of ammonium sulphate manure to Andhra State from 95,000 tons in 1956-57 to 150,000 tons in 1957-58. The increased allotment will help the State Government to enhance foodgrains production according to the target laid down in the second Plan. The present production of foodgrains in Andhra is about 5.50 million tons, which is estimated to rise to 7.05 million tons by the end of the second Plan period.

The Neiveli Lignite Corporation proposes to participate in the scheme for the training of foremen and supervisors by opening an institute at the proposed site. Candidates required for the project will be trained for direct absorption at Neiveli. The scheme is to train 50 persons in a four-year course. Similar courses will be started in three centres in the South, namely, Coimbatore, Bangalore and Madras, in co-operation with local industrialists. The facilities offered in these "sandwich" courses will enable the students to learn under actual industrial conditions and to become acquainted with job practices, plant operations, etc., before rather than after graduation.

The erection of the Rs. 85-lakh high voltage insulators factory, set up at Bangalore by the Government of Mysore in collaboration with the N.G.K. firm of Japan, is complete and it will be formally inaugurated by the Prime Minister. The capacity of the factory is 2,500 tons of high voltage insulators per year. With the present equipment and kiln, the factory could manufacture about 400 tons per month, though the target figure is only 210 tons. There are at present six Japanese technicians in charge of production. Under the agreement between the Mysore Government and the Japanese firm, six nominees of the Government are to get training in the manufacture of high tension insulators.

The Government of India has set up a Committee, headed by Mr. B. K. Gokhale, a former Chairman of the Tungabhadra Board, to recommend measures for the development of the inland water transport system. The Committee will examine, among other things, the prospects for increasing and extending the river and canal service. The inclusion of a representative of the Central Water and Power Commission in the Committee suggests that the master plan for development of inland transport service in the country, recently drawn up by the Commission, will be considered by the Committee. It will also suggest steps for effective co-ordination between railways and inland waterways and for appropriate allocation of traffic between the two.

The Government of India has set up a panel of experts, with Dr. S. P. Varma, Development Officer, Ministry of Heavy Industries, as convener, to draw up programmes for the development of the refractory industry, with particular reference to the needs of the iron and steel industry. The requirements of the different types of refractories—fireclay, silica, cement and mortar—are expected to be of the order of one million tons per year by the end of the second Plan period. The actual capacity at present is about 450,000 tons and nearly 70 firms are engaged in the manufacture of different types of refractories in India. Licences have been issued or are proposed to be issued for additional capacity for the manufacture of refractories. This will bring the total actual and projected capacity to 1.15 million tons. The panel will have to consider, among other things, how soon these schemes will materialise.

More than 500 applications have so far been accepted by the National Small Industries Corporation for the supply of 2,000 machines on hire-purchase basis to small industrial units. The hire-purchase scheme, which was started in March 1956, is applicable to small industrial units having an investment not exceeding Rs. 5 lakhs and employing not more than 50 persons, using power, or 100 persons without the use of power. Until 25th January 1957, about Rs. 6.8 lakhs had been received as earnest money from small industrial units desiring to take advantage of the scheme. This amount was in respect of 529 machines, out of which orders had been placed for 442 valued at over Rs. 37.56 lakhs. Nearly 127 machines valued at Rs. 7.26 lakhs have already been delivered under the scheme to small-scale industries. In addition, orders for over 630 machines valued at over Rs. 21.3 lakhs have been placed for keeping machines in stock.

* * * *

From Abroad

Rich nickel and cobalt deposits, estimated at 75.5 million tons, have been found in the Island of Waigeo, north-east of Netherland's New Guinea.

A West German trade delegation, headed by Dr. Werner von Bargen of the Foreign Office, is to visit India, Pakistan, Ceylon and Burma next month for routine trade talks.

A five-day exhibition of Indian textiles was opened on the 20th inst. at Singapore. The show, primarily meant for importers and dealers, is organised by the Cotton Textiles Export Promotion Council of India.

The Institute of London Underwriters has announced reductions—in most cases by 50 per cent.—in war, strike, riot and civil commotion shipping risk rates for voyages to, from or between ports on the Chinese coast.

The East Pakistan Government has announced that the Pakistan Government has not made any decision to nationalise the jute trade. Jute traders were recently worried over reports that the Government would nationalise the jute trade.

Japan is planning to order an atomic reactor from Britain next year. A survey mission will be sent to the U.K. to inquire into the availability of an earthquake-proof reactor and to make preliminary arrangements for a contract to buy atomic fuel.

Saudi Arabia has applied for membership in the I.M.F. and the International Bank for Reconstruction and Development. Five countries, namely, Saudi Arabia, Libya, Tunisia, Sudan and the Gold Coast, are now on the waiting list to join the twin institutions.

The prospects for exporting jute goods to South Africa were discussed at Dundee recently when representatives of jute firms met Mr. Gray, former U.K. Trade Commissioner at Wellington, New Zealand, who is shortly taking up similar duties in Cape Town, South Africa.

The Chinese Academy of Science has set up a geo-physical observatory at Lhasa for observing terrestrial magnetism and earthquakes and for investigating different strata of the Tibetan plateau. The centre will also carry on research in solar energy for which it provides unique facilities.

The scope for Swedish exports to the Soviet Union has been fixed at Kr. 160 million ($31 million) under the Swedish-Soviet trade agreement for 1957 signed in Moscow on the 5th inst. This compares with Kr. 90 million for 1956. The scale of Swedish imports from Soviet Russia has been raised from Kr. 150 million to Kr. 160 million.

British and Japanese officials, who had been negotiating new trade agreements in London, are reported to have reached substantial agreement. Under the proposed arrangements, Japan and the sterling area, of which Britain is the banker, may balance their trade during the new 12-month period at about £300 million each way.

Canada's population increased almost as much in the five years from 1951 to 1956 as in the previous ten years. Canada's population, according to the Dominion Bureau of Statistics, stood at 16.08 million as on 1st June 1956, an increase of two million over the 1951 figure of 14 million. This compares with an increase of 2.5 million in the ten-year period 1941-51.

The U.S. Government and private American industry are experimenting with powdered butter for export to countries where dairy products are in short supply. The powdered butter is a combination of butter and non-fat dry milk, processed under a new formula. The product contains 72 per cent. butterfat, but will remain unspoilt for long periods in tropical climates.

A new chemical called Simazin, tested by the University of Missouri College of Agriculture (U.S.A.), has shown that it can give excellent control over growth of weeds in maize fields when sprayed behind the "planter." Simazin, made by the Geigy Chemical Corporation, is expected to be available in sufficient quantities to meet the United States corn belt demand this year.

The wholesale price index of the Swedish Board of Trade rose by three points to 328 in December, which is just one point below the all-time peak of 329, reached in June 1956, and seven points above the figure for December 1955. The December increase was largely due to higher prices for certain imported raw materials and oil which were passed on to products manufactured locally.

The U.S. Department of Agriculture has reported that employment of factory workers in the United States reached a record high of 51,500,000 during 1956. This is 1,500,000 higher than the previous high set in 1955. There also was increase in employment in every non-manufacturing segment of industry. The figures do not include farm workers, the self-employed, and persons in military service.

Nepal will undertake an exhaustive physical and aero-magnetic survey in search of oil under its first Five-Year Plan. A Swiss firm has also approached the Nepalese Government with proposals for oil prospecting. It is understood that efforts will be made to associate India with the final stages of the project, if the initial survey proves successful. The area for the initial survey will be Eastern Nepal, the belt contiguous to Assam's oil-bearing region.

Most of the Rs. 138.75 crores of foreign exchange earned by Pakistan in 1956 was through exports from East Pakistan. As regards allocation of earnings, out of the total allotment of Rs. 46 crores in the January-June 1956 shipping period, East Pakistan had been allotted Rs. 11 crores for imports, Karachi Rs. 11 crores, West Pakistan Rs. 6 crores and Rs. 18 crores for invisible imports. In the following shipping period, Rs. 14 crores were earmarked for invisible imports, Rs. 12 crores for imports into East Pakistan, Rs. 13 crores for Karachi and Rs. 7 crores for West Pakistan.

PERSONAL

MR. Ellsworth Bunker, U.S. Ambassador-designate to India, has arrived in New Delhi.

Dr. H. Dietmar, Consul-General-designate in Bombay for West Germany, has arrived in Bombay from Duesseldorf.

Mr. Var Kamel, Cambodian Minister in India, has been appointed Ambassador Extraordinary and Plenipotentiary of Cambodia to India.

Mr. Chester Ronning has been appointed High Commissioner for Canada to India in succession to Mr. Escott Reid who will be leaving by about the end of April.

Mr. Purshottam Lal Bhandari has been appointed as Deputy High Commissioner for India in Pakistan, Lahore. He will shortly assume charge of his new post.

Mr. P. C. Malhotra, a member of the Income-tax Appellate Tribunal, has been appointed President of the Tribunal. He took charge of that office on Saturday last.

Mr. Babubhai M. Chinai, a prominent businessman of Bombay, has been unanimously elected President of the Federation of Indian Chambers of Commerce and Industry for the current year.

Dr. H. Hussain Zaheer, President, Association of Scientific Workers of India, Regional Laboratory, Hyderabad, has been appointed a Member of the Panel of Scientists set up by the Planning Commission.

Mr. J. Luckham, the new Managing Director of Dunlop Rubber Co. (India) Ltd., was unanimously elected Chairman of the Association of Rubber Manufacturers in India, *vice* Mr. Cecil Stack, who has resigned.

Mr. E. Parker, Director, Imperial Chemical Industries (India) Private Ltd., has been elected President of the Bombay Chamber of Commerce and Industry, for the year 1957-58. He will take office after the annual general meeting to be held on or about 20th March 1957.

Sir Norman Kipping, Director-General of the Federation of British Industries, will visit India from 15th March to 3rd April. His principal calls will be at Bombay, Calcutta and Delhi, where he hopes to meet ministers, senior Government officials and leading business men.

Mr. N. R. Pillai, I.C.S., Secretary-General, Ministry of External Affairs, has been appointed Chairman of the Board of Directors of the Hindustan Machine Tools (Private) Ltd., Bangalore. Mr. Pillai is also the Chairman of the Hindustan Shipyard. He will hold these posts in addition to his present duties in the External Affairs Ministry.

Mr. William E. Barrat, a British expert in lighthouse equipment, will arrive in India in March on a one-year assignment to advise the Government of India on the installation and testing of lighthouse units, as part of a major programme of lighthouse improvement and modernisation. He will also train installation engineers.

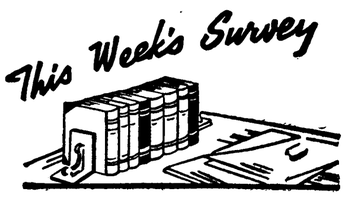
"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 27*th February*

The British Bank Rate

The Bank of England discount rate has been reduced from 6 per cent. to 5 per cent. The last change in the rate was on 20th September last. It was then increased from 4½ to 6 per cent. During the past month there has been a marked increase in proportion of the Bank of England reserves to liabilities, the figures being 35.4 per cent on 22nd January, 39.5 per cent. on 28th January, 38.9 per cent. on 4th February and 42.8 per cent. on 13th February. The enhanced rate has evidently, on the present occasion, caused no surprise in London. On the contrary, the City has been asking itself for some days past why the 6 per cent. rate was still allowed to remain, in spite of the fact that there was no longer any danger of undesirable speculation or other inflationary tendencies, while, at the same time, a fall in the official minimum had become urgently necessary in order to encourage legitimate trade activity. No surprise is expressed at the reduction of the rate; no surprise would have been expressed had it remained unaltered—but in the latter case, the City, we believe, would have been greatly disappointed.



TRAINED PERSONNEL

THE long-range objective of projecting the country on the industrial map of the world, as well as the immediate requirement of the successful implementation of the second Plan, makes training of adequate personnel, technical and administrative, an imperative necessity. An underdeveloped country like India, planning for rapid industrial advancement, has to face many problems. Many seem to gloss over the fact that lack of adequate financial resources is not the only one and that shortage of skilled personnel is an equally serious obstacle in the realisation of its desire. Mr. Jehangir Ghandy, Chairman of the Board of Management Studies of the All-India Council for Technical Education, has, therefore, rightly emphasised the necessity for increasing the supply of trained personnel to cope with the economic development of the country. Addressing a meeting held under the auspices of the Madras Institute of Management, Mr. Ghandy observed that, while the area of agreement on matters of economic policy and objective was pretty wide, considerable doubt existed in many minds whether, in its range and quality, administrative action, in the private and public sectors alike, would prove equal to the responsibilities and challenges contained in the Plan. In fact, as the Plan proceeds, difficult issues are likely to relate less to matters of policy and approach than to questions of administration and organisation.

The Government, it cannot be said, is unaware of the graveness of the problem. In the first Plan, a sum of Rs. 28 crores was allocated for technical and vocational education. Although only 50 per cent. of this could be spent, an increase of 120 per cent. in the outturn of engineering graduates and 160 per cent. in that of diploma holders was achieved by the end of the Plan period. The second Plan has earmarked Rs. 50 crores for technical education. According to the estimates of the Engineering Personnel Committee, even if the whole amount is spent on expansion and development of technical education, as envisaged in the Plan, there will still be a shortage of 1,690 graduate engineers and 5,750 diploma holders. As regards administrative personnel, the demand for them would only grow with economic development.

All this serves to underline the need for increasing the supply of skilled personnel through training and every other method possible. Since the first and the second Plan periods mark only the beginning of a long era of planning in India, it is necessary to take a long-range view of the problem. For, executives and administrators are not made in a day. Nor is management the simple art it used to be. The growth of the size of the organisation, the rise of trade unionism and the growing State participation in industrial undertakings, etc., have made management a profession requiring specialised knowledge and skill. The recent formation of an Industrial Management Cadre by the Government is, therefore, a step in the right direction. So is the proposed Administrative Staff College at Hyderabad and the National Institute of Management, both being non-Governmental institutions. They would turn out to be very useful institutions, if they were run on right lines.

The Joint Committee, appointed by the All-India Council for Technical Education, had recommended that the Staff College should be patterned on the college at Henley-on-Thames, England. But one thing that should not be lost sight of is that, whether the model is Henley or the Harvard Business School of the U.S., the Indian institution should be so designed as to suit the special circumstances of the country. The decision to make this educational institution an autonomous body, functioning as a registered society, completely free from Government control and financed out of voluntary contributions, is quite sound, as it will obviate the necessity of cutting through the vast morass of red-tapism which usually stands in the way of evolving an independent policy. The members of the Society will consist of patrons, who subscribe a minimum sum of Rs. 20,000 a year for five years and ordinary members subscribing Rs. 2,000 a year for five years. The Tata Iron and Steel Company Ltd., true to the best philanthropic traditions of the House of Tatas, has already joined as patron and nine different Tata companies have agreed to become ordinary members. It is to be hoped that all enlightened business men in the country will come forward and share in an undertaking meant to serve the larger national interest of economic development in the best manner.

MORE ON I.F.C. LOANS

Further elucidation of the credit policy of the Industrial Finance Corporation of India was made by the Corporation's Chairman, Mr. K. R. K. Menon, in the course of his reply to the memorandum submitted by the Madurai-Ramnad Chambers of Commerce last week-end. Mr. Menon also disclosed that he had submitted a proposal to the Government of India to approach the capital market with a debenture issue in order to augment the resources of the Corporation. He hoped that the same would be accepted by the Government.

The Corporation's resources, as is well known, are very limited as compared with the demand for credit and further loan operations can be carried out only by raising its resources by more loans from the Government or by the issue of capital to the public. The Corporation is seized of the problem. Its Chairman, however, assured the business men of Madras two weeks back that lack of resources would not stand in the way of the Corporation meeting their genuine demand for financial assistance. There would appear to be a fear among the business men that the I.F.C., being a corporate body depending on subsidies from the Government which was wedded to the policy of developing the public sector, would not be able to render necessary financial assistance to the private sector. Allaying these fears, Mr. Menon said that the Corporation had sanctioned almost all loan applications which conformed to its requirements.

Alluding to the misconception that the Corporation was working with limited funds and was dispersing loans on a rationing basis, Mr. Menon said that, while it was true that the Corporation had only limited funds, at the present moment, as far as could be foreseen, it would be able to meet the likely demands. As long as business men conformed to the terms and conditions stipulated by the Corporation, there would not be any difficulty. The Industrial Finance Corporation in the preamble to its constitution had laid down certain conditions under which loans could be given. The constitution of the Corporation laid down that only in cases where it was impossible to raise necessary funds from the public by way of share capital the Corporation was intended to help. In fact, in many cases, it had given loans even where money could have been raised by other methods. A notable instance in point is provided by the West Coast Paper Mills Ltd. which was given financial assistance by the Corporation even before the Company's capital was issued to the public. Mr. Menon was not, therefore, wrong when he claimed that the I.F.C. has so far taken a broad and generous view in this matter of giving loans.

Referring to the remark that the Corporation owed its existence and resources only to Government subsidies, the I.F.C. Chairman said that, though it was a Government-sponsored organisation, the Corporation had as its shareholders more than 200 to 300 co-operative societies and a number of Scheduled banks; and that the Government had guaranteed these shareholders a minimum dividend. It was true that the advances given by the Government would hardly be sufficient for the Corporation. The Government had, therefore, taken up the question of devising ways and means of augmenting the resources of the Corporation. It was in this connection that the proposal to issue debentures had been forwarded to the Government.

The delay in the disposal of applications for loans is an oft-repeated complaint against the Corporation. The delay in the majority of cases, Mr. Menon said, was due to non-availability of adequate information from the applicants. The formalities in procedure, though some of them were seemingly trivial, were serious ones and the I.F.C. Chairman admitted that, unless there was change in the existing system of law relating to mortgage, etc., it was not possible to make any compromise on them. In order that genuine requirements may not suffer in the meantime, the Corporation has introduced recently the system of giving interim loans.

Another handicap in obtaining loans from the Corporation is the high level of stamp duty on mortgage transactions. In reply to the plea for a reduction in stamp duty, Mr. Menon said that the Corporation took up this matter with various State Governments with a request to them to either exempt all loan transactions of the Corporation from stamp duty or at least reduce it. It is rather disheartening, though not surprising, to hear from Mr. Menon that the response from the State Governments to the Corporation's request is not encouraging. So far only two State Governments, namely, those of the Punjab and Saurashtra, have made liberal concessions and one of them has agreed to reduce the duty by half for a certain period. Other States have refused to budge. That only goes to show how shortsighted they are in their anxiety to gather as much revenue as possible. They do not seem to have realised that the more industries a State had the more prosperous it would be and the revenues of the Government concerned would be greater.

SMALL-SCALE INDUSTRIES

The development of cottage and small-scale industries would be greatly accelerated in the coming years if the series of recommendations made by the First Inter-State Seminar, held at Rajgir a few days ago, were implemented successfully. One of the decisions taken at this seminar was that the National Extension Service block headquarters should be developed as centres of industrial progress from where the common services "can radiate to the surrounding areas." Accordingly, one of the vital considerations governing the location of block headquarters should in future relate to the possibilities of developing industries in that place.

While the above suggestion is interesting, much will depend on the quality of persons who are actually entrusted with the task of carrying out the scheme. It is this factor which imparts urgency to the need for expanding facilities for training personnel. The Rajgir seminar did well, therefore, to urge the adoption of a quicker method of assessing the requirements of trained personnel. It recommended that case studies in different industries should be undertaken by investigation teams, with a view to linking the demand for trained personnel with the production targets and financial outlay on the basis of studies made by the Engineering Personnel Committee. The seminar noted that the training-*cum*-production centres had not been very effective so far and stressed the necessity for a more intensive programme, especially for advanced trades like carpentry, blacksmithy and leather works. It also suggested the establishment of a few well-equipped central training institutions in each State, in order to train people in various crafts and trades. Until, however, such institutions are established, the existing facilities must be co-ordinated under the supervision of one authority.

Besides trained personnel, provision of adequate financial assistance will also influence the progress of the development programme for cottage and small-scale industries. This aspect was fully recognised by the seminar which urged the State Governments to follow a bold policy of giving loans on a liberal basis to small artisans. It was suggested that assistance might be given to industrial co-operative societies, as in the case of weavers' societies, by way of interest-free share capital, subsidy for employment of technical staff, and grants for emporia and housing colonies. In this connection, the seminar recommended that the industrial co-operatives should, as a rule, be crafts-wise, even though a society might cover a wide area. In exceptional cases, however, where organisation of craft-wise societies was difficult, individual craftsmen should be enrolled as members of multi-purpose co-operative societies and helped with credit. Further, marketing federations must be organised separately for such products of cottage and small-scale industries as can be marketed over wide areas. With regard to the development of marketing organisations for products of cottage industries in project areas, the seminar favoured the marketing of all such products through one depot or emporium wherever located. Such a course, it was pointed out, would lead not only to economy in running the depot but also to increased sales.

Considering the vital place which the cottage and small-scale industries occupy in the country's economic set-up, the need for developing them on the lines suggested by the Rajgir seminar is, indeed, imperative. It must, however, be emphasised that, while implementing the scheme of development, utmost attention must be paid to the aspects relating to quality and price of products manufactured by these industries. For the progress of a cottage or small-scale industry, just as that of the large-scale industry, will be judged not by the increase in output recorded but by the extent to which the industry is in a position to produce quality goods at an economic cost.

BOMBAY PORT TRUST

The budgetary position of the Bombay Port Trust would appear to have suffered a slight setback of late. The sizable surplus of Rs. 1.41 crores revealed in the revised budget estimates for the current year (1956-57) is expected to be reduced to Rs. 98 lakhs next year (1957-58). The reduction in surplus is attributed solely to a decline in receipts (general), the budget estimate for 1957-58 being Rs. 10.38 crores, as against Rs. 10.82 crores for 1956-57. The estimate of total expenditure is also placed slightly lower at Rs. 9.40 crores, as against Rs. 9.41 crores.

The anticipated fall of Rs. 44 lakhs under revenue receipts in the coming year is somewhat surprising, considering the improvement in traffic handled by the Port and the revenue of as much as Rs. 84 lakhs accruing from the continuance of the 33⅓ per cent. surcharge. The volume of trade that is expected to pass through the Bombay Port during 1957-58 is put at 11.6 million tons, an increase of 400,000 tons as compared with that in the current year. The increase would have been more marked but for the fall of 200,000 tons to 1.5 million tons in exports from the Bunders and the exports from the Docks not showing any change from the level of 1.8 million tons maintained in 1956-57. The aggregate volume of imports, however, is estimated substantially higher at 8.3 million tons, as against 7.7 million tons. The expansion is accounted for entirely by the improvement of 800,000 tons to 3.7 million tons in imports into Docks, while those into Bunders are expected to decline by 200,000 tons to 4.6 million tons.

The revenue estimate for the ensuing year has been framed on the assumption that the surcharge of 33⅓ per cent. will continue. The total revenue from this source is put at Rs. 84 lakhs, which is, of course, lower by over Rs. 10 lakhs as compared with the revised estimate for 1956-57. The fall is due to the decrease in wharfage and demurrage fees. But for the sizable surcharge, the surplus on revenue account will be about Rs. 14 lakhs only, instead of Rs. 98 lakhs.

The finances of the Bombay Port Trust are quite sound on the whole. The closing balance of the reserve funds of the Port Trust as on 31st March 1957 is estimated at Rs. 12.22 crores, as against the opening balance of Rs. 11.09 crores. Thanks to the strong reserve position thus, the authorities have been able to meet the capital expenditure (other than that on the marine oil terminal works) out of their own resources without asking for any loan from the Government. The total of expenditure in 1957-58 is estimated at Rs. 2.89 crores, as against Rs. 1.54 crores in 1956-57. Consequent on the increased provision made in the capital budget, the closing balance of reserve funds at the end of next year is placed lower at Rs. 10.13 crores. The outlay on the marine oil terminal works amounts to Rs. 1.01 crores and Rs. 86 lakhs in the current and the coming year, respectively; the whole of this outlay will be met, as before by Government loans.

The capital programme of the Bombay Port Trust for the coming year envisages improvement of dock facilities—Prince's, Victoria, Merewether, Alexandra and Hughes Docks—expansion of Port Trust railway and depots, construction of quarters for the staff, and building of a hospital for Port Trust staff. Special importance is attached to the construction of houses for officers, as well as for non-scheduled, clerical and other staff. As much as Rs. 57 lakhs are proposed to be spent under this head. Special importance is also given to the purchase of diesel hydraulic locomotives, tugs, (including diesel tugs), dredgers, barges, mobile diesel cranes, diesel mooring launches, portable diesel-driven welding plants for boilershop, anchor boats, boring and drilling machines, and machinery for machine and carpenter shops.

INDUSTRIAL BOMBAY

With the formation of the enlarged Bombay State, its mineral, forest and other wealth has increased. Vidarbha, for instance, provides rich forests, besides manganese ore and iron ore. Saurashtra and Kutch have large deposits of limestone. Along with these new potentialities have also grown the responsibilities of the State, for the newly merged areas are comparatively less developed industrially than the pre-reorganisation Bombay.

The importance of tapping the industrial potentialities of the new State in order to build up the prosperity of the nation was stressed by Mr. V. K. Sathe, Minister for Industries and Civil Supplies, Bombay, in the course of his inaugural address to the second quarterly meeting of the Association of Indian Industries, held in Bombay on the 15th inst. In the industrial progress of the State, industrial organisations such as the one he was addressing, have a very constructive role to play with their experience in various industrial lines, trade contacts, etc. The services of these organisations are nowhere more important than in developing, as the Minister stated, various industries, such as cotton ginning, textiles, cottonseed crushing, oilseed crushing and others. For this, an encouraging factor is the availability of increased supplies of cotton and groundnut. Mr. Sathe disclosed that, following reorganisation of the State, the *per capita* availability of the former has increased from 13.7 lbs. to 18.4 lbs. and that of the latter from 40 lbs. to 59 lbs. Through these factors, it should be possible to provide non-agricultural vocation to the rural population and to restore the extent of urbanisation to that prevailing before the new set-up, namely, 31 per cent. from 28 per cent., the level to which it has fallen on account of adding new areas to the State.

Referring to the small-scale industries, the Minister expressed the view that there was wide scope for development in that field. Industrialists can play a large part in the production of consumer goods, spare parts and intermediate goods required by large industries, railway equipment, etc., on a small-scale basis. He stressed the point that, unless industrialists came forward in those ventures, the development of small-scale industries would not take place at a sufficiently rapid pace. There is much force in the opinion held by Mr. Sathe that the small-scale industries can enjoy central facilities and those of large scale organisations through formation of co-operative societies or similar organisations. Such organisations will also enable them to produce quality goods and to face competition. He expressed the hope that the Association of Indian Industries would render all possible assistance to bring about effective forms of organisation to foster the development of small-scale and cottage industries.

Mr. Sathe appealed to the industrialists to regard it as their duty to help the country tide over the present difficult balance of payments position, first, by putting to use all indigenously available resources and, secondly, by promoting exports. In this connection, he made a pertinent suggestion when he said that, as far as possible, the exports of semi-finished or finished products rather than exports of raw materials should be encouraged. Mr. Sathe was also hopeful that, following the expanding network of electricity supply in the State, more and more advantage would be taken by businessmen to establish industries away from the already congested areas. Through such organised decentralisation, many of the problems facing the industrial cities can be conveniently avoided.



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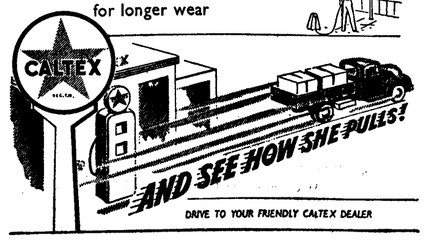

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RAILWAY FARES AND FREIGHTS TO BE RAISED?

WORLD BANK MISSION TO STUDY PORT DEVELOPMENT PROGRAMME

From Our Special Correspondent

NEW DELHI, 20*th February*

DELHI LETTER

WILL railway fares and freight rates be raised in the coming year? This question has evoked considerable speculation in the past few days. The clue to these speculations is provided by a recent candid statement of the Union Finance Minister at Madras, that he had a "quarrel" with the Railway Ministry, because it did not adequately discharge its responsibility in keeping up rates proportionately with the increased cost in other directions. If only the Railway Ministry had raised the rates for the service as and when it became proper and necessary to do so, it would not, he declared, now be complaining of lack of money for development. Indeed, the Finance Minister revealed that "anyway, something is being done now in that direction."

While the Finance Minister's hint is taken as a clear indication of a possible increase in railway fares and freight rates, the actual timing of such announcement will undoubtedly be delayed till the presentation of the full Railway budget for 1957-58 in May, that is, after the new Parliament assembles. Further, the Railway Freights Enquiry Committee, under the chairmanship of Mr. A. Ramaswamy Mudaliar, has still not completed its findings which are expected to be finalised in about two months. Surely, the Railway Minister will not be so rash as not to wait for the proposals of this Committee. All that the Minister will do at the ensuing final session of Parliament—due to commence on the 18th of next month—is, therefore, to present the general finances and working results of the railways for the current year, asking Parliament merely to vote on account.

Several arguments nave been advanced in support of an upward revision in railway fares and freights. The chief argument stems from the observation of the World Bank Mission in its report on the second Five-year Plan which said: " . . . the provision made for depreciation in the past has been quite inadequate to meet replacement needs in full and we feel that the railways ought to be financing a much larger proportion of their current development programme out of their own resources." The case for higher railway fares is also made to rest on considerations of enhanced operating expenses, following the recent Appellate Tribunal's award for colliery labour and the implementation of the new deal for non-gazetted railwaymen at an additional cost of about Rs. 5 crores per annum.

Port Development

Due to arrive in India next month is a mission from the World Bank which will study the programme of development drawn up for ports in India under the second Five-year Plan. The Planning Commission has accorded a high priority for development of major ports, the aggregate outlay on which is put at as much as Rs. 76 crores. While examining the port development scheme, the World Bank Mission will determine the extent to which the Bank will have to assist India in meeting the amount of foreign exchange required for implementing the scheme successfully. The mission's study will be based largely on the details of the scheme now being worked out by the Union Ministry of Transport. The Ministry, it is reported, is trying to strike "a better balance" between expansion of facilities such as those for berthing, on the one hand, and provision of modern equipment for handling at ports, on the other.

In the development programme for ports drawn up in the second Five-year Plan, the Port of Bombay has been given a prominent place. Thus, out of the total outlay of Rs. 76 crores, this port accounts for more than 38 per cent., its actual share being Rs. 29.3 crores; the ports of Calcutta, Kandla, Madras and Cochin account for Rs. 19.9 crores, Rs. 14.0 crores, Rs. 9.2 crores and Rs. 4.0 crores, respectively. The importance attached to Bombay Port is only as it should be, considering that this port handles a large portion of India's foreign trade. The aggregate volume of imports and exports passing through this port comes on an average to as much as 43,000-47,000 tons per day or 16-17 million tons per annum, which is expected to rise substantially in the coming years.

Economy in Cement Use

An "economy-in-cement-use" campaign is expected to be launched by the Government of India. Mr. Morarji Desai, Minister for Commerce and Industry, is understood to have already written to the State Chief Ministers asking the latter to make concerted efforts to economise the use of cement. The move is a sequel partly to the yawning gap that now exists between the current rate of output—about 5 million tons—and the actual requirements—estimated at 14 million tons—and partly to the complete stoppage of imports with effect from January last necessitated by foreign exchange difficulties.

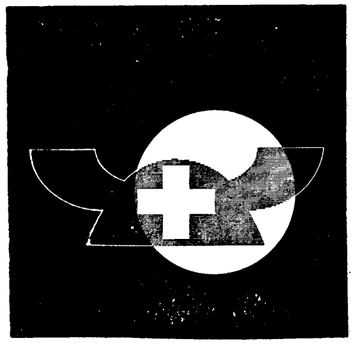
Meanwhile, the Railway Ministry is reported to be considering the feasibility of depending on lime mortar and other alternatives as far as construction of buildings is concerned. The Central Water and Power Commission is also examining the recommendation of the 14th Seminar of irrigation and Power Engineers, held at Hirakud last month, that lime mortar and lime *pozzolana* can be used in construction work in river valley projects, provided the structures are not above certain specific heights and are only for certain types of functions. It may be interesting to note here that the cement requirements of the Irrigation and Power Ministry alone are estimated at 2 million tons per annum.

Purchase of Liberty Ships

Nothing concrete seems to have emerged from India's efforts at getting 12 Liberty ships for its coastal trade from the U.S. reserve fleet, Mr. S. K. Ghose, Deputy Secretary to the Union Transport Ministry, has just returned from the U.S. after discussing this question with U.S. officials. The Liberty ships are part of the U.S. "moth-ball" fleet and can be sold only by a special Act of the U.S. Congress. The U.S. Government may be willing to oblige India, but the U.S. Congress is a harder nut to crack. Many Congressmen are critical of selling ships from their reserve fleet to countries which hob-nob with the Communist world, as ships are rated highly as tools of strategic importance. Even otherwise, it takes a long time for the U.S. Congress to come to a decision on subjects of economic aid of any kind. And no move has yet been made by the Administration to secure Congressional permission. Incidentally, India is not the ony country which is interested in buying U.S. Liberty ships; several other countries are also interested, their total demand being put at 200 ships.

Advances Against Rice and Paddy

Genuine traders in rice and paddy are greatly disappointed at the restrictions on bank advances announced by the Reserve Bank last week aimed at checking the rise in prices, a part of which is attributed to hoarding and other anti-social activities indulged in by speculative elements. The restrictions are: (1) a cut of 25 per cent. in the total advance of banks against rice and paddy as compared with the levels a year ago; (2) an increase of 10 per cent. in the margin to be maintained by a buyer against such advances, provided that the margin so increased shall not be less than 35 per cent. of the value of commodities. The credit squeeze will, it is feared, lead to considerable hardship to genuine traders in rice and paddy who are already keeenly feeling the impact of stringency of money. The traders no doubt admit that a section of the mercantile community indulges in hoarding activities, but points out that that is not the major factor responsible for pushing up the prices of rice and paddy. The real cause for the rise in price is, in their opinion, inadequacy of supplies. It is, therefore, felt that, if the prices of rice and paddy are to be maintained at a reasonable level, it can be done more effectively not by negative measures such as credit squeeze but by adoption of energetic steps to ensure adequate and regular supplies. It is further pointed out that credit restrictions on paddy and rice adversely affect the genuine traders more than the speculative-minded ones who invariably manage to find sufficient funds outside the banking system to finance their activities. They, therefore, drive the trade in these commodities into undesirable hands and thereby add to the hardships of consumers.



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THE UNION BANK OF INDIA, LIMITED

(REGISTERED 11TH NOVEMBER, 1919)

Balance Sheet as at 31st December, 1956.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 20,00,000 Shares of Rs. 5 each	1,00,00,000 0 0	
ISSUED, SUBSCRIBED AND PAID-UP— 8,00,000 Shares of Rs. 5 each, Fully Paid-up		40,00,000 0 0
		37,50,000 0 0
2. Reserve Fund and Other Reserves		
3. Deposits and Other Accounts—		
Short and Fixed Deposits and 3 Year Cash Certificates	3,09,05,364 1 10	
Savings Bank Deposits	77,97,700 2 9	
Current Accounts, Contingency Accounts, etc.	9,36,42,293 12 0	13,23,45,358 0 7
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	Nil	
(ii) Outside India	Nil	Nil
PARTICULARS		
(i) Secured	Nil	
(ii) Unsecured	Nil	Nil
5. Bills Payable		4,21,951 5 6
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	63,02,635 9 4	
(ii) Payable outside India	64,46,713 2 11	1,27,49,348 12 3
		11,18,478 0 2
7. Other Liabilities		5,23,20,334 3 6
8. Acceptances, Endorsements and Other Obligations per contra		
9. Profit and Loss Account—		
Balance as per Balance Sheet as at 31st December, 1955	4,96,238 0 5	
LESS—Dividend at Annas six per share for the year ended 31st December, 1955	3,00,000 0 0	
Balance brought forward	1,96,238 0 5	
Profit for the year ended 31st December, 1956, brought from the Profit and Loss Account	11,14,549 0 4	
	13,10,787 0 9	
LESS	Rs. a. p.	
Amount transferred to Reserve Fund	2,50,000 0 0	
Amount transferred to Contingency Account	Nil	
Amount transferred to Investment Account	1,25,000 0 0	
Amount set apart towards payment of Taxation	2,25,000 0 0	
Amount provided for Bonus to Staff	1,80,000 0 0	
Amount written off Premises Account	Nil	
	7,80,000 0 0	5,30,787 0 9
10. Contingent Liabilities—	Rs. a. p.	
(a) On Investments in Shares of Joint Stock Companies	1,02,925 0 0	
(b) Claim against the Banking Company not acknowledged as debts	15,000 0 0	
(c) Money for which the Banking Company is contingently liable	Nil	
(d) Liability on account of outstanding Forward Exchange Contracts	2,89,24,707 6 10	
(e) Liability on Bills of Exchange re-discounted	Nil	
Total .. Rs.		20,72,36,257 6 9

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)		1,55,61,059 1 6
2. Balances with Other Banks in Current Account—		
(i) In India	10,29,904 10 6	
(ii) Outside India	9,73,635 12 11	20,03,540 7 5
		1,01,397 15 0
3. Money at Call and Short Notice		
4. Investments (at or under Market Value)—		
(i) Securities of the Central and State Governments and other Trustee Securities		3,35,44,225 4 10
(ii) Shares—	Rs. a. p.	
(a) Preference Shares Fully Paid	20,300 0 0	
Preference Shares Partly Paid	1,53,800 0 0	1,74,100 0 0
(b) Ordinary Shares Fully Paid	11,21,053 13 4	
Ordinary Shares Partly Paid	12,611 0 0	11,34,264 13 4
(c) Deferred Shares Fully Paid		16,871 5 0
(iii) Debentures		Nil
(iv) Other Investments		Nil
(v) Gold		
(Part of Investments lodged with other Banks for borrowing and other arrangements)		3,48,69,461 7 2
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(I) Loans, Cash Credits, Overdrafts, etc.	Rs. a. p.	
(i) In India	5,65,68,969 15 5	
(ii) Outside India	415 2 7	5,65,69,385 2 0
(II) Bills Discounted and Purchased—		
(i) Payable in India	2,24,49,882 2 11	
(ii) Payable outside India	80,32,438 2 4	3,04,82,320 5 3
(Particulars of Advances as per separate Schedule attached)		8,70,51,705 7 3
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India		63,02,635 9 4
(ii) Payable outside India		64,46,713 2 11
		1,27,49,348 12 3
7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra		5,23,20,334 3 6
8. Premises Less Depreciation—	Old Premises Rs. a. p.	New Premises Rs. a. p.
At Cost	17,30,771 9 0	9,12,252 7 9
LESS—Written off as per capital reduction scheme sanctioned by the High Court on 24-3-1926	10,00,000 0 0	Nil
	7,30,771 9 0	9,12,252 7 9
Additions during the year	Nil	2,03,655 4 0
	7,30,771 9 0	11,15,907 11 9
Deductions during the year		Nil
	7,30,771 9 0	11,15,907 11 9
LESS—Total amount written off for depreciation	6,12,010 8 6	75,000 0 0
	1,18,761 0 6	10,40,907 11 9
		11,59,668 12 3
NOTE:—Depreciation for the year on Premises has not been provided for.		
9. Safe Deposit Vaults, Furniture and Fixtures Less Depreciation—	Rs. a. p.	
Safe Deposit Vaults	4,88,964 14 11	
Additions during the year	5,687 8 0	
	4,94,652 6 11	
Deductions during the year	Nil	
	4,94,652 6 11	
LESS—Total amount written off for depreciation	1,33,307 4 3	3,61,345 2 8
Office Furniture and Fittings	6,54,697 6 1	
Additions during the year	1,99,677 10 3	
	8,54,375 0 4	
Deductions during the year	2,286 5 6	
	8,52,088 10 10	
LESS—Total amount written off for depreciation	2,39,748 4 10	6,12,340 6 0
		9,73,685 8 8
10. Other Assets—		
(i) Interest accrued on Investments		2,81,125 5 6
(ii) Stock of Printing		1,55,510 0 9
(iii) Stamps and Library		9,420 5 6
		4,46,055 11 9
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		20,72,36,257 6 9

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) Attached to and forming part of the Balance Sheet as at 31st December, 1956.

	Loans, Cash Credits, Overdrafts, etc.	Bills Discounted and Purchased	Total Advances
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	4,42,99,981 7 11	2,39,81,533 0 4	6,82,81,514 8 3
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	76,31,630 14 0	16,25,967 2 3	92,57,598 0 3
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	46,37,772 12 1	48,74,820 2 8	95,12,592 14 9
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nl
Total .. Rs.	5,65,69,385 2 0	3,04,82,320 5 3	8,70,51,705 7 3

	Loans, Cash Credits, Overdrafts, etc.	Bills Discounted and Purchased	Total Advances
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	4,22,646 6 8	Nil	4,22,646 6 8
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	10,23,128 3 5	Nil	10,23,128 3 5
	12,077 5 10	Nil	12,077 5 10
(ix) Due from Banking Companies			

Profit and Loss Account for the year ended 31st December, 1956.

EXPENDITURE	Rs. a. p.	Rs. a. p.
		24,65,426 13 7
1. Interest paid on Deposits, Borrowings, etc.		
2. Salaries and Allowances and Provident Fund—	Rs. a. p.	
(i) To the General Manager	41,745 4 0	
(ii) To the Staff	16,51,184 7 4	
		16,92,929 11 4
3. Directors' and Local Committee Members' Fees and Allowances		13,445 0 0
4. Rent, Taxes, Insurance, Lighting, etc.		2,69,910 2 10
5. Law Charges		1,542 0 0
6. Postage, Telegrams and Stamps		69,293 1 2
7. Auditors' Fees		5,450 0 0
8. Depreciation on and Repairs to the Banking Company's Property		55,498 14 9
9. Stationery, Printing, Advertisement, etc.		[3,32,502 13 0
10. Loss from Sale of or Dealing with Non-Banking Assets		Nil
11. Other Expenditure		2,34,221 7 6
12. Balance of Profit (subject to Taxation)		11,14,549 0 4
Total .. Rs.		62,54,769 0 6

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	48,34,829 4 5
2. Commission Exchange and Brokerage	9,96,042 15 7
3. Rents on Building	1,08,364 4 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	99,506 7 0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	2,15,806 1 6
Total .. Rs.	62,54,769 0 6

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Union Bank of India, Limited, as at 31st December 1956, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the audited Returns of Kalbadevi, Abdul Rehman Street, Mandvi, Bhat Bazar, Princess Street, Rajkot and Surat Branches and the unaudited Returns from eleven other Branches, not visited by us for the purposes of this Report.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be, and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, 15th February, 1957.

J. B. NANAVUTY,
Chief Accountant.

D. A. BIJOOR,
Secretary.

F. K. F. NARIMAN,
General Manager.

LACHHMANDAS H. DAGA
K. R. P. SHROFF
BEHRAM N. KARANJIA
DEVJI RATTANSEY
DEBI PRASAD GOENKA
BALKRISHNA HARIVALLABHDAS
JAL HORMUSJI MEHTA
RATILAL NATHALAL
} Directors.

REGULATION OF MONEY-LENDING

CAUSE OF FAILURE—ABSENCE OF ALTERNATIVE SOURCE OF FINANCE

MONEY-LENDERS in India are a very ingenious lot. From time immemorial, they have played a vital part in the economy of the country and secured a place for themselves in the social fabric. According to the Rural Credit Survey, the latest authoritative publication on the subject, professional and agriculturist money-lenders together accounted for no less than 69.7 per cent. of the total requirements of the cultivators in 1951-52. A combination of forces has helped to create this intolerable state of affairs. While the needs of the small agriculturists for credit increased rapidly for various reasons, scant attention had been paid by the State to meet them either through institutional arrangements or otherwise. No less important has been the inveterate habit of the people of playing ducks and drakes with their income, of living beyond their means and, in the end, playing into the hands of the professional money-lenders. Thus, to a considerable extent, the causes of agricultural indebtedness could be traced to customs, habit, and system of values prevailing in rural areas. In a society, where family respectability depends on the level of expenditure incurred on social occasions and ceremonies, the state of bankruptcy is easily reached. The glaring fact that, on an average, family expenditure constitutes a large proportion to the total expenditure is substantiated by the Rural Credit Survey. According to the Survey, of the five main purposes of borrowing, namely, capital expenditure on farms, current expenditure on farms, non-farm business expenditure, family expenditure and other expenditure, more than 50 per cent. is accounted for by family expenditure and only 28 per cent. by the first category. This is only an all-India average picture; and an examination of corresponding figures for various districts clearly brings out the overwhelming nature of family expenditure. No wonder, then, that the conditions are such as to enable not only the professional money-lenders to thrive but also to encourage new entrants to the profession.

Increase in Indebtedness

The growth of money-lenders, the fast increase in agricultural indebtedness, the legislative enactments that have been passed from time to time to control money-lending and to protect the borrowers, and the failure of the legislation to produce the desired results, are some of the aspects objectively discussed in a recent publication, entitled *Agricultural Legislation in India. Vol.* 1, *Regulation of Money-lending*, issued by the Economic and Statistical Adviser, Ministry of Food and Agriculture, Government of India. Various factors, such as the increase in population, decay of indigenous crafts, the system of land tenures and the consequent commercialisation of agriculture, helped to create conditions in the beginning of the present century which were conducive to the exploitation of the ordinary small cultivator by the money-lenders. The persistence of these conditions in a more pronounced form is reflected in the stupendous increase in estimated agricultural indebtedness from Rs. 300 crores in 1911 to Rs. 1,800 crores in 1937. A good part of it is believed to have been liquidated by the war-time and post-war inflation. The All-India Rural Credit Survey places the total borrowings of the agriculturists as at the end of 1951-52 at Rs. 750 crores, of which, as already stated, no less than 69.7 per cent. was supplied by the professional and agriculturist money-lenders. As compared with this, the Government and the co-operatives together had been able to supply only 6.4 per cent. of the total requirements. When seen purposewise, these two classes of money-lenders supplied in the shape of both long-term and short-term credit about 71 per cent. of the loans needed for agricultural purposes, about 78 per cent. for non-agricultural purposes, as much as 76 per cent. for consumption purposes and 80 per cent. of the borrowings intended for the purpose of old debts and other purposes.

Thus, as stated by the Agricultural Finance Sub-Committee (1944), the main characteristics of the rural debt in India are four: First, the repayment of old debts is an important factor in the contraction of new debt; secondly, social and ceremonial expenditure is seen to be responsible for a considerable proportion of the total burden of debt; thirdly, purely consumer needs and distress circumstances are seen to assume an important role in adding to the total burden of debt, and, lastly, the debt contracted on development account generally forms a very insignificant proportion of the total.

Enactments

Since 1879, when the Deccan Agriculturists Relief Act was introduced, a number of enactments have been passed with a view to regulating the business of private money-lending. There are two basic objectives underlying the various legislative enactments. In the first place, it was designed to bring about an improvement in the terms on which private credit was available to the agriculturists and place legal restrictions on the unreasonable extractions of the money-lender. Provision such as licensing and/or registration of money-lenders, fixation of maximum rates of interest and maintenance of accounts by money-lenders, and grant of regular receipts were designed to achieve this aim. The second object was to enable the civil courts to do greater justice as between the lenders and the borrowers than was possible, in the prevailing circumstances, under the ordinary Code of Civil Procedure, through such provisions as (i) the empowering of the courts to "reopen" the closed transactions, (ii) protection of certain forms of assets from attachment in execution of decrees, and (iii) the empowering of the courts to direct payment of decretal amount by instalments, etc.

Despite these well designed provisions incorporated in the Acts, in actual practice, they failed to produce any noteworthy results. Some of the reasons may be cited here. In the first place, all the Acts are not equally comprehensive. For example, the Madras Debtors' Protection Act, and the Assam and Coorg Money-lenders Acts do not provide for licensing or regulation of creditors. Secondly, the scope of the Acts is not uniform. To cite a few examples, the Bengal Act excludes all commercial loans; the definition of a loan under the Madras Debtors' Protection Act does not include an advance made by a landlord to his tenants, by a lessor to his lessee, or by a partner in cultivation or co-sharer to another. Again, the maximum rates of interest permitted under the Acts show great variation from State to State. The Bihar Money-lenders Act, for instance, prescribes a simple interest rate of 9 per cent. per annum on secured loan and 12 per cent. on unsecured loans, while compound interest is prohibited. The M.P. Usurious Loans Act, to take another example, stipulates 12 per cent. and 18 per cent. simple interest per annum on secured and unsecured loans, respectively. In Hyderabad, the corresponding rates are fixed at 6 per cent. and 9 per cent., respectively, and in Madras at 6¼ per cent. for both types of loans.

Administrative Machinery

Despite these lacunæ, however, some progress would have been possible had there been any adequate machinery in any of the States for the specific purpose of ensuring an effective implementation of the provisions of the Acts. The absence of any such machinery solely devoted to the administration of money-lending legislation is the most serious of the drawbacks. Just a few examples would suffice to indicate the scant attention that has been paid to this very important aspect. Though registration of money-lenders is the simplest of the responsilities placed on the State by the various enactments, hardly any adequate arrangements have been made in any State to supervise the activities of the registered money-lenders or to check surreptitious money-lending by the unregistered lenders. Though, again, the Bombay Money-lenders Act, 1946, provides for the verification of the business of money-lending in order to see whether it is carried on according to the provisions of the Act, and the Registrar or the Assistant Registrar has been empowered to enforce the provisions, in practice it is found to be of little practical value. In a large number of States, the Courts cannot secure the observance of the provisions of the Acts, unless disputes between creditors and debtors come up for judgment before them. This is unlikely to happen, for the simple reason that, "because of the inadequacy of the supervising machinery, absence of an alternate source of credit and the compelling nature of borrowers' requirements, the money-lenders are able, without much difficulty, to

(*Continued on page* 399)

UNION BANK'S BUSINESS EXPANDS SIZABLY

PROFIT ONLY SLIGHTLY HIGHER

THE audited accounts of the Union Bank of India Ltd. (General Manager: Mr. F. K. F. Nariman, Bombay) for the year ended 31st December 1956 fully reflect the rising tempo of economic activity in the country during the past year and the banking sector's contribution to such expansion. Thus, the Bank s deposits at the end of the year show an increase of Rs. 4.12 crores over the year and a rise of Rs. 3.20 crores in its advances. The expansion of business, no doubt, resulted in higher earnings, but a substantial part of the gain was offset by larger outgo by way of interest and expenses, as will be shown presently, with the result that the profit at Rs. 11.55 lakhs shows a rise of only Rs. 1.70 lakhs.

Though the Bank's profit has followed the upward trend for the second year in succession, the rise of Rs. 1.70 lakhs in 1956 is considerably less than that of Rs. 2.69 lakhs noted in the previous year, when the profit had risen from Rs. 6.76 lakhs to Rs. 9.45 lakhs. In other words, the rise in earnings is not quite proportionate to the expansion in business, but this was due to factors over which the Bank had no control. Nevertheless, it will be refreshing to note that the profit for the year under review is a fresh record in the history of the Bank.

Out of the profit, the Directors have transferred to the reserve fund, under section 17 of the Banking Companies Act, 1949, a sum of Rs. 2.50 lakhs, as against Rs. 2 lakhs set aside last year, while no allocation has been made to contingency account and to write off premises, for which purposes Rs. 50,000 and Rs. 75,000, respectively, were utilised a year ago. However, a sum of Rs. 1.25 lakhs has been provided for investment account, as against nil. The provision for taxation has been raised from Rs. 1.75 lakhs to Rs. 2.25 lakhs. The dividend has also been stepped up to 8¾ per cent. from 7½ per cent. paid for 1955, to which level it had been raised from 6¾ per cent. paid for the preceding four years.

The following table provides a broad idea of the Bank's progress in the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Gross income	62.55	40.53	31.07	27.00
Interest and discount	48.35	31.52	26.74	24.55
Exchange and commission	9.98	6.21	1.97	1.02
Interest paid	24.65	14.08	12.14	10.32
Expenses	26.20	16.57	12.00	9.61
Depreciation	0.55	0.43	0.17	0.22
Profit	11.15	9.45	6.76	6.79
Appropriations—				
Taxation	2.25	1.75	1.15	1.00
Reserves	2.50	2.50	2.00	2.00
Bonus to staff	1.80	1.25	0.90	0.80
Premises written off				0.50
Investment account	1.25	0.75	..	
Dividend	3.50	3.00	2.75	2.75
	(8¾%)	(7½%)	(6¾%)	(6¾%)
Carry forward	1.81	1.96	1.76	1.80
	As on 31st December			
	1956	1955	1954	1953
Capital	40.00	40.00	40.00	40.00
Reserves	37.50	35.00	33.00	31.50
Deposits	13,23.45	9,10.74	5,88.66	5,78.00
Borrowings from banks			40.00	14.50
Advances	8,70.52	5,50.26	3,33.75	3,06.24
Investments	3,48.69	2,94.60	2,34.31	2,80.76
Cash	1,76.76	1,40.42	74.38	72.46
Balance-sheet total	20,72.36	13,05.01	7,95.61	7,01.32
Ratio to deposits of—	%	%	%	%
Advances	65.8	60.4	65.2	54.7
Investments	26.3	32.4	34.5*	47.0*
Cash	13.3	15.4	12.6	12.5

* After excluding investments pledged against borrowings from banks.

It will be noted from the above table that, with the rise of Rs. 22.02 lakhs in 1956, the gross income has more than doubled itself in the course of two years. Of the increase during 1956, interest and discount earned account for Rs. 16.83 lakhs and exchange and commission for Rs. 4.75 lakhs. This is offset by a rise of Rs. 10.57 lakhs in interest paid and of Rs. 9.63 lakhs in expenses; both these items of outgo show increases of more than 100 per cent. in two years.

The outstanding feature disclosed by the Bank's latest balance-sheet is the expansion of Rs. 4.12 crores in deposits to Rs. 13.23 crores, thus maintaining the upward trend for the fourth year in succession. As will be seen from the table, the pace of expansion has been larger in the last two years. As in the previous year, the bulk of the rise in deposits during 1956 is accounted for by current accounts, contingency accounts, etc., which have gone up from Rs. 5.96

crores to Rs. 9.36 crores. Savings bank deposits have risen from Rs. 66.08 lakhs to Rs. 77.98 lakhs and short and fixed deposits and three-year cash certificates from Rs. 2.48 crores to Rs. 3.09 crores.

The sizable expansion in resources is reflected on the assets side by the increase of Rs. 3.20 crores in advances and bills, which at Rs. 8.70 crores, constitute a record. Of this rise, cash credits, overdrafts and loans account for an increase from Rs. 3.72 crores to Rs. 5.66 crores and bills purchased and discounted from Rs. 1.78 crores to Rs. 3.05 crores. The rise in advances being relatively sharper than that in deposits, the credit ratio has jumped up from 60.4 per cent. to 65.8 per cent. and this has also been responsible for the decline in liquidity ratio.

A commendable feature of the Bank's working during the year under review is the substantial expansion in its bills business, particularly foreign bills. Thus, in addition to the rise of Rs. 1.27 crores in bills purchased and discounted noted above, bills for collection outstanding at the close of the year have gone up from Rs. 80.48 lakhs to Rs. 127.49 lakhs.

U.K.'S ECONOMY

The recent cut in the U.K. Bank rate from 5½ to 5 per cent. was justified by Mr. Cameron Cobbold, Governor of the Bank of England, in the course of a speech to the Coventry Chamber of Commerce last week. The former Bank rate of 5½ per cent. which, he believed, helped materially in weathering last year's storm, was a crisis rate and it was obviously desirable to make some adjustment as soon as conditions allowed. The alteration of the Bank rate to 5 per cent. should, he said, thus be seen as an adjustment to market conditions with no implication of a change of policy. He added that it should not be taken as a decision to abandon the use of interest rates in favour of other ingredients of monetary control.

The economy of Britain is now generally a good deal stronger than it would have been without the financial measures taken in the past two years, according to Mr. Cobbold. "We are now entering a new phase," he added. "We have survived some critical months in the exchanges and sterling has regained its strength in the markets. But this has been done largely by negotiating big credits, and to the extent that we draw on those credits, repayment will add to our future burdens."

Appealing for a bigger safety margin in domestic finances and balance of payments, Mr. Cobbold said that the standards of living, production and employment which the people hoped were within their grasp, but it required several years' hard blodding. He warned that it was not safe to risk another crisis.

Renewing his plea for a cut in Government expenditure, the Bank of England Governor admitted the practical difficulties of containing the growth of public spending. Nevertheless, he warned that "the economic machine cannot be driven with one foot on the accelerator of public expenditure and the other on the brake of credit restriction." Although it was not for the Bank to suggest where public expenditure should be cut, since that was a political judgment, the Bank had "a primary duty to sound warning bells when Government and near-Government spending is putting too heavy a burden on the country's resources. He added that, ever since the war, there had been too much tendency to take on commitments without first counting the cost, the public purse had been continuously strained, the economy overburdened by taxation and inadequate resources left for investment.

REFORM OF BANKING IN AUSTRALIA

The heads of private banks in Australia have submitted certain proposals for the reform of banking in their country, which they consider essential in the national interest. Among the suggested measures are: the establishment of a "true and proper" central bank, entirely separated from any trading bank functions or activities, and replacement of the existing special accounts provisions of the Banking Act by a system of statutory reserve deposits.

If the statutory reserve deposits system, which the bankers have volunteered to accept, is adopted, it will replace the present system under which the Central Bank call up 75 per cent. of the increase since 1952 of the banks' deposits. The proposal is for adoption of a system based on a percentage of deposits containing an "ordinary" control power and an "emergency" authority.

The Australian Government has not made any promise or commitments to the bankers who met the Prime Minister, the Treasurer and the Minister of National Development last week. The Cabinet, however, discussed the banking policy on Tuesday last and a further meeting of Government parties will be held on Tuesday next week to consider the question further.

U.S. EXPORT-IMPORT BANK

The operations of the Export-Import Bank, an independent agency of the U.S. Government, during the year 1956 showed that credit facilities for exports from the U.S. to buyers throughout the world were the most extensive for any year in the past decade. It authorised 193 credits in 1956 had the total of $1,156.61 million. Not since 1946 had the Bank authorised a larger amount for new credits.

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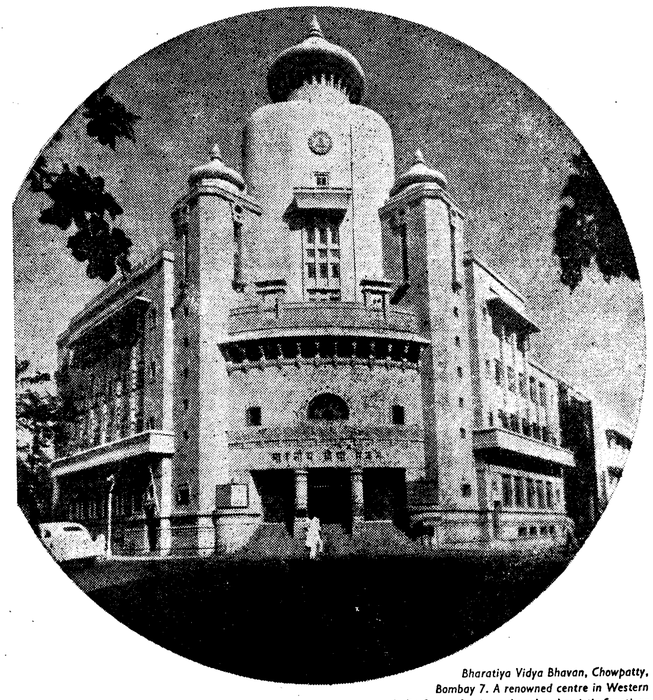

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WORKING OF AMBAR CHARKHA PROGRAMME

PROGRESS WELL MAINTAINED

NOT less than 180,000 Ambar Charkhas will be manufactured during the second year of the second Five-year Plan, that is, 1957-58. This is revealed in the latest report issued by the All-India *Khadi* and Village Industries Board reviewing the working of the Ambar Charkha programme up to the end of January 1957. The target of 180,000 Charkhas represents a rise of 105,000 Charkhas as compared with the target of 75,000 set for 1956-57. The number of Charkhas actually produced up to 21st January 1957 is put at 50,026 and the number available for commercial production of yarn was 20,000. The target, it is said, is more or less in keeping with the recommendations of the Ambar Charkha Enquiry Committee. Justifying its decision to intensify the manufacturing programme, the Board claims that the progress made in each item of the programme, namely, production of Ambar sets, arrangements for training of technical personnel and spinners, and distribution of Charkhas, is considerable. Indeed, it is said that the programme has not only kept to schedule but exceeded it in many respects.

While the progress made in the implementation of the Ambar Charkha programme is thus notable, one would want to know whether the Board has cared fully to assess the technical and economic feasibility of large-scale introduction of these Charkhas. The results of tests on Ambar Charkha conducted by some impartial interests show that the quality of Ambar yarn is very poor *vis-a-vis* that produced in mills on scientific lines and under the supervision of experts. Even when produced from mill rovings, the strength of the yarn is reported to be only 50 per cent. of mill-made yarn of identical counts made of identical cotton. Further, the Ambar yarn is very much costlier than mill-made yarn, the difference being as much as 80-90 per cent., according to one estimate. The cost differential will widen increasingly with higher counts. In view of this, some experts of the cotton textile industry are of the view that the Ambar Charkha cannot produce yarns above 25s economically.

The *Khadi* and Village Industries Board will do well to examine all these issues thoroughly before it thinks of augmenting the manufacture of Ambar Charkhas. After all, it must be emphasised that the employment consideration underlying the Ambar Charkha programme must be matched against considerations of price and the quality of cloth woven from Ambar yarn. The Board should also examine the question relating to demand for Ambar Charkhas. This is of the utmost importance, considering that the demand for traditional charkhas, as it was revealed during the discussions held by the Board, was increasing in proportion to the tempo created by the Ambar Charkha programme. Does this mean that the weavers prefer more yarn spun from traditional charkhas to Ambar yarn, even though the former costs more than the latter? The cost of producing *khadi* from hand-spun yarn of the traditional charkha is estimated at Rs. 2 per yard, as against the average cost of Re. 1-4 for producing the same quantity of cloth from Ambar yarn. Incidentally, the *Khadi* Board is contemplating to combine yarn spun on the traditional charkha with Ambar yarn in the weaving of cloth so as to bring down the price of *khadi* generally.

Viewed thus, it is not surprising that the Board has devoted considerable time to the consideration of the position of *khadi* weavers. The Board had asked for the extension to *khadi* weavers of the same financial aids and facilities that are being offered by the Handloom Board. This plea would appear to have not found favour with the Government for two reasons. First, the official policy is to encourage the formation of co-operative societies of weavers. Secondly, the aim should generally be not to create a new class of weavers but to bring into the Ambar Charkha scheme the existing handlooms as far as possible. The Board no doubt agrees with the Government's policy of forming co-operatives of handloom weavers and has, in fact, instructed the institutions engaged in the implementation of the programme to take steps in this direction. But it points out that there are other considerations which should weigh in the matter of extending the required assistance to *khadi* weavers. According to it, the Board's programme, in respect of both production and marketing, aims at attaining self-sufficiency in cloth in the villages, talukas and districts with the help of *Gramodya Sanghs* and other similar institutions. A programme of this nature, it is said, does not facilitate formation of co-operative societies of weavers, as their number in a village will be below the required minimum to form such societies.

BOMBAY HANDLOOM BOARD

The Government of Bombay has decided to establish Divisional Handloom Boards in all the divisions of the State, with a view to popularising handloom products and furthering the development programme. This was disclosed by Mr. Ratubhai Adani, Minister for Cottage Industries, Prohibition and Village *Panchayats*, while inaugurating the first meeting of the newly reconstituted State Handloom Board held at Nagpur on 9th February 1957. Mr. Adani expressed concern over the number of idle handlooms and weavers in the State and said that the Board would have to take steps to solve the problem. Nearly 800,000 handlooms all over the country had been put to re-use, as a result of the development schemes in this regard. It would, he added, be a happy day when all the 240,000 handlooms in the State were restarted. He alluded, in particular, to the introduction of powerlooms in the handloom sector and observed:

"The Board wants to enable cottage industries to provide employment. A certain amount of care is necessarily to be exercised in seeing that this object is not frustrated. Thus, where powerlooms are to be introduced, preference can be given to co-operative societies, as against individuals, to run them, or, elsewhere it is inevitable, allotment to individuals can be specified up to a certain number and, where handlooms and *khadi* production are flourishing, care can be taken to restrain powerlooms from making an adverse effect on them."

Proceeding, the Minister stated that concessions had been made available by the Government of India and the Reserve Bank for the development of the handloom industry. He revealed that, where apex societies needed working capital, concessions were likely to be given by the Government in that regard. Emphasising the importance of co-operative movement in furthering the development of the handloom industry, Mr. Adani suggested the establishment of district organisations all over the State. He also wanted that the technical, research and training centres now being run under the auspices of the Government should increasingly become the concern of the public or the co-operative organisation.

At its Nagpur meeting, the Bombay State Handloom Board took three important decisions. These are: (1) Introduction of powerlooms will not be encouraged out of the co-operative sector; (2) only the existing societies of handloom weavers will be permitted to convert themselves into power-loom societies, and (3) the speed and the extent of the programme will have relation to the law of supply and demand. The Board agreed that, in view of the Reserve Bank scheme to make available cheap credit to industrial co-operatives, efforts be made to channelise all credit activities through the Bank.

AUTOMATION IN RUSSIAN TEXTILE INDUSTRY

A brief reference to the development of the textile industry envisaged under the sixth Five-year Plan of Soviet Russia was made in these columns last week. Further details since available reveal that great importance has been attached to automation. During 1956, the engineering works furnished the textile industry more than 12,000 automatic looms. The Soviet designers and engineering plants are working on designs of new types of highly productive automatic looms for the different branches of the industry. Of special interest, among others, is a new automatic loom with a change of bobbins for silk mills. This loom, it is claimed, operates at a much higher speed than that of mechanical looms.

The development scheme for the textile industry includes a project for establishing an automatic bleaching factory. The proposed factory is expected to bleach fabrics by means of hydrogen peroxide, instead of calcium hypochlorite. The bleaching will be done on two production lines, and an operator is to watch their operation with the aid of a special installation. Labour productivity in this factory, it is said, will increase almost fourfold. A textile machinery manufacturing firm has produced a new machine for continuous bleaching of cotton fabrics. By using this machine, which is made up of 15 pieces and apparatus, it will be possible, it is said, to cut the period of bleaching process from 36-48 hours to 2½-3 hours. The machine will first steam the cloth and then bleach it by means of hydrogen peroxide. Another textile machine manufacturing firm has completed automatisation of the whole weft winding shop, which by augmenting labour productivity, renders possible a rise of about 50 per cent. in output.

The research organisations of the U.S.S.R. Ministries of Light Industry and Machine-building Industry are now working on designs of machines and devices for the first automatic transfer machines for cotton spinning. One of the machines is proposed to be installed near Moscow. In all, seven such machines will go into operation during the current Five-year Plan period.

BRITISH WOOL SALES

A wool promotion committee has been set up in the U.K. to launch a publicity campaign for the sale of products containing home-grown wool. The Committee consists of members of the British Wool Marketing Board and the International Wool Secretariat (I.W.S.). The most important products which use British wool extensively are carpets, knitwear and tweeds. Welcoming the establishment of the Committee, the Chairman of the I.W.S. says: "The growers of Australia, New Zealand and South Africa have long envisaged the ideal of wool producers throughout the world, combining their resources in one powerful continuous drive to protect their product and safeguard it against the ever-growing threat of man-made fibres and to increase its use and usefulness everywhere."

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RESULTS OF TRADE MISSION TO INDIA

REACTIONS TO EUROPEAN COMMON MARKET

From A Special Correspondent

MANCHESTER, *12th February*

MANCHESTER LETTER

AFTER a week or two of speculation as to the results secured from the visit to India and Hong Kong, the Lancashire trade mission has now reported to the Standing Consultative Committee of the Cotton Board. Although details of the discussions were not made public, a guarded statement on the progress of negotiations was issued.

It was announced that the delegation was able to carry through their discussions against a background of friendly contacts with leading members of the Indian industry and that the Indian representatives finally expressed their willingness to accept the possibility of a ceiling on their exports to the United Kingdom for a period of three years, subject to the conclusion of satisfactory arrangements.

This conditional clause was held in Lancashire to mean that the Indian millowners were unwilling to reach any definite agreement with the British team until they were assured that a pact covering all Eastern textile producers could be drawn up. It would obviously be unfair if Indian manufacturers were to suffer at the expense of their rivals in Hong Kong or Pakistan by their willingness to accede to the request of the British mission.

In Hong Kong, the Lancashire team was received in a friendly manner but no understanding was secured in the discussions which ensued. The mission expressed the hope that, after the leaders of the Hong Kong industry had given further consideration to the proposals put before them, it would be possible to obtain a favourable arrangement, subject to further exchanges and communications.

Common Agreement

Summing up their visit, the delegation reported that, although they could not at this stage claim a final solution to the whole problem, they believed very considerable progress had been made towards the achievement of a solution by common agreement between the interests directly concerned.

It was agreed that, as Pakistan was another Commonwealth country with a legitimate interest in these matters, a proposal to send a mission there in the near future should be put forward to bring mill interests in Pakistan into the present series of discussions. In the meantime, Sir Cuthbert Clegg, leader of the Lancashire team, and his colleagues are to meet the President of the Board of Trade, Sir David Eccles, to report on the results of their tour.

Members of Parliament have lately been given details by the President of the Board of Trade as to the comparative arrivals of foreign cotton yarn and cloth during recent years. Extracts from these figures are shown below:

	1951	1953	1955	1956
Yarn (In million lbs.)				
Total	31.7	3.4	14.0	16.8
India	4.0	0.8	1.6	4.8
Hong Kong ..	0.3	..	2.1	4.4
Belgium ..	11.0	0.4	2.2	0.9
Italy	9.1	1.4	2.3	2.4
Egypt	3.0	..	2.2	0.8
Pakistan ..	..	..	0.1	2.5
Grey Cloth (In million square yards)				
Total	340.0	76.2	268.2	267.7
India	105.6	15.9	130.3	128.1
Hong Kong ..	12.4	0.7	48.8	55.9
Japan	85.0	38.3	68.9	32.1
Other Cloth (In million square yards)				
Total	35.5	22.5	31.3	38.5
India	2.8	0.6	6.1	4.9
Hong Kong ..	4.6	1.3	2.6	1.9
Germany ..	8.5	8.7	8.5	5.8
Belgium ..	7.9	7.8	12.5	13.8

Although 1951 marked the post-war peak for arrivals of foreign goods of all kinds, the equivalent totals during the past two years have shown an unmistakable upward tendency. It is notable, however, that, whereas in 1951 most of the supplies of cotton yarn came from European sources, the volume shipped from the East accounted for the preponderance of last year's total.

Grey cloth imports have always been taken largely from Asiatic countries and the only major change in the situation over recent years has been the expansion of purchases from Hong Kong at the expense of Japanese cloth. The reverse is true in the case of finished cotton textiles, where European countries are now providing more supplies, while the volume of Eastern trade is slightly lower than in 1951.

"Tomorrow's Leaders"

Under this slogan, the Cotton Board has now gathered together the organisations and firms within the industry which are prepared to sponsor and aid its scholarship scheme aimed at the student who contemplates a career in textiles. The main purpose is to provide, without a means test, a university course in textile subjects for any student who can satisfy the industry's selection requirements. Not only are many new scholarships being created to augment those already in existence through the generosity and farsightedness of individual firms, but, in addition a number of the industry's greatest concerns have agreed to support the scheme, if the number of suitable applicants exceeds the existing provision of scholarships. Thus every well qualified and deserving candidate may reasonably expect to receive an award.

Such a compaign, overdue perhaps in the view of some, is only a beginning, if the industry is to derive all the benefit it can get from the younger generation of technologists. Over seventy scholarships will be available, of which about half are university entrance scholarships and thirty for post-graduate study and research. Many of the grants have a value of £300 a year for three or four years.

Throughout the post-war years, it has been widely recognised in Lancashire that the mechanical age and the rise of the chemist in textiles had brought a second industrial revolution. It has taken a long time for the full realisation to sink, in that, without increased incentives, the leaders of the future will ignore the mills as means of gaining their livelihood. To quote the booklet, which has now been distributed to grammer schools, public schools, technical colleges and universities all over the country: "In the future, the industry will look increasingly to the universities and the colleges of advanced technology for those destined to fill its highest ranks. Due to the remarkable changes taking place within the industry, the number of higher grade staff positions, as a proportion of the total employed, is steadily increasing."

European Common Market

A sharp attack on the likely developments arising from the establishment of a European free trade area was made at the annual meeting of the Manchester Chamber of Commerce by the President, Mr. Frank Rostron. He denied the impression that had gained ground that industry had given *carte blanche* to the negotiators of the pact. "Nothing could be further from the truth," he declared. "Industry as a whole has not given the green light to participation in this scheme, it has only given a very cautious yellow to preliminary discussions only." As members of a free trade area, he pointed out, Britain's key industry duties and import duties would disappear. Not only were there general dangers but particular dangers might well arise under the arrangement. "Should we not, for example, find that the double pricing of British coal and steel with high prices for export and low prices for home would have to disappear," he asked. "The hope has been expressed that the provisions of our projected Anti-dumping Bill will be copied by European countries and permit this double pricing but I have my doubts."

Mr. Rostron, who is the export manager of a large electrical engineering group near Manchester, expressed the opinion that there was little hope of Britain being competitive in a European free trade area, either on the Continent of Europe or at home, except in the case of specialities having a modest turnover. "I am very much afraid that, to become competitive, except in the hardest of ways through unemployment and misery, we should have to accept a controlled reduction of our standard of living over the period of tariff reductions," he said. His alternative was a Commonwealth Government with power to unify tariffs, monetary systems and other economic matters throughout the member nations. "The United States owes its economic success to the fact that its 48 States are a firmly integrated political and economic unit under one Federal Government," he added. Proceeding, he said: "The proper strengthening of the economic interdependence of the Commonwealth plus redoubled efforts in the United States would increase British exports enormously without anything like the same risk of disturbance of our own industries, as must necessarily follow the proposed European association."—*All Rights Reserved.*

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RAW COTTON SITUATION IN INDIA

QUINQUENNIAL PROGRESS REVIEWED

A DETAILED analysis of the raw cotton position in India during the quinquennium 1950-51 to 1954-55 is contained in the seventh issue of the Publication *Cotton in India* issued by the Directorate of Economics and Statistics, Ministry of Food and Agriculture. Part I of the survey relates to almost every aspect of the commodity, namely, production, yield per acre, internal and international trade, utilisation, prices, etc., and is illustrated by charts and exhaustive statistical tables. In order to give the reader an idea of the position Indian cotton holds in the international cotton economy, an entire section is devoted to foreign cotton. This section gives, in tabular form, the area under cotton in different countries, the yield per acre, imports into principal importing countries, exports by principal exporting countries, world mill consumption, world stocks and prices of cotton in important international markets during the quinquennium. An idea of the cropping practices and sowing and harvesting periods in India as well as foreign countries can be obtained from two of the appendices forming Part III of the booklet. Another appendix gives a list of comparable varieties of Indian and foreign cotton. Another interesting item relates to a comparison, based on the estimates of the final report on the Pilot Schemes conducted by the Indian Central Cotton Committee, of the cost of production of cotton with that of substitute crops such as *jowar* and groundnut in the Akola district of Madhya Pradesh.

The most striking feature of cotton cultivation in India during the quinquennium 1950-51 to 1954-55 is the remarkable progress made in the production of the fibre, both in respect of quantity as well as of quality. Area under the crop, which was 14.5 million acres in 1950-51, increased to 18.3 million in 1954-55. But total production of lint was more than in proportion to the rise in acreage. In 1954-55, production aggregated 4.3 million bales, as compared with 2.9 million bales in 1950-51. Thus, while the area increased by only 25 per cent., production rose by about 48 per cent. Consequently, the yield per acre increased from 78 lbs. per acre in 1950-51 to 92 lbs. in 1954-55.

Remarkable Progress

An idea of the impressive progress made by Indian cotton during the post-Partition period can be obtained from a comparison of the output in 1954-55 with that of 1947-48. Area under the crop during the seven-year period increased from 10.6 million acres to 18.3 million acres, while production improved from 2.2 million bales to 4.3 million bales during the period. The percentage increase in acreage was about 70, while the percentage increase in output was about 90. The yield per acre, which was 80 lbs. in 1947-48, increased to 92 lbs. in 1954-55. Satisfactory as this progress has been, it must be borne in mind that the yield per acre still compares very unfavourably with those in other cotton-producing countries. In 1954-55, the average yield per acre was 439 lbs. in Egypt, 416 in Peru, 350 in Mexico, 341 in the U.S. and 185 in Pakistan. A remarkable feature of yield per acre in India is that it shows very wide variations from State to State, ranging from 227 lbs. in the Punjab to 31 lbs. in Orissa. The average yield per acre in 1954-55 in some of the other cotton-producing States was 122 lbs. in Madras, 109 in Bombay, 84 in Saurashtra, 83 in Madhya Bharat and 49 in Hyderabad.

An important feature of cotton production during the quinquennium was that the area and production of long- and medium-staple cotton went up considerably, whereas that under short-staple cotton remained more or less stationary. The following table gives the variety-wise breakdown of area and production during the period:

(In millions)

	1950-51	1951-52	1952-53	1953-54	1954-55
Long Staple—					
Area (acres) ..	3.4	4.8	4.7	5.8	6.3
Production (bales).	0.7	0.9	1.0	1.3	1.6
Medium Staple—					
Area (acres) ..	7.5	7.1	7.4	7.9	8.2
Production (bales).	1.4	1.2	1.4	1.7	1.9
Short Staple—					
Area (acres) ..	3.6	4.3	3.6	3.7	3.8
Production (bales).	0.8	1.0	0.8	0.9	0.8
Total—					
Area (acres) ..	14.5	16.2	15.7	17.3	18.3
Production (bales).	2.9	3.1	3.2	3.9	4.3

It will be seen from the above table that the area under long-staple cotton was only 23 per cent. of total acreage during 1950-51. It went up to 34 per cent. in 1954-55. The area under short-staple cotton in 1954-55 declined to 21 per cent. of total as against 25 per cent. in 1950-51, even though the absolute area under cotton increased considerably. Production of long- and medium-staple cotton increased from 700,000 bales and 1.4 million bales in 1950-51 to 1.6 million and 1.9 million bales respectively in 1954-55, while that of short-staple cotton remained constant at 800,000 bales.

Imports Decline

This improved supply position has led, in recent years, to a decline in the quantity of cotton imported into India and an increase in exports of cotton. For the first time, since independence, India turned out to be a net exporter in the 1955-56 season. Import of foreign cotton in that year amounted to a little over 6 lakh bales, while total exports for the season amounted to 630,000 bales. Imports are now mainly confined to such long-staple varieties that cannot be produced in the country. But attempts are being made to acclimatise some of these varieties to Indian conditions and encouraging results are reported. The famous Sea Island cotton of the West Indies, for instance, has been found to be suitable to the climatic conditions of Malabar in the west coast, as will be seen from a separate note on it which appears elsewhere in this issue.

EGYPTIAN COTTON EXPORTS

Figures relating to export sales of Egyptian cotton from the commencement of the current season till the 15th of last month show that the blocking of traffic through the Suez Canal has adversely affected Egyptian cotton business. Total sales effected till that date aggregated 310,632 bales (of 720 lbs.), as compared with 593,582 bales in the corresponding period of the previous season. The fall is most marked in the case of Karnak, Giza 30 and Ashmouni, their exports having been of the order of 127,219 bales, 61,121 bales and 59,549 bales, as against 227,203 bales, 165,540 bales and 168,394 bales in the comparable period of last season. The following table gives the variety-wise break-down:

(In bales of 720 lbs.)

Variety	1st Sept. to 15th Jan.	
	1956-57	1955-56
Karnak	127,219	227,203
Menoufi	60,593	26,310
Giza 30	61,121	165,540
Ashmouni	59,549	168,394
Others	2,150	6,135
Total ..	310,632	593,582

The Egyptian Government has of late been striving hard to devise various measures to boost the country's cotton business. Bilateral arrangements and barter deals were concluded with Russia and many other countries, especially East European countries. Recently, a big Egyptian deal with Russia, involving about 10,000 tons of Karnak, Menoufi and Ashmouni, was reported. Payment will be partly in certain foreign currencies required by Egypt. A novel device evolved by Egypt is the linking of exports of cotton with imports of goods into that country. It is also reported that France, whose trade with Egypt had recently been disrupted, is planning to get Egyptian cotton via Hungary.

IMPORT AND EXPORT OF COTTON BY INDIA

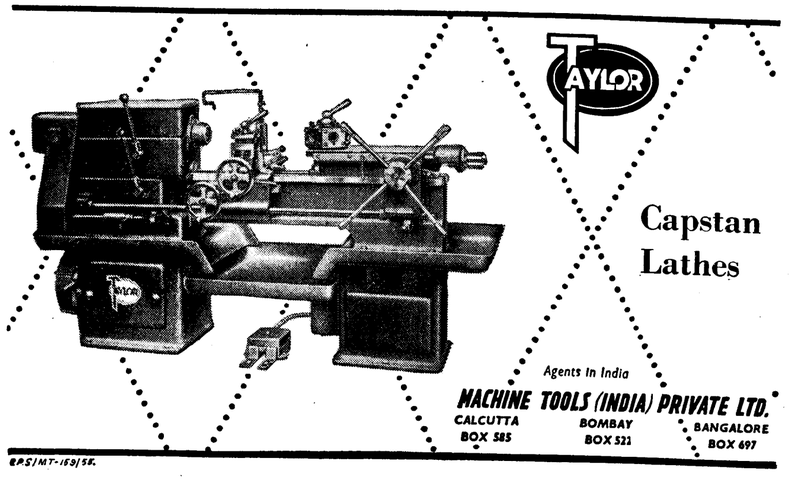
The recent political disturbances in West Asia, the breakdown of traffic through the Suez Canal and the delay in the announcement of export quota have all adversely affected exports of Indian cotton so far in the current season. During the period 1st September 1956 to 2nd February 1957, exports from India aggregated only 107,922 bales (of 392 lbs.), as compared with 301,640 bales during the corresponding period of the previous season. That the dislocation of shipping had much to do with this is evident from the fact that shipments to the Continent and the U.K. were of the order of only 27,185 bales, while, during the same period last season, they amounted to 95,029 bales. The following table gives the import and export figures for the period.

(In bales of 392 lbs.)

	1st Sept. to 2nd Feb.	
	1956-57	1955-56
Exports to—		
Japan	66,259	144,617
Continent	13,884	61,793
U.K.	13,301	33,236
Hong Kong	10,012	23,314
China	3,277	31,488
U.S.A.	825	2,208
Others	364	4,984
Total ..	107,922	301,640
Imports (varieties)—		
American	134,267	6,800
Sudan	31,446	45,135
Egyptian	13,029	100,535
East African	68,672	36,835
Pakistan	478	..
Other sorts	765	4,258
Total ..	248,657	193,563

As already stated, the drop in exports cannot be wholly attributed to causes beyond India's

(*Continued on page 399*)



THIS IS ONLY AN ANNOUNCEMENT AND NOT AN OFFICIAL COPY OF THE PROSPECTUS.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company or at the Office of the Secretaries and Treasurers, Messrs. Patco Agencies, 22 Errabalu Chetty Street, G.T., Madras-1. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness, of any of the statements made or opinions expressed with regard to these. A copy of this Prospectus has been delivered to the Registrar of Companies, Madras, for registration as required by Section 60 of the Companies Act, 1956.

Application will be made to the Stock Exchange at Madras for permission to deal in the shares now being offered and in due course for an official quotation.

The Subscription Lists will open at 10 a.m. on Monday the 25th day of February, 1957 and will close as soon as the Directors may decide but not earlier than the 1st day of March, 1957.

SANGAMESHWAR COFFEE ESTATES LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956.)

AUTHORISED CAPITAL: ... ... Rs. 50,00,000

Divided into 20,00,000 Equity shares (Ordinary shares) of Rs. 2 each ... ... Rs. 40,00,000

1,00,000—7 per cent. cumulative Preference shares of Rs. 10 each ... ... Rs. 10,00,000

Rs. 50,00,000

PRESENT ISSUE:

6,00,000 Equity shares (Ordinary shares) of Rs. 2 each. Rs. 12,00,000

35,000—7 per cent. cumulative Preference shares of Rs. 10 each ... ... Rs. 3,50,000

Rs. 15,50,000

All payable in full on application.

In addition the Company offers 1,400 Seven per cent. Debentures of Rs. 500 each for subscription at par.

DIVIDENDS, CAPITAL AND VOTING RIGHTS OF SHARES

(a) Dividend : The dividend on the Preference shares shall accrue from the date of allotment and shall be payable on 1st April and 1st October in every year; the first dividend being payable on 1st October 1957.

(b) Capital : The assets available for distribution to members whether on a liquidation or not shall be applied, first in repaying to the holders of the Preference shares the amounts paid-up on such Preference shares together with a sum equal to any arrears or deficiency of the fixed dividend thereon, whether earned or declared or not, upto the commencement of the winding-up in the case of a liquidation, and in any other case upto the date of the occurrence of the event which gives rise to the return of assets and the balance of the assets shall be distributed amongst the holders of the Equity (Ordinary) shares in proportion to the amounts paid-up on the Equity (Ordinary) shares held by them respectively.

(c) Voting : The right of voting at General Meetings is one vote for every Equity (Ordinary) share. The Preference shares entitle the holders to receive notices of any General Meetings and to attend and speak thereat but do not entitle them to vote thereat unless either—

(i) the dividend on the Preference Shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; or

(ii) the business of the Meeting includes the consideration of a Resolution for reducing the capital of the Company or altering the provisions of the Memorandum of Association with respect to the objects of the Company or varying or abrogating any of the special rights attached to the Preference shares.

(iii) On a show of hands every member entitled to vote who (being an individual) is present in person or (being a corporation) is present by a representative or proxy not being himself a member, shall have one vote. On a Poll every member entitled to vote who is present in person or by proxy shall have one vote for every Equity (Ordinary) share and Five votes for every Preference share held by him.

DEBENTURES

The 1,400 Debentures of Rs. 500 each for Rs. 7 lakhs will be constituted and secured by a Trust Deed in favour of Mr. John Deavin or the senior partner for the time being of Messrs. Fraser and Ross, Chartered Accountants, Madras, as Trustee for the Debenture-holders. The Debentures will carry interest at the rate of 7 per cent., subject to tax, and confer a first fixed charge on the Company's immovable properties. Interest on Debentures will be payable in equal half-yearly instalments on 1st April and 1st October each year in respect of the half-yearly periods ended on the previous day, to the Debenture-holders whose names are registered in the Books of the Company on those dates. The first payment will be made on 1st October, 1957 and will be calculated as from the date of receipt by the Company of the Capital sum.

The Company shall be at liberty to create charges on its raw material and stock in trade and other assets not being part of the specific mortgage to secure sums borrowed from or obligations incurred to bankers and others in the ordinary course of business of the Company but the company shall not create any further issue of Debentures ranking in priority to or *pari passu* with the charge in the Trust Deed.

The Trust Deed will contain, among others, the following provisions

1. All Debentures not previously redeemed will mature for repayment at par on the 1st April, 1967.

2. The Company may redeem the whole or any part (to be selected by drawings) of the Debentures after the 31st March, 1960 at par, together with accrued interest after giving 3 months' notice.

3. The Company may at any time purchase any of the Debentures in the market at a price not exceeding par with accrued interest exclusive of expenses or at a higher price with the consent of the Trustee, which consent is not to be unreasonably withheld, and the Company may re-issue any Debentures so purchased.

4. The Company will create a Sinking Fund, contributions to which will commence with the accounting year ending 31st March, 1961, or earlier at the option of the Company to the extent of a minimum of Rs. 50,000 per annum out of its profits which fund may be utilised in the redemption of the Debentures by purchase in the market or by drawings or may be invested in Trustee securities or deposited with a bank until required for the purpose of redemption.

5. The Debentures will rank *pari passu* without preference or priority one over another.

PRESENT OFFER.

Of the above Issued Capital, 3,75,000 Equity (Ordinary) shares, 15,000 Preference shares and 300 Debentures have been agreed to be subscribed for by the signatories to the Memorandum of Association, the Directors and their friends. The balance of 2,25,000 Equity (Ordinary) shares, 20,000 Preference shares and 1,100 Debentures are now offered to the public for subscription.

Applications for less than 100 Equity (Ordinary) shares and/or 50 Preference Shares will not be considered.

DIRECTORS

1. R. RADCLIFFE, Esq., M. C., Coffee Planter, Oosoor Estate, Mysore State.
2. SRI. K. M. DESIKAR, Landholder, Valivalam, Tanjore District.
3. A. S. JEFFARES Esq., "Regal House," McLean St., Madras-1.
4. SRI. M. A. KRISHNAMACHARI, Advocate, 186, Foonamallee High Road, Madras-7.
5. SRI. R. SUNDARAM, Landholder and Merchant, 19, Reddi Rao Tank East, Kumbakonam.
6. J. H. ALEXANDER, Esq., Coffee Planter, Sangameshwarpet Post, Mysore State.
7. SRI. K. S. VAIDYANATHAN, Stock Broker, 22, Errabalu Chetty St., Madras-1.

(MR. J. H. ALEXANDER will also act as one of the resident Managers on the Estates.)

SECRETARIES AND TREASURERS

MESSRS. PATCO AGENCIES, 22, Errabalu Chetty St., Madras-1.

BANKERS

1. THE NATIONAL BANK OF INDIA LTD., Madras-1.
2. THE BANK OF MYSORE LTD., Bangalore.

LEGAL ADVISERS

MESSRS. KING & PARTRIDGE, "Regal House," McLean Street, Madras-1.

AUDITORS

MESSRS. FRASER & ROSS, "Barrow House," McLean Street, Madras-1.

BROKERS

1. MESSRS. PATERSON & CO., Madras.
2. MESSRS. KOTHARI AND SONS, Madras.
3. MESSRS. BATLIVALA AND KARANI, Bombay.
4. MESSRS. LEWIS AND JONES, Bombay.

REGISTERED OFFICE

22, ERRABALU CHETTY STREET, MADRAS-1.

TRUSTEE FOR DEBENTURE HOLDERS

JOHN DEAVIN, Esq., or the Senior Partner for the time being of Messrs. Fraser & Ross, Chartered Accountants, Madras.

BOARD OF DIRECTORS AND MANAGEMENT

The affairs of the Company, will, subject to the control and direction of a strong Board of Directors consisting of successful and well-known Coffee Planters and leading businessmen, vest in the hands of the Secretaries and Treasurers. The Company are fortunate indeed to have secured the services of Mr. G. V. R. Frend and Mr. J. H. Alexander, both well-known and respected Mysore Planters, who will act as Resident Managers of the Estates. They have been connected with these properties for many years and possess a sound knowledge and experience of conditions in Mysore. With this arrangement the benefits of continuity of management are assured—a matter of great importance in Estate administration.

OBJECTS

The Company has been formed generally for the purposes set out in the Memorandum of Association, a copy of which together with the names and addresses of the signatories thereto is annexed and forms part of the prospectus; the primary object of the formation of the Company, however, is to acquire the freehold rights of Karadykhan, Gungegiri and Kondadkhan Coffee Estates being the main block of the well-known Crawford Group of Estates. Details of the Estates are given below:

	Karadykhan	Gungegiri	Kondadkhan	Total
Cultivated Area under Coffee :	Acres	Acres	Acres	Acres
Arabica	209.25	431.50	251.00	891.75
Arabica under conversion to Robusta	85.75	..	..	85.75
Robusta	160.75	17	..	177.75
	455.75	448.50	251.00	1,155.25
Uncultivated ..	182.35	75.36	76.22	333.93
Wet area	73.39	Nil.	Nil.	73.39
Dry area	1.38	Nil.	Nil.	1.38

According to the agreement entered into with the vendors, the entire Coffee Crop for 1956-57 season together with all standing crops on the Estates as on 1st April 1956, will accrue to the benefit of the Company. The Estates to be purchased are among the best known properties in Mysore and have been very favourably commented upon by Mr. F. G. Foster, Director and General Manager of Coffee Lands and Industries (Mysore) Limited.

PROSPECTS AND ANTICIPATED RESULTS

The Estates have been conservatively managed and hitherto have been largely geared to a policy of heavy shade and restricted crop. This recently has undergone some modification by means of increasing application of artificial fertilisers, and from the figures as disclosed in the accounts of past working of the Estates there are very good indications that more intensive cultivation will produce substantially higher yields. It is a satisfactory feature of the properties to be acquired that even with limited Estate expenditure in the past, which until recently was not higher than Rs. 350 per acre, the estates have shown such good average return as 3½ cwts.

The estimated profits for the three estates on the current season's crop will be approximately Rs. 4.6 lakhs and this is arrived at on a selling price of Rs. 2-6 per point and an Estate expenditure of Rs. 450 per acre. However, assessing the future profits of the Company on an average crop of 4½ cwts. per acre and a revenue expenditure, based on current rates, of Rs. 500 per acre, the prospects are as under:

	Rs.
The crop on 1,154 acres of Arabica and Robusta at 4½ cwts. per acre will be 260 tons which valued at Rs. 2-6 per point will yield ...	9,00,000
Less: Revenue Expenditure at Rs. 500 an acre on 1,154 acres would amount to	5,77,000
Balance Rs.	3,23,000

The estimated future profits from these Estates according to the figures mentioned above amount to Rs. 3,23,000. After making due provision for Mysore Agricultural tax on the compounding basis as it exists at present, interest on the Debentures for Rs. 7 lakhs at the rate of 7 per cent. subject to tax and the interest on the Preference shares per Rs. 3½ lakhs at the rate of 7 per cent. per annum, the residual profits will be approximately Rs. 2,10,000 representing a return of 17.5 per cent, approximately on the Equity (Ordinary) Capital. However, as provision for the amortisation of the Debentures and for capital expenditure required to improve the Labour Housing, buildings etc., have to be met out of this amount, the sum distributable to the Ordinary shareholders as dividends will be lower; even so, the prospects of a return to the Equity (Ordinary) shareholders on the basis of the figures mentioned above appear very favourable.

SECRETARIES AND TREASURERS

Subject to the approval of the Central Government to whom an application is being made, Messrs. Patco Agencies, 22, Errabalu Chetty St., Madras-1, consisting of Partners, Messrs. H. Hadow and K. S. Vaidyanathan are appointed as Secretaries and Treasurers of the Company by the Articles of Association and as per agreement to be entered into as soon as possible after the incorporation of the Company. The terms of the agreement will provide, among others, that—

(1) the appointment of Secretaries and Treasurers shall be for a period of 10 years from the date of incorporation of the Company.

(2) The Secretaries and Treasurers will carry on the business of the Company subject to the control and direction of the Board of Directors.

(*Continued on page 400*)

SUGARCANE OUTPUT RISES MARKEDLY

PER-ACRE YIELD SLIGHTLY HIGHER

THE current sugar season—that is, 1956-57—is expected to witness a marked improvement in the production of sugarcane. The all-India second estimate of cane puts the aggregate yield at as high as 58.91 million tons, as against the adjusted second estimate of 50.46 million tons for 1955-56, a rise of 16.8 per cent. This increase in output is due, to a great extent, to an expansion in the area devoted to cane cultivation. The aggregate area during the season under review is estimated at 4.53 million acres, which compares very favourably with 3.95 million acres in the previous season, an improvement of 14.9 per cent. The area under sugarcane at the second estimate stage is said to be the highest on record. The per-acre yield of cane has also gone up, albeit slightly, the all-India average for 1956-57 being 13.2 tons as against 12.8 tons for 1955-56.

Apart from the expansion in acreage, three other factors have been responsible for the rise in sugarcane crop during 1956-57. First, rains were timely and adequate. Secondly, weather conditions at both the sowing and growing periods of the crop have been favourable. Thirdly, better irrigation facilities have been made available to cultivators. The above estimate, it must, however, be pointed out, does not cover the entire area sown to cane crop during 1956-57. Past experience has shown that the area at the second estimate stage forms roughly 95 per cent. of the area finally reported.

Trend of Crop

The following table shows the trend of sugarcane crop at the second estimate stage in the different States (prior to Reorganisation) during the current and the previous seasons:

	Production (000 tons)		Area (000 acres)	
	1956-57	1955-56	1956-57	1955-56
Uttar Pradesh ..	30,099	25,694	2,707	2,311
Bombay	5,643	5,404	206	196
Punjab	3,990	3,770	370	355
Bihar	3,951	2,684	418	342
Andhra	2,860	2,718	98	90
Madras	2,601	2,533	100	97
Hyderabad ..	1,929	1,333	88	64
Mysore	1,513	856	62	58
W. Bengal ..	1,069	902	15	51
P.E.P.S.U. ..	1,028	787	78	71
Orissa	918	918	56	56
Madhya Bharat ..	675	434	60	39
Assam	655	767	64	63
Rajasthan ..	548	469	67	62
Saurashtra ..	496	330	31	16
Madhya Pradesh ..	398	367	31	29
Travancore-Cochin.	326	305	18	17
Other States* ..	215	179	37	25
Total ..	58,914	50,455	4,532	3,932

* Include Jammu and Kashmir.

It will be seen from the above figures that the overall increase in acreage under, and production of, sugarcane in 1956-57 has occurred in almost all the States, but more substantially in Uttar Pradesh, Bihar, Mysore, Hyderabad, Madhya Bharat and Bombay. The improvement is in marked evidence in Uttar Pradesh, the increase in area and yield being 396,000 acres and 4.41 million tons, respectively. This is quite significant, considering the damage caused to the crop by water-logging in the flood-affected areas and attack of red-rot, top-borers and pyrilla in certain parts of Eastern Uttar Pradesh. The extent of improvement noted in Bombay State would have been more but for the occurrence of floods, heavy rains, and sporadic attack of smut, stem-borer and top-shoot-borer.

"Gur" Production

The total quantity of cane expected to be produced in the current season is, as already noted, put at 58.91 million tons, as against 50.46 million tons in the adjusted second estimate for 1955-56. Expressed in terms of raw sugar or *gur*, the output comes to 5,946,000 tons, which compares favourably with 5,096,000 tons, or an advance of nearly 16.7 per cent. Out of this output, the State of Uttar Pradesh alone accounts for over 50 per cent., the estimated output being 3.01 million tons (2.57 million tons in 1955-56). The anticipated production of *gur*—in thousand tons—in other States during 1956-57, the figures in brackets giving the previous season's second estimate, is as follows.

Bombay 592 (567); Punjab 399 (377); Bihar 395 (268); Andhra 286 (272); Madras 285 (277); Hyderabad 193 (133); Mysore 151 (86); West Bengal 107 (90); P.E.P.S.U. 103 (79); Orissa 92 (92); Madhya Bharat 67 (43); Assam 66 (77); Rajasthan 55 (47); Saurashtra 53 (31); Madhya Pradesh 40 (37); Travancore-Cochin 33 (31); other States 22 (18).

As already stated, the per-acre yield of sugarcane has recorded a slight rise. The rise is very marked in the State of Mysore, the average yield going up from 14.6 tons in 1955-56 to 24.4 tons in 1956-57. Similarly, P.E.P.S.U., Bihar, Rajasthan and Hyderabad have reported an increase in per-acre yield. In contrast, there has been some setback in yield in the States of Andhra, Saurashtra, Assam, Bombay and Madras.

Per-acre Yields

An idea of the trend of per-acre yields in the different States (before Reorganisation) during the second estimate stage of 1956-57 and 1955-56 can be had from the following figures:

	Yield of cane per acre (in tons)	
	1956-57	1955-56
Andhra	29.1	30.2
Bombay	27.4	27.6
Madras	26.0	26.1
Mysore	24.4	14.6
Hyderabad	21.9	20.8
Travancore-Cochin	18.1	18.1
W. Bengal	17.3	17.7
Orissa	16.4	16.4
Saurashtra	16.0	20.6
P.E.P.S.U.	13.2	11.1
Madhya Pradesh	12.8	12.7
Madhya Bharat	11.3	11.1
Uttar Pradesh	11.1	11.1
Punjab	10.8	10.6
Assam	10.2	12.2
Bihar	9.6	7.8
Rajasthan	8.2	7.6
Other States	5.8	7.1
All-India average ..	13.2	12.8

A striking feature revealed by the above statement is that the per-acre yield of cane continues to be very low in Bihar and Uttar Pradesh—the two largest sugar-producing States in India—and several other North Indian States continue to be very low, while the same in the States lying south of the country stands high. It is obvious, therefore, that the tropical conditions of South India are more suitable for cane cultivation than the sub-tropical climate of North India. Even so, it must be said that, even under the unfavourable climatic conditions of North India, higher yields of superior quality sugarcane can be secured, provided an all-out effort is made to intensify cane development work with special emphasis on the adoption of suitable cultural practices.

(Concluded from next column)

potentials. Mr. George A. Lamb, Manager of Business Surveys for the Pittsburgh Consolidation Coal Company of Pittsburgh, recently summed up what an important group of coal producers has concluded about the U.S. coal industry's future. "The coal industry's number 1 target," Mr. Lamb said, "is increased efficiency and greater productivity—and we are going to make it." In order to achieve this target, he said, about $1,000 million in capital outlays would be needed in the next five to 10 years. In addition to extensive modernisation and expansion of present mines, he said that new mines also would have to be developed to help supply rising domestic and export requirements.

What is particularly interesting about Mr. Lamb's statement is that it shows the U.S. coal producers are by no means satisfied with the remarkable 70 per cent. rise in productivity in the coal industry which occurred between 1946 and 1955. Productivity per miner per shift during that time rose from 5.8 short tons (5.3 metric tons) in 1946 to 10.3 short tons (9.3 metric tons) in 1955. This striking productivity advance has kept U.S. coal prices down, making it economically feasible to ship American coal to such distant places as Western Europe, Brazil, and Asia. It also has made it possible for the coal producers to pay higher wages and so-called "fringe benefits" to the miners. Organised in a strong union, the miners today are one of the best paid groups of workers in the United States.

FUTURE OF U.S. COAL INDUSTRY

STRIKING RISE IN PRODUCTIVITY

OVER the last two decades, more and more Americans have come to heat their homes not with coal but with oil and natural gas—fuels that are considered more convenient and cleaner by many home owners. Also, American railroads have switched almost entirely to the use of oil-driven diesel locomotives. The decline of these two traditional domestic markets for coal has dealt the American coal industry two heavy blows. The producers of bituminous or soft coal, however, have staged a vigorous recovery since the 1954 post-war low, and the industry's prospects for the future are considered bright, even though a new competitor—atomic energy—has appeared on the scene.

Rising domestic demand from electric power generation and steel plants, *plus* higher economic activity in the free world which has increased the demand for U.S. coal, have contributed importantly to the U.S. coal industry's recovery. This was noted even before the blocking of the Suez Canal curtailed the flow of oil from the Middle East.

The National Coal Association, which represents the leading U.S. producers of bituminous coal, estimates that the U.S. soft coal production will rise to 532 million short tons (483 million metric tons) in 1957. This compares with the estimated 1956 soft coal production of 505 million short tons (458 million metric tons). The 1956 output was the highest since 1951 and 113 million short tons (102.5 million metric tons) more than the 1954 post-war low level.

Two U.S. Government experts, R. C. Dalzell, Chief Development Engineer for the Atomic Energy Commission, and Harry Perry, Chief Coal Research Engineer for the Bureau of Mines, stated recently that atom power would not supersede coal power in the United States in the next two decades, because it would be more costly to make electricity with atomic heat. They said that this means that the U.S. coal industry could look forward to expanding energy markets in the next 20 years, and that the U.S. electrical generating plants would not be compelled to junk all their coal-steam power equipment because of cheaper fuels.

The best available estimates of coal required for the 1975 power load in the United States, according to these experts, range from 340 to 488 million short tons (308 to 443 million metric tons). This probable demand from coal's largest domestic consumer will increase total annual domestic and export coal requirements by 1975 to about 886 million short tons (804 million metric tons).

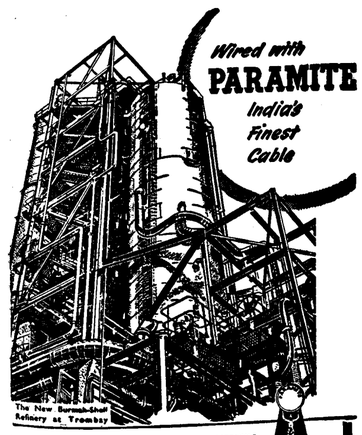
Export Demand

As for export demand, the Organisation for European Economic Co-operation (O.E.E.C.) recently made a forecast, before the Suez crisis interrupted European oil supplies, that there would be a growing need for the shipment of U.S. coal to Western Europe's industrial centres during the next two decades.

Although Messrs. Dalzell and Perry foresaw only 38 million short tons (34.5 million metric tons) of bituminous tons displaced in the year 1975 by the use of nuclear energy in generating electric power, they conceded that there was always the possibility of a "dramatic technical break-through" within the field of nuclear energy which might make it much more competitive with coal. On the other hand, these two Government experts saw a new future market for at least 100 million short tons (91 million metric tons) of U.S. bituminous coal annually through use of atomic heat to synthesize hydrogen in the future production of synthetic fuels needed to supplement petroleum natural supplies. Depending on plant size, the average costs per kilowatt for coal-burning power plants, according to the experts, range from $115 to $200 in the United States, whereas the average cost per kilowatt of installed capacity in the nuclear power plants now ranges between $230 and $450. They added that, in the seven U.S. coal-burning power plants surveyed, electricity was produced at the record low cost of 2.37 mills (10 mills equals one U.S. cent).

Neither Government officials nor coal producers believe that the American coal industry today, despite the fact that it has achieved remarkable progress in productivity in recent years, has approached its greatest economic

(Continued in previous column)



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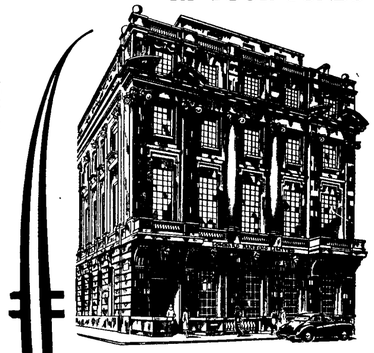

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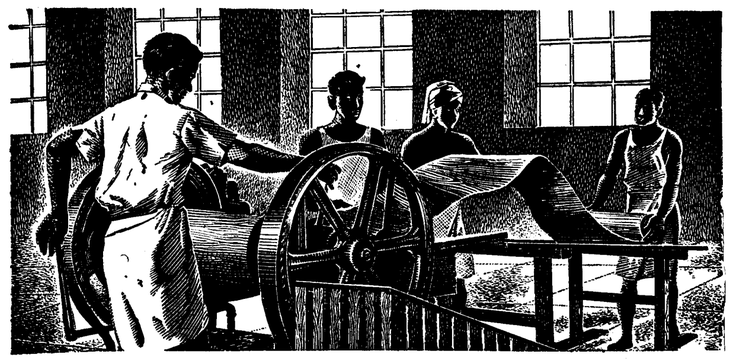

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DEVELOPMENT OF RUBBER INDUSTRY

COMPENSATION OF RAW RUBBER EXPECTED TO REACH 60,000 TONS IN 1961

ADDRESSING the annual meeting of the Association of Rubber Manufacturers in India last week, Mr. Cecil Stack, Chairman of the Association, struck a note of optimism on the outlook for natural rubber production in India. He said that the rubber planters need have no fears about the future of natural rubber or about the Government's proposal to set up a plant for the manufacture of synthetic rubber. Mr. Stack's estimate was based on the assumption that consumption of rubber in the country would almost double itself by 1961. He also pointed out that the *per capita* consumption of rubber in India during 1955 was only 0.2 lb., as compared with 0.3 lb. in China, 2.3 lbs. in Japan, 3 lbs. in Russia, 7.4 lbs. in West Germany, 11.7 lbs. in the U.K. and 20.7 lbs. in the U.S. These figures, he added helped to emphasise the tremendous scope for development of rubber goods manufacturing.

The trend of consumption of raw rubber during the past few years also justifies the hope that the upward trend will gather momentum in the coming years, what with a more rapid industrial progress envisaged in the second Five-year Plan and the resultant rise in national income. Thus, the consumption has expanded from 19,192 tons in 1949 to a record level of 31,405 tons in 1956 (the Rubber Board's statements, however, show a consumption of only 28,996 tons during the past year), as against an increase in production from 15,587 tons to 23,444 tons during the same period. The production of various rubber goods also shows an encouraging trend, as will be seen from the following table of output of some important items:

	1956 (Jan.-Oct.)	1955	1954	1949
Tyres—				
Automobile (000s) ..	769.2	882.0	832.8	686.4
Cycle (000s) ..	5,114.2	5,748.0	5,226.0	4,611.6
Tractor (Nos.) ..	24,168	24,528	19,152	..
Aero (Nos.) ..	3,103	4,404	3,516	..
Cab (000 ft.) ..	209.3*	370.8	324.0	..
Tubes—				
Automobile (000s) ..	742.9	786.0	748.8	702.0
Cycle (000s) ..	5,184.2	5,593.2	5,577.6	3,128.4
Tractor (Nos.) ..	24,884	23,112	16,884	..
Aero (Nos.) ..	2,017	2,448	1,572	..
Rubber footwear (million pairs) ..	2.91	3.49	3.12	1.78
Waterproof fabric (000 yds.) ..	2,207.1	2,119.2	2,023.2	..
Latex foam sponge (000 lbs.) ..	1,454.9	1,470.0	940.8	..

* For eight months.

In August 1955, it will be recalled, a conference of members of the Planning Commission and the representatives of the rubber manufacturing industry was held in Delhi to discuss the various aspects of the development of the industry. The main outcome of the discussions was: (1) that there was a case for building up additional capacity for the production of automobile tyres and tubes to 1.44 million each by 1960-61, as against the consumption of 834,000 tyres and 749,000 tubes in 1954; and a production of 9.7 million and 10.4 million cycle tyres and tubes by 1960, as against the consumption of 5.44 million tyres and 5.58 million tubes in 1954; (2) that it was necessary to create a capacity of 58 million pairs of footwear on a single-shift basis by 1960 in order to achieve a target of 50 million pairs; (3) that there was a case for the establishment of a synthetic rubber plant of the capacity of about 10,000 tons per annum.

On the basis of the targets fixed for rubber goods production under the second Plan, the Planning Commission estimated the manufacturers' requirements of raw rubber in 1961 at 40,000 tons. In September 1956, the Plantation Enquiry Commission invited the A.R.M.I. to give its estimate of the requirements of rubber in the next 5 to 15 years, as also to state how much of these were likely to be met from indigenous production of natural rubber, how much from synthetic and how much by imports. In reply, the Association stated that the total requirements were likely to be about 45,000 tons by 1961 and 85,000 tons by 1971. As regards local production, the Association expressed the view that no increase in the present rate of production of 24,000 tons of natural rubber might be expected before 1964-65 when the effect of the current replanting scheme would begin to be felt. Both these estimates are now considered by the Association itself as an underestimate. According to it, the requirements of manufacturers may go up to 60,000 tons by 1961 and indigenous production may reach 27,000 tons by that year. On the basis of the estimated consumption of 60,000 tons, the requirements of synthetic rubber are estimated at 15,000 tons, provided prices maintain their present differential in favour of synthetic. Should, however, the price of synthetic be the same as for natural, then the requirements might be only 7,500 tons.

It will be seen from the above that India has to depend for many years to come on imported rubber, so that the natural rubber producers need have no fear of competition from the proposed synthetic rubber plant. During 1956, imports aggregated 9,213 tons, that is, 1,252 tons more than the gap between the total consumption and local production. In 1955, imports amounted to 4,401 tons, that is, 766 tons short of the deficit for that year. Despite the larger imports, the total stocks of rubber in the country at the end of the year, at 8,311 tons, were 3,400 tons short of the minimum considered necessary to ensure continuity of production, that is, four months' estimated consumption. It will be interesting to note that 2,409 tons of synthetic rubber were used by manufacturers during 1956, as compared with only 105 tons in 1955, as against the import of 2,710 tons and 562 tons, respectively.

During the year, natural rubber prices in India remained constant at Rs. 155-12 per 100 lbs. f.o.b. Cochin for R.M.A. 1. Singapore prices for imported rubber ranged from a high of Rs. 191 per 100 lbs. in January to a low of Rs. 119 in June. At the end of the year, the price was Rs. 176. The price of imported synthetic G.R.S. was constant at Rs. 125 per 100 lbs. f.a.s. New York. In July last, the Government of India introduced a price equalisation scheme, under which the difference between the imported and the local price for natural rubber, when the import price is lower, has to be paid to the Rubber Board. At the same time, permission was given to the Rubber Board to import rubber and sell it to manufacturers. The money raised under this scheme is meant to assist the rehabilitation of rubber estates. During the latter half of 1956, the Board received a sum of over Rs. 2 lakhs on this account. The Association of Rubber Manufacturers in India strongly protested against this price equalisation policy but to no avail.

Negotiations are in progress at the present time for the establishment of a carbon black factory in this country, as also for the manufacture of high tenacity rayon tyre yarn. If these plans materialise, a considerable step forward will have been taken in making the rubber goods manufacturers self-sufficient in regard to their requirements of basic raw materials.

COFFEE CROP

The coffee crop in India during the 1956-57 season is expected to yield about 38,000 tons, according to the Coffee Board's latest revised estimate, as against an earlier estimate of 36,000 tons. Rains in some parts seem to have hindered picking and caused dropping of fruits to a slight extent. Nevertheless, it will not be surprising if the final crop turns out to be a little higher than what the latest estimate indicates. For private estimates of growers place the crop at 40,000 tons. In the light of the latest revised estimates of 1956-57 crop, the exportable surplus out of this crop is now placed at 11,100 tons. The prospects for 1957-58, according to the Board, are at the moment bright. There were, however, some scattered premature showers in Malabar-Wynaad about the middle of January, but these are not expected to affect the prospects seriously.

The stocks of 1955-56 crop as on 1st February 1957 amounted to 3,456 tons, of which Plantation accounted for 940 tons, that is, about a month's requirement, Arabica Cherry for 491 tons, slightly more than a month's requirement, and Robusta for 2,025 tons, representing less than three months' requirements. The Board expects to clear these stocks within the time scheduled.

Pool releases for the internal market during January 1957 amounted to 1,939 tons, as compared with 1,693 tons in December 1956 and 1,734 tons in January 1956. Export sales out of the new crop, which had been programmed late last year, have already started and the programme is being kept up. The quantities put up are short of anticipations, but these will be made up in the months of March and April. During January, 591 tons of Plantation were sold. A further quantity of 839 tons of Plantation was offered for sale on the 13th inst. Tenders have been called for 1,240 tons of

(*Continued on page 399*)

OUTPUT OF JUTE GOODS

RISE OF 8,400 TONS IN THREE MONTHS

THE Indian jute industry is again in a depressed state of affairs, following a heavy fall in prices of its manufactured goods. By an unhappy coincidence an increase in production has been accompanied by a slackening of overseas demand. Consequently, mills are burdened with heavy stocks again. As pointed out in these columns last week, stocks of manufactured goods as at the end of last month were higher by 8,400 tons, as compared with those at the close of December 1956, and 25,700 tons more than those a year ago. The statistics of production for the month of January show that, of this increase in stocks, a rise in production accounted for 3,900 tons.

The total production in the past month amounted to 88,800 tons, as compared with 84,900 tons for the previous month and 88,900 tons for the corresponding month of 1956. This is the third month in succession to show an expansion in production, the aggregate rise during the three months being 8,400 tons, bringing the monthly output to the highest level since August 1956.

Trend of Production

The following table shows the production during January, as compared with that in the preceding two months and in January 1956:

Jute Goods Production

(In tons)

	Jan. 1957	Dec. 1956	Nov. 1956	Jan. 1956
Hessian	38,800	37,700	36,800	30,300
Sacking	43,500	41,300	41,800	52,600
Others	6,500	5,900	5,200	6,000
Total ..	88,800	84,900	83,800	88,900

It will be seen from the table above that all the varieties of goods have contributed to the rise in production during the month, and a sizable part of it is accounted for by sacking, which constituted nearly 50 per cent. of the total output. The rise in sacking production is double that in hessian, which has served to reverse the slightly downward trend noted in December last. The increase in hessian production is maintained for the third month in succession, the aggregate rise for the three months being 4,100 tons, mainly due to the diversion of some of the looms from sacking to hessian production. The output of "other manufactures" has been at the highest level since July last.

A break-up analysis of hessian and sacking shows that production of hessian bags has declined from 3,358 tons to 2,767 tons, while that of hessian cloth has gone up from 34,383 tons to 36,092 tons. Sacking bags and cloth have both risen from 40,439 tons and 905 tons to 41,478 tons and 1,996 tons, respectively.

Increased Working Period

The larger production during the month under review is due to the increase in the working period from 206 hours to 212 hours, thus bringing it to the level of May 1956, that is, before the re-sealing of the looms. It is noteworthy that, with the re-sealing of the looms in two stages in July and September last, the number of hours worked declined from 212 in May to 197.5 in September. The production also fell by 21,300 tons, that is, from 101,700 tons in May to 80,400 tons in October. Subsequently, the working hours rose to 212 in the month under review, thus offsetting to a large extent the benefit of the re-sealing. For production has, in the last three months, gone up by 8,400 tons.

Though the position is not alarming, it is by no means comfortable enough to be viewed lightheartedly. With the recent decline in raw jute prices and with the prospect of a fairly comfortable supply position, the cost of production of mills may come down, but, being dependent on the foreign markets to a large extent for their products, it is doubtful whether Indian mills will be able to compete successfully with other manufacturing countries and cheaper substitutes. In the circumstances, a concerted attempt at utilising the idle looms of jute mills to production of cross-blended jute fabrics with the mixture and association of other natural or synthetic fibres should be made. A number of cheap, artistic and useful fabrics of daily use can be produced on these looms, in order to enable the industry to preserve its position as the foremost foreign exchange earner for the country.

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DEVELOPMENT OF PORT FACILITIES

FINANCE MINISTER STRESSES NEED

THE importance of ports as the gateways of a country's foreign trade and commerce and an indispensible prerequisite for industrial development cannot be over-emphasised. As a result of the increased outlay on development projects under the second Plan, the tempo of economic activity will have been considerably increased by 1960 and this will make port capacity in the country, already insufficient in relation to needs, totally inadequate. Top priority is, therefore, being given to the needs of ports and Mr. T. T. Krishnamachari, Union Minister for Finance, has assured port authorities that, if they have properly considered and organised programmes of expansion, they will not suffer in regard to their implementation for want of foreign exchange. Speaking at the foundation-stone-laying ceremony of the Administrative Office building of the Madras Port Trust, Mr. Krishnamachari said last week that the Ministry of Transport would shortly be convening a meeting of the Chairmen of the various Port Trusts to prepare plans for the immediate augmentation of port facilities and to indicate the amount of foreign exchange needed for the purpose. He also disclosed that the World Bank had promised consideration of any scheme for loan for increasing the railway and port facilities.

Most of the ports in India are still "ancient" in several respects—in their equipment, way of handling traffic and other ancillary arrangements. The number of ships which have to stand outside the ports due to inadequacy of berths is increasing. True, the blocking of traffic through the Suez Canal has reduced the number of ships coming to Indian ports. But when the Canal is cleared and normal traffic restored, the number will tend to increase considerably. The effect of inadequacy of port facilities on freight rates and other costs is very considerable. Shipping companies have been wanting to raise their rates by as much as 30 per cent. because ships have to stand outside the harbour and could not unload their cargoes. Often-times, goods awaiting shipment could not get ships as the latter by-passed many Indian ports. Sometimes incoming ships go to other ports and come back for unloading. All this involves not only considerable delay but also additional costs.

In relation to the large volume of traffic that will have to be handled in the future, the proposed expansion plans and the estimated expenditure on them are manifestly inadequate. Any expansion of port facilities necessitated a corresponding augmentation in the outlay on railways which was a much bigger problem. Mr. Krishnamachari observed that the Railway and Transport Ministry had not taken care to keep up their rates in proportion to increased costs in other directions. If they had done so, he said, they would not have had to suffer from lack of resources for development. This remark suggests that, in the coming Railway Budget, the railway fares and freights might be substantially raised.

Loans for Development

Regarding loans for development of ports, the Minister said that the Government would evolve some system of loans which would induce the Port Trusts to raise their service charges. It is a false economy, he said, to drive away ships from the ports and make them ultimately raise their freight rates. The present rates charged on ships by the ports are, according to him, "miserably low" and forms only a fraction of the total cost of imported goods. He assured the Port Authorities that, if they raised resources for port development, the Union Government would give them equal amounts as loan. He also welcomed the Madras Port Authority's decision to abolish the existing surcharge and to pitch their rates a little below double the pre-war levels, in order to find part of the money required for the expansion of the Port which is scheduled to have 17 berths by 1960-61. But the Minister felt that even these would not be sufficient to handle the increasing traffic which required development of facilities in geometric proportion. He, therefore, suggested to the Chairman of the Madras Port Trust to plan for a few more berths.

Mr. Krishnamachari characterised the dock labour's opposition to mechanisation of the handling of cargo as "short-sighted policy." The fear that mechanisation would affect the employment opportunities and earnings of port labour was unfounded. In fact, mechanisation would only lead to a considerable enlargement of the employment potential not only in the ports but also in the hinterland. If goods moved quickly there would be greater flow of trade and commerce. He cited, in this connection, the instance of Bombay, where the Port Authorities have a mechanical device for loading and unloading of foodgrains but it could not be used because the dock labour was opposed to it. Expressing the hope that the labour union leaders would soon realise that they were putting a check on progress and opportunities for increasing employment by resisting mechanisation, the Finance Minister said that, besides planning and framing schemes and providing funds, it had also become necessary to consider the attitude of labour towards such issues.

MANGANESE SULPHATE FROM INDIAN ORES

Manganese sulphate is extensively used for stimulating plant growth and combating chlorosis of various crops, formerly considered failures, particularly in calcareous and highly organic soils. It greatly increases the yield of tomatoes and other crops like spinach, corn, soya bean, etc.; it is also used for direct spraying on crops to counteract deficiencies of manganese in the soil. Fertiliser grades of manganese sulphate are usually available in 65 per cent. and 75 per cent. grades containing some amount of ammonium sulphate.

The importance of manganese sulphate in commerce is due to its prevailing use as the starting material for the manufacture of various other manganese compounds, chiefly in chrome brown, in textile dyeing and calico printing, in medicine and in paper manufacture. The purer varieties, usually monohydrate, are incorporated in cattle and chicken feeds.

In very pure form, manganese sulphate forms the raw material for production of electrolytic manganese metal which is being increasingly employed in metallurgical industries and for production of manganese dioxide required by dry cell industry.

There is no significant production of manganese sulphate in India at present. Besides the anticipated demand for agriculture and the manufacture of manganese compounds, a sizable export market for the product could be developed.

A process for the production of manganese sulphate monohydrate of 93.6 per cent. purity from manganese ores has been worked out and conditions of working standardised on the basis of work to produce batches of 20-30 lb. of manganese sulphate. The process involves mainly mixing of the ore with a reducing agent (charcoal or coke), roasting of the mixture at a moderately high temperature followed by leaching of the calcine with dilute sulphuric acid. The leach liquor after removal of impurities is concentrated to saturation when crystals of manganese sulphate separate out. Recovery is about 60 per cent. The product obtained is totally soluble in water.

The main raw materials for the manufacture are manganese, or charcoal or coke and sulphuric acid, other chemicals being required only in small quantities. Ample resources of manganese ores are available in the country and most of the available grades, including precipitated hydrated manganese dioxide, can be used. The equipment required, namely, jaw crushers, ball mills, vibrating screch, roast reduction rotary-tube furnace, leaching, purification and storage tanks, filter press, evaporating pans, driers and boiler, etc., is available or can be easily fabricated.

Parties interested in undertaking the commercial development of the process are invited to correspond with the Secretary of the National Research Development Corporation of India, New Delhi.

METRIC SYSTEM IN ENGINEERING INDUSTRY

The engineering industry in India will change over to the metric system of weights by April 1958, according to the decision taken at a meeting of the representatives of the Indian Engineering Association, the Engineering Association of India and the Government of India and the Indian Decimal Society held at Calcutta the other day. It was, however, emphasised that booking of goods on railways should change to the metric system at an early date. Discussing the requirements of the engineering industry in so far as specifications and drawings of the metric system, were concerned, the Chairman, Dr. Lal C. Verman, Director, the Indian Standards Institution, described the steps taken by the institutions in supplying the necessary conversion tables and standard specifications.

The representatives of the industry asked for data on costing in respect of the change-over from the foot-pound system to the metric system. It was revealed that the Railways, P. and T. Department and the Ordnance Depots had conducted certain surveys. It has already been decided that all machinery to be indented by the railways will be on the metric system; the study groups in the Government undertakings have been examining the problems relating to the conversion and the reports which have been submitted to the Government will shortly be taken up for implementation. After studying the technical reports of these Government Departments, the engineering industry will be in a position to draw up more detailed plans for the change-over and these will be discussed at the next meeting after two or three months.

To ensure co-ordination, it was agreed to set up an agency for continuous mutual exchange of information among the industries themselves, on the one hand, and between the industries and the Government, on the other. The meeting also considered the plans for providing technical education on the metric system, the facilities available and the need for the large number of draughtsmen who will be required for carrying out the conversion.

ENGINEERING EDUCATION

PRESENT SYSTEM DEFECTIVE

BASIC sciences like mathematics, physics and chemistry form the foundation for a thorough study of engineering. With the furtherance of engineering study, all its various branches are continually becoming more dependent upon mathematics on an increasingly high level. Likewise, modern physics, including an introduction to nuclear physics, is very essential in the rapidly progressing developments in engineering. As such, the old methods of teaching of physics and mathematics need to be re-orientated. A thorough knowledge of inorganic, organic and physical chemistry is also becoming more and more important for a proper appreciation of different aspects of engineering studies. In fine, engineering science is a subject that involves largely the study of basic scientific principles as related to engineering problems and situations.

Inaugurating the sixteenth annual conference of the Association of Principals of Technical Institutions (India) at Karaikudi resently, Dr. A. Lakshmanaswami Mudaliar, Vice-Chancellor, Madras University, deplored the present system of making students decide at the under-graduate level itself whether they would take to civil, mechanical or electrical engineering. He rightly pointed out that, at a time when the broad principles of engineering had yet to be correctly appreciated, the student was switched off to one or other of these special branches. This system did not make for turning out fully qualified, competent engineers. He contended that the students must first complete the graduate course before proceeding to specialise in the branches of engineering science.

Seeing that such defective specialisation is already in existence in several colleges, the Joint Committee of the All-India Council for Technical Education and the Inter-University Board, however, decided that specialisation should be limited to civil, mechanical and electrical engineering and perhaps to telecommunication also and that it should be allowed only at the post-graduate level. This recommendation was made for two reasons. First, in view of the fact that, practically in all engineering colleges, civil, mechanical and electrical engineering is differentiated at the under-graduate level, it would perhaps be a formidable task to effect a change in the curricula of studies. Secondly, in the conditions as they existed in India today, it would be extremely difficult for any specialised course of study at the under-graduate level to be profitably utilised. Hence all specialisation should be at the post-graduate level so that such specialised persons could be utilised either in the capacity of a basic engineer or as a specialist in the particular line. No action seems to have been taken yet on this suggestion.

A thorough understanding of the fundamental laws and modes of procedure that are common to all branches of engineering is essential to any specialised branch of engineering. By so doing, further study of engineering becomes simpler. The basic engineer should be not just a civil, mechanical or electrical engineer but one who knows something of all these three branches of study. In the circumstances, a specialisation undertaken later would prove more than beneficial. Again, it has to be seen whether sufficient facilities exist for a study at the different levels of practical instruction and that such instruction is actually being given under the supervision of well-qualified persons.

The rapid development of the country envisaged by the Government would call for a large number of such specialised basic engineers. If this need is to be met ably, it is necessary to remove quickly the defects in the present system of imparting engineering education to India's young men.

NEW PRODUCTS AND PROCESSES

Radial Water Level

THE plumb rule (a narrow board with a plumb line and bob) and the conventional spirit level are still in frequent use for positioning bulkheads, trunks, stanchions, etc., in shipbuilding and mains, sewers, joists, casements and bevels in the building trade. In shipbuilding, working in the open with a plumb line is difficult and inaccurate as it never keeps still, and it is not easy to lay the plumb rule flat against round objects and parallax errors are practically unavoidable. The plumb line presents the same drawbacks in building, while a water level can only be used for positioning mains, sewers, etc., at an incline after it has been fitted with attachments. A technical, commercial and advisory bureau of the Netherlands has put on the market a *radial water level* which can be adjusted to any angle and overcomes these drawbacks. The instrument consists of a colourless nylon case in which a black nylon head is rotatably mounted. A spirit level is suspended from this head in a rocker. The rocker compensates the forward or backward inclination and the spirit level is set at the desired angle by means of the rotating head.

Audiometer

An electronics laboratory of Rotterdam the Netherlands has recently started manufacturing an audiometer (an instrument for examining the auditory acuity of the human ear) which operates on a new principle. Unlike the conventional *octave* method using test tones with pitches lying an octave or half an octave apart, in the new audiometer the pitch is varied continuously. The hearing is thus examined over the whole range of hearing and far more details are obtained regarding the patient's auditory acuity. The level of the acoustic signal produced by the audiometer in the frequency range 200-8,000 cycles per second is in a direct linear correspondence with the threshold- sensitivity of the average healthy human ear. This new audiometer therefore enables rapid selective tests to be made on groups of persons such as school children, soldiers and factory workers. The results are recorded on an audiogram chart. It has also been found that this new audiometer provides the only correct method for the early detection of incipient acoustic trauma.

Better Use of Engineers

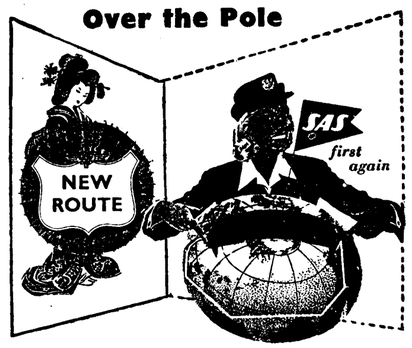
Psychological testing is aiding in the better utilisation of scientific manpower resources. Research on the use of tests for the engineering profession has been aimed at avoiding many instances of severe waste and mis-application of technical manpower. By resorting to trial and error, many engineers have spent years in unsuccessful pursuit of graduate training, careers in sales engineering, research or some other technical function before moving, finally, into areas best suited to them. Most recently, research at the University of Minnesota and elsewhere has provided answers to such questions as: How many jobs in engineering be most efficiently analysed? How do engineers performing different functions differ from one another? How may differences be measured reliably? How may all such knowledge be used to foster better guidance and placement of engineers? Simple, objective and accurate analyses and tests are being used effectively now.

Novel Flowmeter

A novel type of flowmeter is now to become available to British industry. The device which can measure the flow of gases, or liquids in industrial quantities, operates on aeronautical principles. It measures the flow of the gases, or liquids, by means of the pressures they exert on a small aero-foil shaped like a miniature aircraft wing. Five years of research, development and field testing of the aero-foil unit have shown, it is claimed, that the system can be used to measure gases and liquids flowing at exceptionally varied rates of flow and widely different pressures. Thus the system has been used effectively in one case to measure the flow of 3 million gallons of liquid a day at a pressure of 150 lbs. per square inch. In another case it has been successfully used to measure the air flow in a mining ventilation system. Units have been tested out for measuring the flow of water, producer gas, coke-oven gas and town gas, and experiments are continuing in the application of the aero-foil units for measuring the movement of hot air in ducts, and also of oil, blast furnace gas and sea water.

Vibrationless Pneumatic Drills

Virtually vibrationless pneumatic drills for industrial use are now being developed for experimental testing as the result of research which has been carried out since 1955. The research has already shown that it is possible to design pneumatic drills which do not vibrate when they are used to drill most kinds of materials. Investigations are now being made to try and eliminate the vibration in the case of the few remaining exceptionally vibration prone materials and some success is being achieved. Already pneumatic reciprocating drills have been designed in which vibration is only slight even when they are used to drill the very worst materials. A further advantage of the new types of drills which are being developed, will be their very light weight—a feature which does not, the scientists working on their development claim, lead to any reduction in the amount of work they can undertake when compared with the standard heavier vibrating tools in general industrial use.





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ROLE OF LIFE FUNDS IN FINANCING ECONOMIC DEVELOPMENT

VERY VITAL FOR STIMULATING SAVINGS

By T. A. A. Latif

ONE of our major limiting factors to any quickened pace of economic development, is the paucity of adequate finances. The second Five-year Plan particularly has, as its objectives, a more rapid industrialisation of the country and a more even distribution of economic power. We know from the experience of countries like the U.S. or of West Europe, that insurance companies have been in the forefront in providing long-term capital for development purposes. The objective of the Government in taking over the insurance industry has been twofold. First, the need to control the investment of life funds so as to be able to direct it towards socially purposive channels and, secondly, to undertake the work of expanding the scope of operations so as to generate a greater and greater volume of savings. There can be no doubt that, in the context of our present economic planning, there should be the greatest emphasis on the need to inculcate in our people the habit of saving through insurance. The importance of this point will become clearer, if we remember that successful economic planning requires us to rely increasingly on internal resources. Perhaps, the greatest contribution of insurance to the national economy lies in the fact that it can be of help to fill up a big gap in our financial resources.

The most pertinent feature of life insurance is that life policies are long-term contracts under which premiums are paid regularly for a long-term of years. This is accumulated to form a fund, out of which claims are paid or other liabilities met. Life funds are thus a reserve formed as a result of the operation of what is called the level premium system. The level premium system simply means that, in the earlier years of a life insurance policy, we pay an amount greater than the actual cost of insurance warranted by the risk, so that a reserve fund is built up to meet the deficit in premiums in the later years of the policy when the risk naturally is greater. The life fund is, therefore, not an extra amount to meet contingencies, but it represents the accumulated liabilities of the insurer towards policyholders and is to be kept as trust money. What is important is that this money must yield a return, because, at the time when the premium was calculated, a certain rate of interest was assumed and that consideration was shown to the policyholder by giving him the benefit of a lower premium. Investment of funds is, therefore, a must function of a life insurance office and this is a very important matter, because greater care has to be taken in choosing the best investment market.

As a rule, investment policy should be guided by certain broad principles, by the principles of safety, yield, liquidity and distribution. Absolute security of trust money is vital, because a life office cannot venture putting money on speculative and risky investments. It is always a guiding principle for a life office not to make profits that way. In all countries, Governments have imposed severe restrictions on the investment policy of life offices, with a view to protecting the interest of the policyholder. It is another safe rule in insurance investment not to put all the eggs in the same basket. Speaking broadly, investment of life fund is guided by a compromise between maximum yield and absolute security and convertibility. Life insurance offices are thus important financial institutions handling large funds of a trust character.

This factor highlights the significance of life insurance as, perhaps, the most important single source of long-term finance. Life insurers are also the biggest institutional investors in any country. This point is of particular importance for us, because we have to remember that private individual investors in any country do not play as effective a role as the institutional investors could possibly do. Here, we can afford to take a lesson from the industrial countries like the United States or of West Europe or Japan, where insurance companies have been in the forefront in providing long-term capital for industrial investment. According to an earlier estimate, about 50 per cent. of the assets of life offices in the United States are invested in industry. Perhaps there the higher return by way of interest or profits on invested funds have been a major incentive.

In India our problems are more basic. So far as we are concerned, as a country with huge development programme under way, the biggest problem is how increased finances can be made available for industrial investment. It is very pertinent to note here that the Shroff Committee appointed by the Reserve Bank of India some time back suggested some sort of an investment syndicate of banks and insurance companies to invest in new issues of industrial shares or debentures. But whatever may be the points of merit regarding this particular recommendation now, it is pertinent to think that the investment policy of the Life Insurance Corporation will have to be necessarily very broadbased, especially in view of the fact that the second Five-year Plan contemplates as immediate objective a more rapid industrialisation of the country.

Thus in the context of the present economic policy and needs, life insurance has a very significant role to play in promoting the accumulation of capital and place at the disposal of the country on appreciable volume of capital best suited for long-term productive investment. For, even at the present low level of *per capita* insurance, the total life funds available for investment amount to Rs. 380 crores which may be only a fraction of what could be mobilised. We should note the economic fact that, for a vast and populous country like India, the rate of accretion to the life funds are but a poor contribution to the capital resources of our country. The needs of industrial expansion will be very much conditioned by the availability of long-term finance. In the U.S., life funds have financed not only its general industrial development but also the construction of a number of public utility services and private industrial ventures. In the case of India, the creation and promotion of its industries, the building of power and irrigation projects, warehouses and a network of new construction works can be benefited by insurance finance. Investments in the future, therefore, have to be tuned to the demands of a new industrial society. The considerable funds which life insurance controls will supplement greatly the financial resources of a State. For India, the major sources of plan finance have been fourfold external help, internal borrowing, taxation and deficit financing. But, in the context of the present economic and political situation, economic statesmanship makes us rely in a greater and greater measure on our own capital resources. It is here that we have to affirm again and again the importance of promoting the practice of saving through insurance as a national habit.

The role of insurance funds is, therefore, very basic to the national economy and life funds are an integral part of national finance. This is more so for an underdeveloped economy, where the normal channels of capital formation are not activated to a sufficiently high decree. Life insurance funds in other countries have been used to finance reconstruction schemes. In our country, it can not only contribute to financing industrial ventures but also add to the strength and stability of the national economy and speed up social well-being.

LIFE INSURANCE IN U.S.

RECORD BUSINESS DONE LAST YEAR

LIFE insurance business in the United States enjoyed the most prosperous period in its history during 1956, the number of persons owning life policies and sales both setting up new records. By the end of 1956, over 62 per cent. of the nation's population, that is, 106 million out of the total of 169.67 million, possessed life assurance cover, the value of their holdings amounting to $415 billion. The number of persons owning life policies and the business in force at the end of the year represented an increase of 3 million and $43 billion, respectively. The average family ownership increased by $600-$700.

The new life insurance business done during the year aggregated about $55.6 billion, that is, $7.2 billion more than in 1955. The outgo by way of benefit payments to both policyholders and their beneficiaries amounted to about $5.83 billion, an increase of $450 million over the year. Of these, "living" benefits given to the policyholders themselves accounted for about 58.7 per cent. Death benefits were higher by about $170 million, despite the low death rate among such holders, thus indicating that larger amounts of protection were the order of the day among the policyholders.

Several factors were responsible for the substantial expansion in life business during the year. First, there was an increase in the number of life companies, as many as 120 new concerns entering the field, raising the total number of legal life insurance companies to 1,144. Most prominent among these was the Insurance Company of North America, which returned to the field after an absence of 139 years. Secondly, there was "greater competition for the insureds' dollars." Thirdly, insurance was made more attractive by introducing new types of policies covering from birth to death and removing the most hazardous employment classifications, thus making available life insurance available at normal rates for workers employed in hazardous occupations. Fourthly, insurance was made cheaper by some companies which cut their premium rates. It is likely that the cuts in premium rates will be extended during the current year, such being made possible by the rise in interest rates which, in turn, increased the earnings on the companies' investments.

The assets of the life insurance companies soared to a record level of $96.25 billion, an increase of $5.8 billion over the year. For the second year in succession, mortgages represented the bulk of new investments done by the companies. Mortgage acquisitions touched a record total of $6.8 billion or $200 million more than in 1955, thus disproving reports that the tight money market had dried up the mortgage field. There was, however, a decline of $91 million in veterans administration mortgages from the 1955 total of $1.84 billion. Nevertheless, the mortgage holdings of all types at the end of the year amounted to $33.1 billion, an increase of $3.7 billion over 1955.

The year was not, however, one of smooth sailing for the insurance business. For the industry was plagued by threats of national regulations of its advertising. At the end of the year, there was no clear-cut analysis of just where the regulatory power resides. The Life Insurance Association of America concedes that actions so far only serve to confuse the problem. The issue is being tested in Federal Courts and may be settled this year. Another major threat to the conduct of life business was the proposal to raise the taxation of life insurance companies. According to Mr. Louis W. Dawson, President of the Mutual Life Insurance Company of New York, "life insurance is being penalised by a greater total weight of taxation than any other form of thrift institution." He estimates that the life insurance companies would have paid about $263 million by way of corporate income-tax to

(*Continued on page 378*)

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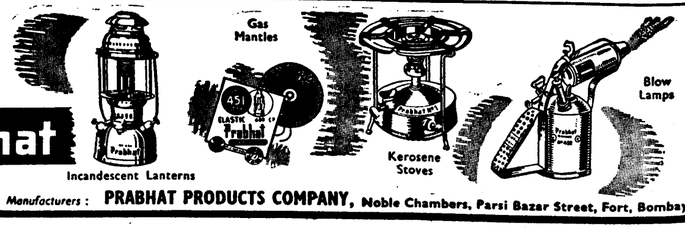

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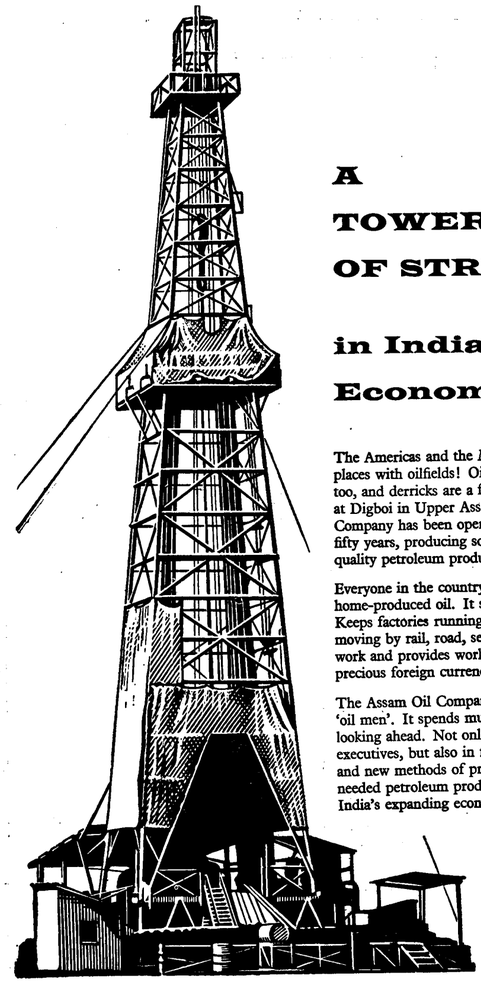

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ECONOMIC BENEFITS OF WORLD DISARMAMENT

By Dr. Grover W. Ensley

EXECUTIVE DIRECTOR, JOINT ECONOMIC COMMITTEE, UNITED STATES CONGRESS

A PRINCIPAL objective of U.S. foreign policy is securing the peace and prosperity of the world. As a major step in attaining this objective, the United States has sought world disarmament whenever the objective bases for disarmament existed.

Disarmament was a major item in President Wilson's 14 points. During the 1920's, the United States disarmed to a significant extent and maintained a minimum military establishment during the 1930's. Other nations increased armaments despite efforts by Presidents Hoover and Roosevelt to obtain their co-operation through the Disarmament Conference of the League of Nations. Following World War II, President Truman consistently worked for disarmament through the United Nations. The Communist invasion of South Korea in the summer of 1950 found the United States and the Western world's military preparedness woefully inadequate.

After the Armistice in Korea, the U.S. Senate passed unanimously on 29th July 1953, Senate Resolution 150 which states: "That it continues to be the declared purpose of the United States to obtain within the United Nations, agreements by all nations for enforceable world disarmament."

Over a year ago, President Eisenhower appointed Harold Stassen, Special Assistant on Disarmament, with Cabinet rank. Mr. Stassen has been seeking agreement for an exchange of military information between the United States and the U.S.S.R. as a first step towards a comprehensive and effective system of inspection and disarmament. The continuing intense interest of the U.S. Congress in disarmament is reflected in its creation a year ago of a special Senate Sub-Committee on Disarmament under the Chairmanship of Senator Hubert H. Humphrey.

This record over four decades gives clear evidence of the sincere hope of Americans for disarmament and the use of our resources for peaceful purpose. We are not blind to the tremendous problems in international relations which must be overcome to make world disarmament feasible. On the other hand, it is surely not premature to give serious consideration at this time to the consequences of achievement of a truly peaceful world.

One of the most important of these consequences, I believe, will be a significant change in the character of the American economy. Such a change will present problems requiring adjustments both in public policy and in private management of economic affairs. More important, it will present us with opportunities for making tremendous advances in the material well-being not only of the United States but of all the world.

Defence Needs Limit Economic Advance

Defence needs in the United States have limited the extent to which all levels of Government have been able to provide the public services demanded by a growing population. Let us take a look at the additional advances which might have been made in the civilian sector of the American economy, had it not been necessary to allocate resources to defence production. For instance, the cost of one destroyer is enough to provide new $10,000 homes for more than 3,000 families. The price of one modern heavy bomber would provide hospital facilities for a population of more than 125,000 people. The cost of one modern jet fighter would finance four years of college education for more than 100 young people.

In 1955, about two per cent. of our steel shipments, three per cent. of copper, and nine per cent. of aluminium shipments went into defence production. Although these percentages are small, they represent the commitment of substantial quantities of our resources to production that is not available for consumption and which does not add to the nation's industrial capacity.

Communist aggression, with the persistent threat of its renewal, has cost us—and the rest of the world—the higher real living standards, including leisure, educational, cultural, and recreational opportunities, which would have measured our economic potentials in a peaceful world. In the broadest sense, therefore, the principal economic consequences of disarmament would be the opportunity for a major reorientation of our economic activity toward more complete satisfaction of the virtually infinite variety of human wants.

We must, realistically, expect that this reorientation will present significant problems and require major adjustments. Significant reductions in the U.S. military spending have occurred twice in the past decade. After World War II, our defence spending was reduced by $54,700 million between 1945 and 1946. Under the impetus of extraordinary domestic consumer demand, outlays for relief and capital requirements in many war-torn areas of the world, conversion was very rapid. Measured in current dollars, the gross national product fell only $4,400 million. In constant prices, the decline was more significant, although full employment levels were maintained because of voluntary withdrawals from the labour force.

The second adjustment, occurring at the end of the Korean War in mid-1953, was complicated by a related inventory adjustment. Not only was the level of defence spending reduced from $51,500 million in 1953 to $43,000 million in 1954, but there was a significant shift in composition of defence expenditures from guns, ammunition, and tanks to larger outlays for research, development, and production of new offensive and defensive weapons.

Gross national product dropped $2,500 million from 1953 to 1954, but reached a new high of $390,000 million in the following year. Monetary and fiscal action was helpful in easing the impact of reduced defence spending.

The successful post-Korean adjustment points up the strength of our overall economy in adjusting to lower levels of defence spending. It appears that the U.S. gross national product for 1956 will be close to $410,000 million. The largest portion of this, roughly $265,000 million, is being purchased by consumers. Federal, state and local governments are buying nearly $80,000 million and business purchases of new capital goods are close to $65,000 million. Net foreign investment will be small. It is clear that, in the context of these gross national product components, the American economy as a whole could successfully adjust to quite substantial cuts in the current $41,000 million level of defence spending.

The sheer magnitude and infinite variety of unsatisfied human wants which have been postponed because of defence demands are convincing evidence that our economy would have little difficulty in finding outlets for resources released by reducing defence outlays should disarmament



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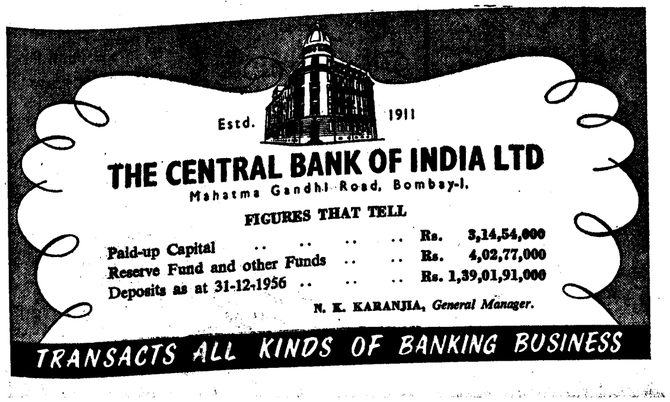

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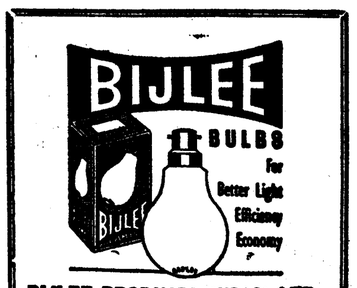

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ever become possible. Not only do these wants exist but we in America have demonstrated the know-how, ingenuity, and drive to translate wants into satisfaction.

Impact of Growing Population

Another significant factor underlying the expansion of the American economy is our rapidly growing population. But of even more economic significance than the growth is the changing age characteristics of the population. The demand forces set in motion by these population trends stagger the imagination. Business opportunities are unlimited if this challenge is translated into expansion programmes.

During the past decade, there has been a clarification of responsibilities, the establishment of machinery, and the development of techniques whereby Government and private industry can with greater confidence tackle aggregate economic adjustment problems in the future. Under the Employment Act of 1946, the U.S. Congress declared that it is the responsibility of the Federal Government to "promote maximum employment, and purchasing power" with the co-operation of industry, agriculture, labour, and state and local governments. The effects of this legislation have proved a stabilising force in the national economy by providing confidence both for business and consumers that maintaining high levels of economic activity is our common goal.

The changed complexion of the economy resulting from substantial reduction in the defence programme might well occasion significant changes in both our tax system and monetary policy. Apart from these revisions, rapid reduction in defence spending would call for prompt fiscal and monetary action to the extent required by inadequacy of private demand.

The success of such compensatory policy over the past 10 years and the confidence that timely action would be taken to maintain employment have done much to minimise fluctuations in U.S. economic activity.

The most effective stabilisation device to meet a substantial drop in aggregate demand is fiscal policy. If a cut in defence spending were to result in a deficiency in aggregate demand, other Government outlays might be increased, taxes reduced, or both, depending on the value judgments of the country as a whole with respect to public as opposed to private spending.

A decision to rely on expansion of private rather than public spending would call for tax reduction, in order to increase business and consumer purchasing power. Alternatively, reduction in defence outlays would provide the opportunity for expansion of long-deferred public services and facilities, such as schools, hospitals, and highways, demanded by an expanding population. Expansion of private demand would be facilitated by making money and credit more readily available at lower interest rates.

There is increasingly widespread appreciation of the built-in stabilisers which operate automatically to maintain disposable personal income. On the expenditure side are unemployment compensation, old age and survivors insurance, agricultural payments, grants-in-aid to states, and other programmes. Our progressive federal income-taxes are important automatic stabilisers on the revenue side.

Foreign Investment

Increased foreign investment in a period of reduced defence spending would provide an opportunity for economic growth and expansion of our own as well as the economies of other countries. Political and economic uncertainties created by international tension represent a major deterrent to private investment abroad. Substantial alleviation of these tensions is a basic requirement for a general reduction in armaments and de-emphasis of our defence programme. Accordingly, we may look forward to a higher level of private foreign investment when reductions in defence spending become feasible.

The Federal Government could contribute to expansion of this foreign private investment by such revisions of foreign economic policy as would be made possible and necessary by the changed international conditions. Direct participation by the Government might also be desirable, at least initially.

For example, pooling private capital and public funds to provide a world-wide industrial development fund might be a useful approach, particularly in connection with such types of industrialisation programmes as atomic energy development. Such industrial advance in the present newly-developing countries would afford vast new opportunities for increased private foreign investment, with resulting improvements in levels of living standards.

What President Eisenhower said in April 1953 is still true today:

"This Government is ready to ask its people to join with all nations in devoting a substantial percentage of the savings achieved by disarmament to a fund for world aid and reconstruction. The purposes of this great work would be: to help other peoples to develop the underdeveloped areas of the world, to stimulate profitable and fair world trade, to assist all peoples to know the blessings of productive freedom."

We must anticipate that the change in the character of the economy resulting from substantial reduction in our defence programme would require revisions in other areas of public policy. The implication of such a reduction for federal policy with respect to the agricultural and natural resources sectors of our economy, for example, might well be of broad significance.

The more difficult problems, we must anticipate, will arise in connection with the short-run adjustments to be made by specific industries, localities, and sectors of the economy in response to basic changes in the economic setting. Such adjustments cannot be lightly regarded. They may well have significant consequences not only for the management, employees, and shareholders of affected companies, but for entire communities. On the whole, the best assurance that such adjustments will be most readily effected could be afforded by public policy aimed at substantially increasing the mobility of all types of industrial resources—labour as well as non-labour.

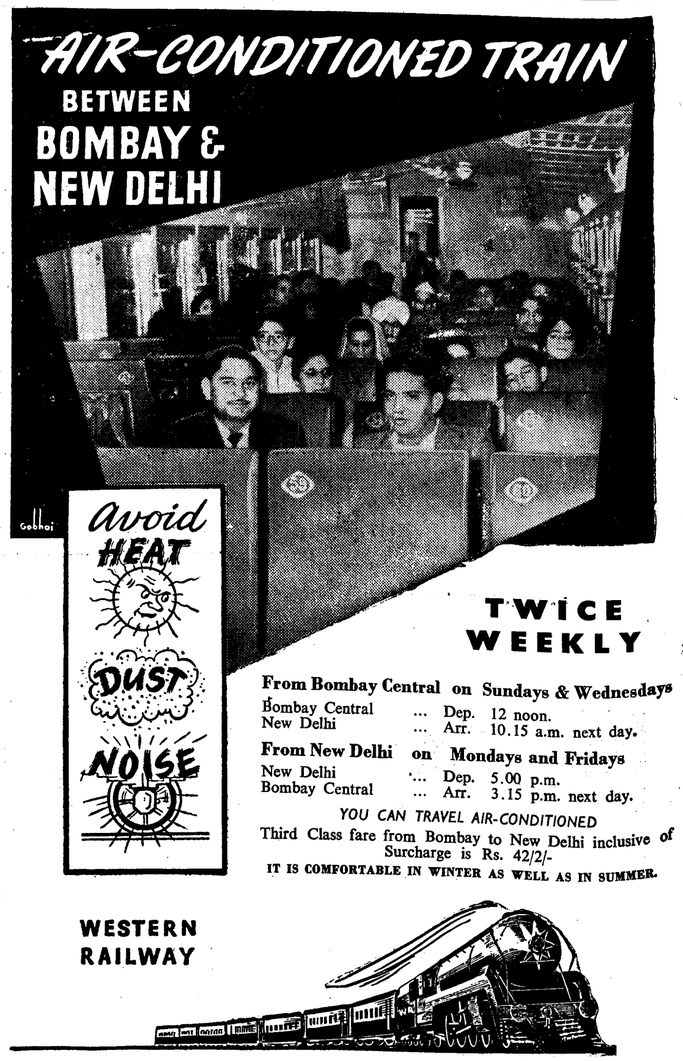
No one, I am afraid, is in a position today to tell us when disarmament may become a reality, not even to characterise the process of reducing defence expenditures. Yet the appeal of attaining a peaceful world and the horror of failure is so compelling that we cannot overlook our responsibilities in anticipating and preparing for the adjustments which will be required. It may be concluded, therefore, that economic considerations support every feasible effort on the part of the United States for disarmament. Certainly, the problems and adjustments occasioned by cuts in defence spending do not represent—and must not be regarded as—economic barriers in the way of disarmament or peace.

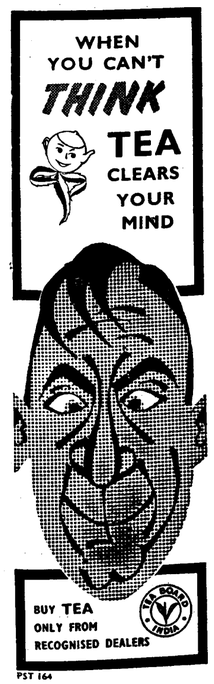
INSURANCE

(*Concluded from page 374*)

the Federal Government and $220 million in State premium taxes during 1956 alone, thus taking away $4 out of every $100 of premium deposits made by policyholders. Life insurance companies operating under a mutual plan are not corporations operated for a profit. They have no stockholders; they are true mutuals—groups of individuals banded together to provide themselves with a security for their families. Nevertheless, it is contended that they are subjected to penal taxation as other life insurance companies.

The outlook for the current year indicates another year of record business. Mr. Holgar J. Johnson, President of the Institute of Life Insurance, foresees a new peak, possibly in excess of $450 billion, by the end of 1957. The average family ownership of life policies, according to the estimate of the Institute, should pass $8,000 this year. The fact that American families bought last year more new life insurance, increased their ownership of life insurance to a larger aggregate and received more by way of benefit payments than in any year on record, appears to back the industry's optimism for the future.





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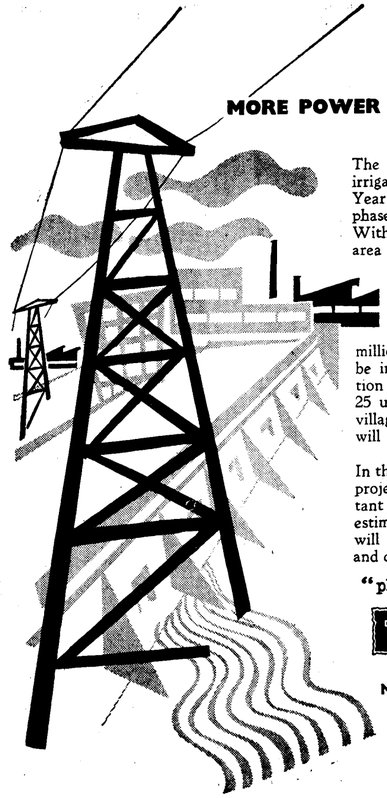

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POSITION AND PROBLEMS OF GLASS INDUSTRY

OUTLOOK APPEARS TO BE BRIGHT

AN important industry the capacity of which has expanded faster than the internal requirements is the glass industry. No wonder the glass industry has for some time been faced with all those problems that are peculiar to such an industry. In 1955-56, there were 131 glass factories registered under the Industries (Development and Regulation) Act 1951, with an installed capacity of about 314,500 tons. Of these, however, only 84 units, with a total capacity of 247,000 tons, are actually working while 25 factories, with a capacity of about 44,000 tons, are temporarily closed and 22 factories, with a capacity of 23,000 tons, can be regarded as having permanently closed down. The effective capacity of the industry at the end of the first Plan was of the order of 292,500 tons. As against this, the production of glass products was low, being no more than 124,205 tons, or about 42.5 per cent. of capacity. It was, however, substantially higher than 87,130 tons produced in 1950, that is, on the eve of the first Five-year Plan. The main lines of production are bottles and phials, sheet glass, tableware and pressureware, lampware, scientific glassware, shells for lamps, and thermos flasks.

Unit (tons)	1950	1951	1952	1953	1954	1955	Targets of production under Second Plan 1960-61
Bottles and phials	51,850	50,640	50,220	40,750	47,840	55,270	90,000
Sheet glass	5,100	5,800	4,780	11,990	17,950	20,540	35,000
Table and pressedware	12,950	15,340	17,920	17,620	22,050	25,460	35,000
Lampware	13,150	16,340	15,580	12,400	12,660	16,690	18,000
Scientific glassware	2,140	2,000	1,500	1,320	1,510	2,500	6,000
Shells for lamps	N.A.	620	740	750	1,000	1,160	2,200
Thermos flasks	N.A.	330	110	90	180	315	750
Miscellaneous glassware	1,990	2,080	1,230	960	2,460	2,270	12,000
Safety glass	..	..	..	..	..	N.A.	1,500
Optical and Ophthalmic glass	..	..	..	..	..	..	250
Total	87,180	93,150	92,080	86,080	105,640	124,205	200,900

The comparative table above gives a picture of the trend of production of various types of glassware since 1950. As can be seen from the table, the production of glass products declined from 93,150 tons in 1951 to about 86,000 tons in 1953, but increased to 124,000 tons in 1955. This level was substantially lower than not only the capacity but also the target fixed in the first Plan for 1955-56, namely, 168,500 tons. The reasons for this shortfall are stated to be lack of sufficient domestic demand for a number of products of the industry, irregular and inadequate supply of transport and the failure of exports to attain the targets envisaged in the first Plan. Neither the existence of surplus capacity in the industry nor the failure of the industry to reach the production target should be taken to mean that the country has achieved self-sufficiency in glass manufactures. This point is obvious from the substantial imports of glass and glassware. The value of such imports during the last four years of the Plan was Rs. 1.29 crores (in 1952-53), Rs. 1.36 crores (1953-54), Rs. 1.37 crores (1954-55) and Rs. 1.64 crores (1955-56). In the first year of the Plan, the imports were Rs. 2.15 crores. The fall in the following years was mainly reflected in sheet glass and plate glass, two items in the production of which the country has made some advance. Nevertheless, these very items still head the list of glass imports. Other items that figure in the list are bottles and phials, beads and false pearls, scientific glassware, funnels, globes, glass parts of lamps, tableware, thermos flasks. The continued imports of even some of the items that are produced in the country may mean that either the quality of the domestic production is not up to the mark or what is produced does not cover all the types of goods needed by the country. In our view, both the causes are responsible for the imports. In any case, some imports are necessary in an industry like glass for stimulating the manufacturers' pride for producing high class goods and a desire to attain competitive standards.

Exports Small

As compared with imports, exports were negligible. In terms of value, they averaged Rs. 30.80 lakhs per annum during the five-years 1952-53 to 1955-56. The tendency in the later years of this period was rather downward. On the basis of imports, internal production and exports, the domestic consumption of various types of glass and glasswares in 1955-56 is estimated at 135,500 tons.

Notable among the developments in the sphere of production during the first Plan period was the commencement of the manufacture of penicillin vials, sheet glass of sizes less than 16 ozs. and over 32 ozs., glass tubing by automatic drawing, and narrow mouth thermos flasks. Considerable progress was also noted in the efforts of many factories to raise the quality of their products though there is still great scope for improvement in this direction.

The Planning Commission has estimated that the domestic consumption of glass and glassware will go up from 135,000 tons in 1955-56 to 200,900 tons by the end of the second Plan. The programmes of development drawn up for meeting this estimated demand include the establishment of new factories for the production of thermos flasks, penicillin and vaccine vials, bottles, battery jars, glass tumblers, cups, etc., and substantial expansion of certain existing units. The effective capacity is thus expected to be raised to 338,000 tons by the end of the second Plan, as against 291,000 tons in 1955-56. Both the imports and exports are expected to amount to Rs. 50 lakhs each during the same period.

Serious Handicaps

The attainment of the targets fixed in the second Plan, however, depends to a large extent on the removal of the serious handicaps from which the industry now suffers. These handicaps were dealt with at considerable length by Mr. F. N. Sen, the retiring Chairman of the Bengal Glass Manufacturers' Association, in the course of his presidential address at its twelfth annual general meeting held at Calcutta a few days ago. First, there is the problem of idle capacity, to which reference has already been made. No less than 50 per cent. of the capacity of the working units and about 65 per cent. of the installed capacity are lying idle, despite the progress already made. In view of this, Mr. Sen cautioned the Government against issuing licences for setting up new units or for sanctioning expansion of the existing ones, unless such a course was dictated by reasons of economy of production and diversification of production in newer lines. He referred, in this connection, to the provision made in the second Plan for the manufacture of certain items, such as safety glass, optical glass, etc., and said that it was too early to say whether there was in adequate market for them. Nevertheless, he thought that an exhaustive market research would be useful. A second hurdle, which, according to Mr. Sen, is of crucial significance to the progress of the industry is placed by the railways. The glass industry is a major user of railway transport and has to get raw materials in bulk supply. It is said that there is both inadequacy as well as irregularity in the supply of railway wagon facilities. If this difficulty is not solved in time, it is feared that it would lead to accumulation of stocks and constitute a serious disincentive to the investment of fresh capital.

Inadequate and haphazard supply of raw materials, chemicals and fuels constitutes another serious problem. This is also due, to a large extent, to transport bottlenecks. The industry has to resort to road transport of coal at prohibitive costs. The high rates of freight is another handicap. Mr. Sen felt that the industry had reached such a stage that it could cater to the requirements of specialised consumers all over India, if only transport and freight facilities were favourable.

Yet another factor that would help the industry to grow with less friction, Mr. Sen said, was a sympathetic import policy, which should be so designed as to lead not only to conservation of foreign exchange resources, but also to expansion of the industry. This is a plea which many Indian manufacturers are apt to put forward as a matter of course, with little regard for the value of a reasonable measure of competition as a factor that ensures production of quality goods. It will, indeed, be a good thing if the country's balance of payments position can permit imports of certain types of consumer goods, in sizable quantities, in order to keep the domestic manufacturers on their toes all the time. It will be a valuable experience for them and help them compete effectively in foreign markets later. It should be noted that the industry has been enjoying tariff protection since 1950 and the question of its extension beyond the end of the current year will soon come up for scrutiny. The present rates of protective duty vary from 47½ per cent. *ad valorem* to 70 per cent. *ad valorem*. If, on the top of this high tariff wall, the industry wants to be protected through import controls also, the issue must be specifically referred to the Tariff Commission.

The price factor plays an important part in influencing the demand for glass products. The lower the price the greater will be the demand. Referring to this point, Mr. Sen emphasised the need for reducing the supply price of raw materials, the freight rates and refund of import duties, in order to enable the industry to reduce the prices of its products. But he said little about raising the productivity of the industry and the quality of its products. If Indian manufacturers wish to carry public opinion with them and conviction to the authorities in their demand for concessions in the cost of public services, they must make sure that they have taken all the other steps necessary to keep their cost of production down.

Government's Interest

The glass industry is one of those in the progress of which the Government has been taking keen interest and providing guidance and assistance. Apart from assuring tariff protection which was steadfastly denied by the British regime, the Government has constituted an Export Promotion Council for the industry along with that for chemicals and allied industries, and Mr. Sen felt that it should go a long way towards helping the industries in their export drive. Mr. Sen also referred appreciatively to the efforts that were being made by the Government to render technical assistance to the industry in respect of designing, construction, etc. He referred, in this connection, to the Technical Survey Team which has been formed with three foreign experts, and expressed the view that their findings would be of great value to the industry.

Turning to the labour problems facing the industry, Mr. Sen pointed out that the glass industry, unlike others, provided employment not only to skilled, but to unskilled workers as well. But, he averred, the over-dose of hasty labour legislation reacted most adversely on the industry. "Such legislation," he said, "hopelessly ignored the special characteristics of different industries along with their widely varying paying capacities." He felt that this trend was pregnant with dangerous consequences to the industry, especially to weaker units. He rightly stated further that higher rates of wages fixed by the industrial tribunals without regard to the productivity of the workers could not be sustained for long. He drew the pointed attention of the authorities concerned to the dangers to which the manufacturing units were exposed in times of strikes as a result of treating workers engaged in the furnaces on par with others. Since the glass furnaces are continuous process ones, and any discontinuation will lead to technical complications, the argument that, in times of strikes, the firemen at the furnaces should be declared essential workers has special force. Another pertinent suggestion made by him was that the Government should make provision for flexibility in labour laws to accommodate the industries at varying levels of development.

Outlook

As the major portion of the glass industry's products are of intermediate nature which are consumed by other industries, its fortunes are closely linked with those of the latter. About 45 per cent. of the glass industry's products, for instance, consist of containerwares used by pharmaceuticals, chemicals, preserved fruits and food, etc. Accordingly, unless these industries prosper and grow, the manufacture of bottles and phials will languish. Lampwares and glass shells, to give another instance, depend for their outlet on the development of lantern and lantern making industries. In fine, the glass industry draws its strength and succour, as Mr. Sen remarked, from the development and progress of other industries and much less from direct market demand for consumer goods like tumblers, jars, plates, cups and so on. Since the second Plan provides for the development of all the industries mentioned above and expects a substantial increase in national income, the outlook for the glass industry is generally bright and its progress is well assured if the problems discussed in this article are successfully tackled. Glassware can be used for multifarious purposes, especially for conservation of metallic resources which are scarce.

The extensive development in various fields envisaged in the second Plan would necessitate increasing uses of scientific and laboratory glassware and apparatus. Even from the point of view of saving foreign exchange and providing employment there is great need for expanding this industry. Further, the progress of housing schemes would also lend support to sheet glass industry. The industry, however, can avail itself of all these opportunities only if it produces high quality goods and sells them at competitive prices. This aspect is of cardinal importance, especially if the industry is to contribute its share to the country's foreign exchange resources. In this connection, the Central Glass and Ceramic Research Institute should be of special value. It is noteworthy that the symposium on Quality Control organised jointly by the Institute and the Society of Glass Technologists has given a new lead to the industry.

IMPORT LICENCES

It will be recalled that, under the import licensing policy for the current half-year, the Government has granted concession by which the licences issued during this period could be utilised for imports from the dollar area to the extent of 50 per cent. of their face value. The Government, according to an announcement on 12th February, extended this concession to cover soft currency licences issued during the two half-yearly periods of 1956, provided they are still valid. It is stated, however, that no extension in the period of their validity will be allowed as a result of this concession. It is further stated that requests for utilisation of such licences for imports from the dollar area will be considered on an *ad hoc* basis by the licensing authorities. In this review, the concession will be restricted to individual cases, where the importers can adduce satisfactory evidence to show that the imports from the dollar area would have a substantial price advantage over the same imports from the soft currency area.

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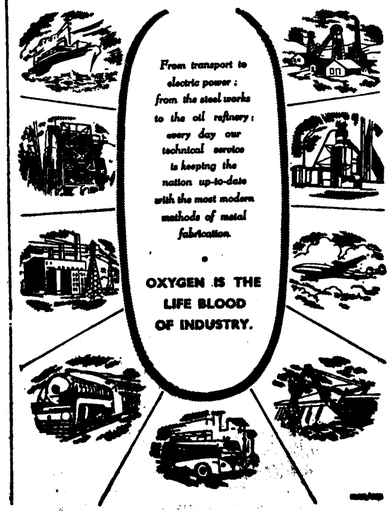

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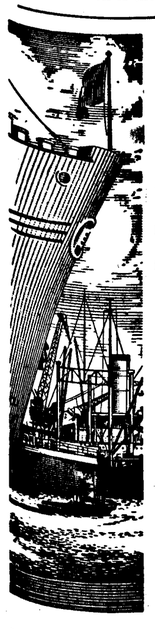
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SCINDIA STEAM FARES BETTER

DEPRECIATION, HOWEVER, STILL IN ARREARS

IN refreshing contrast to the depressing trend noted in the previous year, the working of the Scindia Steam Navigation Company, Ltd. (Chairman: Mr. Dharamsey M. Khatau, Bombay), for the year ended 30th June 1956, has produced results which are highly encouraging. The earnings for the year are substantially higher than those for 1954-55. The factor mainly responsible for the sharp spurt in earnings is an increase in freights in overseas services. The better profits have brought some heartening news to the shareholders, in that their dividend for the year has been stepped up from As. 8 to Re. 1 per share. In other words, the dividend has been increased from a meagre 2½ per cent., to which level it had been stepped down in 1953-54, to a modest level of 5 per cent. per annum.

The Company's gross profit, which had suffered a progressive fall in the preceding two years from Rs. 242.29 lakhs for 1952-53 to Rs. 117.69 lakhs for 1954-55, has staged a very smart recovery to Rs. 269.31 lakhs. This is, indeed, a commendable performance. The impressive rise in profit is chiefly due to a substantial increase in freight and passage receipts from Rs. 888.22 lakhs in 1954-55 to Rs. 1,018.75 lakhs in the year under review. No less is it due to a handsome advance in other receipts from Rs. 25.68 lakhs to Rs. 42.41 lakhs. The net profit, too, has more than doubled from Rs. 32.73 lakhs to Rs. 71.41 lakhs. It is significant that this higher net profit has been arrived at after providing a substantially higher amount for depreciation; this account has received Rs. 172.16 lakhs, as against Rs. 74.70 lakhs a year ago. The sum of Rs. 172.16 lakhs consists of Rs. 78.00 lakhs special depreciation and Rs. 94.16 lakhs normal depreciation. Two factors are responsible for the sharp rise in the provision for depreciation. One is the increase in the size of the fleet and the other is the 25 per cent. development rebate allowed under the Income-tax Act in respect of new ships commissioned during the year. Such rebate works out to Rs. 67 lakhs. To this, the Directors have added the sum of Rs. 11 lakhs by writing back the provision for development rebate from the 1954-55 profits.

Thanks to the development rebate, the Company's tax liability is reduced by a corresponding amount. No provision has, however, been made for deferred taxation reserve for the second year in succession. One reason for this omission may be the conversion of the initial depreciation allowance in respect of plant and machinery into a development rebate.

Results Compared

The following table shows at a glance the trend of financial results of the Company since 1952-53:

(In lakhs of rupees)

	For the year ended 30th June			
	1956	1955	1954	1953
Freight and passage money	1,018.75	888.22	917.87	1,141.74
Other income	42.41	25.68	34.92	107.81
Expenses	791.85	796.21	793.44	1,007.25
Gross profit	269.31	117.69	159.35	242.29
Agents' commission	25.74	10.27	16.08	20.57
Depreciation	172.16	74.70	81.32	93.64
Deferred taxation account	..	..	29.50	60.00
Net profit	71.41	32.73	33.45	68.08
To debenture sinking fund	10.00	10.00	10.00	10.00
,, gratuity reserve	13.00	..	..	..
,, reserves	..	..	..	21.75
,, dividend	46.93 (5%)	23.47 (2½%)	23.47 (2½%)*	36.18 (5%)
Transfer from reserves and excess provision	55.08	11.75	..	..
To reserves	53.68	11.00	..	..
Carry forward	5.62	2.74	2.73	2.74

* On the increased capital of Rs. 9.39 crores raised by the capitalisation of Rs. 2.35 crores and increasing the paid-up value from Rs. 15 to Rs. 20 per share.

It will be seen from the table above that, though there has been a substantial rise in earnings over those for the previous years, the profit for the year under review is not that large to cause anybody's envy. After providing for all essential transfers, the net profit constitutes only about 7 per cent. of the freight and passage income. If one were to take into account the heavy cost of replacing old ships and provide for it adequate sums out of the current year's profit, there would hardly be any balance left to pay a dividend. It would, therefore, be no exaggeration were we to say that, in actual effect, even the 5 per cent. dividend is being paid out of capital. Judged thus, the Directors do not seem to be justified in raising the dividend level. One can have a picture of a shipping company's true profit only if the provision for depreciation is calculated on the basis of replacement cost. The Directors themselves admit that the Company has not been able to write off even the full depreciation as allowed under the Income-tax Act. As a result of this action, they seem to have provoked the Government to nullify a part of the assistance it was giving in the form of low interest-bearing loans provided by it for buying ships for overseas trade.

Out of the net profit indicated in the table above, even the modest dividend of 5 per cent. absorbs as much as Rs. 46.93 lakhs, that is, more than 66 per cent. The balance of Rs. 24.48 lakhs represents the sum ploughed back. As the appropriation account this time has been distorted by writing back reserves that had been created out of previous years' profits, it is not possible to say to which reserve accounts the sum of Rs. 24.48 lakhs has been distributed. It, however, roughly equals the transfers made to debenture sinking fund (Rs. 10 lakhs), the gratuity reserve fund (Rs. 13 lakhs) and general reserve (Rs. 90,751).

Fictitious Asset Written Off

Including the sum of Rs. 11 lakhs written back from the development rebate created last year, the Directors have brought back to the surface Rs. 55.08 lakhs, of which Rs. 21.50 lakhs are from the depreciation account and the balance from other heads. They say that these sums are no longer required under these heads. Since the amount carried forward is Rs. 5.62 lakhs, as against Rs. 2.73 lakhs brought in—a difference of Rs. 2.88 lakhs—a sum of Rs. 52.20 lakhs of the amount brought to the surface has been ploughed back under different heads. Thus, a fictitious asset, namely, debenture issue expenses amounting to Rs. 19.76 lakhs has been written off. A sum of Rs. 20 lakhs has been placed with the Annual Special Survey reserve and another Rs. 13 lakhs to dividend equalisation reserve.

A word about the managing agency commission is necessary here. Although a sum of Rs. 25.74 lakhs has been provided in the accounts, the Managing Agents have agreed to accept a lower sum of Rs. 17.41 lakhs (calculated on the basis of net profit after depreciation), provided the Tax Authorities agree to this arrangement.

Cargo carried by the Company's steamers during the year was slightly less, at 1.91 million tons, as compared with 1.96 million tons last year, but the effect of this deficiency on revenue was offset by higher freight earnings. The fall in the cargo lifted was due not to lack of goods to be moved but to unsatisfactory working conditions in ports all over the world. Conditions on the Indian coast, too, were anything but satisfactory; in fact, there was considerable deterioration on the west coast.

The Company started during the year a new cargo service to West African ports and to and from Black Sea ports of Russia. It has also resumed the Burma/India service for carriage of rice from Burma to India.

Financial Position

As regards the finances of the Company, in 1953-54, the capital was raised to Rs. 9.39 crores, by capitalisation of reserves to the tune of Rs. 2.35 crores and increasing the paid-up value of the shares from Rs. 15 to Rs. 20 per share. The entire capital is in ordinary shares. Even after this transfer, the Company's reserves and surplus aggregate Rs. 9.11 crores. The Company has supplemented its capital and reserves by securing long-term loans. Thus, it has 4½ per cent. 1963 debentures amounting to Rs. 4.14 crores. In addition, it has loans from Government aggregating Rs. 3.34 crores, so that the total of long-term secured liabilities are Rs. 7.48 crores. As against these capital resources of the order of Rs. 25.93 crores, the fixed assets, after depreciation, appear at Rs. 17.80 crores, of which the net value of fleet account is Rs. 14.52 crores and payments on account of steamers under construction of Rs. 3.07 crores. The gross value of fixed assets comes to Rs. 22.65 crores, as against which a total depreciation of Rs. 4.86 crores has been provided. As already mentioned, this provision falls short of the amount allowed under the Income-tax Act.

A part of the capital resources is being utilised as working capital also. This is clear from the aforesaid analysis as well as from the fact that, whereas current liabilities amount to Rs. 7.88 crores, current assets aggregate Rs. 11.54 crores, thereby exceeding the former by Rs. 3.66 crores. The current assets include the Company's investments in subsidiaries and others of the value of Rs. 5.73 crores, of which Rs. 2.35 crores are in quoted investments and Rs. 3.39 crores in unquoted investments. It is noteworthy that the market value of the quoted investments as at the close of June last was almost equal to that of the book value.

The Directors have been actively following a policy of replacing their old and worn-out vessels as also those which prove unremunerative. Commenting on this, they observe:

"The sale of the s.s. *Jalagopal* and the s.s. *Rosebank* was reported last year. Since then, we have sold the s.s. *Jalaratna* and the s.s. *Kalavati*, due to their old age and prohibitive cost of putting them through special survey. The s.s. *Kutubtari*, which was specially built for Chittagong/Cox's Bazar service in the then undivided India, could not be profitably employed elsewhere. The Directors have, therefore, disposed of this vessel during the year. In addition, we have also sold two small launches, the m.v. *Jaldhara* and the s.l. *Ravi*, due to their old age."

Expansion

With regard to the Company's scheme of expansion, which is going apace, the Directors state thus:

"Out of the five ships ordered from Messrs. Hindustan Shipyard Ltd., the first ship, m.v. *Jalavihar*, was delivered in June 1955. Two ships, m.v. *Jalavijaya* and m.v. *Jalavishnu*, were delivered during the year, in December 1955 and in May 1956, respectively. The remaining two ships are expected to be delivered in the second half of 1957. The m.v. *Jalazad* and m.v. *Jaljawahar*, two of the eight ships ordered from German shipbuilders for the India/U.K. Continent service, were delivered in May and July 1955 as reported last year. Two more ships, m.v. *Jaladhan* and m.v. *Jaladharup*, were delivered to us in September and October 1956. Of the remaining four ships, one was expected to be delivered in November 1956 and three in the first half of 1957. It is regretted, however, that owing to workers' strike in the shipbuilding yard, these deliveries have been delayed.

"In pursuance of the policy of modernising the fleet of the Company, your Directors took the opportunity of purchasing in March 1956 the two-year-old m.v. *Jersey Dawn* of 9,150 tons dw., now renamed *Jalagovind*, in replacement of the Liberty ship s.s. *Jalakirti* which was sold in July 1956. All the eight ships, that is, three delivered by Messrs. Hindustan Shipyard Ltd., four from Germany and one purchased in replacement of s.s. *Jalakirti*, have been employed on the India/U.K. Continent service. One small ship, m.v. *Jalatapi*, which was ordered in Germany for the west coast trade, was delivered in June 1956 and now operates on the west coast. The Directors have placed orders with the German shipbuilders for two more ships, each of 9,300 tons deadweight, and a speed of 17 knots. These ships can also be operated as closed shelter deckers with a capacity of 12,300 tons deadweight. They are expected to be delivered in 1959 and 1960."

The Managing Agency agreement between the Company and Messrs. Narottam Morarjee & Co., expired under law on 15th January 1957. The question of the future managing agency of the Company has been under discussion and negotiation with the parties concerned. The Directors have now approved the broad outlines of a scheme for the new managing agency. The proposed scheme provides for the managing agency of the Company to be taken over by a private limited company, to be styled as Narottam Morarjee & Co. (Private) Ltd., of which Mr. Dharamsey M. Khatau will be a director, in addition to two of the old partners, namely, Mr. Shantikumar Morarjee and Mrs. Sumati S. Morarjee. Necessary arrangements in this connection are being finalised. Pending appointment of the new managing agents, it has been decided to carry on the administration and management of the Company by a Committee of Directors.

The Rs. 20 fully paid-up shares of the Company are being currently quoted at Rs. 19.5 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 5.46 per cent. per annum, free of income-tax.

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EARNINGS OF BRADY MILLS SHRINK

DIVIDENDS, HOWEVER, MAINTAINED

THE successful efforts of the cotton mill industry to provide more clothing to the millions of population by raising its production by 150 million yards during 1956 proved to be not only a thankless performance but distinctly unremunerative. There was a steep rise in prices of cotton and an increase in the wage bill and, though these were offset, to some extent, by a rise in the price of cloth and yarn, the position was complicated by the staggering increase in excise duty on 31st August 1956. As prices of cloth had already reached high levels, the heavy impost could not be passed on to consumers. It had, therefore, to be met, in the case of the majority of mills, by dipping into their profit margins. But what was more damaging was the disruption in cloth trade brought about by the heavy rise in the excise duties. This disruption has led to a fall in the mills' selling prices of cloth, an accumulation of stocks and the consequent locking up of resources. Thus, the benefit of increase in production and of the higher margin of profit secured in the first half of 1956 were offset by the adverse developments that took place in the last four months of the year.

Two instances of such victims of the Government's negative step are provided by the New Great Eastern Spinning and Weaving Company, Ltd., and the New City of Bombay Manufacturing Company, Ltd. (both under the management of Messrs. W. H. Brady & Co., Ltd., Bombay). The audited accounts of these two Companies for the year ended 31st December 1956 show a shrinkage in their earnings, the decline being more marked in the case of the former. The gross profit of the New Great, which had nearly doubled itself in 1955 from Rs. 3.39 lakhs to Rs. 6.32 lakhs, dropped to Rs. 2.10 lakhs in 1956. This profit, which is just a third of that for 1955, is the lowest in the history of the Company since 1939. Even in 1952, which was the leanest year in the war and post-war period for cloth trade, the Company's profit was higher—albeit slightly—at Rs. 2.68 lakhs. The net profit for the year under review has also shrunk markedly from Rs. 4.61 lakhs to a mere Rs. 0.68 lakh. After rising from Rs. 4.48 lakhs in 1954 to Rs. 5.12 lakhs in 1956, the gross profit of the New City has receded to Rs. 4.55 lakhs. The net profit has come down from Rs. 3.26 lakhs to Rs. 2.51 lakhs. In the case of both the Companies, no provision for taxation has been made, while the provision for depreciation has been barely maintained at the previous year's level.

Both New Great and New City have maintained the dividend at 10 per cent. per annum, to which level the New Great had raised it last year, thus restoring the cut made in 1954. The New City is repeating the dividend for the fifth year in succession. In the case of New Great, the distribution of 10 per cent., despite the very poor profit, is being rendered possible by drawing on the reserves accumulated in the past by keeping the dividend at moderate levels and ploughing back the balance of profit. The Directors have now written back a sum of Rs. 1.52 lakhs being the excess provision no more required and have transferred Rs. 2.06 lakhs from the rehabilitation reserve. Out of these, a sum of Rs. 0.75 lakh has been transferred to the general reserve, as against Rs. 1 lakh provided last year.

The Directors of the New City have also written back a sum of Rs. 2.89 lakhs being the excess provision no longer required, but this has not been utilised for payment of dividend, as the net profit adequately covers the proposed dividend. On the other hand, this has been used to strengthen the general reserve by Rs. 2 lakhs, as against Rs. 1 lakh added last year, to raise the pension and gratuity fund from Rs. 10,000 to Rs. 50,000 and to carry forward a larger surplus.

Referring to the conditions which obtained in the textile trade during the year under review and which were responsible for the setback in the Companies' earnings, the Directors observe:

"At the commencement of the year under review, textile trading conditions were such that, although increases in production costs and rising prices of raw materials were prominent, an optimistic view could be taken for the immediate future. A serious deterrent, however, was presented by increases in excise duty on cloth which took effect from 1st March 1956, and a further heavy incidence from 1st September 1956, which, notwithstanding the Company's willingness to accept a part of the increase on their own account, led to widespread disruption of trade and rapid lowering of prices."

The sale proceeds of both the Companies show a drop and the closing stocks of cloth, yarn, etc., a sizable rise. On the expenses side, the cost of raw materials consumed by the New Great have gone up by Rs. 5.40 lakhs, which is offset, to some extent, by the fall of Rs. 2.85 lakhs in stores and spares consumed. Other expenses show a negligible decline. In the case of New City, the cost of raw materials and stores does not show any marked variation, but other expenses have risen by nearly Rs. 5 lakhs.

The latest balance-sheets of both the Companies disclose satisfactory financial positions. The paid-up capital of the New Great, at Rs. 38 lakhs, is supplemented by reserves and surplus (excluding pension and gratuity reserve) aggregating Rs. 22.02 lakhs. The gross block of the value of Rs. 95.52 lakhs has been well written down to Rs. 32.15 lakhs. As against the current assets amounting to Rs. 62.94 lakhs, of which stock-in-trade and stores alone account for Rs. 55.10 lakhs, the current liabilities and provision for taxation amount to only Rs. 35.07 lakhs.

The paid-up capital of the New City is Rs. 24 lakhs and reserves and surplus amount to Rs. 30.03 lakhs. The gross block of the value of Rs. 78.05 lakhs has been depreciated to Rs. 29.36 lakhs. The current assets aggregate Rs. 52.91 lakhs, of which cash balances alone, at Rs. 19.51 lakhs, provide a substantial cover to current liabilities and provision for taxation amounting to Rs. 28.24 lakhs.

Both the Companies have incurred further capital expenditure in the progressive modernisation of the spinning machinery of the mills. Towards the end of the year, the Government of India approved the installation of 48 further looms in the New City Mills and work is in hand for these being put into operation.

The Rs. 100 fully paid-up shares of the New Great are being currently quoted at Rs. 235 *cum-div.* and those of the New City at Rs. 149-6 *cum-div.* On an *ex-div.* basis, the yield on the former works out to 4.4 per cent. and on the latter 7.1 per cent. per annum, free of income-tax. The relatively high market value of New Great shares, as compared with those of New City, despite appreciably lower profit, may seem surprising. But such is attributed in market circles to the attempts of an operator to corner as many shares of the Company as possible. These attempts have been going on for a fairly long time. Consequently, the market value of New Greats is artificial to a high degree.

The comparative tables given below provide an idea of the Companies' progress during the last three years.

New Great Eastern
(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	193.39	210.63	217.53	220.87
Closing stocks	37.52	27.60	32.54	31.69
Raw materials consumed	94.97	89.57	103.56	106.00
Stores and spares consumed	12.11	14.96	15.14	16.11
Other expenses	94.38	94.97	96.42	94.96
Gross profit	2.10	6.32	3.39	4.32
Managing Agents' commission	0.48	0.76	..	0.54
Provision for—				
Depreciation	0.99	0.95	0.46	1.12
Taxation	..	..	..	..
Net profit	0.68	4.61	2.95	2.66
E.P.T. refund (less tax)	..	..	..	0.09
Liability under L.A.T. Award	..	..	6.18	..
Transfer from reserves	2.06	..	6.20	..
Excess provisions written back	1.52	..	..	..
To reserves	0.75	1.00	..	..
,, pension and gratuity fund	0.11	0.25	0.15	..
Dividends—				
5½ per cent. Preference	0.44	0.44	0.44	0.44
Ordinary	3.00 (10%)	3.00 (10%)	2.25 (7½%)	3.00 (10%)
Carry forward	..	0.04	0.12	0.01

New City of Bombay
(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	132.57	143.58	143.51	164.23
Closing stocks	18.24	7.89	10.95	9.26
Raw materials consumed	75.27	76.24	80.06	83.96
Stores and spares consumed	8.99	8.86	8.00	10.21
Other expenses	55.16	50.19	55.41	53.06
Gross profit	4.55	5.12	4.48	6.97
Managing Agents' commission	0.74	0.51	0.12	0.70
Provision for—				
Depreciation	1.30	1.35	1.59	2.26
Taxation	..	..	..	..
Net profit	2.51	3.26	2.77	4.01
E.P.T. refund (less tax)	..	..	..	0.12
Liability under L.A.T. Award	..	..	3.25	..
Transfer from reserves	..	..	3.25	..
Excess provision written back	2.89	..	..	..
To reserves	2.00	1.00	..	1.75
,, pension, gratuity and welfare fund	0.50	0.10	0.25	0.25
Dividend	2.40 (10%)	2.40 (10%)	2.40 (10%)	2.40 (10%)
Carry forward	0.53	0.03	0.27	0.16

RESULTS OF THIRUMBADI RUBBER SATISFACTORY

OUTPUT HIGHER—DIVIDEND LEVEL HELD

THE earnings of Thirumbadi Rubber Company Ltd. (Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode), for the year ended 30th September 1956, show a substantial improvement over that for the previous year. This is, no doubt, due to the purchase of the Calicut Estate which was completed during the year under review and also on account of the bumper crop harvested. The business, as well as the expenses accruing from this new estate, has been incorporated in the Company's accounts for the year. The dividend has been maintained at 12½ per cent., the same as that for the previous year, but with this difference, namely, it is on a higher capital of Rs. 9.15 lakhs. The previous year's dividend, it may be remembered, was on a lower capital of Rs. 6.10 lakhs.

The gross profit, which had touched a low of Rs. 1.58 lakhs in 1953-54, has jumped up to Rs. 3.73 lakhs, after the modest recovery to Rs. 1.84 lakhs in the previous year. This is a new record high for the Company, in that it is almost double the previous record at Rs. 1.88 lakhs touched in 1952-53. The net profit, too, after providing more than twice the amount for depreciation and taxation, amounts to Rs. 2.16 lakhs, as against Rs. 1.08 lakhs in the previous year and only Rs. 93,157 the year before that. Commensurate with the encouraging results, general reserves also have proportionately gone up. The allocation of Rs. 99,995 out of 1955-56 profit is appreciably higher than Rs. 25,000 made in each of the last two years while it is almost equal to Rs. 1 lakh provided for 1952-53.

The main factors which have brought about this record profit are: (1) addition of the new Calicut estate, (2) increase in the rubber crop harvested and (3) the higher average sale price realised per pound of rubber. The crop of rubber harvested by the Company amounted to 813,698 lbs., representing an increase of 490,698 lbs. over that for the previous season. Of this, the share from the Calicut estate is 141,377 lbs. over a period of about seven months, that is, from March to end of September 1955. It will be seen from this information that, even without the contribution from the Calicut estate, the crop harvested has been higher, such having exceeded the estimated crop for the season at 335,000 lbs. by a very substantial margin. Production cost has, however, gone up from 79.13 cents to 98.66 cents per lb. and the Directors say that this is due to the inclusion of the high cost period on the Calicut estate. One welcome feature is that this has been neutralised, to some extent, by the increase in the average sale price from 137.62 cents to 148.12 cents per pound.

The following comparative table brings out the progress of the Company during the past three years:

	For the year ended 30th September			
	1956	1955	1954	1953
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of rubber	11,09,446	3,64,037	3,54,647	3,62,778
Stocks	1,96,139	85,208	59 126	62,907
Other income	3,273	6,650	7,495	5,188
Expenses	8,32,440	2,71,628	2,63,650	2 48,242
Debenture issue expenses	7,800	..	..	..
Loss on sale of Government securities	..	326	..	31
Gross profit	3,73,415	1,83,936	1,57,718	1,87,583
Agents' and Secretaries' commission	10,243	4,499	4,773	4,699
Depreciation	32,321	14,259	11,116	11,099
Taxation	1,14,308	56,800	48,671	1,279
Net profit	2,16,543	1,08,369	93,157	1,70,709
To reserves	99,995	25,000	25,000	1,00,000
Dividend	1,14,412* (12½%)	76,275 (12½%)	61,020 (10%)†	91,530 (30%)
Carry forward	27,085	24,920	17,826	10,689
Crop harvested (in lbs.)	813,698	322,000	315,000	322,260
Cost of production per lb.	Cents 98.66	Cents 79.13	As. 12.81	As. 11.26
Average sale price per lb.	148.12	137.62	20.73	20.66

* On the increased capital of Rs. 9.15 lakhs, raised by the issue of 305,100 new ordinary shares of Re. 1 each.
† On the higher capital of Rs. 6,10,200, doubled during the year by the capitalisation of Rs. 3,05,100.

The crop for the current season is estimated at 715,000 lbs. to be produced at a cost of 80.03 cents per lb. f.o.b.

The important event of the year was the purchase of the Calicut Estate, consisting of 1,023 acres of mature rubber of a total extent of 1,455 acres, from the Kerala Calicut Estates Ltd. at a total cost of Rs. 10.73 lakhs. The purchase of this estate was financed from the issue of 305,100 new ordinary shares of Re. 1 each and also by a debenture issue of Rs. 5 lakhs, both of which were completed during the year. The new shares were issued at par to the stockholders of the acquired estate as on 16th August 1955, in the ratio of one new ordinary share of Re. 1 for every Rs. 2 in the nominal value of stocks

(*Continued on page 385*)

PHALTAN SUGAR RAISES DIVIDEND

RESULTS OF SPENCER AND COMPANY SATISFACTORY

Phaltan Sugar Works Ltd.

THE directors of the above Company (Managing Agents: Messrs. Mafatlal, Apte and Kantilal Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1956.

The accounts shows a net profit of Rs. 11,82,919 (Rs. 10,45,651) after providing Rs. 3,22,196 (Rs. 3,74,263) for depreciation and Rs. 12,25,000 (Rs. 11,75,000) as provision for taxation which together with a balance of Rs. 11,062 (Rs. 15,411) brought forward from the last year's profit and loss account amounts to Rs. 11,93,981 (Rs. 10,61,062) out of which a sum of Rs. 2,00,000 (Rs. 1,50,000) has been appropriated towards reserve for gratuity. The dividend now proposed is Rs. 9 lakhs, on one lakh ordinary shares at Rs. 9 (Rs. 8) per share free of income-tax. The surplus carried forward is Rs. 93,981 (Rs. 11,062 after providing Rs. 1,00,000 for dividend equalisation reserve).

Factory: The factory commenced sugarcane crushing on the 28th of October, 1955 and stopped on the 30th of April 1956. The sugarcane crushed during the season was 1,25,008 tons and the sugar manufactured was 1,58,170 bags with a recovery of 12.785 per cent., as against 1,07,766 tons of cane, 1,35,215 bags of sugar and 12.67 per cent. sugar recovery of the last year. The sugar recovery was higher than last year's. The quantity of finished sugar was the highest in the history of the factory. The sugar produced was of D-29 grade and sold as per Union Government Release Orders as usual. At the close of the year there was a balance of 31 per cent. of the year's production, to be released for sale. The Factory worked quite well throughout the season and the overall efficiency of the factory was maintained. The price realised for the sugar was slightly higher than last year's.

Estate: The standing crops as at 30th September 1956 were 4,464 *acres* and 29 *gunthas*. Out of this, 1,878 *acres* and 28 *gunthas* of cane will be harvested for the crushing season 1956-57 and the seed for new cane plantation. 1,492 *acres* and 21 *gunthas* of cane crop will be carried over for the 1957-58 season, leaving a balance of 1,093 *acres* and 20 *gunthas* of fodder crop for the year 1956-57. The yield of the crop for the season was higher than last year's.

Income-tax Assessments: The Appeal (referred to in our last report) preferred by the Income-tax Department to the Appellate Tribunal against the decision of the Appellate Assistant Commissioner in favour of the Company has been rejected by the Tribunal. As regards the Re-assessments for the accounting years ended 30th September 1944 and 1945 the Appellate Assistant Commissioner of Income-tax has decided the appeals in favour of the Company and the tax of Rs. 6,10,146 paid by the Company has been refunded after the close of the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	45,85,177
Reserves ...	53,00,540	Stock-in-trade	34,80,078
Provision for taxation ...	50,08,752	Stores and spare parts	16,12,245
Liabilities ...	29,42,267	Crop-in-progress ...	27,89,486
Profit and loss account ...	93,981	Other assets	16,939
		Debts, deposits and advances ...	41,12,251
		Investments	2,04,394
		Cash ...	15,44,970
Rs.	1,83,45,540	Rs.	1,83,45,540

Spencer and Co., Ltd.

The directors of the above Company (Ag. Chairman: Mr. Z. R. Irani, Madras) submit the audited accounts of the Company for the year ended 30th June 1956.

The net profit for the year after charging all expenses other than depreciation and taxation is Rs. 23,64,725 (Rs. 19,67,156) from which must be deducted depreciation and depreciation reserve Rs. 2,90,621 (Rs. 2,79,113) and provision for taxation Rs. 9,95,000 (Rs. 6,90,000) leaving a balance of Rs. 10,79,104 (Rs. 9,98,043). After adding the amount brought forward from the last account of Rs. 5,10,675 (Rs. 4,54,537) there is a total of Rs. 15,89,779 (Rs. 14,52,580). From this amount falls to be deducted the dividends already paid on "A" and "B" preference shares absorbing Rs. 3,41,905 (Rs. 3,41,905) and *ad interim* on ordinary shares—5 (5) per cent. free of income-tax absorbing Rs. 2,00,000 (Rs. 2,00,000) leaving available for distribution Rs. 10,47,874 (Rs. 9,10,675). The directors recommend that the dividends already paid be confirmed and that the above amount be dealt with as follows: In payment of a final dividend for the year at 10 (10) per cent. Rs. 4,00,000 (Rs. 4,00,000), to transfer to exchange reserve Rs. 15,662 (*nil*) and to carry forward Rs. 6,32,212 (Rs. 5,10,675).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,00,000	Block ...	48,58,477
Reserves ...	87,06,558	Stock of finished goods ...	64,40,510
Provision for taxation ...	20,37,205	Stores, spare gear and loose tools	2,57,083
Liabilities ...	41,61,138	Raw materials ...	4,12,717
Profit and loss account ...	6,32,212	Work-in-progress ...	47,053
		Debts, deposits and advances ...	50,42,952
		Investments	24,09,047
		Cash ...	60,69,274
Rs.	2,55,37,113	Rs.	2,55,37,113

Britannia Engineering Co., Ltd.

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

Trading.—The results of the Works Department for the year show a profit on trading account amounting to Rs. 18,24,127 compared with Rs. 11,90,036 for the preceding 12 months. The Agency Department shows a profit of Rs. 13,294 compared with Rs. 30,788 for 1954.

After charging interest, debenture interest, commissions, depreciation and providing for taxation which it is estimated will be payable on the year's profit, and taking into account the carry-forward from 1954, there remains at credit of profit and loss account a balance of Rs. 9,45,544 (Rs. 5,36,319). In view of the various modernisation and expansion schemes which the Company has undertaken, and in order to provide for possible bad debts the directors have set aside to machinery reserve Rs. 4,00,000 (Rs. 2,50,000), to depreciation reserve Rs. 1,67,365 (*nil*) and to reserve for doubtful debts Rs. 1,00,000 (*nil*) leaving a balance of Rs. 2,78,179 (Rs. 2,86,319) from which the directors recommended payment of dividend on 1,00,000 old ordinary shares, numbered 1-1,00,000 at 15 (15) per cent. per annum for the year, which absorbs Rs. 1,50,000 (Rs. 1,50,000) leaving Rs. 1,28,179 (Rs. 1,36,319) to be carried forward. As the period covered by these accounts ended prior to the commencement at the Companies Act, 1956, they have been prepared in accordance with the provisions of the Indian Companies Act, 1913.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,37,520	Block ...	28,95,167
Debentures ...	5,00,000	Patent Rights	1,23,000
Reserves ...	37,52,365	Stock-in-hand	11,36,897
Provision for taxation ...	9,86,836	Stores ...	30,31,302
Liabilities ...	73,94,772	Work-in-progress ...	24,99,828
Profit and loss account ...	1,28,179	Debts, deposits and advances ...	68,84,580
		Investments	2,300
		Cash ...	1,26,598
Rs.	1,66,99,672	Rs.	1,66,99,672

Gujerat Safe Deposit Co., Ltd.

The directors of the above Company (Managing Agents: Gujerat Investment Trust Ltd., Surat) submit the audited accounts of the Company for the year ended 30th September 1956.

The net profit for the year after making provision for depreciation on building, vault, air-conditioning plant and furniture of Rs. 9,300, for bonus to members of the staff equal to one month's salary amounting to Rs. 1,185 and making a provision of Rs. 5,400 for managing agents' remuneration comes to Rs. 22,365. The amount together with Rs. 1,161 carried forward from the previous year aggregates Rs. 23,526. From this sum the directors have made a provision of Rs. 8,000 for income-tax leaving a balance of Rs. 15,526. The directors take this opportunity to invite attention to the fact that the dividend at the rate of Rs. 4-12 per share paid last year to the shareholders in pursuance of a resolution carried in their last annual general meeting was four annas per share in excess of what was recommended by them. Under Artice 126 of the present Articles of Association of the Company the general meeting had no power to enhance the amount of dividend. The Board therefore recommends that a sum of Rs. 15,000 be set apart for the dividend account out of which Rs. 750 be appropriated towards excess dividend of annas four per share paid last year and the balance at the rate of Rs. 4-12 per share be paid as dividend for the year ending 30th September 1956. This arrangement will entail a provision for payment of dividend to the extent of Rs. 15,000 out of which Rs. 750 calculated at the rate of four annas per share will be deducted and appropriated to the profit and loss account. This will leave a balance of Rs. 1,276 which may be carried forward to the next year.

During the year under review arrangements were made for installing new locker cabinets containing 390 lockers to meet the demand of prospective depositors. The directors thus note with satisfaction, the progress in the business of the Company. Out of the total number of 4,723 lockers in the vault 4,492 were occupied on 30th September 1956. The concession scheme extended to shareholders has been taken advantage of in the case of 567 lockers in this year.

By reason of the termination on 22nd August 1956 of the period of agreement with the Gujerat Investment Trust Limited, managing agents of the Company and by further reason of the necessity of making a new agreement with them in conformity with the provisions contained in the Companies Act 1956, pertaining to managing agents, an extraordinary general meeting of our Company was held on 21st April 1956, wherein it was resolved to re-appoint, subject to the approval of the Central Government being obtained, the Gujerat Investment Trust Ltd., as managing agents of the Company for a further period of ten years and upon the terms, provisions and conditions as set out in the draft agreement submitted in the said meeting. It will be noted that the Central Government has approved of the re-appointment of Gujerat Investment Trust Limited as managing agents of the Company for a further period of ten years commencing from 22nd April 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,25,000	Block ...	2,41,508
Reserves ...	17,700	Stock of stationery ...	1,013
Provision for taxation ...	4,556	Debts and advances ...	1,359
Liabilities ...	1,27,781	Investments ...	96,452
Profit and loss account ...	1,276	Cash ...	35,981
Rs.	3,76,313	Rs.	3,76,313

Hindusthan Sugar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Bachraj and Co. Private Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th June 1956.

After providing Rs. 5,00,000 (Rs. 6,75,000) for depreciation, Rs. 15,00,000 (Rs. 10,00,000) for taxation on income and Rs. 5,222 (*nil*) as reserve for doubtful debts, the Company made a net profit of Rs. 21,45,704 (Rs. 12,68,417). To this, a sum of Rs. 62,419 (Rs. 1,64,002) carried over from last year's accounts has been added, making a total of Rs. 22,08,123 (Rs. 14,32,419). Out of this amount Rs. 11,00,000 (Rs. 4,00,000 to rehabilitation and development reserve) have been carried to reserve fund, leaving balance profit of Rs. 11,08,123 (Rs. 10,32,419). From this amount the directors paid dividends free of income-tax on preference shares at Rs. 5 (Rs. 5) per share absorbing Rs. 25,000 (Rs. 25,000), on ordinary and "A" ordinary shares at Rs. 12 (Rs. 12) per share and bonus at Rs. 3 (Rs. 3) per share absorbing Rs. 9,00,000 (Rs. 9,00,000), placed to reserve for charitable, public, general or useful objects or for charitable and other funds not directly relating to the business of the Company or the welfare of its employees Rs. 1,50,000 (Rs. 45,000) and carried forward Rs. 33,123 (Rs. 62,419).

In the sugarcane crushing season 1955-56 the Company's factory crushed 1,23,03,986 (93,97,131) maunds of cane, with sugar recovery of 9.83 (10.41) per cent. As sugarcane supplies by the sugarcane growers continue to increase in the reserved zone of the Company's sugar factory, a licence for substantial expansion, viz., to increase the crushing capacity of the Company's factory by 50 per cent., was obtained during the year from the Central Government under the Industries (Development and Regulation) Act. Orders for machinery for effecting the said expansion have been placed and it is expected that the increased capacity will come into operation from the commencement of the next season, that is, season 1957-58. The capital expenditure for machinery, buildings, etc., for the same has been estimated to be about Rs. 80 lakhs.

Further, a licence to put up a Cement Factory having capacity of 2,00,000 tons per year in Dehra Dun District of Uttar Pradesh was sanctioned by the Central Government under the Industries (Development and Regulation) Act. The prospecting work in respect of the limestone deposits in this area is proceeding and analysis results so far received give hope that it may be possible for the directors to call a general meeting of the shareholders at an early date for passing an ordinary resolution to sanction this project as provided in the memorandum of the Company. The prospecting expenses of Rs. 19,866 incurred therefor have been included in the balance sheet.

The distillery attached with the Company's Sugar Factory, which utilises molasses, a by-product of sugar, produced during the year under report altogether 9,08,889 (6,33,044) gallons of power alcohol, denatured rectified spirit and fusel-oil. As with increase in sugar production capacity of the factory, molasses production will also increase and as demand for power alcohol as well as other alcohol for industrial purposes is increasing, the Company has also applied to the Central Government for substantial expansion of the capacity of the distillery. It is reported that during the Second Five-year Plan period, installation of a plant in the public sector in Uttar Pradesh for manufacture of synthetic rubber out of alcohol, which will need nearly 11 million gallons of alcohol per year, is under the contemplation of the Central Government. The substantial expansion asked for will, if sanctioned, enable the Company not only to utilise its entire production of molasses, but also the molasses of some neighbouring sugar factories which have not got distillation plants.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	65,00,000	Block ...	35,14,931
Reserves ...	44,95,000	Stock on hand	1,75,96,170
Provision for taxation ...	12,87,499	Stores, spare gear and loose tools	14,36,337
Liabilities ...	1,48,68,902	Debts, deposits and advances ...	44,01,764
Profit and loss account ...	33,123	Investments	3,874
		Cash ...	2,11,582
		Miscellaneous expenditure and losses	19,866
Rs.	2,71,84,524	Rs.	2,71,84,524

United Breweries Ltd.

The directors of the above Company (Chairman: Mr. Vittal Mallya, Bangalore) submitted the audited accounts of the Company for the 41st year which ended on the 31st March 1956.

The working of the Company for the year under review resulted in a profit of Rs. 1,65,569 (Rs. 2,32,356) from which was deducted provision for taxation Rs. 50,000 (Rs. 1,00,000). Adding the profit brought forward from the previous year of Rs. 9,111 (Rs. 4,057) there was a total of Rs. 1,24,679 (Rs. 1,36,413). The directors paid an interim dividend at the rate of Rs. 7-8 (Rs. 7-8) per share, free of income-tax, on 28th February 1956 absorbing Rs. 60,000 (Rs. 60,000) leaving available a balance of Rs. 64,679 (Rs. 76,413). Out of this the directors paid a final dividend at the rate of Rs. 7-8 (second interim dividend of Rs. 7-8) per share, free of income-tax absorbing Rs. 60,000 (Rs. 60,000) leaving a balance of Rs. 4,679 (Rs. 9,111 after writing off Investments to the extent of Rs. 7,303) to be carried forward to next year.

Trading.—The improvement in sales mentioned in previous year's report continued throughout the year under review and for the first time in many years the demand for the Company's products was commensurate with the production capacity. Part of the new plant and machinery which was on order was received and installed during the year and helped considerably in increasing the output. During the current year, following a change-over to the Lager process of brewing, the demand for the Company's beer increased sharply and the directors have placed orders for additional machinery which will enable the output to be substantially increased. Apart from the continued threat of total prohibition, the prospects appear to be satisfactory.

Though the sales of McDowells aerated waters, which are bottled under licence from the Company's subsidiary, showed an increase, this venture made no contribution to the year's results. Sales continue to increase and the prospects for the current year are appreciably better.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	7
Reserves ...	9,60,000	Stock-in-trade	25,125
Provision for taxation ...	1,60,644	Stores and spare parts, etc. ...	1,58,830
Liabilities ...	5,47,602	Goods-in-transit ...	58,926
Profit and loss account ...	4,679	Debts, deposits and advances ...	27,515
		Investments	20,00,441
		Cash ...	2,081
Rs.	22,72,925	Rs.	22,72,925

Amalgamated Coalfields, Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1956.

The Company's profit for the half-year, after the inclusion of Rs. 26,953 (Rs. 21,411) brought forward, was Rs. 3,19,343 (Rs. 4,68,902) and after providing for taxation a sum of Rs. 1,33,233 (Rs. 1,46,501) there remained Rs. 1,86,110 (Rs. 3,22,401). Out of this amount, the directors placed to dividend equalisation reserve Rs. 30,000 (Rs. 1,25,000 to machinery replacement reserve), paid a dividend at the rate of 10 (12½) per cent. per annum without any deduction for income-tax paid by the Company, absorbing Rs. 1,27,500 (Rs. 1,59,375) and carried forward Rs. 28,610 (Rs. 38,026).

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings* Tons	*Despatches* Tons
31st March, 1956 ...	4,19,014	4,25,735
30th September, 1955 ...	4,15,791	4,36,024
31st March, 1955 ...	3,98,230	3,90,920

While raisings show a slight improvement, despatches have been somewhat affected due to short supply of wagons.

The Government of India has revised the selling prices of coal to offset the increase in costs due to the Coal Tribunal Award and the control price of the Company's coal has accordingly been increased by Rs. 3 per ton. This increase came into force from 5th July, 1956, whereas the Award had to be implemented from 26th May, 1956, which has had an adverse effect on costs and will be reflected in the accounts for the next period. As this increase was not considered adequate, representation was made to the Ministry of Production and the directors report that they have agreed to re-examine the accounts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,50,000	Block ...	27,13,000
Reserves ...	25,05,000	Capital expenditure in suspense ...	17,536
Provision for taxation ...	4,25,000	Stock of coal	61,348
Liabilities ...	26,70,244	Stores ...	14,82,681
Profit and loss account ...	28,610	Debts, deposits and advances ...	35,43,492
		Investments	1,12,500
		Cash ...	2,48,297
Rs.	81,78,854	Rs.	81,78,854

Pench Valley Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1956.

The Company's profit for the half-year after the inclusion of Rs. 33,343 (Rs. 20,192) brought forward, amounted to Rs. 2,81,604 (Rs. 4,08,731) and after providing for taxation Rs. 1,07,620 (Rs. 1,52,403) there remained Rs. 1,73,984 (Rs. 2,56,328). Out of this amount the directors placed to dividend equalisation reserve Rs. 30,000 (*nil*), paid a dividend at the rate of 14 (15) per cent. per annum without any deduction for income-tax paid by the Company, absorbing Rs. 1,10,250 (Rs. 1,18,125) and carried forward Rs. 33,734 (Rs. 38,203 after placing Rs. 75,000 to development reserve and Rs. 25,000 to general reserve).

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings* Tons	*Despatches* Tons
31st March, 1956 ...	2,24,523	2,29,159
30th September, 1955 ...	2,22,222	2,25,767
31st March, 1955 ...	2,07,654	2,07,432

Raisings and despatches have been well maintained during the half-year under review, a contributory factor being the increased offtake of Khaperkhada Power House on the Narrow Gauge which has been met from the Collieries served by the Broad Gauge.

The Government of India has revised the selling prices of coal to offset the increase in costs due to the Coal Tribunal Award and the control price of the Company's coal has accordingly been increased by Rs. 3 per ton. This increase came into force from 5th July, 1956, whereas the Award had to be implemented from 26th May, 1956, which has had an adverse effect on costs and will be reflected in the accounts for the next period. As this increase was not considered adequate, representation was made to the Ministry of Production and the directors report that they have agreed to re-examine the accounts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,75,000	Block ...	13,30,000
Reserves ...	16,50,000	Capital expenditure in suspense ...	9,443
Provision for taxation ...	3,15,000	Stock of coal	16,308
Liabilities ...	17,71,921	Stores ...	7,98,533
Profit and loss account ...	33,734	Debts, deposits and advances ...	24,87,791
		Investments	4,07,240
		Cash ...	2,96,340
Rs.	53,45,655	Rs.	53,45,655

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

(*Concluded from page 383*)

held. The debentures carry interest at 7½ per cent. per annum taxable. They can be redeemed after five years from the date of issue at Rs. 50,000 per annum.

The acreage of the Company's properties is now 1,921.04 acres of mature rubber (1,437.68 acres seedlings and 483.36 acres budded) and 263.29 acres (254.94 acres new clearings budded and 8.35 acres replanted budded) of immature rubber.

The paid-up capital of the Company, as shown by its balance-sheet as at 30th September 1956, stands at Rs. 9.15 lakhs in ordinary shares of Re. 1 each. It may not be out of place to state, in this connection, that, in June 1954, the paid-up capital of the Company was doubled to Rs. 6.10 lakhs by the capitalisation of Rs. 3.05 lakhs. The recent further increase, as has already been mentioned, was for the specific purpose of acquiring the new estate. With the addition of Rs. 99,995 from the profit for the year, the reserves together with the surplus stand at Rs. 4.27 lakhs. The 7½ per cent. taxable debenture capital amounts to Rs. 5 lakhs. The current liabilities aggregate Rs. 5.17 lakhs, including a provision of Rs. 1.17 lakhs for taxation. The gross block of the value of Rs. 21 lakhs, including cost of development amounting to Rs. 6.17 lakhs, has been written down to Rs. 20.04 lakhs. During the year, the Company spent Rs. 37,406 on the upkeep of the immature new clearings. The current assets amount to Rs. 3.55 lakhs and are not enough to cover the current liabilities and provision for taxation.

The ordinary stocks of the Company in units of Re. 1 each are being currently quoted at Rs. 2-2 *cum-div.* On an *ex-div.* basis, the proposed dividend at 12½ per cent. gives a yield of 6.25 per cent. per annum.

COMPANY MEETINGS AND DIVIDENDS

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Annual General Meeting, Kozhikode, 28th February 1957. Dividend: As. 2 (2½ per cent.) per share. Transfer books remain closed from 19th to 28th February 1957, both days inclusive.

THIRUMBADI RUBBER CO., LTD. Annual General Meeting, Kozhikode, 28th February 1957. Dividend: As. 2 (12½ per cent.) per share. Transfer books remain closed from 19th to 28th February 1957, both days inclusive.

PHALTAN SUGAR WORKS LTD. Annual General Meeting, Bombay, 1st March 1957. Dividend: Rs. 9 per share.

GUJERAT SAFE DEPOSIT CO., LTD. Annual General Meeting, Surat, 7th March 1957. Dividend: Rs. 4-12 per share. Transfer books remain closed from 19th February to 7th March 1957, both days inclusive.

SPENCER & CO., LTD. Annual General Meeting, Madras, 9th March 1957. Dividend: Re. 1-8 per share. Transfer books will remain closed from 1st to 9th March 1957, both days inclusive.

REWA COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 11th March 1957. Dividend: As. 12 per share. Transfer books will remain closed from 4th to 11th March 1957, both days inclusive.

W. H. BRADY & CO., LTD. Annual General Meeting, Bombay, 12th March 1957. Dividend: Rs. 22-8 per share. Transfer books remain closed from 22nd February to 15th March 1957, both days inclusive.

NEW GREAT EASTERN SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 12th March 1957. Dividend: Rs. 10 per share. Transfer books remain closed from 22nd February to 15th March 1957, both days inclusive.

NEW CITY OF BOMBAY MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 12th March 1957. Dividend: Rs. 10 per share. Transfer books remain closed from 22nd February to 15th March 1957, both days inclusive.

TINGAMIRA TEA SEED CO., LTD. Annual General Meeting, Calcutta, 12th March 1957. Transfer books will remain closed from 1st to 12th March 1957, both days inclusive.

BRADY ENGINEERING CO., LTD. Annual General Meeting, Bombay, 12th March 1957. Dividend: Rs. 3 per share. Transfer books remain closed from 22nd February to 15th March 1957, both days inclusive.

EMPIRE DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 12th March 1957. Dividend: Rs. 3 per share. Transfer books remain closed from 22nd February to 15th March 1957, both days inclusive.

G. CLARIDGE & CO., LTD. Annual General Meeting, Bombay, 12th March 1957. Dividend: Rs. 15 per share. Transfer books remain closed from 22nd February to 15th March 1957, both days inclusive.

UNITED MOTORS (INDIA) LTD. Annual General Meeting, Bombay, 14th March 1957. Transfer books will remain closed from 7th to 20th March 1957, both days inclusive.

JUBILEE MILLS LTD. Annual General Meeting, Bombay, 14th March 1957. Transfer books will remain closed from 1st to 14th March 1957, both days inclusive.

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 14th March 1957. Dividend: Nil. Transfer books will remain closed from 1st to 14th March 1957, both days inclusive.

NEW SWADESHI SUGAR MILLS LTD. Annual General Meeting, Bombay, 14th March 1957. Dividend: Rs. 20 per ordinary share and Rs. 5 per quarter ordinary share, payable on or after 18th March 1957. Transfer books will remain closed from 8th to 14th March 1957, both days inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Annual General Meeting, Sehore (Madhya Pradesh), 23rd March 1957. Dividend: Re. 1-8 per share. Transfer books will remain closed from 25th February to 10th March 1957, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Dividend of Re. 1 per share, for the half-year ended 30th June 1956.

GOHPUR TEA CO., LTD. Interim dividend of Re. 1 (10 per cent.) per share, for the year 1956. Transfer books will remain closed from 25th February to 6th March 1957, both days inclusive.

BORREA COAL CO., LTD. Dividend of 5 per cent. per annum, on ordinary shares, for the year ending 31st December 1956, payable on or after 7th March 1957. Transfer books remain closed from 21st to 28th February 1957, both days inclusive.

COMPANY REGISTRATIONS

X-RAY ENGINEERING CO. (INDIA) PRIVATE LTD. (First Director: Mr. Walter W. Offner.) Business: Installation and operation of radiographic inspection equipment. Authorised capital: Rs. 5,00,000. Private company. Address: "Kamani Chambers," Nicol Road, Ballard Estate, Bombay.

ALKA CORPORATION PRIVATE LTD. (First Director: Mr. M. J. Tibrewalla.) Business: Financiers. Authorised capital: Rs. 5,00,000. Private company. The registered office of the Company will be situated in the State of Bombay.

A NEW LABOUR INCENTIVE SCHEME AT CHITTARANJAN

OUTTURN GOES UP BY 30 PER CENT.

By Shanti Swarup Jagota, M.I.Mech.E., D.M.E.C. (Hons.)

DEPUTY CHIEF MECHANICAL ENGINEER, CHITTARANJAN LOCOMOTIVE WORKS

THE Chittaranjan Locomotive Works has introduced a system of "payment by results" or "rate-fixing." This helps to create initiative for the quicker and abler worker and also to encourage the slower worker to emulate his quicker comrade, both to his own advantage and to that of the administration. Chittaranjan realised the need of this system at its very inception. In fact, as soon as the agreement for technical aid was signed between the Railway Board and the Locomotive Manufacturers' Company Ltd., a number of rate-fixing experts were invited. Later, similar personnel were obtained under the Colombo Plan. In addition, steps were taken to send out selected personnel to the U.K. and Germany for specialised training in this field. Thus, a full-fledged team has now been created to handle this job satisfactorily.

Unfortunately, rate-fixing has led to serious labour troubles in some Western countries. The employers tried to cut down piece-rates after an increase in output beyond certain expectations. The labour resisted it. But fundamentally, the cause of most of this trouble has been the incorrect method of fixing piece-rates. In many industrial concerns, money is the basis of fixing job rates. But, though this system has the merit of being easily comprehensible, its intrinsic value changes with the change of basic wage structure, and needs either constant revision or leads to labour trouble. Chittaranjan has, therefore, decided to adopt time as a yardstick for measuring work and productivity. In the absence of standard job rates, the comparison method was not considered suitable. Similarly, the observation method was found to be much too dependent on the personal element between the operator and the rate-fixer.

Analytical Method

Chittaranjan, therefore, decided to follow the analytical method. In this system rates are computed from carefully calculated, reliable and tangible data which could form the basis for investigation in the event of any dispute arising between the operators and the management at a later date. However, the implementation of this system depends on the fulfilment of certain requirements. In the first instance, all the machines had to be calibrated to find out the speeds, feeds and depth of cut which each machine could stand as against those specified by the makers. The next step was to observe the capabilities of the various types of materials by actual cutting tests, in order to establish the maximum material removal rate. This was governed by four factors, namely, (*a*) tool life, (*b*) horse-power of the machine, (*c*) class of finish required and (*d*) use of coolant.

Having decided a maximum material removal rate, the optimum value of feeds and speeds were decided. Based upon these, speeds and feeds, machining procedure charts were tabulated for varying diameters within the range of machining for various materials. The allowed minutes were worked out for unit values for various depths of cut, class of finish and class of material and served as a guidance to the rate-fixer to compute the allowed machining times for a particular operation. In addition to machining time, there are a large number of other operations such as manipulating, loading and unloading, setting up and changing tools which are performed by the operator during a particular operation.

Average Time Studies

A number of time studies were taken to establish the average time for the above operations. Average normalised values were calculated and constants were arrived at to form the synthetic data and to compute the allowed time for a particular operation before the job was started.

Chittaranjan crefully considered the systems of payment by results such as payment of a premium or bonus at present in vogue in Western countries. Amongst those considered were the Halsey, Weir, Rowan and Bedaux systems. All these schemes involved complicated calculations, which, due to the low standard of education, are not easily comprehensible to an average operator in this country. In order, therefore, to avoid an impression that the scheme was being introduced as a device to increase the output without adequate compensation and advantage to the operators and for gaining their confidence, it was decided that the bonus paid to the worker should correspond to the total time saved, so that they could figure out the day-to-day savings.

Bonus and Work Co-related

To ensure that the bonus earned has a direct relation to the quantum of work performed by an operator, piece-work timings are issued only to those workmen whose output can be measured with reasonable accuracy. As far as possible, piece-work timings are issued to individual workers, but collective piece-work timings are issued when efforts of a number of workmen are required to complete a job and it is not practicable to obtain the output of individuals. All the staff who constitute the gang, whether belonging to the skilled, semi-skilled or unskilled categories, and who directly contribute to the output, are allowed to participate in the scheme.

As it is only logical to relate payment to the amount and quality of work performed, it is laid down that only work which passes inspection will be paid for. It is further stipulated that piece-work prices once fixed are not altered unless a change in the method of manufacture could be effected or if there was any error in computation or in printing. The time-saving suggestions, whether made individually or collectively, are compensated by the grant of a reward equivalent to the corresponding expected saving in standard basic wages for six months.

Difficulties

The introduction of this system at Chittaranjan was beset with difficulties. Some of these arose because Chittaranjan is only one of the units of the big railway system. It was considered that the limitations imposed by existing code rules, which lay down that the ceiling of profits earned by workers should be 25 per cent. of their basic wages and that the maximum allowance that could be given to an operator was 33 per cent., were found too restrictive to be of any real incentive to production. Therefore, on the advice of the representatives of the Locomotive Manufacturers' Company and in consonance with the practice which prevailed in the normal locomotive building workshops in Britain, an allowance of 33 per cent. was determined as an appropriate incentive.

In order, however, not to allow the worker to overstrain himself, ceiling profits to be earned by him were restricted to 50 per cent. of the basic wages.

For the successful performance of an operation, essential supplies like raw materials, tools and other equipment, must be available freely. The supplies, to a large extent, depend upon the supervisor. It was, therefore, felt that the supervisors who were immediately concerned with production should also participate in the scheme. Similar consideration applied to the indirect workers, who, though employed in independent work, were essential to ensure continuity of production. It was, therefore, decided to pay the immediate supervisors and essential indirect workers 80 per cent. of the earnings of the staff served by them.

In view of the incremental time-scale of pay existing for the workmen in the workshops, the choice was either to pay the piece-work profit to workers in direct proportion to their individual rates of pay or to pay on uniform basis irrespective of the varying day wages.

As mentioned earlier, the time allowed for an operation had been fixed by normalising the time taken by an operator under time study. It was, therefore, considered logical to remunerate the operators or an average normalised rate of pay. After considerable study, it was decided that the piece-work payable to operators other than the skilled category should be calculated on the average rate of pay of the category concerned. In the case of skilled workers, since the prescribed scale was a long one extending over 20 years, single average rate was not considered appropriate and it was, therefore, decided that the grade should be broken into two at the efficiency bar and two standard rates were adopted.

Advantages Listed

The following advantages were expected to accrue out of the adoption of this method:

(*a*) The remuneration for extra work would be made consistent with the normalised calculation in terms of time.

(*b*) Additional payments under the incentive scheme would be proportionate to the output of the individual worker.

(*c*) Saving in the calculation of piece-work earnings of the operator.

Before the actual system of payment was introduced, however, it was ensured that:

(*a*) Materials and tools to the required specification were available;

(*b*) suitable jigs and fixtures were utilised;

(*c*) that a proper drawing and tool service and proper system of supervision, inspection and accounting had been introduced;

(*d*) quota and method cards indicating the number of components expected to be manufactured during a certain period, based upon synthetic data were introduced and it was observed that in a very large number of cards the rates so arrived at were workable.

Even after the abovementioned difficulties were overcome, it was considered opportune to introduce the incentive scheme in stages on a phased programme. Later, a programme was drawn up to cover the entire production shops within a period of about one year.

After the above scheme had been in operation for over a year, a comprehensive review was carried out. It was observed that the staff had, on the whole, reacted very favourably to the scheme and were generally eager to take part in it. In the early stages, however, in some sections, owing to uncertain type of work, there was reluctance to work to the rates due to some unfounded suspicions. Some of the workers were under the impression that the scheme had been introduced only as a means of increasing production and once that was established, it would be withdrawn. Also, there was some difficulty in persuading the staff working on collective piece-work timings where the slow workers were affecting the earnings of the faster workers. To overcome this, steps were taken to segregate the good workers from the slow workers and form smaller gangs which resulted in improvement.

Although the scheme has been in operation for hardly a year, the effect on the outturn and cost has been considerable. The outturn has increased by 30 per cent. and staff emoluments have gone up. Based on the system described above, it has also been observed that, allowing for different conditions of work, the quantum of productivity of an Indian worker compares very favourably with that of any operator abroad. This leads to the conclusion that, if similar systems are introduced in other railway workshops, there is bound to be considerable increase in production capacity.

WORKERS' EDUCATION

A manual on co-operation in Hindi and English has just been published by the International Labour Organisation as one of the first steps in the implementation of the I.L.O.'s systematic programme of workers' education. Under this programme, the I.L.O. began in 1956 to prepare a number of courses in the form of convenient manuals written in concise language and dealing with questions on which the I.L.O. has accumulated data and information during the past 36 years. In form and in content, these courses are specially conceived for workers' education, for both teachers and pupils. Manuals to be produced later include courses in social security and certain aspects of labour-management relations.

The course contained in the manual consists of 14 lessons which deal comprehensively with the different aspects of this vast subject, ranging from the origins of the movement and problems of structure and management to the relationship between the State and co-operative movement. Each lesson is followed by a series of questions. There is a bibliography. In his report to the I.L.O.'s annual conference, in June 1956, the Director-General, Mr. David A. Morse, said that the aim of the workers' education programme is "to promote among the workers, in all parts of the world, an objective knowledge of the social conditions and problems confronting them, so that they will be able to deal with these problems in an intelligent, rational and responsible way."

MONEY RATES UNCHANGED

(From Our Own Correspondent)

BOMBAY, 20*th February*

The short-term money market continued to experience the seasonal pressure of demand for money during the week under review, in the face of an acute shortage of supplies. The results was that banks had to seek large-scale accommodation from the Reserve Bank of India to satisfy their requirements. Towards the close, however, signs of a slight relaxation in the pressure were visible and banks were reported to be not as keen borrowers as they were earlier. This is presumably due to the flow of funds from the Reserve Bank following its relaxation of the limits on advances under the Bill Market scheme and the reintroduction of credit restriction on rice and paddy. This was not, however, reflected in interest rates, because the shortage of floating supplies had not disappeared completely.

Inter-bank call money was done at 3½ per cent., but in the last two days some banks were reported to have offered no more than 3¼ per cent. House money, however, continued to fetch 4 to 4¼ per cent., the latter rate on large sums. Short-term deposits were bid at 4 to 4¼ per cent. for one to six months.

The Reserve Bank's statement for the week ended 15th February 1957 does not disclose any notable variations in the Issue Department. Notes in circulation show a contraction of Rs. 4.03 crores, in contrast to the expansion of Rs. 34.12 crores in the previous two weeks. Notes held in the Banking Department have risen by Rs. 4.27 crores. Though the foreign securities held in the Issue Department are unchanged over the week, there has been a decline of Rs. 8.73 crores in balances held abroad, in the Banking Department, with the result that total foreign exchange reserves have shrunk to that extent. As regards other items in the Banking Department, no significant variations are noted in Government deposits and deposits of Banks. The total of loans and advances other than to Governments have dropped by Rs. 3.89 crores, after two weeks of successive rise to the tune of Rs. 22.03 crores. The outstanding loans to Scheduled banks against usance bills alone show a bigger fall of Rs. 8.44 crores. This fall in outstanding advances, as against fresh advances amounting to Rs. 7.70 crores during the week, suggests that repayments of matured bills must have been of the order of Rs. 16.15 crores. It may also be noted that fresh borrowings by banks against usance bills during the week were much less than those in the previous weeks. There has been an addition of Rs. 7.30 crores to the Bank's investment portfolio, reflecting the effect of its open market operation.

After four weeks of sustained rise, Scheduled banks' deposits have recorded a decline during the week ended 8th February 1957. The Scheduled banks' statement for that week shows a fall of Rs. 3.18 crores in demand deposits and of Rs. 75 lakhs in time deposits. Borrowings from the Reserve Bank have, however, gone up by Rs. 15.87 crores and those from the State Bank by Rs. 2.53 crores. On the assets side, advances show a sharp rise of Rs. 19.25 crores, while bills purchased and discounted are lower by Rs. 3.71 crores. Cash balances have shrunk by Rs. 1.30 crores.

The Gilt-edged market ruled steady, with a sharp rise in Conversion Loan and a slight hardening in a few other issues. The main inspiration for the better sentiment was the shortage of floating stocks. The continued support to the short-dated loans and the occasional purchases by the Life Insurance Corporation and other institutions also improved the tone of the market. 3 per cent. Conversion Loan advanced from Rs. 73-10 to Rs. 74-4. 3 per cent. 1970-75 was in demand and rose by As. 2 to Rs. 87-3. 3 per cent. 1966-68 was maintained at Rs. 92-4, 3 per cent. 1964 at Rs. 94-6 and 3 per cent. 1963-65 at Rs. 94-3. 3 per cent. 1959-61 was placed at Rs. 97-11 *ex*-voucher, as against Rs. 97-12 *cum*-voucher. 3 per cent. 1958 was quoted at Rs. 99-9 ex-voucher, as against the same rate before payment of interest. 3½ per cent. 1962 had business at Rs. 97-13. 3½ per cent. 1961 showed no change at Rs. 99-7, while 3½ per cent. 1964 gained an anna to Rs. 98-5. 3½ per cent. 1965 was unchanged at Rs. 98-3. 3½ per cent. 1967 gathered an anna to Rs. 98-8 and 4 per cent. 1960-70 to Rs. 100-13.

State loans were devoid of any interest.

There was a further slight weakening of the rupee in terms of the dollar during the week. Banks' selling rate for ready dollars rose from Rs. 478½ to Rs. 478¼ per $100, while the buying rate was unchanged at Rs. 475 per $100. The selling rate for Canadian dollars rose from Rs. 500½ to Rs. 500¾ per $100 and the buying rate from Rs. 494½ to Rs. 494¾ per $100. In New York, spot sterling was marked down from $2.79½-2.79¾ to $2.79.11/16-2.79.13/16 before gaining back to $2.79¾-2.79⅞. Three months' forward dropped from $2.78.15/16-2.79.1/16 to $2.78¾-2.79¾ and transferable sterling from 276.60-276.70 cents to 276.25-276.35 cents.

KEEN DEMAND FOR HIDES

(From Our Own Correspondent)

KANPUR, 11*th February*

During the week under review, the conditions of the hides and skins market were quite stable. There was keen demand for high class buff and cow. The Madras dealers were very active for goat and sheep whose supplies were ample. The supply of buff, however, was slightly less in volume. The main purchasers were Messrs Cooper Allen.

The latest available quotations are: Wet salted cow 1st grade Rs. 350 to Rs. 360, 2nd grade Rs. 260 to Rs. 280 and 3rd grade Rs. 150 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces; sheep white wool Rs. 300 to Rs. 330 and black wool Rs. 200 to Rs. 230 per 100 pieces.

BULLION ERRATIC

(From Our Own Correspondent)

BOMBAY, 20*th February*

The bullion market displayed a two-sided trend during the week under review. During the major part of the week, prices of both silver and gold hardened, the rise in the former being more marked. In the last two days, however, sentiment changed considerably and the earlier gain in silver was nearly wiped out and that in gold was more than offset.

The sharp rise in silver noted at the close of the previous week gathered further momentum in the earlier part of the week under review on heavy short-covering by those who had sold earlier following the arrival of some Tibetan coins in Calcutta and in anticipation of further influx of these coins. As these expectations did not materialise, these operators covered their sales. Towards the close, however, there were again rumours that import duty for about 130,000 coins had been paid on Monday; this caused nervousness and the market relapsed once again.

The absence of any offerings of Mysore gold by the National Bank of India till Monday last, the slackening of arrivals in the ready section and the disquieting news about Kashmir were the main bullish factors for gold. The yellow metal recorded a high level of Rs. 109-11 for ready and Rs. 108-15 for forward on Saturday. The resumption of sale of Mysore gold yesterday, after a lapse of eight days, and large arrivals adversely affected the bullish sentiment in the last two days.

Forward silver (15th February settlement) moved up from Rs. 184-3 to Rs. 185-1 before the settlement ran out at Rs. 184-15. The 16th March settlement hardened from Rs. 183-13 to Rs. 186-4, but gave way to a low of Rs. 183-12 today. The closing was a shade better at Rs. 184-5.

Ready silver gained from Rs. 184-13 to Rs. 187-4 before receding to Rs. 184-10 and closing at Rs. 185-3. The premium of ready over the forward (March settlement) narrowed down from Re. 1 to As. 14, reflecting the slackness in offtake. The floating stocks of silver are reported to be 1,100 bars. The daily average offtake was 15 bars.

Gold for forward delivery (15th March settlement) improved from Rs. 108-6 to Rs. 108-15, but slipped back to close at Rs. 107-15.

Ready gold finished at Rs. 108-9, after being marked up from Rs. 109 to Rs. 109-11. The premium of ready over forward widened from As. 10 to As. 12 before standing at As. 10 again today. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 2,500 tolas, while the offtake was 3,000 tolas on an average.

In New York, silver remained unchanged at 91⅛c. while in London it gained ¼d., spot metal from 79¼d. to 80d. and forward from 79½d. to 79¾d. Gold, on the other hand, was marked down from 249s. 6d. to 249s. 4½d.

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

	20-2-1957	Highest	Lowest	13-2-57
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine-Mint)	108 9	109 11	108 7	109 0
Forward*	107 15	108 15	107 13	108 6
Sovereign	70 0	70 4	69 8	69 8
SILVER				
Ready (.999 fine Mint) ..	185 3	187 4	184 10	184 13
Forward†	184 5	186 4	183 12	183 13
London Silver Ready ..	80d.	80⅛d.	79¼d.	79¼d.
London Forward	79¼d.	79d	79⅛d.	79¼d.
London Gold	249s. 4½d.	249s. 6d.	249s. 3d.	249s. 6d.
New York Silver	91⅛c.	—	—	91⅛c.

* 15th March settlement.
† 16th March settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

KIPS QUIET

(From Our Own Correspondent)

MADRAS, 18*th February*

Trading in kips with the U.K. was on a limited scale, as importers were trying to bring down Madras levels. Arrivals were moderate and clearances fair-sized. Prices ruled unchanged, except those of light weights which tended to recede. Demand for buff calf, buff hides and cow calf was poor. There was good call for lower grade cow hides for local trade and prices were 2*d.* above U.K. bids. U.S. buyers were completely out of the market.

In the tanned skins section, prices were steady, and tanners were not keen to follow importers' bids at 3*d.* less. There were more inquiries for light weight goat and prices hardened by 3*d.* per lb., also on common lining sheep skins which were in short supply. Prices in the raw skins sections remained firm, due to purchases by tanners.

LINSEED DECLINES

(Messrs. A. Bradley and Co.)

CALCUTTA, 18*th February*

Following continued withdrawal of buying support, linseed prices have progressively declined. Despite lower offerings from sellers, the weekly turnover has been very poor, in anticipation of a further decline at the commencement of the new crop. Dull conditions prevail in the oil section, where overseas as well as local buyers are very bearish. The sellers are further discounting the market in order to unload their ready stocks.

The latest available quotations are: February Rs. 22-6 and April-May Rs. 20-8 per maund.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, 20*th February*

The cotton futures market depicted a fully steady trend during the week under review. The chief helpful factors were the possibility of an *ad hoc* export quota for China and reduced arrivals of new crop. Nevertheless, the bulls would appear to have been cautious not to push up values unduly. There was considerable volume of profit-taking sales, but still, values were well maintained. With just a week to run for the Jarilla contract, there was much talk in market circles about the quantity that would be tendered. The general impression was that tenders would be comparatively small, in spite of a good crop, because the tendering differences would be fixed on the basis of futures rate and ready cotton commands a handsome premium at present.

Jarilla March opened the week at Rs. 692 and advanced to Rs. 693-8 the same day before closing lower at Rs. 692-12. After moving in a narrow groove on alternate bouts of buying and profit-taking sales. On the following two days the contract declined to Rs. 685-8 on the 18th inst. Opening firmer today at Rs. 695, it improved fractionally before winding up the session at Rs. 694-8.

Trading in Vijay April was characterised by price fluctuations over a wider range. The contract opened the week at Rs. 818, same as last week's closing rate, and improved to Rs. 829 on the following day on sustained buying support. The profit-taking sales induced by the high rates brought the contract down to Rs. 810 on Monday. It again improved to Rs. 816 yesterday, but closed lower at Rs. 812-4. Opening at Rs. 815 today, the contract dipped to Rs. 812 before closing slightly higher at Rs. 813. The following table shows the trend of prices during the week:

(In rupees per candy of 784 lbs.)

	20-2-57	*High*	*Low*	13-2-57
Jarilla (March) ...	694½	695½	691	692
Vijay (April) ...	813	829	810	818

The spot cotton market ruled steady. Enquiry was noted for 0394, Khandesh Jarilla, Berar 197/3, 216F and 320F. In view of high prices, mills were not inclined to augment stocks to any large extent. Southern mills were interested in some popular varieties. In the export section, there were enquiries from shippers for all permissible varieties, especially *deshi* styles. Japan was reported to have booked 2,598,000 bales of American cotton for shipment in the current year. This would mean reduced offtake of Indian cotton by that country which used to be one of India's best customers. Quiet conditions prevailed in the foreign section. Traders were awaiting a fresh release of U.S. cotton under Public Law 480. About 60,229 bales of American cotton arrived from New York in Bombay by the Norwegian motor vessel *Hoegh Cape*. The cargo is now being unloaded at the Alexandra dock. This cotton has been received under the U.S. Development Assistance Programme and Public Law 480 Programme of the recent Indo-U.S. farm supplies agreement.

The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 735; Berar Jarilla 785; Khandesh 810; Vijay 930; Oomra *Deshi* 795; Mogiai 740.

In contrast to the easy trend noted last week, the Karachi market ruled firm during the week under review. There was speculative buying induced by continued large purchases of Pakistan cotton by overseas interests in the past fortnight. Consequently, values were pushed higher. Towards the close of the week, however, there was some selling induced by lower New York cables and liquidation by upcountry houses, which brought about a fall in prices. At the lower rates, some foreign business was reported with Hong Kong and Liverpool. N.T.R.G. March improved from Rs. 79-12 last week-end to Rs. 80-8. Over the week, May delivery gathered a rupee to Rs. 80-14. Spot values of cotton also registered some improvement. The latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton are given below:

Sind *Deshi* 90-8; Punjab *Deshi* 78-8; 4F Roller 85-13; S.G. 89-5; 289F N.T. Sind S.G. 92-5; 289F Punjab Roller 89-13; S.G. 102-13.

The easy trend presented by Alexandria futures market last week gathered fresh momentum this week. Transactions with Communist countries were very few, thanks to high price and shipment difficulties. The following are the latest available rates—in tallaris per lb.—from Alexandria:

Karnak: March 117.25; May 117.05; July 116.30.
Ashmouni: February 84.15; April 84.10; June 84.00.

Cotton values in the Liverpool market declined during the week, due mainly to selling against imports of American cotton. Local prices were not much affected by the announcement of the U.S. Department of Agriculture that the 1957 loan rate would be 28.15 cents for Middling 1", as against 29.34 cents last year. Weakness in the near months of both the American and American type contracts were induced by fears of heavy tenders in these positions. Distants, however, attracted trade buying and inter-month switchings. Their values, as a result, improved. There was not much interest in Indian cotton, despite the quota announcement, because of the unexpected rise in c.i.f. offers. Some varieties of Pakistan cotton evoked some interest and small business was reported in Punjab *Deshi*. The Egyptian Karnak contract was neglected, while Sudan Lambert Seed contract eased further.

Cotton circles in the U.K. are much concerned about the selling terms for the C.C.C.'s new catalogue. The C.C.C. has acquired about 6 million bales of the 1955 crop, but the price and the rate at which this cotton will be sold will be made known only next month. The terms of the new catalogue, it is felt, would have an important effect on the position of the U.K. cotton trade in the coming years.

The following are the latest available quotations—in pence per lb.—from Liverpool:

American one inch Staple Contract: March-April 25.83; May-June 25.80; July-August 25.50; October-November 25.17. *American Cotton Mixed Growth Contract*: March-April 26.03; May-June 25.95; July-August 25.65; October-November 25.26. *Egyptian Karnak Contract*: March-April 60. *Sudan Lambert Seed Contract*: May-June 43.50; July-August 42.50.

The New York cotton futures market registered a steep drop in prices, following the U.S. Government announcement of lower 1957 loan rate. There was large-scale liquidation in new drop. The decline in prices would have been more marked but for trade support and commission house replacement buying based on the belief that the lower loan rate would encourage more acreage being placed under the Soil Bank next season. Spot values also suffered a break.

The preliminary loan rate for cotton now announced is based on 77 per cent. of mid-January parity price. The loan rate for upland cotton Middling ⅞" will be 28.15 cents per lb. as against 29.34 cents last year, and for Middling 1" cotton 31.60 cents per lb. The final loan rate will be increased proportionately if the mid-July parity price is higher than the mid-January.

The Commodity Credit Corporation has announced a further sale of 47,264 bales, bringing the total sales thus far to 6,363,959 bales. The acreage price for Middling 15/16" cotton was 25.84 cents per lb.

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

(In cents per lb.)

	19-2-57	12-2-57	5-2-57
Spot	35.25	35.55	35.40
March	35.08	35.38	35.20
May	35.10	35.29	35.07
July	34.42	34.70	34.52

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, 20*th February*

The bearish trend noted in the yarn market last week continued unabated during the week under review. Buying enquiries were at a low ebb, thanks to stringency in the money market. The general attitude adopted by banks towards advances to trade was unfavourable, with interest charges raised further. Operators were, therefore, generally inclined towards reducing their commitments, and buyers being reserved, yarn values continued to march downward. Rayon yarns came in for selling and suffered a decline in prices. The offtake of even acetate yarns in deniers 120 and 150 bright, the imports of which have been completely stopped, was very poor. Hitherto, it will be recalled, the Import Control authorities were allowing imports of these varieties up to 5 per cent. on quota-holders' licences. Staple fibre yarns were also on offer at reduced prices. Cotton yarns ruled dull, with restricted turnover and narrow movement in prices. Coarse and medium counts, of course, evoked some scattered enquiries, particularly from North Indian markets, but prices offered were lower.

Snia rayon yarn (120 dull cones) for February delivery slumped by Rs. 12 to Rs. 774. April delivery dropped Rs. 11 to Rs. 795. 150 Bt. cones April delivery shed Re. 1 to Rs. 652. In the spot section, 120 Italy lost half an anna to Rs. 4-0-6. 150 Italy were neglected at Rs. 3-11. 150 Japan declined by 18 pies to Rs. 4-6. 120 Japan eased by six pies to Rs. 4-6. Among indigenous yarns, National Rayons 150 Bt. cones first grade were lower by 3 pies at Rs. 3-5-9. 120 Bt. cones first grade were unaltered at Rs. 3-11-6.

In the staple fibre yarn section (40x2), February delivery fell by Rs. 9 to Rs. 638. April delivery receded by Rs. 7 to Rs. 647. Among spot indigenous yarns (40×2), New Greats were done half anna lower at Rs. 3-5-6. Citys and Centurys lost three pies each to Rs. 3-6-3 and Rs. 3-7, respectively. Kohinoors were unchanged at Rs. 3-8. Deals in foreign yarns (80×2) were put through at reduced prices, Fujis receding by As. 3 to Rs. 5-3-6 and Paramounts by As. 2-9 to Rs. 5-1-6.

In the cotton yarn section, 10 counts Podars fell by As. 6 to Rs. 14-14. Moderns shed As. 2 to Rs. 15-4. 20s Maduras slumped by Rs. 2-2 to Rs. 19-10. Gokaks were neglected at Rs. 18-12. Moderns were done at Rs. 19-6. Among 40s, Moderns and Gokaks remained unaltered at Rs. 28-8 and Rs. 27-8, respectively. Moderns were quiet at Rs. 63, as also Finlays at Rs. 61. Raghuvamshis, however, elicited some support and gathered As. 4 to Rs. 58. Eighty counts Mahendras were quoted at Rs. 75, same as last week, and Finlays at Rs. 81-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	20-2-1957	13-2-1957
	Rs. a.	Rs. a.
Art silk yarns **(per case of 200 lbs.)—**		
150 Doll Cone Snia February	774 0	786 0
120 Doll Cone Snia April	795 0	806 0
150 Bt. Cones April	652 0	653 0
120 Japan (per lb.)	4 6	4 6½
150 Japan (per lb.)	4 6	4 7½
120 Italy (per lb.)	4 ½	4 1
150 Italy (per lb.)	3 11	3 11
Staple fibre yarns **(per case of 200 lbs.)—**		
40 × 2 February	638 0	649 0
40 × 2 April	647 0	654 0
40 × 2 New Great (per lb.)	3 5½	3 6
40 × 2 Century (per lb.)	3 7	3 7½
40 × 2 City (per lb.)	3 6½	3 6½
Cotton yarns **(per bundle of 10 lbs.)—**		
10s Podar	14 14	15 4
20s Madura	19 10	21 12
40s Gokak	27 8	27 8
60s Finlay	61 0	61 0
80s Modern	77 0	77 0

OILSEEDS MOVE DOWN

(From Our Own Correspondent)

BOMBAY, 20*th February*

In an otherwise almost featureless trading in the oilseeds market, the linseed spot section and cottonseed futures section reflected a distinctly easy tendency during the week under review. The castor section ruled bearish early in the week on reports of discouraging prices of castor oil in London and hope that Government will not interfere in the exports of non-edible oils. Subsequently, however, castorseed picked up strength on rumours that overseas buyers were evincing interest in castor oil. The linseed spot section staged a setback, following, fresh arrivals and lack of encouraging overseas buying. Groundnut and cottonseed moved in sympathy with linseed.

In the groundnut section, the February contract opened the week at Rs. 167-2 and, after moving between the highest level of Rs. 169-8 touched on the 18th and Rs. 166-8 touched today, closed at Rs. 167-4. The May contract opened at Rs. 164-4 and reached the peak of Rs. 166-12 on the 16th and 17th, but declined today to Rs. 162-6 before finishing at Rs. 163-4. While the February contract lost As. 4, May contract lost Re. 1-10. In the spot section, Bold F.A.Q. was lower by As. 10 at Rs. 33-6. Groundnut oil ex-mill was done at Rs. 18-5.

Linseed May contract opened the week at Rs. 28-12 and, after climbing up to Rs. 29-2 on the 18th and 19th, receded to touch the low of Rs. 27-14 today. It, however, closed higher at Rs. 28-3. The net loss over the week was As. 9. In the spot section, Bold ready shed Re. 1-14 to Rs. 28-14. Linseed oil ready was quoted As. 10 lower at Rs. 16-6.

Castorseed May contract showed similar irregular movement. It opened the week at Rs. 152-4 and advanced, after considerable fluctuations, to Rs. 157-4 on the 18th. It, however, declined to Rs. 152-4 today before closing at Rs. 152-14. Over the week, it was only a shade higher. Spot Madras and Bold closed today at last week's levels of Rs. 31-4 and Rs. 32-8, respectively. Oil B.S.S., however, put on As. 4 to Rs. 20.

The cottonseed futures section displayed an easy tendency. February contract was quoted at Rs. 97-8 on the opening. It moved up to Rs. 99-8 on the 18th, but closed today at Rs. 96, having thus lost Re. 1-8 over the week. May contract opened at Rs. 99-6, touched the highest of Rs. 100 on 16th, but receded to Rs. 97 at the close today.

Kardi seed Bold lost As. 4 to Rs. 21-4. *Niger* seed Madras shed As. 8 to Rs. 28-4.

Forward trading in linseed will start shortly in Calcutta under the auspices of the Calcutta Wheat and Seeds Association. It will be recalled that the Central Government, by a resolution on 19th November 1955, recognised two associations—one in Calcutta and the other in Bombay—to conduct forward trading in linseed under the Forward Contracts Regulation Act of 1952. It had earlier been banned under the Oilseeds (Forward Contracts) Prohibition Order of 1943. The trading in Calcutta will now take place at 149, Cotton Street.

The all-India first estimate of linseed for 1956-57 puts the current year's area at 2,728,000 acres, as against the adjusted corresponding estimate of 2,461,000 acres for 1955-56. This shows an increase of 267,000 acres or 10.8 per cent. in area during the current year as compared with last year. The overall increase in area during the current year has been shared mainly by Madhya Pradesh, Uttar Pradesh and Rajasthan and is attributed to favourable climatic conditions at sowing time.

Exports of castor oil from Bombay during the first week of February amounted to 1,509 tons. Thus, from 1st January to 7th February 1957, export of castor oil from Bombay aggregated 5,321 tons as against 37,729 tons for the whole of 1956.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	20-2-1957	13-2-1957	6-2-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	167 4	167 8	167 0
Khandesh Quality Ready (per cwt.)	33 14	34 6	33 12
Feb.-Mar.	33 4	33 10	—
Linseed—			
May 1957	28 3	28 12	29 0
Bold Ready (per cwt.)	28 14	30 12	31 4
Feb.-Mar.	28 14	30 12	30 14
Castorseeds—			
May 1957	152 14	152 12	157 0
Madras (per cwt.)	32 8	32 8	32 12
Cottonseed—			
February 1957	96 0	97 8	99 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 5	18 8	18 10
Castor oil—			
Commercial (per quarter) ..	19 0	18 12	19 2
Linseed oil—			
Ready	16 6	17 0	18 0

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 20*th February*

Despite the expected monthly release of sugar before the week-end, bearish advices from U.P. side and poor offtake, the sugar market ruled steady, as there were rumours of the Central Government permitting export of an additional quantity of 50,000 tons. Another helpful factor was a reduction in arrivals of sugar into the market, aggregating 16,800 bags, as against 22,800 bags in the previous week.

Large grain indigenous sugar improved by a rupee to Rs. 92-Rs. 98 per bag. Medium grain was fully maintained at Rs. 89-Rs. 91, as also small grain at Rs. 88.

Fagan delivery contract for 'C' grade sugar rose by As. 7 to Rs. 91-11 on rumours of additional export of sugar. Today, however, it was quoted lower at Rs. 91-4 for want of follow-up support.

There are still large stocks of old crop sugar lying unsold with the mills. In view of this and also of crushing being in full swing, a section of the sugar trade feels that the trend of prices will continue to be downward. Those who are bullishly inclined, however, lay stress on the bright prospects of export and anticipated rise in domestic consumption of sugar. In the opinion of the latter, the manufacturers will not be in a mood to offer their stocks at a price lower than that which can be obtained by selling for export.

BLACK PEPPER RECEDES

(Messrs. Parekh & Co.)

BOMBAY, 20*th February*

Malabar black pepper during the week ruled easier under liquidation by holders and pressure of sales by the bears. New York was also reported quiet where spot marked down from $0.29 to $0.27 on settlement of the dock strike. Dealers there remained selective buyers. After buying a small quantity, they continued to ask for a concession in the price. They paid for a small quantity under February shipment $0.24. Now they indicate $0.23½, but without any firm bid for a sizable quantity.

Alleppey and Cochin went down, reflecting weakness in the Bombay market. There are sellers for ungarbled at Alleppey at Rs. 537½. At Cochin, garbled is nominally quoted at Rs. 92½. The present levels are new lows in the recent years. Since the beginning of February, exporters became scarce buyers, as orders from the U.S.A., Russia, Europe and the U.K. were few and far between.

The terminal markets in North Malabar remained comparatively steady, owing to limited arrivals, in view of poor crop in the area. Singapore, after showing a steady front for a few days, again turned quiet with anxiety on the part of packers and holders to sell out before the new arrival of Sarawak which is expected during the last week of March or early April.

The position is reported to be obscure and the general sentiment in India is slowly veering round a bear side, despite present low prices, since demand from New York failed to develop as earlier expected and arrivals continued to be satisfactory and did not taper off as envisaged before. Russia is reported to have almost covered their annual requirement and may not be interested in buying further unless at reduced prices.

The future is very uncertain and prices are likely to work lower unless there is good demand from the U.S.A. during the coming month, as, with the passing of time, growers will be more anxious to liquidate, as they generally fear keen competition from Sarawak from April onwards. However, everything depends upon the size of new production in Sarawak.

February was done at $0.24½-$0.23½, while March at $0.24½-$0.23¾ and April-May-June at $0.25-$0.24½. In delivery, March and April deliveries were marked down, owing to bear pressure and for want of support from outsiders.

Today's nominal quotations are: Ready delivery Rs. 77 per Bengal maund; March Rs. 528-Rs. 733 and April Rs. 533-Rs. 738 per candy of 5¼ cwts.

BETTER LIQUORING TEAS STEADY

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 14*th February*

A little over 550,000 lbs. were on offer in dust sale D, which was held on Tuesday, 12th February. The sale opened to a good general demand for all types and commons and the better liquoring dusts remained steady. Buyers, however, followed quality closely in their dealings with highgrown dusts. All other types showed a slightly easier tendency and prices were irregularly one anna lower.

The average price realised in Dust Sale D was Re. 1-15-2 per lb., as compared with Re. 1-10-8 per lb. in the corresponding sale of 1956.

London Market: *Sale of 11th February 1957*:—Best 3*d*. Others irregularly 6*d*. lower.

Sale of 12th February 1957.—Generally 6*d*. to 9*d*. lower.

Colombo Market: *Sale of 11th February* 1957:—Stalky broken mixeds easier. Good liquoring fannings and broken mixeds very firm. Dusts considerably dearer.

Sale of 12th February 1957:—Good demand. Lowgrown brokens steady. Mediums declined 15 cents. Dimbula dickoya types with improved quality considerably dearer.

Calcutta Market: *Export*.—Commonest firm to dearer. Mediums one anna lower. Whole leaf and others irregular.

Internal:—19,000 dust. Met with good general demand at prices generally one anna to As. 2 easier. Clean leaf and bright liquoring teas about steady. 2,400 leaf. Good general demand at slightly easier rates.

Export Quota:—There has again been an easier tendency and the market fell to 33 pies. Business has since been done at 35 pies.

Forthcoming Auctions:—Dust Sale E will be held on Tuesday, 26th February.

The South Indian tea crop for January is estimated at 7.36 million lbs., as against the actual production of 7.07 million lbs. in January 1956.

As we go to press Messrs. Forbes, Ewart & Figgis (Private) Ltd., wire as follows:

"*Sale* 4:—1.7 million lbs. Good general demand; commonest low medium fully firm; improved quality mediums and highgrowns often dearer. Good mediums irregular and easier; all fannings weakest feature; whole leaf steady."

TEAS DECLINE

(From Our Own Correspondent)

CALCUTTA, 19*th February*

Conditions in the export auctions held yesterday did not show any change from the recent pattern. Although there was good demand, prices eased further by As. 2. It was, however, noted that a gain in prices for all descriptions was recorded in the sales held in London on 13th February. Demand there was strong and prices for common low mediums rose by 1*d*. to 2*d*. and those for good liquoring medium teas by 2*d*. On the other hand, although demand was strong in the Colombo sales held on the same day and demand on behalf of the United States, Canada and the United Kingdom was fair, prices were reported easier.

More demand on Calcutta for export is believed to be in the offing. The world output of tea for 1956, when final figures are available, is not expected to exceed the previous year's production of 1,189.6 million lbs., and it should be noted that world demand for 1956 increased by about 125 million lbs. Adding the December figure, North Indian output for 1956 stood at 536.7 million lbs., representing an insignificant increase of 3.5 million lbs., thanks to the crop regulation scheme in force since November. Adding the estimate for December, South Indian production for 1956 was 2 million lbs. lower at 126.9 million lbs., *so that total all-Indian output*, at 663.6 million lbs., was higher by only 1.5 million lbs.

In view of the payment difficulties with Ceylon, Egyptian demand on Indian tea continues to be stronger than before. So far, Egypt has purchased from India about 4 million lbs., and desires to buy a further quantity of about 12 million lbs. However, here again, as in the case of its trade with Ceylon, Egypt is experiencing considerable payments difficulty. The results of the Egyptian attempts to solve its payments difficulty with Ceylon by increasing raw cotton exports to Japan and by paying Ceylon in Japanese yen are not known. In its trade with India, Egypt suffers from considerable deficit, and negotiations between Cairo and New Delhi have given birth to the following proposals: grant of an Indian loan of Rs. 10 crores, or a barter trade agreement between the two countries. Egypt is willing to export to India a large quantity of surplus cement. As and when these proposals are finalised, Egyptian support in Calcutta auctions would be considerable.

There are ample indications that internal consumption, against the background of an almost static production and an improved offtake for export, would rise, and considering that the quantity hitherto bid in auctions for domestic consumption has not shown any significant rise, competition by internal buyers in future auctions is anticipated. If only the internal market is given full attention, tea trade circles feel that East Africa's increasing exports to London would not affect the overall demand for Indian tea. East African estates are making strenuous attempts to increase output, although climatic conditions would be a restraining factor.

Offerings during yesterday's export sale aggregated 64,275 chests. There was fair general demand at easier rates. Mediums, C.T.Cs. and commons opened an anna to As. 1½, lower and closed As. 2 lower. Bright liquoring teas were supported at or above valuations as were tippy teas. A strong trend was also in evidence in well-made stylish whole leaf grades; however, the poorer teas in this category shared the general decline. Darjeelings also declined. The rates were: best C.T.C. Assam B.P. Rs. 2-6 (nominal), medium Assam B.P. Re. 1-14, plain B.P. Re. 1-13 to Re. 1-13-6, and clean black pekoe Rs. 2-2.

Export quota changed hands at 45 pies per lb. with buyers paying no attention when sellers raised the rate to 47 pies.

Dusts on offer during last week's sales for domestic consumption aggregated 18,718 chests, the quality of which was better. There was good demand, and brokers' valuations were realised by sellers of all teas possessing clean leaf appearance and bright liquors. Non-withered Dooars with improved liquors also realised valuations. The rest of the teas eased by As. 2. The rates were: best Assam C.T.C. Rs. 2-10 (nominal), medium Assam C.T.C. Rs. 2-2, medium Assam grainy dust Re. 1-13-6, and medium Dooars Re. 1-2 to Re. 1-13.

FURTHER FALL IN JUTES

(From Our Own Correspondent)

CALCUTTA, 19*th February*

Earlier in the week under review, jute goods recorded a slow and fractional recovery, but this trend was soon arrested and prices closed lower on balance, following withdrawal of support by speculators and the announcement of increased production for the month of January. The total of all goods produced was 88,800 tons, an increase of 3,900 tons. The increase was distributed as follows with the output figures given in brackets: 2,200 tons sacking (43,500), 1,100 tons hessian (38,800), and 600 tons miscellaneous constructions (6,500). Adequate export business to keep the market on an even keel was lacking. The earlier rise in prices was attributed to the belief that bulls would attempt cornering B. twills on 13th February. The subsequent fall, which affected both hessian and sacking goods, occurred when it was known that no cornering was in fact proposed on the above date. Attempts of mills to sell ready goods did not receive any satisfactory response. There was again a slight recovery at yesterday's trading, following buying interest at lower levels on the belief that after the present pause, prices would recover. But the closing prices were still below the week's best levels. In the meantime, raw jute prices continued to decline, and this indicated the comfortable stock position within the country.

Jute trade circles read with considerable interest the speech of Mr. A. Dada, President of the Pakistan Jute Association, at the recent meeting of the Association. He dealt with many problems concerning the jute trade, but of particular interest to the trade in India was his appeal to the Government to appoint an inquiry committee to examine the export procedure for raw jute with a view to improving it. He had no hesitation to state that the jute export procedure was cumbersome, complicated, and time-consuming, and prevented an unimpeded outflow of the crop. Exporters of jute to India have often complained of the great delay in getting the E.P.C. forms passed by the State Bank of Pakistan. Transport is another serious bottleneck, and even after the jute gets moving the cumbersome procedure for customs check at border points cause additional delay and exasperation. During this long period, funds of the importers in this country would remain blocked up. Indian mills have often felt that not much can be bought from Pakistan, in view of the very high prices fixed for export. There are, however, no indications that the authorities in East Pakistan have realised the folly of fixing high prices for export. For the East Pakistan Chief Minister, Mr. Ataur Rahman Khan, has said that the cultivators are not getting fair prices, in that they have to sell their produce immediately after harvest when market conditions can only be dull. Naturally, the difference between the price which the *cultivators actually get and the minimum export prices go into the pockets of the middlemen*, who, Mr. Khan thinks, do not deserve such compensation for their service to the trade. The Chief Minister, therefore, wants that cultivators should obtain higher prices by the elimination of the middlemen.

Those who are concerned with the welfare and future of the jute industry the world over aver that Pakistan's export policy on raw jute should at once be remoulded in a realistic manner. Mr. A. Dada referred to the strenuous attempts by foreign countries to find substitutes for jute. That these attempts have met with a measure of success is indicated by the fact that jute has not been able to maintain its former supremacy, despite the need for more packaging material consequent on the increased farms output and industrial production. Mr. Dada was alive to the ability of the Western countries "with their incomparable technological advance" to make anything out of anything. If, however, there was a feeling that jute had held its own against substitutes, it was merely because the shrinkage of its consumption in more advanced countries had been offset by its increasing consumption in countries that had yet to develop substitutes. Trade circles here fully appreciate the remark made by Mr. Dada that any unsuccessful experiment with the jute crop would go down as an historic tragedy.

The market opened during the week on a steady note following support by speculative elements and shippers at lower levels. The result was that ready B. twills soon gained to Rs. 113-10 and hessian 40" 10 oz. to Rs. 41-10 from Rs. 113-2 and Rs. 41-2, respectively. The uptrend was helped by attempts by bulls in *fatka* to corner the above two constructions. However, it was soon known that bulls did not propose to take delivery. Further, the increased output in the month of January was announced. Both these factors had their impact on the market and, on Wednesday, ready B. twills sagged to Rs. 112-8 and hessian 40" 10 oz. to Rs. 41-11. Covering demand developed at this stage and, for a time, the lower levels were maintained. However, manipulations in the *fatka* reversed this trend and by the week-end B. twills had fallen to Rs. 110-12 and hessian 40" 10 oz. to Rs. 41. Lower levels attracted fresh attention yesterday, with the result that B. twills improved to Rs. 111 and hessian 40" 10 oz. to Rs. 41-7.

Poor support was accorded to raw jute. Prices declined by As. 8. Latest quotations of the different varieties for February-March delivery, 1956-57 crop, are given below and those of a week ago in brackets:

	Middles	*Bottoms*
Pakistani:	Rs. a.	Rs. a.
Northern ...	35 8 (37-0)	32 8 (34-0)
District ...	36 0 (37-8)	33 0 (34-8)
Indian:		
Northern ...	30 8 (31-0)	28 0 (28-8)
Assam Upper ...	30 8 (31-0)	28 0 (28-8)
Assam Lower ...	30 8 (31-0)	28 0 (28-8)
Daissee ...	33 8 (33-8)	31 0 (31-0)
Murshidabad ...	29 8 (30-0)	27 0 (27-8)
Western ...	29 8 (30-0)	27 0 (27-8)
Jungli ...	28 0 (29-0)	25 8 (26-8)
Orissa ...	33 0 (34-8)	30 8 (32-0)
Uttar Pradesh	28 0 (29-0)	25 8 (26-8)
Daissee mesta	26 0 (26-8)	23 8 (26-8)
Bimli f.a.q. ...	23 0 (23-8)	

Pucca bales 1st marks ready, Rs. 180-0 (182-8) per bale.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 18*th February*

Steady conditions prevailed in the foodgrain markets during the past week, while reports from some other States indicated that, due to bright prospects of the coming wheat crop, especially from Punjab where a bumper crop of wheat is expected, prices recorded some fall in those centres.

Wheat prices at Hapur recorded a gain of As. 8 per maund during the week to Rs. 16-10 per maund for average quality, while farm quality was quoted as high as Rs. 17-12 per maund and wholesale *khati* was quoted at Rs. 16-3 per maund. Due to some demand from east U.P., local stock of wheat ran down by 6 *khaties* during the week to 42 *khaties* estimated on Monday. Sales through fair-price shops is very regular here and in the rural areas, thanks to the arrivals of imported wheat in large quantities from the ports, but demand on these shops is increasing daily due to increasing difference in its price and the open market prices. The State Government is receiving imported wheat from the Centre in increased quantities and, although the State Government's demand for a monthly quota of 65,000 tons has not been wholly met, the present allocation of 40,000 tons has evidently sufficed to satisfy the most pressing demand and the additional Central assistance for the Kabal towns has greatly eased the position.

Prices of rice scored some gains during the week and the Government, in order to check this rise, is reported to have asked the Reserve Bank to re-impose restrictions on credit facilities on rice and paddy. Prevailing prices are: *Basmati* Rs. 23 to Rs. 27, *Manipuri* Rs. 20-8, and coarse quality Rs. 16-8 per maund. Coarse grain prices recorded sharp gains during the week, as local stocks ran down considerably and it is still over a month for the arrivals of the new crop. Latest prevailing prices here on Monday are: barley Rs. 13-8, *bejhar* Rs. 13-8, maize Rs. 13-2, *bajra* Rs. 14-6, *jowar* Rs. 13 and *guwar* Rs. 11-12 per maund. Despite good crop prospects here as well as in the Punjab, gram prices continued steady at Rs. 13-6 per maund for average quality and Rs. 13-14 for Punjab produce, due to good consumer demand and local stock ran down by 10 *khaties* during the week to 11 *khaties*.

Peas prices ruled quiet, as standing crop is reported to be fairly good and is expected in the market by the middle of next month. Prices of *arhar* declined due to slack outside demand and prices of other pulses were steady to be quoted at: peas *dara* green Rs. 14-4, white Rs. 16-8, *arhar* Rs. 13, *urd* Rs. 18-8 to Rs. 20-8, *moong* Rs. 14-8 to Rs. 16 and *massoor* Rs. 16-8 per maund.

After early gains due to bull support, pulses futures eased in the week-end on east U.P. selling and the quotations on Monday were: peas *jeth* Rs. 10-6-9, peas farm *jeth* Rs. 10-8-9, *arhar jeth* Rs. 10-14-6, and *urd baisakh* Rs. 18-12.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 18*th February*

Sugar prices ruled quiet during the week and latest reports from the producing centres indicate that sugar production in the country this season will be greater than last season. The production up to 31st January 1957 amounted to 8.12 lakh tons in the current season, as against 7.12 lakh tons in the corresponding period of the last year and the stocks with the factories on this date stood at 8.81 lakh tons, as compared with 7.58 lakh tons last year. Cane supplies to the factories is very adequate, due to further fall in ready *gur* prices and latest mill delivery prices here are: Jaswant Rs. 28-12, Simbhauli Rs. 28-14, Mawana Rs. 28 to Rs. 29, Daurala Rs. 29 to Rs. 30, Amroha Rs. 28-4, Bijnore Rs. 28-4, Mansoorpur Rs. 29 to Rs. 30, Rampur Rs. 31-8; retail Rs. 30-15. The *khandsari* market continued dull and weak, with increasing stocks and slack demand, and prevailing prices in the week-end were: Rs. 22 to Rs. 25-8 per maund according to quality.

Ready *gur* prices further declined during the week as local stocks were higher with the arrivals of large quantity of *gur* from nearby districts. Outside buying enquiry was very small and with arrivals, daily at an average of 4,000 to 5,000 maunds, local stocks swelled to about 85,000 maunds. Latest prices are: Rs. 9-10 to Rs. 9-14 according to quality.

Future *gur* prices also declined steeply on bear pressure, influenced by depressed conditions in the ready section. *Gur fagun* was quoted on Monday at Rs. 9-14-6 and *baisakh* at Rs. 10-9-6, as against Rs. 10-10-9 and Rs. 11-6, respectively, a week ago.

LEIPZIG SPRING FAIR

At the Leipzig Spring Fair, due to be held between 3rd and 14th March 1957, will be represented nearly 40 countries. In all, 55 trade groups are expected to open pavilions at the Fair. A noteworthy feature is that the exact division of the branches permits of a quick survey of the entire assortment of goods.

Governmental agencies and trade corporations from as many as 17 countries will stage collective exhibitions at the Spring Fair. Moreover, foreign exhibitors at the Leipzig Fair will include leading firms from all branches of industry. Among the participants in the Technical Fair, for instance, mention must be made of the A.O.E.C. from Belgium, Standard Motors, Pye, Massey Harris and Ferguson from Great Britain, Renault, Eclair Simca from France, Sandoz and Geigy and a group of exhibitors showing precision machine tools and automatics from Switzerland. There is also a great number of foreign exhibitors of consumer goods.

A feature of particular interest in the Fair will be the section covering foodstuffs and allied industries wherein a large number of countries of North and Western Europe and North and South America will participate.

It is expected that the countries of the East will show their export programmes in collective exhibitions. Foreign trade corporations of certain East European countries have also booked stands in the Fair. The publications from the East European countries will be displayed within the international offer of books in the "Hans-Haus." The exhibits of the U.S.S.R. will include, among others, industrial equipment, automatic machine tools, agricultural machinery, etc. China, Bulgaria and Hungary will also exhibit a wide range of machines.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	2½
Austria	17th Nov., 1956	4½	6
Belgium	6th Dec., 1956	3	3½
Bolivia	20th Sept., 1950	5	6
Ceylon	11th June, 1954	2	2½
Chile	13th June, 1955	4	4½
Colombia	18th July 1953	6	6
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	6.94	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1956	3½	3½
Pakistan	1st July, 1948	5	5
Peru	18th Nov., 1947	6	6
Philippines	May, 1954	2	1½
Portugal	12th Jan., 1944	3	3½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	2	1½
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	4	4
U.S.A.	23rd Aug. 1956	3½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 15th February, 1957		Week ended 8th February, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,07,764	72,50,24,000	3,08,314	67,16,06,000
Calcutta	1,83,180	49,01,70,855	1,80,231	59,02,32,509
Madras	92,228	10,24,39,212	94,077	10,39,40,505
All Centres—				
1954-55*	..	..	2,965,000	4,041,200,000
1955-56*	..	..	3,100,000	6,060,300,000
Nov., 1956	..	..	3,284,000	7,25,06,00,000
Dec.,	..	..	3,375,000	7,64,19,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 15th Feb., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,25,29,000
(2) Other Governments	12,47,59,000
(b) Banks	51,59,01,000
(c) Others	42,39,50,000
Bills Payable	13,64,28,000
Other Liabilities	112,27,77,000
Rupees	310,63,44,000

ASSETS	Rs.
Notes	11,27,90,000
Rupee Coin	10,28,000
Subsidiary Coin	14,60,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,54,92,000
Balances held abroad*	118,45,32,000
Loans and Advances to Governments	6,72,70,000
Other Loans and Advances	120,32,78,000
Investments	44,01,91,000
Other Assets	13,04,48,000
Rupees	310,63,44,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 59,18,06,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 88,16,03,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,27,90,000	
Notes in circulation	1515,62,27,000	
Total Notes issued		1526,90,17,000
Total Liabilities	....	1526,90,17,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,08,000	
(b) Held outside India	....	
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		121,58,79,000
Government of India Rupee Securities		875,03,44,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1526,90,17,000

Scheduled Banks*

Statement of Affairs for the week ended 8th Feb., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	6,71,56,000
(ii) Other demand liabilities	669,52,51,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,38,00,000
(ii) Other time liabilities	461,43,89,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	16,68,42,000
(ii) Time liabilities	....
4. Cash in India	35,91,28,000
5. Balances with the Reserve Bank in India	48,77,85,000
6. Balances with other banks in current account in India	9,75,87,000
7. Money at call and short notice in India	9,84,11,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	280,94,09,000
9. Advances in India	888,89,02,000
10. Inland Bills purchased and discounted in India	114,42,08,000
11. Foreign Bills purchased and discounted in India	53,43,88,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	18th February 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	478¼	478¼
Buyers T.T. Rs.	473¼	473¼
London on New York Sp.	2.79½-2.79¾	2.79¼-2.80
London on Paris Fcs.	983¼	983¼
London on Berne Sw. Fcs.	12.27½-12.27¾	12.27½-12.27¾
New York on London Sp.	2.79½-2.79¾	2.79½-2.79¾

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	372.07	..	..	10,170	269
Pakistan	'53-'54	79.33	..	..	1,931	243
Burma	1954	19.24	Kyats	3,905	390	204
Ceylon	1954	8.38	..	..	470	560
Japan	1955	88.80	Y.	6,575,000	8,668	972
Philippines	1955	21.35	Ps.	7,800	1,857	870
New Zealand	1955	2.13	£(N.Z.)	846	1,128	5,296
Australia	1954	8.99	£(A)	3,957	4,220	4,694
U.K.	1955	50.97	£	16,634	22,178	4,351
U.S.A.	1955	165.27	$	324,000	155,520	9,410
Canada	1955	15.60	$	30,728	10,156	6,516
France	1955	42.27	F.Fr.	12,440,000	17,010	3,921
W. Germany	1955	49.99	Dm.	126,200	14,460	2,690
Italy	1954	47.80	Lr.	9,718,000	7,480	1,560
Norway	1955	3.43	Kr.	19,764	1,820	5,050
Sweden	1954	7.21	Kr.	25,620	3,544	4,912
Netherlands	1955	10.75	Grs.	32,500	3,850	3,650
Denmark	1954	4.41	Kr.	23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr.	22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 8th Feb., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	46,17,06,000
(b) Provincial Governments	75,15,000
(c) Banks	13,74,68,000
(d) Others	8,23,53,000
Bills Payable	18,78,000
Other Liabilities	12,91,29,000
Rupees	88,00,49,000

ASSETS	Rs.
Notes	10,48,75,000
Rupee Coin	12,000
Subsidiary Coin	19,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	7,15,000
Loans and Advances to Governments	24,00,000
Provincial Governments' Debtor Balances	2,77,09,000
Other Loans and Advances	23,39,20,000
Investments	40,76,07,000
Other Assets	10,25,93,000
Rupees	88,00,49,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,48,75,000	
Notes in circulation	358,59,83,000	
Total Notes issued		344,38,58,000
Total Liabilities	....	344,38,58,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,58,41,000	
Silver Bullion	....	
Sterling Securities	33,60,20,000	
Government of India Securities	28,83,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,15,59,000	
Government of Pakistan Securities	171,73,55,000	
Internal bills of exchange and other commercial paper	....	
		176,89,14,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,53,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	344,38,58,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.55 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	8th Feb., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1,519.65	1,494.02	1,495.21	1,407.65
Notes held in Banking Department	35.05	7.01	14.55	18.16	7.51
Foreign Securities	59.50	412.52	412.52	447.30	667.16
Rupee Securities	37.39	117.76	858.03	820.25	608.25
Banking Department					
Deposits of:					
Government of India	14.89	51.01	52.35	54.00	60.55
Other Governments	..	13.52	16.68	4.94	11.00
Balances held abroad	10.08	122.16	93.84	80.30	71.06
SCHEDULED BANKS					
Demand Liabilities	134.36	676.24	679.75	653.16	628.08
		(6.72)†	(7.04)†	(4.57)†	(6.19)†
Time Liabilities	102.24	463.82	464.40	456.54	413.58
		(2.38)†	(2.21)†	(2.07)†	(3.26)†
Borrowings from Reserve Bank	..	96.39	80.51	79.10	39.46
		(67.62)‡	(58.88)‡	(60.80)‡	(19.41)‡
Borrowings from State Bank	..	16.68	14.15	10.52	12.70
Cash in India	6.70	35.91	34.36	35.21	34.93
Balances with Reserve Bank	25.17	48.78	51.63	50.72	52.30
Excess over statutory limits	15.52	5.70	8.35	8.93	12.63
Balances with other banks in current account in India	..	9.76	9.65	10.41	10.59
Money at call and short notice in India	..	9.84	10.35	6.93	7.48
Investments (at book value)	..	360.94	361.27	362.42	378.99
Bills Purchased and Discounted	105.09	856.25	840.71	808.43	686.99
STATE BANK					
Deposits	87.76	260.50	262.25	247.76	235.60
Investments	51.99	106.90	106.92	107.04	116.37
Advances	80.35	172.46	164.58	151.41	119.44
Cash	14.69	15.93	18.02	18.59	21.38

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November, 1955	November, 1956	Eight months, April to Nov., 1955	Eight months, April to Nov., 1956
Import Duties:				
Revenue	9.90	11.07	74.41	82.01
Protective	0.87	1.21	6.59	8.39
On surplus disposals	..	..	0.07	0.05
Total import duties	10.77	12.28	81.07	90.45
Export Duties	2.76	2.67	24.48	18.25
Land Customs	0.20	0.22	0.69	1.65
Miscellaneous	0.06	0.11	0.48	0.74
Gross total customs	13.79	15.28	106.72	111.06
Refunds and drawbacks	0.20	0.22	1.75	1.97
Net Customs	13.59	15.06	104.97	109.09
Gross excise	11.67	16.23	96.63	117.97
Refunds	0.17	0.17	3.03	1.32
Net Excise	11.50	16.06	93.60	116.65
Net total of customs and excise†	25.09	31.12	198.57	226.14

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 15th Feb., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		2,65,01,41,000
Bills Payable		21,08,00,000
Bills for Collection being Bills Receivable as per contra		3,93,12,000
Acceptances, Endorsements and Other Obligations per contra		69,39,000
Other Liabilities (including Inter-Office Adjustments)		5,54,000
Total	Rs.	1,13,68,000
		3,03,96,14,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,08,64,000
Balances with other Banks		3,94,95,000
Money at Call and Short Notice		80,00,000
INVESTMENTS:		
Government and other Trustee Securities	95,49,18,000	
Other Authorised Investments	11,35,44,000	
		1,06,84,62,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	1,49,55,25,000	
Bills Discounted and Purchased	23,96,08,000	
		1,73,51,33,000
Bills Receivable being Bills for Collection as per contra		69,39,000
Constituents' Liabilities (or Acceptances, Endorsements and Other Obligations per contra		5,54,000
Premises less Depreciation		1,19,94,000
Furniture and Fixtures less Depreciation		61,75,000
Other Assets (including Inter-Office Adjustments)		2,19,98,000
Total	Rs.	3,03,96,14,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS§§

	National Savings Certificates 5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates††		15-Year Annuity Certificates §	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1953-54	6.83	65	3.26	23.66	54.17	1,18.25	92.02	— 21.07	7 55	25.54	7,40R	7.38	55‡‡	11	11
1954-55	4.76	1.83	4.99	27.37	1,24.54	1,24.94	1,29.58	— 26.35	5.57	27.15	7.49	9.25	61	14	25
1955-56	2.76	1.98	5.48	27.19	1,44.86	1,58.18	1,67.56	— 35.87	4.79	41.35	9.26	16.37	..	5	36
November 1955	4.07	19	5.21	1.93	1,37.62	11.25	1,59.40	— 35.24	43	40.05	23	12.20	5	2	36
December	4.00	18	5.26	2.58	1,39.48	12.94	1,52.44	— 33.44	36	40.24	88	13.98	4	2	36
January 1956	3.91	14	5.24	1.49	1,40.78	12.16	1,54.14	— 32.55	32	40.61	84	14.73	3	2	93
February	3.88	16	5.29	2.22	1,42.87	12.87	1,56.19	— 32.56	39	40.95	88	15.57	3	2	95
March	3.76	23	5.48	2.85	1,44.26	13.54	1,57.86	— 32.87	36	41.35	88	16.37	3	2	96
April	3.69	24	5.54	2.15	1,45.85	14.54	1,71.05	— 34.98	34	41.51	83	17.13	3	2	1,00
MAY	3.61	21	5.54	2.49	1,47.18	14.77	1,73.06	— 39.05	34	41.82	86	17.91	3	2	1,00
June	3.54	22	5.55	2.76	1,49.48	15.24	1,76.09	— 39.15	33	42.11	92	18.76	4	2	1,04
July	3.48	18	5.51	2.78	1,51.58	14.61	1,80.05	— 39.24	33	42.43	1,01	19.66	4	2	1,11
August	3.40	20	5.52	2.83	1,53.14	14.18	1,82.32	— 39.27	34	42.72	93	20.58	3	2	1,18
September	3.34	17	5.71	2.65	1,55.14	13.27	1,84.85	— 39.17	34	43.00	85	21.54	3	2	1,27
October	3.28	16	5.69	2.58	1,56.51	13.00	1,85.90	— 39.26	35	43.29	82	22.56	4	2	1,37
November	3.23	13	5.66	2.20	1,57.62	12.70	1,86.59	— 39.35	25	43.59	77	22.73	3	..	..
December	..	..	..	..	..	..	..	..	26	43.58	..	..	..	..	..

* At the end of period.

† Issued from 10th May, 1954.

†† Relating to nine months from July, 1954.

‡ From July, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities and holdings of Indian investors.

● Progressive net repayments at the end of period from 15th August 1947.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 9th Feb., 1957	2nd Feb., 1957	12th Jan., 1957	11th Feb., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.8	89.8	89.7	91.3
1. Government of India	89.5	89.5	89.4	91.1
2. Indian States	96.6	96.6	96.6	96.7
3. Municipal Port Trust, etc.	90.7	90.7	90.8	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.1	99.1	100.0	101.1
1. Electricity	98.9	98.9	100.9	102.6
2. Jute	97.5	97.5	97.5	97.6
3. Plantations	98.6	98.6	98.6	99.1
4. Sugar	98.5	98.5	98.5	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	102.5
8. Others	100.4	100.4	100.5	101.1
PREFERENCE SHARES	79.0	79.1	80.5	87.0
1. Electricity	88.6	88.5	87.0	94.7
2. Cotton	80.8	80.6	79.9	90.2
3. Jute	78.2	75.4	75.4	86.7
4. Coal	82.7	83.0	83.0	90.3
5. Iron and Steel	81.3	82.0	84.2	90.7
6. Sugar	81.6	81.6	81.6	85.5
7. Paper	79.7	79.7	79.7	86.5
8. Plantations	99.7	99.9	100.5	101.1
9. Miscellaneous	74.1	74.0	74.3	84.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	114.1	114.7	112.6	121.4
(a) Financial	84.5	84.8	81.4	89.6
1. Banks	96.7	96.9	92.8	89.1
2. Insurance	84.8	84.9	82.5	90.2
3. Investment Trust	78.2	78.4	82.7	94.8
(b) Public Utilities	109.4	109.9	108.0	113.6
1. Electricity	110.0	110.2	109.2	119.0
2. Shipping and other Transport	115.9	116.9	112.7	107.2
3. Railways	81.2	81.4	81.2	90.7
(c) Manufacturing industries	121.1	122.0	120.0	129.6
1. Cotton, Woollen and Silk	126.5	127.7	126.7	122.7
2. Jute	61.9	64.8	61.4	89.6
3. Iron and Steel	132.5	132.1	127.1	143.3
4. Paper	253.0	254.0	245.9	280.7
5. Cement	159.0	166.7	168.2	166.7
6. General Engineering	175.9	178.7	173.2	198.1
7. Sugar and Breweries	99.9	100.6	100.1	106.8
8. Chemicals	137.5	138.3	136.5	149.1
(d) Non-Manufacturing industries	140.3	141.9	139.8	159.1
1. Coal	75.0	75.2	73.6	85.0
2. Mining and Oil	198.7	200.2	197.6	247.0
3. Plantations	155.2	155.9	155.1	167.5
(e) Miscellaneous	92.9	92.3	90.0	102.3
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.2	89.2	89.0	90.8
2. Calcutta	89.7	89.7	89.5	91.2
3. Madras	90.0	90.0	89.9	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.4	99.4	99.4	100.2
2. Calcutta	98.6	98.6	100.5	101.9
3. Madras	99.7	99.7	99.7	100.1
PREFERENCE SHARES:				
1. Bombay	83.6	84.3	85.4	89.6
2. Calcutta	74.2	74.2	74.1	83.1
3. Madras	94.8	94.8	95.0	96.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	123.9	124.8	121.4	123.1
2. Calcutta	100.7	100.9	99.0	115.6
3. Madras	126.5	126.7	125.1	120.2
4. Delhi	123.8	124.7	121.1	124.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,821	2,818,028
1952	963	809,542	3,186,961
1953	772	466,607	2,382,606
1954	840	477,138	2,572,639
1955	1,166	527,767	2,597,848
October 1954	88	41,724	276,294
November ,,	62	35,116	230,701
December ,,	101	54,455	262,763
January 1955†	95	49,088	228,807
February ,,	91	38,370	154,596
March ,,	112	70,043	335,276
April ,,	106	28,436	183,375
May ,,	90	46,441	961,776
June ,,	122	91,259	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	583,999
September ,,	251	82,519	580,081
October ,,	194	47,600	178,112
November ,,	99	45,509	235,790
December ,,	129	45,277	239,855
January* 1956†	107	61,050	349,855
February* ,,	122	69,150	675,756
March* ,,	146	123,155	565,264
April* ,,	143	33,530	253,720
May ,,	137	64,261	476,156
June ,,	122	71,318	....
July* ,,	149	100,069	535,775
August* ,,	186	64,516	495,639
Sept.* ,,	185	125,220	903,399
Oct. ,,	109	79,392	505,799

† Figures are provisional.

* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,184.2
1953-54	648	6,876.8	5,573.7
1954-55	696	7,760.9	6,219.2
1955-56	715	8,805.8	7,185.8
Jan., to Oct., 1955	716	6,983.4	5,681.3
Jan., to Oct., 1956	753	7,988.7	6,508.9
September 1955	707	719.8	587.1
October ,,	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956	731	757.2	621.8
February ,,	739	745.2	612.0
March ,,	716	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	855.5	690.1
June ,,	710	796.5	653.5
July ,,	724	798.0	656.2
August ,,	725	798.7	650.6
September ,,	737	813.7	666.4
October ,,	753	824.1	670.1

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

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	2nd Feb., 1957	26th Jan., 1957	4th Feb., 1956	December, 1956	December, 1955	Percentage of Increase (+) or decrease (—) in Dec., 1956 as comp ared with Dec., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	407·0	399.7	331.1	413.9	323.7	+27.9	372.2	339.6
Cereals	59	520*	506	398	532	385	+38.2	372	331
Pulses	3	439	426	345	427	345	+23.8	393	350
Others	25	258	258*	236	262	234	+12.0	235	221
Industrial Raw Materials	(18)	527·0	533.7	468.4	517.5	438.9	+18.4	418.8	436.8
Fibres	8	507	511 R	468	499	488	+13.9	429	447
Oil seeds	10	594	601	490	570	431	+32.3	398	434
Minerals	3	523	543	431	531	434	+22.4	437	433
Others	7	430	433	441*	434	462	— 6.1	431	457
Semi-Manufactures	(17)	412·9	413·1	354.7	417.5	346.8	+20.5	338.2	396.3
Leather	2	433	433	394	443	400	+10.8	378	376
Mineral oils	13	210	210	202	209	202	+3.5	307	321
Vegetable oils	16	626	629	429	632	414	+52.7	389 R	433
Cotton yarn	25	489	493*	439*	499	424	+17.7	422	454
Metals	18	328	328	280	327	279	+17.2	364	349
Oil cakes	5	454	443	363	434	355	+22.3	355	381
Others	5	372	362	364	363	330	+10.0	336	312
Manufactured Articles	(30)	386·9	386.6 R	375.2	386.9	373.6	+ 3.7	373.9	377.4R
Textiles	24	416	415	409	418	405	+ 3.2	408	451
Jute	11	442	441	418	456	415	+10.6	418	445
Cotton	45	414*	414*	403*	415*	390*	+ 6.4	403*	415*
Rayon and Silk	6	442*	442* R	404*	439*	436*	—11.7	435*	469*
Woollen	3	266	266	278	266	278	— 4.3	284	311
Metal products	17	394	394	371	394	371	+ 6.1	340	340
Others	19	299	298	284	297	284	+ 4.6	285	286
Miscellaneous	(0)	588·9	588.6 R	531.5	590.3	544.2	+ 8.5	548.4	612.4
All Commodities	(100)	427.3	425.8 R	377.2	428.8	388.2	+10.5	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and Steel
1955																	

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,617	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,963	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,510	2,939
Ragi	final	,,	5,637	5,711	1,844	1,646
Small millets ..	final	,,	13,096	13,799	2,103	2,456
Total cereals ..	final	tons	211,000	212,025	53,340	55,734
Pulses—						
Gram	final	tons	22,093	22,047	4,865	5,393
Tur	final	,,	8,787	8,944	1,514	1,658
Other Kharif pulses ‡ ..	final	,,	15,862	16,719	1,650	1,820
Rabi pulses‡ ..	final	,,	10,579	10,590	1,858	1,959
Total pulses ..	final	tons	55,100	58,300	10,187	10,870
Oilseeds—						
Groundnut ..	2nd	tons	11,299†	10,968‡	3,550†	3,372‡
Castorseed ..	final	,,	1,462	1,394	126	124
Sesamum ..	final	,,	5,725	6,401	455	589
Rape and Mustard	final	,,	6,263	6,625	852	1,019
Linseed	final	,,	2,432	2,384	876	852
Total oilseeds ..	final	tons	29,471	30,822	5,896	6,242
Fibres—						
Cotton*	final	bales	20,230	19,684	3,998	4,227
Jute A.	final	,,	1,883†	1,739‡	4,221†	4,197‡
Mesta A.	2nd	,,	695†	653††	1,430†	1,101††
Other crops—						
Potato	final	tons	693	658	1,889	1,736
Sugarcane ..	2nd	,,	4,532†	3,945‡	58,914†	50,455‡
Ginger (Dry) ..	final	,,	27	25	15	14
Pepper (Black) ..	final	,,	214	208	27	26
Chillies (Dry) ..	final	,,	1,492	1,522	240	243
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. ‡ Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During January, 1957 ..	88.8
	Corresponding month, 1956 ..	88.9
	Seven months ended Jan., 1957 ..	606.1
	Corresponding period, 1956 ..	608.4
Stocks	At the end of Jan., 1957 ..	104.1
	Corresponding month, 1956 ..	78.4
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 29th Dec., 1956 ..	17,356
	Corresponding week, 1955 ..	11,646
	From 1st Jan., to 29th Dec., 1956.	430,173
	Corresponding period, 1955 ..	470,493
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 29th Dec., 1956 ..	20,886
	Corresponding week, 1955 ..	57,944
	From 1st Jan., to 29th Dec., 1956.	1,452,286
	Corresponding period, 1955 ..	1,383,588
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	January, 1957 ..	5.15
	Corresponding month, 1956 ..	5.15
	Seven months ended Jan., 1957 ..	35.14
	Corresponding period, 1956 ..	35.28

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,90,000
Do. 31st March, 1955 ..	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956 ..	11,55,900	10,62,100	7,97,800
August 1955	92,500	83,900	62,700
Sept. ,, ...	95,300	87,500	65,700
October ,, ...	91,700	83,500	64,800
Nov. ,, ...	91,900	86,200	62,400
Dec. ,, ...	103,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
August ,, ...	97,800	88,000	66,000
Sept. ,, ...	96,400	88,800	59 700
Oct. ,, ...	96,700	91,100	71,800
Nov. ,, ...	94,700	85,800	64,100
Dec. ,, ...	101,500	93,300	66,900
January 1957	97,400	94,300	70,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	3,49 950	2,93,440
Do. 31st March, 1955 ..	7,15,940	5,25,240	4,59,098
Do. 31st March, 1956 ..	7,06,986	5,31,506	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954.	1,80,018	1,20,741	1,12,861
,, ,, ,, Dec., 1954.	1,88,053	1,30,830	1,20,616
,, ,, ,, Mar., 1955.	1,65,108	1,43,828	1,18,136
,, ,, ,, June, 1955.	1,88,605	1,34,222	1,16,281
,, ,, ,, Sept., 1955.	1,76,181	1,30,630	1,05,714
,, ,, ,, Dec., 1955.	1,60,780	1,34,096	1,05,762
,, ,, ,, Mar., 1956.	1,84,450	1,41,846	1,19,886
,, ,, ,, June, 1956.	1,48,306	1,17,710	92,609
,, ,, ,, Sept., 1956.	1,74,447	1,33,326	1,12,953
,, ,, ,, Dec., 1956.	1,88,546	1,41,450	1,14,703

OVERALL BALANCE OF TRADE OF INDIA
November, 1956

Particulars	November, 1955 (Rs. lakhs)	November, 1956 (Rs. lakhs)	Eight months April to Nov., 1955 (Rs. lakhs).	Eight months April to Nov., 1956 (Rs. lakhs)
1. Trade in merchandise—				
(a) Imports	49,45	54,35	388,36	378,000
(b) Re-exports	39	57	3,53	5,27
Less—Transit trade ..	..	3	8	8
Net re-exports ..	39	54	3,45	5,19
Total exports ..	49,84	55,89	391,81	383,19
2. Imports	62,98	69,97	418,45	535,08
Less—Transit trade ..	2	4	10	25
Net Imports* ..	62,96	69,93	418,35	534,83
Balance of trade in merchandise	—13,12	—14,04	—26,54	—151,64
Balance of trade in gold and silver	..	—3	—4	—15
Total overall visible balance of trade	—13,12	—14,07	—26,58	—151,79

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	153	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	123
1955-56	12,761	2,772	972	212	110	67	150	29	474	413	41	351	48	146
October 1955	7,016	1,600	569	115	62	38	55	14	151	230	23	179	27	90
November ,, ..	8,076	1,835	647	153	68	43	78	17	174	266	27	205	33	104
December ,, ..	9,238	2,079	723	153	77	51	95	21	206	304	30	238	35	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	43	139
February ,, ..	11,543	2,541	883	190	97	62	132	27	395	374	38	298	45	126
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	413	41	331	46	146
April ,, ..	1,134	257	82	23	12	5	13	2	64	54	2	31	3	10
May ,, ..	2,227	470	166	44	23	11	25	3	115	70	5	60	5	21
June ,, ..	3,264	705	256	59	33	16	33	5	148	104	7	89	9	35
July ,, ..	4,310	959	344	71	38	19	44	6	168	139	10	118	14	46
August ,, ..	4,400	1,222	433	87	43	23	55	8	194	172	13	150	19	56
September ,, ..	6,420	1,446	505	97	45	23	73	10	199	207	15	179	26	81
October ,, ..	7,404	1,703	579	110	50	32	96	12	216	242	18	212	33	96
November ,, ..	8'619	1,950	659	129	59	37	121	15	257	278	20	246	39	114

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 14th Feb., 1957 ..	45,598(J)
	Corresponding week, 1956 ..	48,057(J)
	1st Sept. 1956 to 14th Feb., 1957.	780,394*
	Corresponding period, 1955-56 ..	664,488
Cotton Exports‡ ..	Week ended 14th Feb., 1957 ..	11,411
	Corresponding week, 1956 ..	11,148
	1st Sept. 1956 to 14th Feb., 1957.	123,021
	Corresponding period, 1955-56 ..	320,087
Mill Consumption .. (Estimated)	1st Sept. 1956 to 14th Feb., 1957.	600,559
	Corresponding period, 1955-56 ..	538,987
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 14th Feb., 1957 ..	527,154
	Corresponding date, 1956..	493,242
Cotton Exports from Bombay (by sea)	During Dec., 1956 ..	32,410
	During Dec., 1955 ..	60,493
	1st Sept., '56 to 31st Dec., 1956.	65,031
	1st Sept., '54 to 31st Dec., 1955.	327,074
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 7th Feb., 1957	891,232
	Corresponding period, 1955-56 ..	971,512
Exports	1st Sept., 1956 to 7th Feb., 1957	443,139
	Corresponding period, 1955-56 ..	435,035

Particulars	From 1st Sept. 1956 to 15th Feb. 1957 (Bales)	From 1st Sept. 1955 to 15th Feb. 1956 (Bales)
From Bombay Cotton Shipments to—		
United Kingdom ..	16,391	88,136
Continent	13,723	58,592
Hongkong	16,923	23,181
China	3,277	31,488
Japan	77,430	146,960
U.S.A.	1,284	2,214
Other Countries ..	462	1,224
Total to all foreign countries ..	129,490	305,745
Coastal Ports ..	7,360	60,391
Total	136,850‡	366,036‡

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	December, 1956 ..	407,605
Foreign		49,618
Indian	Four months ended Dec., 1956	1,525,017
Foreign		201,257
Indian	Same Period 1955 ..	1,518,805
Foreign		185,563
Stocks (Mills and Mer-chants)—		
Indian	As on 1st December, 1956 ..	1,072,674
Foreign		176,684
Indian	As on 1st December, 1955 ..	1,088,361
Foreign		159,281
	Week ended 8th Feb., 1957 ..	4,078
	Corresponding week, 1956 ..	110,951
	1st Sept., 1956 to 8th Feb., 1957	641,338
Cotton Pressed in India† (in running bales)	Corresponding period, 1955-56 ..	1,350,388

‡ By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-35	68,40,26,000	1960-70	100½
2½ % Loan	1935-45	1,16,17,46,000	1965-85	94½
2½ % Loan	1940	80,38,10,000	1964	94½
2½ % Fg. Loan	1942	1,10,11,78,000	1966-68	95½
2½ % Loan	1944	85,44,89,000	1957	98½
2½ % Loan	1945	1,15,05,58,000	1970-75	87½
2½ % Rd V. Loan	1945	1,13,85,54,000	1948-61	97½
2½ % Loan	1941	80,55,42,000	1966	92½
2½ % Loan	1946	45,80,37,000	1960	90½
2½ % Loan	1946	57,00,69,000	1961	88½
2½ % Loan	1946	14,77,45,000	1976	88½
2½ % Loan	1947	75,86,72,000	1968	93½
2½ % Loan (N.P. Bonds)	1952	75,29,00,000	1961	90½
2½% N.P. Loan	1954	1,58,17,84,000	1964	93½
2½ % N.P. Bonds (2nd Series)	1955	1,08,67,92,000	1965	93½
2½ %	1956	57,27,00,000	1962	97½
2½% N.P. Bonds	1956	23,85,00,000	1967	93½
2½%	1956	66,54,00,000	1974	93½
NON-TERMINABLE LOANS				
3½% Loan	1896-97	3,93,25,000	At option of Government after three months notice. On September, 1966 or later at option of Government after three months' notice.	72
3% Loan	1946	3,45,91,47,000‡		74½
REPATRIATE STERLING LOANS				
4½%Loan	1936	5,56,78,000	1958-68***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97½
4 % Andhra	1946	6,00,00,000	3rd Sept. 1968	97–102½
4 % Bombay	1948	8,06,66,000	15th Aug. 1958	98½
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94½
3 % Bombay	1950	2,57,82,000	31st July 1960	94½
3½ % Bombay	1951	3,95,25,000	17th Sept. 1963	93½
4 % Bombay	1952	5,42,28,000	15th July 1963	100
4 % Bombay	1952	8,55,87,000	1st Aug. 1964	100
4 % Bombay	1953	10,02,21,000	1st Sept. 1967	99½
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97½
4 % Bihar	1946	2,50,00,000	15th Sept. 1958	97½
3 % Coohin	1945	1,00,00,000	16th Dec. 1955–58	98½
3½% Coohin	1956	70,09 000	1st June 1956-61	99½
3½% Hyderabad Bridge (New)	1936-37	1,95,96,700	1956-66	95½
4 % Hyderabad	1955	3,13,42,000	1st Sept. 1967	99½
4 % Hyderabad	1956	10,00,00,000	3rd Sept. 1968	99½
3 % Madras	1939	1,35,95,600	21st June 1959	96½
3 % Madras	1944	1,07,98,000	15th Aug. 1958	98½
3 % Madras	1945	2,75,44,000	14th Sept. 1960	98½
3½ % Madras	1946	3,81,77,300	1st Sept. 1961	93–94
3 % Madras	1950	4,35,25,400	31st July 1960	96–98
3½ % Madras	1951	3,01,49,300	17th Sept. 1963	97½
4 % Madras	1952	10,33,53,000	15th July 1963	99
4 % Mysore	1952	5,24,81,200	1st Aug. 1964	99
4 % Mysore(f)	1953	7,00,00,000	1st Sept. 1967	98½
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98
4 % Mysore(f)	1933	3,96,58,300	1st Dec. 1953–63	100½
4 % Mysore	1955	5,99,75,000	30th Apr. 1956–61	99
3 % Mysore	1947	5,05,05,700	25th Jan. 1965	99
3 % Mysore	1953	3,33,47,000	15th July 1963	99
4 % Mysore	1953	5,54,96,000	1st Sept. 1967	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97–74½
3 % M.P.	1944	82,69,800	15th Aug. 1958‖	98½
3 % M.P.	1945	1,10,11,78,000	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	95
3½ % M.P.	1951	1,10,15,000	15th July 1963	99½
4 % M.P.	1955	1,62,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,80,00,000	3rd Sept. 1968	97½
4 % Saurashtra	1955	2,51,66,000	1st Sept. 1967	99½
4 % Saurashtra	1956	3,50,00,000	3rd Sept. 1968	99½
4½ Trav. Cochin	1953	2,00,00,000	15th July 1963	99½
4½ Trav. Cochin	1956	2,50,00,000	3rd Sept. 1968	98
3 % U.P.	1939	1,57,14,000	15th Sept. 1961–66	97½
3 % U.P.	1944	2,37,11,000	15th Aug. 1958	98½
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	95½
3 % U.P.	1946	2,30,97,000	1st Sept. 1961	92
3½ % U.P.	1951	1,91,02,000	17th Sept. 1963	97½
4 % U.P.	1952	6,11,45,300	1st Aug. 1964	99
4 % U.P.	1953	5,86,15,800	15th July 1963	99½
4 % U.P.	1955	9,52,84,000	1st Sept. 1967	97½
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97½
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97½
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97½
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97½

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
26,50,000	4	1904	1944	
85,00,000	4	1905	1945	
15,00,000	4	1906	1957	
44,00,000	4	1907	1948	
75,00,000	4	1908	1948	98N
40,00,000	4	1909	1958	
66,00,000	4	1910	1971	
1,10,00,000	4	1911	1972	
14,85,876	4	1912*	1950	D
80,00,000	4	1913	1974	93N
85,25,000	4	1914	1975	99½N
10,00,000	4	1915*	1960	
85,00,000	4	1915*	1975	
61,61,900	4	1916*	1976	
11,61,000	4	1924*	1960	
10,25,000	4	1926*	1960	
25,00,000	4	1930*	1960	
12,50,000	4½	1930*	1960	D
12,50,000	4½	1931*	1961	
12,50,000	4½	1932*	1962	
24,58,000	4½	1935*	1975	
15,00,000	4½	1936*	1966	
48,04,000	3½	1938*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,200	4	1914	1974	93
76,90,100	4	1915	1975	99
1,80,00,000C	4	1920	1980	92
1,49,40,800B	5	1927	1957–87	102
1,49,30,000	5	1928	1953–88	102
50,00,000	4½	1931	1991	95
80,00,000	3½	1935	1961	97½
25,00,000	3	1938	1968–98	90
25,00,000	3	1938	2005	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84½
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	70½
50,00,000	3	1948	1978	83½
50,00,000	3	1948	1988	74
1,00,00,000	3	1949	1979	97
50,00,000	3	1950	1980	93
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1980	93½
50,00,000	3	1951	1981	81½
1,50,00,000	2½	1951	1981	98½
80,00,000	3	1952	1982	100
80,00,000	4	1955	1985	95½
80,00,000	4	1956	1986	97½
STERLING LOANS				
£592,600	5	1922	1952–82	£79½
£901,000	5	1924	1954–84	£79½
£885,100	5½	1932	1968	£91½
MADRAS				
Rs.				Rs.
21,47,169	3½	1947	1977‖	
9,88,000‖	3	1947	1977‖	
8,00,000‖	3	1949	1979‖	A
45,00,000‖	4½	1954	1984‖	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
20,00,000	4	1901	1961	
20,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
25,00,000	4	1907	1967	
15,00,000	4	1907	1968	
20,00,000	4	1908	1968	
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	
40,00,000	5	1914	1974	97½N
50,00,000	4	1914	1974	
40,00,000	5	1919	1947–79	
66,00,000	5	1920	1955–80	113N
25,00,000	5	1926	1954–86	98N
25,00,000	4	1927	1961–70	
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1939	£95½
£338,000		1910	1970	£95½
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1924	1964	94
25,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	91
50,00,000	3	1937	1967	90
20,00,000	3	1938	1968–98	90
50,00,000	4	1952	1982	99
1,02,00,000	4	1956	1986	

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
20,80,000	4	1912–15	1974	92½
1,80,00,000	4	1920	1980	112½
25,00,000	5	1920	1980	112½
8,45,800	5	1929	1954–89	108
2,50,00,000	5	1929	1959	96½
3,25,00,000	3½	1947	1977	69½
2,50,00,000	3½	1949	1979	69½
4,00,00,000	3½	1950	1980	69½
2,50,00,000	3½	1951	1981	69½
3,00,00,000	3½	1951	1966	97½
1,50,00,000	4	1952	1982	99½
1,00,00,000†	4	1953	1983	99½
1,00,00,000†	4	1954	1966	99½
1,50,00,000	4	1955	1987	99½
1,50,00,000	4	1956	1986	99½
CALCUTTA				
Rs.				Rs.
26,00,000	5	1923	1953	107½
25,00,000	5	1929	1957	107½
25,00,000	5	1929	1959	107½
10,00,000	5½	1932	1962	107½
25,00,000	3½	1935	1965	97½
40,00,000	3½	1936	1966	97½
47,50,000	3	1938	1968	90½
25,56,800	4	1940	1970	97½
17,56,800	4	1941	1971	97½
81,10,000	3½	1942	1972	97½
15,19,000	3½	1951	1981	97½
15,19,000	3½	1951	1981	97½
66,88,000	3½	1951	1966	97½
72,56,000	4	1954	1984	97½
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	100½
15,00,000	3½	1952	1962	100½

***These shares carry the right of a preferentia dividend at the rate of 5 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up those shares have a preferential claim to repayment of capital.

†Only 7 per cent. out of the 10 per cent. dividend is cumulative.

††In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

†††These shares can be redeemed at Rs. 105 at any time by special resolution.

‡These carry the right to cumulative dividend of 7 per cent. and of any surplus profits available after 10 per cent. ordinary capital.

‖These shares are entitled to receive 25 per cent. of the divisible profits in addition to the Dividend Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co. Ltd.

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. B—Domestic Loan not
(f) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
‡Bombay State Transport. †† Rate of interest reduced from 6 to 2 per cent. with effect from 1st June 1944.
§ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1954.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. (Sep.	99	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	120	100
Deccan Sugar & Abkhar 'A' ..	7,00,000	1920	7	July Apr.	6–11	5
†East India Distilleries	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	67	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	67	100
Parishpore Co.	5,00,000	1922	10	Oct. ..	15	10
Samnugger Cane	4,00,000	1933–36	6	Augi	100	100
Savalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	10	10
Upper Ganges	12,00,000	1938	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7½	Jan. July	99	100
Borrea	4,00,000	1895–97	6½	Oct. Apr.	101	100
Burrakur (1st)	₹2,99,800	1901–19	7	Oct. Oct.	113½	100
Do. (2nd)	1,50,000	1946	6(a)	.. ..

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may set aside excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales. If any, and for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where given for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Remarks
50,00,000	5,62,722	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2½	2	Nil	Nil	Nil	Nil	12	
40,00,000	24,90,000	1,38,52,007	72,25,655	—6,97,129	M.	51,864	1,021	B. B. Cotton Mills		40	0 4(e)	0 2(e)	0 3		12	Y.P.
2,50,96,000	2,99,72,778	4,92,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,23,552	3,984	Bombay Dyeing & Mfg.	40	100	Nil	Nil	Nil	Nil	3	Y.
10,00,000	69,74,392	58,57,495	31,57,495	91,711	Kasturbhai Lalbhai & Co.	44,784	556	Bradbury Mills	213½	50	100 0†	75 0†	25 0†	7 81	3	Y.P.
1,09,42,800	2,93,96,826	2,81,83,264	1,97,06,117	6,34,956	Birla Brothers Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	479	100	22 0	22 0	22 0	6 01	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33,08,097	V. J. Pilani (Chairman and Managing Director)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
25,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	..	Colaba Land & Mill	70	100	Nil	Nil	Nil		12	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Private Ltd.	40,992	680	Coorla Spg. & Wvg.	125	100	7 8	7 8	7 8		12	Y.
24,00,000	40,06,435	76,75,257	56,21,758	2,33,643	Puranmal Bubna Sons	45,718	928	Dawn Mills	1758	50	6 0	6 0	15 0		12	Y.
29,98,050	11,81,233	1,09,78,649	80,74,224	1,81,354	M.	41,300	886	Edward Textiles	312	200	15 0	15 0	15 0	12 8*	12	Y.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,528	784	Elphinstone Spg. & Wvg.	504	50	2 0	5 0	20 0		12	Y.
50,00,000	51,19,022	87,77,404	52,92,387	36,366	James Finlay & Co., Ltd.	40,040	1,020	Finlay Mills	100	100	16 0	16 0	20 0		12	Y.
11,84,000	75,14,589	1,52,34,660	1,07,26,500	608	M.	45,080	1,122	Gold Mohur Mills Ltd.	208½	100	16 0	16 0	20 0		12	Y.
16,000								Hindoostan Spg. & Wvg. Mills	208½	100	12 8	12 8	15 0		12	Y.
2,00,00,000									5,000	1,000	225 0*	225 0	800 0	325 0	3	
50,00,000	62,50,399	4,68,15,552	3,89,00,000	1,98,112	Agarwal & Co.	2,44,300	6,278	India United Mills	9924	250	55 4*	56 4	75 0	81 4	3	Y.
8,65,000	72,74,043	1,41,26,890	1,00,89,000	4,886	M.	47,984	1,122	Indian Mfg.	108	100	Nil	Nil	Nil	0 101	12	Y.
58,000									18	0 1	Nil	Nil	0 3	0 11		
59,85,000	55,07,831	2,73,73,670	2,03,22,128	26,228	Khatau Makanji & Co.	92,852	1,489	Khatau Makanji Spg. & Wvg.	5,250	1,000	225 0*	225 0	800 0	360 0	3	
1,00,00,000	1,21,60,000	3,56,88,095	2,68,14,796	83,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	1994	100	112 8*	112 8	150 0	150 0	3	
22,18,650	41,05,750	1,18,74,348	85,39,115	81,670	N. Sirur & Co. Private Ltd.	49,000	844	Modern Mills	100	100	20 0*	18 0	18 0	10 0	6	Y.
51,75,000	37,06,298	2,35,58,597	1,76,19,559	1,41,489	Piramal Sons Private Ltd.	71,552	1,552	Morarjee Goculdas Spg. & Wvg.	70XR	50	5 0	5 0	8 0*	6 01	12	Y.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.	2274	100	National Rayon Corporation	2274	100	12 0	14 0	14 0		12	Y.
24,00,000	29,50,456	78,05,743	48,70,977	53,192	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	100	100	0 0	10 0	12 0	15 0	12	Y.P.
30,00,000	22,01,492	95,52,534	63,37,035	245	W. H. Brady & Co.,Ltd.	49,012	1,018	New Great Spg. & Wvg.	1494	100	10 0	10 0	12 0		12	
48,00,000	30,10,959	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Private Ltd.	49,208	1,190	Phoenix Mills	235	100	10 0	7 8	10 0	10 0	12	
40,00,000	45,70,390	99,55,049	53,00,000	1,92,577	Podar Sons, Private Ltd.	52,600	930	Podar Mills	141½	100	8 0	8 0	10 0		12	
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd.			Sassoon & Alliance Silk Mill	165	100	10 0	10 0	12 0*		12	
57,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	9¾	10	0 12	0 8			12	
80,00,000	47,70,051	90,20,958	55,27,924	1,47,422	Marwar Textiles (Agency) Ltd.	69,070	1,640	Shree Niwas Cotton Mills	40	10	1 4	1 12	1 12		12	
42,00,000	38,02,179	98,78,309	78,58,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,240	1,276	Simplex Mills	181½	100	14 0	14 0	12 0		12	
87,80,000	2,23,15,720	2,51,28,099	1,37,85,474	12,888	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	179	50	15 0	11 0	10 0		12	
99,85,700	84,69,716	2,25,97,647	1,19,01,809	67,511	Tata Industries Private Ltd.	47,224	2,000	Svadeshi Mills	4124	100	20 0	20 0	20 0	12 0	3	
86,00,000	66,28,465	1,28,99,971	81,62,715	1,51,080	James Finlay & Co., Ltd.	80,328	552	Swan Mills	2174	100	16 0	8 0	12 0		12	
65,87,000	51,96,376	1,77,34,889	68,44,553	45,485	Tata Industries Private Ltd.	40324	1,800	Tata Mills	4032	100	20 0	20 0	25 0		12	
12,00,000	61,05,700	1,27,41,228	90,50,000	4,624	M.	45,508	1,308	Western India Spg. & Mfg.	50	100	1 8	2 8	4 0		12	Y.
									5,280	1,000	225 0*	25 0	800 0	300 0	3	

AHMEDABAD

40,00,000	21,50,000	1,48,70,888	69,76,544	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	180	100	10 0*	5 0	7 0		12	
10,08,000	24,58,268	94,37,305	76,10,154	27,288	F. M. Hutheesing & Co., Ltd.	42,768	912	Arvind Mills	700	100	25 0	25 0	30 0	12 6	12	
25,25,000	2,55,30,694	1,66,65,504	1,16,00,000	78,788	Narotam Lalbhai & Co.	62,445	1,218	Arvind Mills	1,063	100	25 0	25 0	30 0		12	
20,00,000	31,75,000	96,34,384	72,25,000	2,46,389	Mangaldas & Bros. Ltd.	35,884	892	Asoda Mills	600	100	15 0	15 0	25 0*		12	
12,00,000	3,18,39,093	94,56,974	69,64,553	99,806	Lalbhai Dalpatbhai & Co.	37,866	914	Calico	9864	100	15 0	15 0	25 0*		12	
1,87,50,000	3,35,76,233	4,61,25,352	2,38,65,344	2,81,712	Karamchand Thapar and Bros.	1,39,120	2,272	New Commercial Mills	538	125	18 0	18 0	30 0		12	
62,87,000	24,58,000	1,21,06,843	69,25,000	2,760	Tricumlal Bhogilal & Co., Ltd.	45,886	866	New Shorrock Spg. & Wvg.	795	125	18 0	18 0			12	
20,00,000	72,52,436	1,33,09,232	90,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907				70 0	70 0	80 0	30 0	12	
10,00,000	58,48,000	50,59,197	37,96,217	15,668	Jagabhai Bhogilal Nanavaty & Co., Ltd.						85 0	85 0	85 0		12	
12,50,000	1,14,77,470	86,29,489	60,39,888		Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	407½	100	20 0*	20 0			12	Y.
32,50,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Lalbhai Gordhandas Ltd.	31,120	626	Rajpur Mfg.	975	100	25 0	25 0	25 0*		12	Y.
28,98,150	2,02,34,538	1,76,92,842	1,52,75,000	3,23,290	Harivallabhdas Kalidas & Co.	73,808	1,325	Rohit Mills	1784	100	9 0	9 0	35 0*		12	
19,52,500	62,81,263	78,08,018	66,84,701	16,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.			Shri Ambica Mills	585	50	16 0	20 0	Nil		12	
30,00,000	90,84,191	1,09,66,008	78,35,291	84,644	Haridas Ashratlal & Co., Ltd.	36,648	720	Shorrock Spg. & Mfg.	500	100	20 0	25 0*	25 0		12	Y.
						36,176	750	Vijaya Mills	690	400	35 0*	35 0*	35 0*		12	Y.

WEST BENGAL

15,00,000	1,42,800	84,93,029	21,82,830	61,576	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills	5½	10	0 4	0 8	0 8		12	
7,00,000	19,10,607	32,14,054	22,49,911	59,390	Bengal Textile Agency, Ltd.	33,292	925	Bengal Luxmi Cotton Mills	40N	40	Nil	Nil	Nil		12	
5,00,000	22,75,414	30,05,142	21,49,000	—22,47,378	Kettlewell Bullen & Co., Ltd.	43,060	841	Bowreah Cotton Mills	130	100	Nil	Nil	Nil	4 0	3	
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	350	100	Nil	Nil	Nil		12	
1,50,00,000	2,29,48,520	3,76,19,833	1,51,56,333	1,56,672	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills	16½	10	1 12	2 0	0 14	1 0	3	
5,00,00,000	1,94,376	47,06,298	24,48,382	1,094	Hazaresmull Hoorlall	23,086	796	Rampooria Cotton Mills	15½N	10	0 8	0 10	0 14		3	
									22½	1D	Nil	Nil	0-5 11/25		6	

SOUTH INDIA AND OTHER CENTRES

11,96,600	8,57,596	31,26,764	15,54,243	2,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	Nil	Nil		3	
71,94,000	25,91,264	1,84,91,530	50,78,382	1,36,043	Industrial Trust Fund	36,186	716	Azam Jahi Mills	88½	100	6 0	Nil	Nil	15 0	6	
40,50,000	8,00,85,745	3,24,98,906	2,42,85,258	2,58,649	Binny & Co. (Madras),(Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	565½	100	25 0	30 0	30 0	10 0	12	
27,00,000	15,50,000	77,25,162	53,72,132	18,190	M.	29,986	810	Bengal-Nagpur Cotton Mills	7½	10	0	Nil			15	
25,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	30N	10	5 0	3 0	3 0		3	
1,78,47,800	1,76,52,500	6,38,09,208	3,52,32,180	2,38,445	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	183	100	10 0	10 0	10 0		12	
20,00,000	20,00,000	69,69,354	21,66,851	27,598	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	14½	10	1 0	1 0	1 0	4 01	12	
15,00,000	5,11,500	48,88,929	24,62,361	8,994	K. Dhondarao, Esq.	20,600	..	Cannasore Spg. & Wvg.	177	100	12 0	Nil	9 8		12	
30,00,000	29,51,420	69,40,329	61,72,376	26,767	Begg, Sutherland & Co., Ltd.	27,016	591	Cawnpore Textiles	7½	100	12 0	20 0	12 0	15 0	3	
2,50,000	2,00,000	50,27,556	18,02,163	58,798	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	12	Nil	Nil	Nil	Nil	0 4	3	
12,00,000	20,60,000	54,66,396	37,95,527	34,164	R. Bheema Naidu & Co.	28,564	..	Coimbatore Cotton Mills	386cd	100	20 0	25 0	0-10	0 12	3	
20,00,000	19,95,000	36,59,430	24,25,221	14,823	T. R. N. Naidu & Co.	27,226	..	Coimbatore Pioneer Mills	290	100	15 0	20 0	25 0		12	
50,76,000	4,500	1,13,03,858	58,58,242	21,920	E. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	100	100	15 0	20 0	20 0		12	
40,87,500	46,12,622	2,50,83,371	1,62,61,564	18,212	Tata Industries Private Ltd.	67,256	1,620	Central India	116½	100	8 0	8 0	8 0		12	
5,25,36,225	3,06,82,110	11,16,21,472	5,81,67,327	1,28,712	B. B. Charat Ram & Co., Private Ltd.	1,41,180	2,252	Delhi Cloth & General Mills	36½	100	1 12	2 4	0 8	Nil	6	
24,84,800	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	31,052	801	Dhanalakshmi Mills	376cd	100	30 0	30 0	30 0	2 8	3	
48,00,000	66,33,360	1,52,16,382	1,29,71,681	98,886	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	28½	10	1 0	1 0	1 0		12	
45,81,000	26,82,175	1,00,16,187	68,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	221	100	17 0	13 0	15 0		12	
2,50,00,000	2,25,000	3,41,27,151		1,06,74,790	Birla Shalimar Private Ltd.			Gwalior Rayon	100	10	Nil	Nil	Nil		12	
60,00,000	6,16,447	1,35,91,953	1,12,28,876	9,551	K. L. Sekaaria, Esq. (Chairman)	51,180	1,420	Coimbatore Textiles Ltd.	154	10	Nil	Nil	Nil	Nil	3	
5,00,000	10,65,883	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd.	23,784	..	Janardhana Mills	140	100	6 0	6 0	9 0	5 01	12	
15,54,000	18,24,703	43,22,234	32,35,095	7,012	Mr. Bhairuratan Damani (Mg. Director)				107½	50	4 8	5 0	10 0		12	
32,42,535	19,25,000	93,32,490	32,49,160	41,492	Jam Shri Ranjitsinghji Kothari Textiles	20,212	512	Jam Shri Ranjitsinghji Kothari Textiles	1,505	1,000	Nil	20 0	50 0	60 0	3	
32,00,000	65,30,155	1,45,02,650	1,12,54,304	14,744	Bombay Co., Ltd.	41,040	800	Kothari Textiles	154	100	0 8	0 8	1 0		6	
55,54,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	48,996	1,219	Lakshmi Cotton Mfg.	700	250	37 8	50 0	50 0	1 0	6	
17,82,050						93,160	201	Lakshmi Mills	262	50	5 0	10 0	12 8	12 81	12	
1,75,02,480	4,18,81,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	22½	2	2 0	3 0	3 0	12 8	12	
12,00,000	4,17,363	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Brothers.	22,592	100	Maisha Spg. & Wvg.	47½	15	2 8	3 0	3 4	6 4	12	
60,00,000	69,00,000	68,79,627	43,29,734	45,885	W. A. Beardsell & Co., Ltd.	25,656	608	Mettur Industries Ltd.	109	100	8 0	8 0	8 0		12	
29,80,884	19,91,581	89,75,246	49,94,738	16,593	N. Sirur & Co. Private Ltd.	29,806	704	Minerva Mills	440	100	12 0	8 0	12 0		12	
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M	49,012	1,018	Model Mills (Nagpur)	87	100	7 0	5 0(e)	6 8	42 8	12	
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	52,408	952	Muir Mills	183½	100	7 0	5 0(e)	7 8		12	
24,83,500	50,54,035	1,10,93,742	67,14,107	19,161	N. Sirur & Co., Private Ltd.	38,540	1,234	Nagpur Spg. & Wvg.	199	100	8 0	8 0	10 0		12	
13,61,780	6,600	29,25,252	15,12,761	—1,50,658	R. Suryanarayana Rao, Esq. Manager	50,480	500	Mysore Spg. & Mfg.	101½	50	10 0*	8 8*	6 0(e)	9 0*	3	
						6,000	..	Mysore Spun Silk Mills	8½	10	Nil	Nil	Nil		3	
2,97,98,820	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills	1½	O. 2½	Nil	Nil	Nil	Nil	3	
1,17,19,500										D. 1	Nil	Nil				
4,00,00,000	55,48,220	1,69,99,980	61,91,861	74,722	Industrial Trust Fund	37,788	902	Osmanshahi Mills	65	100	4 0	Nil			3	
4,00,00,000	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	41,200	..	Palani Andavar Mills	147	50A	12 0	12 0	2 8(e)		9	
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	215	75B	18 0	18 0	18 0		12	
16,81,200	22,75,000	53,60,150	49,46,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	300	Radhakrishna Mills	77	100	Nil	Nil	4 0(e)		12	
5,40,00,000									295	100A	8 0	16 0	20 0		12	
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	33,896	..	Rajalakshmi Mills	150	50B	6 0	8 0	10 0		12	
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	..	Rajapalaiyam Mills	80	7 8	10 0	10 0	10 0		12	
32,29,925	12,40,000	40,14,040	18,08,147	29,850	Kayalbaseena Development Co.	14,800	..	Rayalaseema Mills	152	100	4 0	6 0	10 0	16 0	12	
50,16,150	62,41,588	1,00,25,428	35,44,914	—17,16,728	J. P. Srivastava & Sons (Rampur)	34,582	600	Saza Textiles	162	100	6 0	9 0	10 0		12	
10,18,800	1,80,56,917	3,13,49,031	2,56,07,227	—1,65,20,798	Morarka & Co	95,232	2,234	Sholapoor Spg. & Wvg.	7-5½	10	Nil	Nil			12	
36,69,700	17,10,000	81,44,272	65,62,318	1,09,148	B. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills	1,400	1,000	Nil	Nil	Nil	Nil	3	
28,14,800	2,00,246	35,12,964	17,73,940	—2,48,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Rajlan Mills	110	500	4 0*	4 8	5 0	7 0	3	
15,00,000	3,42,90,135	99,62,135	79,55,740	80,60,553	Birla Brothers Private Ltd.	96,212	1,344	Sutlej Cotton Mills	30N	100	Nil	Nil			3	
17,50,000	2,30,00,000	4,84,49,471	1,70,68,180	1,09,029	Jatpuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur)	94xd	10	4 0	5 0	6 0	6 0	3	
7,50,00,000									11½	100	0 8	0 12	0 12		12	
1,00,00,000	30 14 78	3,96,55,317	1,27,16,775	2,63,771	Emerete & Sons (Travancore), Ltd.			Travancore Rayons	11½	102.5	0-14 2/5	1-2 2/5	1-2 2/5		12	
12,98,570	2,78,332	17,39,181	11,87,836	1,566	Moolji Ramjee & Sons	18 000	..	Trichinopoly Mills	10	0 8	..	0 10	0 12		12	
21,00,000	24,50,000	71,48,782	40,63,180	66,000	R. K. Chetty & Brothers	44 424	276	Vasanta Mills	18½	10	0-11 1.5	0-14 2/5	0-14 2/5		12	
32,00,000	34,42,971	1,84,67,122	1,05,10,233	32,125	Bombay Co., Ltd.	47,240	1,221	Vishnu Cotton	141½	100	4 0	5 0	8 0	2 81	12	

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of reserves. (H) For six months ended 31st December 1956.

The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Remarks
19,92,000	25,48,500	1,12,48,027	57,89,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11¼	5	NU	NU	0 8	0 12	5	Y.P.
16,20,630	25,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries	6¼	5	0 8	0 8	0 9	0 9	3	Y.
88,49,950	£925,777	£1,302,585	£566,540	£50,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	28½	A. 16sh.	Sh. 1 2/5	Sh. 1 3/5	Sh. 1 2/5	Sh. 1	9	Y.P
6,00,000	9,60,000	15,96,636	15,96,629	4,079	Vital Malya. Esq.,(Chairman)	United Breweries	182	B. 51	Sh. 4	Sh. 3	Sh. 4		9	Y.
								75	15 0	15 0	15 0	15 0	3	

CEMENT

51,87,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	14½XRcd	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
48,14,900							6¾	O. 10						
4,70,976	13,13,132	1,44,65,792	53,45,079	4,59,243	Eastern Corporation Ltd.	Assam Bengal Cement	13	D. 1	Nil	Nil	Nil		3	Y.P.T.
29,71,47,253	8,46,99,459	27,76,38,513	9,84,43,675	2,93,903	Cement Agencies (Private) Ltd.	Associated Cement Companies	168½	100	9 8	8 8	10 0	10 0	7	Y.T.
60,00,000							12½	O. 10	1 0	1 0	1 4			
45,00,000	60,02,261	96,09,338	84,70,080	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	3¼	O. 2½	0 4	0 4	0 5		12	Y.P.
1,00,00,000							1	D. 1	0-1 3/5	0-1 3/5	0 2			
1,00,00,000							29½	O. 25	Nil	1 4	1 14	2 1	3	Y.P.
45,45,750	2,93,651	23,70,103	20,09,751			India Cements Ltd.	8	D. 5	Nil	Nil	0 6	0 6 3/5		
7,50,00,000				74,387	Orissa Cement Ltd.	Rohtas Industries Ltd.	13	10	1 0	0 12	1 0		12	Y.P.
97,98,500	31,41,935	1,83,18,049	39,73,404	6,03,215	Dalmia Agencies Private Ltd.	Shree Digvijay Cement	147½	100	6 0	6 8	8 8		12	Y.P.
95,93,575	44,50,000	2,04,20,192	86,59,098	3,75,525	Shree Laxmi Agents Ltd.	Sone Valley Portland Cement	74	5	0 6	0 4	0-4 4/5		12	Y.P.
75,00,000	23,45,000	1,91,72,337	1,45,45,476	41,941	Kesoi Ltd.	Travancore Cements Ltd.	9½	10	0 8	0 10	0 10		12	Y.
50,00,000		1,04,63,117	29,26,502	15,36,802										

CERAMIC; MINING AND QUARRYING

31,70,855	2,85,000	83,15,303	33,02,652	12,631	Bharat Sam Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4	0 4		12	
1,10,00,000	27,52,248	59,67,645	32,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	26,71,541	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co. ..	Bengal Paper Mills	93N	25	1 9	3 2	4 11		6,12	M
88,00,000	64,08,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp †‡ ..	22½	10	12 0	14 0	1 6 ∧	0 11 1/51	3,9	
35,00,000	30,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16½	10	1 0*	0 12*	0 15*	1 0*	3,9	
1,46,32,400	2,16,71,731	4,58,61,778	1,07,73,582	2,12,435	Birla Brothers Private Ltd...	Orient Paper	31½	10	2 0	0 15	1 2	0 10	3,9	
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	16½	10	1 8	1 8	0 10‡		6,12	
30,00,000														
50,00,000 'A'	6 50,000	95,83,644	61,01,026	18,795	Bajoria & Co.	Star Paper Mills	10	O. 10	0 12	0 12	1 4		3,9	
12,18,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	10	A. 10	0 12	0 12	1 4			
84,00,000A.							10‡ xd.	10	Nil	Nil	5 0‡	0 8	6	
84,04,800B.	3,41,28,015	5,94,12,293	3,23,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd.	Titaghur Paper Mills Co., Ltd.	38½	A. 10	2 0*	1 8	2 0*	1 2*	3,9	
4,37,560P.O.							4 ½	B. 10 P.O. 2½	0 4	0 4	0 4	0 2*		
PRESSING														
3,00,000	6,12,365	15,78,488	11,12,891	—85,473	Andrew Yule & Co.	Calcutta Hydraulic	95N	100	3 0	4 0	Nil		6	
5,00,000	2,47,132	10,91,800	9,30,874	26,289	Andrew Yule & Co.	Central Hydraulic	125	100	4 0	5 0	5 0	6 0	6	
PROPERTY AND LAND														
16,00,750O.	6,93,382	43,52,570	22,63,270	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13¾N	O. 10	0 11½	0 9 3/5	0 9 3/5			
2,00,000D.							24N	D. 1	0 4/5	Nil	1 0		9	Y.
80,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Fort Canning Land	100	100	1 9	1 8	Nil		4	Y
94,00,000	36,70,109	98,05,154	95,892	—11,48,865	Andrew Yule & Co.	Midnapore Zamindary	23½	100	1 8	4 0	3 0	Nil	4	Y.
SAW MILLS AND TIMBER														
12,99,988	23,05,545	81,61,533	10,78,833	—5,14,527	Bird & Co. Private Ltd.	Assam Saw Mills	3½	3	Nil	Nil	Nil			
40,00,000							68½	Old 125	15 0	20 0	37 8	40 0	9	Y.
43,00,000	4,18,54,388	3,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corps.	26N	New 50	6 0	8 0	15 0	16 0	5	Y.
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	25N	100	Nil	Nil	Nil		6	Y.
90,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products.. ..	42½	10	2 8	2 12	3 0	1 0‡	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,483	29,87,602	—48,371	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	6¾	5	Nil					
12,00,000A.	29,80,260	55,40,881	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	140N	A. 100	10 0	12 0	6 1	Nil	6	Y.
3,00,000B.							14N	B. 10	1 0	1 0	1 0			
19,49,450	5,50,000	23,35,289	24,41,801	51,983	Bangur Bros., Ltd.	Belsund Sugar	16	10	1 8	1 8	1 8		4	Y.
15,00,000	18,90,295	16,40,479	11,77,841	18,206	Cotton Agents Private Ltd. ..	Bharat Sugar	7½	10	0 12	0 12	0 12		9	Y.
82,00,000	28,37,080	1,36,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	16N	10	1 8	1 8	1 8		6	Y.
30,00,000	57,88,651	1,03,44,547	84,38,481	58,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	7½	10	Nil	0 12	0 6		6	Y.
16,00,000	29,72,380	81,58,085	85,46,244	29,503	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	10½	10	2 0	0 12	0 12		10	Y.
5,59,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	21½xd	10	1 0	1 0	1 8	1 0	6	Y.
50,00,000A.	44,05,000	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd. ..	Hindustan Sugar Mills	10N	10	1 0	0 12			6	Y.
10,00,000C.							285N	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.
12 00,000	8,61,001	75,81,309	42,63,455	37,926	Kilachand Devchand & Co. ..	Kesar Sugar	100	O. 100	15 0*	15 0*	15 0*	15 0	6	Y.
7,89,100	22,14,058	34,94,612	19,35,823	1,264	Cotton Agents Private Ltd. ..	New India Sugar Mills	66N	80	Nil	Nil	4 8		7	Y.
11,00,000	4,20,000	42,21,480	24,87,558	4,125	Karamchand Thapar & Bros., Ltd.	New Savan	40N	10	Nil	Nil	2 4			
12,98,000							80N	10	2 8	2 8	2 8		5	Y.
61,375	48,01,854	71,25,062	24,33,084	9,769	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	6½	10	0 4	0 4			5	Y.
77,45,350	55,05,699	2,04,73,468	1,05,50,000	20,563	Cotton Agents Private Ltd. ..	Oudh Sugar	226N	100	20 0	20 0	20 0	20 0	6	Y.
15,00,000	13,74,233	24,77,669	19,95,983	55,000	Narang Bros. & Co. Private Ltd.	Punjab Sugar	60N	25	5 0	5 0	5 0	5 0	7	Y.
9,00,000	17,64,369	37,86,808	30,87,249	6,871	Begg, Sutherland & Co., Ltd.	Puratabpore Co.	140	100	11 0	11 0	11 0	11 0	10	Y.
3,00,000	8,31,129	26,43,268	21,70,524	5,224	M.	Ryam Sugar	100	10	1 0	1 0			10	Y.
11,99,000	19,38,520	46,20,102	24,12,129	3,554	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	17½	10	1 0	1 0	0 12		10	Y.
40,00,000	22,68,560	1,35,20,110	62,59,021	24,049	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	20N	10	0 8	0 8	Nil		6	Y.
9,99,950	61,825	27,15,126	12,60,855	—5,27,558	H. K. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors)		11½	10	1 8	1 8	Nil	Nil	6	Y.
7,95,468	18,32,940	31,60,785	17,68,068	1,06,227	Karamchand Thapar & Bros.	Sitalpore Sugar	4½	10	Nil	Nil	Nil		6	Y.
9,15,000O	46,462	29,66,360	11,46,770	—16,37,907	M.	Shri Sitaram Sugar	15½	10	2 0*	1 0*	Nil		6	Y.
4,40,000D.							1N	O. 10	Nil	Nil			9	Y.
5,00,000	21,91,685	96,42,062	57,49,754	‡ 82,921	Cotton Agents Private Ltd. ..	South Behar Sugar	4N	D. 2½	Nil	Nil	Nil			
16,00,000	7,66,589	32,69,951	26,68,926	‡20,564	M.	Upper Ganges Sugar	70N	10	Nil	Nil	Nil		10	Y.
						United Provinces Sugar ..	16½	10	0 8	1 4	1 8		6	Y.
Other Centres														
80,00,000	8,00,000	48,07,304	14,63,228	1,90,887	Rangarao & Co.	Andhra Sugars Ltd.	17½xd	10	Nil					
70,49,650	95,62,027	1,48,40,884	1,08,91,578	52,911	W. H. Brady & Co., Ltd. ..	Bajaj Hindusthan	22½	50	16 0	16 0	0 9 3/5		9	Y.
17,50,000	5,86,385	35,66,598	22,70,000	33,609	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	18	10	1 0	1 0	1 0		9	Y.
15,99,900	12,45,841	39,19,053	24,03,144	81,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	60N	100	Nil	Nil			6	Y.
47,94,920	14,00,000	80,54,007	18,71,128	5,22,816	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/5		9	Y.
23,57,620	45 51,080	42 61,227	31,59,887	15,645	Govan Bros.(Rampur), Ltd. ..	Buland Sugar	14N	10	1 8	1 8	1 8		9	Y.
19,65,200O.	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna & Sons Ltd. ..	K. C. P. Ltd.	137½cd	O.100	1 8	1 0	1 0		9	Y.
2,97,190D.							160cd	D. 10	10 0	10 0	10 0			
31,79,380	86,24,818	1,29,89,142	82,31,728	2,63,107	S. Muniraniappa, Esq., (Managing Director)	Mysore Sugar	42	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	55,00,540	1,09,70,631	63,85,454	93,031	Mafatlal, Apte and Kanitkal Ltd.	Phaltan Sugar	145	100	8 0	8 0	8 0	9 0	6	Y.
16,50 820	25,50,880	54,11,940	29,77,541	30,849	Anderson Wright Ltd. ..	Ramnugger, Cane and Sugar ..	24½	10	2 0	2 0	2 0		9	Y.P.F.
80,00,000O.	21,76,092	89,12,138	53,80,388	64,818	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	125N	O. 50	Nil	Nil	2 8		9	Y.P.F.
19,99,600	47,65,324	46,85,213	22,94,524	64,168	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	15N	D. 10	Nil	Nil	0 11 1/2		9	Y.
20,00,000	9,10,000	59,87,262	22,10,844	45,098	Parry Co., Ltd.	Travancore Sugars	10	10	1 0	0 12	1 0		10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,438	1,51 173	M.	Walchandnagar Industries ..	11½	10	Nil	Nil	Nil		10	Y.
							280	100	14 0	16 0	18 0	1 0	7	Y.
TRANSPORT														
80,00,000	1,00,69,622	1,24,00,708	15,56,557	‡55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	130	100	10 0	7 8	7 8		10	Y.
1,00,00,000	15,37,619	4,41,65,864	1,85,09,619	1,54,025	Dinshaw (Private) Ltd. ..	Bharat Line	74	100	5 0	5 0	5 0		10	Y.
60,00,000	31,60,611	3,31,00,904	59,55,703	83,816	A. H. Bhiwandiwalla & Co. (Bombay)								13	Y.
‡655,580	£1,098,198	£5,814,160	£3,397,531	£32,063	Kilburn & Co., Private Ltd. ..	Great Eastern Shipping Co. ..	18‡	10	1 0	Nil				
£2,55,00,000	£9,99,282	£64,47,644	£.22,99,146	£5,020	Lionel Edwards Ltd.	India General Navigation & Rly. Co.	75‡	£10	Nil	5h. 1 0	Nil	1 8	6	
6,89,98,060	9,00,12,101	22,64,99,394	4,85,66,202	5,62,020	M.	India Steamship Co.	10-3‡	10	0 8	Nil	Nil	1 0	12	
4,40,8000.						Scindia Steam Navigation Co. ..	18-9‡	20	0 12	0 8	0 8	1 0	6	
10,200P.O.	19,68,266	11,55,488	7,29,969	1,24,493	R. B. Alyar, Esq., (Manager) ..	Walford Transport Ltd.	2‡	O. 1	as. 1 3/25	1 23/2	as 2 6/25			
							1 ¼ xd	P.O. 1	as. 19/25	1 19/25	as. 123/25		12	
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,68,321	4,22,868	‡ 239	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	
15,98,860	2,04,172	2 26,474	90,000	1,99,551	M.	Bombay-Uganda	60N	80	5 0	4 8	Nil			
25,00,000	1,00,000	22,37,314‡		225	M.	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	Nil	0 12	3	
30,17,900	13,68,886	56,39,283	59,24,587	88,003	Birla Brothers Private Ltd. ..	Hind Cycles	143‡	100	8 0	10 0	10 0	0 12	12	
14,98,840	3,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Kotrela Batteries	40	50	Nil	3 0	2 0			
99,99,250	19,47,886	1,12,05,644‡		2,83,136	Premchand Roychand & Sons	Industrial Investment Trust ..	100	100	4 0	4 0	4 0	0 12	12	
99,99,975	35,08,351	35,47,826	5,04,231	4,859	K. G. Mitra, Esq. (Mg. Director)	Killick Industries	74	100	4 8	4 8	4 8		12	
2,80 18,775 A-O.	29,14,265	3 06,59,581	1,49,05,326	6,05,448	Aero-Auto Private Ltd.	Premier Automobiles	168‡	100	11 8	11 8	11 8		12	
10,31,200	5,68,508	15,92,165	1,99,086	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	103‡	100	Nil	Nil	11 0	11 0	6	
2,75,00,000	78,75,000	3,08,67,181	1,69,71,846	‡ 21,994	Mr. A. Hyrl & Mr. S. Gothberg	Western India Match Co. ..	24‡	20	2 0	2 0	2 0		12	
45,00,000	62,62,390	7,44,904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..	177‡	100	11 0*	11 0*	11 0*		12	
							350	150	20 0	20 0	20 0	22 8	12	
Other Centers														
47,50,000	1,94,82,556	3,73,51,606	72,16,869	1,16,190	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	10‡	O. 10	Nil					
2,50,000							5N	D. 2½		Nil	Nil	Nil		
40,00,000	23,25,000	56,26,345	21,56,600	64,587	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd. ..	15‡xr	10	1 4	1 4	1 4	Nil		
20,00,000	8,05,079	32,05,076	21,94,951	5,43,951	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	15‡xr	10	1 4	1 4	1 4*		4	Y.
20,00,000	8,85,000	38,39,494	20,85,000	1,19,396	M. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	19‡	10	1 4	1 4	2 0*			
20,00,000	27,47,883	1,01,49,337	39,87,880	32,688	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India	8N	10	1 12	1 4*	2 4*		12	
									0 8 1/5	0 8 1/5	0 6 2/5			
80,01,400	1,16,58,000	67,47,111	23,97,111	5,08,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	162	100	20 0*	15 0‡	12 8		12	
15,00,000	9,10,000	31,37,448	24,06,448	76,680	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	33½	10	1 8	2 8	1 8		12	
20,00,000	7,95,430	62,57,994‡		1,15,707	Lovelock & Lewis	Birds Investment Ltd.	141xd	10	1 4	1 4	1 4	1 2‡	6,12	
45,97,020	80,11,814	1,10,56,424	33,87,889	—1,79,377	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	14‡	10	1 4	1 4	1 4		9	
1,25,00,000	1,16,11,805	2,62,08,905	2,22,14,167	—27,86,584	Sir Robert Menzies	British India Corporation Ltd.	7‡	5	0 8	0 8	0 8	1 0	12	
1,50,00,000	3,14,86,174	5,15,52,036	2,30,52,990	19,76,052	Andrew Yule & Co., Ltd. ..	Clive Row Investment	7‡	5	0 8	0 1	Nil		12	
81,26,000	54,12,212	1,42,47,066‡	....	3,06,138	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	10½	10	0 4 1/5	0 3 1/5	0 9	1 0	12	
					Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	25‡	10	1 8	1 8	1 8		12	
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	132	100	9 0	9 0	9 0		12	
65,00,000	42,00,000	19,27,685	8,08,872	1,51,860	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	140	100	20 0	15 0	15 0		8	
20,00,000	14,67,854	51,29,620	28,68,982	7,458	B. P. R. Syndicate	Great Eastern Hotel	11‡	10	1 8	1 8	1 6 2/5		8	
1,50,00,000	46,77,754	4,16,74,246	1,74,76,668	6,18,074	Birla Brothers Private Ltd. ..	Hindustan Motors	22½	100	15 0	6 4	6 4	15 0	8	
1,12,50,250	1,87,00,000	1,99,88,789	71,50,911	32,04,814	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	7‡	10	0 12	0 8	0 8	0 10	8	
8,27,970	6,03,000	16,74,908	9,80,806	22,722	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	14	10	Nil	Nil	Nil		12	
18,16,00,000	7,89,02,592	4,15,59,461	1,63,28,877	24,94,274	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	31½	10	1 0*	1 0*	1 4*	1 8*	12	
2,00,00,000	87,29,566	87,48,656	11,08,843	5,11,855	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	24½	10	0 12	0 8	0 8	0 10	8	
6,24,0000.					G.M. Mackinlay, Esq.	Jardine Henderson	14‡	10	1 0	0 9 3/5	0 12 4/5	0 12 4/5	8	
66,000D.	1,91,592	5,94,080	3,58,758	2,668	James & Co. Private Ltd. ..	Macfarlane & Co.	100	100	7 8	7 8	7 8	7 8	8	
60,00,0000.							23‡	O. 5						
5,00,000D.	80,86,906	26,18,922	8,78,670	2,57,234	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	225	D. 1	Nil	Nil				
1,37,58,000	60,54,276	22,58,051	11,24,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	—	D.O.10	10 0	17 0	24 8			
1,15,00,000	85,50,000	1,88,37,972	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India Ltd. ..	23‡	10	1 6*	1 6	1 12		9	
6,55,585	1,55,250	7,83,598	2,50,927	—2,58,581	Shankar Rao P. Ogale, Esq. ..	Mysore Glass and Enamel Works	28‡	10	1 0	1 0	Nil		9	
6,36,250	9,18,696	11,18,541	5,51,088	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	4	10	Nil	Nil	1 4	1 10	9	
10,00,000	2,18,500	15,84,006	9,41,427	44,518	M. H. Fariduaswamy Esq. (Chairman)	Mysore Tobacco	15	10	1 0	1 0	0 12	0 14 2/5	8	
40,00,000	74,71,172	68,50,314	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd. ..		12‡	10	1 0	1 4	1 0	1 8	8	
40,00,000	15,00,000	99,19,366	21,17,403	75,726		National Insulated Cable Co. ..	20‡	10	1 0	1 0	1 8*	2 0*	8	
79,97,000	....	1,17,58,757	37,19,268	8,99,882	Do	National Rolling & Steel Ropes	10‡	10	0 9	0 9	0 9	0 9	8	
2,25,00,000	8,71,248	1,45,28,415	44,29,274	—4,12,993	B. N. Elias & Co., Ltd. ..	National Tobacco Co.	10‡	10	1 0	0 9‡	0 9‡		8	
1,72,24,400	1,31,20,208	1,76,84,689	3,47,94,970	4,91,624	M. P. A. Pasputtil, Esq. ..	Rallis (India) Ltd.	38	100	Nil	Nil	0 12 4/5		12	
40,00,000	87,05,558	1,21,97,894	72,09,827	6,32,212	Sahu Jain Ltd.	Robtas Industries	19‡	10	Nil	Nil	Nil	Nil	12	
75,00,000	54,18,860	17,49,816‡	5,51,088	440	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	10	10	1 4	1 8	1 8		10	
9,98,380	....	14,99,289	3,84,580	....	R. H. D. Campbell, Esq. ..	Shaw Wallace & Co., Ltd. ..	16‡cd	10	1 0	1 4	1 8	1 8	12	
					Ogale Bros., Ltd.	Travancore Ogale Glass ..	11‡	10	1 0	1 4	1 0		12	
							8‡	10	Nil	Nil	Nil		12	

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.
‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.
Σ—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,34,854	5,35,169	....	McLeod & Co., Ltd.	335	Amluckie	300	100	25 0	72 0	19 0		12	Y.P.
3,50,000	8,43,250	10,09,903	2,43,089	77,477	R. K. Kanoria, Esq.	439	Ananda (Assam) Tea	39	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,31,676	2,83,926	$0,526	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	24½	10	2 8	8 0*	1 0		12	Y.
3,50,000	10	A. 10	0 12	0 12	1 4										
9,10,000	9,10,000	12,35,582	4,59,209	$0,298	National Tea Corporation ..	370	Batsi	28	5	2 0	4 0	2 8		12	Y.
2,80,800	4,65,000	11,68,772	3,13,759	66,135	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	25½	10	2 0	10 0*	3 0		12	Y.
2,20,000	9,40,000	10,37,063	3,08,925	1,49,350	Williamson Magor & Co., Ltd.	4,002	Bhubnauth	20½	10	2 8	5 8	2 0		12	Y.
15,50,000	28,00,000	58,38,102	20,30,662	29,836	Octavius Steel & Co., Ltd.	435	Bokakhat	16½	10	Nil	1 0	Nil		12	Y.
9,00,000	2,50,000	10,97,919	3,26,065	18,486	McLeod & Co., Ltd.	480	Borbam Jan Tea	18½	10	0 12	2 8	2 0		12	Y.P.F.
1,50,000	7,27,550	5,50,780	2,05,780	1,845	Brooke Bond	2,334	Brooke Bond	21½	10	0 8	1 4	4 12	1 4	6	Y.P.
45,00,000	11,78,802	79,82,234	27,45,031	5,18,711	M.	282	Dejoo Valley	47½	10	1 0	4 0	3 0		12	Y.
1,20,000	4,35,436	5,44,302	2,17,579	42,144	McLeod & Co., Ltd.	1,154	Desai & Parbattia ..	290	100	20 0	40 0	10 0		12	Y.
5,00,000	17,67,783	27,66,084	8,10,550	43,029	Jardine Henderson Ltd. ..	661	Dhelakhat	21½	10	1 8	2 8	2 8		12	Y.
3,00,000	9,76,000	24,59,777	5,10,550	43,756	James Warren & Co., Ltd.	646	Dhunseri	19½	10	2 0	5 0	1 8		12	Y.P.
17,52,440	9,57,962	24,59,777	2,101	M.		646	Dibrugarh	19½	10	2 0	5 0	1 8		12	Y.P.
4,65,970	2,95,000	7,50,451	2,80,404	48,931	McLeod & Co., Ltd.	488	Dimakusi	27½	10	1 4	3 0	2 0		12	Y.P.
4,50,000	1,25,800	14,15,911	5,66,707	64,391	Williamson Magor & Co., Ltd.	623	Dimakusi	27½	10	4 8	6 0	2 0		12	Y.P.
3,46,700	6,11,700	11,36,207	1,82,540	1,82,540	Williamson Magor & Co., Ltd.	615	Duffaghur	34	10	4 0	5 0	2 0		12	Y.P.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
5,00,000	1,60,000	2,92,380	31,226	22,226	Planting Agencies Ltd. ..	Balmadies Plantations ..	3	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,185	21,11,164	49,25,363	4,71,363	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar ..	0-2½	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
12,00,000	21,50,000	26,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	24	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,760	1,16,65,380	25,13,585	1,12,312	R. C. Paterson, Esq. ..	Consolidated Coffee ..	20	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	4,47,555	7,58,759	40,873	1,009	Associated Planters Ltd. ..	Costaud Plantations ..	17½	10	1 8	1 8	1 12*	1 8	3	Y.P.
13,00,000	9,30,543	25,79,990	4,94,168	45,543	A. V. Thomas & Co., Ltd. ..	Highland Produce ..	14	10	1 4	2 8	2 0	0 10	12	Y.
4,00,000	10,92,899	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates ..	24	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,86,920	2,50,848	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber ..	30	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,053	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber ..	18½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber ..	22½	10	0 12	1 8	1 8	..	12	Y.P.T.
2,00,000	2,58,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	16	10	1 0	1 0	1 8	..	12	Y.P.T.
19,45,980	24,00,991	41,19,708	11,74,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates	4½cd	2	0 3½	0 3/5	0 6 2/5	..	10	Y.P.T.
13,50,000	2,90,000	42,16,515	3,42,137	3,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber ..	21½	10	1 12*	1 12*	2 0	8	6	Y.P.
2,55,730	3,00,000	6,70,353	62,117	71,542	Peirce, Leslie & Co., Ltd. ..	Savannah Estates Ltd. ..	21	10	2 0	2 8	2 0	..	11	Y.
10,00,000	3,00,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9½	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	12	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber ..	28	10	3 0	3 0	3 0	..	12	Y.P.
9,15,300	4,00,000	20,99,924	96,217	97,055	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	2-1cd	1	0 4½	0 13/5	0 2	0 2	9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers ..	22½	10	2 0	2 0	3 0	..	12	Y.
41,00,000	14,30,799	76,82,300	8,68,181	2,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	9½	10	1 0	1 8	1 4	..	12	Y.P.T.
20,00,000	..	57,70,792	6,45,980	57,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	33	25	3 0	5 0	4 0	..	12	Y.
4,32,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd. ..	Vaikundam (Travancore) Rubber ..	31½	10	2 0	2 4	2 8	1 8½	12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,564	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara ..	9½	10	1 0	1 10	0 10	0 4	3.9	H.T.P.
5,00,000	10,25,000	51,65,438	26,92,877	1,38,329	McLeod & Co., Ltd. ..	446	Alexandra ..	180	100	2 8	7 8	10 0	..	6.12	H.P.
80,00,000	6,35,000	1,17,51,327	93,76,089	23,103	McLeod & Co., Ltd. ..	1,254	Alliance ..	106	100	5 0	12 0	6 0	..	6.12	H.P.
49,20,700	69,00,000	2,95,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India ..	138	100	12 0	7 0	8 0	..	3.9	H.P.
40,00,000	48,17,051	1,78,37,979	92,01,844	11,377	Bird & Co., Private Ltd. ..	810	Auckland ..	95	100	4 0	8 8	10 0	3 8	3.9	H.P.
30,00,000	23,80,913	96,91,416	65,65,094	65,302	Jardine Henderson & Co. ..	950	Bally	160	100	4 0	Nil	8 8	Nil	3.9	H.P.
£275,000	£667,405	£1,477,480	£987,176	..	Sir John H. Burder (Chairman) ..	1,889	Barnagore ..	102	£5	£1 0	sh. 15	sh. 15	Nil	3.9	H.P.
28,00,000	28,00,623	98,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd. ..	820	Belvedere ..	111	100	15 0	10 0	8	Nil	6.12	H.P.
45,00,000	35,45,000	97,03,176	51,25,574	2,65,700	Soorajmull Nagarmull ..	500	Bengal	141	10	1 4	1 8	1 8	..	6	Y.P.T.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,651	4,87,393	Birla Brothers Private Ltd. ..	1,373	Birla	15	10	1 4	1 8	1 8	2 0	6	Y.P.T.
56,00,000	21,81,426	1,17,90,047	72,95,930	1,836	Andrew Yule & Co., Ltd. ..	991	Budge-Budge ..	107½	100	10 0	9 0	7 8	Nil	4.10	H.P.
7,47,380	3,09,640	43,15,704	21,69,853	—3,31,470	Davaram & Sons	502	Calcutta Jute Mfg.	..	10	Nil	0 12	Nil	Nil	6.12	H.P.
18,00,000	25,46,234	87,85,841	43,24,058	1,328	Andrew Yule & Co., Ltd. ..	616	Caledonian ..	123	100	12 0	9 0	6 8	Nil	5.11	H.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	600	Champdany ..	136	100	6 0	8 0	10 0	2 0	3.9	H.P.
15,95,000	19,88,082	82,12,211	47,10,175	1,887	Andrew Yule & Co., Ltd. ..	530	Cheviot	153	100	12 0	14 0	10 0	Nil	5.11	H.
30,15,000	31,00,000	64,10,068	47,77,690	1,32,949	McLeod & Co., Ltd. ..	500	Chitavalsah ..	12½	10	1 12	1 8	1 6	..	6.12	H.P.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	969	Clive	13½	10	Nil	Nil	1 4	0 8	6.12	H.P.
31,49,220	45,65,253	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Private Ltd. ..	765	Dalhousie ..	99½	100	4 0	2 8	4 0	Nil	3.9	H.P.
23,00,000	40,71,679	76,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd. ..	779	Delta	145	100	20 0	12 0	10 0	Nil	3.9	H.P.
15,00,000	24,60,000	82,62,679	59,80,750	78,204	McLeod & Co., Ltd. ..	500	Empire	15½	10	1 0	1 4	1 0	Nil	5.11	H.P.
81,00,000	60,60,990	2,70,39,054	1,89,10,198	1,50,515	Kettlewell Bullen & Co., Ltd.	3,894	Fort Gloster ..	809N	100	Nil	5 0	15 0	7½	3.9	H.P.
21,00,000	13,00,000	97,38,074	54,63,692	1,54,822	Bangur Bros., Ltd. ..	1,014	Fort William ..	19	10	1 0	1 0	20 0	0 12½	3.9	H.P.
84,32,100	..	2,11,07,224	1,22,88,325	—2,67,452	Macneill & Barry Ltd. ..	1,709	Ganges Mfg. ..	57½	100	Nil	0 8	8 0	Nil	3.9	H.P.
10,80,000	25,00,000	71,52,983	48,45,893	—74,583	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara ..	750	100	16 0	Nil	Nil	Nil	3.9	H.P.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd. ..	1,394	Gourepore ..	226	100	12 0	Nil	15 0	8 8	3.9	H.P.
40,00,000	64,62,233	1,14,86,848	56,72,180	2,40,848	Bangur Bros., Ltd. ..	1,078	Hastings ..	109N	100	10 0	10 0	11 0	2 8	3.9	H.P.
14,50,000	18,61,969	66,47,731	47,70,916	—2,25,253	Balmuth Baijoria ..	720	Hooghly ..	20	10	1 4	1 0	1 4	Nil	3	H.P.
45,62,500	49,64,372	1,82,66,485	1,10,52,708	57,084	Jardine Henderson Ltd. ..	1,940	Howrah	18½	10	1 0	1 0	1 8	0 4	3.9	H.P.
57,50,000	27,85,158	2,86,51,549	1,56,51,559	1,18,985	Ramdutt Ramkissendas ..	2,272	Hukumchand ..	21	10	7½	3 0	3 0	1 8	3.9	H.P.
30,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	185	O. 125	6 4	8 0	8 2	4 11	4 11	3.9	H.
24,00,000									D. 100	0 4/5	0 2/5	0 3/5	5%	5%		
12,00,000	16,50,000	1,37,65,886	1,24,18,036	86,624	Jardine Henderson Ltd. ..	1,797	Kamarhatty ..	100	100	9 0	6 0	8 0	..	6.12	H.P.
30,00,000								97	'B' 100	9 0	8 0	8 0	..			
30,00,000	7,00,000	1,32,86,800	1,00,46,425	82,115	Jardine Henderson Ltd. ..	1,527	Kankanarah ..	71½	100	7 0	6 8	8 0	..	6.12	H.P.
24,00,000								65	'B' 100	7 8	6 8	1 0	..			
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd. ..	703	Kelvin	204	100	15 0	20 0	17 8	..	6.12	H.P.
24,00,000	32,50,000	1,73,55,983	1,18,90,127	50,923	Anderson Wright Ltd. ..	1,210	Khardah	119	100	17 8	12 8	11 0	5 0	3.9	H.P.
45,00,000	1,08,90,860	2,44,37,944	1,15,56,122	41,627	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	150	100	9 0	7 0	8 0	6 0	3.9	H.P.
24,48,000	39,51,584	1,11,32,345	47,99,245	—2,13,719	Bird & Co., Private Ltd. ..	931	Lansdowne ..	104	100	7 0	2 0	7 0	Nil	3.9	H.P.
26,00,000	25,75,000	1,16,29,360	64,57,997	2,792	Bird & Co., Private Ltd. ..	840	Lawrence	93	100	6 0	6 0	8 0	Nil	3.9	H.P.
61,85,200	26,86,045	2,64,13,849	1,26,97,309	1,64,942	M.	1,333	Megna	77	100	5 0	3 0	1 0	Nil	3.9	H.
22,93,900	38,40,147	1,84,91,466	1,01,87,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	815	Naihati	77	100	Nil	Nil	Nil	Nil	3.9	H.
28,00,000	15,58,000	99,01,051	18,21,709	17,815	Howrah Trading Co., Ltd. ..	425	Naskarpara ..	20	10	1 8	1 8	0 10½	Nil	4.10	H.P.
45,00,000	41,84,326	80,25,401	10,32,816	1,929	Andrew Yule & Co., Ltd. ..	852	National	19½	10	1 2	2 8	1 8	..	4.10	H.P.
28,35,000	26,25,000	27,71,022	20,34,908	1,08,257	McLeod & Co., Ltd. ..	316	Nellimarla Jute ..	12	10	1 12	1 8	1 0	0 6	4.10	H.P.
18,50,000	9,71,643	4,59,15,037	96,56,648	9,71,293	Sahu Jain Ltd.	1,765	New Central† ..	12½	10	24 0	17 0	14 0	..	6.12	H.P.
16,79,880	49,72,180	1,18,50,857	61,48,738	1,32,645	Bird & Co., Private Ltd. ..	567	Northbrook ..	22½	10	1 2	1 4	1 8	0 12½	6	H.P.
66,79,500	22,24,981	2,18,55,164	1,39,45,511	17,000	Macneill & Barry Ltd. ..	1,092	Nuddea	32½	50	1 8	1 8	2 0	1 8	3.9	H.P.
24,48,250	23,73,790	75,07,658	50,85,690	537	Andrew Yule & Co., Ltd. ..	601	Orient	..	100	12 0	10 0	9 0	Nil	3.9	H.
25,00,000	8,23,600	60,94,457	46,36,166	51,994	McLeod & Co., Ltd. ..	400	Presidency ..	4½	10	0 3	0 3	0 3	1 0	5.11	H.P.
20,00,000	2,49,781	26,97,878	8,39,130	—9,18,218	Birla Brothers Private Ltd. ..	205	Rameshwara ..	6	10	Nil	Nil	Nil	Nil	6.12	H.P.
49,50,000	5,82,465	1,23,83,629	59,15,596	—11,73,341	Jardine Henderson Ltd. ..	1,376	Reliance	9½	10	0 8	Nil	Nil	Nil	3	H.
£600,000	£1,093,712	£1,245,244	..	£88,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur ..	10½	£1	10%	10%	8%21	..	3.9	H.P.
30,00,000	13,14,910	1,15,50,877	79,96,145	7,078	Bajoria More & Co., Ltd. ..	911	Shree Amblica ..	16N	10	0 8	1 0	0 8	..	12	Y.
14,00,000	11,85,000	66,11,794	38,79,294	3,156	Hindustan Investment Corporation	401	Soorah	13N	10	0 8	1 0	0 8	..	3.9	H.
25,19,500	43,72,184	1,37,88,246	58,23,439	—4,87,127	Bird & Co., Private Ltd. ..	650	Standard	75	100	8 0	2 0	1 0	Nil	12	H.P.
£500,000	£925,119	£1,137,660	..	£33,548	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	10½	£1	10%	10%	8%21	..	3.9	H.P.
28,98,600	28,06,723	2,00,00,808	84,28,955	18,324	Bird & Co., Private Ltd. ..	1,226	Union	182	100	5 0	6 0	10 0	1 0	12	H.
£400,000	£693,035	£1,124,819	..	£80,561	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	10	£1	10%	10%	8%21	..	3.9	H.P.
2,50,000	6,85,000	55,98,062	40,25,991	14,518	McLeod & Co., Ltd. ..	457	Waverley	3½	1	0 1	0 3	0 3	..	12	H.P.
														6.12	

COAL COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	28,010	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	18½xd	10	1 0	1 5	1 6	0 8	3.9	H.
12,00,000	9,77,540	34,90,132	45,399	1,37,038	Jardine Henderson Ltd. ..	Bararee Coke	16½	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 3/5	3.9	H.
4,49,350	70,000	5,49,159	5,40,968	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee ..	6½	10	1 12	1 12	2 0	..	6.12	H.P.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,826	7,31,563	Andrew Yule & Co., Ltd. ..	Bengal Coal ..	462	200	32 8*	30 0*	35 0*	..	6.12	H.
3,25,000	2,85,000	24,81,732	22,85,534	..	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	15	10	Nil	Nil	..	..	6.12	H.
15,97,000	4,73,858	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd. ..	Bhakgora	6½	10	0 8	..	..	..	6	Y.
40,00,000	8,00,000	1,39,06,662	71,05,138	87,438	Sahu Jain Ltd.	Bharat Collieries ..	6½	10	0 12	0 10	0 10	..	6	Y.
7,15,000	15,11,000	52,62,538	37,85,500	—1,87,462	F. W. Heilgers & Co. (Private) Ltd.	Bhutiabarasee ..	15N	10	Nil	Nil	Nil	..	6.12	H.
16,00,000	16,17,986	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur ..	12N	10	..	..	..	..	6.12	H.
7,80,000	24,29,026	43,39,603	26,58,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borrea	20	10	2 12	2 0	2 0	..	6.12	H.
90,02,480	1,76,65,940	4,22,86,647	1,90,16,224	36,184	Bird & Co., Private Ltd. ..	Burrakur	21	10	0 12	0 9	0 10	..	6.12	H.
49,97,750	..	45,38,430	7,80,000	9,927	Hindustan Investment Corpn., Ltd.	Central India ..	6½	10	0 4	0 4	0 4	0 8	3	H.
8,00,000	13,54,302	40,10,414	23,03,954	83,705	M.	Central Kurkend ..	12N	10	1 2	..	..	..	3	H.
6,00,000	1,43,576	7,33,436(k)	..	2,12	F. W. Heilgers & Co. Private Ltd.	Churia	2½	4	0 2	0 2	0 1f	..	6.12	H.
19,00,000	..	53,81,704	29,81,376	—1,83,218	Macneill & Barry Ltd. ..	Dhemo Main ..	6½	10	Nil	Nil	Nil	..	6.12	H.
£360,000	£380,552	£970,695	£731,570	£55,922	Jardine Henderson, Ltd. ..	East Indian ..	27	£1	2 8	2 8	2 0	2 8	6.12	H.
99,53,750	33,55,000	4,04,51,277	2,59,35,565	33,276	Macneill & Barry Ltd. ..	Equitable	26½	10	1 8	1 8	1 8	..	4	H.
10,00,000	1,40,999	13,81,144	4,28,557	23,529	Bhaskar & Agency Ltd. ..	Ghusick and Musalia	13½	10	0 8	0 12	0 4	..	6.12	H.
13,00,000	1,32,000	41,35,247	23,43,143	1,144	Killick Industries Ltd. ..	Hingir-Rampur ..	41½	50	2 0	Nil	2 0	..	3	H.
8,00,000	7,32,000	32,07,181	18,89,884	1,03,988	Macneill & Barry Ltd. ..	Hurrilladih ..	21½	10	1 8	1 12	2 8	2 4	6	H.
23,00,000	1,13,050	54,74,412	5,15,846	—5,87,393	Jogta Coal Ltd.	Jogta Coal	1½	10	Nil	Nil	..	..	6.12	H.
3,50,000	3,45,579	13,54,857	7,23,058	..	Andrew Yule & Co., Ltd. ..	Kalapahari ..	20N	10	2 12	Nil	..	..	12	H.
20,00,000	1,77,175	28,59,688	4,45,140	6,965	Bird & Co., Private Ltd. ..	Karanpura Collieries	97	100	Nil	Nil	Nil	Nil	2.3	H.
5,00,000	16,60,000	46,77,533	30,47,995	1,33,474	Andrew Yule & Co., Ltd. ..	Katras Jheriah ..	62½	10	4 0	4 0	2 8	5 0	3	H.
1,85,400	5,78,980	13,85,941	5,72,980	—2,60,226	Beriwala & Co.	Khas Kajora ..	2½N	10	Nil	Nil	5 8	..	1.7	H.
11,00,340	64,814	15,72,961	10,41,563	—41,220	H. V. Low & Co., Ltd. ..	Kuardi	2½N	10	Nil	Nil	..	..	6.12	H.
9,00,000	11,86,412	35,09,208	23,97,937	2,245	H. V. Low & Co., Ltd. ..	Lakurka	10N	10	0 8	0 4	..	..	6	H.
7,45,340	2,00,000	13,13,208	9,66,318	81,201	Tantia Brothers Ltd. ..	Nazira	6½	10	0 8	0 8	..	..	4	H.
7,00,000	39,517	10,83,740	5,30,396	4,560	Amritsal Ojha & Co., Ltd. ..	New Bansdeopur	9N	10	0 12	1 4	0 8	..	12	H.
17,76,280	30,01,762	1,18,78,584	68,50,056	94,282	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	17	10	1 0	1 2	1 0	..	6.12	H.
6,00,000	75,000	33,00,471	21,30,197	70,222	Octavius Steel & Co., Ltd. ..	New Manbhoom ..	9½	10	Nil	Nil	Nil	Nil	4.10	H.
1,15,000	2,85,182	13,07,219	8,64,781	15,950	Andrew Yule & Co., Ltd. ..	North West	20	10	0 4	Nil	1 6	0 12f	3.9	H.
1,57,500							17		0 8	Nil	1 0	0 9f		
7,50,000	13,21,858	5,17,666	2,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14½	10	2 0	1 0	1 0	..	6.12	H.
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros. ..	Oriental Coal ..	8N	10	0 6	0 8	..	..	6.12	H.
2,54,000	10,868	17,52,137	8,80,795	8,018	Deepchand Kishenlall ..	Parasea	18	10	0 4	0 12	..	..	6.12	H.
15,75,000	16,50,000	40,91,252	36,61,252	53,734	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	18½xd	10	1/10	1 10	1 8	0 11 1/8	3.9	H.
23,99,500	20,17,105	1,34,48,588	87,86,164	23,188	B. N. Elias & Co., Private Ltd.	Raneegunge ..	11½	10	Nil	0 8	0 10	0 6	3.9	H.
13,50,000	10,45,115	58,59,365	20,77,594	15,614	Shaw Wallace & Co., Ltd. ..	Rewa	21	10	2 8	1 6	0 14	0 12f	12	H.
20,00,000	2,00,000	44,28,585	18,73,118	2,20,175	Jaipuria Sons Ltd.	Samla Collieries ..	11N	10	1/10	1 10	1 8	0 12f	6.12	H.
2,50,000	1,95,808	13,78,480	12,21,237	21,070	M.	Searsole	5N	10	0 8	0 12	1 0	..	12	H.
2,50,000	2,56,598	29,99,480	19,07,296	49,399	Andrew Yule & Co., Ltd. ..	Seebpore	28½	7	1 12	2 0	0 12	..	3	H.
5,00,000	5,81,289	52,491	28,867	7,503	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9N	10	Nil	0 2	2 8	..	6.12	H.
63,31,450	28,77,474	4,72,97,817	3,17,80,256	7,810	Industrial Trust Fund (Govern-ment of Hyderabad)						0 4		6.12	H.
17,50,000	10,84,016	27,86,103	15,14,990	—51,533	Bird & Co., Private Ltd. ..	Singareni	10½	10	Nil	0 11 1/8	0 12	..	12	H.
8,00,000	14,01,063	1,09,57,570	27,510	17,411	F. W. Heilgers & Co. (Private) Ltd.	South Karanpura ..	9½	10	0 4	0 2	0 8	..	6.12	H.
10,00,000	13,00,000	80,82,289	15,43,502	—4,07,745	Villiers Ltd.	Standard	20½	10	2 0	1 0	1 0	1 0	12	H.
2,50,000	2,80,000	20,47,944	15,85,944	—9,658	Williamson Magor & Co., Ltd. ..	Talcher	2½	2½	Nil	..	..	..	9	H.
49,98,000	67,084	55,56,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	18½	10	1 12	0 12	Nil	..	6.12	H.
7,00,000	21,569	56,46,871	23,31,698	—1,46,650	Macneill & Barry Ltd. ..	Western Bengal ..	8½	10	0 4	0 6	0 8	..	3	H.
						West Jamuria ..			Nil	Nil	Nil	..	6.12	H.

M—Managed by the Board of Directors. † Less income-tax. s) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (c) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Re. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

BANKING

(*Concluded from page 362*)

evade almost all the important provisions of the enactments." Moreover, the absence of an alternate agency which can meet the credit requirements of the agriculturist on terms better than those offered by the money-lender makes even a well-placed borrower to co-operate with the money-lender in evading the provisions of the Acts. The Rural Credit Survey rightly observes. "The dominance (of the money-lender) itself has been made possible by the ineffectiveness of all attempts hitherto made to organise a competitive agency for the supply of credit to rural areas; the main fact meanwhile is that the needs exist and must seek fulfilment as well as they can in the given conditions." The net result is the violation of the Acts in letter in a very large number of cases and in spirit in many cases.

Evasion of Provisions

The Survey gives some of the commonly used methods of evasion. To quote:

"The modes of evasion reported are as numerous as they are ingenious. Only a few need be mentioned by way of illustration: (1) obtaining a promote for a larger amount of principal than that actually lent; (2) interest computed at illegal rate and deducted in advance from the amount lent; (3) the making of a separate pro-note (besides the main one) in the name of a servant or relative of the money-lender to cover the extra interest; (4) forward purchase, together with false evaluation, of the debtor's produce; (5) conditional sale; (6) unobjectionable sale deed for purposes of the law, and illegal, if

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000 / $3,58,500	1,08,00,000	12,42,652	Allahabad Bank	360 / 182½ / 120cd / 86½cd	100	18 0‡	18 0‡	18 0	9 0‡	12	Y.P.
					50	9 0‡	9 0‡	18 0	9 0‡		
					100	6 8	7 8	6 6	3 12½	6,12	H.
					70	3 4	3 12	4 8 4/5	2 10‡		
1,00,00,000	1,28,00,000	3,35,545	Bank of Baroda	103½	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
$0,00,000	$0,50,000	1,159	Bank of Bikaner	23	25	0 12	0 12	0 14		12	Y.
2,50,00,000 / 50,00,000 'A'	3,10,00,000	15,54,924	Bank of India	1392½ / 142	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
					50'A'	.. ..	.. ..	.. ..	.. ..		
15 30,375	$8,00,000	60,636	Bank of Indore	52N	25	1 8	3 0	3 8		12	Y.
$0,00,000	$0,25,000	41,779	Bank of Jaipur	40	50	16 0‡	2 0	2 0		12	Y.
50,00,000	$4,00,000	5,91,911	Bank of Mysore	255½cd	100	2 8	16 0‡	16 0‡	16 0‡	12	Y.
41,21,700	$3,72,013	10,069	Bombay State Co-operative Bank	57N	50	4 8	3 0	2 0		6	Y.T.
15,00,000	$8,00,000	19,501	Canara Bank Ltd.	80	50	5 0‡	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,438	Canara Banking Corporation Ltd.	80½	50	3 0	5 0	5 8‡		12	Y.P.
$,62,11,875 / $2,42,375 'A'	4,01,81,217	18,40,359	Central Bank of India Ltd.	54‡ / 58‡	25	3 0	3 0	3 0	1 8‡	12	R.L.Y.
					25	2 0	3 0	3 0	1 8‡		
$0,00,000	$4,50,000	2,13,141	Devkaran Nanjee Banking Co.	42½	50	4 0	2 0	2 8	3 0	12	Y.
$0,00,000	7,50,000	1,40,911	Habib Bank (P)	72N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	$9,75,000	1,62,000	Hind Bank	36½	50	*Nil*	1 8	3 0	2 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9‡	50	*Nil*	*Nil*	*Nil*		12	Y.
$0,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	15	50	5 0	*Nil*	*Nil*		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	12 0‡	6 0‡	5 0		9	Y.
24,00,000 / 15,00,000 / 18,20,000	79,75,000	1,45,140	Indian Bank	198 / — / 150	100	10 8‡	12 0‡	12 0	6 8‡	6,12	R.L.H.
					95	7 8‡	10 8‡	10 12‡	6 2‡		
					75	6 0	7 8‡	7 12‡	4 8‡		
40,19,875	$0,00,000	2,23,299	Indian Overseas Bank	152	100	*Nil*	6 0	7 8		12	Y.
$,25,000 / 5,50,000 / 10,00,000	5,64,500	—1,12,440	Indo-Commercial Bank	42‡ / 10‡ / 19‡	100(A)	*Nil*	*Nil*			6,12	H.
					25(B)	3 0	*Nil*				
					50(C)	3 0	*Nil*				
$7,50,000	97,50,000	2,25,108	Punjab National Bank	55	50	6 10	3 0	3 8	2 0‡	12	Y.
1,00,00,000	$3,80,000	43,597	Travancore Bank	17½cd	25	0 5‡	0 12	1 0		12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7‡	5	2 0	0 5‡	0 6	0 7	12	Y.
$,00,00,000	$5,00,000	$7,761	United Commercial Bank	57	50		3 8	3 12		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS — Dividend (per cent.)

$2,500,000	$5,000,000	$405,375	Chartered Bank	$1-17-3	$1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£60,917	Eastern Bank	6½	£5	8†	8†	8†		12	R.L.Y.
H.K. $35,000,000	H.K. $123,600,000	H.K. $10,606,589	Hongkong and Shanghai Banking Corporation	£21‡	H.K. $128	5°	5°	5°	2°‡	12	Y.
$12,565,070 'A'	$15,000,000	$558,006	Lloyds Bank	$2-3-6	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A'	£1,750,000	£219,372	Mercantile Bank of India	£4-1-0	A £2‡	14†	14†	14†		12	R.L.Y.
£375,000 'B'				£4-1-0	B £2‡	14†	14†	14†			
$750,000 'C'					C £1	14†	14†	14†			
$2,351,562	$3,104,687	$643,158	National Bank of India	$1-1-0	sh. 12‡	16†	15†	15†		12	R.L.Y.

$ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
10,50,000	6	1st December and 1st June	Carew & Co.	1938	99‡	1st June .. 1962
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
$0,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
$5,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96‡	1st November .. 1959-64
COAL						
$0,00,000	4½	30th April and 31st October	Bharat Collieries	1944	98‡	30th June .. 1964
$0,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	91	30th June .. 1967 (c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1958(c)‡
COTTON						
$,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
$0,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March .. 1978(c)
12,65,000	5½	1st June	Jaykrishna Textiles	1949	80N	1st January .. 1956-59
$9,90,000	5½		Tata Mills	1951	99½	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(c)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100	14th June .. 1960
$8,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
$,12,80,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98‡	1st January .. 1970(c)
$5,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970
12,00,000	4	1st January and 1st July	Shiva (Chartisl) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(c)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September .. 1953-63
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,75,000	5	1st April and 1st October	Tata Power	1940	103	1stJuly .. 1970
2,50,'0,000	4	1st April and 1st October	Tata Power		88‡	15th September .. 1966-70
ENGINEERING						
2,00,000	5½	30th June and 31st December	Britannia Engineering	1946	99	31st December .. 1960
$,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
$0,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100‡	1st July .. 1957-62
41,146,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	89‡	31st December .. 1956(ii)
10,00,000	6	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	97	31st May .. 1977
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98‡	1st October .. 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(c)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97‡	31st March .. 1959
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	99	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	99	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1966
$2,45,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	94‡	31st March .. 1969(c)
3,88,000	5	15th January and 15th July	Empire	1951	94‡	15th July .. 1965(c)
$5,00,000	5½	1st January and 1st July	Hukumchand	1947	93	30th June .. 1957
$0,00,000	5	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	97	31st March .. 1970
$3,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	96‡	31st December .. 1964(c)
$5,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1967(c)
1,50,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	88	14th May .. 1959
$0,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	98	30th June .. 1958
$5,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	8th September .. 1965(c
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	98	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	96‡	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1935	97‡	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90‡	1st July 1956
$350,000	4½	1st January and 1st July	Calcutta Tramways	1909	566½	At 105% at any time on 6 months notice or at par or every seventh year thereafter
$189,363	5	1st April and 1st October		1931	67‡‡	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90‡	31st December .. 1959(c)
$200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	585½	Any time on six months notice (c)
4,35,25,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1942	102‡	1st July 1957-62
12,50,000	6	31st March and 30th September	Nigiri Tea		100†	1st April .. 1956-66
1,39,700	6‡	31st March and 30th September	Teakoy	1944	100	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July?	Aluminium Corporation of India Ltd.	1948	92	31st December .. 1958
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	96	31st December .. 1963
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1962
$,00,00,000	5	31st March and 1st September	Burmah-Shell	1954	100‡	1st September .. 1964-69(c)
$,00,00,000	5½	1st April and 1st October	Calcx Oil Refining (India) Ltd.	1955	103‡	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1959
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1938	89‡	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	97‡	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	98‡	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101‡	30th June .. 1969(c)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95‡	1968‡
25,05,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	82‡	30th September .. 1976(c)
48,50,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470	31st December .. 1972(c
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	88N (per note)	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1946	100‡	30th June .. 1965-70
1,00,000.00	5½	31st March	Orient Paper Mills Ltd.	1951	93‡	31st March .. 1961(c)
1,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5‡	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1955	100‡	1st May .. 1968(c)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 1,00,00,000 debentures will be redeemed at par annually by drawings from out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1963.

SANGAMESHWAR COFFEE

(*Concluded from page 367*)

(3) The Secretaries and Treasurers will be paid as and for their remuneration 5 per cent. of the net profits of the Company from the date of incorporation of the Company subject to a minimum of Rs. 10,000 per year in the event of absence or inadequacy of profits.

CAPITALISATION AND VALUATION

The purchase consideration for the Estates including the value of the current season's crop is Rs. 20,50,000 and the capitalisation on this basis works out as follows:—

	Rs.
COFFEE LAND:	
Arabica: 890 acres at Rs. 1,600/- per acre	14,24,000
Robusta: 260 acres at Rs. 1,400/- per acre	3,64,000
Paddy Land: 75 acres at Rs. 200/- per acre	15,000
Cardamom: 10 acres at Rs. 300/- per acre	3,000
Jungle: 275 acres at Rs. 200/- per acre	55,000
Buildings, lines etc.	1,89,000
Rs.	20,50,000

As already mentioned, the purchase consideration includes the current season's crop, the profit on which is estimated at approximately Rs. 4,60,000. It will thus be seen that the capitalisation taking into account the profit that will accrue to the Company on the incoming crop, is very reasonable indeed and much lower than the figure mentioned above.

PROCEEDS OF THE ISSUE

The whole of the proceeds of the issue, including the Debentures, will be utilised in the purchase of the three Coffee Estates with the stocks and stores thereon and for working capital.

In the opinion of the Directors, the following will be the financial requirements:

	Rs.
Purchase consideration of Estates ...	20,50,000
Stocks on Estates	1,68,000
Working capital	72,000
Brokerage	30,000
Preliminary expenses (including expenses of issue, stamp duties and registration charges)	80,000
Rs.	24,00,000

In addition, the vendors will have to be paid working and cultivation expenses from 1st April 1956, to date of taking possession of the Estates and this will amount to approximately Rs. 2 lakhs. This is proposed to be met by a temporary loan from the Company's Bankers and others. Having regard to the estimated profit on the crop from the Estates for the 1956-57 season at approximately Rs. 4,60,000, the promoters consider that the minimum amount to be raised on the issue may be fixed at Rs. 18½ lakhs. The amount which will then be required to meet the balance purchase consideration and other financial requirements listed above can be raised without difficulty from bank and other borrowings. The preliminary expenses have been paid by the promoters and will be recovered from the Company.

BROKERAGE

Messrs. R. Radcliffe and G. V. R. Frend, who are amongst the vendors, have expressed their willingness to subscribe to 600 Debentures of Rs. 500 each for Rs. 3 lakhs while the promoters, Messrs. K. M. Desikar, R. Sundaram and R. S. A. Sankarier and Sons, have offered to procure subscriptions or subscribe themselves to the balance of 500 7 per cent. Debentures of Rs. 500 each and 20,000 Preference shares of Rs. 10 each and no consideration as commission or brokerage is payable to them therefor.

Brokerage will be paid by the Company to recognised brokers and banks at the rate of As. per share on the Equity (Ordinary) shares, 1 per cent. of the nominal value on the Preference shares and ½ per cent. of the nominal value of Debentures allotted in respect of applications bearing their stamp. The Directors are of the opinion that the resources of the promoters are sufficient to meet their obligations mentioned above.

DIRECTORS' INTERESTS

Mr. Desikar, Mr. Sundaram and Mr. Vaidyanathan, the last as a member of Messrs. R. S. A. Sankarier and Sons are interested as promoters of the Company and as parties to the agreement under which the Estates have been purchased.

Mr. Vaidyanathan is also interested as a partner of Messrs. Patco Agencies, the proposed Secretaries and Treasurers and of Messrs. Paterson & Co. Brokers to the issue.

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Dated: 16th February 1957.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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WAGE-PRICE SPIRAL IN THE OFFING

WHILE the Government is trying to keep down deficit financing by pruning the second Plan and restraining bank credit, a fresh round of wage increases is taking place which will inevitably push up the price levels and generate an upward revision of wages in other sectors that have so far remained unaffected. A section of railway workers and employees of some of the State Governments have recently had a rise in their emoluments, the incidence of which on the respective authorities is sought to be covered by higher railway freights and heavier taxation. The amendment made by the Appellate Labour Tribunal to the award of the lower Tribunal to colliery workers has meant a further rise, of about Re. 1-12 per ton, to the cost of raising coal. Of this rise, the Government is reported to have decided—an official announcement is yet to come—that consumers of coal should pay Re. 1-8 per ton. The latest report of a rise in wages pertains to the plantations in the Madras State. As a result of an amicable settlement promoted by the Madras Government, plantation workers will receive substantially enhanced pay. The increase, of course, is not as large as was awarded by the one-man Special Tribunal five months ago in a spirit of magnanimity but with little regard to either the finances of the industry or its capacity to pay. Nevertheless, the effect of this understanding is more money in the pockets of plantation workers in the State without a corresponding rise in the supply of goods. At the same time, the cost of producing tea will go up by at least an anna per pound, if not more. It will have to be met at the expense of the public either directly or indirectly. Further, the Union Finance Minister has been promising during the past two and a half months to secure more pay for teachers, low-paid Government servants and constables.

In making a reference to these developments, we are not questioning the merits or demerits of the demands of the workers concerned. In the case of some of them, the increase may have been long overdue. But it is the timing of this trend and its implications to the second Plan that we are concerned with. Coinciding as they do with the General Elections, these wage increases have a political colour. Their implications to the Plan are quite disturbing, as they portend a strong wage-price spiral. If the latter were to materialise, it would hamper still further the progress of the Plan, already handicapped by the marked deterioration in the foreign exchange reserve position. Viewed in this context, the note of caution struck by Mr. Homi Mody in his presidential address at the twenty-fourth annual meeting of the Employers' Federation of India held at Calcutta this week was quite appropriate. Characterising the campaign for a 25 per cent. blanket increase in wages, initiated by the labour unions affiliated to the I.N.T.U.C., as a matter for serious consideration for employers, Mr. Mody remarked that neither the claim nor the reasons advanced in support of it was understandable. It will be recalled that this demand has been made on the ground that such is necessary to "enthuse workers in fulfilling their onerous responsibilities in implementing the second Plan and in the interest of industrial peace." Strangely enough, this is almost the ground on which the Appellate Tribunal has justified its revision of the lower Tribunal's coal award. The same has been the justification of the Railway Ministry also. And since both acted after the I.N.T.U.C. had voiced its demand, it is not unreasonable to infer that the Trade Union's line of reasoning has already begun to weigh with the Government and labour courts. It is no secret that the Union Minister for Labour has already given his blessings to the I.N.T.U.C.'s demand.

The employers' contention is not to deny the workers higher wages. All that they say is that a stage has been reached in Indian economy when higher wages have to be related to workers' productivity and the profits of industry. If productivity rises and the profits are good, the employers will not grudge workers drawing more. That is why Mr. Mody urged in his Calcutta speech a dispassionate consideration of the problems from all the relevant angles, instead of an arbitrary disposal of it. Since such consideration has to be at expert level, he welcomed the move to refer the issue to Wage Boards. All those who have the larger interests of the country at heart will doubtless concede that the employers' approach, as indicated by Mr. Mody, is both sound and just. One will do well to realise that, in suggesting that higher wages must be dependent on production, that is to say, piece-rates or incentive schemes rather than outright wage increases or bonuses should be the order of the day, employers are influenced not by any narrow considerations of self-interest but by the interests of the society as a whole, including the workers. It is an illusion to think that increases in wages always come out of the pockets of employers, for, ultimately, it is the entire society that foots the wage bill and any additions to it. The state of India's economy now is such that any increase in the wage element of goods and services unrelated to productivity will have to be quickly passed on to consumers, if the trend of production is not to be retarded. Coal provides a typical example, in that every rise in wages means an almost corresponding expansion in the cost of this solid fuel which in turn starts a chain reaction and makes itself felt on all sectors of the economy.

VEGETABLE OIL INDUSTRY

VANASPATI is a valuable modern food-processing industry. It provides a nutritious and vitaminised cooking media, hygienically prepared and packed. The product is easy to handle, keeps well for a longer period than *ghani* oil, and has all the qualities of the costlier *ghee* which the vast majority of India's population cannot afford. It is, therefore, growing in popularity, especially in urban areas. The misguided and ill-informed opposition to its use is dying down. It can be confidently hoped that public prejudices against this product, all based on misconceptions, will soon turn out to be history. As urbanisation grows so will this industry rise in importance. Apart from its use as a convenient form of cooking oil, vanaspati—elsewhere in the world it is known as hydrogenated vegetable oil—has four qualities which ought to engender greater recognition for it at the hands of the Government and the public.

First, vanaspati manufacture offers the most economic method of exploiting the country's vegetable oil resources. Large-scale crushing of oilseeds enables the utilisation of this valuable raw material to the maximum extent, including the growth of by-product industries. As it facili-

tates the blending of various kinds of vegetable oils into an odourless product, it will prevent wastage of cottonseed now taking place on a colossal scale, which in turn will make available for export the highly prized groundnut oil. Secondly, when its use grows, it will reduce the dependence of people on particular kinds of vegetable oils to which they have become accustomed for ages, as, for instance, South-East India on sesamum (*thil*), South-West on coconut, Central and Western on groundnut and North and North-Eastern on *kardi* and mustard. This dependence exposes the family budgets to the uncertain price trends of individual oils and deprives them of the benefit of price stability. Thirdly, it is a unifying factor, in that it will ultimately lead to a national taste for edible oils. The advantage of this development is obvious. A Punjabi or a Bengali will not find a visit to the South uncomfortable and so will a southerner visiting the Punjab or Bengal. And, fourthly, like all modern industries, vanaspati will provide more employment on better wages than either the village *ghani* or mere power presses can.

Despite the adverse propaganda carried on by influential personalities, the vanaspati industry has come to stay. This fact alone is sufficient to prove its economic advantages. In twenty-five years, the production of vanaspati has gone up from a mere 298 tons to about 260,000 tons—the estimated production for 1956 being 255,000 tons. The growth of this industry in the past ten years, in particular, has been fairly rapid, the production in 1945 having been no more than 132,627 tons. In other words, in the last one decade, production had more than doubled, the growth being almost equal to that registered in the first fifteen years. If it is borne in mind that it was during this last decade that vanaspati had been subjected to an unwarranted, virulent propaganda by the pro-*ghee* interests, it will be conceded that its growth is firmly based on the consumer's preference for it.

Substantial though the rise in production has been in the past decade, it has not come up to expectations. The first Five-year Plan had provided for a target of 59 factories, a capacity of 389,000 tons and a production of 300,000 tons, as against 48 factories, 330,000 tons and 152,000 tons, respectively, in 1950-51, the base year. The position in 1955-56, the last year of the Plan, was that the industry consisted of 51 factories, with a capacity of 412,100 tons and an output of 274,000 tons. The capital invested in the industry was Rs. 22 crores. As many as 10,000 persons were directly employed in it, but, to get a correct idea of its employment potential, one must take into account the indirect employment that springs from it.

It will be noted from the foregoing data that the number of factories was smaller than the target, not a bad development by itself. The productive capacity shot above the target, but actual production fell short by 26,000 tons. The result was that underemployment of capacity turned out to be greater than the level the Planning Commission had bargained for. Today, under-utilisation of capacity is the main problem of the industry. And, according to the report of the Vanaspati Manufacturers' Association of India for 1956, the magnitude of the problem is bigger than that disclosed by the figures quoted above. A recent survey puts the industry's capacity at no less than 500,000 tons, while the Planning Commission places it at 445,000 tons, *vide* its publication, *Programmes of Industrial Development* 1956-57. Whatever may be the difference between the various estimates of capacity, it is agreed by all the interests concerned that the country has now enough capacity to meet the expected increase in the demand for vanaspati during the second Plan period. The second Plan provides for an increase in production from 274,000 tons in 1955-56 to 400,000 tons in 1960-61. The latter quantity is expected to take care of the domestic demand (estimated at 380,000 tons) in full, leaving a surplus of 20,000 tons for export, which compares with the actual shipment of 12,900 tons in the last year of the first Plan.

It is not easy to say to what extent the industry will succeed in reaching the production target. The ground to be covered is almost as much as that achieved in the decade ended 1956. Judged from the needs of the country and the expected increase in the national income by a quarter, the targets may appear to be actually small. But, as every student of economics knows, wants do not necessarily mean demand of equal magnitude, and, where they do, one cannot take it for granted that all the demand can be met. Vanaspati is one of the industries which happen to be in this difficult position. Even though there are good grounds for assuming that there is no exaggeration in the demand estimate, it is doubtful whether the industry will receive adequate supply of raw materials to meet the demand. This doubt is not without valid reasons.

Past experience is one of them. Scarcity of raw material was one of the basic causes for the industry's failure to step up production to the extent anticipated. The main raw materials are groundnut and sesamum. When there is not enough supply of these, prices go up and reduce the profitability of manufacture, for it is not always possible to pass on the entire rise in the cost of basic oils to consumers of vanaspati, as there is keen competition among the various manufacturers, owing to excess capacity, and as the Government is always keeping an eye on the selling prices of their products and usually pounces upon them when they effect any big increase in such prices. Because of a short supply of groundnuts in 1956, production of vanaspati, which had steadily gone up from 190,448 tons in 1952 to 260,330 tons in 1955, dropped to 255,000 tons, though it was a little better than 230,243 tons produced in 1954. This decline took place, despite a heavier groundnut crop in the 1955-56 season than in the 1954-55 season and the Government's check on exports. The explanation for this phenomenon lies in the fact that domestic consumption of groundnut oil in forms other than vanaspati, which accounts for only a small share, has gone up substantially in recent years.

The future of vanaspati industry thus depends, to a very large extent, on the availability of adequate supply of groundnut and other edible oils that are used by it. Accordingly, it is not surprising that Mr. A. J. C. Hoskyns-Abrahall, Chairman of the Vanaspati Manufacturers' Association, dwelt on this aspect of the problem at some length in his speech at the annual general meeting of this organisation held in Bombay a few days ago. As readers are aware, the second Plan for agriculture, as revised at the Mussoorie Conference in the latter half of 1956, provides for a 37 per cent. increase in the production target for the five major oilseeds, namely, groundnut, sesamum, mustard, linseed, and castor. Ths means that, by 1960-61, production of these will have to be raised to 7.6 million tons from 5.6 million tons, the estimated output in 1955-56. The planners hope that this increase will enable the country to meet the additional requirements for edible purposes, of the expanding vanaspati and other industries and yet leave a surplus for export of 700,000 tons of seed in the form of oil. Will the quantity be sufficient to serve all these purposes? Mr. Hoskyns-Abrahall has his doubts and they are not baseless, as will be seen from the following quotation from his speech:

"The Plan envisages an increase of 25 per cent. in the national income, which will largely go to raise the meagre standards of the low income groups of people in the country. A significant proportion of this additional income will, therefore, be spent on foods. Since cereal consumption has already reached the optimum level, it is likely that this additional expenditure on food will largely be on such items as fats, sugar and milk. The consumption of these articles should, therefore, increase disproportionately to the rise in the national income. The very rapid increase in sugar consumption in recent years supports this contention. I, therefore, feel that the planned rate of increase in oilseed output, ambitious as it is, may yet not prove enough to meet indigenous needs, let alone allow a surplus for exports."

There is little that we can add to this convincing explanation, except to say that, like everything else about the necessaries of life, India's *per capita* consumption of fats is the lowest in the world and far below the minimum a human being requires for keeping good health. Experts say that, in the present diet of an average Indian, the *per capita* consumption of fat is only half ounce per day, as against a minimum of two ounces per person per day, recommended by the Nutritional Advisory Committee. It is mainly through vegetable oils that this deficiency can be rectified, as the calorific value of oilseeds is high at 150 to 160 calories per ounce, as against 100 calories in wheat and rice.

Although the target seems inadequate, it is futile to say that it should be fixed at a higher level, because it is extremely doubtful whether even the one already decided on can be hit within the time limit. It has been decided that, as India cannot afford to spare any more land for oilseeds, the increase of 2 million tons in their production should be secured only through intensive cultivation and higher yield per acre. This is a very tough job, which, if past experience is any guide, is unlikely to be effectively done. In the first Plan period, production of oilseeds rose by 10 per cent., from 5.076 million tons to 5.596 million tons, but all this increase was brought about by putting more land under these crops; indeed, the area devoted to them rose by 11.3 per cent. (or 3 million acres) to 29.5 million acres, indicating thereby a slight fall in the per-acre yield. And this happened, despite the Planning Commission's directive that an eight per cent. increase in the output of oilseeds should be brought about without transferring more land to it. The main factor responsible for this outcome was the phenomenally high prices, especially of groundnut. The practical man that Mr. Hoskyns-Abrahall is, he is fully aware of all these conditions. Hence he remarked that it would be "idle to stretch the target further, until progress indicates what is already prescribed to be within reach." The main thing to be borne in mind by all those concerned is the urgency of raising the size of the crop through higher yield per acre. Failure here will lead to a deterioration in the situation already causing anxiety, owing to the sustained high level of oil prices.

That there is plenty of scope for raising the yield per acre of oilseeds is not disputed by anybody. We find that all technologists of the Government admit it. They also agree that higher yield per acre is the right solution. The extent to which India is backward in this respect will be evident from a comparison with other countries. India uses, according to Mr. Hoskyns-Abrahall, 3.5 acres to produce one ton of groundnut, while China uses only 1.5 acre and Indonesia 2 acres. Similarly, India uses roughly twice as much land as Pakistan and four times as much as Burma for producing sesamum. The Indian yield of linseed is only half that of Canada and the mustard yield in India is only about a third of that in Japan. It may be argued by some that India is India and there is no point in comparing it with other countries. But even within India, there are wide disparities. For instance, the average yield of groundnut per acre is 60 to 80 per cent. higher in Madras and Andhra than in Bombay and Madhya Pradesh and other oilseeds vary in similar fashion. All these facts are well known to students of Indian agriculture not now but for years. Yet little progress has been made in removing this grave drawback in the economy of Indian oilseeds.

It is, of course, of no avail to wring one's hands in despair. The problem is a challenge essentially to the public sector, to the State and Central Governments, in particular, to the Agricultural Ministries of these Governments, to be more precise. Whoever the politicians that take over this portfolio after the present elections, they will do well to realise that they are taking up a problem of great magnitude, crying for an effective solution. Those who succeed in solving it would be entitled to special awards. It would be a good thing, if the President of India fixes in advance the type of award to be given to successful Agricultural Ministers, for it might serve as a valuable incentive for displaying initiative and drive. It may be noted here that so far little progress has been made to implement the increased target fixed at the Mussoorie Conference. No detailed programme has been drawn up. Although the first year of the second Plan is drawing to a close, even the break-down of the target seed-wise and State-wise is not known. All this delay is exasperating.

The main ways in which an increase in yield per acre can be achieved are: more irrigation, judicious application of manures, proper rotation of crops, evolution and multiplication of better types of seed, eradication of pests, proper timing of sowing operations, and soil survey. It, of course, goes without saying that the benefits of research should be quickly and effectively passed on to farmers; besides, the latter should be given all reasonable facilities for adopting the improved cultural practices. These measures should be supplemented by grading, provision of scientific storage facilities and elimination of uneconomic methods of crushing, as well as of wasteful utilisation of the seeds that are available. In this connection, it is folly to suggest, as the Oilseeds Crushing Enquiry Committee has done, that whole cottonseed should be earmarked mainly for feeding cattle and that crushing of this seed should be encouraged only gradually, and that without offering special incentives It has been proved beyond doubt that cottonseed cake is as nutritious a cattle-feed as whole cottonseed and that cottonseed is serving as a valuable source of edible oil throughout the world. It is high time India outgrew some of its old ideas and notions rendered obsolete by the advance of science.

MR. IENGAR ON STATE BANK AFFAIRS

U.S. HELPS U.K. AGAIN—COTTON GOODS SITUATION DEPRESSING—CONCILIATION TRIUMPHS

THURSDAY, 5 P.M.

MARKET GOSSIP

HAVE the misgivings expressed at the time of nationalisation of the Imperial Bank of India that the dominant role of that great institution in the field of commercial banking in the country would be distorted by State control proved correct? Are the Government's assurances that it would not interfere in the Bank's day-to-day operations and that the Bank would operate on sound commercial lines with due regard to public interest being scrupulously observed? Has the State Bank of India, which stepped into the place of the Imperial Bank, during the last twenty months of its existence, been fulfilling the purposes for which it was constituted and thus justifying the nationalisation? An attempt was made to answer these posers by Mr. H. V. R. Iengar, as Chairman of the State Bank of India, in his speech to the shareholders at the second annual general meeting held today, and in his informal talk to the Press earlier in the day. This was probably the last act of Mr. Iengar as Chairman of the State Bank, for the very next day he became the Governor of the Reserve Bank; Mr. Iengar has been succeeded by Mr. P. C. Bhattacharyya as the State Bank chief. Mr. Iengar assured the Press that there had been no interference whatever by the State in the day-to-day operations of the Bank. It is doubtful whether the public will be convinced by this assurance. For, if there was no such interference, why did Dr. John Matthai, Mr. Vithal Chandavarkar and Mr. S. K. Handoo resign?

Mr. Iengar claimed that the State Bank had made a good start in fulfilling its statutory obligations in helping co-operative institutions and small-scale industries. This is too vague a claim. The impression in quarters that ought to know is that the Bank's progress in this direction, as well as in the opening of more branches, is far below expectations. Was that not the reason why Mr. T. T. Krishnamachari dubbed the State Bank, too, along with the Reserve Bank and the other commercial banks, as being clerical-minded and hidebound?

In one respect, however, the misgivings of the critics of nationalisation have not materialised. And that is in regard to the financial results of the Bank. As indicated elsewhere in this issue, the Bank's performance during 1956 was quite encouraging and this, as Mr. Iengar also admitted, was due to the fact that the Bank continued to be run on strictly commercial lines, notwithstanding the nationalisation. During 1956, its deposits grew by Rs. 16 crores and this was achieved, despite the fact that the rates of interest on deposits offered by other commercial banks were much more attractive than those offered by the State Bank. No doubt, the State Bank also raised its interest rates on deposits, but it was only done on 1st December 1956. Even this increase, Mr. Iengar described, was only a readjustment to a rapidly changing situation and in no sense an attempt to catch up with other Scheduled banks. This is true, because, in spite of the rise, the State Bank's rates are lower than those of other banks.

Since the close of the year, the progress has been even more encouraging, as witness the rise of Rs. 21 crores in deposits between the close of 1956 and 15th February 1957, out of a total increase of about Rs. 37 crores of all Scheduled banks.

Criticisms are sometimes made to the effect that, being a State Bank operating in a commercial field, it had certain advantages over the other Scheduled banks and that it was using its privileged position to attract business to itself. Answering these criticisms, Mr. Iengar said:

"If it were, indeed, to be the policy of the State Bank to operate flat out as a commercial institution, irrespective of the consequences to other Scheduled Banks, it would have been quite easy to increase its interest rates still further and I have little doubt that thereby a much larger volume of deposits would have accrued to us, some of it perhaps in the form of fresh deposits, but a larger proportion as diversions from other banks. As a matter of deliberate policy, the State Bank has declined to pursue such a step. We cannot forget the historical traditions of this ancient institution. Moreover, although the Statute authorises us to operate as a commercial bank, it enjoins on us due regard to the public interest and we have interpreted this to include our obligations to the banking structure as a whole. It is not our intention to enter into a race, as we could easily do, if we were merely concerned with swelling our profits. On the contrary, it is our hope that, by pursuing a policy of moderation in our rates both for deposits and advances, we may act as a steadying influence, more particularly during a period of great stringency when runaway conditions are so easy. Even so, the shareholders will observe that our profits have increased substantially, principally by the larger turnover of our funds."

It will be interesting to know what the other commercial banks have to say on the aforesaid remarks of Mr. Iengar which sound, on the face of it, quite convincing. The rest of them, however, may not be willing to voice their grouse against the State Bank in public, more so because Mr. Iengar is now the Governor of the Reserve Bank with whom they would naturally like to be on the best friendly terms possible. But healthy criticism constitutes the fundamental basis of democracy. So, they should not really be afraid of stating their views.

Although the Government is said to be not interfering with the day-to-day running of the Bank and the latter is left free to operate on commercial lines, it may relevantly be felt by some that the Bank may be offering to State enterprises advances on more favourable terms than it would have done if it had remained a shareholders' bank and on better terms than those offered to private enterprises. This suspicion was, in fact, anticipated by Mr. Iengar and cleared by saying:

"Certain State enterprises have applied to the Bank for advances and all these have been accepted in full, but on normal commercial terms. No discrimination in favour of such enterprises, such as, for instance, in the rates of interest, has been asked for. It would be relevant to point out in this connection that the sanction of advances to State enterprises has not restricted in range or volume the sanction of advances to enterprises in the private sector. On the contrary, consistently with the rising tempo of economic activity, our advances to the private sector of commerce and industry have increased very substantially—from Rs. 72 crores in December 1955 to approximately Rs. 100 crores in December 1956."

The Bank has been given, we are told, freedom to operate on purely commercial lines, subject to the proviso that due regard must be paid to public interest. In fact, the object of nationalisation of the Bank, Mr. Iengar pointed out, was to keep the public interest in mind, that is, to provide assistance to small-scale industries, to give special credit facilities to co-operative institutions and to stimulate the development of banking, particularly in the rural and semi-urban areas, by opening more branches. As regards the financing of small-scale industries, due recognition has been given to the special needs of these industries and the Bank has launched pilot schemes at three centres in each of the three circles, Bombay, Bengal and Madras. It has also put into operation a liberalised scheme at these pilot centres. Under this scheme, the rigidity of standards and the administrative procedures have been relaxed in favour of the small industrialist. Mr. Iengar admitted that the Bank's activities in this field were "still somewhat exploratory in character," but hastened to add that for a bank with its traditions it had been "a big step to break away from the concept of security of property as the main criterion for making an advance and to be prepared to give credit on the basis of mere capacity to produce and sell." In other words, as recommended by the Rural Credit Survey Committee, the Bank has abandoned, in the case of small industries, the old idea of asking for tangible assets as security in favour of a much more flexible policy. If it feels satisfied that the products of a small-scale industrialist have a good market or that he has secured Government orders, advances are granted to him. Mr. Iengar was confident that the steps which the Bank had initiated in this field would acquire increasing momentum during the Plan period.

In the field of providing special credit facilities to co-operative institutions also, Mr. Iengar said, the Bank was only making a beginning. Here also, the Bank has abandoned the old policy. Credit is now granted to farmers through co-operative societies on the estimate of crop, on general reputation and the signature of the party, and repayment of loans is accepted as and when the crop is sold. This scheme is being worked in Bombay and, to some extent, in Madras. Further, credit is being made available at the same rate of interest throughout the country and remittance facilities are being improved. Mr. Iengar was of the view that the possibilities of progress were immense and that co-operative institutions could form a dominant part in the country's economy. He added that the Bank was examining in what other ways it could help co-operative institutions.

Mr. Iengar justified the nationalisation of the Bank by saying that, had it remained a purely shareholders' bank, it could not have undertaken the aforesaid work and operated on the lines now followed by the State Bank in respect of helping small-scale industries and co-operative institutions.

As regards the obligation to open more branches, the Bank opened during 1956, 46 branches, as against 404 programmed to be opened in the five-year period from 1st July 1955. The average number of branches opened per month during the last seven months of the year was 6 and that during the last four months alone was 7. Mr. Iengar said that this rate of opening branches could not be bettered in 1957, because of many difficulties, the chief of which was the problem of getting suitable accommodation. Lack of adequately trained and experienced personnel was also cited as a major problem.

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As a member of the Commonwealth and sterling area and as one having all its currency reserves with Britain, India is vitally interested in all those developments that affect the future of sterling. One such development is the decision taken by the U.S. Government last week to revise the terms of its $4,372-million loan given to Britain in 1945. This decision is a sequel to the British Government's plea put forward early in December as part of its bid to maintain the value of sterling. The revised agreement gives the United Kingdom the right to claim a 45-year postponement of the yearly instalments of both capital and interest in case of need (that is, when Britain encounters financial difficulties), rather than a waiver of the interest payment alone. The payments postponed—$31.6 million of principal and $56.4 million of interest per annum—will be repayable in annual instalments at the end of the present agreement, that is, from December 2001 onwards. In addition to the abandonment of the waiver section from the agreement, the controversial sterling balances proviso has been eliminated. It will be recalled that this proviso requires Britain to cut payments to holders of sterling balances proportionately whenever it cancels the annual Anglo-American loan agreement interest charge. The removal of this proviso is of particular advantage to India which even now is a holder of large sterling balances.

Canada is expected to follow the U.S. lead by so modifying its loan agreement with Britain as to include a similar arrangement for postponing the annual principal and interest charges in respect of its 1946 loan. In accordance with the existing arrangement, Canada is required to waive its interest payment automatically, if the U.S. does so.

Close on the heels of the revised understanding between the U.K. and U.S. Governments has come the finalisation of Britain's application to the Export-Import Bank for establishing a $500-million "loan of credit," to which the U.S. Government had agreed in principle in December itself. The loan, which bears 4½ per cent. interest and is repayable in four-and-a-half years, will be utilised by Britain to buy petroleum and other products in the U.S., in order to replace those cut off by the Suez crisis. It will be recalled that, only towards the end of December last, the I.M.F. had sanctioned a loan of $1,300 million to Britain.

The speed and the effectiveness with which the U.S. has come out with the aforesaid measures of assistance to Britain clearly serves to indicate that country's anxiety to see that the pound sterling is firmly put on its feet. These measures will enable Britain "to recoup a substantial part of its dollar expenditure on goods and services from the beginning of this year" and, to this extent, the gold and dollar reserves "are effectively reinforced." Surely, Britain and the rest of the sterling area must be grateful to the U.S. for this generous assistance, which will strengthen the hands of the U.K. authorities who are making an all-out drive to restore their country's economic health.

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Investors in cotton mill shares are greatly perturbed by the continued slump in prices which set in immediately after the steep upward revision in excise duty on cloth with effect from 1st September last. Over the past six months, Bombay Dyeings—one of the blue-chips of the share market—have dropped Rs. 131. Centurys have fallen by Rs. 122, Khataus by Rs. 107, Finlays by Rs. 74 and Kohinoors by Rs. 54. The landslide in prices thus has followed persistent selling induced by a number of factors, of which apprehensions of a marked setback in the earnings of cotton mills are one of them. To what extent these apprehensions are justified only events can show. But there is no doubt that the cotton mill industry is passing through a very critical stage at present. Apart from the higher wage bill and the recent increase in cotton prices, the mills are at present confronted with the most pressing problem of heavy accumulations of stocks. The aggregate quantity of cloth now lying uncleared with mills is estimated at as high as 200,000 bales which represents nearly a month's output; at this time last year, the figure was only 73,000 bales. Besides these, large stocks are said to be held by the traders.

These huge stocks must be attributed to poor offtake—domestic and overseas—which indicates strong consumer resistance to the heavy incidence of tax. In many varieties of coarse and medium cloth, the burden of excise duty and sales tax now amounts to 25 per cent. of the total sale price. In fact, consumer resistance is so much that several mills have been compelled to bear a substantial part of the tax burden themselves without passing it on to the consumers. Even then, demand for cloth has been at a low ebb, with prices continuing their downward march. A rough idea of the drop in cloth prices can be had from the following figures which relate to a few varieties of cloth sold in the Bombay market:

(Wholesale prices, inclusive of excise duty)

	Latest	*Before enhancement of duty on 31st August, 1956*
	Rs. a.	Rs. a.
Medium grey *dhoti* (Edward Mills No. 550—42"×9 yds.) per pair	6 8	6 13
Medium grey shirting (Elphinstone Mills No. 9900—39") per yard	0 15½	1 0¾
Bleached drill (Swadeshi Mills No. 2547—27") per yard ..	1 7¼	1 8¼

The fall in prices may appear to be only fractional, but it must be borne in mind that the latest prices include the steeply enhanced excise duties.

The mills are thus caught between the decline in prices of their products, on the one hand, and a substantial increase in their cost of production and taxation, on the other. Surely, there is no exaggeration whatever in the statement that the cotton mill industry has turned out to be a high-cost, over-taxed industry. The problem of huge stock accumulations has been further aggravated by the stringency in the money market. It is reported that, forced by the difficulty of finding sufficient bank accommodation, some mills have resorted to press sales at appreciably low prices.

Viewed thus, it is regrettable that the powers-that-be should not have revised their attitude on questions of excise duty and sales tax. When the Finance Minister lost no time in announcing a few months ago a steep increase in excise duty on cloth following an acute scarcity of supplies and soaring prices, one fails to understand as to why he should not revise the duty downward now that the trend of the cloth market has been reversed to

(Continued on page 410)

SMALL RECOVERY IN SHARES

BEAR COVERING AT CLOSE

(From Our Own Correspondents)

BOMBAY, 28*th February*

BARRING a mild recovery at the close, the share market remained depressed during the week under review. The spurt just before the close was not due to any change in sentiment, but was solely the result of short-covering on end-of-account considerations. Apparently, the bears wanted to create the conditions that would enable them to carry forward their sales at a smaller cost.

There were, no doubt, some helpful news for the market, but these did not induce any buoyancy in it. In the first instance, the threat of the Kashmir situation developing into a conflict had, for the time being, been removed with the Security Council's decision to send its President to India and Pakistan to study the position and report back by 15th April. Secondly, the crisis in Indian Irons on the Calcutta Stock Exchange was averted, thanks to the intervention of the Exchange authorities by levying a margin of Rs. 3 per share, if the price went down below Rs. 24-12, by enforcing an interim clearing on Tuesday and by fixing the settlement price at Rs. 25. Thirdly, an out-of-court settlement had been arrived at between the plantation owners and workers in Madras over the Plantation Award, the main feature of which was the giving up by workers of their claim for higher wages with long retrospective effect. This compromise, brought about by the State Minister for Labour and Industries, would be of considerable benefit to Bombay Burmah, in that the large burden as a result of the retrospective nature of the Tribunal's award has been removed. This, however, did not bring any cheer to the counter because of the heavy bear position.

The weakness of steels, the absence of any relief in excise duty to the textile industry, the persistent stringency of the money market, and the fear of heavy taxation in the forthcoming budget were the main dominant factors which kept sentiment at a low ebb.

In the steel section, Tata Ordinaries staged a recovery early in the week from Rs. 168-4 to Rs. 171. but soon made a retreat to Rs. 166, before recouping to Rs. 168-8. Indian Irons were taken down to a low of Rs. 19-11, after an early advance from Rs. 20-6½ to Rs. 20-12. The closing was, however, done at Rs. 20-1. The Rights sagged from Rs. 5-6¼ to Rs. 4-14, but improved to Rs. 5-2 at the close.

Small gains were recorded on balance in textiles, as a result of today's recovery, but the closing prices were below the week's best levels early in the week. After improving from Rs. 538-12 to Rs. 546-4, Bombay Dyeings slumped to Rs. 531-4. Today, however, they recovered to close at Rs. 541-14. Centurys closed with a loss of Rs. 5-8 at Rs. 465, after dipping to Rs. 459 from the week's high of Rs. 477-8. Kohinoors finished with a gain of Rs. 3-4 at Rs. 328-4, the highest and the lowest levels for the week being Rs. 330-4 and Rs. 322-8. Central Indias managed to score a gain of Re. 1 to Rs. 114 and Gokaks Rs. 2-8 to Rs. 222, while Indore Malwas shed Rs. 5 to Rs. 133. Indu Ordinaries were steady at Rs. 10-8. Khataus lost Rs. 3-2 to Rs. 190-10 and New Greats Rs. 5 to Rs. 230, while New City Mills were unchanged at Rs. 149-6. Shree Niwas were steady at Rs. 178-12, but Simplex drifted to close with a loss of Rs. 2 at Rs. 176. Standards were marked up Rs. 6-4 to Rs. 413-12. Svadeshis, on the other hand, recorded a loss of Rs. 7 at Rs. 217. Tata Mills improved by Re. 1-4 to Rs. 50.

Bank shares showed a mixed pattern, but the changes were small and activity was on a small scale. Barodas were better by As. 4 at Rs. 103-12, while Centrals were marked down by Re. 1 to Rs. 53-4 and their new shares by Re. 1-4 to Rs. 57. Bank of Indias were taken Re. 1-8 higher at Rs. 141. United Commercials were As. 8 higher at Rs. 57, while Union Banks were dull at Rs. 7-8.

There was little of note in the insurance section which was quiet. New Indias changed hands Re. 1-4 lower at Rs. 42 and Indian Mercantiles shed As. 8 to Rs. 40-8.

Fluctuations in electricity shares were confined to a small range and the undertone was quiet. Ahmedabad Electrics, however, attracted investment enquiries and rose to touch Rs. 100-5. The closing was done at par, a gain of As. 5 over the week. Bombay Suburbans were unchanged on balance at Rs. 110, as also Surat Electrics at Rs. 112-8. Tata Hydros lost As. 8 to Rs. 122, while their New shares gained As. 8 to Rs. 117-8. Tata Powers drifted down by Rs. 5 to Rs. 1,212-8 and Andhra Valleys by Rs. 6-4 to Rs. 1,203-12.

Sugar shares provided a dull feature, but the undertone was steady. Belapurs moved in a narrow groove and finished with a fractional gain at Rs. 228-4. Phaltans were up by Re. 1 at Rs. 145-8. Bhopals were a shade down at Rs. 18-8, while Walchandnagars were unchanged on balance at Rs. 277-8. In the cement group, A.C.Cs moved between Rs. 167 and Rs. 165-8 before closing Re. 1 higher at Rs. 166-8. A.C.C. coupons were bid Rs. 2 higher at Rs. 61. Digvijays were marked down by Re. 1-8 to Rs. 145-4 and Ashoka Cements by As. 11 to Rs. 10-7. Dalmias were a fraction better at Rs. 12-1, while Jaipur Udyogs were a shade down at Rs. 11-15 and Orissa Cements at Rs. 12-13. Among engineerings and minings, Alcocks fared better with a gain of Rs. 2-8 to Rs. 253-12. After going up from Rs. 139-8 to Rs. 142-8. Tata Locomotives retreated to Rs. 138, but again gained ground to close at Rs. 141-4. Premier Constructions were steady at Rs. 176 while Larsen and Toubros drifted down by Re. 1-8 to Rs. 15-8. Shivrajpurs were a bright feature with a gain of Rs. 2 to Rs. 93-12. Indian Coppers were featureless at Rs. 3-6. B.B. Petrols were steady at Rs. 2-9½.

Scindias improved early in the week from Rs. 18-14 to Rs. 19-6½, but soon gave way to Rs. 18-12½. At the close, there was again a recovery to Rs. 19-1½. Great Easterns lost on balance As. 11 to Rs. 17-15. Hindustan Motors were a shade better at Rs. 7-8, while Premier Automobiles were dull at Rs. 102-12.

In the miscellaneous section, Bombay Burmahs were erratically lower, attempts at recovery being thwarted by renewed selling pressure. After moving up from Rs. 681-4 to Rs. 695, the shares slumped to Rs. 655. Today again there was a good recovery to Rs. 681-4, but the higher level attracted selling and they closed at Rs. 673-12. The Chairman's observations about the good outlook for the Company would appear to have made no impression on the market. National Rayons were hammered down from Rs. 227-8 to Rs. 222-8, but this loss was made good today when the shares finished at Rs. 227-12. B.I.Cs were quiet at Rs. 7-6½ and Tata Chemicals at Rs. 15-4. Tata Oils were a shade better at Rs. 45. Hindustan Levers were taken As. 5 higher to Rs. 19-8.

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Calcutta Stock Exchange

CALCUTTA, 27*th February*

The existence of a number of uncertainties, where investors were concerned, led to a great deal of selling pressure on the Calcutta Stock Exchange during the week under review. The nervous liquidation which continued throughout the week took equities down to the lowest levels for the year—in fact lower than those which occurred in the depression that had set in following the taxaton changes in November last. The daily list of transactions showed a progressive contraction, which was, of course, not a surprise in the prevailing conditions. Sellers predominated the scene as the holders desired to lessen commitments and losses. They feared the recession was bound to continue throughout the election period and until the presentation of the full Budget after the new Government takes over. Buyers were hard to be found.

There were also a few other specific causes. First was the coming into being of the Security Contracts (Regulation) Act and the need to amend the by-laws of the Exchange in the near future. New Delhi's proposal to raise the coal price by Re. 1-8 a ton, as against Re. 1-12 demanded by the industry, was another factor. According to New Delhi reports, the proposed increase of Re. 1-8 would cover expenses of the industry for the implementation of the Appellate Tribunal's award with retrospective effect. The industry does not share this view. It has also strongly represented that the last increase of Rs. 3 per ton has not been adequate to cover the cost of implementation of the lower Tribunal's award. Secondly, the price of jute goods recorded further declines, but the raw material prices recovered fractionally. These factors together with the anticipated increase in stocks of goods drove away buying interest from jutes. In view of the general dullness, the slight improvement in tea auctions on Monday did not make a note in the tea section.

With a view to preventing speculative selling in Indian Irons, the Committee of the Calcutta Stock Exchange took some measures on Tuesday this week. According to these, if the price falls below Rs. 24-12, the seller should deposit a margin of Rs. 3 before transacting the deal. An interim clearing was also arranged yesterday and the settlement rate was fixed at Rs. 25 per share.

Sectionwise, coals were under selling pressure for the reason already stated. Bengals were smashed down from Rs. 462 to Rs. 446 and, at Rs. 16, New Beerbhooms lost one point. Dhemo Mains could be put through at only Rs. 5-12, as against Rs. 6-4 previously. But Raneegunges were unchanged at Rs. 11-5. Burrakurs continued to be quiet at Rs. 21.

Jutes were uninteresting, with Nationals at Rs. 18-8 losing one point. Even after falling from Rs. 102 to Rs. 97 Barnagores were hard-pressed to find buyers. Howrahs were driven down from Rs. 22 to Rs. 17-8. Budge Budges were noted for an early recovery from Rs. 102 to Rs. 107, while Aucklands slipped from Rs. 95 to Rs. 93. Nellimarlas met with business at Rs. 11-5, as against Rs. 12 previously and Nuddeas at Rs. 31-2, as against Rs. 32-2.

In the mining section, Indian Coppers were dull at Rs. 3-3 and at Rs. 3-1. Burma Mines showed a greater recession than the former.

There was nothing of note in the engineering section. Indian Irons opened at Rs. 27-4 and, after the settlement on Wednesday, were as low as Rs. 25-7 on the following day. Subsequently, there was a recovery to Rs. 26-3, but since Monday the rate came down to as low as Rs. 24-12. Kumardhubis were quiet at Rs. 9-11, and Jessop & Cos. were pulled down from Rs. 26-9 to Rs. 24-14. Guest Keens, after being lower at Rs. 23-14, improved to Rs. 24-6.

Teas could gather only limited support. Hasimaras were sent down from Rs. 28-8 to Rs. 27-4, and Dhelakhats from Rs. 21-12 to Rs. 21-4. Bishnauths were quiet at Rs. 20-8.

Indian Cables, among miscellaneous industrials, came down from Rs. 29-2 to Rs. 28-4, India Steamships from Rs. 10-3 to Rs. 9-15, and Sone Valley Cements from Rs. 7-6 to Rs. 7. From Rs. 20-8, Niccos moved down to Rs. 19-13. Calcutta Electrics were quiet at Rs. 12-15. Imperial Tobaccos were driven from Rs. 14-7 to Rs. 13-15, despite the announcement of a second interim dividend of 2 per cent., in addition to the first one of 2 per cent., for the year ending 31st March 1957. B.I. Corporations were lower at Rs. 7-6. Titaghur Papers gave way from Rs. 38-2 to Rs. 26-7.

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Madras Stock Exchange

MADRAS, 26*th February*

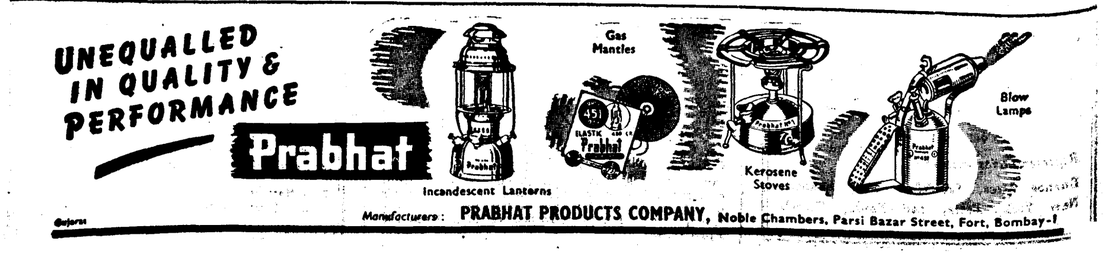
With the exception of planting scrips which ruled firm, the Madras Stock Exchange depicted a distinctly easy trend during the week under review. Renewed fears of fresh taxes affected the sentiment of operators adversely. These fears were based on reports that the Planning Commission wants the State Governments to raise, by way of additional tax measures, nearly a third of the States' outlay of Rs. 450 crores fixed for 1957-58. The coming into force of the rigorous Securities Contracts (Regulation) Act 1956 with effect from the 20th inst. also acted as a restraining influence. In addition, there were, of course, continued stringency in money market and reports of accumulation of cloth stocks at various centres. Consequently, equity values generally tended to look down.

Planting shares, however, encountered good buying support induced by the settlement of the dispute over the implementation of the Plantation Labour Award.

Textile shares came in for persistent selling and values continued to march downward. Bangalore Woollens fell by Rs. 16-12 to Rs. 548-12. Coimbatore Pioneers dropped Rs. 15 to Rs. 275 and Radhakrishnas Rs. 10 to Rs. 285. Rajalakshmis receded by Rs. 6 to Rs. 167, Vijayamohinis decreased by Rs. 4 to Rs. 82. Coimbatore Spinnings declined by Rs. 2 to Rs. 86. Buckinghams and Dhanalakshmis shed a like amount to Rs. 181 and Rs. 374 *cum-div.*, respectively. Janardhanas were neglected at Rs. 107-8, as also Cannanores at Rs. 177. Travancore Rayons slipped by As. 2 to Rs. 13-8.

In the planting section, tea shares were well favoured at higher prices. United Nilgiris advanced by As. 10 to Rs. 17-14 *cum-div.* Twyfords and Peribakaramalais spurted by As. 8-6 each to Rs. 18-15 and Rs. 7-2, respectively. Waterfalls were done at Rs. 6 *cum-right*. An extraordinary general meeting of the Waterfall Estates will be held on 30th March

(*Continued on page* 408)



NEWS IN BRIEF

THE estimated total output of iron ore in India increased to 418,198 tons in December 1956 as against 376,789 tons in November. Returns received from 123 mines for December 1956 show despatches aggregating 290,726 tons to the iron and steel plants and 96,978 tons to the export market. Stocks at the end of the month amounted to 1,521,635 tons.

An Australian trade mission will arrive in India on 23rd March for a five-week tour. The mission is led by Mr. John G. Hurley, President of the New South Wales Chamber of Manufacturers, and includes thirty representatives of industry, commerce, banking and the Wheat and Dairy Boards in Australia. The purpose of the visit is to explore the possibilities of expanding trade between the two countries.

Importers who are granted licence for the import of capital goods and heavy electrical plant should in future furnish to the Reserve Bank of India full particulars of credit facilities of deferred payment, if any, arranged by them with the foreign suppliers or manufacturers. This information will help the Government to assess precisely the outstanding foreign exchange liability of the country at any time on account of commercial imports.

A Technical Committee, consisting of some of the top engineers of the country, with Mr. Jehangir Ghandy, a Director of the Tata Iron and Steel Company, as Chairman, is reported to have been formed by the Government of India. The Committee will study the reports submitted by the Soviet heavy machinery experts and the British heavy engineering mission on raising India's capacity for manufacture of heavy machinery and plant.

Discussions are at present going on between individual firms in both India and Sweden for greater industrial collaboration between the two countries in the form of Swedish capital investments to India and the supply of technical know-how. Wimco, a predominantly Swedish concern, which at present is manufacturing matches, is setting up a paper factory near Calcutta. Sweden is also willing to supply capital goods and steel to India on a long-term credit basis.

The Indian Standards Institution has published an Indian Standard Guide for inter-conversion of values from one system of units to another. This standard is intended to serve as a guide in converting numerical values of physical quantities from one system of units of measurement to another system of units. In particular, it will assist the designer and the draftsman in converting dimensions and tolerance on engineering drawings from inches to millimetres. It also deals with the conversion of monetary values which is of interest to administrators, traders and industrialists.

A study of the marketing of chemical fertilisers in India is being carried out, for the first time, by Mr. Hart Walters, a marketing expert of the School of Finance and Commerce of Pennsylvania University, U.S.A., under a programme of economic development and administration sponsored by the Ford Foundation. The Union Ministry of Agriculture, the Standing Committee of Experts on Manures and Fertilisers and the Fertiliser Association of India have endorsed the study as it is likely to prove useful in formulating the policy of fertiliser distribution. Mr. Walters will visit various States to study personally the marketing of fertilisers, the distribution arrangements, subsidy and credit facilities. He will also submit a report to the Ministry of Agriculture.

Four subsidiary corporations of the National Small Industries Corporation, set up by the Ministry of Commerce and Consumer Industries, are expected to start functioning early next month at Bombay, Calcutta, Delhi and Madras. The Corporations will have an authorised capital of Rs. 10 lakhs and issued capital of Rs. 2.5 lakhs each. With the opening of these corporations the scope and extent of marketing and other assistance available to the small industries will considerably expand. The Corporations are expected to pay special attention to the receipt and disposal of applications for the supply of machinery under the hire-purchase scheme, marketing of products manufactured by the small-scale industries and running of mobile vans and wholesale depots in different regions.

Negotiations for settling the details of contracts for the supply of about 1.3 million tons of iron ore by India to Japan during 1957-58 began on 21st February at New Delhi between the State Trading Corporation of India and a delegation of seven steel mills of Japan. The negotiations follow the broad agreement arrived at between Mr. B. K. Kochar, Deputy Secretary in the Union Ministry of Commerce and Consumer Industries, and representatives of the Japanese mills in Tokyo, last November, for the purchase of 7.2 million tons of Indian iron ore by Japanese mills during five years beginning April next. The mills include Theyawata Iron and Steel Company, the Fuji Iron and Steel Company, and the Japan Steel and Tube Corporation. The discussions cover the finalisation of the contracts to be entered into between the steel mills, on the one hand, and the State Trading Corporation, on the other, implementation of the contracts and the possibility of developing some Indian ports with the assistance of the Japanese steel interests, in order to make additional supplies of iron ore to Japan.

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From Abroad

The French factories built 827,048 automobiles in 1956, as compared with 725,083 in 1955.

Britain's dollar income from the U.S. military programmes rose by 32 per cent. to $346 million in the year ended 30th June 1956. This was more than four times the sum spent by U.S. tourists in Britain last year and a record for peace-time service spending.

The Russian Statistical Board has reported that gross industrial output in the Soviet Union went up by 10 per cent. in 1956. Iron production rose by 11 per cent., steel by 7 per cent., rolling stock by 6 per cent., oil by 24 per cent., and power generation by 11 per cent.

The ban on the export of Malaya's highest-yielding rubber seed—T.J.1.—will continue till the end of this year. The ban was originally imposed for a period of three months from January last. This action has been taken to ensure an adequate supply of seed to the producers in the country.

A special survey of the administration and operations of Air-India International is to be made by the American Trans World Airlines under the auspices of the U.S. International Co-operation Administration. The object is to determine the level of future U.S. technical aid to Air-India International.

The Standard Oil Company of Californin has diverted about 1 million tons of oil to Europe since last November. Mr. R. G. Follis, Chairman of the Company, said that his Company intended to continue diversion of supplies for the duration of the present emergency and to co-operate to the fullest extent with the U.S. Government in its efforts to alleviate the oil shortage in Europe.

The U.S. Government has reported that cost of living in that country rose to a new record level in January for the fifth consecutive month. This brings the index to 118.2 per cent. of the 1947-48 average. The rise means higher wages to workers in the car, aircraft and farm equipment industries whose labour contracts have clauses gearing pay to the cost of living index.

The U.N. General Assembly has decided that an international conference on the law of the sea should be held in March next year, to draft instruments dealing with current maritime problems. The suggestion for a conference was made by the Organisation's International Law Commission which has been working on such problems as territorial seas, conservation of fisheries, and continental shelf for several years without success.

The National Union of Plantation Workers, which claims a representation of 300,000 workers of Malayan estates, has announced that it intends to buy a rubber estate to be run on model lines in order to find out the production cost of estates. According to the General Secretary of the Union, employers kept production costs secret in negotiations with the Union. The experiment is being carried out to enable the Union to gain the necessary knowledge.

Three scientists of the Californian Institute of Technology have discovered a new method which might revolutionise prospecting for iron ore. Studying clues left by Nature, the scientists have found that the location of underground ore is indicated by variations in oxygen isotope ratios in surrounding rock. Dr. Robert P. Sharp, Chairman of the Institute's Geological Division, said that the new discovery might prove one of the most significant contributions to ore prospecting in the past 50 years.

According to an amendment of Israel's basic petroleum law of 1952, oil companies and drilling contractors operating in that country would be exempt from payment of sales and excise taxes on such locally produced materials as cement and tyres bought for oil exploration and development. Drilling contractors have been given exemption from customs duties which previously had been given only to companies holding oil licences. The new exemptions will have retrospective effect from 1st

PERSONAL

MR. R. R. Kenderdine, Works Director of the British engineering firm, Crompton Parkinson, Ltd., of Chelmsford, Essex, is expected to visit India shortly.

Mr. W. H. S. Michelmore and Mr. D. F. Macmillan have been elected President and Vice-President, respectively, of the Bengal Chamber of Commerce, Calcutta, for 1957-58. The other elected members are: Messrs. J. D. K. Brown, G. H. J. Clarke, N. D. Harris, R. R. Hogarth, J. Latimer, G. K. Macfarlane, A. T. Montgomery, P. E. G. W. Parish and H. M. L. Williams.

Mr. B. K. Nehru, I.C.S., has been appointed Secretary to the Union Ministry of Finance, Department of Economic Affairs, *vice* Mr. H. M. Patel, I.C.S., who has taken over as Principal Secretary in the Ministry of Finance with effect from 1st February 1957. Mr. S. Ratnam, who was Financial Adviser to the Ministry of Defence, has been appointed Secretary, Expenditure Division in the Ministry of Finance, in place of Mr. P. C. Bhattacharya who has been appointed Chairman of the State Bank of India.

At the request of the Argentine Government, the World Bank is sending a mission to Argentina to study the general economic situation and the Government's investment plans. Mr. G. Lincoln Sandelin of the Department of Operations for the Western Hemisphere will head the mission. Argentina became a member of the Bank in September 1956 and this is the Bank's first mission to visit the country. The mission will start its discussions with Government officials in Buenos Aires, and then visit other important centres to obtain at first hand an idea of the position of important sectors of the economy, especially agriculture, transportation and power. The mission will be in Argentina for about six weeks.

A new trade agreement has been signed between Australia and the United Kingdom on 26th February. The agreement, which replaces the 1932 Ottawa agreement, maintains tariff preference for British goods in Australia, subject to reductions in the guaranteed margins. It also provides for the maintenance of tariff preferences and duty-free entry of Australian goods seeking the British market. An important feature of the agreement is the scope it gives to Australia to negotiate improved export opportunities with other countries. Another advantage of the agreement is that it will enable Australian industry to reduce its cost. This will follow reductions in the excessive margin of preference which has operated against equipment, raw materials and producer goods from foreign countries, without cutting the new minimum margins of preference for British goods.

The 100,000-ton super-tanker on order from the Bethlehem Steel Company shipyard at Massachusetts, U.S.A., is expected to be the world's largest vessel. To show how big the new super-tanker will be, the planners point out that the new vessel, if loaded with gasoline, could fill the tanks of 2,150,000 automobiles. To carry an equal amount of petroleum, a rail-road tank-car train would have to be 28 miles long. In a single voyage, the new tanker will be able to carry enough petroleum to supply an American city with a population of 600,000 for a month. It will be 940 feet long and 132 feet wide and the depth from keel to main deck will be the equivalent of a seven-storey building. The war-time biggest T-2 tanker could carry 140,000 barrels of oil; but the new giant tanker will have a liquid capacity of about 825,000 barrels. The super-tanker will have a cruising radius of 26,000 nautical miles and a speed of 17 knots, which is considerably faster than the average freighter. However, its huge size limits the routes it can ply. For example, fully loaded, the ship cannot go through the Suez Canal, but empty it might. It will not be able to go through the Panama Canal at all, empty or full, because of the breadth of the beam.

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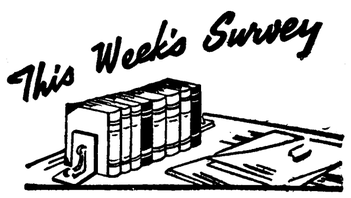

TECHNICAL EDUCATION

ADDRESSING the tenth annual meeting of the All-India Council for Technical Education held at New Delhi on 22nd February, Mr. Maulana Azad, Union Minister for Education, made some pertinent remarks regarding technical education in India. The crux of the problem, according to him, lies in finding teachers of the right calibre and students of requisite ability. It is an admitted fact that educational institutions cannot compete with industry in the matter of salaries; nevertheless, it is imperative to create suitable conditions which would induce brilliant young men to take to the educational field. The Minister said that steps should also be taken for increasing the pool of scholarships available to students in order to attract bright students to technical careers. A sufficient number of fellowships needs to be created and awarded to promising candidates who may be apprenticed to professors and senior teachers for stated periods. Emphasising the importance of increasing the supply of technical personnel, Mr. Azad observed: "Unless this is done, none of our plan targets in the economic or industrial sphere could be fulfilled."

Referring to the criticism that instruction in the colleges has a predominantly academic bias, and that the personnel turned out is not immediately useful to industry, Maulana Azad pointed out that practical experience of production techniques and plant operation could only be expected in industry and technical institutions could not be expected to provide it. But the defect could be remedied by introducing "sandwich courses" and providing larger opportunities for practical training. It is necessary that industry should co-operate with educational institutions in this matter. The Minister attributed the shortage of engineers and technologists at the higher levels to the employers' practice of putting graduates to routine work which could as well be done by persons with lower qualifications.

The Council has approved the establishment of five new engineering colleges, 22 polytechnics and 61 junior technical schools as provided for in the second Plan. Of the five engineering colleges, one each will be established in Andhra, Assam, Madhya Pradesh, Orissa and the Punjab. Of the 22 polytechnics, five have been allotted to Bombay, two each to Andhra, Mysore, Madhya Pradesh, Punjab, Rajasthan, U.P. and West Bengal and one each to Assam, Kerala and Jammu and Kashmir. Out of the 61 technical schools, 18 will be established in Kerala, 10 in Bihar, seven in West Bengal, six in Punjab, five in Madhya Pradesh, four each in Rajasthan and Jammu and Kashmir, two each in Bombay and Orissa and one each in Assam, Himachal Pradesh and Tripura.

It may be recalled, in this connection, that the Engineering Personnel Committee, in its report submitted in May last, had recommended that, in order to meet the demand for technical personnel, 18 new engineering colleges and 61 polytechnics should be established, besides increasing the training capacity of existing institutions by 20 per cent. for degree and 25 per cent. for diploma courses. The Committee had estimated that the above expansion would yield about 2,794 additional seats for degree and 3,220 seats for the diploma course. The cost of the scheme had been estimated by the Committee at Rs. 16 crores.

The Central Government and the Planning Commission, having carefully considered the question of expansion of technical education, however, came to the conclusion that the starting of 18 new engineering colleges and 62 polytechnics, as suggested by the Committee, was not a feasible proposition. The most important limiting factor, in their view, is the shortage of adequate teaching personnel. Further, the five new engineering colleges and 21 polytechnics and three higher technological institutes, envisaged under the second Plan, require all the available technical and financial resources of the Government. It was, therefore, thought that the most fruitful and practicable way of expanding technical education was to enlarge the unit size of the existing well established institutions. A special committee, consisting of Dr. J. C. Ghosh, Member of the Planning Commission, and Mr. L. S. Chandrakant, Deputy Educational Adviser, was appointed to hold discussions with the Chairmen of the various Committees connected with technical education, heads of institutions and State Governments regarding the possibilities of expanding the training capacity of existing institutions and to suggest, in the light of the discussions, the number of new institutions which would be necessary. The Committee prepared a report, embodying the principle of larger unit size, in which it made various proposals for expansion of training facilities. These proposals were that the 19 existing engineering colleges and 46 polytechnics should be so enlarged as to yield 2,538 additional seats for degree courses and 4,225 additional seats for diploma courses. For the balance of the requirements, three new engineering colleges and 27 new polytechnics, capable of providing 520 seats for degree and 4,680 seats for diploma courses, were suggested. These proposals have now been accepted by the Council.

The present capacity of all existing technical institutions is of the order of 4,980 seats for degree courses and 8,870 for diploma courses. The proposals now made, together with the provision already included in the second Plan, will offer facilities for training 8,680 degree students and 18,735 diploma students. On this basis, an annual outturn of about 7,500 graduates and 15,000 diploma holders is expected. On the recommendation of the All-India Council, all States have taken, or are taking, steps to set up their own Boards of Technical Education for coordinated development of technical education, holding examinations and awarding diplomas and certificates. The State Boards will provide the much needed local machinery for maintaining proper standards of technical education and co-operative effort between the State Governments, educational authorities, industry, commerce and other relevant agencies.

HIGH-VOLTAGE INSULATORS

The inauguration of the high-voltage insulator factory by the Prime Minister, Mr. Jawaharlal Nehru, at Bangalore on Saturday last constitutes a landmark in the economic history of India for two reasons. First, the factory marks a significant step towards attaining self-sufficiency in high-voltage insulators so essential for the several electrification schemes under the second Five-year Plan. It is the first of its kind to be started in India and is considered to be the biggest in the whole of Asia. It is planned to manufacture as many as 3,000 insulators per day; India has been importing every year large quantities of these insulators at a cost of much precious foreign exchange. Secondly, the factory opens a new chapter in the history of economic relations between India and Japan; it is a project undertaken by the Government of Mysore with the technical collaboration of that reputed Japanese firm, Nippon Gaishi Kaisha Ltd. Surely, the collaboration between the two countries should, as Mr. K. Yoshimoto, President of the Nippon Gaishi Kaisha, aptly remarked, be looked upon not merely as a commercial venture but "as yet another way of bringing the people of Japan and India closer."

In view of the important role played by the high-voltage insulator factory of Bangalore, a few words may be said about the details of the project. The capital outlay of this venture is estimated at Rs. 85 lakhs. To start with, the factory will manufacture insulators at an annual rate of 480-600 tons and the production will be stepped to the full capacity of 2,500 tons in about two years. The factory has a tunnel kiln 350 feet long, claimed to be one of the biggest in the world, second only to the kiln in the General Electric Company. The tunnel is fixed by light diesel oil sprayed into the combustion chamber along with heat compressed air. It is equipped with an efficient temperature recording apparatus and admits effective control of the air and oil, so as to maintain not only a steady temperature but also the required atmospheric conditions around the articles under fire. It has 62 wagons and at the present speed of vitrification in the hottest zone, it will take nearly six days for an article charged at the leading end to emerge at the exit. The speed of delivery is likely to increase as soon as temperature conditions and operations are established.

A notable feature of the above factory is that all the raw materials used in the manufacture of high-voltage insulators, with the exception of ball clay which has to be imported, are available within the country itself. The components like china-clay and feldspar are said to be in abundant supply in India. The technical advisers have tested these raw materials in their laboratories in Japan and the quality of insulators manufactured out of them, it is said, compares satisfactorily with that of the imported ones. Even with regard to ball clay, the recent discovery of good plastic clay layer during the pilot plan operations in the lignite project of Neiveli had raised great hopes of adequate supply of this clay being found in the country itself. The management of the factory has already deputed a team of Japanese experts to visit the place and to examine the plastic clay.

Backed as it is by Japanese technical collaboration, the high-voltage insulator factory at Bangalore will, there is no doubt, be a successful venture. Reassuring is the statement of the Japanese collaborators that they will not spare any efforts to enable the management to shorten the period of preliminary production and standardisation of operations. Also reassuring is their promise that they will train most of the workers engaged in the operations and qualified engineers in the techniques developed by them in Japan. It is, indeed, gratifying to be told that the band of Japanese technicians working at the factory under the leadership of Mr. Kojima, Chief Engineer, has been working with single-minded determination "to see that this agreement of technical collaboration between India and Japan is such that the door may be opened for many more fruitful Indo-Japanese interchanges of technical know-how in future."

U. S. AID TO INDIA

The misgivings about large-scale U.S. economic aid to India, expressed by many sometime ago following some differences in political ideologies, have since been removed, at least partly, and it now looks reasonably certain that the U.S. Government will help India to fill the wide gap in the foreign exchange resources in the second Five-year Plan to some extent, though it is not possible to say to what extent. Addressing a Press Conference at New Delhi last week, Mr. John B. Hollister, Director of the U.S. International Co-operation Administration, declared, for instance, that the U.S. was most sympathetic towards India's second Plan as a well-thought-out one and would help India substantially in the new Plan." He revealed that he had learned a great deal during his brief stay in India and observed: "When I get back with the information I have here in India and with what I have seen, I would be helping to work out plans for appropriations which would include substantial appropriations to India. . . . I have a feeling that development assistance mostly should be by way of loan."

The above remarks of Mr. Hollister are certainly encouraging and indicates the recognition by the U.S. of the imperative need for raising the living standards in India through the implementation of a series of development schemes—economic and social—under the second and subsequent five-year plans. While one eagerly looks forward to increased American aid to India in the coming years, it will be appropriate to take stock of the wide and varied contribution which the U.S. Government has already made to India's economic development under the Indo-American Technical Assistance Programme. The total assistance received by India under this programme during the first Five-year Plan period (commitments upto 30th June 1956) amounted to as much as $326.8 million (or Rs. 153.54 crores), which accounts for about 7.7 per cent. of the aggregate estimated Plan expenditure of $4,250 million (Rs. 2,021 crores). The whole of this amount was represented by development assistance. In addition, there was the technical assistance which consisted of salary, transportation and other expenses of experts provided and the cost of training Indian nationals abroad. The aid on this account was—and still is—running at an average of $5.5 million per annum. Since the programme was initiated on 5th January 1952, the Governments of the U.S. and India have signed agreements covering in all 63 projects. The total number of experts who came to India till December 1956 was 338 and the number of Indian nationals trained in the U.S. was 505.

Out of the $326.8 million development assistance granted to India during the period January 1952-June 1956, the commodity component accounted for $298.3 million. The distribution of this by activity fields is indicated below:

Activity field	Commitments (Million dollars)	Percentage share in the total
Industry and mining	90.2	30.3
Transportation	65.2	21.9
Agriculture and natural resources	61.0	20.5
Health and sanitation	30.1	10.0
Community development	12.9	4.3
Education	2.1	0.7
Labour	0.7	0.3
Others	36.1	12.0
Total	298.3	100.0

The financial assistance granted by the U.S. Government to India thus, welcome as it is, cannot in itself be expected to work miracles, or to accelerate the pace of economic development of India to any marked extent. For the total resources required for implementing the large number of development projects and for developing industries in the private sector are very considerable. What India needs is financial backing for its projects on a much larger scale. There should be a freer and larger flow into India of U.S. private capital. Mr. Hollister did well fully to recognise this need, as witness his remark: "I am firmly convinced that more can be done by private capital than that can be done by Government . . . ultimately India should be a place where substantial amount of American capital can be used." These words of Mr. Hollister, as also his statement that the U.S. Government is anxious to do what it can to encourage investment of private capital in India, are, indeed, very encouraging.

PRESERVED FRUITS INDUSTRY

Quite in consonance with the general rule applicable to India, the *per capita* consumption of fruit and vegetable products is very low. In 1952, it was only 2 ozs., as against 86 lbs. in the U.S., 57 lbs. in Canada, and 20 lbs. in Australia and the U.K. The preserved fruits industry has been enjoying protection for the last 10 years. Despite this, however, one gathers, from the remarks made by Mr. K. R. Damle, Chairman of the Tariff Commission, on the occasion of opening (on 21st February) the public inquiry into the question of continuance of protection to the industry beyond the end of this year, that the industry has not made much progress. The scope of the present enquiry includes, among others, canned or bottled or otherwise packed products such as (*a*) jams, jellies and marmalades, (*b*) fruits like apricots, berries, grapes, plums and prunes and fruit salads composed of not less than 80 per cent. in quantity and in value of the above named fruits, and (*c*) pine-apples and other fruits—candied and crystallised.

The inadequate progress of the industry is reflected in more than one ways. First, the estimates of internal demand arrived at by various agencies differ widely. While, for instance, the Agricultural Marketing Adviser has estimated the current demand for all categories of preserved fuits at 23,000 tons and that for the protected category at 1,650 tons and expects it to increase to 40,000 tons by 1960-61 in the caset of the former and 3,600 tons by 1959-60 in the case of the latter, the Tariff Commission in 1954 estimated the domestic demand for the protected categories of preserved fruits at 4,000 tons. The Commission conceded, however, that it was difficult to assess the future demand, as it depended on a number of factors, including changes in the consumption habits of the people which would make themselves clear slowly in response to changes in prices and stricter enforcement of the Fruit Products Order.

Secondly, there has been no proper assessment of the capacity of the industry, and Mr. Damle rightly characterised this aspect as unfortunate. According to the Ministry of Food and Agriculture, there were 720 units licensed under the Fruit Products Order, as against 602 in 1953. Of these 720, only 121 units were engaged in the manufacture of protected categories of preserved fruits. Out of these, again, 22 were large-scale units, with a production valued at over a lakh of rupees each per year, 55 were small-scale units with a production worth over Rs. 10,000 but less than Rs. 1 lakh each, and the value of production of 44 units of cottage-industry size was placed at less than Rs. 10,000 a year each. The Agricultural Marketing Adviser, however, has estimated the capacity of the mechanised units at 14,000 tons per year for canned fruits and vegetables, of which the capacity for preserved fruits of the protected categories is estimated at 5,600 tons. Be that as it may, the information obtained from the manufacturers is no more satisfactory.

The Agricultural Marketing Adviser has furnished certain production figures to the Commission, which, too, are not complete, according to Mr. Damle. According to the Adviser, the total production of preserved fruits in the country in 1953, 1954 and 1955 was 14,216 tons, 11,541 tons and 14,061 tons, respectively, of which the production of protected categories was 1,245 tons, 1,387 tons, and 1,674 tons, respectively, and stood at 627 tons for the period January-June 1956. It is significant, however, that, despite this low production in relation to the capacity estimated by the Adviser, there were considerable quantities of imports. According to Mr. Damle, between 1953-54 and 1955-56, imports moved from 400 tons in the first year to 600 tons in the second, and to 480 tons in the third, while they stood around 90 tons in the first six months of 1956-57. Besides, exports, too, seem to have figured prominently, for, according to the Ministry of Food and Agriculture, about 1,000 tons of fruit products, including about 200 tons of the protected categories, were exported in 1954.

The principal raw materials and stores required by the industry are fruits, sugar, cans, bottles and chemicals. A noteworthy feature in this regard is that, except chemicals, all the raw materials are available in the country. But the industry does not seem to have derived much advantage from this position and some of the handicaps have been brought to the attention of the members by Mr. Damle. In the first place, in the case of fruits, there has been a constant complaint in regard to grading of fruits. It is noteworthy that certain amount of grading is being carried out in certain States. Nevertheless, there is need for great improvement in the position, and the Chairman has rightly appealed to the manufacturers to furnish their views in this regard. Mr. Damle has also called upon the members to give their views on the recommendations of and programme drawn up by the Panel for the better cultivation of fruits and vegetables at a cost of Rs. 8 crores. Moreover, a suggestion of some importance is the one that new factories should be located at the fruit-growing centres.

In the case of sugar, the main defect appears to be in regard to sulphur content which affects the quality of the preserved fruits. The Chairman has been informed that the question is being examined by the Indian Institute of Sugar Technology, Kanpur. A third raw material is cans about which complaints exist in regard to both quality and prices. The industry finds that cans produced out of indigenous tinplate are not satisfactory. Prices, moreover, have been increasing ever since the last enquiry. This is due, it is stated, to the high cost of tinplate.

The industry is also not satisfied with the quality of the bottles. Some of the complaints are that they are reddish or greenish, that the mouths are uneven, and that they break easily during sterilisation and transportation. The Chairman has stated that the work of the Indian Standards Institution, in this connection, has been delayed, because of lack of co-operation between the manufacturers of glass and producers of preserved fruits. He has rightly pleaded for greater co-operation between them.

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It is, however, gratifying to hear that the fruit industry is now better equipped and is producing better quality products than at the time of the last enquiry. There is yet great scope for improvement. Mr. Damle has informed the members that the Central Food and Technological Research Institute, Mysore, includes certain suggestions for improvement in its reports of analysis of preserved fruit products. The Chairman has also reminded them of the view expressed by the Commission at the time of the last enquiry that the sale of sub-standard products along with those of good quality results in a considerable measure of prejudice against all indigenous products. The consumers also feel, according to him, that indigenous products are generally inferior to those of imported ones.

EUROPEAN COMMON MARKET

The implementation of the scheme envisaging establishment of a customs-free European common market has been carried a stage further with the Prime Ministers of the six Messina countries—France, W. Germany, Italy, Belgium, the Netherlands and Luxemburg—arriving at an agreement in Paris on 20th February last. The agreement provides for the linking of the proposed customs-free common market with the French and Belgian territories in Africa. The six Messina countries will invest in all about $581.25 million in these territories for an initial five-year period, the French territories accounting for $512 million, or as much as 80 per cent. Of this investment, West Germany and France will each contribute $200 million, the Netherlands and Belgium $70 million each, Italy $40 million, and Luxemburg $1.25 million. Thus, the net investment by the other five nations in the French colonies will amount to $312 million. Algeria will be regarded as part of the common market (and will also benefit from the investment fund), though, at first, it will enjoy special exemptions from the common market rules, with a view to protecting the nascent industries.

Immediately after the above agreement was reached, the experts of the Messina countries took up the question of drafting the text of the common market treaty. The treaty is expected to be ready for signature during the second half of this month. Before the signing, however, the treaty will have to pass the scrutiny of the Organisation for European Economic Co-operation (O.E.E.C.) and meet the approval of the General Agreement on Tariffs and Trade (G.A.T.T.). Even after the signing, the treaty will have to be ratified by the Parliaments of individual countries.

The common market arrangements as agreed to by the Prime Ministers of the Messina countries, it is felt by Western observers of economic trends, will evoke severe criticism in the G.A.T.T., for they aim at something less than complete free trade. According to the *Financial Times*, the Messina powers appear to want to institute a preferential trading agreement with French overseas territories, other than Algeria, from which the rest of the world will be excluded. Further, the arrangements proposed for exports and imports of agricultural produce among the six members of the group amount, in effect, to an agreement on mutual preferences, rather than free trade.

The Commonwealth countries in the G.A.T.T. are expected to be most vociferous in their criticism of this part of the scheme. Indeed, these countries may, to quote the *Financial Times*, "specially make it a condition, in granting permission for this new system of agricultural preference to come into existence, that the old system of imperial preference for foodstuffs in the British market be maintained intact within the framework of the proposed European free trade area." So far as the United Kingdom is concerned, the insistence, it is said, will be on the principle that there must be no excuse for a new system of preferences; the colonies and the associated territories of the European countries must either accept the full obligations of the free trade system or stay out of it. There is, besides, the difficulty of persuading the underdeveloped countries of the O.E.E.C.—as, for instance, Turkey, Greece and Austria—to stay out of the free trade area, now that Algeria is proposed to be included as a full-fledged member of the common market scheme. In view of all these considerations, there is room for doubt whether the formation of an effective free trade area is a feasible proposition.

WORDS OF CHEER FROM U.S. VISITORS

SCOPE FOR ASSISTANCE FROM SWEDEN LIMITED

From Our Own Correspondent

DELHI LETTER

NEW DELHI, *26th February*

THE gloomy capital city—gloomy on account of the Kashmir issue—has just heard some words of cheer from Mr. Hollister, Director of the International Co-operation Administration of the U.S. Government, and from Mr. J. E. Slater, leader of the World Bank's team of railway consultants. Mr. Hollister told a Press conference that United States assistance to India for the second Five-year Plan would be "substantial." This was enough of an assurance, although he ruled out the possibility of his Government stepping in to fill the *entire* gap in India's foreign exchange requirements. His remark that he knew of no instance where there had been substantial waste of aid provided so far by the United States, also lent support to the view that this country could look forward to greater assistance from year to year.

If, with an eye on the U.S. Congress, Mr. Hollister had to be somewhat restrained in his assurance of Government aid, he spoke with greater confidence on the possible flow of private capital into India. As, in his view, there was political stability in India, he saw no reason why a substantial amount of private capital should not come in. Here he emphasised that U.S. capital was not generally interested in very big and quick profits but was only interested in settling down for a long period. His further observation that private capital was willing to plough back into the country a substantial amount of the profit made here and that, ultimately, India should be a place where substantial U.S. investment should be made, was particularly significant. The fact that the Government of India has a reasonably clean record in its treatment of foreign capital, had probably been noted by Mr. Hollister.

If Mr. Hollister's assurance was encouraging, Mr. Slater's interview broadcast by All-India Radio was no less so. The World Bank consultant's finding was that the railway plan was headed in the right direction and that the Indian railways had the financial ability (in its reserve and other funds) to provide that portion of the funds which would be called for under the Plan itself for new capital improvements. India's loan application was only in respect of import of equipment and additional locomotives (additional to what would be manufactured within the country). That the World Bank's team would be submitting a favourable technical report on some of the railway projects, may be inferred in a way from Mr. Slater's interview.

Although Mr. Slater refused to be drawn into a controversy over the operational efficiency of Indian railways, he indicated that there was scope for increasing it when he spoke approvingly of the railway electrification programme under the second Plan. As India was getting into availability a large amount of cheap hydro-electric power, the gradual elimination of the handling of coal would mean so much added capacity for other things. Mr. Slater did not favour hasty introduction of diesel locomotives for the reason that this would add to the problem of foreign exchange costs so long as India had to import diesel fuel. The significance of Mr. Slater's remark on electric traction probably also lay in that the World Bank might not sanction loans for meeting the railway plan's *entire* foreign exchange requirement of Rs. 425 crores.

Both Mr. Hollister and Mr. Slater were tactful in their remarks about controversial subjects and were obviously anxious not to wound the sensitive Indian's feelings at a time when he is despondent on the score of the Security Council's handling of the Kashmir issue. Their delicate job of understanding India's needs with sympathy has just been passed on to the U.S. Trade Mission which has arrived in the capital. The Mission, headed by Mr. Preston Forbes of the United States Department of Commerce, will be here till 4th March. It is stated that the supply of capital goods on long-term credit would be the main subject of the Mission's discussions with the Government and business community in India. As East Germany and, probably, France are willing to supply capital goods on a long-term credit basis, the U.S. Mission may have to recommend the same (although long-term credit is not in vogue in the States), inasmuch as the object of the Mission is to expand the volume of Indo-American trade. Indications as to the trend of discussions between the Mission and the Government of India may be known in the course of this week.

The arrival of the U.S. Trade Mission has just been preceded by the departure of the Swedish Trade-*cum*-Goodwill Mission and will be followed by the arrival of a trade delegation from West Germany. The Swedish Mission's leader told a Press conference here that it would be difficult for Swedish industrialists to provide long-term credits (for six or seven years) on machinery and other capital goods. He, however, spoke hopefully of the possibilities of collaboration between India and Sweden for the purpose of starting or developing some mechanical industries in India. Collaboration in capital investment was also likely. There was also ample scope, he said, for increasing imports from India of goods like textiles, coffee and tea. Even markets for manganese and chromium ore could be found and increased in Sweden. The leader of the Mission also assured India of his country's readiness to make technical know-how available.

ROUND THE EXCHANGES

(*Concluded from page* 404)

next to consider the issue of bonus shares at the rate of five ordinary shares for every ten held. The official consent has already been obtained. Nilgiris advanced by As. 6 to Rs. 10-2 and Ouchterlonys by As. 5 to Rs. 4-12 *cum-div.* Chembras strengthened from Rs. 3-11-6 to Rs. 4. Kil Kotagiris put on As. 3 to Rs. 6-11 *cum-div.* Blue Mountains were bought at Rs. 5-10 *cum-right*, as against Rs. 5-5-6. The Blue Mountain Estates Ltd. has received Government consent for the issue of bonus shares in the ratio of four ordinary shares for every ten held. Neelamalais were better by an anna at Rs. 6-2. Parksides were fully maintained at Rs. 16-4. Among rubber shares, Malankaras elicited good enquiries induced by reports that the Company had applied for permission to the issue of bonus shares worth Rs. 4.50 lakhs to the shareholders at 1:2, and the shares of this Company picked up As. 8 to Rs. 30-8. Cochin Malabars rose by As. 5-6 to Rs. 9. Pullangodes gained an anna to Rs. 2-12. Kailas and Thirumbadis improved by half an anna each to Rs. 6-1-6 *cum-div.* (interim) and Rs. 2-2 *cum-div.* respectively. Deals in coffee shares were put through at slightly enhanced rates. Consolidateds improved by As. 6 to Rs. 21-2. Amalgamateds and Mysores gathered an anna each to Rs. 11-10 and Rs. 2-15, respectively. Shevroys were firm at Rs. 2-2. Among others, Tropicals increased by As. 2 to Rs. 32-4. Midlands, however, receded by As. 4 to Rs. 18 for want of follow-up support.

The sugar section ruled dull, with limited turnover. Mysores dropped As. 8 to Rs. 41. E.I.Ds. declined by As. 4 to Rs. 28-2. Deccans lost As. 3 to Rs. 10-14. Indias were unchanged at Rs. 16-8, as also Travancores at Rs. 11-2, Jeypores at Rs. 13-14 and Kirlampudis at Rs. 33-12. Andhras, on the other hand, had some buyers and picked up As. 14 to Rs. 17. Cauverys were favoured As. 8 higher at Rs. 35-8.

Among miscellaneous industrials, Binnys encountered selling and declined by Rs. 2 to Rs. 198. Rallis dropped Re. 1-8 to Rs. 37-8. India Cements receded by As. 11 to Rs. 28-8. Mysore Chemicals, Fertilisers shed As. 5 to Rs. 8-2. Bruntons lost As. 4 to Rs. 5-11.

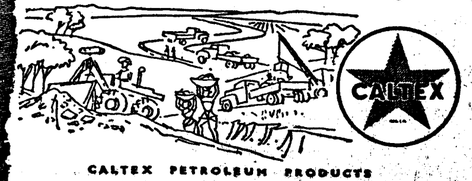
There was scattered buying in some selected electric shares, the values of which recorded an improvement. South Arcots advanced by Re. 1-8 to Rs. 97-8. Ellores put on As. 6 to Rs. 12. Nellapatams and West Coasts gathered As. 4 each to Rs. 11 and Rs. 13-4 respectively. Berhampurs gained As. 3 to Rs. 7-12.



oil comes to Visakhapatnam

Dredging operations now allow Visakhapatnam harbour's new oil berths to receive large ocean-going tankers. The first tanker carrying crude oil for the new Caltex Refinery arrived in February 1957, and pumps carried the oil through a mile-long pipeline to the Refinery's storage tanks. When processing begins, the Caltex Oil Refinery, a monument to free enterprise, will supply, by land and sea, the petroleum products so essential to India's progress.

OIL is the Lifestream of Progress



CALTEX PETROLEUM PRODUCTS

BUSINESS MEN'S LOBBY IN PARLIAMENT

By A Correspondent

REPRESENTATION in the legislatures of India is based simply and completely on election, on the basis of adult franchise, except in the case of the Upper Chambers, and, where the Constitution specifically provides for minority representation, by nomination by the President of the Union. So, a member in the Lok Sabha or any of the Legislative Assemblies of the States represents the people who voted him to the Legislature and not any particular interest. This gives him a wide range of representation, as it restricts him from being a spokesman of any special interest. So, a millowner or union leader in the House, whatever be his personal sympathies, under the law represents his constituency and not any particular interest or group to which he may belong. The millowner member, who speaks on textiles in the House, is supposed to represent his point of view as a member of the House but not as a spokesman of the mill industry. The same freedom and restriction apply to a union leader. He speaks on labour matters as a member of the House, not as a union official.

These definitions of the constitutional status of a member in Parliament are not always before the House and, not infrequently, spokesmen of special interests put forward their views and quite as often they are referred to or replied to in debate as representing the particular interest to which he belongs, although, strictly before law or parliamentary rights, the member cannot be recognised as a spokesman of that interest. In practice, the latitude allowed to members in such matters is however a useful thing and by convention it is established.

To take the Lok Sabha, for instance, the 500 members are drawn from all walks of life and quite a few are members with industrial or business connections and probably a greater member with trade union background. On economic issues, these groups naturally range themselves on the opposite sides, although quite a number of them may belong to the same party. Divisions in the House are not only according to parties but also according to economic interests. The members, who, outside Parliament, belong to the business community, bring to bear on economic discussions in the House an attitude more in keeping with the member's business than his constituency background. A corresponding attitude is taken by labour leaders.

In State Legislatures, where the State's or the whole country's affairs are discussed, debated and evolved into policy, the conflict that is part of industrial life is allowed to enter. The workers' representatives have a great numerical advantage in almost all Legislatures and it is particularly true of the Union Parliament. But, outside the group of business men and trade union leaders and their supporters, there is a large block of "neutral" members, who speak on each issue according to their light and vote according to the whip of the party. Whichever side obtains the sympathy of the "neutral" block usually wins the day.

Whatever the economic importance and influence of the business community, the latter cannot but be a microscopic minority within a House elected on the basis of adult franchise. On the other hand, labour representatives form a substantial block and, with sufficient unity of purpose as to be a big influence within the Legislature. More used to the public platform than business men, they are a tremendous force to reckon with, as has been amply proved in the present Parliament. If policies are initiated or influenced by the views held by powerful segments within the House, as they should be, is it any wonder why both the business men and labour leaders should equally exert, in order to influence the large number of "neutral" members?

Not even the strongest advocates of adult franchise suggest that members elected by this system to the Legislature are sufficiently well-informed to arrive at the right decisions. An element of persuasion is inherent in any discussion or debate. Some of it is carried on in open debate but a considerable amount of it is also done in personal or group discussions among the members themselves. Whenever a group of members of like views take form and hold together in debate and persuasion, it may be said a lobby has been formed, whether the group is interested in prohibition, prevention of cow-killing or subsidy for handloom.

The idea of lobby did not originate in India; it is a development witnessed wherever Parlia-

(*Continued on page* 451)

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AMERICAN BANKING ABROAD

CORRESPONDENTS GENERALLY PREFERRED TO DIRECT REPRESENTATION

THE U.S. has one of the most highly developed and efficient banking organisations in the world. The foreign operations of its banking organisations have grown along with the industrial advancement at home and the increasing participation of the country in international trade and commerce. With its emergence as a world power and a strong financial centre, the measure of overseas responsibilities of the U.S. banking system has increased enormously. The provisions of American banking legislation as they affect foreign business have been adapted from time to time to cope with these growing burdens. The illuminating article entitled "United States Banking Organisation Abroad" published in the December 1956 issue of the *Federal Reserve Bulletin* provides a fund of knowledge on this little known aspect of American banking in India.

The U.S. banks conduct business abroad in three ways, correspondents, branches and subsidiary institutions. A bank's choice of the means depends principally upon the relative advantages in terms of its own organisation and type of business as well as conditions in the countries in which it intends to operate. It is significant that most of the U.S. banks that conduct foreign business rely on correspondent banks to conduct their overseas transactions. This is unlike the British banks which invariably open branches of their own in foreign countries. The characteristic feature of the correspondents system is that a U.S. bank has an arrangement with a foreign bank, either directly or through another domestic bank, under which the two banks act as agents for each other. This arrangement is also often supplemented by establishing representatives' offices in selected foreign cities. A special advantage of these offices is that they provide a means of establishing better relations with foreign markets and closer ties with banks located in these markets. The wide use of this system reflects two significant points: (1) the tradition and nature of the unit banking system, and (2) most of the U.S. banks do not have sufficient foreign business to justify direct establishments of their own abroad.

Large Institutions

A few large institutions, which command no less than two-thirds of the foreign business of the U.S., have, however, developed their own direct foreign branch organisations, or, as in some cases, foreign banking corporations to supplement the foreign branch operations. As compared with the correspondent system, a direct organisation has certain advantages, such as the prestige attached to the name of the parent bank, direct relations with prospective foreign customers and greater understanding of the conditions abroad. As against this, the drawback is that the U.S. bank loses some foreign correspondent business.

As between a branch and a banking corporation, the latter has some disadvantages, such as smaller loan limits. Nevertheless, it has the advantage of being more flexible than a branch in meeting particular or changing conditions in foreign markets. To cite an example, it can acquire controlling or minority interests in a foreign bank, thus holding shares jointly with local investors. It can also undertake certain investment type activities abroad that are not permitted to a U.S. bank These foreign corporations, which are of two types, namely, banking and financing, foster the use of American and foreign capital for financial trade and investment overseas.

The story of the growth of foreign banking business in the U.S. makes interesting reading. Before the enactment of the Federal Reserve Act, national banks did not have the power to establish branches either at home or abroad. The relatively small amount of foreign business was conducted by a few "private" (unincorporated) banks and one or two State banks. The first overseas branch of a U.S. banking institution is believed to have been opened in London in 1887 by Jarvis-Conclklin Mortgage Trust Company, New York. Ten years later another institution opened a branch in London, followed by opening of further branches in 1901 in London and Asia by the International Banking Corporation, subsequently merged with the present First National City Bank of New York. Some other branches followed in subsequent years; and, by 1914, four U.S. banks incorporated and doing regular banking business in New York and two foreign banking corporations operating primarily abroad had a total of 26 branches in foreign countries.

Shift in the Pattern of Trade

This expansion in branches after 1900 took place primarily to meet the needs arising from a shift in the pattern of trade between the U.S. and Europe. The partial shift from exports of food and raw materials to manufactured products gave rise to complex and diverse problems of marketing and financing, and, consequently, to the need for improved foreign banking facilities. The National Monetary Commission, in its report submitted in 1911, specifically pointed to the absence of U.S. banking institutions in foreign countries as one of the weak points in the country's financial structure. Till the First World War, however, the role played by the U.S. banks in foreign financing was small, first, because the foreign trade was financed in sterling, and, secondly, because the U.S. banks were hard pressed to service domestic trade and investments.

It may be said that, with the passing of the Federal Reserve Act in 1913, a new chapter was started in the history of foreign financing. The Act provided for authorising national banks to accept drafts and to establish branches abroad when approved by the Federal Reserve Board. This, in addition to other factors such as the establishment of the Federal Reserve System, expansion in foreign trade and the emergence of the U.S. as a creditor nation, facilitated a rapid expansion of foreign branches. Though, in the first instance, Section 25 of the Act authorised the establishment of branches abroad by national banks having capital and surplus of not less than $1 million, with the approval of the Federal Reserve Board, subsequently, that is, in 1916, the section was amended so as to enable smaller banks also to take advantage of the provisions. In effect, national banks with certain minimum of capital and surplus were allowed to invest 10 per cent. of their capital and surplus in the stock of certain specified types of corporations. This was, however, made subject to the approval of the Board. One of the conditions to be satisfied by the corporation was that it should enter into an agreement with the Board to conduct its business in the manner prescribed by the Board. These corporations were known as "Agreement Corporations." The National City Bank of New York and the First National Bank of Boston were the first to have their own foreign banking corporations under this provision.

Maintenance of Exports

Section 25 was further amended in September 1919 as part of the measure to facilitate the maintenance of a high level of exports to Europe and the long-term borrowing by Europeans. Under this amendment, the Federal Reserve Board was authorised to invest up to 5 per cent. of its capital and surplus in the stocks of corporations engaged in "international and foreign financial operations." This was soon followed by the Edge Act of December 1919, which allowed the Board to charter financial corporations for the purpose of engaging in international or foreign banking. Corporations under this Act, otherwise called "Edge Corporations," were required to have a minimum capital of $2 million with the controlling interest held by U.S. citizens, and were subject to regulation by the Board. Further, in this Act, appropriate safeguards were provided to prevent the formation of monopolies. It is also noteworthy that, subsequently, the "agreement" and "Edge" corporations were permitted certain flexibility of operations in order to help them meet foreign competition.

It will be seen from this account that the growth and development of U.S. foreign banking were closely regulated and supervised by the Federal Reserve System which even went to the extent of owning a part of the share capital of the national banks wishing to operate abroad. This served a twofold purpose, (a) it imparted confidence to the foreign customers of the American banks and thereby helped them to get business, and (b) it enabled the Federal Reserve System to exercise a close watch over the management of the banks concerned, so that they might not injure the reputation of American credit through the misbehaviour of banks going abroad. As compared with these controls, the controls now exercised by the Reserve Bank of India over Indian banks operating abroad appear to be quite liberal and are not without precedents. Much, however, depends on the way the controls are exercised.

To revert to the story of American foreign banking. The growth of the number of foreign offices and the number of banks and banking corporations between 1913 and 1956 (30th November) is indicated by the following table:

Year-end	*No. of banks and banking corporations*	*No. of foreign offices*
1913	6	26
1920	12	181
1926	12	107
1933	9	132
1937	11	108
1945	10	78
1955	11	117
1956*	11	122

* As on 30th November.

Foreign Subsidiaries

The period during the First World War and after was also marked by the passage of legislation relating to foreign subsidiaries of U.S. banks, and the growth of foreign trade and investment. Between 1919 and 1929, as many as 18 corporations were organised, of which 15 were established under State charters and 3 were chartered by the Board. A significant feature of these corporations was that most of them represented the combined interests of various U.S. banks, while some of them were jointly owned with foreign participants and a few were wholly owned subsidiaries of leading banks in New York and Boston. Their branches were located throughout Latin America, in the Far East, and in important European cities. Sixteen of them, however, were liquidated by the early thirties or absorbed by other corporations or banks. Since 1930, only two "agreement" and three "Edge" corporations have been established.

The experience of the foreign banking corporations in the early years was none too encouraging. Nevertheless, it was reflected in additional foreign facilities, some improvement in banking practices, and recognition of the problems and hazards involved in foreign financing. One of the more important reasons attributed to the failure of these corporations was the decline in foreign trade during the economic crisis of 1920-21 and the instability of prices that persisted in later years. Undue reliance on untested techniques, paucity of trained personnel and the expansion of certain banks of their own foreign departments were the other causes. The depression of the thirties and the trade and exchange controls that followed affected the activities of the corporations. World War II further reduced the number of establishments abroad.

In recent years, again, there has been evident persistent growth in U.S. foreign trade and investment. This, together with the gradual liberalisation and stabilisation of foreign currencies, has resulted in renewed interest in foreign banking. New Edge corporations were formed in 1949 and 1955, and older ones have shown a tendency to expand.

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CORRESPONDENTS ALL OVER THE WORLD

BANK OF INDIA EARNS RECORD PROFIT

PROFIT MARGIN, HOWEVER, DROPS—CREDIT RATIO AT VERY HIGH LEVEL

IT is a happy coincidence that the Golden Jubilee year of the Bank of India Ltd., that is, the one ended 31st December 1956, has proved to be the most prosperous one in the history of Indian banking. This has enabled the Bank to mark the occasion with an all-round expansion in business and a record profit. The main features of the Bank's working during the year under review are : (1) a rise of Rs. 2 crores in deposits to Rs. 69.55 crores, the highest in its history; (2) an increase of over Rs. 11 crores in advances to Rs. 57.21 crores—also a record; (3) a shrinkage of Rs. 3.67 crores in its liquid assets; (4) a sharp expansion of Rs. 5.85 crores in its borrowings to augment its resources, and (5) a bumper profit of Rs. 92.03 lakhs, representing an increase of Rs. 7.12 lakhs over the year.

With the increase of Rs. 7.12 lakhs during 1956, the upward trend in profit has been maintained for the third year in succession, the aggregate rise during the three years being Rs. 16 lakhs. The impressive rise in earnings has not, however, brought any higher return to the shareholders; for the dividend is being maintained at 16 per cent. per annum. This is presumably because it was only last year that the distribution was stepped up from 14 per cent., a rate which had been consistently paid for nine years from 1946 onwards on a capital which had been increased twice during the period. Moreover, the shareholders had received during the year a jubilee gift in the shape of scrip bonus at the rate of one share for every five shares. The bonus shares, which were issued as new 'A' shares of Rs. 50 fully paid-up, however, rank for dividend only from the current year onwards.

The Directors have also carried a sum of Rs. 8 lakhs to the reserve fund, which had not received anything in the previous nine years. The provision for taxation too has been stepped up from Rs. 25 lakhs to Rs. 28 lakhs and that for bonus to staff from Rs. 12.75 lakhs to Rs. 13.75 lakhs.

An idea of the Bank's progress during the past three years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount earned ..	272.08	218.41	189.08	175.76
Commission and exchange ..	71.01	53.90	38.62	33.35
Gross income	351.04	280.51	234.96	216.81
Interest paid	110.02	72.49	54.87	42.25
Expenses	147.76	122.49	102.58	97.54
Depreciation	1.23	0.62	0.50	0.49
Profit	92.03	84.91	77.01	76.03
Provision for taxation ..	28.00	25.00	29.00	29.00
To bonus to staff	13.75	12.75	11.20	11.10
" reserve fund	8.00	..	..	..
" Bank's landed property account	..	3.00	..	..
Dividend	40.00 (16%)	40.00 (16%)	35.00 (14%)	35.00 (14%)
Carry forward	15.55	13.27	9.11	7.30
	As on 31st December			
	1956	1955	1954	1953
Capital	3,00.00	2,50 00	2,50.00	2,50.00
Reserve fund	3,10.00	3,52 00	3,52.00	3,52.00
Deposits	69,55.02	67,55.87	60,38.16	54,88.73
Borrowings from other banks ..	7,55.00	2,00.00	2,00.00	..
Advances and bills purchased and discounted	57,21.12	46,09.55	39,74.94	33,58.40
Investments	18,52.87	20,50.26	19,86.78	19,34.93
Cash	8,00.20	9,69.64	9,52.80	8,45.17
Bills for collection (contra item).	1,88.95	1,70.76	1,38.47	1,12.90
Acceptances, endorsements, etc. (contra item)	9,60.59	10,31.89	6,10.37	5,88.41
Balance-sheet total ..	96,41.99	89,23.62	77,22.49	68,72.13
Ratio to deposits of—	%	%	%	%
Advances	82.3	68.2	65.8	61.2
Investments	25.9*	27.4*	29.6*	35.0
Cash	11.5	14.3	15.8	15.4

* After taking into account investments earmarked against borrowings from other banks.

The increase of Rs. 70.53 lakhs in gross income during the year under review is much sharper than in the previous years; in fact, it is much more than the cumulative rise in 1954 and 1955. The bulk of the rise is accounted for by interest and discount earned which have gone up by no less than Rs. 53.67 lakhs, as against Rs. 42.65 lakhs in the previous two years. Commission and exchange earned also have risen by Rs. 17.11 lakhs; this source of income, it may be noted here, has more than doubled in three years.

On the expenditure side, there has been a rise of Rs. 37.53 lakhs in interest paid, evidently due to the increase in fixed and savings bank deposits, the substantial increase in borrowings from the Reserve Bank against usance bills and the higher interest rates which prevailed throughout the year. Of the increase of Rs. 25.27 lakhs in expenses, salaries, allowances and provident fund alone account for Rs. 18.51 lakhs. Thus, interest paid and expenses on staff have together offset, to a large extent, the improvement in the earnings noted above. This is not a peculiar feature of the Bank of India alone; it is a common feature of all banks consequent upon higher costs. The net rise in profit is not commensurate with the expansion in business. In fact, if one compares the profit margin of banks for 1956, with that for any of the previous years, it will be found to have shrunk in most cases. Thus, in the case of the Bank of India, the ratio of profit to gross income has declined to 26.2 per cent. in 1956 from 30.3 per cent. in 1955 and 35.1 per cent. in 1953.

The capital of the Bank was raised during the year by Rs. 50 lakhs by the creation of 100,000 ordinary 'A' shares of Rs. 50 each fully paid-up and issue of bonus shares to mark the Golden Jubilee of the Bank. This was done by capitalising Rs. 50 lakhs from the reserves. Such drawing from the reserves and the subsequent replacing of Rs. 8 lakhs from the year's profit is reflected in the decline of Rs. 42 lakhs in the reserve fund. A notable feature of the Bank's balance-sheet is that the deposits touched a record level of Rs. 69.55 crores, exceeding the previous high of Rs. 68.63 crores reached in 1947. It must, however, be noted that the rise of Rs. 2 crores over 1955 does not compare well with that in each of the previous two years. Of this rise, fixed deposits account for an increase of over Rs. 40 lakhs, savings bank deposits for Rs. 1.10 crores and current accounts, etc., for about Rs. 50 lakhs. This slower pace of expansion in the principal resources of the Bank has been made good by the substantially large borrowings which have gone up from Rs. 2 crores to Rs. 7.85 crores, though it had cost the Bank a good lot by way of interest payment. Of these borrowings, Rs. 50 lakhs are secured by part of the Bank's investments and the balance by bills discounted.

On the assets side, loans, cash credits and overdrafts have gone up from Rs. 37.49 crores to Rs. 42.10 crores and bills purchased and discounted from Rs. 8.60 crores to Rs. 15.11 crores. Such a large increase in advances in the face of a rise of only Rs. 2 crores in deposits has pushed up the advances ratio to an abnormally high level of 82.3 per cent., as against the average of 71.65 per cent. for all Scheduled banks. The credit squeeze has also resulted in a reduction in the Bank's investments and cash balances, thereby bringing down the liquidity ratio, which is, however, well above the all-India average of about 32 per cent.

The Government of Brazil has created a fund to supply financial and technical assistance to cocoa planters in Brazil. The Bahia Cocoa Institute will be charged with the task of dispensing funds to farmers and supervising the improvement of cultivation processes. Finance will be provided by the Bank of Brazil by allotting to the fund 10 per cent. of the proceeds from premiums paid by importers for foreign exchange.

(Concluded from next column)

by part of the Bank's investments in Gilt-edged securities.

On the assets side, advances are higher by Rs. 2.11 crores, but this is not shared by all classes of advances. Thus, while loans, cash credits and advances have risen from Rs. 5.80 crores to Rs. 8.01 crores, bills purchased and discounted have declined from Rs. 1.21 crores to Rs. 1.11 crores. Unlike in the case of other banks, the Bank's investments have been further strengthened—albeit slightly—by Rs. 19 lakhs. The entire investments are in Central and State Government bonds and other trustee securities, the market value of the same being Rs.3.94 crores. The difference between the market value and the book value of the investments, that is Rs. 9 lakhs, is more than adequately covered by the provision for depreciation on investments amounting to Rs. 9.33 lakhs. Cash balances have, however, shrunk by no less than Rs. 52 lakhs, which has brought down the cash ratio from 13.5 per cent. to 7.6 per cent., a level which is very much below the all-India average of 10.7 per cent. The total liquidity ratio, however, is slightly above the general average of 32.2 per cent.

BANK OF MYSORE'S GOOD PERFORMANCE

PROFIT HIGHEST SINCE 1951

IN consonance with the general trend of bank results, the performance of the Bank of Mysore Ltd. (General Manager: Mr. B. V. Narayana Reddy, Bangalore) during the year ended 31st December 1956 is also encouraging. The profit, which had shown a slightly declining trend in the previous two years, has advanced by Rs. 3.39 lakhs to Rs. 20.60 lakhs in the year under review, thus bringing it to the highest level since 1951, when the Bank had earned a record profit of Rs. 21.85 lakhs. The higher profit has been due mainly to the expansion in business, as indicated by the sharp rise of Rs. 2.11 crores in advances over the year.

Despite the increase in profit, the provision for taxation has been reduced from Rs. 6 lakhs to Rs. 5.50 lakhs and no allocation has been made to the reserves which had received Rs. 1 lakh in the previous year. The provision for bonus to staff has, on the other hand, been slightly raised from Rs. 2.81 lakhs to Rs. 3 lakhs, but the distribution to shareholders has only been maintained at 16 per cent. per annum, a rate which the Bank has paid on the present capital consistently for the previous 9½ years. There is, however, a slight change in the method of distribution for the year under review. In the earlier years the Bank had been paying a dividend of 12 per cent. and a bonus of 4 per cent., but this year, the dividend part has been raised to 14 per cent. with a corresponding cut in the bonus. The distribution absorbs Rs. 8 lakhs, leaving a surplus of Rs. 5.92 lakhs to be carried forward, as against Rs. 1.82 lakhs brought in.

The following comparative table shows at a glance the Bank's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount earned ..	57.60	50.90	49.55	47.35
Commission and exchange ..	10.22	9.64	7.04	5.69
Gross income	68.74	60.78	56.80	53.24
Interest paid	22.06	19.18	17.91	15.47
Expenses	24.70	23.53	20.58	19.10
Depreciation	1.32	0.81	0.67	0.76
Profit	20.60	17.21	17.64	17.91
Provision for taxation ..	5.50	6.00	7.00	6.00
To reserves	..	1.00	..	..
" bonus to staff	3.00	2.81	2.60	2.50
Dividend	8.00 (D. 14% +B. 2%)	8.00 (D. 12% +B. 4%)	8.00 (D. 12% +B. 4%)	8.00 (D.12% +B. 4%)
Carry forward	5.92	1.82	2.42	2.38
	As on 31st December			
	1956	1955	1954	1953
Capital	50.00	50.00	50.00	50.00
Reserve fund	84.00	84.00	84.00	84.00
Deposits	11,10.17	10,55.86	9,08.86	8,88.90
Borrowings from banks	90.00	..	..	..
Advances and bills purchased and discounted	9,12.89	7,01.33	6,91.19	6,87.78
Investments	4,02.75	3,83.83	2,99.88	2,92.61
Cash (including money at call).	90.13	1,42.24	1,01.53	87.14
Acceptances, endorsements, etc.	55.80	14.08	25.57	5.70
Bills for collection	91.59	66.42	61.48	59.07
Balance-sheet total	16,03.17	13,45.75	13,05.03	11,58.25
Ratio to deposits of—	%	%	%	%
Advances	76.6	66.4	69.2	77.4
Investments	25.5*	36.7	30.0	32.9
Cash	7.6	13.5	19.2	9.8

* After taking into account the investments earmarked against borrowings from banks.

The upward trend in total income has been maintained, with an increase of Rs. 8.01 lakhs in the year under review, thus raising it to the highest level in the history of the Bank. To this rise, interest and discount earned have contributed Rs. 6.70 lakhs and commission and exchange Rs. 0.58 lakh. As against these, the rise in outgo by way of interest paid is Rs. 2.88 lakhs and that in administrative expenses Rs. 1.23 lakhs, the latter being accounted for by salaries and allowances and provident and gratuity fund contributions.

As in the case of other banks, the Mysore Bank's efforts to enlarge its deposit resources have not met with good success, as witness the increase of only Rs. 64 lakhs in total deposits as at the end of the year. Even this increase is accounted for only by thrift and savings bank deposits, as well as current and contingency accounts, which have gone up by Rs. 32 lakhs to Rs. 2.55 crores and by Rs. 36 lakhs to Rs. 4.68 crores, respectively. Fixed deposits, on the other hand, are a shade lower at Rs. 3.96 crores, as against Rs. 4.00 crores a year ago. The deposits are supplemented by borrowings from other banks, which stand as at the end of the year at Rs. 99 lakhs. The entire borrowings are secured

(Continued in previous column)

REMARKABLE EXPANSION IN WORLD COTTON SPINNING CAPACITY

RUSSIA ACCOUNTS FOR A BIG SLICE

THERE was a remarkable expansion in world cotton spinning capacity during the cotton year ended July 1956. The net addition to world cotton spindleage in that year consisted of as many as 1.50 million spindles, which compares very favourably with 317,000 in the preceding year (1954-55) and 199,000 in the year previous to it. The aggregate number of spindles as at 31st July 1956 was 131,340,000, as against 129,838,000 and 129,521,000 on the corresponding dates in 1955 and 1954, respectively, according to the latest issue of *International Cotton Statistics*, published by the International Federation of Cotton and Allied Textile Industries, Manchester. Besides the large number of spindles actually added during 1955-56, there were as many as 2,825,000 spindles in course of erection, the figure for 1954-55 being 1,400,000 and for 1953-54 1,574,000. Of this, 2,199,000 spindles represented an increase and the balance of 626,000 was replacement to existing machinery.

A striking feature of development in the cotton year under review was that, while the expansion of the spinning capacity of the Asian, Oceanic, South American and African Continents gathered further considerable momentum, the declining trend in Europe and North America continued unabated. The cotton mills in Asia (and Oceania) added more than 2.71 million spindles—all ring spindles—to their existing plant. In addition, a further 2,067,000 spindles were in course of erection. The South American Continent accounted for a rise of 225,000 spindles, the total at the end of July 1956 being 5,436,000. The number of spindles in Africa increased by 70,000 to 1,040,000. The continued expansion in the cotton spindleage in these regions indicates the renewed efforts on their part to develop the cotton textile industry with the twin objects of providing more employment opportunities to people and of reducing dependence on foreign textiles. In contrast, the spindleage of Europe suffered a fall of 1.5 million, from 70,044,000 to 68,895,000 spindles. The reduction was due, to a large extent, to the scrapping of mule spindles, although the increase in ring spindles (approximately 1.0 million) had not yet offset the loss in mule spindles. The number of spindles installed in North America also declined by 357,000 to 24,303,000.

Changes in Spindleage

An idea of the changes in spindleage occurring in the world's leading cotton textile producing countries during the last three years can be had from the statement given below:

(In millions)

	For the year ended		
	1956	1955	1954
U.K.	23.97	25.18	26.56
U.S.A.	21.90	22.25	22.71
India	12.07	11.89	11.72
U.S.S.R.	12.25	10.15	10.15
Japan	8.50	7.96	7.85
France	5.55	7.62	7.68
W. Germany	5.95	6.01	6.08
Italy	5.73	5.70	5.76
China	6.29	5.40	4.15
Brazil	3.39	3.36	3.38
Czechoslovakia	2.43	2.45	2.42
Spain	2.36	2.34	2.34
Belgium	1.66	1.75	1.82
Pakistan	1.68	1.36	0.71
Other countries	17.76	16.42	16.26
Total	131.34	129.84	129.52

The above statement shows a phenomenal expansion in spinning capacity in the U.S.S.R. during 1955-56, the number of spindles installed advancing by 2.10 million to 12.25 million. There was also a rise of 890,000 spindles in China and 540,000 spindles in Japan. The number of spindles in India, too, increased but by only 180,000. The negligible improvement thus must be attributed to the restrictive policy of the Government of India based on the consideration of giving encouragement to the less efficient decentralised sector. Be that as it may, France and the U.K. accounted for a marked shrinkage in spindleage, the actual decline in the number of spindles during 1955-56 being 2.07 million and 1.21 million, respectively. The setback indicates that the spindles which had been worn out were not replaced but scrapped, following slackness in the export demand for cloth and the scarcity of labour. Likewise and almost for the same reasons, the U.S., West Germany and Belgium suffered a recession in cotton spindleage.

The aggregate number of spindles installed in the world's textile producing countries during the year 1955-56 was, as already noted, higher by 1.5 million as compared with the previous year. The increase would have been more appreciable but for the scrapping of 2,227,000 mule spindles in several countries of Europe. The scrapping was more than counterbalanced by a substantial rise of 3,729,000 in ring spindles. Consequently, the percentage share of ring spindles in the world total improved markedly from 86.7 in 1954-55 to 88.6 in 1955-56, whereas that of mule spindles dropped from 13.3 to 11.4. The change in the character of spindles thus brings out the fact that, as the outmoded mule spindles are being scrapped, the world today has more modern spindles than before. The number of spindles spinning Egyptian type cottons was markedly lower at 12.78 million, as against 13.93 million a year before, but those spinning rayon staple fibre—100 per cent. and blended—were higher by 36,000 at 4,176,000.

Distribution

The following table gives the distribution of the different kinds of spindles in various countries as at 31st July 1956:

(In thousands)

	Ring spindles	Mule spindles	Spindles spinning Egyptian cotton	Spindles spinning rayon staple
India	11,884	184	1,515	25
U.K.	10,746	13,227	7,421	1,204
U.S.A.	21,397	..	..	241
U.S.S.R.	11,750	500	N.A.	N.A.
Japan	8,501	..	821	196
France	5,314	233	995	326
W. Germany	5,950	4	N.A.	N.A.
Italy	5,711	15	1,200	150
China	6,290	..	500	..
Brazil	3,391	..	..	..
Czechoslovakia	2,180	300	1,200	N.A.
Spain	2,259	105	450	N.A.
Belgium	1,656	5	N.A.	N.A.
Pakistan	1,679	..	36	..
Other countries	17,118	442	2,168	246
Total	116,325	15,015	16,306	2,388

N.A.—Not available.

It will be seen from the foregoing figures that ring spindles constitute the major portion of the spindleage of practically all countries, barring the U.K. Even in the latter country, the recent tendency has been to replace the mule spindles with ring spindles. Thus, the number of mule spindles in the U.K. has declined, the number installed as at the end of July 1956 being less than 13.23 million, as against 14.29 million a year before and 15.76 million two years before.

Following the expansion in world cotton spinning capacity during the cotton year 1955-56, the production of cotton goods recorded a handsome improvement. An indication of this is provided by the increase in the quantity of cotton consumed, from 35.71 million bales (of 478 lbs. each) in 1954-55 to 38.94 million bales, or a rise of 3.23 million bales. Expressed in percentage, the rise comes to over 9 per cent., as against the increase of 1.16 per cent. in the number of spindles installed. Cotton consumption per 1,000 spindles, therefore, improved to 296 bales, as against 275 bales. In other words, this means that there was a more intensive utilisation of spinning capacity in several countries through increased shift-working. The bulk of the rise in the use of cotton came from the continued transfer of allegiance among spinners to what were at one time called "outside growths." The total consumption of these growths in 1955-56 was higher by 2.19 million bales at 19.34 million bales. It will be interesting to note here that the consumption of "outside growths" was as low as 8-9 million bales just before the Second World War. Indian and Pakistan varieties accounted for an increase from 5.01 million bales to 6.79 million bales and Egyptian from 1.19 million bales to 1.25 million bales. The consumption of American styles, on the other hand, was less at 11.55 million bales, as against 12.36 million bales.

The statistics relating to the number of spindle-hours worked during the 12 months August 1955 to July 1956 show that the spindles in Hong Kong were working at an average of 8,523 hours. The average number of spindle hours worked was 5,602 in India, 6,047 in Pakistan, 5,793 in the U.S. and 4,026 in Japan.

COTTON MILLS IN U.P.

MR. POWELL ON THEIR PLIGHT

PARTICULAR reference to the plight of the cotton textile industry in the State of Uttar Pradesh was made by Mr. R. L. Powell, the retiring President of the Upper India Chamber of Commerce, Kanpur, in the course of his address at the recent annual meeting of the Chamber held at Kanpur on 22nd February 1957, to which a reference was made in our Market Gossip columns last week. In his inimitable style, Mr. Powell described its plight thus: "The cotton textile industry in this State (Uttar Pradesh) is the Cinderella of India, with a number of unattractive stepsisters and not a fairy godmother in sight. For the role of stepmother, there are too many candidates for a choice to be possible. There is no point in self-pity, and Cinderella will have to be her own fairy godmother—even if she has to leave home—but let us at least face facts." He dilated at some length on some of the handicaps facing the cotton mills in U.P. *vis-a-vis* their counterparts elsewhere. They include the following:

(1) The mills in U.P. manufacture mainly coarse and medium varieties of cloth which are, in relation to other varities, overtaxed. Thus, when the consumer buys a yard of cloth that costs about As. 8 to make, he pays over 35 per cent. in excise duty, handloom cess and sales tax, not to speak of his indirect contribution to electricity duty and other imposts. The consumer (of superfine cloth) in Bombay pays, perhaps, half that proportion of tax.

(2) The geographical position of the mills in U.P. handicaps them in competing for exports, which are free of excise duty, with mills in Bombay and Ahmedabad and, at the same time, ensures that, mainly because of higher transport charges, most of their raw materials cost more.

(3) Comparatively high stocks of raw cotton and mill stores have to be carried, because of distance from supplies, and those stocks absorb capital and storage accommodation, all of which mean higher manufacturing costs.

(4) The electricity that U.P. mills consume is among the most expensive of the major industrial centres by virtue of a 25 per cent. duty levied by the State Government.

In addition to the aforesaid handicaps, the cotton mills in U.P., it is said, have fallen behind in the race to modernise, thanks to labour's opposition. Alluding to this, Mr. Powell stated that a shortsighted agitation, which labelled all modern improvements in technique as "rationalisation," was worked up and was used to persuade labour that greater efficiency meant less employment. He observed: "The agitation has so far succeeded in prostrating for eight years or so much of the improvement in the industry's position that managements would otherwise have brought about—and brought about without transgressing the Indian Government's general ban on the installation of new looms. That agitation culminated in the disastrous Kanpur strike of 1955, which did untold harm to the industry here, including, of course, the interests of the workers. Any improvement that can be called "rationalisation" is still in cold storage for an indefinite period. Market demand began to seek satisfaction in other producing centres and outlets for the products of the U.P. mills diminished."

Strain on Finance

In view of all these factors, the financial position of mills in U.P. had, Mr. Powell pointed out, deteriorated; whereas some years ago, they had both the will and the money to modernise, much of the money they now had, or could borrow from the banks, was required for financing unsold stocks. The stocks at the end of 1956 were about 60 per cent. above the figure on 31st August 1956, although the main lines of production were being offered for sale at prices as low as or lower than those ruling in December 1956. The strain on finance, with the new season's cotton stocks to be bought, became intense and remained so. Indeed, the U.P. textile industry has turned out, according to Mr. Powell, to be a high-cost, overtaxed industry.

The picture of U.P. cotton mills as pointed above is certainly depressing. Here is an industry which can be made competitive, in order to serve a great and growing market for textiles—domestic and overseas. But this industry must have, as Mr. Powell emphasised, more capital to invest, greater freedom in the ordering of its affairs, a greater measure of equity in the taxation which it is called upon to bear, and a better understanding with the leaders of the labour it employs. It is to be hoped that the Governments—Central and State—will ponder this statement and revise their policies accordingly. Otherwise, the cotton mill industry is bound to "decline in productive-employment and revenue-earning capacity."

INTERNATIONAL TRADE IN RAW COTTON

EVENING HOUSEWIVES' SHIFTS REVIVED TO COUNTER LABOUR SHORTAGE

By Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 19*th February*

THE history of international trade in raw cotton so far this season has been almost entirely one of the vast gains made by the American staple at the expense of almost every other variety. By offering its surplus supplies at competitive prices, the United States Government has not only caused large quantities to be set aside for export but has secured a firmer grip of the complicated raw material situation than for several years past.

At the end of the first half of the season, exports of United States cotton had reached 3,608,137 bales, as against only 755,253 bales a year previously. Lancashire's share in these takings has been of moderate dimensions and there are signs that, if present trends continue, the United States will recover part at least of its traditional share of our local trade.

Arrivals

The following table shows a comparison of arrivals of the raw material from different sources in recent seasons:

(In bales)

	1st half 1956-57	1st half 1955-56	1st half 1954-55	Total 1955-56
American	487,763	99,409	417,573	195,300
Mexican	71,021	69,730	67,331	214,900
Nicaraguan	2,712	7,383	4,632	19,000
Brazilian	32,500	85,006	164,491	165,000
Argentine	..	1,313	59,379	2,000
Peruvian	37,256	30,606	27,054	66,600
Egyptian	976	11,308	23,322	29,600
Sudan	113,803	101,248	84,388	246,500
East African	13,094	13,726	34,079	42,600
Nigerian	23,556	67,279	40,955	182,200
Congo	7,494	18,481	12,079	55,900
Turkish	16,302	497	653	3,500
Syrian	5,178	21,015	22,215	32,500
Pakistan	2,578	21,671	22,923	66,100
Indian	4,536	42,286	10,548	76,000
Russian	18,534	41,690	34,445	76,500
Others	30,617	52,717	40,959	106,800
Total	872,917	679,943	1,059,126	1,581,700

The large slice taken by the American grower and shipper has not left room for much expansion by other suppliers. Lancashire spinners have grown accustomed to experimenting with a number of substitute cottons in the years when American supplies have been scarce for one reason or another. Now such raw material is available again, however, the tendency has been to return to former sources and keen interest has been taken in the cotton grown in the fresh and fertile Western States.

Although Mexican growers have maintained their important position in the Lancashire market, there are signs of a decline in takings from South America, while African sources have lately provided much smaller quantities of cotton for our local mills. Less material is now being taken from India, Syria and Russia, but there has been a sharp increase in supplies from Turkey. The Sudan continues to make good most of the losses in long-staple cotton, since purchases from their traditional country of origin are now banned.

Stocks

A good deal of irregularity has occurred in the weekly imports of raw material due to shipping difficulties not only in the Eastern hemisphere. Stocks of cotton in visible supply in this country, however, are now at a higher level than for the past 18 months. The quantity held in Liverpool and Manchester and still afloat represented 289,000 bales at the end of the first half of the season.

More than half the stocks were United States cotton at 155,000 bales, while a further 46,000 bales of Sudanese cotton were available, chiefly in Liverpool. Judging by the trend of raw cotton trade so far this season, the quantity of imports over the whole 12 months is likely to be higher than for several years past.

Pay Cut Claim

The application by Lancashire weaving employers for a substantial reduction in bonus paid to 20,000 rayon weavers on the Uniform List system will be considered by the Conciliation Committee for the industry in Manchester on 25th March. This is the first move to reduce wages in the Lancashire textile industry for almost a quarter of a century. It would cut the earnings of some rayon weavers by as much as 30*s.* a week.

Millowners want to cut the bonus from 40 per cent. to 12½ per cent. It was introduced when rayon was a novelty fibre difficult to process. Now, say the employers, it is as easy to weave as cotton. The weaving unions rejected the application at joint talks. They claim payment of the premium can be avoided, if more mills adopt modern methods of weaving.

Labour Shortages

Evening "housewives' shifts" are being revived on a wide scale in the Lancashire textile industry to counter the shortage of full-time workers and cope with the flow of fresh business to the mills. Mills are competing for the services of wives who are prepared to work a part-time evening shift—usually 5-30 to 9-30. Some mills are also recruiting workers for half-day shifts.

Mr. Henry Pemberton, President of the Bolton Master Cotton Spinners' Association, told the annual meeting of members that the number employed on housewives' evening shifts in the Bolton area during the past four months had increased substantially. The recent surge of buying and the lengthening of order books had brought an acute shortage of labour in the Bolton area.

The number of young people joining the industry's introduction to cotton courses was—like the housewives' evening shifts—a reliable barometer of the state of trade. During January, more than 100 young people joined the introduction courses at Bolton and Leigh. If more workers who passed through the mills could be retained, the industry's labour problems would be solved. "Never in the history of the trade has there been such an opportunity for qualified men to secure a foothold on the ladder of promotion," added Mr. Pemberton.

Trade With South Africa

The tendency for Lancashire textile exporters to regard South Africa as an outlet for traditional styles of cloth should be discarded, Mr. Charles F. Dymond, U.K. Trade Commissioner at Capetown, said during a visit to Manchester. The time had come, with intense competition in the market, he said, for Lancashire to concentrate more on the designs, novelty cloths and elaborate weaves and prints, which South African customers liked. "It is no good getting out a design in Lancashire which can be sold in a dozen countries and hoping that South Africa will take its share," he said at the Manchester Chamber of Commerce where he began a three-day visit to the North-West for talks with exporters.

Mr. Dymond said that there was intense competition in the market. South Africa's own textile industry which enjoyed protection, particularly in plain fabrics, had cornered a market which Lancashire had held for some time. There was also competition from Germany, which did particularly well with bright printed cottons often extremely good in colour definition, from Holland, the Iron Curtain countries and America. In the range of cheaper goods, there was rivalry from Hong Kong and Japan. In rayon and nylon, America held "complete ascendancy" with top class novelties and, in cheaper goods, we could not compete on price with Japan.

The story of textile exports to the Union over the past three years was a rather sombre one, said Mr. Dymond. The average monthly business in cotton yarns and woven fabrics had fallen from £980,000 in 1954 to £689,000 last year, and, in synthetic yarns and woven fabrics from £337,000 to £243,000. But what the United Kingdom has lost on textiles had to some extent been regained with exports of other goods, he said. Exports of machinery and electrical machinery were extremely good, chemicals were a growing line, and exports of paper and paperboard were also fairly buoyant.—*All Rights Reserved.*

IMPROVING COTTON FABRICS

Resin-treated cotton fabrics that wear better and have greater resistance to tearing will be sought in a special research project being set up by the U.S. Department of Agriculture. Although crease-resistance that permits cotton wearing apparel to be laundered and worn without ironing can be imparted by resin treatment, and large quantities of treated cotton fabrics are being used for this purpose, development of yarn and fabric structures that would significantly improve the tear strength of resin-treated cotton would be valuable in holding and expanding this market for cotton.

In the research, commercially available cotton apparel and heavier industrial-type fabrics will be studied before and after application of resin, vinyl, and other treatments to determine why these fabrics lose tear strength when treated.

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(INCORPORATED IN MYSORE STATE IN 1913. LIABILITY OF MEMBERS IS LIMITED)

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3. BAZAAR SUB-BRANCH, SHIMOGA
4. BELLARY
5. BHADRAVATI
6. BOMBAY
7. CHANNAPATNA
8. CHICKBALLAPUR
9. CHICKMAGALUR
10. CHICKPET BRANCH, BANGALORE CITY
11. CHINTAMANI
12. CHITALDROOG
13. CITY BRANCH, ARCOT SRINIVASA-CHAR STREET, BANGALORE CITY
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15. COIMBATORE
16. DAVANGERE
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33. TIPTUR
34. TUMKUR

BOARD OF DIRECTORS

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DHARMAPRAKASA SRI. L. S. VENKAJI RAO
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SRI. S. M. RAMAKRISHNA RAO
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SRI. A. R. BADRINARAYAN
SRI. V. H. CHANNABASAVAIAH
SRI. B. SUKLA, I.A.S., Central Government Nominee
SRI. G. MATHIAS, I.A.S., Secretary to Government of Mysore, Finance Department, Mysore Government Nominee
SRI. P. C. SOOD, Reserve Bank of India Nominee.

REPORT OF THE DIRECTORS TO BE PRESENTED TO SHAREHOLDERS AT THE FORTY-FOURTH ANNUAL GENERAL MEETING TO BE HELD AT THE REGISTERED OFFICE OF THE BANK IN BANGALORE CITY

The Directors have pleasure in submitting to the Shareholders the Balance Sheet and Profit and Loss Statement as at 31st December, 1956.

The result of the Bank's working for the year ended 31st December, 1956, is a surplus of Rs. 20,59,973-6-1, which sum, together with Rs. 1,81,937-2-1 brought forward from 31st December, 1955, aggregates Rs. 22,41,910-8-2.

The following appropriations have been made :—

	Rs.	a.	p.
An Interim Dividend at the rate of 12 per cent. per annum and a Bonus at the rate of 4 per cent. per annum, free of Income-tax, was paid for the half-year ended 30th June, 1956, which absorbed	4,00,000	0	0
Transferred to Reserve for Income-tax and Super-tax	2,50,000	0	0

The Directors now propose :

To pay a final Dividend at the rate of 16 per cent. per annum for the year ended 31st December, 1956, free of Income-tax, which will absorb	4,00,000	0	0
To provide for Income-tax and Super-tax	3,00,000	0	0
To pay a Bonus to Staff of three months' salary about	3,00,000	0	0
To carry forward to next account	5,91,910	8	2
Total .. Rs.	22,41,910	8	2

The Central and Head Office accounts, as at 30th June and 31st December, 1956, have been audited by Messrs. Fraser and Ross, Chartered Accountants, while the accounts of the Branches have been audited by Messrs. B. K. Ramadhyani & Co., Chartered Accountants, K. E. Kotre & Co., Chartered Accountants and Sri. S. R. Mandre, Chartered Accountant. Sri. R. V. Subramanyam, Deputy Controller, has examined the accounts for the year on behalf of the Government of Mysore.

Dharmaprakasha Lokasevasiratha Sri. V. R. Chikkachannanjappa Setty resigned from the Directorate on 18th September, 1956, and Sri. V. H. Channabasaviah was co-opted in his place, subject to confirmation at the General Meeting.

Under Section 256 of the Companies Act, Rajasevasaktha Sri. P. Subbarama Chetty, Sri. V. H. Channabasaviah and Sri. S. Ramanathan are the Directors due to retire on this occasion. Messrs. V. H. Channabasaviah and S. Ramanathan offer themselves for re-election. Rajasevasaktha Sri. P. Subbarama Chetty is not seeking re-election.

The Auditors, Messrs. Fraser and Ross, B. K. Ramadhyani & Co., R. E. Kotre & Co., and Sri. S. R. Mandre, also retire and offer themselves for re-appointment.

The Dividend, when sanctioned, will be payable on and after 16th March, 1957.

THE BANK OF MYSORE, LIMITED,
AVENUE ROAD, BANGALORE CITY,
2nd February, 1957.

By Order of the Board,
B. V. NARAYANA REDDY,
General Manager.

BALANCE SHEET AS AT 31st DECEMBER, 1956.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—						
1,00,000 shares of Rs. 100 each	1,00,00,000	0	0			
ISSUED, SUBSCRIBED AND PAID-UP IN CASH—						
50,000 shares of Rs. 100 each				50,00,000	0	0
2. Reserve Fund and Other Reserves—						
Reserve Fund	37,29,387	0	0			
Share Premium	46,70,613	0	0			
				84,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	3,96,06,368	2	7			
Thrift and Savings Bank Deposits	2,55,26,355	11	3			
Current Accounts, Contingency Accounts, etc. (including provision for Depreciation on Investments Rs. 9,33,255-0-8)	4,67,84,536	2	7			
				11,19,17,260	0	5
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	99,00,000	0	0			
(ii) Outside India	174	0	7			
				99,00,174	0	7
PARTICULARS—	Rs.	a.	p.			
(i) Secured (Secured by part of investments in Central and State Government Securities per contra)	99,00,000	0	0			
(ii) Unsecured	174	0	7			
5. Bills Payable				17,05,389	11	2
6. Bills for Collection be ng Bills Receivable as per contra—						
(i) Payable in India	90,01,423	13	11			
(ii) Payable outside India	1,57,966	0	9			
				91,59,389	14	8
7. Other Liabilities—						
Provision for Income-tax and Super-tax	22,68,571	15	6			
Staff Gratuity Fund	7,99,335	1	6			
Unclaimed Dividends	1,35,234	13	8			
Sundries Payable	4,62,813	4	8			
Rebate on Bills Discounted	37,320	5	0			
Branch Adjustments	33,99,563	14	3			
				70,62,837	6	7
8. Acceptances, Endersements and Other Obligations per contra				55,80,105	5	4
9. Profit and Loss—						
Balance as per Balance Sheet as at 31st December, 1955				11,13,254	4	1
LESS—Appropriated to—	Rs.	a.	p.			
Dividend Account	4,00,000	0	0			
Provision for Income-tax and Super-tax	2,50,000	0	0			
Bonus to Staff	2,81,317	2	0			
				9,31,317	2	0
ADD—Profit for the year brought from the Profit and Loss Account				1,81,937	2	1
				20,59,973	6	1
				22,41,910	8	2
LESS—Appropriated during the year as follows—	Rs.	a.	p.			
Interim Dividend and Bonus	4,00,000	0	0			
Reserve for Income-tax and Super-tax	2,50,000	0	0			
				6,50,000	0	0
				15,91,910	8	2
10. Contingent Liabilities—	Rs.	a.	p.			
(i) Claims against the Banking Company not acknowledged as debts	11,437	2	3			
(ii) Money for which the Banking Company is contingently liable showing separately the amount of any guarantee given by the Banking Company, on behalf of directors or officers—						
(a) Guarantee given on behalf of directors or officers	Nil					
(b) Guarantee given on behalf of others	1,37,809	0	0			
(iii) Arrears of cumulative preference dividends	Nil					
(iv) Liability on Bills of Exchange re-discounted	Nil					
(v) Liability on account of outstanding Forward Exchange Contracts	Nil					
Total .. Rs.				16,03,17,066	14	11

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with the Reserve Bank and State Bank (including Foreign Currency Notes)				78,21,825	10	10
2. Balances in Current Accounts with Other Banks—						
(i) In India	6,46,088	4	10			
(ii) Outside India	5,45,519	5	9			
				11,91,607	10	7
3. Money at Call and Short Notice				Nil		
4. Investments (at or below cost)—						
Rs. 4,00,20,700 of the Central and State Government Bonds and other Trustee Securities						
(Market Value Rs. 3,93,66,419-14-0)						
Full provision for the difference between the market value and the cost of the Investments has been made as per contra.						
(The above Investments include securities to the value of Rs. 7,70,000-0-0 held on behalf of the Staff Gratuity Fund)				4,02,75,530	6	8
5. Advances (other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—						
I. Loans, Cash Credits, Overdrafts, etc.	Rs.	a.	p.			
(i) In India	8,01,34,008	12	6			
(ii) Outside India	Nil					
				8,01,34,008	12	6
II. Bills Discounted and Purchased—						
(i) Payable in India	1,05,61,671	6	10			
(ii) Payable outside India	5,43,161	5	2			
				1,11,04,832	12	0
				9,12,38,841	8	6
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured				7,29,95,232	8	11
(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal security (including Rs. 1,21,88,311-6-5 on joint and several signatures)				1,81,69,927	6	11
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors				73,681	8	8
(iv) Debts considered doubtful or bad, not provided for				Nil		
Total .. Rs.				9,12,38,841	8	6
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons (Fully Secured Rs. 12,09,562-2-7 Unsecured due by Officers Rs. 21,883-11-9)				12,31,745	14	4
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members				51,92,728	11	8
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons				19,97,583	9	8
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members				63,01,144	15	9
(ix) Due from Banking Companies				6,96,196	12	8
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	90,01,423	13	11			
(ii) Payable outside India	1,57,966	0	9			
				91,59,389	14	8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				55,80,105	5	4
8. Premises Less Depreciation—						
At cost as at 31st December, 1955	27,11,571	11	0			
Additions during the year	6,00,518	0	0			
	33,12,090	1	0			
LESS—Transferred to Furniture and Fixtures	15,935	0	0			
	32,96,155	1	0			
LESS—Depreciation to date	8,05,155	1	0			
				24,90,000	0	0
9. Furniture and Fixtures—						
At cost as at 31st December, 1955	6,54,318	2	9			
Additions during the year	1,64,801	6	0			
Transferred from Premises	15,935	0	0			
	8,35,054	8	9			
LESS—Deductions during the year	376	8	4			
	8,37,678	0	5			
LESS—Depreciation to date	3,92,678	0	5			
				4,45,000	0	0
10. Other Assets—						
Other Properties—	Rs.	a.	p.			
At cost as at 31st December, 1955	58,519	6	1			
Additions during the year	4,341	0	0			
	62,860	6	1			
LESS—Deductions during the year	816	0	0			
	62,044	6	1			
Balances with Mysore Government Treasuries	49,625	11	4			
Advance Payment of Income-tax and Super-tax	15,35,806	8	0			
Interest accrued on Investments and Commission	4,55,918	3	11			
Deposit with Government Departments	7,871	9	0			
				21,15,266	6	4
11. Non-Banking Assets—						
Acquired in Satisfaction of Claims—						
Lands and Buildings at cost as on 31st December, 1955	12,360	0	0			
LESS—Ded ctions during the year	12,360	0	0			
				Nil		
Total .. Rs.				16,03,17,066	14	11

(*Continued on next page*)

SUPPLY POSITION OF INDIAN COTTON

CROP ESTIMATE LOWER—CONSUMPTION HIGHER

THE earlier estimate of a bumper crop of about 5.4 million bales (commercial) in the current season has been found to need revision, in view of untimely rains in November and December and the recent cold wave. The more recent estimates, therefore, point to a smaller crop, varying from 5 million to 5.2 million bales. This scaling down has been necessitated by reduced estimates of the Broach and Western styles. In the case of Westerns, the heavy rain in October and November seems to have done more harm than had been originally anticipated. Lower yields are expected in Broach district while, in Saurashtra, the crop condition is satisfactory, though the bumper crop expected earlier may not materialise. The Laxmi crop has suffered considerable damage due to boll-worm attacks. Yield of Jayadhar is expected to be below normal, while Karunganni crop is reported to be in fairly good shape.

Assuming that the total crop for the season will approximate about 5.1 million bales, it is still higher than the 1955-56 crop, estimated at 4.7 to 4.9 million bales; some have placed it at no more than 4.5 million bales. Carryover stocks, with trade and mills, at the beginning of the current season, were 1,913,000 bales. Adding those to the estimated crop one gets a visible supply for the season of about 7 million bales. This compares with the last season's supply of 6.9 million bales. It will thus be seen that the supply this season would have been substantially more but for the smaller quantity of stocks brought in.

Mill Consumption

As regards mill consumption of Indian cotton, the consensus of opinion is that it would reach a new peak of about 4.5 million bales, as compared with the previous season's 4.3 million bales. Figures compiled by the office of the Textile Commissioner show that during the first four months of the current season, that is, September to December 1956, mill consumption aggregated 1,525,011 bales, as against 1,518,805 bales in the comparable period of the previous season. The table in the next column gives the monthly consumption figures for the period September to December 1956, along with that of the corresponding months of the 1955-56 season.

As will be seen from the table, consumption during September and October 1956 was lower, but it began to improve thereafter and reached the high of 407,605 bales in December, as compared with 397,245 bales in December 1955. If the present trend is maintained, total consumption for the season may aggregate 4.5 million bales. An additional 100,000 bales are expected to be consumed by the recently perfected hand-spinning wheel, the Ambar Charkha. Assuming that the stock position would remain more or less unchanged, a surplus of about 500,000 bales would be left for export, of which quotas for 400,000 bales have already been announced.

The performance of Indian cotton on the export front has not been satisfactory. Exports from the beginning of the current season till 2nd February was only 107,922 bales (including Zoda and yellow pickings) as compared with 301,640 bales during the same period of the previous season. The delay in the announcement of the first quota, which came as late as 1st December, and shipping difficulties, due to the blocking of traffic through the Suez Canal, were mainly responsible for the drop in exports. The enhancement of the export duty on Bengal *Deshi* from Rs. 50 to Rs. 100 per bale was another discouraging factor. Nevertheless, export prospects appear to have brightened recently. It is reported that the Government of Japan has decided to increase its quarterly allotment of sterling for cotton purchases, which would enable that country to buy 350,000 bales, instead of the existing allotment which is sufficient to cover only 150,000 bales. It is quite likely that this will lead to better demand for Indian cotton and there are already signs of renewed Japanese interest in Indian cotton. It may be observed, in this connection, that of the 107,922 bales exported during the period 1st September 1956 to 2nd February 1957, Japan accounted for 66,259 bales. Although this is the largest quantity taken by any single country, it is not even 50 per cent. of that country's offtake during the same period of the previous season.

Trend of Cotton Consumption

Month	Season 1956-57	Season 1955-56
September ..	377,078	382,979
October ..	369,923	385,909
November ..	369,505	352,872
December ..	407,605	397,245
Total ..	1,525,011	1,518,805

Reduced crop estimate, fairly favourable export prospects and encouraging trend in domestic consumption appear to be the main factors responsible for the firm trend recently evident in the forward and the ready sections of the cotton market. Despite the introduction of a rigorous margin system, Jarilla contract crossed the sub-ceiling of Rs. 700 and touched Rs. 725 on 23rd February. Although this necessitated the payment of a margin of Rs. 25 per bale, the leading bulls were prepared to meet it, rather than retreat from the market, because, in their view, such a course was merited by the statistical position of cotton.

EAST AFRICAN COTTON

The Lint Marketing Board is expected to resume auction sales of East African cotton at Kampala shortly. More than 55 per cent. of the crop is estimated to have been sold at the auctions held in November and December last. Since, under the current import policy for sterling area cotton, only cotton of stapling 1.3/16" and higher could be imported, Indian importers are not in a position to participate in the auctions in any significant degree. In respect of East African cotton, only B.P. 52 of 1.3/16" staple and Grade UNUG and higher will be permitted to be imported. But the proportion of B.P.52 qualifying for this range is expected to be extremely small.

At the last auctions, the prices fetched were reported to have been fairly high. Overseas demand, especially from Western Europe, was readily forthcoming, in view of the world scarcity of cotton stapling 1.3/32" and above and also because of the preference for sterling cotton, as against dollar cottons, on account of shortage of dollars. Indian mills are said to have a preference for East African styles, because of its low blow-room loss percentage. It is also easy to handle in dry atmosphere. But price-wise, it stands at a definite disadvantage *vis-a-vis* comparable U.S. cotton. Whether the Government will make any modifications in its import policy so as to enable India to participate in the forthcoming auctions is anybody's guess. But the chances of any change in policy appear to be extremely remote at present, in view of the fact that the Government is determined to see that the aid cotton received from the U.S., as per the Indo-U.S. agreement, is utilised to the full. The difficult foreign exchange position only strengthens this belief.

As regards the supply position of East African cotton, out of an estimated crop of 380,000 bales (of 400 lbs.) the Lint Marketing Board has sold about 210,000 bales during the previous auctions. The following table gives the quality-wise break-up of the estimated crop, sales made up to the end of December and the balance to be sold :

Variety	Estimated production	Sales already made	Balance to be sold
A.B. B.P. 52	100,000	75,000	25,000
,, Masaka	6,000	4,000	2,000
,, Busoga	107,800	47,800	60,000
,, Budama	21,500	14,000	7,500
,, Bukhedi	28,000	18,000	10,000
,, Jinja	90,000	40,000	50,000
,, Bunyaro	8,900	3,400	5,500
,, West Nile	10,000	3,000	7,000
,, Kenya	9,800	4,800	5,000
Total ..	380,000	210,000	170,000

SUDAN COTTON

Sudan is expected to harvest a fine cotton crop in the current season. According to the latest estimates, production this season is expected to aggregate 653,497 bales, as against last season's 509,380 bales. The crop is reported to be progressing very satisfactorily and quality is promising, but Lambert crop is somewhat late. The following table gives the variety-wise break-down of the crop :

(In bales of 420 lbs. each)

	1956-57	1955-56
Long-staple	594,653	443,695
Of which :		
Gezira Board—		
GL (X.1730)	168,516	178,157
GS (Sakel)	137,110	121,744
Government Pump Schemes—		
AL/WL (X.1730) ..	23,703	14,511
Government Gash Crop—		
KL (X.1730)	20,185	13,274
KS (Sakel)	11,719	6,656
Tokar ..	36,305	..
Private Domains (X.1730)—		
White and Blue Nile ..	197,115	109,444
American Seed—	58,844	65,685
Of which :		
Zeidab (irrigated)	4,587	2,540
Others (irrigated)	627	507
Raingrown (Nubas) ..	53,630	62,638
Grand Total ..	653,497	509,380

THE BANK OF MYSORE, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

EXPENDITURE	Rs.	a.	p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	22,05,656	1	7	1. Interest and Discount	57,60,278	12	2
2. Salaries and Allowances, Provident and Gratuity Fund Contributions (including General Manager's Salary and Allowances Rs. 29,250)	20,47,422	9	3	2. Commission, Exchange and Brokerage	10,21,775	14	9
3. Directors' Fees and Allowances	45,868	0	0	3. Rents	70,908	11	4
4. Rent, Taxes, Insurance, Lighting, etc.	1,76,672	13	11	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	20,766	14	2
5. Law Charges	8,618	8	8	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Postages, Telegrams and Stamps	43,990	12	11	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
7. Auditors' Fees	12,000	0	0	7. Other Receipts	Nil		
8. Depreciation on and Repairs to the Banking Company's Property	1,32,180	6	9				
9. Stationery, Printing, Advertisement, etc.	1,01,923	6	7				
10. Loss from Sale of or Dealing with Non-Banking Assets	2,242	0	0				
11. Other Expenditure	39,252	2	8				
12. Balance of Profit before providing for Taxation carried to Balance Sheet	20,59,973	6	1				
Total .. Rs.	68,73,780	4	5	Total .. Rs.	68,73,780	4	5

P. N. SUBRAMANIA IYER, *Chief Accountant.*
B. V. NARAYANA REDDY, *General Manager.*

L. S. VENKAJI RAO,
K. SUBBA RAO RAMASWAMY,
F. C. SOOD,
V. H. CHANNABASAVIAH,
D. M. SHANKARAPPA,
} *Directors.*
G. V. RUDRAPPA,
S. RAMANATHAN,
M. V. VEERAPPA,
S. M. RAMAKRISHNA RAO,
P. SUBBARAMA CHETTY.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE BANK OF MYSORE, LIMITED.

We have audited the Balance Sheet of The Bank of Mysore, Limited, as at 31st December, 1956, and also the Profit and Loss Account of the Bank for the year ended on that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to Sub-sections (1) and (2) of Section 211 and Sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory

(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank ;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank ;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account and the returns ;

(e) In our opinion, and to the best of our information and, according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

S. R. MANDRE,
R. E. KOTRE,
K. E. KOTRE & CO.,
} *Chartered Accountants.*
B. K. RAMADHYANI,
B. K. RAMADHYANI & CO.,
FRASER & ROSS

BANGALORE, 5th *February*, 1957.

PLACE OF PALM "GUR" IN SUGAR ECONOMY

RS. 5 CRORES TO BE SPENT ON DEVELOPMENT

THE vital role played by palm *gur* manufacture in the sugar economy of India was stressed by several delegates to the All-India Palm *Gur* Workers' Conference in the course of their speeches at the eighth session of the Conference held at Nidadavole (Andhra) last week. Inaugurating the session, Mr. Chundi Jagannathan, for instance, observed that the development of palm *gur* industry would release fertile land under sugarcane for growing food crops. Further, the industry would, he pointed out, help to solve the problem of unemployment among tappers consequent on the introduction of prohibition. Expressing opinions more or less similar, Dr. R. V. Rao, Joint Director of Industries, Government of Andhra, declared: "At a time when we are anxious to give increased employment to the people and step up production of consumer goods, industries like palm *gur* industry would go a long way."

The magnitude of the palm *gur* industry can be judged from the fact that, in India, over 10 million palm trees are tapped annually for sweet juices producing more than 170,000 tons of sugar and sugar products expressed in terms of *gur*. The total number of palm trees in India is many times the above figure, as the number of trees tapped for sweet juice is a small fraction of the total number of trees. A large majority of the trees is tapped for toddy and a still larger percentage is not tapped at all. The industry has, therefore, large scope for expansion. Recognising this aspect, the Planning Commission has attached great importance to the palm *gur* industry. The development programme drawn up for the industry under the first Five-year Plan, it will be recalled, envisaged an increase of 81,852 tons in the production of palm *gur*, that is, from 171,500 tons in 1950-51 to 253,252 tons in 1955-56. The programme, the estimated outlay on which was put at Rs. 1.0 crore, was expected to afford employment to about 60,000 agriculturists, tappers, etc.

Development Scheme

It is not known how far and to what extent the above programme was implemented. According to the Union Production Ministry's Report on Cottage Industries (1955-56), however, the output of palm *gur* in production centres during 1954-55 amounted to just 80,000 tons (2.14 million maunds) valued at Rs. 4.28 crores. The number of persons employed was 240,000. The second Five-year Plan does not give any indication of the production target set for the palm *gur* industry to be reached in 1960-61. All that the Plan says is that the revised programme of the All-India *Khadi* and Village Industries Board envisages an increase in the total development expenditure from Rs. 59 lakhs in 1956-57 to Rs. 86 lakhs in 1960-61, the aggregate expenditure over the second Plan period being Rs. 5 crores. This represents a rise of Rs. 4 crores as compared with the provision made in the first Plan. The scheme provides for the establishment of different types of production units to suit the varying skills of the tappers. It also provides for grant of assistance to tappers in different areas. An important item of the scheme relates to assistance to co-operative societies and federations of co-operatives in undertaking and encouraging additional lines of production such as manufacture of palm *gur*, palm leaf and other subsidiary products.

More Nutritious

The need for developing the palm *gur* industry will be evident from the food value of its product. The results of chemical analysis conducted by nutritional experts have shown that palm *gur* contains 79.92 per cent. of sucrose, as against 59.71 per cent. in cane *gur*. The protein-content and calorific value are also claimed to be comparatively high in date palm *gur* which is, therefore, more nutritious. By augmenting the production of palm gur, the pressure of consumer demand on cane *gur* can be reduced greatly. By doing so, it is argued, a larger part of the sugarcane supplies can be diverted to the sugar mills for the crushing of white sugar.

It will be interesting to note, in this connection, that palm trees can be grown on non-cultivable waste lands and do not need either manuring or irrigation or protection from wild animals as are required in the case of sugarcane. Palm trees can be easily grown on bunds of fields, banks of streams, rivers and canals and roadsides. Simple tools prepared by village smiths are adequate for tapping the palms and the manufacturer can adjust his programme to suit his other agricultural activities by tapping a convenient number of trees at a time. The palmyra palm trees are particularly useful in several other ways. The leaf, stalk, trunk, fibre, etc., can be conveniently employed for making accessories needed for agricultural operations such as matting, rope, basket, water drain, fencing, shed, etc. Tender leaves are used as fodder for milch cattle. Indeed, palm trees are described as "an asset to agriculture."

Improving Production Technique

Despite the importance of palm *gur* industry thus, not much progress seems to have so far been achieved in solving the various problems confronting the industry. The methods of tapping and boiling of palm juice are generally crude. It is this factor which is largely responsible for the high cost of manufacture. If palm *gur* production is to be made economic, it is of the utmost importance that tapping tools are standardised, methods of tapping modernised and boiling processes improved. Applied research for the improvements in manufacturing technique, furnaces and *bels*, tools and implements should be undertaken.

Since those engaged in the palm *gur* industry are in illiterate and ignorant lot, technical advice and guidance should be freely made available in an easily understandable manner through demonstration, publicity and training. Special agencies may be set up to apply the results of research to palm *gur* manufacture and to make the cultivator "actively conscious of the need of technical improvement." Special stress must be laid on intensive scientific research on aspects relating to composition of *neera*, its yield and variation in composition in different seasons and prevention of fermentation with a view to the keeping quality of *neera*. Prevention of charring during boiling in the preparation of *gur*, as it chars at a lower temperature than cane *gur*, is an important reform that requires to be carried out. The factors affecting the keeping quality of palm *gur* and the causes for the lack of setting quality of *gur* in making sweets from it must also be thoroughly investigated.

SUGARCANE PRICES

It is understood that the Government of India has decided to maintain the minimum prices of cane for the 1957-58 season at the existing levels, that is, Re. 1-7 per maund for deliveries at factory gates and Re. 1-5 for delivery at outstation rail centres. The decision is based on the ground that any reduction in the price of cane is not feasible on account of comparatively high prices of other agricultural produce, while any further increase is likely to have the effect of diverting more land from food crops to cane crop. It is pointed out that even the existing prices have resulted in a substantial rise in the production of cane, particularly in areas supplying cane to the sugar mills. The all-India second estimate of cane (1956-57) puts the aggregate yield at 58.91 million tons, as against the adjusted second estimate of 50.46 million tons for 1955-56, a rise of 16.8 per cent. Maintenance of the old prices for cane is thus considered equitable *inter se* between growers of cane and other farmers, as also in the general interests of the country's economy, in order to avoid any imbalance between the production of food and other crops.

SUGAR PRODUCTION AND RELEASE

About 364,216 tons of white sugar came off the crushing plants of mills during January 1957, as against 355,000 tons in the corresponding month of 1956. This output brings the aggregate quantity of sugar produced in the first three months of the 1956-57 season to 816,399 tons, a rise of 104,399 tons as compared with the output a year before. Out of this quantity, about 396,000 tons have already been released for sale in the free market, which include 35,000 tons released for export. The figure of 396,000 tons includes the quantity of 165,000 tons released by the Government of India on 21st February 1957.

The current season's sugar beet harvest in Britain exceeds 5.0 million tons, as against 4.4 million tons in the previous season, according to the British Sugar Corporation. The average yield per acre is put at 12.65 tons. The total production of beet white sugar amounts to 692,000 tons.

APPELLATE TRIBUNAL'S AWARD ON COAL INDUSTRY

CASE FOR REVISION OF PRICES

THE representatives of the coal industry submitted last week a memorandum to the Union Ministry of Production explaining the difficulties facing the industry as a result of the Labour Appellate Tribunal's award, revising upwards, to a substantial extent, the emoluments to labour granted earlier by the All-India Industrial Tribunal (Colliery Disputes). As a result of this revision, the industry has to bear a "crushing financial burden." The collieries have, therefore, prepared and submitted to the Central Government a case for a suitable increase in prices of coal, that is, to an extent which will enable them to carry on their task of implementing the production target fixed under the second Five-year Plan.

Explaining the main features of the industry's case at a Press Conference in Calcutta prior to the departure of the representatives for New Delhi, Mr. R. Moulik, Chairman of the Indian Mining Association, said that the All-India Industrial Tribunal's award, covering 960 collieries, became effective on 26th May 1956. Although there were certain anomalies in the award, they were, in the main, resolved, as a result of discussions between the representatives of employers, workers and the Government. Nevertheless, a few appeals were preferred, as a result of which the Appellate Tribunal gave its award granting substantial additional benefits to all colliery labour and staff. The minimum emolument for the lowest category of unskilled worker, for instance, was fixed by the lower Tribunal at Rs. 69-1 (inclusive of bonus) which itself represented a substantial increase over the rates which had prevailed prior to the award. This minimum emolument was further raised by the Appellate Tribunal to Rs. 78-4-4 (inclusive of bonus). While fixing the minimum emolument, the lower Tribunal had taken into account all privileges and amenities, such as free housing, free supply of coal, medical and educational facilities, but, under the Appellate Tribunal's award, these privileges and amenities were to be given in addition to the enhanced minimum emolument.

Additional Concessions

The Appellate Tribunal also reduced the units of work-loads for certain categories of workers and, in addition, raised further the rates for payment of wagon loaders. Besides, certain workers were placed in higher categories resulting in increased wages. Salaries and grades of clerical and mining staff were further increased. Equal pay was granted for men and women workers irrespective of the quantum of production. A variable dearness allowance had been related to the cost of living index; this was over and above the fixed dearness allowance attached to the basic wage. The dearness allowance, Mr. Moulik pointed out, had been made variable, although the selling price of coal was statutorily fixed. Not only were these additional concessions given but they were awarded with retrospective effect from 26th May 1956, the date on which the lower Tribunal's award was to have been given effect.

Even to comply with the retrospective aspect of the Appellate Tribunal's award, the industry would have to incur an additional cost of Rs. 4.25 crores. Other concessions would increase production costs by about Re. 1-12 per ton. Besides the difficulty of finding large sums to give retrospective effect, another retrograde effect of such a step might, according to Mr. Moulik, be a fall in attendance and consequent decline in production. In other words, Mr. Moulik feared that the Appellate Tribunal's expectation that, with a sound and attractive wage structure, the avoidable absenteeism would decline was not likely to be realised. The industry, therefore, desired that the retrospective aspect of the decision should be given up, because coal prices could not be recovered retrospectively. The award, on the whole, would, according to Mr. Moulik, raise the wage bill of the industry by 60 per cent.

Referring to the statutory prices for coal, Mr. Moulik said that there was an incease of Rs. 3 per ton for Bengal and Bihar coal in July last to meet the enhanced cost of production at that time. This was, however, considered inadequate by the industry. In this connection, he sought to clear a misunderstanding which had arisen as a result of the Appellate Tribunal's reference to the assessment made by the lower Tribunal that a 40 per cent. increase in wages was commensurate with an increase of Rs. 3 per ton in the price of Bengal and Bihar coal.

The Appellate Tribunal, he said, seemed to have worked on the assumption that this price increase was based on the recommendations of the lower Tribunal. The increase was, on the other hand, given as a result of the examination of working costs of several representative collieries by the Coal Price Revision Committee and was not based on the Tribunal's observation.

Long before the award of the lower Tribunal, the industry had been pressing for an increase in price to cover rising costs of production owing to factors, such as increased costs of plant, machinery and essential stores. The position, Mr. Moulik added, was aggravated by the fact that the industry could not, of its own, increase the selling prices of coal, as these were fixed by the Government. Any disintegration of the industry at this stage of the country's industrial development would naturally have widespread repercussions on national economy. He also regretted that the industry should be placed in this predicament at a time when every effort should be made to increase coal production under the second Plan.

Upward Revision Justified

It is clear from Mr. Moulik's observations that the industry is not grudging to pay reasonable wages and provide all amenities to labour consistent with the hazardous nature of the work. It is only asking for a corresponding rise in the selling price of coal. Apart from the effect of the Appellate Tribunal's award, there are reasons which justify an upward revision of coal prices. First, even before the lower Tribunal's award, the industry had been pressing for an increase in coal prices, as production costs had gone up since the previous revision of prices. The lower Tribunal's award itself would, if implemented, cost the industry not less than Rs. 4 per ton, as against which the Bengal and Bihar coalfields were given an increase of only Rs. 3 per ton and other collieries Rs. 2 to Rs. 5 per ton in July last. In the meantime, in the interests of the nation and to maintain good relations with labour, the colliery owners decided to implement the lower Tribunal's award. Secondly, the delay in the announcement of the last increase in coal prices had cost the industry Rs. 1.5 crores. Thirdly, coal prices should include an element for covering at least in part the cost of expansion in production.

It may be argued, on behalf of consumers of coal, that any further increase in the price of coal would enhance their production costs. It is stated that the last revision of coal prices had put up the coal bill of consuming industries by Rs. 10 crores and further increase would cost at least Rs. 5 crores more. On the other hand, it may be noted that the coal consuming industries had not protested against the last revision of coal prices. Besides, if the coal prices are not revised, the effect on the coal industry would be far more serious than that on other industries if they are raised and any decline in coal production would have its own repercussions on other industries which depend to a large extent on coal for their power needs. In deciding the revision of coal prices, the Government should, therefore, take into account the overall position, namely, the need for increased coal production, particularly in the context of the industry's financial ability to fulfil the role allocated to it.

COAL STATISTICS

Production of coal in India during December 1956 amounted to 3.68 million tons, as compared with 3.32 million tons in the previous month and 3.39 million tons in the correspondng month of 1955. This is the highest monthly output for the year and brings the total production for the year to 39.43 million tons, which represents an increase of 1.20 million tons over that in 1955. With this expansion not only the upward trend in production has been maintained for the third year in succession but a fresh record in the history of the Indian coal industry established.

Despatches during the month under review aggregated 3.04 million tons, as against 3.03 million tons in November and 2.78 million tons in December 1955. The total despatches for the year come to 34.96 million tons and compare favourably with 32.94 million tons in 1955.

Stocks at pitheads amounted to 2.77 million tons at the close of the year, having gone up from 2.56 million tons at the end of November; they were, however, lower than those a year before when they stood at 3.60 million tons.

During the month under review, 838 collieries were reported to be working, with an average daily employment of 342,759 workers. Output per manshift was estimated at 1.18 tons for miners and loaders, 0.62 ton for all workers underground and in open-workings and 0.41 ton for all persons employed, including surface workers. The percentage of absenteeism was of the order of 12.72.

Nine coke plants at collieries and elsewhere produced 359,360 tons of hard, soft and other kinds of coke during the month and despatched 173,943 tons.

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RESOURCES

Cash and Due from Banks	$1,718,256,449.87
United States Government Securities and Securities Guaranteed by the Government	1,770,054,622.81
Federal Agency Securities	36,514,528.04
State, County, and Municipal Securities	602,128,591.20
Other Securities	109,603,940.31
Loans Guaranteed or Insured by the United States Government or its Agencies	1,431,492,136.64
Other Loans and Discounts	3,921,543,854.55
Bank Premises, Fixtures, etc.	98,352,466.57
Customers' Liability on Letters of Credit, etc.	240,717,554.62
Accrued Interest and Other Resources	63,177,867.09
TOTAL RESOURCES	**$9,991,842,011.70**

LIABILITIES

Capital	$160,000,000.00	
Surplus	290,000,000.00	
Undivided Profits and Reserves	112,867,000.86	
TOTAL CAPITAL FUNDS		$ 562,867,000.86
Reserve for Possible Loan Losses		80,581,352.98
DEPOSITS Demand	$4,677,014,617.52	
DEPOSITS Savings and Time	4,316,226,381.78	8,993,240,999.30
Liability for Letters of Credit, etc.		242,387,523.06
Reserve for Interest, Taxes, etc.		112,765,135.50
TOTAL LIABILITIES		**$9,991,842,011.70**

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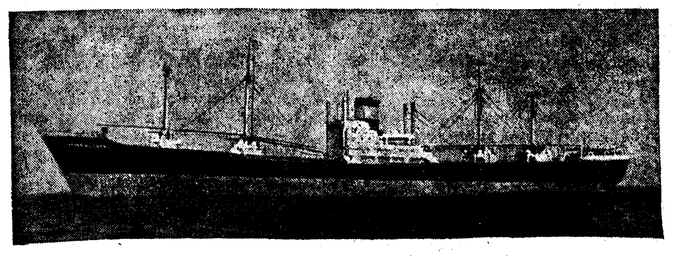
RESOURCES

Cash and Due from Banks	$135,427,260.86
United States Government Obligations	21,049,000.00
Other Securities	3,857,312.86
Loans and Discounts	105,103,392.59
Customers' Liability on Letters of Credit, etc.	178,555,948.66
Accrued Interest and Other Resources	4,409,853.26
TOTAL RESOURCES	**$448,402,768.22**

LIABILITIES

Capital	$13,000,000.00
Surplus	6,000,000.00
Undivided Profits	951,705.45
TOTAL CAPITAL FUNDS	$ 19,951,705.45
Reserve for Possible Loan Losses	1,635,281.96
Deposits	245,267,430.17
Liability for Letters of Credit, etc.	179,242,636.49
Reserve for Interest, Taxes, etc.	2,305,714.15
TOTAL LIABILITIES	**$448,402,768.22**



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ENCOURAGING TREND IN TEA EXPORTS

RECORD LEVEL REACHED IN 1956

THE Government of India released last week a further quota of 10 million lbs. of tea for export, bringing the total allotment so far for the year 1956-57 to 453.3 million lbs. It is not known whether this represents the final allotment for the year. If it is so—because the final release is usually made by the middle of February—then the total quantity released for the year is equivalent to 68.3 per cent. of the year's crop. It also represents a cut of 26.7 million lbs. from the quantity permitted to be exported in the previous year at 480 million lbs. or 69.3 per cent. of the crop and of 11.6 million lbs. from that of 464.9 million lbs. allowed in 1954-55, which was the final year of the International Tea Agreement.

It will be interesting to note that the export quota for 1956-57 is equal to 130 per cent. of the standard export figure permitted under the I.T.A. During the currency of the Agreement, India's export allotment had been less than the maximum permitted, namely, 135 per cent. In 1955-56, the first year after the expiry of the Agreement, however, the quota was raised to 138 per cent., but this has now been cut to 130 per cent. in the current year. The year's export allotment leaves, besides the surplus brought forward from the previous year, the exact quantity of which is not known, 210.3 million lbs. for internal consumption, as against the corresponding figure of 183.2 million lbs. in 1955-56. The cut in export allotment is presumably due to the anxiety of the Government to ensure enough supply for domestic consumption which is said to be rapidly rising. Further, the demand from foreign countries has dropped substantially in recent weeks, as witness the decline in exports of North Indian teas during January to 33.01 million lbs., as against 39.75 million lbs. in the corresponding month of 1956, though the overall trend of exports during 1956 was very encouraging. In the context of increasing competition from other new tea-growing regions, the Government's anxiety to stimulate domestic consumption of tea is understandable.

As against the quantity permitted to be exported, the shipments of North Indian tea during the period 1st April 1956 to 9th February 1957 aggregated 362.7 million lbs., as compared with 257.9 million lbs. and 342.3 million lbs. in the corresponding periods of 1955-56 and 1954-55, respectively. Exports from Cochin during the twelve months ended December 1956 amounted to 80.2 million lbs., the corresponding figure for 1955 being 75.9 million lbs. and for 1954 78.0 million lbs.

The data relating to exports of Indian tea during the calendar year 1956 make encouraging reading, in that the quantity shipped reached a record total of about 516 million lbs., representing an increase of 152 million lbs. or nearly 42 per cent. over that exported in 1955, at 363.8 million lbs. It may be recalled that 1955 was an unfavourable one for Indian tea exports, these having declined from about 459 million lbs. in 1954 to 364 million lbs. With the increase in 1956, the exports have not only recovered the ground lost in the previous year but set up a fresh record in the history of Indian tea. In terms of value, the exports during the past year aggregated Rs. 140.6 crores, which is also a record, as compared with Rs. 112.7 crores in the previous year and Rs. 131 crores in 1954.

The increase in exports was shared by all the principal markets for Indian tea, as will be seen from the following table:

(In million lbs.)

	1956	1955
U.K.	366.5	248.9
U.S.	28.5	23.7
Canada	22.6	16.3
Egypt	21.6	12.9
Australia	9.4	6.1

It will be noted from the figures quoted above that the U.K. continues to be the main foreign customer for Indian tea, its share having gone up by 118 million lbs. or nearly 48 per cent., while its purchases from Pakistan and the Far East had declined. In terms of value, the U.K.'s offtake has gone up from Rs. 73.3 crores to nearly Rs. 100 crores. Among the other countries, exports to Egypt show a marked rise of 8.7 million lbs. (the value from Rs. 3.9 crores to Rs. 5.9 crores); this was due mainly to the diversion of its purchases from Ceylon to India on account of exchange difficulties with the former. During the year, the U.S.S.R. purchased substantial quantities from India, while it did not purchase anything in 1955.

The favourable trend in exports was due partly to fortuitous circumstances and partly to the efforts of India to promote exports. The decline in world production, resulting in an increased demand, the lifting of the ban on exports of tea for sale in London auctions in February 1956, the Suez crisis and the useful work done by Joint Tea Promotion Councils set up by India in collaboration with the tea trade organisations in the U.S., Canada, West Germany, Eire and the Netherlands, were all factors which were responsible for the rise in exports.

As against the sharp rise in exports, the production in India has not gone up by any perceptible extent, the total output in 1956 having been 663.6 million lbs., as compared with 663.2 million lbs. in the preceding year. The share of North-East India has gone up from 534.2 million lbs. to 536.7 million lbs., while that of South India has dropped from 129 million lbs. to 126.9 million lbs. The total world crop is placed lower at 1,178.9 million lbs., as compared with 1,183.7 million lbs. in 1955 (the crop figures of Indonesia are only up to November).

The record exports during 1956 should not, however, induce any sense of complacency. Though there is nothing to show that world demand for tea would fall in the current year, India has to take note particularly of the increasing competition. The latest competitor in world markets is East Africa. The efforts of the Tea Board further to explore markets abroad, accompanied by the Government's helpful fiscal measures, would possibly help India to maintain its export level, if not raise it. Above all, the promotion of domestic consumption, which offers immense scope, has to be largely depended upon for ensuring stability of markets for the tea industry.

TEA REPLANTING IN CEYLON

The Minister for Agriculture and Food, Ceylon, has submitted to the Government a plan for rehabilitation of tea estates in the Island. A census conducted by the Government recently revealed that about 12 per cent. of the tea acreage in Ceylon was uneconomic to maintain production, except in times of boom prices. The tea planters proposed some time ago that the Government should give a subsidy of 50 per cent. of the expenditure to replant senile tea, the programme to be implemented at the rate of 5,000 acres per annum, at a cost of Rs. 5,000 per acre. The details of the Minister's latest plan are not available. It may be noted that tea is the only major crop so far without a rehabilitation programme. Such schemes are already in operation in respect of rubber and coconut.

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PAKISTAN TO HAVE ONE MORE JUTE MILL

IMPROVED VARIETY OF RAW JUTE EVOLVED

A CONCERTED effort at developing the jute trade and industry is being made in Pakistan. Recently, the Jute Advisory Board recommended to the East Pakistan Government that steps should be taken to increase the jute acreage during the next season so as to yield 500,000 bales over and above the present production of 5.5 to 6 million bales. This increased output, along with the 200,000 bales brought in from the previous season, is expected to be enough for meeting the world demand for Pakistan jute, after satisfying internal requirements. The present internal consumption is 1 million bales. With the proposed increase in capacity from 6,000 looms to 9,000 looms during 1957, the consumption will go up a considerable extent.

Along with the proposal to increase the acreage under jute, steps are being taken to improve the quality of raw jute produced. As a result of researches conducted, two varieties of *Capsularis* have been evolved. These are expected to yield 10 to 15 per cent. more than the existing varieties. The new varieties are said to have been released to cultivators. New strains have also been evolved from the *Olitorius* variety, giving a yield of 30 per cent. above that of the standard varieties. Attention is also being directed to the question of producing improved varieties of seeds for supply to cultivators. The Chitla Jute Seed Farm, run by the Pakistan Central Jute Committee, has produced 600 maunds of pedigree jute seeds. These seeds will be handed over to the Provincial Government for distribution to selected growers. The Central Jute Committee, at its recent meeting, sanctioned the establishment of another farm of 400 acres in Dinajpur. This farm is expected to produce 1,000 maunds of pedigree jute seeds which will be supplied to registered seeds growers for further multiplication. The Committee also sanctioned the establishment of two more research stations, one at Rangpur and the other at Comilla.

As stated earlier, 3,000 looms are expected to be installed during the current year. Of these, 1,500 looms are said to have been already purchased and construction work at the mill premises to house these looms is in progress. With the working of these looms, Pakistan is expected to export to foreign countries manufactured jute goods worth about Rs. 26 crores in 1957-58. The Government is also considering a scheme for setting up a new jute mill in East Pakistan, the proposal for which was made by the Pakistan Industrial Development Corporation. According to the proposal, the mill will have an initial capacity of 250 looms, which will, in due course, be expanded to 500 looms. The mill will lay special emphasis on production of fine quality jute fabrics which are not now produced in Pakistan. The fine quality jute required for such production is said to be available in abundance in Pakistan.

Pakistan's efforts to raise output of jute and increase its production of manufactured goods are not likely to succeed, unless the large-scale smuggling of jute across the border is stopped. The Government has already paid attention to it and the proposed Jute Marketing Corporation will lift all the jute in the border belt of East Bengal, with a view to preventing smuggling. The East Bengal and Central Pakistan Governments have decided to advance Rs. 2 crores for the purchase of a 51 per cent. share in the capital of the Corporation.

It has also been decided to send a trade delegation to South-East Asian countries to find a market for raw jute as well as jute manufactures.

COFFEE EXPORT ALLOTMENT

The Government of India has decided to allocate a further quantity of 3,150 tons of coffee for export out of the 1956-57 crop. Earlier, it had announced an allocation of 7,900 tons, bringing the total quantity made available for export to 11,050 tons. The increase in allocation is evidently due to the higher estimate of the crop for the year which is placed at the record level of 37,800 tons. After providing for internal consumption and for a suitable carryover for the next year, the Coffee Board recently estimated the available exportable surplus at 11,100 tons, out of which the Government has decided to release 11,050 tons, as against 7,800 tons released out of the 1955-56 crop.

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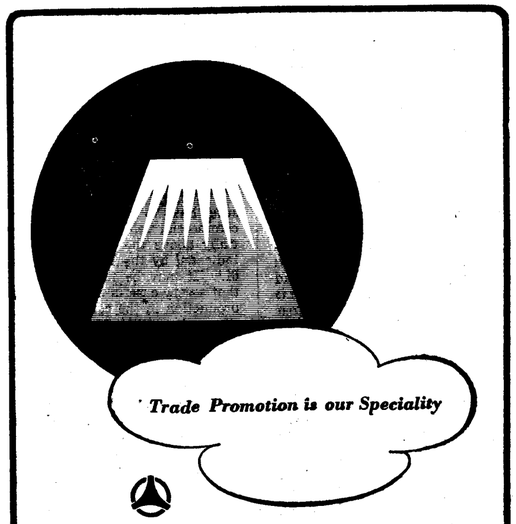

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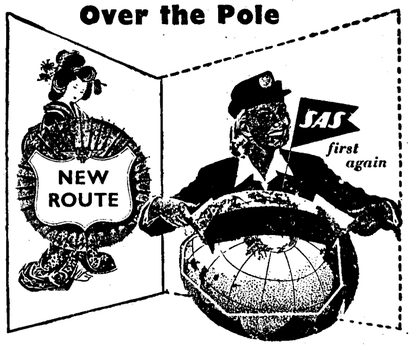

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TARIFF COMMISSION AND ROAD TRANSPORT

NEED FOR PAYING EARLY ATTENTION TO ITS SUGGESTIONS

By B. V. Vagh, B.E. (Civil), M.I.E. (Ind.)

IN addition to the many valuable suggestions in regard to the development of the automobile industry and its rate structure, the Tariff Commission has made a number of observations and recommendations on the need to develop road transport in the country, particularly, *vis-a-vis* the implementation of the second Five-Year Plan; these recommendations deserve the notice of all concerned. Briefly, they are, in the words of the Commission, as follows:—

1. "We are, therefore, convinced that, if the implementation of the second Five-year Plan is not to suffer, positive measures have to be taken to foster the demand for commercial vehicles, so as to increase it substantially above the target figure of 40,000 vehicles per annum indicated by the Planning Commission for 1960-61. (Para 12.5.)

2. "We recommend that the attention of the State Governments should be drawn to the fact that the degree of expansion in road transport capacity which is essential for the effective implementation of the second Five-year Plan will not take place, unless they co-operate in removing the various factors which are today hampering the demand for commercial vehicles, in particular, the following:

(i) inadequate road development and bad conditions of roads;

(ii) heavy and varying rates of taxation of commercial vehicles; and

(iii) restrictions on inter-State movement of commercial vehicles. (Para 12.6.)

3. "Lack of credit facilities has been an additional factor inhibiting the expansion of the road transport industry.

"We recommend that the Reserve Bank of India, in consultation with commercial banks, should evolve a suitable scheme for extending credit facilities to transport operators for purchase of vehicles. (Para 12.7.)

4. "The disparate levels of taxation applying to diesel oil and motor spirit have recently attracted considerable attention and a tendency is noticeable, particularly on the part of the State Governments, to levy additional taxes on diesel oil.

"We strongly recommend that no taxation or other measures should be adopted which are likely to discourage the current trend towards dieselisation of such vehicles. (Para 12.8.)

5. "Two measures deserve special mention, namely, an increase in the limit of permissible laden weights of vehicles, and the use of trailors.

"We recommend that a fresh examination should be undertaken by all State Governments to see how far the restrictions on permissible laden weights could be relaxed, and the use of trailers with goods vehicles allowed. (Para 12.9.)

6. "Since uniformity between civilian and army vehicles will help standardisation, the transport authorities may examine the possibility of amending rule 120 of the Motor Vehicles Act, so as to prescribe the same maximum width for civilian vehicles as is adopted for army vehicles. (Para 23.4.)"

Note.—The rule prescribes 90" width for civilian and 93" width for military vehicles against a width of 96" recommended by the Indian Roads Congress.

The foregoing recommendations relate to the following points:

(i) Production of commercial vehicles.

(ii) Conditions of operation, namely, (a) inadequate road development, (b) heavy and varying rates of taxation, and (c) restrictions on inter-State traffic.

(iii) Lack of credit facilities.

(iv) Tendency to tax diesel fuel.

(v) Increase of permissible laden weights.

(vi) Use of trailers.

(vii) Standardisation of civilian and army vehicles.

Since these points have a profound bearing on the future of our road transport it may be useful to review the present position in regard to them.

Production of Commercial Vehicles

The Commission has examined this issue in some detail and, after taking into account various estimates received by it, has finally based its recommendation on the figure supplied by the Development Wing of the Ministry of Transport and Planning Commission, namely, 40,000 trucks per annum by 1960-61. However, it has qualified it by stating that, "allowing for replacement needs, the number of additional commercial vehicles required to be placed on the road during the period of the second Plan would be very much higher than the cumulative figure of approximately 130,000 vehicles indicated by this estimate," and further that "positive measures have to be taken to foster the demand for commercial vehicles, so as to increase it substantially above the target figure of 40,000 vehicles indicated by the Planning Commission for 1960-61." It may be mentioned, in this connection, that a very careful estimate, based on the overall production in the country during our two Plans, shows the requirements of feeder goods, passenger traffic and replacements will be of the order of 220,000. To this figure has to be added a certain figure to supplement the capacity of the railways in regard to inter-State traffic and also bullock-cart capacity. This point has been stressed by the Commission as follows:

"Actually, the railways do not expect to be able to carry more than 160 million tons by 1960-61 and it is also not likely that the capacity of coastal and inland shipping and bullock carts will increase so much as to make good this shortfall to any significant extent. Consequently, commercial vehicles will have to fill the gap left by other forms of transport . . ."

It has been estimated that about 50,000 units, half as trucks and half as truck-trailers, will be required for the railway gap and at least 30,000 to supplement bullock carts. The total, therefore, is about 300,000, as against about 200,000 likely to be available, including 'disposal' vehicles, thereby leaving about 100,000 vehicles to be produced in five years, that is, an average of about 20,000 per annum. *Therefore, the production target will have to be raised from* 40,000 to 60,000 *trucks per annum by* 1960-61.

Since the Planning Commission fixed its target of 40,000 vehicles per annum to be attained in 1960-61, the following new factors have emerged:

(i) Against a provision by the railways for an increase of 3 per cent. per annum in passenger traffic, the estimated increase is from 6 to 7 per cent. per annum. The difference will have to be carried by roads.

(ii) The railway gap, after providing for a possible increase of about 5 million tons in the capacity of water transport by 1960-61, is of the order of 33 million tons per annum. This also will have to be carried by roads and the new Motor Vehicles Act makes a special provision for this by setting up an Inter-State Transport Commission to "develop, coordinate and regulate" inter-State road traffic.

(iii) An estimated increase of about 19 million tons in agricultural production will produce a gap in the capacity of bullock carts for traffic in commodities other than agricultural products and here also trucks will be required.

It is thus clear that the Planning Commission's target has to be revised and the sooner it is done the better it will be for the implementation of the Plan. Now that the Tariff Commission has expressed its views on this very important point, it is to be hoped that the Planning Commission will lose no time in coming to a decision.

Conditions of Operation

Here the position is much better than envisaged by the Commission. By 1955-56, the country had about 122,000 miles of surfaced roads, against about 88,000 miles in 1943-44. National Highways also are being improved both in regard to their geometric design and surfacing and, while a number of things still remain to be done, the overall improvement is such that lack of road facilities need no longer stand in the way of development of road transport. Restrictions on road transport have also been removed under the new Motor Vehicles Act and the role of road transport in long-distance traffic has not only been recognised but Government have committed themselves to it. Therefore, this disability also will apply no longer. The only point on which Government have to announce its decision is taxation.

The present tax incidence is about 29 per cent. of the cost per ton-mile of a truck and works out to nearly 15 pies in a rate of 53 pies. When the average railway freight is about 11 pies per ton-mile, it can be imagined what progress road transport can make in inter-State transport by having to pay 15 pies on taxes alone! Based on the Planning Commission's target of automobile production, the number of additional vehicles in the country by 1960-61, excluding replacements will be over 75 per cent. over the number of vehicles in 1950-51, an average of about 38 per cent. per annum during the period. When the targets are revised for reasons mentioned earlier, the increase will be higher. Therefore, it is reasonable to expect that, within the present tax receipts, there is a margin for reducing taxation by 40 per cent. at least. This will reduce the road rate per ton-mile by about half an anna. It is to be hoped that Government will go into this matter early.

Credit Facilities

It has been estimated that the capital required for additional trucks, excluding replacements, is of the order of about Rs. 600 crores. This has to come by way of loans which are not expected to be available to this extent from private financiers. Moreover, rates of interest of private financiers will be high and will increase the cost of vehicle operation. Hence, the State has to come into the picture and a scheme should be framed to make this finance available from the various Industrial Finance Corporations, Co-operative Banks and the State Bank.

Diesel Oil

The Tariff Commission has estimated that the demand for diesel trucks will be from 70 to 80 per cent. of the total truck requirements and are of the opinion that, "from the point of view of foreign exchange and fuel economy, diesel operation of medium and heavy commercial vehicles is distinctly more economical and, therefore, deserves to be promoted in the larger interests of the country." This point is overlooked by States whose approach to this problem is principally from the point of view of making good the loss from tax receipts from petrol. It is also overlooked that a diesel vehicle costs more than a petrol vehicle, and, therefore, the only way it can make itself useful by providing cheap transport will be on the price of the fuel. It is hoped that the States will bear in mind these important points.

Permissible Laden Weights

In the Motor Vehicles Act of 1939, the gross laden weight of a medium vehicle was laid down as 14,500 lbs. In those days, the condition of our roads was poor but, even so, this weight was too low for economic operation. The technique of both automobile design and road construction has been developed a great deal during the past 18 years, and, in industrialised countries, gross loads of nearly 100 tons are carried by roads. The limit in this country has since been raised from 14,500 to 18,000 lbs. Against this, the loads carried normally in other countries are 27,000 lbs. on two axles, 40,000 lbs. on three axles and up to 72,000 lbs. on four axles. This shows the extent to which we have been conservative in this respect. Between 1943-44 and 1960-61, the country will have spent about Rs. 476 crores on our roads. A good deal of it is on improvements in the lay-out and pavements and the provision of new bridges, culverts, etc. The standards of design recommended by the Indian Roads Congress and presumably employed in all this work are very up to date. Hence, at any rate, on the bulk of our surfaced roads, totalling about 122,000 miles, our standards for road vehicles should be the same as in other countries and should be revised as quickly as possible.

Trailers

From the point of view of cheapening road cost, the evolution of the multiple-unit vehicle is of profound interest to the community. Here, the principle is that within the carrying capacity of a road a vehicle can be included nearly

(Continued on page 451)

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NEW PRODUCTS AND PROCESSES

Electronic Tailoring

AT least two automatic electronic systems for cutting out, both men's and ladies' suits are now under development in Europe and in the U.S. One such system has already reached the stage where an engineered prototype has been produced which is capable of translating cutting instructions based on the measurements carried out by the tailor into practice. The eventual aim of these developments is to enable popular bespoke made-to-measure tailors to produce suiting ready cut to the measure of individual customers' requirements on a virtually mass production basis. The chief problem in the development of these electronic cutting systems lies in the development of a fully efficient, yet relatively simple, electronic system which will ensure that the cutter cuts all types of cloths accurately according to its instructions. To achieve this the cutter must automatically allow for variations in the thickness, stretchability and other qualities of many different types of cloths. Although further experiments have yet to be carried out in both the U.S. and the European systems, the work carried out so far has convinced the scientists working on their development that full production size prototype units could be produced within the next two or three years at costs of between £25,000 and £35,000 per unit.

New Man-made Isotopes

Five new materials hitherto unknown in the world have been created by scientists working at the University of California, U.S.A. All the new materials are isotopes of the element einsteinium, which is itself a man-made element created in the laboratory by nuclear physicists. Although the new materials are all chemically identical with einsteinium, they have differing weights. Thus the new isotopes are called einsteinium 248, einsteinium 249, einsteinium 250, einsteinium 251 and einsteinium 252, the figures referring to their respective atomic weights. They were created by bombarding the man-made elements berkelium and californium (elements number 95 and 98—einsteinium is element number 99) with atomic particles in a nuclear accelerator, or atomic-smashing machine. Although these new materials are not expected to have any immediate practical application, their discovery is of considerable importance for the future application of atomic energy.

Pumping Corrosive Liquids

A new pump for pumping corrosive liquids which is said to be capable of giving an exceptionally exact controlled flow over a wide range, has been developed by Swedish engineers. The operation of the pump depends on the use of a special acid-resistant piston whose movement can be very accurately controlled. Special corrosion-resistant fitments made from asbestos impregnated with polytetrafluorethylene (P.T.F.E.) are also used in the construction of the unit. The pump, which has been designed especially for long unattended running under conditions where very exact control over the quantities of liquid pumped must be maintained, is claimed to be of very robust construction and should, it is expected, be easy to install in most types of chemical plant systems.

New Drug for Malaria

Research carried out by a Malayan medical research group indicates that the drug camoquin may be an efficient agent in suppressing malaria in people of Asiatic nationality. The research which was carried out by scientists and doctors from the Malaria Research Division of the Institute for Medical Research, Kuala Lumpur and from the District Hospital, Tampin, showed that the camoquin had a rapid action on both the fever and the symptoms, relief from malarial symptoms being obtained within 24 hours to 36 hours of the dose being given. The malaria admissions to hospitals from those given the drug as a suppressive were two over a 12-month period, as against 57 for the previous 12-month period when no treatment had been given.

New Chemical

A new chemical will become available commercially for the first time in the U.S. late this summer. The new chemical, called phthalonitrile, will be used in the dye-making industry to manufacture brilliant permanent blue and green pigments. At the same time it is expected, by the scientists who have developed its commercial production, that it will also be a valuable new compound for the production of many altogether new types of industrial chemicals.

Refractories from Titanium Waste

Useful base materials for the manufacture of refractory compounds can be obtained from the residues, or tailings, from plants producing zirconium and titanium according to scientists at the U.S. Bureau of Mines. Work carried out at the Tuscaloosa research centre of the Bureau of Mines has shown that these residues contain high-grade kyanite and sillimanite compounds, which can be separated out from other compounds in the tailings by a magnetic separation process. The concentrate of refractory base materials thus obtained contains up to 96 per cent. of kyanite and sillimanite compounds.

Electronic Brain

New York University experts now have the aid of an electronic brain in solving research problems on guided missiles, cloud seeding, weather prediction, psychology, industrial management and the design of ocean liners. The data-processing machine was built by the International Business Machine Corporation (I.B.M.). As part of its educational aid programme, I.B.M. will pay $2,400 or 60 per cent. toward the $4,000 monthly rental fee for the electronic computer.

THE STANDARD BATTERIES LIMITED

FRESH ISSUE OF CAPITAL PROPOSED TO FINANCE DEVELOPMENT PROGRAMME

ADDRESSING the shareholders of the Standard Batteries Ltd. at their Eleventh Annual General Meeting held in Bombay on 31st January 1956, Mr. R. D. Char, Chairman of the Company, said that the Company proposed to undertake a development programme, in order to meet the increased demand for its products. He added that the Company would shortly issue further capital to finance this programme.

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

"GENTLEMEN,

"Allow me to extend to you on behalf of myself and my colleagues on the Board, a cordial welcome to this Eleventh Annual General Meeting of your Company.

"The Directors' report and the statement of accounts together with the auditors' report for the year ended 30th June 1956 have been in your hands for some time and I will take these, with your permission, as read.

"In this year under report, I am glad to inform you that there has been a steady increase in the users of our automobile batteries. This upward tendency curve, I am afraid, may start flattening out, unless favourable climate is created for the road transport industry throughout the country to catch up quickly and fill the gap in our transport problem. During the year under report, several new processes in the manufacture, test and control were put into operation and as a natural consequence the period of guarantee on our car batteries was increased from six months to one year. In spite of this increased period of guarantee, the percentage of claims, I am glad to inform you, has come down considerably as compared to the previous years. This can only be accounted for the improvement in the manufacturing process and strict laboratory controls.

"The laboratory has been completely reorganised and special latest testing equipment have been installed. Some more of the testing and control instruments have been ordered out overseas during the year under report. They are expected during the current period. With the installation of these, the laboratory at our works would be able to tackle all the problems involved in the development, testing and control comparable with any modern unit of our size in Europe and America.

Reorganisation

"With the continuous operation of our lead refining plant at the southern end of our factory, it was decided to re-arrange the various manufacturing process, with a view to streamlining the flow of manufacture and material handling. Most of the re-organising work is nearing completion during the current year. All this had to be achieved with as little dislocation in the day-to-day production to meet the regular demands.

"You will see from the above that during the year under report, your Company had concentrated in improving the quality, test and control and in the reorganisation of the plant. It is expected in the coming years that this new arrangement will substantially reflect on the results of the working of your Company.

"Our 'Standard RPG' Tudor's Patent railway train lighting cells are now in commission in almost all the railway systems. Their initial tests at the different railways have been uniformly very good. Your Company is looking forward for an early decision from the Government to utilise our capacity. Foreign exchange to the extent of Rs. 30,00,000 could easily be saved during this year and during the next four years of the Plan period foreign exchange to the extent of Rs. 3 crores can be conserved by the country in this item alone, if production and off-take are put on an economic war footing. The 'Standard RPG' railway cells have decided advantages and improvement over the older tubular or 'pencil' type batteries that are familiar to our railways. We are ready and look forward with great hope the decision of our Railway Board.

"Prototypes of telephone cells of 'Standard TPg' type are on test and your Company is confident, in the not distant future, to get its legitimate share in this field of considerable offtake in the country.

"Our 'Mitex' microporous rubber separator plant started actually arriving at the fag end of the year under report. The erection is complete and trial runs are being taken. There was quite a bit of delay in shipment from our overseas suppliers.

"With the separator plant in production, your factory will be producing cent per cent of all the components, under strict quality control, that go to a modern long life battery for the first time in this country. The effect of this is far-reaching.

"Most of our equipment and machinery were installed some ten years ago. There have been many improvements and developments in the process and design of important special purposes machines in Europe during this period. Your Directors are constantly in touch with these developments and also through our technical collaborators, Messrs. A. B. Tudor of Sweden. Action was taken to replace some of them and add a few balancing units during the year and were received and installed in the current year.

Financial Requirements

"To finance this new capital investment, your Directors issued the balance of the unissued capital of Rs. 5 lakhs during the current year. All this issue is fully subscribed and at present the issued and paid-up capital of your Company stands at Rs. 25,00,000. As mentioned earlier, we have still to order out some more balancing units in our container plant and other processes to take care of the diversification of production to meet the various demands on your factory. This demand has increased considerably of late.

"In achieving this objective, we shall have to face a variety of problems, the most important being finance. Your Directors have given considerable thought to this and will be coming in the near future before you for permission to increase the capital by Rs. 12,50,000 by issuing further 12,500 ordinary shares. Arrangements in this connection are being made and when completed will be put before you for approval. I have the assurance from a financing institution of high repute and considerable resources to underwrite this whole new issue. This testifies to the financial stabilty and future possibilities in the diversification of production that is on the anvil of the Company.

"The railways, telegraphs and telephones and the special batteries for the defence services, I have reason to believe, have a demand during the Plan period of nearly Rs. 2½ to 3 crores worth of lead acid batteries annually, which are today mostly imported items. It is your Directors' aim and objective to equip with the necessary facilities to meet the challenge of the foreign exchange shortage facing our Government in the Second Plan period.

Cent Per Cent National

"Your factory, may I say with pardonable pride, is the only hundred per cent. national unit in the country, which is organised and equipped for building lead acid batteres for various applications in industries, transport, communication, traction, etc., and I have hopes during this second Five-year Plan to fulfil our due share in reducing the imports on this account.

"I take this opportunity of sincerely thanking all our customers, distributors, automobile manufacturing industry and the various departments of the Government for the continued patronage and goodwill shown towards us. It is our business to build better and better batteries and to this end all our efforts are geared.

"The officers, members of the staff and operatives of the Company are fully aware of the great task ahead of us and I thank them sincerely on your behalf for their co-operation.

"With these words, I beg to move that the Directors' report and audited balance-sheet as at 30th June 1956 and the profit and loss account for the year ended 30th June 1956 be and are hereby approved and adopted."

LABOUR ALL OVER WORLD MAKES MODEST BUT GENERAL GAINS

PRODUCTIVITY AND REAL WAGES UP

DESPITE an increase in the number of labour disputes over the previous year, modest gains in earnings were achieved by workers throughout the world in 1956. These gains were widespread and were general enough to make the year the best in labour's history. This is the conclusion reached by the International Labour Organisation (I.L.O.) from a review of the situation in the year just ended. Commenting on labour's record in 1956, Mr. David A. Morse, Director-General of the I.L.O., observes: "Only a world which has grown accustomed to substantial gains year after year could regard 1956 as disappointing." Although the number of man-hours lost through stoppage of work in 1956 was greater by one-sixth than in 1955, employment was up and productivity and real wages were, generally speaking, slightly higher. The protection afforded by Social Security Schemes was more generally available and more liberal. There was a growing tendency towards shortening the legal or normal working week, particularly in North America and in Western and Eastern Europe. In certain countries, where there were full employment, the immediate effect was to raise gross weekly earnings, because of employers' desire to maintain previous work schedules, even when this involved increased overtime payments. On the whole, workers' level of living all over the world was enhanced, though a few countries reported a fall in real wages. But the year could by no means be regarded as having been a satisfactory one for workers in every respect. After several years of price stability, the threat of monetary inflation, for instance, hung over most part of the world and industrial disputes, which had established a post-war low in 1954, were showing, due to a variety of reasons, an upward trend.

The Employment Situation

The I.L.O. Study is based mainly on official statistics supplied by member Governments and the data relate, in most cases, to a period late in 1956 as compared with the same period of 1955.

Various measures of employment trends are available, some covering all branches of employment, some excluding agriculture and some limited to manufacturing industry. Using the broadest indicator available for each country, 19 of the 23 countries reporting recent data showed increases in employment over 1955 levels. The median (average) increase was a little less than 3 per cent. Most of the countries reporting on the general level of employment (i.e., those with comprehensive data), showed relatively little change, while statistics of employment in manufacturing—which are often a more sensitive indicator of changing economic conditions—showed wider variation.

In the United States, there was an increase of about 1 per cent. in the general level of employment, and almost 2 per cent. in manufacturing employment, while unemployment tended to be slightly higher than in 1955 because of the continued growth of the labour force. In the United Kingdom, the general level of employment showed no significant change, but manufacturing employment declined slightly, with the textile and automobile industries suffering more than the general average. Unemployment in the United Kingdom increased somewhat. In Canada the general level of employment was about 4 per cent. over 1955 levels, manufacturing employment was up nearly 5 per cent., while unemployment declined substantially. The general level of employment was up about 4 per cent. in the German Federal Republic, while manufacturing employment was more than 10 per cent. over 1955 levels. In Japan, where manufacturing employment was also more than 10 per cent. above 1955 levels, an important drop in unemployment was recorded.

Decreases in unemployment were significant in Belgium and Burma, while, in France and in the Netherlands, registered unemployment declined more than 20 per cent. from 1955 to 1956. Since unemployment levels were generally low, these percentages do not, in general, represent significant changes in the actual numbers of unemployed persons.

Substantial percentage increases in unemployment—but again representing small absolute numbers in most cases—occurred in Chile, Haiti, India, Ireland, Norway, Pakistan and the Union of South Africa. In Chile, the number of unemployed reported was almost double the 1955 figure. In addition to unemployment, underemployment is chronic in most underdeveloped countries. A recent survey in India shows that some 10 per cent. of those gainfully employed can be considered as underemployed, and that almost five million workers are unemployed or seriously underemployed in urban areas.

At the end of 1956, the unemployment situation looked somewhat more disquieting than during the earlier part of the year. In November 1956, the number of unemployed in the United States was 3 per cent. greater than in November 1955. In the United Kingdom the 12-month increase was relatively more important. The latest information available indicates that, though unemployment in the United Kingdom represented only 1.4 per cent. of the labour force in December 1956, as compared with 1.0 per cent. in December 1955, the number of persons out of work exceeded the number of jobs being offered for the first time since March 1954. The Suez crisis reduced oil supplies in Western Europe, threatened the activity of the automobile industry and, indirectly, the demand for steel used in automobile manufacture. In Hungary, many thousands of workers were unemployed or on half-pay at the end of the year, and it was still uncertain how soon industrial activity would be fully re-established. As a result of declining coal output and related economic difficulties, the threat of unemployment also menaced Poland.

Consumer Prices

Consumer prices, which had shown an upturn in a number of countries late in 1955, rose more generally during 1956. The latest information available for 83 countries (principally relating to September, October or November) shows a median increase of 3 per cent. from 1955 to 1956—this increase being somewhat greater than the median rise during the preceding 12 months. Available figures do not fully reflect the influence of the Suez crisis and recent developments in Hungary and Poland, which will probably exert upward pressure on prices in the countries immediately concerned, if not on world markets.

Twelve-month median price increases were 7.4 per cent. in Latin America and 6.8 per cent. in Asia. Certain countries in these regions have been in the grip of inflation for many years. More moderate increases were recorded in North America, Europe and Africa. In the Americas, price movements ranged widely from a decline of 5 per cent. in Ecuador to a rise of 38 per cent. in Chile. The increase in Chile, however, represents a lesser pace of inflation than that recorded from 1954 to 1955. Increases of more than 15 per cent. were recorded in Brazil, Argentina and Paraguay. Prices in the United States and Canada, which had remained relatively stable from 1952 to 1955, began to rise again in 1956, considerably influenced by increases in the price of food. No serious price inflation was apparent in African countries among which the median price increase was 2.5 per cent.

Of the 25 countries reporting wage statistics for 1955 and 1956, only one showed a slight decline in money wages. In nine other cases, however money wages failed to keep pace with rising consumer prices, resulting in a decline in real wages. Among the 25 countries as a group the median rise in real wages was 1.6 per cent., compared with 3.5 per cent. during the preceding 12-month period. The countries showing the greatest increase in real wages were Puerto Rico, with an increase of 13 per cent. in real hourly earnings and 11 per cent. in real weekly earnings, and Japan, with a 6 per cent. increase in monthly earnings over 1955. In most cases, however, the change in real wages was within a range of plus or minus 3 per cent. Declines in real wages were mitigated and increases augmented in many cases by increases in social benefits and the year also witnessed important advances in family allowances and other forms of social protection.

Productivity

Manufacturing production, as indicated by preliminary figures, continued to rise more rapidly than manufacturing employment in most countries in 1956, implying a continuing increase in productivity per person employed. In a number of cases, however, and particularly in Europe, the increase in manufacturing output was smaller than in 1955. Manufacturing output is estimated to have risen by about 5 per cent. in aggregate in 11 countries of Western Europe which recorded a rise of 9 per cent. in the preceding 12 months. The recent increase in output, in conjunction with a rise of about 2.5 per cent. in employment, implies an increase in productivity of some 2.5 per cent. in 1956, or less than half the increase in productivity which occurred in 1955.

Within the European average, there are substantial country-to-country differences. Preliminary figures suggest that output and employment in the United Kingdom were largely unchanged from 1955 levels. Both output and employment rose in the German Federal Republic, leaving productivity at about 1955 levels, compared with a more than 10 per cent. increase in output per worker from 1954 to 1955.

In France, where output rose by more than 20 per cent. and employment rose only moderately, output per worker continued to increase, as it had in the previous year. Output rose by 7 per cent. in Italy, with employment rising by only 1.5 per cent. Manufacturing output in the United States increased by about 2.5 per cent., and manufacturing employment by somewhat less than 2 per cent., implying only a small increase in productivity. Output per man from 1954 to 1955 had risen by about 8 per cent. in the United States. In Japan, manufacturing production continued to rise much more rapidly than manufacturing employment, indicating a gain of nearly 5 per cent. in output per man, as in the preceding year. Economic developments in Argentina subsequent to the change of regime brought about an increase of some 3 per cent. in manufacturing output, with manufacturing employment stable or slightly down from 1955 levels.

EMPLOYMENT MARKET INFORMATION

A three-week training course for State officers connected with the employment market information programme of the Government of India was inaugurated at New Delhi on 20th February by Mr. S. A. Qadir, Director-General of Resettlement and Employment. Emphasising the importance of employment market data for preparing training schemes and for undertaking measures to meet the manpower requirements of various development schemes, Mr. Qadir referred to the scientific nature of the work involved and called upon the officers to take a live interest in the task which, he said, was of national importance. The training course will initiate nearly 15 employment officers from the States into the techniques of the scheme and methods of work.

Prepared with the assistance of an I.L.O. expert, the employment market information scheme aims at collecting from employers, both in the public and private sectors, information regarding the existing labour force, changes in the level of employment, current and prospective demand for labour, shortages of various categories of personnel and the disposition of the labour force in regard to different occupations and industries. The data thus collected will be used in man-power planning, in preparation of training programmes and the study of impact of development plans on employment.

A pilot project under the scheme was introduced in Delhi State at the end of 1955. The project, which is being carried out on a quarterly basis, has yielded satisfactory results and it has now been decided to extend the scheme to other States also.

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WAGES IN RELATION TO PROFITS AND COST OF LIVING

IS THERE NEED FOR RAISING WORKERS' EARNINGS?

By Dr. R. Singh, M.A. Ph.D.

CONSISTENT with the larger interests of the community, it would be unfair to treat wages and profits in isolation. In order to have a balanced and unbiased view, the problem may be analysed as an integrated whole with all its possible ramifications. Of late, there has been in this country a controversy on the judicious relationship between wages and profits. Each of the two parties, labour and capital, contends that it is not being equitably remunerated and that it should have an increasing share in the fortunes of industry. The worker's demand for a general wage increase has been voiced by the biggest all-India workers' organisation, the Indian National Trade Union Congress. On the other hand, the capitalist's argument regarding the shrinkage of finance for the private sector due, among other factors, to the policy of restraint on dividend and compulsory deposit of a substantial portion of the reserves and depreciation allowances with the Government cannot easily be overlooked. Both these factors complicate an economic situation already rendered difficult by the inflationary trends.

It is proposed in this article to make an objective assessment of the respective shares going to capital and labour out of the gains of industry over the war and the post-war periods against the background of the fair standards as understood in the modern regulatory practices in force in this country. In this context, it is relevant to enquire as to how far real wage has increased or decreased; what amount of progress has been made towards the attainment of a fair wage promised to the worker in terms of the Industrial Truce Resolution of 1948; how far worker's productivity has improved and so on. It is equally important to investigate how the capitalist has fared during all these years of war and post-war period. Has real profit registered an increase and helped in capital formation? What fluctuations have occurred in the rate of profit as percentage of net worth and how such fluctuations compare with those in wages? Has there been any change in the relative shares of capital and labour in the gains of industry? How does the *per capita* income compare with the worker's average earnings?

Dog Chasing His Own Tail

Now supposing the demand for increases in wages is conceded, the question may further arise whether such a demand—unless it is accompanied by the worker's improved efficiency—would contract profits to such an extent that marginal units as a consequence may have to go out of existence and cause unemployment in the economy? Or would wage increases, create an inflationary situation and soon defeat the purpose for which they are granted? If a vicious circle is created, in which increases in wages will follow those in prices, it will be like a dog chasing his own tail. Any policy advocating a particular wage level or profit level must take these questions into consideration.

Unfortunately, the statistics of industrial profits are not available in the form and manner in which they may readily be utilised for an accurate and objective study of these problems. Even the authoritative profit index prepared by the Economic Adviser's office suffers from certain limitations. Its main drawback is the definition of "net profits" embodying depreciation charges. It also does not provide for a fair regional representation of industrial units. The study of the trends of industrial profits by Mr. M. C Munshi, though made on a scientific basis, covers but a limited field and does not extend beyond 1944. The Taxation Enquiry Commission compiled, for its own use, some very valuable tables bearing on industrial profits for the years 1946-51. This series also suffers from similar limitations. A recent attempt by the Statistical Department of the Reserve Bank of India, though surveying an extensive field, dates back only from 1950.

Trend of Profits

It is primarily with a view, among other things, to projecting an altogether new and continuous series of net profits as related to net worth that this article has been attempted. This lends support to the reliance that can be placed on the discrete series of net profits. Moreover, it furnishes another useful scale for measuring industrial prosperity. The only reliable and authenticated statistics which can be utilised for ascertaining profits on a continuous and common plank for a major section of industry since 1946 is the Census of Manufactures. It must, however, be borne in mind that the census does not set forth some of the minor items of expenses such as interest, insurance and advertisement charges. The profits ascertained from the figures contained in it are likely to be slightly overrated. Net profits, however, have been struck by deducting the amount of tax at the varying rates of income-tax applicable during different years. They have been shown in the following tables as one of the two series of percentage figures under the heading of net profit as percentage of net worth and juxtaposed with corresponding figures of the discrete series referred to above with a view to enabling the reader to form a nearly correct picture of the rate of profitability. The corresponding percentages in the two series do show differences to be explained by the smaller or larger number of units studied. They, however, establish similar trends in industrial profits.

The worker's annual average earnings deflated by all-India Cost of Living Index in cotton, jute and industries as a whole have been picked up for economic analysis in relation to real profit index and profits as percentage of net worth over the entire war and post-war periods.

The phenomenal gains that came the way of the cotton textile industry may be attributed to the abnormal conditions created by World War II. In fact, from 1940 onwards, the industry enjoyed a period of prosperity which reached its peak in 1943. Thereafter, profits gradually declined till 1947. Nevertheless, the years between 1943-47 were highly prosperous for the industry and the worst for labour since real earnings experienced a progressive decline. The remarkable feature of the period was that labour was denied a share in this war-caused prosperity and that capital pocketed the entire gains of industry. Unlike the practice in the boom years of the first post-war period, the cotton mill industry was more prudent in conserving profits made in the Second World War and in the following years. The huge reserves that could be built up were subsequently capitalised by the industry by issuing bonus shares in 1946-47. This reduced the rate per cent. on dividend on the increased capital. Obviously, therefore, the rate of dividend should not be regarded as an infallible scale to measure industrial prosperity. The year 1947 brought considerable relief to the working population as a consequence of the enforcement of standard wages, higher rates of dearness allowance and bonus under the awards of the various tribunals. The industry made exceptionally high profits in 1948 and 1951. The year 1952 saw the real profit index touching the lowest point of 69 which is further confirmed by the lowest profit percentage registered at 1.7 and real earnings attaining the peak. By 1954, the distribution of the gains between capital and labour resumed the same proportions as in 1939 with a slight handicap against labour.

Labour's Share

Labour's share in the gross receipts of the cotton textile industry varies from 22.7 per cent. in 1946 to the highest point, 27.6 per cent. receding to its former level in 1952. Almost similar

Cotton Textile Industry

Years	Money earnings in Rs.	Index numbers of: Money earnings	Cost of living all-India	Real earnings	Money profit	Real profit	Net profit as a percentage of net worth: Census of Manufacture	Other sources
1939	329	100	100	100	100	100	..	2.6
1944	772	235	269	87	492	183	..	11.1
1945	723	220	269	82	423	157	..	..
1946	722	220	285	77	409	144	19.7	13.1
1947	911	277	323	86	318	98	13.8	10.7
1948	1,094	323	360	93	548	152	21.7	17.7
1949	1,193	363	371	98	292	79	9.3	5.6
1950	1,162	353	371	95	357	96	5.4	6.3
1951	1,178	358	387	93	551	142	9.9	9.5
1952	1,258	382	379	101	263	69	4.2	1.7
1953	1,228	373	385	97	379	98	..	3.4
1954	1,172	356	371	96	387	104	..	..

Jute Textile Industry

Years	Money earnings in Rs.	Index number of: Money earnings	Cost of living all-India	Real earnings	Money profit	Real profit	Net profit as a percentage of net worth: Census of Manufacture	Other sources
1939	231	100	100	100	100	100	..	2.3
1944	363	157	269	58	311	116	..	5.3
1945	391	169	269	63	328	122	..	..
1946	425	184	285	65	416	146	23.4	11.3
1947	498	216	323	67	313	97	13.1	9.9
1948	638	276	360	71	361	100	10.3	8.3
1949	795	344	371	93	89	24	2.9	Loss
1950	807	349	371	94	457	123	10.6	9.2
1951	815	353	387	91	679	175	14.2	12.6
1952	905	392	379	103	183	48	9.2	2.5
1953	914	396	385	103	326	85	..	5.6
1954	936	405	371	109	356	96	..	..

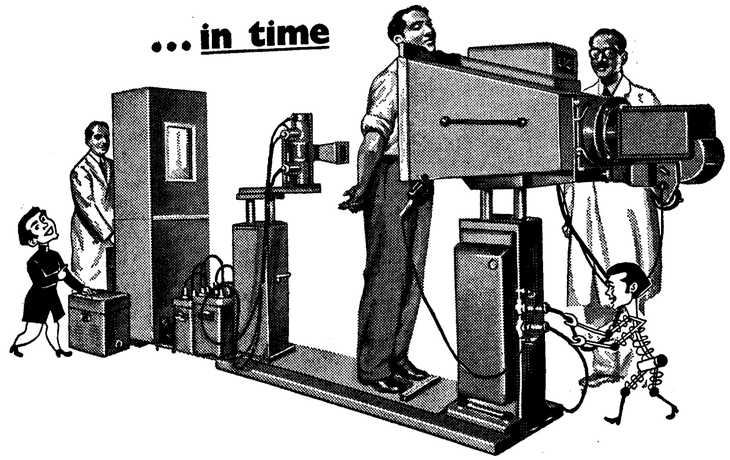
All Industries

Years	Money earnings in Rs.	Index numbers of: Money earnings	Cost of living all-India	Real earnings	Money profit	Real profit	Productivity	Net profit as a percentage of net worth: Census of Manufacture	Other sources
1939	287.5	100	100	100	100	100	100	..	..
1944	587	202	269	75	239	89	86	..	..
1945	596	202	269	75	234	87	80	..	..
1946	619	209	285	73	229	80	75	17.8	10.4
1947	737	253	323	78	192	59	73	13.2	8.4
1948	890	304	360	84	260	72	80	13.9	9.5
1949	986	340	371	92	182	49	76	9.0	5.7
1950	967	334	371	90	247	67	79	7.4	7.7
1951	1,036	357	387	92	311	80	89	9.0	9.7
1952	1,112	386	379	102	191	50	97	6.3	5.6
1953	1,111	385	385	100	261	68	106	6.7	6.6
1954	1,111	381	371	103	314	85	113	..	..

the detection of

the threat of disease...

...in time



X-Rays are an indispensable adjunct to modern medical practice. With the help of X-Rays the presence of disease or illness is detected, its nature and extent assessed instantly and exactly. Treatment then becomes more definite and direct, cure more certain and rapid.

Today the eyes of X-Ray watch over the health of the nation. They probe and seek for signs of illness and infection, give warning to doctors to mobilise the means of meeting and overcoming the threat of disease as it appears.

Philips take pride in the fact that many of Philips X-Ray units are helping to cope with this great task in many parts of India. These units, already installed in hospitals and clinics, are giving true and valued service in the constant fight against disease and illness.

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Incandescent, Fluorescent, Mercury and Sodium Gas Discharge Lamps and Equipment • Radio and Television, Radiograms and Record-Players, Record Changer, Gramophone Records, Cinema Equipment • Amplifying Equipment • Tape Recorders • Hearing Aids • Transmitting Equipment • Line and Automatic Telephony Equipment • Radar • Semi-Conductors • Electronic Valves • Radio Components • Measuring Instruments Equipment • Radar • Semi-Conductors • Electronic Valves • Radio Components • Measuring Instruments Equipment • Radar • Semi-Conductors • Electronic Valves • Industrial Rectifiers and Battery Chargers H. F. Generators • Welding Equipment and Electrodes • Industrial Rectifiers and Battery Chargers H. F. Generators • Welding Equipment and Electrodes • "Hefraphil" Medical Refrigerators • "Philidyne" Cycle Dynamo Sets • "Philishave" Electric Dry Shavers • "Hefraphil" Medical Refrigerators • "Philidyne" Cycle Dynamo Sets • "Philishave" Electric Dry Shavers • "Hefraphil" Medical Refrigerators • "Philidyne" Cycle Dynamo Sets • "Philishave" Electric Dry Shavers • "Pope" Enamelled Winding Wires • Super Lamps • Infra-Red Drying Radiators • 'Enfield' Cables and Wires • "Pope" Enamelled Winding Wires • Super Lamps • Infra-Red Drying Radiators • 'Enfield' Cables and Wires • "Pope" Enamelled Winding Wires • Super Lamps • Infra-Red Drying Radiators • Radio Isotopes • Medical and Industrial X-Ray Apparatus High Voltage and Nucleor Research Equipment • Radio Isotopes • Medical and Industrial X-Ray Apparatus High Voltage and Nucleor Research Equipment • Professional & Electro-Medical Components • Plastic • Duphar Electro-Medical and Hospital Equipment • Professional & Electro-Medical Components • Plastic • Duphar Electro-Medical and Hospital Equipment • Professional & Electro-Medical Components • Plastic • Duphar Pharmaceutical Specialities. Pharmaceutical Specialities. Pharmaceutical Specialities.



PHILIPS SALES AND SERVICE GO HAND-IN-HAND

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THE YORKSHIRE INSURANCE COMPANY LTD.
(Incorporated in England)
(Established 1824)
(The liability of the members of the Company is Limited)
FIRE, ACCIDENT LIVESTOCK, AVIATION Etc.
8, Clive Row - CALCUTTA
Telephone: 22-4315
Telegrams: "YULINSURE"

THE BANK OF JAIPUR LIMITED
Treasurers to the Rajasthan Government
Chairman
SHRI RAMNATH A. PODAR
Authorised Capital - - Rs. 2,00,00,000
Issued and Subscribed Capital Rs. 1,00,00,000
Paid-up Capital - - - Rs. 50,00,000
Reserve and other Funds - Rs. 20,25,000
Complete Banking Services inclusive of Foreign Exchange
S. L. KOTHARI, General Manager.

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED
9, BAKEHOUSE LANE, FORT, BOMBAY-1.
(ESTABLISHED IN 1911)
Chairman: SHRI RAMANLAL G. SARAIYA, O.B.E.
Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.
PAID-UP SHARE CAPITAL: Rs.
Subscribed by the Shareholders .. .. .. Rs. 35,45,600
Subscribed by the Government of Bombay .. Rs. 26,00,000 61,45,600
RESERVE AND OTHER FUNDS 58,03,500
TOTAL DEPOSITS 15,35,27,300
WORKING CAPITAL 15,35,91,300
BRANCHES 60 IN 13 DISTRICTS
Collection arrangements in all the important cities of the Indian Union. Deposits of all kinds accepted. Terms on application.
V. P. VARDE, Hon. Managing Director.

THE BANK OF INDIA LIMITED

(ESTABLISHED 7TH SEPTEMBER, 1906.)

CAPITAL AUTHORISED .. .. **Rs. 5,50,00,000** **CAPITAL PAID-UP** .. .. **Rs. 3,00,00,000**
CAPITAL ISSUED & SUBSCRIBED .. .. **Rs. 5,50,00,000** **RESERVE FUND** .. .. **Rs. 3,02,00,000**

HEAD OFFICE—MAHATMA GANDHI ROAD, FORT, BOMBAY.

LOCAL BRANCHES : ANDHERI .. Ghodbunder Road (Greater Bombay). BANDRA .. Hill Road (Greater Bombay). BULLION EXCHANGE .. Shaikh Memon Street. COLABA .. .. .. Cusrow Baug. KALBADEVI .. Princess Street. MALABAR HILL .. Hughes Road.

BRANCHES : AHMEDABAD. AHMEDABAD, ELLIS BRIDGE. AHMEDABAD, GANDHI ROAD. AHMEDABAD, MANEK CHOWK. AHMEDABAD, STATION BRANCH. AMRITSAR. BANGALORE. BHUJ (KUTCH). CALCUTTA. CALCUTTA, BARA BAZAR. CALCUTTA, CHOWRINGHEE SQUARE. COIMBATORE. DELHI. NEW DELHI. GANDHIDHAM (KUTCH). HYDERABAD (DECCAN). JAMSHEDPUR. JUNAGADH. KOZHIKODE (FORMERLY CALICUT). MADRAS. NAGPUR. NAGPUR CITY. PALANPUR. POONA. POONA CITY. RAJKOT. SHOLAPUR. SURAT. VERAVAL.

LOCAL COMMITTEES :

AHMEDABAD—Mr. Narottam Lalbhai, *Committee of Directors* : Mr. Ambalal Sarabhai, Mr. Madanmohan Mangaldas.
AMRITSAR—Lala Dewan Chand Mehra.
BANGALORE—Mr. Jeenabhai Davidgis.
CALCUTTA—Mr. Jugmohan Prasad Goenka, Mr. N. B. Elias.
COIMBATORE—Mr. S. R. P. Ponnuswamy Chettiar, M.L.C., Mr. R. Venkataswamy Naidu.
DELHI—Lala Bharat Ram.
JAMSHEDPUR—Sardar Ajaib Singh, Mr. Rangilal Agarwala.
MADRAS—Dewan Bahadur Sir Arcot Lakshmanaswami Mudaliar, Mr. S. Lalchand Dadha, Mr. M. S. M. M. Meyyappa Chettiar.
NAGPUR—Rao Bahadur Sir Madhavrao G. Deshpande, K.B.E.
POONA—Khan Bahadur Sir Manekji N. Mehta, C.I.E., M.B.E., Mr. S. H. Rathi, M.L.C.
SURAT—Mr. Lalitmohan C. Gandhi, B.Sc., M.A., LL.B., Mr. Moiz S. Vasi.

FOREIGN BRANCHES

LONDON BRANCH :—17, MOORGATE, LONDON, E.C. 2. ADEN. DAR-ES-SALAAM. JINJA. KAMPALA. KARACHI. MOMBASA. NAIROBI. OSAKA. SINGAPORE. TOKYO.

AGENTS IN ALL THE PRINCIPAL COUNTRIES OF THE WORLD.

ANNUAL REPORT

To be submitted to the Shareholders at the Fifty-First Annual General Meeting to be held at the Registered Office of the Company at Mahatma Gandhi Road, Fort, Bombay, on Thursday, the 7th day of March, 1957, at 4 o'clock in the afternoon.

Directors' Report for the year ended 31st December, 1956

The Directors submit to the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1956. The Auditors' Report is also annexed.

	Rs.	a.	p.
The transactions for the past year, including the balance brought forward from the previous year, Rs. 13,25,030-2-5, have resulted in a profit of	1,05,29,924	7	2
An interim dividend was paid for the half-year ended 30th June, 1956, at the rate of 6 per cent. free of Income-tax on the Paid-up Capital of Rs. 2,50,00,000, which absorbed	15,00,000	0	0
Provision made for Income-tax and Super-tax for the year	28,00,000	0	0
Bonus to Staff	13,75,000	0	0
The Directors now propose :—			
To pay a final dividend for the half-year ended 31st December, 1956, at the rate of 10 per cent. free of Income-tax, making 16 per cent. for the year, on the Paid-up Capital of Rs. 2,50,00,000, which will absorb	25,00,000	0	0
To place to the Bank's Reserve Fund	8,00,000	0	0
To carry forward to the next account	15,54,924	7	2
Total .. Rs.	1,05,29,924	7	2

The Bank's business continued to function satisfactorily.

The Official Bank Rate remained stationary at 3½ per cent.

During the year the Bank celebrated its Golden Jubilee. To mark the event, the Paid-up Capital was increased from Rs. 250 lakhs to Rs. 300 lakhs by making a bonus issue to the Shareholders of 1,00,000 "A" issues of shares.

Under the provisions of Section 256 of the Companies Act, 1956, the following Directors of the Company retire by rotation, but are eligible and offer themselves for re-election :—

Sir Cowasjee Jehangir, Baronet, G.B.E., K.C.I.E.
Mr. Bhagvandas Chunilal Mehta.
Mr. A. D. Shroff.

Under the provisions of Section 260 of the Companies Act, 1956, the under-noted Directors, who have been appointed as additional Directors during the year 1956, will hold office up to the date of the Annual General Meeting, namely, up to 7th March, 1957. They stand for election in the manner provided by the Act.

Mr. Madanmohan Mangaldas.
Mr. N. K. Petigara.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

COWASJEE JEHANGIR, *Chairman.*
AMBALAL SARABHAI, JOSEPH KAY, DINSHA K. DAJI, RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, *Directors.* K. M. D. THACKERSEY, A. D. SHROFF, MADANMOHAN MANGALDAS, N. K. PETIGARA, V. N. CHANDAVARKAR.

H. A. CURRIMBHOY, *Chief Accountant.*
D. R. THOM, *General Manager.*

BOMBAY, 31*st January*, 1957.

BALANCE SHEET AS AT 31st DECEMBER, 1956.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL—						
(a) 5,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
(b) 1,00,000 "A" Shares of Rs. 50 each	50,00,000	0	0			
	5,50,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL—						
(a) 5,00,000 Shares of Rs. 100 each paid for in cash ..	5,00,00,000	0	0			
(b) 1,00,000 "A" Shares of Rs. 50 each credited as fully paid bonus shares	50,00,000	0	0			
	5,50,00,000	0	0			
AMOUNT CALLED UP on 5,00,000 Shares of Rs. 100 each at Rs. 50 per share	2,50,00,000	0	0			
AMOUNT FULLY PAID UP on 1,00,000 "A" Shares of Rs. 50 each	50,00,000	0	0			
	3,00,00,000	0	0			
LESS—Calls Unpaid	Nil					
	3,00,00,000	0	0			
ADD—Forfeited Shares	Nil			3,00,00,000	0	0
2. Reserve Fund and Other Reserves—						
Reserve Fund				3,02,00,000	0	0
(Includes Rs. 1,50,00,000 received as Premiums on issues of Shares in past years)						
3. Deposits and Other Accounts—						
Fixed Deposits	17,00,47,127	6	11			
Savings Bank Deposits	9,82,08,578	0	4			
Current Accounts, Contingency Accounts, etc.	42,72,46,671	12	6	69,55,02,377	3	9
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	7,85,00,000	0	0			
(ii) Outside India	Nil			7,85,00,000	0	0
PARTICULARS—	Rs.	a.	p.			
(i) (a) Secured by part of the Bank's Investments	50,00,000	0	0			
(b) Secured by Bills Discounted ..	7,85,00,000	0	0			
	7,85,00,000	0	0			
(ii) Unsecured	Nil					
5. Bill Payable				39,38,677	13	6
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	1,08,41,153	10	4			
(ii) Payable outside India	80,53,547	13	11	1,88,94,701	8	3
7. Other Liabilities—						
(i) Unexpired Discounts	1,58,286	12	2			
(ii) Branch Adjustments	57,40,658	14	4			
(iii) Unclaimed Dividends	3,00,487	15	0	61,99,433	9	6
8. Acceptances, Endorsements and Other Obligations per contra ..				9,60,58,996	8	1
9. Profit and Loss—						
Balance as per Balance Sheet as at 31st December, 1955 ..				41,26,630	3	5
LESS—Final Dividend at 10 per cent., making 16 per cent. for the year 1955, free of Income-tax ..	Rs. 25,00,000	a. 0	p. 0			
Placed to the Bank's Landed Property Account	3,00,000	0	0			
	28,00,000	0	0			
	13,26,630	3	5			
ADD—Profit for the year ended 31st December, 1956 ..	92,03,294	3	9			
	1,05,29,924	7	2			
LESS—Provision for Income-tax and Super-tax for the year ..	Rs. 28,00,000	a. 0	p. 0			
Interim Dividend at 6 per cent. for the half-year ended 30th June, 1956	15,00,000	0	0			
Provision for Bonus to Staff for the year 1956	13,75,000	0	0			
	56,75,000	0	0	48,54,924	7	2
10. Contingent Liabilities—	Rs.	a.	p.			
(i) On partly paid Shares	57,020	0	0			
(ii) Claims against the banking company not acknowledged as debts ..	3,37,592	6	6			
(iii) Guarantees given on behalf of customers .. .. .. (Includes Rs. 22,36,945-13-0 in respect of guarantees given to Government Departments secured against part of the Bank's Investments and Rs. 26,000-0-0 in respect of a guarantee given on behalf of a Director)	4,72,40,914	4	10			
(iv) Bills of Exchange Re-discounted :— U.S. Dollar Bills Re-discounted $29,420 31 of which $17,719 45 have run off as at 31st January, 1957. Sterling Bills Re-discounted £32,738-17-0 of which £22,513-14-8 have run off as at 31st January, 1957.						
(v) Outstanding Forward Exchange Contracts	31,11,25,772	15	1			
NOTES :—Provision to the full extent for future gratuities to Staff has not been made—the liability for which has not been ascertained.						
The Profit and Loss Account includes expenses of The Bank of India (U.K.) Nominees Limited, a subsidiary Company of this Bank.						
Total .. Rs.				96,41,99,111	2	3

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)				6,78,09,823	3	1
2. Balances with Other Banks on Current Account—						
(i) In India	17,92,129	5	9			
(ii) Outside India	1,04,17,953	6	1			
3. Money at Call and Short Notice				1,22,10,083	11	10
				Nil		
4. Investments at Below Market Value—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments				16,80,71,937	13	3
(ii) Shares—						
(a) Fully paid Preference Shares				8,45,183	4	0
(b) Fully paid Ordinary Shares				74,07,557	11	0
(c) Partly paid Preference Shares ..				75,000	0	0
(d) Partly paid Ordinary Shares ..				7,020	0	0
(iii) Debentures or Bonds				63,55,750	0	0
(iv) Other Investments—						
Pakistan Government and Trustee Securities				25,24,312	8	0
(v) Gold				Nil		
5. Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	39,22,61,937	14	11			
(ii) Outside India	2,87,87,920	0	4			
				42,10,49,857	15	3
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	11,21,58,690	3	6			
(ii) Payable outside India ..	3,89,03,711	7	6			
				15,10,62,401	11	0
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the banking company is fully secured				47,46,66,376	9	4
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security				1,35,45,061	8	11
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors				8,39,00,271	8	0
(iv) Debts considered doubtful or bad, not provided for ..				Nil		
				57,21,11,709	10	3
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons				63,89,239	11	1
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				9,17,62,363	11	7
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons				1,04,07,404	6	8
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				10,28,08,381	6	8
(ix) Due from banking companies				9,54,155	0	2
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India				1,08,41,153	10	4
(ii) Payable outside India				80,53,547	13	11
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				1,88,94,701	8	3
8. Premises, Less Depreciation—				9,60,58,996	8	1
At cost as at 31st December, 1955				1,00,96,262	10	1
Additions during this year				1,37,109	10	6
				1,02,33,372	4	7
LESS—Written off up to 31st December, 1955				75,84,301	10	3
9. Furniture and Fixtures, Less Depreciation				26,49,070	10	4
				Nil		
10. Other Assets—						
(i) Shares of The Bank of India (U.K.) Nominees Limited, at cost				1,355	10	5
(ii) Advance Payments of Tax				79,48,950	8	0
(iii) Stamps				21,402	1	8
(iv) Interest accrued on Investments to 31st December, 1956				12,06,277	6	1
(v) Silver				Nil		
				91,77,985	10	2
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Total .. Rs.				96,41,99,111	2	3

trend is discernible in the case of the jute industry. Labour's share, however, in the gross receipts of industries as a whole moves up from 15.4 per cent. in 1946 to 18.3 per cent. in 1953. It is striking that the year 1951 in all cases registers the lowest percentage share for labour, i.e., 19.5 per cent., 12.3 per cent. and 14.5 per cent., respectively.

By 1939, the jute industry could emerge with confidence from the grip of the economic crisis of the last year. In fact, orders for sandbags from the British Government ushered in boom conditions. From 1940 onwards, the industry entered upon what may be termed as a wave of prosperity which stands more or less in wide contrast chronologically to the boom enjoyed by the cotton textile industry and reached the peak in 1942, due to war orders from the Government at home as well as from abroad. The profit index again began to mount in 1944, the upward trend being maintained till 1946, owing to the revival of steady demand for jute manufactures from the United Kingdom Commercial Corporation and later from South Africa.

Jute Workers

The money earnings gradually increased, but could not keep pace with the increase in living costs in Calcutta. The real earnings touched the lowest point of 58 in 1944 and gradually moved up to 67 in 1946 when real profits were up by nearly 50 per cent. It is deplorable that the employers not only denied the workers a share in the war-caused gains of the industry, but what is even more deplorable is that they deprived the workers of a portion of what belonged to him in 1939. In other words, the 1939 standard of living which was already below the subsistence level was further pushed down, while real profits were constantly increasing. The year 1949 brought substantial relief to the worker as a result of the award and proved to be the worst for the industry which sustained huge losses as supported by the lowest point of profit index and profit percentage over the period under observation. The tables almost turned by 1951 which brought considerable gains to employers and a slight setback in worker's real earnings. The real profit index touched the highest point during the decade as borne out by net profit as a percentage of net worth. The year 1954 is quite reassuring and puts labour ahead by a considerable margin in relation to the employer.

Labour Gets More

The table relating to all industries is significant. The index of real earnings after the year 1940 started a downward trend. The declining phase set in in 1942, continued through the whole of the following quinquennium, touching the lowest point of 73 in 1946. This was due, in spite of increases in money earnings, to tremendously larger increases in cost of living index which exceeded the former. The profit and productivity indices also reflected a similar tendency. During the years 1947-51, the index of real earnings rose almost steadily, while profit and productivity indices kept curving up and down. The year 1952 is marked by a sizable advance in real earnings, over-stepping the base, but by a steep fall in the profit index which stands almost at the lowest rung of the ladder. The sudden fall in profits is also corroborated by the lowest rate of profit as a percentage of net worth. The year 1950 proved the turning point in the history of Indian industry when the index of productivity took a definite upward turn and, for the first time since the outbreak of the war, did productivity surpass the pre-war period in 1953 and touch the highest point of 113 in 1954. In brief, the present position is that productivity indices have registered a heartening tone of improvement over those of real earnings and indices of real earnings have raced ahead of those of profits by a considerable margin.

This brief survey of the country's major industries reveals the facts of the situation and helps enlighten informed public opinion that should determine the future line of action and influence the formulation of a suitable wage policy. The country-wide clamour for a sizable increase in wages and industrial unrest reinforce the imperative need for such a policy.

The argument which is often advanced that the worker's average earnings are many times larger than the *per capita* income, is hardly tenable. Family earnings are often mistaken for individual earnings. They should be divided by the average number of consumption units in a family, that is, by three, before being equated with the *per capita* income. Such a comparison, apart from being fair, will convey a correct picture of the worker's social and economic status. To concretise, the average annual earnings in organised industries in 1954 amount to Rs. 1,111 which are unquestionably family earnings and as such ought to be divided by three. This gives an income of Rs. 370 per head which, in all fairness, can be equated to *per capita* income which, for the same year, stands at Rs. 262. An industrial worker's economic position today is thus far superior to that of an average person in the country.

It is contended that the real wages have decreased, despite the intensified efforts on the part of labour resulting in considerably enhanced output. Over a wide range of industries, real wages, instead of lagging behind, have actually advanced towards fair wage consistent with our low national income. The case of the cotton textile industry is slightly different. From 1948 onwards, wages have been linked, under various awards to the cost of living index and, *ipso facto*, have been moving in close sympathy with it. If the 1948 wage level was held to be adequate to keep the worker in a requisite state of efficiency, the present wage level can hardly be otherwise. The same statistical tables prove that the real profits have considerably declined, hence no further relief to the worker is possible at the cost of profits.

Fleece the Consumer?

The other alternative, therefore, to push up the real wage level, is to raise the price of the product. But would it not be regarded as an act of perverted vision to fleece the consumer still further in an atmosphere charged with ever-swelling prices in order to foot the inceased wage bill? At a time when the nation's attention and energy are bent on how to implement the Plan successfully, the prerequisite of which is price

(*Continued on page* 451)

THE BANK OF INDIA LIMITED—(*Continued*)

Profit and Loss Account for the year ended 31st December, 1956.

EXPENDITURE	Rs.	a.	p.	INCOME (Loss provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	1,10,01,991	14	2	1. Interest and Discount	2,72,08,211	6	7
2. Salaries and Allowances and Provident Fund .. .. Salary and Allowances to General Manager Rs. 81,000-0-0.	1,07,85,701	10	8	2. Commission, Exchange and Brokerage	71,01,477	9	10
3. Directors' and Local Committee Members' Fees and Allowances	78,350	0	0	3. Rents	2,88,729	3	2
4. Rent, Taxes, Insurance, Lighting, etc.	17,54,523	7	3	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	*Nil.*		
5. Law Charges	77,863	13	3	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	*Nil.*		
6. Postage, Telegrams and Stamps	1,42,829	12	5	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	*Nil.*		
7. Auditors' Fees	36,000	0	0	7. Other Receipts	5,06,035	0	3
8. Depreciation on and Repairs to the Banking Company's Property	1,23,395	14	3				
9. Stationery, Printing, Advertisement, etc.	8,11,835	4	5				
10. Loss from Sale of or Dealing with Non-Banking Assets	*Nil.*						
11. Other Expenditure	10,88,667	3	8				
12. Balance of Profit (subject to Taxation)	92,03,294	3	9				
Total .. Rs.	3,51,04,453	3	10	Total .. Rs.	3,51,04,453	3	10

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of The Bank of India Limited, as at 31st December, 1956, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated unaudited returns from all the Branches in India not visited by us for the purposes of this Report and the audited returns of all Branches outside India audited by other Auditors.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(*a*) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(*b*) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(*c*) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank ;

(*d*) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(*e*) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

A. F. FERGUSON & CO., *Chartered Accountants.*
S. B. BILLIMORIA & CO., *Chartered Accountants.*

BOMBAY, 31*st January*, 1957.

Statement pursuant to Section 212 of the Companies Act, 1956.

The Profit and Loss Account of The Bank of India Limited for the year ended 31st December, 1956, does not include any profit or loss of its subsidiary, The Bank of India (U.K.) Nominees Limited (a Nominee Company incorporated and operating in the United Kingdom), as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by The Bank of India Limited. The shares of the subsidiary are wholly owned by the Bank.

THE BANK OF INDIA (U. K.) NOMINEES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 1956.

The Directors submit the Balance Sheet for the year ended 31st December, 1956. The Auditors' Report is also annexed.

No Profit and Loss Account is submitted as none has been prepared. No profit was made and no loss was sustained. The expenses of the Company have been paid by The Bank of India Limited, of which the Company is a wholly-owned subsidiary.

J. DONALDSON, S. H. BRADFORD, *Directors.*

LONDON, 1*st January*, 1957.

THE BANK OF INDIA (U. K.) NOMINEES LIMITED

Balance Sheet, 31st December, 1956.

Capital Authorised and Fully Paid-up:			
100 Ordinary Shares of £1 each ..	£100	Cash at Bankers	£100
	£100		£100

Signed on behalf of the Board,

J. DONALDSON, S. H. BRADFORD, *Directors.*

We have obtained all the information and explanations which we have required and which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. We have examined the above Balance Sheet which is in agreement with the books of account. In our opinion such Balance Sheet gives the information required by the Companies Act, 1948, in the manner so required and is properly drawn up so as to exhibit a true, correct and fair view of the state of the Company's affairs at 31st December, 1956, according to the best of our information and the explanations given to us and as shown by the books of the Company.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

27, Old Broad Street, London, E.C. 2.
1*st January*, 1957.

FERGUSON, ROWLAND & DAVIES, *Chartered Accountants, Auditors.*

COWASJEE JEHANGIR, *Chairman.*
AMBALAL SARABHAI, JOSEPH KAY, DINSHA K. DAJI, RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, *Directors.* K. M. D. THACKERSEY, A. D. SHROFF, MADANMOHAN MANGALDAS, N. K. PETIGARA, V. N. CHANDAVARKAR.

D. R. THOM, *General Manager.*
H. A. CURRIMBHOY, *Chief Accountant.*

BOMBAY, 31*st January*, 1957.

NEW PUBLICATIONS

The Transfer of Power in India. By V. P. Menon. Published by Orient Longmans, Bombay. Pages: 534. Price: Rs. 25.

POLITICIANS and distinguished service members of England, in particular, follow a healthy example of writing out their memoirs on their retirement and thus place before the public a wealth of undisclosed information with a view to enlightening them on the past and providing, at the same time, a guide for the future. These publications not only enrich the literature but also form the basis for research and close study. Very often, they help political students to take a proper perspective of the country's affairs.

Viewed from this angle, Mr. V. P. Menon's latest publication, "The Transfer of Power in India," under review is a welcome addition to the information available on the political history of India. The author was a distinguished member of the Political Department of the Government of India, with nearly three decades of service. He actually grew with the constitutional developments from the Montford reforms days and held the high position of Constitutional Adviser to the British Governor-Generals from 1942 to 1947 when power was transferred to the people of India by the British. He was also the Secretary of the Indian Cabinet for a brief period and the first Secretary of the newly created Ministry of States. As he was actually handling all the papers relating to constitutional developments in India, his account is readily authentic and informative.

After rapidly reviewing the early history of the British administration in India from the days of the East India Company and the efforts of the British Government to enact the Government of India Act of 1935, Mr. Menon plunges into the events that took place in India since the outbreak of the Second World War, a turning point in the history of mankind. From the Indian point of view, this period is important, as it marked the demand for the partition of India by Mr. Jinnah. There was no reference to the demand for Partition or the demand for Pakistan in the 1935 Act. The establishment of an all-India Federation held the field. The then Viceroy, Lord Linlithgow, was actually toying with the Federal part of the Constitution without making any progress. It receded to the background when the 1939 war broke out. The Indian National Congress, which was running the administration in nine out of the eleven provinces in British India, demanded the immediate transfer of power to the people of India as an earnest implementation of the war aims outlined by the British Government. History would have been different, if the Congress Party had not voluntarily thrown away the trump card and walked out of office in 1939.

Mr. Menon vividly narrates the march of events from the outbreak of war, throwing ample light on how the demand for Pakistan was conceived and developed under the patronage of Lord Linlithgow in the early forties. The Viceroy turned his back against the Congress as the latter did not co-operate in war efforts on his terms. The Mission undertaken by Sir Stafford Cripps revealed that the British Government was not at all prepared to relax its hold on India. Mr. Menon's version of the Cripps Mission confirms this reading. At one stage of the talks, differences between Sir Stafford Cripps and the Congress leaders narrowed down to the control of the Defence Department in the interim government to be set up at the Centre. Col. Lewis Johnson's intervention (Johnson was President Roosevelt's personal envoy who happened to be in Delhi during the Cripps negotiations) resulted in a new formula, known as "Johnson's formula," which almost bridged the gulf. Sir Stafford finalised it and discussed it with the Viceroy who did not accept it. Recalling this event, Mr. Menon says:

"Sir Stafford Cripps telegraphed the revised formula to His Majesty's Government as the basis on which the negotiations were proceeding and with a strong recommendation for its acceptance. He urged that, without it, there was no prospect of success, but, on this basis, there was considerable chance of securing the agreement of the Congress. Simultaneously, the Viceroy communicated his own views to His Majesty's Government which decided that it could not agree, especially during the period of war, to lessening in any material respect the powers of the Commander-in-Chief. Sir Stafford felt that he was unable to proceed further and the negotiations came to an abrupt end." (Page 130).

The public will remember that Sir Stafford, in his farewell broadcast in 1942, held the failure of the Congress and the League to reach an agreement responsible for the breakdown of the negotiations in Delhi and his return to London. The author should have given here the full text of Sir Stafford's cable to His Majesty's Government and the latter's reply for the edification of future historians.

Lord Wavell, when he became Viceroy in 1943, began well in his efforts to solve the deadlock between the Government and the Congress. He sent an admirable despatch to His Majesty's Government on the need to promote a settlement with India. Here also, the author should have quoted the text of the despatch, for that would have heightened the interest of readers. Be that as it may, Mr. Amery, the then Secretary of State for India, proved a stumbling-block. But when the Labour Party came to power and decided to withdraw from India, Lord Wavell proved unequal to the task. A soldier Viceroy, with no political background and political experience, found himself a prisoner in the hands of a sinister clique composed of a few official elements who had developed antipathy towards the Congress. Mr. Menon's unvarnished account of the interim government formation discloses that Lord Wavell committed blunders in allowing the Muslim League members enter the Executive Council, without accepting the Cabinet Mission Plan of 11th May 1946 and without even withdrawing the "direct action" launched by the League. This was a breach of faith both on the part of the Viceroy and the League as the Congress formed the interim government on acceptance of the Cabinet Mission Plan. Wavell was also guilty of failure to take the Bengal Governor to task for not maintaining law and order in Bengal at a critical juncture, when the "great killings" took place in Calcutta and elsewhere in that State. Under the 1935 Act, which was still in force, the minorities were special responsibilities of the Governors. The author should have also given the readers fuller details of the assurance given by the Cabinet Mission in 1946 to the Muslim League behind the back of the Congress leaders. Instead, he has dismissed it with a casual reference. This is a relevant and very vital point of importance to students of Constitution.

Similarly, when the author deals with the evolution of the 3rd June plan by Lord Mountbatten, he should have given the full text of the first plan which the new Viceroy sent to the British Government without even consulting Mr. Jawaharlal Nehru. It was a fantastic scheme of balkanisation of the country which fell through at Mr. Nehru's protest when he got scent of it. As a piece of history, the author has no right to withhold it from the public. Space is no consideration when history is being recorded. Mr. Winston Churchill, for instance, in his six volumes of the Second World War, has not hesitated to include even those documents which were painting him dark. Mr. Menon's contribution to the 3rd June Plan would have been highlighted if Lord Mountbatten's first plan had also been published. He would have made his book very thorough, had he added the fuller texts of the despatches of the Viceroys, the Cripps' Mission and the Cabinet Mission and published his effort in two volumes of 350 pages each, instead of one volume of 534 pages.

In conclusion, it should be affirmed that the volume under review, written in lucid language, is a valuable addition to the history of the constitutional struggle of India to achieve independence. The author has rightly earned the gratitude of future generations of India.

—*N. Salivateeswaran, M.L.A.*

The "Eastern Economist" Annual Number 1956. Edited by E. P. W. da Costa. 52, Queensway, New Delhi. Price: Rs. 7-8.

Economic forecasting, though it cannot be regarded as a mere exercise in astrology, has many limitations which make the charting of the future course of a developing economy a hazardous job. Although the recently developed input-output analysis and the modern refinements in statistical methods have made the science more precise, a quantitatively accurate predictive economics still remains one of the most cherished dreams of economists.

The *Eastern Economist* has selected "India in 1975" as the theme of its Annual Number which, of course, involves some long-range economic projections. The method followed, it is pointed out at the outset, is the same as that of the Report entitled "Resources for Freedom," prepared by the President's Material Policy Commission of the U.S.A. which, admittedly, is a masterpiece in intelligent economic speculation. It is no exaggeration to say that the U.S. is the most statistically-minded nation in the world and there is a wealth of firsthand statistical data regarding almost every aspect of American life, not to speak of economic. But, in India, an economic analyst has to face formidable difficulties because of the dearth of adequate and reliable data concerning even such vital economic magnitudes as national income and employment. Such being the case, delineation of the economic pattern of the country in 1975 is a hard task and, therefore, our New Delhi contemporary deserves praise for this undoubtedly bold, if not totally hazardous, attempt.

The publication falls into three parts, Part A a political prologue, Part B an economic review, and Part C the epilogue, a sketchy essay on philosophic and cultural values in 1975. It also contains, as a separate section, a review of Indian economy in 1956. It is said that India will be a great industrial power and a great democracy in 1975 and the prediction is that it will be closer to the U.S. and more removed from the Soviet Union than at present. The country's economy, about two decades ahead, will have experienced considerable improvement. The national income, industrial and agricultural production, etc., will have risen substantially. And so too population. The cultural scene is not likely to be very much different from the present and India in 1975 will have the same spiritual needs as it has now. On the whole, the picture of India 18 years hence, as visualised by the journal, appears to be encouraging. But, whether the projection will assume the contours of reality, time alone can say.

Capital's Annual Review of Commerce, Trade and Industry. Editor: George Barrel. 5, Mission Row, Calcutta. Price: Rs. 5.

Our Calcutta contemporary has taken pains to bring together top-ranking economic experts both from within and outside the country to analyse various aspects of economic development in India, with special reference to the second Plan. In a thought-provoking article on the employment potential of the second Plan, Mrs. Joan Robinson of Cambridge contends that full employment of the existing labour force is not an unattainable goal during the short duration of the Plan. Dr. V. K. R. V. Rao assesses the foreign exchange needs of the second Plan, while Dr. P. R. Brahmananda makes out a case for revision of the second Plan so as to make possible a more rapid expansion of wage-goods output. Dr. Thomas Balogh attempts to impress upon Western democracies the need for generous and imaginative planning of economic development of underdeveloped countries through financial aid and technical assistance in order to achieve a balance of international economic power. The European Common Market Scheme is discussed by Mr. Geoffrey Tyson while Mr. Neil McInnes computes the social costs of economic progress. The dangers of bureaucratic power to democratic planning are pointed out by Mr. Tulsidas Kilachand. Mr. Naval H. Tata emphasises the need for eschewing the jealousies between public and private enterprises and urges closer collaboration between the two. Some other articles of particular interest are those entitled Growing Opportunities for Indian Exports in East Africa, Working of Life Insurance in India, Scope for British Co-operation in Indian Economic Plans, Managerial Autonomy in Public Enterprises, Need for Greater Emphasis on Banking Stability, Regulation of Stock Exchanges in India, etc. In addition, the number also contains reviews of the year's developments in the major industries of India.

The Economic Weekly Annual Number. Editor: Sachin Chaudhuri. 15, Tamarind Lane, Fort, Bombay. Price: Rs. 2-8.

This publication contains a number of interesting articles dealing with various aspects of Indian economy. Particular attention is paid to the financial aspects of the Plan, especially the foreign exchange needs. A re-examination of trade policy and an assessment of the implications of Britain joining the free trade area and its bearing on Indo-British trade are urged by Dr. B. N. Ganguly in an article entitled "The Outlook for India's Balance of Payments"; Mr. Shigeto Tsuru expresses some theoretical doubts about the Indian Plan-frame and Dr. Jan Tinbergen analyses the economic implications of the mill *versus* cottage industries controversy. The National Economy of the U.S. in 1957 is the subject of an article by Prof. Galbraith. There are also other articles of topical interest like Import Trade Control and Industrialisation, Recent Monetary Development, Rural Under-employment, Community Development and Economic Growth, to mention only a few.

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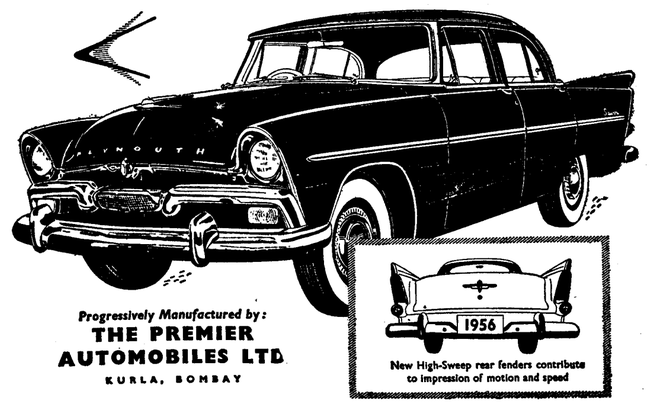

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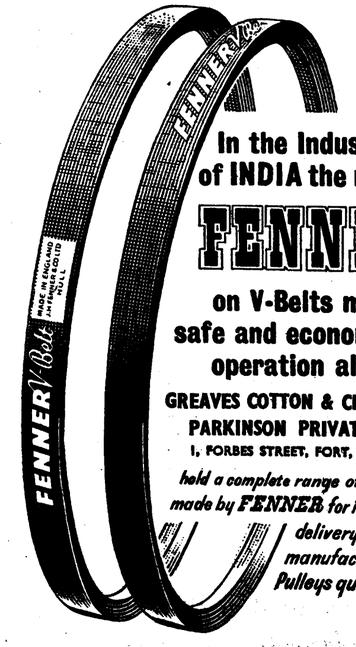

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STATE BANK OF INDIA

(SUCCESSORS TO THE IMPERIAL BANK OF INDIA)

Incorporated in India under the State Bank of India Act, 1955. The Liability of the Members is Limited.

BALANCE SHEET OF THE STATE BANK OF INDIA AS AT 31st DECEMBER, 1956

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL—20,00,000 Shares of Rs. 100 each	20,00,00,000	0	0			
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—(Pursuant to Section 5 (1) of the State Bank of India Act, 1955)—5,62,500 Shares of Rs. 100 each				5,62,50,000	0	0
2. Reserve Fund and Other Reserves				6,37,50,000	0	0
2A. Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)				24,75,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	37,15,69,789	7	6			
Savings Bank Deposits	31,04,63,523	5	0			
Current Accounts, Contingency Accounts, etc.	173,91,97,484	9	3			
				242,12,30,797	5	9
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	16,00,00,000	0	0			
(ii) Outside India	1,27,00,000	0	0			
				17,27,00,000	0	0
PARTICULARS—						
(i) Secured by Government Securities and Bills Discounted per contra	17,27,00,000	0	0			
(ii) Unsecured	....					
	17,27,00,000	0	0			
5. Bills Payable				4,59,11,751	14	5
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	38,88,005	8	11			
(ii) Payable outside India	26,43,360	13	8			
				65,31,366	6	7
7. Other Liabilities—						
*Dividend for the current year	90,00,000	0	0			
Unclaimed Dividends	1,972	3	0			
Inter-Office Adjustments (including Rs. 2,87,208-10-2 due to Imperial Bank of India)	1,99,69,832	9	10			
				2,89,71,804	12	10
8. Acceptances, Endorsements and Other Obligations per contra				8,21,822	8	5
9. Profit and Loss—						
Balance brought forward from last year	84,37,324	14	8			
Profit for the year	1,56,18,326	11	9			
	1,90,55,661	10	5			
Amount set aside for payment of Dividend	90,00,000	0	0			
Amount transferred to Reserve Fund	2,50,000	0	0			
Amount transferred to Pension Funds	6,14,300	0	0			
Bonus to Staff	40,00,000	0	0			
Amount transferred to Staff Welfare Fund	10,00,000	0	0			
				41,91,361	10	5
10. Contingent Liabilities—	Rs.	a.	p.			
Claims against the Bank not acknowledged as debts	5,81,858	2	5			
Bills of Exchange re-discounted	....					
Outstanding Forward Exchange Contracts	28,48,18,957	5	6			
Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank	62,692	12	10			
Guarantees given on behalf of others	12,55,84,873	8	4			
Total .. Rs.				280,28,33,904	5	5

* Of which Rs. 49,50,000 is to be credited to the Integration and Development Fund (item 2A above) bringing the amount in the said Fund to Rs. 74,25,000.

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank (including Foreign Currency Notes)				24,52,12,098	10	2
2. Balances with other Banks—						
On current account / On deposit (Rs. a. p. / Rs. a. p.)						
(i) In India	....					
(ii) Outside India. 3,25,75,749 8 11	3,25,75,749	8	11			
				3,25,75,749	8	11
3. Money at Call and Short Notice				1,06,66,666	10	8
4. ‡Investments (securities valued in accordance with Regulation 73; shares, debentures or bonds at or below cost)—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	93,80,71,576	9	11			
(ii) Shares authorised under the State Bank of India Act, 1955	61,75,618	7	0			
(iii) Debentures or Bonds	1,09,83,750	0	0			
(iv) Other Investments—Pakistan and other Government Securities, etc.	11,35,47,330	5	3			
				106,87,78,275	6	2
‡Of which investments of the face value of Pakistan Rs. 2,57,10,900 are pledged against borrowings from other Banks, Agents, etc., per contra.						
5. Advances—						
(I) Loans, Cash Credits, Overdrafts, etc.— (Rs. a. p.)						
(i) In India .. 103,40,93,008 12 9						
(ii) Outside India .. 4,00,65,022 12 1						
	107,41,58,031	8	10			
†(II) Bills Discounted and Purchased—						
(i) Payable in India .. 30,45,41,226 15 11						
(ii) Payable outside India 2,29,00,519 15 0						
	32,74,41,746	14	11			
†Of which bills of the value of Rs. 24,03,00,000 are held by the Reserve Bank of India as security against borrowings as per contra.						
				140,15,99,778	7	9
PARTICULARS OF ADVANCES (see separate Statement appended).						
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	38,88,005	8	11			
(ii) Payable outside India	26,43,360	13	8			
				65,31,366	6	7
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				8,21,822	8	5
8. *Premises less Depreciation—						
Total Cost up to the 31st December, 1955	1,16,99,825	5	10			
Additions (Rs. 1,48,197-10-0) less Deductions (Rs. 4,77,840-1-2) during the year	3,29,642	7	2			
	1,13,70,182	14	8			
Amount transferred from the Imperial Bank of India during the year	10,57,641	4	4			
	1,24,27,824	3	0			
Depreciation written off up to the 31st December, 1956, less depreciation previously provided on property which has passed out of the Bank's possession	4,40,678	0	0			
				1,19,87,146	3	0
9. *Furniture and Fixtures less Depreciation—						
Total Cost up to the 31st December, 1955	50,37,487	3	6			
Additions (Rs. 14,02,016-6-8) less Deductions (Rs. 24,838-3-11) during the year	13,77,178	2	9			
	64,14,665	6	3			
Amount transferred from the Imperial Bank of India during the year	4,83,980	1	7			
	68,98,645	7	10			
Depreciation written off up to the 31st December, 1956, less depreciation previously provided on property which has passed out of the Bank's possession	9,40,700	7	0			
				59,57,945	0	1
10. Other Assets, including Gold and Silver—						
Bullion	....					
Adjusting Account of Interest, Commission, etc.	1,18,08,047	10	0			
Stationery, Stamps, Suspense, etc.	68,95,008	2	8			
				1,87,03,055	12	8
11. Non-Banking Assets Acquired in Satisfaction of Claims.				....		
12. Profit and Loss				....		
*NOTE.—Includes Rs. 1,30,705-8-6 (against which a sum of Rs. 53,947-10-0 is still to be received) being written down value of certain Pakistan assets sold, pending completion of formalities.						
Total .. Rs.				280,28,33,904	5	5

PARTICULARS OF ADVANCES

	Rs.	a.	p.
(i) Debts considered good in respect of which the Bank is fully secured	129,31,08,391	11	6
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	1,23,40,112	1	0
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	9,61,51,274	11	3
(iv) Debts considered doubtful or bad, not provided for	....		
	140,15,99,778	7	9

	Rs.	a.	p.
(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	3,53,554	6	5
(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	20,84,65,752	12	8
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	3,71,004	5	3
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	20,99,17,974	11	4
(ix) Due from banking companies	8,54,92,061	1	6

(Continued on next page)

STATE BANK MAINTAINS PROGRESS

BUSINESS EXPANDS—RECORD PROFIT

THE financial results for the first full year of working of the State Bank of India, after it took over the Imperial Bank of India on 1st July 1955, show that the change-over to State control has not affected in the least either the Bank's business or its earnings. On the other hand, there has been a sizable expansion in both; this is obviously due to the facts that the set-up of the Bank has been preserved, that the purely commercial nature of its business has been strictly adhered to and that it is not run as a department of the Government. The audited accounts of the Bank for the year ended 31st December 1956 disclose that the Bank had a good share in the prosperity of banks in general during the past year.

The Bank's profit for the year under review amounted to Rs. 1.56 crores, as compared with the combined profit, at Rs. 1.36 crores, of the Imperial Bank of India in the first half of 1955 and of the State Bank of India in the latter half. The rise of Rs. 20 lakhs compares favourably with the negligible decline of about Rs. 1 lakh noted in 1955 and has helped the Bank exceed the record profit of Rs. 1.37 crores earned by the Imperial Bank of India in 1954 by a substantial extent. The sharp rise in profit is due to the increase of Rs. 28 lakhs in interest and discount earned to Rs. 6.19 crores and of Rs. 23 lakhs in commission, exchange and brokerage to Rs. 2.44 crores. The outgo by way of interest paid on deposits and borrowings also shows a rise from Rs. 1.37 crores to Rs. 1.59 crores. An increase of Rs. 8.5 lakhs to Rs. 5.51 crores is also noted in expenses. Of these expenses, salaries and allowances and provident fund account for Rs. 4.30 crores, as against Rs. 4.40 crores in the previous year, while other expenses (including depreciation on Bank's property) for Rs. 1.13 crores, having gone up from Rs. 1.03 crores in 1955.

The increase of over Rs. 20 lakhs in profit has not been utilised to any extent in paying a higher dividend, which, on the other hand, is being maintained at 16 per cent. per annum, a rate which the Imperial Bank of India had been paying from 1950 onwards, after having raised it from 14 per cent. The dividend absorbs Rs. 90 lakhs. The main beneficiaries of the rise in profit are the members of the staff. For as much as Rs. 10 lakhs has been set aside, for the first time, to staff welfare fund, and the allocation to pension fund has been raised from Rs. 5.75 lakhs to Rs. 6.14 lakhs, while bonus to staff is kept unchanged at Rs. 40 lakhs. After a lapse of four years, the reserve fund has been strengthened by a sum of Rs. 2.50 lakhs. Even then, the amount carried forward is substantially higher at Rs. 41.91 lakhs.

Finances at a Glance

(In lakhs of rupees)

	As on 31st December			
	1956	1955	1954	1953
Capital	5,62.50	5,62.50	5,62.50	5,62.50
Reserves	6,37.50	6,35.00	6,35.00	6,35.00
Deposits—				
Fixed	37,15.70	33,90.64	34,23.81	35,11.29
Savings bank	31,04.64	27,92.80	27,49.05	27,97.17
Current, contingency accounts, etc.	173,91.97	164,15.84	169,62.71	144,12.12
Total	242,12.31	225,99.28	231,35.57	207,20.68
Borrowing from other banks	17,27.00	5,00.00	..	..
Advances				
Loans, cash credits and overdrafts	107,41.58	89,01.44	94,64.86	90,55.89
Bills purchased and discounted	32,74.42	16,79.81	6,17.42	14,28.12
Total	140,16.00	105,81.25	100,82.28	104,84.01
Investments	106,87.78	116,97.39	108,71.93	94,18.68
Cash	23,84.54	30,91.40	37,87.02	21,11.20
Balance-sheet total	280,28.34	257,60.85	251,06.70	223,66.62
Ratio to deposits of—	%	%	%	%
Advances	57.9	46.8	43.6	50.6
Investments	44.1	51.7	47.0	45.4
Cash	11.9	13.7	16.4	9.6

Note.—The figures relating to 1954 and 1953 are those of the Imperial Bank of India.

The latest balance-sheet, as compared with the one preceding, fully reflects the conditions in the money market during the year under review. Though there has been a rise of Rs. 16 crores in deposits, as against a shrinkage of Rs. 5 crores in 1955, it is not commensurate with the rise in demand for bank credit, as indicated by the increase of Rs. 34 crores in advances. The bulk of the rise in deposits is accounted for by current deposits, which have gone up by Rs. 10 crores to Rs. 174 crores. The increase in fixed and savings bank deposits is evidently due to the steps taken by the Bank to enlarge its resources. Giving an account of these measures, the Directors' report says:

"The rise in the Bank's resources under deposits being relatively slow, with a view to attracting deposits and improving the facilities to depositors, the State Bank raised at the beginning of 1956 the limits in regard to savings bank accounts. Savings bank depositors were allowed to deposit upto Rs. 10,000 (instead of Rs. 5,000 as previously) in a calendar year and interest was allowed on savings bank balances upto Rs. 20,000 (instead of Rs. 10,000 as in the past). As the year progressed, interest rates hardened further and the Bank decided to raise its deposit rates, though not to the same level as those of other banks. With effect from 1st December 1956, the Bank raised the rates of interest in India and Pakistan on: (i) Savings bank accounts from 1 per cent. to 1½ per cent. per annum; (ii) savings bank deposit accounts from 1½ per cent. to 2 per cent. per annum; (iii) fixed deposits for 12 months from 1½ per cent. to 2½ per cent. per annum; and (iv) fixed deposits for 3 and 6 months—accepted for the first time—at rates varying from 1 per cent. to 2 per cent. per annum. In addition, the Bank has decided to accept short-term deposits of large amounts upto 3 months at negotiated rates of interest. Savings bank depositors at selected centres will also be shortly given the facility for withdrawal of funds by cheques."

Nevertheless, the expansion in deposit resources having proved incommensurate with the rise in advances, the Bank, as in the case of other Scheduled banks had to borrow substantially from the Reserve Bank, as indicated by the increase from Rs. 5 crores to Rs. 17.27 crores in borrowings from other banks at the close of the year. Of these borrowings, Rs. 16 crores represent those in India and the balance outside India. The entire borrowings are secured by

(*Continued on page* 451)

STATE BANK OF INDIA—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956

EXPENDITURE	Year ended 31-12-1956 Rs.	a.	p.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended 31-12-1956 Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	1,58,87,349	9	7	1. Interest and Discount	6,19,35,417	14	8
2. Salaries and Allowances and Provident Fund (including Salaries and Allowances of Chairman Rs. 51,890-14-3 and Managing Directors Rs. 1,07,208-13-2 for the year)	4,38,16,064	10	0	2. Commission, Exchange and Brokerage	2,43,82,560	5	0
3. Directors' and Local Board Members' Fees and Allowances	96,320	0	0	3. Rents	3,34,583	11	4
4. Rent, Taxes, Insurance, Lighting, etc.	23,84,490	9	4	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets	....		
5. Law Charges	1,14,096	5	3	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets	....		
6. Postage, Telegrams and Stamps	18,58,426	7	5	6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....		
7. Auditors' Fees	50,000	0	0	7. Other Receipts	....		
8. Depreciation on and Repairs to the Bank's Property	14,35,780	2	11	8. Loss	....		
9. Stationery, Printing, Advertisement, etc.	25,20,581	13	2				
10. Loss from Sale of or Dealing with Non-banking Assets	....						
11. Other Expenditure	28,71,125	9	7				
12. Balance of Profit	1,56,18,326	11	9				
Total .. Rs.	8,66,52,561	15	0	Total .. Rs.	8,66,52,561	15	0

REPORT OF THE AUDITORS

TO THE PRESIDENT OF INDIA

We, the undersigned Auditors of the State Bank of India, appointed under Section 41 (1) of the State Bank of India Act, 1955, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at the 31st December, 1956.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Central Office and the Local Head Offices at Bombay and Calcutta and the Returns submitted and certified by the Secretary and Treasurer of the Local Head Office at Madras and by Branch Agents, which Returns have been incorporated in the above Balance Sheet and Accounts, and report (i) that, in our opinion, the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank; (ii) that where we have called for any explanation or information such explanation and information have been given to us and have been within the transactions of the Bank which have come to our notice have been within the powers of the Bank; (iv) that the Returns received from the Local Head Office at Madras and from the Branches of the Bank have been found adequate for the purpose of our audit; (v) that the Profit and Loss Account shows a true balance of profit for the period covered by such account; (vi) that, in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; and (vii) that, in our opinion, Books of Account have been kept by the Bank as required by law.

The audit of the Books and Accounts of the Central Office has been carried out jointly by Messrs. S. B. Billimoria & Co. and Messrs. Ray and Ray. The audit of the Books and Accounts of the Local Head Offices has been carried out at Bombay by Messrs. S. B. Billimoria & Co. and at Calcutta by Messrs. Ray and Ray.

S. B. BILLIMORIA & CO., RAY AND RAY, } *Auditors.*

7th February, 1957.

H. V. R. IENGAR, *Chairman.*

VAIKUNTH L. MEHTA, *Vice-Chairman.*

B. P. PATEL, T. S. RAGAVACHARY, } *Managing Directors.*

NEVILLE N. WADIA, J. D. CHOKSI, R. G. SARAIYA, A. D. GORWALA, A. M. M. MURUGAPPA CHETTIAR, PRATAPSINH MATHURADAS, B. VENKATAPPIAH, BADRIDAS GOENKA, G. M. MACKINLAY, } *Directors.*

INDIAN STANDARDS INSTITUTION

ENCOURAGING PROGRESS IN 1955-56

THE setting up of the Indian Standards Institution in 1947 following the recommendations of the Industrial Research Planning Committee (1945), reflected the fulfilment of a long-felt need. In fact, as long back as 1940, a demand for its establishment was put forward by the Twelfth Industries Conference held in Lucknow. With the growing industrialisation of the country, the need for evolving standards for materials, commodities, etc., for adoption at the national and international levels, for avoiding wastage of resources and for improving quality, can hardly be overemphasised. Appropriately, the objects of the I.S.I. include the preparation, promotion and general adoption, at the national and international levels, of standards relating to materials, commodities, structures, practices and operations. It also assists in the rationalisation of industry by co-ordinating the efforts of producers and consumers for the improvement of appliances, processes, raw materials and products. Further, it promotes quality control methods and provides for the registration of Standard Marks applicable to materials, commodities, etc., conforming to standards issued by it. Though, since its inception, the Institute has had to labour under serious limitations imposed by lack of adequate financial resources and paucity of man-power possessing the kind of experience needed in the field, it has made impressive progress in the year April 1955-March 1956. The Institute's functions, organisational structure and its progress in the the year under review are dealt with at considerable length in its annual statement for that year, just published.

The General Council of the Institution, in which rests its overall control, consists of representatives of industry, Central and State Governments, scientific organisations, subscribing members and the Division Councils of the I.S.I. The actual management of the affairs of the Institution is looked after by the Executive Committee and the financial matters are dealt with by the Finance Committee, both of which are appointed by the General Council. The income of the Institution is derived from Government grants from the Centre, subscription from the members, including the States, and sale of standards.

Functions

The I.S.I. carries out its functions through a large number of Sectional Committees, Sub-Committees and Panels, consisting of scientists, technologists and representatives drawn from industrial and Government organisations. These Committees are appointed by the Executive Committee or the five Division Councils of the I.S.I., namely, the Engineering Division Council (E.D.C.), the Building Division Council (B.D.C.), the Textile Division Council (T.D.C.), the Chemical Division Council (C.D.C.), and the Agricultural and Food Products Division Council (A.F.D.C.). Two more Division Councils, that is, the Electro-technical Division Council (E.T.D.C.) and the Structural and Metal Division Council (S.M.D.C.) are proposed to be added soon.

The procedure followed for evolving standards makes interesting reading. When the I.S.I. receives a proposal for Indian Standard—which is normally entertained from the members—the proposal will be scrutinised by the appropriate Division Council, by the Executive Committee, and then forwarded to the Sectional Committee concerned with the subject. The Sectional Committee, which is composed of the representatives of various interests concerned, prepares, with the help of sub-committees and panels, a working document, after studying the relevant literature and, where necessary, undertaking testing in a laboratory. The draft is then sent out to various interested parties for their opinions, in the light of which it is finalised by the Sectional Committee and submitted in the form of a recommendation to the Division Council and then to the Chairman of the Executive Committee, who is authorised to publish the same as an Indian Standard. The period normally taken for this procedure to be completed is one to three years from the date an item is proposed for standardisation. Besides this technical work, the staff of the I.S.I. Directorate is engaged in co-ordinating the work of these committees, in undertaking the necessary secretarial duties, and in organising investigation, etc. The published standards are brought to the notice of the various indenting and purchase departments of the different Governments, Central and State, to ensure their early adoption.

Wide Collaboration

A heartening feature of the work of the Institute is that the Standards are formulated in collaboration with the largest number of interests concerned; and the Institute quite legitimately believes that this feature should ensure their widespread acceptance. Moreover, the Indian Standards are voluntary and the membership of the Institution involves no compulsion on the part of members to follow them either in manufacture or in making purchases. Adoption by the various Central Government Departments of the Standards already in existence for placing orders of their requirements to various industries has been going a long way in diverting Indian production to standardised channels. Consumers are thereby assured of goods produced according to standard specifications. Besides this, another notable step taken by the Institution in order to aid industrialists to produce quality goods, and the consumer to recognise them, is the establishment of I.S.I. Certification Marks Division which issues licences to manufacturers to stamp their goods with a Standard Mark certifying that the goods conform to the relevant Indian Standard.

A notable development during the year under review was the creation of the Agricultural and Food Products Division Council; this was done on 18th February 1956. This Council's work relates to evolving standards in the fields of grading, storage and marketing, processing, etc., of agricultural products.

The creation of the Structural and Metals Division Council, the decision on which was taken on 24th March 1956, brings under one Council those aspects formerly dealt with by the Steel Economy Section, namely, dimensional specifications of structural steel products and codes of practice dealing with designs fabrication and maintenance of steel structures, and those of metallurgical standards, hitherto forming part of the functions of the Engineering Division Council. The formation of this Council was found to be necessary in view of the proposed introduction of the metric system and the improved prospects for metal producing and processing industries in the country.

Another development of some significance was the opening of a branch office of the Institute at Bombay in September 1955. This office assists and serves the Bombay area in matters relating to standards generally. Among the other functions, it disseminates information to the industry regarding the work of the Institution, helps and advises those engaged in industry and commerce who wish to adopt standards, conducts technical enquiries and preliminary inspections in connection with the I.S.I. Certification Marks Scheme, and holds stock of Indian, British, A.S.T.M. and I.E.C. Standards for reference purposes and for sale to the public. An Advisory Committee is also proposed to be set up to this branch to enable it to serve the area more efficiently.

Certification Marks Scheme

Following the introduction of the Certification Marks Scheme in the year, 70 applications for the grant of Certification Marks for engineering, chemical, textile, metallurgical and building materials conforming to Indian Standards were received. Effective action on a large number of applications, however, could not be taken for the reason that the applicants were not aware of either the responsibilities that devolve on them under the scheme or the financial implications of the scheme. Steps are, however, being taken to get over these difficulties, and arrangements have also been made with scientific laboratories to carry out the testing of the goods concerned before issuing licences.

It is also to be noted with interest that the I.S.I. has prepared a comprehensive second Five-year Plan for itself. This plan takes into account the needs of expansion in various directions. The plan was approved by the Planning Commission and has been accordingly included in the second Plan. The total expenditure envisaged for implementing the plan will be just over a crore of rupees, of which the Central Government is expected to make a grant of Rs. 60.6 lakhs. Further, the plan contemplates an increase in output of standards from 140 to 200 standards per year, as against the estimated demand of about 200 standards per year. In the field of certification marking, the plan visualises that 300 licences will be issued during the Plan period.

An idea of the work turned out by various Division Councils during 1955-56 can be had from the following table:

Name of the Council	No. of meetings of various sectional committees sub-committees, etc.	New standards published or in press	Standards revised	Amendments to standards	Draft standards finalised	Draft standards circulated	Draft standards compiled	Draft standards under preparation
1. Engineering Division ..	76	41	1	4	27	31	96	251
2. Building Division ..	97	15	2	..	24	13	61	62
3. Textile Division ..	42	45	..	..	3	46	23	96
4. Chemical Division ..	54	46	..	16	26	23	28	55
5. Agricultural and Food Products Division ..	15	15	..	..	2	1	6	21

It will be seen from the table that, except in respect of A.F.D.C. which was formed only in February 1956, the progress of the work of the Institute has been impressive.

In addition to this progress on the domestic front, the I.S.I. continued to maintain during the year under review cordial and co-operative relations with the various National Standards bodies of the Commonwealth and other countries. The I.S.I., it may be noted, represents India as a founder member of the International Organisation for Standardisation (I.O.S.), participates in 55 of the 83 technical committees of this Organisation, and carries the Secretariates of two Technical Committees and one Sub-committee.

A further significant development during the year under review was the marked increase in the membership of the Institute by 191, as against 153 in the previous year, raising the total membership to 1,181. The I.S.I. keeps its members and the general public informed of the developments in the field of standards through the publication of *Indian Standards* issued from time to time and through a useful and informative *Bulletin* issued every two months.

DANES ACCUSE U.K. OF DUMPING

Denmark is reported to have strongly protested against dumping by Britain. It is said that the Danish Ambassador in Britain has conveyed his Government's grave anxiety to the British authorities that the subsidy policy followed by Britain has been leading to surplus production being used for export and "dumping" in foreign markets. The items involved are eggs and cattle. The Danish Government has expressed the fear that such exports affect seriously Danish agricultural exports, and would also constitute a violation of the General Agreement on Tariffs and Trade. Meanwhile, the Danish bacon factories have decided to continue the system of centralised bacon export to Britain through the sales of Union of Danish Bacon Factories. Denmark's cattle exports, which were higher in the first half of 1956, as compared with those in the corresponding period of 1955, declined, however, in the second half of 1956. As a consequence, the total exports for 1956 stood 10,200 head less than in the preceding year, when they were 481,000. The Sales Union of the Bacon Factories claims that the Danish market for cattle in West Germany has declined because the U.K. has started a regular dumping of live cattle to West Germany, with subsidies of several hundred kroner per head. It is further claimed that the present U.K. egg exports are at a level of about 100,000 boxes a week and correspond to two-thirds of Danish exports. The Danish farmer, it is stated, is receiving less than half the price paid to his counterpart in the U.K.

The Government of India proposes to set up a Central Indian Medicinal Plants Organisation in collaboration with the Indian Council of Medical Research, the Council of Scientific and Industrial Research and the Indian Council of Agricultural Research. This body will co-ordinate the activities in connection with the cultivation of medicinal plants, standardisation and certification of drugs, correct identification, prevention of adulteration in drugs, etc.

Notices

THE BURDWAN CUTWA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Annual General Meeting of the Members of The Burdwan Cutwa Railway Company, Limited, will be held at No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 25th day of March 1957, at 4-15 p.m., for the following purposes:

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. O. N. Goenka, who retires by rotation, but who is eligible for reappointment.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th to 25th March 1957, both days inclusive.

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

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

3, NETAJI SUBHAS ROAD,
CALCUTTA, *25th February* 1957.

Note.—Payment of the proposed dividend, if declared, will be made on or after 15th April 1957 to those members whose names are registered in the Books of the Company on 25th March 1957 or to their mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE AHMADPUR KATWA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Annual General Meeting of the Members of The Ahmadpur Katwa Railway Company, Limited, will be held at No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 25th day of March 1957, at 4-20 p.m., for the following purposes:

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Rai Bahadur N. Singh Roy who retires by rotation, but who is eligible for reappointment.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th to 25th March 1957, both days inclusive.

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

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

3, NETAJI SUBHAS ROAD,
CALCUTTA, *25th February* 1957.

Note.—Payment of the proposed dividend, if declared, will be made on or after 15th April 1957 to those members whose names are registered in the Books of the Company on 25th March 1957 or to their mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE BANKURA DAMOODAR RIVER RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Annual General Meeting of the Members of The Bankura Damoodar River Railway Company, Limited, will be held at No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 25th day of March 1957, at 4-25 p.m., for the following purposes:

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. T. K. Basu, the Director retiring by rotation at the meeting.

   And in this connection to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956:

   "That Mr. T. K. Basu be and is hereby appointed a Director of the Company liable to retirement by rotation."

   Special notice dated 28th January 1957 of the intention to propose the foregoing resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. T. K. Basu is an Associate of the Managing Agents within the meaning of the Act by reason of his being a Director of a subsidiary of the Managing Agents' Company and that, therefore, he can only be appointed by special resolution as a Director of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th to 25th March 1957, both days inclusive.

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

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

3, NETAJI SUBHAS ROAD,
CALCUTTA, *25th February* 1957.

Note.—Payment of the proposed dividend, if declared, will be made on or after 15th April 1957 to those members whose names are registered in the Books of the Company on 25th March 1957 or to their mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

CALTEX OIL REFINING (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debenture Stocks 1966-70 will be closed for transfers from 18th March 1957 to 31st March 1957 both days inclusive.

P. A. ENGINEER,
Secretary & Treasurer
State Bank of India.
Agents for Caltex Oil Refining (India) Ltd., for the management of the Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY-1, *28th February* 1957.

THE KALIGHAT FALTA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Annual General Meeting of the Members of The Kalighat Falta Railway Company, Limited, will be held at No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 25th day of March 1957, at 4-30 p.m., for the following purposes:

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. T. K. Basu, the Director retiring by rotation at the meeting.

   And in this connection to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956:

   "That Mr. T. K. Basu be and is hereby appointed a Director of the Company liable to retirement by rotation."

   Special notice dated 28th January 1957 of the intention to propose the foregoing resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. T. K. Basu is an Associate of the Managing Agents within the meaning of the Act by reason of his being a Director of a subsidiary of the Managing Agents' Company and that, therefore, he can only be appointed by special resolution as a Director of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 16th to 25th March 1957, both days inclusive.

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

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

3, NETAJI SUBHAS ROAD,
CALCUTTA, *25th February* 1957.

Note.—Payment of the proposed dividend, if declared, will be made on or after 15th April 1957 to those members whose names are registered in the Books of the Company on 25th March 1957 or to their mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have decided to declare a second Interim Dividend on 11th March 1957 (additional to the Interim Dividend of 2 per cent., free of income-tax, declared on 9th August 1956) in respect of the Company's financial year ending 31st March 1957, of 2 per cent., free of income-tax, payable on or after 28th March 1957 to registered shareholders whose names appear in the Register on 11th March 1957 or to their mandatees.

Transfers received at the Company's Registered Office before 12.30 p.m. on 9th March 1957 will, if in order, be registered in time for the transferees to receive the Dividend.

By Order of the Board,
J. R. BLAIKIE,
Secretary.

VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA, *27th February* 1957.

N.B.—Shareholders should inform the Regis-

AHMEDABAD ELECTRIC MAKES FURTHER HEADWAY

SHAREHOLDERS GET BETTER RETURN

THE hope expressed by the Chairman of the Ahmedabad Electricity Company, Ltd. (Managing Agents: Messrs. Killick Industries Ltd., Bombay), at the last annual general meeting about the Company's ability to tide over its difficulties which, in turn, visualised some degree of confidence in the future, seems to have been fulfilled. He had also struck an optimistic note on maintaining the dividend for future years at about 6 per cent. The shareholders of the Company would feel gratified that this optimism was not unwarranted. The performance of the Company for the year ended 30th September 1956 is quite satisfactory. Earnings have improved considerably, profits have gone up appreciably and, last but not least, the cut in dividend made last year has been restored, albeit with the help of the dividend equalisation fund to some extent. The shareholders will get 6½ per cent., as against 5 per cent. for the previous year, to which level it had to be pruned from 6½ per cent. for 1953-54. It may also be noted that the latest dividend is on the increased capital raised by the issue of further calls on the new capital issue made in 1954.

It redounds to the credit of the management that the Company's earnings as well as profits have been progressively going up, maintaining, as it does, a steady upward trend. This achievement, it is needless to add, would have been possible only if the management had been on the alert all the time, planned for an expansion in the supply of power and maintained a high degree of efficiency. The gross profit at Rs. 111.53 lakhs has improved by about 75 per cent. from Rs. 65.41 lakhs for 1952-53 while it is about 50 per cent. better than the profit for the preceding year at Rs. 75.96 lakhs. The net profit too, after making a larger provision for depreciation, stands higher at Rs. 61.21 lakhs as against only Rs. 36.12 lakhs a year before. No provision has been made for taxation, as the Company considers that there is no liability on this account owing to Income-tax depreciation allowance. The higher earnings have enabled the Directors to provide a higher allocation to the reserves at Rs. 13.45 lakhs, as against a smaller provision of Rs. 3.83 lakhs a year ago. The year's allocation consists of contingencies reserve Rs. 3.36 lakhs, provision for retiring gratuities Rs. 70,841 and general reserve Rs. 9.39 lakhs. The provision to the last mentioned reserve, namely, general, has been done in accordance with an agreement entered into with the Government of Bombay in 1955.

Although the reserves have in all received Rs. 13.45 lakhs, the net addition to them this year is only Rs. 5.01 lakhs, as no less than Rs. 8.44 lakhs have been withdrawn from the dividend equalisation fund to meet the proposed dividend. The position in this respect is, however, better now than last year, in that, whereas there was a net depletion of Rs. 2.17 lakhs in the reserves a year ago, there has been a net addition this year, as just mentioned. It may be added that, while last year the assistance from the dividend equalisation fund to pay a dividend of 5 per cent. on a relatively smaller capital was of the order of 16 per cent., such assistance this year for a higher dividend on a bigger capital is only 15 per cent.

The following comparative table brings out some of the salient features of the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1956	1955	1954	1953
Earnings from sale of energy ..	326.46	269.18	240.69	220.52
Other income	6.05	5.81	5.36	5.47
Expenses	220.98	199.03	180.12	160.58
Gross profit	111.53	75.96	65.93	65.41
Managing Agents' commission..	5.37	3.50	3.68	3.64
Depreciation	44.95	36.34	22.44	20.43
Taxation				
Net profit	61.21	36.12	39.81	41.34
Transfer from dividend equalisation reserve	8.44	6.00	8.80	..
Promotion, share capital and other expenses written off ..				
Transfer to reserves	0.42	0.36	0.33	0.25
Dividend	13.45	3.83	3.17	3.32
	55.77	37.93	45.13	37.76
Carry forward .. .. Rs.	(6¼%)* 440	(5%) 188	(6⅓%) 1,357	(6⅓%) 3,687

* Made up of *ad-interim* Rs. 2-8 and final of Rs. 4 per share of Rs. 100 each.

As can be seen from the table, the Company's proceeds from sale of energy have registered a sharp rise from Rs. 269.18 lakhs to Rs. 326.46 lakhs. Similarly, sales of energy during the year rose by 12.9 per cent., that is, from 485.98 million kw.h. to 548.69 million kw.h.

Describing the Company's progress, new connections, generating capacity and its transmission and distribution system, the Directors observe:

"During the year, 6,895 new connections were made, bringing the total as at 30th September 1956 to 49,728 which includes 110 large high tension consumers and the North Gujerat grid.

"The generating capacity of the three stations 'A', 'B' and 'C' at Sabarmati as at 30th September 1956 was 142,500 kw. All plant has functioned and been maintained satisfactorily. The highest peak demand recorded during the year was 110,400 kw. as against 100,000 kw. in the previous year. The import licence for the fourth 15 M.W. turbo-alternator has been received and shipments are expected to commence in the course of the next few months. Coal deliveries have been causing some anxiety but constant efforts made it possible to maintain stock at a reasonable level.

"There has been steady progress in the offtake from the North Gujerat grid scheme and the grid maximum demand during the year was 20,350 kw. against 17,000 kw. in 1954-55.

"During the year, 5.77 miles of H.T. mains and 7.95 miles of L.T. mains were laid. The length of 66 kV. transmission lines remains unchanged at 20.25 miles. Both the systems were maintained and operated satisfactorily. Eight new substations for general supply, 10 for rural electrification and two for industrial 11 kV. supply were erected and commissioned during 1955-56."

A feature of the Company's financial position is the low level of reserves. The paid-up capital of the Company, as shown by its balance-sheet as at 30th September 1956, stands at Rs. 874.73 lakhs, all in ordinary shares of Rs. 100 each, as compared with Rs. 7.87 crores at the end of the previous year. The increase in capital is due to the final call of Rs. 25 per share made during the year on the issue of 175,000 ordinary shares made in 1954. The first and second calls at Rs. 25 each per share on this issue were called up in the previous year. As against this enormous capital, the reserves and surplus aggregate only Rs. 75.03 lakhs. These funds would have been richer to the tune of Rs. 23.24 lakhs, if it had not been necessary for the Company to draw this amount to meet a part of the dividends for the three years ended September 1956. The management is, of course, not to be blamed for this state of affairs. It is the rating policy of the Bombay Government that has been at fault. As the capital and reserves are not adequate, the Company has found a part of its financial needs by borrowings. Thus, loans secured against 4½ per cent. mortgage debentures, redeemable in June 1960, amount to Rs. 200 lakhs. The current liabilities account for Rs. 94.84 lakhs. The gross block of the value of Rs. 13.44 crores has been written down to a book value of Rs. 10.95 crores by providing Rs. 2.50 crores for depreciation. The book value includes additions made during the year amounting to Rs. 33.82 lakhs. Capital-work-in-progress is shown at Rs. 4.92 lakhs. Investments in Government securities together with interest accrued amount to Rs. 15.56 lakhs. These had a market value of Rs. 15.34 lakhs as at the close of September 1956. The current assets aggregate Rs. 120.05 lakhs and include, among other items, stores Rs. 52.47 lakhs, sundry debtors considered good Rs. 43.32 lakhs and cash and bank balances Rs. 6.88 lakhs. Besides these, there are fictitious assets amounting to Rs. 8.67 lakhs. The current assets cover the current liabilities by a margin of Rs. 25.21 lakhs.

The Rs. 100 fully paid-up shares of the Company are currently quoted at Rs. 100-5 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 6.74 per cent. per annum.

The Directors of Pan American World Airways, Inc. have declared a dividend of 20 cents per share payable on 15th February 1957 to stockholders of record at the close of business on 25th January 1957. This is the forty-ninth dividend paid by Pan American. Four dividends of 20 cents a share each were paid in 1956. Dividend payments have been made each year since 1941.

(*Concluded from next column*)

Rs. 20,173 represents upkeep charges on immature clearings. The current assets of Rs. 1.95 lakhs are enough to cover the current liabilities and provision for taxation. Thus, the financial position of the Company is satisfactory on the whole.

The Rs. 2 fully paid-up shares of the Company are being currently quoted at Rs. 6-12 *cum-div.* On an *ex-div.* basis, the dividend for the year at 20 per cent. provides a yield of 6.3 per cent. per annum.

KUMERGODE REPEATS DIVIDEND

PROFIT, HOWEVER, SMALLER

A SIZABLE diminution in production of coffee, has reversed the upward trend in the earnings of the Kumergode Estates Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Mangalore) during the year ended 31st October 1956. The output of coffee, which had recorded a sharp rise to 3,021 cwts. in 1954-55 from only 1,880 cwts. in 1953-54, has dropped to 1,943 cwts. for the year under review. Indeed, had it not been for the fact that the crop fetched a slightly higher price than in the previous year, the financial results would have proved far worse. There is, however, no reason to feel disappointed over this outcome, because coffee is an agricultural crop the yield of which fluctuates very widely from year to year. Invariably, a bigger crop in one year is followed by a smaller crop in the following year. Such fluctuations are chiefly the outcome of Nature's behaviour and are beyond the control of management. Having regard to this fact, it is noteworthy that, barring the very favourable working in the previous year, the results for 1955-56 make satisfactory comparison with those for the preceding other years. Further, the profit has been just enough to maintain the dividend at the previous year's level of 20 per cent., to which rate it had been stepped up from the maiden dividend of 10 per cent. declared out of the 1953-54 profit.

The gross profit at Rs. 94,097 adversely compares with Rs. 2.26 lakhs for 1954-55, but it is better than that for any other period. The net profit has recorded an even sharper decline. At Rs. 45,796, it is less than one-third of that for the previous year at Rs. 1.62 lakhs. It is nevertheless sufficient to cover the dividend in full. The allocation to the reserves has been substantially pruned from Rs. 1.30 lakhs to Rs. 30,000.

The following comparative table provides an idea about the salient features of the Company's working during the past four years:

	For the year ended 31st October			
	1956	1955	1954	1953
	Rs.	Rs.	Rs.	Rs.
Proceeds of coffee crop ..	4,88,387	5,70,218	3,75,902	3,48,554
Proceeds of other crop ..	2,749	2,523	2,492	3,775
Expenses	3,15,178	3,48,406	2,91,209	2,79,236
Gross profit	94,097	2,26,395	87,564	75,485
Managing Agents' commission..	5,859	10,317	8,903	6,199
Depreciation	22,842	20,362	9,775	9,995
Taxation	19,800	33,705		
Net profit	45,796	1,62,011	69,186	59,291
Preliminary expenses written off	..	..	24,380	..
Loss prior to Incorporation written off				36,348
To reserves	30,000	1,30,000	50,312	..
Dividend	40,000 (20%)	40,000 (20%)	20,000 (10%)	..
Carry forward	37,383	61,537	69,575	95,081
Coffee crop (in cwts.)	1,943	3,021	1,880	1,98
Value of coffee per point (Rs.).	2-8-0	2-4-0	2-8-0	2-4-0

The decline in coffee crop harvested was not altogether unexpected, since it is only in consonance with, or perhaps a shade better than, the revised estimate of 80 to 90 tons. The crop was originally estimated at 105 tons but later investigations proved that this was exaggerated. It will be seen from the table above that the proceeds from coffee crop for the year at Rs. 4,88,387 are better than those for 1952-53 and 1953-54, in spite of the appreciable fall in production. This is, no doubt, due to the improvement in prices realised.

Subject to any alterations which the recent re-survey might necessitate, the Company's estate consists of 814.69 acres. Of these, 521 acres are under mature coffee (Arabica 419 acres and Robusta 102 acres), and 89 acres under immature coffee (Arabica 74 acres and Robusta 15 acres). The area in reserve is 79.33 acres. The balance is devoted to cardamons (5 acres), oranges (5 acres), paddy (93.09 acres) and sites, etc., 22.27 acres.

The current season's (1956-57) crop was originally estimated on blossom at 3,000 cwts., but the visiting agent, who saw the estate later, has indicated that this may not be harvested and the estimate has, therefore, been revised downwards to 2,800 cwts.

The Company has got a paid-up capital of Rs. 2 lakhs in ordinary shares of Rs. 2 each. The capital is supplemented by reserves and surplus aggregating Rs. 2.47 lakhs. The debenture liability, on account of 7½ per cent. first mortgage debentures, has been reduced by Rs. 30,000 to Rs. 2.40 lakhs. The current liabilities amount to Rs. 1.35 lakhs. This is inclusive of a provision for taxation at Rs. 53,505. The gross block of Rs. 6.91 lakhs stands depreciated to Rs. 6.27 lakhs. There have been additions during the year of a total value of Rs. 60,431 in which

(*Continued in previous column*)

KIL KOTAGIRI SHOWS BETTER PROFIT

RESERVES STRENGTHENED

THE accounts of the Kil Kotagiri Tea and Coffee Estates Company, Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar) for the year ended 31st October 1956, disclose the results of a company which has not only turned the corner, but the future prosperity of which appears to be fairly stabilised at a relatively higher level, assuming that other things will remain the same. This is, of course, due to the amalgamation with the Company of the Nilgiri Neerugundi Estates. The accounts of the latter have been incorporated in the results of the Company for 1955-56 for the first time. Accordingly, these results are not strictly comparable with those for the preceding year. If, nevertheless, a comparison is made, it is done only to give a rough picture of the Company's progress.

The proceeds from sale of tea and coffee in 1955-56 have both substantially improved; profits have gone up and reserves strengthened. The gross profit for the year under review at Rs. 9.60 lakhs is more than double that earned in 1954-55 at Rs. 4.27 lakhs. It may be noted that, before the amalgamation, the gross profit rose from Rs. 5.14 lakhs for 1952-53 to Rs. 6.36 lakhs for 1953-54. This upward trend was reversed and in the following year, that is, 1954-55, it fell sharply to Rs. 4.27 lakhs. The net profit, too, has gone up to Rs. 5.23 lakhs, after having fallen from Rs. 3.45 lakhs for 1953-54 to Rs. 2.32 lakhs for 1954-55, the lowest earned since 1949-50.

The higher earnings have not, as is usually expected, brought a higher dividend, but it has only been maintained at the previous year's level of 20 per cent. This is obviously due to the Directors' wise policy of ploughing back the major portion of the profits. Accordingly, the reserves get a higher allocation this year at Rs. 3.25 lakhs. It may be remembered that, in the previous year, the allocation to this account had to be pruned to Rs. 1 lakh from Rs. 1.25 lakhs provided a year earlier.

The main features of the Company's working results are given in the comparative table below:

	For the year ended 31st October			
	1956	1955	1954	1953
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of—				
Tea	15,76,723	8,09,076	8,90,047	7,46,742
Coffee	7,22,534	25,342	1,42,062	49,814
Stocks of tea	1,45,748	1,42,789	1,14,376	1,72,224
Expenses	15,36,920	5,68,454	5,24,078	4,62,931
Gross profit	9,60,542	4,27,506	6,35,929	5,14,087
Managing Agents' commission..	89,886	20,203	30,191	25,272
	49,496	28,293	40,971	43,333
Depreciation	3,48,000	1,47,000	2,14,000	1,14,000
Taxation	5,23,160	2,32,010	3,45,767	3,26,477
Net profit	3,25,000	1,00,000	1,25,000	1,00,000
To reserve				
Dividends—				
6 per cent. preference	15,000	15,000	15,000	15,000
Ordinary	1,71,708 (20%)	1,71,708 (20%)*	2,25,000 (30%)†	2,00,000 (40%)
	27,172	15,720	70,418	90,651
Carry forward	342,560	374,800	302,400	370,500
Tea crop (in lbs.) ..	144.30	129.29	114.54	96.39
Cost per lb. (in cents) ..				
Average price realised per lb. (in cents)	262.69	252.08	261.19	209.24
	4,469	38	701	297
Coffee crop (in cwts.)	122.92	1,840.07	137.77	217.71
Cost per cwt. (in Rs.)	192.31	176.18	192.09	155.16
Value per cwt. (in Rs.)				

* On the further increased capital as a result of the issue of shares to the shareholders of Nilgiri Neerugundi Estates, following the amalgamation of the two companies.
† On the increased capital of Rs. 7.50 lakhs raised by the capitalisation of Rs. 2.50 lakhs.

The crop of brown tea harvested from the Kil Kotagiri Estates during the year at 342,560 lbs. was down by 32,000 lbs. as compared with 1954-55 when a record crop of 374,800 lbs. was secured. It was the lowest since 1951-52 when 257,200 lbs. was harvested. Consequent on lower output, the cost of production was higher at 144.30 cents per lb., as against 129.29 cents in 1954-55 and 96.39 cents in 1952-53. The average price realised, however, was a shade higher at 262.29 cents per lb. as compared with 252.08 cents in 1954-55. Though this was the highest price secured by the Company so far—the previous peak was 261.19 cents in 1953-54—the increase in it was surpassed by the rise in the cost of production. Accordingly, the profit-margin per lb. of tea was appreciably less.

From the Nilgiri Neerugundi Estate 1,390,696 lbs. of green leaf tea were sold at an average price of As. 6.66 per lb. This fetched a sum of Rs. 5,78,660 to the sale proceeds during 1955-56.

The Company's coffee crop was more favourable than the tea crop both in regard to production and income. The production at 4,469 cwts. in 1955-56 bears no comparison to the meagre,

(*Continued in third column*)

COMPANY MEETINGS AND DIVIDENDS

TALCHER COALFIELD LTD. Annual General Meeting, Calcutta, 7th March 1957. Dividend: *Nil.* Transfer books remain closed from 20th February to 7th March 1957, both days inclusive.

ASSOCIATED HOTELS OF INDIA LTD. Annual General Meeting, Calcutta, 9th March 1957. Dividend: 12 per cent. Transfer books remain closed from 24th February to 9th March 1957, both days inclusive.

REWA COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 11th March 1957. Dividend: As. 12 per share. Transfer books will remain closed from 4th to 11th March 1957, both days inclusive.

UNITED MOTORS (INDIA) LTD. Annual General Meeting, Bombay, 14th March 1957. Dividend: Rs. 2 per share. Transfer books will remain closed from 7th to 20th March 1957, both days inclusive.

JUBILEE MILLS LTD. Annual General Meeting, Bombay, 14th March 1957. Transfer books remain closed from 1st to 14th March 1957, both days inclusive.

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 14th March 1957. Dividend: *Nil.* Transfer books remain closed from 1st to 14th March 1957, both days inclusive.

NEW SWADESHI SUGAR MILLS LTD. Annual General Meeting, Bombay, 14th March 1957. Dividend: Rs. 20 per ordinary share and Rs. 5 per quarter ordinary share, payable on or after 18th March 1957. Transfer books will remain closed from 8th to 14th March 1957, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Annual General Meeting, Calcutta, 20th March 1957. Dividend: Re. 1 per share, payable on or after 28th March 1957. Transfer books will remain closed from 7th to 20th March 1957, both days inclusive.

VIZAGAPATAM SUGARS AND REFINERY LTD. Annual General Meeting, Thumpala, Anakapalle P.O., 22nd March 1957. Transfer books will remain closed from 8th to 22nd March 1957, both days inclusive.

HIND MILLS LTD. Annual General Meeting, Bombay, 22nd March 1957. Transfer books will remain closed from 14th to 22nd March 1957, both days inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Annual General Meeting, Sehore (Madhya Pradesh), 23rd March 1957. Dividend: Re. 1-8 per share. Transfer books remain closed from 25th February to 10th March 1957, both days inclusive.

SRI KRISHNA TILES AND POTTERIES (MADRAS) PRIVATE LTD. Annual General Meeting, Madras, 26th March 1957. Transfer books will remain closed from 18th March to 1st April 1957, both days inclusive.

SHREE CHANGDEO SUGAR MILLS LTD. Annual General Meeting, Bombay, 26th March 1957. Dividend: Rs. 5 per share, payable on and after 1st April 1957. Transfer books will remain closed from 12th to 26th March 1957, both days inclusive.

POLYCHEM LTD. Annual General Meeting, Bombay, 27th March 1957. Transfer books will remain closed from 4th to 27th March 1957, both days inclusive.

CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LTD. Annual General Meeting, Bombay, 29th March 1957. Transfer books will remain closed from 11th to 29th March 1957, both days inclusive.

GROS TEA CO., LTD. *Ad-interim* dividend of 10 per cent. for season 1956, payable on 13th March 1957. Transfer books will remain closed from 4th to 13th March 1957, both days inclusive.

DIMAKUSI TEA CO., LTD. Interim dividend of 10 per cent. for season 1956, payable on or after 6th March 1957. Transfer books remain closed from 25th February to 6th March 1957, both days inclusive.

TEEN ALI TEA CO., LTD. *Ad-interim* dividend of 10 per cent. for season 1956, payable on 11th March 1957. Transfer books will remain closed from 4th to 11th March 1957, both days inclusive.

OUCHTERLONY VALLEY ESTATES (1956) LTD. Dividend of 10 per cent. for the year ended 31st October 1956. Transfer books will remain closed from 6th to 16th March 1957, both days inclusive.

COIMBATORE COTTON MILLS LTD. Dividend of Rs. 25 per share, for the year ended 31st December 1956. Transfer books will remain closed from 12th to 25th March 1957, both days inclusive.

DHANALAKSHMI MILLS LTD. Dividend of Rs. 25 per share, for the year ended 31st December 1956. Transfer books will remain closed from 16th to 29th March 1957, both days inclusive.

COMPANY REGISTRATIONS

PREMIER WIRE PRODUCTS PRIVATE LTD. (Managing Director: Mr. Dattatraya M. Dhanukar.) Business: Manufacture of wires and products and metal castings. Authorised capital: Rs. 5,00,000. Private company. Address: 3rd Floor, Industrial Building, Churchgate, Bombay.

ECK HAUBOLD AND LAXMI PRIVATE LTD. (First Director: Mr. K. M. D. Thackersey.) Business: Manufacture of paper bowls. Authorised capital: Rs. 5,00,000. Private company. Address: Sir Vithaldas Chambers, 16, Apollo Street, Fort, Bombay.

Notice

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Twentieth Ordinary General Meeting of the Members of the Alkali & Chemical Corporation of India, Ltd., will be held on Thursday, 28th March 1957, at 3-30 p.m. at the Registered Office, 34, Chowringhee, Calcutta, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September 1956.

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

(3) To elect Directors.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Ordinary Share Registers of the Company will be closed from the 20th March 1957 to the 28th March 1957, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) PRIVATE LIMITED,
Secretaries.

CALCUTTA, 12*th February* 1957.

Note.— If the Dividend as recommended by the Directors is sanctioned at the Meeting, it will be paid on or after the 28th March 1957, to those Shareholders whose names are on the Company's Register on the 19th March 1957.

To,

The Shareholders of the Alkali & Chemical Corporation of India, Limited, and in particular to:—

Mr. J. A. Butterworth, Mr. J. V. A. e Brito, Mr. G. F. Carter, Dr. S. B. Cormack, Her Highness Bada Maharani Deela Kumari Devi, Mrs. M. Duncan, Mrs. H. C. D'Cruz, Mrs. E. M. Fanthome, Mrs. J. Guest, Mr. P. H. Guest, Mr. B. R. Goodfellow, Mr. W. A. T. Hollingbery and Mrs. E. M. Hollingberry, Commdg. Genl. Mohun S. S. Jung B.R., and Major Genl. Bijaya S. S. Jung B.R., Genl. Sir Baber S. S. Jung B.R., and Major Genl. Mrigendra S. S. Jung B.R., Mr. A. Y. Kadwa, Mr. F. J. C. Melhuish, Mrs. C. V. Pandit, Mr. A. R. Sahasranam, Mrs. E. E. Thompson and Mr. W. B. Joiner, Mr. S. P. Upadhya, Mr. C. R. Witcher.

(*Concluded from first column*)

almost insignificant, crop of 38 cwts. in the previous year. Indeed, it will be no exaggeration to say that it is this bumper coffee crop that has contributed to the vastly better results.

The paid-up capital of the Company, as shown by its balance-sheet as at 31st October 1956, stands at Rs. 11.08 lakhs of which 6 per cent. cumulative preference share capital accounts for Rs. 2.50 lakhs. The balance is in ordinary shares of Rs. 2 each. Of the ordinary capital, the sum of Rs. 1.08 lakhs represents the amount allotted to the shareholders of the Nilgiri Neerugundi Estates in fully paid-up shares in part consideration of the terms of amalgamation by which the latter estate was taken over by the Kil Kotagiri with effect from 1st July 1955. The reserves and surplus aggregate Rs. 11.01 lakhs. The current liabilities at Rs. 9 lakhs include a provision for taxation of Rs. 5.47 lakhs. The gross block of the value of Rs. 25.36 lakhs has been written down to Rs. 22.20 lakhs. The current assets amount to Rs. 8.89 lakhs and falls short of the current liabilities only by a narrow margin.

The Company's amalgamation with the Nilgiri Neerugundi Estates Company, Ltd., has been completed and the latter was taken over from the Liquidators as from 15th May 1956. The acreage of the Company's properties after amalgamation is: tea 705.97 acres (mature 674.89 acres and immature 31.08 acres) and coffee 787.92 acres (mature 755.92 acres and immature 42 acres).

The Rs. 2 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 6-8 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 6.55 per cent. per annum.

PROFIT OF REWA COALFIELDS LOWER

NEW SWADESHI SUGAR REPEATS DIVIDEND

Rewa Coalfields, Ltd.

THE directors of the above Company (Managing Agents: Messrs: Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June 1956.

The Company's profit for the half-year after the inclusion of Rs. 26,029 (Rs. 22,975) brought forward and Rs. 78,659 (Rs. 32,074) provision for liability written back is Rs. 2,49,082 (Rs. 3,31,991) and after making provision for taxation Rs. 1,02,218 (Rs. 1,35,345) there remains Rs. 1,46,864 (Rs. 1,96,646). Out of this amount the directors have placed to development reserve Rs. 30,000 (Rs. 50,000) and recommended the payment of a dividend at the rate of 15 (17½) per cent. per annum without any deduction for income-tax paid by the Company, absorbing Rs. 1,01,250 (Rs. 1,18,125) leaving to be carried forward Rs. 15,614 (Rs. 28,521).

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings*	*Despatches*
	Tons	Tons
30th June, 1956 ...	1,76,705	1,80,614
31st December, 1955 ...	1,83,555	1,86,060
30th June, 1955 ...	1,64,865	1,62,787

The supply of wagons during the half-year was not very satisfactory and this has deteriorated further since the close of the half-year.

The Coal Tribunal Award became effective from 26th May, 1956, but the controlled selling price of this Company's coal was increased by only Rs. 2 as from 5th of July, 1956. This utterly inadequate and belated increase has had adverse effects on costs as reflected in this account. While, on the directors' representation, the Company's accounts were being re-examined for the purpose of revising prices, the Appellate Tribunal has delivered its judgment, the full text of which is not yet in their hand and full implications have, therefore, to be yet worked out. In any case, the Company's costs are sure to go up further. This new Award has been made effective from 26th May, 1956, and unless a compensatory allowance be made in arriving at the new statutory selling price, this Company's costs for the next half-year are likely to be seriously affected.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Block ...	8,88,001
Reserves ...	10,45,115	Stock of coal	1,11,379
Provision for taxation ...	4,89,037	Stores ...	7,39,361
Liabilities ...	21,81,222	Debts, deposits and advances ...	17,90,746
Profit and loss account ...	15,614	Investments	3,78,438
		Cash ...	11,73,063
Rs.	50,80,988	Rs.	50,80,988

New Swadeshi Sugar Mills Ltd.

The directors have pleasure in presenting their Report and the Accounts of the Company for the year ended 30th June 1956.

The consolidated profit and loss account for the year shows a net profit (after providing for welfare and charities, managing agents' remuneration, depreciation and taxation) of Rs. 2,76,327 (Rs. 2,77,192). To this has been added the credit balance of Rs. 5,317 (Rs. 25,558) brought forward, making a total consolidated profit of Rs. 2,81,644 (Rs. 2,77,192). The directors recommend the appropriation of this profit as under:—

To dividend on 12,980 (10,875) ordinary shares of Rs. 100 each at the rate of Rs. 20 (Rs. 20) per share free of income-tax absorbing Rs. 2,59,600 (Rs. 2,17,500), to dividend on 2,455 (10,875) quarter ordinary shares of Rs. 25 each at the rate of Rs. 5 (Rs. 5) per share free of income-tax absorbing Rs. 12,275 (Rs. 54,375) and balance to be carried forward Rs. 9,769 (Rs. 5,317).

The working of the factory during the year was satisfactory. The total quantity of 39,30,875 maunds of cane was crushed—a record figure in the Company's history. The average recovery, however, fell to 9.9 per cent., as against an average recovery of 10.5 per cent. in the previous season. The fall in recovery was due to cane having been affected with red-rot disease.

The Company's farms yielded a cane crop of about 4 lakh maunds, as against about 2,25,000 maunds in the previous season. There was also an improvement in the yield and quality of cane. Consequently the profits of the farms during the year under review have been much better as compared to the previous year.

The Company has obtained a licence from the Central Government for increasing the crushing capacity to 1,300 tons of cane per day.

As required under section 212 (3) of the Companies Act, 1956 the directors have to state that as the entire issued share capital of the Narkatiaganj Farms Ltd., and the Rajpur Farms Ltd., as on 30th June, 1956 and of the Champaran Marketing Co., Ltd., as on 31st March, 1956 was held by the Company, the profit of the Narkatiaganj Farms Ltd. and the Rajpur Farms Ltd. and the loss of the Champaran Marketing Co., Ltd., for the last financial year and the profits of all the three subsidiary companies for the previous financial years which have not been dealt with in or for the purposes of the accounts of the Company, concern wholly the members of the company.

As regards the Tims Products Ltd., 58.49 per cent. of the equity share capital of the said company as on 30th September, 1955 was held by the company and accordingly the proportionate amount of Rs. 1,831 being the profit of the subsidiary company for the last financial year and Rs. 3,83,878 being the net aggregate losses of the previous financial years, which has not been dealt with in or for the purposes of the accounts of the company, concern the members of the company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,59,375	Block ...	46,91,078
Reserves ...	48,01,854	Stock-in-trade	55,59,610
Provision for taxation ...	14,61,508	Stores etc. ...	4,64,026
Liabilities ...	70,56,142	Debts deposits and advances ...	31,06,158
Profit and loss account ...	6,269	Investments	7,46,524
		Cash ...	1,17,752
Rs.	1,46,85,148	Rs.	1,46,85,148

New Savan Sugar and Gur Refining Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Karam Chand Thapar and Bros. Private Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st May 1956.

The directors report that the Lessees crushed a total quantity of 25,86,200 maunds of cane during the crushing season 1955-56 and produced 2,52,720 maunds of sugar and 1,04,972 maunds of molasses. All these figures are marked improvements on previous year's performance when 23,69,264 maunds of cane were crushed producing 2,32,900 maunds of sugar and 99,107 maunds of molasses.

It is reported by the Lessees that there was a general deterioration of quality of cane and a fall in recovery throughout the entire region. They have taken steps for varietal improvement and manurial culture with a view to augment the cane supplies on one hand and improve the recovery figures on the other. The efforts made by them, however, are not likely to be reflected fully in the next year's figures because of the heavy rains which caused water logging in several areas for weeks together. Incidence of disease also is reported to be pretty marked. All remedial measures, however, are being adopted by them.

The accounts for the year show a profit of Rs. 1,07,147 (Rs. 2,47,478). A sum of Rs. 55,000 (Rs. 35,000) has been set aside for taxation, leaving a sum of Rs. 77,046 (Rs. 52,399 after providing Rs. 1,64,214 for depreciation, including last year's carry forward, which the directors propose to distribute as follows:

To dividend at As. 6 (As. 4) per share free of income-tax for the year ended 31st May 1956 Rs. 41,250 (Rs. 27,500), to reserve Rs. 25,000 (*nil*) and to carry forward Rs. 10,796 (Rs. 24,899).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,00,000	Block ...	18,98,343
Reserves ...	4,45,000	Debts ...	6,668
Provision for taxation ...	88,087	Investments	1,08,109
Liabilities ...	3,83,511	Cash ...	14,274
Profit and loss account ...	10,796		
Rs.	20,27,394	Rs.	20,27,394

Brady Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady and Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts after charging Rs. 96,145 (Rs. 85,378) for depreciation and providing Rs. 33,000 (Rs. 5,000) for taxation, shows a net profit of Rs. 1,12,666 (Rs. 1,18,389) which together with the balance brought forward from last year's account of Rs. 9,402 (Rs. 6,013) gives an amount of Rs. 1,22,068 (Rs. 1,24,402). This amount the directors propose to dispose of as follows:—

To dividend at Rs. 3 (Rs. 3) per share free of income-tax on 25,000 shares of the Company, absorbing Rs. 75,000 (Rs. 75,000), transfer to reserve fund Rs. 25,000 (Rs. 40,000) and to carry forward to next year's account Rs. 22,068 (Rs. 9,402).

The Company's business continues to be of a general nature but some further progress was made during the year. An agreement has been entered into with the workers in regard to scales and grades of salary. This agreement will remain in effect until 15th August 1958. Capital expenditure amounting to Rs. 26,334 (Rs. 89,617) was incurred in purchasing machinery and plant.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,99,960	Block ...	9,79,407
Reserves ...	2,15,000	Stock-in-trade	1,84,276
Provision for taxation ...	37,477	Stores ...	1,07,742
Liabilities ...	1,21,295	Debts deposits and advances ...	1,77,330
Profit and loss account ...	22,068	Cash ...	4,47,045
Rs.	18,95,800	Rs.	18,95,800

Empire Dyeing and Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady and Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts show a net profit on the year's working after writing off depreciation of Rs. 35,340 (Rs. 35,512) on machinery and plant, etc., setting aside Rs. 87,500 (Rs. 1,00,000) for taxation and charging the managing agents' commission amounting to Rs. 37,168 (Rs. 38,971) of Rs. 2,08,706 (Rs. 2,12,261) which together with the balance brought forward from last year's account of Rs. 8,224 (Rs. 5,963) gives an amount for disposal of Rs. 2,16,930 (Rs. 2,18,224). This sum the directors propose to dispose of as follows:—

To dividend of Rs. 3 (Rs. 3) per share on 60,000 shares of the Company, free of income-tax absorbing Rs. 1,80,000 (Rs. 1,80,000), transfer to general reserve Rs. 20,000 (Rs. 20,000) and to staff gratuity fund Rs. 10,000 (Rs. 10,000), leaving a balance to be carried forward to next year's account of Rs. 6,930 (Rs. 8,224) which your directors think you will find satisfactory.

The year 1956 was a period of increases in production costs, but the plant was fully occupied, for the greater part of the year and in the majority of cases productions achieved were slightly higher than the previous year. During the year a new Baling Press was received and arrangements for installation put in hand.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	4,95,236
Reserves ...	9,57,117	Stock-in-trade	32,329
Provision for taxation ...	1,50,060	Stores and spare gear	98,882
Liabilities ...	6,98,266	Debts, deposits and advances ...	2,91,380
Profit and loss account ...	6,930	Investments	3,39,245
		Cash ...	14,55,296
Rs.	27,12,373	Rs.	27,12,373

Rallis India Ltd.

The directors of the above Company (Managing Director and Chairman: Mr. M. P. A. Paspatti, Calcutta), submit the audited accounts of the Company for the year ended 31st August 1956.

The form of these accounts varies from that adopted in previous years and the individual figures thereon are, therefore, not directly comparable with those of the accounts for the year ended 31st August 1955.

Reference is made to the interim report which was sent to Members on 10th October, 1956, in which the fortunes of the different branches and departments of Company's business were described, and the estimates then made have, on completion of the accounts, proved to be close.

The formalities of the sale of the Calcutta office building are still not fully completed at the date of this report and the value of that building is still included in the balance-sheet under fixed assets.

The result of the year's working, after charging all expenses and after providing Rs. 7,65,379 for depreciation, was a profit of Rs. 13,16,241. It will be recalled that no depreciation was charged in the accounts of the two previous years. While one year's depreciation has been charged on this occasion, there remain arrears of depreciation. The allocations to profit and loss account for the year are as follows:—

The balance of loss brought forward from the last account is Rs. 63,99,179 less the profit for the year *after* charging depreciation is Rs. 13,16,241 to which is added reserve for depreciation of investments no longer required Rs. 2,70,000 and part of provision for taxation and taxation contingencies no longer required Rs. 4,00,000 making a total of Rs. 19,86,241. After adjusting this amount against the previous year's loss of Rs. 63,99,179, there is a balance to the debit of profit and loss account to be carried forward to the next account of Rs. 44,12,938. It is regretted that the directors are unable to recommend a dividend on either preference or ordinary shares for the year ended 31st August 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	3,00,00,000	Block	1,01,05,141
		Stock	2,82,38,806
Reserves ...	8,71,248	Stores etc. ...	11,79,475
		Work-in-progress ...	7,731
Liabilities ...	3,06,68,881	Debts, deposits and advances ...	1,39,11,230
		Investments	11,04,621
		Cash ...	25,80,187
		Profit and loss account ...	44,12,938
Rs.	6,15,40,129	Rs.	6,15,40,129

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

INDIAN TRADE UNIONISTS IN U.K.

Three executives of Indian textile unions who are now on a visit to Britain share the distinction of being the first party of Indian trade-union officials to go to the United Kingdom under the Colombo Plan. They are touring the Manchester area, where they have already spent two weeks, and will shortly be returning home. The three Indians are Mr. N. S. Deshpande, of Bombay, who is workers' representative at industrial tribunals; Mr. N. Rangasamy, of Madurai, Madras State, who is secretary to a number of textile and engineering unions, including the National Textile Workers' Union; and Mr. M. Vyas, officer in charge of the complaints division of the Textile Labour Association, Ahmedabad. So far the Indians have visited textile mills, rubber manufacturers and chemical works, and have had meetings with leading trade-union officials and officers of the British Ministry of Labour.

Notice

THE KOHINOOR MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956 (being the Sixty-second Ordinary General Meeting) of THE KOHINOOR MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Killick House, Home Street, Fort, Bombay, on Friday the 29th March, 1957, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1956.
2. To declare a Dividend.
3. To elect a Director in the place of Sir Purshotamdas Thakurdas, K.B.E., C.I.E., who retires by rotation but who offers himself for re-election, and to consider and, if thought fit, to pass the following resolution as a Special Resolution, of which special notice as required by Sections 261 and 281 of the Companies Act, 1956, has been received by the Company:—

"THAT Sir Purshotamdas Thakurdas, K.B.E., C.I.E., who has attained the age of 77 years and who is a Director of Killick Industries Limited, the Managing Agents of the Company, be and he is hereby appointed a Director of the Company and that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

4. To elect a Director in the place of Mr. K. G. Milne, who retires by rotation but who offers himself for re-election, and to consider and, if thought fit, to pass the following resolution as a Special Resolution, of which special notice as required by Section 261 of the Companies Act, 1956, has been received by the Company:—

"THAT Mr. K. G. Milne who retires by rotation from his office as Director and who is a Director of Killick Industries Limited, the Managing Agents of the Company, be and he is hereby appointed a Director of the Company."

5. To elect a Director in the place of Mr. Yogindra N. Mafatlal, who retires under Article 98 of the Company's Articles of Association but who offers himself for election.
6. To appoint Auditors for the current year and to fix their remuneration.
7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"THAT pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of a contract being entered into (in terms of the draft initialled for the sake of identification by the Chairman) with Narandas Rajaram and Company Private Ltd., who are or may be deemed to be associates of the Managing Agents, Killick Industries Limited, for the purchase by the Company from the said Narandas Rajaram and Company Private Ltd., of not more than 15,000 bales of cotton (being goods in which the said Narandas Rajaram and Co. Private Ltd., regularly trade or do business) for the period commencing from 30th March 1957, until the next Annual General Meeting of the Company at rates which are not less favourable than the market rates."

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"THAT the Company hereby approves of contract or arrangement being entered into with Killick, Nixon & Co. Private Limited and/or Vickers India Private Limited, which Companies are or may be deemed to be Associates of Killick Industries Limited, the Managing Agents of the Company, for the sale, purchase or supply of any property, movable or immovable, or for the supply or rendering of any service as may be required by the Company or the said Companies from time to time upon the terms:—

(*a*) that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or are otherwise reasonable,

(*b*) that the other terms and conditions of such sales, purchases, supply of property or rendering of services shall be generally the same as those on which the Company can sell, purchase or supply such property or acquire such services elsewhere,

(*c*) that the said sales, purchases, supplies or rendering of services shall be sanctioned by the Board of Directors,

and provided further

(*d*) that for any property supplied or sold, or any services supplied or rendered, by the Company, the said Companies shall make payment to the Company within one month from the date of the supply or sale of the goods, or the supply or rendering of the services, as the case may be."

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"THAT pursuant to Section 31 of the Companies Act, 1956, the regulations contained in the document submitted to this meeting and for the purpose of identification subscribed by the Chairman thereof, be and are hereby approved with such modifications, if any, as may be agreed to at this meeting, as the Articles of Association of the Company in substitution for and to the exclusion of the Articles of Association thereof."

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

"THAT Killick Industries Limited, Managing Agents of the Company, be and are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time or hereafter as Principal Agents of the British India General Insurance Company Ltd., The Concord of India Insurance Company Ltd., The Oriental Fire and General Insurance Company Ltd., and the Yorkshire Insurance Company Ltd., in regard to any contracts for the purposes of effecting fire, marine or miscellaneous insurance against all risks which may have been or which may at any time or hereafter be entered into between the Company and the said British India General Insurance Company Ltd., The Concord of India Insurance Company Ltd., The Oriental Fire and General Insurance Company Ltd., and the Yorkshire Insurance Company Ltd."

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

"THAT Killick, Nixon & Co. Private Ltd., and/or Vickers India Private Ltd., which Companies are or may be deemed to be Associates of Killick Industries Ltd., the Managing Agents of the Company, be and they are hereby authorised to retain any commission or other remuneration earned or to be earned by them as managing agents, secretaries, and treasurers, managers, agents, selling or buying agents of any firm, body corporate or other concern in respect of any goods, power, freight, repairs or other services, for the sale, purchase, supply or rendering of which any contract or arrangement has been or will be entered into by such firm, body or concern with the Company, provided the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

By Order of the Board,

FOR THE KOHINOOR MILLS COMPANY, LIMITED,
KILLICK INDUSTRIES LIMITED,
E. D. SHEPPARD,
Managing Director,
Managing Agents.

BOMBAY, 25*th February*, 1957.

N.B.—(*a*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.

(*b*) The Transfer Books of the Company will be closed from Friday the 8th March, 1957 to Friday the 29th March, 1957, both days inclusive.

(*c*) The Dividend, when sactioned, will be made payable at the National Bank of India, Limited, Bombay, on and after 11th April, 1957, to those shareholders whose names stand on the Register on the 29th March, 1957, to whom Dividend Warrants will be posted.

Annexure to the Notice

EXPLANATORY STATEMENTS UNDER SECTIONS 261(3) AND 173(2) OF THE COMPANIES ACT, 1956

Items Nos. 3 *and* 4. Sir Purshotamdas Thakurdas and Mr. K. G. Milne retire from their office as Directors of the Company but offer themselves for re-election. Special notices of the Special Resolutions set out in items 3 and 4 have been received by the Company. The special notices state that the Special Resolutions are necessary in order that the experience and valuable services of Sir Purshotamdas Thakurdas and Mr. K. G. Milne should continue to be made available to the Company and, accordingly, the Special Resolutions are commended for acceptance.

In the case of Sir Purshotamdas Thakurdas special notice has also been received declaring that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him.

Item No. 7. The Company for many years had been purchasing a part of its requirements of cotton from Narandas Rajaram & Co. Private Ltd. Under the Companies Act, 1956, however, Narandas Rajaram & Co. Private Ltd., are or may be deemed to be an 'Associate' of the Company's Managing Agents, Killick Industries Limited, by virtue of Sir Purshotamdas Thakurdas, K.B.E., C.I.E., a Director of the Managing Agency Company, exercising more than one-third of the voting power in Narandas Rajaram & Co. Private Ltd., and it is, therefore, advisable, having regard to the provisions of Section 360 of the Companies Act, 1956, for the Company to approve, by Special Resolution, the contract (copy of which is open to inspection at the Registered Office of the Company on working days except on Saturdays from 11 a.m. to 4 p.m.) proposed to be entered between the Company and Narandas Rajaram & Co. Private Ltd., and the Special Resolution is, accordingly, commended for acceptance.

Item No. 8. The Company has been accustomed to enter into contracts or arrangements for the purchase, sale of various machineries and goods and for the clearing of the Company's goods and the rendering of other services incidental to the conduct and business of the Company with Killick Nixon & Co., Private Limited and also with Vickers India Private Limited at rates which are not less favourable than those prevailing in the market or which are otherwise reasonable. Killick Industries Limited, the Managing Agents of the Company, have acquired a controlling interest in Killick Nixon & Co., Private Limited as from 1st February, 1957, and the latter has become, accordingly, an 'Associate' of the Managing Agents of the Company within the meaning of the Companies Act, 1956. Killick Nixon & Co., Private Limited have been Managers of Vickers India Private Limited since 1954 and by reason of this may be deemed to be the Managing Agents of the latter within the meaning of the said Act. Vickers India Private Limited may, accordingly, also be deemed to be the Associates of Killick Industries Limited. Having regard, therefore, to the provisions of Section 360 of the Act, it is expedient to pass a Special Resolution to approve of contract or arrangement being entered into by the Company with Killick Nixon & Co., Private Limited and/or Vickers India Private Limited and, accordingly, the Special Resolution under item No. 8 is commended for acceptance.

Item No. 9. The existing Articles of Association of the Company date from the 6th April, 1938. From time to time the Articles have been amended in certain respects by special resolutions. The Companies Act, 1956, has effected considerable changes in the law and procedure relating to companies. Several sections of this Act override or affect various provisions in the Articles of Association of the Company which consequently require amendments to bring them into line with the amended provisions of the new Act, and certain new provisions in the Act for the regulation of companies need to be incorporated in the Articles.

As the alterations are numerous, it has been considered desirable to substitute a new set of

Articles for the present Articles of Association of the Company. The proposed alterations fall into the following categories:—

(*a*) Alterations made to comply with the provisions of the Companies Act, 1956, where the present Articles are in direct conflict with such provisions;

(*b*) Alterations which, though not essential for removal of a conflict between the present Articles and the provisions of the Act, have been rendered necessary or desirable as a result of such provisions;

(*c*) Deletion of obsolete Articles;

(*d*) A few alterations not falling under any of the above categories but considered desirable.

A copy of the above-mentioned documents containing the draft of the proposed new Articles of Association and a copy of the existing Articles of Association may be inspected at the Registered Office of the Company during the hours of 11 a.m. to 1 p.m. and 3 p.m. to 5 p.m. on any working day except Saturday and the hours of 11 a.m. to 1 p.m. on Saturdays.

A summary of the important changes proposed to be effected in the Company's Articles of Association referred to in item No 9 above accompanies this Notice.

Item No. 10. Killick Industries Limited, the Managing Agents of the Company, are the Principal Agents of the British India General Insurance Co. Ltd., the Concord of India Insurance Co. Ltd., the Oriental Fire and General Insurance Co. Ltd., and the Yorkshire Insurance Co. Ltd., with which Companies the Company places its insurance business at rates of premium which are not less favourable than those prevailing in the market. It is necessary having regard to the provisions of Section 359 of the Act to pass the Ordinary Resolution under item No. 10 above in order that Killick Industries Limited may retain any commission or other remuneration earned or to be earned by them from any of these Companies as their Principal Agents. The Resolution is commended for acceptance.

Item No. 11. The Company has been accustomed to enter into contracts or arrangements for the purchase or supply of various machineries and goods and for the rendering of services, such as marine and accident insurance, shipping of goods and other services incidental to the conduct and business of the Company from companies or parties of which Killick Nixon & Co., Private Limited are agents at rates which are not less favourable than those prevailng in the market or which are otherwise reasonable. Killick Industries Limited, the Managing Agents of the Company, have acquired a controlling interest in Killick Nixon & Co., Private Limited as from 1st February, 1957, and the latter has become, accordingly, an 'Associate' of the Managing Agents of the Company within the meaning of the Companies Act, 1956. Killick Nixon & Co., Private Limited have been Managers of Vickers India Private Limited since 1954 and by reason of this may be deemed to be Managing Agents of the latter within the meaning of the said Act. Vickers India Private Limited may, accordingly also be deemed to be Associates of Killick Industries Limited. Having regard, therefore, to the provisions of Section 359 of the Act, it is expedient to have the Company's authority to the retention of any commission or other remuneration earned or to be earned by Killick Nixon & Co., Private Limited and/or Vickers India Private Limited as Agents of such parties and, accordingly, the Ordinary Resolution in item No. 11 above is commended for acceptance.

Sir Purshotamdas Thakurdas, K.B.E., C.I.E., and Mr. Dinsha K. Daji are interested as Directors and Shareholders of Killick Industries Limited. Mr. E. D. Sheppard is interested as a Director and Shareholder of Killick Industries Limited and also as a Director of Killick Nixon & Co., Private Ltd., and as a Director of Vickers India Private Limited. Mr. K. G. Milne who is or may become a Director of the Company is interested as a Director and Shareholder of Killick Industries Limited and also as a Director of Killick Nixon & Co., Private Limited and as a Director of Vickers India Private Limited. Mr. M. S. Captain and Mr. Maneklal Premchand are interested as Shareholders of Killick Industries Limited. Mr. A. N. Haksar is interested as an Associate and Shareholder of Killick Industries Limited and also as a Director and Member of Killick Nixon & Co., Private Limited. Killick Industries Limited who are the Managing Agents of the Company and are or may be deemed to be Associates of Killick Nixon & Co., Private Limited and of Vickers India Private Limited are interested for those reasons and as Shareholders of the Company.

By Order of the Board,
For THE KOHINOOR MILLS COMPANY, LIMITED,
KILLICK INDUSTRIES LIMITED,
E. D. SHEPPARD,
Managing Director,
Managing Agents.

BOMBAY, 25*th February*, 1957.

THE KOHINOOR MILLS CO., LTD.

Summary of important changes to be effected in the Company's Articles of Association by the document referred to in Item No. 9 of the Notice convening the Annual General Meeting (being the 62nd Ordinary General Meeting) to be held on 29th March, 1957.

INTERPRETATION

Article 2 has been re-drafted to bring some of the definitions in line with those given in Section 2 of the Companies Act, 1956 (hereinafter called the Act).

CAPITAL, SHARES, CERTIFICATES, UNDERWRITING, INTEREST AND CALLS

Draft Articles 3 to 35 are substantially the same as existing Articles 3 to 31 except for verbal alterations to accord with the Act.

LIEN ON SHARES

Draft Articles 36 to 38 correspond to existing Articles 32 to 34. They are in conformity with the Act and with the listing requirements of the Stock Exchange.

FORFEITURE OF SHARES

Draft Articles 39 to 48 are substantially the same as existing Articles 35 to 43.

TRANSFER AND TRANSMISSION OF SHARES

Draft Articles 49 to 62 correspond to existing Articles 44 to 56. The right of Directors to refuse to register a transfer under existing Article 48 has been retained in draft Article 53 but made subject to the provisions of Section 111 of the Act.

Draft Article 56 has been inserted on account of the necessity of the Company complying with the provisions of the Estate Duty Act, 1953.

BORROWING POWERS, STOCK

Draft Articles 63 and 64 correspond to existing Article 57 except that the powers of the Board of Directors to borrow have been made subject to the provisions of Sections 292 and 293 of the Act; it provides that when the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of the paid-up Capital of the Company and its free reserves, the consent of the Company in General Meeting must be obtained.

Draft Articles 65 to 69 correspond to existing Articles 58 to 62.

MEETING OF MEMBERS

Draft Article 70 is an enlargement of existing Article 63 to conform with the requirements of Section 166 of the Act and sets out in detail what are to be laid on the table in the case of the Company's Annual General Meetings.

Draft Articles 71 to 88 correspond to existing Articles 64 to 80.

Draft Article 75, corresponding to existing Article 68, now provides for 21 days' notice instead of 14 days' notice under the old Act for convening a Meeting of the Company and sets out what is deemed to be special business and what is to be done in that case under Section 173 (2) of the Act.

Draft Article 78 (existing Article 71) now provides that a quorum for a General Meeting shall be five Members present in person and not, as under the old Article and Act, present in person or by proxy.

Draft Article 86 has been inserted dealing with the appointment of scrutineers under Section 184 of the Act when a poll is demanded.

VOTES OF MEMBERS

Draft Articles 89 to 100 bring existing Articles 81 to 92 in line with the requirements of the new Act.

A Member can now appoint another as his proxy who need not be a Member but a person so appointed can attend but cannot speak at a Meeting.

Under draft Article 96 proxies must now be lodged with the Company not later than 48 hours before Meetings and not 72 hours beforehand as under existing Article 88.

Draft Article 101 has been inserted dealing with the Minutes of General Meetings and inspection thereof by Members and setting out the various provisions of Sections 193 to 196 of the Act regarding the maintenance of the Minute Books and what has and has not to be entered therein.

DIRECTORS

The existing Articles 93 to 114 have been substantially amended to conform to various sections of the Act dealing with the appointment, qualification, remuneration and removal of Directors.

Draft Articles 103 and 104 correspond to existing Articles 94 and 96.

Existing Article 95 has been deleted.

Under draft Article 105 alternate Directors are now to be appointed by the Board of Directors as required by Section 313 of the Act instead of by the absenting Director as under existing Article 97.

Draft Article 106 corresponding to existing Article 98, now makes the power of the Board of Directors to fill vacancies or to add to their number subject to the provisions of the new Act.

Draft Article 107 corresponds to existing Article 99.

Draft Articles 108 to 110 dealing with the remuneration and expenses of Directors are substantially the same as existing Articles 100, 101 and 102 except that they have been redrafted to conform with the provisions of the Act.

The grounds on which a Director vacates his office under draft Article 112 (corresponding to existing Article 104) over all the disqualifications set out in various sections of the Act.

Draft Article 113 dealing with the right of a Director to contract with the Company brings existing Article 105 in line with the requirements of the Act.

Draft Articles 114 to 117 have been inserted dealing with the disclosure of interest of Directors, their inability to participate or vote in Board's proceedings on contracts or arrangements in which they are interested under Section 297 of the Act and with the maintenance of a Register of Contracts in which Directors are interested under Section 301 of the Act and the right of Members to inspect and to take copies of such Registers.

Draft Article 122 deals with provisions relative to default in appointment of Directors and amends and enlarges existing Article 111 to comply with the provisions of the Act.

Draft Articles 125 and 126 have been inserted dealing with the maintenance of a Register of Directors under Section 303 of the Act and the notification to the Registrar of Companies of any change, the maintenance under Section 307 of the Act of a Register of Shares and Debentures held by Directors, the disclosure by Directors of appointment to any other body corporate and the duty of a Director to disclose his holdings of Shares or Debentures in the Company.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Draft Articles 127 to 138 correspond to existing Articles 115 to 125. Draft Article 128—relating to Quorum—substantially alters existing Article 116 by bringing in the provisions of Section 287 of the Act.

The other draft Articles under this Chapter bring the existing Articles into line with the requirements of the Act.

POWERS OF DIRECTORS

Draft Article 139 brings existing Article 126 in line with Section 293 of the Act which prohibits the Board of Directors from exercising any of the following powers except with the consent of the Company in General Meeting:—

(*a*) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;

(*b*) remit, or give time for the repayment of, any debt due by a Director;

(*c*) invest, otherwise than in trust securities, the sale proceeds resulting from the acquisition without the consent of the

(*Continued on page 452*)

MONEY UNCHANGED

(From Our Own Correspondent)

BOMBAY, 27*th February*

There was no perceptible change this week in the state of the short-term money market from that noted towards the close of the previous week. Though the demand for credit did not slacken to any perceptible extent, banks were able to get their requirements without much difficulty. They had also a fair supply of funds, thanks to the return of money from mofussil branches and to the sale of securities to the Reserve Bank. There was, therefore, a slight broadening of activity in the inter-bank call money section. Though the common rate for inter-bank call was still 3½ per cent., a few borrowers were able to get some funds even at 3¼ per cent. House money continued to fetch 4 per cent. and in special cases 4¼ per cent. Sort-term deposits were taken at 4 per cent. for one to six months.

A further contraction of Rs. 9.38 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 22nd February 1957. Notes held in the Banking Department are higher by Rs. 9.80 crores. The small increase in total notes issued is covered by a corresponding rise in rupee coin. There is no change in foreign securities, but there has been withdrawal of Rs. 7.08 crores from foreign balances in the Banking Department, bringing the total fall in foreign reserves during the past two weeks to Rs. 15.81 crores. As regards the other items in the Banking Department, deposits of the Central Government have gone up by Rs.1.73 crores, while those of other Governments have declined by Rs. 1.24 crores. Deposits of banks have, however, risen by Rs. 4.89 crores. Loans and advances other than to Governments have further dropped by Rs. 7.67 crores and there has been a corresponding increase —Rs. 7.63 crores to be precise—in the Bank's investments. These two changes indicate that banks must have reduced their borrowings against securities from the Reserve Bank by ultimate sale of these securities to the latter. Fresh advances to Scheduled banks against usance bills during the week are of the order of Rs. 11.19 crores, while repayments amount to Rs. 11.52 crores.

The Scheduled banks' statement for the week ended 15th February 1957 shows a rise of Rs. 6.87 crores in demand deposits and of Rs. 37 lakhs in time deposits, in contrast to the decline of Rs. 3.18 crores and Rs. 75 lakhs, respectively, noted in the previous week. Borrowings from the Reserve Bank have consequently been reduced by Rs. 3.91 crores and those from the State Bank of India by Rs. 55 lakhs. On the assets side, advances are up by Rs. 8.46 crores and foreign bills purchased and discounted by Rs. 2.83 crores, while inland bills purchased and discounted are lower by Rs. 6.72 crores. Investments stand reduced by Rs. 4.74 crores. Cash balances are higher by Rs. 1.10 crores.

The Gilt-edged market continued to rule steady during the week under review also. A slight hardening tendency was noted in selected issues, thanks to some fresh buying interest and short-covering. 3 per cent. Conversion Loan was marked up by a further As. 2 to Rs. 74-6, but towards the close it declined to Rs. 74-5. 3 per cent. 1970-75 gathered As. 2 to Rs. 67-3. 3 per cent. 1966-68 was unchanged at Rs. 92-4, at which level there were some sellers. 3 per cent. 1964 and 3 per cent. 1963-65 were maintained at Rs. 94-6 and Rs. 94-3, respectively. 3 per cent. 1959-61 recovered an anna to Rs. 97-12. 2½ per cent. 1961 improved by As. 2 to Rs. 93-5. 3½ per cent. 1962, which continued to receive the Reserve Bank's support at Rs. 97-13, held its ground at that level. 3½ per cent. 1961 showed no change at Rs. 99-7, while 3½ per cent. 1964 was marked up by an anna to Rs. 98-6, 3½ per cent. 1965 stood at Rs. 98-3 and 3¾ per cent. 1967 at Rs. 98-8. 4 per cent. 1960-70 gained an anna to Rs. 100-15.

The rupee ruled slightly stronger in terms of the dollar during the week. Banks' selling rate for ready dollars declined from Rs. 478½ to Rs. 478¼ per $100, while their buying rate was unchanged at Rs. 475 per $100. The selling rate for Canadian dollars moved down from Rs. 500¾ to Rs. 500¼ per $100 and the buying rate from Rs. 494¾ to Rs. 493¾ per $100. This is in consonance with the trend of sterling abroad. Thus, in New York, spot sterling and three months' forward both gained from $2.79¾-2.79¾ to $2.79.13/16-2.79.15/16. At one time, sterling actually touched the par value of $2.80. Transferable sterling hardened from 276.25-276.35 to 276.45-276.55 cents.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 25*th February*

Prices in the kip market remain unchanged, though U.K. buying has been patchy. Arrivals are smaller than usual. Tanners are not willing to accept importers' ideas of values, because raw prices continue to rule firm. Further, the tanners find great deterioration in their output, in that they do not get as much top grades as reckoned by them when they bought raw stocks, and this has upset all their calculations. U.K. demand for buff calf and cow calf has been poor and prices are weak as a consequence.

Demand for prime tanned goat skins 8/9 lbs. upto 22/24 lbs. has been brisk from the U.K. and the Continent, and prices have firmed up considerably. Light weights which have been weak have also improved in price. Arrivals of common tannages of goat and sheep skins have been limited and demand has exceeded supplies. Semi-prime and medium sheep skins have ruled unchanged.

It is reported that the spot stocks of goat skins in the U.K. have been cleared and this, if true, is welcome news, as March auctions would show reasonably good results, despite large stocks expected to be catalogued.

BULLION WEAK

(From Our Own Correspondent)

BOMBAY, 27*th February*

The bullion market ruled perceptibly weak during the week under review. The reactionary trend in prices noted towards the close of the previous week gathered considerable momentum on nervous liquidation by bulls and fresh bear pressure, with the result that silver disclosed a loss of Rs. 5-2 in both ready and forward over the week and gold Rs. 2-11 in ready and Rs. 2-1 in forward. With this recession, both the metals came down to the lowest levels to be seen since 10th January, the entire gains built up since then having been wiped out in less than ten days.

The market remained closed today on account of *Maha Shivrathri.*

The sharp drop in silver was due to reports that sizable quantity of silver had arrived in Calcutta from Kalimpong and rumours that fairly large sums by way of import duty had been paid for further import of coins. Though no authentic confirmation of these reports are available, they had a demoralising effect on the bulls, who preferred to liquidate their holdings when the going was good. Bears tried to exploit the situation.

The depression in gold was mainly in sympathy with silver. The offtake in the ready section was no doubt slightly lower than the arrivals. The belief that there would be no immediate trouble in Kashmir, on account of the U.N. Security Council's decision to send its President to India and Pakistan to examine the problem and report back by 15th April, also affected sentiment.

Silver forward (15th February settlement) dropped relentlessly from Rs. 184-5 to Rs. 179-3 and ready from Rs. 185-3 to Rs. 180-1. Despite the poor offtake, the ready metal kept up its premium over forward at As. 14 on account of the low level of stocks, which are estimated at 900 bars. The daily average offtake was 15 bars.

Forward gold (16th March settlement) retreated from Rs. 107-15 to Rs. 105-14 and ready from Rs. 108-9 to Rs. 105-14. The premium of As. 10 which ready commanded last week was gradually wiped out in the course of this week which indicates the weakness of the ready section. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was no more than 3,000 tolas.

In New York, silver was unchanged at 91⅛c. London prices also were maintained at 80d. for spot and 79¾d. for forward. London gold reacted from 249s. 4¼d. to 249s. 2¼d.

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

	6-2-1957	Highest	Lowest	20-2-57
	Rs. a	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine)Mint) ..	105 14	108 4	105 14	108 9
Forward*	105 14	107 12	105 14	107 15
Sovereign	69 8	70 0	69 8	70 0
SILVER				
Ready (.996 fine Mint) ..	180 1	184 4	180 0	185 3
Forward†	179 3	183 6	179 2	184 5
London Silver Ready ..	80d.	—	—	80d.
London Forward	79¾d.	—	—	79¾d.
London Gold	249s.2¼d.	249s.4¼d.	249s. 2¼d.	249s.4¼d.
New York Silver	91⅛c.	—	—	91⅛c.

* 15th March settlement.
† 16th March settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR EASY

(From Our Own Correspondent)

HAPUR, 25*th February*

Sugar prices eased slightly during the week, due to easy supply position, following a further release of 165,000 tons for free sale by the Government of India. The prevailing mill delivery prices of sugar were: Jaswant Rs. 28-11; Simbhauli Rs. 28-12; Mawana Rs. 28 to Rs. 28-12; Daurala Rs. 29 to Rs. 29-12; Amroha Rs. 28-3; Bijnore Rs. 28-2; Rampur Rs. 31-6; Mansoorpur Rs. 29 to Rs. 30 per maund; retail Rs. 30-10.

Production of sugar in the country is proceeding satisfactorily. The total output upto 31st January in the current season amounted to 816,399 tons, as against 712,000 tons a year before. The all-India second estimate of sugarcane puts the area and production for 1956-57 at 4,532,000 acres and 58,914,000 tons of cane, as against 3,945,000 acres and 50,455,000 tons, respectively, for 1955-56, an increase of 14.9 per cent. in area and 16.8 per cent. in production over last year. In order to stimulate sugar production in the country, the Government of India has decided to maintain the *status quo* in the sugarcane prices for 1957-58 season at Re. 1-7 per maund for cane at factory gates and Re. 1-5 at other centres.

The *khandsari* market continues dull and depressed in view of increasing stocks and slack demand. Prices ranged between Rs. 22 and Rs. 25-8 per maund.

The ready *gur* prices improved towards the week-end, due to poor arrivals—at an average of 2,000 maunds daily—although outside buying enquiry continued to be slack and stockists were the main purchasers. Local stock swelled to about 100,000 maunds estimated on Monday, as heavy quantities were reaching here from nearby centres for stocks. Latest prevailing prices were Rs. 10 to Rs. 10-4 per maund. Future *gur* prices, after early fall, advanced towards the week-end in line with prices in the ready section. *Fagun* and *baisakh* opened at Rs. 9-14-6 and Rs. 10-0-7½, respectively, on Monday last. They touched the lowest at Rs. 9-8-10½ and Rs. 10-4-6 on Thursday but recovered to Rs. 10-0-9 and Rs. 10-12-3 today.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, 27*th February*

The much-awaited trading in the new settlements, Jarilla May and Vijay June, commenced on Monday this week. While the Vijay June contract continues to be based on 27/32" fine Vijay, the Jarilla May contract is based on M.G. former Madhya Pradesh Jarilla 25/32" and is tenderable up to Fully Good with an allowance of "2 clause off" (Rs. 10). Business will be confined within the floor and ceiling prices prescribed by the Government, namely, Rs. 495 and Rs. 820 for Jarilla and Rs. 610 and Rs. 970 for Vijay.

The cotton futures market depicted a distinctly bullish trend, quite contrary to the earlier general expectation of a break in values. The bullish fervour was fanned by two chief factors. First, tendering differences fixed for the maturing Jarilla contract at the special meeting of the East India Cotton Association were considered to be on the high side. This, of course, had a psychological influence on the market. Secondly, the reported decision of the Japanese Government to increase the sterling allocation for cotton purchases led to expectation of enlarged export demand for Indian cotton. The recent scaling down of the crop estimate and reports of higher mill consumption in December also served to strengthen the sentiment of operators. The buying spree induced by these factors pushed up the prices of both the contracts to new heights, with Jarilla March crossing the sub-ceiling of Rs. 700 on the 21st inst. The bulls were thus compelled to pay a margin of Rs. 25 per bale on all outstanding commitments over Rs. 700 per candy.

Jarilla March opened the week firm at Rs. 701, as against the previous close of Rs. 694-8, and met with sustained bull support which took the contract to a high of Rs. 738-8 on Monday. After easing subsequently to Rs. 723-8, the contract again improved to Rs. 726 yesterday before closing at Rs. 723-8. Today the market remained closed due to *Maha Shivratri.* Jarilla May contract opened at Rs. 679 and after rising by a rupee to Rs. 680, receded to close at Rs. 675 yesterday.

M.G. Vijay April forged ahead from last week's closing rate of Rs. 813 to Rs. 833 on Monday. After declining to Rs. 829-8 the same day the contract again firmed up to Rs. 839, yesterday before closing lower at Rs. 833-8. Vijay June commenced business at Rs. 795 and, under the leadership of the April contract, improved to Rs. 803 but relapsed to Rs. 800 yesterday for want of follow-up support.

The following table gives the trend of prices of the contracts during the week:

(In rupees per candy of 784 lbs.)

	26-2-57	*High*	*Low*	20-2-57
Jarilla (March) ...	723½	726	701	694½
Vijay (April) ...	833½	839	814	813
New Contracts	26-2-57	*High*	*Low*	25-2-57
Jarilla (May) ...	675	680	672	674½
Vijay (June) ...	800	803	795	799

In the spot section, activity was at a very low ebb, thanks to the high prices prevailing. Mills were reluctant to make large purchases; only the immediate requirements were being covered by stray transactions. In the export section, Japanese inquiry was noted for Bengals. Since Japan has increased its sterling allocation for cotton purchases, it is expected that this would lead to renewed interest in Indian cotton. The visit to this country of an Egyptian trade mission has induced hopes of getting Egyptian cotton cheaper, because of the possibility of India entering into a barter trade agreement with that country.

The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 725; Berar Jarilla 805; Khandesh 835; Vijay 930; Oomra *Deshi* 795; Moglai 750.

The Karachi cotton market presented an easy trend during the week. Considerable slackness in overseas demand induced selling which resulted in a mild fall in values. The decline would have been more sharp but for some speculative buying based on reports of further business done with Russia. N.T.R.G. March eased from Rs. 80-8 last week-end to Rs. 79-14. The May position shed As. 8 to Rs. 80-6. The spot section ruled dull, on account of poor enquiries. The latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton are given below:—

Sind *Deshi* 92; Punjab *Deshi* 84; 4F Punjab Roller 86-10; S.G. 88-2; L.S.S. Punjab Roller 86-2; S.G. 90-2; N.T.R.G. 84-2; S.G. 92-2; 289F Punjab Roller 89-2; S.G. 102-2.

The Alexandria futures market ruled easy on weak advices from the ready section where values fell due to lack of foreign demand. The Egyptian Ministry of Agriculture, in its third estimate of the 1956-57 crop, has placed production at 6,942,813 kantars (1 kantar=99 lbs. weight) excluding Scarto. The second estimate was 7,037,000 kantars and first 7,201,000 kantars. The official estimate had little effect on prices in the futures market, as it was more or less in line with private expectations. The fourth and final estimate of the crop is due to be announced on 15th April next. Total export sales during the current season upto 31st January were only 385,463 bales (730 lbs.), as against 632,825 bales during the same period last season. The Egyptian Government is planning to send two missions, one to Western Europe and the other to India, for exploring the possibilities of finding markets for Egyptian cotton. The following are the latest available rates—in tallaris per lb.—from Alexandria:

Karnak: March 116.60; May 117.10; July 116.70.
Ashmouni: February 83.10; April 84.05; June 83.90.

The Liverpool market ruled easy during the week. Dealings were slow and prices showed a declining trend. This was due to the bearish influence of poor offtake in the ready section and lower support price for U.S. cotton published a fortnight

ago. Both American and American type contracts declined. Egyptian Karnak contract was neglected, while Sudan Lambert Seed remained unchanged. The U.S. Agricultural Department's announcement that its current export programme would continue unchanged till 15th August 1958 came as a disappointment to Liverpool which was expecting a shift-over to the system of export subsidy. Nevertheless, the announcement served to wipe off the uncertainty regarding the U.S. cotton policy. Since mills were fairly well covered, demand for ready and shipment cotton was slack. Pakistan offers, though at much lower rates, were still out of range with other comparable growths. Some interest was noted in Punjab *Deshi*. Indian Oomras, Bengals and Dhollerahs, etc., failed to attract buyers.

The latest available rates—in pence per lb.—from Liverpool are given below:

American Cotton One Inch Staple Contract: March-April 26.68; May-June 25.73; July-August 25.47; October-November 25.23. *American Cotton Mixed Growth Contract*: March-April 25.90; May-June 25.90; July-August 25.62; October-November 25.33. *Egyptian Karnak*: March-April 60.00. *Sudan Lambert Seed*: May-June 43.50; July-August 42.50.

Values in the New York cotton futures market registered sizable improvement, thanks to trade buying and short covering. The gain would have been more substantial but for Commission House and New Orleans selling prompted by reports of favourable rain in the Texas region.

The U.S. Department of Agriculture has announced that the present system of selling U.S. surplus Government-owned cotton for export on a competitive bid basis will be continued during the next season. The only change in the programme will be that purchasers must export the cotton within nine months or by the 31st of July 1958 whichever is earlier. This announcement has removed the general apprehension that the Department might swith over to an export subsidy in place of the present competitive bid basis for export sales next season. It will be recalled that cotton exchanges had pleaded for an export subsidy. The Department is reported to have observed that, while cotton cannot be exported under the 1957-58 programme until after 15th August 1957, the programme was being announced at this time, so that the domestic industry, as well as foreign users of cotton, will know the Department's export sales policy and can begin to make sales and purchases for the new year. In general, it is believed, the programme will be substantially the same as the current programme. There is as yet no indication of what will be the minimum price acceptable to the Commodity Credit Corporation for the programme for next season. However, it is reported that the first bid day for the new programme will be 19th March and first delivery day 16th August this year.

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

(In cents per lb.)

	25-2-57	19-2-57	12-2-57
Spot	35.33	35.25	35.55
March	35.29	35.08	35.38
May	35.25	35.10	35.29
July	34.67	34.42	34.70

YARNS DECLINE FURTHER

(From Our Own Correspondent)

BOMBAY, *27th February*

For the fourth week in succession, the yarn market ruled bearish. Despite high replacement costs, selling continued unabated, thanks to persistent stringency in the money market. The banks, it was reported, were pressing their clients to clear the goods as quickly as possible, while buying enquiries from consuming centres were poor. Values of yarns, as a consequence, suffered a further setback. In particular, staple fibre yarns encountered heavy selling, following pressing sales of large holdings by several South Indian mills. Rayon yarns were neglected, as offtake was none too encouraging on account of the sluggishness in the rayon fabrics market. Cotton yarns were also neglected even at lower prices. Although there were some overseas enquiries, actual export business was very much restricted, because of competition from countries like Pakistan. The market was closed today on account of *Maha Shivrathri*.

In the staple fibre yarn section, 40x2 February delivery moved down by Rs. 9 to Rs. 638. April delivery dropped a like amount to Rs. 629. Among spot indigenous yarns (40x2), Kohinoors fell by an anna to Rs. 3-7. Citys and Centurys lost half-an-anna each to Rs. 3-5-9 and Rs. 3-6-6, respectively. New Greats eased by three pies to Rs. 3-5-3. Foreign yarns (80x2), however, were somewhat steady, Paramounts gaining six pies to Rs. 5-2 and Fujis three pies to Rs. 5-3-9.

Rayon yarn (150 bright cones) April delivery receded by Rs. 3 to Rs. 649. 120 dull cones April delivery shed a rupee to Rs. 794. February contract was neglected at Rs. 774, same as last week. Among spot yarns, 150 Japan dropped As. 2 to Rs. 4-4. 120 Japan was done lower at Rs. 4-4-6, as against Rs. 4-6. 150 Italy eased by three pies to Rs. 3-10-9. 120 Italy was dull at Rs. 4-0-6. National Rayons 150 Bt. cones 1st grade receded from Rs. 3-5-9 to Rs. 3-5-6.

In the cotton yarn section, sixty counts staged a retreat, Moderns and Raghuvamshis declining by As. 8 each to Rs. 62-8 and Rs. 57-8, respectively. Forty counts Minaxis lost As. 2 to Rs. 27-2. Moderns were dull at Rs. 28-8, as also Gokaks at Rs. 27-8. Among 20s, Maduras decreased by As. 2 to Rs. 19-8, while Moderns were unchanged at Rs. 19-6 and Gokaks at Rs. 18-12. Ten counts Gokaks eased by an anna to Rs. 15-5. Moderns were unaltered at Rs. 15-4. Podars, however, met with some special buying support and hardened by As. 5 to Rs. 15-3. Transactions put through in eighty counts were very much limited, Mahendras being quoted at Rs. 75, Moderns at Rs. 77, and Finlays at Rs. 81-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted yesterday, as compared with those a week before:

	26-2-1957	20-2-1957
	Rs. a.	Rs. a.
Art silk yarn **(per case of 200 lbs.)—**		
120 Unit Cones Spin February	774 0	774 0
120 Dull Cones Spin April	794 0	795 0
150 Bt. Cones April	649 0	652 0
120 Japan (per lb.)	4 4½	4 6
150 Japan (per lb.)	4 4	4 6
120 Italy (per lb.)	4 0½	4 1
150 Italy (per lb.)	3 10½	3 11
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 February	629 0	638 0
40 x 2 April	638 0	647 0
40 x 2 New Great (per lb.)	3 5½	3 6½
40 x 2 Century (per lb.)	3 6½	3 7
40 x 2 City (per lb.)	3 5½	3 6½
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	15 4	14 14
20s Madura	19 8	19 10
40s Gokak	27 8	27 8
60s Raghuvamshi	57 8	58 0
80s Modern	77 0	77 0

OILSEEDS STEADY

(From Our Own Correspondent)

BOMBAY, *27th February*

The oilseeds market ruled steady during the week under review barring the linseed section which presented a bearish trend. The groundnut market opened the week subdued on upcountry offerings, but steadied up subsequently, following better offtake of groundnut oil and demand from crushers. The castorseed section, though it moved irregularly early in the week, firmed up towards the closing sessions on rumours of a favourable announcement on the export front. Cottonseed, too, slightly improved over the week. Linseed, however, sagged further on fresh arrivals, lack of overseas enquiries and hedge selling. The market was closed today on account of *Maha Shivrathri*.

Groundnut February contract opened the week at Rs. 166 and touched the bottom level of the week the same day at Rs. 164-4. With minor fluctuations, it improved and reached the peak level of Rs. 170 yesterday, before closing As. 8 lower at Rs. 169-8. May contract opened at Rs. 162, moved up to Rs. 164-12, the highest for the week, yesterday, before finishing at Rs. 164-8. Over the week, the former put on Rs. 2-4 and the latter Re. 1-4. Spot Bold F.A.Q. was higher by As. 2 at Rs. 33-8. Groundnut oil ex-mill was quoted at Rs. 18-8 as against Rs. 18-5 last week-end.

Linseed May contract opened the week at Rs. 27-14 and declined the same day to Rs. 27-4 but recovered to close the week at Rs. 28. Spot Bold was done As. 14 lower at Rs. 28. Linseed oil ready was subjected to heavy selling and fell by Re. 1-8 to Rs. 14-14.

Castorseed September contract commenced at Rs. 152-4, as against Rs. 154-12 and declined to Rs. 150-4 the next day. The movements remained irregular during the following days. Yesterday, however, the contract touched Rs. 156 on special buying support before closing at Rs. 155-4. Over the week, it put on Rs. 2-6. In the spot section Bold was higher by Re. 1-14 at Rs. 33-2.

Cottonseed February contract moved down from an opening level of Rs. 96-8 to Rs. 95-12 the same day. In the following days, it improved steadily with minor fluctuations, having touched yesterday the level of Rs. 100 before finishing at Rs. 99-12. Over the week, it was higher by Rs. 3-12. May contract opened at Rs. 97 and moved up to Rs. 98 yesterday before closing at Rs. 97-12.

Among others, *kardi* seed remained steady at Rs. 21, as also *niger* seed Madras at Rs. 28-4. Export of castor oil from Bombay during the second week of February amounted to 629 tons, thus making a total of 2,138 tons for the first half of February. The total exports from Bombay from 1st January to 14th February amounted to 5,950 tons. Linseed oil exports in the same period aggregated to 971 tons.

The all-India first estimate of linseed for 1956-57 puts the current years area at 2,728,000 acres as against the adjusted corresponding estimate of 2,461,000 acres for 1955-56. This shows an increase of 267,000 acres or 10.8 per cent. in area during the current year as compared to last year. The overall increase in area during the current year has been shared mainly by Madhya Pradesh, U.P. and Rajasthan and has been attributed to favourable climatic conditions at sowing time.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	26-2-1957	20-2-1957	13-2-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	169 8	167 4	167 8
Khandesh Quality Ready (per cwt.)	34 2	33 14	34 6
Feb.-Mar.	33 7	33 4	33 10
Linseed—			
May 1957	28 0	28 3	28 12
Bold Ready (per cwt.)	28 0	28 14	30 12
Feb.-Mar.	28 5	28 14	30 12
Castorseeds—			
May 1957	155 14	152 14	152 12
Madras (per cwt.)	33 4	32 8	32 8
Cottonseed—			
February 1957	99 12	96 0	97 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 8	18 5	18 8
Castor oil—			
Commercial (per quarter) ..	—	19 0	18 12
Linseed oil—			
Ready	—	16 6	17 0

TEA PRICES MOVE UP

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *21st February*

Approximately 1,700,000 lbs. were on offer in sale No. 4 which was held on Tuesday 19th February. Quality showed an all-round improvement and there were some attractive high grown teas on offer. The sale opened to a good demand, although competition was confined to a few buyers. Common and low medium brokens were well supported and prices were fully firm. Medium brokens of improved quality were often dearer to buy, but good medium teas were irregular and easier. Best liquoring high growns met with some competition and flavoury invoices sold well at dearer rates. Fannings of all types were in much less demand and prices were irregularly As. 2 lower. These sorts accounted for the majority of the withdrawals. Whole leaf teas sold well and must be quoted fully firm to dearer. The following are the quotations:

	1957 Rs. a. p.
Plain B.P.	2 1 0
Low medium B.O.P.	2 7 0
Medium B.O.P.	2 8 0
Good B.O.P.	2 11 0
Well made black leaf O.P.	2 8 0

The average price realised in sale No. 4 was Rs. 2-9-5 per lb., as compared with Rs. 2-8-3 in sale No. 3 and Rs. 2-3-3 in the corresponding sale of 1956.

London Market—Sale of 18th February 1957.—Little irregular, but stronger at the bottom.

Sale of 19th February 1957.—Plainest steady. All others irregularly 2d. to 3d. easier.

Colombo Market—Sale of 18th February 1957.—Fair demand. Dusts and black fannings firm. Others lower, particularly stalky kinds.

Sale of 19th February 1957.—Small selection. Improved flavoury high-growns dearer. Otherwise fair demand at lower levels. Low and medium brokens declined 20c. Poorer high-growns 30c. to 40c. lower.

Calcutta Market—Export.—With exception best liquoring sorts, tippy teas and stylish whole leaf grades, market one anna to As. 2 lower.

Internal.—18,000 packages. Dust met good general demand. Sale opened one anna to As. 1½ easier, closed irregularly steady. 2,600 packages leaf. Good general demand one anna to As. 1½ easier.

Export Quota.—The market has hardened during the week and business has been done at 43-44 pies.

Forthcoming Auctions.—Sale No. 5 will be held on Tuesday 5th March.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale E.*—340,000 lbs. Strong demand, particularly for medium sorts which are half to one anna dearer."

JUTE GOODS LOWER

(From Our Own Correspondent)

CALCUTTA, *26th February*

Jute goods continued to be quoted at lower levels during the week, but raw jute prices gained about As. 8 to Re. 1 per maund. In jute goods, small interest was shown by buyers on behalf of foreign consumers and some business was eventually put through. The volume was insufficient to move quotations upward. However, prices recovered from the lowest levels to which they had fallen during mid-week. The levy of an excise duty of Rs. 70 per ton on jute goods by Pakistan was believed not to affect exports from that country, as the imposition was interpreted as relating to internal consumption only. However, in view of the confusion and lack of clarification from the Central Pakistani Government, exporters in East Pakistan were reported paying the duty. They expected refund as and when clarification was issued from Karachi. The Pakistani mills are already burdened with high costs of production, consequent on the high prices they have to pay for the raw material, and, if the fresh impost is also to be collected on exports also, there is bound to be some diversion of business from Dacca to Calcutta. The present lull in the export market in Calcutta would duly be reflected in the stock figures as at the end of this month, although production for the shorter working month of February, it is expected, would be lower than in the last month. A further increase in stocks was considered a certainty.

The difficulties in getting raw jute from Pakistan have been often referred to in these columns, and the need for India reaching self-sufficiency in feeding the mills has been rightly in the thoughts of both the Government and the industry. In this context, it was with interest that trade circles read the speech of Mr. O. T. Jenkins when he presided over the annual meeting of the Bengal Chamber of Commerce and Industry on Friday last. After stating that in the last 12 years jute output in India had gone up by 200 per cent. and that even at the increased output of 5.2 million bales in an area of 2.3 million acres in 1956-57 requirements fell short by 1.4 million bales, Mr. Jenkins detailed four measures, i.e., the use of improved seed, mechanical sowing by seed drills, a reduction in weed growth by inter-row hoeing, and the application of chemical fertilisers, which, if implemented, in the current sowing season, would increase output by 20 per cent. If this increase can only be achieved that would mean self-sufficiency and doing away with imports from Pakistan. Prior to partition, India used to export raw jute, and West Bengal's Daisee variety had always found a popular overseas market. Mr. Jenkins said that it was on account of the inroads of substitutes and bulk handling methods into the fortunes of jute goods that world consumption of jute manufactures had not increased commensurate with the increase in the world's agricultural produce. Mr. Jenkins' remarks are timely. If only India can export more jute goods, grow more raw jute, and earn more foreign exchange, that would help considerably in the rehabilitation of this State's economy, considerably affected by the pressure of a continuing flow of refugees.

Early in the week, prices of jute goods were steady with ready B. twills being quoted at Rs. 111-6 and 40" 10 oz. hessian at Rs. 41-7. There were some enquiries from overseas, including those from Australia for special constructions. However, the business that followed was inadequate to keep prices firm. By Thursday last week, ready B. twills had fallen to Rs. 108-8 and hessian 40" 10 oz. to Rs. 40-5. Some amount of covering business followed in both hessian and sacking, more so in the latter. This was reflected by the recovery which ready B. twills made by the week-end to Rs. 109-6 and hessian 40" 10 oz. to Rs. 40-12. Yesterday, however, while hessian 40" 10 oz. remained unchanged at Rs. 40-12, B. twills sagged to Rs. 109. The eight oz. hessian was quiet at Rs. 33-12 f.a.s.

Mills accorded some support to raw jute. Business was put through. Sellers lost no time to put on a reserved air. The latest quotations for the 1956-57 crop with February-March-April delivery position are as follows. Those of a week ago are given in brackets for comparison:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
Northern	36-0 (35-8)	33-0 (32-8)
District	36-8 (33-8)	33-8 (33-0)
Indian:		
Northern	31-0 (30-8)	28-8 (28-0)
Assam Upper ..	31-0 (30-8)	28-8 (28-0)
Assam Lower ..	31-0 (30-8)	28-8 (28-0)
Daissee	34-0 (33-8)	31-8 (31-0)
Murshidabad ..	30-0 (29-8)	27-8 (27-0)
Western	30-0 (29-8)	27-8 (27-0)
Jungli	29-0 (28-0)	26-8 (25-8)
Orissa	33-8 (33-0)	31-0 (30-8)
Uttar Pradesh ..	29-0 (28-0)	26-8 (25-8)
Daissee mesta ..	27-0 (26-0)	24-8 (23-8)
Bimli f.a.q.	Rs. 23-8 (23-0)	
Pucca bales 1st marks ready	.. Rs. 180 per bale (same).	

TEA RULES BETTER

(From Our Own Correspondent)

CALCUTTA, *26th February*

Better conditions prevailed in the export tea sales held yesterday. On good demand prices recovered. The Government of India's announcement increasing the export allotment of 1956-57 tea by 10 million lbs. has been hailed with great enthusiasm in trade circles. With the present revision, the quota stands at 453.3 million lbs. The 1956 crop is believed to have amounted to 663.6 million lbs., including South Indian production, and internal consumption 200 million lbs. Considering this statistical position and also the substantial carryover from the 1955 crop, the tea trade strongly feels that the export quota can further be raised.

Export demand for Indian tea continues to be good, and this is amply demonstrated in the hardening price for export quota rights. Plenty of tea remains to be sold, and if a recession in prices has to be avoided, the export quota should be further increased. In this context, the dearer tendency in the Mincing Lane auctions should be conclusively noted. In the sales in London on 18th February, prices of the plainer colourry teas and Dooars gained in competition. Similarly, steady conditions were also reported in the subsequent sales held on Wednesday last. In 1956, Britain imported 512,634,000 lbs. of tea or 21,330,000 lbs. more than in 1955. Imports from India were 299,673,000 lbs. or 58 per cent. of total imports. In 1955, India had sent to Britain 283,394,000 lbs. and thus it is seen of the increase in 1956, India's share was as much as 76 per cent.

Last week's internal sales opened on a quiet tone, but towards the close prices recorded gains. Dusts offerings aggregated 18,001 chests. The price of the leafy orthodox Assams declined by an anna to As. 14, but the price of the powdery kinds was maintained at the opening level. The bright liquor-ing C.T.C. Assams representing improved quality were in good demand, but the ordinary lots from this category gave way. Orthodox Dooars and commons presented an irregular pattern; however, those lots with a clean and black leaf appearance rose above brokers' valuations. The quotations were: Best Assam C.T.C. Rs. 2-10 (nominal), medium Assam C.T.C. Rs. 2-2, medium Assam grainy dust Re. 1-13-6, and medium Dooars Re. 1-13.

Leaf prices declined by As. 2, although there was fair demand. Offerings totalled 2,578 chests.

As already stated, steady conditions were in evidence during the export sales held yesterday, when offerings amounted to 61,500 chests. Prices for all constructions moved up. Teas for price gained by As. 2. A similar rise was also recorded in clean common and low medium teas and all teas with useful liquors. Often keen competition was offered to stylish and well-made whole leaf grades prices of which rose; but the poorer grades declined slightly. Among C.T.Cs. the cheaper lots rose by As. 2, but the remainder gave way by As. 2. Prices of medium Assams of poor quality also declined by As. 2. The quotations were: Best C.T.C. Assam B.P. Rs. 2-6 (nominal), medium Assam B.P. Re. 1-15 to Re. 1-15-6, plain B.P. Re. 1-14, and clean black pekoe Rs. 2-2 to Rs. 2-3.

METALS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, *26th February*

The week under review in the metal market was noted for a sharp recession in the prices of tin and copper, and other base metals came down in sympathy. From Rs. 590, tin receded to Rs. 562. Even at the lower level, the prices was several points above the replacement cost. Ready material was in short supply, but fresh arrivals were soon expected. During the week, some shipments of electrolytic copper wire bars were received. Most of these were direct imports by consumers, and as such they did not reflect on bazar stocks. The bazar price was extremely quiet at Rs. 182, to which it had fallen from Rs. 190 earlier. Advices from New York and London were far from encouraging, and these indicated that the world supply position was comfortable. It is evident that demand is below production. The reduction in price in the United States by copper smelting firms by 2 cents per pound to 34 cents preceded the announcement by the Rhodesian Selection Trust group of companies slashing the copper price by £20 a ton to £250 a ton. These cuts in prices naturally have had their reflection in the price in Calcutta. Virgin lead was quiet at Rs. 79-8, as was electrolytic zinc at Rs. 74. However, while the supply position in lead was free from anxiety, that in zinc was not so. The ready supplies in zinc had become difficult, but fresh imports were expected to reach docks soon.

LINSEED RECOVERS AT CLOSE

(Messrs. A. Bradley and Co.)

CALCUTTA, *25th February*

A considerable decline in linseed prices was noted earlier in the week, owing to the withdrawal of buyers. The downward trend was, however, checked towards the close, following better demand from crushers. Activity recorded was on a small scale, for near positions only. In the oil section, some enquiries from shippers at appreciably lower rates resulted in a very small turnover. Sellers were unwilling to make lower offers in anticipation of higher price levels.

The latest available quotations are: February Rs. 21-6 and April-May Rs. 20-10 per maund.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, *24th February*

During the week under review, the hides and skins market ruled steady. The Madras dealers were lukewarm, whereas the country tanners were keen buyers of low grade cow. The upper grades of cow and buff were eagerly sought for by the local tanners headed by Messrs. Cooper Allens.

The latest available quotations are: Wet salted cow 1st grade Rs. 350 to Rs. 360, 2nd grade Rs. 260 to Rs. 280 and 3rd grade Rs. 150 per score; wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces; sheep 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

FOODGRAINS DECLINE

(From Our Own Correspondent)

HAPUR, *25th February*

Prospects of good wheat crop in Northern India, together with the Government's heavy import programme, have improved the food situation in the country and prices have not only not gone up but have tended to recede. The all-India first estimate of *rabi* cereals (wheat and barley) for 1956-57 puts the current year's area at 38,772,000 acres, as against 36,015,000 acres for 1955-56. Of this, wheat accounts for 30,502,000 acres and barley for 8,270,000 acres, as against the previous year's figures of 27,756,000 acres and 9,259,000 acres, respectively. The all-India second estimate of rice shows an increase of 0.9 per cent. in area and 1.6 per cent. in production over last year at 72,512,000 acres and 23,900,000 tons, respectively. The import programme in the country has been stepped up, with a view to building up of fairly big reserves. Over 605,000 tons of wheat and nearly 284,000 tons of rice are expected to arrive in India from abroad in the next three months, by which time the new wheat crop will also arrive in the market.

Wheat at Hapur is now quoted at Rs. 16-4 for *dara* quality, at Rs. 17-6 for farm quality at Rs. 15-14 for wholesale *khati*. Sales through fair-price shops have been increased and most of the demand is now met through these shops. Outside buying inquiry is slack and stockists are now reported to be anxious to sell their stocks. The weather continues favourable for the standing crops. Rice has also eased slightly. *Basmati* was quoted at Rs. 23 to Rs. 26, *Manipuri* at Rs. 20-6, coarse at Rs. 16-4 per maund.

Gram has recorded a fall of As. 8 per maund during the week on good crop prospects, here as well as in Punjab. The all-India first estimate of gram at 22,937,000 acres which is an increase of 3 per cent. over last year has also acted as a bearish factor. Barley and bejhar, however, rule steady, due to poor local stocks and the new crop arrivals will begin after a month. Fall in consumer seasonal demand accounted for the depressed conditions in maize and *bajra*. Prevailing prices as on Monday were: gram local Rs. 12-12; Punjabi Rs. 13-4; barley Rs. 13-10; bejhar Rs. 13-10; maize Rs. 13-14; *bajra* Rs. 13-14; *jowar* Rs. 12-6 to Rs. 13 and *guwar* Rs. 11 per maund.

Peas have recorded a quiet trend on good crop prospects at an early date, although local stocks have dwindled to small quantities. *Arhar* rules weak on slack outside demand and other pulses are mostly unchanged. Peas *dara* was done at Rs. 13-8, *arhar* at Rs. 12-14, *urd* at Rs. 18-6 to Rs. 21, *moong* at Rs. 14-6 to Rs. 16 and *masoor* at Rs. 16 per maund.

Pulses futures rule easy on east U.P. selling. On Monday they were quoted at: peas *jeth* Rs. 10; peas farm *jeth* Rs. 10-6-4½; *arhar jeth* Rs. 10-10-6; and *urd baisakh* Rs. 18-8.

PALAI CENTRAL BANK LIMITED

NOTICE IS HEREBY GIVEN THAT THE 29th Annual General Meeting of the Shareholders of the Palai Central Bank Limited will be held at the Registered Office of the Company at Palai on Thursday the 4th day of April 1957, at 3-30 p.m., to transact the following business:—

(*a*) To consider the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1956 and the Reports of the Directors and Auditors.

(*b*) To declare a Dividend.

(*c*) To elect Directors in place of the retiring Directors.

Note—(1) Shri K. George Thomas retires by rotation and is eligible for re-election.

(2) Shri V. Joseph Kuruvilla retires by rotation and is eligible for re-election subject to his being exempted from the age limit prescribed under section 280 of the Companies Act. Special Notice has been received by the Company and is hereby given that the following resolution would be moved:—

"Resolved that the age limit of 65 years prescribed under section 280 of the Companies Act shall not apply to Shri V. Joseph Kuruvilla who has attained the age of 68 years at his last birthday and that he be re-elected a Director of the Company."

(*d*) To appoint an Auditor or Auditors and to fix his or their remuneration. The retiring Auditors, Messrs. Srinivasan & Co., are eligible for re-appointment.

(*e*) To consider and, if thought fit, to pass the following resolution:—

"Resolved that with effect from 5th May 1956 the sitting fee of each Director be increased to Rs. 50 for every Meeting of the Board attended as already approved by the Central Government."

(*f*) To consider and, if thought fit, to pass the following resolution:—

"Resolved to approve of and to authorise the Board of Directors to borrow, whether with or without security, for the purposes of the Bank from time to time or at any time with effect from the date of commencement of the Companies Act, 1956, such amounts as they may consider necessary to any extent or without any limit."

(*g*) To transact any other business that can be transacted at the Meeting.

The Explanatory Statement under section 173 is annexed hereto.

A member who is unable to attend in person is entitled to appoint another (whether a member or not) as his proxy to attend and vote instead of himself subject to section 176. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.

The Register of Shareholders and the Transfer Books of the Company will be closed from 5th March 1957 to 3rd April 1957, both days inclusive.

By Order of the Board,
K. JOSEPH AUGUSTI,
Managing Director.

PALAI, *21st February* 1957.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Ceylon	11th June, 1954	3	3½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	2nd May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	3½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	4
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	1952	3	2½
Portugal	12th Jan., 1944	3	3½
South Africa	20th Sept., 1956	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1958	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	6	4
U.S.A.	23rd Aug., 1956	3½	4
West Germany	11th Jan., 1957	5	5½

CLEARING HOUSE RETURNS

Centre	Week ended 22nd February, 1957		Week ended 15th February, 1957	
	Number of Cheques	Amount Rs.	Number Cheques	Amount Rs.
Bombay	2,99,971	71,26,40,000	3,07,764	72,50,26,000
Calcutta	1,81,412	66,75,32,101	1,83,180	69,01,70,855
Madras	85,317	11,83,65,766	92,225	10,24,38,212
All Centres—				
1954-55*	..	..	2,885,000	6,041,300,000
1955-56*	..	..	3,100,000	6,680,300,000
Nov., 1956	..	..	3,284,000	7,25,06,00,000
Dec., ,,	..	..	3,378,000	7,64,19,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 22nd Feb., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		53,98,47,000
(2) Other Governments		11,23,90,000
(b) Banks		56,48,09,000
(c) Others		42,26,72,000
Bills Payable		12,99,80,000
Other Liabilities		111,79,53,000
	Rupees	314,76,51,000

ASSETS	Rs.
Notes	21,07,90,000
Rupee Coin	10,20,000
Subsidiary Coin	15,44,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,02,83,000
Balances held abroad*	106,35,15,000
Loans and Advances to Governments	7,71,70,000
Other Loans and Advances	112,63,69,000
Investments	51,65,34,000
Other Assets	13,03,28,000
Rupees	314,76,51,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 88,86,15,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 99,35,12,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	21,07,90,000	
Notes in circulation	1606,24,61,000	
Total Notes issued		1627,32,51,000
Total Liabilities		1627,32,51,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		122,01,13,000
Government of India Rupee Securities		375,03,44,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1627,32,51,000

Scheduled Banks*

Statement of Affairs for the week ended 15th Feb., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	6,35,71,000
(ii) Other demand liabilities	676,89,12,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,48,00,000
(ii) Other time liabilities	461,81,17,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	
(ii) Time liabilities	16,18,52,000
4. Cash in India	44,11,00,000
5. Balances with the Reserve Bank in India	36,93,00,000
6. Balances with other banks in current account in India	48,88,04,000
7. Money at call and short notice in India	9,62,24,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	10,29,44,000
9. Advances in India	356,19,60,000
10. Inland Bills purchased and discounted in India	606,85,85,000
11. Foreign Bills purchased and discounted in India	107,99,59,000
	56,24,98,000

* *Notes.*— (1) figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	25th February 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/4	1-6 1/4
Buyers T.T. 10 to 12 months	1-6 1/4	1-6 1/4
Bombay on New York—		
Sellers T.T. D.D. Rs.	473 1/2	473 1/2
Buyers T.T. Rs.	473 1/2	473 1/2
London on New York $	2.79 1/2-2.79 1/2	2.79 1/2-2.79 1/2
London on Paris Fcs.	987	983 1/2
London on Berne Sw. Fcs.	12.27 1/2-12.27 1/2	12.27 1/2-12.27 1/2
New York on London $	2.79 1/2-2.79 1/2	2.79 1/2-2.79 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	Nations Income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	79.33	..	1,951	243
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.35	..	470	560
Japan	1955	88.90	¥. 6,575,000	9,698	976
Philippines	1955	21.85	Ps. 7,800	1,857	850
New Zealand	1955	2.13	£(N.Z.) 846	1,128	5,296
Australia	1954	8.99	£(A) 3,957	4,320	4,804
U.K.	1955	50.97	£ 16,634	22,178	4,351
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.60	$ 30,738	10,166	6,516
France	1955	43.27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm. 186,200	14,460	2,890
Italy	1954	47.80	Lr. 9,718,000	7,490	1,560
Norway	1955	3.48	Kr. 19,764	1,880	3,050
Sweden	1954	7.21	Kr. 28,680	5,544	4,912
Netherlands	1955	10.75	Grn. 32,500	3,250	2,650
Denmark	1954	4.41	Kr. 22,274	1,610	3,654
Switzerland	1954	4.93	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 15th Feb., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	45,88,07,000
(b) Provincial Governments	1,45,45,000
(c) Banks	13,07,00,000
(d) Others	8,24,36,000
Bills Payable	15,84,000
Other Liabilities	12,63,87,000
Rupees	87,84,59,000

ASSETS	Rs.
Notes	11,38,79,000
Rupee Coin	13,000
Subsidiary Coin	19,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,20,000
Loans and Advances to Governments	26,00,000
Provincial Governments' Debtor Balances	3,27,99,000
Other Loans and Advances	32,49,05,000
Investments	41,47,24,000
Other Assets	8,87,00,000
Rupees	87,84,59,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,38,79,000	
Notes in circulation	833,03,97,000	
Total Notes issued	....	844,42,76,000
Total Liabilities	....	844,42,76,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	83,30,20,000	
Government of India Securities	23,83,47,000	
India Notes representing assets receivable from the Reserve Bank of India	48,02,30,000	
B. Rupee Coin	5,19,77,000	161,59,38,000
Government of Pakistan Securities	171,78,55,000	
Internal bills of exchange and other commercial paper	....	176,93,32,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	344,42,76,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.54 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (Pre-war)	15th Feb., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1,515.62	1,519.65	1,490.89	1,406.83
Notes held in Banking Department	35.05	11.28	7.01	17.66	8.20
Foreign Securities	59.50	412.52	412.52	442.33	667.16
Rupee Securities	37.39	530.28	117.76	825.22	003.23
Banking Department					
Deposits of:					
Government of India	14.89	52.25	51.01	50.71	64.55
Other Governments	....	12.48	13.53	7.03	13.06
Balances held abroad	10.08	113.43	122.16	81.24	71.12
SCHEDULED BANKS					
Demand Liabilities	134.36	682.75	676.24	666.38	630.11
		(6.36)†	(6.72)†	(6.08)†	(5.47)†
Time Liabilities	102.24	464.29	463.82	453.91	416.89
		(2.48)†	(2.38)†	(2.40)†	(3.26)†
Borrowings from Reserve Bank	..	92.48	96.89	75.13	38.65
		(59.18)‡	(67.62)‡	(60.70)‡	(18.72)‡
Borrowings from State Bank	..	16.14	16.68	11.80	13.06
Cash in India	6.70	36.93	35.91	36.48	36.31
Balances with Reserve Bank	25.17	48.86	48.78	48.31	40.90
Excess over statutory limits	15.52	5.44	5.70	5.82	10.06
Balances with other banks in current account in India	..	9.62	9.76	10.21	10.51
Money at call and short notice in India	..	10.29	9.84	9.04	7.14
Investments (at book value)	..	356.20	360.94	362.12	377.44
Advances and bills	105.09	860.82	856.25	815.87	600.99
STATE BANK					
Deposits	87.76	265.01	260.50	245.76	238.27
Investments	51.99	106.85	106.90	107.05	116.71
Advances	30.85	173.51	172.48	154.77	120.82
Cash	14.69	18.04	15.93	18.02	20.01

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November,		Eight months, April to Nov.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	9.90	11.07	74.41	88.01
Protective	0.87	1.21	6.59	8.39
On surplus disposals	..	..	0.07	0.02
Total import duties	10.77	12.28	81.07	90.42
Export Duties	2.76	2.67	24.45	18.33
Land Customs	0.20	0.22	0.69	1.68
Miscellaneous	0.06	0.11	0.48	0.74
Gross total customs	13.79	15.28	106.72	111.06
Refunds and drawbacks	0.20	0.22	1.75	1.57
Net Customs	13.59	15.06	104.97	109.49
Gross excise	11.67	16.23	96.03	117.97
Refunds	0.17	0.17	3.03	1.32
Net Excise	11.50	16.06	93.00	116.65
Net total of customs and excise†	25.09	31.12	198.57	226.14

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 22nd Feb., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		271,55,20,000
Bills Payable		16,91,00,000
Bills for Collection being Bills Receivable as per contra		4,01,06,000
Acceptances, Endorsements and Other Obligations per contra		67,37,000
Other Liabilities (including Inter-Office Adjustments)		5,18,000
Total	Rs.	1,21,83,000
		306,41,64,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18,48,37,000
Balances with other Banks		4,25,30,000
Money at Call and Short Notice		86,67,000
INVESTMENTS:		
Government and other Trustee Securities	95,30,71,000	
Other Authorised Investments	11,35,68,000	
ADVANCES:		106,66,39,000
Loans, Cash Credits, Overdrafts, etc.	148,46,26,000	
Bills Discounted and Purchased	22,21,08,000	
Bills Receivable being Bills for Collection as per contra		170,67,34,000
Customers' Liabilities for Acceptances, Endorsements and Other Obligations per contra		67,37,000
Premises less Depreciation		5,18,000
Furniture and Fixtures less Depreciation		1,19,01,000
Other Assets (including Inter-Office Adjustments)		62,37,000
Total	Rs.	2,92,74,000
		306,41,64,000

SMALL SAVINGS

(In lakhs of rupees

POSTAL SAVINGS‡‡

	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits	2½% Ten-year Treasury Savings Deposits	10-Year National Plan Certificates†		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year									
	Out-standings*	Receipts	Out-standings*	Receipts	Out-standings*	Receipts	Receipts	Out-standings*	Outstandings @	Receipts	Receipts	Out-standings*	Receipts	Out-standings*
1952-53	8.33	65	2.26	22.66	84.17	1,12.25	92.03	— 21.07	7.55	25.64	7,40	7.25	55	54
1954-55	4.70	1.62	4.99	27.27	1,54.54	1,84.94	1,30.85	— 36.25	5.57	37.15	7,69	16.37	62	95
1955-56	3.76	1.98	5.43	27.19	1,44.36	1,59.15	1,87.56	— 35.57	4.70	41.25	9.86	16.37	42	95
November 1955	4.07	19	5.21	1.98	1,37.48	11.25	1,50.40	— 38.24	48	40.06	82	13.20	5	95
December	4.00	18	5.26	2.56	1,39.48	13.94	1,53.44	— 38.44	36	40.34	83	13.38	5	95
January 1956	3.91	14	5.24	2.03	1,40.78	12.16	1,54.14	— 38.55	32	40.61	84	14.78	3	91
February	3.83	16	5.29	2.31	1,42.37	12.37	1,56.19	— 38.66	29	40.95	84	15.27	3	93
March	3.76	22	5.48	2.83	1,44.36	23.64	1,67.86	— 38.87	26	41.25	83	16.37	3	98
April	3.69	24	5.54	3.19	1,45.83	14.54	1,71.08	— 38.94	24	41.51	83	17.13	3	98
May	3.61	21	5.54	2.49	1,47.55	14.76	1,73.06	— 39.05	23	41.82	83	17.82	3	98
June	3.54	28	5.55	2.70	1,49.48	15.54	1,76.09	— 39.15	23	41.82	83	17.91	3	1,00
July	3.46	25	5.51	2.78	1,51.53	14.61	1,80.05	— 39.24	23	42.11	82	18.76	4	1,04
August	3.40	29	5.52	2.53	1,53.14	14.19	1,83.31	— 39.25	26	42.18	1,01	19.66	4	1,07
September	3.34	17	5.71	2.65	1,55.14	13.27	1,84.38	— 39.17	26	43.72	98	20.53	5	1,11
October	3.28	16	5.69	2.58	1,56.51	13.00	1,85.90	— 39.26	24	45.00	85	21.84	3	1,13
November	3.23	13	5.66	2.30	1,57.62	12.70	1,86.89	— 39.35	25	45.39	82	22.06	4	1,17
December	..	..	..	..	..	..	..	..	26	49.58	77	22.73	3	1,16

* At the end of period.

† Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Unless's share of the pre-partition liabilities of Indian Investors.

@ Progressive net repayments at the end of period from 16th August 1947.

‡ Relating to nine months from July, 1954.

§ Relating to eleven months from May, 1954.

‡ From July, 1954.

R—Relating to seven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 16th Feb., 1957	9th Feb., 1957	19th Jan., 1957	18th Feb., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.8	89.8	89.7	91.3
1. Government of India	89.5	89.5	89.4	91.2
2. Indian States	96.6	96.6	96.6	96.7
3. Municipal Port Trust, etc.	90.7	90.7	90.7	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.0	99.1	100.0	101.2
1. Electricity	98.7	98.9	100.9	102.8
2. Jute	97.3	97.5	97.5	97.6
3. Plantations	98.6	98.6	98.6	99.1
4. Sugar	98.5	98.5	98.5	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	100.8	101.8	102.8	102.8
8. Others	100.3	100.4	100.5	101.1
PREFERENCE SHARES	88.3	88.6	87.8	88.8
1. Electricity	80.6	80.8	80.1	79.7
2. Cotton	74.2	75.2	75.4	76.7
3. Jute	83.7	82.7	83.0	90.1
4. Coal	81.0	81.3	84.0	87.5
5. Iron and Steel	81.6	81.6	81.6	85.5
6. Sugar	79.7	79.7	79.7	86.5
7. Paper	99.4	99.7	99.8	101.4
8. Plantations	74.0	74.1	73.8	84.1
9. Miscellaneous	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.6	114.1	113.7	120.5
(a) Financial	93.9	94.5	94.7	99.3
1. Banks	96.1	96.7	96.9	88.8
2. Insurance	84.7	84.8	84.8	90.8
3. Investment Trust	80.4	80.0	80.2	94.7
(b) Public Utilities	109.9	109.4	108.5	113.1
1. Electricity	109.9	110.0	109.5	118.7
2. Shipping and other Transport	116.4	115.9	113.9	106.3
3. Railways	78.7	81.2	81.0	89.7
(c) Manufacturing industries	120.3	121.7	122.9	128.7
1. Cotton, Woollen and Silk	125.8	126.5	127.7	122.6
2. Jute	62.3	61.9	58.7	89.6
3. Iron and Steel	131.8	132.5	129.5	139.9
4. Paper	253.3	253.0	248.8	279.9
5. Cement	158.0	159.0	169.7	167.1
6. General Engineering	170.3	175.9	175.2	190.3
7. Sugar and Breweries	99.5	99.9	100.2	105.8
8. Chemicals	137.2	137.5	136.8	147.4
(d) Non-Manufacturing industries	140.3	140.3	139.7	153.1
1. Coal	74.8	75.0	74.2	83.9
2. Mining and Oil	197.4	198.7	196.5	241.1
3. Plantations	156.0	155.2	155.4	167.2
(e) Miscellaneous	91.5	92.3	90.5	100.3
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.2	89.2	89.1	90.8
1. Bombay	89.7	89.7	89.6	91.3
2. Calcutta	90.0	90.0	89.9	91.6
3. Madras	..	..	..	..
DEBENTURES OF INDUSTRIAL CONCERNS:	99.4	99.4	99.4	100.2
1. Bombay	98.5	98.6	100.5	102.1
2. Calcutta	99.7	99.7	99.7	100.1
3. Madras	..	..	..	..
PREFERENCE SHARES:	85.4	85.6	85.4	89.4
1. Bombay	73.8	74.2	74.1	83.0
2. Calcutta	94.4	94.8	94.6	96.7
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	123.1	123.9	125.0	122.8
1. Bombay	100.3	100.7	99.5	113.0
2. Calcutta	125.7	126.5	125.4	120.2
3. Madras	123.1	123.8	124.9	123.9
4. Delhi	..	..	..	..

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Number of workers involved.	Number of man-days lost
1951	1,071	661,321	8,818,928
1952	1,129	809,242	9,236,961
1953	772	466,807	3,382,608
1954	840	477,153	5,273,000
1955	1,166	837,747	5,697,848
October 1954	88	41,754	276,294
November ,,	65	25,115	239,701
December ,,	101	54,455	262,763
January 1955†	95	49,038	322,807
February ,,	91	28,870	144,302
March ,,	113	70,048	334,593
April ,,	108	33,435	333,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,290	660,492
August ,,	236	90,218	533,999
September ,,	263	93,619	580,031
October ,,	134	47,500	214,214
November ,,	99	45,099	171,113
December ,,	139	49,377	239,550
January* 1956†	107	61,950	249,655
February* ,,	122	69,450	778,386
March* ,,	146	133,188	678,716
April* ,,	143	83,580	565,964
May ,,	137	64,561	559,720
June ,,	152	71,818	476,166
July* ,,	149	100,069	535,775
August* ,,	126	64,516	495,589
Sept.* ,,	185	125,226	908,399
Oct. ,,	109	79,392	505,789

† Figures are provisional. * Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,801.4	5,134.3
1953-54	648	6,876.8	5,278.7
1954-55	686	7,750.9	6,012.2
1955-56	715	8,805.8	7,185.8
Jan., to Oct., 1955	716	6,983.4	5,681.5
Jan., to Oct., 1956	753	7,938.7	6,508.9
September 1955	707	719.8	587.1
October ,, ,,	716	730.7	591.9
November ,, ,,	721	725.5	597.0
December ,, ,,	734	755.7	648.0
January 1956	721	757.2	621.8
February ,, ,,	730	745.5	633.0
March ,, ,,	715	800.0	651.0
April ,, ,,	701	780.6	648.8
May ,, ,,	701	825.5	689.1
June ,, ,,	710	794.5	658.5
July ,, ,,	734	795.0	656.2
August ,, ,,	725	792.7	650.0
September ,, ,,	727	813.7	666.4
October ,, ,,	753	834.1	676.1

* Excluding railway, military and factory power stations. Ghola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	9th Feb., 1957	2nd Feb., 1957	11th Feb., 1956	January, 1957	January, 1956	Percentage of Increase (+) or decrease (—) in Jan., 1957 as compared with Jan., 1956	Financial Year Average 1956-'56	Financial Year Average 1954-'55
Food Articles	(31)	405.2	407.0	328.8	392.1	333 4	+17.6	313.2	338.8
Cereals	59	523	521 R	399	491	398	+23.4	372	381
Pulses	8	440	439	341	429	381	+18 8	359	390
Others	33	252	258	231	257	238	+ 8.0	235	291
Industrial Raw Materials	(18)	523.7	528·1 R	485.2	525.0	454.2	+15.6	419.8	438.2
Fibres	5	506	507	472	507	453	+11.9	429	447
Oil seeds	10	578	594	468	582	463	+25.7	398	434
Minerals	10	552	523	439	530	438	+21 0	427	422
Others	7	416	420 R	443	435	456	— 4.6	451	457
Semi-Manufactures	(17)	412·5	412·9	355.7	412.4	353.5	+16.7	338.2	359.2
Leather	2	433	433	408	433	417	+ 3.8	373	376
Mineral oils	13	210	210	202	210	202	+ 4.0	207	231
Vegetable oils	16	618	626	425	623	425	+46.6	389 R	438
Cotton yarn	35	491	489	445	492	434	+13 4	433	454
Metals	18	327	328	280	328	280	+17.1	264	240
Oil cakes	5	457	454	344*	441	371	+18.9	358	351
Others	5	372	372	364	362	338	+ 7.1	336	312
Manufactured Articles	(30)	386.9	386·9	375.4	387.4	376.2	+ 3.3	378.9	377.4R
Textiles	6	64	64	415	416	409	+ 2.2	405	451
Jute	11	438	442	420	450	420	+ 7.1	418	448
Cotton	45	414*	414*	403*	414*	403*	+ 2.7	402*	415*
Rayon and Silk	6	442*	442*	396* R	442*	396*	+ 9.1	415*	409*
Woollen	3	266	266	278	266	278	— 4.3	284	311
Metal products	17	394	394	371	394	371	+ 6.2	358	349
Others	19	301	299	284	293	285	+ 4.6	285	280
Miscellaneous	(8)	502.9	501·0 R	529.3	502.4 R	540.0	+ 9.7	548.4	512.4
All Commodities	(100)	426.2	427.2 R	376.1	422 3 R	376.0	+12.3	360.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugar† | Gur | Tobacco | Raw Cotton | Raw Jute† | Groundnut | Linseed | Gunji | Jute manufactures | Cotton manufactures | Iron and steel |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,817	8,345	8,778
Jowar	final	,,	43,731	43,446	9,940	9,093
Bajra	final	,,	27,095	27,993	3,400	3,421
Barley	final	,,	8,145	8,300	2,721	2,579
Maize	final	,,	9,909	9,311	2,519	2,228
Ragi	final	,,	6,427	6,711	1,544	1,645
Small millets	final	,,	13,094	13,799	2,103	2,456
Total cereals	final	tons	211,000	213,035	52,349	55,734
Pulses—						
Gram	final	tons	23,093	23,047	4,355	5,393
Tur	final	,,	3,757	3,944	1,314	1,688
Other Kharif pulses †	final	,,	15,855	16,719	1,540	1,830
Rabi pulses†	final	,,	10,879	10,890	1,853	1,959
Total pulses	final	tons	53,100	54,600	10,187	10,870
Oilseeds—						
Groundnut	2nd	tons	11,200‡	10,068‡	3,550‡	3,372‡
Castorseed	final	,,	1,448	1,394	126	124
Sesamum	final	,,	2,733	2,801	444	449
Rape and Mustard	final	,,	2,562	2,625	822	1,018
Linseed	final	,,	3,484	3,484	876	853
Total oilseeds	final	tons	29,471	30,822	5,696	6,343
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute A.	final	,,	1,363†	1,729†	4,221†	4,197†
Mesta A.	2nd	,,	696†	555††	1,430†	1,101††
Other crops—						
Potato	final	tons	693	658	1,889	1,736
Sugarcane	2nd	,,	4,852†	3,945†	58,914†	50,455†
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	206	37	36
Chillies (Dry)	final	,,	1,493	1,528	340	365
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1957	88.8
	Corresponding month, 1956	88.9
	Seven months ended Jan., 1957	606.1
	Corresponding period, 1956	608.4
Stocks	At the end of Jan., 1957	104.1
	Corresponding month, 1956	78.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 5th Jan., 1957	N.A.
	Corresponding week, 1956	5,291
	From 1st Jan., to 31st Dec., 1956	430,173
	Corresponding period, 1955	470,395
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 5th Jan., 1957	20,339
	Corresponding week, 1956	16,880
	From 1st Jan., to 31st Dec., 1956	1,342,284
	Corresponding period, 1955	1,395,788
	RAW JUTE	(In lakh bales)
Consumption by Mills†	January, 1957	5.15
	Corresponding month, 1956	5.15
	Seven months ended Jan., 1957	35.28
	Corresponding period, 1956	35.28

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,100	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,300
Do. 31st March, 1956	11,55,980	10,68,100	7,97,800
August 1955	93,500	83,900	62,700
Sept. ,,	93,800	87,500	65,700
October ,,	91,700	83,300	64,600
Nov. ,,	91,900	86,200	62,400
Dec. ,,	103,900	97,500	72,300
January 1956	1,05,900	96,800	71,600
August ,,	97,500	88,000	66,000
Sept. ,,	96,400	83,300	59,700
Oct. ,,	96,700	91,100	71,800
Nov. ,,	94,700	85,200	68,100
Dec. ,,	101,500	93,300	66,900
January 1957 ,,	97,400	94,300	70,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1954	6,24,710	4,31,480	3,12,940
Do. 31st March, 1954	5,80,030	5,49,980	3,93,440
Do. 31st March, 1955	7,15,949	5,38,240	4,59,088
Do. 31st March, 1956	7,06,986	6,31,808	4,80,607
Three months ended June, 1954	1,83,770	1,17,870	1,07,486
,, ,, Sept., 1954	1,80,018	1,26,741	1,12,861
,, ,, Dec., 1954	1,68,083	1,45,801	1,30,616
,, ,, Mar., 1955	1,68,108	1,43,828	1,18,126
,, ,, June, 1955	1,85,605	1,34,332	1,16,581
,, ,, Sept., 1955	1,74,181	1,30,620	1,08,714
,, ,, Dec., 1955	1,60,740	1,34,496	1,08,785
,, ,, Mar., 1956	1,84,450	1,41,846	1,19,880
,, ,, June, 1956	1,48,806	1,17,710	92,609
,, ,, Sept., 1956	1,76,447	1,32,825	1,12,953
,, ,, Dec., 1956	1,68,846	1,41,450	1,14,708

OVERALL BALANCE OF TRADE OF INDIA
November, 1956†

Particulars	November, 1955	November, 1956	Eight months April to Nov., 1955	Eight months April to Nov., 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs).	Rs. (lakhs)
1. Trade in merchandise—				
(a) Imports	49,45	54,35	388,36	378,000
(b) Re-exports	39	57	3,53	5,27
Less—Transit trade	—	3	8	8
Net re-exports	39	54	3,45	5,19
Total exports	49,84	55,89	391,81	383,19
2. Imports	62,98	69,07	418,45	535,08
Less—Transit trade	2	4	10	25
Net Imports*	62,96	69,03	418,35	534,83
Balance of trade in merchandise	—13,12	—14,04	—26,54	—151,64
Balance of trade in gold and silver	—	3	4	15
Total overall visible balance of trade	—13,12	—14,07	—26,58	—151,79

† Total values of foreign trade of India by all routes (i.e., sea, air and land.)
* Excludes the value of certain stores imported on Government account which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	940	171	103	61	183	21	169	297	25	260	45	156
1953-54	11,052	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	95	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	20	474	412	41	331	45	144
October 1955	7,016	1,500	569	115	62	38	55	14	161	220	33	179	27	99
November ,,	6,676	1,855	625	132	68	43	53	17	174	266	27	205	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	306	304	30	238	38	117
January 1956	10,406	2,319	806	175	86	58	114	24	302	339	34	255	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	48	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	45	145
April ,,	1,115	257	85	23	12	8	13	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	24	11	25	5	115	70	5	60	5	21
June ,,	3,264	705	248	59	35	15	33	6	148	104	7	89	9	33
July ,,	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,,	5,400	1,222	433	87	43	23	55	8	184	173	13	150	19	68
September ,,	6,420	1,446	505	97	45	28	73	10	199	207	15	179	26	81
October ,,	7,404	1,703	579	110	50	32	96	12	216	242	18	212	33	98
November ,,	8,010	1,950	650	129	59	37	121	15	257	276	20	245	39	114

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st Feb., 1957	56,548(J)
	Corresponding week, 1956	64,000(J)
	1st Sept. 1956 to 21st Feb., 1957	831,376*
	Corresponding period, 1955-56	725,070*
Cotton Exports†	Week ended 21st Feb., 1957	10,238
	Corresponding week, 1956	26,868
	1st Sept. 1956 to 21st Feb., 1957	316,259
	Corresponding period, 1955-56	334,059
Mill Consumption (Estimated)	1st Sept. 1956 to 21st Feb., 1957	626,819
	Corresponding period, 1955-56	616,208
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 21st Feb., 1957	506,218
	Corresponding date, 1956	456,577
Cotton Exports from Bombay (by sea)	During Dec., 1956	32,410
	During Dec., 1955	60,403
	1st Sept., '56 to 31st Dec., 1956	65,681
	1st Sept., '55 to 31st Dec., 1955	327,074
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 7th Feb., 1957	891,232
	Corresponding period, 1955-56	971,512
Exports	1st Sept., 1956 to 7th Feb., 1957	443,139
	Corresponding period, 1955-56	435,235

J By Railroad Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1956 to 15th Feb. 1957 (Bales)	From 1st Sept. 1955 to 15th Feb. 1956 (Bales)
From Bombay		
Cotton Shipments to—United Kingdom	16,291	33,136
Continent	15,723	58,592
Hongkong	16,023	23,131
China	3,277	31,488
Japan	77,439	146,990
U.S.A.	1,284	2,214
Other Countries	462	5,224
Total to all foreign countries	129,499	305,745
Coastal Ports	7,360	60,291
Total	136,859§	366,036§

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	December, 1956	407,605
Foreign		49,618
Indian	Four months ended Dec., 1956	1,525,011
Foreign		201,257
Indian	Same Period 1955	1,518,805
Foreign		185,643
Stocks (Mills and Bleachers)—		
Indian	As on 1st December, 1956	1,072,674
Foreign		176,634
Indian	As on 1st December, 1955	1,038,361
Foreign		159,221
Cotton Pressed in India† (In running bales)	Week ended 8th Feb., 1957	4,078
	Corresponding week, 1956	110,951
	1st Sept., 1956 to 8th Feb., 1957	641,312
	Corresponding period, 1955-56	1,350,338

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1956-57	63,50,25,000	1960-70	100 ¼
3 % Loan	1958-59	1,16,17,46,000	1958-65	94 ⅜
3 % Loan	1950	89,32,10,000	1970	84
3 % Fd. Loan	1942	1,10,11,76,000	1958-62	92
2½ % Loan	1944	33,94,89,000	1957	90½
2½ % Loan	1945	1,15,08,58,000	1970-75	78
2½ % Def'd Loan	1945	1,15,65,64,000	1959-61	97
2½ % Loan	1941	80,25,85,000	1954	99½
2½ % Loan	1946	48,90,37,000	1961	93
2½ % Loan	1946	57,00,69,000	1961	92½
2½ % Loan	1946	14,77,45,000	1970	83½
2½ % Loan	1947	75,56,72,000	1962	90½
2½ % Loan (N.P. Bonds)	1955	75,39,90,000	1961	90⅝
2½ % N.P. Loan	1954	1,24,15,86,000	1964	98⅜
2½ % N.P. Bonds (2nd Series)	1955	1,05,67,92,000	1965	98⅜
3½ %	1956	57,27,00,000	1962	97⅜
3½ % N.P. Bonds	1956	33,32,00,000	1957	98½
3½ %	1956	66,54,00,000	1974	95
NON-TERMINABLE LOANS				
3 % Loan	1896-97	2,93,35,000	At option of Government after three months notice. (On September, 1985 or later at option of Government after three months' notice).	73
5 % Loan	1946	2,43,91,47,000		74½
REPATRIATE STERLING LOANS				
4½% Loan	1926	5,85,72,000	1955-65***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97⅜
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97⅜
4 % Bombay	1944	3,06,66,000	15th Aug. 1958	98½
4 % Bombay	1945	4,82,56,000	1st Aug. 1958	98½
3 % Bombay	1950	2,87,82,000	31st July 1960	96½
2½ % Bombay	1951	2,95,25,000	17th Sept. 1962	93½
4 % Bombay	1952	5,43,56,000	1st Sept. 1967	97½
4 % Bombay	1953	3,55,37,000	1st Aug. 1964	100
4 % Bombay	1955	10,06,21,000	1st Sept. 1967	99½
4 % Bombay	1956	7,40,00,000	3rd Sept. 1970	97½
4 % Bihar	1945	1,80,00,000	1st Sept. 1957	97½
4 % Bihar	1956	3,00,00,000	3rd Sept. 1968	97½
4 % Gujarat	1956	10,00,00,000	16th Dec. 1955-58	101
3½ % Gwalior	1956	70,00,000	1st June 1956-61	99½
Madras (New)	1956-57	1,95,96,700	1956-66	95½
4 % Hyderabad	1955	2,12,43,000	1st Sept. 1967	99½
4 % Hyderabad	1956	3,00,00,000	3rd Sept. 1968	99
3 % Madras	1945	1,38,95,800	21st June 1958	94½
3 % Madras	1944	1,07,95,800	15th Aug. 1958	98½
3 % Madras	1945	2,78,44,800	14th Sept. 1960	96½
3 % Madras	1946	3,81,77,300	1st Sept. 1961	93½
3 % Madras	1950	4,58,58,400	31st July 1960	96½
3½ % Madras	1951	3,01,49,800	17th Sept. 1962	97½
3 % Madras	1952	10,58,85,000	15th July 1963	99
4 % Maras	1952	5,84,81,800	1st Aug. 1964	99
4 % Madras	1956	7,00,00,000	1st Sept. 1967	98½
4 % Mysore	1945	12,50,00,000	3rd Sept. 1968	98
4 % Mysore(J)	1952	2,95,85,300	1st Dec. 1952-62	100½
3 % Mysore(J)	1924	5,99,72,900	20th Apr. 1954-61	98
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98
4 % Mysore	1953	3,32,47,000	15th July 1963	99
4 % Mysore	1955	2,64,94,000	1st Sept. 1967	98
4 % Mysore	1956	6,00,00,000	3rd Sept. 1968	98½
3 % M.P.	1944	2,89,89,800	15th Aug. 1958	98½
3 % M.P.	1945	5,03,32,800	15th Sept. 1964	93½
3 % M.P.	1951	1,01,42,700	31st July 1960	96½
2½ % M.P.	1951	1,05,18,100	17th Sept. 1962	93½
3 % M.P.	1952	1,10,18,000	15th July 1963	99
4 % M.P.	1953	1,43,15,000	1st Sept. 1967	98
4 % M.P.	1956	3,00,00,000	3rd Sept. 1968	97½
4 % Saurashtra	1956	3,61,86,000	1st Sept. 1967	99½
4 % Saurashtra	1956	3,50,00,000	3rd Sept. 1968	99½
4 % Trav. Cochin	1953	3,68,12,500	15th July 1963	99½
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
2½ % U.P.Z.A.	1952	40,00,00,000		
3 % U.P.	1926	1,87,14,000	15th Sept. 1961-66	99½
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98½
3 % U.P.	1945	2,17,39,700	14th Sept. 1960	96½
3 % U.P.	1946	2,50,83,500	1st Sept. 1958	98½
2½ % U.P.	1951	1,91,01,000	17th Sept. 1962	97½
4 % U.P.	1953	8,11,45,700	1st Aug. 1964	99
4 % U.P.	1955	8,68,12,500	16th July 1963	99½
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97½
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97½
4 % Vidarbha	1956	3,00,00,000	3rd Sept. 1968	97½
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97½
4 % M. Bharat	1956	1,00,00,000	15th July, 1963	99
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
25,50,000	4	1904	1964	
35,00,000	4	1905	1955	
1,00,00,000	4	1905	1957	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	98¾
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1950	D
80,00,000	4	1912	1974	98¾
45,00,000	4	1914	1964	99¼
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
45,04,000	4	1923*	1940	
11,51,000	4	1924*	1960	
10,23,000	3½	1926*	1940	
24,00,000	3½	1926*	1959	
12,50,000	3½	1930*	1965	D
13,50,000	3½	1931*	1961	
12,50,000	3½	1931*	1965	
24,53,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,04,000	3½	1938*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1974	
CALCUTTA				
Rs.				Rs.
90,14,200	4	1914	1974	99
76,90,100	4	1921	1981	99
1,50,00,000	5½	1921	1981	82
1,00,02,3000	6½	1921	1981	144M
1,49,40,800	5	1922	1955-57	102
1,49,30,000	5	1923	1958-62	102
50,00,000	4½	1921	1981	95
50,00,000	4	1923	1983	95
25,00,000	3	1923	1984-88	97½
50,00,000	3	1924	2006	74
2,45,000	3	1924	1977	85
50,00,000	3	1924	1976	84½
50,00,000	3	1924	2006	74
1,00,00,000	3	1924	1977	79½
50,00,000	3	1925	1977	79½
40,00,000	3	1949	1959	97
1,00,00,000	3	1950	1960	97
50,00,000	3	1950	1960	97
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1961	95½
1,50,00,000	3½	1951	1961	98½
50,00,000	4	1952	1962	100
50,00,000	4	1953	1963	99½
90,00,000	4	1954	1965	98
77,00,0000	4	1955	1965	97½
78,00,9000	4	1956	1966	97½
STERLING LOANS				
Rs.				Rs.
£582,500	5	1923	1953-83	67½
£1,85,000	5	1924	1954-84	67½
£335,100	5½	1923	1963	69½
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	
9,85,000	3	1940	1979	A
5,00,0000	3	1940	1979	
45,00,0001	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1949	100
50,00,000	4	1901	1951	
50,00,000	4	1902	1961	
50,00,000	4	1903	1953	
50,00,000	4	1904	1954	
50,00,000	4	1905	1955	97½M
50,00,000	4	1906	1966	
50,00,000	4	1907	1967	
50,00,000	4	1908	1958	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1918	1972	
50,00,000	4	1914	1974	97½M
25,00,000	4	1916	1976	
50,00,000	4	1919	1967-78	
50,00,000	5	1925	1955-80	113M
25,00,000	5	1926	1956-86	
10,00,000	2	1927	1961-70	98M
STERLING LOANS				
£546,000		1908	1949	89½M
£338,000		1910	1970	89½M
CALCUTTA				
Rs.				Rs.
25,00,000	3½	1929	1959	107
50,00,000	4	1924	1964	99½
25,00,000	3½	1925	1965	94
50,00,000	3	1926	1966	90
50,00,000	3	1927	1962	91
50,00,000	4	1928	1963-68	99
50,00,000	4	1953	1963	99½
1,03,00,000	4	1956	1966	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,60,000	4	1918-19	1974	99½
10,00,000	5	1920	1980	113M
25,00,000	5	1924	1980	
25,00,000	5	1925	1954-59	103
26,21,500	5	1929	1979	
5,25,00,000	3½	1947	1977	68½
2,50,00,000	3½	1947	1979	66½
4,80,00,000	3½	1949	1979	69½
2,50,00,000	3½	1950	1980	67½
2,00,00,000	4	1952	1964	97½
1,30,00,000	4	1953	1966	99½
1,00,00,0001	4	1953	1964	99½
1,00,00,0001	4	1954	1966	99½
2,50,00,000	4	1954	1966	99½
1,50,00,000	4	1956	1968	99½
CALCUTTA				
Rs.				Rs.
26,00,000	5	1923	1953	103
25,00,000	5	1923	1953	103½
25,00,000	5	1923	1953	103½
40,00,000	5	1923	1953	96
37,91,000	5	1923	1953	96
40,00,000	5	1923	1953	96
17,50,000	5	1923	1953	96
15,56,500	5	1923	1953	96
17,44,400	5	1923	1953	96
15,00,000	5	1923	1953	96
15,49,000	5	1923	1953	96
16,33,000	5	1923	1953	96
66,25,000	5	1923	1953	96
37,26,000	5	1923	1953	96
72,50,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107M
15,00,000	3½	1953	1963	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
2½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	93½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99½
4 % W. Bengal	1953	2,50,22,000	15th July 1963	99½
4 % W. Bengal	1956	7,43,75,000	1st Sept. 1967	99½
4 % W. Bengal		7,00,00,000	3rd Sept. 1968	99

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Rupee Counterparts.
†Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. §—Interest free to first 12 years ¶—Interest free for first 7 years.
Z.—By four instalments but inclusive of accrued interest.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	99	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	126	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6-1½	5
†East India Distilleries	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6,75,000(e)	1940	7(a)	Dec.	67	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	67	100
Purtabpore Co.	6,00,000	1923	10	Oct.	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug.	100	100
Ravalgaon Sugar	20,00,000	1946	5½	Oct. Apr.	80N	100
South Bihar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	8½	10
Upper Ganges	12,00,000	1922	5	Dec.	90N	100
Do.	15,00,000	1940	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	101	100
Burrakur (1st)	£2,99,800	1901-19	7	Apr. Oct.	113½	100
Do. (2nd)	4,50,000	1946	6(a)		7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	190	100§
Karanpura Collieries	9,87,500	1946	5½(a)		69	75(p)
†Khas Kajora	1,91,000	1931	5	Mar. Sept.	4N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	11	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	104	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	107½	100
Bangalore	6,00,000	1884	6	Jan. July	120	100
Basanti Cotton	5,00,000	1928	6½	Nov.	7	10
Bengal-Nagpur	6,00,000	1896	7	Apr. Oct.	85	100
Bowreah 'A'

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
80,00,000	5,02,725	90,10,670	42,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2½	2	0 4(e)	0 2(e)	0 2		12	Y.
50,00,000	24,00,000	1,88,52,007	72,25,655	—6,97,129	M.	51,864	1,021	B. B. Cotton Mills	40	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,50,00,000	3,99,72,778	4,92,35,448	2,89,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,25,552	3,084	Bombay Dyeing & Mfg. ..	630½	250	22 8*	20 0	25 0*	7 81	3	
10,00,000	28,74,392	58,81,886	58,57,495	91,711	Ramnarain Sons, Private Ltd.	44,784	860	Bradbury Mills	213½	50	100 0†	75 0	15 0	20 0	12	Y.P.
1,00,15,500	2,83,96,826	2,81,53,264	1,97,06,117	6,84,956	Birla Brothers Private Ltd.	1,26,752	2,696	Century Spg. & Mfg. ..	462	100	22 0	22 0	22 0	8 01	12	Y.
49,00,000	25,42,336	1,19,99,755	65,07,085	—33,08,907	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	60½	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000	12,03,380	90,15,997	57,80,041	17,916	Cowasjee Jahangir & Co., Ltd.	24,846	..	Coorla Spg. & Wvg.	125	100	7 8	7 8	7 8	12 8*	3	Y.
10,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Private Ltd.	40,992	680	Dawn Mills	175½	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,485	76,75,367	56,21,788	2,58,643	Puranmal Bubna Sons ..	43,718	928	Edward Textiles	312	200	15 0	15 0	15 0		12	Y.
29,98,040	11,81,282	1,09,78,649	80,74,224	1,81,854	M.	41,800	886	Elphinstone Spg. & Wvg. ..	50½	50	*Nil*	3 0	5 0		12	Y.P.
80,00,000	70,11,575	1,82,88,513	74,17,507	1,67,199	James Finlay & Co., Ltd. ..	49,528	784	Finlay Mills	300½	100	16 0	16 0	20 0		12	Y.
50,00,000	51,19,022	87,77,494	52,92,387	98,868	James Finlay & Co., Ltd. ..	40,940	1,020	Gold Mohur Mills Ltd. ..	208½	100	12 0	12 0	15 0		12	Y.
11,84,000	75,14,589	1,52,34,660	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,600	1,000	225 0*	225 0	800 0	325 0	3	Y.P.
16,000									990½	250	56 4*	56 4	75 0	81 4		
3,00,00,000	62,50,399	4,66,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills	10	0 100.	0 10	*Nil*	0 15	0 100	3	Y.
60,00,000									16	0 1D.	0 1	*Nil*	0 3	0 11		
5,85,000	72,74,043	1,41,26,890	1,00,89,000	4,886	M.	47,084	1,122	Indian Mfg.	5,250	1,000	225 0*	225 0	300 0	300 0	3	Y.P
35,000									1,000	225 0*	225 0	300 0	300 0			
29,85,060	55,07,881	2,72,78,670	2,03,22,188	26,228	Khatau Makanji & Co. ..	92,852	1,489	Khatau Makanji Spg. & Wvg.	191½	100	10 0	8 0	10 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	2,56,88,095	2,05,16,796	83,980	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	325	100	20 0*	18 0	18 0	6 01	12	Y.
23,18,050	41,06,720	1,18,74,848	55,99,715	91,670	N. Sirur & Co., Private Ltd.	49,000	644	Modern Mills	170XR	50	5 0	5 0	5 0*		10	Y.P.
51,75,000	37,05,208	2,35,56,697	1,76,19,589	1,41,489	Piramal Sons Private Ltd. ..	71,662	1,652	Morarjee Goculdas Spg. & Wvg.	227½	100	12 0	14 0	14 0	15 0	6	Y.P.
1,27,74,400	85,41,004	6,84,71,093	2,05,00,000	5,12,085	Chinai & Co., Private Ltd. ..		..	National Rayon Corporation	225½	100	9 0	10 0	12 0		12	Y.P.
24,00,000	29,50,456	75,05,743	45,70,077	55,192	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	149½	100	10 0	10 0	10 0	10 0	12	Y.
30,00,000	22,01,492	95,52,534	63,37,035	245	W. H. Brady & Co.,Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	230	100	10 0	7 8	10 0	10 0	12	Y.
48,00,000	30,10,989	1,24,29,555	84,72,255	2,40,382	Ramnarain Sons, Private Ltd.	66,208	1,190	Phoenix Mills	142½	100	8 0	8 0	10 0		12	Y.
40,00,000	45,70,390	39,55,049	23,00,000	3,92,277	Podar Sons, Private Ltd. ..	33,600	980	Podar Mills	165	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	8,16,992	21,21,521	19,01,840	—1,78,154	David Sassoon & Co., Ltd. ..		..	Sassoon & Alliance Silk Mill	9½	10	0 12	0 8			12	Y.
21,70,000	52,50,505	1,92,53,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	40	10	1 4	1 12	1 12		12	Y.
80,00,000	47,70,091	90,20,958	58,27,925	1,47,423	Marwar Textiles (Agency) Ltd. ..	69,070	1,640	Shree Niwas Cotton Mills ..	178½	100	14 0	14 0	15 0		12	Y.P.
45,00,000	32,02,179	98,78,309	78,58,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	24,840	1,276	Simplex Mills	175	50	15 0	11 0	10 0	12 0	12	
87,80,000	2,23,15,720	2,51,25,009	1,37,56,474	12,888	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	413½	100	20 0	20 0	20 0		12	Y.
99,56,700	54,59,718	2,25,87,647	1,19,01,809	67,511	Tata Industries Private Ltd. ..	73,236	2,000	Svadeshi Mills	212½	100	16 0	8 0	12 0		12	Y.
56,00,000	65,32,465	1,55,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd. ..	39,328	552	Swan Mills	408½	100	20 0	20 0	25 0		12	Y.
65,87,000	51,06,276	1,77,34,899	68,44,553	48,485	Tata Industries Private Ltd.	62,098	1,806	Tata Mills	49½	25	1 8	2 8	4 0		12	Y.P.
12,00,000	61,06,709	1,27,41,228	90,20,000	4,624	M.	45,508	1,268	Western India Spg. & Mfg.	5,280	1,000	225 0*	25 0	300 0	300 0	3	Y.

AHMEDABAD

40,00,000	21,50,000	1,48,70,885	69,76,844	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	180	100	10 0*	5 0	7 8	12 8	6	Y.P.
10,00,000	94,58,063	94,37,998	76,10,148	87,888	P. M. Hutheesing & Co., Ltd.	42,768	912	Arvind Mills	1,069	100	25 0*	25 0	30 0		12	Y.P.
22,25,000	2,55,30,694	1,66,65,504	1,16,00,000	76,768	Karoturia Mills & Co. ..	62,448	1,216	Arvind Mills	1,069	100	25 0*	25 0	30 0		12	Y.P.
20,00,000	61,75,000	96,84,384	72,25,000	2,46,389	Mangaldas & Bros. Ltd. ..	35,884	892	Arvindya Ginning & Mfg.	500	200	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,00,000	84,56,982	69,64,938	60,800	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	268½	100	30 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35,76,223	4,61,25,359	2,35,55,844	2,31,712	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	528	125	18 0	18 0	.. ..		12	Y.
50,00,000	26,56,000	1,21,06,848	69,25,000	2,760	Tricumlal Bhogilal & Co., Ltd.	46,836	866	New Commercial Mills ..	1,825	1,000	70 0	70 0	80 0	80 0	3	Y.P.
39,00,000	72,52,436	1,32,09,223	99,35,902	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	810	125	35 0	35 0	35 0		12	Y.
10,00,000		58,48,000	50,63,197	37,98,317	16,658	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	407½	100	20 0*	20 0*	20 0		12	Y.
12,50,000	1,14,77,470	86,29,439	60,39,888	....	Lalbhai Dalpatbhai & Co. ..	31,120	636	Raipur Mfg.	975	100	25 0	25 0	35 0*		12	Y.P.
52,50,000	14,78,207	1,07,01,469	71,42,808	17,24,749	Lallubhai Gordhandas Ltd.	43,156	648	Rohit Mills	178½	100	9 0	9 0	*Nil*		12	Y.
80,00,000	2,02,34,538	1,70,72,348	1,52,75,000	2,23,200	Harivallabhdas Kalidas & Co.	73,808	1,525	Shri Ambica Mills	573	50	18 0	20 0	27 0*		12	Y.
19,28,500	62,21,263	76,03,019	58,85,921	1,592	Mafatlal Gagalbhai & Co., Ltd. (Ahmedabad).	36,648	720	Shorrock Spg. & Mfg. ..	500	100	20 0	25 0*	25 0		12	Y.
26,00,000	90,34,191	1,09,66,008	78,85,991	24,644	Havidas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	690	400	35 0*	35 0*	35 0*		12	Y.

WEST BENGAL

18,00,000	1,42,800	24,93,029	21,33,280	21,576	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills ..	5½	10	0 4	0 8	0 8			
7,98,060	9,10,617	73,14,055	52,60,911	59,290	Bengal Textile Agency, Ltd. ..	33,292	925	Bengal Luxmi Cotton Mills ..	40N	40	*Nil*	*Nil*	*Nil*		12	Y.P.T.
5,00,000	22,72,414	89,06,143	51,49,000	—22,47,373	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	130	100	*Nil*	*Nil*	*Nil*	4 0	12	Y.
19,00,000	1,67,571	1,04,26,542	1,01,75,377	1,87,951	Kettlewell Bullen & Co., Ltd.	42,944	1,018	Dunbar Mills	205	100	*Nil*	*Nil*	*Nil*		6,12	H.
1,60,00,000	2,29,45,320	3,76,19,833	1,81,26,833	1,88,672	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills	14½	10	1 12	0 14	0 14		6,12	H.
19,47,750									16½	10	0 8	0 10	1 0	1 0	3	Y.
5,00,000D	7,45,000	47,06,298	24,48,358	1,094	Hazaresmull Heeralall ..	22,086	795	Rampoora Cotton Mills ..	24N	1D	*Nil*	*Nil*	0-5 11/25		6	Y.

SOUTH INDIA AND OTHER CENTRES

11,26,600	5,57,526	21,26,764	15,64,248	3,566	Selna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	*Nil*	12 8	15 0	4	Y.
75,18,000	25,51,254	1,84,21,580	1,36,07,585	1,86,048	Industrial Trust Fund	36,126	716	Azam Jahi Textiles	82½	100	6 0	*Nil*	8 0		12	Y.
40,80,000	2,00,68,745	2,34,98,906	2,42,28,258	2,88,649	Binny & Co. (Madras),Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	548½	100	25 0	30 0	30 0	10 0	12	Y.P.
27,90,000	15,50,000	77,25,152	53,72,138	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	7½	10	0 4	*Nil*			12	H.P.T.
25,00,000	1,09,48,251	1,19,14,402	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	39,886	1,088	Birla Cotton Spg. & Wvg., Delhi	80N	10	2 0	3 0	3 0		6,12	H.P.T.
1,78,47,500	1,76,52,500	6,33,09,203	3,58,33,130	2,55,445	Binny & Co. (Madras) Ltd. ..	1,20,288	2,762	Buckingham & Carnatic	181	100	10 0	10 0	10 0		3	Y.
20,00,000	20,00,000	89,69,854	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	14½	10	0 12	*Nil*	*Nil*	4 01	12	Y.P.
15,00,000	5,11,500	45,88,929	24,63,361	8,994	K. Damodaran, Esq.	20,600	591	Cannanore Spg. & Wvg. ..	177	100	12 0	20 0	12 0		12	Y.
90,00,000	29,51,482	1,09,40,529	61,73,276	25,767	Begg, Sutherland & Co., Ltd. ..	27,016	..	Dhanalakshmi Textiles	7½	5	0 9	0 8	12 0	15 0	3	
9,37,470	2,00,000	50,87,586	18,02,168	58,798	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	12	10	*Nil*	*Nil*	*Nil*	0 4	3	Y.P.T.
12,00,000	20,60,000	34,85,896	27,86,527	84,164	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills ..	386cd	100	20 0	25 0	30 0	10 0	12	Y.
90,00,000	19,85,000	36,50,410	24,26,091	14,251	T. N. Naidu & Co.	27,226	..	Coimbatore Spinning Mills ..	275	100	15 0	20 0	25 0		12	Y.
20,76,900	5,076	1,18,00,858	88,68,242	21,920	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	86	10	3 0	6 0	8 0	12	12	Y.
46,87,500	46,12,622	2,60,83,371	1,62,61,554	19,215	Tata Industries Private Ltd. ..	67,228	1,620	Central India	112	100	5 0	2 0	8 0		12	Y.P.
2,35,00,000	3,06,82,110	11,16,21,472	5,81,67,327	1,28,712	B. B. Charat Ram & Co., Private Ltd.	1,41,180	2,352	Delhi Cloth & General Mills ..	35½N	10	1 12	2 4	2 4	2 8	3	Y.P.T.
1,00,568										5	0 12/5	0 15/5	0 8	0 8/5	0 4	
24,34,800	28,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	38,052	201	Dhanalakshmi Mills	376cd	100	20 0	30 0				
60,00,000	46,33,360	1,23,71,851	81,53,163	88,886	Binny, Sutherland & Co., Ltd.	42,780	1,198	Gokak Mills	224	10	1 0	1 0	1 0		12	Y.
48,81,000	25,22,175	1,00,55,167	68,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	220	10	12 0	12 0	15 0		12	Y.P.
2,50,00,000	2,25,000	5,41,27,131	..	1,05,74,790	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	154	10	*Nil*	*Nil*	*Nil*		12	
50,00,000	3,15,147	1,23,91,953	1,18,35,576	9,551	K. L. Saksaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	188½	100	6 0	6 0	6 0	*Nil*	12	Y.
8,80,000	10,56,588	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardhana Mills	107	50	4 8	5 0	10 0	5 01	12	Y.
15,54,000	18,24,703	45,22,234	33,88,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji Kothari Textiles	1,505	1,000	*Nil*	20 0	50 0	60 0	6	Y.
22,42,535	19,25,000	93,32,480	32,49,160	41,492	Kothari & Sons	41,040	300	Lakshmi Cotton Mfg.	15½	10	1 0	1 0	1 0	1 0	6	Y.
22,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Rombay Co., Ltd.	48,996	1,219	Lakshmi Cotton Mfg.	700	250	37 8	32 12	42 8	12 81	12	
25,54,100									1,000	250	37 8	32 12	42 8	12 81		
17,85,086	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	1284	25	2 8	5 0	12 8	12 8	3	Y.
1,75,25,480	4,18,31,878	5,73,76,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	47½	15	3 0	3 0	3 0	6 4		
12,00,000	4,17,863	28,26,768	16,72,262	—99,078	A. L. A. R. S. Chettiar and 2 others.	22,592	100	Malabar Spg. & Wvg.	109	100	8 0	8 0	10 0		12	Y.
60,00,000	69,00,000	66,79,187	43,29,784	95,833	W. J. Shardell & Co.,Ltd. ..	25,656	603	Mettur Industries Ltd.	449½	100	12 8	25 0*	25 0		12	Y.
29,80,854	19,91,581	89,75,246	49,94,738	16,588	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	87	100	7 0	5 0	5 0	6 8	3	
24,91,854	21,56,146	1,71,94,769	78,51,528	1,86,006	M.	52,408	952	Model Mills (Nagpur) Ltd. ..	250	100	7 8	5 0(e)	5 0(e)		12	Y.P.
80,00,000	58,19,800	2,11,91,561	1,15,29,278	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,894	Muir Mills	1,824	100	*Nil*	*Nil*	*Nil*	7 8	12	Y.
24,82,500	50,54,035	1,10,09,742	67,14,107	19,041	N. Sirur & Co., Private Ltd.	50,480	500	Mysore Spg. & Mfg.	101½	50	10 0*	8*	6 0(e)	9 0*	12	Y.P.
18,61,780	6,600	29,25,252	15,12,761	—1,50,653	R. Surveyanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
28,89,8820	25,62,533	1,04,27,293	58,90,719	—48,58,087	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills	14	O. 2½	*Nil*	*Nil*			3	Y.
2,07,096D										D. 1	*Nil*	*Nil*				
87,19,500	55,48,230	1,09,99,980	61,91,861	74,782	Industrial Trust Fund	37,788	902	Osmanshahi Mills	62	100	4 0	*Nil*	2 8	3 8(e)	3	Y.
4,00,000A	6,50,000	39,12,540	22,46,016	14,509	Bhaghyalakshmi & Co.	41,200	..	Palani Andavar Mills	147	50A	12 0	12 0	12 0	12 0	3	Y.
4,00,000B									215	75B	18 0	18 0	18 0	18 0		
15,00,000	1,85,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	77	100	*Nil*	*Nil*	4 0	4 0(e)	12	Y.
16,81,200A	22,75,000	82,80,160	49,86,177	4,662	A. G. Gurusamy Naidu & Co.	55,664	300	Radhakrishna Mills	295	100A	8 0	16 0	20 0	20 0	12	Y.
6,40,500B									150	50B	4 0	8 0	10 0	10 0		
15,00,000	20,00,000	45,71,850	35,94,237	11,291	Y. R. Naidu & Sons	33,896	..	Rajalakshmi Mills	167	50	7 8	10 0	10 0	10 0	12	Y.P.
16,14,300	12,00,000	33,92,216	17,41,434	10,510	Rameo Agencies Ltd.	24,996	..	Rajapalayam Mills	150	100	4 0	6 0	10 0	10 0	12	Y.
22,50,625	13,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	150	100	6 0	9 0	10 0	10 0	3	
60,00,000	68,41,548	1,00,59,485	55,44,914	—19,16,782	Sarabhai Textiles	34,582	600	Sarabhai Textiles	64	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,90,900	1,80,35,917	3,19,49,031	2,05,07,227	—1,05,20,798	Monarka & Co.	95,222	2,224	Sholapoor Spg. & Wvg. ..	1,400	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
10,000										500	*Nil*	*Nil*				
24,49,700	17,10,000	81,44,278	65,03,816	1,09,148	H. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills ..	110	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,200	2,00,246	35,19,906	17,78,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			12	Y.
15,00,000	3,42,90,155	99,92,158	79,52,780	80,50,553	Birla Brothers, Private Ltd. ..	46,212	1,244	Sutlej Cotton Mills	242d	10	1 4	2 0	4 0	6 0	3	
17,50,000Q	2,30,00,000	4,84,40,847	1,70,62,150	1,09,029	Jalpuria Brothers]	1,12,216	2,081	Swadeshi Cotton (Kanpur)	112	100	0 8	0 12	0 12		12	Y.P.
7,50,000P									100	100	0 8	0 12	0 12			
1,80,00,000	30,14,788	2,80,55,817	1,87,16,775	2,63,771	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	102.0	0-14 2/5	1-2 2/5	1-2 2/5	1-2 2/5			
18,96,570	8,75,588	17,29,181	11,27,654	1,606	Moolji Ramjee & Sons	16,000	..	Trichinopoly Mills	183	10	0 8	0 10	0 12		12	Y.P.
21,00,000	24,50,000	71,88,722	40,62,168	86,000	R. K. Chetty & Brothers ..	44,424	870	Vasanta Mills	184	10	0-11 1/5	0-14 2/5	0-14 2/5	0-14 2/5	12	Y.P.
36,00,000	34,48,971	1,64,67,122	1,05,10,223	23,125	Bombay Co., Ltd.	47,240	1,581	Vishnu Cotton	141½	100	12 0	16 0	20 0		12	Y.
											4 0	4 0	8 0	2 81	12	

* Includes bonus. M=Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of reserves. (S) For six months ended 31st December 1955.

The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1954.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	25,48,500	1,12,43,027	57,39,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	11½	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,630	25,75,014	29,88,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6½	5	0 8	0 8	0 8	0 8	3	Y.
85,49,950	2925,777	21,302,535	2566,540	656,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	23½	A. 16sh. B. 21	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1	9	Y.P
6,00,000	9,60,000	15,96,636	15,96,629	4,679	Vital Mallya, Esq. (Chairman)	United Breweries	182	75	Sh. 4 15 0	Sh. 3 15 0	Sh. 4 15 0	15 0	3	Y.
CEMENT														
51,27,560	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	14½ XRod	B. 10	1 0*	1 0	1 0*		12	Y.P.H.
48,14,3000	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	6½	O. 10	*Nil*	*Nil*	*N

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	26,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	93N	25	1 9	3 2	4 11		6.12	H.P.T.
63,00,000	66,06,611	1,15,61,357	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	22½	10	12 0	14 0	1 6 [illegible]		6 11 1/5‡	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16½	10	1 0	0 12*	0 12*	1 0*	3,9	Y.
1,45,82,500	2,16,71,721	4,58,61,776	1,07,73,882	2,12,455	Birla Brothers Private Ltd.	Orient Paper	80‡	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,49,070	67,32,788	1,55,90,914	95,61,893	1,17,735	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	16	10	1 8	1 8	1 4	0 10‡	6,12	H.P.T.
20,00,000	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10	O. 10	0 12	0 12	1 4		3,9	H.P.T.
10,00 000 'A'								A. 10	0 12	0 12	1 4			
2,18,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd.	Sirpur Paper Mills	10‡xd.	Nil	Nil	5 0‡	0 8		6	Y.P.
84,00,000A.								A. 10	2 0*	1 8	2 0*	1 2*		
56,04,800B.	3,41,28,015	5,94,12,293	3,28,03,948	1,22,815	F. W. Heilgers & Co., Private Ltd.	Titaghur Paper Mills Co., Ltd.	36‡	B. 10	2 0*	1 8	2 0*	1 2*	3 9	H.P.
4,87,500P.O.							4½	P.O. 24	0 4	0 4	0 4	0 2*		
PRESSING														
3,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	95N	100	3 0	4 0	*Nil*		6	Y.
5,00,000	2,47,182	10,91,809	9,30,374	26,289	Andrew Yule & Co.	Central Hydraulic	125	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
10,00,780O.	6,98,332	43,52,870	32,63,279	[36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½N	O. 10	0 11⅓	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D.							2½N	D. 1	0 4/5	*Nil*	0 2/5			
80,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	7	100	1 8	1 8	*Nil*		4	Y.
94,00 000	36,70,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	23½	100	1 8	4 0	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
12,92,998	28,05,545	31,61,533	10,78,883	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	3½	3	*Nil*	*Nil*	*Nil*		9	Y.
80,00,000}	4,18,54,388	3,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	661‡	Old125	15 0	20 0	37 8	40 0}	5	Y.
42,00,000							240‡	New50	6 0	8 0	15 0	16 0		
6,00 000	....	7,28,669	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	*Nil*	*Nil*			6	Y.P.
80,00 000	21,15,487	19,00,295	14,85,560	2,76-619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	42½	10	2 8	2 12	3 0	1 0‡	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,371	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	6½	5	*Nil*	0 12	0 1	*Nil*	6	Y.
12,00,000A.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	140N	A. 100	10 0	10 0	10 0		4	Y.P.
2,00,000B.							14N	B. 10	1 0	1 0	1 0			
19,49,050	5,50,000	33,35,389	24,41,801	51,985	Bangur Bros., Ltd.	Belsund Sugar	10‡	10	0 12	0 12	0 12		9	Y.
15,00,000	18,90,295	16,40,479	11,77,841	18 206	Cotton Agents Private Ltd.	Bharat Sugar	13‡N	10	1 8	1 8	1 8		6	Y.
82,00,000	23,87,080	1,35,90,775	92,37,801	12,445	Gladstone Lyall & Co., Ltd.	Carew & Co.	7½	10	*Nil*	0 12	0 4		6	Y.P.
36,00,000	57,88,651	1,09,44,647	84,32,451	22,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19‡	10	2 0	0 12	0 12		6	Y.P.
18,00,000	39,72,380	81,58,085	56,46,244	29,503	Begg, Sutherland & Co., Ltd.	Champarun Sugar	21‡xd	10	1 0	1 0	0 12		10	Y.
5,99,452	6,18,562	24,55,580	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	10N	10	1 0	0 12	1 8	1 0	8	Y.P.
50,00,000A.	44,95,000	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	256N	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
10,00,000O.							100	O. 100	15 0*	15 0*	15 0*	15 0		
12,00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	65N	80	*Nil*	*Nil*	4 8		7	Y.P.
7,89,100	22,14,058	34,94,612	19,35,833	1,364	Cotton Agents Private Ltd.	New India Sugar Mills	46N	40	*Nil*	*Nil*	2 4		6	Y.
11,00,000	4,45,000	46,39,636	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd.	New Savan	30N	10	2 8	2 8	2 8		6	Y.
12,93,000}	48,01,854	71,25,062	24,33,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	6½	10	0 4	0 4	0 4		6	Y.
61,375							225N	100	20 0	20 0	20 0	0 6		
77,45,350	55,05,699	2,04,72,468	1,05,50,000	20,582	Cotton Agents Private Ltd.	Oudh Sugar	50N	25	5 0	5 0	5 0	5 0}	6	
12,00,000	12,69,374	31,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	140	100	11 0	11 0	11 0	11 0	7	Y.P.
9,00,000	17,64,369	37,85,808	20,97,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	100	100	10 0	10 0	6 0		10	Y.
8,00,000	7,31,129	36,43,262	21,70,524	5,234	H.	Ryam Sugar	17‡	10	1 0	0 12	0 12		10	Y.P.
11,99,000	19,38,520	45,20,102	24,12,129	3,554	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	20N	10	0 8	0 8	*Nil*		6	Y.P.
40,00,000	22,68,560	1,35,20,110	62,59,521	24,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11‡	10	0 8	0 8	*Nil*	*Nil*	6	Y.
9,99,950	61,825	27,15,126	12,60,852	—5,87,866	B. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	12	10	1 8	1 8	1 12		8	Y.P.
7,95,462	18,82,940	31,60,735	17,68,068	1,06,227	Karamchand Thapar & Bros.	Shri Sitaram Sugar	4‡	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,000O.							16½	10	2 0*	1 8*	*Nil*		8	Y.P.
4,40,000D.	46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	1N	O. 10	*Nil*	*Nil*	*Nil*			
8,00,000	21,91,685	96,42,062	57,49,754	82,981	Cotton Agents Private Ltd.	Upper Ganges Sugar	3N	D. 2½	*Nil*	*Nil*	*Nil*		10	Y.P.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	M.	United Provinces Sugar	70N	10	2 8	2 8	2 8		6	Y.P.
							16½	10	0 8	1 4	1 8		9	Y.
TRANSPORT														
80,00,000	1,00,69,622	1,24 00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co.	130	100	10 0	7 8	7 8		10	Y.
1,20,00,000	15,87,619	4,41,65,864	1,85,09,618	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
60,00,000	81,60,611	3,31,00,904	59,55,703	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.								12	Y.
2,655,580	61,098,198	25,614,160	23,397,581	532,068	Kilburn & Co., Private Ltd.	India General Navigation & Rly. Co.	18	10	1 0	1 0	*Nil*		8	Y.P.
2,25,00,000	89,99,282	9 64,47,644	2,22,99,146	25,920	Lionel Edwards Ltd.	India Steamship Co.	78‡	£10	*Nil*	Sh. 1 0	Sh. 10		12	Y.P.
9,99,98,080	9,00,12,101	22,64,99,394	4,85,66,302	5,62,020	M.	Scindia Steam Navigation Co.	10‡	10	0 8	*Nil*	*Nil*		8	Y.
5,40,8000							18½	20	0 12	0 8	0 8	1 0	8	
10,200P.O.	19,68,266	11,56,483	7,99,969	1,84,498	R. R. Alyer, Esq., (Manager)	Walford Transport Ltd.	2‡	O. 1	as. 1 3/25	1 25/2	as 2 6/25		12	Y.
							1½xd	P.O. 1	as. 19/25	1 19/25	as.1 23/25			
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,06,321	4,22,863	329	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	Y.
15,98,880	2,04,173	2 26,474	90,000	1,99,551	M.	Bombay-Uganda	60N	80	5 0	4 8	*Nil*		12	Y.
35,00,000	1,00,000	22,87,314‡‡		225	M.	Devkaran Nanji Investment Co.	11‡	25	0 12	0 12	0 12	0 12	6	Y.
30,17,900	13,65,585	58,59,334	59,24,587	88,522	Birla Brothers Private Ltd.	Hind Cycles	143‡	100	6 0	10 0	10 0		12	Y.P.
14,98,840	3,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Kotrels Batteries	40	50	*Nil*	3 0	2 0		12	Y.P.
99,99,250	13,47,386	1,22,03,604‡‡		[2,88,136	Premchand Roychand & Sons	Industrial Investment Trust	74	100	4 8	4 8	4 8		12	Y.
99,99,975	35,08,381	85,47,895	8,04,231	4,559	K. G. Milne, Esq. (Mg. Director)	Killick Industries	167‡	100	10 0	11 0	14 0		12	Y.
2,20 19,275 A.O.	89,14,265	3,06,59,581	1,49,05,256	6,05,448	Hind-Auto Private Ltd.	Premier Automobiles	102‡	100	*Nil*	*Nil*	*Nil*	11 0	6	Y.
10,21,200	5,05,419	8,09,102	5,79,614	7,356	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	24‡	20	2 0	2 0	2 0	2 0	12	Y.
2,75,00,000	72,75,000	3,05,87,151	1,69,71,346	5 61,994	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co.	179‡	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	62,52,890	7,44,904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0	22 8½	12	Y.
Other Centres														
47,50,000}	1,94,82,556	3,78,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	10‡	O. 10	*Nil*	*Nil*	*Nil*	0 8‡		
5,50,000}							5N	D. 2½						
40,00,000	26,25,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	15‡xr	10	1 4	1 4	1 4	0 12		Y.P.E.
80,00,000	35,05,079	82,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	9‡	10	1 0	1 0	1 0	1 4	3	Y.
80,00,000	8,58,000	37,83,194	20,85,090	1,18,899	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	10‡	10	1 4*	1 4*	2 0*		12	Y.
20,00,000	21,97,883	1,02,58,021	36,87,880	2,45,122	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	6N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3 1/5	3	Y.P.E.
80,01,400	1,16,53,000	67,47,111	33,97,111	5,08,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	160	100	20 0*	13 0‡	12 8		12	Y.
12,00,000	9,10,000	31,87,448	24,06,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	33‡	10	1 8	2 8	2 4	1 2‡	6,12	Y.
20,00,000	7,96,480	62,57 994‡‡	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	14‡xd	10	1 4	1 4	1 4		9	Y.
45,97,032	30,11,814	1,10,56,424	32,87,389	1,79,277	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	14‡	10	1 4	1 4	1 4		6	Y.P.E.
3,25,00,000	1,16,11,805	3,88,03,805	2,22,14,167	—27,36,564	Sir Robert Menzies	British India Corporation Ltd.	7‡	5	0 8	0 1	*Nil*	1 0	12	Y.P.
1,98,50,000	17,84,264	2,03,27,282‡‡	....	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	9‡	10	0 4 1/5	0 3 1/5	0 9	1 6	12	Y.P.
1,00,00,000	3,14,86,174	5,15,52 086	2,20,52,990	11,71,686	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	25‡	10	1 0	1 0	1 0	1 6	12	Y.P.
21,26,000	54,12,215	1,43,77,668‡‡	....	3,06,182	Bird & Co. Private Ltd.	Eastern Investments Ltd.	181	100	9 0	9 0	9 0		12	Y.
14,00,000	10,02,000	33,81,772	19,39,772	87,194	MacNeill & Barry Ltd....	Ganges Rope Co., Ltd.	140	100	20 0	15 0	15 0		8	Y.
65,00,000	42,00,000	19,27,685	8,06,873	1,51,250	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	11‡	10	7 8	7 8	1 6 2/5		8	Y.
20,00,000	14,67,354	81,29,620	33,68,982	1,364	E. S. Syndicate	Great Eastern Hotel	225	250	15 0	6 4	6 4	15 0	3	Y.
4,80,05,700		8,94,18,143	1,81,88,541	6,16,052	Birla Brothers Private Ltd.	Hindustan Motors	7‡	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
1,60,00,000	46,77,754	4,16,74,546	1,74,76,968	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	18‡	10	*Nil*	*Nil*	9 0		12	Y.
1,52,89,220	1,87,00,000	1,99,85,789	71,50,911	33,91,214	D. Y. Woodley, Esq. (Mg. Director)	Indian Cables	19‡	10	1 0*	1 0*	1 4*	1 8*	12	Y.
8,27,970	6,08,000	16,74,906	9,30,806	62,782	G. S. Monlton & Co. (India) Ltd.	Indian Rubber Manufacturers	24‡	10	0 12	0 8	1 0	1 4	12	Y.
15,16,00,000	7,90,75,000	4,19,89,461	1,63,25,577	84,94,274	Mr. G. H. Y. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	14‡	10	....	0 9 3/5	0 12 4/5	0 12 4/5	8	Y.
2,00,00,000	67,29,566	87,46,656	11,08,843	5,11,552	G. M. Murray, Esq.	Jardine Henderson	78	100	7 8	7 8	7 8	7 8	8	Y.
6,34,0000.	1,91,892	5,94,080	3,53,758	2,068	James & Co. Private Ltd.	Macfarlane & Co.	2‡	O. 5	*Nil*	*Nil*	*Nil*		6	Y.
66,000D.							1	D. 1						
40,00,000O.	80,86,906	26,18,978‡	8,78,670	2,57,234	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	225	O.100	10 0	17 0	24 8		12	Y.P.
1,27,52,000	60,54,276	23,58,061	11,34,226	8,02,450				D.10	0 0	1 8 1/5	1 12			
1,15,00,000	55,50,000	1,86,87,978	73,00,778	6,03,249	Y. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22‡	10	1 6*	1 8	1 12		9	Y.P.
6,55,555	1,55,250	7,53,998	2,50,267	—2,38,551	E. F. Chinoy, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20‡	10	1 0	1 0	1 4		8	Y.
6,56,250	2,15,906	11,17,541	5,35,289	440	Shankar Rao F. Ogale, Esq.	Mysore Glass and Enamel Works	4	10	*Nil*	*Nil*	*Nil*	1 10	3	Y.
10,00,000	2,18,500	15,54,005	5,41,427	44,518	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15	10	1 0	1 0	0 12		8	Y.
40,00,000	74,71,172	66,80,914	41,62,961	1,44,443	H. M. Parthasarathy Esq. (Chairman) Associated Industrial Development Co., (Private) Ltd.	Mysore Tobacco	12‡	10	1 0	1 4	1 0	0 14 2/5	8	Y.
40,00,000	15,00,000	98,19,295	21,17,408	75,726		National Insulated Cable Co.	20	10	1 0	1 0	1 8*	2 0*	3	Y.
79,97,000		2,17,58,787	57,19,286	8,99 482	B. N. Elias & Co., Ltd.	National Rolling & Steel Ropes	10‡	10	0 9	0 9‡	0 9‡		12	Y.
2,25,00,000	8,71,248	1,45,28,415	44,25,274	—44,18,223	E. F. A. Paspatti, Esq.	National Tobacco Co.	10‡	10	0 8	0 12 4/5			12	Y.
1,72,24,400	1,21,20,208	7,66,34,689	3,47,94,970	1,91,624	Baba Vale Ltd.	Rallis (India) Ltd.	26‡	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
40,00,000	57,06,558	1,21,67,904	72,09,227	6,82,212	C. W. Stephenson, Esq.	Rohtas Industries	18‡	10	1 4	1 8	1 8		10	Y.P.
75,00,000	54,12,980	17,49,81[illegible]	5,55,285	2,85,280	E. H. D. Campbell, Esq.	Spencer & Co., Ltd.	16xd	10	1 0	1 4	1 8	1 8	12	Y.
9,88,380	....	14,99,380	3,94,580	....	Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd.	11‡	10	1 0	1 4	1 4		12	Y.
						Travancore Ogale Glass	9‡	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Exciding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.10 each.
‡—In the case of Belapur Co.the proportionate dividend on new bonus shares amounted to Rs. 6 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Average under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,24,804	5,88,189	....	McLeod & Co., Ltd.	225	Ambukia	200	100	25 0	72 8	19 0		12	Y.P.
2,50,000	8,43,250	10,80,203	2,45,089	77,477	R. K. Kanoria, Esq.	439	Ananda (Assam) Tea	30	10	1 4	7 8‡			12	Y.
2,50,000	8,92,350	11,21,876	2,83,926	80,926	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Rag	24‡	10	2 8	8 0*	1 0		12	Y.
5,50,000	11,21,541	17,56,486	7,06,437	56,061	McLeod & Co., Ltd.	378	Baahmari	22‡	10	*Nil*	5 0	1 0		12	Y.
5,10,000	9,10,000	15,35,262	4,49,209	50,236	Andrew Yule & Co., Ltd.	570	Bamaatia	32	10	2 0	4 0	2 0		12	Y.
5,10,000	9,10,000	11,46,776	7,13,759	50,236	National Tea Corporation	570	Bateli	26‡	10	2 8	4 0	2 8		12	Y.
3,20,000	4,46,000	11,46,776	3,09,925	66,186	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	26‡	10	2 0	3 8	1 8	10 0*	12	Y.
2,30,000	9,40,000	10,37,062	2,50,603	1,49,369	Williamson Magor & Co., Ltd.	4,002	Bishnauth	20‡	10	2 8	5 0	2 0		12	Y.
15,56,000	28,00,000	48,33,182	29,86,686	Octavius Steel & Co., Ltd.		485	Bokakhat	18‡	10	*Nil*	1 0	*Nil*		12	Y.
5,00,000	2,50,000	20,47,915	3,26,088	McLeod & Co., Ltd.		480	Bormah Jan Tea	28‡	10	0 12	3 0	1 0		12	Y.P.E.
7,50,000	7,37,550	9,56,117	2,05,790	Brooke Bond		2,824	Brooke Bond	21‡	10	0 8	1 4	4 12	1 4	6	Y.P.
15,00,000	11,78,808	70,62,324	2,17,579	M.		282	Bulloo Valley	47‡	10	1 0	3 0	3 0		12	Y.
1,20,000	4,38,436	6,44,218	47,144	McLeod & Co., Ltd.		282	Dessai & Furtado	250	10	50 0	40 0	10 0		12	Y.
2,00,000	9,76,000	27,66,264	17,67,782	Jardine Henderson Ltd.		441	Dhalakhat	21‡	10	1 8	2 8	1 8		12	Y.
17,52,640	9,67,962	24,59,777	3,10,640	James Warren & Co., Ltd.		644	Dhansiri	19‡	10	2 0	5 0	1 0		12	Y.P.
4,82,370	5,51,000	7,90,451	2,86,404	M.		644	Dibrugarh	22‡	10	1 0	4 0	2 0		12	Y.
4,50,000	7,25,500	14,15,911	6,48,291	McLeod & Co., Ltd.		484	Dimakusi	27‡	10	4 0	6 0	3 0		12	Y.
2,50,700	6,11,700	11,26,207	3,60,707	Williamson Magor & Co., Ltd.		623	Dimalkuar	24‡	10	2 8	5 0	2 0		12	Y.P.
5,00,000	7,25,000	11,26,207	13,35,163	1,32,640	Williamson Magor & Co., Ltd.	615	Duffanghur	22‡	10	4 0	5 0	4 0		12	Y.P.
2,40,500	4,58,000	20,52,393	3,98,253	Williamson Magor & Co., Ltd.	1,151	East India Tea	22‡	10	2 0	3 0	2 0		12	Y.
10,00,000	5,80,000	24,74,636	10,10,996	L. G. Kanoi, Esq.	407	Gillapukri	22	10	1 12	3 0	2 0		12	Y.
5,05,760	2,40,000	9,87,118	1,85,892	Williamson Magor & Co., Ltd.	548	Gohpur	23‡	10	2 0	3 0	2 0		12	Y.
3,25,000	4,58,000	17,38,156	3,19,156	Octavius Steel & Co., Ltd.	1,010	Grob	16‡	A 5	1 8	2 8	2 0		12	Y.
4,00,000							16‡	B 5	1 8	2 8	1 4			
A. 7,41,540	17,32,810	24,50,276	7,39,116												
B. 2,61,180															
5,00,000	5,75,000	8,35,391	3,05,699	1,549	Andrew Yule & Co., Ltd.	476	Hooprajuli	30	10	2 0	3 0	2 0		12	Y.
5,00,000	12,17,716	20,44,262	11,66,555	79,827	Andrew Yule & Co., Ltd.	1,210	Hoolungooree	250	100	15 0	50 0	7 0		12	Y.
4,70,000	24,40,889	....	....	12,546	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	10‡	10	*Nil*	1 0	1 0		12	Y.
2,50,000	7,85,000	14,35,227	3,21,056	1,96,000	Gillanders Arbuthnot & Co., Ltd.	943	Jutlibari	22‡	10	*Nil*	3 8	*Nil*		12	Y.
7,50,000	11,30,500	12,75,548	6,72,548	60,988	M.	1,106	Kingsley-Golaghat (Assam)	250‡	100	15 0	25 0	25 0		12	P.Y.
2,40,000	5,74,224	9,46,324	3,46,861	91,729	Andrew Yule & Co., Ltd.	1,656	Kotamalai Tea	27	5	....	....	*Nil*		12	Y.
2,50,000	3,50,000	4,85,949	1,70,000	1,760	Duncan Bros. & Co., Ltd.	636	Lodo	22‡	10	2 0	3 12	1 0		12	Y.
4,40,000	11,53,567	19,39,084	8,45,118	54,150	Octavius Steel & Co., Ltd.	618	Mathura	21‡	10	1 0	1 4	1 12		12	Y.
3,50,000	5,87,560	10,08,355	3,52,857	24,144	Duncan Bros. & Co., Ltd.	672	Mohesma	21‡	10	*Nil*	*Nil*	*Nil*		12	Y.P.
10,00,000	20,000	10,08,327	3,42,986	1,317	Gillanders Arbuthnot & Co., Ltd.	433	Mothola	4252‡	100	40 0	65 0	80 0		12	Y.
4,80,000	7,22,454	8,34,458	4,66,905	70,944	Kettlewell Bullen & Co., Ltd.		Nahorhabi	10	5	1 4	2 0	1 4		12	Y.
1,50,000								O. 10	1 4	1 8	1 8	1 8			
O. 1,75,000	6,05,000	9,87,340	3,56,856	38,461	Andrew Yule & Co

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING ; PRODUCE AND RUBBER														
8,00,000	1,60,000	3,92,380	81,236	23,236	Planting Agencies Ltd. ..	Balmadies Plantations ..	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,852	4,71,863	79,711	Peirce, Leslie & Co., Ltd.	Cochin Malabar ..	9½	5	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,57,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	24½	10	0 4 4/5	2 8	1 12 4/5	2 8	2	Y.P.
71,55,000	48,87,750	1,16,05,380	25,13,535	1,12,212	R. C. Paterson, Esq. ..	Consolidated Coffee ..	20½	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,966	7,58,759	40,378	1,009	Associated Planters Ltd. ..	Cottanad Plantations ..	17½	10	1 8	1 8	1 12*	1 8	3	Y.P.
28,00,000	9,80,543	25,79,900	4,94,158	40,542	A. V. Thomas & Co., Ltd.	Highland Produce ..	14½	10	1 4	2 8	2 0	0 10‡	12	Y.P.
4,00,000	10,92,899	18,33,625	2,27,241	4,859	A. V. Thomas & Co., Ltd.	Kalpetta Estates ..	24½	10	2 0	2 0	2 12	2 0	12	Y.
2,00,000	8,17,955	5,86,920	2,80,246	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber ..	30	10	6 8	2 4	2 12	2 0	4	Y.
27,00,000	29,11,068	77,71,161	8,84,990	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber ..	18½	10	1 8	2 4	2 4	3 4	3	Y.
2,25,000	3,31,000	14,16,774	1,57,177	16,757	A. George & Co., Ltd.	Nenmeny Rubber ..	22½	10	1 8	1 12*	3 8	2 0	3	Y.P.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	16	10	0 12	1 8	1 8	....	12	Y.P.T.
19,45,980	21,29,615	48,87,895	14,23,968	Nil	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates ..	4½cd	2	1 0	1 0	1 8	....	12	Y.P.
12,50,000	9,00,000	42,15,515	5,12,137	5,082	A. V. Thomas & Co., Ltd.	Rajagiri Rubber ..	21½	10	0 8 3/4	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd.	Savannah Estates Ltd. ..	21½	10	1 12*	1 12*	2 0	2 8	10	Y.P.
12,00,000	2,09,600	22,34,278	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9½	10	1 8	2 8	1 0	....	11	Y.
3,50,000	2,87,500	5,37,767	90,934	14,887	A. V. George & Co., Ltd.	Thamarapally Rubber ..	28	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
9,15,300	4,00,000	20,99,924	96,217	27,055	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd. ..	3	10	3 0	3 0	3 0	....	12	Y.P.
8,00,000	76,491	9,79,479	3,33,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers ..	22½	10	0 4‡	0 13/6	0 2	0 2	9	Y.T.
41,00,000	14,80,799	76,62,300	8,68,181	$1,71,063	Alapinwall & Co. (Travancore)	Travancore Rubber & Tea Co., Ltd.	9–14½	10	2 0	2 0	3 0	....	12	Y.
20,00,000	....	$7,70,782	6,45,980	$7,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co. ..	33	25	1 0	1 8	1 4	....	12	Y.P.T.
6,25,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd. ..	Vaikundam (Travancore) Rubber ..	31½	10	5 0	4 0	4 0	....	12	Y.
6,75,010	97,250	13,34,568	19,198	2,345	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10	10	1 0	1 8	2 0	1 8‡	12	Y.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,564	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara ..	9½	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6,00,000	10,25,000	21,65,488	10,98,277	1,35,329	McLeod & Co., Ltd. ..	446	Alexandra ..	180	100	1 8	7 8	10 0	....	6,12	H.P.
20,00,000	6,25,000	1,17,61,827	82,76,089	23,103	McLeod & Co., Ltd. ..	1,254	Alliance ..	106	100	5 0	12 0	6 0	....	6,12	H.P.
49,20,700	60,00,000	2,95,90,382	1,98,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India ..	136	100	15 8	7 8	6 0	....	6,12	H.P.
44,00,000	45,17,050	4,76,97,979	99,01,544	11,277	Bird & Co., Private Ltd. ..	810	Auckland ..	95	100	4 0	3 8	3 8	....	3,9	H.P.
20,00,000	22,80,918	96,91,416	66,65,094	85,302	Jardine Henderson & Co.	959	Bally	160	100	4 0	3 12	3 12	2 8	3,9	H.P.T.
4375,000	4567,405	51,477,480	4087,176	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore ..	102	55	51 0	0 0	0 0	1 0‡	3,9	H.P.
28,00,000	26,00,623	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd.	820	Belvedere ..	111	100	15 0	10 0	10 0	Nil	3	Y.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull ..	600	Bengal	144	100	10 0	7 8	7 4	Nil t	6,12	H.P.
21,26,000	2,17,48,383	2,34,10,402	1,48,32,651	4,37,393	Birla Brothers Private Ltd.	1,378	Birla	154	100	1 4	1 2	1 2	....	6,12	Y.P.T.
98,00,000	21,81,425	1,17,90,047	72,25,990	1,826	Andrew Yule & Co., Ltd.	991	Budge-Budge ..	107	100	2 0	1 0	1 0	1 0	3	Y.P.
7,47,280	3,09,640	42,18,704	31,69,683	—3,21,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9	10	10 0	9 0	7 0	Nil	4,10	H.P.T.
18,00,000	25,46,234	87,85,841	43,24,058	1,228	Andrew Yule & Co., Ltd.	616	Caledonian ..	123	100	Nil	0 12	Nil	....	6,12	H.P.T.
60,16,400	95,49,238	3,23,08,769	1,11,69,808	19,010	James Finlay & Co., Ltd.	600	Champdany ..	135	100	12 0	9 0	6 8	Nil t	5,11	H.
15,95,000	19,88,082	82,12,211	57,10,175	1,937	Andrew Yule & Co., Ltd.	530	Chengail ..	148	100	6 0	3 0	10 0	....	3,9	H.P.
80,18,000	81,00,000	64,10,068	47,77,690	1,83,949	McLeod & Co., Ltd. ..	500	Chitavalsah ..	122½	100	12 0	14 0	10 0	Nil t	3,9	H.P.
24,00,000	9,00,000	81,05,335	67,18,337	25,935	Shree Krishna Investment Co., Ltd.	969	Clive	13½	10	1 12	1 2	1 6	....	6,12	H.P.T.
81,49,200	46,65,252	1,17,95,454	46,04,775	—2,20,645	Bird & Co., Private Ltd. ..	766	Dalhousie ..	99½	100	Nil	Nil	1 6‡	0 8	3	H.P.
28,00,000	40,71,679	76,67,475	47,20,110	2,564	Andrew Yule & Co., Ltd. ..	779	Delta	145	100	4 0	2 8	4 0	0 8	3	Y.
16,00,000	84,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd. ..	500	Empire	154	100	20 0	12 0	10 0	Nil t	3,9	H.P.
21,00,000	60,60,960	2,70,89,084	1,89,10,196	1,80,415	Shetiewell Bullen & Co., Ltd.	1,884	Fort Gloster ..	310N	100	1 0	1 0	1 4	....	5,11	H.P.T.
21,00,000	19,00,000	97,88,074	54,68,692	1,36,822	Bangur Bros., Ltd. ..	1,014	Fort William ..	19½	100	Nil	5 0	15 0	7½	6,12	H.P.T.
84,32,100	....	2,11,07,524	1,23,88,825	—2,67,453	Macneill & Barry Ltd. ..	1,709	Ganges Mfg. ..	56	100	10	20 0	20 0	0 12½	3,9	H.T.J.
10,80,000	23,00,000	71,52,963	45,45,592	—74,293	Gillanders Arbuthnot & Co., Ltd.	507	Gondalpara ..	750	500	Nil	Nil	2 8	Nil t	3,9	H.P.
24,00,000	29,32,237	2,19,00,618	1,61,28,422	25,195	Macneill & Barry Ltd. ..	1,394	Gouripore ..	223	100	15 0	Nil	....	....	3,9	H.
40,00,000	54,58,223	1,14,86,948	56,72,180	9,40,348	Bangur Bros., Ltd. ..	1,078	Hastings ..	77	100	3 12	10 0	15 0	8 8‡	3,9	H.P.
16,80,000	15,61,969	66,47,731	47,70,916	—2,95,253	Balmain Baljoria	750	Hooghly	77	100	10 0	7 0	3 12	2 12‡	3,9	H.
65,62,500	49,64,372	1,82,66,456	1,10,52,708	57,034	Jardine Henderson Ltd. ..	1,940	Howrah	184	100	1 4	Nil	Nil	5 0	3	Y.P.
32,50,000	27,85,153	3,86,51,559	1,56,51,559	1,18,955	Ramdutt Ramkissendas ..	2,272	Hukumchand ..	18½	10	1 8	1 4	0 14	Nil	3	Y.P.
67,00,000	....	27,71,022	20,24,926	1,06,257	....	216	Hukumchand Jute ..	21	10	2 0	1 8	1 12	0 4‡	3,9	H.P.
56,50,000	2,71,44,943	4,39,16,627	96,26,548	9,71,993	Sahu Jain Ltd. ..	1,765	New Central Jute ..	11½	10	1 8	1 8	1 0	0 6	4,10	H.P.
16,79,980	12,15,50,166	4,18,50,167	51,48,018	70,118	Bird & Co., Private Ltd. ..	567	Northbrook ..	12½	10	1 8	1 8	1 8	....	4,10	H.P.
66,79,500	29,24,961	2 18,56,164	1,29,46,211	17,000	Macneill & Barry Ltd. ..	1,098	Reliance	22½	10	1 12	1 8	1 8	0 12‡	12	Y.
24,98,250	29,72,799	75,07,658	50,35,090	587	Andrew Yule & Co., Ltd. ..	601	Orient	114	100	6 0	3 0	3 0	1 8‡	3,9	H.P.
25,00,000	4,25,000	80,05,197	45,32,140	1,00,000	McLeod & Co., Ltd. ..	400	Prasidency ..	42	100	10 0	10 0	10 0	1 0‡	3,9	H.P.
30,00,000	2,49,731	25,97,575	3,29,120	—9,18,518	Birla Brothers Private Ltd.	938	Rameshwaram ..	5	10	0 2	0 4	0 8	....	5,11	H.P.
40,50,000	5,28,455	1,28,53,629	59,15,596	—11,72,541	Jardine Henderson Ltd. ..	1,276	Reliance	8	10	Nil	Nil	Nil	....	6,12	H.P.
2460,000	61,98,718	61,345,544	....	2568,984	Thomas Duff & Co. (India) Ltd. ..	2,012	Samnaggar ..	9½	10	0 8	Nil	Nil	Nil t	3	Y.
30,00,000	19,14,910	1,15,50,877	79,99,145	7,972	Peirce, Leslie & Co., Ltd. ..	816	Sirpur Jubilee ..	10½	10	10%	10%	8¾21	....	3,9	H.P.T.
14,00,000	11,25,000	66,11,794	38,79,294	2,156	Hindustan Investment Corporation	401	Soorah	11½	10	1 0	0 8	1 0	....	12	Y.
25,19,000	45,72,116	1,27,82,546	58,58,459	—4,87,187	Bird & Co., Private Ltd. ..	650	Standard	75	100	2 0	1 0	1 8	....	12	Y.P.
2500,000	4585,119	61,127,660	....	2582,468	Thomas Duff & Co. (India) Ltd. ..	1,794	Titaghur	10½	10	2 0	1 8	1 12	Nil	3	Y.P.T.
24,96,600	55,05,722	2,00,00,308	84,29,958	18,324	Bird & Co., Private Ltd. ..	1,226	Union	122	100	10%	8¾21	0 8	....	3,9	H.P.T.
2450,000	5468,025	61,124,319	....	2580,501	Thomas Duff & Co. (India) Ltd. ..	1,281	Victoria	10	10	6 0	6 0	10 0	1 0‡	3,9	H.P.T.
2,50,000	6,85,000	55,36,092	40,31,991	14,518	McLeod & Co., Ltd. ..	457	Waverley	3½	1	0 1	0 1	0 2	....	12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
26,50,000	25,05,000	91,54,011	64,41,011	28,010	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	18½xd	10	1 0	1 5	1 6	0 8‡	3,9	H.
12,00,000	8,77,548	27,27,054	24,90,182	48,899	Jardine Henderson Ltd. ..	Bararee Coke	16½	10	1 c 2/8‡	1 7 1/5	1 7 2/5	0 9 3/5c	3,9	H.
4,49,350	70,000	5,40,000	5,40,000	9,827	Andrew Yule & Co., Ltd. ..	Bengal-Bhaldee	5	10	0 12	0 12	....	....	3,9	H.
1,80,00,000	1,40,49,223	5,01,92,514	2,05,77,226	9,81,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	456	100	32 0*	30 0*	35 0*	....	6,12	H.P.
2,85,000	4,82,669	24,81,782	22,83,584	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	15	10	Nil	Nil	....	....	6,12	H.P.
16,17,000	4,73,555	37,71,764	28,77,264	1,43,498	H. V. Low & Co., Ltd. ..	Bhalgora	6½	10	0 8	....	....	....	4,10	H.P.
40,00,000	5,00,000	1,89,06,662	71,05,188	27,453	Sahu Jain Ltd. ..	Bharat Collieries ..	6½	10	0 12	0 10	0 10	....	3	H.P.
7,15,000	15,11,080	69,62,582	57,85,500	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulasbararee	12½	10	Nil	Nil	Nil	Nil	3	Y.P.
14,00,000	16,17,966	39,99,541	34,14,656	—79,796	Hindustan Industries (Coal) Co. ..	Bokaro-Ramgur	13½	10	....	Nil	....	....	6,12	H.P.
7,80,000	24,29,026	45,89,608	26,58,408	94,307	F. W. Heilgers & Co., Ltd.	Borree	20	10	2 12	3 0	3 0	....	6,12	H.P.
20,25,490	1,79,05,968	4,22,38,647	1,90,16,884	56,706	Bird & Co., Private Ltd. ..	Burrakur	21	10	2 12	3 0	3 0	....	6,12	H.P.
49,87,750	....	7,50,000	43,85,430	9,827	Hindustan Investment Corpn., Ltd.	Calcutta Coal	5	10	0 12	0 4	0 4	....	6,12	H.P.
8,00,000	12,54,802	49,10,414	25,63,954	26,768	M.	Central Kurkend	12½	10	1 0	0 4	0 6	0 8	6,12	H.P.
6,00,000	1,43,676	7,88 488(k)	....	2,128	F. W. Heilgers & Co. Private Ltd.	Churia	2½	4	0 3	....	....	....	6,12	H.
16,00,000	....	83,51,794	99,31,576	—1,83,518	Macneill & Barry Ltd. ..	Dhemo Main	5½	10	....	0 2	0 11	....	6,12	H.
2240,000	2290,553	5970,988	4781,879	2582,823	Jardine Henderson, Ltd. ..	East Indian	27	51	2 8	Nil	Nil	....	6,12	H.
29,55,760	32,55,049	4,04,51,377	2,99,35,055	32,379	Macneill & Barry Ltd. ..	Equitable	24½	10	1 8	2 8	3 0	2 8	3	H.
1,40,000	1,40,000	4,55,557	4,55,557	32,853	Shettler's Agency Ltd. ..	Ghusick and Mealia ..	21½	10	1 8	....	1 8	....	6,12	H.P.T.
12,00,000	1,23,000	41,35,247	23,43,143	1,144	Killick Industries Ltd. ..	Hingir-Rampur	11½	10	1 0	0 8	0 8	....	3	Y.
8,00,000	7,25,000	23,07,181	12,89,241	45,986	Macneill & Barry Ltd. ..	Hurriladih	21½	10	1 8	0 4	2 4	2 4	3	Y.
20,00,000	1,15,000	24,74,418	5,15,146	—5,57,293	Balpala Trust Ltd. ..	Jogta Coal	9½	10	Nil	1 12	....	....	6,12	H.
2,50,000	3,45,579	12,54,357	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalapahari	20½	10	Nil	Nil	Nil	....	12	Y.
20,00,000	1,77,175	58,89,622	4,65,140	6,805	Bird & Co., Private Ltd. ..	Karanpura Collieries ..	97	100	Nil	Nil	Nil	....	12	Y.
8,00,000	10,60,000	48,77,583	35,47,385	1,33,474	Andrew Yule & Co., Ltd. ..	Katras Jheriah	62½	10	4 0	4 0	5 0	5 0	3	Y.
1,88,400	5,78,960	13,58,941	5,72,990	—2,55,246	Sheriwal & Co.	Khas Kajora	2½N	10	Nil	Nil	....	....	12	Y.
11,00,840	64,314	16,72,961	10,41,663	—41,220	H. V. Low & Co., Ltd. ..	Kuardi	2½N	10	Nil	Nil	....	....	6,12	H.
9,00,000	11,36,438	58,99,268	23,97,897	9,255	H. V. Low & Co., Ltd. ..	Lakurka	10N	10	0 8	0 8	....	....	3	H.
7,48,240	2,00,229	9,66,319	9,66,319	81,301	Shanta Brothers Ltd. ..	Nasira	6½	10	0 8	0 8	....	....	12	Y.
7,00,000	25,617	10,38,740	5,20,326	4,560	Amritlal Ojha & Co., Ltd. ..	New Banadeopur ..	9½	10	0 8	0 8	....	....	12	Y.
17,75,250	20,01,763	1,19,78,582	88,68,066	94,288	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	17	10	1 0	1 2	....	....	3,9	H.
6,00,000	75,000	31,80,197	24,00,471	70,223	Cochrane Steel & Co., Ltd. ..	New Manbhoom ..	9½	10	Nil	Nil	1 0	....	4,10	H.P.
1,15,000	2,56,196	18,07,219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	20	10	0 8	Nil	Nil	Nil	3,9	H.
1,57,500							17	7½	0 8	Nil	1 6	0 12‡		
1,50,000	13,31,888	5,17,666	2,97,666	56,546	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14½	10	2 0	Nil	1 0	0 9‡	3,9	H.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	8N	10	1 0	1 0	1 0	....	6,12	H.P.
8,34,000	10,050	19,86,766	8,69,957	61,987	Deepchand Kishenlall	Parasea	18	10	0 4	0 4	1 0	....	12	Y.
25,75,000	16,50,000	49,91,952	35,61,262	88,784	Shaw Wallace & Co., Ltd.	Pench Valley	18½xd	10	1 10	1 10	1 8	....	6,12	H.
23 99,500	20,17,105	1,24,15,588	97,86,164	22,188	B. N. Elias & Co., Private Ltd. ..	Ranegunge	11½	10	Nil	1 10	1 8	....	3,9	H.
13,50,000	10,45,115	88,59,865	29,71,564	15,614	Shaw Wallace & Co., Ltd.	Rewa	21	10	1 0	0 8	0 10	0 4	3,9	H.
20,00,000	5,90,000	44,32,553	16,79,118	2,20,274	Jaipuria Sons Ltd.	Samla Collieries ..	11N	10	2 0	1 0	0 12	0 12‡	6,12	H.
2,50,000	1,95,802	18,78,480	13,21,927	21,070	M.	Searsole	5N	51	0 8	0 12	1 0	....	12	Y.
2,50,000	3,35,626	29,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd. ..	Seebpore	28½	7	1 12	1 8	1 8	....	1	Y.
3,00,000	9,21,339	25,491	25,491	7,503	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9N	10	Nil	Nil	Nil	....	6,12	H.
693,51,450	23,77,474	4,73,97,317	3,17,20,258	7,310	Industrial Trust Fund (Government of Hyderabad) ..	Singareni	10½	10	Nil	Nil	Nil	....	6,12	H.P.
17,50,000	10,84,016	37,86,108	15,14,990	—51,583	Bird & Co., Private Ltd. ..	South Karanpura ..	10½	10	0 4	0 11 1/5	0 12	....	12	Y.
8,00,000	14,01,053	1,09,57,570	37,510	17,411	F. W. Heilgers & Co. (Private) Ltd.	Standard	20½	10	2 0	0 8	0 8	....	3,9	H.
10,00,000	12,950	20,82,289	15,45,502	—4,07,745	Villiers Ltd.	Talcher	2½	51	Nil	1 8	1 0	1 0	12	Y.
3,50,000	2,90,000	20,47,944	15,36,944	—9,659	Williamson Magor & Co., Ltd.	Union	15½	10	1 12	....	....	....	12	Y.
49,98,000	67,084	55,66,550	23,00,000	7,283	Hindustan Investment Corpn., Ltd.	Western Bengal ..	5½	10	0 12	Nil	Nil	....	6,12	H.
7,00,000	21,559	58,46,871	22,81,096	—1,46,550	Macneill & Barry Ltd.	West Jamuria	8½	10	Nil	Nil	0 8	0 8	3	H.

M—Managed by the Board of Directors. ‡ Less income-tax. (a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year 1955. *Including bonus.
(i) Made up of an interim dividend of Rs. 1-12 per share on 1,80,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,80,000 shares are bonus shares. (c) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
‡—Fort William Jute Co. has sub-divided ordinary shares as Rs.100 1st share to 10 Rs.10 each.

BUSINESS MEN'S LOBBY IN PARLIAMENT

(*Concluded from page 409*)

mentary form of Government exists. As in all human institutions, excesses and perversions are possible and only the good sense of the members themselves can prevent lobbying to degenerate from education into abuses. It is now reported that business men are trying to get into Parliament to form a "lobby" and some are talking about it, as if it were, almost an act of subversion. Business men, as any other citizens of India, have the right to stand for elections and to speak of their lobbying proclivities as though they are a crime is a bit of counter-propaganda. Would the same description apply to the intention of union leaders who stand for elections? If there is a lobby in the present Parliament, the most powerful one belongs to labour and, in number, they preponderate many times over their opposite among business men, and in influence they are even greater.

There is nothing wrong in business men standing for elections and it is quite unreasonable to accuse them with the intention of creating a business men's lobby when that ban does not apply to any other group. But from the business men's own interest, the forming of a lobby of their elected members would be the least effective way of achieving their purpose.

In a Parliamentary democracy, there is a generative influence concentrated within the Legislature and a continuous process of education of its members is essential to their intelligent functioning. In the vast conglomeration of interests, economic and otherwise, extant within a nation, is it to be wondered if recognition to particular interests are drawn by personal representation to members and by persuading a sufficient number of them to support a particular view? It is within the experience of all members of Legislatures to have received thousands of packages of written representations of all sorts of interests. Does lobbying assume a sinister connotation the moment a group of persons are approached and the same written representations are verbally made?

What is obviously intended to convey by referring to a "business men's lobby" in Parliament is that a number of members with business interests in private life is seeking to form a group within Parliament to put forward the business men's point of view. There should really be nothing objectionable about this any more than a group of trade unionists forming another lobby. There is no valid reason why a business men's lobby should be objectionable or suspiciously viewed any more than that of any other interest.

It is, however, another question whether the business community would serve its interests best by having such a distinct group within Parliament. By the sheer arithmetic of franchise, the business community, as a distinct group, cannot return a number sufficient to influence Parliament in any great degree. What they can, however, do is to put forward the community's views. This function has been admirably fulfilled by Mr. Bansal, Mr. Somani and Mr. Khilachand in the present Parliament without any great influence on the Government's economic policy or attitude towards business men. If at all, we are to draw a lesson from their experience, it is that their views are discounted before they are on their feet and they will continue to be so discounted until business men form a sufficiently large number in Parliament. But this seems quite unlikely to happen. The other alternative is to inform, educate and persuade a sufficient number of ideologically uncommitted members within the House to an intelligent view of private enterprise.

TARIFF COMMISSION AND ROAD TRANSPORT

(*Concluded from page 420*)

2½ times its load by the simple expedient of employing more than two axles. Experience in other countries shows that this expedient reduces the cost of operation by over 20 per cent. Apart from that, the main advantage to a country like ours is in the saving in the number of vehicles required to handle the same traffic. The Tariff Commission's report has shown that, as matters stand at present, there is not much scope for the reduction of prices of motor vehicles. Here, the obvious remedy is the employment of multiple-unit vehicles, since, per unit load, they are cheaper in initial cost than normal vehicles on two axles. In the U.S.A., such vehicles are understood to be in use in all classes of vehicles above a gross laden weight of 12,000 lbs.

Standardisation

The Indian Roads Congress's standard for vehicles is as follows:—

Maximum width	...	8′
Maximum height	...	12′-6″
Maximum length (single unit)	...	35′
Maximum length (semi-trailer)	...	50′
Maximum length (two-unit)	...	60′
Maximum axle-load	...	18,000 lbs.

We cannot yet employ the maxima indicated above on all our roads, at any rate till the end of our third Five-year Plan in 1965-66, by which time the entire Nagpur Road Plan is expected to be completed. But we can and should try to go as near as possible to these maxima on our surface roads which today are only about 1,000 miles short of the target in the Nagpur Plan, excepting, of course, the unbridged portions. This will facilitate the employment of economic units which are our main requirements.—*All Rights Reserved.*

IRRIGATION IN SAHARA

New palm groves will be planted in the Sahara. Thanks to the progress made in the last few years in the realm of drilling, several beds of subterranean water have been discovered recently in southern Algeria, notably in the Ouargla region.

Drilling effected near Ouargla reached the bed at a depth of 1,500 metres. The water rises from the well at the rate of 15,000 litres per minute. Half of this water will be used to revive old palm groves; the rest will be used to create new palm groves.

Drilling undertaken at Zelfana and Guerrara, between Ouargla and Ghardaia, has also encountered subterranean beds at a depth of about 1,000 metres. At Zelfana, the water rises at the rate of about 10,000 litres per minute, which will enable the creation around the oasis of about 200 hectares of additional palm groves.

WAGES IN RELATION TO PRO

MARKET GOSSIP

(Concluded from page 403)

one of plentiful stocks of cloth with mills and a break in prices. If the fiscal policy of the Government is not revised, the sluggishness of the cotton piecegoods market is bound to be protracted and the mills may be compelled to curtail output.

• • • •

The plantation owners and the estate workers in Madras and Kerala States owe a debt of gratitude to the State Minister for Labour and Industries, Mr. M. Bhaktavatsalam, for effecting an amicable compromise in the dispute between them over the award of the Special Tribunal on the wages to workers which is on appeal before the Supreme Court. The Minister has spared no efforts in bringing about this out-of-court settlement ever since the award was gazetted in October last. The task was undertaken more at the request of workers than that of employers. The significance of this is that workers' leaders themselves began to feel that the Tribunal's award lacked a sense of realism and would inflict a permanent injury on workers for a passing lump-sum gain.

The two notable features of the compromise terms are: (1) the workers have given up their claim for increased wages prior to the date of award, namely, 24th October 1956; in other words, they have agreed to forgo the claim for increased wages with retrospective effect as far back as from 24th March 1952 as sanctioned by the Tribunal; and (2) the wages which are to be paid from the date on which the Tribunal's award came into effect are a little higher than those envisaged earlier during the compromise talks. They are also higher than those fixed by the Minimum Wages Committee, but considerably lower than those granted by the Tribunal. The managements of plantations have agreed not to press their appeal which is now before the Supreme Court and the workers not to press their claims under the Special Tribunal's award. It will be recalled that the U.P.A.S.I. had calculated the financial burden of this award on the industry at Rs. 4.5 crores per annum recurring expenditure on account of prospective increase in wages and amenities and Rs. 17.02 crores on account of the retrospective application of such increase in wages. If this award had been enforced, a large sector of the industry would have been crippled beyond recovery and thousands of workers would have been thrown out of employment.

Under the terms of the compromise, the workers have been grouped in four categories, namely, grade I and grade II adult, adolescent and child, as against only three groups, grade I, grade II and child, under the award of the Minimum Wages Committee and that of the Special Tribunal. Further, estates have been classified into Class A and Class B. The classifications are as follows:

(Planted acres)	Class A	Class B
Tea	.. 200 and more	Less than 200
Coffee ..	.. 300 ,,	,, 300
Rubber ..	.. 400 ,,	,, 400

The coffee estates in the Shevaroys, Madurai and Tirunelveli districts, irrespective of their acreage, have been placed, for the purpose of wages, under Class B estates, presumably because they came into existence only recently and these areas have yet to be fully developed. As regards mixed tea and coffee estates, if more than 200 planted acres are tea and the said area is more than two-fifths of the entire planted acreage, the said estate will be treated as Class A tea estate and the workers paid accordingly. In other cases, the workers will be paid according to the rates applicable to Class B estates. This new classification of estates is a welcome feature, in that the burden on small estates has been considerably reduced with an eye, on their capacity to pay.

The daily wages of workers suggested by the Government and accepted by both parties are as follows:

	Grade I	Grade II	Adolescent	Child
Tea—	Re. a. p.	Re. a. p.	Re. a. p.	Re. a. p.
A ..	1 11 6	1 5 0	1 0 0	0 11 6
B ..	1 9 0	1 2 6	0 15 0	0 11 6
Coffee—				
A ..	1 9 0	1 2 6	0 15 0	0 11 6
B ..	1 6 0	1 2 6	0 15 0	0 11 6
Rubber—				
A ..	1 11 6	1 5 0	1 0 0	0 11 6
B ..	1 9 0	1 2 6	0 15 0	0 11 6

It will be noted that workers in tea and rubber estates will be paid the same wages, while those in coffee estates will be getting slightly lower wages. So far as child worker is concerned, he will get a uniform rate of As. 11-6, irrespective of the fact that he belongs to Class A or Class B of either of the three classes of plantations. It may be noted here that the wages fixed by the Special Tribunal were: Rs. 2-4 for grade I, Re. 1-12 for grade II and Re. 1 for child.

Under the compromise agreement, extra remuneration for various jobs like pruning, weeding, etc., will be paid on the same differentials as those now maintained in respect of such work. Workmen will also be paid retirement benefit at the rate of 15 days' wages for each year of service, subject to a maximum of 15 months' wages. Provident fund scheme will also be introduced, the contribution being at 8-1/3 per cent. in respect of labourers in Class A rubber and tea estates with effect from 1st January 1957. The statutory provident fund scheme which will come into force on 1st May will apply to all workers, but the rate of contribution under this scheme is lower. Thus, the workers of bigger estates distinctly stand to gain under the present agreement.

Both the parties to the dispute have accepted that the agreement should be in force till 31st March 1961. Accordingly, the industry is assured of peaceful labour relations for a period of four years.

The precise effect of the compromise terms on the cost structure of plantations is not yet known, but, on a rough guess, it is not expected to be more than an anna per lb. of tea, as against As. 3¼ to As. 4 estimated as a result of the Tribunal's award. Roughly speaking, therefore, the industry, besides being relieved of the huge unbearable burden of about Rs. 17 crores, will be paying about a fourth of the recurring cost of what the Tribunal awarded.

Apart from the relief obtained by planters from the rigours of the Tribunal's award, the out-of-court settlement is a triumph for conciliation and will help foster cordial relationship between employers and employees and facilitate mutual consultations in future. It should also serve as a guide to all labour disputes, so that the trouble, cost and vexation involved in case of reference to courts can be avoided.

STANDARD RATE UNDER THE ELECTRICITY (SUPPLY) ACT 1948

The Federation of Electricity Undertakings of India has addressed a communication to the Union Ministry of Irrigation and Power, inviting the latter's attention to the serious repercussions on the electric supply industry of the recent Reserve Bank of India announcement that from 1st February 1957 the Bank's rate of interest on advances to Scheduled banks against Government and other eligible securities under section 17 (4) (b) of the Reserve Bank of India Act, 1934, has been raised to 4 per cent. per annum, while the Bank rate remains unchanged. A basic object of the Electricity (Supply) Amendment Act, 1956, in linking the "standard rate" to the Reserve Bank rate was, it is pointed out, to enable an automatic adjustment of the standard rate to the conditions prevailing in the money market. The Federation points out that the Reserve Bank has, by raising by ½ per cent. the rate of interest chargeable on loans taken by the Scheduled banks against Government and other eligible securities, brought about a *de facto* increase in the Bank rate and that the electric supply industry will face a serious situation if remedial action is not taken to bring about an automatic adjustment of the "standard rate" with the money market, that is, unless the official Bank rate is brought in line with the prevailing usance rate, before long. If this development is not to materialise, the Federation holds, an amendment of the Electricity (Supply) Act will be necessary. The proposal which the Federation suggests for the consideration of the Government is the addition of an explanation to the definition of Standard Rate—Para XVII (x) of the Sixth Schedule—to the following effect: "For purposes of this paragraph, the Reserve Bank Rate means the bank rate under section 49 of the Reserve Bank of India Act, 1934 or the rate of interest on advances to Scheduled banks against Government and other eligible securities under section 17 of the Reserve Bank of India Act, 1934, whichever is higher."

With the Government bringing in the amendments to the Sixth Schedule effective from 1st April, the official Reserve Bank rate, prevailing on that date, will govern the return permitted to the investor during the financial year 1957-58 and, unless the Bank rate is officially increased by that date, the amendment to the Electricity (Supply) Act suggested above will have to be brought into force with effect from 1st April 1957. The Federation feels that the situation calls for an emergency Bill being rushed through the forthcoming session of Parliament. But if, through pressure of legislative business, this course of action cannot be taken, it pleads that the emergency be met by appropriate ordinance after the coming session of Parliament has been prorogued. A delegation of the Federation is expected to call on the Minister concerned to explain the situation.

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NOTICE

(Concluded from page 438)

Company, of any such undertaking as is referred to in Clause (*a*), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(*d*) borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes;

Provided further that the powers specified in Section 292 of the Act shall be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or

(*e*) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand Rupees or five per cent. of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Draft Article 140 (Certain powers of the Board) is substantially the same as existing Article 127 except that the powers enumerated therein have been made subject to various sections of the Act applicable thereto.

SECRETARY

Draft Article 141 has been inserted giving power to the Directors to appoint and to remove a person to perform the duties that may be assigned to him or which may be applicable to him under the Act. The Directors have also been empowered to appoint some other person to keep the registers required to be kept by the Company.

MANAGEMENT OF BUSINESS

Draft Articles 142 to 146 correspond to existing Articles 130 to 133. Draft Articles 142 and 143 incorporate the restrictions imposed by the Companies Act 1956 on the powers exercisable by Managing Agents.

THE SEAL

Draft Articles 147 and 148 correspond to existing Articles 128 and 129.

DIVIDENDS

Draft Articles 149 to 162 are virtually the same as existing Articles 134 to 146 except that existing Article 146—Capitalisation—has been amplified (in draft Article 162) to bring out its proper meaning and import.

ACCOUNTS

Draft Articles 163 to 169 correspond to existing Articles 147 to 153.

Draft Article 163 (Directors to keep true Accounts) is the same as existing Article 147 except that provision has been made to include what requires to be done in case the Company should at any time open a branch office.

Draft Article 167 (Board's Report) enlarges existing Article 151 to include the provisions of Section 217 of the Act which sets out what has to go in such Report.

AUDIT

Draft Articles 170 to 175 are substantially the same as existing Articles 154 to 159 with necessary changes to accord with the Act.

DOCUMENTS AND NOTICES

Draft Articles 176 to 183 are substantially the same as existing Articles 160 to 167 except that provisions have been made for the service of documents by and on the Company in accordance with Sections 53 and 51 respectively of the Act.

WINDING UP

Draft Article 184 corresponds to existing Article 168 with little change except that for an Extraordinary Resolution a Special Resolution has been substituted, as the Act has done away with Extraordinary Resolutions.

INDEMNITY, RESPONSIBILITY AND SECRECY

Draft Articles 185 and 186 correspond to existing Articles 169 and 170.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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WANTED—A FAIR DEAL FOR COAL

IT is of the utmost importance to the future of national economy that the target for coal (60 million tons), fixed under the second Five-year Plan, should be reached. For a country like India, which has little oil, hardly any tankers and an extremely limited supply of foreign exchange, coal is the main fuel and constitutes, along with steel and cement, the basic means for economic advancement, so that any setback on the coal front would inflict severe damage on the economy. What really should matter is not that the nice balance between the private and public sectors is maintained—though this is an important point by itself—but that the overall target is reached. As is well known, under the second Plan, the private sector in coal has no inconsiderable role to play, charged as it is with the responsibility for increasing the output of coal by nearly 10 million tons to 43.5 million tons, as against the public sector's responsibility for raising the output by 12 million tons to 16.5 million tons. In the last few years, the output of coal—mined at present predominantly by private-owned collieries—has risen by one to two million tons. In 1956, it was 39.43 million tons, an increase of 1.20 million tons over the production in 1955. Obviously, a great deal of new effort will be needed to step up output to an annual rate of increase of over four million tons, of which the share of the private sector will have to be no less than two million tons. In order to realise how hard the task is, it is necessary to bear in mind that many new areas have to be opened up requiring large capital and equipment. And yet, unless this is done, it will be difficult to pave the way for the much larger target—something of the order of 120 million tons—that may have to be set under the third Plan.

In an industry like coal, where the price of the product is controlled by the Government, it should be obvious that production will necessarily depend upon the price policy. It is not, therefore, surprising that Mr. R. Maulik, Chairman of the Indian Mining Association, should have devoted a considerable portion of his address, at the annual meeting of the Association, held at Calcutta last week, to a discussion of the issues relating to the control of coal prices. Some of the general observations he made, in this connection, deserve notice. He averred that the selling price of coal should be "reasonable and just," having regard to the increasing operational costs. At the same time, he agreed that, in a vital consumer product like coal, there "will doubtless be solicitude for keeping in check as far as practicable any increase in the price." In other words, the Government's policy should be aimed at striking a mean between the producers' interests and those of the consumers. Nor can it be ignored that, in the ultimate analysis, their interests are synonymous, not necessarily antagonistic.

Two additional considerations must be borne in mind in fixing coal prices. In the first place, the coal industry, like any other industry, needs funds for development. It would be well-nigh impossible for the industry to achieve an increase in output, if it were denied facilities for building up developmental reserves and paying reasonable dividends without which fresh capital cannot be found. Appropriately enough, Mr. Maulik referred to steel and cement—the two commodities the prices of which are controlled by the Government. In both these instances, the Government has accepted the principle that, in the price paid to the industry for its products, there should be a special element for covering partially at least the cost of development. All that he insisted upon was that the basic criterion for determining prices, which already existed in steel and cement, should be applied to coal. The fairness of this demand is so obvious that it needs no reiteration.

Secondly—and this is a consideration which is peculiar to all mining enterprises in general—the coal industry is not a perennial or continuing industry. Since no mine is inexhaustible, all mining should come to a stop at the end of a period of years. This means that the original capital invested in the enterprise should be returned to the owners before the mining operations cease to be profitable. It is only then that the investor will be enabled to recover his capital for re-investment elsewhere. Under conditions of free enterprise, the price of a mineral will be generally determined by this consideration and the return to the investor will carry a certain element of capital. This is a vital consideration which should not be ignored when the prices of coal are statutorily fixed. To ignore it would mean not only an injustice to the investors at present but an unhealthy deterrent for all investors in future.

Against this background, if one judges the Government's coal price policy, it will be seen that the coal industry has received a raw deal during the last several years in which its price has been controlled. In July 1947, a rise in coal prices was permitted, in order to enable the industry to meet the increase in wages of workers. But, in November 1949, the prices of coal were actually revised downwards, with a view to initiating a downward trend in price levels and cost of living. But this end was never reached. On the contrary, prices and living costs went up. Consequently, production costs of coal rose heavily, but no increase in coal prices was permitted. Following the publication of the award of the All-India Industrial Tribunal (Colliery Disputes) in May 1956, the Government granted a rise of Rs. 3 per ton to compensate for the increased wages of labour, but the industry has maintained that the increase is insufficient to meet the additional financial burden. Nor has any further increase been permitted, despite the fact that the wages of workers have been further raised by the Appellate Tribunal, the award of which was announced on 29th January 1957. It must be remembered that the award of the Appellate Tribunal has been given retrospective effect from the date of the original award. There was also a time lag between the original award and the date of announcement of the increase in coal prices (Rs. 3 per ton). All this has necessarily imposed a great burden on an industry, the only fault of which is that it produces a commodity so vitally needed by the community that the Government deems it essential to control its prices. Surely, the authorities ought to know that, if an industry produces an article of vital importance to the community, it has a valid claim for at least bare economic justice, if not for generous treatment.

Because coal is a commodity which forms an element in the production costs of a number of manufactured articles, any increase in its prices, it has been contended, will add to the inflationary potential in the country. By and large, this argument is correct. But its significance and applicability could be easily overrated. As Mr. Maulik pointed out, it is simply not true that the price of coal has marched in line with the general price level. Thus, while the index of wholesale prices has risen from 297 in 1947 to 427 in February 1947, that is, by as much as 47 per cent., the rise in price of coal has been of the order of only 15 to 16 per cent. over this period. Further, it must be remembered that the cost of coal is a much less significant proportion of production costs of manufactured articles than is sometimes imagined. Mr. Maulik calculated that the cost of

coal expressed as a ratio of the gross ex-factory value of various products and by-products is, on average, only 1.96 per cent., and is much less than the ratio (about 3.45 per cent.) in the case of other fuels and electricity. Only, in the cement and steel industries, coal forms a fairly large proportion of production costs. Coal and coke work out to 11.25 per cent. of steel costs and 14.22 per cent. of cement costs; the corresponding ratios for other fuels are higher at 12.70 per cent and 18.28 per cent. Yet another striking feature of the pattern of production costs is that, in the case of both steel and cement, coal forms a much less significant proportion in India than elsewhere. Thus, coal accounts for 40 per cent. of U.K.-produced steel, as against 11.25 per cent. in India, and for 30 per cent. of U.K.-produced cement, as against 14.32 per cent. in this country.

The "inflation" argument against an increase in coal prices can also cut both ways. For it is inconceivable that inflation can be prevented by merely keeping down the price of coal. The past nine years' experience fully bears out this point. It is equally inconceivable that inflation would not receive a very bad twist, if an inadequate price for coal were to result in shortage of coal supply and consequent loss of production in the coal-consuming industries. Again, it is not clear why coal alone should be singled out for anti-inflationary treatment at a time when the prices of many other commodities, not less essential to the life of the community than coal, have risen steeply in recent years. There is thus little justice in demanding special sacrifices on the part of the coal producers in the interests of anti-inflationary drive. The fact is that, once it is conceded that coal is a basic commodity, the prices of which should be controlled by the Government, it becomes incumbent upon the authorities to see that its prices are fixed at a level that takes into account all the relevant considerations, such as production costs, reasonable profits and the character of coal as a wasting asset. It is to be hoped that the Government will bring to bear upon the problem of coal prices a mind which is sufficiently constructive to encourage rapid increase in the output of coal.

No less important than the production of coal is the problem of its transport. Since coal is produced in a few compact regions but is consumed all over the country, the question of its transport becomes a matter of real urgency. Despite the progress that has been made in railway transport in recent years, the fact remains that coal is among the commodities for which the supply of wagons is still insufficient to meet the demand of the coal consumers. The daily requirements of wagons for the coal industry during the second Plan are: 4,860 wagons in 1957-58; 6,159 wagons in 1958-59; 6,481 wagons in 1959-60 and 6,804 wagons in 1960-61. It is not clear whether the railways will be able to step up the supply of wagons to these levels. During the current year, the daily requirements of W. Bengal and Bihar collieries are stated to be 3,778 wagons, whereas the supply is estimated to be only 3,500 wagons, so that the shortage is of the order of 278 wagons. In this connection, Mr. Maulik made two notable suggestions—one for integration of the portion of the railway which serves W. Bengal and Bihar coalfields with the Eastern Railway and the other for increasing the siding facilities and relaxation of indent limitations; these deserve the attention of the Government. In any case, the authorities will do well to ensure that wagons are ready to carry the increased output of coal, for, in the absence of the necessary transport facilities, an increase in output, even if it were possible, would be of little avail to the consumer.

INDUSTRIAL RELATIONS

HEALTHY industrial relations can develop only in an atmosphere of goodwill. Laws and regulations can at best ensure that such relations do not deteriorate so far as to create a danger to the community. Even so, their effect is often chiefly negative, rather than constructive. But, if the labour laws themselves embody a partisan attitude, favouring one section too heavily at the expense of another, they might even lose whatever value they may otherwise have in fostering better industrial relations. A case in point is the abolition of the Labour Appellate Tribunal in this country without adequate safeguards and without any attempt being made to fill satisfactorily the void created by such abolition.

Some interesting points about labour legislation, arbitration in industrial disputes and voluntary negotiation were made by Mr. E. F. G. Hunter, Chairman of the Employers' Federation of Southern India, at the recent annual general meeting of the Federation, held at Madras. He averred that the disquieting feature of the disappearance of the Labour Appellate Tribunal was the creation of a lacuna from which both parties might well suffer. After referring to the provisions relating to the appointment of national industrial tribunals, industrial tribunals and labour courts, he said: "Although Government lay emphasis on direct negotiations and collective bargaining, the institution of these various authorities could well increase labour litigation and it is by no means certain that Government's objectives will be achieved by the creation of these authorities. Time alone will show the wisdom or otherwise of these changes."

A specific issue to which Mr. Hunter made a pointed reference is the compensation to workers for lay-off periods. Criticising the extension of the period of compensation beyond 45 days, he pointed out that involuntary unemployment or lay-off often resulted from circumstances beyond the control of the employer, such as breakdown of machinery and fire. Since, under such circumstances, it might well be impossible to resume production in a factory for several months, he rightly held that it was "unjustifiable and unfair to make an employer liable for compensation for the entire period of such lay-off and this new measure could well result in delay in reopening the undertaking because of the financial burden now placed upon it." Referring to the criticisms of the recent judgment of the Supreme Court regarding the definition of "retrenchment" in factories which have closed down, Mr. Hunter wondered whether the critics had considered "how and where the money is to be found for retrenchment compensation in the case of business being wound up on account of heavy losses." He pointed out that, even if the retrenchment compensation was made a first charge on the scrap value of the business undertaking, the amount might well be inadequate. In any case, he said, the legality of making such compensation a first charge over secured debts was "itself not without doubt." Clearly, the critics, in their understandable anxiety to secure better conditions for labour, are not prepared to consider even the legality of the issue, let alone the economic realities of a closed business.

Although Mr. Hunter was thus intellectually unconvinced about the merits of some of the provisions in the labour legislation, he showed he was a good friend of labour by emphasising the essentially human approach to labour problems. He thus welcomed the provision for voluntary arbitration. Prolonged adjudications, he rightly said, invariably left workers with a sense of frustration, especially if the leaders failed to achieve the success they promised. Hitherto, there was no provision for arbitration except under the Indian Arbitration Act and the technicalities to be gone through for an arbitration under the Act were indeed formidable. Further, the machinery for the enforcement of awards under the Arbitration Act was very involved. We, therefore, join him in his hope that the provision for voluntary arbitration would be enforced without delay.

Those who are inclined to lay considerable emphasis on legal provisions for protecting workers' interests will do well to ponder some of the recent healthy trends in collective bargaining in this country. Employers and workers have successfully concluded notable agreements, covering such items as wages and dealing with participation of labour in management at various levels. To many of these agreements, we have drawn readers' attention in the past, besides welcoming them. Mr. Hunter referred to two such agreements in the Madras State. One is the recent pact between the employers and workers of the Coimbatore textile industry under which the minimum basic wage was increased to Rs. 30 per month. The second is the agreement between the management and workers of the Buckingham and Carnatic Mills to refer to arbitration 13 major demands, including wages, dearness allowance, bonus and leave facilities. Mr. Hunter said: "I am unaware of any previous instance where so many important matters have been referred to private arbitration."

It would appear that the "experience of private arbitration has been encouraging to both sides as the spirit of give and take prevailed throughout." Mr. Hunter said: "The Arbitration Award which is likely to be published shortly may well be of considerable importance to industry in South India. Indeed, just as the 1951 Labour Appellate Tribunal's decision in the Buckingham and Carnatic Mills case is frequently quoted by adjudicators, so possibly will the present award prove to be another useful contribution towards the maintenance of industrial peace." Naturally enough, the publication of the Award will be awaited with considerable interest in this country. But the point that deserves to be noted is that these instances of out-of-court agreements—small in number, as they have been, in relation to the cases that come up before labour courts—show that, given goodwill and responsible, non-political leadership, Indian workers are as capable of treading the path of voluntary negotiation and benefiting by it as their confreres in many democratic countries.

CENTRAL WAREHOUSING CORPORATION

TWO of the main lines of development basic to the integrated scheme of rural credit recommended by the All-India Rural Credit Survey and accepted by the Government are the extension of co-operative credit and the extension of co-operative economic activity. While the responsibility for the former at the all-India level of planning, co-ordination and finance rests with the Reserve Bank, that for the latter lies with the Union Ministry of Food and Agriculture. Reorganisation of credit institutions is progressing slowly but steadily, under the expert direction of the Reserve Bank, and there are unmistakable indications that, by the end of the first year of the second Plan, strong foundations will have been laid for an accelerated development in the ensuing years. But no measure of progress in the field of credit can produce any significant results without a corresponding advance in other lines of activity which together form the integrated scheme. With the passing of the Agricultural Produce (Development and Warehousing) Act in May 1956, however, a major step has been taken in the direction of the extension of co-operative economic activity such as processing and warehousing. In accordance with the provisions laid down in the Act, the National Co-operative Development and Warehousing (N.C.D.W.) Board has been set up, the functions of which, briefly, are to plan and promote programmes for the production, processing, marketing, storage, warehousing, etc., of agricultural produce, through co-operative organisations.

Another important provision of the Act relates to the establishment of the Central Warehousing Corporation. With the establishment of the body on the 2nd inst., the stage is set for the actual implementation of the programmes in regard to warehousing. For the Central Warehousing Corporation will be entrusted with the task of carrying out the programme on the lines indicated by the N.C.D.W. Board. Among others, its functions will be (*a*) to acquire and build godowns, (*b*) to run warehouses for the storage of agricultural produce, (*c*) to arrange facilities for the transport of agricultural produce to and from warehouses, (*d*) to subscribe to the share capital of State Warehousing Corporations, and (*e*) to act as agent of the N.C.D.W. Board for the purpose of the purchase, sale, etc., of agricultural produce, seeds, manures, implements and so on.

During the second Plan period, the Corporation is expected to set up a chain of about 100 warehouses, spread all over India. It will also promote the formation of State Warehousing Corporations which, in turn, will establish about 250 warehouses at important centres in the States. It will thus be seen that the success of the Corporation depends very much on the activities of the State Governments.

The authorised capital of the Corporation is Rs. 20 crores, divided into 200,000 shares of the face value of Rs. 1,000 each. Half of this amount will be issued in the first instance, of which Rs. 4 crores are to be subscribed by the N.C.D.W. Board and the balance by the State Bank, scheduled and co-operative banks, insurance, investment and other financial institutions. Under the able direction of the Board of Directors on which are represented the Government of India, the Reserve Bank, the State Bank of India and All India Co-operative Union and other institutions, it is to be hoped that expeditious progress will be made in providing institutional credit and marketing arrangements to the rural areas which constitute more than four-fifths of India. The provision of these facilities, it is now conceded by all, is one of the prerequisites for transforming the rural economy.

UNEXPECTED RECOVERY IN SHARES

BOMBAY DYEING SCRIP—ALKALI CHEMICAL'S NEW ISSUE—WORLD TREND IN MONEY RATES

THURSDAY, 5 P.M.

THE recovery in the share market has been both handsome and unexpected. It is purely of a technical nature. Seeing that some operators had sold short heavily, a few other speculators seem to have decided to squeeze them. How long this game will go on and to what extent prices will move up are questions on which one's guess is as good as another's. If no new bearish developments materialise, the bulls would appear to be in for a period of good luck. The election shots are practically over. The budget on 18th March will most probably be a tame affair. In his speech, the Finance Minister may strike a note of optimism. It is the budget to come in May that will be of real importance. But it is still two months away. It is just possible that it may not be as bad as many imagine, though the Finance Minister has been repeatedly saying that, as deficit financing is out of question in the present circumstances of high price levels, taxation is the only way open for gathering more funds for the Government. Nevertheless, one cannot be very hopeful about it and it will be rank speculation to proceed on the assumption that the worst is over. For the present, however, the technical position is in favour of the bulls.

MARKET GOSSIP

Corporate news has been encouraging. Kohinoor Mills have reported good profits. Bombay Dyeing is said to have fared well. Though the Madura Mills have cut the dividend, their earnings are higher. The final distribution of Hindustan Lever has turned out to be better than anticipated. The trend of business, except in cotton textiles and jute, is satisfactory. Labour relations are peaceful. The agreement reached at Madras on the Plantation Award has revived investors' confidence in plantation shares.

The general elections have so far been in favour of the Congress Party. There is no doubt that this party-in-power will be returned by a substantial majority in all parts of the country. This will ensure political stability, without which there can be no economic development. The Kashmir problem is doubtless a serious one, but one need not give up hopes of a peaceful solution. The world political situation is steadily improving and the scattered fears of business recession in the U.S. and Europe are receding. Britain is trying hard to improve its economy and safeguard the future of the pound sterling.

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An event of some importance is the decision of the Directors of the Bombay Dyeing and Manufacturing Company, Ltd., to split the face and paid-up value of its shares of Rs. 250 each into those of Rs. 25 each. This means that one share of Rs. 250 will become 10 shares of Rs. 25 each. Since shares of smaller face value have an attraction for small investors, this decision, when implemented, will lead to a wider holding of the Company's share capital, assuming that the present holders will be prepared to part with a portion of their holdings. Such liquidation may not materialise in the near future, unless the market value goes up to a substantially high level. With prospects for the Company being promising, many genuine investors will prefer to stick to their holdings. Accordingly, the increase in the number of shareholders of the Company can only be gradual. All the same, the Directors' decision is a move in the right direction and in consonance with the spirit of the times. It shows that, though the management of the Company is well known for its conservative outlook, it is also progressive at the same time.

The object of popularising the shares among small investors will not fully materialise, unless the Stock Exchange authorities fix the unit of trading at a small figure, say, five.

Another welcome decision taken by the Directors of the Bombay Dyeing is to maintain the return to shareholders at Rs. 25 per share (or 10 per cent.) and to treat the whole of it as dividend. In the past year, the return consisted of a dividend of Rs. 20 per share and a bonus of Rs. 5 per share. Usually, such consolidation is done only when the Directors take the view that the outlook for the Company is favourable enough to maintain the dividend in the coming years. If a conservative and cautious management like that of Bombay Dyeing decides on such consolidation, it means that the outlook for the Company is definitely good.

The share market naturally greeted these two developments pertaining to the leader of the cotton textile section with cheers. Bombay Dyeings, for instance, shot up from Rs. 535-10 (the closing level of the old settlement) to Rs. 581-14 on Tuesday. In the subsequent reaction, they came down to Rs. 577-9, the drop being relatively smaller than in many other counters. Centuries were marked by Rs. 9 over the week to Rs. 474 and Kohinoors by Rs. 5-12 to Rs. 334.

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In distinct contrast to the general trend of the markets, the shares of the Alkali and Chemical Corporation of India Ltd. slumped from Rs. 18-8 to Rs. 13-8 in the last few days, following the announcement of the terms of the Company's rights issue. The Company proposes to issue 2,480,000 'A' ordinary shares of Rs. 10 each at par to the existing shareholders in the ratio of four shares for every one share held by them as on 19th March 1957. The selling pressure in the shares was due to the belief that the terms of the issue were disappointing. It was feared that the issue was rather a heavy one and it might not be possible for the shareholders to take them up in the present state of the money market. There was also a misconception that the issue did not carry renunciation rights.

A careful perusal of the circular to the shareholders, however, shows that the above fears are based on an incorrect understanding of the position. In the first place, of the proposed issue of 2,480,000 shares, Imperial Chemical Industries (India) Ltd., the principal shareholders of the Alkali and Chemical, has agreed to take up its allotment of 1,753,072 shares; the balance to be taken up by the other shareholders is only 726,928 shares. Secondly, though the issue is not being underwritten, there need not be any doubt about its success, as I.C.I. has undertaken to apply and pay for any shares which are not taken up. Thirdly, the members will have the right to renounce their allotment either wholly or in part. Full particulars will, we are told, be given in the 'rights' letter to be issued early in April. Fourthly, the terms of payment for the issue have been conveniently fixed. Thus, a sum of Rs. 5 per share is payable on or before 27th April, a further sum of Rs. 2 8 per share on or before 27th June and the balance within the next three months.

The present paid-up ordinary capital of the Company is Rs. 62 lakhs and with the proposed issue it will become Rs. 3.10 crores. The purpose of the issue is to provide a part of the finance required to implement the Company's scheme to manufacture Polythene in India. The total cost of the scheme is estimated at Rs. 3.93 crores, of which the present issue will provide Rs. 2.48 crores and the balance of Rs. 1.45 crores will be met by borrowings from the Industrial Credit Corporation, banks, etc. The Government of India has given its approval to the project and I.C.I., the inventor of Polythene, has agreed to supply its process and technical know-how on favourable terms.

The new 'A' ordinary shares are expected to qualify for relief under section 56A of the Indian Income-tax Act, and dividends received by companies on these shares will be exempt from super-tax. These shares will not participate in any dividend which may be paid in respect of the year ending 30th September 1957, but will otherwise carry full dividend rights from 1st October 1957 and will rank *pari passu* in other respects with the existing ordinary shares. The Company has maintained the dividend for the year ended 30th September 1956 at 8 per cent. As regards the future dividend prospects, the Chairman, in the circular letter to the shareholders, says:

"The Board have given careful consideration to the profitability of the project. In their view, the return on it will be satisfactory, but it must be realised that the capital invested during the construction period will earn no return. Subject to no unforeseen circumstances occurring and to no material deterioration in trading conditions, it is your Directors' opinion that the Company's profits should be maintained at not less than their present level, but this rate of earnings will have to be related to the old and new capital as from 1st October 1957 until such time as the Polythene plant comes into production when an adequate return will be earned on the new capital invested and profits should rise appreciably."

It will be seen from what is stated above that the prospects of the project are necessarily of a somewhat long-term character. Even so, the magnitude of the fall in the Company's shares does not seem to be justified.

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Although the fifth month of the traditional busy season has just begun, the stringency in short-term money market does not show any signs of relaxation. Interest rates are as high as they were five weeks ago, following the increase in the Reserve Bank's lending rate against Government securities from 3½ to 4 per cent., and the rise in cost of borrowing by banks against usance bills from 3½ to 4 per cent. consequent upon the increase in stamp duty with effect from 1st February last. Though inter-bank call-money is available at 3¾ per cent. per annum, as against 3½ to 3¾ per cent. two weeks back, it is higher than that a year ago, when banks were borrowers at 3¼ per cent. among themselves, with some business passing even at 3¾ per cent. The rise in interest rates has been more marked during the last one year in the case of house money at call and short-term deposits for one to six months, the rates on both having hardened from 3¾ per cent. to 4 per cent. At this time last year, banks paid a slightly higher rate of 3¼ per cent. for deposits of Rs. 5 lakhs and over, but today they are offering 4½ per cent.

It will be interesting to recall that the Government of India's 91-day Treasury Bill rate at this time in 1956 was only a shade better than 2½ per cent per annum. Being unwilling to follow the market trend and borrow at higher rate of interest, the authorities gave up the sales of these Bills after 3rd April 1956. They were, however, quite eager to follow up the market rates in respect of their lending rates. It was on 1st March 1956 that the Reserve Bank stepped up its rate on usance bills, for the first time after the introduction of the bill market scheme, from 3 to 3½ per cent. and abolished the stamp duty concession. This step gave further momentum to the upward trend in interest rates, until the Bank further raised its lending rates this season.

In distinct contrast to this trend in India, interest rates abroad have been tending downwards. In London, for instance, the average rate of discount for 91-day Treasury Bills offered last week was almost 4 per cent. per annum, as against 4.3/20 per cent. a week before and 4 11/20 per cent. two weeks back. Last week's rate was lower than that, namely, 4½ per cent., which prevailed at the tender on 10th February 1956, that is, immediately before the British Bank rate was raised from 4½ per cent. to 5½ per cent. on 16th February. In fact, the rate was the lowest since 5th August 1955. The trend in other interest rates in London is indicated in the following table:

	Latest	A year ago
	Per cent.	Per cent.
Loans:		
Day-to-day	3½—4	3½—4½
Short periods	3½	4½
Bank Bills:		
2 months	4⅝—4½	5⅛—5⅜
3 and 4 months	Do.	Do.
6 months	4⅝—4⅜	5⅜—5½
Fine trade bills:		
3 months	5½—6	6—6½
6 months	5½—6½	6—7

The downward trend in market rates brought about a technical adjustment in the Bank rate from 5½ to 5 per cent. on 7th February this year. This cut was, however, considered by many as quite inadequate, as the fall in market rates had been much sharper. They expected, therefore, a further reduction in Bank rate within the next few months. Whether this expectation will prove correct or not remains to be seen, but it is clear that their hopes have been strengthened by the further fall in Treasury bill rate since the last cut.

The one consequence of this all-round fall in interest rates is that London has again become a competitive centre for international financing. This competitive position has been further reinforced by the tightening of credit conditions in other overseas countries, thanks to official monetary policies and the keen demand for credit. India is an instance in point. The British financial institutions are now in a much better position to compete for business in financing international trade. All these days the external banking activities of British banks suffered very much by the credit squeeze and restrictions on bank lending. The unusually high rates of interest also made the cost of arranging trade finance in London much higher than in many other countries. Another factor which discouraged international traders from arranging credit in London was the restrictions on foreign exchange placed by other countries. There was, therefore, a tendency on the part of traders to arrange for finance in their own home countries and to some extent in other centres where credit was cheaper than in London. An instance in point is provided by Australia, where the shipment of wool to European countries was financed to a greater extent than usual by Australian banks and by a correspondingly small extent by London financial institutions. In India, Exchange banks, which used to get funds to a large extent from their home offices in order to finance the foreign trade of Indian clients, have in the last one or two years been forced to borrow in this country. Thus, their borrowings from the Reserve Bank at the end of January this year stood at about Rs. 36 crores, as against Rs. 10 crores a year ago. Further, many Indian traders preferred to arrange credit in India itself rather than in London. The result was greater pressure on the Indian money market and an increase in the advances and bills of domestic banks.

This does not mean that London lost its prominence as an international centre even when the interest rates were at their peak. For there are many who do not think it fit to give up their business connections with London for the sake of a slight saving in cost, which they feel will be only temporary. Further, the advantages provided by other centres, apart from slightly cheaper credit, have been found to be no better than those available in London.

The position has, however, considerably changed. With the drastic fall in interest rates in London and the rising cost in other centres, the gap between the rates charged in London for international trade financing and those quoted abroad for similar business has considerably narrowed. While it is true that it is still possible to get finance abroad at more favourable rates than in London, the cost of arranging credit in the latter centre is now much cheaper than it was three or four months ago, with the result that the temptation to switch over from London to other centres is much less.

So far as India is concerned, if the present divergent trends in interest rates continue and the disparity in the British and Indian interest rates is reduced further, there is every chance of this country utilising London again to finance its foreign trade. Such a development is to be welcomed, in that it would ease to some extent India's balance of payments difficulties. If this advantage is to be had, the monetary authorities will do well to bring about a further gradual rise in interest rates. In any case, it will be unwise to bring these rates down, if and when a further reduction takes place in the British bank rate.

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The past fortnight has witnessed a spurt in the prices of castor oil. Commercial quality, for instance, is quoted at Rs. 19-12 per quarter, a rise of Rs. 2-11 as compared with 21st February. Oil B.S.S. is also higher by Rs. 2-7 at Rs. 20-10. The firmness in castor oil prices has been aided principally by hopes of good export business with the U.S. There were enquiries from that country at about 17 50 cents (As. 13-4) per lb. The enquiries are expected to gather momentum in the coming weeks. The expectation is based on the ground that the U.S. trade mission, which is now on a visit to India, will help remove some of the handicaps hampering exports of Indian castor oil to the U.S. The problems of export trade in castor oil were discussed in some detail at a meeting of the representatives of the mission

(Continued on page 508)

EQUITIES RULE FIRM

SHARP RISE IN VALUES

(From Our Own Correspondents)

BOMBAY, *7th March*

THE share market ruled firm during the week under review on heavy bear covering and revival of bull support. The old account closed on Friday on a subdued note with a marking down in values from last week's closing levels. The new account, however, opened on a cheerful note and equities staged a sharp jump. The change in sentiment was somewhat unexpected and the bears, who were caught unawares, were forced to cover their sales, so that, on Tuesday, prices touched levels not seen since the first week of February. As the rise was so sudden and sharp in the first two days of the new account, the operators were somewhat reluctant to follow it up. On the other hand, they preferred to consolidate their gains. There was, therefore, a minor reaction in the last two days and closing levels were below the week's best levels.

The main bullish factors which changed the complexion of the market were: (1) the moderate *budla* charges in the last settlement, except in a few counters, such as Indian Irons, Bombay Dyeings and Premier Constructions, (2) the action of the Calcutta Stock Exchange authorities in placing the rights for Indian Iron's new shares on the clearing list along with the old shares, (3) good corporate news from textile mills, (4) the decision of the Directors of Bombay Dyeing to split up the Company's shares of Rs. 250 each into shares of Rs. 25 each, and (5) expectations that there would be no more serious bearish factors till the May Budget.

In the steel section, Tata Ordinaries, after an early dip from Rs. 168-8 to Rs. 166, shot up to a high of Rs. 178-8, from which level there was a reaction to Rs. 175-4 at the close. Indian Irons came up to Rs. 21, after sagging from Rs. 20-1 to Rs. 19-5¼, but the closing was done at Rs. 20-7¼. The Rights gained on balance As. 7 at Rs. 5-9, the highest and lowest levels touched being Rs. 6 and Rs. 4-8, respectively. There were unconfirmed rumours in the market that two institutions in Calcutta had offered to purchase the Right shares not taken up by the other shareholders.

The textile section was in good form under the leadership of Bombay Dyeings, which rallied from Rs. 541-14 to Rs. 581-14 on news of share-splitting and the maintenance of the distribution to shareholders at Rs. 25 per share by consolidating the dividend and bonus parts of it. The higher levels brought profit-taking and the closing was lower at Rs. 577-8. Centurys advanced from Rs. 465 to Rs. 482-8 before closing at Rs. 474. Kohinoors finished with a gain of Rs. 5-12 at Rs. 334, after touching Rs. 338-4. Central Indias moved up by Rs. 3 to Rs. 117, Finlays by Rs. 6-8 to Rs. 307 and Indu Ordinaries by As. 4 to Rs. 10-12. Gokaks were, however, lower at Rs. 219-8. Indore Malwas gathered Rs. 5 to Rs. 140 and Khataus Rs. 5-10 to Rs. 196-4. New Greats were maintained at Rs. 230, while Shree Niwas moved up by Rs. 5 to Rs. 183-12. Simplex moved between Rs. 173-8 and Rs. 180, before closing at Rs. 176. Standards rallied by Rs. 26-14 to Rs. 440. Svadeshis gained Rs. 5 to Rs. 222, Swans Rs. 6-14 to Rs. 410-10 and Tatas Re. 1 to Rs. 51.

Bank shares were steady with a fractional rise in values in selected counters. Central Banks gathered Re. 1 to Rs. 54-4 and their new shares As. 8 to Rs. 57-8. Barodas were a shade better at Rs. 104. Bank of Indias were maintained at Rs. 141 and United Commercials at Rs. 57. Union Banks were done an anna higher at Rs. 7-9.

Electricity shares ruled better with good enquiries. Ahmedabad Electrics improved by As. 15 to Rs. 100-15. Bombay Suburbans were done Re. 1-4 higher at Rs. 111-4 and Surat Electrics As. 10 better at Rs. 113-2. Tata Hydros gained As. 8 to Rs. 122-8 and Tata Powers Rs. 7-8 to Rs. 1,220, while Andhra Valleys were lower by Rs. 3-12 at Rs. 1,200.

In consonance with the general trend, the miscellaneous section displayed a cheerful tone. Sugar shares gathered sizable gains, Belapurs rising from Rs. 228-4 to Rs. 230. Phaltans were done at Rs. 140-8 *ex-div.*, as against Rs. 145-8 *cum-div.* Walchandnagars moved up by Re. 1-4 to Rs. 278-12. Gains in cement shares were less marked. After recording a rise from Rs. 166-8 to Rs. 171, A.C.C. shaded off to Rs. 168. Digvijays moved up by no more than As. 12 to Rs. 146-4. Orissa Cements were up by As. 4 at Rs. 13-3. A sharp upswing from Rs. 253-12 to Rs. 280 in Alcock Ashdowns was the highlight of the engineering section. Premier Constructions scored no more than Rs. 2 over the week, on disappointment caused by the Directors' decision to maintain the dividend at Rs. 8-8 per share for the year ended 31st December 1956. Tata Locomotives hardened from Rs. 141-4 to Rs. 149 before finishing at Rs. 147-8. Larsen and Toubros stood As. 10 higher at Rs. 16-2. In the mining group, Shivrajpurs provided one of the exceptions to the general trend with a drop of Re. 1-4 to Rs. 92-8. Indian Coppers were steady at Rs. 3-6¾ and B.B. Petrols at Rs. 2-11.

Scindias provided an exceptionally firm feature with a jump from Rs. 19-1¾ to Rs. 20-14, but shaded off to close at Rs. 20-9¾. Great Eastern Shippings were marked up from Rs. 17-15 to Rs. 18-14 and India Steamships from Rs. 10-2 to Rs. 10-9. Hindustan Motors were steady at Rs. 7-9, while Premier Automobiles were bid at Rs. 100 *ex-div.*, as against Rs. 102-12 *cum-div.* a week ago.

In the other miscellaneous group, Bombay Burmahs provided a notable exception. On heavy offerings, the old shares slided back from Rs. 673-12 *cum-div.* to Rs. 633-2 *ex-div.* British India Corporations advanced by As. 9½ to Rs. 8. National Rayons came up from Rs. 227-12 to Rs. 241-8, before closing at Rs. 236-8. Tata Chemicals were marked up by Re. 1-0½ to Rs. 16-4½, while Tata Oils were maintained at Rs. 45. Hindustan Levers were keenly bid, following the announcement of the higher final dividend of As. 12, and rose by Re. 1-1 to Rs. 20-9.

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Calcutta Stock Exchange

CALCUTTA, *6th March*

Up to Friday of the week under review the Calcutta Stock Exchange continued to tread on a listless line, and with buyers keeping shy quotations reached further lower levels. Indian Irons slumped by Friday to Rs. 23-10, as against the closing rate of Rs. 24-12 on Tuesday. There was no trading on Wednesday, being *Sivarathri*. However, from Monday onwards there was noticeable improvement in sentiment and, on revival of interest in Indian Irons, prices began to register a healthy recovery.

The recovery followed the timely and noteworthy decision by the Stock Exchange Committee on Monday to include in the clearing list from today all renounced rights of Indian Iron shares from the forthcoming issue. Signs were abundant that the forthcoming rights issue would not be as smooth as per original expectations, in view of the Government's disinclination to permit the Company to declare ordinary dividend at more than 10 per cent. during the expansion period. That being so, the share value had been declining progressively for a few weeks. The present decision of the Committee, according to which shareholders are now enabled to dispose of their rights—one new share for every old share held—at Rs. 5-4 per share, has greatly improved the prospects for the rights issue and, as such, has been hailed by the market. This, in effect, means the issue price of Rs. 13-8 would be paid by the new buyer who would also at the same time pay Rs. 5-4 to the present shareholder if he were unwilling to accept his right.

The market noted with satisfaction the agreement between the plantation industry in South India and its employees, in regard to the implementation of the Appellate Tribunal Award from October last instead of from 1952. Another cheerful news was the recommendation by the Directors of Hindustan Levers proposing a final dividend of As. 12, instead of As. 6 as anticipated originally.

The difficulties facing the colliery owners arising out of the latest award continued to weaken coal shares. Equitables were hammered down to Rs. 23-14 from Rs. 25-4, with Bengals falling to Rs. 440 from Rs. 445. Pench Valleys were quiet at the unchanged rate of Rs. 17, while East Indians were firm at Rs. 26-4. Burrakurs, at one time, had fallen too Rs. 20-12 but, following the subsequent general recovery, regained to Rs. 21-4.

Bombay rumours of a reduction of cloth output in Ahmedabad affected sentiment in textiles, although there were also reports hinting at the possibility of grant of excise duty relief to the industry by the Government. Dunbars changed hands at Rs. 177, as against Rs. 190 previously. Elgin Mills sagged to Rs. 25 from Rs. 26-4.

In line with the general trend, jutes also recorded some recovery since Monday, albeit the poor advices from the commodity market and the growing difficulty to get raw jute from Pakistan. Nationals, at Rs. 19-6, improved by one point. At Rs. 18, Howrahs put on a few annas. Gourepores were unchanged at Rs. 220 and Barnagores had fallen from Rs. 97 to Rs. 94.

In the engineering section, Indian Irons opened at Rs. 25-3 and fell to Rs. 23-13 by Friday last. Since Monday, for reasons already stated, a smart rally to Rs. 26-14 was recorded. Following the declaration of a satisfactory dividend, Braithwaites were difficult to be located. Jessop & Cos. recovered to Rs. 26-8 from Rs. 24-8, to which the rate had fallen earlier. At Rs. 20-4, Texmacos showed a gain of Re. 1-4. Kumardhubis were steady at Rs. 9-12.

Among miscellaneous industrials, Angelo Bros. were lifted to Rs. 21-3 from Rs. 20-8, following the maintenance of dividend of 20 per cent. for 1956 and the announcement of more profits for that year. The improvement in Indian Aluminiums to Rs. 13-10 from Rs. 13-4, followed the announcement of dividend of 10 per cent. for 1956, as against 9 per cent. for the previous year. The news of complete success of the recent issue of 5 per cent. convertible loan stock for Rs. 2.68 crores also aided sentiment. News about an impending rights issue in proportion of four to every share now held drove down Alkali Chemicals to Rs. 13-12 from Rs. 18-4. Sellers predominated in Indian Cables, which were quiet at Rs. 28-1. B.I. Corporations, after being lower at Rs. 7-4, picked up to Rs. 8-4.

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Madras Stock Exchange

MADRAS, *5th March*

After a long spell of dull conditions, the Madras Stock Exchange put on a cheerful appearance during the week under review. Planting shares were particularly buoyant, thanks to the buying spree let lose by optimism over the future of companies, following the out-of-court settlement of the plantation dispute. As a result of the settlement, the planters are greatly relieved from the rigours of the Tribunal's award. The effect of the compromise terms on the cost structure of the plantations is expected to be very much less than that of the award. It is felt that most of the companies, especially the old-established ones, can easily bear the burden of the net addition to the wage bill which, it is calculated, is about one-fourth of what had been given in the award. Now that a settlement has been effected, the plantation industry is expected to develop according to programme.

The favourable terms of the agreement, coupled with the announcement of bonus issues by two well-known plantation companies—Blue Mountain and Waterfall Estates—let loose, as already stated, a buying spree which lifted up the prices quite markedly. In sympathy with planting shares and on rumours of a downward revision in the excise duty on cloth, textiles also evoked some buying inquiries, with prices tending to move up. Sugar and miscellaneous industrials ruled distinctly steady.

Tea shares were greatly in demand and prices scored handsome gains. Haileyburias forged ahead by Rs. 2-4 to Rs. 25-4 and Nonsuch Teas by Rs. 2 to Rs. 24-8. Perksides and Periakaramalais firmed up by Re. 1-2 each to Rs. 17-10 and Rs. 8-14, respectively. Coorg Teas rallied As. 12 to Rs. 12-4. Ouchterlonys advanced by As. 10 to Rs. 5-6 *cum-div.* Nilgiris rose by a like amount to Rs. 10-12. Blue Mountains, Kalasas, Neelamalais and Waterfalls spurted by As. 9 each to Rs. 6-3 *cum-right*, Rs. 14-12, Rs. 6-11 and Rs. 6-9 *cum-right*, respectively. Devasholas moved up by As. 8 to Rs. 2-12 *ex-div.* Chembras hardened by As. 6 to Rs. 4-6. A like sum was added to Peermades which were quoted at Rs. 29-8.

Rubber shares were also keenly sought. Tropicals and Rajagiris strengthened by As. 12 each to Rs. 33 and Rs. 21-12, respectively. Cochin Malabars put on As. 11 to Rs. 10-3. Vaikundams increased by As. 8 to Rs. 32-4. Midlands gathered As. 7 to Rs. 18-7. Kalpettas improved by As. 6 to Rs. 25. Pullangodes were taken As. 3-6 higher at Rs. 2-15-6. Mercaras gained As. 2 to Rs. 9-10 *cum-div.* (final). The Directors of Mercara Rubbers Ltd. have recommended a final dividend of 15 per cent. for the year ended June 1956, making a total of 22 per cent., as against 15 per cent. for the previous year.

Among coffee shares, Consolidated Coffees met with persistent buying inquiries and rallied Rs. 2 to Rs. 23-2. Coffee Lands climbed up by Re. 1-4 to Rs. 25-10. Amalgamateds advanced by As. 10 to Rs. 12-4 *ex-right*. Anaparais spurted by As. 7-6 to Rs. 4-10 *cum-div.* The Directors of the Anaparai Estates Ltd. have recommended a dividend of 25 per cent. for the year ended June 1956, as against 16¾ per cent. for the previous year. Shevroys were taken up by As. 3 at Rs. 2-5. Mysore Coffees gained As. 2 to Rs. 3-10.

In the textile section, Rajalakshmis were well favoured, their quotation moving up by Rs. 7 to Rs. 173. Coimbatore Spinnings recorded a rise of Rs. 5 to Rs. 91. Janardhanas hardened by Rs. 4-8 to Rs. 112 and Ranga Vilas by Rs. 3 to Rs. 89. Loyals increased by Rs. 2 to Rs. 51-8. Buckinghams gathered Re. 1-8 to Rs. 182-8. Maduras gained As. 6 to Rs. 47-10 *cum-div.* Bangalore Woollens were quoted at Rs. 585 *cum-right*, as against Rs. 548-12.

Among miscellaneous industrials Mysore I.T.Ls. picked up As. 4 to Rs. 6-4. India Cements, Mysore Papers, Spencers and Travancore Chemicals improved by As. 2 each to Rs. 28-10, Rs. 16-6, Rs. 16-12 *cum-div.* (final) and Rs. 15-12, respectively. Aluminium Industries gathered an anna to Rs. 15-3 *ex-right cum-div.* (final). F.A.C.Ts. were a shade better at Rs. 6-5. Binnys, however, were dull at Rs. 180 *cum-div.* (final), as against Rs. 180. A final dividend of 6 per cent. has been announced for the year 1956, making a total of 10 per cent., same as last year. Indian Aluminiums were also neglected at Rs. 14-6 *cum-div.* (final), as against Rs. 14-6. The Directors of the Company have recommended a final dividend of 5 per cent. for 1956, making a total of 10 per cent., as against 9 per cent. for 1955.

THE BORREA COAL CO., LTD.

Corrigendum

In our issue dated 16th February 1957, *vide* page 304), the interim dividend on ordinary shares of the Company in respect of the year ended 31st December 1956, without deduction of income-tax paid by the Company, was inadvertently mentioned as 5 per cent. per annum, whereas it should read as 5 per cent.

Notice

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have decided to declare a second Interim Dividend on 11th March 1957 (additional to the Interim Dividend of 2 per cent., free of income-tax, declared on 9th August 1956) in respect of the Company's financial year ending 31st March 1957, of 2 per cent., free of income-tax, payable on or after 28th March 1957 to registered shareholders whose names appear in the Register on 11th March 1957 or to their mandatees.

Transfers received at the Company's Registered Office before 12.30 p.m. on 9th March 1957 will, if in order, be registered in time for the transferees to receive the Dividend.

By Order of the Board,
J. R. BLAIKIE,
Secretary.

VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA, *27th February* 1957.

N.B.—Shareholders should inform the Registrar of any changes in their registered addresses.

NEWS IN BRIEF

THE Tariff Commission has taken up for investigation the question of continuing protection to the sheet glass industry beyond 31st December 1957.

The price of tea, for the purpose of determining the export duty, has been fixed at Rs. 3-6-1 per lb., as against Rs. 3-15 per lb. in force from 1st February. There is no change in the existing rate of export duty of As. 6 per lb.

Letters extending the schedules to the Indo-Polish Trade Agreement signed in April last upto the end of the current calendar year with slight modifications were exchanged by the representatives of the two Governments at New Delhi on the 1st inst.

In order to augment the supply of water to the steel plant at Rourkela, it has been decided to construct a dam across the river Sankh, near the steel project. The dam, which is estimated to cost over Rs. 1.5 crores, will be built by the Hirakud project authorities and is expected to be completed by the middle of next year.

The Union Government has now decided to allow a small quota of 5 per cent. for the import of rough precious stones, unset and imported uncut including rough diamonds, during the first half of the year. The decision is a sequel to the representations made by the indigenous industry engaged in cutting, drilling and polishing precious stones for essential supplies of raw materials.

A Finnish trade and goodwill mission is expected to arrive in India shortly to explore the possibilities of expanding trade between the two countries and study the industrial development in this country under the second Five-year Plan. The delegation will meet the officials of the Planning Commission, the Ministries of Commerce and Consumer Industries and Heavy Industries and also the Federation of Indian Chambers of Commerce and Industry.

The World Bank has announced that the Air India International has arranged to borrow $16.8 million—$11.2 million from five U.S. commercial banks and $5.6 million from the World Bank—to buy three long-range jet passenger planes. The loan is guaranteed by the Government of India and bears 5½ per cent. interest per annum, including the one per cent. commission charged by the Bank. Amortisation will be in four semi-annual instalments beginning 1st April 1965 and ending 1st October 1966.

In view of the general shortage of tyres and tubes in the country, the Government of India has withdrawn the restrictions on the import of certain sizes of tyres and tubes. Accordingly, quota licences granted for January-June 1957, unless otherwise specified, are now valid for import of all or any sizes of tyres and tubes. This exemption is applicable to giant-size tyres and tubes, motor, motorcycle and bicycle tyres and tubes, flaps and solid tyres. Tractor and off-the-road-tyres and tubes are, however, excluded.

The power plant of the Caltex Oil Refinery at Visakhapatnam is now ready, after a series of successful tests in the month of February. The plant is responsible for adequate steam and compressed air supplies for the major units of the Refinery. The plant, the operation of which is a necessary prelude to the overall functioning of the Refinery, has other uses. It treats fresh water for drinking purposes, and houses power pumps such as the emergency fire pump. The power plant also possesses a generator which can serve as a standby in an emergency.

While the Caltex Oil Refinery at Visakhapatnam will use its power plant for specialised purposes, it will derive its chief supplies of electric and water power from the Government Machkund Hydro-electric Scheme and the Gosthani River Project. The Caltex Oil Refinery will be ready by the middle of this year for full operation.

The Government of India has published the Constitution (Distribution of Revenues) Order, 1957, which seeks to allocate the percentage of the net proceeds of the taxes on income to the States. The percentage of the net proceeds which are to be assigned to the States are 55 per cent., and this would be distributed among the States in the following percentages: Andhra 8.01; Assam 2.23; Bihar 9.31; Bombay 18.91; Kerala 3.60; Madhya Pradesh 5.09; Madras 7.95; Mysore 5.93; Orissa 3.46; Punjab 3.96; Rajasthan 3.47; Uttar Pradesh 15.59; West Bengal 11.48; and Jammu and Kashmir 1.01. The Order allocates the shares of each State to be charged on the Consolidated Fund of India as grants-in-aid as under (in lakhs of rupees): Andhra 24; Assam 100; Bihar 80; Bombay 130; Kerala 41; Madhya Pradesh 251; Madras 5; Mysore 46; Orissa 107; Punjab 163; Rajasthan 115; West Bengal 83; and Jammu and Kashmir 175.

Two additional courses, namely, Petroleum Technology and Applied Geophysics, are proposed to be introduced in the Indian School of Mines and Applied Geology, Dhanbad, from July 1957. The number of admissions of students has already been doubled to 110 (90 in mining and 20 in geology) from July 1956, in view of the pressing demand for technical personnel during the second Plan period. A sum of Rs. 122 lakhs has been allocated in the second Plan for the expansion of the School. Equipment necessary for the two additional courses is being obtained under the Technical Co-operation Assistance Aid Programme from the U.S.A. The services of two American experts under Point Four Programme for the School are also likely to be secured. Foreign experts who visited India, both from Russia and America recently, were impressed by the School of Mines and had commended the standard and curricula of education at the School. The introduction of the new courses was recommended by these experts who had also advised a larger intake for the School.

* * * *

From Abroad

Negotiations for extending the European Payments Union and expected to start shortly in Paris.

Ceylon had a favourable trade balance of Rs. 9.65 crores in 1956, as compared with Rs. 47.93 crores in 1955.

Pakistan has set up an Economic Committee, with a Supreme Court judge as its Chairman, to study measures for cutting expenditure on administration.

Yugoslavia has concluded a trade agreement with the Soviet Union which provides for exchange of goods between the two countries. Under the terms of the agreement, Yugoslavia will get an increased credit of £1,786,000 for the purchase of Soviet industrial and agricultural equipment.

The Australian Government has authorised a further easing of import restrictions on a larger number of goods, the most important category being crude, waste and masticated rubber. Special licences of 100 per cent. will be granted for this form of rubber and numerous goods, in order to allow business to increase stocks which are now at a low level.

The National Bank of Brazil has new regulations aimed at preventing triangular deals in Brazilian exports to be paid for in inconvertible currencies or clearing dollars. Licences will not be granted where these exports are to cross or be transhipped to third countries, unless the country of destination has no ports. In that case, letters of credit will have to stipulate the shipment route in detail.

World wheat production for the current crop year (1956-57), according to the U.N. Food and Agricultural Organisation, is likely to be about 121 million metric tons, about 2 million tons below the 1955-56 production. In the U.S. and Canada, the two major producers and stock-holders' recent efforts to cut production have been defeated by high yields. With present stocks of 28 million tons, supplies for 1956-57 would reach the all-time record of 55.1 million tons.

The Ceylon Government proposes to invite an official trade mission from India shortly to negotiate a fresh Indo-Ceylon tobacco trade agreement. The existing five-year trade agreement between the two countries is due to expire in August next. The present pact provides for an annual export to India of 2,500 candies of raw Ceylon tobacco. This represents the bulk of Ceylon's production. In exchange for raw tobacco, Ceylon imports Indian-grown tobacco used in the manufacture of *bidis* and cigars.

PERSONAL

MR. Ellsworth Bunker, United States Ambassador to India, presented his credentials to the Union President on Monday this week.

Mr. Murarji J. Vaidya, Mr. M. A. Master, Mr. Ramdas Kilachand, Mr. Babubhai M. Chinai and Mr. Ramnath A. Podar have been co-opted on the Committee of the Indian Merchants' Chamber for 1957.

Mr. H. L. Murray, Managing Director of Mackinnon Mackenzie and Company (Private) Ltd., has been elected Vice-President of the Bombay Chamber of Commerce and Industry for the year 1957-58.

Mr. H. V. R. Iengar, I.C.S., took over charge as the Governor of the Reserve Bank of India on Friday last week. On the same day, Mr. P. C. Bhattacharya assumed the chairmanship of the State Bank of India.

Mr. J. F. Sinclair, until recently General Manager of Burmah-Shell in India and Chairman of the Burmah-Shell Refineries Ltd., left for the U.K. on Thursday last week, to take up a senior appointment with the Shell group of companies in the U.K.

Mr. L. D. Mudie has succeeded Mr. Sinclair as the General Manager of Burmah-Shell.

Mr. E. A. Jenkins, Anchor Line Ltd., and Mr. S. M. Scott, Burmah-Shell Oil Storage and Distributing Co. of India Ltd., have been elected to serve as the representatives of the Bombay Chamber of Commerce and Industry on the Board of Trustees of the Port of Bombay for a period of two years from 1st April 1957.

Mr. K. Ramachandran, who was Additional Member (Mechanical), Railway Board, has taken over as General Manager of the Chittaranjan Locomotive Works *vice* Mr. Karnail Singh who has joined the Railway Board as a Member (Engineering). Mr. Ramachandran has been succeeded by Mr. E. W. Isaacs, ex-Chief Mechanical Engineer, Chittaranjan Locomotive Works.

Dr. C. E. Salkeld, of Messrs. Imperial Chemical Industries (India) Private Ltd., has been elected Chairman of the Bombay Section of the Textile Institute, Manchester, for 1957. Mr. J. G. Parikh of the Silk and Art Silk Mills' Research Association has been elected Honorary Secretary. The other members of the Committee are: Dr. C. Nanjundayya, Prof. R. K. Mody, Mr. N. V. Ullal, Mr. J. J. Master, Mr. R. M. Khatau and Mr. D. P. Ketkar.

A proposal for a "World Coffee Council" to include producers all over the world is currently being discussed by the Pan American Coffee Bureau, an organisation of Western Hemisphere coffee producing and manufacturing countries. Under the proposal, African, Asian and adjacent coffee-producing countries would be invited to join in forming the the World Coffee Council. They also would be expected to contribute to the promotional activities of the type now being conducted by the Pan American Coffee Bureau and in new joint activities initiated in the future. Proposed international coffee marketing agreements would be deferred until the new council was formed.

CENTRAL AND WESTERN RAILWAYS

IMPORTANT NOTICE

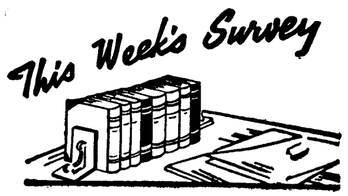
With effect from March 1, 1957, the following sections of the Central Railway will be transferred to the Western Railway for the purposes of administrative control.

(i) Bhopal (exclusive)—Ujjain
(ii) Bina (exclusive)—Kotah
(iii) Ujjain—Agar

The existing procedure for calculating distances, fares, rates, etc., for traffic from and to stations on these sections will, however, continue both in local and through booking.

All enquiries or claims in respect of passengers, luggage, parcels and goods traffic dealt with at any of the stations on these sections which were so far being addressed to the Chief Commercial Superintendent, Central Railway, Bombay, V.T., or Superintendent of Claims, Central Railway, Byculla, Bombay, should be addressed to them in respect of traffic dealt with upto and inclusive of 28th February 1957 only.

In respect of traffic dealt with thereafter (i.e., after 28th February, 1957), such references should be addressed to the Chief Commercial Superintendent, Western Railway, Churchgate, Bombay.



INDO-U.S. TRADE

ON a visit to India now is a six-member trade mission from the U.S. The mission is headed by Mr. F. Preston Forbes, Director of the U.S. International Trade Development Division, and consists of three prominent business men and two Government experts on foreign trade. The main object of its visit is to pave, through discussions at open meetings and private consultations with Government officials and as many individual business men as possible, the way for greater two-way trade between India and the U.S. The mission which arrived in New Delhi on 25th February last is expected to stay in the country for three more weeks. It is at present in Bombay and will return to the U.S. after perambulating through Hyderabad, Coimbatore, Madras, Visakhapatnam, Calcutta, Patna and Kanpur.

Much significance attaches to the visit of the U.S. trade mission to India. The U.S., as readers are aware, is one of the biggest buyers of Indian goods. Thus, in every rupee's worth of commodities sent out of this country, the share of the U.S. alone comes to nearly As. 2-6. The total value of exports to the U.S. during the year 1955-56 amounted to over Rs. 87 crores, which represents 14.7 per cent. of the aggregate exports of Rs. 591 crores. The chief items of exports were the following:

	Quantity	Value (Rs. crores)
Gunny cloth (tons)	173,259	28.87
Tea (million lbs.)	25.44	6.78
Manganese ore (tons)	321,259	4.05
Mica (cwts.)	114,344	3.61
Pepper (cwts.)	132,264	2.31

The U.S. is also one of the largest suppliers of articles to India. Thus, out of the aggregate imports into India valued at Rs. 650 crores in 1955-56, the U.S. alone accounted for more than Rs. 89 crores, or 13.7 per cent. of the total. Among the chief items of imports were machinery and mill-work Rs. 16.54 crores; steel sheets and plates Rs. 6.93 crores (88,718 tons); vehicles (excluding locomotives, etc., for railways) Rs. 5.88 crores (9,461); lubricating oils, motor spirit and kerosene Rs. 4.49 crores (Rs. 24.86 million gallons); copper Rs. 2.27 crores (97,402 cwts); drugs and medicines Rs. 2.30 crores; and chemicals and chemical preparations Rs. 1.91 crores.

The need for augmenting trade between India and the U.S. is of utmost importance especially in the present context when India has launched upon a giant programme of industrialisation. In fulfilling this programme, the technically and industrially advanced U.S. can be of immense benefit. The U.S. trade mission will do well to recognise this aspect fully. It should, while exploring the possibilities of expanding the trade between the two countries, examine the extent to which the U.S. can help India in its programme of industrialisation by investing a part of its large savings in this country and by supplying capital goods on a long-term credit basis. How valuable such assistance is to India will be evident from the history of U.S. economic development and from the tight foreign exchange position that India is experiencing at present.

The U.S. trade mission should also examine the ways and means of augmenting U.S. purchases of Indian goods. It will be recalled that, under the current import policy, restrictions on imports from the dollar area have been greatly reduced and the Indian market for American goods has expanded. It is obvious, therefore, that greater stress must be laid on improving India's export trade with the U.S. Apart from the main items of export like jute goods, tea, pepper and cashewnuts, there is great scope for raising exports of commodities such as silk and silk manufactures, handloom fabrics, handicrafts, and manganese and chrome ores. One of the stumbling blocks in the way of India's export trade with the U.S. has all along been the high tariff wall maintained by the U.S. and the complicated system of tariff laws and customs procedure. It would be in the interest of Indo-U.S. trade, indeed, in that of world trade, if the U.S. were to effect appropriate tariff concessions and simplification of tariff laws and customs procedure. The U.S. trade mission should examine the question from this angle and put forward, after its return home, concrete suggestions to the U.S. Government for reducing the handicap.

There may be a number of difficulties in the way of exports to the U.S. on the Indian side. While it is primarily the duty of business men and the Administration of this country to discover and remove them, the mission will be doing a real service to India by giving its views on this question to the concerned interests. The mission can also tell the Government of India candidly what it thinks of the climate in India for investment of foreign capital, particularly American capital, and the ways in which the climate can be made more favourable for achieving satisfactory results. Since the mission is not concerned with any specific deal or project, it is eminently qualified to express its views generally on the most favourable conditions under which American capital and technical know-how can be obtained for giving real momentum to India's plans for economic advancement.

While on the subject of export promotion, to the U.S. in particular, it is quite pertinent to draw attention to the difficulty caused in the administration of export duty on manganese, an article of great importance in exports to the U.S. and one in which many competitors are springing up in the northern hemisphere. It will be recalled that, on 3rd September 1956, the Government re-imposed the export duty on manganese at rates varying from Rs. 10 to Rs. 30 per ton with a manganese content of over 38 per cent. and with varying scales independent of the manganese content. The difficulty referred to is described by Mr. R. Maulik, Chairman, Indian Mining Association, as follows:

"One unfortunate point about this duty is that the Government machinery is ill-equipped to impose such a duty, as the Collector of Customs has not an adequate qualified staff, nor the laboratory facilities to carry out the necessary analyses. He is also unwilling, or not prepared, to accept the results of qualified, world-renowned analysts, but insists on independent sampling by his own organisation. To do this work efficiently, his organisation would have to be capable of doing the full amount of such work now carried out by all of the local analysts. I have just heard of cases where the Customs authorities have now informed shippers that they must pay an increased rate of duty on parcels which were shipped five months ago and which have reached their destination *via* the Cape, and have probably now been used in the manufacture of steel and, for all I know, may be on the way to India in the form of machinery. Under the sales contracts, the sellers will ask the foreign buyers to pay this additional duty—a request which cannot enhance India's reputation in the world's metal markets."

The complaint of Mr. Maulik sounds genuine and quite reasonable. In its anxiety to earn revenue, the Government should be careful enough not to kill the goose that lays golden eggs. Having imposed the export duty on this foreign exchange earner, it owes a duty to the public to keep a vigilant eye on the trend of prices and promptly reduce or remove the duty once prices fall, as they invariably do after some time. Further, now that several competitors are coming up in the world manganese trade, the Government should be careful not to repeat the blunder it made in the jute goods export trade. It should not be forgotten that any prolonged impediment placed in the way of exports of products amounts to a protective umbrella to the competitor and will ultimately result in a substantial reduction, if not total loss, of export markets.

AUSTRALIAN TRADE MISSION

The arrival of the Australian trade mission, the first of its kind to visit India from that country, on the 23rd inst., is awaited with considerable interest by importers, exporters and manufacturers in India. For, it is generally believed that the forthcoming visit of the delegation will be instrumental in bringing about a much larger flow of trade between the two countries. Although Australia currently stands fourth in the list of India's customers and India accounts for about four per cent. of that country's exports, it is realised that there is scope for a larger volume of mutually beneficial trade between the two countries. That the Australian Government attaches much importance to the development of trade with India is evident from the fact that the proposed mission will be one of the largest ever sent out by that country and will represent a good cross-section of the Australian business world. Among those sending delegates are refrigeration and air-conditioning engineers, manufacturers of plastics, automotive spare parts manufacturers, telecommunication engineers and wool top suppliers. One of the largest ferrous and non-ferrous foundries in Australia is also sending its representative. Import and export companies and at least five leading banks are included in the list. So far 21 representatives of Australian firms have joined the mission and more are expected to join before the party leaves for India.

The object of the mission is twofold—primarily to develop trade between the two countries and, at the same time, to enable manufacturers in India to appreciate better Australia's industrial resources. Since India's second Plan involves a large outlay on industries, on Government as well as private account, it is clear that there will be demand for many types of industrial goods and raw materials which Australia can supply. India has currently a favourable trade balance with Australia and this trend was in evidence during the past five years, excepting 1952-53. In 1955-56, India's total exports to Australia was valued at Rs. 24.8 crores, as against imports valued at Rs. 13.46 crores. India has long been an important supplier of raw materials as well as manufactured goods to Australia. Australian trade statistics for the 12 months ended June 1956 show that India was the fifth most important supplier of goods to that country, accounting for 2.9 per cent. of its total imports. Among the major items supplied by India are vegetable oils and fats, unmanufactured fibres and jute bags and sacks for the agricultural and pastoral industries, tea, linseed oil, cotton waste, etc. In 1955-56 Australia imported from India tea, corn and flour sacks, wool packs, jute piecegoods and cotton piecegoods valued at Rs 1.41 crores, Rs. 7.95 crores, Rs. 1.78 crores, Rs. 2.61 crores and Rs. 2.81 crores, respectively. Australia's exports to India are principally wheat, zinc bars, blocks and ingots, processed milk, wool machinery, etc. The levels of exports to India have generally fluctuated in the past in the same direction as the value of wheat shipments.

It may be observed, in this connection, that neither country accords tariff preference to the other. But both are signatories of the General Agreement on Tariffs and Trade and have exchanged tariff concessions with each other during the negotiations in Geneva in 1947.

The attention of the visiting mission will not be concentrated solely on selling Australian products. It will also explore the possibility of expanding exports of Indian products to Australia. With this object in view, every effort will be made by the delegation to get in touch with as many interested parties here as possible. Expressing the keen interest of Australia in the development projects undertaken by India, Mr. John McEwen, Australian Minister for Trade, observed recently: "The forthcoming trade mission to India will enable Australian manufacturers and exporters to take a close and practical interest in India's modern industrial revolution." In choosing the members of the mission, the Australian Government has paid particular attention to India's needs under the second Plan and to ensure that they will be able to offer technical "know-how," besides goods and equipment. Although of recent origin, Australia has a well developed industrial structure and the research and development work in many industries has been aimed at meeting the needs of manufacturers faced with problems similar to those encountered in India today. It is to be hoped that the mission's visit will lead to closer Indo-Australian economic relations.

EUROPEAN COMMON MARKET

Concluding our survey on the new arrangement of the Messina countries to widen the scope of the proposed European Common Market to include the French and Belgian territories in Africa, we observed in these columns last week that there was room for doubt whether the formation of an effectively integrated market such as that was a feasible proposition. That this doubt is a very genuine one will be evident from the immediate reactions of Britain, one of the important participants in the proposed free trade area, to the decisions arrived at by the Prime Ministers of the Messina countries at Paris on 20th February last. Replying to questions in the House of Commons the other day, Mr. Thorneycroft, Chancellor of the Exchequer, for instance, declared that the new arrangement providing for the linking of the customs-free Common Market with the French and Belgian territories in Africa "would appear to contravene the international obligations of the G.A.T.T., and it would be necessary, in any event, to put it before that body." Mr. Thorneycroft, of course, pointed out that Britain could not prevent countries on the Continent coming to arrangements among themselves. But he hastened to add that his Government did not regard these matters as ones to be simply settled either in London or in Europe; the Governors of the Colonies would have to be consulted.

While it will be interesting to watch the attitude of both the O.E.E.C. and the G.A.T.T. to the new arrangement agreed to by the Messina countries, the scheme is expected to evoke severe criticism from the dependent territories of France and Belgium themselves. The International Federation of Free Trade Unions—this body represents 55 million trade unionists throughout the Western world—has already urged the Governments of the Messina countries to consult the peoples of overseas territories before incorporating them in the Common Market. In the course of what is called "the prior consultation manifesto" issued from its Brussels headquarters, the Federation makes it clear that the time has passed when the Governments of the metropolitan countries could come together and unilaterally decide the fate of dependent territories without asking African opinion. To quote it: ". . . the association of these territories shall not be visualised in such a way as to hamper their political evolution and the human aspirations of their populations . . . any association of overseas territories with the Common Market shall be based on the principle of freely-accepted co-operation on the part of all participating countries and territories."

The foregoing brief account will indicate that the arrangements now agreed among the Messina countries "opens up at least as many problems as it solves." And the task of solving these problems is by no means an easy one. In fact, it is a stupendous one. This is so, because the very nature of the Common Market project is avowedly political. Considering the growing political consciousness among the dependent territories of metropolitan countries, the question arises as to whether these territories will agree to subject themselves to the regulations and controls under the proposed Common Market. Even assuming that the problems facing the Common Market are solved and that the Market will come into existence, the difficulty of combining this Market with the proposed free trade area will be insurmountable.

Be that as it may, the establishment of the European Common Market will have wide repercussions on the trade of the countries outside Europe, especially the predominantly raw material-producing countries of Asia. When the Common Market begins to operate, the competition which now exists among the countries of Europe to secure supplies of raw materials and other goods from the Asian countries will be done away with. In other words, this means that the prices of Asian exports will be determined not by the suppliers but by the Common Market countries collectively. Similarly, the latter countries will be in a better position to dictate the prices and terms of sales of machinery and equipment made by them to Asian countries.

WORLD SHIPBUILDING

As the wheels of industrial progress roll on throughout the world, Britain finds, to its great disappointment, all its titles to greatness falling off one by one. That country *once* used to be the richest in the world, the workshop of the world, the world's banker, the world's shipbuilder, etc. But now the former manufacturer for the world finds it hard to maintain its competitive position in the face of more enterprising and ingenious rivals. London, which at one time was the nerve-centre of international finance, now finds itself terribly short of funds. Far from being the richest country in the world, Britain is now struggling, under the crushing burden of heavy defence spending, to make both ends meet. And the latest addition to the already long list of forfeited titles of greatness is "the world's shipbuilder." It must, however, be acknowledged that undeterred by these adverse developments, Britain is making a gallant attempt to retain its position. Although it might have turned out to be a little "backward" in some of the traditional fields of industry, it has gone ahead of every other country (not excluding the U.S.A.) in the new realm of nuclear power generation and its peaceful application to industry. For instance, in the production of nuclear power plants and isotopes, it is in the forefront of all other nations. It has also established a great lead in the manufacture of aircraft. Again, Britain is planning to build shortly atom-powered ships which, when accomplished, will open up a new chapter in world shipbuilding and restore to the U.K. its former pre-eminent position.

(*Continued on page 507*)

THE ALUMINIUM INDUSTRIES LIMITED, KUNDARA

(*Incorporated in Travancore State with Limited Liability*)

ANNOUNCEMENT TO SHAREHOLDERS

PURSUANT to the resolution passed by the Directors at their Meeting held on the 27th February 1957, we have pleasure in announcing Interim Dividend at 6¼ per cent. (on account of the next final dividend for the year ending 31st March 1957) on all shares of the Company.

Payment will be made during the third week of March 1957 to the Shareholders whose names are on the Register of the Company on the 14th March 1957.

The Share Transfer Books of the Company will be closed from 15th March 1957 to 17th March 1957 (both days inclusive).

By Order of the Board,
SESHASAYEE BROTHERS (TRAVANCORE) PRIVATE LTD.,
Managing Agents.

KUNDARA, 27*th February* 1957.

A motor oil so good it cuts petrol consumption up to 15%

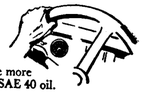
CALTEX RPM 20-40 SPECIAL WORKS FOR YOU LIKE THIS



when you start your car
you need the performance of a 20 oil
Every time you start, your engine needs a light, quick-lubricating 20 oil. Bearings are then instantly protected, petrol is not wasted overcoming friction caused by a heavier oil, excess power is not drained from the battery.



ten minutes later
you need the performance of a 30 oil
As your engine warms up it needs a SAE 30 oil—an oil with more "body" to resist the increase in engine temperature. At this stage, a lighter 20 oil would not give complete protection or maximum performance, a SAE 40 oil would be too heavy.



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AND SEE HOW SHE GOES!

A PROVOCATIVE THESIS BY PROF. MYRDAL

SOCIALIST TREND IN ASIA WELCOMED

From Our Own Correspondent

NEW DELHI, *5th March*

DELHI LETTER

THE Delhi School of Economics, directed by Dr. V. K. R. V. Rao, celebrated its Foundation Day in the last week of February. The occasion was highlighted by a provocative thesis presented by Prof. Gunnar Myrdal, Executive Secretary of the U.N. Economic Commission for Europe. In an address concerned with the problems of economic integration, with particular reference to underdeveloped countries, Prof. Myrdal started with the proposition that, on the whole, only the already industrialised countries are industrialising further. On the average, economic development in the underdeveloped countries (in which more than two-thirds of the people in the non-Soviet world live) has in the last century been, and is today, slower and more hesitant. The income gap between the richer and the poorer countries has therefore been widening.

The richer countries have also reached the stage at which further economic progress has become an almost automatic thing. This phenomenon, Prof. Myrdal explained, is the result of a rapid movement towards economic integration in recent decades. This integration, in its turn, has meant that no localities and regions and no occupational groups or social classes are now allowed to fall far behind what is becoming general standard in the country as a whole. In the cumulative social process, economic development, equalisation of opportunities and political democracy are interrelated by circular causation, each one being each other's both cause and effect.

Economic Integration

In the underdeveloped countries, Prof. Myrdal continued, the lack of economic integration is also the social result of generations of economic stagnation. Planning of economic development in an underdeveloped country has, therefore, to be directed towards such integration. This, according to Prof. Myrdal, is just as important as any amount of capital investment. The underdeveloped countries have also very good reasons, which the richer countries do not have, for applying nationalistic economic policies. Prof. Myrdal argued here for the rationality of a "double standard morality" under which the underdeveloped countries have rational grounds for asking the developed countries to liberalise their trade and capital movements unilaterally. They (the underdeveloped countries) need to be staunch free traders, and even preserve for themselves the right to give export subsidies, so far as the advanced countries' imports from them are concerned, but restrictionists in respect of their own imports.

Prof. Myrdal's related plea was that, besides national integration, the underdeveloped countries should strive more diligently for regional economic integration. There is, for instance, almost no practical economic co-operation in South-East Asia. The underdeveloped countries, Prof. Myrdal made clear, would need much more than do the developed regions, neighbourhood co-operation, agreed specialisation in industrialisation and, indeed, "free trade areas" for themselves behind common protective walls.

Socialism in Asia

While Prof. Myrdal has not specifically described planned economic development in underdeveloped countries as "socialistic," Mr. Julius Braunthal, a former General Secretary of the Socialist International, has, at a Press Conference here, welcomed the socialist trend in Asia as the surest means of achieving prosperity and the soundest deterrent to the spread of communism. He thought that concentration of resources on agricultural development (which, of course, is as important as industrial development in underdeveloped countries) is not conducive to the speeding up of the rate of capital formation for swift industrialisation. Thus, Mr. Braunthal opined, industrial development in Asiatic countries would have to be dependent on the influx of foreign capital. The socialist leader has not paused to explain how foreign capital can be attracted to a country devoted to noisy socialist planning. Will the political potentialities of socialism as a deterrent to Soviet-style communism be sufficient to attract foreign capital?

Machine Tools

It is just possible that socialist planning in India, at any rate, may be moderate enough to attract foreign capital. Much, of course, would depend on the fair treatment meted out to it. The latest example of such fair treatment is provided by the new agreement between the Government of India and the Swiss firm of consultants for the Hindustan Machine Tools Company in the public sector. The new agreement terminates the financial partnership of the Swiss firm with the Government in the management of the Bangalore factory. The Swiss firm will now transfer the shares, valued at Rs. 30 lakhs, held by it, on receiving from the Government the value of those shares together with interest thereon from the date of investment. In lieu of the firm's surrender of its right to have 5 per cent. free shares and in consideration of the transfer of its licence to manufacture machine tools to the Hindustan Machine Tools (Private) Ltd., a net sum of Rs. 12½ lakhs will be given to it before the end of June 1957. The Swiss firm is also to sign two separate agreements with the Hindustan Machine Tools—one providing for its technical collaboration in the manufacture of or research into machine tools and the other providing for the transfer of the full licence authority and the right to sell 8½-inch highspeed centre lathes throughout India, Burma, Ceylon and Pakistan.

Under the second agreement, the Bangalore company will give the Swiss firm a royalty on actual sales, the percentage of which will become less in successive five-year periods. The three agreements are bound to reflect creditably on the practice of Government's policy towards foreign capital and to impress visiting trade missions from abroad. Following last year's settlement of fair compensation for the nationalised Kolar Gold Mines, it may be recalled, there has come about a trend, albeit slow, in favour of possible foreign investment on an increased scale.

Heavy Engineering

It is expected here that British industrial interests may well co-operate in the implementation of the U.K. Heavy Engineering Mission's Report. This is not improbable, because the Mission was, in part, sponsored by the Federation of British Industries and their recommendations to the Government of India appear to be more realistic and practical than those of the Soviet experts. The U.K. mission has recommended the establishment, *at this stage*, of four heavy machinery manufacturing plants, each estimated to involve a capital cost of less than Rs. 5 crores. The estimated capital costs do not include working capital, site purchase and housing for labour. The four plants are to produce heavy sections for the structural engineering industry; to manufacture storage tanks, blast furnaces and pressure vessels for major chemical plants and steel works; to do machine jobbing on heavy castings and forgings; and to manufacture big machine tools such as vertical borers. These plants are to supplement the N.I.D.C.'s project for heavy castings and forgings. The Soviet mission's report (recommending a foundry forge and a heavy machinery manufacturing plant at a total cost of Rs. 94 crores in two stages) and the British mission's report have just been referred to a technical committee for examination. Incidentally, the Tata project (in the private sector) for a foundry for heavy castings is scheduled to be completed early next year. It is feared that there might arise a further transport bottleneck on the score of possible heavy machinery manufacturing plants, in view of the fact that the Railway Plan has not taken into account the requirements of such plants. However, the British project seems to be modest enough for execution in the second Plan period, particularly because the foreign exchange content of the Russian project is about half its total cost.

The British mission has also recommended the setting up of a specialised factory for making coal-mining machinery at an estimated cost of Rs. 3 crores. A Russian team of experts has, on the other hand, recommended the setting up of a plant for making coal-mining equipment at an estimated capital cost of Rs. 13.2 crores. It is stated on behalf of the Government that the Russian team has taken into account the requirements of the public and private sectors in fulfilling coal targets in the next 15 years.

State Trading

The U.S. Trade Mission has had a busy time here, discussing possibilities of increased Indo-American trade with the representatives of the Ministry of Commerce and Consumer Industries and of the Finance and Heavy Industries Ministries. In particular, the officials of the Commerce Ministry assured the U.S. Mission that the State Trading Corporation could enter into long-term contracts, at steady prices, for export of manganese ore. The American ships bringing foodgrains and cotton from the United States would also be available for carrying the ores from India.

That the possible export of ores by the State Trading Corporation on an increasing scale is figuring prominently in the Commerce Ministry's negotiations with foreign delegations, is also learnt from some Japanese representatives of steel mills who are here. They have, I learn, concluded a deal for the purchase of 1.3 million tons of iron ore for shipment, during the period 1st April 1957, to 31st March 1958, on f.o.b. basis. Although the Government of India has been pressing the Japanese representatives to enter into a long-term contract for the purchase of 7.5 million tons (including the above 1.3 million tons) of iron and manganese ores, the latter are reluctant to come to any such agreement in view of possible future price fluctuations. It is rather incomprehensible why the State Trading Corporation is not making necessary arrangements to ship the commodities sold by it by acquiring the required tonnage. It is known in this connection that, from May to December 1956, the State Trading Corporation sold for export goods worth about Rs. 10.7 crores on f.o.b. basis. The anomaly of the whole situation is that the State Trading Corporation, which has entered the sphere of foreign trade in a massive way to the detriment of private exporters and importers, has not considered it necessary to enable India to earn a part at least of the freight on exports and imports.

Brevities

A Finnish trade delegation, consisting of leading industrialists of Finland, will come to Delhi on 17th March. Early in April, the West German trade mission will arrive here; this mission is likely to show particular interest in the National Industrial Development Corporation's foundry-forge project and in the heavy machine-tools, fertilisers, intermediary dyestuffs and wagon building industries. An Australian trade mission, led by the President of the New South Wales Chamber of Manufacturers and including 30 representatives of industry, commerce, banking and the Wheat and Dairy Boards in Australia, is scheduled to arrive here on 19th April 1957.

* * * *

The Government of India has just announced the names of members of two delegations which are leaving this month for Bangkok to attend the E.C.A.F.E. session. One delegation led by Mr. K. B. Lall, Joint Secretary, Ministry of Commerce and Consumer Industries, will be to the session of the E.C.A.F.E. Committee on Trade and Industry. This session is to begin on 7th March 1957. The main delegation to the E.C.A.F.E. session, beginning on 18th March, will be led by Mr. D. P. Karmarkar, Union Minister for Trade.

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AMERICAN LETTER

IMPATIENCE OVER TARDINESS IN SOLVING SUEZ PROBLEM

CUT IN SOME BUSINESS EXPANSION PLANS REPORTED

From Our Special Correspondent

NEW YORK, *21st February*

THE Middle East is the focal point of attention in the United States at the present time. President Eisenhower found it necessary to make a television and radio address to the country to support at least a reprimand to Israel by the United Nations for not withdrawing from the Gaza strip and other territories.

This supports the views expressed by Secretary of State, Dulles, but it does not make much sense to a wide sector of public opinion here. Editorials of newspapers of various shades of opinion draw attention to the fact that fighting in the Middle East has been going on for some time. Many nations have been aggressors and if one is to be singled out, the others should be, too. Such an opinion was forcefully expressed by Senator Knowland. He strongly opposed bringing pressure on Israel and not on others.

What the final outcome of this problem will be, remains to be seen. The President spoke of the danger of an outbreak of war. In the background is the attitude of Egypt which does not seem conducive to expediting the clearing of the Suez Canal. The plea of the principal maritime nations to find some way out, does not appear to have fallen on responsive ears at Cairo. Meanwhile the Egyptian Exchequer must be suffering quite badly from lack of receipts of Canal tolls. That does not make very much sense either, but the facts remain just the same.

The fuel crisis remains too. Oil company officials say that 80 per cent. of the oil shipments to bring European industry to a pre-crisis par, are actually being delivered. Thus, the resultant hardships are not too great despite the severity of the winter both here and on the Continent. Because of the relative scarcity, petroleum executies defend the increase in oil prices as justified. They have come under attack recently by politicians.

Suez Problem

There is growing impatience here over the tardiness with which the Suez Canal problem is being tackled by the affected nations in the East. It could just barely be that some way may be found to expedite shipments without using this waterway. Similar emergency measures were found during the war. The losers in such case would certainly be mainly the peoples of the Middle East.

Another problem which is receiving much attention here is that of a common marketing area for Europe. Government officials of six European nations met at Paris recently to arrive at a framework for such a new organisation which would scrap all customs' barriers among them and equalise their duties for foreign goods.

There is much apprehension among commodity growing countries, such as Canada, that a common European market may cut deeply into the exports of such raw materials as wheat on which the Dominion depends for a livelihood. Wheat growing, transportation and handling employs a substantial portion of the Canadian population. It may be noted that, dollar-wise, uranium is catching up fast with the importance of wheat, but not population-wise.

Initial reports on the European common market meetings in Paris were somewhat reassuring to the trading community here. For the time being, agricultural produce is not going to be included in the trading area. There remain several uncertainties, however. One is the definition of an agricultural commodity as against an industrial product. Vegetable oils, for example, may be both. All depends on the official classification.

Other complications which have yet to be ironed out, in the opinion of informed quarters here, include the demand of France to include overseas territories in the new arrangement. The plan is approved by Belgium, but opposed by Germany. As the French Foreign Minister told the United Nations the other day, Paris considers Algeria and other North African territories part of continental France.

For this and other reasons, it is suggested that a mutual investment fund be established by the participating nations of the trade area to further industrial projects and social welfare. While Germany would, thus, get access to African products, Bonn seems to object to the scheme. Being part of such arrangement, the Germans argue, might place them, in the eyes of the world, in the light of being another "colonial" power and they want to avoid that. This is the best interpretation here.

Common Market

No immediate developments can be expected, although the common market project is being pushed just as much as "Euratom," the common development of atom power in Europe. Treaties will have to be passed by the various national legislatures and signed by the heads of State. The contemplated machinery is to be put in force slowly and the final structure of a common marketing area may not be achieved before 1975.

By that time, some 16 nations may belong to it. One observation on the subject was made in a recent book by Professor Ehrhard, German Minister of Economics. He said that the common marketing idea and Euratom are desirable goals. There was danger, however, that a common trade area may become a bureaucrats' paradise, which might breed protectionist ideas against the outside world instead of fostering international trade.

Meanwhile, most ports on the Atlantic and Gulf ports in the U.S. are still strike-bound by longshoremen. An agreement was reached between union leaders and management, but the men refuse to go back to work until an agreement has been reached in all ports.

Dozens of cargoes are anchored outside the ports waiting to be unloaded and new ones are arriving daily. Some raw materials, such as sugar in various forms, are in short supply already and others may follow. As of this writing full resumption of work has been expected every day for the past week to ten days, but it has not materialised yet.

Business Plans

Some anxious glances are being cast these days here on business expansion plans. Industry and business are usually quite articulate in advertising the millions of dollars which have been earmarked for expansion. Very little is said when such programmes are revised downward later. Some private reports have it that such revisions have been decided upon. Nothing has been published yet, but the Department of Commerce and the Securities and Exchange Commission are making a joint survey and findings are expected to be published next month.

Outlays for new plant and equipment have been for years one of the sustaining factors of the U.S. economy. The trend, therefore, is of considerable importance. The best guesses at this point are that when all the plus and minus signs are evened up, proposed expansion expenditures for the second quarter will probably equal the last three months of 1956. With the tremendous demand for more electrical energy, utility spending is apt to remain high, but commercial and trade expansion may enter a downswing.

Textiles are still a soft spot and there are other areas in the economy which will bear watching. Spring sales of automobiles have yet to come and demonstrate a substantial public demand before any forecast for 1957 car production can be made. January auto sales were the highest since June 1956, consisting of 490,500 units.—*All Rights Reserved.*

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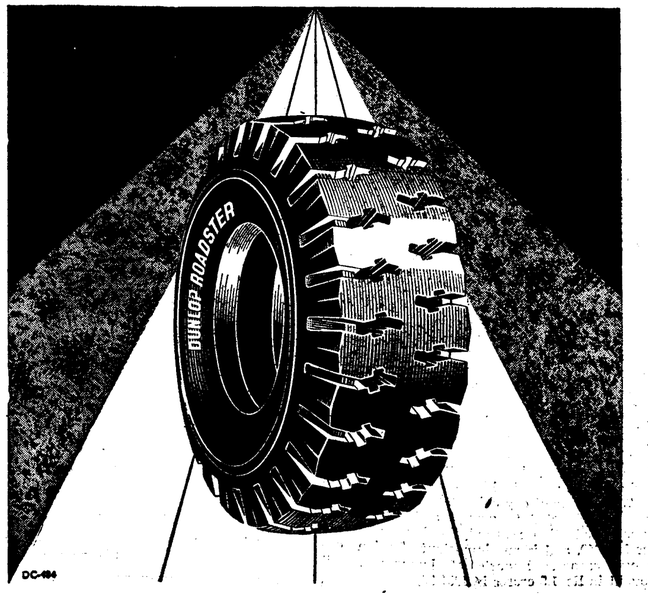

DC-484

GROWTH OF BANKING IN KERALA

A FEW LARGE-SIZED BANKS DOMINATE FIELD

THAT the banking system in Kerala needs no drastic measures of comprehensive reconstruction, that it can be strengthened through weeding out of the extremely unsound banks or through rectifying the defects of those which are not so unsound, and that the existence of those banks which are not entitled to transact business in terms of section 11 (1) of the Banking Companies Act, 1949, should not be allowed to continue, these are some of the main recommendations of the Travancore-Cochin Banking Enquiry Commission, the Report of which has just been published. Some of the other important recommendations and suggestions of the Commission —which will be dealt with in another article— relate to (*a*) extending the period of exemption to certain banks under section 11 of the aforesaid Act, (*b*) prescribing different ratios for demand and time liabilities, and computation of liabilities, for the purposes of section 24 of the Act, (*c*) interest rates on deposits, (*d*) granting of advances against real estate, and (*e*) terms and conditions of service of bank employees.

It will be recalled that the Travancore-Cochin Banking Enquiry Commission was appointed by the Government of India on 19th January 1956, under the chairmanship of Mr. K. Ramanni Menon, with Dr. P. J. Thomas and Prof. M. L. Dantwala as members. Its terms of reference were, among other things, to (1) enquire into and ascertain the position of banking in the State, and the role played by the banks in the economic activities of the State, and to assess their financial position in relation to the special characteristics and needs of the State; (2) to ascertain whether the terms and conditions of service of the workmen of the banks (other than the Travancore Bank Ltd.) incorporated in the Travancore-Cochin State to which the provisions of the Industrial Disputes (Banking Companies) Decision Act, 1955, apply should be modified and, if so, in what respects, and (3) to recommend steps to be taken for strengthening the banking business and for the reorganisation and reconstruction of banking structure in the area.

Special Features

Appropriately enough, the Commission set out to consider, before going into a detailed consideration of the position, the role and the difficulties of the banks, and the special characteristics of the economy of Travancore-Cochin now called Kerala State. Nature has bestowed some special favours on the area covered by this State. Sandwiched between the Western Ghats and the Western Coast, this State has a habitable area of about 5,000 square miles, out of a total area of 9,144 square miles, extending for 250 miles at the southern tip. Its width varies between 20 miles and 75 miles. In this narrow stretch of land live no less than 9.2 million people (according to the 1951 census) leading a busy life. This area consists of lowlands along the sea coast, constituting about 18 per cent., midlands, comprising the area of hills and dales forming 37 per cent., and highlands, that is, hills with thick foliage, forming 45 per cent. These three portions differ from one another in density of population, agricultural and non-agricultural activities. While the density of population in the lowlands is 2,448 per square mile, in the midlands it is 1,381 and in the highlands a mere 147. For the State as a whole, the density is 1,015 per square mile, as against the all-India average of 281. The annual rate of increase in population between 1941-51 was 2.12 per cent. In the lowlands, covered by lagoons and backwaters, coconut palms and rice cultivation predominate. Of the total area of 688,000 acres devoted to coconut palms, a major proportion is in the lowlands. Consequently, the coir industry, with over 200 factories, exports products worth about Rs. 8 crores every year, and provides employment to large numbers of people—about 700,000 —in this area. Another important industry of this area is cashewnut, consisting of 190 factories and providing employment to 46,000 persons. Exports of cashew kernels were worth about Rs. 11 crores in 1954-55. In the midland area, not only food crops like rice and tapioca, but also a number of cash crops such as pepper, ginger, coconut, lemon-grass, cardamom, cashewnut and others are grown. The area under tapioca was nearly 600,000 acres in 1953, and the production was 750,000 tons of dry chips. An area of 111,000 acres was devoted to pepper and ginger, and pepper production reached the level of 23,000 tons in 1949, and is an important foreign exchange earner. Exports of lemon-grass oil brought in Rs. 1.5 crores in 1951-52.

The State is also endowed with many natural resources, such as fishing, rare mineral sands and extensive forests with abundance of raw materials for numerous industries. Nevertheless, in Kerala, expansion of industries has not kept pace with that elsewhere in India, but population has kept growing. No less than 69 per cent. of the population still depends on agriculture. The resultant oppressive pressure on land brings one to another important characteristic, that is, the very low *per capita* holding of land, which is around 0.30 acre. This compares with the corresponding figures at 0.58 acre and 0.45 acre in the States of Bihar and West Bengal, respectively, the other densely populated regions of India. In addition, the average size of the holding is as low as 2.4 acres, the lowest in India, as compared with 4.5 acres in Madras and 7.2 acres in Mysore; on top of this, the size of 60 per cent. of the holdings is below 1 acre. If, in the face of these facts, the people of Kerala have managed to maintain themselves without serious distress, it is because of the specialisation achieved by them in the cultivation of commercial crops. An important outcome of the variegated crop pattern is that the economy is comparatively free from the cycles of seasonal activity common in the rest of India, although the seasonal ebb and flow of business activity is generally regarded as the characteristic feature of a predominantly agricultural economy. Besides, the large number of ancillary industries and trades has been able to spread out the demand for labour throughout the year. Yet another important feature of the economy of the State is that, though 45 per cent. of the State's population and 60 per cent. of the population of the lowlands area depend on non-agricultural occupations, the proportion of those living in urban areas is only 27 per cent.

The high degree of education and monetisation achieved by the economy of Kerala gave powerful impetus to the banking activity in the State. The earliest bank to be established was the Travancore Bank Ltd. in 1900. In 1917-18, there were only five banks in Travancore State; but the number shot up to 274 by 1932-33, the highest number of banks in the State at any time. A powerful fillip to this numerical expansion came from the peak level of world prosperity between 1927 and 1930, when the number expanded by 200. The number of banks in Travancore in 1929-30 at 258 constituted about one-fifth of the total banks existing in the whole of British India at that time. The paid-up capital of all the banks, however, was no more than Rs. 42.5 lakhs, averaging a mere Rs. 22,000 per bank, which was about one-eighth of the average paid-up capital of commercial banks in British India in the corresponding period. Out of the total, only five had a paid-up capital of more than Rs. 1 lakh. Besides the twin functions of accepting deposits and dispensing credit, the business of *kuries* and *chittis* also formed a substantial portion of the banks. In addition to the boom conditions, two more important contributory factors responsible for the sudden increase in the number of banks were the absence of any law to regulate the growth of banks, and, secondly, the restrictions imposed on *kuries*.

Effect of Legislation

By 1939, however, the number in the Travancore State declined to 221, as a result of the legislation enacted following the recommendations of the Travancore Banking Enquiry Committee to ensure the observance by the banks of prudent banking principles. After 1939, however, the surviving banks increased their branches. The total number of banks further declined to 105 in 1947 in Travancore, but subsequently, following boom conditions, increased to 123 in 1950. Thereafter, it declined again and touched 85 in 1955. In the Cochin State, on the other hand, the number of banks rose from 64 in 1928-29 to 107 in 1939-40 but declined to 68 in 1954-55.

The total number of banks in the Travancore-Cochin State as on 31st May 1956 was 163. Of these, 148 were incorporated within the State and 15 outside the State. Of those incorporated within the State, only five including the Travancore Bank Ltd. are included in the Second Schedule to the Reserve Bank of India Act. The total paid-up capital of as many as 136 banks which have responded to the questionnaire of the Commission was Rs. 2.38 crores as on 31st December 1955, of which the share of the Scheduled banks excluding the Travancore Bank alone, accounted for only Rs. 66 lakhs. The total deposits of all these banks at their offices within the State amounted to Rs. 37.37 crores as at the end of 1955, of which the share of those incorporated within the State was no less than Rs. 25.97 crores.

The total number of bank offices in the State as at the end of 1955 was 584. Thus, the average number of people per office works out to 15,891 as against 87,675 for the Indian Union as a whole. The corresponding figures for certain foreign countries indicate the extent to which the expansion has reached. In the U.K., for example, it is 4,600, in the U.S.A. 7,600 and in Japan 15,800. Another interesting feature is that the *per capita* deposit of the Scheduled banks alone was as much as Rs. 25 in 1955. As against this, the corresponding figures in certain advanced States of India were much higher as, for instance, Rs. 89.3 in Bombay, Rs. 87.8 in West Bengal and Rs. 37.9 in the Punjab. But, if all the banks in the State are taken into account, the *per capita* deposit works out to Rs. 40.3.

Age and Size of Banks

The age and size of the banks also reveal certain significant features. Of the total number of banks, 16 have a working capital of over Rs. 40 lakhs. These are called large-sized banks. The working funds of 25 banks vary between Rs. 10 lakhs and Rs. 40 lakhs and are termed medium-sized banks. The remaining 95 are of small size. Of the total of 136 reporting banks, as many as 73 have a life of more than 25 years. Of these, again, 11 are large-sized banks, 8 medium-sized and 54 small-sized. Banks with a life of 15 years or less are very few. In regard to the distribution of offices, urban bias is conspicuous by its absence. For instance, whereas in the Bombay State 73 out of a total of 577 offices, or 13 per cent., and in Madras State 135 out of a total of 780 offices, or 18 per cent., are located in places with less than a population of 10,000, in Travancore-Cochin no less than 197 bank offices or 35 per cent. of the total are located in similar places. The expansion of the banks, however, is not balanced, as is reflected by the fact that two places with a population of over 100,000 command 60 offices out of a total of 571. Similarly, 158 offices are squeezed in just seven places with a population varying between 30,000 and 100,000.

The main business of these banks is to finance the rural people engaged in small business, such as crop-raising, produce-processing, transporting, vending, etc. The banking activity has thus been an important activity in the State for the last 40 years, and has absorbed a considerable amount of capital. The explanation for the phenomenal development of banks, albeit small, in the State can be found, according to the Report, to some extent in the sociological and psychological environments of the State, and in some of the ancient institutions which have been developed through the centuries.

(To be continued)

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DENA BANK'S RECORD RESULTS

HIGH LIQUIDITY RATIO

IN consonance with the general trend of banking results, the performance of the Devkaran Nanjee Banking Company, Ltd. (Managing Director: Mr. Pravinchandra V. Gandhi, Bombay), during the year ended 31st December 1956, has been very encouraging. The profit for the year amounts to Rs. 14.87 lakhs, disclosing a rise of Rs. 3.76 lakhs over the previous year. With this expansion, the upward trend in earnings has been maintained for the fourth year in succession, having gone up by no less than Rs. 6.53 lakhs during this period, that is, from Rs. 5.34 lakhs in 1952. It is noteworthy that the pace of increase in earnings has been more marked in the last two years.

The impressive results of the year under review have been due to the all-round expansion in the Bank's business, as witness the increase in number of accounts with the Bank from 100,000 to 120,000, the rise of Rs. 3.36 crores in deposits and the increase of Rs. 3.56 crores in advances.

Out of the year's profit of Rs. 14.87 lakhs, the Directors have set aside as much as Rs. 8 lakhs for taxation, having raised it from Rs. 5.60 lakhs provided a year ago. The allocation to reserves has also been increased from Rs. 2.90 lakhs to Rs. 3.50 lakhs, by enhancing the amount to be set aside to the reserve fund under section 17 of the Banking Companies Act from Rs. 2.40 lakhs to Rs. 3 lakhs. The transfer to the investment reserve has been maintained at Rs. 50,000. The dividend, which had been raised last year from 4 per cent. to 5 per cent., has been further stepped up to 6 per cent.

The following comparative table will give an idea of the Bank's progress in the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Gross income	81.50	64.30	50.30	40.95
Interest and discount earned	62.84	49.09	36.94	30.48
Commission and exchange	13.23	9.85	8.16	5.92
Interest paid	27.33	20.15	13.74	10.39
Expenses	38.24	31.89	27.65	23.58
Depreciation and repairs	1.06	1.15	0.96	0.90
Profit	14.87	11.11	7.94	6.07
Provision for taxation	8.00	5.60	3.75	2.00
To reserves	3.50	2.90	2.10	2.00
Dividend	3.00	2.50	2.00	2.00
	(6%)	(5%)	(4%)	(4%)
Carry forward	2.13	1.76	1.65	1.55

	As on 31st December			
	1956	1955	1954	1953
Capital	50.00	50.00	50.00	50.00
Reserves	34.50	31.00	28.10	26.00
Deposits	19,48.83	16,12.35	12,55.99	10,37.48
Borrowings from other banks	50.00	..	..	15.00
Advances and bills	9,15.38	5,59.17	4,31.80	3,64.30
Investments	8,52.35	8,20.61	5,68.73	4,94.45
Cash balances	3,39.98	3,44.97	3,44.00	2,76.70
Balance-sheet total	25,07.16	20,16.01	15,36.07	12,98.33
Ratio to deposits of—	%	%	%	%
Advances	47.0	34.7	34.4	35.1
Investments	41.2*	50.9	45.3	46.2*
Cash	17.4	21.4	27.3	27.7

* Ratio arrived at after taking into account investments earmarked against borrowings from other banks.

It is encouraging to note that, with the rise of Rs. 17.20 lakhs during 1956, the Bank's gross income has almost doubled itself in the last three years.

A noteworthy feature of the Bank's working in recent years is the growth in deposits, which have successively risen almost without a break from Rs. 6.87 crores at the end of 1949 to a record high of Rs. 19.49 crores at the close of 1956, thus nearly trebling themselves. Of the rise of Rs. 3.36 crores in the year under review, fixed deposits (at Rs. 5.05 crores) account for Rs. 95 lakhs, savings bank deposits (at Rs. 4.80 crores) for Rs. 76 lakhs and current deposits, contingency accounts, etc. (at Rs. 9.63 crores) for Rs. 1.64 crores. This increase in deposits, together with the borrowings from other banks, has been fully utilised to improve the earnings of the Bank—as witness the increase of Rs. 3.56 crores in advances—without seriously affecting the liquidity ratio. Of the total advances, loans, cash credits and overdrafts account for Rs. 6.59 crores, having risen by Rs. 2.24 crores over the year, and bills discounted and purchased for Rs. 2.56 crores, a rise of Rs. 1.31 crores. It is also noteworthy that, despite the increase in advances, the credit ratio is below 50 per cent. and is very much lower than the general average for all Scheduled banks. In fact, the ratio had been lower still in the previous years. It may also be noted that the liquidity ratio, which has no doubt declined over the year, is much above the all-India average.

SAVINGS BONDS IN U.S.

INTEREST RATES TO BE RAISED

By Gilbert Grant

THE U.S. Treasury Department took a long-awaited step last month, when it asked Congress to permit a rise in the interest rate on U.S. Government savings bonds. Behind the Treasury proposal is the fact that interest rates on other types of savings have been rising during the past year. As a result, savings bonds have become less competitive and less attractive. Purchases have been declining, and redemptions have been rising.

The purpose of the Treasury's proposal is to increase the attractiveness of these bonds, which for some two decades have been an important form of savings for millions of Americans. At the same time, the Treasury announced other moves to weed out larger and more sophisticated investors, who, by putting their money into savings bonds, have been able to obtain a guaranteed interest rate over a set period of time, and hence freedom from market fluctuations.

The proposed Treasury changes would help savings bonds accomplished their basic objective: encourage personal and family thrift, and attain a broad distribution of public savings and the public debt. The net result would be to strengthen further the foundations of the expanding U.S. economy. These bonds have proved a valuable form of economic security, and have enabled many families to put aside the money they need for important goals in life. Recent consumer surveys reveal, for instance, that 10 million out of the 50 million American families bought savings bonds last year.

Reasons for the purchases vary. Generally speaking, however, young people look forward to buying homes and furnishings, persons in the middle years to educating their children, and older persons to obtaining an additional source of retirement income. In almost every case, buyers place great value on the bonds as an automatic, easy route to regular savings. Three out of five families that bought bonds last year did so on the pay-roll savings plan, whereby set amounts are taken out of wages and applied to the purchase of bonds.

Under the Treasury proposal, the interest on series E and H bonds—the so-called "little man's" bonds—would go up from 3 to 3.25 per cent. This would be achieved by shortening the full maturity period from nine years and eight months to eight years and eleven months. The proposed changes would not affect outstanding bonds of the E and H series. At present, there is outstanding $38,100 million in E bonds, and $3,100 million in H bonds—more than one-seventh of the total public debt.

Sales prices also would remain the same, ranging in the case of E bonds from $18.75 to $750 per bond. H bonds, which pay cash interest semi-annually, are sold in multiples of $500. But the amount of these bonds one purchaser could buy in a year would be reduced from $20,000 to $10,000—a move to discourage big investors.

Another change announced by the Treasury Department does not require congressional approval. As of 30th April, it will stop offering its series J and K bonds, which are issued in large denominations to big investors.

NATIONAL BANK OF INDIA AND GRINDLAYS TO AMALGAMATE

The Directors of the National Bank of India Ltd. and Grindlays Bank Ltd. have decided to amalgamate the two banks into one single banking unit. It will be recalled that Grindlays Bank Ltd. has been a subsidiary of the National Bank, following the acquisition of its entire share capital by the latter from the National Provincial Bank Ltd. well over eight years ago, that is, as from 1st November 1948. The two banks have, however, been functioning as separate units.

Ever since the acquisition of Grindlay's share capital by the National Bank, the interests and managements of the two have grown more closely together. In order, however, that the full benefits of this association might be ensured, a "physical fusion of the resources and staff" is considered as desirable and logical. The Directors are of the opinion that the time is now ripe for a complete amalgamation. Preliminary steps in this connection are being taken. It is expected to bring about the fusion on 1st January 1958. The opportunity will also be taken to make a change in the name of the National Bank of India.

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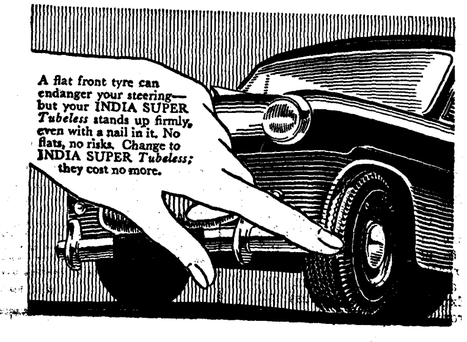

STANDARD INDIAN COTTONS

FIBRE, YARN AND SPINNING TESTS SHOW NO MARKED GENERAL IMPROVEMENT

UNLIKE in countries such as the U.S. and Egypt, where cotton is grown in compact areas which make it possible to produce large quantities of one variety, in India cotton is cultivated in regions which have widely varying geographical and climatic conditions. Due to the wide disparity in the distribution of rainfall, composition and fertility of soil, etc., it has become necessary to grow a large number of varieties of cotton, each suited to a particular tract from the point of view of yield and quality. As a result, one finds in India cottons possessing a wide range of fibre properties and spinning performance. For instance, there is, on the one hand, short-stapled Bengals which are suitable for 8s to 10s reeling and, on the other, fine and long-stapled Madras Uganda I which is capable of being spun up to 36s warp or 44s weft under mill conditions. Although the major portion of cotton grown in India is of short and medium-staple, extensive research is being undertaken to evolve better varieties. In order to measure the improvement in quality, there should be some standards of reference and these standards are called standard cottons.

Before the establishment of the Agricultural Departments in the various States in India, different types of cotton used to be grown by the cultivators regardless of whether they were suited to the geographical and climatic conditions of the particular tract. The Agricultural Departments, therefore, began systematic work with a view to evolving new and improved varieties for each area. Selections were made, from time to time, from different materials in order to evolve varieties which were better than the existing ones in respect of hardihood, yield, ginning percentage, resistance to disease and pests, staple, grade, etc. This work obviously involved several physiological, botanical or agronomical experiments which had to be carried out by the Agricultural Departments. When one such variety was evolved and recommended for cultivation, in course of time, the farmers in each area grew it in their own fields extensively as it brought a higher monetary return and such varieties formed the commercial cotton crop of India. It is these improved varieties that are maintained as standard cottons in the experimental stations. They are grown each season from pure seeds and under as nearly the same conditions as possible to serve as standards of reference. In the 1953-54 season, standard cottons covered about 53 per cent. of the total cropped area in India. It is estimated that in the 1954-55 season alone cotton growers earned an extra income of over Rs. 14 crores by growing these improved varieties.

Selection of Standard Cotton

The selection of a sample of standard cotton is based on the recommendation made by the First Conference of Scientific Research Workers on Cotton in India in 1937. Their specifications were: (1) samples should be from the best seed used for sowing; (2) they should be taken from all pickings and, at the same time, from several samples of the various pickings and, if possible, with specification of the percentage in the main sample; (3) there should be no violent change of soil conditions of the farms from which the samples are supplied; (4) the type of soil and the type of field should generally be the same and no drastic changes should have taken place; (5) cotton breeders should be responsible for observing that the conditions specified are satisfied and also for supplying all the samples.

New and improved varieties evolved by cotton breeders are tested at the Technological Laboratory of the Indian Central Cotton Committee and authoritative valuations on the quality of cottons are supplied to them in comparison with the standard cotton. Standard cottons are subjected to a large number of tests in each season along with those that are evolved from time to time, the former serving as standards of reference. The standard cottons generally remain unchanged, but when one of them has definitely proved unsuitable or gone out of cultivation or has been superseded by a better variety it is omitted from the list and a new one added to it. Thus many additions and deletions have been made in the list of standard cottons since these tests were started in 1924.

The following table gives the present list of standard cottons arranged Statewise.

Bombay State	Buri 0394
Jayadhar	*Hyderabad State*
Laxmi	Gaorani 6
Vijay	Gaorani 12
Surat 1027 A.L.F.	Parbhani American 1
Suyog	*Madras State*
Jarilla	Cambodia Co2.
Virnar	Madras Uganda 1
Kalyan	(*a*) Summer crop
Punjab State	(*b*) Winter crop
Punjab American L.S.S.	Karunganni K2
	Karunganni K5
Punjab American 320F	*Andhra State*
Madhya Pradesh	Nandyal 14 (Northerns)
H 420	Westerns 1 (H1)

Objects of Testing

There are four objects in testing the standard Indian cottons. In the first place, since these tests are made in each season on the same varieties grown under nearly the same conditions, they serve to establish a scale of reference for the entire Indian cotton crop. For instance, one could compare, from the supplementary tests made for the trade, the performance of the commercial Virnar (197-3) cotton grown in the districts in any one season with that grown in the same season from pure seed on an experimental farm.

Secondly, tests on standard cottons grown in successive seasons would be helpful in studying the seasonal variations in fibre properties and spinning performance for these cottons, which again are valuable in two respects, namely, (i) when this study is extended over a sufficiently long period of time, it gives information regarding the average quality of the standard cottons and the maximum variation that might be expected to take place in any one season, and (ii) since the standard cottons have not been selected at random but with an eye to the geographical distribution of the commercial crop, their quality and seasonal variation reflect, to some extent at least, the quality and seasonal variation of the commercial crop.

Thirdly, the data collected on standard cottons are very valuable for determining the correlations of fibre properties of Indian cottons with their spinning values. The importance of such relationships to the cotton breeder cannot be overemphasised. The cotton breeder has to select a new strain which would produce lint acceptable to the spinner. These relationships would, therefore, help him to determine approximately the spinning value of a cotton even at the very early stages of its propagation, when sufficient quantity of lint is not available for performing small-scale spinning tests.

Fourthly, the purpose served by these tests is to place in the hands of the trade detailed information regarding the standard Indian cottons which have been evolved after considerable scientific work extending over a number of years and which represent improved varieties grown on commercial scale by the cultivators.

The standard Indian cottons of each season are subjected to a thorough test to ascertain their fibre properties and yarn characteristics. The results of tests made on standard Indian Cottons belonging to the 1954-55 season, together with the results of the previous season, are given in a bulletin issued by the Indian Central Cotton Committee's Technological Laboratory at Matunga, Bombay, entitled "Technological Reports on Standard Indian Cottons, 1955" by Dr. C. Nanjundayya, former Director of the Laboratory. The report on each cotton gives its agricultural details, the graders' valuation report and the spinning master's report and complete information regarding the treatment, waste percentage, yarn breakages and the test results carried out on fibre and yarn.

Performance of Standard Cottons

Surveying the test results of standard cottons during the last two and a half decades, the report notes that the standard cottons of 1930-31 gave, on the whole, much better performance than those of 1929-30; but this improvement was not maintained in the following season. The setback, however, proved temporary and the 1932-33 cottons registered, on the whole, better performance than those of 1931-32. This improvemen was maintained in the following two seasons and in 1934-35 the standard cottons yielded even better results than in the previous season. In a majority of cases these cottons showed steady improvement from 1930-31 to 1934-35. But they suffered a setback in 1935-36 from which there was a welcome change for the better in the 1936-37 season. The 1938-39 season registered an improvement in a few cases, but it was offset by a decline in the performance of a large number of varieties, while the 1939-40 season indicated a general improvement in most cases. This improvement was, however, not maintained in 1940-41; but the following season had given better results and these were generally maintained in the following six seasons. There was a setback in quality in 1948-49 and a partial recovery in the following season. The trend was maintained in the next four seasons beginning from 1950-54.

The results of the various fibre and yarn tests made on standard cottons of 1954-55 did not show any marked general improvement over that of the 1953-54 cotton. It may be observed that six varieties, namely, Jayadhar, Jarilla, Virnar, Gaorani 6, Cambodia Co2 and Westerns 1 showed an improvement in their spinning values over the last season, while another six types, namely, Vijay, Surat 1027 A.L.F., H. 420, Karunganni 2, Karunganni 5 and Nandyal 14, registered a decline in their spinning performance. Laxmi, Suyog, Punjab American L.S.S., Buri 0394, M.C.U1 (summer) and M.C.U1 Winter gave practically the same results.

PANDYAN BANK LIMITED

STATEMENT OF CONDITION AS AT 31st DECEMBER 1956

LIABILITIES	Rs.	a.	p.	ASSETS	Rs.	a.	p.
CAPITAL	10,00,000	0	0	CASH AND BANKS	54,78,443	5	2
RESERVES	10,25,000	0	0	INVESTMENTS	72,89,932	1	2
DEPOSITS	2,44,22,817	14	8	ADVANCES	1,34,98,013	15	6
BILLS, ACCEPTANCES, ETC. ..	23,67,846	10	8	BILLS, ACCEPTANCES, ETC. ..	23,67,846	10	8
OTHER LIABILITIES	5,26,724	7	7	FURNITURE AND FIXTURES ..	2,42,215	12	6
PROFIT:	Rs.	a.	p.	OTHER ASSETS	5,64,321	6	0
1956	3,46,616	3	6				
B/F. 1955 ..	11,767	14	7				
	3,58,384	2	1				
Appropriation for Tax and Reserve and Contingencies	2,60,000	0	0				
					98,384	2	1
Total ..	Rs. 2,94,40,773	3	0	Total ..	Rs. 2,94,40,773	3	0

CENTRAL OFFICE, MADURAI. S. N. K. SUNDARAM, *Managing Director.*

TEXTILE OUTPUT IN 1956 LOWER

PROGRESS IN MAN-MADE FIBRES MAINTAINED

By Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 26*th February*

DESPITE the trade improvement noted in the final quarter of 1956, the year as a whole witnessed a further slide in yarn and cloth production in Lancashire as well as renewed contraction in the labour force. Figures now issued by the Board of Trade covering the 12 months are significant in that throughout the statistics cotton is shown to have lost further ground while the output of goods from man-made fibres has been at least maintained.

Total production of cotton, rayon and mixture yarn in 1956 was 849,340,000 lbs., as against 879,310,000 lbs. in the previous year. A reduction of nearly 50,000,000 lbs. was recorded in the quantity of cotton yarn spun but the volume of cotton waste produced was 4,000,000 lbs. higher and spun rayon and mixture yarns showed an expansion of 15,000,000 lbs.

Similar developments occurred in the cloth section, where total production of all kinds of fabric was 2,313,620,000 linear yards, as against 2,479,320,000 linear yards. The decline of 165,700,000 yards was entirely accounted for by the drop in output of cotton cloth, as production of rayon and mixture goods was more than 3,000,000 yards higher than in the previous year.

During 1956, the downward curve in the number of workers on the books of employers flattened out compared with the previous 12 months, when losses exceeded 30,000. Last year, the reduction was 12,760, the December manpower total being 243,320. The major loss occurred in the weaving branch, where the number of operatives declined from 126,630 to 117,350. In spinning, the reduction was from 100,130 to 97,780 and in doubling from 22,250 to 20,900. In contrast, the waste spinning section actually recruited more labour, man-power at the end of the year being 7,300 against 7,070 12 months previously.

Rising Imports

Swollen by the long-delayed arrival of many goods held up by world shipping difficulties, imports of cotton cloth into Britain in January were little short of the quantity of material shipped from Lancashire. Exports of 37,528,000 square yards compared with imports of 35,720,000 square yards.

During the month only 10 foreign countries took more than 1,000,000 yards of locally-made fabric and of these five were among the West African territories. Australia absorbed 5,261,000 square yards and South Africa 4,163,000 yards.

Although cotton yarn shipments exceeded 3,000,000 lbs., maintaining the slight improvement recorded towards the end of last year, the volume exported was below the January 1956 level. Australia again headed the list of destinations at 627,000 lbs. but exports to India and Pakistan were substantially lower than a year ago.

Arrivals of cotton grey cloth showed a marked expansion at 31,246,000 square yards. India's share of 12,345,000 yards in this trade was above the monthly average in 1956, as were the 5,648,000 yards from Hong Kong and 5,792,000 yards from Japan.

Advance of Man-made Fibres

Although cotton maintains its position as the dominant textile fibre, the continued progress in production and outlets for synthetics is an important feature of post-war trading. Output of man-made fibres in the United Kingdom last year reached the highest monthly average so far recorded, exceeding production in 1955 by 900,000 lbs. per month.

This was largely the result of an expansion in output of staple fibre, as production of continuous filament yarn showed a slight reduction in the previous year. Average monthly output of staple fibre was 21,300,000 lbs., as against 19,900,000 lbs., while filament yarn was produced at the rate of 18,900,000 lbs. per month, as compared with 19,400,000 lbs. in 1955.

The quarterly average deliveries of filament yarns last year were very like those of 1955. Only in the case of yarns used for industrial purposes was there any marked variation, the quantity per quarter being reduced by more than 2,000,000 lbs. at 16,486,000 lbs. On the other hand, there was an increase of 1,000,000 lbs. per quarter in the exports of filament yarns.

Deliveries of staple fibre to the different types of user, however, were in sharp contrast to the figures recorded in 1955. Not only were total deliveries more than 4,000,000 lbs. higher per quarter but there was a notable advance in the volume of staple distributed among the various spinning systems. The cotton trade took 6,000,000 lbs. more per quarter, the wool industry absorbed over 2,000,000 lbs. more and deliveries to flax spinning were over 1,000,000 lbs. up per quarter. On the other hand, exports of staple fibre showed a sharp reduction at 7,121,000 lbs. per quarter, as against 13,649,000 lbs. in 1955, a contraction of 48 per cent.

Mills and Spindles

A survey of machinery installed in the world's spinning mills compiled by the International Cotton Federation, Manchester, shows an increase to 131,340,000 spindles as on 31st July, 1956, as compared with 129,838,000 a year earlier. The European total declined to 68,895,000 (70,044,000 in 1955) but Asia advanced to 31,666,000 spindles (28,953,000). North America showed little change but South America and Africa recorded small gains.

The Federation's survey comments on the record consumption of 38,973,000 bales of raw cotton by the world's mills during the year. This was due not only to the increase in spindles but also to increased production per spindle largely as a result of the higher number of hours run in the coarser yarn mills. There was a further decline in consumption of American cotton but this was more than counterbalanced by increased consumption of all other varieties.

The Federation's table of hours worked by world mills on a spindleage basis shows that Lancashire machinery worked fewer hours than any of the 45 other countries making returns. The spindles of Hong Kong ran for nearly 8,523 hours in 12 months and India recorded 5,602 hours. The Lancashire figure was 1,526 hours. The figure for France was 3,325 hours, Germany 3,729, Belgium 3,688 and the Netherlands 4,308.

Free Trade Zone Warning

A forecast that the European free trade zone plan would "prejudice very materially" Lancashire trade was made by Mr. Percy C. Fish, the veteran textile director, at the annual meeting of J. F. & H. Roberts, the Manchester will group. Mr. Fish said the plan disturbed him because of the differences in living standards between Britain and the other countries joining in. If Lancashire could start with an equal chance against the rest then it would be all right.

Mr. C. H. Fish, Chairman and Managing Director, told shareholders that the free trade plan was moving ahead with "alarming rapidity." "The trade bodies have been giving careful consideration to the likely effects and there is a remarkable lack of agreement as to what will happen," he said.

New Zealand Trade

United Kingdom exporters will have to struggle hard to keep their hold on the New Zealand market in face of increasing competition, Mr. I. Gray, the United Kingdom Trade Commissioner at Wellington until recently, said during a visit to the Manchester Chamber of Commerce.

Some Lancashire firms, he said, had proved by giving special attention to styling and value for money that cotton exports to the market could be increased.

In rayons, however, Britain was taking a declining share of the market. Countries such as West Germany, Japan and Italy had increased their share from only a few per cent. to between 15 and 16 per cent.—*All Rights Reserved.*

JOINT PUBLICITY CAMPAIGN FOR WOOL IN U.K.

Woolgrowers of the United Kingdom, through the British Wool marketing Board, are to become partners with the International Wool Secretariat in a publicity campaign in the U.K. This announcement was made recently in a joint statement by the Marketing Board and the Secretariat. A joint control committee, to be known as the British Wool Promotion Committee, is to be established. This will consist of representatives of the Marketing Board and of the Secretariat. The Committee will promote the sale of those products in which extensive use is made of Britain's home-grown wool. Among the most important of these are carpets, knitwear and tweeds.

The British Wool Marketing Board started work in 1950 and is responsible for marketing virtually all fleece wool produced in the U.K. Ten of its 15 members are elected on a regional basis to represent farmers in the different parts of the country, two are elected on a national basis and three are appointed by the Government: In its first year, the Board handled 56.1 million lbs. of wool. Six years later, the figure was 67.3 million lbs.

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INDIAN RAILWAYS STAND TEST OF TIME ADMIRABLY

GOODS AND PASSENGER TRAFFIC AT ALL-TIME PEAK

IT must be said to the credit of the Indian railways that they have admirably stood the test of time in keeping step with the vastly accelerated pace of economic expansion in the country. Not only has the volume of traffic handled registered a remarkable increase but the operating efficiency has also recorded a steady advance. During the year 1955-56—the last year of the first Five-year Plan—for instance, the railways carried an all-time record volume of both goods and passenger traffic, according to the latest Annual Report of the Railway Ministry, namely, that covering 1955-56. The goods traffic lifted by the railways touched 115.28 million tons and covered 36,458.36 million tonmiles, breaking the previous year's record of 106.98 million tons and 32,126.14 million tonmiles. Similarly, the number of originating passengers stood as high as 1,297.43 million carried over 39,083.52 million passenger-miles, which compares favourably with 1,260.89 million (38,649.31 million passenger-miles). Over the five-year period of the first Plan, the rise in goods and passenger traffic was 17.79 per cent. and 5.20 per cent., respectively. The achievement is all the creditable, considering the heavy rains and dislocation to train services caused by certain abnormal factors.

The appreciable expansion in the goods and passenger traffic handled by railways thus is fully reflected in the substantial increase in revenues. The gross earnings of railways (excluding Rs. 1.22 crores representing the share of non-Government railways in which the Government of India has no financial interest but including the worked lines) during 1955-56 amounted to Rs. 316.29 crores, as against Rs. 286.78 crores in 1954-55, or a rise of over 10 per cent. The bulk of the increase of Rs. 29.51 crores was accounted for by receipts from goods traffic, which were higher by Rs. 21.59 crores (or 13.7 per cent.) at Rs. 180.28 crores. Passenger earnings aggregated Rs. 107.71 crores, or a rise of Rs. 5.09 crores. Earnings from parcels, luggage and other miscellaneous sources were of the order of Rs. 28.30 crores, or an increase of Rs. 2.83 crores. The average of receipts per freight ton-mile was less at 10.8 pies, as against 11.1 pies, while that of receipts per passenger per mile was higher at 5.34 pies, as against 5.15 pies.

Net Revenue Higher

As against the gross traffic receipts of Rs. 316.29 crores, the total ordinary working expenses (excluding suspense) amounted to Rs. 212.54 crores, as against Rs. 205.87 crores for 1954-55. Payment to worked lines as their share of net earnings and other miscellaneous expenditure (net) was Rs. 27 lakhs (Rs. 21 lakhs) and Rs. 7.73 crores (Rs. 6.63 crores), respectively. The total expenses of railways thus came to Rs. 220.54 crores, as against Rs. 212.71 crores. The balance available for disposal with railways was Rs. 95.75 crores, as against Rs. 74.07 crores. In view of the improved financial position, the railways appropriated a much larger sum to the Depreciation Reserve Fund (D.R.F.); it was Rs. 45.41 crores, including Rs. 41 lakhs chargeable to the capital suspense of the Chittaranjan Locomotive Works as depreciation charges accruing on its plant, machinery, etc. This represents an increase of Rs. 15.04 crores, as compared with the previous year. It will be recalled here that, with the approval of Parliament, the contribution to the D.R.F. during the five years commencing from 1955-56 has been enhanced from Rs. 35 crores to Rs. 45 crores, as recommended by the Convention Committee, 1954. The operating ratio, that is the ratio of working expenses (excluding suspense but including appropriation to D.R.F.) to gross earnings was 81.95 per cent., as against 81.77 per cent. After deducting the appropriation to the D.R.F., the net revenue on the results of working of railways for the year was Rs. 50.34 crores, as against Rs. 43.70 crores. Out of this amount, Rs. 36.12 crores (Rs. 34.96 crores in 1954-55) were paid to the General Revenues as dividend under the Revised Convention of 1954. The net surplus for the year thus worked out to Rs. 14.22 crores, of which Rs. 7.08 crores were allocated to the Development Fund and Rs. 7.14 crores to the Revenue Reserve Fund. The net surplus for 1954-55 was only Rs. 8.74 crores which was wholly credited to the Development Fund.

Out of the total earnings of Rs. 180.28 crores from carriage of goods during 1955-56, coal, coke and patent fuel for the public sector alone accounted for Rs. 21.41 crores, as against Rs. 21.96 crores in 1954-55. The traffic receipts—in crores of rupees—from the other commodities in 1955-56 (with the figures in brackets giving the previous year's earnings), are given below:

Rice and paddy 5.76 (5.96); gram and pulses 6.45 (4.66); wheat and wheat flour 3.33 (2.54); oilseeds 3.96 (3.43); raw cotton 3.86 (3.21); fruits and vegetables 2.83 (2.65); marble and stone 5.42 (4.38); salt 3.66 (3.47); manganese ore 2.25 (2.10); other ores 3.64 (3.51); fuel oils 4.04 (3.52); kerosene oil 4.42 (3.67); petrol 4.34 (4.05); wood 3.28 (2.91); sugar 3.98 (3.91); cotton manufactures 3.81 (3.38); vegetable and other edible oils 3.08 (2.09); cement 5.89 (5.08); iron and steel 12.64 (10.44); provisions 3.64 (3.21); tea 1.45 (1.45); raw jute 1.41 (1.15); jute manufactures 1.43 (1.02).

The total tonnage of goods originating—both revenue-earning and non-revenue traffic—increased by about 8 million or by 7.76 per cent., but, as each ton of freight was carried on an average over a distance of 316.2 miles as compared with 300.4 miles during 1954-55, the total ton-miles increased by 4,332 million or 13.5 per cent. The revenue-earning tonnage originating during 1955-56 registered an increase of 8.52 million in comparison with 1954-55 and each ton of revenue-earning traffic was carried to a distance of 344.1 miles, as against 318.8 miles during 1954-55. There were thus only about 4,632 million more ton-miles of revenue-earning traffic during the year. The increase in goods earnings was brought about mainly by the rise in goods traffic.

Goods Traffic

The tonnage originating according to the different classes of commodities on the Government railways during 1955-56 as compared with 1954-55 is summarised below:

(In million tons)

	1955-56	1954-55
Revenue earning traffic—		
Foodgrains	9.04	8.12
Other agricultural products	7.54	5.99
Animal products	0.40	0.34
Coal	23.34	23.38
Other products of mines (including mineral oils)	16.84	15.06
Forest products	3.43	3.50
Manufactures	13.13	11.73
Miscellaneous (including military traffic)	17.96	15.51
Total	90.73	83.58
Non-revenue traffic—		
Railway coal and materials	23.32	22.23
Grand total	114.05	105.81

During the year under review, revenue loadings (wagons loaded for the public, etc., excluding those on account of railways' own service needs) averaged 11,377 per day on the broad-gauge and 7,264 on the metre-gauge, as against 10,672 and 6,489 on the broad and metre-gauge, respectively, in the previous year, an increase of 7 per cent. and 12 per cent. Taking into account non-revenue loadings also, an average of 13,420 broad-gauge and 8,028 metre-gauge wagons was loaded every day, as against the corresponding figures of 12,532 and 7,215 during the previous year—registering an increase of 7 and 11 per cent., respectively. The net ton-miles per wagon-day rose from the previous year's figure of 483 to 541 on the broad-gauge and from 194 to 203 on the metre-gauge. This is an increase of 12.08 per cent. on the broad-gauge and 4.64 per cent. on the metre-gauge. These results were achieved as a result of steady effort to secure better wagon loading and better wagon usage.

The aggregate passenger earnings on all Indian railways, including non-Government railways, during 1955-56 were Rs. 108.76 crores, the figure for 1954-55 being Rs. 103.74 crores. The major portion of these earnings came from third class passengers, the actual receipts being Rs. 95.88 crores (Rs. 92.19 crores). The earnings—in crores of rupees—from passengers travelling in higher classes were: Second class/inter (pre-April 1955) 6.12 (5.49); first class/second (pre-April 1955) 5.88 (4.75); first class (pre-April 1955) *nil* (0.72); air-conditioned 0.88 (0.59).

Passenger Traffic

The number of passengers originating and passenger-miles relating to the different classes are indicated in the following table:

(In millions)

Class	No. of passengers originating		Passenger-miles	
	1955-56	1954-55	1955-56	1954-55
Third	1,261.40	1,225.00	37,015	36,678
Second/Inter pre-April 1955	16.90	18.10	1,244	1,179
First/Second pre-April 1955	19.00	4.60	774	607
First pre-April 1955	..	13.01	..	151
Air-conditioned	0.09	0.07	51	34
Total	1,297.40	1,260.90	39,084	38,649

Special attention continued to be paid to the provision of amenities for passengers and other railway users at stations and in trains. Electric water-cooling plants were in service at 260 important stations at the end of the year, as against 158 at the end of the previous year. During the year, 1,241 new coaching vehicles were placed on line—449 broad-gauge, 744 metre-gauge and 48 narrow-gauge. Of these, 852 were lower class coaches built to improved specifications, 305 being broad-gauge, 499 metre-gauge and 48 narrow-gauge. Also, 437 broad-gauge, 221 metre-gauge and 16 narrow-gauge new locomotives were placed on the line. A total of 4,892 fans was fitted in second (former inter) and third class coaches and, of these, 4,451 were in the third class. The provision of sleeping accommodation for third class passengers was extended to four pairs of broad-gauge and two pairs of metre-gauge trains.

Capital Outlay

The total capital outlay on all railways as on 31st March 1956 amounted to Rs. 975.50 crores (including lines under construction), as against Rs. 910.91 crores on the same date in the previous year. Of this, Rs. 968.98 crores represented the capital-at-charge of the Indian Government railways. The balance of Rs. 6.52 crores was the capital raised by companies and district boards.

The total route mileage of all railways in India at the end of the year was 34,736, of which 34,182 miles were under Government management. The balance of 554 miles represented the mileage of minor railways under the management of non-Government agencies.

A length of 132.18 miles of lines was opened, of which 52.96 miles represented new lines (including 25.12 miles of conversion from narrow to metre-gauge) and 79.22 miles represented restoration of lines dismantled during the last war. At the end of the year, 581.73 miles of lines were still under construction, including the Khandwa-Hingoli link (187.23 miles), Quilon-Ernakulam (96.55 miles), Indore-Dewas-Ujjain (50.08 miles) and certain lines in the steel plant areas.

The Indian Government railways purchased stores worth Rs. 126.28 crores during the year, of

(*Continued on page 507*)

Principal Statistics of Railway Operations

(All Indian Railways, including non-Government Railways)

Items	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
Capital at charge (crores Rs.)	838.18	861.57	868.55	878.46	910.91	975.50
Route mileage as on 31st March	34,078.94	34,119.44	34,274.98	34,405.58	34,705.16	34,735.60
Gross earnings (crores Rs.)†	264.62	294.74	272.28*	272.81*	288.59*	317.51*
Total working expenses (crores Rs.)	214.39	227.58	219.99*	232.02	235.99*	260.17*
Operating ratio (per cent.)	81.02	77.37	80.79	85.05	81.77	81.94
Number of passengers originating (million)	1,307.79	1,232.10	1,212.09	1,220.40	1,260.89‡	1,297.43
Passenger miles (million)	41,671.74	39,550.77	37,396.27	37,548.57	38,649.31	39,083.52
Earnings from carriage of passengers (crores Rs.)	99.22	111.42	101.83	101.35	103.74	108.76
Average earnings per passenger mile pies	4.57	5.41	5.23	5.18	5.15	5.34
Freight tons originating (million)	92.34	97.37	98.37	99.36	106.98	115.28
Freight ton miles (million)	27,007.52	29,017.66	28,961.46	29,587.52	32,126.14‡	36,458.36
Earnings from carriage of goods (crores Rs.)	139.77	153.95	143.81*	145.39*	156.45*	117.92*
Average earnings per freight ton mile pies	9.94	10. 2	11. 2	11. 3	11. 1	10.8
Total train miles (million)	185.11	191.50	191.34	194.81	201.05	209.39
Gross earnings per train mile (Rs.)	14.57	15.57	15. 0	14. 8	15.2	16.0
Working expenses per train mile (Rs.)	11.79	12.03	12. 2	12. 6	12. 5	13. 2
Net earnings per train mile (Rs.)	2.78	3.54	2.80	2.19	2.62	2.74
Net earnings per mean mile worked (Rs.)	14,515	19,260	15,677	12,447	15,231	16,458

† Include earnings from Marmugoa Harbour and exclude suspense.
‡ Revised figures.
* The figures of earnings and expenses of Government Railways for the year 1952-53 and onwards included in the table above are exclusive of the freight charges on the carriage of Railway stores and fuel which during 1952-53 and 1953-54 were treated as free hauled traffic, but commencing from 1st April, 1954, the freight charges on this account are taken in reduction of operating expenses instead of being credited to earnings.

DEVKARAN NANJEE BANKING CO., LTD.

HEAD OFFICE: **Devkaran Nanjee Buildings, Horniman Circle, Fort, BOMBAY**

Balance Sheet as at 31st December 1956

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED— 2,00,000 Ordinary Shares of Rs. 50 each	1,00,00,000 0 0	
SUBSCRIBED— 1,00,000 Ordinary Shares of Rs. 50 each fully paid		50,00,000 0 0
2. Reserve Fund and Other Reserves		34,50,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	5,05,46,155 8 7	
Savings Bank Deposits	4,80,17,880 7 2	
Current Accounts, Contingency Accounts, etc.	9,63,19,066 13 8	
		19,48,83,102 13 5
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	50,00,000 0 0	
(ii) Outside India	Nil	
		50,00,000 0 0
PARTICULARS—		
(i) Secured (against Government Securities)	50,00,000 0 0	
(ii) Unsecured	Nil	
5. Bills Payable		18,24,768 6 0
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	1,26,50,137 5 2	
(ii) Payable outside India	50,422 15 3	
		1,27,00,560 4 5
7. Other Liabilities—		
(a) Branch Adjustments	47,45,592 7 9	
(b) Unclaimed Dividends	45,947 8 0	
(c) Safe Deposit Rentals in Advance	59,631 8 0	
(d) Rebate on Bills Discounted	1,995 8 0	
(e) Proposed Dividend	1,75,000 0 0	
		50,58,166 10 9
8. Acceptances, Endorsements and Other Obligations as per contra		2,25,86,451 13 9
9. Profit and Loss—		
Profit as per last Balance Sheet	4,26,285 8 1	
LESS—Appropriation for Dividend	2,50,000 0 0	
	1,76,285 8 1	
ADD—Profit for the year as per the Profit and Loss Account	14,86,755 12 5	
	16,63,141 4 6	
LESS—Ad-interim dividend paid	1,25,000 0 0	
	15,38,141 4 6	
LESS—Transferred—		
1. To Reserve Fund under Section 17	3,00,000 0 0	
2. To Investment Reserve	50,000 0 0	
3. To Provision for Taxation	8,00,000 0 0	
4. To Proposed Dividend	1,75,000 0 0	
	13,25,000 0 0	2,13,141 4 6

10. Contingent Liabilities—	Rs. a. p.
(i) Claims against the Banking Company not acknowledged as debts	Nil
(ii) On investments in shares of Joint Stock Companies and Banks	4,97,500 0 0
(iii) On Letters of Guarantee on behalf of Constituents	18,18,243 0 0
(iv) Liability on account of outstanding Forward Exchange Contracts	1,07,62,230 9 3
(v) Liability on Bills of Exchange Rediscounted	Nil

NOTE:—Liability for future payments for gratuity to staff not adjusted.

Total .. Rs.		25,07,16,191 4 10

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and State Bank of India		2,03,29,265 13 3
2. Balances with Other Banks in Current Account—		
(i) In India	1,02,38,918 8 6	
(ii) Outside India	29,29,787 7 5	
		1,31,68,705 15 11
3. Money at Call and Short Notice		5,00,000 0 0
4. Investments (at Cost)		
(i) (a) Securities of the Central and State Governments (Maturing within next twelve years and repayable at par)	7,11,02,628 14 6	
(Face value .. Rs. 7,16,48,000-0-0) (Market value .. Rs. 6,94,11,468-2-0)		
(b) Other Trustee Securities	1,11,43,367 0 0	
Market value of quoted securities costing Rs. 81,48,231-4-0 is Rs. 80,70,581-4-0 (Municipal Debentures and shares of Government Financial Corporations, etc., all Government-guaranteed, not quoted, taken at cost.)	8,22,45,995 14 6	
(ii) Shares—		
(a) Fully paid Preference Shares	2,51,776 2 0	
(b) Fully paid Ordinary Shares	6,36,986 11 0	
(c) Partly paid Preference Shares	2,12,500 0 0	
(d) Partly paid Ordinary Shares	1,68,625 0 0	
(Market value Rs. 9,83,371-9-6 includes Shares of Rs. 21,003-14-0, not quoted, taken at cost.)	12,69,887 13 0	
(iii) Debentures or Bonds —		
(a) Municipal Debentures	16,04,622 8 0	
(b) Other Debentures	1,15,000 0 0	
(Market value of Municipal Debentures costing Rs. 16,04,622-8-0 is Rs. 16,01,047-8-0. Others taken at cost.)	17,19,622 8 0	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		8,52,35,506 3 6
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
I. Loans, Cash Credits, Overdrafts, etc.—		
(i) In India	6,59,40,426 14 6	
(ii) Outside India	Nil	
	6,59,40,426 14 6	
II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India	2,51,53,432 11 0	
(ii) Payable outside India	4,44,834 14 3	
	2,55,98,267 9 3	
		9,15,38,694 7 9
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Banking Company is fully secured	8,29,18,726 5 8	
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security (the above includes Rs. 11,49,232-14 debts for which more than one person is liable on the pro-note)	34,69,374 6 10	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	51,55,593 11 3	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	9,15,38,694 7 9	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by the Companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or in the case of private companies, as members	1,11,44,799 8 11	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors, or managers or officers of the Banking Company or any of them either severally or jointly with other persons	Nil	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,19,64,642 0 0	
(ix) Due from Banking Companies	81,121 14 3	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	1,26,50,137 5 2	
(ii) Payable outside India	50,422 15 3	
		1,27,00,560 4 5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,25,86,451 13 9
8. Bank Premises at Cost—		
As per last Balance Sheet	30,73,650 2 4	
Additions this year	1,88,359 0 6	
	32,12,009 2 10	
LESS—Depreciation to date	3,50,000 0 0	
		28,62,009 2 10
9. Furniture and Fixtures at Cost—		
As per last Balance Sheet	14,58,390 5 10	
Additions this year	1,27,980 7 8	
	15,86,370 13 6	
LESS—Sales during the year	20,343 15 0	
	15,65,926 14 6	
LESS—Depreciation to date	6,30,992 6 4	
		9,34,934 8 2
10. Other Assets including Silver—		
(a) Interest Accrued on Investments	7,37,403 8 9	
(b) Small Silver Bars	40,988 6 0	
(c) Stationery and Stamps	34,068 0 3	
(d) Sundry Deposits	35,103 10 3	
(e) Properties Rent Due	12,499 6 0	
		8,60,062 15 3
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		25,07,16,191 4 10

Profit and Loss Account for the year ended 31st December 1956

EXPENDITURE	Rs. a. p.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. To Interest paid on Deposits, Borrowings, etc.	27,32,746 3 1	1. By Interest and Discount	62,54,594 15 4
2. ,, Salaries and Allowances and Provident Fund (includes Salaries and Allowances of Managing Director Rs. 48,500)	25,28,930 3 0	2. ,, Commission, Exchange and Brokerage	13,22,964 8 1
3. ,, Directors' and Local Committee Members' Fees and Allowances	31,980 0 0	3. ,, Rents	1,16,311 4 0
4. ,, Rent, Taxes, Insurance, Lighting, etc.	3,15,383 0 8	4. ,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. ,, Law Charges	2,606 0 2	5. ,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. ,, Postages, Telegrams and Stamps	2,27,429 2 2	6. ,, Income from Non-banking Assets and Profit from sale of or dealing with such Assets	Nil
7. ,, Auditors' Fees and Expenses	8,393 0 0	7. ,, Other Receipts	4,76,489 1 5
8. ,, Depreciation and Repairs to Banking Company's Property	1,06,033 2 9		
9. ,, Stationery, Printing, Advertisement, etc.	4,20,284 6 0		
10. ,, Loss from Sale of or Dealing with Non-banking Assets	Nil		
11. ,, Other Expenditure	2,94,766 14 7		
12. ,, Balance of Profit	14,86,755 12 5		
Total .. Rs.	81,50,309 12 10	Total .. Rs.	81,50,309 12 10

NOTE:—Remuneration received by two Directors for their own use from other Companies by virtue of nomination by the Bank on the Board of other Companies amounted to Rs. 630 during the year.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above Balance Sheet of the DEVKARAN NANJEE BANKING COMPANY LIMITED, as at 31st December, 1956, and the annexed Profit and Loss Account for the year ended on that date, and report that:—

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, and have found them to be satisfactory;
(b) In our opinion, proper books of account, as required by law, have been kept by the Bank so far as appears from our examination of those books, and proper returns, adequate for the purposes of our audit, have been received from the branches not visited by us;
(c) The Bank's Balance Sheet and the Profit and Loss Account dealt with by the report are in agreement with the books of account and returns;
(d) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by law, in the manner so required and on such basis at the end of its financial year, and, in the case of the Balance Sheet, of the state of the Bank's affairs as of profit for its financial year;
(e) The transactions of the Bank which have come to our notice are within the powers of the Bank.

K. S. AIYAR & CO., Chartered Accountants. DALAL & SHAH, Chartered Accountants.

G. V. SUBRAMANIAM, Chief Accountant. HARIDAS K. SWALI, Superintendent of Branches.
RATILAL B. MERCHANT, Superintendent of Advances. B. RAGHAVENDRA BALIGA, Chief Inspector.

BOMBAY, 6th February, 1957.

LALITCHANDRA C. D. NANJEE, Chairman.
UDAYBHAN
NATVARLAL S. CHOKSEY
JAYANTILAL R. TRIVEDI
} Directors.
LAXMIKANT S. DABHOLKAR
M. A. MASTER
HARSHADRAI B. PARIKH
PRAVINCHANDRA V. GANDHI, Mg. Director.

CENSUS OF SUGAR INDUSTRY

VALUE OF CANE CONSUMED VERY HIGH

ALTHOUGH the latest official census of the sugar industry (excluding the *gur* sector) relates to a year which is more than two years old—that is, 1954—it is nevertheless of great value, inasmuch as it serves clearly to indicate the vital role played by the industry in the country's economy. The sugar industry ranks as the second biggest industry in India, next only to textiles. It produces an essential article of food, the importance of which as part of a balanced diet needs no emphasis. With steady improvement in the standard of living, the consumption of sugar is bound to increase in the coming years. The industry has vast scope for further growth and for contributing to the welfare of the nation's millions. Notwithstanding the prominent place occupied by the sugar industry thus, the general public is not adequately informed about the developments in the industry, especially its growing contribution to the national wealth. This lacuna has been filled, to some extent, by the wealth of statistical data contained in the latest census, the salient features of which are given in the table at the bottom of the page.

The sugar industry, as already stated, is the second largest in India. The total productive capital employed in the 154 sugar factories from which returns were received—out of the 160 units in existence—in 1954 amounted to as much as Rs. 69.13 crores. The bulk of this—Rs. 46.88 crores, to be precise—was accounted for by working capital, the balance of Rs. 22.25 crores representing the share of fixed capital. Of the working capital, stocks of finished products and by-products were valued at Rs. 32.13 crores. The value of raw material stocks and semi-finished products (in stock or in process) was Rs. 11.37 crores and Rs. 29.54 lakhs, respectively. Cash in hand and in banks was Rs. 3.08 crores. The fixed capital of Rs. 22.25 crores is made up of Rs. 12.75 crores plant and machinery, Rs. 6.86 crores buildings, Rs. 2.12 crores other fixed assets and Rs. 52.11 lakhs land.

A Big Paymaster

The number of persons directly employed in the aforesaid 154 sugar factories was of the order of 120,708, which represents nearly 4.7 per cent. of the entire labour force of 2,589,757 in factories (subject to the Factories Act) during 1954. The sugar industry is one of the biggest paymasters, the aggregate salaries and wages paid during 1954 having been Rs. 10.27 crores. The major portion of this sum—amounting to Rs. 6.93 crores—went to workers and Rs. 2.80 crores to persons other than workers. The money value of other benefits or privileges aggregated Rs. 54.39 lakhs.

In addition to the heavy salaries and wages bill for workers, the sugar industry pays every year considerable sums of money to agriculturists for the sugarcane supplied by them. An idea of such contribution can be had from the large value of cane consumed by the factories during 1954 which amounted to Rs. 64.90 crores; this sum, of course, includes the price of cane grown on farms owned by several mills. The value of the cane consumed, it will be interesting to note here, represents as much as 59 per cent. of the total value of production of sugar and other products, estimated at Rs. 111.40 crores. It is clear, therefore, that, if the price of sugar which is at present high in all conscience is to be reduced to a level that suits the pockets of the common man, it is imperative that the heavy incidence of cane price should be reduced. Such a reduction can be effected in two ways. First, the price that the factory pays for cane must either be lowered or be linked to the sucrose-content in cane. Secondly, the heavy burden of cess on cane crushed for manufacturing sugar—amounting to 15 per cent. of the minimum price fixed for cane—must be brought down.

Be that as it may, besides Rs. 64.90 crores representing the value of cane consumed (the quantity involved was 15.29 million tons), the sugar mills together paid in 1954 Rs. 2.36 crores for packing; more than 15.69 million gunny bags were used. The value of other goods and commodities consumed was Rs. 8.10 crores. Sugar mills also paid large sums of money for fuels, electricity, lubricants, etc., consumed, as will be seen from the figures cited below:

	Value (In lakhs of Rs.)	*Quantity*
Coal	39.74	128.807 tons
Electricity	16.84	15,965,486 kw.h.
Lubricating oils ...	31.20	677,710 gals
Others	79.26	—
Total ...	1,67.04	—

The value of production in the 154 sugar mills during 1954 aggregated Rs. 111.40 crores, inclusive of other products of the value of Rs. 2.02 crores. Over 56.3 per cent. of this value was accounted for by Uttar Pradesh, the biggest sugar-producing State, and 16.8 per cent. by Bihar. The percentage share of other States was 11.9 for Bombay, 4.1 each for Madras and Andhra, 6.8 for other States. The ex-factory value of products manufactured and work done for customers amounted to Rs. 110.79 crores. From this must be excluded (1) Rs. 81.24 crores representing the value at factory of materials, fuels, etc., consumed and work done for factory by other concerns (including the value of semi-finished products or finished parts manufactured earlier but consumed during the year) and (2) Rs. 1.62 crores representing depreciation. The value added by manufacture in 1954 thus works out to Rs. 27.93 crores.

WORLD SUGAR

There has been a sudden spurt in world sugar prices of late. Cuban raw sugar (f.o.b. Cuba) in New York is now quoted at 6.15 cents per lb., as against 5.60 cents a month ago. The firmness is aided by excellent demand for sugar, especially from Soviet Russia. This country, it is reported, has purchased 200,000 tons of Cuban sugar; the quantity, of course, falls short of the figure of 500,000 tons which it had contemplated to buy some time ago. The reported purchase of 200,000 tons has, however, been sufficient to wipe out entirely the stocks held in the Cuban Sugar Institute's reserve after the recent release of a further 100,000 tons for shipment to world markets. World demand for sugar, it is said, is potentially still very strong. Germany has still to acquire 100,000 tons of the 500,000 tons, which it is believed to want, and Chile, Japan, France and Holland all need fairly substantial quantities of sugar. Commenting on the recent trends in the world sugar market, a report observes:

"In the immediate future, the market in New York may fall into the hands of speculators, who are holding a good deal of sugar at the moment. The trade will clearly be extremely sensitive and prices will probably move fairly irregularly. To a large extent, however, this is only a continuation of the present trend, for, as the latest report by Messrs. J. V. Drake points out, there has been a tendency recently for holders of sugar to take their profits whenever there is a rise of, say, 10 to 15 points..."

The Andhra Pradesh Government has under consideration a proposal to start five sugar factories in Andhra on a co-operative basis. They will be located at Chittoor, Palacole, Hindupur, Chodavaram and Amadalavalasa. The total annual cutturn of all these factories will be 3,200 tons. The Government will take shares in these factories and secure loan assistance from the Industrial Finance Corporation. There are now eight sugar factories in Andhra area and three private factories are under construction.

Census of Manufacturing Industries—Sugar 1954

	Bombay	Madras	Andhra	U.P.	Bihar	Rajasthan	Others	Total
No. of factories*	14	4	9	86	30	4	7	154
Average No. of days worked	175	244	181	156	124	127	203	157
No. of persons employed	8,684	3,314	4,710	70,082	27,151	1,420	5,347	120,708
Productive capital employed	10.78	2.70	4.66	34.07	12.16	0.47	4.29	69.13
Salaries and wages paid	0.96	0.37	0.38	5.85	2.02	0.07	0.63	10.28
Fuel, electricity, lubricants, etc., consumed	0.16	0.05	0.10	0.86	0.30	0.02	0.18	1.67
Materials consumed	7.89	2.79	2.94	43.08	13.66	0.51	4.49	75.36
Of which sugarcane	6.69	2.14	2.70	39.37	9.88	0.46	3.67	64.91
Value of output	13.24	4.56	4.56	62.73	18.76	0.87	6.67	111.39
Of which sugar	13.03	3.81	4.42	62.06	18.64	0.83	6.60	109.39
Other products	0.21	0.75	0.14	0.67	0.12	0.05	0.07	2.01
Value added by manufacture†	4.31	1.61	1.25	14.65	4.43	0.32	1.36	27.93

Note:—Excepting number of factories, days worked and persons employed, the figures are in crores of rupees.
* From which returns were received.
† Calculated on the basis described in the article.

HIGHER WAGES FOR COAL WORKERS

REALISTIC OUTLOOK NEEDED

PRESIDING over the Annual Meeting of the Bengal Chamber of Commerce and Industry, recently held at Calcutta, Mr. O. T. Jenkins rightly deprecated the tendency in some quarters to regard wages as something divorced from productivity. Mr. Jenkins drew pointed attention to the deleterious effects of a rise in wage rates without a corresponding increase in productivity on the expansion and development of the industries concerned. Citing the coal industry as an instance in point, Mr. Jenkins discussed the implications of the recent rise in the wages of colliery workers, as a result of the Colliery Award, to the country's economy. This rise must surely occasion an increase in the price of coal which in turn will mean a rise in the cost of every process in which coal is used. If the higher emoluments, just granted to colliery workers, were not followed by a simultaneous increase in their output, it would surely leave less resources for the development of the industry. Stressing the need for countering the attempt to make the industry bear the incidence of higher wage rates, Mr. Jenkins asserted: "We must refuse to accept the suggestion that wage increases can be met by the industry concerned." Met with what?, he asked and answered: "Only with resources which should be devoted to development, to expansion and to cheapening of production."

The coal industry, according to him, provides the best example of how official intervention, though with the best of intentions, can produce the worst results. The wheel of governmental policy in respect of coal appears to have come full circle. Some three decades ago, the Railway Board was able to keep down the price of coal by using the State-operated collieries as a bargaining counter. In order to economise the cost of transport coal prices were sought to be kept down. This had the effect of reducing the coal industry to utter penury. The price of selected coal was as low as Rs. 2-12 per ton at the pit's-mouth and Raniganj slack could occasionally be bought at as low a rate as As. 15 per ton.

Poverty thus imposed upon collieries inevitably affected labour conditions. Even women were made to work underground and the industry could not provide such indispensable amenities as pit-head baths and creches for children. But the then Government failed to realise that the crux of the problem lay in the fact that the industry itself, as well as the labour employed in it, was working under near-subsistence level. It could not, therefore, set apart anything for development purposes. Fortunately, it did not take long for the Government to realise the dangers of its short-sighted policy. War-time demand convinced it that the timid and over-economical mining practice imposed by the official policy of "cheap coal today" could mean no coal tomorrow. "Now," added Mr. Jenkins, "it looks as though history is about to repeat itself," albeit for different reasons.

Higher Control Price Necessary

At present, the Government has in its armoury more modern and complex weapons than mere State competition; but its effect on the production potential of the industry is more or less the same. The needs of labour are sought to be met by Tribunal Awards and regulations and sound mining practices are being enforced by the Inspectorate. What is worse is the fact that the control price of coal allows no margin for the long-term development of the industry and the colliery-owners are facing the same problem as the one they had to contend with in the depression-ridden 'thirties. Representatives of the industry have pleaded with the Government once again that the price of coal should be raised and that a special element should be incorporated in the increase which should be earmarked for development purposes and, if necessary, deposited with the Government. Mr. Jenkins expressed the hope that the Ministry of Production would see this problem with a clearer eye than its predecessors did and profit by their experience. Stressing this point further, Mr. Jenkins warned: "If it did not, it is the considered opinion of this Chamber that the (coal) needs of the country both for industry and transport, will not be met and that, by 1960, there will be a shortage of coal which will gravely impede the progress of the Plan, if it does not bring it to a standstill."

The effect of a rise in colliery wages, without a compensating increase in *per capita* production, is more far-reaching than is generally realised. It will affect adversely the cost structure of every industry in which coal is used. Let it be borne in mind that the industries affected include all those that provide the basic services such as railways and electricity, as also basic industries, cement, steel, and fertilisers, for instance. Everything will, therefore, cost a little more and to that extent everyone will be a little poorer. More expensive coal will raise the price of brick and cement, which, in turn, will affect housing, rural and urban alike. Dearer coal retards its adoption as a fuel. This means that the trees which should clothe the hillsides and the cowdung which should enrich the fields will continue to be burnt. Mr. Jenkins hit the nail on the head when he remarked that it would, in fact, lead to the erosion of the country. Are the authorities really aware of the gravity of the problem?

MANUFACTURE OF COAL-MINING EQUIPMENT

The setting up of a plant in India for the manufacture of 30,000 tons of coal-mining equipment required for the development of the coal-mining industry in the country at an estimated cost of Rs. 13.2 crores was recommended by the Russian team of experts which investigated into the subject. The report of the team was presented to the Ministry of Production on 26th February.

The report refers to the organisation of and the facilities for establishing the plant for the manufacture of machinery, including some of the most important kinds of equipment necessary for coal-mining in India, such as locomotives, hoists, winches, ventilators and pumps. It pointed out that the plant suggested is designed to produce complete machines, though certain parts like transformers, ropes, electrical equipment and roller bearings, would have to be secured from other workshops in the country.

In making their recommendations the expert team took into account the requirements of the public and private sectors in fulfilling the targets of coal production for the next 5, 10 and 15 years, the level of mechanisation of mines and quarries for which the equipment would have to be utilised and the consideration that when set up the plant should be capable of producing all the important items of machinery required. It has been estimated that the total machinery required would be of the order of 170,000 tons, and the annual demand of the order of 30,000 to 33,000 tons. The capacity of the plant is designed to meet this annual demand.

In preparing its report the team had the benefit of the suggestions made by the coal-mining industry and of its engineering personnel and the final design for the plant was drawn up in consultation with them. The team did not make suggestion regarding the location and the site of the proposed plant, but indicated the optimum requirements of the site to be selected for the purpose.

The team expressed appreciation of the co-operation it received from the Indian experts and the Ministry of Production in the formulation of its recommendations.

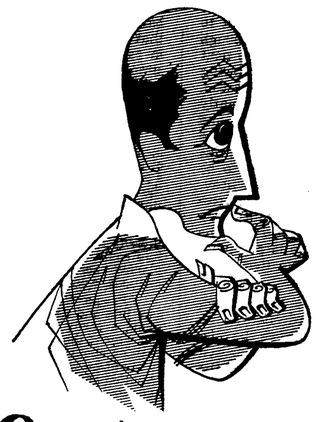
E.C.E. REVIEWS EUROPEAN COAL SITUATION

Coal experts from eastern and western European countries and the United States have concluded their regular quarterly discussion of the coal market situation in Europe and have examined supply prospects for the January-March quarter of 1957. The meeting was held last month under the auspices of the United Nations Economic Commission for Europe (E.C.E.). On the basis of production, demand and trading plans submitted by the various Governments, the expert delegates reported that, while there are difficulties in a number of countries, due to the shortfall in oil supplies, it would be possible through mutual co-operation to avert any serious dislocations in coal supplies during the winter.

In the particular case of Austria, difficulties have been accentuated, owing to a rapid decrease in coal stocks in consequence of a reduction in coal supplies and of oil shortage during the fourth quarter of 1956. Traditional suppliers of coal and coke, as well as countries which do not normally supply Austria, promised that every effort would be made to help Austria in its present difficulties.

As regards the general European coal situation during the first quarter of 1957, the experts reported that part of the additional requirements required to replace oil could be obtained by withdrawals from consumers' stock which in many countries were at satisfactory levels at the beginning of the winter. Although, with the present number of men working in the mines, no very substantial immediate increase in coal production can be anticipated, voluntary overtime work in Poland might lead to increases over and above those planned.

In the circumstances, very substantial tonnages of coal will be required from the United States. While there are no difficulties in making such increases possible and American port capacity is adequate, it was noted that ocean spot freight rates have reached an all-time high. The question of releases from the American reserve fleet is under active consideration by the competent authorities in Washington. There exists a short-term problem of bridging the gap which has to be solved before the vessels are put into service. This problem would imply that efforts should be made to postpone as far as possible the shipments that are not indispensable.



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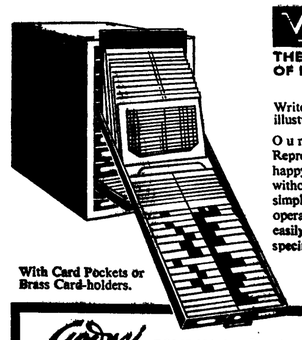

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RAW JUTE PRODUCTION IN INDIA

SELF-SUFFICIENCY CAN BE ATTAINED BY IMPROVED CULTIVATION

THE sowing season for raw jute is about to begin in both India and Pakistan. Though it is too early to attempt a forecast of the next crop, there is some misgiving that the sowing may fall short of that in the current season. This seems to be based on the fact that recently prices of raw jute have tended to decline and the higher prices fetched by paddy may make the sowing of jute and tossa unattractive. In this respect, the position in Pakistan is said to be more discouraging, in that, besides the disincentive provided by paddy prices, there is the prospect of a fall in raw jute prices, on account of the large stocks left with balers and dealers. The growers are also said to be having a larger quantity of raw jute, as despatches from that country have been lagging behind of late.

As pointed out in our last issue, the Pakistan Government is making a concerted effort to increase the acreage as well as to improve the quality of jute, by supplying new and improved varieties of seeds to growers. It has removed the restrictions on jute growing and has also abolished the licence fee of Re. 1 per acre. It remains to be seen how far these measures will induce the growers to devote more area to jute uninfluenced by the attractive paddy prices.

In India, there is no fear of any large carry-over of raw jute stocks at the end of the current season. It is stated that there is already a scarcity of white jute, tossa and daisee. This is reflected in the substantial premiums which tossa and daisee command over mesta. If at all there is a surplus, it will consist mostly of mesta. Despite the better prices fetched by tossa and daisee varieties of jute, the rising trend in paddy prices acts as a deterrent to increase sowing of jute. The cost of growing mesta is much less and the yield of this fibre in suitable areas is larger than the better quality varieties. Here also the lower prices fetched now are likely to affect sowing. It is true that, during the current season as a whole, raw jute prices have been higher than in the previous season, but usually this consideration does not weigh with the growers as much as the prices ruling at the time of sowing.

A shortfall in crop will mean a higher cost to manufacturers of jute goods, which in its turn will push up the prices of the latter. Dearer jute goods will mean greater use of substitutes. The need for preventing such a prospect was, therefore, rightly stressed by Mr. O. T. Jenkins, in his presidential address at the recent annual meeting of the Bengal Chamber of Commerce and Industry, Calcutta. He said that the jute sowing season was upon us now and there was no time to be lost if anything were to be achieved this year. He emphasised that India should be able to supply its own industry and mills abroad with low-priced jute.

Mr. Jenkins drew attention to the fact that jute was once used to pack the bulk of the world's agricultural produce and, if it had kept its place in the expanded world economy, the demand for jute manufactures would now have been 25 per cent. more than it was before the war. It is, on the other hand, 11 per cent. less. Such is the inroad which substitutes have made into the packaging industry. Mr. Jenkins had no hopes that Indian jute would be able to regain its old share in the packaging market, in the face of keen competition from paper bags and bulk handling methods. He however, said that if the world could continue to pack the commodities for which jute was still used (and that clearly meant keeping prices competitive), further expansion in total demand might restore the position of the jute industry. He warned that any policy which made jute expensive or unpopular would do lasting damage to the industry. He reminded his audience that among the factors which could make jute expensive was the rise in wages, unaccompanied by a commensurate increase in *per capita* production.

Tracing the history of raw jute production in India, Mr. Jenkins said the partition of the country made it necessary to raise jute output further. During the last 12 years, the area under jute in India has increased by almost 200 per cent., but this has not brought self-sufficiency. Last season, India had 2.3 million acres under jute producing therefrom 5.2 million bales of jute and mesta, as against which consumption of mills aggregated 6.6 million bales. This meant, allowing for a carryover an import of 1.4 million bales from Pakistan. Mr. Jenkins was confident that India could become not only self-sufficient in raw jute but even an exporter by adopting simple agricultural methods alone to improve cultivation. Explaining how this optimism was not beyond the realms of practicability, he observed:

"Experiments have shown that, if four simple measures are taken to improve cultivation, the use of improved seed, mechanical sowing by seed drills, a reduction of weed growth by inter-row boring and the application of chemical fertilisers, the yield of jute fibre per acre can be increased by over 20 per cent. It, therefore, follows that, if these improved methods could be applied over the whole of the present acreage. India's dependence on imported jute could be eliminated, while an increase in the planted acreage, combined with the improved methods, would give India an exportable surplus.

"Pre-partition India was always an exporter of raw jute and the daisee jute grown in West Bengal found a ready market overseas. There is no reason why, if the new methods could be followed, this position should not be at least in part restored, but it would be wrong to await the production and distribution of the new implements required for sowing and weeding or even the production of improved seed in sufficient quantity. We should push on with what is available and, more particularly, there should be a distribution of fertiliser to cultivators at concessional rates under Government subsidy. If the Union Government is prepared (as recent licensing measures indicate) to forgo revenue to secure foreign exchange, they would presumably not be reluctant to increase expenditure for the same purpose."

Mr. Jenkin's suggestions provided an example of the effect which simple improvements in agriculture can have on one of India's major industry and on its export potential. They also indicate how much can be done to improve our living standards and create more employment if steps are taken to increase the productivity per acre and per individual. The jute grower is, no doubt, influenced by the prices of his produce *vis-a-vis* those of the other agricultural commodities, but, if he is assured of a fair return by increased yield without much extra effort on his part, there is no reason to fear that he will divert his attention from growing jute to the other competitive crops.

U.S. BURLAP BUSINESS

Trading in burlap in New York during January 1957 was quiet, according to the *Jute Bulletin* of the Indian Central Jute Committee. Demand was on a much reduced scale, with consumers content to buy their immediate requirements only. After the heavy buying in the past three months as a result of the Middle East crisis, the slow-down of business during January did not take the market by surprise. Trade observers were of the view that the market undertone in the first quarter of 1957 would reflect the restraining influence of the over-bought position of consumers at all levels.

Lack of movement in burlap notwithstanding, prices for spots and offoats for practically all constructions commanded a substantial premium over early shipment prices. The single exception was 40" 7½ oz. which continued on offer at about the same rate as, and often somewhat below, early shipment.

Calcutta shipments of burlap to the U.S. in December showed a decline from the previous month and amounted to 72.4 million yards, which put the total for 1956 at 763.6 million yards, a rise of 15.8 million yards over shipments in 1955.

CONSUMPTION OF BURLAP IN U.S.

The U.S. consumption of burlap for conversion into bags in the first nine months of 1956 recorded an advance of 7.5 per cent. over the same period a year ago, reports the *Jute Bulletin* of the Indian Central Jute Committee. A significant factor in the increased use of burlap bags in 1956, according to an authoritative source, is the 50-lb. potato bag which is enjoying wide consumer acceptance. The use of 50-lb. bags in the U.S. is reported to have increased 50 per cent. during January-September 1956. Burlap bags for fertiliser and meal are also showing good gains. Regarded as a favourable development is the growth of returnable burlap bag programme, particularly in the farm belt, which is credited for good part of the gains made in 1956.

To keep up consumer interest in continued use of burlap bags, the Textile Bag Manufacturers' Association has decided to spend $60,000 on a bag promotion programme in 1957. The promotion programme, is designed primarily to combat the use of paper and bulk handling.

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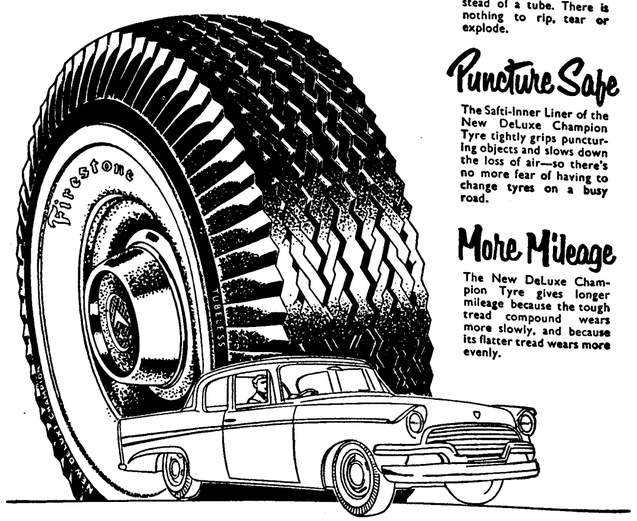

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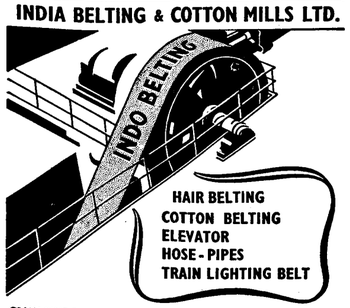

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PROBLEMS OF MACHINE TOOL INDUSTRY

PLEA FOR ENCOURAGEMENT TO PRIVATE SECTOR

THE emphasis placed by the second Five-year Plan on large-scale and medium-sized industries implies a growing demand for all varieties of machine tools in the country. Unfortunately, the demand for machine tools, even as it is, has to be met largely by imports, thanks to the inadequacy of domestic production. Deploring this dependence on imports, the Union Minister for Heavy Industries, Mr. Manubhai Shah, emphasised, in the course of his recent address at the Development Council for Machine Tools, that the development of the industry was a "must" in the industrial expansion of the country. In this connection, the review of the problems of the industry, which Mr. S. L. Kirloskar, President of the Indian Machine Tool Manufacturers' Association, presented in his speech at the annual meeting of the Association, held at Bombay last week, deserves special notice.

Reviewing the trend in production and imports of machine tools, Mr. Kirloskar pointed out that, although domestic production was increasing steadily, imports of tools had been rising at an even faster pace. The values of imports in 1954 and 1955 were of the order of Rs. 3.86 crores and Rs. 3.29 crores, respectively. He estimated that, in 1956, imports must have reached a "staggering" figure of over Rs. 7 crores. He deplored that domestic production, despite the progress that had been made in recent years, was still as low as 13 per cent. of the total requirements. It would appear that, in these statistics, no account has been taken of the production figures of the State-owned Hindustan Machine Tool Factory at Bangalore and the Prototype Machine Tool Factory at Ambarnath. But the point that Mr. Kirloskar felt constrained to make was that, even if the production of these two factories reached their maximum capacity, it would "not affect the imports very much."

Mr. Kirloskar welcomed the formation of the Development Council for Machine Tools. He said: "The members of the Council are men of proved technical ability and knowledge of the industry and I am confident that they will soon evolve a programme for helping and developing the machine tool industry on right lines, which will be in the national interest." He also felt gratified to note that the member-firms of the Association had reported satisfactory progress in the manufacture and development of new and improved types of machine tools. In this connection, the annual report of the Association gives some information about the implementation of the development programme by the member-firms. From this report, it is seen that the Mysore Kirloskar Ltd. has successfully manufactured and marketed tool room lathes and has undertaken the production of M. B. type cone pulley lathes and capstan lathes. The Investa Machine Tools and Engineering Company Ltd., has marketed pillar drills and commenced producing radial drills and column drills, while Cooper Engineering Ltd. has carried beyond the blue-print stage the manufacture of shaping machines. The Praga Tools Corporation Ltd., has developed certain types of chucks and the Batala Engineering Company, Ltd., has started manufacturing heavy duty plating machines. Since the industry had undertaken all this development programme at considerable expense and without any hopes of "immediate" financial gains, Mr. Kirloskar emphasised that the industry needed "increasing Governmental assistance in its development and expansion, particularly financial assistance, and an assurance that wherever possible, orders against Government's requirements would be placed on the indigenous manufacturers."

The industry's two chief difficulties arise from imports and inadequate supply of raw materials. Mr. Kirloskar averred that the supplies of steel, graded pig iron, scrap iron and coke continue to be very difficult. As regards import policy, he suggested that, before issuing import licences, the Government should direct the users of machine tools to find out how best they could utilise the machine tools which were already being manufactured in the country to the maximum extent. He added: "Besides this, we would like to request the Government to make available to the Association periodically the actual purchases made by the Government departments of the various machine tools by classified and coded numbers. This will indicate the types of machines the Government requires and the purpose for which they are being used." Finally, he suggested the setting up of an import advisory council for machine tools which could review the Government's import policy from time to time and recommend measures for regulating the imports of machine tools of types comparable to those manufactured in the country.

In view of the large scope that still exists for the development of machine tool industry, it may be somewhat surprising that additional units for the manufacture of machine tools have not been set up in the private sector. Actually, their number has declined. During the war, there were as many as 250 manufacturers of machine tools; but now the number is less than 10. Mr. Kirloskar gave two reasons to explain why the industry has not made much progress. In the first place, since the demand for machine tools fluctuates very widely, the risk involved is "enormous." Secondly, the climate for private enterprise has been unfavourable. No individual, Mr. Kirloskar said, was prepared to embark on a risky venture when "he is confronted and circumscribed by innumerable rules, orders and regulations covering all conceivable aspects of running an industry."

In view of the large scope that still exists in certain other sectors of national economy, there are both Government-owned and private-owned units. The Government-owned units, according to Mr. Kirloskar, are likely to face the problem of disposing of their production before long, because of the high price of the product and the type of machines they turn out. He felt that the solution for the development of machine tool industry did not lie in the direction of starting huge Government-owned factories but in creating a climate in which individual *entrepreneurs* would be able to put forth their best efforts. It may be recalled that a reference to this problem of State *vs.* private sector in the sphere of machine tools was made by the Union Minister, Mr. Manubhai Shah, at the Development Council. He then said that the Government's view was that the roles of the two sectors were "to be complementary and not unnecessarily competitive or overlapping." It is to be hoped that the Government's policy towards the industry will be so framed as to maintain the letter and spirit of this assurance, even if it is not wholly favourable to the establishment of additional units in the private sector.

NEW PLASTICS

The staff of the Research Institute of Plastics in the U.S.S.R. have produced two new varieties of plastics) glassfibrite and glass-textolite. They resemble textolite, which is widely known, except that in their case textile fibre has been replaced by glass fibre. The new plastics, it is claimed, have great future prospects. They are twice lighter than aluminium, not less strong than steel and do not lose their qualities even under a temperature of 300° C. Depending on component parts the new material can be either in the form of flexible tissue or in the form of large, hard ingots suitable for the manufacture of machine parts. This unusual combination of lightness and solidity, peculiar to the new plastics, is now being used. In the nearest future, glassfibrite and glass-textolite will be used for stamping boats and launches. They will also be broadly used in house building. Light roofs made of these materials will look well and resist moisture and sharp changes in temperature, while strong walls built from the new materials will be very efficient in retaining heat.

Another kind of new plastics developed in the Institute is phenolite. Articles made of phenolite are less fragile and can remain a long time under water without losing their qualities. The Moscow Karbolit Works are now organising the production of this new material. Porous plastics, which are 8 or 10 times lighter than water, are already produced in small quantities. They are used for fishing net floats instead of cork. Scientists are now working on the development of new varieties of porous plastics which will be 20 times lighter than water and as solid as wood. These strong, light and elastic plastics will find wide use in technics and also in the manufacture of toys, mattresses and upholstered furniture.

The Scandinavian Airline System created aviation history when, on 24th February, two S.A.S. passenger aircraft met at the North Pole on the east-bound and west-bound flights marking the inauguration of the Line's new Copenhagen-Tokyo route. The new S.A.S. route reduces travel time between Europe and Japan by 22 hours to 30 hours, cutting the distance by 2,300 miles as compared with the route via the Middle East and India.

HINDUSTAN LEVER LIMITED

DIRECTORS

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S. H. TURNER, *Vice-Chairman*

K. S. BASU
K. T. CHANDY
D. A. ORR
P. L. TANDON
R. J. WHEELER
M. ZINKIN

K. T. CHANDY
Secretary.

A. F. FERGUSON & Co.
Auditors.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the Members of HINDUSTAN LEVER LIMITED will be held at Green's Hotel, Apollo Bunder, Bombay, on Thursday, 4th April 1957, at 11.30 a.m., for the following purposes, namely:

ORDINARY BUSINESS

1. To receive and consider the Accounts and Balance Sheet, and the Reports of the Directors and Auditors.
2. To sanction the declaration of a Dividend.
   (If the declaration of a dividend is sanctioned it is proposed that it be made payable on Thursday, 4th April 1957, to the persons who were registered as Members of the Company on Monday, 11th March 1957).
3. To elect Directors in place of those retiring.
   (All the Directors retire in accordance with Clause 119 of the Articles of Association and, being eligible, offer themselves for re-election).
4. To fix the remuneration of the Auditors for the year ended 31st December 1956.
5. To re-appoint the Auditors and fix their remuneration for the year ending 31st December 1957.

SPECIAL BUSINESS

6. To consider and if thought fit to pass the following resolution as an ordinary resolution:

   That, until otherwise decided by the Company in General Meeting, the Accounts of the Branch Offices of the Company at Madras (including the depots at Bangalore and Cochin), Tiruchirapalli, the City Office at Calcutta (including the depot at Gauhati), and at Shamnagar, shall not be audited by the Auditors of the Company appointed at this meeting, but shall be audited by the Company's Audit Department notwithstanding that the members of that Department, being employees of the Company, are not persons qualified under Section 226 of the Companies Act, 1956, for appointment as auditors of the Company. (See Explanatory Statement below.)

A Member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member.

Dated the 8th day of March, 1957.

By Order of the Board,
S. H. GURSAHANI,
Acting Secretary.

SCINDIA HOUSE,
BALLARD ESTATE,
BOMBAY.

Statement pursuant to Section 173 of the Companies Act, 1956, and Clause 77 of the Articles of Association in regard to Item 6 of the Agenda.

The Accounts of the Branch Offices of the Company at Madras (including the depots at Bangalore and Cochin), Tiruchirapalli, the City Office at Calcutta (including the depot at Gauhati) and at Shamnagar, have been audited in the past by the Company's Audit Department and not by persons qualified under Section 226 of the Companies Act, 1956, for appointment as Auditors of the Company. It is proposed that the accounts of the said Branch Offices should continue to be so audited.

To all shareholders of the Company and in particular to Unilever Limited, London.

NEW PRODUCTS AND PROCESSES

Vaccine for Encephalitis

A JOHN Hopkins University scientist announced the discovery of a vaccine to protect man from several forms of encephalitis, which can be fatal. Dr. Winston H. Price, who developed the vaccine says it is made from two strains of the "West Nile Virus," an organism which causes outbreaks of a minor illness in Egypt and adjacent areas. Dr. Price said that it is the first time that a single vaccine has been found that offers protection from several viruses that produce encephalitis, a brain infection that sometimes causes sleeping sickness and paralysis. Previously there have been no preventive measures for some of these illnesses. The scientist said the new vaccine, although still in the experimental stage, has major implications for the health of the populations of Asia, Africa, the Mediterranean area and South America where outbreaks of encephalitis are common. In addition to protecting from several kinds of encephalitis, the vaccine also prevents dengue fever which can sweep through a group and prostrate its victims with fever and fatigue. Dr. Price recommends a continued search for a better strain of the West Nile Virus before the vaccine is adopted on a worldwide basis. He says, however, that tests on human beings have proved already that the vaccine will work.

New Gyroscope for Planes

A new type of gyroscope built on principles postulated from a study of the common housefly, which will keep a plane in straight and level flight, has been developed in the United States by the Westinghouse Electric Corporation. In making the new gyroscope, Westinghouse scientists borrowed the housefly's halteres, which are two small needles sticking up from the fly's back. Muscles set these needles vibrating. If the fly changes its flight direction, the vibrating needles resist that change and create a force on sensitive nerve endings. By interpreting this force the fly can keep flying straight and level. The Westinghouse machine sets two heavy metal weights shaking by exposing them to a pulsating magnet. If the weights are turned, they exert a force on a magnetic sensing device which operates a recording instrument. Lighter in weight than the "spinning top" kind of gyroscope used in most planes, the so-called Vibragyro is more rugged, has no ball bearings, will last a longer time, and is much smaller than the rotating gyroscopes. The instrument will sense extremely small rates of change in direction.

Improved Nylon Artery

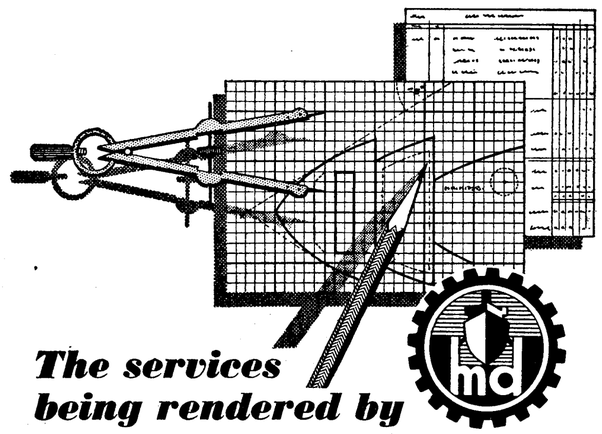
The Chemstrand Corporation of New York has announced the successful development and medical use of a new nylon Y-shaped artery which replaces the vital human aorta where it branches to carry blood to the legs. Today, less than eight months after the first medical meeting report on the nylon "aortic bifurcation graft," more than 200 people in the United States and other countries are, it is claimed, walking testimonials to the success of the new replacement artery. The new nylon Y graft artery was perfected by the same physician-scientist team that developed the original Chemstrand nylon "no-kink" artery announced in 1955. They are Dr. W. Sterling Edwards of the medical college of Alabama Surgery Department and Dr. James S. Tapp who heads the pioneering section of the Chemstrand research division. The Y graft artery is an outgrowth of the non-branching nylon "no-kink" artery which first took shape in Dr. Tapp's laboratory and was then tested extensively in animals and eventually used in human beings by Dr. Edwards.

One-man Water-purification Plant

A packaged water-purification plant capable of satisfying the emergency water needs of 50,000 people, has been developed at the U.S. Army Corps of Engineers Research and Development Laboratories in Fort Belvoir, Virginia. The plant, which can purify water up to the rate of 12,000 gallons per hour, can be operated by one man. The plant consists of three main all-aluminium sections—a cone shaped up-flow coagulation basin 14 feet in diameter, which removes mud, bacteria and other suspended matter from polluted water, and two gravity-type sand filters. The unit is housed in a 40-foot building.

New Fluids to Increase Oil Yields

A new type of oil-well drilling fluid designed to open up and increase yields from oil pools too deep to be dealt with by existing methods has been developed in the United States. Several types of the fluid are now being produced by the Second Mobil Oil Company, whose research scientists developed them. The fluids are being made available to the oil industry generally. One class of the fluid, called a calcium-surfacent mud, was successfully used early in 1956 in the completion of the world's deepest wildcat oil well, a 22,570-foot exploratory well in Louisiana. Earlier, the same fluid was used to continue drilling a deep Texas wildcat well after encountering one of the hottest bottom hole temperatures ever recorded in the oil industry—more than 400 degrees Fahrenheit. Conventional drilling muds deteriorate and solidify quickly at temperatures above 300 degrees Fahrenheit, which are commonly encountered in borings below 15,000 feet. The newly-developed fluids, because of their resistance to solidification at temperatures above this level, are expected to remove a serious limitation to finding and developing very deep oil sands.



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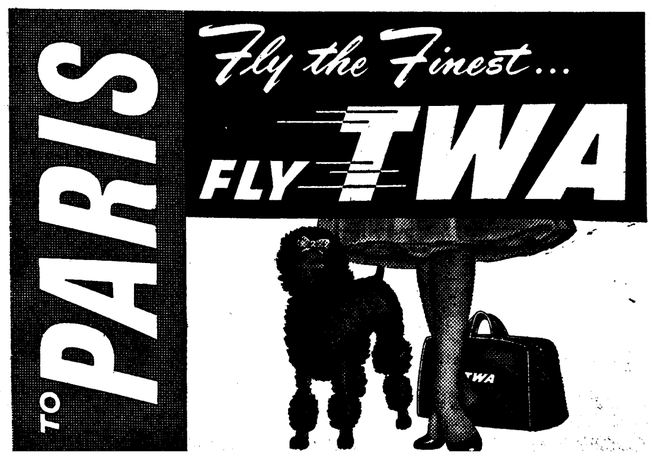


LIFE CORPORATION TO IMPLEMENT GROUP INSURANCE

SOME DETAILS OF SCHEME

ENLIGHTENED employers in many countries now find that one of the best ways of preventing frequent changes in the personnel of their labour force and of inculcating a sense of loyalty in their workers is to institute group insurance schemes and pension plans in their factories and offices. In this country, apart from the staff insurance schemes, which were put into effect by certain private insurers in the immediate pre-nationalisation years, no serious attempt has been made to evolve a comprehensive group insurance plan. The authorities of the Life Insurance Corporation of India, therefore, deserve to be congratulated upon devising group insurance schemes for workers in factories and commercial establishments. The scheme, it is learnt, will soon be finalised and put into effect. There is no doubt that the scheme, when it is implemented, will mark another milestone on the road towards greater social security for workers.

The group insurance scheme now contemplated by the authorities, can be effected in four different forms—whole life (limited payment), endowment assurance, fixed term endowment and educational annuity. In order to cater to the needs of an employer who wishes to provide for his employees' life cover during the period of their service only at the minimum of cost, the Corporation is also prepared to issue temporary insurance policies in two forms. Under the first of these two forms, the employer may, on behalf of workers, take out a policy covering the risk of death in service, with uniform annual premiums. Under the plan, the full sum assured is payable if the employee dies before the retirement age, but nothing is payable if he survives that age. Uniform annual premiums will be paid throughout the period of the contract, apart, of course, from increases in premiums due to increases in sum assured consequent on increments in the salary received by the employee. The other plan is to issue a temporary insurance policy for one year which may be renewed for a year at a time. Under these one-year policies, the sum assured will be paid only if the employee dies during that year. Under this plan, the annual premium increases each year as the age of the employee advances even apart from increases in the sum assured consequent on increments in salary.

A group insurance policy may be effected by an employer or by independent trustees appointed by him covering all his employees or a section thereof. At the inception of the scheme, at least 50 per cent. of the eligible members are required to join. All future recruits who are eligible for membership must join the scheme. The maximum age at entry is 45 years nearer birthday, but where the normal retirement age is 60 years or over, employees aged between 45 and 50 years nearer birthday may be allowed to join the scheme, subject to satisfactory medical examination. The employer should contribute at least 25 per cent. of the total premium paid to the Corporation under the group insurance policy. The scheme provides for increased life insurance benefits by virtue of increases in salary either annually or at other intervals.

All plans of insurance under this scheme will be offered at specially reduced rates of premium. Such reduction has been rendered possible by the adoption of rationalised procedures designed to cut down the costs of procuration of business as also costs of administration. In the case of endowment assurance and whole life limited payment policies, the reduction (as compared with tabular rates) is to the tune of 8½ per cent.; where the premium-paying period is less than 15 years, the reduction is only 7½ per cent. Reduced premium rates will be charged where the number of members at the inception of the scheme is not less than 50 for tabular insurance plans and 100 for temporary insurance plans. Any contributions made by an employer under a group insurance scheme are permitted to be deducted in computing his income for purposes of income-tax but they will be added to the employee's income as perquisites. If the policies are taken out under the endowment assurance or whole life limited payment plan, the maturity or premium-ceasing age should coincide with the normal retirement age of the employees.

Medical examination would not ordinarily be required under any of the tabular insurance plans if the sum assured does not exceed Rs. 5,000. For temporary insurance policies, medical examination would be required if the sum assured exceeds Rs. 3,000. For subsequent increases in the sums assured on the life of an employee medical examination will be necessary only if the total increase in the sum insured since the date of last medical examination exceeds Rs. 5,000 or Rs. 3,000 as the case may be.

Where the sum insured is less than the limits mentioned above, the Corporation would be prepared to cover the risk on receipt of a certificate from the employer to the effect that the employee has been in continuous employment during the three months prior to the date of signing the proposal or the application for increased benefits and on completion of the non-medical proposal form. In the case of employees who were on sick leave on the date of commencement of insurance benefits or any increase thereof, or within the period of three months prior thereto, satisfactory evidence of health will be required by the Corporation before granting the original or any increased benefits. On the basis of evidence of health submitted in the above cases, the Corporation shall have the right (a) to accept the insurance on the life of any employee at an increased rate of premium or with a lien, or (b) to decline to accept the insurance on the life of any employee and entertain the proposal in respect of the particular employee under the deferred annuity plans only.

The Corporation will issue a single master policy to the employer, where the number of members under a scheme is not less than 50. The policy will set forth the rules determining the sum assured and also the manner in which the appropriate premium rates shall be determined and applied in each case. A schedule showing the names of the employees who are initially admitted to the scheme, their ages, particulars of insurances including the dates on which such insurances become effective and the amount of premium will also be incorporated in the policy. The policy will further set forth the conditions on which the sums assured shall be varied from time to time during the currency of the policy and the dates on which variations become effective, the manner of calculating the premiums therefor and the manner of payment of the premiums and the sums assured. In the case of group insurance schemes (other than under temporary insurance plan) where the number of members is less than 50 and for which tabular rates are quoted, individual policies will be issued to the employer in respect of each member. A master policy will not be issued for such a scheme.

What happens when an employee-policyholder under the group insurance scheme ceases to be an employee? Such a policyholder may choose any of the three following benefits:

(a) A cash surrender value which shall not be less than 50 per cent. of the total of the premiums paid in respect of the particular employee, except for premiums paid under temporary insurance policies which carry no surrender value.

(b) An individual paid-up assurance payable in the same manner and subject to the same conditions as the original assurance. Under endowment, whole life limited and similar policies, where the premium is payable for a definite period of years, the reduced sum assured will bear to the original sum assured the same proportion which the amount of premiums paid bears to the total amount payable, subject to the paid-up assurance being for a sum of not less than Rs. 100. The paid-up assurance will not participate in profits in future but all bonuses already declared and attaching to the policy shall be added thereto.

(c) Continuation of assurance as an individual policy subject to payment in future of such premiums as the employee would have been required to pay had he effected an individual policy under the same plan with the Corporation on the date the group insurance policy became effective.

We heartily commend the group insurance scheme to the attention of labour unions and employers alike. From the employee's point of view, the freedom from anxiety about the future which the scheme ensures will make him devote more attention to his work and bring greater peace of mind. Further, the fact that premiums are deducted from his wage or salary eliminates the need to remember the vexed "due dates." From the employer's point of view, the scheme ensures a devoted staff, loyal to their work and the organisation they serve. We hope that all employers in this country will fully utilise the manifold advantages of the group insurance scheme now offered by the Corporation.

DEFICIT INSURERS

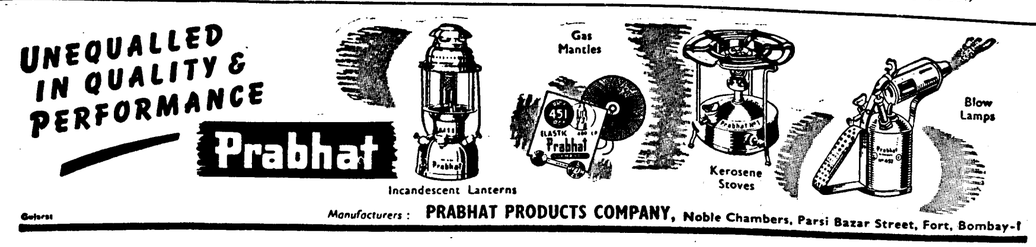
The uncertainty over the prospects for policyholders in mismanaged and deficit insurance offices has been cleared by the authorities of the Life Insurance Corporation. It has now been announced that the Corporation will settle the claims of policyholders of "insolvent" offices by making "on account" payments, while the policyholders of these offices who continue to pay premiums after 19th January 1956 (the date on which nationalisation of insurance was announced) will get the full benefit of such payments.

Soon after the Government announced its decision to nationalise life insurance, there was a lively discussion both in Parliament and outside about the future of policyholders in companies which had been mismanaged. It would appear that the authorities of the Corporation immediately undertook an investigation of the affairs of all such offices. Investigation revealed that, in some companies, their liabilities, including the acturial reserve of the policies in force, were in excess of their assets. The financial position of some of these companies was so bad that, owing to want of funds, they had not been paying the claims of policyholders. Parliament, however, vested in the Corporation certain powers to reduce the value of the policies in such offices. Thus, section 14 of the Life Insurance Corporation Act provides that the "Corporation may, having regard to the financial condition on the appointed day of any insurer whose controlled business has been transferred to and vested in the Corporation, reduce the amounts of insurance under contracts of life insurance entered into by such insurer before the 19th day of January 1956, in such manner and subject to such conditions as it thinks fit: provided that no such deduction shall be made except in accordance with a scheme prepared by the Corporation in this behalf and approved by the Central Government."

It would appear that the Corporation has been examining the position of these insurers. But all investigations have not yet been completed. Where a preliminary investigation has adequately indicated *prima facie* insolvency, the Corporation has decided to settle policy claims by making an "on account" payment to the extent of 60 per cent. In the case of policy contracts of 16 insurers, namely, the Crescent, East and West, Ideal Mutual, Indian Economic, Prabartak, Presidency Life, Rajasthan, Warden, Bengal Industrial, Bombay Capital, Chhota Nagpur, East End, Hind Benefit, Inter-Provincial, Mahalaxmi and New Bengal, and to the extent of 45 per cent. in the case of the contracts of the Dominion. In all these cases, however, a final decision will be made after the audited accounts and valuation reports are available.

These reductions, it is stated, are only in respect of the insurance in force prior to 19th January 1956. For policyholders who continue to pay their premium after 19th January 1956, suitable adjustments will be made to ensure that they get the full benefit of such premiums. The precise manner in which such adjustments will be made so as to ensure that they receive full benefits in respect of subsequent premium will be announced later. Furthermore, the reduction in payment of claims affects

(*Continued on page 507*)



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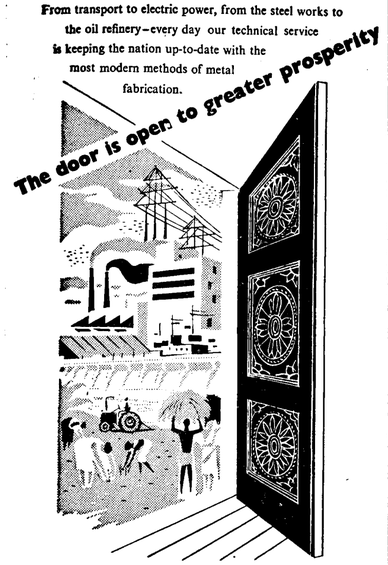

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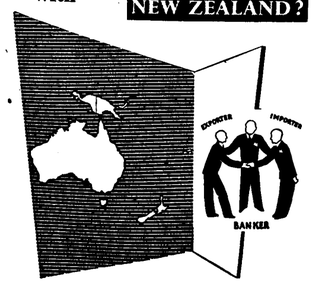

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REVISIONS TO ELECTRICITY ACT

SALIENT FEATURES OF RECENT AMENDMENTS

By R. P. Aiyer

THE Electricity (Supply) Amendment Act, 1956, after having been passed by both the Houses of Parliament and after having received the assent of the President, became law on 30th December 1956. Except for the amendments to the Sixth Schedule (affecting licensees' finances), the amending Act came into force on the same day, and the Government of India in the Ministry of Irrigation and Power have since announced, by a notification dated 21st February 1957, that the changes to the Sixth Schedule will be brought into force from 1st April 1957. It would, therefore, be appropriate to analyse the implications of the amending law now.

Broad Changes

The changes could be grouped under three broad heads. First, modifications to the law in relation to the State Electricity Boards; secondly, important changes to the financial principles affecting licensees as are embodied in the Sixth Schedule, and, thirdly, changes which, by and large, govern regulation.

Under the original 1948 Act, the provisions governing removal or suspension of the members of the State Electricity Boards were in line with the general provision governing Directors' disqualification in a typical company's articles of association. These are now brought in line with the analogous provisions in the Damodar Valley Corporation Act, 1948. Under the new provisions, greater powers of control over the Boards are vested in State Governments.

Under the principal Act, the Board could prepare, on their own initiative, schemes without any monetary limit, but a restriction placed by the amending Act is that no scheme or part of a scheme estimated to result in a capital expenditure exceeding Rs. 15 lakhs shall be prepared by the Board without prior consultation with the State Government. Against this, there has been a loosening of control by the Central Electricity Authority, in that the limit of capital expenditure on the schemes which can be sanctioned by the Board without consulting the Central Electricity Authority has been raised from Rs. 50 lakhs to Rs. 1 crore.

Tax Precedence and Accounts

A redeeming feature in the Electricity (Supply) Act, 1948, is that State Electricity Boards are subject to income-tax, but the law in tabulating the priority of liabilities of the Board had made provision for a number of disbursements which would have left no "profit" liable for tax. The 1956 amendment Act has stipulated that taxes on income and profits should have priority after the operating and management costs have been met. The other statutory distributions can come only thereafter.

Under the 1948 Act, a State Electricity Board was enjoined to maintain "such proper books of account and other books in relation to its accounts as the regulations may require." The 1956 Act stiffens this provision, under which the Board "shall cause proper accounts and other records ... to be kept, including a proper system of internal check" and prepare "an annual statement of accounts, including the profit and loss account and the balance-sheet in such form as may be prescribed by the State Government in consultation with the Comptroller and Auditor General of India." Another innovation is that the accounts of the State Electricity Board are to be audited by the Comptroller and Auditor General of India or by such person as he may authorise in this behalf.

An additional obligation imposed on the State Electricity Board is that, while submitting to the State Government the annual report, the Board are also to give an account of the activities, if any, which they are likely to undertake in the next financial year.

Directions on Policy

By a new section, the State Government is empowered to issue directions to the Board on questions of policy and, if any dispute arises between the Board and the State Government as to whether a question is or is not one involving policy, it is arbitrable by the Central Electricity Authority.

Under the amended law, general consumers of electricity is to have representation on the State Electricity Consultative Council.

These changes have been made in order "to ensure the co-ordination of development policies of the State Electricity Boards with those of Government Departments." The 1948 Act having proclaimed that it is semi-autonomous bodies such as Electricity Boards which are suitable for furthering development, it may be that the supervisory powers now vested in State Governments may cut across the original idea. The provision in the Act with regard to Electricity Boards have remained unimplemented in most of the States, and it is therefore too early to say whether greater powers of control now vested in State Governments will promote or retard power development.

Changes in Regulation

Reference may now be made to changes in the law which are primarily of a regulatory nature.

Under the 1948 Act, the State Government or the State Electricity Board, as the case may be, were empowered to issue directions to licensees "for the purpose of achieving the maximum of economy and efficiency in the operation of the station." The Bill sought to cover such directions to the undertaking or part thereof. However, on reconsideration, the change came to be modified, and the position under the amended Act is that such "directions" should be "reasonable." Another safeguard is that disputes under the section are subject to arbitration by the Central Electricity Authority.

Local Authorities

Under the principal Act, the Electricity Boards had powers to direct the amortization and tariff policies of Local Authority electric supply undertakings. This power has now been circumscribed by the proviso that the Board shall not issue any directions, except after obtaining the prior approval of the State Government. This change has for its background the interests State Governments have in the financial policies of Local Authorities.

Rate Revisions

The Electricity (Supply) Act, 1948, when it fixed a limit on the return permitted to the investor, had also provided that the licensees shall be free to adjust their rates to consumers in such a way as to enable them to earn the "reasonable return," notwithstanding any limitations imposed by the licence. During the brief period the Act has been in force, one High Court had taken the view that the Act has not been explicit about licensees' rights. The situation has been rectified by the amending Act making it clear beyond doubt that the licensees' powers of adjusting rates include *enhancement* of rates irrespective of the limits imposed by the licence.

The power of the State Government or the State Electricity Board to enforce a Rating Committee under the principal Act acted as a deterrent against licensees adopting suitable tariff policies within the framework of the Act. The position before the amendment was that a Rating Committee could be constituted if the regulating authority was "satisfied" that the licensee had committed a breach of the provisions of the Sixth Schedule—a "satisfaction" which was regarded as "subjective." To adjudge a person guilty without indicating the cause offends against the Common Law practice, and the Legislature has, therefore, in the 1956 amending Act, made it obligatory for the State Electricity Board or the State Government, as the case may be, to give to the licensee a "show cause" notice, and then again, if the issue or issues cited raise disputes, they are first to be arbitrated upon by the Central Electricity Authority. This liberalising measure should introduce an element of stabilisation in rate-making policies of electric supply undertakings.

Composition of Rating Committee

The composition of the Rating Committee has also been improved upon. Under the principal Act, in the States where Boards have been constituted, the Rating Committee, when one was constituted, comprised two members of the Board who in turn co-opted one representative from the Licensee's Association. With the Board initially determining whether or not a licensee has committed a breach of the provisions of the Sixth Schedule, the Legislature has now considered that the Board should not have more than one representative on the Rating Committee. The result is that, of the three members of a Rating Committee, one is to be a judicial member (who also is to be the Chairman) appointed by the State Government, the other a member of the Board having experience of accounting and financial matters and the third a representative from the Licensees' Association jointly co-opted by the two members earlier mentioned.

Licensees' Finances

A large part of the amending Act deals with changes in the financial principles affecting licensees.

Under the principal Act, a licensee could not be considered to have breached the provisions of the Sixth Schedule if the clear profit did not exceed the "reasonable return" by more than 30 per cent. This margin was considered a necessary safeguard against licensees being faced with the charge of breaching the provisions of the Sixth Schedule if by chance they exceeded the limit of the "reasonable return." Of this margin, one-third (subject to a ceiling of 7½ per cent. of the "reasonable return") was to be at the disposal of the undertaking as a premium on efficiency. The margin is now limited to 15 per cent. and the licensee's share remains at one-third, subject to a ceiling of 5 per cent. of the "reasonable return."

Deposits made by consumers against Bills were, where invested in the business, permitted to be included in the capital base under the 1948 Act. Such funds are now to be deducted from the capital base.

Under the principal Act, interest on loan capital was permitted as an operating expenditure. Under the amending Act, such interest is not to be charged to revenue.

Interest charges on capital expenditure incurred from borrowed money was permitted to be capitalised under the 1948 Act. Such capitalisation is now restricted to new licensees. This should not affect very much existing licensees, as under a case law, established by the Central Electricity Authority in an arbitration, works-in-progress either at site or at manufacturers' works are permitted to be included in the capital base, thus ranking to earn the "reasonable return."

Incentives

Against these restrictions must be set the increase in the "reasonable return" by ½ per cent. following the linking of the "standard rate" to the Reserve Bank rate with a differential of 2 per cent.

Another incentive feature of the amending Act is that the electric supply industry has been enabled to avail of the benefits of the development rebate permitted under the Finance Act of 1956. The "benefits" are, however, subject to certain limitations. The reserve is available only for investment in the business. No return is permitted on the reserve so invested, and, on the purchase of the undertaking, the reserve is to be handed over to the purchaser and maintained as such development reserve. What looked at one stage as a wholly negative approach was modified by the Select Committee, and in the Act as finally passed an element of incentive was introduced by the licensees being permitted to earn ½ per cent. return on the accumulations in the development reserve as handling charges of the fund.

A fear the industry entertained in connection with this reserve was whether the obligation to provide for this reserve would encroach upon the "reasonable return" in case of inadequacy of the return. This difficulty has been met, first, by licensees being permitted to reduce the appropriations to the said reserve to the extent of the shortfall in the "reasonable return" and, secondly, by being permitted to spread over the appropriation, if need be, over a period of five years.

No Dividend Limitation

The amending Act has brought out clearly that no limitation on dividend or distribution of profits is intended in cases where the depreciation set aside for the year includes the normal component for the year and the equated instalment in respect of arrears, if any.

In the light of incentives offered and restrictions sought to be imposed by the amending Act, how does one assess the worth of the equity in an undertaking? The obvious point which suggests itself is that the capital employed in an undertaking should include a fair proportion of loan capital carrying interest at a rate below 5½ per cent. (the "standard rate"), so that the difference will be available to the equity shareholder.

It has been the unfortunate experience of the electric supply industry that the legislation

(*Continued on page 507*)



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ANNUAL MEETING OF INDIAN MINING ASSOCIATION

MR. R. MAULIK SURVEYS PROBLEMS OF COAL INDUSTRY

REVISION OF COAL PRICE POLICY URGED

THE most important consideration which should govern the fixation of the selling price of the product of a controlled industry, particularly in the context of India's ambitious development plans, is the need for making the development endeavours of the industry a success. Thus declared Mr. R. Maulik, Chairman of the Indian Mining Association, in his address at the Annual General Meeting of the Association held in Calcutta on 1st March 1957. While this basic concept had been accepted by the Government and implemented in the case of two other industries, namely, steel and cement, Mr. Maulik regretted that the Government was adopting a different policy in the case of the coal industry. He warned the public by saying that the inevitable consequence of a selling price, which made no allowance for the demands of development, would be to retard the industry's progress.

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

"GENTLEMEN,

"As we meet here today, votes are being cast throughout the country to elect the Government representing the people's choice. There is none among us who is in doubt as to the results; we can confidently count upon a political stability in India which few other nations in the world could claim for themselves. We can realise how fortunate we are in this respect only if we recognise how ambitiously we have charted out economic targets for achievement. Economic progress cannot be attained without the prior condition of political stability. What is even more important, individual advancement, whether morally or materially, is best—and perhaps only—served by a democratically elected Government. For this reason, we must make allowance for the fact that, in recent months the Second Plan endeavour at Government level should have been obscured by the election campaign. In the result, however, we have had the regrettable consequence that valuable time, which could profitably have been utilised in furthering the Second Plan, has been lost. If we are to make sure that the Second Plan is to be fully implemented, the primary responsibility for underwriting its success will devolve upon all of us who are gathered here. Coal is the very basis for development; it is coal which has to feed and fire industries as they develop in this country. In terms of the Second Plan, we have been called upon to increase production from 38 million tons to 60 million tons. Of the anticipated increase in production of 22 million tons, 10 million tons must come from the private sector in coal.

"There are few of us here who would think that such a target is not within the ability of the industry. I venture to suggest that, provided we are permitted to do so and so long as there is sufficient inducement and incentive, it is within the capacity of the private sector in coal to deliver the full 22 million tons of additional production. Unfortunately, this past year has for a number of reasons not witnessed any substantial progress in respect of the coal plan.

Need to Revise Price Policy

"I shall not at this stage refer to the increase in costs arising from the Tribunal's Award last May; nor I think, is it germane to the issue for me to point out that the Appellate Tribunal's findings have further increased the costs of production for the coal industry. For the simple fact of the matter is that we must be prepared, as we have experienced in these past few years, for steadily mounting costs of production. But what I think it is my duty as Chairman of your Association is emphatically to draw attention to the need for the Government realistically to revise their coal selling price policy.

"It has happened that we in the coal industry have been called upon to bear steadily increasing operational costs; this, we could have done without difficulty, except for the fact that our representations to Government as regards coal selling prices have not had the desired results. Now, let me pose the question: What is the basis on which, in the case of a controlled industry, Government should determine the selling price? The first consideration is, perhaps, one of ensuring that, in the light of India's objective of a socialistic pattern of society, the return to the industry is reasonable and just—and not extortionate. In the second place, as affecting a vital consumer product, there will doubtless be solicitude for keeping in check as far as practicable any increase in the price. I need, however, to point out that price policy has to be attuned to a third consideration which, in the circumstances of India's ambitious planning policy, has been rendered the most basically important. I refer to the interconnection between the selling price for a commodity and the development of that industry. In this context, I may point out that Government are alive to this new and basic concept of a link between development endeavours and selling prices. There are two other industries wherein selling prices are determined by Government on this basis. These are steel and cement. In both, Government have accepted the proposition that, in the price paid to the industry for its products, there should be a special element which is intended to contribute to the industry's internal resources with which and on which it could proceed with development plans. It may be noted that steel, cement and coal form the triumvirate of the fundamental raw materials on which alone a country can plan ambitiously for industrial development. In regard both to cement and steel, not only the decisions but the policy as it has evolved has been such as to suggest, if not altogether ensure, that the targets of production will be attained.

"In coal, it is a different story, it is a somewhat dismal story. While the general index of wholesale prices has risen from 297 in 1947 to 427 in February 1957, the rise in the price of coal has scarcely been of the order of 15 to 16 per cent. The additional costs that, therefore, the coal industry has had to shoulder, over and above the labour cost arising from the Tribunal Awards include the higher prices of machinery and stores as well. It is no secret that the resulting higher costs were, on the basis of the selling prices, wholly beyond the ability of the industry to afford. Nor could there possibly be any margin by way of unappropriated profits which could be ploughed back for purposes of development. It has been and is our painful duty to draw the attention of Government to this vital fact. Especially in these days when money is so tight, capital for expansion has largely to be found in the internal resources of a company. And this brings me to another basic fact.

Deposit of Reserves

"The Finance Minister, Mr. T. T. Krishnamachari, has proposed that a moiety of the reserves of a company should be deposited with Government. His intention, is to ensure that there is no dissipation of unappropriated profits; the intention may also be that these should be canalised into productive endeavours in the national interest. I agree that all available money should be pressed into service on behalf of the Second Plan. But, of course, we need to make it clear that, in the case of companies where the reserves on the liabilities side of the balance-sheet are matched by money ploughed back into the business appearing on the assets side, whether in the form of additions to block or as increased working capital, the past reserves will not attract the new statutory requirement. In the case of the coal industry, the financing of development in the past has almost exclusively been done by utilisation of profits ploughed back. That is to say, in the coal industry, the reserves represent moneys which have long since been transformed into expanded block or which are being used to finance increased output. We, of this industry, would, therefore, welcome a categorical assurance that, in cases where reserves have clearly been utilised in or been set apart for development work, the new deposit regulations will not be enforced.

"Now, if I may, I should like to revert to this all-important question of selling price policy. We in this industry only ask that the basic criterion for determining such prices, as it already exists in steel and cement, should also be extended to coal. As I have already stated, capital is hard to come by in these difficult tight money days. The bulk of the financial requirements for expansion and development has necessarily to be found in the internal resources of the industry. Such internal reserves can only be built up by the provision of a special element in the selling price which, in the customary way, could expressly be set apart for such purpose. Moreover, in these days, when the increase in prices for a wide range of commodities has been sharp, is coal to be the only industry which is to have *status quo* prices? Let it also be recognised that Government do not believe, nor will they find an answer to, inflation by merely keeping coal prices in check. On the contrary, such an intention on the part of the Government will, as I shall presently show, be self-defeating. The inevitable consequences of a selling price which makes no allowance for the demand of development, will be to retard development. In other words, the inevitable consequence is that coal production will not go up to the extent and at the rate envisaged by the Second Plan. I need hardly say that, in the result, a vital raw material will be in short supply. Need I add that, thereafter, inflationary conditions will be fostered in every industry that, for lack of coal, is unable to attain targets of production?

"I trust that I have not altogether failed in the task that I have set out for myself. That task is to inform authority, with all the emphasis that this Association has at its command, that Government's selling price policy must immediately and without delay take note of the basic consideration that the margin available to the producer must be sufficient and adequate to finance the 10 million tons of additional coal production that we, as an industry, are expected to achieve by the end of 1960-61.

Nature of Coal Mining

"It is, I am sure, not out of place for me here to stress that the selling price for coal, in so far as it affects the return to the investor and, therefore, to the producer, has to take account of the very nature of coal mining—the fact that it is a wasting asset. I can, in this context, do no better than to quote from an eminent authority, who defines the principle of depleting reserves in the following words:

"'Most industries and enterprises have an intermediate life apparently perpetual and, therefore, are not called upon to replace the original investment. This does not mean that such industries (railroads, utilities, manufacturing, wholesale and retail houses, etc.) will continue for ever; it means merely that, except for competition, nothing is apparent which will cause a termination. Mining, however, differs from an ordinary industry in this respect; when the ore bodies are mined out, there is nothing left. The original capital investment must, therefore, be returned to the investor by the time that the profitable life of the enterprise is ended. When the operating company does not make any provision for perpetuating its life by investing a portion of its earnings in other properties, the usual procedure is to remit periodically to the investor a dividend sufficiently larger than the risk return on his investment to enable him, if he re-invests this overplus at a safe rate of compound interest, to replace his original capital at the expiration of the life of the mines. This overplus constitutes a return on the invested capital.'

"The second duty that I have is to express this industry's view that Government should, in the national interest, pay to the coal industry the attention that it deserves. As at presently constituted, we have in Delhi a Ministry to look after coal which is being overburdened with work. On the one hand, the Minister for Production, Mr. K. C. Reddy, who is the Chairman of the National Coal Development Corporation Ltd., is expected to draw up, approve and implement the series of plans and projects which will increase production of coal in the public sector by 12 million tons. On the other hand, it also devolves upon Mr. Reddy to examine, scrutinise and sanction the schemes for development in the private sector of coal production. These are responsibilities which one Ministry and one Minister cannot alone shoulder. This is patently clear, if we look at the events of the last year as affecting coal. The Ministry has been hard put to it to register the necessary progress in the State projects. But, preoccupied as the Ministry has been with this work, it has also happened that there has been untoward delay in the disposal of the matters relating to the private sector in coal. The fact is that it is nearly a year since plans and blue-prints were submitted to the Ministry for the expansion in production to the tune of 30 million tons. Naturally, the private sector in coal has sought to make available production in advance of the country's expanding demand. But the fact is that nearly a year has elapsed before the first sanctions are being received for proceeding with development work. The division of responsibility at the Government level as between the private and public sectors will do incalculable good. In the first place, it would free the existing Ministry to give their undivided time and energy to the furtherance of the State projects. In the second place, a proposed new Ministry for coal in the private sector and for the overall policy as we have suggested would enable development in the private sector to proceed at a brisk pace.

A National Asset

"I should make another point clear; and that is, that coal cannot properly be thought of as belonging to the private sector or to the public sector. It is a national asset which the country as a whole has to work with all available means and at optimum efficiency. There is no room for, and no need for, controversy as to the targets of production that ought to be set for either sector. What matters is total production. If the one sector, due to unavoidable reasons, is unable to achieve targets, it is the duty of the other to make good any shortfall in production. For our part, the Indian Mining Association is determined that the Second Plan should not fail because coal production has not achieved the target set. This determination on the part of the private sector as a whole is evidenced in the fact that the plans submitted to Government for expansion involve a total of not 10 million tons as allotted under the Plan, but 30 million tons. The coal industry will pledge itself to the proposition that neither doctrinaire politics nor ideological dogmatism will be permitted to prevent the coal production target from being attained. In the notion that, in India's mixed economy, there is to be co-operative co-existence as between Government endeavours, on the one hand, and efforts by the private sector, on the other, the Indian Mining Association assures the country that every effort will be made not only to attain but to exceed targets.

"While expressing the confidence that there appears to be the possibility of better appreciation of our difficulties and earlier solution of our problems, if the Planning Commission's greater interest and Mr. K. C. Neogy's recent visit to the coalfields are taken to be suggestive, it is necessary for me in some detail to describe the events of the past year as affecting the mining industry.

Coal Prices

"Recent history in the matter of coal prices proves to be extremely interesting. In July 1947, a rise in coal prices was permitted, so that the wage increase of workers could be met; but scarcely 2½ years later, in November 1949, coal prices were revised slightly downward. Since then, although the cost of production has steadily been mounting, there has scarcely been any compensatory revision of prices. The only increase allowed was during 1956; and this was intended partially to meet the additional labour costs arising from the Award of the All-India Industrial Tribunal (Colliery Disputes) in May 1956. It is important to recognise that the sole instance of a price increase being granted, not for affording any increased margin to the industry but only so that the industry could be compensated for the enhanced wages of labour; in fact, it was pointed out at the time that the rise of Rs. 3 allowed was insufficient to cover the additional financial burden which the industry, by terms of the Award, had to bear.

"Besides the higher cost of labour, prices of other essential equipment and stores have also risen substantially since 1947. Steel today costs 130 per cent. more than it used to in 1947; one has to pay 50 per cent. more for cement as compared to the price a decade ago.

"The prices of coal, however, continue to remain at an uneconomic level. Surely these prices can bear to be upgraded a trifle! They would even then be the lowest in the world. The cost of coal expressed as a ratio of the gross ex-factory value of various products and by-products is, on average, 1.96 per cent.; in the case of other fuels and electricity, the relevant ratio is 3.45 per cent. Coal and coke work out to 11.25 per cent. of the cost of steel, as against 12.70 per cent. in the case of other fuels. The apposite figure in the case of cement is 14.32 per cent. for coal and 18.28 per cent. for other fuels. Another pointer to the inexpensiveness of Indian coal is brought out in the fact that the cost element of coal in U.K.-produced steel is 41 per cent., as against 11.25 per cent. in India; for cement, coal works out to 38 per cent. in the U.K., as contrasted with 14.32 per cent. in India. I trust that the conclusion is clear that whether on the basis of world prices or whether on the basis of the cost of coal as compared to other fuels, the nation should comfortably be able to take in its stride some increase in the coal selling price.

Labour Position

"I should now like to describe at some length the labour position. You are aware that, as a result of agitation by trade union leaders in the coalfields, a special Tribunal was appointed by Government in February 1954 to go into the matter of wages and amenities of colliery workers.

"One year later, the Tribunal was reconstituted and the proceedings started anew. The award of this Tribunal was published on 26th May 1956 and became effective from that date. The Association, in consultation with other producer organisations, decided not to appeal against the Award. This, however, did not mean that we agreed with all the findings of the Award. Certainly, we did not agree that the minimum wage should be Rs. 69-1, inclusive of bonus for the unskilled surface worker. Besides, there were some anomalies to be noticed in the Award; but, taking into consideration the prevailing circumstances and mainly as a gesture of goodwill to the workers—who had been engaged in litigation for over two years—the decision was taken not to prefer an appeal. Furthermore, the Association, of its own accord, rectified some of the anomalies which existed in the Award. Workers were evidently satisfied with the new dispensation. Nevertheless, some of the minor trade unions appealed; and, at later stages, all the trade union organisations participated in the proceedings of the appeal and in attacking the lower Tribunal's Award. Ultimately, the employers found that, in spite of their efforts, they could not avoid litigation. It may be noted that they were placed in a position of considerable disadvantage because, in extending their gesture of goodwill, they had implemented the lower Tribunal's Award.

"The decision of the Appellate Tribunal was announced on 29th January 1957. The wages of workers were further increased; and other major modifications of far-reaching consequence were made. The decision, moreover, has been given with retrospective effect from the date of the original Award; and, in the result, the industry is immediately burdened with the awesome liability of over Rs. 4.25 crores. Where this money is to come from, the industry does not know. In fact, the retrospective aspect of the decision strikes at the very root of the industry. Undoubtedly, it will have serious repercussions on the progress of the development plans now in hand.

"Wages have been substantially increased; other facilities and amenities have been granted on a very liberal scale. Obviously, these must and will be reflected fully in the price of coal since as much as 70 per cent. of the production cost is accounted for by labour charges. Unfortunately, the rise in the level of wages for labour and an improvement in working conditions have not been accompanied by a better showing in productivity figures. Perhaps, it would be wise on our part to remember that productivity will not increase and the standard of living of colliery workers will not improve unless steps are taken to educate the workers that they themselves must make an effort at improving their living conditions. In this regard, the trade union organisations have done nothing in the diffusion of such education, and whatever has been done by the Coal Mines Welfare Organisation has failed to elicit the desired results.

Demand for Wage Increase

"This lack of improvement in productivity, however, does not deter the constant agitation for wage increases. At its last annual conference, the I.N.T.U.C. has put forward a demand for a blanket increase of 30 per cent. in wages for the workers of major industries; and, if the decision in regard to the justifiability or otherwise of such demand depends upon the discretion of outside bodies, prices of coal are bound to rise since the producers will have little to say in the matter. It is strange that the employer should have the dubious distinction of having a say neither in the wage increase to labour nor in the selling prices of his product. As far as the consumers are concerned, they need to appreciate that they cannot hope to continue to get coal at the present low prices. On the one hand, some benefit might accrue to the consumers when, in due course, productivity in the industry improves. On the other hand, however, there has to be dissemination of information as to the efficient use of coal and prevention of waste. Secondly, in so far as the workers are concerned, we must note with regret that the coal industry continues to be affected by the power politics of rival groups of trade union leaders. That the workers are mere pawns in the political game of the leaders has been amply demonstrated by the illegal, unjustified and unwarranted strike made last year in the West Bengal coalfields. It may be recalled that two of the largest groups of employers were affected; and the consequent loss in output amounted to 3 lakh tons. The Association places on record its appreciation of the action taken by the employers concerned in holding out against the strike threat; in the alternative, if the unreasonable demands had been met due to pressure, the coal industry would have been thrown into chaos.

"Great stress is being laid these days on more rigorous safety measures. The Mines Act and the Coal Mines Regulations are in the process of being amended. The provisions are most drastic; and as was pointed out at the Fifth Session of the Industrial Committee on Coal Mining held last year, considerable modification of the draft provisions is called for. What is required is advice as to the manner whereby safety measures can be improved, not rigid enforcement of drastic rules. Furthermore, if the mine manager is held personally responsible for every act of omission or commission in the mine, it will be impossible for him to function. He will always be in a state of uncertainty and apprehension; and this will affect the overall supervision of the mine and hamper his initiative as the principal person responsible for the production of coal. We have also to realise what the regulations, if they become enforceable as envisaged by Government, will mean to the industry. In monetary terms, we shall have to incur immediate expenditure to the tune of several crores of rupees; of this, I understand about two crores of rupees will be in the form of foreign exchange. There is no doubt that the Labour Ministry should take all possible precautions for the safety of workers in the mines; but there should be the realisation that, in view of the very nature of mining operations, it is impossible to have 100 per cent. safety—which is what appears to be aimed at. Cent per cent safety can be vouchsafed only if no mining operations take place at all. I would suggest that all concerned in this connection give this matter their serious thought so that a satisfactory solution can be reached. While on the subject of safety, I would point out that the overlapping jurisdiction of the Coal Board under the Production Ministry and the Mines Inspectorate under the Labour Ministry is likely to hamper production.

Transport Problems

"The transport position has continued to improve but, as has always been the case in the coal industry, wagon supply is still not sufficient to meet the demand of the coal consumers. Considering the condition of the railways during and after World War II and also the post-Partition period, our railways are to be congratulated on their achievements. The fact, however, remains that rail transport will be the limiting factor to all industrial production in the second Five-year Plan. This is especially applicable to the coal industry. The requirements of wagons of the coal industry during the second Plan period are as follows: for 1957-58—4,860 wagons; for 1958-59—6,159 wagons; for 1959-60—6,481 wagons; for 1960-61—6,804 wagons.

"Out of these, the requirements of West Bengal and Bihar will be 3,778 wagons, 4,603 wagons, 4,810 wagons, and 5,016 wagons, respectively. The present guaranteed supply of wagons for the West Bengal and Bihar coalfields is 3,500 wagons a day, of which 950 wagons are from the South Eastern Railway. The actual demand for the current year is 3,778 wagons a day. The daily requirement of the consumer is, therefore, not met to the extent of about 278 wagons a day. At the same time, the requirements of the railways themselves have also increased. Therefore, although the daily supply of wagons has improved, there is a shortfall in the minimum requirements in comparison to the total demand

of the country as a whole; consequently, a general overall shortage of coal supply, particularly domestic fuel, continues to be experienced. It is essential, therefore, that immediate steps should be taken to increase the minimum guaranteed supply of wagons during the current year, with a view to reaching the target of 3,778 wagons. From the general trend of discussions in the Coal Transport Advisory Committee it appears that little improvement can be expected over the South Eastern Railway for the next few years. Thus, the collieries in West Bengal and Bihar, who are served by the South Eastern Railway, will be handicapped so far as increased output is concerned. I would like to suggest that, since the railways are anxious to improve the wagon position, it may be of advantage to hand over the control of that portion of the South Eastern Railway which serves the West Bengal and Bihar coalfields to the Eastern Railway. One of the essential prerequisites in order to reach the target of increased production and expansion envisaged during the current Plan period is an increase in siding facilities and relaxation of indent limitation. The industry has been drawing the attention of all the authorities concerned to this matter; and we trust that we can count upon the co-operation of the railways in this regard.

Sweeping Controls

"The scope of Government control over the coal industry is incredibly sweeping production, selling prices, distribution, method of mining, workers' wages, and workers' amenities—practically all aspects of normal business are controlled. The Ministry through which the industry is controlled is mainly the Ministry of Production. The system of controls has been in force for the last decade and a half. In my opinion, it is totally outmoded. The system of controls should be thoroughly reviewed by a committee in which the coal producers should be adequately represented. Such a revision and reorientation of policy are, in the light of the present trend of events and the need for a quick increase in output, surely imperative.

"The Coal Board, which was formed in 1952 under the Coal Mines Conservation and Safety Act, has been unable to do much besides pegging the output of coking coal. The policy of the Coal Board has till recently been incongruous; while what is required is increased production of coal, the Board's policy seemed to be to obstruct it, with its restrictive policy. I am, however, glad to say that the Board lately seems to have altered this policy and is realising the urgency of coal development.

"I may now refer to developments in sand stowing. We have now reached such a pass that it is doubtful whether sufficient sand will be available for carrying out stowing in the Jharia coalfields. As early as 1953, Mr. Michelmore, in addressing you from this chair, had reached this conclusion:

"'I feel I must raise once again the doubt which has long been in my mind whether adequate supplies of sand will continue to be available after the completion of the Damodar Valley Corporation.'

He also expressed grave doubts as to the future availability of sand and requested that this problem should engage the serious attention of Government. It was only less than a year ago when a committee was appointed to go into the matter of the availability of sand, and we still await information as regards the Committee's findings.

Coal Board and the Private Sector

"This Association, along with other coal producers' organisations, has been repeatedly requesting Government for granting adequate representation of the private sector on the Coal Board. Unfortunately, however, this request has not yet been acted upon by Government. The present constitution of the Coal Board is practically departmental, except for the Chief Inspector of Mines and Chief Mining Engineer of the National Coal Development Corporation. It is a matter of regret that, while the public sector has been given representation on the Coal Board—and there is always the danger of its playing a dominant role in the deliberations—the private sector, which is responsible for 75 per cent. of the output of coal in the country, is denied the legitimate right of voicing its opinion in the deliberations of the Coal Board. It is essential that the Coal Board should be reconstituted on a broader basis and including the representatives of the private sector. The present position amounts to discrimination on the part of the Production Ministry in favour of the public sector. There is always the danger that the interest of the private sector may be neglected. Moreover, since the Production Ministry seems to depend completely on the advice of technical experts drawn from the public sector, it would not be an unjustified apprehension that the problem of the private sector will not get due emphasis and consideration in discussions with foreign experts or in shaping the overall policy.

"The policy of import licences so far as mining equipment is concerned will have to be considerably relaxed, because the coal industry has been called upon to produce 22 million tons more in the next four years and this can be only achieved by large-scale utilisation of machinery.

"Gentlemen, I would assure all concerned that my criticisms are not prompted by any factious spirit but with the best of intentions. I would emphatically state that, if the above difficulties are not remedied, increased coal production targets will not be attainable. Moreover, it is already time that we in this industry should start thinking in terms of the Third Plan, and the target to be achieved by 1965. For, current thoughts indicate that the country will need 120 million tons by the end of the third quinquennium. A doubling of production in such manner will necessitate much effort—and, what is more important, preparations being made well ahead. Is it, therefore, too much to ask of Government, in the interest of the Second no less than the Third Plan, that their policy needs to be re-orientated in order that development work is not unduly postponed?

"I would be failing in my duty if I do not offer our thanks both on my personal behalf and on behalf of your Association to our Coal Controller, Shri P. M. Nayak, who has always given us a patient and sympathetic hearing. I have no doubt that he has appreciated our problems and has done everything in his power to solve them.

Other Mining Interests

"The speech of the Chairman of the Indian Mining Association will be incomplete unless a reference is made to mining interests other than coal. I will now refer to them.

"The Mining Leases (Modification of Terms) Rules 1956 were published on 6th September. The object of these Rules is to bring leases granted prior to the commencement of the Mines and Minerals (Regulation and Development) Act, 1948, into conformity with the Mineral Concession Rules, 1949.

"A Controller has now been appointed for purpose of these rules with his headquarters at Ranchi. Those with leases covering minerals other than coal, petroleum, natural gas, and minor minerals, should now have submitted their returns to the Controller. If their leases exceed 10 sq. miles in area or if they are at present enjoying a low rate of royalty, they must now be awaiting the Controller's instructions.

State Trading Corporation

"Probably the most controversial event of the year has been the advent of the State Trading Corporation, particularly in the way in which the activities of this Corporation have expanded, not only in size but in the variety of goods involved, ranging from tobacco to iron ore. Originally, it was believed that the Corporation would restrict its activities to countries preferring to barter or sell on a Government-to-Government basis, and originally iron ore only appeared to be involved. Subsequent developments have shown that there would appear to be no limit either in regard to countries, quantities or commodities. At present, the Corporation appears to be concentrating mainly on iron ore exports and having granted itself one-fourth of the total country's export quota, rumour has it that it contemplates controlling the entire exports of iron ore by the middle of this year. I can only say, 'what next?'

"On 3rd September, the Government of India reimposed an export duty on manganese ore at rates varying from Rs. 10 to Rs. 30 per ton on ore with a manganese content of over 38 per cent. and with varying scales dependent on the manganese content. The manganese ore market, like many minerals, fluctuates widely. Having suffered a recent slump, prices have again been good during the year and exporters have not had great reason to complain about this duty. Their next concern will be to know if Government can, as speedily, remove the duty when prices fall, as they invariably will.

"One unfortunate point about this duty is that the Government machinery is ill-equipped to impose such a duty as the Controller of Customs has not an adequate qualified staff, nor the laboratory facilities to carry out the necessary analyses. He is also unwilling or not prepared to accept the results of qualified, world-renowned analysis, but insists on independent sampling by his own organisation. To do this work efficiently his organisation would have to be capable of doing the full amount of such work now carried out by all of the local analysts. I have just heard of cases where the Customs authorities have now informed shippers that they must pay an increased rate of duty on parcels which were shipped five months ago and which have reached their destination *via* the Cape, and have probably now been used in the manufacture of steel and for all I know may be on the way to India in the form of machinery. Under the sales contracts, the sellers will ask the foreign buyers to pay this additional duty—a request which cannot enhance India's reputation in the world's metal markets.

Wagon Shortage

"As in the case of coal, the severe wagon shortage has restricted the market and on some lines the volume of traffic also has been restricted by the railways improvement and doubling programmes. Fortunately, these are temporary restrictions and we look forward to increased traffic movement in the near future.

"For exports from some of the Orissa mines considerable assistance has been given by the railway permitting BOBX Hopper type wagons being used temporarily for ore traffic. Without the use of this there could have been an even greater wagon shortage and the trade is grateful for this assistance.

"It is regrettable that there must often be a sting in the tail of my remarks, but the fact is there are no weighbridges capable of weighing these large wagons and their carrying capacity appears to have been rated about 5 tons in excess of what can usually be carried.

"Gentlemen, since the mining industry as a whole is faced with so many problems it is only right that all organisations should work in close co-operation. I am happy to say that during the past year we have done so and for this our thanks are due to the other organisations, especially the Indian Mining Federation and the Indian Colliery Owners' Association.

"Before I conclude, gentlemen, I want to pay a tribute to the valuable assistance which has been given to me by your Committee, and, in particular, by the Vice-Chairman, in the past year.

"It is said that during the year Mr. Peary Mookherjee, who was a member of your Committee, passed away. He had served the Association sincerely for a number of years and he was one of its main supports. We have missed him much during the time of crises and his loss to the Association is irreparable.

"I thank the members of the Standing Coalfields Committee and the Honorary Joint Secretaries, Mr. W. J. Jameson and Mr. W. D. Forrest. I also wish to record my deep appreciation of the services rendered by the Secretariat of the Association, the Labour Department of the Bengal Chamber of Commerce and Industry and the Secretariat of the Joint Working Committee."

THE
SOUTH INDIA INSURANCE
COMPANY, LIMITED
(Incorporated in India)
(Established 1934)

Transacts
Fire, Marine, Accident and Miscellaneous Insurance Business

Authorised Capital Rs. 1,00,00,000
Subscribed Capital „ 50,00,000
Paid-up Capital „ 10,00,000

Head Office:
New India Assurance Building
Mahatma Gandhi Road
Fort, BOMBAY

IS EUROPE ABOUT TO FEDERATE?

BACKGROUND AND SIGNIFICANCE OF THE MOVE FOR COMMON MARKET AND FREE TRADE AREA

(From the "Swiss Bank Corporation Bulletin" Correspondent)

ABRUPT closure of the Suez Canal—a calamity of major economic gravity—has focussed public attention in all western countries on the concerted efforts now being made to achieve the economic integration of Europe with all feasible speed.

Nothing less than a disaster of first magnitude—against whose sudden recurrence there is no safeguard—could have demonstrated so convincingly that all the peoples of Western Europe share a common destiny. "We are all together in the same boat."

Not only has the formidable energy deficit that handicaps Europe been widened immensely at a stroke—vastly augmenting the dependence of Europe on the countries of the dollar group for supplies of coal and oil, not only has the rhythm of European economic development been violently ruptured, but the political security of Western Europe has been gravely jeopardised. Any effectual system of European defence depends primarily on the abundance of supplies of fuel, raw materials and food. Owing to the closure of the Suez Canal, imports of coal from America have risen already from 24 million tons in 1955 to an annual rate of 50 million tons now.

In the present crisis, the sense of solidarity among the peoples of Europe has been immensely strengthened. Security for all now depends vitally on all being able to act together, promptly and unreservedly, whenever an emergency of first magnitude arises. Just the certainty that, if the safety of any one country were threatened all would instantly act together, would, by itself, be the most powerful possible protection against any threat of encroachment. This would be achieved if Western Europe became a single economic unit.

Two Distinct Projects

At present, two distinct projects for achieving unity are under animated discussion, known respectively as (1) The Common Market and (2) The Free Trade Area.

These two projects differ in prime essentials. The Common Market project has emerged, according to schedule from the operation of the European Coal and Steel Community, "the first step towards the unification of Europe," and is avowedly *political* by nature, whereas the Free Trade Area is a product of the O.E.E.C. and, as conceived at present, would be purely *economic*.

Both envisage the ultimate elimination of all customs duties and quota restrictions on import among the countries of the group. The Common Market is to be a customs union, permanent and indissoluble, its members forming a single organic unit with a supranational Government whose chief executive organ, known as the High Authority, is to be charged with the task of establishing and maintaining the common market. In the European Coal and Steel Community, the High Authority acts without having to obtain the consent of the Governments of the member countries. Its decisions are binding on the individual firms in the member States. The High Authority is responsible only to the Common Assembly and the Council of Ministers. A Court of Justice, consisting of seven judges, has the competence to decide whether or not the decisions of the High Authority are valid by the terms of the Treaty of constitution.

By contrast the aims of the Free Trade Area would be exclusively economic. All customs duties and all quota restrictions among the member countries would be removed, stage by stage. But the sovereignty of the member countries would be left intact. The adherent countries would still be separate political entities. In trading with countries outside the Area, each country would have its own individual customs tariff. The Free Trade Area would have no common economic structure or common political policy.

At the outset the Common Market would consist of the six countries that combined in 1951 to form the European Coal and Steel Community: France, Germany, Italy, Belgium, Holland, Luxembourg. The first task, at that time, was to form a common market for coal and steel and their allied products such as coke and scrap. This group embodied over 160,000,000 consumers, about the same number as in the U.S.A. The aggregate output of coal in 1950 was 220,000,000 tons and of crude steel over 31,000,000 tons. By 1955, the output had risen to 246,000,000 tons of coal and 52,650,000 tons of steel.

From the start, the essential aim of the European Coal and Steel Community was avowedly political, namely, to eliminate once for all the possibility of war between France and Germany by merging their coal and steel industries, so as to make their economies permanently one. Like Siamese twins, neither country would be able to act without the other. As far as coal and steel are concerned, the Common Market has since been fully established. One positive outcome of prime significance to all Europe has been the settlement of the embittered Saar dispute between France and Germany and the agreement to work together to construct the Moselle Canal, making French iron ore and German coking coal mutually accessible.

The Common Market, as now projected, would at first consist of the same six countries as belong to the European Coal and Steel Community. But the future aim would be to extend activities to bring all other commodities and products into the Common Market and to recruit all the other O.E.E.C. countries as members until Europe became a single economic unit with a definite organic structure, without any internal impediments to trade whatever. There would be a single customs tariff for the whole group.

Inevitably, the whole pattern of industrial production inside the group would in time be profoundly transformed. The Common Market would be large enough to permit the application to industry of all the principles of automation, production in very long series would be practicable, thus economising labour, cutting manufacturing costs, augmenting the power of European industry to compete on the world market with the U.S.A. and the U.S.S.R., shortening working hours and raising the standard of living all round.

Euratom

An integral part of the programme of work of the Common Market is to expedite nuclear research through the new organisation known as Euratom, enabling the countries of the Common Market to begin making atomic energy available for industrial use as quickly as possible, so as to cover their existing energy deficit and become independent of outside supplies. No single country of the group alone could afford to finance the production of atomic energy on this scale. By pooling all available capital resources, the group as a whole could accomplish the task.

Such a drastic economic transformation would have disastrous consequences unless spread over a long period. The intention is to implement the plan in three stages, each of four years, with a final period of another three if that proved necessary.

Deliberations going on for long past in Brussels among experts of the Common Market countries are now* at the decisive stage. Agreement on all essentials has been reached. Although some problems are still unsolved, the drafting of the treaty to establish the Common Market is now going on and is expected to be ready for signature in January. Hardly any doubt exists now that the Common Market will begin to function sometime in 1957.

This fact has obliged the other eight O.E.E.C. countries to consider the consequences of having to compete at a serious fiscal disadvantage on the Common Market, inside of which trade will ultimately be duty-free. All O.E.E.C. countries would be welcome as members of the Common Market at any time. Some would be disposed to do so now if this did not involve the sacrifice of a large measure of sovereignty. Being committed to a policy of perpetual neutrality, Switzerland is not able to join, because the Common Market is by nature essentially political. To obtain free access to the Common Market, Switzerland would probably feel compelled to join the Free Trade Area, if formed, although under present world trade conditions Switzerland has no serious foreign trade marketing problems.

In view of present trends of economic development in Europe, the individual markets of the O.E.E.C. countries are too narrow. Speaking in the House of Commons on 26th November, the British Chancellor of the Exchequer, Mr. Harold Macmillan, champion of the Free Trade Area project, said that, in order to develop rapidly, Europe needed a market comparable in size with that of the U.S.A. or the U.S.S.R. Only in a market of that extent would it be possible to take advantage of the principles of automation in industry, because the home market must be large enough to absorb the bulk of the output. Fluctuations of conditions on other markets would otherwise dislocate production too seriously. But automation involves the replacement of existing industrial plant by others quite different in character, depending on electronics. To change over, capital investment on an immense scale would be necessary.

Meaning to Germany

When the Common Market begins to operate, the economic strength of Germany will be very greatly augmented by the collaboration of the six member countries on a common plan of development. Already Germany attracts foreign trade more strongly than any other O.E.E.C. country but Switzerland.

If the Free Trade Area, as now conceived, came into being, the O.E.E.C. countries, it is true, would have access to the Common Market also. But only as individual States, not as integral parts of an organic economic unit. The Common Market is not an end in itself but simply a state of evolution towards European integration. The Free Market Area, on the contrary, would have no economic structure, no common aim, no cohesion. Members could break away at any time. If the Common Market did not exist, neither could the Free Market Area. In competition on the world market, pressure from the Common Market would become more and more disturbing for non-members. In 1955, 47.4 per cent. of the export of Switzerland was to other than O.E.E.C. countries. Switzerland needs the world market almost as much as she does the O.E.E.C. markets. On the world market, Switzerland would find herself in competition with the increasingly powerful Common Market.

Until now no specific plans for forming the Free Trade Area have been revealed. No single Government has committed itself. Discussions in Paris are still in the exploratory stage. But so much at least is clear: the Free Trade Area, sponsored by Great Britain, would consist of 14 O.E.E.C. countries with a total population of about 250 million. Six of the 14 countries would belong to the Common Market, an organic economic unit, with a population of more than 163 million, that is, about two-thirds of O.E.E.C. Europe. Many European experts believe that the difficulty of combining the amorphous Free Trade Area and the compact Common Market would be insurmountable. Collaboration would doubtless be simpler if the Free Trade Area consisted only of metropolitan countries. But the British Chancellor of the Exchequer has emphatically declared: "Britain would be no party to any arrangement drawing her away from the Commonwealth."

An O.E.E.C. study group has to report by 31st December 1956 whether the Free Trade Area project appears feasible. Early in 1957, the O.E.E.C. Council will decide whether to proceed further in that direction or not. If the Free Trade Area is not formed, each individual O.E.E.C. country will have to face the choice between retaining its sovereignty intact or of having to compete with the increasingly powerful Common Market, at a great disadvantage both on that market and on the world market.

Up till now hardly a word has been said about the complex monetary problems that will have to be solved in forming either a Free Trade Area or a Common Market. The economic co-ordination of any group of markets is inconceivable until price levels have been brought into alignment by the adjustment of rates of exchange to purchasing power.—*By courtesy of Swiss Bank Corporation.*

*Since this article was prepared, a tentative agreement has been reached between the Prime Ministers of France, W. Germany, Italy, Belgium, Holland and Luxembourg.

Notices

THE CENTRAL BANK OF INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-sixth Annual General Meeting of the Shareholders of The Central Bank of India, Limited, will be held at the Registered Office of the Company, in the Central Bank Building, Mahatma Gandhi Road, Fort, Bombay, on Thursday the 28th day of March, 1957, at 4 p.m. (S.T.), to transact the following businesss:—

1. To receive and consider and adopt the Report of the Directors and the Audited accounts for the period ended 31st December 1956.
2. To declare a Dividend.
3. To appoint a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who vacates his seat as a Director under Article 84 of the Articles of Association and who is eligible and offers himself for re-appointment.
4. To appoint a Director in place of His Highness Sir Jiwajirao Madhavrao Scindia, G.C.S.I., G.C.I.E., who vacates his seat as a Director under Article 84 of the Articles of Association and who is eligible and offers himself for re-appointment.
5. To appoint a Director in place of Mr. Dinshaw D. Romer who retires by rotation under Article 92 of the Articles of Association read with Section 256 of the Companies Act, 1956, and is eligible for re-appointment and to consider, and if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which is annexed hereto as required by Section 173 of the said Act:

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Mr. Dinshaw D. Romer who has attained the age of 81 years and who retires by rotation under Article 92 of the said Articles of Association read with Section 256 of the Companies Act, 1956, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

6. To appoint a Director in place of Mr. Chimanlal B. Parikh, who retires by rotation under Article 92 of the Articles of Association read with Section 256 of the Companies Act, 1956, and who is eligible and offers himself for re-appointment.
7. To appoint a Director in place of Mr. Framroze J. Gazdar who retires by rotation under Article 92 of the Articles of Association read with Section 256 of the Companies Act, 1956, and who is eligible and offers himself for re-appointment.
8. To appoint Auditors and to fix their remuneration.
9. To consider and, if thought fit, to pass the following resolution required by Section 293 of the Companies Act, 1956, an explanatory statement in respect of which is annexed hereto as prescribed by Section 173 of the said Act.

"RESOLVED that the consent of the Company under the provisions of Section 293(1) (d) of the Companies Act, 1956, be and is hereby granted to the Board of Directors of the Company to borrow from time to time for the purposes of the Company such sum or sums of money as they may in their absolute dircretion think fit notwithstanding that the moneys so borrowed may either by themselves or together with the moneys already borrowed by the Company and remaining outstanding (other than temporary loans obtained from the Company's Bankers in the ordinary course of business) may be in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

"RESOLVED further that the Company hereby ratifies and confirms all borrowings made by the Board of Directors after 1st April 1956, which together with the amounts previously borrowed by the Company and remainnig outstanding have been, during any period since the said date, in excess of the aggregate of the said paid-up capital and free reserves of the Company."

10. To consider and, if thought fit, to pass the following resolution the relative explanatory statement concerning which is annexed hereto as prescribed by Section 173 of the Companies Act, 1956:—

"RESOLVED that the Registers, Books and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301-304, 307, be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent in the manner and on payment of the fees, if any, specified in the aforesaid provisions at the Registered Office of the Company between the hours of 11-30 a.m. and 1-30 p.m. (S.T.) on any working day except Saturdays and between the hours of 11-00 a.m. and 1-00 p.m. (S.T.) on Saturdays, except when the Registers and Books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company. Provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection as aforesaid of the members of the Company between the times abovementioned during the period prescribed by sub-section 5(a) of Section 307."

By Order of the Board,
N. K. KARANJIA,
General Manager.

BOMBAY, 1*st March*, 1957.

Note.—A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*a*) The Transfer Books of the Bank will be closed from Wednesday the 6th day of March, 1957, to Thursday the 28th day of March, 1957, (both days inclusive).

(*b*) Dividend Warrants for the half-year ended 31st December, 1956, will be posted to the Shareholders at their registered address on and after the 29th day of March, 1957. Shareholders are requested to intimate the Bank their change of address, if any, immediately.

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956.

To,

THE SHAREHOLDERS OF
THE CENTRAL BANK OF INDIA LIMITED.

Dear Sir/Madam,

In conformity with the Companies Act, 1956, which came into force on 1st April, 1956, the following Explanatory Statement, as required by Section 173 of the aforesaid Act, sets out all material facts relating to items 5, 9 and 10 mentioned in the accompanying Notice dated the 1st March, 1957.

2. In respect of item No. 5, it is notified that Mr. Dinshaw D. Romer who retires by rotation and is eligible for re-appointment, has attained the age of 81 years and hence he cannot be re-appointed a Director of the Company except by a resolution in respect of which special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said Item No. 5. Mr. Romer has been a Director on the Board of this Company since 1931. He is an eminent Solicitor and has wide and varied experience of banking and commerce and during his long period of association with the Company he has rendered very valuable services to the Company. It is in the interest of the Company that it should continue to receive the benefit of his services as a member of the Board.

3. As to item No. 9, it is proposed to meet the requirements of Section 293(1) (d) of the Companies Act, 1956. The Bank has had since 1st April, 1956, and may hereafter have occasions to borrow in excess of the limits prescribed by the said section and it is, therefore, necessary to ratify such previous borrowings and to give the necessary powers to the Board for such future borrowings, the same being necessary and expedient for the purposes of the Company's business.

4. In respect of item No. 10, it is notified that under the relevant sections of the Act, the Company in General Meeting is entitled to impose reasonable restrictions on keeping the said registers and documents open for inspection by the persons entitled thereto so that not less than two hours in each day are allowed for inspection. The hours of inspection sought to be prescribed by the said resolution are reasonable and convenient from the administrative point of view.

By Order of the Board,
N. K. KARANJIA,
General Manager.

BOMBAY, 1*st March*, 1957.

THE BANK OF INDORE, LIMITED

(*Incorporated in Indore*, 1920)

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Bank, Prince Yeshwant Road, Indore City, on Thursday the 28th March 1957, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1956.

(2) To declare a Dividend.

(3) Jain Ratna Seth Suganmal Bhandari and Seth Balkishan Muchhal retire by rotation but are eligible for re-election.

(4) To confirm the appointment of the undermentioned Directors: (1) Shri Sardarmal Lalwani, (2) Shri Murlidhar Mansinghka.

(5) To elect Auditors for the ensuing year and to fix their remuneration.

By Order of the Board of Directors,
N. D. JOSHI,
Manager.

INDORE CITY,
19*th February* 1957.

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

N.B.—(*a*) The transfer books of the Company will be closed from 14th March 1957 to 28th March 1957, both days inclusive.

(*b*) The Dividend when sanctioned will be payable on and from Friday the 29th March 1957.

(*c*) Shareholders are requested to intimate the Bank their change of address, if any, immediately.

THE RAYALASEEMA MILLS LIMITED
ADONI, KURNOOL DISTRICT

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING of The Rayalaseema Mills Ltd., will be held at the Registered Office of the Company at Rayanagar, Adoni-Thungabhadra Road, Adoni P.O., on FRIDAY the 29th day of March, 1957, at 2 p.m. (S.T.), to transact the usual business and also special business, the details of which are contained in the Notice and the Explanatory statement accompanying the Notice as separately posted to the members of the Company. The Share Transfer Books and the Register of Members of the Company shall remain closed from the 22nd March 1957 to 5th April 1957, both days inclusive.

By Order of the Board,
For THE RAYALASEEMA DEVELOPMENT COMPANY,
M. SOMAPPA,
Senior Partner,
Managing Agents.

ADONI, *26th February*, 1957.

BHARAT SUGAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Bharat Sugar Mills Limited will be held at 8, India Exchange Place, Calcutta, on Friday the 29th day of March, 1957, at 11 a.m., to consider and if thought fit to pass with or without modification the following resolutions:

AS SPECIAL RESOLUTION

1. Resolved that:

(1) The approval of the Central Government having been received for variation in the Managing Agency Agreement the Company do hereby approve of and consent to the variation of the Managing Agency Agreement so as to (i) fix the remuneration payable to the Managing Agents, The Cotton Agents Private Ltd., with effect from the 1st day of April, 1956, at a commission of 10 per cent. of the net profits of the Company as calculated in accordance with the provisions of the Companies Act, 1956, subject to a minimum remuneration of Rs. 25,000 per annum in the event of absence or inadequacy of profits; (ii) fix the term of appointment upto 15th August, 1960, and (iii) provide for the powers and duties of the Managing Agents in accordance with the provisions of the said Act.

(2) The draft agreement embodying the revised terms as aforesaid and placed before the meeting and for the purpose of identification endorsed with the signature of the Chairman of the meeting be and is hereby approved and the Directors be and are hereby authorised to execute engrossment thereof in duplicate.

(3) The terms of the Managing Agency Agreement will have effect notwithstanding any provisions to the contrary in the Articles of Association of the Company.

2. Whereas the American East India Corporation, an associate of The Cotton Agents Private Ltd., the Managing Agents of the Company, maintain an office at New York in the U.S.A. for purchase and sale of goods including stores and machinery and also have dealings and business connections with parties all over the U.S.A. and their operations are on a large-scale and whereas their expenses of maintaining their office, as assessed, amount approximately to $30,000 per annum and whereas expenses, which can be attributed to the work expected to be done for and on behalf of the Company, would depend on the value of purchases effected through the said Company in relation to its total turnover in each year it is hereby resolved that the American East India Corporation be appointed as Agents for the Company to purchase for and on behalf of the Company, stores and machinery for a period of three years and their commission for purchase of stores and machinery at the rates mentioned below, be paid by the Company to the Agents, viz., the American East India Corporation in the manner sanctioned by the Directors of the Company.

(*a*) For ordering stores:

5 per cent. of the invoice price.

(*b*) For ordering machinery:

2½ per cent. of the invoice price on the first $50,000 worth of goods or less.

2 per cent. of the invoice price on the second $50,000 worth of goods or less.

1½ per cent. of the invoice price on the third $50,000 worth of goods or less.

1 per cent. on anything above $1,50,000.

N.B.—(1) Orders placed with different manufacturers or on different occasions with the same manufacturers will not be compounded for the purpose of calculating the commission due to American East India Corporation.

(2) $20,000 will be the maximum commission payable to American East India Corporation in respect of a single order, irrespective of the amount calculated on the percentage basis.

(3) Where the American East India Corporation receive any commission or discount from the manufacturers or other suppliers of goods ordered by them for the Company, they will not be entitled to retain the commission or discount so received and will duly account for the same to the Company.

If anything to be done in pursuance of the above arrangement requires the permission of the Central Government or the Reserve Bank of India as the case may be the same will not be done unless such permission is obtained.

AS ORDINARY RESOLUTION

Resolved that the Registers, Books and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301, 302, 303, 304, 307, 356-360, 362, 372 and Schedule VIII of the Act be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent, in the manner and on payment of fees, if any, specified in the aforesaid provisions at the registered office of the Company on all working days between the hours of 10-30 a.m. and 12-30 p.m. (I.S.T.) except when the registers and books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company upon 24 hours' written notice of intention to inspect, such notice indicating what books, documents and registers are intended to be inspected, provided, however, that the register required to be maintained under section 307 of the Companies Act, 1956, shall be open for inspection of the members of the Company at the place and between the times abovementioned during the period prescribed by sub-section 5(a) of section 307.

By Order of the Board,
THE COTTON AGENTS PRIVATE LTD.,
Managing Agents.

"INDIA EXCHANGE,"
CALCUTTA-1, 18*th February*, 1957.

N.B.—(1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(2) **Explanatory Note:**

Special Resolution No. 1

Under the provisions of the existing Managing Agency Agreement the Managing Agents are entitled to an office allowance of Rs. 1,000 per month and 10 per cent. commission on net profits. No office allowance can, however, be paid from 1st April, 1956, *vide* section 354 of the Companies Act, 1956. Further, the commission of 10 per cent. has to be computed in the manner laid down in section 349 and 350 of the Act. In order to bring the remuneration of the Managing Agents in conformity with the provisions of the Companies Act, 1956, approval of the Central Government has been obtained for fixing the remuneration of the Managing Agents with effect from 1st April, 1956, at 10 per cent. of the net profits to be computed in the manner laid down in the said Act with a minimum remuneration of Rs. 25,000 per annum in the event of absence or inadequacy of profits.

The term of the Managing Agents under the present agreement expires on the 26th day of December, 1961. But section 330 of the Companies Act, 1956, provides for the expiry of the term of office of all Managing Agents on the 15th August, 1960. Accordingly the term of the Managing Agents has been fixed upto the 15th August, 1960.

In view of the various changes in the provisions of the Companies Act, 1956, relating to the Managing Agents, it is considered advisable that the present Managing Agency Agreement be replaced by a fresh agreement incorporating the revised remuneration and the term of office as also other provisions affecting the Managing Agents. As it is proposed to adopt a new set of Articles keeping in view the provisions of the Companies Act, 1956, necessary changes in the Articles of Association of the Company relating to the Managing Agents are not being made at present. Pending such wholesale revision of the Articles of Association, the provisions of the New Managing Agency Agreement shall prevail notwithstanding the present provisions of the Articles of Association of the Company affecting the Managing Agents. The draft Managing Agency Agreement, proposed to be entered into with The Cotton Agents Private Ltd., a copy of which is being sent to the shareholders in terms of section 302(3) of the Companies Act, 1956, can be inspected on any working day during business hours at the registered office of the company at "India Exchange," Calcutta-1.

Special Resolution No. 2

It is proposed to appoint the American East India Corporation, New York, an associate of The Cotton Agents Private Ltd., the Managing Agents of the Company as buying agents for and on behalf of the Company in the United States of America on the terms and conditions stated in the resolution.

Memorandum specifying the nature of interest of Directors in respect of Special Resolutions Nos. 1 and 2:

Shri K. K. Birla, Chairman of the Board of Directors of the Company, is a Director and shareholder of the Managing Agents, The Cotton Agents Private Ltd., and Shri B. P. Khaitan, a Director of the Company, is a co-sharer in the Managing Agency remuneration received by The Cotton Agents Private Ltd., from the Company.

Ordinary Resolution No. 1

The resolution has been proposed to fix the time for and mode of inspection of various registers, books and documents required to be maintained and kept open for inspection of the members and other persons keeping in view the administrative convenience.

BHARAT SUGAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Annual General Meeting of the Bharat Sugar Mills Ltd. will be held at 8, India Exchange Place, Calcutta, on Friday the 29th March, 1957, at 11-20 a.m. or so soon thereafter as the Extraordinary General Meeting of the Company called to be held on the same day at 11 a.m. is over, for the following purposes:—

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 30th June, 1956.
2. To declare Dividends.
3. To elect a Director in place of Shri B. P. Khaitan who retires by rotation as well as under Section 261 (1) (e) of the Companies Act, 1956.

   Shri B. P. Khaitan is a co-sharer in the Managing Agency Commission received from the Company by its Managing Agents, The Cotton Agents Private Ltd. Shri B. P. Khaitan has been on the Board of Directors for many years and has rendered valuable services to the Company as a Director. It is, therefore, in the interest of the Company that he should continue as Director of the Company. The Company has received the requisite Special Notice from a shareholder and accordingly the Special Notice is hereby given to the shareholders for passing the following Special Resolution for re-appointment of Shri B. P. Khaitan as a Director of the Company.

   "RESOLVED that Shri B. P. Khaitan who retires by rotation as well as under Section 261 (1) (e) of the Companies Act, 1956, be and is hereby re-appointed as a Director of the Company."
4. To appoint Auditors and fix their remuneration.

The Register of Members will remain closed from the 20th March to 29th March, 1957, both days inclusive.

By Order of the Board,
THE COTTON AGENTS PRIVATE LTD.,
Managing Agents.

"INDIA EXCHANGE,"
CALCUTTA-1, 18*th February*, 1957.

N.B.—1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. The dividends when declared will be payable to registered shareholders as on 29th March, 1957 on/or after the 31st March, 1957.

GILLANDERS ARBUTHNOT AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE above Company's Register of Members will be closed from the 18th March to the 30th March, 1957, both days inclusive, for payment on the latter date of a dividend of 16 per cent. for the year ended 31st March, 1956, on the Company's Ordinary Share Capital without any deduction in respect of Income-tax payable by the Company.

By Order of the Board,
For GILLANDERS ARBUTHNOT & CO., LTD.,
J. F. E. D'A. WILLIS,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 1*st March* 1957.

NEW INDIA SUGAR MILLS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the New India Sugar Mills Ltd. will be held at 8, India Exchange Place, Calcutta, on Friday the 29th day of March, 1957, at 12 noon, to consider and if thought fit to pass with or without modification the following resolutions:

AS SPECIAL RESOLUTIONS

1. Resolved that:

(1) The approval of the Central Government having been received for variation in the Managing Agency Agreement the Company do hereby approve of and consent to the variation of the Managing Agency Agreement so as to (i) fix the remuneration payable to the Managing Agents, The Cotton Agents Private Ltd., with effect from the 1st day of April, 1956, at a commission of 10 per cent. of the net profits of the Company as calculated in accordance with the provisions of the Companies Act, 1956, subject to a minimum remuneration of Rs. 25,000 per annum in the event of absence or inadequacy of profits; (ii) fix the term of appointment upto 15th August, 1960, and (iii) provide for the powers and duties of the Managing Agents in accordance with the provisions of the said Act.

(2) The draft agreement embodying the revised terms as aforesaid and placed before the meeting and for the purpose of identification endorsed with the signature of the Chairman of the meeting be and is hereby approved and the Directors be and are hereby authorised to execute engrossment thereof in duplicate.

(3) The terms of the Managing Agency Agreement will have effect notwithstanding any provisions to the contrary in the Articles of Association of the Company.

2. Whereas the American East India Corporation, an associate of The Cotton Agents Private Ltd., the Managing Agents of the Company, maintain an office at New York in the U.S.A. for purchase and sale of goods including stores and machinery and also have dealings and business connections with parties all over the U.S.A. and their operations are on a large scale and whereas their expenses of maintaining their office, as assessed, amount approximately to $30,000 per annum and whereas expenses, which can be attributed to the work expected to be done for and on behalf of the Company, would depend on the value of purchases effected through the said Company in relation to its total turnover in each year it is hereby resolved that the American East India Corporation be appointed as Agents for the Company to purchase for and on behalf of the Company, stores and machinery for a period of three years and their commission for purchase of stores and machinery at the rates mentioned below, be paid by the Company to the Agents, viz., the American East India Corporation in the manner sanctioned by the Directors of the Company.

(a) For ordering stores:

5 per cent. of the invoice price.

(b) For ordering machinery:

2½ per cent. of the invoice price on the first $50,000 worth of goods or less.

2 per cent. of the invoice price on the second $50,000 worth of goods or less.

1½ per cent. of the invoice price on the third $50,000 worth of goods or less.

1 per cent. on anything above $1,50,000.

N. B.—(1) Orders placed with different manufacturers or on different occasions with the same manufacturers will not be compounded for the purpose of calculating the commission due to American East India Corporation.

(2) $20,000 will be the maximum commission payable to American East India Corporation in respect of a single order, irrespective of the amount calculated on the percentage basis.

(3) Where the American East India Corporation receive any commission or discount from the manufacturers or other suppliers of goods ordered by them for the Company, they will not be entitled to retain the commission or discount so received and will duly account for the same to the Company.

If anything to be done in pursuance of the above arrangement requires the permission of the Central Government or the Reserve Bank of India as the case may be the same will not be done unless such permission is obtained.

AS ORDINARY RESOLUTION

Resolved that the Registers, Books and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301, 302, 303, 304, 307, 356-360, 362, 372 and Schedule VIII of the Act be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent, in the manner and on payment of fees, if any, specified in the aforesaid provisions at the registered office of the Company on all working days between the hours of 10-30 a.m. and 12-30 p.m. (I.S.T.) except when the registers and books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company upon 24 hours' written notice of intention to inspect, such notice indicating what books, documents and registers are intended to be inspected, provided, however, that the register required to be maintained under section 307 of the Companies Act, 1956, shall be open for inspection of the members of the Company at the place and between the times above-mentioned during the period prescribed by sub-section 5(a) of section 307.

By Order of the Board,

THE COTTON AGENTS PRIVATE LTD.,
Managing Agents.

"INDIA EXCHANGE,"
CALCUTTA-1, 18*th February* 1957.

N.B.—1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. **Explanatory Note:**

Special Resolution No. 1

Under the provisions of the existing Managing Agency Agreement the Managing Agents are entitled to an office allowance of Rs. 750 per month, 1½ per cent. commission on sales and 7½ per cent. commission on net profits, but in accordance with the provisions of section 348 of the Companies Act, 1956, the remuneration payable to the Managing Agents cannot exceed 10 per cent. of the net profits of the Company to be computed in the manner laid down in sections 349 and 350 of the Act. In order to bring the remuneration of the Managing Agents in conformity with the provisions of the Companies Act, 1956, approval of the Central Government has been obtained for fixing the remuneration of the Managing Agents with effect from 1st April, 1956, at 10 per cent. of the net profits to be computed in the manner laid down in the said Act with a minimum remuneration of Rs. 25,000 per annum in the event of absence or inadequacy of profits.

The term of the Managing Agents under the present agreement expires on the 26th December, 1961. But section 330 of the Companies Act, 1956, provides for the expiry of the term of office of all Managing Agents on the 15th August, 1960. Accordingly the term of the Managing Agents has been fixed upto the 15th August, 1960.

In view of the various changes in the provisions of the Companies Act, 1956, relating to the Managing Agents, it is considered advisable that the present Managing Agency Agreement be replaced by a fresh agreement incorporating the revised remuneration and the term of office as also other provisions affecting the Managing Agents. As it is proposed to adopt a new set of Articles keeping in view the provisions of the Companies Act, 1956, necessary changes in the Articles of Association of the Company relating to the Managing Agents are not being made at present. Pending such wholesale revision of the Articles of Association, the provisions of the new Managing Agency Agreement shall prevail notwithstanding the present provisions of the Articles of Association of the Company affecting the Managing Agents. The draft Managing Agency Agreement, proposed to be entered into with The Cotton Agents Private Ltd., a copy of which is being sent to the shareholders in term of section 302(3) of the Companies Act, 1956, can be inspected on any working day during business hours at the registered office of the Company at "India Exchange," Calcutta-1.

Special Resolution No. 2

It is proposed to appoint the American East India Corporation, New York, an associate of The Cotton Agents Private Ltd., the Managing Agents of the Company as buying agents for and on behalf of the Company in the United States of America on the terms and conditions stated in the resolution.

Memorandum specifying the nature of interest of Directors in respect of Special Resolutions No. 1 and 2:

Shri K. K. Birla, Chairman of the Board of Directors of the Company is a Director and shareholder of the Managing Agents, The Cotton Agents Private Ltd., and Shri G. D. Loyalka, a Director of the Company, is a co-sharer in the Managing Agency remuneration received by The Cotton Agents Private Ltd., from the Company.

Ordinary Resolution No. 1

The resolution has been proposed to fix the time for and mode of inspection of the various registers, books and documents to be maintained and kept open for inspection of the members and other persons keeping in view the administrative convenience.

NEW INDIA SUGAR MILLS LTD.

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Annual General Meeting of the New India Sugar Mills Ltd. will be held at 8, India Exchange Place, Calcutta, on Friday the 29th March, 1957, at 12-20 p.m. or so soon thereafter as the Extraordinary General Meeting of the Company called to be held on the same day at 12 noon is over, for the following purposes:—

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 30th June, 1956.
2. To declare Dividends.
3. (a) To approve of the appointment of Shri N. C. Mehta as a Director of the Company who retires under Article 126A of the Articles of Association of the Company.

   (b) To elect a Director in place of Shri G. D. Loyalka who retires by rotation as well as under Section 261(1) (e).

   Shri G. D. Loyalka is a co-sharer in the Managing Agency commission received from the Company by its Managing Agents, The Cotton Agents Private Ltd. Further, he has attained the age of 67 years. Shri G. D. Loyalka has been on the Board of Directors of the Company since the inception of the Company and has rendered valuable services to the Company as a Director. It is, therefore, in the interest of the Company that he should continue as a Director of the Company. The Company has received the requisite special notice from a shareholder and accordingly the special notice is hereby given to the shareholders for passing the following Special Resolution for reappointment of Shri G. D. Loyalka as a Director of the Company.

   "Resolved that Shri G. D. Loyalka who retires by rotation as well as under Section 261(1) (e) of the Companies Act, 1956, and who has attained the age of 67 years be and is hereby reappointed as a Director of the Company and that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

4. To appoint Auditors and fix their remuneration.

The Register of Members will remain closed from 20th March to 29th March, 1957, both days inclusive.

By Order of the Board,

THE COTTON AGENTS PRIVATE LTD.,
Managing Agents.

"INDIA EXCHANGE,"
CALCUTTA-1, 18*th February*, 1957.

N.B.—1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. The dividends when declared will be payable to registered shareholders as on 29th March, 1957 on/or after the 31st March, 1957.

UPPER GANGES SUGAR MILLS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Upper Ganges Sugar Mills Ltd. will be held at 8, India Exchange Place, Calcutta, on Friday the 29th day of March, 1957, at 2-30 p.m., to consider and if thought fit to pass with or without modification the following resolutions:

AS SPECIAL RESOLUTIONS

1. Resolved that:

(1) The approval of the Central Government having been received for variation in the Managing Agency Agreement the Company do hereby approve of and consent to the variation of the Managing Agency Agreement so as to (i) fix the remuneration payable to the Managing Agents, The Cotton Agents Private Ltd., with effect from the 1st day of April, 1956, at a commission of 10 per cent. of the net profits of the Company as calculated in accordance with the provisions of the Companies Act, 1956, subject to a minimum remuneration of Rs. 45,000 per annum in the event of absence or inadequacy of profits; (ii) fix the term of appointment upto 15th August, 1960, and (iii) provide for the powers and duties of the Managing Agents in accordance with the provisions of the said Act.

(2) The draft agreement embodying the revised terms as aforesaid and placed before the meeting and for the purpose of identification endorsed with the signature of the Chairman of the meeting be and is hereby approved and the Directors be and are hereby authorised to execute engrossment thereof in duplicate.

(3) The terms of the Managing Agency Agreement will have effect notwithstanding any provisions to the contrary in the Articles of Association of the Company.

2. Whereas the American East India Corporation, an associate of The Cotton Agents Private Ltd., the Managing Agents of the Company, maintain an office at New York in the U.S.A. for purchase and sale of goods including stores and machinery and also have dealings and business connections with parties all over the U.S.A. and their operations are on a large scale and whereas their expenses of maintaining their office, as assessed, amount approximately to $30,000 per annum and whereas expenses which can be attributed to the work expected to be done for and on behalf of the Company, would depend on the value of purchases effected through the said Company in relation to its total turnover in each year it is hereby resolved that the American East India Corporation be appointed as Agents for the Company to purchase for and on behalf of the Company, stores and machinery for a period of three years and their commission for purchase of stores and machinery at the rates mentioned below, be paid by the Company to the Agents, viz., the American East India Corporation in the manner sanctioned by the Directors of the Company.

(a) For ordering stores:

5 per cent. of the invoice price.

(b) For ordering machinery:

2½ per cent of the invoice price on the first $50,000 worth of goods or less.

2 per cent. of the invoice price on the second $50,000 worth of goods or less.

1½ per cent. of the invoice price on the third $50,000 worth of goods or less.

1 per cent. on anything above $1,50,000.

N.B.—(1) Orders placed with different manufacturers or on different occasions with the same manufacturers will not be compounded for the purpose of calculating the commission due to American East India Corporation.

(2) $20,000 will be the maximum commission payable to American East India Corporation in respect of a single order, irrespective of the amount calculated on the percentage basis.

(3) Where the American East India Corporation receive any commission or discount from the manufacturers or other suppliers of goods ordered by them for the Company, they will not be entitled to retain the commission or discount so received and will duly account for the same to the Company.

If anything to be done in pursuance of the above arrangement requires the permission of the Central Government or the Reserve Bank of India as the case may be the same will not be done unless such permission is obtained.

AS ORDINARY RESOLUTIONS

1. Resolved that the Registers, Books and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301, 302, 303, 304, 307, 356-360, 362, 372 and Schedule VIII of the Act be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent, in the manner and on payment of fees, if any, specified in the aforesaid provisions at the registered office of the Company on all working days between the hours of 10-30 a.m. and 12-30 p.m. (I.S.T.) except when the registers and books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company upon 24 hours' notice of intention to inspect, such notice indicating what books, documents and registers are intended to be inspected, provided, however, that the register required to be maintained under section 307 of the Companies Act, 1956, shall be open for inspection of the members of the Company at the place and between the times above-mentioned during the period prescribed by sub-section 5(a) of section 307.

Ordinary Resolution No. 2.

Resolved that the appointment of Messrs. Nagarmal Radheshyam, Bhagalpur, and Messrs. Payal Private Ltd., Delhi, as sole selling agents for the areas allotted to them for sale of the products of the Birla Laboratories (Chemical Department) owned by the Company be and is hereby approved.

By Order of the Board,

THE COTTON AGENTS PRIVATE LTD.,
Managing Agents.

"INDIA EXCHANGE,"
CALCUTTA-1, 18*th February* 1957.

N.B.—(1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(2) **Explanatory Note:**

Special Resolution No. 1

Under the provisions of the existing Managing Agency Agreement the Managing Agents are entitled to an office allowance of Rs. 1,000 per month, 2 per cent. commission on sales and 10 per cent. commission on net profits, but in accordance with the provisions of section 348 of the Companies Act, 1956, the remuneration payable to the Managing Agents cannot exceed 10 per cent. of the net profits of the Company to be computed in the manner laid down in sections 349 and 350 of the Act. In order to bring the remuneration of the Managing Agents in conformity with the provisions of the Companies Act, 1956, approval of the Central Government has been obtained for fixing the remuneration of the Managing Agents with effect from 1st April, 1956, at 10 per cent. of the net profits to be computed in the manner laid down in the said Act with a minimum remuneration of Rs. 45,000 per annum in the event of absence or inadequacy of profits.

The term of the Managing Agents under the present agreement expires on the 15th day of March, 1962. But section 330 of the Companies Act, 1956, provides for the expiry of the term of office of all Managing Agents on the 15th August, 1960. Accordingly the term of the Managing Agents has been fixed upto the 15th August, 1960.

In view of the various changes in the provisions of the Companies Act, 1956 relating to the Managing Agents, it is considered advisable that the present Managing Agency Agreement be replaced by a fresh agreement incorporating the revised remuneration and the term of office as also other provisions affecting the Managing Agents. As it is proposed to adopt a new set of Articles keeping in view the provisions of the Companies Act, 1956, necessary changes in the Articles of Association of the Company relating to the Managing Agents are not being made at present. Pending such wholesale revision of the Articles of Association, the provisions of the new Managing Agency Agreement shall prevail notwithstanding the present provisions of the Articles of Association of the Company affecting the Managing Agents. The draft Managing Agency Agreement, proposed to be entered into with The Cotton Agents Private Ltd., a copy of which is being sent to the shareholders in terms of section 302 (3) of the Companies Act, 1956, can be inspected on any working day during business hours at the registered office of the Company at "India Exchange," Calcutta-1.

Special Resolution No. 2

It is proposed to appoint the American East India Corporation, New York, an associate of The Cotton Agents Private Ltd., the Managing Agents of the Company as buying agents for and on behalf of the Company in the United States of America on the terms and conditions stated in the resolution.

Memorandum specifying the nature of interest of Directors in respect of Special Resolution No. 1 and 2:

Shri K. K. Birla, Chairman of the Board of Directors of the Company is a Director and shareholder of the Managing Agents. The Cotton Agents Private Ltd.

Ordinary Resolution No. 1

The resolution has been proposed to fix the time and for mode of inspection of various registers, books and documents required to be maintained and kept open for inspection of the members and other persons keeping in view the administrative convenience.

Ordinary Resolution No. 2

It is proposed to get the appointment of the sole selling agents for the sale of the products of the Birla Laboratories (Chemical Department) owned by the Company, approved in the General Meeting as required under section 294 of the Companies Act, 1956.

UPPER GANGES SUGAR MILLS LTD.

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Annual General Meeting of the Upper Ganges Sugar Mills Limited will be held at 8, India Exchange Place, Calcutta, on Friday the 29th March, 1957, at 3 p.m. or so soon thereafter as the Extraordinary General Meeting of the Company called to be held on the same day at 2-30 p.m. is over, for the following purposes:—

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 30th June, 1956.
2. To declare Dividends.
3. To elect a Director in place of Shri R. K. Kanoria who retires by rotation.
4. To appoint Auditors and fix their remuneration.

The Register of Members will remain closed from the 20th March to 29th March, 1957, both days inclusive.

By Order of the Board,

THE COTTON AGENTS PRIVATE LTD.,
Managing Agents.

"INDIA EXCHANGE,"
CALCUTTA-1, 18*th February*, 1957.

N.B.—1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. The dividends when declared will be payable to registered shareholders as on 29th March, 1957, on/or after the 31st March, 1957.

MARTIN BURN LIMITED

NOTICE

AT A MEETING OF THE BOARD OF Directors of Martin Burn Ltd. held on the 27th February 1957, the Directors have recommended the payment of a dividend at the rate of Re. 1-8-0 and a cash bonus of As. 10 per share both without deduction of Income-tax on the Ordinary shares of the Company ranking for dividend for the year ended 30th September 1956. These recommendations await sanction by the Shareholders at the Annual General Meeting of the Company to be held on Friday the 29th March 1957.

The Ordinary Share Register of the Company will be closed from the 22nd to 29th March 1957, both days inclusive, and the dividend and cash bonus, if sanctioned, will be paid on or after the 30th April 1957.

By Order of the Board,

MARTIN BURN LIMITED,

A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA, 28*th February*, 1957.

PROBLEMS OF ECONOMIC INTEGRATION

RATIONALITY OF "DOUBLE STANDARD MORALITY"

A SYMPATHETIC view of the problems of economic development of underdeveloped countries was taken by Prof. Gunnar Myrdal, Executive Secretary of the United Nations' Economic Commission for Europe, Geneva, in his Foundation Day address at the Delhi School of Economics. In this address, he pinpointed the outstanding facts of the economic situation in the world today and highlighted the difficulty in bringing about economic integration of the developed and underdeveloped areas of the world. He recognised the need for the latter areas adopting a highly protectionist policy so far as their imports were concerned and asking for free trade in regard to their exports. In their struggle for economic salvation, the practice of "double standard morality" was not irrational. He reminded the industrialised countries of their responsibility to the backward parts of the world. He advised the underdeveloped countries to practise regional co-operation and to evolve a free trade area amongst themselves while keeping high tariff walls to protect their nascent industries against competition from the richer countries.

The following is a detailed summary of Prof. Myrdal's address:

A few countries of the temperate zone and inhabited by people of European stock have very high levels of real income per head; taken together they represent about one-sixth of the total population in the non-Soviet world. Their economies are continually developing rapidly. It is, on the whole, the already industrialised countries which are industrialising further. But more than two-thirds of the people in the non-Soviet world live in the underdeveloped countries where real incomes per head are very low, in most of them much lower than in the richer countries when they were in the beginning of their industrial revolution. On the average, economic development in the underdeveloped countries as in the last half century been, and is today, slower and more hesitant; some of them have fallen backwards in general economic well-being. The income gap between the richer and the poorer countries has, therefore, been widening, and is widening today. As the total population in the poorer parts of the world is so much bigger and, on the average, has been, and is, increasing at a faster rate, it is—in spite of the spectacular development of technological knowledge—very uncertain whether, and in what sense, it can be said that, in recent times, there has been any general economic improvement for mankind as a whole.

Richer Countries

The richer countries have now reached the situation where further economic progress has become an almost automatic thing. The explanation for this is the fact that, in these countries, there has, in recent decades, taken place a rapid movement towards economic integration. No localities and regions and no occupational groups or social classes are now allowed to fall far behind what is becoming general standard in the country as a whole, and that standard is continuously raised. Social and geographical mobility are safeguarded, and an ever greater equality of opportunity is assured to the newly born. This integration of a nation implies an ever fuller utilisation of the inherent productive potentialities of the most important natural resource of every country, which is the people. The higher level attained of economic development and income per head has been brought to reflect itself in an improved general education of the people and a broader sharing in the national culture; this has implied a more effective spread of expansionary momentum from one industry or locality to others which not only has spurred economic progress directly but also decreased internal economic inequalities; this, in its turn, has layed a still firmer basis for political democracy, which has become an ever more effective form of government in the richer countries and is continually the driving force behind the integration policies. In the cumulative social process, economic development, equalisation of opportunities, and political democracy are interrelated by circular causation, each one being mutually each others both cause and effect.

In the underdeveloped countries, the lack of national integration in this sense—that is, the lower level of general education and of broadly dispersed sharing in the ambitions and capacities of a common culture, the lower degree of social and economic mobility, the less effective spread of expansionary momentum from one industry and locality to others, the greater internal inequalities, and the lower average productivity of labour due to all this—is, on the one hand, the general cause of economic underdevelopment. On the other hand, it is the social result of generations of economic stagnation. This is a vicious circle, and its course will not be turned into a development upwards if nothing is done to effectuate this change. Planning of economic development in an underdeveloped country has, therefore, to be directed towards national integration of the people; by breaking down the social and economic chasms which have been fortified by economic stagnation, opening the sluices for social and economic mobility, improving the general education, increasing the effectiveness of the spread of expansionary momentum, and equalising opportunities. This is just as important as any amount of capital investment.

If this element of national integration is lacking in the economic planning of an underdeveloped country, economic development will be frustrated from the beginning and will, in fact, not get far. For this reason, political democracy has an instrumental role to play in the strivings for economic development in an underdeveloped country, in addition to its primary value in meeting the demand for justice; its only alternative in this function of loosening up the State social structure of a stagnant society and releasing the productive powers of a people is violent revolution and dictatorship. I am deeply conscious of the fact that India's great experiment is in line with the theory of economic integration I am here sketching. The most important element in what India is trying to do is to reshape radically the conditions under which the individuals live and work. The whole world has a vital stake in India's success in accomplishing economic progress on the basis of national integration.

International Integration

One problem which must be faced is whether, and how far, national integration is compatible with international integration. The welfare State in the richer countries has been narrowly nationalistic. The national integration in these countries has, as a matter of fact, implied deep disintegration internationally, and so even as between the countries in their own small division in the world. As yet, we have not come far in overcoming this most unwholesome situation. But the work cannot be given up of attempting to reach a better integrated world *without* abstaining from the attainments of economic security and equality of opportunity which we have reached in the richer countries. A higher level of international integration has to be accomplished, not simply by tearing down the structures of national regulations as the old free trade theory would prescribe, but by incorporating them into an international frame of agreed and co-ordinated national policies.

In this connection I want to stress, however, that the underdeveloped countries have very important reasons, which the richer countries do not have, for applying nationalistic economic policies in order to restore world balance. As a prominent Indian official, Mr. N. Raghavan Pillai, emphasised at an international meeting: "Equality of treatment is equitable only among equals." Pressing on towards economic development has by necessity the effect in a poor country that the foreign exchange situation becomes strained, and such a country is already for this reason simply compelled to take vigorous measures to regulate its foreign trade. An underdeveloped country has also quite special reasons, which the richer countries do not have, for utilising these regulations to protect its new industries. From a market point of view, being underdeveloped means precisely that industries do not initially have competitive strength and that without protective measures there is not enough of economic demand for its labour. On the basis of such considerations, I have argued for the rationality of a "double standard morality" in judging commercial policies of different countries. The underdeveloped countries have rational grounds for asking the developed countries to liberalise their trade and capital movements unilaterally. They need to be staunch free traders, and even preserve for themselves the right to give export subsidies, so far as the advanced countries' imports from them are concerned, but restrictionists in respect of their own imports. And they have in the dynamic theory of underdevelopment and development, which is now gradually being worked out, valid arguments against anyone who would find this position logically inconsistent.

Regional Co-operation

Besides national integration, the underdeveloped countries need to strive more diligently for regional economic integration. The underdeveloped countries tend all to have their cultural and economic ties and, in fact, most of their communications, with one or several industrial countries, while their mutual relations even within the closest neighbourhood region are weak. As yet, there is, for instance, almost no practical economic co-operation in South-East Asia, and the basis for fostering it is feeble, as the initial situation is almost complete absence of any economic relations and often of effective transport facilities. This all is the result of prolonged economic backwardness, foreign economic domination and, in particular, political colonialism. After liberation, the old commercial relations are kept up and, indeed, must be kept up, while almost no practical steps have been taken to compliment them by breaking the inherited and artificial economic isolation from neighbouring countries in the region.

Western as well as Eastern Europe, where the individual countries have never been so isolated from each other, have after the war been striving towards a higher degree of regional integration; they have not been too successful but the effort is not given up. It should be clear that the underdeveloped countries would need much more than do the developed regions, neighbourhood co-operation, agreed specialisation in their industrialisation and, indeed, "free trade areas" for themselves behind common protective walls in order to have real success with their development programmes.

Such a policy of regional integration would also make them stronger. As the basic economic and political disequilibrium in the world today is due to the exceedingly weak bargaining power of the poor and underdeveloped countries which make up the great majority of mankind, every step towards regional co-operation in the poorer parts of the world would also work for a greater democratic international power balance. It would thus bring us nearer to reaching the wholesome international integration between all countries in the world, rich and poor, based on a greater equality of opportunity of all peoples, which is the internationalist's dream.

The scientific study of the economic and social processes has an important role to play in the present phase of world history. The totally changed political situation in the world and the compulsion, implied in this political change to focus attention on entirely new and very different problems, are bound to cause the beginning of a revolution also in the social sciences, widening our horizon and radically redirecting our thinking. Out of this mighty process should also emerge a more realistic and relevant economic theory.

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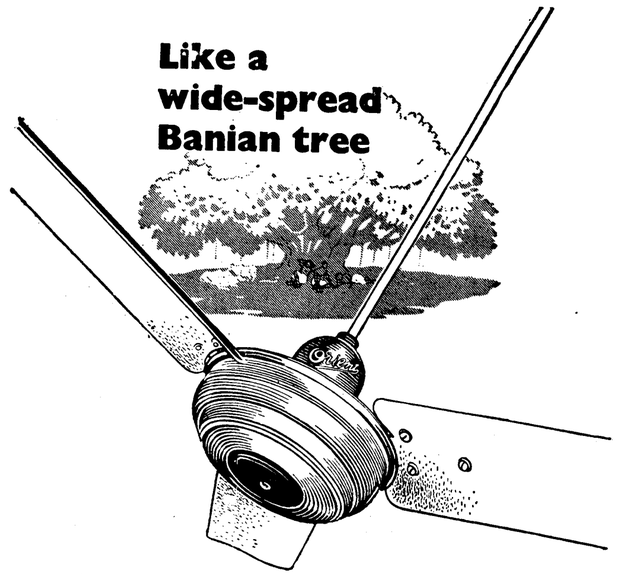

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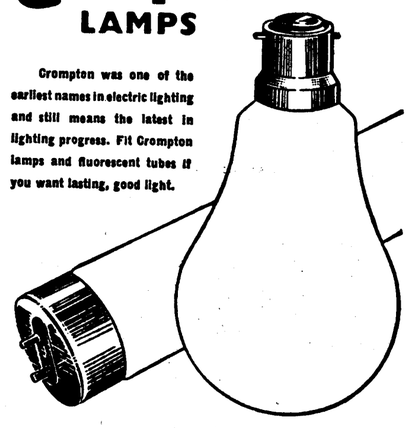

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INCREASED INDO-BRITISH TRADE

SUBSTANTIAL RISE IN U.K.'S EXPORTS

THE total value of Indo-British trade in 1956 reached a record level. It was £309 million in 1956, as against £289 million in 1955 and £263 million in 1954. The rise in the total value of trade to the extent of £20 million in 1956, however, obscures the substantial increase in Britain's exports to India because of a similar amount of decline in the U.K.'s imports from India. The value of total U.K. exports to India rose from £115 million in 1954 to £130 million in 1955 and further to £168 million in the year under review. This means an increase of no less than 46 per cent. over the 1954 level and 29 per cent. over the 1955 level. As against this, total U.K. imports from India were valued at £141 million in 1956, that is, 11 per cent. less than in 1955 (£159 million) and 4 per cent. less than the 1954 figure (148 million). This trend is in keeping with India's plans for expanding its industrial wealth. It only reflects the increasing share which Britain receives in India's imports of machinery for implementing these plans. That is as it should be, because of Britain's long connection with India.

The increase in the value of the U.K.'s exports to India was reflected in the proportion of India's share in the U.K.'s total exports to all countries from 4.3 per cent. in 1954 to 4.4 per cent. in 1955 and 5.2 per cent. in 1956. Consequently, in the year under review, India ranked fourth as a market for U.K. exports, as compared with the sixth position it held in the two preceding years. The marked rise in the value of British exports to India was accounted for principally by machinery, other than electric, iron and steel, metal manufactures, railway vehicles, and electric machinery apparatus and appliances. Increases were also recorded in respect of chemicals and road vehicles and aircraft.

Principal Exports

The following table gives the values of principal exports of Britain to India in 1956 as compared with those of 1955:

(Value in £'000)

	Full year	
	1955	1956
Total All Exports	130,165	167,837
Of which:		
Machinery other than electric ..	32,340	45,271
Electric machinery, apparatus and appliances.	16,264	21,204
Wool and other animal hair and tops ..	4,819	5,359
Petroleum and petroleum products	1,735	2,876
Chemicals	10,525	13,266
Paper, paperboard and manufactures thereof	1,717	1,418
Iron and steel	8,795	15,926
Non-ferrous base metals	2,251	3,993
Manufactures of metals	6,994	13,458
Railway vehicles	3,366	6,473
Road vehicles and aircraft	10,025	11,927
Scientific instruments; photographic and optical goods; watches and clocks ..	2,975	2,941

The machinery exports, including electric machinery apparatus and appliances, valued at about £66.5 million, represented an increase of 30 per cent. over the previous year. It is noteworthy that India topped the list of countries receiving U.K. machinery (other than electric) and was a very close second for electric machinery and apparatus valued at £21.2 million. While in the case of the former India accounted for 8.9 per cent. of total U.K. exports in 1956, as against 6.9 per cent. in 1955, in the case of the latter, the corresponding proportions were 9.6 per cent. and 8.3 per cent., respectively. Some of the principal items among the exports were: textile machinery (£9.861 million), converting machinery, transformers, switchgear, etc. (£4.799 million), generating sets, generators and motors (3.498 million), electric cables, wires, strips and strands, insulated (£5.4 million), boilers and boiler-house plant (£2.252 million), internal combustion engines (£2.236 million), machine tools (£2.657 million), industrial and works trucks, and tractor and mechanical handling equipment (£2.245 million), and excavating and earthmoving equipment, etc. (£2.290 million).

In sharp contrast to the U.K.'s exports during the year under review, its imports from India witnessed a substantial reduction in value. Thus, the U.K.'s imports from India in 1956 accounted for 3.6 per cent. of the total U.K. imports from all sources, as against 4.1 per cent. in the previous year. Consequently, India's rank as a supplier of goods needed by the U.K. declined to sixth place in 1956 from fifth place in the preceding two years. The following table provides an idea of the U.K.'s import figures for the year under review juxtapositioned with those of the preceding year:

(Value in £ '000)

	Full year	
	1955	1956
Total All Imports	158,956	141,468
Of which:		
Tea	75,499	68,893
Leather, leather manufactures and dressed furs	12,618	11,475
Tobacco and tobacco manufactures	7,163	8,178
Wool and other animal hair and tops ..	4,898	4,154
Cotton	4,529	3,379
Miscellaneous textile fibres and waste ..	1,390	837
Crude fertilisers and crude minerals, excluding fuels	1,976	1,740
Metalliferous ores and metal scrap	2,444	2,497
Miscellaneous animal and vegetable crude materials	4,945	4,002
Animal and vegetable oils, fats, greases and derivatives	8,487	7,908
Cotton yarns and woven fabrics	7,037	7,475
Miscellaneous textile manufactures	14,386	11,729

As can be ascertained from the table, tea was, as usual, by far the largest item and accounted, at the value of £68.9 million, as against £75.5 million in 1955, for 48 per cent. of total U.K. imports—that is, 8 per cent. less than in 1955—from India. Imports of tobacco and its manufactures, however, increased by about a million pounds to £8.1 million. Leather and leather manufactures, again, recorded a decline of more than a million pounds. Other items in which there was a marked decline were: cotton, miscellaneous animal and vegetable crude materials, miscellaneous textile manufactures and animal and vegetable oils, fats, etc. In the case of cotton yarn and woven fabrics, however, a slight rise was witnessed.

The net result is that Britain's trading position with India improved from that of a debtor to the tune of £29 million in 1955 to that of a creditor to the extent of £27 million in 1956. This improvement is attributable to a combination of factors. On the one hand, the pace of development in India called for increased imports of machinery, iron and steel, etc.; on the other, the worsening economic situation forced the U.K. Government to follow certain consistent policies with a view to keeping its trading position strong. Some of the more notable measures were the credit squeeze, the rising of the Bank rate, restrictions on hire-purchase arrangements and critical scrutiny of applications by the Capital Issues Committee. All these measures were directed towards increasing the productivity and competitive position of industries at home, and exports, on the one side, and towards curbing internal consumption on the other. In other words, Britain's objective in 1956 was to export more and import less and its trade with India has been in keeping with that objective.

I.C.I. REDUCES WROUGHT TITANIUM PRICES

Imperial Chemical Industries Ltd., the largest producer of titanium in Great Britain, recently announced substantial reductions in the price of its wrought titanium and titanium alloy products. While continuing to vary according to the form of wrought product and the grade or alloy of titanium used, prices will in general be lowered by 10 per cent.

Two factors have contributed to this important development. First, the steadily expanding range of applications for titanium in the aircraft industry, coupled with increasing production efficiency. Secondly, the continuing decline in the price of I.C.I. raw titanium metal, which for the past year has been below that of equivalent American material. At 19s. 6d. per lb., I.C.I. raw titanium metal is selling at the lowest published price in the world.

(Concluded from next column)

importers in keeping the price levels under check as a result of the scarcity of consumer goods caused by the import policy and of inadequacy of home supplies to meet the growing demand. He acknowledged that the traders had a duty to supply goods to consumers at reasonable prices. But, if circumstances went out of hand, they could not help it, and in such circumstances it was not fair to blame the trade for prices going up. He pointed out, however, that causes for the rise in prices should be analysed before the trade was publicly held responsible for it. This is, indeed, a fair demand and the Government should have no difficulty in complying with it. After all, the first requisite for curing anybody suffering from a malady is to trace the cause of it.

IMPORT RESTRICTIONS

TRADERS' REACTIONS

THE view that the new import policy for the period January-June 1957 is so drastic that there will be an unfilled gap in a number of industrial raw materials and consumer goods was expressed by Mr. Shantilal M. Shah, in the course of his presidential address to the annual general meeting of the All-India Importers' Association which was held on 28th February. Mr. Shah, however, conceded that the step taken appeared to be the only course open to the Government to follow in its efforts to conserve foreign exchange resources at this critical period. Mr. Shah had no complaints if the new import policy was framed entirely to conserve foreign exchange. What was, however, unfortunate was the complicated and cumbersome aspect of the restrictions, some of which were old and continued to exist for no valid reason.

It was ironical, Mr. Shah complained, that while the policy of controlled liberalisation which had been in operation for the past three years had to be replaced by drastic cuts in import quotas and the face value restrictions which provided triple protection to home industries, the high tariffs introduced along with controlled liberalisation continued to exist. It was necessary, he said, to liberalise at least the face value restriction in order to make the indigenous industries more watchful about both quality and price. He thought that the vacuum thus created at present by the import policy would prove to be a remedy worse than the disease itself. He, therefore, appealed to the Government to keep this point in view, while framing the import policy for the next licensing period.

As a result of the new import policy which was likely to continue for three to four years, Mr. Shantilal Shah predicted that a number of importers would be forced to close down their business. This, obviously, created a situation of some seriousness. Mr. Shah complained in this connection that, though the importers had expressed their desire and anxiety to be absorbed in the distributive channels of the indigenous industries, there was no encouraging response from either the Government or the indigenous industries. Further, when imports were banned, the indigenous industries, contrary to expectations, created their own channels for the distribution of goods. This method, he contended, not only starved the existing trade channels, but also made it difficult for the domestic manufacturers themselves to market their products. In view of this state of affairs, there is much to be said in favour of Mr. Shah's plea that the Government and the industrialists should bear this point in mind and evolve a suitable voluntary scheme providing for the utilisation of the present importing channels for the distribution of indigenous production. He specially appealed to the Federation of Indian Chambers of Commerce and Industry to devote its attention to this aspect of the problem. By so doing, the speaker felt, the Federation would be doing service not only to the commercial community but also to the nation.

Customs Reorganisation Committee

Mr. Shah expressed his gratification at the acceptance by the Government of his suggestion put forth a year ago, and later supported by the Federation of Indian Chambers of Commerce and Industry, for the establishment of a Customs Enquiry Committee to evolve smooth and suitable procedure for the clearance of imported goods. The Customs Reorganisation Committee, as the enquiry committee is called, has been set up to examine in detail the whole question not only of sea customs, but also of land customs passengers' baggage, etc. The President of the Importers' Association welcomed also the constitution of the Local Advisory Committee with the Collectors of Central Excise at various divisions. He expressed the belief that it would not only help solve the procedural difficulties but would also go a long way towards creating a feeling of confidence in the minds of the trade that their views were being listened to. Mr. Shah felt that another step remained to be taken by the Central Board of Revenue. This was the creation of an Advisory Committee to assist the Commissioners of Income-tax of each division so that local difficulties could be solved in a rational manner. This arrangement, in Mr. Shah's view, would facilitate the industry and trade to ventilate their viewpoints before the executive authorities of the Income-tax Department.

Earlier in his speech, Mr. Shah reminded the audience of the duty that devolves on the

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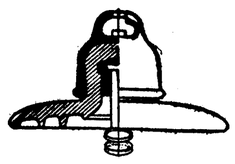

ORIENT TEXTILE ENGINEERS LIMITED
24, Netaji Subhas Road
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MADURA MILLS EARN HIGHER PROFIT

DIVIDEND, HOWEVER, PRUNED ON ACCOUNT OF PENAL DIVIDEND TAX

THE cut in the dividend from 20 per cent. to 17½ per cent. for the year ended 31st December 1956, announced by the Madura Mills Company, Ltd. (Managers: Messrs. A. & F. Harvey Ltd., Madurai) early last month, came as a shock to investors in the Company's shares. The announcement was made at a time when the share markets were in a sullen mood, and provided a real damper to the Madras market in particular. The reduction is not drastic, but the surprising thing about it is that the cut has been made notwithstanding the excellent performance of the Company during the year under review. For the gross profit, which had shrunk from Rs. 1.32 crores to Rs. 1.07 crores in 1955, has risen to Rs. 1.26 crores. There has, however, been no corresponding expansion in net profit, which is unchanged at Rs. 44.20 lakhs. This is because of the larger allocations to taxation at Rs. 51.50 lakhs, as against Rs. 34.78 lakhs, and to Managers' commission at Rs. 11.81 lakhs, as against Rs. 9.73 lakhs for the previous year. The provision for depreciation is only a shade higher at Rs. 18.79 lakhs.

As in the previous year, no addition has been made to the reserves. It may, therefore, be wondered why the customary 20 per cent. dividend which requires Rs. 35 lakhs and is well within the amount of net profit and which, in fact, will leave a sizable surplus to be carried forward, has not been repeated. The substantially larger provision for taxation provides the clue and the Directors' reasons for their decision, given in their report to the shareholders, are convincing. They say:

"The dividend taxes introduced in the Finance Act, 1956, and the Finance Act (No. 3), 1956, impose a heavy burden on your Company by reason of its relatively small subscribed capital in relation to the capital employed in the business. For example, dividends paid in excess of 18 per cent. have to bear the penal rate of dividend tax of As. 6 per rupee which, when added to the normal income-tax and super-tax payable on the profits, increases the total rate of taxation to approximately As. 13 per rupee on that part of the dividend in excess of 18 per cent. Moreover, in the interests of the Company and shareholders, the Directors are contemplating the implementation of a large-scale scheme of modernisation and rehabilitation of the mills during the next few years and there is, therefore, a need to conserve and, in fact, add to the liquid resources of the Company. It is for these reasons that the Directors recommend a slight decrease in the dividend as compared to the rate paid in recent years."

First Cut Since 1950

This is the first time since 1950 that the Company's dividend has been pruned. In 1950, the distribution was reduced from 17½ per cent. to 15 per cent. on account of the extremely disappointing results. In fact, the Directors had, in recommending a dividend of 15 per cent., been more liberal than was warranted by the profit for that year and the dividend had to be met by drawing a sizable sum from the preceding year's surplus and by writing back excess tax provisions. The following year, not only was the cut restored but a higher dividend of 20 per cent. was paid. This was maintained in the succeeding four years before being reduced to 17½ per cent., as stated at the outset.

The cut effected in 1950 and the one now recommended are, however, made under entirely different circumstances. On the previous occasion, when the profit did not even warrant a remuneration to the shareholders, the Directors could adopt a liberal policy, but now, when the profit itself justifies the payment of a certain rate of dividend, the Company is being penalised for doing so, with the result that as large a surplus as Rs 32.44 lakhs has to be carried forward. This surplus may be required, as the Directors point out, for the implementation of the large-scale modernisation and rehabilitation programme; but such ploughing back in the present socialist climate does not enthuse shareholders very much. They do not know for certain whether they would at all be allowed to reap the fruits of conserving the present profits for future gains. Moreover, the Company itself is not quite free to utilise it for the purpose it deems best. For it has, under the latest Finance Act, to deposit the prescribed percentage with the Reserve Bank and can draw on it only at the pleasure of the authorities.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds (net)	15,69.45	14,82.85	16,01.79	15,22.48
Other income ..	6 50	5 29	2 07	2 20
Raw materials consumed ..	9,06 54	9,48 18	10,35.08	9,72 44
Wages and other expenses ..	4,53 29	4,32 52	4,36.88	4,50 11
Gross profit	1,26 30	1,07 44	1,31 90	1,02 13
Managers' commission	11 81	9 73	12 30	7 99
Provision for—				
Depreciation	18 79	18 73	19 03	17 98
Taxation	51 50	34 78	45 25	30 09
Net profit	44 20	44 20	55 31	45 46
To reserves	..	..	20 00	10.00
Dividend	30 63 (17½%)	35 00 (20%)	35 00 (20%)	35 00 (20%)
Carry forward	32 44	18 87	9 67	9 36

There has been a welcome increase of Rs. 86.60 lakhs in sale proceeds, but this is not sufficient to make good the decline noted in the previous year. The bulk of this increase has, however, been offset by the rise of Rs. 48.36 lakhs in the cost of raw materials consumed, of Rs. 16.71 lakhs in salaries, wages and bonus and of Rs. 3.97 lakhs in other expenses.

The Company's financial position, as disclosed by the latest balance-sheet, is impressive. The reserves and surplus aggregate Rs. 4.57 crores, as against a paid-up capital of Rs. 1.75 crores. Of these reserves, renewal and replacement reserve accounts for Rs. 2.44 crores, general reserve for Rs. 1.70 crores, and provision for contingencies Rs. 10.58 lakhs. The gross block of the value of Rs. 5.83 crores has been written down to Rs. 2.06 crores. The current assets amount to Rs. 5.50 crores, of which stock-in-trade and stores and spares account for Rs. 3.55 crores, investments for Rs. 47.80 lakhs, cash balances for Rs. 67.19 lakhs and other assets for Rs. 79.53 lakhs.

The Rs. 15 fully paid-up shares of the Company are being currently quoted at Rs. 47-6 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 6 per cent. per annum, free of income-tax.

AMAR DYE-CHEM'S NEW ISSUE

The Directors of Amar Dye-Chem Ltd. (Managing Agents: Messrs. Amritlal & Co. Private Ltd., Bombay), have decided to issue 30,000 new ordinary shares of Rs. 100 each at par. This will be offered to the existing ordinary shareholders in the ratio of one share for every one ordinary share held by them as on 28th February 1957.

It will be recalled that the Company originally decided in January last, subject to the sanction of the Controller of Capital Issues, to issue 50,000 new ordinary shares of Rs. 100 each at par in the ratio of five new shares for every three ordinary shares held. The Controller of Capital Issues has, however, given sanction for the issue of ordinary shares to the extent of only Rs. 30 lakhs and the Directors have, accordingly, restricted the issue to Rs. 30 lakhs and the proportion of rights has also been changed from 5:3 to 1:1. The new ordinary shares will rank *pari passu* in all respects with the existing ordinary shares. A sum of Rs. 50 per share is to be paid on acceptance and the balance is payable within one month of allotment.

Of this issue, 15,000 ordinary shares will be taken up by the Managing Agents and their associates. The balance will be underwritten by the Industrial Credit and Investment Corporation of India Ltd. for a commission of 2½ per cent.

The new issue is to provide working capital to the Company, which has lately commenced sale of its products. As the sales so effected are on credit basis, the Company needs sufficient working capital. The Company completed the first stage of its activities, that is, construction of buildings and installation of plant and machinery, and commenced production in May 1956. The paid-up capital of the Company, amounting to Rs. 49.81 lakhs, has been fully utilised and the additional working capital required is being met by temporary loans from banks and the Managing Agents and/or their associates.

A CORRECTION

Seajuli Tea Co., Ltd.—In our issue dated 16th February 1957, under "Company Reports," the dividend amount of this Company for 1954 was shown as Rs. 1,16,643, which is wrong. The correct figure is Rs. 69,600. Similarly, the carry forward figure for 1954 was wrongly shown as Rs. 74,700, while it should be Rs. 41,943.

Bishnauth Tea Co., Ltd.—In the same issue, Messrs. Williamson Magor & Co., Ltd. who are the Secretaries of this Company, were inadvertently described as Managing Agents.

O. V. ESTATES' RESULTS DISAPPOINTING

PROFIT LOWEST SINCE 1947-48

FOR the second year in succession the Directors of the Ouchterloney Valley Estates (Managing Agents: Messrs. Peirce Leslie & Co., Ltd., Kozhikode), have had to take the unpleasant step of pruning the dividend on ordinary shares of the Company, the latest one being in respect of the year ended 31st October 1956. Thus, the dividend, which had been cut from 30 per cent. to 20 per cent. for 1954-55, has been reduced further to 10 per cent., thus bringing it to the level paid for 1952-53 and 1951-52 on the present capital. This has been inevitable on account of the disappointing results for the year under review, brought about by the poor crop of coffee. The tea crop also dropped from the record output for 1954-55 and the cost of production thereof rose sharply. But for the better prices fetched for both the products, the financial results would have been worse still.

The gross profit for the year under review amounts to Rs. 1.54 lakhs, having shrunk from Rs. 10.68 lakhs earned in the previous year and Rs. 18.41 lakhs in 1953-54. In fact, the year 1955-56 has turned out to be the worst year since 1947-48, in so far as earnings are concerned. After providing a slightly larger sum of Rs. 2.24 lakhs for depreciation, as against Rs. 2.07 lakhs set aside a year ago, there is a net loss of Rs. 1.16 lakhs, in contrast to the profit of Rs. 3.60 lakhs for the previous year. In view of the loss, the Directors would have been justified in skipping over the dividend, but they have not chosen to do so. They have decided to pay a modest dividend, as mentioned above, by utilising a part of the reserves built up in previous years. This action is fully justified by the sound financial position of the Company.

The year's results could not have come as an unpleasant surprise to the shareholders, because they had already been told that the coffee crop for the year under review would be poor. All the same, they might have expected that the higher prices which tea and coffee fetched during the past year would make good the loss on production to a substantial extent. But this expectation has not fully materialised because of the higher cost of production.

The following comparative table, presenting the salient features of the Company's results for the past four years, gives a good idea of the progress since 1952-53:

	For the year ended 31st October			
	1956	1955	1954	1953
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of tea ..	19,72,346	16,93,362	16,61,898	11,42,067
Stocks of tea ..	4,05,202	3,64,579	5,03,030	2,60,756
Proceeds of coffee crop.	16,91,327	16,72,672		
Stocks of coffee ..	2,54,140	5,70,843	27,77,171	15,53,733
Other income ..	52,455	46,372	24,550	36,976
Expenses	33,46,091	32,79,591	29,93,500	25,77,415
Gross profit ..	1,53,958	10,68,235	18,40,000	4,16,567
Managing Agents' commission	46,385	60,869	72,750	44,441
Provision for—				
Depreciation ..	2,23,759	2,07,105	2,02,040	1,81,417
Taxation	60,000†	4,40,000	5,60,000	..
Net profit (+) or loss (—) ..	—1,16,186	+3,60,261	+10,05,811	+1,90,709
Transfer from reserves and excess provision ..	2,54,598	..	..	..
To reserves	..	..	4,51,084	22,000
,, depreciation on investments ..	..	..	..	025
Dividend	1,94,598 (10%)	3,89,196 (20%)	5,83,794 (30%)	1,94,598 (10%)
Carry forward	—75,787§	40,399	69,334	98,401
Tea crop (in lbs.) ..	929,333	987,979	934,600	828,640
Cost of production (cents per lb.) ..	158 91	139 63	129 06	126 30
Average price realised (cents per lb.) ..	212 36	207 67	231 37	170 10
Coffee crop (in cwts.).	6,309	10,707	13,826	8,449
Payment received from Board (Rs. per cwt.).	185 02	150 25	191 96	152 68

† Provided out of excess provision written back.
§ Transferred to general reserve.

As will be seen from the table, the tea crop for 1955-56 is the lowest since 1952-53. It is, however, better than that for any of the years preceding 1953-54. The upward trend in cost of production of tea continued maintained for the third year in succession, rising by 32.61 cents per lb. or 25.8 per cent. in three years. The increase in cost during the year under review alone was 19.28 cents per lb., whereas the increase in average price realised was no more than 4.69 cents per lb. or less than one-fourth of the rise in cost of production. The shrinkage of 4,398 cwts. in the Company's coffee crop during 1955-56 brings the total decline in two years to more than 50 per cent. and takes the crop down to the lowest level since 1947-48. This fall has been offset, to some extent, by the higher prices realised on sales but, even so, the price is lower than that got in 1953-54.

The tea crop for the current year is estimated at 1,075,000 lbs. to be harvested at an f.o.b. cost of 130.85 cents per lb. If the crop comes up to expectations, it will be a fresh record for the Company. It is, however, doubtful whether the cost of production can be maintained at the level anticipated, what with the increase in wages to be granted to workers under the compromise terms arrived at between the plantation owners and workers on the award of the Special Tribunal. The 1953-57 season's coffee crop is estimated at 830 tons.

The Company's financial position is quite sound. Even after drawing a sum of Rs. 1.95 lakhs for payment of dividend and writing off the year's net loss, the reserves as on 31st October 1956 stand at Rs. 21.30 lakhs, as against a paid-up capital of Rs. 19.46 lakhs. The provision for taxation amounts to Rs. 5.09 lakhs and the current liabilities aggregate no more than Rs. 3.94 lakhs. The gross block of the value of Rs. 43.87 lakhs, including additions during the year amounting to Rs. 2.74 lakhs, has been written down to Rs. 29.63 lakhs. The current assets amount to Rs. 20.16 lakhs, of which liquid assets alone account for Rs. 9.35 lakhs. The cash balances have, no doubt, declined from Rs. 12.72 lakhs to Rs. 5.82 lakhs, but the total liquid assets provide enough cover for the current liabilities and provision for taxation.

The Rs. 2 fully paid-up shares of the Company are being currently quoted at Rs. 5-4 *cum-div.* On an *ex-div.* basis, the shares offer a yield of 3.96 per cent. per annum, free of income-tax.

HINDUSTAN LEVER

The Directors of Hindustan Lever Ltd. have recommended the distribution of a final dividend of As. 12 (75 naya paise) per share, free of income-tax, for the year ended 31st December 1956. This is double the dividend indicated by them in the offer for sale in November 1956, when the Company was converted into a public limited one and Unilever Ltd., London, offered for sale a part of their holdings to the Indian public. The increase has been rendered possible by the excellent results of the Company for the year. With the interim dividend of As. 8 per share paid in November, the total distribution for the year comes to Re. 1-4 per share.

The net profit for the year, after charging Rs. 1.20 crores for taxation, amounts to Rs. 1.04 crores, and exceeds the estimate of Rs. 90 lakhs given in the offer for sale. Besides the improvement in results for 1956, another reason for recommending a higher final dividend is that the Directors have no intention of paying an interim dividend in respect of the current year. The Directors have, however, made it clear that, in doing so, they are not committing themselves in any way to a change in the Company's dividend policy for the future.

The annual general meeting of the Company will be held on 4th April 1957.

The Rs. 10 fully paid-up shares of the Company are being placed at Rs. 20-2, which includes the final dividend of As 12. On an *ex-div.* basis, the yield works out to 5.6 per cent. per annum, free of income-tax.

COMPANY FORMATION IN NORTHERN ZONE

Three public companies and 17 private companies with an authorised capital of Rs. 4.15 crores and Rs. 2.51 crores, respectively, were incorporated during the month of January 1957, in the Northern Region consisting of Delhi, Punjab, Rajasthan and Uttar Pradesh. Of these, one public company and two private companies were registered with an authorised capital of more than Rs. 10 lakhs.

One public company, having an authorised capital of Rs. 1 crore and seven private companies, having an authorised capital of Rs. 28.9 lakhs, went into liquidation during the period under review.

The names of nine public companies and 23 private companies with an authorised capital of Rs. 1.14 crores and Rs. 43.30 lakhs, respectively, were struck off the register under section 560 of the Companies Act, 1956.

Prosecutions for default in filing returns with the Registrars were launched against eight public and eight private companies. Of the pending cases, six were disposed of in Delhi and the Punjab. Six companies of the Punjab and Delhi were convicted for their failure to file the statutory documents under the Companies Act, resulting in a total fine of Rs. 775.

CONSULTATION WITH COMPANY LAW ADVISORY COMMISSION

From 1st April 1956, when the Companies Act, 1956, came into force, upto 31st January 1957, 1,353 applications in all were received by the Government from companies on matters requiring consultation with the Company Law Advisory Commission under section 411 of the Act, i.e., appointment or reappointment of managing agents and managing directors, changes in the constitution of managing agents, etc.

Of these, 1,127 applications were referred by the Central Government to the Commission. The Commission's advice was received on 1,119 cases and Government's orders were issued thereon.

The reasons for delay in referring to the Commission the balance of 226 applications, some of which were received only towards the end of January 1957, were mainly (1) the failure on the part of the companies concerned to furnish all necessary documents along with their applications; and (2) certain further inquiries were necessary. In view of objections received from shareholders to the proposals of the companies before reference could be made to the Commission.

The average time taken for disposal of applications is six to seven weeks from their receipt in the Department and the main reason for the delay, wherever it occurs, is due to the companies not furnishing the notices required under section 412(2) and other relevant documents. The desirability of timely submission of relevant documents indicated in the forms set forth in the Companies (Central Government's) General Rules and Forms, 1956, had been emphasised more than once by the Government in the past. In order to minimise such delays the companies are reminded in their own interest to forward all relevant documents along with their applications initially itself.

Points From The Chair

Second Five-year Plan and Bank Lending

"DESPITE legitimate mental reservations as to the timing and correlation of certain sections of the Plan and some doubt, having regard to the country's apparent resources—the significant reduction in her sterling balances has to be taken into account—whether too much is being attempted too quickly, it is generally agreed that the Plan is imaginative and certainly reflects a dynamic outlook and determination on the part of the Government. All people of goodwill will wish the Plan the greatest possible success. In such circumstances of stretched resources it is inevitable that larger calls are made on the banking system of the country. But banks, while assisting their customers to the greatest possible extent, have the mundane and paramount duty of maintaining a reasonable liquidity and that can be achieved only by finding more deposits or by restricting their lendings. While the total of deposits with the banking system in India showed a moderate rise over the year, most recent figures available show that aggregate advances stand at over 70 per cent. of deposits; and, in spite of an unchanged Bank rate, money commands about 1 per cent. per annum more than a year ago. On this showing banks can hardly be accused of underlending, particularly in comparison with the ratio of lendings to deposits in the United Kingdom. Perhaps both reflect exaggerations of opposite policies."

J. K. MICHIE,
National Bank of India Ltd.

State Bank's Tradition

"This seems to be an appropriate moment to refer to the criticism sometimes made about the State Bank, viz., that because it is a State Bank operating in the commercial field it has certain inherent advantages over the other Scheduled banks and that it is using its privileged position to attract business to itself. If it were, indeed, to be the policy of the State Bank to operate flat out as a commercial institution irrespective of the consequences to other Scheduled banks, it would have been quite easy to increase its interest rates still further and I have little doubt that thereby a much larger volume of deposits would have accrued to us, some of it perhaps in the form of fresh deposits, but a larger proportion as diversions from other banks. As a matter of deliberate policy the State Bank has declined to pursue such a step. We cannot forget the historical traditions of this ancient institution. Moreover, although the Statute authorises us to operate as a commercial bank, it enjoins on us due regard to the public interest and we have interpreted this to include our obligations to the banking structure as a whole. It is not our intention to enter into a race, as we could easily do if we were merely concerned with swelling our profits."

H. V. R. IENGAR,
State Bank of India.

U.K.'s Economy

"For Britain, there are, however, other considerations the regard for which points to one overriding conclusion—that if she is to play her appointed role in world affairs she must be economically strong. Perhaps more than at any time in history does economic status measure the influence which any nation can exert on international affairs. And it would surely be defeatist if Britain were, even by implication, to accept any position other than one of leadership. Yet if the past year has demonstrated the need for a healthy national economy as a basis of world influence, it has also emphasised afresh the vulnerable condition Britain has reached in the post-war years. Of this the earlier economic crises had already given evidence. There need, of course, be no regret about this fact, which has arisen partly because of Britain's notable effort in two major wars in defence of freedom and partly by reason of the march of industrialisation throughout the world. It is the latter circumstance, however, which is now of relevance, and it is urgently necessary that regard be paid to it, for it means that the most efficient combination of our native skill and producing techniques must be constantly maintained if we are to ensure the progressive well-being of our country. It needs to be remembered that the large population of these Islands cannot be maintained, far less improved, in their standard of life, save on a basis of a large and successful volume of international trade. Happenings in the Middle East thus underline the need for a revision of our whole attitude towards economic matters."

SIR HAROLD E. YARROW,
Clydesdale and North of Scotland Bank Ltd.

COMPANY MEETINGS AND DIVIDENDS

OUCHTERLONY VALLEY ESTATES (1938) LTD. Annual General Meeting, Kozhikode, 16th March 1957. Dividend: 10 per cent. Transfer books remain closed from 6th to 16th March 1957, both days inclusive.

CALCUTTA CHEMICAL CO., LTD. Annual General Meeting, Calcutta, 18th March 1957. Transfer books remain closed from 4th to 18th March 1957, both days inclusive.

MERCARA RUBBERS LTD. Annual General Meeting, Tamaracherry, Pudupadi, P.O., Kerala State, 19th March 1957. Dividend: Re. 1-2 per share (22½ per cent.). Transfer books will remain closed from 12th to 19th March 1957, both days inclusive.

ANGELO BROTHERS LTD. Annual General Meeting, Calcutta, 20th March 1957. Dividend: Rs. 2 per share (includes bonus of As. 12 per share.) Transfer books remain closed from 7th to 20th March 1957, both days inclusive.

ANAPARAI ESTATES LTD. Annual General Meeting, Balehonnur, Mysore, 22nd March 1957. Dividend: As. 8 per share (25 per cent.). Transfer books will remain closed from 14th to 22nd March 1957, both days inclusive.

MADURA MILLS CO., LTD. Annual General Meeting, Madurai, 25th March 1957. Dividend: Rs. 2-10 (17½ per cent.) per share. Transfer books remain closed from 5th to 25th March 1957, both days inclusive.

JAYA SHANKAR MILLS BARSI LTD. Annual General Meeting, Barsi, 25th March 1957. Transfer books will remain closed from 18th March to 15th April 1957, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 28th March 1957. Transfer books will remain closed from 20th to 28th March 1957, both days inclusive.

K.C.P. LTD. Annual General Meeting, Madras, 28th March 1957. Transfer books will remain closed from 22nd to 28th March 1957, both days inclusive.

RAYALASEEMA MILLS LTD. Annual General Meeting, Rayanagar, Adoni, 29th March 1957. Dividend: Rs. 10 per share. Transfer books will remain closed from 22nd March to 5th April 1957, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Bombay, 29th March 1957. Dividend: Rs. 9 per share, payable on or after 5th April 1957. Transfer books will remain closed from 16th to 29th March 1957, both days inclusive.

VOLTAS LTD. Annual General Meeting, Bombay, 29th March 1957. Dividend: 9 per cent. Transfer books will remain closed from 15th to 29th March 1957, both days inclusive.

DUNCAN STRATTON AND CO., LTD. Annual General Meeting, Bombay, 29th March 1957. Transfer books remain closed from 1st to 29th March 1957, both days inclusive.

T. STANES AND CO., LTD. Annual General Meeting, Coimbatore, 29th March 1957. Dividend: As. 12 per share (final). Transfer books will remain closed from 16th to 29th March 1957, both days inclusive.

DHANALAKSHMI MILLS LTD. Annual General Meeting, Tirupur, Coimbatore District, 29th March 1957. Dividend: Rs. 25 per share. Transfer books will remain closed from 16th to 29th March 1957, both days inclusive.

KOHINOOR MILLS CO., LTD. Annual General Meeting, Bombay, 29th March 1957. Dividend: Rs. 12 per share (final), payable on or after 11th April 1957. Transfer books remain closed from 8th to 29th March 1957, both days inclusive.

MARTIN BURN LTD. Annual General Meeting, Calcutta, 29th March 1957. Dividend: Rs. 2-2 per share (includes a cash bonus of As. 10 per share), payable on or after 30th April 1957. Transfer books will remain closed from 22nd to 29th March 1957, both days inclusive.

CHEMICAL INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LTD. Annual General Meeting, Bombay, 29th March 1957. Dividend: Rs. 6 per share. Transfer books will remain closed from 11th to 29th March 1957, both days inclusive.

NEW TERAI ASSOCIATION LTD. Interim dividend of 10 per cent. for the year ended 31st December 1956.

PAHARGOOMIAH TEA ASSOCIATION LTD. Interim dividend of 15 per cent. for the year ended 31st December 1956.

METHONI TEA CO., LTD. Interim dividend of 10 per cent. for the year ended 31st December 1956, payable on 15th March 1957. Transfer books remain closed from 9th to 15th March 1957, both days inclusive.

DARJEELING TEA AND CHINCHONA ASSOCIATION LTD. Interim dividend of 10 per cent. for the year ended 31st December 1956.

CALCUTTA TRAMWAYS CO., LTD. Interim dividend of 3½ per cent. free of income-tax, for the year ended 31st December 1956. Transfer books remain closed from 6th to 19th March 1957, both days inclusive.

IMPERIAL TOBACCO CO. OF INDIA LTD. Second interim dividend of 2 per cent. free of income-tax, for the year ending 31st March 1957, payable on 28th March 1957.

ALUMINIUM INDUSTRIES LTD. Interim dividend of As. 10 (6¼ per cent.) per share, for the year ending 31st March 1957. Transfer books will remain closed from 15th to 17th March 1957, both days inclusive.

CENTRAL SCIENTIFIC SUPPLIES CO., LTD. Interim dividend of As. 4 per share (5 per cent.) for the year ending 31st March 1957. Transfer books will remain closed from 25th March to 1st April 1957, both days inclusive.

RAYALASEEMA MILLS MAINTAIN DIVIDEND

CHANGDEO SUGAR INCREASES CRUSHING CAPACITY

Rayalaseema Mills Ltd.

THE directors of the above Company (Managing Agents: The Rayalaseema Development Co., Adoni) submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts have been prepared in conformity with the Companies Act, 1956, which came into force since 1st April 1956.

The directors report that the Company has produced satisfactory results for the year under review. The accounts disclose a net profit of Rs. 5,48,343 (Rs. 4,89,141). Out of this amount the directors have provided Rs. 3,20,000 (Rs. 2,25,000) for income-tax which includes Rs. 50,000 towards previous years. The directors recommend payment of a dividend at 10 (10) per cent. on the ordinary shares, absorbing Rs. 2,23,380 (Rs. 2,23,380). The directors propose to carry forward the balance of Rs. 32,012 (Rs. 29,349).

Depreciation of Rs. 3,16,594 has been written off on buildings, plant and machinery. As against depreciation of 12½ per cent. provided on plant and machinery in the past, considering the present condition of plant and machinery, the directors have written off only 10 per cent. for the year under report.

During the year under review, the cost of cotton was much higher than in the previous year. But due to the slightly better rates that prevailed in the yarn market during the year, the profit position has been maintained. The Government allotted export quota to a small extent and though the Company availed the same, yet, the export market was not favourable.

During the year, eight ring spinning frames of Indian make have been installed. The Indian carding engines are expected to be delivered during the course of the year. All the machinery from Japan has arrived and the erection is in progress. It is hoped that all the new 6,400 spindles will be brought into commission very shortly. The buildings required (reeling shed and waste shed) have already been constructed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,31,750	Block ...	28,43,608
Reserves ...	12,40,000	Stock-in-trade	2,46,269
Provision for taxation ...	3,05,983	Stock of raw materials ...	11,25,750
Liabilities ...	12,06,162	Stores and spare parts	2,48,820
Profit and loss account ...	32,012	Debts, deposits and advances ...	3,04,356
		Investments	1,56,493
		Cash ...	90,611
Rs.	50,15,907	Rs.	50,15,907

Shree Changdeo Sugar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. A. H. Bhiwandiwalla & Co., Bombay) submit the audited accounts of the Company for the year ended 30th September 1956.

To conform to the requirements of the Companies Act, 1956, it has been necessary to make changes in the presentation of a number of items and groupings in the balance-sheet and the profit and loss account.

The profit and loss account shows a net profit of Rs. 1,49,424 (Rs. 11,35,615) after providing for full depreciation and development rebate aggregating to Rs. 12,45,935 (Rs. 2,34,246) on the new machinery installed, as allowed by the Indian Income-tax Act. After adding Rs. 4,83,920 (Rs. 38,305) brought forward from the previous year to the net profit, the amount available for appropriation amounts to Rs. 6,33,344 (Rs. 11,73,921). There appears to be no tax liability on account of taxation, as after taking into account the agricultural profit, there will be no assessable income of the Company. The directors therefore recommend the following appropriations:—

Dividend on 120,000 (distinctive Nos. 1 to 120,000) ordinary shares of Rs. 12-8 each fully paid up at Rs. 5 (Rs. 2) per share free of tax absorbing Rs. 6,00,000 (Rs. 2,40,000) and balance carried over to next year's account Rs. 33,344 **(Rs. 4,83,921 after providing Rs. 4,50,000 for income-tax).**

Issue of Bonus Shares.—During the year, the Company received sanction from the Controller of Capital Issues to issue bonus shares after capitalising an amount of Rs. 22,50,000 out of the reserves of the Company. Accordingly during the current year the Company has issued 180,000 ordinary shares of the face value of Rs. 12-8 each to the shareholders whose names were on the Register of Members as on 1st October 1956 in the proportion of three shares for every two shares held by them. These shares will also rank for dividend from the said date.

Crushing.—The season ended on 24th May 1956. In all 19,03,931 (20,60,391) mds. of sugarcane were crushed, producing 73,379 (81,054) bags of sugar; the average recovery being 10.62 (10.85) per cent. The Company's cane area available for crushing was 996 acres yielding in all 1,224,003 mds.; 656,453 mds. came from the Company's scheme members and 23,474 mds. from outside cultivators. The average yield of the Company's farms was 45.10 (46.40) tons per acre.

Cane Scheme.—A scheme for increasing the quantity and improving the quality of sugarcane was launched last year and pumping sets on easy terms were made available to the cultivators. During the year under report, the Company had a total crushable area of 678.27 acres in the scheme, and this was grown by 162 members. At the end of the year, the total number of members in the scheme was 287 and the total area that would be available for crushing in the current season is 1,065 acres expected to yield about 36,000 tons of cane.

Factory Extension.—The year saw a heavy programme of extension, as the directors were extending the crushing capacity of the factory, from 500 to 750-800 tons per day in order to achieve the increased capacity sanctioned by the Government of India. Additional machinery of approximately over Rs. 28,00,000 was purchased.

Sugar Releases.—Sugar releases continued to be controlled, and at the end of the season 22,051 bags were unreleased. Sugar prices have remained steady during the year.

Current Season.—The entire machinery ordered has been installed and it is estimated that the Company will be able to crush more than 100,000 tons of cane and produce anything between 110,000 to 120,000 bags of sugar. The condition of the cane crop is good as the monsoon was satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	29,64,916
Reserves ...	37,08,165	Stock-in-trade	22,28,731
Provision for taxation ...	1,25,456	Stores and spare gear	8,91,108
Liabilities ...	40,19,942	Other assets	4,018
Profit and loss account ...	33,344	Crop in progress ...	12,44,865
		Debts, deposits and advances ...	11,70,891
		Investments	8,76,597
		Cash ...	5,781
Rs.	93,86,907	Rs.	93,86,907

Mercara Rubbers, Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Mysore) submit the audited accounts of the Company for the year ended 30th June 1956.

The result of the Company's working for the period under review is a profit of Rs. 1,22,304 (Rs. 1,13,177). Depreciation written off on buildings and machinery, etc., absorbed Rs. 4,284 (Rs. 5,029). The Company's contribution to provident fund amounted to Rs. 1,823 (Rs. 1,411) and debenture interest and income-tax thereon was Rs. 3,650 (Rs. 7,180). Thus the net profit available is Rs. 1,12,542 (Rs. 99,557) to which is added the amount brought forward from last year of Rs. 20,550 (Rs. 4,743) making a total of Rs. 1,33,092 (Rs. 1,04,300). After transferring to reserve for agricultural income-tax Rs. 23,000 (Rs. 20,000) there is a balance of Rs. 1,10,092 (Rs. 84,300). The directors paid a tax-free interim dividend of 7½ per cent. on ordinary shares absorbing Rs. 24,375 (*nil*). They recommend a final dividend of 15 (15) per cent. tax-free, on ordinary shares which will absorb Rs. 48,750 (Rs. 48,750) and 6 per cent. tax-free on preference shares Rs. 15,000 (Rs. 15,000) leaving a balance of Rs. 21,967 (Rs. 20,550) to be carried forward to next year.

The directors consider that the working results of the Company for the year ended 30th June 1956, are satisfactory. The rainfall was heavier than usual and the crop is lower than estimated due to loss in tapping days. Major portion of the rubber trees are old and requires replanting. The directors are drawing up a scheme for replanting during the coming years.

Estate delivery cost per lb.		*Estimated cost for*
1955	1956	1957
69.46 cents	68.80 cents	64.64 cents

The average price realised for 1956 rubber is 149.45 (122.33) cents.

The crop of rubber realised in 1956 was 2,32,178 (2,26,350) lbs. The estimate for 1956-57 is 2,25,000 (2,50,000) lbs.

In October 1956 the Plantation Industrial Tribunal appointed by the Government of Madras, increased the wages of grade I worker in Madras State from Re. 1-4 to Rs. 2-4 and also granted various other amenities. The estates have filed an appeal with the Supreme Court against this award and an interim stay has been granted with an interim fixation of wages at Re. 1-8 for grade I worker. The muzdoors employed in the estates are also agitating for an increase in their wages from Re. 1-4 to the same rate as in Madras, and have adopted a policy of "go slow." They are demanding double the rates for working on Sundays as per the provisions of the Coorg State Plantation Rules and the directors had to stop tapping on Sundays. Due to these facts, the crop for the year 1956-57 is lower than the previous year.

On 7th November, the directors entered into a contract for purchase of half of the Faith Group of estates at cost from the option holder, Mr. M. C. George, an associate of the managing agents, for Rs. 3,90,000. The vendors of the Faith Group of Estates refused to give clear title to the properties and hence the directors thought it was advantageous to cancel the contract with the option holder and accordingly the contract with the option holder was cancelled on 16th June 1956. Time was given for the repayment of the earnest money, to the option holder.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,75,000	Block ...	7,03,247
Reserves ...	2,50,000	Stock of rubber ...	1,62,415
Provision for taxation ...	46,218	Stores and tools, etc.	29,501
Liabilities ...	2,20,422	Debts, deposits and advances ...	1,94,869
Profit and loss account ...	21,967	Cash ...	23,575
Rs.	11,13,607	Rs.	11,13,607

Associated Hotels of India Ltd.

The directors of the above Company (Managing Agents: Oberoi Hotels (India) Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1956.

Trading profits of the Company for the year ended 31st March 1956 are Rs. 18,21,194 (Rs. 12,22,981) and the total turnover of the business is Rs. 71,95,635 (Rs. 64,72,673), an increase of Rs. 7,22,962 in total turnover and Rs. 5,98,213 in the trading profits. After debiting sundry expenses such as "interest on debentures," "auditors' fees," "provident fund contribution," and "managing agents office allowance and commission," and making a provision of Rs. 5,70,000 (Rs. 3,00,000) for taxation (Indian income-tax and Pakistan B.P.T. and income-tax less adjustments due from the Department) the net profit for the year amounts to Rs. 8,51,311, as against Rs. 5,82,993 for the last year. The directors consider the results very satisfactory and these are the record figures since the inception of the Company in 1916. Out of the sum of Rs. 8,83,994 (Rs. 6,24,554) including the amount brought forward from last year Rs. 32,683 (Rs. 41,561), Rs. 1,11,871 (Rs. 1,11,871) have been utilised in the payment of dividend on preference shares during the year and Rs. 2,00,000 (Rs. 2,50,000 to general reserve) transferred to reinstatement and rehabilitation reserve, leaving a balance of Rs. 5,72,123 (Rs. 2,62,638). Out of this balance, a sum of Rs. 88,500 (*nil*) have since been utilised for the payment of ad-interim dividend of 6 per cent. (subject to tax) declared in June 1956. This leaves a balance of Rs. 4,83,622 (Rs. 3,12,682) available for further distribution, which the directors propose to utilise in the following manner:—

A sum of Rs. 1,50,000 (Rs. 1,50,000) to the debenture redemption sinking fund, making the total to the credit of the fund Rs. 12,00,000 and this amount has been utilised in redeeming the debentures. This leaves a balance of Rs. 3,33,622 (Rs. 1,12,683). The directors have already declared an ad-interim dividend of 6 per cent. (subject to tax) utilising a sum of Rs. 88,500. They now recommend that a final dividend of 6 (4) per cent. (subject to tax) be declared, making the total dividend of 12 (4) per cent. (subject to tax) for this year. After providing the amount of Rs. 88,500 already paid towards ad-interim dividend and the amount of Rs. 88,500 (Rs. 80,000) for final ordinary dividend there is a balance of Rs. 2,45,122 (Rs. 32,683) to be carried forward to the next year.

The sum of Rs. 3,00,000, shown in the previous balance-sheet as "depreciation unallocated," has been transferred to "reinstatement and rehabilitation reserve," which along with Rs. 6,50,000, transferred from "general reserves" and Rs. 2,00,000 transferred from profit and loss account make up the total in this accounts to Rs. 11,50,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,67,000	Block ...	65,70,191
Debentures	30,20,000	Stock of wines and stores	2,52,329
Reserves ...	32,47,883	Other assets	5,78,845
Provision for taxation ...	15,84,451	Debts, deposits and advances ...	30,88,960
Liabilities ...	37,56,681	Investments	46,40,707
Profit and loss account ...	5,72,123	Cash ...	12,17,106
Rs.	1,63,48,138	Rs.	1,63,48,138

United Motors (India) Ltd.

The directors of the above Company (Chairman: Sir Joseph Kay, K.B.E., Bombay) submit the audited accounts of the Company for the year ended 31st December 1956.

The result of the year's working, after providing Rs. 6,000 (*nil*) for taxation is Rs. 99,141 (Rs. 94,400) which together with the amount of Rs. 10,333 (Rs. 38,055) brought forward from last year, makes a total of Rs. 1,09,476 (Rs. 1,32,455). Out of this, the directors recommend a dividend of Rs. 2 (Rs. 2) per share free of income-tax absorbing Rs. 1,02,120 (Rs. 1,02,120) leaving a balance to be carried forward to next year of Rs. 7,356 (Rs. 10,355 after providing Rs. 20,000 for miscellaneous contingencies).

It will be observed from the figures given above that adequate provision has been made for taxation liability on the profits of the Company, for the year ended 31st December 1956. The profits of the Company have shown a progressive decline during the last two financial years. This situation has resulted from the policy adopted by the Government of India towards the automobile industry since the year 1953. At present there are no indications that this policy might change and would result in the import of passenger cars and trucks, in which this Company was dealing. The Company, however, is making moderately good profits on the servicing and repairs of cars and trucks, as well as the sale of Ford spare parts, etc. The directors hope that the Company will continue to maintain the present profit level during the next few years.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,21,200	Block ...	2,29,488
Reserves ...	5,05,419	Stock-in-trade	3,28,596
Provision for taxation ...	33,205	Work-in-progress ...	5,863
Liabilities ...	3,38,667	Debts, deposits and advances ...	1,65,404
Profit and loss account ...	7,357	Investments	48,503
		Cash ...	11,09,766
		Deferred revenue expenditure ...	18,228
Rs.	19,05,848	Rs.	19,05,848

Shree Gopal Paper Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Karam Chand Thapar and Bros, Private Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

The production during the period under review was 6,358.23 (6,879.57) tons. Efficiency was kept up on a high level and the Mills continued to manufacture paper of high standard throughout. In regard to supplies of paper to Government, the reduction of half pie per lb. mentioned in the directors' report for the half-year ended 30th June 1955 was restored with effect from 1st April 1956.

The increase in prices of wood pulp and imported machine furnishings continued and as a result of the Suez Canal crisis prices have gone up still further on account of higher freight. This, however, is only a temporary phase and as soon as traffic through the Suez Canal is opened once again prices of machinery, wood pulp and imported machine furnishings, etc., would come down.

On account of the stoppage of traffic through the Suez Canal there was an increase in the price of imported papers which in turn affected the demand for and price of paper of indigenous manufacture.

The modernisation of the existing Mill is progressing fast and is expected to be completed in April 1957 when the daily production would go up to 53-54 tons. In regard to the second phase of our expansion programme which consists of adding of a new Paper Machine and a new Pulp Mill the progress is considered to be satisfactory. The first consignment of machinery against order for the new Paper Machine has already been shipped by the suppliers and other consignments of Paper Machine, Pulp and Stock Preparation Plants are expected to follow regularly hereafter.

In view of the expansion of the Mills as mentioned above the directors were advised and they have decided to install a new and modern Soda Recovery Plant consisting of a Recovery Boiler Dorr-Recaustisizing Unit, an Evaporator and Electrostatic Precipitator. With the installation of this equipment the Mills will be able to recover 90 to 95 per cent. of the caustic soda used in digestion of the raw materials and this would bring down the cost of chemicals per ton of paper considerably. The Soda House Equipment will cost Rs. 38.2 lakhs.

When the scheme was originally drawn up it was expected that the additional electric power needed for the expanded capacity of the Mills would become available from the Bhakra Nangal scheme. Unfortunately this has not been so and consequently it has become necessary to expand the existing Power House of the Mills by installation of a new 6,250 kw. turbine and two steam boilers. This equipment will cost Rs. 35 lakhs.

While orders for some units of the Soda House Equipment and Power House Equipment have already been placed, others are in the course of being placed. Arrangements are being made to ensure that the Soda House Equipment and the Power House Equipment are delivered in time for being put in commission along with the new Paper Machine and the Pulp Mill.

Stationery sales on the whole remained more or less the same as before though there was improvement in the sales of items of fine stationery.

The hydrogenated oil factory continued working regularly though at reduced capacity, and produced 1,747.9 (2,433.9) tons of vanaspati as compared to 1,665.6 tons during the last half-year. With the imposition of a new duty of excise on vegetable oils with effect from 1st of March 1956, the vanaspati as also oil prices registered a sharp increase of about 20 per cent. The oil prices thereafter remained steady but the vanaspati prices were all along subject to wide fluctuation and were often not favourable from the manufacturer's point of view. This erratic trend resulted in restricted purchases of oil and the consequent lower production of vanaspati. The sales during the half-year amounted to 1,432 (2,836.1) tons. The position in this respect was fairly satisfactory.

During the half-year under review the Company made a gross profit of Rs. 29,37,720 (Rs. 32,05,057). After providing for interest on debentures and other interests, managing agents' remuneration, depreciation, contribution to the staff welfare fund, directors' fees, etc., and writing off Rs. 1,67,712 on account of underwriting commission on debentures and debenture issue expenses, the accounts show a net profit of Rs. 19,67,055 (Rs. 22,21,614). A sum of Rs. 9,90,000 (Rs. 9,30,000) has been set aside for income-tax, etc., and Rs. 56,207 (Rs. 33,078) has been provided for by way of development rebate leaving a balance of Rs. 21,45,412 (Rs. 14,93,105) in the profit and loss account including Rs. 12,24,563 (Rs. 2,34,569) brought forward from the last balance sheet. As approved in the general meeting held on 11th July 1956 a sum of Rs. 8,13,360 has already been distributed as dividend on Preference and Ordinary Shares for the half-year ended 31st December 1955, Rs. 2,50,000 has been transferred to general reserves. This leaves a balance of Rs. 10,82,052 (Rs. 14,93,105) to the credit of the profit and loss account. The directors disposed of this amount as follows:

Paid dividend on preference shares for half-year ended 30th June 1956 at 8 (3) per cent. per annum absorbing Rs. 30,000 (Rs. 30,000), paid dividend on ordinary shares for half-year ended 30th June 1956 at 12½ (12½) per cent. per annum absorbing Rs. 7,84,317 (Rs. 7,81,668), transferred to general reserves Rs. 1,50,000 (Rs. 5,00,000) and carried forward Rs. 1,17,735 (Rs. 1,81,437).

Hitherto half-yearly accounts have been issued by the Company to its shareholders, but in the opinion of the board of directors this is no longer practicable in view of the provisions of the Companies Act, 1956, regarding annual general meetings and the accounts to be presented at such meetings. Accordingly yearly accounts will be issued in future, commencing from 1st January 1957. This will not preclude the payment of half-yearly dividends, subject to the Company's results permitting, as the Company's Articles authorise the payment of interim dividends.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,32,99,675	Block ...	59,39,021
Debentures	40,00,000	Patent and trade marks	7,110
Reserves ...	67,82,768	Capital jobs at cost ...	5,65,810
Provision for taxation ...	22,23,634	Stock ...	23,15,439
Liabilities ...	72,07,298	Stores ...	81,88,746
Profit and loss account ...	1,17,735	Other assets	2,352
		Debts, deposits and advances ...	69,45,569
		Investments	30,33,871
		Cash ...	46,33,192
Rs.	3,36,31,110	Rs.	3,36,31,110

G. Claridge & Co., Ltd.

The directors of the above Company (Managing Agents: Messrs: W. H. Brady and Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts after charging Rs. 39,162 (Rs. 40,865) for depreciation, shows a net profit of Rs. 2,71,071 (Rs. 3,85,417), before providing for taxation which together with the balance of Rs. 28,308 (Rs. 24,891) brought forward from last year's profit and loss account, gives Rs. 2,99,379 (Rs. 4,10,308), and this amount the directors propose to dispose of as follows:—

To pay a dividend of Rs. 15 (Rs. 16-8) per share on 8,000 shares of the Company, free of income-tax, absorbing Rs. 1,20,000 (Rs. 1,32,000), to transfer to reserve for taxation Rs. 75,000 (Rs. 75,000) and to transfer to provision for gratuity Rs. 75,000 (Rs. 75,000 to gratuity and welfare fund) leaving a balance to be carried forward to next year's account of Rs. 29,379 (Rs. 28,308 after transferring Rs. 1,00,000 to rehabilitation of plant fund).

The decrease in the year's profit is attributable to higher establishment and works costs and certain non-recurring expenses which the Company had to meet. The actual volume of business handled has been maintained and with the new machinery already installed and further machines on order, it is hoped that the turnover this year will be increased.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	4,20,391
Reserves ...	10,27,839	Stock-in-trade	14,19,119
Provision for taxation ...	60,776	Stores and spare parts	33,896
Liabilities ...	8,26,891	Debts deposits and advances ...	6,78,817
Profit and loss account ...	29,379	Investments	500
		Cash ...	1,92,162
Rs.	27,44,885	Rs.	27,44,885

Standard Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1956.

Labour.—Under the Tribunal Award payments to labour were continued and made after the necessary scrutiny of claims. To date Rs. 1,20,359 has been disbursed.

The accounts have been drawn up in conformity with the Companies Act, 1956. The profit and loss account after providing for all charges, and making provision of Rs. 30,029 for taxation and Rs. 1,000 for depreciation shows a profit of Rs. 40,064 (debit of Rs. 74,927) to which is added the balance brought forward from the previous year of Rs. 17,347 (credit of Rs. 67,358) and excess provision for taxation no longer required Rs. 70,000 (*nil*) making a total of Rs. 1,27,411 (credit of Rs. 97,347 after transferring from dividend equalisation reserve Rs. 20,000 and Rs. 84,916 from general reserve). The amount transferred to general reserve absorbs Rs. 30,000 (*nil*) leaving a balance available of Rs. 97,411 (Rs. 97,347). The directors propose to dispose of this as follows:—

By payment of a dividend at the rate of 10 (10) per cent. per annum without any deduction for income-tax paid by the Company Rs. 80,000 (Rs. 80,000) and by carrying forward Rs. 17,411 (Rs. 17,347).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	1,42,000
Reserves ...	14,01,053	Current assets	96,412
Provision for taxation ...	9,548	Debts, deposits and advances ...	19,089
Liabilities ...	4,10,366	Investments	20,23,863
Profit and loss account ...	17,411	Cash ...	3,56,954
		Rs.	26,38,378

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

The following is a Statement of Ownership and other particulars about "Commerce," Bombay, as required under Rule 8 of the Registration of Newspapers (Central) Rules 1956.

FORM IV

1. Place of Publication .. .. "Brady House," Veer Nariman Road, Fort, Bombay.
2. Periodicity of Publication .. .. Weekly
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   Address .. .. Mayfair Gardens, Little Gibbs Road, Bombay 6.
5. Editor's Name .. .. Mr. Subramanya Venkata Rayan
   Nationality .. .. Indian
   Address .. .. 4, Narasingha Bhuvan, Brahmanwada Road, Matunga, Bombay 19

6. Names and addresses of shareholders holding more than one per cent. of the total capital:

Mr. S. B. Mehta and Mrs. M. S. Mehta, Mayfair Gardens, Block C, Flat No. 46, Little Gibbs Road, Malabar Hill, Bombay 6.

Messrs. W. H. Brady & Co., Ltd., Brady House, Veer Nariman Road, Fort, Bombay.

Mr. A. H. Baker, Burleigh House, Charing, Kent, England.

Mr. Manekial Premchand and Mr. Kishore Manekial Premchand, 63, Apollo Street, Fort, Bombay.

Vidyagauri Choonilal, Bhogilal Kuberdas Patel, Manekial Choonilal, Shantilal Choonilal and Harshed Choonilal, Yusuf Building, Veer Nariman Road, Fort, Bombay.

The Industrial Investment Trust Ltd., 61, Apollo Street, Fort, Bombay.

Mr. Dadiba Munchersha Sethna, Block E, Flat No. 7, Rustom Baug, Victoria Gardens P.O., Bombay 27.

The Calcutta General Printing Co., Ltd., 3, Wellesley Place, Calcutta.

Messrs. G. Claridge & Co., Ltd., 12-14, Veer Nariman Road, Fort, Bombay.

Cowasji Jehangir & Co., Private Ltd., Readymoney Mansion, Veer Nariman Road, Fort, Bombay.

Messrs. Patel Cotton Company Private Ltd., 6, Veer Nariman Road, Fort, Bombay.

Lady Jerbai Byramji Jeejeebhoy, Mrs. D. N. Jeejeebhoy, Mr. N. B. Jeejeebhoy, Mrs. Cursetbai J. R. B. Jeejeebhoy and Mr. J. R. B. Jeejeebhoy, The Cliff, Ridge Road, Malabar Hill, Bombay.

Lady Jerbai Byramjee Jeejeebhoy, Mrs. Homi J. B. Jeejeebhoy, Mr. J. B. Jeejeebhoy, Mrs. Cursetbai J. R. B. Jeejeebhoy and Mr. J. R. B. Jeejeebhoy, The Cliff, Ridge Road, Malabar Hill, Bombay.

Mr. Jal Dorabji Framji, Barry Villa, Owan Dunn Road, Gamdevi, Bombay.

Sir Joseph Kay, K.B.E., Messrs. W. H. Brady & Co., Ltd., Brady House, Veer Nariman Road, Fort, Bombay.

Mr. Douglas Moir, Kiroska, 3 Cunningham Crescent, Bangalore.

Mr. Nahalchand Laloochand and Mr. Kantilal Nahalchand, Tamba Kanta, Pydhoni, Bombay.

I, SORAB BOMANJI MEHTA, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date: 9th March 1957.

(Sd.) S. B. MEHTA
(Signature of Publisher)

THE GOKAK MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-eighth Annual General Meeting of Shareholders of The Gokak Mills Limited, will be held at the Registered Office of the Company, Forbes Building, Home Street, Fort, Bombay, on Wednesday the 10th April, 1957, at 5-00 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and Audited Statements of Account for the year ended 31st December, 1956.

(2) To sanction the declaration of a Dividend.

(3) To appoint a Director in place of Mr. B. M. Ghia, who retires under Article No. 97 of the Articles of Association of the Company, but who is eligible for re-appointment.

(4) To appoint a Director in place of Mr. Tricumdas Gordhandas Khattau, who retires under Article No. 97 of the Articles of Association of the Company, but who is eligible for re-appointment and to consider and if thought fit to pass the following Resolution, of which a special notice, as required by Section 281 of the Companies Act, 1956, has been received by the Company:

Resolution

"Resolved that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to Mr. Tricumdas Gordhandas Khattau, who has attained the age of 71 years and who retires under Article No. 97 of the Articles of Association of the Company and he be and is hereby re-appointed a Director of the Company."

(5) To appoint Auditors for the coming year and to fix their remuneration.

The Transfer Books of the Company will remain closed as previously advertised, from the 8th March, 1957, to the 28th March, 1957, both days inclusive.

By Order of the Board,
FORBES FORBES CAMPBELL & CO.
PRIVATE LIMITED,
Managing Agents.

BOMBAY, *28th February*, 1957.

Note.—(1) The Dividend, when sanctioned, will be made payable free of Income-tax at the Chartered Bank, Bombay or Madras, on and after 15th April 1957, to those Shareholders whose names stand on the Register on the 28th March 1957, to whom Dividend Warrants will be posted.

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

THE GOKAK MILLS LIMITED

Explanatory Statement under Section 173 of the Companies Act, 1956.

This Explanatory Statement is given in respect of the Resolution mentioned in the accompanying Notice.

The Resolution for the re-appointment of Mr. Tricumdas Gordhandas Khattau as a Director of the Company (Item 4) is required to be passed in view of the provisions of Sections 280 and 281 of the Companies Act, 1956, because he has attained the age of 71 years. Mr. Tricumdas Gordhandas Khattau has been a Director of the Company for the past 36 years and his guidance and advice have been much valued by the Board.

By Order of the Board.
FORBES FORBES CAMPBELL & CO.
PRIVATE LTD.,
Managing Agents.

BOMBAY, *28th February* 1957.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 3rd April 1957 to the 12th April 1957, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES
(INDIA) PRIVATE LTD.,
Secretaries.

CALCUTTA, *7th March* 1957.

EASTERN INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of EASTERN INVESTMENTS LIMITED will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3-30 p.m., on Friday the 29th day of March, 1957, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1956 and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Directors in the places of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 16th March, 1957 to 29th March, 1957 both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th February*, 1957.

Note.—(*a*) A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 5th April 1957, to those Shareholders so entitled whose names appear in the Company's books on the 29th March 1957, or to their mandatees. No application for Dividend Warrants will be necessary.

EASTERN INVESTMENTS LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming General Meeting of Shareholders the following dividends for the year ended 31st December 1956.

On the Cumulative Preference Shares, a final Dividend at 2½ per cent. per annum, making the total Dividend at 5 per cent. per annum, less Income-tax.

On the Ordinary Shares at 9 per cent. per annum, without any deduction in respect of taxation payable by the Company.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th February*, 1957.

TENDER NOTICE

TENDERS ARE INVITED FROM ESTABLISHed foundries in India only for the supply of Cast Iron C.S.T. 9 Sleeper Plates, Broad Gauge and/or Metre Gauge to be supplied by 31st March 1958.

2. Approximately 35,000 tons of pig iron will be available for allotment upto 66 per cent. of the quantity ordered on firms, 17 per cent. of the ordered quantity being supplied in Railway C.I. Scrap Grade I by Railways at the controlled rates. The remaining 17 per cent. of the ordered quantity and melting losses will be procured by the firms under their own arrangements.

3. Applications for copies of tender documents should be made to the Deputy Director (Works), Railway Board's Office, State Entry Road, New Delhi. Tender documents embodying conditions of supply and contract and relevant drawings will be supplied at Rs. 10 per set and will be available for sale from 8th March 1957 onwards on any working day during office hours.

4. Tenders will be received upto 13.00 hours on 29th March 1957, and opened in the office of the Railway Board, New Delhi, at 15.00 hours on the same day.

P. R. CHOPRA,
Deputy Director, Works,
Railway Board.

NEW DELHI, *26th February* 1957.

KANKNARRAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Forty-seventh Annual General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 11-00 a.m., on Saturday the 30th March 1957, for the following purposes:

(1) To receive and consider the Audited Accounts for the half-year ended 30th June 1956, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To appoint a Director in place of one retiring.

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

The Share Transfer Books of the Company will be closed from 22nd March to 30th March, 1957, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, *1st March*, 1957.

Note.—A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf. A proxy need not also be a member of the Company.

KAMARHATTY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fifty-seventh Annual General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 11-15 a.m. on Saturday the 30th March 1957, for the following purposes:

(1) To receive and consider the Audited Accounts for the half-year ended 30th June 1956, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To appoint a Director in place of one retiring.

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

The Share Transfer Books of the Company will be closed from 22nd March to 30th March, 1957, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, *1st March*, 1957.

Note.—A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf. A proxy need not also be a member of the Company.

THE HOOGHLY FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-first Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4-15 p.m. on Thursday the 28th March, 1957, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 30th June 1956.

(2) To declare a Dividend.

The Transfer Register will be closed from the 21st March to the 28th March, 1957, both days inclusive.

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

CALCUTTA, *1st March*, 1957.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, *6th March*

The short-term money market experienced markedly stringent conditions during the week under review. Due to a keen shortage of floating funds and greater demand for credit, banks were said to have resorted liberally to borrowing from the Reserve Bank to meet the demand. Consequently, interest rates were firmly held at last week's levels. Inter-bank call money was bid at 3½ per cent. House money at call was on demand at 4 to 4½ per cent. and short-term deposits were offered 4 per cent. for one to six months.

The Reserve Bank's statement for the week ended 1st March 1957 discloses an expansion of Rs. 4.72 crores in notes in circulation and a contraction of Rs. 5.49 crores in notes held in the Banking Department. There are no changes in foreign and rupee securities, but there has been a further drop of Rs. 3.47 crores in balances held abroad in the Banking Department. Deposits of the Central Government have risen by Rs. 1.11 crores, while those of other Governments and banks have declined by Rs. 7.53 crores and Rs. 3.23 crores, respectively. On the assets side, loans and advances other than to Governments disclose a further fall of Rs. 4.53 crores, of which outstanding advances to Scheduled banks against usance bills account for Rs. 2.07 crores. There have been further borrowings by banks against these bills to the tune of Rs. 9.95 crores during the week under review, while repayments have been of the order of Rs. 11.96 crores. There has been a further increase of Rs. 4.61 crores in investments.

The most outstanding features disclosed by the Scheduled banks' statement for the week ended 22nd February 1957 are a sharp rise in deposits of banks, a sizable reduction in borrowings from the Reserve Bank and the State Bank, a fall in advances and bills, for the first time after many weeks, and an improvement in cash resources. Demand deposits are higher by Rs. 10.98 crores, bringing the total rise in two weeks to Rs. 17.85 crores. Borrowings from the Reserve Bank stand reduced by Rs. 7.63 crores and those from the State Bank by Rs. 5.35 crores. Advances have declined by Rs. 1.28 crores, and bills purchased and discounted by Rs. 2.07 crores. There has been a further reduction of Rs. 4.62 crores in investments; cash balances have swelled by Rs. 2.89 crores and money at call and short notice by Rs. 3.38 crores.

The Gilt-edged market ruled dull during the week under review and business was restricted. Barring the support by the Reserve Bank, there was no worthwhile inquiry in the market. State loans in particular were neglected. The undertone, however, remained steady. 3 per cent. 1986 Conversion Loan staged a sharp rise of As. 4 to Rs. 74-9 due to short-covering and proximity of voucher. 3 per cent. 1970-75 gained an anna to Rs. 87-6. 3 per cent. 1966-68 and 1964 were held at Rs. 92-4 and Rs. 94-6, respectively. 3 per cent. 1963-65 were on offer at Rs. 94-3. 3 per cent. 1959-61 was in request at Rs. 97-12. 3 per cent. 1958 was held at Rs. 99-9 and 3 per cent. 1957 at Rs. 99-12 *ex*-voucher, as against Rs. 99-12 *cum*-voucher. 3½ per cent 1962 was unchanged at Rs. 97-13, 3½ per cent. 1961 at Rs. 99-7, 3½ per cent. 1964 at Rs. 98-6, 3½ per cent. 1965 at Rs. 98-3 and 3½ per cent. 1967 at Rs. 98-8.

In the foreign exchange section, the slight hardening tendency of the rupee in terms of the dollar noted last week was reversed this week. Banks, selling rate for ready U.S. dollars rose from Rs. 478½ to Rs. 478¾ per $100 and their buying rate from Rs. 475 to Rs. 475¼ per $100. Banks were sellers of ready Canadian dollars at Rs. 501¾ and buyers at Rs. 495 per $100, as against Rs. 500¼ and Rs. 493¾ per $100, respectively. This is in consonance with the trend of sterling abroad. Thus, in New York, spot sterling receded from $2.79.13/16-2.79.15/16 to $2.79.9/16-2.79.11/16, three months' forward from $2.78.13/16 -2.78.15/16 to $2.78.11/16-2.78.13/16, and transferable sterling from 276.45-276.55 to 276.20-276.30 cents.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, *3rd March*

During the week under review, the hides and skins market ruled steady. Supply of important categories of wet salted cow and buff was less as compared with the previous week. Demand for buff was very strong. The country tanners were not as active as in the previous week, while the reverse was the case in regard to Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 340, 2nd grade Rs. 280 and 3rd grade Rs. 245 per score; wet salted buff, 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; Goat 1st grade Rs. 250 to Rs. 275 and 2nd grade Rs. 200 to Rs. 225 per 100 pieces; Sheep 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

LINSEED ARRIVALS SCARCE

(Messrs. A. Bradley & Co.)

CALCUTTA, *4th March*

Quiet conditions prevailed in the linseed market throughout the earlier part of the week, but an advance in prices was noted towards the close, owing to an acute shortage of ready goods. Arrivals from the centres were very scarce, and activity was very limited for ready as well as forward deliveries. The oil market was rather dull and some small trading was recorded, following a few local enquiries. Overseas prices were still considerably out of line.

The latest available quotations are: March Rs. 22 and April-May Rs. 21 per maund.

MARGIN AND SPECIAL CLEARING IN SILVER

(From Our Own Correspondent)

BOMBAY, *6th March*

Trading in the bullion market during the week under review was highlighted by a landslide in silver, while gold was relatively more steady with fluctuations confined to a narrow range. This is the second week in succession, in which silver suffered a precipitate decline. Though towards the close there was a fair-sized recovery from the week's lowest level, the loss over the week was Rs. 2-4 (for forward), bringing the aggregate drop for the last two weeks to Rs. 7-6.

The weakness in silver was attributed to heavy selling by nervous bulls, induced by fears of heavy arrivals of Tibetan coins in the coming weeks. These fears were based on reports that large sums had been paid as import duty on these coins. Distress selling by a leading operator, who failed to meet his commitments, gave momentum to the downward trend. At the lower levels, however, there was some support and heavy short-covering which arrested the decline and helped the white metal to stabilise at slightly higher levels.

Gold also suffered a recession early in the week, but the good offtake in the ready section soon imparted strength to the metal. There was, however, no sizable improvement in prices, in the face of weakness of silver.

Forward silver (15th March settlement) sagged from Rs. 179-3 to Rs. 176-11 on 1st March. As the closing rate, at Rs. 176-15, on that day was more than Rs. 7 below the starting rate of Rs. 185 for that settlement, a margin of Rs. 500 per bar was imposed on sellers. Also, as the day's closing rate was more than Rs. 5 below the last clearing rate, special clearing was enforced in both the metals at Rs. 176-12 for silver and Rs. 104-8 for gold. After a recovery to Rs. 177-14 at the end, there was again a recession to Rs. 175-9 on the 4th inst. Heavy short-covering and fresh support at this level lifted the price to Rs. 177-13 before closing at Rs. 176-15.

Business in the next (April) settlement began on the 2nd inst. and the official starting rate was fixed at Rs. 177. Opening at Rs. 177-3, the new settlement declined to Rs. 175-7 before closing today at Rs. 177-1.

Ready silver dropped from Rs. 180-1 to Rs. 175-13, but recovered to touch Rs. 177-13. The closing was, however, lower at Rs. 176-15. The premium of As. 14 which ready commanded over the March settlement early in the week gradually narrowed down before being wiped out today. The floating stocks of silver are placed at 900 bars. The daily average offtake was 15 bars.

Gold for forward delivery (14th March settlement) declined from Rs. 105-14 to Rs. 104-6, but slowly gained ground to Rs. 105-9 at the close.

The official starting rate for April settlement was fixed at Rs. 105-2. Business in this settlement commenced at Rs. 105-1 and the rate advanced to Rs. 105-10 at the close today.

Ready gold finished today at Rs. 105-9, after having gone down from Rs. 105-14 to Rs. 104-5. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was also of the same order.

In New York, silver was unchanged at 91¾ c., as also in London at 80d. for spot and 79¾d. for forward. London gold, however, shot up from 249s. 2½d. to 249s. 7½d.

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

	6-3-57	Highest	Lowest	26-2-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.995 fine Mint)	105 9	105 12	104 5	105 14
Forward*	105 9	105 13	104 6	105 14
Sovereign	69 0	69 4	69 0	69 8
SILVER				
Ready (.999 fine Mint)	176 15	180 2	175 13	180 1
Forward†	176 15	179 4	175 9	179 3
London Silver Ready	80d.	—	—	80d.
London Forward	79¾d.	—	—	79¾d.
London Gold	249s. 7½d.	249s. 7½d.	249s. 2½d.	249s. 2½d.
New York Silver	91¾c.	—	—	91¾c.

*14th March settlement.
†15th March settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

TANNED COW HIDES ACTIVE

(From Our Own Correspondent)

MADRAS, *4th March*

Shippers of tanned cow hides have been active in the local market. As arrivals are small, prices have remained steady, but the tone is a shade weaker, because U.K. buying is poor and selective. If U.K. enquiries continue to be on the same scale as at present for another fortnight, prices in Madras may come into line with importers ideas.

During the week, there was selective call for cow calf and buff calf in top marks, while other standards were neglected. Demand for buff hides was poor from exporters to both the U.K. and the U.S.A.

There was no change in the tanned skins market. Tanners were trying to get increased prices on goat skins, but importers declined such offers.

The next London auctions will commence on the 18th inst., when 650,000 tanned goat skins and 450,000 sheep skins will be available for sale. As the quantities seem large, prices are likely to decline, unless bidding on Continental account is strong and active.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, *6th March*

The most important feature of trading in the cotton market in the week under review is the commencement of the settlement of the Jarilla March contract. Quite in keeping with the general expectation, the volume of tenders on the first notice day, that is, 1st March, was very small, about 50 bales only, and they are believed to have been in the nature of "feelers" to test whether the cotton tendered would be passed. The market still remained in the grip of bulls and both the contracts scaled new heights, Jarilla March touching Rs. 745 and Vijay April Rs. 854 on the 2nd inst. The spurt in price brought into operation more rigorous margins in respect of the Jarilla March contract.

Meanwhile, there is considerable controversy in the trade over the latest changes in new Jarilla May contract. The change, as was pointed out in our last issue, is to the effect that the Jarilla May delivery will be based on M.G. former Madhya Pradesh Jarilla 25/32". Strong objection has been taken to this clause by a section of the trade which points out that, by making Madhya Pradesh (not the new Madhya Pradesh State but the one as it was before the States Reorganisation) Jarilla 25/32" staple as the basic variety and treating, at the same time, Khandesh, Madhya Bharat and Moglai Jarillas as separate, the Indian Cotton Control Order, which includes under Jarilla all cotton grown in Madhya Pradesh, Madhya Bharat, Khandesh and Moglais, has been clearly violated. This, it is maintained, is a clear discrimination against growers of Madhya Pradesh Jarilla, because cotton of the same quality and staple strength, but grown elsewhere, will be at an advantage when tendered. Another section of the trade holds that such arguments are irrelevant, because the Cotton Control Act becomes operative only when prices reach either the ceiling or the floor, in which case, all Jarillas will be treated according to their respective rules. They further point out that the so-called discrimination against Madhya Pradesh Jarilla is not confined to that variety alone but equally applies to Vijay 27/32". In view of these conflicting views, the Board of the East India Cotton Association and the Forward Markets Commission would do well to explain the significance of the change.

Notwithstanding these uncertainties, the cotton futures market depicted a firm trend. The general expectation that quality cotton, especially Vijay, would be scarce which induced good buying support was mainly responsible for the firmness. Towards the latter part of the week, however, there was a sizable volume of liquidation, prompted by apprehensions that the authorities were taking a serious view of the spurt in price, which resulted in a mild recession. Vijay April which had risen to as high as Rs. 854 came down to Rs. 840 today. The distant deliveries, however, fluctuated in either direction and, towards the close, values dipped.

Opening the week at Rs. 727, Jarilla March advanced to Rs. 745 on the 1st inst. but swiftly came down thereafter to Rs. 714 on the 4th inst. The contract, however, improved subsequently to Rs. 731 today before closing lower at Rs. 728. Jarilla May commenced the week at Rs. 676 and, after rising to Rs. 685 on the 2nd inst. declined to Rs. 664 today. The closing rate was, however, higher at Rs. 671.

Vijay April opened at Rs. 837 and spurted to Rs. 854 on the 2nd inst. Profit-taking sales induced by the high rate brought the contract down to Rs. 828 yesterday. Beginning today's trading at Rs. 842, the contract rose to touch Rs. 848 before closing at Rs. 844-8. Vijay June depicted an easy trend. It opened at Rs. 814 and came down to Rs. 791 on the 4th. Again a recovery was evident and the contract improved to Rs. 798 today at which rate it closed.

The following table gives the trend of prices of the contracts during the week:

(In rupees per candy of 784 lbs.)

	6-3-57	*High*	*Low*	26-2-57
Jarilla (March) ...	728	745	714	723½
Jarilla (May) ...	671	685½	663	675
Vijay (April) ...	844½	854	828	833½
Vijay (June) ...	798	821	791	800

In the spot section, activity was slow, thanks to the near-ceiling rates prevailing. Mills continued to be reluctant to enter into fresh commitments and only hand-to-mouth purchases were made. Mill demand was limited to ready lots of good quality 0394, Jarillas, Vijay, Surti Co 2 and Co 4. Export inquiry was noted for Bengal *Deshi* and Madhya Bharat Jarilla.

The Joint Chief Controller of Imports has announced that no application will be entertained for the import of raw cotton stapling 1.3/16" and above, as the monetary ceiling fixed for the import of these varieties during the current licensing period had been reached as early as on 14th February. Following this announcement and as no fresh quota for import of American "aid" cotton had yet been announced, import business was at a standstill.

The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 730; Berar Jarilla 810; Khandesh 840; Vijay 935; Oomra *Deshi* 800; Moglai 760.

The Karachi cotton futures market continued to rule easy during the week under review, thanks to profit-taking sales and absence of trade support. Although Japan has made larger sterling allocation for purchase of cotton from the sterling area, no sizable inquiry was reported from that country. N.T.R.G. March which stood at Rs. 79-14 last week-end climbed down to Rs. 78-7. May position declined by As. 10 to Rs. 79-12. Spot values of cotton also suffered a break. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing in Karachi:

Sind *Deshi* 87; Punjab *Deshi* 78; 4F Punjab Roller 83-7; S.G. 86-15; L.S.S. Punjab Roller 85-7; S.G. 89-7; NT.R.G. 83-15; S.G. 91-7; 289F Punjab Roller 88-7; S.G. 100-7.

Under the impact of some liquidation in March delivery prior to the first tender day, an easy trend was in evidence in the Alexandria cotton futures market, earlier in the week. High margin deposits payable under current regulations also acted as a damper. The market, however, picked up strength towards the closing sessions, following the general unwillingness on the part of stockists to sell, and values registered a recovery. Exporters would appear to be generally hopeful of the grant of an official discount on sales of cotton to India. The following are the latest available rates—in tallaris per lb.—from Alexandria:

Karnak: March 199.40; May 119.85; July 119.4. *Ashmouni*: April 85.25; June 85.45; August 84.75.

It is reported that the Sudan Gezira Board will commence auction sales of new crop cotton on the 14th and 15th inst. Meanwhile, the Sudan Government has raised the export duty on cotton by 2½d. to 7½d. per lb., obviously to take advantage of the brisk overseas demand for Sudan cotton induced by the difficulty of getting Egyptian cotton.

The Liverpool cotton futures market presented a steady trend during the week. Although there was considedable hedge selling in both the American and the American type futures contracts the offers were absorbed by investment buying. Slack mill demand in the wake of comfortable supply position is expected to result in reduced tenders against the maturing March-April contracts. Egyptian Karnak contract was neglected and nominally unchanged, while Sudan Lambert Seed Contract tended to look down. Mill demand for ready cotton continued to be small, inquiries being generally limited to medium and lower U.S. styles with which other growths are still non-competitive. Some small turnover was reported in Russian, Peruvian, East African and Pakistani Punjab *Deshi*. The latest available rates—in pence per lb.—from Liverpool are given below:

American Cotton One Inch Staple Contract: March-April 26.10; May-June 26.15; July-August 25.78; October-November 25.46. *American Cotton Mixed Growth Contract*: March-April 26.17; May-June 26.32; July-August 25.95; October-November 25.52. *Egyptian Karnak*: March-April 60. *Sudan Lambert*: May-June 43; July-August 42.

Cotton futures values in New York dipped on scattered liquidation and commission house selling on news of favourable rain in the Texas cotton belt and the consequent moderate withdrawals from Soil Bank commitments. The rates, were, however, prevented from falling further by short-covering at lower levels.

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

(In cents per lb.)

	5-3-57	25-2-57	19-2-57
Spot	35.20	35.35	35.25
March	35.05	35.29	35.08
May	35.08	35.25	35.10
July	34.51	34.67	34.42

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, *6th March*

The bearish trend of the yarn market noted in the past four weeks continued unabated during the week under review. The persistent stringency in the money market and the consequent increase in the cost of holding stocks induced large offerings, while demand was at a low ebb. Yarn values, therefore, moved further downward. Dull cones (120) Snia rayon yarn forward delivery, however, proved an exception, in that they ruled firm. The firmness was aided by cornering of large stocks by a few prominent traders, with a view to creating scarcity in supplies and thus rigging up prices. The floating stocks of these varieties were reported to have been depleted and fresh arrivals, it was felt, would not be heavy.

Rayon yarn 150 bright cones for April delivery dropped Rs. 7 to Rs. 642, while 120 dull cones Snia yarn for April delivery forged ahead from Rs. 794 to Rs. 813. In the spot section, 120 Japan declined by half an anna to Rs. 4-4. 150 Japan was quiet at Rs. 4-4. 150 Italy, however, met with some support and improved by nine pies to Rs. 3-11-6. 120 Italy were also favoured six pies higher at Rs. 4-1. Among indigenous yarns, National Rayons 120 bright cones 1st grade was dull at Rs. 3-12, but 150 Bright Cones 1st grade was a shade better at Rs. 3-5-9.

Staple fibre yarn (40×2) for April delivery receded by Rs. 3 to Rs. 635 before finishing higher at Rs. 658. Spot Kohinoors and Centurys shed six pies each to Rs. 3-6-6 and Rs. 3-6, respectively. New Greats eased by three pies to Rs. 3-5. Citys lost a like amount to Rs. 3-5-6. Foreign yarns (80×2), on the other hand, elicited very good attention of operators and registered handsome gains. Paramounts rallied As. 4-6 to Rs. 5-6-6. Fujis moved up by As. 3-9 to Rs. 5-7-6.

Cotton yarns of all counts staged a retreat for want of support, notwithstanding firm advices from raw cotton market. Ten counts Podars fell by As. 5 to Rs. 14-14. Moderns were neglected at Rs. 15-4. Among 20s, Moderns declined by As. 2 to Rs. 19-4. Gokaks shed an anna to Rs. 18-11. Deals in thirty counts were put through at reduced prices, India Uniteds dropping As. 6 to Rs. 21-10 and Edwards As. 4 to Rs. 21-10. Among 40s, Moderns receded by As 8 to Rs. 28. Gokaks slipped by As. 4 to Rs. 27-4. Minaxis lost As. 2 to Rs. 27. Sixty counts Moderns were unaltered at Rs. 62-8, as also Raghuvamshis at Rs. 57-8 and Finlays at Rs. 61. Among 80s, Mahendras decreased by As. 8 to Rs. 74-8. Moderns were quiet at Rs. 77 and Finlays at Rs. 81-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	6-3-1957	26-2-1957
	Rs. a.	Rs. a.
Art silk yarn (per case of 200 lbs.)—		
120 Dull Cones Snia April	813 0	794 0
120 Jl. Cones April	—	640 0
120 Japan (per lb.)	4 4	4 4½
150 Japan (per lb.)	4 4	4 4
120 Italy (per lb.)	4 1	4 0½
150 Italy (per lb.)	3 11½	3 10½
Staple fibre yarn (per case of 200 lbs.)—		
40 × 2 April	638 0	638 0
40 × 2 New Great (per lb.)	3 5	3 5½
40 × 2 Century (per lb.)	3 6	3 6½
40 × 2 City (per lb.)	3 5½	3 5½
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14 14	15 4
20s Madura	19 8	19 8
30s Edward	21 10	21 14
40s Gokak	27 4	27 8
60s Raghuvamshi	57 8	57 8
80s Modern	77 0	77 0

OILSEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, *6th March*

Trading in the oilseeds market during the week under review was very brisk and all sections made handsome gains. The sentiment of operators was influenced chiefly by hopes of a reduction in export duties on castor and linseed oils. There were reports that the U.S. was interested in purchasing Indian castor oil at about 17½ cents. Australia was said to have bought a large quantity of B.S.S. quality oil at £146-5 per ton. Russia was also said to be in the market for oil. There was also heavy bear covering, following reports of bad weather conditions in producing areas.

Castorseeds May contract forged ahead from Rs. 155-12 last week-end to Rs. 163-8 on Monday. At this level, profit-taking set in and the contract receded to Rs. 159-8 yesterday. But today, again, it picked up strength and advanced to Rs. 162-12 before finishing at Rs. 162. In the spot section, Madras rose by Re. 1 to Rs. 34-4. Oil B.S.S. rallied Rs. 2-2 to Rs. 20-10. Commercial quality spurted by Re. 1-11 to Rs. 19-12.

In the groundnut section, support from crushers was sustained and prices moved up. May contract opened at Rs. 165-8 and touched the peak level of Rs. 171-6 yesterday. At higher levels, profit-taking set in and the contract closed lower today at Rs. 169. Over the week, it gained Rs. 4-8. Business in February contract terminated at Rs. 170 on 28th February, total tenders being 4,000 candies. Spot Bold F.A.Q. improved by Re. 1-6 to Rs. 34-14. Groundnut oil ex-mill was done As. 4 higher at Rs. 18-12.

Linseed May contract commenced the week at Rs. 27-15 and, induced by inquiries from shippers, moved up to Rs. 29-13 on the 4th inst. The level was maintained with minor fluctuations. Owing to profit-taking at higher levels, however, it closed today lower at Rs. 29-1. In the spot section, Bold ready advanced by Re. 1-6 to Rs. 29-6. Linseed oil ready was firm at Rs. 16-10.

Cottonseed May contract strengthened from Rs. 98-8 on the opening day of the week to Rs. 101-4 on the 4th inst. It, however, closed lower at Rs. 99 today. Over the week, it was higher by Re. 1-4. Tenders of 1,100 were issued against February delivery.

Among others, *kardi* bold was higher by As. 6 at Rs. 21-6. *Niger* seed Madras hardened by As. 12, to Rs. 29.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	6-3-1957	26-2-1957	20-2-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	—	169 8	167 4
Khandesh Quality Ready (per cwt.)	35 8	34 2	33 14
Feb.-Mar.	—	33 7	33 4
Linseed—			
May 1957	29 1	28 0	28 3
Bold Ready (per cwt.)	29 6	28 0	28 14
Feb.-Mar.	—	28 5	28 14
Castorseeds—			
May 1957	162 0	155 14	159 14
Madras (per cwt.)	34 4	33 4	32 8
Cottonseed—			
February 1957	—	99 12	96
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 12	18 8	18 5
Castor oil—			
Commercial (per quarter) ..	19 12	—	19 0
Linseed oil—			
Ready	16 10	—	16 6

SUGAR FULLY STEADY

(From Our Own Correspondent)

BOMBAY, *6th March*

The sugar market ruled distinctly steady during the fortnight under review. It was reported that the Government of India had decided to allow an additional 50,000 tons of sugar for export. This report, together with firmness in ex-mill quotations for sugar, induced good buying support and prices tended to move up. Arrivals of sugar into the market aggregated 23,700 bags.

Spot large grain sugar advanced by Rs. 2 to Rs. 94-Rs. 93 (inclusive of sales tax) per bag. Medium grain recorded a rise of Re. 1 to Rs. 90-Rs. 92. Small grain was fully maintained at Rs. 88.

In the forward section, *fagan* delivery contract for 'C' grade sugar was firm at Rs. 91-4, although at one time it had receded to Rs. 90-14. The contract is expected to be squared up at about Rs. 90½ to Rs. 91 on the 16th inst. *Vaisakh* delivery strengthened by As. 6 to Rs. 92-6; today, however, it was quoted As. 2 lower.

BLACK PEPPER WEAK

(Messrs. Parekh & Co.)

BOMBAY, *6th March*

Malabar black pepper during the week ended today continued to rule weak, following lack of support from New York and selling pressure from holders and growers.

Alleppey came down to Rs. 520. Garbled at Cochin established a new low at Rs. 90, with few buyers. Calicut remained sellers at Rs. 590. Growers in Travancore-Cochin area are trying to maintain the price line at around Rs. 520 in the hope of getting some business when the steamer for lifting the cargo of about 1,300 tons to Russia is due at Cochin. But most of the exporters having been fully covered, there appears poor chance of any fresh buying on U.S.S.R.'s account. Unless the U.S. puts in sizable buying during the coming week or two, the prices for Malabar black are likely to go lower. And if once the resistance level of Rs. 500 is pierced through, a scramble for selling is most likely, creating crisis in the trade. Owing to the present stringency in the money market, inland consuming demand is reported to be far from satisfactory, in spite of the present low prices.

Spot in New York has dropped down from $0.29 to $0.24, with absence of interest by grinders. Dealers there are reported to be unwilling to do any important replacement buying unless their spot holdings are finding ready buyers in grinders and packers. Although the dock strike in New York has ended, the anticipated congestion at the port prevented any general interest among the grinders who expected a further fall in prices when the strike-bound cargoes begin to move.

European dealers continue to remain small buyers either from Singapore or from India, as they have enough supply at hand in their own ports from the unsold consignments from Singapore on account of one of the Chinese interests. It is said that Europe is overburdened with stock shipped from Singapore during the Suez crisis. Consequently, it is not likely to come in for fresh purchases before the month of May. Sarawak crop is expected to move earlier this year and, if it is so, chances for any good buying either from Europe or from the U.S.A. for Malabar pepper will be meagre.

The majority of the New York dealers are reported to have postponed buying, awaiting new development at Singapore when new crop Sarawak starts coming in.

The present unrest in Indonesia is construed as a bullish factor by some, while others are arguing that there will be more smuggling from Indonesia to Singapore, as the police and the army will be preoccupied in fighting the rebels.

After buying a few parcels of Malabar black for February shipment by named steamer at $0.23, New York dealers are now indicating $0.22½. Some sales of Sarawak black special by the second hands for shipment during June-July are reported at round about 160s. to 165s. per cwt. c. & f. Continental basic ports. There are further sellers but small interest.

March shipment in A.S.T.A. was done at as low as $0.22½, while April-May-June were done at $0.23.

In the delivery section, the market, after showing a perpendicular drop from Rs. 540 to Rs. 505 for March delivery, has showed some technical improvement, but outsiders are conspicuous by their absence.

At the close of the week, however, prices both in A.S.T.A. and delivery sections showed some improvement in sympathy with New York which is reported to have paid $0.23½ for afloat and $0.23 for March shipment. Alleppey and Cochin improved to Rs. 537½ and Rs. 92½, respectively. In A.S.T.A., there are buyers for March at $0.23½ and April-May-June at $0.23¾.

Today's nominal quotations are: Ready Rs. 76 per Bengal maund; March Rs. 531-Rs. 536, April Rs. 536-Rs. 541 and May Rs. 541-Rs. 546 per candy of 5¼ cwts.

MEDIUM DUST TEAS DEARER

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *28th February*

Approximately 340,000 lbs. were on offer in dust sale "E", which was held on Tuesday, 26th February. The sale opened to a strong general demand which weakened slightly towards the close. Medium dusts were well supported and prices were half to one anna dearer. Commonest kinds remained steady. Better liquoring dusts were irregular and occasionally easier.

The average price realised in dust sale "E" was Rs. 2-0-3 per lb., as compared with Re. 1-11-6 per lb. in the corresponding sale of last year.

London Market—Sale of 25th February 1957.—Good demand. Mediums irregularly 1d. to 2d. lower. Others unchanged.

Sale of 26th February 1957.—1d. to 2d. easier quality plain.

Colombo Market—Sale of 25th February 1957.—Good demand. Better sorts declined 10c., poorer kinds about 20c. lower.

Sale of 26th February 1957.—Limited selection. Best flavoury Dimbula Dickoya types dearer, particularly fannings. Other kinds good demand about 10c. lower.

Calcutta Market—Export.—Better general demand for clean common and teas for price which were one anna to As. 2 dearer. Others irregular and cheaper.

Internal.—17,200 dust. Good general demand for all types at irregularly one anna to As. 1½ lower. Best C.T.C. strongest feature As. 3 to As. 4 dearer. 1,950 leaf. Good general demand, irregularly one anna to As. 1½ dearer.

Export Quota.—There has been a much stronger tendency and business has been done up to 5¼ pies. Market has since been a little quieter and at present there are buyers at 52 pies.

Forthcoming Auctions.—Dust sale "F" will be held on Tuesday, 12th March. The shipments of tea from Cochin during January 1957 amounted to 5.25 million lbs., as compared with 6.68 million lbs. in the corresponding month of 1956, of which those to the U.K. accounted for 2.89 million lbs., having declined from 3.60 million lbs.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 5.—1,400,000 lbs. Fair demand, but prices generally As. 4 to As. 6 lower all round. Fannings weakest feature."

JUTE GOODS DECLINE FURTHER

(From Our Own Correspondent)

CALCUTTA, *5th March*

A further sharp fall in the prices of jute goods was recorded during the week, attributed to the lack of adequate business for export and to the apprehension of a further increase in stocks of finished goods with mills. On the other hand, raw jute gave way only fractionally, and this was due to the decline in arrivals. Of the domestic 1956-57 crop, almost all the good quality jute has already been disposed of. What is left is principally mesta, and this position is duly reflected in the prices for such superior varieties as daissee, white jute, and tossa being higher by Rs. 5 per maund compared to mesta.

The news that burlap consumption in the United States for the month of January 1957 rose to 75 million yards from 72 million yards in the previous month was noted in trade circles with satisfaction. Some business was done with shippers. The trade mission sponsored by the American Government is in the country now, and it would consolidate the increase in Indo-American trade noticeable during recent months. Imports from the U.S. have increased and are mainly capital goods. However, the same is not the case with regard to exports to the United States. Trade circles here hoped that the mission would pay adequate attention to this matter, and felt that the U.S. could consume more burlap by restricting the use of paper bags and doing away with the bulk handling methods. If only this were done, balancing of trade would be easier, and the blanket provision in the current licensing period permitting soft currency licence holders to import 50 per cent. of the face value of their licences from the dollar area could be continued. For, this provision followed importers' representation to the effect that imports from the dollar area were easily arranged for and that there was not only advantage in regard to price but delivery time was considerably favourable in comparison. It was noted that the increasing tempo of farms' output in the U.S. required more packaging materials, and that hessian offered considerable scope, if only America paid more attention to the even flow of trade in both ways. When the mission visits Calcutta, it is to be hoped that efforts will be made to stress on it that the U.S. can be of considerable indirect economic assistance to India by lifting more hessian, the quality and price of which are competitive in world markets. Time was when, due to shortage in hessian, substitutes had to be invented and recourse was also taken to bulk handling methods. In the changed situation, the U.S. could afford to give up these, with advantage both to it and India.

Jute-growing districts in both the Bengals experienced light rain during the week, and this has helped cultivators to get the land ready for sowing. In view of the high prices for paddy, the fear that the land under jute in Pakistan for the coming season would be less is entertained. The carryover in Pakistan, it is expected, would amount to a fair quantity, in view of the decline in exports, particularly to India. This factor is causing a decline in prices in Narayanganj, and cultivators are likely to be influenced by this factor also to pay more attention to paddy. Shipping space has become difficult, and there is congestion in the ports of Chalna and Chittagong. This has led to cancellation of some earlier orders. In view of the poor export demand, it is felt that the withdrawal of the licence fee of Re. 1 per acre and of restrictions in jute-growing in Pakistan will not be adequate incentives for growers to sow more area under jute.

Early in the week, 40" 10 oz. hessian ready was steady at Rs. 40-10, but B. twills fell from Rs. 109 to Rs. 108-4. The decision of the *fatka* operators that sellers should deposit some amount with the committee, if they sold the above two constructions below certain minima, prevented prices from falling further for a while only. The *fatka* market was closed on Wednesday last on account of *Sivarathri*. Export business was lacking and on Wednesday, B. twills sagged to Rs. 107-6 and 40" 10 oz. hessian to Rs. 40-6. On Thursday, prices dipped following manipulations in *fatka* for due date. B. twills being priced at Rs. 106-4 and hessian 40" 10 oz. at Rs. 40. Bears continued to sell and on Friday the week's lowest levels for the above two constructions were touched at Rs. 105-8 and Rs. 39-2, respectively. At these rates, business was not passing and by the week-end some recovery was in evidence. B. twills were then quoted at Rs. 106-10 and 40" 10 oz. hessian at Rs. 39-8. The recovery was sustained yesterday also with a further rise to Rs. 107-8 and Rs. 39-12, respectively.

Prices of raw jute declined by about As. 8. In view of the rapid decline in prices of jute goods, mills were not inclined to support raw jute at current levels. Sellers also were not prepared to discount rates further. As a result, business could not take place. Current quotations for the different varieties of raw jute are given below, comparative quotations for the previous week being given in brackets:

	Middles	*Bottoms*
Pakistani:	Rs.	Rs.
Northern	36-0 (same)	33-0 (same)
District	36-8 (same)	33-8 (same)
Indian:		
Northern	30-8 (31-0)	28-0 (28-8)
Assam Upper	30-8 (31-0)	28-0 (28-8)
Assam Lower	30-8 (31-0)	28-0 (28-8)
Daissee	33-8 (34-0)	31-0 (31-8)
Murshidabad	29-0 (30-0)	26-8 (27-8)
Western	29-8 (30-0)	27-0 (27-8)
Jungli	28-8 (29-0)	26-0 (26-8)
Orissa	33-0 (33-8)	30-8 (31-0)
Uttar Pradesh	28-8 (28-0)	26-0 (26-8)
Diassee mesta	27-0 (same)	24-8 (24-8)
Bimli f.a.q.	..	Rs. 23-0 (23-8)
Pucca bales 1st marks ready ..		Rs. 177-8 per bale (180-0).

FAIR DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *5th March*

Fair demand was in evidence in the tea sales for export held yesterday. The price of clean black pekoe was firm at Rs. 2-2 to Rs. 2-3, while that of plain B.P. recorded a gain of one anna at Re. 1-15. The slight decline in prices in last week's sales in Mincing Lane, despite the presence of a fair general demand, was attributed to stocks in the United Kingdom having risen by 8 million lbs. to 140.8 million lbs. for the week ended 22nd February. Tea afloat was also higher at 70.1 million lbs., as against 62.3 million lbs. Such a trend in London was a factor which acted against any impressive rise in prices in the sales held here yesterday. On the other hand, reports of sales held in Colombo on 26th February indicated fair activity by buyers on behalf of importers especially in the United States, Britain and South Africa. In the sales in Cochin also on the same day, prompt demand led to a fractional rise in prices.

The trade and the market derived considerable satisfaction in the figures published in New Delhi relating to tea exports in the year 1956.

Another news noted with satisfaction in both trade and industry circles was the agreement between the employers and employees of the plantation industry in South India, according to which the workers had given up their claim for higher wages prior to the date of the award of the Special Tribunal. That is the revised wages agreed in the compromise will take effect from 25th October 1956, instead of with retrospective effect as from 24th March 1952 in terms of the Award.

Steady conditions were in evidence during last week's sales for domestic consumption following active demand. Prices for selected lots were better. The total quantity of dusts catalogued was 17,009 chests. In keen competition, prices of the bright liquoring C.T.C. Assams with improving quality rose by As. 3 to As. 4, but the rest of this category was featureless. The attractive powdery teas from the other descriptions received fair support, and prices registered a dearer tendency. However, all other kinds including Dooars, Orthodox Assams and commons gave way by As. 1¼. The rates were: best Assam C.T.C. Rs. 2-10 to Rs. 2-15, medium Assam C.T.C. Rs. 2-1 to Rs. 2-3, medium Assam grainy dust Re. 1-12-6 to Re. 1-13, and medium Dooars Re. 1-12.

Leaf offerings totalled 2,049 chests. Prices firmed up following good demand.

Prices during yesterday's export auctions improved fractionally. There was strong and active demand for the offerings totalling 63,000 chests. Teas for price were supported at rates an anna to As. 2 higher than last week. They were thus the strongest feature of the sales. Medium B.Ps rose by 1 to 1 anna, and low mediums and clean commons by an anna to As. 2. There was keen competition in stylish whole leaf grades and a similar trend was also in evidence in B.Ps. On the other hand, a slightly easier tendency was in evidence in fannings. Prices of the better C.T.C. grades lost by As. 2, while those lots from this category representing poor quality and being semi-residue received greater attention, lifting prices up. The quotations were: best C.T.C. Assam B.P. Rs. 2-4 (nominal), clean black pekoe Rs. 2-2 to Rs. 2-3, medium Assam B.P. Rs. 2, and plain B.P. Re. 1-15.

Export quota changed hands at 60 pies, as against 47 pies last week.

COPPER AND TIN MARKED DOWN

(From Our Own Correspondent)

CALCUTTA, *5th March*

Fair demand was in evidence in the metal market during the week under review. However, in accord with world trend, copper and tin prices continued to give way, while zinc and lead recorded additions. In consonance with the fall in the price for electrolytic copper in the London Metal Exchange, a further downward revision of £10 per ton to £240 was announced by the Rhodesian Selection Trust Group of Companies. This was soon followed by American smelters, including the Anaconda Company, reducing their selling prices by 2 cents to 32 cents a lb. Rumours that America was likely to reduce copper production was reflected in prices in the London and New York markets gaining a little, but the earlier loss could not be fully recovered, as there had been no indication that demand would increase. There were also reports that custom smelters in the United States would revise their selling prices to 30 cents a lb. In Calcutta, electrolytic copper fell from Rs. 183 to Rs. 181, but good business was put through. Consumers demand at lower level was fair. Scrap and fine refined copper also changed hands in sizable quantities.

In tin, the price gave way from Rs. 558 to Rs. 530, although even the lower level was several points above the replacement cost. However, the decline occurred, following fresh arrivals and the consequent improvement in the ready supply position. From Rs. 74-8, electrolytic zinc gained to Rs. 76-8 following higher demand. The supply position nevertheless was satisfactory, but the tightness in Bombay was noted by stockists. More business was put through during this week, as consumers desired to have some stocks, in view of apprehensions of the continuance of the uptrend. The price of virgin lead, at Rs. 80, was Re. 1 higher than the opening quotation. The rise was not attributed to keen business, but to Government enquiries for fair tonnages.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, *4th March*

Easy conditions prevailed in the foodgrain market during the week, owing to Government's efforts to check the rising trend in prices by arranging increased sales through fair-price shops. Wheat prices recorded a fall of As. 4 to Rs. 16-2 per maund for average quality and to Rs. 17-2 for farm produce, while wholesale *khati* was quoted at Rs. 15-11. Stockists are now reported to be anxious to part with their stocks before the advent of the new season which will begin by the middle of April. Local stocks have run down by 10 *khaties* during the week to 20 *khaties* (estimated on Monday). Local supply position has improved, as fair-price shops which number over a dozen here are now selling at an average of 40 maunds each daily, as against 30 maunds sold last week. Imports of wheat and rice to the country have been expedited and the Government is determined to create a good reserve.

Rice ruled quiet at unchanged price levels, in the absence of new driving forces and comfortable supply position. Gram eased fractionally on good crop prospects from east U.P. and Punjab, although local stock ran down to 5 *khaties*, as against 10 *khaties* a year before. Maize and *bajra* eased further, due to falling seasonal demand from consumers, and prices of barley and *bejhar* were also depressed in sympathy. The latest available rates are: Gram local Rs. 12-15; Punjab produce Rs. 13-4; maize Rs. 13-8; *bajra* Rs. 13-10; barley Rs. 13-10; *bejhar* Rs. 13-10 per maund.

With the beginning of arrivals of new crop into some markets in east U.P., peas recorded a downward trend in prices and was now quoted at Rs. 13 per maund for *dara* quality and at Rs. 15-8 for white. Local stock was almost *nil* and arrivals were expected by the middle of the month. *Arhar* also sagged, due to want of trade enquiry. Other pulses were also depressed. *Arhar* was done at Rs. 12-6, *urd* at Rs. 18 to Rs. 20, *moong* at Rs. 14 to Rs. 16 and *masoor* at Rs. 16 per maund.

Barring *urd* futures which recorded a slight fall during the week, pulses futures ruled quietly steady. On Monday they were quoted at: Peas *jeth* Rs. 10-4-4½ and farm *jeth* Rs. 10-7-1½; *Arhar jeth* Rs. 10-11-4½; *urd baisakh* Rs. 18-4-6.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, *4th March*

Sugar prices ruled quietly steady at almost unchanged price levels during the week under review. It is reported that the major part of 50,000 tons of sugar allowed for export previously has already been booked and, besides a deal of 8,000 tons for export to Ceylon, another 40,000 tons are considered for export. An overall increase in production over last year is predicted, as supplies of cane to factories is very adequate, due to fall in *gur* prices. The production up to 15th February in the current season was 10.03 lakh tons, as against 8.95 lakh tons in the corresponding period last year and stocks on this date stood at 9.81 lakh tons, as against 8.61 lakh tons a year before. The prevailing mill delivery prices of sugar are: Jaswant Rs. 28-12, Simbhauli Rs. 28-13; Mawana Rs. 28 to Rs. 28-12; Daurala Rs. 29 to Rs. 29-12; Amroha Rs. 28-3; Bijnore Rs. 28-3; Mansoorpur Rs. 29 to Rs. 30; Rampur Rs. 31-6; retail Rs. 30-10 per maund.

The *khandsari* market was further depressed during the week, due to increasing stocks and slack trade demand. Prices were Rs. 22 to Rs. 25 per maund, according to quality.

After an improvement in the earlier part of the week due to good offtake by consuming centres of Gujerat and Rajasthan, ready *gur* prices declined towards the week-end. Having touched the highest at Rs. 10-9 per maund for best quality, ready *gur* is now quoted Rs. 10 per maund. Arrivals average 3,000 maunds daily and local stock is put at 90,000 maunds, as against 81,000 maunds at this time last year. Total arrivals here from the beginning of the season are put at 413,000 maunds and only one-third of the cane crop still remains with the producer.

After an early appreciable advance, future *gur* prices eased towards the week-end, following issue of forward *fagan* delivery contracts. *Gur fagan* was quoted today at Rs. 9-14-9 and *baisakh* at Rs. 10-11, as against the opening rates of Rs. 10-0-9 and Rs. 10-12-3 and highest during the week at Rs. 10-6 and Rs. 11-1-6, respectively.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	4
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1923	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	15th May, 1948	7	10
Egypt	15th Nov., 1952	2½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	2½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1956	5·84	7·3
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug. 1956	3½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 1st March, 1957		Week ended 22nd February, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,69,762	65,39,53,000	2,99,971	71,26,40,000
Calcutta	1,74,447	70,03,76,744	1,81,412	66,75,32,101
Madras	78,371	11,09,57,147	85,317	11,83,65,766
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,300,000
Nov., 1956	..	..	3,284,000	7,25,06,00,000
Dec., ,,	..	..	3,373,000	7,64,19,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 1st Mar., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government	55,09,78,000	
(2) Other Governments	3,70,35,000	
(b) Banks	53,24,66,000	
(c) Others	42,12,83,000	
Bills Payable	14,25,37,000	
Other Liabilities	111,94,65,000	
Rupees	306,37,64,000	
ASSETS	Rs.	Rs.
Notes		15,58,42,000
Rupee Coin		8,32,000
Subsidiary Coin		14,71,000
Bills Purchased and Discounted—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills		2,58,70,000
Balances held abroad*		102,88,15,000
Loans and Advances to Governments		7,62,70,000
Other Loans and Advances		108 12,44,000
Investments		56,26,74,000
Other Assets		13,07,46,000
Rupees		306,37,64,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 56,88,65,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 109,80,12,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,58,42,000	
Notes in circulation	1510,96,44,000	
Total Notes issued		1526,54,86,000
Total Liabilities		1526,54,86,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		121,23,48,000
Government of India Rupee Securities		875,03,44,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1526,54,86,000

Scheduled Banks*

Statement of Affairs for the week ended 22nd Feb., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	7,15,41,000
(ii) Other demand liabilities	687,87,14,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	1,69,00,000
(ii) Other time liabilities	465,39,05,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	
(ii) Time liabilities	10,78,54,000
4. Cash in India	36,77,01,000
5. Balances with the Reserve Bank in India	51,91,50,000
6. Balances held in current account in India	9,91,84,000
7. Money at call and short notice in India	15,67,48,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	351,57,82,000
9. Advances in India	695,56,81,000
10. Inland Bills purchased and discounted in India	104,88,77,000
11. Foreign Bills purchased and discounted in India	57,05,43,000

* Notes.—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	5th March, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	473½	473½
Buyers T.T. Rs.	473¾	473¾
London on New York $	2.79½-2.79¾	2.79½-2.79¾
London on Paris Fcs.	987	987
London on Berne Sw. Fcs.	12·28	12.27½-12.27¾
New York on London $	2.79½-2.79¾	2.79⅜-2.79⅝

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'54-'55	378 07	..	10,170	269
Pakistan	'53-'54	79 33	..	1,931	243
Burma	1954	19 24	Kyats 3,905	390	204
Ceylon	1954	8 38	..	420	500
Japan	1955	88 90	Y. 5,575,000	8,698	978
Philippines	1955	21 85	Ps. 7,800	1,857	850
New Zealand	1955	2 13	£(N.Z.) 846	1,128	5 296
Australia	1954	8 99	£(A) 3,957	4,220	4 694
U.K.	1955	50 97	£ 16,634	22,178	4,351
U.S.A.	1955	165 27	$ 324,000	155,520	9,410
Canada	1955	15 60	$ 20,738	10,166	6 516
France	1955	43 27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49 99	Dm. 126,200	14,460	2,890
Italy	1954	47 80	Lr. 7,450	7,450	1,560
Norway	1955	3 43	Kr. 19,764	1,320	3,850
Sweden	1954	7 21	Kr. 38,630	5,544	4 912
Netherlands	1955	10 75	Grs. 2,500	2,850	2 650
Denmark	1954	4 41	Kr. 23,374	1,610	3,654
Switzerland	1954	4 93	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 22nd Feb., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	46,08,91,000
(b) Provincial Governments	1,43,87,000
(c) Banks	13,54,51,000
(d) Others	8,31,43,000
Bills Payable	14,24,000
Other Liabilities	13,13,21,000
Rupees	88,69,47,000
ASSETS	Rs.
Notes	13,84,99,000
Rupee Coin	14,000
Subsidiary Coin	19,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	11,17,000
(c) Government Treasury Bills	20,00,000
Loans and Advances to Governments	3,33,33,000
Provincial Governments' Debtor Balances	19,61,30,000
Other Loans and Advances	40,49,97,000
Investments	10,99,38,000
Other Assets	88,69,47,000
Rupees	

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,84,99,000	
Notes in circulation	330,71,84,000	
Total Notes issued	....	344,56,83,000
Total Liabilities	....	344,56,83,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,38,41,000	
Silver Bullion	....	
Sterling Securities	33,60,20,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,80,000	
	5,33,84,000	161,59,38,000
B. Rupee Coin		
Government of Pakistan Securities	171,73,55,000	
Internal bills of exchange and other commercial paper	....	177,07,39,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	344,56,83,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued 48·52 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	22nd Feb., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,506.25	1,515.62	1,402 85	1,485.52
Notes held in Banking Department	35.05	21 08	11 28	12 59	23 56
Foreign Securities	59 50	412 52	412 52	667 16	427 43
Rupee Securities	37.39	875.03	875.03	603 23	840.13
Banking Department					
Deposits of:					
Government of India	14.89	53 98	52 25	66 51	51.46
Other Governments	..	11 24	12 48	16 12	13.33
Balances held abroad	10.08	106.35	113.43	67.66	83.18
SCHEDULED BANKS					
Demand Liabilities	134.36	694 53 (7 15)†	682 75 (6 36)†	631.06 (4 14)†	670.82 (6.80)†
Time Liabilities	102.24	467 05 (1.69)†	464 29 (2.48)†	413 08 (3 27)†	462.30 (2.56)†
Borrowings from Reserve Bank	..	84 85 (58 85)‡	92 48 (59.18)‡	40 82 (21.65)‡	74 15 (59 31)‡
Borrowings from State Bank	..	10.79	16 14	12 17	13 81
Cash in India	6.70	36.77	36 93	34 82	32.06
Balances with Reserve Bank	25.17	51.92	48.86	53.26	50.05
Excess over statutory limits	15.52	7.85	5.44	13 35	7.27
Balances with other banks in current account in India	..	9.92	9.62	10.67	9.94
Money at call and short notice in India	..	13.67	10.29	5.52	11.10
Investments (at book value)	..	351 58	356 20	375 26	361 64
Advances and bills	105.09	857.46	860 82	697 01	826.04
STATE BANK					
Deposits	..	87.76	271 55	265 01	236 93	252 03
Investments	..	51 99	106 66	106 85	114 87	106.92
Advances	..	30 35	170 67	173 51	120 42	160.83
Cash	..	14 09	22 74	18 04	23 78	18.96

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November,		Eight months, April to Nov.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	9.99	11.07	74.41	82 01
Protective	0.87	1.21	6.59	8 39
On surplus disposals	—	—	0 07	0 02
Total import duties	10.77	12 28	81 07	90 42
Export Duties	2 76	2 67	24 48	18 25
Land Customs	0 20	0 22	0 69	1 62
Miscellaneous	0 06	0 11	0 48	0 74
Gross total customs	13 79	15 28	106 72	111 06
Refunds and drawbacks	0 20	0 22	1 75	1 57
Net Customs	13 59	15 06	104 97	109 49
Gross excise	11.67	16 23	94 68	117 97
Refunds	0 17	0 17	3 03	1 32
Net Excise	11.50	16.06	93 66	116 65
Net total of customs and excise†	25.09	31 12	198.57	226.14

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 1st Mar., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		276,01,30,000
Bills Payable		7,46,00,000
Bills for Collection being Bills Receivable as per contra		4,10,17,000
Acceptances, Endorsements and Other Obligations per contra		67,93,000
Other Liabilities (including Inter-Office Adjustments)		5,31,000
Total .. Rs.		2,15,82,000
		302,46,53,000
PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		
Balances with other Banks		13,50,17,000
Money at Call and Short Notice		3,81,63,000
INVESTMENTS:		66,07,000
Government and other Trustee Securities	95,27,38,000	
Other Authorised Investments	11,54,34,000	
		106,81,72,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	149,39,47,000	
Bills Discounted and Purchased	23,26,99,000	
		172,66,46,000
Bills Receivable being Bills for Collection as per contra		67,93,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		5,31,000
Premises less Depreciation		1,50,54,000
Furniture and Fixtures less Depreciation		62,56,000
Other Assets (including Inter-Office Adjustments)		2,43,28,000
Total .. Rs.		302,46,53,000

SMALL SAVINGS

(In lakhs of rupees

POSTAL SAVINGS‖

	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●		2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year											
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.83	65	2.26	22.66	84.17	1,13.85	92.03	— 21.07	7.55	25.64						
1953-54	4.70	1.62	2.49	27.27	1,24.84	1,34.79	1,30.59	— 25.25	5.57	47.15	7,40.8	7 28	55‡‡	55		
1954-55	3.76	1.86	2.42	27.19	1,44.86	1,58.13	1,67.86	— 28.37	4.79	41.25	9.86	16.37	45	96		
December 1955	4.00	15	2.56	2.56	1,39.48	12.94	1,52.44	— 28.46	36	40.34	85	13.98	4	88		
January 1956	3.91	14	2.54	2.03	1,40.78	12.10	1,54.14	— 28.55	32	40.61	84	14.78	3	91		
February ,,	3.83	18	2.50	2.33	1,42.37	13.97	1,56.19	— 28.66	29	40.93	93	15.57	3	93		
March ,,	3.76	23	2.46	2.82	1,44.36	23.64	1,67.86	— 28.37	36	41.25	88	16.37	3	92		
April ,,	3.69	24	2.54	3.19	1,45.85	14.84	1,71.05	— 28.98	24	41.51	82	17.13	3	88		
May ,,	3.61	21	2.54	2.49	1,47.50	14.77	1,73.04	— 29.05	35	41.82	85	17.91	3	1.00		
June ,,	3.54	23	2.55	2.70	1,49.48	15.34	1,76.09	— 29.15	38	42.11	92	18.78	4	1.04		
July ,,	3.48	43	2.61	2.78	1,51.83	14.61	1,80.05	— 29.24	38	42.42	1,01	19.68	4	1.07		
August ,,	3.40	39	2.62	2.83	1,53.14	14.10	1,83.21	— 29.35	36	42.72	93	20.56	3	1.11		
September ,,	3.34	17	2.71	2.65	1,55.14	13.37	1,84.83	— 29.17	34	43.00	78	21.34	3	1.15		
October ,,	3.28	16	2.69	2.85	1,56.61	13.00	1,85.99	— 29.26	35	43.29	82	22.06	4	1.17		
November ,,	3.23	18	2.66	2.30	1,57.82	12.70	1,86.69	— 29.25	25	43.39	77	22.73	3	1.19		
December ,,	3.17	23	2.76	2.47	1,58.90	14.77	1,87.80	— 29.43	26	43.59	70	23.32	3	1.22		
January 1957	..	..	..	..	..	..	..	..	36	43.89	..	..	..	..	..	..

* At the end of period.

‡ Issued from 16th May, 1954.

§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

‖ Relating to eleven months from May, 1954.

● Progressive net repayments at the end of period from 15th August 1947.

‡‡ From July 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 16th Feb., 1957	9th Feb., 1957	19th Jan., 1957	18th Feb., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.8	89.8	89.7	91.3
1. Government of India	89.5	89.5	89.4	91.2
2. Indian States	96.6	96.6	96.6	98.7
3. Municipal Port Trust, etc.	90.7	90.7	90.7	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.0	99.1	100.0	101.2
1. Electricity	98.7	98 9	100.9	102.8
2. Jute	97.3	97 5	97.6	97.6
3. Plantations	98 6	98 6	98.6	99 1
4. Sugar	98.5	98.5	98.5	99.0
5. Coal	90.5	90.5	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Plantations	100.4	100 4	100.5	101.1
PREFERENCE SHARES	79 6	79 9	80 4	88.8
1. Electricity	88 3	88 6	87 8	94 6
2. Jute	80 6	80 8	80.1	79 7
3. Jute	74 2	75 2	75.4	86.7
4. Coal	82 7	82 7	83 0	90 1
5. Iron and Steel	81 0	81 3	84.0	87.5
6. Sugar	81.6	81 6	81.6	85.5
7. Paper	79.7	79 7	79 7	86.5
8. Plantations	99 4	99 7	99 8	101.4
9. Miscellaneous	74.0	74.1	73 8	84.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.6	114 1	113.7	120 5
(a) Financial	93 9	94 5	94 7	88 3
1. Banks	96.1	96.7	96.9	88.8
2. Insurance	84.7	84 8	84 8	90 3
3. Investment Trust	96 0	96 0	92 7	94.7
(b) Public Utilities	109.3	109 4	108.5	113 1
1. Electricity	109.9	110.0	109.5	118.7
2. Shipping and other Transport	116.4	115.9	113.9	106.3
3. Railways	78.7	81.2	81 0	89.7
(c) Manufacturing Industries	120.3	121.1	120.8	128.7
1. Cotton, Woollen and Silk	125.8	126.5	127.7	122.6
2. Jute	62.3	61.9	58.1	89.6
3. Iron and Steel	131.3	132.5	129 5	139 9
4. Paper	252 3	253.0	248 8	279 9
5. Cement	158.0	158.0	169 7	167.1
6. General Engineering	170 3	175 9	175 2	196.3
7. Sugar and Breweries	99.5	99 9	100.2	105.8
8. Chemicals	137.2	137.5	136.8	147.4
(d) Non-Manufacturing Industries	140.3	140.3	139 7	158.1
1. Coal	74.8	75.0	74 2	93.9
2. Mining and Oil	197.4	198.7	196 8	244 1
3. Plantations	156.0	155.2	155 4	167 2
(e) Miscellaneous	91.5	92.0	90.8	100.8
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.2	89.2	89.1	90.8
2. Calcutta	89.7	89.7	89.7	91 3
3. Madras	90.0	90.0	89.9	91.6
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.4	99.4	99.4	100.2
2. Calcutta	98.5	98.6	100.5	102.1
3. Madras	99.7	99.7	99.7	100.1
PREFERENCE SHARES:				
1. Bombay	83.4	83.6	85.4	89.4
2. Calcutta	73.8	74.2	74.1	83.0
3. Madras	94.4	94.8	94.6	96.7
VARIABLE DIVIDEND INDUSTRIAL SHOURITIES:				
1. Bombay	123.1	123·9	125.0	122.8
2. Calcutta	100.3	100 7	99.5	110.0
3. Madras	125.7	126 5	125 4	120.2
4. Delhi	123.1	123.8	124.9	123.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‖	Number of workers involved.	Number of man-days lost
1951	1,071	691,821	2,818,928
1952	962	809 243	3,330,961
1954	772	466,907	3,382,608
1955	840	477,128	3,372,930
	1,196	587,767	5,697,548
November 1954	92	25,115	229,701
December ,,	101	54,455	52,753
January 1955†	95	49,038	322,807
February ,,	91	35,370	144,508
March ,,	113	70,042	234,696
April ,,	105	22,482	332,275
May ,,	130	68,441	961,776
June ,,	152	91,289	1,144,011
July ,,	111	55,260	660,492
August ,,	226	90,216	532,999
September ,,	251	92,619	580,031
October ,,	251	47,600	314,314
November ,,	99	45,609	178,112
December ,,	129	45,277	239,550
January* 1956†	107	61,050	349,055
February* ,,	122	69,450	778,886
March* ,,	146	138,184	672,716
May ,,	143	83,580	565,964
June ,,	137	64,361	553,720
	152	71,313	476,156
July*	149	100,069	535,775
August* ,,	126	54,151	495,939
Sept.* ,,	135	125,226	903,399
Oct.* ,,	145	111,622	822,621
November ,,	104	45,835 (a)	431,941 (b)

† Figures are provisional.

(a) Not known in 3 cases.

(b) Not known in 5 cases.

* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,916.8	5,573.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805 8	7,185.8
Jan., to Nov., 1955	721	7,708.9	6,278.3
Jan., to Nov., 1956	755	8,749.2	7,177.0
October 1955	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956..	731	757.2	621.8
February ,,	739	749.9	623.0
March ,,	749	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	835.8	669.1
June ,,	724	796.9	656.5
July ,,	729	798.7	650.0
August ,,	737	812.7	668.4
September ,,	753	824.1	670.1
October ,,	756	810.3	668.1

* Including railway, military and factory-power stations. Undertakings for which data are not available are not included. Power generation data commenced with the State Power System this year.

‡ Including purchases from non-electricity undertakings.

‖ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	16th Feb., 1957	9th Feb., 1957	18th Feb., 1956	January, 1957	January, 1956	Percentage of Increase (+) or decrease (—) in Jan., 1957 as compared with Jan., 1956	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	407·7	405.2	338.3	392.1	333.4	+17.6	373.2	330.8
Cereals	59	530*	523	410	491	398	+23.4	372	331
Pulses	8	439	440	359	429	361	+18.8	299	290
Others	33	250	252	223	257	238	+ 8.0	235	291
Industrial Raw Materials	(18)	517·5	523.7	460.2	525.0	454.2	+15.6	419.8	438.2
Fibres	55	500	506	466	507	453	+11.9	429	447
Oil seeds	20	568	578	468	582	463	+25.7	396	424
Minerals	10	552*	552	444	530	438	+21.0	437	432
Others	7	410	416	411	435	456	— 4.6	491	437
Semi-Manufactures	(17)	407·6	412·5	355.5	412.4	352.5	+16.7	338.2	350.3
Leather	3	410	433	398	438	417	+ 3.8	378	376
Mineral oils	13	210	210	202	210	202	+ 4.0	207	221
Vegetable oils	16	608	618	426	623	425	+46.6	359 R	423
Cotton yarn	35	457*	491	446*	492	434	+13.4	433	454
Metals	18	327	327	280	328	280	+17.1	254	246
Oil cakes	8	434	457	342*	441	371	+18.9	338	381
Others	5	372	372	364	362	338	+ 7.1	286	312
Manufactured Articles	(30)	385.6	386.9	375.3	387.4	376.2	+ 3.3	378.9	377.4R
Textiles	64	413	415	409	417	408	+ 2.2	408	451
Jute	11	424	438	416	450	420	+ 7.1	418	448
Cotton	45	414*	414*	403*	414* R	403*	+ 2.7	408*	416*
Rayon and Silk	6	442*	442*	502*	442* R	466*	— 9.1	454*	464*
Woollen	2	266	266	278	266	278	— 4.3	254	311
Metal products	17	394	394	371	394	371	+ 6.2	359	340
Others	19	301	301	284	293	285	+ 4.6	295	296
Miscellaneous	(9)	576.5	582.8 R	528.2	582.4 R	540.0	+ 8.7	548.6	512.4
All Commodities	(100)	424.4	426.2	378.7	422.3 R	376.0	+12.3	390.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,255	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,345	8,778
Jowar	final	,,	42,721	43,446	6,940	9,092
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	3,145	3,309	2,721	2,970
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,466
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,880
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,949
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	2nd	tons	11,299†	10,963‡	3,559†	3,372‡
Castorseed	final	,,	1,462	1,394	126	134
Sesamum	final	,,	5,788	6,501	458	549
Rape and Mustard	final	,,	6,362	6,625	925	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,832	5,596	6,243
Fibres—						
Cotton*	final	bales	20,330	19,684	3,998	4,227
Jute A.	final	,,	1,883†	1,729†	4,221†	4,197†
Mesta A.	2nd	,,	695†	553††	1,430†	1,101††
Other crops—						
Potato	final	tons	693	658	1,839	1,736
Sugarcane	2nd	,,	4,532§	3,945§	58,914§	50,455§
Ginger (Dry)	final	,,	27	25	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity (In 000 tons)
	JUTE MANUFACTURES	
Production	During January, 1957	88 8
	Corresponding month, 1956	88 9
	Seven months ended Jan., 1957	606 1
	Corresponding period, 1956	608 4
Stocks	At the end of Jan., 1957	104 1
	Corresponding month, 1956	78 4
		(In 000 bags)
Exports (Jute Bags)	Week ended 5th Jan., 1957	N.A.
	Corresponding week, 1956	9,704
	From 1st Jan. to 31st Dec., 1956	430,173
	Corresponding period, 1955	470,403
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 5th Jan., 1957	N.A.
	Corresponding week, 1956	40,939
	From 1st Jan. to 31st Dec., 1956	1,452,286
	Corresponding period, 1955	1,383,588
	RAW JUTE	(In lakh bales)
Consumption by Mills†	January, 1957	5.15
	Corresponding month, 1956	5.15
	Seven months ended Jan., 1957	35.14
	Corresponding period, 1956	35.23

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1955	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,54,400	10,43,800	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
August 1955	98,500	88,900	63,700
Sept. ,,	98,500	87,500	65,700
October ,,	91,700	85,200	64,200
Nov. ,,	91,900	86,300	65,400
Dec.	103,900	97,500	73,300
January 1956	1,03,600	96,500	71,500
August ,,	97,200	88,000	66,000
Sept. ,,	94,400	85,200	59,700
Oct. ,,	99,700	91,100	71,600
Nov. ,,	94,700	85,200	66,100
Dec.	101,500	92,300	66,200
January 1957	97,400	94,300	70,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,13,840
Do. 31st March, 1954	5,80,760	3,49,980	2,92,240
Do. 31st March, 1955	7,15,949	5,25,240	4,59,092
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,486
,, ,, Sept., 1954	1,80,018	1,39,741	1,13,241
,, ,, Dec., 1954	1,82,083	1,34,141	1,30,616
,, ,, Mar., 1955	1,84,108	1,43,488	1,18,126
,, ,, June, 1955	1,85,605	1,34,883	1,16,281
,, ,, Sept. 1955	1,76,181	1,32,630	1,08,714
,, ,, Dec., 1955	1,90,750	1,34,894	1,25,748
,, ,, Mar., 1956	1,84,480	1,41,846	1,19,840
,, ,, June, 1956	1,48,306	1,17,710	92,500
,, ,, Sept., 1956	1,74,447	1,32,825	1,13,953
,, ,, Dec., 1956	1,88,546	1,41,450	1,14,768

OVERALL BALANCE OF TRADE OF INDIA
November, 1956†

Particulars	November, 1955 Rs. (lakhs)	November, 1956 Rs. (lakhs)	Eight months April to Nov., 1955 Rs. (lakhs).	Eight months April to Nov., 1956 Rs. (lakhs).
1. Trade in merchandise—				
(a) Exports	49,45	54,35	388,36	378,000
(b) Re-exports	39	57	3,53	5,27
Less—Transit trade	..	3	3	3
Net re-exports	39	54	3,45	5,19
Total exports	49,84	55,89	391,81	383,19
2. Imports	62,98	69,97	418,45	535,08
Less—Transit trade	2	4	10	25
Net Imports*	62,96	69,93	413,35	534,83
Balance of trade in merchandise	—13,12	—14,04	—26,54	—151,64
Balance of trade in gold and silver	..	— 3	— 4	— 15
Total overall visible balance of trade	—13,12	—14,07	—26,58	—151,79

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	106	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	165	95	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	321	48	146
October 1955	7,016	1,600	569	115	62	38	55	14	151	220	23	179	27	90
November ,,	6,076	1,835	647	123	68	43	73	17	174	266	27	205	28	104
December ,,	9,238	2,079	723	153	77	51	95	21	306	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	329	34	268	42	129
February ,,	11,545	2 541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	321	48	146
April ,,	1,135	257	82	23	12	5	13	2	64	34	2	21	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	66	38	15	38	5	148	104	7	89	9	33
July ,,	4,310	989	344	71	38	19	44	6	168	139	10	118	14	50
August ,,	5,400	1,222	433	87	48	23	58	8	184	173	13	160	19	65
September ,,	6,420	1,446	505	97	46	28	78	10	199	207	15	179	26	81
October ,,	7,494	1,703	579	110	50	33	95	12	216	243	18	212	33	98
November ,,	8,619	1,959	659	129	59	37	121	15	257	276	20	246	39	114

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st Feb., 1957	36,548(J)
	Corresponding week, 1956	55,082(J)
	1st Sept. 1956 to 21st Feb., 1957	831,192*
	Corresponding period, 1955-56	723,070*
Cotton Exports‡	Week ended 21st Feb., 1957	10,238
	Corresponding week, 1956	26,868
	1st Sept. 1956 to 21st Feb., 1957	138,259
	Corresponding period, 1955-56	346,955
Mill Consumption (Estimated)	1st Sept. 1956 to 21st Feb., 1957	626,319
	Corresponding period, 1955-56	616,208
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 21st Feb., 1957	536,248
	Corresponding date, 1956	456,877
Cotton Exports from Bombay (by sea)	During Dec., 1956	32,410
	During Dec., 1955	60,493
	1st Sept., '56 to 31st Dec., 1956	65,931
	1st Sept., '55 to 31st Dec., 1955	327,074
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 21st Feb., 1957	953,790
	Corresponding period, 1955-56	1,073,050
Exports	1st Sept., 1956 to 21st Feb., 1957	483,028
	Corresponding period, 1955-56	497,881

Particulars	Period	From 1st Sept. 1956 to 4th March, 1957 Bales	From 1st Sept. 1955 to 4th March 1956 Bales
From Bombay Cotton Shipments to—			
United Kingdom		17,164	43 682
Continent		14,538	75,718
Hongkong		19,884	29,238
China		3,437	31,488
Japan		87,494	198,774
U.S.A.		1,284	2,808
Other Countries		462	2,303
Total to all foreign countries		144,263	383,061
Coastal Ports		7,360	11,208
Total		151,623§	394,269§
	Period		Quantity (Bale of 400 lbs.)
Consumption of Cotton—			
Indian	December, 1956		407,605
Foreign			49,618
Indian	Four months ended Dec., 1956		1,626,011
Foreign			201,257
Indian	Same Period 1955		1,518,805
Foreign			185,643
Stocks (Mills and Elsewhere)—			
Indian	As on 1st December, 1956		1,072,674
Foreign			176,634
Indian	As on 1st December, 1955		1,083,361
Foreign			159,221
Week ended 22nd Feb., 1957			1,185
Corresponding week, 1956			112,386
1st Sept., 1956 to 22nd Feb., 1957			718,800
Corresponding period, 1955-56			1,507,530
Cotton Pressed in India† (In running bales)			

J By Railand Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-32	65,30,26,000	1940-70	101½
3 % Loan	1933-39	1,10,17,46,000	1962-65	94
2½ % Loan	1950	80,23,10,000	1964	94
2½ % Fg. Loan	1943	1,10,11,78,000	1963-65	95½
2½ % V. Loan	1944	82,54,89,000	1957	99½
2½ % Loan	1945	1,18,08,88,000	1970-75	87½
2½ % 2nd V.Loan	1945	1,13,85,64,000	1960-61	97½
2½ % Loan	1951	80,34,83,000	1956	99½
2½ % Loan	1946	45,80,87,000	1960	96½
2½ % Loan	1946	57,00,69,000	1961	93½
2½ % Loan	1946	14,77,48,000	1962	93½
2½ % Loan	1947	75,56,72,000	1962	93½
2½ % Loan (N.F. Bonds)	1953	75,28,00,000	1961	99½
2½ % N.F. Loan	1954	1,58,17,84,000	1964	98½
2½ % N.F. Bonds (2nd Series)	1955	1,08,67,92,000	1965	98½
2½ %	1956	57,37,00,000	1963	97½
2½ % N.F. Bonds	1956	82,82,00,000	1967	98½
2½ %	1956	66,54,00,000	1974	93½
NON-TERMINABLE LOANS				
3 % Loan	1866-67	2,93,35,000	At option of Government after three months notice, On September, 1966 or later at option of Government after three months' notice.	73
3 % Loan	1948	2,48,91,47,000		74‡
REPATRIATE STERLING LOANS				
4½% Loan	1938	5,85,72,000	1958-68**	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97½
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	96½
4 % Bombay	1944	2,50,00,000	15th Aug. 1964	96½
4 % Bombay	1949	5,52,50,000	1st Aug. 1962	94½
3 % Bombay	1950	2,97,82,000	21st July 1960	98½
3 % Bombay	1951	2,52,25,000	1st Sept. 1963	98½
2½% Bombay	1953	5,42,58,000	15th July 1963	100
4 % Bombay	1952	3,55,57,000	1st Aug. 1964	99½
4 % Bombay	1953	10,00,00,000	1st Sept. 1967	99½
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	97½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97½
4 % Bihar	1956	2,50,00,000	3rd Sept. 1968	97½
4 % Bihar	1954	1,00,00,000	16th Dec. 1955-58	99½
3½% Cochin	1956	70,09 000	1st June 1956-61	99½
3½% Kerala	1956-57	1,95 96,700	1956-66	95½
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	96½
3 % Madras	1939	1,36,95,500	21st June 1959	94½
3 % Madras	1944	1,07,95,800	15th Aug. 1958	98½
3 % Madras	1945	2,74,14,000	14th Sept. 1960	98½
3 % Madras	1946	2,81,17,300	1st Sept. 1961	97½
3 % Madras	1950	4,58,35,400	21st July 1960	97½
3 % Madras	1951	2,61,48,000	1st Sept. 1963	97½
3½% Madras	1953	10,23,56,000	15th July 1963	99
4 % Madras	1952	5,34,81,800	1st Aug. 1964	98
4 % Madras	1953	8,41,66,000	1st Sept. 1967	97½
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	96½
4 % Mysore(J)	1952	2,96,85,300	1st Dec. 1953-58	100½
3 % Mysore(J)	1953	3,39,75,500	30th Apr. 1954-61	99
3 % Mysore	1947	5,08,05,700	15th Jan. 1958	99
3 % Mysore	1952	3,32,47,000	15th July 1963	99
3 % Mysore	1953	5,54,84,000	1st Sept. 1963	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97½
3 % M.P.	1944	82,69,500	15th Aug. 1958	98½
3 % M.P.	1945	2,22,22,000	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
3 % M.P.	1951	1,06,18,100	17th Sept. 1963	99
3 % M.P.	1952	2,10,18,000	15th July 1963	98
3 % M.P.	1953	1,62,12,000	1st Sept. 1967	98
4 % M.P.	1954	1,40,00,000	3rd Sept. 1968	99½
4 % Saurashtra	1953	1,87,50,000	17th Sept. 1967	97½
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99½
4½% Trav. Cochin	1952	2,00,00,000	15th July 1963	99½
4½% Trav. Cochin	1954	2,00,00,000	3rd Sept. 1968	98
2½% U.P.S.A.	1952	40,00,66,5452	...	39½
3 % U.P.	1938	1,47,14,000	15th Sept. 1961-66	90½
3 % U.P.	1944	2,47,11,000	15th Aug. 1958	98½
3 % U.P.	1945	2,17,59,700	14th Sept. 1966	96
3 % U.P.	1946	2,20,92,600	1st Sept. 1961	98½
3 % U.P.	1950	1 91,02,000	17th Sept. 1963	97½
3½% U.P.	1952	6,11,45,500	1st Aug. 1964	98
4 % U.P.	1953	5,85,15,500	15th July 1963	99½
4 % U.P.	1953	9,52,54,000	1st Sept. 1967	97½
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97½
4 % Rajasthan	1956	2,00,00,000	3rd Sept. 1968	97½
4 % Orissa	1956	2,00,00,000	3rd Sept. 1968	97½
4 % M. Bharat	1952	1,00,00,000	15th July 1963	99
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97½

ABBREVIATIONS.
N—Nominal.

PORT TRUST LOANS

Amount	Interest Per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
26,50,000	4	1904	1954	
25,00,000	4	1905	1955	
15,00,000	4	1906	1967	
40,00,000	4	1907	1957	
40,00,000	4	1908	1968	98N
40,00,000	4	1909	1970	
40,00,000	4	1910	1971	
75,00,000	4	1911	1973	
1,10,00,000	4	1912	1973	
41,15,000	4	1912	1960	D
80,00,000	4	1913	1974	98N
30,35,000	4	1914	1975	99½N
50,00,000	4	1915	1975	
55,00,000	4	1916*	1975	
61,61,800	4	1923*	1966	
15,00,000	4	1924*	1966	
10,35,000	3½	1928*	1966	
35,00,000	3½	1928*	1959	
12,50,000	3½	1928*	1959	D
12,50,000	3½	1928*	1961	
12,50,000	3½	1928*	1962	
24,56,000	3½	1928*	1963	
15,00,000	3½	1928*	1966	
48,64,000	3½	1928*	1966	
15,00,000	3½	1928*	1966	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,34,300	4	1914	1974	99
78,50,100	4	1915	1976	99
1,50,00,0000	3††	1921	1981	82
68,02,3000	6½	1921	1981	144N
1,49,40,500	5	1927	1977-87	101½
1,48,35,000	5	1928	1958-88	102½
80,00,000	4½	1921	95	
50,00,000	3	1928	1968	97½
25,00,000	3	1928	1948-68	90
50,00,000	3	1948	2006	74
50,00,000	3	1948	1977	79½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1989	97
1,00,00,000	3	1949	1988	97
50,00,000	3	1950	1988	82
1,00,00,000	3	1950	1988	95½
1,00,00,000	3	1950	1988	95½
50,00,000	3	1951	1981	81½
1,50,00,000	3½	1951	1991	93½
50,00,000	4	1953	1993	100
50,00,000	4	1953	1993	98½
90,00,000	4	1954	1994	98
77,00,0000	4	1956	1996	97½
75,00,0000	4	1956	1996	97½
STERLING LOANS				
£562,500	5	1922	1952-82	67½‡
£301,000	5	1924	1954-84	67½‡
£338,100	5½	1933	1963	69½‡
MADRAS				
Rs.				Rs.
21,47,100	3½	1947	1977	
9,85,000	3	1947	1977	A
8,00,000	3	1949	1979	
45,00,0000	4½	1954	1954	

IMPR. TRUST LOANS

Amount Sanctioned	Interest Per cent.	Year of Issue	Repayable	Market quotation
Rs.		BOMBAY		Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
20,00,000	4	1902	1962	
40,00,000	4	1903	1963	
40,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
20,00,000	4	1907	1967	
20,00,000	4	1908	1968	
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1940-79	113N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115N
16,00,000	5	1927	1957-79	96N
	5	1936	1966	
STERLING LOANS				
£566,000		1909	1949	88½N
£336,000		1910	1970	88½N
Rs.		CALCUTTA		Rs.
25,00,000	5½	1929	1959	105
50,00,000	4	1924	1964	99½
25,00,000	3½	1928	1958	94
30,00,000	3	1928	1948	90
50,00,000	3	1928	1948	91
20,00,000	3	1928	1962-68	90
50,00,000	4	1952	1962	99½
1,25,00,000	4	1952	1968	99

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,50,000	4	1918-19	1974	99
10,00,000	5	1920	1958	113N
25,00,000	5	1927	1977	
8,45,500	5	1929	1954-89	103
25,00,000	5	1929	1969	
5,25,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1980	86½
2,50,00,000	4	1952	1964	99½
2,00,00,000	2½	1951	1966	97½
1,00,00,000†	4	1953	1963	99½
1,00,00,000†	4	1954	1966	99
1,00,00,000†	4	1955	1967	99½
1,50,00,000	4	1956	1968	99½
		CALCUTTA		
28,00,000	5	1928	1958	102
25,00,000	5	1929	1957	101½
25,00,000	5	1929	1959	99
10,00,000	3½	1928	1958	86
31,31,000	3½	1941	1961	96
60,00,000	3	1938	1965	94
47,50,000	3	1938	1965	90
15,56,500	3	1940	1967	99½
17,64,400	3½	1941	1968	99
31,10,000	3½	1942	1972	92
50,00,000	3½	1951	1961	97
16,33,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97½
50,00,000	4	1956	1968	99½
72,50,000	4½	1954	1972	100
		MADRAS		
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
2½% W. Bengal	1951	1,76,50,000	17th Sept. 1962	95½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99½
4 % W. Bengal	1953	2,50,25,000	15th July 1963	99½
4 % W. Bengal	1955	7,58,75,000	1st Sept. 1967	99
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	93	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Mar. Aug.	119	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6-1½	5
†East India Distilleries	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	5,75,000(e)	1940	7(a)	Dec.	67	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	67	100
Purtabpore Co.	6,00,000	1922	10	Oct.	15	100
Ramnugger Cane	4,00,000	1935-36	6	Aug.	100	100
Ravalkaon Sugar	20,00,000	1943	5½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	80N	100
Travancore	15,00,000	1946	5(c)	Dec.	8½	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borrea	4,00,000	1895-97	6½	Oct. Apr.	101	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	112	100
Do. (2nd)	4,50,000	1946	6(a)		7½	10
Equitable	5,00,000	1895	6	Mar. Sept.	100	100‡
Karanpura Collieries	9,87,500	1946	5½(a)		59	75(p)
†Khas Kajora	1,93,000	1931	5	Mar. Sept.	4N	10
New Beerbhoom	3,00,000	1920	7	Jan. July	11	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	104	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108‡	100
Bangalore	5,00,000	1884	6	Jan. July	120	100
Banasti Cotton	5,00,000	1938	6½	Nov.	7	10
Bengal-Nagpur	5,00,000	1896	8	Apr. Oct.	92	100
Bowreah 'A'	3,00,000	1906	8	Feb. Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	6,00,000	1919	7	June Dec.	63½	50
Buckingham & Carnatic	14,75,000	1919	7½	Jan. July	142‡	100
Cambodia	£1,30,3500	1920	7	Apr.	115	100
Central India	1,00,000	1928	7	Apr. Oct.	44½	100
Coimbatore Pioneer	50,00,000	1913	5	Apr.	104‡	100
Elgin	1,00,000	1938	6½	Nov.	104‡	100
Do. 'B' Pref.	11,00,000	1913	8	May. Nov.	124‡	100
Elphinstone	4,20,000	1948	5	July Jan.	9	10
Ksoram	25,00,000	1919	7(a)	May Nov.	90	100
Khatau Makanji (fnd)	20,00,000	1919	7	June Dec.	113‡	100
K

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. F.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	5,62,723	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2-10½	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,88,53,007	72,25,655	—6,97,129	M.	51,804	1,021	B. K. Cotton Mills ..	40	100	*Nil*	*Nil*	*Nil*		3	Y.F.T.
2,50,98,000	2,99,72,778	4,92,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd. ..	2,23,552	3,984	Bombay Dyeing & Mfg. ..	576½	250	22 8*	20 0	25 0*	7 8½	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Private Ltd. ..	44,784	860	Bradbury Mills	50	100	6 0	12 8	20 0	3	3	Y.F.
1,00,42,500	2,42,96,522	2,81,83,264	1,97,06,117	6,34,956	Birla Brothers Private Ltd. ..	1,26,752	2,696	Century Spg. & Mfg. ..	476	100	22 0	22 0	8 0½		3	Y.
49,00,000	25,42,826	1,19,99,766	65,07,035	—33 08,097	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colgba Land & Mill	60½	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd. ..	24,848	..	Colaba Spg. & Wvg.	125	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Private Ltd. ..	40,992	680	Dawn Mills	175½	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,435	76,75,267	56,21,788	2,83,643	Puranmal Bubna Sons	48,718	928	Edward Textiles	31½	200	15 0	15 0	18 0		12	Y.
11,91,233	29,98,050	1,09,75,649	80,74,224	1,81,354	M.	41,500	886	Elphinstone Spg. & Wvg. ..	48	50	*Nil*	3 0	5 0		12	Y.F.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,528	784	Finlay Mills	307	100	16 0	16 0	20 0		12	Y.
50,00,000	51,19,022	87,77,494	52,92,387	86,368	James Finlay & Co., Ltd. ..	40,640	1,020	Gold Mohur Mills Ltd. ..	306½	100	12 8	12 8	15 0	20 0	12	Y.
11,84,000									5,600	1,000	225 0*	225 0*	300 0	325 0½		
16,000	75,14,589	1,52,84,660	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	992½	250	56 4*	56 4	75 0	81 4	3	Y.P.
2,96,00,000									{ 10½	0 100.	0 10	*Nil*	0 15	0 10½		
60,06,000 D	62,50,399	4,68,15,552	3,89,00,000	1,99,112	Agarwal & Co.	2,44,360	6,278	India United Mills	12½	0 1.	*Nil*	0 2	0 11	12	Y.	
8,55,000	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	47,984	1,122	Indian Mfg.	5,250	1,000	225 0*	225 0	300 0	300 0	3	Y.P
35,000									500	112 8*	112 8	150 0	150 0			
59,85,000	55,07,831	2,73,73,670	2,03,22,188	26,328	Khatau Makanji & Co. ..	92,952	1,489	Khatau Makanji Spg. & Wvg.	200	100	12 8	12 8	15 0	15 0	6	Y.P.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	334	100	20 0*	18 0	18 0	18 0	12	Y.
£2,18,050	41,06,720	1,18,74,848	55,99,115	81,670	N. Sirur & Co. Private Ltd. ..	49,000	644	Modern Mills	10XR	50	5 0	5 0	8 0*		10	Y.T.
51,75,000	87,06,298	2,31,58,597	1,76,19,580	1,41,489	Piramal Sons Private Ltd. ..	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	227½	50	12 0	12 0	15 0	15 0	6	Y.P.
1,57,74,400	88,41,004	2,94,71,095	2,05,00,000	5,12,085	Chimal & Co., Private Ltd. ..			National Rayon Corporation	230½	100	9 0	10 0	12 0		12	Y.P.
24,00,000	29,50,456	78,05,743	48,70,077	53,192	W. H. Brady & Co., Ltd. ..	45,044	432	New City of Bombay Mfg. ..	140½	100	10 0	10 0	10 0	10 0	12	Y.
30,00,000	22,01,492	1,59,52,554	63,37,035	245	W. H. Brady & Co., Ltd. ..	49,013	1,018	New Great Spg. & Wvg. ..	230	100	10 0	7 8	10 0	10 0	12	Y.P.
48,00,000	30,10,989	1,34,29,555	84,72,255	3,40,392	Ramnarain Sons, Private Ltd.	69,208	1,190	Phoenix Mills	141½	100	8 0	8 0	10 0		12	Y.
40,00,000	45,70,390	89,55,049	23,00,000	3,92,877	Podar Sons, Private Ltd. ..	82,600	930	Podar Mills	167½	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	8,16,999	24,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..			Sassoon & Alliance Silk Mill	6½	10	1 12	1 12			12	Y.
37,70,000	82,80,605	1,92,63,221	1,59,71,824	24,220	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	40	10	1 4	1 12	2 0		12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd. ..	69,070	1,640	Shree Niwas Cotton Mills ..	165½	100	14 0	14 0	12 0		12	Y.P.
42,00,000	23,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	178½	50	10 0	11 0	10 0	12 0	3	Y.
87,80,000	2,23,16,720	2,51,25,099	1,37,85,474	12,888	Mafatlal Gagalbhai & Sons ..	97,668	2,409	Standard Mills	439½	100	20 0	20 0	20 0		12	Y.P.
99,85,700	84,69,716	2,28,87,647	1,19,01,809	67,611	Tata Industries Private Ltd. ..	72,286	2,000	Svadeshi Mills	223½	100	16 0	8 0	12 0		12	Y.P.
86,00,000	65,33,465	1,28,99,971	81,62,715	1,51,080	James Finlay & Co., Ltd. ..	39,328	552	Swan Mills	410½	100	20 0	20 0	25 0		12	Y.
45,57,000	51,96,276	1,77,34,589	68,44,553	48,486	Tata Industries Private Ltd. ..	62,096	1,800	Tata Mills	51	25	1 8	2 8	4 0		12	Y.T.I.
12,00,000	61,05,709	1,27,41,228	90,20,000	4,524	M.	45,608	1,308	Western India Spg. & Mfg. ..	5,280	1,000	225 0*	25 0	300 0	300 0	3	Y.
AHMEDABAD																
40,00,000	21,50,000	1,48,70,885	99,76,244	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	180	100	10 0*	5 0	7 0	12 ..	6	Y.P.
10,00,000	24,58,068	94,37,398	76,10,164	27,288	P. M. Hutheesing & Co., Ltd. ..	42,786	912	Aruna Mills	625	100	20 0*	20 0	30 0		12	Y.P.
26,25,000	24,50,694	1,56,55,504	1,16,00,000	72,768	Narotam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,125	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	31,75,000	1,09,25,000	84,25,000	3,48,289	Sarabhais & Bros. Ltd. ..	53,884	992	Bangalee & Co. Ltd.	500	100	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,64,958	69,606	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	966½	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35,76,233	4,61,25,352	2,86,68,844	2,31,712	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	551	125	18 0	18 0	....	30 0½	3	Y.P.
63,87,000	84,58,000	1,21,06,583	99,25,000	2,760	Tricumlal Bhoglial & Co. ..	45,836	866	New Commercial Mills ..	1,325	1,000	70 0	70 0	80 0*		12	Y.P.
89,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg. ..	833	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,63,197	37,98,317	16,658	Jagabhai Bhoglial Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	407½	100	30 0*	30 0*	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,439	60,39,888	....	Lalbhai Dalpatbhai & Co. ..	31,120	636	Raipur Mfg.	860	100	25 0	25 0	35 0*		12	Y.P.
22,50,000	14,78,207	1,07,01,469	71,42,606	17,24,749	Lallubhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	175½	100	9 0	9 0	*Nil*		12	Y.P.
22,92,180	2,02,24,588	1,74,92,548	1,32,75,000	3,23,290	Harivallabhdas Kalidas & Co. ..	78,808	1,325	Shri Ambica Mills	600	50	10 0	10 0	27 0*		12	Y.
10,52,500	62,21,263	78,08,018	66,24,701	14,592	Mafatlal Chandulal & Co. .. (Ahmedabad), Ltd. ..	26,648	780	Shorrock Spg. & Mfg.	500	100	20 0	25 0*	25 0		12	Y.
98,00,000	90,34,191	1,09,66,008	78,25,201	84,644	Haridas Ashratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	690	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
11,96,600	3,57,596	21,36,764	15,94,243	2,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	25,51,264	1,84,91,530	80,78,582	1,26,048	Industrial Trust Fund Ltd. ..	36,186	716	Anglo Jabli Mills	82½	100	6 0	*Nil*	8 8(e)		9	Y.
40,50,000	2,00,68,745	5,24,98,906	2,42,35,258	8,88,649	Binny & Co. (Madras), Ltd. ..	40,068	1,167	Bangalore Woollen, Cotton and Silk Mills	585	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	58,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	72	10	0 4	*Nil*	*Nil*		6,12	H.P.T.
35,00,000	1,09,45,251	1,19,14,492	87,75,992	4,25,221	Birla Brothers Private Ltd. ..	29,896	1,088	Birla Cotton Spg. & Wvg., Delhi	28N	10	3 0	3 0	3 0		3	Y.
1,78,47,500	1,76,52,500	6,58,09,203	3,56,32,180	2,58,445	Binny & Co. (Madras), Ltd. ..	1,20,288	2,762	Buckingham & Carnatic	182½	100	10 0	10 0	10 0	4 01	12	Y.P.T.
20,00,000	20,00,000	89,69,854	51,66,851	57,593	Peirce, Leslie & Co., Ltd. ..	27,536	4	Cambodia Mills	148	10	12 0	20 0	12 0	15 0	12	Y.F.
15,00,000	5,11,500	48,38,929	24,63,261	8,994	K. Damodaram, Esq.	20,600	..	Cannanore Spg. & Wvg. ..	177	100	12 0	20 0	12 0	15 0	3	Y.
80,00,000	29,31,450	99,40,259	58,72,376	58,767	Begg, Sutherland & Co., Ltd. ..	27,018	591	Cawnpore Textiles	72	5	0 9	0 8	*Nil*	0 4	3	Y.
9,87,470	2,00,000	50,87,536	31,02,168	58,798	C. S. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	12	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.T.
12,00,000	20,00,000	84,66,896	27,86,527	34,164	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	275	100	15 0	20 0	25 0		12	Y.
20,00,000	19,95,000	86,59,430	54,55,921	14,822	T. E. N. Naidu & Co.	27,926	..	Coimbatore Pioneer Mills ..	100	50	3 0	6 0	8 0		6	Y.P.
20,76,900	5,076	1,13,00,886	85,48,251	21,929	E. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	91	50	3 0	3 0	8 0		12	Y.P.
46,87,500	46,12,622	2,50,88,371	1,62,61,854	19,215	Tata Industries Private Ltd. ..	67,228	1,620	Central India	131½	100	12 0	12 0	8 0	*Nil*	6	Y.P.
3,58,66,125	9,06,82,110	11,16,21,472	5,81,67,327	1,38,712	B. R. Charat Ram & Co., Private Ltd.	1,41,180	2,252	Delhi Cloth & General Mills ..	25 H N	25	1 12	2 0	3 0	2 4	12	Y.P.T.
1,00,563									{ 24	2 4/5	0	3/5	0	3/5	0	4/5
24,24,800	25,47,678	62,74,246	38,26,882	6,864	M. N. Chettiar & Sons	38,052	201	Dhanalakshmi Mills	26½	10	1 0	1 0	1 0		12	Y.
24,00,000	66,33,350	1,52,16,589	1,28,71,561	98,886	Begg, Sutherland & Co., Ltd. ..	48,452	1,198	Elgin Mills	220	100	17 0	18 0	16 0		12	Y.P.
48,81,000	35,22,175	1,00,55,167	68,36,968	1,14,000	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	106	10	12 0	15 0	15 0		3	Y.P.
2,50,00,000	2,25,000	3,41,27,181	....	1,06,74,700	Birla Gwalior Private Ltd. ..			Gwalior Rayon	130½	100	6 0	6 0	*Nil*	*Nil*	12	Y.P.
80,00,000	6,16,447	1,23,91,938	1,12,26,576	9,651	K. L. Sekaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United Mills ..	112	50	4 8	5 0	10 0	5 01	12	Y.
8,90,000	10,65,683	31,06,649	18,48,125	2,079	G. Y. Naidu & Co., Ltd.	22,784	..	Janardhana Mills							12	Y.
15,54,000	18,24,703	45,22,234	33,86,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji ..	1,505	1,000	*Nil*	20 0	50 0	60 0	6	Y.
32,42,585	19,25,000	93,32,480	32,49,160	41,492	Kothari & Sons	41,040	300	Kothari Textiles	165½	10	0 8	0 8	1 0	1 0	6	Y.P.
32,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Rombay Co., Ltd.	48,996	1,219	Lakshmi Cotton Mfg.	700	250	57 8	50 0	62 8	12 8	12	Y.P.
32,54,100									{ 142	50	5 0	10 0	12 8	12 8	3	Y.
17,82,050	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	{ 74½	25	2 8	5 0	6 4	8 0	3	Y.
1,76,02,480	4,24,40,278	5,88,51,924	3,77,47,982	32,44,130	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	109	100	8 0	8 0	8 0	2 10	12	Y.
12,00,000	4,17,363	28,26,765	16,72,262	—99,073	A. L. A. R. S. Chettiar and 2 others.	22,592	100	Maishar Spg. & Wvg.	200	50	3 0	3 0	*Nil*		12	Y.
60,00,000	69,00,000	68,79,627	43,29,784	45,885	W. A. Beardsell & Co., Ltd. ..	25,656	703	Mattur Industries Ltd.	442½	100	12 8	22 8*	25 0	42 8	3	Y.
29,80,884	19,61,561	89,75,245	49,94,788	16,588	N. Sirur & Co. Private Ltd. ..	29,896	704	Minerva Mills	82	100	7 0	5 0(e)	6 0		12	Y.
94,81,856	21,56,146	1,71,94,769	78,81,523	1,58,008	M.	52,408	952	Model Mills (Nagpur)	180	250	7 5	5 0(e)	7 8(e)	7 8	6	Y.
30,00,000	58,19,600	1,53,30,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd. ..	58,540	1,324	Muir Mills	76N	100				12 8	12	Y.
24,83,500	50,54,035	1,10,95,742	67,14,107	19,041	N. Sirur & Co., Private Ltd. ..	50,480	500	Mysore Spg. & Mfg.	101½	50	10 0*	8*	6 0(e)	9 0*	2	Y.P.
18,61,780	6,600	29,25,252	15,12,761	—1,50,653	B. Surveyanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
22,59,885									{ 8½	G. 2½	*Nil*	*Nil*				
5,07,094 D	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd. ..	70,072	1,333	New Victoria Mills		D. 1	*Nil*	*Nil*			12	Y.P
87,19,600	55,48,220	1,66,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	902	Osmanabad Mills	62	100	4 0	*Nil*	2 8(e)		9	Y.
4,00,000 A	6,50,000	29,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	41,200	..	Palani Andavar Mills	142½	10	1 0	12 0	12 0		12	Y.P.
5,00,000 B									215	75B	15 0	18 0	18 0			
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. E. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	77	100	*Nil*	*Nil*	4 0(e)		12	Y.
16,81,200 A	22,75,000	58,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co. ..	55,664	800	Radhakrishna Mills	280½	100A	8 0	16 0	20 0		12	Y.
8,40,600 B									142½	50B	4 0	8 0	10 0			
15,00,000	30,00,000	48,74,198	25,94,387	11,081	B. R. Naidu & Sons	33,896	..	Rajalakshmi Mills	173	50	7 8	10 0	10 0	10 0	12	Y.P.
16,14,800	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	..	Rajapalayam Mills	150	100	4 0	6 0	10 0	10 0	12	Y.
22,31,750	12,40,000	49,64,423	21,20,815	32,012	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	150	100	6 0	9 0	10 0	10 0	12	Y.
60,00,000	62,41,568	1,00,25,428	55,44,914	—13,15,722	J. P. Srivastava & Sons (Rampur).	54,533	600	Raza Textiles	64	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P
15,90,000	1,60,05,917	3,18,49,081	2,05,07,227	—1,55,20,798	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	{ 1,400	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
10,08,750										500						
36,69,700	17,10,000	81,44,272	65,62,318	1,09,148	H. N. Pallegar, Esq.	20,744	292	Sri Krishnajendra Mills ..	110	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,18,906	17,78,000	—2,46,777	Gopaldas Lladhar & Co., Ltd. ..	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			3	Y.
15,00,000	3,45,80,155	99,92,184	79,53,780	30,60,553	Birla Brothers, Private Ltd. ..	96,212	1,244	Sutlej Cotton Mills	944½	10	4 0	5 0	6 0	6 0	3	Y.
17,50,000 O	2,80,00,000	4,84,40,847	1,70,63,159	1,09,029	Jaipuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur) ..	118	100.	6 8	8 0	10 0	12	3	Y.
9,50,000 P									118	10 F.O.	0-14 2/5		1-2 2/5	1-2 2/5		
1,00,00,000	30,14,788	3,80,55,217	1,27,16,775	2,63,771	Emcete & Sons (Travancore), Ltd...	14	10	Travancore Rayons	14½	10	0 8		0 10	0 12	12	Y.P.T.
19,98,670	8,78,832	17,39,181	11,37,886	1,808	Moolji Ramlee & Sons	18,000	..	Trichinopoly Mills	18½	10	0-11 1,5	0-14 2/5	0-14 2/5	0-14 2/5	12	Y.
21,00,000	24,50,000	71,88,723	40,63,168	56,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	810	100	12 0	15 0	20 0		12	Y.
32,00,000	34,42,971	1,54,67,132	1,08,10,288	23,125	Bombay Co., Ltd.	47,240	1,531	Vishnu Cotton	132½	100	4 0	4 0	8 0	2 8½	12	Y.P.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (s) For six months ended 31st December 1953.

The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August/ 1953.

Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen emonths ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	25,48,500	1,12,48,027	57,39,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhart	10⅜	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,030	26,75,014	29,38,961	16,23,422	3,786	Mr. K. G. Khaana	Dyer Meakin Breweries	6	5	0 8	0 8	0 9	0 9	3	Y.
£5,49,950	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	23½	A. 15sh. D. £1	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	} Sh. 1	3	Y.P.
6,00,000	9,80,000	15,90,836	15,96,029	4,679	Vital Mallya, Esq., (Chairman) ..	United Breweries	1800d	75	15 0	15 0	15 0	15 0	3	Y.
CEMENT														
51,27,680	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	14½od	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,8000							9½	O. 10						
4,70,976 D	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	1½	D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.T.
12,71,87,258	8,46,99,456	27,75,38,613	9,84,43,675	2,93,968	Cement Agencies (Private) Ltd. ..	Associated Cement Companies ..	168½	100	9 8	8 8	10 0		7	Y.T.
60,00,0000A							12½	O. 10	1 0	1 0	1 4			
25,50,0000	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	3	O. ¾	0 4	0 4	0 5	} 1	12	Y.P.
5,00,000 D							4	D. 1	0 1-2/5	0-1 3/5	0 2			
62,45,7500							22½	D. 25	*Nil*	1 4	1 14	2 1		
7,50,000 D	19,00,000	1,61,41,804	54,02,378	2,97,128	Essen Private Ltd.	India Cements Ltd.	14½	D. 5	*Nil*	*Nil*	1 14	2 0 6 2/5	3	Y.P.
67,86,500	31,41,935	1,83,18,049	89,73,404	6,03,315	Dalmia Agencies Private Ltd. ..	Orissa Cement Ltd.	13¾	10	1 0	1 4	1 8		12	Y.P.
88,93,275	44,50,000	2,04,20,192	86,59,093	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	140½	100	6 0	8 0	8 0		12	Y.P.
75,00,000	22,45,000	1,91,72,337	1,43,43,476	41,941	M. .. .. ..

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45 00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	91	25	1 9	3 2	4 11		6,12	H.P.T.
63,50,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	23	10	12 0	14 0	1 6 ~	0 11 1/5[1]	3,9	H.
25 00,000	20,12,500	1,43,61,701	67,07,660	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	10‡	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd. ..	Orient Paper	32‡	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
2,35,49,070	67,82,768	1,55,90,914	96,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	10 ‡	10	1 8	1 8	1 4	0 10[1]	6,12	H.P.T.
20 00,000							10	O. 10	0 12	0 12	1 4		3,9	H.P.T.
10 00 000"A"	6 50,000	95,88,644	61 01,926	13,795	Bajoria & Co.	Star Paper Mills	10	A. 10	0 12	0 12	1 4			
2,18,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	10‡xd.	10	Nil	Nil	5 0‡	0 8	6	Y.P.
56 00 000A.							37‡	A. 10	2 0*	1 8	2 0*	1 2½*		
56 04,800B.	3,41,28,015	5,94,12,298	3,28,93,943	1,22,816	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	37‡	B. 10	2 0*	1 8	2 0*	1 2½*	3,9	H.P.
4,37,500P.O.							4 ‡	P.O. 24	0 4	0 4	0 4	0 2½*		
PRESSING														
8,00,000	6,12,265	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	95N	100	3 0	4 0	*Nil*		6	Y.
5,00,000	2,47,182	10,91,809	9,80,374	26,289	Andrew Yule & Co.	Central Hydraulic	125	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
6,00,780O.	6,93,332	43,52,570	22,68,279	36,000	S. A. Basil, Esq., & others (Directors)	Bumayun Properties	18‡N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D.							22N	D. 1	0 4/5	*Nil*	0 9 3/5			
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	100		1 8	1 6	*Nil*	*Nil*	4	Y.
94,00 000	36,70,109	98,06,154.	95,892	—11,43,555	Andrew Yule & Co.	Midnapore Zamindary... ..	23‡	100	1 8	4 0	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
12,99,988	28,05,545	31,61,533	10,78,833	—5,14,587	Bird & Co. Private Ltd.	Assam Saw Mills	3 ‡	5	*Nil*	*Nil*	*Nil*		9	Y.
50,00 000	4,18,54,388	3,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	633fxd	Old 125	16 0	20 0	37 8	40 0	5	Y.
42,00,000							244fxd	New 50	6 0	8 0	15 0	16 0		
6,00 000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
20,00 000	21,15 487	19,00,295	14,35,560	2,76 619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products.. ..	42	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,871	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	8‡	5	*Nil*	0 12	0 1	*Nil*	6	Y.
12 00 000A.	29 80,250	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	130N	A. 100	10 0	10 0	10 0	10 0	4	Y.P.
3 00,000B.							14N	B. 10	1 0	1 0	1 0	1 0		
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Rangpur Bros. Ltd.	Belsund Sugar	10‡	7½	0 12	0 12	0 12		9	Y.
15,00,000	13,90,295	16,40 479	11,77,841	13 206	Cotton Agents Private Ltd. ..	Bharat Sugar	15‡N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	28,37,080	1,36,90 775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7‡	10	*Nil*	0 12	0 12		6	Y.P.T.
25,00,000	57 88,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	17‡	10	2 0	0 12	0 12		10	Y.
18,00,000	39,72 380	81 58,085	55,46,244	29,508	Begg, Sutherland & Co., Ltd...	Champarun Sugar	21	10	1 0	1 0	1 8	1 0	6	Y.
5,99,452	6,18,562	24,58,530	16,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	10N	10	1 0	0 12			8	Y.T.
1,50,00,000		17,34,264	2,03,27,224‡‡		Andrew Yule & Co., Ltd. ..	Hindustan Sugar Mills ..	285N	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
1,50,00,000	3,14,86,174	9,15,52,026	2,80,29,990	11,71,866	Cecil Stack Fen (Mg. Director)		100	O. 100	15 0*	15 0*	15 0*	15 0		
51,25 000	54,12,212	1,42,47,668‡‡	....	8,06,135	Bird & Co. Private Ltd. ..		155N	100	*Nil*	*Nil*	4 8		7	Y.P.
14,00,000	10,02,000	28,81,772	18,89,772	27,194	MacNeill & Barry Ltd.... ..	Kisan Sugar	46N	40	*Nil*	*Nil*	2 4			
65,00,000	42,00,000	19,27,685	8,08,372	1,51,360	J. F. E. d'A. Willis, Esq. ..	Ganges Rope Co., Ltd. ..	135	100	20 0	15 0	15 0		3	H.
50,00 000	14,87,354	81,29,020	33,68,022	7,458	Cotton Agents Private Ltd. ..	Gillanders Arbuthnot & Co., Ltd.	11‡	10	7 8	7 8	1 6 2/5		3	Y.P.
4,98,05,700		1,86,19,142	1,81,58,541	2,38,261	Birla Brothers Private Ltd...	Great Eastern Hotel	22‡	10	15 0	6 4	6 4	15 0	3	Y.
1,60,00,000	46,77,764	4,16,74,246	1,74,76,668	6,18,074	E. S. Greenwood (Mg. Director)	Hindustan Motors	7‡	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
1,52,87,220	1,37,00,000	1,99,38,780	71,50,911	82,04,214	B. J. Woodley, Esq. (Mg. Director)	Indian Aluminium Co.	14‡	10	1 0*	1 0*	1 0*	1 0*	3	Y.
5,87,970	8,08,000	16,74,808	9,61,306	62,752	G. E. Wauton & Co. (India) Ltd.	Indian Cables	24‡	10	0 12	0 6	0 6	0 10	3	Y.P.
18,16 00 ,000	7,89,02,602	4,15,59,461	1,65,28,377	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	14‡	10		0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
5,00 00 000	87,29 546	87,49,666	11,08,842	5,11,882	G.M. Mackinlay). Esq. ..	Jardine Henderson	70‡	100	7 0	7 0	2- 8	7 8	3	Y.P.
40,00 00000.							225	O.100	10 0	17 0	2- 8			
5,00,000D.	90,86,900	88,18 92‡	8,72,670	2,57,234	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	....	D.O.10	0 8	1 3 1/5	1 12		12	Y.P.
1,37,50,000	60,54,276	22,56,061	11,24,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	25‡	10	1 0	1 4	1 12		3	Y.
1,15,00,000	55 50,000	1,24,17,272	75,56,541	15,54,249	H. Chitwell Jones, Esq. (Chairman).	Metal Box Co. of India, Ltd. ..	26‡	10	1 0	1 0	1 0	1 10	9	Y.
6,25,585	1,55,250	7,82,586	2,50,987	—2,38,081	Shankar Rao P. Oprle Esq. ..	Mysore Glass and Enamel Works	4	10	*Nil*	*Nil*	*Nil*			
6,56,250	9,13,606	11,18,541	5,61,941	440	Mr. J. L. D'Sa (Controller ..	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 3/5	3	Y.
10 00 000	2,18,500	8,54,268	9,41,457	44,513	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	13‡	10	1 4	1 4	1 0	1 8	3	Y.T.
40,00 00Q	74,71,172	68,80,914	41,22,961	1,44,443	Associated Industrial Development Co., (Private) Ltd. ..									
						National Insulated Cable Co. ..	19‡	10	1 0	1 0	1 0*	2 0*	3	Y.T.
40,00 000	15,00,000	98,19,298	21,17,402	75,726	Do	National Rolling & Steel Ropes	10	10	0 9	0 9	0 9‡	0 9‡	3	Y.T.
79 97 000		1,17,32,757	57,19,208	3,99,402	B. N. Elias & Co., Ltd.	National Tobacco Co.	10‡	10	*Nil*	0 8	0 12 4/5		12	Y.
2,25,00,000	5,71,248	1,45,28,418	44,23,274	—44,12,925	M. P. A. Pasputti, Esq.	Rallis (India) Ltd.	35‡	100	*Nil*	*Nil*	*Nil*		3	Y.P.
1,72,24,400	1,21,20,208	7,56,24,889	3,47,94,970	4,91 624	Sahu Jain Ltd.	Rohtas Industries	15‡	10	1 8	1 8	1 8		12	Y.P.T.
40,00 000	87,06,558	1,21,07,304	72,09,227	2,32,212	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16‡cd	10	1 8	1 8	1 8	1 8	6	Y.P.
75,00,000	54,19,860	17,49,2166	5,83,625	3,66,280	H. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	11‡	10	1 4	1 4	1 0		12	Y.
9,98,280	....	14,99,289	9,84,589	....	Ogale Bros., Ltd.	Travancore Ogale Glass ..	10	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.
Other Centres														
80,00,000	8,00,000	48,07,304	14,68,228	1,90,837	Rangarao & Co.	Andhra Sugars Ltd.	17‡	10	*Nil*	*Nil*	0 9 3/5	1 0	9	Y.
70,49 650	96,62,027	1,48,40,884	1,08 91,570	52 911	W. B. Brady & Co., Ltd. ..	Belapur Company	230‡	50	16 0	16 0	16 0	16 0Z	9	Y.
17,50 000	8,86,886	25,66,598	22 70,609	33,609	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	15‡	10	0 10	1 0	1 0	1 8	9	Y.P.
15,00,000	37,98,165	56,11,943	3,24,308	33,344	A. H. Bhiwandiwalla & Co. ..	Shree Changdeo Sugar ..	8	10	2 0	2 0	2 0	6 0	6	Y.
15,93 900	2,45 785	40,16,857	21,85,392	29,553	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	60N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
47 94 920	14,00 000	80 64 997	16,71 128	5,22 318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16‡	10	2 8	1 12	1 6 2/5		6	Y.P.
20,62,558	12,13,785	46,84,178	31,11,505	32,569	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	13‡	10	1 0	1 0	1 0	0 9-3/5	6	Y.
23 57 620	45 51,080	42,51 227	31,93,427	18,645	Govan Bros. (Madras) Ltd. ..	Buland Sugar	14‡N	10	1 0	1 0	1 0		10	Y.
19,52,200O.	69 50,000	95,98,952	31 00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	120	O.100	7 8	7 8	7 8		6	Y.P.
2,57 190D.							145	D. 10	10 0	10 0	10 0			
21 79,280	86,24 818	1,29,89,142	82 31 728	2,68 107	S Munnanlappa, Esq., (Mg. Director)	Mysore Sugar	41	10	2 0	2 0	2 0	2 6	6	Y.
50 00 000	53,00,540	1,09,70,681	63,85,454	93,981	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	140xd	50	6 0	8 0	8 0	9 0	9	Y.
16 59 920	35,50,000	56,11,943	29,77,241	20,349	Anderson Wright Ltd.	Ramnuggar Oil and Sugar ..	25‡	10	2 0	1 0	2 0		9	Y.P.T.
30,00 0000							122N	O. 50	*Nil*	2 8	9 0			
4,00 000D.	21,76 092	89,12,138	58,60,383	64 612	Walchand & Co. Ltd.	Ravalgaon Sugar Farm	7N	D. 10	*Nil*	*Nil*	0 11 1/		9	Y.P.T.
19 99 600	47,65,224	46,65,213	22 04,554	44,168	Govan Bros (Rampur), Ltd. ..	Raza Sugar	11‡N	10	*Nil*	*Nil*	*Nil*		10	Y.
30 00 000	9,10,000	59,87,262	22,10,844	46 098	Parry Co., Ltd.	Travancore Sugars	11‡	10	*Nil*	*Nil*	0 12	1 0	7	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,81 172	M....	Walchandnagar Industries ..	280‡	100	14 0	16 0	18 0		9	Y.P.T
TRANSPORT														
20,00,000	1,00,69,622	1,24 00,703	15,56 557	55,926	Andrew Yule & Co.	Bengal-Assam Steamship Co...	130	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,619	4,41,65,864	1,85,09,819	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	76	100	5 0	5 0	5 0		12	Y.
60,00,000	81,80,611	3,31,00,904	59,55,708	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	183‡	10	1 0	1 0	*Nil*	1 8	6	Y.P.
£655 580	£1,098,198	£5,614,150	£3,397,531	£32,063	Kilburn & Co., Private Ltd. ..	India General Navigation & Rly. Co..	71‡	£10	*Nil*	Sh. 1 0	*Nil*		12	Y.P.
2 25 00,000	89,99 282	9 64 47,644	2,22,99 146	25 920	Lione. Edwards Ltd.	India Steamship Co.	10‡	10	0 12	0 8	0 8	1 0	3	Y.P.
6,39 98,050	9,00,12,101	22,64,99,304	4,85,56,202	5,62,020	M....	Scindia Steam Navigation Co..	20-6‡	20	0 12	0 8	0 8	1 0	6	Y.T.
6 40,800O.							2‡	O. 1	as. 1 3/25	1 23/2	as 2 0/25			
10,200P.O.	19,68,266	11,55,488	7,29,969	1,84,498	R. R. Aiyer, Esq., (Manager) ..	Walford Transport Ltd.	1‡	P.O. 1	as. 10/25	1 10/25	as.1 22/25		12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,66,321	4,22,868	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	580	200	32 0	32 0	32 0	30 0	9	Y
15,98,860	2,04 178	2 26,474	90,000	1,99,351	M....	Bombay-Uganda	60N	80	5 0	4 8	*Nil*		12	Y
25,00,000	1,00 000	22,87,814‡‡		225	M....	Devkaran Nanji Investment Co.	11‡	25	0 12	0 12	0 12	0 12	3	Y.
80,17,900	13,66,886	88,39,225	59,24,587	88,502	Birla Brothers Private Ltd. ..	Bind Cycles	148‡	100	8 0	10 0	10 0		12	Y.P.T.
14 98,940	3,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	40	50	*Nil*	3 0	2 0		3	Y.P.
99 99,250	19,47,386	1,22,05,804‡‡		2,83 136	Premchand Roychand & Sons	Industrial Investment Trust ..	100	100	4 8	4 8	4 8		12	Y.
99,99,975	85,06,351	1,76,37,226	8,04 121	6,852	K. G. Milne, Esq. (Mg. Director)	Killick Industries	166‡	100	10 0	11 0	11 0	11 0	6	Y.
2,30 12,775 A.O.	39,14,265	8 06,59,581	1,49 05,326	6,0 ,448	Aero-Auto Private Ltd.	Mercury Motors	160‡	100	*Nil*	*Nil*	*Nil*		6	Y.T.
10,81,200	5,06,419	8,09,102	5,79 614	7,356	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	24‡	20	2 0	2 0	2 0	2 0	12	Y.P.
2,73,00,000	72,75,000	2,31,57,161	1,63,71,164	6 61 582	Mr. A. Eydari & Mr. S. Goldberg	Western Car Manufacturing Co.	175	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	62,52,290	7,44,904	5,09,715	60,877	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd. ..	150	100	20 0	20 0	20 0	22 8	12	Y.
Other Centres														
47,50,000	1,94,82,556	3,73,51,606	72 16,589	1,16,199	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd..	10‡	O. 10	*Nil*	*Nil*	*Nil*	9 0‡	3	Y.P.T.
2,50 000							5N	D. 2½						
40,00 000	28 25,000	56,26,845	21 56,000	64,587	Seshasayee Bros. (Travancore) Ltd...	Aluminium Industries Ltd. ..	16‡xr cd	10	1 4	1 4	1 4*	1 4*	3	Y.
80 00,000	39,18,873	34,21,252	22,94,853	3,35,874	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	21‡	10	1 4	1 4	2 0*	2 0*	3	Y.
20,00,000	8,86,078	28,39,484	20,85,060	1,18,996	Mr. A. Eydari & Mr. S. Goldberg	Assam Match Co., Ltd.	8N	10	1 4*	1 4*			3	Y.
20,00,000	32,47,883	1,02,58,021	56,37,886	2,45,122	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..		10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	3	Y.P.T.
20,01,400	1,16,63,000	67 47,111	33,97,111	5,08,129	G. T. Jenkins Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	160	100	20 0*	12 0‡	12 8		12	Y.
12,00,000	9 10 000	31,37 445	24,0 ,448	76,830	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	32‡	10	1 8	2 8	2 4	1 8‡	6,12	Y.
20,00,000	7,05,430	69,57 924‡‡		1,15,707	Lovelock & Lewis	Birds Investment Ltd.	14‡	10	1 4	1 4	1 8		6	Y.P.T.
45,97,020	30,11,214	1 10 56 424	33,97,939	1,79,277	E. Julian Foote, Esq. (Mg. Director).	Britannia Biscuits	18‡	10	1 0	1 0	1 0	1 0	3	Y.P.T.
3,25,00,000	1,16 11,905	2,82,08,905	2,32,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	8‡	5	0 8	0 1	*Nil*		12	Y.P.
1,50,00,000	17,34,264	2,03,27,224‡‡		12,76,052	Andrew Yule & Co., Ltd. ..	Clive Row Investment	9‡	10	0 4 1/5	0 3 1/5	0 9 3	1 6	3	Y.
1,50,00,000	3,14,86,174	9,15,52,026	2,80,29,990	11,71,866	Cecil Stack Fen (Mg. Director)	Dunlop Rubber (India) Ltd. ..	25‡	10	1 8	1 8	1 8		12	Y.
51,25 000	54,12,212	1,42,47,668‡‡	....	8,06,135	Bird & Co. Private Ltd. ..	Eastern Investments Ltd. ..	151	100	9 0	9 0	9 0		12	Y.P.
14,00,000	10,02,000	28,81,772	18,89,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd. ..	135	100	20 0	15 0	15 0		3	H.
65,00,000	42,00,000	19,27,685	8,08,372	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11‡	10	7 8	7 8	1 6 2/5		3	Y.P.
50,00 000	14,87,354	81,29,020	33,68,022	7,458	R. P. R. Syndicate	Great Eastern Hotel	22‡	10	15 0	6 4	6 4	15 0	3	Y.
4,98,05,700		1,86,19,142	1,81,58,541	2,38,261	Birla Brothers Private Ltd...	Hindustan Motors	7‡	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
1,60,00,000	46,77,764	4,16,74,246	1,74,76,668	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	14‡	10	*Nil*	*Nil*	9 0		12	Y.P.
1,52,87,220	1,37,00,000	1,99,38,780	71,50,911	82,04,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	24‡	10	1 0*	1 0*	1 0*	1 0*	3	Y.
5,87,970	8,08,000	16,74,808	9,61,306	62,752	G. E. Wauton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	14‡	10	0 12	0 6	0 6	0 10	3	Y.P.
18,16 00 ,000	7,89,02,602	4,15,59,461	1,65,28,377	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd..	14‡	10		0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
5,00 00 000	87,29 546	87,49,666	11,08,842	5,11,882	G.M. Mackinlay). Esq. ..	Jardine Henderson	70‡	100	7 0	7 0	2- 8	7 8	3	Y.P.
40,00 00000.							225	O.100	10 0	17 0	2- 8			
5,00,000D.	90,86,900	88,18 92‡	8,72,670	2,57,234	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	....	D.O.10	0 8	1 3 1/5	1 12		12	Y.P.
1,37,50,000	60,54,276	22,56,061	11,24,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	25‡	10	1 0	1 4	1 12		3	Y.
1,15,00,000	55 50,000	1,24,17,272	75,56,541	15,54,249	H. Chitwell Jones, Esq. (Chairman).	Metal Box Co. of India, Ltd. ..	26‡	10	1 0	1 0	1 0	1 10	9	Y.
6,25,585	1,55,250	7,82,586	2,50,987	—2,38,081	Shankar Rao P. Oprle Esq. ..	Mysore Glass and Enamel Works	4	10	*Nil*	*Nil*	*Nil*			
6,56,250	9,13,606	11,18,541	5,61,941	440	Mr. J. L. D'Sa (Controller ..	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 3/5	3	Y.
10 00 000	2,18,500	8,54,268	9,41,457	44,513	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	13‡	10	1 4	1 4	1 0	1 8	3	Y.T.
40,00 00Q	74,71,172	68,80,914	41,22,961	1,44,443	Associated Industrial Development Co., (Private) Ltd. ..									
						National Insulated Cable Co. ..	19‡	10	1 0	1 0	1 0*	2 0*	3	Y.T.
40,00 000	15,00,000	98,19,298	21,17,402	75,726	Do	National Rolling & Steel Ropes	10	10	0 9	0 9	0 9‡	0 9‡	3	Y.T.
79 97 000		1,17,32,757	57,19,208	3,99,402	B. N. Elias & Co., Ltd.	National Tobacco Co.	10‡	10	*Nil*	0 8	0 12 4/5		12	Y.
2,25,00,000	5,71,248	1,45,28,418	44,23,274	—44,12,925	M. P. A. Pasputti, Esq.	Rallis (India) Ltd.	35‡	100	*Nil*	*Nil*	*Nil*		3	Y.P.
1,72,24,400	1,21,20,208	7,56,24,889	3,47,94,970	4,91 624	Sahu Jain Ltd.	Rohtas Industries	15‡	10	1 8	1 8	1 8		12	Y.P.T.
40,00 000	87,06,558	1,21,07,304	72,09,227	2,32,212	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16‡cd	10	1 8	1 8	1 8	1 8	6	Y.P.
75,00,000	54,19,860	17,49,2166	5,83,625	3,66,280	H. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	11‡	10	1 4	1 4	1 0		12	Y.
9,98,280	....	14,99,289	9,84,589	....	Ogale Bros., Ltd.	Travancore Ogale Glass ..	10	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represen- share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

Z—In Cadenas of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING ; PRODUCE AND RUBBER														
8,00,000	1,60,000	3,92,380	81,236	23 236	Planting Agencies Ltd.	Baimadies Plantations	3¼	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17 94,186	21 11,164	49 25,353	4 71,863	79,711	Peirce, Leslie & Co., Ltd.	Coelib Malabar	10½	10	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	25½	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,340	25,13,535	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	17½	10	1 8	1 8	1 12*	1 8	3	Y.P.
4,00,000	6 47,666	7,58,759	40,878	1,009	Associated Planters Ltd. ..	Highland Produce	15	10	1 4	2 8	2 0	0 10½	12	Y.P.
18 00,000	9 30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	25	10	2 0	2 0	2 12	2 0	4	Y.
4,00,000	10,92,892	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Malankara Rubber	30½	10	5 8	2 4	2 4	3 4	3	Y.
9,00,000	8,17,955	5,46 920	2,80,348	...	R. T. Thomas Rathanar, Esq. ..	Midland Rubber	18¾	10	1 8	1 12*	2 8	2 0	3	Y.P.
27,00,000	29,11,002	77,71 161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Nennemy Rubber	22½	10	0 12	1 8	1 8		12	Y.P.T.
2 35,000	3,31,000	14,16,774	1 67,177	16,737	A. V. George & Co., Ltd. ..	Nilambur Rubber Co. ..	16½	10	1 0	1 0	1 8		12	Y.P.
2 00,000	2,68,500	7,81,446	50,977	5,110	Associated Planters Ltd. ..	Onetreelanney Valley Estates	5¼cd	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
19,45,980	21,20,615	42,87,395	14,23,968	*Nil*	Peirce, Leslie & Co., Ltd.	Rajagiri Rubber	21½	10	1 12*	1 12*	2 0	2 8	6	Y.P.
14,50,000	9,00,000	42,15,615	5,23,147	8,082	A. V. Thomas & Co., Ltd. ..	Savamalai Estates Ltd. ..	21	10	3 0	2 8	1 0		11	Y.
3,66,780	3,00,000	6,70,359	62,117	71 342	Peirce, Leslie & Co., Ltd.	Travkon Rubber (India) Ltd. ..	9¾	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
10 00,000	8,09,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Thamarapally Rubber	28	10	3 0	3 0	3 0		12	Y.P.T.
2,50,000	2,37,500	5,13,787	30,934	14,867	A. V. George & Co., Ltd. ..	Thiruvadi Rubber Co., Ltd. ..	2–1/xd	1	0 4½	0 13/5	0 2	0 2	9	Y.P.
9 15,300	4,00,000	20 09 924	90,217	27 055	Peirce, Leslie & Co., Ltd.	Travancore Rubbers	22½	10	2 0	2 0	3 0		12	Y.
6 00,000	75,491	9 79 479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber & Tea Co., Ltd. ..	10½	10	1 0	1 8	1 4		12	Y.
41,00,000	14,30,799	78,82,300	8,66,183	8,71,083	Aspinwall & Co. (Travancore)	Tropical Plantations Co. ..	33	25	3 0	5 0	4 0		12	Y.P.T.
20,00,000		27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Valkundam (Travancore) Rubber ..	32½	10	2 0	2 4	2 8	1 8½	12	Y.
6,24,580	5,40,670	8,51,448	16,128	40 740	Harrisons & Crossfield Ltd. ..	Woodland Estates	9½	10	1 0	1 8	2 0	1 4	3	Y.P.T.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)									

* Includes Bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60 00 000	47,00,000	1,08,27,544	56,37,664	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	9¾	10	1 0	1 10	0 10	0 4	3.9	H.T.P.
6,00,000	10,25,000	51,65,438	36,93,877	1,34,329	McLeod & Co., Ltd.	1 264	Alliance	5 0	10	1 8	2 0	1 0		6.12	H.
80,00,000	6,25,000	1 17 61 827	93 76,069	23,103	McLeod & Co., Ltd.	2,561	Anglo India	12 8	10	1 8	1 8	1 8		6.12	H.
49,20,700	69,00,000	2,90,90,882	1,93 15,000	2,30,192	Duncan Bros & Co., Ltd. ..	810	Auckland	93	100	4 0	3 8	10 0	1 0	3.9	H.P.
40,00,000	43,17,051	1,76 37,979	92 01,344	11 377	Bird & Co. Private Ltd.	959	Bally	158	100	4 0	*Nil*	*Nil*	*Nil*	3.9	H.P.T.
20,00,000	23,80,918	96,91 416	65,65,004	65 302	Jardine-Henderson & Co. ..	1,889	Baranagore	96	25	5 1 0	3 0	3 0	3 0	3.9	H.P.
£275,000	£667,405	£1,47,480	£987 176	...	Sir John H. Burder (Chairman) ..	820	Belvedere	104	100	15 0	sh. 15	sh. 15	*Nil*	3	Y.P.
2 00 000	28,00 623	93,78,705	50,70,231	2,585	Andrew Yule & Co., Ltd. ..	600	Bengal	15½	10	1 4	1 2	1 2	*Nil*	6.12	H.T.
45 00,000	38,45,000	57,60,172	31 25,574	2,65,100	Sawajmull Nagarmull	1,151	Birla	151	10	3 0	1 0	1 0		6	Y.P.T.
91,28,000	2,17,48,383	3,34 10,402	1,45 32,651	4 37,393	Birla Brothers Private Ltd. ..	1,373	Budge-Budge	101	100	10 0	1 0	1 0	1 0	3	Y.P.
80,00,000	21,81,426	1,17,99,047	72,95,930	1,336	Andrew Yule & Co., Ltd. ..	502	Calcutta Jute Mfg. ..	8½	10	*Nil*	0 12	*Nil*	*Nil*	4.10	H.P.
7,47,380	3,09,540	42,13,704	31,02,983	–4,31,470	Duncan & Sons	616	Caledonian	118	100	12 0	9 0	6 8	*Nil*	6.12	H.P.T.
18,00,000	26,46,234	87,85,841	43,24,058	1 328	Andrew Yule & Co. Ltd. ..	1,130	Champdany	130	100	6 0	6 0	6 0	*Nil*	5.11	H.
59,16,400	95,49,238	2,23,08,769	1,11 69,802	19,010	James Finlay & Co., Ltd. ..	2,060	Cheviot	146	100	12 0	14 0	10 0	*Nil*	3.9	H.
15 95,000	19,83,822	82,12,211	57,10,175	1,367	Andrew Yule & Co., Ltd. ..	500	Chitavalsah	124	10	1 12	1 2	1 6		5.11	H.P.
30,15 000	31,00,000	64,10,068	47 77,600	1,32,949	McLeod & Co., Ltd.	900	Clive	132	10	*Nil*	*Nil*	1 4½	0 8	6.12	H.P.T.
24,00,000	9 00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	766	Dalhousie	95	100	4 0	2 8	4 0	*Nil*	3	Y.P.
12 00,000	46 05,252	1,17,35,454	40,04,772	–2,20,445	Bird & Co., Private Ltd.	779	Delta	132½	100	20 0	12 0	10 0	*Nil*	5.11	H.P.
2 50,000	40 71 679	76,62,475	47,30,110	2 564	Andrew Yule & Co., Ltd. ..	500	Empire	90	10	*Nil*	1 0	1 4	0 8	6.12	H.T.P.
15,00,000	84 50 000	82,62,679	59,80,760	78,204	McLeod & Co. Ltd.	1,884	Fort Gloster	310N	100	*Nil*	5 0	15 0	7½	6.12	H.T.P.
21,00,000	60,60,960	2,70,39,014	1,89,10,198	1,80,415	Andrew Yule & Co., Ltd. ..	1,014	Fort William	182	10	5 0	20 0	20 0	0 12½	3.9	H.T.P.
21,00,000	13,00,000	97,58,074	54,63,692	1 34 822	Bangur Bros. Ltd.	1,709	Ganges Mfg.	494	100	*Nil*	0 8	2 8	*Nil*	3.9	H.T.P.
34,32,100		2,11,07,224	1,32,88,825	–2,67,452	Macneill & Barry Ltd.	607	Gondalpara	725	300	15 0	*Nil*			3.9	H.P.
10,80,000	28,00 000	71,52,983	48,46,602	–74,093	Hollanders Arbuthnot & Co., Ltd.	1,304	Gouripore	220	100	3 12	10 0	15 0	2 8	12	Y.
24 00,000	29,32,827	2 19,00,913	1,61,28,422	25,195	Macneill & Barry Ltd.	1,078	Hastings	176N	100	10 0	10 0	10 0	5 0	3.9	H.P.
40,00,000	64,68,233	1,14,86,848	56,72,180	8,40,348	Bangur Bros. Ltd.	720	Hooghly	18	10	1 4	0 8	1 4	*Nil*	3	Y.P.
18,80,000	18,81,969	66,47,731	47,70,919	–2,25,243	Begraj & Jaipuria	1,940	Howrah	18	10	1 8	1 4	0 14	0 4	3.9	H.T.
65,62 500	49 64,372	1,82,66,445	1,10,52,708	57 034	Jardine Henderson Ltd.	2,272	Hukumchand	18	10	3 0	2 8	2 0	0 4	3.9	H.P.T.
62 50 000	27,85 153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	1,765	India	130	0. 125	6 4	8 2	4 11	4 11½	3	Y.P.T.
37,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076		—	D. 1	0 4/5	0 2/5	0 3/5	3⅝ ‡	3.9	H.
30 000								98	100	9 0	8 0	2 8			
24,00,000	16 50,000	1,37 65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	94	'B' 100	9 0	8 0	2 8		6.12	H.P.
24,00,000								70	100	7 8	6 8	1 0			
30 00 000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanrrah	61	'B' 100	7 8	6 8	1 0		6.12	H.P.
21,00 000	53,00 000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	1,530	Khardah	5 0	10	20 0	7 8	6.12	H.P.
54 00,000	23,83,375	1,72,58,983	1,18 60 127	58,923	Hutheesing Wright Ltd.	1,250	Khanison	137	100	9 0	7 0	13 0	5 0	3.9	H.P.
48,00 000	1,09,80,660	2,44 37 244	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	931	Khardaha	95	100	7 0	7 0	7 0	*Nil*	3.9	H.P.T.
24,48,000	39,51,564	1,11,32,345	47,99,245	–2,12,719	Bird & Co., Private Ltd.	840	Lawrence	98	100	5 0	6 0	6 0	*Nil*	3.9	H.P.
24,00,000	55,75,192	1,16,29,380	64,57,897	8,703	Bird & Co., Private Ltd.	1,283	Megna	74	100	5 0	2 8	2 12	2 12‡	3.9	H.
81,65,200	26,36,045	2,54,13,849	1,26,97,309	1 64,942	M.	813	Naihatti	75	*Nil*	*Nil*	*Nil*	*Nil*	*Nil* ‡	3.9	H.
20 98,900	88,40,147	1,84,91,466	1,01 37,572	–3,09 111	F. W. Heilgers & Co. (Private) Ltd.	425	Naskarpara	33½	10	0 5	1 2	0 10½		3.9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,814	Howrah Trading Co. Ltd. ..	852	National	10¾	10	2 0	2 0	1 12		4.10	H.T.
35,00,000	41,64,326	80,25,400	10,32,816	1,929	Andrew Yule & Co., Ltd. ..	316	Nellimarla Jute	11½	10	1 12	1 8	1 0	0 6	4.10	H.P.
26,25,000	26,25,000	27 71,022	20,34,909	1,08,257	McLeod & Co., Ltd.	1,765	New Centralf	12½	10	24 0	17 0	1 8	0 12‡	6.12	H.P.T.
55,50,000	2,71,44,342	4,29 15,627	96 26,548	5,71,293	Sahu Jain Ltd.	567	Northbrook	22½	10	1 8	1 4	1 8	1 8‡	12	Y.P.
16,79,000	49,70,164	1,19,50,857	51,63,018	70 116	Bird & Co. Private Ltd.	1,000	Ouddee	81½	10	5 8	2 4	2 4	3 4	3.9	H.P.T.
66,79,500	22,24,981	2 18 55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	601	Orient	110	100	12 0	10 0	9 0	1 0	3.9	H.
24,03,250	23,73,796	75 07 658	50,85,690	551	Andrew Yule & Co., Ltd. ..	400	Presidency	4	5	0 2	0 3			3.9	H.P.
2 35,000	6 39 490	80,86,427	65,22,166	51,595	McLeod & Co., Ltd.	1,000	Reliance	52	10	*Nil*	*Nil*	*Nil*	*Nil* ‡	6.12	H.T.
20,00,000	2 49 781	26,97 878	8,39,130	–9 18 218	Birla Brothers Private Ltd.	1,276	Reliance	81	10	0 8	*Nil*	*Nil*	*Nil* ‡	3	H.P.
49 50 000	5,82,465	1,23,83,629	59,15,596	–11 72 341	Jardine Henderson Ltd.	2,013	Samnuggur	10½	£1	10%	10%	8¾ ‡		3.9	H.P.T.
2,00,000	£1,060 713	£1,245 244	...	£58 992	Thomas Duff & Co. (India) Ltd. ..	911	Shree Ambica	15N	10	1 0	1 0	0 8		12	Y.P.
30,00,000	13,14 910	1,15,50,877	79 96,145	7,972	Bazaria Mercantile Co. Ltd. ..	1,401	Soorah	151N	10	0 8	1 0	1 8		3.9	H.P.
14,00,000	11,25,000	66,11,794	38,79,294	2,156	Hindustan Investment Corporation	650	Standard	75	100	2 0	2 0	1 0	*Nil*	12	Y.P.T.
25 19 600	42 72,192	1,27,39,246	54,23,439	–4,87,127	Bird & Co., Private Ltd.	1,794	Titaghur	81½	£1	10%	10%	8¾ ‡		3.9	H.P.T.
£600,000	£925 119	£1,137 660	...	£83,548	Thomas Duff & Co. (India) Ltd. ..	1,326	Union	125	100	5 0	6 0	10 0	1 0	12	Y.P.
25,00 600	88,06,723	2,00,00,308	84 28,958	18,334	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	10	£1	10%	10%	8¾ ‡		3.9	H.P.T.
£400 000	£650 035	£1,124 819	...	£80,501	McLeod & Co., Ltd.	457	Waverley	8½	1	0 11	0 8	0 8		6.12	H.P.T.
2,50 000	6,85,000	55,98,062	40,23,991	14,518											

COAL COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91 54,011	64,41,011	28,010	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	17½	10	1 0	1 5	1 6		3.9	H.
12 00 000	8,77,542	37,37,054	34,00,182	45 309	Jardine Henderson Ltd. ..	Bararee Coke	16½	10	1 6 2/5	1 7 1/5	1 7 1/5	0 8‡	3.9	H.
4 49 350	70,000	8,49 159	5,40,966	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Dhanbdee ..	6	10	0 12	0 12	0 6	0 9 3/5‡	6.12	H.
1,00,00,000	1,40,49 223	5,01,92,614	3,95,77,326	7,81,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	441	200	82 8*	80 0*	35 0*		6.12	H.
2,25,000	4,22,999	24,81,722	22,33,514	...	Andrew Yule & Co., Ltd. ..	Bengal-Kanpur	15	10	*Nil*	*Nil*			4.10	H.P.
15 97,000	4,73,358	37,70,192	92 01,344	13,498	H. V. Low & Co., Ltd. ..	Bhalgora	6½	10	0 8				6.12	H.P.
40,00,000	8,00,000	1,39,66,662	71,05,188	27 431	Sahu Jain Ltd.	Bharat Collieries ..	6½	10	0 12	0 10	0 10		9	Y.P.T.
7,15,000	15,11,000	52 62,538	37,38,500	–1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulandararee	138N	10	*Nil*	*Nil*	*Nil*		6	H.
16 60,000	16,17,936	68,14,856	39,99,841	–79 196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	19½xd	10	2 12	2 0	2 0		6.12	H.T.
7 50,000	34,99,026	42 39,603	26,53,408	84,207	K. Heilgers & Co. Ltd. ..	Burrakur	21½	10	0 12	0 9	0 10		6.12	H.P.
9e 92,480	1,79,30,024	4,22,86 647	1,90,16,241	86 166	Bird & Co., Private Ltd.	Central India	6½	10	0 4	0 4		0 8‡	6.12	H.P.T.
49 97 750		42,38,420	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central Kurkend ..	12½	10	1 2			0 8	3	Y.
5,80,000	13 54,302	49,10,414	32,63,954	82,748	M.	Churlia	1½	4	0 2	0 2	0 1‡		6.12	H.
6,00,000	1,43,676	7,28 439(8)	...	1 129	F. W. Heilgers & Co. Private Ltd.	Dhemo Main	6½	10	*Nil*	*Nil*	*Nil*		6.12	H.
£10,00,000		58,81,704	29,81,276	–1,88,318	Macneill & Barry Ltd.	East Indian	26½	£1	2 8	2 8	2 0	2 8	6.12	H.T.
£800,000	£390,553	£97,695	£731,579	£58,958	Jardine Henderson Ltd.	Equitable	23½	10	1 8	1 8	1 8		4	Y.
2 93 760	83,55,049	6 44,31,577	2,89 25,605	88 379	Macneill & Barry Ltd.	Ghusick and Musalia ..	134N	10	0 8	0 8	0 4		6.12	H.P.T.
10 00 000	1,40,999	13,81,144	4,28,557	23,853	Bhattee's Agency Ltd.	Hingir-Rampur	41½	50	3 0	*Nil*	2 4		3	Y.
12 00,000	1,22,000	41,35,247	28,48,143	1 143	Macneill & Barry Ltd.	Hurriladih	21	10	1 8	1 12	2 8	2 4	6	H.
8,00,000	7,25,000	22,07,121	16,09,341	45 945	Macneill & Barry Ltd.	Jeeta Coal	1½	10	*Nil*	*Nil*			6.12	H.
22,00,000	1,12,000	24 74,412	6,18,546	–5,57 293	Raipur Trust Ltd.	Kalinjalwari	2½N	10	2 12	*Nil*	*Nil*		12	Y.P.
3,80,000	3,45,570	13,54,857	7,23 658	...	Andrew Yule & Co., Ltd. ..	Karanpura Collieries ..	98	100	*Nil*	*Nil*	2 8	5 0	2.8	H.
20,00,000	1,77,175	25,89,883	4,65,140	6,965	Bird & Co. Private Ltd.	Katras Jherlah	5½	10	4 0	4 0	5 8		3	Y.P.
5,00,000	16,60,000	46,77,533	36,47,985	1,33,474	Andrew Yule & Co., Ltd. ..	Khas Kajora	2½N	10	*Nil*	*Nil*			1.7	H.
1,38 400	5,72,000	12,85,941	5 72,960	–2,60,266	Jeerwala & Co.	Khurdi	2½N	10	*Nil*	*Nil*			6.12	H.P.
11,00,240	64,314	16,72,961	10,41,883	–44,320	H. V. Low & Co. Ltd.	Lakurka	6½	10	0 8	0 4			6	Y.
9 00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Nazira	9N	10	0 8	0 8	0 8		4	Y.
7 49,240	2,00,000	13,13,208	6,66 210	81 201	Tantia Brothers Ltd.	New Bansdeopur ..	9N	10	0 12	1 4			12	Y.
7,00 000	26 617	10 33,740	5 20,295	4,660	Amritlal Oiha & Co., Ltd. ..	New Beerbhoom	1½	10	1 0	1 8	1 0		3.9	H.
17 76 280	20 01 783	1,19 78 853	88,63 066	94,383	Andrew Yule & Co., Ltd.	New Manbhoom	9½	10	*Nil*	*Nil*	*Nil*	*Nil*	4.10	H.P.
6 00 000		33,00,471	21,20,197	70,222	Octavius Steel & Co., Ltd. ..	North West	20	10	0 4	*Nil*	1 6	0 12‡	3.9	H.
1 15 000	2,85 198	18 07 210	8,64,731	10,950	Andrew Yule & Co., Ltd.		17	7½	0 8	*Nil*	*Nil*	*Nil*		
1 57 500														
1 50 000	12 21 888	5 17 866	2 97 666	86 646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14½	10	2 0	1 0	1 0½	0 9‡	6.12	H.P.
10,00,000	1,10 000	41,24,518	19 70 271	1 55,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	9	10	0 6	0 8	0 4		6.12	H.T.
8,24,000	10,050	10,86,766	8,69 957	61,087	Deepchand Kishenlall	Parasea	12½	10	0 4	0 12	1 0		12	H.P.
16 75 000	16,50,000	49 91,252	36 61,252	83,734	Shaw Wallace & Co. Ltd.	Ramgunge	11½	10	1 10	1 0	1 8	0 11 1/2‡	6.12	H.
22 50 000	20 17 105	1,24,35,504	87,30,184	23 186	B. N. Elias & Co. Private Ltd. ..	Rewa	22½	10	*Nil*	0 8	0 10	0 6	3.9	H.
13,50 000	10,45 115	38 56,365	29,71,364	15,614	Shaw Wallace & Co., Ltd.	Samla Collieries ..	11N	10	2 0	1 6	0 14	0 12‡	6.12	H.
20 00 000	3,90,000	44,38,326	16,78 118	8,20,175	Jaipuria Sons Ltd.	Searsole	6N	10	0 8	0 12	1 0		12	Y.
2 50 000	1,95 802	18 78,940	12,21,287	1 070	M.	Seebpore	2½	10	0 10	0 10	0 12		1	Y.
2 80,000	8,36 598	29,99 490	19 07 296	49 299	Andrew Yule & Co., Ltd.	Sendra	27½	7	1 12	2 0	2 8		6.12	H.P.
8 00 000	87 289	52,491	28,887	7,518	F. W. Heilgers & Co. (Private) Ltd.		9N	10	*Nil*	0 2	0 4		6.12	H.T.
63,21,450	23,77,474	4,72,97,817	3,17,80,396	7,310	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	10½	10	*Nil*	*Nil*	0 11 1/2	0 12		
17 50,000	10,84 016	37 86,103	15 14,990	–31,583	Bird & Co. Private Ltd.	South Karanpura ..	4½	10	0 4	0 8	0 8	0 8	12	Y.
8 00,000	14 01,053	1,00 57,570	27,510	17,411	F. W. Heilgers & Co. (Private) Ltd.	Standard	20xd	10	2 0	1 8	1 8		2.8	H.
10 00 000	12 950	80,82 289	15 43,302	–4,07 745	Villiers Ltd.	Talcher	2½	10	*Nil*			1 0	12	Y.
3 50,000	2,85,000	20 47 944	15 85,944	–9,462	Williamson Magor & Co., Ltd.	Tirap	13½	10	1 12	0 12	*Nil*		9	H.
49 50 000	87 094	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal ..	6½	10	0 6	0 6	*Nil*	0 8	6.12	H.
7 00,000	21,569	55,46,871	23,81,698	–1,46,850	Macneill & Barry Ltd.	West Jamuria	8½	10	*Nil*	*Nil*	*Nil*		6.12	H.

M—Managed by the Board of Directors. † Less income-tax. ‡) Clive Mills have paid dividend at As. 10-4 on bonus shares for the year 1955. * Including bonus. (k. Investments. (l Made up of an interim dividend of Re. 1-12 per share on 1 20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (n) For seven months ended 31st March 1956. ‡ New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 10 into shares of Re. 1-0 each.

SURVEY

(*Concluded from page 459*)

For the first time in peace-time history, the United Kingdom was ousted last year from its position of the premier shipbuilding nation of the world by Japan. According to Lloyd's Register of Shipping's annual summary, Japanese output of merchant ships in 1956, which aggregated 1,746,429 gross tons, was 26 per cent. of world production. Britain produced 1,383,387 tons, that is, 90,550 tons less than 1955, and accounted for only 20.7 per cent. of world tonnage; this is Britain's lowest peace-time figure on record. Total world output in 1956 was of the order of 6,673,701 gross tons, which was greater than the previous year's figure by 1,356,959 tons, and a peace-time record since 1919. The outstanding feature of the increase in production outside the U.K. was the rise in output in Japan by 917,699

THE GATHERING STORM

SUBSIDY ON MILK CUT

From Our Own Correspondent

LONDON, *23rd February*

THE world knows that the Government Party lost a significant by-election in a London Borough last week. It was the first by-election lost by any Government Party since the war. It was thought that the Government might take fright at the result and amend some of its legislation that appeared to antagonise the working class vote. Indeed, this week-end the Prime Minister and a number of his colleagues are meeting in special conference to consider their economic and domestic policy. But, between the two events, the Government appears to have thrown down a challenge not only to the Opposition but to just that section of their working class supporters which turned against them at the by-election.

LONDON LETTER

The Government's dilemma is real. On the one hand, while the danger of inflation continues to threaten, it alternates with a deflation which at present seems the more likely evil. At the same time, Government expenditure continues to rise, the hopes of diminishing taxation recede, the Government is criticised for a fiscal policy which gives little encouragement to enterprise, its own supporters accuse it of maintaining the extravagance of the Welfare State without the satisfaction of any political benefits from it and on the other hand, anything it attempts to do to satisfy its supporters and to reduce Government expenditure is almost bound to be interpreted as anti-social. There is the added dilemma that any measures which reduce taxation but raise the cost of living will be taken as an excuse for higher wage demands, thus being both inflationary and weakening the country's competitive power in exports. In the light of all this how can this week's Government challenge to the Opposition be interpreted? Has it decided that in a possible deflationary situation a bold Conservative policy will not create new wage demands, since employers would merely reply by dismissals? Yet such has not been the reaction of the Trade Unions—they have frankly told the Government that wage restraint is at an end and that it will henceforth be everyone for himself.

It must be appreciated that the Government's reduction of the cost of the social services is in line with the policy the Conservatives have been pursuing since they came into office, and which began with the cutting of the food subsidies. The difference lies in the background that, whereas in the early days, wage demands followed cost increases and were made in the inflationary spiral, today the increase in indirect taxes—which is what these reductions in the social services really amount to—cannot easily be followed by industry with price increases to meet higher wage claims. A battle is bound to ensue.

Challenge to Opposition

What has incensed the Opposition particularly, is that the Chancellor of the Exchequer should have made his proposals on the Expenditure Votes instead of on the Budget in six weeks' time. To them it appears like a deliberate challenge. Moreover, a challenge thrown down immediately after Labour had won a by-election fought largely on the issue of Government social policy. But the Chancellor presented his problem in this way: Britain's primary occupation is to restore international faith in sterling and to strengthen her balance of payments. This she can only do if she keeps Government expenditure within bounds so as not to perpetuate inflation. In line with this policy, the Government is already seeking substantial cuts in defence expenditure and parallel cuts must be made in civil expenditure. But civil expenditure for the year ahead looks like being up by about 4 per cent. by a figure well in excess of £100 million. This increase is principally in the social services where both education and the National Health Service will cost more money. Therefore, the beneficiaries from these services must increase their contribution. Milk for children is subsidised to the extent of about 80 per cent. of its cost, the Government proposes to more than double its price and reduce the subsidy to about 50 per cent. of its cost. School meals carry a subsidy of about 60 per cent. of their cost, the Government proposes to raise their price and to reduce the subsidy again to 50 per cent. of their cost. Finally, the National Health Services, originally financed about one-fifth from the contributions of employees and about four-fifths by the Exchequer, are now being financed only about one-seventeenth by the employee; the Government proposes to double the employees' contribution, so that it will amount to about one-ninth of the total expenditure. All these measures are estimated to recoup for the Government about £57 million or something like half of the estimated excess of civil expenditure. Of course, read by themselves, all these measures appear reasonable, but the context in which they have been introduced and the manner in which the Chancellor of the Exchequer has put them over have caused a political storm the limits of whose effect on the peaceful development of the country's economy it is difficult to foresee.

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Kicks and Carrots

LONDON, *2nd March*

The Government, having lost two important by-elections and suffered a reduced majority at several others, has declared that it is going to pursue its policies regardless of their unpopularity to put the nation on a sounder economic basis. It believes that, when its term of office ends in three years' time, it will be able to satisfy the electorate of its good stewardship. The publication of the latest figures for the trend of industrial production stresses the need for a policy that will prevent deflation becoming depression. It is clear that last year represented a downward turn from the peak of the prolonged post-war curve. 1955 was the last year of inflation and 1956 the first in which financial measures to control the economy succeeded, but succeeded only at the expense of a cut in production. In the first month of this calendar year, the decline continued, the index being about 1 per cent. less than a year ago.

It si, however, significant that the details of the production curve reveal that capital goods industries have been expanding at the expense of the consumer goods industries and it is this change in industrial emphasis that the Chancellor of the Exchequer is to be called upon to intensify in his coming budget. The problem is how it is to be done. The Chancellor is getting plenty of advice about incentives and the Government is known to be anxious to provide incentives, particularly to the managerial ranks of industry and commerce. If they choose as their carrot a reduction in tax, the risk they take is that they will increase consumable incomes and may, therefore, defeat their objective of increasing investment. What they would like to do, and what the further-sighted leaders of industry would like to see them do, is to increase incomes and investment together, but the usual devices of fiscal policy are not easily adapted to this.

It is for this reason that economists have explored the idea of replacing a tax on income by a tax on expenditure. Of course, most fiscal systems have developed by imposing indirect taxes which are, of course, taxes on expenditure, and then at a late stage imposing a direct tax on income. The development of the Welfare State in all countries has accentuated the idea of the direct tax on the principle that such taxes bear most on those most able to pay. Carried to an extreme, the tax on expenditure could mean that the pauper and the wealthy miser paid exactly the same amount of tax, but, in practice, in a nation such as the United Kingdom, which does not consist substantially of either paupers or wealthy misers, this would be a theoretical objection. The idea of an expenditure tax must be seen in the context of full employment and the need to increase investment.

It has already been rumoured that the Government will now grope its way towards some shift in fiscal policy by introducing a sales tax, a sort of flat rate tax on all goods sold, such a tax gradually to replace the present purchase tax. Thus, by a combination of reduced taxation on the middle and higher incomes, and an increased taxation on expenditure, the Government may hope to apply both the incentive to enterprise and the incentive to saving, of which they feel so direly in need.—*All Rights Reserved.*

MARKET GOSSIP

(*Concluded from page* 455)

and the Bombay Oilseeds and Oils Exchange Ltd. held in the city yesterday. At this meeting, the Indian traders in oils drew the attention of the mission to the increase in freight rates following the Suez crisis and the variations in export duties, which, they urged, should be met by the U.S. buyers. Although the U.S. trade mission did not give any categorical reply to the points raised, it assured the members that it would bear them in mind.

The U.S., it may be noted here, is the biggest market for Indian castor oil. Thus, out of about 779,000 cwts. of oil exported by India during 1955-56, the U.S. alone accounted for as much as 410,000 cwts., representing over 50 per cent. of the total. Castor oil is one of our chief dollar earners, the value of exports in the aforesaid year being nearly Rs. 2 crores, out of the aggregate value of Rs. 4 crores. The exports of Indian castor oil in 1955-56 were no doubt higher by more than 100,000 cwts. as compared with the previous year, but they were still lower than the quantity exported in 1952-53, namely, about 505,000 cwts.

• • • •

Contrary to the general impression, the tendency to hoard precious metals is not a feature peculiar to India alone. In fact, it is said to be growing at such an alarmist rate in the case of gold in many countries of the world that it is feared there might be very little gold left to be added to the countries' official reserves. According to Messrs. Samuel Montagu, the well-known bullion house of London, the world production of gold, outside the Soviet Union, in 1956 amounted to the equivalent of $980 million. Of this, about $350 million was absorbed by private buyers and $105 million was estimated to have been bought for use in industry and fine arts. The large quantity which was supposed to have gone into private hoards was bought by Continental and Eastern markets, where the traditional lure for the yellow metal is still strong. It is, however, presumed that a part of the quantity bought by private hoards would have found its way to official stocks also. Estimates of the quantity which thus disappear into private hoards vary widely. Thus, in 1955, Messrs. Samuel Montagu placed this at 9 million ozs., while according to another estimate, it was a little over 4.5 million ozs.

Besides the world production mentioned above, the U.S.S.R. also sold a substantial quantity of gold in world markets during 1956. Even so, it is estimated that the accretion to official reserves could not have been more than $750 million. At the close of 1955, official world holdings of gold (excluding those held by the I.M.F. and the Bank for International Settlements) amounted to $35,000 million. The addition during 1956 meant an increase of just over 2 per cent. Though it is higher than that noted in the early years of the present decade, the average annual addition to official holdings for the period 1950-56 is hardly more than 1 per cent. per annum.

Such a rate of increase in official gold holdings is very much less than the pace of expansion of money supply in the leading commercial countries of the world during the past five or six years. Thus, during this period, in the U.S. and Canada, money supply has grown by 3 to 4 per cent. per annum, while in the sterling area countries, the increase has been of the order of about 5 per cent. In European countries, it is about 9 per cent., in Latin America about 16 per cent. and in other countries 12 per cent. Though there is no legal obligation on the part of the Governments to maintain a fixed relationship between the country's money supply and official holdings of gold and other external assets, there is still a tendency to maintain a certain balance between the two. But, this relationship is being maintained not by increasing the gold holdings in consonance with the expansion in money supply, but by raising the holdings of foreign currencies. Before the war, the gold holdings formed as much as 90 per cent. of the external reserves of the commercial countries of the world, but today the proportion is about 65 per cent. and it is feared that the pace of decline in gold holdings will grow. The effect of this trend can, however, be offset only by an increase in the world price of gold. The increase in external reserves in the form of currency holdings, particularly in U.S. dollars, may not seem to be a serious matter now, because of the faith in the U.S. dollar. If, however, the dollar were to lose its present position as world currency, the paucity of gold to be added to the reserves will offer a serious problem for the Governments concerned.

EUROPEAN COAL OUTPUT

According to recent estimates by the Economic Commission for Europe, the biggest rise in hard coal output in 1956, as compared with 1955, took place in Western Germany. The increase there was 3.7 million tons, it is provisionally calculated. West Germany was followed by Poland—up 1.5 million tons—and Czechoslovakia, up 1.4 million tons.

Coal output in Western Germany and in Poland has steadily increased year by year since the end of the war, but while Western Germany is still some way from the 1937 level; Poland has surpassed it by one-third. The only other major coal-producing country to increase its output in 1956 was the U.K. where an additional 0.4 million tons was extracted. In all other countries output either remained stationary or fell slightly.

Commenting on its provisional figure for European hard coal production for the year 1956 as a whole, the E.C.E. Secretariat points out that the increase of 6 million tons over 1956—1 per cent. failed to meet the increased demand of Europe. Imports of coal from the U.S. to 38.4 million metric tons, an increase of lion tons over the 1955 total. The 1956 i at an all-time peak: the previous rec million tons in 1947.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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COMMUNITY DEVELOPMENT

VOLTAIRE once said that he would rather be a discontented man than a contented pig. All progress stems from a certain discontentment with gaps in established knowledge or evils in prevailing state of affairs. However, real and enduring progress, as distinguished from abrupt, violent and subversive transformation, can take place only when that discontentment is allowed to express itself in positive and constructive tasks. In community development projects, this country is engaged in precisely such an experiment. The programme is designed to rouse the rural sections from the age-old torpor which has stood so long in the way of any lasting improvement and to turn the people into a self-reliant and industrious community. The authorities rightly set great store by this programme which, in the period of the first Five-year Plan, absorbed Rs. 70 crores and covered nearly 70 million of the country's rural population. A more extensive programme forms part of the second Plan under which a sum of Rs. 200 crores has been allotted to community development. A programme of this magnitude embracing almost every conceivable aspect of rural economy obviously requires for its success a great deal of organisation and effort, designed to evoke the willing co-operation of the people for whose benefit it is intended. It is to these problems that the Estimates Committee, in its two reports (Parts III and IV) on the Ministry of Community Development, turns its searchlight of enquiry and makes some very pertinent suggestions for the speedier implementation of the programme and for obtaining better results.

There are, as is now well known, two phases of community development—the national extension service and the more intensive community development programme. A block which, on an average, represents some 100 villages with a population of 60,000 to 70,000, spread over an area of 150 to 170 sq. miles, is first taken up for national extension service for a period of three years. Thereafter, it is converted into a community development block for another period of three years for purposes of more intensive development. During the first Five-year Plan, 1,200 blocks were taken up, of which 900 blocks (covering 90,000 villages and a population of 59.4 million) were under national extension service and 300 blocks (covering 32,957 villages and a population of 20.4 million) were under the "community development" programme. Thus, by the end of the first Plan, development programmes had been initiated in areas which comprise about 123,000 villages and a population of about 80 million. During the second Plan, the entire country is expected to be served by national extension service and about 40 per cent. of the national extension blocks will be converted into community development blocks. There will be about 3,800 national extension blocks and about 1,120 will be transferred into community development blocks. The whole programme is being implemented by a four-tier administrative machinery—the village level worker, the block development officer, the Development Commissioner at the State level and the Community Projects Administration at the Centre.

Clearly, no aspect of rural economy is more important than the agricultural. Appropriately enough, the Estimates Committee has emphasised the need for improving agricultural practices. It recognises that crop yields could be improved by 10 to 20 per cent. through the use of improved varieties of seeds. It would appear that the intention of the authorities is to see that in all the 5,000 blocks which will be created all over the country by the end of the second Plan, there is a seed multiplication farm of at least 25 acres in each block area. The Committee, while appreciating the progress made in the use of improved seeds, feels that full advantage does not appear to have been taken of increasing the agricultural produce by providing improved varieties of seeds in all the areas covered by the development programme. It attributes this deficiency to the fact that adequate arrangements have not so far been made for multiplying the improved varieties of seed to keep pace with the increasing demand. It has suggested the construction of suitable godowns for the storage of seeds in villages or blocks.

No less important than improved varieties of seeds is the use of manures. Since full advantage of chemical fertilisers can be derived only when the farmers know the precise dose of fertilisers for each crop and the method and time of applying it, the Committee has suggested the need for demonstrating the use of chemical fertilisers to the rural population. It has also emphasised that research in fertilisers should be intensified with a view to ascertaining the different varieties of fertilisers required for different types of soil. In this connection, it says: "The Committee understand that, in the U.S., it had been found that indiscriminate use of chemical fertilisers had in several cases resulted in bumper crops for the first few years after which the land was exhausted and the yield of crops dropped suddenly." It suggests that this point should be carefully examined and adequate and authentic data obtained from the U.S. and other countries with a view to avoiding similar mistakes here. Other suggestions made by the Committee are: (1) The burning of cowdung should be discouraged and arrangements made for the supply of alternative fuel to the villagers. (2) The composting of farm refuse and cattle-shed wastes should be given more attention. (3) Construction of community cattle-sheds on the outskirts of the villages should be encouraged. (4) The training of village blacksmiths and carpenters in the repairs and maintenance of improved implements should be simultaneously arranged in training-*cum*-production centres in each block.

The dependence of the average Indian peasant on one or two crops has always been one of the defects of Indian economy. It is wise for the farmer to see that he does not put all his eggs in one basket. This implies that, in addition to the main crops that he cultivates, he should grow one or more supplementary minor crops. The Committee has rightly stressed the need for enabling the farmers to grow such additional crops. The expansion and production of fruits and vegetables, according to the Committee, should receive priority in all community development and national extension service blocks. With this end in view, it has made a number of notable suggestions. In the first place, co-operative nurseries should be set up for the supply of reliable seedlings, grafts and seeds. Secondly, standard plans for setting up kitchen gardens should be prepared and supplied to those who want to set up such gardens. Thirdly, arrangements must be made for the supply of proper manure and garden implements to the farmers at reasonable prices. Finally, training in preservation of fruits and vegetables and in preparation of jams, jellies and preserves should be given in the production-*cum*-training centres. It is to be hoped that the Government, in consultation with the State Agricultural Departments and the Food Technological Research Institute at Mysore, will devise measures designed to implement the suggestions made by the Committee.

The other aspects of rural agriculture which have received the Committee's attention are: minor irrigation facilities, reclamation of land and soil conservation. It is certainly unnecessary to deal extensively with the importance of these aspects, considering that they form the

basis of all sound agricultural planning. Presumably, the Committee has been led to stress these obvious factors because it has found that they have not received the attention they deserve. Thus, the Committee remarks that the progress in minor irrigation has not been "satisfactory," especially in arid areas where the need for such irrigation is greater. It has, therefore, recommended that a proper survey should be made in order to assess the requirements in each project area and to provide the basis for a programme of minor irrigation facilities. It has recommended measures such as construction, repair and deepening of surface wells, construction and repair of tanks and canals, construction of tube-wells and direct pumping from perennial streams and rivers. Again, it has suggested that, in areas where heavy erosion has thrown out of cultivation immense areas on banks of rivers or in hilly tracts where erosion is a very serious problem, special efforts should be made to conserve the land adversely affected in regard to its fertility. It adds: "Incidentally, it may be mentioned that, where landless labourers are available in abundance, they may be willing to reclaim such eroded land if it was allowed to them free and assistance was given to them by way of cattle, seed, manure, etc., for bringing under cultivation the land which could have otherwise been lost." Concentrated efforts, as the Committee itself suggests, should be made in this direction.

As regards credit facilities, the Committee has drawn attention to the recommendation of the Rural Credit Survey Committee that loans should be given for creditworthy purposes, as distinguished from creditworthy persons. It emphasises that both *taccavi* and co-operative credit should be expanded as far as possible and the State Governments should ensure that there is no duplication in the advance of loans from co-operative and Government sources. The Committee feels that there is "great scope" for popularising the small savings movement in villages and suggests that "this item may be included as one of the aims of the community development programme." After stressing the need for setting up advisory committees for giving the necessary impetus to savings movement, the Committee has recalled some of the observations made by the Development Commissioners' Conference, held at Nainital in 1956. The Conference then suggested: (1) With a view to encouraging the people to save more, the proceeds of small savings should be used, as far as possible, for development work locally and on what people generally consider their own projects. (2) Maximum co-ordination is needed among various Government agencies interested in small savings movement in rural areas, such as nationalised insurance, State Bank of India and Post Office Savings Bank. The Committee, after drawing attention to these suggestions, has recommended that the results of the small savings movement should be included in the annual reports of the Community Projects Administration.

Foreign assistance, and in particular, assistance from the U.S., plays a notable part in the community development programme. Under the Technical Co-operation Programme Agreement, signed by the two countries in 1952, the U.S. has agreed to provide financial and technical assistance for speeding up development projects in India. During the four years ended 1955-56, funds have been provided to the tune of $11.3 million. The equipment imported under the Agreement includes jeeps, trucks, water tanker, cameras and mobile cinema vans, tractors, road rollers, irrigation and well-boring machinery, precision grinding machines and several types of health equipment. The equipment manufactured in India is not imported under the dollar aid. As regards the distribution of imported equipment to various States, the Ministry informed the Committee that the "policy in that respect was somewhat erratic in the beginning, but by trial and error, they had arrived at some kind of an arrangement which was comparatively satisfactory." The Committee has, however, suggested that an expert committee should go into the matter from a broader angle and recommend "rationalised distribution of equipment according to the needs of the areas concerned." It would appear that the terms of the agreement make it somewhat difficult for the Government to utilise it for purchasing all the necessary equipment. Accordingly, the Committee has suggested that the "feasibility of revising the agreement suitably by negotiation might also be examined." It is to be hoped that the American authorities will co-operate with the Government of India in any move designed to make the agreement more beneficial to this country.

Finally, it is necessary to draw attention to some general criticisms made by the Estimates Committee. These criticisms relate to the absence of adequate records of achievement under the community development programme and to the failure to examine actual achievements in the light of earlier targets. This does not mean that records are not being maintained or that no attempt has been made to keep progress under expert scrutiny. But the criticism has been made that the progress made in the direction of implementing the suggestions of the Programme Evaluation Organisation is not satisfactory. Perpetual self-introspection and constant examination should form part of the activities of the Ministry of Community Development.

One way of ensuring that progress is rapid as well as continuous is to set realistic targets and see that they are reached, and if possible exceeded, and in the event of failure, examine why such failure has occurred. This will also enable the authorities to apply an important criterion for assessing the success of the programme, laid down by the Development Commissioners' Conference, namely, economy and efficiency in the operation of extension service and avoidance of duplication, delay and overlapping of administration. We do not, however, attach any special importance to maintenance of elaborate records and piles upon piles of statistics. For the essence of community development is not something that can be assessed quantitatively or expressed graphically. At the same time, this consideration should not be made an excuse for administrative complacency or slackness in objective evaluation of results.

STATE GOVERNMENT EMPLOYEES

IN recent months, there has been considerable unrest in the ranks of State Government employees. The Governments, faced as they are with the need for finding fresh resources for implementing the second Plan, have been understandably unwilling to commit themselves too far in the direction of meeting the legitimate demands of their employees. But it is somewhat disconcerting to note that the employees of some, at least, of the State Governments have carried on their agitation for better pay scales and allowances with a certain extravagant show of "grievance" psychology, somewhat unbecoming of Government servants. This is not to suggest that their grievances are imaginary or their demands err on the high side. Only, it is as wrong as it is unnecessary for them to don the mantle of trade union agitators. This must rob their cause of the public sympathy which it so richly deserves.

It must, however, be recognised that the whole issue of State Government employees' emoluments is a complicated one. In the first place, State Governments' revenues are by no means very elastic. Besides, their functions have been growing steadily of late. No longer are they merely a revenue-collecting authority charged only with the responsibility of the maintenance of law and order. Secondly, the linguistic reorganisation of the States and the consequent integration of new areas have posed a new problem of unification of pay scales. It will be some time before this problem is completely or satisfactorily solved. But these factors cannot obviously make the Governments blind to the justice of the cause of their employees. Nor can the Governments plead that, because they are non-profit making organisations, they have some supernatural right to deny living wages to their servants. After all, Governments do compel private employers to pay decent wages to their employees irrespective of whether they make a profit or not. Incidentally, if State Governments' experience in dealing with the demands of their employees induces in them a more sympathetic attitude towards the corresponding difficulties of private employers, the recent agitation on the part of State Government employees may have done some unexpected good. But the point that deserves to be noted is that it is up to the State Governments to see that they have a contented staff. If this means that the Centre should assist the States—this seems to have been realised by the Central Government—such aid should be ungrudgingly given.

It is gratifying to note that some State Governments have already agreed to meet, at least partially, the demands of their employees. The Mysore Government announced that, with effect from 1st January 1957, its employees would get a little more than what they were getting prior to the formation of the new State. Further, the Government seems to have already taken in hand measures to equalise the pay scales in the old Mysore State and the new areas which have been integrated with it. The Government of Madras has announced its decision to pay all its employees drawing up to Rs. 300 per month a sum of Rs. 12 more per month as dearness allowance than what they were paid prior to 1st November 1956. This decision is expected to take effect from 1st April 1957. The total cost of this concession will be about Rs. 4.5 crores per annum. An official Press note avers that the "Government have had under consideration for some time past the representation made by the State Government servants for increase in dearness allowance." It adds: "An official decision in regard to the limit of the increase in dearness allowance can be taken only after the recommendations of the Finance Commission in regard to additional resources that may be made available to this Government are known." It is emphasised that the "Government servants will appreciate the concession now given and take this as a proof of the Government's earnest efforts to meet their legitimate grievances."

The Kerala Government has sanctioned certain *ad hoc* increases in the emoluments of its low-paid employees. Those getting a pay not exceeding Rs. 60 per month will get an increase of Rs. 7, while those with a pay between Rs. 60 and Rs. 200 will get Rs. 5. The minimum rate of dearness allowance in the State will now be Rs. 32 per month. This concession, it is computed, will involve an additional expenditure of Rs. 1.12 crores.

The reaction of the employees of the State Governments concerned to these concessions is not known. But it is believed that the employees of the Madras Government have not been very enthusiastic over the concessions now granted. Presumably, the employees of several other States are awaiting the result of the agitation in Madras and other South Indian States before they start pressing their demand for higher salaries and allowances.

There is one aspect of the demand of the State Government employees which deserves wider notice than it has received so far. The employees have demanded that their pay scales and dearness allowance rates should be the same as those of the Central Government. By and large, this is a just demand. It certainly does not stand to reason that State Government servants in district centres or State capitals should get lower emoluments than Central Government servants, especially when the nature of their work is not in any way inferior in quality, to, or less in quantum than, the work of the Central Government employees. Living costs are, if anything, as oppressive for one class of men as for the other. The only extenuating explanation for differential treatment which could be advanced is that Central Government servants are subject to inter-State transfers. But it is not true that all Central Government servants become, in practice, subject to such transfers. Actually, this argument applies only to Central Government servants in the higher rungs of the official ladder. In any case, as against this consideration, it seems to be generally acknowledged that the chances of promotion are both more numerous and quicker for Central Government servants than for State Government servants. The whole subject is, therefore, a fit one for extended and impartial investigation which should reveal the measures that are necessary in order to eliminate some of the more glaring disparities in the emoluments of these two classes of Government servants.

There is a special reason which ought to make the Central and State Governments take a particularly sympathetic view of the State Government servants' legitimate grievances. It must be remembered that the work of State Government servants brings them into more intimate contact with the day-to-day life of the people than the duties of Central Government servants. Clearly, if State Government employees continue to harbour a sense of grievance, it is bound to affect adversely the quality of their work and may even prove infectious to the people with whom they have to deal. From this point of view, the aim of the State Governments ought to be to possess an able and devoted staff, contented with their lot and willing to undertake new and more onerous responsibilities. The compelling considerations of economy, however, set a limit to what the State Governments can pay to their employees. It is thus necessary to marry the twin considerations of budgetary economy and loyal staff. This cannot be done through thoughtless extension of depa[rt]ments and proliferation of offices. The best [w]ay is to see that a minimum staff is main[tai]ned and maintained in reasonable comfort—[a]nd it is at all times prepared to give its best [s]ervice to the Government.

SHARE MARKET STILL MARKING TIME

SILVER IMPORTS—COTTON FROM EGYPT

PROCEEDINGS OF SCINDIA MEETING

WEDNESDAY, 5 P.M.

ALTHOUGH there has been no notable setback on the stock exchange, this week, and the recovery, which commenced last week, has been generally maintained, it is still true to say that trading continues to be dull and turnover restricted. This hesitancy is to be attributed partly to the absence of fresh incentives and partly—and only partly—to pre-budget caution. Isolated counters continue to enjoy preference, just as there are the usually neglected scrips. Perhaps, it will be only in May when the regular budget will be presented before the new Parliament that any marked change in sentiment, either way, is likely to take place.

MARKET GOSSIP

The present Parliament will meet on 18th inst. for a brief session which is expected to last till 28th inst. The budget, which, according to general belief, will be a tame affair, devoid of new tax proposals, will be presented on Tuesday, 19th inst., on which date the Railway budget will also be presented. The main purpose of the session is to sanction funds for the interim period until the new Parliament is able to consider the budget. Nevertheless, the Union Finance Minister, Mr. T. T. Krishnamachari, is expected to give the usual overall review of revenue and expenditure. Perhaps, this would give some clue to the shape of budgetary things to come before the new Parliament.

It will, of course, be futile to expect any startling changes in the Government's economic policy even when the present Parliament is replaced by the new. It is now abundantly clear that the Congress will be returned to power. Indeed, the only question is the magnitude of its majority. But it will have sufficient backing to carry through all its measures. In the sphere of the States, too, all present indications point to a comfortable majority for the Congress, except perhaps in Kerala. Only, it is to be hoped that the Congress, for the very reason that its position is invincible, will be encouraged to take realistic decisions, free from ideological bias.

* * * *

The bullion market has staged a recovery this week, after a period of well-nigh continuous recession in the previous four weeks which brought the values down from the peak levels seen after 1951. Thus, forward silver, which touched a high of Rs. 186-14, and forward gold Rs. 109 on 2nd February, retreated to a low of Rs. 175-9 and Rs. 104-6 early this month. But this recession has only been partially regained this week, when forward silver closed today at Rs. 178-15 and gold at Rs. 106-6. The recovery has been mainly due to covering by sellers, who strove very hard to hammer down the market in the previous weeks. The bulls had earlier placed considerable faith in the consideration that the import of silver coins from Tibet would stop during winter. But they were caught unawares when large quantities of coins were brought to Calcutta. The bears seized this opportunity to turn the market in their favour. Though they succeeded to a large extent in their attempt, they have not been able to carry out their intentions fully, as the imports seem to have dwindled this week and they have taken care to cover their positions.

The bulls have, no doubt, the upper hand now, as witness the carry-forward charges against them at As. 4 to As. 5 in silver, as compared with As. 6 against the bears at the end of the last settlement. Nevertheless, they seem to be somewhat hesitant. They have reason to be so, because, now that winter is almost at an end, an easier flow of Tibetan coins cannot be ruled out.

It is estimated that since May last such imports of coins against export of goods aggregated approximately 20,000 bars valued at Rs. 9 to Rs. 10 crores. It is also stated that a wide range of goods is exported to Tibet, including art silk and cement. It is common knowledge that Tibet cannot absorb such a large quantity of imports and they must have, therefore, found markets elsewhere beyond the Tibetan frontiers. Market circles feel that this indirect way of encouraging exports *via* Tibet can be justified more on political grounds than on economic necessity. The essential commodities exported against imports of silver would have found a market in the area concerned even otherwise—that is, without imports of silver.

Be that as it may, this barter arrangement has resulted in a large supply of silver to the Indian market. It is noteworthy that the entire supply has been absorbed by India, which shows that there is a large and potential demand for silver in this country. This is further illustrated by the fact that, notwithstanding such large imports, silver touched this year peak levels not seen since 1951. Even today, it stands Rs. 3 higher than a year ago.

* * * *

The slow progress of the small savings scheme, it is learnt, has led the Union Finance Ministry to examine a scheme for attracting deposits from small savers. Under this scheme, the Scheduled banks may be asked to accept fixed deposits for fairly long periods at 4½ per cent. interest. The depositor will have the facility of overdraft, and he can borrow, on the security of his deposit, up to 90 per cent. of the sum deposited. The interest on these loans would be ½ per cent. more than the rate allowed for deposits. The Government, it is stated, will allow Scheduled banks, accepting such long-term deposits, to employ those funds in making advances to business borrowers for periods up to four years. The banks can also earn interest at the rate of 6 per cent. on such medium-term loans. The new scheme, it is further stated, is intended to obviate the need for increasing the return under the existing small savings schemes, as a consequence of the Reserve Bank's new rate of 4 per cent. for discounting Government securities and of the Scheduled banks' new rate of 6 per cent. for short-term advances against first class securities.

The scheme, which is still under the scrutiny of the Government, has probably been taken up by it on its own initiative. Enquiries in banking circles show that banks are not aware of it, nor have they been sounded on it by the Government. It is likely that the authorities may forward the proposal, after finalising it, to banks. It, however, remains to be seen whether the banks will receive the scheme with any marked enthusiasm. For it is stated that it is not worthwhile for banks to work the scheme on a margin of ½ per cent. which will not even cover their expenses. Unless banks have a clear margin of 1¼ per cent., it will not be profitable for them to adopt it. Moreover, when they are lending at 6 per cent. on short-term advances against first class securities, it is not clear why they should make medium-term advances at 5 per cent. against deposits, although the borrowers' deposits are as good as any other first class security.

In the absence of any further details, it is not possible to examine the scheme in any elaborate manner. One thing is, however, clear. The Government, in implementing the scheme, is being forced to take an erroneous step in order to correct the earlier erroneous step of keeping the *de jure* Bank rate unchanged, while raising the *de facto* Bank rate. Moreover, the Government seems to have recognised its own folly, though it may not be willing to own it, in that it has not decided to raise straightaway the rates of interest on its own small savings scheme. It has probably chosen the medium of banks to carry out its intentions and incidentally pass on the burden of small savings scheme to banks.

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Cotton circles are eagerly awaiting the outcome of the meeting of the Cotton Buyers' Association and the Egyptian trade delegation to be held in the city tomorrow. Informal discussions have already been held by the Indian mill and trade interests with the members of the delegation. Although nothing concrete has emerged out of these discussions, the delegation would appear to be quite anxious to see that India augments its purchases of Egyptian cotton. In fact, it is reported to have expressed the Government of Egypt's willingness to give India a price discount of 7 to 7½ per cent. on purchases of cotton. It is also said to have agreed to accept payment in rupees.

While the aforesaid gesture of Egypt to offer India relief by way of price discount is welcome, it must be emphasised that the discount is too small to attract Indian mill interest in Egyptian cotton. For the currently prevailing prices of this cotton are very high. What is more, the cotton is of long-staple variety which is used mainly in the manufacture of superfine categories of piecegoods, in contrast to American and Sudan cottons which generally go into the production of medium and fine counts. The demand, particularly overseas, for the former categories of cloth is not encouraging, in view of high production cost and heavy excise duty of As. 4 per square yard. Thanks to these factors, imports of Egyptian cotton into India have slackened considerably of late. The aggregate quantity of Egyptian cotton actually imported into India during the period 1st September 1956 to 16th February 1957 was not more than 25,947 bales (of 400 lbs. each), as compared with 119,784 bales in the corresponding period of the previous season, or a drop of nearly 80 per cent.

The poor offtake of Egyptian cotton by India thus is bound to persist so long as the prices continue to rule high. With the recent fall in cotton prices at Alexandria and the discount of 7 to 7½ per cent. which the Government of Egypt is now willing to grant, one may no doubt expect an improvement in Indian purchases of Egyptian cotton. But the improvement will only be negligible. If Egypt is really anxious to push its sale of cotton to India, it must come forward with a more liberal discount than what is now offered, if not the full discount of 20 to 25 per cent. which some Indian cotton interests are asking. Such a course will, while helping India to secure a larger supply of long-staple cotton at a reasonable price, be of much advantage to Egypt itself. Raw cotton, it will be recalled, is one of Egypt's staple exports and, to the extent shipments of this commodity are augmented, the foreign exchange position of Egypt, which has deteriorated since the freezing of its sterling balances by the U.K., will improve.

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This year's annual general meeting of the Scindia Steam Navigation Co., Ltd., held in Bombay today, proved no less interesting than in the past. There was the usual volley of questions, some of which were relevant and some, perhaps, very much beside the point. Nevertheless, the Chairman, Mr. Dharamsey M. Khatau, justly well-known for his unperturbable temper, conducted the meeting with his usual charm. Before we record the proceedings of the meeting, it is, perhaps, well that we should refer to some salient features of the working of the Company to which Mr. Khatau himself drew the shareholders' attention. Mr. Khatau was naturally happy to report that his expectations of satisfactory earnings had proved correct. The Company's gross earnings of freight have shown an increase of 18 per cent. over the previous year. The improved results have enabled the management to pay, as is now well known, a dividend of Re. 1 per share and also to augment the Company's reserves and surpluses which now show a net increase of Rs. 107 lakhs over the corresponding figure at the end of the previous year. Mr. Khatau said: "These additions have enabled the Company to strengthen its finances and these will be necessary for the modernisation and expansion of our fleet."

The reform of the Company Law has had its effect on the connection between the Scindias and the Eastern Shipping Corporation Ltd., of which they were the managing agents. Since a company which has managing agents of its own cannot continue as the managing agents of another company, the managing agency of the Eastern Shipping Corporation Ltd. has now been terminated. The Government has, however, agreed to take over the shares held by Scindias in the Corporation amounting to Rs. 1.43 crore, at par. Mr. Khatau struck a felicitous note when he recalled how it was always a great pleasure for the Scindia management to work in co-operation with the Corporation. He hoped that these cordial relations would continue. The Company has, however, not been able to sever its connection with the Hindustan Shipyard Private Limited, in which it holds investments to the tune of Rs. 1.04 crore. Mr. Khatau said that the Company would continue its efforts to induce the Government to take over its interests in the Visakhapatnam shipyard.

It is gratifying to note from the Chairman's references to the operations of Scindia ships in overseas routes that there has been some welcome expansion in these operations. The working of the Company's Indo-U.K.-Continent service has been better this year, thanks to the fact that four additional ships were employed in this route and better rates of freight also prevailed. The Company has placed two ships on the Indo-Russian route with effect from July 1956. This has been made possible because of the bilateral clause for shipping services in the trade agreement between the two countries. The Company has also started, with effect from August 1956 a direct service from India to the West Coast of Africa *via* Mauritius. This is stated to be the first direct service to these countries from major Indian ports except Calcutta. It would appear that the Company has applied again for membership of the Conferences governing the trade from the U.K. to Colombo and from Colombo to the U.K. and the Continent. It is to be hoped that the Company will be admitted to these Conferences, considering that the claim for admission is based on historical, geographical and economic ties which this country has with its neighbours.

The Company has now a fleet of 41 vessels amounting to 215,435 tons gross. Out of these, 14 big cargo ships, three small cargo ships and four small passenger-*cum*-cargo ships of 101,372 tons gross serve the coastal and adjacent services. The remaining 20 vessels of 114,063 tons gross are employed in overseas services. Of particular interest to the shareholders should be Mr. Khatau's references to the future tonnage programme of the Company. The deliveries of four ships under construction in West Germany, he said, have been delayed owing to prolonged labour strike at the shipbuilding yard. It would, however, appear that all the ships will be delivered before August next. The two ships under construction at Visakhapatnam will be delivered towards the end of the year. All these ships will be employed on the overseas services. Since it has become more than necessary now to have faster ships, the management has taken care to see that at least a small beginning is made in the direction of possessing faster vessels. They have already placed with the Lubeck yard in West Germany an order for two 9,300 d.w.t. cargo vessels with a speed of 17 knots; one of them is expected to be delivered in 1959 and the other in 1960.

Finally, the Chairman attempted an assessment of the prospects for the Company in the immediate future. Although the expenditure side continues to show an upward trend, the freight increases made last year in the coastal and overseas trade will remain effective for the whole of the year 1956-57. Further, during the 1956-57 period, the Company's freight income will be augmented by the employment of two additional ships, *Jalavijaya* and *Jalavishnu*, which will have been in commission for the whole year. Two more ships, *Jaladhan* and *Jaladhruv*, will have operated for eight months each. The Chairman said: "We should, therefore, be able to show satisfactory results for the coming year also." It is to be hoped that the Chairman's prediction will again turn out to be as true next year as his last year's prediction proved itself this year.

The shareholders of the Company who attended the meeting were almost unanimous in pressing the demand for issue of bonus shares. They pointed out that a sum of over Rs. 1.98 crore, which was in the share premium account, belonged to them and should be returned to them in the form of bonus scrips. Mr. Dhirajlal Maganlal, one of the shareholders, said that the shares of the Company were now quoted at Rs. 20-5, whereas they were worth Rs. 25 per share. (The break-up value of the shares was, however, over Rs. 40 per share.) This gap, he said, should be made up by issuing bonus shares. He suggested that the bonus should be issued at the rate of at least one share for every four shares, on which basis the amount required to be capitalised was Rs. 2.35 crores. This could be made up by utilising the entire share premium account and a part

(Continued on next page)

EQUITIES SLUGGISH

UNDERTONE FAIRLY STEADY

(From Our Own Correspondents)

BOMBAY, *13th March*

THE share market remained sluggish during the week under review, with the closing prices slightly lower than the week's best levels touched early in the week. The operators seemed to be in no mood to extend their commitments, in view of the settlement on Friday and the *Holi* holidays. They also seemed to await the forthcoming interim Budget on the 19th inst., though it was known that the Budget would be a "lame duck." In the absence of any depressing factors, the undertone of the market remained fairly steady, but the volume of business was low.

In the steel section, Tata Ordinaries staged an early spurt from Rs. 175-4 to Rs. 177-4, but relapsed to Rs. 174-4 yesterday. The closing was, however, a shade better at Rs. 175. Indian Irons gained from Rs. 20-7½ to Rs. 20-13, but slipped back to Rs. 20-2½ before closing at Rs. 20-5.

Textile shares moved in a narrow groove and variations over the week were small. Bombay Dyeings gained ground early in the week from Rs. 577-8 to Rs. 587-8. The improvement was not, however, sustained in the face of profit-taking which took them down to Rs. 572-8 yesterday. At the close, there was again a mild recovery to Rs. 575-10. Centurys remained steady, though the trend was erratic. After moving between Rs. 473 and Rs. 482-4, the share finished at Rs. 475, a gain of Re. 1 over the week. After an early hardening from Rs. 334 to Rs. 336, Kohinoors softened to Rs. 331-8 at the close. Central Indias were marked down by Rs. 3 to Rs. 114, while Elphinstones provided a feature with a rise of Rs. 18 to Rs. 66. Finlays showed no change at Rs. 307, while Indu Ordinaries shed As. 1½ to Rs. 10-10½. Indore Malwas were down by Rs. 3-12 at Rs. 136-4 and New Greats by Rs. 2 at Rs. 228. Model Mills dropped Re. 1-4 to Rs. 178-12. New Kaiser-I-Hinds were marked up from Rs. 105-10 *ex-div.* to Rs. 107-8 *ex-div.* Shree Niwas Cottons were unchanged on balance at Rs. 183-12. Simplex moved between Rs. 175-8 and Rs. 179 and closed at Rs. 176, with no change over the week. Standards were lifted up from Rs. 440 to Rs. 443-12. Svadeshis were steady at Rs. 222-8, while Tata Mills were featureless at Rs. 50-4. Colabas changed hands Rs. 4-8 higher at Rs. 65, but Vishnus were done Re. 1-4 lower at Rs. 140.

Bank shares were extremely dull, with business restricted to a small scale. Barodas disclosed no change at Rs. 104, while Centrals were As. 8 down at Rs. 53-12. The new shares also shed As. 8 to Rs. 57. Bank of Indias were maintained on balance at Rs. 141. Punjab Nationals were a shade down at Rs. 53-8. United Commercials were stagnant at Rs. 57. Dena Banks were done at Rs. 38-4 *ex-div.*, as against Rs. 42 *cum-div.* quoted a week ago.

The insurance section was devoid of any interest and no worthwhile business was reported done. New Indias were dull at Rs. 41-4 and Dena Insurance changed hands a rupee lower at Rs. 37-12.

Electricity shares came in for selling. Tata Powers moved down by Rs. 11-4 to Rs. 1,208-12. Tata Hydros fell by Re. 1-8 to Rs. 121. Ahmedabad Electrics gave way from Rs. 100-15 to Rs. 100-5. Bombay Suburbans were neglected at Rs. 111-4, as also Surat Electrics at Rs. 113-2. Andhra Valleys, however, elicited special attention of some operators and picked up Rs. 6-4 to Rs. 1,206-4.

Trading in the miscellaneous section was at a low ebb and values moved generally downward. Engineering shares were depressed. Alcock Ashdowns fell by Rs. 8-12 to Rs. 271-4. Premier Constructions dropped Rs. 4 to Rs. 174. Tata Locomotives receded by Rs. 3-8 to Rs. 144. Larsen and Toubros declined by As. 4 to Rs. 15-14. Mining shares lacked support. B.B. Petrols shed nine pies to Rs. 2-10½. Indian Coppers lost three pies to Rs. 3-6¼. Shivrajpurs were quite at Rs. 92-8. Among sugar shares, Phaltans declined by Rs. 2-8 to Rs. 138. Belapurs were done As. 8 lower at Rs. 230. Walchandnagars, however, elicited some scattered support and rose by As. 10 to Rs. 278-5. Deals in cement shares were put through at reduced rates, A.C.Cs receding by Re. 1-12 to Rs. 166-4 and Orissa Cements by an anna to Rs. 13-2. Digvijays, on the other hand, were somewhat favoured at Rs. 147, as against Rs. 146-4. Premier Automobiles encountered selling and suffered a loss of Re. 1-8 to Rs. 98-8. Hindustan Motors changed hands at Rs. 7-9¼, as against Rs. 7-9. Great Easterns eased by As. 2 to Rs. 18-12. India Steamships slided down by As. 2 to Rs. 10-7. Scindias, however, met with buying enquiries and hardened by As. 5-6 to Rs. 20-15.

Among other miscellaneous industrials, National Rayons were on offer Re. 1-8 lower at Rs. 235. Tata Chemicals slided back from Rs. 16-4½ to Rs. 16-1. British India Corporations lost As. 2 to Rs. 7-14. Tata Oils were unaltered at Rs. 45. Hindustan Levers, however, gained an anna to Rs. 20-10. Bombay Burmahs were on request Re. 1-14 higher at Rs. 635.

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Madras Stock Exchange

MADRAS, *12th March*

The bullish trend noted on the Madras Stock Exchange last week abated somewhat during the week under review. In fact, the market ruled easy. The easiness was due to lack of encouraging advices from Bombay market and profit-taking. Consequently, equity values generally tended to look down.

Among tea shares, Chembras declined by As. 2-6 to Rs. 4-3-6. Neelamalais shed As. 2 to Rs. 6-9. Talayar Teas lost an anna to Rs. 12-1. Blue Mountains were neglected at Rs. 6-3, as also Devasholas at Rs. 21-12 and Nelliampathys at Rs. 3-7. Nilgiri Teas were stagnant at Rs. 10-12 and Kalasas were dull at Rs. 14-12.

Among rubber shares, Cochin Malabars fell by As. 6 to Rs. 9-13. Ouchterloneys dropped As. 2 to Rs. 5-4. Pullangodes and T. R. & T.'s were both quoted an anna lower at Rs. 2-14-6 and Rs. 10-3, respectively. Vaikundams were done at Rs. 32-4, same as last week. Kalpettas, however, had some good buying enquiries and rallied As. 12 to Rs. 25-12. Rajagiris were favoured As. 2 higher at Rs. 21-14.

Some buying enquiries were in evidence in the coffee section. Coffee Lands spurted by As. 10 to Rs. 26-4. Anaparais gained As. 6 to Rs. 5 *cum-div.* Mysore Coffees gathered an anna to Rs. 3-2. Sheveroys were unchanged at Rs. 2-5, as also Consolidated Coffees at Rs. 23-2 and Kadur Coffees at Rs. 3.

In the textile section, Lakshmis and Premiers fell by Rs. 4 each to Rs. 138 and Rs. 190, respectively. Radhakrishnas shed Rs. 2-8 to Rs. 280. Rajapalayams eased by a rupee to Rs. 149 and Saradas by Re. 1-8 to Rs. 113-8. Travancore Rayons were quoted As. 2 lower at Rs. 14. Cambodias were dull at Rs. 14-10, Coimbatore Cottons at Rs. 386, Kotharis at Rs. 15-12, Pankajas at Rs. 77 and Rayalaseemas at Rs. 150. Bangalore Woollens, however, were much sought after on bonus issue considerations and the quotation was pushed up by Rs. 7-8 to Rs. 592-8. Coimbatore Pioneers were marked up by Rs. 3 to Rs. 278. Ranga Vilas advanced by Rs. 2 to Rs. 91. Rajalakshmis and Coimbatore Spinnings were done a rupee higher each at Rs. 174 and Rs. 92, respectively. Maduras spurted by As. 14 to Rs. 48-8. Metturs remained firm at Rs. 442-8.

The miscellaneous section ruled featureless. Deals in cement shares were put through at reduced prices. India Cements were on offer As. 11 lower at Rs. 27-15. Dalmia Cements eased by an anna to Rs. 12-5. Andhra Cements were dull at Rs. 14-2. Spencers moved down by As. 10 to Rs. 16-2. Indian Steel Rollings were a shade lower at Rs. 11-7. Mettur Chemicals were neglected at Rs. 9-9, as also Mysore Chemicals and Fertilisers at Rs. 7-14-6. There were, however, some enquiries for Rallis which picked up As. 4 to Rs. 37. Similarly, F.A.C.Ts were favoured an anna higher at Rs. 6-6. In the sugar group, Travancores met with sustained buying and improved by As. 4 to Rs. 11-10. Indias and Mysores were quoted at Rs. 16-8 and Rs. 41, respectively, same as last week. E.I.Ds, however, receded by As. 4 to Rs. 28.

MARKET GOSSIP

(Concluded from previous page)

of the general reserve. The shareholders drew the attention of the Chairman to the fact that, as things stood now, the bonus shares issued out of the share premium account was free from bonus tax. One could not be sure what would be the position in this regard in respect of such bonus shares in the next budget. It might be that the Finance Minister would subject such issues also to bonus tax. The Directors should, therefore, take a decision on issuing bonus shares before the next budget. If, however, the tax was levied with retrospective effect, one could not help it. Anyway, the shareholders felt that the Directors should take a quick decision on the matter.

Another ground on which the issue of bonus shares was demanded by the shareholders was the sacrifice made by them in the past. One of them recalled that those shareholders who had bought the shares at the original face value of Rs. 30 each had suffered a lot when the paid-up value was written down from Rs. 30 to Rs. 15 per share in 1924-25. Though this was made good partially in 1954 by increasing the paid-up value to Rs. 20 per share through capitalisation of Rs 2.35 crores from the reserves, it was not, according to him, sufficient.

Replying to the shareholders' demand, the Chairman, Mr. Khatau, admitted that the suggestion was a useful one. He did not, however, commit himself to carry it out. He promised that the Directors would give due consideration to it and come to an early decision, taking into account all relevant factors brought out by the shareholders.

Another welcome suggestion made by the shareholders was that the Company should take up the problem of expansion of fleet. During the past few years, one of them pointed out, the Company had confined its attention only to modernisation, without any worthwhile expansion. Thus, at the end of 1952, the Scindia fleet amounted to 206,163 g.r.t., while it was no more than 215,435 g.r.t. at the close of 1956. He urged that there was considerable scope for expansion and this was the appropriate time to adopt a 'go-ahead' policy. He was of the view that this bold policy of expanding the fleet would pay the Company in the long run. One of the shareholders, however, warned the Company against any hasty action in respect of expansion at any cost. He said that it should be taken up with due consideration of the resources of the Company.

Mr. Khatau agreed that the Company should expand its fleet, but this was subject to the availability of resources. If it had to purchase a few ships, it could be done only by borrowing. By 1960, the Company's borrowings from the Government would go up to Rs. 11 crores. Mr. Khatau disclosed that the Company was making efforts to secure some vessels from the mothball fleet of the U.S., without straining its resources.

Some shareholders suggested that the Company could reduce its liabilities by selling out part of its investments in Government securities. At the end of 1956, such investments amounted to Rs. 1.45 crores. It was suggested that a substantial part of these could be sold and the Company's debentures could be purchased back to that extent. In reply, Mr. Khatau said that the position of Scindia in respect of investments was somewhat peculiar. It had no alternative but to keep a substantial portion of its investments in Government securities. As the Company required large liquid resources, it had kept its cash balances with banks. The position was being constantly studied by the Board and, only if it was found that balances with the various banks were high enough, they were invested in Government securities.

Another point of interest to the shareholders which was disclosed by the Chairman related to the earnings during the current year. He said that, up to the end of December 1956, the freight earnings amounted to Rs. 6.23 crores, as against Rs. 4.84 crores in the corresponding period of the previous year.

Other points of interest which emerged from the Chairman's reply were:

(1) The arrears of depreciation to be provided for amount to Rs. 3.25 crores. (2) The Company had to write back Rs. 21.50 lakhs being excess depreciation provision made in previous years; in the past, the Company was making a lump sum provision, but under the Companies Act, 1956, it is required to provide depreciation for each of the fixed assets and when this was done, certain excess provisions were found to have been made. (3) The Jalnath Insurance Company—a 100 per cent. subsidiary of Scindias—was started with the idea of keeping a small portion of the Company's insurance with the subsidiary and slowly building it up; now all the insurance is placed with a group of insurance companies, with New India Insurance Co., Ltd. having the largest share. (4) The Insurance Corporation of India is holding 84,700 shares of the Scindia Steam Navigation Co., Ltd. (5) If a ship is lost, the Company gets the insured value of the ship, which is based on the market value. (6) On most of the ships sold, the Company got a price above the book value. (7) The ships built by Hindustan Shipyard are of different kinds and their prices are based on U.K. prices. The prices of German ships are the lowest; the Company's policy in ordering ships is based on lowest prices and early delivery of ships.

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Since the major portion of India's foreign trade is with the U.K. and West European countries, any factor which affects the trade of these countries is bound to have its repercussions on India. A look at the trend of trade since the time of the crisis in West Asia will clearly bring out the force of this statement. Not only has the volume of trade between India and the U.K. and W. European nations suffered a distinct setback but India has been forced to pay markedly enhanced prices for the goods and commodities supplied by them. The high cost of these imports was at one time expected to persist for long, thereby handicapping the implementation of the series of development schemes under the second Five-year Plan. Viewed thus, it is, indeed, gratifying to be told that the Suez Canal will be re-opened for traffic by the end of this month, although, to start with, navigation will be confined to major ships. Also gratifying is the news that the flow of oil from Iraq to the Mediterranean will be resumed in the next couple of days. The Iraq Petroleum Company has already engaged itself in repairing its damaged pipelines and pumping stations. The Company expects that the flow of oil can be maintained at an annual rate of 11 million tons—44 per cent. of normal—within seven days after minor repairs to the pipe manifolds. This means, it is said, that a big saving in long tanker hauls can be made which will probably be sufficient to bring the quantity of oil available to Europe up to 100 per cent. of normal requirements during the second quarter, even if no oil is received through the Suez Canal.

In the meantime, the Petroleum Emergency Group of the O.E.E.C. Oil Committee has come out with its forecast of a "big increase" in the flow of oil to Europe in the coming quarter, notwithstanding the continued closure of the Suez Canal and the pipelines across Syria. According to this Group, about 94 per cent. of the normal requirements of the 18 W. European nations will be available between April and June, as against 85 per cent. in the current quarter. W. Europe's total stocks of petroleum products at the end of the current month are estimated at about 5.1 million tons, as against 5.8 million tons at the beginning of the year. This quantity is equivalent to 3¼ weeks' normal consumption. The gas-diesel stocks are estimated to equal four weeks' consumption and that of fuel oil about three weeks.

Notice

THE ELGIN MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 30th March to 16th April 1957, both days inclusive.

By Order of the Board,
P. P. BEGG, SUTHERLAND & Co. PTE. LTD.,
E. C. CALDWELL,
Registrar,
Managing Agents.

KANPUR, U.P., *9th March* 1957.

NEWS IN BRIEF

THE Union Lighthouse Department will set up five new lighthouses with modern equipment within the next six months.

The 13th annual session of the Federation of Indian Chambers of Commerce and Industry will be held on the 22nd and 23rd inst. at New Delhi. Prime Minister Nehru will inaugurate the session.

The Union Ministry of Health has sanctioned the establishment of a demographic teaching and research centre at Bombay in collaboration with Sir Dorabji Tata Trust. The Centre will be developed further with U.N. assistance so as to enable it to serve the needs of all Asia.

The Rajasthan Government has appointed a Finance Enquiry Committee under the chairmanship of Mr. N. Madhava Rao, a former Dewan of Mysore. The Committee will review the trend of public expenditure in the State and the resources available therefor and is expected to submit its report by 1st March 1958.

The Agricultural Engineering Committee of the Indian Council of Agricultural Research has just approved three schemes for the production and popularisation of improved agricultural implements. Under another scheme, four testing centres are to be located on a regional basis for improving bullock-driven agricultural implements.

The Madras Government will shortly establish a production centre for the manufacture of scientific apparatus required by educational institutions and laboratories in the Industrial Estate at Guindy. It will also train 10 candidates every year. The scheme, which is estimated to cost Rs. 8.5 lakhs, will receive financial aid from the Centre to the tune of Rs. 6.31 lakhs.

The Government of India has sanctioned the purchase of conventional earthmoving machinery and special earthmoving equipment at a total cost of Rs. 5.5 crores for the Neiveli Lignite Project. Adequate provision has also been made for expenditure on execution of the mining part of the project for the next year, despite the need for conserving foreign exchange resources. The target date of mining lignite is the beginning of 1960.

It is made known that 80 engineers recruited for the Bhilai Steel Project are already undergoing training in the Soviet Union. Eleven more engineers have just left for that country. For the Rourkela Steel Plant, 67 engineers are undergoing training in steel works in West Germany. The first batch of engineers for the Durgapur Steel Plant will go to the United Kingdom in June this year. It is stated that 300 engineers for this plant will be trained in British steel works under the Colombo Plan.

An agreement between the Governments of India and the U.S. providing a sum of $1 million out of the Development Assistance Funds for India's filaria control programme was signed at New Delhi by Mr. B. K. Nehru, Secretary, Ministry of Finance, Government of India, and Mr. Howard E. Houstan, Director of the Technical Co-operation Mission. The funds provided under the agreement will be utilised for the purchase of 470 long tons of dieldrin and water wettable powder required for the use of 54 units under the filaria control programme. The Government of India will provide funds to meet the local costs of operation, including procurement of indigenous items of equipment and supplies.

The Travancore Rubber Works Ltd., a company owned by the Government of Kerala, is seeking U.S. technical assistance and collaboration for the expansion of its operations and development of new lines of production. The firm is interested in obtaining the services of technicians to train local employees and is reported to be willing to send its technical staff to the U.S. for specialised training, if necessary. It proposes to modernise a section of the existing factory for the manufacture of latex foam goods. In addition, it also seeks patents and 'know-how' for the manufacture of meteorological balloons, tested electrical gloves and related products.

The power plant of the Caltex Oil Refinery at Visakhapatnam is now ready after a series of successful tests in the month of February. The plant is responsible for adequate steam and compressed air supplies for the major units of the Refinery. The plant, operation of which is a necessary prelude to the overall functioning of the Refinery, has other uses. It treats fresh water for drinking purposes and houses power pumps such as the emergency fire pump. The power plant also possesses a generator which can serve as a standby in an emergency. While the Refinery will use its power plant for specialised purposes, it will derive its chief supplies of electric and water power from the Government Machkund hydro-electric scheme and the Gosthani river project. The Refinery will be ready for full operation by the middle of this year.

India has been authorised by the U.S. Department of Agriculture the purchase of an additional $658,000 worth of non-fat dry milk with Indian rupees. The authorisation amends an agreement entered into last February under which India was authorised to buy $133,000 worth of the commodity with Indian currency. The amendment increases the tonnage involved by about 3,000 metric tons. Shipment of the milk will be made from American ports until June. This is part of the agricultural commodities agreement between India and the United States for $360 million worth of wheat, rice, cotton, etc., to be shipped over the next two and a half years. Called the largest transaction ever negotiated between any two countries, most of the proceeds revert to India for economic development on a long-term loan basis. Last month, a shipment of 450 tons of dried milk reached India as part of a 3,000-ton gift from the U.S. for flood relief.

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From Abroad

The British Overseas Airways Corporation flew more passengers from North America to Britain than any other individual lines in 1956. It carried 39,533 passengers on scheduled flights from the American eastern seaboard and Canada.

A group of American banks, headed by the Chase Manhattan Bank of New York, has agreed to extend credit of about $100 million to a group of French banks, headed by *Lazard Freres et Cie*, for the purchase of petroleum and petroleum products.

Two professors of the Massachusetts Institute of Technology, U.S., have succeeded in producing artificial penicillin. Ten different types of the synthetic drug are being tested at present to ascertain their medical uses. The synthetic product is considered less likely to cause allergies, but it is expected to be more expensive.

The Hanover Fair will be held from 29th April to 7th May next. It will have several exhibits of interest to Indian industrialists. A vast range of light and heavy industrial equipment will be on display. Last year, visitors from 87 European and overseas countries went to the Fair. Foreign exhibitors numbered 385 from 18 nations.

The de Havilland Engine Company of Britain is developing what is believed to be the most powerful supersonic turbo-jet aero engine in the world. The engine has already successfully completed its first development stage. It has been designed for military aircraft flying at speeds between 1,000 and 2,000 miles per hour at an altitude of 50,000 feet.

In order to allow a freer flow of funds for income-tax payments, the Reserve Bank of New Zealand has cut the trading bank's reserve ratios by one half. The reduction is temporary and the ratios will be increased within a few weeks to ensure that the present degree of restraint on bank credit will be maintained until economic conditions justify the relaxation.

The Anglo-American group of firms, comprising American Machine and Foundry and Michell Engineering of London, will supply Germany's first privately-owned experimental power reactors of 15 megawatt electrical output. The value of the contract is about £3 to £3.5 million, a sum which covers the initial supply of uranium. The reactor will be owned and operated by one of Germany's largest industrial enterprises.

Russia is planning to build up a major industrial and agricultural centre in the Amur basin, in the country's easternmost area bordering on Manchuria. About 150 Soviet and Chinese scientists are studying problems connected with the project. It is estimated that Amur's power resources are sufficient for scores of hydro-electric power stations. Large deposits of coal, non-ferrous and rare metals had been discovered in the area.

Italy's industrial output last year rose by about 8 per cent. over that of 1955, despite a comparatively unfavourable year for Italian agriculture and the difficult financial situation. Foreign trade touched record levels and both imports and exports expanded. Deficit on visible trade, however, widened to £363 million. The invisible exports were, of course, sufficent to cover the deficit and, in fact, to leave a small favourable margin.

The largest oil refinery in Brazil with a daily capacity of 90,000 barrels will be built shortly in the Caxias district of Rio State. The refinery will cost $55 million and its products will be more than sufficient to meet the requirements of the Federal District and the State of Rio of petrol, kerosene, diesel oil, fuel oil, etc. Access to the refinery will be available to the largest tankers without high port charges such as are paid by the Cubatao refinery at Santos.

U.S. manufacturers will set up at least 180 new manufactured plants in Puerto Rico during the year ending 30th June 1957. The Commonwealth's Economic Development Administration says the total is a record high for industrial expansion in a one-year period, and will provide employment for about 14,000 additional workers. During the past year the Island Commonwealth's income from manufacturing exceeded that from agriculture for the first time in its history.

During the three months November 1956 to January 1957, Britain imported 2.6 million tons of oil valued at £31 million from the dollar area, as compared with 1.5 million tons valued at £17 million in the corresponding period of the previous year. The reduction in normal oil supplies to the U.K. in the same period was 4.5 million tons, of which nearly 1 million tons were made good from the dollar area.

PERSONAL

MR. S. V. Rayan, Editor, *Commerce*, left Bombay on the 8th inst. for a two-month tour of the United Kingdom and the Continent.

Mr. S. N. Haksar, lately Ambassador of India to Turkey, has been appointed India's Ambassador to Afghanistan. He will assume charge of his new assignment early in May.

Sir George Mackinlay, a former President of the Associated Chambers of Commerce of India and of the Bengal Chamber of Commerce, left Calcutta on 11th inst., on retirement after nearly 30 years' stay in India. He was till recently Chairman and Managing Director of Messrs. Jardine Henderson Limited.

Mr. Cecil Stack, Managing Director, Dunlop India, will shortly retire from India after 33 years to take up a new assignment with the Dunlop Company in the U.K.

Mr. John Luckham will succeed Mr. Cecil Stack as Managing Director of Dunlop India, on the latter's retirement at the end of March.

"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *19th March*

Indo-British Trade

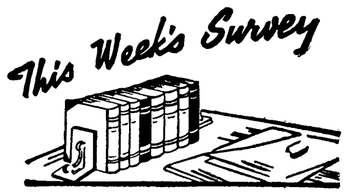
Despite the most cheery optimism stubbornly maintained by us with regard to the trend of trade, and although there are undoubtedly some signs of an improvement here and there, yet our gladness is constantly turned into sadness by appalling indications of the intensity of the depression, out of which we have not yet completely emerged. Reviewing the general economic position of the country in the course of his budget speech in the Legislative Assembly last week, the Finance Member stated that the monsoon was favourable and agricultural production was normal and yet our foreign trade had fallen to barely half of what it was two years ago; merchandise exports and imports dwindled to Rs. 134¾ crores and Rs. 105 crores, respectively, in the 10 months of the current year, as against Rs. 265 crores and Rs. 201 crores in the same period of 1929-30. These figures serve to indicate the extent to which our difficulties are due to world conditions. Jutes and jute products and raw cotton claimed a major share in the fall of exports from Rs. 120 crores to Rs. 49 crores. In imports, cotton manufactures accounted for about Rs. 34 crores and sugar for about Rs. 9 crores. The extent to which the British textile industry lost ground in the Indian market during 1931 is brought out in figures published in our textile section this week. In almost every case heavy reduction of imports is to known, though these figures should be read side by side with the reduced imports of foreign textile goods generally. In piecegoods imports for 1931, British trade suffered very heavily indeed—357 million yards compared with 797 million yards for 1930 and 1,276 million yards in 1929. A study of the figures shows that what Britain has lost India has not gained. The trade has gone eastwards to Japan. She is the second largest supplier of piecegoods in India and has not suffered from the trade depression to anything like the same extent. For instance, her piecegoods imports into India during the last three years were 336 million yards in 1931, 390 in 1930, and 521 in 1929.

The internationally-owned Iraq Petroleum Company of London has agreed to lend Iraq £24 million, free of interest, for three years. The loan will be an advance of future oil royalties to help the Government overcome its 1957 budgetary deficit and the Iraq Development Board to continue the implementation of its development programmes. It has also agreed to build a 30-inch pipeline from Iraq's southern oilfields to Kuwait. Construction is expected to start in September next.

The Union Carbide and Carbon Corporation of the U.S. has formed a new research institute to conduct basic scientific research. A major purpose of the institute will be to contribute to the store of fundamental knowledge by studying the physical and chemical behaviour of matter under ordinary as well as extreme conditions of pressure and temperature. The work at the proposed institute will complement and extend the basic research now being carried on in the existing research laboratories of the Corporation.

The Government of Nepal has constituted a council to act as machinery to expedite the execution of the country's first Five-year Plan. Three foreign agencies, including the U.S. Technical Co-operation Mission and the Ford Foundation, which are aiding Nepal, are associated with the Council in an advisory capacity. It may be recalled that, recently, the Prime Minister of Nepal, Tanka Prasad Acharya, inaugurated the 31-member Planning Commission representing various political parties in the country.

The advent of European free trade is the greatest challenge to British industry, according to Mr. C. S. Garland, President of the National Union of Manufacturers of Britain. Though it is recognised that the free trade plan presents a great opportunity for the expansion of British trade, it also means a time of serious difficulty and readjustments.



CREDIT FACILITIES FROM JAPAN

CONSIDERING the tight foreign exchange position that India is experiencing at present, it is, indeed, gratifying to be told that the Japanese industries manufacturing machinery and equipment would be prepared to extend credit facilities, if the Government of India were to guarantee such a deal. Addressing a meeting of the All-India Manufacturers' Organisation at Bombay last week, Mr. Teshigawara, one of the members of the six-member industrial delegation from Japan which was on a ten-day visit to India, stated that Japanese industrialists were prepared to consider on merits individual requests for credit from India, provided the Government guaranteed the credit. So far as the supply of Japanese machinery on credit for small industries is concerned, the question would, Mr. Teshigawara said, be discussed between the Indian Government and the Japanese Ministry of International Trade and Industry.

The willingness of Japanese industrialists to help India in the programme of industrialisation by supplying machinery and equipment on a long-term credit basis must be widely welcomed, especially in the context of the changed trend in Indo-Japanese trade during the last four years. Thus, during 1955-56, India had an adverse balance of trade to the extent of over Rs. 3 crores, in distinct contrast to the favourable balance of Rs. 16.07 crores in 1952-53. This is due to the fact that exports from India to Japan have not only not kept pace with imports from that country but have actually fallen. The value of goods and commodities exported from India to Japan has declined from Rs. 31.89 crores in 1952-53 to Rs. 30.22 crores in 1955-56, while that of imports has gone up from Rs. 15.82 crores to Rs. 33.37 crores. Imports are bound to be larger still in the coming years, what with the increasing tempo of imports necessitated by the implementation of the second Five-year Plan. While the goods that Japan supplies to India are of great value, the chief difficulty in the way of larger purchases by India is foreign exchange. This could be overcome only if Japan rendered necessary assistance to India in the shape of long-term credits, as some of the other industrially advanced countries are doing.

Equally imperative is the need for augmenting India's export trade with Japan, the scope for which is not inconsiderable. Viewed thus, the finalisation of the terms and conditions of the contracts for the supply of iron ore to Japanese steel mills by the State Trading Corporation of India, in pursuance of the broad agreement for the purchase of 7.2 million tons of Indian iron ore by the mills over a period of five years (beginning from April, 1957), is of great significance. The delegation of seven Japanese steel mills' representatives, which was in New Delhi for negotiations with the Corporation, left for Tokyo last week. In accordance with the agreement reached, the contract for 1957-58 provides for export to Japan of 1.3 million tons of iron ore; the shipments will be effective from 1st July next. During the negotiations at New Delhi, the possibility of Japanese interests collaborating in the improvement of facilities in minor ports on the east and west coasts of India in order to enable India to make larger supplies of iron ore to Japan was also discussed. Consideration of this question is expected to be continued later.

CUSTOMS RE-ORGANISATION

The Customs Re-organisation Committee (Chairman: Mr. F. C. Badhwar) has commenced its work in right earnest and with commendable speed. Instead of issuing, as is usual with an enquiry committee, a questionnaire to the interests mainly concerned and basing subsequent action on the data thus collected, the Badhwar Committee has first addressed a communication to the various chambers of commerce, trade associations, etc., in which it has asked the latter to indicate their more pressing problems and difficulties. Such a course, there is no doubt, will assist the Committee in framing a "topically important and balanced" questionnaire and also help in fixing priorities for investigation, as well as highlight items on which concentration will be advantageous.

In particular, the Committee has requested the chambers and associations to provide their constituents with opportunities to write direct to the Committee, if they so desire, on any subject relevant to the investigation. This move must be welcomed, considering that it is these constituents—individual importers and exporters—who have first-hand dealings with various customs regulations and procedures. Surely, the extent to which the Badhwar Committee can adopt correct approaches to its many-sided investigations and the ultimate results of its labours will depend, to a large extent, on the data and co-operation provided by the interests concerned. It must, of course, be emphasised here that, while submitting their memoranda to the Committee—the last date for the receipt of such memoranda is the 31st inst.—the business and mercantile community should confine itself to the terms of reference of the Committee. For what is required at this stage is not the collection of a mass of discursive material but practical suggestions to deal with delays, difficulties, out-of-date methods or cumbersome procedures.

After examining the memoranda submitted by the concerned interests, the Committee will prepare a questionnaire and circulate it among the chambers of commerce and trading associations for eliciting opinions. The latter will thus have another, and perhaps fuller, opportunity for making known their views. The Committee has been asked by the Government to submit its report within nine months of the date of its appointment, that is, before the end of October next. While the time given to the Committee for submitting its report is quite adequate, it is to be hoped that the Government will take a prompt decision on the recommendations of the Committee and implement them without any delay. For, if the pace of implementation of development schemes is not to receive a setback, the huge imports into the country must be freed from unnecessary and cumbersome customs procedures and regulations.

PLANTATION COMMISSION'S REPORT

The Plantation Enquiry Commission's report on tea, which is still under scrutiny by the Government of India, suffers from certain drawbacks. In the first place, its conclusions and recommendations on tea were based on figures relating to 1953. Secondly, the Commission drew certain comparisons between Indian and non-Indian estates which seemed to be based on incomplete data. As an instance in point we are told, on the authority of Mr. J. P. H. Bent, Chairman of the Indian Tea Association, the questionnaires which the Commission sent to all sections of the tea trade and industry, were completed by 99 per cent. of sterling and non-Indian controlled tea estates and by only 14.4 per cent. of Indian tea estates. When such a small percentage of Indian companies only came forward to answer the questionnaires, the comparisons drawn by the Commission, as Mr. Bent points out, can hardly be fair.

Based on such incomplete data, the Commission came to the conclusion that Indian companies showed a higher rate of growth of assets than non-Indian companies. Thus, according to the Commission, the total net assets of 247 companies increased from Rs. 41.80 crores in 1939 to Rs. 56.07 crores in 1946 and further to Rs. 88.62 crores in 1953. The increase in fixed assets between 1939 and 1953, the Commission went on to point out, was only 30.3 per cent. in sterling companies, about 56 per cent. in non-Indian companies, while in the Director-controlled public limited Indian companies, it was 92.7 per cent. and in companies under Indian managing agency it ranged between 47.5 per cent. and 80.8 per cent.

These figures seem to suggest that sterling companies spent very little money on the improvement and maintenance of their properties. The figures collected by the Indian Tea Association, however, depict a completely different picture. Thus, according to the Association, during the eight years 1947-54, 110 sterling companies with a total of 333,216 acres under tea spent as much as Rs. 17.75 crores on expenditure of a capital nature, such as additions and improvements to, or replacements of, buildings, machinery, plant, transport, electrical equipment, fences, water-supply and new planting, not to speak of the expenditure on replanting of existing tea areas. At the close of 1946, the fixed assets of these 110 companies, as shown in their balance-sheets, amounted to Rs. 25.3 crores, so that the capital expenditure of Rs. 17.75 crores in the subsequent eight years cannot be considered a small sum.

The Indian Tea Association, in the course of a memorandum submitted to the Government, has felt compelled to draw attention to some erroneous aspects of the Commission's report. For example, the Association feels that insufficient attention has been paid to the economics of quality production, to the effect of high taxation on the speedy implementation of social measures, and to the consequences of dwindling resources in land and money. It regrets that little credit has been given to the estates for the enormous works which were completed out of their revenue and that the Commission has attempted to assess the condition of an estate by seeking to interpret—not always correctly—what was in the balance-sheet. It is pointed out that in no instance are the dangers of such interpretation more manifest than in the matter of replanting. The Commission suggested that gardens had generally neglected replanting and that an annual programme of replanting at the rate of 1.66 per cent. of the acreage under tea should be aimed at. According to Mr. Bent, however, the average rate of replanting of the Association's member-estates, inclusive of infilling work, which is an important form of replanting, has been of the order of 1.82 per cent., that is, more than what the Commission recommended.

The Association is also unable to accept the sweeping changes which the Commission proposed in the marketing of tea or the enormous burdens which it suggested should be placed on the Tea Board's shoulders. It is of the view that many of the recommendations, if adopted, would have far-reaching effects on the fortunes of the tea industry—an industry which, it should be remembered, is the largest employer of labour in this country, and now the chief earner of foreign exchange. Much of the data collected relates to 1953, a year when short-term economies were introduced following the 1952 slump. Since then, the Association points out, improvement and maintenance work have been resumed, and costs have increased, due to the introduction of provident fund for the labourers, the Assam carriage tax, the Calcutta entry of goods tax, and the implementation of the Plantations Labour Act. To that extent the statistics appearing in the Report are already out of date. Many of the recommendations would appear to stem from a doctrinaire approach to the problems and to be coloured by preconceived views. Statistics have been taken at their face value to prove a point when a more exhaustive study would have shown the limited value of such figures when not read with other essential data. Percentages have been used to show increases for comparative purposes, without any comparison being made of the actual values. These pitfalls would have been avoided, the Association feels, if the Commission had devoted more time to actual inspection of the properties they were criticising.

The Commission's task was not an easy one and for that reason there is bound to be a time lag between the collection of statistics and the drawing of conclusions thereon. But the Commission's conclusions and recommendations seem to be somewhat outmoded so that the Government will necessarily have to examine the issues more thoroughly before it takes its final decisions.

LOANS TO AIR-INDIA INTERNATIONAL

The recent arrangement concluded by the Air-India International Corporation (A.I.I.C.) for a loan of $16.8 million from five United States commercial banks and the World Bank to finance the dollar costs of three Boeing long-range jet passenger planes marks an important stage in the progress of the Corporation. As far as the A.I.I.C. is concerned, considerable progress in respect of expansion, operational efficiency, etc., has been made since 1953, when it was nationalised. There were only five aircraft—all Constellations—at its disposal at the time of nationalisation. Subsequently, five more Super Constellations were added to its fleet in 1955, though one of the Constellations, namely, the "Kashmir Princess," was lost due to sabotage. Three more Super Constellations have been added more recently to the fleet, making a total of eleven. Besides, the Corporation's operations have grown from a weekly Bombay-London service in June 1948 to eleven services along routes aggregating over 22,000 miles.

(Continued on page 541)

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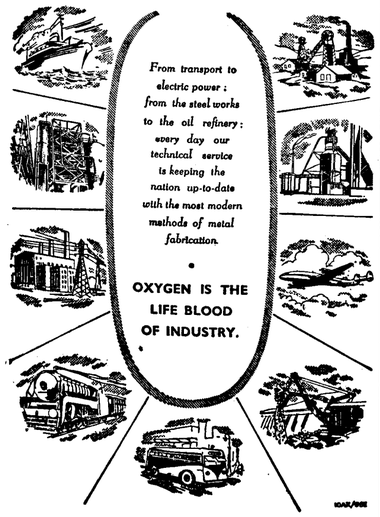

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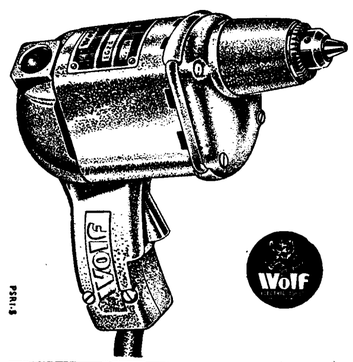

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FOREIGN EXCHANGE FOR PURCHASE OF CAPITAL GOODS

THERE ARE STILL CHANCES OF OUR GETTING U.S. LIBERTY SHIPS

From Our Own Correspondent

NEW DELHI, 12*th March*

DELHI LETTER

INDIAN industrialists who were asked to arrange for deferred payment for their imports of capital goods in the current half-year have not, it appears, found it easy to do so. The Industrial Credit and Investment Corporation has, therefore, decided to make available to Indian concerns the foreign exchange which it has by way of a 10-million dollar loan from the World Bank. The Corporation, however, does not appear to be adopting an expeditious procedure in the matter of dealing with the applications of Indian parties for foreign exchange to purchase capital goods. Instead of itself judging the creditworthiness of each industry, the Corporation, I learn, refers each and every application to the World Bank. This is a dilatory process which may cause further difficulties to the private industrial sector which is already handicapped by the foreign exchange crisis. It is hard to see why the Corporation, which has the discretion to deal with a loan application on its merits, should thus shirk its responsibility after having decided to make the World Bank loan (foreign exchange) available to Indian industries.

It is now becoming apparent that private industries in India are not quite succeeding in their efforts to persuade visiting foreign trade missions to take interest in their schemes for collaboration with foreign business. Foreign industrial interests, it appears, are more anxious to participate in the expansion plans of State enterprises rather than in those of private enterprises in India. Foreign business men's comparative lack of interest in the plans of private industries is attributed to the uncertainty regarding their institutional stability under the present industrial policy of our Government. Indian industrial interests, therefore, expect of the Government to make it easy for them to win the confidence of foreign creditors with whom they are asked to collaborate with a view to getting foreign exchange.

New Industrial Units

A related facet of the Government's policy is to be found in its stipulation that the new industrial units it is licensing should be set up with indigenous machinery. But where is the indigenous machinery? In effect, this condition would delay the establishment of new units. This delay which is perhaps deliberately intended can, of course, be explained on the score of foreign exchange difficulties. As this kind of delay should not be allowed to persist till heavy machinery manufacturing plants come into existence, it is thought that the Government should be somewhat considerate in the matter of allowing the private sector to get capital goods from abroad for setting up new units. As the Government, for example, is thinking in terms of raising the target of cement production to 16 million tons by 1960-61 and as the new cement units that are being licensed will be faced with the problem of how to import the required machinery, the need for liberalising import restrictions on capital goods is indicated.

If the present foreign exchange crisis is causing difficulties to the private sector, the crisis in internal resources for the Plan is perhaps developing in an even more acute form. The Government of India now appears to be anxious to import from the United States the entire quantity of wheat (under the Indo-American agreement for the loan of wheat, rice and cotton surpluses) by May 1958—that is, in less than two years, as against the agreed three years. This hurry is explained by the Government's need for getting the rupee equivalent by selling the wheat to consumers in India. Three million tons of wheat will be involved in this transaction.

Purchase of U.S. Liberty Ships

Conflicting reports are coming in regarding the possible purchase of a dozen or so ships of an aggregate 100,000 tons from the American mothball fleet. The ships are required to relieve the pressure on Indian coastal shipping to some extent. One report has it that our Government's negotiations in this regard have failed. I learn, however, that there are still chances of our getting the ships. It is only just a fortnight since Mr. Humphrey introduced a resolution in the U.S. Senate in this connection. The resolution, which seeks to authorise the sale of a certain number of merchant type vessels to the Government of India or to citizens of India for use in the coastal trade of the country, has been referred to the Senate Committee on Inter-State and Foreign Commerce. This is a joint resolution of the Senate and the House of Representatives. Under the resolution, the U.S. Secretary of Commerce will be authorised, at any time prior to 12 months from the date of enactment of the joint resolution, to sell on an as-is-where-is basis to the Government of India, or to citizens of India, not more than 12 Liberty-type vessels, or such number of smaller merchant type vessels as may have a total tonnage equivalent to such Liberty-type vessels. Sales authorised under this joint resolution shall not be made unless it is determined that such sales will contribute to the economic development of India and unless the Government of India agrees that the vessels sold shall be used only in the coastal trade of India. Sales shall be made at such prices as are determined by the U.S. Maritime Administrator to represent the reasonable fair market value of the ships sold, considering their present age and condition and the limited field of operation allowed under the terms of the sale. At the time of any such sale, the purchaser shall pay at least 25 per cent. of the price determined. In the event of the full purchase price not being paid at the time of the sale, the unpaid balance shall be secured by a first preferred mortgage on the vessel sold, with interest on such balance at the rate of 3½ per cent. per annum.

Sympathetic Approach

Introducing the resolution, Mr. Humphrey spoke, *inter alia*, as follows:

"Many Americans are not fully aware of the great efforts that are being made by the people of India to develop their inland transportation in order that the total economy of their country be improved. There is a tremendous shortage of means whereby materials can be moved within India. We have, through our I.C.A. programme, already assisted India by furnishing millions for the procurement of railroad equipment. However, even this assistance falls short of requirements.

"An important and vital part of transportation in India is found in their coastwise shipping. The Indians have been endeavouring to build vessels for this purpose, but, with present conditions in the shipbuilding industry, it has been impossible to secure deliveries to meet immediate and pressing problems.

"Unlike most nations of the world, India was not in a position to participate in the provisions of the Ship Sales Act when that authority was in existence. That authority coincided with the development of India as a separate nation, and they simply were not in a position to proceed with a ship-procurement programme. As they reached that position, the authority of the Ship Sales Act had expired and, in the absence of specific legislation of this type, there is no way they can buy any of our surplus vessels.

"It should be clearly understood that these vessels would be restricted to the coastwise trade of India, and could not compete in any way with our own merchant marine. In fact, their acquisition by the Indians should help some of the congested port conditions in the larger ports which are serviced by our merchant marine.

"The joint resolution provides in every way that the interest of our Government be protected, and I believe that it would be a material step forward in our assistance programme to the Indian Government with no cost to the American taxpayer. This is one type of foreign aid which would be paid for by the recipient country."

The above extracts reveal the sympathetic approach of friends of India in the U.S. The only question is whether India will be able to find the foreign exchange for paying immediately 25 per cent. of the price of 12 Liberty ships which, with slight modifications, can well serve as cargo vessels. The awaited World Bank's team of technical consultants on ports and shipping may, perhaps, recommend a loan for the purchase of the Liberty ships. This hope is fortified by the news that the World Bank is participating along with certain New York banks in the grant of a loan of about $17 million to Air-India International Corporation for the purchase of jet planes.—*All Rights Reserved.*

BLOOD FROM STONES

U.S. AND CANADIAN LOAN AGREEMENTS REVISED

(From Our Own Correspondent)

LONDON, *9th March*

LONDON LETTER

THE revision of the American and Canadian loan agreements has been hailed in the City as very satisfactory. Indeed, one cannot quarrel with the short-term result which will be to bring back the £37 million of the 1956 interest which was deposited with the two countries on the 31st December last, at the same time as a request was made for a waiver of this interest. The return of this £37 million will bring the total reserves in gold and dollars in excess of £900 million including, of course, the sum of £200 million which was drawn last December from the International Monetary Fund and which in due course must be repaid. Moreover, the revised arrangements must be seen in connection with the $500 million (about £180 million) line of credit which was granted by the United States to the United Kingdom last week.

The agreement itself provides that in exchange for the British Government giving up its right to have the interest repayments due on the loans cancelled, if it should not be able to repay, it may postpone seven annual repayments of both capital and interest over the next 43 years up to the year 2,000 when the loans were due to have been repaid. The seven postponed instalments—if they should amount to so many—would become due after the year 2,000.

The Other Side

But the other side of the bargain will be seen when it is appreciated that at the present time the annual repayment of interest amounts to more than the annual repayment of capital. We have already repaid the United States and Canada $440 million of capital but we have paid them $540 million of interest—excluding the amount now deferred in respect of 1956. Of course the interest repayments get progressively less and will be about halved in another 25 years' time. The old arrangements, however, provided that if the U.K. could not afford to pay interest, then the interest would be cancelled. The conditions which had to be observed were that the British Government should find that their overseas balance of payments and the level of their reserves both present and prospective, made it impractical to pay. But in order to ensure that the British Government did not make hasty decisions on this question of its inability to pay the International Monetary Fund was also called upon to certify regarding the overseas balance of payments. The basis for the I.M.F. certificate was the pre-war average annual imports into the U.K. If the U.K. could afford on the basis of the five previous years to pay for the pre-war quantum of imports, then the U.K. could not have the interest waived. In practice, permanent waiver would only have been possible if the U.K.'s standard of living had fallen below pre-war. Thus the interest waiver arrangements could not be satisfactory, except in circumstances to which it is fervently to be hoped the U.K. would never be reduced.

It would clearly have been far more to the U.K.'s advantage, if the conditions of interest waiver had been relaxed rather than introducing new provisions regarding capital postponement. For instance, interest payments could have been tied to current ability to pay so that payment was only called for out of a surplus on the current balance of payments.

The new arrangements are far more rigid than should have been necessary between countries as closely allied as those of North America and the U.K. The U.K. is now bound regardless of the state of its balance of payments to pay interest on its post-war loans and to pay that interest for the next 50 years. Its only relief is that in seven of those 50 years it can postpone if it cannot afford to pay. The point is that interest should never have been demanded on loans of this nature—loans made necessary by the sudden cutting off of lend-lease aid immediately after the war. The loans were in no sense commercial, they were not to enable the U.K. to invest in productive enterprise which would produce revenue. They were simply to enable the U.K. to maintain a reasonable standard of living while it was rebuilding its export trade. In relation to the North American gold reserves the total of the loans, $5,000 million, was not large.—*All Rights Reserved.*

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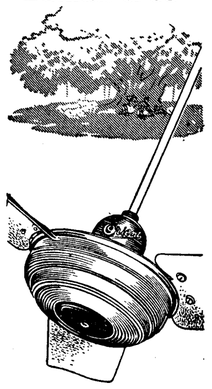

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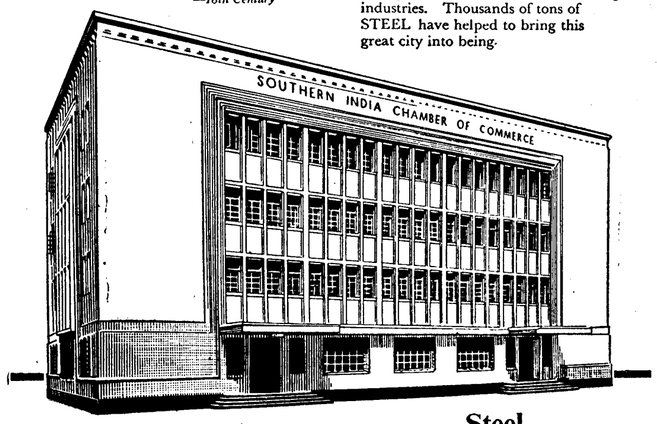

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GROWTH OF BANKING IN KERALA—II

ADVANCES TO TRADE PREDOMINATE

THE role played by the banks in Kerala reveals certain interesting features. In respect of the twin functions of the banks, namely, mobilisation of savings by way of acceptance of deposits from the public and purveying credit, the part played by the large-sized banks is predominant. The total deposits of all banks functioning in the Travancore-Cochin State as on 31st December 1955 amounted to Rs. 37.37 crores. Of this amount, the 14 banks incorporated outside the State, called "other banks," accounted for roughly 20 per cent. The large-sized banks incorporated in the State held Rs. 19.11 crores, which constituted about 51 per cent. of the total deposits. Thus, the share of the "other banks" together with large-sized banks accounted for 80 per cent. of total deposits. In the case of advances, which, as on the same date, stood at Rs. 22.74 crores for all the banks, forming 61 per cent. of the total deposits in the State, the share of the "other banks" together with that of the large-sized banks formed 76.4 per cent. of the total. The balance was contributed by the remaining small-sized and medium-sized banks. The composition of the deposits, again, points to the conclusion that the saving habit is widely prevalent. For, of the total deposits as at the end of 1955, 74.5 per cent. were in the form of time deposits. The corresponding figure for all the non-scheduled banks in India was only 63 per cent. In addition, the proportion of holdings of investments of banks in Kerala in Government and Trustee securities to total investments was small compared with that of the non-scheduled banks in the rest of India; while the former was 22 per cent., the latter constituted 36 per cent. of the total.

Of the various types of advances made by the banks, a larger part was utilised for financing trading activity—both agricultural and non-agricultural. This formed 40.7 per cent. of the total as against 23.7 per cent. for industry and 19.1 per cent. for personal purposes. The amount advanced for agricultural production, for both seasonal agricultural operations and improvements was only Rs. 1.57 crores, forming 6.9 per cent. of the total advances. A significant feature of this distribution of the advances was that, in respect of the advances for industry, the advances of "other banks" accounted for 59.4 per cent. while those of the banks incorporated in the State constituted 40.6 per cent. As regards the advances for other purposes, however, the share of the latter class of banks was predominant. For example, the banks incorporated in the State accounted for as much as 71 per cent. of the total advances for trade, 99 per cent. of those for agriculture, 92.6 per cent. of those for personal and 74.4 per cent. of those for other purposes. It is interesting to note, however, that the proportion of commercial advances to total was around 40 per cent. both for the banks incorporated in the State and "other banks."

Other Components of Advances

The other components of advances differed widely as between these two classes of banks. Thus, the industrial, agricultural and personal advances of the former formed 13.6 per cent., 9.8 per cent. and 25.1 per cent. of their total, as compared with 47.4 per cent., 0.2 per cent. and 19.1 per cent., respectively, of the latter. An important point to be noted in this connection is that the total advances by the banks (excepting "other banks") for financing agriculture, together with those for financing agricultural trade, formed only 24 per cent. of their total advances. But if the small banks only are taken into account, the highest proportion of their advances, that is, 26.6 per cent., went to agriculture and trading in agricultural commodities. On the other hand, personal and other advances, which are mostly unproductive, of these banks account for 45 per cent. of their total advances. Security-wise analysis of the advances reveals that of the total advances as on 31st December 1955 of Rs. 22.74 crores, Rs. 6.10 crores, forming 26.8 per cent., were advanced on an unsecured basis. Advances granted against merchandise amounted to Rs. 5.01 crores, which constituted 22 per cent. of the total. The advances against real estate at Rs. 4.59 crores formed about 20 per cent. of the total.

One point particularly noteworthy in this connection is that about 88 per cent. of the unsecured loans were granted by the banks incorporated in the State. According to the Commission, this is due to the fact that they are smaller in size and spread out in the rural areas. In respect of advances against real estate, once again, as much as 94 per cent. of such advances were made by those incorporated in the State. On the other hand, "other banks" normally preferred to advance against merchandise as was borne out by the fact that their advances accounted for 66 per cent. of such advances. This is, to a large extent, due to the fact that "other banks" have offices in big ports and trading centres and have warehousing and storage facilities. Other practices followed by the "other banks" and those incorporated in the State go to show that the banking practices adopted by the former are more in conformity with the practices of commercial banking than those of the latter.

Classification of Advances

The classification of the advances of the banks according to their size once again discloses certain significant features. Of the total advances, those of the small-sized banks occupied a relatively more important place. This was so despite the fact that the total number of borrowers from these banks were only 87,653—each accounting for less than Rs. 100—as against 135,230 in the case of large-sized banks. Thus, by and large, the trend is that the smaller the bank the smaller is the size of advances, and the small banks mainly cater to the needs of small traders, agriculturists, etc. The average size per account in the case of small-sized banks, as on 31st December 1955, was only Rs. 173, as against Rs. 377 and Rs. 575 in the case of medium and large-sized banks, respectively. Further, the Commission has also been able to find out that there has been a drain of funds away from the rural areas. This is revealed by a study of the volume of deposits and advances of branches of banks incorporated in the State. The Commission finds that the rural centres are mainly "deposit centres" for banks, that is, those centres which had deposits exceeding twice the amount of advances, and banks have utilised the funds so acquired for financing economic activities in urban areas.

Another significant characteristic noted by the Commission is that interest rates charged and paid by banks in the State were comparatively high. The weighted average rate paid by banks in the State worked out to 3.75 per cent. for 1955, as against the corresponding rates of 1.50 per cent. and 2.98 per cent. in the case of scheduled and non-scheduled banks, respectively.

Examining the scope for further extension of credit facilities, the Commission finds that, as in the case of the rest of the country, there is a heavy concentration of banking offices in the more important towns in the State. For example, of the total number of 571 offices, there were 44 offices at Trichur, 32 at Ernakulam, 30 each at Alleppey and Trivandrum, 27 at Mattancherry, 23 at Kottayyam and 17 at Quilon. While there are 364 places with a population of over 5,000, banking offices are situated only at 158 places. The Commission says that, while it is true that small villages can largely be served by co-operative societies, joint stock banks also can extend their activities to those places with a population of more than 5,000 not covered so far by offices. According to the Commission, expanding economy and expansion of commercial and trading activities in these centres offer increasing scope for commercial banks.

"Kuries"

Many banks in the State are conducting *kuries* or *chitties*. Before the advent of co-operative societies, *kuries* or *chitties* served to discharge the functions of Savings Trusts. Later this had become an important function of the banks. The Travancore Companies Act, 1938, prohibited *kuri* or *chitti* business. With the application of the Banking Companies Act, 1949, to that State in April 1951, however, a large number of banks resumed that business. The Commission found that out of 136 banks that replied to its questionnaire, as many as 85 were conducting *kuries* or *chitties*. As on 31st December 1955, the number of *kuries* or *chitties* conducted by them was 480, involving a total amount of Rs. 27.45 crores; a part of this amount represented amounts already paid in prizes and the other subscriptions which would be paid in future. The chief advantages of conducting *kuries* or *chitties* lies in the fact that the banks are able to attract many clients. This is so because the prize winners of the *kuri* or *chitti* have generally a tendency to keep their prize amounts as deposits with the banks, to serve the purpose of an acceptable security for the liability in respect of their future subscriptions to the *kuri* or *chitti*. Amounts kept in this way with the banks as on 31st December 1955 amounted to no less than Rs. 148 lakhs. In addition, prize amounts not disbursed to the winning subscribers but kept with the banks amounted to Rs. 28.74 lakhs. Another advantage is their profitability to the banks. It is usual for the foreman bank, as the bank doing *kuri* or *chitti* business is called, to take the prize money of the *kuri* or *chitti* without any discount at the first or second draw. This enables the bank to have a large sum at its disposal which it can use for banking operations. Besides, they derive income from discounts, commission, etc., to which they, as foremen, are entitled. This is reflected in their profits. For instance, the gross earnings of the 85 banks conducting this business increased from Rs. 104.22 lakhs in 1951 to Rs. 138.80 lakhs in 1955. During this period their *kuri* profit also increased from Rs. 4.30 lakhs to Rs. 10.85 lakhs. In certain cases, *kuri* profits exceeded 20 per cent. of their gross profits. Such banks were 26 in 1955, as against 10 in 1951. On an examination of the data the Commission feels that, in a large number of banks, the profit derived from *kuri* or *chitti* business forms a substantial proportion of gross earnings and that, but for the *kuri* or *chitti* business, some of them would have worked at a loss.

(To be continued)

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BRITAIN'S U.S. AND CANADIAN LOANS

It will be recalled that in December last the U.K. Government had invoked the provisions for the waiver of interest under its loan agreements with the U.S. and Canada of 1945 and 1946, respectively, in order to tide over the dollar crises facing it. Since then discussions have been going on between the respective parties for effecting revisions in the agreements. Last week, the terms of revision of these loan agreements were announced in London, Washington and Ottawa. In the revised agreements, the provisions for the waiver of interest have been replaced by an arrangement whereby the U.K. Government may defer up to seven of the annuity payments of both capital and interest, if it considers postponement to be necessary, either on account of international exchange considerations or of the level of its gold and foreign exchange reserves. These agreements are yet to be ratified by the U.S. and Canadian Legislatures. The new arrangements further provide that the payment of the deferred instalments will be taken up in the year 2,001, the interest charges being 2 per cent. per annum. It is also the rate applicable to the loans as a whole.

Regarding the claim for the waiver of interest in 1956, it is stated to have been agreed between the parties that the sum involved, namely, $104 million, shall be deferred on the same terms as those governing the seven deferments until all existing and deferred annuities have been paid.

PROFIT OF NATIONAL BANK HIGHER

DEPOSITS DECLINE

A FURTHER improvement in the earnings is disclosed by the audited accounts of the National Bank of India Ltd. (General Manager: Mr. W. Kerr, London) for the year ended 31st December 1956. The consolidated profit of the Bank (including its subsidiaries) for the past year shows an increase from £421,839 to £432,835, thus maintaining the upward trend for the second year in succession. With the expansion of £46,912 in the last two years, the Bank's profit has been brought to the highest level since 1951 when the profit aggregated £441,457. This increase in profit has been achieved in the face of the credit squeeze in Britain and the difficulty of getting adequate deposits.

The consolidated profit has been arrived at after providing for taxation, transfers to staff pension funds and contingency reserves, out of which reserves, provision has been made for diminution in value of assets. After bringing in a sum of £342,158 from the previous year, the Directors have set aside £100,000 to premises account, raising it from £75,000 provided in each of the previous four years, and £75,000 to contingencies account, which had received £85,000 in the previous year. The dividend for the year under review has been maintained at 15 per cent. less income-tax, the first and second interim distributions being the same, at 7½ per cent., as in the previous year. The dividend absorbs £245,947, leaving a surplus of £354,046 to be carried forward.

The following synopses of the Bank's balance-sheets as at the close of each of the last four years gives an idea of the Bank's progress:

(In thousands of £'s sterling)

	As on 31st December			
	1956	1955	1954	1953
LIABILITIES (*Main*)				
Capital	2,852	2,852	2,852	2,221
Reserve fund	3,105	3,105	3,105	3,675
Unappropriated surplus ..	275	275	273	275
Current and other accounts and deposits	128,528	130,034	123,324	103,563
Bills payable	2,833	2,141	1,722	1,985
Loans payable	..	4,000	..	371
Acceptances for customers ..	447	904	1,032	938
ASSETS (*Main*)				
Cash balances	16,547	16,844	15,756	16,778
Investments—				
British Government and other securities	8,133	11,964	11,587	11,320
Other Government securities and unquoted investments ..	15,583	15,127	13,756	12,060
Bills of Exchange (including Treasury Bills)	28,853	29,747	30,077	25,866
Advances and loans	65,583	66,439	63,026	45,804
Fixed assets	2,679	2,575	2,131	1,705
Balance-sheet total	140,129	145,529	139,845	116,140

The balance-sheet total shows a contraction of £5.40 million, thus reversing the upward trend noted in previous years. The consolidated balance-sheet total of the Bank and its subsidiaries also has dropped from £168.65 million to £163.63 million. This is not, however, unexpected, as the Chairman had already indicated in his speech last year that the upward trend was "much more likely to be reversed than continued during 1956." The decline in assets is mainly the result of the fall in deposits, which were difficult to secure. The current and other accounts of the Bank are higher at £101.49 million, as against £100.83 million at the close of 1955, while fixed and short deposits have fallen from £29.20 million to £27.04 million. The same trend is noted in the group figures also. The current and other accounts of the Bank and its subsidiaries aggregate £117.98 million, having risen from £116.82 million, but fixed and short deposits have shrunk from £37.19 million to £35.80 million.

The contraction in deposits is duly reflected in the fall in the Bank's advances and loans by £0.86 million to £65.58 million, at which level they constitute 51 per cent. of the current accounts and deposits the ratio being unchanged over the year. For the group as a whole the advances ratio has gone up slightly from 49.8 per cent. to 50.4 per cent. Even this level of lending has been rendered possible by a reduction in liquid assets (cash balances, investments and bills of exchange), the bulk of which is held in British Government and other securities quoted on the London Stock Exchange. The ratio of total liquid assets to current accounts and deposits of the Bank has dwindled from 56.7 per cent. to 53.8 per cent. and for the group from 55 per cent. to 53 per cent. The advances ratio of the Bank is, however, much lower than the general average of Scheduled banks in India and the liquidity ratio is far higher than the Indian average.

TRAVANCORE BANK'S PROFIT HIGHER

DEPOSITS DECLINE SLIGHTLY

A FURTHER improvement of Rs. 1.71 lakhs to Rs. 11.91 lakhs in the profit is disclosed by the audited accounts of the Travancore Bank Ltd. (General Manager: Mr. D. R. Vedamuthu, Trivandrum) for the year ended 31st December 1956. With this rise, the Bank has not only maintained the upward trend for the second year in succession but established a fresh record in its profit. It must, however, be noted that the rise is much less than that recorded in 1955, when the profit jumped from Rs. 7.36 lakhs to Rs. 10.20 lakhs. The distribution to the shareholders has been maintained at 4 per cent., to which level it had been raised last year from the modest dividend of 2.5 per cent. paid for 1953.

Out of the profit of Rs. 11.91 lakhs, the Directors have transferred Rs. 4.90 lakhs to provision for taxation, for which purpose a sum of Rs. 4 lakhs had been set aside last year. The allocation to the general reserve has been raised from Rs. 2.05 lakhs to Rs. 2.40 lakhs, while that for depreciation reserve on investments has been pruned from Rs. 25,000 to Rs. 20,000.

The progress of the Bank's working during the last three years is reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount earned ..	25.79	23.81	21.16	19.11
Commission and exchange ..	5.15	4.64	3.92	3.78
Interest paid	9.80	8.82	8.76	6.20
Expenses	8.96	9.22	8.63	8.29
Depreciation	0.29	0.35	0.35	0.36
Profit	11.91	10.20	7.36	8.05
Provision for taxation ..	4.90	4.00	1.25	2.00
To reserves	2.40	2.05	2.00	2.25
,, depreciation on investments.	0.20	0.25	0.50	0.50
,, bonus to staff and gratuity fund	0.40	0.40	0.60	0.25
Dividend	4.00	4.00	3.00	2.50
	(4%)	(4%)	(3%)	(2.5%)
Carry forward	0.45	0.44	0.94	0.93

	As on 31st December			
	1956	1955	1954	1953
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserves	26.20	23.80	21.75	19.75
Deposits	4,65.54	4,76.70	4,39.09	3,77.35
Borrowings from other banks ..	10.00	..	..	..
Advances	2,63.81	2,51.57	2,21.57	1,65.53
Investments*	2,60.32	2,55.69	2,55.50	2,33.56
Cash (including money at call)..	97.25	1,10.44	98.90	1,11.05
Balance-sheet total	8,01.66	7,40.81	7,32.20	5,69.16
Ratio to deposits of—	%	%	%	%
Advances	56.7	52.8	50.5	43.8
Investments	53.8†	53.6	58.2	61.9
Cash	20.9	23.2	22.5	29.4

* After deducting reserve for depreciation.
† Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

It will be observed that the upward trend in the Bank's income from the main sources of earnings has been well maintained in the year under review also. Thus, interest and discount earned have gone up by Rs. 1.98 lakhs and commission and exchange by Rs. 0.51 lakh. While the rise in these two sources of income has been offset to the extent of only Rs. 0.98 lakh in interest paid, expenses have recorded a welcome decline, albeit by a small amount of Rs. 0.26 lakh, with the result that the Directors have been able to maintain the dividend comfortably, after strengthening the reserve fund.

It will be noted from the above table that the Bank has been strengthening its reserves at a steady pace. A noteworthy feature of the Bank's latest balance-sheet is that the deposits have suffered a decline, thus reversing the upward trend noted in the previous years. Though the fall in deposits is not marked, it is in distinct contrast to the general trend of all banks. The decline is accounted for by fixed and thrift deposits which have fallen from Rs. 218.48 lakhs to Rs. 187.92 lakhs. There is, however, an increase in savings bank deposits from Rs. 30.44 lakhs to Rs. 34.31 lakhs and in current and contingency accounts from Rs. 227.78 lakhs to Rs. 243.31 lakhs.

As against a fall of Rs. 11.16 lakhs in deposits and a rise of Rs. 10 lakhs in borrowings from other banks, advances show an increase of Rs. 12.24 lakhs, of which loans, cash credits and overdrafts account for Rs. 5.62 lakhs (at Rs. 224.44 lakhs) and bills purchased and discounted for Rs. 6.62 lakhs (at Rs. 39.37 lakhs). While this increase in advances has not affected investments (which, on the other hand, stand strengthened), it is fully reflected in the shrinkage of Rs. 13.19 lakhs in cash balances. Nevertheless, the total liquidity ratio is at a substantially higher level than the general average of Scheduled banks in India.

BANK OF INDORE STEPS UP DIVIDEND

PROFIT AT A RECORD HIGH

FOR the second year in succession the Directors of the Bank of Indore Ltd. (Manager: Mr. N. D. Joshi, Indore City) have decided to step up the diviend, the latest being the one ended 31st December 1956. The distribution, which had been raised to 14 per cent. last year from 12 per cent. paid for the preceding ten years, is proposed to be further increased to 16 per cent. for the year under review. This is the highest dividend to be paid in the history of the Bank so far.

The latest increase in distribution to the shareholders is in consonance with the improvement in the Bank's earnings, thanks to the sizable expansion in its business, as witness the rise of Rs. 66 lakhs in deposits and an increase of as much as Rs. 1.06 crores in advances. The profit for the year under review amounts to Rs. 6.05 lakhs, having gone up from Rs. 5.07 lakhs earned in 1955. With this increase, the Bank's profit has reached a record level in its history so far. As in the previous years, a sizable part of the profit has been ploughed back; the allocation to the reserve fund is maintained at Rs. 1 lakh, while the transfer to the contingency fund is raised from Rs. 1 lakh to Rs. 1.04 lakhs and that to gratuity fund from Rs. 25,000 to Rs. 70,000. The payment of bonus to staff takes up Rs. 79,434, as against Rs. 71,442.

The progress of the Bank during the last three years is reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Gross income	35.34	30.49	28.12	24.47
Interest and discount	31.14	27.11	25.16	22.02
Commission and exchange	3.78	3.02	2.55	2.10
Interest paid	15.20	12.78	11.65	9.52
Expenses	13.31	12.32	11.13	9.70
Depreciation and repairs ..	0.28	0.32	0.32	0.28
Profit	6.05	5.07	5.02	4.87
To reserves and other funds ..	2.74	2.25	2.15	2.10
,, bonus to staff	0.79	0.71	1.01	0.93
Dividend	2.45	2.14	1.84	1.84
	(16%)	(14%)	(12%)	(12%)
Carry forward	0.67	0.61	0.65	0.63

	As on 31st December			
	1956	1955	1954	1953
Capital	15.30	15.30	15.30	15.30
Reserves	28.00	27.00	26.00	25.00
Deposits	7,88.81	6,72.87	6,05.24	5,45.27
Advances and bills	4,81.91	3,75.64	3,65.31	3,56.36
Investments	2,60.05	2,65.29	2,04.78	1,81.79
Cash	56.56	75.48	79.56	81.60
Balance-sheet total	8,48.87	7,66.19	6,82.63	6,17.91
Ratio to deposits of—	%	%	%	%
Advances	65.2	55.8	60.8	65.3
Investments	33.8	39.4	33.8	33.3
Cash	7.6	11.2	13.1	9.5

As will be noted from the table, the rise in gross income during 1956 is sharper than in the previous year, which has helped the Bank to increase its total earnings by more than 50 per cent. in the course of the last four years. The bulk of the increase in income is accounted for by interest and discount earned which has gone up by Rs. 4.03 lakhs. Offsetting this expansion in earnings is the rise of Rs. 2.42 lakhs in interest paid and of Rs. 1.49 lakhs in expenses. A noteworthy feature of the Bank's profit and loss account is that interest paid on deposits and borrowings accounts for a relatively larger share of the total expenditure. This is due to the fact that fixed deposits constitute the bulk of the Bank's deposits.

The upward trend in deposits noted in the previous three years has been well maintained in the year under review also, with a further rise of Rs. 66 lakhs. This increase, which takes the year-end deposits to a record level, is shared by all classes of deposits. Fixed deposits have gone up from Rs. 4.15 crores to Rs. 4.56 crores, savings bank deposits from Rs. 72 lakhs to Rs. 79 lakhs and, current and contingency accounts from Rs. 1.86 crores to Rs. 2.04 crores. It may be noted in this context that, unlike in the case of most other banks, fixed deposits form the bulk of the Bank of Indore's deposits, which account for the large share of "interest paid" in total outgo mentioned above.

On the assets side, loans, cash credits and overdrafts, at Rs. 4.40 crores, show a rise of Rs. 96 lakhs and bills discounted and purchased (at Rs. 42 lakhs) an increase of Rs. 10 lakhs. The relatively larger expansion in advances, as compared with that in deposits, has resulted in a decline in investments and cash balances, bringing the liquidity ratio to the lowest level.

TRENDS IN WORLD FIBRE ECONOMY

IMPORTANCE OF SYNTHETICS GROWING

IT looks as though the textile industries the world over are entering a period of more acute competition among the various fibres—natural and man-made. The aggregate world output of new-made fibres today is roughly fifty times the production of rayon in the 1920s and twice the weight of the world wool clip. In view of the growing popularity of synthetic fibres, any study of the historical development of these fibres from their early beginnings to the important place they now hold in the international textile markets makes interesting reading. Such a study has been made by Mr. Daniel Duxbury, in the course of an article contributed to the current issue of the *District Bank Review*.

According to Mr. Duxbury, there is great ferment throughout the textile industry, from fibre production to finishing, and there is a "startling array of practical ideas which are either succeeding or showing great promise." It may be doubted whether any but the few in the textile industries are fully aware of the prospects ahead either for technical advance in yarn and fabrics production or in the opening of new markets. "Even the most enthusiastic," to quote him, "have difficulty in keeping pace with the literature of progress, let alone with all the practical evidence of improved materials and techniques." He forecasts keen competition both within the textile industry and with the natural fibres. In his opinion, consumption of all fibres will remain at or about present levels, with the constant risk that compulsory economies in household and personal budgets will enforce the usual cuts in expenditure on clothing and textiles. Although some fibres will be replaced by others, the interplay of pressures means that the movement will not involve simply the ousting of cotton and wool. Some man-made fibres may have to yield to others, and filament may give way still further to staple.

Man-made Fibres Output Rising

How far and to what extent will the above forecast of Mr. Duxbury prove correct, time alone will show. There is, however, no denying the fact that, while improvements in production and treatment of both natural and man-made fibre textiles are already influencing consumption, the steadily rising output of the latter is a major factor in the struggle to capture existing or new outlets in apparel, domestic and industrial fibres. This aspect has been well stressed by the Northern Representative of the *Financial Times*, London, in a recent despatch entitled "Seeking outlets for new textile fibres." Citing the example of the United Kingdom, he observes: "*Per capita* consumption of all textile fibres in this country is relatively stable at about the 1938 level. It follows that, unless total sales of textiles in the home market can be increased, or a substantial rise occurs in exports, some fibres will have to yield business to others. On the known facts, the natural fibres will probably bear the brunt of this scramble for markets. Output of man-made fibres at 482.6 million lbs. in 1956 had increased steedily from 1952, when the total was 283.2 million lbs., a considerable setback from the 380.4 million lbs. made in 1951."

The Representative next draws attention to the series of important additions to capacity and production in the next three to four years. These include two new plants of Courtaulds—viscose staple plant at Grimsby (with an annual capacity of 100 million lbs.) and the plant for the manufacture of acrylic fibre; prospects of increasing production by the British Celanese of nylon 6 fibre and triacetate yarn and fibre; new plant of Chemstrand for the production of acrylic fibre at an annual rate of 10 million lbs. which is expected to go into operation in 1959; and extensions to the I.C.I. terylene plant—to be completed by April 1959—which will raise the annual output from 22 million lbs. to 30 million lbs.

Response to Challenge

Those concerned with investment and technology for viscose rayon, it is said, are responding strongly to the challenge. Courtaulds, for instance, are already producing over 200 million lbs. of viscose staple every year and the new Grimsby plant represents an increase of 50 per cent. The main buildings are complete, and plant and machinery are now being installed, so that production can begin this spring. The factory is designed by the Company's own staff and is based on the most up-to-date practice in many fields in science and engineering. An important feature is the extensive use of instruments and automatic control apparatus to assist in maintaining optimum manufacturing conditions at every stage of the process.

Viscose technology has in the last year or two switched over from the primary task of producing cheaply to one of changing the physical properties and characteristics of the fibre. Typical examples are improvements and additions to the range of standard staple, including new types especially developed for the carpet trade. High tenacity viscose staple in fine filament sizes is now in production on a limited scale and this can be used for finer fabric constructions such as poplins normally made from Egyptian cottons. Luvisca, Courtaulds' subsidiary, will shortly launch a new range of cotton and "strong" staple blend poplin shirts retailing at 37*s*. 6*d*. and 40*s*.

Synthetic Fibre

In the meantime, notable progress has been made by the three main categories of synthetic fibre—polyamised nylon 6.6, the polyester fibre terylene and acrylics. As regards the polyamised nylon 6.6 (this was hitherto produced only by the British Nylon Spinners—B.N.S.), the joint I.C.I.-Courtaulds company, has expanded steadily into other fields of both woven and knitted fabrics, as well as industrial fabrics and cordage. The Pontypool factory of B.N.S. has an annual capacity of 30 million lbs. Since 1955, the Company has also made nylon at the former cuprammonium rayon factory of British Bemberg at Doncaster. Two other companies have lately been licensed to manufacture nylon. British Enka is actively preparing plans for production, and British Celanese is already producing nylon of a different type from B.N.S., known as nylon 6 and familiar as the German "Perlon." Celanese not only makes its own polymer for this, but, as it has its own oil-cracking plant, it also makes the monomer caprolactam which can be obtained from benzene by coal-tar distillation or oil cracking.

The second category of synthetic fibre consists of the polyster fibre terylene. Work is expected to begin shortly on further extensions to the I.C.I. plant at Wilton. The extensions will raise the capacity to 30 million lbs. annually. Additional quantities will become available early in 1959.

The Acrylics

As regards the third group—the acrylics—Courtaulds, who are producing their acrylic staple "Courtelle" in pilot plant quantities, are building a larger plant which is expected to go into production in the current year. Chemstrand, the American concern, is erecting a £3.5-million plant at Coleraine (Northern Ireland) to produce its acrylic fibre "Acrilan." Monsanto (which, with the American Viscose, is a parent company of Chemstrand) is constructing an acrylonitrile plant near the Esso refinery at Fawley; this will presumably supply the raw materials. The Coleraine plant with a capacity of 10 million lbs. is expected to turn out 5 million lbs. in 1959, doubling this in 1960. It is said, in this connection, that, since both "Acrilan" and the Du Pont acrylic "Orlon" have been imported in considerable quantities in the last year or two, the British textile industries have gained valuable experience in using acrylics.

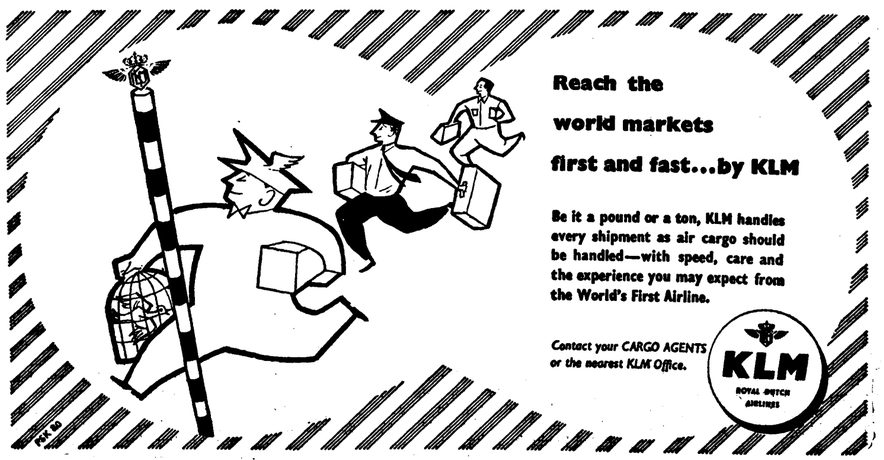
ASSISTANCE TO HANDLOOM INDUSTRY

The Government of India has sanctioned, during the months of January and February, grants amounting to Rs. 34,51,720 and loans aggregating Rs. 45,59,206 for being spent by the various State Governments on handloom development schemes. Conversion of looms, dye-houses, sales depots, mobile vans, research centres, rebate on sale of handloom fabrics, quality control and organisational expenses are some of the heads under which grants will be spent.

Under one of the schemes sanctioned, 200 handloom weavers are to be taken round the country on an educational tour. Loans and grants have been given for building housing colonies for weavers. Loans sanctioned for this purpose during the last two months amount to Rs. 8,49,871, while loans for share and working capital for primary and apex co-operative societies amount to Rs. 37,09,335. A loan of Rs. 3 lakhs has been given to All-India Handloom Fabrics Marketing Co-operative Society for affording immediate relief to weavers in Madras and Andhra with whom large quantities of Madras handkerchiefs had accumulated. The Fabrics Society is also negotiating export sales for these Madras handkerchiefs.

In order to revive traditional designs and develop new styles for fabrics to suit the rapidly expanding internal and external markets, the Board is setting up new designs centres at Madras, Banaras and Calcutta with extension centres at Chanderi, Maheshwar, Patna and Kancheepuram. Sample showrooms are being attached to these centres for studying trade and consumer reaction to the designs and weaves evolved.

The main feature of wool shipments from South Africa in the first half of the current wool season was the heavy buying by Japan. By the end of December 1956—figures for which have just been published—Japan took 10,200,000 lbs. of greasy and scoured wool, putting it into fifth place as a buyer of South African wool. It headed the United States, Belgium and Russia, all of which bought more wool in the 1955-56 season. In the first half of each of the previous four seasons, Japan's purchases aggregated 7.1 million lbs., 1.7 million lbs., 4.4 million lbs. and 3.8 million lbs., respectively.



OUTLOOK FOR COTTON INDUSTRY QUITE ENCOURAGING

JOBS ON OFFER IN EVERY SECTION OF TRADE

By Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 5*th March*

AFTER reading so many pessimistic, or at best cautious, estimates of the prospects for the industry in Lancashire, it is refreshing to come across a survey which tends to stress the encouraging aspects of the present situation. Despite setbacks which have been encountered during the past five years, the Master Spinners' Federation is prepared to put on record its faith in the future. To quote from the annual report of the organisation:

"Given fair trading conditions, the industry is in a healthier state than for many years past with reserves available for further investment, if reasonably regular offtake can be assured. Moreover, the alternative new wage agreement recently concluded with the Cardroom Association should assist materially in enabling higher efficiency and machine utilisation to be achieved."

Improved activity experienced during the final quarter of last year and the present length of order books is regarded as a reflection of the building up of depleted stocks, as confidence in the raw cotton price level was restored. Anxiety as to the reliability of supplies from the East, pending a solution of the Suez problem, is suggested as another factor in the expansion of demand.

Employment

Although employment in the spinning industry declined perceptibly in the first three-quarters of 1956, recruitment of full-time workers in the final three months exceeded wastage by 760, while a net increase of 810 in the number of part-time operatives working during that period was recorded. That the mills have substantial vacancies for suitable work people can easily be confirmed by a glance at any local newspaper published in the area, all of which contain lists of advertisements offering jobs in every section of the trade.

Wage levels, particularly for women and juveniles, compare favourably with those in other manufacturing industries and the improvement in working conditions over the past decade has been substantial. The three-point negotiations between the Master Spinners' Federation and the Cardroom Association, culminating in an important agreement signed at the end of last year, represented, as the Federation observes, a progressive step in the history of the Lancashire cotton industry. They provide ample proof that both employers and operatives are doing everything possible to ensure that the industry is efficient and at the same time offers fair working conditions.

A hint of further contraction in the size, if not the scope of the productivity, of the trade is contained in the report. "The employers," says the Federation, "have made it quite clear that the adoption of the proposed recommendations cannot mean that they will be introduced at an early date in all mills. It may be found that the best economic solution will be to concentrate expenditure on those mills which will provide the bulk of all future production."

Supply Survey

Availability of cotton and rayon goods either for export or for home distribution has shown no consistent pattern since the war. In the early years of the past decade, there was a steady rise in output with accompanying larger imports, because Lancashire manufacturers could not turn out goods fast enough for their customers.

Since the 1952 recession, the position has changed. Fewer machines at work, fewer hands to operate them, have meant a curtailment of production, while imports, after slumping, have again steadily increased in volume. Coupled with this evidence of contraction has been the unsatisfactory export performance of the industry, which last year shrunk to a new low level.

Details of these developments are given in the following table, setting out the variations in supplies from year to year:—

(In million yards)

Year	Output	Imports	Total	Exports	Balance for home trade
1937 ..	4,122	75	4,197	2,001	2,196
1947 ..	2,012	174	2,186	639	1,547
1948 ..	2,440	248	2,688	906	1,782
1949 ..	2,592	400	2,992	1,078	1,914
1950 ..	2,840	342	3,182	1,017	2,165
1951 ..	2,960	476	3,436	1,105	2,331
1952 ..	2,192	210	2,402	871	1,531
1953 ..	2,632	143	2,775	895	1,880
1954 ..	2,775	335	3,110	812	2,298
1955 ..	2,479	365	2,844	688	2,156
1956 ..	2,814	380	2,694	595	2,099

Although the quantity of cloth available from all sources in 1956 was smaller than for some time past, the amount which remained for distribution in the home market was not much lower than in the previous year. Over a large part of the period, wholesalers had allowed their stocks to decline to unusually low levels and, when demand revived in the autumn, there was naturally a rush to obtain supplies.

Shortage Made Good

To some extent, this shortage in the pipeline has now been made good, mainly as a result of the improved output recorded in the closing months of last year. The attitude of buyers has fluctuated, however, from extreme impatience to secure supplies in the early stages of the revival to a persistent lack of enterprise so far this year, when confidence in prices has drained away and delivery terms have been unattractive.

During this phase, the position of those traders catering for the needs of consumers in other industries has not been easy. Some have continued on their accustomed way, with a steady demand from a variety of sources. Others with commitments in the motor and ancillary trades have found their customers understandably nervous about their future requirements.

While undue optimism about the outlook would be unwise, there remain a number of stabilising factors which give grounds for at least quiet confidence that the efficient and modernised producers in Lancashire will continue to make progress. Changes are inevitable, but there are still many firms which have the ability and resources to cope with any emergencies which may arise.

Market Facilities

A long-felt need will be satisfied next week when a new Market Room is established by the Manchester Cotton Association offering facilities for spinners to sample a comprehensive range of raw cotton on the spot. This addition to the opportunities already available for traders to intermingle on the Royal Exchange is a move aimed at encouraging and fostering the importation of raw cotton to Manchester. One of the drawbacks with which the futures market in this country has had to contend since its revival has been the inability to build up a balanced spot market with corresponding supplies being shipped from abroad for inspection and sale to users. The Manchester Cotton Association in no way intends to usurp the functions of cotton brokers, nor is there any intention to negotiate actual business, although prospective buyers and sellers can be introduced in the market room. Spinners are being invited to indicate their requirements, while a list of the types on offer will be posted on the Royal Exchange.

The whole situation as regards spot supplies has changed fundamentally during the process of distributing the American surplus in recent months. Already the quantity of American cotton in visible supply in Liverpool, Manchester and afloat has reached 200,000 bales out of a total of 350,000 bales. Some idea of the remarkable switch in takings can be gauged from the fact that the quantity of American cotton now available exceeds the total supplies reaching Britain last season from the United States and is very little short of aggregate forwardings of American cotton to spinners throughout that period.

Anxiety is being expressed in some quarters at the steady flow of this cotton into distributive channels. It is felt that speculative interests have secured supplies in the United States on shipping terms without ensuring that the cotton is actually needed by consumers. Fears are, therefore, growing that over-buying by exporters may lead to the disposal of undesirable qualities at keen prices, so depressing the general level of values.

From the viewpoint of the ultimate user of the raw material, it should be a distinct advantage to regain the facilities of being able to make spot purchases from a variety of grades and staples. Competition is now keener as compared with the days when American cotton had a virtual monopoly over the world market. At the same time, the position of spinners and manufacturers will not be assisted by cut-throat rivalry among cotton producers, resulting in continually falling price levels.—*All Rights Reserved.*

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WORLD COTTON CONSUMPTION IN 1956-57 SEASON

OFFTAKE EXPECTED TO REACH NEW PEAK

FOR the first time since 1950-51, world consumption of cotton is expected to exceed production in the current season. According to the estimates of the International Cotton Advisory Committee, Washington, consumption this season is likely to aggregate 39.2 million bales (of 473 lbs. each) which will more than counterbalance current production estimated at 38.76 million bales. Thus consumption is expected to outstrip production by a small margin. A point that deserves mention in this connection is that although the past few seasons were hard ones for cotton because of the marked disequilibrium between production and offtake and the consequent accumulation of stocks, they have been characterised by a steadily rising trend in consumption. During the 1951-52 recession in textile activity, free world consumption fell to 25.2 million bales, but in the relatively short space of the following four seasons consumption rose by 3.3 million bales or 13 per cent. The increase has not occurred in any one particular season but has been evenly spread. It is, therefore, generally expected that this trend will be continued in the present season and possibly in the coming few seasons also.

The major improvement in free world consumption is expected to occur outside the United States, and chiefly in Western Europe, Japan, and some other Asian countries and also possibly in India. Consumption in the communist countries is also likely to increase from the last season's 9.4 million bales to about 9.9 million bales. The following table gives the estimates of consumption of cotton in the free world and in the communist countries during each of the four seasons ending 1956-57:

(In million bales of 478 lbs.)

	1953-54	1954-55	1955-56	1956-57
United States	8.6	8.8	9.2	9.0
Western Europe	7.3	7.2	7.0	7.3
Of which :				
United Kingdom	1.8	1.8	1.5	1.5
France	1.3	1.3	1.2	1.3
West Germany	1.2	1.2	1.3	1.4
Italy	0.9	0.8	0.8	0.8
Other Western Europe	2.1	2.1	2.2	2.3
India	4.0	4.1	4.3	4.4
Japan	2.4	2.1	2.7	2.8
Other countries	4.6	5.4	5.7	5.8
Total free world	26.9	27.6	28.5	29.3
U.S.S.R.	4.2	4.3	4.4	4.7
China	3.5	3.3	3.5	3.7
Eastern Europe	1.4	1.5	1.5	1.5
Total communist world	9.1	9.1	9.4	9.9
Total world	36.0	36.7	37.9	39.2

In the U.S., informed sources predict that despite a general improvement in the textile situation, the offtake of cotton would be down by about 200,000 bales. In 1955-56, consumption aggregated 9.2 million bales which is expected to decline to 9 million bales this season. Owing to the drop in consumption in the U.K. and France, the overall figure for Western Europe showed a decline to 7 million bales in 1955-56, as compared with 7.2 million bales in the previous season. But since the beginning of the present season, the outlook for cotton textiles has become more favourable and current trends indicate that cotton consumption in Western Europe will probably increase to the 1950-51 boom level. An important factor responsible for this improvement has been the greater degree of stability in the prices of raw cotton and cotton textiles. The earlier fears entertained in certain quarters that the U.S.'s decision to revise its cotton policy to make its cotton fully competitive with other growths would inaugurate a new era of competitive price-cutting have subsequently proved to be unfounded and, in fact, the market turned upward in recent months. The stimulation in demand arising out of the turn of events in the Middle East and the recognition on the part of many countries of the need for active promotion and research to protect cotton's interest in the textile market have also been helpful factors.

The most serious decline in consumption since World War II has occurred in the U.K. From a peak of 2,135,000 bales in 1950-51 consumption fell last season to 1,545,000 bales, the lowest level for the entire post-war period. This fall had a direct relation to the decline in textile exports, competition from synthetic textiles and the failure of the cotton textile industry to keep pace with the growth experience in other sectors of the economy. Further, the reluctance of buyers to commit themselves far into the future in view of the anticipation of a change in price trend was another factor responsible for the low offtake of cotton in the past season. Cotton consumption during the opening months of the current season continued to run significantly under the comparable 1955-56 rate and even now, despite the better outlook for textiles, yarn production data suggests that consumption is no higher than a year ago. Competition from other countries as also from man-made fibres are still important factors in any assessment of cotton's potential. However, the general expectation is that the improved textile outlook might stimulate demand for cotton in the remaining part of the season.

Trend in Western Europe

The problems facing the textile industry in continental Western Europe are more or less the same as those present in the U.K. Cotton consumption there has, in the aggregate, remained more or less constant at around 5.5 million bales during the past few seasons but is expected to improve to 5.8 million bales in the current season. The improvement is likely to be more marked in the case of France and West Germany. In France, cotton consumption in the five months July to November 1956 exceeded half a million bales or an increase of some 14 per cent. above that of the comparable period a year ago. There has been a marked increase in domestic demand in that country and despite a higher level of production, textile stocks continue to decline. In recent months shipments have consistently exceeded production, yarn and cloth prices have risen and the future appears reassuring. The main motivating force behind this recovery was the Suez crisis.

The post-war period has been one of almost unbroken expansion of textile production in West Germany. Apart from Yugoslavia, West Germany was the only country in Western Europe to record an increase in consumption last season when consumption rose to a new peak of 1.3 million bales. In the current season the general expectation is that the rising trend in consumption will improve further because the basic situation in the industry is strong. Demand has been favourably affected by the firmness of the market, stocks in all distribution channels are low, and cheaper cotton prices, resulting from the U.S. special export programme, has led to some improvement in the profit margins of spinners and weavers. Although competition from rayon and other synthetics is an important factor it is doubtful whether this will have more than a minor effect on cotton consumption this season.

A recovery in consumption from the low point reached in 1955-56 seems quite probable in Italy and the Italian Cotton Institute anticipates that the offtake of cotton by mills during the current season may exceed the 800,000 bales reached in 1955-56. The upward trend in consumption seen in the major consuming countries is evident in most other countries of Western Europe, with the possible exception of Portugal. Barring any serious reversal of the present trend, aggregate consumption in Western Europe is likely to increase this season which might offset the anticipated decline in the United States.

In India, consumption for the first four months of the current season, that is, September to December 1956, aggregated 1,525,011 bales (of 392 lbs.), as compared with 1,518,805 bales during the corresponding period of the previous season and if the present trend continues, the aggregate figure for the entire season may reach 4.5 million bales.

Cotton Consumption in Japan

In Japan, despite the vigorous expansion in the production of man-made fibres, the cotton textile industry has staged a remarkable recovery. Official consumption statistics for August and September 1956 show an increase of nearly 50 per cent. over a year earlier and the same rate was maintained in the subsequent two months also. There is every likelihood that cotton consumption in Japan this season will set a new post-war record of over 2.8 million bales, as against 2.3 million bales last season. Aggregate consumption in other countries of the free world, particularly in Pakistan, Hong Kong and Mexico, is expected to register a small increase. On the whole, apart from the U.S., prospects for an increase in cotton consumption appear bright elsewhere in the free world, particularly in Asia.

In the communist world cotton consumption in 1955-56 aggregated 9.4 million bales and it is expected to rise by 500,000 bales in the current season, with the increase being shared by both U.S.S.R. and China. New capacity and higher productivity, coupled with increased availability of raw cotton, are the basis for the prosperity now enjoyed by the textile industry in China and raw cotton consumption during the present season is expected to set an all-time record of 3.7 million bales. Eastern European countries are, however, likely to maintain the previous season's level.

To sum up. For the world as a whole an increase in consumption of roughly 1.3 million bales, as against the annual increment of just over 1 million bales in recent seasons, appears to be in prospect. This would bring the total world consumption to about 39.2 million bales. It may be noted that, at this level, estimated world consumption would slightly exceed production for the first time since the 1950-51 season.

IMPORTS OF COTTON

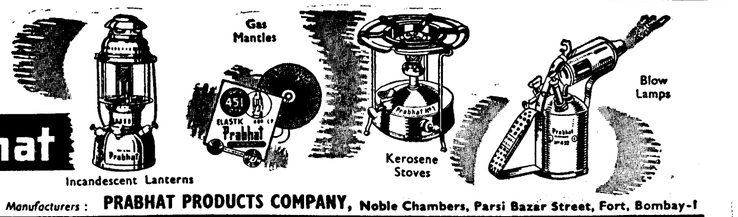
Figures relating to imports of foreign cotton into India during the period 1st September 1956 to 16th February 1957 show that actual arrivals during the period aggregated 275,124 bales (of 400 lbs.) comprising 144,771 bales of American cotton, 70,680 bales East African, 32,483 bales Sudan, 25,947 bales Egyptian and 1,243 bales other varieties. The following table gives the comparative figures of the previous season:

Consumption of Cotton

(In bales of 400 lbs.)

	1st September to 16th February	
	1956-57	1955-56
East African	70,680	40,808
Sudan	32,483	51,766
Egyptian	25,947	119,784
American	144,771	7,744
Others	1,243	4,258
Total	275,124	224,360

As will be seen from the above table, American cotton occupies the first place in our import trade in the current season in sharp contrast to its insignificant position in the previous season. This is only to be expected in view of the Indo-U.S. agreement according to which India is to get American cotton as 'aid'. The Government of India's restricted import policy under which only cotton of stapling 1.3/16" and above (excluding U.S. cotton) are allowed to be imported is mainly responsible for the drop in imports of other varieties. Egyptian cotton accounted for only 25,947 bales of the total imports, as against 119,784 bales during the same period last season.



THE TRAVANCORE BANK, LIMITED.

(INCORPORATED IN TRAVANCORE IN 1945)

BALANCE SHEET AS AT 31st DECEMBER 1956.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
Authorised Capital— 8,00,000 Shares of Rs. 25 each	2,00,00,000 0 0	
Issued and Subscribed Capital— 4,00,000 Shares of Rs. 25 each fully paid		1,00,00,000 0 0
2. Reserve Fund and Other Reserves—		
General Reserve	19,95,000 0 0	
Contingent Reserve	6,25,000 0 0	26,20,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits and Thrift Deposits	1,87,91,594 6 9	
Savings Bank Deposits	34,31,449 11 7	
Current Accounts, Contingency Accounts, etc.	2,43,31,352 13 5	4,65,54,396 15 9
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	10,00,000 0 0	
(ii) Outside India	Nil	10,00,000 0 0
Particulars—		
(i) Secured by part of Investments per contra	10,00,000 0 0	
(ii) Unsecured	Nil	
5. Bills Payable		6,41,431 3 1
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	47,96,303 3 1	
(ii) Payable outside India	5,81,008 13 7	53,77,312 0 8
7. Other Liabilities—		
Reserve for Taxes	5,29,986 8 10	
Staff Security Deposit	47,500 0 0	
Interest on Inoperative Accounts	999 3 8	
Unpaid Dividends	27,437 14 5	
Branch Adjustments	8,79,596 3 4	
Provision for Bonus to Staff	37,991 12 0	
Provision towards Gratuity	30,530 11 6	
Sundries	51,959 6 11	16,06,001 12 3
8. Acceptances, Endorsements and Other Obligations as per contra		1,19,02,310 13 0
9. Profit and Loss—		
Balance as per Balance Sheet as at 31st December, 1955	4,68,597 0 2	
Less—Appropriations— Rs. a. p.		
Transfer to Depreciation Reserve on Investments 25,000 0 0		
Payment of dividend at the rate of 4 per cent. free of income-tax 4,00,000 0 0	4,25,000 0 0	
	43,597 0 2	
Add—Profit for the year ended 31st December, 1956, brought from Profit and Loss Account	11,91,463 3 9	
	12,35,060 3 11	
Less—Provided for by the Directors towards— Rs. a. p.		
Taxation 4,90,000 0 0		
General Reserve 2,40,000 0 0		
Bonus to Staff 35,000 0 0		
Gratuity 5,000 0 0	7,70,000 0 0	4,65,060 3 11
10. Contingent Liabilities—		
(a) Claims against the Banking Company not acknowledged as debts	87,098 5 5	
(b) Money for which the Banking Company is contingently liable— Rs. a. p.		
Guarantees given by the Banking Company on behalf of Directors or Officers Nil		
Others Nil	Nil	
(c) Arrears of cumulative preference dividends	Nil	
(d) Liability on Bills of Exchange re-discounted	Nil	
(e) Liability on account of outstanding Forward Exchange Contracts	72,27,120 2 10	
	73,14,218 8 3	
Total Rs.		8,01,66,513 1 1

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes—Nil)		50,44,881 5 2
2. Balances with Other Banks—		
On Current Accounts—		
(i) In India	92,906 3 3	
(ii) Outside India	23,40,197 13 2	
	24,33,104 5 5	
On Deposit Accounts—		
(i) In India (on account of Staff Security Deposits)	47,500 0 0	
(ii) Outside India	Nil	24,80,604 5 5
3. Money at Call and Short Notice		22,00,000 0 0
4. Investments at or below cost—		
(i) Securities of the Central and State Governments and other Trustee Securities (Treasury Bills of the Central and State Governments—Nil)	2,66,56,753 5 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
	2,66,56,753 5 0	
Less—Depreciation Reserve on Investments	6,25,000 0 0	2,60,31,753 5 0
(Securities for the face value of Rs. 41,43,800 are encumbered)		
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
I. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 2,24,44,351 11 3		
(ii) Outside India Nil	2,24,44,351 11 3	
II. Bills Discounted and Purchased— (Excluding Treasury Bills of the Central and State Governments)		
(i) Payable in India 30,78,895 5 7		
(ii) Payable outside India 8,58,023 3 8	39,36,918 9 3	2,63,81,270 4 6
Particulars of Advances—		
(i) Debts considered good in respect of which the Banking Company is fully secured	2,43,64,446 4 2	
(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal security	2,31,915 8 4	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	17,84,908 8 0	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	2,63,81,270 4 6	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,19,872 10 1	
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	82,62,006 0 7	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,22,700 11 8	
(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	1,29,91,504 3 9	
(ix) Due from Banking Companies	2,88,758 1 2	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	47,96,303 3 1	
(ii) Payable outside India	5,81,008 13 7	53,77,312 0 8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,19,02,310 13 0
8. Premises, Less Depreciation		Nil
9. Furniture and Fixtures, Less Depreciation—		
At cost as per Balance Sheet as at 31st December, 1955	2,75,121 13 10	
Additions during the year	2,996 5 0	
	2,78,118 2 10	
Less—Sales and Adjustments during the year	1,696 2 3	
	2,76,422 0 7	
Less—Depreciation written off to date	2,20,781 1 2	55,640 15 5
10. Other Assets including Silver—		
Motor Car at cost as at 31st December, 1955	14,533 12 0	
Less—Depreciation written off to date	13,968 10 9	
	565 1 3	
Balances with Government Treasuries	2,356 2 0	
Interest accrued on Investments	2,50,994 1 3	
Books, Stationery and Stamps	57,359 7 9	
Advance payment of Income-tax (including income-tax deducted at source)	3,36,496 3 4	
Sundries	44,459 0 4	6,92,739 15 11
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total Rs.		8,01,66,513 1 1

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1956.

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	9,79,821 8 4	1. Interest and Discount	25,79,111 11 6
2. Salaries and Allowances and Provident Fund (This includes Salaries, Allowances and Provident Fund paid to the General Manager for the year ended 31st December, 1956, Rs. 28,825 and also part of leave salary Rs. 2,904-0-1 paid to him. He has also been paid a bonus of Rs. 1,500 and balance of leave salary, Rs. 5,045-15-11 out of the provisions made during previous years)	6,43,592 11 0	2. Commission, Exchange and Brokerage	5,14,738 9 3
		3. Rents	Nil
		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
3. Directors' and Local Committee Members' Fees and Allowances	8,540 0 0	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	84,168 14 4	6. Income from Non-banking Assets and Profit from Sale of or Dealing with such Assets	Nil
5. Law Charges	5,204 14 1	7. Other Receipts	2,456 5 4
6. Postages, Telegrams and Stamps	37,805 5 1	8. Loss (if any)	Nil
7. Auditors' Fees	3,760 0 0		
8. Depreciation on and Repairs to the Banking Company's Property	29,549 10 5		
9. Stationery, Printing, Advertisements, etc.	49,723 12 11		
10. Loss from Sale of, or Dealing with, Non-banking Assets	Nil		
11. Other Expenditure	63,596 10 2		
12. Balance of Profit	11,91,463 3 9		
Total Rs.	30,96,306 10 1	Total Rs.	30,96,306 10 1

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TRAVANCORE BANK, LIMITED.

We have audited the annexed Balance Sheet of the Travancore Bank, Ltd., as on 31st December, 1956, and also the annexed Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the returns of all branches audited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions of sub-sections (1), (2) and (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(b) The transactions of the bank which have come to our notice, have been within the powers of the Bank ;

(c) In our opinion, proper books of account as required by law have been kept by the bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the bank ;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(e) In our opinion, and to the best of our information and, according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the Profit for the year ended upon that date.

(Sd.) VARMA & VARMA,
(Sd.) K. VENKATACHALAM AIYER & CO.,
(Sd.) MENON & AYYAR,
Chartered Accountants.

TRIVANDRUM,
2nd February, 1957.

(Sd.) P. NINAN KOSHI,
Chief Accountant.
(Sd.) K. C. KURUVILLA,
Assistant General Manager.
(Sd.) D. K. VEDAMUTHU,
General Manager.

(Sd.) P. S. PADMANABHAN,
(Sd.) T. M. VERGHESE,
(Sd.) K. N. SANKUNNI PILLAY,
(Sd.) S. VAIDYANATHA AYYAR,
(Sd.) K. SRINIVASA KARAVALAR,
(Sd.) P. R. RAMAN MENON,
} *Directors.*

SALES TAX ON SUGAR TO BE ABOLISHED

LEVY OF A SURCHARGE ON EXCISE DUTY

THE sales tax on sugar (as also on cotton textiles and tobacco) levied by the Governments of the various States will be replaced in about three to four months by a Union surcharge on excise duty at the source of production, after the scheme, now being worked out by the Central Finance Ministry, is given effect to. This was disclosed by Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, Government of India, in a Press interview at Ahmedabad, the other day. According to Mr. Shah, the Finance Ministry has been able to persuade the State Governments to take out sugar (cotton textiles and tobacco) from the sales tax laws. The proceeds of the proposed surcharge will be distributed among the various States in proportion to the receipts realised from the tax.

The aforesaid move of the Central Government must be widely welcomed, inasmuch as it will do away with the divergent systems of subjecting sugar to sales tax prevailing in the various States, as will be seen from the following statement:

State	System of sales tax	Rate of tax per rupee (In pies)	Sales tax per maund of sugar*
			Rs. a.
Madras .. {	Multi-point	3	1 6
	Single-point	12	1 13
Total ..			3 3
U.P.	Single-point	6	0 14½
Bihar	Do.	6	0 14½
Hyderabad ..	Do.	9	1 6
Mysore	Do.	9	1 6
Madhya Pradesh ..	Do.	6	0 14½
Bombay	Do.	12	1 13
Andhra	Multi-point	3	1 6†
Kerala	Do.	3	1 6†

* Sales tax per maund of sugar from factory to wholesaler, wholesaler to retailer and retailer to consumer on an ex-factory price of Rs. 30 per maund.

† Sales tax calculated at a minimum of three points.

Under the proposed scheme, all these varying rates of tax on sale of sugar will be replaced by a uniform levy of surcharge. The replacement will provide great relief to traders, as they need not then bother about payment of sales tax and the more vexatious business of getting their accounts settled with the sales tax authorities. This is because the surcharge will be collected from the source of production. Further, the new arrangement will greatly minimise tax evasion.

Tax Impost Heavy

While the need for bringing about uniformity in the levy of tax on sugar sales is thus of great value, it must be emphasised that the Government of India should fix the surcharge on excise duty at a reasonable level. As it is, the consumers are paying a high rate of excise duty, amounting to as much as Rs. 4-2 per maund (or Rs. 5-10 per cwt.). In other words, on every pound of sugar costing about As. 7, the consumer is paying an excise duty of nearly 10 pies, representing about 12 per cent. of the price of sugar. In addition, the consumer is paying sales tax, the incidence of which varies from State to State; it works out to 11 per cent. (of the price of sugar) in Madras, 6.2 per cent. in Bombay and Madhya Bharat, 4.7 per cent. in Hyderabad, Mysore, Andhra and Kerala, and 3 per cent. in Bihar, Uttar Pradesh and Madhya Pradesh. On this basis, the aggregate amount of money derived every year by the Government of the ten States referred to above comes, even on a conservative estimate, to as much as Rs. 9 crores.

Viewed thus, the rate of surcharge that is proposed to be levied on sale of sugar should conform to the declared objective of reducing the price of sugar which is already high in all conscience. After all, it must be remembered that sugar is a valuable energy food. Steps should, therefore, be taken to see that the consumer is not denied adequate consumption of this food. If the present upward trend in consumption of sugar is to be sustained, it is imperative that the incidence of taxes—Central and State—on this commodity, which represents as much as 25 per cent. of the price of sugar, must be reduced. Otherwise, there is the danger of consumption receiving a setback, a highly undesirable trend indeed. The continued maintenance of a high level of sugar prices will lead, sooner or later, to a switch-over of consumer's preference to the less priced substitute of sugar, namely, *gur*. It will be recalled that, only three years ago, owing to the high price of *gur*, the pattern of consumption began to change from *gur* to sugar, resulting in greater demand for the latter commodity.

The authorities will do well not to forget this development. They must reduce the tax on sugar to a reasonable level, such being in consonance with the objective of ensuring a trend that will be in the direction of higher consumption of sugar. It is needless to emphasise that a change-over to consumption of *gur* will amount to a national waste. When sugarcane is crushed for making *gur*, there is considerable loss of sucrose, estimated at 40 per cent. If this loss is to be avoided, the maximum quantity of sugarcane grown will have to be crushed for manufacturing white sugar. Even the Karve Committee, the staunch supporter of cottage industries, has recognised this aspect. Maximum crushing of cane in sugar mills can be ensured only if these mills are given some incentive in the form of tax relief. This, indeed, is a basic consideration which should weigh with the Government in fixing the proposed surcharge on sugar excise duty.

DEVELOPMENT OF "GUR" AND "KHANDSARI" INDUSTRY

The Union Ministry of Production has sanctioned grants and loans amounting to Rs. 4,90,600 to be utilised during 1956-57 for the development of the *gur* and *khandsari* industry. This sum includes two amounts of Rs. 3,94,000 and Rs. 33,000 placed at the disposal of the All-India *Khadi* and Village Industries Board, the first to be utilised for sanction of loans to co-operative societies and registered bodies engaged in the industry, and the second to be utilised partly in making grants of 50 per cent. of the cost of construction of godowns for storing *gur*, and partly in popularising the use of *gur* in preparation of bakery products. The balance of Rs. 63,600 represents a loan to the Government of West Bengal for the purchase and introduction of improved implements and appliances required for the manufacture of *gur* and *khandsari*.

The Ministry of Production has also sanctioned grants varying from Rs. 2,000 to Rs. 6,000 to 12 States for meeting expenditure on publicity and on the payment of honoraria to local workers for popularising *gur* and *khandsari*.

EXPORT OF CANE "JAGGERY"

Sugarcane *jaggery* and *jaggery* powder (*gur*) will continue to be licensed freely for export up to the end of December next. The licensing will be done on the shipping bills as hitherto.

Thanks to the free licensing policy of the Government, India has been able to export fairly large quantities of *jaggery* (cane and palmyra). The aggregate exports during the first ten months of 1956 amounted to 18,091 tons, valued at Rs. 82.15 lakhs. This figure is, of course, less as compared with the 23,458 tons (Rs. 96.47 lakhs) shipped in the corresponding period of 1955.

SUGAR OUTPUT IN 1956-57

The all-India first estimate of sugar produced directly from cane in vacuum pan factories puts the current (1956-57) season's production at 1,938,000 tons, as against the actual output of 1,862,000 tons in the previous season. This shows an increase of 76,000 tons or about 4 per cent. The anticipated rise in sugar production is expected to be shared mainly by the States of Uttar Pradesh and Bombay. The estimate of output in the former State is placed higher by 51,000 tons at 1,047,915 tons and in the latter by 23,000 tons at 225,315 tons.

A deal for the sale of 8,000 tons of Indian sugar was recently concluded with Ceylon. First shipments are expected next month. This is the first time when Indian sugar will be offered in Ceylon.

THE
BANK OF JAIPUR
LIMITED
Treasurers to the Rajasthan Government
Chairman
SHRI RAMNATH A. PODAR
Authorised Capital - - Rs. 2,00,00,000
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Paid-up Capital - - - Rs. 50,00,000
Reserve and other Funds - Rs. 20,25,000
Complete Banking Services inclusive of Foreign Exchange
S. L. KOTHARI,
General Manager.

STEEL AND CEMENT FOR COLLIERIES

QUOTA FOR PRIVATE SECTOR

THE private and public sectors of the coal industry will have separate quotas of steel and cement allocated to them with effect from April of this year. The decision to develop the public sector in the coal industry under the second Five-year Plan, had been the cause of some misgivings among the private colliery owners, in that they feared that they might not get a fair deal. The new separate quota system mentioned above, it is expected, would help to set at rest these apprehensions. Even under the existing system of allocation, the private sector of the coal industry, it is stated, has received in 1956 rather better consideration than the public sector.

As regards allocations of steel and cement for the industry, the procedure so far followed has been that the demands of both the State collieries and the private sector are checked by the Coal Controller, and after his scrutiny, they are sent to the Ministry of Heavy Industries for making a bulk allocation. Attention, of course, is paid to the claims of the two sectors for both maintenance of existing schemes and development needs. After taking all relevant factors into consideration, the Coal Controller makes detailed allocations to the two sectors.

In 1955-56, the private sector of the coal industry secured an overall allocation of 22,020 tons of steel, of which 14,430 tons were for maintenance and 7,590 tons for development, as against the overall demand of 29,522 tons, of which 17,943 tons were for maintenance and 11,579 tons for development. The allocation to the State collieries during the second half of 1955-56 was 702 tons. In the first half of the year, collieries in the public sector drew their steel requirements from the Eastern Railway quota.

During 1956-57, the Government of India has made allocations of steel to the private sector in the coal industry, amounting to 22,077 tons, of which 14,865 tons are for maintenance of existing works and 7,212 tons for development schemes. These allocations are against the demand of the sector for 19,007 tons of steel for maintenance and 18,556 tons for development. During the same period, the State collieries have been allocated a total of 600 tons of steel.

As regards cement, during 1956, the Government of India allocated 9,169 tons for the private sector and 6,201 tons for the public sector. The quota allocated to the State collieries includes a special allocation of 2,726 tons for the requirements of the washery plant at Bokaro. These allocations are against the demand of 42,800 tons by the private sector and 12,100 tons by the State collieries.

The disparity between the demands and allocations of steel and cement to the public and private sectors, it is stated, is to be attributed to the basic shortages of these commodities. The requirements of the State collieries are determined mainly with reference to the fact that development of coal mining in the public sector is of comparatively recent origin.

COAL OUTPUT IN EUROPE

There was a record production of coal in Europe in 1956 surpassing all past records. Figures compiled by the Secretariat of the United Nations Economic Commission for Europe, though provisional, indicate that the total European output of hard coal, barring the U.S.S.R., reached 622 million metric tons, as against the previous record figure of 616 million metric tons in 1955. Earlier peaks of coal production were 609 million tons in 1954 and 607 million tons in 1929.

The table appended below gives a comparable statistical data of hard coal production in the U.K. and other Continental countries:

(In million metric tons)

Country	1937	1954	1955	1956	Percentage change—1956 compared with 1955
Belgium	29.9	29.2	30.0	29.6	—1.4
Czechoslovakia ..	16.8	21.6	22.1	23.5	+6.3
France	44.3	54.4	55.3	55.1	—0.4
Saar	13.4	16.8	17.3	17.1	—1.2
Western Germany ..	137.6	128.0	130.7	134.4	+2.8
Netherlands	14.3	12.1	11.9	11.9	..
Poland	66.0†	91.6	94.5	96.0	+1.6
United Kingdom ..	244.3	227.9	225.2	225.6	+0.2
Other European countries (except U.S.S.R.) ..	12.9	28.2	28.5	28.9‡	+1.4
Total Europe (except U.S.S.R.) ..	579.5	609.8	615.5	622.1	+1.0
U.S.S.R.*	127.0	346.0	391.0	429.0	+9.7

* Including lignite. † Post-war territory. ‡ Provisional.

NATIONAL BANK OF INDIA
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The Liability of Members is Limited
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Reserve Funds £3,104,687
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PAKISTAN: Karachi, Saddar Branch, Karachi, Lahore, Chittagong, Agrabad Rd., Chittagong, Narayanganj, Khulna.
BURMA: Rangoon.
CEYLON: Colombo, Kandy, Nuwara Eliya.
ADEN: Camp, Aden Steamer Point, Aden, Little Aden (Sub-Branch to Aden).
SOMALILAND PROTECTORATE: Hargeisa, Berbera.
ZANZIBAR ISLAND: Zanzibar.
TANGANYIKA TERRITORY: Tanga, Daressalaam, Mwanza, Lindi, Moshi, Mtwara, Mikindani (Sub-Branch to Mtwara), Bukoba, Mbeya.
KENYA: Mombasa, Nairobi, Kiambu (Sub-Branch to Nairobi), Delamere Avenue, Nairobi, Thika, Fort Hall (Sub-Branch to Thika), Nakuru, Nalvasha (Sub-Branch to Nakuru), Kisumu, Kakamega (Sub-Branch to Kisumu), Eldoret, Koricho, Sotik (Sub-Branch to Koricho), Nyeri.
UGANDA: Entebbe, Fort Portal, Kampala, Masaka, Jinja, Kamun (Sub-Branch to Jinja), Mbale, Tororo, Soroti, Mbarara.
Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts opened.
Bombay Branch:
Mahatma Gandhi Road, Fort,
BOMBAY 1.
D. G. MOORE, Manager.

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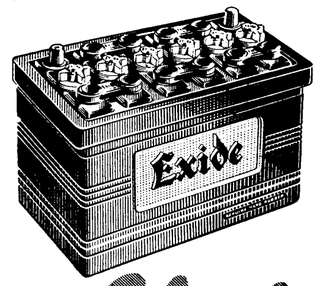

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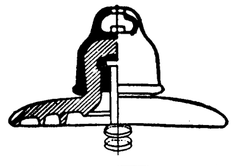
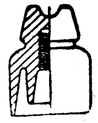
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PROBLEMS OF TEA INDUSTRY

MR. J. P. H. BENT ON AGREEMENT TO RESTRICT OUTPUT

ADDRESSING the annual general meeting of the Indian Tea Association, held at Calcutta recently, Mr. J. P. H. Bent, Chairman of the Association, highlighted some of the problems facing the tea industry and urged for a greater degree of co-operation on the part of labour unions in the implementation of the Plantation Labour Act which, when accomplished, would bring about a big advance in the living standards of plantation labour. Mr. Bent particularly stressed that until the target set by this Act was achieved, it would be foolish to fritter away the resources of the industry by an all-round increase in wages or bonuses in an attempt to raise the minimum wage to a so-called living or fair wage. Certain unions are demanding a 25 per cent. increase in wages which cannot be regarded as justified especially in the tea industry, which is under an obligation to provide housing, medical, recreational and other amenities which, in other industries, are the responsibility of the State.

The large bonus paid, in 1956, did not unfortunately enter into national investments like National Savings Certificates, but was, in the majority of cases, spent on consumer goods which, by inflating local prices, resulted in a reduction in the real wages of workers. The demand for higher wages and less hours of work, Mr. Bent rightly pointed out, was fraught with grave inflationary consequences. Stressing the need for proper leadership for labour, Mr. Bent observed: "There has never been a greater need for enlightened union leadership and it remains to be seen whether the union leaders, whatever their political complexion, resisting the temptation to seek local and spectacular triumphs and using their undoubted influence with the workers, can show them that victory over fear and want in this generation cannot be obtained without remitting effort and perseverance."

Labour-Management Relations

Labour-management relations in 1956 were, however, not bad. There were only 76 strikes in that year and the number of work-days lost was only 108,419, out of a potential 150 million. And there is evidence, according to Mr. Bent, to show that the more representative of the unions in the industry have a growing sense of their responsibilities.

Defending the agreement of producer associations in North-East India to an early cessation of plucking last November, Mr. Bent said that it is unfair to label it as a monopoly practice involving the exploitation of the consumer. This step was made inevitable by the decline in prices which fell below cost of production. Had production not been restricted, it would have resulted in a serious slump for common teas entailing the closing down of many factories and wholesale retrenchment of workers.

The immediate future of the tea industry is not all bright. Disequilibrium in supply and demand is still a significant factor. The International Tea Committee's statistics showed a considerable overproduction in 1954 and 1955, to the tune of about 140 million lbs. Therefore, common teas are having a buyers' market although quality teas continue to have a handsome premium. Referring to the new International Tea Agreement proposed by the Government of India last year, Mr. Bent said that he considered it as of the greatest importance that the Agreement should be signed, if only by India and Ceylon in the first instance. The existence of such an agreement, he further added, should make it easier for these two countries to come to terms over the regulation of exports in future and circumstances may later make other countries like Indonesia and Pakistan to see the wisdom of becoming parties to it, especially if production increased significantly in Indonesia and Africa and exports from China and Japan continued to expand. But in the immediate future, it seems unlikely that Ceylon will agree to any degree of restriction that would curb its exports, as the scope for increasing internal consumption in that country is very little. Referring to overseas demand for tea, Mr. Bent said.

"Intensive propaganda is being conducted in America and other overseas markets. My visit to America and Canada last autumn with the Indian Government delegation has convinced me that the television propaganda . . . must eventually result in increased consumption, if only on account of the increasing population in those countries. Nevertheless, there is a danger that production will outstrip demand before the effect of that increased consumption is felt and that the poorer qualities of Indian tea will become difficult to sell.

"It is essential that India should prepare itself to meet this contingency. Being the largest producing country, it can decisively tip the scales by restricting its exports to a figure which will restore the equilibrium between supply and demand, but this has to be carried out with circumspection: for if this policy is overdone, or is carried on too long, it merely invites the other producing countries to increase their production and exports. Moreover, if exports are restricted without any restriction of crop, a glut of tea can be created on the internal market and prices may fall below the cost of production.

"It is therefore desirable that any regulation of crops in India should be brought about by gardens concentrating on improving the quality of their teas, so that not only will there be an automatic reduction in world crops, but Indian teas will be in a better position, as a result of their improved quality, to compete with other producing countries in the buyer's market which must be expected for the next few years." Proceeding, Mr. Bent observed that during the past year a most commendable improvement in manufacture was noticeable in nearly all districts. It was hoped that by thus concentrating on quality a sufficient check would be placed on production, but nature got the better of the planters, and when it was obvious that they would have a bumper crop, some corrective measures became inescapable. He added:

"We know that the Indian Government is averse to taking any statutory action for restricting crop, as this would run counter to the second Five-year Plan, which lays stress on the need, from the domestic point of view, for progressive increases in production in all industries. It is only too clear from our discussions early last year that it would not be possible to obtain sufficient adherence to a voluntary crop restriction scheme to make it a success. I must, therefore, emphasise the need for yet further concentration on quality this year, as circumstances in 1957 may make it impossible to correct any overproduction by a last-minute agreement to an early cessation of plucking."

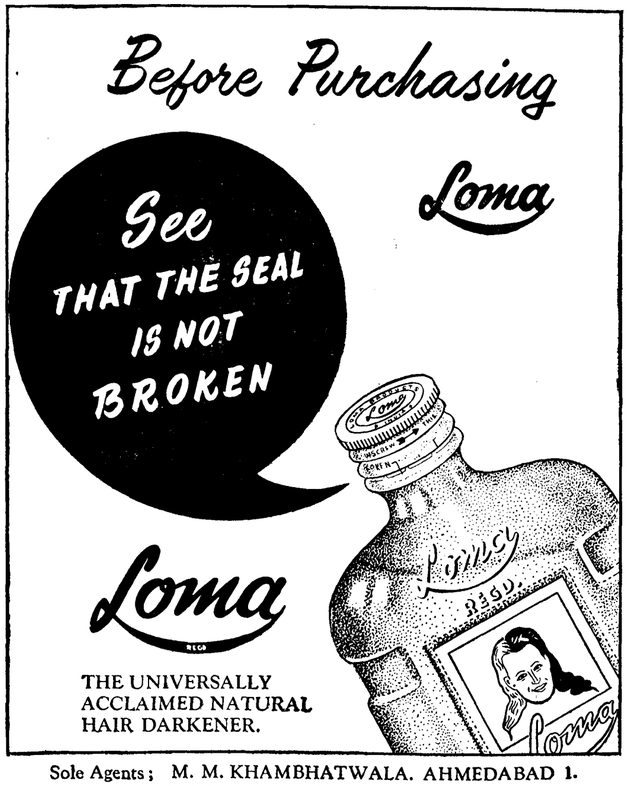
Expansion of internal markets should also receive attention. *Per capita* consumption of tea in India is only half pound a year and if this could be doubled, it would help to mop up excess production. With this object in view, the Tea Board has recently considered the reorientation of its internal propaganda policy. Sir Percival Griffiths, who came last November at the invitation of the Government of India to investigate this problem, will, it is expected, give valuable suggestions in this regard. It is to be hoped that it will be possible to improve internal consumption so that the domestic market will take an increasingly larger share of the country's tea output.

PROVIDENT FUND FOR PLANTATION WORKERS

The Government of India has decided to extend the benefit of compulsory contributory provident fund under the Employees' Provident Funds Act, 1952, to workers in plantations of tea (except in Assam where a similar Act of the State Government is already in operation), coffee, rubber, cardamom and pepper employing 50 or more workers. A *Gazette* notification, requiring the recovery of provident fund from wages for and after the month of May 1957, is being issued by the Ministry of Labour, Government of India. With this extension, approximately 3.60 lakhs of additional workers are likely to get provident fund benefits and their monthly contributions to the fund including the employer's share are estimated to amount to Rs. 16.52 lakhs.

The Employees' Provident Funds Act was initially enforced in November 1952 in six industries, namely, cement, cigarettes, electrical, mechanical and general engineering products, iron and steel, paper and textiles. There was persistent demand for the extension of provident fund benefits to all categories of industrial workers. Recommendations for the extension of the Employees' Provident Funds Act to other industries were also made by the Planning Commission and by the Tripartite Consultative Committees. The Act was, accordingly, extended to 13 additional industries on 31st July 1956 and to another four on 30th September 1956. These industries include matches, sugar, tea factories, printing, glass, heavy and fine chemicals, edible and non-edible vegetable and animal oils and fats, etc. The Scheme was extended also to newspaper establishments with effect from 31st December 1956. The mineral oil refining industry was brought under the Act with effect from 31st January 1957.

The Employees' Provident Funds Act, 1952, which applied only to factory industries, was amended by Parliament in December 1956 to empower Government to extend it to non-factory establishments. The total number of factories brought under the Act so far is over 4,000. The number of subscribers in the covered factories exceeds 17 lakhs. The average monthly collection of provident fund contribution is about Rs. 1.65 crores. The total contributions up to November 1956 amounted to about Rs. 73 crores.



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THE BANK OF INDIA LIMITED

SIR COWASJEE JEHANGIR'S ADDRESS AT FIFTY-FIRST ANNUAL MEETING

ASSURED FUTURE FOR FOREIGN EXCHANGE MARKET IN INDIA PREDICTED

ADDRESSING the Fifty-first Annual General Meeting of the Bank of India Ltd., held in Bombay on Thursday, 7th March 1957, Sir Cowasjee Jehangir, Bart., Chairman of the Bank, pointed out that the business of banking in 1956 operated under the handicap of a significant scarcity of funds. He alluded to the recent increase in interest rates in the context of the unchanged Bank Rate, and averred that the notice to a bank's customers of such an increase was "more provoking to them than an automatic increase due to a rise in the Bank Rate." Referring to foreign exchange business, he felt that there was an "assured future for India as a foreign exchange market." He expressed the hope that the authorities would do all they could to see that "the value and reputation of the rupee in foreign markets are maintained."

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

"LADIES AND GENTLEMEN,

"With your permission the balance-sheet may be taken as read.

"At the time of our annual general meeting in 1956 the currency in circulation was Rs. 1,406 crores, whilst at the corresponding time, in 1955, it was Rs. 1,241 crores. This year, it is Rs. 1,515 crores. The increase on last year's figure is Rs. 109 crores. I consider that the substantial needs of the second Five-year Plan have tended to prevent an increase of this order from spelling material inflation.

"The year 1956 saw a major event in State ownership. This was the nationalisation of life assurance business in India from 19th January 1956. There was a transition period during which, until the inauguration of a Government corporation with legal status, Government custodians managed the life assurance business through the organisations of the old life assurance companies. A body corporate, the Life Insurance Corporation of India, was brought into being by an Act called the Life Insurance Corporation Act, 1956, and functioned from 1st September 1956. On that date, the Corporation took over fully, the interim period ended and the operation of nationalising life assurance in India was completed. The matter of compensation to the old companies remains.

Companies Act

"A far-reaching event in 1956 and one which intimately concerns the Bank was the coming into force from 1st April 1956 of the Companies Act, 1956. Some of the provisions of this voluminous legislation are most complicated and not easily carried out. Your Directors have devoted much attention to meeting the requirements of the Act. The extraordinary general meeting of 11th October 1956 for the bonus issue, passed some resolutions to meet the Act. You will see further evidence of the Act's requirements in the agenda of this meeting.

"The year has seen further taxation imposts and Government restrictions. In my speech last year, I spoke of the Finance Bill for 1956—the Budget—which had just then been introduced. It provided for substantial increases in taxation, particularly on companies. In December 1956, supplementary Finance Acts, called Finance (No. 2) Act, 1956, and Finance (No. 3) Act, 1956, were enacted. They enhance the existing burdens on free enterprise. The No. 2 Act, amongst other things, greatly increases the rates of stamp duty on usance bills of exchange and usance promissory notes and can, therefore, be said to be "in restraint of trade" so far as the banking business is concerned. The No. 3 Act will oblige companies to make compulsory deposits with the Government in certain circumstances. If I may be permitted to use a somewhat strong expression, I would say that this is the adoption of the principle of "forced loans" to the Government of the country. I do not think I am alone in this view—or in my rooted objections to the principle. This legislation will also have the effect of aggravating the already very tight money conditions to which I will refer later.

"The Act also resurrects the Capital Gains levy which was in force from 1946 to 1948. In the latter year it was allowed to become dormant. There was then a recession in trade. I imagine the levy ceased to produce much revenue to the tax-gatherer. In the present resurrection the impost is tightened in that the minimum amount of capital gains assessable is reduced from Rs. 15,000 to Rs. 5,000. The Act also enhances further the burden of the tax on dividends paid by companies levied by the main Finance Act of 1956, passed earlier in the year.

"The Banking Companies (Amendment) Act, 1956, was enacted at the end of 1956 and came into force on 14th January 1957. The main Banking Companies Act, 1949, gave the authorities wide powers over banks. The amending Act enhances these powers. The Reserve Bank of India is empowered, under certain circumstances, to order that a general meeting of a banking company be held to elect fresh directors and any such election duly held 'shall not be called in question in any court.' This is autocratic legislation. It is not the first example we have had. To take redress out of the control of the courts is undemocratic, to say the least. It is against the canons of justice as we know them. It is a dangerous practice to have started. It is a dangerous practice to develop. The appointment or remuneration of a managing or whole-time director or manager or chief executive officer of a bank must now have the approval of the Reserve Bank of India. An officer of the Reserve Bank of India shall, in certain circumstances, be entitled to attend the board meetings of a banking company.

Budget

"This is an exceptional year for the industrial and commercial life of India. The Budget is ordinarily introduced at the end of February. This year it is being postponed to a date in March or April, due, it is said, to the elections. I do not think the Government realise the inconvenience the postponement causes to industry and commerce. The Government might have arranged the elections in such a way as not to interfere with the usual date for the introduction of the Budget. The uncertainty that the delay causes does not strike the members of the Government who are, I fear, inclined to look to their own convenience and not always to that of the public. The anxiety due to the delay has been enhanced by rumours set afloat by irresponsible remarks. The rumours may or may not have any foundation but they cause damage by bringing about a lack of confidence in the future. Private enterprise can only thrive on credit and confidence. We are already possibly the highest taxed country in the world and rumours of still higher direct taxation shake the confidence of the public.

"When will Government learn to cut their coat according to their cloth? Five-year-plans are all very well on paper and are sometimes praised by foreigners who do not have to consider where the required money is to come from. One pertinent question about the gigantic schemes in the second Five-year Plan is whether we are going to get value for the money we spend. This, in my opinion, is very doubtful. Leaving aside the very high costs prevailing today, some money is lost by mistakes made by even the best of authorities. We cannot forget that miscalculations are almost bound to occur in all schemes, big and small. If only a portion of what one hears be correct, the amount lost in some of the schemes undertaken in this country would run into huge figures. It is earnestly to be hoped that the Government will reconsider their grandiose schemes before they are compelled to give them up after incurring losses.

Golden Jubilee

"During 1956, the Bank celebrated its golden jubilee. The Bank was established fifty years ago on 7th September 1906. It started business in November 1906. Golden jubilee functions were held at Bombay and at all other places where the Bank has branches. Special articles and supplements in the Press were arranged. A golden jubilee brochure was printed and circulated. A medal was struck and distributed to shareholders and customers. The Bank's head office building was illuminated for some nights in November. The illuminations had, I think, the full approval of you shareholders resident in Bombay. Also, to mark the completion of fifty years of the Bank's life, the paid-up capital was increased from Rs. 250 lakhs to Rs. 300 lakhs by making a bonus issue to shareholders of 100,000 "A" fully-paid shares of Rs. 50 each from that part of the reserve fund representing premiums received on past issues of shares. The new issue has been made in a smooth manner, greatly assisted by you shareholders deciding that no fractional coupons should be issued but that the proceeds of fractions should be given to shareholders in cash. We have thus been saved the inconvenience of having outstanding coupons not presented.

Scarcity of Funds

"The business of banking in 1956 operated under the handicap of a significant scarcity of funds, a condition which became more evident as the year progressed. It has been even more pronounced since the end of the year. There is an increasing unsatisfied demand for bank accommodation. It is a long time since a creditworthy customer could be so doubtful of getting an advance from his bank against even really good and acceptable security as he is today. With the sustained and effective—I might almost say preferential—demands for finance for the projects of the second Five-year Plan, there is little likelihood of any early easing of the money situation. Rather is the reverse the case. The position is made worse by the Government's insatiable tax levies. Industrial concerns can only meet the peremptory demands of the tax-gatherer by surrendering money they need for working capital or for maintenance and renovation and development of plant. They are obliged to apply to banks for money to replace the funds they have had to pay in taxes. They find the tightness of money prevents their demands being met. Their business and their profits—and their shareholders—suffer.

"As an indication of the money situation I may bring to your notice that the ratio of advances and bills discounted and purchased to the deposits of all Scheduled banks is now 75 per cent. This is the highest ratio since the Reserve Bank of India started publishing the figures in 1935. Interest rates on deposits with banks have risen to levels not seen for many years. Against a Bank rate of 3½ per cent. we have to pay more than 4 per cent. per annum for deposits fixed for some periods. The rates of interest on advances do not rise proportionately to the rise in deposit rates. I mentioned this in my speech last year and it has been particularly the case in 1956. Deposit rates go with the prevailing rates of interest and depend upon the supply of and demand for money. With very few exceptions, the rates of interest on our advances are related to the Bank rate. If there is no change in the Bank rate, and it has now been stationary since 15th November 1951, our rates of interest on advances do not automatically rise. We have, of course, increased our rates of interest by notice to our customers. Notice is more provoking to them than an automatic increase due to a rise in the Bank rate, where they do not need to receive any intimation from the bank. They see the rise in the Bank rate and recognise that interest on borrowings must, accordingly, rise.

Bank Rate

"Because the Bank rate has been kept at 3½ per cent. in recent years of rising money rates, it has, to some extent, lost its character as the standard of interest rates in the country. Even the Reserve Bank of India recognises this, because, from 1st February 1957, it has raised from 3½ per cent. per annum to 4 per cent. per annum the rate at which it will grant loans to banks against Government securities. This is not the official Bank rate. The Reserve Bank of India thus admitted the increase in interest rates but did not alter the Bank rate.

"Our foreign exchange business turnover has developed greatly and, with it, our earnings from that side of our trading. We are not only doing a larger volume of foreign exchange business than in earlier years, but we are financing

(*Continued on page 537*)

THE NATIONAL BANK OF INDIA, LIMITED

FURTHER PROGRESS ENVISAGED

MR. J. K. MICHIE REVIEWS CONDITIONS IN FAR EASTERN COUNTRIES

THE Annual General Meeting of the National Bank of India, Ltd., will be held in London on 26th March 1957. The customary statement of the Bank's Chairman, Mr. J. K. Michie, circulated to the shareholders along with the Directors' report and accounts for the year ended 31st December 1956, provides an analysis of the economic conditions and developments in the various countries in which the Bank operates. Referring to India, Mr. Michie says that the second Five-year Plan "reflects a dynamic outlook and determination on the part of the Government." He adds that all people of goodwill will wish the Plan the greatest possible success.

The following is the full text of Mr. Michie's statement:

"First, I wish to mention certain changes in the composition of our Board and in our General Management that have happened over the past year.

"In August last Mr. R. L. Hird died after a short illness. He had been a member of the Board since 1945 and previously had served the Bank for 48 years, finally as General Manager. Mr. Hird's wide and intimate knowledge of our affairs and his own qualities made him a particularly valuable member of the Board and we miss him greatly. In replacement, we invited Mr. N. W. Chisholm to join the Board and this appointment now comes up for confirmation at the annual general meeting.

"On 31st December Mr. Chisholm ended a career of nearly 50 years of distinguished service as an executive of the Bank, during the last four of which he was your General Manager. We are very glad indeed to continue to have the benefit of Mr. Chisholm's wide and up-to-date knowledge and experience.

"We have also appointed to the Board the Rt. Hon. A. R. W. Low, C.B.E., D.S.O., M.P. Previous to becoming a Minister of the Crown in 1951 Mr. Low was a Director of Grindlays Bank Ltd. His family connection with that Bank goes back well over a hundred years. Mr. Low's appointment also requires your confirmation.

"Mr. Kerr, previously Deputy General Manager, has succeeded, Mr. Chisholm as General Manager and, in turn, his place as Deputy General Manager has been taken by Mr. G. T. Gillespie. Both are fully qualified by ability and experience for these positions.

"Before turning to the accounts I have another matter of more than ordinary interest to report.

Amalgamation of Grindlays

"Ever since we acquired from the National Provincial Bank Ltd. the total capital of Grindlays Bank Ltd. the interests and managements of Grindlays Bank and ourselves have naturally grown more closely together and it has become increasingly clear as experience accumulated that to ensure the full benefits of this association a physical fusion of resources and staff must be the ultimate step. The Boards of both Banks have now decided that the time is ripe for an amalgamation and the necessary preliminaries have been set in motion. It is hoped that the fusion can be effected as from 1st January 1958, and every effort will be made to achieve this. Opportunity will be taken to make a change in our name and, despite the long and honourable associations attaching to the present titles, there are a number of good reasons for doing this. Until certain legal formalities are completed it is not possible to announce a name, but it is hoped to preserve in the one adopted associations with both now in use.

"What is important to our shareholders is that the two Boards are strongly and unanimously of the opinion that taking this action will solidify and strengthen our structure and enable us to progress both more soundly and more rapidly than would otherwise be the case. A public announcement of our intentions will be made at the earliest possible date. Any necessary resolutions will be put before you in due course.

"Our consolidated balance-sheet total, at £163,635,741, shows the contraction anticipated in my last statement, the comparable figure a year ago being £168,653,013.

"Our net profit figure is somewhat larger and, after full provisions for taxation, bad and doubtful debts and other necessary reservations, comes out at £432,835 against £421,839 the previous year. Dividends declared are unchanged at 15 per cent. for the year. £100,000 has been transferred to premises account against £75,000 and £75,000 to contingencies reserve account against £85,000 in 1955. The balance carried forward is increased by £11,888.

"The fall in the value of sterling securities was arrested before the end of 1956 and an upward movement has since taken place. As I have previously reported, all temporary depreciations in our holdings have been fully provided for ex interior reserves.

India

"All Indian economic activity is being dominated by the second Five-year Plan which has recently been widely commented on in the financial Press and our own *Quarterly Review* published in January carried an interesting article on the subject.

"Despite legitimate mental reservations as to the timing and correlation of certain sections of the Plan and some doubt, having regard to the country's apparent resources—the significant reduction in her sterling balances has to be taken into account—whether too much is being attempted too quickly, it is generally agreed that the Plan is imaginative and certainly reflects a dynamic outlook and determination on the part of the Government. All people of goodwill will wish the Plan the greatest possible success.

"In such circumstances of stretched resources it is inevitable that larger calls are made on the banking system of the country. But banks, while assisting their customers to the greatest possible extent, have the mundane and paramount duty of maintaining a reasonable liquidity and that can be achieved only by finding more deposits or by restricting their lendings. While the total of deposits with the banking system in India showed a moderate rise over the year, most recent figures available show that aggregate advances stand at over 70 per cent. of deposits; and, in spite of an unchanged Bank rate, money commands about 1 per cent. per annum more than a year ago. On this showing banks can hardly be accused of underlending, particularly in comparison with the ratio of lendings to deposits in the United Kingdom. Perhaps, both reflect exaggerations of opposite policies.

Causes

"This situation has been created partly by the Government's policy and partly by circumstances. To take the second first, the blocking of the Suez Canal automatically meant and still means that shipments have to be financed for considerably longer periods than normal, while a great deal of capital imports eventually are paid for by Government departments whose machinery for so doing works slowly. Secondly, there is so much pressure on the private sector of industry to expand that its reserves previously built up are rapidly being spent, plus very large additional sums, and that at a time when the Government is keeping an extremely tight rein on the capital market as well as on money rates. The proposal that part of company reserves should be deposited with the Reserve Bank would mean a depletion of ordinary banking deposits.

"Commerce and industry have recently had their tax burdens materially increased and there have been official indications that these possibilities are considered not yet to be exhausted.

"It is true that industrial profits are good but the atmosphere of doubt about the Government's intentions towards the private sector is very adversely affecting Stock Exchange values, in other words public confidence.

"India's food production is being wonderfully well maintained, but it is still the largest single problem which the Government has to face and will continue to be so in the foreseeable future. Other major cash crops, e.g., jute, tea and cotton, all enjoyed reasonably good years, tea prices particularly having made a very good recovery since December 1955.

"It is satisfactory to see that a fresh trade agreement between India and Pakistan has just been signed which should facilitate the natural transactions between the two countries. For the benefit of both it is to be hoped that this trade will steadily expand.

Pakistan

"The recently published Budget for 1957-58 indicates that Pakistan expects to finish this financial year with a favourable trade balance of just under £1,000,000 against a surplus and £24,000,000 in the previous year.

"The prime cause of this change was the food shortage in East Pakistan. Indeed, as the Budget statement admits, food production against the background of a rising population is the greatest weakness in the country's economy and the one perhaps which has had less than its meed of attention. Tax relief is given to the lower income groups, but surtax is raised by 6¼ per cent. and a wide range of tax increases is imposed on articles of consumption including tobacco, jute, cloth and oil. In other words, in the main, increases in direct taxation have been eschewed.

"Industrial expansion continues and during the year there was an increase of one-third in the number of looms in operation in the jute mills of East Pakistan. The target of the existing Companies is 8.500 looms which will mean an increase of nearly 60 per cent. on present capacity. At 1,750,000 bales, the cotton crop of West Pakistan, though larger than that of the previous year, was affected by adverse weather. The requirements of local mills are now estimated at 1,000,000 bales, which is an increase of 30 per cent. over the previous year.

Ceylon

"Economically Ceylon's experience in 1956 was a satisfactory one and in the year ended 31st October 1956 her accumulated surplus rose by £6,500,000 to nearly £90,000,000. Money rates were easy, tea prices were good and rubber prices moderately so. Her efforts to grow more food continue to expand.

"In certain respects the prospects for investors in Ceylon are, in weather forecasting parlance 'uncertain.' Some sections of the present Government have recently advocated the nationalisation of industry and specific suggestions have been made that the tea estates could be taken over at an average valuation of £69 per acre. Those competent to know state that tea cannot be brought into production and manufactured at a cost of less than £400 per acre. Some put it much higher, so there is little reality about the figure that has been named and estate owners cannot be blamed for feeling apprehensive. A policy involving a large measure of expropriation would be damaging to Ceylon's good name and to her prospects of obtaining outside capital for new projects and I hope the idea will not be pursued.

"The modernisation of Colombo port is now nearing completion, but labour relations have been bad and the turnround of ships visiting the port is extremely slow in consequence.

Burma

"Throughout 1956 rice prices and demand both remained very steady and previously accumulated crop balances were largely disposed of, exports reaching nearly 1,950,000, against an estimated exportable surplus of 1,500,000 tons. This year's exportable surplus is estimated at 1,575,000 tons.

"In these respects the position is sound and the country's financial resources have benefited. At 31st December 1956 her sterling balances stood at £39½, against £32 millions a year earlier.

"There is a welcome trend to curtail barter transactions and to sell a larger part of rice export for currency and I trust this policy will be increasingly pursued; for only by that means will she have freedom of choice in placing her purchases.

"Nevertheless, the sanctioning of remittances to cover accumulated profits belonging to foreign investors and for leave salaries and other legitimate personal needs is still being made a matter of great difficulty and is causing natural concern as well as hardship to those affected.

"The new refinery built near Rangoon by the Burma Oil Company (1954) Ltd. which is now a 'joint venture' with the Government is expected to go on stream in March and the economic benefit of this development will be considerable.

"Teak production has improved, but will not recover to any great extent until the Government has achieved a greater measure of law and order throughout the forest areas.

East Africa

"Since I last addressed you we have opened three branches and sub-branches in these territories and have closed one.

"It is good to be able to report that the Mau Mau problem has now reached the constructive stage of rehabilitation, the destructive force of the movement to all intents and purposes being exhausted. The Government of Kenya is to be congratulated on the enlightened way it has planned and is tackling the all-important question of the resettlement of those who were involved in Mau Mau and even more on the success of their efforts.

"Rightly much financial help has been given to Kenya by Her Majesty's Government, but a remarkable feature since the unfortunate movement began has been the resilience of its economy and the rate at which the inflow of capital has continued. The success of the internal loan of £2,500,000 issued a few weeks ago is another encouraging sign.

"Coffee prices have averaged about 10 per cent. higher than the previous year. Tea production has reached a new record of 19,000,000 lbs. and development continues.

Uganda

"The cotton yield was slightly in excess of the previous year and coffee production is expected to reach the record figure of 70,000 tons which compares with 45,000 tons for the year 1955-56.

"Owing to Indian buyers holding off, the marketing of cotton is slow, but the general trading situation appears to be sound and money is moving more freely than was the case last year.

"The demand for electricity from the Owen Falls scheme continues to increase and the general picture in Uganda is one of a steadily expanding economy.

"Through co-operative societies Africans are being increasingly introduced into the cotton ginning and coffee milling industries, while their share in the retail trade of the country has now risen to 35 per cent. All this spells progress.

Tanganyika

"Here too the production of cotton, coffee, tea and other cash crops continues to expand and exports of sisal also increased. Sisal prices have been fairly steady around £75 to £80 per ton.

"Our new office at Daressalaam was recently completed and H.E. the Governor, Sir Edward Twining, kindly performed the opening ceremony. A photograph of the building which His Excellency described as 'splendid and distinguished' is reproduced with the report.

Zanzibar

"The backbone of the island's economy is cloves and, because of drought, the yield of the crop now being marketed is estimated at only 7,000 tons, against 10,000 tons the previous year. The market, however, is firm and prices are about 25 per cent. over last year's level.

"The closing of the Suez Canal naturally has considerably affected Aden as a bunkering port and as a tourist shopping centre, the number of vessels entering the port having fallen by 60 per cent., but otherwise its trade has shown remarkable life.

"In July last, we occupied our fine new office at Crater—which also houses the Currency Office—and an official opening ceremony was kindly performed by Sir Tom Hickinbotham, just prior to his retirement from the Governorship of the Colony.

"We have recently sanctioned the rebuilding of our Steamer Point office, the present one being inadequate for our needs.

"The oil refinery at Little Aden is being expanded and we must hope that Aden will soon have a return to normal activity and expansion.

Somaliland Protectorate

"No large developments have taken place during the year and the effects of the drought in the early part of 1956 are still being felt.

"The use of our banking facilities continues to grow if slowly.

Grindlays Bank Ltd.

"I have already dealt with our proposals for the fusion of this business with our own.

"I am glad to report another successful year's operations which is reflected in the profit figure shown in their accounts attached to this report and, as you will see, the growth in the volume of the Bank's deposits has been well maintained. As in our own case, all necessary provisions have been internally made, including any depreciation on the Bank's holding of Government securities.

"During the year, two further branches have been opened in the Rhodesias and results of operations there show a considerable improvement and are encouraging.

"Our **Finance and Development Corporation** again operated at a profit which is being retained in the business.

General

"When I last addressed you we had a rise in the Bank rate to 5½ per cent. in a further attempt to curb inflationary tendencies. The situation was apparently improving when the economic results of the Suez crisis fell upon us. By dint of calling up our reserves the critical phase has been by-passed and money has been plentiful enough to justify an adjustment of the Bank of England rate to 5 per cent. I say adjustment advisedly, for, on the authority of the Governor of the Bank of England, that is all it is and we shall have to work hard for any further improvement in our monetary situation, whether expressed in gold and dollar balances or interest rates, and obviously they go together.

"This is no time to attempt prophecy; the imponderables are too many and certainties too few, but, as has been said before, no one owes this country a living and it can only be through the wisdom of our Government and the efforts of all our people that our present economic difficulties will be resolved; and surely there is nothing insurmountable about them so long as we do not spend as if we still had a large unearned income behind us.

"Last year, I remarked on the disparity between interest rates in London and those current in certain other countries. This gap has since been narrowed, but in today's relative circumstances it is in some cases still too wide. Supply and demand will doubtless have their way in due course.

"As to our own prospects, given reasonable operational conditions I feel sure our forward progress will continue.

"I wish again to thank our staff throughout our widespread organisation. Banking is a service and it is in its quality that the seeds of success lie. From my observation we have nothing to fear on that score."

THE NATIONAL BANK OF INDIA, LIMITED

(REGISTERED IN LONDON UNDER THE COMPANIES ACT OF 1862 ON THE 23RD MARCH, 1866.)

(THE LIABILITY OF MEMBERS IS LIMITED)

ESTABLISHED IN CALCUTTA, 29th SEPTEMBER, 1863.

Subscribed Capital	**£4,562,500**	**Reserve Fund**	**£3,104,687**
Paid-up Capital	**£2,851,563**	**Number of Shareholders**	**3,212**

BALANCE SHEET, 31st DECEMBER, 1956.

1955 £		£	1956 £	1955 £		£	1956 £
4,562,500	CAPITAL— Authorised and Subscribed—4,562,500 Shares of £1 each	4,562,500		16,844,105	CURRENT ASSETS— Cash on Hand, at Call and Short Notice, and at Bankers		16,546,982
2,851,563	Paid-up 12/6d. per Share		2,851,563		Investments at under Market Value :—		
3,104,687	RESERVE FUNDS—Including Share Premium Account £1,128,750 (1955—£1,128,750)		3,104,687	11,964,059	British Government and other Securities quoted on the London Stock Exchange	8,132,734	
275,442	PROFIT AND LOSS ACCOUNT— Profit unappropriated		275,369	14,802,755 323,968	Indian, Pakistan, Ceylon and East African Government and other Securities quoted on Overseas Stock Exchanges .. Unquoted Investments	14,982,240 650,461	23,715,435
6,231,692			6,231,619	29,746,594 66,439,122	Bills of Exchange, including Treasury Bills .. .. Advances, Loans Receivable and other sums due to the Bank ..		28,852,613 65,583,017
	CURRENT LIABILITIES, PROVISIONS AND OTHER ACCOUNTS— Current and other Accounts, including provision for diminution in value of assets, taxation on profits to date and reserves for contingencies	101,487,597		903,681	Customers for Acceptances per Contra		446,601
100,831,411		27,040,533		141,024,284	Total Current Assets		135,144,648
29,202,932	Fixed and Short Deposits	1,966,721					
2,094,964	Amounts due to Subsidiary Companies	—		1,700,000	SUBSIDIARY COMPANIES— Shares at cost less amounts written off	1,700,000	
4,000,000	Loans Payable	2,833,436		429,551	Amounts due	605,555	2,305,555
2,141,394	Bills Payable	446,601					
903,681	Acceptances for Customers				FIXED ASSETS— Bank Premises, Property and Furniture at cost, less amounts written off		
122,974	Second Interim Dividend less Income Tax for the year ended 31st December, 1956	122,974		2,375,213			2,679,268
			133,897,852				
£145,529,048			£140,129,471	£145,529,048			£140,129,471

NOTES.

1. There are commitments in respect of Confirmed Credits, Forward Exchange Contracts and Guarantees, including Guarantees to Government Departments in India. Securities to the nominal value of £502,550 (1955—£805,000) have been deposited as security for Government and other accounts. There are contingent liabilities on Bills re-discounted amounting to £210,594 (1955—£240,304), of which £133,743 has run off at 23rd February, 1957.
2. Liabilities have been incurred in respect of building contracts for new premises amounting to approximately £265,000 (1955—£495,000).
3. The rupee in India, Pakistan and Ceylon and the kyat in Burma have been converted into sterling at 1/6d. and the East African shilling at par. Other currencies have been converted at the rates of exchange ruling on 31st December, 1956.

W. KERR, *General Manager.*
D. A. DEELEY, *Accountant.*
J. K. MICHIE, A. N. STUART, N. W. CRISHOLM } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet which is in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on such basis, the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1956.

LONDON, 25th *February*, 1957.

We have also examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account of the Bank and its Subsidiaries dealt with thereby with the audited accounts of those Companies. In our opinion such Consolidated Balance Sheet and Consolidated Profit and Loss Account have been properly prepared from such accounts in accordance with the provisions of the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on this basis, give a true and fair view of the state of affairs and of the profit ascertained in the manner therein indicated of the Bank and its Subsidiaries so far as concerns members of the National Bank of India, Limited.

COOPER BROTHERS & CO.
W. A. BROWNE & CO. } *Chartered Accountants.*

THE BANK OF INDORE, LIMITED

(INCORPORATED IN INDORE, 1920)

REPORT OF THE DIRECTORS TO BE SUBMITTED TO THE SHAREHOLDERS AT THE THIRTY-SEVENTH ANNUAL ORDINARY GENERAL MEETING

GENTLEMEN,

The Directors have the pleasure to lay before you the Balance Sheet and Profit and Loss Account of the Bank for the year ended 31st December, 1956, duly audited by Messrs. A. F. Ferguson & Co., Chartered Accountants.

	Rs.	a.	p.
The Net Profit for the year including the sum of Rs. 60,636-0-2 brought forward, amounts to	6,66,034	7	0
An ad-interim Dividend was paid for the half-year ended 30th June, 1956, at the rate of 16 per cent. per annum on 61,215 shares absorbing	1,22,430	0	0
Amount transferred to Reserve Fund (bringing that Fund upto Rs. 28,00,000)	1,00,000	0	0
Amount transferred to Contingency Fund	1,05,754	4	0
Bonus paid to the Bank's Staff	79,434	5	0
	4,05,618	9	0
Your Directors now recommend :—			
To pay a Final Dividend at the rate of 16 per cent. per annum on 61,215 Shares for the half-year ended 31st December, 1956, amounting to	1,22,430	0	0
To transfer to Gratuity Fund	70,000	0	0
To donate to the Indian Red Cross Society, Madhya Bharat Branch	500	0	0
To carry forward to the next account	67,485	14	0
Rs.	6,66,034	7	0

Seth Suganmal Bhandari being out of station has not signed the Balance Sheet.

The Directors hope that you will find the progress of the Bank satisfactory.

S. M. BAPNA,
Chairman.

THE BANK OF INDORE, LTD.,
INDORE CITY, 19th February, 1957.

BALANCE SHEET AS AT 31st DECEMBER, 1956.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—						
1,00,000 Shares of Rs. 50 each	50,00,000	0	0			
ISSUED—						
75,000 Shares of Rs. 50 each	37,50,000	0	0			
SUBSCRIBED—						
61,215 Shares of Rs. 50 each	30,60,750	0	0			
AMOUNT CALLED AND PAID-UP in cash at Rs. 25 per share				15,30,375	0	0
2. Reserve Fund and Other Reserves				27,00,000	0	0
(Includes Rs. 5,78,298 received as Premiums on issue of shares in past years)						
3. Deposits and Other Accounts—						
(i) Fixed Deposits	4,55,71,215	6	7			
(ii) Savings Bank Deposits	79,27,324	4	3			
(iii) Current Accounts, Contingency Accounts, etc.	2,03,82,143	14	2	7,38,80,683	9	0
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil			Nil		
5. Bills Payable				4,22,230	11	3
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	23,30,355	2	2			
(ii) Payable outside India	11,115	13	3	23,41,470	15	5
7. Other Liabilities—						
(i) Gratuity Fund	1,95,526	12	0			
(ii) Branch Adjustments	4,37,836	6	0			
(iii) Unclaimed Dividends	40,061	6	6	6,74,324	8	6
8. Acceptances, Endorsements and Other Obligations per contra				28,33,475	14	0
9. Profit and Loss Account—						
Balance as per last Balance Sheet as at 31st December, 1955.	4,30,017	8	2			
LESS—Appropriations—	Rs.	a.	p.			
Dividend @ 14 per cent. per annum for the half-year ended 31st December, 1955	1,07,126	4	0			
Transfer to Reserve Fund	1,00,000	0	0			
Transfer to Contingency Fund	1,00,000	0	0			
Transfer to Gratuity Fund	25,000	0	0			
Donation to Indian Red Cross Society, M. B. Branch	500	0	0			
Bonus to Staff	36,755	4	0	3,69,381	8	0
				60,636	0	2
ADD—Profit for the year ended 31st December, 1956				6,05,398	6	10
				6,66,034	7	0
LESS—	Rs.	a.	p.			
Interim Dividend @ 16 per cent. per annum for the half-year ended 30th June, 1956	1,22,430	0	0			
Bonus to Staff	39,528	11	0	1,61,958	11	0
10. Contingent Liabilities				Nil		
Total			Rs.			

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In Hand and with Reserve Bank of India and State Bank of India				50,23,142	8	1
2. Balances with Other Banks on Current Account—						
(i) In India	5,82,795	14	10			
(ii) Outside India	Nil			5,82,795	14	10
3. Money at Call and Short Notice				50,000	0	0
4. Investments (at below Market Value)—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills (Rs. Nil) of the Central and State Governments (Securities of the face value of Rs. 5,25,000 deposited with Reserve Bank of India against guarantees given by the Bank of Indore to Government Departments on behalf of Constituents)	2,09,41,060	6	0			
(ii) Shares— Rs. a. p.						
(i) Fully paid Preference Shares. 2,29,500 0 0						
(ii) Fully paid Ordinary Shares. 10,75,000 0 0	13,04,500	0	0			
(iii) Debentures or Bonds	27,59,965	0	0			
(iv) Other Investments	Nil					
(v) Gold	Nil			2,50,05,525	6	0
5. Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 4,39,85,421 8 0						
(ii) Outside India Nil	4,39,85,421	8	0			
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India 41,48,591 9 9						
(ii) Payable outside India 57,493 14 9	42,06,085	8	6	4,81,91,507	0	6
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the banking company is fully secured	4,75,11,955	0	8			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	4,32,418	3	9			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,47,138	12	6			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	4,81,91,507	0	6			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	60,887	10	9			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	29,02,971	0	9			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	76,412	9	6			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members	29,92,971	0	9			
(ix) Due from banking companies	1,27,147	6	6			
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	23,30,355	2	2			
(ii) Payable outside India	11,115	13	3	23,41,470	15	5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				28,33,475	14	0
8. Premises—						
At cost upto 31st December, 1955	3,50,869	13	7			
LESS—Depreciation written off to date	1,19,569	13	7	2,31,300	0	0
9. Furniture and Fixtures—						
At cost upto 31st December, 1955	4,12,822	15	10			
Additions during the year	19,988	13	3			
	4,32,811	13	1			
LESS—Cost of sales during the year	159	8	0			
	4,32,652	5	1			
LESS—Depreciation written-off to date after adjustments in respect of items sold, etc.	2,03,010	5	1	2,29,642	0	0
10. Other Assets—						
(i) Interest accrued on Investments	2,31,106	10	4			
(ii) Advance Payment of Income-tax	1,46,379	7	3			
(iii) Sundry Advances	20,290	9	9			
(iv) Silver	Nil			3,97,776	11	4
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Total			Rs.			

Continued in next page

AMERICAN LETTER

U.S. ECONOMY ON EVEN KEEL

CONTINUANCE OF TIGHT MONEY POLICIES DOUBTFUL

From Our Special Correspondent

NEW YORK, 7th March

POPULARITY of India in the United States, which reached its zenith during and right after the visit of Prime Minister Nehru here, has subsided somewhat. Informed sources agree that this has been due, in part, to remarks by spokesmen for New Delhi which were interpreted as not being too friendly to the position of the United States Government in relation to Middle East and East-West problems. One outstanding example was the speech made by Mr. Menon, Indian delegate to the United Nations. He spoke for several hours and finally broke down from physical exhaustion. The burden of his argument that India would brook no interference from the United Nations, so far as Kashmir is concerned, received as little sympathetic comment as the statement of the French Prime Minister that France considered Algeria as part of continental France. He also disputed U.N. jurisdiction.

The displeasure with such remarks can only be understood if it is realised overseas that Washington regards the U.N. as its baby. The Eisenhower Administration is particularly imbued with the intention to solve world problems through the U.N., rather than through its own diplomatic channels, because it wants to avoid any possible accusation that the United States is following in the "colonial" footsteps of Great Britain and France. Therefore, public opinion is quite sensitive, if spokesmen for Western powers do not submit to U.N. jurisdiction.

It is felt here that the good intentions of the Eisenhower Administration in foreign affairs was particularly and amply demonstrated by its attitude towards the recent Israeli-Arab clashes. The strong Jewish pressure on this side was virtually ignored in Washington, in order to arrive at some sort of workable solution.

A Practical Question

A very practical question is whether the displeasure over some foreign reaction, such as the Indian and French, will lead to a curtailment of U.S. support, both moral and economic. The foreign aid programme is one of the next major issues to be taken up by the Congress before it adjourns.

The overall sentiment in Washington among legislators, at least, is to institute as many reductions in the size of the Federal Budget. The latter has been criticised in many quarters for being too large at its projected peace-time high. Since it was proposed in its present form by the Executive branch of the Government, it stands to reason that Congressmen and Senators would like to get credit for reductions among the rank and file of the people.

The existence of such sentiment makes it fairly certain that the utmost scrutiny will be exercised and that proposed spending may be cut all across the board. This is likely to affect India as well as all other nations on the list, but it should not be construed as discriminatory against New Delhi but merely the outcome of circumstances which are beyond the control of any party, since human beings, their desires and prejudices are involved. At least, that is the way matters stand at the present writing.

In a few weeks, it may be possible to get a little clearer picture of how things are likely to develop. So far, most of the attention of nearly everyone in Washington has been focussed on the Mediterranean basin. The U.S. Senate has finally passed the provisions of the so-called Eisenhower Doctrine, substantially as the President requested.

The Main Issue

With this major piece of legislation out of the way, the Government is likely to take a view with a wider perspective. The main issue is still the problem of the Soviet bloc and its relationship with the West. There has been a persistent view in private and Government quarters that the ideology of Communism would disappear if the people in Russia and the satellite countries were exposed to the high standard of living conditions which private enterprise, with all its faults, has made possible.

That is why aid has been extended to Marshal Tito of Yugoslavia, that is why considerable thought is being given to help Poland with materials and commodities, and that is why the sphere of aid has been continually extended as a matter of Government policy to all those who need help and by such help could be weaned from communist doctrines.

With aid going in those directions, no one in his or her right mind here doubts that nations such as India with its enormous populations and food problems deserves every consideration. It is not being placed in the same category as reluctant satellites of the Kremlin, but legislators, owing to pressure from their constituents, are nevertheless sensitive to isolationist demands from some quarters that aid to nations, even friendly to Russia, should be cut. The rise in Indo-Russian trade, as reported, is a case in point.

People with any understanding at all realise that social and economic necessity, as well as convenience, is at the bottom of this trend and that more and more East-West trade is being transacted throughout the world, but there are always a few articulate persons who jump at conclusions which are not necessarily justified, and they make enough noise that they cannot be ignored altogether by those who are running for office.

On the Domestic Scene

On the domestic scene, the U.S. economy is rocking along at a fairly even keel. The textile business is still slow and there is much complaint in commodities' circles that the disposal of Government surplus stocks is cutting too deeply into the areas which should be the normal functions of private business.

This is justified up to a point. At the same time, it is impossible to embrace the philosophy of parity prices for farmers to assure continued prosperity in that segment of the population without accumulating surpluses at a heavy cost to the taxpayer. Canada, it may be noted, so far has resisted parity prices and export subsidies as practised in the U.S.

The capital markets are behaving without undue emotion. Stocks prices have been on the weak side, while bond prices have been relatively firm. In those circumstances, continuation of tight money policies seems doubtful, although the spectre of inflation is still ever present.

Inventories have been rising, but the increase in wholesale prices seems to have come to an end, at least temporarily. The trend is not clear and even seasoned prognosticators are confused. The best thing which can be said at the moment is—so far so good.—*All Rights Reserved.*

The U.S. Commerce Department has announced that trade between the U.S.A. and the Soviet bloc has dropped to an almost negligible figure. Eastern Europe got less than 1/10th of 1 per cent. of all U.S. exports, while imports from that area represented only about ½ of 1 per cent. of the U.S. total. Shipments to the Soviet bloc were running far below authorisation and, for the 12-month period ended 30th September 1956, exports aggregated less than 41 per cent. of the amount authorised. The two largest exports to the Soviet bloc in the first nine months of 1956 were inedible tallow and cornseed, and the bulk of U.S. imports from Eastern Europe consisted of canned hams, shoulders and other pork products, and benzene, a coal derivative used in chemical processes. The 1957 figures are expected to show an increase in exports to the Soviet bloc, if Poland succeeds in negotiating credit purchases for surplus U.S. farm commodities. A Polish delegation arrived in the U.S.A. recently, seeking credit purchases and large loan from the U.S.A.

THE BANK OF INDORE, LIMITED—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	15,20,263	13	0
2. Salaries and Allowances and Provident Fund (Salary and Allowances to the Manager Rs. 27,300, excluding Bonus Rs. 4,100)	7,33,183	8	8
3. Directors' Fees and Allowances	2,290	0	0
4. Rent, Taxes, Insurance, Lighting, etc. (including provision for taxes on income)	4,56,599	13	8
5. Law Charges	3,940	12	0
6. Postage, Telegrams and Telephones	48,145	13	11
7. Auditors' Fees	12,500	0	0
8. Depreciation on and Repairs to the Banking Company's Property	28,384	13	9
9. Stationery, Printing, Advertisement, etc.	71,240	2	8
10. Loss from Sale of or Dealing with Non-banking Assets	Nil		
11. Other Expenditure	52,453	13	0
12. Balance of Profit	6,05,398	6	10
Total Rs.	35,34,401	1	4

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	31,14,895	12	0
2. Commission, Exchange and Brokerage	3,78,435	8	4
3. Rents	2,323	0	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
7. Other Receipts	29,241	13	0
Total Rs.	35,34,401	1	4

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE BANK OF INDORE, LIMITED

We have audited the foregoing Balance Sheet of The Bank of Indore, Limited, as at 31st December, 1956, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the Provisos to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956; they are, therefore, drawn up in conformity with forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(e) in our opinion, and to the best of our information and, according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

BOMBAY, 23rd February, 1957.

A. F. FERGUSON & CO.,
Chartered Accountants.

K. G. PANDIT,
Chief Accountant.

N. D. JOSHI,
Manager.

S. M. BAPNA, Chairman.

K. A. CHITALE,
L. O. JOSHI,
B. K. CHATTERJEE,
BHANWARLAL SETHI,
BALKISHAN MUCHHAL,
SARDARMAL LALWANI, } Directors.

EXPANSION OF CEMENT PRODUCTION

NEW FACTORIES TO BE SET UP

THE recent announcement of the Government of India that cement production will be stepped up during the second Plan period by 10 million tons by establishing 31 new factories and by expansion of existing ones will be widely welcomed. It must, however, be stated here that even if this target were achieved in time, it would not be sufficient to meet the increasing demands. As things stand, there has been an acute shortage of cement in the country.

Perhaps, the varying estimates of demand that have been made from time to time by various authorities on the basis of which production targets appears to have been finalised have been responsible for a certain failure, on the part of the authorities, to evolve a bolder programme for the cement industry. While in 1953 the Tariff Commission estimated the demand for 1955-56 at 4.86 million tons, the Union Ministry of Commerce and Industry placed the current demand at a little less than 10 million tons. A subcommittee of the Irrigation and Power Engineers' Seminar, however, has placed the current demand recently at as high as 14 million tons. As against this, the current rate of production is only 4.87 million tons, leaving a gap of no less than 9 million tons.

The number of cement factories in the country is expected to be increased from 28 at present to 64 by the end of the second Plan period and their capacity from 6 million tons to 16 million tons, in the same period. Out of the present 28 cement factories, the Uttar Pradesh Government and the Mysore Government own one factory each. All the rest are privately-owned; out of them, Bihar claims seven, Bombay four, Madras three, Mysore, Andhra, M.P., Rajasthan and the Punjab two each, and Orissa and Kerala one each. The present expansion programme includes schemes for the establishment of 31 new factories and the expansion of the existing ones.

The distribution of new units which will have a total capacity of 5.6 million tons will be: 7 each in Andhra and Bombay, three each in Rajasthan and M.P., and two each in Assam, West Bengal, Madras, and one each in U.P., Bihar, Orissa, Pondicherry and Mysore. The expansion programmes envisage an output of 4.4 million tons. The programmes drawn up involves additional investment of Rs. 50 to Rs. 60 crores. It may be noted here that already Rs. 40 crores are invested in the industry. At present the industry provides employment to no less than 30,000 workers, and this number is expected to go up to 80,000 or 85,000 following the implementation of the programme.

Distribution of Factories

It is noteworthy that the two important governing factors in the distribution of new factories are the need for regional distribution and the availability of rail transport. While the Union Government is expected to facilitate the implementation of the programme through providing assistance to the industry in the matter of procurement of raw materials, and transport facilities, the States are expected to render help in the shape of allotting sites, granting mining leases, giving water and power connections, etc. Further, an important feature of the development programme is stated to be that while concentrating on the production of ordinary cement from limestone, due attention will be paid to tapping alternative sources of raw materials such as sea shells, slags, and chemical sludges. It is hoped that a capacity of a million tons of blast furnace slag cement might thereby be created. Proposals for the production of white and coloured cement are also said to be under consideration. Another notable development is that a special study has been initiated to augment supplies of cement by mixing either pozzolanic materials with it or certain wetting agents in the cement concrete mix and to explore the feasibility of using retarding agents other than gypsum in order to conserve gypsum.

During the last ten years, the output of cement in the country has increased by 350 per cent. from 1.4 million tons to 5 million tons. At the same time, the utilisation of rated capacity also went up from 70 per cent. in 1947 to nearly 92 per cent. last year. Available indications are that, by 1960-61, the demand for cement will exceed substantially the targets fixed. Imports of cement in the first 10 months of 1955-56 alone stood at 14,549 tons. Again, though the first Plan envisaged exports of 200,000 to 300,000 tons every year, the target was never reached. In fact, actual exports in the first ten months of 1955-56 stood at 51,700 tons only, owing, obviously, to increased internal demand.

Even the present shortage itself is nearly equal to the contemplated expansion in the next five years. Thus, the position of cement supply, in the near future, would be no better than it is today, if the target for 1960-61 were to remain at 16 million tons. This, obviously, calls for immediate re-assessment, on the basis of reliable data, of the demand for cement in the ensuing five years, and appropriate revision of the programmes of expansion. Since cement is an industry which is essential for industrial development and for the completion or irrigation, power and housing projects, and since the raw materials are mostly available in the country, it is necessary to accord a high priority to the industry. In this connection, the question of exploring alternative sources of raw material should be given special attention. The Central and State Governments, by giving the necessary assistance, could encourage the private sector to undertake the expansion of the cement industry.

STANDARD FOR SAGO

The Indian Standards Institution has published an Indian standard specification for sago, otherwise called *saboodana*. Sago, as is well known, is a processed food starch marketed in the form of small globules or pearls. As the name indicates, originally it used to be manufactured from the starchy core of the stem of sago palms. Now-a-days, however, it has also been manufactured from other starch-bearing materials, such as tapioca roots, potatoes, etc. Production of sago from tapioca has been in vogue for the last 15 years in India. India's production of sago is more than sufficient to meet the internal demand. The sago industry is a protected industry.

In order to provide an agreed connotation for sago as marketed in the country, and to avoid the difficulties confronted by the industry, trade and the State Governments, the Indian Standards Institution undertook the formulation of this standard. The standard details, among other things, various requirements such as size of globules, extent of gelatinisation, colour, chemical composition, etc. It also prescribes methods of sampling and tests for these requirements.

Copies of this standard which have been prepared by the I.S.I's Edible Starches Confectionery, and Cereal Products Sectional Committee, are available from the I.S.I. 19, Cowasji Patel Street, Bombay 1.

AMENDED INDUSTRIES ACT

With effect from 1st March 1957, the Industries (Development and Regulations) Amendment Act, 1956, has been brought into force. As a result, a number of new industries have been brought under the purview of the original Act passed in 1951.

The more important of the new industries are: ferro-alloys and special steels, lignite, television sets, teleprinters, amplifying and public address equipment, electrical furnaces, x-ray equipment, abrasives and grinding wheels, razor blades, commercial, office and household equipment, air conditioners and refrigerators, medical and surgical appliances such as surgical instruments, sterilisers, incubators, etc., plastics moulding industries, industrial instruments, fine chemicals including photographic chemicals, synthetic resins and plastics, paints, varnishes and enamels, synthetic rubber, man-made fibres including regenerated cellulose rayon, nylon and the like, explosives including gunpowder and safety fuses, insecticides, fungicides, weedicides, etc., textile accessories and auxiliaries, textile processing, photographic raw films and printing paper, pulp—wood pulp, mechanical, technical including dissolving pulp, fermentation industries, food processing industries, organic fertilisers, hardboard and chipboard, asbestos cement, insulating boards, gypsum boards, wall boards etc., matches, cigarettes, fire-fighting equipment and appliances including fire engines, and sizing materials including starch.

All industrial undertakings pertaining to these industries employing 50 or more workers with the aid of power, or 100 or more workers without the aid of power, will now fall within the purview of the Industries (Development and Regulation) Act, 1951, as amended.

It is stated that owners of all existing industrial undertakings pertaining to these industries should now apply for registration of their undertakings in form 'A' or 'B' attached to the Registration and Licencing of Industrial Undertakings Rules, 1952, according as their industrial undertaking is one which exists on 1st March 1957 or is one for the establishment of which effective steps have been taken on or before that date. All applications for registration are required to be sent to the Secretary to the Government of India, Ministry of Heavy Industries, New Delhi, in the prescribed forms as early as possible and in any case not later than 1st August 1957.

MANUFACTURE OF FOOTBALLS

A model scheme to enable prospective manufacturers to take up football making on a scientific scale has been prepared by the Small Industries Organisation of the Ministry of Commerce and Consumer Industries. In the booklet entitled "How to Manufacture Footballs," details of the raw materials and tools of equipment needed for the manufacture of footballs have been given. Illustrations are also given with suitable photographs and drawings.

Football being a popular game, the internal market for footballs is growing. Possibilities of export are also said to be wide. It is stated that exports, which amounted to Rs. 2 to Rs. 3 lakhs in value, could be increased with the production of standard quality goods. The manufacture is at present confined to places such as Jullundur, Meerut, Delhi and Calcutta. The model schemes prepared by the Organisation give valuable data pertaining to all the aspects of the industry to prospective small-scale manufacturers who may be entirely new to the field. Copies of the schemes can be obtained from the Office of the Development Commissioner, Small Scale Industries, 114, Sundar Nagar, and the Regional Directors of Small Industries in New Delhi, Calcutta, Bombay and Madras.

NEW U.K. TRADE AGREEMENTS

On 26th February last, Britain signed new trade agreements with Japan and Australia. The agreement with Japan covers a period of one year ending 30th September 1957. It provides for import facilities and relates to matters between Japan, on the one hand, and the U.K. and its dependent territories, on the other.

An important feature of the arrangements is that they maintain, with minor exceptions, all the trade quotas previously available to U.K. exporters. The previous trade quotas available to Japan have also been maintained, with increases in value in a few cases. As a result of these provisions, it is expected that there may be small expansion of the trade in both the directions.

The Government of India has decided to release a fresh quota of 5,000 tons of coconut oilcake for export to all permissible destinations. The export of oilcake will be permitted during the period March-June 1957 and the shipments against the quota of 5,000 tons will be valid up to the end of June 1957 or till the ceiling is reached, whichever is earlier. Exporters have been warned not to enter into long-term commitments, as licensing will be stopped as soon as the ceiling is reached.

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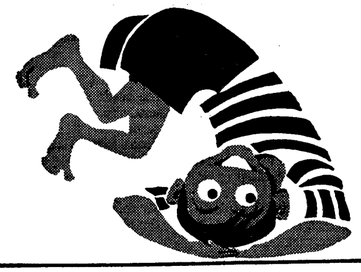

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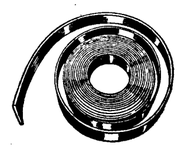
Soon, a new plant will turn out the kind of steel tubes that go into the making of bicycles. Remember also that the locomotive speeding along the track is kept going by steel tubes which hold the steam.

Tata Steel's new Skelp Mill, the first of its kind in India, has a capacity of 200,000 tons. When there is enough steel, this mill will roll all the skelp and strip the country needs.



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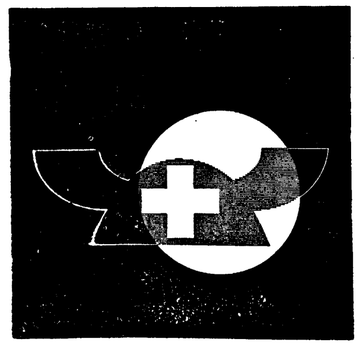

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ALKALI AND CHEMICAL'S PROFIT A RECORD

DIVIDEND WELL MAINTAINED—OUTLOOK GOOD

THERE has been considerable selling pressure in the shares of the Alkali and Chemical Corporation of India Ltd. (Secretaries: Imperial Chemical Industries (India) Private Ltd., Calcutta), following the announcement of the terms of the Company's new issue. Apparently, many investors, in their concern over the financing of the new issue, have failed to take into account the impressive performance of the Company during the year ended 30th September 1956 and the good outlook for the Company. Thanks to the record production in all the units of the factory at Rishra and satisfactory sales of the products, the gross profit has jumped up from Rs. 28.89 lakhs to Rs. 40.21 lakhs. It is the highest in the history of the Company, exceeding the previous best of Rs. 38.57 lakhs earned in 1950-51. It may also be noted that the profit of 1950-51 included the earnings of the Company's Khewra Alkali Works in Pakistan, the sale of which was completed in 1953. With the improvement in the year under review, the Company has more than made good the sharp setback suffered in 1952-53, when the profit suffered a precipitous fall from Rs. 38.57 lakhs in 1950-51 to Rs. 16.33 lakhs.

The net profit has recorded an improvement from Rs. 19.40 lakhs to Rs. 25.13 lakhs. This has not, however, brought any increase in the distribution to the shareholders; the dividend is being maintained at 8 per cent. There need not be any disappointment on this score, because it was only last year that the dividend was stepped up to the present level from 6 per cent. paid for the preceding four years. It is, however, gratifying to note that the Directors have ploughed back as much as Rs. 18.89 lakhs, as against Rs. 15.23 lakhs last year. Thus, a sum of Rs. 3 lakhs has been added to the general reserve, as against *nil* and Rs. 13.64 lakhs to the dividend equalisation reserve, which had received Rs. 2.73 lakhs a year ago. The transfer to the reserve for deferred income-tax liability due to initial allowances has, however, been reduced from Rs. 12.50 lakhs to Rs. 2.25 lakhs.

The following comparative table provides an idea of the Company's progress in the last three years:

(In lakhs of rupees)

	For the year ended 30th September			
	1956	1955	1954	1953
Sale proceeds	1,88.31	1,55.10	1,17.69	1,00.31
Stocks	38.77	33.25	30.62	31.94
Manufacturing expenses	99.34	81.62	67.41	1,07.93
Other expenses	54.61	44.30	31.92	54.70
Loss on exchange ..	..	3.20	..	..
Gross profit	40.21	28.89	17.21	16.33
Provision for—				
Depreciation	10.41	9.49	8.84	8.03
Taxation	4.67	..	..	6.78
Net profit	25.13	19.40	8.37	1.52
To reserves	18.89	15.23	3.00	3.00
Transfer from reserves ..	..	2.40	..	5.27
Dividends—				
5 per cent. preference ..	1.55	1.55	1.55	1.55
Ordinary	4.96	4.96	3.72	3.72
	(8%)	(8%)	(6%)	(6%)
Carry forward	0.92	1.19	1.14	1.03

That the Company's production during the year under review has been substantially higher than in the previous year is indicated by the rise of Rs. 33.21 lakhs in sale proceeds, Rs. 5.52 lakhs in stocks of finished goods and those in process, Rs. 17.72 lakhs in manufacturing expenses and Rs. 10.31 lakhs in other expenses. The Company's sales expenses alone account for an increase of Rs. 11.21 lakhs.

Reviewing the progress on the manufacturing side during the year under review, the Directors observe in their report:

"A record production in all units of the Rishra Factory was achieved for the year. The chlorine-caustic soda plant operated at full capacity in order to meet customers' requirements and our own demand for chlorine used in the manufacture of other products. The extension of the hydrochloric acid plant was completed and output increased substantially. Further increase can be made should the demand arise. The expansion of the 'Gammexane' technical Benzene Hexachloride plant was completed and, in spite of intense competition, our sales of 'Gammexane' formulation again showed an improvement over the previous year. Work on the extensions to the paints plant is in progress and will be completed during 1957. The 1955-56 production was a record and sales of 'Duco' and 'Dulux' paints, our range of ancillaries and metal pretreatment products, were the highest yet reached."

The Company is about to embark on a new venture, namely, the manufacture of polythene, for which the approval of the Government of India has been obtained. Polythene itself is not new to India, for it is being manufactured by Imperial Chemical Industries (India) Ltd. under the trade name of Alkathene. The process to be used by the Alkali and Chemical will be the same as that adopted by the I.C.I. Polythene has varied uses, the largest single use being for packaging both as film and as coating on paper and jute. The plant to be installed by the Company is so designed that its capacity can be doubled with minimum additional expenditure. The plant is expected to go into production in about two years' time and by that time India's consumption of polythene is expected to exceed the Company's production. There should, therefore, be no difficulty in selling the full rated output of the factory at a satisfactory price. The details of the proposal to raise the necessary finance required for this project were given in our last issue. (*vide* page 455).

The wide reputation which the Company's products enjoy in the market, the progress in the working results and the satisfactory financial position all indicate that the Company will find no difficulty in implementing successfully the new project.

The latest balance-sheet shows that the total assets of the Company amount to Rs. 278.86 lakhs, of which net block accounts for Rs. 157.65 lakhs. The depreciation provided so far on the block account aggregates Rs. 49.25 lakhs. The current assets amount to Rs. 121.21 lakhs, as against which the current liabilities and provision for taxation aggregate Rs. 96.98 lakhs. The excess of assets over current liabilities and provison for taxation, that is, the net assets, amounts to Rs. 181.88 lakhs, which is represented by paid-up capital amounting to Rs. 93 lakhs and reserves and surplus Rs. 88.88 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 13-10 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 6.2 per cent. per annum.

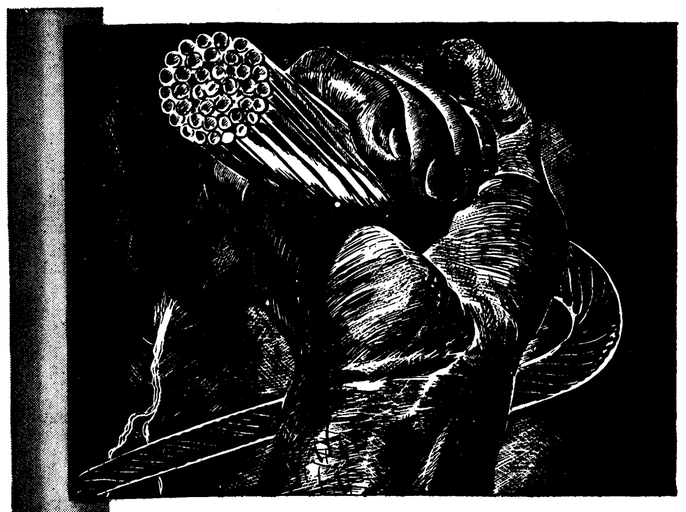
BANGALORE WOOLLEN TO ISSUE BONUS SHARES

The Directors of the Bangalore Woollen, Cotton, and Silk Mills Company, Ltd. (Agents: Binny & Co. (Madras) Ltd., Bangalore), have decided to carry out their old proposal to capitalise a sum of Rs. 81 lakhs out of the Company's reserves and to issue bonus ordinary shares to the existing ordinary shareholders in the ratio of two such shares for every one ordinary share held. This will raise the paid-up ordinary capital of the Company from Rs. 40.50 lakhs to Rs. 121.50 lakhs.

The decision to capitalise the above sum was taken as far back as 1953, but the consent of the Controller of Capital Issues was obtained only in early 1956. The Directors, however, deferred action on the proposal, in view of the complicated nature of the provisions of the Finance Bill 1956, regarding the proposal to impose taxes on bonus issues and dividends in excess of 6 per cent. of the issued ordinary capital. They have now finally decided to implement it. The bonus shares will not rank for dividend declared in respect of the year ended 31st December 1956.

INDIA JUTE TO CONVERT DEFERRED SHARES

The Directors of the India Jute Company, Ltd., Calcutta, have decided to consolidate the Company's 30,000 deferred shares of Re. 1 each into 240 deferred shares of Rs. 125 each. After consolidation, these deferred shares will be converted into ordinary shares of Rs. 125 each and will rank *pari passu* with the existing 69,600 ordinary shares of Rs. 125 each of the Company, bringing the total number of ordinary shares to 69,840. A meeting of the shareholders of the Company will be held on 25th March 1957 to approve the proposal.



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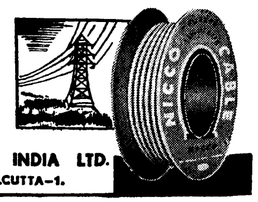

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KOHINOOR'S DIVIDEND UNCHANGED

PROFIT, HOWEVER, GOES UP

IN consonance with general expectations, the Kohinoor Mills Company, Ltd. (Managing Agents: Killick Industries Ltd., Bombay), has done well during the year ended 31st December 1956, with a sizable improvement in its earnings. The gross profit for the year amounts to Rs. 59.98 lakhs, which represents an increase of Rs. 18.24 lakhs over that for 1955. Notwithstanding this improvement, the year's profit falls short of that (at Rs. 65.16 lakhs) earned in 1953. The net profit does not show any increase; on the other hand, it is a shade lower at Rs. 22.29 lakhs, as against Rs. 22.72 lakhs for 1955. This is due to the larger allocations to provisions for depreciation and taxation, the transfer to the former having been raised from Rs. 6.33 lakhs to Rs. 11.21 lakhs and that to the latter from Rs. 8.50 lakhs to Rs. 20.50 lakhs. The assessment of the Company's profits for the years ended 31st December 1954 and 1955 is not yet over. The Directors have, however, made the above provision from the year's profit for tax liability on the profit of 1956 and for any liability for uncompleted assessments.

A sum of Rs. 3 lakhs has, nevertheless, been set aside to the various reserves, which had received Rs. 4.50 lakhs a year ago. Of this, the development reserve is provided with Rs. 75,000, as against Rs. 3 lakhs a year ago, and the dividend equalisation reserve with Rs. 75,000 as against *nil*. The allocation to the employees' pension and gratuity reserve has been maintained at Rs. 1.50 lakhs. Though the balance available for distribution permits of a slight increase in dividend, the Directors have not chosen to do so; they have decided to repeat it at 18 per cent., a rate which is being paid for the third year in succession. This is presumably because any increase from the present rate will attract the penal dividend tax of As. 6 in the rupee under the Finance (No. 3) Act 1956. Even on the present rate of 18 per cent. the Company has to pay one anna in the rupee more (that is, As. 4 in the rupee) than what was payable before.

The progress of the Company's working during the past three years is reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	6,75.32	6,69.76	6,79.25	7,19.99
Closing stocks	91.09	80.42	84.08	32.00
Cotton and fibre consumed	3,18.43	3,10.74	3,24.11	3,38.69
Silk and other yarn consumed	16.56	15.39	15.96	14.83
Other expenses	2,94.67	2,98.84	3,01.06	2,89.06
Gross profit	59.98	41.74	40.86	65.16
Managing Agents' commission	5.98	4.19	4.04	6.50
Provision for—				
Depreciation	11.21	6.33	17.76	14.97
Taxation	20.50	8.50	5.55	17.80
Net profit	22.29	22.72	13.51	25.88
Transfer from reserves	..	..	2.50	..
To reserves	3.00	4.50	..	6.00
Dividend	18.00	18.00	18.00	20.00
	(D. 18%)	(D. 18%)	(D. 18%)	(D. 18% +B. 2%)
Carry forward	1.63	0.34	0.12	2.11

The Company's earnings would have been much higher but for the heavy excise duty levied with effect from 1st September 1956, which affected the offtake of cloth. A good idea of the trading conditions which prevailed during the year under review is provided by the following extract from the Directors' report:

"The year under review has been a difficult one for Indian cotton, and the forward market remained closed from the 24th January until the middle of June. The 1955-56 crop, which was first expected to yield 55 lakh bales, finally produced approximately 44 lakh bales. Present indications are that the 1956-57 crop may yield only 50-51 lakh bales against original estimates of 55 lakh bales with a shortage of quality cotton. As regards imported cotton, the Government's constantly changing policy has made it difficult to plan ahead. All East Africans except top grades of BP-52, are now banned in favour of Americans, consequent on American aid, and prices of Egyptians and Sudans have become prohibitive, partially due to the Suez crisis.

"The prices and deliveries of cloth, continuing the trend seen in the last few months of 1955, were satisfactory for the first eight months of 1956. However, due to the uncertainty caused by the increase in excise duty imposed from 1st September 1956, the market again became weak. The cost to the Company of the extra excise duty is estimated to be about Rs. 1½ lakhs per month. Due to the uncertain conditions, the Company made only limited sales of cloth at *Divali*.

"The silk market was dull throughout the year and the position was made worse by the excise duty of As. 2 per lb. on fibre yarn and from As. 2 to Re. 1-8 per lb. on art-silk yarn levied from 21st December 1956.

"Sales of yarn for sewing thread and weaving purposes continued throughout the year, but a gradual weakening of prices was experienced. Export licences for sewing thread were again limited in spite of the overall increase in production throughout the country."

The Company's paid-up capital, at Rs. 100 lakhs, is supplemented by reserves and surplus aggregating Rs. 124.63 lakhs (excluding employees' pension and gratuity reserve amounting to Rs. 14 lakhs). The current liabilities and provision for taxation stand at Rs. 198.19 lakhs. Of these liabilities, loans from bank secured by stocks and stores account for Rs. 86.57 lakhs, having gone up from Rs. 38.84 lakhs. This is not surprising in view of the heavy accumulation of stocks for reasons mentioned above. The gross block of the value of Rs. 359.04 lakhs stands written down to Rs. 80.10 lakhs. The current assets aggregate Rs. 356.72 lakhs, of which stock-in-trade alone accounts for Rs. 261.55 lakhs, having risen from Rs. 219.07 lakhs at the end of 1955.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 334 *cum-div.* (final div. Rs. 12 per share). On an *ex-div.* basis, the shares provide a yield of 5.6 per cent. per annum, free of income-tax.

Points From The Chair

Nature of Coal Mining

"MOST industries and enterprises have an intermediate life apparently perpetual and, therefore, are not called upon to replace the original investment. This does not mean that such industries (railroads, utilities, manufacturing, wholesale and retail houses, etc.) will continue for ever; it means merely that, except for competition, nothing is apparent which will cause a termination. Mining, however, differs from an ordinary industry in this respect; when the ore bodies are mined out, there is nothing left. The original capital investment must, therefore, be returned to the investor by the time that the profitable life of the enterprise is ended. When the operating company does not make any provision for perpetuating its life by investing a portion of its earnings in other properties, the usual procedure is to remit periodically to the investor a dividend sufficiently larger than the risk return on his investment to enable him, if he re-invests this overplus at a safe rate of compound interest, to replace his original capital at the expiration of the life of the mines. This overplus constitutes a return on the invested capital."

R. MAULIK,

Indian Mining Association.

Banking Business

"The business of banking in 1956 operated under the handicap of a significant scarcity of funds, a condition which became more evident as the year progressed. It has been even more pronounced since the end of the year. There is an increasing unsatisfied demand for bank accommodation. It is a long time since a creditworthy customer could be so doubtful of getting an advance from his bank against even really good and acceptable security as he is today. With the sustained and effective—I might almost say preferential—demands for finance for the projects of the second Five-year Plan, there is little likelihood of any early easing of the money situation. Rather is the reverse the case. The position is made worse by the Government's insatiable tax levies. Industrial concerns can only meet the peremptory demands of the tax-gatherer by surrendering money they need for working capital or for maintenance and renovation and development of plant. They are obliged to apply to banks for money to replace the funds they have had to pay in taxes. They find the tightness of money prevents their demands being met. Their business and their profits—and their shareholders—suffer."

—SIR COWASJEE JEHANGIR,

Bank of India Ltd.

Demand for Tin

"Much money and considerable time are needed for prospecting and for the installation of plant on a new mining area. Unless some assurance can be felt that the right to work newly-found areas will be granted, and granted speedily and on reasonable terms, overseas investors are not likely to risk further capital in tin mining in Malaya. Prospectors for tin need the stimulant of more active co-operation and encouragement from the numerous local authorities concerned, particularly in the matter of alienation of land for mining. This is not a new problem and it is hoped that prompt attention will be given to its solution. In the view of those most competent to judge, the demand for tin is likely to increase as the standard of living rises in the underdeveloped areas of the world and as the tin-plate and other world industries which require tin continue their vigorous expansion. No adequate substitute for tin has yet been found and, thanks largely to the admirable work of the Tin Research Institute, new uses for tin have been discovered and existing tin products have been materially improved, both technically and economically. On the other hand, costs of production in Malaya continue to rise and the burden of taxation remains heavy."

—S. H. SMITH,

British Tin Investment Corpn. Ltd.

COMPANY MEETINGS AND DIVIDENDS

BENGAL BHATDEE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 18th March 1957. Transfer books remain closed from 11th to 18th March 1957, both days inclusive.

VIZAGAPATAM SUGARS AND REFINERY LTD. Annual General Meeting, Thumapala, Anakapalle P.O., 22nd March 1957. Transfer books remain closed from 8th to 22nd March 1957, both days inclusive.

SITALPORE SUGAR WORKS LTD. Annual General Meeting, Calcutta, 25th March, 1957. Dividend: *Nil*. Transfer books remain closed from 12th to 25th March 1957, both days inclusive.

COIMBATORE COTTON MILLS LTD. Annual General Meeting, Singanallur, Coimbatore, 25th March 1957. Dividend: Rs. 25 per share. Transfer books remain closed from 12th to 25th March 1957, both days inclusive.

AHMADPUR-KATWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 25th March 1957. Dividend: Rs. 3-5 per share, less income-tax. Transfer books remain closed from 16th to 25th March 1957, both days inclusive.

BANKURA-DAMOODAR RIVER RAILWAY CO., LTD. Annual General Meeting, Calcutta, 25th March 1957. Dividend: Rs. 3 per share, less income-tax. Transfer books remain closed from 16th to 25th March 1957, both days inclusive.

BURDWAN-CUTWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 25th March 1957. Dividend: Rs. 2-11 per share, less income-tax. Transfer books remain closed from 16th to 25th March 1957, both days inclusive.

KALIGHAT-FALTA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 25th March, 1957. Dividend: Rs. 2-11 per share, less income-tax. Transfer books remain closed from 16th to 25th March 1957, both days inclusive.

CHRESTIEN MICA INDUSTRIES LTD. Annual General Meeting, Calcutta, 25th March 1957. Transfer books remain closed from 16th to 25th March 1957, both days inclusive.

BENGAL ROLLING MILLS LTD. Annual General Meeting, Calcutta, 26th March 1957. Transfer books will remain closed from 21st to 26th March 1957, both days inclusive.

MYSORE MATCH CO., LTD. Annual General Meeting, Shimoga, 27th March 1957. Dividend: *Nil*. Transfer books remain closed for 15 days from 21st March 1957.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 28th March 1957. Dividend: As. 8 per share. Transfer books will remain closed from 22nd to 28th March 1957, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 28th March 1957. Dividend: As. 4 per share. Transfer books will remain closed from 22nd to 28th March 1957, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 28th March 1957. Dividend: As. 12.4/5 (8 per cent.) per share. Transfer books will remain closed from 20th to 28th March 1957, both days inclusive.

BHARAT SUGAR MILLS LTD. Annual General Meeting, Calcutta, 29th March 1957. Transfer books will remain closed from 20th to 29th March 1957, both days inclusive.

NEW INDIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 29th March 1957. Transfer books will remain closed from 20th to 29th March 1957, both days inclusive.

UPPER GANGES SUGAR MILLS LTD. Annual General Meeting, Calcutta, 29th March 1957. Transfer books will remain closed from 20th to 29th March 1957, both days inclusive.

CALCUTTA HYDRAULIC PRESS CO., LTD. Annual General Meeting, Calcutta, 30th March 1957. Dividend: *Nil*. Transfer books will remain closed from 27th to 30th March, 1957, both days inclusive.

HINDUSTAN LEVER LTD. Annual General Meeting, Bombay, 4th April, 1957. Dividend: Re. 1-4 per share (includes interim dividend of As. 8 per share).

GOKAK MILLS LTD. Annual General Meeting, Bombay, 10th April 1957. Dividend: Rs. 13 per share, payable on and after 15th April 1957. Transfer books remain closed from 8th to 28th March 1957, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th April 1957. Dividend: Re. 1-8 per share (final), free of income-tax. Transfer books will remain closed from 22nd March to 11th April 1957, both days inclusive.

HINDOOSTAN SPG. AND WVG. MILLS CO., LTD. Ad-interim dividend of Rs. 75 per whole ordinary share and Rs. 18-12 per quarter ordinary share, for the half-year ended 30th September 1956, payable on and after 28th March, 1957. Transfer books remain closed from 15th to 23rd March 1957, both days inclusive.

INDIAN MANUFACTURING CO., LTD. Ad-interim dividend of Rs. 75 per whole ordinary share and Rs. 37-8 per half-ordinary share, for the half-year ended 30th September 1956, payable on and after 28th March 1957. Transfer books remain closed from 15th to 23rd March 1957, both days inclusive.

WESTERN INDIA SPG. AND MFG. CO., LTD. Ad-interim dividend of Rs. 75 per ordinary share, for the half-year ended 30th September 1956, payable on and after 28th March 1957. Transfer books remain closed from 15th to 23rd March 1957, both days inclusive.

Notices

THE RAVALGAON SUGAR FARM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 24TH ANNUAL GENERAL MEETING of the Company will be held at Construction House, Ballard Estate, Fort, Bombay, on TUESDAY THE 26TH MARCH, 1957, AT 4.30 P.M. (S.T.) or immediately after the Extraordinary General Meeting of the Holders of Deferred Shares called on the same day at 4.00 p.m. (S.T.) is over, for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1956.
2. To declare Dividends on Preference, Ordinary and Deferred Shares.
3. To appoint a Director in place of Shri Ratanchand Hirachand who retires by rotation and is eligible for re-appointment and to consider and if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Section 261 of the Companies Act, 1956, has been received by the Company.

   "Resolved that pursuant to the provisions of Section 261 of the Companies Act, 1956, Shri Ratanchand Hirachand who retires by rotation and who is an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, be and is hereby re-appointed a Director of the Company."
4. To appoint a Director in place of Shri Shivlalchand Gulabchand Shah who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Shri Valchand Deochand who was appointed an additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment. The Company has accordingly received a notice in writing proposing his candidature for office of Director.
6. To appoint and/or approve the appointment pursuant to Section 261 of the Companies Act, 1956, of Shri Lalchand Hirachand who was appointed a Director at the Ordinary General Meeting held on 19th March, 1956, and to consider and if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Section 261 of the said Act has been received by the Company.

   "Resolved that pursuant to the provisions of Section 261 of the Companies Act, 1956, the appointment of Shri Lalchand Hirachand, an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, be and is hereby made and/or approved as required by the provisions of the said section."
7. To appoint and/or approve the appointment pursuant to Section 261 of the Companies Act, 1956, of Shri Govindji Raoji who was appointed a Director at the Ordinary General Meeting held on 19th March, 1956, and to consider and if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by section 261 of the said Act has been received by the Company.

   "Resolved that pursuant to the provisions of Section 261 of the Companies Act, 1956, the appointment of Shri Govindji Raoji, an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, be and is hereby made and/or approved as required by the provisions of the said section."
8. To appoint Auditors for the current year and fix their remuneration.
9. To consider and if thought fit, to pass the following Resolution:—

   "Resolved that the consent of the Company under Section 293 (1) (d) of the Companies Act, 1956, be and is hereby granted to the Board of Directors of the Company for borrowing moneys for the purposes of the Company from time to time even though the moneys so borrowed together with the moneys already borrowed by the Company and remaining outstanding or the amounts for the time being and from time to time remaining undischarged of the moneys so borrowed together with the moneys already borrowed may be in excess of the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that such excess shall not be more than Rs. 80,00,000 at any one time and provided further that in computing the amounts of borrowings whether already made or to be made the amounts of temporary loans obtained from the Company's Bankers in the ordinary course of business shall be excluded."
10. To consider and if thought fit, to pass the following resolution as a Special Resolution:—

    "Resolved that this Company hereby approves of all contracts to be entered into with Messrs. Standard Tool Co., an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, for purchase of materials from them at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable."
11. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:—

    "That the 40,000 Deferred Shares of Rs. 10 each in the Capital of the Company be consolidated and divided into 8,000 Deferred Shares of Rs. 50 each so that every five Deferred Shares of Rs. 10 each shall constitute one Deferred Share of Rs. 50 each. For the purpose of giving effect to such consolidation and division the Directors may issue fractional certificates in respect of holdings or part holdings of less than 5 Deferred Shares of Rs. 10 each and may call in the existing certificates of the 40,000 Deferred Shares for cancellation and issue new certificates within a period of six months of such recall and may settle any question or difficulty which may arise in regard to such consolidation and division (including any question or difficulty arising in connection with any deceased or insolvent or any member suffering from any disability)."
12. To consider and if thought fit, to pass the following resolution as a Special Resolution:—

    "That the Articles of Association of the Company be altered in the manner following:—

    In Article 6 for the figures and words "40,000 Deferred Shares of Rs. 10 each" substitute the figures and words "8,000 Deferred Shares of Rs. 50 each."
13. To consider and if thought fit, to pass the following Resolution:—

    "Resolved that the Registers, Minute Book and Documents of the Company required to be kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 144, 163, 196, 301, 302, 304, 307, 362 and 372 of the said Act be kept open for inspection by the persons entitled thereto under the aforesaid provisions to the extent in the manner and on payment of the fees, if any, specified in the aforesaid sections, at the Registered Office of the Company between the hours of 11.00 a.m. and 1.00 p.m. on Saturdays and 3.00 p.m. and 5.00 p.m. on all other working days, unless otherwise provided in the said Act PROVIDED, however, that the Register required to be maintained under Section 307 of the Act shall be open to the inspection of any member or holder of debentures of the Company as aforesaid between the times abovementioned during the period prescribed by clause (a) of Sub-section (5) of Section 307 of the said Act."

The Transfer Books of the Company will remain closed as from Wednesday the 6th March, 1957, to Wednesday the 27th March, 1957 (both days inclusive).

By Order of the Board,

WALCHAND & CO. PRIVATE LTD.,
Managing Agents,
GULABCHAND HIRACHAND,
Director.

CONSTRUCTION HOUSE,
BALLARD ESTATE, FORT,
BOMBAY, 19*th February* 1957.

Note.—(a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

(b) The Dividends, if sanctioned, will be paid at the Devkaran Nanjee Banking Co. Ltd., Fort, Bombay, on and from Friday the 29th March, 1957, to those shareholders whose names stand on the Company's Register on Wednesday the 27th March, 1957.

CONTAINERS AND CLOSURES LTD.

(Formerly The Electric Welding & Manufacturing Co. (India) Ltd.)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE name of The Electric Welding & Manufacturing Co. (India) Ltd. has been changed to Containers & Closures Ltd.

By Order of the Board,

MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA-1, 5*th March* 1957.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st March 1957 to the Registered holders as at that date, interest due on the Preference Shares for the year ended that date at the rate of 6 per cent. per annum.

Preference Share Transfer Register will be closed from 28th March 1957 to 31st March 1957, both days inclusive.

By Order of the Board,

ASPINWALL & CO. LTD.,
Managing Agents.

COCHIN, 4*th March* 1957.

THE MILLOWNERS' ASSOCIATION BOMBAY

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the MEMBERS of the MILLOWNERS' ASSOCIATION, BOMBAY, will be held in the rooms of the Association (Second Floor, Elphinstone Building, Veer Nariman Road, Fort) at 11-30 a.m. (S.T.) on Wednesday the 27th March 1957, to transact the following business:—

(1) To receive and adopt the Committee's Report and Statement of Accounts for the year 1956;

(2) To appoint Auditors of the Association's Accounts for the current year and to fix their remuneration;

AND any other business that may be brought forward.

By Order of the Committee,

N. S. V. AIYER,
Secretary.

BOMBAY, 15*th March* 1957.

WALCHANDNAGAR INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-NINTH ANNUAL GENERAL MEETING of the Company will be held at Construction House, Ballard Estate, Fort, Bombay, on WEDNESDAY THE 27TH MARCH, 1957 AT 4-00 P.M. [S.T.] for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September 1956.
2. To declare Dividends on Preference and Ordinary Shares.
3. To appoint a Director in place of Shri Gulabchand Hirachand who retires by rotation and who is eligible for re-appointment.
4. To appoint a Director in place of Shri Lalchand Hirachand who retires by rotation and who is eligible for re-appointment.
5. To appoint a Director in place of Shri Maneklal Premchand who retires by rotation and who is eligible for re-appointment and to consider and if thought fit, to pass the following resolution in respect of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

   "Resolved that pursuant to the provisions of Section 281 of the Companies Act, 1956, Shri Maneklal Premchand who has attained the age of 67 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him.
6. To appoint Auditors for the current year and to fix their remuneration.
7. To consider and if thought fit, to pass the following resolutions as Special Resolutions:—

   (i) "Resolved that this Company hereby approves of all contracts of sales of Company's products entered into with Messrs. P. V. Brothers, an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company."

   (ii) "Resolved that this Company hereby approves of all contracts to be entered into with Messrs. P. V. Brothers, an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, for sale or supply of Company's products and/or purchase of goods and materials from them provided that the prices or amounts received by this Company and/or paid by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided further that Messrs. P. V. Brothers shall make payment to this Company within one month from the date of sale or supply by this Company."
8. To consider and if thought fit, to pass the following resolutions as Special Resolutions:—

   (i) "Resolved that this Company hereby approves of all contracts of purchase made with Messrs. Standard Tool Co., an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company."

   (ii) "Resolved that this Company hereby approves of all contracts to be entered into with Messrs. Standard Tool Co., an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, for purchase of goods and materials from them at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable."
9. To consider and if thought fit, to pass the following resolution as a Special Resolution:—

   "Resolved that this Company hereby approves of all contracts to be entered into with the Ravalgaon Sugar Farm Ltd., an Associate of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, for sale or supply of Company's products provided that the prices or amounts received by this Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable, and provided further that the Ravalgaon Sugar Farm Ltd. shall make payment to this Company within one month from the date of sale or supply of Company's products by this Company."

The Transfer Books of the Company will remain closed as from Monday the 11th March, 1957, to Saturday the 30th March, 1957 (both days inclusive).

By Order of the Board,

B. D. SARDESAI,
Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE, FORT,
BOMBAY, 19*th February* 1957.

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

(b) The Dividends, if sanctioned, will be paid at the Bank of India Ltd., Fort, Bombay, on and from Tuesday the 16th April, 1957, to those Shareholders whose names stand on the Company's Register as on Saturday the 30th March, 1957.

THE UNITED COMMERCIAL BANK LIMITED

NOTICE

CLOSING OF SHARE REGISTER AND TRANSFER BOOKS

NOTICE IS HEREBY GIVEN THAT REGISTER of Members and Transfer Books of The United Commercial Bank Limited will be closed from Monday the 25th day of March to Thursday the 18th day of April 1957, both days inclusive.

By Order of the Board,

S. T. SADASIVAN,
General Manager.

CALCUTTA, 7*th March* 1957.

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INTEREST for the half-year ending 31st March 1957, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 31st March 1957, or in accordance with their instructions.

A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA, 11*th March* 1957.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 31st March 1957. The Preference Share Registers will be closed from the 1st April to the 16th April 1957, both days inclusive. Payment will be made on or after 16th April 1957, to those Preference Shareholders whose names appear on the Company's Registers on the 31st March 1957, or in accordance with their instructions.

By Order of the Board,

A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA, 11*th March* 1957.

MUTTRA ELECTRIC SUPPLY COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956 (being the fifty-seventh Ordinary General Meeting of the Company), of the abovenamed Company will be held at its Registered Office, No. 15, Shib Thakur Lane, Calcutta-7, on the 29th March 1957, at 4-30 p.m., for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 31st March 1956, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend on the Ordinary Shares.

The Register of Ordinary Shareholders of the Company and the Transfer Books will be closed from 23rd March to 29th March 1957, both days inclusive.

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

By Order of the Board,

G. D. BHAGAT,
Chairman.

CALCUTTA, 4*th March*, 1957.

Note.—The dividend, if declared, will be paid on or after the 29th March 1957 to those persons who are registered as holders of Ordinary Shares as at that date, or to their mandatees.

Transfer to qualify for the dividend must be LODGED at the Registered Office of the Company by 4 p.m. on the 22nd March 1957.

TEEKOY RUBBERS (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have decided on the payment of dividend at the rate of 6 per cent. per annum on Preference Shares for the half-year ending the 31st March 1957 and interest at 5½ per cent. per annum on the Debentures for the half-year ending the same date to the respective holders of the Shares and Debentures whose names stand on the Company's Registers on the 31st March 1957.

The Preference Share Transfer Books and the Debenture Transfer Books will be closed from the 24th March to the 31st March 1957, both days inclusive.

EAST INDIA AGENCIES PRIVATE LTD.,
Managing Agents.

PALAI, 7*th March* 1957.

THE BANK OF INDIA LIMITED

(*Concluded from page* 527)

larger individual transactions. There is, I think, an assured future for India as a foreign exchange market. Amongst the currencies of Asian countries our rupee stands very high. As a counter in international exchange its use is increasing. I trust that those in authority over the management of our currency will do all they can to see that the value and reputation of the rupee in foreign markets are maintained.

"I would now refer you, ladies and gentlemen, to the balance-sheet.

"The total at foot of the balance-sheet is over Rs. 96 crores. The figure of the previous year was something over Rs. 89 crores. This increase of Rs. 7 crores indicates the growth during the year of the Bank's business.

Increase in Profit

"The profit figure for 1956 is Rs. 92 lakhs, an increase of Rs. 7 lakhs over the figure of about Rs. 85 lakhs for 1955. Before the profit figure has been struck, usual appropriate and prudent provisions have been made. I think you shareholders will be satisfied with the profit figure. It is higher than that of any previous year and represents quite an achievement in these uncertain days.

"The provision for taxation absorbs Rs. 28 lakhs, as against Rs. 25 lakhs last year.

"Your Directors propose to place to the Bank's reserve fund the sum of Rs. 8 lakhs, making the reserve fund Rs. 310 lakhs.

"A final dividend of 10 per cent., free of income-tax, is proposed, absorbing Rs. 25 lakhs, and making, with the interim dividend of 6 per cent. paid last August, a distribution of 16 per cent. per annum, or Rs. 40 lakhs for the year, free of income-tax. The carry forward is Rs. 15½ lakhs, as against Rs. 13 lakhs last year."

STRIKE AFFECTS ORISSA MINERALS

PROFIT OF ANGELO BROS. HIGHER

Orissa Minerals Development Co., Ltd.

THE directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the half-year ended 30th June 1956.

In confirmity with the provisions of the Companies' Act, 1956, the Company's accounts will henceforth be drawn up on an annual basis. From now on therefore, the Company's accounts will be closed and audited as at 30th June each year and the first annual closing will be for the 12 months period ending on 30th June 1957.

Iron Ore.—Raisings were 148,538 (220,283) tons compared with 191,184 tons in the previous half-year. Despatches amounted to 143,521 (224,788) tons, showing a considerable fall in comparison with 214,729 tons in the previous half-year. Raisings and despatches were low because of the lockout following the strike on the 20th April 1956, which continued until the 25th June, 1956. The Steel Works order was maintained in our books at 40,000 tons per month during this period.

Shipments to Japan were considerably lower at 8,612 (48,811) tons as compared with 20,745 tons during the previous period. This decrease was partly due to the cessation of work at the mines for a period of over two months and partly to shortage of railway transport.

Manganese Ore.—Raisings fell from 29,146 tons to 13,525 (38,720) tons in this half-year. Sales were also lower at 14,025 (16,959) tons as compared with 22,107 tons.

Manganese Dioxide.—Raisings fell still further to 395 (1,068) tons from the figure of 800 tons during the previous half-year. Sales decreased from 1,711 tons to 1,485 (1,547) tons in this half-year. The progress made in the proving of this area was interrupted by the strike and the culminating lockout.

Market.—The market continued to improve and the prices at which the various grades could be sold during the period under review were satisfactory. Unfortunately full advantage could not be taken due to shortage of wagons and the cessation of work.

Transport.—During the first few months this half-year the availability of transport was far from satisfactory and thereafter as a result of the strike and the lockout, full advantage of available transport could not be taken.

Labour.—As stated in the last report, work at the mines was suspended for a large part of the period under review and steady progress is now being made to bring back normalcy in labour relations and output. The issues concerning the strike and resultant lockout has been referred to an Industrial Tribunal before which proceedings are now taking place.

Bolani Area.—Progress continues to be made with regard to formation of a new company to develop this area as explained in the directors' last report and meanwhile investigations are continuing in regard to the opening up of this property.

The profit and loss account after providing for all charges and making provision of Rs. 1,80,000 (Rs. 1,50,000) for taxation and Rs. 82,805 (Rs. 89,344) for depreciation shows a profit of Rs. 2,17,464 (Rs. 4,19,646). To this profit is added the balance brought forward from the previous half-year of Rs. 1,18,835 (Rs. 91,384) making a total of Rs. 3,36,299 (Rs. 5,11,030). From this amount is to be deducted the amount transferred to general reserve Rs. 232 (*nil*), to tax contingency reserve Rs. 29,600 (Rs. 50,760) and to development rebate reserve Rs. 5,800 (*nil*) leaving a balance available of Rs. 3,00,667 (Rs. 3,05,053 after placing Rs. 1,40,000 to mechanisation reserve and Rs. 15,217 towards provision for staff and workmen's accidents and compensation). The directors propose to dispose of this amount by payment of a dividend on the 200,000 ordinary shares at the rate of 20 (20) per cent. per annum, without any deduction for income-tax payable by the Company Rs. 2,00,000 (Rs. 2,00,000) and by carrying forward Rs. 1,00,667 (Rs. 1,05,053).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	22,02,614
Reserves ...	35,94,529	Capital work-in-progress	1,43,227
Provision for taxation ...	9,86,498	Stock-in-trade	11,33,310
Liabilities ...	21,61,414	Stores & spare parts ...	6,63,524
Profit and loss account ...	1,00,667	Debts, deposits and advances ...	12,50,245
		Investments ...	30,38,027
		Cash ...	4,12,161
Rs.	88,43,108	Rs.	88,43,108

Angelo Bros., Ltd.

The directors of the above Company (Managing Agents: Messrs. Turner Morrison & Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st August 1956.

The profit for the year after providing for depreciation, directors' fees and taxation, amounts to Rs. 7,41,914 (Rs. 6,89,131). Adding to this the balance brought forward from last year of Rs. 3,43,960 (Rs. 2,39,798) there is a total of Rs. 10,85,874 (Rs. 9,43,961 including Rs. 15,032 transferred from provision for taxation). After transferring to general reserve Rs. 150,000 (*nil*) the directors recommend payment of a dividend of 12½ (12½) per cent. and a bonus of 7½ (7½) per cent. absorbing Rs. 6,00,000 (Rs. 6,00,000) leaving a balance to be carried forward of Rs. 3,35,874 (Rs. 3,43,961).

Production and sales were well maintained during the year, and apart from price fluctuations which are a feature of the Company's business no major difficulties were encountered. Trading profits showed a satisfactory improvement, and this would have been reflected to a greater extent in the final profit figure had it not been for the introduction of a tax on dividends with retrospective effect.

At the beginning of the period, T.N. was quoted at Rs. 133. Seasonal demand took the rate gradually to Rs. 166 by early November and it fluctuated between Rs. 163 and Rs. 153 until January when a trend to lower levels appeared. The lowest point, Rs. 100, was touched in mid-April. Rs. 130 was seen again in May and thereafter only small variations occurred. At the close of the season T.N. was quoted at Rs. 126. The 1956 Bysaki crop was a little smaller than originally estimated but supplies of lac were adequate throughout.

The De-waxing plant has been modernised and extended and other Factory plant has been maintained at a high level of efficiency and economy.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	80,00,000	Block ...	11,39,552
Reserves ...	36,18,873	Stock-in-trade	18,31,617
Provision for taxation ...	7,34,909	Raw materials	15,61,136
Liabilities ...	18,22,427	Stores & spare parts ...	4,49,285
Profit and loss account ...	3,35,874	Goods-in-process ...	1,69,774
		Debts, deposits and advances ...	28,66,628
		Investments	4,94,668
		Cash ...	9,99,423
Rs.	95,12,083	Rs.	95,12,083

Bhopal Sugar Industries Ltd.

The directors of the above Company [Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd., Bombay] submit the audited accounts of the Company for the year ended 30th September 1956.

The profit and loss account shows a net profit of Rs. 8,66,510 (Rs. 2,79,191) after providing for managing agents' commission of Rs. 96,279 (Rs. 31,021) and depreciation (including extra depreciation) and development rebate on machinery at Rs. 1,33,887. After transferring an amount of Rs. 12,407 from investment reserve fund and Rs. 25,000 from reserve for doubtful debts and Rs. 4,692 (Rs. 38,001) carried forward from the previous year, the amount available for appropriation amounts to Rs. 9,08,609 (Rs. 3,17,192). The directors recommend the following appropriations:—

To provision for taxation. (This includes estimated provision for previous years of which the assessment and appeals are pending) Rs. 5,50,000 (Rs. 75,000), to dividend on preference shares at 5 per cent. free of tax Rs. 62,500 (Rs. 62,500), to dividend on ordinary shares at Re 1-8 (Re. 1) per share free of tax Rs. 2,62,500 (Rs. 1,75,000) and balance to be carried over to the next year's accounts Rs. 33,609 (Rs. 4,692).

The crushing season for the year under review ended on 24th April 1956, the duration being of 112 days. The total quantity crushed was 2,031,425 (1,222,870) maunds, producing 68,581 (40,242) bags of sugar; the average recovery being 9.27 (9.10) per cent. The working of the factory was smooth and satisfactory without any serious mechanical troubles.

The farm results this year were very much better than in the past, the average yield being 31 tons per acre as compared to less than 26 tons per acre of the previous year. Every effort is being made to rear the crops in the best possible manner by utilising adequate qualities of fertilisers, compost manure, etc. The rains were quite good this year; the tank levels are normal, and the condition of the standing crops is good.

Factory Extension:—Suitable measures are being taken to add new machines, which will add to the efficiency of the factory. It is expected that after the erection of 1 more mill and 1 more pan which have been ordered, the grading of sugar will improve and that the extraction would be higher.

Current Season:—The crushing operations were started on 15th December, 1956, 2 weeks in advance as the Company expecting larger supplies of sugarcane this year. The Company's farms are expected to yield about 11 lakh maunds and outside supplies are likely to exceed this figure. It is hoped to continue crushing till end-April and produce about 85,000 to 90,000 bags of sugar.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	12,95,989
Reserves ...	8,86,885	Stock-in-trade	19,61,667
Provision for taxation ...	6,91,396	Stores & spare parts ...	6,71,925
Liabilities ...	9,34,656	Crop-in-progress ...	9,01,230
Profit and loss account ...	33,609	Loose tools, etc.	71,880
		Goods-in-transit	616
		Debts, deposits and advances ...	4,30,965
		Investments	87,457
		Cash ...	1,24,817
Rs.	55,46,546	Rs.	55,46,546

Polychem Ltd.

The directors of the above Company (Chairman: Mr. Ramdas Kilachand, Bombay) present the first annual report as also the audited accounts of the Company for the period from 24th October 1955 to 31st December 1956.

The accounts show a profit of Rs. 67,790 after appropriation of expenditure on fixed assets amounting to Rs. 3,18,663, which amount is proposed to be carried forward.

The Company was incorporated on 24th October, 1955 and obtained the Certificate for Commencement of Business on 17th May, 1956. The directors made a first call of Rs. 10, payable on 31st January, 1957, in respect of each of the 80,000 redeemable 7½ per cent. (taxable) cumulative first preference shares of Rs. 50 of the Company which would provide a sum of Rs. 8,00,000 to raise the paid-up capital of the Company to Rs. 72,00,000. The total amount received in respect of the said call till date is Rs. 7,94,470.

Despite the Suez trouble, progress of work achieved for installation of the Polystyrene Plant at Goregaon (B. S. D.) has been satisfactory and the directors feel that progress has been well maintained. The construction work of buildings has been completed and most of the machinery has been received and installed. The requisite raw materials and chemicals have been shipped from the U.S.A. and are expected to arrive during March, 1957. Piping, wiring and ancillary services are under final stages of completion. The initial test trial of the plant is expected to be taken by about the end of March, 1957. It is gratifying to note that the Government of India have put progressive restrictions on the import of Polystyrene which is the Company's finished product.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,98,975	Block ...	20,00,016
Liabilities ...	2,78,833	Expenditure during construction period ...	3,18,663
Profit and loss account ...	67,790	Stores, loose tools & raw materials ...	28,265
		Debts, deposits and advances ...	6,36,169
		Investments	5,000
		Cash ...	35,01,286
		Miscellaneous expenditure and losses	2,56,199
Rs.	67,45,598	Rs.	67,45,598

Chemical, Industrial & Pharmaceutical Laboratories, Ltd.

The directors of the above Company (Managing Agents: Messrs. Hamilsons Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st October, 1956.

The directors inform that there was a steady progress in the Company's business during the year under review. There was an increase in the net sales amounting to Rs. 3,80,807. There was however a corresponding increase in sales promotion expenses, freight and forwarding charges, cost of packing materials and salaries and wages. Owing to severe competition the selling prices of many items had to be reduced. In spite of all this, the percentage of profit to net sales shows a slight increase.

The profits for the year under review after allowing for depreciation, bonus to staff and workers and managing agency commission amount to Rs. 2,60,415 (Rs. 2,04,431). The directors have provided for taxes Rs. 80,000 (*nil*) and for doubtful debts Rs. 10,000 (*nil*) leaving a balance of Rs. 1,70,415 (Rs. 1,47,431 after payment of bonus and special efficiency allowance to staff absorbing Rs. 57,000). After adding the amount of Rs. 97,974 (Rs. 93,181) brought forward from last year's account, the amount available for disposal for the year under review is Rs. 2,68,389 (Rs. 2,40,612). Out of this sum, the directors recommend a dividend of Rs. 5 (Rs. 5) per share, free of income-tax on 6,000 preference shares absorbing Rs. 30,000 (Rs. 30,000) and a dividend of Rs. 6 (Rs. 6) per share, free of income-tax on 18,773 ordinary shares absorbing Rs. 1,12,638 (Rs. 1,12,638) leaving a balance of Rs. 1,25,751 (Rs. 97,974) to be carried forward.

On account of congestion in various production departments the demand for the Company's products could not be fully met and the directors on the recommendations of the managing agents considered it necessary that certain additions and extensions to the existing premises be made so that the congestion in various departments be removed as far as possible. The directors wish to inform that permission for these alterations and additions has been received from the Municipality as well as from the Director of Industries, Government of Bombay, and the necessary building is now under construction.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,77,300	Block ...	15,82,631
Reserves ...	3,79,592	Stock on hand	11,90,697
Provision for taxation ...	2,86,435	Debts, deposits and advances ...	7,61,552
Liabilities ...	4,67,095	Cash ...	2,01,293
Profit and loss account ...	1,25,751		
Rs.	37,36,173	Rs.	37,36,173

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

GILT-EDGED DULL

(From Our Own Correspondent)

BOMBAY, 12*th March*

Stringent conditions continued to prevail in the short-term money market during the week under review. With the progress of the busy season, the demand for bank credit seemed to be still on the high side, while the floating funds were far below the requirements. Consequently, banks continued to seek accommodation from the Reserve Bank to meet their needs and interest rates were well held at the previous week's levels.

Inter-bank call money was bid at the self-same rate of 3½ per cent. among the Exchange and big Indian banks. The rate among the smaller Indian banks was also 3½ per cent. House money at call was offered 4 to 4½ per cent., as were short-term deposits for one to six months. The higher rate was quoted only in special cases for large amounts.

The customary statement of the Reserve Bank of India for the week ended 8th March 1957 is not available, as we go to press a day earlier than usual.

The Scheduled Banks' statement for the week ended 1st March 1957 shows that banks' demand deposits continue to rise, the increase during the week under review being Rs. 4.14 crores, while time deposits have fallen by Rs. 4.26 crores, thus reversing the trend noted in the previous week. Inter-bank borrowings have gone up by Rs. 1.99 crores, while borrowings from the Reserve Bank show a fall of Rs. 3.54 crores. On the assets side, the small decline in advances noted in the previous week seems to have been a temporary feature; for the latest statement shows an increase of Rs. 3.08 crores in this portfolio. Bills purchased and discounted have also risen by Rs. 1.72 crores. Investments have further declined by Rs. 1.32 crores, bringing the aggregate fall since the beginning of the current year to Rs. 14.50 crores, the bulk of which (Rs. 10.69 crores) having occurred in the last three weeks alone. Cash balances and balances with other banks show small declines and money at call a drop of Rs. 1.01 crores.

The Gilt-edged market was featureless, with hardly any variations in quotations. In the absence of any support, except the Reserve Bank purchases, the volume of business was on the low side. 3 per cent. 1986 Conversion Loan was well maintained at Rs. 74-9. 3 per cent. 1970-75 was bid at the self-same rate of Rs. 87-6 and 3 per cent. 1966-68 held group at Rs. 92-4. 3 per cent 1964 showed no change at Rs. 94-6, 3 per cent. 1963-65 at Rs. 94-3 and 3 per cent. 1959-61 at Rs. 97-12. 3½ per cent 1962 was stagnant at Rs. 97-13, 3½ per cent. 1961 at Rs. 99-7, 3½ per cent. 1964 at Rs. 98-6, 3½ per cent. 1965 at Rs. 98-3 and 3½ per cent. 1967 at Rs. 98-8. The State loans were devoid of any interest.

In the foreign exchange section, the rupee continued to rule a shade easy in terms of U.S. and Canadian dollars. Banks' selling rate of ready U.S. dollar moved up from Rs. 4784 to Rs. 4784 per $100 and their buying rate, after declining from Rs. 475¼ to Rs. 475, rose again to Rs. 475¼ per $100 Banks were sellers of Canadian dollars at Rs. 502¼, as against Rs. 501¾ per $100 a week ago, and buyers at Rs. 495⅛, as compared with Rs. 495 per $100. In New York, sterling moved erratically, but on balance was slightly better. Thus, spot sterling, after gaining from $2.79-9/16—2.79-11/16 to $2.79-11/16—2.79-13/16, closed at $2.79-5/8—2.79¾. Three months' forward gained from $2.78-11/16—2.78-13/16 to $2.78-13/16—2.78-15/16, while transferable sterling was marked down from 276.20—276.30 cents to 276.10—276.20 cents.

COW HIDES IN DEMAND

(From Our Own Correspondent)

MADRAS, 11*th March*

There was no appreciable change in the kip market last week, except that U.K. inquiries were insistant for 8/8½ and 10/12 pounders wherein supplies were small. Arrivals of E.I. tanned cow hides were moderate and offtake was good. Demand for buff hides was limited. Moderate clearance was effected in cow calf and buff calf section and shippers to the U.S.A. showed some interest in buff calf, but prices were poor.

There was good call for top marks in goat skins from the Continent and slightly higher prices were paid for limited quantities. Prices of market quality goat skins and sheep skins remained steady, and shippers were moderately active.

Shipments during February 1957 were: to the U.K.: 2,213 bales tanned cow hides, 218 tanned cow calf, 7 tanned buff hides, 458 tanned buff calf, 722 tanned goat and 516 bales tanned sheep skins; to the Continent: 12 bales tanned cow calf, 543 tanned goat and 97 bales tanned sheep skins; to the U.S.A. ports: 23 bales tanned cow calf skins, 76 tanned buff hides, 31 tanned buff calf skins and 74 bales tanned goat skins.

LINSEED SUPPLIES SCARCE

(Messrs. A. Bradley and Co.)

CALCUTTA, 11*th March*

Conditions in the linseed market remain more or less unchanged. Activity has been restricted, owing to scarcity of ready goods, and very poor arrivals from producing centres. Crushers have shown some interest for ready delivery, but are rather reserved for forward positions, thanks to the uncertain future offtake of oil. Dull conditions prevail in the oil section and a fair disparity between local and overseas prices still exists.

The latest available quotations are: March Rs. 22 and April-May Rs. 20-8 per maund.

BULLION RECOVERS

(From Our Own Correspondent)

BOMBAY, 12*th March*

After two weeks of successive landslide, the bullion market ruled steady during the week under review, with a recovery in prices in both metals. Just as the preceding week's fall was sharper in silver, this week's recovery also was more marked in the white metal, due to short-covering on reports that the import duty paid on Tibetan coins during the week was less than market expectations. Arrivals were also less than in the previous week.

Gold also moved up in sympathy and on reports that the offtake in the ready section was quite encouraging, *vis-a-vis* the arrivals.

Forward silver (15th March settlement) edged forward from Rs. 176-15 to Rs. 179-6, before closing a shade lower at Rs. 178-13 on profit-taking. The next settlement (13th April) gained from Rs. 177-1 to Rs. 179-10 but finished at Rs. 179-1.

Ready silver moved up from Rs. 176-15 to Rs. 179-2 and closed at Rs. 178-9. The floating stocks of silver are placed at 800 bars. The daily average offtake was 15 bars.

Gold for forward delivery (14th March settlement) crept up from Rs. 105-9 to Rs. 106-9, before winding up at Rs. 106-6. The April settlement was done at the close at Rs. 106-7, after being lifted up from Rs. 105-10 to Rs. 106-10.

Ready gold advanced from Rs. 105-9 to Rs. 106-10 and finished at Rs. 106-7. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was a shade higher at 3,500 tolas.

In New York, silver price was unchanged at 91⅜c., while in London, spot silver declined from 80d. to 79¾d. and forward from 79¾d. to 79½d. Gold, on the other hand, showed a further rise from 249s. 7¼d. to 249s. 9½d.

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

	12-3-1957	Highest	Lowest	6-3-57
	Rs. a	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	106 7	106 10	105 1	105 9
Forward*	106 6	106 9	105 1	105 9
Sovereign	69 8	69 8	69 0	69 0
SILVER				
Ready (.996 fine Mint) ..	178 9	179 2	176 6	176 15
Forward†	178 13	179 9	176 10	176 15
London Silver Ready ..	79¾d.	79¾d.	79¼d.	80d.
London Forward	79¾d.	79¾d.	79¼d.	79¾d.
London Gold	249s. 9¼d.	249s. 9½d.	249s. 7¼d.	249s. 7¼d.
New York Silver	91⅜c.	—	—	91⅜c.

* 14th March settlement.
† 15th March settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

COARSE GRAINS LOOK UP

(From Our Own Correspondent)

HAPUR, 11*th March*

Steady conditions were observed in the foodgrains market during the week under review. Coarse grains tended to look up on good consumer demand and depleted stock position. Sales through fair-price shops were hardly sufficient to meet the day-to-day requirements of the locality and stocks were fast dwindling. Wheat stock which was put at 19 *khaties* last week-end was today estimated at 8 *khaties* only. Wheat recorded a rise of As. 4 to Rs. 16-6 per maund for average quality and to Rs. 17-12 for farm produce, while wholesale *khati* was quoted at Rs. 16-4 per maund. The week's offtake was mostly by roads to nearby districts in West U.P. and some despatches were made to east U.P.

Some losses to standing wheat crops were reported from east U.P., due to hailstorms last week; otherwise, the crops were reported to be fairly good. Rice, however, ruled quiet at mostly unchanged price levels. *Basmati* was done at Rs. 23-8 to Rs. 27, *Manipuri* at Rs. 20-8, coarse at Rs. 16-8 per maund.

Gram continued to attract fairly good consumer demand at increased rates. Local quality was transacted at Rs. 13-12 per maund and Punjab produce at Rs. 14-4. Local stock went down to one *khati* only. Barley and *bejhar* also advanced in sympathy with the general bullish trend in foodgrain prices and poor local stocks, with about a month still left for the arrivals of new crops into the market. Maize and *bajra*, however, ruled quiet, due to fall in seasonal demand. The latest available rates were: Barley Rs. 14-2; *bejhar* Rs. 13-14; maize Rs. 13-12; *bajra* Rs. 14-4; *jowar* Rs. 12-8 to Rs. 13; *guwar* Rs. 11 per maund.

Pulses ruled quiet, as harvesting of peas had begun here also in some centres and impending arrivals of new crop shortly. Standing crops of *arhar* were reported to have benefited, due to rains, and *arhar* were mostly unchanged during the week Other pulses, however, were depressed. Peas *dara* green was done at Rs. 13-2, white quality at Rs. 15-8, *arhar* at Rs. 12-6, *urd* Rs. 18 to Rs. 20-4, *moong* at Rs. 14 to Rs. 15-8 and *massoor* at Rs. 16 per maund. Continued bull support, however, accounted for a sharp advance in pulses futures, which, barring *urd baisakh* which ruled quiet, closed at the best levels of the week on Monday. The latest available rates are: Peas *jeth* Rs. 10-9-4½; peas farm *jeth* Rs. 10-11-1½; *arhar jeth* Rs. 10-15-3; *urd baisakh* Rs. 18-5.

COTTON FUTURES VERY FIRM

(From Our Own Correspondent)

BOMBAY, 12*th March*

The cotton futures market had a short week, as it was closed on the 9th and 11th inst. During this brief period, the market ruled distinctly firm, thanks to small volume of tenders on the Jarilla March contract, general shortage of tenderable cotton and tight statistical position. The firmness of the spot section, where prices were ruling at near-ceiling levels, imparted further strength to the market. As a result, handsome gains were recorded by the various contracts, the week's closing quotations being substantially higher than those at the end of last week.

Jarilla March opened the week at Rs. 730 and, induced by persistent spot house support, shot up to Rs. 770 today before closing a shade lower at Rs. 766. Under the leadership of this contract, the May position registered a handsome gain. It opened at Rs. 671-8 and steadily rose to Rs. 688 today before closing at Rs. 685-12.

M.G. Vijay April opened at Rs. 846, as against the previous close of Rs. 844-8. It attracted fresh buying support which pushed it up to Rs. 850 the next day. Commencing today's session at Rs. 857, the contract rallied to Rs. 869 on speculative buying, before winding up the session fractionally lower at Rs. 868-8. The June delivery followed more or less the same pattern. The week's trading in the contract started at Rs. 798 and it improved, in subsequent sessions, to touch a high of Rs. 804 on the 8th inst. Opening at Rs. 812 today, the contract firmed up to Rs. 819 before closing at Rs. 816.

The following is the trend of the week's trading in cotton futures:

(In rupees per candy of 784 lbs.)

	12-3-57	*High*	*Low*	6-3-57
Jarilla (March) ...	766	770	730	728
Jarilla (May) ...	685½	688	671½	671
Vijay (April) ...	868½	869	844	844½
Vijay (June) ...	816	819	796	798

In the spot cotton market, values were very firm, although daily offtake did not show any marked improvement as shippers and mills were not inclined to make large commitments. Spinner demand was noted for Moglai, and Berar, presumably to meet immediate requirements. Shipper's interest was confined to Bengal *Deshi* and yellow pickings. In the foreign section, since import licences are not available for any growths, shipment business was *nil*. However, in anticipation of a fresh quota for importing American aid cotton, interest in U.S. styles had revived. The progress of talks between the Egyptian delegation and representatives of the Government of India regarding Indo-Egyptian trade is watched with great interest and traders are generally inclined to think that India will be able to prevail upon Egypt to grant some price concessions in respect of cotton shipped to India, especially in view of the small offtake of Egyptian cotton by India in the current season.

Importers have heaved a sigh of relief at the reported decision of the Government of India to allow imports of cotton contracted for between 14th and 28th February 1957 which is said to be of the order of about 32,000 bales. The earlier announcement of the 1st inst. by the Joint Chief Controller of Imports that the monetary ceiling fixed in respect of imports of cotton had been reached as early as 14th February caused a flutter among importers, as it was feared that they would not be able to honour their commitments.

The latest available spot rates—in rupees per candy of 784 lbs.—from Sewri are given below:

Bengal *Deshi* 730; Berar Jarilla 815; Khandesh 835; Vijay 945; Oomra *Deshi* 800; Moglai 770.

Despite persistent reports that China was interested in purchasing cotton, the Karachi cotton market continued to rule easy during the week. Values were sticky and failed to rise. Some speculative buying was, however, noted in May deliveries. N.T.R.G. March delivery which had closed at Rs. 78-7 declined to Rs. 78. May position shed As. 4 to Rs. 79-8. In the spot section, *Deshi* cotton was especially easy. Total arrivals of cotton into the market since the season commenced aggregated 596,000 bales and total shipments amounted to 525,000 bales. The latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi are given below:

Sind *Deshi* 86; Punjab *Deshi* 76-8; 4F Roller 81-14; S.G. 85-6; Punjab Roller 84-6; S.G. 87-14; 289F N.T. Roller 83-6; 289F N.T. Sind S.G. 90-14; 289F Punjab Roller 86-6; S.G. 87-6.

The easy trend noted in the Alexandria cotton futures market last week gathered fresh momentum during the week, thanks to some speculative selling induced by absence of fresh inquiries from abroad. Local spinner demand was also very slack. Total export sales for the season till 15th February were 414,671 bales (730 lbs.) as against 682,162 bales in the corresponding period of the previous season. Actual shipments up to 13th February were 256,269 bales, as compared with 464,339 bales a year before. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 114.60; May 116.70; July 116.50; *Ashmouni*: April 83-10; June 83.25; August 83.00.

The auction dates of new crop Sudan are the 14th and 15th inst. About 6,000 bales are scheduled to be offered by the Gezira Board. Reserve prices have not yet been announced.

The Lint Marketing Board of Uganda sold 29,225 bales of cotton on tender basis on the 4th inst. But the Board announced suspension of sales on tender basis the next day itself and the system of sales by auctions was resumed on the 7th inst., with offerings of about 10,000 bales. It is reported that the Board accepted for sales on tender basis much lower prices than what the traders generally thought would be acceptable to the Board.

The Liverpool cotton futures market presented a steady trend during the week. As the uncertainty regarding U.S. cotton export policy had been removed, buying interest was slowly reviving. But, in view of the comfortable stock position of mill and trade, any marked improvement in the offtake of cotton would appear to be unlikely. Inquiries continued to be confined to medium and lower U.S. growths. Small turnover was reported in Turkish, East African and Syrian styles. Indian Oomras and Pakistani Sind and Punjab *Deshi* attracted some attention. Trading in both the American and American type contracts was fairly active. The volume of tender on the March contract has so far been below expectation indicating the general anticipation of better trade demand in future. It is reported that dockets aggregating 5,400 bales have been made on the March tender till the end of the first week of March. Sudans and Egyptians were neglected and remained unchanged. The latest available quotations—in pence per lb.—from Liverpool are as under:

American One Inch Staple Contract: March-April 26.12; May-June 26.23; July-August 25.83; October-November 25.52. *American Cotton Mixed Growth Contract*: March-April 26.30; May-June 26.40; July-August 26.00; October-November 25.62. *Egyptian Karnak*: March-April 60.00. *Sudan Lambert*: May-June 43.00.

Cotton values in the New York market registered a decline. The main influencing factors were slow conditions in the textile market, favourable weather and the belief that the Soil Bank would not absorb as much acreage as was previously expected. Although, earlier in the week, a slight rally was in evidence, values fell off later on heavy tender notices. In the spot section also, activity was slow. Offerings of qualities in good demand were light, while domestic mill support was limited.

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

(In cents per lb.)

	11-3-57	5-3-57	25-2-57
Spot	35.00	35.20	35.35
March	34.70	35.05	35.29
May	35.00	35.08	35.25
July	34.46	34.51	34.67

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, 12*th March*

The undertone of the sugar market was bearish during the week under review. The chief factor which adversely affected the sentiment of traders was the downward revision in the ex-mill quotations of Bombay-Deccan sugar. Heavy arrivals of sugar into the market—aggregating 29,000 bags, as against 23,700 bags in the previous week—lent further support to the bearish trend. Selling ensued as a consequence and prices of sugar staged a retreat.

Spot medium grain sugar dropped a rupee to Rs. 89-Rs. 91 per bag, including sales tax. Large grain receded from Rs. 94-Rs. 98 to Rs. 93-Rs. 98. Small grain was quiet at Rs. 88.

Fagan delivery contract for 'C' grade sugar declined by As. 2 to Rs. 91-2; the contract is scheduled to be squared up on the 15th inst. *Vaisakh* delivery shed As. 4 to Rs. 92.2 with sellers at this price.

The normal monthly release of sugar for sale in the free market is expected to be issued before the next week is out. Trade circles are diffident about visualising any upward trend in sugar prices, notwithstanding fairly good export demand for Indian sugar.

YARNS DECLINE FURTHER

(From Our Own Correspondent)

BOMBAY, 12*th March*

There was no change in the trend of the yarn market which continued to be bearish during the week under review, with a further decline in prices. Rayon yarns were particularly depressed, thanks to rumours of one of the indigenous manufacturers lowering prices of yarn, provided sizable orders were placed. The reluctance of silk mills and dealers to make purchases except at reduced rates also acted as a damper. These factors induced selling and prices moved further downward. Staple fibre yarns ruled dull, with the exception of forward positions which met with good buying enquiries on reports of a gradual revival of demand from the leading consuming centres, especially the Punjab and West Bengal. Cotton yarns lacked support, owing to low level of offtake by handloom and powerloom interests. Even the distinctly firm trend of cotton prices failed to influence the cotton yarn section favourably.

Rayon yarns 150 bright cones for April delivery dropped Rs. 2 to Rs. 640. 120 dull cones Snia yarn for April delivery shed a similar amount to Rs. 811. In the spot section, 150 Japan fell by As. 2-6 to Rs. 4-1-6. 120 Japan was neglected at Rs. 4-4, as also 120 Italy at Rs. 4-1 and 150 Italy at Rs. 3-11-6. Among indigenous yarns, National Rayons 120 bright cones 1st grade lost three pies to Rs. 3-11-9. 150 bright cones 1st grade eased by a like sum to Rs. 3-5-6. Spot New Greats (40 x 2) was neglected at Rs. 3-5. Citys were dull at Rs. 3-5-6, Kohinoors at Rs. 3-6-6 and Centurys at Rs. 3-6. Foreign yarns (80×2) were done at lower prices. Paramounts and Fujis declined by 18 pies each to Rs. 5-5 and Rs. 5-6, respectively. Staple fibre yarn (40 x 2) for April delivery, however, evoked speculative buying enquiries and forged ahead from Rs. 638 to Rs. 643.

In the cotton yarn section, 10 counts Podars shed an anna to Rs. 14-13. Moderns were quiet at Rs. 15-4. Twenty counts Maduras and Gokaks were quiet at Rs. 19-8 and Rs. 18-11, respectively. Moderns, however, elicited some attention and rose by As. 4 to Rs. 19-8. Thirty counts Indus lost As. 2 to Rs. 21-8, while Edwards had some enquiries and gathered As. 2 to Rs. 21-12. Among 40 counts, Minaxis changed hands at Rs. 27, same as last week. Moderns were neglected at Rs. 28 and Gokaks at Rs. 27-4. Sixty counts Moderns were unchanged at Rs. 62-8, as also Raghuvamshis at Rs. 57-8 and Finlays at Rs. 61. Among 80s, Mahendras and Moderns were dull at Rs. 74-8 and Rs. 77, respectively. Finlays were on offer at Rs. 81-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days before:

	12-3-1957	6-3-1957
	Rs. a.	Rs. a.
Art silk yarn **(per case of 200 lbs.)—**		
120 Dull Cones Snia April	811 0	813 0
150 Bk. Cones April	640 0	642 0
120 Japan (per lb.)	4 4	4 4
150 Japan (per lb.)	4 1½	4 4
120 Italy (per lb.)	4 1	4 1
150 Italy (per lb.)	3 11½	3 11½
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 April	643 0	638 0
40 x 2 New Greats (per lb.)	3 5	3 5
40 x 2 Century (per lb.)	3 6	3 6
40 x 2 City (per lb.)	3 5½	3 5½
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	14 13	14 14
20s Maduras	19 8	19 8
30s Edward	21 12	21 10
40s Gokak	27 4	27 4
60s Raghuvanshi	57 8	57 8
80s Modern	77 0	77 0

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 12*th March*

The oilseeds market ruled distinctly easy during the week under review. The easiness was particularly marked in the castor futures section. The groundnut section opened the week on a quiet note and picked up strength in the middle of the week following good demand from crushers and vanaspati manufacturers. Towards the close of the week, however, the section sagged owing to offerings from upcountry centres. In the castorseed and linseed sections, absence of any inquiries from shippers adversely affected the sentiment of operators, while offerings of castorseed from upcountry centres added momentum to the weakness in the castorseed section. Cottonseed, however, improved, following firm advices from the cotton market.

Groundnut May contract opened the week at Rs. 168 but moved down the same day to Rs. 166-14. It, however, rose to Rs. 170-6 on the 9th inst. owing to good demand from crushers. Subsequently, it declined to close at Rs. 168-2 today. It lost over the week As. 14. Ready Bold shed As. 6 to Rs. 34-8. Groundnut oil ex-mill remained unchanged at Rs. 18-12.

Linseed May contract commenced the week at Rs. 29 and receded to Rs. 28-6 on the following day. It improved today, on bear covering, to Rs. 29-4, before finishing at Rs. 28-14. Over the week, it was lower by As. 3. Spot Bold ready receded by As. 4 to Rs. 29-2. Linseed oil ready, too, was lower by As. 4 at Rs. 16-6.

Castorseed May (futures) began the week at Rs. 161-8 and moved up to Rs. 162-4—the highest level of the week—the same day. On the 8th inst., it slided back to Rs. 157, the lowest of the week, before recovering to Rs. 160-8, on the 9th. Today, once again, it withdrew to as low as Rs. 157-4 before finishing As. 4 higher. Spot Madras and Kanpur lost As. 8 each to Rs. 33-12 and Rs. 32-8, respectively. Oil B.S.S. was quoted As. 8 lower at Rs. 20-4.

Cottonseed May section forged ahead from the opening price of Rs. 98-12 to Rs. 100-8 with minor fluctuations. At the close today, it was quoted at Rs. 100. Over the week, the contract gained Re. 1.

Among others, *kardi* seed bold and *niger* seed Madras shed As. 2 each to Rs. 21-8 and Rs. 29-2, respectively.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	12-3-1957	6-3-1957	26-2-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957 ..	—	—	169 8
Khandesh Quality Ready (per cwt.)	35 0	35 8	34 2
Feb.-Mar.	—	—	33 7
Linseed—			
May 1957	28 14	29 1	28 0
Bold Ready (per cwt.)	29 2	29 6	28 0
Feb.-Mar.	—	—	28 5
Castorseeds—			
May 1957	157 12	162 0	155 14
Madras (per cwt.)	33 12	34 4	33 4
Cottonseed—			
February 1957	100 0	—	99 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 12	18 12	18 8
Castor oil—			
Commercial (per quarter) ..	19 8	19 12	—
Linseed oil—			
Ready	16 6	16 10	—

BLACK PEPPER IMPROVES

(Messrs. Parekh and Co.)

BOMBAY, 12*th March*

After continuous weakness for more than a month, Malabar black pepper showed some improvement, thanks to sizable buying by one of the London operators for March shipment for c. & f. New York. The London buying was synchronised with the time of the arrival of steamer at Cochin for lifting the cargo sold to Russia and some of the exporters who were short had to come out to cover. This proved a supporting factor. New York, after paying $0.23½ to $0.24¼ for March shipment, refused to follow the advance in India. As a result, the market at the time of writing turned quiet, with sellers at Rs. 537½ and Rs. 93¾, after touching the highest at Rs. 550 and Rs. 95 at Alleppey and Cochin, respectively.

Singapore improved from Str.$73 to Str.$.76, but there was very little doing, as new crop from Sarawak was expected to arrive in the port at the end of the month. In London, Sarawak black improved from 19d. to 19¼d., but spice mills in Europe preferred to buy hand to mouth. Improvement in Singapore was, therefore, not followed through. The turnover at all the terminal markets is reported to be restricted and mostly comprises short covering. The future of the market is anything but rosy, as, unless there is sizable buying support from New York, prices for Malabar are likely to go down further, in view of the anxiety of the growers to liquidate their holdings before the arrival of new Sarawak.

March shipment was done at $0.24¼ and April-May-June at $0.24¼, while, in delivery, March, after touching Rs. 543, is now nominally quoted at Rs. 535 with little interest.

Today's nominal quotations are: Ready Rs. 76 per Bengal maund; March Rs. 536-Rs. 541, April Rs. 544-Rs. 549 and May Rs. 551-Rs. 556 per candy of 5½ cwts.

TEAS DECLINE

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, *7th March*

Approximately 1,400,000 lbs. were on offer in Sale No. 5 which was held on Tuesday, 5th March. Quality remained much the same as in the last sale and there was a useful selection of flavoury high-grown teas. The sale opened to a fair demand which was restricted to a few buyers. Prices for all types were irregularly As. 4 to As. 6 easier with fannings grades again the weakest feature. Indeed, fannings once more accounted for the majority of the withdrawn teas. High-grown teas with flavour met with some competition and sold well. Whole leaf grades were well supported at rates which were about steady. The following are the quotations:

	1957	1956
	Rs a. p.	Rs. a. p
Plain B.P.	1 14 0*	1 7 0*
Low Medium B.O.P. ...	2 3 0	1 13 0
Medium B.O.P.	2 4 6	2 2 0
		to 2 3 0
Good B.O.P.	2 7 0	3 0 0
		to 3 4 0
Well made black leaf O.P.	2 8 0	2 6 0

*=Nominal.

The combined average price fetched in Sale No. 5 was Rs. 2-6-10 per lb., as against Rs. 2-7-8 per lb. in the corresponding sale of 1956.

London Market—Sale of 4th March 1957:—Market generally 3d. to 6d. easier.

Sale of 5th March 1957:— Heavy withdrawals 4d. to 8d. lower.

Colombo Market—Sale of 4th March 1957:—Black leaf firm. Dusts dearer. Others declined 10c. to 15c., particularly stalk.

Sale of 5th March 1957:—Small selection best flavoury Dimbula types dearer. Otherwise quiet demand. Highgrowns below best declined 20c. to 40c. Mediums down 20c. Lowgrowns 5c. to 8c. lower.

Calcutta Market—Export:—67,000 packages. Market firm to often one anna dearer upto Rs. 2; above that As. 1 to As. 1½ lower.

Internal:—19,200 dust. Met a good general demand at half to one anna easier, except for best C.T.C. types which were about steady. Middle East types met a good market at firm to dearer rates 3,577 internal leaf. Market generally As. 2 easier, except for commonest types which were occasionally steady to dearer on valuations.

Export Duty:—It was announced on 1st March that Government had determined "the price of tea" for the month of February as Rs. 3-6-1, as against Rs. 3-15 the previous month. The duty, thereore, remains unchanged at As. 6 per lb.

Export Quota:—The market has remained unchanged and business is still being done at 51-52 pies.

Forthcoming Auctions:—Sale No. 6 will be held on Tuesday, 19th March.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:—

"*Dust Sale F*:—450,000 lbs. Good general demand, but prices irregularly As. 1 to As. 2 lower, particularly for best liquoring and high-grown sorts. Best feature medium descriptions which are steady."

SMART RECOVERY IN JUTES

(From Our Own Correspondent)

CALCUTTA, 11*th March*

The week under review in the jute markets was highlighted by a remarkable recovery in the prices of manufactures, following the expansion in export business and the spurt in fibre prices. During recent weeks, buyers on behalf of foreign consumers had paid poor attention, in view of the comfortable stock position in foreign markets and in anticipation that prices would move down further. They had also anticipated that gunny stocks, as at the end of the last month, would have moved up. However, contrary to this expectation, but much to the relief of the trade and industry, stock figures which were announced on Thursday last showed a welcome decline. The total of all constructions, at 7,600 tons, were lower by 5,600 tons compared to the previous month. However, the February-end stocks were higher by 8,200 tons as compared with the figure a year ago. Last month's decline was mainly accounted for by sacking goods, which fell by 5,900 tons to 61,800 tons. Miscellaneous constructions, at 9,600 tons, were lower by 1,100 tons. The total of these two declines was offset in part by a rise of 400 tons in hessian stock to 25,200 tons. It would be remembered that, during recent months, stocks of sacking were increasing. Demand for hessian had, at the same time, indicated an upward trend. These two factors enabled mills to decide to transfer a portion of the sacking looms to hessian. The stock figures reveal the success of this measure.

Now that the Suez Canal is partially open, the trade here expects increased business from foreign countries. The consumers abroad had increased their stocks during October and November, and had since been purchasing jute manufactures in nibbling quantities only. Also, the decline in stocks of mills and the steady fibre prices in Pakistan have cautioned foreign buyers against any more bidding of the time. Early in the week, Australian buyers showed interest in woolpacks and cornsacks and purchased some quantities in both constructions. West African buyers evinced interest in Liverpools. Export business was also done in sugar bags. More internal buying was also in evidence and there were also Government enquiries. Although the quantities in each transaction were small, yet the broadbased nature of the enquiries and eventual business eclipsed details of shipment figures relating to the month of February, available on Wednesday last. Hessian and sacking shipped, at 60,252 tons, were lower by 10,322 tons compared to January. These shipments included coastal despatches. Most of the decline occurred in hessian, which stood at 29,815 tons as against 39,195 tons. On the other hand, sacking goods shipped, at 30,438 tons, were lower by only 940 tons.

Early in the week, hessian 40" 10 oz. ready was as low as Rs. 39-12 and ready B. twills at Rs. 107-8. At this stage, support to sacking goods was forthcoming following Government enquiries and, in sympathy, hessian also looked up. Mills lost no time to put on a reserved air and B. twills improved to Rs. 108-14 and hessian 40" 10 oz. to Rs. 40-1. On the following day, i.e., Wednesday, profit-taking brought the prices down, and the announcement of a substantial decline in February shipments affected sentiment further. However, on Thursday, contrary to expectations, stock figures as at the end of February recorded a welcome decline. Such decline in stocks in the face of a decline in shipments was naturally attributed to more buying in Calcutta for needs of this industrial area and for despatch upcountry by rail. Ready B. twills jumped to Rs. 110-12 from Rs. 109-4 and hessian 40" 10 oz. to Rs. 40-7 from Rs. 40-3. On Friday, prices began to harden further, but the upward trend was arrested to pocket the gains by selling at the higher rate. However, news of expectation of a Burmese tender was soon received, and this lifted B. twills again to Rs. 111-14 and 40" 10 oz. hessian to Rs. 40-11. The market derived more support by bear-covering, and the week-end saw prices touch the highest levels for the week under review, B. twills being priced at Rs. 113-4 and hessian 40" 10 oz. at Rs. 41-1.

The sharp increase in the prices of raw jute varieties was not a surprise, in the context of the above trend in jute goods. Mills attempted to arrest the uptrend in view of the already uneconomic nature of raw jute prices even after taking into consideration this week's gains in goods. However, the restricted support of mills was of no avail. Fresh arrivals from upcountry were falling, and Pakistani prices showed a steady improvement, following apprehensions of shortage before the new crop would begin reaching trading centres. This apart, there were the growing difficulties in imports from Pakistan. All these factors lifted Upper Assam bottoms to Rs. 29-8 from Rs. 28-8. Mills were prepared to pay Rs. 29, but sellers were reserved. Local daisee bottoms were pushed up to Rs. 32 from Rs. 31.

TEA DUSTS CLOSE LOWER

(From Our Own Correspondent)

CALCUTTA, 11*th March*

When last week's internal sales opened, prices were firm on good general demand. However, demand soon declined and rates gave way by one anna by closure time. Dusts on offer totalled 18,993 chests. Brokers realised valuations for the brighter liquoring C.T.C. Assams which were thus the strongest feature. However, the orthodox kinds, although better in quality, declined by half to one anna, after being steady earlier. Dooars and commons opened well, but gave way by one anna. Darjeelings possessing attractive flavour were steady throughout. The quotations were: best Assam C.T.C. Rs. 2-12, medium Assam C.T.C. Re. 2-1, medium Assam grainy dust Re. 1-12 to Re. 1-12-6, and medium Dooars Re. 1-11.

Leaf offered totalled 4,080 chests. Although demand was fair, prices declined.

Tea trade and industry circles are becoming more and more interested in expanding internal consumption. A slump in tea prices was recently avoided by voluntary cessation of plucking last November by most north-east Indian gardens. However, in view of the second Five-year Plan, production would only tend to expand in the coming years, and a glut in supply in foreign markets would naturally bear the danger of pushing down prices below production costs. These problems were dealt with among others, by Mr. J. P. H. Bent, when he addressed on Friday last the annual meeting of the Indian Tea Association. He said that it was no use if India alone restricted its exports in an attempt to restore an equilibrium between supply and demand in foreign markets. In the absence of an international tea agreement, other producing countries, such as Ceylon, Africa and Indonesia, would increase their exports, in which event India's loss would be their gain. An agreement between India and Ceylon regulating exports on the basis of a standard export figure of 560 million lbs. for the former and 400 million lbs. for the latter, as suggested by the Government of India a year ago, would be most desirable, but Mr. Bent thought that, in view of little prospects for increasing internal consumption, Ceylon would not like to be tied down by any international agreement.

These problems of the tea industry are complicated, and their solution requires great circumspection. The rapid increase in the number of dependents of tea garden labour is a matter which results in labour demands without regard to *per capita* production. Mr. Bent noted, in this connection, that labour had changed the slogan of "Fair" wages to "Living" wages. He would relate fair wages to fair *per capita* production. The Government was averse to place any statutory restriction on production in view of the Five-year Plan, and Mr. Bent declared that any regulation of crops in India should be brought about by gardens concentrating on improving the quality of their teas, so that not only would there be an automatic reduction in world crops but Indian teas would be in a better position to compete with other producing countries in the buyers' market which must be expected for the next few years. He was hopeful that present efforts to increase home consumption would succeed, thereby mopping up excess production. There is also the hope that consumption in other countries also would increase. The export figures for 1956, already reviewed in these columns, indicate expanding consumption in several foreign countries. But, tea trade circles also point out to chances of more production in Japan, China and Africa which have hitherto been only insignificant exporters.

An easier tendency in London tea auctions was noted on 5th and 6th March. This was rightly attributed to the huge increase in stocks. Prices declined by 2d. to 6d. per lb. Conditions were not dissimilar in the Colombo sales held on the 5th. There was a decline in demand, and prices of most teas recorded declines. These conditions are a reminder, if any is needed, for an international agreement regulating exports. However, it would not pay if India alone restricted exports, as it should be noted that Ceylon is attempting to make Colombo the chief international centre for tea and to divert foreign business from Calcutta to Colombo.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 11*th March*

Although prices were unchanged, firm conditions were in evidence in the metal market during the week under review, following moderate demand at lower levels. Steady prices contributed to gaining of confidence by stockists, and consumers' interest widened beyond hand-to-mouth purchases. A fair quantity of electrolytic copper changed hands at Rs. 180 per cwt. and the higher Bombay rate was attributed to the keener demand in the western centre. Locally, the supply position continued to be comfortable. There were a number of Government inquiries. Prices in both London and New York registered slight improvement, following the announcement of curtailment of production by a big refinery in the United States, due to water scarcity. Although such a cut in output for water shortage is a usual feature for this time of the year for that particular refinery, which has announced this, there were reports that other refineries in the U.S. would follow suit, in view of the slump in prices and the trend of production having outstripped demand. Custom smelters in the U.S. had earlier sold electrolytic copper at 30 cents a lb. which was lower by 2 cents. In Calcutta, copper scrap was in short supply and realised Rs. 175.

Electrolytic zinc was quoted firm at Rs. 76-8. Demand was fair, and consumers were aware that spot supplies were becoming tight. Virgin lead, on the other hand, tended to be quiet at Rs. 76-8. The supply position was satisfactory. Tin, although at Rs. 517 lower by Rs. 3, was in good form. The increase in stocks following fresh arrivals did not affect sentiment, as keen demand continued and the Government was in the market for a fair quantity.

SUGAR HARDENS

(From Our Own Correspondent)

HAPUR, 11*th March*

Sugar prices showed a hardening tendency, thanks to better export prospects. Outlet for Indian sugar is bright, as a result of the tight conditions in world markets and demand from foreign countries is reported to be satisfactory. Owing to increase in the production of cane this year, sugar output during the season is likely to establish a new record.

The prevailing mill delivery prices of sugar are: Jaswant Rs. 28-13; Simbhauli Rs. 28-14; Mawana Rs. 28 to Rs. 29; Daurala Rs. 29 to Rs. 30; Amroha Rs. 28-4; Bijnore Rs. 28-4; Mansoorpur Rs. 29 to Rs. 30; Rampur Rs. 31-8; retail Rs. 30-10 per maund.

The *khandsari* market continued to rule dull and depressed. The prevailing rates were Rs. 22 to Rs. 25 per maund, according to quality.

Ready *gur* ruled quiet at almost unchanged price levels. The Government's announcement to continue to license freely export of cane *jaggery* (*gur*) and powder (*shakker*) up to the end of the year failed to cheer the market. Daily arrivals were at an average of 2,000 maunds only and, due to slack outside buying enquiry, stocks swelled to about 95,000 maunds on Monday. Most of the demand from the consuming centres of Madhya Pradesh and Gujarat was being met from the Punjab where prices were more competitive. Total arrivals into Hapur from the beginning of the season were estimated at 425,000 maunds, as against 418,000 maunds a year before. The prevailing prices were: Rs. 9-14 to Rs. 10-2 per maund, according to quality. Some quantity of *gur* was being received in the local market to be stocked for delivery purposes of forward contracts.

Futures *gur* moved both ways in heavy speculative activity during the week. Baisakh opened at Rs. 10-11 on Monday last, touched the highest and lowest at Rs. 10-14-9 and Rs. 10-4-6, respectively, and was quoted today at Rs. 10-9-3.

SURVEY

(Concluded from page 514)

Important among the various routes operated from India are: to the U.K. *via* West Asia and Europe, to South-East Asia and Japan, to East Africa, and to Australia.

Between 1952-53 and 1955-56, again, passengers carried increased from 22,165 to 62,100, cargo from 1,281,000 lbs. to 2,772,000 lbs. and mails from 486,000 lbs. to 975,000 lbs. Furthermore, while the capacity ton-miles increased between 1953-54 and 1955-56 from 17.33 million to 35.24 million, traffic revenues went up from Rs. 3.53 crores to Rs. 6.60 crores. In the case of operational profits, too, some improvement has been in evidence. Thus, from a position of loss to the tune of Rs. 2.13 lakhs in 1952, the Corporation was able to report an operational profit of Rs. 35.68 lakhs in 1954-55, though the position has once again deteriorated, owing to increased operational expenses and the need to provide larger depreciation following the increase in the frequency of services.

What is of utmost importance, and in regard to which a great deal has yet to be done, is to gear up the operational efficiency of, and the standard of comforts provided by, the airline. With the addition of the three Boeing jet aircraft, the delivery of which is expected to be completed by 1960, the Corporation will have an adequate number of aircraft not only to increase the frequency of flights along the existing routes and to launch services along new routes but also to raise the competitive position of the Corporation *vis-a-vis* the more experienced and advanced lines of foreign countries. In this connection, it may be pertinent to recall what the Estimates Committee has observed. To quote:

"When competition between the airlines is severe and the fare structure more or less uniform, owing to I.A.T.A. regulations, the extent to which a particular airline gets traffic in preference to another airline depends a great deal on the routes which are offered by that airline and also the comforts and conveniences it offers to the passengers. The Committee realise that much cannot be done in the direction of opening new routes in a short period, as it requires a great deal of initial planning and expenditure. As regards the second direction, namely, of passenger comforts and convenience, there is much which an international airline can do. The Committee are glad to note that, by and large, facilities abroad and ground offered by Air-India International are found by passengers to be comparable with those of other international airlines."

The $16.8 million loan, borrowed by the Corporation and guaranteed by the Government of India, was a joint operation whereby five U.S. commercial banks granted Air-India International a credit of $11.2 million and the World Bank, under a separate agreement, lent the Corporation $5.6 million. The First Boston Corporation acted as its agent in negotiating this first direct Indian borrowing in the New York market. The five U.S. banks which are partners in the joint operations are the First National City Bank of New York, the Bank of America, N.T. and S.A., the Chase Manhattan Bank, the Irving Trust Company, and the First National Bank of Boston. Under the agreement which was signed on 31st January 1957, borrowing may be taken down by the Corporation from 1st July 1959 to 30th September 1961. Sinking fund payments will begin six months after the scheduled delivery of the third aircraft in March 1960, but in no event later than 31st March 1962. Moreover, repayments will be made in seven semi-annual instalments so that the entire commercial bank loan will be retired by 31st March 1965, at the latest.

The loan agreement with the World Bank covering $5.6 million was signed on 5th March 1957. The loan bears interest of 5½ per cent. per annum, including the 1 per cent. commission charged by the Bank. Amortisation will be in four semi-annual instalments beginning 1st April 1965 and ending 1st October 1966. Air-India International's present purchases, costing the equivalent of $23 million, include, besides the three Boeing aircraft powered by four Rolls-Royce "Conway" engines each, nine spare engines and other spare parts, a flight simulator and ancillary equipment.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	..	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	2
Greece	1st May, 1956	9	10
India	15th Nov., 1951	3	2½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	6	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	3	4½
U.S.A.	23rd Aug. 1956	3½	3½
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 1st March, 1957		Week ended 22nd February, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,69,762	65,39,53,000	2,99,971	71,26,40,000
Calcutta	1,74,447	70,03,76,744	1,81,412	66,75,32,101
Madras	78,371	11,09,57,147	85,317	11,83,65,766
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Nov., 1956	..	..	..	..
Dec.,	..	..	3,284,000	7,25,06,00,000
	..	..	3,373,000	7,64,19,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 8th Mar., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	5,00,00,000
Reserve Fund	..	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	..	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	..	1,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government	..	51,87,61,000
(2) Other Governments	..	2,76,15,000
(b) Banks	..	52,24,36,000
(c) Others	..	41,34,14,000
Bills Payable	..	14,01,70,000
Other Liabilities	..	112,63,01,000
	Rupees ..	301,35,97,000

ASSETS	Rs.
Notes	9,55,04,000
Rupee Coin	4,87,000
Subsidiary Coin	15,29,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,31,62,000
Balances held abroad*	98,88,80,000
Loans and Advances to Governments	11,39,70,000
Other Loans and Advances	106,58,19,000
Investments	56,21,66,000
Other Assets	13,20,80,000
Rupees	301,35,97,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 55,91,90,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 122,97,87,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,55,04,000	
Notes in circulation	1625,91,08,000	
Total Notes issued	..	1635,46,12,000
Total Liabilities	....	1635,46,12,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	..	
Foreign Securities	412,51,01,000	
Total of A	..	530,27,04,000
B. Rupee Coin	..	120,20,99,000
Government of India Rupee Securities	..	884,97,19,000
Internal Bills of Exchange and other commercial paper	..	....
Total Assets	..	1535,46,12,000

Scheduled Banks*

Statement of Affairs for the week ended 1st Mar., 1957

	Rs.
1. Demand Liabilities in India :	
(a) Borrowings from banks other than the State Bank and a notified bank† ..	9,21,78,000
(d) Other demand liabilities ..	691,51,16,000
2. Time Liabilities in India :	
(a) Borrowings from banks other than the State Bank and a notified bank† ..	1,62,00,000
(d) Other time liabilities ..	401,18,01,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(c) Demand liabilities ..	10,16,68,000
(d) Time liabilities ..	..
4. Cash in India ..	37,96,74,000
5. Balances with the Reserve Bank in India ..	50,20,44,000
6. Balances with other banks in current account in India ..	9,47,89,000
7. Money at call and short notes in India ..	12,66,29,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts ..	350,25,16,000
9. Advances in India ..	698,55,21,000
10. Inland Bills purchased and discounted in India	106,06,81,000
11. Foreign Bills purchased and discounted in India ..	57,54,41,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	11th March, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months s.	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4784	4784
Buyers T.T. .. Rs.	4783	4783
London on New York.. $	2.79½-2.79¾	2.79½-2.79¾
London on Paris .. Frs.	987	987
London on Berne Sw. Frs.	12.27½-12.27¾	12.23
New York on London.. $	2.79½-2.79¾	2.79½-2.79¾

NATIONAL INCOME*

Country	Year	Population (In millions)	Nationa Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	79.33	..	1,931	243
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.38	..	470	560
Japan	1955	88.90	Y. 6,575,000	8,693	978
Philippines	1955	$1.85	Ps. 7,800	1,857	250
New Zealand	1955	2.13	£(N.Z.) 846	1,128	5,296
Australia	1954	8.99	£(A) 2,957	4,220	4,694
U.K.	1955	50.97	£ 16,634	22,178	4,351
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.60	$ 20,738	10,166	6,516
France	1955	43.27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm. 126,200	14,460	2,890
Italy	1954	47.80	Lr. 9,718,000	7,940	1,560
Norway	1955	3.43	Kr. 19,764	1,320	3,050
Sweden	1954	7.21	Kr. 38,638	2,544	4,913
Netherlands	1955	10.75	Grs. 22,500	2,250	3,650
Denmark	1954	4.41	Kr. 22,874	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 1st Mar., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :	
(a) Central Government	44,98,49,000
(b) Provincial Governments	75,16,000
(c) Banks	14,19,45,000
(d) Others	8,57,78,000
Bills Payable	13,85,000
Other Liabilities	12,85,04,000
Rupees	87,49,77,000

ASSETS	Rs.
Notes	13,50,86,000
Rupee Coin	4,000
Subsidiary Coin	21,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,12,000
Loans and Advances to Governments	26,00,000
Provincial Governments' Debtor Balances	2,79,45,000
Other Loans and Advances	19,98,98,000
Investments	40,92,40,000
Other Assets	10,62,11,000
Rupees	87,49,77,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,50,86,000	
Notes in circulation	331,02,05,000	
Total Notes issued	....	344,52,91,000
Total Liabilities	....	344,52,91,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,83,41,000	
Silver Bullion	..	
Sterling Securities	83,60,20,000	
Government of India Securities	23,83,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,29,92,000	161,59,88,000
Government of Pakistan Securities	171,73,55,000	
Internal bills of exchange and other commercial paper	....	177,03,47,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
	....	344,52,91,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.53 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	1st Mar., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,510.96	1,506.25	1,494.02	1,418.66
Notes held in Banking Department	35.05	15.58	21.08	14.55	10.73
Foreign Securities	59.50	412.52	412.52	412.52	682.16
Rupee Securities	37.39	875.03	875.03	855.03	603.23
Banking Department.					
Deposits of :					
Government of India	14.89	55.10	53.98	52.35	59.56
Other Governments	..	3.70	11.24	16.68	18.02
Balances held abroad	10.08	102.88	106.35	93.84	53.93
SCHEDULED BANKS					
Demand Liabilities	134.86	700.73	694.53	679.75	623.12
		(9.22)†	(7.15)†	(7.04)†	(5.07)†
Time Liabilities	102.24	462.75	467.08	464.40	418.70
		(1.62)†	(1.69)†	(2.21)†	(3.97)†
Borrowings *from* Reserve Bank	..	81.31	84.85	80.51	48.47
		(56.84)‡	(58.85)‡	(55.88)‡	(25.82)‡
Borrowings *from* State Bank	..	10.17	10.79	14.15	14.04
Cash in India	6.70	37.97	36.77	34.36	34.78
Balances with Reserve Bank	25.17	50.20	51.92	51.63	54.47
Excess over statutory limits	15.52	5.91	7.85	8.35	14.94
Balances with other banks in current account in India	..	9.48	9.92	9.65	10.29
Money at call and short notice in India	..	12.66	13.67	10.35	6.88
Investments (at book value)	..	350.25	351.58	361.27	373.54
Advances and bills	105.09	862.26	857.46	840.71	711.88
STATE BANK					
Deposits	87.76	276.01	271.55	262.25	233.24
Investments	51.99	106.82	106.66	106.92	115.25
Advances	30.35	172.66	170.67	164.68	126.16
Cash	14.69	17.32	22.74	18.02	18.11

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December,		Nine months, April to Dec.,	
	1955	1956	1955	1956
Import Duties :				
Revenue	10.92	11.00	85.33	93.01
Protective	1.03	0.81	7.63	9.20
On surplus disposals	..	0.01	0.07	0.04
Total import duties	11.95	11.82	93.03	102.25
Export Duties	3.33	3.20	28.10	21.37
Land Customs	0.26	0.20	0.95	1.82
Miscellaneous	0.07	0.09	0.54	0.85
Gross total customs	15.66	15.31	122.62	126.77
Refunds and drawbacks	0.17	0.26	1.91	1.83
Net Customs	15.49	15.05	120.71	124.94
Gross excise	13.07	15.54	109.75	136.17
Refunds	0.44	0.18	3.48	1.50
Net Excise	12.63	19.66	106.27	136.67
Net total of customs and excise†	28.12	34.71	226.98	261.61

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 1st Mar., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves	..	5,62,50,000
Deposits and Other Accounts	..	6,87,50,000
Borrowings from Other Banking Companies, Agents, etc.	..	276,01,30,000
Bills Payable	..	7,46,00,000
Bills for Collection being Bills Receivable as per contra	..	4,10,17,000
Acceptances, Endorsements and Other Obligations per contra	..	67,93,000
Other Liabilities (including Inter-Office Adjustments)	..	5,31,000
Total ..	Rs.	2,15,82,000
		302,46,53,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	13,50,17,000
Balances with other Banks	..	3,31,63,000
Money at Call and Short Notice	..	66,67,000
INVESTMENTS :		
Government and other Trustee Securities	95,27,38,000	
Other Authorised Investments	11,54,34,000	
		106,81,72,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	149,39,47,000	
Bills Discounted and Purchased	23,26,99,000	
		172,66,46,000
Bills Receivable being Bills for Collection as per contra	..	67,93,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	..	5,31,000
Premises less Depreciation	..	1,20,84,000
Furniture and Fixtures less Depreciation	..	62,52,000
Other Assets (including Inter-Office Adjustments)	..	2,43,28,000
Total ..	Rs.	302,46,53,000

SMALL SAVINGS

(In lakhs of rupees

POSTAL SAVINGS‡‖

	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ⊕		3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates†		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year											
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	
1953-54	6.83	65	3.26	23.66	84.17	1,13.25	92.03	— 21.07	7.55	25.64						
1954-55	4.70	1.62	4.99	27.37	1,24.64	1,84.94	1,50.88	— 36.35	5.57	27.15	7,40[1]	7.38	65‡‡	54		
1955-56	3.76	1.92	5.48	27.19	1,44.38	1,56.16	1,67.56	— 25.87	4.79	41.25	9.26	15.37	48	96		
December 1955	4.00	16	5.26	2.56	1,30.43	13.94	1,53.44	— 33.44	36	40.24	88	13.98	4	88		
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	— 33.55	33	40.61	84	14.73	3	91		
February ,,	3.83	16	5.20	2.33	1,42.87	12.87	1,56.19	— 33.66	29	40.95	88	15.57	3	92		
March ,,	3.76	23	5.48	2.83	1,44.86	22.64	1,67.86	— 28.87	36	41.25	88	15.87	3	93		
April ,,	3.69	24	5.54	3.19	1,45.58	14.54	1,71.08	— 30.06	24	41.51	83	17.13	3	98		
May ,,	3.61	21	5.54	2.49	1,47.58	14.77	1,73.06	— 29.05	33	41.38	85	17.91	2	1,00		
June ,,	3.54	23	5.58	2.70	1,49.48	15.24	1,76.09	— 39.15	38	42.13	92	18.75	4	1,04		
July ,,	3.48	43	5.81	3.78	1,51.55	14.51	1,80.05	— 39.24	28	42.42	1,01	19.68	4	1,07		
August ,,	3.40	29	5.83	2.53	1,53.14	14.10	1,83.20	— 39.35	36	42.78	88	20.58	3	1,11		
September ,,	3.34	17	5.71	2.65	1,55.14	13.27	1,84.38	— 39.17	24	43.00	85	21.54	3	1,15		
October ,,	3.28	16	5.69	2.38	1,56.91	13.00	1,85.99	— 39.26	35	43.29	82	22.06	4	1,19		
November ,,	3.23	18	5.66	2.30	1,57.62	12.70	1,86.99	— 39.35	35	43.38	77	22.78	3	1,19		
December ,,	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 39.43	26	43.58	70	23.32	3	1,22		
January 1957	..	..	..	..	..	..	..	..	36	43.89	..	..	..	..		

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Relating to nine months from July, 1954.

§ From July 1954.

‖‖ Outstandings do not include Indian Union's share of the pre-partition holdings of Indian investors.

⊕ Progressive net repayments at the end of period from 15th August 1947.

† Relating to eleven months from May, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 16th Feb., 1957	9th Feb., 1957	19th Jan., 1957	18th Feb., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.8	89.8	89.7	91.3
1. Government of India	89.5	89.5	89.4	91.2
2. Indian States	96.6	96.6	96.6	96.7
3. Municipal Port Trust, etc.	90.7	90.7	90.7	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.0	99.1	100.0	101.2
1. Electricity	98.7	98.9	100.9	102.8
2. Jute	97.3	97.5	97.5	97.6
3. Plantations	98.6	98.8	98.6	99.1
4. Sugar	98.5	98.5	98.6	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	101.8
8. Others	100.3	100.4	100.5	101.1
PREFERENCE SHARES	79.6	79.9	80.4	86.8
1. Electricity	88.3	88.6	87.8	94.6
2. Cotton	80.6	80.8	80.1	79.7
3. Jute	74.2	75.2	75.4	86.7
4. Coal	82.7	82.7	83.0	90.1
5. Iron and Steel	81.0	81.3	84.0	87.5
6. Sugar	81.6	81.6	81.6	85.5
7. Paper	79.7	79.7	79.7	86.5
8. Plantations	99.4	99.7	99.8	101.4
9. Miscellaneous	74.0	74.1	73.8	84.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.6	114.1	113.7	120.5
(a) Financial	93.9	94.5	94.7	99.3
1. Banks	87.4	87.4	86.9	88.8
2. Insurance	84.7	84.8	84.8	90.8
3. Investment Trust	80.4	80.0	82.7	94.7
(b) Public Utilities	109.3	109.4	108.5	113.1
1. Electricity	109.9	110.0	109.5	118.7
2. Shipping and other Transport	116.4	115.9	113.9	106.3
3. Railways	78.7	81.2	81.0	89.7
(c) Manufacturing industries	120.3	121.1	120.9	128.7
1. Cotton, Woollen and Silk	125.8	126.5	127.7	122.6
2. Jute	62.3	61.9	58.1	89.6
3. Iron and Steel	131.3	132.5	129.5	139.9
4. Paper	252.3	253.0	248.8	279.9
5. Cement	158.0	159.0	169.7	167.1
6. General Engineering	170.3	175.9	175.2	196.3
7. Sugar and Breweries	99.5	99.9	100.2	105.8
8. Chemicals	137.2	137.5	136.8	147.4
(d) Non-Manufacturing industries	140.3	140.3	139.7	158.1
1. Coal	74.8	75.0	74.2	83.9
2. Mining and Oil	197.4	198.7	196.6	244.1
3. Plantations	154.0	155.2	155.4	167.2
(e) Miscellaneous	91.5	92.0	90.8	100.8
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	89.2	89.2	89.1	90.8
2. Calcutta	89.7	89.7	89.6	91.3
3. Madras	90.0	90.0	89.9	91.6
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.4	99.4	99.4	100.2
2. Calcutta	98.5	98.6	100.5	102.1
3. Madras	99.7	99.7	99.7	100.1
PREFERENCE SHARES :				
1. Bombay	83.4	83.6	85.4	89.4
2. Calcutta	73.8	74.2	74.1	83.0
3. Madras	94.4	94.8	94.6	96.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	123.1	123·9	125.0	122.8
2. Calcutta	100.8	100.7	99.5	113.0
3. Madras	125.7	126.5	125.4	120.2
4. Delhi	123.1	123 8	124.9	123.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809 242	3,336,961
1953	772	466,607	3,382,608
1954	840	477,132	3,372,630
1955	1,166	527,767	5,697,848
November 1954	62	25,115	239,701
December ,,	101	54,455	262,763
January 1955†..	95	49,033	322,807
February ,,	91	38,370	144,802
March ,,	113	70,042	334,696
April ,,	105	32,433	333,575
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	226	90,318	883,999
September ,,	251	92,619	880,031
October ,,	184	47,600	514,214
November ,,	99	48,609	178,112
December ,,	129	45,377	339,560
January* 1956†	107	61,060	249,855
February* ,,	122	69,450	778,986
March* ,,	146	133,188	878,716
April* ,,	143	83,580	566,964
May ,,	137	64,561	653,720
June ,,	152	71,818	476,166
July* ,,	149	100,069	535,775
August* ,,	136	64,516	495,639
Sept.* ,,	135	125,226	908,399
Oct.* ,,	145	111,622	822,021
November ,,	104	45,335 (a)	431,941 (b)

† Figures are provisional.

(a) Not known in 8 cases.

* Revised.

(b) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,801.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
Jan., to Nov., 1955	715	6,805.8	7,185.8
Jan., to Nov., 1956	721	7,708.9	6,278.3
October 1955 ..	756	8,749.2	7,177.0
November ,,	..	716	730.7	591.9
December ,,	..	721	725.5	597.0
January 1956	..	724	785.7	648.0
February ,,	..	731	757.2	621.8
March ,,	..	739	749.9	623.0
April ,,	..	715	800.0	651.0
May ,,	..	701	786.8	643.8
June ,,	..	701	835.6	669.1
July ,,	..	710	796.5	656.5
August ,,	..	724	798.0	656.2
September ,,	..	725	798.7	650.0
October ,,	..	727	812.7	666.4
November ,,	..	758	824.1	670.1
	..	756	810.5	668.1

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	23rd Feb., 1957	16th Feb., 1957	25th Feb., 1956	January, 1957	January, 1956	Percentage of increase (+) or decrease (−) in Jan., 1957 as compared with Jan., 1956	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	403.0	407.7	343.0	392.1	333.6	+17.6	372.2	339.5
Cereals	50	529*	530*	430	491	398	+23.4	372	351
Pulses	8	426	439	359	429	361	+18.8	389	390
Others	23	244	250	227	257	238	+ 8.0	235	291
Industrial Raw Materials	(18)	514.5	517.5	464.5	528.0	456.2	+15.6	419.8	438.2
Fibres	55	499	500	473	507	453	+11.9	429	447
Oil seeds	20	556	568	465	582	463	+25.7	424	454
Minerals	10	539	552*	459	530	438	+21.0	427	422
Others	7	413	410	409	435	450	− 4.6	451	427
Semi-Manufactures	(17)	405.4	407.6	357.2	412.4	353.5	+16.7	338.2	350.2
Leather	2	410	410	408	432	417	+ 3.6	378	376
Mineral oils	12	210	210	208	210	202	+ 7.1	207	221
Vegetable oils	15	593	603	422	623	425	+46.6	389 R	433
Cotton yarn	35	435	437*	446	492	434	+13.4	422	454
Metals	18	328	327	231	328	280	+17.1	324	340
Others	5	436	434	341*	441	371	+18.9	338	351
	5	372	372	365*	382	338	+ 7.1	326	312
Manufactured Articles	(30)	384.1	385.0 R	375.3	387.4	375.2	+ 3.3	372.9	377.4 R
Textiles	64	410	413	408	417	408	+ 2.2	408	421
Jute	11	411	424	415	450	420	+ 7.1	416	448
Cotton	45	414*	414*	403*	414*	403*	+ 2.7	409*	415*
Rayon and Silk	6	442*	442* R	436*	436*	428* R	+ 1.9	435*	469*
Woollen	2	265	266	278	266	278	− 9.1	264	240
Metal products	17	392	392 R	371	394	371	+ 6.2	359	311
Others	15	302	301	284	293	285	+ 4.6	285	286
Miscellaneous	(9)	579.4	577.7 R	528.3	592.4 R	540.0	+ 9.7	548.4	612.4
All Commodities	(100)	421.6	424.2 R	381.3	422.3 R	376.0	+12.3	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,258	75,049	25,474	24,581
Wheat	final	"	29,228	27,517	8,348	8,778
Jowar	final	"	43,721	43,445	9,940	9,095
Bajra	final	"	27,025	27,982	5,400	5,421
Barley	final	"	8,145	8,309	2,721	2,870
Maize	final	"	8,902	9,311	2,519	2,959
Ragi	final	"	5,627	5,711	1,844	1,546
Small millets	final	"	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	58,349	56,734
Pulses—						
Gram	final	tons	22,092	22,047	4,666	5,393
Tur	final	"	5,757	5,944	1,514	1,668
Other Kharif pulses §	final	"	15,863	16,719	1,680	1,830
Rabi pulses‡	final	"	10,879	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	2nd	tons	11,299†	10,958†	3,559†	3,372†
Castorseed	final	"	1,462	1,396	126	124
Sesamum	final	"	5,738	6,501	453	589
Rape and Mustard	2nd	"	6,583	6,025	853	1,019
Linseed	final	"	3,424	3,354	376	332
Total oilseeds	final	tons	29,471	30,822	5,696	6,243
Fibres—						
Cotton*	final	bales	20,370	18,684	3,998	4,227
Jute A.	final	"	1,888†	1,739†	4,221†	4,197†
Mesta A.	2nd	"	605†	553††	1,430†	1,101††
Other crops—						
Potato	final	tons	698	685	1,589	1,736
Sugarcane	2nd	"	4,553‡	3,945‡	58,914‡	50,455‡
Ginger (Dry)	final	"	37	35	15	14
Pepper (Black)	final	"	214	208	27	26
Chillies (Dry)	final	"	1,492	1,423	340	303
Tobacco	final	"	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1957	88.8
	Corresponding month, 1956	88.9
	Seven months ended Jan., 1957	606.1
	Corresponding period, 1956	608.4
Stocks	At the end of Jan., 1957	104.1
	Corresponding month, 1956	94.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 5th Jan., 1957	N.A.
	Corresponding week, 1956	N.A.
	From 1st Jan., to 31st Dec., 1956	430,173
	Corresponding period, 1955	470,493
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 5th Jan., 1957	N.A.
	Corresponding week, 1956	40-829
	From 1st Jan., to 31st Dec., 1956	1,452,286
	Corresponding period, 1955	1,383,568
	RAW JUTE	(Lakhh bales)
Consumption by Mills†	January, 1957	5.15
	Corresponding month, 1956	5.15
	Seven months ended Jan., 1957	35.14
	Corresponding period, 1956	35.28

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,81,000
Do. 31st March, 1955	11,54,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
August 1955	92,500	88,900	63,700
Sept. "	95,300	87,500	65,700
October "	91,700	83,800	64,800
Nov. "	91,900	86,200	62,400
Dec. "	103,900	97,500	73,300
January 1956	103,000	97,800	71,500
August "	97,800	88,000	66,000
Sept. "	96,400	88,800	69,700
Oct. "	96,500	91,100	71,800
Nov. "	94,700	85,800	65,100
Dec. "	101,500	93,300	66,900
January 1957	97,400	94,300	70,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,400	3,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15,940	5,28,240	4,59,095
Do. 31st March, 1956	7,06,986	5,31,505	4,60,607
Three months ended June, 1954	1,62,770	1,17,570	1,07,480
" " Sept., 1954	1,70,018	1,29,741	1,18,661
" " Dec., 1954	1,88,053	1,36,801	1,20,616
" " Mar., 1955	1,65,108	1,43,828	1,18,136
" " June 1955	1,85,608	1,34,253	1,16,282
" " Sept. 1955	1,76,181	1,30,653	1,12,714
" " Dec., 1955	1,60,780	1,24,696	1,05,762
" " Mar. 1956	1,84,450	1,41,846	1,19,860
" " June, 1956	1,48,306	1,17,710	92,609
" " Sept. 1956	1,74,447	1,33,529	1,13,953
" " Dec., 1956	1,88,546	1,41,451	1,14,703

OVERALL BALANCE OF TRADE OF INDIA
November, 1956†

Particulars	November 1955 (Rs. (lakhs))	November 1956 (Rs. (lakhs))	Eight months April to Nov. 1955 (Rs. (lakhs))	Eight months April to Nov. 1956 (Rs. (lakhs))
1. Trade in merchandise—				
(a) Exports	49,45	54,35	388,36	378,000
(b) Re-exports	39	57	3,53	5,27
Less—Transit trade	..	3	8	8
Net re-exports	39	54	3 45	5.19
Total exports	49,84	55,89	391 81	383.19
2. Imports	62,98	69,97	418,45	535,08
Less—Transit trade	2	4	10	25
Net Imports*	62,96	69,93	418,35	534,83
Balance of trade in merchandise	—13,12	—14,04	— 26,54	—151,64
Balance of trade in gold and silver	..	— 3	— 4	— 15
Total overall visible balance of trade	—13,12	—14,07	—26,58	—151,79

† Total values of foreign trade of India by all routes (i.e., sea, air and land.)
* Excludes the value of certain stores imported on Government account which are not available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	35	260	45	156
1953-54	11,092	2,612	899	153	93	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	866	184	98	62	154	13	299	399	25	281	47	139
1955-56	12,761	2,772	972	213	110	67	150	20	474	412	41	331	45	148
October 1955	7,016	1,600	560	115	62	38	55	14	151	230	23	179	27	90
November "	8,670	1,835	647	133	68	43	78	17	174	266	27	205	25	104
December "	9,238	2,079	723	153	77	51	95	21	206	304	30	238	35	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	45	139
February "	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March "	12,761	2,772	972	213	110	67	150	29	474	412	41	331	45	148
April "	1,135	237	82	23	12	6	13	3	64	34	3	31	3	10
May "	1,227	270	166	44	25	11	25	3	115	70	6	60	5	21
June "	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July "	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August "	6,400	1,422	512	87	48	25	65	8	184	173	13	150	19	66
September "	6,420	1,446	505	97	46	23	73	10	199	207	15	179	26	81
October "	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98
November "	8,910	1,953	650	124	59	39	121	15	257	270	20	246	39	114

Note.—The figures relate to broad and metre gauges of Class I Railways. The weekly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Units of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st Feb., 1957	36,548(J)
	Corresponding week, 1956	50,082(J)
	1st Sept. 1956 to 21st Feb., 1957	681,104
	Corresponding period, 1955-56	726,970*
Cotton Exports‡	Week ended 21st Feb., 1957	10,238
	Corresponding week, 1956	26,868
	1st Sept. 1956 to 21st Feb., 1957	158,259
	Corresponding period, 1955-56	340,955
Mill Consumption (Estimated)	1st Sept. 1956 to 21st Feb., 1957	626,319
	Corresponding period, 1955-56	616,203
Stock (with exporters, dealers and mills in Bombay (Estimated.)	On 21st Feb., 1957	530,248
	Corresponding date, 1956	456,377
Cotton Exports from Bombay (by sea)	During Dec., 1956	32,410
	During Dec., 1955	60,493
	1st Sept., '56 to 31st Dec., 1956	65,031
	1st Sept., '55 to 31st Dec., 1955	327,074
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 21st Feb., 1957	958,790
	Corresponding period, 1955-56	1,078,050
Exports	1st Sept., 1956 to 21st Feb., 1957	483,028
	Corresponding period, 1955-56	497,881

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pieklngs, etc. § Includes Zoda and Yellow Pieklngs, etc.

From Bombay Cotton Shipments to—	From 1st Sept. 1956 to 4th March, 1957 Bales	From 1st Sept. 1955 to 4th March 1956 Bales
United Kingdom	17,164	43,682
Continent	14,038	75,718
Hongkong	19,284	28,288
China	83,137	31,488
Japan	87,494	198,774
U.S.A.	1,284	2,803
Other Countries	402	2,003
Total to all foreign countries	144,263	383,091
Coastal Ports	7,360	11,208
Total	151,623§	394,299§

Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—	
Indian, December, 1956	407,605
Foreign, December, 1956	49,618
Indian, Four months ended Dec., 1956	1,625,014
Foreign, Four months ended Dec., 1956	201,257
Indian, Same Period 1955	1,518,805
Foreign, Same Period 1955	185,643
Stocks (Mills and Elsewhere)—	
Indian, As on 1st December, 1956	1,072,674
Foreign, As on 1st December, 1956	176,634
Indian, As on 1st December, 1955	1,083,361
Foreign, As on 1st December, 1955	150,221
Cotton Pressed in India† (In running bales)	Week ended 22nd Feb., 1957 1,185
	Corresponding week 1956 112,889
	1st Sept., 1956 to 22nd Feb., 1957 718,880
	Corresponding period, 1955-56 1,597,580

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-32	61,30,35,000	1960-70	100½
3 % Loan	1935-36	1,16,17,46,000	1955-65	94⅛
3 % Def. Loan	1943	1,10,11,78,000	1966-68	92⅛
2½ % Loan	1944	23,54,99,000	1957	99⅞
3 % Loan	1945	1,15,05,88,000	1970-75	87⅛
2½ % Def'd Loan	1945	1,13,64,44,000	1969-81	97⅛
2½ % Loan	1951	80,35,45,000	1958	99⅞
2½ % Loan	1946	45,00,37,000	1960	98⅛
2½ % Loan	1946	87,00,49,000	1961	93⅛
2½ % Loan	1947	14,77,45,000	1974	93⅛
2½ % Loan	1947	75,86,72,000	1962	93⅛
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99⅛
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98⅛
2½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	96⅛
3½ %	1956	67,27,00,000	1963	97⅛
3½ % M.P. Bonds	1956	83,02,60,000	1967	96⅛
2½ %	1956	66,04,00,000	1974	93⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,15,000	At option of Government after three months notice. On September, 1966 or later at option of Government after three months' notice.	73
3 % Loan	1946	3,48,91,47,000		74‡
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,75,000	1958-68***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97⅜
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97⅜
4 % Bombay	1948	3,05,55,000	15th Aug. 1958	99½
3 % Bombay	1949	4,55,55,000	1st Aug. 1963	94½
3 % Bombay	1950	2,87,42,000	31st July 1960	96½
3 % Bombay	1951	2,93,25,000	15th July 1963‡	94½
4 % Bombay	1953	5,42,25,000	15th July 1973	100
4 % Bombay	1953	3,45,87,000	1st Aug. 1964	100
4 % Bombay	1954	10,42,21,000	1st Sept. 1967	99⅜
4 % Bombay	1956	7,60,00,000	3rd Sept. 1970	99⅜
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97⅜
4 % Bihar	1956	2,00,00,000	15th Sept. 1970	97⅜
3 % Cochin	1948	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1956	70,09,000	1st June 1956-61	99½
4 % Hyderabad (New)	1936-37	1,95,95,700	1950-66	95½
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99⅛
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99⅛
3 % Madras	1939	1,28,95,000	31st June 1959	94½
3 % Madras	1944	1,07,96,000	15th Aug. 1958	98½
3 % Madras	1945	2,78,44,000	14th Sept. 1960	97½
2½ % Madras	1946	8,81,77,200	1st Sept. 1961	93½
3 % Madras	1946	4,89,25,400	31st July 1961	96½
3½ % Madras	1951	1,01,49,800	17th Jan. 1963‡	96½
4 % Madras	1953	10,31,68,000	15th July 1963	98½
4 % Maras	1952	5,24,81,200	1st Aug. 1964	98½
4 % Madras	1956	7,00,00,000	1st Sept. 1967	98⅛
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	97⅛
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1963-83	100½
4 % Mysore(f)	1935	3,99,72,900	15th April 1945-61	99½
3 % Mysore	1947	5,05,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,33,47,000	15th July 1963	98½
4 % Mysore	1954	3,84,94,000	1st Sept. 1967	98½
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97⅛
3 % M.P.	1944	62,69,800	15th Aug. 1958	98½
3 % M.P.	1948	2,07,58,800	15th Sept. 1964	96½
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
3½ % M.P.	1951	1,03,18,100	17th Sept. 1963	98
4 % M.P.	1953	1,10,18,000	15th July 1963	98½
4 % M.P.	1956	1,68,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,40,00,000	3rd Sept. 1968	97⅛
3 % Saurashtra	1949	1,61,68,000	1st Sept. 1961	99½
3 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99⅛
4% Trav. Cochin	1953	3,00,00,000	15th July 1963	98½
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
2½ % U.P.Z.A.	1952	40,60,66,545‡		99½
3 % U.P.	1936	1,87,14,000	15th Sept. 1961-66	96½
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98⅛
3 % U.P.	1945	2,17,39,700	15th Sept. 1960	98
2½ % U.P.	1946	2,20,93,500	1st Sept. 1961	93⅛
3½ % U.P.	1951	1,91,02,000	17th Sept. 1963	97⅛
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	98½
4 % U.P.	1953	5,65,15,500	15th July 1963	98½
4 % U.P.	1956	9,25,54,000	1st Sept. 1967	97⅛
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97⅛
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97⅛
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97⅛
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	98

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
86,50,000	4	1904	1954	
85,00,000	4	1905	1955	
18,00,000	4	1906	1956	
44,00,000	4	1907	1957	
75,00,000	4	1908	1958	98¾
40,00,000	4	1909	1959	
85,00,000	4	1910	1971	
75,00,000	4	1911	1973	
1,10,00,000	4	1912	1973	
14,85,876	4	1913*	1960	D
80,00,000	4	1913*	1974	99¾
85,25,000	4	1914	1976	99¾
10,00,000	4	1915*	1960	
95,00,000	4	1915*	1975	
61,61,000	4	1952*	1960	
11,81,000	4	1924*	1960	
10,25,000	4	1924*	1962	
55,00,000	3½	1930*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1930*	1961	
13,50,000	3½	1932*	1962	
24,49,000	3½	1936*	1976	
15,00,000	3½	1936*	1960	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	99
76,50,100	4	1915	1975	99
1,80,00,000C	4††	1921	1981	82
68,02,500C	5½	1921	1981	97¾
1,49,40,540B	5	1937	1957 87	101¾
1,49,50,000	4	1952	1968-88	102½
80,00,000	4½	1938	1991	97
80,00,000	3½	1938	1965	94
25,16,000	3½	1938	1963-68	90
50,00,000	3	1948	1978	74
50,00,000	3	1948	1978	85
40,00,000	3	1948	1978	84½
40,00,000	3	1948	1978	84½
40,00,000	3‡	1947	1977	79½
40,00,000	3‡	1947	1977	79½
40,00,000	3	1949	1979	83½
40,00,000	3	1949	1979	83½
1,00,00,000C	3	1949	1979	83½
50,00,000C	3	1950	1980	83
1,00,00,000C	3	1950	1980	83½
1,00,00,000C	3	1950	1980	83½
50,00,000C	3	1951	1981	81½
1,50,00,000C	3‡	1951	1981	81½
40,00,000C	4	1952	1982	100
40,00,000C	4	1952	1982	98⅜
90,00,000C	4	1955	1985	98
77,00,000C	4	1956	1986	97½
75,00,000C	4	1956	1986	97½
STERLING LOANS				
£592,500	5	1922	1952-62	67½‡
£901,000	5	1924	1954-64	67½‡
£335,100	5½	1932	1962	69‡‡
MADRAS				
Rs.				Rs.
31,47,100	3½	1947	1977	
9,88,000	3	1947	1977	
8,00,000	3	1948	1978	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
50,00,000	4	1899	1959	100
50,00,000	4	1901	1961	
50,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1904	1964	97½‡
20,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
25,00,000	4	1911	1971	
25,00,000	4	1912	1972	
18,00,000	4	1912	1972	
50,00,000	4	1913	1973	97½‡
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113‡
40,00,000	5	1919	1956-80	
25,00,000	5	1926	1956-86	114‡
25,00,000	4	1927	1961-79	98‡
10,00,000	4½	1944	1964	
STERLING LOANS				
£566,600		1909	1959	89½‡
£124,000		1910	1978	89½‡
Rs.		CALCUTTA		Rs.
25,00,000	5½	1920	1959	100
50,00,000	4	1934	1964	99‡
25,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
50,00,000	3	1937	1963	91
50,00,000	3	1938	1963-68	90
50,00,000	3	1952	1963	99‡
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
20,00,000	4	1913-15	1976	99
10,00,000	5	1920	1960	101‡
25,00,000	5	1925	1955	
25,00,000	5	1926	1956-59	103
8,75,00,000	3½	1947	1977	86½
5,00,00,000	3½	1948	1978	86½
4,00,00,000	3½	1947	1977	79½
2,50,00,000	3½	1950	1965	93½
1,50,00,000	3	1948	1978	84½
1,00,00,000†	4	1952	1964	99
1,00,00,000†	4	1952	1964	97½
1,00,00,000	4	1953	1963	99½
1,00,00,000†	4	1953	1964	99
1,00,00,000†	4	1954	1964	99
2,50,00,000	4	1955	1967	99½
1,50,00,000	4	1956	1968	99
Rs.		CALCUTTA		Rs.
26,00,000	5	1925	1955	103
25,00,000	5	1929	1957	101‡
36,00,000	5	1929	1958	103
10,00,000	5½	1929	1959	105
22,91,000	5‡	1938	1968	94
40,00,000	3½	1943	1966	90
47,50,000	3	1938	1968	82
15,56,800	4	1940	1957	99‡
17,44,400	3½	1943	1966	90
21,10,000	3½	1943	1966	90
15,49,000	3½	1951	1969	97
16,33,000	3½	1951	1961	97½
66,00,000	3½	1951	1966	97½
87,16,000	4	1952	1962	99‡
72,50,000	4½	1954	1979	100
Rs.		MADRAS		Rs.
15,00,000	3½	1951	1991	107½
15,00,000	3½	1952	1992	107‡

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,73,50,000	17th Sept. 1963	99½
4 % W. Bengal	1952	2,00,00,000	31 Aug. 1964	99½
4 % W. Bengal	1952	3,40,23,000	15th July 1963	99½
4 % W. Bengal	1953	7,58,73,000	1st Sept. 1967	99
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	98

ABBREVIATIONS.
A—Held by Government o: India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(J) Incorne-tax rec. * Loans held entirely by the Trustees. Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 2 per cent, with effect from 1st June 1944.
‡ Rate of interest reduced from 4½ to 4 per cent, with effect from 1st April 1956. §—Subject to final audit. K—Nominal.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	98	100
Champdore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	119	100
Deccan Sugar & Abkhar,'A'	7,00,000	1930	7	July Apr.	6-14	5
¶East India Distilleries	2,00,000	1947	7	Jan. July	17	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	67	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	67	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	100	100
Sarkigaon Sugar	20,00,000	1943	5½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Dec. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	81	10
Upper Ganges	12,00,000	1952	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	101	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7‡	10
Equitable	4,00,000	1895	6	Mar. Sept.	100	100‡
Kanpura Collieries	9,37,500	1946	5½(a)	.. ..	55	75 (p)
¶Khas Kajora	1,91,000	1921	6	Mar. Sept.	4N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	11	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	104	100
COTTON						
Ahmedabad Advances	10,00,000	1919	5	Apr. Oct.	103‡	100
Bangalore	6,00,000	1884	6	Jan. July	120	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7	10
Bengal-Nagpur	5,00,000	1896	7	Apr. Oct.	92	100
Bowrash 'A'	3,00,000

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BOMBAY CITY AND ISLAND

60,00,000	5,62,728	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2-9/2	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,58,000	1,92,52,007	80,74,224	—6,97,129	M.	51,834	1,021	B. K. Cotton Mills	40	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
2,50,98,000	2,99,72,778	4,92,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,23,552	3,084	Bombay Dyeing & Mfg. ..	50½	250	25 8*	20 0	22 0*	7 8½	12	Y.
10,00,000	28,74,392	58,81,886	53,57,405	91,711	Ramnarain Sons, Private Ltd. ..	44,784	860	Bradbury Mills	212½	50	100 0*	75 0†	12 8	20 0	3	Y.
1,09,42,800	3,63,96,326	2,81,88,264	1,97,06,117	6,34,958	Birla Brothers Private Ltd. ..	1,26,752	2,698	Century Spg. & Mfg. ..	475½	100	22 0	22 0	22 0	8 0‡	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,085	—23 08,097	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	60½	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000	13,08,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd. ..	24,846	..	Coorla Spg. & Wvg.	125	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Private Ltd.	40,092	680	Dawn Mills	50	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,435	76,75,267	56,21,788	2,83,643	Puranmal Bubna Sons ..	48,718	928	Edward Textiles	312	200	15 0	15 0	18 0		12	Y.P.
29,98,050	11,51,233	1,92,75,649	80,74,224	1,51,354	M.	41,300	886	Elphinstone Spg. & Wvg. ..	50	50	*Nil*	3 0	5 0		12	Y.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,57,199	James Finlay & Co., Ltd. ..	49,528	784	Finlay Mills	307	100	16 0	16 0	20 0		12	Y.
50,00,000	51,19,022	87,77,494	52,92,387	36,368	James Finlay & Co., Ltd. ..	40,640	1,020	Gold Mohur Mills Ltd. ..	207½	100	12 8	12 8	15 0		12	Y.
11,84,000	75,14,589	1,52,34,660	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,600	1,000	225 0*	225 0	300 0	325 0	3	Y.P.
16,000									662½	250	56 4*	56 4	75 0	81 4		
9,00,00,000	62,50,899	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills	{10-10½	0 10C.	0 10	*Nil*	0 15	0 10½	12	Y.
20,06,000									12	0 1D.	0 1	*Nil*	0 8	0 11		
8,65,000	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	47,984	1,122	Indian Mfg.	600	1,000	225 0*	225 0	300 0	300 0	3	Y.P.
35,000									—	500	112 8*	112 8	150 0	150 0		
59,85,000	55,07,831	2,73,73,670	2,08,22,188	56,228	Khatau Makanji & Co.	92,852	1,489	Khatau Makanji Spg. & Wvg.	197½	100	10 0	8 0	10 0	10 0	6	Y.P.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Killick Industries Ltd.	1,20,504	1,346	Kohinoor Mills	397½	100	20 0*	18 0	18 0	18 0	12	Y.
22,18,050	41,06,720	1,18,74,348	55,99,115	81,670	N. Sirur & Co. Private Ltd. ..	49,000	644	Modern Mills	70XR	50	5 0	5 0	8 0*		12	Y.
51,75,000	97,05,326	2,55,85,564	1,76,19,659	1,41,489	Piramal Sons Private Ltd. ..	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	227½	100	12 0	14 0	14 0	15 0	6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	5,05,00,000	5,12,085	Chinai & Co., Private Ltd. ..	..	..	National Rayon Corporation ..	235½	100	9 0	10 0	12 0		12	Y.P.
24,00,000	29,50,455	78,05,743	48,70,077	53,192	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	149½	100	10 0	10 0	10 0	10 0	12	Y.P.
30,00,000	22,01,492	95,52,534	63,37,035	246	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	229	100	10 0	7 8	10 0	10 0	12	Y.P.
48,00,000	30,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Private Ltd.	69,208	1,190	Phoenix Mills	141½	100	8 0	8 0	10 0		12	Y.P.
40 00,000	45,70,390	89,55,049	23,00,000	3,92,877	Podar Sons, Private Ltd. ..	32,600	930	Podar Mills	167½	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	9,10,999	21,21,521	19,01,840	—1,72,164	David Sassoon & Co., Ltd. ..	..	..	Sassoon & Alliance Silk Mill	9½	10	0 12	0 8			12	Y.
37,70,000	88,80,605	1,92,63,251	1,30,71,824	84,292	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	40	10	1 4	1 12	2 0		12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	69,070	1,640	Shree Niwas Cotton Mills ..	183½	100	14 0	14 0	12 0		3	Y.P.
42,00,000	33,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	52,840	1,276	Simplex Mills	176½	100	11 0	11 0	10 0	12 0	12	Y.P.
87,80,000	2,23,16,720	2,51,28,099	1,37,35,474	12,588	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	212½	100	20 0	20 0	20 0		12	Y.P.
99,85 700	84,69,716	2,28,87,647	1,19,01,809	67,611	Tata Industries Private Ltd. ..	75,226	2,000	Svadeshi Mills	219	100	15 0	8 0	12 0		12	Y.P.
36,00,000	65,38,463	1,82,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd. ..	39,328	552	Swan Mills	410½	100	20 0	20 0	25 0		12	Y.
66,37,000	51,96,376	1,77,84,889	68,44,558	48,485	Tata Industries Private Ltd. ..	62,096	1,800	Tata Mills	50	25	1 8	2 8	4 0		12	Y.T.P.
12,00,000	61,05,709	1,27,41,228	90,20,000	4,524	M.	45,508	1,308	Western India Spg. & Mfg.	5,280	1,000	225 0*	25 0	300 0	300 0	3	Y.

AHMEDABAD

40,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	180	100	10 0*	5 0	7 0	12	6	Y.P.
10,00,000	94,58,068	94,37,898	76,10,164	27,288	P. M. Buthecaing & Co., Ltd.	42,786	915	Anna Mills	640	100	20 0*	20 0	30 0*		12	Y.P.
26,25,000	2,55,30,694	1,66,65,504	1,16,00,000	72,768	Narotam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,117	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	81,75,000	96,34,884	72,25,000	2,46,389	Mangaldas & Bros. Ltd. ..	85,584	892	Aryodaya Ginning & Mfg.	600	200	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,038	84,56,974	69,64,958	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,100	100	22 0*	22 0	30 0		12	Y.
1,37,50,000	3,75,53,283	4,61,25,356	2,38,88,344	2,81,712	Kasturbhai Lalbhai Ltd. ..	1,39,120	2,372	Calico	545½	125	18 0	18 0	..	30 0‡	3	Y.P.
62,87,000	24,58,000	1,21,06,843	89,25 000	2,760	Tricumlal Bhoglial & Co., Ltd.	45,836	866	New Commercial Mills	1,325	1,000	70 0	70 0	80 0		12	Y.
39,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Jagabhai Bhoglial Nanavaty & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	885	125	35 0	35 0	35 0		12	Y.P.
10,00,000	58,48,000	50,63,197	37,98,317	16,668												
12,50,000	1,14,77,470	86,29,489	60,99,888		Lalbhai Dalpatbhai & Co. ..	24,840	572	Nutan Mills	407½	100	30 0*	30 0*	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,489	60,99,888		Lalbhai Dalpatbhai & Co. ..	31,120	636	Raipur Mfg.	350	100	25 0	25 0	35 0*		12	Y.P.
12,50,000	1,14,77,470	86,29,489	60,99,888		Lalbhai Gordhandas Ltd. ..	83,156	648	Rohit Mills	170	100	9 0	9 0	*Nil*		12	Y.P.
28,98,150	2,02,34,588	1,76,92,843	1,52,75,000	4,28,290	Harivallabhdas Kalidas & Co.	73,808	1,825	Shri Ambica Mills	691½	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,21,263	78,08,018	66,84,701	16,592	Mafatlal Chandulal & Co. .. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg. ..	515	100	20 0	25 0*	25 0		12	Y.
28,00,000	90,34,191	1,09,66,008	78,85,291	34,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	690	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,42,500	84,03,029	21,33,330	361,576	Calcutta Agency Private Ltd.) ..	18,044	356	Basanti Cotton Mills	5½	10	0 4	0 8	0 8		12½	Y.P.T.
7,98,000	9,10,617	73,14,085	52,50,911	59,990	Bengal Textile Agency, Ltd. ..	33,292	925	Bengal Luxmi Cotton Mills ..	40N	40	*Nil*	4 0	4 0	4 0	3½	Y.P.
6,0,000	22,72,414	89 06,142	51,49,000	—29,47,978	Kettlewell Bullen & Co., Ltd. ..	42,960	841	Bowreah Cotton Mills	116½	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	26,17,571	1,04,88,852	70,78,182	1,87,951	Birla Brothers Private Ltd. ..	47,944	518	Hastee Mills	161	100	*Nil*	*Nil*	*Nil*		6,12	H.
1,50,00,000	3,29,42,520	3,76,19,838	1,31,26,288	1,88,572	Birla Brothers Private Ltd..	74,672	1,992	Kesoram Cotton Mills	14⅜	10	1 12	0 14	1 0	1 0	3	Y.P.
19,47,7500	7,45,000	47,06,298	24,48,352	1,094	Hazaremull Heeralall ..	28,086	798	Rampoora Cotton Mills ..	3N	10	0 8	0 10	1 0		6	Y
5,00,0000 D										1D	*Nil*	*Nil*	0·5 11/28			

SOUTH INDIA AND OTHER CENTRES

11,98,600	5,57,596	31,36,764	15,54 248	3,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	25,91,564	1,84,71,530	50,78,595	1,35,048	Industrial Trust Fund	36,186	716	Asiatic Cobl Mills	52½	100	6 0	*Nil*	3 8(e)		9	Y.
40,50,000	2,00,66,745	3,34,98,906	2,42,36,258	2,58,640	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	587½	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	58,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	7½	10	0 0	*Nil*	*Nil*		6,12	H.P.T.
35,00,000	1,09,46,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	29,896	1,068	Birla Cotton Spg. & Wvg., Delhi	28N	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,76,52,500	6,38,39,308	3,52,32,180	5,38,445	Binny & Co. (Madras), Ltd...	1,20,288	2,762	Buckingham & Carnatic	184	100	10 0	10 0	10 0	4 0‡	12	Y.P.
20,00,000	20,00,000	99,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	14⅜	10	0 12	*Nil*	0 8		3	Y.P.
18,00,000	5,11,500	45,26,929	24,62,361	8,994	K. Damodaran, Esq.	20,600	..	Cannanore Spg. & Wvg. ..	177	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,480	69,40,539	46,76,767	86,767	Begg, Sutherland & Co., Ltd.	27,016	591	Cawnpore Textiles	7⅜	5	0 0	0 8	*Nil*	0 4	3	
9,37,470	2,00,400	50,87,586	18,02,168	58,798	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills ..	12	10	*Nil*	*Nil*	*Nil*	0 12	3	Y.P.T.
12,00,000	19,01,036	41,97,634	30,65,709	10,889	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills ..	3856d	100	20 0	25 0	25 0	25 0	12	Y.
20,00,000	19,95,000	86,50,437	54,23,971	14,392	T. K. Naidu & Co.	27,226	407	Coimbatore Pioneer Mills ..	278	100	15 0	25 0	20 0		12	Y.
24,75,000	70,11,875	1,18,00,888	85,68,242	21,920	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	92	50	3 0*	6 0	8 0		12	Y.P.
46,87,500	46,12,622	2,50,88,371	1,62,61,884	18,215	Tata Industries Private Ltd. ..	67,228	1,620	Central India	113	700	5 0	2 0	3 0	*Nil*	6	
5,38,36 225	3 06,82,110	11,16,21,472	5,81,67,827	1,86,712	Delhi Cloth & General Mills ..	1,41,180	2,252	Delhi Cloth & General Mills ..	852N	25	1 12	2 0	2 8	2 8	3	Y.P.T.
1,00,563										24	0 2 4/5	0 3 8/5	0 3 8/5	0 3 8/5		
24,84,800	22 25,000	66,71,865	46,12,585	..	M. N. Chettiar & Sons	38,052	201	Dhanalakshmi Mills	374cd	100	20 0	30 0	30 0	25 0	12	Y.
68,00,000	66,88,800	1,52,16,868	1,29,71,981	66,852	Begg, Sutherland & Co., Ltd.	46,452	1,166	Ellora Mills	24½	10	1 0	1 0	—6 12		3	Y.P.
48,81,000	25,22,175	1,00,56,167	66,95,988	14,000	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	220½	100	17 0	13 0	15 0		12	Y.
2,50,00,000	2,25,000	3,41,27,181	..	1,06,74,790	Birla Gwalior Private Ltd. ..	14-8⅛	..	Gwalior Rayon	14-8⅛	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
80,00,000	6,16,447	1,35,91,963	1,12,28,576	9,351	K. L. Sekaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	137½	100	6 0	6 0	8 0	5 0‡	12	Y.
8,90,000	10,65,688	81,06,669	18,48,135	2,079	G. V. Naidu & Co. Ltd.	23,784	..	Janardhana Mills	115	50	4 8	5 0	10 0		12	Y.
15,54,000	18,24,703	45,22,284	33,88,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,505	1,000	*Nil*	20 0	50 0	60 0	6	Y.
32,42,585	19,25,000	98,32,480	32,49,160	41,492	Kothari & Sons	41,040	300	Kothari Textiles	15½	10	0 8	0 8	1 0	1 0	6	Y.
32 00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	48,996	1,219	Lakshmi Cotton Mfg.	705	250	37 8	25 12	42 8	12 8‡	12	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,487	6,51,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	74½	50	6 0	10 0	12 0	12 8	3	Y.
17,82 060									25	25	2 8	5 0	6 4	6 4		
1,76,02 480	4,24,40,278	5,88,51,924	3,77,47,982	32,44,130	A. & F. Harvey Ltd.	4,68,000	..	Madnura Mills	48½cd	15	8 0	8 0	8 0	2 10	12	Y.
12,00,000	4,17,368	28,29,787	16,72,252	—99,078	A. L. S. R. Velayudhar and Others.	22,592	100	Malabar Spg. & Wvg.	109	100	8 0	8 0	10 0		3	Y.
60,00,000	69,00,000	68,79,627	43,29,784	45,885	W. A. Beardsell & Co., Ltd.	25,656	608	Mettur Industries Ltd...	442½	100	22 8*	35 0	42 8		12	Y.
29,80,884	19,61,581	89,75,246	49,94,788	16,688	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	82	100	7 0	5 0(e)	6 0	12	3	Y.
94,81,850	21,56,146	1,71,94,789	78,81,528	1,55,098	M.	52,408	952	Model Mills (Nagpur)	180	250	7	6 0(e)	7 8(e)	7 8	6	Y.
50 00,000	52,19,800	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,884	Muir Mills	75N	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
24,83,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Private Ltd.	50,480	500	Mysore Spg. & Mfg.	101½	50	10 0*	8*	6 0(e)	9 0*	2	Y.P.
18,61,780	6,500	29,25,252	15,12,761	—1,50,658	R. Surveyanarayana Iyer, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8⅜	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
82,89,8820	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	70,072	1,338	New Victoria Mills	8⅜	0. 2½	*Nil*	*Nil*			12	Y.P
5,07,096D										D. 1	*Nil*	*Nil*				
87,19,600	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	902	Osmanshahi Mills	62	100	4 0	*Nil*	2 8(e)		9	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	41,200	..	Palani Andavar Mills	147	50A	12 0	12 0	12 0		12	Y.
6,00,000B									215	75B	18 0	18 0	18 0			
15,00,000	1,85,000	34,16,017	17,49,676	—14,98,997	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	77	100	*Nil*	*Nil*	4 0(e)		12	Y.
16,81,200A	22,75,000	88,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	300	Radhakrishna Mills	282½	100A	5 0	16 0	20 0		12	Y.
8,40,600B									142½	50B	2 8	8 0	10 0			
15,00,000	20,00,000	48,74,198	25,94,387	11,081	B. R. Naidu & Sons	38,896	..	Rajalakshmi Mills	174	50	7 8	10 0	10 0		3	Y.
16 14,800	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	..	Rajapalaiyam Mills	149	100	4 0	6 0	10 0	10 0	3	Y.
22,31,750	12,40,000	49,64,423	21,20,615	32,012	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	150	100	6 0	9 0	10 0	10 0	3	Y.
90,00,000	62,41,465	2,03,39,272	85,44,914	—10,15,728	J. P. Srivastava & Sons (Rampur).	84,582	600	Raza Textiles	6½	10	*Nil*	*Nil*			12	Y.
15,90,000	1,60,55,917	3,18,49,031	2,06,07,227	—1,55,20,798	Morarka & Co	95,282	2,224	Sholapoor Spg. & Wvg. ..	1,400	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
10,000									500	500						
26,99,700	17,10,000	81,44,272	65,63 318	1,09,148	H. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills ..	110	50	4 0*	4 8	5 0	7 0	3	Y.
26 14,800	2,00,246	35,18,906	17,78,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*				3	Y.
15,00,000	2,45,20,185	99,82,153	79,58,780	80,60,553	Birla Brothers, Private Ltd. ..	46,212	1,244	Sutlej Cotton Mills	942d	10	6 8	5 0	6 0	6 0	3	Y.
17,50,000G	2,90,00 000	4,84,40,847	1,70,65 159	1,09,029	Jalpuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur)	11⅛	100	6 8	10 0	12 0		12	Y.
7,50,0000Pq									11¼	10P.O.	0-14 2/5	1-2 2/5	1-2 2/5			
1,00,00,000	80,14,758	3,80,55,317	1,37,16,778	2,63,771	Ernesto & Sons (Travancore), Ltd...	14	100	Travancore Rayons	10	10	0 8	0 10	0 12		12	Y.P.T.
12,66,670	5,78,332	17,39,181	11,37,536	1,508	Moolji Nanjee & Sons	18 000	..	Trichinopoly Mills	18½	10	1-0 1.5	0-14 2/5	0-14 2/5		12	Y.
21,00,000	24,50,000	71,85,723	40 63,168	56,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	310	100	12 0	15 0	20 0		12	Y.
32,00,000	24,42,971	1,64,87,122	1,06,10,233	23,125	Bombay Co., Ltd.	47,240	1,331	Vishnu Cotton	142½	100	4 0	4 0	8 0	2 8‡	12	Y.

* Includes bonus. M—Managed by Board of Directors. X.E.—Ex-Right. (e) Paid out of reserves. (f) For six months ended 31st December 1955.

The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BREWERIES AND DISTILLERIES

19,92,000	25,43,500	1,12,43,027	57,89,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10⅜	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
15,20,830	26,75,014	29,35,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 9	0 9	3	Y.
55,49,950	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	23	A. 16sh.	Sh. 1 3/8	Sh. 1 3/5	Sh. 1 3/5	Sh. 1	9	Y.P
6,00,000	9,60,000	15,90,636	15,96,629	4,679	Vital Mallya, Esq., (Chairman)	United Breweries	—180cd	B. 51 75	Sh. 4 15 0	Sh. 3 15 0	Sh. 4 15 0	Sh. 1 15 0	3	Y.

CEMENT

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	25,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	100	25	1 9	3 2	4 11		6,12	H.P.T.
80,00,000	66,05,511	1,15,51,257	79,71,808	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	28	10	12 0	14 0	1 6 7½	0 11 1/5§	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16½	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,32,500	2,16,71,731	4,56,61,778	1,07,78,582	2,12,435	Birla Brothers Private Ltd...	Orient Paper	51½	10	0 15	1 2	0 15		3,9	H.P.T.
1,25,49,070	67,82,768	1,55,90,914	96,61,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	16½	10	1 8	1 8	1 4	0 10‡	6,12	H.P.T.
80,00,000	6,50,000	95,83,644	61,01,926	18,795	Bajoria & Co.	Star Paper Mills	{ 10	O. 10	0 12	0 12	1 4	}	3,9	H.P.T.
2,18,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd.	Sirpur Paper Mills	10	A. 10	0 12	0 12	1 4	}	6	Y.P.
56,06,000A. }							10½xd:	Nil	Nil	6 0§	0 8			
56,04,800B. }	3,41,28,015	5,94,12,292	3,28,83,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	{ 274	A. 10	2 0*	1 8	2 0*	1 8*§	3,9	H.P.
4,37,560P.O. }							37½	B. 10	2 0*	1 8	2 0*	1 8*§		
							4½	P.O. 24	0 4	0 4	0 4	0 2*‡		
PRESSING														
5,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule & Co.	Calcutta Hydraulic	95N	100	3 0	4 0	*Nil*	*Nil*	6	Y.
5,00,000	2,47,122	10,01,809	9,80,874	26,289	Andrew Yule & Co.	Central Hydraulic	125	100	4 0	5 0	5 0	5 0	6	Y.
PROPERTY AND LAND														
8,00,780O. }	6,93,332	43,52,570	23,63,279	35,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 18¾N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D. }							21¾	D. 1	0 4/5	*Nil*	0 9 3/5			
90,00,000	13,07,274	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	6	100	1 8	*Nil*	*Nil*		4	Y.
94,00 000	36,70,109	93,05,154	95,892	—11,49,555	Andrew Yule & Co.	Midnapore Zamindary	23	100	1 8	4 0	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,533	10,78,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	3½	3	*Nil*	*Nil*	*Nil*		9	Y
50,00,000 }	4,18,54,888	3,98,84,871	1,71,98,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 636‡	Old125	15 0	20 0	37 8	40 0	5	Y.
43,99,098 }							236‡	New50	6 0	8 0	15 0	16 0		
4,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	*Nil*	*Nil*			6	Y.P.
20,00,000	21,15,487	19,00,295	14,38,566	2,76-619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	42	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,08,000	12,23,202	42,04,482	29,87,602	—48,871	Begg, Sutherland & Co., Ltd. ..	Bakrampur Sugar	8½	5	*Nil*	0 12	0 1	*Nil*	6	Y.
18,86,000A. }	29,80,260	55,40,331	36,82,435	12,12,000	Narang Bros. & Co.	Basti Sugar	{ 100N	A. 100	10 0	10 0	12 0	10 0	4	Y.T.
2,00,000B. }							14N	B. 10	1 0	1 0	1 0	1 0		
19,49,066	5,50,000	33,35,393	24,41,801	51,986	Bangur Bros., Ltd.	Belsund Sugar	10¾	7½	0 12	0 12	0 12		6	Y.
15,00,000	13,61,513	18,12,168	12,47,341	2,330	Cotton Agents Private Ltd. ..	Bharat Sugar	16½N	10	1 8	1 8	1 8	1 8	6	Y.P.
23,00,000	22,37,080	1,56,90,775	92,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7¾	10	*Nil*	0 12	0 4		6	Y.P.T.
29,00,000	57,23,551	1,02,44,047	84,52,451	82,022	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	20¼	10	2 0	0 12	0 12		10	Y.P.
18,00,000	30,72,580	51,35,038	35,46,244	29,508	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	21	10	1 0	1 0	1 8	1 0	6	Y.
5,99,455	6,18,562	24,88,580	15,88,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			8	Y.T.
50,00,000A. }	44,95,000	1,02,71,005	67,56,074	33,122	Bachhraj & Co. Private Ltd. ..	Hindustan Sugar Mills	{ 276N	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
12,00,000B. }							100	O. 100	15 0*	15 0*	15 0*	15 0		
12,00,000	8,61,001	75,81,309	42,68,455	27,926	Kisshand Devchand & Co.	Kesar Sugar	{ 65N		*Nil*	*Nil*	4 8		7	Y.P.
7,89,100	22,35,552	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd. ..	New India Sugar Mills	40½	40	*Nil*	*Nil*	2 4			
11,00,000	4,45,000	46,29,636	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd.	New Savan	80N	10	2 8	2 8	2 8	2 8	5	Y.P.T.
12,98,000 }							5½xd	10	0 4	0 4	0 4	0 6		Y.
61,875 }	48,01,854	71,25,062	24,38,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0	20 0	6	Y.
77,45,350	55,05,899	2,04,73,468	1,05,50,000	20,863	Cotton Agents Private Ltd. ..	Oudh Sugar	60N	25	5 0	5 0	5 0	5 0	7	Y.P.
12,00,000	12,69,374	51,96,494	21,49,469	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	140	100	11 0	11 0	11 0	11 0	7	Y.P.
9,00,000	17,94,399	37,55,808	20,57,549	5,871	Begg, Sutherland & Co., Ltd.	Rajah Sugar	17½	10	1 0	1 0	1 0		10	Y.P.
5,00,000	5,81,128	26,43,262	21,70,524	5,284	M.	Ryam Sugar	20N	10	0 8	0 8	*Nil*		6	Y.P.
11,99,000	12,35,592	45,20,102	24,15,129	2,554	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	11½	10	0 8	0 8	*Nil*	*Nil*	6	
40,00,000	22,68,580	1,35,20,116	62,99,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10½	10	1 0	1 8	1 12		6	Y.P.T.
9,99,950	26,825	28,20,774	18,51,547	—4,25,477	H. K. Ghosh, Esq., and R. N. Dasta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
7,95,462	18,32,940	31,60,725	17,68,063	1,06,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	15½	10	2 0*	1 8*	*Nil*	*Nil*	6	Y.T.
9,15,000O. }							1N	O. 10	*Nil*	*Nil*	*Nil*			Y.P.T.
4,40,000D. }	46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	{ 4N	D. 2½	*Nil*	*Nil*	*Nil*		10	
8,00,000	29,24,348	1,15,70,815	68,03,754	32,829	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	70N	10	2 8	2 8	2 8	3 0	6	Y.P
10,00,000	7,66,589	32,69,951	26,68,926	20,564	M.	United Provinces Sugar	15	10	0 8	1 4	1 8		9	Y.
Other Centres														
80,00,000	8,00,000	48,07,304	14,68,226	1,90,887	Rangaroo & Co.	Andhra Sugars Ltd.	17½	10	*Nil*	*Nil*	*Nil*			Y.
70,59,850	95,82,037	1,48,40,824	1,08,91,579	58,911	W. H. Brady & Co., Ltd.	Belapur Company	230‡	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	8,56,855	35,66,595	22,70,009	23,609	A. M. Ramaswamia & Co.	Pinnalam Sugar	18N	10	0 10	1 0	1 0	1 0	9	Y.P.
15,00,000	87,08,165	32,89,514	3,24,398	33,544	A. H. Bhiwandiwalla & Co. ..	Shree Changdeo Sugar	20	12	8 0	1 0	2 0	5 0	9	Y.
15,99,900	2,45,786	40,16,357	21,35,892	1,996	K. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	60N	100	*Nil*	*Nil*	*Nil*		9	Y.P.
47,94,990	14,00,000	89,54,997	19,71,185	5,23,818	India Sugar Agencies Private Ltd.	Indian Sugar and Refineries ..	19½	10	2 0	1 8	1 12	1 5/5	9	Y.P.
20,52,858	12,18,785	46,84,173	11,11,505	32,569	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	13½	10	1 0	1 0	1 0	0 9-3/5	6	Y.P.
23,57,820	45 51,080	42,51 237	21,95,327	18,645	Govan Bros.(Rampur), Ltd.	Buland Sugar	14½N	10	1 0	1 0	1 0		10	Y.
19,58,300O. }	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	120	O.100	7 8	7 8	7 8		6	Y.P.
2,87,190D. }							145	D. 10	10 0	10 0	8 0		9	
31,79,350	86,24,818	1,39,89,143	62,31,726	9,69,107	K. Ramanasoppa, Esq., (Mg. Director)	Mysore Sugar	41½	10	2 0	2 0	2 0		9	Y.
20,00,000	56,00,000	1,01,55,454	62,00,454	22,981	Mafatlal Agent and Mafatlal Ltd.	Phaltan Sugar	138½	10	2 0	2 0	2 0	2 8	9	Y.
16,59,250	35,50,880	56,11,940	29,77,341	20,349	Anderson Wright Ltd.	Ramnuggar, Cane and Sugar ..	22½	10	2 0	1 8	2 0	2 0	8	Y.P.T.
80,00,000O. }	21,76,092	89,12,183	58,60,383	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	{ 185N	O. 50	*Nil*	5 8	9 0		9	Y.P.T.
4,80,000D. }							7N	D. 10	*Nil*	*Nil*	0 11½			
19,99,600	47,65,324	46,85,212	23,94,524	44,166	Govan Bros. (Rampur), Ltd. ..	Rana Sugar	16½N	10	1 0	0 12	1 0		10	Y.
30,00,000	9,10,000	89,57,362	52,10,844	45,992	Harry Co., Ltd.	Travancore Sugar	11½	10	*Nil*	*Nil*	0 12	1 0	7	Y.P.
1,81,00,000	71,97,958	1,99,90,448	1,19,82,458	1,31 173	M.	Walchandnagar Industries	275‡	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
80,00,000	1,00,69,022	1,24,00,702	15,56,157	55,826	Andrew Yule & Co.	Bengal-Assam Steamship(Co. ..	120	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,27,519	4,41,09,516	1,53,09,918	1,54,925	Bhawanji (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
80,00,000	31,60,611	8,31,00,904	89,85,703	62,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	16½	10	1 0	1 0	*Nil*	1 8	6	Y.P.
					Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	71½	50	*Nil*	2 8	3 0		6	Y.P.
5,65,000	61,06,196	25,61,160	23,97,531	622,965	Lions, Edwards Ltd.	India Steamship Co.	10½	10	0 8	*Nil*	3 10		12	Y.P.
2,25,00,000	80,99,222	9,64,47,544	3,22,99,146	25,926	M.	Scindia Steam Navigation Co. ..	20-9‡	20	0 12	0 8	0 8	1 0	6	Y.P.
9,20,96,060	9,00,12,101	22,64,99,894	4,85,56,202	5,62,080	Walford Transport Ltd.		{ 5½	O.	as. 1 2/25	1 2/25	as 2 6/25		10	Y.
4,00,000P.O. }	19,68,266	11,55,483	7,89,969	1,84,498	R. B. Alyar, Esq., (Manager) ..		{ 12‡	P.O. 1	as. 19/25	1 15/25	as. 1 23/25			
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,65,321	4,32,243	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	Y
15,36,000	2,24,172	2,26,474	90,009	1,99,551	M.	Bombay-Uganda	60N	50	5 0	4 8	*Nil*		9	Y.
25,00,000	1,00,000	22,87,314§§	....	288	M.	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	0 12	0 12	12	Y.
5,57,00,000	1,03,93,754	4,56,59,017	1,08,55,563	94,16,753	A. C. Hockyns, Abrahall (Chairman)	Hindustan Lever	20½	10	1 0	1 0	8h. 10	1 4	12	Y.P.
98,17,900	13,65,586	66,39,333	29,54,587	23,808	Birla Brothers Private Ltd. ..	Kind Oyster	143‡	100	8 0	10 0	10 0		12	Y.P.T.
14,36,540	2,42,555	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Metrels Batteries	40	50	*Nil*	2 0	2 0		12	Y.P.
99,99,350	19,47,886	1,25,05,604§§	....	2,88,186	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76	100	4 8	4 8	4 8		12	Y.
99,99,978	18,60,381	1,25,07,285	8,04,481	4,859	K. G. Mirza, (Mg. Director)	Kilburn Engineering	166	100	10 0	11 0	11 0	11 0	6	Y.
3,35,15,275 A.O.	89,14,365	3,96,59,551	1,49,05,326	6,05,448	Asro-Auto Private Ltd.	Premier Automobiles	99	100	*Nil*	*Nil*	*Nil*	11 0	6	Y.
16,31,800	5,08,419	9,09,102	5,79,614	7,256	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	24‡	20	2 0	2 0	2 0	2 0	6	Y.
2,75,00,000	72,75,000	3,05,07,101	1,63,71,846	5 01,284	Mr. A. Rydar & Mr. S. Gothberg	Weston India Match Co.	174‡	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	62,52,290	7,44,904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	250	100	20 0	20 0	20 0	22 8	12	Y.
Other Centres														
47,50,000 }	1,94,82,556	8,78,51,606	72,16,869	1,16,199	J. K. Industries(Private Ltd....	Aluminium Corporation of India Ltd.	{ 10	O. 10	*Nil*	*Nil*	*Nil*	0 *Nil*§	3	Y.P.T.
5,50,000 }							15½xr cd	D. 2½						
60,00,000	28,25,000	56,26,845	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	33	10	1 4	1 4	1 4	1 4*	9	Y.
30,00,000	36,18,878	34,21,252	22,04,353	8,35,874	Turner Morrison & Co., Private Ltd.	Assam Match Co., Ltd.	20	10	1 4	1 4	2 0*	2 0*	12	Y.
30,00,000	30,00,000	30,35,000	20,35,000	1,18,895	Mr. A. Hyatari & Mr. Gothberg	Assam Match Co., Ltd.	11	10	1 4*	1 4*	1 4*		12	Y.P.
30,00,000	32,47,883	1,02,58,021	36,57,880	2,45,132	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	53	10	0 2 1/5	0 2 2/5	0 2 2/5	1 8-1/5	12	Y.P.T.
20,01,400	1,16,58,000	67,47,111	33,97,111	5,08,189	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	160	100	20 0*	12 0‡	12 8		12	Y.
12,00,000	9,10,000	21,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	32‡	10	1 8	2 8	2 4	1 8‡	6,12	Y.
20,00,000	7,96,480	69,57,994§§	....	1,15,767	Lovelock & Lewis	Birds Investment Ltd.	14	10	1 4	1 4	1 4		9	Y.P.T.
45,97,080	80,11,314	1,10,56,424	23,37,339	1,79,377	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	153	10	1 0	1 0	1 0	1 0	3	Y.P.T.
2,25,00,000	1,16,11,506	2,89,09,905	2,22,14,167	—37,26,584	Sir Robert Menzies	British India Corporation Ltd. ..	7‡	5	0 8	0 8	*Nil*		12	Y.P.
1,26,50,000	17,24,264	2,05,57,232§§	....	15,76,082	Andrew Yule & Co., Ltd.	Olive Row Investment	10	10	0 4 1/5	0 2 1/5	0 9	1 8	12	Y.P.
1,60,00,000	9,14,86,174	5,15,53,086	2,20,92,990	11,71,686	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	225‡	10	1 8	1 8	1 8		12	Y.P.
51,36,000	54,10,811	1,75,17,507§§	....	3,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd.	129	100	3 0	9 0	9 0	9 0	12	Y.P.
14,00,000	10,08,000	38,51,778	16,80,772	37,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	135	100	20 0	15 0	15 0		9	M.
65,00,000	58,17,300	19,78,012	9,18,963	89,541	J. F. B. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	12½	10	7 8	7 8	1 6 2/5	1 9 3/5	3	Y.
80,00,000	14,67,284	81,29,620	33,56,328	7,458	E. P. E. Syndicate	Great Eastern Hotel	252	25	15 0	6 4	6 4	16 0	3	Y.
4,96,08,700	....	2,94,18,143	1,51,88,541	6,16,062	Birla Brothers Private Ltd. ..	Hindustan Motors	7½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	
1,80,00,000	46,77,784	2,15,71,754	1,74,76,668	6,16,074	K. C. Thapar & Bros. (Mg. Director)	Indian Aluminium Enamel Works	14½	10	*Nil*	*Nil*	0 9		3	Y.
1,62,80,220	1,97,00,000	1,99,85,780	71,50,911	83,04,214	D. J. Woodley, Esq. (Mg. Director)	Indian Cables	22½	10	1 0*	1 0*	1 4*	1 8*	3	Y.
5,37,970	6,08,000	16,74,908	9,99,406	62,782	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	24‡	10	0 12	0 8	0 8	0 10	3	Y.
15,15,00,000	7,89,05,902	4,15,59,461	1,65,38,877	24,94,574	M. G. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	144	100	7 8	7 8	9 0§	9 12 4/5§	3	Y.
1,00,00,000	57,29,566	97,46,656	11,08,843	5,11,862	G. M. Mackinlay, Esq.	Jardine Henderson	80	100	7 8	7 8	7 8	7 8	3	
40,00,000O. }	80,86,906	26,18,982§	8,73,670	2,57,234	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	{ 225	O.100	10 0	17 0	25 8		12	Y.P.
1,60,00000D. }								D.0.10	0 0	1 8 1/5	1 12			
1,43,96,500	31,82,796	49,23,088	13,84,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26½	10	1 0*	1 0	1 12	2 2*	9	Y.P.
1,15,00,000	58,50,000	1,58,37,978	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	20½	10	1 0	1 0	1 4	1 10	3	Y.
1,35,585	1,53,550	1,61,97,304	7,85,266	—2,58,512	Shankar Rao P. Ogale, Esq. ..	Mysore Lamp Works	14	10	*Nil*	*Nil*	*Nil*		3	
6,56,250	9,18,966	11,18,541	5,51,035	4,044	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 3/5	3	Y.
10,00,000	2,18,500	18,34,006	9,41,457	44,512	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	13½	10	1 0	1 4	1 0	1 8	3	
40,00,000	74,71,178	68,90,214	41,52,951	1,44,445	Associated Industrial Development Co., (Private) Ltd. ..	National Insulated Cable Co. ..	20½	10	1 0	1 0	1 0	1 8*	3	Y.C.
						National Rolling & Steel Ropes	10½	10	0 9	0 9½	0 9½	0 9½	3	Y.C.
70,97,600	....	1,17,62,787	57,19,288	8,99,582	B. N. Elias & Co., Ltd.	National Tobacco Co.	10	10	*Nil*	*Nil*	0 12	0 14 4/5	12	Y.C.
2,25,00,000	5,71,545	1,45,58,418	44,23,274	—44,22,274	M. F. A. Pespatti, Esq.	Rallis (India) Ltd.	25½	100	*Nil*	*Nil*	*Nil*	*Nil*	3	
1,72,54,400	1,51,80,308	7,56,34,089	3,47,94,970	4,91,024	Sahu Jain Ltd.	Rohtas Industries	18½	10	1 4	1 8	1 8		10	Y.
40,00,000	57,06,555	1,51,97,304	75,20,127	2,52,512	E. W. Stephenson, Esq.	Spencer & Co., Ltd.	40	10	1 8	1 8	1 8	1 8	6	
75,00,000	54,19,560	17,49,216§	1,32,825	5,62,230	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	11½	10	1 0	1 4	1 0		12	Y.
9,96,250	....	14,90,289	3,84,850	....	Ogale Bros., Ltd.	Travancore Ogale Glass	8½	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Re. 10 each.

Z—In the case of Belapur Co.,the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Average under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	3,70,619	11,34,864	5,38,169	....	McLeod & Co., Ltd.	325	Amluckie	300	100	25 0	72 8	19 8		12	Y.P.
3,50,000	3,43,350	10,09,902	2,43,089	77,477	B. K. Kanoria, Esq.	439	Ananda (Assam) Tea	37	10	1 4	7 8‡			12	Y.
3,50,000	3,93,250	11,21,676	2,83,926	80,586	Gillanders Arbuthnot & Co., Ltd.	437	Anandia Bag	45	10	2 8	4 0*	1 0		12	Y.
5,50,000	11,31,541	17,56,465	7,08,437	26,051	McLeod & Co., Ltd.	513	Baghmari	22½	*Nil*	2 8	3 8	1 0		12	Y.
5,10,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Banmatia	32½	10	2 8	3 0	1 8		12	Y.
3,50,500	4,65,000	11,68,776	7,13,759	80,298	National Tea Corporation	570	Batsali	28½	10	2 0	3 0	2 8		12	Y.
2,20,000	9,40,000	10,27,068	3,08,925	66,156	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	25½	10	2 0	10 0*	2 0		12	Y.
16,50,000	28,00,000	58 38,162	26,80,662	1,49,359	Williamson Magor & Co., Ltd.	4,002	Bishnauth	22½	10	2 8	5 8	2 0		12	Y.
5,00,000	2,50,000	10,97,919	2,26,068	29,856	Octavius Steel & Co., Ltd. ..	455	Bokakhat	16½	10	*Nil*	2 8	1 0		12	Y.
7,50,000	7,37,550

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	1,60,000	2,02,380	81,236	23 236	Planting Agencies Ltd. ..	Balmadies Plantations ..	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.E.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	5	0 12	0 12	0 12	0 12	3	Y.E.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	22½	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
21,55,000	45,87,760	1,16,65,340	25,13,535	1,12,312	R. C. Paterson, Esq. ..	Consolidated Coffee ..	23½	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,666	7,58,750	40,873	1,069	Associated Planters Ltd. ..	Cottanad Plantations ..	17½	10	1 8	1 8	1 12*	1 8	3	Y.E.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	15	10	1 4	2 8	2 0	0 10½	12	Y.P.
6,00,000	10,92,899	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	25	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,56,920	2,80,348	1,069	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	30½	10	2 8	2 4	2 4	3 4	3	Y.
37,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,25,000	8,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	22½	10	0 12	1 8	1 8		12	Y.P.T.
5,00,000	7,81,436	50,977	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	16½	10	1 0	1 0	1 8		12	Y.
19,45,980	21,29,615	43,87,395	14,23,968	*Nil*	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates	5-44cd	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
18,50,000	9,90,000	42,15,515	5,42,127	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	21½	10	1 12*	1 12*	2 0	2 8	6	Y.P.
2,66,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd. ..	21	10	2 0	2 8	1 0		11	Y.
10,00,000	3,09,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	9½	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber ..	28	10	3 0	3 0	3 0		12	Y.P.
9,15,300	4,00,000	20,99,924	96,217	27,055	Peirce Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd.	2-14	1	0 4	0 1 3/5	0 2	0 2	12	Y.T.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers ..	22½	10	2 0	2 0	3 0		12	Y.
41,00,000	14,80,799	76,82,300	8,68,181	$71,088	Aspinwall & Co. (Travancore)	Travancore Rubber & Tea Co., Ltd.	10½	10	1 0	1 8	1 4		12	Y.P.T.
80,00,000	37,70,782	1,05,45,980	6,45,980	27,287	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	33	25	3 0	5 0	4 8		12	Y.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd.	Vallkundam (Travancore) Rubber	32½	10	2 0	2 4	2 8	1 8½	12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9½	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	9½	10	1 0	1 10	0 10	0 4	3.9	H.T.P.
6,00,000	10,25,000	51,65,438	36,93,877	1,88,329	McLeod & Co., Ltd. ..	446	Alexandra	160	100	2 8	7 8	10 0		6.12	H.P.T.
80,00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd. ..	1,264	Alliance	100	100	5 0	12 0	6 0		6.12	H.P.
49,20,700	69,00,000	2,95,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	138	100	12 8	7 8	8 8	3 8	3.9	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co., Private Ltd. ..	810	Auckland	93	100	4 0	3 0	10 0	1 0f	3.9	H.P.T.
20,00,000	23,80,913	98,91,416	65,65,094	65,302	Jardine Henderson & Co. ..	959	Bally	158	100	4 0	*Nil*	8 8	*Nil*	3.9	H.P.
£275,000	£667,405	£1,477,480	£587,176	....	Sir John H. Burder (Chairman)	1,889	Barnagore	94	£5	£1 0	sh. 15	sh. 15	*Nil*	3	Y.P.
28,00,000	28,00,623	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd. ..	820	Belvedere	104	100	15 8	10 0	7 8	*Nil*	6.12	H.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull ..	600	Bengal	15½	10	1 4	1 2	1 2		6	Y.P.T.
21,26,000	2,17,48,383	3,34,10,402	1,45,32,651	4,37,393	Birla Brothers Private Ltd.	1,373	Birla	15½	10	3 0	1 0	1 0	1 0	3	Y.P.
30,00,000	21,81,426	1,17,99,047	72,95,930	1,336	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	101	100	10 0	9 0	7 8	*Nil*	4.10	H.P.
7,47,380	3,09,640	42,13,704	31,62,683	—$31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	8½	10	*Nil*	0 12	*Nil*		6.12	H.P.T.
18,00,000	26,46,234	87,35,841	43,24,058	1,328	Andrew Yule & Co., Ltd. ..	616	Caledonian	118	100	12 0	9 0	6 8	*Nil* f	5.11	H.
15,95,000	95,49,238	3,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	2,139	Champdany	130	100	6 0	8 0	10 0	2 0f	3.9	H.
30,15,000	19,83,032	82,12,211	57,10,175	1,387	Andrew Yule & Co., Ltd. ..	600	Chevliot	146	100	12 0	14 0	10 0	*Nil* f	5.11	H.P.
84,00,000	81,00,000	64,10,068	47,77,990	1,32,499	McLeod & Co., Ltd. ..	500	Chitavalsah	12	10	1 12	1 2	1 6		6.12	H.P.T.
21,49,200	9,00,000	41,35,747	23,43,143	3,144	Shree Krishna Investment Co., Ltd.	969	Clive	13½	10	*Nil*	*Nil*	3 0	0 8	3	Y.P.
8,00,000	49,65,232	1,17,35,454	46,04,775	—$2,50,845	Bird & Co., Private Ltd. ..	766	Dalhousie	95	100	4 0	2 8	4 0	*Nil*	3.9	H.P.T.
28,00,000	40,71,679	76,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd. ..	779	Delta	133	100	20 0	12 0	10 0	*Nil* f	5.11	H.P.
15,00,000	84,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd. ..	500	Empire	16	10	1 0	1 0	1 4		6.12	H.T.P.
21,00,000	60,60,000	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	810N	100	*Nil*	5 0	15 0	7½	3.9	H.P.T.
21,00,000	13,00,000	97,98,074	54,63,993	1,24,822	Bangur Bros., Ltd. ..	1,014	Fort William	18½	10	5 0	20 0	20 0	0 12½	3.9	H.T.P.
64,32,100		97,85,841	54,63,993	—2,67,452	Macneill & Barry Ltd. ..	472	Ganges Mfg.	47½	10	*Nil*	0 8	2 8	*Nil* f	3.9	H.P.
10,80,000	25,00,000	2,11,07,224	1,32,88,825	—77,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	225	100	15 0	*Nil*	.. ..	.. ..	12	Y.
24,00,000	29,32,827	2,19,00,613	48,43,692	25,195	Macneill & Barry Ltd. ..	1,394	Gourepore	220	100	8 12	10 0	15 0	2 8f	3.9	H.P.
40,00,000	64,68,233	1,14,86,848	56,72,180	$40,348	Bangur Bros., Ltd. ..	1,078	Hastings	106N	100	10 0	10 0	11 8	5 0	3	H.
16,80,000	15,61,969	66,47,731	47,70,916	—2,95,258	Jardine Henderson Ltd. ..	720	Hooghly	18	10	1 4	0 8	1 4	*Nil*	3	Y.P.
45,62,500	49,84,372	1,92,66,485	1,10,52,708	57,034	Ramdutt Ramkissendas ..	1,940	Howrah	17½	10	1 8	1 4	0 14	0 4f	3.9	H.P.T.
52,50,000	27,85,153	2,86,51,559	1,66,51,559	1,18,935		5,275	Hukumchand	7½	10	3 0	3 0	3 0	3 0	3	Y.P.T.
87,00,000					M.	1,076	India	130	O. 125	6 4	3 2	4 11	4 11f	3.9	
30,000	17,20,650	1,27,01,698	80,28,070	2,57,287					D. 1	0 4/5	0 2/5	0 3/5	3% f		H.
24,00,000					Jardine Henderson Ltd. ..	1,797	Kamarhatty	95	100	9 0	8 0	2 8	*Nil* f	3.9	
19,20,000'B'	18,75,346	1,85,39,772	1,15,01,308	....				94	'B' 100	9 0	8 0	2 8	*Nil* f	6.12	H.P.
80,00,000								70	100	7 8	6 8	1 0			
£4,00,000'B'	9,81,472	1,74,14,302	87,61,781	—0,24,216	Jardine Henderson Ltd. ..	1,527	Kankinarrah	61	'B' 100	7 8	6 8	1 0	*Nil* f	6.12	H.P.
21,00,000	63,00,000	1,22,91,697	33,77,464	1,10 851	McLeod & Co., Ltd. ..	703	Kelvin	202	100	15 0	20 0	17 0		6.12	H.P.
24,00,000	23,00,000	1,72,56,983	1,18,50,127	5,928	Anderson Wright Ltd. ..	1,630	Khardah	120	100	17 8	12 8	11 0	5 0f	3.9	H.P.
48,00,000	1,08,90,860	2,44,37,944	1,15,66,122	61,037	F. W. Heilgers & Co. Private Ltd.	2,350	Kinnison	137	100	9 0	7 0	13 0	6 0f	3.9	H.P.T.
24,48,000	39,51,564	1,11,32,345	47,99,545	—2,15,719	Bird & Co., Private Ltd. ..	931	Lansdowne	93	100	7 0	3 0	7 0	*Nil* f	3.9	H.P.
30,00,000	55,71,792	1,16,29,380	54,57,897	2,793	Bird & Co., Private Ltd. ..	940	Lawrence	98	100	5 0	6 0	6 0	*Nil* f	3.9	H.P.
21,55,200	26,36,045	2,64,13,849	1,36,97,309	1,64,948	M.	1,858	Megna	74	100	5 0	2 8	8 12	3 12f	3.9	H.
20,98,900	88,40,147	1,84,91,466	1,01,87,573	—3,09,111	F. W. Heilgers & Co. Private Ltd.	815	Naihati	75	100	*Nil*	*Nil*	*Nil*	*Nil* f	3.9	H.
10,00,000	15,53,000	29,01,558	18,21,709	17,816	Hewrah Trading Co., Ltd. ..	425	Naskarpara	10	10	0 5	1 2	0 10		4.10	H.T.
35,00,000	41,54,326	80,26,401	10,32,816	1,299	Andrew Yule & Co., Ltd. ..	853	National	10	10	2 0	2 0	1 12		4.10	H.P.
26,25,000	26,25,000	87,71,022	30,34,909	1,08,257	McLeod & Co., Ltd. ..	316	Nellimarla Jute ..	11½	10	1 12	1 0	0 8	0 6	4.10	H.P.T.
7,50,000	4,25,000	4,20,15,527	96,26,548	97,298	Sahu Jain Ltd.	1,766	New Central†	12½	10	24 0	17 0	1 8	0 12f	12	Y.P.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,114	Bird & Co., Private Ltd. ..	957	Northbrook	12½	10	1 8	1 8	1 8	1 8f	3.9	H.P.T.
66,79,500	22,24,961	2 18,50,164	1,39,45,811	17,000	Macneill & Barry Ltd. ..	2,092	Nuddea	81½	50	0 8	0 8	1 0	*Nil* †	3	H.
24,91,250	23,78,792	75,07,658	45,85,590	587	Andrew Yule & Co., Ltd. ..	601	Orient	109	100	13 0	10 0	9 0	1 0f	5.11	H.P.
25,00,000	6,28,490	80,86,437	46,22,164	51,596	McLeod & Co., Ltd. ..	400	Presidency		100	7 8	5 8			6.12	H.P.
20,00,000	2,49,781	26,97,878	5,89,130	—9,18,218	Birla Brothers Private Ltd. ..	805	Rameshwara	5½	10	*Nil*	*Nil*	*Nil*	*Nil* f	3	H.P.
49,50,000	58,42,465	1,23,88,629	59,15,596	—11,72,341	Jardine Henderson Ltd. ..	1,376	Reliance	8½	10	0 8	*Nil*	*Nil*	*Nil* f	3.9	H.P.T.
£600,000	£1,093,718	£1,246,244	£458,994	7,972	Thomas Duff & Co. (India) Ltd.	1,013	Samnuggur	10½	10	1 0	10%	10%	2 8%11	12	Y.
80,00,000	19,14,910	1,15,50,877	79,96,145	2,156	Bagaria More & Co., Ltd. ..	911	Shree Ambica	15½	10	0 8	1 0	0 8	0 8	3.9	H.P.
14,00,000	11,25,000	66,11,794	38,79,294	—4,87,137	Hindustan Investment Corporation	401	Soorah	15½N	10	0 8	1 0	1 8	1 8	12	Y.P.T.
26,19,600	42,72,182	1,27,88,246	53,23,439	458,548	Bird & Co., Private Ltd. ..	680	Standard	75	100	8 0	8 0	1 0	*Nil*	3.9	H.P.T.
£600,000	£925,119	£1,137,660	....	Thomas Duff & Co. (India) Ltd.	1,794	Titaghur	10½	£1	10%	10%	2 8%11		12	Y.
23,98,600	58,06,723	2,00,00,808	84,23,854	458,548	Bird & Co., Private Ltd. ..	1,326	Union	120	100	5 0	6 0	10 0	1 0f	3.9	H.P.T.
£400,000	£688,035	£1,124,819	....	480,137	Thomas Duff & Co. (India) Ltd.	1,231	Victoria	10	£1	10%	10%	2 8%11		12	Y.
2,50,000	6,35,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd. ..	457	Waverley	8½	1	0 1	0 8	0 8		6.12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	28,610	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	18½	10	1 0	1 5	1 6	0 8f	3.9	H.
12,00,000	37,37,042	3,77,34,094	54,30,182	45,399	Jardine Henderson Ltd. ..	Bararee Coke	16	10	1 0 2/5	1 7 1/5	1 7 1/5	0 9 8/5f	3.9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhaldee ..	6M	10	0 12	0 12			3.9	H.P.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,336	7,31,568	Andrew Yule & Co., Ltd. ..	Bengal Coal	450	200	32 8	20 0*	35 0*		4.10	H.P.
2,25,000	4,22,669	24,81,732	12,38,584	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	15	10	*Nil*	*Nil*			6.12	H.P.
15,97,000	4,78,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd. ..	Bhalgora	5½	10	0 8				3	Y.
40,00,000	8,00,000	1,39,06,668	71,05,188	1,29,435	Sahu Jain Ltd.	Bharat Collieries ..	6½	10	0 12	0 10	0 10		6	Y.P.T.
7,15,000	15,11,000	52,62,585	37,35,500	—1,87,445	F. W. Heilgers & Co. Private Ltd.	Bhulanbarares ..	13N	10	*Nil*	*Nil*	*Nil*		6.12	H.P.
16,00,000	16,17,956	68,14,856	29,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur ..	12N	10					6.12	H.P.
7,50,000	24,29,026	42,39,603	26,68,408	84,207	F. W. Heilgers & Co. Private Ltd.	Bolpur	104xd	10	2 12	2 0	3 0		6.12	H.
30,92,460	1,70,05,008	4,22,88,647	1,90,16,824	36,168	Bird & Co., Private Ltd. ..	Burrakur	21½	10	0 12	0 9	0 10	0 5f	6.12	H.P.T.
49,97,750		42,33,430	7,50,000	9,927	Hindustan Investment Corpn., Ltd.	Central India ..	6½	10	0 4	0 4	0 4	0 3	6.12	H.
5,00,000	13,54,309	49,10,414	31,63,984	32,768	M.	Central Kurkend ..	12N	10	1 2				3	Y.
6,00,000	1,45,676	7,28 438(k)		1,129	F. W. Heilgers & Co. Private Ltd.	Churia	1½	10	0 2	0 2	0 1f		6.12	H.
16,00,000		53,81,704	29,81,276	—1,88,318	Macneill & Barry Ltd.	Dhemo Main ..	5½	10	*Nil*	*Nil*	*Nil*		6.12	H.P.
£340,000	£580,658	£970,695	£731,579	£58,922	Jardine Henderson, Ltd. ..	East Indian	26½	£1	2 8	2 8	3 0		3	H.
29,63,760	33,55,049	4,04,51,377	2,80,25,666	33,379	Macneill & Barry Ltd.	Equitable	23½	10	1 8	1 8	1 8	2 8	4	H.P.T.
10,00,000	1,40,999	13,81,144	4,28,557	28,853	Bhatter's Agency Ltd.	Ghusick and Mualia	13½N	10	0 8	0 8	0 4		6.12	Y.
12,00,000	1,22,000	41,35,747	23,43,143	3,144	Killick Industries Ltd.	Hingir-Rampur ..	11½	50	2 0	*Nil*	2 4	2 4	6	Y.
6,00,000	7,25,000	28,07,181	15,89,341	43,985	Macneill & Barry Ltd.	Hurriladih	20	10	1 0	1 12	2 8		6.12	H.
12,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Rajpale Trust Ltd.	Jogta Coal	1½	10	*Nil*	*Nil*			3	Y.
2,50,000	2,45,579	13,54,857	7,23,686	....	Andrew Yule & Co., Ltd. ..	Kalapahari	203N	10	2 12	*Nil*	*Nil*		2.6	H.
20,00,000	1,77,178	32,89,583	4,65,140	9,965	Bird & Co., Private Ltd. ..	Kanpur Collieries ..	98	100	*Nil*	*Nil*	2 8		3	Y.P.
8,00,000	16,60,000	46,77,833	26,47,985	1,33,474	Andrew Yule & Co., Ltd. ..	Katras Jheriah ..	58	10	4 0	4 0	2 8		3	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,256	Beriwala & Co.	Khas Kajora	24N	10	*Nil*	*Nil*			1.7	H.
11,00,240	14,78,961	10,41,562	4,06,320	—41,320	H. V. Low & Co., Ltd. ..	Kumardi	24N	10	*Nil*	*Nil*			6.12	H.P.
9,00,000	11,56,413	28,69,268	22,97,987	2,255	H. V. Low & Co. Ltd. ..	Lakurka	10N	10	0 8	0 4			6	Y.
7,46,240	8,00,000	18,13,808	9,66,219	31,201	Tantia Brothers Ltd. ..	Nazira	6½	10	0 8	0 8	0 8		4	Y.
7,00,000	10,00,000	10,83,740	5,20,224	4,660	Amritlal Ojha & Co., Ltd. ..	New Bamadeopur	9N	10	*Nil*	*Nil*			3.9	Y.
17,76 220	20,01,763	1,19,78,853	88,63,066	94,382	Andrew Yule & Co., Ltd. ..	New Beerbhoom	16	10	1 0	1 2	1 0		3.9	H.
6,00,000	76,000	82,00,471	21,20,197	70,222	Getavius Steel & Co., Ltd.	New Manbhoom	10	10	*Nil*	*Nil*	*Nil*	*Nil*	3.9	H.
1,19,000					Andrew Yule & Co., Ltd.	North West ..	20	10	0 8	*Nil*	1 6	0 12f	3.9	
1,57 500	2,85,198	18,07,219	3,54,731	15,980			17	7½	0 8	*Nil*	1 6	0 6f		H.
7,50 000	12,21,888	5,17,666	2,97,666	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	14½	10	2 0	1 0	1 0		6.12	H.P.
10,00,000	1,10,000	41,24,518	19,79,271	25,429	K. Thapar & Bros. Private Ltd.	Oriental Coal ..	9	10	0 8	0 8	0 4		12	H.P.
8,34,000	10,050	19,86,786	8,69,957	61,987	Deepchand Kishenlall	Parasea	12½	10	0 4	0 12	1 0		6.12	H.P.
15,75 000	15,50,000	49,91,252	36,61,252	33,734	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	16½	10	1 10	1 10	1 8	0 11 1/2f	3.9	H.
39 99,500	20,17,108	1,24,35,588	97,95,141	23,104	F. W. Heilgers & Co. Private Ltd.	Ramagoonge ..	11½	10	1 0	1 0	0 8	0 4	3.9	H.
18,50,000	10,45,115	38 59,325	29,71,364	15,514	Shaw Wallace & Co., Ltd. ..	Rewa	22½	10	2 0	1 8	0 10	0 6	6.12	H.
20,00,000	3,90,000	44,28,588	16,78,118	$,20,175	Jaipuria Sons Ltd.	Samla Collieries ..	11N	10	0 8	0 12	1 0	0 12f	12	Y.
3,50,000	1,99,902	18,78,480	12,21,287	21,070	M.	Seasole	5N	5	0 10	0 10	0 12		12	Y.
2,80,000	5,36,598	29,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd. ..	Seebpore	27½	7	1 12	2 0	2 8		6.12	H.
8,00,000	5,31,289	52,491	28,867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9N	10	*Nil*	0 8	0 4		6.12	H.
63,21,450	23,77,474	4,78,97,817	2,17,80,286	7,310	Industrial Trust Fund (Govern-ment of Hyderabad)	Singareni	10½	10	*Nil*	0 11 1/8	0 12		12	Y.P.
17,50,000	10,84,016	37,86,108	15 14,990	—51,533	Bird & Co., Private Ltd. ..	South Karanpura ..	9½	10	0 4	0 2	0 3		2.6	H.
3,00,000	14,01,068	1,59,67,570	57,01,140	17,111	F. W. Heilgers & Co. Private Ltd.	Standard	20xd	10	2 8	1 8	1 0	1 0	12	Y.
10,00,000	12 950	30,82,289	15,48,502	—4,07,745	Villiers Ltd.	Talcher	2½	2½	*Nil*				9	Y.
5,50,000	2,80,000	20,47,944	10,85,944	—9,659	Williamson Magor & Co., Ltd.	Union	18½	10	1 12	0 12	*Nil*		6.12	H.
49,98,000	67,084	55,66,580	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal ..	7	10	0 8	0 10	0 8	0 8	3	H.
7,00,000	81,569	56,46,871	23,81,698	—1,46,550	Macneill & Barry Ltd.	West Jamuria ..	8½	10	*Nil*	*Nil*	*Nil*		6.12	H.

M—Managed by the Board of Directors. † Less income-tax. a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(i) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (c) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
‡—West William Jute Co. has sub-divided ordinary shares o Rs.10 into shares o Rs.10 each.

INCOME-TAX REVENUE FIGURES

ASSESSMENT DATA ANALYSED

THE *All-India Income-tax Revenue Statistics for the year 1955-56*, compiled by the Central Board of Revenue, places the total demand of income-tax in respect of assessments completed during the year 1955-56 at Rs. 111.97 crores and the net demand, after deducting rebates allowed, tax deducted or paid at source and double income-tax relief, at Rs. 76.55 crores. The total demand for super-tax during the same period is Rs. 95.47 crores and the net demand Rs. 75.29 crores. The statistics relate to a total of 527,737 assessments resulting in a positive demand and 67,188 assessments resulting in a net refund. The Department, during the year 1955-56, completed a larger number of assessments, the balance representing cases where no demand had been raised as a result of the assessment.

Although the total number of assessments mentioned above include a large number of assessments relating to the assessment year 1955-56, it does not correctly represent the results of all assessments relating to that assessment year. This is because a fairly large number of assessments for earlier years have been

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,42,652	Allahabad Bank	360	100	18 0	18 0	18 0	9 0	12	Y.P.
14,50,000				182½	50	9 0	9 0	18 0	9 0		
1,01,000				120cd	100	9 0	9 0	9 0	9 0	6,12	H.
£3,38,600	15,40,000	2,46,650	Andhra Bank	86cd	70	3 4	3 12	4 8 4/5	2 10		
1,60,00,000	1,28,00,000	4,75,752	Bank of Baroda	104	50	6 0	6 0	6 0	7 0	12	Y.
90,00,000	20,50,000	1,159	Bank of Bikaner	23	25	0 12	0 12	0 14		12	Y.
2,50,00,000				141½	50	7 0	7 0	8 0	8 0	12	Y.
50,00,000 'A'	3,10,00,000	15,54,024	Bank of India	140	50'A'					6,12	R.L.Y.
15,30,375	27,00,000	67,486	Bank of Indore	52N	25	1 8	1 0	2 8	4 0	12	Y.
£0,35,000	41,779	Bank of Jaipur	40	50	16 0	2 0	2 0		12	Y.	
50,00,000	84,00,000	5,91,911	Bank of Mysore	255cd	100	2 8	16 0	16 0	16 0	12	Y.
61,21,700	58,73,013	10,069	Bombay State Co-operative Bank	57N	50	4 8	2 8	2 0		6	Y.T.
15,00,000	32,00,000	38,502	Canara Bank Ltd.	80	50	5 0	4 8	5 0	5 0	12	Y.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80cd	50	3 0	5 0	5 8		12	Y.P.
2,62,11,875	4,02,77,123	18,23,048	Central Bank of India Ltd.	54	25	3 0	3 0	3 0	3 8		
52,42,375				57½	25	2 0	2 0	2 0	2 8	12	R.L.Y.
£0,00,000	£4,50,000	2,13,141	Devkaran Nanjee Banking Co.	38½xd	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,46,911	Habib Bank (P)	72N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,62,000	Hind Bank	36½	50	Nil	1 8	3 0	3 0	12	Y.
1,25,00,000	15,43,000	10,919	Hindustan Commercial Bank	9½	50	Nil	Nil	Nil	Nil	12	Y.
£0,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank		50	Nil	Nil	Nil	Nil	12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	13	50	6 0	Nil	Nil	Nil	12	Y.
24,00,000				89N	100	12 0	6 0	5 0		12	Y.
18,00,000	£9,75,000	1,45,140	Indian Bank	198	100	10 8½	12 0	12 0	6 8	9	Y.
18,20,000				—	95	7 8½	10 8½	10 12½	6 2½	6,12	R.L.H.
49,19,875	£0,00,000	2,28,299	Indian Overseas Bank	150	75	6 0	7 0	7 12½	4 8½		
3,25,000				154cd	100	Nil	6 0	7 8		12	Y.
5,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	Nil	Nil				
10,00,000				10½	£0(B)	2 0	Nil			6,12	H.
10,00,000	10,25,000	23,384	Pandyan Bank Ltd.	10½	50(C)	2 0	Nil				
£7,50,000	£7,50,000	2,35,108	Punjab National Bank	490cd	25	1 4	1 0	1 14	1 14	12	Y.
1,00,00,000	26,20,000	45,000	Travancore Bank Ltd.	53½	£5	0 10	2 0	2 8	2 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	171cd	25	0 5½	0 12	1 0	1 0	12	Y.
£,00,00,000	£5,00,000	£7,761	United Commercial Bank	5½	5	2 0	0 5½	0 6	0 7	12	Y.
				57	£0		£ 8	£ 12		12	H.

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)						
£3,500,000	£5,000,000	£405,375	Chartered Bank	£1-17-9	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank								
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	£6½	£5	8†	8†	8†		12	R.L.Y.
£18,565,070 'A'	£15,000,000	£558,008	Lloyds Bank	£34½	H.K. $12½	5*	5*	5*	2*½	12	Y.
£375,000 'A'				£2-7-6	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'B'	£2,000,000	£224,521	Mercantile Bank of India	£1-6-0	£5 B	14†	14†	14†	14†		
£720,000 'C'				£4-6-0	£2½ C	14†	14†	14†	14†	12	R.L.Y.
£2,851,563	£3,104,687	£354,046	National Bank of India	—	£1	14†	14†	14†	14†		
				£1-0-6	ab. 12½	16†	15†	15†	15†	12	R.L.Y.

$ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1962
4,00,000	5½	1st March and 16th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
80,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
38,00,000	4½	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
			Walchandnagar Industries (New)	1944	96½	1st November .. 1959-64
COAL						
£0,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1954
£0,00,000	4½	30 th June and 31st December	Burrakar Coal Co.	1947	91	30th June .. 1957 (e)
£0,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1958(e)‡
COTTON						
3,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1948	98	30th April .. 1964
4,50,000	4½	10th May and 10th November	Bengal-Nagpur	1897	99½	15th November .. 1956(b)
£0,00,000	4	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March .. 1972(e)
12,50,000	5½		Jaykrishna Textiles	1949	90N	1st January .. 1956-59
£9,90,000	5½	1st June	Tata Mills	1951	99½‡	 1956-72
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(e)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97½	1st October .. 1959
13,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(e)
£,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98½	1st January .. 1970(e)
£5,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
12,00,000	5	1st January and 1st July	Sijua (Jharsiah) Electric Supply Co., Ltd.	1951	96	30th June .. 1956(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September .. 1965-68
5,000	4½	1st April and 1st October	Tata Power	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1stJuly .. 1970
£,60,10,000	4	1st April and 1st October	Tata Power		88½	15th September .. 1966-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99†	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
£0,00,000	5½	15th September and 15th March	Indian Hume Pipe (Hearer)	1942	100½	1st July .. 1957-62
£1,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	89†	31st December .. 1964
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98½	1st October .. 1960-65
£0,00,000		31st December	Textile Machinery Corporation Ltd.	1950	(100)‡	31st December .. 1960(e)
JUTE						
18,00,000	5½	1st October and 1st April	Agarpara	1939	97½	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	98½	30th June .. 1954
9,00,000	5	31st January and 31st July	Calcutta	1950	96	31st July .. 1960
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1959
£0,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96½	31st March .. 1960(e)
8,86,000	5	30th June and 15th July	Empire	1951	94	30th June .. 1960(e)
£5,00,000	5½	1st January and 1st July	Hukumchand	1947	94½	31st July .. 1966(e)
£0,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1947	92½	30th June .. 1957
£5,00,000	5	30th June and 31st December	Khanjan Jute Mills Co., Ltd.	1955	97½	31st March .. 1970
£5,00,000	5½	30th June and 31st December	Kinnison	1949	99½	31st December .. 1964(e)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1952	98	31st March .. 1967(e)
£0,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1939	98	14th May .. 1959
8,00,000	5	30th June and 31st December	Presidency	1948	98	31st December .. 1964
£5,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1942	98	30th June .. 1958
8,00,000	4½	14th March and 14th September	Soorah Jute	1950	91	5th September .. 1955(e
13,00,000	4½	30th June and 31st December	Talon	1937	96	14th September .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1937	96½	30th June .. 1957
				1925	87½	31st July .. 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat light Railway	1939	90N‡	1st July .. 1958
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£46½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1931	67½N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal- Lalabazar Railway	1945	90½	31st December .. 1966(e)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£35½N	Any time on six months
4,52,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96	notice (e) 1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102†	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea	1951	100‡	1st April .. 1958-63
1,89,700	5½	31st March and 30th September	Teakoyl	1944	100	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1946	98	31st December .. 1965
£6,80,000	4½	1st January and 1st July	Associated Hotels o India	1948	97	31st December .. 1962
4,00,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100‡	1st September .. 1964-69(e)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100‡	1st October .. 1970
£1,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	102	1st February .. 1964
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	92	1st July .. 1956
£0,00,000	4	15th March and 15th September	Dalhousie Properties	1946	89½	15th September .. 1960
1,00,00,000	4	15th March and 30th September	Dalmia Cement Bharat Ltd.	1946	87½	30th April .. 1964
1,80,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1946	92	15th November .. 1956(b)
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1950	98½	1st January .. 1971(e)††
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1956	101½	30th June .. 1969(e)‡
£8,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1949	95½	.... 1966(e)
£5,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1946	525	30th September .. 1970(e)
				1947	470	31st December .. 1972(e
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.		(per note)	
1,50,00,000	5½	30th June and 31st December	National Rayon	1951	80N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1953	100‡	30th June .. 1968-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1951	96½	31st March .. 1961(e)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1948	91	31st December .. 1959
				1953	100‡	1st May .. .. 1968(e)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium, after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Redemption at 1 per cent of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th March, 1957.

	Closing quotations 7-3-1957	High	Low	Closing quotations 13-3-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	180	—	—	180
Apollo (2)	2-10½	2-10½	2½	2-9½
Bombay Dyeing (250)	577½	587½	572½	575½
Bradbury (50)	212½	—	—	212½
Central India (100)	117	118	113	114
Century Mills (100)	474	482½	473½	475
Colaba (100)	60½	67½	60½	65
Edward Textile (200)	310	—	—	310
Elphinstone (50)	48	66	48	66
Finlay (100)	307	309	307	307
Gokak (100)	219½	221	219½	220½
Ind. Untd. Defd. (1)	1½	1-12½	1-11½	1-11½
Ind. Untd. Ord. (10)	10½	10-12½	10½	10-10½
Indore Malwa (100)	140	138½	135	138½
Khatau (100)	196½	—	—	197½
Kohinoor (100)	334	336	330½	331½
Lakshmi (250)	705	—	—	706
Minerva Mills (100)	82	—	—	82
Model Nagpur (250)	180	180	178½	178½
Morarji (100)	227½	—	—	227½
Mysore (50)	104½	—	—	104½
National Rayons(100)	236½	238	233½	235
New City (100)	140½	—	—	140½
New Great (100)	230	230	228	228
Phoenix (100)	141½	—	—	141½
Podar Mills (100)	167½	—	—	167½
Sassoon Silk (10)	9½	—	—	9½
Sassoon Spg. (10)	40	—	—	40
Sholapur (1,000)	1,400	—	—	1,400
Shrinivas (100)	183½	187½	182½	183½
Simplex (50)	176	179	175½	176
Standard (100)	449	449	437½	443½
Svadeshi (100)	222	224	218½	222½
Swan (100)	410½	410	410	410½
Tata Mills (25)	61	61½	59	59½
Vishnu (100)	141½	142½	140	140
Western India (1,000)	5,180	—	—	5,180
BANKS				
Bank of India (50)	141	142	141	141
Do. (New) (50)	140	—	—	140
Bank of Baroda (60)	104	104½	104	104
Central (25)	54½	54½	53½	53½
Central 'A' (25)	57½	57½	57	57
Dena Bank (50)	42	42	38	38½xd
Punjab National (25)	54½	54½	53½	53½
Union Bank (5)	7½	—	—	7½
United Com. (50)	57	—	—	57
ELECTRIC COS.				
Ahmedabad (100)	100½	101½	100	100½
Amalgamated (10)	10½	—	—	10½
Andhra Valley (1,000)	1,200	1,210	1,200½	1,200½
Bom. Sub-El. (100)	111½	—	—	111½
Surat (100)	113½	—	—	113½
Tata Hydro (100)	123½	125½	121	121
Tata Power (1,000)	1,220	1,225½	1,208½	1,208½
INSURANCE COS.				
British India (10)	18½	—	—	18½
Empire India (100)	850	—	—	850
Ind. Mercantile (20)	40½	—	—	40½
Jupiter (16)	6½	—	—	6½
New India (15)	41½	41½	41½	41½
Oriental (200)	8,730	—	—	8,730
Universal (10)	11½	—	—	11½
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	20-7½	20-½	20-2½	20-½
Tata Steel Ord. (75)	175½	177½	174½	175
SUGAR COS.				
Belapur (50)	230½	232	230	230
Bhopal (10)	15½	—	—	15½
Phaltan (50)	140½xd	141½	138	138
Walchand Ind.(100)	278½	281½	277½	279½
CEMENT COS.				
Associated Cts. (100)	168	168½	166	166½
Digvijay (100)	146½	147½	147	147
MISCELLANEOUS				
Alcock Ashdown (100)	280	280	267½	271½
Bom. Burmah (125)	633½xd	641½	631½	635
Do. (New) (50)	237½xd	237½	230½	230½
Br. B. Petrol (4 sh.)	2½	2½	2½	2-10½
Br. I. Corpn. (5)	8	8	7½	7½
C. P. Ely. (100)	73	73	73	73
Indian Copper(2sh.)	3-6½	3-6½	3-5½	3-5½
Ind. Inv. Tr. (100)	76	76	75½	76
Kamp (100)	197½	—	—	197½
Killick (100)	166½	166	165½	166
Polson (100)	165	—	—	165
Port Canning (100)	6½	6½	6	6
Pre. Automobiles (100)	110xd	99½	98	99½
Premier Con. (30)	178	178½	175½	176
Scindia (20)	20-9½	21-0½	20½	20-9
G. E. Shipping (10)	18½	18½	18½	18½
Shivrajpur (10)	92½	92½	92	92½
Tata Chemicals (10)	16-4½	16½	16	16½
Tata Investment (100)	152½	148½	143½	145
Tata Oil (25)	45	45½	44½	45
W. I. Match (100)	175	174½	173½	174½

GOVERNMENT SECURITIES	7-3-1957	Gross Yield Earlier Redemption	Later Redemption	13-3-1957
	Rs.			Rs.
2½% 1961	93½	—	4.18	93½
2½% 1962	90¾	—	4.18	90½
2½% 1962	93½	—	3.88	93½
2½% 1963	89½	—	3.95	89½
2½% 1964	88½	—	4.03	88½
2½% 1965	90½	—	3.98	90½
2½% 1959-61	96½	—	3.26	97½
2½% 1964	97½	3.95	3.52	97½
2½% 1962-65	94½	—	3.92	94½
2½% 1965-68	94½	4.10	3.94	94½
2½% 1966-68	92½	4.03	3.85	92½
2½% 1967-68	87½	4.28	3.86	87½
2½% 1986 Con. Loan	74½	—	3.99	74½
4½% 1960-70	101½	3.66	4.02*	100½
2½% 1955-60**	102½	2.46	3.91	102½
2½% 1961 N.P. Bonds	99½	—	4.21	99½
2½% 1964 N.P.Loan	98½	—	3.75	98½
2½% 1965 N.P. Loan	96½	—	3.75	96½
2½% 1962	97½	—	3.72	97½
2½% 1967 N.P. Bonds	98½	—	3.68	98½
2½% 1974	98½	—	3.87	98½

BRITISH GOVERNMENT SECURITIES

	Closing quotations 1-3-1957 £			Closing quotations 8-3-1957 £
2½% Brit. Consols	55-½xd	—	—	54½xd
3% Savings Bonds 1965-75	77⅜	—	—	77⅛
3% War Loan 1955-59	96⅜	—	—	96½
2½% War Loan	74⅝	—	—	74⅝
4% Victory Bonds 1976	95½	—	—	94⅝
4% Funding 1960-90	92¼	—	—	92

*Current Income. x.d.—Ex-dividend. **Rupee Counterparts. x.r. Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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THE BUDGET AND THE PLAN

THE country's planners are now beginning to learn that the task of budgeting for a developmental economy in which all the springs of action rest in the State is by no means free from difficulties. The White Paper on the Central Government's Budget for the year 1957-58, which was presented to the Lok Sabha on the 19th inst., sets forth in some detail the tasks which lie ahead of the Government. It is certainly satisfactory to note that neither the White Paper nor the speech of the Union Finance Minister, Mr. T. T. Krishnamachari, has ignored the difficult issues confronting the country today. These issues include the critical situation on the balance of payments front and the increase in prices. The fact that some of these difficulties had been forecast earlier does not in any way lessen the gravity of the issues. Nor does it make the task of finding an adequate solution any the easier.

Reflecting the increasingly important role the Government has decided to play in India's economic development, the Budget figures are showing an increase from year to year. The revised Budget for 1956-57 places the revenue at Rs. 571.49 crores and expenditure at Rs. 533.55 crores, while the capital expenditure for the year is expected to be of the order of Rs. 313.68 crores. For the year 1957-58, the figures for which have been framed on the basis of existing taxation, the revenue has been placed at Rs. 636.22 crores and expenditure at Rs. 663.09 crores; these figures include self-balancing items aggregating Rs. 38 crores. The total expenditure for 1957-58 is made up of civil expenditure of Rs. 410.39 crores and defence expenditure of Rs. 252.70 crores, as against Rs. 330.60 crores and Rs. 202.95 crores in 1956-57. Capital expenditure in 1957-58 is expected to move up to Rs. 454.77 crores, thanks to a large increase in the Government's investment in the three steel plants which will absorb Rs. 156.83 crores. The Government will need Rs. 27 crores for meeting the revenue deficit, Rs. 772 crores for financing the capital outlay and the State Governments' loan requirements, and Rs. 32 crores for repaying the maturing market loan. Against this, it is hoped to raise Rs. 100 crores from market loans and Rs. 80 crores in small savings. Foreign aid is expected to account for Rs. 135 crores and other miscellaneous transactions for Rs. 151 crores. There will thus be a gap of Rs. 365 crores in the available resources to balance the Budget.

The Finance Minister himself admitted that the overall deficit was a large one. He said: "There is certainly no slack in the economy at present which would permit a complacent view of the Budgetary deficit." Obviously, any improvement in India's external relations which will allow this country to spend less on defence will go some way towards reducing the overall deficit. It is to be hoped that such improvement will take place. In any case, the immediate prospect is not one that will cause any jubilation in the country. For the prospect is one of tightening the belt, of more sacrifices and of more taxation. The Finance Minister, after reiterating that he was not happy about a deficit of the order now revealed in the Budget, said: "The objective must be to reduce it to the extent possible by increasing the resources accruing to the public exchequer. May I, therefore, in conclusion, reiterate the point that, considering the immediate requirements as well as the fact that Plan expenditure will have to be stepped up year after year, public revenues have to be enlarged steadily and both the Centre and the States have to exert their utmost towards this end." This interrogatory note on which he ended his speech is a pointer to what one might expect in the next Central and State budgets.

The task of covering the deficit, difficult as it is, is not the only difficult issue before the Government. There are at least two more urgent tasks. One is the holding of the price-line and the other is the building up of foreign exchange reserves. The general index of wholesale prices (base: year ended August 1939=100) has increased from 390.3 on 1st April 1956 to 424.4 in the middle of February 1957, thereby exceeding the peak (397) witnessed at the time of the Korean war boom. It is difficult to explain how much of the price increase must be attributed to purely monetary causes and how much to physical shortages. Nevertheless, it is of some interest to note that the increase in prices has synchronised with the increase in public expenditure (combined expenditure of the Centre and the States) which during the year 1956-57 is estimated to be of the order of Rs. 1,894 crores, as against Rs. 1,430 crores in 1955-56, Rs. 1,234 crores in 1954-55 and Rs. 1,019 crores in 1953-54. The only way in which a further increase in prices could be held within limits is to increase ag

which has necessarily to be more rigorous than in the past will have to be worked with a great deal of imagination and farsightedness, if it is not to slow down economic activity. There is, however, a lively awareness on all sides of the fact that the available resources should be put to maximum use. Obviously, the projects which build up the basic economy, such as transport and communications and certain heavy industries, must have priority. It is reassuring to note that the Government is not altogether oblivious of these considerations. Thus, Mr. Krishnamachari said:

"For the immediate present, the need is for giving top priority to schemes which increase export earnings and reduce import needs without making an excessive claim on foreign exchange resources in the immediate future. Schemes which contribute most to an early increase in agricultural production also deserve high priority. Schemes which have already been commenced and on which considerable expenditure has been incurred claim, in any case, a considerable proportion of the resources available. Government intend to be guided strictly by such priority considerations. In determining the phasing of Plan expenditure, first things must necessarily come first. At the same time we have to ensure to the extent possible that development programmes, which are calculated to contribute most to an increase in the productive capacity of the country and a strengthening of the long-term balance of payments, do not suffer unduly. While a review and adjustment of priorities is essential in view of the limitation of resources, every precaution is being taken to see that the momentum gathered by the Indian economy in the last three or four years is kept up in the making of our budgets which are essentially development-oriented."

Even if the policy enunciated by the Minister were put into practice, it would still be wrong to pretend that the foreign exchange deficit would not call for large and heavy sacrifices all round. This fact, coupled with the prospect of further taxation necessary to raise the resources for implementing the second Plan, would, if anything, add considerably to the burdens on the economy. Indeed, the Union Finance Minister himself admitted that the Plan would "strain" the economy. Only, he missed the essential point when he said that it was important to think of how best to meet this strain rather than to question the "basic assumptions and postulates" behind the Plan. The fact is that the foreign exchange crisis in its present acute form and the severe strain which the Government's fiscal measures will impose on the economy stem, at least in part, precisely from the Government's "basic assumptions and postulates." If the Government had followed during the last few years a more realistic attitude towards the private sector, in general, and organised industries, in particular, the country would by now have had a much higher level of industrialisation which would have meant a greater resilience to our economy and a lesser reliance on equipment from foreign countries. Even now, a certain re-examination of these "assumptions and postulates" would, far from breeding idle philosophical controversy, prove immensely helpful in formulating policies of real benefit to the economy.

BUSINESS MEN'S VIEWS

OFFICE-BEARERS of chambers of commerce generally reflect the opinion of the members of the commercial community who ought to know best where the shoe of the Government's economic policy pinches most. This week, the outgoing President of the Bombay Chamber of Commerce and Industry, Mr. A. J. C. Hoskyns-Abrahall, and the incoming President, Mr. E. Parker, in their speeches at the annual meeting of the Chamber, held in Bombay, gave expression to their thoughts on a wide range of current economic problems. The Government's industrial and fiscal policies, the Five-year Plan and the labour problems are only a few of the issues covered by the two speakers. Even so, each had something very pertinent and thought-provoking to say on the topics they selected for special comment.

What business men dislike most is uncertainty, especially when it comes from official quarters. It is true that, both by training and by equipment, a business man has necessarily to brave the uncertainties of the economic weather. It is part of his task, nay, of his responsibility, that he should assess the imponderable factors and take the risks as they come. But even he is generally inclined to assume that there will be no want of correspondence between the Government's word and its deed. In fact, life for him would be unendurable, if, in addition to the calculable risks he takes, he were to face the risk of the Government itself going back on its word. It is to one such glaring disparity that Mr. Hoskyns-Abrahall referred when he criticised the Government's decision to enter the sphere of trading in cement and manganese. He said that the Government, "having in April 1956, delivered itself of an Industrial Policy Resolution brought up-to-date, proceeded, with the ink on it barely dry, not exactly to tear it up but at least to smudge it by taking a hand in cement distribution and the export trade in manganese ore, both of which had seemed to lie within the private sector." Therefore, any reassurance which the private sector had gleaned from that Resolution, he said, was short-lived. Surely, it does not behove the Government to issue a statement limiting the scope of the private sector and then proceed to abridge the scope of that sector still further in actual practice. Now, this is the sort of risk that the bravest of the insurers will not care to underwrite.

Discussing the larger issues of economic planning, Mr. Hoskyns-Abrahall felt that it was noteworthy that the Government of India had come to realise that some extension of the period of the Five-year Plan was "unavoidable or at least overwhelmingly preferable to any possible alternative." Referring, in particular, to the problem of of foreign exchange, he rightly suggested that its solution must assuredly lie in attracting foreign investment to fill the gap. But the more important question obviously is: What should be done in the event of the continuing gap in the country's foreign exchange earnings? What aspects of the Plan should be allowed to continue and what sectors made to slow down? Answering this question, he made a few interesting suggestions which deserve special notice. He said:

"We are told that steel plants go on and the coal and transport required for them, while some other projects, for example, foundries, fertiliser factories and power plants, may slow down or stop. The fact is that, if import licences, which in the last period totalled well over Rs. 500 crores, are for the current period being reduced to Rs. 200 crores, a whole lot of things will have to stop and we in the private sector cannot expect to escape lightly. It would be idle to suppose that we shall enjoy high priorities and, even if the momentum of import licences already issued continues to carry us forward for some little time, the further prospect for new or expanding industries is bleak. Rather, however, than beat our heads against a brick wall of Government refusal, we will probably be better employed in urging that, at all costs, the provision of basic services should continue according to Plan; that first priority should go to railways, roads, ports, power and steel and that there should be no reduction of the imports essential to this end. There might even be an advantage in slowing down the Plan, if the opportunity were taken to re-assess priorities, so as to make more sure that, when capital goods do arrive, they can be quickly unloaded at the ports and despatched to their destinations, that new factories are not still-born for want of power and the fuel to run them, and that, having started to produce, their products are not frozen in warehouses for want of transport by road and rail to carry them to their would-be consumers. If some sorting out along these lines can be done, the present crisis in foreign exchange may prove in the end to have been a blessing in disguise."

The outgoing President was not, of course, critical of all that the Government did. Indeed, in some spheres which were legitimately the Government's, he urged more energetic action. He welcomed, for instance, the Bombay Government's programme for setting up industrial estates. Only, he deplored that these estates with their organised communications and their power, water and even perhaps buildings provided on favourable terms are taking "so long to come to fruition." Again, he commended the Government's move to replace sales tax on certain commodities by a surcharge on excise. He welcomed, too, the extension of port facilities in Bombay. But he felt that the calls on the Port were still mounting. "For all the respite given by the blockage of the Suez Canal and the slashing of imports," he warned, "the congestion will assuredly come again, unless the Port is extended both landwards and seawards and the capacity not only to load and unload cargoes but also to clear them by road and rail is greatly increased." The authorities will certainly do well to heed this warning and take appropriate measures designed to expand and improve the facilities at the Bombay Port.

A feature of all legislation affecting trade and industry in recent years is that it is ostensibly aimed at catching a few unsocial elements in the ranks of traders and industrialists. But it cannot be denied that, whatever its laudable intentions may be, it does affect adversely the working of all industrial units and trading firms. As the outgoing President put it, some of the recent legislative measures, including nationalisation of life insurance and the new Companies Act, were "in some part designed to catch the few hornets, which proverbially the law misses while catching the many flies." While it is to be hoped that the Government will in future desist from punishing the many for the sake of a few offenders, it should obviously be the responsibility of the private sector to strive at all times to give a better and better account of itself. It has naturally two functions to perform. It must, in the first place, inform the Government—that is, make available to the latter its considered views on the Government's economic measures. Secondly—and this is by no means a lesser responsibility—it must constantly educate its masters, namely, the larger public whom it seeks to serve. It certainly has a right, as Mr. Hoskyns-Abrahall remarked, to justify itself in public and to the public, to draw attention to its past great achievements and to its future aspirations in the country's service. In the context of the country's democratic set-up, the private sector will be shirking this responsibility only at its peril. It is of the utmost importance that it should not only serve the public but also educate the public to appreciate the value of its services.

The incoming President, Mr. Parker, devoted his speech almost entirely to a discussion of what he called the problem of relations with labour. He was making what may seem a somewhat unpopular claim when he said that, in his opinion, trade unionism in India had not been a success. It is, however, difficult to deny that the trade union movement in this country, whatever the worth of its achievements, has not really derived its momentum from the ranks of the workers themselves. It is a movement developed, perhaps even imposed, from above and not something that has grown from below. Mr. Parker attributed the failure of genuine trade unionism in India, in part, to lack of "resolute and bold leadership." He rightly suggested that by "leadership" he really meant responsible leadership. It is a pity that union leaders in this country still seem to act upon the principle that nothing succeeds like excess and that the only way for maintaining themselves in power is to promise their followers more than what the rival unions hope to achieve. Further, political considerations are often imported into purely economic issues. Trade unions thus become hotbeds of party and political rivalry. In a way, such irresponsible leadership is encouraged by the law governing industrial relations. It is well known that the law, as it now stands, breeds almost endless litigation rather than fosters collective bargaining. In this connection, Mr. Parker did well to spotlight the unwholesome effect of section 33 of the Industrial Disputes Act. He pointed out that the "creation of a dispute immediately brings section 33 into operation and it is not unknown for unions to ensure that this section is a permanency."

If Mr. Parker felt compelled to criticise labour for its shortcomings, he was not oblivious of the responsibilities of the management towards workers. He emphasised that employers must learn the full meaning of the old saying that a "labourer is worthy of his hire." He added: "The dignity of the individual must be upheld and it must be understood that each individual is providing a contribution to the general well-being of the concern and the principle must be learnt that the 'more you ask the more you get is one that creates the opposite of co-operation." In this connection, it is noteworthy that a few enlightened industrial units in India have initiated certain notable experiments in the sphere of industrial relations. Perhaps, the success of these experiments which are designed to ensure better co-operation between management and labour will help create an atmosphere in which genuine trade unionism can hope to develop. There is certainly great scope for adopting these experiments on a wider scale. Indeed, industrial executives who strive hard to make these experiments a success may justifiably claim the title of "industrial humanitarians." For the success of these experiments will certainly bring industrial peace of more lasting benefit not only to the managements and the workers concerned but to the community at large.

IMPACT OF BUDGET ON SHARES

RETURN FOR ELECTRICITY UNDERTAKINGS—AID TO SMALL-SCALE INDUSTRIES

THURSDAY, 5 P.M.

THE initial reaction of the share market to the Budget estimates presented by the Union Finance Minister on Tuesday this week was tame and the hectic activity usually noted on such occasions was conspicuous by its absence during the one-hour Budget session held on that day. This was due to the fact that the earlier expectation that there would be no fresh tax proposals in the present Budget proved true. In fact, such a fond hope had induced some complacency in the market during the regular session held earlier in the day and values hardened all round. There was also expectation that the Finance Minister would offer some relief to the cotton textile industry by reducing the burden of excise duty. The absence of any announcement in this regard in the Budget came as a disappointment and, during the 'Budget' session of the market, textile scrips made a moderate retreat, which arrested the rise in other counters also.

MARKET GOSSIP

The sense of relief felt by the operators over the absence of any fresh tax proposals proved to be short-lived and second thoughts on the Finance Minister's speech presenting the White Paper seemed to have infused the fear that heavier tax measures were in store in the May Budget to be presented when the new Parliament meets. There was, therefore, a sizable setback in values yesterday, which wiped out entirely the earlier gains. Textile shares even showed a modest loss over the week. Thus, Tata Ordinaries, after rising from Rs. 175 to Rs. 181, relapsed to Rs. 175-8 and Indian Irons fell to Rs. 20-7 after an earlier advance from Rs. 20-5 to Rs. 21-7. Bombay Dyeings touched a high of Rs. 590-10 before giving way to close at Rs. 571-4, as against the previous week's close of Rs. 575-10. Centurys hardened from Rs. 475 to Rs. 491-8, only to recede to Rs. 473. Kohinoors shed Rs. 2-8 to Rs. 329, after improving to Rs. 336-8. The reactions of the important scrips to the Budget are indicated in the table published on this page.

The Finance Minister's speech is noted for its restrained tone and gives no indication of the sources of revenues that are likely to be tapped to meet the deficit of Rs. 26.87 crores that is estimated for 1957-58 even on the existing level of taxation. But the concluding lines of his speech provide enough clue that further tax burdens cannot be ruled out. Thus, the Finance Minister said: "I do not feel happy about a deficit of this order. The objective might be to reduce it to the extent possible by increasing the resources accruing to the public exchequer. May I, therefore, in conclusion, reiterate the point that, considering the immediate requirements, as well as the fact that Plan expenditure will have to be stepped up year by year, public revenues have to be enlarged steadily, and both the Centre and the States have to exert their utmost towards this end?"

It is noteworthy that, for the first time since planned development got under way, the country's economy showed evidence of some amount of strain during the year 1956-57, the first year of the second Five-year Plan. Mr. Krishnamachari is hopeful that the various measures taken by the Government during the last few months to bring the situation under control will prove effective in due course. His speech makes it clear that the Government is not likely to relax to any degree its present control over credit and budgetary policy which restricts the purchasing power in the hands of the public. He is afraid that the overall budgetary deficit of Rs. 365 crores is somewhat large considering the economic situation and he cautions that there is certainly no slack in the economy at present which would permit a complacent view of the budgetary deficit.

The disquieting features of the economy to which the White Paper draws attention are the serious drain on the foreign exchange reserves, as witness the drop of nearly Rs. 236 crores in the foreign assets of the Reserve Bank during the 10 months ended January 1957, the possibility of the gap in foreign exchange resources over the Plan period exceeding the original estimate of Rs. 1,100 crores and the failure of domestic savings to match the investment being undertaken. The White Paper also points out that corporate savings have been inadequate for financing the programmes in the private sector. This is illustrated by the fact that a large part of the finance required for expansion during 1956 was provided by bank credit, whereas normally a large part of the resources required for expansion comes from the profits of companies. Thus, the net indebtedness of the private sector to banks increased by as much as Rs. 117 crores in 1956, as against a rise of Rs. 50 crores in the previous year. The private sector cannot, however, be blamed for this, and if the pressure on the economy as a result of such a demand from the private sector is to be relaxed, then the heavy burden of corporation tax which leaves no room for saving in the corporate sector must be reduced.

The two main items of revenue which have helped the Government convert the deficit of Rs. 18.04 crores in the 1956-57 budget, expected earlier, into a surplus of Rs. 37.94 crores on the revenue account are the customs and excise duties, which have gone up by Rs. 21 crores and Rs. 18.38 crores, respectively. Of the latter, the additional excise duty on cloth levied in September last alone accounts for Rs. 17 crores. It is expected to bring in another Rs. 12.4 crores during the next financial year, out of a total increase of Rs. 20.70 crores in excise duties expected in 1957-58. Though the Finance Minister's object in levying the additional excise duty was to check the rise in prices of cloth and to mop up the extra profits of mills and not to consider it as a source of revenue alone, the figures of yield from this given above show that the levy has outlived its utility. It is true that the prices of cloth have come down after this levy, but they have not brought any increase in consumption and mills are burdened with the accumulated cloth. The effect of this development on the Government's revenue will be felt in another direction during the next financial year by way of a fall in income-tax, consequent on the decline in mill profits. From this point of view, there is a strong case for a reduction in excise duty on cloth. If the Finance Minister has not announced any reduction in this direction in the present Budget, it does not mean that one has to wait for him to do so till the May Budget, as the downward revision can be effected at any time through executive order.

* * * *

The electricity industry is learning to its great cost that the letter of the law "killeth." It derived, as is now well known, some comfort from the Electricity (Supply) Amendment Act, 1956 which linked the standard rate of return for the industry to the Bank rate; this was intended to enable it to earn 5½ per cent., as against the previous 5 per cent. This slight increase in return was less than what it claimed, and what certainly was its due. It nevertheless felt thankful for small mercies. To its dismay, it now finds that what the law gave the Reserve Bank's executive order has virtually taken away. This point was very convincingly brought out by Mr. K. G. Milne, Chairman of the Ahmedabad Electricity Company, Ltd., in the course of his speech at the recent annual meeting of the Company. Mr. Milne felt that it was unfortunate that "Parliament's estimable attempt to encourage the investor in our industry by making a provision for 'automatic adjustment' of the standard rate of return to follow fluctuations in the money market, has apparently been almost instantly frustrated by executive action." He added: "Hardly had the ink used in the new legislation dried when the announcement by the Reserve Bank came to the effect that, as from 1st February 1957, the rate of interest on advances to Scheduled banks against Government and other eligible securities had been raised to 4 per cent., while at the same time, the official Bank rate was unchanged at 3½ per cent."

EFFECT OF BUDGET ON SHARES

Scrips	Closing on 13-3-1957	Pre-budget session closing 19-3-1957	Highest during the week	Closing on 20-3-1957
Steel	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Tata Ordy. ..	175 0	180 0	181 0	175 8
Indian Iron ..	20 5	21 6	21 7	20 7
Textiles				
Bombay Dyeing ..	575 10	588 2	590 10	571 4
Century ..	475 0	491 8	491 8	473 0
Central India ..	114 0	119 0	119 0	115 0
Kohinoor	331 8	335 8	336 8	329 0
National Rayon ..	235 0	245 0	246 8	238 4
Simplex	176 0	179 0	179 8	176 8
Svadeshi	222 8	228 8	229 8	221 8
Miscellaneous				
A.C.C.	166 4	169 8	169 12	166 8
Belapur	230 0	232 0	233 0	230 4
B. Burmah (F.P.).	635 0	641 14	641 14	621 4
Scindias	20 15	21 7zd	21 11½zd	20 11zd
Tata Chemicals ..	16 1	17 4	17 6d	16 10
Tata Locomotive..	144 0	149 0	149 12	144 12

In other words, what has now happened is that the electricity industry has been allowed to hug the shadow of legal gain while missing the substance of an adequate monetary return. If the Bank rate does not reflect the effective rates in the money market, or is at variance with the Reserve Bank's own lending rates to Scheduled banks, it only means killing the industry with legal kindness. For it does not help the industry to raise its resources from the money market. A reference to this issue was made by Mr. A. J. C. Hoskyns-Abrahall, the outgoing President of the Bombay Chamber of Commerce and Industry, in his speech at the annual meeting of the Chamber, this week. He deplored that the electric supply industry found it difficult to raise resources for expansion. This, he rightly said, was a "serious matter where such a basic service is concerned." He added: "Recent amendments to the Central law governing the industry, which aimed at helping its units to attract more finance by increasing the statutory limit of their profits, has not had quite the desired effect. One reason for this is that the new limit has been related to the Bank rate, while the Reserve Bank has since found means of raising the cost of its lending without touching the official rate. Another reason is that no solution has yet been offered for the electric supply industry's special taxation problems which, among other things, result in shareholders of fast expanding undertakings losing their right to receive their dividends 'tax-free.' I hope that the need to remedy this situation, which was recognised by the Taxation Enquiry Commission, will not much longer go unheeded."

To revert to Mr. Milne's exposition of the problem. Referring to the Reserve Bank's announcement, he said: "For the electricity industry, this announcement came as a bolt from the blue, for, unless upon pressure of circumstances the Bank rate itself is officially raised to line up with the Reserve Bank's lending rate for advances to Scheduled banks, we are again caught by the necessity to plead for Parliamentary enactment so as to keep in line with the changes in the value of money." Proceeding, he observed: "It may be added that there is still no solution in sight to the discouraging effect of the knowledge that, the more rapidly you succeed in expanding electrical supply, the more likely the shareholders are to lose, or continue to be denied, their right to have their dividends credited as income-tax paid." It would appear that the industry has already approached the authorities for appropriate relief. It is to be hoped that the industry will not be denied what the Government, after such prolonged deliberations, promised only last year.

* * * *

In line with the Government's policy of assisting small-scale industries, the State Bank of India has devised a scheme for providing cheap credit—long-, medium- and short-term—for such industries. The Bank, it is stated, has introduced a pilot Scheme which has been put into operation, in the first instance, in nine selected centres, namely, Bombay, Surat, Kolhapur, Madras, Vijayawada, Coimbatore, Agra, Delhi and Ludhiana. Under this Scheme, credit will be made available to all small industrialists with capital assets of less than Rs. 5 lakhs and employing 50 workers if working with power or 100 workers if working without power. The prospective buyer should approach the Agent of the Bank or the co-operative bank at the centre. After a personal discussion, the Agent will ascertain the requirements of the applicant, give him the appropriate form, help him complete it and direct him, if desired, to the local representatives of the agencies concerned. The representatives will then decide which of them will entertain the application and the agency or agencies concerned will proceed with the granting of the loan. The other agencies will offer their own assistance, information and/or advice to the agency or agencies primarily responsible for the loan, the resources and efforts of all agencies being consequently placed in a co-ordinated manner at the disposal of the small industrialist. At the pilot centres in all the circles, the State Bank, on its own part, has put into operation a "Liberalised Credit Scheme." The Scheme envisages relaxation of the Bank's standard requirements, as well as the administrative procedures in favour of the small industrialist towards whom the Agents of the Bank have been asked to adopt an attitude of positive help and guidance. The small industrialist will also be considered for clean advances in appropriate cases.

The pilot Scheme for small-scale industries is being implemented in addition to the other sources for obtaining credit, namely, State Departments of Industries and State Finance Corporations and applications can continue to be made to them directly. If, however, these applications are sent to an Agent of the State Bank as mentioned earlier, he will forward them to the agency concerned, all of them being already actively associated with the Scheme. In the light of the experience gained at pilot centres, the scope of the Scheme will be extended to cover all places where the State Bank of India has its branches. Indeed, the State Bank is confident that a general scheme for small-scale industries should eventually emerge which will operate throughout the country and in which all types of credit agencies, including other commercial banks, will participate in a co-ordinated manner.

The aforesaid initiative of the State Bank of India is a step in the right direction, inasmuch as it will go a long way towards accelerating the tempo of activity in the small-scale industrial sector. One of the major handicaps which has all along been hampering the development of this sector is lack of adequate financial facilities. Many commercial and co-operative banks are, no doubt, supplying credit to small-scale industries, but most of them can, as the State Bank has pointed out, provide only short-term credit and meet only a portion of their customers' requirements, at that. Similarly, there are the finance corporations giving medium- and long-term credit, but they have no local agencies to deal with loan applications of *mofussil* industrialists. Hence the need for ensuring maximum credit facilities, on the one hand, and co-ordination of resources and efforts, on the other. It is this need which is proposed to be met by the State Bank's pilot Scheme.

While welcoming the Scheme, it must be emphasised that, before assistance is granted to any small-scale industry, the State Bank should properly assess the credit that is actually needed by the industry. The assessment should be based on a careful and realistic appraisal of the requirements. Due consideration must also be paid to the question whether the industry taking loans will be in a position to repay it after a sufficient number of years. This question is of utmost importance, considering the disquieting reports that several handloom co-operative societies have not paid back the loans which they took years ago and, in many cases, the authorities are said to have written off the loans. It is to be hoped that the State Bank of India will see that great vigilance is exercised over the way in which the loans granted by it are actually utilised by the small-scale industries.

GOVERNMENT OF INDIA'S BUDGET

OVERALL DEFICIT ESTIMATED AT RS. 365 CRORES

WITH speech lasting for just 15 minutes, the Union Finance Minister, Mr. T. T. Krishnamachari, presented the budget estimates of the Central Government for the coming year (1957-58) to the Lok Sabha on Tuesday last. The estimates reveal an overall deficit of Rs. 365.00 crores, of which deficit on revenue account is put at Rs. 26.87 crores and that on capital account at Rs. 338.13 crores. The revenue deficit of Rs. 26.87 crores, with estimates of revenue and expenditure placed at Rs. 636.22 crores and Rs. 663.09 crores, respectively, is in striking contrast to the surplus of Rs. 37.94 crores in the revised budget for the current year, that is, 1956-57, the revenue being placed at Rs. 571.49 crores and expenditure at Rs. 533.55 crores. The huge deficit of Rs. 338.13 crores on capital account is due mainly to the considerably large capital outlay contemplated, the estimate of which is placed at Rs. 772 crores, which is inclusive of assistance to States, and partly also to the repayment of the maturing market loan which requires Rs. 32 crores. As against these amounts, the budget estimates take credit for Rs. 100 crores from market loans, Rs. 80 crores from small savings, Rs. 135 crores from foreign aid, and Rs. 151 crores from other miscellaneous debt and remittance transactions, bringing the total to Rs. 466 crores.

The broad features of the budget estimates for 1957-58 and the revised estimates for 1956-57, as given in the White Paper on the Budget, are indicated below:

Financial Year 1956-57

The budget for the current year, as finally approved by Parliament, placed revenue at Rs. 527.39 crores and expenditure at Rs. 545.43 crores, leaving a deficit on revenue account of Rs. 18.04 crores. On present estimates, the year is likely to close with a surplus of Rs. 37.94 crores. This improvement is the result of an increase of Rs. 44.10 crores in revenue and a saving of Rs. 11.88 crores in expenditure.

The increase in revenue is almost entirely accounted for by customs and Union excise duties. The revenue from customs is now expected to be Rs. 171 crores, as against the budget figure of Rs. 150 crores, the increase reflecting largely the higher imports during the year and the increase during the year in import duties on a number of articles such as wines and spirits, clocks and watches, motor cycles and scooters, coal-tar dyes and certain types of machinery and staple fibre and staple fibre yarn. Union excise duties are now expected to yield Rs. 188.73 crores, as against Rs. 170.35 crores taken in the budget. The bulk of this increase, about Rs. 17 crores, is from the additional duty imposed on cotton cloth in September 1956. There is an increase of Rs. 3.25 crores in the collection of sugar excise duty due to higher production of sugar, but this is offset by shortfalls in other items. Income-tax revenue is not likely to show any significant variation from the budget figure of Rs. 189.60 crores. The revenue from Posts and Telegraphs is expected to increase from the budget figure of Rs. 1.60 crores to Rs. 5.30 crores, as a result of better traffic. The dividend from Railways is now estimated at Rs. 37.69 crores, as against the budget figure of Rs. 39.66 crores, the reduction being due to certain arrear adjustments following the reduction in the capital-at-charge at the date of Partition, which has only recently been worked out, over the provisional figure taken earlier. Of this amount, Rs. 31.66 crores represent the interest element which is taken in reduction of the interest payments on the expenditure side and the balance as contribution to revenue.

There is an increase of Rs. 1.01 crore from Mint receipts as a result of the accounting changes made during the current year. From 1942-43, it has been the practice to take to revenue as profits from circulation of small coins a stabilised figure of Rs. 45 lakhs over and above the net Mint expenditure. With effect from the current year, this arrangement has been discontinued and the normal practice of taking the profits arising from circulation of small coins each year to revenue and of treating the losses on destruction of coins returned from circulation as expenditure is being restored. Consequently, the Mint receipts this year are now estimated at Rs. 2.79 crores, as against the budget figure of Rs. 1.78 crore. The share of income-tax payable to the States will amount to Rs. 58.75 crores. The increase of Rs. 3.74 crores over the budget figure is mostly due to the fact that a part of the revenue gap grants payable to the former States of Mysore, Saurashtra and Travancore-Cochin is now, under the States Reorganisation Act, 1956, payable to the successor States in the form of income-tax share.

The expenditure this year is now placed at Rs. 533.55 crores, comprising Rs. 330.60 crores for civil expenditure and Rs. 202.95 crores for Defence services. In civil expenditure, there have been a number of variations under individual heads following the reorganisation of States on the 1st November 1956. Thus, a part of the revenue gap grants which Saurashtra, Mysore and Travancore-Cochin were getting formerly has now to be given in the form of shares of income-tax and Union excise duties to the successor States. This has led to a saving in the provision under grants-in-aid and to a small excess in the provision under Union excises. The revenue and expenditure of Himachal Pradesh and Delhi which had separate budgets as Part C States now enter directly in the Central Consolidated Fund under the respective heads. Although the net result of these changes, taking revenue and expenditure together, is not significant, there is a saving of Rs. 7.24 crores on the expenditure side with a reduction of Rs. 3.45 crores on the revenue side. Apart from this, there is a saving of Rs. 3.62 crores in the civil expenditure. This is spread over a number of heads and represents largely the somewhat slower expenditure on Community Development and other schemes in the Plan.

The revised estimate of the net Defence expenditure stands at Rs. 202.95 crores. Although this is about the same as the original budget estimate, the Army estimate shows a net increase of Rs. 5.4 crores, which is more than offset by corresponding savings under the Navy and the Air Force estimates.

Financial Year 1957-58

For the year 1957-58, revenue, on the basis of existing taxation, is estimated at Rs. 636.22 crores and expenditure at Rs. 663.09 crores, leaving a deficit of Rs. 26.87 crores on revenue account.

The Second Finance Commission provided for in Article 280 of the Constitution was constituted on 1st June 1956, under the chairmanship of Mr. K. Santhanam. Without prejudice to the final recommendation which they will be able to formulate only on completion of their investigations on which they are still engaged, the Commission have made interim recommendations to enable budget provision and provisional payments being made in 1957-58. Subject to minor adjustments arising mainly from the inclusion of the Jammu and Kashmir State in the scheme and the changes brought about by the reorganisation of States, the interim recommendations maintain broadly the existing position and pattern of the distribution of the various taxes and grants-in-aid. These recommendations have been accepted and provision has been made in the budget accordingly.

SUMMARY OF FINAL ESTIMATES

(In lakhs of Rs.)

	Budget 1956-57	Revised 1956-57	Budget 1957-58
Revenue			
Customs	150,00	171,00	162,00
Union excise duties ..	170,35	188,73	209,43
Corporation tax ..	48,24	48,24	50,50
Taxes on income other than Corporation tax	86,35	82,61	85,96
Estate duty	18	11	9
Opium	2,10	2,24	2,50
Interest	5,49	5,24	4,90
Civil administration ..	11,06	15,49	43,21
Currency and mint ..	23,67	24,43	36,02
Civil works	2,39	2,70	2,95
Other sources of revenues ..	19,39	19,32	27,65
Posts and Telegraphs—Net contribution to general revenues..	1,60	5,30	4,34
Railways—Net contribution to general revenues..	6,57	6,03	6,67
Total revenue ..	527,39	571,49	636,22
Expenditure			
Direct demands on revenue	37,15	37,92	41,80
Irrigation	5	8	10
Debt services ..	35,50	38,21	35,00
Civil administration ..	135,91	133,64	187,50
Currency and mint ..	3,76	5,02	6,39
Civil Works and Miscellaneous Public Improvements ..	15,90	14,54	15,93
Pensions	8,84	8,98	9,17
Miscellaneous—			
Expenditure on displaced persons ..	21,42	21,86	22,50
Other expenditure..	30,23	28,32	42,90
Grants to States, etc...	38,00	29,60	25,23
Extraordinary items..	14,70	12,43	23,86
Defence services (net).	203,97	202,95	252,71
Total expenditure ..	545,43	533,55	663,09
Surplus (+) / Deficit (—) ..	(—)18,04	(+)37,94	(—)26,87

The revenue from customs next year has been placed at Rs. 162 crores. Although, as stated earlier, the import duties on a number of articles were enhanced during the course of the year the resultant increase has been more than neutralised by the fall resulting from the severe cuts in import quotas which have had to be imposed to conserve foreign exchange position. Excise duties are estimated to yield Rs. 209.43 crores, an increase of Rs. 20.7 crores over the current year's estimated collections. Of this increase, Rs. 12.4 crores represent the full year's yield of the increase in the duty on cotton cloth during the current year and the balance mainly large collections of duty on motor spirit and sugar. Under income-tax, the revenue next year is taken at Rs. 197.60 crores. The increase of Rs. 8 crores over the current year's revised estimates is due to the capital gains tax imposed last November and the increase then made in the rates of super-tax payable by companies both of which take effect from 1st April 1957. The revenue from Posts and Telegraphs is estimated at Rs. 4.34 crores, as against Rs. 5.30 crores this year. The dividend payable by Railways next year is estimated at Rs. 43.79 crores, an increase of Rs. 6.10 crores over the current year's revised estimates. Of this amount, Rs. 6.67 crores will be taken as contribution to revenue and the balance in reduction of the interest payment on the expenditure side.

Surplus profits of the Reserve Bank next year have been placed at Rs. 30 crores, as against the current year's credit of Rs. 20 crores, the bulk of the increase being due to larger earnings of the Bank. During the current year, gold in the Issue Department of the Reserve Bank has, by an amending legislation, been revalued from Rs. 40.02 crores to Rs. 117.76 crores. It has been decided that, of the resulting profit of Rs. 77.74 crores, Rs. 75 crores, should be added to the reserve fund of the Bank and the balance treated as ordinary profits accruing to the Government. This balance of Rs. 2.74 crores is included in the credit of Rs. 20 crores.

The revenue estimate includes a credit of Rs. 28 crores on account of the Steel Equalisation Fund. The transactions of this fund, which have so far been kept outside Government accounts, are now being brought within the Consolidated Fund with effect from 1957-58. This accounts for the increase of Rs. 28 crores in revenue; there will be a corresponding increase on the expenditure side.

There is another self-balancing item of Rs. 10 crores, representing the element of grant in the assistance from the U.S.A. Government under the agreement of August 1956. This grant, which is taken initially as revenue, is transferred to the Special Development Fund through an expenditure head. The only other item needing mention is the increase in the share of income-tax payable to States which is taken at Rs. 61.14 crores as against the current year's revised estimates of Rs. 58.75 crores.

The expenditure next year is estimated at Rs. 663.09 crores, of which Rs. 252.70 crores will be on Defence services and Rs. 410.39 crores under civil heads. The estimates for Defence services show an increase of Rs. 49.7 crores over the revised estimates of the current year. The bulk of the increase is for the Army and the Air Force and represents mainly larger outlay on fresh purchase of essential stores. Civil expenditure next year shows an increase of Rs. 41.79 crores, omitting the two self-balancing items in respect of Steel Equalisation Fund and grants from the U.S. Government. The bulk of the increase is due to larger provision for nation-building development and social services.

Nation-building Activities

The total expenditure on nation-building and development services under Civil Administration excluding Rs. 28 crores in respect of the Steel Equalisation Fund, amounts to about Rs. 115.13 crores, as compared with Rs. 92.96 crores during the current year. Provision for education has been increased by about Rs. 7 crores to Rs. 29.12 crores. This includes Rs. 11.62 crores for grants to States, of which Rs. 2 crores are towards revision of pay scales of school teachers, Rs. 5.20 crores towards primary, elementary and basic education and Rs. 4.25 crores for secondary, rural and higher education. Included in the provision for education are also Rs. 4.17 crores for the University Grants Commission and Rs. 1.67 crore for scholarship schemes including scholarships to students of scheduled castes, scheduled tribes and other backward classes. For expenditure on medical and public health, the provision has been increased from Rs. 8.17 crores this year to Rs. 10.79 crores next year. Agriculture and allied services will cost Rs. 4.97 crores more over the current year's estimated expenditure of Rs. 12.36 crores. Provision for scientific research has been increased by Rs. 1.35 crore and for oil and natural gas prospecting by about Rs. 2 crores.

In addition to the increase of Rs. 22.17 crores under Civil Administration mentioned above, the provision for Community Projects and National Extension Service has been raised by Rs. 2 crores to Rs. 13.15 crores. Similarly, the provision for welfare of scheduled tribes and scheduled castes and backward classes has been raised by about Rs. 2 crores to Rs. 11.38 crores.

A provision of Rs. 5 crores has been made for grants to States to help them raise the emoluments of their low-paid employees. The Government of India have agreed that some measure of relief to such employees is needed and that a part of the extra cost of such relief as the State Governments may decide to give should be met by them for the remaining four years of the second Plan, subject to review in the light of the Finance Commission's recommendations. Briefly, the Central Government would assist the States in raising emoluments up to Rs. 12 in each case to employees whose emoluments with this increase would not exceed Rs. 100, the Central assistance being equal to two-thirds of the extra cost in raising emoluments up to Rs. 60 and one-third of the extra cost of the balance.

The rest of the increase in Civil Administration is spread over a number of heads. Thus, expenditure on displaced persons increases by Rs. 64 lakhs to Rs. 22.5 crores. The States' share of Union excise duties on tobacco, matches and vegetable products increases by Rs. 95 lakhs to Rs. 19.17 crores. The provision for civil works increases by Rs. 1.15 crore.

Capital Expenditure

The current year's budget provided for a capital expenditure of Rs. 316.7 crores. There has been an increase of Rs. 20 crores in State trading schemes due mainly to larger imports of foodgrains for the Central reserve during the year; but this is largely offset by savings in the provisions for railways (Rs. 10 crores), steel plants (Rs. 9 crores), compensation to displaced persons (Rs. 5 crores), and Defence capital outlay (Rs. 5 crores). In the result, the revised estimate of capital outlay amounts to Rs. 313.68 crores.

For the next year, capital expenditure is estimated at Rs. 454.77 crores, excluding a formal adjusting item of Rs. 80 crores in respect of loan assistance from the U.S. Government, which is transferred to the Special Development Fund by debit to capital. The increase of Rs. 141.09 crores over the current year's revised estimates is largely accounted for by the three steel plants at Rourkela, Bhilai and Durgapur, the provision for which amounts to Rs. 156.83 crores, as against Rs. 35 crores in the current year. State trading schemes account for an increase of Rs. 19 crores, representing largely further imports of foodgrains for the Central reserve. There is also an increase in the provision for capital outlay on railways, which amounts to Rs. 124.17 crores, as against Rs. 103.81 crores this year. Against these increases, there are reductions under other heads aggregating Rs. 19 crores. Thus, the provision for capital outlay on civil works has been reduced by Rs. 6.5 crores and the non-recurring outlay of Rs. 7 crores this year on investments in the Life Insurance Corporation of India and the International Finance Corporation will disappear next year. Similarly, with the formation of the National Coal Development Corporation, the provision made this year for investment in the Corporation, about Rs. 4 crores, will not recur.

In addition to the provision for capital outlay, the estimates include Rs. 322.5 crores for loans to State Governments and others against the original budget provision of Rs. 386 crores. The saving arises in the main in respect of the provision of Rs. 50 crores for ways and means advances to the State Governments, and is also partly due to non-drawal by the Government of Burma of the loan of Rs. 15 crores, provided for in the Budget. The provision made next year for loans amounts to Rs. 317.44 crores. This includes Rs. 253.08 crores to State Governments, an increase of Rs. 12.29 crores over the current year's figure.

The estimates of revenue and capital expenditure for next year allow for a total outlay by the Centre of about Rs. 775 crores on the Plan schemes of the Centre and the States. Broadly, the provision made for expenditure directly incurred by the Central Ministries is Rs. 37 crores on revenue account and Rs. 460 crores on capital account (including expenditure met from Railway, etc., Funds) and the provision for assistance to States is about Rs. 70 crores on revenue account and Rs. 208 crores for capital grants and loans. The States are expected to spend on the Plan about Rs. 140 crores. The total Plan outlay of the Centre and the States will thus amount to over Rs. 900 crores.

Ways and Means

The current year's budget provided for an overall deficit of Rs. 356 crores to be met by expansion of treasury bills. The deficit is now expected to be Rs. 216 crores. As the opening balance of the year proved to be a negative figure of Rs. 4 crores and as a minimum of Rs. 50 crores is required to be kept as a working cash balance, the net expansion of treasury bills this year will be Rs. 270 crores.

During the year, the Central Government introduced a three-tier loan issue comprising a short-term loan of six years, a medium-term loan of 11 years and a long-term loan of 18 years, bearing interest, respectively, at 3¼, 3½, and 3¾ per cent, and with issue prices varying between Rs. 98 and Rs. 98-8. The subscriptions to these loans aggregated Rs. 158 crores, consisting of Rs. 77 crores in cash and Rs. 81 crores in conversion of 3 per cent. Victory Loan, 1957. In the net, on the credit of Rs. 100 crores assumed in the original budget, there was a shortfall of Rs. 23 crores.

Small savings this year have also shown some decline. The collections are now likely to amount to Rs. 65 crores, as against Rs. 70 crores assumed in the Budget. Every effort is being made to improve the collections of small savings.

The improvement in the ways and means position this year is largely due to the surplus in the revenue account and the saving in the provision for loans and advances by the Central Government. The fall in the market borrowings and small savings has been counterbalanced by improvement under other debt and deposit heads.

The overall deficit next year is estimated at Rs. 365 crores. The deficit in the revenue account and the larger provision for capital outlay and loans to State Governments for development expenditure account for the increase in the overall deficit. Credit has been taken for a new loan of Rs. 100 crores next year and small savings have been assumed to improve to Rs. 80 crores and foreign aid is expected to amount to Rs. 135 crores. Allowing for other miscellaneous transactions under debt and remittance heads on these estimates, the gap will remain at the figure of Rs. 365 crores.

The ways and means position for the coming year may be summarised thus: The Government need Rs. 27 crores for meeting the revenue deficit, Rs. 772 crores for financing the capital outlay and loan requirements of State Governments, and others and Rs. 32 crores for repaying the maturing market loan. Against this, it is hoped to raise Rs. 100 crores from the market loan and Rs. 80 crores from small savings. Foreign aid expected next year amounts to Rs. 135 crores (as against Rs. 65 crores this year) and other miscellaneous debt and remittance transactions may bring in Rs. 151 crores. This will leave a gap of about Rs. 365 crores in the available resources to balance the budget.

Presenting the White Paper on the Budget, the Finance Minister drew particular attention to the foreign exchange problem. Characterising this problem as a crucial one, he observed:

"The second Five-year Plan with its emphasis on the development of industry, mining and transport has a large foreign exchange component, and it now appears that the deficit in the balance of payments over the Plan period will be larger than was originally estimated. This is due both to the increase in the prices abroad and to the expansion of some of the projects included in the Plan. In fact, the draft on our foreign exchange resources has already been heavier than we had expected; since April 1956, this has amounted to about Rs. 260 crores. This strain on the balance of payments has necessitated the stiffening of import policy which was announced in January.

"The foreign exchange situation, as I now see it for the Plan period, is briefly as follows. The total deficit in balance of payments over the Plan period is likely to be about Rs. 400 crores more than was envisaged in the Plan. Taking into account the external finance that might be available for our various projects and the balance available from the authorisations of the first Plan period, we have in hand foreign exchange of the order of Rs. 450 crores to meet our requirements. With this, and assuming the continuance of aid from the U.S.A. and Colombo Plan countries more or less on the present scales and allowing for a moderate amount of private foreign investment coming in, we may take the total of resources in sight at about 50 per cent. of the total requirements. We are at present negotiating with the International Bank for Reconstruction and Development in respect of loans to cover the foreign exchange needs of several of our development projects. We are also exploring possibilities of deferred payments in respect of our imports of capital goods from various countries. On the whole, the prospects of our being able to raise the foreign exchange resources for the Plan are not altogether discouraging. This, of course, is not to say that the task is by any means easy.

"For tiding over the period, which must necessarily elapse before the new import policy becomes effective, we have obtained accommodation totalling in all $200 million from the International Monetary Fund. The problem, I must emphasise, is not one of achieving a balance in our external accounts by just cutting down imports. The task is two-fold. First, every care has to be taken to phase Plan expenditure in a manner that will not impose an excessive strain on the balance of payments. This requires adherence to a strict system of priorities within the general framework of the Plan. Secondly, we have to find ways and means of financing the large imports that will still be essential for the Plan, and this calls for sustained effort along several lines. The first essential step is to increase exports so as to enlarge our foreign exchange earnings and to cut down imports to the extent possible. Neither of these is possible without a sacrifice, but the sacrifice has to be made in the interests of planned development.

"The second Five-year Plan, needless to say, will strain the economy. But, I think, at this stage, it is important to think of how best to meet this strain rather than to question the basic assumptions or postulates behind the Plan. The path of development does not always run smooth. The experience of recent months only reinforces the well-known fact that the balances implicit in a five-year programme of development have to be checked and rechecked continually in the light of experience. The balances between investment and consumption, between available external resources and the claims on them, between the final flow of goods and services and the materials required for their production can hardly be estimated precisely in advance, and unforeseen factors do arise which upset these balances from time to time. It was in recognition of this fact that the second Plan report laid considerable emphasis on flexibility in planning and on the machinery of annual plans to provide for the necessary adjustments.

"For the immediate present, the need is for giving top priority to schemes which increase export earnings and reduce import needs without making an excessive claim on foreign exchange resources in the immediate future. Schemes which contribute most to an early increase in agricultural production also deserve high priority; schemes which have already been commenced and on which considerable expenditure has been incurred claimed, in any case, a considerable proportion of the resources available. Government intend to be guided strictly by such priority considerations in determining the phasing of Plan expenditure; first things must necessarily come first. At the same time, we have to ensure to the extent possible that development programmes which are calculated to contribute most to an increase in the productive capacity of the country and a strengthening of the long-term balance of payments do not suffer unduly. While a review and adjustment of priorities and strict adherence to them are essential in view of the limitation of resources, every care is being taken to see that the momentum gathered by the Indian economy in the last three or four years is kept up. In the making of our budgets—which are essentially development-oriented—and in the formulation of policies, this positive aspect of the tasks in hand is being constantly kept in mind."

The Call To Save

As citizens of India, you are called upon "to work wholeheartedly for the full and timely realisation of the tasks, targets and aims of the Second Five Year Plan."

The Plan has been embarked upon. Its success depends upon your providing capital for its working. In this effort no amount is too small—the man who saves a rupee and the man who saves hundreds—both are rendering national service.

Save as much as you can and entrust your savings to the nearest office of your Bank. In doing so you will help to build a new India and also create a valuable estate for yourself and your family.

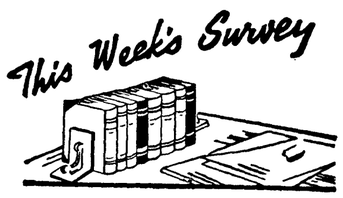


The State Bank's local head office at Bombay, one of the more than five hundred offices waiting to take care of your savings throughout India.

STATE BANK OF INDIA

INDIA'S LEADING BANK

SBI/A'S 58-7



INDO-U. S. TRADE

THE United States trade mission now on a visit to India has despatched to Washington a preliminary report in which it has stressed the need for a commerce and navigation treaty between the two countries. This was disclosed by the mission at a Press Conference held at Hyderabad the other day. The move of the mission is certainly commendable. The conclusion of a commerce and navigation treaty between India and the U.S. has unfortunately been hanging fire for the last five or six years. Thanks to the absence of such a treaty, the flow of Indo-U.S. trade has not been as smooth as it should be, although the share of the U.S. in India's foreign trade is quite large, being about 14 per cent. of the total. Unless this handicap is removed, the two-way trade between India and the U.S. cannot be expected to grow to any significant extent.

Viewed thus and considering the imperative necessity for large-scale investment of American capital in India's industrialisation, the Government of the two countries will do well to resume early negotiations for a treaty of commerce and navigation. The greatest value of such a treaty lies in the fillip it is bound to give to Indo-American economic co-operation. It is scarcely necessary to point out here that the total capital outlay required for the series of development projects and for developing industries in the private sector are so considerable that the pace of economic development will receive a setback, if there is no freer and a larger flow into India of U.S. private capital. Past experience in this field has not been encouraging. Thus, the amount of American private capital invested in India since independence is very negligible.

Why do American business men hesitate to invest in India? This is a very interesting poser which was raised by Mr. R. W. Kerr, Vice-President of the American Machine and Foundry Company of New York and one of the members of the trade mission, in the course of the discussions which the mission had with the members of the Hindustan and Andhra Chambers of Commerce at Madras last week-end. Answering the poser himself, Mr. Kerr observed that income-tax charged in India was higher than that collected in the U.S. There was also the question of double taxation. Further, the American investor was afraid of expropriation or nationalisation of his investments in India, the quantum of compensation to be paid to him being determined by Parliament.

The fears of U.S. business men about their investments in India are not unfounded. When Indian industrialists themselves are frequently deterred by the Government's irrational and unjustified policies, it is not surprising that foreign investors should be very reluctant about investing their savings in India. These apprehensions can be removed only if concrete steps are taken by the powers-that-be in India to announce their attitude towards foreign capital in unequivocally helpful terms. It will be worthwhile to consider the suggestion for setting up a central agency with adequate guarantees from both Governments to facilitate investment by the private sector, while there can also be direct agreement between firms in both the countries.

In the course of its discussions with Indian business men, the U.S. trade mission has drawn special attention to some of the special difficulties encountered by American importers of Indian goods. Mention, for instance, is made of the haphazard delivery which has been responsible for the recent sharp fall in the offtake of Indian manganese ore by the U.S. The quantity of ore actually exported to the U.S. during the period April-November 1956 was not more than 143,000 tons, as against 440,262 tons a year before. Owing to haphazard delivery, the U.S. has gone to Brazil for the ore, not because it is of better quality but because of reliability of shipments. Another difficulty relates to the quality aspect. One unfortunate feature is said to be that cheap and imitation goods, especially handloom fabrics, find their way into the American market. Traders in the U.S. have to come to India and examine the quality of fabrics to be imported into the U.S. This is a disquieting feature which should be done away with. Indian manufacturers and exporters, as one of the members of the trade mission rightly urged at Hyderabad, must take care to use that label which alone will keep down the danger of imitation products flooding the markets. This applies to all goods and commodities exported by India to the U.S. Further, modern techniques of advertising should be increasingly employed by India. It is only through the adoption of energetic steps in these directions that India can hope to augment its exports of a wide range of products to the U.S., including handicrafts, handloom products, oils, black pepper and mineral ores, for which there is a large outlet in the American market.

HEAVY ELECTRICAL EQUIPMENT FACTORY

The Project Report prepared by the Associated Electrical Industries Ltd., of England, the technical consultants of the Heavy Electricals (Private) Ltd., for the establishment of a heavy electrical equipment factory in Bhopal has been accepted by the Government of India and preliminary arrangements for the erection of the factory are progressing. The factory, when it is in full production, will be one of the biggest undertakings in the field of heavy electrical equipment manufacture in the whole of Asia. Under the original plans, the factory was expected to produce annually electrical equipment worth Rs. 8 crores, but according to the revised programme it is expected to produce electrical goods worth Rs. 16 to 18 crores per annum. Some of the principal items to be manufactured in the factory are hydraulic turbines and generators, generators for diesel sets, transformers 33 kw. and above, A.C. and D.C. circuit breakers, switchboards and control desks, tractor motors, static capacitors, etc.

The acceptance of the Project Report by the Government has been largely facilitated by the technical consultants agreeing to a provision for the payment of their remuneration in instalments at different stages of the progress of the factory. According to the present agreement, the first payment of £75,000 would be made six months after the placing of the first contract for the factory building or on 1st January 1959, whichever is earlier. Three other payments of £75,000 each would be at intervals of 18 month each after the first one. Payments will, however, be subject to the proviso that the progress of the factory is in strict accordance with the schedule laid down in the Report and any delay will be related to the dates for the payments which may also be similarly delayed.

The Government of India has, however, made it clear that the acceptance of the Report does not mean acceptance of all the details or rigid adherence to the time schedule for the implementation of the various stages of the project indicated therein. Also, the Heavy Electricals (Private) Ltd., which is in charge of the execution of the project, will have a free choice in adopting any particular type of design for the buildings of the factory that may be found suitable. It is hoped that in order to speed up the execution of the project long-term credit would be available and the consultants have agreed to make all possible efforts for securing such long-term credit facilities.

As provided for in the agreement, the consultants will set up a training school at Bhopal to train a large number of Indian technicians for supervisory positions. According to present plans, 900 candidates would be trained in the first year and during the second, third, fourth and fifth years the school is expected to take 2,000 trainees annually. Thereafter about 800 students are proposed to be trained annually as artisans, draughtsmen and other skilled workers.

While the establishment of the factory will no doubt go a long way towards meeting the requirements of heavy electrical equipments, the quantum of production in this factory will not be sufficient to meet even the present level of demand. At present, India produces only a few items of medium and light electrical equipment and hence almost the entire requirement of heavy electrical equipment has to be met by imports. Annual imports of all types of electrical equipment during the last two years have been of the order of Rs. 30 crores per annum of which heavy electrical equipment alone was of the order of Rs. 16 to 20 crores a year. In view of the long-term plan for electrical power development in the Second and succeeding five-year plans, the demand for heavy electrical equipment will increase substantially in the next few years.

ASIAN ECONOMY

An important feature of the economic development of the region covered by the Survey of the Economic Commission for Asia and the Far East for 1956 was that foreign aid on a significant scale helped the economies of several countries in averting foreign exchange difficulties, bridging budget deficits and easing food shortages. Yet another impressive factor was the realisation on the part of many countries of the continuing importance of the agricultural sector in their economies. The Survey, in this connection, cites the example of India where planners were of the view that it was possible and necessary to raise agricultural targets without withdrawing resources from planned uses in other sectors.

It is noteworthy, at the same time, that efforts were being made by the countries of the region to increase the pace of industrial progress. This was especially in evidence in India and China, where impressive progress was achieved under their first Five-year Plans. Meanwhile, their second Five-year Plans contemplate a faster pace of industrialisation, particularly in respect of heavy industries, than was achieved under the first. The problem of unemployment and underemployment, however, continued to be a pressing problem during the year in most countries.

A particularly noteworthy feature was the important role assigned to the Governments in economic programmes. This tendency was in evidence in a number of countries, whether public enterprise was favoured in principle or not. Nevertheless, the report finds that even among countries laying stress on private enterprise the Government's responsibility for laying the foundation for basic facilities and in participating actively in establishing important industries had been recognised. In certain countries, the Survey notes, the social philosophy was an added factor. For example, in India, the Survey states, the principle of State ownership and control received new impetus from the announced dedication to a socialist pattern of society.

The Survey is also emphatic that acceleration of economic development—which the present low output in several sectors, low *per capita* incomes, and rather high rates of population increase clearly make essential—will require increased attention to several questions at an early date. This calls for, among other things, foreign capital and assistance. The Survey rightly observes, in this connection, that "without prejudice to the national desire and the necessity of certain countries to achieve viability or self-support where they have not yet been able to do so, it is nevertheless to be hoped that means can be found for continuing and, where possible, increasing the flow of external assistance, as well as of private capital to the region as a whole." This observation seems particularly relevant to Indian economic conditions.

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FINANCES OF INDIAN RAILWAYS

RS. 21.43 CRORES SURPLUS EXPECTED IN 1957-58

A NET surplus of Rs. 21.43 crores is disclosed in the White Paper on the Railway Budget for the coming year (1957-58), presented in the Lok Sabha on Tuesday this week by Mr. Jagjivan Ram, Union Minister for Railways. The anticipated surplus is, of course, lower by Rs. 5.52 crores as compared with the revised estimate for the current year, that is, 1956-57. The reduction in surplus is expected to occur despite a marked rise of Rs. 18.50 crores in the gross traffic receipts which in 1957-58 are put at Rs. 368.50 crores. For the working expenses of railways and net miscellaneous expenditure are expected to be substantially higher by Rs. 14.82 crores and Rs. 3.10 crores, respectively. The dividend to General Revenues is also proposed to be stepped up by Rs. 6.10 crores, from Rs. 37.69 crores in 1956-57 (revised) to Rs. 43.79 crores in the 1957-58 (budget).

The following table shows the budget estimates of railways for 1957-58, as against the budget and revised estimates for the current year and the actuals for the previous year:

Railway Budget at a Glance

(Rupees in crores)

	Actuals, 1955-56	Budget, 1956-57	Revised Estimate, 1956-57	Budget, 1957-58
Gross Traffic Receipts	316.29	345.00	350.00	368.50
Working Expenses	213.22	224.30	229.34	244.16
Net Miscellaneous Expenditure	7.73	13.04	11.02	14.12
Appropriation to Depreciation Reserve Fund	45.00	45.00	45.00	45.00
Total	265.95	282.34	285.36	303.28
Net Railway Revenues ..	50.34	62.66	64.64	65.22
Dividend to General Revenues..	36.12	39.67	37.69	43.79
Net Surplus	14.22	22.99	26.95	21.43

The estimate of passenger earnings in 1957-58 is placed at Rs. 119 crores, as against the revised estimate of Rs. 115.5 crores for the current year. Earnings from other coaching traffic are placed at Rs. 24 crores, as compared with the current year's revised estimate of Rs. 21.4 crores. The amount includes Rs. 2.2 crores on account of the haulage of postal traffic at revised rates effective from 1st April 1956, the adjustment for the current year also being made in 1957-58.

Goods Traffic

An increase of 5 per cent. in goods traffic is expected during 1957-58, the estimate of goods earnings being placed at Rs. 218 crores, as compared with the current year's revised estimate of Rs. 206.5 crores. The sum is inclusive of the supplementary charge of 6¼ per cent. which is proposed to be continued till a selective variation of charges is made on the basis of the recommendations of the Freight Structure Enquiry Committee. The Committee's report is expected to be received shortly and, as its recommendations are likely to be considered and implemented in the course of the budget year, the consequential changes in the freight rates of various commodities would naturally modify the estimate mentioned above. The extent of these modifications cannot now be anticipated, and the estimate of goods earnings now given can, therefore, only be purely tentative.

The gross budget estimate of ordinary working expenses for 1957-58 is placed at Rs. 284.42 crores, or Rs. 15.44 crores more than the revised estimate for 1956-57, which is placed at Rs. 268.98 crores. Taking into account credits adjusted in reduction of expenditure like freight on railway materials, however, the increase is only Rs. 14.82 crores. There is an increase of Rs. 4.6 crores in operating expenses due to the anticipated increase in train miles to cater for the increase in passenger and goods traffic expected during the budget year; of Rs. 3.32 crores under repairs to rolling stock reflecting the increase in rolling stock holdings and the larger numbers of them expected to undergo periodical overhaul and require running repairs in the course of intensive use to cope with the traffic; and of Rs. 9.03 crores mainly on staff expenditure, out of which Rs. 2.2 crores are for the effect of the redistribution of posts among different grades with retrospective effect from 1st April 1956, the balance being for normal annual increments, and the pay and allowances of additional staff appointed to cope with the increase in traffic and the increasing tempo of work in the implementation of the second Five-year Plan. The figure of increased expenditure will be offset by a decrease of Rs. 1.51 crores in transactions expected to be charged to revenue suspense. The net result of miscellaneous transactions for the budget year is expected to be a net expenditure of Rs. 14.12 crores.

The estimate of dividend to general revenues is placed at Rs. 43.79 crores on the basis of the Convention resolution. This compares with the revised estimate of Rs. 37.69 crores payable as dividend to general revenues in the current year, after taking into account an adjustment of about Rs. 2 crores made in favour of the railways following the revision of the figures of capital-at-charge adopted after Partition. The figure for the budget year takes into account an increase in capital outlay during 1957-58 to the extent of Rs. 124 crores. After payment of dividend to general revenues, the net surplus for 1957-58 is placed at Rs. 21.43 crores, which is proposed to be credited to the Development Fund.

Out of the total allotment of Rs. 1,125 crores to the railways under the second Plan, Rs. 178 crores are expected to be spent in the first year. The allotment for 1957-58, the second year of the Plan, is fixed at Rs. 218 crores. The programme for rolling stock machinery, works constructions, etc., provides for an outlay of this amount.

Financial Results for 1955-56

The gross traffic receipts during 1955-56 stood at Rs. 316.29 crores, an increase of Rs. 2.19 crores over the revised estimate for that year. The ordinary working expenses (gross) came to only Rs. 252.86 crores, as against the revised estimate of Rs. 254.59 crores, a shortfall of Rs. 1.73 crores.

The surplus for the year amounted to Rs. 14.22 crores, as against the revised estimate of Rs. 9.58 crores. Out of this surplus, Rs. 7.14 crores were credited to the Railway Reserve Fund and the balance of Rs. 7.08 crores to the Development Fund.

Revised Estimates for 1956-57

The rise in passenger traffic has been fairly steady during the current year. There was an increase under passenger earnings from the budget estimate of Rs. 111.4 crores to Rs. 115.5 crores under the revised estimate. The revised estimate of other coaching earnings is placed at Rs. 40 lakhs less than the budget figure, mainly because of an unfavourable fruit season and the tendency towards diversion of parcel traffic to the express goods service. Goods earnings have kept pace with the budget anticipation of eight per cent. increase in traffic over last year. The equalisation of terminals and the imposition of a short-distance charge on coal towards the end of October 1956 is anticipated to produce an extra revenue of about Rs. 90 lakhs. The revised estimate of goods earnings is, therefore, placed at Rs. 206.5 crores, about Rs. 1 crore higher than the budget estimate. Sundry earnings are estimated at Rs. 7.35 crores. The revised estimate of total gross traffic receipts for 1956-57 is placed at Rs. 350.00 crores, an increase of Rs. 5 crores over the budget estimate, the increase being mainly under passenger earnings.

As against the budget estimate of Rs. 252.05 crores for ordinary working expenses during 1956-57, the revised estimate comes to Rs. 268.98 crores. The increase has taken place on account of increased charges under administration, repairs and maintenance, higher fuel bill mainly on account of enhancement of coal prices from July 1956, and increase miscellaneous expenses, as well as higher labour welfare expenditure. The net miscellaneous expenditure is estimated at Rs. 11.02 crores as compared with the budget estimate of Rs. 13.04 crores.

The net railway revenue in 1956-57 is estimated at Rs. 64.64 crores, of which dividend to general revenues accounts for Rs. 37.69 crores, leaving a net surplus of Rs. 26.95 crores. The entire surplus is being credited to the Development Fund.

First Five-year Plan

The review of the progress made in the implementation of the development programme under the first Five-year Plan as contained in the White Paper reveals that the railways actually spent a sum of Rs. 423.73 crores during the Plan period, as against the original allocation of Rs. 400 crores. The increase took place under rolling stock and machinery. There was a small shortfall of expenditure on track and bridges, mainly due to shortage of materials. Even at the end of the Plan period, track renewal was in arrears to the extent of about 7,000 miles each for rails and sleepers.

During the Plan period, there was an increase of Rs. 69 crores in traffic receipts, which rose from Rs. 247 crores in 1950-51 (excluding the freight on railway materials) to Rs. 316 crores in 1955-56. The increase was made up of Rs. 10 crores in passenger earnings, Rs. 4 crores under other coaching earnings, Rs. 53 crores under goods and Rs. 2 crores under sundry earnings. Ordinary working expenses during the Plan period rose from about Rs. 165 crores in 1950-51, excluding freight on railway materials, to Rs. 212.95 crores, an increase of nearly Rs. 48 crores. The main reasons for higher expenditure were an increase of about Rs. 34½ crores in the cost of the staff and Rs. 3½ crores in the cost of fuel. Of the total expenditure of Rs. 423.73 crores in the Plan period, a sum of Rs. 284 crores was provided by the railways from their own current resources, which was Rs. 36 crores short of the original figure of Rs. 320 crores planned to be found by them. The balance of about Rs. 140 crores was met from the general revenues.

Second Five-year Plan

The White Paper refers at some length to the progress already made under the Railways' second Five-year Plan during the first year, and the development proposed for the second year of the Plan. A number of new lines and several important line capacity works provided for in the Railway Plan and required for carrying the additional coal and steel traffic have been either taken in hand during the current year or included in the programme for 1957-58.

The procurement of rolling stock envisaged in the Plan is proceeding satisfactorily. Orders for 557 locomotives, 1,931 carriages and 27,184 wagons (four-wheelers) have been placed in the current year, while 411 locomotives, 2,346 carriages, including 68 EMU coaches, and 17,729 wagons (four-wheelers) are proposed to be ordered against the 1957-58 programme. The locomotives already ordered include 100 diesel locos of 2,000 h.p. each for working main line goods traffic.

To cope with the repair work of the increased rolling stock holdings, which will also be put to more intensive use in the coming years than in the past, large-scale expansion and modernisation of the existing repair shops, as well as the establishment of a few new shops, have been or are being taken in hand.

In the second Plan, there is a provision of Rs. 80 crores for electrification. In addition, to the lines originally provided for, the electrification of the sections between Gomoh and Moghal-

(*Continued on page 604*)

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AIMING AT ECONOMIC SELF-SUFFICIENCY
IS IT PRACTICABLE?

By Dr. M. H. Gopal

ALTHOUGH the Indian plans do not openly aim at self-sufficiency, there is an underlying suggestion of it and sometimes public men have hinted at this objective.* The implications of autarchy, in general, and to a developing economy, in particular, are briefly reviewed below.

Economic self-sufficiency has conjured up enchanting dreams in some countries and at some periods of recent history. It treats each nation as an absolute economic entity, following a purely self-regarding policy of its own. That is, a nation would try to produce all that she wants—food, raw materials, machines, manufactures and so forth. The needs of the people and the Government would be met very largely from within the country's own regions. There would be little of external trade, at least not much to import and so little of exports. The nation would become self-supporting, leading to unrestrained economic nationalism. This type of nationalism has off and on dominated men's minds and even been put into operation by some nations. It was the economic policy of Fascist Italy and Nazi Germany during the nineteen-thirties. Mussolini, for instance, proclaimed, in 1936, that Italy's principal future objective was "the achievement within the least possible time of a maximum of economic independence." More recently, the United States of America and, from its inception, the Soviet Union have been after economic self-sufficiency in various degrees. In a way, even India today is looking in that direction.*

What are the considerations which lead a nation that way? The story of Hitler's Germany which stood out for uncompromising autarchy is revealing in this respect. Even before their assumption of power, the economic policy of the Nazis was self-sufficiency, and this policy was strengthened by what happened to Germany during the Great Depression. Exports collapsed and imports had to be curtailed, resulting in a fall in the standard of living. Greater reliance on the domestic market became necessary. Moreover, the Nazis sought the political support of the peasants and the smaller industrialists, who produced for the home market. They also anticipated the struggle for political supremacy and the need for building up an economy self-sufficient in foodstuffs and raw materials so as not to be cut off in case of war or to come under economic pressure in time of peace. Thus, political factors as well as economic ones made the doctrine of self-sufficiency Germany's national economic policy.

Somewhat similar considerations underlie the adoption or the advocacy of autarchy in other countries. To borrow Mussolini's words: "A maximum of economic autarchy is the guarantee of the nation's political independence and power and the goal must be relentlessly pursued." Partly, the scope to exploit the vast resources available, partly the desire to increase the productive capacity and national income of the people, but, largely, security reasons to reduce economic dependence on other countries are behind the desire of the Soviet Union and the United States to become self-sufficient.

Certain Consequences

Whenever a country, small or large, takes this road, certain consequences follow. A high degree of State control, though not socialisation, direct or indirect, over economic activity becomes inevitable. Restrictions on the nature and flow of trade, control of investment, regulation of wages, etc., become necessary. International trade is reduced, tariff walls rise higher and, in fact, a new balance between agriculture and industry is introduced. The economy becomes regulated and regimented, limiting individual discretion and judgment. In Germany, for instance, there was an unparalleled amount of interference with personal freedom of action in economic matters. So was it in Italy, and is in the U.S.S.R. The actual instrument of economic development may, however, be private enterprise as in Germany, the corporation as in Italy or State management as in Soviet Russia.

The subsequent story of Germany and Italy leading to aggressive nationalism and ultimate destruction raise the questions: Is overall economic self-sufficiency practicable? Is it desirable? Obviously, a small nation trying to build a largely self-contained economic system is doomed to disaster. For, her needs, as those of any other, would be for a wide range of products, but her resources are definitely limited and cannot meet this demand except at an exorbitant production cost. The sacrifice in productive power would be tremendous. Moreover, many industries today have necessarily to be on a large scale, with a part of the output consumed at home and a part exchanged abroad. A small nation under autarchy cannot adopt large-scale methods all round. So she will have to sacrifice variety in products and restrict and regiment her internal demand, leading to an unpleasant degree of intervention in individual freedom in the economic sphere. It is also doubtful how far a small country can bear the economic and financial strain resulting from cutting herself off from the world. Finally, her action would lead to retaliation and perhaps to political repercussions too.

Large countries, however, can make a relatively better success of self-sufficiency, because of their diversified resources and large internal markets. There are six such countries in the world today—Canada, the U.S.A., Brazil, the U.S.S.R., China and India. But even they cannot avoid some of the difficulties arising from economic nationalism. For no nation is completely self-sufficient in natural resources, either in times of peace or in those of war. Nature's gifts have not been distributed according to national boundaries or needs. Thus, the United States is deficient in minerals, manganese and rubber and India in oil. Resort to substitutes or synthetic materials, even if possible in all cases, results in higher costs, lower technological standards and quicker depletion of reserves. Economic nationalism will also lead to perpetual economic warfare.

These remarks need slight modification in the case of underdeveloped areas like India and China. Where political dependence has left resources undeveloped, living conditions poor, and technological standards low, the scope for further development of the tremendous resource potential in directions so long dependent upon the West and for naturalising modern techniques of production within their own borders is very large. These possibilities of expansion and the resurgent nationalism suggest that, purely from the economic point of view, India and China can, for a long time to come, pursue the *ideal* of self-sufficiency and orient the build-up of their economies in that direction. The pursuit of this ideal would imply, and has actually resulted in, greater State control and regulation. The resort to planning, the pattern of diversification, and the projected pace of growth are symptoms of this.

Overall Self-sufficiency

But it is doubtful if the object of *overall* self-sufficiency can ever be attained. For, in the initial stages of development, import of capital goods becomes necessary, and thus affects self-sufficiency. At the later stages, the growth in population, continuous rise in levels of living, and the variety of demand as a result of contact and imitation, coupled with the natural limitations to produce all the diverse requirements, make resort to external sources inevitable.

Self-sufficiency in particular directions, however, is not only possible and desirable but also necessary, specially in large underdeveloped countries. Three such groups of products may be mentioned. First, for arms, ammunition and other defence materials, it is unwise to depend on outside supplies, however friendly such help may be. Generally, self-sufficiency in this direction involves financial loss, but business considerations alone should not count in this context. Next, self-sufficiency in food, at least in the basic commodities, such as rice and wheat, is necessary, as it would build up the economic strength of the country, save a good deal of foreign exchange and can easily be made a financial success. Finally, an underdeveloped country must avoid dependence on external sources for its key industries such as iron and steel, machine tools, and heavy chemicals, for these form the foundation of both physical security and economic development. Although by themselves some of these may not immediately repay the investment, in the long run and in terms of the overall advantage to the country, self-sufficiency in the key industries is absolutely essential.

But how far is the pursuit of complete autarchy desirable even in the larger countries, particularly in India? This question assumes greater importance, in view of planned development in India and the growing political tension in the world. No doubt, to increase their productive capacity, to strengthen their security and to find employment for their millions, India and China should adopt an economic policy of greater diversification and all-round development. Such an exploitation of potential resources is an urgent necessity. This however, does not mean a wholly nationalist policy of autarchy which is definitely artificial, and from the point of view of productivity, wasteful and uneconomic. Moreover, in a world of tension and suspicions, unrestrained economic nationalism may spell danger. An economic Iron Curtain, is as undesirable as a political one.

The policy suggested above is not tantamount to economic surrender. Economic nationalism is largely a reaction to the erstwhile economic domination by the smaller Western nations and the outcome of political distrust. The world, which in a way is getting smaller, cannot prosper on domination and distrust, and the prosperity of the individual nations is ultimately dependent on that of the world. The larger and underdeveloped countries can help themselves and other nations not by an uncompromising pursuit of self-sufficiency, but by an attempt at finding a balance between the nationalist objective of self-sufficiency and the international ideal of economic co-operation. It demands adjustments in details of economic development and instruments without compromising the foundations of national defence and the people's prosperity.—*All Rights Reserved.*

*"The principal objective of planning the national economy should be to attain, as far as possible, national self-sufficiency." [National Planning Committee, volume on *Manufacturing Industries*, pp. 22 and 24.] Prime Minister Nehru in a speech at Aurangabad on 2nd February 1957—"Self-sufficiency as early as possible."

THE STORM BREAKS

From Our Own Correspondent

LONDON, 16*th March*

LONDON LETTER

THE employers in the engineering and shipbuilding industries are the best organised in the country. The unions in these industries are highly organised, militant, and have for over a year felt frustrated over their wages. As long ago as last summer, the engineering employers declared that there would be no more wage increases—this was before a formal submission had been made by the unions, and this declaration by the employers confirmed the suspicion of the Amalgamated Engineering Union that a showdown was coming.

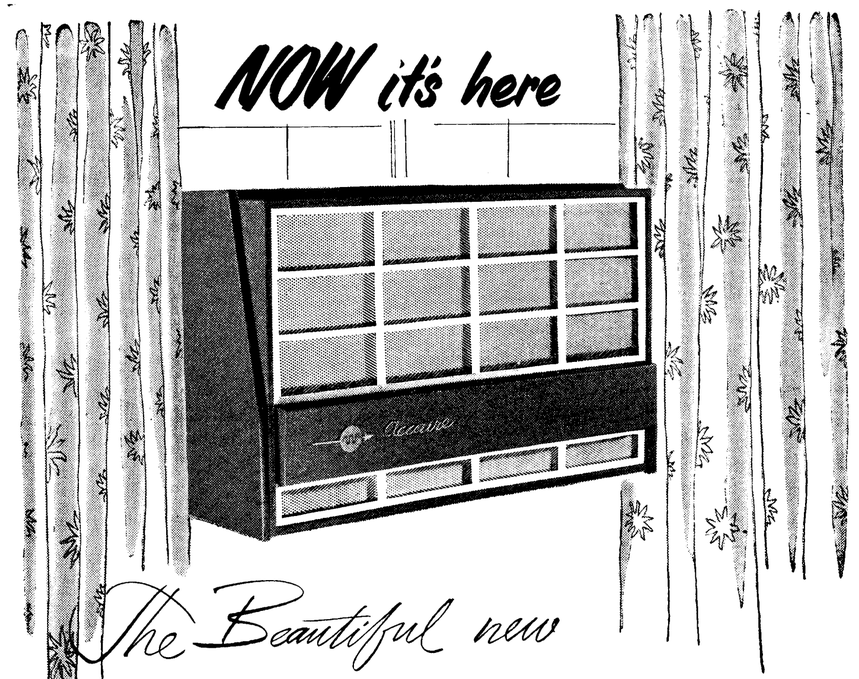
It is in an unfortunate mood of mutual suspicion that the present Union demand for a 10 per cent. increase has been made, rejected, and the call to strike sent out. The Government finally appointed an arbitrator and appealed to both sides to submit their case. Neither side would agree and the 200,000 shipbuilding workers and the 2¾ million workers in the engineering industries accordingly decided to confirm the strike calls.

At the last minute, the employers in shipbuilding agreed to submit to arbitration, provided the unions called the strike off. The latter, as a result of prolonged delays, decided to maintain their claim, reject arbitration and continue with the strike. Thus, from the end of this week, the shipyards will be idle. Repair work and new building will come to a standstill. Trade, naturally, will be diverted to Continental shipyards and the blow to the country's economy will be serious. How long the strike will last is anyone's guess, but the men have been well paid, their unions have got ample reserves, and above all, the men are unanimously in favour of fighting for what they regard is a fair claim. In these circumstances, the strike could easily continue a month or more.

Even more serious is the pending engineering strike called for next week. There is no likelihood that the workers in these vast industries will take any different line from those in shipbuilding. They want to negotiate directly with the employers and they want the employers to make an offer to them against their 10 per cent. claim. How the strikes will take place if they are not averted remains to be seen, but the general supposition is that it will follow the lines of the shipbuilding strike, inasmuch as it will be called industry by industry, rather than by attempting to call out all engineering workers regardless of their occupation. In other words, the unions are going to concentrate their resources—for these strikes cause vast drains on the unions' funds—where they will be most effective by bringing complete factories and industries to a standstill. For instance, the motor industry, which is only working at about 50 per cent. capacity, might be left untouched. It is the industries with the big order books, such as heavy engineering, where a strike will have its worst economic effect and where, therefore, there will be the greatest pressure on the employers to make concessions.

The obvious question is: Why are the unions refusing arbitration? The answer is that since the employers have repeatedly denied that any claim can lie against them and that they would refuse to make any concessions, the unions regard resort to arbitration as merely a time-saving device which could have no fruitful result. What the unions want is that the employers should concede that there is a case to answer and be prepared to discuss the unions' claim with them. This will only be done, if the Government intervenes.

On economic grounds, there is every reason why the Government should intervene, but the Government's task is confused by the determination of its right wing that a halt should be called to wage increases and that the time has come to test the unions' powers. The Government's right wing thinks that the country is ripe for a dose of deflation. A big reduction in working class spending power will provide this. That the country's economy may suffer they accept as an inevitable stage in the process of getting wage costs back to more competitive levels with those overseas. They see this struggle against the background of the general need to reduce taxes, welfare State expenditure and inflationary consumer expenditure in all its forms. The Government's task in bringing peace in this situation is difficult in the extreme.—*All Rights Reserved.*



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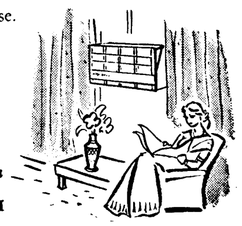

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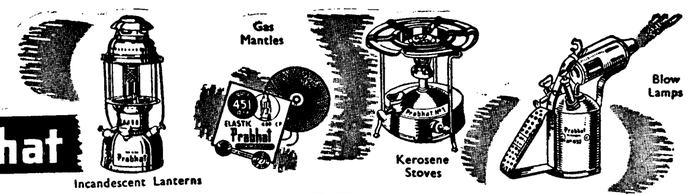

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EFFICIENT WORKING OF BANKING SYSTEM

CREATION OF PROPER CLIMATE STRESSED

THE view that despite the heavy odds it has had to contend with, the banking system in India has made good progress during the year ended 31st December 1956, and that it would not be in the nation's best interest if the Government were to interfere drastically with the system, was expressed by Mr. C. H. Bhabha, Chairman, Indian Banks Association, Bombay, in the course of his address to the tenth annual general meeting held in Bombay, on 19th inst. Mr. Bhabha also pointed out that the increase in the deposits of the banks during the year was not in line with the trend noticed in other advanced countries of the world, for, while notes in circulation went up by Rs. 104 crores, the deposits of the Scheduled banks improved only to the extent of Rs. 76 crores. Further, as against Rs. 1,446 crores of notes in circulation as at the end of 1956, the deposits of the Scheduled banks were of the order of only Rs. 1,102 crores.

The Chairman of the Indian Banks Association felt that though the objects of the Reserve Bank of India Act of May 1956, namely, the lowering of reserve requirements against the note issue in order to free monetary resources for the implementation of the Plan, and the regulation of credit creation by the banking system, were intrinsically good, there was need for extreme caution in the use of the powers vested in the authorities by the Act for the purpose. This was demonstrated by the fact that soon after the legislation was passed the value of the Indian rupee in the free markets of the world, measured in terms of sound currencies, depreciated appreciably.

A notable feature of the activity of the banks during the year under review, according to the Chairman, was that advances of Scheduled banks increased much faster than deposits. As against an increase of Rs. 79 crores in deposits, advances went up by no less than Rs. 106 crores. This performance of the banks in successfully fulfilling the demands of the economy was admirable. But it was also due, according to Mr. Bhabha, to the assistance of trade and industry, and not least of all to the bill market scheme inaugurated by the Reserve Bank five years ago. Since then, bills purchased and discounted by Scheduled banks increased from Rs. 45.43 crores in 1953 to Rs. 165.55 crores in 1956. Mr. Bhabha, however, felt that the recent stepping up of the rate for re-discounting of such bills in addition to imposing a steep unprecedented increase in stamp duty on them vitiated the value of the help given to banking institutions in the shape of the bill market scheme.

Expansion of Banking Facilities

Discussing the question of expanding banking services in India in the context of the peculiar conditions prevailing in the money market, Mr. Bhabha rightly opined that the extent to which such facilities could be provided by the banking system depended on the creation of appropriate climate by the central banking authority. Certain factors, in his view, militated against the enthusiasm of the banks in this regard. These included hasty legislation, bank awards, unhealthy competition from official sources and frequent changes in the policies and pronouncements bearing on trade, commerce and industry of the country. He cited, in this connection, the reported tendency on the part of some interested parties to apply pressure on Local Bodies and Governmental organisations to convert some of their fixed deposits with the commercial banks into Post Office Savings deposits or National Savings Certificates with a view to showing large figures for P.O.S. deposits and N.S. Certificates. The speaker also referred to another unhealthy tendency in this connection, namely, the application of certain measure of pressure to ensure the success of the loans floated by Government.

The year 1956 was also notable for the fairly profitable position of the banks. Nevertheless, there was need, according to Mr. Bhabha, for strengthening the edifice of banking in the country. This need was more pronounced now than ever before because of the persistent downward trend of values in the gilt-edged market, and the widening gap between the book values and market values of Government securities held in the portfolios of many banking institutions, which, in the nature of things, necessitated a larger provision for contingencies. A more alarming feature, in Mr. Bhabha's view, was the rapid growth in establishment charges. Between 1952 and 1956, he pointed out, the proportion of establishment charges to gross profits increased from 50.07 per cent. to 55.84 per cent. This growth, the speaker rightly pointed out, was not at all justified, and the position needed a thorough re-examination.

Mr. Bhabha also referred at considerable length to the problem of employee-management relations. An unhealthy tendency prevalent in a large number of banks was the fall in output of work per employee. This, the speaker rightly said, was in sharp contrast with the position in other advanced countries where less number of workers turned out larger volume of work. Although the Industrial Disputes (Banking Companies) Decision Act had given the Indian workers better conditions of work, emoluments, etc., the speaker complained, their hopes of healthy co-operation between the management and employees had been belied to a considerable extent. He hoped, however, that better counsels would prevail and a healthier climate would be created.

The Chairman of the Indian Banks Association was also of the view that the Indian Companies Act had increased the burdens already imposed by the Banking Companies Act and the Reserve Bank of India Act. Many sections of the Companies Act, he said, presented numerous practical difficulties and dislocated the working of the banks. Proceeding, he observed that the Banking Companies (Amendment) Act reflected, in contrast to the liberal policies prevailing elsewhere, the Government's desire to rely more and more on legislation for remedying the stray and unimportant defects in banks. He wondered, however, whether this legislation could achieve what the Act of 1949 failed to do. What was still more disturbing according to him, was the haste with which this important amending legislation was carried through without giving sufficient time to the public and to the parties concerned for expressing their considered views on it.

Referring to the nationalisation of the Imperial Bank, Mr. Bhabha felt that though its basic object was the expansion of banking facilities in rural areas, its record of achievement till the end of 1956 was disappointing. For, he pointed out that from 1st July 1955, when the State Bank was formed, till the end of 1956, it had been able to open only 66 new offices, as against its programme of 202. Again, only eight of the 66 branches were opened in places where there were no banking offices. Thus, according to him, the establishment of 58 offices served only to create unhealthy rivalry and competition with the already existing banks, to the detriment of the latter. He felt this kind of competition would hardly help the development of sound banking in India.

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BARODA BANK'S PROFIT WELL MARKED UP

ADVANCES AT RECORD LEVEL

THE decision of the Directors of the Bank of Baroda Ltd. (General Manager: Mr. N. M. Chokshi, Baroda) to step up the dividend for the year ended 31st December 1956 from 12 per cent. to 14 per cent., by raising the final distribution from 6 per cent. to 8 per cent., is in keeping with the encouraging results of the year. For the profit has recorded a sharp rise of Rs. 10.25 lakhs to Rs. 39.90 lakhs, thus not only maintaining the upward trend for the third year in succession but establishing a fresh record in the Bank's history. It exceeds the previous high of Rs. 32.48 lakhs reached in 1949 by as much as Rs. 7.42 lakhs.

The Bank's gross income for the year under review shows a rise of Rs. 49.61 lakhs, which is well shared by interest and discount earned, which have gone up by Rs. 37.56 lakhs, and commission and exchange, which are up by Rs. 12.26 lakhs. The rise in these two main sources of income are much sharper than those noted in earlier years and this is not surprising in the context of the expansion in advances and bills business and the general increase in rates of interest on advances effected by banks. The increase in deposits and higher interest rates paid on them, as well as on borrowings, have been responsible for the rise of Rs. 25.67 lakhs in interest paid. This is accompanied by a rise of Rs. 13.17 lakhs in expenses.

The provision for taxation has been raised from Rs. 9 lakhs to Rs. 15.75 lakhs and that for bonus to staff from Rs. 8 lakhs to Rs. 8.75 lakhs. As already mentioned, the distribution to the shareholders has been stepped up to 14 per cent. after having been maintained at 12 per cent. for the previous ten years.

The progress of the Bank's working during the past three years is reflected in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Gross income	2,29.65	1,80.04	1,52.52	1,19.76
Interest and discount earned	1,86.83	1,49.27	1,29.28	1,03.24
Commission, exchange, etc.	42.40	30.14	22.68	15.59
Interest paid	1,02.53	76.86	60.82	43.75
Expenses	85.12	71.95	62.36	53.02
Depreciation and repairs	2.10	1.58	1.32	0.54
Profit	39.90	29.65	28.02	22.45
Provision for—				
Taxation	15.75	9.00	8.00	3.00
Investment account				1.50
Bonus to staff	8.75	8.00	7.65	6.00
Dividend	14.00 (D. 14%)	12.00 (D. 12%)	12.00 (D. 10%) +B.2%	12.00 (D. 10%) +B.2%
Carry forward	4.76	3.36	2.70	2.33

	As on 31st December			
	1956	1955	1954	1953
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserves	1,28.00	1,28.00	1,28.00	1,28.00
Deposits	45,13.85	40,51.62	34,85.38	30,85.88
Borrowings from banks	4,16.21	4,03.45	3,73.80	25.00
Advances and bills purchased and discounted	35,86.57	30,41.56	25,50.18	17,98.74
Investments	11,80.33	12,29.79	11,33.72	11,92.05
Cash	4,52.38	4,76.61	3,84.06	3,35.33
Balance-sheet total	63,08.59	56,29.03	46,65.94	38,36.79
Ratio to deposits of—	%	%	%	%
Advances	79.4	75.0	73.2	58.3
Investments	26.1	30.4	34.0	37.6
Cash	10.0	11.8	10.4	12.5

The rise of Rs. 4.62 crores in deposits during the year compares with Rs. 5.66 crores noted in 1955 and reflects the difficulty experienced by banks in raising their resources, despite the higher interest rates offered on them. In the case of the Bank of Baroda, the bulk of the rise in deposits is accounted for by fixed deposits which have gone up by Rs. 3.54 crores (to Rs. 24.80 crores), as against Rs. 2.84 crores in 1955. Savings bank deposits also have risen by Rs. 1.33 crores to Rs. 7.66 crores, while the increase in the previous year was no more than Rs. 61 lakhs. There has been a slight fall of Rs. 26 lakhs (to Rs. 12.67 crores) in current and other accounts which had gone up by Rs. 2.22 crores in 1955.

The Bank's advances as at the end of the year constitute a record and the increase of Rs. 5.45 crores over the year is mainly accounted for by loans, cash credits and overdrafts, which have gone up by Rs. 5.32 crores, as against Rs. 52 lakhs in 1955. Bills discounted and purchased are up by only Rs. 14 lakhs, as compared with the rise of Rs. 4.39 crores noted a year ago. As the bulk of the increase in advances has been met by the rise in deposits, there has been no necessity to draw on the liquid assets to any notable extent. This accounts for the relatively small shrinkage in investments and cash balances.

PROFIT OF CHARTERED BANK GOES UP

SHARP RISE IN ADVANCES

THE statement of accounts of the Chartered Bank (Chief General Manager: Mr. H. F. Morford, London) for the year ended 31st December 1956 fully reflects the strain on the Bank's resources, as a result of the insistent demand for finance in many of the countries where the Bank operates. Thus, there has been a further expansion of over £12 million in the Bank's advances, as against an increase of only £3 million in current and other accounts and a shrinkage of more than £8 million in fixed deposits, with the result that the liquid assets of the Bank had to be run down—investments in Government and other securities showing a fall of about £10 million and cash balances £3.25 million.

There has also been a further rise in working costs, especially salaries and wages. Nevertheless, the Bank has been able to improve its earnings, thanks to the higher interest rates which prevailed in London during the year. The Bank's policy has always been to keep a liquid money position in London and this has enabled the Bank to make full use of the higher interest earnings and more than to offset the rise in costs. This explains the increase of £41,468 to £900,808 in net profit. This expansion in profit compares well with that of £36,193 noted in 1955 and takes the profit to the highest level for many years. Together with the surplus of £405,375 brought in from 1955, the profit available for appropriation is £1,206,183, as against £1,152,250. The Directors have maintained the allocations at the previous year's levels, except the provision for contingencies which has been raised from £100,000 to £150,000. The amount utilised to write off Bank premises is £200,000; officers' pension fund gets £125,000 and widows' and orphans' fund £20,000. The dividend also is unchanged at 15 per cent. per annum (less income-tax) for the third year in succession, absorbing £301,875, leaving to be carried forward £409,308.

The following synopses of the Bank's balance-sheets as at the close of the past four years provide an idea of the Bank's progress in recent years:

(In thousands of £'s sterling)

	As on 31st December			
	1956	1955	1954	1953
LIABILITIES (Main)				
Capital	3,500	3,500	3,500	3,500
Reserve fund	5,000	5,000	5,000	5,000
Undistributed surplus	409	405	393	403
Current and other accounts	175,370	172,434	159,651	147,925
Fixed deposits	22,344	30,658	20,483	17,112
Notes in circulation	3,267	2,906	2,902	2,765
Bills payable	1,817	1,705	1,220	926
Acceptances (*contra* item)	10,983	7,109	10,391	9,185
ASSETS (Main)				
Cash	36,956	40,207	33,616	31,495
Investments—				
Government and other securities	48,590	58,411	62,309	58,787
Securities lodged against note issue	3,423	2,684	2,889	2,679
Advances	103,950	91,871	74,737	67,249
Bills of exchange	13,785	17,086	14,046	11,235
Bank premises, etc.	2,303	2,180	2,166	1,961
Remittances in transit	1,704	3,140	2,148	3,587
Balance-sheet total	222,988	223,069	203,686	186,963

The decline in balance-sheet total at the end of 1956 is not marked, being less than £1 million, but this is in contrast to the sharp rises noted at the close of the previous two years. This is, in the main, due to the fall of £8.31 million in fixed deposits, on account of the "higher rates available in London market." This shrinkage in deposits is in distinct contrast to the rise of £10.18 million noted in 1955 and of £3.37 million in 1954. This is, however, offset partially by the rise of £2.94 million in current and other accounts. Even this rise does not compare well with that of £12.78 million in the previous year and of £11.73 million two years ago. There has been a notable increase in acceptances to the tune of £3.87 million, thus more than making good the decline in the previous year

On the assets side, as pointed out at the outset, advances have gone up by £12.08 million, thus maintaining the upward trend for the third year in succession and establishing a record in the Bank's history. A part of the increase in advances during the year is represented by prepayments under American Aid programmes. The Bank's holdings of bills of exchange show a fall of £3.30 million. Investments are lower by £9.08 million, of which Government and other securities, excluding those lodged against note issue, account for £9.82 million. This reduction is mainly accounted for by the maturity of a part of the Bank's holdings of Government securities during the year, which the Bank did not re-invest, but utilised the proceeds to meet the demand for advances.

PROFIT OF MERCANTILE BANK SHADE HIGHER

DIVIDEND UNCHANGED

A FURTHER expansion in business is indicated by the audited accounts of the Mercantile Bank of India Ltd. (Chief Manager: Mr. R. N. Drake, London) for the year ended 31st December 1956, thus maintaining the upward trend for the third year in succession. Thus, the balance-sheet total has recorded a rise of £2.83 million over the year, which compares with the increases of £3.47 million and £5.04 million noted at the close of 1955 and 1954, respectively. Deposits show an increase of £2.43 million, as against a rise of £3.76 million in the previous year. Loans and advances are up by £5.40 million, as compared with £2.30 million in 1955 and bills receivable by £0.77 million, the increases reflecting the larger share which the Bank took in the world trade with the Eastern countries. The profit also has gone up by £1,061, but such increase is not commensurate with the expansion in business during the year. This is obviously due to the general rise in working costs.

The net profit (after providing for taxation and after making allocations to the contingency accounts, out of which full provision has been made for bad and doubtful debts and any other diminution in the value of assets) amounts to £236,484, as compared with £235,423 earned in 1955 and £194,324 in 1954. Thus, the pace of increase in profit has slowed considerably during the year under review. With the sum of £219,372 brought in from 1955, the amount available for appropriation is £455,856, as against £435,707 a year ago. The Directors have maintained the allocations to the officers' pension fund and additional provision for contingencies at £13,000 and £50,000, respectively. The amount written off freehold banking premises and property has, however, been raised from £35,000 to £50,000, thus restoring the cut made two years ago. The dividend is being repeated at 14 per cent. per annum, less income-tax, which requires £118,335, leaving to be carried forward £224,521, as against £219,372 brought in.

The progress of the Bank during the past three years is fully reflected in the following comparative table:

(In thousands of £'s sterling)

	As on 31st December			
	1956	1955	1954	1953
LIABILITIES (Main)				
Capital	1,470	1,470	1,470	1,050
Reserves	2,000	1,750	1,750	1,500
Unappropriated surplus	224	219	200	201
Notes in circulation	219	259	278	279
Deposits and other accounts	69,440	66,984	65,219	59,382
Bills payable	1,317	1,085	1,137	927
Acceptances (*contra* item)	124	195	445	211
ASSETS (Main)				
Cash	9,778	10,043	14,013	13,696
Investments	17,916	20,377	16,180	13,804
Securities against note issue	371	371	371	371
Bills receivable	17,281	16,509	15,815	14,570
Loans and advances	28,756	23,362	21,063	20,206
Fixed assets	617	652	652	620
Balance-sheet total	74,897	72,065	68,594	63,634

Though there has been no allocation to the reserve fund from the year's profit, the Directors have strengthened it by £250,000 by transferring a like sum from the inner contingencies account, thus raising it to £2 million. The deposits and other accounts, which include provisions for taxation, doubtful debts and reserves for contingencies, have expanded by £2.46 million, thus maintaining the upward trend for the third year in succession. With the aggregate increase of £10.06 million in three years, the Bank has been able to make good the shrinkage in deposits suffered in 1953.

There has been an increase of £5.39 million in loans and advances during the year, such expansion being much sharper than that noted in each of the previous two years. Bills receivable also have gone up by £0.77 million, as compared with £0.70 million in 1955. The increase in these two items, without a corresponding rise in deposits, is partly responsible for the decline in the liquid assets, investments (other than British Government securities lodged as security against note issue) recording a fall of £2.96 million and cash balances £0.26 million. Of the investments, Government securities quoted in Britain account for a decline of £4.02 million, while unquoted investments account for a rise of £1.10 million, evidently due to the addition of Federation of Malaya Treasury Deposit Receipts amounting to £1.05 million. The quoted investments are shown in the books at or under market value and the unquoted ones at or under cost.

CENTRAL BANK'S PROFIT HIGHEST SINCE 1951

MARKED EXPANSION IN TURNOVER

THE audited accounts of the Central Bank of India Ltd. (General Manager: Mr. N. K. Karanjia, Bombay) for the year ended 31st December, 1956, make impressive reading. There has been a sizable expansion in business during the year, as witness the rise in balance-sheet total from Rs. 158.09 crores to Rs. 180.60 crores, accompanied by an increase in profit from Rs. 78.67 lakhs to Rs. 105.32 lakhs. With this rise during the year under review, the profit has crossed the one-crore mark, after a lapse of three years, and stands at the highest level since 1951. It should be noted that the Bank has not been able to earn a record profit during the year, when its turnover was at the peak level, as in the case of many other banks, because of the substantial rise in cost of borrowing and increase in interest rates on deposits.

In consonance with the improvement in profit, the dividend also has been stepped up to 14 per cent. from 12 per cent. paid consistently for the previous three years, thus restoring the cut made in 1953. The larger distribution to the shareholders has been made by stepping up the final dividend from 6 per cent. to 8 per cent., while the interim is unchanged at 6 per cent. This has been done only after raising the provision for taxation from Rs. 5.50 lakhs to Rs. 13.00 lakhs and bonus to staff from Rs. 13.50 lakhs to Rs. 27.50 lakhs. The amount transferred to investment account is unchanged at Rs. 15 lakhs.

The progress of the Bank's working during the past three years is reflected in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Gross income	6,55.15	5,69 44	5,41.05	5,11.40
Interest and discount earned	5,32.64	4,52 42	4,43.12	4,19 91
Commission and exchange	1,13 61	93 59	85 04	80 94
Interest paid	2,26 19	1,69.52	1,65 28	1,55 44
Expenses	3,20.25	3,18 38	2,94 02	2,75 61
Depreciation	2.89	2 87	3 00	2 98
Profit	1,05 32	78.67	78.75	77 37
Provision for taxation	13 00	5.50	5.75	6.50
To sinking fund on property	0 91	0 87	0 87	0 86
,, investment account	15 00	15.00	15.00	20.00
,, bonus to staff	27.50	13.50	13.00	13.00
,, staff gratuity fund	5 00	5 00	5 00	
Dividend	44 04 (14%)	37.74 (12%)	37.74 (12%)	37.74 (12%)
Carry forward	18.23	18.40	17.89	16.50

	As on 31st December			
	1956	1955	1954	1953
Capital	3,14.55	3,14.55	3,14.55	3,14.55
Reserves	4,02 77	4,01.81	4,00 56	3,99 80
Deposits	138,72.15	124,56.32	123,07.00	117,07.35
Borrowings from other banks	9,21.55	4,54.28	20 79	5,03.75
Advances	90,76 28	72,20 70	60,07.14	58,31.48
Investments	52,97 99	56,71 05	57,33 53	56,54.50
Cash	16,81.20	15,59 77	17,28 42	16,04 33
Balance-sheet total	180,59.70	158,09.31	144,92.26	143,48.02
Ratio to deposits of—	%	%	%	%
Advances	65.4	58.1	48 4	49.4
Investments	38.2	44.1	46.2	49.6
Cash	12.1	12.1	13.9	14.4

The gross income shows a rise of Rs. 1.44 crores during the past three years, the bulk of which—Rs. 85.71 lakhs to be precise—has taken place in 1956 alone. Interest and discount earned have gone up by Rs. 80.22 lakhs during the year under review and commission and exchange by Rs. 20.02 lakhs. Income from other sources has, however, gone down by Rs. 14.54 lakhs. This is because the Bank had earned in 1955 a net profit of Rs. 15 lakhs on sale of investment, but there has been no such profit in 1956. The increase in gross income has been offset to a large extent by the rise of Rs. 57.17 lakhs in interest paid on deposits and borrowings. It may be noted in this connection that the rise in profit during 1956 would have been more impressive but for the inclusion of Rs. 15 lakhs, being the profit on sale of investments mentioned above, in the profit of 1955.

With the rise of Rs. 10.06 crores during the year under review, the Bank's deposits, at Rs. 138.72 crores, have established a fresh record, exceeding the previous high of Rs. 132.24 crores touched in 1948. Of the deposits, fixed deposits and cash certificates account for an increase from Rs. 39.95 crores to Rs. 42.34 crores, savings bank deposits from Rs. 28.19 crores to Rs. 28.66 crores and current and other accounts from Rs. 60.52 crores to Rs. 67.71 crores. The increase in deposits has been supplemented by larger borrowings from other banks—these having gone up by Rs. 4.67 crores. The expansion in resources under these two items, however, falls short of the rise in advances, which have gone up by no less than

(*Continued on page 604*)

MEETING OF WORLD TEXTILE INTERESTS

PRESENT POSITION AND FUTURE PROSPECTS TO BE ASSESSED

MUCH significance attaches to the forthcoming International Conference of the Cotton and other Allied Textile Industries scheduled to be held at the Lido in Venice, Italy, from 22nd to 28th September next. The world textile situation, as readers are aware, has undergone a change of late. Thus, there is the rapidly growing importance of the man-made fibres (the synthetics) which are tending to offer acute competition to natural fibres. Another notable development is the emergence of cotton textile industry in several countries, especially in the underdeveloped regions of Asia and Africa, which were until recently large importers of textiles. The impact of these two developments on the world textile trade has been so marked that it is of great interest to assess the present state of trade and future prospects of the cotton and allied textile industries in the major manufacturing areas of the world. Appropriately enough, these developments will figure prominently in the deliberations of the aforesaid International Conference of World Textile Industries, to be held under the auspices of the Federation of Cotton and Allied Textile Industries.

The Conference, it is anticipated, will be attended by as many as 300 delegates from all West European countries (including the U.K.), the U.S., India, Egypt and Japan. Papers will be presented by the leading representatives of the industry, covering aspects of production, consumption and foreign trade in cotton and allied textiles. Studies will also be made of the general economic problems which will be of particular importance to the textile industries in the future. In this connection, emphasis will be laid on economic development and its effects on the old manufacturing and the newly industrialising countries and on the relationship between national income and consumer expenditure. It may be noted here that the Federation is a private, non-profit-making organisation, representing 17 countries and approximately two-thirds of the world's total cotton spindles and looms. It has as its members the trade associations of spinners and manufacturers of cotton and allied fibres; its associate members represent cotton exchanges, finishing trades and related textile merchants, and other organisations allied to the cotton spinning and manufacturing industries.

A Vital Issue

One of the vital issues that may be expected to come up for prominent discussion at the World Textile Conference at Lido relates to the effects of the common market project on the textile industry and trade of Western Europe. The discussions will centre round the deliberations of the Federation's Committee for European Affairs at its meeting held in Paris recently. This Committee considered a survey on supplies of raw materials which had been undertaken in order to investigate the position of West European coontries regarding the availability of raw cotton. The survey has revealed that some W. European countries are somewhat hampered in their access to raw cotton supplies due to foreign exchange and other restrictions. It is hoped that action which may result from this study will help to free world trade in raw cotton from such restrictions.

The Committee further undertook an appraisal of surplus capacity and obsolescence in the cotton spinning and manufacturing industries of W. Europe. In addition, reports were given on textile competition from extra-European countries with relatively low production costs and competition between Eastern and Western European countries.

Free Trade Area

There was a thorough discussion of the proposals for the creation of a customs union (common market) and an associated free trade area in W. Europe. The members of the Committee exchanged views and information upon these and other matters of common concern to the European textile industries. They recommended that, during the current negotiations regarding the two above-mentioned proposals, close contact with their Governments should be maintained, with a view to providing them with opinions and expert advice on the particular problems of the cotton and allied textile industries; it was also recommended that the Committee members should continue to maintain liaison with each other, within the framework of the International Cotton Federation, as further information becomes available. In connection with the above proposals, the special position of overseas dependencies in a common market for Europe was also studied. Particular attention was paid to safeguards against dumping and other unfair export trading practices, which would have to be adopted, should the common market come into effect.

Certain improvements in available statistics on the cotton and allied textile industries were recommended, with a view to co-ordinating statistical activities and improving the comparability of the available data. The Committee expressed great concern regarding the continually increasing ocean shipping freight rates to Europe for raw cotton. It was recommended that mutual consultations on the fixing of ocean shipping freight rates for raw cotton should be arranged between all the parties concerned.

In the subjects under discussion, the meeting revealed a most encouraging degree of unanimity and understanding among the representatives of the cotton and allied textile industries of W. Europe. Professor L. H. Dupriez (Belgium), President of the Belgian Cotton Spinners' Association and Director of the Institute of Economic and Social Research at the University of Louvain, was elected Chairman of the Committee for European Affairs, in succession to Dr. W. T. Kroese, whose term of office of two years had come to an end.

Damage caused to wool in carbonising can be avoided by a new Australian process developed by the Commonwealth Scientific and Industrial Research Organisation. The process requires the addition of a wetting agent to the sulphuric acid bath used in carbonising. Although the acid destroys the grass seed and other vegetable matter adhering to the wool, it also attacks the wool fibres.

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COTTON CULTIVATION IN U.S.S.R.

SCIENTIFIC METHODS IMPROVE CROP YIELD

IT is a well-known fact that a major weak spot of the Soviet economy is its agricultural sector which had failed to catch up with the remarkable post-war developments in other sectors, especially in the field of industry. But so far as cotton growing in the U.S.S.R. in the post-war period is concerned, it is a success story. In 1938-39, cotton production in Russia aggregated 3.8 million bales (of 478 lbs.) only. But by 1955-56 it is estimated to have risen to about 5.3 million bales, an increase of about 40 per cent. But the improvement in the yield per acre was more marked. It increased from 292 lbs. to 554 lbs. in the same period, an increase of about 100 per cent. But this general average of output and yield per acre conceals some spectacular developments on particular farms where the results of intensive research on new varieties of cotton and new methods of cultivation have been put to actual practice. The experience of these farms shows the extent to which the yield can be improved provided cultivation and selection of seeds are undertaken in a scientific manner.

A collective farm in the Ilyich district of the Kazakh Soviet Socialist Republic, for instance, made a much better showing in respect of yield per acre than the average for the whole district and for the entire country. According to Messrs. F. Li, Chairman of the Third International Collective Farm and I. Tarabrina, Agronomist, the average raw cotton yield per hectare (2.5 acres approximately) of the farm in 1956 was 4.5 tons (seed cotton), as against the district average of 2.9 tons. This, of course, is a good performance especially because it was achieved on the recently irrigated land in the Hungry Steppe, which the Soviet Government has decided to convert into one of the biggest cotton-producing regions of the country. In this collective farm, 270 hectares were planted to cotton in 1951, and the yield per hectare amounted to only two tons in that year. The area was gradually expanded to 750 hectares in 1956. As a result of proper organisation of work and introduction of new methods of scientific farming the output rose to 4.5 tons per hectare in 1956.

Field Brigades

There are eight field brigades on the farm, each of which is sub-divided into two teams of 20 to 23 persons. Each team cultivates, on the average, from 40 to 50 hectares. The collective farm is serviced by a permanent group of farm machine operators from the machine and tractor station. This enables them to make a good study of the peculiarities of the farm fields.

It is said that the foundation of high harvests is timely autumn ploughing to a depth of 28 to 30 centimetres. In the spring, the ploughed-up sector is twice harrowed. Then, after the land is laid out, it is levelled. The planting is done, in the main, with a square-hill drill seeder. In 1956, the schemes adhered to in laying out the plants on the farm were: 60 x 45 cm. (rectangle-hill method) over an area of 380 hectares; 50 x 50 cm. (square-hill method) over an area of 150 hectares; and drilling with 60 cm. between rows over an area of 220 hectares.

Use of machines in cultivation operations has been found to be helpful in speeding up development of plants and cutting down expenditure on labour. Irrigation plays an important role in cotton growing on the farm. For getting good harvests great deal of attention is paid to fertilising the land with chemical manures. While doing the autumn ploughing, superphosphates, and just before budding begins ammonium nitrate are added. A second feeding of ammonium nitrate is given just before the flowering of the plant. Measures are also taken to combat cotton pests. Application of the rectangle-hill method of planting, mechanical cultivation of the crop both length-wise and cross-wise, proper irrigation and early cultivation have helped to speed up the development of plants.

It may be noted here that a material incentive, in the form of monthly advances, for increasing production was instituted last year. This, it is stated, is in line with the official policy which provides for setting apart up to 6 per cent. of the annual income for these purposes. Besides these, one per cent. of the income of the collective farm is earmarked for bonuses.

EFFECT OF COMMON MARKET PROJECT ON COTTON INDUSTRY

MORE GROUPINGS OF UNITS FORECAST

By Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 12*th March*

"A FAR-SIGHTED plan which could ultimately be of great benefit to industry, even though it might prove disadvantageous to textiles and certain other trades in its initial stages." —"From all appearances, it would at present seem that the cotton textile industry will be given an additional push-down towards further contraction." These two contrasting statements were published on the same day. They both referred to the effect of the European common market project on the Lancashire trade, but they very aptly illustrate the divergent opinion which splits the industry on this vital topic.

Author of the progressive outlook indicated in the first remark was Mr. Oliver L. Jacks, Chairman of Ashton Bros. & Co., the spinning and weaving group, which has frequently taken a leading role in supporting far-reaching proposals. Responsible for the second comment was Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation, who sounded a warning note about those Continental countries which are known to secure their raw cotton supplies at below commercial rates. His solution to the problem of low price competition from the Continent was to call for a major alteration in the methods of the Yarn Spinners' Association price structure.

Improved Export Results

Understandably enough, firms which have lately achieved successful trading results in European markets and in the speciality business offered in the United States are less apprehensive about participating in the proposed plan than are some others. Ashton Brothers raised sales to Europe last year by 50 per cent. According to Mr. Jacks, the Continent is now running a close second to the United States in the volume of exports recorded by the group. "Such an improvement does suggest that the potentialities of the European market cannot be ignored and that the risks attendant on participation in a European free trade pact may be well worthwhile taking," he declared.

Meanwhile, the European Committee of the International Cotton Federation has discussed the common market project and urged that textile organisations in the countries concerned should keep in close contact with their Governments and maintain liaison with each other. All are keen to see that adequate safeguards against dumping and other unfair export trade practices are adopted, while the special position of overseas dependencies is an aspect of the scheme which cannot be ignored.

Leaders of the Lancashire cotton spinning industry have also been reviewing their attitude towards the proposed European common market. One of the major issues confronting them was: "What safeguards can we expect against unfair competition, if Britain enters the Euromart?" It is not only unfair competition in textiles that the millowners fear.

"You cannot have a prosperous textile trade at home, if the whole country is not prosperous," said one mill spokesman. "The textile trade is so much tied up with other trades—those needing industrial cloth, for instance—and with whether the man in the street has money in his pocket." Opinion on the advantages of a Euromart is understood to be divided among owners of Lancashire's 450 spinning mills. "The fine end of the trade and firms who are eager to expand export business are inclined to be in favour, but people handling 'run-of-the-mill' lines are more doubtful about it," said an industry spokesman.

History Up To Date

The latest in a long run of volumes surveying the past, present and future of Lancashire's mill industry comes from the pen of Mr. R. Robson, head of the Cotton Board's statistical department, and is a worthy successor to the many documents on the industry which have previously been compiled. *The Cotton Industry in Britain* contains an almost inexhaustible supply of facts and figures relating to the historical background involved, tracing the rise of the industry more than a century ago to its peak before the First World War. Of immediate interest to the present generation, however, will be the detailed summary of events of the past 40 years through the series of crises which have led to the sharply contracted industry which we know today.

In this connection, Mr. Robson lays considerable stress on the phase of collective regulation which dominated the inter-war years and still continues to be of fundamental importance to the trade. "While the need for the removal of restrictions of trade in conditions of full employment is obvious," he says, "it may be argued that, in the case of the cotton spinning industry, the minimum price regime has not meant stagnation, but has given firms the necessary basis for making take-over bids and has thus assisted the very rapid reconstruction of the industry during the last few years. It might, therefore, be expedient to leave this system undisturbed until the reorganisation has run its course."

Contracting industries need special consideration, in Mr. Robson's view, as competition in such cases is not necessarily constructive. "It is arguable that minimum prices help to check the speculative fluctuations in trade to which the textile industries, in particular, are subject, while a regime of differential prices, which might be necessary in the export trade, can only be established on the basis of agreed prices at home."

On the future structure of the industry in Lancashire, Mr. Robson joins the ranks of those who prophesy inevitable shrinkage. "A continuation at 1954-56, rates of the trend towards spinning-weaving integration and towards larger groupings would give the position within 10 years in which spinner-weavers would control two-thirds of the spinning required and converters three-quarters of the looms," he says. "Spinners below 200,000 spindles in size and weavers below 2,000 looms would only be half as numerous as at present."

Increasing verticalisation of the industry would tend to render the sectional price agreements less and less significant, he adds, while production and marketing policies would become more and more important. The diminishing importance of trade associations, especially among the employers, would be encouraged by increasing decentralisation of the industry and the difficulty of reconciling redeployment schemes with industry-wide agreements.

Redundancy Pay

Cash compensation for Lancashire mill girls who find themselves out of a job because of redundancy is a question that trade union leaders from the spinning and weaving sections will discuss in the near future when they meet to decide whether to make a new application for all-round wage increases for 250,000 workers.

The Secretary of the Operative Spinners' Amalgamation, Mr. Charles Schofield, said in a report that the question of compensation for redundant workers had commanded attention for a considerable time. It was surrounded by difficulty, but nevertheless it must be solved.

In the past two years, many thousands of Lancashire mill girls have lost their jobs—mainly, it is claimed, because of imports of millions of yards of cheap cloth from the Far East.

Manchester Market Room

Mr. Fred Wood, President of the Master Cotton Spinners' Federation, has opened the new market room provided by the Manchester Cotton Association. This offers facilities for spinners and other buyers to sample raw cotton available for sale. Merchant members of the Association can display samples of any cotton under their control which is on the spot or afloat.

Sales are not being negotiated by the Association, but the market room will be supervised by Mr. K. H. Everington, the Secretary, who is ready to supply prospective buyers with all particulars of the types of cotton in which they are interested and introduce them to sellers. A parallel service is the posting of notices on the Royal Exchange, three floors below, including lists of spinners' wants and merchants' offers. The market room is being combined with the former arbitration room of the Association, thus serving a dual purpose. Improved lighting has been installed with colour matching fluorescent tubes, in order that prospective customers can inspect cotton under good conditions on the dullest days.

Distinguished guests, including the Lord Mayor of Manchester, attended the opening ceremony which was followed by the sale of a bale of American cotton presented by the merchant members of the Association, the proceeds of which were given to the relief fund organised by the Anglo-Egyptian Aid Society.—*All Rights Reserved.*

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TREND OF SUGAR PRODUCTION UPWARD

FURTHER EXPORTS MUST BE ALLOWED

THE Indian sugar industry deserves to be congratulated on its splendid performance on the production front. Despite the series of stresses and strains to which it is subjected, the industry has been endeavouring to maintain sugar output at as high a level as possible. The past season—that is, 1955-56—witnessed an all-time record production of white sugar; the quantity that actually came off the crushing plants of mills amounted to 1.86 million tons, as against 1.59 million tons in the previous season (1954-55), representing a rise of 17 per cent. This figure surpassed the revised production target of 1.80 million tons set in the first Five-year Plan by 60,000 tons. The output of sugar in the current season (1956-57) is expected to exceed the previous peak, the latest estimate of sugar traders being more than two million tons.

The effort of the sugar industry to maximise output is all the more creditable, considering the continuance of the several unhelpful measures adopted by the Central and State Governments. The persistent high level of the official minimum price for sugarcane, the principal raw material of the industry, is a case in point. Thus, out of the total cost of manufacturing sugar, cane alone accounts for as much as 60 per cent. It may be noted here that the minimum price should be paid by the sugar factories on all its purchases of cane irrespective of quality considerations, for the price is fixed only on the basis of weight and not the sucrose content in cane. The heavy load of taxes is another case in point. The proportion of taxes, including the average of 15 per cent. cess on cane consumed in factories, in the price which the consumer pays for his requirements of sugar, comes to more than 25 per cent. Certainly, it is regrettable that such an essential item of consumption as sugar is subjected to so heavy a tax impost. Besides high cane prices and heavy tax burden, sugar mills are forced to pay enhanced prices for their requirements of other materials like coal and coke, limestone and lime and sulphur, and higher transport charges following the imposition of a 6¼ per cent. surcharge on freight last February. It is these factors which have been responsible for the rigid cost structure of the sugar industry.

This is not all. There are the several pin-pricks in the official policy towards the sugar industry. Particular mention must be made of the unjustified controls over molasses—one of the main by-products of the sugar industry—and alcohol imposed by some State Governments. The Bombay Molasses (Control) Act, 1956, for instance, vests in the State Government full authority to control the price at which and the manner in which molasses is bought or sold generally for any industrial purpose. It also vests in the Government powers to regulate, by licences, permits or otherwise, disposal, acquisition, possession, and use or consumption of molasses. The series of restrictions imposed under the Act make it impossible for the sugar factories to dispose of their stocks of molasses, even though there is good demand for it in other States. Consequently, huge stocks of molasses have accumulated with the factories and their storage has been a standing problem to the mills ever since the Prohibition Act came into force. When faced with excess stocks of molasses, the factories try to solve the problem by destroying them or by using them as manure wherever they are found suitable. Even for this, they have to take the permission of the Government. The fulfilment of this condition involves considerable delay and expenditure.

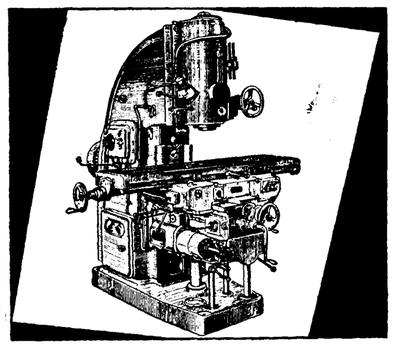
Notwithstanding the aforesaid handicaps, the trend of sugar production continues to be upward. During the first 3½ months (ended 16th February) of the current season, over one million tons of sugar were produced, as against 896,000 tons in the corresponding period of the previous season, or an increase of nearly 12 per cent. Assuming that this trend will be maintained in the coming months also, the aggregate output of sugar for the season as a whole may be estimated at about 2.08 million tons, or a rise of 220,000 tons as compared with the 1955-56 season. Thanks to the high level of sugar production and to the previous season's huge carryover of 524,000 tons, the supply position of sugar continues to be very comfortable. The total quantity of sugar that will actually be available for consumption during 1956-57 may be put at 2.60 million tons, which compares very favourably with 2.48 million tons in 1955-56 and 2.26 million tons in 1954-55.

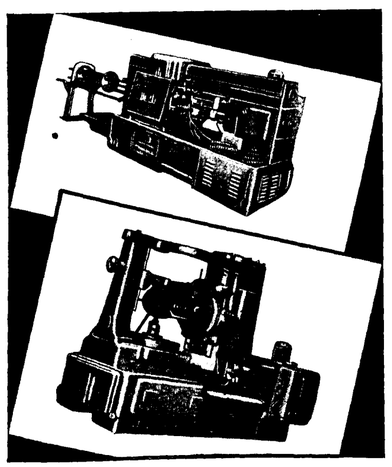
As against this supply, the agregate domestic consumption requirements are placed at about 2 to 2.1 million tons, so that there is a clear surplus of more than 500,000 tons. The Government of India has, therefore, allowed 50,000 tons of sugar for export. The whole of this quantity has already been shipped, the principal buying countries being Ceylon, Burma, Pakistan, Africa and Persian Gulf ports. These countries are still in the market for purchasing more Indian sugar. The sugar trade has accordingly requested the Union Food Ministry to permit an additional quantity of sugar for export.

In view of the highly satisfactory supply position and considering the currently ruling high prices of sugar in foreign markets and the need for earning foreign exchange, the Government will do well to concede the request. There is no need for domestic consumers to have any uneasy feeling on this score, because there is plenty of sugar in the country. If, however, the Government does not allow any further exports, the sugar factories may be faced with the disquieting problem of huge accumulations of stocks at the end of the season. As it is, the stocks are very heavy; they aggregated 981,329 tons as on 15th February 1957, the figure for the corresponding date last year being 860,822 tons. Incidentally, the total despatches of sugar during the 3½ months ended 15th February 1957 amounted to 549,473 tons, as against 447,986 tons a year before.

Since the current level of sugar supplies is very much higher than what is actually required for meeting the internal consumption requirements, there is need for building up an export trade in Indian sugar. In view of the precarious foreign exchange position of the country, the export of sugar must be considered as a welcome development which "will materially contribute towards the success of the second Five-year Plan." On every ton of sugar sent out, the

(*Continued on page 604*)





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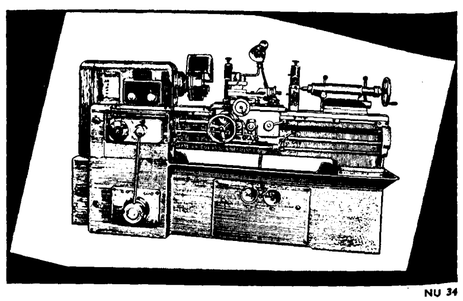

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BALANCE SHEET AS AT 31st DECEMBER, 1956.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—		
70,000 Equity Shares of Rs. 50 each	35,00,000 0 0	
30,000—5 per cent. Cumulative Preference Shares of Rs. 50 each	15,00,000 0 0	50,00,000 0 0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—		
30,000—Equity Shares of Rs. 50 each	15,00,000 0 0	
28,000—5 per cent. Cumulative Preference Shares of Rs. 50 each	14,00,000 0 0	29,00,000 0 0
2. Reserve Fund and Other Reserves—		
Reserve Fund—		
Reserve Fund as at 31st December, 1955	29,00,000 0 0	
ADD—Transfer from Current Year's Profits	3,00,000 0 0	32,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	5,86,88,839 7 8	
Savings Bank Deposits	2,88,12,624 14 11	
Current Accounts, Contingency Accounts, etc.	5,87,05,885 12 3	14,32,06,463 2 10
4. Borrowings from Other Banking Companies, Agents, etc.		Nil
5. Bills Payable		17,16,378 9 11
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	2,01,11,826 1 4	
(ii) Payable outside India	24,88,701 10 0	2,26,00,527 11 4
7. Other Liabilities—		
(i) Rebate on Bills	6,424 14 11	
(ii) Unclaimed Dividends	41,397 13 9	
(iii) Branch Adjustments	54,41,502 3 6	
(iv) Provision for Taxes	12,70,000 0 0	
(v) Outstanding Charges and Sundries	1,07,344 1 8	68,67,169 1 10
8. Acceptances, Endorsements and Other Obligations as per contra		2,41,28,205 9 8
9. Profit and Loss—		
Profit as per last Balance Sheet	7,22,001 7 9	
LESS—Appropriations—	Rs. a. p.	
To Reserve for Income-tax	3,75,000 0 0	
,, Bonus to Staff	1,25,000 0 0	
,, Dividends	2,02,500 0 0	
	7,02,500 0 0	
	19,501 7 9	
ADD—		
Profit for the year brought from Profit and Loss Account	12,31,500 9 6	
Transfer from Golden Jubilee Bonus to Shareholders' Fund	30,000 0 0	
	12,61,500 9 6	
	12,81,002 1 3	
LESS—		
(1) Ad-interim Golden Jubilee Dividend paid to Equity Shareholders at 5 per cent.	75,000 0 0	
(2) Golden Jubilee Bonus paid to Staff	65,000 0 0	
(3) Transfer to Reserve Fund	3,00,000 0 0	
	4,40,000 0 0	8,41,002 1 8
10. Contingent Liabilities—		
(i) Liability on account of Letters of Guarantee given on behalf of Constituents	10,44,051 8 5	
(ii) Liability on Bills of Exchange Re-discounted	19,603 5 3	
(iii) Liability on Account of Outstanding Forward Exchange Contracts	3,29,41,251 4 0	
(iv) Liability on Account of Guarantee given on behalf of Directors	12,81,734 1 0	
(v) Claims against the Bank not acknowledged as debts	6,653 2 6	
Total .. Rs.		20,54,59,743 4 10

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)		1,62,97,235 9 9
2. Balance with Other Banks—		
(a) In Current Account—		
(1) In India	22,64,706 8 9	
(2) Outside India	25,03,975 5 1	
(b) In Deposit Account—		
Deposits with Banks in India	1,58,075 0 0	49,32,746 13 10
3. Money at Call and Short Notice—		
(1) In India	12,00,000 0 0	
(2) Outside India	Nil	12,00,000 0 0
4. Investments—		
(i) Securities of the Central Government and State Governments and other Trustee Securities of the face value of Rs. 4,93,74,600 at cost (Market value as on 31-12-1956 Rs. 4,90,19,847-1-0)	4,89,89,010 12 11	
(ii) Shares of the Madras Industrial Investment Corporation Ltd. and Sourastra Financial Corporation (fully paid) at cost	1,24,875 0 0	
(iii) Municipal Debentures and Loans at cost	12,75,530 1 2	
(iv) Securities of Pakistan, Central and State Governments, of the face value of Rs. 9,00,000, held at Karachi (Market value as on 31-12-1956 Rs. 9,01,750)	9,02,956 3 10	
(v) Gold	Nil	5,12,92,372 1 11
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditor)		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(1) In India .. 4,69,98,803 11 7		
(2) Outside India .. 4,73,392 15 10	4,74,72,196 11 5	
(ii) Bills Discounted and Purchased—		
(1) Payable in India .. 2,41,99,089 9 7		
(2) Payable outside India .. 56,71,953 11 9	2,98,71,043 5 4	7,73,43,240 0 9
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	2,01,11,826 1 4	
(ii) Payable outside India	24,88,701 10 0	2,26,00,527 11 4
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,41,28,205 9 8
8. Premises at Cost	4,02,829 4 0	
ADD—Additions during the year	1,23,041 5 3	
	5,28,770 9 3	
LESS—Depreciation to date	59,247 2 11	4,69,523 6 4
9. Furniture and Fixtures at Cost	7,34,536 8 3	
ADD—Additions during the year	1,32,846 8 7	
	8,67,383 0 10	
LESS—Cost of Articles sold or fully written off	51,374 11 6	
	8,16,008 5 4	
LESS—Depreciation to date	2,92,761 13 8	5,23,246 7 8
10. Other Assets—		
(i) Interest accrued on Investments	3,72,132 13 8	
(ii) Stock, Stationery and Library	2,21,687 8 10	
(iii) Branch demand drafts paid, bills realised by agent banks pending adjustment, cheques pending collection and clearing vouchers received	41,44,384 6 8	
(iv) Prepaid Expenses and Sundries	3,79,530 4 9	
(v) Taxes paid in advance and Income-tax deducted at source	15,54,610 5 8	66,72,345 7 7
11. Non-Banking Assets Acquired in Satisfaction of Claims —		
Land and Buildings at or below cost		800 0 0
Total .. Rs.		20,54,59,743 4 10

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1956.

PARTICULARS OF ADVANCES	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	6,36,88,154 9 2
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (inclusive of advances on joint and several promotes)	82,80,756 11 0
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	53,74,328 12 7
(iv) Debts considered doubtful or bad not provided for	Nil
Total .. Rs.	7,73,43,240 0 9

PARTICULARS OF ADVANCES	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	46,325 12 7
(vi) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	24,02,776 7 4
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	49,211 9 9
(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners, or Managing Agents, or in the case of private companies, as members	61,79,222 2 0
(ix) Due from Banking Companies	4,97,188 15 3

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	26,72,825 15 8	1. Interest and Discount	49,54,430 0 7
2. Salaries and Allowances and Provident Fund (inclusive of salary and allowances of the General Manager Rs. 34,447-12-0 of which Rs. 6,755-1-0 represents the allowances for previous years and Rs. 2,666-11-0 represents Bonus for the year 1955 not drawn but drawn in the year of account)	23,30,069 1 3	2. Commission, Exchange and Brokerage	20,13,101 6 5
3. Directors' and Local Committee Members' Fees and Allowances (inclusive of the remuneration to Supervising Director Rs. 18,000 and rent-free quarters Rs. 3,600)	44,782 12 0	3. Rents	20,846 9 0
4. Rent, Taxes, Insurance, Lighting, etc.	2,41,478 0 10	4. Net Profits on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Law Charges	0,348 1 0	5. Net Profits on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Postage, Telegrams and Stamps	2,08,945 0 4	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Auditor's Fees and Travelling Expenses	4,000 0 0	7. Other Receipts	4,56,102 13 8
8. Depreciation on and repairs to the Banking Company's property	1,24,432 3 11		
9. Stationery, Printing, Advertisement, etc.	2,95,213 10 6		
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure	2,81,075 6 8		
12. Balance of Profit	12,31,500 9 6		
NOTE :—The balance of profit in the Profit and Loss Account of Karachi Branch has not been incorporated in the Profit and Loss Account.			
Total .. Rs.	74,44,570 13 8	Total .. Rs.	74,44,570 13 8

AUDITOR'S REPORT.

I beg to report that I have audited the above Balance Sheet of the Canara Bank Limited as at 31st December, 1956, and also the above Profit and Loss Account of the Bank for the year ended that date with the Books of Account and certified Returns from the Branches and that I have visited some major branches of the Bank during the year and have examined the books of account and cash and securities as at the time of my visit and report that :

(a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the audit.
(b) Such information and explanations have been found to be satisfactory.
(c) Transactions of the Bank as have come to my notice have been, in my opinion, within the powers of the Bank.
(d) The Returns received from the Branches have been found adequate for the purposes of my audit.
(e) The Bank's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the Books of Account and the Returns.
(f) In my opinion and to the best of my information and according to the explanations given to me the said accounts give the information required by the Companies Act, 1956, and the Banking Companies Act, 1949, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended 31st December, 1956.
(g) In my opinion proper books of account as required by law have been kept by the Bank so far as appears from my examination of those books.

BANGALORE, 15th JANUARY, 1957.

A. UMANATH RAO, B.A., F.C.A., Chartered Accountant. } Auditor.

A. DAMODAR PAI, Chairman.
H. LAXMINARAYANA KAMATH, K. P. J. PRABHU, A. NARAYANA PAI. } Directors.

P. SARVOTHUM NAYAK, General Manager.

DIFFICULTIES FACING JUTE INDUSTRY

MR. D. P. GOENKA URGES SELF-SUFFICIENCY IN RAW JUTE

IT may sound strange and somewhat self-contradictory when we are told that the jute industry's production expanded substantially during 1956 to touch the highest level since 1942 and the offtake also improved sizably, but the past year proved to be a depressing one for the industry from the financial point of view. It is, however, an indisputable statement of fact that a great majority of the jute mills incurred huge losses which, coming, as they did, on the heels of the losses suffered in the previous year, resulted in a reduction in their working capital to dangerously low levels. The causes for such a state of affairs were examined by Mr. D. P. Goenka, Chairman of the Indian Jute Mills Association, in the course of his presidential address at the annual general meeting of the Association held on the 15th inst. The adverse trading conditions which affected the industry during 1956 are likely to continue and the industry cannot be expected to face them for long. Mr. Goenka did not, however, give way to despair. On the other hand, he viewed the future with sober confidence.

At the beginning of the year, the stocks of manufactured goods stood at less than 64,000 tons, the lowest level in any year since the war. Encouraged by the improved offtake in the latter half of 1955 which led to such low level of stocks and by indications of substantial orders from the Iron Curtain countries, the I.J.M.A. unsealed a part of the looms which had remained sealed since 1949. But this experiment proved to be too costly for the industry to bear, because the expected orders failed to materialise and stocks mounted up rapidly to a peak of about 138,000 tons, with the result that the mills had to retrace their steps and reseal the additional looms opened earlier in the year. The total production for the year amounted to 1,092,000 tons (a record since 1942), showing an increase of 65,000 tons over 1955. The closing months of the year, however, witnessed a turn for the better in the fortunes of the industry. Thanks to the international situation created by the Suez crisis, demand for jute goods was stimulated and this greatly offset the rise in production. At the end of the year, stocks were higher by only 32,000 tons, as against an increase of 65,000 tons in output.

A redeeming feature of this improvement in offtake was the larger domestic consumption, following the rise in demand for sacks. Though the expansion in domestic demand for jute goods was not as spectacular as in 1955, the steadily rising trend is encouraging. Mr. Goenka confidently expected the trend to continue, as a result of the Government's plans for agricultural development and for increasing the production of sugar, fertilisers, cement, etc., all of which are packed in jute sacks.

Exports Decline

As regards the overseas offtake, shipments of hessian showed an appreciable increase during 1956, despite a considerable drop in exports to the Argentine, and for the first time in many years they exceeded 400,000 tons. Half of these exports were accounted for by the U.S., where the annual burlap consumption rose by more than 6 per cent. in 1956. In contrast to this trend in hessian exports, shipments of sacking declined, thus reversing the rising trend noted since 1953. In fact, the drop in exports of sacking was as much as 36,000 tons, more than offsetting the increase in hessian shipments. The result was that the overall exports of jute goods were down by 25,000 tons.

Though the rising trend in domestic consumption of jute goods is encouraging, it offers no consolation for the decline in exports to foreign countries. In fact, the latter development is of more serious concern to India, in the context of the need for augmenting the foreign exchange earnings. Though the fall in exports may, to some extent, be a temporary phase, there is every reason to expect increased competition from other jute-manufacturing countries. Referring to this prospect, Mr. Goenka said:

"In the case of Australia, for example, if the production of wheat and wool continue to expand, shipments this year may return to the very high level of 1955, although, even in this market, we must not underrate the threat from bulk handling methods. In other areas, the establishment of new jute-manufacturing industries is likely to result in a permanent loss of markets. This is happening in many countries of the Far East—Burma, Thailand, Indonesia, and, above all, China, which was once by far the biggest market for our heavy goods. The growth of these indigenous industries—and they are still growing—represents a serious loss of markets to the Indian mills and is, undoubtedly, a major obstacle to an expansion of our export trade in this direction. There is also the foreign jute-manufacturing industries which not only supply the needs of their own countries but export their products in competition with ours. Although the high cost of Pakistani jute has virtually priced the European mills out of our markets, Japan is still a competitor to be reckoned with in the U.S. and the Pakistan industry continues to expand. As was to be expected after the devaluation of her currency, Pakistan's exports of jute goods have grown rapidly in the past 18 months. Last year, they totalled 80,000 tons, an increase of 50 per cent. over the previous year and one-tenth of our own exports. While nearly a third of the total went to South Africa, where we are not in a position to compete, the balance was in direct competition with Indian goods elsewhere. In addition to losing a market for about 70,000 tons a year in Pakistan itself, we are thus faced with competition from more than 50,000 tons of Pakistan manufactures in our other traditional markets and especially in North America and Burma."

Rise in Cost of Production

Another factor which was responsible for the losses suffered by many mills was the increase in costs of manufacture. Unlike some other industries, the jute industry is not in a position to raise its prices by a conveniently predetermined amount to cover the increase in costs; and when, as happened last year, the industry's costs are too high, it is forced to sell its products at uneconomic prices with disastrous results on the finances of mills. It is estimated that, during the seven months from April to October 1956, companies representing 57 per cent. of the industry incurred losses aggregating more than Rs. 1.75 crores.

Among the various causes for such staggering losses, the high cost of raw jute was the most important one. Though this was not a peculiar feature of the jute trade in 1956, the mills are now not in a position financially to build up large buffer stocks of jute. Consequently, they are left to the mercies of the day-to-day fluctuations of the raw jute market. Outlining the difficulties experienced by mills in respect of raw jute during 1956, Mr. Goenka observed:

"In 1956, the disparity between jute and gunny prices was aggravated by the decision to unseal looms. By increasing our consumption of jute, this immediately led to the hardening of an already firm jute market, while the higher production of gunnies weakened the goods market and induced overseas buyers to hold off in the hope of still lower prices. Even when the looms were re-sealed jute prices, which might have been expected to ease, followed the advance in gunnies, and with sellers failing to deliver against lower-priced contracts previously entered into, the mills were forced to buy for short delivery at very high prices. The Pakistan Government's decision to double the export duty on cuttings added to the industry's difficulties, and it was particularly unfortunate that in September, when the jute market at last showed signs of easing, the downward tendency was arrested by international developments in the Middle East and the closure of the Suez Canal. Keen overseas demand sent Pakistan prices soaring, and with Pakistani jute priced out of the Calcutta market, Indian prices also rose sharply. Any relief which the mills might have obtained from a hardening gunny market was thus lost."

Fundamental Weakness

Mr. Goenka admitted that circumstances last year were in some respects abnormal, but they serve to underline the fundamental weakness of the Indian jute industry in respect of raw material supplies and the importance of becoming self-sufficient in jute at an early date. It is reassuring to note that the Government is seized of the urgency of the problem, as witness the revision of the target for jute production from 50 lakh bales to 55.4 lakh bales (exclusive of mesta) and the measures outlined for reaching this target.

The I.J.M.A. Chairman was not so naive as to think that self-sufficiency in jute was going to solve all the industry's problems. All that he wished to point out was that this would, in addition to providing the industry with better quality raw material at more reasonable prices, have a stabilising effect on the market. The most uncertain factor which helps speculation is the size of the crop, which in turn depends on the weather. However, as Mr. Goenka pointed out, a more assured supply of raw jute will at least restrict speculative manipulations and give a reasonable degree of price stability which is of utmost importance to the export industry like jute, which has to sell its products in competitive markets.

The next largest element in the industry's cost of production is labour costs. The increase in wages granted by the Third Omnibus Jute Tribunal in 1955 and upheld by the Appellate Tribunal last year, cost the industry over Rs. 1.25 crores per annum. In addition, the industry is faced with a further rise in labour costs, as a result of the proposed increase in the rate of the employers' contribution to the Employees' State Insurance Scheme, which will mean an additional contribution of over Rs. 36 lakhs per annum by the whole industry, although the majority of the mills are still not covered by the scheme. Mr. Goenka explained that the industry did not grudge providing a fair return to workers for their labour, but the disquieting feature of the situation is that higher wages have not brought about a corresponding increase in productivity. Mr. Goenka emphasised that this was of utmost importance, if India's competitive position in world markets was not to be undermined.

Modernisation

Another problem of importance to the jute industry is the modernisation of the equipment. The jute industries of foreign countries with which India is competing in export markets are mostly equipped with the latest types of preparing and spinning machinery. The Indian industry also has for some time now been modernising as rapidly as possible. The progress in this direction during the past year is said to be highly encouraging. Mr. Goenka acknowledged with gratitude the financial assistance received from the National Industrial Development Corporation. He, however, suggested that the conditions governing the loans should be relaxed a little, so as to help the acceleration of the flow of applications for loans.

In outlining the difficulties of the industry, Mr. Goenka did not strike a note of despair, though the position now is no doubt serious. He said that the difficulties, though great, were not insuperable and there were grounds for sober confidence. Given the basic requirements of the jute trade, he had every confidence in the industry's ability to make the best use of them. He added that with co-operation among the members, the support of the Central and State Governments and the accumulated experience of a long-established industry, the future could be faced with confidence.

JUTE STATISTICS

A welcome decline in stocks is disclosed by the statistics relating to jute manufactures for the month of February 1957. As against a sharp rise of 7,500 tons (according to revised figures) noted at the end of January, the stocks at the close of February show a drop of 5,600 tons to 97,600 tons. Such a reduction is mainly due to the substantial fall of 8,600 tons (to 80,200 tons) in production during the month, bringing the monthly output to the lowest level since October 1955.

The decline in production is shared by all classes of manufactures, as will be seen from the following table:

Jute Goods Production

(In tons)

	February, 1957	January, 1957	December, 1956	February, 1956
Hessian	35,000	38,800	37,700	32,000
Sacking	39,600	43,500	41,800	54,700
Others	5,600	6,500	5,900	6,100
Total ..	80,200	88,800	84,900	92,800

The fall in production of hessian is as much as 3,800 tons, thus offsetting to a large extent the aggregate increase of 4,100 tons noted in the previous three months. This brings the monthly production of hessian to the lowest level since October 1956. It is higher than that for the corresponding month of 1956. Sacking accounts for a decline of 3,900 tons, as against an increase of 2,200 tons in January. The output of sacking is the lowest seen since May 1954.

The decline in production is evidently due to the shorter working period during the month, the number of hours worked being 192, as against 212 in the previous month and 200.5 in February 1956.

The following table shows the stock position as on 28th February 1957, as compared with that at the end of the previous two months and a year ago:

Jute Goods Stock

(In tons)

	As on			
	28-2-1957	31-1-1957	31-12-1956	28-2-1956
Hessian	25,200	23,800	19,700	23,200
Sacking	61,800	67,700	64,700	52,200
Others	10,600	11,700	11,300	9,000
Total ..	97,600	103,200	95,700	89,400

The bulk of the decline in stocks is accounted for by sacking with a fall of 5,900 tons, as compared with a rise of 3,000 tons noted at the end of the previous month. Stocks of hessian have gone up by 1,400 tons, thus maintaining the upward trend for the second month in succession. "Other manufactures" have fallen by 1,100 tons.



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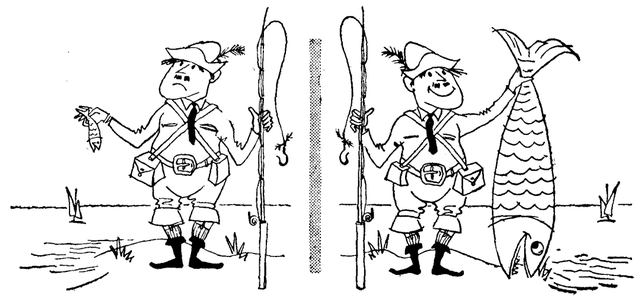

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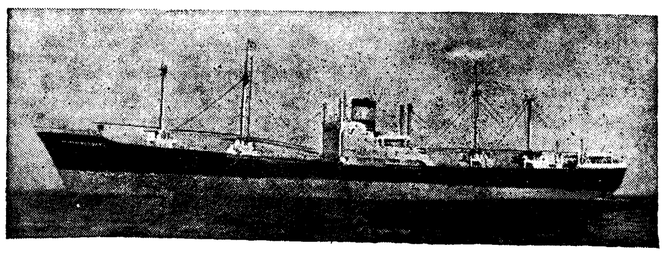

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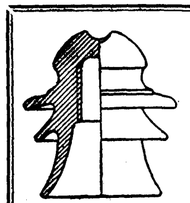
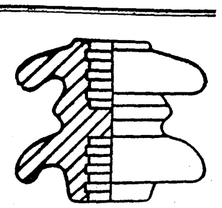


HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED
24, Netaji Subhas Road
CALCUTTA-1



RAILWAY FREIGHT POOL AND ENGINEERING INDUSTRY

IMPLICATIONS OF UNIFORM PRICE FOR IRON AND STEEL ANALYSED

WHILE the Railway Freight Structure Inquiry Committee, appointed in June 1955, is examining the merits and defects of establishing a freight pool in respect of some of the basic articles necessary for industry such as coal, iron and steel, kerosene, petrol, cement, chemical manures and salt, the Government of India has already introduced a uniform freight charge for steel, pig iron and cement at all the railheads and also fixed a uniform price for these commodities. It is also reported to be considering a proposal to create a freight pool for coal.

The object of making freight charges uniform, irrespective of distance, for some of the basic industrial raw materials is, as is well known, to encourage a widespread dispersal of industry and to induce relatively backward regions to catch up with developments elsewhere in the country and also to avoid the undesirable social and economic effects of excessive industrial concentration. Representatives of industries located in centres far away from the coalfields had urged the Railway Equipment Committee, appointed in early 1955, to investigate the possibilities of producing within the country as much of the requirements of railways as possible, that the engineering establishments situated at places other than the "port towns" would not be able to expand their activities in the absence of a uniform price for steel, pig iron and fuel. The Committee, therefore, recommended the introduction of uniform prices for the basic raw materials of the engineering industry as one of the measures for encouraging equitable industrial development. The Government of India accepted the recommendation and, while giving effect to it by making the prices of steel and pig iron uniform, observed that the basic consideration underlying this change was the desire of the Government to encourage the decentralisation of industries and to reduce the disparities in levels of development between the different regions. Also, when equalising the price of cement it was explained that the basic objective of introducing a uniform price for cement was to promote industries in less developed areas and to rationalise the movement of cement so as to reduce the strain on the transportation system to the minimum.

There cannot be any disagreement on the basic objective of a regionally balanced industrial growth. But the point is whether, in the circumstances obtaining at present in India, a policy of freight equalisation for some of the basic materials of industry, which will reduce the disparity in their prices, is likely to attain the objective without producing other undesirable consequences. In this connection, mention may be made of an interesting study, contained in the latest issue of the *Tata Quarterly*, of the effect which the uniform price of steel, pig iron, coal etc., may have on industries, with particular reference to the engineering industry.

Effect of Freight Equalisation

The article points out that before 11th June 1956, when steel prices were equalised at the railheads all over the country, prices at the two production centres, namely, Jamshedpur and Burnpur, and the three port towns of Bombay, Calcutta and Madras, were the same. The new price of Rs. 525 per ton is higher, by Rs. 25, than the price prevailing at these centres prior to equalisation. Regions within a radius of 200 miles from the production centres have also to pay a varyingly higher price than before. The engineering industry, the principal consumer of steel, is at present highly concentrated around Bombay and Calcutta. For instance, according to the Seventh Census of Indian Manufactures 1952, the States of West Bengal and Bombay accounted for 46 and 28 per cent., respectively, of the total steel consumed by the engineering industry in 1952. All the engineering workshops have now large orders on hand and, as the Plan progresses, they are likely to increase. Therefore, as a result of establishing a uniform price for steel, the cost of production of engineering industry in West Bengal and Bombay, which account for about 74 per cent. of the entire engineering capacity in the country, would go up. True, in areas beyond 200 miles of these producing centres and the port towns, where, before equalisation of the price of steel, a freight charge in excess of Rs. 25 had to be added to the basic price of Rs. 500, steel would be cheaper. The benefit, which would accrue to the different regions on this score, would vary according to the distance of the railheads from the producing centres or the port towns. According to the Freight (Place Extras) List No. 1 of 1956, published by the Iron and Steel Controller of the Ministry of Commerce and Industry, out of the 1,645 railheads for steel in the country, about 66 per cent. were in the freight frequency of above Rs. 25 per ton and nearly 26 per cent. of the railheads had to pay more than Rs. 55 per ton. Therefore, for a number of centres the gain from lower price would be substantial and this would increase the competitive capacity of firms in these regions. But will the removal of the freight disadvantage itself promote the growth of engineering industries in these regions? Most probably not. And the Railway Equipment Committee itself had pointed out that the biggest single factor which had prevented the rapid growth of engineering industry in recent years has been the serious shortage of steel and pig iron. So long as this shortage persists, and it is bound to persist for some time more, observes the study, there is hardly any likelihood of a rapid development of engineering activity in the backward regions. As steel supplies improve gradually, other limiting factors, like lack of adequate transport and absence of a ready and near market, will still remain. The most important reasons which influenced the location of these industries in Calcutta and Bombay were the availability at these centres of proper facilities of transport and a ready market.

Price of Pig Iron

The consequences of a uniform price for pig iron, another essential raw material of engineering industry, would be similar to those flowing from the equalisation of steel prices. Prior to 11th June 1956, unlike steel, only the ex-work price of pig iron was fixed. Because of the freight charges, which varied from Rs. 10-14 per ton at Calcutta to Rs. 45-13 at Mithapur from Tatanagar, the price at the different railheads, including the port towns, was naturally different. The new price of Rs. 225 per ton eliminates the variations caused by freight charges and also provides a subsidy for the large imports of pig iron which would be necessary for the fulfilment of the second Plan. In respect of steel, the price ruling before 11th June already included such a provision. The consumption of pig iron (except that used for steel making) on a region-wise basis is more equitable than that of steel. In 1952, for which data are available, of the aggregate consumption of pig iron in the engineering industry, 15 per cent. was accounted for by the Punjab, 14 per cent. by Bombay, 12 per cent. by Bihar and 8 per cent. by the United Provinces. The share of West Bengal alone was disproportionately high at 41 per cent. As a result of the introduction of a uniform price, which in addition to the freight charge includes a subsidy for imported pig iron, the costs of production all over the country would increase. Relatively, however, the increase would be smaller in all the regions, including Bombay and Madras, which are at a long distance from the producing centres than in the regions in the vicinity of the producing centres like Bihar and West Bengal. In West Bengal, for instance, the new price represents an increase of about 30 per cent. Since pig iron too is in short supply and subject to distribution control and since the market for the engineering industry is concentrated in two or three regions, the relative improvement in the competitive capacity of the other regions and centres is also unlikely to make any material difference to the growth of industry there.

The disparity in cement prices has recently been eliminated and cement is now available at Rs. 102-8 per ton at all railheads. The new price, which came into force on 1st July 1956, is, like that of pig iron, higher than the average price prevailing before. Just as in the case of steel and pig iron, it is the shortage of cement in relation to demand and not the disparity in its price which constitutes a major obstacle in the way of widespread consumption of cement.

The Government is reported to be considering the proposal for the creation of a freight pool for coal on the same lines as that for steel, pig iron and cement. The price of coal has been subject to control for many years and the control price varies according to the quality and cost of production of the collieries in different areas. Unlike in the case of steel, pig iron and cement, equalisation of freight rates will not, therefore, lead to a uniform price for coal. Still, the range of existing price disparities will be considerably narrowed down. Since coal is required as fuel in all industries, the repercussions of this step would naturally be widespread. The chief result would be that consumers in the neighbourhood of the coal-mining areas would have to pay a higher price for coal than they are now paying, while regions like Saurashtra, Bombay and Madras would benefit. But, as the Working Party on Coal, which reported in 1950 pointed out, transport and not the freight charge is the most important bottleneck in the equitable distribution of coal. Thus, the real problem is one of developing coal mining on a zonal basis.

Cost of Engineering Goods

The study points out that, under the circumstances prevailing at present, the chief obstacle in the way of an equitable distribution of the basic requirements of industry such as steel, cement and coal, is not so much the disparity in freight rates as the shortage of these commodities and the lack of adequate transport. In respect of the engineering industry, the Railway Equipment Committee itself had drawn attention to these difficulties. Further, as a result of freight equalisation, the regions in which industry has been localised owing to favourable factors, would be adversely affected. The burden of industries established in West Bengal would be particularly heavy because, being situated near the centres of production of steel, pig iron and coal, a freight pool for these commodities will push up prices in West Bengal. For instance, it is estimated that as a result of the equalisation of steel prices alone, the engineering industry in this area would have to pay about Rs. 45 lakhs more per year. This must surely increase the price of engineering goods, thus bringing into existence another inflationary factor. The benefit accruing to producers in distant regions is not likely to result in a reduction in price in these regions. Owing to the shortage of steel, pig iron and other commodities and lack of adequate transport facilities, the establishment of new factories in distant regions to take advantage of the uniform price on any significant scale is also improbable. The policy of freight equalisation in itself is not, therefore, likely to be of much help in stimulating industrial development in backward regions. Instead, in the short run, by putting up cost of production and, therefore, the price, in the main producing centres, it will add to the inflationary pressure of the economy.

REFRIGERATED TRANSPORT

How to develop refrigerated transportation in Asian countries was one of the subjects considered by E.C.A.F.E.'s Inland Transport Committee which ended a week-long session at Bangkok, last month. A recurring theme in the discussion by the representatives of 18 countries present was the urgent and increasing need for transport facilities as Asian countries proceeded with their economic development. The Committee suggested that certain technical railway studies requiring physical experiments and field work might be undertaken in countries like India and Japan which have research facilities. It strongly urged that funds should be found for a study tour outside the region by Asian inland waterway experts and it noted a Soviet invitation that the tour should include place in U.S.S.R. Burma reported that substantial economies had been achieved by push barges on the Irrawaddy River. The Soviet delegation presented technical papers to the meeting on building low-cost roads in the U.S.S.R. and water transport on Russian rivers and canals. Its representative attended the meeting for the first time.

ROURKELA STEEL PLANT

The Government of India has decided to construct a dam across the river Sankh near the Rourkela steel project to augment the supply of water to the steel plant and township being built there. The dam, which is estimated to cost over Rs. 1.5 crores, will be built by the Hirakud project authorities. It is expected to be completed before the monsoon of 1958. Meanwhile, work on the Rourkela project is going ahead according to schedule. Contracts for all sections of the steel plant have been placed with German suppliers. The deliveries of plant and construction schedules have been so co-ordinated that the first blast furnace will go into production in 1958 and the steel plant be in operation by the end of 1959. Contracts have been placed for the civil engineering work for the blast furnace and steel melting shop. The formation of the site of the steel melting shop and the ingot yard is in progress.

It is estimated that in 1956-57 about Rs. 20 crores would have been spent on the Rourkela project. As against this, the expenditure in the coming year will be of the order of Rs. 60 crores—an indication of the increasing tempo of the work on the project.

THE INDIAN OVERSEAS BANK, LTD.

MADRAS

BALANCE SHEET AS AT 31st DECEMBER, 1956.

Corresponding figures for 1946 Rs.	Corresponding figures for 1955 Rs.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
		1. Capital—		
		AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000 0 0	
		ISSUED AND SUBSCRIBED CAPITAL— 50,000 Shares of Rs. 100 each	50,00,000 0 0	
		AMOUNT CALLED UP AT RS. 100 PER SHARE— 49,102 Shares	49,10,200 0 0	
		LESS—Calls unpaid	4,625 0 0	
			49,05,575 0 0	
		ADD—Forfeited Shares	14,800 0 0	
35,40,765	49,19,875			49,20,375 0 0
		2. Reserve Fund and Other Reserves—		
		Reserve Fund	31,00,000 0 0	
8,00,000	30,00,000	Share Premium	5,00,000 0 0	36,00,000 0 0
	4,99,38,806	**3. Deposits and Other Accounts—** Fixed, Time and Staff Security Deposits	6,11,94,045 15 9	
	2,22,78,547	Savings Bank Deposits	2,69,10,478 13 0	
	7,19,82,560	Current Accounts, Contingency Accounts, etc.	7,67,76,509 11 8	
6,64,40,163	14,41,99,919			16,48,81,034 8 5
		4. Borrowings from Other Banking Companies, Agents, etc.—		
		(i) In India	44,00,000 0 0	
38,49,672	90,17,791	(ii) Outside India	3,25,589 4 8	47,25,589 4 8
		PARTICULARS— (i) Secured by part of Investments per contra	45,13,817 8 6	
	27,78,922	(ii) Unsecured	2,14,771 12 2	
		5. Bills Payable		38,06,608 8 5
		6. Bills for Collection being Bills Receivable as per contra—		
		(i) Payable in India	48,57,798 7 6	
26,58,201	2,83,42,155	(ii) Payable outside India	3,09,89,608 5 1	3,58,47,406 12 7
		7. Other Liabilities—		
		(a) Pension and Gratuity Funds	6,22,266 0 0	
		(b) Unclaimed Dividends	52,868 15 7	
		(c) Unexpired Discounts	30,575 7 5	
		(d) Sundries	9,32,401 1 4	
23,07,734	62,92,696	(e) Branch Adjustments	57,13,315 14 3	73,51,427 6 7
		8. Acceptances, Endorsements and Other Obligations per contra		
69,27,829	5,81,31,690			6,14,24,816 12 11
		9. Profit and Loss Account— Profit as per Balance Sheet as at 31st December, 1955	5,96,564 3 11	
		LESS—Appropriations— Dividends Declared	3,68,265 0 0	
			2,28,299 3 11	
		ADD—Profit for the year brought from the Profit and Loss Account	28,65,007 2 7	
			30,93,306 6 6	
		LESS—Appropriations— Provision for bonus to staff (Rs. 3,50,000 0 0)		
		Provision for Taxation (Rs. 14,00,000 0 0)		
		Transfer to Reserve Fund (Rs. 6,00,000 0 0)	23,50,000 0 0	
2,10,294	5,96,564			7,43,306 6 6
		10. Contingent Liabilities— (i) Claims against the Banking Company not acknowledged as debts	2,04,742 4 6	
		(ii) Money for which the Banking Company is contingently liable (guarantees issued by the Banking Company)	64,81,036 12 1	
		(iii) Liability on Bills of Exchange re-discounted	12,41,601 9 5	
		(iv) Liability on account of outstanding Forward Exchange Contracts	6,42,24,294 10 8	
			7,21,51,675 4 8	
8,67,29,658	25,72,79,612	Total .. Rs.		28,73,03,564 12 1

Corresponding figures for 1946 Rs.	Corresponding figures for 1955 Rs.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
51,88,776	1,18,75,757	**1. Cash—** In hand and with Reserve Bank of India and State Bank (including Foreign Currency Notes)		1,27,74,620 4 2
		2. Balances with Other Banks— In Deposit Account— (i) In India (Rs. a. p. Nil)		
		(ii) Outside India (Nil)	Nil	
		In Current Accounts— (i) In India	4,60,889 2 2	
75,50,957	1,59,41,624	(ii) Outside India	1,28,25,097 8 9	1,32,85,986 10 11
		3. Money at Call and Short Notice		1,32,85,986 10 11
		4. Investments at or below market value— (i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments		4,53,02,927 4 10
		(ii) Shares—fully paid ordinary shares		11,95,570 0 0
		(iii) Debentures or Bonds		Nil
		(iv) Other Investments— Ceylon Government Securities (Rs. a. p. 13,33,525 0 0)		
		United Kingdom Government Securities	33,21,166 10 8	
		Federation of Malaya Security Loan	4,64,466 0 0	
		(v) Gold		51,19,157 10 8 Nil
3,07,08,423	4,84,07,301	**5. Advances—** (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of Auditors)		5,16,17,654 15 6
		I. Loans, Cash Credits, Overdrafts, etc.— (i) In India (Rs. a. p. 3,41,01,739 3 10)		
		(ii) Outside India	96,15,070 5 8	4,37,16,809 9 6
		II. Bills Discounted and Purchased (excluding Treasury Bills of Central and State Governments)—	Rs. a. p.	
		(i) Payable in India	2,02,68,134 13 8	
3,23,17,381	9,05,14,040	(ii) Payable outside India	4,41,34,151 3 4	6,44,02,286 1 0
26,58,201	2,83,42,155	**6. Bills Receivable being Bills for Collection** as per contra— (i) Payable in India	48,57,798 7 6	
69,27,829	5,81,31,690	(ii) Payable outside India	3,09,89,608 5 1	3,58,47,406 12 7
		7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		6,14,24,816 12 11
		8. Premises Less Depreciation— At cost as at 31st December, 1955	10,21,849 0 11	
		Additions during the year	1,31,201 3 0	
		LESS—Deductions during the year	11,52,850 3 11 1,074 10 0	
		LESS—Depreciation to date	11,51,775 9 11 1,17,731 9 1	10,34,044 0 10
	9,28,303	**9. Furniture and Fixtures Less Depreciation—** At cost as at 31st December, 1955	15,44,694 10 1	
		Additions during the year	3,12,548 10 4	
		LESS—Deductions during the year	18,57,243 4 5 33,434 4 4	
		LESS—Depreciation to date	18,23,809 0 1 10,71,889 8 6	
1,96,591	6,29,088			7,51,919 7 7
		10. Other Assets, including Silver— (a) Interest, etc., receivable on Investments and Bills	9,19,557 15 9	
		(b) Books, Stationery and Stamps	3,82,023 7 2	
		(c) Income-tax Account	4,72,173 5 11	
		(d) Sundries	6,74,265 4 3	
11,86,500	25,09,653			24,48,020 1 1
		11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
		12. Profit and Loss Account		Nil
8,67,29,658	25,72,79,612	Total .. Rs.		28,73,03,564 12 1

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

Corresponding figures for 1946 Rs.	Corresponding figures for 1955 Rs.	EXPENDITURE	Rs. a. p.
10,01,921	21,80,969	1. Interest paid on Deposits, Borrowings, etc.	30,61,707 7 1
7,42,758	32,12,854	2. Salaries and Allowances, Bonus and Provident Fund and Provision for Gratuity Salaries and Allowances paid to General Manager Rs. 46,547-14-10	38,81,678 11 5
2,500	13,858	3. Directors' and Local Committee Members' Fees and Allowances	20,980 0 0
1,14,529	4,48,865	4. Rent, Taxes, Insurance, Lighting, etc.	6,17,921 14 5
10,500	29,579	5. Law Charges	14,123 13 1
45,458	97,777	6. Postages, Telegrams and Stamps	89,747 11 1
1,750	6,000	7. Auditors' Fees and Expenses	11,490 0 0
23,482	2,01,285	8. Depreciation and Repairs to the Banking Company's Properties	2,22,362 9 3
80,714	2,74,142	9. Stationery, Printing, Advertisement, etc.	2,83,964 4 11
	Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
1,11,211	3,64,509	11. Other Expenditure (inclusive of Donations Rs. 75,000)	3,97,943 11 1
4,27,273	16,55,725	12. Balance of Profit, subject to Income-tax	28,65,007 2 7
25,61,091	84,85,563	Total .. Rs.	1,14,56,927 4 11

Corresponding figures for 1946 Rs.	Corresponding figures for 1955 Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
18,99,751	45,90,990	1. Interest and Discount	66,30,361 10 4
5,49,514	38,80,036	2. Commission, Exchange and brokerage	48,16,192 8 11
		3. Rents	Nil
1,09,799	10,346	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	19,452 8 8
		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
		6. Income from Non-Banking Assets or Profit from Sale of or Dealing with Non-Banking Assets	170 14 6
2,027	4,191	7. Other Receipts	750 0 0
		8. Loss (if any)	Nil
25,61,091	84,85,563	Total .. Rs.	1,14,56,927 4 11

ANNUAL MEETING OF THE CHARTERED BANK

MR. VINCENT ALPE GRANTHAM'S STATEMENT

SCOPE FOR STEADY ECONOMIC IMPROVEMENT IN INDIA

THE One Hundred and Third Ordinary General Meeting of the Chartered Bank will be held in London on 3rd April 1957. In his customary statement accompanying the Directors' report and audited accounts of the Bank for the year ended 31st December 1956, the Chairman, Mr. Vincent Alpe Grantham, expresses the view that the impressive reserve of labour and wealth in India could, if deployed advantageously, result in a steady improvement in the welfare of the people. It would be tragic, he said, if this desirable objective were not attained because of too rapid economic development being attempted without regard to monetary stability.

The following is the full text of Mr. V. A. Grantham's statement:

Constitution of the Bank

"Following the adjournment of the 102nd Annual General Meeting of the stockholders held on 4th April last an Extraordinary General Meeting was held to adopt the draft of a supplemental and consolidating Royal Charter which was the subject of a petition from the Court of Directors to Her Majesty the Queen in Council. The new charter was granted by Letters Patent issued under the Great Seal on 25th June 1956 when the provisions of the charter and the annexed by-laws and rules became effective.

"Clause 3 of the new charter empowered the Bank to change its name, and advantage of this provision was taken on 5th December when a special resolution, passed by an Extraordinary General Meeting of the stockholders and subsequently sanctioned by the Lords Commissioners of Her Majesty's Treasury, shortened the name of The Chartered Bank of India, Australia and China to The Chartered Bank. The change was brought about with a minimum of difficulty and it has been warmly welcomed by the stockholders, our customers, our banking correspondents and our friends everywhere.

General Management

"Mr. David Stewart, the senior of the Joint General Managers, retired on 31st January 1957 and I take this opportunity of acknowledging with gratitude the valuable services he rendered to the Bank over a period of 37 years. He joined the Head Office Executive from the Eastern service in 1945 and was a trusted adviser of the Court of Directors on matters of high policy and administration, particularly with regard to the affairs of India and Pakistan, Burma and Ceylon. We are not to lose entirely the benefit of his experience as I am glad to say that he agreed to accept a seat on the Board of The C.B.I. Development Corporation Limited, in which capacity he will be able to play an active part.

"Mr. G. A. Leiper, until recently Manager of our branch in Manila, has been appointed an Assistant General Manager.

New Branches

"The Bank has purchased the goodwill of the business in Pakistan conducted by the Allahabad Bank Limited and on 1st January last the branches of the latter institution at Lahore and Lyallpur were incorporated in the branch system of The Chartered Bank. The branch of the Allahabad Bank Limited at Karachi has been merged with our own branch in that city.

"To meet the growing need for banking services in North Borneo new branches have been opened during the past twelve months at Lahad Datu and Tenom. The former mercantile agency at Kudat has been replaced by a branch of the Bank.

"A new branch has been opened in Ampang Road, Kuala Lumpur, to serve expanding commercial development in that district of the federal capital.

C.B.I. Development Corporation Ltd.

"A year ago, I intimated that the Bank had promoted a wholly-owned subsidiary Company, The C.B.I. Development Corporation Limited, to engage in medium-term and similar credit operations connected with economic development in the Eastern countries to which the oversea representation of the Bank extends. During the first year of the Corporation's existence much time has been spent in research, investigation and the formulation of policy. The intensification of credit control in the United Kingdom has inevitably curtailed some of the opportunities open to the Corporation for lending in sterling. This and other factors, notably the necessity in most territories for registering the Corporation as a financial institution, have tended to circumscribe the framework within which the Corporation can function, but it is now possible to discern the pattern of future operations and I am quite sure that our new venture will fulfil a useful and creative function and bridge the gap between the short-term financing of trade and industry by overdraft, and the raising of capital from the public. I would like to say that I am quite satisfied with the initial experience of our Development Corporation.

Bank's Balance-sheet

"The balance-sheet total is very slightly lower than last year. Due to higher rates available in the London market, our fixed deposits are £8 million lower. This is set off by a smaller holding of bills of exchange and a reduction in our cash in hand and at call.

"Owing to the insistent demand for finance in those countries where in the rapid course of their development the pressure on local resources is much in evidence our advances to customers have increased by £12 million and this has been largely met by the non-investment of maturing Government securities.

"A part of the increase under the heading of advances is represented by pre-payments under American aid programmes.

"Our acceptances now exceed £10 million and indicate the growing popularity of this form of finance by Far Eastern merchants and bankers.

"You will note that we continue to show our investments in Government securities at market rates.

"For the first time, we are publishing a consolidated balance-sheet which includes the figures of our wholly-owned subsidiary companies.

Profit and Loss Account

"Despite the continued upward trend of working costs, especially salaries and wages, our earning capacity improved. The Bank's policy has always been to keep a liquid money position in London and we have made full use of the higher interest earnings available in 1956. This explains the increase in our net profit from £759,340 in 1955 to £800,808.

"The Bank paid an interim dividend in September last of 7½ per cent. less income-tax, absorbing £150,937 and it is now proposed that out of the balance available a final dividend of 7½ per cent. be paid, costing £150,938 making a total distribution of 15 per cent.

"It is proposed to repeat the allocation made in each of the past six years to Bank premises and furniture account, the pension fund and the widows' and orphans' fund of £200,000, £125,000 and £20,000, respectively.

"It is proposed to transfer £150,000 to contingencies account and to carry forward a balance of £409,308. I trust the stockholders will approve of all these proposals.

Overseas Survey

"In most of the statements I have circulated to the stockholders since the end of the war I have referred to the surge of Asian nationalism and to the significance of this for the Bank. The trend continues: Malaya and Singapore are moving rapidly towards political independence within the Commonwealth and a general election in Ceylon has returned to power a Government pledged to lead the Island to a more clearly defined sovereignty. The repercussions of such political movements are felt at every point in our extensive system of branches. They affect vitally our relations with our Asian employees; they influence the selection of business risks and circumscribe the deployment of our resources.

"Although our representation in the Middle East does not extend west of Aden Colony, there have been throughout the territories further East reactions to the crisis which arose in Egypt a few months ago. Fortunately, Britain has accumulated down the years a large fund of goodwill in the minds and hearts of the peoples of Asia and it would appear that notwithstanding widespread expressions of sympathy with Egypt that fund has been drawn upon to a much smaller extent than many critics of the British Government may have feared. The inner history has yet to be written, but it is clear even now that there is a greater understanding in the world of what may have been behind our country's action.

"In the East, our political role is obviously changing, but we can take credit for having created a defensive framework within which political independence, economic freedom, personal liberty and respect of human rights can take root.

"Quite surely British endeavour in the East is nowhere at an end; it is everywhere in progress.

"I now propose to review developments during 1956 in the territories served by our branches and to give some account of the contribution we are making to the promotion of economic interests common to East and West.

Aden

"Early in the year, political unrest and a series of strikes were sources of disturbance to trade, but on the whole Aden enjoyed considerable prosperity until August, when political events in the Middle East caused some diversion of shipping round the Cape route. Up to the time the Suez Canal was closed Aden's oversea trade was running at much the same level as in 1955, but it has been drastically reduced subsequently, the tonnage handled by the port and the bunkering trade both showing marked decrease. The tourist traffic, an important source of local prosperity, is now at a standstill, but trade in foodstuffs has not been seriously affected and there is considerable activity in the construction of new buildings and roads.

"Our own new building at Crater is expected to reach completion in the next few months, whilst we are also moving shortly into new premises at Steamer Point which are much more suitable than those now occupied. When the Canal reopens and given reasonable stability in the Middle East, there are grounds for hoping that the steady consolidation of our business in Aden, which has been taking place ever since the Bank opened there a few years ago, will show satisfactory results.

India

"Last year, I commented on the draft outline of Indian second Five-year Plan, whose major objectives are rapid industrialisation—particularly the development of heavy industry—and the expansion of opportunities for employment. The aims of the First Plan were relatively modest and most of its objectives were reached or even exceeded. The Second Plan is more ambitious. Total capital expenditure by the Central and State Governments over the five-year period 1956-60 is to be more than double what was spent during the First Plan. Already, in order to carry out the Plan in its existing form and without expanding its scope, rising prices both in India and abroad have made it necessary to revise the total expenditure in the public sector to Rs. 5,300 crores from Rs. 4,800 crores.

"It is open to question whether the planners have not set their sights too high for, vital and urgent as it may be to provide for the steadily increasing population and to achieve an all-round rise in the standard of living, no Five-year Plan should be allowed to dominate an economy to the extent of threatening it. This may be what is happening in India today, for it is significant that large purchases of steel and machinery have played their part in allowing imports far to exceed exports in value during recent months, thereby running down foreign resources to a level that gives little or no reserve for the further purchases of capital equipment envisaged in the new Plan. There must always be misgivings about an economic plan which, whilst relying largely on deficit financing and external aid, takes no account of or leaves little leeway for adverse internal factors in agriculture and industry and still leaves, as we have seen, a gap of Rs. 400 crores in the financial resources available in the public sector.

"Additional taxation is being imposed to help finance the Plan, but it would be well to recognise that more and more penal taxation may defeat its own ends for so many limitations surround the private investor today in India that it is, unfortunately, no longer clear how the skill and enterprise which is so necessary can be rewarded. Without fair rewards private enterprise cannot be expected to function or to provide the very large sums of money that the Plan expects from the private sector. Heavy taxation too in itself is going to do little to halt the steady inflationary tendency; for, although the money supply rose less in 1956 than in the previous year, the wholesale price index went up 13 per cent. on the year. Continued and increasing inflation could endanger the whole Plan. That the authorities are aware of this is encouraging for, commenting in the draft Plan on the difficulties of financing in part such an ambitious programme by deficit financing, the sponsors admitted that the stepping up of investment might have an inflationary impact, particularly if a relatively high proportion of the expenditure were found by an increase in the creation and supply of money.

Shortage of Investment Capital

"As savings are not keeping pace with industrial expenditure, there is already a woeful shortage of investment capital and more and more strain is being put on the banks who, whilst unable to attract sufficient extra deposits, are being faced with demands for fresh or increased facilities, and we for one have reluctantly been unable to entertain many of the propositions placed before us. The advances of the Scheduled banks in India have already reached unprecedented levels and the average ratio of advances to deposits of all the Scheduled banks is now in the region of 70 per cent. This has necessitated increasing use being made of the facilities provided by the Reserve Bank of India under the Bill Market Scheme introduced by them in 1952. Discussions have recently taken place in Bombay and Calcutta between the banks and the Finance Minister to find other means of alleviating the situation, but the problem is extremely difficult as the Indian authorities have stated that the tightening of bank credit is one of their anti-inflationary measures.

"In the meantime, efforts have been made by the tea industry to expand its export trade and progress has been made in this respect. Prices in the international tea markets were lower on average earlier in the year, but rose substantially later, owing to the situation in the Middle East. The jute industry has been passing through a difficult period owing to overproduction and lack of demand, especially for heavy goods, the prices obtainable for finished goods not having kept in line with the rising cost of raw jute and it became necessary owing to the accumulation of stocks to reseal by stages those looms which I mentioned last year had re-started production. Towards the close of the year, there was an improvement in jute exports at a time of year when demand normally declines and stocks showed a tendency to fall.

"I hope that I have not sounded too pessimistic a note. India has an impressive reserve of labour and wealth which, deployed advantageously, could result in a steady improvement in the welfare of the people. It would be tragic, therefore, if this desirable objective were not attained because of too rapid economic development being attempted without regard to monetary stability. Successful progress and development must depend to a great extent on wise counsel at the Centre and on the administrators showing a realisation of hard facts and a readiness to meet with sound and practical policies any distortions that may arise in the economy.

Pakistan

"The predominant feature of the past year in Pakistan has been the shortage of foreign exchange and, without assistance from the United States, the country's position would be far from happy. Early in the year, it had appeared reasonable to assume that after an extended period in which the balance of payments had been under continuous pressure as a result of the industrial development programme, Pakistan had at last turned the corner. The devaluation of the Pakistan rupee to parity with the Indian rupee in August 1955 helped to stimulate sales of the country's staple exports in international markets and was an important factor in the substantially increased payments surplus for the year 1955-56. In introducing the Budget last March the Finance Minister stated that the first phase of industrial development had been completed. It indeed appeared that a period of consolidation was at hand, inasmuch as, for the first time since Pakistan came into existence, no new taxation was imposed and some relief was given.

"By October, however, it was clear that the country was once again facing a severe food crisis, owing to deficiencies in the rice and wheat crops. This necessitated considerable imports of foodgrains into both East and West Pakistan and it will clearly be necessary for the authorities to take steps to encourage an increase in food production, if this is to be avoided in future. The Government, however, are fully alive to this need as the recently published Five-year Plan gives priority to agriculture and to an extension of irrigation facilities, drainage and flood control, whereas in the past the emphasis has tended to be more on industrialisation.

"The general objectives of the Plan are to raise the living standards of the population; to improve the country's balance of payments by increasing exports and by producing at home substitutes for imports; to create opportunities for employment and to accelerate the rate of development, particularly in East Pakistan, and it recognises the interdependence of the different sections of the economy and the need for their integrated development. Expansion is to take place in the output of such products as cement and jute goods, and the production of fertiliser is to be started. Although, in connection with the Plan, only a modest degree of deficit financing is intended, it is slightly disquieting when viewed in the light of the substantial expansion which has taken place in the note issue during the past year.

Encouraging Features

"Meanwhile, encouraging features have been the substantial rises in the value and volume of exports of Pakistan's raw jute and raw cotton during the past season. The country's new manufacturing industries have also expanded their sales oversea and there have been notable increases in exports of cotton yarn and cloth and jute goods. It is estimated that by 1960 Pakistan should be in a position to supply about one-third of the world's total requirements of jute goods, and the cotton industry is already taking advantage of the absence of export duty on its cloth and yarn to widen the range of its foreign markets. On the other hand, the continued restrictions on imports have led to price rises in domestic markets, as stocks of imported goods have run down. The country has, undoubtedly, been passing through a most difficult period, but it is encouraging to learn from the Finance Minister's recent speech, introducing the Budget for the coming fiscal year, that there was a small surplus on the balance of payments for 1956 as a whole.

"In a not uneventful political year the outstanding event was the assumption of the premiership by Mr. Suhrawardy who, since taking over the reins of Government, has shown himself to be a determined leader. He will need this attribute to the full to enable him to deal with the various problems which must confront him in the near future.

Burma

"It is pleasing to report that last year Burma succeeded in disposing of practically all its surplus stocks of rice, part of which had been carried forward from as far back as 1953. Rice exports for the year amounted to some 2 million tons, the highest total recorded since the war, although well below the pre-war level of shipments. Apart from increased rice shipments, exports of timber and non-ferrous metals have improved slightly, but not sufficiently to make any significant contribution to the country's exchange reserves.

"Burma should shortly achieve a large measure of self-sufficiency in petroleum products and the saving in foreign exchange will be appreciable. I stressed last year the importance of increasing the export of commodities other than rice. This would not only develop valuable sources of increased foreign earnings but would also have the effect of broadening the basis of the country's economy and rendering it less dependent on the international rice market.

"The improvement in the country's trade situation and official measures, such as severe restriction of imports and the pruning of Government expenditure, have been the major factors which have contributed to the improvement which has taken place during the past year in Burma's exchange reserves which showed a satisfactory increase over the year, but there is still little or no scope for their reduction for the purpose of financing the Government's economic and social development plans. In these circumstances and as Burma lacks investment capital, aid from abroad is clearly desirable, and a loan from the World Bank of U.S.$25 million has been arranged and will be used for financing projects in the public sector.

"Hopes were entertained that capital goods and equipment would be forthcoming from those countries of the Soviet bloc with which Burma concluded barter agreements for the disposal of its rice. So far these agreements have not proved a success and, on the whole, Burma has received in exchange for its rice, goods of inferior quality, expensive in comparison with similar merchandise supplied by the free world and representing in the aggregate only part of the value of the rice supplied. In theory, half Burma's exportable surplus of rice during the present year, which is expected to be much the same tonnage as in 1956, is committed for shipment on barter account, but efforts are being made to scale down this commitment in order to supply the requirements of buyers in the free world, who pay for their supplies with exchange which the Burmese authorities can use to finance their purchases in competitive international markets.

"Import restrictions and the increase in the note issue arising from the Budgetary deficit have been the major causes of the steady rise in prices. In framing the Budget for 1956 57, therefore, the Government has very sensibly slowed down its development programme in an effort to keep expenditure within the limits of revenue. This is a welcome sign that the authorities realise the dangers of paying for development by means of deficit financing, and although the aim is still to stimulate industrialisation, priority is now to be given to the development of those industries which will save foreign exchange. At the same time, the increased expenditure on the security forces, which is indeed essential if law and order are to be restored, places a serious strain on the country's resources and, unless order is maintained, the looked for improvement in the country's production, and hence its general economy, will not be realised.

Ceylon

"The latest figures available show that last year the surplus on Ceylon's oversea trade was running at a substantially lower level than in 1955. Imports were higher in aggregate value, owing largely to increased purchases of capital goods, while exports declined in value, much the same volume being shipped abroad as in 1955, but in the case of tea, which accounts for the bulk of Ceylon's export earnings, at a lower average price.

"A number of factors have militated against Ceylon's oversea trade surplus attaining the record level it reached in 1955. Adverse weather conditions and particularly the most severe drought the Island has experienced for fifty years caused a fall in coconut production, and, except in the western districts, a deterioration in the quality of the tea output. Frost conditions which occurred during a period of exceptionally cold weather in February also affected tea production adversely. Later in the year, events in the Middle East dislocated shipping schedules and made it necessary to direct shipments round the Cape and this, in conjunction with the congestion in the port of Colombo caused by labour trouble, had a detrimental effect on Ceylon's external trading position. It was particularly unfortunate that the benefits which were expected to materialise from the completion of the greater part of the Colombo Port Development Scheme were largely lost for the time being, owing to strikes and similar manifestations of labour unrest.

"A new price agreement was negotiated in December in connection with Ceylon's five-year rice-rubber contract with China and under its terms Ceylon has made some price concessions for rubber shipments to be made this year as compared with the scale of charges operating in 1956. Nevertheless, China is still to pay a premium over the international market price for the 50,000 tons of sheet rubber which Ceylon has once again agreed to supply in exchange for 270,000 tons of rice from China. This is a satisfactory bargain for the Ceylon rubber industry, inasmuch as China is now free to purchase rubber from Malaya. This is the final trading year of the five-year period covered by the original agreement between Ceylon and China, but both countries have indicated that trade between them in rice, rubber and other commodities will continue even after the agreement expires. This is certainly desirable from Ceylon's point of view, for her rubber industry has now become largely dependent on Chinese purchases. China is now absorbing almost the whole of Ceylon's exports of sheet rubber and about two-thirds of the Island's total rubber shipments to all international markets.

"Introducing the new Government's first Budget in July, the Finance Minister foresaw a fall in Ceylon's export income. In view, however, of the satisfactory level of the external assets, the Government was satisfied that the country could afford a reasonable deficit on the Budget, which would be met by domestic borrowing and by running down Government cash balances. In the Government's view, the most serious problem that faces the country is unemployment and the urgent need to expand opportunities for employment has led the Government to decide to accelerate the rate of development. I mentioned last year the six-year programme of investment which the previous Government had drawn up. The extension of this programme is now being discussed by the newly appointed National Planning Council which had its first meeting in November.

"The Finance Minister indicated that, as domestic saving and investment were insufficient to ensure a progressive improvement in the population's living standards, foreign capital would be welcomed. An assurance was also given to private enterprise that it would receive full support from the Government in the role assigned to it. However, the recent proposal by a member of the Government to nationalise the tea plantations on what the owners consider to be harsh terms, although it has not so far been formally adoped as Government policy, must inevitably impair the confidence of the potential oversea investor, and thus seriously impede the future economic development of Ceylon, on which the raising of the living standards of the population depends.

Malaya

"Once again, both the Federation of Malaya and Singapore have enjoyed a prosperous year. Taking both territories together, oversea trade rose in value to a level only previously exceeded in 1951 at the height of the Korean war boom. However, owing largely to the increased quantities of capital equipment and building materials purchased abroad in connection with development schemes, imports rose at a higher rate than exports and, in consequence, the favourable trade balance at M$12.6 million was substantially lower than in the previous year. It also has to be recognised that, although the continued improvement in the level of oversea trade is impressive, expansion in trade and industry, particularly in Singapore, has to some extent been curtailed during the year, owing to political uncertainty and labour unrest.

"Such uncertainty is rather to be expected at this stage in the progressive evolution of both territories towards independence. The Governments in both the Federation and Singapore have clearly indicated that they recognise the importance of attracting capital and enterprise from overseas to assist the economic development of their respective territories. In their fiscal policy so far they are making considerable efforts to ensure that conditions are sufficiently favourable to induce continued investment from abroad now that they are on the threshold of independence. These considerations were summed up by the Finance Minister of the Federation in his Budget speech in November when he said, 'It is not proposed to change the rate of tax on companies, because it is the policy of the Government to attract investment and the establishment of new enterprises in the Federation and the maintenance of a favourable taxation position is conducive to that end.' Similar views have been expressed by the Singapore Government, and it is fair to say that they indicate a refreshingly realistic outlook which I hope will meet with an encouraging response.

"One important matter which still gives rise to uncertainty is the question of the future of the currency. This is linked to a large extent with the recommendation, made by the World Bank mission in their report on the economic development of Malaya, that a central banking system should be established. I mentioned last year that preliminary inquiries into the project had been initiated by the two Governments.

"A report which was published in June, set out the advantages and disadvantages of establishing separate central banks in both Singapore and the Federation, but as might be expected, it clearly favoured a joint central bank covering both territories. It pointed out that to institute at this stage separate central banks would involve the creation of separate currencies. As both Governments wished to keep open the question of the future unity of the two territories at a later stage of political development, it was desirable, meanwhile, not to set up two central banks until political uncertainty was resolved. To do so and, therefore, to create separate currencies now would not only render it more difficult to unite the two territories in the future but would also disturb confidence in the Malayan dollar, a currency whose par value with sterling had remained unchanged for fifty years and had built up, therefore, to quote the report, 'a tradition of stability equalled by very few currencies in Asia or elsewhere.'

"In the light of the report, the two Governments have agreed that a 'central banking mechanism' should be established, but have not yet decided the form it is to take. It is possible that a final decision will await the outcome of the constitutional changes which are impending this year, but already the Governments of North Borneo, Sarawak and Brunei have decided to establish, in due course, a currency of their own which is to be independent of the Malayan dollar. It is to be hoped that there will be no further fragmentation of the existing currency area in which first the Straits dollar and subsequently the Malayan dollar have provided a stable and effective medium of exchange.

Rubber Exports

"Last year Malaya's rubber exports, at 983,281 tons, were slightly lower than in 1955. Early in the year, prices in the international market fell and by May natural rubber was no more expensive than the synthetic product. In some respects this was surprising as authoritative estimates had suggested a fine balance between world production and consumption and stocks were tending to fall in the early part of the year. The announcement of the lifting by the Governments of Singapore and the Federation of the ban on the export of rubber to China, which had been imposed during the Korean war, was the occasion of a rally in markets, but, in fact, no rubber was shipped to China from Malaya until late in the year. Nevertheless, Russian and Chinese purchases, as well as the international political situation, were major factors in the rise in prices during the second half of the year.

"Malayan production of tin-in-concentrates in 1956 reached record levels for the second consecutive year and, at 62,295 tons, was the highest output since 1940. Exports, at 73,278 tons, showed a small increase over the previous year. Except in February, when the threat of labour trouble in the Malayan tin industry temporarily restored the market, tin prices tended to fall until May. The decision of the United States Government to keep the Texas smelter operating until January 1957 and the final ratification of the International Tin Agreement led to an improvement in the market which tended to move upwards until late in the year. The International Tin Agreement, which I mentioned last year, came into force in July and steps have been taken to set up the buffer stock with contributions, which have so far been entirely in cash.

Singapore

"In Singapore, the revised budgetary estimates for 1956 showed a small surplus, instead of the deficit originally anticipated, but as in a number of recent years expenditure has been less than estimated. Allowing for a contribution to the territory's development fund, the estimates for the present year once again budget for a deficit but, provided that present trading conditions continue, it is hoped that revenue will exceed the estimate and in any case expenditure is again likely to be lower than expected. In the Federation, on the other hand, the revised estimates for 1956 indicate that revenue has been slighly less than expected, owing largely to the lower yield of the export duty on rubber early in the year, and that expenditure has been substantially higher. The budgetary deficit for the year, approximately M$90 million, is, therefore, more than double what originally was expected. As the Government is budgeting for a deficit of M$108 million in the present year, it will be necessary to run down surplus revenue balances.

"With the Federation of Malaya attaining political autonomy within the Commonwealth on 31st August next and with Singapore looking forward to similar independence, we are, of course, already giving serious thought to the effect upon the present banking system of the changed conditions, and to the steps which may be necessary to meet them. I believe that we shall be able to rely upon a realistic approach by the two Governments to economic and political problems and the banks can draw upon their experience in other territories where independent Governments have been set up. Whatever the future may bring, it will be this Bank's policy to continue its long years of service to the two countries and to assist to the greatest extent possible in their economic progress.

North Borneo

"North Borneo has now fully emerged from the post-war rehabilitation period and there is evidence in many directions of a well co-ordinated policy to develop within its means a well based economy which, given continuing peaceful conditions, augurs well for the future.

"A most important factor making for the general improvement is the remarkable change for the better in the labour situation, which shows a rise of more than 20 per cent. of employed persons, although a larger and more permanent labour force remains an essential need.

"In the field of communications much has been achieved by the construction of minor roads, the development of port facilities and the extension of air services.

"The latest figures available show that North Borneo's external trade last year may well reach a record level, although the trade surplus for the year as a whole is likely to be less than in 1955. The expansion in imports is not entirely to be attributed to purchases from oversea suppliers of equipment, machinery and materials required in connection with the territory's development programme, for there has also been a sizable increase in imports of consumer goods.

"Rubber continues to be North Borneo's major source of export earnings and shipments during 1956 are likely to amount to much the same total value as in the previous year. There is a welcome indication that the territory's oversea trade is growing somewhat less dependent on the fortunes of rubber in the international market and that other industries are now contributing to an increasing extent to North Borneo's prosperity. The Government's rubber replanting scheme which I have mentioned in previous years has continued to make satisfactory progress. Copra exports were substantially higher last year and by the end of October had already surpassed both in volume and value the levels reached in 1955.

"Although the timber industry still operates under difficulties, which include the remoteness of some concessions and the shortage of international shipping space, shipments have increased to a notable extent. The potentialities of the industry to the economy would seem to justify the effort being made to set it on a sound course.

"Last August, Victoria, Labuan Island, was declared a free port in the expectation that it would regain its former importance as an entrepot serving the British territories in Borneo and a successful trade convention was held there in November.

"North Borneo's prosperity continues to be reflected in its budgetary position. After meeting all ordinary expenditure and devoting M$6½ million of the revenue to development schemes, it was estimated that the general revenue balance in hand would slightly increase over the year 1956. At its present level this balance constitutes a reserve to be used only in emergency and with Government expenditure expected to increase this year and revenue to be rather lower than in 1956, it has been found necessary to increase import duties on tobacco and liquor to assist in meeting development expenditure estimated at some M$19 million during 1957, a sum which is slightly higher than the average annual expenditure on development during the past three years.

Sarawak

"A significant step forward in political development was taken in Sarawak during the year by the grant by Her Majesty the Queen of a new constitution under which the new Council Negri will have an unofficial majority and by the holding of the first Municipal election in the Colony in Kuching.

"Last year, the Colony's principal exports, rubber, pepper and timber, fetched less remunerative prices in international markets than in 1955 and, despite an increase in the volume of exports, external trade fell in aggregate value. Although imports were slightly lower, the favourable trade balance at M$12 million was substantially less than in the previous year.

"In view of the importance of the rubber industry to Sarawak's economy as the major source of export earnings, the Government's 1955 scheme to encourage by means of subsidies the planting and replanting of an increased acreage with high yielding stock was extensively revised last year and funds to finance it substantially increased.

"Earlier estimates of the pepper crop suggested that it would fall considerably below the previous year's crop, but in the event both production and exports were higher in 1956 and the increased tonnage shipped compensated to a large extent for the lower prices in oversea markets.

"The timber and, in particular, the ramin trade had a difficult year, but the Government scheme for the restriction of the production of ramin met with some success in checking the fall in price and the value of shipments proved to be only a little lower than that of the previous year.

"It is a commendable achievement on the part of Sarawak that, up to the end of 1957, Government will have made available from the territory's own resources approximately M$110 million for development purposes without resort to borrowing. However, the Financial Secretary indicated in his Budget speech in December last that the raising of loans to finance the necessary and well conceived development plan had become unavoidable and steps are to be taken to raise an external loan of M$30¾ million by stages to commence in 1958.

"Sarawak may be counted fortunate in that it continues to be free from industrial, political and racial disturbances and, with a Government very much alive to the need of maintaining this freedom, the future, apart from repercussions of unforeseeable world events, should hold a good measure of progress and prosperity.

Indonesia

"This time last year it seemed reasonable to take an optimistic view of the immediate future in Indonesia. The deterioration which had taken place in the country's economic situation since the collapse of the Korean war boom appeared to have been halted by the strong Masjumi-led caretaker Government which had taken office in July 1955. Then too there seemed a determination on the part of leading politicians of all parties and senior Government officials to give the Republic a good and stable government during the following two or three years, in order to put the economy on a sound basis.

"There was optimistic talk in some governmental circles of moving towards a free economy, but once again hopes have been dashed by a coalition Government unable or unwilling to take realistic steps to come to grips with major problems. The result has been a rapid deterioration in the economy which has finally resulted in political unrest of a magnitude which might yet prove a serious threat to the structure of the constitution.

"In the general setback that Indonesia has sustained it is very difficult to separate cause and effect. Perhaps, in some ways the new coalition Government was unfortunate in inheriting labour problems which should have been dealt with by preceding Governments, but nevertheless it did nothing to keep the demands of the labour unions, particularly the estate unions, within reasonable bounds and the resultant unrest and strikes must seriously have affected the volume of exports. That volume too was probably even more seriously affected by the smuggling of rubber and copra and it was not surprising, therefore, that 1956 turned out to be a disastrous trading year for the Republic even at a time when high world prices for its prime exports should have produced the opposite result.

"The seriousness of this cannot be overlooked for, in its turn, it caused the foreign exchange holdings to run down to a dangerously low level and at the same time accentuated the already large difference between the internal and the external value of the currency. This, in its turn, stimulated the inflation which had already shown signs of getting out of hand and the deterioration in the foreign exchange holdings was inversely reflected in the increase in the note issue.

"Ad hoc" Measures

"*Ad hoc* measures, such as the reintroduction of inducement certificates, 100 per cent. pre-deposits for imports and a revised and drastically altered set of import duties and luxury taxes did nothing to arrest the trend. Having seen over a number of years, Indonesia's unsuccessful attempts to right economic ills by the imposition of controls and other expediences, which have invariably brought abuse in their train, it seems inevitable that, sooner or later, there must be an outright devaluation of the rupiah and a return to simple commercial methods by the elimination of the present tortuous regulations.

"In any case, to spend time and effort on Five-year Plans embracing grandiose schemes before placing the country on a sound political and economic basis is fundamentally wrong, for until more stability is achieved the Republic cannot hope to attract outside capital. Nor can it hope to do so until it has made a clear declaration of the security of existing foreign capital and its ability and willingness to allow reasonable rewards in the form of profit or dividend remittances on investments.

"Notwithstanding all I have said, I am still optimistic regarding the long-term prospects of the Republic, for we do not believe its people will allow their rich heritage to deteriorate and disintegrate, and we are going steadily on with our own business in Java and Sumatra.

Thailand

"Last year, I drew attention to Thailand's return to a free economy. In a world in which Governments, to solve their economic problems, appear in general to put increasing faith in exchange control and import licensing, it required courage on the part of the authorities in Thailand to initiate what many regarded in the first place as a somewhat perilous experiment. The operation was carried out in stages, the first step being the restoration of the rice trade to private hands two years ago. Subsequent measures terminated the system under which the foreign exchange earned by exports of rice, rubber and tin had been sold partly at official and partly at free market rates: all such exchange is now sold at the free rate. Restrictions on imports were also removed.

"It is pleasing to report that the whole experiment has so far worked well. It was anticipated that, following the lifting of import controls in September 1955, there would be an immediate and considerable increase in imports. Such proved to be the case, and according to the latest figures available the country appeared to be running a trade deficit well into 1956. However, as a substantial proportion of Thailand's imports are shipped under American Aid and exports have been running at a higher level than in 1955, it is reasonable to assume that, except for the period immediately after the raising of import restrictions, the country's balance of trade has been favourable.

"Rice is still the backbone of the economy and exports, at roughly 1,200,000 tons, were about the same as the previous year but, unfortunately, through increased competition from the rice-producing countries and the incursion of the United States into Far Eastern markets, prices were substantially below those for 1955. Nevertheless, the authorities found no difficulty in maintaining the value of the tical and, in fact, owing to the supply of United States dollars accruing to Thailand through its exports to Laos and Cambodia under American Aid, it was more than once necessary for the Equalisation Fund to intervene in order to prevent an appreciation in the exchange value of the tical.

"In the latter part of the year, the political scene was dominated by the forthcomnig elections and further democratic reforms are promised. An unfortunate feature was a marked recrudescene of nationalistic agitation, which is rather surprising in a country of the maturity of outlook of Thailand, and particularly at a time when a feeling of confidence must be engendered in order to attract the foreign investor.

Vietnam

"Since last year, when I told you of the difficulties, both political and economic, confronting Vietnam, there has been steady progress in both fields, to an extent that allows one to be quietly optimistic about the future and perhaps the greatest encouragement in this view is the gradual strengthening of the country in relation to communist-held northern Vietnam.

"That this improvement in strength has been made is largely due to the forceful personality of President Ngo Dinh Diem, whose outstanding achievement was the promulgation of the Vietnam constitution in October last. The Government's newly-found strength has manifested itself in the emergence of certain nationalistic ordinances for land reform, for the naturalisation of Chinese born in Vietnam and for the prohibition of foreigners in engaging in certain trades. The last two, which are interconnected, are very bold measures, for the Chinese community, now cut off from the possibility of oversea aid, has to decide whether or not it will co-operate fully in the country's trade. If it does so, there is hope that economic recovery and final independence of American Aid may be an earlier possibility than could have been anticipated a year ago. As it is, although the country depends almost entirely upon American Aid, which provides the greater part of the Government's budgetary revenue and pays for all but 20 per cent. of the country's imports, there are signs that an early revival of exports may change drastically the extent of this dependence on external support.

"Rubber, which at the moment accounts for 80 per cent. of the total exports, should continue to be a useful exchange earner, but even more important is the promise of an immediate resumption of rice shipments, for it is on this commodity that the country must depend for the re-establishment of its economc stability, although, paradoxically, on the political stability of the country will depend the ability to produce and bring the rice to the ports.

"Business during the year has been difficult, but the Government has endeavoured, and with much success, to tackle black marketeering and profiteering, although, this has brought in its wake a form of control and interference in business that does not augur well.

"The country badly needs investment capital, but it is difficult to see this forthcoming until a strong but liberal administration is built up with the help of a good civil service, and unfortunately the country is woefully short of capable Government officials. For this reason great credit is due to the few that have carried the burden with some success during 1956.

Cambodia

"Cambodia, by accepting aid from China and Soviet Russia as well as the United States, has demonstrated that it wishes to be completely independent of any international political grouping and to be free to welcome investment and assistance from any foreign source, provided that it is offered without political conditions attached to it. Thus, the construction of the new ocean port at Kompong Som, a project of immense importance to the country and one which will render it largely independent of the Mekong River and Saigon, is being carried out with French aid. The modern highway from Kompong Speu to the new port and linking it with Phnom-Penh is an American-aided project, while the programme of Chinese aid also includes road construction as well as agricultural and electrical development schemes.

"The bulk of the country's imports continue to be financed by American Aid, but in order to assist its declared policy of lowering prices in the domestic market the Government has released part of its own foreign exchange holdings to pay for certain specified imports. Notwithstanding this, and despite two poor rice harvests in succession, the foreign exchange holdings of the Banque Nationale du Cambodge have steadily increased over the year.

"This cautious, but commendable, spending policy will undoubtedly assist in building up the country's economy on sound lines and we can look for further steady progress even in the absence of much needed investment capital.

The Philippines

"The Philippines would appear to have been successful in one major battle during 1956, that is defending the value of the peso. The rapid fall which took place in the Republic's international reserves during 1955 was halted and, mainly owing to drastic import control, there was a slow but steady increase in the foreign currency holdings during the year under review. As exports are tending to rise in value and American Aid has proved more than sufficient to cover the trade deficit, the peso should be in no immediate danger.

"The reappointment of Mr. Miguel Cuaderno as Governor of the Central Bank for a further year is a most encouraging factor, for the fundamental soundness of his hard-money policy has been clearly proved. It is apposite here to express our satisfaction too that one of his broad international outlook and experience should so fittingly have been appointed Chairman of the Boards of Governors of the World Bank and of the International Monetary Fund.

"The determination and realism that have played such a large part in readjusting the balance of trade and saving the peso will be needed by the administration in their second major struggle, that is the fight against inflation. If the Philippines succeed in halting inflation over the coming year a major economic victory will have been gained, but the task is not an easy one. To succeed it may be necessary to postpone some of the capital development programme and reduce deficit financing. Efforts will have to be made to see that local production is increased to offset import cuts and this would

seem to indicate a temporary switch at least from industrialisation to investment in indigenous activities such as mining, tobacco, desiccated coconut and paper production and to the purely agricultural industries of coconut-oil, sugar, hemp and lumber.

"Unfortunately, some of the proposed legislation in the Philippines is still such as to frighten away rather than encourage the foreign investor and our experience has been that the authorities, in order to conserve foreign exchange, have been overdrastic in their application of regulations to the detriment of ordinary profit remittance. We can only hope that a return to less anxious times will allow a more lenient and reasoned outlook.

"Although the foreign trade of the Philippines is still predominantly with the United States there was a continued trend during the year to trade more in European markets and with Japan and it is hoped that a formula will soon be found which will allow the Philippines to adopt sterling as its alternative trading medium and thus enable it to keep part of its reserves in a currency other than the United States dollar.

"The popularity of President Magsaysay remains unabated and his prestige is such that it is unlikely that any candidate could be found to defeat him in the next elections. All well-wishers of the Philippines will hope that he enjoys a long term in office for he remains a great stabilising influence on the country's politics and economy and an inspiration to his countrymen to work in the interests of their country.

Hong Kong

"Notwithstanding Hong Kong having better trading figures for the year, due no doubt more to higher prices than to increased volume, it is becoming increasingly clear that its importance as an entrepot is decreasing and that much of that business has probably gone for ever.

"That China will trade through Hong Kong when expedient was fully demonstrated by the modification of policy in the middle of the year which brought Hong Kong's merchants to an increased degree into China's pattern of trade. Unfortunately, because of China's dependence on the Soviet bloc for the bulk of its supplies, it is unlikely that an increased use of Hong Kong for inward and outward shipments will be a permanent feature. On the contrary, it seems that China is determined to develop a deepwater port at Tsaam Kong, formerly the French possession of Kwong Chow Wan, and although there will be much greater railway haulage involved, it seems that this port, at the expense of Hong Kong, may eventually serve most of South China.

"Fortunately, industrial development in the Colony has done much to offset its loss of entrepot trade and the various industries, particularly cotton spinning, can look forward optimistically into 1957, provided there is no change in Imperial preference. The mills and other industries are fortunate in having, partly through refugees, a seemingly inexhaustible reservoir of good labour which enables them to keep costs steady and competitive. This is perhaps the only bright aspect in connection with the refugees, for the housing of some 700,000 extra persons plus the school, sanitation and health services necessitated, are imposing a severe strain on the Colony's physical resources and on its budget. Of those physical resources, lack of water is still probably the most serious single factor and even the completion of the Tai Lam Chung dam in eighteen months' time will not fully meet the domestic and industrial demand.

"The political scene during the year was dominated by the riots commencing with the celebration of the anniversary of the foundation of the Nationalist Republic of China. Unruly elements seized their opportunity to indulge in looting, arson, stone throwing and intimidation, but a reassuring feature is that a Government enquiry has confirmed that political motives were to all intent and purpose absent.

China

"My report on China this year is in marked contrast to my remarks over the last few years, inasmuch as, under encouragement from the authorities, your Bank is again participating, if only to a small extent, directly in mainland China's oversea trade.

"It would appear that the authorities in Peking consider that it is useful to have trade links throughout the world additional to those provided by their own Bank of China and, as this change coincides with China's further progress towards normal commercial trading terms, it is hoped that we shall be in a position to handle useful and remunerative business.

"During 1956, notwithstanding some setbacks to crops through adverse climatic factors, the process of steady consolidation went on and the country has evidently reached a state where some liberalisation in the interpretation of the regulations is considered justifiable.

"An outward manifestation of the increase in foreign trade is the revival in the activity of Shanghai as a port, but the vexatious question of the embargo is still a stumbling block to Britain's increased participation.

Japan

"Three main and interrelated political events took place in Japan during the latter half of 1956: first, the state of war with the Soviet Union was ended and normal diplomatic relations resumed; secondly, Japan was admitted to membership of the United Nations; and thirdly, the Liberal-Democratic Party in power elected a new Premier who reshuffled the more important cabinet posts.

"Possibly the greatest advantage from these developments is an addition to the country's international bargaining power, and this it may well need if it is to succeed in consolidating and ensuring the continuance of the great economic strength that it has built up over the past two or three years, for the authorities are obviously trying to hedge against the disastrous effects that a recession in the United States could have on Japan's economy. To do this they must make certain of larger participation in the China market, which involves delicate negotiation with the United States, and an increase in the country's trade with South-East Asia countries and the sterling area which, too, may necessitate much hard bargaining. It is significant that the trade talks between Japan and the United Kingdom have dragged on for over three months without agreement having been reached whilst the talks between Japan and Australia were also indeterminate.

"It is perhaps surprising at the end of a most prosperous year when the economy expanded much more than could have been anticipated and a net gain on foreign exchange holdings was registered, that Japan should be worried about the future but, due possibly to a liberalisation of its import policy, not unconnected with negotiations on exports, the terms of trade turned rather quickly against the country in the second half of the year. This trend might be serious if certain key requisites for economic development, such as transport, steel and electric power, were to fall short of requirements. The extent to which Japan depends upon a good home rice crop is another potential weakness and so too is the threat of internal inflation.

"I do not wish to give an impression that I feel alarmed about Japan's future, for, on the contrary, the country enters 1957 on a very optimistic note and the fact that the weaknesses and possible dangers I have pointed out are well known to the authorities probably means that they will be well taken care of by sound fiscal and monetary policies. The country's inherent strength is reflected in the plans that are afoot for a welcome reduction in taxation and in the growing strength of its banks which, although still possibly over-lent by our standards, provide a sound basis for the growing industrial development.

"The growing use of sterling as a medium for settling Japan's multilateral trade has put a great strain on its holdings and the country's credit is extended in the London market to a degree that may necessitate continued sales of U.S. dollars to replenish its depleted sterling funds.

New York

"In 1956, we have had the interesting spectacle of the United States' authorities in their turn resorting to credit restraint to counteract the sharp rise in the demand for loans and the excess demand for capital investment over the supply of current savings. The result has been tight money market conditions and an increase in interest rates but, notwithstanding this and a cut in profit margins, the economy looks as sound as ever at the moment. In these conditions, our New York office, which progressively increases in importance in our branch system, has had perhaps more than usual demands made upon its resources.

"The United States has continued to be particularly generous in its aid to the Eastern countries in which we are interested, often thereby underpinning the economy of those countries, and we are pleased to say that when, as in the disposal of excess farm products, it has sold in Eastern markets, it has usually done so without unduly depressing prices. Whether the large sales of cotton to be made this year will be disruptive remains to be seen.

Hamburg

"Our Hamburg agency continues to increase its business and, as an active link between our branches in the East and trade and industry in West Germany, it occupies a position of growing importance in our organisation.

"The greatly increased surplus on the Federal Republic's balance of payments during the past year has been a renewed indication of the benefits which may accrue to a country whose financial authorities adhere resolutely to sound fiscal and monetary policies. This external surplus has caused a substantial rise in the domestic money supply and in bank liquidity, but the central bank's measures causing the banks to reduce their credit commitments have been instrumental in avoiding any serious inflationary tendencies, although unemployment has been increasing.

"The competitive prices and shorter delivery dates quoted by German manufacturers have led to a substantial increase in export orders placed with West German industry last year by countries in the Far East as well as elsewhere.

Manchester and Liverpool

"Our branches in Manchester and Liverpool fulfil a useful function in our organisation by maintaining our longstanding and close connections with commercial and industrial interests in Lancashire and Northern England.

West End, London

"An increasing number of visitors from the East avail themselves of the banking services available at this conveniently situated branch.

Conclusion

"With the industrial skill, mercantile capacity and administrative ability that is at our disposal, and a proper realisation of the fact that our endeavours in the East must in future be related to common economic interest rather than to politics and strategy, there is no reason for despondency.

"To that I would only add that we see everywhere throughout the East a steadily increasing competition for business, which is not likely to become less as the years go by and we must realise that the selling prices of our manufactured goods will be set by the world at large and not by ourselves. We cannot expect, indefinitely, to absorb increases in the cost of living in our selling prices or to get increased prosperity without increased production, which must entail an end to restrictive practices. Our income will be related to our output and our present standard of living will only be maintained, if we are prepared to match the output of other countries. If we do not do so, we shall find ourselves priced out of the world's markets."

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D. R. VEDAMUTHU,
General Manager

THE CENTRAL BANK OF INDIA, LIMITED.

BALANCE SHEET AS AT 31ST DECEMBER, 1956.

CAPITAL AND LIABILITIES

	Rs.	a.	p.	Rs.	a.	p.
1. CAPITAL:—						
AUTHORISED CAPITAL:—						
(a) 10,50,000 Ordinary Shares of Rs. 50 each				5,25,00,000	0	0
(b) 4,20,000 Ordinary 'A' Shares of Rs. 25 each				1,05,00,000	0	0
				6,30,00,000	0	0
ISSUED CAPITAL:—						
(a) (i) 4,72,528 Ordinary Shares of Rs. 50 each issued as paid up to the extent of Rs. 25 without payment in cash in exchange for 9,45,056 shares of the Tata Industrial Bank Ltd.	2,36,26,400	0	0			
(ii) 5,77,472 Ordinary Shares of Rs. 50 each issued for payment in cash	2,88,73,600	0	0			
10,50,000 Ordinary Shares of Rs. 50 each				5,25,00,000	0	0
(b) 2,10,000 Ordinary 'A' Shares of Rs. 25 each fully paid up issued as bonus shares for consideration other than cash				52,50,000	0	0
				5,77,50,000	0	0
SUBSCRIBED CAPITAL:—	Rs.	a.	p.			
(a) 10,48,475 Ordinary Shares of Rs. 50 each	5,24,23,750	0	0			
Amount called up at Rs. 25 per Share				2,62,11,875	0	0
Note:—1. The above number includes 346 Ordinary Shares of the Central Bank of India, Ltd. which remain to be given against 692 coupons issued by the Central Bank of India, Ltd., for a like number of shares of the Tata Industrial Bank, Ltd., which have not yet been submitted for conversion. 2. 33 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 66 coupons issued by the Bank, but not yet submitted for conversion						
(b) 2,09,695 Ordinary 'A' Shares of Rs. 25 each	52,42,375	0	0			
Amount fully paid up				52,42,375	0	0
	5,76,66,125	0	0	3,14,54,250	0	0
Note:—487 Ordinary 'A' Shares remain to be given against 2,435 coupons issued but not yet submitted for conversion.						
AMOUNT RECEIVED on 31 Shares Forfeited				530	0	0
						3,14,54,780 0 0
RESERVE LIABILITY OF SHAREHOLDERS:—						
Rs. 25 per Share on 10,48,475 Shares Subscribed upto 31-12-1956				2,62,11,875	0	0
2. RESERVE FUND AND OTHER RESERVES:—						
Reserve Fund (Includes Rs. 1,13,78,375 received as Premiums on issues of Shares in past years)				3,16,28,500	0	0
Contingency Fund				42,00,000	0	0
Sinking Fund in respect of Lands and Buildings				44,48,622	15	3
						4,02,77,122 15 3
3. DEPOSITS AND OTHER ACCOUNTS:—						
Fixed Deposits and Cash Certificates				42,34,16,466	4	9
Savings Bank Deposits				23,86,44,210	13	4
Current Accounts, Call Deposits, Contingency Accounts, etc.				67,71,54,351	2	11
						1,33,72,15,028 5 0
4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC.:—	Secured by part of Investments and Bills Discounted as per Contra Rs.	a.	p.	Unsecured Rs.	a.	p.
(i) In India	7,02,00,000	0	0	....		
(ii) Outside India	2,19,55,254	0	11	....		
				7,02,00,000	0	0
				2,19,55,254	0	11
						9,21,55,254 0 11
5. BILLS PAYABLE						1,69,75,095 4 8
6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE as per contra:—						
(i) Payable in India				6,78,58,195	3	0
(ii) Payable outside India				1,93,65,766	12	4
						8,72,23,961 15 4
7. OTHER LIABILITIES:—						
Branch Adjustments				4,88,19,862	1	6
Amounts owing to Subsidiary Company				27,25,563	9	3
Unclaimed Dividends				9,11,493	2	3
Rebate on Bills Discounted				1,22,925	10	0
						5,25,79,964 7 10
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS as per contra (Include Rs. 6,185-0-0 in respect of Guarantees given to Government Departments secured against part of the Bank's investments)						9,37,49,159 6 1
9. PROFIT AND LOSS ACCOUNT:—						
Balance as per Balance Sheet as at 31st December, 1955				37,27,613	8	6
Less—Final Dividend at the rate of 6 per cent. paid for the half-year ended 31st December, 1955				18,87,255	0	0
				18,40,358	8	6
Profit for the year 1956				1,04,36,284	15	5
				1,22,76,643	7	11
	Rs.	a.	p.			
Less—Ad-interim Dividend paid for the half-year ended 30th June, 1956, at the rate of 6 per cent., i.e., Rs. 1-8 per Share	18,87,255	0	0			
Amount transferred to Bank's Investments	15,00,000	0	0			
Amount provided for Taxation	13,00,000	0	0			
Amount transferred to Staff Gratuity Fund	5,00,000	0	0			
Amount provided for Bonus to Staff	27,50,000	0	0			
				79,37,255	0	0
						43,39,388 7 11
10. CONTINGENT LIABILITIES:—						
(i) Claims against the Banking Company not acknowledged as debts Rs. 57,09,605-13-10.						
(ii) On Investments in shares of Joint Stock Companies and Banks, Rs. 38,93,307-5-0.						
(iii) On Letters of Guarantee on behalf of constituents, Rs. 30,38,749-6-0.						
(iv) Liability on account of outstanding Forward Exchange Contracts, Rs. 2,06,61,286-3-5.						
(v) Liability on Bills of Exchange Rediscounted:— (i) On Inland Bills of Exchange, Rs. 3,11,505-13-0. The liability has fully run off as at 9th February, 1957. (ii) On Foreign Bills of Exchange, $..						
Note:—Rs. 5,00,000 have been provided in respect of the liability arising from future gratuities payable to staff. The actual amount of this liability has not been ascertained but is greater than the amount provided.						
Total .. Rs.						1,80,59,69,754 14 2

PROPERTY AND ASSETS

				Rs.	a.	p.	Rs.	a.	p.
1. CASH:—									
Cash in hand and with Reserve Bank and State Bank (including Foreign Currency Notes)							18,65,01,172	14	8
2. BALANCES WITH OTHER BANKS:—	On Current Accounts Rs.	a.	p.	On Deposit Rs.	a.	p.			
(i) In India	22,30,722	4	11	....			22,30,722	4	11
(ii) Outside India	1,70,61,105	5	11	....			1,70,61,105	5	11
							1,92,91,827	10	10
3. MONEY AT CALL AND SHORT NOTICE							1,23,33,330	4	0
4. INVESTMENTS (at Book Value):—									
(i) Securities of the Central and State Governments and other Trustee Securities Face Value Rs. 47,21,44,570-11-4 Market Value Rs. 43,18,34,005-4-8							45,25,67,601	14	1
Treasury Bills of the Central and State Governments							....		
(ii) Shares:	Fully Paid Rs.	a.	p.	Partly Paid Rs.	a.	p.			
(a) Preference	90,68,163	12	8	8,08,250	0	0			
(b) Ordinary	1,75,94,123	12	0	26,56,006	14	10			
(c) Deferred	59,406	14	0	....					
(d) Other Classes	67,798	12	0	....					
	2,67,89,493	2	8	34,64,256	14	10			
	Market Value Rs. 3,03,81,863-6-11						3,02,53,750	1	6
(iii) Debentures or Bonds Face Value Rs. 1,11,19,053-6-10 Market Value Rs. 1,10,22,468-4-0							1,10,18,076	5	0
(iv) Other Investments:									
(a) Pakistan Loans				2,05,10,281	4	0			
(b) Foreign Securities including Treasury Bills				1,27,65,230	3	8			
(c) Other Municipal Debentures				26,84,035	0	9			
							3,59,59,546	8	5
(v) Gold Face Value Rs. 3,68,29,263-12-10 Market Value Rs. 3,59,67,536-4-2							....		
							52,97,98,974	13	0
5. ADVANCES:— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)									
(I) Loans, Cash Credits, Overdrafts, etc.:—				Rs.	a.	p.			
(i) In India				69,81,09,272	0	0			
(ii) Outside India				3,23,32,792	3	6			
							73,04,42,064	3	6
(II) Bills Discounted and Purchased:—									
(i) Payable in India				13,73,86,593	10	3			
(ii) Payable outside India				3,97,99,580	2	1			
							17,71,86,173	12	4
									90,76,28,237 15 10
PARTICULARS—				Rs.	a.	p.			
(i) Debts considered good in respect of which the banking company is fully secured				79,36,93,235	10	9			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security				6,91,27,697	15	2			
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors				3,98,07,304	5	11			
(iv) Debts considered doubtful or bad, not provided for				....					
Total ..				Rs. 90,76,28,237	15	10			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons				9,54,045	9	11			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				2,24,35,626	1	1			
(vii) Maximum total amount of advances including temporary advances, made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons				15,42,656	11	3			
(viii) Maximum total amount of advances including temporary advances, granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				2,88,90,004	15	2			
(ix) Due from banking companies				90,38,578	9	5			
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS PER CONTRA:—									
(i) Payable in India							6,78,58,195	3	0
(ii) Payable outside India							1,93,65,766	12	4
									8,72,23,961 15 4
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS PER CONTRA									9,37,49,159 6 1
8. LANDS AND BUILDINGS:—	Bank Premises Rs.	a.	p.	Investment in Properties Rs.	a.	p.	Non-Banking Assets acquired in satisfaction of claims Rs.	a.	p.
Cost as per last Balance Sheet	87,62,476	15	1	38,75,392	3	1	9,21,325	9	3
Less—Cost of Properties sold during the year	....			....			5,000	0	0
	87,62,476	15	1	38,75,392	3	1	9,16,325	9	3
Add—Cost of Additions made during the year	3,153	8	0	....			4,160	10	0
Cost of Properties purchased or taken over during the year	....			....			....		
	87,65,630	7	1	38,75,392	3	1	9,20,486	3	3
Less—Amount written off	10,00,000	0	0	15,00,000	0	0	2,08,624	15	8
	77,65,630	7	1	23,75,392	3	1	7,11,861	3	7
(Further Provision in Sinking Fund as per contra)									1,08,52,883 13 9
9. FURNITURE AND FIXTURES:—									
As per last Balance Sheet							72,51,792	2	3
Add—Additions less Sales made during the year							3,80,672	11	9
							76,32,464	14	0
Less—Amount written off to date for Depreciation							46,24,069	5	9
									30,08,395 8 3
10. OTHER ASSETS:—									
Shares of the Central Bank Executor and Trustee Co., Ltd., at Cost							9,99,000	0	0
Interest accrued on Investments							27,44,528	8	10
Silver							....		
Stamps, Stationery, Stock of Home Savings Sales and Safe Deposit Boxes							18,38,281	15	7
									55,31,810 8 5
Total .. Rs.									1,80,59,69,754 14 2

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1956.

EXPENDITURE

	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.				59,27,370	1	6
2. Salaries and Allowances at Head Office and Local Branches				2,26,69,375	14	0
Salary and Allowances to General Manager Rs. 87,511-11-0				1,86,99,923	0	4
Salaries and Allowances at Up-country Branches				13,16,180	5	11
Contributions to Provident Fund				2,59,43,423	7	9
3. Directors' Fees and Allowances				46,530	0	0
Committee Members' Fees and Allowances				7,318	0	0
				53,848	0	0
4. Rent, Taxes, Insurance, Lighting, etc.				24,87,224	12	2
5. Law Charges				1,21,258	14	9
6. Postage, Telegrams and Stamps				9,50,645	7	2
7. Auditors' Fees				94,000	0	0
8. Amount transferred to Sinking Fund on Banking Company's Property				95,905	8	8
Repairs to Banking Company's Property				69,949	5	3
Other Charges on Banking Company's Property				3,37,833	14	10
Depreciation on Furniture, etc.				2,88,928	15	4
				7,92,617	13	1
9. Stationery, Printing and Advertisement, etc.				14,24,899	9	2
10. Loss from Sale of or Dealing with Non-Banking Assets				5,31,660	15	10
11. Other Expenditure				1,04,36,284	15	5
12. Balance (Net Profit) subject to Taxation						
Total .. Rs.						6,55,14,739 12 4

INCOME (less Provision made during the year for bad and doubtful debts and other usual or necessary provisions).

	Rs.	a.	p.
1. Interest and Discount			5,32,64,436 7 7
2. Commission, Exchange and Brokerage			1,13,61,468 10 9
3. Rent on Bank's Premises (excluding Rent on Premises used by the Bank)			5,81,374 13 9
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)			....
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)			....
6. Income from non-Banking Assets and Profit from Sale of or Dealing with such Assets			2,95,788 8 3
7. Transfer Fees			11,706 4 0
Total .. Rs.			6,55,14,739 12 4

Note—Remuneration received by Directors for their own use from other Companies by virtue of nomination by the Bank on the Board of other Companies amounted to Nil during the year.

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Central Bank of India, Ltd., as at the 31st day of December, 1956, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the returns of 51 branches audited by us, 21 branches audited by other auditors and the unaudited returns from 87 other branches and 124 Pay Offices not visited by us.

In accordance with the provisions of section 29 of the Banking Companies Act, 1949, read with the proviso to sub-sections (1) and (2) of section 211 and section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank;
(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank;
(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;
(e) In our opinion, and to the best of our information and, according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, read along with the notes appearing thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

BOMBAY, 1st *March*, 1957.

A. F. FERGUSON & CO., *Chartered Accountants.*

S. B. BILLIMORIA & CO., *Chartered Accountants.*

H. P. MODY, *Chairman.*
C. H. BHABHA, *Vice-Chairman.*
DINSHAW D. ROMER, D. M. KHATAU, M. M. AMERSEY, C. P. WADIA, NARIMANJI B. PARIKH, J. J. DASTOOR, JAMSETJEE JEEJEEBHOY, *Directors.*

N. K. KARANJIA, *General Manager.*
F. C. COOPER, *Deputy Manager.*
V. C. PATEL, *Chief Accountant.*

THE MERCANTILE BANK OF INDIA, LIMITED

(REGISTERED IN LONDON UNDER THE COMPANIES ACTS OF 1862 TO 1890, ON 2ND DECEMBER, 1892)

Authorised Capital	**£3,000,000**	**Paid-up Capital**	**£1,470,000**
Subscribed Capital	**£2,220,000**	**Reserve Fund**	**£2,000,000**

Head Office: **15, GRACECHURCH STREET, LONDON, E.C.3.**

Board of Directors:
SIR KENNETH W. MEALING, *Chairman.*
SIR CYRIL E. JONES, K.C.I.E., C.S.I., *Deputy Chairman.*
LORD BICESTER. R. W. B. DUNLOP, ESQ.
E. J. BUNBURY, ESQ., C.B.E., M.C. SIR JOHN G. HAY.
J. B. CRICHTON, ESQ. SIR CHARLES A. INNES, K.B.E.
C. D. MILLER, ESQ.

Chief Manager: R. N. DRAKE.
Deputy Chief Manager: H. W. HAWKINS.
Managers: C. R. WARDLE — W. P. B. DAVIES — R. V. THOMAS — W. H. JOWIT.
London Bankers: BANK OF ENGLAND — MIDLAND BANK LIMITED.
Auditors: COOPER BROTHERS & CO. W. A. BROWNE & CO. *Solicitors:* E. F. TURNER & SONS.

BRANCHES AND AGENCIES:—123, PALL MALL, LONDON, S.W. 1.

INDIA:—
BOMBAY
CALCUTTA
HOWRAH
DELHI
NEW DELHI
MADRAS

PAKISTAN:—
KARACHI
CHITTAGONG
KHULNA

CEYLON:—
COLOMBO
PETTAH, COLOMBO
GALLE
KANDY
JAFFNA

BURMA:—
RANGOON

MAURITIUS:—
PORT LOUIS

SINGAPORE

FEDERATION OF MALAYA:—
KUALA LUMPUR
KOTA BHARU
KUALA LIPIS
KUALA TRENGGANU
KUANTAN
TEMERLOH
PENANG
IPOH

HONG KONG:—

THAILAND:—
BANGKOK

JAPAN:—
TOKYO
OSAKA
SEMBA

NEW YORK REPRESENTATIVE:—J. R. SWALES, 37 WALL STREET.

Agents in New York:—THE CHASE MANHATTAN BANK — BANK OF MONTREAL — J. P. MORGAN & CO., INC.

SIXTY-FOURTH ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

The Directors submit to the Shareholders of the Bank the General Balance Sheet and Statement of Profit and Loss Account for the year ended 31st December, 1956.

The Balance of Profit and Loss Account for the year, after providing for Taxation and after Allocations to Contingency Accounts out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets, amounts to £236,484
to which has to be added the balance brought forward from last account .. 219,372

making the amount available .. £455,856

out of which the following appropriations have been made:—

To Interim Dividend of 7 per cent. on the "A," "B" and "C" shares, less Income Tax at 8s. 6d. in the £, paid on 25th September, 1956	£59,168	
To Officers' Pension Fund	13,000	
To Amount written off Freehold Banking Premises and Property	50,000	
To Additional Allocation to Contingencies Account ..	50,000	
		172,168
leaving a sum of ..		£283,688

from which the Directors recommend:—
A Final Dividend of 7 per cent. on the "A," "B" and "C" shares, less Income Tax at 8s. 6d. in the £, payable on 26th March, 1957 .. 59,167

Balance to be carried forward to next account £224,521

The Reserve Fund has been increased to £2,000,000 by a transfer of £250,000 from Reserves previously set aside and now no longer required.

Agencies of the Bank were opened at No. 88 Main Street, Pettah, Colombo, Ceylon, on 1st October, 1956, and in Temerloh, Federation of Malaya, on 5th November, 1956.

The following Directors retire by rotation under Articles 120 and 121 of the Articles of Association, but being eligible, offer themselves for re-election:—

Sir John G. Hay.
Mr. E. J. Bunbury.
Sir Charles A. Innes.

Special Notice under Sections 142 and 185 of the Companies Act, 1948, has been received by the Bank of a Resolution for the re-election as Director of Sir John G. Hay, who has attained 73 years of age.

Messrs. Cooper Brothers & Co. and Messrs. W. A. Browne & Co., the present Auditors, will continue in office pursuant to Section 159 (2) of the Companies Act, 1948.

By Order of the Board,
R. N. DRAKE,
Chief Manager.

LONDON, 26th *February*, 1957.

BALANCE SHEET, 31st DECEMBER, 1956.

1955 £		£	£
	Capital Authorised—		
750,000	150,000 "A" shares of £5 each	750,000	
750,000	150,000 "B" shares of £5 each	750,000	
1,500,000	1,500,000 "C" shares of £1 each	1,500,000	
£3,000,000		£3,000,000	
	Capital Issued—		
375,000	150,000 "A" shares £2 10s. paid	375,000	
375,000	150,000 "B" shares £2 10s. paid	375,000	
720,000	720,000 "C" shares £1 paid	720,000	
1,470,000			1,470,000
1,750,000	**Reserve Fund**	2,000,000	
215,372	**Balance of Profit** unappropriated carried forward to 1957 ..	224,521	
1,969,372			2,224,521
3,439,372			3,694,521
	Current Liabilities, Provisions and Other Accounts—		
259,138	**Notes in Circulation** against security per contra	219,013	
	Current and Fixed Deposit and Other Accounts including Provisions for Taxation on Profits to date, Doubtful Debts and Reserves for Contingencies	69,440,154	
86,984,096		1,316,893	
1,084,879	**Bills Payable**	124,167	
154,924	**Acceptances on account of Customers** per contra	43,470	
43,577	**Balances due to Subsidiary Companies**	59,167	
59,167	**Proposed Final Dividend,** less Income Tax		
68,625,781			71,202,864
£72,065,153			£74,897,385

1955 £		£	£
	Current Assets—		
10,043,169	**Cash in hand, at Call and at Bankers**		9,777,683
	Investments (Quoted Investments at or under market value; unquoted Investments at or under cost)—		
	British, Dominion and Colonial Government and Other Securities (including £285,000 British Government Securities deposited against Note Issue):		
14,892,945	Quoted in Great Britain	10,866,211	
6,080,226	Quoted elsewhere than in Great Britain	6,048,130	
20,973,171		16,914,341	
169,142	Unquoted (including Federation of Malaya Treasury Deposit Receipts, £1,050,000)	1,266,418	
21,142,313			18,180,759
105,605	**Hong Kong Government Certificates of Indebtedness** deposited against Note Issue	105,605	
16,509,039	**Bills Receivable**	17,281,329	
23,362,488	**Loans Receivable, Advances and Other Accounts** including Amounts due by Agents	28,755,859	
194,924	**Liability of Customers for Acceptances** per contra	124,167	
40,172,056			46,266,960
71,357,538			74,225,401
55,237	**Shares in Subsidiary Companies** at cost		55,237
	Fixed Assets—		
652,378	**Freehold Banking Premises and Property** at Cost less Amounts Written off		616,747
£72,065,153			£74,897,385

NOTES.

1. Currency Assets and Liabilities have been converted into Sterling at the following rates:—1s. 6d. per Indian, Pakistan and Ceylon Rupee and Burma Kyat, 2s. 4d. per Straits Dollar, 1s. 3d. per Hong Kong Dollar, 7s. per United States Dollar, 4d. per Baht, Yen 1,000 = £1.

2. Group Accounts are not prepared as the Directors consider they would be of no real value to members in view of the insignificant amounts involved in the accounts of the Subsidiary Companies.

3. Contracts for outstanding capital expenditure £40,358 (*1955, £27,631*).

4. There are Contingent Liabilities in respect of the following:—
Bills Receivable re-discounted £2,253,147 (*1955, Nil*) of which, up to 25th February, 1957, £1,306,755 have run off.
Outstanding Forward Exchange Contracts.
Confirmed Credits and Guarantees entered into in the ordinary course of business, including Guarantees to Government Departments in India amounting to £75,890 (*1955, £109,720*) for which security has been deposited with the Reserve Bank of India.
Uncalled Capital amounting to £54,963 (*1955, £54,963*) in respect of partly paid shares in Subsidiary Companies.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

1955 £		£	£
13,000	**Amount transferred to Officers' Pension Fund** ..		13,000
35,000	**Amount written off Freehold Banking Premises and Property** ..		50,000
50,000	**Additional Allocation to Contingencies Account**		50,000
	Dividends—		
59,168	Interim Dividend of 7 per cent., less Income Tax at 8/6 in the £	59,168	
59,167	Proposed Final Dividend of 7 per cent., less Income Tax at 8/6 in the £	59,167	
			118,335
219,372	**Balance of Profit** unappropriated carried forward to 1957		224,521
£435,707			£455,856

B. N. DRAKE, Chief Manager.
F. N. WITHERS, Accountant.

1955 £		£
200,284	**Balance brought forward** from 31st December, 1955	219,372
235,423	**Profit for the year ended 31st December, 1956, after providing for Taxation** thereon, and after allocations to Contingency Accounts, out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets	236,484
	NOTE.—DIRECTORS' REMUNERATION.—The aggregate amount of the Directors' Fees was £11,400 (*1955, £11,400*).	
£435,707		£455,856

K. W. MEALING,
C. E. JONES,
C. A. INNES,
} Directors.

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the annexed Balance Sheet and Profit and Loss Account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit ascertained in the manner therein indicated for the year ended on that date.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants.

LONDON, *26th February, 1957.*

THE MERCANTILE BANK OF INDIA LIMITED

INCREASED SHARE IN WORLD TRADE WITH EASTERN COUNTRIES

SIR KENNETH W. MEALING'S REVIEW OF ECONOMIC DEVELOPMENTS

THE Sixty-fourth Annual General Meeting of the Mercantile Bank of India, Ltd., will be held in London on 26th March 1957. The Chairman, Sir Kenneth W. Mealing's statement accompanying the Directors' report and audited accounts for the year ended 31st December 1956, to be presented at the meeting, contains, as usual, a survey of the economic developments in the principal countries of the Bank's operations. Referring to India's second Five-year Plan, Sir Kenneth expresses the view that, initially it was inevitable that a degree of inflation and high taxation must be anticipated and was indeed already taking place. He hoped that the ultimate effects of the great production and employment that this Plan was expected to produce would justify this great undertaking.

The following is the full text of Sir Kenneth's statement:

"The expansion recorded last year in the Bank's general business continued during 1956. The balance-sheet total, at nearly £75 million, is higher by £3 million. Deposits are higher by £2¼ million, whilst on the assets side, there are increases of over £5 million in loans and advances and nearly £1 million in bills receivable. These higher figures indicate the increased share we are taking in world trade with the East and are in part responsible for the decrease in our holding of Government securities by nearly £3 million.

Net Profit Higher

"The net profit of £236,484 is slightly higher than the previous year and your Directors recommend a final dividend of 7 per cent. If this recommendation is approved the dividend for the year will be 14 per cent., the same as last year. From the balance the usual allocations have been made to the officers' pension fund, premises account and contingencies reserve account leaving the balance carried forward at £224,521, against £219,372 from the previous year.

"During the year the Board authorised the transfer of £250,000 from inner contingencies account to the reserve fund, which now stands at £2,000,000.

"The two significant events of 1956 were the strain put upon Anglo-American relations and the reimposition of Stalinism throughout Communist countries. The former resulted from the chain reaction starting with America's sudden withdrawal from the Aswan Dam project, the nationalisation of the Suez Canal Company, the attack by Israel on Egypt and the Franco-British intervention. The second resulted from the attempt by the workers and people of Hungary to secure the freedom which the new anti-Stalin policy of Russia seemed to promise.

No End of Cold War

"In the former case the British and French obeyed the resolutions of the United Nations and withdrew. The Canal was blocked by the Egyptians and only the future will show whether any nations (other than Britain and France) are willing to obey the edicts of the United Nations, to which so much political lip service is rendered. So far as the Hungarians are concerned the answer is clear: that Russian imperialism is not prepared to permit United Nations observers even to investigate the facts. I can only repeat my statement of a year ago, when I said 'there is little or no prospect of a real relaxation of tension or of ending the 'cold war' until a real disarmament agreement can be brought into effect' —and this seems now, if anything, still further away.

"In Britain, the Government's fiscal policy was beginning to be effective without resulting in unemployment, but the events in the Middle East checked the progress anticipated and the change in Government in January, 1957, resulting from the Prime Minister's illness and the re-entry into world affairs of the U.S.A. following the Presidential Election, may be expected to open a new era of Anglo-American co-operation and economic prosperity throughout the Western world.

India

"One of the principal events of the year in India was the introduction of the States Reorganisation Bill which, after some modification, resulting from troubles in Bombay and Bengal, came into effect throughout India on 1st November 1956. Under this new Act the State of Bombay becomes one of the largest in India and with the final extinction of the princely States the map of India takes on a rational and logical appearance, such as it has never had in the past. Sir Chintaman Deshmukh, the Finance Minister, disagreed with the Government over the States Reorganisation Bill, insofar as it affected Bombay, and resigned his post in the Government. After an interregnum Mr. T. T. Krishnamachari became the Finance Minister and Mr. Morarji Desai, lately the Chief Minister of Bombay, went to the Centre as Minister of Commerce and Industry.

"Mr. Krishnamachari introduced a surprise autumn budget which among other things, included the reintroduction of a capital gains tax, increases both in direct and indirect taxation, a proposal to siphon off reserves in private enterprise for the benefit of the public sector, and steps to bring the banking services under closer control by the Reserve Bank of India. A motion to nationalise all banks in India was heavily defeated in the Lok Sabha.

"The foreign policy continued to be directed by the Prime Minister, Pandit Nehru, who continues to maintain his policy of neutrality and non-alignment. During the Suez crisis he was under much pressure to sever India's connection with the Commonwealth, but stoutly refused to do so. During the year, a British consortium signed a contract with the Government of India for the erection of a steel plant at Durgapur. This plant is designed to produce ultimately a million tons of steel per annum and is the third such plant, the other two being respectively German and Russian, to be under construction in India at this time.

"The second Five-year Plan, to which I referred last year, is already rapidly getting under way and is estimated to have a total cost of some Rs. 5,300 crores. Inevitably, this vast project will have repercussions on many aspects of Indian life. Initially it is almost inevitable that a degree of inflation and high taxation must be anticipated and indeed is already taking place. It must be hoped that the ultimate effects of the great production and employment that this Plan is hoped to produce will justify this great undertaking.

"Towards the close of the year some anxiety has been caused regarding the country's economy following a continued rise in price levels, continued substantial dwindling of foreign exchange resources and the monetary stringency in the banking system. It is unfortunate that at this time the Indian jute trade, which is one of India's principal earners of foreign exchange, is passing through a time of economic crisis and heavy losses. The tea and cotton industries have both had a fairly successful year and on the whole labour relations throughout India have been reasonably harmonious.

Pakistan

"On 23rd March 1956, the new Constitution was adopted and the Islamic Republic of Pakistan with Major General Iskander Mirza, who had been Governor General, as the first President, came into being. Pakistan, however, remains a member of the Commonwealth. The enactment of this new Constitution was a personal triumph for the Prime Minister, Choudury Mohamed Ali, but, as a result of political realignments, he subsequently resigned, and Mr. H. S. Suhrawardy became Prime Minister in his place, heading a coalition whose principal component is the Awami League. Mr. Suhrawardy is an experienced politician and capable of real statesmanship: his task is formidable, but all well-wishers of Pakistan will hope for his success.

"In May 1956, a draft Five-year Plan was published envisaging the expenditure of Rs. 800 crores in the public, and Rs. 360 crores in the private sectors, estimated to increase national income by 12 per cent., foodgrain production by 13 per cent., provide employment for two million people and increases in electric output, irrigation, etc. The Plan relies upon foreign aid for some Rs. 300 crores of finance. It is regarded as being moderate and realistic and has been well received in the country, but it has been criticised as putting far too little emphasis on agriculture and communications including port facilities.

"Industrial development of East Pakistan is now receiving urgent consideration and may be greatly helped by the discovery of a gas field in Uchh. The jute industry now has some 7,750 looms and plans, by 1960, to have an output of jute manufactures capable of meeting over 30 per cent. of world consumption. Pakistan's devaluation in July 1955, has undoubtedly helped her export trade in raw and manufactured jute and cotton, but the necessity of importing and distributing very large quantities of foodstuffs, particularly in East Pakistan, has proved a major headache and resulted in much suffering in that State last year. No less than 883,000 tons of food were imported into East Pakistan and 600,000 to West Pakistan. The value of these food imports was in the neighbourhood of Rs. 80 crores which, had it not been for American aid would have seriously affected Pakistan's foreign exchange position. There is no doubt that Pakistan will continue to need foreign aid for some time to come, notwithstanding the strenuous efforts she is making, by severe restrictions in imports at the expense of some degree of inflation, coupled with an industrial programme designed further to reduce imports and to increase her income from exports.

Ceylon

"The Ceylonese General Election, held in April 1956, resulted in the unexpected defeat of Sir John Kotelawala's United National Party and its replacement in power by the Peoples United Front Party under the Premiership of Mr. S. W. R. D. Bandaranaike.

"It was believed that the policy of the P.U.F.P. included reductions in the price of rice, legislation to make Sinhalese the official language, and some degree of nationalisation including that of foreign-owned estates.

"Economically, the year 1956 proved less prosperous for Ceylon than the preceding year. This was largely due to circumstances outside Ceylon's own control. Adverse weather conditions, including the severest drought in 50 years, caused deterioration in the quality of tea and a falling off in coconut production. Delays in Colombo due to dock labour unrest and towards the end of the year the diversion of shipping round the Cape all had adverse effects on Ceylon's balance of trade. The Port development scheme was completed and ships are now able to go alongside for loading and discharging cargo. Given freedom from labour disputes, Colombo harbour should regain efficiency and cease to handicap the Island's trade as it has of recent years.

"In May 1956 the Development Finance Corporation of Ceylon was set up with a subscribed capital of Rs. 6,000,000 to assist in the finance of new industrial undertakings in the private sector. The Government also attach considerable importance to agricultural development and work is to begin on two major schemes, the Giritale Extension Scheme and Muthurajawela Scheme with the object of increasing the production of paddy. As foodstuffs, particularly rice, form Ceylon's principal import, it is clearly most desirable that the Island should be made less dependent on imports from overseas of this essential foodstuff.

Burma

"There is not very much change to report in regard to Burma during the past year. General Elections were held in April 1956, as a result of which the Anti-Fascist Peoples Freedom League were overwhelmingly re-elected, a coalition of opposition parties having fallen apart before the election took place. Subsequently, the popular Premier U Nu resigned in favour of U Ba Swe in order to devote his time to the strengthening and internal reorganisation of the Anti-Fascist Peoples Freedom League of which he continued to be President. It is now reported that he will shortly be resuming the Premiership.

"The problem of dealing with the insurgents has not yet been solved in Burma and until it is, the establishment of the rule of law and order throughout the land will remain unsolved.

"In the financial field it is satisfactory to report that Burma's foreign exchange reserves which, at the beginning of the year stood at K.405.5 million, rose by the end of December 1956, to K.569.6 million. This improvement is most welcome and is largely due to the strict limitation of imports. During the financial year which ended on 30th September 1956, 1,932,000 tons of rice and rice products were shipped. Out of this total, 459,000 tons were on account of barter agreements, despite which the total foreign exchange earnings were in the neighbourhood of the equivalent of K.96 crores and practically none of the 1956 crop has had to be carried over into the new year unsold. This, in comparison with previous years when there were large carry-overs of unsold rice stocks, is indeed satisfactory. On the other hand, only a fifth of the petroleum was produced in 1956 than was produced in 1939 and only a quarter of the teak and silver. Burma's potential export of her natural resources, therefore, is very great provided that tranquil conditions could be brought about throughout the country.

"During the year, loans were obtained from the World Bank, the Government of India, and the United States Government primarily to be used in the development of the Port of Rangoon and the railway system.

"Disturbing features are the gradual elimination of private enterprise by State organisations and the infiltration of communism into the Rangoon Universities Students' Union which may present the Government with serious problems in the future if it is permitted to continue.

"Towards the end of the year, Chou En Lai of China visited Rangoon and negotiations are continuing for withdrawal of Chinese troops which occupied Burmese territory adjacent to the border with China.

Federation of Malaya

"The Federation of Malaya has enjoyed a successful and prosperous year in 1956. Both imports and exports made a substantial increase and the prices of Malaya's two main exports—rubber and tin—have maintained a satisfactory level averaging around 96 cents a lb. for the former and $386 a picul for the latter.

"By an agreement signed by Her Majesty's Government on 8th February 1956, a considerable degree of self-government was brought into immediate effect and it is understood that there is every probability of full independence by the end of August 1957. The Constitutional changes effected immediately by the Agreement of February 1956, provided for the appointment of a Chief Minister and this office was assumed by and is still held by Tengku Abdul Rahman, who also assumed responsibility for the internal security of the country under the newly created post of Minister for Internal Defence and Security. Responsibllity for finance, including foreign exchange, was transferred to a Minister of Finance and this office was assumed by Col. H. S. Lee.

"The emergency created by communist terrorists still continues and, although it has been estimated that something like 80 per cent. of the terrorists who entered the jungle in 1948 and since have been eliminated it is nonetheless a fact that terrorists-inspired incidents continue, although they have been considerably reduced. There is no doubt that terrorism will continue to be a thorn in the side of the new Government, unless firm steps continue to be taken against it.

"Thus, a new chapter in the history of the Federation of Malaya having begun in 1956 will presumably come to fruition in 1957. The new Government will start off with enthusiasm and expansive plans which all well-wishers of Malaya must hope will attain success and lead to increased prosperity for the Federation.

Singapore

"1956 proved to be another prosperous and successful trading year for Singapore. Rubber averaged about 95 cents over the year and tin was obtaining good prices. The outlook for 1957 appears also to be favourable.

"The year has also been eventful in the political field. Early in the year, the Chief Minister, Mr. David Marshall, together with members from the other political parties, proceeded to London for constitutional talks which broke down on the question of internal security. On his return early in June Mr. Marshall resigned his position as Chief Minister and was succeeded by Mr. Lim Yew Hock.

"Rioting took place in October following upon the closure by the Government of certain Chinese middle schools which had become a hotbed of political activities of a subversive nature. The Chief Minister's firm handling of this situation created a very good impression and was responsible in large measure for the return of confidence. Although there were a number of strikes during the year, there were, in fact, considerably less than in 1955 and labour relations have towards the end of the year improved.

"Plans have been made to set up an Industrial Promotions Board to encourage and develop local industries in the island of Singapore. An institution of scientific and industrial research is also being set up to investigate and give advice chiefly on the technical and economic aspects of industry and an expert has been engaged to undertake this work. Government has made it clear that it will do all it can to encourage the investment of foreign capital in the Colony and to create a suitable climate for industry. It is evident that, if Singapore is to maintain its position as a great communication and trading centre and keep abreast of the times, a large development programme will require to be undertaken and the means for financing such a programme are under consideration.

Indonesia

"The re-emergence of this important country to a state of fiscal integrity and domestic stability is a matter desired by all countries with whom her trade and commerce can be of mutual benefit. Teething troubles in a young country are inevitable and the recent Sumatra troubles may be the prelude to progress resulting in due course to Indonesia taking its rightful place in the trade and commerce of South-East Asia.

Thailand

"Thailand continues to be one of the most prosperous and contented countries in South-East Asia, under the able Premiership of Marshal Pibul Songgram. There are to be elections in February for a proportion of the seats in the existing one Chamber Parliament, but the Premier recently announced that the present Constitution would be changed in order to provide for an Upper and a Lower House of Parliament: a further step towards liberalisation of the Constitution.

"Economically, Thailand had a good year. The paddy crop is estimated by the Ministry of Agriculture to be close on 8,000,000 tons, of which nearly 1,200,000 tons have been exported and the carryover into the New Year, which in the past has frequently amounted to as much as a quarter of a million tons, this year is regarded as negligible. The timber industry had a somewhat difficult year owing to an increase in costs, whilst the completion of the Chainat Dam across the Chao Thya has seriously hampered the delivery of rafts of timber to Bangkok. The tin, cement and sugar industries all show increased output, the latter being expected to supply the country's entire requirements by the end of 1957. The Government-controlled cotton mill in Bangkok is also said to be increasing its spindleage and by the end of 1957 should be capable of producing over 75 per cent. of the country's estimated requirements. A new paper mill is under construction just outside Bangkok and when this is in full production it is estimated that the country's total requirements will be provided. A plant for the manufacture of gunny bags which is being reconstructed and enlarged has also been taken over by the National Economic Development Corporation and is expected to come into production during 1957 and provide 25 per cent. of local needs, roughly 5½ million bags annually.

"To open up the country with a network of fine roads the 1956 Government programme of highway construction provides for an outlay of Tcs.2,000,000,000, of which 20 per cent. was subscribed under American aid.

Hong Kong

"Hong Kong has had another successful and prosperous year. Both imports and exports show increases in excess of 25 per cent. over the 1955 figures. In the case of exports the principal increases have been to Indonesia, Japan and Thailand. The principal exports to Indonesia consisted of piecegoods and enamelware. The principal increases in imports have come from Japan, China, the U.S.A. and the United Kingdom. The principal imports from China consisted of oilseeds, paper and piecegoods. Local industries in Hong Kong continued to make great strides and exports of locally-made products continued to expand. In value, cotton yarn and cotton piecegoods head the list of exports, but the value of enamelware shows considerable increase over the year. The variety of goods turned out by local industry is considerable and the Colony has become noted for the price, quality and range of the products of its light industries. Amongst the most important of these products apart from cotton piecegoods and cotton yarn are ready-made garments of all kinds, enamelware, torches, vacuum flasks and rubber and leather footwear also brocade, embroideries and drawn work of typically Chinese design and manufacture.

"The Colony's shipbuilding repair industry continues to expand and with its modern equipment and low costs is becoming a popular repair centre for many important shipping lines. Work is proceeding on the new airport at Kai Tak in Kowloon and it is expected to come into use in August 1958. A new power station is also being erected at North Point. The vast problems of housing, providing work and education for the large numbers of refugees who continue to come to Hong Kong are being resolutely tackled by the authorities with some success.

Mauritius

"The 1956 sugar crop in Mauritius was an all-time record at the figure of 571,893 metric tons produced at an average extraction rate of 12.94 per cent. which is also a record. The Commonwealth Sugar Agreement has been extended for a further year, i.e., up to and including the year 1964 and under the terms of the International Sugar Agreement the export quota for Mauritius remains the same at 470,000 long tons. Of this, 335,000 tons will be purchased by the Ministry of Food at an increased price of £42 3s. 4d. per ton, against £40 15s. 0d. per ton for the previous crop. The balance of 135,000 tons will, therefore, be offered for sale in the preferential markets in the United Kingdom and Canada.

"It is estimated that the Cyclone and Drought Insurance Fund exceeded the sum of Rs. 95 million by the end of 1956.

"In May 1956 the Legislative Council adopted a new Constitution for Mauritius proposed by the Secretary of State for the Colonies. The principal changes in the Constitution include that the present electoral system should be replaced by proportional representation by means of a single transferable vote; that the Legislative Assembly shall be composed of 25 elected members after a General Election in 1958; that a member of the Executive Council shall receive the title of Minister and the responsibilities of certain services be entrusted to six unofficial members of the Executive Council.

"It is to be hoped that the new Constitution will provide a workable and satisfactory form of Government until with the efflux of time there evolves some sense of common Mauritian citizenship among the various races and creeds who at present form the population of the Island.

"Trading conditions generally during the year have been satisfactory, although towards the close there was some inevitable disruption owing to the closure of the Suez Canal.

"The small tea industry has continued to expand on a moderate scale. Government have approved a scheme designed to assist the development of the industry on a substantial scale by subsidies and contributions to capital costs of establishing plantations. If the pilot scheme is successful, development on a larger scale is foreshadowed and finally should provide a much needed secondary industry for the Island.

"The finances of the Island continue to be sound. For the year ended 30th June there were increases both in revenue and in expenditure. Revenue exceeded expenditure by some Rs. 10 million and draft estimates for 1956-57 reveal that 35.7 per cent. of the revenue is to be derived from direct taxation with a further 23.4 per cent. accruing from customs duties. On the expenditure side, the largest items are again education and health which will account for 28.9 per cent.

"Population continues to grow rapidly and it has been estimated that at the normal rate of increase the population of the island may attain the million mark by 1972.

Japan

"1956 has proved to be by far the best year for Japan since the war. Exports rose by a further 25 per cent., domestic trade showed a healthy expansion, productivity improved and the harvest, although not quite so large as the previous year, was still exceptionally good. Moreover, these benefits have not been diminished by inflation, for prices remained stable and so all sections of the nation enjoyed conditions of prosperity with better living standards than for nearly 30 years. It is estimated that industrial production as a whole increased by no less than 25 per cent. over the production of 1955.

(Continued on page 587)

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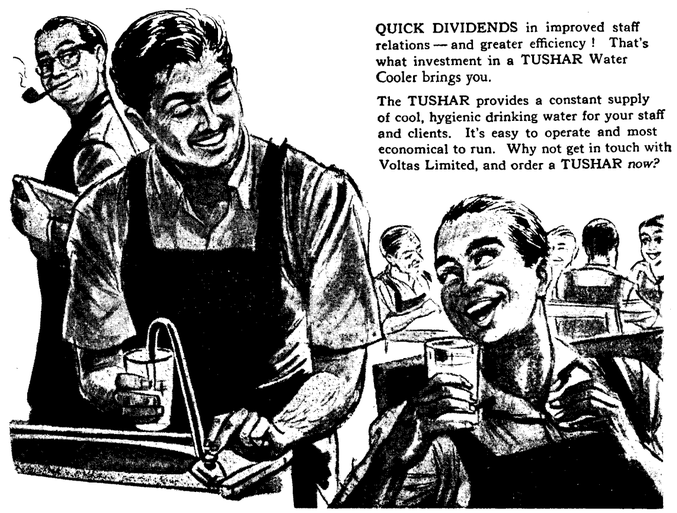

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BANK OF MAHARASHTRA LIMITED

HIGHLY SATISFACTORY PROGRESS

MR. V. P. VARDE REVIEWS GOVERNMENT'S MONETARY POLICY

THE view that the impact of the monetary and fiscal policies on the national economy had been much more serious than what was officially acknowledged was expressed by Mr. V. P. Varde, Chairman of the Bank of Maharashtra Ltd., in the course of his speech at the Twenty-second Annual Meeting of the Bank, held at Poona recently. Mr. Varde, who gave a comprehensive review of the Government's banking and monetary policy, expressed the hope that the authorities would give due recognition to the "economic truism that the country cannot prosper by debasing the rupee." Reviewing the progress of the Bank, he pointed out that the year was notable for an all-round expansion of its activities.

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

"GENTLEMEN,

"It is my privilege to extend to you a cordial welcome to the annual meeting of the Bank. The Directors' report and the audited statements of accounts for 1956 have been in your hands for some days past and I shall take them as read.

"The year was notable for an all-round expansion of the activities of our Bank and these have been detailed in the Directors' report. I am sure you will consider them as highly satisfactory. During 1956, the Bank opened five more branches, bringing the total to 34, and the patronage received from the public has been gratifying. The deposits rose by 23 per cent. to Rs. 626 lakhs as against an increase of about 8 per cent. in the deposit resources of Scheduled banks. Compared to this increase in our resources, the rise in the net profit from Rs. 3.46 lakhs in 1955 to Rs. 4.01 lakhs in the following year is rather small and you are certainly entitled to an explanation. For a banking institution, the safety of funds is a primary consideration and the liquidity of funds is the best guarantee of safety to the depositors. Broadly, we have employed only 45 per cent. of our deposits in advances and have held the rest in liquid assets such as cash and bank balances and investment in Government securities. At a time when the banking system has locked nearly three-fourths of its deposits in extending bank credit, this policy might be considered *ultra-conservative*; but I am confident that it would pay us in the long run.

"The second reason is that our profits have been squeezed by the high cost of borrowing. Throughout the year, the demand for bank credit was so acute that the resources of the banking system were severely strained. To augment them, the banks sought to adopt all the possible devices to attract the people's savings. The scramble for deposits led, in turn, to higher rates on deposits, especially savings and short-term deposits. If in the face of this unhealthy competition we have been able to augment our resources, that is only because of the growing confidence of the public in this institution. Against a rise of 23 per cent. in our deposits, the interest paid during the year rose by 29 per cent. I am afraid this trend will persist so long as the demand for bank credit continues to outstrip the resources unless the Reserve Bank intervenes with a view to restoring order in the money market. Thirdly, our salary bill has gone up from Rs. 6.54 lakhs to Rs. 7.76 lakhs mainly on account of the substantial volume in our business on account of the addition of new branches. These two items, together with the increase in postal charges, have absorbed the increase in our earnings from lending operations.

Net Profit

"The rise in the net profit during the year is contributed by the increase in income from commission, exchange and brokerage and I hope that this source of income will continue to grow with the expansion of the Bank. I wish, however, to draw your attention to the strong position of the balance-sheet. Throughout its period of useful career, your Board has endeavoured to build up its strength and has subordinated the profit motive to service to the people. Against a paid-up capital of Rs. 16 lakhs, our reserves have now reached Rs. 10 lakhs. This has been rendered possible by your support to the Board's policy of paying only a reasonable return on the share capital. Considering the strength which has been built up so far and having regard to the increase in the profit, the Board has recommended this year an increase of one per cent. in the dividend and I am sure you will endorse it.

"The year 1956 was notable for a severe strain on the economy of the country and the banking system did not escape from the consequences. Throughout the period, the money conditions were extremely tight and banks were subjected to a heavy pressure for credit. Over the year, the Scheduled bank credit rose by Rs. 156 crores, while the deposits showed a gain of only Rs. 79 crores. Consequently, the banks were obliged to put up their borrowing rates, reduce their investment portfolio and rely rather heavily on the Reserve Bank for accommodation. To this general trend, your Bank is among the few exceptions. More recently, the Reserve Bank has raised its lending rate against Government securities, while the interest payable on advances against trade bills has moved up to four per cent. as a result of the increase in the stamp duty. Thus, the effective lending rate of the Reserve Bank has moved up to four per cent., though the official Bank rate has remained unchanged. In this country, the Bank rate has been always associated with the Reserve Bank's lending rate against Government securities and I am unable to comprehend the difference between the two rates which has now been made.

"Although the Reserve Bank was unwilling to give a signal to put up the lending rates by increasing the official Bank rate, it goes without saying that the Bank's decision has led to an all-round rise in the lending rates of the banking system and is an acknowledgment of the wide gap between the savings of the people and the demand for capital. It is to be wondered whether the Government will succeed in continuing to borrow on the basis of a three and a half per cent. Bank rate from the public which is able to earn substantially more from other sources. I submit that the Reserve Bank's action in divorcing its official Bank rate from the money market while linking its effective Bank rate with the current money condition is likely to make the Bank's task of enforcing monetary discipline rather difficult. At best, it may be constructed as a stepping stone towards the realignment of the money rates.

Monetary Policy

"Throughout the period under review, two conflicting monetary policies were at work. A selective credit squeeze was in operation so far as the private sector was concerned. On the other hand, the Government relied heavily on deficit financing, the amount raised by discounting Treasury bills during the year being of the order of Rs. 207 crores. The money supply rose in 1956 only by Rs. 131 crores; this comparatively small increase is to be attributed to the heavy imports which reduced our foreign exchange reserves to a low level of Rs. 530 crores. The Government was, therefore, obliged to amend the Reserve Bank of India Act with a view to reducing the minimum cover of foreign exchange for the note circulation to Rs. 400 crores and revaluing the gold reserve and to draw on the credit of the International Monetary Fund. At the same time, the Banking Companies Act was amended in order to enable the Reserve Bank to tighten its grip over the banking system.

"The impact of the monetary policy and the fiscal policy on the national economy has been far more serious than what is officially acknowledged. The industrial production rose during the year by 25 per cent. but the agricultural production received a serious setback owing to unfavourable monsoon. The shortage of essential goods, accompanied by heavy deficit financing, released new inflationary forces which raised the living costs, intensified the labour unrest and squeezed the profit between costs and prices. Even granting that we are all living in an inflationary world in which a decline in the purchasing power of the rupee is inevitable and the prospect for those who have to live on fixed incomes and savings is dismal, I wonder whether it is a sound policy to acquire assets even in the name of development by resorting to methods which, if adopted by an individual, would be termed as dubious. I concede that in these days, stabilisation of prices and costs is probably the best that we can look to because any drastic reduction would swing the balance to the other extreme, i.e., deflation, which would be equally disastrous; but what is desirable is a middle course which would avoid the two extremes. Unfortunately, it is not easy for politicians in a democracy to resist the temptation of trying to do too much too soon.

Stable Money

"The experience of the past decade has brought to the fore the conflict between development and stable money. The first year of the second Five-year Plan has particularly underlined the distortions which are liable to be generated by a policy of undertaking development far in excess of what is possible on the basis of the available resources in men, money and equipment. The danger of incurring excessive capital expenditure which cannot produce goods for some years has become apparent and the need of resorting to heavy deficit financing is the primary cause of our economic malaise. It cannot be cured, to quote the Governor of the Bank of England, by putting one foot on the accelerator of public expenditure and the other foot on the brake of credit restriction. Nor can we bring external solvency without building our internal strength. We have learnt from the past and are trying to retrace our steps by applying the correctives; but I am afraid the medicine is not strong enough to cure the disease. I am glad that the Governor of the Bank of England recently fixed the nail on the head of the central banking authority when he said, with reference to the United Kingdom, that the central bank of the country must 'sound warning bells when Government and near-Government spending is putting too heavy a burden on the country's resources.' The circumstances in which Mr. B. Rama Rau had to resign as the Governor of the Reserve Bank, however, make one sceptical of the utility of our central banking authority to give sound advice to the Government. I only pray that the role of the Reserve Bank will be adequately appreciated by the politicians who have to rule the country and a due recognition will be given to the economic truism that the country cannot prosper by debasing the rupee.

Banking System

"This brings me to two important aspects of the banking policy on which I have been dwelling in my annual statements. The banking system which a country needs has to be in conformity with the economic system which it has to develop. Our planning body has accepted decentralisation of the economic activity as its sheet anchor. It follows from this that a network of well-organised regional banks knowing the local conditions and needs should be encouraged to support the local economic activity. Since its inception, your Bank has been striving to meet the credit needs of small- and medium-sized industries and I am glad that the State Bank of India has now seized the initiative by launching a pilot scheme. There are, however, inherent limitations on the State Bank in spite of the change which is being brought about in its outlook. The State Bank cannot, therefore, be a substitute for a network of local banks. When the Banking Companies Act was enacted, it was hoped that the Reserve Bank would be able to serve these banks as a guide, friend and philosopher and make them increasingly useful to the small and medium enterprise. I regret to mention once again that there has been no marked change in the Reserve Bank's attitude with the result that the tendency of the banking resources to concentrate in bigger institutions has gained a further stimulant during the year under review. I hope the new Governor, Mr. Iengar, will look into this particular problem and evolve a pattern for banking development, which will be in conformity with the economic system we are trying to build up through planning.

"When I addressed you last year, the problem of reorganisation of States was uppermost in the minds of everybody. This has been tackled and the new Bombay State is now

(*Continued on page 604*)



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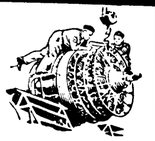

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MR. DHARAMSEY M. KHATAU'S SPEECH AT ANNUAL GENERAL MEETING

ECONOMIC FREIGHT RATES SHOULD PROVIDE FOR ANTICIPATED RISE IN COSTS

ADDRESSING the shareholders of the Scindia Steam Navigation Company, Ltd., at their Thirty-seventh Ordinary General Meeting held in Bombay on 13th March 1957, Mr. Dharamsey M. Khatau, Chairman, reiterated the request of the Coastal Conference to the Rail-Sea-Co-ordination Committee that in fixing the economic rates of freight, besides the present costs of operation, provision would have to be made for the anticipated increase in these costs over a period of time. In addition, provision would also have to be made for the creation of a rehabilitation reserve, besides normal depreciation and for a fair and an equitable return on capital employed in coastal shipping. This basis followed the principles accepted by the Tariff Commission in the case of other industries. Mr. Khatau added that the shipping industry was pre-eminently entitled to similar treatment.

The following are extracts from Mr. Khatau's speech:

"GENTLEMEN,

"There has been a continuous rise in operating costs during the last few years. To cover it partially the rates of freight in the India/U.K.-Continent Service were raised by 10 per cent. in March last year. For certain items like wages, stevedoring, ship-repairs, etc., the upward trend of costs still continues. Due to the very high prices of new ships the incidence of insurance and depreciation charges in respect of additions to fleet has become very heavy. Many Overseas Conferences have, therefore, decided to increase the rates further. In the case of India/U.K.-Continent Service freight rates have been increased by 10 per cent. with effect from 15th March 1957.

The Suez Crisis

"The situation brought about by rising costs was further aggravated by the closure of the Suez Canal from 1st November 1956. To cover additional costs due to the longer route via the Cape of Good Hope a 15 per cent. surcharge on freight rates was introduced by the Shipping Conferences hitherto operating through the Suez Canal. The Suez situation has also led to a very steep rise in the prices of fuel oil which are now about 60 per cent. higher than the prices a year ago. The result has been that in the case of India/U.K.-Continent trade the surcharge has been increased to 17½ per cent. with effect from 1st February 1957. In addition, the lengthening of the route between Europe and India by over 4,000 miles, on account of the closure of the Canal, has accentuated the general shortage of shipping created by a substantial increase in the demand for movement of bulk commodities, like coal and grains, between far-flung countries. We are fully alive to the fact that the Suez crisis has had serious repercussions on our seaborne foreign trade, especially in regard to our imports essential for the execution of various projects under the second Plan. We are, therefore, anxious to see that the Canal is reopened for traffic as early as possible with an assurance of its maintenance in good navigable condition.

Shipping Under Second Five-year Plan

"Prices of ships have risen beyond all expectations. The price of a 'Liberty,' which is an index to the market for second-hand tonnage, rose from about Rs. 24 lakhs at the end of 1953 to an all-time high of over Rs. 89 lakhs in December 1956. During the last three years the prices for new construction have increased by over 28 per cent. The order books of shipyards are so full that deliveries are available only after 1961 or 1962. Moreover, due to continuous rise in the costs of steel, equipment and labour, it has become impossible for the yards to quote a fixed price or even a price subject to a ceiling on escalation. There is no knowing what the ultimate price of a ship may work out to.

"In this context the provision of Rs. 37 crores made for shipping under the second Plan, which was insufficient *ab initio*, has fallen considerably short of the amount required for attaining the target of 9 lakhs g.r.t. at the end of the Plan period. The target of 9 lakhs g.r.t. for the country's requirements is on a very modest scale —in fact, I should say, it is inadequate, but I do not wish to deal with this aspect of the Plan on this occasion. With the provision of Rs. 37 crores it has been possible to place orders for about 1,75,000 g.r.t. only, bringing the total to about 7,75,000 g.r.t. only.

"It is now understood that no more provision will be made for shipping, on account of the very tight foreign exchange position of the country. Actually, an Indian vessel in the overseas trade contributes to our foreign exchange pool in two ways—(*a*) by *earning* freight in foreign currency and (*b*) by *saving* foreign exchange required (i) to pay freight on our imports carried by a foreign ship and (ii) for remittances of freight earned in rupees by a foreign shipowner on our exports. Such contribution amounts to nearly 55 per cent. of the overseas freight earnings. The Indian ships now engaged in overseas trades earn and save foreign exchange for the country to the tune of Rs. 7 to Rs. 8 crores and it will go up to about Rs. 12 crores when all ships on order at the end of the first Plan are delivered. The foreign exchange spent in acquiring an additional ship would be fully recouped in five to seven years out of her own contributions to the pool. To reach the target of 9 lakhs g.r.t. a further sum of about Rs. 40 crores will be required. Not only will it be repaid during the next five to seven years but the additional ships will contribute to the pool about Rs. 7 to Rs. 8 crores every year. The contribution of shipping to the foreign exchange resources of the country will then rise to about Rs. 19 to Rs. 20 crores by the end of the Plan period.

"Since the provision of Rs. 37 crores has been fully availed of during the first nine months of the Plan period, the allotment for shipping would have to be increased by about Rs. 40 crores to finance at least the balance of the tonnage required to reach the modest target of 9 lakhs g.r.t. by March 1961. This question deserves the most urgent attention, because if additional tonnage is to be procured by the end of the Plan period or even within a reasonable time thereafter, shipowners would have to start planning their requirements and place orders for ships *right now*.

"The foreign exchange position at present is difficult and priorities have to be given to essential requirements. I realise this and that is why I have tried to show how shipping can play an important part in earning and saving foreign exchange for the country. It is for the Government to decide what priority shipping can get. I would like to suggest that it should be as high as possible.

Rail-sea Co-ordination

"As I informed you last year, the proposal of the Coastal Conference to increase the freight rates was referred by Government to the Rail-Sea Co-ordination Committee that was appointed by them in June 1955. During the last year, the Committee ascertained the actual costs of operation by examining the accounts of coastal companies. The Coastal Conference submitted several memoranda to the Committee dealing with the determination of economic freight rates and the overall problem of rail-sea co-ordination.

"Even more important than the present costs of operation, however, is the continuous rising spiral of costs. Past experience bears testimony to this fact. While the costs have been increasing since 1951, freight rates have practically remained stationary barring small interim increases allowed in October 1955 and May 1956. These increases have been not only very inadequate but extremely slow in coming. This time lag by itself is costly. Shipping, unlike other industries, has not been able to offset increasing costs by raising, *within a reasonable time lag*, the prices for the transport service it renders. While some delay in granting increases in freight is inevitable under the regulatory system in which coastal shipping operates, the time lag of nearly two years since the Coastal Conference's first request in April 1955 for increase in rates cannot be viewed with equanimity by the shipowners. The effects of such delays can only undermine their financial position and detrimentally affect the expansion of coastal tonnage that is so essential. The time lag problem can be solved only if the Government and the public recognise that it is essential for the regulated utilities, like other business enterprises, to make appropriate and timely price adjustments.

"In connection with the main question of fixation of economic rates of freight, I would like to repeat the request of the Coastal Conference to the Committee that, besides the present costs of operation, provision will have to be made for the anticipated increase in these costs over a period of time, for the creation of a rehabilitation reserve, besides normal depreciation, and for a fair and an equitable return on capital employed in coastal shipping. The basis urged by the Coastal Conference follows the principles accepted by the Tariff Commission for the cement, steel and other industries. In the present circumstances, I venture to think that the shipping industry is pre-eminently entitled to similar treatment.

Biggest Bottleneck

"As the Second Plan progresses transport will be the biggest bottleneck. Shipping should be utilised as fully as possible to help solve this problem. It is, therefore, obvious that rail-sea co-ordination must hinge on the diversion of bulk cargoes for movement from rail to sea. Of the bulk cargoes which can be diverted, coal and salt are the most important, followed by grains, cement and fertilizers. The present opportunity should be taken to define on a permanent basis the fields of transport by rail and transport by sea.

"It is expected that at least five million tons of dry cargo will have to be moved by the coastal sea routes by the end of the Plan period. It will be necessary to expand coastal tonnage fully to the target of about four lakhs tons gross fixed by the Planning Commission. This means that, even without allowing for replacement of old ships, about 1,60,000 tons will have to be added to the present coastal tonnage. This will not be possible unless co-ordination of transport is based on the economic survival of coastal shipping and its progressive development on a permanent basis. Government have already accepted, as a matter of policy, that coastal shipping should be developed adequately and on sound lines in the larger and long-term interests of the country. I, therefore, hope that they will seriously consider these aspects of the problem in arriving at their decisions on the recommendations of the Committee.

"I shall now make a brief survey of our operations during the year.

Accounts

"Last year, I had informed you that the working during the year 1955-56 should be reasonably satisfactory compared with the previous year. I am happy—and, I am sure, so are all of you—that our expectations have been realised so far as the year's working results are concerned. Our gross earnings of freight have shown an increase of about 18 per cent. over the previous year. Owing to the lack of any substantial exports of rice from Burma to India and Ceylon, it was not necessary to charter any ships with the result that comparatively lesser tonnage was employed in uneconomic or less profitable operations in the coastal and adjacent trades. We were also able to employ more owned tonnage in the India/U.K.-Continent trade where freight rates are more realistic. Another reason for the improved results was that the 10 per cent. increase in overseas rates made in February 1955 was effective throughout the financial year. The rising charter-market was yet another factor which helped us secure better rates for the carriage of bulk cargoes like ores.

"The improved results have enabled your Company, in spite of enhanced costs of operation, to pay a dividend of Re. 1 per share and to augment our resources, with a view to meeting our obligations in the coming years. You will notice that, after writing off debenture issue expenses of Rs. 19.76 lakhs, we have added Rs. 67 lakhs to special depreciation reserve and have again created a dividend equalisation reserve of Rs. 13 lakhs. Consequent upon modernisation of our fleet with the addition of several new ships, our repairs expenditure will be lower in the earlier years of the life of a ship. In order that the incidence of repairs expenditure may be spread, more or less, evenly over a ship's life, we have considered it advisable to reinforce the annual and special survey reserve. With the addition of Rs. 20 lakhs this year it now stands at Rs. 40 lakhs. Our reserves and surplus in the aggregate, after writing off the loss of Rs. 31.98 lakhs on investments from investment reserve, show a net increase of about Rs. 107 lakhs over the corresponding figure at the end of the previous year. These additions have enabled the Company to strengthen its finances and these will be necessary for the modernisation and expansion of our fleet.

"Our Managing Agency of The Eastern Shipping Corporation Ltd. came to an end on 15th August 1956, because of the provision in the new Companies Act to the effect that a company which has managing agents of its own cannot continue to function beyond that date as the managing agents of another company. Government have consequently agreed, at our request, to take over the shares held by us in the Corporation amounting to Rs. 1.43 crores at par. This entire sum is expected to be received during our current financial year. I wish to recall here that one of the reasons for our accepting the Managing Agency of the Corporation was to see the flag of Indian shipping flying in the distant seas. The measure of success achieved can be seen from the fact that the Corporation now operates cargo services on the important trade routes between India and Japan, and India and Australia, and passenger services between India and Malaya, and India and East Africa. Though the operation of the new Companies Act has severed our connection with the Corporation, it will always be a pleasure for us to work in co-operation with them in future. It is a matter of great satisfaction that the cordial relations between the two Companies have been maintained throughout and, I have no doubt, will continue.

"With regard to our holding of Rs. 1,04,25,000 in the share capital of Hindustan Shipyard Private Ltd., I regret to inform you that Government have turned down our request to repay this amount to us. The release of this amount, on which we earn no return at all, has become vital for our needs, as it would assist us in meeting the cost of further expansion of our tonnage. We shall, therefore, continue our efforts to induce Government to take over our interest in the Visakhapatnam Shipyard.

Coastal and Adjacent Trades

"I informed you last year that a meagre interim increase of 5 per cent. in coal and general cargo rates on the Coast was permitted with effect from 15th October 1955. An additional interim increase of 15 per cent. was requested by the Coastal Conference, but only a 5 per cent. increase on general cargo rates was allowed effective from May 1956. As these increases were operative during only a part of our financial year, they made negligible difference to the average rate of freight earned. Pending the outcome of the Rail-Sea Co-ordination Committee's inquiry, the low rate structure on the Coast continues. With regard to the carriage of bulk salt, however, the Conference has reached an agreement with the Salt Manufacturers' Association on charter-party terms and rate of freight.

"During the year the Government of India did not import any rice from Burma. We, however, carried a few shiploads of rice from Burma to Ceylon. From June 1956 onwards Government have started importing rice from Burma, and the Indian companies, including ourselves, have given the necessary freight cover. While the terms of the contract are on the whole satisfactory, we have been allotted a quota of only 43.5 per cent. under the current contract, which we have accepted without prejudice to our legitimate claims.

Overseas Trades

"The working of our India/U.K.-Continent Service has been better this year, because four additional ships were available for employment during the year and better rates of freight were earned.

"Pursuant to the trade agreement concluded between India and the U.S.S.R., with a bilateral clause for shipping services, we started a service between the two countries. We have placed two ships on this service, which commenced in July 1956.

"We also started in August 1956 a direct service from India to the West Coast of Africa (Nigeria, Gold Coast, etc.) via Mauritius. This is the first direct service to these countries from major Indian ports, except Calcutta. We feel justified in hoping that this new service will assist in stimulating Indian exports to these countries. This service has been linked up with our Indo-Russian service, enabling us thereby to participate in the cross trade between the West African ports and the Mediterranean ports, especially the Italian ports.

"We have applied again for membership of the Conferences governing the trade from the U.K. to Colombo and from Colombo to the U.K. and the Continent. I think Indian lines have a stronger case for admission to these Conferences, in view of our historical, geographical, economic and cultural ties with Ceylon. I trust that the legitimate case of Indian Lines will receive the attention it deserves.

Port Conditions

"Though our ships suffered berthing delays at some ports, I am happy to say that the Port Authorities have spared no efforts to give better despatch to shipping. At Bombay, the introduction of piece-rate system of payment to stevedoring labour has resulted in improvement in the handling of cargo, though delays still occur at other points in the 'assembly line', e.g., supply of wagons, removal of cargo from sheds, etc. It is hoped that the contemplated introduction of the piece-rate system at Calcutta and Madras will not be delayed any longer.

"I should like to point out, however, that since the beginning of the current financial year the position in regard to loading of colliers at Calcutta has considerably worsened, the main reasons being the shortage of coal wagons and the lack of co-ordination between various authorities. During the last eight months the shipping companies have been vigorously pursuing this matter with the authorities concerned, but unfortunately no abiding improvement has occurred so far and ships still lose vitally important days in port.

"This brings me to the very vital question of expanding the capacity of our major ports in terms of berths, handling equipment, transit sheds, wagon supply, pilotage, facilities for night navigation, etc. This is an absolute *must*, if the implementation of the second Five-year Plan is not to suffer from any failure to cope effectively with the far larger quantities of coastal and overseas cargoes that will have to be handled during this period. The shipping companies have provided faster and more efficient ships and would like to continue to do so. But the advantages of such ships, which have been or will be acquired at high cost, cannot be fully reaped unless, correspondingly, they get quick despatch at loading and discharging ports. I wish, therefore, to urge to the authorities that the port development schemes should be executed with the utmost despatch.

Tonnage Programme

"We have now a fleet of 41 vessels amounting to 2,15,435 tons gross. Out of these, 14 big cargo ships, three small cargo ships and four small passenger-*cum*-cargo ships of 1,01,372 tons gross in the aggregate serve the coastal and adjacent trades. The remaining 20 vessels of 1,14,063 tons gross are employed in our overseas services.

"The deliveries of our four ships under construction at the Lubeck Yard in West Germany have been delayed, owing to about four months' labour strike. One of them will now be delivered at the end of this month and the remaining three in June, July and August next. The two ships under construction at Visakhapatnam also will be delivered towards the end of the year. All these ships will be employed on the overseas services. The average age of our entire fleet will then be about nine years.

"In order to have a satisfactory fleet position, a continuous process of modernisation through disposal of old vessels and their replacement with fast and modern ships is necessary. During the next six to seven years, about twelve to fourteen of our vessels will normally be due for replacement. It has become more necessary now to have faster ships to serve the growing requirements of the trades in which we are interested and such other trades as we may decide to enter on a liner or tramping basis. Several other liner companies operating in the India/U.K.-Continent trade have planned to build ships with a speed of 17 to 20 knots.

"Your Board after careful consideration decided that I should discuss the matter with the shipyards on the Continent before placing further orders. Accordingly, last September we have placed with the Lubeck Yard an order for two 9,300-d.w. ton cargo vessels with a speed of 17 knots. These ships can be operated also as closed-shelter deckers with a deadweight capacity of 12,300 tons. One of them is expected to be delivered in 1959 and the other in 1960. The escalation clause in respect of these ships is not subject to a ceiling.

"I shall now endeavour to assess the position with regard to our operations during the year 1956-57. The freight increases made last year in the coastal and overseas trades, to which I have already referred, will be effective for the whole year. On the expenditure side, the upward trend of costs continues. Especially, the prices of fuel oil have soared to about 60 per cent. more than they were about a year ago. Our colliers have suffered serious delays at Calcutta. We, however, expect to earn more freight because two additional ships, the m.v. *Jalavijaya* and the m.v. *Jalavishnu*, will have been in commission for the whole year and two more ships, the m.v. *Jaladhan* and the m.v. *Jaladhruv*, will have operated for about eight months each. We should, therefore, be able to show satisfactory results Government for their approval."

Managing Agency

"As mentioned in the Directors' report, the Agency Agreement with Messrs. Narottam Morarjee & Co. has expired and the new scheme for managing agency is being formulated. It will take some time yet to complete it. As soon as the requisite drafts are approved by the Board, it will be placed before the shareholders and the Government for their approval."

MERCANTILE BANK OF INDIA

(*Concluded from page 582*)

Consumption demand has increased both internally and also for exports, particularly to South-East Asia and North America. The closure of the Suez Canal has undoubtedly contributed to some extent to the boom that Japan is now enjoying.

"In December, the Hatoyama Cabinet resigned and Mr. Tanzan Ishibashi was elected Party President and Prime Minister. The new Prime Minister is a man of considerable knowledge and experience of economic matters and it seems probable that there will be needed adjustments in Japan's taxation laws and probably closer trading relations with China.

"It is good to report that Japan was admitted to the United Nations in December 1956. The ratification on 12th December of the joint declaration between Soviet Russia and Japan re-established diplomatic relations between those two countries and virtually ended the state of war which had existed for over 11 years.

"There is every reason to believe that, given normal conditions, the present era of prosperity for Japan should continue throughout the coming year.

Shanghai

"Further substantial progress has been made towards the final settlement of our affairs in Shanghai. An agreement was entered into with the Chinese Government authorities, whereby we relinquished to them our valuable local assets against the assumption of responsibility by them for settlement of all our local currency liabilities in China, as assessed against us by that Government. A further agreement was entered into with the same authorities for agreeing and settling the amount of our Shanghai branch foreign currency liabilities. These latter included a substantial amount of U.S. dollars held blocked under American legislation and after protracted negotiations, and through the good offices and assistance of H.B.M.'s Embassy in Washington, a licence was obtained from the American Treasury Department under which settlement was effected by us in sterling. This materially aided in obtaining the repatriation from China of Mr. D. A. Smith, our Shanghai Manager and last British employee in China.

"It was a part of the agreement that, on receipt of the foreign currency payment from us after the departure of Mr. Smith, steps would be taken to close our books in Shanghai by effecting payments where possible and transfer of the remaining liabilities to the books of a Chinese bank. We regret that, despite the lapse of many months, no progress has yet been made in fulfilling this undertaking. We trust the Chinese authorities will now give the necessary instructions to expedite a final settlement.

"During the year, agencies of the Bank were opened in the Pettah, Colombo, and in Temerloh, Pahang, Federation of Malaya.

"During the year, our numerous branches and agencies throughout South-East Asia and the Far East continued to render efficient services in every department of banking to a wide variety of industry, trade and commerce. Our thanks are due to our large staff, British and Asian, for their good work. I must also express our thanks to Mr. Drake our Chief Manager, Mr. Hawkins our Deputy Chief Manager, and to the Managers and staff in London."

THE BANK OF BARODA, LIMITED

(ESTABLISHED : 1908)

CAPITAL AUTHORISED .. Rs. 2,40,00,000 **CAPITAL CALLED UP** .. Rs. 1,00,00,000

CAPITAL ISSUED AND SUBSCRIBED .. Rs. 2,00,00,000 **CAPITAL PAID UP** .. Rs. 1,00,00,000

RESERVE FUND AND OTHER RESERVES .. Rs. 1,28,00,000

DIRECTORS :

SHRI TULSIDAS KILACHAND (Messrs. Kilachand Devchand & Co., Private Ltd., Bombay), Chairman.
SHRI DURGAPRASAD SHAMBHUPRASAD LASKARI (Mill Agent, Ahmedabad).
SHRI R. D. BIRLA (Messrs. Birla Bros. Private Ltd., Bombay).
SHRI KANTILAL NAHALCHAND (Messrs. Nahalchand Laloochand, Bombay).
SHRI NAVAL H. TATA (Messrs. Tata Sons, Private Ltd., Bombay).
SHRI ANANDLAL HIRALAL SHETH (Messrs. A. Sheth & Co., Baroda).
SHRI CHINUBHAI CHIMANBHAI (Messrs. Lalbhai Dalpatbhai & Co., Ahmedabad).
SHRI ARVIND NAVINCHANDRA MAFATLAL (Messrs. Mafatlal Gagalbhai & Co., Private Ltd., Bombay).
SHRI B. K. DAPHTARY (Messrs. Daphtary Ferreira & Divan, Solicitors, Bombay).
H. H. THE MAHARAJA FATEHSINH GAEKWAD OF BARODA.

GENERAL MANAGER : SHRI N. M. CHOKSHI.

BOMBAY MANAGER : SHRI M. G. PARIKH.

BALANCE SHEET AS AT 31st DECEMBER, 196.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 2,40,000 shares of Rs. 100 each	2,40,00,000 0 0	
ISSUED CAPITAL— 2,00,000 shares of Rs. 100 each	2,00,00,000 0 0	
SUBSCRIBED CAPITAL— 2,00,000 shares of Rs. 100 each	2,00,00,000 0 0	
AMOUNT CALLED UP— At Rs. 50 per share		1,00,00,000 0 0
2. Reserve Fund and Other Reserves—		
Reserve Fund under Section 17 of the Banking Companies Act, 1949 (Including Share Premium Account Rs. 47 lakhs)	1,00,00,000 0 0	
Share Premium Account (Balance)	28,00,000 0 0	1,28,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	24,80,35,135 1 9	
Savings Bank Deposits	7,66,12,438 14 1	
Current Accounts, Contingency Accounts, etc.	12,67,37,306 0 1	45,13,84,879 15 11
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	3,90,00,000 0 0	
(ii) Outside India	26,20,682 0 0	4,16,20,682 0 0
PARTICULARS—		
(i) Secured by Bills Discounted	3,75,00,000 0 0	
(ii) Unsecured	41,20,682 0 0	
5. Bills Payable		37,96,675 1 2
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	1,39,63,585 2 6	
(ii) Payable outside India	1,98,89,384 1 11	3,38,52,969 4 5
7. Other Liabilities (Including Branch Adjustments Rs. 60,46,994-15-11)		82,15,430 7 5
8. Acceptances, Endorsements and Other Obligations per contra		6,79,12,647 11 7
9. Profit and Loss—		
Profit as per last Balance Sheet	10,35,546 1 9	
LESS—Appropriations	7,00,000 0 0	
	3,35,546 1 9	
ADD—Profit for the year brought from the Profit and Loss Account	39,90,206 3 9	
	43,25,752 5 6	
LESS—	Rs. a. p.	
Ad-interim dividend paid @ 12 per cent. per annum for the half-year ended 30th June, 1956 (free of Income-tax)	6,00,000 0 0	
Provision for Taxation	15,75,000 0 0	
Bonus to Staff	8,75,000 0 0	
	30,50,000 0 0	12,75,75 5 6
10. Contingent Liabilities—	Rs. a. p.	
(i) On partly paid shares of Joint Stock Companies	11,09,025 0 0	
(ii) Claims against the banking company not acknowledged as debts	7,32,065 11 6	
(iii) Money for which the banking company is contingently liable (Including (a) Rs. 44,445 for guarantees given on behalf of the officers of the Bank and (b) Rs. 8,100 for guarantees given in favour of Central and State Governments secured by part of Investments per contra)	1,28,99,662 4 7	
(iv) Liability on Bills of Exchange re-discounted	Nil	
(v) Liability on account of outstanding Forward Exchange Contracts	3,69,57,347 0 0	
NOTE :—Provision to the full extent for future gratuities to the staff has not been made—the liability for which has not been ascertained.		
Total .. Rs.		63,08,59,036 14 0

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)		4,07,60,523 17 8
2. Balances with Other Banks in Current Account—		
(i) In India	6,45,603 14 5	
(ii) Outside India	38,31,461 0 10	44,77,064 15 3
3. Money at Call and Short Notice		Nil
4. Investments—		
(i) Securities of the Central and State Governments and other Trustee Securities—		
(a) Securities maturing in 1962 or earlier at book value. Face value Rs. 7,10,68,300-0-0 Market value Rs. 6,82,84,489-14-0	7,01,06,625 13 6	
(b) Securities maturing in 1963 or later at or below market rate	3,24,74,713 1 0	
(c) Trustee Securities (for which there are no market quotations) at cost	16,60,000 0 0	
(ii) Shares at or below market rate—		
(a) Fully Paid Preference Shares	28,62,289 0 0	
(b) Fully Paid Ordinary Shares	26,48,086 0 0	
(c) Partly Paid Preference Shares	12,99,930 0 0	
(d) Partly Paid Ordinary Shares	2,64,848 11 4	
(iii) Debentures or Bonds at or below market rate	68,07,250 0 0	
(iv) Other Investments	Nil	
(v) Gold	Nil	11,80,33,442 9 10
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
I. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (i) In India 24,44,99,396 6 6 (ii) Outside India 1,40,93,154 15 10	25,85,92,551 6 4	
II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India 7,77,65,329 8 10 (ii) Payable outside India 2,22,99,265 3 5	10,00,64,594 12 3	35,86,57,146 2 7
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the banking company is fully secured	30,71,03,011 6 3	
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security This includes— Rs. a. p. Advances under joint and several Promotes 2,66,38,391 6 6 Advances to individual parties 22,82,081 9 10	2,89,20,473 0 4	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,26,33,661 12 0	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	35,86,57,146 2 7	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	52,725 11 3	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	6,85,07,372 6 7	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	52,725 11 3	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	7,05,75,338 2 2	
(ix) Due from banking companies	5,96,280 3 0	
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	1,39,63,585 2 6	
(ii) Payable outside India	1,98,89,384 1 11	3,38,52,969 4 5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		6,79,12,647 11 7
8. Premises Less Depreciation—		
Premises at cost to 31st December, 1955	28,52,561 6 0	
Additions during the year	9,22,892 7 0	
	37,75,453 13 0	
LESS—Sales during the year	Nil	
	37,75,453 13 0	
LESS—Total depreciation to date	9,00,000 0 0	28,75,453 13 0
9. *Furniture and Fixtures* Less Depreciation—		
Furniture and Fixtures at cost to 31st December, 1955	20,54,463 0 3	
Additions during the year	4,02,828 7 4	
	24,57,291 7 7	
LESS—Sales during the year	16,678 0 1	
	24,40,613 7 6	
LESS—Total depreciation to date	7,56,880 1 3	16,83,733 6 3
10. Other Assets—		
(i) Compulsory Excess Profits Tax Deposit	Nil	
(ii) Estimated amount of Double Taxation Relief due from Indian Union and Refund of Income-tax due from Baroda State Authorities	12,91,129 12 6	
(iii) Interest accrued on Investments	8,42,211 2 3	
(iv) Stamps and Stationery	3,30,571 12 6	
(v) Advances recoverable in cash or in kind	1,42,142 12 7	
(vi) Silver	Nil	26,06,055 7 10
11. *Non-Banking Assets Acquired in Satisfaction of Claims* at or below Cost		Nil
Total .. Rs.		63,08,59,036 14 0

Continued on next page

SPENCER AND COMPANY LIMITED

MR. Z. R. IRANI'S SPEECH AT ANNUAL GENERAL MEETING

THE Fifty-ninth Ordinary General Meeting of the ordinary shareholders of Messrs. Spencer and Company Ltd. was held at the registered office of the Company in Madras. Addressing the shareholders on the occasion, Mr. Z. R. Irani, Acting Chairman of the Company, disclosed that the Company proposed to fill up the ground lost in import business by a shift to industrial activity which was likely to continue in greater measure in the coming years.

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

"GENTLEMEN,

"I very much regret that Mr. Edwards cannot be with us today as he is on home leave. In his absence, my colleagues have appointed me to the proud and privileged position of taking the chair and I welcome you most cordially to the fifty-ninth annual general meeting of the Company.

"You will observe from the published accounts that there have been considerable changes in their presentation. Much time has been taken in re-analysing heads so as to conform with the provisions of the Companies Act 1956 and the result is a more voluminous document. It has, however, not been possible to show comparative figures for the year under review and the previous year since to have analysed the previous year's figures would have taken more time than could be afforded. Although the compiling of the accounts has led to a delay in the holding of our present meeting, the pattern having been established, I have no doubt that future annual meetings will be held earlier in each year.

Profit Margin Slightly Lower

"There is little comment I can make on the accounts, as they give full information and present satisfactory reading. Trading has been consistent, though profit margins slightly lower than previously. I shall be happy later to answer, to the best of my ability, any questions that you put.

"The Board has had to bid farewell recently to Messrs. J. Grieveson, S. J. Knights and H. B. Toothill. I would like here to pay a tribute to their loyal and valuable services to which, in fact, the Company's present financial position is in no small measure due. I am sure you will join with me in placing on record our appreciation of their help and wise counsel during the many years that they have been associated with the Company and to wish them every success in their new spheres of activity.

"Imported lines have always constituted a considerable part of the business of the Company, but of late years we have had to reconcile ourselves to a steady tapering off in this activity of ours. This is a sacrifice which in common with other importing concerns we have had to make in the national interest. The successful implementation of the two Five-year Plans have made it imperative that the country conserve its foreign exchange resources. These have been considerably depleted; exports, which are current exchange earners, have nearly always been smaller than the size of the payments that have had to be made for imports. Capital goods naturally have precedence and consumer goods from abroad have been allowed to come in steadily shrinking volumes, because there have been larger gaping deficits in our foreign exchange budgets.

"For the first Five-year Plan, a total foreign exchange deficit of about Rs. 700 crores was estimated; the actual deficit was even higher. For the Second Plan an average annual deficit of about Rs. 200 crores is anticipated. The axe naturally will fall heavily on consumer goods; even capital goods will not escape and, in fact, an order of priority has been introduced, first for capital goods required to maintain economy at present levels with those required for development schemes only ranking after. India's sterling reserves have been used up to an extent that the balance is just a little more than is required and must be preserved for the country's currency backing. In these circumstances, even the automatic basic two-year quota of £750 allowed unconditionally to each person going abroad has had to be withdrawn. Higher import duties have been imposed with a view to discouraging imported goods by making them costlier to the consumer; nevertheless, indigenous displacement of the vacuum is even now not of the same standard of quality or consumer preference as the foreign goods imported formerly.

"In such a situation, the Company is having to fill up the ground lost in import business by a shift to industrial activity, a trend which is likely to continue in greater measure in the coming years.

Outlook Not Discouraging

"It is not for us to criticise the Plan schemes as a little too optimistic and somewhat too ambitious for the country's rated optimum capacity. But the private sector has to keep on adjusting itself to national policies which create conditions where traditional and established business has to be conducted in the manner possible under Governmental policies. The outlook, is, however, not by any means discouraging. The Plans are creating more purchasing power. Theorists may say that present conditions may lead to a depression in business which may act as a corrective to the transitional maladjustment. In a controlled economy, however, trade cycles of booms and depressions do not have natural play; artificial stabilising factors, such as monetary policy, production-*cum*-import policy, etc., absorb many of the shocks, with the result that a violent disturbance of the normal economy is avoided, but controls to be effective must be imposed from every angle and direction, and not just one or two, thus making the economy one of severe regimentation—a state of affairs to be shunned by all who have the free commercial instinct, inherent in every one of us.

"Strictly speaking, all commodities emanate from the good earth and an analysis of their costs, whatever the nature of the commodity, whether raw produce, machinery or manufactured articles, will show that the value of the material content is negligible and, therefore, costs can be said to comprise cumulative stages of wages and remuneration for capital employed. An increase in the standard of wages will necessarily increase costs and it can be argued in theory that increased wages produce increased purchasing power and that the consequent rise in production absorbs the increased wages leaving costs reasonably constant. I don't wish to digress into a treatise on economics, but, briefly, in practice, what apparently evolves is the reverse in that costs rise in an ever mounting spiral. We are in this process today and I know of nothing to cause the spiral to topple save the impact of a trade depression. I sincerely hope and trust that the country is not heading for this with its attendant ills of wage cuts and unemployment and I have every right to believe that our able administrators will watch for and prevent such a circumstance arising.

Activities to be Extended

"I have no doubt that you are desirous of knowing what effect the impact of current import restrictions will have on our trading. It is fortunate that the Company has other irons in the fire and has the means of promoting other interests. Whilst the pattern of our activities will always include import trade as a major one, you may rest assured that your Board is studiously probing and pursuing openings which will be of benefit to the country and the Company. I am not at liberty at this stage to tell you much about our endeavours, but I am reasonably sure of giving you good news in fuller detail when we meet next year.

"Before I conclude, I must express our thanks to all grades of our staff for their loyal endeavours which have resulted in the satisfactory position now before you."

The balance-sheet as at 30th June 1956 was unanimously approved and adopted. A further and final dividend of 10 per cent., free of income-tax, on the ordinary shares, as recommended by the Directors, was declared, making in all a total dividend of 15 per cent., free of income-tax, for the year.

Note.—This does not purport to be a record of the proceedings of the Annual General Meeting which will be sent separately to shareholders.

THE BANK OF BARODA, LIMITED—*(Continued)*

Profit and Loss Account for the year ended 31st December, 1956.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		1,02,52,685 12 10
2. Salaries and Allowances and Provident Fund— (i) To General Manager	61,608 10 0	
(ii) To other members of the Staff	62,23,758 9 8	
3. Directors' and Local Committee Members' Fees and Allowances		62,85,367 3 8
4. Rent, Taxes, Insurance, Lighting, etc. (including provision for Foreign Income Tax)		67,317 0 0
5. Law Charges		7,52,602 12 0
6. Postages, Telegrams and Stamps		20,307 6 6
7. Auditors' Fees		3,34,731 6 4
8. Depreciation		12,000 0 0
9. Stationery, Printing, Advertisement, etc.		2,10,407 14 4
10. Loss from Sale of or Dealing with Non-banking Assets		4,65,817 2 6
11. Other Expenditure		3,853 2 4
12. Balance of Profit (subject to Taxation)		5,63,880 2 0
		39,90,206 3 9
Total .. Rs.		2,29,65,216 3 3

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	1,86,83,265 0 5
2. Commission, Exchange and Brokerage	42,40,119 15 4
3. Rents	32,096 13 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	Nil
6. Income from Non-banking Assets and Profit from Sale of or Dealing with such Assets	3,665 14 6
7. Other Receipts	6,068 8 0
Total .. Rs.	2,29,65,216 3 3

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of The Bank of Baroda, Limited, as at 31st December, 1956, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the returns of 12 Branches audited by us, 6 Branches audited by other auditors and the unaudited returns from other Branches not visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(c) in our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank ;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

BOMBAY, *14th February, 1957.*

K. S. AIYAR & CO.,
N. M. RAUJI & CO., } *Chartered Accountants.*

TULSIDAS KILACHAND, *Chairman.*

DURGAPRASAD S. LASKARI,
KANTILAL NAHALCHAND,
N. H. TATA,
ANANDLAL HIRALAL,
CHINUBHAI CHIMANBHAI,
ARVIND N. MAFATLAL,
B. K. DAPHTARY,
F. P. GAEKWAD, } *Directors.*

GOPAL CH. BASU, *Accountant.*

N. M. CHOKSHI, *General Manager.*

AHMEDABAD ELECTRICITY COMPANY, LIMITED

MR. K. G. MILNE'S SPEECH AT ANNUAL GENERAL MEETING

GOVERNMENT SHOULD DESIGN POLICIES SO AS TO CARRY BUSINESS PEOPLE WITH IT

ADDRESSING the shareholders of The Ahmedabad Electricity Company, Ltd., at their Annual General Meeting held in Bombay on 18th March 1957, Mr. K. G. Milne, Chairman of the Company, said that the Government, in raising the extra taxes needed to finance its development projects, would appear to be anxious to carry the people with it. These tasks, according to him, together dwarf in comparison with those which the myriads of ordinary business men had to perform all over the country and in countless different spheres if real overall progress was to be made. He was, therefore, of the view that the Government should evolve policies designed to carry the business people with it to a greater extent if all the people were to flourish.

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

"GENTLEMEN,

"I would like to refer first of all to the resignations of Sir Purshotamdas Thakurdas and Mr. Ambalal Sarabhai from your Board of Directors during the year. Since the Company's inception 44 years ago, Sir Purshotamdas Thakurdas has given it his invaluable guidance. So too Mr. Ambalal Sarabhai, with 38 years of active membership on your Board, has been prominent in furtherance of the Company's well-being. With their intimate knowledge of affairs, and of the city of Ahmedabad, they have each rendered untold services to this Company, and I am sure you will wish to associate yourselves with the resolutions which were passed by the Board expressing their high appreciation.

"The health of a controlled industry like electric supply is greatly dependent on the regulatory climate in which it functions. We have the Electricity (Supply) Act, 1948, modified by the Electricity (Supply) Amendment Act, 1956, as our chief weather-maker on the stormy shores of the general economy. Shareholders must be anxious to know how far the changes brought about by the 1956 Amendment Act are likely to affect the Company and its equity, and I will, therefore, attempt an analysis.

Standard Rate of Return

"First, the standard rate of return permitted to the industry will become linked to the Bank rate as from 1st April 1957, making at present levels 5½ per cent., instead of the previous fixed figure of 5 per cent. Internal financing has also received a slight fillip from the provision that tax savings accruing from the development rebate allowed under the Finance Act are to be taken to a development reserve, subject to the earnings of the year not thereby being made to fall short of the reasonable return. The Company will be allowed one half of 1 per cent. on the annual balances in the development reserve as a sort of handling charge or risk money, though no other direct benefit will accrue to shareholders as the reserve is to be excluded from the capital base.

"Against these two gains by the industry must be set off the disallowance of interest on loan and debenture capital as an item of expenditure in arriving at the clear profit, evidently on the ground that the industry could always obtain a return on such moneys through the inclusion of the value of the counterpart assets in the capital base. It is evident, in the final result, that the increase in the standard rate will not compensate fully for the resultant drop in the permissible profit in the case of your Company, as approximately one-fifth of the capital is in the form of debentures.

"However, as things now stand, we may reasonably expect to be able to maintain a dividend of 6½ per cent. or thereabouts. The big question is, whether this is going to be enough to restore, in the present climate for investment, the confidence and incentive to the investor which have been so rudely shaken of recent times. The answer to this question, in its widest context, is really vital to India as well as to us.

"It is certain that our Government must have prominent before it the problem of carrying the people with it in the raising of extra taxes needed to finance all those tasks it has set itself—river valley projects, steel works, the expansion of the railways and the like. It seems to me, however, that all these tasks together dwarf in comparison to those which the myriads of ordinary business men have to perform all over the country and in countless different spheres, if real overall progress is to be made. It is a flashing danger sign if finance for worthwhile, and even for essential, projects threatens to dry up in what we may truly call the 'people's sector.'

"In the case of electricity, some 50 per cent. is still produced, and 75 per cent. distributed, by commercial undertakings in this country. It is an absolutely basic commodity whose increase all agree is a 'must' for progress. There is really no argument about it. Yet you know that the shares of our Company—the largest and one of the most rapidly expanding single producers of electricity in the State—have been actually standing at a considerable discount most of this year, all because of over-severe controls.

"It will be agreed that under such circumstances, we would hardly have been in a suitable position to raise more finance to promote expansion or development. Yet electric supply undertakings have normally a certain stability and position of their own; and others are usually worse placed than us, rather than better. Surely, therefore, the Government will have to evolve policies designed to carry the business people with it to a greater extent if all the people are to flourish.

Provision for Automatic Adjustment

"It seems for these reasons especially unfortunate that Parliament's estimable attempt to encourage the investor in our industry, by making a provision for 'automatic adjustment' of the standard rate of return to follow fluctuations in the money market, has apparently been almost instantly frustrated by executive action. Hardly had the ink used in the new legislation dried, when the announcement by the Reserve Bank came to the effect that, as from 1st February 1957, the rate of interest on advances to Scheduled banks against Government and other eligible securities had been raised to 4 per cent., while, at the same time, the official Bank rate was unchanged at 3½ per cent. For the electricity industry, this announcement came as a bolt from the blue, for, unless upon pressure of circumstances the Bank rate itself is officially raised to line up with the Reserve Bank's lending rate for advances to Scheduled banks, we are again caught by the necessity to plead for Parliamentary enactment so as to keep in line with the changes in the value of money.

"The industry has quickly reacted and approached the authorities for action, if necessary by an ordinance. It has been pointed out that the World Bank rate of lending against mortgage debentures carrying the unconditional guarantee of the Government of India, is now a minimum 5½ per cent., the same as is now available to our industry to cover any fresh equity investment. This is clearly absurd.

"It may be added that there is still no solution in sight to the discouraging effect of the knowledge that the more rapidly you succeed in expanding electrical supply, the more likely the shareholders are to lose, or continue to be denied, their right to have their dividends credited as income-tax paid.

"Reverting to the Electricity (Supply) Amendment Act, I will not try to decode many of the intricacies covering the wide field of regulation and powers and duties of State Electricity Boards that need not normally affect you. I will, however, refer to a few more points.

Deferred Tax Liability

"First, although the Act still makes no provision for meeting the deferred tax liability arising out of diverse depreciation provisions in the Electricity (Supply) Act and the Income-tax Act, the Government is reported to be sympathetically disposed to introducing a clause to cover this need, if a suitable formula can be found. In fact, a clause permitting appropriation towards a deferred taxation reserve was drafted by the Select Committee when considering the Amending Act. As worded, however, the clause would actually have caused considerable embarrassment to most undertakings, and at the industry's request it was dropped for the time being. The Federation of Electricity Undertakings of India is now in correspondence with the Government on a revised wording which, it is hoped, will satisfactorily cover all aspects of this problem.

"Another amendment of major importance and interest to you concerns the question of our freedom to adjust our rates for supply to consumers. The 1956 Act has made it clear beyond doubt that the licensee has the right to adjust his rates within the framework of the Act, including where necessary an enhancement of rates. With this has come to rest an unfortunate legal controversy which had developed, causing much confusion and loss. You will remember how a Rating Committee was formed in the case of your Company in June 1954, when we did not understand how we could have been said to have breached the law. You are not likely to forget the subsequent impasse we had to contend with and which resulted in our being denied a very necessary rate increase for about 18 months, at a cost of about Rs. 25 lakhs in revenue, necessitating one reduction of the dividend and significant withdrawals from our hard won reserves! This was a by-product of the defect in the law which the amending Act has now set right. Hereafter a licensee must be served with a 'show cause' notice, and the authorities must await the results of arbitration before the Central Electricity Authority in respect of any disputes raised, before there can be any question of appointing a Rating Committee. It is a notable step forward that the law now appears to ensure that the penalty of a Rating Committee cannot be inflicted on licensees hereafter without fully adequate cause.

Finance (No. 3) Act

"We have recently been threatened with the effects of some other legislation conflicting with the mandatory provisions of the Electricity (Supply) Act; to our detriment once again. This is the Finance (No. 3) Act, with its provisions for compulsory deposit with the Reserve Bank in respect of depreciation allowances given under section 10(2) of the Income-tax Act. Under the provisions of the Electricity (Supply) Act, we are not even permitted to earn equivalent allowances. We are hopeful that, in this instance at least, the rules which are now under consideration by the Central Board of Revenue will recognise the fact that the Electricity (Supply) Act has already made its own provisions towards an identical end, namely, the investment of depreciation allowances in the business or in Government securities, and that, consequently, the industry will be exempted from the operation of the relevant part of Finance No. 3 Act.

"I have been at some pains to point out that the difficulties incidental to dearer money, problems arising out of deferred tax, and denial of tax concessions, are of even more than usual importance to companies such as yours which have statutory as well as moral responsibilities for large-scale expansion in the national interest. By the very nature of its franchise, an electric supply undertaking must continue to expand, and it will certainly repercuss adversely on the country's economy, if such undertakings have to function in the twilight region between viability and subsistence. The legislative intent having been firmly expressed in the Electricity (Supply) Amendment Act, 1956, for a return which should provide 'automatic adjustment with variations in the money market,' it will certainly be a miscarriage of justice, to say the least, if the industry is to be condemned to a further life of hand-to-mouth existence. I have laboured this point especially because your Company, charged with the task of making power available to the industries and citizens of the progressive and expanding Ahmedabad region, has to look forward to greater achievements; and political misunderstandings or legislative lethargy cannot but impede development.

"With the commissioning towards the end of 1958 of the 15 m.w. turbo alternator set ordered last year, the first half of the Company's 'C' power station will be completed. Future power expansion in Ahmedabad is bound up with the plans of the State Electricity Board for increasing power capacity in their South Gujerat system, possible hydro-generation in the Tapti, Narbada and Mahi river systems, atomic power development, and even the prospect that natural gas might become available. Nevertheless, it is not disputed that with offtake developing at an average of over 10 per cent. annually—a phenomenon which is general to most of the major power systems in the country—the Company must give serious and now urgent consideration to plans for completion of the second half of the 'C' station project, involving the installation of an ultimate 60 m.w. of plant. How best this may be achieved and the manner in which it is to be financed is receiving your Board's earnest consideration.

"The completion of this development should take care of the demand in the Ahmedabad area until about 1965. The answer to what is to happen after that must not be delayed for too long either. A modern plant takes anything up to five years from the stage of planning to commissioning. In line with the past traditions of the Company we have already taken preliminary steps to ensure that the future power needs of our area in the mid 1960's are not prejudiced by lack of timely and co-ordinated thought.

Import of Heavy Electrical Plant

"The import licence having already been received for the 15 m.w. plant for completing the first half of 'C' station ordered last year, your Company has so far escaped the import restrictions following the recent foreign exchange crisis. How far this crisis will affect the import of heavy electrical plant and capital goods for future projects in the country, remains to be seen. In the interest of India's proclaimed need for long-term credits for the purpose, however, I do hope that official spokesmen will in future find it rather more possible to display a sense of greater confidence in the business community than they have sometimes done in the past few years. Lack of confidence was never conducive to any kind of credit, least of all cheap credit for long periods; and one could hardly blame overseas lenders, if they tended to assess their potential clients at the valuation of the latter's own Government. Besides, it is the Government itself which has now turned to the business men asking them to obtain the foreign exchange of which the country has run so short.

"Another important requirement is that a method should be found whereby borrowers will not be left with the risk of fluctuations in the rates of exchange; a factor which, in the context of long-term credit, could be much more serious than even a high rate of loan interest.

"It may appear that other things remaining equal, the electricity supply industry, being essential to the general economic uplift of the country, may have reason to hope its requirements of essential plant for power projects will escape drastic import cuts. In fact, the need for the electric supply industry to receive priority consideration in allocation of foreign exchange for import of essential plant has been the subject of a resolution adopted at the All-India Power Engineers' Conference held in Bangalore in January this year.

Coal Deliveries Irregular

"Coming now to local affairs, the operation of your Company's plant during the year continued satisfactorily, while the peak demand for the year, at 110,400 kw., recorded an increase of 10,000 kw. over that of the previous year. Coal deliveries have been rather irregular mainly due to the shortage of rail transport, but the Company's coal agents, through their intensive efforts, have been able to help us maintain stocks at a fairly satisfactory level. The quality of coal received has, however, deteriorated to some extent due to the better qualities of coal being in greater demand.

"The constant efforts of the Company to improve the efficiency of operation are being offset by the rise in the prices of materials, especially of plant and of fuel, so that in the result the cost of production continues to rise. During the past year, we have had to meet an upgrading in the price of coal, which has increased by between Rs. 3 and Rs. 3-8 per ton, together with a rise in freight of one anna in the rupee. It looks as if further rises in the price of coal are to be expected, if the development of this equally essential commodity is not to continue to be thwarted by lack of funds.

"The Indian Electricity Rules, 1956, brought into force from the end of June 1955, have made it obligatory for electric supply undertakings to close their annual accounts as at 31st March. As you know, this Company's accounts were being closed annually as at 30th September and it has now been decided, with the approval of the State Government and the income-tax authorities, that the next closing of the Company's accounts should be for a period of six months ending 31st March 1957. Thereafter, the Company's financial year will be 1st April to 31st March. This will necessitate the compiling of accounts for the short-term period of six months—October 1956 to March 1957—which will entail the calling of a general meeting in November to adopt the accounts and declare a dividend for that period. With three electricity companies under their management, your Agents have drawn up plans to ease the administrative difficulties inherent when all three have a common closing date. These plans envisage the payments of your *ad-interim* and final dividends in future in April and December, respectively.

Field Training Scheme

"The All-India Power Engineers' Conference at Bangalore referred to by me earlier has, in an important resolution, recognised the necessity of imparting field training to different categories of technical personnel. In this direction, your Company has for many years undertaken the training of diploma and graduate apprentices. We have also been sending selected members of the engineering staff abroad for training. At the moment, we have in the U.K. two charge engineers and one assistant mains engineer under training with the Central Electricity Authority. Consideration is also being given to further staff being sent abroad nearer the time when the three engineers now in the U.K. return to India.

"I should also add that the training-within-industry-scheme initiated by the Company a few years back is progressing well. As required by the Government, Unit Production Committees have been constituted in the various departments of the Company, each committee consisting of about six members representing 150 employees. Four of these members are elected representatives of labour and two nominated by management. In general, the functions of these committees are to ensure proper and efficient use of machinery and adoption of precautionary measures, so as to engender safety consciousness against occupational hazards. These committees have worked well during the year under review.

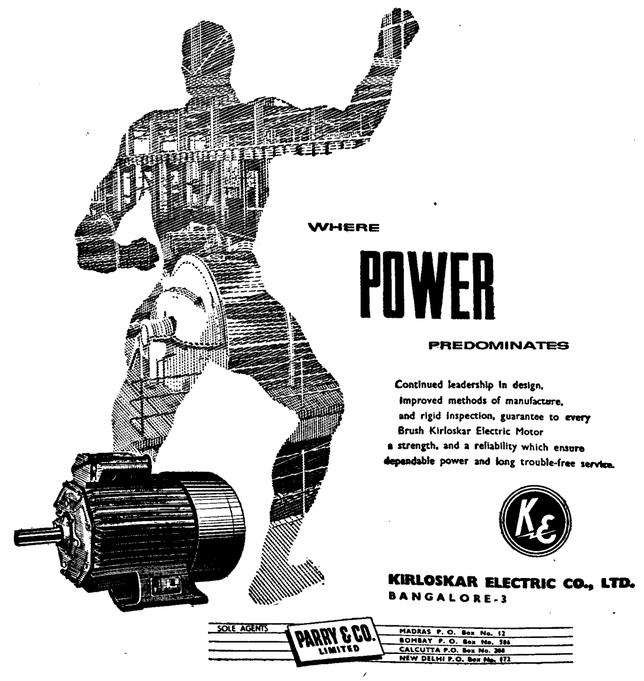
"In keeping with its staff welfare policy, the Sabarmati Primary School, which was in the past run by the local District Board, has now been taken over by the Company for the benefit of employees' children. The present strength of the school is 201 children and six teachers. It is the intention of the Company to add higher classes to this school in the future. The kindergarten school at Sabarmati which was opened in 1955 continues to provide excellent facilities for the younger children of the employees.

Transfer to Reserves

"The accounts, which have been drawn up in conformity with the provisions contained in this behalf in the Companies Act, 1956, are, I believe, fully informative, taken with the explanatory notes appearing on the face of the balance-sheet. You may, however, like some comment from me concerning appropriations with respect to reserves. This is an odd matter. In essence, we took Rs. 8,44,000 from the equalisation of dividends reserve, and put Rs. 9,38,708 to the general reserve. In the result, reserves gained about Rs. 95,000. It all arises from an undertaking which the Company had to give to the Bombay Electricity Board during the negotiations over the 8¾ per cent. surcharge which was made applicable to sales of energy to high tension consumers as from October 1955. As the arrangement will come to an end with the enforcement of the amendments to the Electricity (Supply) Act from 1st April 1957, I trust we will not have cause to bother about it thereafter. The main thing is that against the overall dividend for the year 1954-55 of 5 per cent., it has again been possible to recommend a final dividend of Rs. 4 per share, making 6½ per cent. for the year, and to have something over for reserve.

"It now remains for me to record our appreciation of the services rendered by the Resident General Manager and all ranks of the staff towards achieving the very satisfactory operational results during the year. This Company has always regarded the labourer as worthy of his hire and paid him accordingly—a policy which has been amply justified by the return received from its staff in the shape of loyal and efficient service. From the consumers' point of view it may be borne in mind that they in turn receive their benefits from progressive policies in the form of minimum production costs and, above all, continuity of electric service."

Note.—This does not purport to be a record of the proceedings of the annual general meeting which will be sent separately to shareholders.



SUBSTANTIAL INCREASE IN BENEFITS TO WORKERS

DISCLOSURE BY CENSUS OF MANUFACTURES

A NOTABLE revelation of the Eighth Census of Indian Manufactures for 1953, which has just been published, is that between 1949 and 1953, the wages, salaries and other monetary benefits and privileges to workers employed in factories covered by the Census increased by nearly 24 per cent. During the same period, however, the number of workers witnessed a decline of no less than 57,000. There were substantial increases in other spheres of the factories' activities such as productive capital employed, value of factory materials and fuels consumed, gross ex-factory value of output, etc., but in no case was the increase as marked as that of the total money value of wages, salaries, etc., to workers.

The Census under review for 1953 covered 20 former Indian States in India, but not the State of Jammu and Kashmir, and the former States of Madhya Bharat, Hyderabad, Mysore, Travancore-Cochin, Bhopal, Bilaspur, Manipur, Tripura and the Andaman and Nicobar Islands. The Census was compiled under the Industrial Statistics Act, 1942. For the purpose of the Census, only registered factories which used power and employed 20 or more persons per day were taken into account. Although the industries had been classified under 63 heads, the census had been confined to only 29 of them. The more important among the industries covered were: Cotton, woollen and jute textiles, chemicals, iron and steel, aluminium, copper and brass, general and electrical engineering, cement, glassware, ceramics, plywood and tea chests, paper and paperboards, matches, bicycles, and sewing machines. Though the number of factories existing as on that date was 7,104, as against 6,758 in 1949, returns were not received by the authorities for 10 per cent. of the factories. Thus, the number of factories for which returns had been received stood at 6,470, as against the corresponding number of 6,250 in 1949.

The table given at the foot of the page provides a clear picture of the position of the factories obtaining in 1953. The productive capital invested in the factories, including the fixed and working capital, which stood at Rs. 728.65 crores as at the end of 1953, represented an increase of about 18 per cent. over the level of 1949, when it stood at Rs. 614.53 crores. During the same period, moreover, gross ex-factory value of output went up from Rs. 976.07 crores to Rs. 1,122.78 crores, that is, an increase of about 15 per cent. It is, however, significant that the value of factory materials, fuels, etc., consumed increased by Rs. 85.14 crores, or only 12 per cent. from Rs. 703.38 crores in 1949 to Rs. 788.52 crores during the period under review. A still more interesting feature of this expansion was that, as against the rates of increases witnessed in these two respects, namely, gross ex-factory value and the value of factory materials, fuels, etc., the value added by manufacture spurted by no less than 22.5 per cent. from Rs. 272.69 crores to Rs. 334.25 crores. It may be noted that the "value added by manufacture" represents that part of the value of the product which is created in the factory, and is computed by deducting from the gross ex-factory value of the product the value of fuels, materials, etc., used, work done for the factory by other concerns and depreciation of fixed assets.

A feature which deserves notice is that the total number of persons employed in the factories declined by 57,000 from 1,685,000 in 1949 to 1,628,000 in 1953. As against this, however, the wages, salaries, and money value of other benefits and privileges jumped up from Rs. 177.19 crores to Rs. 205.21 crores, or by no less than 24 per cent. This, obviously, reflects the impact of "welfare" legislation that had been passed by the Government during this period.

The publication which has been issued by the Directorate of Industrial Statistics, Ministry of Commerce and Industry, Calcutta, contains valuable statistical information about the factories in various industries, their capital, employment and output. Further, a separate chapter is devoted in the Report to each of the industries, in which details regarding the number of factories, distribution of ownership and gross receipts, consumption of materials, fuel, power, manufacture of products and by-products and other particulars, have been given.

Provision to repeal the Industrial Statistics Act, 1942, it may be noted, has been incorporated in the Collection of Statistics Act, 1953, which became effective as from 10th November 1956. Under the new Act, the Central Government will be responsible for the collection of data relating to the industries scheduled under the Industries (Development and Regulation) Act.

PRODUCTION OF BASIC CHEMICALS

Encouraged by the record increase in the production of certain basic chemicals, the Government has planned to raise their production nearly fourfold during the period of the second Five-year Plan. These chemicals are soda ash, caustic soda and liquid chlorine.

The production of soda ash is expected to go up to 250,000 or 300,000 tons by 1961 from 77,270 tons in 1955. The output of caustic soda will also increase from 34,250 tons in 1955 to 200,000 tons by the end of the Plan. The increase envisaged in the production of liquid chlorine is, on the other hand, expected to be the largest, being from 14,580 tons to 250,000 tons, during the same period.

It may be noted that adequate supply of heavy chemicals is essential for the establishment and expansion of industries, such as iron and steel, ferro-manganese, paper and paperboard, newsprint, rayon, petroleum, glass and others. Besides, production of these chemicals sufficient to meet domestic demands will obviate the need for heavy imports.

Despite the fact that there are two soda ash factories in the country with a capacity of 90,000 tons, and the production in 1955 was as much as 75,000 tons, no less than 72,000 tons had to be imported during the year. It is proposed to set up two soda ash factories soon. It is noteworthy that one of the proposed factories with a capacity of 200 tons per day will be located at Porbandar. It is also proposed to step up its production to 400 tons per day. Besides setting up another unit using the modified Solvay process, the capacity of one of the existing units will be expanded to 200 tons a day, and developed further to a capacity of 400 tons per day.

Name of the State	No. of factories from which returns were obtained	Productive capital employed (In Rs. lakhs)	No. of persons employed	Salaries, wages and other benefits to employees (In Rs. lakhs)	Value at factory of materials, fuels, etc., consumed* (In Rs. lakhs)	Gross ex-factory value of output (In Rs. lakhs)	Value added by manufacture (In Rs. lakhs)
1. Bombay	1,421	234,42	5,40,880	84,58	274,04	400,04	126,00
2. West Bengal ..	1,144	164,80	5,52,353	51,22	176,20	257,06	80,86
3. Madras	676	54,63	1,34,547	13,95	65,83	89,65	23,82
4. Andhra	687	15,81	39,430	2,24	29,05	33,62	4,57
5. Uttar Pradesh ..	606	66,89	1,70,660	16,39	84,49	1,12,74	28,25
6. Bihar	374	96,16	1,11,021	18,13	58,29	96,79	38,50
7. Madhya Pradesh ..	324	21,77	52,234	4,94	27,93	35,09	7,16
8. Punjab	402	14,00	27,183	2,79	16,35	21,15	4,80
9. Delhi	202	9,44	24,393	3,86	14,10	20,75	6,65
10. Orissa	126	10,50	16,152	1,37	6,45	9,92	3,45
11. Rajasthan ..	81	11,65	13,751	1,22	7,35	9,36	2,01
12. P.E.P.S.U. ..	90	6,21	8,432	93	6,17	8,57	2,39
13. Saurashtra ..	124	16,10	22,539	2,23	14,45	18,13	3,68
14. Assam	119	3,80	6,687	83	6,08	7,36	1,29
15. Ajmer	8	1,39	6,229	40	1,37	2,04	67
16. Himachal Pradesh	3	74	765	10	15	25	10
17. Vindhya Pradesh ..	8	18	233	1	6	6	(—) 0.6
18. Kutch	5	16	468	2	16	19	3
19. Coorg	..	..	..	..	..	..	..
Total ..	7,104	728,65	16,27,857	205,21	788,52	1,122,78	334,25

* Includes value of fuels, lubricants, etc., of basic materials, chemicals, etc., of the work done for factory by other concerns and depreciation.

WORLD INDUSTRIAL PRODUCTION

SLIGHT DECLINE IN THIRD QUARTER

THE index of world industrial production, excluding U.S.S.R., China, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Rumania, stood at 112 (1953=100) in the third quarter of 1956 as compared with 116 in the second quarter. This decline, according to the January 1957 issue of the U.N.'s *Monthly Bulletin of Statistics*, is no greater than that usually occurring during this period of the year. During the first nine months of 1956, as a whole, however, the world level of mining and manufacturing output stood approximately 5 per cent. higher than that of the corresponding period of 1955. But, for most industrial countries, the rate of expansion was found to be somewhat below that of 1955.

The production level in the third quarter of 1956 was 104 per cent. of that of the corresponding quarter of 1955. The latter itself was 110 per cent. of the corresponding level of 1954. The rate of increase was, however, greater in the first two quarters of 1956, being 106 per cent. and 105 per cent. of the output levels of the corresponding quarters of 1955. The data provided in the *Bulletin* indicate that the picture in the first three quarters of 1956 was one of normal increases for most countries with a few countries showing gains of less than normal and Japan alone showing striking increase over the preceding periods. For the fourth quarter, the *Bulletin* predicts that there will be further increases in the United States owing to the production of new model automobiles and the absence of major labour disputes.

In the case of raw materials, though the production during the period under review witnessed increases in a number of commodities over the corresponding period of 1955, the ratios of increases declined in many of the cases except in that of aluminium and lead. Between the third quarters of 1955 and 1956, the index of production of crude petroleum rose from 117 to 127, that of cement from 130 to 141, copper 103 to 116, zinc 112 to 117, lead 100 to 113, aluminium 125 to 127, and electricity 119 to 126. In the case of certain other commodities, however, a decline in output was witnessed. Between the same periods, the index of coal declined from 102 to 101, that of pig iron from 113 to 100, and crude steel from 111 to 100. This fall, however, was attributed chiefly to the decline in the production in the U.S.

During the first nine months of 1956, production of primary non-ferrous metals both within and outside the U.S. continued to increase with the exception of tin. Ferrous metal production, on the other hand, continued to increase in the first nine months of 1956, in the world, excluding the U.S.

Among the various countries where the rate of expansion in the third quarter of 1956 was less than the world average, mention must be made of the U.K., the U.S., Denmark and Sweden. Japan, India, West Germany are countries where the rate exceeded that of the world average.

The following table provides the rates of growth of industrial production in certain important countries in the third quarter of 1956, as compared with the corresponding quarter of 1955 (corresponding period of previous year=100):

	3rd quarter	
	1955	1956
World*	110	104
World excluding U.S.A.	110	106
Europe†	110	105
Austria	112	105‡
Belgium	107	108‡
Canada	110	107
Denmark	101	100
France	108	109
West Germany	114	107
India	111	113‡
Italy	108	108‡
Japan	114	120
Netherlands	107	103
Norway	102	106
Sweden	105	103
U.K.	104	100
U.S.A.	112	101

* Excluding U.S.S.R., China, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Rumania.
† Excluding countries of Eastern Europe noted above.
‡ Based on two months only.

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(Incorporated in England by Royal Charter, 1853)
(Liability of Stockholders Limited)
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Reserve Fund - - £5,000,000
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Manchester Branch: 52 Mosley Street,
Liverpool Branch: 28, Derby House, Exchange Buildings, Liverpool, 2.
Hamburg Agency: Borsenbrucke 2A Hamburg 11.
New York Agency: 65 Broadway, New York, 6.
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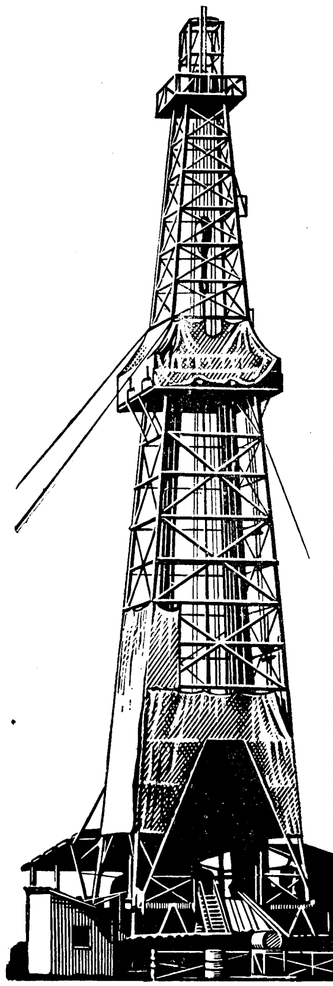
Reserve Fund Rs. 1,15,00,000
Chairman
G. D. BIRLA
SHORT AND LONG-TERM DEPOSITS RECEIVED AT ATTRACTIVE RATES
SAVINGS ACCOUNTS WELCOMED
General Manager
S. T. SADASIVAN
Acting Manager, Bombay Branch: S. J. UTAM SINGH


A TOWER OF STRENGTH in India's Economy
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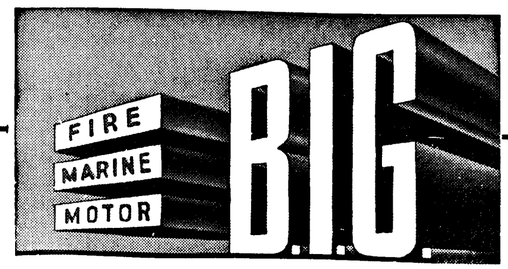

THE BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED
(INCORPORATED IN INDIA)
HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY
Chairman: JAL H. MEHTA
General Manager: M. S. DASTUR

MARTIN BURN EARNS BUMPER PROFIT

DISTRIBUTION TO SHAREHOLDERS RAISED

HIGHLY encouraging results are disclosed by the working of Martin Burn Ltd. (Chairman and Governing Director: Mr. T. Leslie Martin, Calcutta) for the year ended 30th September 1956. With the year's gross profit at the bumper level of Rs. 110.44 lakhs, the Company has not only maintained but also improved its previous year's earnings, thereby showing a steady rate of progress. In fact, the rise in profit during the year under review is particularly conspicuous, in that it has enabled the profit to exceed the Rs. 1-crore mark for the first time. The profit for the year represents an increase of Rs. 24.55 lakhs over the profit for the previous year, at Rs. 85.89 lakhs, which, again, was an improvement on the profit two years ago by as much as Rs. 20.16 lakhs. The net profit for the year under review stands at Rs. 46.60 lakhs, as against Rs. 35.73 lakhs for 1954-55. The provision for taxation has been stepped up from Rs. 37.75 lakhs to Rs. 51.50 lakhs and that accounts for the relatively smaller increase in net profit.

Commensurate with the handsome rise in earnings, the distribution to the shareholders has also been stepped up to 21¼ per cent. from 18¾ per cent., to which level it had been raised a year ago from 13¾ per cent. paid consistently for the previous three years. The distribution is in the shape of a dividend of 15 per cent. and a cash bonus of 6¼ per cent. The distribution a year earlier consisted of 15 per cent. dividend and 3¾ per cent. cash bonus. It will thus be seen that, while the dividend part of the distribution has been maintained at the previous year's level, the cash payment has been doubled.

Additions to reserves have also been adequately increased to Rs. 14.17 lakhs from Rs. 11.60 lakhs provided for 1954-55. While the transfer to the capital redemption reserve fund has been maintained at Rs. 2 lakhs, the addition to the general reserve has been raised from Rs. 5.50 lakhs to Rs. 7.50 lakhs, as also the provision for doubtful debts from Rs. 61,163 to Rs. 1.67 lakhs. The provision for contingencies has received Rs. 3 lakhs, as against *nil*.

The following comparative table shows the progress of the Company during the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1956	1955	1954	1953
Sale proceeds	8,23.40	5,72.17	5,00.16	4,60.58
Closing stocks and work-in-progress	2,11.00	2,07.09	2,59.28	1,90.01
Other income	1,09.38	99.26	72.79	70.30
Expenses including materials consumed	8,22.34	5,83.74	5,05.42	4,65.90
Gross profit	1,10.44	85.89	65.73	63.17
Managing Directors' remuneration	10.01	9.92	7.42	7.22
Provision for—Depreciation	2.33	2.49	2.29	2.36
Taxation	51.50	37.75	25.00	24.50
Net profit	46.60	35.73	31.02	29.09
Provisions not required written back	0.33			
Div. reserves	14.17	11.60	13.20	11.33
Dividends—6 per cent. preference	1.50	1.50	1.50	1.50
Ordinary	30.59 (D. 15% +B. 6¼%)	24.93 (D. 15% +B. 3¾%)	18.01 (D. 12½% +B. 1¼%)	17.97 (D. 12½% +B. 1¼%)
Carry forward	2.70	2.03	2.52	2.41

It will be seen from the table that sale proceeds have made an appreciable improvement of Rs. 2.51 crores, that is, from Rs. 5.72 crores to Rs. 8.23 crores. If 1952-53 is taken as the base year, this would represent an increase of about 80 per cent. in sales. This has been supplemented by other income which has also advanced by Rs. 10.12 lakhs. These improvements in earnings have, however, been neutralised to a great extent by the sharp increase in expenses which have gone up by Rs. 2.38 crores to Rs. 8.22 crores. But for the increase in expenses, the results of the Company's working would have been even more impressive than they have been.

The Company's paid-up capital stands at Rs. 173.96 lakhs, divided into 1,439,650 ordinary shares of Rs. 10 each and 30,000 five per cent. redeemable preference shares of Rs. 100 each. This represents an increase of Rs. 6.43 lakhs over the year, due to the conversion of convertible notes of the value of Rs. 12.87 lakhs at the rate of 25 ordinary shares for each convertible note of Rs. 500. The surplus arising from such conversion, amounting to Rs. 6.43 lakhs, has gone to strengthen the reserves. The outstanding convertible notes after the above conversion amount to Rs. 12.07 lakhs. The reserves and surplus aggregate Rs. 87.76 lakhs. The current liabilities amounting to Rs. 541.28 lakhs include a provision for taxation at Rs. 148.80 lakhs. The gross block of the value of Rs. 49.24 lakhs, including an addition of Rs. 2.49 lakhs during the year, has been written down to Rs. 35.89 lakhs. This is inclusive of goodwill at cost of Rs. 25.18 lakhs. The current assets amount to Rs. 767.11 lakhs, of which investments in Government securities and shares of companies account for Rs. 173.96 lakhs, stocks, stores and spares for Rs. 120.58 lakhs, work-in-progress for Rs. 121.97 lakhs, debts, deposits and advances for Rs. 317.51 lakhs and cash balances for Rs. 23.65 lakhs. The current assets cover the current liabilities and provision for taxation by a substantial margin of Rs. 225.83 lakhs.

During September 1956, the Directors of the Company offered for subscription 30,000 five per cent. redeemable preference shares of Rs. 100 each at par, being the balance of the unissued preference share capital of the Company. Since the allotment was made after 30th September 1956, the amount received along with applications has been included under current liabilities in the year's balance-sheet.

The Company relinquished the managing agency of the Sone Valley Portland Cement Company Ltd. during the year under review.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 26.6 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 8.76 per cent. per annum, free of income-tax.

HINDUSTAN LEVER LIMITED

A notable event in 1956 was the conversion of Messrs. Lever Brothers (India) Ltd. from a private to a public limited company as from October 1956 under the new title of Hindustan Lever Ltd. As the leading manufacturers of soaps, cosmetics, *vanaspati*, etc., in the country, the new set-up of the Company will mark its distinct contribution to the progress of the country, in general, and that of the Company, in particular. By virtue of the orders of the Bombay High Court, the old Lever Brothers (India) Ltd. was amalgamated with the Hindustan Vanaspati Manufacturing Company Private Ltd., William Gossage and Sons (India) Private Ltd. and Joseph Crosfield and Sons (India) Private Ltd. and the assets of the merged companies were thereby vested in the new Company.

The accounts of Hindustan Lever Limited (Chairman: Mr. A. J. C. Hoskyns-Abrahall, Bombay) for the year ended 31st December 1956 show that the Company's gross profit has advanced by Rs. 44.53 lakhs to Rs. 2.52 crores. The net profit, after providing for depreciation at Rs. 28.32 lakhs, as against Rs. 12.71 lakhs, and taxation at Rs. 119.88 lakhs, as against Rs. 105.29 lakhs, stands higher at Rs. 103.98 lakhs, showing a marked improvement over the previous year's profit at Rs. 89.65 lakhs. After payment of dividend, a sum of Rs. 34.36 lakhs is proposed to be carried forward, as against Rs. 14.65 lakhs brought in.

The Company's dividend for the year comes to Re. 1-4 per share, or 12½ per cent., which is composed of an interim dividend of As. 8 per share which was paid on 1st November 1956 and a proposed final dividend of As. 12 per share, free of income-tax. It may be stated in this context that the original idea of the Directors was to recommend a final dividend of only As. 6 per share. The decision to enhance this to As. 12 per share was due to the fact that the Company's profit had gone up to Rs. 104 lakhs, beyond the original estimated profit of Rs. 90 lakhs, and the Directors do not propose to pay an interim dividend during the coming year.

The Company's sale proceeds during the year under review have more than doubled; that is, from Rs. 12.11 crores they have shot up to Rs. 27.40 crores. The income from other sources, however, has fallen from Rs. 30.16 lakhs to Rs. 14.48 lakhs.

The issued capital of the Company was increased from Rs. 2 crores to Rs. 5.57 crores in October 1956 by the issue to Unilever Ltd. of 2,000,000 fully paid ordinary shares of Rs. 10 each in consideration of the vesting in the Company of the assets of the merged companies and 1,570,000 fully paid ordinary shares of Rs. 10 each by capitalising Rs. 157 lakhs of profits outstanding to the credit of general reserve. Subsequently, by an offer for sale dated 17th November 1956, Unilever Ltd. offered to the public in India 557,000 ordinary shares of Rs. 10 each. This was heavily oversubscribed. Of the 5,570,000 ordinary shares of Rs. 10 each fully paid representing the capital of Rs. 5.57 crores, 2,040,000 were allotted as fully paid up, pursuant to a contract for a consideration other than cash, and 3,290,000 were allotted as fully paid up bonus shares. The reserves and surplus aggregate Rs. 1.98 crores. The current liabilities amount to Rs. 3.41 crores, in which the provision for taxation stands at Rs. 80.84 lakhs. The gross block of the value of Rs. 4.55 crores has been depreciated to Rs. 3.52 crores. The current assets of Rs. 7.45 crores include advances and prepaid expenses amounting to Rs. 36.58 lakhs, deposits with Government and public bodies Rs. 27.52 lakhs, stores and spare parts Rs. 37.45 lakhs, stock-in-trade and raw materials Rs. 3.86 crores, work-in-progress Rs. 47.79 lakhs, sundry debtors considered good Rs. 1.09 crores and cash and bank balances Rs. 97.18 lakhs. The current assets cover the current liabilities and provision for taxation by a wide margin of Rs. 4.04 crores.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 20-8 *cum-div.* (final div. As. 12). On the basis of the year's dividend at 12½ per cent., the yield works out to 6.3 per cent. per annum.



MEN WHO WILL MOULD OUR FUTURE

Our scientists are the pilots of our destiny . . . the men who will chart our industrial progress. And in order to provide them with every equipment and facility, 11 National Laboratories were established in the First Plan. In the second Five Year Plan over Rs. 20 crores will be spent on scientific and industrial research.

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CANARA BANK EARNS RECORD PROFIT

DIVIDEND RAISED

THE year 1956 provided an important landmark in the history of the Canara Bank Ltd. (General Manager: Mr. P. S. Nayak, Bombay), in that the Bank celebrated its golden jubilee during the year. Befitting this happy occasion, the Bank's business recorded an all-round expansion and the profit also staged a notable increase to establish a fresh record in the history of the Bank. The profit, which had consistently been maintaining an upward trend since 1949, with a rise from Rs. 5.58 lakhs in that year to Rs. 10.01 lakhs in 1955, shows a further jump to Rs. 12.31 lakhs in the year under review.

More than 50 per cent. of the year's profit is absorbed by the provision for taxation, which has been raised from Rs. 3.75 lakhs to Rs. 4.60 lakhs, and bonus to staff, for which a sum of Rs. 2.05 lakhs has been utilised, as against Rs. 1.25 lakhs in the previous year. The allocation to reserve fund is unchanged at Rs. 3 lakhs, while the distribution to the shareholders has been stepped up to 15 per cent. from 10 per cent., to which level it had been raised last year from 9 per cent. paid consistently for the preceding 14 years. The increase in dividend for the year under review has been made by paying an interim distribution of 5 per cent. in commemoration of the Bank's golden jubilee.

The progress of the Bank during the past three years is indicated by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount earned	49.54	36.34	30.09	28.17
Commission and exchange	20.13	15.92	13.47	9.19
Interest paid	28.73	17.67	12.92	10.10
Expenses	34.16	26.46	23.21	20.30
Depreciation	1.24	0.93	0.87	0.77
Profit	12.31	10.01	9.20	8.67
Provision for taxation	4.60	3.75	3.75	3.40
To reserves	3.00	3.00	2.50	2.50
Bonus to staff	2.05*	1.25	1.01	0.85
Dividends—5 per cent. preference	0.52	0.52	0.52	0.52
Ordinary	2.25	1.60	1.35	1.35
	(15%)†	(10%)	(9%)	(9%)
Carry forward	0.33	0.19	0.21	0.14

	As on 31st December			
	1956	1955	1954	1953
Capital	29.00	29.00	29.00	29.00
Reserves	32.00	29.00	20.00	21.00
Deposits	14,32.06	11,05.57	8,91.80	7,89.89
Acceptances	2,41.28	2,52.08	1,15.81	41.42
Advances (including bills discounted and purchased)	7,73.43	6,08.66	4,32.13	3,98.45
Investments	5,12.92	3,88.64	3,33.32	2,50.62
Cash	2,24.30	2,83.17	2,34.15	2,00.86
Balance-sheet total	20,54.60	17,65.73	12,65.17	10,45.62
Ratio to deposits of—Advances	% 54.0	% 54.9	% 48.4	% 50.4
Investments	35.8	32.5	37.4	33.0
Cash	16.8	23.7	26.2	25.4

* Including Golden Jubilee bonus Rs. 65,000.
† Including 5 per cent. interim paid on the occasion of Golden Jubilee.

The impressive rise in income from "interest and discount" to the tune of Rs. 13.20 lakhs and of Rs. 4.21 lakhs in "commission and exchange" reflects, in a large measure, the expansion in business. It is also due in part to the higher rates of interest. The increase in these two main sources of income is supplemented by a rise of Rs. 1.96 lakhs in other income. Such an enlargement in total income has, however, been offset to a substantial extent by the rise of Rs. 9.06 lakhs in interest paid and of Rs. 7.70 lakhs in expenses.

The notable features disclosed by the latest balance-sheet, as compared with that a year ago, are the sizable rise in deposits, a relatively small increase in advances and the strengthening of the investment portfolio. The increase of Rs. 2.37 crores in deposits during 1956 is smaller than that (Rs. 3.04 crores) recorded in the previous year, but this is not surprising in the context of the general shortage of funds during the year. Nevertheless, such an increase has helped the Bank to set up a fresh record in deposits in its history. It is also noteworthy that the Bank has raised its deposits by nearly 50 per cent. in the last four years. A break-up analysis of the deposits shows that fixed deposits have gone up by only Rs. 71 lakhs, against Rs. 1.84 crores noted in 1955, savings bank deposits by Rs. 40 lakhs (Rs. 25 lakhs) and current and other accounts by Rs. 1.26 crores (Rs. 95 lakhs). On the assets side, loans, overdrafts and cash credits show an increase of Rs. 1.23 crores (as against Rs. 83 lakhs in 1955) and bills purchased and discounted Rs. 42 lakhs (as compared with Rs. 93 lakhs in the previous year).

Points From The Chair

Private Sector and State

"IT is not for us to criticise the Plan schemes as a little too optimistic and somewhat too ambitious for the country's rated optimum capacity. But the private sector has to keep on adjusting itself to national policies which create conditions where traditional and established business has to be conducted in the manner possible under Governmental policies. The outlook, however, is not by any means discouraging. The Plans are creating more purchasing power. Theorists may say that present conditions may lead to a depression in business which may act as a corrective to the transitional maladjustment. In a controlled economy, however, trade cycles of booms and depressions do not have natural play; artificial stabilising factors such as monetary policy, production-*cum*-import policy, etc., absorb many of the shocks with the result that a violent disturbance of the normal economy is avoided, but controls to be effective must be imposed from every angle and direction, and not just one or two, thus making the economy one of severe regimentation—a state of affairs to be shunned by all who have the free commercial instinct, inherent in every one of us."

Z. R. IRANI,
Spencer & Co., Ltd.

India and the Second Five-year Plan

"The second Five-year Plan, to which I referred last year, is already rapidly getting under way and is estimated to have a total cost of some 5,300 crores of rupees. Inevitably, this vast project will have repercussions on many aspects of Indian life. Initially, it is almost inevitable that a degree of inflation and high taxation must be anticipated and, indeed, is already taking place. It must be hoped that the ultimate effects of the great production and employment that this Plan is hoped to produce, will justify this great undertaking. Towards the close of the year, some anxiety has been caused regarding the country's economy, following a continued rise in price levels, continued substantial dwindling of foreign exchange resources and the monetary stringency in the banking system. It is unfortunate that at this time the Indian jute trade, which is one of India's principal earners of foreign exchange, is passing through a time of economic crisis and heavy losses. The tea and cotton industries have both had a fairly successful year and, on the whole, labour relations throughout India have been reasonably harmonious."

SIR KENNETH W. MEALING,
Mercantile Bank of India Ltd.

Rail-sea Co-ordination

"In spite of the continuous rising spiral of costs since 1951, freight rates have practically remained stationary, barring small interim increases allowed in October 1955 and May 1956. The question of fixing economic rates has been examined by the Rail-Sea Co-ordination Committee and their report is awaited. I would like to repeat the request of the Coastal Conference to the Committee that freight rates should be so fixed as to leave, after meeting the increased costs of operation and normal depreciation, a reasonable provision for rehabilitation of fleet and a fair return on capital employed, following the principles accepted by the Tariff Commission for cement, steel and other industries. In order that shipping may be utilised as fully as possible to help solve the problem of transport during the Plan period, it was necessary not only to divert cargoes moving in bulk from rail to sea, but, to define on a permanent basis, the fields of transport by rail and transport by sea. Coastal shipping will not be able to expand to the required target unless co-ordination of transport is based, *inter alia*, on its economic survival and its progressive development on a permanent basis. I, therefore, hope that these aspects would be considered seriously before Government reach decisions on the recommendations of the Rail-Sea Co-ordination Committee."

DHARAMSEY M. KHATAU,
Scindia Steam Navigation Co., Ltd.

Standard Rate of Return

"It seems for these reasons especially unfortunate that Parliament's estimable attempt to encourage the investor in our industry by making a provision for 'automatic adjustment' of the standard rate of return to follow fluctuations in the money market, has apparently been almost instantly frustrated by executive action. Hardly had the ink used in the new legislation dried, when the announcement by the Reserve Bank came to the effect that, as from 1st February 1957, the rate of interest on advances to Scheduled banks against Government and other eligible securities had been raised to 4 per cent. while, at the same time, the official Bank rate was unchanged at 3½ per cent. For the electricity industry, this announcement came as a bolt from the blue, for, unless upon pressure of circumstances the Bank rate itself is officially raised to line up with the Reserve Bank's lending rate for advances to Scheduled banks, we are again caught by the necessity to plead for Parliamentary enactment so as to keep in line with the changes in the value of money. The industry has quickly reacted and approached the authorities for action, if necessary by an ordinance. It has been pointed out that the World Bank rate of lending against mortgage debentures carrying the unconditional guarantee of the Government of India is now a minimum 5½ per cent., the same as is now available to our industry to cover any fresh equity investment. This is clearly absurd."

K. G. MILNE,
Ahmedabad Electricity Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

RAVALGAON SUGAR FARM LTD. Annual General Meeting, Bombay, 26th March 1957. Transfer books remain closed from 6th to 27th March 1957, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Annual General Meeting, Bombay, 27th March 1957. Dividend: Rs. 21 per share, payable on 16th April 1957. Transfer books remain closed from 11th to 30th March 1957, both days inclusive.

HOOGHLY FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 28th March, 1957. Dividend: As. 2 per share, final (making a total of As. 14 per share). Transfer books remain closed from 21st to 28th March 1957, both days inclusive.

MUTTRA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th March 1957. Dividend: 7 per cent. Transfer books remain closed from 23rd to 29th March 1957, both days inclusive.

CENTRAL KURKEND COAL CO., LTD. Annual General Meeting, Calcutta, 29th March 1957.

T. STANES & CO., LTD. Annual General Meeting, Coimbatore, 29th March 1957. Dividend: As. 12 per share (final). Transfer books remain closed from 16th to 29th March 1957, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 29th March 1957. Dividend: Rs. 9 per share. Transfer books remain closed from 16th to 29th March 1957, both days inclusive.

JANARDANA MILLS LTD. Annual General Meeting, Uppilipalayam, 30th March 1957. Dividend: Rs. 10 per share. Transfer books remain closed from 17th to 30th March 1957, both days inclusive.

ATHIMATTAM RUBBER CO., LTD. Annual General Meeting, Thodupuzha (Kerala State), 30th March 1957. Dividend: 5 per cent. Transfer books remain closed from 23rd to 30th March 1957, both days inclusive.

BARAKAR ENGINEERING AND FOUNDRY WORKS LTD. Annual General Meeting, Calcutta, 30th March 1957. Transfer books remain closed from 21st to 30th March 1957, both days inclusive.

KARAMCHAND THAPAR AND SONS LTD. Annual General Meeting, Calcutta, 30th March 1957. Transfer books remain closed from 21st to 30th March 1957, both days inclusive.

UPPER GANGES VALLEY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 30th March 1957. Dividend: As. 8 per share. Transfer books will remain closed from 25th to 30th March 1957, both days inclusive.

KAMARHATTY CO., LTD. Annual General Meeting, Calcutta, 30th March 1957. Dividend: *Nil*. Transfer books remain closed from 22nd to 30th March 1957, both days inclusive.

KANKNARRAH CO., LTD. Annual General Meeting, Calcutta, 30th March 1957. Dividend: *Nil*. Transfer books remain closed from 22nd to 30th March 1957, both days inclusive.

GILLANDERS ARBUTHNOT & CO., LTD. Annual General Meeting, Calcutta, 30th March 1957. Dividend: Re. 1-9 3/5 per share (16 per cent.) Transfer books remain closed from 18th to 30th March 1957, both days inclusive.

ALEXANDRA JUTE MILLS LTD. Annual General Meeting, Calcutta, 15th April 1957. Transfer books will remain closed from 1st to 15th April 1957, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 15th April 1957. Transfer books will remain closed from 1st to 15th April 1957, both days inclusive.

EMPIRE JUTE CO., LTD. Annual General Meeting, Calcutta, 15th April 1957. Transfer books will remain closed from 1st to 15th April 1957, both days inclusive.

KELVIN JUTE CO., LTD. Annual General Meeting, Calcutta, 15th April 1957. Transfer books will remain closed from 1st to 15th April 1957, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Second interim dividend of 10 per cent. for the year ended 30th September 1956. Transfer books remain closed from 21st to 30th March 1957, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Interim dividend of As. 12 per share, for the year ending 30th June 1957. Transfer books will remain closed from 25th March to 6th April 1957, both days inclusive.

BINNY & CO. (MADRAS) LTD. Final dividend of 6 per cent. (making a total of 10 per cent.) for the year ended 31st December 1956. Transfer books remain closed from 16th to 29th March 1957, both days inclusive.

UNITED BREWERIES LTD. Interim dividend of Rs. 7-8 per share, for the year ending 31st March 1957. Transfer books will remain closed from 26th to 30th March 1957, both days inclusive.

TIDE WATER OIL CO. (INDIA) LTD. Dividend of As. 12 per share, for the year ended 31st October 1956.

INDIA PAPER PULP CO., LTD. Interim dividend of 7 per cent. for the year ending 31st March 1957. Transfer books remain closed from 18th to 27th March 1957, both days inclusive.

BENGAL ASSAM STEAMSHIP CO., LTD. Dividend of Rs. 7-8 per share, for the year ended 31st October 1956.

GILLANDERS ARBUTHNOT PAYS MORE

EARNINGS OF UPPER GANGES SUGAR BETTER

Gillanders Arbuthnot & Co., Ltd.

THE directors of the above Company (Managing Director and Chairman: Mr. J. F. E.d'A. Willis, Calcutta) submit the audited accounts of the Company for the year ended the 31st March 1956.

The trading results for the year have again been satisfactory, both in Calcutta and at the branches in India and Burma, while Commissions and allowances earned record an improvement over the previous year. The income from investments shows a substantial increase which is principally a reflection of the excellent year 1954, experienced by the Company.

During the course of the year the managing agencies of Cherra-Chhatak Ropeway Co., Ltd., and Arcuttipore Tea Co., Ltd., were relinquished by the Company. The Company has also severed its direct connection with the jute industry by relinquishing its offices as agents of Societe Generale Industrielle de Chandernagor (Gondalpara Mill) in October 1956, and as managing agents of the Hooghly Mills Co., Ltd., in August 1956. It is regretted that on the disposal of the shareholding in the former Company a loss of Rs. 4,52,930 was suffered and this amount features as part of the loss on sale of investments appearing in the profit and loss account. Against that loss, however, the Company received compensation of Rs. 1,00,000 for loss of Office.

Since the end of the year under review the Company has also relinquished the managing agency of the Air Conditioning Corporation Private Ltd., and it is with considerable regret that the directors have to record that as a result a substantial loss has accrued. The Company originally assumed responsibility for the management of the Air Conditioning Corporation Ltd. in 1946 on the retirement of the founder of the business. The prospects for Air Conditioning were then and have ever since been very promising, but unfortunately unexpected and, as it turned out, insurmountable difficulties were experienced, first, over the technical management and, secondly, over the types of business which could profitably be undertaken. As a result heavy losses were incurred which continued until early in 1956, when it became apparent that the Corporation required, in order that it might recover the losses incurred in earlier years and trade profitably in future, considerably more finance than the Company was in a position to provide.

Several schemes with outside parties were considered, all of them requiring the relinquishment of the managing agency, and in April 1956, the directors decided to accept what, in their opinion, was the best of these, namely, the sale of the total sum advanced at a price to be determined on the basis of a valuation of the Corporation's Balance Sheet, on condition that the managing agency would be given up and the total issued capital of the Corporation would be transferred to the purchaser. In consequence of this the advances made by the Company to the Air Conditioning Corporation Private Ltd. will only be recovered to the extent of approximately 48.5 per cent. The amount advanced at the 31st March 1956, was Rs. 48,52,951 and while the purchase price is not yet finally known it is estimated to be not less than Rs. 26,00,000 which would result in a loss of Rs. 22,52,951. As a sum of Rs. 2,50,000 is payable as brokerage on sale of the loan the total loss in this respect is expected to be in the region of Rs. 25,00,000. In addition, the Company's shareholding in the Air Conditioning Corporation Private Ltd. has been disposed of to the purchaser of the advance and this has also resulted in a loss of Rs. 1,17,300. It is the intention of the directors to write off these losses in full in the current year, but, in the meantime, it is considered prudent to allocate a further amount to contingencies reserve, as proposed later, in order to bring the amount standing to the credit of that reserve account up to a figure of Rs. 26,17,300, which is equal to the total amount of the loss likely to be incurred.

With the relinquishment of the abovementioned managing agencies and the restrictions imposed on managing agents by the Companies Act 1956, the Company's income from such sources will inevitably be adversely affected in future.

The profit and loss account records a credit balance of Rs. 30,03,640, as compared with Rs. 29,71,809 for the previous year. After providing for taxation including a sum of Rs. 1,30,000 for the additional tax payable on the proposed dividend on ordinary shares in respect of the year under review, and deducting from the total provision the sum of Rs. 3,52,862 being an excess reserve in respect of taxation for prior years, the balance available for disposal is Rs. 18,71,841 as against Rs. 18,86,360 in the previous year, arrived. The profit and loss account shows a balance of profit of Rs. 30,03,640 (Rs. 29,71,809) to which has to be added the balance brought forward from the previous year of Rs. 1,51,360 (Rs. 1,58,072) making a total of Rs. 31,55,000 (Rs. 31,29,881). The provision required for taxation is Rs. 12,83,159 (Rs. 12,43,521) leaving a balance for disposal of Rs. 18,71,841 (Rs. 18,86,360). Out of this balance the directors propose the following appropriations:

To dividend on preference share capital Rs. 1,25,000 and to dividend on the 6,50,000 ordinary shares of Rs. 10 each at the rate of 16 (14) per cent. without any deduction in respect of income-tax payable by the Company Rs. 10,40,000 (Rs. 9,10,000) and to transfer to contingencies reserve Rs. 6,17,300 (Rs. 4,00,000) leaving to be carried forward to next year Rs. 89,541 (Rs. 1,51,360 after transferring Rs. 3,00,000 to superannuation fund).

The Gillanders Arbuthnot & Company (Pakistan) Ltd., a subsidiary of the Company, has recorded a profit after taxation of Rs. 2,03,241 in the year under review, as compared with that of Rs. 4,06,063 in the previous year. This result is considered satisfactory, in view of the difficult trading conditions and severely restricted import policy which continues to hamper business in Pakistan. As these conditions have continued, the balance at credit of profit and loss account of Rs. 3,72,817 has been retained in that country.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,00,000	Block ...	10,54,049
Reserves ...	53,17,300	Goodwill ...	23,00,000
Provision for taxation ...	5,15,113	Stock-in-trade ...	41,68,146
Liabilities ...	2,49,80,213	Stores, tools etc. ...	1,13,953
Profit and loss account ...	89,541	Debts, deposits and advances ...	2,14,17,308
		Investments	96,33,406
		Cash ...	12,15,305
Rs.	3,99,02,167	Rs.	3,99,02,167

Upper Ganges Sugar Mills Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1956.

The profit and loss account after providing Rs. 10,54,000 (Rs. 6,50,000) for depreciation shows a profit on the year's working of Rs. 12,95,211 (Rs. 10,24,525) to which is added the balance brought forward from the previous year of Rs. 82,931 (Rs. 48,719) making a total of Rs. 13,78,142 (Rs. 10,73,244). From this there has been provided for taxation Rs. 7,90,000 (Rs. 5,75,000) and for general reserve Rs. 2,00,000 (Rs. 1,00,000) leaving a balance available for disposal of Rs. 3,88,142 (Rs. 3,98,244). From this the directors recommend payment of dividend on 12,000 cumulative redeemable preference shares of Rs. 100 each at 5 per cent. per annum free of income-tax Rs. 60,000 (Rs. 60,000), on 15,000 cumulative redeemable preference shares of Rs. 100 each at 5 per cent. per annum less tax Rs. 55,313 (Rs. 55,313) and on 80,000 ordinary shares of Rs. 10 each at Rs. 3 (Rs. 2-8) per share (free of income-tax) Rs. 2,40,000 (Rs. 2,00,000), leaving to be carried forward Rs. 32,829 (Rs. 82,931).

The working efficiency of the Company's sugar mills during the year under review was satisfactory and the mills had the longest season in its history which continued upto the 17th July 1956. There was a record production and the total cane crushed upto the 30th June 1956 was 1,17,47,919 maunds and 1,21,54,737 maunds upto the 17th July 1956 when the season was over as against a crushing of 95,52,676 maunds of cane only in the previous season. The average recovery for the season was 9.72 per cent. as against 9.69 per cent. in the previous season.

Since the close of the accounts of the Uttar Pradesh Trading Co., Ltd., on 31st March 1956 no change has taken place in the holding company's interest in the said subsidiary company nor has any material change taken place in the subsidiary company in regard to any of the matters specified in section 212(5)(b) of the Companies Act, 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,050	Block ...	47,67,060
Reserves ...	29,24,349	Stock-in-trade ...	1,55,43,435
Provision for taxation ...	13,52,216	Stores, chemicals, etc. ...	8,85,497
Liabilities ...	1,73,20,870	Raw materials ...	1,38,906
Profit and loss account ...	32,829	Other assets	26,526
		Standing crops ...	2,06,757
		Debts, deposits and advances ...	32,03,750
		Investments	1,82,031
		Cash ...	1,76,352
Rs.	2,51,30,314	Rs.	2,51,30,314

Bharat Sugar Mills Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1956.

The profit and loss account after providing Rs. 70,000 (Rs. 40,000) for depreciation shows a profit on the year's working of Rs. 1,94,561 (Rs. 4,04,260) to which is added the balance brought forward from the previous year of Rs. 13,206 (Rs. 26,084) and transfer from dividend equalisation reserve of Rs. 50,000 (*nil*) making a total of Rs. 2,57,767 (Rs. 4,30,344). From this there has been provided for taxation Rs. 12,000 (Rs. 1,73,700) leaving a balance available for disposal of Rs. 2,45,767 (Rs. 2,56,644). From this the directors recommend payment of dividend on 5,000 cumulative redeemable preference shares of Rs. 100 each at 5 per cent. per annum less tax Rs. 18,438 (Rs. 18,438) and on 1,50,000 ordinary shares of Rs. 10 each at Re. 1-8 (Re. 1-8) per share free of income-tax Rs. 2.25,000 (Rs. 2,25,000) leaving to be carried forward Rs. 2,330 (Rs. 13,206).

The directors report that the Mills crushed 24,98,153 maunds of cane during the year under review as against 18,79,202 maunds only during the previous season. The average recovery was, however, lower at 9.48 per cent. against 10.01 per cent. during the previous season. This is attributable to the abnormally low sucrose content of cane on account of the scanty winter rains this year. Early start of the Mills and crushing over a much longer period as compared to the previous season, in as much as the Mills worked for 180 days during this year as against 138 days only in the previous year, was also another factor which affected the recovery. Although the losses were somewhat compensated by a rebate which was granted in the price of cane crushed on or after the 9th May 1956, it is regretted that on account of the low recovery as also decline in sugar prices during the year, the working results of the Company were affected adversely.

As regards the Usha Development Co., Ltd., which is a subsidiary of the C. & E. Morton (India) Ltd., wholly subsidiary of the company, 93.02 per cent. of the ordinary share capital was held by the C. & E. Morton (India) Ltd. on 31st March 1956 and proportionate part accordingly of Rs. 403 being loss for the last financial year and Rs. 22,367 being net aggregate loss for the previous financial years, which have not been dealt with in or for the purposes of the accounts of the company, concern the members of the company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	5,64,327
Reserves ...	13,51,513	Stock-in-trade ...	39,26,992
Provision for taxation ...	2,12,471	Stores, chemicals, etc. ...	2 73,906
Liabilities ...	43,07,720	Standing crops ...	14,951
Profit and loss account ...	2,330	Debts, deposits and advances ...	12,79,514
		Investments	17,90,500
		Cash ...	23,844
Rs.	78,74,034	Rs.	78,74,034

New India Sugar Mills Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1956.

The profit and loss account after providing Rs. 2,95,000 (Rs. 1,75,000) for depreciation shows a profit on the year's working of Rs. 5,00,578 (Rs. 2,58,688) to which is added the balance brought forward from the previous year of Rs 1,364 (Rs. 64,888), making a total of Rs. 5,01,942 (Rs. 3,23,576). From this there has been provided for taxation a sum Rs. 2,56,000 (Rs. 80,000) leaving a balance available for disposal of Rs. 2,45,942 (Rs. 2,43,576). The directors recommend payment of dividend on 486 cumulative preference shares of Rs. 100 each at 9 per cent. per annum free of income-tax Rs. 4,374 (Rs. 4,374), on 10,000 cumulative redeemable preference shares of Rs. 100 each at 5½ per cent. per annum less tax Rs. 40,563 (Rs. 40,563) and on 76,910 ordinary shares of Rs. 10 each at Rs. 2-8 (Rs. 2-8) per share free of income-tax Rs. 1,97,275 (Rs. 1,97,275) leaving to be carried forward Rs. 3,730 (Rs. 1,364).

The working efficiency of the mills was satisfactory and there was a record cane crushing during the year under review. The total cane crushed amounted to 45,74,333 maunds of cane, the average recovery being 9.47 per cent. as against a crushing of 33,24,501 maunds and an average recovery of 10.07 per cent. during the previous season. Damage to cane crop by heavy floods and crushing over a much longer period affected the recovery during the year. The loss on account of lower recovery was partially compensated by grant of a rebate in the price of cane purchased by the mills on and from 9th May 1956.

As required under Section 212(3) of the Companies Act, 1956, the directors have to state that as the entire issued capital as on 31st March 1956 of the Darbhanga Marketing Co., Ltd., was held by the company, the profits of the subsidiary company for the last as well as the previous financial years which have not been dealt with in or for the purposes of the accounts of the company, concern wholly the members of the company. As regards The Behar Journals Ltd., 61.45 per cent. of the issued capital of the said company as on 31st March 1956 was held by the company. The proportionate part accordingly of Rs. 4,525, being loss of the last financial year and of Rs. 1,35,048 being net aggregate loss for the previous financial years of the said The Behar Journals Ltd. which have not been dealt with in or for the purposes of the accounts of the company, concern the members of the company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,69,619	Block ...	22,11,156
Debentures ...	1,000	Stock-in-trade ...	61,09,156
Reserves ...	22,35,852	Stores, chemicals, etc. ...	6,37,005
Provision for Taxation ...	3,39,421	Debts, deposits and advances ...	14,10,455
Liabilities ...	77,82,742	Investments	16,75,651
Profit and loss account ...	3,730	Cash ...	1,88,941
Rs.	1,22,32,364	Rs.	1,22,32,364

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

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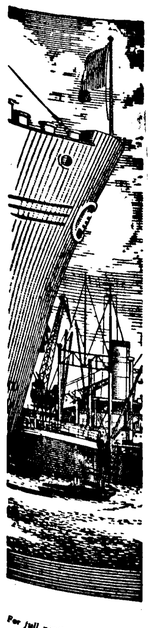

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Notices

THE KELVIN JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE 98th Annual General Meeting of the Members of The Kelvin Jute Company Limited will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 15th day of April, 1957, at 3 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the half-year ended 30th June, 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint Directors in place of Mr. Gobindlall Bangur and Mr. H. J. Silverston, the retiring Directors.

   And in this connection to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956.

   "That Mr. H. J. Silverston be and is hereby appointed a Director of the Company liable to retirement by rotation."

   Special notice dated 9th March, 1957, of the intention to propose the foregoing resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. H. J. Silverston is an "associate" of the Managing Agents within the meaning of the Act by reason of his being a partner with Mr. A. D. Vickers in the firm of Messrs. Orr, Dignam & Co., Mr. A. D. Vickers being a Director of the Managing Agents' Company, and that, therefore, he can only be appointed by special resolution as a Director of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolutions which will be proposed as Special Resolutions:—

5. That the requirements of Articles 82, 83, 87, 121, 176, 180 and 181 of the Articles of Association of the Company be not complied with in respect of the half-year ended the 31st December, 1956.
6. That the Articles of Association of the Company be altered in manner following:—

   (a) Articles 82 and 83 shall be deleted and the following new Article substituted therefor:

   82. *When Annual General Meetings to be held.*—In addition to any other meetings, General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956, and, subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Directors. Such General Meetings shall be called "Annual General Meetings" and shall be specified as such in the notice convening the meeting. All other meetings of the Company shall be called "Extraordinary General Meetings."

   (b) Article 87 shall be deleted and the following new Article substituted therefor:

   87. *Business of Meetings.*—The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business.

   (c) In Article 121, line 1, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor.

   (d) Article 176 shall be deleted and the following new Article substituted therefor:

   176. *Profit and Loss Account and Balance Sheet.*—At every Annual General Meeting the Directors shall lay before the Company a Balance Sheet and a Profit and Loss Account made up in accordance with the provisions of Section 210 of the Companies Act, 1956, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the said Act, so far as they are applicable to the Company but, save as aforesaid, the Directors shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than they may deem expedient.

   (e) In Article 180, line 1, the word "Twice" shall be deleted and the word "Once" substituted therefor.

   (f) In Article 181, lines 1 and 2, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor. In sub-para 3, the word "Ordinary" wherever appearing, shall be deleted and the words "Annual General" substituted therefor.
7. That this meeting approves of lending to the Company of money by McLeod and Company Limited, the Managing Agents of the Company, and the guaranteeing by McLeod and Company Limited of loans made to the Company by any other person, the material terms being as follows:—

   (i) McLeod and Company Ltd. shall, from time to time, when requested by the Company, notify the Company of the rate of interest at which it will lend money to the Company or the rate of guarantee commission in consideration for which it will guarantee a loan made to the Company by any other person specified by the Company, as the case may be, of any limit on the amount which it will so lend or guarantee and of any special terms and conditions as to security or otherwise upon which it will so lend or guarantee and will specify the date up to which it will lend or guarantee on the terms so notified;

   (ii) McLeod and Company Ltd. will then lend to the Company or guarantee the loan to the Company by such other person specified as above, as the case may be, on the terms so notified at any time up to the date so specified, such sum or sums as the Company shall specify within the limit, if any, notified as above;

   (iii) with immediate effect and without prejudice to the foregoing the payment to McLeod and Company Ltd. of a commission of one-half-of-one per centum per annum on the maximum amount guaranteed in any year by McLeod and Company Ltd. at the request of the Company be and is hereby approved;

   (iv) these arrangements shall not prejudice the right of the Company to borrow money from any person other than McLeod and Company Ltd. and to secure the guaranteeing of a loan made to it by any other person willing to guarantee the same; and

   (v) it is hereby expressly declared that any interest or guarantee commission received by McLeod and Company Ltd. from the Company on or in respect of a loan or guarantee made pursuant to such contract shall not be treated as remuneration paid by the Company to McLeod and Company Ltd. as Managing Agents of the Company.

The Share Transfer Books of the Company will be closed from 1st to 15th April, 1957, both days inclusive.

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

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

3, NETAJI SUBHAS ROAD,
CALCUTTA, *18th March*, 1957.

Note:—Payment of the proposed dividends, if declared, will be made on or after 30th April, 1957, only to those members whose names are registered in the Books of the Company on 15th April, 1957, or to their Mandatees. Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS

In order to comply with the Articles of Association of the Company, the Company's Accounts have been closed and audited half-yearly and a Profit and Loss Account in respect of each half-yearly period ending on the 30th June and the 31st December in each year and the Balance Sheet as at each date, have been laid before the Company in General Meetings held twice in every calendar year.

Under the provisions of the Companies Act, 1956, each such half-yearly period has to be regarded as a "financial year" and as a result, the usual half-yearly General Meetings will each be deemed to be an "Annual General Meeting" within the meaning of the Act, thus resulting in two "Annual General Meetings" in each calendar year. Having regard to the obligations imposed on a Company by the Act in respect of every Annual General Meeting, viz., retirement of Directors by rotation, appointment of auditors, and filing of an Annual Return, etc., and the work and expense attending the preparation of the Accounts to be laid before members in conformity with the provisions of the Act, your Directors recommend that the Articles of Association of the Company be amended to provide that the Company's Accounts be closed and audited annually and laid before the Company at an Annual General Meeting in each calendar year. The proposed amendments are set out in Resolution 6 of the convening notice. In respect of the half-year ended the 31st December, 1956, it is proposed that the accounts be not separately prepared and laid before members but that they be embodied in consolidated accounts for the period commencing the 1st July, 1956. Special Resolution 5 in the convening notice suffices to effect this proposal. If Special Resolutions 5 and 6 are passed, the accounts of the Company will be closed on a date subsequent to the 31st December 1956, of which Members will be advised later, which hereafter will be the closing date of each financial year of the Company.

The foregoing changes will not result in any financial benefit either to the Directors or to the Managing Agents of the Company, and interim dividends may, subject to trading results in a current financial year, be declared by the Directors under Article 162.

In the course and for the purpose of the Company's business moneys have to be borrowed and it is often necessary as well as expedient to borrow from McLeod and Company Ltd., the Managing Agents of the Company or from banks or other persons, such loans being guaranteed by the Managing Agents. That the Managing Agents should be entitled to interest on money lent by them and remuneration by way of a commission on the loans guaranteed by them is only right and proper. The Companies Act, 1956, provides that a Managing Agent is entitled to receive additional remuneration for services rendered otherwise than as such Managing Agent provided certain formalities are complied with. The services proposed to be rendered by McLeod & Co. Ltd., the Managing Agents, to the Company may be deemed to be a "service" as contemplated in Section 360 of the Act. This section requires that the arrangements have the approval of the Company in general meeting accorded by special resolution. Special Resolution 7 in the convening notice sets out particulars of the proposed arrangement and your Directors recommend its adoption in the interest of the Company.

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE 60th Annual General Meeting of the Members of Chitavalsah Jute Mills Company Limited will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 15th day of April, 1957, at 3-30 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the half-year ended 30th June, 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Mr. H. J. Silverston, the Director retiring by rotation at the Meeting.

   And in this connection to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956.

   "That Mr. H. J. Silverston be and is hereby appointed a Director of the Company liable to retirement by rotation."

   Special Notice dated 9th March, 1957 of the intention to propose the foregoing resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. H. J. Silverston is an "associate" of the Managing Agents within the meaning of the Act by reason of his being a partner with Mr. A. D. Vickers in the firm of Messrs. Orr, Dignam & Co., Mr. A. D. Vickers being a Director of the Managing Agents' Company, and that, therefore, he can only be appointed by special resolution as a Director of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolutions which will be proposed as Special Resolutions:—

5. That the requirements of Articles 82, 83, 87, 121, 174, 178 and 179 of the Articles of Association of the Company be not complied with in respect of the half-year ended the 31st December, 1956.
6. That the Articles of Association of the Company be altered in manner following:—

   (a) Articles 82 and 83 shall be deleted and the following new Article substituted therefor:

   82. *When Annual General Meetings to be held.*—In addition to any other meetings, General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956, and, subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Directors. Such General Meetings shall be called "Annual General Meetings" and shall be specified as such in the notice convening the meeting. All other meetings of the Company shall be called "Extraordinary General Meetings."

   (b) Article 87 shall be deleted and the following new Article substituted therefor:

   87. *Business of Meetings.*—The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business.

   (c) In Article 121, line 1, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor.

   (d) Article 174 shall be deleted and the following new Article substituted therefor:

   174. *Profit and Loss Account and Balance Sheet.*—At every Annual General Meeting the Directors shall lay before the Company a Balance Sheet and a Profit and Loss Account made up in accordance with the provisions of Section 210 of the Companies Act, 1956, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the said Act, so far as they are applicable to the Company but, save as aforesaid, the Directors shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than they may deem expedient.

   (e) In Article 178, line 1, the word "Twice" shall be deleted and the word "Once" substituted therefor.

   (f) In Article 179, lines 1 and 2, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor. In sub-para 3, the word "Ordinary" wherever appearing, shall be deleted and the words "Annual General" substituted therefor.

The Share Transfer Books of the Company will be closed from 1st April to 15th April, 1957, both days inclusive.

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

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

3, NETAJI SUBHAS ROAD,
CALCUTTA, *18th March* 1957.

Note.—Payment of the proposed dividends, if declared, will be made on or after 30th April 1957, only to those members whose names are registered in the Books of the Company on 15th April 1957, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS

In order to comply with the Articles of Association of the Company, the Company's Accounts have been closed and audited half-yearly and a Profit and Loss Account in respect of each half-yearly period ending on the 30th June and the 31st December in each year and the Balance Sheet as at each date, have been laid before the Company in General Meetings held twice in every calendar year.

Under the provisions of the Companies Act, 1956, each such half-yearly period has to be regarded as a "financial year" and as a result, the usual half-yearly General Meetings will each be deemed to be an "Annual General Meeting" within the meaning of the Act, thus resulting in two "Annual General Meetings" in each calendar year. Having regard to the obligations imposed on a Company by the Act in respect of every Annual General Meeting, viz., retirement of Directors by rotation, appointment of auditors, and filing of an Annual Return, etc., and the work and expense attending the preparation of the Accounts to be laid before members in conformity with the provisions of the Act, your Directors recommend that the Articles of Association of the Company be amended to provide that the Company's Accounts be closed and audited annually and laid before the Company at an Annual General Meeting in each calendar year. The proposed amendments are set out in Resolution 6 of the convening notice. In respect of the half-year ended the 31st December 1956, it is proposed that the Accounts be not separately prepared and laid before members but that they be embodied in consolidated accounts for the period commencing the 1st July 1956. Special Resolution 5 in the convening notice suffices to effect this proposal. If Special Resolutions 5 and 6 are passed, the accounts of the Company will be closed on a date subsequent to 31st December 1956, of which members will be advised later, which hereafter will be the closing date of each financial year of the Company.

The foregoing changes will not result in any financial benefit either to the Directors or to the Managing Agents of the Company, and interim dividends may, subject to trading results in a current financial year, be declared by the Directors under Article 160.

THE EMPIRE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE 88th Annual General Meeting of the Members of THE EMPIRE JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3 Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 15th day of April, 1957, at 4 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the half-year ended 30th June, 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Mr. M. R. C. Thomas, the Director retiring by rotation at the Meeting who, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolutions which will be proposed as Special Resolutions:

5. That the requirements of Articles 82, 83, 87, 121, 176, 180 and 181 of the Articles of Association of the Company be not complied with in respect of the half-year ended 31st December, 1956.
6. That the Articles of Association of the Company be altered in manner following:

   (a) Articles 82 and 83 shall be deleted and the following new Article substituted therefor:

   82. *When Annual General Meetings to be held.*—In addition to any other meetings, General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1953 and, subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Directors. Such General Meetings shall be called "Annual General Meetings" and shall be specified as such in the notice convening the meeting. All other meetings of the Company shall be called "Extraordinary General Meetings."

   (b) Article 87 shall be deleted and the following new Article substituted therefor:

   87. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business.

   (c) In Article 121, line 1, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor.

   (d) Article 176 shall be deleted and the following new Article substituted therefor:

176. *Profit and Loss Account and Balance Sheet.*—At every Annual General Meeting the Directors shall lay before the Company a Balance Sheet and a Profit and Loss Account made up in accordance with the provisions of Section 210 of the Companies Act, 1956, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the said Act, so far as they are applicable to the Company but, save as aforesaid, the Directors shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than they may deem expedient.

(*e*) In Article 180, line 1, the word "Twice" shall be deleted and the word "Once" substituted therefor.

(*f*) In Article 181, lines 1, 2 and 3, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor. In sub-para 3, the word "Ordinary" wherever appearing, shall be deleted and the words "Annual **General" substituted** therefor.

The Share Transfer Books of the Company will be closed from 1st April to 15th April, 1957, both days inclusive.

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

By Order of the Board,

McLEOD & Co., LTD.,

A. T. DOIG,

Managing Director,

Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *18th March*, 1957.

Note.—Payment of the proposed dividends, if declared, will be made on or after 30th April, 1957, only to those members whose names are registered in the Books of the Company on 15th April, 1957, or to their Mandatees. Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS

In order to comply with the Articles of Association of the Company, the Company's Accounts have been closed and audited half-yearly and a Profit and Loss Account in respect of each half-yearly period ending on the 30th June and the 31st December, in each year and the Balance Sheet as at each date, have been laid before the Company in General Meetings held twice in every calendar year.

Under the provisions of the Companies Act, 1956, each such half-yearly period has to be regarded as a "financial year" and as a result, the usual half-yearly General Meetings will each be deemed to be an "Annual General Meeting" within the meaning of the Act, thus resulting in two "Annual General Meetings" in each calendar year. Having regard to the obligations imposed on a Company by the Act in respect of every Annual General Meeting, viz., retirement of Directors by rotation, appointment of Auditors, and filing of an Annual Return, etc., and the work and expense attending the preparation of the Accounts to be laid before members in conformity with the provisions of the Act, your Directors recommend that the Articles of Association of the Company be amended to provide that the Company's Accounts be closed and audited annually and laid before the Company at an Annual General Meeting in each calendar year. The proposed amendments are set out in Resolution 6 of the convening notice. In respect of the half-year ended 31st December, 1956, it is proposed that the accounts be not separately prepared and laid before members but that they be embodied in consolidated accounts for the period commencing on the 1st July, 1956. Special Resolution 5 in the convening notice suffices to effect this proposal. If Special Resolutions 5 and 6 are passed, the Accounts of the Company will be closed on a date subsequent to 31st December, 1956, of which members will be advised later, which hereafter will be the closing date of each financial year of the Company.

The foregoing changes will not result in any financial benefit either to the Directors or to the Managing Agents of the Company, and interim dividends may, subject to trading results in a current financial year, be declared by the Directors under Article 162.

THE ALEXANDRA JUTE MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE 102nd Annual General Meeting of the Members of THE ALEXANDRA JUTE MILLS LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 15th day of April, 1957, at 4-15 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the half-year ended 30th June, 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint Directors in place of Messrs. R. G. Edwards and A. B. Kingsley, the Directors retiring by rotation at the Meeting.

   And in this connection to consider, and if thought fit, to pass the following resolutions which will be proposed as Special Resolutions in conformity with the provisions of Section 261 of the Companies Act, 1956.

   (i) "That Mr. R. G. Edwards be and is hereby appointed a Director of the Company liable to retirement by rotation."

   (ii) "That Mr. A. B. Kingsley be and is hereby appointed a Director of the Company liable to retirement by rotation."

   Special Notice dated 9th March, 1957, of the intention to propose the foregoing resolutions as Special Resolutions in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Messrs. R. G. Edwards and A. B. Kingsley are "associates" of the Managing Agents within the meaning of the Act by reason of their being Directors of the Company which is a subsidiary of the Managing Agents' Company, and that, therefore, they can only be appointed by special resolutions as Directors of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as a Special Resolution.

5. That the Articles of Association of the Company be altered in manner following:—

   (*a*) Articles 82 and 83 shall be deleted and the following new Article substituted therefor:—

   82. *When Annual General Meetings to be held.*—In addition to any other meetings, General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956 and, subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Directors. Such General Meetings shall be called "Annual General Meetings" and shall be specified as such in the notice convening the meeting. All other meetings of the Company shall be called "Extraordinary General Meetings."

   (*b*) Article 87 shall be deleted and the following new Article substituted therefor:

   87. *Business of Meetings.*—The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business.

   (*c*) In Article 121, line 1, the words "Ordinary Meeting in every subsequent year" shall be deleted and the words "Annual General Meeting to be held in every year" substituted therefor.

   (*d*) Article 175 shall be deleted and the following new Article substituted therefor:

   175. *Profit and Loss Account and Balance Sheet.*—At every Annual General Meeting the Directors shall lay before the Company a Balance Sheet and a Profit and Loss Account made up in accordance with the provisions of Section 210 of the Companies Act, 1956, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the said Act, so far as they are applicable to the Company, but, save as aforesaid, the Directors shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than they may deem expedient.

   (*e*) In Article 179, line 1, the word "Twice" shall be deleted and the word "Once" substituted therefor.

   (*f*) In Article 180, lines 1 and 2, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor. In sub-para 3, the word "Ordinary" wherever appearing, shall be deleted and the words "Annual General" substituted therefor.

The Share Transfer Books of the Company will be closed from 1st to 15th April, 1957, both days inclusive.

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

By Order of the Board,

McLEOD & Co., LTD.,

A. T. DOIG,

Managing Director,

Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *18th March*, 1957.

Note:—Payment of the proposed dividends, if declared, will be made on or after 30th April, 1957, only to those members whose names are registered in the Books of the Company on 15th April, 1957, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS

In order to comply with the Articles of Association of the Company, the Company's Accounts have been closed and audited half-yearly and a Profit and Loss Account in respect of each half-yearly period ending on the 30th June, and the 31st December in each year and the Balance Sheet as at each date, have been laid before the Company in General Meetings held twice in every calendar year.

Under the provisions of the Companies Act, 1956, each such half-yearly period has to be regarded as a "financial year" and as a result, the usual half-yearly General Meetings will each be deemed to be an "Annual General Meeting" within the meaning of the Act, thus resulting in two "Annual General Meetings" in each calendar year. Having regard to the obligations imposed on a Company by the Act in respect of every Annual General Meeting, viz., retirement of Directors by rotation, appointment of Auditors, and filing of an Annual Return, etc., and the work and expense attending the preparation

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SCHEDULED BANKS' ADVANCES CROSS Rs. 700-CRORE MARK

(*From Our Own Correspondent*)

BOMBAY, 20*th March*

The short-term money market experienced another week of stringent conditions. Besides the growing demand for bank credit to meet the needs of trade and industry, funds were also required for the customary financial year-end tax payments. The supply of funds in the market, however, fell short of banks' requirements to meet the above demand, with the result that banks had to seek accommodation from the Reserve Bank and money rates were held at the previous week's levels.

Inter-bank call money continued to be bid at 3½ per cent., though small transactions were reported done earlier in the week at 3¼ per cent. after clearing hours. House money was placed at 4 to 4½ per cent., as also short-term deposits for one to six months.

The latest statement of affairs of the Reserve Bank of India for the week ended 15th March 1957 discloses no notable variations in the Issue Department. Notes in circulation have gone down by only Rs. 1.20 crores, in contrast to the sharp expansion of Rs. 14.95 crores in the previous week. Thus, notes in circulation, after just crossing the 1956 peak of Rs. 1,525.88 crores to Rs. 1,525.91 crores, stand lower at Rs. 1,524.71 crores. Notes held in the Banking Department, which had shrunk by Rs. 6.03 crores a week ago, have risen by Rs. 1.85 crores, with the result that there has been only a negligible rise in total notes issued. Rupee securities are unchanged, after the rise of Rs. 9.94 crores noted in the previous week. Though foreign securities are again unchanged, total foreign assets have gone up by Rs. 31.34 crores, consequent on the increase in balances held abroad (in the Banking Department) by a similar extent. Deposits of Central Government have risen by Rs. 2.99 crores, deposits of other Governments by Rs. 20.03 crores and other deposits by Rs. 32.54 crores. Loans and advances to Governments are lower by Rs. 1.76 crores, while other loans and advances have risen by Rs. 2.29 crores, following the increase of Rs. 4.26 crores in outstanding advances to Scheduled banks against usance bills. Fresh advances to banks against these bills during the week were of the order of Rs. 16.08 crores, as compared with Rs. 13.68 crores in the previous week. Repayments amount to Rs. 11.82 crores; the corresponding figure of the previous week was Rs. 14.60 crores. Investments show a sharp rise of Rs. 24.60 crores.

A further rise of Rs. 5.51 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 8th March 1957. Demand deposits, which had shrunk by Rs. 4.26 crores in the previous week, have also risen by Rs. 1.40 crores. Notwithstanding such a sharp increase in deposits, borrowings from the Reserve Bank stand reduced by only Rs. 2.23 crores. On the assets side, the most notable feature is that advances have, for the first time in the history of Scheduled banks, crossed the Rs. 700-crore mark to stand at Rs. 701.12 crores, a rise of Rs 2.47 crores over the week. This level compares with the peak of Rs. 617.07 crores touched during this part of the busy season in 1956. Bills purchased and discounted are also up by Rs. 1.29 crores. Investments show a fall of only Rs 85 lakhs. Cash balances are lower by Rs. 78 lakhs, while balances with other banks have risen by Rs. 97 lakhs and money at call by Rs. 2.10 crores.

The Gilt-edged market remained dull with the volume of business remaining restricted. Interest was confined to a few counters and the undertone remained steady. 3 per cent 1986 Conversion Loan was placed at Rs. 74-5 *ex-voucher*, as against Rs. 74-9 *cum-voucher* a week ago. 3 per cent. 1976-75 had sellers at Rs 87-6 and 3 per cent. 1966-68 at Rs. 92-4. 3 per cent. 1964 gained an anna to Rs 94-7, but attracted sellers at that level. 3 per cent. 1963-65 was on offer at Rs. 94-3. 3 per cent. 1959-61 changed hands at the self-same rate of Rs. 97-12, while 3 per cent. 1958 was bid up an anna higher at Rs. 99-10. 3½ per cent 1962 was on offer at Rs. 97-13, while 3½ per cent. 1961 had buyers at Rs. 99-7. 3½ per cent. 1964 was wanted at Rs. 98-6½, but sellers quoted Rs. 98-7. 3½ per cent. 1967 and 3½ per cent 1974 were unchanged at Rs. 98-8. State Loans was devoid of any interest.

There was a considerable weakening of the rupee during the week in terms of U.S. and Canadian dollars. Bank's selling rate of ready U.S dollar rose from Rs. 478½ to Rs. 479½ per $100 and their buying rate from Rs. 475½ to Rs. 476½ per $100. The selling rate of the Canadian dollar moved up from Rs. 502½ to Rs. 503½ and buying rate from Rs. 495½ to Rs. 496½ per $100. This is only in consonance with the weakening of sterling abroad. Thus, in New York, spot sterling reacted from $2.79⅜-2.79⅝ to $2.78.15/16-2.79.1/16 and three months' forward from $2.78.13/16-2.78 15/16 to $2.77.¼-2.78. Transferable sterling was marked down from 276.10-276.20 cents to 275 75-275.85 cents.

GOOD DEMAND FOR HIDES

(*From Our Own Correspondent*)

KANPUR, 17*th March*

During the week under review, the hides and skins market ruled steady. Owing to *Holi* celebrations, the country dealers were few in the market. New arrivals of cow or buff were not as considerable as those in the past week, but offtake was prompt. Demand for goat or sheep was strong. The Madras dealers were keen buyers of high grade goat and light quality cow. In regard to quality buff, the main purchasers were the local tanners.

The latest available quotations are: Wet salted cow 1st grade Rs. 340, 2nd grade Rs. 280 and 3rd grade Rs. 145 per score; wet salted buff 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; buff calf 2 lbs. 5 ozs. per rupee; goat 1st grade Rs. 250 to Rs. 275 and 2nd grade Rs. 225 to Rs. 240 per 100 pieces; sheep 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

BULLION IRREGULAR

(*From Our Own Correspondent*)

BOMBAY, 20*th* March

An irregularly lower trend was noted in the bullion market during the week under review. After an early setback due to the weakness of gold on bear selling following the slackness in offtake, bullion prices appeared to gain ground, thanks to the strength of the white metal which was in good demand on account of *Holi* festival. This recovery proved short-lived and prices once again languished due to reports that Tibetan silver coins equivalent to about 700 bars had arrived in India during the week. Despite the improvement in demand for gold during the last two days, the yellow metal ruled quietly steady in sympathy with silver.

Forward silver (March settlement) softened from Rs 178-13 to Rs. 178-3, but soon shot up to Rs. 179-11 before the settlement ran out at Rs. 179-10. The next settlement receded from Rs. 179-1 to Rs. 178-10 before recovering to Rs. 180-8 Towards the close, however, it once again relapsed to Rs. 178-13.

Ready silver closed As. 8 lower at Rs. 178-1, the highest and lowest levels touched being Rs. 179-14 and Rs. 177-12, respectively. The floating stocks of silver are estimated at 900 bars. The daily average offtake was 20 bars.

Gold for forward delivery (March settlement) gave way from Rs. 106-6 to Rs. 105-1 and the settlement ran out at Rs. 105-2 The April settlement was marked down from Rs. 106-7 to Rs. 105-9. After a recovery to Rs. 106, the yellow metal languished to Rs. 105-5 and closed at Rs. 105-10.

Ready gold suffered a drop of Re. 1 to Rs. 105-7. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was lower at 2,500 tolas on an average.

In New York, silver was maintained at 91⅜c. London silver prices also were unchanged at 79⅜d. for spot and 79½d. for forward. There was a further hardening of gold in London from 249s. 9½d. to 250s. 3½d.

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

	20-3-1957	Highest	Lowest	12-3-57
	Rs. a	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	105 7	106 10	105 2	106 7
Forward*	105 10	106 10	105 5	106 7
Sovereign	69 0	69 6	69 0	69 8
SILVER				
Ready (.996 fine Mint) ..	178 1	179 14	177 12	178 9
Forward†	178 13	180 8	178 8	179 1
London Silver Ready ..	79½d.	—	—	79½d.
London Forward	79⅜d.	—	—	79⅜d.
London Gold	250s. 3½d.	250s. 3½d.	249s. 8½d.	249s. 9½d.
New York Silver	91⅜c.	—	—	91⅜c.

* 11th April settlement.
† 13th April settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

TEA PRICES RECEDE

[*Messrs. Forbes, Ewart & Figgis (Private) Ltd.*]

COCHIN, 14*th March*

A little over 450,000 lbs. were on offer in dust sale 'F' which was held on Tuesday, 12th March. Although there was a good general demand, prices were irregularly an anna to As. 2 lower for all types with the exception of medium descriptions which can be quoted steady. Highgrown dusts were the weakest feature and were occasionally difficult of sale.

The average price realised in dust sale 'F' was Re. 1-14-5 per lb., as against Re. 1-12-4 per lb. for the corresponding sale of 1956.

London Market:—*Sale of 11th March* 1957:—Better demand and, except for light liquoring brokens, market firm and sometimes dearer, particularly Dooars.

Sale of 12th March 1957:—Prices unchanged, but improved demand.

Colombo Market:—*Sale of 11th March* 1957:—Good demand. Grainy dusts lower, poorer sorts firm. Black leaf fannings and broken mixed steady. Other kinds about 20c. lower.

Sale of 12th March 1957:—Active demand for limited selection best flavoury Dimbula types following quality. Other sorts better general demand about 10c. lower.

Calcutta Market:—*Export*:—Except for whole leaf stylish and tippy teas, market generally As. 2 to As. 3 easier.

Internal:—17,500 dust. Good general demand. Market opened half to one anna easier and closed firm to half anna easier. Best C.T.C. Assams strongest feature. Middle east types and powdery kinds well supported at around last rates. 4,900 leaf. Good general demand at irregular rates.

Export Quota:—During the week, a much quieter tone has been evident and at the time of writing, business has been done at 36 pies.

Forthcoming Auctions:—Dust sale 'G' will be held on Tuesday, 26th March.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale* 6:—1,600,000 lbs. Poor demand. Exporters very quiet. Fannings neglected, low medium and medium brokens As. 4 to As. 8 lower, better sorts up to Re. 1 decline. Strongest feature whole leaf, which are irregularly As. 2 easier. Withdrawals heavy."

COTTON FUTURES FIRM

(*From Our Own Correspondent*)

BOMBAY, 20*th March*

The firm trend noted in the cotton futures market last week continues unabated, thanks to small volume of tenders against the expiring Jarilla contract, lower crop ideas and general apprehensions of scarce supplies of quality cotton. Private estimates of cotton crop put the aggregate yield at only 4.95 million bales, as against 5.1 million bales expected earlier. Lower crop estimate and limited imports from abroad in the wake of continued upward trend in mill consumption induced a strong buying spree, while offerings were limited. Cotton values, as a consequence, made a strident advance, with Jarilla March touching a high of Rs. 785 on the 18th inst. and Vijay April firmed up to Rs. 880 yesterday. Even the operation of the rigorous margin system failed to have any effect. The buying spree, however, received a check in the closing sessions of the week on fears of Government intervention. Vijay April and June succumbed to selling pressure which erased a large part of the earlier gains, while Jarilla March and May remained firm.

Jarilla March opened the week at Rs. 760 and improved, on brisk short covering, to Rs. 785 on Monday. Opening at Rs. 783 today, the contract advanced to Rs. 785 and closed at the same rate. Jarilla May opened at Rs 680. It met with heavy speculative buying which took the contract higher to Rs. 696 on Monday. Trading in that contract was slow today. Commencing the session at Rs. 687-8, it improved to Rs. 689-8 before winding up at Rs. 687-8.

Fluctuations in the Vijay contracts were more marked. Commencing the week at Rs. 866, April delivery improved, on sustained bull support, to Rs. 880 yesterday. It, however, succumbed to heavy selling pressure and came down to Rs. 862 today before closing fractionally higher at Rs. 862-8.

Switching over of operations from nearby contract to distant one and apprehension of scarce supplies of Vijay styles were mainly responsible for the advance in the prices of Vijay June settlement. Opening the week at Rs. 814, the contract improved steadily to Rs. 840 on the 18th inst. Trading in the contract in subsequent sessions was characterised by a considerable volume of selling which pushed the contract down to Rs. 822 today. But the closing rate was higher at Rs. 826.

The following is the trend of prices of the contracts during the week:

(In rupees per candy of 784 lbs.

	20-3-57	*High*	*Low*	12-3-57
Jarilla (March) ...	785	785	755	766
Jarilla (May) ...	687½	696	678½	685¾
Vijay (April) ...	862½	880	862	868½
Vijay (June) ...	826	840	807	816

The firm trend of the futures market was reflected in the spot section where prices ruled very near the official ceilings. The high rates, of course, prevented any sizable volume of business. Only stray purchases for meeting the immediate requirements of mills were reported. Towards the close of the week, however, a revival of demand was in evidence and mill inquiries broadened, interest being mainly centred round Vijay, Surti, 0394, Khamgaon, Berar, etc. The prevailing high prices restricted export business and shipment purchases were confined to Bengals. Overseas buyers considered Indian cotton as too dear *vis-a-vis* other growths.

In the foreign section, spot lots of Egyptians and American Good Middlings evoked interest and some business was reported to have been put through in these qualities. The latest available spot rates—in rupees per candy of 784 lbs.—for some popular varieties are given below:

Bengal *Deshi* 730; Berar Jarilla 820; Khandesh 840; Vijay 945; Oomra *Deshi* 790; Moglai 765.

It is understood that textile interests at Ahmedabad and Kanpur have drawn the attention of the authorities to the difficulties of mills which find it difficult to get good quality cotton, especially Vijay, even at the ceiling prices. They have urged the Government to take appropriate measures designed to make available such cotton at reasonable prices. Presumably as a sequel to this representation, the Textile Commissioner has notified that purchase or sale of any variety of Indian cotton above the prescribed basic ceiling price requires prior certification of the East India Cotton Association, Bombay. According to him, without such certificate, any transactions over the ceiling price will amount to contravention of the Cotton Control Order and will be punishable according to law.

In contrast to the easy trend noted in the past few weeks, the Karachi cotton futures market ruled distinctly steady during the week under review. The steadiness was due to speculative buying induced by reports of good business done with Russia and China. N.T.R.G. March spurted by As 7 to Rs. 78-7. May position advanced by As. 11 to Rs. 80-11. In the spot section, *deshi* styles were much sought after and rates hardened as a consequence. Punjab *Deshi*, for instance, rallied Rs 2 to Rs. 78-8. Sind *Deshi* rose by a rupee to Rs. 87. The latest available spot rates—in rupees per 82 lbs.—for some other popular varieties of Pakistan cotton are as under:

4 F Punjab Roller 84-3; S.G. 87-11; L.S.S. Punjab Roller 86-3; S.G. 89-11; N.T. Roller 84-11; S.G. 93-3; 289 F Punjab Roller 89-3; S.G. 100-11.

The Alexandria cotton futures market continued to rule easy, thanks to slackness of overseas demand and absence of local spinner interest. Both the long-staple Karnak and the medium-staple *Ashmouni* contracts suffered a further fall in prices although the spot premiums for top

grades Karnak, Menoufi and *Ashmouni* were maintained firm due to scarcity of offerings. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 114.25; May 115.10; July 114.90. *Ashmouni*: April 81.60; June 82.05; August 82.00.

The Sudan Gezira Board has announced its reserve prices for cotton. They are (in pence per lb. c.i.f. Bombay): GS 73.92; XG2S 72.92; G-2-S 71.41. Trade circles consider these prices high. It was not surprising, therefore, that, at the auctions held on the 14th inst., the Gezira Board could not sell more than 600 bales of GS at the reserve price and the balance of 2,700 bales offered, consisting of G.S., XG2S and G-2-S had to be withdrawn. On the following day also, only 300 bales out of the total offer of 2,700 bales were lifted at the reserve prices.

Easy conditions prevailed in the Liverpool cotton futures market, with slow trading and narrow fluctuations in prices. Near deliveries of both American and American type contracts staged a retreat, although towards the close, there was some recovery on mill fixation. Inter-month switchings contributed to the easy trend. Distant deliveries, however, met with trade support and improved slightly. Egyptian Karnak was neglected, as also Sudans. In the spot section, there were renewed enquiries for medium and lower U.S. styles. Some of the higher grades also evoked some interest. Small turnover was reported in East African, Turkish and Peruvian growths, as well as in Indian Oomras. The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: March-April 26.08; May-June 26.23; July-August 26.02; October-November 25.82. *American Mixed Growth Contract*: March-April 26.08; May-June 26 32; July-August 26.14; October-November 25.94. *Egyptian Karnak*: March-April 60. *Sudan Lambert*: May-June 42.75; July-August 41.75.

A fully steady trend was in evidence in the New York cotton futures market this week. There was good buying, induced by expectation of an upward revision in final Soil Bank acreage. Consequently, prices tended to move up. The improvement would have been quite marked but for the reports of a further increase in certified stocks. The U.S. Agricultural Department's New Orleans Office opened yesterday the first competitive bids on a new offering of three million bales of U.S. Government-owned cotton. Details of the offerings and the price accepted are, however, not known. The Secretary of Agriculture, Mr. Benson, is reported to have observed that Public Law 480 under which U.S. surplus commodities are sold for foreign currencies had been an effective tool in disposing of surplus products. According to him, sales under the Law is only a temporary emergency programme and the Department of Agriculture will ask Congress to extend it by a year after 30th June next when it is due to expire.

Meanwhile, the C.C.C. sold a further quantity of 15,107 bales under the Export Sales Programme, bringing the total sales so far to 6,399,696 bales. The average price at average location for Middling 15/16" was 26.20 cents and that for Middling 1" 27.20 cents per lb., same as at the previous sale.

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

(In cents per lb.)

	19-3-57	11-3-57	5-3-57
Spot	35.40	35.00	35.20
March	—	34.70	35 05
May	35.07	35.00	35.08
July	34.61	34.46	34 51
October	33.14	—	—

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, 20*th March*

The yarn market depicted a bearish trend this week too. Buying enquiries continued to be slack, while operators were generally inclined to reduce their holdings. Values, as a consequence, moved further downwards. Staple fibre yarns came in for heavy selling on reports of heavy stocks and, even at reduced rates, no support was forthcoming. Rayon yarns lacked demand. Cotton yarns were neglected, owing to lack of encouraging advices from consuming centres.

Rayon yarns 150 bright cones for April delivery slumped by Rs. 11 to Rs. 629. Dull cones Snia yarn (120) for April delivery fell by Rs. 8 to Rs. 803. In the spot section, 150 Japan lost six pies to Rs. 4-1. 120 Japan was neglected at Rs. 4-4. 150 Italy was neglected at Rs. 3-11-6. 120 Italy, however, had some enquiries and gathered half an anna to Rs. 4-1-6. Among indigenous yarns, National Rayons 120 bright cones 1st grade shed three pies to Rs. 3-11-6. 150 bright cones first grade were dull at Rs. 3-5-6.

In the staple fibre yarn section, 40 x 2 April delivery was hammered down by Rs. 14 to Rs. 629. Spot New Greats (40 x 2) dropped an anna to Rs. 3-4. Citys declined by nine pies to Rs. 3-4-9. Kohinoors and Centurys eased by six pies each to Rs. 3-6 and Rs. 3-5-6, respectively. Among foreign yarns (80 x 2), Paramounts shed six pies to Rs. 5-4-6. Fujis changed hands at Rs. 5-6, same as last week.

In the cotton yarn section, 10 counts Moderns receded by As. 4 to Rs. 15. Podars lost an anna to Rs. 14-12. Twenty counts Moderns dropped As. 6 to Rs. 19-2. Maduras receded by an anna to Rs. 19-7. Gokaks were quiet at Rs. 18-11. Among thirtys, Edwards were quoted at Rs. 21-12, same as last week. Indus, however, elicited some attention and improved by As. 4 to Rs. 21-12. Forty counts Minaxis declined by As. 4 to Rs. 26-12. Gokaks decreased by As. 2 to Rs. 27-2. Moderns were on offer at Rs. 28. Sixty counts Moderns fell by a rupee to Rs. 61-8, Raghuvamshis eased by As. 4 to Rs. 57-4. Finlays were neglected at Rs. 61. Among 80s, Moderns shed As. 4 to Rs. 76-12. Mahendras and Finlays were dull at Rs. 74-8 and Rs. 81-8, respectively.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days before:

	20-3-1957	12-3-1957
	Rs. a.	Rs. a.
Art silk yarn **(per case of 200 lbs.)—**		
120 Dull Cones Snia April	803 0	811 0
150 Bk. Cones April	629 0	640 0
120 Japan (per lb.)	4 4	4 4
150 Japan (per lb.)	4 1	4 1¼
120 Italy (per lb.)	4 1¼	4 1
150 Italy (per lb.)	3 11¼	3 11¼
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 April	629 0	643 0
40 x 2 New Greats (per lb.)	3 4	3 5
40 x 2 Century (per lb.)	3 5¼	3 6
40 x 2 City (per lb.)	3 4¾	3 5¼
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	14 12	14 13
20s Madura	19 7	19 8
30s Edward	21 12	21 12
40s Gokak	27 2	27 4
60s Raghuvamshi	57 4	57 8
80s Modern	76 12	77 0

OILSEEDS ACTIVE

(From Our Own Correspondent)

BOMBAY, 20*th March*

The oilseeds market ruled buoyant during the week under review. In particular, the groundnut section was firm, thanks to brisk demand from spot houses, *vanaspati* producers and crushers. The castor section recorded an advance in prices, following influential buying on export enquiries. But the latter's advance was somewhat checked by the inability of spot prices to forge ahead. Linseed and cottonseed were fully steady. The market, however, reacted slightly today on profit-taking.

The Bombay Oils and Oilseeds Association is expected to permit trading in delivery contracts in oils also. At its meeting held on Monday, the Association approved the by-laws governing trading in delivery contracts. The by-laws provide for a standardised contract and facilities for survey and arbitration in case of dispute. The Association is expected to request the Forward Markets Commission for the approval of these by-laws. Among the oils that would be traded are castor oil, groundnut oil, linseed oil, cocoanut oil, mustard oil, nigerseed oil, kardiseed oil and cottonseed oil.

In the groundnut section, May contract opened the week firm at Rs. 170-10 and swiftly moved up to Rs. 174-10 on the 19th before closing lower at Rs. 173-8. The net rise over the week was no less than Rs. 5-6. In the spot section, Bold F.A.Q. improved by As. 8 to Rs. 35. Coromandel, too, rose by As. 12 to Rs. 35-12. Groundnut oil ex-mill was done As. 8 higher at Rs. 19-8.

Linseed May contract commenced the week at Rs. 29-7. The same day, it declined by As. 5. Subsequently, it improved to Rs. 30 on the 18th. But today it closed lower at Rs. 29-10, having thus put on As. 12 over the week. Spot Bold was quoted at Rs. 29-6, as against Rs. 29-2 on the 12th. Linseed oil ready was a shade better at Rs. 16-12.

The advance in the castor section was, however, somewhat less marked than that in groundnut. Opening the week at Rs. 161-12, the May contract moved up, with minor fluctuations, to Rs. 162-12 on the 15th inst., and further to Rs. 164-12 yesterday. After receding to Rs. 161 today it finished at Rs. 162. The net gain over the week was Rs. 4-4. Spot Madras which was As. 2 higher yesterday than last week reacted today to Rs. 33-8, being As. 2 lower than last week. Oil B.S.S. was fully maintained at Rs. 20-4, same as last week.

Cottonseed May contract opened steady at Rs. 101-12 and declined by As. 8 the same day. It touched the peak level, Rs. 104, on the 18th and 19th inst. Today, along with other sections, it received a slight setback, and closed at Rs. 102-4. Over the week, it was better by Rs. 2-4.

Among others, kardiseed Bold ready was done As. 8 higher at Rs. 22-4. Nigerseed Madras was, however, nominally lower at Rs. 29.

The all-India final estimate of groundnut for the year 1956-57 puts the current year's area and production at 1,31,01,000 acres and 40,86,000 tons of nuts in shell, respectively, as against the partially revised estimate of 1,26,92,000 acres and 28,62,000 tons of nuts in shell for 1955-56. This shows an increase of 4,09,000 acres or 3.2 per cent. in area and 2,24,000 tons or 5.8 per cent. in production during the current year as compared with last year.

The increase in acreage during the current year has been reported by almost all the groundnut-growing States. But this increase is more marked in the case of Bombay, U.P. and Rajasthan and has been attributed to sufficient and timely rainfall at the time of sowing.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	20-3-1957	12-3-1957	6-3-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
May 1957	173 8	—	—
Khandesh Quality Ready (per cwt.)	35 12	35 0	35 8
April-May	34 15	—	—
Linseed—			
May 1957	29 10	28 14	29 1
Bold Ready (per cwt.)	29 6	29 2	29 6
April-May	29 9	—	—
Castorseeds—			
May 1957	162 0	157 12	162 0
Madras (per cwt.)	33 8	33 12	34 4
Cottonseed—			
May 1957	102 4	100 0	—
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 8	18 12	18 12
Castor oil—			
Commercial (per quarter) ..	19 4	19 8	19 12
Linseed oil—			
Ready	16 12	16 6	16 10

SUGAR DULL

(From Our Own Correspondent)

BOMBAY, 20*th March*

Easy conditions prevailed in the sugar market during the week under review. Traders expected that the usual monthly release of sugar would be announced shortly. Arrivals of sugar into the market also continued to be large; they aggregated 21,300 bags which were, of course, lower than the arrivals of 29,000 bags last week. Some selling was, therefore, in evidence and sugar prices tended to look down.

Spot bold grain sugar fell from Rs. 93-98 to Rs. 92-96 per bag, including sales tax. Small grain was quiet at Rs. 88 and medium grain at Rs. 89-Rs. 91.

Fagan delivery contract for 'C' grade sugar was squared up at Rs. 91, as against Rs. 91-2 last week-end. Delivery orders for about 3,000 bags issued at this price were soon adjusted. *Vaisakh* delivery, after improving by As. 6 to Rs. 92-8 on rumours of an upward revision in excise duty on sugar, declined to Rs. 92-2 after the announcement of the budget which did not contain any tax proposals.

BLACK PEPPER QUIETLY STEADY

(Messrs. Parekh and Co.)

BOMBAY, 19*th March*

Malabar black pepper ruled quietly steady during the week with narrow fluctuations in prices. Some 1,300 tons of pepper were shipped to Russia from Cochin on the 11th inst. The future will, therefore, solely depend upon the buying attitude of New York and selling by Singapore. Singapore is reported to be easy under pressure of increased arrivals. Following the news of unsettled political situation in Indonesia, the local bulls are trying to exploit the market. But they have failed to raise the prices there, due to lack of any support either from the U.S.A. or from Europe.

The recent election result in Kerala showed a majority of Communists. Consequently, they are likely to form the Ministry in that State. If so, they may nationalise rubber and tea industry as promised in their election manifesto. They will also demand from the Centre a major share in the income accruing from the export of pepper. Some of the analysts are interpreting this as a bear factor for pepper.

Despite the poor demand both from inland and from overseas, local bulls are trying to maintain the prices artificially. It remains to be seen how far they will succeed in their attempt, if, in the meantime, Sarawak begins underselling.

Alleppey remained barely steady at Rs. 525, while there are sellers for garbled at Cochin at Rs. 91 for ready and at Rs. 92 for March delivery.

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FOREIGN EXCHANGE BUSINESS TRANSACTED

ALEX. IZAT,
General Manager.

A.B. 18.

In the A.S.T.A. section, there are sellers for March to June at $0.24 but without buyers. In the delivery section, local bulls are trying to push up the prices with the view to forcing the shorts to cover and exciting foreign buyers to action. But so far, they have been unsuccessful.

Today's nominal quotations are: Ready delivery Rs. 77 per Bengal maund; April Rs. 531-Rs. 736 and May Rs. 543-Rs. 548 per candy of 5¼ cwts.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 16*th March*

The kip market continued to rule steady during the week. Arrivals kept pace with demand. There were more inquiries for buff calf and prices were steadier. Demand for cow calf and buff hides was poor. In the tanned skins section, trading was quiet, as is usual with the proximity of London tanned skins public auctions which commence on the 18th inst.

The U.K. importers have introduced, from the 1st inst., new terms of purchase under No. 5 contract, which call for specific guarantee of leather substance in the kips sold. Most of the tanners have agreed to the new terms, as they do not lose anything by agreeing to the terms. The smaller tanners who use adulterants to secure false weight will not be able to continue the trade, once shippers refuse to buy their productions which will yield a lower percentage of leather substance. It is believed that adulteration will decline steadily from now onwards, and better qualities will be available from May, as shippers will be wary in their purchases in the open market.

FOODGRAINS DECLINE

(From Our Own Correspondent)

HAPUR, 18*th March*

With hardly a few days left for the harvesting of *rabi* crops here in West U.P., wheat prices have started showing signs of losing high-price levels. The Government of India is reported to be formulating a new policy to grapple with the problem of food prices in the country and imposition of some kind of controls is not being ruled out. The State of Punjab is experiencing an acute shortage of wheat for some time past and 10,000 tons of wheat are being rushed to meet that shortage. Wheat prices here have recorded a modest fall during the week, as, harvesting season drawing near, stockists want to part with their stocks. The prevailing prices are: wheat *dara* Rs. 16-4, farm quality Rs. 17-4 and wholesale *khati* Rs. 16 per maund. Local stocks are lower at 3 *khaties*, the corresponding figure last year being 13 *khaties*.

Rice showed no significant price changes. The latest prevailing prices are: *Basmati* Rs. 23 to Rs. 27; *Manipuri* Rs. 20-14 and coarse quality Rs. 17 per maund.

Gram ruled quiet, despite good consumer demand, as reports of good crop prospects were being received from the Punjab. Prices were expected to record a downward trend with the beginning of the new crop in the markets. Barley and *bejhar* ruled quietly steady, as local stocks were very poor. Maize and *bajra* ruled quiet, as consumer demand had subsided with the change of season. The latest prices are: Gram local Rs. 13-12; Punjab produce Rs. 14-4; barley Rs. 14-4; *bejhar* Rs. 13-8; maize Rs. 13-12; *bajra* Rs. 14; *jowar* Rs. 12-12 to Rs. 13-10; *guwar* Rs. 11.

Arrival of new peas have begun in small quantity here, but, in East U.P., arrivals have been on a fairly large scale. Owing to slack outside demand, prices recorded a fall of Re. 1 per maund during the week. *Arhar* also eased for want of trade enquiry. Other pulses, too, were easy in sympathy with peas. The prevailing prices are: Peas new *dara* green Rs. 12 and white Rs. 14; *arhar* Rs. 12; *urd* Rs. 18 to Rs. 20; *moong* Rs. 14 to Rs. 15-4; *masoor* Rs. 15.

Pulses futures eased during the week on bear pressure, influenced by a fall in ready prices. The latest quotations were slightly better than the lowest for the week, due to profit-taking. The latest available quotation are: Peas *jeth* Rs. 10-3-4½; peas farm *jeth* Rs. 10-7-6; *arhar jeth* Rs. 10-12-6; *urd baisakh* Rs. 18-5.

SUGAR EASY

(From Our Own Correspondent)

HAPUR, 18*th March*

Sugar prices ruled quiet during the week in the absence of new driving forces. Production was expected to be better than last year as *gur* prices had gone down further; cultivators, it was reported, were trying to pass their cane produce to factories. Demand from consuming centres was small and the undertone was depressed. The prevailing mill delivery prices of sugar were: Jaswant Rs. 28-12; Simbhauli Rs. 28-14; Mawana Rs. 28 to Rs. 29; Daurala Rs. 29 to Rs. 30; Amroha Rs. 28-4; Bijnore Rs. 28-4; Mansoorpur Rs. 29 to Rs. 30; Rampur Rs. 31-8; retail Rs. 30-10 per maund.

The *khandsari* market ruled dull and prices were mostly stationary. Inferior grades were quoted between Rs. 19 and Rs. 21 per maund and superior between Rs. 22 and Rs. 26 per maund.

Ready *gur* eased for want of outside buying enquiry. Small offtake during the week was to Punjab and Rajasthan. Daily arrivals were at an average of 2,000 maunds daily and local stock was put at about 95,000 maunds. Arrivals since the beginning of the season were put at 435,000 maunds, as against 425,000 maunds a year before. The prevailing prices were Rs. 9-8 to Rs. 9-14 per maund. *Gur* futures also declined in line with prices in ready section. *Baisakh* opened at Rs. 10-9-3 and declined in successive sessions to the lowest at Rs. 10-2 and was quoted today at Rs. 10-2-3.

Notice

THE MODERN MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Wednesday the 24th day of April 1957, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st October, 1956.
2. To declare a dividend and bonus.
3. To appoint Directors in place of those who retire but who are eligible for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 27th March 1957 to the 16th April 1957, both days inclusive.

Any member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member.

Detailed Notice setting forth all the items of business to be transacted at the above Meeting is being published in the Press and will be posted to the Shareholders individually.

By Order of the Board,

N. SIRUR & Co. PRIVATE LTD.,
Managing Agents,

V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, 11*th March*, 1957.

N.B.—The dividend and bonus, when declared, will be made payable at the State Bank of India, Bombay, on and after Monday the 29th April 1957, to those shareholders whose names stand on the Register of Members on the 27th March, 1957. The Dividend Warrants will be made negotiable at par at the State Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.



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FINANCES OF INDIAN RAILWAYS

(*Concluded from page 559*)

sarai and Asansol Raj Kharswan and Barajamada is now under active consideration. Three new lines, aggregating 87 miles on the South-Eastern, Western and Southern Railways have been completed and opened for traffic in the current year, while eight new lines are under construction.

The goods traffic actually carried during 1955-56 amounted to 114 million tons, while, according to the statistics available up to the end of January 1957, it is expected that the total traffic during 1956-57 will amount to 126 million tons, about 10 per cent. more than in the previous year. While traffic is increasing as envisaged in the Plan, serious difficulties are being encountered in the physical execution of the planned works, due to acute shortage of vital stores like steel, cement and permanent way materials. In order to avail of a larger field for the purchase of steel, it has been decided that the Thomas quality steel of selected specifications will now be accepted by the railways for many of their track and structural requirements. The question of using Thomas quality steel for workshop manufacture operations is still under consideration. Certain changes in the organisation and procedure calculated to expedite procurement of steel are also under consideration. The problem of foreign exchange has also been a source of considerable anxiety in recent months. In order to ease the position, negotiations are in progress with the World Bank for a loan.

There has been a general improvement in the operating position, the increase in the originating tonnage handled during the year being 10 per cent. Wagon loadings increased by 6.38 per cent. on broad-gauge and by 10.8 per cent. on metre-gauge, including transhipment loads. Movements via transhipment points also showed considerable improvement. Gratifying results were obtained from the special measures taken by the railways to increase the efficiency of operation. Targets for further improvements ranging from 10 per cent. to 20 per cent. have been set for the coming year and measures to achieve these targets are well in hand.

The final report of the team of consultants, which is now in India under the Technical Co-operation agreement between India and the U.S.A., is expected in October next. The team has already submitted a preliminary report, and the Railway Board has asked the consultants to undertake detailed studies on the subject of heavier and more powerful steam locomotives, the designing of wagons with larger capacity, the introduction of centralised traffic control on certain busy single-line sections on broad and metre gauges, and ways and means of improving movement capacity in the coalfield area to cater to the large increase in coal production expected in the second Plan.

BANKING

(*Concluded from page 563*)

Rs. 18.56 crores, loans, cash credits and overdrafts recording an increase of Rs. 13.27 crores to Rs. 73.04 crores and bills purchased and discounted a rise of Rs. 5.28 crores to Rs. 17.72 crores. Nevertheless, the credit ratio is at a lower level than the average for all Scheduled banks. Investments show a drop of Rs. 3.74 crores, and cash balances an increase of Rs. 1.21 crores. The cash ratio, it may be noted, is well above the general average. There has been a notable expansion in the Bank's bills business during the year, as witness the rise in bills for collection from Rs. 6.37 crores to Rs. 8.72 crores and acceptances and endorsements from Rs. 5.21 crores to Rs. 9.37 crores.

WELL-ESTABLISHED Company has vacancy for suitably qualified Chartered Accountant, preferably with overseas experience. Good salary and prospects for the right man. Apply Box No. 961, C/o "Commerce," Brady House, Veer Nariman Road, Fort, Bombay.

SUGAR

(*Concluded from page 566*)

country can earn foreign exchange of about Rs. 800.

The importance of sugar exports was stressed by Mr. S. S. Kanoria, President of the Indian Sugar Mills Association (I.S.M.A.) and Chairman of the Sugar Exports Division, in the course of a statement issued to the Press recently. Mr. Kanoria pointed out that, in spite of the initial difficulties due to fears and suspicions of foreign buyers regarding quality, packing, etc., and keen competition from other countries, the I.S.M.A. has been able to make sales of appreciable quantities of sugar to Malaya, West Asian countries, East Africa, Ceylon and Burma. These, according to him, are the natural markets for Indian sugar. The representatives of the I.S.M.A. have already visited most of these countries and it is hoped that, as these countries receive supplies of Indian sugar, they will develop a liking for it. Since India is very favourably situated and friendly with these countries and its quality of sugar second to none, it can look forward to them as its regular markets. The I.S.M.A. is very keen to establish a good reputation for Indian sugar and lay solid foundations for a flourishing export business in future. As such, the highest business standards are being followed and meticulous care taken to ensure that the quality of sugar exported is upto specifications. For this purpose, at considerable expense, internationally reputed surveyors have been employed who exercise a strict control on the packing and quality of all sugar meant for export both at the mills and at the ports of shipment.

Mr. Kanoria alluded to the tussle in various markets for sales of Indian sugar and was confident that India would be in a position to compete successfully with the other exporting countries. Incidentally, he revealed that the entire profits realised by the I.S.M.A. from the sugar export business was being pooled in a separate fund to be utilised for exports at a loss as and when the necessity arose.

Prizes in the competitions for the highest production of *gur* per acre in two different zones of the pre-reorganisation Bombay State for the year 1955-56 have been announced by the Government of Bombay. The competitions were held for the Deccan Canal area and the Kolhapur-Karnatak area. The Government has also decided to issue certificates to those competitors who produce more yield than the minimum but who are not entitled to the prizes, their yield not being maximum.

BANK OF MAHARASHTRA LIMITED

(*Concluded from page 584*)

composed of the Marathi-speaking and Gujarati-speaking areas. As a result of the inclusion of Vidarbha and Marathawada, Maharashtra has been unified. Your Bank was started mainly with the idea of serving the economic development of Maharashtra which is starved of banking facilities. It is a matter of gratification to all of us that along with its steady growth, this Bank has been instrumental in establishing, promoting and developing new enterprises. In future, the Bank has a more dynamic role to play. Its sound financial position, the reputation which it has acquired in the banking world and the part it has been playing in the economic development of Maharashtra should enable the Bank of Maharashtra to fulfil the expectations of the people about it. In the task that awaits the Bank, I am confident that the Board will have your continued support.

"What has been achieved by the Bank during its career of a little over two decades is the fruit of the co-operative effort of you, gentlemen, and the staff. During a period of stress and strain to which the banking system was subjected, your Board was fortunate in having the unstinted loyalty of the staff, and the happy relations between the Board and the Bank employees were primarily responsible for considerably easing the pressure on the Board. I am sure you will join me in paying my humble tribute to Mr. Joag, Manager of the Bank, and his colleagues of all ranks at the head office and the branches who contributed their best to the prosperity of this institution in a difficult period. During the year, Mr. S. G. Marathe resigned from the Board owing to ill health. He was connected with the Bank since its inception and has rendered meritorious services to the institution. The Board regrets that his advice will no longer be available. While acknowledging with grateful thanks all that has been done by Mr. Marathe to nurse this Bank, let us hope that he will regain his health from the well-earned rest which he richly deserves.

"I thank the members of the Local Advisory Committees at the branches for the help and guidance given by them to our agents. I also thank the shareholders, depositors and well-wishers for their support and request them to continue the same in future."

Notice

MACNEILL AND BARRY LIMITED

NOTICE IS HEREBY GIVEN THAT payment of the Half-yearly Interest on the 5 per cent. Debenture Stock 1966-71 of the Company will be made on 1st April 1957 to those Stockholders whose names appear on the Company's Register on that date or in accordance with their instructions.

MACNEILL & BARRY LTD.,
J. H. G. WHITFIELD,
Acting Secretary.

2, FAIRLIE PLACE,
CALCUTTA-1, *12th March*, 1957.

(*Concluded from page 600*)

of the Accounts to be laid before members in conformity with the provisions of the Act, your Directors recommend that the Articles of Association of the Company be amended to provide that the Company's Accounts be closed and audited annually and laid before the Company at an Annual General Meeting in each calendar year. The proposed amendments are set out in Resolution 5 of the convening notice. If this resolution is passed as a Special Resolution, your Directors propose closing the Company's Accounts annually on 31st December in each year, which hereafter will be the closing date of each financial year of the Company. The next Annual General Meeting will, therefore, be held to consider the Accounts for the half-year ended the 31st December, 1956, and thereafter the Accounts for a full financial year ending on 31st December will be placed before every subsequent Annual General Meeting.

The foregoing changes will not result in any financial benefit either to the Directors or to the Managing Agents of the Company, and interim dividends may, subject to trading results in a current financial year, be declared by the Directors under Article 161.


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N. K. KARANJIA, *General Manager.*
TRANSACTS ALL KINDS OF BANKING BUSINESS

COMMERCE

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

VOL. XCIV. No. 2403 BOMBAY, 30th MARCH 1957 PRICE: Rs. 1/8

FREE ENTERPRISE AND MENTAL OBSOLESCENCE

THE Prime Minister, Mr. Nehru, has done a signal service to free enterprise by reminding those engaged in it to be constantly on their guard against mental obsolescence. In his address to the annual meeting of the Federation of Indian Chambers of Commerce and Industry, held at New Delhi last week, Mr. Nehru, after quoting the words of the Chairman of the Federation, Mr. Lakshmipat Singhania—"it is not only machinery that becomes obsolete; one has to guard against obsolescence of the mind"—said that "no truer words could have been stated." He added: "These words should be inscribed in a prominent place wherever your organisations work." Obviously, Mr. Nehru, who looks upon national progress as a mighty adventure, a triumph of human spirit and enterprise over obstacles, has been struck by the Chairman's reference to the dangers from any antediluvian outlook among business men and industrialists.

It is not, however, clear whether Mr. Nehru meant this advice only for those who are engaged in free enterprise. This can hardly be correct, considering that no one can ever be too heavily on one's guard against mental obsolescence. In any case, the private sector has in recent years given a great deal of evidence of its ability to adjust itself to changing circumstances. Apart from this consideration, which is at best only a negative tribute to it, it must be recognised that this sector has always conjured up before the country great visions of a modern and progressive economy. Indeed, the men who, in the face of very heavy odds, have worked unceasingly for progress in such diverse spheres of economic activity as steel, shipping, aircraft and automobiles, cannot certainly be accused of mental obsolescence. Rather they have always been very much in advance of their times. It is not that Mr. Nehru's advice is wrong. Only, it is necessary to bear this advice in mind at all times so that people may be perpetually on their guard against mental inertia.

There is, however, a certain peculiar appropriateness in this advice for certain sections of opinion in this country. Two such sections will readily occur to one's mind. There is, for instance, a certain class of persons who are constantly crying back to what they consider to be the happy days of a bygone age. For them no productive activity is good enough unless it is carried out with the most primitive of instruments. Modern means of production are anathema to this section. The second class of persons to whom this advice could be addressed with profit are those who still hug on to certain antiquated theories of the eternal validity of the virtues of State ownership. They are ignorant of the more recent trends in socialistic opinion which frankly questions the inevitable connection between nationalisation and socialism. To many of them, it may come as a surprise that socialist leaders elsewhere are having some sound re-thinking on socialistic dogmas. Thus, Mr. Hugh Gaitskell, leader of the British Labour Party, said recently: "Simple, direct and unique relationship between wholesale nationalisation and the ultimate ideals of socialism which early theorists took for granted cannot be assumed in the new circumstances of today." There is much wisdom in Mr. Gaitskell's words. In any case, there is much food for thought in them for many political parties in this country. It will thus be seen that Mr. Nehru's advice is applicable to all sections of Indian opinion. Indeed, it is always true for all countries in all ages.

One might ask just what is the antithesis of mental obsolescence. This antithesis lies in mental honesty, in a certain willingness to change one's attitudes and opinions in the light of observed facts. It also means a certain fluidity. From this point of view, Mr. Nehru did well to emphasise that the Government is not rigid or dogmatic. He said: "If we have given up dogma in religion—at least some of us—surely, you won't expect us to become dogmatic in other matters." Referring to the Five-year Plans, he said: "These Plans are not rigid. We may vary them, we may change them, we may add to them, we may subtract from them according to circumstances." This certainly is the antithesis of mental obsolescence. He, however, missed the essence of his advice when he said that there was some truth in the concept of free enterprise, but a vast quantity of error. In his view, "it might have fitted in in the thinking of the nineteenth century, but not in the atomic age—in any case, not in India." He also said that it passed his comprehension that anyone should set up institutions to propagate free enterprise. He wondered whether the propagators of this idea could carry the millions of people of this country with them.

Being a genuine democrat himself, Mr. Nehru cannot obviously be averse to advocacy of any cause merely on the ground that it is not likely to be very popular. He may, however, be right in his scepticism about the popularity of free enterprise. But then, that is no reflection on the system. For some historical reasons, its virtues have never been placed adequately before the people to enable them to judge its merits. But that cannot be held as an argument against free enterprise or against propagation of its essential virtues. Mr. Nehru was, however, on firm ground when he averred that a "nation which loses its roots does not prosper, will not prosper—it gradually fades." Perhaps, free enterprise answers this test very well, for it is certainly more in tune with India's individualistic outlook and traditions.

Considering that the scope for economic advancement is almost limitless in this country, there is no need—at least, there ought not to be any need—for any acrimonious discussion about the relative importance of free and State enterprise. "Committed as we are to broad-base economic development," Mr. Singhania rightly observed, "Governmental policies should encourage and not hinder a wide diffusion of *entrepreneurship*." It is true that such leadership is now confined only to a small section of the population. This factor is sometimes erroneously described as undue concentration. But, as Mr. Singhania pointed out, it is "an evidence not so much of concentration of economic power as of economic backwardness in general." Through its hasty and unhelpful legislation, the Government has prevented the growth of competitive economy and deterred many potential entrants into the ranks of traders and industrialists. In this connection, Mr. Singhania said: "I dare say that every one of us present here will be able to cite more than one instance where individuals anxious to enter or expand business have refrained from doing so, apprehending that the hand of law may descend too heavily on them for unwitting omissions or commissions." Whatever its faults, free enterprise in this country cannot certainly be accused of any "closed shop" mentality. In certain countries, the governments deliberately facilitate the growth of competitive conditions and actively check monopolistic and semi-monopolistic practices. In India, on the other hand, those who are engaged in free enterprise themselves invite the Government to permit more entrants into their ranks.

Mr. Singhania availed himself of the opportunity provided by the annual meeting of the Federation to make a special appeal to the Government and labour to permit industry to adopt measures which will help increase production, reduce costs and improve quality. He stressed, in particular, the importance of improving agricultural production. "Unless agricultural productivity is increased," he said, "the market for industrial products would continue to remain narrow and, at the same time, the income and the standard of living of the farmers will remain at the present low level." A specific issue which he raised was the stringency of credit conditions. After emphasising that the growth of savings depends on the pursuit of appropriate fiscal and monetary policies by Government, he averred that the "experience of the last two years indicates that credit stringency and restrictive Government policies have attempted more to arrest a rise in prices rather than look to the effects on the expansion of industries and the consequent growth in production." He added: "The present heavy burden of taxation also acts as a deterrent to new investment. It can singly, more so in conjunction with the restrictive monetary policy, check the healthy growth of capital market." It is to be hoped that these considerations will induce the Government to soften the rigour of its credit restrictionist policies, if not also its fiscal deterrents.

Some of the broad issues which the Chairman raised in his speech found amplified expression in the specific resolutions adopted by the Federation. The resolution on economic policy expressed its "grave concern" over the stress and strains which had developed in the economy of the country and urged the Government to give increased weightage to the improvement of agricultural production. The Federation, in another resolution, called for a modification of the Government's import and export policies with a view to augmenting foreign exchange resources. Without mincing words, the resolution emphasised that, "considering the magnitude of deficiency

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in foreign exchange resources, we must be prepared for austerity in consumption of at least non-essential goods." Another resolution warned the Government that, if monetary stringency were not corrected in time, it would cause a setback not only in preserving the existing levels of trade and economic activity but also in the matter of smooth progress of the programme of development under the Plan. Appropriately enough, the Federation adopted two important resolutions on taxation. One urged the Government to introduce a certain uniformity in the sales tax policies of State Governments. It reiterated its recommendation that sales tax on inter-State transportations of essential articles should be merged, wherever possible, with some Central levy. Another resolution urged the Government to evolve what it called a "scientific tax structure." The present structure and rates of levy, as the Federation itself pointed out in that resolution, affect adversely not only individual but also corporate enterprise.

RAILWAY BUDGET

THE White Paper on the Railway Budget presented to the Lok Sabha last week is of interest mainly for the reason that it serves to spotlight the achievements under the first Five-year Plan and throws some light on the task ahead of the railways under the second Plan. A notable, and obviously very welcome, trend in recent official and non-official opinion is the realisation of the importance of transport for the success of the second Plan. And transport, it cannot be too often reiterated, includes not only rail but road, sea and air transport. It is no longer a question of rail *versus* any other form of transport, but rail *cum* all forms of transport. Obviously, rail transport has to expand. But, with the best will in the world, it cannot lift all the traffic that may develop in the next few years. Realising this basic weakness in transport plans, the Union Government has been realistic enough to modify its policy towards road transport. The recent amendments to the Motor Vehicles Act are clearly designed to facilitate the development of road transport. Nevertheless, it is obvious that more remains to be done in this direction. In particular, the policy of licensing for motor vehicles has to be liberalised, the incidence of taxation on these vehicles reduced and the State Governments have to be prevented from carrying out their nationalisation programmes in respect of road transport. Above all, the roads should be improved and extended, for bad roads not only hinder smooth transport but constitute an intolerable, though invisible, levy on motor vehicles.

The finances of an important segment of the national transport system, namely, the railways, continue to make good showing, thanks to the increase in passenger and goods earnings. Gross traffic receipts in 1956-57 are now estimated at Rs. 350.0 crores, as against Rs. 316.3 crores in 1955-56, while the estimate for 1957-58 places the receipts higher at Rs. 368.50 crores. Included in these earnings are goods earnings which in 1955-56 amounted to Rs. 180.28 crores and for 1956-57 and 1957-58 are placed at Rs. 206.50 crores and Rs. 218.0 crores, respectively. The impressive increase in railway earnings will become clear when it is seen that traffic receipts rose from about Rs. 247 crores for the year 1950-51 to Rs. 316 crores in the last year of the first Five-year Plan—an increase of nearly Rs. 69 crores, made up of an increase of about Rs. 10 crores in passenger earnings, Rs. 4 crores under other coaching traffic, Rs. 53 crores under goods and Rs. 2 crores under sundry earnings. Ordinary working expenses during this period rose from Rs. 165 crores to Rs. 212.95 crores. In 1955-56, the net railway revenues, after meeting ordinary and miscellaneous working expenses and providing for Rs. 45 crores for depreciation reserve fund, aggregated Rs. 50.34 crores, the corresponding figures for 1956-57 and 1957-58 being Rs. 64.64 crores and Rs. 65.22 crores, respectively. The payment of dividend to general revenues amounted to Rs. 36.12 crores in 1955-56 and is expected to absorb Rs. 37.69 crores in 1956-57 and Rs. 43.79 crores in 1957-58. The net surplus is thus placed at Rs. 14.22 crores for 1955-56, Rs. 26.95 crores for 1956-57 and Rs. 21.43 crores for 1957-58. The capital-at-charge at the end of 1955-56 was Rs. 968.99 crores, as against Rs. 901.58 crores at the end of 1954-55, the ratio of net revenue to capital-at-charge being 5.2 per cent. and 4.9 per cent., respectively. At the end of 1956-57, capital-at-charge was Rs. 1,067.03 crores and it is expected to move up to Rs. 1,191.20 crores at the end of 1957-58.

The figures for 1957-58 are based on current rates of traffic. The high level committee which was appointed in July 1955 to review the price structure is expected to submit its report shortly. The Government intends, the Union Minister for Railways, Mr. Jagjivan Ram, pointed out in his speech when he presented the Railway Budget in the Lok Sabha, to implement the Committee's recommendations as far as practicable within the next financial year. Clearly, to the extent the recommendations are implemented, the estimates for earnings in 1957-58 will have to be modified. The Committee's report and the Government's decision thereon will, naturally enough, be awaited with interest. Nevertheless, even at this stage, two observations may well be made. In the first place, if it is finally decided to raise the freights, the rise should be so designed as to keep the consequent increase in costs of production and transportation to a minimum. Secondly, the Government should recognise that, if it is right for the railways to raise freights on the ground of the urgency of their need for development finance, it cannot possibly deny a similar right to industries in the private sector such as electricity and coal.

There is, however, no denying the fact that the railways must be freely allowed the resources they need in order to augment their carrying capacity. Otherwise, they cannot possibly fulfil efficiently the role assigned to them under the second Plan. It must be remembered that even now transport bottlenecks retard the progress of trade and industry. During the first Five-year Plan, a total expenditure of Rs. 423.73 crores, inclusive of Rs. 140 crores from the general revenues, was incurred in respect of railway development. During the Plan period, the railways acquired 1,586 locomotives, 61,254 wagons and 4,758 coaches, raising their total holdings to 9,172 locomotives, 235,198 wagons and 23,158 coaches at the end of the Plan. In spite of these large-scale procurements, the proportion of over-aged broad-gauge locomotives and wagons at the end of the Plan period was higher than at its commencement; superannuated locomotives formed 32.5 per cent. of the total and wagons of the same category 16.5 per cent. of the total, as compared with 23 per cent. and 13.3 per cent., respectively. The position on the metre-gauge showed some improvement, only 26 per cent. of the locomotives and 17.2 per cent. of the wagons being over-aged at the end of the Plan, as compared with 31.1 per cent. and 29.4 per cent., respectively at the beginning. There was an improvement in the position of coaches, inasmuch as the percentages of overaged coaches at the end of the Plan was reduced to 24 for broad-gauge and 26.4 for metre-gauge, as against 29.5 and 45, respectively, at the commencement of the Plan.

A great deal of new and concerted effort will be needed in the next few years, if the railways are to carry at least a reasonable proportion of the increase in traffic that will become available. The Rs. 1,125-crore plan for the railways envisages additional capacity of 47 million tons over the five-year period; last year, the railways carried 114 million tons and in 1956-57 they carried about 126 million tons. The second Plan contemplates the acquisition of 2,258 locomotives, 11,364 carriages and 107,247 wagons. Against these, 557 locomotives, 1,931 carriages and 27,184 wagons had been ordered in 1956-57 and orders for another 411 locomotives, 2,346 carriages and 17,729 wagons are to be placed in 1957-58. The importation of rolling stock and the implementation of other aspects of the railway plan imply both availability of such stock and of foreign exchange. Negotiations with the World Bank are, therefore, of particular interest to the development of railway transport. It would appear that there is acute shortage of vital stores such as steel and cement and permanent way materials like rails, sleepers and points and crosses. The successful implementation of the railway programme for 1956-57 alone will need about 1.06 million tons of steel; the availability for the whole year is expected to be only 550,000 tons. The supply position of other track materials also continues to be difficult.

While every effort should be made to acquire the foreign exchange which the railways need for development and the physical equipment which is needed for augmenting their carrying capacity, it cannot be too strongly stressed that the authorities should continue to improve their operational efficiency. To make every wagon and locomotive go a little farther than it does, or make them carry a little more than they do, should be the aim of the high and the low in the railway administration. Here is a task in which the railway administration, on the one hand, and those whose goods are carried by the railways, on the other, should co-operate to their mutual advantage. It is to be hoped that such co-operation will be forthcoming and, in particular, the railway labour will evince a keener appreciation of its role in national progress and put forth its best efforts in the interests of more efficient railway transport.

A subject which has lately attracted considerable criticism relates to accidents. The authorities are no doubt aware of the nature of the public agitation over this issue. They are already taking steps to ensure better maintenance of the permanent way. Nevertheless, it is somewhat disturbing to be told that track renewal was in arrears to the extent of 7,000 miles for rails and 7,000 miles for sleepers even at the end of the first Plan period. Further, there is the important question of the efficient maintenance of bridges. It is gratifying to note that the Government has appointed a high-level committee of engineers headed by Dr. A. N. Khosla, ex-Chairman of the Central Water and Power Commission, to prescribe appropriate designs and formulæ and recommend other measures for the efficient maintenance of bridge structures and protective works. The authorities will, however, be well advised not to relax their efforts designed to improve safety of rail transport on the ground that a high-level committee is about to examine the efficient maintenance of bridge structures. The Committee's work should form the basis for supplementing, not an excuse for postponing, the railway administration's measures for improving the safety factor in rail travel.

EXCISE DUTY ON CLOTH

AMONG the Government's fiscal blind spots, the excise duty on cloth is the blindest. When the issue was raised in the course of the general debate on the Budget in the Rajya Sabha on Tuesday last, the Union Minister for Revenue and Civil Expenditure, Mr. M. C. Shah, opposed any reduction in the duty, imposed last September. Defending the Government's inflexible attitude towards the levy, he said that the last few months' experience had shown that the incidence of the duty did not fall on consumers; it only mopped up higher profits of the industrialists. All this might or might not have been true at the time the levy was imposed. But the more immediate issue is the impact of the levy on the offtake of cloth. There is now clear evidence to show that the market is unable to absorb, as fast as it should, the output of the mills. Sir John Burns, Chairman of the Millowners' Association, Bombay, in his speech at the annual meeting of the Association, held on 27th inst., declared that, since the increase in excise duty on cloth in September last, the "position has steadily deteriorated and today can only be regarded as serious." It would appear that stocks with mills now exceed 500,000 bales. This is a repetition of the situation in 1953 when stocks were just as heavy and the Government was compelled to adopt specific corrective measures.

Sir John Burns rightly attributed this deplorable stock position to loss of confidence among traders and to consumers' resistance induced by increase in excise duty. He quoted some telling figures to show how heavy was the burden of the duty. He calculated that the duty formed 11.5 per cent. to 31.9 per cent. of the mill prices of representative qualities of cloth; on some superfine varieties, it is as high as 38 to 39 per cent. On an average, it works out to 24.8 per cent. in respect of representative qualities, or an average increase of 11.2 per cent. over August 1956. He added: "When I mention that the total expected collection of excise on cloth in a year is Rs. 75 crores, you will appreciate just how heavy the incidence of excise is. According to the White Paper on the Budget for 1957-58, the index for cotton manufactures in 1956 increased by 4.3 per cent. only. This would hardly seem to justify an increase in excise by an average of 11.2 per cent. over August 1956 and 14.8 per cent. over December 1955." These facts must convince any impartial observer of the textile scene that the Government should devote some second thoughts to the impact of the excise duty on the industry and the consumers. Such a study will no doubt indicate that the situation demands some corrective action in the shape of such appropriate reduction in the duty as will give a healthy fillip to offtake of cloth.

INVESTORS LACK CONFIDENCE

SPURT IN COTTON—NEED FOR ENCOURAGING CORPORATE SAVINGS

THURSDAY, 5 P.M.

MARKET GOSSIP

A FRESH wave of selling has been sweeping over the share market since last week and nervous bulls have been unloading their earlier purchases made on the eve of the Budget. Confidence seems to have been severely shaken and even small offerings have brought down values sizably. Many a leading counter has sunk to the lowest levels seen in the last four weeks. The successful efforts of the bulls to pull up the market during these four weeks have been practically undone in the last six days and the earlier gains have been nearly wiped out.

Thus, Tata Steels, which had crept up from Rs. 166 on 1st March to Rs. 181 in the Budget session on the 19th inst., has retreated to Rs. 168. Indian Irons have come down from Rs. 21-7 on the eve of the Budget to Rs. 19-3, as against Rs. 19-6 just before the recent upward movement started early this month. The recession in textiles is more pronounced and has, in fact, provided a lead to the week's depression. Bombay Dyeings have lost over Rs. 42 during the last seven days to touch Rs. 548-2, the lowest since 1st March. Centurys have come down from Rs. 491-8 touched in the pre-Budget session to Rs. 443 and Kohinoors from Rs. 336-8 to Rs. 321. The loss in Finlays is no less than Rs. 18, at Rs. 302. Leading counters in other groups have fared no better. Bombay Burmahs, which were once hot favourites at as high as about Rs. 740 (which, of course, included the final dividend of Rs. 28-12) early in February on expectations of favourable outcome of capital reconstruction and prospects of bonus issue, go abegging now at Rs. 586-4, even after they have become cheaper by over Rs. 123 in less than two months.

The most surprising feature is provided by Scindias, which dropped today nearly a rupee Rs. 19-7, after creeping up from Rs. 19-11 on Monday to Rs. 20-3/4. The earlier steadiness was due to expectations of an announcement regarding bonus issue which the shareholders asked for only two weeks ago at the last annual general meeting. The Directors have promptly obliged them with a gift, subject to the blessings of the Controller of Capital issues, of one share for every five shares held by them now. This is proposed to be done by capitalising a sum of Rs. 1.88 crore from out of the amount (Rs. 1.98 crore) standing to the credit of share premium account. This sum which was collected from the shareholders earlier is to be returned to them in the form of bonus shares; such a bonus issue does not attract bonus tax. The proposal, if carried out, will raise the paid-up capital of the Company to Rs. 11.28 crores.

Notwithstanding the announcement of the gift and the encouraging trend in earnings during the current year disclosed by the Chairman at the annual general meeting, the shares have been hammered down today by heavy selling pressure. This is attributed to fears that the Company's modernisation and expansion plans would be affected not only by the higher cost of borrowing but by the difficulty of securing the necessary funds. The Government of India is reported to have informed the Company that the rate of interest on credit for buying ships abroad will be 4½ per cent., as against 2½ per cent., and that it is not in a position to sanction further loans to the Company in view of the acute shortage of finances. Another factor which seems to have worried the operators is whether the Company would be able to maintain the present dividend of Re. 1 per share on the increased capital. If it is to do so, it will require an additional sum of Rs. 9.40 lakhs. It remains to be seen whether the earnings will be so high as to permit such an additional drawing from the profits.

The market's nervousness is understandable in the context of the widespread concern expressed by one and all over the serious situation created by the strain on the economy which experience during the first year of the second Five-year Plan has brought to light. The Government is no less concerned about it than the business men who were gathered at New Delhi last week-end and strove hard to bring home to the Government the difficulty of raising the necessary resources under the present heavy burden of taxes. No broad-minded industrialist is denying his co-operation to the Government in the implementation of the Plan. The difference of opinion between them and the Finance Minister, however, centres round the point whether the Plan can be implemented within the stipulated period with the existing available resources. The business men demand that the Plan period should be extended, but Mr. Krishnamachari is dogmatic about sticking to the Plan. His grim determination to hang on to the Plan is what is worrying the country.

In his reply to the debate on the Budget, Mr. Krishnamachari said: "We shall grimly hang on to the Plan. If we sink, we sink together, but we hope to swim to the shore of safety. We shall use every effort that we have, every ingenuity that we can command and every resource that we can lay hands on to make the Plan a success." Surely, nobody will like to sink and every one is anxious to lend a helping hand to the Finance Minister. What the country expects of him is a more realistic approach to the Plan. His dogmatism and his tirade against some sections of the private sector, which, according to him, want the Plan to be cut or altered not in the interest of the country but to enable them to make profits, are not going to help him in his efforts. May be, a few of them will stand to gain by the suggested measures, but what is to be considered is whether it is not in the general interest of the country to make the Plan more flexible.

If the Five-year Plans are not rigid, as the Prime Minister pointed out in his address to the F.I.C.C.I., and can lend themselves to suitable modifications, surely this is the time when a re-appraisal of the situation should be made before it is too late. The Planning Commission also must have realised the seriousness of the situation; otherwise, Mr. E. P. Moon, Adviser to the Commission, would not have suggested a cut of 20 per cent. If Mr. Krishnamachari has rejected Mr. Tulsidas Kilachand's demand to prune the Plan as suggested by Mr. Moon and is furious with Mr. Kilachand for quoting Mr. Moon, it is presumably because the Finance Minister does not want to admit it frankly till the next Budget. It will also give the Finance Minister some time to reassess the situation and shape his Budget accordingly.

Another important factor which has stifled market confidence is the rejection by the Union Minister for Revenue and Civil Expenditure of the demand for a reduction in additional excise duty on cloth levied in September last, despite the "serious crisis" which is facing the textile industry, to which Sir John Burns, the outgoing Chairman of the Millowners' Association, Bombay, made a reference in his address at the annual general meeting of the Association held this week. According to Sir John, the incidence of excise duty on cloth averages 24.8 per cent., an increase of 11.2 per cent. over that in August 1956. This has resulted in an accumulation of cloth with mills to the tune of 500,000 bales. In the circumstances, it is not surprising that investors in textile shares are worried about mill profits during the current year.

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The cotton market is thick with rumours of official intervention in trading. Some expect a steep upward revision in margins on cotton futures, while a few others fear that the Government may requisition the available supplies and allot them direct to mills. A section of traders is even apprehensive of suspension of trading in cotton. It is difficult to say how the mind of the authorities is working. It is, of course, true that the prices of cotton—futures and spot—have gone up considerably of late. Jarilla (Fine 25/32") March forged ahead from Rs. 618-8 on 28th December 1956, to touch Rs. 820 on Monday when it went off the board. The net rise over the three-month period is thus as much as Rs. 201-8. The quotation is the highest ever seen since business in this contract commenced at Rs. 681-4 on 18th June 1956. Over the same period, Vijay (Fine 27/32") April has spurted by Rs. 171 to Rs. 899. The new settlements, Vijay June and Jarilla May, have advanced in the past four weeks by Rs. 51 and Rs. 40 to Rs. 850 and Rs. 719, respectively. In sympathy, the spot values of cotton have also registered a substantial rise, as will be seen from the figures given below:

(In rupees per candy of 784 lbs.)

	Latest available	A week ago	A month ago	A year ago
Bengal *Deshi*..	750	730	725	730
Berar Jarilla..	830	820	805	790
Khandesh ..	840	840	835	770
Vijay ..	945	945	930	930
Oomra *Deshi*..	800	790	795	730
Moglai ..	775	765	750	685

Even the introduction of the margins recently has not had any effect on the market and prices have continued to march upwards. But it would seem incorrect to contend that this trend is something artificial, inasmuch as it has not been influenced by heavy speculative and option dealings. It is only the result of the natural forces of supply and demand on the cotton front. Any charge of unbridled speculation would be somewhat wide of the mark. Such a charge would have been true had the prices of spot cotton been lower than those of futures. Actually, spot cotton, particularly tenderable cotton, is at a premium over futures, owing to sustained demand from mills. The factors responsible for the price advance in the forward market are lower crop estimates and the persistently high level of mill demand. The traders' ideas of cotton production in the current (1956-57) season are now around 4.85 million bales, as against nearly 5.20 million bales anticipated earlier. The current annual rate of cotton consumption by mills is, however, very much higher than the estimated yield, being about 5.26 million bales. There is, therefore, a clear deficit of 410,000 bales, without taking into account either the exports from or the imports into India. Moreover, the tendency among several mills has been to consume more of domestic cotton rather than foreign cotton. This must be attributed principally to the reduction in supplies of long-staple cotton, following lower imports from Egypt and East Africa, and to the fact that the production of superior counts of cloth (out of foreign cotton) has tended to be uneconomic, thanks to the heavy incidence of taxation. The excise duty alone forms as much as 38 to 39 per cent. of the mill prices of some superfine varieties of cloth.

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The foregoing account will clearly reveal that the rise in prices, however deplorable it may be in itself, cannot be attributed to mere speculative activity in the cotton market. If, however, the authorities still feel that the rise in cotton prices must be checked, they will do well to take measures to augment supplies of cotton through imports of those varieties of foreign cotton which compare with Indian growths such as cotton of staple lengths ranging from 13/16" to 1". But the chief obstacle to such a policy is the very difficult foreign exchange position. It must, however, be conceded that, by allowing imports of cotton, the Government will be enabling the mills to maintain a high level of output which is vitally needed from the point of view of both employment and export of cotton manufactures, one of the staple earners of foreign exchange. This, indeed, is the real solution to the present so-called crisis in cotton and not mere official interference. Needless to say that such interference is likely to create uncertainties in the trade and impair the confidence of the public in the working of any forward market in the country.

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It remains to be seen whether the Government will in the near future amend the Plan. From Mr. Krishnamachari's statement, quoted above, it is obvious that the Government is still determined not to amend it. Nevertheless, the logic of events may eventually compel the Government to revise its policy. Perhaps, the Government is adopting the well-worn maxim that it is not necessary to cross bridges before they are reached. The question, however, is whether the country should go along with the Plan and amend it only at a later stage or whether it should anticipate the difficulties from now only and take suitable corrective action. An interesting answer to this question was provided by Mr. H. P. Mody, Chairman of the Central Bank of India Ltd., in the course of his speech at the annual meeting of the Bank, held today. Mr. Mody referred to the fact that the Plan had been criticised from the start by some people for its unrealistic targets of investment. He then referred to the fact that spokesmen of the Government had said that there would be a process of adjustment from time to time which would take care of any material changes in the situation that might take place. He added:

"I would like to urge that that is not enough and that what is needed is a reappraisal, here and now, of programmes and policies as a whole. I contend that enough is known, even at this stage, of the resources which could be mobilised for planned economic development in India, and the serious difficulties which have already arisen in the first year of the Plan must be taken as an indication that the projected scheme of development goes beyond the country's capacity to carry it out within the stipulated period. No year-to-year targets of investment were published when the second Five-year Plan was originally prepared, but the provision of Rs. 915 crores made for 1957-58 as outlay for the Central and State Governments is such as to suggest that the Government is still largely pursuing the schedule of investment under the original assumption, even though the working of the first year has proved them to be wide off the mark."

Mr. Mody felt that the urgency of a reappraisal of the whole position could not be questioned. The extent to which inflationary finance could be resorted to, taxation could be stepped up, and foreign exchange could be secured were pretty well known. He, therefore, thought that it would be very unfortunate if fiscal and other measures were taken at this stage in order to live up to an unrealistic programme of investment. In this connection, he averred that he could not but voice his disappointment at the latest pronouncements of the Union Finance Minister in Parliament. He hoped that the Minister would realise that the criticisms advanced on certain aspects of the Plan were neither selfish nor obstructive. The business community, he said, had repeatedly and unequivocally recognised the necessity of a planned development of the country and had offered its fullest co-operation. But he rightly felt that all this did not mean that the community should not have views of its own regarding priorities and methods or that its experience and knowledge in such matters should be impatiently set aside.

A reference to the issue of the adequacy of the country's resources for purposes of implementing the Plan was also made by Mr. G. P. Kapadia, Vice-President, Indian Merchants' Chamber, in the course of his speech in support of the resolution on taxation policy adopted by the Federation of Indian Chambers of Commerce and Industry at its annual meeting in New Delhi. Mr. Kapadia said that an underdeveloped economy embarking upon ambitious plans could not create all the foreign exchange it needed through exports alone or through the curtailment of imports. Capital goods requirements of the country which would give the benefit to the country for decades to come entailed a huge cost for a planning period. It would be impossible to provide for all such capital costs to be incurred during the planning period covering a small compass of five years. Obviously, therefore, the capital goods to be obtained from abroad must be on a credit basis and the country would have to arrange for such goods from countries that are willing to give such credit. He added:

"The creditworthiness of the country depends not merely on the balance of trade being maintained on an even basis or on the creation of foreign exchange resources by a favourable balance of trade each year. But it has another fundamental bearing in the shape of the new industrial investment taking place in the country and the capital resources of the country increasing correspondingly as a result of rapid industrialisation."

Clearly, if the external resources are not available on the scale on which they are needed for the implementation of the Plan, the country would have to make up the deficiency through increased domestic resources. In this connection, Mr. Kapadia said that it was worthwhile considering whether the country's economy could bear further extraordinary burdens and whether such burdens

(*Continued on next page*)

EQUITIES DEPRESSED

TEXTILES MARKED DOWN HEAVILY

(From Our Own Correspondents)

BOMBAY, *28th March*

EQUITIES tumbled down on the Stock Exchange during the week under review. The nervous selling pressure which developed last week after the presentation of the interim Budget gathered momentum during the week under review and values touched the lowest levels since the beginning of March. At one time equities appeared to be steady at lower levels, but fresh nervous offerings broke the bottom. The grim determination of the Finance Minister to hold on to the Plan and implement it at all costs "in the interests of the country" and his rejection of the suggestions to alter the basic assumptions of the Plan imparted fresh weakness in the belief that the Finance Minister was all-out to levy fresh taxes to find the finances to implement the Plan. Mr. M. C. Shah's rejection of the demand in the Rajya Sabha for a reduction of the additional excise duty imposed in September last further unnerved operators in the textile section. The growing stringency in the money market, weaker advices from Calcutta, threat of Government intervention in the cotton market were all factors which sapped the enthusiasm to hold on despite the attractive levels.

In the steel section, Tata Ordinaries gave way from Rs. 175-8 to Rs. 167-8 on Monday. After a short-lived mild recovery to Rs. 171, the shares retreated again today to Rs. 167-8 before closing at Rs. 168. The new shares were done Rs. 4-8 lower at Rs. 120. Indian Irons slipped back from Rs. 20-7 to Rs. 19-8 and, after steadying up to Rs. 20, fell away to Rs. 19-3. The Rights were placed Re. 1-4 lower at Rs. 4-7.

Textile shares were the worst affected, despite the encouraging corporate news. The main disturbing factor in this section was the fear that mill profits for the current year would be considerably less if the present level of excise duties was maintained. Bombay Dyeings remained steady early in the week with a recovery from Rs. 571-4 to Rs. 576-4, but fell back to Rs. 553-2 on Monday. The results of the Company for the year ended 31st December 1956, which disclosed a rise in gross profit from Rs. 1.18 crores to Rs. 1.26 crores, caused a temporary improvement to Rs. 568-2, but in the face of the general weakness, this level could not be sustained. Consequently, the shares slumped to Rs. 548-2 at the close. Centurys were the worst affected with a drop of Rs. 30 to Rs. 443. Kohinoors were marked down from Rs. 329 to Rs. 321. Central Indias dropped Rs. 3 to Rs. 112, Finlays Rs. 12 to Rs. 302 and Gokaks Rs. 6-14 to Rs. 210. India United Ordinaries shed As. 5 to Rs. 10-6. Indore Malwas suffered a fall of only Re. 1-4 to Rs. 137-8. Khataus declined by Rs. 7-8 to Rs. 191-4 and Model Mills Rs. 8-12 to Rs. 170. New Greats were done at Rs. 218 *ex-div.*, as against Rs. 230 *cum-div.* a week ago. Podars declined by Rs. 2-8 to Rs. 165 and Phœnix by Rs. 2-8 to Rs. 147-8. Shree Niwas Cottons disclosed a loss of Rs. 6-14 at Rs. 178-2. The decline in Simplex was less pronounced, with a drop of only Re. 1-8 to Rs. 175. Standards suffered a fall of Rs. 21-4 to Rs. 440 and Svadeshis Rs. 7 to Rs. 214-8. Tata Mills were done Rs. 2-8 lower at Rs. 46-8.

Bank shares ruled quiet with a marking down in values all round. Barodas were As. 8 lower at Rs. 103-8. Central Banks retreated from Rs. 53-4 to Rs. 51-4 and their new shares from Rs. 56-8 to Rs. 55. Bank of Indias also receded from Rs. 136 to Rs. 134. Union Banks lost As. 8 to Rs. 7-1½ and United Commercials Re. 1 to Rs. 56-8.

Business in insurance shares were very much restricted. New Indias had business at the unchanged rate of Rs. 40. Indian Mercantiles changed hands As. 8 better at Rs. 40-8, while Neptunes were put through at Rs. 3-4, as against the previous nominal quotation of Rs. 5.

Electricity shares were on offer and the undertone was quiet. Ahmedabad Electrics were done at Rs. 94-11 *ex-div.* (final Rs. 4 per share), as against Rs. 100-10 *cum-div.* a week ago. Bombay Suburbans were unchanged on balance at Rs. 110, while Surat Electrics were put through Re. 1-4 lower at Rs. 112-8. Poona Electrics had business Re. 1-4 lower at Rs. 128-12. Tata Hydros declined by Re. 1-8 to Rs. 120 and their new shares were dull at Rs. 116. Tata Powers were marked down by Rs. 11-4 to Rs. 1,200 and their new shares by Rs. 17-8 to Rs. 1,170. Andhra Valleys shed Rs. 16-4 to Rs. 1,192-8.

The miscellaneous section was depressed in consonance with the general trend. The sugar group showed and all-round recession, Belapurs falling from Rs. 230-4 to Rs. 227. Phaltans lost Re. 1-4 to Rs. 134-12. Walchandnagar Industries moved down by As. 10 to Rs. 268-12. Cement shares ruled weak. Heavy selling in Associated Cements dragged the shares down from Rs. 166-8 to Rs. 158, before they closed at Rs. 159-8. Digvijay Cements drifted lower by Rs. 3-8 to Rs. 143-8. Jaipur Udyogs were done As. 3 lower at Rs. 11-15. In the engineering and mining group, Alcocks retreated from Rs. 273-12 to Rs. 260. Tata Locomotives suffered a precipitous fall to Rs. 138-12, after an initial gain from Rs. 144-12 to Rs. 148. Premier Constructions dropped Rs. 9-12 to Rs. 165. Larsen and Toubros were As. 8 lower at Rs. 15-6. Shivrajpurs shed Rs. 2-8 to Rs. 90. Indian Coppers fell by As. 2½ to Rs. 3-4 and B.B. Petrols by an anna to Rs. 2-9.

In the shipping and automobile group, a drop of Re. 1-4 to Rs. 19-7 was noted in Scindias, despite the announcement that the Directors have decided to capitalise a part of the share premium amount and issue bonus shares in the ratio of 1 for 5. Great Eastern Shippings weakened from Rs. 19 to Rs. 18-2. Premier Automobiles retreated from Rs. 97 to Rs. 89-8. Hindustan Motors shed only As. 4 to Rs. 7-6½.

Among the miscellaneous industrials, Bombay Burmahs (old), after an initial gain from Rs. 621-4 to Rs. 627-8, slumped to a low of Rs. 581-4. Just at the close, they recovered slightly to Rs. 586-4. The Partly-paids lost Rs. 16-4 to Rs. 215. British India Corporations reacted from Rs. 8-1 to Rs. 7-6. National Rayons were steady for some time, due to proximity of dividend announcement, but soon receded to Rs. 233, a loss of Rs. 5-4 over the week. Tata Chemicals were done As. 12½ lower at Rs. 15-13½ and Tata Oils Rs. 3-4 down at Rs. 42-4. Wimcos were a quiet feature at Rs. 171-4.

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Calcutta Stock Exchange

CALCUTTA, *27th March*

The Calcutta Stock Exchange ruled distinctly easy during the week under review. Fears of additional taxation and upward revision in railway freight rates adversely affected the sentiment of operators. The continued stringency in the money market also acted as a damper. Selling ensued as a consequence and equity values staged a retreat. In particular, the speculative counters lost much ground.

Jute shares were subjected to heavy selling. Unions were hammered down by Rs. 20 to Rs. 100. Dalhousies fell by Rs. 9 to Rs. 85. Barnagores dropped Rs. 3 to Rs. 92. New Centrals declined by As. 9 to Rs. 12-4. Nuddeas were neglected at Rs. 30-8. Budge Budges were dull at Rs. 90, as also Cheviots at Rs. 126, Gourepores at Rs. 226, Orients at Rs. 99 and Presidencies at Rs. 4.

Coal shares received little attention. South Karanpuras receded by As. 5 to Rs. 9. Burrakurs shed As. 4 to Rs. 21-2. Kuardis were quiet at Rs. 2-7, Bengals at Rs. 446 and Karanpura Collieries at Rs. 98.

Tea shares lacked support. Hantaparas climbed down by Rs. 3 to Rs. 191. Rajabhats decreased by As. 6 to Rs. 21-6. Sungmas were unaltered at Rs. 10-6. Brooke Bonds were sold today at Rs. 19-8. Carrons at Rs. 166, Jayshrees at Rs. 11 and Ranicherras at Rs. 16-8.

Engineering shares were on offer at reduced rates. Jessops fell by Rs. 2-1 to Rs. 24-11. Indian Irons slipped down by As. 11 to Rs. 19-12. Textile Machinery declined by As. 7 to Rs. 19-7. Guest, Keen Williams eased by As. 6 to Rs. 24-8. Marshalls lost As. 4 to Rs. 4-11. National Irons were transacted at Rs. 7-1.

Among miscellaneous industrials, Martin Burns moved down by As. 14 to Rs. 22-8. British India Corporations dropped As. 12 to Rs. 7-9. National Carbons decreased by As. 8 to Rs. 26-6. Burma Mines slipped by As. 4 to Rs. 2-9. Shaw Wallaces receded by a like amount to Rs. 11-6. Indian Coppers, Sone Valleys and Calcutta Electrics shed As. 2 each to Rs. 3-3, Rs. 7 and Rs. 12-12, respectively. B.B. Petrols eased by an anna to Rs. 2-11. Angelo Brothers were dull at Rs. 19-10.

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The Alkali and Chemical Corporation of India, Ltd. announces that the Committee of the Stock Exchange will allow dealings in the renunciation letters of the new "A" Ordinary Shares to be issued to existing shareholders next month. This means that members' rights to these shares will be saleable.

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Madras Stock Exchange

MADRAS, *26th March*

Distinctly bearish conditions prevailed on the Madras Stock Exchange during the week under review. The absence of any additional tax proposals in the Central Budget did not help to infuse confidence among operators. On the contrary, there were fears that new heavy taxation was in store. They were based on the Finance Minister's statement that "the objective must be to reduce it (that is, the deficit) to the extent possible by increasing the resources accruing to the public exchequer." These fears, coupled with weak advices from Bombay and Calcutta, induced heavy selling which brought about a sharp break in values.

In the planting section, tea shares staged a retreat. Nonsuch Teas fell by As. 12 to Rs. 23. Coonoor Teas dropped As. 10 to Rs. 24. Blue Mountains declined by As. 4 to Rs. 5-15. Devasholas and Talayar Teas lost a same amount to Rs. 21-8 and Rs. 11-12 *cum-div.*, respectively. Kil Kotagiris receded by As. 4 to Rs. 6-8. Waterfalls shed a like sum to Rs. 6-8. Haileyburias were done at Rs. 24, as against Rs. 24-4. Nilgiri Teas were neglected at Rs. 10-10, as also Parksides at Rs. 17-8 *cum-div.* and Ouchterlonys at Rs. 5. Kalpetta, however, had some enquiries and moved up by As. 4 to Rs. 26. Neelamalais gathered an anna to Rs. 6-3.

Coffee shares ruled easy. Consolidated Coffees moved down by As. 10 to Rs. 23-2 and Coffee Lands by As. 6 to Rs. 26-10. Periakaramalais lost As. 3 to Rs. 8-4-6. Mysore Coffees were a shade lower at Rs. 3-1-6. Amalgamated Coffees were dull at Rs. 12-6, Balmadies at Rs. 3-8, Kumargodes at Rs. 6-11-6 and Rajendras at Rs. 11-6.

Among rubber shares, Travancore Rubbers and T.R. & T's lost As. 8 each to Rs. 21-8 and Rs. 9-9, respectively. Cochin Malabars were lower by As. 7 at Rs. 8-14. Kailas dropped As. 5 to Rs. 5-9 and Anandams As. 4 to Rs. 21-4. Malankaras were done at Rs. 30-4, as against Rs. 30-8. Nenmenys and Pullangodes shed As. 2 each to Rs. 22-12 and Rs. 2-10, respectively. Nilamburs were quiet at Rs. 16-4.

In the textile section, Metturs were hammered down by Rs. 10 to Rs. 430. Cannanores fell by Rs. 7 to Rs. 170. Coimbatore Pioneers and Lakshmis decreased by Rs. 6 each to Rs. 160 and Rs. 272 respectively. Bangalore Woollens were quoted lower by Rs. 5 at Rs. 580 *cum-div.* and Buckinghams by Rs. 4 at Rs. 177 *cum-div.* K. Rajendras declined by Rs. 4 to Rs. 106, Coimbatore Spinnings by Rs. 2 to Rs. 88 and Saradas by Rs. 5 to Rs. 100. Janardanas receded by a rupee to Rs. 109 *cum-div.* Travancore Rayons shed As. 6 to Rs. 13-10. Rajapalayams were neglected at Rs. 150, Ranga Vilas at Rs. 88, Pankajas at Rs. 77-8 and Premiers at Rs. 190. Vasantas changed hands at Rs. 310, same as last week. Venkatesas were on offer at Rs. 164.

In the sugar group, Mysores were marked down by Re. 1-8 to Rs. 39-8. E.I.Ds were quoted As. 4 lower at Rs. 27-13 *cum-div.* Deccans and Travancores lost As. 2 each to Rs. 10-6 and Rs. 11-4, respectively. Indias shed As. 2 to Rs. 16-2. K.C.P. Ordinaries, however, had good buying enquiries and spurted by Rs. 5 to Rs. 135. Kirlampudis were unchanged at Rs. 33.

In the miscellaneous section, Textools slumped by Rs. 10 to Rs. 250. India Cements were marked down by Rs. 2-4 to Rs. 25. F.A.C.Ts and Mettur Chemicals shed As. 5 each to Rs. 5-14 and Rs. 9-3, respectively. Travancore Cements were As. 5 lower at Rs. 9-7. Sen-Raleighs eased by As. 2 to Rs. 12-10. Spencers lost a like amount to Rs. 16-2. Singarenis were unaltered at Rs. 10-8.

MARKET GOSSIP

(Concluded from previous page)

would give the required benefit or whether they would result in an adverse effect on national economy. He said:

"If by measures of taxation bigger and bigger slices are taken out either out of individual enterprise and/or out of corporate enterprise, in course of time the resources would stand depleted and although the State as such would considerably swell temporarily, the people would shrink and the country as a whole would be the poorer in the long run. It is one of the compulsions of a backward economy that the flow of private savings cannot be greatly augmented by mere equal distribution of wealth and income. Egalitarian measures may within limits be justified on the basis of social justice but if these are pursued in a doctrinaire manner, they may defeat the very objective."

After recalling that the recent pronouncements of the Union Finance Minister indicated that the Government wanted more and more of corporate enterprise to come into being, Mr. Kapadia said: "Logically, therefore, Government ought to see that this objective was achieved and it was but to be expected that with the great increase in personal income taxation, the taxation of corporate enterprise would be much less burdensome." He, however, regretted that steps taken by the Government had resulted in more and more burdens on corporate enterprise as well. He subjected three specific measures adopted by the Government in the recent past to a critical scrutiny. The measures which he considered were: (1) withdrawal of rebate on undistributed profit; (2) a levy of supertax on a graduated scale on distribution in excess of 6 per cent. on paid-up capital, and (3) levy of a tax on bonus shares. He rightly said that these measures definitely showed a reverse of the policy the avowed object of which had been the ploughing back of profits within industry. He also referred to the fundamental changes made in the provisions of section 23A of the Indian Income-tax Act. He felt that if the object of the Government was to encourage corporate enterprise in the interests of the success of the Plan, then it was imperative that the new provisions should be deleted and section 23A should be kept completely in abeyance for the period of the second Plan.

Urging a dispassionate consideration of the question of retention of profits, he said, that the extra super-tax on excess dividends might in many cases result in lower rates of dividend which in turn would have an impact on the prices of the scrips; they might go much below their intrinsic worth. Summing up his observations on the Government's taxation policy, he said:

"If Government thinks in terms of gearing corporate enterprise and corporate savings, it is but imperative that conditions should be created for the fullest development of corporate enterprise and corporate savings. And to achieve this objective the minimum possible burden should be put on corporate enterprise and logically, therefore, rebate in respect of undistributed profits ought to be there, the extra tax in respect of excess dividend distribution should be dropped, the tax in respect of bonus issues must be eliminated and the deposit scheme so administered as to bring within its compass only those companies which deliberately fritter away their resources by distribution of surpluses available as a result of capital allowances and by the utilisation of such resources in extraneous activities. On the other hand, if Government thinks in terms of the savings being generated through individuals and Government thinks in terms of the equity holder who is the backbone of the corporate enterprise, with the extra burdens on companies, the burden of individual taxation must be considerably lowered if the objective of generating savings for the success of the second Plan is to be achieved."

In view of the very legitimate fears entertained by the business community over the next budget and of the imperative need to stimulate savings, individual and/or corporate, it is greatly to be hoped that Mr. Kapadia's closely reasoned analysis of the Government's fiscal measures will receive the attention it deserves.

NEWS IN BRIEF

THE Government of India has sanctioned a scheme in the private sector for the production of 15,000 tons of pig iron annually at Coimbatore (Madras State) from the iron ores found near Salem.

Ganz, a Government-owned electrical equipment manufacturing firm in Hungary, will build two hydro-electric power stations in Kashmir at a cost of over Rs. 30 lakhs. The order was placed on 25th January.

Under the Indian aid programme to Nepal, a team of Indian experts will visit Nepal to assess the requirements of a cement plant, and then visit China to select a cement plant to be given to Nepal under the Sino-Nepalese economic agreement.

For the supply of washed metallurgical coal from the Jharia fields to Bhilai and Rourkela, a washery would be set up in Gugda on the Jharia fields. Tender specifications for this washery have been prepared. The location of two more washeries to wash coals for other steel plants in the private sector has been settled. A broad allocation of coal to the various steel plants has been agreed to between the Ministries of Production, Railways, and Iron and Steel.

The 24th Annual General Meeting of the Indian Sugar Mills Association, Calcutta, will be held at New Delhi on Friday, 5th April, 1957, Mr. S. S. Kanoria, President of the Association, presiding. The meeting will be inaugurated by Mr. Ajit Prasad Jain, Minister for Food and Agriculture, Government of India. Apart from reviewing various important developments in the sugar industry during the outgoing year, it is understood that certain important resolutions having a vital bearing on the sugar industry will also be taken up for discussion.

An aggregate of 610 million pieces of new coins of denominations of one *naya paisa* and two, five and ten *naye paise* will be produced by 1st April—the day on which the decimal coinage comes into force. All the Government mints at Alipore, Bombay and Hyderabad are working at full speed to produce the new coins. It is expected that, by the end of June next, the mints will have produced an additional 230 million pieces. The new 25 and 50 *naye paise* (quarter and half rupee new coins) are to be introduced some time later in 1957.

The Punjab Government is examining proposals for setting up an electric appliances factory and an electric generator factory at Chandigarh. The capital investment on each of the two projects is estimated at Rs. 30 lakhs. The proposed factories will be set up by private industrialists with Government collaboration. The Government's contribution will be in the form of land and building. This form of mixed investment will probably be an innovation in the country.

The Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (16 of 1955), will come into force on 1st April 1957. The Act provides for the levy and collection of duties on medicinal and toilet preparations containing alcohol, opium, Indian hemp or any other narcotic. The Act and the rules made under it introduce uniform rates of excise duties on these preparations and prescribe a uniform set of rules to regulate the collection of duty on such preparations and trade in them.

The Aluminium Committee set up by the Government of India sometime ago has recommended the establishment of two units with a capacity of 10,000 tons each per annum during the second Plan period in order to increase the output of aluminium. According to the Committee, the current demand for aluminium in all forms is estimated at about 20,000 tons and it is expected to increase to 30,000 to 40,000 tons by 1960-61. One of the units, the Committee has suggested, should be established in Mettur to take advantage of the bauxite resources at Shevaroy. The two units should have an additional capacity for rolling about 5,000 to 6,000 tons aluminium sheets and strips.

* * * *

From Abroad

Egypt will get half a million tons of oil from Russia in exchange for Egyptian goods under an agreement signed recently between the two countries.

The British Overseas Airways Corporation is the world's second busiest inter-Continental airline among the companies affiliated with the International Air Transport Association. The busiest is Pan-American Airways, flying 27 per cent. of the inter-Continental air traffic, as compared with B.O.A.C.'s 11 per cent.

Freight rates for rubber shipments from the Far East to Europe are to be increased by 15 per cent. with effect from 1st June next, and the freight rates for tin cargoes will be raised by 10 per cent. from 1st May. These increases are the result of the decision of the three main liner conferences operating between Europe and the Far East to raise their basic rates of freight.

The Union of Burma and the United States have signed an economic co-operation agreement for development purposes. Under a concurrent loan agreement, the U.S.—through the Export-Import Bank—is granting Burma $25 million worth of credits to finance purchases of commodities and services Burma needs for its development. Another $17.3 million worth of kyats is being extended to Burma to purchase U.S. reserve agricultural commodities. Both are long-term 40-year loans.

The Japanese Government has invited applications for constructing 398,000 gross tons of ships—the largest programme since Government sponsorship was introduced in shipbuilding in 1947. The record figure, according to the Ministry of Transport, is based on the assumption that the Japanese Development Bank, a Government financial institution, will supply 20,000 million yen for the programme. The Bank may, however, reduce the fund by 10 per cent. and in that case, the total tonnage will be reduced to 340,000 tons.

Burma and the U.S. have signed an economic co-operation agreement, providing for loan assistance to the former for economic development. Under the agreement, Burma will get two loans aggregating $42.3 million. The two loan agreements will be concluded with the U.S. Export-Import Bank. The first loan of $25 million will be made from the dollar funds of the International Co-operation Administration and other loan of the order of $17.3 million will be given from the amount paid by Burma to the U.S. for the purchase of surplus agricultural commodities.

The Economic Council of Finland, a body of experts which advises the Government on matters of national financial, economic and commercial policy, has published a programme designed to stabilise the country's economy. Under the programme, wages are to be increased only when production increases. Prices of fruit, coffee, liquid fuel, imported grain, cattle fodder and other commodities are to be freed from current State regulation. The tax on companies' profits is to be increased from 32 to 38 per cent. Imports of fuel are to be cut by 20 per cent. Exports of timber and wood products are to be subjected to a levy, the proceeds of which will go towards financing the purchase of raw materials for Finnish industries.

The Burmese Government is ready to disburse in the current financial year Rs. 82 lakhs as compensation for nationalised agricultural lands. According to Mr. Thakin San Myiut, Minister for Land Nationalisation, there are 6.2 million acres of land to be nationalised in Burma, of which 2.3 million acres belong to the South Indian *Chettiar* community. If all these lands are resumed by the Government, total compensation payable will amount to Rs. 13.7 crores, of which the Chettiars will receive Rs. 4.6 crores or 33.5 per cent. of the total compensation amount. But about 1.4 million acres only have been nationalised so far since the Act came into force. In 1953-54 and 1954-55 about 674,560 acres were nationalised, for which compensation payable amounted to Rs. 155 lakhs.

PERSONAL

MR. John A. Thivy, India's Ambassador to Italy, left for Rome on Saturday last week.

Mr. Babubhai M. Chinai of Bombay has been elected President of the Federation of Indian Chambers of Commerce and Industry for the coming year.

Mr. Gopala Menon, Indian Consul-General in New York, has been elected Chairman of the *Ad-hoc* Committee of the Special United Nations Fund for Economic Development.

Mr. G. A. Kulkarni and Mr. S. M. Mistry have been elected President and Vice-President, respectively, of the Association of Merchants and Manufacturers of Textile Stores and Machinery, India, for 1957.

Mr. N. S. V. Aiyer, Secretary, Millowners' Association, Bombay, has proceeded on long leave preparatory to retirement after 34 years of service to the Association. Mr. B. G. Kakatkar, formerly Deputy Secretary, has taken over charge as Acting Secretary.

Dr. S. T. Merani, Labour Attache, Consulate-General of India, Geneva, will represent the Government of India at the fourth session of the Advisory Committee on Salaried Employees and Professional Workers of the I.L.O. to be held at Geneva from 1st to 13th April next. The employees will be represented by Messrs. L. C. Joshi and A. K. Bhatacharya and the workers by Messrs. Keshab Banerjee and N. M. Barot.

Mr. C. H. Bhabha (Central Bank of India), Mr. D. R. Thom (Bank of India) and Mr. S. L. Kothari (Bank of Jaipur) have been re-elected Chairman, Deputy Chairman and Honorary Secretary, respectively, of the Indian Banks Association for the year 1957. The other members of the Committee are: Messrs. N. M. Chokshi (Bank of Baroda), Mr. M. R. Ruia (United Commercial Bank), Kamalnayan Bajaj (Punjab National Bank), S. Krishnaswamy Iyengar (Indian Bank) P. V. Gandhi (Devkaran Nanjee Banking Co.), F. K. F. Nariman (Union Bank of India), N. K. Karanjia (Central Bank of India) and C. Eknath Kamath (Canara Bank).

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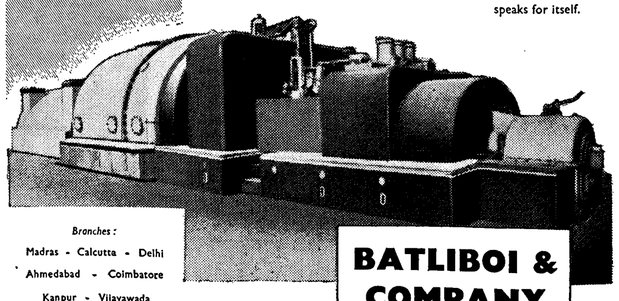

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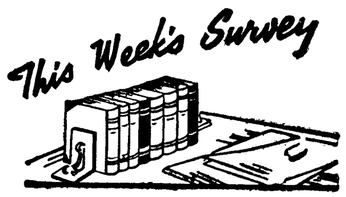

BOMBAY BUDGET

THE Government of Bombay's budget for 1957-58, which Dr. Jivraj N. Mehta, the Finance Minister, presented to the State Legislative Assembly on Saturday last week, is only of academic importance. For it takes the nature of a vote-on-account budget, pending the presentation of a full-fledged budget after the new Legislature meets. The estimates of receipts have been framed on the basis of existing taxation and those of expenditure provide only for obligatory and standing charges so as to enable the continuance of existing services. The budget does not thus propose to anticipate in any manner the decisions of the new Government by initiating new policies or making changes in existing policies. Nevertheless, the budget is of some interest for two reasons. First, it gives a picture of the financial position of the enlarged bilingual State of Bombay. Secondly, it indicates, through the disclosure of a sizable revenue surplus of Rs. 2.37 crores and the huge contemplated capital expenditure of Rs. 40.68 crores, that higher taxation will not be long delayed.

An idea of the budgetary position of the enlarged bilingual Bombay State, as compared with that of the State prior to reorganisation, can be had from the following statement:

(In crores of rupees)

	1957-58 (*Bilingual Bombay*)	1956-57 (*Before Re-organisation*)
Revenue Receipts	106.32	78.10
Revenue Expenditure ...	108.69	77.87
Deficit(−) or surplus(+) ...	−2.37	+0.23

The revenue deficit of Rs. 2.37 crores and the capital expenditure of Rs. 40.68 crores—the two together amount to Rs. 43.05 crores—represent the sum which the Bombay Government will have to raise in the next financial year. As against this amount, the Finance Minister has taken credit for Rs. 5.58 crores met from funds and for Rs. 12.34 crores representing betterment under debt heads, inclusive of loans from the Central Government, but without taking into account open market borrowings. The overall deficit expected for 1957-58 thus comes to Rs. 25.13 crores. The deficit is proposed to be fully covered by withdrawals from the opening balance of Rs. 32.31 crores. The coming year (1957-58) is, therefore, expected to close with a balance of Rs. 7.18 crores, including amounts invested in Treasury Bills. This balance, according to the Finance Minister, will go up to the extent of the Government's open market borrowing which will be partly counterbalanced on account of new schemes that will be taken up by means of supplementary demands.

The estimated receipts of Rs. 106.32 crores include Rs. 35.06 crores under "other taxes and duties," Rs. 14.57 crores on account of the State's share in Central taxes (income-tax Rs. 11.52 crores, Union excise duties Rs. 2.61 crores and Estate Duty Rs. 44 lakhs), and Rs. 13.19 crores under land revenue. The provision of Rs. 35.06 crores under "other taxes and duties" includes an amount of Rs. 24.50 crores for general sales tax which takes into account a credit of Rs. 1 crore for sales tax on inter-State trade. The estimate on the expenditure side includes Rs. 19.57 crores for education, Rs. 11.43 crores for police, Rs. 8.66 crores for medical and public health, Rs. 6.90 crores for general administration and Rs. 5.78 crores for Community Development Projects, National Extension Service and local development work. The estimate of Rs. 8.03 crores under "miscellaneous" includes an amount of Rs. 2.67 crores for the integration of pay scales and dearness allowance rates of the employees of the new State and for granting increased rates of dearness allowance to low-paid employees in accordance with the recent Government of India scheme.

The net year's budget, as already stated, provides for a capital expenditure of Rs. 40.68 crores for schemes other than those of State trading; the figure is inclusive of Rs. 2.96 crores for roads which is debited to the State Road Fund. The bulk of the capital expenditure is accounted for by irrigation, the capital outlay on which is estimated at Rs. 16.98 crores. Roads and buildings account for Rs. 9.21 crores. The outlay on the Koyna project is put at Rs. 6.86 crores and on Port development at Rs. 86 lakhs.

The aforesaid items of capital expenditure are proposed to be met principally from loans (Rs. 13.07 crores) and grants (Rs. 1.33 crores) from the Centre, share in small savings (Rs. 6.68 crores), withdrawal from Fund for Development Schemes (Rs. 2.00 crores), and balances in State Road Fund, Milk Fund, Sugarcane Cess Fund, Port Development Fund, etc. (Rs. 4.21 crores). The balance will be met from open market borrowing and other sources. The budget contains provisions for loans and advances. They include Rs. 5.30 crores to the new Bombay Electricity Board, Rs. 1.95 crore under industrial housing schemes and Rs. 1.05 crore under low-income group housing scheme.

DRILLING FOR MINERAL OIL

Arrangements in respect of exploratory drilling for mineral oil in the Jawalamukhi hills of the Punjab are being fast completed. Working against heavy odds in the difficult mountainous terrain of the Sivalik ranges, 16 Rumanian engineers and technicians are busy completing the derrick which will penetrate the foot rocks of the Himalayas in search of mineral oil. Drilling operations in this area are the first major step in the implementation of India's Rs. 30-crore scheme for mineral oil exploration during the second Plan period. The importance of exploring and tapping the country's mineral oil resources cannot be overemphasised in view of the fact that the country now spends more than Rs. 75 crores worth of foreign exchange on imports of mineral oil. The demand is estimated to double by the end of the second Plan and foreign exchange to the tune of Rs. 150 crores will have to be found for the purpose.

Indian and foreign oil experts who surveyed the region during the last two years were hopeful of subathus—oil-bearing rocks—being found at a depth of 8,000 to 9,000 feet. The seepage of gas in the form of burning flames in a nearby temple for centuries has only confirmed the belief that oil or gas or both may be present in the area. Work on the derrick site started in January last and is nearing completion. The transportation of the drilling equipment to the site was a difficult job and a special road had to be cut through solid rock to carry the 1,300-ton heavy equipment to the drilling point. About seven thousand workers were employed to construct the 4½-mile long road which had to be strong enough to withstand transport of the heavy equipment.

The drilling equipment, which had been purchased from Rumania at a cost of Rs. 40 lakhs, is being installed by Rumanian technical personnel. They are also training Indian engineers in the science and technology of oil drilling. The 45-ton heavy derrick, which will be propelled by five engines of 300 h.p. each, has a load capacity of 300 tons. It can drill up to about 10,000 feet.

The derrick will thrust four casings of varying diameters into the rock to reach a depth of 11,500 feet. The first one of 18⅜ feet diameter will pierce up to a depth of 300 feet and the second and third of 14¾ and 10¾ feet in diameter will reach a depth of 2,100 and 6,600 feet respectively. The last casing, which will probe upto a depth of 11,500 feet, will be of 6⅝ feet in diameter. The outer surface of each successive casing will be cemented with a special quality cement to avoid puncturing of the side or the onrush of gas or any extraneous matter. A special kind of mud will circulate through the casing which in the process will bring out the crushed rocks for analysis in a laboratory at the work site. The road to another drilling site, where a second drill obtained from Russia is to begin operation, is under construction. A modern miniature town is already springing up in the area.

SCIENTIFIC RESEARCH

Some important decisions in respect of the development and co-ordination of scientific research in the country were taken by the Board and the Governing Body of the Council of Scientific and Industrial Research at its recent meeting held in Bangalore. Among the major proposals approved by the Board were those relating to the setting up of a National Aeronautical Research Laboratory and establishment of four research centres for essential oil, one each at Dehra Dun, Kanpur, Poona and Bangalore. The National Aeronautical Research Laboratory, with facilities for undertaking research on all aspects of aeronautical engineering, will be established within a reasonable time and a phased programme for this purpose will be drawn up for implementation during the second and third Five-year Plans. The Laboratory will undertake scientific investigations into the problem of flight in relation to design, construction and operation of aircraft. A transonic supersonic wind tunnel will also be set up as soon as possible to serve as the nucleus of the proposed laboratory. A project team is to be appointed to work out the details. It has also been decided to set up a Wind Power Division in the premises of the Central Salt Research Institute, Bhavnagar. The Ionosphere Field Station at Haringhata, in Calcutta, will be placed on a permanent footing. An Advisory Committee has also been constituted to assist the Council in the administration of the station. The establishment of training-*cum*-research centres on gas turbines at the Indian Institute of Technology, Kharagpur, Bengal Engineering College, Calcutta, and Indian Institute of Science, Bangalore, was approved.

The programme of work drawn up by the Essential Oils Research Committee for the research centres at Dehra Dun, Kanpur, Bangalore and Poona was also approved. The problem of indigenous production of sulphur also figured in the discussions of the Board and various concrete proposals for developing sulphur production were made. The Governing Body also sanctioned 50 new research schemes covering various branches of science and engineering.

It may be observed that greater co-ordination between the Development Wing of the Ministry of Heavy Industries and the Council of Scientific and Industrial Research for utilisation of the results of research at the national laboratories has been made possible by the creation of a Joint Standing Committee with the Minister for Heavy Industries as Chairman and the Director-General of, Scientific and Industrial Research, the Chief Industrial Adviser to the Government of India, and prominent industrialists as members. The creation of a centre for design and fabrication of pilot plant and training of design personnel is one of the important decisions taken in this respect.

PROGRESS IN HOUSING

Among the basic necessities of life, housing comes next only to food and clothing. Appropriately enough, considerable importance has been given to the development of housing in the second Plan. This is evidenced by the fact that no less than Rs. 120 crores have been provided for under this head, as against Rs. 38.5 crores in the first Plan. This amount is distributed among various schemes thus: Subsidised industrial housing Rs. 45 crores; low income group housing Rs. 40 crores; rural housing Rs. 10 crores; slum clearance and sweepers housing Rs. 20 crores; middle income group housing Rs. 3 crores and plantation housing Rs. 2 crores.

Some commendable progress has been made in 1956-57 in the implementation of these programmes, which come under the Ministry of Works, Housing and Supply. Obviously, the pace of progress will have to be quickened in the coming years, if the targets fixed for the Plan are to be reached according to schedule. A noteworthy feature of the progress during 1956-57 was that two new schemes, namely, the Plantation Housing Scheme and the Slum Clearance Scheme were introduced. The former envisages grant of interest-bearing loans, not exceeding 80 per cent. of the estimated cost of construction, to planters through their State Governments to enable them to provide accommodation for resident labour in accordance with the requirements of the Plantation Labour Act, 1951. The second scheme contemplates grant of Central aid to the extent of 50 per cent. of the cost of approved projects by way of interest-bearing loan and 25 per cent. by way of subsidy, provided the State Governments give the balance from their own resources. Response from the States is reported to be satisfactory in respect of both the schemes. Yet another notable development was the revival of the scheme for the grant of housing advances to Central Government servants in April 1956. The scheme is said to be gaining popularity.

One of the more important schemes which have already been in operation is the Subsidised Industrial Housing Scheme. According to this Scheme, the Centre grants loans and subsidies to State Governments, private employers and

(*Continued on page 656*)

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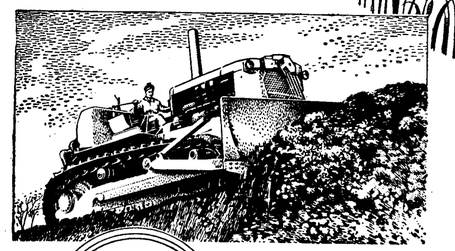

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PROCEEDINGS OF COMMERCE FEDERATION

From Our Own Correspondent

NEW DELHI, 26*th March*

THE last week-end in the Capital was highlighted by the annual session of the Federation of Indian Chambers of Commerce and Industry, inaugurated by Prime Minister Nehru. The Federation's deliberations, more or less synchronising with the presentation of the Central Budget and the debate thereon in the Lok Sabha, confirmed the full extent to which the business community was willing to go in its co-operation with the Government in the building up of the Welfare State. Prime Minister Nehru, in criticising the nineteenth century concept of free enterprise, unfortunately missed the point that the business community in India was only pleading for the utmost possible freedom of enterprise within the limitations of a mixed economy. He, however, made the significant admission that the tax burdens on industry were heavy and that it had cause to grumble. And the Prime Minister also spoke enough to indicate that his Government would never be dogmatic in its approach to economic problems and there was enough scope for the development of the private sector in the pattern of the first Five-year Plan.

DELHI LETTER

The outgoing President of the Federation, Mr. Lakshmipat Singhania, in a balanced and lucid speech, offered the co-operation of business men and industrialists to the Government in its development efforts. He made a number of constructive suggestions that merit particular attention. In view of the foreign exchange crisis which has compelled the Government to impose restrictions even on imports of capital goods and machine tools, he suggested the constitution of a small committee composed of officials and non-officials which could go into the whole question of import requirements for both the public and the private sectors. This suggestion was at once timely, because the development schemes of the public sector do not seem to feel the pinch so much as those in the private sector. In view, again, of the need for augmenting the country's scarce resources in foreign exchange, Mr. Lakshmipat Singhania also advanced a powerful plea for the setting up of new export industries and for strengthening the existing ones.

One of the resolutions passed by the Federation rightly, therefore, focussed attention on this question and called for a modification of the import and export policies. The relevant resolution suggested that imports of consumer goods should be restricted further and steps taken to augment internal production to meet internal requirements. To this end, a liberal licensing policy should be followed for the establishment of new units and expansion of existing ones. On the export side, the resolution urged, steps should be taken by industry and trade with the co-operation of the Government, to diversify export trade in regard to both commodities and export markets and exporters should pay greater attention to the quality of finished products and arrange for appropriate inspection of goods before shipment.

Capital Formation

Mr. Singhania devoted a good portion of his speech to capital formation, emphasising that the growth of savings would depend on the pursuit of appropriate fiscal and monetary policies by the Government. In urging that unduly high levels of taxation and drastic measures of restriction of credit should be avoided, he remarked, *inter alia*: "It is true that inflationary pressures, as and when they occur, have to be curbed. But price increase is a symptom and the cure lies in assisting production. At the same time, it should be recognised that some increase in the level of prices will inevitably accompany the rise in national income and expenditure. The experience of the last two years indicates that credit stringency and restrictive Governmental policies have attempted more to arrest a rise in prices than to look to the effects on the expansion of industries and the consequent growth in production."

While Mr. Singhania brought out the contradictions in the Government's fiscal and monetary policies in a general way, it was given to Mr. G. P. Kapadia to particularise such contradictions in the present approach to corporate savings and capital formation. One paragraph in the latter's brilliant speech would bear full quotation:

"There is a new trend of thought about the gearing of savings by individuals and savings by corporations. An impression is now gathering strength to the effect that, since the State is indulging more and more in taxing corporate enterprise, after having reached the saturation point in individual taxation, a time has come to develop a new outlook whereby the distribution of (retained profits) by companies may be considered to be advisable and penal measures may be introduced for non-distribution. This theory takes full cognisance of the fact that, in the hands of the recipient individuals, the incomes should not bear tax at heavy rates and there should be a very substantial reduction in the rates of personal income taxation. If Government think in terms of gearing corporate enterprise and corporate savings, it is but imperative that conditions should be created for the fullest development of corporate enterprise and corporate savings."

The final session of the present Lok Sabha has just discussed the "lame-duck" Budget in a "lame-duck" way. The otherwise dull session was enlivened by Mr. Tulsidas Kilachand who questioned the accuracy of Budget estimates and by Mr. Ashok Mehta who spoke on the gravity of the present economic situation. The session, incidentally, was notable for its rejection of a Communist resolution demanding the nationalisation of the British tea interests in the country.

Elections in Kerala

The certainty of Communists being entrusted with the responsibility of forming a Government in Kerala State, where they have won an absolute majority, has been anxiously discussed in political circles here. It is suggested, in this connection, that the Union Government would have to classify the confidential papers which cannot be shared with the States and also to exercise stricter control over the State's finances in the spheres specified in the Constitution. The only redeeming circumstance is that Kerala is a deficit State which will have to rely greatly on the Centre for financial assistance.

In such circumstances, it is considered unlikely that a possible Communist Government in Kerala will bring forward any scheme for nationalisation of foreign-owned tea and rubber plantations (particularly after the rejection of the Communist demand in the Lok Sabha for such nationalisation), for the simple reason that the State will not have sufficient financial resources for paying compensation in accordance with the provisions of the Constitution. That Communists will measure their steps in Kerala in the hope that they have a world to win could be inferred from the statement of a leading member of that State's Communist Party executive at a Press conference here. He emphasised that his party did not intend to introduce radical reforms which might run counter to the Constitution. Such reforms as the party might contemplate, could be introduced only with the concurrence of the Centre. Radical land reforms, on the other hand, would present no difficulty inasmuch as the second Plan itself was already committed to them. A ceiling on landholdings on the basis of an annual income of Rs. 3,000 per family would definitely be imposed.

(*Concluded from next column*)

duction is only about 40 per cent. above pre-war and mutton and lamb production remains at the pre-war level. These two categories are being given a stimulus, but since we are dealing here with farm products which are the slowest of all to mature, dramatic results cannot be expected.

Thus, the Government has indicated its determination to continue giving encouragement to agriculture and the value of the industry's output will probably go on rising another 1 per cent. or 2 per cent. each year. Already, it is nearly 60 per cent. higher than pre-war and in the past ten years has increased by some 30 per cent. The cost in subsidies is high, but relative to both the national income and the country's financial budget seen in the round, it is hardly an excessive price to pay to maintain a strong and progressive agricultural industry.—*All Rights Reserved.*

FARMERS TRIUMPHANT

From Our Own Correspondent

LONDON, 23*rd March*

IN spite of the attacks which are always made upon the farming industry when the cost of subsidies is mentioned—and this year the attacks in the course of the annual review of prices and subsidies have been driven particularly hard—the farmers have managed not only to hold their own but even slightly to improve their position. All of the principal agriculture products of the United Kingdom come under the umbrella of the Government's guarantee and the value of this protected section of the industry is some £1,200 million. Of this, the market worth is about £950 million leaving £250 million, or rather more in the coming year, to be met out of the public purse.

LONDON LETTER

The agriculture subsidies have, because of cost increases, tended steadily to rise and in the year before last they only amounted to £205 million. The Government, however, has two problems to face, the first that it has undertaken to give long-term assurances to the country's farmers that the value of their guaranteed products will not be allowed to fall by more than 2½ per cent. per annum. On the other hand, the Government is also anxious to maintain a high level of agricultural output to save import costs; so that while this year the Government could have reduced the value of its guarantees by some £30 million, in practice, it increased them by some £6 million, that is after taking account of the increases in costs which the Government has decided to bear.

Balance of Production

Thus, farmers as a whole are going to be slightly better off than last year, but inside the general category of farmers the actual arrangements in the negotiations between the Government and the National Farmers Union give different results to different classes of producers. The Government, by increasing subsidies on particular products and reducing them on others, can have a material effect on the balance of production, though it is limited in wielding this power by the fact that the guarantee on each individual product must not be moved more than 4 per cent. in any one year, or more than 9 per cent. over any period of three years. The Government is naturally criticised when, having given financial encouragement to the production of some commodities, it then switches its policy and tries to cut down the guarantee on that commodity; but that after all is exactly how the free market works. If price encourages the production of a particular commodity then the consequent increase in supplies brings about in time a reduction in the attractiveness of the price and producers switch to something else.

So this year the Government, which had been steadily encouraging milk production, has noted that supplies are out-running demand and has refused to give further support to the expansion of production this year. Milk production is indeed 50 per cent. higher than pre-war. The same dramatic increase has been seen in egg production and in this market imports have been virtually squeezed out. So the guaranteed price of eggs has been reduced by the full 4 per cent. which the arrangements with the farmers permit, and indeed other disincentives are being applied to their production. The production of wheat has also far outrun the economic level for this country; the acreage for the current season is nearly 25 per cent. higher than before the war, but production is substantially more than 50 per cent. higher. With large wheat surpluses in the world and especially in the Commonwealth, the Government wants to reduce the volume of wheat in the cereals acreage and wheat has also been cut back the maximum permitted. Lastly, pig production has had any further incentives withheld. A few years ago, the Government was at its wit's end to try to increase the production of pig-meat but for some reason no stimulus appeared effective, and then suddenly the financial bribes rose to such a level that pig production soared upwards. Today, it is not quite as high as the peak of two years ago, but it is still a good 50 per cent. higher than pre-war (ten years ago, it was less than half of pre-war, so that production has trebled itself in ten years).

The farmers who are doing well this year are the producers of sheep and cattle. Beef pro-

(*Continued in previous column*)

AMERICAN LETTER

FAST RISE IN GOVERNMENT SPENDING

EMPHATIC DEMAND FOR BUDGET CUT

From Our Special Correspondent

NEW YORK, 20*th March*

THE two chief events on which American public opinion is focussed at this time are the meetings of British Prime Minister, Mr. Harold Macmillan, with President Eisenhower at Bermuda, as well as the renewed crisis between Israel and Egypt over the Gaza strip and the Aqab Gulf area. So far as the former is concerned, it seems to aim at two major objectives—the revival of close Anglo-American ties and friendship which was sorely tried by the Anglo-French invasion of Egypt which was condemned by the United States and the United Nations, and a reappraisal of Britain's position as a world power.

The United Kingdom's position *vis-a-vis* the U.S. is that the British as a nation are carrying economic and military commitments beyond their capacity and these must be trimmed to fit what can be borne, pocketbook-wise. There seems to be determination on both sides that, in the future, the Anglo-American alliance must be based on hard and clear understandings of the issues involved and not just on sentiment, as exemplified by such organisations as the Union of the English-speaking peoples. Somehow or other, the implication is that Britain no longer is the world power it used to be. The process of decline has been so gradual and yet so rapid that it has escaped attention here and abroad.

No doubt, behind closed doors, Whitehall will seek agreement from Washington to reduce her military forces in Germany. British proposals include increased supplies of American nuclear weapons for its forces.

There is much speculation here what demands for U.S. economic help will be made for a long-range programme to reduce West European dependence on the Suez Canal for petroleum supplies. This suggests that the U.S. will be asked to assume a substantial share of the present British subsidy to Libya and American support for a new cost-sharing programme for the North Atlantic Treaty Organisation.

How all such proposals will fare at the hands of Congress is an unknown factor at this point. Senators and Congressmen have been deluged with mail from constituents demanding that the Federal Budget is too high and must be reduced. At least 90 per cent. of Congressional mail demanding reductions suggest that foreign aid is the area to attack first in this respect, according to a special survey by *Newsweek* magazine. Other fields where the axe may fall is defence, public works and the farm price support programme. The latter covers such crops as wheat, maize, cotton, tobacco, rice and groundnuts.

The reason for the emphatic demand for Budget-cutting is that Government spending has risen faster than anticipated. According to figures not yet published, expenditures by Federal, State and local Governments have jumped at the annual rate of $2,500 million in the first quarter of the year above the October-December 1956 rate. The Federal share of this boost is about $1,000 million and it was spent mostly on the armed forces. Price increases were responsible for the major portion of it, if not all. Higher spending was generally anticipated but not to such an extent.

There is still general optimism about the business picture in this country, although soft spots can no longer be laughed off. Factory jobs, which usually turn up in February, fell slightly, although employment that month was up 600,000 to 63,200,000.

Actual spending by business and industry in the past six months has been lower than forecast by both the Securities and Exchange Commission and by the U.S. Department of Commerce. This is difficult to pin down in accurate figures, since industries love to announce huge expansion plans, but they are usually quiet when the cut back takes place in this area and postpone projects.

Also, for the first time since December 1951, housing starts have dipped below the 1 million a year rate and all indications are that they will go down still more this spring. Bankers speak of such development as "desirable" until the lull in some lines should be intensified. In this connection, it should be remembered that the Federal Reserve, which has done everything in its power to stem inflation, admits it is much more difficult to call the turn on an actual recession and do something about it effectively by loosening monetary stringency.

A downturn usually snowballs much faster than an upturn. It is human nature, during a cycle of declining prices, to wait with the purchase of goods until still lower prices obtain and to buy promptly when prices go up for fear that prices will be still higher later. It is at the moment a very confusing situation. Neither business nor Government knows which way the wind is going to blow in the ensuing months, particularly since the normal summer lull may be superimposed upon an abnormal cyclical lull—abnormal at least in the perspective of the last ten years.

The automobile industry is not doing too well, either. New car stocks on the sales floors of retailers have increased further and some dealers are voicing concern over the accumulation. The first cries of "enough" are being heard.

The action of the stock market fully confirms the uncertainty which hands over the U.S. business world. Lassitude in trading has reigned for many days in recent weeks. Transactions on 19th March, for example, fell to the smallest figure since 23rd October 1956, namely, only 1,450,000 shares. Stock prices have been soft, while bond quotations were on the steady to firm side.

World trade is still doing all right. International exports rose by 11 per cent. in value in 1956, according to a compilation of the United Nations. About 40 per cent. of this boost is being attributed to greater volume of shipments from the United States, but only 14 per cent., was absorbed by increased imports to the U.S. The closing of the Suez Canal came too late in the last quarter to influence the last quarter showing.

There was a marked increase in capital goods exports from America and Western Europe to the rest of the world. This reflects the progress which has been made in the industrialisation programmes of the less developed countries. The share of the U.S. in this movement was 29 per cent. of world volume and Western Europe's share was 13 per cent. In the field of agriculture, the Government reported that farmers' planting intentions for 1957 indicated the smallest crop acreage under cultivation in 40 years, but the surpluses are so large that the commodity markets hardly reacted to it.—*All Rights Reserved.*

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Paid-up Capital		3,14,54,000	Investments		53,35,43,000
Reserves and other Funds		4,02,77,000	Advances		91,99,61,000
Deposits		1,38,99,41,000	Lands & Buildings		1,08,53,000
Other Liabilities		15,89,84,000	Other Assets		48,46,000
Profit and Loss Account—					
Brought forward	18,41,000				
Profit 1956	1,04,36,000				
	1,22,77,000				
Appropriations	79,37,000				
		43,40,000			
Total		1,62,49,96,000	Total		1,62,49,96,000

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GROWTH OF BANKING IN KERALA—III

OVER-CAPITALISATION—FOREMOST DEFECT

THE growth and structure of banking in Kerala, as has been noticed in the first two articles in this series in our issues of 9th and 16th inst., are largely shaped by the peculiar conditions obtaining in the State. An examination of the financial position of the banks in the State, on the other hand, reveals that many of the banks incorporated in the State suffer from certain serious weaknesses, one of the more important of them being overcapitalisation. An important feature of these weaknesses is that they are not confined to any particular class of banks; they afflict all types of banks irrespective of their size. Their financial position further discloses that despite the rise in paid-up capital, reserves and deposits of these banks over the last five years, their gross profits as well as net profits have tended to fall sharply.

Eight prominent features, or weaknesses, generally exhibited by the banks, according to the Travancore-Cochin Banking Enquiry Commission, are: overcapitalised position, high rates of interest on sizable portion of deposits, over-extended advances, high percentage of advances against real estate, high percentage of clear advances, high percentage of advances having undesirable features, working at a loss, and low real value of paid-up capital and reserves. Data obtained by the Commission in this regard discloses that 113 of the 133 banks, or 84 per cent. display an overcapitalised position. It is noteworthy, however, that as against 98 per cent. in the group of small-sized banks, 38 per cent. of the large-sized banks are found to suffer from this defect. The concentration of these weaknesses among the small-sized banks indicates, according to the Commission, that they are not able to attract sufficient business, and that there is some redundancy of units in this group. Further, 62 per cent. of the total number of banks are also found to pay high rates of interest on their deposits. Moreover, over-extended position of advances is seen in respect of 56 per cent. of the banks. The medium and large-sized banks are found to display this tendency in a more pronounced manner than the small-sized banks. Almost an equal number of banks, again, as in the case of over-extended advances, display the two features, namely, high percentage of advances against real estate and high percentage of clear advances. Furthermore, about one-third of the total number of banks show undesirable features in respect of their advances. The medium-sized group of banks has relatively the largest proportion of units exhibiting this weakness. It is also significant that 22 out of 133 banks are incurring losses and 31 of them suffer from the erosion of their capital by 50 per cent. or more. On the basis of this position, the Commission has found that the extent of deviation from all-India standards is quite pronounced in relation to the first five characteristics given above. The greatest deviation, however, is found in respect of overcapitalisation of banks. The broad conclusion drawn from these facts by the Commission is that many of the difficulties confronting the banks in the State are more due to their managerial policies than to their structure.

Operational Efficiency

The Commission concedes, however, that it is difficult to hazard definite conclusions regarding operational efficiency from the foregoing study of the financial position. Nevertheless, it makes an attempt to examine the performance of the Award banks and Non-Award banks, separately, during the period 1951-55 from the standpoint of certain important factors such as paid-up capital, reserves and gross profits. This study reveals that the whole group of Award banks and Non-Award banks showed, during the period, increases in paid-up capital, reserves and deposit resources, though certain individual cases proved an exception. Further, the aggregate gross earnings of Award banks also reflected an uninterrupted rise. Their net profits, however, fell off during the period, partly as a result of certain banks working at a loss and partly due to rise in establishment charges. There was thus an increase in the number of the banks which could not ensure any return to the shareholders. A distinguishing feature observed in the case of both the types of banks, however, was that, by and large, the rise in deposits accrued to larger units. This seemed to indicate, the Commission says, that the reason for the small banks not being able to attract deposits was their small size. Moreover, while the gross profits of the Award banks registered a decline after 1953, those of Non-Award banks, though they showed a fall in 1953, were at their highest in 1955. The net profits of the latter, however, showed a small decline. A particularly significant feature of the working of the Award banks was that a large number of banks work on an unremunerative basis, or with slender profits, with the result that only 50 per cent. of the banks could pay dividends to the shareholders consistently.

The Commission has also considered at some length some alleged difficulties experienced by the banks following the application of certain provisions of the Banking Companies Act, 1949, to the Travancore-Cochin State, and the advice tendered by the Reserve Bank of India on matters of policy and methods of operation. In this connection, the Commission has made some important recommendations. They are, briefly, (1) the existence of certain companies which are not entitled to transact business in terms of section 11(ii) of the Banking Companies Act, 1949, should not be allowed to continue. (2) Banks which have secured exemption from the above section, and the financial position of which is satisfactory, may be allowed to enjoy exemption for the last time up to 31st March 1960 to enable them to satisfy the requirements. (3) The question of prescribing different ratios for demand and time liabilities under section 24 of the above Act may be further examined by the Government. Meanwhile, the present concession granted to the banks incorporated in and confining their activities to the State, namely, maintenance of 15 per cent. of their total demand and time liabilities in eligible assets, which is valid up to 31st March 1957, may be extended for three years. (4) The balances maintained with banks other than the Reserve Bank and its agents should not be taken into account for purposes of section 24. (5) Banks should take concerted action to bring down the level of interest rates on deposits. (6) Banks should not grant advances on real estate on a large scale. (7) The State Government should make a thorough enquiry into law's delays in respect of suits filed by banks in the States and take such steps as are necessary to speed up their disposal. (8) Banks in the State should adopt sound banking practices and bring them into conformity with the banking law.

Conditions of Service of Employees

An important section of the recommendations and suggestions of the Commission relates to the terms and conditions of service of the bank employees, which it has examined thoroughly. Among other things, the Commission recommended that, in the case of 'D' class Award Banks incorporated in the State, the exemption in respect of area IV in the State

(Continued on page 633)

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Subscribed Capital £4,562,500
Paid-up Capital £2,851,563
Reserve Funds £3,104,687

Head Office: 26, BISHOPSGATE, LONDON, E.C. 2
West End Office: 13, ST. JAMES SQUARE LONDON S.W. 1
BRANCHES:

INDIA: Calcutta, Chowringhee, Calcutta, Bombay, Madras, Mount Road, Madras, Bangalore, Amritsar, Kanpur, Delhi, New Delhi, Tuticorin, Cochin
PAKISTAN: Karachi, Saddar Branch Karachi, Lahore, Chittagong, Agrabad Rd., Chittagong, Narayanganj, Khulna
BURMA: Rangoon
CEYLON: Colombo, Kandy, Nuwara Eliya
ADEN: Camp, Aden, Steamer Point, Aden, Little Aden (Sub-Branch to Aden)
SOMALILAND PROTECTORATE: Hargeisa, Berbera
ZANZIBAR ISLAND: Zanzibar
TANGANYIKA TERRITORY: Dar-es-Salaam, Mwanza, Lindi, Moshi, Mtwara, Mikindani (Sub-Branch to Mtwara), Bukoba, Mbeya
KENYA: Mombasa, Nairobi, Kisumu (Sub-Branch to Nairobi), Delamere Avenue, Nairobi, Thika, Fort Hall (Sub-Branch to Thika), Nakuru
Dar-es-Salaam, Nalvasha (Sub-Branch to Nakuru), Kisumu, Kakamega (Sub-Branch to Kisumu), Eldoret, Koricho, Sotik (Sub-Branch to Koricho), Nyeri
UGANDA: Entebbe, Fort Portal, Kampala, Masaka, Jinja, Kamuli (Sub-Branch to Jinja), Mbale, Tororo, Soroti, Mbarara

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts opened.

Bombay Branch:
Mahatma Gandhi Road, Fort.
BOMBAY 1.
D. G. MOORE, Manager.

INDIAN OVERSEAS BANK EARNS RECORD PROFIT

DIVIDEND RAISED AGAIN

FOR the second year in succession the Directors of the Indian Overseas Bank Ltd. (General Manager: Mr. C. P. Doraikannu, Madras) have raised the dividend level, the latest year for which this has been done being the one ended 31st December 1956. Thus, the distribution, which had been stepped up from 6 per cent. to 7½ per cent. for 1955, has been raised further to a record level of 10 per cent. for the year under review. This is, however, in consonance with the further substantial progress in the Bank's business and the rise in earnings.

The profit for the year under review has jumped up from Rs. 16.56 lakhs to Rs. 28.65 lakhs and this sharp rise has enabled the Bank not only to maintain the upward trend in earnings noted for some years past but to raise the profit more than fourfold in six years, that is, from Rs. 7.03 lakhs in 1950 to Rs. 28.65 lakhs in 1956. Nearly 50 per cent. of the profit has been set aside for taxation, which is provided with Rs. 14 lakhs, as against Rs. 7.50 lakhs a year ago. An increase of Rs. 2 lakhs to Rs. 6 lakhs has been made in the transfer to the reserve fund and of Rs. 2.25 lakhs to Rs. 3.50 lakhs in the allocation to bonus to staff.

The sharp rise in profit is accounted for by the substantial increase in gross income from Rs. 84.86 lakhs to Rs. 114.67 lakhs. Interest and discount earned show an improvement of Rs. 20.39 lakhs, accompanied by a rise of Rs. 9.36 lakhs in commission and exchange. Though interest paid and expenses also have gone up by Rs. 8.81 lakhs and Rs. 8.71 lakhs, respectively, the cumulative rise in outgo is much less than the increase in income, with the result that the profit is higher by no less than Rs. 12.09 lakhs.

An idea of the Bank's progress during the past three years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount earned ..	66.30	45.91	38.64	37.31
Commission and exchange ..	48.16	38.80	30.38	29.82
Interest paid	30.62	21.81	16.98	16.59
Expenses	53.18	44.47	36.66	35.41
Depreciation and repairs ..	2.22	2.01	2.12	1.94
Profit*	28.65	16.56	13.35	13.25
Provision for taxation ..	14.00	7.50	7.00	6.45
To reserve fund	6.00	4.00	3.50	3.50
,, bonus to staff ..	3.50	1.25	..	..
Dividend	4.91	3.68	2.94	2.94
	(10%)	(7½%)	(6%)	(6%)
Carry forward	2.52	2.23	2.16	2.25

	As on 31st December			
	1956	1955	1954	1953
Capital	49.20	49.20	49.20	49.05
Reserves	38.00	30.00	26.00	22.50
Deposits	16,48.81	14,42.00	11,28.91	9,06.74
Borrowings from other banks ..	47.29	90.18	2.31	6.19
Bills for collection	3,58.47	2,83.42	2,19.46	2,27.71
Acceptances	6,14.25	5,31.32	3,53.75	2,53.71
Advances (including bills purchased and discounted) ..	10,81.19	9,05.14	5,48.33	5,33.66
Investments	5,16.18	4,84.07	4,08.99	3,09.24
Cash	2,60.61	2,78.17	2,89.22	2,69.45
Balance-sheet total ..	28,73.04	25,72.80	18,47.59	16,18.58
Ratio to deposits of—	%	%	%	%
Advances	65.5	62.8	48.5	53.5
Investments	28.6†	27.8†	36.2	31.0
Cash	15.8	19.3	25.4‡	26.7‡

* After providing for depreciation on investments.
† After taking into account the investments earmarked against borrowings from other banks.
‡ After taking into account foreign balances earmarked against borrowings from other banks.

It will be noted from the above table that the Bank has substantially strengthened its reserves during the past three years. The upward trend in deposits has been well maintained, though the increase of Rs. 2.07 crores in 1956 is less than that (Rs. 3.13 crores) noted in the previous year. Fixed deposits have gone up by Rs. 1.13 crores, as against Rs. 1.28 crores in the previous year, savings bank deposits by Rs. 46 lakhs (as against Rs. 0.38 lakh) and current and other accounts by Rs. 48 lakhs (Rs. 1.47 crores).

A noteworthy feature on the assets side of the balance-sheet is the relatively smaller rise of Rs. 1.76 crores in advances, as against Rs. 3.57 crores in the previous year. The bulk of this rise is accounted for by loans, cash credits and overdrafts which have gone up by Rs. 1.15 crores (as against Rs. 52 lakhs in 1955), while bills purchased and discounted are up by only Rs. 61 lakhs (Rs. 3.05 crores). In view of this, the Bank's liquidity ratio has not been seriously affected. The cash ratio, which has come down substantially in the last three years, is nevertheless at a much higher level than the average for all Scheduled banks.

U.C. BANK'S EXCELLENT PROGRESS

SHARP RISE IN PROFIT

A MARKED expansion in business and a sizable improvement in earnings are the notable features of the working of the United Commercial Bank Ltd. (General Manager: Mr. S. T. Sadasivan, Calcutta) during the year ended 31st December 1956. Thus, the balance-sheet total, which had grown from Rs. 45.20 crores at the end of 1952 to Rs. 81.69 crores at the close of 1955, shows a further rise to Rs. 91.51 crores at the end of the year under review. The profit also has swelled to as much as Rs. 56.52 lakhs from Rs. 36.69 lakhs for 1955, to which level it had gone up from Rs. 23.01 lakhs earned in 1953. It is, however, to be noted that the expansion in turnover during 1956, as indicated by the balance-sheet total, is less marked than that in the previous year, but the pace of increase in profit is sharper than that noted a year ago.

The expansion in business and the increase in interest rates on advances have resulted in a rise in gross income from Rs. 2.44 crores to Rs. 3.03 crores, the bulk of the rise being accounted for by commission and exchange which have gone up by Rs. 41.61 lakhs. It will be interesting to note that the earnings from commission and exchange have more than doubled themselves in the course of the past three years. This is not surprising in view of the sizable expansion in the Bank's bills business during this short period. Interest and discount earned have also gone up by Rs. 18.08 lakhs, as against Rs. 21.48 lakhs in the previous year. Interest paid, on the other hand, has also risen by no less than Rs. 31.52 lakhs, as against an increase of only Rs. 9.81 lakhs in 1955, due to the increase in deposits, particularly fixed deposits and larger borrowings, as well as to the higher interest rates on deposits which prevailed during the year. This is accompanied by an increase of Rs. 8.62 lakhs in expenses, of which salaries, allowances and provident fund alone account for Rs. 6.92 lakhs. Nevertheless, the profit has risen by Rs. 19.83 lakhs, which compares well with the aggregate increase of Rs. 13.68 lakhs in the previous two years.

The bulk of the rise in profit has been utilised to strengthen the reserve fund, which gets Rs. 20 lakhs, as against Rs. 8.50 lakhs a year ago. The dividend also has been stepped up from 5½ per cent. to 7 per cent. This is the third year in succession for which the dividend is being raised. Thus, in the course of three years the distribution to the shareholders has been raised from 4 per cent. to 7 per cent.

The impressive progress made by the Bank during the past three years is well illustrated by the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount earned ..	1,81.98	1,53.90	1,42.42	1,27.42
Commission and exchange ..	1,20.14	78.53	73.17	59.46
Interest paid	1,17.81	86.29	76.48	68.33
Expenses	1,22.27	1,13.65	1,03.33	95.43
Depreciation and repairs ..	6.76	7.07	6.54	6.27
Profit	56.52	36.69	31.06	23.01
Provision for taxation ..	16.00	14.00	12.50	9.50
To reserve fund	20.00	8.50	6.50	5.00
,, bonus to staff ..	4.00	4.00	2.50	..
Dividend	14.00	11.00	10.00*	8.00
	(7%)	(5½%)	(5%)	(4%)
Carry forward	2.29	0.28	1.06	1.52

	As on 31st December			
	1956	1955	1954	1953
Capital	2,00.00	2,00.00	2,00.00	2,00.00
Reserves	1,15.00	95.00	86.50	80.00
Deposits	52,14.76	47,69.24	40,42.18	37,72.48
Borrowings from other banks ..	8,60.12	4,25.56	3,02.30	3,35.13
Acceptances (*contra* item) ..	18,17.30	19,03.58	8,89.44	7,75.43
Advances (including bills purchased and discounted) ..	38,45.32	27,59.19	24,64.50	19,78.03
Investments	19,42.17	22,16.73	17,15.78	17,88.88
Cash	7,50.88	6,21.16	6,07.72	6,85.76
Balance-sheet total ..	91,51.42	81,68.74	62,16.20	57,91.52
Ratio to deposits of—	%	%	%	%
Advances	73.7	57.8	60.9	52.5
Investments*	27.8	37.6	33.6	38.5
Cash	14.4	13.0	15.0	18.2

* Ratio arrived at after taking into account the securities earmarked against borrowing from other banks.

With the rise of Rs. 4.46 crores during the year under review, the Bank's deposits have established a fresh record. But the pace of increase is slower than that in the previous year. This is to be attributed to the stringent monetary conditions throughout the year. Of this rise, fixed deposits alone account for Rs. 3.04 crores; the rise in savings bank deposits and current and other accounts being of the order of only Rs. 71 lakhs and Rs. 70 lakhs, respectively. In view of the difficulty in raising the deposit resources to meet the substantially larger demand for advances, the Bank, in consonance with others, has had to increase its borrowings from other banks.

The total rise of Rs. 10.86 crores in advances is made up of an increase of Rs. 4.68 crores in loans, cash credits and overdrafts and of Rs. 6.18 crores in bills purchased and discounted. Such a large increase in advances has necessitated a reduction in investments to the extent of Rs. 2.74 crores to supplement the increase in deposits and borrowings noted above. Cash balances are higher by Rs. 1.30 crores, lifting the cash ratio to 14.4 per cent., which is very much higher than the general average.

CENTRAL GOVERNMENT'S CAPITAL BUDGET

TOTAL DISBURSEMENTS NEXT YEAR PUT AT RS. 883.86 CRORES

THE capital budget of the Central Government for the coming year (1957-58) provides for an aggregate disbursement of Rs. 883.86 crores, which represents a substantial rise as compared with Rs. 697.31 crores in 1956-57 (revised) and Rs. 481.22 crores in 1955-56 (actual). This sum, together with the surplus of Rs. 26.84 crores on revenue account, is matched against capital receipts which are estimated at Rs. 910.70 crores, a rise of Rs. 196.95 crores over the revised estimate for 1956-57. The bulk of the aforesaid rise —amounting to Rs. 95.00 crores—is accounted for by Treasury Bills, the net receipts from which are placed at Rs. 365.00 crores, as against Rs. 270.00 crores. The receipts under other deposits and advances (net) are also placed higher by Rs. 74.47 crores at Rs. 179.44 crores. Receipts from new loans are placed higher by Rs. 5.70 crores at Rs. 194.93 crores. The budget assumes a new market loan of Rs. 100 crores, Rs. 90 lakhs from the World Bank for the second D.V.C. loan, Rs. 36 crores from the U.S.S.R. for the Bhilai steel project, and Rs. 58.03 crores from the U.S. The other important sources which are expected to yield larger receipts, the figures being in crores of rupees, are: Net deposits under Income-Tax Act 14.58 (—0.95 in 1956-57); repayment of loans by States 44.12 (35.38); national savings certificates 23.70 (19.75); national plan certificates 11.00 (9.50); other unfunded debt 19.12 (18.16); and Treasury savings deposits certificates 4.30 (3.20).

The capital disbursements during 1957-58 as compared with the previous year are expected to be more by Rs. 186.55 crores, the estimate being placed, as already noted, at Rs. 883.86 crores. The major portion of this anticipated increase is accounted for by industrial development, the total capital outlay on which is put higher by Rs. 105.51 crores. The outlay on railways and schemes of State trading is also put higher by Rs. 20.36 crores and Rs. 19.40 crores at Rs. 103.81 crores and Rs. 49.35 crores, respectively. Provision for advances to State Governments, too, has been stepped up by Rs. 15.61 crores to Rs. 248.37 crores. There is, however, a marked fall of Rs. 45.07 crores to Rs. 38.74 crores in the provision for discharge of permanent debt.

Disbursements Analysed

The following table gives the details of capital disbursements proposed to be made in 1957-58, as against the revised and budget estimates for 1956-57 and the accounts for 1955-56:

(In lakhs of rupees)

	1957-58 Budget	1956-57 Revised	1956-57 Budget	1955-56 Account
Capital outlay:				
Railways	1,24,17	1,03,81	1,13,43	67,52
Irrigation	17	20	18	12
Posts and Telegraphs ..	9,85	9,85	9,75	9,03
Schemes of agricultural improvement and research ..	2,42	3,22	3,26	32
Industrial development ..	1,85,42	79,91	79,60	11,07
Aviation	2,88	3,18	3,37	1,95
Broadcasting	1,65	1,40	1,55	1,17
Ports	5,29	5,41	5,76	3,96
Currency and coinage ..	3	1,00	79	8,47
Mint	72	31	38	28
Delhi capital outlay ..	7,38	7,94	10,07	5,33
Multi-purpose river schemes..	3,72	2,37	2,37	2,86
Electricity schemes	87	55	77	18
Civil works	11,37	18,03	18,24	10,22
Commutation of pensions ..	—31	—31	—19	—42
Sterling pensions	—8,85	—9,01	—8,82	—8,59
Defence capital outlay ..	23,54	21,36	26,30	17,59
Schemes of Government trading	49,35	29,95	9,51	—29,59
Development grants ..	10,15	12,78	12,39	13,09
Compensation to displaced persons	19,01	21,19	26,24	3,68
Shipping and tankers, etc. ..	1,64	20	1,35	..
Transfer of sale proceeds of American loan commodities	80,30	..	..	..
Other works	3,52	..	..	..
Other civil heads	38	26	45	12
Discharge of permanent debt ..	38,74	83,81	4,56	72,30
Inter-State debt settlement ..	1,45	3,07	6	68
Advances to State Governments.	2,48,37	2,32,76	2,74,26	2,48,87
Other loans and advances ..	60,23	63,98	96,00	32,01
Total ..	6,83,86	6,97,31	6,91,63	4,81,22

The above table shows that the capital outlay on industrial development is the largest single item of its kind, the total sum earmarked being as much as Rs. 185 42 crores. This includes provisions for a variety of undertakings—Government and quasi-Government. The major portion of the outlay—Rs. 156.83 crores, to be precise—is accounted for by the three steel plants—Bhilai, Rourkela and Durgapur; the revised estimate of outlay in 1956-57 is only Rs. 35.00 crores. The share of the Bhilai project is Rs. 63.30 crores (Rs. 14.00 crores in 1956 57), of Rourkela Rs. 60.00 crores (Rs. 9.00 crores), and of Durgapur Rs. 33.50 crores (Rs. 12.00 crores). The details of allocations—in lakhs of rupees—for other schemes of industrial development (the figures in brackets are revised estimates for 1956-57) are given below:

Indian Airlines Corporation 510 (236); Air-India International 155 (327); Neyveli Lignite Corporation 400 (530); oil exploration scheme 291 (100); Department of Atomic Energy 275 (294); Western Shipping Corporation 200 (350); Eastern Shipping Corporation 120 (74); Nangal Fertilisers and Chemicals Ltd. 200 (179); Heavy Electricals Ltd. 100 (24); establishment of two coal washeries 100 (*nil*); Institute of Small scale Industries 85 (25); coal production programme 76 (79); Hindustan Antibiotics 50 (50); grant to Council of Scientific and Industrial Research 50 (150); development of salt works 40 (20); overseas communication service 36 (30); Hindustan Shipyard Ltd. 30 (76); Hindusthan Insecticides Ltd. 28 (24); Orissa Mining Corporation 23 (3); National Instruments Factory 20 (28); Punjab and Delhi State Financial Corporations 16 (*nil*); civil explosives factory 10 (20); National Construction Corporation 10 (5); Geological Survey of India 10 (*nil*); Indian School of Mines and Applied Geology 9 (*nil*); Central Board of Geophysics 9 (*nil*); establishment of second shipyard 3 (*nil*); Dry Freeze Vaccine Laboratory, Guindy 2 (1); Hindusthan Housing Factory Ltd. 1 (*nil*); diesel engine factory 0.38 (*nil*).

Defence capital outlay is now estimated at Rs. 24.06 crores in the current year and Rs. 25 crores next year. Credit has been taken under this head for Rs. 2.49 crores this year and Rs. 1.45 crores next year on account of the realisation of sale proceeds of surplus stores and Rs. 21 lakhs this year for donations for the National Defence Academy.

State Trading

Among the various schemes of Government trading, the most important is purchase of foodgrains. As against the net expenditure of Rs. 9.44 crores included in the Budget, the revised estimate shows a net expenditure of Rs. 25.57 crores. The increase is due to an increase of Rs. 79.26 crores in the gross expenditure on the purchase of foodgrains both at home and abroad, but this would be partly set off by increased recoveries of Rs. 63.13 crores. Budget provides for a gross expenditure of Rs. 146.25 crores and recoveries of Rs. 90.81 crores on account of purchase of foodgrains. No import of sugar is expected in this or the next year, but revised and budget estimates provide for Rs. 122 lakhs and Rs. 7 lakhs, respectively, on account of certain outstanding charges relating to past imports. Import of iron and steel under the Technical Co-operation Agreement will involve a net expenditure of Rs. 159.85 lakhs this year and a net recovery of Rs. 341.94 lakhs next year. Purchase of foodgrains by the Administration in the Union Territories will cost Rs. 133.78 lakhs this year, as against a net recovery of Rs. 29.01 lakhs in the original budget. The increase is due to the provision for former Part C States of Himachal Pradesh and Delhi. In the next year, provision for the purchases of foodgrains for these Territories has been included in the amount of Rs. 146.25 crores provided for "purchase of foodgrains." The estimates also include provision of Rs. 45.01 lakhs this year and a net recovery of Rs. 28.75 lakhs next year on account of the Land Reclamation Scheme. Next year's Budget also includes net recovery of Rs. 220.99 lakhs for the scheme of production and supply of coal.

A provision of Rs. 80.3 crores has been included in the next year's Budget for accommodating transactions relating to the assistance received from the U.S.A. Of this sum, Rs. 40.3 crores are in respect of the Development Assistance Programme and the balance under Public Law 480.

A sum of Rs. 11.37 crores has been earmarked for civil works during 1957-58, the figure for 1956-57 being Rs. 18.03 crores. Of this, national

(Continued on page 655)

MARKETING OF WOOL IN INDIA

PRIVATE TREATY SALES CONSTITUTE THE USUAL MEANS OF DISPOSAL

SYSTEMS of wool marketing may be divided into two main groups: auction and private treaty. Under the private treaty method, each grower sells his wool directly to a wool merchant at a price agreed between them. If the price offered by a merchant is unacceptable to the grower, he may refuse to sell and retain his wool in the hope of receiving a better offer from another merchant, but he will not usually have an opportunity to compare the offers of several merchants simultaneously. Under the auction method, on the other hand, large numbers of farmers send all their wool to one auction centre where many buyers are assembled. Each lot of wool is offered for sale in turn and, for each lot, bids are made by several potential buyers, the wool being sold to the one who makes the highest bid. Not every system of marketing can be placed exactly in one or the other of these groups; for instance, private treaty sales are often made at small local markets which provide competition between several merchants, though these markets are not quite so competitive as auction sales.

Most of the wool grown in Australia, New Zealand and South Africa is sold at auctions in those countries, and nearly all of the remainder is sent to London to be auctioned there. Wool from the Falkland Islands and some of that grown in Chile are also sold by auction in London and Germany has its own wool auctions. In Argentina and Uruguay, on the other hand, wool is sold through the private treaty system, though this operates in conjunction with large central markets. A few marketing schemes include Government price supports; in the United States, these are applied to private treaty trading, in the United Kingdom a statutory board buys wool at fixed prices and then re-sells it at auction, and, in the Soviet Union, most of the wool is compulsorily purchased for State-owned mills.

Private Treaty Marketing

In most other wool-growing countries, private treaty marketing is employed, and this is the system which prevails in India. Earlier this year, the Development Council for the Indian Wool Industry recommended the establishment of an auction centre in India, but later divergences of opinion caused this to be postponed. Private treaty sales thus remain as the usual means by which Indian farmers dispose of their wool, though these often take place in small local wool markets. Some Indian wool is subsequently auctioned at Liverpool, but it is sent there by export traders and not by the growers. There are many of these local wool markets in India, the main ones being:

Rajasthan: Bikaner, Jaipur, Jodhpur, Pali-Marwar, Jhunjhunu, Sikar, Nokha Bhadra, Baff, Osiam, Puggal, Mohwa-Madawar, Bharatpur, Alwar, Sadulpur, Ratangarh, Ganga Nagar, Hanuman Garh, Beawar, Kekri, Bhilwara, Rani, Aranpura.

Punjab: Fazilka, Abohar, Amritsar, Panipat, Fathaibad, Samana, Patiala, Kapurthala, Bhatinda and Mansa.

Uttar Pradesh: Mirzapur, Gorakhpur, Agra, Kanpur, Aligarh, Haldani-Mandi, Ramnagar and Jhansi.

Bombay: Jamnagar, Rajkot, Mahuva, Morvi, Dharangadhra, Ahmedabad, Anjar, Dwarka, Palanpur, Deesa, Kadi and Bombay.

Delhi: Delhi.

Kashmir: Srinagar.

Bihar: Gaya.

Bengal: Kalimpong (for Tibetan wool) and Calcutta.

Madras-Mysore: Bangalore, Tiptur and Madras.

Wool is sold by weight in these markets, and is usually roughly washed before being offered for sale, either by back-washing prior to shearing or by river-washing of the shorn fleeces. A uniform weighing system is used in most of the markets, local authorities having framed laws for regulating weights and measures, though there are some minor differences in systems.

Marketing in Upcountry Areas

The means by which wool reaches these markets varies with the locality and with the type of farming practised. In the north, especially in the Punjab, wool is nowadays marketed by the producers themselves, for, after Partition, the nomadic shepherds—mainly Muslims—left for Pakistan. Consequently, most of the sheep are now kept in small flocks by settled farmers who are well acquainted with the local markets where they also deal in foodgrains and cotton.

In the country's biggest wool-producing areas of Rajasthan and Joria (Saurashtra-Gujerat Section), sheep are reared both by nomadic shepherds and by more settled farmers, and their methods of marketing differ. The established agriculturists may either sell their produce to village merchants or market their produce themselves. The nomadic shepherds usually dispose of their wool to *beoparis*, or travelling buyers, who then take it to the markets, and sometimes exporters make direct contact with the shepherds and collect their wool at convenient centres. Occasionally, these nomadic shepherds, who roam from place to place in search of grass and water, reach a market where they can sell such wool as their sheep may be carrying at the time, but this type of sale does not occur very frequently.

Collection of wool from the more remote villages is generally undertaken by the *beoparis*, who may be buying on their own account or merely as agents for either the market merchants or the exporters. In these remote districts, wool is sold on a fleece as well as on a weight basis. When unshorn wool is sold on a fleece basis, the shearing cost is usually borne by the buyer. When the shearing season commences (March to May and August to October), the *beoparis* concerned start visiting the villages to inspect the flocks and negotiate with the shepherds for the purchase of their wool. If a price is agreed, the flock owners are paid some advance money, which is forfeited by the buyer if he does not appear in time to shear the wool or refuses to take delivery. Payment is generally made in cash, but, in some hilly tracts of the country, the barter system still prevails. In Kulu, or example, *Laholi* dealers exchange Tibetan wool for locally-made woollen cloth, blankets, lohis, provisions, and the like.

Wool sheared in the villages or jungle is rolled in complete fleeces, containing wool from all parts of the sheep; that is to say, it is not graded according to its quality and colour, as is the case in many other countries. Methods of packing and carriage are varied; in the plains, the packing used for local traffic is a *bora*, or gunny bag; in the Himalayan region, wool is packed in rolls or bundles of various sizes and weights. Wool is brought from the producers to the nearest markets by road as head-loads on ponies, donkeys, horses, in bullock carts, trucks, and sometimes on sheep's back. The mode of transport for conveying wool from these collecting centres depends on the available facilities and on the distance between the points. Buses and lorries are generally preferred to rail transport. Wool destined for export to foreign ccuntries is packed in bales of various sizes which are sent from the assembly markets to the ports by rail.

Export Regulations

From the Indian markets, wool goes both to Indian manufacturers and to exporters. The greater part of Indian wool production goes into overseas mills, though the proportion has been reduced by the export regulations imposed by the Indian Government to protect the supplies of the home industry. During the years prior to 1950 when the free export of wool was permitted, the quantity exported totalled about 37 million lbs. per year. Free export was stopped in 1950, and today, after various quantitative changes, the Government of India allows only 32 million lbs. to be exported.

There are two methods by which Indian exporters send wool overseas—one is by consignment for sale at Liverpool and the other is by contracts concluded directly between the exporter and foreign buyers. Liverpool is the auction centre for what are known as "East India Wools," that is, the carpet-type wools grown in India, Pakistan and neighbouring countries and, until 1910, it was practically the only overseas outlet for Indian wool. Auctions at Liverpool are conducted by the Liverpool Wool Brokers Association, which holds eight sales each year. Liverpool brokers do not as a rule, deal directly with any of the local exporters in India. A few exporting houses with London or Liverpool offices deal with Indian exporters and arrange financing, forwarding and disposal of the wool in auctions. Not all of the wool consigned to Liverpool is actually sold by auction, however, since many lots fail to reach the reserve prices set by the exporters and are subsequently disposed of by private arrangements between the sales.

Export merchants who consign their wool to Liverpool may have to wait for three months before their goods are actually sold, and this introduces an element of uncertainty, for wool prices are liable to fluctuate during the intervening period. To reduce this uncertainty, Indian exporters usually set reserve prices below which they will not sell, and these are closely related to the prices they expect to receive. It is, of course, a common practice for sellers in auction markets to fix reserve prices, but, in most wool auctions, the sellers are usually prepared to accept the market basis, and the reserves are set well below the expected prices merely as a precaution against a severe fall in market values. The high limits set by Indian exporters result in a much smaller proportion of the wool offered at Liverpool being sold than is usual at other auction centres.

Direct Contract System

Indian exporters' desire for closer control of their selling prices encouraged the development of direct sales to foreign buyers. This method of trading was introduced in 1910, when concerns in the United States and Canada were the first buyers. Very few people were interested in or able to adopt this system during its early stages, but, as Indian exporters created increasing confidence among foreign buyers in regard to both the quality of their wool and the regularity and promptness of supplies, the direct contract system became accepted to an increasing extent. The flow of wool towards the Liverpool auctions thus came to be correspondingly reduced, and today some 60 to 70 per cent. of Indian wool is disposed of on the contract basis—either spot contract or forward contract—not only in the U.S. but also in the U.K., Russia, Australia, and on the Continent. As Indian wool activity at Liverpool tended to decrease, Liverpool brokers began working as agents for merchants engaged in direct contract business, in addition to handling wool consigned to the auctions.

Direct contract sales are conducted on the basis of standard samples of wool which are sent by the exporters to foreign buyers (consumers or their agents). Offers are then exchanged between buyers and sellers on the basis of these samples and guarantees of clean yield. The prices quoted may include cost and freight, or cost, insurance and freight, contracts drawn up on these terms being known in the trade as c. & f. and c.i.f., respectively. After acceptance of the offers, the buyer opens a letter of credit with an Indian bank in favour of the seller, against which the seller, after handing over shipping documents, can draw 80 per cent. to 100 per cent., according to the terms agreed in the contract. After the buyer has received and given his approval of the goods, the accounts are finalised on the basis of the test of clean yield made at the destination.

The established shippers engaged in direct contract business now have a very good reputation abroad for their business dealings and are, accordingly, getting bulk orders from foreign buyers for supplies of Indian wool. The Government of India has also assisted our exporters by the introduction of a grading scheme under which exportable wool is inspected by official experts and graded according to quality and yields results. This gives an additional check on the quality of wool exported, thereby guaranteeing various grades for foreign importers.

Wool Marketing in Southern Dominions

It may be instructive to conclude with a brief comparison between the marketing procedure in India and that followed in the Southern Dominions where the auction system prevails. In these countries, the locks and stained wool are removed from the fleeces before they are packed, and many growers undertake the classing of their clips, putting different qualities of fleeces into different bales. From the farms the bales of wool are usually consigned by road or rail to wool brokers, who are important inter-

(Continued on page 656)

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CHAIRMAN OF COTTON BOARD RESIGNS

MORE YARN, LESS CLOTH

From Our Special Correspondent

MANCHESTER, 19*th March*

RUMOURS which have persisted for some considerable time in Lancashire that Sir Raymond Streat would relinquish his position as Chairman of the Cotton Board on attaining the age of 60 years have been justified by events. Sir Raymond, who has held the post since 1940, has now asked to be released when his present term ends on 31st March. He was 60 last month. In an exchange of letters with Sir David Eccles, President of the Board of Trade, he stated: "Experience has convinced me that any position as leader or spokesman of an industry organisation should not be held too long by the same man." Sir Raymond said that his colleagues on the Board feel it would be desirable to allow about six months for discussions and negotiations in arranging for a successor. In his reply, Sir David Eccles referred to Sir Raymond's 17 years devoted service to the cotton industry and said that his departure would present difficult problems requiring discussion between the Board of Trade and the industry. It was hoped to arrange for a senior Board of Trade official to visit Manchester shortly for a conference with leaders of the industry.

MANCHESTER LETTER

Sir Raymond, who was once the youngest secretary in the history of the Manchester Chamber of Commerce at the age of 22, has been at the head of a pioneer Development Council during a period of difficulty and rapid change in the industry's affairs, including the transition from war-time contraction to peace-time expansion. His qualities of diplomacy have been seen in many complicated negotiations with Governments and in international textile conferences. A measure of his success is the degree of unity achieved among the various constituents of the Board, including the trade unions, in their attitude to problems facing the industry.

No Undue Haste

There is, perhaps, significance in the fact that, among those suitably qualified, there is no undue haste to step into Sir Raymond's shoes. The trade itself faces an important decision upon which future developments hang. Sir Raymond is ready to continue in office for several months, pending the appointment of a successor, and it can be assumed that there will be considerable discussion as to the course which should be adopted.

Last year, there was a keen demand in some quarters for a complete revision of the structure of the Cotton Board with the introduction of a part-time chairman and the enlargement of the Board itself. Such a fundamental change in the organisation would require Parliamentary sanction and it is understood that the Government is not prepared to introduce legislation at this time.

When the different sections of the trade were asked last year for their views on the future of the Board, there was no sign of any objection to the continuance of some form of central body to represent the industry. Divergent opinions were expressed on the details of the existing arrangement, but support for the general idea was unanimous.

Hardly had the news of Sir Raymond's decision been published than a fresh resignation from the Board was announced. Dr. R. Robson, a world-recognised expert on mill problems and head of the Board's Statistics Department, made it known that he was leaving the organisation to take up a similar post with the Iron and Steel Board. Although Dr. Robson had generally kept in the background, his formidable knowledge of statistics had been a valuable asset to the industry as a whole, particularly in the post-war years when his department has released innumerable documents and statements relating to production and developments in the trade. He too had attended many conferences in the capacity of an observer and had been at Sir Raymond's right hand with the appropriate figures at the right moment. His parting gift to the trade has been the completion of a volume setting out the history of Lancashire textiles over the past half-century, which was published only this month.

Cotton production in the Commonwealth plus the Sudan, but excluding India and Pakistan, continues to flourish. Output during the past year established yet another record, exceeding the previous peak by more than 50,000 bales. According to the annual report of the British Cotton Growing Association, output in these areas in the past season amounted to 1,279,000 bales, as compared with 1,222,400 bales in the previous year. Variations naturally occurred in the quantity of the raw material grown in the different countries, but new records were achieved in the Sudan, Aden and Tanganyika. In both the latter territories, the post-war expansion in cotton growing has been remarkable. Aden's crop in 1949 was only 100 bales, but, last year, the total had risen to 30,700 bales. In Tanganyika, output has advanced from below 50,000 bales in 1950-51 to 130,000 bales by 1956.

Government's "Indifference"

Why should the British cotton industry be singled out for lack of consideration by the Government, is the question posed by Sir John Grey, veteran Lancashire trade leader and Chairman of John Grey Ltd., the Burnley weaving group, in his annual statement. Commenting on the drift of labour from the cotton textile industry which has resulted in a loss of 23,000 workers from the weaving side in the past two years, Sir John said: "This is due largely to the supine indifference of the Government in tolerating without hindrance, tariff or quota the importation of enormous quantities of cheap Oriental cotton goods, in marked contrast to the Governmental agitation displayed towards unemployment in any other British industry. In no other country in Europe or America would this decimation of an important industry have been tolerated by its Government."

Overshadowing the future are the possible consequences of the projected European free trade union, Sir John added. In the initial stage, he predicted, the United Kingdom was likely to be at a continuing disadvantage in the scramble for extended markets, owing to the partisan attitude of some Continental Governments towards export incentives for their own industries. "We shall be competing with European countries where wage rates are lower, where textile machinery is worked for longer hours and for whose military defence, as well as our own, we are adding to a taxation burden that would still probably be the heaviest in Europe, even if it were only the welfare state it had to finance."

Trend of Output

Some expansion in productive activity in Lancashire during the month of January can very often be anticipated when seasonal influences do not interfere with the even flow of output. Some contrasting features, however, arise on this occasion in the returns now published by the Board of Trade. It is, for example, notable that single yarn production in January was substantially higher than the average throughout 1956 and exceeded in all sections the comparable figures for January of last year. Average weekly yarn production was 17,540,000 lbs., against 17,190,000 lbs. in January 1956. On the other hand, the quantity of cloth produced on a weekly average basis was 2,000,000 yards lower than a year ago, the volume being 45,500,000 linear yards, as against 47,400,000 yards. Although output of cotton material showed a reduction, the chief decline came in the amount of goods woven from man-made fibres and mixtures which was slightly below the average weekly output for the whole of 1956 at 13,400,000 linear yards.

That the weaving section is failing to keep pace with the improvement in spinning was also obvious from the employment statistics, which showed that, in January, the number of workers on the books in spinning and doubling increased by 1,500 to 127,700, the highest manpower figure since April last year. Those available for weaving employers remained at the low point of 117,400, showing no improvement on the December total.

The number of looms running in January was 234,000, as compared with 247,000 a year previously and the weekly average of 229,000 throughout 1956. Spindles at work represented 75 per cent. of those in running mills, numbering 21,400,000 mule equivalent spindles. This compared with 22,100,000 operating in January last year, so that the higher output was presumably obtained by better productivity and the more intelligent use of machinery.—*All Rights Reserved.*



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COTTON UNDER THE SECOND PLAN

ADOPTION OF BETTER METHODS OF CULTIVATION URGED

THE need for intensive methods of cotton cultivation and proper measures for plant protection for attaining the Second Plan target of 6.5 million bales was stressed by Dr. M. S. Randhawa, President of the Indian Central Cotton Committee and Additional Secretary to the Ministry of Agriculture, Government of India, in his address to the 75th meeting of the Committee held on 20th March at Bombay. Dr. Randhawa observed that the revised production target of 6.5 million bales was fixed after taking into consideration the increased target for textile production, higher exports and extra-factory consumption. The revised target has been accepted by the Government of India. The State-wise distribution of the target is as follows:

Plan Targets

(In thousand bales of 392 lbs. each)

States (Reorganised)	*Production*
Punjab	1,250
Rajasthan	290
Uttar Pradesh	110
Madhya Pradesh	567
Bombay	2,934
Mysore	670
Madras	450
Andhra	165
Orissa	30
Other States	34
Total ..	6,500

The target of production under the second Plan for the current year (1956-57) has been put at 4,546,000 bales, which represents an increase of 13 per cent. over last year's crop. An additional area of 482,000 acres was brought under cotton cultivation during the current season. Targets fixed for manuring have been achieved in the States of Punjab, Rajasthan, Mysore and Saurashtra region of Bombay and those for improved seeds have been achieved in practically all the States. In order to achieve the goal of 6.5 million bales, greater effort is necessary. There is also need to improve the quality of cotton. Full advantage of the improvements effected in particular strains of cotton, as Dr. Randhawa pointed out, cannot be derived unless it is grown under optimum conditions, integrating all the latest scientific methods. He pointed out that the striking improvement in the yield of paddy, resulting from the adoption of the Japanese method of cultivation which is nothing but a combination of all known scientific techniques in respect of paddy, clearly illustrated this point. He therefore, suggested, that it would be desirable if schedules of such improved cultivation practices to be adopted in the different tracts are laid down for cotton also.

Plant Protection

Plant protection measures, Dr. Randhawa observed, have an important place in the development of cotton under the second Plan. Experiments conducted in regard to the use of aircraft for spraying proved to be successful in the Punjab. In Fazilka, in the Punjab, for instance, where aerial spraying was conducted, there was 100 per cent. control of cotton jassids. In addition, no white-fly adults were visible in the area. The total cost of spraying aggregated to about Rs. 14-8 per acre. He expressed the hope that more use would be made of aircraft in controlling cotton pests in other States as well where conditions are favourable for such spraying.

Dr. Randhawa also referred to the recommendations of the Conference on Cotton Growing Problems held at Chandigarh in November last. The Conference had stressed the need for research on long-staple Gaorani cotton. Two schemes in this respect are now in operation and a number of very promising long-staple strains have been isolated. Seeds of more than 200 varieties of cotton have already been procured from the U.S.A. and the Soviet Union. These seeds will be distributed to different cotton research stations which will transfer them to the Regional Research Stations when the latter are established. The Conference recommended that germplasm banks should be maintained at all the Regional Research Stations. It had also directed that the work on Andrews variety of Sea Island cotton and trials on hybrid cotton being conducted in Kerala should be vigorously pursued. Accordingly, the appointment of a special officer for development of Andrews variety of Sea Island cotton in Kerala, Mysore and Assam has been proposed for expediting the work. Cotton has further been included in the model agronomy scheme of the Indian Council of Agricultural Research and experiments on spacing have also been taken up.

The scheme for co-ordinated regional research stations for cotton and its rotation crops, namely, oilseeds and millets, Dr. Randhawa observed, is an important development in the organisation of agricultural research in the country. The necessity of organising agricultural research on a cross-commodity basis was felt for a long time and it is for the first time that a step in this direction has been taken. It is also for the first time that an organisation of a permanent nature has been created for tackling agricultural problems on a regional basis which will ensure maximum efficiency and economy in expenditure. At these research stations, research on inter-related agricultural problems of these commodities would be carried out by a band of scientists working as a team. The establishment of these composite regional stations would provide coverage for fundamental research applicable to a wide range of agro-climatic conditions. Co-ordination would also be provided between the work of the proposed composite stations and the State research stations dealing with these commodities through a committee presided over by the Agricultural Commissioner with the Government of India with the Directors of Agriculture of the States constituting the region, the chiefs of the Regional Research Stations concerned, the Director, Indian Agricultural Research Institute, the botanists dealing with cotton, oilseeds and millets of the States constituting the region and Secretaries of the Cotton and Oilseeds Committees as members. This Committee would meet annually at a suitable place in the region and consider the programme of research drawn up by the chief of the regional stations. The chief of the Regional Station will also provide guidance to the State research organisations located in the region and thus act as a project leader. This scheme has been approved by the research organisations concerned, namely, the Indian Council of Agricultural Research, the Indian Central Cotton Committee and the Indian Central Oilseeds Committee. An officer on special duty has been appointed to give effect to the scheme. Most of the States concerned have agreed to provide land while the cost of the buildings will be met out of the central fund to which all the three research organisations will subscribe.

Dr. Randhawa surveyed the trend in mill consumption of cotton, exports and imports. The continuous increase in consumption, which has been in evidence from 1950-51 onwards, continued in the last season also, consumption aggregating 4.97 million bales, as against 4.77 million bales in the previous year. Despite the increase in cotton production, the country has still to depend upon imports to the extent of about 600,000 bales of cotton of the long-staple variety. It is therefore encouraging to note that the Committee's efforts in producing Indo-American strains of staple length 1.1/16" to 1⅛" and the acclimatisation of Andrews Sea-Island cotton have been successful.

Crop Estimating Surveys

The Committee also considered the recommendations of the special Sub-Committee which had been appointed to review the operation of the crop estimating surveys on cotton and assess the position of cotton statistics and suggest ways and means of improving them. A scheme for estimating the cost of production of cotton and other rotation crops in the major cotton-growing tracts is to be introduced in four major cotton-growing regions of India. It is estimated to cost Rs. 13 lakhs which will be shared by the Indian Central Cotton Committee, the Indian Central Oilseeds Committee and the Indian Council of Agricultural Research on an agreed basis.

Dr. Randhawa pointed out that the Technological Laboratory at Matunga had been functioning as an important tool of the cotton breeder. 1,580 samples were received from the State Agriculture Departments for fibre measurements and spinning tests. There is need for effective co-ordination between the research institutes set up by the Ahmedabad Textile Industry's Research Association, the Textile Research Association, Bombay, and the Southern India Millowners' Association at Coimbatore which are intended to serve the textile industry. It is desirable that duplication of work and waste of effort and resources should be avoided so that all the research institutes combine together to serve the interests of the industry and the cotton growers in a rationalised manner. A sub-committee has been proposed to be constituted to give the necessary guidance in this regard. It will include the Directors of all the four research institutes, two cotton breeders and two industrialists.

The Committee also resolved to bring out an Atlas on cotton which will show, in a graphic manner, the spread of various important varieties of cotton in different States with production and other relevant data. It has also been decided to issue the Committee's Journal, *Indian Cotton Growing Review*, bimonthly, instead of quarterly as at present.

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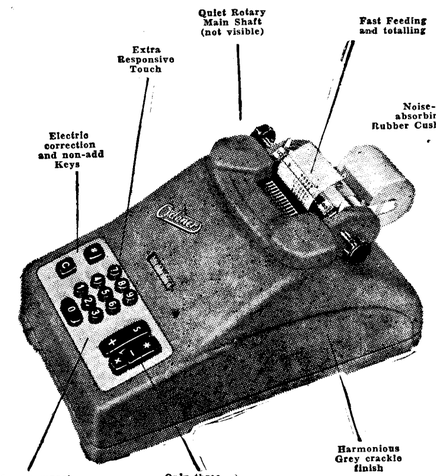

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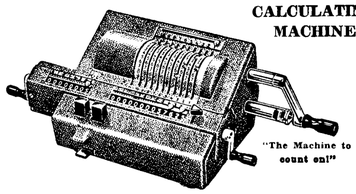

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SUGAR EXPORTS UPTO 100,000 TONS CONTEMPLATED

FEARS OF RISE IN DOMESTIC PRICES UNFOUNDED

IT was only last week that we emphasised in these columns the need for the Government of India permitting an additional quantity of sugar for export, in view of the plentiful stocks available, the currently ruling high prices in overseas markets and the necessity for earning foreign exchange. It is gratifying to be told that the Government contemplates allowing exports of sugar up to 100,000 tons, including the quantity that has already been allowed for export. This was disclosed by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, in the course of his reply to a question in the Lok Sabha the other day. Mr. Jain stated that, so far, the Government had allowed exports up to 46,000 tons, making a profit of about Rs. 17 lakhs. The export at the moment, he added, was handled by the Indian Sugar Mills Association and the profits now made were being kept separately, so that they could be utilised later on, that is, when sugar could not be exported economically. Asked by one of the members as to whether there was any proposal to expand production of sugar in the country, in view of the demand for this commodity in foreign markets, the Minister said:

"The Government has a programme for expanding sugar production. For the present, the Government proposes to implement this programme and may later on think of augmenting it further. But the difficulty in further expansion is shortage of foreign exchange. However, in two years, India hopes to produce a major portion of the machinery required by sugar mills."

There is, however, a section of opinion which fears that any further exports of sugar from India will lead to an upward trend in sugar prices in the domestic market. These fears are clearly exaggerated. The supply position of sugar, as was reviewed last week, is very comfortable, the quantity actually available for consumption in the current season (1956-57) being as much as 2.6 million tons (inclusive of previous season's carryover) which is nearly 500,000 tons more than what is actually required to meet the domestic needs in full. The aggregate closing stocks of sugar with the mills at the end of last month amounted to 1,065,000 tons, as against 880,000 tons a year before. With nearly half the crushing season still remaining, several factories are faced with the problem of huge accumulations of stocks lying unsold. Some idea of this problem can be had from the following latest figures relating to stocks, production and despatches of sugar with mills in the different States:

(In tons)

	Closing stocks as on 22nd February, 1957	1st November, 1956 to 22nd February, 1957	
		Production	Despatches
Uttar Pradesh	532,663	567,019	319,750
Bihar	193,202	187,311	99,883
Bombay	117,334	133,107	64,637
West Bengal	5,131	4,042	2,398
Punjab	25,698	26,343	10,877
Rajasthan	8,188	9,545	5,178
Madhya Pradesh	21,300	24,123	12,669
Orissa	1,253	1,245	791
Madras	21,421	24,725	16,073
Kerala	7,997	11,843	3,860
Mysore	21,533	26,938	14,378
Andhra	69,114	75,706	45,738
Total ..	1,024,239	1,002,847	596,232

The aforesaid aspect would be appreciated better if one were to take note of the fact that, despite the exports of nearly 50,000 tons allowed, the prices of sugar have not recorded any tendency to rise; they have remained practically stationary and, in fact, have tended to look down in some cases. Indigenous bold grain sugar is currently being quoted in the Bombay market at Rs. 92-Rs. 96 per bag, as against Rs. 95-Rs. 103 before the Government announced its decision to permit sugar exports. Similarly, the retail price of sugar quoted in the Hapur market which stood at Rs. 31 per maund on 2nd February declined to Rs. 30-10 on the 2nd inst., since when it has maintained this level. Mill delivery prices of sugar produced in North India have not shown any marked variation. The latest available prices—in rupees per maund—with figures in brackets giving rates prevailing before exports were allowed are: Jaswant 28-12 (28-6); Simbhauli 28-14 (28-10); Mawana 28-8 (28-4); Damala 29-8 (29-8); Amroha 28-4 (27-14); Bijnore 28-4 (27-14); Rampur 31-8 (31-10).

The recent decision of the Government of India to allow exports of sugar up to 100,000 tons must be welcomed, inasmuch as it will help the sugar factories to tide over, to some extent at least, the difficult problem of finding godown space and finance for stocking large quantities of sugar. Sugar traders, however, seem to be somewhat critical of the Government's policy of permitting exports only through the Indian Sugar Mills Association. For instance, addressing the third annual meeting of the *Shakkar Vyapari Mandal* Ltd., at Bombay last week-end, Mr. Shantilal K. Somaiya, the retiring President, pointed out that the trade with its mature experience of export business should, in fairness, receive priority in the export drive, without whose active co-operation it would be difficult for any centralised agency rapidly to develop exports. He urged the Government of India to permit the trade to export and to do away with the present monopoly. He revealed that representation had been made in the matter to the Government. Presumably as a sequel to this representation, the Government has asked the Indian Sugar Mills Association to permit traders also to tender sugar for export. It is, however, not known what arrangements the Association has made in this connection, more especially with regard to the system of pooling the entire profits realised by it from the sugar export business in a separate fund to be utilised for exports at a loss as and when the necessity arises. One would want to know whether this system will be made applicable to the traders also and, if so, how it will work.

SUGARCANE PRICES

The Lok Sabha rejected on Friday last week a private resolution urging the Government of India to set up a statutory body for fixing the prices of sugarcane payable by factories to growers. The resolution was moved by Mr. B. Ramachandra Reddy who said that such a board would have gone a long way towards promoting better relations between cane growers and millers, thereby helping increase in sugar production. He cited the example of Australia where such a body was functioning very effectively and pointed to the Indian sugar delegation to Australia having highly commended the introduction of a similar body in India.

Speaking on the resolution, Mr. M. V. Krishnappa, Deputy Minister for Food, declared that the Government could not accept the resolution. For he stated that the Governments of Uttar Pradesh and Bombay, two principal cane-growing States, had opposed the setting up of a statutory body and wished the present arrangements to continue.

SUGAR PRODUCTION AND STOCKS

Sugar production during the month of February 1957 was 352,629 tons, bringing the total production during the first four months of the season 1956-57 to 1,169,028 tons. The corresponding figures for the last season were 355,000 tons and 1,067,000 tons, respectively.

The offtake of sugar from factories during the month of February 1957 was 177,000 tons, as against 233,000 tons in the corresponding period last season. The total offtake of indigenous sugar during the first four months of the current season amounted to 635,000 tons, as against 598,000 tons a year before.

The closing stock of indigenous sugar on the 28th February 1957 was 1,065,000 tons, as against 880,000 tons on the same date last season.



ENLARGING RESOURCES OF COKING COAL

C.F.R. INSTITUTE'S TASK

THE symposium on coal carbonisation held last week at the Central Fuel Research Institute, Jeolgora, served a useful purpose in focussing immediate attention to the problem on conserving and enlarging the country's resources of good quality coking coal. The problem is a formidable challenge to the Institute and the Coal Blending and Coking Research Organisation—a challenge which must be met, if the iron and steel industry, or for that matter industry in general, is to develop commensurate with the expectations of the planners and with the needs of the country.

Fuel power and minerals constitute the foundation of industrial development. Strangely enough, India has abundant reserves of high grade iron ore, but the reserves of coking coal which can be carbonised directly to yield metallurgical coke is extremely limited. Estimates place the availability of good quality coking coal at about 750 million tons out of a total of 2,500 to 3,000 million tons of all qualities. On the basis of production of 45 million tons of iron and steel per annum, the reserves are not expected to last for more than 30 years, unless special steps are taken to conserve these coals in mining and in utilisation.

It is through carbonisation of coal at high and low temperatures that coke, so vital for the steel and other industries, is produced, besides giving other valuable products like coke oven gas, coal tar, benzol and a large number of chemicals, but the reserves of metallurgical coal suitable for conversion into coke for metallurgical use is rather limited. It is, therefore, of utmost importance that such coals are to be conserved and their use limited to operations where inferior coals would be inappropriate. It is also necessary that the inferior grade coals should be upgraded and rendered suitable for coking purposes by blending, washing and other methods. Recognising the seriousness of the problem, the Tata Iron and Steel Company, Ltd., has already set up washeries at West Bokaro and Jamadoba, which are the first of their kind in the country. The railways, which use about 4.7 million tons of coking coal, have also decided to change the design of locomotive boilers, so that the latter will progressively operate on non-coking coals instead of on coking coals as hitherto. The resources of metallurgical coking coal can thus be enlarged substantially, but the washing of inferior coals presents very special problems, due to the intimate mixture of mineral matter in the coal. Besides, the washing process will also result in production of large quantities of high ash coals and middlings for which proper uses must be found, by planning other industries, such as generation of power, production of fertilisers, production of synthetic oil, etc., which can consume high ash refuse and thus make the beneficiation of the inferior quality coals more economic for production of metallurgical coke.

While, on the one hand, the supply of good quality coking coals is not plentiful, on the other, these coals are really poor in quality as compared with those in other countries. They require beneficiation and preparation before they are fit for metallurgical use. It is, therefore, necessary to minimise the use of better quality coking coals. There are various means of doing so, all of which will cost money and effort. Britain, West Germany, and the Eastern United States are great centres of coal carbonisation and as these areas contain large resources of good quality coking coals, they have not so far faced these problems. The resources being exhaustible, even these areas are alert to the problem. There are, however, other countries in the world, such as Japan, the Saar District, France, Western United States, Yugoslavia and East Germany, which, like India, have faced such problems. They have been able to solve them to a considerable extent by reducing their dependence on good quality coking coal and rendering themselves self-sufficient in terms of resources in various degrees, thanks to the bold experiments and technological developments. While it will pay India to study these experiments and developments, it has to evolve its own solutions, because Indian coals are different in nature from those of the above countries and even in this country, each type of coal in the same region requires individual development and study. The results of experiments carried out so far in India and the study of achievements in other countries have shown that India's resources of coking coal or production capacity in terms of resources can be enlarged considerably, if the results of research were implemented in practice with vigour and foresight.

DEBT POSITION OF CENTRAL GOVERNMENT

TOTAL AT THE END OF NEXT YEAR WILL AMOUNT TO RS. 3,362 CRORES

THE outstanding public debt of the Government of India is expected to go up, during the next financial year, by Rs. 521.99 crores, that is, from Rs. 2,839.68 crores as on 31st March 1957 to Rs. 3,361.67 crores at the end of March 1958. The bulk of the rise, amounting to Rs. 365.00 crores, will be short-term, in the form of Treasury Bills and ways and means advances, which, incidentally, indicates the extent to which the Finance Minister proposes to resort to deficit financing, with a view to covering the deficit on revenue and capital accounts. Current rupee loans, dollar loans, loans from the U.S.S.R. and expired loans are also expected to be higher by Rs. 65.93 crores, Rs. 56.23 crores, Rs. 32.43 crores and Rs. 3.02 crores, respectively. Sterling loans, however, are placed lower by Rs. 62 lakhs at Rs. 21.65 crores, due largely to the reduction in the capital portion of railway annuities.

The following table gives a broad analysis of the Central Government's debt position as on 31st March 1958 as compared with that at the end of 1956-57 and 1938-39:

(In crores of rupees)

	As on 31st March		
	1939	1957	1958
Rupee Loans:			
Current loans	437.87	1,588.45	1,654.38
Treasury bills and ways and means advances	46.30	865.25	1,230.25
Special floating loan	..	212.60	212.60
Expired loans	.65	11.33	14.35
Total ..	484.82	2,677.63	3,111.58
Sterling Loans:			
Current loans	396.50	0.56	0.53
War contribution	20.62	20.62	20.62
Capital portion of railway annuities	47.82	1.07	0.48
Expired loans	0.01	0.02	0.02
Total ..	464.95	22.27	21.65
Dollar Loans	..	132.95	189.18
Loan from U.S.S.R.	..	6.83	39.26
Grand Total ..	949.77	2,839.68	3,361.67

The liability for the British war loan remains suspended, while the outstanding railway annuities are covered by an equivalent deposit with the United Kingdom Government, which provides the necessary sterling as the payments fall due. Omitting these items, the total outstanding debt will be Rs. 2,818 crores at the end of the current year and Rs. 3,341 crores at the end of 1957-58. At the end of the Budget year, the outstanding debt would, as compared with the figure at the end of 1938-39, have risen by Rs. 2,459 crores.

In addition, the Government of India is liable to repay the balances in the various Provident Funds, the Post Office Savings Banks, the Post Office Cash, National Savings and National Plan Certificates, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs, etc., and certain other deposits mainly relating to excess profits tax and income-tax. These balances are estimated to amount to Rs. 1,060 crores at the end of the current year and Rs. 1,163 crores at the end of 1967-58, after making a very rough allowance for Pakistan's probable share in them. Taking the regular debt and these liabilities together, the debt position of the Government of India will stand as follows:

(In crores of rupees)

	As on 31st March	
	1957	1958
Regular loans	2,839.68	3,361.67
Other liabilities	1,060.40	1,163.35
British war loan and railway annuities ..	(—) 21.69	(—) 21.10
Total ..	3,878.39	4,503.92

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:

(In round crores of rupees)

	As on 31st March	
	1957	1958
Railways	1,073	1,107
Posts and Telegraphs and other Commercial Departments	150	172
Investment in commercial concerns	136	321
Loans and advances	1,187	1,440
Purchase of annuities for sterling pensions ..	60	54
Subscriptions to the International Monetary Fund and World Bank	213	213
Debt due from Pakistan	300	300
Cash and other investments	50	50
Total ..	3,169	3,747

Allowing for these, the uncovered debt will amount to Rs. 757 crores at the end of the Budget year, as against the pre-war figure of Rs. 188 crores. The whole of this cannot, however, be called unproductive debt, for the large grants to States for development in recent years, which increase the productive capacity of the country as a whole, are not entirely unremunerative and, similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the Delhi capital outlay and Defence capital outlay), is not without value.

Out of the total debt noted above, the interest-bearing obligations of the Government of India are expected to stand at Rs. 4,298.05 crores by the end of 1957-58, as against Rs. 3,676.13 crores at the end of the current year and Rs. 1,201.58 crores (excluding Rs. 4.18 crores on account of Service Funds—England) at the end of 1938-39. The major portion of this liability is covered by interest-yielding assets, the actual amount of such as on 31st March 1958 being Rs. 3,484.33 crores, a rise of Rs. 577.44 crores as compared with the figure at the end of this year. The assets as on 31st March 1939 aggregated only Rs. 896.65 crores. The details of some of the important items of assets are shown in the following table:

(In crores of rupees)

	At the end of		
	1938-39 Pre-war	1956-57 Revised	1957-58 Budget
Capital advanced to railways ..	725.24	1,072.79	1,196.96
Capital advanced to other commercial departments	27.42	150.19	172.28
Investment in commercial concerns	..	136.04	321.06
Capital advanced to States ..	123.28	1,030.24	1,234.49
Other interest bearing loans ..	20.71	157.06	205.49
Deposits with the U.K. Government for redemption of railway annuities	..	1.07	0.48
Purchase of annuities for sterling pensions	..	59.50	53.57
Debt due from Pakistan	..	300.00	300.00
Total ..	896.65	2,906.89	3,484.33

Besides the aforesaid interest-yielding assets, the Government of India has cash and securities on Treasury account. The estimate of these as the end of next year is placed at Rs. 50.38 crores, as against Rs. 50.41 crores at present and Rs. 30.30 crores on 31st March 1939. The interest-bearing obligations not covered by assets are expected to rise from Rs. 718.83 crores to Rs. 763.34 crores. The figure at the end of 1938-39 was Rs. 274.63 crores.

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NATIONALISATION OF TEA INDUSTRY RULED OUT

MR. MORARJI DESAI'S ENUNCIATION OF POLICY

THE rejection, by the Lok Sabha, of Mr. A. K. Gopalan's resolution proposing nationalisation of the tea industry has served to spotlight not only the absurdity of "theoretical notions of nationalisation," as Mr. Morarji Desai put it, but also the grave danger to India's economy inherent in this and other similar proposals. Mr. Gopalan's resolution moved in the House towards the close of the last winter session stated that the predominant position of British capital in the tea industry had proved detrimental to national interests and that the industry, should be nationalised forthwith. It will be recalled that, in the course of his short speech introducing the resolution, Mr. Gopalan did not put forward any convincing reasons in support of his proposition. His principal contention was that there was a high degree of concentration of foreign capital in the tea industry and that this must be put an end to. It is gratifying to note that the Minister for Commerce and Industry, in his reply to the debate, made some very pertinent remarks on the futility of the suggested step. Pointing out that the general question of nationalisation of industries was one to which some were wedded without any consideration, Mr. Desai averred that his Government was neither against nationalisation nor in favour of it merely as a principle. The question of nationalisation of the tea industry ought to be examined, he said, from the point of view of whether it would be in the interests of the country.

No Causes

This, in fact, has always been the main consideration in deciding the pros and cons of nationalisation of industries. In the case of the tea industry, as Mr. Desai endeavoured to show in his speech, it is impossible to discover anything that will even remotely point to the need for nationalisation. Taking the most important aspect of production, there is no guarantee that nationalisation would result in greater production. On the other hand, as Mr. Desai pointed out, there are grave doubts about production continuing for some time on the same scale as at present after nationalisation has been achieved. That would indeed be a big risk for this country to take. Incidentally, Mr. Desai pointed out that production in the British-owned estates was in no way inferior to the production in Indian-owned estates.

It is admitted that non-Indian interests (primarily British) hold a predominant position in the Indian tea industry. The Plantation Inquiry Commission drew particular attention to this fact and referred to the "excessive concentration of economic power in a few hands." But the Commission did not say that such concentration was the result of a deliberate move on the part of non-Indian interests. On the contrary, it stated that there had been a progressive reduction of non-Indian interests within the industry during the past many years. Apart from this, the important point to consider is whether, and if so to what extent, the alleged concentration is affecting the Indian tea industry or the country as a whole. Surely, it has not stood in the way of the progress of the industry, viewed from any angle. It has not placed our export trade or local trade in any position of disadvantage, nor has it placed any particular burden on the consumer in India or abroad. On the other hand, the fact that Britain is still by far the largest single consumer of Indian tea shows that no harm has come out of the alleged concentration. Mr. Desai rightly pointed out that, if foreign tea interests in India were treated in the manner suggested by the resolution, the export position of tea would be harmed.

Profits

The sponsors of the resolution argued that huge profits were being earned and taken out of India by the foreign owners of tea estates. This may have a big value as a means of propaganda, but it is not warranted by facts. Mr. Desai countered the argument by giving the information that, in 1953-54, out of the net profit of Rs. 11.07 crores, only Rs. 3.05 crores were paid as dividend. In 1954-55, the net profit of the tea industry amounted to Rs. 11.79 crores, out of which only Rs. 3 crores were distributed as dividend. A large percentage of net profit had been ploughed back in the industry for its improvement. Here again, it is noted from the Plantation Inquiry Commission's Report, that the non-Indian interests' share of the amounts ploughed back was no less than that of the Indian interests; in fact, it was more.

The feeling that the tea industry is uniformly prosperous and pays large dividends to shareholders is by no means casual, for some people even swear by it. The facts may be gleaned by a reference to a recent number of the *Economic Review* published by the All India Congress Committee which gives an index of industrial profits for the four years 1950 to 1953 set against a basic figure of 100 in 1939. This shows that, while the average for all industries, including tea, jute, cotton and sugar, was 246.6 in 1950, it was 271.2 for tea only. In 1951, the index for tea was 103.9, as against 310.5 which was the average for all industries. In 1952, it was 88.8 for tea, as against 190.6 for all others. In 1953, the index for tea was 391.4, while the average for the others was 261.2. This is sufficient to show not only the widely fluctuating nature of the profits earned by the tea industry from year to year but also the fact that the average profit earned is by no means colossal or incomparable with other industries.

Financial Commitment

The sponsors of nationalisation did not seem to be concerned very much with the financial implications. The Commerce Minister estimated that the cost of nationalisation would be Rs. 181 crores, not to speak of the large working capital required. Apart from the difficulty of finding this huge sum of money, what is the object in employing it towards acquiring an existing industry which, even on the Minister's own admission, is working efficiently? It would be far more sensible and desirable to employ such a large amount on new enterprises and new investment for which there is a real need. The Minister pertinently asked in this connection: "While the position today is that we are inviting foreign capital to invest in this country for raising industrial production, how can we think in terms of liquidating foreign capital already invested in this country?" He emphasised that no benefit would accrue by following such contradictory policies.

The argument that labour was being exploited was also rejected by Mr. Desai. In fact, he said, the conditions of labour were becoming better and better every day. In support of this point he drew attention to the fact that their wage bill had risen from Rs. 11 crores a few years ago to Rs. 60 crores at present. Amenities provided to labour were increasing. The regulations framed by the Government were also bringing about more and more improvement of the living and working conditions of estate workers. About a million people were employed in this industry. He challenged the argument of the supporters of the resolution that labour was not getting a fair deal from foreign owners and said: "We have to admit that the labour is looked after better in the foreign estates than in the Indian estates."

Indianisation

It must be assumed that in proposing nationalisation of the tea industry the sponsors were not thinking merely of foreign-owned estates. In any scheme of nationalisation Indian-owned estates also must necessarily be included; otherwise it will not be nationalisation in the true sense. The sponsors of the resolution appeared to be talking of nationalisation of foreign-owned plantations only. It is possible that the real purpose of the resolution was merely that British-owned plantations should be bought up by Indian owners. That would be a process of Indianisation and not nationalisation. But Indianisation on these lines has, in fact, been going on for some years past, and must continue in the future.

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PROBLEMS OF ELECTRICAL INDUSTRY

CO-ORDINATION OF IMPORTS AND PRODUCTION WANTED

SOME of the major problems facing the electrical industry figured prominently in the address delivered by Mr. N. R. Banerjee, President of the Indian Electrical Manufacturers Association, at the annual meeting of the Association held recently at Calcutta. Although the industry has made significant progress in recent years, a large gap in supply still remains to be filled. The major obstacles in the way of rapid development of the industry, apart from taxation and labour policies, have been the lack of co-ordination between imports and indigenous manufacture, the delay in the licensing of the installation of additional capacity, absence of proper co-ordination between indentors and manufacturers and shortage of raw materials.

Despite these handicaps, the electrical industry, as pointed out earlier, made rapid strides during recent years. Production during 1955 and the target proposed for attainment by 1961 are given in the table below:

PRESENT PRODUCTION AND PROPOSED TARGETS

	Units	Production in 1955	Target for 1961	Capacity to be established
Transformer	K.V.A.	564,700	1.5*	2*
Motor	H.P.	252,000	800,000/1*	1.25*
Cables and wires—				
Bare copper conductors	Tons	8,434	10,000	..
ACSR and all aluminium conductors ..	,,	8,045	20,000	30,000
VIR and PVC cables..	Mil. Yds.	86	250	500/600†
Paper insulated power cables	Miles	..	1,600	1,600
Switch gear and control gear—				
11 KV-switchgear ..	Nos.	..	1,600	1,600
Low voltage circuit breakers	,,	254	3,000	3,500
Motor control gear ..	,,	7,710	120,000	120,000
Iron-clad switch and switch fuses ..	,,	580,000	600,000	800,000

* Millions. † Million core yards.

There has been, for instance, a marked increase in demand for transformers during the last few years, thanks to the increase in rural electrification and manufacturers of transformers have made a concerted effort to augment production. The output of transformers increased from 194,000 KVA in 1951 to 920,000 KVA in 1956. However, the Government, on the ground that the indigenous industry is unable to meet the entire demand, has liberalised import policy in respect of transformers. The Association, it is stated, has pointed out many a time that the indigenous industry could meet the entire demand and if it had not been able to do so in the past it was not so much because of its inability to manufacture transformers in sufficient quantity, as to the lack of planning, on the part of indentors, in placing orders. Huge orders released all of a sudden from different quarters could embarrass any industry. The Tariff Commission itself had pointed out, in its report on "Continuance of Protection to the Power and Distribution Transformer Industry," that the planning of orders in the case of a few States was not even and sudden spurts in demand were created at particular times. It had also observed that the manufacturers were severely handicapped if there was delay in the final payment of bills by Central and State Governments on quantities actually delivered.

Liberalisation of Imports

Mr. Banerjee pointed out that the adverse effects of liberalisation of imports, are already being felt. The indigenous transformer industry is now short of orders in the smaller ratings and yet some of the State Governments have been only recently granted licences for importing them. Production of transformers could be considerably increased if the various State and Central Government indentors and the manufacturers co-ordinate their standardised requirements under the guidance of the Indian Standards Institution. He also stressed the need for placing indents at least 12 months in advance as a significant proportion of the raw material for transformers has to be imported on forward delivery basis. For instance, transformer sheets, one of the most essential raw materials of the industry, are now imported to the extent of 95 per cent. of total requirements.

Production of electric motors has also made considerable headway during the last five years. During the quinquennium 1950-51 to 1955-56, output of electric motors increased more than three times the 1950-51 figure, aggregating 295,000 h.p. in 1955-56. But demand also steadily increased and has outstripped supply so that there is still a gap left to be covered. Mr. Banerjee pointed out that though the Government's import policy takes cognisance of production trends within the country, there is need for greater co-ordination between Government and manufacturers in respect of the formulation of import policy. He suggested that the Government should consult the Association in framing the policy and assured wholehearted co-operation of the Association.

Ball bearings, a component part of electric motors, are also produced in the country, but it is not sufficient to meet the entire demand. Hence manufacturers of electric motors have been allowed to import ball bearings to the extent of their three months' requirements. The Association feels that this facility needs to be extended still further until such time as the indigenous supply of ball bearings is able to meet the increasing demand from the motor industry. There is also shortage of indigenous pig iron, another raw material for the manufacture of electric motors, which has to be met by imports. The wide disparity between the price of imported and indigenous pig iron affects the price structure of those manufacturers who have to depend more on the imported material.

Vast Field to Cover

But in the manufacture of switch and control gears, Mr. Banerjee said, a vast field is still left uncovered. The industry is, however, planning to extend the range of manufacture. The progress in other fields has also been encouraging. The production of bare copper conductors has been doubled, that of winding wires nearly doubled and that of rubber and plastic insulated cables stands at three times the 1952 figure. Similarly, production of storage batteries, dry cells, conduit pipes and radio receivers, electrical steel sheets, etc., has shown remarkable progress.

Inaugurating the meeting, Mr. Manubhai Shah, Minister for Heavy Industries, surveyed the rapid progress made by the electrical manufacturing industry. He pointed out that the Government's policy had always been carefully formulated, taking due account of indigenous capacity and production and demand. But he added that any suggestions that manufacturers may have to offer will be carefully considered by the Government while formulating the import policy. He also drew particular attention of manufacturers to some important aspects of the industry. Regarding transformers, he said that there have been complaints that the prices quoted by the producers are high. The industry, he suggested, would, therefore, do well to make an inquiry into its cost structure to see if any reduction in cost is possible. While a large capacity has been built up for the manufacture of distribution transformers, the country is still very much short of medium and large size power transformers. The Minister therefore requested the firms who are already manufacturing power transformers and others who have had considerable experience in the manufacture of distribution transformers to organise production of these transformers. Manufacturers of electrical equipment, the Minister held, had not shown sufficient initiative in undertaking the production of switchgears in the past. It would appear that some schemes with a phased programme have recently been sanctioned. There is still, however, a large gap and manufacturers will, therefore, do well to give some attention to this important field of electrical industry.

(Concluded from next column)

The Tariff Commission, in its last Report, had noted that it was convinced that the producers had made every effort to improve quality of the screws manufactured by the installation of better type of machinery and by the introduction of quality control. As the quality of the wire has not been satisfactory, the quality of the wood screw has also suffered. For instance, the railways, who are large-scale users of wood screws, have not been satisfied with the quality of the indigenous product.

Despite the difficulties faced by the industry in respect of obtaining raw materials of good quality, it has, during the 10 years of tariff protection, developed considerably. As the demand for wood screws is steadily increasing, the industry has a bright future provided proper care is taken to maintain high quality and economic cost.

PROTECTION TO WOOD SCREW INDUSTRY

TARIFF COMMISSION OPENS INQUIRY

THE Tariff Commission has commenced the inquiry into the question of continuance of protection to the wood screw industry beyond 31st December 1957. The inquiry is undertaken under section 11(*e*) and 13 of the Tariff Commission Act, 1951, which empowers the Commission to inquire into and report on any further action required in respect of protection granted to an industry. It may be recalled that, on the recommendation of the Tariff Board, the industry was first granted protection in 1946 for a period of three years by converting the revenue duty of 30 per cent. *ad valorem* into a protective duty at the same rate. In 1950, after a fresh inquiry, the Board recommended the continuance of protection to the industry at the same rate of duty for a further period of two years. The rate of duty was later raised to 31½ per cent. *ad valorem* by the Finance Act of 1951. The last inquiry into the claim for the continuance of protection to this industry was held in 1953 and the Commission recommended the continuance of protection for a further period of four years at the same rate of duty. The Government, however, in consultation with the Commission, decided that the rate of duty should be 31½ per cent. *ad valorem* or As. 5 per gross, whichever is higher.

In his speech made at the time of the opening of the public inquiry, the Chairman of the Tariff Commission, Mr. K. R. Damle, reviewed the present position of and prospects for the industry. The current demand for wood screws is estimated at about 3,500 tons or 7 million gross. Total availability in 1956, that is, the domestic production and imports was 4,369 tons or 8 million gross. Although it is difficult to project the future demand for general consumer items like wood screws, taking into consideration the programmes of house-building and other constructional projects contemplated in the second Plan, the Development Wing of the Ministry of Heavy Industries envisages the demand for wood screws to increase to 7,500 tons or 15 million gross a year by 1960-61. The Screw Manufacturers' Association, Calcutta, estimates annual demand to increase only to 5,000 tons or 10 million gross.

Installed Capacity

As regards production capacity, in 1953 there was 37 units manufacturing wood screws in the country. Of these, only 17 with a capacity of 4.5 million gross were registered with the Development Wing. There are at present 18 units registered with the Development Wing and their total capacity is 5.8 million gross. Some of the registered units have been permitted to expand their capacity and when the expansion is completed, the total capacity is estimated to increase to 7 million gross. The actual production of units in the Development Wing's list aggregated 7.5 million gross in 1956, as compared with 2.5 million gross in 1953.

The wood screw industry has been experiencing some difficulties in respect of supply of raw material of the requisite standard of quality. The Indian Steel and Wire Products Ltd., Indranagar, has been supplying H.B. steel wire, the principal raw material required for the manufacture of wood screws. Although this unit has sufficient capacity to meet the entire requirements of the wood screw industry for steel wire, it has not been able to do so. This has been attributed to the difficulty of procuring sufficient supplies of steel billets of the required specification. The firm has therefore been recently permitted to import billets.

There has also been complaints that the quality of the wire supplied by the Indian Steel and Wire Products Ltd., has not been satisfactory. The latter has, however, informed the Tariff Commission that it is prepared to supply wire of any chemical composition provided the Screw Manufacturers' Association undertakes to place orders with the firm for the entire requirements of the industry so that it can ask the Tata Iron and Steel Company to supply billets of the required chemical composition. A section of the industry had suggested that due to the unsatisfactory supply position and the quality of the domestic steel wire, the manufacturers of wood screws should be permitted to import wire from any source at the same rate of duty as is applicable to that of British manufacture. It has also been suggested that those units which have got capacity to draw their own wire should be permitted to import rods.

(Continued in previous column)

NEW PRODUCTS AND PROCESSES

New Screwdrivers for Jet Engine Adjustment

AMERICAN aircraft industry engineers have devised a new method by which mechanics sitting in the cabin of a big jet plane can make precision adjustments on its engines even though the engines may be 100 feet away out on the plane's wing. According to *Planes*, the publication of the Aircraft Industries Association of America the device is a simple one. The engineers built a screwdriver with a 100-foot handle. With the new "screwdriver," a mechanic is now able to sit in the pilot's seat watching the plane's instruments and make precision adjustments of the fuel controls of a jet engine in its pod far out on the wing. But the contrivance is not a conventional screwdriver. Two screwdriver heads with electric drives are contained in a small box which is connected by a 100-foot cord to a control box. The screwdriver heads are fitted into the recesses of the fuel-control screws, which turn to make changes in the fuel supply. These screws, of course, are part of the engine. The control box, which is attached by a cord to the box containing the screwdrivers, is placed in the plane's cabin. There the mechanic watches the instruments that record the operations of the engines and can adjust their operation to hairline accuracy while they are running at full power.

New Jet Trainer Aircraft

A remarkable new aircraft, the first to be designed in Britain exclusively for jet training, is expected to make its maiden flight early in March Costing only about £13,000, the Student, as it is known, has been developed over the last two years by F. G. Miles Ltd., a name famous in British aviation. Already, it is claimed, its many advanced design features have aroused the interest of Commonwealth and other Air Forces. According to Mr. Frederick Miles, Chairman and Managing Director of the firm, the Student will be the cheapest jet trainer in the world, and could be built abroad by countries not possessing a highly developed aircraft industry because of its simple design and construction.

Liquid Micromanometer

An instrument factory at Delft, the Netherlands, manufactures a simple, accurate micromanometer. This instrument is suitable for gauging both low pressures and differential pressures; in conjunction with an orifice plate or an impact tube it is used for instance for measuring gas and air velocities. This micromanometer has a fixed, slanting glass precision tube, which is clamped to a sturdy, machine-finished beam. The scale is 300 mm. (11.8 ins.) long and graduated in 1/1 mm. It can be supplied in a gradient of 1:10 or 1:4, the measuring range with an alcohol filling being about 25 or 60 mm. (0.98 in. or 2.4 ins.) respectively of water-column. The zero point control cock mounted on the cistern greatly facilitates the use of the instrument.

All-aluminium Electrolytic Capacitators

The plessey company of the U.K. has introduced a range of all-aluminium, sub-miniature electrolytic capacitators, including one claimed to be the smallest yet produced. Made possible by the application of a new type of etched foil construction the capacitators have wire terminations secured by a new method to the anode riser, preventing the possibility of dissimilar metals making contact inside the case, and thus eliminating the corrosive effect of the potential existing between such metals, particularly in the presence of the electrolyte. Sub-miniature capacitators are available in a range of capacitances from 9 to 50uF, and for operation at peak working voltages from 1.5 to 70.

Pressure Sprayer Nozzle

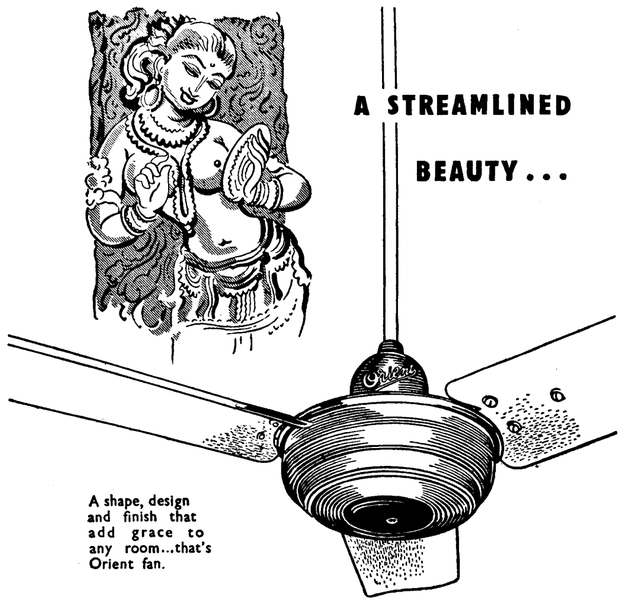
A tangential pressure sprayer nozzle, claimed to be a new development in spray gun nozzle design, has been developed by Alfred Bullows and Sons of the U.K. By using a novel arrangement of the nozzle horns, the kinetic energy of the discharged air is used to the full, as the two air streams pass tangentially across the face of the nozzle. When used with the firm's L/500 and L/600 spray guns, the nozzle provides a wide spray, maximum coverage for every pass of the gun and breaks up the paint with a minimum consumption of air at minimum pressure. It is stated that the atomising air pressure can frequently be reduced from 50 lbs./sq. in. to as little as 5 lbs./sq. in.

New Aid for Oil Study

A 20-year research effort on the part of the Gulf Oil Company scientists has resulted in the development of a new seismographic "camera" to be used in future oil explorations. The "camera" translates sound waves produced by small underground dynamite charges into light patterns which are recorded on rolls of moving films. The filmed light patterns provide company geologists a picture of underground conditions. The "camera" is expected to be of great use in the exploration for new oil fields as well as for determining if additional oil reserves are present in fields now considered no longer workable.

Faster Film for Photography

A new exceptionally fast photographic film has been developed in the laboratories of the Eastman Kodak Company. The film is said to be four times as fast as the fastest sheet film previously made by the company. Although the new film which is called S.O. 1177 is at present only available in limited quantities on special order, it will be made available commercially later on. It is claimed that with the new film clear photographs can be taken by the light of a cigarette lighter using a 1/25 second exposure at f./5.6.



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OF-2/57

FOR RAIL PASSENGERS

DOES YOUR LUGGAGE CONTAIN JEWELLERY, PRECIOUS STONES, WATCHES, SILKS, SHAWLS, CAMERAS, MUSICAL INSTRUMENTS OR OTHER "EXCEPTED ARTICLES?"

If so, you are advised that when you entrust such articles to the care of the Railways for carriage and the value of such articles in any one package exceeds Rs. 300/-, you should

(1) declare their value in writing at the time of booking, and

(2) pay a percentage on the value so declared over and above the normal freight charges,

failing which the Railways will not accept liability for the loss, destruction, deterioration or damage of such articles. The articles named above and many others you will find listed as "Excepted Articles" in the Railways Time-Tables and Guide.

The Station Master of the nearest station will give you detailed information if you contact him.

CENTRAL AND WESTERN RAILWAYS

THE SUPERANNUATION SCHEME—I

LIFE INSURANCE CORPORATION TO INTRODUCE SHORTLY

ALTHOUGH in India at present the Provident Fund is the most popular form of making provision for retired employees, it has at least one disadvantage which considerably limits its usefulness as a cover against the financial exigencies which a person may have to face some time or other during the period after the termination of his active life. The lump sum received as provident fund is likely to be frittered away and may not in most cases provide a steady income during retirement. Oftentimes, the employer will again be approached for financial assistance. There is, therefore, an increasing measure of awareness on the part of employers as well as employees of the advantages and desirability of making provision for payment of pensions to employees. In Western countries, enlightened employers have realised that such a scheme is of inestimable value to themselves and to the community as a whole.

In view of these obvious advantages, the Life Insurance Corporation of India has drawn up a Superannuation Scheme with the object of helping employers and employees to make provision for the payment of pension to the latter on their retirement from service. Special reduced rates are offered for these schemes with a view to giving its benefits to industry at the lowest cost possible. Although the main object of the Superannuation Scheme is provision of pensions to employees on their retirement, some life cover may also be provided to them during the period of service.

Many Advantages

A Superannuation Scheme has admittedly many advantages. From the point of view of the employer, the provision of long-term benefits through pension ensures a devoted staff free from the anxieties of providing for old age. Any contributions made by an employer under an approved Superannuation Scheme are permitted to be deducted in computing his income, profits or gains for the purpose of assessment of income-tax. The Scheme enables old employees to be superannuated at a reasonable age, thereby improving efficiency by making possible promotion of younger employees at an earlier age. The employees also stand to benefit by the Scheme. The ordinary contributions made by the employee to an approved Superannuation Fund will be eligible for tax relief under section 15 of the Indian Income-tax Act, 1922, in the same way as life insurance premiums and contributions to Provident funds are provided relief. A further advantage is that unlike what is the case in respect of provident fund, the contributions of the employer are not added to the employee's income either for tax liability or even for the purpose of determining the rate of tax. Nor is the employer's contribution included for computing the limit of one-fifth of the income or Rs. 8,000, whichever is less, for the purpose of relief under section 15. This is an advantage to employees in the higher income groups. All benefits received by employees will, of course, be liable to tax in accordance with the tax regulations in force from time to time. Further, freedom from anxieties about the future ensures a better frame of mind, promoting the employee's efficiency and developing his loyalty to the institution which he serves, thereby providing the necessary conditions for advancement in his career.

A Superannuation Fund may be introduced either in lieu or in replacement of an existing Provident Fund or in addition to a provident fund, but in lieu of a gratuity scheme. The entire lump sum payable under a gratuity scheme is taxable in the year of receipt thereof, whereas, under a pension scheme, only the annual pensions will be taxed each year. The incidence of taxation is, therefore, much less in the latter case.

The Corporation is normally prepared to entertain enquiries in connection with approved superannuation funds only. A fund should be established under an irrevocable trust into which shall be paid the amounts set apart for providing pensions to employees or their widows' children or dependents. Insurance benefits may also be provided as subsidiary to the pension benefits. A trust deed and set of rules should be drawn up. The latter would deal with eligibility, benefits and contributions, adjustments, early and late retirements, resignations and withdrawals according to the needs of the employer and the employee. It is recommended that a legal adviser be consulted for drawing up the trust deed and rules.

Predetermined Plan

The class of employees who are eligible for membership of the Scheme must be clearly defined. At the inception of the Scheme at least 50 per cent. of the eligible members are required to join. All future recruits who are eligible for membership must join the Scheme. Both the pension and the amount of life cover should be based upon some predetermined plan which precludes individual selection. One of the following methods is suggested:

(1) *Money Purchase Schemes.*—Each employer's individual salary scale may be accepted, and the contribution may be fixed at a percentage of the employee's salary. The annual contribution of the employer should not in any case exceed 25 per cent. of the employee's salary.

(2) *Proportion of Salary Scheme.*—Alternatively, the pensions payable to the employees may be fixed as a proportion of their respective salaries. The pension may, for example, be equal to 1/60th of the total salary drawn by the employee during the period of service. If such a Scheme is contributory, the cost to the employer would be different from that to the employee, as the latter would normally contribute a fixed percentage of his salary. The term "salary" should be clearly defined, e.g., it may be the basic salary only exclusive of any allowances or bonus that may be paid to the employee.

The employees who are members of the Scheme will participate in increased pension and life insurance benefits in respect of the increases in salary which they receive from time to time. Participation in this Scheme for new entrants and for existing members in respect of the increased benefits will be with effect from the Scheme anniversary following the date of joining or the date of increment and not from the actual date of joining or increment.

There should be a provision in the Trust Deed and Rules for temporary lay-off, i.e., cessation of contributions in respect of employees who are on leave without pay. No contributions shall be paid during such absence of the employees. The benefits available in respect of contributions made up to the date of absence shall be proportionately reduced. When the employee resumes service, his benefits and contributions will be determined afresh as in the case of a new entrant.

The main object of Superannuation Schemes as explained earlier, is provision of pensions to employees on their retirement from service but some life cover may be provided to them during the period of service. The following insurance and/or annuity plans are offered by the Corporation in connection with Superannuation Scheme business. The selection of the particular plan will depend upon the amount of life cover which it is intended to provide whilst the employees are in the service of the employer. In the first place, there is a plan for deferred annuity with return of premiums in the event of death during the deferment period. This plan is most suitable where it is desired to provide the maximum pension at the minimum cost, and life cover is not desired. Under this plan, uniform annual premiums are payable from the date of entry into the scheme up to the date of retirement or earlier death or exit, with premiums adjusted consequent upon increments in salary. If the employee survives to the retirement age, he will receive a pension in accordance with the trust deed and rules. If, however, he dies during service, all the premiums paid to the Corporation will be refunded to the trustees. Any payments made by the trustees to the employee's dependents shall be in the form of a pension under an approved superannuation fund.

Secondly, there is a plan which is a combination of a deferred annuity without return of premiums in the event of death during the deferment period and a temporary insurance policy. Instead of the deferred annuity with return of premiums, some employers may prefer to combine a deferred annuity without return of premiums with a temporary insurance policy. The sum insured under the temporary insurance policy may be equal to, say, 12 to 18 months' salary of the employee. This plan is most suitable for employers who wish to provide for some life cover during the service of the employee but do not wish to incur the heavy cost under the endowment insurance plan. Under this plan, there are two benefits. The first is that a pension is secured commencing at the retirement age of the employee. Uniform annual premiums are payable under this policy throughout the duration of the contract and no portion of the premiums paid will be refunded by the Corporation if the employee dies during service. The second benefit is intended to give life insurance protection to the employee whilst he is in the service of the employer. The sum assured will be paid in a lump sum to the trustees if the employee dies before the retirement age. Under an approved scheme, the trustees will have to utilise the sum assured for an annuity for the employee's widow or other dependents. Nothing is payable under the temporary insurance policy if the employee survives to the retirement age.

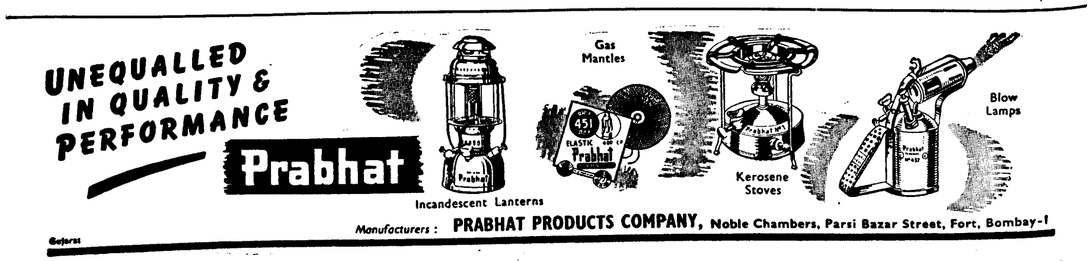
Finally, there is a non-profit endowment assurance plan, the sum insured under which would be the commuted value of the pensions in the case of proportion of salary plans. This plan provides the maximum amount of life cover so that the cost per unit of pension is naturally the highest. If the employee dies before the retirement age, the sum assured under the policy will be paid in a lump sum to the trustees, who will have to pay the benefit in the form of an annuity to the heirs of the employee under an approved scheme. If the employee survives to the retirement age, he will receive through the Trustees a pension in accordance with the rules of the scheme in lieu of the sum assured under the policy.

INSURANCE IN CANADA

The volume of net premiums written for fire insurance in Canada in 1956 is expected to be almost exactly the same as in 1955 when it amounted to $146,000,000, states Mr. K. R. MacGregor, Superintendent of Insurance, Ottawa, in a year-end review of insurance operations.

"Fire insurance coverage has naturally continued to increase with continued economic expansion," "but by reasons of substantial reductions in premium rates the annual volume of net premiums written has remained almost static since 1953.

"Some reductions in premium rates have been justified by the experience in a few classes but competition has tended to extend reductions to other classes as well. This tendency along with many serious fires and windstorms in recent years has resulted in a steadily increasing ratio of claims incurred to premiums earned, from 44 per cent. in 1951 to 55 per cent. in 1955."



CAN ROAD TRANSPORT PROVIDE RELIEF TO RAILWAYS?—I

SOME RECENT VIEWS EXAMINED

By B. V. Vagh, B.E. (Civil), M.I.E. (Ind.)

AN article by the writer under the caption "Can Road Transport Provide Relief to Railways?" appeared in the issue of *Commerce*, dated 28th July 1956. It was in reply to an article under the same caption by a member of the Railway Board, appearing in the first issue of the *Indian Railways*, dated 16th April 1956. Briefly, the railway case was that on economic grounds road transport can cater only for short-distance traffic within a range of 40 to 50 miles and that too, for the high-rated traffic and, therefore, on the whole, it was incapable of providing any relief to the railways. By quoting facts and figures, the writer established that on economic grounds road transport was fully capable of providing relief to the railways if it was allowed to develop as in other countries by removing restrictions on it imposed at the instance of the railways.

Independent Opinion

Since then to date a number of people in the country and also outside, representing neither the railways nor road interests, have either spoken or written on this subject of relief, and in order to understand the general trend of opinion it may be useful to see what they think about it. Their views are summarised briefly below:

(i) World Bank Mission on 30th June, 1956:

"We urge that the Government review its whole transport policy and programme with a view to maximising transport by all available means—by rail, roads, coastal shipping and inland waterways." In regard to roads, the Commission suggested "more energetic measures to remove State and inter-State restrictions on road transport and to reduce tax rates bearing on road transport."

(ii) *Capital* in an editorial in its issue dated 2nd August, 1956:

"On the balance the case for expanding road transport seems to be the stronger. Since it is obvious that the railways cannot lift all the goods that will have to be carried during the next five years an alternative means of transport is clearly necessary and among the inland transport services the roads are the only alternative."

(iii) Mr. C. P. Matthen, M.P., member of the Lok Sabha, speaking in the House on 11th August, 1956:

"Today the greatest problem is the transport problem. And as my honourable friend Mr. S. C. Samanta, as a member of the Committee on the second Five-year Plan said, 'it is impossible for the railways to lift the goods or to transport the passengers completely. They want something else to supplement their efforts.' One thing that can supplement their efforts is the surface transport industry."

(iv) Mr. F. C. Bhadwar, former Chairman of the Railway Board, in an article in the *Financial Times*, London, dated 13th August, 1956:

"Road transport requires the quickest possible development on its own merits and doubly so to provide some relief to railways. There appears to be no reason why 10 to 15 per cent. of the goods traffic being forced on to the railways should not be carried by road trucks with trailers."

(v) Mr. A. D. Shroff, well-known Bombay industrialist, in an article in the *Times of India*, dated 25th September, 1956:

"Now, assuming that, out of the shortage in rail transport 6 million tons can be made up by water transport leaving 30 million tons to be made good by motor vehicles some 60,000 trucks, part of them heavy ones or with trailers, can fill up this gap *in toto*.

"Thus, in a nutshell, the main solution to the transport bottleneck is for Government to remove the handicaps on motor transport."

(vi) *Commerce* in an editorial in its issue, dated 20th October, 1956:

"As regards road transport, it is well known that it accounts for a much smaller proportion of the total goods carried than in many Western countries.

"In Italy motor transport carries more than twice the quantum of goods carried by rail, in Australia it carries 8 per cent. more. In the U.S.A. the proportion of road to railway goods traffic was about one-third in 1953 and in the U.K. motor transport lifts 46 per cent. of all surface freight. In India, on the other hand, it has been computed, that motor vehicles carry no more than 14 per cent. of the rail traffic."

(vii) Mr. Shah Nawaz Khan, M.P., Deputy Minister of Railways and Transport, in a speech at Delhi on 8th November, 1956:

"According to the production targets set by the Planning Commission, the railways were originally expected to carry an additional 61 million tons. The 40 per cent. increase in their capacity will add up 47 million tons to the present capacity of about 115 million tons. There will thus be a gap of about 14 million tons. This gap may increase further if the revised production targets which have increased the tonnage of cement by 3 million tons and that of foodgrains and general goods by about 10 million tons materialise. A part of this total gap of 27 million tons may be offset against the increased capacity of coastal shipping and inland waterways which today is nearly 5 million tons and is likely to be doubled by the end of the Plan period. The balance will, however, have to be carried by road transport."

(viii) Dr. Rama Rao, M.P., in the Lok Sabha on 28th November, 1956:

"This problem of road transport is very important for many reasons. It is closely associated with our railways in the business of transporting goods as well as passengers, especially when we have very severe handicaps and delays in the transport of goods now being done by the railways. Therefore, we must see that our road transport is strengthened and improved so that it can take over, at least, some part of the transport business."

(ix) Pandit Thakur Das Bhargawa, M.P., in the Lok Sabha on 28th November, 1956:

"I cannot think of any trend in the country that the railways will be able to cater to the needs of the country in its entirety or that the railways will meet the full needs of the country. I think that our salvation lies, in so far as this aspect is concerned, in developing road transport."

(x) Pandit K. C. Sharma, M.P., in the Lok Sabha on 28th November, 1956:

"I think under no circumstances will railways be able to carry all the goods that would be required of them in the second Five-year Plan period. So transport of goods by road is necessary and should be encouraged."

(xi) Mr. Viswanatha Reddy, M.P., in the Lok Sabha on 28th November, 1956:

"I will content myself by observing that at no future date can we expect that our railway system will be able to meet the transport needs of our country to the extent and on the same scale as we would desire. Therefore, the necessity of developing motor transport is very obvious."

(xii) Mr. T. B. Vittal Rao, M.P., in the Lok Sabha on 28th November, 1956:

"The crux of the whole problem is how road transport could and should be developed in order to move the goods offered, in view of the fact that railways cannot move all the goods."

(xiii) Mr. O. V. Alagesan, M.P., Deputy Minister of Railways and Transport in the Lok Sabha on 29th November, 1956:

"The traffic that will have to be carried (during the second Plan) goes up by at least 15 million tons and the resultant gap (in railway capacity) comes to about 25 million tons. Even to carry the traffic that has been proposed to be carried by the railways the expenditure may have to go up because costs have already gone up. . . When this traffic of about 25 million tons offers itself there should be no conflict between the modes of transport. Road transport has naturally to come in and play its role."

(xiv) Mr. R. P. Sinha, M.P., in the Rajya Sabha on 12th December, 1956:

"You may be aware that it is estimated that there would be a gap of 30 million tons between the capacity offered for transport and demands on the railway transport by the year 1960-61. In spite of the fact that we are probably spending about Rs. 1,125 crores—may be some more money—on our railway development, there will be this gap of 30 million tons and I am very doubtful whether the community will be in a position to spare more money and if so, to what extent in order that this gap may be filled by the railways.

"The second important consideration that weighs with us today is this, that by the end of 1960-61 we shall have spent over Rs. 700 crores on our roads alone... If you see the density of traffic in other countries on their roads and in this country you will see that the return that we are getting from our roads is very meagre. Therefore, it is quite clear that there is very big room for the development of our road transport because there is enough capacity on our roads to carry it."

(xv) Mr. J. S. Bisht, M.P., in the Rajya Sabha on 12th December, 1956:

"In a country like the U.S.A. which has a highly developed transport system... more than 25 per cent. of goods load are lifted by road transport ... Is there any reason why a country like India with an area of nearly 12 lakh sq. miles and with only 34,000 route miles of railways it should not allow road transport to develop as early as possible?"

(xvi) The *Eastern Economist* 1956 Annual, page 1058:

"The major part which the railways have to play in relative terms in the country's transport system cannot conceal their inadequacy to cope with the mounting pressure of traffic. All the traffic offering must be carried for this is a condition precedent by the growth of the Indian economy envisaged for the coming years. Roads will need to be assigned a far more vigorous and onerous role than at any time before."

Exposition

These extracts from the writings and speeches of 16 independent observers, which include one outside observer, three economic journals, two Deputy Ministers of Railways and Transport of the Union Government, one retired Chairman of the Railway Board, and nine members of the two Houses of our Parliament, representing different political parties in the country, bring out the following points, clearly and unequivocally:

(i) During the second Five-year Plan there will be a sizable gap in the railway's transport capacity.

(ii) It will be impossible to provide additional funds from the public sector to meet this gap since even for the capacity planned for the railways an additional allotment may be required on account of rising costs.

(iii) The extent to which water transport can meet this gap will be limited even if its present capacity is doubled.

(iv) Therefore, the only way to meet this gap is the development of road transport to the extent required.

This clear exposition of the present transport position in the country has since been reflected in the new Motor Vehicles legislation which has now been passed by Parliament and which is awaiting the President's assent. It makes two important provisions in this matter. They are:

(i) There will, in future, be no distance limit on motor transport anywhere in the country.

(ii) The Government will now set up an All-India Inter-State Road Transport Commission to "develop, co-ordinate and regulate" inter-State long-distance road traffic.

Therefore, the unfortunate controversy as to whether road transport can provide relief to the railways must be taken to have come to an end and it is hoped will never be started again. The country's verdict as reflected in the new legislation by Parliament has replied to the question unequivocally and has to be accepted.

Mr. Kalyanaraman's Queries

In the October 1956 issue of the *Indian Railways* there is an article on this subject by Mr. S. R. Kalyanaraman, Additional Member, Railway Board. The article is in reply to the writer's article in *Commerce* referred to at the outset. In it, Mr. Kalyanaraman makes the following main points:

(i) The figure of Rs. 11¼ crores arrived at by the writer for the movement of one million tons of traffic is an "over-simplified" method of calculation since "it overlooks the fact that when line capacity works are provided they cannot be put in so as to be just proportional to the anticipated additional traffic."

(ii) "Whereas Mr. Vagh's figure of Rs. 11¼ crores as the cost of transporting a million tons by rail includes not only the cost of rolling stock but also that of track, workshop facilities, etc., the comparative figure of Rs. 4½ crores assumed by him in relation to road transport covers only the bare cost of the trucks."

(iii) Whether the mileage and the rate per mile figures for trucks given by the Study Group are right or those given by Mr. Vagh are right.

(iv) In his reference to truck-trailer combinations Mr. Vagh has used the words "said to be." Should figures be based on what is "said to be" or on experience?

(v) Whether the country's capacity of truck production is sufficient to meet the demand after meeting replacements?

(vi) "Even if truck-trailers and tractor-trailers of the capacity and cost mentioned by Mr. Vagh are in fact available, are our roads and road bridges generally capable of taking such heavy vehicles? Will their use make no difference to the wear and tear of our roads? If road repair costs have to go up, what will be the extent of the increase?"

Writer's Replies

The writer's replies to them are as follows:

(i) This applies both to railways and to roads. Therefore, you have either to work out a formula for both for arriving at the cost incidence per unit of traffic moved after taking into consideration the future capacity of the track or base your figures on the actual cost incurred during a period. The former requires a number of assumptions, since taking, for instance, the case of bridges which have an estimated life of about 100 years you will have to estimate the traffic over that period to arrive at a figure applicable to the present traffic. Such an estimate is bound to be hypothetical. It is significant that Mr. Kalyanaraman does not query Mr. Vagh's figure of Rs. 11¼ crores.

(ii) The writer's figures were on the basis of the original article by Mr. Mathur, to which his article was a reply, and were confined to the same items as in that article. Moreover, he has given in his reply separately the comparative costs of railway track and roads, based, in the case of the former, on provision in the budget, and, in the case of the

(*Continued on page 655*)

THE UNITED COMMERCIAL BANK, LIMITED

(INCORPORATED ON 6TH JANUARY 1943)

FOURTEENTH REPORT OF THE BOARD OF DIRECTORS.

The Directors submit to the shareholders the Audited Balance Sheet of the Bank as on, and the Profit and Loss Account for the year ended, 31st December, 1956.

	Rs.	a.	p.
The net profit for the year, after providing for all known and anticipated charges and including Rs. 27,761-2-0 brought forward from the previous account, amounts to ..	56,79,419	10	9
The Directors have made the following appropriations out of the net profit:			
Transfer to Reserve Fund	20,00,000	0	0
Provision for Taxes	16,00,000	0	0
Provision for Bonus to Staff	6,50,000	0	0
Balance	14,29,419	10	9
Rs.	56,79,419	10	9

Out of the balance of Rs. 14,29,419-10-9 the Directors recommend to the shareholders the payment of a Dividend at Rs. 8-8-0 per share, free of income-tax, which will absorb Rs. 14,00,000, leaving Rs. 29,419-10-9 to be carried forward to the next year's account.

The Bank's business continued to expand during the year and the profit showed a substantial increase as compared to the preceding year.

Demand for money continued unabated throughout the year.

The Bank Rate remained unchanged at 3½ per cent. but the rate of interest on both deposits and advances rose steadily throughout the period. After the turn of the year the Reserve Bank of India raised the rate of interest to scheduled banks on advances against Government Securities from 3½ per cent. to 4 per cent.

The Bank's investments appear in the balance sheet at below market value.

During the year branches of the Bank were opened at Kuala Lumpur in the Federation of Malaya and Rourkela.

The Directors are thankful to the shareholders and the clients of the bank for their continued support. They also express their gratitude to the Bank's advisers and advisory committees for their able help and guidance.

The Directors place on record their appreciation of the services of the General Manager and the officers and staff of the Bank during the year.

Under Article 95 of the Bank's Articles of Association four of your Directors—

SHRI G. D. BIRLA — SHRI G. D. KOTHARI
SHRI M. R. RUIA — SHRI YOGINDRA N. MAFATLAL

retire by rotation, and being eligible, offer themselves for re-election.

The Shareholders are requested to appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
G. D. BIRLA,
Chairman.

CALCUTTA, *12th March*, 1957.

BALANCE SHEET AS AT 31st DECEMBER 1956.

31-12-1955 Rs.	31-12-1955 Rs.	CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
8,00,00,000		**1. Capital—** AUTHORISED CAPITAL— 8,00,000 shares of Rs. 100 each ..	8,00,00,000	0	0			
4,00,00,000		ISSUED AND SUBSCRIBED CAPITAL— 4,00,000 shares of Rs. 100 each ..	4,00,00,000	0	0			
	2,00,00,000	AMOUNT CALLED UP— 4,00,000 shares at Rs. 50 per share ..				2,00,00,000	0	0
	95,00,000	**2. Reserve Fund and Other Reserves—** Reserve Fund (including that under Section 17 of the Banking Companies Act)				1,15,00,000	0	0
19,53,68,974		**3. Deposits and Other Accounts—** Fixed Deposits	22,57,81,483	2	1			
4,51,03,195		Savings Bank Deposits	5,22,24,625	13	5			
23,64,32,225	47,69,24,394	Current Accounts, Contingency Accounts, etc.	24,34,69,478	15	8	52,14,75,587	15	2
4,05,50,000		**4. Borrowings from Other Banking Companies, Agents, etc.—** (i) In India	8,49,00,000	0	0			
20,06,539	4,25,56,539	(ii) Outside India	1,11,856	11	11	8,50,11,856	11	11
		PARTICULARS— Rs. a. p. (i) Secured— (a) By part of Investments per contra. 4,91,20,000 0 0 (b) By part of Bills Discounted and Purchased per contra. 3,57,80,000 0 0						
4,24,15,285								
Nil								
1,41,254		(ii) Unsecured	8,49,00,000	0	0			
4,25,56,539			1,11,856	11	11			
			8,50,11,856	11	11			
	60,78,407	**5. Bills Payable**				1,50,33,072	12	6
		6. Bills for Collection being Bills Receivable as per contra—						
2,40,27,476		(i) Payable in India	3,25,36,141	1	8			
2,86,96,814		(ii) Payable outside India	3,36,41,643	7	4			
	5,27,24,290					6,61,77,784	9	0
1,78,75,719		**7. Other Liabilities—** (i) Branch Adjustments	1,25,76,358	2	0			
2,34,193		(ii) Unclaimed Dividends, etc. ..	2,68,367	10	9			
	1,76,09,909					1,27,84,725	12	9
	19,03,53,101	**8. Acceptances, Endorsements and Other Obligations** per contra				18,17,29,612	14	11
		9. Profit and Loss— Profit as per last Balance Sheet ..	11,27,761	2	0			
11,08,724		Less—Dividend	11,00,000	0	0			
10,00,000								
1,08,724			27,761	2	0			
36,99,037		ADD—Profit for the year	56,51,658	8	9			
37,77,761			56,79,419	10	9			
		LESS—Appropriations made— Rs. a. p. To Reserve Fund . 20,00,000 0 0 To Provision for Taxes .. .. 16,00,000 0 0 To Bonus to Staff. 6,50,000 0 0						
8,50,000								
14,00,000								
4,00,000								
	11,27,761		42,50,000	0	0			
						14,29,419	10	9
		10. Contingent Liabilities— (i) On Partly Paid shares	5,45,000	0	0			
		(ii) Claims against the banking company not acknowledged as debts.	5,65,588	7	6			
		(iii) Guarantees given on behalf of customers and Correspondent Banks	5,73,81,375	3	11			
		(iv) On Foreign Bills Re-discounted of which upto 9th March, 1957, Rs. 30,88,511-12-6 have run off.	37,24,722	15	2			
		(v) Forward Exchange Contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers of which upto 9th March, 1957, Rs. 17,85,58,818-6-0 have been delivered.	36,32,26,562	9	7			
		(vi) Bonus claims by employees for 1950, 1951 and 1952 not acknowledged as debts and disputed by the Bank before the respective Tribunals.						
		(vii) There is a liability for outstanding bills, not certified by the architects, in respect of construction of the Bank's building at New Delhi.						
	81,68,74,401	Carried over .. Rs.				91,51,42,060	7	0

31-12-1955 Rs.	31-12-1955 Rs.	PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
	3,99,64,036	**1. Cash—** In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes).				4,45,98,493	14	4
8,97,991		**2. Balances with Other Banks** (including Foreign Government Treasuries)— On Current Account— Rs. a. p. (i) In India .. 18,67,061 2 2						
1,90,54,159		(ii) Outside India 2,79,42,529 9 8						
	1,99,52,150					2,98,09,590	11	10
Nil		On Deposit Account— In India (Staff Security)				6,80,000	0	0
	22,00,000	**3. Money at Call and Short Notice**						
	6,21,16,186							
						3,04,89,590	11	10
						Nil		
						7,50,88,084	10	2
19,55,86,864		**4. Investments** (at below market value)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	17,22,35,838	15	3			
45,812		(ii) Shares— (a) Fully Paid Preference Shares.	4,18,212	8	0			
30,18,622		(b) Partly Paid Preference Shares	5,98,400	0	0			
14,25,000		(c) Fully Paid Ordinary Shares. .	32,06,325	0	0			
		(iii) Debentures or Bonds	9,50,000	0	0			
2,15,97,194		(iv) Securities of the U.S.A., Burma, Malaya and Pakistan Governments and Foreign Trustee Securities ..	1,69,09,374	0	3			
		(v) Gold	....					
	22,16,73,492					19,43,17,150	7	6
16,36,73,873		**5. Advances** (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)— (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (i) In India .. 19,03,16,638 3 3						
1,48,57,553		(ii) Outside India .. 3,50,34,588 4 4						
			22,53,51,226	7	7			
		(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India .. Rs. a. p. 9,01,22,990 11 1						
		(ii) Payable outside India .. 6,90,57,911 7 6						
			15,91,80,902	2	7			
						38,45,32,128	10	2
		PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured	31,08,22,115	9	2			
		(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	3,55,21,181	0	1			
		(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	3,81,88,832	0	11			
		(iv) Debts considered doubtful or bad, not provided for ..	Nil					
			38,45,32,128	10	2			
		(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	1,28,910	1	0			
		(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	2,33,79,002	5	11			
		(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..	2,01,823	13	0			
		(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	2,92,54,700	12	7			
		(ix) Due from banking companies ..	14,41,455	7	7			
2,27,00,295		**6. Bills Receivable being Bills for Collection** as per contra— (i) Payable in India	3,25,36,141	1	8			
1,66,500		(ii) Payable outside India	3,36,41,643	7	4			
4,49,67,956		Carried over .. Rs.				6,61,77,784	9	0
15,92,228								
2,40,27,476								
2,86,96,814								
	5,27,24,290							
	61,24,33,140					72,01,15,148	4	10

THE UNITED COMMERCIAL BANK, LIMITED—*Continued.*

BALANCE SHEET AS AT 31st DECEMBER, 1956—*Continued.*

31-12-1955 Rs.	31-12-1955 Rs.	CAPITAL AND LIABILITIES—Contd.	Rs.	a.	p.	Rs.	a.	p.
81,68,74,401		Brought forward .. Rs.				91,51,42,060	7	0
	61,24,33,140							
	19,03,53,101	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra				18,17,29,612	14	11
14,62,256		**8. Premises Less Depreciation—** Cost as per last Balance Sheet ..	18,27,188	8	9			
3,64,932		Additions (Rs. 5,64,590-6-3) Less deductions (Rs. 50,769-0-0) during the year	5,13,821	6	3			
18,27,188			23,41,009	15	0			
2,93,564		LESS—Depreciation written off to date.	3,94,698	14	3			
	15,33,624					19,46,311	0	7
56,69,013		**9. Furniture and Fixtures Less Depreciation** (including vehicles and equipment)— Cost as per last Balance Sheet ..	59,55,094	0	0			
2,86,081		Additions (Rs. 4,76,271-14-1) Less deductions (Rs. 1,31,434-13-1) during the year	3,44,787	1	0			
59,55,094			62,99,881	1	0			
34,11,657		LESS—Depreciation written off to date.	39,23,930	13	7			
	25,43,437					23,75,950	3	5
15,14,908		**10. Other Assets, including Silver—** (i) Land and Buildings— Cost as per last Balance Sheet .. Rs. 21,53,125 a. p. 0 5						
6,38,219		Additions during the year (Premises under construction) .. 8,57,220 5 0						
21,53,125			30,10,345	5	5			
1,65,174		LESS—Depreciation written off to date .. 1,81,089 6 11						
19,87,951			28,29,255	14	6			
25,36,514		(ii) Interest accrued on Investments ..	16,30,126	15	2			
46,38,856		(iii) Estimated amount of refund of Income-tax .. .. (Income-tax assessment for six years 1951 to 1956 not yet completed)	37,35,655	5	7			
8,52,778		(iv) Stamps and Stationery	7,79,999	12	0			
..	1,00,11,099	(v) Silver	....					
..		**11. Non-Banking Assets Acquired in Satisfaction of Claims**				89,75,087	15	3
..		**12. Profit and Loss**				....		
81,68,74,401	81,68,74,401	Total .. Rs.				91,51,42,060	7	0

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

31-12-1955 Rs.	EXPENDITURE	Rs.	a.	p.	31-12-1955 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
80,28,848	1. Interest paid on Deposits, Borrowings, etc.	1,17,81,166	7	6	1,63,89,715	1. Interest and Discount	1,81,98,308	13	5
78,93,141	2. Salaries and Allowances and Provident Fund .. .. .. (Salary, Allowances and Bonus of General Manager Rs. 23,593-6-0)	35,84,702	4	0	78,52,314	2. Commission, Exchange and Brokerage	1,20,13,920	8	11
42,516	3. Directors' (Rs. 39,050) and Local Committee Members' Fees and Allowances	47,712	0	0	1,23,945	3. Rents	1,20,319	9	9
11,53,102	4. Rent, Taxes, Insurance, Lighting, etc.	12,92,323	7	9	..	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	..		
1,04,421	5. Law Charges	50,724	5	7	..	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	..		
5,09,338	6. Postage, Telegrams and Stamps	5,49,136	10	4	..	6. Income from Non-Banking Assets, and Profit from Sale of, or Dealing with, such Assets	..		
96,358	7. Auditors' Fees for Statutory and Periodical Audits ..	95,419	13	5	4,902	7. Other Receipts	3,624	0	0
7,06,333	8. Depreciation on, and Repairs to, the Banking Company's Property ..	6,75,841	9	1	..	8. Loss	..		
7,85,278	9. Stationery, Printing, Advertisement, etc.	7,99,105	11	11					
..	10. Loss from Sale of, or Dealing with, Non-Banking Assets	..							
7,81,444	11. Other Expenditure	8,07,827	1	9					
36,99,037	12. Balance of Profit (subject to Taxation)	56,51,658	8	9					
	Rs. 10,241-6-6 paid as law charges to a solicitors' firm of which a director is a partner. The above expenditure includes, besides leave salary of Rs. 96,000, a sum of Rs. 52,831-15-9 being *ex-gratia* payments by way of allowances for ex-General Manager.								
2,43,70,376	Total .. Rs.	3,03,36,173	0	1	2,43,70,376	Total .. Rs.	3,03,36,173	0	1

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of The United Commercial Bank, Limited, as at 31st December, 1956, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the Branch returns audited by the Statutory or other Auditors.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;
(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;
(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

G. P. KAPADIA & CO.,
K. N. GUTGUTIA & CO.,
RAY & RAY,
Chartered Accountants.

CALCUTTA, *12th March*, 1957.

S. T. SADASIVAN,
General Manager.

G. D. BIRLA, *Chairman.*

I. P. GOENKA,
A. C. LAW,
G. L. BANGUR,
P. D. HIMATSINGKA,
R. L. NOPANY,
M. L. SHAH,
M. R. RUIA,
M. L. DAHANUKAR,
M. L. TAPURIAH,
Y. N. MAFATLAL,
G. D. KOTHARI,
T. S. RAJAM,
Directors.

P. R. SESHAN,
Acting Chief Accountant.

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INDIA'S BALANCE OF PAYMENTS

EARNINGS FROM EXPORTS MUST BE AUGMENTED

THE White Paper on the Budget presented by the Finance Minister the other day in Parliament makes it crystal clear that the nature of the balance of payments position of the country is serious. The basic assumptions on which the Planning Commission based its final estimates of balance of payments deficit on current account for the period of the second Plan have undergone considerable changes since the Plan was finalised. The assumptions are, firstly, that the terms of trade in the next five years will remain, on an average, the same as they were in 1955-56 (first nine months) and, secondly, that the inflationary pressures will be held firmly under control. While there was no significant change in the first 11 months of 1956 in the terms of trade, the inflationary prices, which made their appearance in the latter half of 1955, on the other hand, gathered momentum during 1956. Over 1956 as a whole, the general index of wholesale prices increased by 13 per cent. from 373.4 to 421.9. On 16th February 1957, the index stood at 424.4. It is noteworthy that the most perceptible increase has occurred in respect of agricultural commodities which registered a decline in production from 66.5 million tons in 1954-55 to 63.4 million tons in 1955-56. Cereal prices increased, for instance, by no less than 27.6 per cent. and groundnut and groundnut oil prices, to take two other examples, went up by 26.5 per cent. and 31.8 per cent., respectively, in 1956. Thus, in addition to the expected impact of the planned developmental activity on the balance of payments position, the inflationary forces, too, exerted their influence on this position. In consequence, while the second Plan placed the deficit on current account (excluding official donations) in 1956-57 at Rs. 148 crores, actually, a deficit of this order was achieved in the first half of 1956-57.

Developmental Activity

The most conspicuous impact on the balance of payments position came from rising developmental activity in 1956. The monthly value of imports increased sharply from Rs. 51.81 crores in 1955 to Rs. 65.39 crores in 1956. As against this, the monthly value of exports declined slightly from Rs. 49.65 crores in 1955 to Rs. 48.64 crores in 1956. The major explanation for the sharp increase in imports lies in the increasing demands for development. For the monthly value of imports of food, drink and tobacco actually declined from Rs. 6.37 crores in 1955 to Rs. 3.56 crores in 1956. During April-November 1956, the value of imports stood at Rs. 535 crores, as against Rs. 418 crores in the corresponding period of 1955. Of this increase of Rs. 117 crores, Rs. 96 crores was accounted for by the increase in the imports of machinery, iron and steel and other metals. Imports of machinery rose from Rs. 73.5 crores in April-November 1955 to Rs. 105.8 crores in the corresponding period of 1956. At the same time, those of iron and steel increased from Rs. 34.3 crores to Rs. 88 crores, and those of metals from Rs. 16.4 crores to Rs. 26.2 crores. Besides, there has been a large increase in the imports of vehicles, electrical goods and hardware.

In sharp contrast to this, the effect of the growing pressure of demand on economy combined with the fall in production of certain items have led to a fall in exports. The fall in exports, from Rs. 388.4 crores in the period April-November 1955 to Rs. 378 crores in the corresponding period of 1956, is mostly accounted for by the decline in exports of oil from Rs. 26.2 crores to Rs. 13.4 crores, and of cotton from Rs. 24.6 crores to Rs. 10.9 crores, which is largely explained by the poor crop of oilseeds and cotton in 1955-56. Significant declines in exports are also recorded in manganese, cotton textiles, and jute manufactures. It is noteworthy, however, that the decline in the total value of exports witnessed in 1956 would have been larger but for the large increase registered in the exports of black tea, which rose to 331 million lbs. in April-November 1956, as against 227 million lbs. in the corresponding period of 1955.

Import Prices

The White Paper also takes note of the not insignificant strain on the balance of payments of the factors, such as the increase in prices of imported materials and machinery and in the freight bill following the closure of the Suez Canal. Moreover, there are also indications that imports for development in the private sector have been larger than estimated. Again, while the expansionary impact of the increase in investment in 1956-57 has been largely neutralised by the increase in imports of investment goods, a part of the strain on the payments position is said to be due to the secondary effect of the developmental activity, namely, the failure of the domestic savings to match the investment undertaken.

The following table provides the balance of payments (current account) position in the four quarters of 1956 as compared with the corresponding quarters of 1955:

(In crores of rupees)

	1955				1956			
	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.
Merchandise	— 3.2	—22.2	—30.1	—20.7	—36.5	—76.7	—111.8	N.A.
Invisibles :								
Investment ..	— 1.3	— 3.3	— 1.5	+ 2.0	+ 3.4	+ 3.3	+ 2.3	N.A.
Other ..	+15.7	+ 9.8	+ 9.3	+16.2	+13.1	+ 9.2	+ 9.7	N.A.
Donations :								
Official ..	+ 3.8	+ 8.4	+12.1	+10.4	+14.1	+ 9.6	+ 8.3	N.A.
Other ..	+ 9.9	+ 7.8	+ 8.9	+ 8.3	+10.4	+10.1	+10.1	N.A.
Current account ..	+24.9	+ 0.5	— 1.3	+16.2	+ 4.6	—44.5	—81.4	—68.7
Errors and omissions ..	— 4.7	+ 5.3	+13.6	— 9.0	—15.2	— 7.1	+17.7	N.A.

Net credit + Net debit — N.A.—Not available.

As can be seen from the table, for the whole of 1956, there was a balance of payments deficit of Rs. 190.1 crores—figures for each quarter being +Rs. 4.5 crores, —Rs. 44.5 crores, —Rs. 81.4 crores and —Rs. 68.7 crores—as against a surplus of Rs. 40.3 crores in 1955. The deficit in the second and third quarters (details for the fourth are not available) are said to be due to enhanced deficit on trade account. Import payments increased from Rs. 335.3 crores in April-September 1955 to Rs. 476.8 crores in the corresponding period of 1956, while export earnings declined from Rs. 303 crores to Rs. 288.3 crores, so that the trade deficit widened from Rs. 52.3 crores in April-September 1955 to Rs. 188.5 crores in the corresponding period of 1956, or a net deterioration of Rs. 136.2 crores on trade account. It is noteworthy, however, that the increase in trade deficit was to a certain extent neutralised, thanks to the receipts from invisibles, official donations and other capital transactions. Further, according to the White Paper, preliminary estimates for the quarter ended December 1956 indicate that the same trends continued till the end of the year. The deficit for the year as a whole is, therefore, placed at Rs. 195 to Rs. 205 crores. The net result is that the foreign assets held by the Reserve Bank of India declined from Rs. 735 crores at the end of 1955 to Rs. 530 crores at the end of 1956. During the 10 months ended January 1957, during which the fall was most marked, they declined by no less than Rs. 236 crores, as against a rise of Rs. 5 crores during the previous corresponding period.

Drain on Reserves Serious

Obviously, a drain on reserves of this order, as the White Paper puts it, cannot but be regarded as serious. This situation has also vitiated the validity of the original estimates of foreign exchange requirements for the second Plan—of Rs. 1,100 crores—arrived at by the Planning Commission. The foreign exchange component of the steel plants is expected to be larger than was estimated. Besides, the prices of capital goods and steel to be imported during the Plan period have gone up.

This, obviously, calls for strenuous efforts in various directions if the Plan programmes are to be put through according to the schedule. Despite the fact that certain of the steps taken by the Government, such as the recent purchase of $127.5 million from the I.M.F., and the standby arrangements for a further purchase of $72.5 million provide some breathing time, it has become a matter of urgency, as the White Paper points out, to explore every possible avenue of promoting exports, of economising on imports and of getting additional assistance. The measures to be taken are set out by the White Paper as under:

"It is also imperative to promote exports and to weed out inessential imports, even if this results in a certain measure of restraint on consumption at home. This, it must be emphasised, is not a mere long-term desideratum; it is a vital urgent necessity. The need for external assistance in order to implement the Plan is, in any case, large and, while foreign resources have to be mobilised on a much larger scale than hitherto, it is equally important to augment the earnings from exports and to economise on import payments. At the same time, the implementation of the development programme has to be phased in a manner which contributes to an orderly transition to higher levels of investment in subsequent periods. Any phasing of Plan expenditure which leads to excessive strains on the economy in the initial years would only impair the chances of continued progress from year to year."

In short, the measures to be taken have to be directed towards promoting exports, cutting down inessential imports, imposing restraint on consumption, mobilising foreign assistance, and appropriately phasing the programmes under the Plan. Though much has been done in all these directions, much more remains to be done. Foreign assistance received till the end of March 1956 amounted to Rs. 297 crores of which Rs. 99 crores remains to be spent in the second Plan. Further, the U.S. Government has authorised $55 million for development assistance to India during 1956-57. During the same period Canada has authorised $13 million and New Zealand £1 million as aid under the Colombo Plan. A particularly noteworthy scheme, among others, of foreign assistance is the agreement concluded with the U.S. last August according to which India can acquire in the U.S. surplus agricultural produce worth $360 million consisting mainly of wheat, rice and cotton over a period of three years. The proceeds of this deed will be in rupees, of which the U.S. will make to India a long-term developmental loan of $234.1 million and a grant of $54 million. The agreement, thus, makes available additional financial resources to the Plan while, at the same time, it enables the country to import, without incurring immediate foreign exchange liabilities, essential consumer goods. Whatever foreign assistance is given, however, the bulk of effort must come from the people themselves. This should be in the form of putting off consumption, increasing savings, and stepping up exports.

SULPHURIC ACID INDUSTRY

Along with other basic chemicals, such as caustic soda, soda ash and liquid chlorine, the production of sulphuric acid is also expected to be stepped up during the second Plan period with a view to achieving self-sufficiency. The contemplated increase in sulphuric acid is from 165,000 tons in 1955 to 500,000-600,000 tons in 1960-61 or an increase of over three times. The present capacity of the industry, comprising 37 units, is 245,000 tons per annum. Licences have also been issued for 14 additional units and for expansion of the existing units. This means an additional capacity of 240,000 tons per year.

As the price of sulphuric acid has been very high, which, it is feared, would act as a deterrent to its increased use and development, a ceiling price has been adopted after discussions between the Development Council for Heavy Chemicals, Government, and the industry. This ceiling price is linked with the price of imported sulphur.

One of the handicaps of the industry has been the small size of sulphuric acid manufacturing units generally developed so far. The cost of production of sulphuric acid is related to the size of the manufacturing plant, apart from the price of sulphur. With a view to realising reasonable economies in the cost of production, the minimum size of the units has been raised to 50 tons per day. This, it is expected, would bring down the production cost of sulphuric acid.

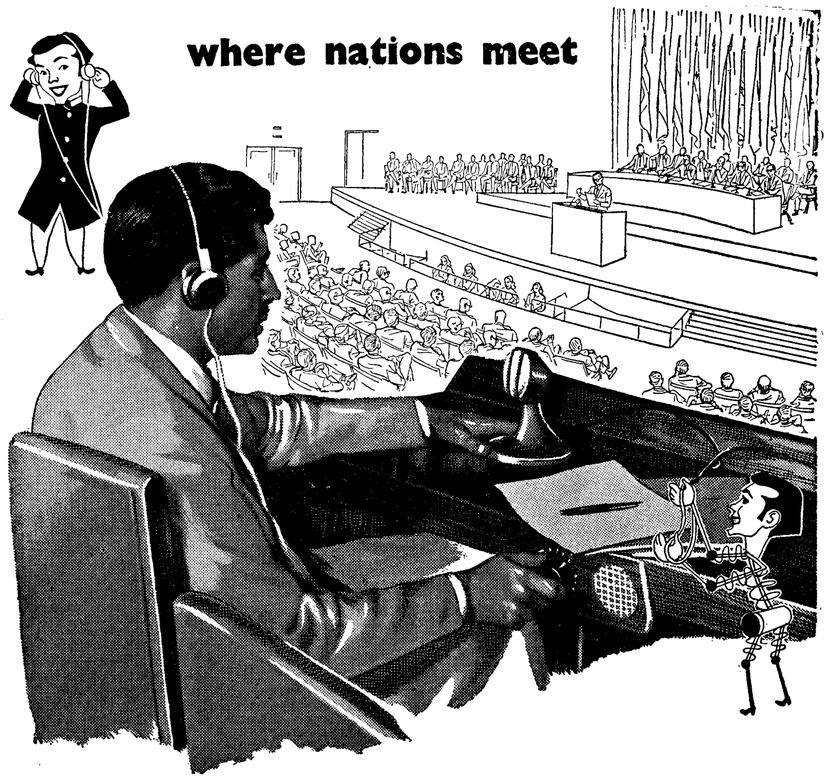
As the country is now dependent on imports of sulphur, Government has under consideration the setting up of an industry to manufacture sulphur from indigenous raw materials such as pyrites and gypsum. Investigations have been taken up to assess resources of pyrites at Amjor in Bihar. Also the possibility of economic utilisation of gypsum is being examined. It may be possible to set up one or two units with an aggregate annual capacity of at least 30,000 tons of sulphur during the second Plan period. A successful start has recently been made with regard to the fabrication of sulphuric acid plant in the country.

STANDARD FOR FUEL PUMP DIAPHRAGM FABRIC

The Indian Standards Institution has published an Indian standard specification for fuel pump diaphragm fabric. This standard prescribes the requirements and the methods of test for fuel pump diaphragm fabric, (a) synthetic rubber proofed and (b) varnish proofed, used in the construction of fuel pump diaphragms for motor vehicles.

Three classes of fabrics are included in this standard. They are synthetic rubber proofed, varnish proofed, type 1 and varnish proofed, type 2. Of these classes, synthetic rubber proofed and varnish proofed, type 1, are intended for use with either motor petrol (80 octane) or a mixture of motor petrol (80 octane) and power alcohol (4 : 1 by volume), while varnish proofed, type 2, is intended for use only with motor petrol (80 octane). The diaphragms prepared from two or more plies of synthetic rubber proofed fabric and five or more plies of varnish proofed fabric of the material are required to work satisfactorily for the period normally corresponding to a run of 16,000 kilometres (10,000 miles).

Besides terminology, classes and types, and sampling, the standard prescribes, under part A—qualification tests, bench rig test and other requirements of the basic and proofed fabric; and under part B—methods of test for product identification, such as acetone extract, chloroform extract, alcoholic potash extract, rubber combined sulphur, carbon black, ash and total synthetic oil-resistant type rubber.



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KANKNARRAH AND KAMARHATTY JUTES SUFFER HEAVY LOSSES

PREFERENCE DIVIDENDS WITHHELD

THE difficult conditions under which the jute industry is working at present do not require much enumeration. Difficulty of getting raw jute at economic price levels, which threatens to become almost a permanent feature, thanks to the uncertain crop position and dependence on Pakistan for the supply of raw jute to a large extent, the inability of the prices of manufactured goods to keep pace with the higher prices of raw jute, decline in demand from overseas markets and competition from Pakistan, all these have contributed to the poor working results of jute mills.

The working results of the Kanknarrah Company Ltd. and the Kamarhatty Company Ltd. (Managing Agents: Messrs. Jardine Henderson, Ltd., Calcutta) for the half-year ended 30th June 1956, provide an example to illustrate the above observations. Both the Companies have suffered losses during the half-year under review. This is the second half-year in succession for which they have incurred losses, and what is more disquieting is that, the losses are more pronounced than those for the previous six months. Thus, Kanknarrah has incurred a gross loss of Rs. 7.26 lakhs, as against only Rs. 2.68 lakhs for the six months ended 31st December 1955, and Kamarhatty's loss has gone up from Rs. 2.42 lakhs to Rs. 4.02 lakhs. In fact, the working of the Companies during the past three half-years discloses a steady downward trend in their earnings. Thus, the gross profit of Rs. 9.69 lakhs earned by Kanknarrah in the half-year ended 31st December 1954 has turned into a gross loss of Rs. 7.26 lakhs for the half-year under review. Likewise, the gross loss of Kamarhatty for the six months ended 30th June 1956, is in distinct contrast to the gross profit of Rs. 12.80 lakhs for the six months ended 31st December 1954.

After providing for Managing Agents' remuneration and depreciation, the net loss of the Kanknarrah Company stands at Rs. 9.06 lakhs, as against a net loss of Rs. 3.80 lakhs six months ago. The net loss of the Kamarhatty Company has gone up from Rs. 2.42 lakhs in the previous half-year to Rs. 4.02 lakhs. In view of the adverse working conditions, the Managing Agents have wisely, and in the larger interests of the Companies, waived the commission that is due to them. The losses, otherwise, should have been far greater. The Kanknarrah Company has made a provision of Rs. 1 lakh against anticipated loss on raw jute stock and work in progress. Its provisions in the previous half-year were Rs. 8,423 for doubtful debts, Rs. 4,928 for possible loss at agency and Rs. 67,490 for sales tax contingencies. No allocation to the reserves has been made by the Kamarhatty during the period under discussion but, in the preceding half-year, it transferred a sum of Rs. 9,525 for doubtful debts and Rs. 1.02 lakhs for sales tax contingencies.

In view of the unfavourable trading results, no dividend to the ordinary shareholders has been declared by the Companies for the second half-year in succession. In fact, the results have been so unfavourable that the Directors have had to withhold dividends, perhaps for the first time in many years. Even in the previous half-year, to wipe out the loss and to pay the preferential dividend, the Directors had to withdraw fairly sizable amounts from their reserves. It may be of interest to note that Kanknarrah had paid a dividend of 8 per cent. per annum for the six months ended 31st December 1954, but this had to be drastically cut to 2 per cent. per annum for the succeeding half-year, consequent on the sharp setback in earnings. Likewise, Kamarhatty's dividend also was curtailed to 5 per cent. from 10 per cent. per annum, during the same period.

The table at the bottom of the page will enable a comparative study of the working of these two Companies during the past three half-years.

Commenting on the trading conditions during the half-year under review, the Directors observe:

"In compliance with the Working Time Agreement of the Indian Jute Mills Association, the mills continued working 48 hours per week throughout the half-year, with 12½ per cent. of the total complement of looms sealed until 7th January 1956, with 10 per cent. of the total looms sealed from 9th January to 18th February 1956 and with 5 per cent. of the total looms sealed from 20th February to the end of the half-year. The reasons for the decision to unseal 7½ per cent. of the total looms were referred to in our last report. The expected improved demand from overseas markets, unfortunately, did not materialise, with the result that stocks of finished goods increased so rapidly that, half-way through the year, they stood at almost double the figure recorded at the end of December 1955, when the decision to unseal looms was first taken. To correct this situation, remedial steps were taken and 2½ per cent. of the looms were resealed from 16th July and a further 5 per cent. from 17th September, thus resuming the *status quo ante* 7th January. Stocks have since decreased and prices of finished goods rose, although there has been a subsequent fall. The international situation in the Middle East was a contributory factor to the rise, in that nearly all consuming markets apparently thought it wise to improve their stock position.

"Your Company has, however, found it increasingly difficult to dispose of its manufactures to advantage, in view of the rise in the raw jute market more than keeping pace with finished goods. The position has been aggravated by the non-delivery of raw jute by contract due dates and mills being thereby forced to purchase their immediate requirements on a hand-to-mouth basis from the Cossipore market."

The following synopses of the Companies' latest balance-sheets give an idea of their financial position:

	As on 30th June, 1956	
	Kanknarrah	Kamarhatty
LIABILITIES	Rs.	Rs.
Capital	68,22,700	59,20,000
Reserves	11,38,962	21,90,232
5½ per cent debentures	12,99,000	13,04,000
Provision for taxation	4,02,197	1,08,141
Liabilities	33,04,838	91,27,061
ASSETS		
Gross block	1,21,21,526	1,28,23,291
Less—Depreciation	87,61,781	1,15,01,308
Net block	33,59,745	13,21,983
Fixed assets in course of installation	22,92,776	57,15,481
Stocks	42,14,237	57,07,365
Stores	15,14,416	22,72,536
Debts, deposits and advances	22,15,212	29,20,419
Investments	1,80,465	1,95,275
Cash	2,36,630	2,00,389
Profit and loss account	9,24,216	3,14,036
	Rs. 1,79,87,697	1,86,49,484

While the results for the half-year under review are most disappointing and those for the second half of 1956 are expected to be more unsatisfactory, the situation is not without a ray of hope. For the Directors are satisfied that by the completion of the modernisation scheme in the Kanknarrah Company's 'A' mill during December 1956 and with the coming into operation within the next two months of the modern high speed spinning machinery in the Kamarhatty Company's 'B' mill, substantial cost savings will be effected which would place the Companies in a competitive position in the industry, even during the present difficult market conditions. The Directors of the Kamarhatty Company have further decided to concentrate production in the 'B' mill by closing down all the machinery in the 'A' mill.

(In lakhs of rupees)

	KANKNARRAH For the half-year ended				KAMARHATTY For the half-year ended			
	30-6-1956	31-12-1955	30-6-1955	31-12-1954	30-6-1956	31-12-1955	30-6-1955	31-12-1954
Sale proceeds	123.01	126.40	145.59	128.01	152.74	149.26	175.87	148.92
Stocks of finished goods and in process	25.99	17.45	15.23	22.43	23.88	19.35	16.57	26.42
Manufacturing and other expenses	140.02	132.07	136.91	116.62	166.71	154.74	162.94	137.16
Gross profit (+) or loss (—)	—7.28	—2.68	+2.23	+9.69	—2.73	—1.20	+3.78	+12.80
Managing Agents' remuneration	0.80	0.62	0.72	2.46	0.99	0.72	0.81	2.98
Depreciation	1.00	0.50	0.75	1.50	0.30	0.50	1.00	2.00
Taxation	..	..	0.35	2.60	..	..	0.95	4.05
Net profit (+) or loss (—)	—9.06	—3.80	+0.41	+2.40	—4.02	—2.42	+0.96	+3.96
To reserves and provision for doubtful debts and other contingencies	1.00	0.80	..	0.23	..	1.11	..	2.61
Transfer from reserves	..	5.53	..	..	..	4.63	..	2.00
Dividends—								
6 per cent. preference	..	0.30	0.30	0.30	..	0.48	0.48	0.48
Ordinary	..	..	0.54 (2% p.a.)	2.16 (8% p.a.)	..	..	1.08 (5% p.a.)	2.16 (10% p.a.
Carry forward	—9.24	0.82	0.19	0.62	—3.15	0.87	0.25	0.84)

RECORD PROFIT OF INDIAN STEEL AND WIRE PRODUCTS

An expansion in overall production, adoption of new techniques in manufacture and a few other factors of not a permanent nature have contributed to the sharp rise in earnings of the Indian Steel and Wire Products, Ltd. (Managing Agents: Messrs. Indra Singh and Sons Private Limited, Calcutta) for the year ended 31st March 1956. The audited accounts show that the Company's gross profit has made a strident advance of Rs. 25.09 lakhs to Rs. 106.33 lakhs. With this increase, the Company has not only maintained the upward trend in its profit for the third year in succession, but made good the shrinkage in

1952-53, when the profit declined from Rs. 85.75 lakhs to Rs. 77.52 lakhs. What is more, the profit for the year under review is a record in the history of the Company. The net profit, too, after making higher provisions for Managing Agents' remuneration, depreciation and taxation, stands at the distinctly higher level of Rs. 37.31 lakhs as against Rs. 26.51 lakhs a year ago and Rs. 21.84 lakhs in 1953-54.

Despite the better results, the Directors have not recommended a higher dividend which is being maintained at the usual level of 30 per cent. by paying Rs. 3 per share on the 320,000 fully paid-up shares of Rs. 10 each, As. 4-9.6 per share on 26,580 partly paid-up shares (Re. 1 paid-up per share).

While the dividend has thus only been maintained, the Directors have very wisely raised the allocation to the reserves to Rs. 20.49 lakhs from Rs. 15.90 lakhs provided in the previous year. Thus, the reserve fund gets Rs. 10 lakhs as against Rs. 2.50 lakhs, the development rebate Rs. 3.54 lakhs as against Rs. 8.40 lakhs and provision for bad and doubtful debts Rs. 1.96 lakhs as against *nil*. The provision for gratuities has been maintained at Rs. 5 lakhs.

The Company's overall production increased during the year under review. This is reflected in the rise in sale proceeds from Rs. 355.92 lakhs for 1954-55 to Rs. 415.12 lakhs for 1955-56 and the rise in expenses from Rs. 255.47 lakhs to Rs. 311.99 lakhs. The better results for the year under review were due to some extent to factors which are not likely to continue in the coming years. The chief contributory causes for the better results were: (1) the Supreme Court decision on sales tax in regard to inter-State sales which effected a considerable saving on the Company's purchases, as all inter-State sales were exempt from the payment of sales tax, (2) modernisation in the method of manufacture of the Company's products by commissioning devices which reduce manual handling to the minimum, and (3) speedy clearance of manufactured products. There was also an upward revision in the selling prices of the Company's finished products but this was due to a rise in raw material prices. Another helpful factor was that the Company was able to get its raw materials at "port" prices in the latter months of the year under review, as Tatanagar was considered a "port" for purpose of steel prices from November 1955.

The financial position of the Company is quite encouraging. Its paid-up capital at Rs. 32.26 lakhs (made up of 320,000 ordinary shares of Rs. 10 each fully paid-up and 26,580 shares of Rs. 10 each, Re. 1 paid-up) is supplemented by reserves and surplus aggregating Rs. 207.25 lakhs. These reserves include a general reserve of Rs. 86.45 lakhs, contingency reserve of Rs. 26.50 lakhs, reserve for revaluation of stocks and stores of Rs. 33.40 lakhs, reserve for repairs and renewals of Rs. 33.30 lakhs and development reserve of Rs. 11.94 lakhs. The provision for taxation stands at Rs. 88.21 lakhs and the current liabilities amount to Rs. 68.14 lakhs. The gross block of the value of Rs. 191.91 lakhs has been depreciated to Rs. 41.52 lakhs. The current assets amount to Rs. 354.36 lakhs. These are inclusive of stores Rs. 32.12 lakhs, stock-in-trade (at cost) Rs. 10.05 lakhs, debts, deposits and advances Rs. 97.67 lakhs, investments in Government securities and shares of companies Rs. 38.94 lakhs and cash and bank balances Rs. 175.46 lakhs. The cash balances alone more than adequately cover the current liabilities and provision for taxation.

The Directors have thought it expedient that a portion of the reserves should be capitalised and consequently arrangements have been made for obtaining governmental sanction and to comply with the formalities in this behalf. They anticipate that this step will take concrete shape in the near future.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 65 *ex-div.* On the basis of the dividend of 30 per cent., the shares provide a yield of 4.61 per cent. per annum.

I.C.I.C.'S MAIDEN DIVIDEND

The audited accounts of the Industrial Credit and Investment Corporation of India Ltd. (General Manager: Mr. P. S. Beale, Bombay) for the year ended 31st December 1956 show that the Corporation has earned a net profit of Rs. 21.64 lakhs as against Rs. 14.69 lakhs a year ago, after meeting all expenses and making provisions for depreciation and taxation. The increase in profit by about Rs. 7 lakhs is due to the higher income received by the Corporation by way of interest and dividends which has gone up from Rs. 32.16 lakhs in the previous year to Rs. 41.75 lakhs.

From the profits made, the Directors have recommended a maiden dividend of 3½ per cent. free of income-tax, absorbing Rs. 17.50 lakhs. After transferring Rs. 5 lakhs to general reserve, same as for the previous year, there remains a balance of Rs. 6.31 lakhs to be carried forward, as against Rs. 7.16 lakhs brought in.

The Directors state that, during the year under review, there was a heavy flow of enquiries for financial accommodation, these covering a wide range of industrial activities all over the country. In view of the necessity to comply with the provisions of the new Companies Act, there was some unavoidable delay in disposing of applications and progress, therefore, was naturally slow. The Directors had agreed, by the end of the year, to give financial assistance for a total amount of Rs. 601 lakhs in one form or another in respect of 24 applications, as against 11 in the previous year, and a further 15 applications involving a total of Rs. 6 crores were under examination. Of the amount of Rs. 601 lakhs sanctioned, loans account for Rs. 295 lakhs, underwriting of ordinary and preference shares for Rs. 238 lakhs and direct subscriptions to ordinary and preference shares for Rs. 68 lakhs.

The outstanding loans and advances as at the end of the year amount to Rs. 53.56 lakhs, as against Rs. 10.25 lakhs at the close of 1955. All these loans were given to industrial companies against mortgages. The investments aggregate Rs. 6.53 crores, as compared with Rs. 5.63 crores a year ago. Of these, Government and Government-guaranteed securities account for Rs. 4.47 crores, debentures for Rs. 90.26 lakhs, preference shares of industrial companies for Rs. 38.06 lakhs and ordinary shares for Rs. 77.32 lakhs. The bulk of the investments in industrial concerns are in new projects which have not yet reached profit-making stage.

It is often found that there is a time lag between the sanctioning of a loan and the actual disbursement of funds by the Corporation. The Corporation has made arrangements to disburse the loans according to the needs of the particular projects. While in some cases instalments will be spread over two years, in others such as underwriting of any subscription to ordinary and preference shares, particularly in the case of new projects for which deliveries of machinery are spread over a period of time, the amounts are invested only as and when calls are made. In the case of underwriting, out of Rs. 177 lakhs completed, the Company's eventual subscription to shares will amount to only Rs. 75 lakhs, the balance having been taken by other investors.

It will be recalled that the Corporation had been granted a loan of $10 million (or its equivalent in other currencies) by the World Bank for the purpose of meeting the external costs of projects which the Corporation assisted. But up to the end of 1956, no opportunities occurred for making use of this loan. This was because the promoters of new projects were in a position to obtain foreign exchange needs in the normal course and it was unnecessary for them to borrow foreign currency from the Corporation. The position is, however, expected to change on account of the shortage of foreign exchange and the revision of the Government's import policy. The Corporation is, therefore, ready now to assist in suitable cases where loans in foreign currency are sought, by utilising the aforesaid World Bank loan.

BANKING

(*Concluded from page 614*)

should be withdrawn and the banks should implement the Government's modified decision as formulated under the Industrial Disputes (Banking Companies) Decision Act, 1955, with effect from 1st January 1956. In the case of the five 'C' class Award banks the exemption in respect of area IV in the State should be withdrawn. In the case of two banks, namely, South Indian Bank Ltd. and the Catholic Syrian Bank, Ltd. however, the Labour Appellate Tribunal decision should be restored with retrospective effect from 1st April 1954 in the same manner and subject to the same conditions as laid down in the Industrial Disputes (Banking Companies) Decision Act, 1955; and in the case of the remaining two, that is, Palai Central Bank Ltd. and Travancore Forward Bank Ltd., the above named Act should be made applicable to their offices in that area with effect from 1st January 1956. The minimum emoluments of the clerks serving in the Non-Award banks should be Rs. 65 per month, consisting of a basic wage of Rs. 45 and dearness allowance of Rs. 20. The minimum emoluments of the subordinate staff serving in these banks should Rs. 35 per month, consisting of Rs. 25 basic wage and dearness allowance of Rs. 10. The Commission has also recognised the fact that there is a *prima facie* case for regulating the scales of pay, allowances, leave rules, working hours and all other terms and conditions of service of the workmen of the Non-Award banks in the State.

As regards the question of strengthening the banking structure in the State, the Commission has felt that no drastic measures are needed. It has expressed the view that the system can be considerably strengthened through weeding out of the extremely unsound banks and through rectifying the defects of others. It has also suggested that the Reserve Bank should take measures to strengthen the large-sized banks which are weak and that the banks should explore the possibilities of amalgamation, or alternatively, merger.

The Government has examined these recommendations and come to the conclusion that they should be accepted with the modification that in the case of the South Indian Bank Ltd. and the Catholic Syrian Bank Ltd., retrospective effect to the Appellate Tribunal decision should be given as from 1st January 1955, instead of 1st April 1954, as recommended by the Commission.

(*Concluded*)

Points From The Chair

Monetary Policy

"THE impact of the monetary policy and the fiscal policy on the national economy has been far more serious than what is officially acknowledged. The industrial production rose during the year by 25 per cent. but the agricultural production received a serious setback owing to unfavourable monsoon. The shortage of essential goods, accompanied by heavy deficit financing, released new inflationary forces which raised the living costs, intensified the labour unrest and squeezed the profit between costs and prices. Even granting that we are all living in an inflationary world in which a decline in the purchasing power of the rupee is inevitable and the prospect for those who have to live on fixed incomes and savings is dismal, I wonder whether it is a sound policy to acquire assets even in the name of development by resorting to methods which, if adopted by an individual, would be termed as dubious. I concede that in these days, stabilisation of prices and costs is probably the best that we can look to because any drastic reduction would swing the balance to the other extreme, i.e., deflation, which would be equally disastrous; but what is desirable is a middle course which would avoid the two extremes. Unfortunately, it is not easy for politicians in a democracy to resist the temptation of trying to do too much too soon."

V. P. VARDE,
Bank of Maharashtra Ltd.

Private Enterprise

"Additional taxation is being imposed to help finance the second Five-year Plan, but it would be well to recognise that more and more penal taxation may defeat its own ends for so many limitations surround the private investor today in India that it is, unfortunately, no longer clear how the skill and enterprise which is so necessary can be rewarded. Without fair rewards private enterprise cannot be expected to function or to provide the very large sums of money that the Plan expects from the private sector. Heavy taxation too in itself is going to do little to halt the steady inflationary tendency; for, although the money supply rose less in 1956 than in the previous year, the wholesale price index went up 13 per cent. on the year. Continued and increasing inflation could endanger the whole Plan. That the authorities are aware of this is encouraging for, commenting in the draft Plan on the difficulties of financing in part such an ambitious programme by deficit financing, the sponsors admitted that the stepping up of investment might have an inflationary impact, particularly if a relatively high proportion of the expenditure were found by an increase in the creation and supply of money."

VINCENT ALPE GRANTHAM,
Chartered Bank

Cost of Rubber Production

"The controlled price of rubber was unchanged at Rs. 155-12 per 100 lbs. for smoked sheet during the year, and our average price of Rs. 148-2 per 100 lbs. reflects the high standard of production. In the 12-month period our cost of production rose from 79.13 to 88.36 cents per lb. The increased rubber cess accounted for 5.75 cents of this increase; other items of increase are normal and in present conditions suggest close attention by our managers to their costs. In the year 1956-57, both the cost of production and average sale price figures will rise as a result of our change to Centrifuge Latex production, but the difference between the two, representing our gross working profit, is also expected to increase. This year's crop is estimated at 715,000 lbs. for the two estates, but an undercurrent of unsettlement among the labour as a result of the Special Tribunal Award and a disappointing crop in December, usually our best month, make it probable that our harvest will only be about 675,000 lbs. However, favourable weather is capable of eliminating this deficiency."

W. W. KILGOUR,
Thirumbadi Rubber Co., Ltd.

Plantation Award

"The Special Tribunal for Plantations published its Award after the end of our financial year. As you have been already advised in a letter from the Managing Agents, the increase in costs, if this Award were to be implemented in full and at once, would be prodigious. Fortunately, plantation employers were able to get a stay of execution from the Supreme Court who also granted them special leave to appeal. More recently, negotiations for an out-of-court settlement have been in train and I am pleased to see from yesterday's newspapers that agreement has been reached resulting in wage increases to labour of approximately 20 per cent. I estimate that this will increase our annual wage bill by Rs. 1 lakh. Compared with the enormity of the Award from which we have now been delivered, this is a small price and within the capacity of the Company to pay. By any other standard, it is a stern impost, but it is to be hoped that it will be compensated for to some extent by increased productivity resulting from the four-year period of industrial peace which I was given to understand would be one of the terms of settlement."

W. W. KILGOUR,
Kil Kotagiri Tea & Coffee Estates Co., Ltd.

PROFIT OF CALCUTTA CHEMICAL SHRINKS

RYAM SUGAR RESUMES DIVIDEND

Calcutta Chemical Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Sen Das Maitra & Co., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1956.

After meeting all expenses, allowing depreciation and charging taxes, the account for this year shows a net profit of Rs. 4,10,535 (Rs. 5,70,522) which the directors recommend for distribution as follows:—

By transferring to the reserve fund Rs. 41,000 (Rs. 56,000), by paying a dividend of 6 per cent. per annum, free if income-tax on the preference shares of the 1st Issue Rs. 12,000 (Rs. 12,000), by paying a dividend of 4½ per cent. per annum, free of income-tax on the preference shares of 2nd issue Rs. 12,040 (Rs. 10,416), by paying a dividend of 12 (12) per cent. free of income-tax on ordinary shares Rs. 94,626 (Rs. 88,908), by paying of contingent contribution to the provident fund (in addition to the interim contribution of Rs. 24,028 (Rs. 21,820) Rs. 27,421 (Rs. 22,821) and by placing at the disposal of the managing agents for being spent at their discretion:—

(*a*) for paying bonus to employees for their services Rs. 1,14,000 (Rs. 95,000),

(*b*) for welfare and amenities including entertainments of the employees Rs. 15,000 (Rs. 11,000) and

(*c*) for paying gratuity on retirement, death or disablement of the employees Rs. 41,000 (Rs. 34,000). The above distribution will leave a balance of Rs. 53,448 (Rs. 2,40,377) from the profit in the year under review to be carried forward to the next year's account.

The cost of raw materials, bonus charges and other expenses have increased during the year under review. The company has to pay the central excise duty on soap. In spite of these, the management has not increased the selling prices for the benefit of the public.

Sri J. C. Das Gupta, the Works Manager was deputed to visit factories in U.K. and the Continent to get first-hand knowledge of improvements made there. Sri D. N. Maitra, an Assistant Superintendent, and Sri N. N. Maitra, a chemist also returned after about two years' training in different chemical and pharmaceutical factories in U.K. and the Continent. From their reports the directors feel convinced that there are great possibilities for expansion of business of this company by not only increasing the output of the present items by improved methods but also by taking up new lines. For such expansion, money will be necessary and the directors are considering whether it can be raised by increase of share capital, issuing debentures or taking loans from Government or other institutions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,72,788	Block ...	14,18,120
Reserves ...	10,82,771	Stock of finished goods	7,00,276
Provision for taxation ...	4,80,000	Raw materials, stores, etc. ...	9,28,847
Liabilities ...	31,41,885	Work-in-progress ...	2,04,724
Profit and loss account ...	1,24,043	Debts, deposits and advances ...	14,27,008
		Provident fund investments	7,37,215
		Investments	6,24,004
		Cash ...	2,61,293
Rs.	63,01,487	Rs.	63,01,487

Ryam Sugar Co., Ltd.

The directors of the above Company (Secretary: Mr. M. D. Khaitan, Calcutta) submit the audited accounts of the Company for the year ended 30th June 1956.

The Company has earned during the year under review a profit of Rs. 5,17,758 (Rs. 2,37,924). After providing Rs. 96,266 (Rs. 75,000) for depreciation and Rs. 2,07,000 (*nil*) for estimated tax liability, there is a balance of Rs. 2,14,492. Out of this, Rs. 14,704 (*nil*) has been provided for doubtful debts and transfers of Rs. 1,25,000 (*nil*) to general reserve and Rs. 50,000 (*nil*) to rehabilitation reserve have been made, leaving a balance of Rs. 24,788 (loss of Rs. 96,076 after paying Rs. 9,000 as managing agents remuneration and Rs. 2,50,000 as compensation to managing agents).

From the previous account the directors have re-transferred to the profit and loss account Rs. 80,000 from cane price adjustment account and Rs. 80,000 from provision for gratuity and Rs. 11,152 from provision of sales tax as it is considered that these provisions will no longer be required. After making all the above adjustments the net balance is Rs. 1,95,940 and adding to this the carry forward of Rs. 5,264 (Rs. 24,340) from the previous year's account there is Rs. 2,01,204 (Rs. 53,264 after transferring Rs. 1,25,000 from general reserve) for disposal and the directors recommend that this be disposed as under:—

In payment of dividend on the preference shares at 6 per cent. free of income-tax for the year ended 30th June 1956 Rs. 48,000 (Rs. 48,000), and dividend on the ordinary shares of 17½ (*nil*) per cent. free of income-tax for the year ended 30th June 1956 Rs. 1,40,000 (*nil*) leaving to be carried forward to the next account Rs. 13,204 (Rs. 5,264).

The factory commenced crushing operations on the 1st December 1955 and closed on 5th May 1956. The cane crushed amounted to 2,577,960 maunds (1,429,046 maunds) which was the highest crush recorded in the past 15 years. The average recovery was slightly lower this year at 10.44 per cent. as against 10.74 per cent. in the previous year. Cane price continued steady at Re. 1-7 per maund at the factory gate and Re. 1-5 per maund at out-stations. This was encouraging to the growers and gave them incentive to produce more sugar cane. The increased production of sugar cane contributed directly to a higher national production of sugar which reached its highest peak of 18.56 lakh tons. Due to transport difficulties, particularly on the North Eastern Railway, large stocks of sugar had to be carried over. This, along with the large carryover of the previous year and the higher production this year, affected our selling price, though not very adversely.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	6,07,238
Reserves ...	6,10,793	Stock-in-trade	51,80,543
Provision for taxation ...	3,99,657	Stores & spare parts ...	6,11,866
Liabilities ...	45,17,093	Work-in-progress ...	50,538
Profit and loss account ...	13,204	Loose tools ...	32,502
		Debts, deposits and advances ...	2,80,214
		Investments ...	3,54,093
		Cash ...	23,753
Rs.	71,40,747	Rs.	71,40,747

T. Stanes and Co., Ltd.

The directors of the above Company (Managing Director & Chairman: Mr. E. H. Stanes, Coimbatore) submitted the audited accounts of the Company for the year ended 30th September 1956.

The main features of the past year for this Company have been the overwhelming acceptance of the reorganisation proposals submitted to shareholders in September, 1955, and consequent on these, this Company was converted to a Public Company on 27th March 1956.

The number of Shareholders has increased from 46 at that date to 298 at the present time. Permission to issue the balance of 4,511 shares to non-resident shareholders has been received recently, and allotments were made on 5th February 1957.

The United Coffee Supply Co., Ltd., and Stanes Motors (South India) Ltd. are now wholly owned subsidiaries of this Company.

This Company and its subsidiaries have had a satisfactory year. The profit of T. Stanes and Co., Ltd., amounts to Rs. 5,09,633 for the year from which has to be deducted Rs. 1,95,000 for income-tax and super-tax. The balance available for distribution includes Rs. 35,554 brought forward as per revised allocations agreed at the annual general meeting held on 27th March 1956 plus Rs. 10,677 commission on profits waived by the managing director on the profits to 30th September 1955 plus Rs. 12,000 transferred from development and stock reserve as per resolution dated 24th December 1956 at the Extraordinary General Meeting held on that date making a total of Rs. 3,72,864 available. The directors recommend the following distribution:—

Dividend of 7 per cent on preference shares less income-tax Rs. 7,744, interim dividend 8¾ per cent. already paid Rs. 1,01,176, final dividend 7¼ per cent. free of income-tax Rs. 86,723, 1¼ per cent. dividend for the year ended 30th September 1954 paid as approved at the Extraordinary General Meeting held on 24th December 1956 Rs. 14,454, charitable donations Rs. 5,000, bonus to staff Rs. 28,500, ordinary annual contribution to officers' superannuation fund at 16¼ per cent. Rs. 54,012, transfer to development and stock reserve Rs. 35,000 and carry forward Rs. 40,256.

The interim budget proposals of the Government, in which dividend taxes were raised steeply on dividends of over 6 per cent. of the issued capital (taking no note of the actual capital employed in the business) make a punitive levy on dividends of over 18 per cent. The rate including Income-tax, corporation tax and dividend tax, amounts to Re. 0-12-11.4 per rupee. This tax makes any higher rate of dividend than that now proposed impracticable.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,43,913	Block ...	4,19,749
Reserves ...	8,09,612	Stock-in-trade ...	6,92,479
Provision for taxation ...	2,88,730	Stores, tools, etc. ...	63,935
Liabilities ...	15,65,182	Goods-in-transit ...	1,52,847
Profit and loss account ...	40,256	Debts, deposits and advances ...	11,75,179
		Investments	13,27,429
		Cash ...	2,16,075
Rs.	40,47,693	Rs.	40,47,693

Dhanalakshmi Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. M. Nanjappa Chettiar & Sons, Tirupur) submitted the audited accounts of the Company for the year ended 31st December 1956.

After deducting all working expenses and interest and providing Rs. 7,96,809 (Rs. 4,62,337) for depreciation, the year's working resulted in a net profit of Rs. 12,12,131 (Rs. 20,93,357). From this sum Rs. 800 (Rs. 3,060) has been expended in the year of account as donations. With Rs. 6,864 (Rs. 9,248), the balance of profit carried forward from last year, there is a sum of Rs. 12,18,195 (Rs. 20,99,545) to the credit of the profit and loss account. The directors set aside as provision for taxes Rs. 6,09,495 (Rs. 9,60,000) and a tax-free dividend of 25 (30) per cent. to shareholders absorbing Rs. 6,08,700 (Rs. 7,30,440), leaving to be carried forward *nil* (Rs. 6,864, after transferring Rs. 1,02,242 to the general reserve and providing Rs. 3,00,000 for bonus).

The decrease in the profits of the year is mainly due to the want of co-operation of labour and to the excise policy of the Central Government. It is hoped that the profits of the year 1957 may not be less than those of 1956.

In the year of account 3,344 spindles were added, bringing the total spindleage 39,620.

The expansion programme of the Company requires finance on a considerable scale. It will be noted notice from the profit and loss account that interest to the extent of Rs. 78,426 has been paid in the year 1956 and from the balance-sheet, that loans to the extent of Rs. 20,19,406 have been obtained. It is proposed to minimise, to a certain extent, such borrowing by the issue for cash of one new shares for every two shares now held. The present authorised capital of the Company is, Rs. 25,00,000 divided into 25,000 shares of Rs. 100 each. As 24,348 shares have already been subscribed for and fully called up, it is proposed to increase the authorised capital to Rs. 50,00,000 by the creation of 25,000 new shares of Rs. 100 each. Steps are being taken to get the approval of the Controller of Capital Issues for such issue of shares.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,34,800	Block ...	20.59,280
Reserves ...	22,25,000	Stock-in-trade	46,47,832
Provision for taxation ...	9,52,265	Stores ...	3,99,427
Liabilities ...	33,65,021	Debts, deposits and advances ...	14,53,873
		Investments	3,96,115
		Cash ...	20,559
Rs.	89,77,086	Rs.	89,77,086

Anaparai Estates, Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Mysore) submit the audited accounts of the Company for the year ended 30th June 1956.

The result of the Company's working for the period under review is a profit of Rs. 3,82,526 (Rs. 2,42,987). Depreciation written off on buildings and machinery, etc., amounted to Rs. 23,378 (Rs. 18,808). The Company's contribution to provident fund was Rs. 2,273 (Rs. 2,071) and debenture interest and income-tax payable thereon absorbed Rs. 29,088 (Rs. 29,088) leaving a net profit of Rs. 3,27,787 (Rs. 1,93,020). After adding the amount brought forward from last year of Rs. 4,848 (Rs. 9,033) and managing agency allowance provided last year, not required, now adjusted Rs. 13,000 (*nil*) there is a total of Rs. 3,45,635 (Rs. 2,02,053). Deducting the amount transferred to reserve for agricultural income-tax of Rs. 90,000 (Rs. 50,000) there is a balance of Rs. 2,55,635 (Rs. 1,52,053). From this the directors recommend a dividend at 25 (16¼) per cent. on ordinary shares absorbing Rs. 2,26,470 (Rs. 1,47,205) leaving a balance of Rs. 29,165 (Rs. 4,848) to be carried forward to next year.

The directors feel that the working results of the Company for the year ended 30th June 1956 have been very satisfactory. The coffee crop of the year was more than the estimate by 25 per cent. The pepper crop was triple the estimate.

		Realised for 1955-56	*Estimate for 1956-57*
Arabica	.. .. tons	78 (75¾)	126
Robusta	.. ..	230¾ (145¼)	331
Pepper	.. candies	34 (6¾)	12
Orange	.. lorry loads	.....	80 to 85

The average cost of coffee per cwt. stood at Rs. 89-2-3 as against Rs. 96-9-3 during the previous year. The lower costs are mainly due to the higher crop realised during the year.

The estates of the Company have been maintained well and the labour position is quite satisfactory. The crop has shown a substantial increase and the estimated crop for the coming year is the highest on record.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,05,878	Block ...	14,60,759
Debentures	3,84,000	Stock of coffee	9,13,447
Reserves ...	5,30,000	Stock of pepper ...	27,411
Provision for agricultural income-tax	1,19,772	Stores, spares, tools, etc.	52,808
Liabilities ...	11,40,783	Other assets	62,152
Profit and loss account ...	29,165	Loans and advances ...	3,07,552
		Investments ...	2,58,856
		Cash ...	26,613
Rs.	31,09,598	Rs.	31,09,598

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

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Notices

SWAN MILLS, LIMITED

NOTICE

THE FORTY-NINTH ANNUAL GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Building, Fort, Bombay, on Wednesday, the 24th April, 1957, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1956.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of those retiring:—

(a) Sir Chunilal V. Mehta, K.C.S.I. retires by rotation under Article 114 of the Company's Articles of Association. In addition he has attained the age of 65 years. Notice has been received by the Company that it is proposed to move a Resolution to the effect that he be re-appointed a Director of the Company and that the age limit shall not apply to him. Sir Chunilal V. Mehta has signified his willingness to stand for re-election. The following Resolution will, therefore, be proposed as an Ordinary Resolution:—

"RESOLVED that Sir Chunilal V. Mehta, K.C.S.I., who was born on the 12th day of January, 1881 and has therefore attained the age of 65 years be and is hereby appointed a Director of the Company and that the age limit laid down in Section 280 of the Companies Act, 1956, shall not apply to him."

(b) Mr. P. G. Kendall retires by rotation under Article 114 of the Company's Articles of Association. As he is an employee of James Finlay & Co., Limited, the Managing Agents, he can, by reason of Section 261 of the Companies Act, 1956, only be appointed a Director by a Special Resolution of which Special Notice has been received by the Company. Mr. Kendall offers himself for re-election and Special Notice has been received by the Company that the following Resolution will be proposed as a Special Resolution:—

"RESOLVED that Mr. P. G. Kendall, who is an employee of James Finlay & Co., Limited, the Managing Agents, and can, therefore, under the provisions of Section 261 of the Companies Act, 1956, be appointed as a Director of the Company only by a Special Resolution, be and is hereby appointed a Director of the Company."

(c) Mr. Gautam Sarabhai who was appointed a Director under Article 111 of the Company's Articles of Association holds office only until this General Meeting of the Company, but is eligible for re-election and offers himself for re-election.

(d) Mr. A. A. S. Rae who was appointed a Director under Article 111 of the Company's Articles of Association holds office only until this General meeting of the Company but is eligible for re-election and offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To consider and, if thought fit, to pass the following Resolutions, which will be proposed as Special Resolutions:—

(i) "RESOLVED that James Finlay & Co., Limited, be and they are hereby appointed buying agents for the Company in the United Kingdom for a period of three years from the date of this Meeting to carry out the work of purchasing for the Company goods, plant and machinery which are required to be purchased in the United Kingdom. James Finlay & Co., Limited, maintains its Head Office in Glasgow for the purpose of dealing with the various aspects of its business such as Tea, Jute, Shipping, Insurance, etc. The scale of its operations is commensurate with a Company with a Capital of £3½ million. The expenses incurred in maintaining its offices are approximately £103,000 per annum and the proportion of those expenses which may reasonably be attributed to the work done on behalf of the Company is approximately ¾ per cent. Further RESOLVED that in respect of all such work the said James Finlay & Co., Limited, shall be entitled to receive from the Company and the Company shall pay to the said James Finlay & Co., Limited:—

(a) A commission of not more than 2½ per cent. on the prices of all stores purchased by them in the United Kingdom for the Company.

(b) A commission of not more than 4 per cent. in respect of machinery and plant so purchased for the Company."

(ii) "RESOLVED that in Article 110 of the Company's Articles of Association the third sentence consisting of the words 'One of such Directors Ex-officio to be nominated by the Managing Agents, shall be the Chairman of the Board of Directors of the Company,' be deleted."

(6) To consider and, if thought fit, to pass the following Resolutions which will be proposed as Ordinary Resolutions:—

(i) "RESOLVED that the execution by the Company of the Agreement dated the 28th day of December, 1956, between the Company and James Finlay & Co., Limited, whereby James Finlay & Co., Limited, were re-appointed the Managing Agents of the Company in terms of the draft Agreement referred to in the Ordinary Resolution passed at the Extraordinary General Meeting of the Shareholders held on the 12th December, 1956, but modified, as required by the Central Government, by the deletion of the provision in Clause 9 of the said draft Agreement whereby one of the Directors Ex-officio to be nominated by the Managing Agents be the Chairman of the Board of Directors, be and is hereby approved ratified and confirmed."

(ii) "RESOLVED that the Company hereby consents to the Board of Directors of the Company borrowing moneys from time to time for and on behalf of the Company and for its purposes, notwithstanding that the amount for the time being remaining undischarged of the moneys to be borrowed, together with the moneys already borrowed by the Company, shall exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but so that the total amount so remaining undischarged at any particular time shall not exceed the sum of Rs. 1,00,00,000.

(iii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of John Whiteley & Sons, Brunswick Mills, Halifax, Yorks, England, a Branch of and as Agents of the English Card Clothing Co., Limited, Card Clothing House, Lindley, Huddersfield, England, may earn from them on any Sales to the Company by John Whiteley & Sons, of Card Clothing, Comber Needles and Lickerin Wire, and any other products sold by John Whiteley & Sons, and required to be purchased by the Company in the normal course of business from John Whiteley & Sons, providing the rates at which such goods are sold by John Whiteley & Sons, to the Company are not less favourable to the Company than the market rates."

(iv) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Tullis, Woodroffe & Co., Ltd., 1/21, North Beach Road, Madras, may earn from them on any sales to the Company by Tullis, Woodroffe & Co., Ltd., of Picking Bands and any other products sold by Tullis, Woodroffe & Co., Ltd., and required to be purchased by the Company in the normal course of business from Tullis, Woodroffe & Co., Ltd., providing the rates at which such goods are sold by Tullis, Woodroffe & Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(v) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Igranic Electric Co., Ltd., Victoria Station House, Victoria Street, London, S.W. 1, may earn from them on any sales to the Company by Igranic Electric Co., Ltd. of Starters and Switchgear and any other products sold by Igranic Electric Co., Ltd., and required to be purchased by the Company in the normal course of business from Igranic Electric Co., Ltd., providing the rates at which such goods are sold by Igranic Electric Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(vi) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Brookhirst Switchgear Ltd., Northgate Works, Chester, may earn from them on any sales to the Company by Brookhirst Switchgear Ltd., of Starters and Switchgear and any other products sold by Brookhirst Switchgear Ltd., and required to be purchased by the Company in the normal course of business from Brookhirst Switchgear Ltd., providing the rates at which such goods are sold by Brookhirst Switchgear Ltd., to the Company are not less favourable to the Company than the market rates."

(vii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Cantie Switches Ltd., Port Causeway, New Ferry, Birkenhead, may earn from them on any sales to the Company by Cantie Switches Ltd., of Starters and Switchgear and any other products sold by Cantie Switches Ltd., and required to be purchased by the Company in the normal course of business from Cantie Switches Ltd., providing the rates at which such goods are sold by Cantie Switches Ltd., to the Company are not less favourable to the Company than the market rates."

(viii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company, to be held in the year 1960, as the Principal Agents of the National Insurance Co. of Great Britain, Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, covering motor vehicles belonging to the Company against all risks, covering fidelity guarantee and covering cash in transit, which have been, or which may at any time hereafter during the period aforesaid, be entered into, between the Company and the said National Insurance Co. of Great Britain, Ltd."

(ix) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company, to be held in the year 1960, as the Principal Agents of the South India Insurance Co., Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots, and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said South India Insurance Co., Ltd."

(x) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company to be held in the year 1960, as the Principal Agents of the London & Provincial Marine & General Insurance Co., Ltd., in regard to any contracts for the purpose of effecting marine insurance on cotton and textile machinery and stores against all risks which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said London & Provincial Marine & General Insurance Co., Ltd."

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,

By its Constituted Attorney,
J. C. BURNS.

BOMBAY, 13*th March*, 1957.

Notes.—(*a*) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

(*b*) The transfer books of the Company will be closed from 30th March to 24th April, 1957, both days inclusive.

(c) The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 25th April, 1957, to those shareholders whose names stand on the Register on 30th March, 1957, to whom Dividend Warrants will be posted.

Explanatory Statement under Section 173 of the Companies Act, 1956

Note.—The Head Office of James Finlay & Co., Limited, the Managing Agents, is situated in Glasgow in the United Kingdom and the Company from time to time makes purchases of mills stores and plant and machinery through the Head Office of the Managing Agents. It is therefore necessary, having regard to the provisions of Section 358 of the Companies Act, 1956, to pass the Resolution set out under item No. 5(i) in order that James Finlay & Co., Limited, may be remunerated for this work.

Note.—It will be recalled that at the Extraordinary General Meeting held on 12th December, 1956, Article 110 of the Company's Articles of Association was deleted and substituted by a new Article 110. The Central Government objected to the provision therein whereby one of the Ex-Officio Directors nominated by the Managing Agents be the Chairman of the Board. It has, therefore, become necessary to alter the Articles by deleting that provision and to pass the Resolution set out under Item No. 5(ii).

Note.—At the same meeting a Resolution was passed for the re-appointment of James Finlay & Co., Limited, as the Managing Agents of the Company for a period of ten years as from the 1st day of January, 1957, on terms and conditions contained in the draft of an Agreement referred to in the said Resolution between the Company and James Finlay & Co., Limited. An Application was also made to the Central Government for its sanction to the re-appointment of James Finlay & Co., Limited, as the Managing Agents of your Company. Government of India in their letter dated 20th December, 1956, granted the necessary approval to the re-appointment of Messrs. James Finlay & Co., Limited, as the Managing Agents of your Company for a period of ten years, with effect from the 1st January, 1957, subject, however to the condition that the penultimate sentence in clause 9 of the draft Managing Agency Agreement, providing for one of the Ex-Officio Directors nominated by the Managing Agents to be the Chairman of the Board, be deleted. The amended Agreement was executed at the Meeting of the Board held on 28th December, 1956. It is thought desirable that the execution of the Agreement should be approved, ratified and confirmed and for this purpose the Resolution set out under Item No. 6(i) is proposed.

The Agreement is open for inspection at the Registered Office of the Company, Chartered Bank Building, Fort, Bombay, during usual business hours on any working day.

Mr. J. C. Burns, Mr. C. H. Campbell and Mr. P. G. Kendall, Directors of the Company, are also employees of James Finlay & Co., Limited and Mr. J. C. Burns and Mr. C. H. Campbell are the Directors nominated by James Finlay & Co., Limited. These gentlemen are, therefore, interested in the Resolutions Nos. 5(i), 5(ii) and 6(i).

Note.—The Resolution No. 6(ii) for authorising the Directors to borrow in excess of the Paid-up Capital and free Reserves of the Company is required to be passed in view of Section 293 of the Act. It is necessary, as in the past, for borrowings to be made for the purposes of the Company's business and as opinions differ as to what constitute 'free reserves' and also as to what exactly are to be regarded as 'temporary loans,' in order to remove doubts and for greater precaution, it is considered necessary and desirable that the Company should pass the proposed Resolution.

Note.—James Finlay & Co., Limited, the Managing Agents, are representatives of John Whiteley & Sons, Brunswick Mills, Halifax, Yorks, England; Tullis Woodroffe & Co., Limited, 1/21, North Beach Road, Madras; Igranic Electric Co., Limited, Victoria Station House, Victoria Street, London, S.W. 1; Brookhirst Switchgear Limited, Northgate Works, Chester and Cantie Switches, Limited, Port Causeway, New Ferry, Birkenhead, and the Company from time to time purchases its requirements through the representatives, James Finlay & Co., Limited. It is, therefore, necessary, having regard to the provisions of Section 359 of the Companies Act, 1956, to pass the Resolutions set out under Items Nos. 6(iii), 6(iv), 6(v), 6(vi) and 6(vii), in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned by them from any of these Companies.

Note.—James Finlay & Co., Limited, the Managing Agents, are the Principal Agents of the National Insurance Co. of Great Britain, Limited, the South India Insurance Co., Limited and the London & Provincial Marine & General Insurance Co., Limited, with which Companies the Company places its insurance business. It is therefore necessary, having regard to the provisions of Section 359 of the Companies Act, 1956, to pass the Resolutions set out under Items Nos. 6(viii), 6(ix) and 6(x), in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned or to be earned by them from any of these Companies.

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,

By its Constituted Attorney,
J. C. BURNS.

BOMBAY, 13*th March*, 1957.

THE GOLD MOHUR MILLS, LIMITED

NOTICE

THE THIRTY-FIRST ANNUAL GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Building, Fort, Bombay, on Thursday the 25th April, 1957, at 4.00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December 1956.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of those retiring:—

(a) Mr. Ramniwas Ramnarain retires by rotation under Article 114 of the Company's Articles of Association, but is eligible for re-election under the same Article and offers himself for re-election.

(b) Mr. P. G. Kendall retires by rotation under Article 114 of the Company's Articles of Association. As he is an employee of James Finlay & Co., Limited, the Managing Agents, he can, by reason of Section 261 of the Companies Act, 1956, only be appointed a Director by a Special Resolution of which Special Notice has been received by the Company. Mr. Kendall offers himself for re-election and Special Notice has been received by the Company that the following Resolution will be proposed as a Special Resolution:—

"RESOLVED that Mr. P. G. Kendall, who is an employee of James Finlay & Co., Limited, the Managing Agents, and can, therefore, under the provisions of Section 261 of the Companies Act, 1956, be appointed as a Director of the Company only by a Special Resolution, be and is hereby appointed a Director of the Company."

(c) Mr. Gautam Sarabhai who was appointed a Director under Article 111 of the Company's Articles of Association holds office only until this General Meeting of the Company, but is eligible for re-election and offers himself for re-election.

(d) Mr. Bhagvandas C. Mehta who was appointed a Director under Article 111 of the Company's Articles of Association holds office only until this General Meeting of the Company, but is eligible for re-election and offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To consider and, if thought fit, to pass the following Resolutions, which will be proposed as Special Resolutions:—

(i) "RESOLVED that James Finlay & Co., Limited, be and they are hereby appointed buying agents for the Company in the United Kingdom for a period of three years from the date of this Meeting to carry out the work of purchasing for the Company goods, plant and machinery which are required to be purchased in the United Kingdom. James Finlay & Co., Limited, maintains its Head Office in Glasgow for the purpose of dealing with the various aspects of its business such as Tea, Jute, Shipping, Insurance, etc. The scale of its operations is commensurate with a Company with a Capital of £3½ million. The expenses incurred in maintaining its offices are approximately £103,000 per annum and the proportion of those expenses which may reasonably be attributed to the work done on behalf of the Company is approximately ¾ per cent. Further RESOLVED that in respect of all such work the said James Finlay & Co., Limited, shall be entitled to receive from the Company and the Company shall pay to the said James Finlay & Co., Limited:—

(a) A commission of not more than 2½ per cent. on the prices of all stores purchased by them in the

United Kingdom for the Company.

(b) A commission of not more than 4 per cent. in respect of machinery and plant so purchased for the Company."

(ii) "RESOLVED that in Article 110 of the Company's Articles of Association the third sentence consisting of the words 'One of such Directors Ex-officio to be nominated by the Managing Agents, shall be the Chairman of the Board of Directors of the Company,' be deleted."

(6) To consider and, if thought fit, to pass the following Resolutions which will be proposed as Ordinary Resolutions:—

(i) "RESOLVED that the execution by the Company of the Agreement dated the 28th day of December, 1956, between the Company and James Finlay & Co., Limited, whereby James Finlay & Co., Limited, were re-appointed the Managing Agents of the Company in terms of the draft Agreement referred to in the Ordinary Resolution passed at the Extraordinary General Meeting of the Shareholders held on the 14th December, 1956, but modified, as required by the Central Government, by the deletion of the provision in Clause 9 of the said draft Agreement whereby one of the Directors Ex-officio to be nominated by the Managing Agents be the Chairman of the Board of Directors, be and is hereby approved, ratified and confirmed."

(ii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of John Whiteley & Sons, Brunswick Mills, Halifax, Yorks, England, a Branch of and as Agents of the English Card Clothing Co., Limited, Card Clothing House, Lindley, Huddersfield, England, may earn from them on any Sales to the Company by John Whiteley & Sons, of Card Clothing, Comber Needles and Lickerin Wire, and any other products sold by John Whiteley & Sons, and required to be purchased by the Company in the normal course of business from John Whiteley & Sons, providing the rates at which such goods are sold by John Whiteley & Sons, to the Company are not less favourable to the Company than the market rates."

(iii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Tullis, Woodroffe & Co., Ltd., 1/21, North Beach Road, Madras, may earn from them on any sales to the Company by Tullis, Woodroffe & Co., Ltd., of Picking Bands and any other products sold by Tullis, Woodroffe & Co., Ltd., and required to be purchased by the Company in the normal course of business from Tullis, Woodroffe & Co., Ltd., providing the rates at which such goods are sold by Tullis, Woodroffe & Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(iv) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Igranic Electric Co., Ltd., Victoria Station House, Victoria Street, London, S.W. 1, may earn from them on any sales to the Company by Igranic Electric Co., Ltd., of Starters and Switchgear and any other products sold by Igranic Electric Co., Ltd., and required to be purchased by the Company in the normal course of business from Igranic Electric Co., Ltd., providing the rates at which such goods are sold by Igranic Electric Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(v) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Brookhirst Switchgear Ltd., Northgate Works, Chester, may earn from them on any sales to the Company by Brookhirst Switchgear Ltd., of Starters and Switchgear and any other products sold by Brookhirst Switchgear Ltd., and required to be purchased by the Company in the normal course of business from Brookhirst Switchgear Ltd., providing the rates at which such goods are sold by Brookhirst Switchgear Ltd., to the Company are not less favourable to the Company than the market rates."

(vi) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Cantie Switches Ltd., Port Causeway, New Ferry, Birkenhead, may earn from them on any sales to the Company by Cantie Switches Ltd., of Starters and Switchgear and any other products sold by Cantie Switches Ltd., and required to be purchased by the Company in the normal course of business from Cantie Switches Ltd., providing the rates at which such goods are sold by Cantie Switches Ltd., to the Company are not less favourable to the Company than the market rates."

(vii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company to be held in the year 1960, as the Principal Agents of the National Insurance Co. of Great Britain, Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, covering motor vehicles belonging to the Company against all risks, covering fidelity guarantee and covering cash in transit, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said National Insurance Co. of Great Britain, Ltd."

(viii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company to be held in the year 1960, as the Principal Agents of the South India Insurance Co., Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said South India Insurance Co., Ltd."

(ix) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company to be held in the year 1960, as the Principal Agents of the London & Provincial Marine & General Insurance Co., Ltd., in regard to any contracts for the purpose of effecting marine insurance on cotton and textile machinery and stores against all risks which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said London & Provincial Marine & General Insurance Co., Ltd."

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,
By its Constituted Attorney,
J. C. BURNS.

BOMBAY, 13*th March*, 1957.

Notes:—(*a*) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. A form of proxy which may be used by members is attached hereto.

(*b*) The Transfer Books of the Company will be closed from 30th March to 25th April, 1957, both days inclusive.

(*c*) The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 26th April, 1957, to those Shareholders whose names stand on the Register on 30th March, 1957, to whom Dividend Warrants will be posted.

Explanatory Statement under Section 173 of the Companies Act, 1956

Note:—The Head Office of James Finlay & Co., Limited, the Managing Agents, is situated in Glasgow in the United Kingdom and the Company from time to time makes purchases of mills stores and plant and machinery through the Head Office of the Managing Agents. It is therefore necessary, having regard to the provisions of Section 358 of the Companies Act, 1956, to pass the Resolution set out under item No. 5(i) in order that James Finlay & Co., Limited, may be remunerated for this work.

Note:—It will be recalled that at the Extraordinary General Meeting held on 14th December, 1956, Article 110 of the Company's Articles of Association was deleted and substituted by a new Article 110. The Central Government objected to the provision therein whereby one of the Ex-officio Directors nominated by the Managing Agents be the Chairman of the Board. It has, therefore, become necessary to alter the Articles by deleting that provision and to pass the Resolution set out under item No. 5(ii).

Note:—At the same meeting a Resolution was passed for the re-appointment of James Finlay & Co., Limited, as the Managing Agents of the Company for a period of ten years as from the 1st day of January, 1957, on terms and conditions contained in the draft of an Agreement referred to in the said Resolution between the Company and James Finlay & Co., Limited. An application was also made to the Central Government for its sanction to the re-appointment of James Finlay & Co., Limited, as the Managing Agents of your Company. Government of India in their letter dated 20th December, 1956, granted the necessary approval to the re-appointment of Messrs. James Finlay & Co., Limited, as the Managing Agents of your Company for a period of ten years, with effect from the 1st January, 1957, subject, however, to the condition that the penultimate sentence in clause 9 of the draft Managing Agency Agreement, providing for one of the Ex-officio Directors nominated by the Managing Agents to be the Chairman of the Board, be deleted. The amended Agreement was executed at the Meeting of the Board held on 28th December, 1956. If is thought desirable that the execution of the Agreement should be approved, ratified and confirmed and for this purpose the Resolution set out under item No. 6(i) is proposed.

The Agreement is open for inspection at the Registered Office of the Company, Chartered Bank Building, Fort, Bombay, during usual business hours on any working day.

Mr. J. C. Burns, Mr. C. H. Campbell and Mr. P. G. Kendall, Directors of the Company, are also employees of James Finlay & Co., Limited, and Mr. J. C. Burns and Mr. C. H. Campbell are the Directors nominated by James Finlay & Co., Limited. These gentlemen are, therefore, interested in the Resolutions Nos. 5(i), 5(ii) and 6(i).

Note:—James Finlay & Co., Limited, the Managing Agents, are representatives of John Whiteley & Sons, Brunswick Mills, Halifax, Yorks, England; Tullis, Woodroffe & Co., Limited, 1/21, North Beach Road, Madras; Igranic Electric Co., Limited, Victoria Station House, Victoria Street, London, S.W. 1; Brookhirst Switchgear, Limited, Northgate Works, Chester and Cantie Switches, Limited, Port Causeway, New Ferry, Birkenhead, and the Company from time to time purchases its requirements through the representatives, James Finlay & Co., Limited. It is, therefore, necessary, having regard to the provisions of Section 359 of the Companies Act, 1956, to pass the Resolutions set out under items Nos. 6(ii), 6(iii), 6(iv), 6(v) and 6(vi), in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned by them from any of these Companies.

Note:—James Finlay & Co., Limited, the Managing Agents, are the Principal Agents of the National Insurance Co. of Great Britain, Limited, the South India Insurance Co., Limited and the London & Provincial Marine & General Insurance Co., Limited, with which Companies the Company places its insurance business. It is therefore necessary, having regard to the provisions of Section 359 of the Companies Act, 1956, to pass the Resolutions set out under items Nos. 6(vii), 6(viii) and 6(ix), in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned or to be earned by them from any of these Companies.

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,
By its Constituted Attorney,
J. C. BURNS.

BOMBAY, 13*th March*, 1957.

THE FINLAY MILLS, LIMITED

NOTICE

THE FIFTY-SECOND ANNUAL GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Building, Fort, Bombay, on Friday, the 26th April, 1957, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1956.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of those retiring:—

(*a*) Mr. Ramniwas Ramnarain retires by rotation under Article 114 of the Company's Articles of Association, but is eligible for re-election under the same Article and offers himself for re-election.

(*b*) Mr. C. H. Campbell retires by rotation under Article 114 of the Company's Articles of Association. As he is an employee of James Finlay & Co., Limited, the Managing Agents, he can, by reason of Section 261 of the Companies Act, 1956, only be appointed a Director by a Special Resolution of which Special Notice has been received by the Company. Mr. Campbell offers himself for re-election and Special Notice has been received by the Company that the following Resolution will be proposed as a Special Resolution:—

"RESOLVED that Mr. C. H. Campbell, who is an employee of James Finlay & Co., Limited, the Managing Agents, and can, therefore, under the provisions of Section 261 of the Companies Act, 1956, be appointed as a Director of the Company only by a Special Resolution, be and is hereby appointed a Director of the Company."

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To consider and, if thought fit, to pass the following Resolutions, which will be proposed as Special Resolutions:—

(i) "RESOLVED that James Finlay & Co., Limited, be and they are hereby appointed buying agents for the Company in the United Kingdom for a period of three years from the date of this Meeting to carry out the work of purchasing for the Company goods, plant and machinery which are required to be purchased in the United Kingdom. James Finlay & Co., Limited, maintains its Head Office in Glasgow for the purpose of dealing with the various aspects of its business such as Tea, Jute, Shipping, Insurance, etc. The scale of its operations is commensurate with a Company with a Capital of £3½ million. The expenses incurred in maintaining its offices are approximately £103,000 per annum and the proportion of those expenses which may reasonably be attributed to the work done on behalf of the Company is approximately ¾ per cent. Further RESOLVED that in respect of all such work the said James Finlay & Co., Limited, shall be entitled to receive from the Company and the Company shall pay to the said James Finlay & Co., Limited:—

(*a*) A commission of not more than 2½ per cent. on the prices of all stores purchased by them in the United Kingdom for the Company.

(*b*) A commission of not more than 4 per cent. in respect of machinery and plant so purchased for the Company."

(ii) "RESOLVED that in Article 110 of the Company's Articles of Association the third sentence consisting of the words 'One of such Directors Ex-officio to be nominated by the Managing Agents, shall be the Chairman of the Board of Directors of the Company,' be deleted."

(6) To consider and, if thought fit, to pass the following Resolutions which will be proposed as Ordinary Resolutions:—

(i) "RESOLVED that the execution by the Company of the Agreement dated the 28th day of December, 1956, between the Company and James Finlay & Co., Limited, whereby James Finlay & Co., Limited, were re-appointed the Managing Agents of the Company in terms of the draft Agreement referred to in the Ordinary Resolution passed at the Extraordinary General Meeting of the Shareholders held on the 13th December, 1956, but modified, as required by the Central Government, by the deletion of the provision in Clause 9 of the said draft Agreement whereby one of the Directors Ex-officio to be nominated by the Managing Agents be the Chairman of the Board of Directors be and is hereby approved ratified and confirmed."

(ii) "RESOLVED that James Finlay & Co., Limited Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of John Whiteley & Sons, Brunswick Mills, Halifax, Yorks, England, a Branch of and as Agents of the English Card Clothing Co., Limited, Card Clothing House, Lindley, Huddersfield, England, may earn from them on any Sales to the Company by John Whiteley & Sons of Card Clothing, Comber Needles and Lickerin Wire, and any other products sold by John Whiteley & Sons, and required to be purchased by the Company in the normal course of business from John Whiteley & Sons, providing the rates at which such goods are sold by John Whiteley & Sons, to the Company are not less favourable to the Company than the market rates."

(iii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Tullis, Woodroffe & Co., Ltd., 1/21, North Beach Road, Madras, may earn from them on any sales to the Company by Tullis, Woodroffe & Co., Ltd., of Picking Bands and any other products sold by Tullis, Woodroffe & Co., Ltd., and required to be purchased by the Company in the normal course of business from Tullis, Woodroffe & Co., Ltd., providing the rates at which such goods are sold by Tullis, Woodroffe & Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(iv) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Igranic Electric Co., Ltd., Victoria Station House, Victoria Street, London, S.W. 1, may earn from them on any sales to the Company by Igranic Electric Co., Ltd., of Starters and Switchgear and any other products sold by Igranic Electric Co., Ltd., and required to be purchased by the Company in the normal course of business from Igranic Electric Co., Ltd., providing the rates at which such goods are sold by Igranic Electric Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(v) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Brookhirst Switchgear Ltd., Northgate Works, Chester, may earn from them on any sales to the Company by Brookhirst Switchgear Ltd., of Starters and Switchgear and any other products sold by Brookhirst Switchgear Ltd., and required to be purchased by the Company in the normal course of business from Brookhirst Switchgear Ltd., providing the rates at which such goods are sold by Brookhirst Switchgear Ltd., to the Company are not less favourable to the Company than the market rates."

(vi) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the Annual General Meeting of the Company to be held in the year 1960 to retain all commission or other remuneration which they as representatives of Cantie Switches Ltd., Port Causeway, New Ferry, Birkenhead, may earn from them on any sales to the Company by Cantie Switches Ltd., of Starters and Switchgear and any other products sold by Cantie Switches Ltd., and required to be purchased by the Company in the normal course of business from Cantie Switches Ltd., providing the rates at which such goods are sold by Cantie Switches Ltd., to the Company are not less favourable to the Company than the market rates."

(vii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company to be held in the year 1960 as the Principal Agents

of the National Insurance Co., of Great Britain, Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, covering motor vehicles belonging to the Company against all risks, covering fidelity guarantee and covering cash in transit, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said National Insurance Co. of Great Britain, Ltd."

(viii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company, to be held in the year 1960 as the Principal Agents of the South India Insurance Co., Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots, and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said South India Insurance Co., Ltd."

(ix) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the Annual General Meeting of the Company to be held in the year 1960 as the Principal Agents of the London & Provincial Marine & General Insurance Co., Ltd., in regard to any contracts for the purpose of effecting marine insurance on cotton and textile machinery and stores against all risks which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said London & Provincial Marine & General Insurance Co., Ltd."

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,

By its Constituted Attorney,

J. C. BURNS.

BOMBAY, 13*th March* 1957.

Notes:—(a) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

(b) The transfer books of the Company will be closed from 30th March to 26th April 1957, both days inclusive.

(c) The Dividend when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 27th April 1957, to those shareholders whose names stand on the Register on 30th March 1957, to whom Dividend Warrants will be posted.

Explanatory Statement under Section 173 of the Companies Act, 1956

Note:—The Head Office of James Finlay & Co., Limited, the Managing Agents, is situated in Glasgow in the United Kingdom and the Company from time to time makes purchases of mills stores and plant and machinery through the Head Office of the Managing Agents. It is therefore necessary, having regard to the provisions of Section 358 of the Companies Act, 1956, to pass the Resolution set out under item No. 5(i) in order that James Finlay & Co., Limited, may be remunerated for this work.

Note:—It will be recalled that at the Extraordinary General Meeting held on 13th December 1956, Article 110 of the Company's Articles of Association was deleted and substituted by a new Article 110. The Central Government objected to the provision therein whereby one of the Ex-officio Directors nominated by the Managing Agents be the Chairman of the Board. It has, therefore, become necessary to alter the Articles by deleting that provision and to pass the Resolution set out under Item No. 5(ii).

Note:—At the same Meeting a Resolution was passed for the reappointment of James Finlay & Co., Limited as the Managing Agents of the Company for a period of ten years as from the 1st day of January 1957 on terms and conditions contained in the draft of an Agreement referred to in the said Resolution between the Company and James Finlay & Co., Limited. An Application was also made to the Central Government for its sanction to the re-appointment of James Finlay & Co., Limited, as the Managing Agents of your Company. Government of India in their letter dated 20th December 1956, granted the necessary approval to the reappointment of Messrs. James Finlay & Co., Limited, as the Managing Agents of your Company for a period of ten years, with effect from the 1st January 1957, subject, however, to the condition that the penultimate sentence in clause 9 of the draft Managing Agency Agreement, providing for one of the Ex-officio Directors nominated by the Managing Agents to be the Chairman of the Board, be deleted. The amended Agreement was executed at the Meeting of the Board held on 28th December 1956. It is thought desirable that the execution of the Agreement should be approved, ratified and confirmed and for this purpose the Resolution set out under item No. 6(i) is proposed.

The Agreement is open for inspection at the Registered Office of the Company, Chartered Bank Building, Fort, Bombay during usual business hours on any working day.

Mr. J. C. Burns, Mr. C. H. Campbell and Mr. P. G. Kendall, Directors of the Company, are also employees of James Finlay & Co., Limited, and Mr. J. C. Burns is a Director nominated by James Finlay & Co., Limited. These gentlemen are, therefore, interested in the Resolutions Nos. 5(i), 5(ii) and 6(i).

Note:—James Finlay & Co., Limited, the Managing Agents, are representatives of John Whiteley & Sons, Brunswick Mills, Halifax, Yorks, England; Tullis, Woodroffe & Co., Limited, 1/21, North Beach Road, Madras, Igranic Electric Co., Limited, Victoria Station House, Victoria Street, London, S.W. 1, Brookhirst Switchgear Limited, Northgate Works, Chester and Cantie Switches, Limited, Port Causeway, New Ferry, Birkenhead, and the Company from time to time purchases its requirements through the representatives, James Finlay & Co., Limited. It is, therefore, necessary, having regard to the provisions of Section 359 of the Companies Act, 1956, to pass the Resolutions set out under items Nos. 6(ii), 6(iii), 6(iv), 6(v) and 6(vi) in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned by them from any of these Companies.

Note:—James Finlay & Co., Limited, the Managing Agents, are the Principal Agents of the National Insurance Co. of Great Britain, Limited, the South India Insurance Co., Limited and the London & Provincial Marine & General Insurance Co., Limited, with which Companies the Company places its insurance business. It is therefore necessary, having regard to the provisions of Section 359 of the Companies Act, 1956, to pass the Resolutions set out under items Nos. 6(vii), 6(viii) and 6(ix) in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned or to be earned by them from any of these Companies.

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,

By its Constituted Attorney,

J. C. BURNS.

BOMBAY, 13*th March* 1957.

THE
UNITED COMMERCIAL
BANK LTD.
Head Office : 2, India Exchange Place, Calcutta.
London Office : 12, Nicholas Lane, E. C. 4
Paid-Up Capital Rs. 2,00,00,000
Reserve Fund Rs. 1,15,00,000
Chairman
G. D. BIRLA
SHORT AND LONG-TERM DEPOSITS
RECEIVED AT ATTRACTIVE RATES
SAVINGS ACCOUNTS WELCOMED
General Manager
S. T. SADASIVAN
Acting Manager, Bombay Branch : S. J. UTAMSING

THE VISHNU COTTON MILL LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Tuesday, 16th April 1957, at 4.30 p.m., for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1956.

(2) To sanction the declaration of a Dividend.

(3) To confirm the appointment of Mr. E. S. Vernon-Jones and Mr. A. A. S. Rae as Directors.

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To elect a Director in place of Mr. A. A. S. Rae, who retires by rotation but being eligible offers himself for re-election.

(6) To elect a Director in place of Sir Chunilal V. Mehta, K.C.S.I., who also retires by rotation. Sir Chunilal V. Mehta, although otherwise eligible for re-election, having attained the age of 76 years, is not eligible for reappointment, unless his appointment is made or approved by the Shareholders in general meeting in terms of Section 281 of the Companies Act, 1956.

Special Notice is hereby given that it will be proposed as an Ordinary Resolution that Sir Chunilal V. Mehta, K.C.S.I., be and is hereby appointed a Director of the Company and that it is hereby specifically declared that the age limit of 65 shall not apply to him.

By Order of the Board of Directors,

E. S. VERNON-JONES,
Chairman.

BOMBAY, 15*th March* 1957.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT 1956.

The Resolution in connection with the re-election of Sir Chunilal V. Mehta, K.C.S.I., which will be proposed as an Ordinary Resolution, under item (6) is as under:—

"RESOLVED that Sir Chunilal V. Mehta, K.C.S.I., who retires by rotation, be and is hereby appointed a Director of the Company, and it is hereby specifically declared that the age limit of 65 shall not apply to him."

Sir Chunilal V. Mehta has been a Director of the Company since January 1941, and his long and distinguished connection with the textile mill industry is well known. As a businessman of wide experience, he has rendered valuable services to the Company during his long association with it, and it is in the interest of the Company that it should continue to receive the benefit of his services.

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.

THE BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE

THE EIGHTY-FIFTH ANNUAL GENERAL Meeting of The Bombay Dyeing and Manufacturing Company, Ltd., will be held at the Registered Office of the Company, Neville House, Ballard Estate, Bombay, on Thursday, 18th April 1957, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report, and the audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1956.
2. To sanction the declaration of a Dividend.
3. To elect a Director in place of Mr. Maneklal Premchand who retires by rotation and is eligible for re-election and to consider, and if thought fit, to pass the following resolution, of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement is annexed hereto as required by Section 173 of the said Act:—

   "RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Mr. Maneklal Premchand, who has attained the age of 67 years and who retires by rotation, be and he is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."
4. To elect a Director in place of Mr. Pratapsinh Mathuradas who retires by rotation and is eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

AND for the purpose of considering, and if thought fit, to pass with or without amendment as may be permissible the following Resolutions as Ordnary Resolutions and/or Special Resolutions as specified below:—

ORDINARY RESOLUTIONS

I. RESOLVED that each of the existing 1,00,392 Ordinary Shares of the face value of Rs. 250 each in the Capital of the Company which have been issued and subscribed and each of the 2,008 Shares of the face value of Rs. 250 each in the Capital of the Company not issued so far be sub-divided into ten shares of the face value of Rs. 25 each, such sub-division to take effect as from the first day of October 1957, and that Clause 5 of the Memorandum of Association of the Company be altered accordingly.

II. RESOLVED that the Directors be and they are hereby authorised wherever deemed necessary by them to exchange fresh certificates for such Shares of Rs. 25 each in place of the existing Share Certificates in the names of those Shareholders whose names stand on the Register of the Company as on 1st October 1957 and that such fresh Certificates be ready for delivery within six months from 1st October 1957.

III. RESOLVED that the Registers, Books and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301 to 304, 307, 356 to 360, 362 and 372 and Schedule VIII to the Act, be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent in the manner and on payment of fees, if any, specified in the aforesaid provisions at the Registered Office of the Company between the hours of 10-30 a.m. to 1 p.m. on all working days, except when the Registers and Books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company. Provided, however, that the Register required to be maintained under Section 307 of the Act, shall be open for inspection of the Members or holders of Debentures of the Company, if any, as aforesaid between the times abovementioned during the period prescribed by Sub-section 5(a) of Section 307.

IV. RESOLVED that the Resolutions passed at the 82nd Annual General Meeting of the Shareholders of the Company numbered 1, 2 and 3 regarding exchange of areas, surrender by the Company of land held under leases of which the Lessors were the Executors of the late Sir Ness Wadia and sale by the Company of land to National Peroxide Ltd., subject to alterations in areas and prices resulting from joint surveys and the demands of the Municipal Corporation be and they are hereby confirmed and the proposed transactions approved.

V. RESOLVED that the Directors be and they are hereby authorised to exercise the powers of exchange, sale, conveyance, lease, assignment and other powers specified in Subclause IX of Clause 3 of the Memorandum of Association and Article 118(VI) of the Articles of Association of the Company as the Directors may from time to time deem necessary or desirable in the interests of the Company on such terms and conditions as the Directors may fix.

SPECIAL RESOLUTIONS

VI. RESOLVED that in place and stead of the existing Clause 3 of the Articles of Association of the Company, the following Clause be and the same is hereby substituted as from the first day of October 1957 as Clause 3 thereof:—

3. The Capital of the Company is Rs. 2,56,00,000 (Rupees two hundred and fifty-six Lacs) divided into 10,24,000 (Ten Lacs twenty-four thousand) Shares of the face value of Rs. 25 each, with power to divide the Shares in the Capital for the time being into Equity Share Capital and Preference Share Capital and to attach there to respectively any preferential, qualified or special rights, privileges or conditions.

VII. RESOLVED that in place and stead of the existing Clause 102 of the Articles of Association of the Company, the following Clause be and it is hereby substituted as Clause 102 thereof:—

102. Unless otherwise determined by a General Meeting the qualification of a Director shall be the holding of Shares in the Company of the total face value of Rs. 750.

VIII. RESOLVED that in place and stead of the existing Clause 133 of the Articles of Association of the Company, the following Clause be and the same is hereby substituted as Clause 133 thereof:—

133. Every Deed or other instrument to which the Seal is required to be affixed shall (except in the case of Certificates of title to Shares) be signed by two Directors, who shall sign their names at the foot of or elsewhere on the said Deed, instrument or document. Certificates of title to Shares may be so signed by one Director or by a person or persons duly authorised by the Directors in that behalf. The signature on such Certificates of the Director may be reproduced and affixed by mechanical means.

IX. RESOLVED that pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of a Contract being entered into between the Company and its Managing Agents, Messrs. Nowrosjee Wadia & Sons (Private) Ltd., in terms of the draft placed before the meeting, and for the sake of identification, initialled by the Chairman of the Company, to be operative as from the date of this Meeting till one month after the date of the Annual General Meeting of the Company in the year 1960, in respect of purchases, sales or supplies of goods in which the Managing Agents regularly trade or do business in such as Rings, Ring Travellers, Lublicating Oils, Hair and Leather Beltings, and other Leather Goods such as Pickers, Picking Bands and Buffers, Shuttles, Sprinklers and Sprinkler Equipment, Machine Cloths, Ginning, Pressing and Delintering Machinery, Floor Polishing Machines, Homogenizers, Machinery and Machinery spare parts and Mechanical Handling Equipment or in respect of which they may trade or do business in as well as in respect of sales to the Managing Agents by the Company of sundry stores, petrol, tubular banding, soap, cloth and such other ancillary items and in respect of the supply or rendering of any service by either to the other, other than that of Managing Agents, including receiving loans or deposits at interest not exceeding the State Bank of India's rate of interest from the Managing Agents, subject to the conditions that all payments to be made to the Company by the Managing Agents shall be made within one month from the date of such transactions, and that the prices charged to the Company shall be as approved or confirmed by the Board, and shall be such as are not less favourable to the Company than the market rates, or which are otherwise reasonable, and the terms and conditions of the said supplies shall be sanctioned by the Board of Directors.

X. RESOLVED that pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of a Contract being entered into between the Company and Spin-Weave Textiles, an Associate of the Managing Agents, in terms of the draft placed before the Meeting, and for the sake of identification initialled by the Chairman of the Company, to be operative as from the date of this Meeting till one month after the Annual General Meeting of the Company in the year 1960, in respect of purchases or supplies of Bobbins, Pirns, Skewers, Wood, Wooden Cases, Wooden Articles such as Sleys, Hand Tops, Rollers, Picking Sticks, Leather Goods such as Beltings, Picking Bands, Pickers, Buffers, Loom Straps, Ram Rings, Castings and Machinery spare parts and other sundry mill stores, on the terms that the rates charged to the Company shall be approved or confirmed by the Board, and shall be such as are not less favourable than the rates charged for similar items generally agreed to by other reputed firms in Bombay, or which are otherwise reasonable, and the terms and conditions of the said supplies shall be sanctioned by the Board of Directors.

XI. RESOLVED that the proposal to make available by way of Lease, License or otherwise in accordance with the law, for a period of ten years, Block "Q" at the Company's Dye Works to a private limited company proposed to be floated and registered under the name of or similar to Bombay Ring Travellers Company (Private) Ltd., in which Company the Managing Agents, Messrs. Nowrosjee Wadia & Sons (Private) Ltd., may hold more than one-third of the shares in the Capital of that Company, thus giving them not less than one-third of the total voting power in that Company and thereby making that Company Associates of Messrs. Nowrosjee Wadia & Sons (Private) Ltd., be and the same is hereby approved and the Directors be and they are hereby authorised to carry through such transaction on terms and conditions to be finally agreed upon between them and the proposed company when formed and to execute such documents and do all such acts as may be required for the purpose.

The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of items I to XI set out above is annexed to the Notice of the Annual General Meeting posted to all the Shareholders individually.

The drafts of the Contracts referred to in Special Resolutions Nos. IX and X are open for inspection by any Member at the Registered Office of the Company on working days except on Saturdays from 11 a.m. to 4 p.m.

By Order of the Board,

NOWROSJEE WADIA & SONS (PRIVATE) LTD.,

NEVILLE N. WADIA,
Director,
Managing Agents.

BOMBAY, 5*th March*, 1957.

Notes:—

(a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(b) The Share Transfer Books of the Company will remain closed from Friday, the 22nd March, 1957, to Thursday, the 11th April, 1957, both days inclusive.

(c) The Dividend when declared will be made payable at the National Bank of India Ltd., Bombay, on or after the 29th April 1957, to those Shareholders whose names stand on the Register of the Company on 11th April 1957, and the Dividend Warrants will be duly posted to them.

(d) The Shareholders are requested to immediately notify any change of address to the Company.

To

THE MEMBERS OF
THE BOMBAY DYEING & MFG. CO., LTD.

THE BELAPUR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of The Belapur Company, Limited, will be held at the Registered Office of the Company at Brady House, 12-14, Veer Nariman Road, Fort, Bombay, on Wednesday the 24th April 1957 at 3 p.m. (S.T.).

For the purpose of considering and if thought fit passing the following Resolutions as Special Resolutions:—

I. *Resolved* that all contracts entered into between this Company and Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, and entered in the Registers of Contracts maintained by the Company under Section 359 and/or Section 360 of the Companies Act, 1956, upto 19th March, 1957, be and they are hereby approved of and confirmed and that the Managing Agents and the said Associate of the Managing Agents be and they are hereby authorised to retain all commission, profit and other remuneration earned or to be earned by them respectively from such business as principals or agents.

II. *Resolved* that all contracts entered into between this Company and Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, and entered in the Registers of Contracts maintained by the Company under Section 359 and/or Section 360 of the Companies Act, 1956, upto 19th March, 1957, be and they are hereby approved of and confirmed and that the Managing Agents and the said Associate of the Managing Agents be and they are hereby authorised to retain all commission, profit and other remuneration earned or to be earned by them respectively from such business as principals or agents.

III. *Resolved* that all contracts entered into between this Company and Messrs. Brady Engineering Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, and entered in the Registers of Contracts maintained by the Company under Section 359 and/or Section 360 of the Companies Act, 1956, upto 19th March, 1957, be and they are hereby approved of and confirmed and that the Managing Agents and the said Associate of the Managing Agents be and they are hereby authorised to retain all commission, profit and other remuneration earned or to be earned by them respectively from such business as principals or agents.

IV *Resolved* that all contracts entered into between this Company and "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, and entered in the Registers of Contracts maintained by the Company under Section 359 and/or Section 360 of the Companies Act, 1956, upto 19th March, 1957, be and they are hereby approved of and confirmed and that the Managing Agents be and they are hereby authorised to retain all commission, profit and other remuneration earned or to be earned by them respectively from such business as principals or agents.

V. *Resolved* that all contracts entered into between this Company and The New City of Bombay Manufacturing Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, and entered in the Registers of Contracts maintained by the Company under Section 359 and/or Section 360 of the Companies Act, 1956, upto 19th March, 1957, be and they are hereby approved of and confirmed and that the Managing Agents be and they are hereby authorised to retain all commission, profit and other remuneration earned or to be earned by them respectively from such business as principals or agents.

VI. *Resolved* that all contracts entered into between this Company and its Managing Agents, Messrs. W. H. Brady & Co., Ltd., in respect of goods in which the Managing Agents regularly trade or do business or in respect of rendering of service in a technical capacity, and entered in the Register of Contracts maintained by the Company under Section 360 of the Companies Act, 1956, upto 19th March, 1957, be and they are hereby approved of and confirmed and that the Managing Agents be and they are hereby authorised to retain all profit or other remuneration earned or to be earned by them from such business.

VII. *Resolved* that all contracts entered into by this Company for the sale, purchase, supply or rendering of any goods, power, freight, repairs or other services with other companies which either fall within the management of the Managing Agents, Messrs. W. H. Brady & Co., Ltd., or in whose net profit Messrs. W. H. Brady & Co, Ltd., participate as Managing Agents or of which Messrs. W. H. Brady & Co., Ltd. are Selling Agents, Representatives or Principal Agents or which are Associates of the Managing Agents, and entered in the Registers of Contracts maintained by the Company under Section 359 and/or Section 360 of the Companies Act, 1956, upto 19th March, 1957, be and they are hereby approved of and confirmed and that the Managing Agents and such other companies be and they are hereby authorised to retain all commission, profit and other remuneration earned or to be earned by them respectively from such business as principals or agents.

VIII. *Resolved* that all contracts of insurance entered into by this Company with the Employers' Liability Assurance Corporation Ltd., Law Union and Rock Insurance Company Ltd., Concord of India Insurance Company Ltd., and the Insurance Office of Australia Ltd., of which the Managing Agents, Messrs. W. H. Brady & Co., Ltd., are the Principal Agents, and entered in the Register of Contracts maintained by the Company under Section 359 of the Companies Act, 1956, upto 19th March, 1957, be and they are hereby approved of and confirmed and that the Managing Agents be and they are hereby authorised to retain all commission and other remuneration earned or to be earned by them from such business as Principal Agents.

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

BOMBAY, 20*th March*, 1957.

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

EXPLANATORY STATEMENT

Items I to VIII: Various contracts have been entered into by this Company with the Managing Agents, Messrs. W. H. Brady & Co., Ltd., and with Associates of the Managing Agents and with other companies in which the Managing Agents are interested as Managing Agents, Selling Agents or otherwise. Such contracts have been entered in the registers maintained by the Company under Section 359 and/or Section 360 of the Companies Act, 1956. It is thought advisable to apprise the shareholders of the contracts so entered into and to have the same approved and confirmed by them and to take the authority of the members to the Managing Agents and such other parties retaining the commissions or other remuneration earned or to be earned by them from such business as principals or agents. The shareholders are advised to avail themselves of the right of inspection of the said registers given by the Companies Act and in the accompanying Notice.

The nature and extent of the interests of the Directors of your Company and the Managing Agents in such contracts are as follows:—

Name of Director.	*Special Resolution Nos.*	*Nature of Interest.*
Sir Joseph Kay, K.B.E.	I to VIII	Managing Director and Shareholder of Messrs. W. H. Brady & Co., Ltd., and "Commerce" (1935) Ltd., and Director and Shareholder of the other Companies.
Sir Purshotamdas Thakurdas, K.B.E.	Nil	Nil
Mr. Bhagwandas C. Mehta	III	Director and Shareholder.
Sir Jamsetjee Jejeebhoy, Bart.	V	Director and Shareholder.
Do. do.	VI	Shareholder.
Mr. Krishnaraj M. D. Thackersey	Nil	Nil
Mr. Maneklal Premchand	I, II, IV & V	Shareholder.
Mr. J. Symon	III	Director and Shareholder.
Do.	II & VI	Shareholder.
Mr. F. Edwards	I	Director.
Do.	II	Director and Shareholder.
Do.	VI	Shareholder.

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

As Managing Agents: G. Claridge & Co., Ltd.

Empire Dyeing and Manufacturing Company, Ltd.

Brady Engineering Company, Ltd.

New City of Bombay Manufacturing Company, Ltd.

New Great Eastern Spinning and Weaving Company, Ltd.

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

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

and

As Principal Agents of the Insurance Companies mentioned in Special Resolution VIII.

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

BOMBAY, 20*th March*, 1957.

To the shareholders of The Belapur Company, Ltd., and in particular to Mr. William Abel and Rajaballi Hasom Paroo & Sons, Ltd.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 27*th March*

There was no change in the conditions of the short-term money market during the week under review. If anything, the stringency was a little more pronounced. With the approach of the financial year-end there was a diversion of funds to Government coffers due to tax payments. While the supply was very limited, the seasonal demand for financing movement of crops had a pronounced effect on the market conditions and banks had to resort to substantially large borrowings from the Reserve Bank. There was, however, no change in money rates which were firmly held at the previous week's levels.

Inter-bank call money was keenly bid at 3½ per cent. among the Exchange and large Indian banks. The corresponding rate among the smaller Indian banks was also 3½ per cent. but stray transactions were reported at 3¾ per cent. House money and short-term deposits for one to six months continued to be done at 4 to 4½ per cent.

The Reserve Bank statement for the week ended 22nd March 1957 discloses a further contraction of Rs. 6.91 crores in notes in circulation and an increase of Rs. 8 crores in notes held in the Banking Department. Total notes issued are consequently higher by Rs. 1.09 crores, and this rise is covered by a similar increase in rupee coin. Rupee and foreign securities are again unchanged, but balances held abroad, in the Issue Department, have dropped by Rs. 5.01 crores. There has been a decline of Rs. 1.24 crores in Central Government deposits and a rise of Rs. 12.37 crores in deposits of other Governments. Loans and advances to Government are lower by Rs. 3.83 crores, while other loans and advances have gone up by no less than Rs. 15.86 crores, thanks to advances to Scheduled banks against usance bills to the tune of Rs. 15.14 crores. Repayments of maturing bills during the week amount to Rs. 2.12 crores, so that the outstanding advances against these bills show a rise of Rs. 13.02 crores.

The Scheduled banks' statement for the week ended 15th March 1957 shows a negligible fall in demand deposits of banks, while time deposits have gone up by Rs. 2.57 crores. Borrowings from the Reserve Bank are up by Rs. 2.52 crores, following the increase of Rs. 4.26 crores in borrowings against usance bills. As against a rise of Rs. 2.35 crores in total deposits, the increase in advances is of the order of Rs. 9.39 crores and in bills purchased and discounted Rs. 1.30 crores. Investments are lower by Rs. 44 lakhs. Cash balances do not show any marked variation, but money at call and short notice has improved by Rs. 1.44 crores.

The Gilt-edged market was extremely dull during the week under review, with no worthwhile business and hardly any variations in prices. The undertone was subdued with sellers over in almost all counters. 3 per cent. 1986 Conversion Loan was featureless at Rs. 74-5, while 3 per cent. 1970-75 was placed an anna lower at Rs. 87-5. 3 per cent. 1966-68 stood at Rs. 92-4, 3 per cent. 1964 at Rs. 94-7 and 3 per cent. 1963-65 at Rs. 94-3. 3 per cent. 1959-61 was stagnant at Rs. 97-12, 3 per cent. 1958 at Rs. 99-10 and 3 per cent. 1957 at Rs. 99-12. 3½ per cent. 1962 was unchanged at Rs. 97-13, 3¼ per cent. 1961 at Rs. 99-7, and 3½ per cent. 1964 at Rs. 98-7. 3½ per cent. 1965 was friendless at Rs. 98-4, as also 3½ per cent. 1967 at Rs. 98-8.

There was a slight improvement in rupee in terms of the U.S. dollar during the week. Banks' selling rate of ready dollars was marked down from Rs. 479¾ to Rs. 479¼, before closing at Rs. 479½ per $100. Similarly, the buying rate declined from Rs. 476½ to Rs. 476 before being placed at Rs. 476½ per $100. This is in tune with the trend in sterling abroad. Thus, in New York, spot sterling improved from $2.78.15/16-2.79.1/16 to $2.79.3/16-2.79.5/16, but closed lower at $2.79.1/16-2.79.3/16. Three months' forward gained on balance from $2.77⅛ 2.78 to $2.78 3/16-2.78.5/16 and transferable sterling from 275.75-275.85 cents to 276.15-276.25 cents.

TEA PRICES WEAKEN

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 21*st March*

Almost 1,600,000 lbs. were on offer in Sale No. 6 which was held on Tuesday, 19th March. Quality remained quite useful, but occasional invoices showed signs of a seasonal decline. The sale opened to a poor demand and exporters were very quiet. Internal buyers gave some support to the market, but prices declined for all types. Low medium and medium brokens were irregularly As. 4 to As. 8 easier, whilst better sorts occasionally showed a fall of as much as Re. 1. A few flavoury invoices met with some competition, but rates were below last. All fannings grades were again neglected but whole leaf teas met with useful demand at prices which were irregularly As. 2 easier. Withdrawals were heavy. The following are the quotations:—

	1957	1956
	Rs. a. p.	Rs. a. p.
Plain B.P.	1 12 0*	1 7 0
Low medium B.O.P.	1 14 0*	1 13 0
Medium B.O.P. ...	2 0 0*	2 2 0
Good B.O.P. ...	2 3 6*	3 6 0 to 3 8 0
Well made black leaf O.P.	2 6 6	2 7 0

*Nominal.

The average price realised in Sale No. 6 was Rs. 2-2-2 per lb., as compared with Rs. 2-5-11 per lb. in the corresponding sale of 1956.

London Market—Sale of 18th March 1957.—Coloury and well made teas firm to occasionally dearer. Others irregular and generally one penny lower.

Sale of 19th March 1957.—Coloury medium and well made teas firm to dearer. Others irregular and generally penny lower.

Colombo Market—Sale of 18th March 1957.—Off grades generally lower, particularly stalky kinds.

Sale of 19th March 1957.—Dimbula dickoya type brokens considerably lower, following inferior quality. Other sorts good demand irregular. Plain and light liquoring kinds slightly lower. Useful coloury kinds slightly dearer. Poorer liquoring fannings weakest feature gulf types dearer.

Calcutta Market—Export.—52,380 packages. Selective buying with fannings grades weakest feature. Price brokens best feature.

Internal.—17,230 dust. Good general demand. Powdery types half other descriptions one anna easier. Best C.T.C. strongest feature. 6,210 leaf. Fair demand one anna to As. 2 easier. Fannings weakest feature.

Export Quota.—The market improved to 42 pies early in the week, but has since declined to 40 pies at which figure business has been done.

Forthcoming Auctions.—Sale No. 7 will be held on Tuesday, 2nd April.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale G.*—350.000 lbs. Good demand. Commonest firm to dearer, mediums irregularly one anna easier, best liquoring lower."

SILVER ERRATIC

(From Our Own Correspondent)

BOMBAY, 27*th March*

Trading in the bullion market during the week under review was dominated by silver which moved widely on divergent news about import of Tibetan coins. On balance, the white metal showed a fractional gain. Gold, on the other hand, moved within a narrow range and the undertone was steady on encouraging offtake in the spot section.

Earlier in the week, silver displayed a reactionary tendency, thus maintaining the downward trend noted in the latter half of the previous week. There was nervous selling on reports of fresh inflow of Tibetan coins and apprehensions of further arrivals in the weeks to come. From Saturday onwards, there was a notable change in sentiment on reports that traders associated with import of silver coins from Tibet had turned buyers. This gave rise to conjectures that imports would slow down and prices recovered quickly. Just at the close there was again a slight setback.

Forward silver (13th April settlement) retreated from Rs. 178-13 to Rs. 175-4, but soon crept up to a high of Rs. 179-15 today. The closing was, however, lower at Rs. 179-2.

Ready silver gave way from Rs. 178-1 to Rs. 174-10 before recouping to Rs. 179-5 and closing at Rs. 178-8. The floating stocks of silver are reported to be 900 bars. The daily average offtake was about 20 bars.

Gold was featureless, but steady. Forward gold (11th April settlement) moved between Rs. 104-10 and Rs. 106-2, but finished a shade better over the week at Rs. 105-12.

Ready gold gained from Rs. 105-7 to Rs. 106-3, but closed at Rs. 105-12. The ready metal, which was at a discount of As. 3 under forward last week, came to command a premium of one anna yesterday, reflecting the encouraging offtake, particularly from upcountry centres. Today, however, it was quoted on par with forward. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 3,500 tolas on an average.

New York silver price was maintained at 91⅛c. London spot silver was marked down from 79⅝d. to 79⅜d. and forward, after declining from 79½d. to 79⅜d. improved to 79½d. Wide movements were noted in gold. After a setback from 250s. 3½d. to 250s. 1½d. the yellow metal recovered to 250s. 3½d.

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

	27-3-1957	Highest	Lowest	20-3-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	105 12	106 3	104 8	105 7
Forward*	105 12	106 2	104 10	105 10
*Sovereign	69 8	69 8	69 4	69 6
SILVER				
Ready (.996 fine Mint) ..	178 8	179 5	174 10	178 1
Forward†	179 2	179 15	175 4	178 13
London Silver Ready ..	79⅝d.	79⅝d.	79⅜d.	79⅜d.
London Forward	79⅝d.	79⅝d.	79⅜d.	79⅜d.
London Gold	250s. 3½d.	250s 3½d.	250s. 1½d.	250s. 3½d.
New York Silver	91⅛c.	—	—	91⅛c.

* 11th April settlement.
† 13th April settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

LINSEED RISES SLIGHTLY

(Messrs. A. Bradley & Co.)

CALCUTTA, 25*th March*

There was a slight rise in linseed prices during the week, thanks to keener enquiries from crushers. A somewhat easier undertone, however, was displayed towards the close, owing to a fall in demand. With ready goods still very scarce, activity was rather limited. In the oil section, shippers were fairly active, chiefly for near positions, and prices advanced appreciably.

The latest available quotations are: March Rs. 21-12 and April-May Rs. 21 per maund.

COTTON FUTURES FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 27*th March*

Hectic purchases by bulls at markedly higher prices characterised the trading in the cotton futures market during the week under review. The buying spree was let loose principally by small volume of tenders against the Jarilla March contract which went off the board on Monday, lower crop ideas and fears of scarce quality cotton supplies in the wake of the continuously upward trend in mill consumption. The bullish fervour was fanned further by expectations of very small tenders against the maturing Vijay April contract. The tendering differences in respect of this contract fixed yesterday were considered by traders to be on the high side.

The Jarilla March contract, as already stated, went off the board on Monday, the last rate at which transactions were put through being Rs. 820, that is, the official ceiling price. Total tenders against the contract aggregated 2,150 bales, this quantity being the lowest on record in recent years. The total tenders against I.C.C. Jarilla February 1955, it will be recalled, amounted to 5,950 bales. Trading in the contract commenced on 18th June 1956 at Rs. 681-4. The lowest level touched was Rs. 618-8 on 28th December and the highest Rs. 820 on the day of expiry.

Jarilla March opened the week at Rs. 783, as against the previous close of Rs. 785, and steadily advanced, on sustained buying support, to Rs. 820 on the 25th inst., before going off the board at the same rate. Influenced by the firmness in the March contract, Jarilla May opened at Rs. 686 and on speculative support improved to Rs. 694 yesterday. Opening higher at Rs. 699-8 today, it spurted to Rs. 719 before closing at Rs. 712. M.G. Vijay forged ahead from Rs. 862 to Rs. 877 on the 23rd inst. Uncertainty regarding fixation of tendering differences in respect of the contract led to a fall in values, the contract receding to Rs. 861 on Monday. Tendering differences fixed yesterday were bullishly interpreted and this induced a sharp buying support which lifted the quotation to Rs. 899 today. The closing rate was, however, lower at Rs. 887-8. Vijay June followed more or less the same trend. The contract opened at Rs. 822 and gradually rose to Rs. 828-8 yesterday. Opening today at Rs. 836, it spurted, on strong bull manipulation, to Rs. 850 before winding up the day at Rs. 843-8.

The following is the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

		27-3-57	*High*	*Low*	20-3-57
Jarilla (March)	...	820 (25-3-57)	820	783	785
Jarilla (May)	...	712	719	684	687½
Vijay (April)	...	887½	899	861	862½
Vijay (June)	...	843½	850	818	826

The spot market continued to rule firm. Although spinner demand was fairly active with interest confined to good quality lots of 0394, 197/3, Vijay, Jarilla 216F, 320F, etc., the high rates prevailing continued to limit turnover. Some prominent mills were reported to have shifted their buying to upcountry centres where prices were considered to be comparatively lower. Export inquiry was noted for Bengal *Deshi* and Dholleras. There was moderate demand for spot lots of U.S. and East African and some business was reported in Californians for August shipment and beyond, subject, however, to availability of import licences.

It is reported that an agreement has been signed between the Government of India and the Egyptian Trade Delegation under which 20,000 bales of Egyptian cotton will be shortly imported by India. Import of an additional 20,000 bales will be considered, if the present agreement is carried out satisfactorily. No official announcement in this respect has, however, been made up to the time of writing.

The following are the latest available spot rates —in rupees per candy of 784 lbs.—for some varieties of cotton:

Bengal *Deshi* 750; Berar Jarilla 830; Khandesh 840; Vijay 945; Oomra *Deshi* 800; Moglai 775.

In contrast to the steady trend noted last week, the Karachi cotton futures market ruled easy during the week under review. The easiness was due to speculative selling induced by larger March notices. N.T.R.G. March contract expired at Rs. 76-4 on the 26th inst. N.T.R.G. May which had closed at Rs. 80-11 last week eased to Rs. 79-13. Spot values, however, remained steady. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Karachi cotton prevailing at Karachi:

Sind *Deshi* 87; Punjab *Deshi* 78-8; 4F Punjab Roller 83-5; S.G. 86-13; L.S.S. Punjab Roller 85-5; S.G. 88-13; N.T.R.G. 83-13; S.G. 91-5; 289F Punjab Roller 88-5; S.G. 98-13.

The Alexandria cotton futures market continued to rule easy during the week, thanks to lack of overseas interest and small local demand. Sentiment was also adversely affected by limited daily turnover in the spot market. Karnak March went off the Board on the 25th inst. Export sales from the commencement of the season till the end of February aggregated 453,751 bales (of 730 lbs.), as compared with 720,655 bales in the corresponding period of the previous season. Actual shipments during the period were 292,844 bales, as against 504,459 bales a year before. The latest available rates—in tallaris per lb.—from Alexandria are as under, the figures in brackets being last week's closing quotations:

Karnak: May 114.35 (115.10); July 114.50 (114.90). *Ashmouni*: April 80.10 (81.60); June 80.90 (82.05); August 81.20 (82.00).

Cotton futures values at Liverpool registered appreciable gains. Although there was scattered hedge selling, it was absorbed by short covering. Commission house buying found offerings limited.

Sentiment was also helped by rumours of higher Commodity Credit Corporation prices for forward deliveries. Egyptian Karnak was neglected and Sudan ruled easy. Turnover in ready and shipment cotton continued to be small. Interest was confined to lower grade American, Turkish, Russian, East African and Sudan varieties. Indian styles evoked little interest. The Liverpool Cotton Association has decided to suspend trading in the local Egyptian futures contract when the current position runs out, as trading under present monetary conditions has virtually ceased. The latest available rates—in pence per lb.—from Liverpool are given below:

American One Inch Staple Contract: March-April 26.27; May-June 26.38; July-August 26.18; October-November 25.98. *American Cotton Mixed Growth Contract*: March-April 26.27; May-June 26.45; July-August 26.25; October-November 26.01. *Egyptian Karnak*: March-April 60. *Sudan Lambert*: May-June 42.75; July-August 41.75.

The New York cotton futures market put on a cheerful appearance during the week. The main influencing factor was the belief that entries into the Soil Bank programme would be larger than expected. The trade buying and short covering induced by this found offerings limited. The spot values also improved.

It is reported that, as on 7th inst., the catalogued stocks of Upland cotton of the Commodity Credit Corporation were 3,152,000 bales. It was made up of 2,757,000 bales of the 1955 crop and 395,000 bales of the 1954 and earlier crops. Of the total catalogued cotton, raingrown stocks were 2,894,000 bales and irrigated stocks 258,000 bales. Only 455,000 bales or 14 per cent. of the total catalogued stocks were Middling and higher grades of stapling 1.1/32" and longer. The Commodity Credit Corporation has yet to catalogue 3,250,000 bales of 1955 crop. Exports continued to make good progress. During the week ended the 14th inst., 155,496 bales were exported which made the aggregate figure for the season thus far 5,186,930 bales. During the corresponding period last season, total exports were only 1,000,372 bales.

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

(In cents per lb.)

	26-3-57	19-3-57	11-3-57
Spot	35.45	35.40	35.00
March	—	—	34.70
May	35.17	35.07	35.00
July	34.70	34.61	34.46
October	33.36	33.14	—

SUGAR DULL

(From Our Own Correspondent)

BOMBAY, *27th March*

Dull conditions, similar to those noted last week prevail in the sugar market. Prices would have registered a distinct fall but for the unexpected delay in the issue of monthly release. The release has been delayed by about a week and trade circles anticipate that it may be issued before the month is out. Meanwhile, some traders have started guessing again on the probability of levy of additional excise duty on sugar. The deals in sugar put through, however, have tangibly failed to carry the market with them for the present. Arrivals of indigenous sugar during the week under review amounted to about 22,900 bags.

Bold grain sugar spurted by a rupee to Rs. 93-Rs. 97 per bag, inclusive of sales tax. Small and medium grains were fully maintained at Rs. 88 and Rs. 89-Rs. 91, respectively.

In the forward section, *vaisakh* delivery contract receded from Rs. 92-2 to Rs. 91-12 and is quoted today at this price. The principal contributory factor for the fall was the very recent sale of 'C' 29 grade sugar by a newly established co-operative sugar factory in Bombay-Deccan at Rs. 82-4 per bag ex-mill.

YARNS DEPRESSED

(From Our Own Correspondent)

BOMBAY, *27th March*

Depressed conditions prevailed in the yarn market during the week under review. Forced by the continued stringency in money market, stockists were busy liquidating their holdings, while buyers were scarce, thanks to persistent slackness in enquiries from consuming centres. Turnover, therefore, was greatly restricted, the actual offtake being at a rate of not more than 600 cases per day, and prices marched further downward. The undertone of the market was distinctly bearish.

Rayon yarns encountered selling and suffered a break in values. Dull cones 120 Snia for April delivery receded by Rs. 4 to Rs. 799. 150 bright April delivery were hammered down by Rs. 17 to Rs. 612. In the spot section, 150 Italy dropped nine pies to Rs. 3-10-9. 120 Italy fell by half an anna to Rs. 4-1. 120 Japan was quiet at Rs. 4-4, and 150 Japan at Rs. 4-1-3. Among indigenous yarns, National Rayons 120 bright cones 1st grade declined by 6 pies to Rs. 3-11. 150 bright cones 1st grade lost 3 pies to Rs. 3-5-3.

Staple fibre yarns lacked support. 40 x 2 April delivery fell by Rs. 9 to Rs. 620. June delivery was nominally quoted at Rs. 622. Although business in this contract commenced many days ago, no transactions have so far been put through. Spot 40 x 2 Kohinoors decreased by 15 pies to Rs. 3-4-9. Centurys shed 11 pies to Rs. 3-4-7. Citys and New Greats eased by 9 pies each to Rs. 3-4 and Rs. 3-3, respectively. Among foreign yarns (80 x 2) Paramounts declined by 18 pies to Rs. 5-3. Fujis lost a similar amount to Rs. 5-4-6.

Despite expectation of reduced supplies of yarn, consequent on reports of a 25 per cent. cut in electric supply in the Salem area, the cotton yarn section ruled weak. 40 counts were particularly depressed, Moderns receding by As. 8 to Rs. 27-8 and Gokaks by As 2 to Rs. 27. Among 30s, Edwards and Indus both declined by As. 4 to Rs. 21-8. Ten counts Moderns were neglected at Rs. 15 as also Podars at Rs. 14-12. Twenty counts Maduras lost an anna to Rs. 19-6. Moderns were done As. 2 lower at Rs. 19. Among 60s, Moderns were quiet at Rs. 61-8 and Finlays at Rs. 61. Raghuvamshis, however, evoked some support and put on As. 4 to Rs. 57-8. Among 80s, Mahindras were subjected to selling and declined by As. 8 to Rs. 74. Moderns receded by As. 4 to Rs. 76-8. Finlays were dull at Rs. 81-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days before:

	27-3-1957	20-3-1957
	Rs. a.	Rs. a.
Art silk yarn **(per case of 200 lbs.)—**		
120 Dull Cones Snia April	799 0	803 0
150 Bt. Cones April	612 0	629 0
120 Japan (per lb.)	4 4	4 4
150 Japan (per lb.)	4 1½	4 1
120 Italy (per lb.)	4 1	4 1½
150 Italy (per lb.)	3 10½	3 11½
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 April	620 0	629 0
40 x 2 June	622 0	—
40 x 2 New Greats (per lb.)	3 3	3 4
40 x 2 Century (per lb.)	3 4 7/12	3 5½
40 x 2 City (per lb.)	3 4	3 4½
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	14 12	14 12
20s Madura	19 6	19 7
30s Edward	21 8	21 12
40s Gokak	27 0	27 2
60s Raghuvamshi	57 8	57 4
80s Modern	76 8	76 12

CASTORSEED FIRM AT CLOSE

(From Our Own Correspondent)

BOMBAY, *27th March*

The oilseeds market moved irregularly during the week under review. The groundnut and linseed sections ruled distinctly bearish, while the castorseed and cottonseed sections exhibited a firm trend. Groundnut encountered long liquidation in the face of limited support from crushers, although there was a slight recovery towards the close in sympathy with castorseeds. Linseed met with persistent offerings. Castorseeds, however, forged ahead to higher levels on bear covering and support from traders who had applied put options. Cottonseed was well maintained, owing to spurt in cotton prices.

Groundnut May contract opened the week steady at Rs. 172-4 and improved the same day to Rs. 173-10. After declining to Rs. 170-8 on the 25th inst. it rose again on bear covering to Rs. 173 yesterday, before closing today at Rs. 172-8. Over the week, it thus lost a rupee. Spot Bold F.A.Q. receded by As. 10 to Rs. 34-6. Groundnut oil ex-mill was quoted As. 8 lower at Rs. 19.

Linseed May contract commenced the week at Rs. 29-8. It declined to Rs. 28-12 on the 25th inst. but recovered to Rs. 29-5 before finishing As. 3 lower. Spot Bold ready was done As. 10 lower at Rs. 28-12. Linseed oil ready was done at Rs. 16-4, as against Rs. 16-2 last week-end.

Castorseeds May contract opened the week at Rs. 160-12 and reached a high of Rs. 163-8 on the same day. It, however, sagged subsequently to touch the lowest level of the week on the 25th inst., that is, Rs. 158-4. During the last two sessions of the week, it spurted and touched today the high of Rs. 167, before closing at Rs. 164-8. During the week, the contract put on Rs. 2-8. Spot Madras quality slided down by As. 2 to Rs. 33-6. Oil B.S.S. was done at Rs. 20-8 as against Rs. 20-4 last week.

Cottonseed May (futures) shot up from Rs. 101-12 on the opening day to Rs. 104 on the following day. After receding to Rs. 101-12 on the 25th inst. it recovered to Rs. 103-8 on the 26th. Today, the contract moved up further to Rs. 105-12, but finished lower at Rs. 104-12. The net gain over the week was thus Rs. 2-8.

Kardi seed Bold was done at Rs. 22-4 or As. 4 higher than last week. *Niger* seed Madras was quoted at Rs. 28-14, as against Rs. 29 a week ago.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	27-3-1957	20-3-1957	12-3-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
May 1957	172 8	173 8	—
Khandesh Quality Ready (per cwt.)	35 4	35 12	35 0
April-May	34 7	34 15	—
Linseed—			
May 1957	29 2	29 10	28 14
Bold Ready (per cwt.)	28 12	29 6	29 2
April-May	28 14	29 9	—
Castorseeds—			
May 1957	164 8	162 0	157 12
Madras (per cwt.)	33 6	33 8	33 12
Cottonseed—			
May 1957	104 12	102 4	100 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 0	19 8	18 12
Castor oil—			
Commercial (per quarter) ..	19 10	19 4	19 8
Linseed oil—			
Ready	16 4	16 12	16 6

BLACK PEPPER MOVES NARROWLY

(Messrs. Parekh and Co.)

BOMBAY, *26th March*

Malabar black pepper during the week fluctuated narrowly in slow dealings both at primary centres and at Bombay. Scattered trade selling, following easier advices from Singapore, was absorbed by the bull who was reported trying to maintain the market despite poor overseas inquiries. The bull who is long both in delivery and in A.S.T.A. is said to be waiting for an opportunity to unload. He is trying to manipulate, but, without support from New York, his efforts are so far unsuccessful. He has so far not been able to excite New York buyers nor the local shorts to action. The shippers for April contract with the U.S.S.R. are also reported to have been mostly covered.

Alleppey and Cochin are barely steady at Rs. 531-4 and Rs. 92-4, respectively, with business poor.

Singapore is down to Str.$70 with pressure of arrivals from Sarawak. London is also reported to have reduced its price from 19d. to 18d. for Sarawak Black. Spot in New York is nominally quoted at $0.24½. The general sentiment in New York is to wait and watch for new incentives. Dealers and grinders there are buying sparingly, pending Sarawak new arrivals.

With the proximity of the monsoon, further price erosion in Malabar black is generally expected, if no sizable buying comes forth from New York. Refusal of licences by the Reserve Bank of India to about 28 banks with the prospect of more notices to many more in the former Travancore-Cochin State is likely to affect pepper economy in that State.

In A.S.T.A., March and April were done at $0.23½ and $0.23⅝, respectively, while April-May-June were offered at $0.24.

In the delivery section, business turnover is rather poor and whatever was offered by bears was taken up by the bull, as the bull feared that any weakness in Bombay was likely to be reflected at Cochin, Alleppey and New York.

Today's nominal quotations are: Ready delivery Rs. 76 per Bengal maund; April Rs. 528-Rs. 533 and May Rs. 535-Rs. 540 per candy of 5½ cwts.

KIPS MOVE UP

(From Our Own Correspondent)

MADRAS, *25th March*

Trading in kips with the U.K. continued to be restricted, due to resistance to price increases demanded at origin. Shippers were active buyers in the local market and arrivals met with brisk clearance at prices slightly higher than those in the preceding week. U.K. dressers paid advances in price on selective purchases. A few top class E.I. tanners sold for three to four months' shipment at full prices. This fact, coupled with poorer arrivals from the tanneries led a section of the trade to think that prices would hold, despite large arrivals of stocks in the U.K. in a bunch during March.

Demand for cow calf and buff calf was patchy and that for buff hides poor.

In the March London tanned skins public sales, good descriptions of goat skins met with brisk demand at advanced prices, while poorer sorts declined by 6*d.* per lb. Sheep skins sales are in progress.

In the local market, prices ruled steady and are likely to weaken, if the proposed duty of 15 per cent. on E.I. tanned skins imported into France is imposed.

HIDES FULLY STEADY

(From Our Own Correspondent)

KANPUR, *23rd March*

During the week under review, the hides and skins market ruled fully steady. New arrivals of wet cow and buff were considerable, while those of sheep were not as plentiful as in the previous week. Demand for upper grade of cow, buff and sheep was quite strong. The main purchasers were the local tanners. The country tanners made heavy purchases of lower grade cow, whereas Madras dealers evinced keen interest in upper grade goat.

The latest available quotations are: Wet salted cow 1st grade Rs. 340, 2nd grade Rs. 280 and 3rd grade Rs. 145 per score; wet salted buff 1st grade 2 lb. 2 ozs., 2nd grade 2 lb. 4 ozs. per rupee; Goat, 1st grade Rs. 250 to Rs. 275 and 2nd grade Rs. 225 per 100 pieces; sheep skins 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

FOODGRAINS TEND TO DECLINE

(From Our Own Correspondent)

HAPUR, *25th March*

Quiet conditions prevailed in the foodgrain markets during the week, due to expectations of new crop coming in the market shortly. Harvesting of crops have begun in all parts of Uttar Pradesh and new grain arrivals are being received in east U.P. Untimely rains, accompanied by hailstorms during the week in west U.P., Delhi and some parts of Punjab, have damaged the standing wheat and barley crops to some extent. The Union Food Ministry, however, expects a slightly higher production this year than last year. The all-India first estimate of *kharif* cereals for 1956-57 indicates an increase of 6.3 million acres and prospects for *rabi* crop are encouraging.

Wheat prices declined fractionally to be quoted at Rs. 16-2 per maund for *dara* quality and Rs. 17 for farm produce. Wholesale *khati* was transacted at Rs. 15-12. Local stock was 2 *khaties* only on Friday, the corresponding figure last year being 10 *khaties*. New crop arrivals of wheat will still take about a month to reach the market. Rice prices ruled quietly steady during the week. On Monday *basmati* was quoted at Rs. 23 to Rs. 27, *Mainpuri* at Rs. 20-14 and coarse at Rs. 16-8 per maund.

With the beginning of arrivals of new gram from Madhya Bharat and on good crop prospects here as well as in the Punjab, gram prices ruled quietly easy during the week, although local stock was very poor. Harvesting of barley and *bejhar* is being done on a large scale and new crop arrivals will begin after a week. Maize and *bajra* are losing their seasonal demands and prices too are recording a downward trend. *Jowar* prices, however, ruled steady, due to poor stocks and the prevailing prices on Monday were:—gram Punjabi Rs. 13-10; new Madhya Bharati Rs. 13-4; barley Rs. 13; *bejhar* Rs. 13; maize Rs. 13-12; *bajra* Rs. 14; *jowar* Rs. 12-10 to Rs. 13-8; *guwar* Rs. 11.

Peas prices recorded a fall during the week, as arrivals of new crop in the market all over the State of U.P. had increased, but the quality offered was still poor and damp. *Arhar* prices also sagged slightly, as were those of other pulses. Peas *dara* new was done at Rs. 12-6 to Rs. 12-8, *arhar* at Rs. 12-6, *urd* at Rs. 18 to Rs. 20, *moong* at Rs. 14 to Rs. 15 and *masoor* at Rs. 15 per maund.

While *arhar* futures improved, other pulses ruled quietly both ways during the week in heavy speculative bouts of buying and selling. The latest quotations on Monday were: Peas *jeth* Rs. 10-4-3; peas farm *jeth* Rs. 10-8-9; *arhar jeth* Rs. 11-0-9; *urd baisakh* Rs. 18-7.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, *25th March*

Sugar prices ruled quietly steady during the week on prospects of good exports. The Union Food Minister has informed the Lok Sabha that the Government at present contemplates allowing export of sugar upto 100,000 tons, out of which the Government has allowed 46,000 tons so far. Inquiries for purchase of Indian sugar has been received from a number of countries in Europe and West and East Asia. Crushing in factories is in full swing, as, due to depressed conditions in ready *gur* prices, factories are attracting enough cane as yet. Sowings of cane for the next season has begun. Demand for crystal sugar was reported from Bombay and Madras side, but on a small scale.

The latest prevailing mill delivery prices are: Jaswant Rs. 28-10; Simbhauli Rs. 28-12; Mawana Rs. 28-8 to Rs. 29; Daurala Rs. 29-4; Amroha Rs. 28-4; Bijnore Rs. 28-4; Mansoorpur Rs. 28-10 to Rs. 30; Rampur Rs. 31; retail Rs. 30-10 per maund.

The *khandsari* market continued to rule dull and depressed with negligible demand and increasing stock positions. Inferior grade was quoted between Rs. 18 and Rs. 20 and superior quality upto Rs. 25 per maund.

Ready *gur* prices were mostly depressed during the week, although local arrivals were small at an average of 1,000 maunds daily, but outside buying inquiry being slack, price trend continued to be weak. Despatches to consuming centres of Bihar and Gujerat were mostly of *gur* brought here from nearby centres in Bulandshahr district where prices were quoted below Rs. 9 per maund for best quality, as against Rs. 9-8 to Rs. 9-12 per maund quoted at Hapur.

Notice

THE STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debentures 1964-68 will be closed for transfers from 16th April 1957 to 30th April 1957, both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer,
State Bank of India.
Agents for the Standard-Vacuum Refining Co. of India Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *30th March* 1957.

THE CENTRAL WAREHOUSING CORPORATION

(This is an advertisement. No prospectus is required since this is a statutory Corporation.)

The Central Warehousing Corporation has been established with effect from 2nd day of March, 1957, in pursuance of section 17(1) of the Agricultural Produce (Development and Warehousing) Corporations Act, 1956. Its head office is at New Delhi.

AUTHORISED CAPITAL

2,00,000 Shares of Rs. 1,000 each .. .. Rs. 20,00,00,000

PRESENT ISSUE

1,00,000 Shares of Rs. 1,000 each .. .. Rs. 10,00,00,000

The subscription list will open on the 29th March, 1957, and will close on 31st May, 1957. All applications should be made to the Vice-Chairman, Central Warehousing Corporation, c/o Ministry of Agriculture, New Delhi, on application forms which can be obtained from him.

Ten per cent. of the value is to be paid on application and 10 per cent. on allotment and the balance as and when called for. The allotment is expected to be completed by the 30th June, 1957.

Of the capital issued in the first instance :—

(i) The National Cooperative Development and Warehousing Board will subscribe for 40,000 shares .. .. Rs. 4.00 Crores
(ii) The State Bank of India may subscribe 10,000 shares .. .. Rs. 1.00 Crores
(iii) Scheduled Banks may subscribe 12,500 shares .. .. .. Rs. 1.25 Crores
(iv) Cooperative Societies may subscribe 2,500 shares .. .. Rs. 0.25 Crore
(v) Insurance Companies, investment trusts and other classes of financial institutions may subscribe 30,000 shares .. .. Rs. 3.00 Crores
(vi) Recognised associations (Recognised by the Central Government under Section 6 of the Forward Contracts (Regulation) Act, 1952) and Joint Stock Companies dealing in agricultural produce may subscribe 5,000 shares Rs. 0.50 Crore

If any of the shares referred to in clauses (ii) to (vi) above remain unallotted, they may be subscribed by the National Cooperative Development and Warehousing Board and the State Bank of India in such proportion as may be agreed upon between them. No single institution belonging to any class referred to in clauses (ii) to (vi) above shall be entitled to subscribe for more than twenty-five per cent. of the share capital reserved for that class. The shares of the Corporation can be subscribed to only by the institutions mentioned above and *not by individuals.*

The shares of the Corporation are *not transferable* except to the National Cooperative Development and Warehousing Board, the State Bank of India, any Scheduled Bank, the Life Insurance Corporation of India, any investment trust or other financial institution or any Cooperative Society or any recognised association or Joint Stock Company dealing in agricultural produce.

GOVERNMENT GUARANTEE

The shares of the Corporation are guaranteed by the Government of India as to the repayment of the principal and the payment of annual dividend at such minimum rates as fixed by the Central Government by notification in due course. The payment of annual dividend at a minimum rate of 3 per cent. has also been guaranteed by the Central Government.

RAISING OF FUNDS

The Corporation can with the prior approval of the Government of India issue and sell bonds and debentures carrying interest, for the purpose of raising funds to the extent of ten times the amount of the paid-up share capital and reserve fund of the Corporation.

OBJECTS

The Central Warehousing Corporation may:

(a) acquire and build godowns and warehouses at such suitable places in India as it thinks fit;
(b) run warehouses for the storage of agricultural produce, seeds, manures, fertilisers and agricultural implements offered by individuals, Cooperative Societies and other institutions;
(c) arrange facilities for the transport of agricultural produce to and from warehouses;
(d) subscribe to the share capital of a State Warehousing Corporation (to be set up in each State except in Jammu and Kashmir in due course);
(e) act as agent of the National Cooperative Development and Warehousing Board or of the Government for the purpose of the purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilisers and agricultural implements; and
(f) carry out such other functions as may be prescribed.

It is proposed to set up about 100 warehouses during the period 1957-58 to 1960-61 of capacity ranging between 10,000 and 20,000 tons thus affording storage facility for nearly 1.5 million tons of produce.

The receipt issued by the warehouseman will be negotiable instrument.

MANAGEMENT

The general superintendence and management of the affairs and business of the Central Warehousing Corporation will rest in a Board of Directors, who with the assistance of an Executive Committee and a Managing Director will exercise all the powers and discharge all the functions which may be exercised by the Central Warehousing Corporation.

The Board of Directors of the Central Warehousing Corporation will include, among others: one Director to be elected in the prescribed manner by each of the following classes of shareholders, viz:—

(i) Scheduled Banks, (ii) Cooperative Societies, (iii) Insurance companies, investment trusts and other financial institutions, and (iv) Recognised associations and Joint Stock Companies dealing in agricultural produce.

The four Directors to be elected referred to above will be nominated by the Central Government for the first constitution of the Board of Management in consultation with the National Cooperative Development and Warehousing Board. The Central Government have accordingly notified that the following Directors shall constitute the initial Board of Management of the Central Warehousing Corporation:—

1. Secretary, Ministry of Agriculture, Government of India, New Delhi (*Chairman*).
2. Joint Secretary in charge of Cooperation, Ministry of Agriculture, Government of India, New Delhi (*Vice-Chairman*).
3. Financial Adviser to the Ministry of Agriculture, Government of India, New Delhi.
4. Secretary, Ministry of Production, Government of India, New Delhi.
5. Shri B. VENKATAPPIAH, Deputy Governor, Reserve Bank of India, Bombay.
6. Shri P. S. RAJAGOPAL NAIDU, M.P., President, North Arcot District Cooperative Marketing and Supply Society, Vellore, South India.
7. Prof. D. G. KARVE, c/o Reserve Bank of India, Bombay.
8. Additional Member (Commercial) Railway Board, Government of India, New Delhi.
9. Consulting Engineer (Road Development) Ministry of Transport, Government of India, New Delhi.
10. Shri B. P. PATEL, Managing Director, The State Bank of India, Bombay.
11. Shri A. M. WALKER, General Manager, Punjab National Bank Limited, Delhi.
12. Shri RAGHURAJ SWARUP, Director, Life Insurance Corporation of India, Muzaffarnagar, U.P.
13. Shri KESHAV PRASAD GOENKA, Goenka Niwas, 31, Netaji Subhas Road, Calcutta.

AUDIT

The accounts of the Corporation shall be audited by not less than two auditors duly qualified to act as auditors of companies under sub-section (i) of section 144 of the Indian Companies Act, 1913. These two auditors will be appointed by the Government of India; one of these will be appointed in consultation with the Comptroller and Auditor General of India.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	5	4
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1955	3½	4
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	7½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug. 1956	3½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 22nd March, 1957		Week ended 15th March, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,57,979	65,38,34,000	2,87,041	72,81,96,000
Calcutta	1,74,883	76,57,56,886	1,53,704	62,50,03,303
Madras	86,277	10,48,18,542	97,979	11,26,69,541
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Dec., 1956	..	..	3,373,000	7,64,19,00,000
Jan., 1957	..	..	3,707,000	8,41,32,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 22nd Mar., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,62,88,000
(2) Other Governments	35,15,35,000
(b) Banks	51,10,04,000
(c) Others	74,56,72,000
Bills Payable	17,22,93,000
Other Liabilities	114,70,31,000
Rupees	372,13,26,000

ASSETS	Rs.
Notes	19,40,96,000
Rupee Coin	9,02,000
Subsidiary Coin	9,11,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,57,70,000
Balances held abroad*	125,21,30,000
Loans and Advances to Governments	5,89,52,000
Other Loans and Advances	124,73,25,000
Investments	80,81,59,000
Other Assets	13,44,31,000
Rupees	372,13,26,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 73,20,46,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 154,20,84,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	19,40,96,000	
Notes in circulation	1517,79,47,000	
Total Notes issued		1537,20,43,000
Total Liabilities	....	1537,20,43,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		121,95,30,000
Government of India Rupee Securities		884,97,19,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1537,20,43,000

Scheduled Banks*

Statement of Affairs for the week ended 15th Mar., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Deposits from banks other than the State Bank and a notified bank†	9,91,77,000
(ii) Other demand liabilities	696,80,07,000
2. Time liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	2,07,00,000
(ii) Other time liabilities	465,09,58,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,07,20,000
(ii) Time liabilities	....
4. Cash in India	35,66,32
5. Balances with the Reserve Bank in India	51,58,71,000
6. Balances with other banks in current account in India	9,54,91,000
7. Money at call and short notice in India	16,20,42,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	848,96,02,000
9. Advances in India	710,50,56,000
10. Inland Bills purchased and discounted in India	108,28,46,000
11. Foreign Bills purchased and discounted in India	57,92,12,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	11th March, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	478¼	478¼
Buyers T.T. Rs.	473¼	473¼
London on New York $	2.79½-2.79½	2.79½-2.79½
London on Paris Fcs.	987	987
London on Berne Sw. Fcs.	12.27½-12.27¾	12.28
New York on London $	2.79½-2.79½	2.79½-2.79½

NATIONAL INCOME*

Country	Year	Population (In million)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
Ind'st'n	'54-'55	378 07	..	10,170	269
Pakistan	'53-'54	79 33	..	1,931	243
Burma	1954	19 24	Kyats 3,905	390	204
Ceylon	1954	8 38	..	470	560
Japan	1955	88 90	Y. 6,575,000	8,698	978
Philippines	1955	21 85	Ps. 7,800	1,857	850
New Zealand	1955	2 13	£(N.Z.) 846	1,128	5,296
Australia	1954	9 87	£(A) 2,957	4,220	4,094
U.K.	1955	50 97	£ 16,634	22,178	4,351
U.S.A.	1955	165 27	$ 324,000	155,520	9,410
Canada	1955	15 60	$ 20,738	10,166	6,516
France	1955	43 27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49 99	Dm. 126,200	14,460	2,890
Italy	1954	47 82	Lr. 9,718,000	7,460	1,560
Norway	1955	3 43	Kr. 19,764	1,320	3,850
Sweden	1954	7 21	Kr. 38,630	3,544	4,912
Netherlands	1955	10 75	Grs. 52,500	6,950	2,604
Denmark	1954	4 41	Kr. 22,374	1,610	3,654
Switzerland	1954	4 93	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 15th Mar., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	49,08,60,000
(b) Provincial Governments	3,60,00,000
(c) Banks	12,75,01,000
(d) Others	8,52,01,000
Bills Payable	12,58,000
Other Liabilities	11,55,37,000
Rupees	92,63,17,000

ASSETS	Rs.
Notes	12,79,51,000
Rupee Coin	16,000
Subsidiary Coin	22,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	10,33,000
Loans and Advances to Governments	20,00,000
Provincial Governments' Debtor Balances	4,79,93,000
Other Loans and Advances	18,08,07,000
Investments	44,06,94,000
Other Assets	11,91,51,000
Rupees	92,63,17,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,79,51,000	
Notes in circulation	331,59,09,000	
Total Notes issued	....	344,38,60,000
Total Liabilities	....	344,38,60,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	85,23,32,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,15,62,000	163,23,00,000
Government of Pakistan Securities	170,09,92,000	
Internal bills of exchange and other commercial paper	....	
		175,25,54,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,53,000	
Government of India Securities	1,00,30,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	344,38,60,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued 49·03 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	15th Mar., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,524.71	1,525.91	1,515.62	1,448.86
Notes held in Banking Department	35.05	11 41	9 55	11 28	14 42
Foreign Securities	59 50	412 52	412 52	412 52	672 32
Rupee Securities	37.39	884.97	884 97	530 28	648 01
Banking Department					
Deposits of:					
Government of India	14.89	54 87	51.88	52 25	55 64
Other Governments	..	22 78	2 75	12 48	46 05
Balances held abroad	10.08	130 23*	98 89*	113.43	70.72
SCHEDULED BANKS					
Demand Liabilities	134.36	700 72	706 00	682.75	615 60
		(9 92)†	(8 99)†	(6 30)†	(4 93)†
Time Liabilities	102.24	467 17	464 25	464 29	413.73
		(2.07)†	(1.72)†	(2 48)†	(3.02)†
Borrowings from Reserve Bank	..	81.60	79 08	92.48	61 59
		(60.18)‡	(55.92)‡	(59.18)‡	(24 62)‡
Borrowings from State Bank	6.70	9 07	9.20	16 14	17 37
Cash in India		35 66	36.84	36.93	35.26
Balances with Reserve Bank	25.17	51.59	50 56	48 86	47.09
Excess over statutory limits	15.52	6.92	5.52	5.44	7.98
Balances with other banks in current account in India	..	9.55	10.45	9.62	9.58
Money at call and short notice in India	..	16.20	14.76	10.29	4.90
Investments (at book value)	..	348.96	349 40	356 20	363 84
Advances and bills	105.09	866.71	866 01	860.82	735.01
STATE BANK					
Deposits	..	87.76	277 58	275.66	265 01
Investments	..	51.99	106 66	106 56	106.85
Advances	..	80.35	179 41	174 09	173 51
Cash	..	14.09	12 30	14 12	18 04

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December,		Nine months, April to Dec.,	
	1955	1956	1955	1956
Import Duties†				
Revenue	10.02	11 00	85.33	93.01
Protective	1.03	0 81	7 68	9 20
On surplus disposals	..	0 01	0 27	0 04
Total import duties	11 95	11 82	93 03	102 25
Export Duties	3 38	3 20	28 10	21 87
Land Customs	0 26	0 39	0 95	1 83
Miscellaneous	0 07	0 09	0 54	0 83
Gross total customs	15 66	15 31	122 62	126 77
Refunds and drawbacks	0 17	0 24	1 91	1 83
Net Customs	15 49	15 05	120 71	124 94
Gross excise	13 07	10 84	109 75	138 17
Refunds	0 44	0 13	3 40	1 50
Net Excise	12 63	10 66	106 27	136 67
Net total of customs and excise	28 12	34 71	226.98	261 61

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 1st Mar., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50 000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		276,01,30,000
Bills Payable		7,46,00 000
Bills for Collection being Bills Receivable as per contra		4,10,17,000
Acceptances, Endorsements and Other Obligations per contra		67,93,000
Other Liabilities (including Inter-Office Adjustments)		5,31,000
		2,15,82,000
Total .. Rs.		302,46,53,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,50,17,000
Balances with other Banks		3,81,63 000
Money at Call and Short Notice		66,67,000
INVESTMENTS:		
Government and other Trustee Securities	95,27,38 000	
Other Authorised Investments	11,54,34,000	106,81,72,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	149,39,47,000	
Bills Discounted and Purchased	23,26,99,000	172,66,46,000
Bills Receivable being Bills for Collection as per contra		67,93,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		5,31,000
Premises less Depreciation		1,20,84,000
Furniture and Fixtures less Depreciation		42,52,000
Other Assets (including Inter-Office Adjustments)		2,43,26,000
Total .. Rs.		302,46,53,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates 5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Saving Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates‡	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1953-54	6,83	65	3.26	23 66	84.17	1,13.85	92.03	— 21 07	7.55	25.64				55¼	..
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,24 94	1,30,85	— 36.35	5.57	37 15	7,40 8	7 38		44	54
1955-56	3.76	1.98	5.48	27 19	1,44.36	1,58.15	1,67,86	— 38.87	4.79	41 25	9,46	16.37		..	95
December 1955	4.00	18	5.26	2.58	1,39.48	12 94	1,52.44	— 38.44	36	40.84	88	13.98	4	..	98
January 1956	3.91	14	5.24	3.02	1,40.78	12 16	1,54.14	— 38.55	32	40.61	84	14.73	3	..	91
February	3.83	16	5.29	3.33	1,42.37	12.57	1,56.19	— 38.66	29	40.95	98	16.57	3	..	92
March	3.76	33	5.48	3.82	1,44.36	23.64	1,67.56	— 38.87	26	40.95	98	16.57	3	..	92
April	3.69	24	5.54	3.19	1,45.86	14.54	1,71.08	— 38.96	24	41.25	88	16.37	3	..	93
May	3.61	21	5.54	2.69	1,47.58	14.77	1,73.05	— 39.05	38	41.51	82	17.13	3	..	93
June	3.54	23	5.55	2.70	1,49.48	15.24	1,76.09	— 39.15	38	41.82	85	17.91	3	..	1.00
July	3.48	43	5.81	2.78	1,51.53	14.81	1,80.05	— 39.24	38	42.11	92	18.75	4	..	1.04
August	3.40	29	5.82	2.53	1,53.14	14.32	1,83.51	— 39.35	36	42.42	1.01	19.66	4	..	1.07
September	3.34	17	5.71	2.65	1,55.14	13.27	1,84.88	— 39.17	34	42.72	98	20.58	5	..	1.11
October	3.28	16	5.69	2.36	1,56.51	13.00	1,85.90	— 39.26	34	43.00	85	21.34	5	..	1.17
November	3.23	15	5.66	2.30	1,57.92	12.70	1,86.99	— 39.35	25	43.29	82	22.06	4	..	1.19
December	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 39.43	26	43.58	77	22.73	3	..	1.22
January 1957	..	..	..	..	..	..	..	..	36	43.89	70	23.32	3	..	..

* At the end of period.

‡ Issued from 16th May, 1954.

‡‡ Relating to nine months from July, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

§ From July 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 17th Mar., 1957	9th Mar., 1957	16th Feb., 1957	16th Mar., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	90 0	89.8	90 0
1. Government of India	90 7	89 7	89.5	89.7
2. Indian States	96.7	96.5	96.6	96.5
3. Municipal Port Trust, etc.	89.4	90.6	90.7	90.5
DEBENTURES OF INDUSTRIAL CONCERNS	101.1	98 9	99 0	98 0
1. Electricity	102 8	98 7	98.7	98 8
2. Jute	97 6	97.1	97.3	97 0
3. Plantations	99 1	98.6	98.6	98 5
4. Sugar	98 5	98.5	98.5	98 5
5. Coal	90 6	90.6	90.6	90 6
6. General Engineering	100 9	100.8	100.9	100 9
7. Shipping	102 3	101.8	101.8	101.8
8. Others	101 1	100 3	100 3	100 1
PREFERENCE SHARES	85 9	85 6	73 6	80 1
1. Electricity	93 8	88 2	88 3	88 1
2. Cotton	79 3	79 5	80 6	79 8
3. Jute	83 3	74 0	74 2	74 1
4. Coal	90 4	82 1	82.7	82 1
5. Iron and Steel	87 6	83 2	81.0	83 2
6. Sugar	85.6	80.5	81.6	80.7
7. Paper	80.1	79 7	79.7	79 6
8. Plantations	101 5	99 2	99.4	99 2
9. Miscellaneous	83.3	74.9	74.0	75.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	122.4	111 9	113 6	111 8
(a) Financial	89 5	93 4	93 9	93.0
1. Banks	89 3	92 7	98 1	95 4
2. Insurance	82.8	83 8	84 7	82 3
3. Investment Trust	94 5	79 9	80 4	79 5
(b) Public Utilities	110.4	108 3	108 3	110 2
1. Electricity	117.9	109.8	109.9	109.8
2. Shipping and other Transport	111.2	121.5	116.4	119.9
3. Railways	88 8	79 1	78.7	79 0
(c) Manufacturing industries	131.6	117.7	120.3	117.9
1. Cotton, Woollen and Silk	129.5	124.3	125 8	124 7
2. Jute	82 8	60 0	62 3	59 6
3. Iron and Steel	143 8	125 5	131 3	125 6
4. Paper	238.5	233 3	252 3	240 8
5. Cement	174 2	157.4	158 0	155 9
6. General Engineering	191 9	168.5	170.3	163 8
7. Sugar and Breweries	107.7	100.2	99 5	100 4
8. Chemicals	150.4	133.4	137.2	133.0
(d) Non-Manufacturing industries	161 0	138 9	140.3	138.5
1. Coal	82 2	73 7	74 8	73 6
2. Mining and Oil	258.4	188 5	197 4	187 4
3. Plantations	168.2	157.4	159 0	159 3
(e) Miscellaneous	101.1	89 5	91.5	89.1
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90 3	89.4	89.2	89.4
2. Calcutta	90 9	89 8	89 7	89 8
3. Madras	91.1	90 2	90.0	90 2
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	100 0	99.4	99.4	99.2
2. Calcutta	102 1	98 4	98.5	98.6
3. Madras	100.1	99.7	99.7	99.6
PREFERENCE SHARES:				
1. Bombay	80 3	84 9	83.4	84 8
2. Calcutta	81 3	73 8	73.8	73 8
3. Madras	96.9	94 5	94.4	94.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	128 5	122.7	123.1	122.6
2. Calcutta	111 3	97 7	100 3	97.3
3. Madras	125.1	126.5	125 7	126.5
4. Delhi	127.8	118.1	123.1	117.5

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	..	..	..
1952	1,071	691,321	3,818,928
1953	963	809 248	3,336,081
1954	772	466,507	3,382,608
1955	840	477,188	3,372,630
	1,166	527,767	5,697,848
November 1954	61	25,115	239,701
December	101	54,455	262,768
January 1955†	95	49,088	322,807
February	91	35,370	144,302
March	91	70,042	334,696
April	112	32,482	333,275
May	105	68,441	961,776
June	120	91,269	1,144,011
July	111	55,260	660,492
August	236	90,218	533,999
September	251	92,619	580,031
October	134	47,000	214,114
November	99	45,609	178,112
December	129	45,277	239,550
January† 1956	107	61,050	349,655
February	122	69,450	778,886
March	148	133,188	878,716
April	143	83,580	565,964
May	137	64,861	553,720
June	152	71,818	470,165
July	149	100,089	535,775
August	126	84,516	495,939
Sept.*	185	125,226	903,399
October	145	111,622	822,621
November	104	45,835 (a)	431,941 (b)

† Figures are provisional.

(a) Not known in 3 cases.

* Revised.

(b) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301·4	5,154.3
1953-54	648	6,876.8	5,572.7
1954-55	696	7,760 9	6,319.3
1955-56	715	8,305 8	7,185.8
Jan., to Nov., 1955	721	7,708.9	6,278.3
Jan., to Nov., 1956	756	8,749.2	7,177.0
October 1955	716	720.7	591.9
November	721	725.5	597.0
December	734	757.3	643.0
January 1956	731	757.3	621.8
February	739	749.9	622.0
March	715	800.0	651.0
April	701	780.5	648.8
May	701	825.8	699.1
June	710	796.5	658.5
July	724	796.0	656.2
August	725	793.7	650.0
September	737	812 7	666 4
October	753	824.1	670.1
November	756	810.5	668 1

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	23rd Feb., 1957	16th Feb., 1957	25th Feb., 1956	February, 1957	February, 1956	Percentage of increase (+) or decrease (−) in Feb., 1957 as compared with Feb., 1956	Financial Year Average 1955-56	Financial Year Average 1954-55
Food Articles	(31)	403.0	407·7	343.0	408 0 R	335 3	+21.1	312.2	339.8
Cereals	59	520*	530*	430	526	411	+28 0	372	381
Pulses	8	426	439	350	439	351	+23 1	289	240
Others	33	244	250	227	251	230	+ 9.1	235	291
Industrial Raw Materials	(15)	514.5	517·5	464.5	520.5	464 6	+12 0	419.8	436 2
Fibres	53	499	500	473	503	470	+ 7.0	429	447
Oil seeds	30	558	568	465	574	473	+21 4	398	424
Minerals	10	559	552*	459	546	443	+23 3	427	422
Others	7	413	410	409	415	426	— 2.6	431	427
Semi-Manufactures	(17)	405·4	407·6	357.2	410.6 R	355 8	+15.4	338.2	350 3
Leather	8	410	410	408	422	402	+ 5 0	378	376
Mineral oils	18	210	210	208	210	204	+ 2 9	207	221
Vegetable oils	16	593	608	422	611	426	+43 4	389 R	433
Cotton yarn	35	485	487*	446	438	444	+ 9 9	422	454
Metal	18	328	327	281	328	280	+17 1	264	240
Oil cakes	5	436	434	341*	445	347	+25 9	338	381
Others	5	372	372	365*	388 R	364	+ 6.6	336	312
Manufactured Articles	(30)	384.1	385.0 R	375.3	385 5	375 3	+ 2 7	372.9	377.4 R
Textiles	64	410	413	409	413	409	+ 1 0	408	421
Jute	11	411	424	415	429	417	+ 2 9	418	448
Cotton	41	414*	414*	403*	414*	403*	+ 2.7	389 R	415*
Rayon and Silk	6	442*	442*	502*	442*	498*	−11 2	485*	469*
Woollen	2	266	266	278	266	278	— 4 8	284	311
Metal products	17	302 R	302 R	302	302	271	+ 5 7	359	340
Others	19	302	301	284	301	284	+ 6 0	285	286
Miscellaneous	(9)	579.4	577.7 R	528.3	585.2	529.3	+10.6	548.4	612.6
All Commodities	(100)	421.6	424.2 R	381.3	425.0	378.4	+12.3	380.4	377 5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1955																		
December	463	506	133	241	242	346	674†	258	178†	720	449	407	431	422	362	415	399	319
January 1956

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage			Outturn	
	Forecast	Unit	1955-56	1954-55	1955-56	1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,953	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,819	2,939
Ragi	final	,,	5,527	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,849	55,784
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,293
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,868	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,990	1,858	1,959
Total pulses	final	tons	55,100	55,800	10,187	10,870
Oilseeds—						
Groundnut	2nd	tons	11,292†	10,968‡	3,559†	3,372‡
Castorseed	final	,,	1,463	1,394	124	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	833	1,019
Linseed	final	,,	3,424	3,354	576	352
Total oilseeds	final	tons	29,471	30,522	5,596	6,342
Fibres—						
Cotton*	final	bales	20,230	18,884	3,998	4,227
Jute A.	final	,,	1,883†	1,739‡	4,221†	4,197‡
Mesta A.	2nd	,,	695†	653†‡	1,430†	1,101†‡
Other crops—						
Potato	final	tons	692	658	1,839	1,736
Sugarcane	2nd	,,	4,532†	3,945‡	58,914†	50,455‡
Ginger (Dry)	final	,,	27	25	15	14
Pepper (Black)	final	,,	214	205	27	26
Chillies (Dry)	final	,,	1,492	1,522	340	362
Tobacco	final	,,	921	846	359	344

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1957	80 2
	Corresponding month, 1956	92 8
	Eight months ended Feb., 1957	686 3
	Corresponding period, 1956	701 2
Stocks	At the end of Feb., 1957	97 6
	Corresponding month, 1956	98 4
		(In 000 bags)
Exports (Jute Bags)	Week ended 5th Jan., 1957	N.A.
	Corresponding week, 1956	9,794
	From 1st Jan., to 31st Dec., 1956	430,173
	Corresponding period, 1955	470,403
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 5th Jan., 1957	N.A.
	Corresponding week, 1956	40,839
	From 1st Jan., to 31st Dec., 1956	1,452,286
	Corresponding period, 1955	1,383,588
	RAW JUTE	(Inlakh bales)
Consumption by Mills†	February, 1957	4.68
	Corresponding month, 1956	5.77
	Eight months ended Feb., 1957	40 02
	Corresponding period, 1956	40.86

* From Calcutta. † Estimated. N.A.=Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10 61,900	7,91,800
Do. 31st March 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,91,800
August 1955	92,500	83,900	62,700
Sept. ,,	95,300	87,500	64,700
October ,,	91,700	83,800	64,800
Nov. ,,	91,900	86,300	63,400
Dec. ,,	103,900	97,500	72,300
January 1956	1,03,900	96,800	71,500
August ,,	97,800	88,000	66,000
Sept. ,,	96,400	88,800	66,700
Oct. ,,	96,700	91,100	71,800
Nov. ,,	94,700	85,800	65,100
Dec. ,,	101,500	93,300	66,900
January 1957	97,400	94,300	70,500
February ,,	90,000	81,300	63,400
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,50,080	5,49,950	3,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,093
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, Dec., 1954	1,85,053	1,36,804	1,30,616
,, ,, Mar., 1955	1,65,108	1,43,825	1,18,124
,, ,, June 1955	1,85 605	1,34,333	1,16,251
,, ,, Sept. 1955	1 76,181	1,30,630	1,08,714
,, ,, Dec., 1955	1,80,752	1,24,694	1,08,758
,, ,, Mar. 1956	1,84,450	1,41 846	1,19,850
,, ,, June, 1956	1,83,806	1,17,710	92,609
,, ,, Sept. 1956	1,74,447	1,33,825	1,15,953
,, ,, Dec., 1956	1,88,546	1,41,45‡	1,14,703

OVERALL BALANCE OF TRADE OF INDIA
November, 1956†

Particulars	November		Eight months April to Nov.,	
	1955	1956	1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs).	Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	49,45	54,35	388,36	378,000
(b) Re-exports	39	57	3,53	5,27
Less—Transit trade	..	3	8	8
Net re-exports	39	54	3 45	5,19
Total exports	49,84	55,89	391,81	383,19
2. Imports	62,98	69,97	418,45	535,08
Less—Transit trade	2	4	10	25
Net Imports*	62,96	69,93	418,35	534,83
Balance of trade in merchandise	—13,12	—14,04	—26,54	—151,64
Balance of trade in gold and silver	..	— 3	— 4	— 15
Total overall visible balance of trade	—13,12	—14,07	—26,58	—151,79

† Total values of foreign trade of India by all routes (i.e., sea, air and land.)
* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	125
1955-56	12,761	2,772	972	213	110	67	160	29	474	412	41	331	48	148
October 1955	7,016	1,600	569	115	62	38	55	14	151	230	23	179	27	90
November ,,	8,076	1,835	647	132	66	43	78	17	174	266	27	205	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	43	139
February ,,	11,548	2,541	883	190	97	62	132	27	393	374	38	298	45	136
March ,,	12,751	2,772	972	213	110	67	150	29	474	412	41	331	48	145
April ,,	1,135	227	82	22	12	5	13	2	64	34	2	21	2	10
May ,,	2,227	470	166	44	25	11	25	5	118	70	5	50	5	21
June ,,	3,264	705	256	59	35	15	33	8	148	104	7	69	9	33
July ,,	4,310	959	344	71	35	19	44	6	168	139	10	118	14	56
August ,,	5,400	1,222	438	87	42	23	58	8	184	173	13	150	19	66
September ,,	6,420	1,440	505	97	46	28	73	10	199	207	15	179	23	81
October ,,	7,494	1,703	579	110	50	32	92	12	216	242	18	212	33	98
November ,,	8,619	1,959	659	129	59	37	121	15	257	275	20	246	39	114

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.
* Including sugarcane rom November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st Mar., 1957	47,827
	Corresponding week, 1956	856,670
	1st Sept. 1956 to 21st Mar., 1957	1,033,350*
	Corresponding period, 1955-56	1,055,487*
Cotton Exports‡	Week ended 21st Mar., 1957	9,293
	Corresponding week, 1956	20 080
	1st Sept. 1956 to 21st Mar., 1957	160,502
	Corresponding period, 1955-56	391,288
Mill Consumption (Estimated)	1st Sept. 1956 to 21st Mar., 1957	736,814
	Corresponding period, 1955-56	709,756
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 21st Mar., 1957	580,233
	Corresponding date, 1956	563,303
Cotton Exports from Bombay (by sea)	During Dec., 1956	32,410
	During Dec., 1955	60,493
	1st Sept., '56 to 31st Dec., 1956	65,631
	1st Sept., '55 to 31st Dec., 1955	327,074
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 7th Mar., 1957	1,017,066
	Corresponding period, 1955-56	1,143,958
Exports	1st Sept., 1956 to 7th Mar., 1957	524 202
	Corresponding period, 1955-56	558,991

Particulars	From 1st Sept. 1956 to 18th March, 1957	From 1st Sept. 1955 to 18th March, 1956
	Bales	Bales
From Bombay Cotton Shipments to—		
United Kingdom	18,584	47,441
Continent	15,035	79,545
Hongkong	20,915	30,219
China	3,437	31,488
Japan	94 124	227,034
U.S.A.	1,324	3 504
Other Countries	462	2,484
Total to all foreign countries	153,941	421,715
Coastal Ports	7,360	14,496
Total	161,301§	436,211§
Period		**Quantity (Bale of 400 lbs.)**
Consumption of Cotton—		
Indian	January, 1957	416,288
Foreign		160,017
Indian	Five months ended Jan., 1957	1,941,293
Foreign		848,635
Indian	Same Period 1956	1,872,064
Foreign		235,249
Stocks (Mills and Elsewhere)—		
Indian	As on 31st January, 1957	1,126,458
Foreign		171,396
Indian	As on 31st January, 1956	1,137,911
Foreign		156 440
Cotton Pressed in India† (In running bales)	Week ended 8th Mar., 1957	686
	Corresponding week, 1956	145,842
	1st Sept., 1956 to 8th Mar., 1957	797,021
	Corresponding period 1955-56	1,386,563

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-35	23,30,26,000	1960-70	100½
3 % Loan	1938-39	1 16,17,46,000	1963-65	94 ⅜
3 % Loan	1950	30,83 10,000	1964	94 ⅜
2½ Yr. Loan	1943	1,10,11,76,000	1956-68	92½
2 % V. Loan	1944	83,54,87,000	1957	94⅛
2½ % Nat'l. Loan	1945	1,15,05,88,000	1970-75	87 ⅜
2½ % Nat'l. Loan	1945	1,13,84,64,000	1959-61	97⅛
3 % Loan	1951	80,85,62,000	1966	90⅛
2½ % Loan	1946	45,80,37,000	1960	96⅛
2½ % Loan	1946	87,00,99,000	1961	93 ⅜
2½ % Loan	1946	14,77,45,000	1976	88⅜
2½ % Loan	1947	75,86,72,000	1962	93½
2½ % Loan (H.P. Bonds)	1953	75,29,00,000	1961	99 ⅜
3½ % N.P. Loan	1954	1,38,17,84,000	1964	98 ⅜
3½ % Nat'l. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98½
3½ %	1956	87,87,00,000	1962	97⅜
3½ % N.P. Bonds	1956	84,36,00,000	1967	98⅛
3½ %	1956	66,54,00,000	1974	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	3,92,35,000	At option of Government after three months notice. On September, 1965 or later at option of Government after three months' notice.	73
5 % Loan	1946	2,48,91,47,000		74 ⅛
REPATRIATE STERLING LOANS				
4½%Loan	1938	5,88,73,000	1958-63***	101½
STATE LOANS				
4 % Andhra	1956	4,50,00,000	1st Sept. 1967	97⅜
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97⅜
3 % Bombay	1944	3,06,56,000	15th Aug. 1958	96
3 % Bombay	1949	3,53,56,000	1st Aug. 1968	94
3 % Bombay	1950	2,57,57,000	31st July 1960	96
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98
4 % Bombay	1953	3,43,28,000	15th July 1963	100
4 % Bombay	1953	2,55,17,000	1st Aug. 1964	100
4 % Bombay	1956	10,02,21,000	1st Sept. 1967	99½
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99⅛
4 % Bihar	1956	5,00,00,000	1st Sept. 1967	97⅛
3 % Bihar	1946	2,00,00,000	3rd Sept. 1968	97⅛
3 % Cochin	1946	1,00,00,000	16th Dec. 1955-58	98
3½ % Coorg	1936	70,09 000	1st June 1956-61	98½
3½ % Howrah Bridge (New)	1936-37	1,95 96,700	1956-66	95½
4 % Hyderabad	1955	2,15,45,000	1st Sept. 1967	99
4 % Hyderabad	1956	3,00,00,000	3rd Sept. 1968	98⅛
3 % Madras	1939	1,28,95,500	21st June 1959	94
3 % Madras	1944	1,07,95,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,78,44,000	14th Sept. 1960	95½
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93½
3 % Madras	1946	4,35,35,400	21st July 1960	96½
3½ % Madras	1951	3,01,49,800	17th Sept. 1962	97⅜
4 % Madras	1953	10,34,45,000	15th July 1963	98⅜
4 % Mysore	1953	3,54,81,000	1st Aug. 1964	98
4 % Madras	1956	7,00,00,000	1st Sept. 1967	98
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	97⅜
4 % Mysore(f)	1932	2,95,88,200	1st Dec. 1953-63	100½
3½ % Mysore(f)	1936	5,99,72,900	30th Apr. 1956-61	99
3 % Mysore	1947	5,06,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,33,47,000	15th July 1963	98⅛
4 % Mysore	1955	3,54,81,000	1st Sept. 1967	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97⅜
3 % M.P.	1944	82,89,800	15th Aug. 1958	96
3 % M.P.	1945	2,03,38,800	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1963	98⅛
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97⅜
4 % Maharashtra	1956	4,51,56,000	1st Sept. 1967	98
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99⅛
4% Trav. Cochin	1953	3,00,00,000	15th July 1963	99
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
2½% U.P.Z.A.	1952	40,60,66,545Z		38⅜
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90⅛
3 % U.P.	1944	2,97,11,000	15th Aug. 1958	96⅛
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96
3½ % U.P.	1946	2,20,93,600	1st Sept. 1961	98⅛
3 % U.P.	1951	1,91,02,900	17th Sept. 1962	97⅛
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	98⅛
4 % U.P.	1953	5,65,15,800	15th July 1963	98⅛
4 % U.P.	1955	3,53,56,000	1st Sept. 1967	98
4 % U.P.	1956	5,00,00,000	3rd Sept. 1968	97⅜
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97⅜
4 % Orissa	1956	2,00,00,000	3rd Sept. 1968	97⅜
4 % M. Bharat	1953	1,00 00,000	15th July 1963	98⅛
4 % M. Bharat	1956	1,00,00 000	3rd Sept. 1968	97⅜

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
36,50,000	4	1904	1954	
35,00,000	4	1903	1953	
15,00,000	4	1906	1957	
44,00 000	4	1907	1958	
75,00,000	4	1907	1958	98N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
50,00,000	4	1911	1973	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
50,00,000	4	1913	1963	98N
88,25,000	4	1914	1975	98N
10,00,000	4	1915*	1960	
25,00,000	4	1915	1965	
61,61,000	4	1922*	1960	
11,11,000	4	1924*	1960	
10,22,000	2½	1928*	1960	
25,00,000	3½	1929	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
15,50,000	3½	1932*	1962	
24,38,000	3½	1933*	1975	
15,00,000	3½	1935*	1965	
45,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99
76,90,100	4	1915	1975	99
1,00,00,000	3½†	1921	1981	82
65,02,8000	6½	1921	1981	144N
1,49,40,800B	5	1927	1957-87	101½
1,49,30,000	5	1928	1958-88	102½
80,00,000	4½	1931	1991	99
80,00,000	3½	1935	1965	97⅛
28,00,000	3	1936	1963-66	90
50,00,000	3	1945	1976	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84½
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79½
50,00,000	3	1947	1978	83½
40,00,000	3	1948	1978	83
40,00,000	3	1949	1979	82
1,00,00,000	3	1949	1979	97
50,00,000	3	1950	1980	83
1,00,00,000	3	1950	1980	84
50,00,000	3	1950	1980	85½
50,00,000	3	1951	1981	81½
1,50,00,000	3½	1951	1981	96½
50,00,000	4	1952	1982	100
50,00,000	4	1953	1983	98⅜
50,00,000	4	1955	1985	98
77,00,0000	4	1956	1986	97⅛
78,00,0000	4	1956	1986	97⅛
STERLING LOANS				
£892,600	5	1922	1953-83	67½
£901,000	5	1924	1954-84	67½
£885,100	5½	1932	1963	69½
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	
9,88,000	3	1947	1977	
5,00,000	3	1948	1978	A
45,00,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				
BOMBAY				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1902	1963	
50,00,000	4	1904	1964	97½N
50,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
50,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1912	1972	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	118N
40,00,000	5	1919	1957-78	
50,00,000	5	1920	1958-80	
25,00,000	5	1920	1956-86	113N
25,00,000	4	1927	1961-70	93N
10,00,000	4	1946	1966	
STERLING LOANS				
£566,600		1909	1969	£95½
£338,000		1910	1979	£95½
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	100
50,00,000	4	1934	1964	94
25,00,000	3½	1935	1965	90
50,00,000	3	1936	1966	91
50,00,000	3	1937	1965-68	90
50,00,000	3	1938	1968	99½
50,00,000	4	1952	1982	99
1,03,00,000	4	1956	1986	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
20 60,000	4	1913-15	1974	99
10,00,000	5	1920	1958	113N
25,00,000	5	1925	1955	
8,45,500	5	1925	1955-59	103
26,21,500	5	1929	1959	
8 25,00 000	3½	1947	1977	86½
2,50,00,000	3½	1947	1977	86½
4,00,00,000	3½	1950	1965	86½
2,50,00,000	4	1952	1964	98
1,00,00,0000†	4	1952	1964	99
1,00,00,0000†	4	1953	1968	99
2,50,00,000	4	1955	1967	98
1,50,00,000	4	1956	1968	
Rs.		**CALCUTTA**		Rs.
26,00,000	5	1928	1958	102
25,00,000	5	1929	1957	101½
25,00,000	5	1929	1958	102
47,50,000	5	1930	1960	104
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	98
21,10,000	3½	1943	1960	98
15 49 000	3½	1943	1960	97½
16,33,000	3½	1961	1961	97½
66,66,000	3½	1961	1968	97½
87,56,000	4	1954	1978	100
72,50,000	4½	1954	1979	
Rs.		**MADRAS**		Rs.
15,00 000	3½	1951	1961	107N
15,00 000	3½	1952	1962	107N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	90
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99
4 % W. Bengal	1953	2,50,22,000	15th July 1963	99
4 % W. Bengal	1955	7,48,72,000	1st Sept. 1967	99
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99

ABBREVIATIONS
A.—Held by Government o. India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡Interest free to first 15 years §—Interest free for first 5 years
N.—Nominal.
R.—By four instalments but inclusive of accrued interest.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	93	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	119	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6½	5
†East India Distilleries	£200,000	1897	7	Jan. July	16½	£1
Gwalior Sugar	6,75,000(e)	1940	7(a)	Dec. ..	67	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	67	100
Puritabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	100	100
Savalgnon Sugar	20,00,000	1943	5½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	7(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	101	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	112	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	6,00,000	1895	6	Mar. Sept.	100	100½
Karampura Collieries	9,87,500	1946	5½(a)	.. ..	55	75(p)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	4N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	11	10
Oudal	2,00,000	1893-99	7	Apr. Oct.	104	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	123½	100
Basauti Cotton	5,00,000	1938	6½	Nov. ..	7	10
Bengal-Nagpur	3,00,000	1896	8	Apr. Oct.	92	100
B

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	5,62,728	90,10,670	43,05,872	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2½	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,88,52,007	72,25,655	—5,97,129	M.	51,804	1,021	B. R. Cotton Mills	40	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	2,99,72,778	4,22,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,23,562	3,084	Bombay Dyeing & Mfg.	557½	250	22 8*	20 0	25 0*	7 81	12	Y.
10,00,000	23,74,302	58,31,886	53,57,486	61,711	Ramavan Sons, Private Ltd.	44,784	860	Gold Mohur Mills	212½	100	0 6	75 0	12 8	20 0	3	Y.P.
1,09,43,808	2,63,96,826	2,81,83,264	1,97,06,117	6,34,956	Birla Brothers Private Ltd.	1,26,752	2,598	Century Spg. & Mfg.	462½	100	22 0	22 0	22 0	8 01	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,085	—33 08,097	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	60½	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	..	Coorla Spg. & Wvg.	131½	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Private Ltd.	40,992	680	Dawn Mills	974XR	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,435	76,75,267	56,21,788	2,33,643	Puranmal Bubna Sons	45,718	925	Edward Textiles	250	200	15 0	15 0	18 0		12	Y.P.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,61,854	M.	41,300	886	Elphinstone Spg. & Wvg.	62	50	*Nil*	3 0	5 0		12	Y.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,528	784	Finlay Mills	306	100	16 0	16 0	20 0		12	Y.
50,00,000	51,19,022	87,77,494	52,92,387	86,368	James Finlay & Co., Ltd.	49,640	1,020	Gold Mohur Mills Ltd.	207½	100	12 8	12 8	15 0		12	Y.
11,94,000	46,62,622	2,50,88,371	1,52,81,854	19,2115	Tata Industries Private Ltd.	67,258	1,630	Hindoostan Spg. & Wvg. Mills	5,500	1,000	225 0*	225 0	300 0	325 0	3	Y.P.
16,000	75,14,589	1,52,34,660	1,07,26,500	608	M.	45,080	1,122	Indian Mfg.	992½	250	56 4*	56 4	75 0	81 4	3	
2,00,00,000	62,50,299	4,68,15,552	8,89,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills	35	1,000	0 10	*Nil*	0 16	0 101	12	Y.f
89,06,000D									1–10½	0 1D.	0 1	*Nil*	0 2	0 11		
8,55,000	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	47,984	1,122	Indian Mfg.	5,350	1,000	225 0*	225 0	300 0	300 0	3	Y.P
35,000									—	500	112 8	112 8	150 0	150 0		
59,85,000	55,07,881	2,73,73,670	2,08,22,188	26,228	Khatau Makanji & Co.,	92,852	1,480	Khatau Makanji Spg. & Wvg.	195	100	*Nil*	*Nil*	*Nil*		6	Y.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	323½	100	20 0*	18 0	18 0	18 0	12	Y.
22,18,050	41,06,720	1,35,74,348	55,99,115	61,670	N. Sirur & Co., Private Ltd.	49,000	944	Modern Mills	70XR	50	5 0	5 0	8 0*		12	Y.
81,75,000	37,05,298	2,35,58,597	1,76,19,589	1,41,489	Piramal Sons Private Ltd.	71,662	1,652	Morarjee Goculdas Spg. & Wvg.	227½	100	12 0	14 0	14 0	15 0	6	Y.
1,57,74,400	66,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.			National Rayon Corporation	233½	100	9 0	10 0	12 0		12	Y.P.
24,00,000	29,50,456	78,05,743	45,70,077	55,192	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	149½	100	10 0	10 0	10 0	10 0	12	
80,00,000	22,01,492	95,52,534	63,37,035	245	W. H. Brady & Co.,Ltd.	49,012	1,018	New Great Spg. & Wvg.	225½	100	10 0	7 8	10 0	10 0	12	Y.
48,00,000	90,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Private Ltd.	69,208	1,190	Phoenix Mills	147½	100	8 0	8 0	10 0		12	Y.
40,00,000	46,70,890	89,55,049	23,00,000	2,92,877	Podar Sons, Private Ltd.	32,600	930	Podar Mills	165	100	10 0	10 0	12 0*		12	Y.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd.			Sassoon & Alliance Silk Mill	9½	10	0 12	0 8	1 0		12	Y.
37,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	39½	10	1 4	1 12	2 0		12	Y.
80,00,000	47,70,081	1,30,20,958	58,27,225	1,47,423	Marwar Textiles (Agency) Ltd.	69,070	1,640	Shree Niwas Cotton Mills	178½	100	14 0	14 0	12 0		12	Y.
43,00,000	33,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	117½	50	15 0	11 0	10 0		12	Y.
87,50,000	2,25,15,720	2,51,26,099	1,37,85,474	12,888	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	442½	100	20 0	20 0	20 0		12	Y.
99,85,700	84,60,718	2,85,37,647	1,19,01,809	67,611	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	216	100	16 0	8 0	12 0		12	Y.
97,00,000	66,33,465	1,23,99,971	61,52,715	1,51,080	James Finlay & Co., Ltd.	39,328	552	Swan Mills	410	100	20 0	20 0	25 0		12	Y.
65,37,000	51,96,376	1,77,24,389	68,44,553	48,485	Tata Industries ,Private Ltd.	62,096	1,800	Tata Mills	47½	25	1 8	2 8	4 0		12	Y.P.T.
12,00,000	61,05,709	1,27,61,228	90,20,000	4,524	M.	45,508	1,358	Western India Spg. & Mfg.	5,250	1,000	225 0*	225 0	300 0	300 0	3	Y.

AHMEDABAD

40,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	180	100	10 0*	5 0	7 0	12 0	6	Y.P.
66,00,000	56,68,068	94,37,398	76,10,154	27,288	P. M. Hutheesing & Co., Ltd.	42,788	912	Arvana Mills	640	100	20 0*	20 0	25 0*		12	Y.P.
86,25,000	2,55,30,694	1,56,65,504	1,16,00,000	72,768	Narotam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,087	100	25 0	25 0	35 0*		12	Y.
80,00,000	81,75,000	98,84,884	72,25,000	2,46,869	Mangaldas & Bros. Ltd.	35,884	892	Aryodaya Ginning & Mfg.	500	200	15 0	15 0	25 0*		12	Y.
12,00,000	1,13,50,000	94,55,974	69,64,958	69,808	Lalbhai Dalpatbhai & Co.	37,868	914	Asoka Mills	977½	100	22 0*	22 0	30 0		12	Y.
1,37,50,000	3,35,76,238	4,61,25,352	2,36,68,344	2,31,712	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	531	125	18 0	18 0		80 0‡	3	Y.
62,87,000	24,58,000	1,21,06,843	82,25,000	2,760	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	1,226	1,000	70 0	70 0	80 0		12	Y.
99,00,000	73,53,456	1,32,09,528	96,26,963	19,321	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	872	125	25 0	35 0	35 0		12	
10,00,000	58,48,000	50,63,197	37,98,317	16,658	Jagabhai Bhoglial Nanavaty & Co., Ltd.											
12,50,000	1,14,77,470	86,29,439	60,39,888	....	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	407½	100	80 0*	80 0*			12	Y.P.
82,50,000	14,78,207	1,07,01,469	71,42,808	17,84,749	Lallubhai Gordhandas Ltd.	31,120	636	Sailpur Mfg.	860	100	25 0	25 0	35 0*		12	Y.
85,98,150	2,02,84,538	1,76,92,843	1,52,75,000	8,23,200	Harivallabhdas Kalidas & Co.	53,808	1,325	Shri Ambica Mills	170	100	12 0	12 0	15 0		12	Y.
19,93,500	63,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	515	100	20 0	25 0*	25 0		12	Y.
88,00,000	90,34,191	1,09,66,008	78,95,291	84,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	690	400	35 0*	35 0*	35 0*		12	Y.

WEST BENGAL

15,00,000	1,42,800	24,08,029	21,88,586	61,576	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	5½	10	0 4	0 8	0 8		12	Y.P.T.
7,08,060	9,10,617	78,14,055	52,66,911	59,390	Bengal Textile Agency, Ltd.	33,202	925	Bengal Luxmi Cotton Mills	40N	40	*Nil*	4 0	4 0	4 0	3½	Y.
6,00,000	22,72,414	89,16,142	51,49,000	—23,47,378	Kettlewell Bullen & Co., Ltd.	43,960	841	Bowreah Cotton Mills	116½	100	*Nil*	*Nil*	*Nil*		6,12	Y.P.
19,00,000	26,17,571	1,04,58,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	191	100	*Nil*	*Nil*	2 8		6,12	Y.P.
1,40,00,000	2,29,48,320	3,76,19,833	1,81,26,833	1,86,672	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills	14½	10	1 12	0 14	0 14	1 0	3,	Y.
13,17,7500	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23,036	795	Rampuria Cotton Mills	16N	10	0 8	0 10	1 0		6	Y
5,00,000D									3N	1D	*Nil*	*Nil*	0-5|11/2%			

SOUTH INDIA AND OTHER CENTRES

11,26,600	5,57,596	81,36,764	15,64,243	3,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	35,91,264	1,84,91,580	50,78,582	1,36,048	Industrial Trust Fund	36,136	716	Azam Jahi Mills	82½	100	0 0	*Nil*	3 8(e)		9	Y.P.
40,50,000	2,00,68,745	3,24,98,906	2,42,86,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	580cd-cR	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,600	15,50,000	77,25,162	58,72,182	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills	71	10	0 0 4	*Nil*			6,12	H.P.T.
85,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd.	39,896	1,068	Birla Cotton Spg. & Wvg., Delhi	28N	10	3 0	3 0			3	
1,78,47,800	1,76,52,500	6,38,09,203	3,59,22,130	3,28,445	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	177	100	10 12	10 0	12 0		3	
20,00,000	20,00,000	69,69,854	21,66,351	27,593	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	14½	10	0 12	*Nil*	0 8		3	
15,00,000	7,11,500	45,38,229	24,69,361	5,994	K. Dhanoarao, Esq.	20,600	..	Cannanore Spg. & Wvg.	170	100	12 0	20 0	12 0	4 01	3	
30,00,000	29,51,420	69,40,829	61,72,876	36,767	Begg, Sutherland & Co., Ltd.	27,016	591	Cawnpore Textiles	7½	5	0 0	0 8	*Nil*		3	
9,37,470	2,00,000	50,87,656	18,02,163	58,798	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11½	10	*Nil*	*Nil*	0 10	0 12	3	
15,00,000	12,01,056	41,97,484	30,65,709	10,859	B. Bheemaraju & Co.	28,284	..	Coimbatore Cotton Mills	355xd	100	20 0	25 0	25 0	25 0	12	
30,00,000	19,95,000	36,59,430	24,25,921	14,823	T. R. N. Naidu & Co.	27,226	..	Coimbatore Pioneer Mills	272	100	15 0	20 0	20 0		12	
80,76,900	5,076	1,13,00,858	88,63,242	21,920	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	88	50	3 8	5 0	5 0		12	
1,37,50,000	46,62,622	2,50,88,371	1,52,81,854	19,2115	Tata Industries Private Ltd.	67,258	1,630	Central India	113	100	5 0	2 0	3 0	*Nil*	6	
2,35,35,225	3,06,82,110	11,16,21,472	5,81,67,227	1,28,712	B. R. Charat Ram & Co., Private Ltd.	1,41,180	2,252	Hindoostan Spg. & Wvg. Mills	851N	100	20 0	12 0	20 0	2 8	3	Y.P.T.
1,00,563									2½	0	2 4/5	0	2 8/5	0	6 4/5	
25,54,900	82,25,000	66,17,565	46,12,585	....	M. Chettiar & Sons	38,082	201	Dhanamjaya Mills	327cd	100	20 0	30 0	30 0	25 0	12	
28,00,000	33,47,050	1,54,57,568	1,35,57,642	78,754	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	147	100	10 0	10 0	1 0	1 4	3	
48,81,000	35,22,175	1,00,55,167	68,95,965	14,000	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	220½	100	17 0	13 0	15 0	1 4	3	
2,50,00,000	2,25,000	3,41,27,174	....	1,06,74,790	Birla Gwalior Private Ltd.			Gwalior Rayon	14–8½	10	*Nil*	*Nil*	*Nil*		3	
80,00,000	6,16,447	1,83,91,953	1,12,23,576	9,551	K. L. Seksaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	137½	100	8 0	8 0	10 0	*Nil*	3	
8,90,000	10,65,683	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd.	23,784	..	Janardhana Mills	109cd	50	4 0	5 0	10 0	5 01	12	
15,54,000	18,24,705	45,22,234	33,88,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,505	1,000	*Nil*	20 0	50 0	60 0	6	
82,42,535	19,25,000	98,32,480	32,49,160	41,492	Kothari & Sons	41,040	800	Kothari Textiles	15½	10	0 8	0 8	1 0	1 0	3	Y.P.
32,00,000	67,91,510	1,69,61,585	1,26,19,465	20,376	M.	50,462	1,219	Lakshmi Cotton Mfg.	705	250	87 8	62 12	42 8	42 8	12	
24,54,100									132	50	5 0	5 0	10 0	12 8	3	
17,32,050	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	98,160	201	Lakshmi Mills	74½	25	2 0	2 0	2 8	2 8	3	
1,75,02,480	4,24,40,278	5,83,51,924	3,77,47,982	32,44,180	A. & F. Harvey Ltd.			Madura Mills	454xd	15	3 0	3 0	3 0	2 10	12	
12,00,000	4,17,368	98,26,768	15,72,202	—99,078	A. R. S. Chettiar and Brothers.	25,592	100	Malabar Spg. & Wvg.	109	100	8 0	*Nil*	*Nil*		12	
60,00,000	69,00,000	68,79,627	43,29,784	45,885	W. A. Beardsell & Co., Ltd.	25,656	608	Mettur Industries Ltd.	480	100	12 0	12 0	15 0		12	
29,50,324	19,51,581	89,76,246	49,94,788	16,588	N. Sirur & Co. Private Ltd.	33,896	704	Minerva Mills	82	100	7 0	5 0(e)	6 0	12 8	12	
94,91,850	21,56,146	1,71,94,769	78,81,598	1,58,008	M.	52,408	952	Model Mills (Nagpur)	180	250	7 0	5 0(e)	7 8	7 8	12	
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	38,640	1,534	Muir Mills	75N	100					12	
34,38,900	50,54,085	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Private Ltd.	50,480	500	Mysore Spg. & Mfg.	101½	50	10 0*	8*	8 0(e)	9 0*	3	
18,81,780	6,600	29,25,252	16,12,761	—1,50,653	H. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	
26,26,8880									8½	0. 2½	*Nil*	*Nil*				
5,07,066D	25,62,583	1,04,27,293	58,90,719	—43,53,087	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills	—	D. 1	*Nil*	*Nil*	*Nil*		12	
37,19,600	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	902	Osmanshahi Mills	62	100	4 0	4 0	2 8(e)		3	
4,00,0004	6,50,000	29,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	41,200	..	Palani Andavar Mills	147	50A	12 8	12 0	12 0		12	
5,00,0003									275	75B	18 0	18 0	18 0			
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	215	100	*Nil*	*Nil*	4 0(e)		12	
3,40,6003	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	300	Radhakrishna Mills	275	100A	8 0	16 0	20 0		12	
15,00,000	30,00,000	48,74,198	25,94,827	11,081	B. R. Naidu & Sons	33,896	..	Rajalakshmi Mills	140	50B	4 0	8 0	10 0		12	
16,14,300	12,00,000	22,92,216	17,41,484	10,510	Ramco Agencies Ltd.	24,996	..	Rajapalayam Mills	150	100	4 0	6 0	10 0		12	
22,31,750	13,40,000	49,54,452	21,20,815	32,012	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	150	100	6 0	9 0	10 0	10 0	12	
60,00,000	62,41,568	1,00,25,428	39,44,914	—15,16,738	J. P. Srivastava & Sons (Rampur)	54,582	800	Rasa Textiles	10	10	*Nil*	*Nil*	*Nil*	*Nil*	12	
15,90,000	1,50,25,917	2,18,49,081	2,05,07,227	—1,65,20,798	Morarka & Co.	95,282	2,234	Sholapoor Spg. & Wvg.	1,400	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	
10,000									—	500						
26,60,700	17,10,000	81,44,272	65,63,816	1,09,148	H. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills	106	80	4 0*	4 8	5 0	7 0	3	
26,14,800	2,00,246	35,18,906	17,75,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			3	
15,00,000	2,43,80,158	99,62,158	79,58,780	80,60,653	Birla Brothers, Private Ltd.	46,212	1,244	Sutlej Cotton Mills	94xd	10	4 0	5 0	6 0	6 0	3	
17,50,0000	2,30,00,000	4,54,40,847	1,70,68,159	1,09,029	Jalpuria Brothers	1,12,216	2,061	Swadeshi Cotton (Kanpur)	11½	100	0 8	0 12	0 12		12	
7,50,000FQ									11½	10P.O.	0–14 2/5	1–5 2/5	1–5 2/5	2 2/5	12	
1,80,00,000	80,14,788	2,80,55,317	1,37,16,775	2,63,771	Emcete & Sons (Travancore), Ltd.	1,32,000	..	Travancore Rayons	13½	10	0 8	0 10	0 12		12	
12,86,670	8,78,882	17,26,181	11,97,886	1,506	Moolji Jaraiee & Sons	15,000	..	Trichinopoly Mills	13½	10	0–11 1/5	0–14 2/5	0–14 2/5		12	
81,00,000	24,50,000	71,88,725	40,03,163	56,000	B. K. Chetty & Brothers	44,424	270	Vasanta Mills	310	100	12 0	15 0	20 0		12	
58,00,000	31,89,000	1,74,27,020	1,17,94,860	16,922	M.	47,240	1,355	Vishnu Cotton	142½	100	4 0	4 0	5 0	8 0	12	

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (e) Paid out of reserves. (8) For six months ended 31st December 1955.

The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August/1953.

Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
19,92,000	25,83,500	1,12,43,027	57,39,029	1,23,340	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10½	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,630	26,75,014	29,38,961	16,23,423	8,786	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 8	0 8	3	Y.
46,49,956	2925,777	21,302,585	4566,540	456,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	27½	A. 10sh. B. £1	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1	9	Y.P
6,00,000	9,50,000	15,96,336	15,96,629	4,579	Vital Mallya, Esq., (Chairman)	United Breweries	180cd	75	Sh. 4 15 0	Sh. 5 15 0	Sh. 4 15 0	15 0	3	Y.

CEMENT

51,97,950	213,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	13½xd	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
46,14,5600	13,13,132	1,44,65,792	53,43,079	4,59,345	Eastern Corporation Ltd.	Assam Bengal Cement	6½	D. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
4,70,976D	8,46,99,450	27,75,38,613	9,84,43,675	2,93,968	Cement Agencies (Private) Ltd.	Associated Cement Companies	14	D. 1						
25,50,0000							162	100	9 8	8 8	10 0	10 0	7	Y.T.
5,00,000D	60,02,261	96,09,338	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	12½	O. 10	1 0	1 0	1 4			
62,45,7500							8½	O. 2½	0 4	0 4	0 5		12	Y.P.
7,50,000D	19,00,000	1,61,41,804	54,02,378	2,97,128	Hasen Private Ltd.	India Cements Ltd.	4	D. 1	0-1 3/5	0-1 3/5	0 3			
87,86,500							25	O. 25	*Nil*	1 4	1 14	2 1		
86,26,875	31,41,935	1,83,18,049	89,73,404	5,03,215	Dalmia Agencies Private Ltd.		5½	D. 5	*Nil*	*Nil*	0 6	0 6 2/5	3	Y.P.
75,00,000	44,50,000	2,04,32,192	86,59,095	2,78,525	Shree Laxmi Agents Ltd.	Orissa Cement Ltd.	13½	10			0 12		12	Y.P.
50,00,000	22,45,000	1,91,72,387	1,45,45,476	41,941	M.	Shree Digvijay Cement	147	100	6 0	8 8	8 8		12	Y.P.
....	....	1,04,63,117	39,26,502	15,36,803	Hasel Ltd.	Sone Valley Portland Cement	7½	10	0 6	0 4	0–4 4/5		12	Y.
						Travancore Cements Ltd.	9½	10

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	100	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	23	10	12 0	14 0	1 6 [illegible]	0 11 1/5‡	3,9	B.
25,00,000	20,12,563	1,43,61,701	67,07,860	47,166	T. Sharmanna, Esq. (Chairman)	Mysore Paper Mills	10½	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,18,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd. ..	Orient Paper	31½	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,49,070	67,82,768	1,55,90,914	95,51,593	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	10	10	1 8	1 8	1 4	0 10‡	6,12	
20,00,000 } 10,00,000A. }	6,50,000	95,83,644	61,01,926	13,705	Bajoria & Co.	Star Paper Mills	{ 10 10	O. 10 A. 10	0 12 0 12	0 12 1 4	1 4 1 4	}	3,9	H.P.T. Y.P.
2,18,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	102 xd	10	Nil	Nil	5 0‡	0 8	6	
56,00,000A. } 56,04,800B. } 4,87,500F.O. }	3,41,28,015	5,94,12,203	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	{ 37½ 37½ 4½	A. 10 B. 10 P.O. 24	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4	1 2½* 2½* 0 2½*	3,9	H.P.
PRESSING														
8,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule & Co.	Calcutta Hydraulic	95N	100	3 0	4 0	Nil	Nil	6	Y.
5,00,000	2,47,132	10,91,809	9,80,374	26,289	Andrew Yule & Co.	Central Hydraulic	125	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
9,60,7800. }	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 13½N 22N	O. 10 D. 1	0 11⅓ 0 4/5	0 9 3/5 Nil	0 9 3/5 0 9 3/5		9	Y.P.
2,00,000		43,52,570	22,63,279	36,000	David Sassoon & Co., Ltd.	Port Canning Land	100		1 8	1 8	Nil		4	Y.P.
60,00,000	18,07,374	84,89,704	15,00,000	540	Andrew Yule & Co.	Midnapore Zamindary	23	100	1 8	4 0	3 0	Nil	4	
94,00 000	36,70,109	93,05,154	95,892	—11,43,855										
SAW MILLS AND TIMBER														
13,99,998	28,05,545	81,61,533	10,78,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	3½	3	Nil	Nil	Nil		9	Y.
50,00,000 } 42,00,000 } 6,00,000	4,13,54,388	3,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 636½ 236½	Old 125 New 50	15 0 6 0	20 0 8 0	37 8 15 0	40 0 16 0	5 6	Y.P. Y.
80,00 000	21,15 487	19,00,295	14,35,560	—4,69,907 2,76-619	Jardine Henderson Ltd. .. .. Gillanders Arbuthnot & Co., Ltd.	Bengal Timber Trading .. .. Indian Wood Products	25N 42	100 10	Nil 2 8	Nil 2 12	Nil 8 0	1 0‡	6 9	
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,371	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	8½	5	Nil	0 12	0 1	Nil	6	Y.
12,00,000A. }	29,80,250	55,45,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	{ 130N 14N	A. 100 B. 10	10 0 1 0	10 0 1 0	10 0 1 0	10 0 1 0	4	Y.
8,00,000B. }						Belsund Sugar	10½	7½	0 12	0 12	0 12		9	Y.P.
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Bharat Sugar	15½N	10	1 8	1 8	1 8	1 8	6	
15,00,000	15,51,513	18,12,168	12,47,841	2,330	Cotton Agents Private Ltd.	Carew & Co.	7½	10	Nil	0 12	0 4		6	Y.P.
32,00,000	28,37,080	1,86,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd.	Cawnpore Sugar	17½	10	2 0	0 12	0 12		10	Y.
36,00,000	57,88,651	1,05,44,647	54,32,451	93,023	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	21	10	1 0	1 0	1 8	1 0	6	
18,00,000	39,72,380	81,58,085	55,40,244	29,503	Begg, Sutherland & Co., Ltd. ..	Deoria Sugar	10	10	1 0	0 12			8	Y.T.
30,00 000	6,18,562	24,58,530	15,38,747	48,204	Karamchand Thapar & Bros.	Dhampur Sugar	275N	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
50,00,000A. } 10,00,000B. }	44,95,000	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd. ..	Hindustan Sugar Mills ..	100	O. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
							63N	80	Nil	Nil	4 8		7	
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	46½	40	Nil	Nil	2 4		4	Y.P.T.
7,89,100	22,35,852	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd.	New India Sugar Mills	80N	10	2 8	2 8	2 8	2 8	6	Y.
11,00,000	4,45,003	46,39,636	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd. ..	New Savan	51xd	10	3 4	0 4	0 4	0 6	5	
12,98,000 } 61,375 }	48,01,854	71,25,062	24,33,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill ..	{ 240N 60N	100 25	20 0 5 0	20 0 5 0	20 0 5 0	20 0 5 0	6	Y.P. Y.
77,45,350	55,05,699	2,04,73,468	1,05,50,000	20,563	Cotton Agents Private Ltd.	Oudh Sugar	140	100	11 0	11 0	11 0	11 0	7	Y.
12,00 000	12,79,374	31,96,494	21,49,459	24,662	Narang Bros. & Co., Private Ltd.	Punjab Sugar	106N	100	10 0	10 0	6 0		10	Y.P.
9,00,000	17,64,369	37,36,808	30 57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17½	10	1 0	0 12	0 12		10	Y.P.
8,00,000	6,10,793	28,74,028	22,66,790	13,504	M.	Ryam Sugar	20N	10	0 8	0 8	Nil	1 12	6	Y.
11,99,000	19,38,520	45,20,102	24,12,129	3,564	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	11½	10	0 8	0 8	Nil	Nil	6	Y.P.T.
20,00,000	22,68,560	1,36,20,110	62,59,521	34,046	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shree Krishna Gyanoday Sugar	10½	10	1 8	1 8	1 12		8	
9,99,950	26,825	28,20,774	13,51,547	—4,25,477		Sitalpore Sugar	4½	10	Nil	Nil	Nil	Nil	6	Y.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227		Shri Sitaram Sugar	15½	10	2 0*	1 8*	Nil		8	Y.P.
9,15,0000 } 4,40,000D. }	46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	12 4N	O. 10 D. 24	Nil Nil	Nil Nil	Nil Nil		10	Y.P. Y.P.
8,00,000	29,24,348	1,15,70,815	68,03,754	32,829	Cotton Agents Private Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8	3 0	6	Y.
16,00,000	7,66,889	32,69,951	26,68,926	20,564	M.	United Provinces Sugar	15	10	0 8	1 4	1 8		9	
Other Centres														
80,00,000	8,00,000	48,07,304	14,63,228	1,90,837	Rangaroo & Co.	Andhra Sugars Ltd.	17½	10	Nil	Nil	0 9 3/5	1 0	9	Y.
70,49,650	95,62,027	1,48,40,584	1,08,91,570	52,911	W. H. Brady & Co., Ltd.	Belapur Company	227½	50	16 0	16 0	16 0	16 0Z	9	Y.P.
17,50,000	8,86,885	35,66,598	22,70,609	33,609	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	19	10	0 10	1 0	1 0	1 8	9	
15,00,000	37,08,165	32,89,314	3,24,398	33,344	A. H. Bhiwandiwalla & Co. ..	Shree Changdeo Sugar	30	12	3 0	1 0	5 0	5 0	6	
15,93,960	3,45,785	40,16,357	21,56,392	—1,596	H. J. P. Srivastava & Sons (M.B.) Ltd.	Walhor Sugar	60N	100	Nil	Nil	Nil		6	
47,94,920	14,00,000	80,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/5		9	Y.
20,62,558	12,13,785	46,34,172	11,11,505	32,589	K. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	13½	10	1 0	1 0	1 0	0 9-3/5	6	Y.
23,57,620	45 51,080	45,51,227	31,05,827	18,546	Govan Bros.(Rampur), Ltd. ..	Rohtas Industries	144N	10	1 0	1 0	1 0		10	
10,52,2000. } 2,87,190D. }	79,50,000	1,79,03,447	85,20,265	26,868	V. Ramakrishna, Sons (Private) Ltd.	K. C. P. Ltd.	{ 135 140	O. 100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0	7 8 10 0	6	Y.P.
21,70,280	66,34,618	1,29,89,142	62,31,728	2,68 107	S. Muninanjappa, Esq., (Mg. Director)	Mysore Sugar	394½	50	2 8	2 8	2 8	2 8	6	
50,00,000	58,00,540	1,09,70,631	63,85,454	92,981	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	134½	50	6 0	8 0	8 0	9 0	9	Y.P.T.
16,59,820	35,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	25½	10	2 0	1 8	2 0		8	Y.P.
20,00,0000. }	21,76.092	89,12,138	58,60,383	64,612	Walchand & Co. (Ltd.	Ravalgaon Sugar Farm ..	{ 135N 7N	O. 10 D. 10	2 0* Nil	1 8* Nil	2 0* 0 11/1	}	9	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,31 172	M.	Baza Sugar	154N	10	1 0	0 12	1 0		10	Y.P.T.
						Travancore Sugars	11½	10	Nil	Nil	Nil	1 0	7	Y.P.T.
						Walchandnagar Industries ..	270	100	14 0	16 0	18 0		9	
TRANSPORT														
20,00,000	1,00,69,622	1,24 00,702	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	180	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,519	4,41,65,864	1,85,09,119	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
50,00,000	31,60,611	3,31,00,904	59,55,703	88,315	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	18	10	1 0	1 0	IN‡	1 8	6	Y.P.
6855,580	61,098,198	65,614,160	33,397,581	632,063	Kilburn & Co., Private Ltd. ..	India General Navigation & Rly. Co.	71½	10	Nil	Sh. 1 0	Sh. 10	1 8	12	Y.P.
2,25,00,000	89,99,282	9,64,47,644	2,22,99,146	25,920	Lione Edwards Ltd.	India Steamship Co.	10‡	10	0 8	Nil	Nil	1 0	8	
8,40,8000. } 10,800F.O. }	19,68,266	11,55,483	7,29,969	1,34,493	M.	Scindia Steam Navigation Co.	20-52‡ D.8	80	0 12	0 8	0 8	1 0	6	Y.
					R. B. Aiyer, Esq. (Manager)	Walford Transport Ltd.	{ 2½ 1½	O. 1 P.O. 1	as. 1 3/25 as. 19/25	1 23/2 1 19/25	as 2 6/25 as.122/25		}12	
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,58,321	4,22,863	230	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	32 0	32 0	32 0	30 0	9	
15,98,800	2,04,173	2,26,474	90,000	1,99,551	M.	Bombay-Uganda	60N	80	5 0	4 8	Nil		12	
25,00,000	1,00,000	22,87,314½		225	M.	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	0 12	0 18	3	
5,57,00,000	1,03,93,754	4,55,59,017	1,03,65,563	94,16,738	A. J. C. Hoskyns-Abrahall (Chairman).	Hindustan Lever	19½	10	0 12	0 8	0 8	1 4	12	
80,17,900	13,68,886	66,39,283	59,54,587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	142½	100	8 0	10 0	10 0		12	
14,98,840	3,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	40	50	Nil	3 0	2 0		8	
99,99,250	19,47,386	1,22,08,604½		8,82,186	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76	100	4 8	4 8	4 8		12	
99,99,975	81,03,351	85,47,826	8,04,821	4,559	K. G. Milne, Esq. (Mg. Director)	Kilick Industries	160	100	10 0	11 0	11 0	11 0	6	
3,32,13,775 A.O.	39,14,265	3,06,59,581	1,49,05,326	6,05,448	Aero-Auto Private Ltd.	Premier Automobiles	90½	100	Nil	Nil	Nil	6 0	6	
10,21,200	5,05,419	8,09,102	5,79,614	7,256	Sir Joseph Kay (Chairman) ..	United Motor (India) Ltd. ..	20	10	2 0	2 0	2 0	2 0	12	
2,75,00,000	72,76,000	3,08,07,761	1,63,71,646	5 01,984	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co.	172½	100	11 0*	11 0*	11 0*	11 0	12	
45,00,000	62,52,990	7,44,904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0	22 8	12	
Other Centres														
47,50,000 } 2,50,000 }	1,94,82,556	3,73,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	{ 10 5N	O. 16 D. 24	Nil	Nil	Nil	0 8 Nil	3	Y.P. Y.
40,00,000	28,35,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	14½	10	1 4	1 4	1 4*	1 4	3	
30 00,000	36,18,573	34,21,252	22,94,853	3,35,874	Turner Morrison & Co., Private Ltd.	Angelo Bros., Ltd.	20	10	1 4	1 4	2 0*	2 0*	8	
30,00,000	8,85 000	38,39,494	20,85,060	1,18,895	Mr. A. Hydari & Mr. S. Gothberg	Jardine Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*		12	Y.P.T.
20,00,000	32,47,883	1,02,68,021	36,87,880	2,45,122	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	8N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	3	
30,01,400	1,16,68,000	67 47,111	33,97,111	5,08,189	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	160	100	20 0*	13 0‡	12 8		12	
13,00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	32½	10	1 8	2 8	2 4	1 2‡	6,12	
20,00,000	7,95,430	62,57 904‡‡		1,79,277	Lovelock & Lewis	Birds Investment Ltd.	14	10	1 4	1 4	1 4		9	
45,97,020	80,11,814	1,10,56,424	32,87,889	1,79,277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	13½	10	0 8	1 0	1 0	1 0	3	
3,25,00,000	1,16,11,805	2,32,03,005	2,22,16,167	—27,86,584	Sir Robert Menzies	British India Corporation Ltd.	7½	5	0 8	0 1	Nil		12	
1,85,50,000	17,34,254	2,03,27,282‡‡		12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	10	10	0 4 1/5	0 3 1/5	0 9	1 6	3	
1,50,00,000	3,14,86,174	5,15,52,086	2,20,82,990	11,71,686	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	25½	10	1 8	1 8	1 8		12	
51,26,000	54,10,811	1,72,17,367‡‡	....	3,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	129	100	9 0	9 0	9 0	9 0	12	
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	135	100	20. 0	15 0	15 0		3	
65,00,000	53,17,300	19,75,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq.	Gillanders Arunthnot & Co., Ltd.	10½	10	7 8	7 8	1 6 2/5	1 9 3/5	3	
66,00,000	14,67,354	81,39,620	33,68,982	7,458	B. P. R. Syndicate	Great Eastern Hotel	225	150	15 0	6 4	6 4	15 0	3	
4,98,05,700	....	3,94,18,142	1,81,86,541	6,16,062	Birla Brothers Private Ltd. ..	Himatsingka Seide	30	10	Nil	Nil	Nil	Nil	12	
1,50,00,000	46,77,754	4,16,74,246	1,74,76,063	6,18,074	M. S. Greenwood (Mg. Director)	Indian Aluminium Co.	13½	10	Nil	Nil	9 0		12	
1,52,30,220	1,37,00,000	1,99,88,759	71,50,011	32,04,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	27	10	1 0*	1 0*	1 4*	1 8*	3	
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	24½	10	0 12	0 8	0 8	0 10	3	
15,15,00,000	7,89,02,692	4,15,59,461	1,68,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	13½	10	....	0 9 3/5	0 12 4/5	0 12 4/5	3	
2,00,00,000	57,52,566	87,40,656	11,06,843	6,11,852	G. M. Mackinlay, Esq.	Jardine Henderson	75½	100	7 8	7 8	7 8	7 8	3	
40,00,0000. } 8,00,000D. }	80,86,900	26,18,972‡	8,72,670	2,57,284	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	{ 225 —	O.100 D.O.10	10 0 10 0	17 0 10 0	2‡ 8 10 0		12	
1,43,96,500	31,82,796	49,23,988	13,34,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26½	10	1 6*	1 6	1 12	2 2*	9	
1,15,00,000	55,50,000	1,88,87,978	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	26½	10	1 0	1 0	1 4	1 10	3	
3,58,585	1,52,252	7,88,598	2,60,987	—2,58,681	Shankar Rao P. Gyale, Esq. ..	Mysore Glass and Enamel Works	4	10	Nil	Nil	Nil		12	
6,56,250	9,18,696	11,18,541	5,51,088	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15½	10	1 0	1 0	0 12	0 14 3/5	3	
10,00,000	2,18,500	15,54,005	9,41,427	44,518	M. H. Parthasarathy Esq. (Chairman).	Mysore Tobacco	13½	10	1 0	1 4	1 0	1 8	3	
40,00,000	74,71,172	68,80,914	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd.	National Insulated Cable Co. ..	20½	10	1 0	1 0	1 8*	2 0*	3	
40,00,000	18,00,000	98,19,895	21,17,403	75,726	Do	National Rolling & Steel Ropes	10	10	0 8	0 8	0 9 6	0 9½	12	
79,97,000	....	1,17,58,727	37,19,268	8,99,582	B. N. Ellias & Co., Ltd.	National Tobacco Co.	10½	10	Nil	0 8	0 12 4/5		12	
2,25,00,000	8,71,246	1,45,28,415	44,23,374	—44,12,968	M. P. A. Pesgatti, Esq.	Rallis (India) Ltd.	185	100	Nil	Nil	Nil	Nil	3	
1,72,24,400	1,31,20,308	7,56,34,869	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	17½	10	1 4	1 8	1 8		6	
40,00,000	67,00,558	1,21,67,804	73,09,327	6,22,212	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16½	10	1 8	1 8	1 8	1 8	12	
75,00,000	54,19,860	....	17,49,816‡	5,53,088	E. R. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	11½	10	1 0	1 4	1 0		12	
9,98,380	....	....	14,99,289	2,84,580	....	Travancore Ogale Glass	8½	10	Nil	Nil	Nil		12	

M.—Managed by Board of Directors. ‡‡ Investments at cost. • Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,800 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.10 each.

Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 6 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	3,70,619	11,34,864	5,38,169	....	McLeod & Co., Ltd.	325	Amluckie	300	100	25 0	72 0	19 0		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	37	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,21,676	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	24	10	2 8	5 0*	1 0		12	Y.
8,10,000	11,21,541	17,56,465	7,08,427	39,051	McLeod & Co., Ltd.	513	Bachmari	22½	Nil	2 8	1 0	1 0		12	Y.
3,30,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	32½	10	2 8	3 0	1 8		12	Y.
2,20,000	4,65,000	11,68,776	7,13,759	50,298	National Tea Corporation	570	Bateil	26‡	5	2 0	4 0	2 8		12	Y.
16,50,000	9,40,000	10,27,063	3,06,925	59,185	Gillanders Arbuthnot & Co., Ltd.	1,100	Betjan	25½	10	2 0	10 0*	2 0		12	Y.
6,00,000	23,00,000	58 38 102	26,80,662	1,49,359	Williamson Magor & Co., Ltd.	4,002	Bishnauth	20‡	10	2 8	5 8	2 0		12	Y.
7,50,000	2,50,000	10,97,919	2,26,068	29,836	Octavius Steel & Co., Ltd. ..	485	Bokaichat	16½	10	Nil	1 0	Nil		12	Y.
48,00,000	7,37,550	9,58,117	3,05,780	14,455	McLeod & Co., Ltd.	490	Bornah Jan Tea	18½	10	0 12	2 8	1 8	1 4	12	Y.P.T.
1,20,000	11,78,802	79,82,234	$7,45,021	5,15,711	M.	2,834	Brooke Bond	20‡	10	0 8	1 4	4 12	1 4	6	Y.P.
6,00,000	4,35,426	6,44,302	2,17,579	42,144	McLeod & Co., Ltd.	282	Deloo Valley	50‡	10	1 0	6 0	3 0		12	Y.
17,52,440	9,76,000	27,60,034	17,87,733	45,610	Jardine Henderson Ltd.	1,184	Desai & Parbattia	200	100	20 0	40 0	10 0		12	Y.
4,68,970	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd. ..	661	Dhelakhat	21‡	10	1 8	2 8	2 8		12	Y.
4,50,000	3,95,000	7,50,451	3,86,404	48,344	M.	646	Dhunseri	19‡	10	2 0	5 0	1 0		12	Y.P.
2,36,700	7,25,800	14,15,911	6,43,291	43,921	McLeod & Co., Ltd. ..

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
5,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,184	49,25,353	4,71,883	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8½	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	20½	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,380	25,13,535	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	23½	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,666	7,58,759	40,878	1,069	Associated Planters Ltd. ..	Cottanad Plantations	17½	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,70,900	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	15½	10	1 4	2 8	2 0	0 10!	12	Y.P.
4,00,000	10,92,992	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	26	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,48,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	39½	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,092	77,71,151	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	17½cd	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	22½	10	0 12	1 8	1 8	....	3	Y.P.T.
2,00,000	2,88,500	7,81,446	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co.	16	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	21,20,615	42,52,395	*Nil*	14,22,963	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5xd	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
13,50,000	9,00,000	42,15,515	5,72,147	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	21½cd	10	1 12*	1 12*	2 0	2 8	6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Associated Planters Ltd. ..	Savannah Estates Ltd.	21	10	3 0	2 8	1 12*	....	11	Y.
10,00,000	8,00,000	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9½	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	12	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	28	10	3 0	3 0	3 0	....	12	Y.P.
9,15,300	4,00,000	20,99,024	98,217	27,055	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1–1¼	1	0 4½	0 1 3/5	0 0 2	0 0 2	9	Y.T.
6,00,000	75,491	9,79,479	3,23,517	3,745	Eapen Thomas, Esq. (Mg. Director)	Travancore Rubbers	21½	10	2 0	2 0	3 0	....	12	Y.
41,00,000	14,30,799	76,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd. ..	9½	10	1 0	1 8	1 4	....	12	Y.P.T.
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	31½	25	3 0	2 0	4 0	....	12	Y.
6,28,580	5,40,670	8,51,488	1,15,128	93,780	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	30½	10	2 0	2 4	2 8	1 8!	12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9½	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	20,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	9½	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
5,00,000	10,25,000	51,65,438	36,93,877	1,88,329	McLeod & Co., Ltd.	446	Alexandra	160	100	2 8	7 8	10 0	....	6,12	H.P.
30,00,000	6,25,000	1,17,61,827	93,76,000	23,141	McLeod & Co., Ltd.	1,264	Alliance	100	100	5 8	12 0	8 0	....	6,12	H.P.
49,20,750	69,00,000	2,95,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	138	100	12 8	7 0	8 0	....	6,12	H.P.
40,00,000	43,17,051	1,76,37,979	92,01,344	11,377	Bird & Co., Private Ltd.	810	Auckland	90	100	4 0	3 8	10 0	1 0!	3,9	H.P.T.
20,00,000	28,80,918	98,91,416	65,65,094	65,302	Jardine Henderson & Co. ..	959	Bally	138	100	4 0	*Nil*	3 8	*Nil*	3,9	H.P.
£275,000	£667,405	£1,477,480	£987,176	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	93	£5	£1 0	sh. 15	sh. 15	*Nil*	3,9	Y.P.
28,00,000	28,00,623	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd. ..	820	Belvedere	95	100	15 0	10 0	7 8	*Nil*	6,12	H.P.
45,00,000	38,45,000	57,00,178	31,28,574	2,55,100	Soorajmull Nagarmull	600	Bengal	15¾	100	1 4	1 2	1 8	*Nil*	6,12	Y.
91,20,000	2,17,48,383	3,34,10,402	1,45,32,651	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla	15¾	10	1 4	1 2	1 2	....	6	Y.P.
36,00,000	21,81,426	1,17,99,047	72,96,930	1,336	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	96	100	10 0	9 0	7 8	1 0	3	Y.P.
7,47,380	3,99,640	42,13,704	31,62,883	—4,31,470	Dayaram & Sons	602	Calcutta Jute Mfg. ..	8½	100	*Nil*	0 12	*Nil*	*Nil*	4,10	H.P.T.
18,00,000	25,46,234	87,35,841	43,24,058	1,328	Andrew Yule & Co., Ltd. ..	616	Caledonian	118	100	12 0	9 0	8 0	*Nil*	6,12	H.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	800	Champdany	130	100	6 0	8 0	10 0	*Nil*	5,11	H.
15,95,000	19,83,032	82,12,211	57,10,175	1,387	Andrew Yule & Co., Ltd. ..	530	Chetwood	146	100	12 0	14 0	10 0	*Nil*	3,9	H.P.
30,15,000	31,00,000	64,10,068	47,77,690	1,32,940	McLeod & Co., Ltd.	600	Chitavalsah	12	10	1 12	1 2	1 0	....	5,11	H.P.T.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	969	Clive	13½	10	*Nil*	*Nil*	1 4	0 8	3,9	H.P.
31,49,200	46,85,352	1,17,35,454	46,04,776	—2,20,845	Bird & Co., Private Ltd.	705	Dalhousie	88	100	4 0	2 8	4 0	*Nil*	3,9	H.P.T.
28,00,000	40,71,672	78,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd. ..	779	Delta	131	100	20 0	12 0	10 0	*Nil*	3,9	H.P.
15,00,000	84,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd.	500	Empire	16	10	1 0	1 4	1 4	*Nil*	5,11	H.T.P.
21,60,000	60,50,000	2,70,39,024	1,80,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	310N	100	*Nil*	5 0	15 0	7½	6,12	H.P.T.
21,00,000	13,00,000	97,88,074	54,63,692	1,34,822	Bangur Bros., Ltd.	1,014	Fort William	18½	10	5 0	20 0	20 0	0 12 K	3,9	H.T.P.
84,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	44½	100	*Nil*	0 8	2 8	*Nil*	3,9	H.P.
10,80,000	25,00,000	71,52,963	48,81,602	—74,093	Gollanders Arbuthnot & Co., Ltd.	607	Gondalpara	800	15 0	*Nil*	....	....	....	12	Y.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd.	1,394	Gourepore	226	100	8 12	10 0	15 0	2 8!	3,9	H.P.
40,00,000	64,68,233	1,14,86,848	56,72,180	8,40,348	Bangur Bros., Ltd.	1,078	Hastings	109N	100	10 0	10 0	11 8	5 0	6 0!	H.P.T.
15,80,000	18,61,969	68,47,731	47,70,916	—2,95,253	Bajhath Bajoria	720	Hooghly	127	10	1 4	0 8	1 4	*Nil*	3	Y.P.
65,62,500	49,64,372	1,82,66,485	1,10,52,708	57,034	Jardine Henderson Ltd.	1,940	Howrah	16	10	1 8	1 4	1 4	*Nil*	3	H.P.T.
62,50,000	27,85,153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	22	10	3 0	2 0	2 0	0 4!	3,9	H.T.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	130	O. 125	6 4	3 2	4 11	4 11!	3,9	H.
30,000								—	D. 1	0 4/5	0 2/5	0 8/5	8% 1		
24,00,000	18,75,346	1,85,39,772	1,15,01,308	....	Jardine Henderson Ltd.	1,797	Kamarhatty	95	100	9 0	8 0	2 8	*Nil*	6,12	H.P.
19,20,000 'B'								94	100	9 0	8 0	2 8	*Nil*		
30 00 000	9,81,472	1,74,14,302	87,61,781	—0,24,216	Jardine Henderson Ltd.	1,527	Kankinarrah	70	100	7 8	6 8	1 0	*Nil*	6,12	H.P.
24,00,000 'B'								'B' 100	100	7 8	6 8	1 0	*Nil*		
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10 851	McLeod & Co., Ltd.	703	Kelvin	202	100	15 12	20 0	17 8	*Nil*	6,12	H.P.
54,00,000	23,83,375	1,72,56,983	1,18,00,127	56,928	Anderson Wright Ltd.	1,830	Khardah	114	100	17 8	12 8	11 0	5 0!	6,12	H.P.
48,00,000	1,08,90,860	2,44,37,944	1,15,97,122	41,327	F. W. Heilgers & Co., Private Ltd.	1,250	Khinnion	120	100	9 0	7 0	13 0	6 0!	3,9	H.P.T.
24,48,000	29,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Private Ltd.	931	Lanadowne	91	100	7 0	5 0	7 0	*Nil*	3,9	H.P.
28,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Private Ltd.	840	Lawrence	98	100	5 0	6 0	6 0	*Nil*	3,9	H.P.
21,55,200	26,36,045	2,84,13,349	1,26,07,309	1,64,942	M.	1,253	Megna	70	100	5 0	2 8	5 12	3 12!	3,9	H.
20,98,900	38,40,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. Private Ltd.	915	Naihati	68	100	*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
20,00,000	15,65,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	13½	10	0 5	1 2	0 10!	....	4,10	H.T.
55,00,000	41,54,326	80,25,401	10,32,819	1,58,929	Andrew Yule & Co., Ltd.	553	National	20½	10	2 0	2 0	1 12	....	4,10	H.P.
26,25,000	26,25,000	27,71,022	20,34,906	1,08,257	McLeod & Co., Ltd.	316	Serampore	11½	10	1 8	1 0	1 0	0 6	6,12	H.P.T.
85,50,000	2,71,44,342	4,29,15,627	96,26,548	3,71,293	Sahu Jain Ltd.	1,765	New Central†	12½	10	24 0	17 0	11 8	0 12!	12	Y.P.
16,79,880	49,70,164	1,17,50,857	51,85,018	70,114	Bird & Co., Private Ltd.	567	Northbrook	22½	10	1 8	1 4	1 8	1 8!	3,9	H.P.T.
66,79,500	22,24,961	2 18 55,164	1,39,45,311	17,000	Macneill & Barry Ltd.	1,092	Nuddea	21	50	1 0	0 8	1 0	*Nil*	3,9	H.
24,93,250	23,73,799	75,07,658	50,85,690	537	Andrew Yule & Co., Ltd. ..	601	Orient	109	100	12 0	10 0	9 0	*Nil*	3,9	H.P.
25,00,000	6 28,490	80,98,437	45,52,186	51,595	McLeod & Co., Ltd.	400	Presidency	4	5	0 2	0 2	....	0 4!	3,9	H.T.
20,00,000	2 49,781	26,97,878	8,39,130	—9,18,218	Birla Brothers Private Ltd. ..	505	Rameshwara	7½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	H.P.
49 50 000	5,82,465	1,23,83,629	59,15,596	—11,72,841	Jardine Henderson Ltd.	1,376	Reliance	8½	10	0 8	*Nil*	*Nil*	*Nil*	3	H.P.T.
£600 000	£1,093,713	£1,245,241	£58,929	£58,929	Thomas Duff & Co. (India) Ltd. ..	£1,013	Samnuggur	10	£1	10%	10%	8%21	....	3,9	Y.P.
30,60,000	15,14 910	1,15,50,877	79,96,145	7,072	Bagaria Mors & Co., Ltd.	911	Shree Ambica	15½	10	0 8	1 0	0 8	....	3,9	H.P.
14,00,000	11,25,000	66,11,794	38,79,294	3,156	Hindustan Investment Corporation	401	Soorah	15½N	10	0 8	1 0	1 8	0 2	3,9	Y.P.T.
25,19 600	42,72,182	1,27,38,248	53,33,439	—4,87,127	Bird & Co., Private Ltd.	650	Standard	75	100	3 0	2 0	1 0	*Nil*	3	H.P.T.
£600,000	£925,119	£1,137,660	£83,548	£83,548	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	10½	£1	10%	10%	8%21	....	3,9	Y.P.
55,98 600	88,06,722	2,00,00,808	84 28,058	18,334	Bird & Co., Private Ltd.	1,326	Union	110	100	5 0	6 0	10 0	1 0!	12	H.P.T.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	10	£1	10%	10%	8%21	....	3,9	Y.P.
2,50,000	6,85,000	55,36,062	40,39,991	14,618	McLeod & Co., Ltd.	457	Waverley	3½	1	0 1	0 8	0 8	....	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	22,510	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18½	10	1 0	1 5	1 6	0 8!	3,9	H.
12,00,000	8,77,542	87,87,787	84,90,193	45,399	Jardine Henderson Ltd.	Bararee Coke	19½	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 8/5!	3,9	H.
4,49,250	70,000	8,49,159	5,40,968	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bihadoo	63	10	0 12	0 12	....	....	6,12	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,81,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	444	200	22 8*	20 0*	25 0*	....	6,12	H.P.
2,25,000	4,22,669	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	15	10	*Nil*	*Nil*	....	....	6,12	H.P.
15 97,000	4,73,358	87,70,192	82,77,564	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8	....	....	....	6	Y.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	6¾	10	0 12	0 10	0 10	....	9	Y.P.T.
7,15,000	15,11,080	62,62,538	37,36,800	—1,87,426	F. W. Heilgers & Co. Private Ltd.	Bhulanbararee	13N	10	*Nil*	*Nil*	*Nil*	....	6	H.T.
15,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	12N	10					6,12	H.T.
7,50,000	24 29,026	42,39,603	26,53,408	84,207	F. W. Heilgers & Co. Private Ltd.	Borrea	19xd	10	2 12	2 0	2 0	....	6,12	H.
90,92,480	1,79,05,968	4,22,86,647	1,90,16,824	36,184	Bird & Co., Private Ltd.	Burrakur	21½	10	2 0	0 9	0 10	0 4	6,12	H.P.
49,87 750	....	42,33,430	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central India	6¾	10	0 4	0 4	0 4	0 8	6,12	Y.
5,00,000	13,54,302	49,10,414	32,63,954	82,768	M.	Central Kurkend	12N	10	1 2	....	....	....	6	H.
6,00,000	1,43,676	7,28 438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churia	1½	4	0 2	0 2	0 1!	....	6,12	H.
15,00,000	....	53,81,704	29,81,576	—1,83,318	Macneill & Barry Ltd.	Dhemo Main	9½	10	*Nil*	*Nil*	*Nil*	....	6,12	H.T.
£240,000	£390,553	£970,695	£731,579	£58,922	Jardine Henderson, Ltd.	East Indian	26½	£1	2 8	2 8	2 0	2 8	6,12	Y.
29,63,760	83,55,049	4,04,51,377	2,89,25,665	82 379	Macneill & Barry Ltd.	Equitable	23½	10	1 8	1 8	1 8	....	6,12	H.P.T.
10,00,000	1,40,999	13,81,146	4,28,657	23,189	Shanker's Agency Ltd.	Ghusick and Musila	13xN	10	0 8	0 8	0 4	....	6,12	Y.
12,00,000	1,22,000	41,35,247	23,43,143	1 144	Killick Industries Ltd.	Hingir-Rampur	41½	50	3 0	*Nil*	2 0	2 4	3	Y.P.
8,00,000	7,25,000	22,07,121	18,89,341	45,985	Macneill & Barry Ltd.	Hurriladih	21½	10	1 8	1 12	2 8	....	6,12	H.
22,00,000	1,12,000	24,74,412	6,18,546	—5,57,293	Rajpat Trust Ltd.	Jogta Coal	1½	10	*Nil*	*Nil*	....	....	6,12	H.P.
8,50,000	8,45,579	18,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalapahari	20N	10	2 12	*Nil*	*Nil*	....	12	H.
30,00,000	1,77,175	28,59,682	4,65,140	6,065	Bird & Co., Private Ltd.	Karanpura Collieries ..	98	100	*Nil*	*Nil*	2 8	5 0	3,9	Y.P.
5,00,000	16,60,000	46,77,533	30,47,995	1,83,474	Andrew Yule & Co., Ltd. ..	Katras Jherlah	64	10	4 0	4 0	5 8	....	6,12	H.
1,38,400	5,72,960	12,85,941	5 72,960	—2,60,236	Beriwala & Co.	Khas Kajora	24N	10	*Nil*	*Nil*	....	....	1,7	H.P.
11,00,240	64,814	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	24N	10	*Nil*	*Nil*	....	....	6,12	Y.
3,00,000	11,86,413	25,69,166	22,97,987	2,258	H. V. Low & Co., Ltd.	Lakurka	10N	10	0 8	0 4	....	....	6	Y.
7,48,240	2,00,000	13,13,208	9,66,219	81,201	Tantia Brothers Ltd.	Nazira	6½	10	0 8	0 8	....	....	4	Y.
7,00,000	26,617	10 83,740	5 20,295	4,960	Amritlal Oiha & Co., Ltd. ..	New Bansdeopur	9N	10	0 12	1 4	0 8	....	12	H.
17,76 240	20,01,783	1,19,78,851	68,13,966	94,393	Andrew Yule & Co., Ltd. ..	New Jeerakhusm	16	10	1 0	1 8	....	....	3,9	H.P.
6,00,000	75,000	33,00,471	21,30,197	70,222	Octavius Steel & Co., Ltd. ..	New Manbhoom	10	10	*Nil*	*Nil*	1 0	....	4,10	H.
1,15,000							20	10	0 4	*Nil*	*Nil*	*Nil*	3,9	H.
1 57 500	2,85 198	18,07 219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	17	10	0 8	*Nil*	1 6	0 12!	3,9	H.
7 50 000	12,21,853	5,17,666	3,87,666	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	14½	10	2 0	1 0	1 0	0 91	6,12	H.P.
10,00,000	1,10,000	41,24,518	10,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	9	10	0 6	0 8	0 4	....	12	H.P.
8,34,000	10,050	19,96,766	8,69,957	61,087	Deepchand Kishenlall	Parasea	22½	10	0 6	0 12	1 0	....	6,12	H.
15,75,900	16,50,000	49,91,252	36,61,252	33,734	Shaw Wallace & Co., Ltd. ..	Pench Valley	16½	10	1 10	1 10	1 0	0 11 1/5!	6,9	H.
12 90 800	20,17,105	1,24,35,588	87,36,164	23,188	B. N. Elias & Co., Private Ltd. ..	Raneegunge	11½	10	*Nil*	0 8	0 10	0 4	3,9	H.
13,50,000	10,46,115	88 50,365	59,71,364	15,614	Shaw Wallace & Co., Ltd. ..	Rewa	22½	10	2 0	1 6	0 14	0 12!	6,12	H.
20 00,000	5,00,000	44,28,588	18,79,118	2,30,175	Sapuria Sons Ltd.	Samla Collieries	11N	10	0 8	0 12	1 0	....	12	Y.
2 50,000	1,95,802	13,78,480	12,21,237	21,070	M.	Searsole	5N	2½	0 10	0 10	0 12	....	1	H.P.
2,50,000	3,36,893	39,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd. ..	Seebpore	27½	5	1 12	2 0	2 8	....	6,12	H.T.
8,00,000	5,31,289	52,491	55,867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9N	10	*Nil*	0 2	0 4	....	6,12	H.T.
68,21,450	28,77,474	4,72,97,817	3,17,80,386	7,810	Industrial Trust Fund (Govern- ment of Hyderabad)									Y.
17,50,000	10,84,016	37,86,103	15 14,990	—51,583	Bird & Co., Private Ltd.	Singareni	10½	10	*Nil*	0 11 1/5	0 12	....	12	H.
8,00,000	14 01,053	1,09,57,570	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	South Karanpura	4	10	0 4	0 8	0 8	....	3,9	H.
10,00,000	12 950	30,92,289	15,45,508	—4,07,745	Villiers Ltd.	Standard	20xd	10	2 0	1 8	1 0	1 0	12	Y.
2,50,000	2,80,000	20,47,944	16 85,944	—9,859	Williamson Magor & Co., Ltd. ..	Talcher	2½	2½	*Nil*	....	....	....	3	Y.
49,98,000	67,084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	13½	10	1 12	0 12	*Nil*	....	6,12	Y.
7,00,000	21,569	50,46,871	23,31,698	—1,46,550	Macneill & Barry Ltd.	Western Bengal	5½	10	0 6	0 6	0 8	0 8	3	H.
						West Jamuria	8½	10	*Nil*	*Nil*	*Nil*	....	6,12	H.

M—Managed by the Board of Directors. † Less income-tax. s) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investment
(i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (e) For seven months ended 31st March 1
† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1

TRENDS IN SOVIET INDUSTRY

CONCENTRATION OF PRODUCTION

By Prof. N. Nekrasov

WHAT we mean by concentration of production is its concentration in larger and larger plants all the time. Such plants are equipped with the latest improved machines, automatic machine tools and automatic transfer machines, which sharply increase labour productivity. The main feature of concentration of production is not so much the number of workers employed in the large plants as the volume of output. In the past 20 years, the number of enterprises in the U.S.S.R. employing 500 workers or more went up from 6.9 per cent. to 10.6 per cent., while the share of these plants in total output increased much more. Productivity of blast furnaces, for instance, increased almost 25 times in the last 30 years. That, of course, has changed the very conception of a large iron and steel works.

The output of pig iron provides a graphic picture of the concentration of production. Between 1940 and 1955, the number of iron and steel plants with an annual output of under 100,000 tons of pig iron each declined by half, and the number of plants with an annual output from 300,000 to 500,000 tons was doubled. In 1940, there were but four plants with an annual capacity of more than one million tons of pig iron and, in 1955, there were twelve.

In the current sixth five-year period, productivity of blast furnaces will rise still more; in particular, blast furnaces of 1,513 and 2,000 cubic metre capacity will be put into operation. The same holds true for the steel-making industry. Whereas in 1928, there were only five mills which produced from 200,000 to 500,000 tons of steel, in 1955, there were 26 and 9 with an output ranging from 500,000 to a million tons. Today open-hearth furnaces of 70 to 100-ton capacity are to be replaced by furnaces holding a charge of 250 and 500 tons. The capacity of electric furnaces in operation in 1950-55 did not exceed 40 tons, but today production is being mastered of furnaces of 180-ton capacity.

The process of concentration of production is also going on in the engineering industry, and helping the process along is the development of large and highly productive machines, machine tools, presses and other equipment. To illustrate, in the first Five-year Plan period, the Soviet electric-power machinery industry put out steam turbines of no more than 2,500 to 4,000-kw. capacity, whereas in the fifth five-year period, turbines of 150,000-kw. capacity were manufactured, and today production is being mastered of steam turbines of 200,000 and 300,000-kw. capacity and water turbines of 200,000 and 250,000-kw. capacity.

Electric Stations

The development of the power machinery industry makes it possible to increase the concentration of power production and raise the productivity of electric stations. The Kuibyshev and Stalingrad hydro-electric stations with an aggregate capacity of 4,400,000 kw. will supply the country ten times as much electricity as all electric stations in pre-revolutionary Russia produced together. Thermal electric stations under construction will have a capacity as high as 1,200,000 kw. A characteristic feature in the construction of atomic electric stations is that they are being built as very large enterprises. Under the sixth Five-year Plan, five atomic electric stations are to be built, ranging in capacity from 400,000 kw. to 600,000 kw.

Concentration of industrial production can also be observed in the cement-making industry. In the fifth five-year period, the productive capacity of most cement factories was 200,000 tons, with only nine having a capacity of over 600,000 tons a year. Cement factories under construction at the present time are large industrial enterprises with an annual capacity of up to 2 million tons.

The growing concentration of industrial production is reflected in the country's much higher technical and economic indices. Capital investments per unit of output are becoming considerably lower, labour productivity is going up steeply, and cost of production, expenditure of raw and other materials, electricity, fuel, and so on are dropping.

The cost of production of the electricity to be put out by the large stations being built on the Angara and the Yenisei rivers will on the average come to a quarter of the cost of electricity produced by thermal electric stations. Another advantage of large-scale production is that it provides the best conditions for introducing new techniques and modernising equipment and also for line production.

Concentration of industry in the U.S.S.R. does not lead to unemployment, nor does it cut down employment. Planned development of the Soviet economy, which is based on public ownership of the means of production, far from reducing the number of workers as automation is regularly increasing, on the contrary, shows a rise in the number of employed from year to year. In 1932, workers employed in U.S.S.R. industry numbered a little over 6 million, in 1937, the number was close to 8 million; in 1950, it was 11,308,000, and in 1955, 14,275,000.

SURVEY

(*Concluded from page 610*)

co-operatives of industrial workers for construction of tenements for industrial workers governed by the Factories Act, 1945, and certain categories of mine workers. Up to the end of December 1956, a total amount of Rs. 24.75 crores had been sanctioned, of which as much as Rs. 14 crores had been disbursed under this Scheme. For the year under review, the corresponding figures were Rs. 2.44 crores and Rs. 76 lakhs. While 88,000 tenements have been authorised for construction so far, 47,000 are reported to have been completed. Under the Low Income Group Housing Scheme, on the other hand, those whose income does not exceed Rs. 6,000 per annum are expected to be benefited. The total disbursements under this Scheme work out to Rs. 13.44 crores, of which Rs. 2.3 crores were disbursed in 1956-57.

A different approach is, however, adopted in the case of rural housing, in view of the magnitude of the problem in relation to the available resources. It has been decided to undertake, in the first instance, certain pilot projects in selected areas, with a view to determining the lines of more intensive development under the Scheme. A composite scheme for the establishment of pilot projects is being drawn up.

Yet another noteworthy development was the expansion of activities of the National Buildings Organisation which promotes national approach to the problems of housing and helps to economise building costs through research in techniques and materials. Two notable achievements of this Organisation were the starting of a quarterly journal devoted to housing and building technology and the taking up of some 30 problems of urgency for investigation.

TEXTILES

(*Concluded from page 616*)

mediaries in the auction system. Unlike the Indian merchants who actually buy the wool from the farmers, these brokers merely act as agents for the growers, who retain ownership of the wool until it is auctioned. These brokers maintain large warehouses at the auction centres, where the wool is stored and made available for inspection before the sales. In addition, brokers are willing, for a small fee, to unpack and re-class wool for growers who are not very skilled in classing or who have not enough wool of each separate quality to fill up their bales. Most of these brokers are commercial companies, though brokerage functions are also performed by farmers' co-operatives, these being particularly important in South Africa. In Australia and New Zealand, the brokers actually conduct the auctions on behalf of their clients, and the sales programmes are arranged by the brokers, while, in South Africa, the auctions are conducted by the municipal authorities.

Sales are held at short intervals throughout the selling season (September-June for Australia, September-May for South Africa, and October-May for New Zealand). In the mornings of the actual sale days, buyers representing principals in many nations move up and down the rows of bales in the wool warehouses, inspecting and valuing. Later, buyers go to the Wool Exchange, where the actual sales by auction take place. After the sale, invoices are sent to buyers, bales are sampled, wools re-packed and the bales are sewn up, pressed and bound, to await shipment or local delivery. Most of the wool sold in the Southern Dominions actually goes to manufacturers overseas, the majority of whom will have bought it on their own account, acting either through their own buyers or through buying brokers operating on a commission basis. Some wool is bought at the auctions by export merchants for re-sale in the consuming countries, but, unlike the Indian export merchants, these handle only a small proportion of the total trade. A number of Dominion wool growers consign their wool to the London auctions, where they sometimes obtain slightly higher prices than those prevailing at sales in their own countries, but the additional work and costs involved in shipping their own wool are sufficient to deter all but the largest producers from this course.—*Exclusive to* Commerce. *By courtesy of the International Wool Secretariat.*

Notice

THE LAKHSHMI COTTON MANUFACTURING COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-second Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Monday, 15th April 1957, at 4.30 p.m., for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1956.

(2) To sanction the declaration of a Dividend.

(3) To appoint Auditors for the current year and to fix their remuneration.

(4) To confirm the appointment of Mr. E. S. Vernon-Jones as Director.

(5) To elect a Director in place of Mr. D. M. Khatau, who retires by rotation but being eligible offers himself for re-election.

(6) To elect a Director in place of Sir Chunilal V. Mehta, K.C.S.I., who also retires by rotation. Sir Chunilal V. Mehta, although otherwise eligible for re-election, having attained the age of 76 years, is not eligible for reappointment, unless his appointment is made or approved by the Shareholders in general meeting in terms of Section 281 of the Companies Act, 1956.

Special Notice is hereby given that it will be proposed as an Ordinary Resolution that Sir Chunilal V. Mehta, K.C.S.I., be and is hereby appointed a Director of the Company and that it is hereby specifically declared that the age limit of 65 shall not apply to him.

By Order of the Board of Directors,

E. S. VERNON-JONES,
Chairman.

BOMBAY, 15*th March* 1957.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT 1956:—

The Resolution in connection with the re-election of Sir Chunilal V. Mehta, K.C.S.I., which will be proposed as an Ordinary Resolution, under item (6) is as under:—

"RESOLVED that Sir Chunilal V. Mehta, K.C.S.I., who retires by rotation, be and is hereby appointed a Director of the Company, and it is hereby specifically declared that the age limit of 65 shall not apply to him."

Sir Chunilal V. Mehta has been a Director of the Company since January 1941, and his long and distinguished connection with the textile mill industry is well known. As a businessman of wide experience, he has rendered valuable services to the Company during his long association with it, and it is in the interests of the Company that it should continue to receive the benefit of his services.

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.

COMMERCE

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

VOL. XCIV. No. 2404 BOMBAY, 6th APRIL 1957 PRICE: Rs. 1/50

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

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ASIA TREADS PLANNED PATH

ASIA is on the march. Nearly all countries of this Continent are now beginning to lift themselves out of their low living standards and the relatively underdeveloped state of their economies. It is now more than 15 years since the Atlantic Charter inspired all underdeveloped countries with visions of a happier era. For the Charter gave the assurance of peace which "will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want." Since the signing of the Charter, and more particularly, the establishment of the specialised agencies of the United Nations, there has been a world-wide interest in the problems of the underdeveloped regions of the world. In these regions themselves, there has been a great awareness of the need for economic development; in fact, they agitate for very rapid economic development.

The shortage of capital and of technical know-how has, as is well known, created difficult problems for these countries. The fact that capital goods have to be imported on a large scale has meant a severe strain on their balance of payments position. They have also had to go through a certain inflationary phase which is perhaps inevitable in all earlier stages of economic development. Clearly, to compress in a few years or in a few five-year plans, several stages of economic progress which industrially advanced nations of the West took several decades to cover calls for great imagination on the part of the administration and willingness to undertake severe sacrifices on the part of the people. Foreign aid could, of course, mitigate, though it cannot obviously eliminate altogether, the hardships involved in the process of economic improvement.

How have these countries met their great economic problems? How did they fare in 1956, a year of grave political developments with their impact on the economies of many nations? An answer to these questions is to be found in the comprehensive report of the Economic Commission for Asia and Far East (E.C.A.F.E.) on Asian economy, entitled "Economic Survey for Asia and Far East." The report presents studies of 17 countries—Afghanistan, Burma, Cambodia, Ceylon, China (Taiwan and mainland), Hong Kong, India, Indonesia, Japan, Korea, Laos, Malaya and British Borneo, Nepal, Pakistan, the Philippines, Thailand and Viet-Nam. The broad picture which emerges from the report is that favourable economic conditions continued to prevail in most countries of the region in 1956. Production gains were widespread. It is, however, disturbing to note that inflationary tendencies manifested themselves in many countries. But the authorities were determined to see that the plans which they had chalked out were implemented. Indeed, "planning" has become a watchword in Asia. The Survey examines the salient features of the economic development of the 13 Asian countries which have taken the "planned path to better living." Although the emphasis in many of these plans is on agriculture, the fact remains that these countries, except Japan, continue to be predominantly agricultural, industrial production accounting for only a small proportion of the total national income.

Appropriately enough, many countries of this region have not overlooked the importance of agricultural development. Agricultural production in 17 Asian countries (excluding mainland China) was at a record level in 1955-56, though it was still below the *per capita* production in the years before the war. At a total of 121 million tons, the production of cereals even exceeded the post-war record of 1953-54. Although the total production of cereals was at a record, the increases were mainly confined to a few countries. This meant that, in countries where food production fell below the necessary levels, there was great need for imports of foodgrains. The financial strain involved in such imports was relieved to a certain extent through the assistance rendered by the U.S. The U.S. programme for the disposal of agricultural surpluses was of considerable assistance to the countries which faced critical shortages in food supplies.

The export earnings of most Asian countries are largely determined by the level of exports of a few staple agricultural commodities. Such commodities include rubber, tea, and jute. Production of natural rubber in Asia, which accounts for nearly 95 per cent. of the world total, was over 1.6 million tons in 1956. The world consumption of natural rubber in this period continued to expand, but at a reduced rate. Over half a million tons of tea, the same production as a year ago, was grown in Ceylon, India, Indonesia and Pakistan in the first 10 months of 1956. The combined exports of the four countries rose by 20 per cent. during this period over the quantity exported in the corresponding period of 1955. The production of raw jute in the 1956-57 season continued its upward trend in both India and Pakistan, together they produced around two million tons, as compared with 1.8 million tons in the previous season. Exports of most agricultural commodities were higher than a year before and it is noteworthy that export prices showed a slight decline to start with, but rose subsequently, due mainly to developments in West Asia.

It is significant that industrial production in Asian countries rose at a substantially higher rate in 1956 than the year before. Crude petroleum production increased to an estimated 20 million tons, with Indonesia producing 12½ million tons and Brunei over 5½ million tons. Power generation increased by almost one-third between 1952 and 1955 and expanded again by an estimated 12 per cent. during 1956 to a total of 102,420 million kw.h. *Per capita* power generation on the basis of 1955 estimates stands at 732 kw.h. for Japan, 156 kw.h. for Malaya, 22 kw.h. for India, and 21 kw.h. for mainland China and Ceylon. The output of steel continued to increase in China (Thaiwan and mainland), India and Ceylon. Productive capacities for cement were expanded to meet the rise in demand as a result of efforts at economic development. In 1956, the output of cement rose by 4 million tons to 26 million tons. The output of cotton yarn increased by about a quarter million tons to 2.3 million tons and of cotton cloth by 1,900 million metres to over 13,500 million metres. Production of paper, it is stated, has been expanded in order to meet the cultural and educational needs of the region; it now stands at about 3½ million tons.

According to a newly developed index which is presented for the first time in the present Survey, the growth of industrial production in the region was 8 per cent. in 1955, as compared with the previous year, and there was a further gain of nearly 15 per cent. in the first half of 1956. The Survey draws attention to the fact that transport facilities were extended in Asia during 1956 and about a quarter of all the money earmarked for economic development in the various economic plans of the region was to be spent on transport and communications. The authors of the Survey are, however, constrained to remark that transport facilities, although they are being steadily expanded, are "almost everywhere visibly inadequate for the quickened tempo of activity foreseen in the near future."

The data on foreign trade of the E.C.A.F.E. region are somewhat incomplete, inasmuch as they do not cover Afghanistan, mainland China,

Korea and Nepal. Basing its estimate on the data so far available, the Survey points out that the foreign trade of Asian countries grew in both volume and value during 1956. Imports, however, rose faster than exports which actually declined in value for most countries. The aggregate exports of the region as a whole, however, showed an increase of 6 per cent. over the same period in 1955. The value of imports into all the countries, except China (Thaiwan), Pakistan and Southern Viet-Nam, rose by nearly 20 per cent., partly as a result of high prices and partly due to heavy purchases of capital goods for economic development. It is noteworthy that the share of consumer goods imported into Asia has been declining steadily from about 71 per cent. in 1954 to about 64 per cent. in 1956. In other words, during the same period, the share of capital goods has increased from about 29 per cent. to 36 per cent. The improvement in capital goods imports reflects the increase in the pace of economic expansion in the region.

The geographical pattern of the foreign trade of the Asian countries, however, remained generally unchanged. The trade of Asian countries with each other amounted to about a third of their total trade. Western Europe's share remained at about a quarter of the total and the U.S. share was nearly a fifth of the total. A notable feature of the trade pattern was that there was a marked rise in imports from the centrally planned countries, including imports from mainland China; exports to such countries, however, were at a lower level. The countries which signed trade agreements with the centrally planned countries were Afghanistan, Burma, Cambodia, Ceylon, India, Hong Kong, Indonesia, Japan, Malaya, Nepal and Pakistan. Soviet trade with Asian countries, according to one estimate, increased in 1956 by 15 per cent. to 8,000 million roubles.

Many Asian countries suffered—and continue, in fact, to suffer—from balance of payments difficulties, thanks to heavy imports of food articles and capital goods and to unsatisfactory increase in their exports. The Survey rightly points out that the region's increasing trade deficit might have brought wider dislocations had it not been for the inflow of foreign aid, including the loans and other forms of aid from the U.N.'s specialised agencies. The U.S. aid is worthy of special mention. Such aid amounted to $950 million in 1956. Of the total grants and aids given by the U.S. in the fiscal year 1954, only 28 per cent. came to Asia. This figure increased to about 45 per cent. during the fiscal year 1955, for the U.S. policy placed greater emphasis on Asian and African countries. A new factor in the Asian situation is the interest evinced by the U.S.S.R. In 1955 and 1956, Russia made several offers of assistance to countries of the region and entered into large and long-term credit agreements for specific undertakings in Afghanistan, India and Indonesia; these loans were offered at as low a rate of interest as 2½ per cent.

In the absence of foreign aid and inflow of foreign capital on a scale which is necessary for purposes of rapid economic development, it is hardly surprising that the economy of the region was subjected to severe strain. Living costs rose in many countries. Prices of several commodities, in particular those of food articles, moved up in 1956. Every government in Asia, with the exception of Brunei, it is stated, returned a budget deficit during 1956. In most cases, the direct cause of the budget deficit was heavy expenditure by the Government for the purpose of economic development. The Survey draws attention to the role of deficit financing when it says: "In some cases, the technique of deficit financing is being avowedly used; in other cases, the evidence of deficit financing is present, but governments have stated that they do not intend to use this most delicate of economic weapons. But in practically all countries of the region except Ceylon, Japan and one or two others, deficit financing has apparently assumed an important role."

Such, in broad outline, are the recent trends in Asian economy. It is against this background that one must view the proceedings of the tenth anniversary session of the E.C.A.F.E., held last month in Bangkok, which was attended by some 200 representatives from 31 countries. Mr. C. V. Narasimhan, E.C.A.F.E.'s Executive Secretary, struck a new note when he suggested that the work of the organisation might now be concentrated on certain key sectors of Asian economy. This, he said, should be done without contracting E.C.A.F.E.'s work, but by making a closer study "in penetration and depth" of major problems, such as Asia's increasing population and need to find resources for economic development. Broadly speaking, the delegates agreed that Asian countries had reached the beginning of the road to economic advance, though there was a long way still ahead and that energetic efforts should be made at stabilising international commodity markets.

While the importance of industrial progress was recognised, concern was expressed over Asian agriculture. The delegates drew attention to the fact that food production per head of population continued to be below pre-war level because of rapid rise in population. It is gratifying to note that Asian countries now show a greater awareness of the retarding effect on economy of large increases in population. Obviously, in the absence of control over population, no sustained improvement can be effected. The other points covered by the delegates included: (1) Governments of ship-owning countries were asked to use their good offices with the shipping lines in keeping ocean freight rates at an equitable level and (2) early creation of the Special U.N. Fund for Economic Development was urged by several delegates. In view of the continuing difficulties on the foreign exchange front in many Asian countries and of the increasingly important role played by government expenditure in the overall plans for economic development, it was only to be expected that the session would discuss the issues relating to the part to be played by private enterprise and by the inflow of private foreign capital. While it was agreed that Governments would have to continue to take an active hand in carrying out development programmes, it was stated that private enterprise, as one of the resources of economic development, should be encouraged. This is a welcome trend in the Commission's discussions.

The essential role of external aid in Asian rehabilitation was stressed and there were many pleas for acceleration and intensification of this aid. The Commission noted the measures taken by several countries to create a more favourable climate for private investment from abroad. The fact, however, remains that private foreign capital has not been attracted to this region on any large scale. Indeed, the Survey itself records that there was no marked increase in the amount of private foreign capital in Asian countries; Camboda, China (Taiwan), Laos, and the Philippines, however, adopted regulations to encourage foreign investment. Since the Asian countries, as stated at the outset, are trying to compress several decades of economic progress into brief five-year plans, it is of the utmost importance that they should adopt realistic measures which would facilitate the flow of foreign private capital. Such capital could help relieve very considerably the stresses and the strains in the economies of the Asian countries to which the Survey has rightly drawn international attention.

MAJOR PORTS

IN the event of the early resumption of traffic through the Suez Canal, it is to be expected that Indian ports will be called upon to handle a much larger volume of cargo than they are doing at present. In any case, the implementation of the Five-year Plan presupposes a sizable increase in both imports and exports. The major as well as the minor ports have, therefore, to equip themselves to meet the heavier responsibility in the matter of handling larger cargo. The major ports, namely, Calcutta, Bombay, Madras, Cochin, Kandla and Visakhapatnam, should be developed without any more delay. Under the first Five-year Plan, a sum of Rs. 25 crores, including Rs. 8.5 crores on Kandla, was spent on the development of major ports. During the period covered by the Plan, the handling capacity of the major ports increased from 21 million tons to 26 million tons. The programme for development of major ports in the second Plan envisages the creation of additional capacity to the tune of 6.75 million tons—Calcutta 1.5 million tons, Madras 0.5 million tons, Cochin 1.25 million tons, Visakhapatnam 1.75 million tons and Kandla 1.75 million tons. When this programme is implemented, the handling capacity of the major ports will rise to about 33.5 million tons.

Two issues are involved in the matter of development of major ports. In the first place, it is not clear whether the programme of development now envisaged, even if completed, would enable the major ports to handle all the traffic which might develop in the course of the next five years. The Estimates Committee, in its report on major ports, has expressed the view that it is "not quite so sure that the anticipated increased facilities at Indian ports will be adequate to meet fully the requirements of increased import and export traffic during the period of the second Plan." Accordingly, it has recommended that measures should be adopted to rationalise the traffic and utilise the facilities of all the intermediate ports to the maximum extent. It has also made a number of suggestions for improving the facilities in the major ports. These suggestions include increase in the number of dredgers, more vigorous dredging operations and mechanisation of coal berth in Calcutta, increase in the supply of cranes, locos, wagons and other equipment in Bombay, and creation of more berthing facilities in Madras. It is to be hoped that these suggestions will receive the attention they deserve.

The other aspect of major port development is finance. Such development, it is now estimated, will cost about Rs. 81 crores. Actual allotment under the second Plan is Rs. 40 crores. The Port Trusts are expected to be able to find Rs. 20 crores from their internal resources. There is thus a shortfall to the extent of Rs. 21 crores. It is not clear how this gap will be bridged. Obviously, port charges may have to be raised. The authorities will be well advised to see that any increase in port charges they may be compelled to effect is kept at a minimum so that the prices of commodities may not be affected. There is also the question of efficiency of dock and port labour. If the workers did their work honestly and efficiently, it should be possible to increase the volume of cargo handled by the ports. It is necessary to extend the piece-rate system for payment of wages to all ports. This will enable workers to earn their just reward. At the same time, it will reduce shipping delays and help improve turnround of ships.

PRINTING AND PRINTERS

RECOGNISED universally as an essentially educational enterprise, the printing industry has always had valid claims for governmental support. In India, however, the industry's progress has been achieved without any special assistance from the Government. It is not to official munificence but to the self-sacrificing zeal of early Christian missionaries that the industry owes its beginnings. Their motive was, of course, religious—"Go ye therefore and teach all nations"—but the impetus they gave to printing was massive. But the industry's development has been hampered by the slow progress of literacy. Surely, no printer can thrive well in a country where four out of five are illiterate. The result is that, for a country of India's continental size and population, its printing industry makes a poor showing. The number of presses is smaller than one would expect. And, as a rule, they turn out shoddy work; the few notable exceptions, among which the press which prints this journal is one, serve only to prove the rule.

The industry, however, can now confidently look forward to a glorious future, what with the Central and State Governments' plans for instituting a system of universal compulsory primary education for the young and for eradicating illiteracy among adults. It must be remembered that no democratic government can afford to neglect the education of its masters, the public. All this implies that the printing industry should be expanded and improved. The press should be enabled to turn out the best possible work. Given that the content is good, a well printed book, like a thing of beauty, is a joy for ever. Perhaps it is not as widely realised, as it should be, that the first attraction for a youngster is the form, rather than the content, of a book. And it is a pity that most educational material in this country is printed so badly that children are more repelled than attracted by it.

In printing, as in most arts and industries, the man and his tools are equally important. It is true that a bad workman will quarrel with his tools. But even the best workman can do little with bad tools. Good machinery and equipment are vitally needed for successful working. At the all-India conference of printers, held this week at New Delhi, the President, Mr. G. Kapoor, pointed out that machines in many presses were worn-out and needed to be replaced. It is to be hoped that the Government will enable owners of printing presses—there are about 21,000 to 23,000 of them—to find the resources they need for re-equipment. Imports of machinery should be permitted, and, at the same time, efforts should be made to manufacture printing equipment in India. Further, printing is a great craft. No man became a great printer who had no genuine pride in his calling. Such pride comes of knowledge and experience. It is, therefore, of the utmost importance that facilities for training in printing and for instruction in printing technology should be speedily augmented. This will help raise standards of performance in printing.

WEAKNESS IN SHARE MARKETS PERSISTS

COTTON IMPORTS—OUTLOOK FOR HINDUSTAN LEVER

THURSDAY, 5 P.M.

SHARE markets have developed fresh weakness this week, with no signs of any support whatsoever. Investors are chary of approaching the markets and picking up the blue chips which are being quoted at attractively low levels. Though the fall in prices this week was less marked than in the previous week, it does not provide any indication that the rot has been stemmed. In fact, after remaining somewhat steady earlier in the week, equities have experienced fresh pressure today and the closing prices are well below the week's best levels. Tata Steels have come down by Rs. 4.25 from the week's high of Rs. 169.75. They even touched a low of Rs. 165, the lowest for the year so far, and Indian Irons knocked at Rs. 18.95. The other conspicuous declines noted are in A.C.Cs. which have come down by no less than Rs. 3 to Rs. 156.50 and in National Rayons which have shed Rs. 6.75 to Rs. 226.25.

MARKET GOSSIP

The extent to which the confidence of investors has been hit can be easily judged, if one recalls that it was only a year ago the markets started on their upward trend, having been inspired by the prospects of large-scale deficit financing and hopes of large corporate earnings during the second Five-year Plan. A very rosy picture of the outlook for many industries, particularly steel, cement, chemicals and rayon, was drawn. Bright expectations of sizable capital profit, without any considerations of yield, attracted many investors at higher and higher levels. It does not mean that these industries have fared badly or their progress has been retarded. In fact, latest reports from New Delhi indicate that the authorities are investigating the possibility of setting up a fourth steel plant during the third Five-year Plan. If this materialises, and with the availability of more cement, industrial activity can be expected to move up to higher levels.

It is not that investors are not aware of this prospect. Nevertheless, they are not willing to come forward to pick up the industrial scrips which were once well fancied. The reasons for this state of affairs are too well known to bear repetition. The two additional factors which have been responsible for this week's recession are the call made by the Tata Iron and Steel Company for the payment of the second and final instalment (Rs. 35 per share) of the issue price on the Company's new shares and the decision of the National Rayon Corporation to issue fresh capital to the tune of Rs. 1 crore, by offering the existing shareholders new ordinary shares at Rs. 125 (that is, at a premium of Rs. 25) per share, in the proportion of one share for every two shares. National Rayon's new issue is to provide finance for the Company's proposed new project, namely the setting up of a tyre cord plant with an annual capacity of 4 million lbs. The cost of the project is estimated at Rs. 3 crores. Usually, whenever a right issue is announced by a company, the old shares move up on expectations that the additional investment would bring an adequate return, as a result of the implementation of the company's expansion programme. This has not happened in the present case. This is because of the acute stringency in the money market. Borrowing from banks to finance the new issue is out of the question, as banks are finding it difficult to lend money even for seasonal trade and crop movements. In the circumstances, it is not surprising that the market is worried over finding as much as Rs. 4 crores to pay Tatas' call when they have not paid the first call in full and they have been paying a penal interest at the rate of 9 per cent. on the outstanding amount. What is more, this call has come at a time when the shareholders have to find about Rs. 7 crores for purchasing the right shares of the Indian Iron and Steel Company. It may be argued that Tatas' call could have been postponed, but it should not be forgotten that the Company has to find money for its expansion programme and it is in no better position than the shareholders themselves in so far as borrowing from banks is concerned. National Rayon's issue is, no doubt, subject to the sanction of the Controller of Capital Issues, so that it may be some months before the issue is actually made. But Tatas' call was not unexpected and the shareholders were well aware that they would be called upon to pay the final instalment six months after the first call was made.

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Planting shares have provided the highlight of the week's recession on the Madras Stock Exchange, with a further sharp setback in values, on a heavy bout of selling pressure. The earlier expectations of better performance by several plantating companies during the current year, thanks to better crop reports and higher price realisations, have been completely overshadowed by the concern over the future of the plantations in Kerala. The assurance of the Union Minister for Commerce and Industry that there would be no nationalisation does not seem to have brought any cheer to the market. It is, on the other hand, watching with anxiety the policy which the Communist Government in Kerala would adopt as regards nationalisation, which is on the party programme. This anxiety, along with a few other uncertain factors, has caused considerable nervousness, with the result that many of the shares have pierced even the floor prices fixed by the Madras Stock Exchange authorities early in November last, following the publication of the Plantation Labour Award, as will be seen from the following list of representative scrips:

	Latest	A week ago	Floor prices fixed in November 1956
	Rs. nP	Rs. nP	Rs. nP
Cochin Malabar ..	8.31	8.84	8.94
Haileyburia	22.75	24.00	24.75
Highland Produce ..	15.00	15.25	15.75
Nelliampathy	3.25	3.19	3.31
Pullangode	2.62	2.62	3.12
Periakaramalai ..	8.00	8.22	7.06
O. V. Estates	4.84	5.00	4.62
Thirumbadi	1.81	1.91	2.19
T. R. T.	9.31	9.56	11.25
Teekoy Rubber ..	9.19	9.19	12.00

The prospect of higher wage bill in estates is another factor which is worrying investors. Although the recent amicable settlement between the planters and workers over wages has considerably reduced the burden on plantations, the terms of the settlement have cast a burden which is still heavier than that before the Award. An idea of the extent of the burden which estates will be called upon to bear under the terms of the out-of-court settlement can be had from the following observations of Mr. W. W. Kilgour in his speech at the annual general meeting of the Ouchterlony Valley Estates held recently:

"Under the terms of the settlement, two of our estates with preponderant tea acreage will pay wage increases representing an increase of 20 per cent. upon the pre-Award wage and the remaining three estates with preponderant coffee acreage will pay wage increases representing an increase of nearly 9 per cent. over the pre-Award wage. In addition to this, provident fund benefits at 8.1/3 per cent. of wages will be payable. Compared with the enormity of the Award, this is, of course, a merciful deliverance. By any other standard, it is a stern impost which, according to my estimate, will add Rs. 3¼ lakhs to our wage bill."

Mr. Kilgour is, however, hopeful that a part of this additional cost can be made good through higher productivity, with the return of more normal working conditions, which have been disrupted by the decline of discipline and morale, as a result of the prolonged labour proceedings.

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Last week, we referred in these columns to the rumours of official intervention in the cotton trade, following the steep rise in cotton prices. Soon after we went to press, the Government of India announced the imposition of a ban on further exports of cotton against licences issued in terms of the notifications of 6th and 7th February, permitting for export a total quantity of 200,000 bales of cotton (all varieties) up to 30th June next. Simultaneously with this announcement came the statement by an official spokesman that the first step under the Government notification authorising the Textile Commissioner to requisition cotton holdings would be the freezing of stocks with any trader who refuses to sell at ceiling rates. Thanks to these measures, as also to the persistent fears of heavier margins on transactions in futures, the firmness of the cotton market has somewhat abated and values have staged a retreat. Over the week, Vijay (Fine 27/32") April has gone down by Rs. 51.50 per candy of 784 lbs., June position by Rs. 32.50 and Jarilla (Fine 25/32") May by Rs. 22.50. The spot prices have also suffered a break, Oomra *Deshi* and Moglai declining by Rs. 25, Khandesh by Rs. 20 and Berar Jarilla by Rs. 15, and Bengal *Deshi* by Rs. 10. The setback, it must, however, be stressed, is to be attributed not so much to any aggressive sales by bears as to the profit-taking operations of some traders. The drop in prices is only a temporary phenomenon and, considering the present tight statistical position of cotton, prices are bound to move up in the coming weeks. The Government may, of course, requisition cotton stocks and make them available to mills at or near ceiling rates. But such will not solve the problem of shortage of supplies. The consumption of cotton by mills is running at such a high annual rate that, if supplies are not augmented, the carryover at the end of the season will dwindle considerably.

Viewed thus, it is, indeed, gratifying to note that the Government is reported to be actively considering the proposal to allow liberal imports of cotton from the sterling and dollar areas, the difficult foreign exchange position notwithstanding. An official circular is understood to have already been sent to all the mills asking the latter to indicate their requirements of Egyptian cotton and the price they would be prepared to pay. The tentative scheme drawn up by the Government following the recent discussions with the Egyptian Trade Mission, it is said, envisages a sort of bulk purchase of a certain quantity of Karnak 154 type cotton. The Indian mills are believed to be prepared to pay on the basis of Rs. 2,805 per candy of 784 lbs. c.i.f., while the currently ruling price for this type in the market is higher. If, therefore, any large-scale purchases of Egyptian cotton are to materialise, Egypt will have to come forward with a more liberal price discount than what is now offered.

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Like all conscientious chairmen, Mr. A. J. C. Hoskyns-Abrahall, Chairman of Hindustan Lever Ltd., has refused to paint a brighter picture of the Company's future than what is warranted. Shareholders are the same the world over; they would prefer an agreeable surprise to a painful disappointment. Addressing the annual meeting of the Company, held today in Bombay, Mr. Hoskyns-Abrahall referred at the outset to the fact that the Company's final figures had shown that the earlier forecast of results had been somewhat conservative. This had enabled the management to recommend a higher final dividend of 75 *naye paise*, as against 37 nP anticipated earlier. Lest this agreeable change should lead shareholders to speculate on the Company's future distribution policy, the Chairman sounded a note of caution. He said: "We are, therefore, recommending to you a higher final dividend of 75 nP, at the same time coupling with that recommendation the caution that our outlook and policy have not thereby undergone any essential change." He said that they would not like shareholders to build up "any great expectations" that future dividends would be higher than what had been forecast a few months ago. He, however, revealed that the Company's sales in 1956 exceeded 121,000 tons (exclusive of sales of toilet preparations). If the profits were not quite of the order of those earned in the previous year, it was because of increases in freight and in costs of raw materials and processing.

Proceeding, the Chairman observed that they were vitally interested in the target of 7½ million tons for oilseeds, set under the second Plan. He added: "That oilseeds, and particularly groundnuts, should be freely available at moderate prices is of prime importance to our business, to say nothing of its significances for export and foreign exchange purposes, but we cannot yet detect any great progress being made towards hitting the target." He also drew the attention of shareholders to the increase in freight rates and to the inadequacy of transport facilities which constantly gave rise to costly delays. Referring to the Company's purchase policy, he disclosed that they bought 80 to 90 per cent. of their raw material requirements from indigenous sources. However, a few items, such as perfume ingredients and certain chemicals, were being imported; without these imports, it would be difficult for them to maintain the quality of their products. It is to be hoped that the management would be able to continue the import of these materials. Perhaps the Company has some claim for special consideration of its import needs, in view of the fact that its products are sold abroad—it exported goods worth Rs. 76 lakhs in 1956—and the Company is thus an earner of foreign exchange itself.

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India is vitally interested in the early resumption of traffic through the Suez Canal through which passes most of its export and import trade. It is, therefore, gratifying to note that, in about a week's time, the Canal will be rendered physically safe for traffic. Clearing of the Canal has now been nearly completed. It may be recalled that, when clearing operations commenced in December last, nearly 32 ships, tugs and dredgers had been submerged in the Canal. A large part of this impediment has now been removed, so that ships up to 11,000 tons are able to use the Canal. Very soon the Canal will be safe for all traffic. All this is encouraging news. But not so encouraging is the report that the British and American ships might not use the Canal. British shipowners, it is stated, have decided to boycott the Canal until the Egyptian authorities agree to the U.N. six principles on freedom of navigation, payment of transit fees, upkeep and development of the Canal. As long as this decision is not revoked, Indo-British trade is likely to suffer a relative setback. This would have an unfortunate effect on the future of Indo-British trade.

It is also a pity that, at a time when Britain could expect to regain the ground lost through the closure of the Suez Canal and the prolonged engineering and shipyard strikes which ended this week, it should have been forced into a decision to boycott the Canal. It is to be hoped that it will be possible to arrive at a settlement which will be satisfactory to all parties concerned. Meanwhile, concern has been expressed in Britain over the inadequate increase in the U.K.'s share in world exports. Over 1951-55, world exports of manufactured goods, according to a report issued by the U.K. Board of Trade, rose by 22 per cent., whereas U.K.'s exports rose by only 9 per cent. Again, while the U.K. exports of manufactures increased by 11 per cent. in value, in the first nine months of 1956, world trade increased by 15 per cent. It is noteworthy that, over the period of 1951-55, Germany increased its share of world exports from 9.7 per cent. to 14.9 per cent., U.S.'s share fell from 25.6 per cent. to 23.6 per cent. and Japan's share rose from 4.1 per cent. to 5.0 per cent. These figures clearly reveal that the U.K. must put forth strenuous efforts, if it is to recapture its former share in world exports.

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The Standard-Vacuum Refining Company of India has agreed to surrender the duty protection of two annas per gallon on motor spirit produced by it with effect from 1st October 1956 and to refund the money already realised on account of this concession after that date. The surrender of this concession by the Company is expected to result in an additional revenue of about Rs. 1.2 crore annually to the Government for approximately eight years. The Standard-Vacuum Refining Company has also undertaken to increase its output and manufacture certain new products which will also result in a saving of foreign exchange to the extent of about Rs. 1.2 crore per year from 1958. The increase in output will open further possibilities of earning foreign exchange.

EQUITIES DECLINE FURTHER

TATA STEELS AT NEW LOW

(From Our Own Correspondents)

BOMBAY, *4th April*

THE Stock Exchange had only three sessions during the week under review. Besides the usual fortnightly closing on Saturday last, being the day following the settlement, the market remained closed on Monday, 1st April, being a Bank holiday, and on 2nd, as a mark of respect to Mr. Harkisondass Lukhmidass, a leading broker, who died on Monday. During this short period of working, the market suffered a further setback, particularly today, on renewed selling pressure. The absence of any fresh incentives, the growing stringency in the money market, the announcement by the Tata Iron and Steel Company making the second and final call of Rs. 35 per share, including the premium of Rs. 10 per share, on the ordinary shares, the decision of the National Rayon Corporation to issue fresh capital to the tune of Rs. 1 crore and the issue of capital by a few other concerns also induced offerings, as the existing shareholders would be hard put for financing these issues. The undertone at the close was weak.

In the steel section, Tata Ordinaries ruled steady early in the week, with a rise from Rs. 168.00 to Rs. 169.50. But the new account, which opened yesterday, witnessed a sagging trend, and this became pronounced today, the shares slumping to Rs. 165.00, the lowest level for the year so far. The closing was a shade better at Rs. 165.50. The new shares were done Rs. 4 lower at Rs. 120. Indian Irons, after gaining from Rs. 19.19 to Rs. 19.60, slipped back to Rs. 19.05 at the close. Indian Irons Rights changed hands at Rs. 4.37, as against Rs. 4.44 a week ago.

The setback in the textile section was less pronounced than in the previous week; in fact, a few counters managed to score modest gains over the week. Bombay Dyeings showed a tendency to steady up early in the week, the quotation moving up from Rs. 548.12 to Rs. 553.75. This, however, proved short-lived and the shares gave way to Rs. 543 at the close today. Centurys hardened from Rs. 443.00 to Rs. 454.50, but much of this gain was wiped out today when the shares dropped to Rs. 449. Kohinoors moved between Rs. 324.50 and Rs. 321 before closing at Rs. 321.50. Central Indias showed no change over the week at Rs. 112. Edward Textiles were done at the self-same rate of Rs. 250. Finlays shed a rupee to Rs. 301 and Gokaks Rs. 3 to Rs. 207. Indu Ordinaries shaded off from Rs. 10.37 to Rs. 10.35. Indore Malwas had business Re. 1 higher at Rs. 138.50. Khataus were maintained at Rs. 191.25. New Greats were marked up by Rs. 5 to Rs. 225, while New Citys were stagnant at Rs. 149.37. Model Mills looked up by Rs. 10 to Rs. 180. Shree Niwas lost Rs. 3.12 to Rs. 175 and Simplex Rs. 3 to Rs. 172, while Standards gathered Rs. 3 to Rs. 443. Svadeshis were dull at Rs. 214. Tata Mills were brought down by Rs. 2 to Rs. 44.50.

Bank shares continued to rule easy, with a further marking down in prices. Barodas were done at Rs. 98.25 *ex-div.* (final div. Rs. 4.00) as against Rs. 103.50 *cum-div.* Central Banks had business at Rs. 48 *ex-div.* (div. Rs. 2) as against Rs. 51.25 *cum-div.* and their new shares at Rs. 52 *ex-div.*, as against Rs. 55 *cum-div.* Bank of Indias were unchanged on balance at Rs. 134. Union Banks were a shade quiet at Rs. 7.05, while United Commercials were steady at Rs. 57.

Insurance shares were dull, with business confined to a small scale. New Indias moved between Rs. 40.25 and Rs. 39.75 before closing at Rs. 40.

Electricity shares were featureless. Ahmedabad Electrics moved down from Rs. 94.69 to Rs. 93.25 and Amalgamated Electrics from Rs. 10.69 to Rs. 10.50. Surats were done at Rs. 110.00 *ex-div.*, as against Rs. 112.50 *cum-div.* Bombay Suburbans were unchanged at Rs. 110.00. Tata Hydros picked up a rupee to Rs. 121, while Tata Powers shaded off from Rs. 1,200 to Rs. 1,195. Andhra Valleys were held at Rs. 1,192.50.

The miscellaneous section ruled quiet in the face of general sluggishness. Sugar shares were marked down, Belapur slipping from Rs. 227.00 to Rs. 225.25. Bhopals were done at Rs. 17.50 *ex-div.*, as against Rs. 19 *cum-div.* quoted a week ago. Phaltans shed Rs. 1.75 to Rs. 133.00 and Walchandnagars Rs. 1.25 to Rs. 267.50. Among the cement shares, A.C.Cs. continued to display weakness, the shares dropping Rs. 3 over the week to Rs. 156.50. Digvijays ruled steady at Rs. 143.50. Ashok Cements declined from Rs. 10.25 to Rs. 9.60, Jaipur Udyogs from Rs. 11.94 to Rs. 11.75 and Orissa Cements from Rs. 13.37 to Rs. 13.20.

In the engineering and mining group, Alcocks reacted from Rs. 259.50 to Rs. 256.25. After an initial rise from Rs. 138.75 to Rs. 140.00, Tata Locomotives gave way to Rs. 137.50. Premier Constructions moved down by Rs. 2.50 to Rs. 162.50. Larsen and Toubros shaded off from Rs. 15.37 to Rs. 15.00. Shivrajpurs were just steady at Rs. 90.50. Indian Coppers were dull at Rs. 3.22 and B.B. Petrols at Rs. 2.56.

In the shipping group, Scindias were marked down from Rs. 19.44 to Rs. 18.65 and Great Easterns from Rs. 18.12 to Rs. 17.55. Automobile shares found no support. Premier Automobiles retreated from Rs. 89.50 to Rs. 86.75 and Hindustan Motors from Rs. 7.41 to Rs. 7.25.

In the miscellaneous group, Bombay Burmahs showed a hardening tendency early in the week with a rise from Rs. 586.25 to Rs. 600.00, but they soon developed fresh weakness and retreated to Rs. 581.50. The Partly Paid-ups, however, gained over the week Rs. 2.50 to Rs. 217.50. The announcement of a higher distribution of Rs. 14 per share for the year 1956 (as against Rs. 12 per share for the previous year) by declaring a cash bonus of Rs. 2 did not have any effect on National Rayons, which, on the other hand, were affected by the offer to issue new shares, and they retreated from Rs. 233.00 to Rs. 226.25. Gwalior Rayons shed Rs. 1.37 to Rs. 13.00. Tata Chemicals improved from Rs. 15.84 to Rs. 15.95 and Tata Oils from Rs. 42.25 to Rs. 42.50. Hindustan Levers were placed at Rs. 18.60 *ex-div.*, as against Rs. 19.50 *cum-div.* a week ago. Killick Industries were lower by Re. 1 at Rs. 159. Wimcos were unchanged at Rs. 171.25.

* * * *

Calcutta Stock Exchange

CALCUTTA, *3rd April*

The huge uncovered deficit of Rs. 365 crores in the 1957-58 Budget and the Finance Minister's open thinking about the need to enlarge public revenues led to fears that the May Budget would reveal unpleasant surprises to the commercial community and industry circles. Both investors and operators underlined Mr. Krishnamachari's assertion that both the Centre and the States would have to exert their utmost towards finding more funds. Under such a context, it was not surprising that, during the week under review, the Calcutta Stock Exchange was devoid of interesting support. The volume of transactions declined and the lower levels touched by equities were the only attraction for the business that was put through. Speculators revealed a nervous tendency and, in an effort to lessen commitments, sold heavily, causing rates to fall further. Mr. Krishnamachari's reply to the Budget debate, wherein he declared that the Government would grimly hang on to the Plan, was taken to mean that ways would be found to get over the difficulty for funds. This again provided market circles with cause to think that corporate taxation which, it was noted, was stated as already high by the visiting American trade mission, would be revised further.

The Finance Minister had been unusually unkind to private enterprise in his reply to the Budget debate, and his condemnation of the profit-making idea "when the country is in distress and the Government is in trouble" was interpreted as provocative. For market circles strongly felt that private enterprise could not be expected to fulfil a philanthropic role and that it invested funds and took risks, motivated by the profit-making idea in the first instance. The motive of making profits is a good quality, since it is the one force which makes an industry efficient, economic, and to be of maximum service to the community and the country. So the condemnation of the profit-making motive by such a responsible personality as Mr. Krishnamachari took the market by complete surprise. He was thought capable of making further surprises, and trading is expected to continue to be listless until some definite idea of the new imposts is available.

Coals were driven to lower levels, as the many problems facing the collieries appeared insoluble, at any rate for the time being. Burrakurs, after changing hands at Rs. 21-6, sagged to close at Rs. 21-2. At Rs. 440, Bengals lost Rs. 5. South Karanpuras tended to be quiet at Rs. 8-15.

There was little support for jute shares. From Rs. 20, Nationals fell to Rs. 19-10 and, at Rs. 122, Indias were driven down by Rs. 3-8. Business in Alliances could be put through only at the lower rate of Rs. 74, while Budge Budges were quiet at Rs. 90. Gourepores were pushed back to Rs. 226 from Rs. 222. New Centrals realised Rs. 11-15, as against Rs. 12-4 previously.

Engineering shares recorded a downward tendency. The renunciation rights of the new Indian Irons were at one time as low as Rs. 4-5, as against Rs. 4-15 earlier. The scrip itself was lower at Rs. 19-7. Braithwaites at Rs. 25-2 recorded a fractional recession, while Kumardhubis at Rs. 9-13 were better by As. 2. Texmacos drew in support at Rs. 18-14, as against Rs. 19-7 earlier. Hooghly Dockings were earlier steady at Rs. 132, as were Guest Keens at Rs. 25.

In line with the general trend, fewer transactions were recorded in teas, and the weakness in export auctions was duly reflected. Hantaparas gave way from Rs. 187 to Rs. 184. Tezpores realised only Rs. 20, as against Rs. 21-12 previously. Ranicherras lost As. 6 to Rs. 16-6. However, at Rs. 23-2, Jayabirparas were better by As. 2, and at Rs. 21-4, Dhelakhats were firm.

Miscellaneous industrials were lethargic. Indian Coppers were as low as Rs. 3-2, Sone Valley Cements being quiet at Rs. 6-15. Trading was done in Titaghur Papers at the fractionally lower rate of Rs. 35-4. India Steamships dipped to Rs. 10-3 from Rs. 10-7. A feature in yesterday's trading was the spurt in Metal Boxes to Rs. 27-6 from Rs. 26-7. National Carbons in transactions improved to Rs. 27 from Rs. 26-4, but Rohtas Industries sagged to Rs. 16-14 from Rs. 17-6. Indian Cables were lower at Rs. 24-8, but picked up to Rs. 25 yesterday.

Madras Stock Exchange

MADRAS, *3rd April*

The distinctly bearish conditions noted on the Madras Stock Exchange last week continued unabated during the week under review. Renewed fears of heavy taxation in the May Budget adversely affected the sentiment of operators. Bearish advices from Calcutta and Bombay also acted as a damper. These factors, together with the stringent credit conditions, let loose a fresh wave of selling and equities marched further downwards. The planting section was particularly weak, notwithstanding the categorical declaration by the Union Commerce and Industry Minister that nationalisation of foreign-owned plantation companies in Kerala was not in the interest of the country. For operators were greatly worried about the threat of labour unrest in Kerala estates which gave rise to apprehensions of a possible wage rise. Heavy selling ensued as a consequence and shares of practically all plantation companies suffered a sharp setback. In fact, several counters were taken below the floor prices fixed by the Stock Exchange authorities on 8th November last, following the debacle created by the Plantation Labour Award. Despite the reported revival of demand in piecegoods markets, textile shares suffered a break in values, thanks to keen disappointment over the Government's rejection of the plea for reducing the heavy burden of excise duty on cloth. Sugar, electric and miscellaneous counts failed to evoke attention of operators.

Among tea shares in the planting section, Blue Mountains fell by Re. 1.69 to Rs. 4.25. Talayar Teas dropped 38 nP to Rs. 11.37 and Nilgiri Teas by 37 nP to Rs. 10.25. Neelamalais receded by 19 nP to Rs. 6 and Ouchterlonys by 15 nP to Rs. 4.85. Chembras shed 6 nP to Rs. 3.81 Devasholas were neglected at Rs. 21.50. Among coffee shares, Balamadies were quiet at Rs. 3.50. In the rubber group, Travancore Rubbers slumped by Re. 1.50 to Rs. 20. Rajagiris were marked down by 87 nP to Rs. 20.50 and Cochin Malabars by 62 nP to Rs. 8.25. T.R. & T's were quoted 25 nP lower at Rs. 9.31. Midlands decreased by 29 nP to Rs. 17.65. Thirumbadis shed 10 nP to Rs. 1.81. Pullangodes eased by 3 nP to Rs. 2.59. Vaikundams remained unchanged at Rs. 30.50. Nelliampathys, however, were a shade better at Rs. 3.20, as against Rs. 3.19 last week.

In the textile section, Janardhanas were hammered down by Rs. 14 to Rs. 95. Rajalakshmis slumped by Rs. 10 to Rs. 150. Pankajas fell by Rs. 7.50 to Rs. 70, Ranga Vilas by Rs. 5.50 to Rs. 82.50. Bangalore Woollens and Premiers receded by Rs. 5 each to Rs. 575 and Rs. 185, respectively. Coimbatore Spinnings dropped Rs. 4 to Rs. 84. Buckinghams declined by Rs. 3 to Rs. 174, Maduras by Rs. 2.25 to Rs. 43 and Lakshmis receded by Rs. 2 to Rs. 130. Saradas and Rajapalayams lost a rupee each to Rs. 99 and Rs. 149, respectively. Kotharis shed 12 nP to Rs. 15.50.

In the sugar group, Mysores dropped Rs. 2 to Rs. 37.50. E.I.Ds receded by Re. 1.39 to Rs. 26.42. Indias lost 12 nP to Rs. 16. Travancores were stagnant at Rs. 11.25.

The miscellaneous section followed the general trend of the market. Rallis climbed down by Rs. 3 to Rs. 34. India Cements declined by 50 nP to Rs. 24.50. Andhra Cements receded by 37 nP to Rs. 12.75. F.A.C.Ts were 27 nP lower at Rs. 5.60. Mettur Chemicals shed 19 nP to Rs. 9. India Steel Rollings lost 6 nP to Rs. 11.25. Spencers were unchanged at Rs. 16.12 as also Mysore Chemicals and Fertilisers at Rs. 7.91.

COMPANY INTELLIGENCE

Indian Factory for Consolidated Pneumatic Products

A programme of expansion in overseas markets was evident in the announcements which had been issued over the past few months by the Consolidated Pneumatic Tool Company, Ltd., of London and Fraserburgh. This has now been confirmed by the statement just released advising the formation of a new company under the title of the Consolidated Pneumatic Tool Co. (India) Private Ltd. The new company which came into being on 28th February 1957, has a Directorate comprising Mr. G. J. Codley, Mr. Norman Readman and Mr. V. Nimbkar (Managing). It will operate in Bombay where new factory premises will be constructed.

The primary purpose behind this development is the manufacture of C.P. products within the country, and it is expected that operations will be in full swing by the end of this year. Consolidated Pneumatic products scheduled to be made in India are pneumatic tools, rock drills and demolition tools, pumps, and air compressors. The new company will be complementary to the Consolidated Pneumatic branches in Bombay and other Indian cities, as the entire sales and service organisation will continue without change, and will handle C.P. products of the British, Indian and U.S.A. factories.

* * * *

Simpsons to Raise Fresh Capital

One of the latest public enterprises to enter the capital market is Simpson & Co., Ltd., Madras. This company proposes to raise Rs. 1 crore in 7½ per cent. taxable cumulative redeemable preference shares of Rs. 100 each. The offer for subscribing to the new issue will be made first to the existing shareholders in proportion to their holdings and the balance not availed of by them will be placed before the public shortly. The necessary consent has been obtained from the Controller of Capital Issues.

NEWS IN BRIEF

THE packing charges for cement for the quarter ending June 1957 have been fixed at Rs. 13.44 per ton. The charges are applicable to cement packed in new bags only.

The Government of India has fixed the price of tea for the purpose of determining the export duty at Rs. 2.74 per lb., as against Rs. 3.38 per lb. in force from 1st March. There is no change in the existing rate of duty of 37.50 *naye paise* per lb.

While information is not readily available about the total amount of royalty paid in 1956 by the Government of India through departmental channels to foreign firms for technical know-how, the amount paid by Indian firms, both Government-controlled and others, in 1956 was Rs. 105.99 lakhs, according to the accounts maintained by the Reserve Bank of India.

Consequent on the increase in the Central Government pool price of ammonium sulphate fertiliser with effect from 26th March, the Government of Bombay has refixed the rates of supply to traders at Rs. 365 per ton and to co-operative societies at Rs. 360 per ton. The revised rates apply to railway receipts bearing 26th March or subsequent dates and delivered thereafter.

The Government of India has decided to construct the second shipbuilding yard, and preparatory work in this connection has already commenced. Cochin, Karwar, Bhatkal, Tuticorin and Kandla are among the seven alternative sites under consideration of the Government for the location of the yard. The final site of the yard will be decided after obtaining the views of the consultants for the yard who have not yet been selected.

The iron deposits in Sandur (Mysore State) are the richest in the world, according to Mr. Lorov, a Russian industrial expert. The iron-content is as high as 70 per cent., whereas the best mines in the world can boast of only 60 per cent. No great mining operations, it is said, are required to collect the mineral deposits. An industrially self-sufficient pig iron manufacturing plant can be operated in the vicinity of Sandur on a very small capital of Rs. 10 lakhs.

The Government of India will place an order with Messrs. Oronzio de Nora of Milan, Italy, for the supply of electrolysers for the Nangal Fertilisers and Heavy Water Project at a cost of Rs. 3.12 crores. Credit facilities have been arranged. The first instalment of 10 per cent. of the cost will be payable immediately and subsequent instalments in 1960 and the following years. The delivery of the equipment will start in March 1958 and the entire equipment will be delivered at the project site by April 1959.

The Ministry of Iron and Steel has transferred the management of the Bhilai and Durgapur steel projects, which have so far been functioning directly under it, to Hindustan (Private) Ltd. The Company which is wholly owned by the Government of India was formed two years ago to build and run the Rourkela plant. The transfer has been effected with a view to providing for the management of all the three steel projects by one company. By this arrangement, the Ministry hopes to be able to devote greater attention to the problems of further development of the steel industry.

Section 15 of the Central Sales Tax Act—that relating to sales tax on inter-State transactions in declared goods—together with other sections of the Act, will come into force on 1st July instead of on 1st May. Section 15 declares certain goods to be of special importance in inter-State trade or commerce and lays down that no State is authorised to levy sales tax on inter-State sale or purchase of goods at a rate exceeding 2 per cent. at more than one point in the series of successive sales. The goods so declared are coal, including coke and all its forms, cotton, hides and skins, iron and steel, jute and oilseeds.

A meeting of the representatives of the automobile industry, convened by the Ministry of Heavy Industries at New Delhi on the 1st inst., decided to set up a standing organisation of representatives of the industry to ensure frequent consultation between the latter and the Government of India in regard to the various problems confronting the industry, including the measures to be adopted for its planned development, in the light of the comprehensive report of the Tariff Commission on the industry submitted recently. A six-man steering committee was also set up to consider the organisational and other aspects of the organisation.

A Committee has been set up by the Government of India to examine the question of economy in the use of cement in all its aspects, as the domestic demand for cement is far in excess of indigenous production. The Committee will investigate and report on the availability of raw materials of pozzolanic nature (surkhi, sand, etc.). It will also study the question as to whether it is feasible to mix such materials with cement without adversely affecting the properties of the ultimate mixture *vis-a-vis* portland cement for specific jobs. The Committee is expected to submit its report in about three months' time.

The Estimates Committee of the Lok Sabha has called upon the Government to transfer the management of ordnance factories from the Defence Ministry to a company system of management or under a statutory corporation. In its report on the Ministry of Defence, the Committee has observed that all industries in the public sector, whether defence or civil, should be run in the manner in which all industries are intended to be run anywhere in the world and not by a departmental system of management. It is an accepted principle that the best form of management of industries is the company system of management which facilitates their running as far as possible on sound business principles. The Committee has favoured a change in the composition of the Defence Production Board which at present is dealing with policy and important matters concerning production in ordnance factories.

The Union Ministry of Commerce and Consumer Industries has announced that applications for licences to import capital goods would be considered under one of the two alternative sets of terms. First, the total payment prior to shipment should not exceed 20 per cent. of the f.o.b. value of the plant and equipment, the remaining 80 per cent. being paid in seven more or less equal annual instalments. Secondly, the initial payment is to be limited to 10 per cent., the balance being paid after production has started and in instalments which should not exceed the net saving in, or earning of, foreign exchange which the project will achieve thereafter. For purposes of consideration under the second alternative, the item to be produced must be one which has sufficient importance to the country's economy to justify its continued importation, in spite of light foreign exchange position or it must be readily capable of earning foreign exchange by being exported.

The Government of India has announced the establishment of a Central Wage Board for the cotton textile industry, with Mr. F. Jeejeebhoy as Chairman. The other members of the Board are Mr. Asoka Mehta and Prof. M. V. Mathur (independent members), Mr. Arvind N. Mafatlal and Mr. Bharatram (representing employers), and Mr. S. R. Vasavada and Mr. G. Ramanujam (workers' representatives). The terms of reference of the Board, the headquarters of which will be in Bombay, include the determining of categories of employees—manual, clerical, supervisory and others—who should be brought within the scope of the proposed wage fixation. The Board has also been asked to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee for Fair Wages. In evolving a wage structure, the Board should, in addition to the considerations relating to fair wages, also take into account the needs of the industry in developing economy, the requirements of social justice, and the need for adjusting wage differentials in such a manner as to provide incentives to workers for advancing their scale. It has also been asked to bear in mind, too, the desirability of extending the system of payment by results and, in applying the system, the Board shall keep in view the need for fixing the minimum (fall-back) wage and also to safeguard against overwork and undue speed.

* * * *

From Abroad

The Soviet Government will set up National Economic Councils in its various constituent republics, regions and national territories to manage industry and construction projects.

Weekly take-home pay for American factory workers in February this year was about three dollars higher than a year ago. February pay for workers with families averaged $74.99 weekly, while that for single workers averaged $69.58.

A new company, *Compagnie Francaise due Sahara*, has been formed in Paris for the study and development of all economic possibilities in the Sahara area. The African Industrial Development Corporation, a Government agency, is to give full co-operation to the new company.

In order to raise agricultural production, the U.S. Government will help Pakistan to establish fertiliser factories. The U.S. is also prepared to finance several projects of regional nature which are already under the consideration of the Economic Committee of the Baghdad Pact.

The British House of Commons passed the Government's Controversial Rent Bill. It now goes to the House of Lords. The Bill abolishes the rent ceiling on about 800,000 flats and houses in Britain and will eventually raise rents for more than four million others. Ultimately, the Government intends to abolish statutory rent control altogether.

Operations of the Export-Import Bank of Washington to facilitate trade between the U.S. and other countries were at a record peak during the six months ended December 1956. In that period, the Bank authorised 106 credits to 28 countries aggregating $938 million. The largest credit was $500 million and the smallest $940.

Work on a new oil pipeline from the Persian Gulf to the Turkish Coast is to start shortly. It is expected to be completed in about three to four years at an estimated cost of $800 million. The 33-inch pipeline with a capacity of one million barrels a day will be a joint venture of eight American, British, French and Dutch oil companies.

Industrial users of castor oil in the U.S. forecast a major boom in the country's consumption of castor oil, according to the *McGraw-Hill American Letter*. Jet planes are expected to use more castor oil as lubricant, because it maintains its viscosity over extreme ranges of temperature. Manufacturers of lipsticks, plastics, paint and soap will also use large quantities of castor oil.

The value of U.S. capital machinery exports in 1956 aggregated $3,800 million, or 22 per cent. above the figure of 1955. The major portion of the increase resulted from increased economic activity in Canada and Far Eastern countries. The greatest increase was recorded in exports of construction and mining machinery—47 per cent. above 1955. Increases were also made in electrical machinery, industrial machinery and tractors and accessories.

Approximately 20.3 million acres of American farmland have so far been placed under the Soil Bank Programme. The Programme is designed to conserve America's soil resources and to reduce current production of wheat, corn, upland cotton, rice and tobacco. Under the Programme, Government payments are made to American farmers who plant less than their full acreage allotments for these basic crops.

Representatives of the U.K. manufacturers of petroleum equipment will go to Canada in May next to visit all important oil installations and companies throughout the country. The main object is to explore all means of promoting sales of British manufactured engineering products to the Canadian oil industry. The visit is arranged by the Council of British Manufacturers of Petroleum Equipment, which represents more than 400 engineering firms supplying the oil industry both in the U.K. and abroad.

In the Southern Austrian town of Magdalensburg, at about 3,000 feet above sea level and just off the new Mohenstrasse Road, archæologists, who, for some time have been excavating the capital of ancient Noricum, have now unearthed a city which sheds as much light on Roman times as the discovery of Pompeii. According to Pan American, the scientists expect to reach lower levels which may change historical ideas now current about the early life of the Celts. So far, they have uncovered Roman offices which show the "modern" banking system of the early Romans. Last year, 21,000 visitors viewed the excavation.

PERSONAL

MR. Mustafa Kamal Kidwai, at present Minister of India to Saudi Arabia, has been appointed India's First Ambassador to that country.

Mr. N. M. Ayyar, Secretary, Union Ministry of Transport, has proceeded on leave preparatory to retirement. Mr. Nagendra Singh has assumed charge as Secretary, in addition to being the Director-General of Shipping.

Mr. A. S. Bam, I.C.S., a Deputy Secretary in the Ministry of Rehabilitation, Government of India, has been appointed Iron and Steel Controller. The present Iron and Steel Controller, Mr. C. R. Natesan, has proceeded on leave.

Mr. B. N. Adarkar, who relinquished the post of Member, Tariff Commission, on 30th March 1957, has been appointed Executive Director for India on the International Monetary Fund. He is expected to proceed to Washington to take charge of his new appointment early in June. Mr. Adarkar will replace Mr. Narayan Prasad who will thereafter return to India.

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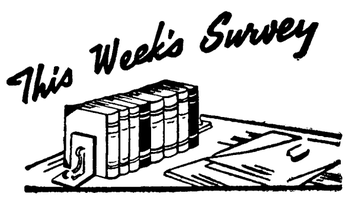

COAL INDUSTRY

THE view that it is both unnecessary and harmful in the country's interest to force the coal industry into the straight-jacket of inflexible planning was neatly expounded by Mr. Narendra Singh Singhi, Chairman of the Indian Mining Federation, at the annual meeting of the Federation, held in Calcutta last week. The coal industry, as is now well known, has to reach a target of 60 million tons—an increase of nearly 22 million tons over the production for 1955, to be made up of an increase in production by the public sector of 12 million tons and of 10 million tons in the private sector. It would appear that even after nearly nine months had elapsed since the Plan was outlined, little progress had been made towards increased production of coal. This is partly attributed to the fact that the Government took an unduly long time in approving the plans of the collieries in the private sector. Mr. Singhi said: "Perhaps in its three-dimensional thinking, the Government did not realise that the fourth dimension, time, is an indispensable factor for the success of planning."

Mr. Singhi rightly opposed what he termed the "doctrinaire obsession" regarding the roles of the public and private sectors in economic development. After all, the private sector, as Mr. Singhi pointed out, is not so private as many might imagine. For it is as much under the control of the Government as the public sector, at least in so far as the essential features of its working are concerned. And, in the coal industry, in particular, the two sectors have a complementary, rather than a competitive, function to perform. Unless the authorities accept in letter as well as in spirit this fundamental proposition in the development of the coal industry, it is certainly to be feared that the overall Plan for the industry might go awry. From this point of view, it is to be deplored that the Government has created the impression that the private sector is not getting a square deal, whether in the matter of allocation of wagons or supplies of essential materials or of prices for coal. Mr. Singhi complained that the public sector often gets an unduly large share of necessary facilities like supplies of iron and cement and, most important of all, transport. It is true that the Government spokesmen have denied this allegation. Nevertheless, they will do well to realise that in the interests of the overall development of the coal industry it is particularly important that the private sector should have free access to all available raw materials that it needs and also to transport equipment.

The private and public sectors have necessarily to be regarded as segments of the larger national sector. It is clearly the responsibility of the Government to ensure that the target for coal production under the second Five-year Plan is reached, if necessary through suitable adjustments in the targets for the two sectors. After referring to this consideration, Mr. Singhi observed: "I am putting forward no revolutionary idea but just drawing your attention to what the planning authorities have themselves said. But the fact needs emphasising because once things are taken for granted, it becomes difficult to modify one's programme of action even if circumstances make such modification imperative." He strongly urged that all the existing units in the coal industry should be allowed as free a scope as possible so that they may not only maintain a charted course of production but be in a position to meet a sudden and unexpected rise in demand brought about by unforeseen circumstances. He rightly emphasised the unwisdom of static targets and declared that the coal industry faces a colossal task which can only be achieved by the joint efforts of the two sectors.

Finally, Mr. Singhi referred to the problem of coal prices. As readers are no doubt aware, this question was dealt with extensively by Mr. R. Maulik in his speech at the recent annual meeting of the Indian Mining Association (*vide Commerce*, dated 9th March 1957). Mr. Singhi endorsed every word of what Mr. Maulik had to say on this question. He too emphasised that in the present circumstances of the country, there must be a fair margin in coal price over the cost of production. The margin should also contain an element that will pay for the development of the industry. He stressed that the authorities should bear in mind two further considerations, namely, (1) coal is a wasting asset and (2) there is a considerable time-lag between production and actual despatches. A correct pricing policy for coal, as Mr. Singhi said, should be based on these compelling considerations. It is to be hoped that the Government will not deny the coal industry its inherent right to a fair and reasonable price which will enable it to play its part effectively under the second Five-year Plan.

TEXTILE RESEARCH

The suburb of Ghatkopar in Greater Bombay hummed with activity on Monday this week, following the laying of the foundation-stone of the Bombay Textile Research Institute by the State's Chief Minister, in the absence of Mr. Morarji R. Desai, Union Minister for Commerce and Industry. The ceremony marks another concrete step in the implementation of a decision which was taken more than eight years ago. It was on 20th August 1948, it will be recalled, that the decision to set up two textile research institutes—one at Bombay and the other in South India—was taken at an all-India conference of millowners associations held in Delhi.

The establishment of the Bombay Textile Research Institute marks the beginning of a great project, the credit for which must go to the Millowners' Association, Bombay. The complete scheme envisages a huge capital outlay of Rs. 1 crore and a maximum recurring expenditure of Rs. 11.5 lakhs. The share of the Association in these amounts is half, the other half being met by the Cotton Textiles Fund Committee. Thirty-three mill companies—25 in the island of Bombay and eight upcountry, together accounting for 1,855,166 spindles, 40,041 looms and finishing equipment worth Rs. 2.84 crores—have so far joined the scheme. They have paid by way of entrance fee over Rs. 25.35 lakhs. A further sum of Rs. 3.12 lakhs is due from six member-mills which have been given the facility to pay the entrance fees in suitable instalments.

The Institute, according to Mr. Vithal N. Chandavarkar, Chairman, Governing Council, Bombay Textile Research Association, will have a wide range of up-to-date equipment and be staffed by a team of highly qualified and experienced scientists and technologists to undertake work in practically all phases of textile research —from fibre to fabric, including industrial engineering (time and motion studies, standardisation of workloads, wages, etc.), training-within-industry, statistical quality control, and problems of human relations. The Institute will establish close and continuous contact with its member-mills and place its expert knowledge and the fruits of its labour at their disposal. It will, in addition, deal with problems peculiar to each mill. In order to enable mill technicians to become *au fait* with the latest developments in their line, the Institute will publish from time to time informative literature on technical subjects pertaining to textiles. It will also provide facilities for the training of engineers to design textile machinery so that, with their aid, the industry may, in years to come, have access to the best type of productive equipment in the country itself.

The task that will be assigned to the Bombay Textile Research Institute is thus a stupendous one. Apart from the new challenges offered by rapid technological developments and the advent of man-made fibres, the Indian textile industry has to accept the challenge of the growing competition in the world textile trade. If this competition is to be weathered successfully, it is of the utmost importance that the industry should concentrate all attention on the need for maximising production of quality textiles at an economic cost. This, indeed, is the acid test by which the progress of the industry in the coming years will be judged. Such a heavy responsibility can, however, be expected to be shouldered by the industry only if it is assisted by research carried out at a well equipped institute as the one now being set up in Bombay. This aspect can be better appreciated if it is considered that colossal sums of money are being spent on research in the industrially advanced countries like the U.K., the U.S. and Japan. These efforts, as Mr. V. Nanjappa, Textile Commissioner, has pointed out, have yielded rich dividends in the form of a well established and progressive textile industry in these countries. To quote him: "The field of activity is by no means circumscribed and all aspects from the cotton fibre till the finished stage of the manufactured fabric have all been investigated. The result is the textile industry today is no longer completely dependent on "rule-of-thumb" methods. In the forefront of such activity are research institutes like the Shirley Institute, the laboratories of the Fine Cotton Spinners Association of the United Kingdom, the Textile Foundation, the Textile Research Institute and the Institute of Textile Technology of the United States of America. These research institutes carry out a systematic study on all facets connected with textile production."

While conducting research, the Bombay Institute will do well to bear in mind the triple objectives to which Mr. Morarji Desai drew special attention in the course of his message sent on the occasion of the foundation-stone-laying ceremony. First, the control of processes at all stages must be accurate and scientific, with a view to avoiding wastage through production of defective materials. Secondly, more efficient and shorter processes should be developed, so that cost of production can be brought down, labour saved and working conditions improved. Finally, new textile products must be evolved.

How far and to what extent will the aforesaid objectives be fulfilled by the Research Institute remains to be seen. Much, of course, depends on the type of technical and scientific personnel that will man the Institute. The Governing Council of the Research Association has been fortunate in securing the services, as Joint Director, of Dr. C. Nanjundayya, one of India's leading textile experts and until recently Director of the Indian Central Cotton Committee's Technological Laboratory. There will, we are told, be a band of zealous and brilliant textile research workers "who will be capable of designing new machines and inventing mechanical processes, chemical treatments, electronic devices and all the necessary adjuncts to assist the textile industry." In view of this assurance and also the assurance of Mr. Morarji Desai that the Government is prepared to consider liberal grants from the Textiles Fund, in addition to the exemption of the amount paid towards research from the levy of income-tax and super-taxes, one may be confident that the Institute will attain a high status among the world's textile research organisations.

RATIONALISATION

Rationalisation is a subject on which strong and conflicting views have been expressed by leaders of industry and labour unions. Attempts at introduction of labour-saving machines are being met with stiff opposition on the part of labour and have, in some cases, led to prolonged strikes and lockouts, with adverse effect on industrial relations in general. It is in the fitness of things, therefore, that the question of introducing rationalisation schemes in industry was chosen for discussion at the seventh All-India Conference of the Indian Institute of Personnel Management, held recently at Dalmianagar. The Conference held two sessions, one on rationalisation and its effect on industrial relations and the other on industrial relations in India and abroad. The Conference discussed the problem of rationalisation in all its bearing on productivity and employer-employee relations and suggested a series of measures to cushion the adverse effect, if any, of rationalisation.

The opposition of labour to rationalisation, it is common knowledge, stems from apprehensions of displacement of labour and unemployment. But the opposition does not, as Mr. S. C. Joshi, Director of Personnel, Tata Iron and Steel Company, Jamshedpur pointed out, extend to any and every scheme. It is generally confined to schemes which are thought to have the effect of large-scale displacement of workers without new employment opportunities being created. There is no justification for opposing schemes which have no such implications. Fair workload, effective utilisation of existing machinery and equipment, better management techniques and deterioration in industrial relations are some of the problems which have to be tackled along with rationalisation. Mr. Joshi suggested that proper investigation and study of rationalisation schemes, proper planning and phasing of schemes, prior consultation and agreements with employees and their organisation were essential. Surely, personnel officers have an important part to play in this respect. Much, of course, depends,

(*Continued on page* 701)

INTRODUCTION OF DECIMAL COINAGE

REFORM OF FAR-REACHING SIGNIFICANCE

A HUMAN tendency is to postpone difficult tasks. In so doing, the fact is often forgotten that the task has to be faced some day and that postponement does not make the task simpler. The introduction of the much-delayed reform, the decimal coinage, which is to be followed by the ushering in of the metric system of weights and measures a year later, has come none too soon. Indeed, if the decimal coinage system, which has come into effect from 1st April 1957, had been introduced much earlier, the task would not have been so difficult as it is today.

In fact, the desirability of reforming the existing system of coinage was recognised as far back as 1867, and the then Government's conclusion that the new system should be introduced in gradual stages never materialised. More recently, in 1946, the Indian Science Congress passed a unanimous resolution in favour of a comprehensive policy of decimalisation of currency, weights and measures in India. Far-reaching political changes, however, came in the way of pursuing to the end legislation to that effect, introduced in the Central Legislature in the same year. Three years later, the Report of the Special Committee on Weights and Measures, which was endorsed by the General Council of the Indian Standards Institution, expressed the view that it would be an advantage if the adoption of decimalised currency preceded that of the metric system of weights and measures, and that the weights and dimensions of new coins should be related to the metric system of weights and measures so as to facilitate propagation of general knowledge of the magnitude of the new units among the public. Further, in 1955, the Government found that the volume of opinion in favour of the change had increased, and introduced a Bill in Parliament, which became the Indian Coinage (Amendment) Act, 1955.

With the introduction of decimal coinage on 1st April, a new phase, which Mr. Nehru termed in his broadcast the other day as the beginning of "a silent but far-reaching revolution," has been ushered in in the evolution of Indian currency. India has thus fallen in line with 105 of the 140 countries in the world that issue their own coins. The U.S. led the way (1786 and 1792) in decimal coinage with the dollar as the unit. Important among others that adopted this system subsequently were France (1799 and 1803), countries of the Latin Union (1865), Germany (1873), the Scandinavian States (1875), Russia (1839 and 1897) and Latin American countries and Japan (1871).

U.K.'s Experience

It is noteworthy, however, that the U.K. has not introduced this system so far though its advantages are fully recognised. The reason is that scientific and technological development and commerce and trade have gone so far that it is impossible to bring about the change-over without widespread dislocation to commerce and trade. Indeed, it is aptly stated that the experience of the U.K. is a timely warning that the time is now opportune in India for the introduction of this reform. For the rapid industrial expansion taken on hand in the country will, in the next decade or so, complicate the economy and involve the use of hundreds of thousands of calculating machines. Besides, the fact that various industries dealing with the scientific instruments of measurement are still in their infant stage and, therefore, can be geared to the new metric system of measures, weights and coinage easily, lent further support to the present measure.

Besides being in itself so essential, decimal coinage is the precursor to the bigger reform of standardising weights and measures, a year hence, of which there is at present enormous multiplicity and variety all over the country, leading to a great deal of confusion. Moreover, in order to be fully effective, the decimal coinage must be linked with the metric system of weights and measures. For example, the new rupee weighs 10 grams just as the old one weighs a tola. New coins of 50 *naye paise*, and 25 *naye paise* weigh 5 grams and 2.5 grams, respectively, and so on. The new coins thus help in acquainting the people with the metric system.

Under the new system, the rupee will retain its original value and name. It will be divided, however, into 100 units, namely, *paisa*, instead of 64 pice or 192 pies as hitherto. During the transitional period of three to four years, when both the old and new coins will be current, the new *paisa* will be called *naya paisa*, and after the interim period the prefix will be dropped. The *naya paisa*, accordingly, will be the primary unit of Indian currency, and coins of denominations of 1, 2, 5 and 10 *naye paise* have been put into circulation. Coins of higher denominations, namely, 25 and 50 *naye paise* and the new rupee will be introduced at a subsequent date. Till then, the present half-rupee and quarter-rupee coins will continue in circulation with the value, respectively, of 50 *naye paise* and 25 *naye paise*.

Ready Reckoner

The following conversion table prepared by the authorities provides the equivalents of *naye paise* to amounts ranging from three pies to As. 15-9.

As. Ps.	Naye Paise	As. Ps.	Naye Paise	As. Ps.	Naye Paise	As. Ps.	Naye Paise
0 3	2	4 3	27	8 3	52	12 3	77
0 6	3	4 6	28	8 6	53	12 6	78
0 9	5	4 9	30	8 9	55	12 9	80
1 A.	6	5 As.	31	9 As.	56	13 As.	81
1 3	8	5 3	33	9 3	58	13 3	83
1 6	9	5 6	34	9 6	59	13 6	84
1 9	11	5 9	36	9 9	61	13 9	86
2 As.	12	6 As.	37	10 As.	62	14 As.	87
2 3	14	6 3	39	10 3	64	14 3	89
2 6	16	6 6	41	10 6	66	14 6	91
2 9	17	6 9	42	10 9	67	14 9	92
3 As.	19	7 As.	44	11 As.	69	15 As.	94
3 3	20	7 3	45	11 3	70	15 3	95
3 6	22	7 6	47	11 6	72	15 6	97
3 9	23	7 9	48	11 9	73	15 9	98
4 As.	25	8 As.	50	12 As.	75	16 As.	100

The rounded equivalents to the existing coins are arrived at on the basis of the method of "rounding off" prescribed in the Indian Coinage Act as amended in 1955, only for the purpose of making use of them when coins are actually tendered in the course of a transaction. For other purposes where conversion is necessary, such as the computation of total value at a given rate, the exact equivalent of the rate should be worked out, even though it involves fractions, and when the question of payment arises, the fractions of a rupee in the total sum should be converted into *naye paise* in accordance with the conversion table.

The positive advantages of the decimal system for modern banking, commerce and industry, which demand a quick and easy method of computation, are now quite well known. At the same time, it has been recognised that the stresses and strains in the initial stages of transition may well create, in the absence of adequate preparation and planning, numerous difficulties. In order to mitigate these handicaps and facilitate a smooth change-over, the Government has made elaborate preparations in various departments. Worthy of special mention in this regard is the Posts and Telegraph Department which has over 60,000 offices in the country and in which monetary transactions involving exchange of subsidiary coinage constitute a considerable proportion of its daily business. The first preparatory step taken in this direction was amending, in September 1956, the Indian Post Office Act, 1898, and replacing the First Schedule to it by a new Schedule showing the tariff in decimal coinage. Consequently, inland and foreign rates of postage, fees and sums charged for different classes of articles, telegrams, etc., have been determined in terms of decimal coinage. The new tariff, which has come into force simultaneously with the system, bears an approximate equivalence to the existing tariff and the existing structure has generally remained unchanged, though slight variations have been made in certain cases with the object of simplifying calculations and rationalising the rates. In the case of telephone rates, however, existing rates will continue unchanged for some time, owing to the time needed for changing the machines which prepare the telephone bills.

Postal Orders

Certain changes have also been brought about in postal orders. They have been printed in multiples of 50 *naye paise* rising upto Rs. 10. The rate of commission has been changed from 1 anna for each Postal Order in the old system to 5 *naye paise* for postal orders of value ranging from 50 *naye paise* to Rs. 5, and to 10 *naye paise* for the higher denominations. A new series of National Savings and National Plan Certificates will also be issued. With a view to circumventing the practical difficulties in the course of transactions at the counters, efforts have been made to build up stocks of new coins in almost all the post offices and telegraph offices. Adequate steps have also been taken to familiarise the public with the new coins.

In adopting the metric system, as Prime Minister Mr. Nehru has stated in the course of his broadcast, India has not adopted something alien to it. He has rightly pointed out that we are going back to something which was originally the product of Indian genius, namely, the zero and numerals. Commending the change, the Prime Minister pertinently observed:

"Everything old is not necessarily bad, just as everything new is not necessarily good. But in a changing world something that was good in the past may not fit in in present conditions. We have therefore to adapt ourselves to this changing world. The world today is one of science, technology and industry in their innumerable aspects. A cumbrous system of coinage and weights and measures is wasteful of time and energy and delays work. As our social life becomes more advanced and complex, these petty delays and waste mount up and add to a great deal. Therefore, it has become necessary to make this change now rather than at a later stage."

The introduction of the system has not come a day too soon. India has certainly taken one of the boldest steps in recent currency history by introducing the decimal system. It is to be hoped that the transitional stage will be negotiated with minimum of disturbance to national economy.

PANDYAN BANK'S GOOD PROGRESS

The audited accounts of the Pandyan Bank Ltd. (Managing Director: Mr. S. N. K. Sundaram, Madurai) for the year ended 31st December 1956 make encouraging reading, inasmuch as the progress made in recent years has been well kept up. The profit, which had steadily grown from Rs. 1.86 lakhs in 1952 (after a setback from the high of Rs. 2.55 lakhs in 1949) to Rs. 3.22 lakhs in 1955, has further improved to Rs. 3.47 lakhs in the year under review, thus establishing a record in the history of the Bank. The dividend is, however, unchanged at 7½ per cent., after having been successively stepped up to that level last year from 3½ per cent. paid for 1952. In declaring a dividend of 7½ per cent. the Directors have fully carried out their intention expressed last year to have the annual distribution to the shareholders stabilised at this level for some years to come, during which time the resources of the Bank would be enlarged and the financial position strengthened.

The Bank's gross income for the year amounts to Rs. 17.07 lakhs, having risen from Rs. 12.61 lakhs in 1955. Interest and discount earned account for Rs. 12.85 lakhs, as against Rs. 9.27 lakhs, and commission and exchange for Rs. 2.97 lakhs (Rs. 2.47 lakhs). The outgo by way of interest paid has gone up from Rs. 4.14 lakhs to Rs. 6.29 lakhs and expenses from Rs. 5.07 lakhs to Rs. 7.05 lakhs.

Out of the profit of Rs. 3.47 lakhs, the Directors have set aside Rs. 1.35 lakhs as provision for taxation, as against Rs. 1.15 lakhs in the previous year. They have added Rs. 75,000 to the general reserve, which had received Rs. 1.30 lakhs a year ago. They have, however, transferred, for the first time, a sum of Rs. 50,000 to the contingency fund, as they feel that the Bank is now in a position to follow the established practice of leading banks of creating internal reserves for the purpose of meeting any unforeseen contingency.

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

	1953	1954	1955	1956
	Rs.	Rs.	Rs.	Rs.
Capital	8,00,000	8,00,000	9,99,175	10,00,000
Reserves	7,20,000	8,20,000	9,50,000	10,25,000
Deposits	1,06,95,312	1,48,18,704	1,95,22,312	2,44,22,818
Loans and advances .	62,31,718	73,80,883	1,01,38,708	1,34,98,014
Investments	21,85,814	61,30,525	73,12,005	72,39,939
Cash and banks ..	40,78,811	42,35,782	42,62,472	54,78,443
Total resources ..	1,33,51,072	1,81,50,714	2,36,78,119	2,94,40,773
Profit	2,45,165	2,53,257	3,21,644	3,46,616
Dividend (per cent.) ..	5	6¼	7½	7½

The Bank was established in 1946. Its deposits have grown from Rs. 38.81 lakhs at the end of 1947 to Rs. 244.23 lakhs at the close of 1956. The number of branches has been enlarged from 7 to 35.

The World Bank has formed a new Far East Department to tackle increased banking operations in Burma, China, Ceylon, Indonesia, Japan, Korea, Philippines, Thailand and Vietnam. The existing Asia and Middle East Department will be left with responsibility for Afghanistan, Egypt, Ethiopia, India, Persia, Iraq, Israel, Jordan, Lebanon, Pakistan and Syria.

The director of the new department will be Mr. Martin Rosen, a 38-year-old American economist, who was the Bank's former assistant director of operations for Europe, Africa and Australia.

He will have as assistant director Mr. Ian P. Cargill, a Scotsman who formerly worked for the British Treasury and as an adviser on trade and finance in the Colonial Office.

CURB ON MILL CLOTH OUTPUT UNJUSTIFIED

MORE SPINDLES AND LOOMS MUST BE INSTALLED

A WELL-WORN but pertinent point which Mr. Ramnath A. Podar, the newly elected Chairman of the Millowners' Association, Bombay, made in his address at the recent annual meeting of the Association, was that the concept of social justice should not be made to provide a doctrinal cover for forced marches towards economically unsound objectives. Although Mr. Podar emphasised this point while touching on the new three-tier machinery for the settlement of disputes, it can as well be applied to the whole of the cotton mill industry. For the industry has already suffered, and is still suffering, a great deal on account of irrational official policies based on purely ideological considerations. How else can one explain the crushing burden of taxation and the restrictions on mill output of cloth? Since the former has been discussed with special reference to excise duty in the course of an editorial last week, we propose to examine at some length the output restriction policy.

Under the second Five-year Plan, it will be recalled, the Government of India has allowed an expansion of just 350 million yards in the production of mill cloth. This quantity is only about 20 per cent. of 1,700 million yards of additional production necessary to give a *per capita* consumption of 18.5 yards in the Plan period, after allowing 1,000 million yards for export. Out of the remaining 1,350 million yards, 1,000 million yards are allocated for the handloom sector and 200 million yards for powerlooms. The balance will be allotted later. Even the 300 million yards allocated to the mills have to be produced only for export through the installation of automatic looms.

Reliance on Handlooms

It will be seen from the foregoing account that considerable reliance is placed on the handlooms. It must no doubt be admitted that the development of handlooms is quite desirable from the point of view of employment consideration, but this must be matched against the no less vital consideration, namely, the price the consumer has to pay for his requirements of cloth. It is scarcely necessary to point out that the production of cloth on handlooms has all along been uneconomic. Not only is the production capacity very low but the cost of manufacture also is unduly high. The handloom sector cannot be expected to fulfil the large target set for it in the Plan. The demand for cloth is rising and the handloom and powerloom sectors, as Sir John Burns, the erstwhile Chairman of the Association, rightly stated, have not been able to give the extra production needed to meet it and, in September last, evidence of a growing shortage of cloth became apparent to all. He drew attention to the statement in the tentative framework of the second Plan which had said that "the emphasis on capital-saving methods may well land us between two stools—the large-scale capital-using methods may get discouraged without other methods filling the gap; we may thus have the worst of both worlds." Explaining the position in the sphere of textile industry, Sir John said:

"This is not quite what has happened in the case of textiles. The textile industry has not become discouraged, but it has been prohibited from expanding. The result, however, is the same. I might mention that, in spite of the restrictions on expansion, the mill industry produced 212 million yards more in 1956 than in 1955, whereas handloom production increased by 29 million yards only. To correct the situation which developed, the method chosen was to add so much to the cost to the consumer by way of excise that the people cannot afford to buy as much cloth and to attempt thus to equate the demand to the supply. Surely, this can only be a makeshift answer to the problem and a more permanent solution will have to be found. The Five-year Plans came into being only to raise the standard of living of the people. The first essential in raising the standard of living is to see that everybody has enough to eat and when this has been accomplished, the second thing that people are likely to look for as their purchasing power increases is more clothing and more decorative clothing. The present policy is not going to give the people an opportunity of buying more cloth and that would seem to be the first essential. The people are not likely to accept the success of planning, if more clothing is not available to them at prices they can afford. Next to food, cloth could readily become the yardstick by which the Plans will be judged."

There is considerable force in these observations. Unless the supplies of such an essential item of consumption as cloth are augmented, the task of maintaining a reasonable degree of price stability will be rendered very difficult. If, therefore, the country is not to run the risk of an acute scarcity of cloth supplies and soaring prices in the coming years, it is of the utmost importance that the capacity of the mill sector must be stepped up. As Sir John rightly observed, "there would seem to be only one satisfactory answer and that is to permit mills to install additional spindles and looms and, by increasing their production, satisfy the demand. This must be done as soon as possible, as new spindles and looms cannot be installed overnight and it will take time."

Compulsory Deposits

Another important aspect to which Sir John made special reference relates to compulsory deposits. Companies are required to deposit with the Government certain percentages of free reserves and current profits, in order to qualify for development rebate and/or depreciation allowances being treated as tax-free. The Act gives Government the power to siphon off such sums as it may determine as being free reserves. If this were actually done, it would, as Sir John averred, lead to great difficulty so far as the textile industry is concerned. For the industry is one in which the requirements of working capital are extremely high. In fact, there are said to be few mill companies, if any, which have enough working capital for their heads at all times and several companies borrow from banks or elsewhere to meet their working capital requirements. Further, the mills need finance not only for buying cotton seasonally when it is available to them and selling cloth but also for financing stocks of cloth and cotton. Drawing attention to these factors, Sir John observed:

"The balance-sheet of a company can give a false impression in so far as it relates to reserves. The reserve funds shown in a balance-sheet do not mean that the company has equivalent amounts in cash in hand. To my mind, the criterion should be the cash position and not the balance-sheet position. There would seem to be little point in compelling a company to make a deposit with Government when that company has already borrowed money for its normal business. This would only result in increasing the borrowings of the company. In the present condition of the money market, this, in fact, may not always be possible and a company may not be able to carry on its normal business for lack of finance. As I have said, the solution to my mind would seem to be, if there is no possibility of Government dropping the proposal altogether, to judge the position of a company by its cash position and not by the balance-sheet."

To revert to Mr. Podar's speech. The Chairman stressed that, without an adequate supply of cloth and other necessities of life in a period of rising living standards, there was every likelihood of the economy being exposed to inflationary pressures. There was, therefore, every need that the textile industry should fulfil the tasks assigned to it by the planners. It could do so, provided there was industrial peace and higher productivity. Emphasising, in particular, the productivity aspect, Mr. Podar rightly said: "It is in the interests of the workers themselves that they should fulfil these expectations (the need for attaining a higher level of productivity in all the sectors of the economy). As the second Plan document has so explicitly put it, "improvement in wages can result mainly from increased productivity.' In the present state of our country's development, no fair-minded person can possibly countenance an outright increase in wages without a corresponding improvement in the effort of labour to give higher production."

In this connection, Mr. Podar alluded to some of the important decisions taken during the past year in order to promote the social and economic welfare of textile workers. There is, for instance, the payment of gratuity to workers awarded by the Industrial Court in November 1956; this has created the need for fixing the superannuation age in the textile industry and steps are being taken towards this end. Two other measures relate to the upward revision in the employers' contribution to the workers' health scheme from 1¼ to 3½ per cent. and contemplated increase in the rate of contribution to provident fund from 6¼ to 8⅓ per cent. These two increases are expected to impose an additional burden of Rs. 1.4 crores per annum on the Bombay cotton mills. Since the incidence of all these measures is already being felt acutely by the mills, further steps to ameliorate the condition of labour should be taken, having due regard to the capacity of the industry to bear fresh burdens and only after consultation with the interests concerned. Surely, it would, as Mr. Podar very aptly opined, be prudent to consolidate the gains already secured before advancing further.

BANCO DI ROMA

HEAD OFFICE: ROME

ESTABLISHED 1880

PAID-UP CAPITAL AND RESERVE

L3,750,000,000

OVER 200 BRANCHES IN ITALY.

BRANCHES ABROAD:

TURKEY — ISTANBUL, IZMIR
LEBANON — BEIRUT, SAIDA, TRIPOLI
SYRIA — DAMASCUS
ERITREA — ASMARA, MASSAUA
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CORRESPONDENTS ALL OVER THE WORLD

WORLD WOOL CONSUMPTION HIGHEST SINCE THE WAR

World wool consumption during 1956 is estimated by the Commonwealth Economic Committee to have reached 2,830 million lbs. (clean), an increase of 8 per cent. on the 2,614 million lbs. recorded for 1955, and the highest total since the war. In 11 of the largest manufacturing countries which absorbs about two-thirds of the world total, consumption aggregated 1,880 million lbs., as compared with 1,730 million lbs. in the previous year, an increase of 9 per cent. In the United Kingdom, which uses more wool than any other country, consumption last year was virtually unchanged as compared with 1955, but there were striking increases among the other countries. In Japan, for example, the increase was no less than 41 per cent., though its total of 171 million lbs. (clean) for 1956 is little more than a third of last year's consumption in Britain. The U.S.A., the second largest among wool users of the world, recorded an increase of 6 per cent. The other principal increases were France 12 per cent., West Germany 5 per cent., Italy 10 per cent., Belgium 22 per cent., Australia 18 per cent., the Netherlands 8 per cent. and Canada 9 per cent. Sweden, alone among the principal users, showed a decrease of 17 per cent.

For France, Germany and Japan, the 1956 totals, states the Committee, were all the highest of any post-war year. Consumption outside these 11 chief manufacturing countries—of which a little over half takes place in the Soviet Union, Eastern Europe and China—is provisionally estimated by the Committee to have risen by about 8 per cent. as compared with 1955. Consumption in the Soviet group itself—based on available supplies of wool—is estimated to have shown a rather greater increase through a rise in the domestic clip and imports which were apparently substantially larger.

COLOUR FASTNESS OF TEXTILES

The Indian Standards Institution has issued five standards covering methods of test for determination of colour fastness of textile materials to acid spotting, cross-dyeing (wool), degumming, perspiration, and alkali spotting. Colour fastness of textile materials is of considerable importance to the consumer. The fastness depends not only upon the nature and depth of shade of the dyestuff used but also upon the nature of the fibre and the method of dyeing or printing employed. The same colouring matter, when used in dyeing or printing different fibres, or when applied by different methods upon the same fibre, may give vastly different results. Formulation of standard methods of test for determining colour fastness of textile materials to different agencies and processes likely to effect change in colour is, therefore, necessary.

Since it is equally important to evaluate colour fastness of textile materials to the action of other agencies and processes which effect colour such as washing, dry cleaning, hot pressing, rubbing, sea water, etc., separate Indian standards dealing with methods of test for evaluating colour fastness in respect of these agencies and processes are being issued. A complete list of such standards may be obtained from the Indian Standards Institution.

A copy of this Prospectus has been delivered to the Registrar of Companies, West Bengal, for registration, together with the necessary documents which are required by Section 60 of the Companies Act, 1956.

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

The Subscription List will open on 10th April 1957 and will close on 22nd April 1957 or earlier or later at the discretion of the Directors.

SHREE GOPAL PAPER MILLS LIMITED

(INCORPORATED ON 5TH OF NOVEMBER 1936 UNDER THE INDIAN COMPANIES ACT, 1913.)

SHARE CAPITAL

Authorised Capital :

	Rs.
7,500—6 per cent. (Income-tax free) Cumulative Participating First Preference Shares of Rs. 100 each .	7,50,000
75,000—7 per cent. (Income-tax free) Cumulative Redeemable 2nd Preference Shares of Rs. 100 each ...	75,00,000
12,55,625—Ordinary Shares of Rs. 10 each	1,25,56,250
	Rs. 2,08,06,250

Issued, Subscribed and Paid-up Capital :

	Rs.
7,500—6 per cent. (Income-tax free) Cumulative Participating First Preference Shares of Rs. 100 each	7,50,000
*12,54,907—Ordinary Shares of Rs. 10 each	1,25,49,070
	Rs. 1,32,99,070

Note :—These include

(a) 29,938 Ordinary Shares of Rs. 10 each issued for consideration other than cash in part payment of the purchase price of the mill in 1936;

(b) 5,00,629 Ordinary Shares of Rs. 10 each issued as fully paid up to the existing shareholders, as on 1st January 1955, in proportion of one Ordinary Share for each Ordinary Share held by them on 1st January, 1955, by capitalisation of Reserves.

The rest are for cash.

Debenture Loan Capital .. .. Rs. 40,00,000

(a) 5½ per cent. Registered Mortgage Debentures of Rs. Ten Lacs divided into 1,000 Debentures of Rs. 1,000 each secured by Trust Deed dated 14th July 1937 and supplemental Trust Deeds dated 14th August 1944 and 1st September 1954 10,00,000

The principal amount is repayable on 16th July 1966 with option to the Company to pay off on or after 15th July 1962 by giving six months' notice of its intention so to do.

The interest is payable half-yearly on the 15th January and 15th July each year.

(b) 3,000 6 per cent. Registered Mortgage Debentures of Rs. 1,000 each secured by Debenture Trust Deed dated 27th June 1955 ... 30,00,000

Rs. 40,00,000

The interest is payable half-yearly on 16th February and 16th August each year. 600 Debentures of this series will be redeemed by the Company at par on 16th February 1961 and on each 16th day of February of the years following till the whole of the said Debentures shall have been redeemed or paid off. The particulars of Debentures to be redeemed will be determined by draw.

Both the above series of Debentures are secured by fixed mortgage charge of the Company's lands, buildings, plant and machinery, both present and future and a floating charge on other assets (excepting raw materials, stores and stock-in-trade), such floating charge not hindering or preventing the Company from leasing, charging or otherwise disposing of or dealing with the other assets, and the Company may charge such other assets and such charge may be made specific or floating and may be made to rank in priority or *pari passu* with or after the floating charge in favour of the holders of these Debentures.

The mortgage charge with respect to both these series of Debentures rank *pari passu*.

Note : (The Company has a Cash Credit limit, etc., for Rs. 53 lacs with Allahabad Bank Ltd., secured by floating charge on movable assets of the Company, such charge ranking in priority to floating charge in favour of holders of above Debentures.)

PRESENT ISSUE

75,000—7 per cent. (Income-tax free) Cumulative Redeemable Preference Shares of Rs. 100 each at par .. .. Rs. 75,00,000

These shares carry 7 per cent. (income-tax free) cumulative preference dividend and subject to the provisions of the Companies Act, 1956, shall be redeemed at par on 1st of July 1972 with option to the Company to redeem them at par earlier at any time after the 30th June 1969 on giving six months' previous notice of its intention so to do. A redemption fund is proposed to be created by setting apart Rs. Ten Lacs every year out of the annual profits from the year 1963 onwards till full Rs. 75 Lacs is made up.

The shares will rank for dividend next after paying or providing for payment of cumulative preferential dividend at 6 per cent. per annum (income-tax free) on the capital for the time being paid up on the existing Preference Shares of the nominal value of Rs. 7½ lacs of the Company but in priority to the Ordinary Shares of the Company. For return of capital, these shares will rank next after the existing Preference Shares but in priority to the Ordinary Shares, but shall not be entitled to any further participation in profits or surplus assets.

This issue of 75,000 Second Cumulative Redeemable Preference Shares of Rs. 100 each is offered for public subscription.

The amount payable in respect of these shares is as follows :—

Rs. 50 per share with application, and Rs. 50 per share on allotment.

Applications must be made for a minimum of five Preference Shares or multiples thereof.

The Company is advised that the Preference Shares now being issued are "Approved Investments" within the meaning of Section 27A of the Indian Insurance Act, 1938.

DIRECTORS

1. LALA KARAM CHAND THAPAR, Managing Director: Messrs. Karam Chand Thapar & Bros. Private Ltd. Chairman: Messrs. Greaves Cotton & Co., Ltd., etc., etc., 5, India Exchange Place, Calcutta.
2. SETH H. P. PODDAR, of Messrs. Tara Chand Ghanysham Das, Bankers, 34, Raja Santosh Road, Alipore, Calcutta.
3. SETH CHOTTEYLAL DHANDHANIA, c/o Shree Annapurna Mills, Banaras Cantt.
4. LALA KESAR RAM NARANG, of Punjab Sugar Mills Ltd., P.O. Ghughly, Dist. Gorakhpur.
5. SHRI RAMESHWAR PRASAD AGARWAL, Director: Arrah Electric Supply Co., Ltd., Shree Niketan Chowk, Arrah.
6. SHRI LALIT MOHAN THAPAR. Director: Messrs. Karam Chand Thapar & Bros. Private Ltd., 5, India Exchange Place, Calcutta.
7. SHRI B. P. PODDAR. Managing Director: Poddar Automobiles Ltd., 36, Chowringhee, Calcutta.
8. SHRI R. K. JAIDKA. Proprietor: Messrs. R. K. Jaidka & Sons, 132, Russa Road, Calcutta.
9. BRAMHA SHUM SHERE J. B. RANA. Director: D. L. F. Housing & Construction Ltd., Barbrix Traders Ltd., etc., etc., Bramha Cottage, Maharajganj, Kathmandu, Nepal.

MANAGING AGENTS

KARAM CHAND THAPAR & BROTHERS PRIVATE LTD., 5, India Exchange Place, Calcutta-1.

BANKERS

ALLAHABAD BANK LIMITED, Oriental Bank of Commerce Ltd.

SOLICITOR

ASOKE K. SARKAR, 10, Hastings Street, Calcutta-1.

AUDITORS

MESSRS. PRICE, WATERHOUSE, PEAT & CO., Chartered Accountants, B4, Clive Building, Calcutta-1.

REGISTERED OFFICE

5, INDIA EXCHANGE PLACE, CALCUTTA 1.

PROSPECTUS

OBJECTS

The Company was incorporated on 5th November, 1936. Objects for which the Company was formed are as set out in the Memorandum of Association and in particular to acquire the Paper Mills belonging to Punjab Pulp and Paper Mills Limited (in Liquidation) with 51 acres of freehold land, situate in Jagadhri, and to carry on business of manufacture of pulp and papers of all kinds, and articles of all kinds for manufacture of which pulp and paper is used.

The Company has since then progressively expanded, both in its volume of production and its range of products. The Company's Factory at Yamna Nagar (Jagadhri Railway Station) now stands in an area of nearly over 350 acres of land with a fully equipped Research Laboratory and an extensive staff and labour colony. The original annual rated capacity of the Mills was 7,500 tons of finished paper inclusive of wrapper. With the additions and alterations so far made, its present annual rated capacity stands at 13,500 tons of paper including wrapper. In addition to the Paper Mills, the Company has got a Hydrogenation Factory, a Tin Can Manufacturing and Printing Plant and a mechanised Stationery Department for manufacture of stationery. The cost value of the block in 1936 when the Factory was purchased was Rs. 25,58,618-2. On 30th June, 1956, it stands at over Rs. one crore fifty lacs, showing additions of about Rs. one crore twenty-five lacs during this period. The present market value of block, i.e., Plant and Machinery, Equipments, Buildings, Land, etc., of the Company should be about Rs. 3 crores.

DEVELOPMENT

The Company is at present engaged in Expansion, Renovation and Modernization Programme of about Rs. 3 crores to be completed by the end of the year 1958. It is a two-phased programme. The first phase consists of the modernisation and renovation of the existing three paper machines. The major portion of the equipment has already reached the site and has been erected or is in course of erection. This first phase is expected to be completed by April 1957 when the production of the existing three machines would go up from 40 tons to 53/54 tons of paper per day, i.e., the annual rated capacity would go up from 13,500 tons to 17,500 tons.

The second phase of the Programme is Expansion programme which consists of putting up a new Pulp and Paper Mill. Orders for both the new Pulp and Paper Mill Soda Recovery unit and other items of the machinery and equipment required for this programme have already been placed and advance payments of over Rs. fifty-one lacs have already been made. The shipments of the new Paper Machine and the new Pulp Mill consisting of 2 streets—one for the manufacture of pulp from wood and bamboo and another for the manufacture of pulp from bagasse, grass, etc., are expected to be completed during the current year. The first consignment of equipment relating to the new Paper Machine has already arrived in India.

The scheme has been drawn up in consultation with Messrs. Escher Wyss GmbH, Ravensburg and Messrs. Krauss-Maffei Imperial GmbH, Muenchen 13, of West Germany, both of whom are reputed manufacturers of paper and pulp machinery. The scheme envisages, in addition to the installation of pulp and paper mill—

(a) Setting up of a new modern soda house consisting of soda recovery boiler, recausticising unit and modern evaporator and an electrostatic precipitator, under technical supervision of Elof Hanson of Sweden.

Note:—The suppliers guarantee caustic recovery of 95 per cent. as against present recovery of about 65 per cent. This should result in considerable saving to the Company in cost of chemicals used in manufacture.

(b) Addition of another turbine of 6,250 kw. and two boilers to our existing electrical unit to provide additional load of electricity and additional process steam.

With the completion of this Expansion and Modernization programme, the Mills rated capacity would increase to 90/100 tons per day (i.e., about 32,000 tons per annum against the present rated capacity of 13,500 tons per annum) of finished paper, consisting of all kinds of writing and printing papers including Banks, Bonds, Ledgers, Air-mails and Manifold, etc.

OBJECT OF THIS ISSUE

The total cost of this Renovation Expansion and Modernization programme is estimated at approximately Rs. three crores, of which over Rs. 86 lacs has already been spent on renovation and modernization of existing paper machines and as advance payments against orders placed for machines and equipments for the second phase of the programme, Rs. 70 lacs would become available from the Company's liquid resources in hand, including conversion of part of the investments of the Company. Rs. 65 lacs would become available from prospective resources of the Company, i.e., provisions for depreciation, development rebate and undistributed profits between now and end of 1958, by which time the second and final phase of the scheme would have been completed and the new plant put into commission. This leaves an uncovered balance of about Rs. 75 lacs, which is proposed to be made up by the present issue of Second Preference Share capital.

RAW MATERIALS

Raw materials so far used are sabai grass and rags. The Company obtains its requirements of sabai grass from Nepal, Punjab and Himachal Pradesh forests for which they are holding leases for various terms. Bamboo, spruce and other coniferous woods and bagasse will be the additional raw materials for the new Mills. Arrangements have been settled for 15-year lease of the bamboo forests of the new Punjab State. The Government have also plans in hand to augment further the yield of grass and bamboo of their forests. Himachal Pradesh has also agreed to grant lease of their bamboo forests to the Company. For spruce and other coniferous woods, the Company is negotiating with the Punjab, Himachal Pradesh and U.P. Governments for leases. So far as bagasse is concerned, there are a large number of sugar factories in and around the Mills, and as such no difficulty is anticipated in obtaining sufficient quantities of bagasse as may be required.

PROSPECTS AND PROFITS

Per capita consumption of paper in India is amongst the lowest in the world, being 2 lbs. per annum as compared to 400 lbs. in U.S.A. and 100/200 lbs. in European countries and 50 lbs. in Japan. With the progressive industrialisation of the country and spread of literacy under the Second Five-Year Plan, the consumption of paper, paper boards and newsprint is estimated by the Planning Commission to go upto 5,00,000 tons per annum by the year 1960-61. During the First Five-Year Plan period, i.e., from the year 1951 to 1955-56, the indigenous production has gone up from 1,14,000 tons to 2,02,000 tons. The consumption of paper in the meantime has also gone up to 3,17,000 tons due to increase in the demand in the country. In order to fill up this gap between production and consumption, the country has been importing considerable quantities of foreign paper every year.

The Company's Modernization and Extension Programme coupled with the continued growing demand for paper in the country leads your Directors to believe that (in the absence of some unforeseen circumstances beyond their control) the Modernization and Expansion Programmes coming into fruitrition according to schedule (the former by the end of April 1957 and the latter by the end of 1958), the profits of the Company should show considerable increase commensurate with the extended capacity of the mills. Computing on the present price levels, it may well be hoped that the trading profits of the Company should be twice as much in the year 1959 compared to the present profits.

Dividend Cover:—On the basis of the present annual net profits as disclosed by the Auditors' Report hereunder appended, the dividend payable on the First and Second Preference Shares is covered by present earnings nearly four times over.

FINANCIAL INFORMATION

Auditors' Report

The following is a copy of the report of the Company's Auditors, Messrs. Price, Waterhouse, Peat & Co., Chartered Accountants:

MESSRS. KARAM CHAND THAPAR & BROTHERS PRIVATE LTD. CALCUTTA, 28*th March*, 1957.
Managing Agents,
SHREE GOPAL PAPER MILLS LTD.,
5, India Exchange Place,
Calcutta.

Dear Sirs,

We have examined the books and accounts of Shree Gopal Paper Mills Ltd. as kept in the Managing Agents' Office at Calcutta and at the Mills, in which are incorporated the certified Returns from the Oil Mills, Ginning Factory and Forests, for the four years ended 31st December, 1955, and the half-year ended 30th June, 1956, and report that the Profits of the Company are as set out below. The accounts for the half-year ended 31st December, 1956, have not yet been made up. These profits have been arrived at after charging all expenses of working and management including provision for Normal Depreciation on the basis allowable for taxation and after making such adjustments as are, in our opinion, appropriate.

Income	Year ended 31st December, 1952	Year ended 31st December, 1953	Year ended 31st December, 1954	Year ended 31st December, 1955	Half-year ended 30th June, 1956
	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	2,85,71,295	2,54,09,796	2,74,49,683	2,91,69,396	1,38,86,802
Closing Stock	8,30,593	9,75,607	22,42,546	18,38,487	23,15,439
Dividend on Shares	34,000	24,000	24,000	10,000	7,000
Interest from other sources	64,142	41,273	43,790	1,57,735	74,330
Interest from Managing Agents	60,472	83,751	1,49,595	1,49,142	24,600
Miscellaneous Receipts	14,455	31,537	27,095	30,344	53,317
Rs.	2,95,74,957	2,65,65,964	2,99,36,709	3,13,55,104	1,63,61,488
Expenditure					
Opening Stock	19,62,194	8,30,593	9,75,607	22,42,546	18,38,487
Salaries and Wages, Staff Welfare, etc.	29,79,585	28,35,665	28,26,730	31,84,380	14,40,470
Manufacturing Expenses including cost of Raw Materials	1,82,95,960	1,53,21,863	1,85,46,997	1,65,78,636	83,20,532
Selling Expense, viz., Excise Duty, Freight, Cartage, Commission, etc.	10,57,990	10,73,544	11,93,239	29,75,694*	16,10,554†
Head Office Expenses, Rent, Rates, Interest, Debenture Trustees' Remuneration, etc.	3,12,232	2,80,897	2,71,567	2,37,979	1,20,285
Directors' Fees	4,600	3,400	5,400	5,200	5,200
Interest on Debentures	45,000	45,000	40,583	2,12,020	1,17,500
Managing Agents' Allowance	24,000	24,000	24,000	24,000	6,000
Guarantee Commission	..	..	..	..	623
Bad Debts written off	..	..	..	—	14,971
Managing Agents' Commission on Profits	4,97,298	6,19,983	6,21,710	6,06,355	2,88,854
Rs.	2,51,78,859	2,10,34,945	2,45,14,833	2,60,66,810	1,37,63,476
Net Profits before Depreciation and Taxation	43,96,098	55,31,019	54,21,876	52,88,294	25,98,012
Depreciation (Normal)	2,53,091	3,81,915	4,87,960	4,63,259	2,59,337
Net Profits before Taxation	41,43,007	51,49,104	49,33,916	48,25,035	23,38,675
Taxation after Allowance of Normal Depreciation	16,97,379	21,01,170	20,15,263	22,15,051	10,85,042
Net Profits Rs.	24,45,628	30,47,934	29,18,653	26,09,984	12,53,633

* Includes Excise Duty on Paper: *Rs. 14,80,964 and †Rs. 8,91,555.

The Initial Allowance, Development Rebate, Double and Multiple Shift Allowances which are not included are as follows:—

	Year ended 31st December, 1952	Year ended 31st December, 1953	Year ended 31st December, 1954	Year ended 31st December, 1955	Half-year ended 30th June, 1956
	Rs.	Rs.	Rs.	Rs.	Rs.
Initial Allowance	1,32,310	3,39,049	1,08,309	1,31,000	2,841
Development Rebate	..	..	1,30,415	1,08,166	58,490
Double Allowance	1,43,504	1,75,607	2,58,928	3,85,579	1,45,793
Multiple Shifts	1,16,048	1,29,874	1,65,781	1,27,812	78,507

We also report that the assets and liabilities of Shree Gopal Paper Mills Ltd. as at 30th June, 1956, which is the last date to which the Company's accounts were made up prior to the date of this report, are as set out below. These assets and liabilities have been arrived at after making such adjustments, as in our opinion, are appropriate.

Statement of Assets and Liabilities as at 30th June, 1956

		Rs.	Rs.
FIXED ASSETS—			
At Original Cost less Depreciation to 30th June, 1956		59,48,483	
CAPITAL JOBS—*At cost*		5,65,810	
INVESTMENTS—*At cost.*			
In Government Securities		971	
In fully paid shares and Debentures of Joint Stock Companies		50,32,900	
(Market value, i.e., at quoted rates and unquoted at Brokers' Valuations Rs. 48,45,672).			
CURRENT ASSETS—			
Stores and Spare Parts on hand and in transit		81,88,745	
Stock of Paper, Stationery and Hydrogenated Oil on hand and in process at cost		23,15,439	
Book Debts—Considered Good—	Rs.		
Secured	1,09,845		
Unsecured	28,52,778		
		29,62,623	
Loans and Advances, recoverable in cash or for value to be received including Rs. 26,53,971 being advances to Foreign Manufacturers against supply of Machinery and Rs. 15,20,312 being Advance Payment of Income-tax under Section 18A—			
	Rs.		
Considered Good	49,05,017		
Considered Doubtful	21,223		
		49,26,240	
Short Term Deposit—Unsecured		6,00,000	
Cash in hand and at Banks		46,33,192	
			3,51,74,403
Less:—LIABILITIES AND PROVISIONS—	Rs.		
Mortgage Debentures (Secured)	40,00,000		
Loan from Bank (Secured)	24,34,057		
Loan from Government of India (Secured)	1,97,355		
		66,31,412	
Unsecured Loans		74,901	
Deposits from Dealers and Others (Unsecured)		4,11,344	
Sundry Creditors		22,49,430	
Interest accrued on Loans		1,42,903	
	Rs.		
Provision for Taxation (Estimated)	47,70,994		
Less: Paid under Section 23B	10,04,065		
		37,66,929	
Unclaimed and Unpaid Dividends (including provision for dividends Rs. 16,27,677 since declared)		16,97,305	
			1,49,74,224
Net Assets Rs.			2,02,00,179
REPRESENTED BY—			
7,500 6 per cent. Cumulative Participating Preference Shares of Rs. 100 each fully called up for Cash			7,50,000
7,24,640 Ordinary Shares of Rs. 10 each fully called up for cash		72,46,400	
29,638 Ordinary Shares of Rs. 10 each fully paid for consideration other than cash		2,96,380	
5,00,629 Ordinary Shares of Rs. 10 each issued by way of Bonus Shares		50,06,290	
			1,25,49,070
Share Premium			11,35,080
Forfeited Shares			605
Capital Reserve			21,250
Other Reserves			53,25,459
Development Rebate Provision			3,00,980
Profit and Loss balance carried forward after providing for dividends Rs. 16,27,677 since declared in respect of half-years ended 31st December 1955 and 30th June 1956			1,17,735
Rs.			2,02,00,179

Note:—There is a Contingent Liability amounting to Rs. 7,000 being a claim against the Company not acknowledged as a debt.

We also report that the dividends paid by Shree Gopal Paper Mills Ltd. out of Profits on its paid-up Capital without deduction of Tax for the four years ended 31st December 1955 and the half-year ended 30th June 1956 are as follows:—

	Ordinary Shares	Rs.	a.	p.	Participating Preference Shares	Rs.	a.	p.
Year ended 31st December, 1952.	15 per cent. per annum on 5,00,629 Shares of Rs. 10 each.	7,50,943	8	0	8 per cent. per annum on 7,500 Shares of Rs. 100 each.	60,000	0	0
Year ended 31st December, 1953.	15 per cent. per annum on 5,00,629 Shares of Rs. 10 each.	7,50,943	8	0	8 per cent. per annum on 7,500 Shares of Rs. 100 each.	60,000	0	0
Year ended 31st December, 1954.	15 per cent. per annum on 5,00,629 Shares of Rs. 10 each.	7,50,943	8	0	8 per cent. per annum on 7,500 Shares of Rs. 100 each.	60,000	0	0
Year ended 31st December, 1955.	12½ per cent. per annum on 12,50,669 Shares of Rs. 10 each for the half-year ended 30th June, 1955.	7,81,668	2	0	8 per cent. per annum on 7,500 Shares of Rs. 100 each.	60,000	0	0
	12½ per cent. per annum on 12,53,376 Shares of Rs. 10 each for the half-year ended 31st December, 1955.	7,83,360	0	0				
Half-year ended 30th June, 1956.	12½ per cent. per annum on 12,54,907 Shares of Rs. 10 each.	7,84,316	14	0	8 per cent. per annum on 7,500 Shares of Rs. 100 each.	30,000	0	0

Yours faithfully,
PRICE, WATERHOUSE, PEAT & CO.

STATUTORY AND GENERAL INFORMATION

1. Directors:

The Articles of the Company provide that

(i) Unless otherwise determined by a General Meeting, the number of Directors shall not be less than five nor more than eleven inclusive of ex-officio Directors and Managing Agents' nominee Directors.

(ii) Unless otherwise determined by a General Meeting, the qualification of a Director shall be the holding of Ordinary Shares of the Company of the nominal value of Rs. 5,000 in his own name, but this shall not apply to Central or State Government Director, or Technical Director, or Managing Agents' nominee Directors.

(iii) Each Director shall be paid out of the funds of the Company by way of remuneration a sum of Rs. 200 for each meeting of the Board which he attends. In addition to the remuneration payable to him as above, a Director if he is not a resident of the place where the meeting is held, will further be entitled to actual travelling charges not exceeding air-conditioned class railway fare from his usual place of residence in India, and back; in addition to third class fare for a servant if taken, and also Rs. 40 per diem for the days necessary for attending and returning from the Meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or otherwise in connection with the business of the Company. Where the journey is undertaken by air, actual air passage shall be paid.

The Directors shall, subject to the provisions of Sections 198 and 309 of the Act, be further entitled to receive by way of additional remuneration a commission equivalent to 1 per cent. of the net annual profits of the Company, computed in the manner laid down in Sections 349, 350 and 351 of the Companies Act, 1956. Such commission shall be divided equally amongst the Directors on the Board on the last day of the financial year of the Company to which the commission relates, unless they decide otherwise.

(iv) If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from Calcutta for any of the purposes of the Company or in giving special attention to the business of the Company, the Company may, subject to the provisions of Sections 314, 198 and 309 of the Act, remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise, and such remuneration may be either in addition to or in substitution for his or their share in the remuneration as above provided for the Directors.

(v) The general control of the business of the Company is vested in the Board of Directors who, in addition to the powers and authorities by the Articles of Association of the Company or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not by the Articles or by the Companies Act or any other statute expressly directed or required to be exercised or done by the Company in General Meeting, subject nevertheless to the provisions of the Companies Act and statutes and of the Articles and to any regulations from time to time made by the Company in General Meeting; but no regulations so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The Directors shall be at liberty subject to the aforesaid provisions to delegate any of their powers to the Managing Agents or a Committee of Directors or a Director, or any other person.

2. Managing Agents:

Messrs. Karam Chand Thapar & Bros. Private Ltd. are the Managing Agents of the Company. They have been reappointed as Managing Agents of the Company for a period of ten years from 1st January 1957. Sanction of the Central Government to their reappointment has been obtained. The Managing Agents are a private limited company with a subscribed and paid-up capital of Rs. 25,00,000.

The Managing Agents are entitled to the management of the whole affairs and business of the Company, subject to the control and supervision of the Board of Directors.

The remuneration of the Managing Agents is a commission of 10 per cent. on the net annual profits of the Company computed in the manner as laid down in Sections 349, 350 and 351 of the Companies Act, 1956, subject to a minimum of Rs. 50,000 in case of no profits or inadequacy of profits in any financial year of the Company. The said sum of Rs. 50,000 is payable by the Company to the Managing Agents in equal monthly instalments, each payable on the last day of each month. Any remuneration due to the Managing Agents over and above the minimum of Rs. 50,000 on the basis of 10 per cent. of net annual profits as above, shall be paid by the Company immediately after the accounts of the Company for each financial year have been audited and laid before the Company in General Meeting.

The Managing Agents are also entitled to charge and be paid all expenses on account of rent, postage, telegrams, printing, stationery, telephones, electricity, taxes and all salaries or wages or emoluments, bonuses, allowances, provident fund contributions, commissions, etc., which shall be payable to the managers, accountants, legal advisers, engineers, experts, agents, clerks, servants, workers, brokers, bankers, solicitors, auditors, technicians, commission agents, dealers or other officers, employees and workmen retained by the Managing Agents for and on behalf of the Company at the office of the Company at Calcutta or at the Company's Works or at the office of the Managing Agents or elsewhere, and all expenses of manufacture and all other out-of-pocket expenses incurred on behalf of the Company, for carrying out and conducting the business of the Company, including travelling and conveyance expenses, etc., likewise incurred.

The Company shall also bear and pay such proportion of expenses on account of salaries, wages, allowances, provident fund contributions, commissions, etc., of the officers, staff and workers, etc., employed partly in connection with the business of the Company and partly for the business of other companies or firms at Calcutta and/or elsewhere as also the office incidentals such as rent, stationery, telephone, electricity, travelling and conveyance expenses likewise incurred relating to such officers, staff and workers.

The Articles of Association provide that the Managing Agents shall conduct and manage the whole affairs of the Company subject to the control and supervision of the Board of Directors.

The Managing Agents are entitled to nominate not more than two Directors where the number exceeds five and one Director where the number does not exceed five.

3. Borrowing Powers:

The Articles of Association of the Company provide that subject to the the provisions of subclause (d) of clause (1) of Section 293 of the Companies Act, 1956, the Directors may from time to time at their discretion, raise or borrow or secure the payment of any sums of money for purposes of the Company from any persons, firms or companies including a Director and Managing Agents. The shareholders by Special Resolution dated 19th January, 1957 have authorised the Directors to borrow for the purposes of the business of the Company amounts in excess of the aggregate of the paid-up capital and free reserves of the Company.

4. Restrictions of Right to Transfer:

Articles of Association contain no restrictions on the transfer of fully paid-up shares. The Directors may, however, decline to register any transfer of shares which are not fully paid up, and may also decline to register any transfer of shares on which the Company has a lien. The Company has a first and paramount lien upon all shares (not being fully paid-up shares) held by any member of the Company (whether alone or jointly with other persons) and upon all dividends which may be declared in respect of such shares for all moneys (whether presently payable or not, called or payable in respect of these shares, and for all debts,

obligations, liabilities and engagements of such members solely or jointly with any other persons.

5. Voting Power :

The Articles of the Company provide that

(1) On a show of hands every member entitled to vote and present in person shall have one vote. Upon a poll the voting rights of members shall be as laid down in Section 87 of the Companies Act, 1956. Provided that save as provided in clause 2(b) of Section 87 of the said Act, a member of a company holding any preference share capital therein, shall in respect of such capital have a right to vote only on the resolutions placed before the Company which directly affect the rights attached to his preference shares.

No member not personally present shall be entitled to vote on a show of hands unless such member is a corporation or a company present by a proxy or by a representative duly authorised in which case such proxy or representative may vote on show of hands as if he were a member of the Company.

(2) No member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or as a proxy for any other member or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member, or in regard to which the Company has, and has exercised, any right of lien.

6. Interest of Directors :

Lala Karam Chand Thapar and Mr. Lalit Mohan Thapar are Directors of Messrs. Karam Chand Thapar & Bros. Private Ltd., Managing Agents of the Company, and as such are interested accordingly. Both of them are Managing Agents' nominee Directors on the Board of the Company.

None of the Directors have any interest in any property acquired by the Company within the two years preceding the date hereof or to the machinery and plant and equipment that may be purchased out of the proceeds of this issue.

Lala Karam Chand Thapar is a Director of Orient Engineering and Commercial Co., Ltd., through whom order being item No. 6 for machine drive, has been placed on A.E.G. of Germany.

7. Miscellaneous :

(i) Redeemable Preference Shares.

The Company has not within two years preceding the date hereof issued any Redeemable Preference Shares. The present issue of capital is of Redeemable Preference Shares.

(ii) The Company has not within the two years preceding the date hereof issued nor does it at present propose to issue any shares at premium.

(iii) The Company has not entered into nor does it propose at present to enter into any contract or arrangement whereby any option or preferential right has been given or is proposed to be given to any persons to subscribe for any shares or debentures of the Company.

(iv) No amount or any benefit has been paid to any promoter or any officer within the two years preceding the date hereof, nor is any amount intended to be paid.

(v) The Company issued:

(a) 5,00,750 Ordinary Shares of Rs. 10 each as fully paid up to the existing shareholders as on 1st of January 1955 in proportion of one Ordinary Share for each Ordinary Share held by them on that date, by capitalisation of reserves;

(b) 2,52,875 Ordinary Shares of Rs. 10 each as further capital for cash at par in January 1955;

and (c) Rs. 30 lacs Debenture loan capital in 3,000, 6 per cent. Registered Mortgage Debentures of Rs. 1,000 each at par.

(vi) The Company has not issued, nor agreed to issue within the two years preceding the date hereof any shares or debentures either for cash or as fully or partly paid up otherwise in cash.

(vii) The Company paid an underwriting commission of Rs. 75,000 to Messrs. Dhanuka & Co. for procuring subscription of the aforesaid debentures of Rs. 30 lacs. Beyond this, the Company has paid no other sum within the two years preceding the date hereof, nor is any such payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares in debentures of the Company or as discount in respect thereof, nor is it intended that any should be paid in respect of the present issue.

Purchase of Properties :

(viii) Save as respects property purchased or acquired or to be purchased or acquired being item No. (b) referred to under the heading 'Contracts,' or the additional Turbine for which order is still to be placed, any property which the Company has purchased or acquired or proposes to be purchased or acquired which is to be paid out of the proceeds of this present issue or the purchase or the acquisition of which has not been completed on the date of the issue of the prospectus is property—

(a) Contract for purchase or acquisition whereof has been entered into in the ordinary course of business of the Company the contract not being made in contemplation of this issue, or this issue in consequence of the contract; or

(b) As respects which contract the amount of the purchase money is not material.

The property purchased or acquired or to be purchased or acquired under contracts as aforesaid is vested or will vest absolutely in the Company. There had been no other transaction relating to such property within two years preceding this prospectus.

(ix) The Company does not propose to acquire any business nor does it propose to apply the proceeds or any part of the proceeds of the present issue in the purchase of any business or in the purchase of any interest in any business or in connection therewith nor the proceeds of this issue or any part thereof are intended to be applied directly or indirectly in any manner resulting in the acquisition by the Company of shares in any other body corporate.

8. Underwriting Arrangement :

No underwriting arrangements have so far been made for this issue. The Articles of Association of the Company permit payment of underwriting commission upto 2½ per cent. (in addition to brokerage) on the value of the shares to person or persons subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares of the Company. Brokerage will be paid by the Company as hereunder mentioned.

9. Subscription :

The object of this issue is as hereinabove stated. The minimum subscription, which in the opinion of the Directors is required to be provided in respect of each of the items mentioned in clause 5 of Part 1, Schedule 2 of the Companies Act 1956, is Rs. 36.25 lacs.

(a) Price of property proposed to be purchased	Rs. 35 lacs
(b) Expenses on this issue	„ 1.25 „
(c) Repayment of any moneys borrowed in respect of foregoing matters	Nil
(d) Any other expenditure	Nil

Shortfall, if any, and any additional working capital required will be provided out of such facilities including advance from Banks and/or Managing Agents as may be available to the Company from time to time, and/or long-term deferred payment arrangements in respect of supplies of Machinery still to be ordered.

10. Modification of Rights :

The Articles of Association of the Company provide that—

Whenever the capital is divided into different classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Companies Act, be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is (a) ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class or is (b) confirmed by a Resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of not less than three-fourths of those shares, and all the provisions of the Articles of Association of the Company as to General Meetings shall, *mutatis mutandis*, apply to every such meeting, but so that the quorum thereof shall be the members holding or representing by proxy or attorney one-fifth of the nominal amount of the issued shares of that class. This Article is not to derogate from any power the Company would have had if this Article were omitted.

11. Expenses of this Issue :

Preliminary expenses, including brokerage, are estimated at under Rs. one lac 25 thousand.

12. Contracts :

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

(a) Agreement dated 11th February 1957 between the Company and Messrs. Karam Chand Thapar and Bros. Private Ltd. reappointing the latter as Managing Agents of the Company for a period of ten years as from the 1st January 1957, on the terms as to remuneration as hereinabove stated.

(b) Orders for supply of Machinery and equipment as under:—

(1) Order No. SGM/D-E/M/4 (55)/246A, dated 18/22-8-55 placed on M/s. Escher Wyss GmbH., Ravensburg, W. Germany for New No. IV Paper Machine, F.O.B. Value DM. 34,55,200. (2) Order No. SGM/D-E/M/4 (55)/247A, dated 18/22-8-55 placed on M/s. Krauss Maffei-Imperial GmbH. & Co., Muenchen, West Germany, for New Pulp Mill, F.O.B. Value DM. 41,61,240. (3) Order No. SGM/D-JMW/3956 (Order Sr. No. 68), dated 14-8-56 placed on M/s. Elof Hansson, Sweden, for JMW Recovery Boiler, F.O.B. Value SW. Kr. 15,10,000. (4) Order No. SGM/D-Emb/C (A)/4055 (Order Sr. No. 69), dated 21-8-56 placed on M/s. Jagenberg-Werke Akt. Cos., Dusseldorf, Germany, for Duplex Sheet Cutter F.O.B. Value £21,406. (5) Order No. SGM/D Dorr/6689 (Order Sr. No. 70), dated 26-12-56 placed on Messrs. Elof Hansson, Goteborg, Sweden, for Dorr Re-causticizing Plant, F.O.B. Value Sw. Kr. 8,16,000. (6) Order No. SGM/B-M/D (4)/4437 (Order Sr. No. 71), dated 11-9-56, placed on The Orient Engineering & Commercial Co., Ltd., Calcutta, for AEG Drive for No. IV Machine, F.O.B. Value £45,000. (7) Order No. SGM/D-Crane/5173 (Order Sr. No. 76), dated 17-10-56, placed on M/s. Haushahn, West Germany, for Crane for New Paper Machine Buildings, F.O.B. Value £5,525. (8) Order No. SGM/D-E/V/881 (Order Sr. No. 99), dated 1-1-57, placed on Messrs. Elof Hansson, Goteborg, Sweden, for Rosenblad's Evaporation Plant, F.O.B. Value Sw. Kr., 8,87,900. (9) Order No. SGM/D-E/P/880 (Order Sr. No. 100), dated 1-1-1957, placed on Messrs. Elof Hansson, Goteborg, Sweden, for Flaktfabriken's Electric Precipitator, F.O.B. Value Sw. Kr. 2,90,250.

13. Documents :

Copies of the Memorandum and Articles of Association of the Company, the original Consent Order of the Controller of Capital Issues, the original sanction of the Government of India approving the reappointment of Messrs. Karam Chand Thapar & Bros. Private Ltd. as Managing Agents of the Company for ten years from 1st of January 1957, and the Managing Agency agreement dated 11th February 1957 made between the Company and Messrs. Karam Chand Thapar and Bros. Private Ltd., Managing Agents, on their reappointment, and copies of the orders for purchase of machinery, plant and equipment and other contracts referred to above, the abovementioned Auditors' report and the copies of the Balance Sheet and Profit and Loss Account upon which the report is based can be inspected at any time during the usual business hours at the Registered Office of the Company for a period of fourteen days from the date of publication of this Prospectus or until the subscription list closes whichever is earlier.

14. Auditors' Consent :

Messrs. Price Waterhouse Peat & Company have given, and have not, before delivery of this Prospectus for registration withdrawn their written consent to the issue of this Prospectus with the inclusion therein of their report, set out above, in the form and context in which it is included.

The consent in writing of the Bankers and Solicitor of the Company to act in their respective capacities have been obtained.

15. Brokerage :

Brokerage at the rate of Re. 1/- per Redeemable Preference Share will be paid by the Company on allotments made in respect of applications bearing the stamp of a recognised stock broker or a banker.

16. Application and Allotment :

Application for shares which must be for five shares or multiples of five shares should be made on the accompanying form and will be refused if not so made. The application form, together with the remittance for the full amount payable on application, may be sent to any of the branches of the Company's Bankers, Messrs. Allahabad Bank Ltd. and Messrs. Oriental Bank of Commerce Ltd. The remittance if not made in cash should be made by cheque or draft drawn upon a branch of the Bank, to which the application and the draft or cheque are being sent, or upon the bank in the town in which there is a branch of any of the aforesaid Company's Bankers. If drawn on a bank elsewhere, bank charges at Rs. 0-4-0 per cent. must be included in the remittance.

Cheques or Drafts should be made payable to Messrs. SHREE GOPAL PAPER MILLS LIMITED and should, for applicants' protection, be crossed "Account Payee only." A separate cheque or draft must accompany each application form.

Allotment will be notified by despatch of an Allotment Letter but the Directors reserve the full and uncontrolled right of accepting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full, whole or any balance to the application money, as the case may be, will be refunded to the applicant by a cheque on the Calcutta Branch of the Company's Bankers.

Share Certificates will be available for issue in exchange for the Letters of Allotment on or after forty-five days from the date of Allotment Letter and each successful applicant for more than 25 shares will receive Share Certificates in lots of 25 shares and such smaller denominations as is required to complete the total number of shares allotted, except when the applicants request Share Certificates in larger denominations. Such Allotment Letters and Share Certificates will be despatched by Registered Post.

Copies of the Prospectus and the Form of Application may be obtained from the Company's Bankers named above, at any of their Branches in India.

KARAM CHAND THAPAR
B. P. PODDAR
H. P. PODDAR
BRAMHA SHUM SHERE J. B. RANA
CHHOTEY LALL DHANDHANIA
RAMESHWAR PRASAD AGRAWAL
R. K. JAIDKA
KARAM CHAND THAPAR as agent of Lalit Mohan Thapar
KARAM CHAND THAPAR as agent of Kesar Ram Narang.
} *Directors.*

CALCUTTA, *dated, 29th March* 1957.

IMPACT OF LABOUR STRIKE ON TEXTILE CONSUMPTION

NEW PAY CAMPAIGN TO BE LAUNCHED

From Our Special Correspondent

MANCHESTER, *26th March*

MANCHESTER LETTER

BRITISH industry at the moment faces a crisis of considerable magnitude. Widespread stoppages of work in key trades, beginning in shipbuilding and now spreading to engineering factories, have created a situation fraught with danger, both to the economic future of the nation and to the current conditions where inflation is such a predominant factor.

To the textile industry, where labour relations have, generally speaking, been consistently good for a generation past, the present conflict between employers and unions in other spheres has an old-fashioned ring about it. The cotton unions are, in fact, in the throes of formulating a new wage claim, but it would be a break with precedent, if any real strike threat was to emerge from the negotiations. The appeal to arbitration which has invariably followed recent pay disputes has proved an adequate, if not an ideal, solution to such problems.

Dependent as the Lancashire cotton trade now is on Britain's home market and the ever-widening use of textiles in other industries, it is impossible for traders to ignore the developments of the past week. In the event of lengthy stoppages affecting large numbers of workers, the impact on the consumption of textile must be considerable, from the viewpoint of both the individual buyer and the big industrial customer.

Moves towards a peaceful settlement of the current unrest have curbed the widespread talk of the possibility of a general strike. Such gloomy forecasts, which were being freely discussed, merely emphasised the inherent seriousness of the situation. It is small wonder, therefore, that many buyers have been anxiously scanning their commitments and endeavouring to avoid adding to them, except when necessity has arisen. Such an attitude, however understandable, is the more unfortunate at a time when the textile outlook seemed more promising.

Rayon Pay Cut

Lord Terrington, Chairman of the Cotton Conciliation Committee, persuaded employers and trade union leaders in the rayon weaving industry at a meeting in Manchester to reopen discussions with the object of establishing a fresh wage structure in this section of the textile trade. The Cotton Spinners and Manufacturers' Association had proposed that the bonus of 40 per cent. for weaving rayon cloth should be reduced to 12½ per cent., a move which had been decisively rejected by the Amalgamated Weavers' Association. The employers contended that the premium payment introduced when rayon was a novelty fibre was now out of date and that synthetic fibres were just as easy to weave as cotton.

Lord Terrington did not make a definite award, but recommended that both sides should get together, recognising that the rayon situation presented difficulties which would be helped by encouraging the extension, as quickly and widely as possible, of the Cotton Manufacturing Commission's system of weaving on rayon cloths. The Commission's report, issued in 1949, set up a new alternative wage structure for the weaving industry based on the use of redeployment and widespread mill modernisation. Mr. J. D. Greenwood, Chairman of the Cotton Manufacturers' Association, said that both sides had agreed to reopen talks in an effort to find a formula for settling the dispute.

"Plan for Cotton"

The launching of a new pay campaign for Lancashire's 250,000 cotton spinning and weaving workers will be decided at a special joint meeting of union leaders from the spinning and weaving sections in Manchester on 29th March. Meanwhile, the Legislative Council of the United Textile Factory Workers' Association has decided to call a special meeting on 3rd April to consider the unions' new policy manifesto "Plan for Cotton." The 30,000-word document, on which work first started four years ago, has recently been revised by its author, Mr. Harold Wilson, M.P. for Huyton, to take account of changed conditions in the industry.

Among the recommendations understood to be contained in the manifesto is a return to the bulk buying of raw cotton for Lancashire mills on similar lines to the former Liverpool-based Raw Cotton Commission. Another recommendation is aimed at protecting Lancashire against "unfair" imports of cheap Asiatic cloth by setting up a trading commission to purchase and control such imports.

Slow Export Offtake

Two months have gone by so far as the overseas trade returns of 1957 are concerned, but the position of textile imports and exports shows no real change for the better. Shipments of cotton and rayon piecegoods to markets abroad have declined slightly, although trade in yarns has made a little progress.

For the first two months of the year, exports of cotton piecegoods amounted to 78,147,000 square yards, as against 80,111,000 square yards in 1956. The quantity of rayon and synthetic fibre piecegoods shipped overseas was 19,552,000 square yards, as against 20,508,000 yards. Cotton yarn shipments were 200,000 lbs. higher than a year ago at 6,353,260 lbs., while there was a more sustained improvement in the offtake of man-made fibre yarns to 7,731,600 lbs., as against 4,942,390 lbs.

In every case except rayon and synthetic cloth exports, Australia remains the biggest outlet for Lancashire-made goods. Other Commonwealth markets, including South Africa, Rhodesia and Nyasaland and various territories in West Africa, continue to give steady if unspectacular support. India's purchases of rayon and synthetic fibre yarns have increased sharply from 631,000 lbs. in the first two months last year to 1,567,000 lbs.

While some sort of stability appears to have been reached in the declining fortunes of exporters, the arrivals of foreign cloth have continued to increase, partly as a result of the hold-up in the flow of supplies by sea routes towards the end of last year. Imports of cotton grey cloth to the end of February were 58,452,000 square yards, as against 40,190,000 square yards in the same period of 1956.

All the leading suppliers have increased their consignments to this country, the quantity of Indian cloth being more than 5,000,000 yards higher at 26,651,000 square yards; arrivals from Hong Kong have increased by 2,000,000 yards to 9,881,000 square yards. Shipments from Japan have risen from 5,697,000 square yards to 8,932,000 square yards, while a notable expansion has occurred in receipts from undesignated countries, which exceeded 11,000,000 square yards in the two months, against barely 3,000,000 yards a year ago.

Imports of finished cotton cloth during the period under review were 1,000,000 yards higher at nearly 8,000,000 square yards, but supplies of rayon fabric reaching this country were reduced by 4,000,000 yards to 11,124,000 square yards.

Anglo-Soviet Deal

A contract worth more than £100,000 for pea canning machinery for Russia—the first of its kind to be placed in Europe—has been secured by Mather and Platt Ltd., the £10,000,000 Manchester engineering group. Making the announcement at the annual meeting, Mr. Loris E. Mather, Chairman, said: "Some people may think it undesirable to trade with a country with which we have such strained political relations, but this is not the view of our Government, nor is it our view. The more we can show the Russian people what we can make for their benefits and, as in this case, to improve their standard of peaceful living, the more hopeful should be our future relations."

The Company, said Mr. Mather, had traded with Russia on and off for nearly 100 years, but this was their first deal since the end of World War II. "Strained relations were not unknown in Tzarist times," he commented, "and it is only just over a century ago that we were fighting the Crimean War."

No Common View

Due consideration, which is now obviously being given to the European free trade plan in many quarters of the textile industry, no less than in other British trades, has disclosed a sharp cleavage of opinion between those who feel that the system will undermine local competitive power still further and those who welcome yet another challenge to our prowess. In Lancashire at least, it is fair to say that those who fear the plan are in a majority or are more vocal in their opposition to the scheme.

In one branch of the trade, the condenser spinning and weaving section, employers have been canvassed as to their views and have emphatically rejected the scheme as being likely to injure the industry. This opinion seems to be widely held among the smaller units who foresee a further tightening of the grip already held by the combines.—*All Rights Reserved.*

THE CONCORD OF INDIA
Insurance Company Ltd.
(INCORPORATED IN INDIA)
Head Office: 8, Clive Row, CALCUTTA
Telephone: 22-4315 Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH — 69-D, Kingsway, SECUNDERABAD (Dn.)
BIHAR STATE — Jamal Road, PATNA
BOMBAY STATE — Hongkong Bank Building, Veer Nariman Road, Fort, BOMBAY; Vakhar Peth, SANGLI
Sir Chinubhai Building, Redvi Bazar, Cross Lane, AHMEDABAD
Dhanvatay Mansion, Geeta Ground, Sitabuldi, NAGPUR
Near Power House, BHAVNAGAR
DELHI STATE — 60, Janpath, Post Box No. 51, NEW DELHI
EAST PAKISTAN — 120, Deliate Road, NARAYANGANJ
MADRAS STATE — Finance House, Puttalos Road, MADRAS-7
MADHYA PRADESH — 41, Tukoguni Main Road, INDORE
MYSORE STATE — Konnur Buildings, Ramdeo Galli, BELGAUM
PUNJAB STATE (India) — Saddarbazar Road, AMBALA CANTT.
PUNJAB (Pakistan) — 48, The Mall, LAHORE
UNITED KINGDOM — Friars House, New Broad Street, LONDON, E. C. 2.
UTTAR PRADESH — Moona Lall & Sons Bldg., Mahatma Gandhi Road, KANPUR; Jwalanagar P.O., RAMPUR

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E.C.A.F.E. COMPLETES TEN USEFUL YEARS

ITS WIDE AND VARIED CONTRIBUTION TO ASIAN ECONOMIC DEVELOPMENT

WHEN two officials of the Economic Commission for Asia and the Far East recently visited Burma's new iron and steel plant, they were met at the gate by the factory manager with the words: "Well, you people from the E.C.A.F.E. can take some credit for this." Burma has today one of the most modern iron and steel plants in Asia and in the world. For centuries, Burma produced rice, teak and, later, rubber in abundance. But for this raw-material-producing country, the manufacture of iron and steel was a new venture. Much research had to be done and many important decisions taken before the way was clear for the construction of the first iron and steel plant in Burma. During the planning stage, some of the Burmese officials to whom authority for the construction of the new plant had been entrusted joined a group of iron and steel experts from several Asian and non-Asian countries on a study tour to Japan. The trip was organised by two United Nations agencies—E.C.A.F.E., which had given the impulse, and the Technical Assistance Administration, which had provided the finances. What the Burmese engineers saw in Japan, and the technical discussion which they had during that study trip among themselves, with their colleagues from other countries, and with E.C.A.F.E.'s iron and steel experts, resulted in radical changes in the plans for Burma's iron and steel plant—changes that proved their value to the Burmese Government and to Burmese economy.

In neighbouring Thailand, a new large irrigation and navigation dam was ceremoniously opened only a short time ago by the King and the Prime Minister. The water that will flow into Thailand's central plain through a well-controlled and vast network of canals will produce another 500,000 tons of rice for export. The project of the dam is half a century old. The suggestion was first put forward in the reign of King Chulalongkorn, but it was only since the last war that the Thai Government succeeded in securing, from the World Bank, that bit of financial support that had always been lacking in the past. And when the dedication ceremony of the new dam took place, credit was given to international assistance: To the World Bank that had advanced $18 million towards the total cost of $58 million, to the F.A.O., for having sent an economic agricultural mission to Thailand when the project was being planned, and to the E.C.A.F.E. which, through assisting with hydraulic tests in a scale laboratory, had saved Thailand about a million dollars.

In the Philippines

In the Philippines, until a few years ago, the handlooms used in farmsteads did not differ in design from the looms used during the last century. They would produce cloth of two to ten yards in length, but the trouble about this cloth was that it did not sell well, despite its attractive design, because modern commercial demand was for a cloth length of forty yards and more. Many things had to be changed about Philippine small-scale industries, and one of the changes put into effect in the Philippines a little earlier than in other countries was the widening of the antiquated loom. The change in the Philippine loom was assisted by a group of experts from various countries who met in the Philippines just at the right time, when the question had become a topic of importance for the weavers and the Government. By now, a new broader loom is used, incorporating many of the suggestions made by the expert loom designers that had met under E.C.A.F.E.'s auspices. The new loom was also improved by the introduction of a kind of automatic shuttle which the worker can pull effortlessly, whereas, before, he had strenuously to extend his hand to shift the shuttle sidewards. These vastly improved looms have meanwhile found their way to Thailand, Malaya, India and other Asian countries.

Ten years ago, when the E.C.A.F.E. came into being as a temporary organisation to give effective aid to war-devastated countries, it would have required a good deal of imagination to visualise the organisation as it exists today and the various E.C.A.F.E. experts engaged as they are in such activities as sketched above. But for that matter, it would have been difficult to anticipate the revolutionary changes that had transformed Asia during the last decade. E.C.A.F.E., which started as a small research body, has adapted itself to these changes and the Commission has branched out into a multitude of activities affecting almost all aspects of Asian economic life. For the economic research student, Asia was, to a large extent, an uncharted land ten years ago. The handful of E.C.A.F.E. secretariat staff people who assembled at Shanghai, E.C.A.F.E.'s first headquarters, under the leadership of E.C.A.F.E.'s first Executive Secretary, Dr. Lokanathan, were doing a pioneering job in collecting reliable data and statistics and ascertaining the most pressing needs of the various Asian countries.

Effects of War

The effects of war were still being felt everywhere in Asia, politically and economically. Politically, the independence movement in Asia had not reached its climax, and not all the new countries of Asia had yet become members of the United Nations. In fact, Asian countries were heavily outnumbered in E.C.A.F.E.'s original membership and continued to be a minority for some years. In E.C.A.F.E.'s original membership, Asia was represented by China, India, the Philippine Republic and Thailand. The non-regional countries in the E.C.A.F.E. were Australia, France, the Netherlands, the Union of Soviet Socialist Republics, the United Kingdom and the United States of America.

Ten countries thus set the E.C.A.F.E. off on its course, under the wider supervision of the Economic and Social Council of the United Nations. But E.C.A.F.E.'s membership, and to some extent also its so-called geographical scope, grew rapidly in the course of time. Today the Commission has twenty-four members, of whom seventeen are in the region and seven outside. The Commission's geographical scope, that is, the immediate area of its activities, now embraces a region stretching from Afghanistan to Japan, and from Korea down to Indonesia. To tackle the constitutional problem of getting admitted into E.C.A.F.E. the Asian countries that were not self-governing or whose constitutional position was in a state of uncertainty or dispute, the device of associate membership was evolved. This proved useful, but by now all associate members have become full members of the Commission, with the exception of Hong Kong, and Malaya and British Borneo. The E.C.A.F.E. thus grew into the largest and most important regional agency of the United Nations in Asia.

Unique Position

The E.C.A.F.E.'s position in many ways is unique. It is universal in concept and character, as an integral part of the United Nations and by reason of its membership, in which Asian and non-Asian countries, among them all the big powers, have joined hands. At the same time, the E.C.A.F.E., as one of the regional branches of the United Nations, is firmly entrenched, as it should be, in the vast and important region it serves. For centuries, Asian countries were oriented outside Asia and there was little intercourse among them. When this situation changed after the war, the E.C.A.F.E. became the first independent regional rallying ground for Asia in the economic field. For ten years now, the E.C.A.F.E. has been a crystallising point for Asian economic co-operation and efforts. It is one of the most fascinating episodes in the history of nations to witness how in Asia energetic reconstruction, rehabilitation, and development efforts are made by national Governments under the spur of newly won independence, while, at the same time, this Asian nationalism is blended with the international idea of co-operation and assistance through such agencies as the E.C.A.F.E. As the quest for independence has by and large been brought to a victorious conclusion, it is realised that political freedom must rest on a sound economic foundation, and that national, regional, and global co-operation is required to ensure a brighter future.

How, it may be asked, has the E.C.A.F.E. furthered economic development? After tentatively probing a multitude of economic problems, the Commission gradually evolved a systematic method of operation which centres around the meetings of the Commission. These meetings, held usually in a different country every year, are the E.C.A.F.E.'s highest forum at which senior delegates, many of cabinet rank, meet to discuss their countries' economic situation and problems, review the Commission's activities and map out a plan of work for the Secretariat for the years to come. To provide such a meeting place is one of the most important functions and it was, therefore, a gratifying indication of the value attached to these meetings when they became known as an "Economic Parliament of Asia." In the first two years of its existence, the Commission met twice a year in full session. The increase in membership and scope of activities soon led to a growth in the structure and status of the Commission. A committee on industry and trade was established and, in subsequent years, there followed the Inland Transport Committee and a large number of sub-committees. These committees and sub-committees meet annually or, in some cases, every other year and, like the Commission, though on a lower but more technical level, they bring together delegates for expert discussions. In addition, the E.C.A.F.E. has during the years arranged many working parties on special topics of importance. Moreover, regional conferences have been held, of which the largest were on trade promotion, flood control and water resources development, mineral resources, statistics, etc. In all these activities, as an organ of inquiry and recommendation, the E.C.A.F.E. has been directed and guided by requests and needs of the Governments of its member-States. The Secretariat, which services the Commission, acts as research and statistical bureau, and as a consulting agency for short-term services. During the past ten years, the E.C.A.F.E. has prepared some 1,000 studies and reports. The Secretariat's *Economic Survey*, published annually since 1948, contains a mine of facts, industriously assembled, carefully analysed and commented upon.

Regional Co-operation

One of the most important and distinct contributions the E.C.A.F.E. has made to Asian economic life relates to regional co-operation and development of regional projects. These projects have assumed an increasing role in the Commission's activities. In this field, as in others, the Commission has closely co-operated with other United Nations agencies, especially with the Technical Assistance Administration of the United Nations which has financed several of its regional projects. Various types of projects have been developed: training courses and centres, seminars, study groups and group visits. The Commission has initiated and is closely associated with the United Nations regional railway training centre at Lahore (Pakistan) and it participates with the I.L.O. in the establishment of the regional training centre for diesel marine mechanics at Rangoon (Burma). In other instances, though not a sponsor, it has assisted in various ways. Another type of regional project is study tours, several of which have been organised by the E.C.A.F.E. (and paid for by the T.A.A.). Thus, Asian iron and steel experts went to Japan on one of those study tours, railway experts to Europe, lignite experts to Australia, inland waterway experts to Europe and the United States, cottage industry experts to Japan, geologists and mining experts to the U.S.S.R. and Europe, and electric power engineers to the U.S.S.R., Europe and the United States. There are other regional projects of very considerable significance.

One of the most ambitious, a kind of Tennessee Valley project, is the plan for the utilisation of the Mekong. The Mekong is one of the largest rivers in Asia, it flows through several countries, and there is tremendous scope for regional co-operation in the field of power, irrigation and navigation. The E.C.A.F.E. experts first surveyed the potentialities of the Mekong in 1952 and, a few months ago, a reconnaissance team of senior experts visited the Mekong again to make concrete recommendations. Another instance of its work and initiative is the signing of a special convention, drawn up under its auspices, for the measurement and registration of inland waterway vessels.

When, at an E.C.A.F.E. meeting in Tokyo, somebody suggested that "invisible" exports be also included in trade statistics, another delegate quickly rose to inquire how "invisible" exports could be made visible. Similarly, many of the results of the Commission's activities are not always tangible enough to become "visible," though their value to the countries concerned and the region as a whole may not be doubted. The E.C.A.F.E. has no executive power; it can only recommend. It is not a banking or financial institution, and it cannot build factories or dams. However, it has become, as a delegate of an Asian country put it, a "favoured and effective instrument of economic co-operation in Asia and the Far East." and as such it has made its contribution to Asian economic life.

New Coins... From 1st APRIL '57



Exact value in existing coins

10 Naye Paise—(1/10th of a rupee)—1 anna 7.2 pies
5 Naye Paise—(1/20th of a rupee)—9.6 pies
2 Naye Paise—(1/50th of a rupee)—3.84 pies
1 Naya Paisa—(1/100th of a rupee)—1.92 pies

The old coins, namely, 1 pice or 1/4 anna, 2 pice or 1/2 anna, 1 anna, 2 annas, 4 annas, and 8 annas, will be in circulation side by side with the new coins shown above. Four anna coins and eight anna coins are exactly equivalent to 25 Naye Paise and 50 Naye Paise respectively and may be used as such for all purposes. Both the old coins and the new coins will be legal tender in payment or on account.

CONVERSION FACILITIES

CONVERSION FACILITIES WILL BE PROVIDED AT THE RESERVE BANK OFFICES, BRANCHES OF THE STATE BANK OF INDIA, OTHER AGENCY BANKS AND TREASURIES AND SUB-TREASURIES.

NEW COINS WILL BE GIVEN ONLY IN EXCHANGE FOR EXISTING COINS OF A TOTAL VALUE OF 4 ANNAS, AND MULTIPLES THEREOF e.g. 4 ANNAS, 8 ANNAS, 12 ANNAS, ONE RUPEE ETC.

It is not necessary to convert rates or unit costs expressed in annas/pies into Naye Paise before working out the total amount payable.

EXAMPLES:

If 50 articles are purchased at 3 annas each, first work out the total amount in rupees/annas; You have to pay nine rupees and six annas.

If you have only Naye Paise with you, you find that six annas is equivalent to 37 Naye Paise. You accordingly pay 9 Rupees and 37 Naye Paise.

The result will be the same if you took the exact equivalent of 3 annas (18¾ Naye Paise) and multiplied it by 50 but it would be incorrect if you had taken the rounded off equivalent of 3 annas from the conversion table (19 Naye Paise) and then multiplied it by 50.

Similarly, if you buy from anyone a number of articles at the same time at different rates expressed in annas or pice coins, first calculate the total amount due in rupees, annas and pies. Apply the conversion table to the annas and pies in the total amount, if you want to pay in new coins.

You may simplify conversions by remembering that

4 annas .. .. 25 Naye Paise
8 annas .. .. 50 Naye Paise
12 annas .. .. 75 Naye Paise
1 Rupee .. .. 100 Naye Paise

EXAMPLES:

(1) To make payment of 10¼ annas, you may first give 8 annas or 50 Naye Paise; the balance of 2¼ annas is equal to 16 Naye Paise;

(2) To make payment of 36 Naye Paise, you first pay four annas or 25 Naye Paise, and then the balance of 11 Naye Paise by tendering 1 anna and nine pies.

DA 56/250

CONVERSION TABLE

The conversion table gives the exchange value in Naye Paise (rounded off in the manner prescribed in section 14 (2) of the Indian Coinage Act 1906 as recently amended) for amount tendered in annas/pies coins. The exact Naya Paisa equivalent of the total amount to be converted is rounded off by ignoring fractions of ½ Naya Paisa and below, and treating more than ½ Naya Paisa as 1 Naya Paisa.

CONVERSION TABLE

EQUIVALENTS IN NAYE PAISE FOR VALUE TENDERED IN ANNAS/PIES IN ANY SINGLE PAYMENT.

Old Coins Annas Pies	New Coins Naye Paise	Old Coins Annas Pies	New Coins Naye Paise	Old Coins Annas Pies	New Coins Naye Paise	Old Coins Annas Pies	New Coins Naye Paise
0 3	2	4 3	27	8 3	52	12 3	77
0 6	3	4 6	28	8 6	53	12 6	78
0 9	5	4 9	30	8 9	55	12 9	80
1 Anna	6	5 Annas	31	9 Annas	56	13 Annas	81
1 3	8	5 3	33	9 3	58	13 3	83
1 6	9	5 6	34	9 6	59	13 6	84
1 9	11	5 9	36	9 9	61	13 9	86
2 Annas	12	6 Annas	37	10 Annas	62	14 Annas	87
2 3	14	6 3	39	10 3	64	14 3	89
2 6	16	6 6	41	10 6	66	14 6	91
2 9	17	6 9	42	10 9	67	14 9	92
3 Annas	19	7 Annas	44	11 Annas	69	15 Annas	94
3 3	20	7 3	45	11 3	70	15 3	95
3 6	22	7 6	47	11 6	72	15 6	97
3 9	23	7 9	48	11 9	73	15 9	98
4 Annas	25	8 Annas	50	12 Annas	75	16 Annas	100

Rounding off as has been done in the conversion table is necessary only at the end of a transaction when any amount due in annas and pies is to be converted into Naye Paise.

You can make payment either in new coins or in old coins or by a combination of both according to the coins available with you.

The conversion table is, therefore, to be used only at the end of a transaction when payment has to be made or change has to be given as illustrated in the examples below.

EXAMPLES: (Where the amount due is expressed in annas/pies).

For 12 articles, costing 1¼ annas each, the total amount due is 1 Rupee and 2 annas, the purchaser may give the entire amount in old coins.

or

pay 1 Rupee and 12 Naye Paise (the equivalent of 2 annas according to the table is 12 Naye Paise).

In the above example, the purchaser may tender 2 Rupees, all in old coins, and ask for the balance. The amount to be given as change is 14 annas. This may be given wholly in anna coins or in new coins, or partly in old and partly in new coins. Let us assume that eight annas is paid in old coins and 6 annas is to be returned in new coins. Use the Conversion table to find the equivalent of 6 annas in new coins which is 37 Naye Paise.

EXAMPLES: (Where the amount due is expressed in Naye Paise).

An article costs 11 Naye Paise. One may pay this amount in new coins or in the form of 1 anna and 9 pies in old coins (the equivalent of 1 anna 9 pies according to the table is 11 Naye Paise).

If a person tenders 20 Naye Paise against 11 Naye Paise due, the change to be returned will be 9 Naye Paise or in old coins, the equivalent thereto namely 1 anna 6 pies.

For a payment of 11 Naye Paise, one may tender a 4 anna coin and ask for change. 4 annas are equivalent to 25 Naye Paise; the balance to be returned is 14 Naye Paise; this can be returned wholly in new coins, or in old coins, 2 annas and 3 pies according to the table are equal to 14 Naye Paise; one may give an anna coin (6 Naye Paise) and 8 Naye Paise in new coins.

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TRENDS IN WHITE SUGAR DURING 1955-56

ALL-TIME RECORD OUTPUT—LARGER NUMBER OF WORKING DAYS

ALTHOUGH the trends in Indian sugar economy during the last season (that is, 1955-56) have been reviewed in these columns on more than one occasion, as well as in the *Annual Number*, the reviews are not only incomplete but also lack full authenticity; because they were prepared on the basis of tentative and scattered estimates. Viewed thus, the special final note on the production of sugar directly from cane in vacuum pan factories during 1955-56, contained in the latest issue of the *Agricultural Situation in India*, published by the Economic and Statistical Adviser, Ministry of Agriculture, assumes importance. The note is very comprehensive in its scope, inasmuch as it covers all the aspects of developments in the white sugar sector in the different States—number of factories working, duration of crushing, quantity of cane crushed and of sugar produced, recovery of sugar and other factors.

The production of sugar during the 1955-56 season, according to the note, touched the all-time record of 1,862,100 tons, which exceeded the first Five-year Plan target of 1.8 million tons by 62,100 tons and the previous season's output of 1,590,000 by 272,000 tons. The substantial rise in output is attributed partly to a bumper sugarcane crop and partly to an increase in the number of working factories. Expressed in terms of *gur*, the production of cane in 1955-56 was higher than in the previous year by 99,000 tons; the improvement was specially marked in Bihar, thanks to high *gur* prices at the time of sowing, favourable weather conditions and better irrigation facilities. The number of working factories was higher at 143, as against 136, the total number of factories registered under the Industries (Development and Regulation) Act, 1951, being 147. Another important factor which accounted for the higher level of sugar production was the diversion of larger quantities of sugarcane to the factories; the quantity of cane actually crushed aggregated 18,939,100 tons, as against 16,011,600 tons. Following such large supplies of cane, the duration of the crushing season was lengthened, the number of working days being 144, as against 129.

The salient features of the development of sugar industry in the different States (before Reorganisation) during the last two seasons are given in the statement at the foot of the page. The statement reveals that the rise in production during 1955-56 was shared by all the States, except Madras and Mysore which showed a slight decline. The rise was particularly appreciable in Uttar Pradesh and Bihar—the largest sugar-producing States—the actual increase being of the order of 94,000 tons and 86,000 tons, respectively. Sugar output was higher by 28,000 tons in Bombay, 17,000 tons in Hyderabad and 11,000 tons in Andhra. The U.P. accounted for over 50 per cent. of the country's total output, followed by Bihar and Bombay; the percentage share of the former was 17 and of the latter 11.

The duration of the crushing season, as already stated, was unusually long during the year. It started from the end of September 1955 and continued till the end of July 1956. Unlike in the last season, a large number of factories started crushing early during the 1955-56 season. In Bihar, particularly, 23 out of 28 factories started crushing by the end of the first week of December 1955, as compared with only eight factories in the corresponding period in 1954. More factories carried on their crushing operations after 31st May in 1955-56 than in 1954-55, the number, respectively, being 41 and 17. The late closure of factories was more marked in the case of U.P., Bihar and Bombay. In U.P., 32 factories were in operation even after 31st May, as against the corresponding figure of 11 only in the 1954-55 season.

The actual duration of the season in U.P. was 147 days in 1955-56, as against 139 days in the preceding season. In Bihar, the season was specially longer, actual duration being 134 days in 1955-56, as against 94 days only in the previous season. A slight fall was, however, registered in the case of Madras, Mysore and P.E.P.S.U. In all other States, the duration of the season was longer in the current than in the previous season. The frequency distribution of factories according to the number of days of actual crushing shows that, in 1955-56, the duration of season ranged from 150 to 220 days and over in the case of 63 factories, as against 36 factories in 1954-55. Again, the number of factories which worked for less than 100 days was only 26 in 1955-56, as against 36 in the previous season.

The maximum quantity of sugarcane crushed by any factory during the 1955-56 season was 640,000 tons, as compared with 370,000 tons in the previous season. The average quantity of cane crushed per factory in different States except Madras in 1955-56 was also higher than in 1954-55. The maximum capacity of sugar factories (measured in terms of cane actually crushed per day) registered an advance from 2,227 tons in 1954-55 to 2,369 tons in the season under review. The all-India average capacity also increased from 909 tons to 1,003 tons.

The remarkable expansion in sugar production noted above was achieved despite some setback in the quality of cane supplied to mills. The all-India average percentage recovery of sugar from cane during 1955-56 was 9.83, which compares unfavourably with 9.93 in the previous season. The recovery of sugar fell in all the States, barring Uttar Pradesh, Mysore, Rajasthan, Travancore-Cochin and Bhopal where some improvement was registered. In P.E.P.S.U., it was the same as in the last season. The maximum recovery for the season was 12.80 per cent., as against 12.68 per cent. in 1954-55.

In view of the increased sugar production, imports of sugar were stopped. On the other hand, the Government of India asked for an export quota of 200,000 tons of sugar during 1958-59 under the International Sugar Agreement, provided that could be secured without accepting the restrictive clauses of the Agreement. This request of the Government of India received the support of a number of countries at the International Sugar Conference held at New York in June 1956 and the prospect in that connection appeared to be hopeful when the Conference postponed to meet again in Geneva in October next. India had remained outside this Agreement since 1942, because it was considered that association with this Agreement would in-

(*Continued on page 711*)

States	Number of factories working		Number of actual working days		Cane crushed (1,000 tons)		Sugar produced (1,000 tons)		Recovery of sugar per cent.	
	1955-56	1954-55	1955-56	1954-55	1955-56	1954-55	1955-56	1954-55	1955-56	1954-55
Uttar Pradesh	68	67	147	139	10,186	9,347	989	903	9.71	9.67
Bihar	28	27	134	94	3,270	2,201	319	225	9.76	10.23
Bombay	15	14	141	139	1,738	1,486	202	173	11.64	11.68
Andhra	8	8	160	141	816	676	76	65	9.29	9.59
Madras	4	3	164	190	608	611	54	56	8.86	9.17
Punjab	1	1	228	203	289	217	26	20	9.06	9.20
West Bengal	1	1	140	134	96	86	10	9	10.46	10.99
Orissa	1	1	153	105	44	30	4	3	8.05	8.87
Hyderabad	2*	3	162	126	662	425	64	47	9.68	10.99
Mysore	2	2	229	240	477	500	48	49	10.15	9.70
P.E.P.S.U.	3	1	85	131	137	104	12	9	8.50	8.50
Madhya Bharat	4	4	123	49	307	111	29	11	9.56	9.66
Rajasthan	2	2	128	116	140	117	14	11	9.61	9.31
Travancore-Cochin	1	1	136	96	87	56	8	5	9.07	8.71
Bhopal	1	1	101	65	75	45	7	4	9.27	9.10
Ajmer	1	..	24	..	5	..	†	..	4.83	..
Saurashtra	1	..	N.R.	..	2	..	†	..	4.34	..
All-India	143	136	145	129	18,939	16,012	1,862	1,590	9.83	9.93

* Nizam I and Nizam II taken as one unit. † Less than 500 tons. N.R.—Not Reported.

PROBLEMS OF COAL INDUSTRY

UNION MINISTER'S STATEMENT

IT is a somewhat tragic irony that the coal industry, which is a source of sustenance to many other essential industries on which depend the success of the second Five-year Plan, should face such difficult conditions as it is facing now. It is not that the industry is not able to produce enough coal required within the country, but it is not being allowed, by force of circumstances and by the Government's indifferent attitude, to do all it can. In fact, the industry's production has been steadily going up; nevertheless, many a unit is operating on an uneconomic basis, thanks to the sharp rise in operational cost, with no corresponding increase in selling price which is controlled by the Government. Added to these, coalfields are experiencing a shortage of wagon supply to move their output. Attention to the predicament in which the coal industry is thus placed was drawn by Dr. Radha Kumud Mookerji during question-hour in the Rajya Sabha last week.

In reply to Dr. Mookerji's question, Mr. K. C. Reddy, Minister for Production, laid on the table a statement explaining the position in detail. The statement said that representations had been made by the coal industry, from time to time, pointing out certain difficulties experienced by it, especially in regard to inadequacy of the prices fixed for coal. The last such representation was made in June 1956, following the award of the All-India Industrial Tribunal (Colliery Disputes). The main points raised in this representation were: (1) the need for increase in coal prices because of the increased cost of production, due to the implementation of the award; (2) other factors which contributed materially to reduction in profit margin in the industry were (*a*) steep rise in replacement costs of items of plant, machinery and colliery stores and (*b*) extra expenditure imposed on the industry by the introduction of the Coal Mines (Temporary) Regulations; and (3) revision of the rules governing stowing subsidies.

Explaining the basis on which coal prices are fixed and the revisions made in recent years, the statement said that coal prices were fixed, as a general rule, on the basis of cost of production as ascertained by examination of the costs of production of a number of representative units. The Government had been keeping a constant watch over coal prices and had reviewed them from time to time, as and when required. Thus, in 1947, following the award of the Conciliation Board, the coal prices in Bengal-Bihar fields were increased by Rs. 3-8 per ton uniformly for all grades. The prices of coal in fields other than Bengal-Bihar were also increased on various dates, following the Fact-finding Committee Report of 1947 for Madhya Pradesh, Korba Award of 1947, Talcher Award of 1948, Rewa Award of 1948 and the Fact-finding Committee Report of 1948 for Assam. Certain adjustments in coal prices in the Bengal-Bihar fields were made from 1949 to 1955, for particular grades, taking into account various factors, such as increased production and despatches, the higher profit margin earned by the lower grade collieries, as an anti-inflationary measure, the increased cost of contribution payable by the employers to the provident fund of the workers, and to compensate the coking coal collieries for the restrictions entailed by the pegging of coking coal production, etc.

The prices were last revised upward in July 1956, after taking into account various factors affecting the cost of production, including the increase in operational cost and the effect of the award of the All-India Industrial Tribunal (Colliery Disputes), published in May 1956. This upward revision in coal prices was sanctioned on the basis of the recommendations of a Price Revision Committee, constituted in 1955 with the Coal Controller as Chairman, the Chief Cost Accounts Officer of the Government of India and a Joint Secretary in the Ministry of Production, as members. This Committee made an investigation into the cost of production as it was before the Tribunal gave its award and also further went into the question of extra cost of raising coal as a result of implementing the Award of the Tribunal. The Minister assured, in his statement, that coal prices would be kept under constant review and that the Government was giving consideration to a proposal to examine the entire question on a comprehensive basis.

Referring to the wagon supply position, the statement pointed out that it showed a marked improvement during 1956, as compared to previous years. Thus, the average daily loading in all the fields during the last three years was as follows: 1954—3,948 wagons; 1955—4,045 wagons; and 1956—4,246 wagons. While the wagon supply position had thus shown improvement, the Minister admitted that it was still short of actual requirements, with the result that the collieries were unable to obtain all the wagons they required for movement of their production and the coal-consuming industries were also not able to obtain coal supplies according to their needs. Restricted line capacity and junction limitations on certain sections also restricted the movement of coal from the collieries. The Railway Ministry had, however, embarked on a carefully considered plan for improving the transport position during the second Plan period.

The next important problem facing the industry is in respect of sand stowing. Alluding to this, the Production Minister's statement observed that the rate of subsidy granted to collieries for stowing had been increased and the rate of depreciation allowed on stowing machinery had also been liberalised. The various measures taken by the Coal Board to assist the collieries to undertake sand stowing, according to the Minister, are: (*a*) liberal financial subsidies are granted to collieries which undertake stowing and loans, at a concessional rate of interest, are allowed for the purchase and installation of stowing plants; (*b*) the Coal Board is planning central schemes for the supply of sand for the collieries and for encouraging stowing with materials other than sand. A committee to draw up a central scheme for the Jharia coalfield has already been set up. The question of setting up a similar committee for the Raniganj coalfield is under consideration of the Coal Board; and (*c*) the question of the Government acquiring sand rights in rivers is under consideration. The Minister added that a committee appointed by the Government to enquire into the question of sand reserves and sand replacements consequent on the construction of dams had reported that there was no apprehension regarding the availability of sand supplies for stowing purposes.

The most important problem which needs attention is the revision of coal prices. It is to be noted that the recent report that the Government proposed to give an interim increase of Re. 1-8 per ton in coal prices has not been confirmed by the Minister in his statement. Frustrated by the Government's delay in revising the prices, the collieries have been forced to appeal to the Supreme Court against the award of the Labour Appellate Tribunal, which modified substantially the award of the lower Tribunal. This does not, however, stand in the way of the Government announcing a suitable increase in prices and thus save the industry from a crisis.

RISE IN COAL PRODUCTION IN 1956

An increase of 1.21 million tons was recorded in the production of coal in India during 1956, as compared to the output in 1955. The total quantity raised in 1956 was 39.43 million tons, as against 38.22 million tons for 1955. The increase would have been more but for the strike in a number of Raniganj fields lasting for nearly a month. Despatches of coal were also higher, having amounted to 34.96 million tons, as against 32.94 million tons in 1955.

The following table shows the trend of production and despatches of coal since 1950:

(In million tons)

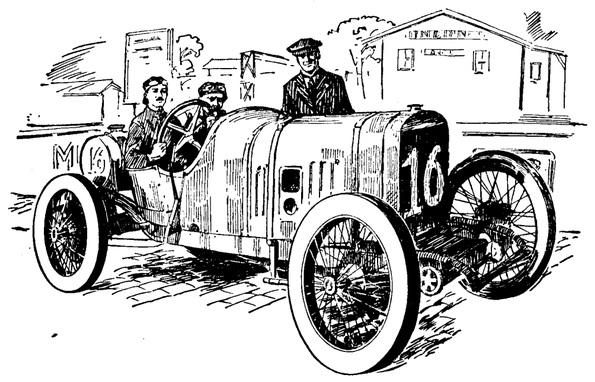
	Production	*Despatches*
1950	32.31	27.11
1951	34.43	29.22
1952	36.30	31.18
1953	35.98	30.76
1954	36.88	31.91
1955	38.22	32.94
1956	39.43	34.96

On an average, 3,406 wagons were loaded daily in Bengal and Bihar coalfields, as against 3,262 wagons in 1955. In other fields, the daily loading was 841 wagons, as against 783 wagons in the previous year, which means an increase of 210 wagons in the overall daily loadings.

Production of soft coke, by-product hard coke and beehive hard coke also registered slight increase during the year. The production of soft coke was 1.652 million tons in 1956, as against 1.649 million tons in 1955.

At the end of December 1956, there was a stock of 2.77 million tons of coal at the pitheads of collieries and 1.71 million tons with the consumers. The approximate quantity of coal consumed by some of the principal consumers in India during the year was: railways, 13.37 million tons; iron and steel plants, 3.31 million tons; electric supply companies 3.17 million tons; cement factories 1.76 million tons; cotton mills, 1.81 million tons; paper mills 0.59 million tons; jute mills 0.47 million tons; engineering works 0.35 million tons; domestic coke 1.65 million tons and brick burning works, 2.25 million tons.

Export of coal outside India during 1956 amounted to 1.727 million tons and about 1.078 million tons were moved by coastal steamers from Calcutta Port to other ports of the country.



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PROSPECTS FOR INDIAN TEA

IMPORTANCE OF EXPORT PROMOTION AND INTERNAL PROPAGANDA

INVESTORS in tea shares have reason to feel gratified at the recent assurance of the Union Minister for Commerce and Industry in the Lok Sabha that the tea industry in the country would not be nationalised. The confidence of shareholders in South Indian tea and other plantations has, however, been shaken by the threat of nationalisation of foreign plantations in Kerala, where the Communist Party is assuming powers of office. Though the party spokesmen have given the assurance that they will work within the Union Constitution, they have indicated that they would be able to persuade the Union Government to agree to nationalisation of foreign-owned estates in the State. Fears of increase in wage bill of estates in the near future have also affected sentiment. The result is that prices of plantation shares in Madras have tumbled down, piercing even the floor prices fixed by the Stock Exchange authorities in October last, following the debacle created by the publication of the Plantation Labour Award. In view of the above assurance of the Union Minister for Commerce and Industry, there is reason to believe that the Government of India would not go back on its word and permit the Communist Government in Kerala to take over the plantations in the State.

Outlook Obscure

Be that as it may, the outlook for the tea industry as a whole seems to be somewhat obscure. The fortunes of the industry have been fluctuating and, within the last six years, it has experienced an unprecedented slump (during 1952) and an unparalleled prosperity (in 1954). The year 1955 also was an unfortunate one, but it was not as bad as 1952. The following year, that is 1956, would have turned out to be a bad year, but the voluntary restriction on crop resorted to by North Indian tea producers and the international situation created by the Suez crisis saved the industry from a slump. The crop restriction helped the final North-east Indian production for 1956 to stand at only 2.5 million lbs. above the previous year's output and world production at no more than 3.7 million lbs. above the 1955 figure. The 1956 production, it may be noted, is still 40.1 million lbs. above the average for 1953-55.

The final output figures of the main tea-producing countries for the last three years are as follows:

(In million lbs.)	1956	1955	1954
North-east India ...	536.7	534.2	513.6
South India	127.0	129.0	128.5
Pakistan	54.4	52.5	54.6
Ceylon	375.6	380.0	366.7
Indonesia	93.7	95.4	103.1
Total ...	1,187.4	1,191.1	1,166.5

Besides the above two factors which helped the industry avert what would have proved to be a crisis, the Government's withdrawal of the restriction on the quantity of tea shipped for sale at the London auctions, also provided strength to the market. In the final analysis, tea maintained, during the year, its position as the biggest foreign exchange earner for the country. In fact, both the quantity and the value of tea exported from India touched, in 1956, a record of 516 million lbs. (out of a total output of 663.7 million lbs.) and Rs. 140.6 crores, respectively, exceeding the previous high of 456 million lbs. valued at Rs. 131 crores reached in 1954. As regards the future, it is not too much to hope that the Government will help the industry maintain this position, if it is to find additional foreign exchange resources to finance the second Five-year Plan.

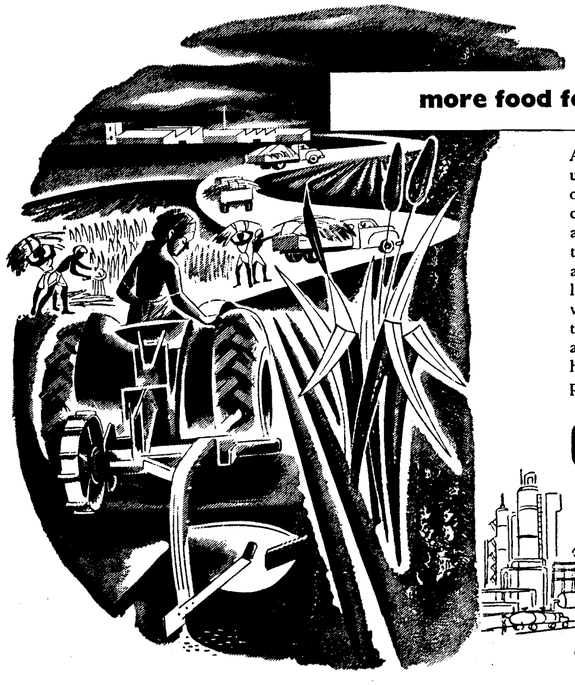
There are, however, some external factors which cannot be foreseen or overcome. For instance, there is a persistent tendency for world output of tea to outstrip the demand, with the existing producing countries enlarging their production and more and more new countries taking to tea production. There is a keen desire among other countries to restrict their purchases from outside and to attain a position which is as near self-sufficiency as possible. This means that India has to face greater and greater competition in the international markets in the years to come. India can be expected to maintain its lead as the leading supplier of tea to the world, provided it can face successfully this competition. But India has a certain difficulty in meeting such competition. The bulk of its output is common teas which will be hit very hard in times of recession. It is difficult to sell these teas and, except in times of prosperity, they are generally sold below cost.

A solution to India's tea export problems could be found through an international agreement among the principal producing countries. The prospects of such an agreement are, however, remote with the opposition of Ceylon, the second largest producer, in view of its limited internal market. India could, of course, depend to a large extent on its domestic consumption, which offers vast scope for expansion; but it is only a long-term solution.

All this suggests that India will do well to concentrate on enlarging its markets abroad through wider propaganda. During the past year, Russia was a new customer for Indian tea and it took 17.08 million lbs. Exports to Egypt, U.S., Canada and a few other countries were also enlarged. The following table shows the trend of exports of North Indian teas to the principal markets of the world during the last three seasons:

(In million lbs.)	1st April to 16th March		
	1956-57	1955-56	1954-55
U.K.	289.97	215.12	261.09
Irish Republic ...	15.71	19.08	22.44
U.S.S.R.	17.08	—	—
U.S.	19.05	18.04	22.48
Canada	14.13	10.63	13.99
Egypt	14.59	10.40	8.24
Red Sea ports ...	8.42	3.94	5.32
Hamburg and Bremen	6.19	4.42	4.20
Amsterdam and Rotterdam ...	2.99	3.13	4.88
Istanbul	4.10	5.15	2.00
Australia	1.70	2.06	6.94
Iran and Persian Gulf	9.67	8.86	10.80
Other countries ...	4.42	3.32	4.52
Total ...	406.73	304.15	366.90

It is encouraging to note that shipments as a whole show a considerable improvement, thus more than making good the decline in 1955-56. However, there have been instances of India having lost its markets to other countries, particularly Indonesia. The decline in shipments of Indian tea to Australia is significant and deserves to be watched with care by the Government of India. It is to be hoped that the presence of the Australian trade delegation in India would be availed of by the authorities to explore the possibility of recovering the lost market in that country and in any trade agreement between the two countries tea should figure prominently. Likewise, the Government should take the opportunity provided by the visit of the West German trade delegation to increase its exports of tea to that country. In fact, the leader of the delegation has indicated the possibility of West Germany importing more and more tea every year. Thus, on the whole, the outlook for Indian tea depends to a large extent on export promotional efforts, provided attention is paid to production of quality tea and on more intensive internal propaganda.



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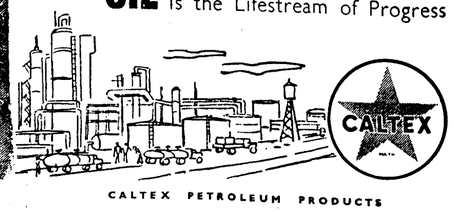

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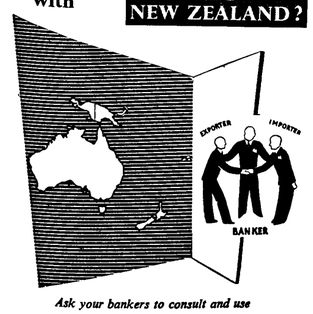

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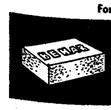

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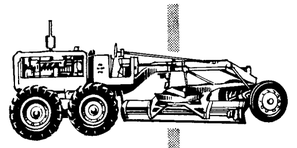

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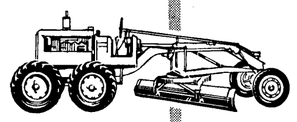

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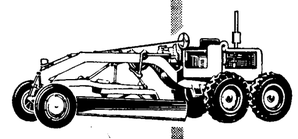

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STANDARDISATION NECESSARY

THE need for producing electrical goods of standard quality was underlined by Mr. Morarji Desai, Union Minister for Commerce and Industries, while inaugurating the Electrotechnical Division Council of the Indian Standards Institution (I.S.I.) at New Delhi. If the use of electricity in the house is to become popular, Mr. Desai pointed out, safety in electrical appliances and other items of domestic use would have to be given special attention. In some foreign countries, notably the Scandinavian countries, Canada and Australia, it is practically impossible to manufacture and sell electrical appliances which have not been certified as inherently safe. India too, the Minister added, will have in future statutory regulations designed to safeguard against defective manufacture.

The constitution of the I.S.I. originally provided for the setting up of five Division Councils, one each for Engineering, Buildings, Chemicals, Textiles and Agriculture. The General Council at its last meeting decided to reorganise the existing Engineering Division Council and approved the creation of two more Division Councils, namely, the Structural and Metals Division Council and the Electrotechnical Division Council. The Structural and Metals Division Council was inaugurated towards the end of last year. With the establishment of the Electrotechnical Division Council there are at present seven Division Councils functioning under the Institution.

The I.S.I., it may be noted, was set up in 1947 with the following objectives:

(1) To prepare and promote the general adoption of standards, on national and international basis, relating to structures, commodities, materials, practices, operations, matters and things.
(2) To promote standardisation, quality control and simplification in industry and commerce.
(3) To co-ordinate the efforts of producers and users for the improvement of materials, products, appliances, processes and methods.
(4) To provide for the registration of standardisation marks applicable to the products, commodities, etc., for which it issues standards, to be branded on or applied to those products, commodities, etc., which conform to the standards that had been set.

Role of Standards

It is well known that standards have an important part to play in regulating industry. They ensure minimum levels of quality by laying down, where necessary, materials of construction, dimensions, performance requirements and methods of tests to check those performance requirements. They enable the buyer and the seller to speak the same language. By simplifying and unifying requirements, standards enable bulk production which naturally helps in economising cost. The problem of stock-keeping gets simplified as fewer spare parts have to be carried in stock. Fair competition is made possible between suppliers. Last but not least, the problem of the designer is simplified, thus making progress easier, as the designer would be able to select from a number of types and sizes of the most commonly used construction materials.

Reviewing the progress of standardisation, the Minister observed that it kept pace with the development of the industry. The Institution has already laid down standards for the more common types of electrical machinery, apparatus, and appliances, electrical conductors and cables, electrical accessories such as lamps, switches, plugs, sockets, etc. Several Indian standards for radio receivers, including those used in rural areas for community listening and radio components, have been issued. With the creation of the new Division Council, it is to be expected that the activities of the I.S.I. would be considerably augmented. In view of the greatly accelerated development of the generation and utilisation of electricity envisaged under the second Plan, the work of the Council in laying down standards is indeed large.

One of the common yardsticks for the assessment of industrial advancement of a country is the *per capita* energy consumption. In India it is estimated at about 30 units per year while countries like Canada have a *per capita* consumption of 3,500 units. Installed capacity in India in 1955-56 is estimated to have been of the order of 3½ million kw. which, at the end of the second Plan, is expected to be more than doubled to 8 to 9 million kw. A corresponding increase in *per capita* consumption of energy can be naturally expected. This serves to indicate the vast nature of the field open to the manufacturers of electrical machinery appliances and materials. The I.S.I., being associated with the Development Councils for Heavy and Light Electrical Industries set up by the Government of India, is contributing its share towards the proper development of these industries. In this connection, mention may be made of the proposed Government factory at Bhopal designed for the manufacture of heavy electrical equipment, such as hydraulic and steam turbine generators, generators for diesel engines, large-sized industrial motors and electric traction equipment.

Not an Easy Problem

The problem of standardisation of electrical goods is by no means an easy one. It is complicated especially on account of the hazards to life which may arise from the use of unsuitable materials, or faulty construction. Further, the weather in tropical countries is another handicap. Deterioration due to corrosive atmosphere, particularly in the coastal areas, and fungus and other microbiological attacks are common experiences in this country. A breakdown occurring from any of these causes will not only mean inconvenience but at times may even involve damage to human life. It is, therefore, necessary, Mr. Desai added, to ensure that manufacturers take into account all such adverse conditions of service and usage.

Under the Indian Standards Institution (Certification Marks) Act, 1952, the I.S.I. is authorised to specify certification marks and to grant licences to manufacturers for affixing the marks on the goods produced to conform to Indian standards. The scheme is voluntary but a number of licences have already been issued by the I.S.I., many of which relate to electrical materials. Indian standards are prepared after full consultation with all interests concerned and they are, therefore, suited for adoption by the industry and trade. Though their adoption is voluntary, it is only right that the manufacturers should have some desire to claim compliance with Indian standards, thus giving a guarantee of quality. In most cases, it is neither convenient nor practicable for the ordinary consumer to assure himself that the article he buys is of an accepted standard quality. Certification marks will, therefore, be a convenient device to assure the consumer that he is on safe ground when he buys an appliance or electrical material bearing the mark. Mr. Desai, therefore, specially appealed to the electrical manufacturing industry to adopt the I.S.I. mark, particularly in the manufacture of consumer goods. The Minister also emphasised that it is important that suppliers abroad were also made aware of the peculiar climatic and other conditions in India. For the country would necessarily continue to import substantial quantities of electrical machinery and equipment despite the expansion of existing manufacture and plans for the future envisaged under the Plan.

The I.S.I. has been taking an active part in focussing international attention on special problems of tropical countries. However, before such problems could be solved and proper designs evolved, considerable investigation and research would no doubt be necessary. This is being organised, to the extent possible, through I.S.I. Committee effort and co-operation of laboratories concerned. In the interest of international trade, as a large importer of machinery and a possible exporter in future, standardisation at the international level is of overall interest to India. Standardisation activity at the international level is carried on by the International Organisation for Standardisation (I.O.S.). The International Electrotechnical Commission (I.E.C.), which came into existence in 1906, is now affiliated to the I.O.S. as its Electrotechnical Division. The object of these two organisations is to facilitate co-ordination and unification of national standards. The Indian Standards Institution represents the country on both these international bodies. It is also an elected member of the Committee of Action of the I.E.C., which is its executive body, and has thus a hard and important responsibility in formulating policies. It is reassuring to know that India is benefiting from and contributing its share to the work of the I.E.C. As a result of the initiative taken by India, a unified world standard for dimensions of electric motors is well on its way to finalisation. The importance of this development can be gauged when it is realised that until recently world opinion had been divided into two groups and the task of making motors made in various countries interchangeable with one another appeared hopeless. To make an effective contribution to international standardisation and to benefit fully therefrom, the need for greater participation in the work of the I.E.C. is imperative. New types of materials are being fast developed in more advanced countries and considerable improvements are taking place in manufacturing techniques. The Indian electrical industry, if it has to keep pace with such developments, would have to pay greater and greater attention to what is being done elsewhere. The Minister observed that close collaboration with the activities of the I.E.C. is a convenient means for such purpose.

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TRACTOR EQUIPMENT

The view that the institutional changes contemplated during the second Plan period and aimed at promoting land use and land management on more efficient lines did not accord with the requirements of agricultural efficiency was expressed by Mr. L. R. Patel, Chairman of the Tractor and Allied Equipment Manufacturers' Association, at its meeting held recently in Bombay. Referring to the imposition of ceilings on land, he said that the use of tractors would be economical only when the holdings were sufficiently large. Before fixing a ceiling on some arbitrary and ideological basis, it must first be decided what standard of living the rural population were expected to maintain. He added: "Ceilings have already been fixed in the Punjab, West Bengal, Hyderabad, Himachal Pradesh, Jammu and Kashmir, etc. The census of land holdings brought about by the National Development Council reveals that there are in India about 453 lakh holdings below ten acres, 12 lakhs between 10 and 50 acres and less than seven lakhs of holdings of the size of about 50 acres. While one can only speculate whether by the limitation of holdings above 50 acres there would be anything more than a subjective satisfaction for the small holders, there can be no doubt about its ill effect on agricultural efficiency in the long run, unless measures like co-operative farming are adopted.

Another disturbing factor, according to Mr. Patel, had been the imperfect policy adopted with regard to the import of spare parts. In an attempt to protect indigenous manufacture of component parts of a general nature as, for example, pistons, ball bearing, V-belts, etc., little regard was paid to the degree of specialised design of parts covered by these wide definitions but used on specific proprietary machines. More often than not, the resultant restrictions interfered seriously with the operation of many imported machines.

CRAWLER TRACTOR

A gigantic crawler tractor has been brought into India by Blackwood Hodge (India) Private Ltd. This machine (Euclid TC-12) is claimed to be an entirely new concept in design, operation and performance of crawler tractors. It is designed for heavy construction work, and has been fitted with two General Motors diesel engines capable of developing 218 h.p. each, giving a total of 436 h.p., more than twice the rated horsepower of most crawler tractors yet offered. The machine consists of two halves, each containing an engine which drives one of the tracks through separate torque convertors and semi-automatic transmissions. This permits changing from one forward speed range to another or reverse, under full power. Since these two halves are connected by a single steel kingpin, the machine can be easily divided and transported in two pieces. Another unique feature is that one track can be driven in a forward direction, and the other in reverse at the same time. This enables the TC-12 to turn completely around within its own length. The total weight of this mammoth machine complete with bulldozer blade approximates 40 tons.

NEW PRODUCTS AND PROCESSES

High-speed Computer

A NEW large high-speed electronic computer which will, it is claimed, be 100 to 200 times faster than any comparable electronic computer at present available, is to be developed by International Business Machines under a contract for the U.S. Atomic Energy Commission. The machine will, according to specifications released by International Business Machines, be capable of performing multiplications of 12 to 15 digit numbers at a rate of more than 500,000 multiplications a second and will be able to carry out about two million additions a second. The computer which is to be called *Stretch*, will have a large capacity magnetic core memory and will also incorporate several types of ultra high speed memory, all of which will, it is claimed, be able to be brought to bear simultaneously on separate problems, or on different phases of the same problems. The machine will be able to accept information from several different input sources simultaneously and will use a specially developed high speed information output system.

Preventing Wheel Slip on Railtracks

Research which has been carried out recently in the U.S. has led to the development of a new and more efficient kind of nozzle for sanding slippery railway lines which is said to reduce the amount of sand used and therefore the ill-effects of such anti-slip sanding. The research which was carried out by the Stanford Research Institute for the Southern Pacific Railway, showed that the use of a specially shaped "nipped" nozzle and the attachment of a sheath to shield the falling sand from the wind gave an improved spread of sand and that this substantially increased the braking and accelerating performance of the locomotive. Running experiments have shown, it is claimed, that the use of the improved sanding unit reduces the consumption of sand to ½ lb. per minute for each wheel. This compares with the previously used rates of between 3 lbs. and 5 lbs. per wheel. At the same time the use of smaller quantities of sand markedly reduces the obstruction to the passage of drainage water away from the rails.

Light Waves as Yardsticks

Differences of 1/10,000,000th of an inch, or about one-thousandth the thickness of a human hair, can now be accurately measured by using an instrument developed by the United States National Bureau of Standards. The device uses light waves as measuring sticks to determine the difference in length of the precision measuring instrument known as a gauge block. Usually made of steel, a gauge block is rectangular in shape, with opposite faces separated by an accurately known distance. Ordinary master gauge blocks now are certified to an accuracy of the nearest 1/1,000,000th of an inch for inch-long blocks. Practical equipment for comparing lengths to the nearest 1/10,000,000th of an inch, as is possible with the new instrument, has been greatly needed because of the extremely small tolerance required for parts used in jet aircraft, machine tools and many other precision instruments used by present-day industry.

Electric "Elephant"

An electric-powered "elephant," a powerful machine capable of lifting a whole truckload of heavy logs as high as a three-storey house, is the latest innovation toward increasing production of a large United States Pacific Northwest timber concern. Designed for handling tons of logs at a time at the Weyerhouser Timber Company's Grays Harbour mill, the "elephant" plucks a complete load of logs from a truck trailer, rolls to a heap of logs already stacked and drops them on top. The 30-foot machine then rolls back, lifts the truck trailer and deposits it behind the cab-power plant for return to the woods for another load of logs. The whole operation is complete in five minutes. The operator controls work of the machine from the buttons of a control panel, which start, stop and regulate the speed of electric motors. Pulp mills of the U.S. Pacific Northwest are seeking similar machines to speed building their own pulpwood stockpiles.

Distilled Water from Solar Furnace

An experimental solar furnace system has recently been operated in Australia where it was used in experiments into the practicability of using solar power to produce demineralised distilled water. The system consisted of a glass mirror collector mounted over a black plastic trough, in which the water was contained and where the evaporation of the water took place. The purified water vapour was then automatically collected on a special condensation surface attached to the solar furnace and was drained off into a series of adjacent collecting tanks. The system, which was operated by the Beaurepaire Tyre Service, Mildura, Victoria, is said to have yielded eight gallons of distilled water a day. This water was used to fill car batteries.

Leak-proof Hose Clips

Manufactured by F. R. Swimburne Products Proprietary Ltd., of Hawthorn, Victoria (Australia), Python worm-drive hose clips provide a perfect connection grip for hose and piping in the factory, on farms, in the home, and in the automotive industry. The clip is strip-proofed to aircraft standards, and is guaranteed to withstand a minimum torque of 60 inch-pounds. It is available in several sizes to suit hoses of an outside diameter ranging from ½ in. to 4½ in. The powerful and durable Pythor hose clip will grip hoses securely and make effective connections even over irregular surfaces. They are zinc-plated and rustproof. Truck and tractor plants have found that Python clips save valuable time on the assembly line. They can be used with the same efficiency with water, steam, air, gas and oil.

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FINE SHOES

Here is the smartest snug fitting casual that slips on and stays on comfortably. For leisure time wear, goes well with your suits too. Superbly crafted from supple brown leather with elastic gore—with miraculous lightweight "Bata Cushonsoft" microcellular sole to cushion your steps.



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HYDERABAD BRANCH: B/10-711, Sultan Bazaar.
SECUNDERABAD BRANCH: 1359, General Bazaar.

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Authorised Capital	..Rs. 1,00,00,000	Paid-up Capital and Reserves (as on 1-2-1957)	Rs. 51,66,695
Issued Capital	.. „ 50,00,000	Deposits exceed (as on 1-2-1957)	„ 9,50,00,000
Subscribed Capital	.. „ 48,99,000	Total working funds exceed ..	„ 11,00,00,000

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TADEPALLY SRIRAMULU, *Managing Director.*
E. RAMACHENDRAMURTI, M.A., C.A.I.I.B., *General Manager.*

THE SUPERANNUATION SCHEME—II

DIFFERENT TYPES OF PLANS OFFERED

IN order to maintain equity between the younger employees and the older employees who have served during a period when there was no superannuation arrangements, the employer can make additional contributions to purchase pensions for such members in respect of their past service. These past service contributions may be paid in a lump sum or may be spread over a period of years and are eligible for the same tax concessions as are applicable to the ordinary annual contributions made by the employer. Past service benefits may be provided under either a single premium endowment policy with an annuity option or a single premium deferred annuity policy, depending upon the plans of insurance selected for the main benefits under the Scheme. A distinction may also be made between the rate for past service pensions and future service pensions.

Under any of the abovementioned three plans, the scheme may be contributory or non-contributory. Under all the above plans, the age at which pensions are entered upon should normally be the retirement age according to the service rules of the employer. The endowment policies should also mature at the retirement age and the expiry age for the temporary insurance policies should be the same.

The pension would normally be payable monthly in arrear for a guaranteed period of five or ten years and thereafter throughout the lifetime of the pensioner, but there will be no proportionate payment till the date of death. The Corporation would, however, be prepared to make the pensions payable otherwise than monthly and with any guaranteed period that the employer and employee may desire. The Superannuation Schemes offered by the Corporation are flexible enough to provide for reduced or increased pensions in the event of early or late retirement. If desired, a provision will also be incorporated in the policy to permit payment of a reduced pension as long as the employee or his wife is alive, in lieu of the pension payable during his lifetime alone. These alternative benefits will be endorsed on the policy if, and only if, the trust deed and rules permit such benefits.

If an employee dies before the normal retirement age, the sum insured under the endowment and temporary insurance plan and the return of premiums, if any, under the other pension plans will become payable to the trustees on the date of death. The latter may then pay to the widow or other dependents of the employee an annuity for a certain term or throughout the lifetime of such beneficiary.

Temporary Insurance Plans

The Corporation will issue two types of temporary insurance policies: (i) A policy covering the risk of death in service, with uniform annual premium. Under this plan, the full sum assured is payable if the employee dies before the retirement age, but nothing is payable if he survives to that age. Uniform annual premiums will be payable throughout the period of the contract, apart, of course, from increases in premiums due to increments in salary received by the employee. (ii) A temporary insurance policy for one year, which may be renewed for a year if so desired. The policy may be renewed each year in this way until the employee attains the retirement age. Under these one-year policies, the sum assured will be paid only if the employee dies during that year. Under this plan, the annual premium increases each year as the age of the employee advances even apart from increases in sum assured consequent on increments in salary.

No medical examination is necessary under the deferred annuity plans. Medical examination will not ordinarily be required even under the endowment and temporary insurance plans if the sum assured does not exceed Rs. 10,000 except where temporary insurance policies are issued with deferred annuity with return where the non-medical limit will be Rs. 5,000. For subsequent increases in the sums assured on the life of an employee, medical examination will be necessary only if the total increase in the sum insured since the date of last medical examination exceeds Rs. 10,000.

Reduced premium rates will apply to Superannuation Schemes, where the number of members at the inception of the Scheme is not less than 10. But should the number increase to 10 or more at a later date, the reduced rates will apply in respect of increments and new entrants effective from that date. On the other hand, the reduced rates once applied will continue to apply even if the number of members covered by the Scheme falls below 10 later, due to exits. The Corporation will not issue separate notices for the premiums payable in respect of each employee. A consolidated statement showing the premiums in respect of the individual members and the total sum payable by the trustees will be sent to the trustees. In the case of contributory schemes, the premium due from the employees may be deducted from the salary of the employees subject to the provisions of law.

The Policy

The Corporation will issue a Single Master Policy to the trustees, where the number of members under a scheme is not less than ten. The policy will set forth the rates for determining the sum insured and/or the pension benefits in respect of each employee and also the manner in which the appropriate premium rates shall be determined and applied in each case. A schedule showing the names of the employees who are initially admitted to the Scheme, their ages, particulars of insurances and/or pensions including the dates on which such insurances become effective and the amount of premium will also be incorporated in the policy. The policy will contain the conditions on which the sums assured and/or the pensions shall be varied from time to time during the currency of the policy and the dates on which variations become effective, the manner of calculating the premium therefor and the manner of payment of the premiums and the sums insured or the pensions. In the case of Superannuation Schemes where the number of members is less than ten, individual policies will be issued to the trustees in respect of each member. A Master Policy will not be issued for such a scheme.

The rules framed for each Superannuation Scheme should provide for the conditions determining cessation of insurance and/or pension benefits either on the whole or in respect of any employee or class of insurance. The rules may provide for automatic cessation of insurance benefits on the date of termination of the employment.

Subject to the provisions of the trust deed and rules and the concurrence of the trustees, any employee covered by a Master Policy issued by the Corporation in connection with the Superannuation Scheme, upon written application made to the Corporation within 30 days after the date of termination of his employment shall be entitled to one of the following benefits:

(i) A cash surrender value which shall not be less than 50 per cent. of the total of the premiums paid in respect of the particular employee, except for premiums paid under temporary insurance policies which carry no surrender value, will be paid to the trustees. Under an approved pension scheme, the benefit must be paid to the employee in the form of an annuity and not in a lump sum.

(ii) An individual paid-up assurance or pension payable in the same manner and subject to the same conditions as the original assurance or pension for that portion of the sum assured or pension which the amount of premiums paid bears to the total amount payable, subject to the paid-up pension being for an amount not less than Rs. 5 per month and the assurance for not less than Rs. 100. This benefit shall not be allowed under temporary insurance policies.

The above two benefits are, however, available only after two complete years' premiums are paid. No surrender value or paid-up value will be available if the employee leaves the service of the employer before two complete years' premiums are paid. If the entire scheme is wound up within three years of the date of commencement of the scheme, a deduction of 1 per cent. of the total sum assured or cash option will be made from the surrender value.

(Concluded)

INSOLVENT INSURANCE COMPANIES

The Government of India has decided to pay full insurance benefits to the policyholders of 29 insolvent insurance companies, by taking over their liabilities. It is proposed to meet this liability over a period of years out of the Government's share of the surplus ensuing at the biennial valuation of the Life Insurance Corporation. The decision, which is only fair and equitable, was taken on the recommendation of the Life Insurance Corporation which, after having investigated the question, held that it would be unfair to make the burden fall on the policyholders of the solvent companies, which would, in effect, be the case if the consequences of the decision to pay in full the policyholders of the deficit companies, are to be borne by the Corporation. It, therefore, recommended that the Government should agree to its paying the policyholders of the insolvent companies their policy benefit in full and that the Government should itself bear the liability.

It may be recalled that when the Life Insurance Corporation Bill was before Parliament, it was noticed that a certain number of insurers, whose business would be vested in the Corporation, were not solvent. Their liabilities, including the actuarial reserves under policies in force, were in excess of their assets. The financial position of some of these companies was so difficult that, owing to want of funds, they had not been paying the claims of their policyholders. Accordingly, power was reserved to the Life Insurance Corporation by section 14 of the Life Insurance Corporation Act, 1956, to reduce the amounts of insurance under contracts of life insurance entered into before January 1956 by such insurers to the extent justified by their respective financial position. The Corporation has been examining the position of such insurers. Though all investigations are not yet complete, a sufficiently clear picture has emerged.

The following companies, namely, Crescent, Hind Benefit, East and West, Presidency Life and Provident, Warden, Bombay Capital, Indian Economic, Inter-Provincial Provident, East End Provident, Mahaluxmi Provident, New Bengal Provident, Bengal Industrial, Chota Nagpur Provident and Prabartak, Rajasthan, Dominion Ideal Mutual, Kranti Provident and India Oriel, were all found to be in deficit, the total extent of net liability amounting to Rs. 59 lakhs, approximately. If policy benefits are reduced to the extent of deficit for each company, such reductions, it is estimated, will vary from 3 per cent. to as much as 60 per cent. in one case.

In the case of a further group of ten companies, namely, Continental Mutual, Free India General, Home Security, Modern-Mutual, Peerless, Policemen Provident, Tropical, United Karnataka, Reliance and Commercial Insurance, while the investigations are not yet complete, there is a *prima facie* uncovered deficit, which, together with possible deficiency in respect of a few other companies, is estimated to amount to about another Rs. 10 lakhs. The total uncovered deficit of all the above insurers, therefore, is estimated to be of the order of Rs. 70 lakhs. On the appointed day, the business in force of these insurers was about 116,000 policies assuring Rs. 16.5 crores approximately.

The Government's decision will, of course, serve to remove the anxiety of the policyholders whose hard-earned savings were thought to be in danger of being lost.

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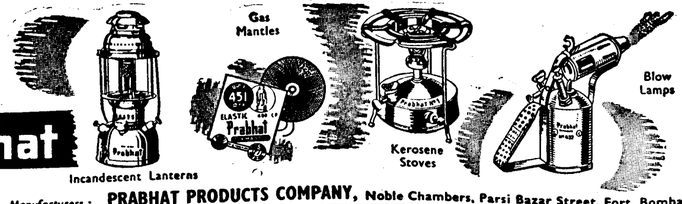

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Dealers and Direct Importers of Leather Goods, Woollen Machinery Cloths, Bobbins of all kinds, V Belts and Pulleys, Sizing Materials, Spinning and Weaving Machinery Spares, etc., for Textile Mills.

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(ESTABLISHED IN 1911)

Chairman: SHRI RAMANLAL G. SARAIYA, O.B.E.

Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.

		Rs.
PAID-UP SHARE CAPITAL:		
Subscribed by the Shareholders	Rs. 35,45,600	
Subscribed by the Government of Bombay	Rs. 26,00,000	61,45,600
RESERVE AND OTHER FUNDS		56,03,500
TOTAL DEPOSITS		12,85,97,200
WORKING CAPITAL		15,39,91,200

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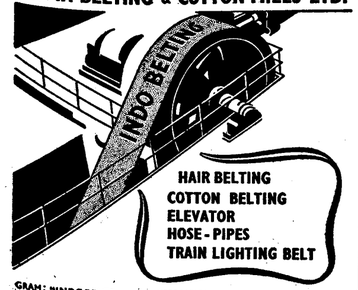
Collection arrangements in all the important cities of the Indian Union. Deposits of all kinds accepted. Terms on application.

V. P. VARDE, *Hon. Managing Director.*

INDIA BELTING & COTTON MILLS LTD.



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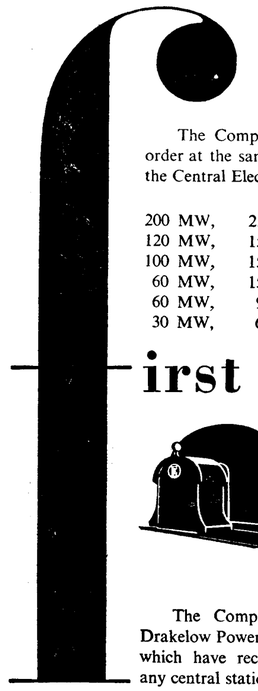
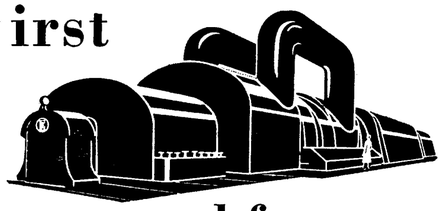
The ENGLISH ELECTRIC Company Limited, has been awarded contracts for the first five 200 MW steam turbo-alternator sets to be ordered and produced in the United Kingdom.

The Company is the first manufacturer to have on order at the same time units of all the standard ratings of the Central Electricity Authority, U.K., namely:—

200 MW,	2350 p.s.i.g.,	1050° F.	reheat cycle
120 MW,	1500 p.s.i.g.,	1000° F.	reheat cycle
100 MW,	1500 p.s.i.g.,	1050° F.	straight cycle
60 MW,	1500 p.s.i.g.,	1050° F.	straight cycle
60 MW,	900 p.s.i.g.,	900° F.	straight cycle
30 MW,	600 p.s.i.g.,	850° F.	straight cycle



First



and foremost

The Company supplied the generating plant for Drakelow Power Station and Stourport B.2 Power Station, which have recorded the highest thermal efficiencies of any central stations in England.

'ENGLISH ELECTRIC' *steam turbines*

THE ENGLISH ELECTRIC COMPANY LIMITED

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Manufacturers of the famous CANBERRA *Jet Bombers*

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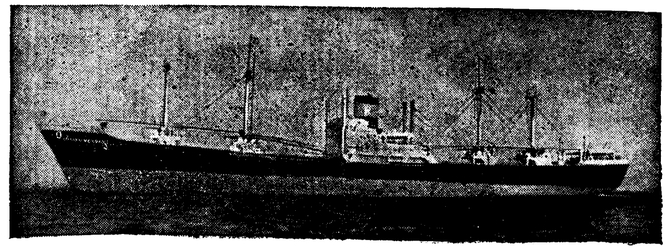

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THE CANARA BANKING CORPORATION LIMITED

(INCORPORATED IN INDIA WITH LIMITED LIABILITY)
(ESTABLISHED 1906)

BALANCE SHEET AS AT 31st DECEMBER, 1956.

Corresponding figures 31-12-1955 Rs. a. p.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
25,00,000 0 0	**1. Capital—**		
	AUTHORISED CAPITAL		25,00,000 0 0
	(a) 25,000—Ordinary Shares of Rs. 50 each	12,50,000 0 0	
	(b) 7,000—5% First Preference Shares of Rs. 50 each	3,50,000 0 0	
	(c) 18,000—4½% First Preference Shares of Rs. 50 each	9,00,000 0 0	
	ISSUED, SUBSCRIBED, CALLED AND PAID-UP CAPITAL		20,00,000 0 0
20,00,000 0 0	(a) 15,000—Ordinary Shares of Rs. 50 each	7,50,000 0 0	
	(b) 7,000—5% First Preference Shares of Rs. 50 each.	3,50,000 0 0	
	(c) 18,000—4½% First Preference Shares of Rs. 50 each.	9,00,000 0 0	
12,00,000 0 0	**2. Reserve Fund and Other Reserves**		12,75,000 0 0
	Reserve Fund	8,55,000 0 0	
	Share Premium	4,20,000 0 0	
4,23,51,452 1 2	**3. Deposits and Other Accounts**		5,18,20,011 4 9
	Fixed, Cumulative and Golden Jubilee Deposits	3,12,02,267 14 6	
	Savings Bank Deposits	1,06,26,385 5 1	
	Current Accounts, Contingency Accounts, etc.	99,91,358 1 2	
25,78,150 0 9	**4. Borrowings from Other Banking Companies, Agents, etc.**		74,21,864 2 1
	(i) In India	74,21,864 2 1	
	(ii) Outside India	Nil	
	PARTICULARS— (i) Secured by lodging part of Government Securities held under investments Rs. 74,21,864 2 1 as per contra (ii) Unsecured Nil		
6,49,309 3 8	**5. Bills Payable**		8,15,427 9 11
27,23,601 15 4	**6. Bills for Collection being Bills Receivable** as per contra		36,59,558 9 6
	(i) Payable in India	36,32,719 6 6	
	(ii) Payable outside India	26,839 3 0	
26,92,238 12 9	**7. Other Liabilities**		30,76,020 5 10
	Branch Adjustments	25,25,932 1 5	
	Liability for Expenses	24,831 15 0	
	Unclaimed Dividends	15,727 12 0	
	Unexpired Discounts	10,894 10 4	
	Sundries including interest accrued or due on deposits, etc.	4,98,633 15 1	
76,125 0 0	**8. Acceptances, Endorsements and Other Obligations** per contra		73,490 1 9
	9. Profit and Loss—		
	Profit as per last Balance Sheet	2,42,932 8 3	
	LESS—Appropriations— Rs. a. p. (i) Provision for Taxation 1,00,000 0 0		
	(ii) Dividends 1,40,500 0 0	2,40,500 0 0	
	Balance	2,432 8 3	
	ADD—Profit for the year brought from Profit and Loss Account	3,54,777 11 1	
	Total	3,57,210 3 4	
	LESS—Placed to— Rs. a. p. (i) Statutory Reserve Fund under Section 17 of the Banking Companies Act 71,000 0 0		
	(ii) Contingent Fund 2,218 6 2	73,218 6 2	
2,42,932 8 3	**10. Contingent Liabilities—**		2,83,991 13 2
	(i) Claims against the Banking Company not acknowledged as debts	613 8 3	
	(ii) Money for which the Banking Company is contingently liable— (a) On account of guarantees to customers fully secured	700 0 0	
	(b) On account of guarantees on behalf of Directors or Officers	Nil	
	(iii) Arrears of Cumulative Preference Dividends	Nil	
	(iv) Liability on Bills of Exchange re-discounted	Nil	
	(v) Liability on account of outstanding Forward Exchange Contracts	Nil	
5,45,08,810 9 11	Total .. Rs.		7,04,25,363 15 0

Corresponding figures 31-12-1955 Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
60,34,307 14 3	**1. Cash** In hand and with the Reserve Bank and State Bank of India.		66,62,500 14 0
33,33,069 7 0	**2. Balances with Other Banks**		10,00,326 4 3
	In Current Accounts Rs. a. p. / In Deposit Accounts Rs. a. p.		
	(i) In India 10,00,326 4 3 / Nil	10,00,326 4 3	
	(ii) Outside India Nil / Nil	Nil	
Nil	**3. Money at Call and Short Notice**		Nil
1,75,45,890 13 0	**4. Investments at Cost**		2,55,85,350 12 6
	(i) Securities of the Central and State Governments and other Trustee Securities of the face value of Rs. 2,56,86,400	2,55,09,728 0 6	
	(ii) Shares	25,622 12 0	
	(a) Fully paid Ordinary Shares of the Madras Industrial Investment Corporation Ltd. Rs. 25,000 0 0		
	(b) Ordinary Shares of a Joint Stock Bank (in liquidation) of the paid up value of Rs. 1,480 622 12 0		
	(iii) Debentures or Bonds	Nil	
	(iv) Other Investments	Nil	
	(v) Gold	Nil	
2,23,27,159 14 6	**5. Advances**		3,07,76,257 13 4
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditor)		
	(i) Loans, Cash Credits, Overdrafts, etc. Rs. a. p. (a) In India 2,32,74,260 12 11 (b) Outside India Nil	2,32,74,260 12 11	
	(ii) Bills Discounted and Purchased Payable in India Rs. 74,66,031 0 5 / (b) Payable outside India 35,066 0 0	75,01,997 0 5	
27,23,601 15 4	**6. Bills Receivable being Bills for Collection** as per contra		36,59,558 9
	(i) Payable in India	36,32,719 6 6	
	(ii) Payable outside India	26,839 3 0	
76,125 0 0	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		73,490 1 9
	8. Premises at Cost	2,24,134 1 5	
	Additions during the year	20,576 1 11	
		2,44,710 3 4	
	LESS—Depreciation to date	61,710 3 4	
1,73,200 0 0	**9. (a) Furniture and Fixtures at Cost**	2,84,730 8 9	1,83,000 0 0
	Additions during the year (Net)	41,227 6 11	
		3,25,957 15 8	
	LESS—Depreciation to date	1,13,557 15 8	
1,87,300 0 0	(b) **Electric Fittings at Cost**	26,359 14 9	2,12,400 0 0
	Additions during the year (Net)	7,597 5 6	
		33,957 4 3	
	LESS—Depreciation to date	17,957 4 3	
12,300 0 0	(c) **Motor Car and Accessories at Cost**	18,721 2 0	16,000 0 0
	LESS—Depreciation to date	14,721 2 0	
6,000 0 0	(d) **Library at Cost**	7,416 12 11	4,000 0 0
	Additions during the year	135 5 0	
		7,552 1 11	
	LESS—Depreciation to date	2,952 1 11	
4,800 0 0			4,600 0 0
20,24,305 15 4	**10. Other Assets**		22,65,160 9 11
	Interest accrued or due on investments and advances but not collected	4,20,337 2 0	
	Tax deducted at source	1,57,178 5 0	
	Bills realised by Bankers and D. D.'s etc., issued pending adjustments	14,67,698 4 4	
	Sundries including Prepaid Charges, Stamps, Suspense Accounts, etc.	70,789 15 4	
	Books, Forms and Stationery in stock	94,727 2 8	
	Insurance Policies acquired in Satisfaction of Claims at book value	54,429 12 7	
	11. Non-Banking Assets Acquired in Satisfaction of Claims at Book Value (Landed Property)		32,718 13 9
60,749 10 6	Total .. Rs.		7,04,25,363 15 0
5,45,08,810 9 11			

Schedule of Particulars Required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1956.

Corresponding figures 31-12-1955 Rs. a. p.	PARTICULARS OF ADVANCES	Rs. a. p.
1,69,79,375 13 5	(i) Debts considered good in respect of which the Banking Company is fully secured	2,39,03,065 8 9
53,47,784 1 1	(ii) Debts considered good for which the Banking Company holds no other security than debtors' personal security	68,72,202 4 7
Nil	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	Nil
Nil	(iv) Debts considered doubtful or bad not provided for	Nil
2,23,27,159 14 6	Total .. Rs.	3,07,76,257 13 4

Corresponding figures 31-12-1955 Rs. a. p.	PARTICULARS OF ADVANCES	Rs. a. p.
1,17,590 6 10	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,44,388 8 8
70,157 14 2	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	4,21,945 11 1
1,47,177 6 5	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,44,388 8 8
82,847 2 9	(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	4,21,945 11 1
2,80,904 2 1	(ix) Due from Banking Companies	1,86,215 12 8

(Continued on next page)

ECONOMICS OF EXPENDITURE TAX

ITS INTRODUCTION IS UNSUITABLE FOR INDIA

By P. C. Jain

OUT of all the recommendations contained in the Kaldor report, the most fundamental and basic recommendation, from the point of view of tax reform in this country, is that about the imposition of an expenditure tax. It is reported that the Government of India is considering the problem of imposing this tax in India. This gives Dr. Kaldor's recommendation a new importance. An expenditure tax for India has some theoretical arguments in favour of it. But, when we take an overall view of the matter, such a tax is likely to do more harm than good in the special conditions in our country. It cannot, therefore, be called a suitable tax and its imposition would not make the Indian tax system more equitable but would instead create new difficulties which we do not have to face under the existing system of taxation.

The main thesis of Dr. Kaldor in support of the expenditure tax is that it is more equitable than the super-tax, which it aims to replace in the first instance, because it takes into account inequality of consumption which is a better criterion for judging equity in taxation than inequality of income or wealth on which the present income-tax and super-tax in India, as in other countries, are based. In other words, an expenditure tax considers what a person takes away from the nation's stream of goods and services and taxes him accordingly while an income-tax considers what a person puts into this stream and taxes him on that basis. It is argued that consumption is a better criterion for judging the capacity of a person to bear taxation than his income, and taxation levied on this basis would be more equitable than the present system of income taxation in India.

Equity

But equity in taxation alone is not the only criterion which the Government should take into consideration in its taxation policy. It should also consider the effect of any particular tax on (*a*) peoples' savings and the incentive of *entrepreneurs* or, in short, on the process of economic growth, (*b*) concentration of economic power, (*c*) tax evasion, and (*d*) administrative feasibility. From all these points of view, as we shall presently argue, an expenditure tax is utterly unsuitable for an economically backward country like India.

Dr. Kaldor has suggested that the expenditure tax in India should be levied on the basis of expenditure per head per family on what is known as the quotient system, "which is already applied in France for income-tax purposes, according to which the income (or expenditure) of all members of the family is first aggregated and then divided into a number of parts, depending on the number of persons in each family, and the tax is charged separately on each part." He has suggested an exemption limit of Rs. 10,000 per adult and expenditure in excess of this amount would be charged according "to the slab system of graduation, starting from 25 per cent. on the lowest slab (i.e., on expenditure between Rs. 10,000 and Rs. 12,500) and rising gradually up to a maximum of 300 per cent. on expenditures in excess of Rs. 50,000 per head." If it is considered necessary to net in a larger population by the expenditure tax Dr. Kaldor has suggested the possibility of reducing the exemption limit to Rs. 6,000 per head per family, in which case the maximum rate of 300 per cent. would be imposed on expenditures exceeding Rs. 30,000 per head per family.

The main contention of Dr. Kaldor in favour of the expenditure tax is that it would encourage savings which are so vital for India's economic development. He is quite clear in his assertion that it would not only increase the amount but also the rate of capital formation. Since the expenditure tax is levied on the amount of income actually spent on consumption, people would be able to reduce their tax liability by reducing their consumption and by increasing their savings. Under ordinary circumstances this argument might, to some extent, be tenable but it is invalid in the case of India. The expenditure tax would be paid by a small section of the population which is at present subject to income-tax assessment. Since the Government of India would not find it possible to reduce the maximum rate of income and super-tax to 7 annas in the rupee (as against the present rate of over 14 annas 8 pies per rupee) and since it would not be possible for it to reduce the indirect taxes in the shape of excise duties, import duties, sales taxes, etc., which are also paid by people in the higher income groups, the burden on this limited class of people would undoubtedly become excessive. Their taxable capacity would thereby be exceeded and, in spite of their 'enormous' income, they would not be able to increase the rate of savings. If the burden on them becomes too great they may be obliged to reduce the rate of savings. In order to prove effective in increasing the rate of savings the expenditure tax should be imposed in lieu of super-tax and the indirect taxes like excises, import duties, sales taxes, etc., but in view of the Government's need for additional revenues it would not be possible for it to forgo the revenue from these taxes. In these circumstances, if the expenditure tax is levied in India it would surely reduce the rate of savings.

But even if the maximum rate of income-tax is reduced to the level of 7 annas in the rupee as envisaged by Dr. Kaldor, the expenditure tax might not increase the rate of savings. In order to keep the balance, while levying the expenditure tax, it would be necessary to impose a tax on gifts and a tax on total wealth as was clearly realised by Dr. Kaldor. If these other taxes are levied the encouragement which the expenditure tax gives to savings would be more or less counter-balanced by increased tax which people will have to pay on account of their increased wealth resulting from increased savings. But if it is granted that, taking all the factors together, the rate of savings would increase, the question arises as to whose rate of savings would increase. It surely cannot be the rate of savings of people in the lower income groups but only that of people in the higher income groups. As Dr. Kaldor recognised, the expenditure tax would "augment the rate of accumulation of large fortunes." This will intensify the concentration of economic power in India and would thus be inconsistent with the objective of a "socialistic pattern of society" which the Government of India is trying to follow. We, therefore, come to the conclusion that the expenditure tax is not suitable to our country so far as people's savings, initiative and enterprise of *entrepreneurs* and the concentration of economic power are concerned.

Income-tax

It is quite correct to argue that an income-tax, if it becomes heavy, discourages savings and discourages risk-taking by the *entrepreneurs*. But, in India, we have become accustomed to the income-tax and whatever its theoretical disadvantages as regards savings and enterprise, the condition under this tax has become stabilised and there is no sound reason for disturbing it. Moreover, if income-tax is discouraging savings there is a case for reducing the maximum combined rate of income- and super-tax to 12½ annas in the rupee, if not less, but not for replacing part of it by an expenditure tax. Similarly, if the present rate of income-tax in India is discouraging enterprise there is a case for making the necessary adjustments in it rather than levying the expenditure tax. It has been conclusively demonstrated that "a true income-tax which allows full loss offsets does not discourage risk-taking, since the rate of return per pound risked remains constant as the tax rate rises or falls."

Another ground on which Dr. Kaldor supports the expenditure tax is that it would prevent tax evasion. In the Report on Indian Tax Reform, he argues:

" . . . the incorporation of an expenditure tax in a system of personal taxation which includes both taxes on income (including capital gains) and on property would ease considerably the prevention of evasion—partly because it would introduce an opposition of interests between the different parties as regards concealment of particular transactions (whereas under the present system both parties to a transaction may have an identical interest in concealing altogether or in understating the value of a particular transaction), and partly also because the necessity to account for the amounts spent on personal purposes over a particular period together with the obligation to produce a balance-

(Continued on page 697)

THE CANARA BANKING CORPORATION LIMITED—*Continued.*

Dr. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956. *Cr.*

Corresponding figures 31-12-1955 Rs. a. p.	EXPENDITURE	Rs. a. p.	Rs. a. p.
9,70,291 0 7	To 1. Interest paid on Deposits, Borrowings, etc.	13,27,776 14 2	
	2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Rs. 15,058-14-0 paid to General Manager and Rs. 500 payable to him subject to the approval of the Government)	8,06,156 7 1	
6,34,115 2 11	3. Directors' and Local Committee Members' Fees and Allowances	8,004 15 0	
6,968 15 0	4. Rent, Taxes, Lighting, Insurance, etc.	86,771 3 4	
1,12,168 15 6	5. Law Charges	584 3 0	
710 1 0	6. Postage, Telegrams and Stamps	96,065 1 4	
74,591 10 9	7. Auditor's Fees	2,500 0 0	
2,500 0 0	8. Depreciation on and Repairs to the Banking Company's Property	40,242 2 1	
32,650 6 2	9. Stationery, Printing, Advertisements, etc.	84,364 11 9	
49,746 4 3	10. Loss from Sale of or Dealing with Non-banking Assets	Nil	
Nil	11. Other Expenditure	96,507 6 7	
64,927 13 9	12. Balance of Profit	3,54,777 11 1	
3,34,507 8 9			
	NOTE :—To commemorate the Golden Jubilee of the Bank, non-Banking Asset (Landed Property) Book Value Nil, valued at Rs. 6,500 (not adjusted in books of accounts) has been donated to the Udipi Municipality for housing a School.		
22,83,107 14 8	Total .. Rs.	29,03,750 11 5	

Corresponding figures 31-12-1955 Rs. a. p.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
18,04,872 3 4	By 1. Interest and Discount	23,17,640 10 0	
4,67,039 11 8	2. Commission, Exchange and Brokerage	5,70,786 5 8	
4,319 10 9	3. Rents	4,019 0 8	
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
15,577 5 5	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	10,061 11 1	
1,298 15 6	7. Other Receipts	1,243 0 6	
22,83,107 14 8	Total .. Rs.	29,03,750 11 5	

AUDITOR'S REPORT.

I have audited the foregoing Balance Sheet of The Canara Banking Corporation Limited, as at 31st December, 1956, and also the Profit and Loss Account of the Bank for the year ended on that date with the Books of Accounts and certified returns from Branches and visited some of the major Branches of the Bank during the year and examined the books of accounts and cash and securities as at the time of my visit and report that:

(a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
(b) Such information and explanations have been found to be satisfactory;
(c) The returns received from the branches have been found adequate for the purpose of my audit;
(d) The transactions of the Bank as have come to my notice have been, in my opinion, within the powers of the Bank;
(e) In my opinion, and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required;
(f) In my opinion,
  (i) the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December 1956;
  (ii) the Profit and Loss Account gives a true and fair view of the Profit or Loss for the year ended that date and shows a true balance of profit for the period covered by the audit; and
  (iii) proper books of accounts as required by law have been kept by the Bank so far as appears from my examination of there books; and
(g) The Bank's Balance Sheet and the Profit and Loss Account dealt with by the Report are in agreement with the books of accounts and Returns.

U. VARADARAJ NAYAK, Chartered Accountant. } Auditor.

UDIPI, 27th January, 1957.

U. SUNDER RAM PAI, Chairman.
V. R. KAMATH, General Manager.

K. PADMANABHA PAI
B. VAIKUNTA BALIGA
U. GOPALAKRISHNA NAYAK
U. PADMANABHA MALLYA
F. X. D. PINTO
K. RAMA RAO
M. GOPALAKRISHNA KAMATH } Directors.

INDIAN OVERSEAS BANK LIMITED

MR. M. CT. MUTHIAH'S SPEECH AT ANNUAL GENERAL MEETING

FULFILMENT OF PLAN TASK CAN BE CONVENIENTLY STAGGERED

ADDRESSING the shareholders of The Indian Overseas Bank Ltd., at their Annual General Meeting held in Madras on 29th March 1957, Mr. M. Ct. Muthiah, Chairman, expressed the view that the fulfilment of the task undertaken in the Second Plan could be conveniently staggered with neither too much reliance on deficit financing nor too drastic a resort to direct taxation.

The following are extracts from Mr. Muthiah's speech:

"GENTLEMEN,

"The Directors' report on the working of the Bank during the year 1956 has been with you for some time now and with your permission I shall take it as read.

"The comparative statement of condition gives a synopsis of the Bank's progress during the last five years. Deposits at Rs. 16,49 lakhs show an increase of Rs. 2,07 lakhs over the previous year. Advances and investments in Government securities have correspondingly increased by Rs. 1,76 lakhs and Rs. 32 lakhs, respectively.

"We continue to maintain a high degree of liquidity in the employment of funds as shown below:

	Lakhs of Rupees	Percentage to total deposits
A. Cash and Balance with banks	260	15.8
B. Bills	644	39.0
	904	54.8
C. Investments (against which no borrowings have been made) ...	471	28.8
Total of A to C	1,375	83.6
D. Advances	437	26.7

"The year 1956 was one of further growth in the earnings of our Bank. Gross earnings at Rs. 114 lakhs are the highest in the Bank's history, representing an increase of 34 per cent. over the previous year. Expenses also rose by Rs. 17 lakhs, chiefly as a result of increased salaries and higher interest paid on deposits. The net profit of Rs. 28.65 lakhs for the year is a record for the Bank exceeding the previous high of Rs. 16.55 lakhs earned last year. This handsome improvement in the Bank's working has enabled us to grant an increased bonus to the staff and your Directors consider that the shareholders are entitled to a higher dividend of 10 per cent., as against 7½ per cent. declared last year.

"As already indicated in my last year's report, two more branches were opened during the year, one in New Delhi, the Capital of the Indian Union and the other in Hyderabad (Deccan).

"Our overseas branches continue to have the support and patronage of a large clientele abroad, thanks to the high level of efficiency maintained by our staff.

Banking, Monetary and Economic Trends

"As a result of the growing industrial activity, the large increase in the volume of imports and the issue of Central Government and State loans during the year, total advances of Scheduled banks rose from Rs. 615 crores in December 1955 to about Rs. 780 crores in December 1956. Deposits, however, rose by Rs. 77 crores only to Rs. 1,097 crores reflecting the inadequacy of conditions favourable for the flow of funds into the banking system. The percentage of advances to deposits shot up from 60.34 per cent. to 71.11 per cent. The expansion of credit was attained by reduction in cash balances, liquidation of investments in Government securities and increased borrowing from the Reserve Bank. Advances availed of by the Scheduled banks under the Bill Market Scheme during the busy season in 1955-56 aggregated to Rs. 227 crores, as against Rs. 147 crores in the corresponding period of the previous year. Money supply expanded by about Rs. 131 crores to Rs. 2,178 crores and notes in circulation rose to an all-time record of Rs. 1,516 crores in May.

"The official Bank rate of the Reserve Bank of India remained unchanged at 3½ per cent. since November 1951, but the effective Bank rate, i.e., the rate at which the Reserve Bank rediscounted approved trade bills was raised from 3 per cent. to 3¼ per cent. on 1st March 1956 and thence to 3½ per cent. on 21st November 1956, ostensibly to counteract the inflationary tendencies in the country. With the increased stamp duty, the effective rate would be virtually 4 per cent. As from 1st February 1957, the Reserve Bank rate of interest on advances to Scheduled banks against Government and other eligible securities has also been raised to 4 per cent., possibly to render bank borrowings dearer in the wake of rise in prices of essential commodities including foodgrains. In the context of rising money rates, the Bank rate at 3½ per cent. appears rather untenable and it should necessarily follow the change in interest rate structure, if it is at all to be directed as a variable weapon of credit control in modern planned economies.

"Agricultural production during the year disclosed a slight fall, whereas the rise in industrial production was over 15 per cent.

"Over the year, the general index number of wholesale prices (base-year ended August 1939=100) moved up by 18.4 per cent. to 431.7 whereas the index number of prices of food articles advanced by 31.2 per cent. to 422.6. This was chiefly due to the fact that there was an altogether unwholesome tendency to hoard food grains for speculative purposes. A mild credit squeeze was, therefore, resorted to by the Reserve Bank to arrest the creation of artificial scarcity of foodgrains through an overdose of bank credit.

"A more serious threat to the country's economy than the mild inflationary pressure at home was the dwindling of foreign assets. The total of the foreign securities and balances held abroad with the Reserve Bank declined from Rs. 735 crores to Rs. 533 crores between January and December of the year. Our Finance Minister sensed the danger ahead and lost no time in initiating remedial measures to keep under reasonable check the inflationary pressure and to correct to some extent the imbalance in the balance of payment position.

Emergency Budget

"An emergency budget was introduced, the main features of which were increased rates of taxation on company dividends, compulsory depositing of part of company's reserves and profits with the Reserve Bank of India and the reintroduction of the Capital Gains Tax. The Finance Minister had already taken initial moves to conserve foreign exchange. Several cuts affecting over five hundred items of consumer goods have been made in import quotas for the licensing period January to June 1957, thereby providing for a reduced expenditure of about Rs. 30 crores overseas. The basic foreign travel allowance of £750 has also been withdrawn from the beginning of 1957, with a view to regulating its grant on the merits of each application. Rigorous scrutiny of all schemes and projects is proposed to be made from now on and undertakings involving foreign exchange expenditure of any kind have to receive the special sanction of the Finance Ministry. The need for such drastic measures could be better appreciated in the context of the present trend of trade. The value of the country's total exports for the first nine months of the year receded from Rs. 452.25 crores a year ago to Rs. 424.62 crores. Imports, on the other hand, showed a substantial increase from Rs. 454.99 to Rs. 577.60 crores in the year.

"It is, therefore, not unlikely that the phasing of the Plan outlay and ultimately the total Plan outlay itself would be largely governed by foreign exchange considerations. This realistic approach towards the implementation of the second Five-year Plan should necessarily slow down the tempo of socialistic drive in economic developments and encourage in its wake free flow of foreign capital into the country to meet the gap in foreign exchange resources. It is realised that not only through aid but also through trade should India mobilise funds to finance her present Plan. Export Promotion Councils, constituted a year ago, commenced their work by sending representatives abroad. Government also continued the policy of entering into bilateral trade agreements and a State Trading Corporation was established to trade mainly with bilateral trade countries on a Government-to-Government basis.

"The Plan under way is, as you are aware, just a continuation of the developmental efforts commenced in the First Plan with, of course, a larger accent on industrialisation, especially the development of heavy industries and the requisite ancillaries like transport, for which World Bank aid is presently sought. The fulfilment of the task envisaged can be conveniently staggered with neither too much reliance on deficit financing nor too drastic a resort to direct taxation, with a view to ensuring the co-ordinated and closely integrated efforts in both public and private sectors.

"I referred in my last address to the freeing of certain foreign currencies other than U.S. Dollars, Canadian Dollars, Sterling and Pakistan Rupee. With effect from 3rd September 1956, authorised dealers have been permitted to deal in U.S. and Canadian Dollars at rates to be decided by market conditions, subject to spot transactions being at or between the official buying and selling rates of the Bank of England.

Enactments of Interest

"The year was particularly momentous for certain legislative enactments relating to insurance and banking. The life insurance business taken over by the Government under an emergent ordinance early in the year was legalised in September last by the passing of the Life Insurance Corporation Act, but claims thereunder of the old companies remain yet unsettled. The new Companies Act that came into force in April last is a cumbersome piece of legislation which extends to every possible aspect of company administration and, as you are aware, its application has already revealed several incongruities, particularly in regard to banks. Other measures of importance are the amendments made to the Reserve Bank Act and the Banking Companies Act. The latter gave the Reserve Bank powers of control over the terms of appointment of whole-time directors, managing directors and chief executive officers of banks as also to issue directives to banks in matters of policy and administration. It also empowers the Reserve Bank to appoint officers for the purpose of watching and reporting on the conduct of affairs of any banking company. These amendments were, of course, received with mixed receptions, but, given the goodwill all round, it will not be impossible to achieve the objects in view in the best interest of the country.

Tour Abroad

"Last year, I went on a tour of the United Kingdom and the Continent accompanied by the General Manager and I am happy to pay personal testimony to the fund of goodwill we enjoy abroad. The tour also helped personal assessment of world problems of general interest to the Bank and incidentally to make arrangements for the special training of our selected staff in the United Kingdom. Such tours at frequent intervals are indeed essential to strengthen the ties and improve the reciprocal business relationship with our overseas correspondents in the context of growing competition for foreign exchange business.

"The need for giving specialised training for the junior staff in India has been engaging our attention and your Directors have decided to establish in Madras a training school with necessary facilities for the trainees. Apart from the theoretical courses, the trainees will be given intensive practical training at our Madras Branch.

"In conclusion, I wish to express on behalf of the Board and on my own, our sincere appreciation of the very good work done by the entire staff. I am sure, with their continued loyalty and unstinted co-operation, our Bank will grow from strength to strength."

Note: *This does not purport to be a record of the proceedings of the annual general meeting which will be sent separately to shareholders.*

The British Bank of the Middle East

(INCORPORATED IN ENGLAND BY ROYAL CHARTER, 1889 WITH LIMITED LIABILITY)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER, 1956.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
Deposit with Reserve Bank of India under Section II (2) of the Banking Companies Act, 1949	20,80,541 10 0	
2. Reserve Fund and Other Reserves		Nil
3. Deposits and Other Accounts—		
Fixed Deposits	52,14,288 10 0	
Savings Bank Deposits	62,909 0 6	
Current Accounts, Contingency Accounts, etc.	1,83,21,727 12 10	2,40,98,925 7 4
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	15,00,000 0 0	
(ii) Outside India	Nil	15,00,000 0 0
PARTICULARS—		
(i) Secured	Nil	
(ii) Unsecured	15,00,000 0 0	
5. Bills Payable		3,74,407 13 6
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	70,26,575 0 8	
(ii) Payable outside India	60,80,573 7 9	1,31,07,148 8 5
7. Other Liabilities—		
(i) Head Office and Branches outside India	2,42,20,201 9 3	
(ii) Staff Provident Fund	1,57,834 7 4	2,43,78,036 0 7
8. Acceptances, Endorsements and Other Obligations as per contra..		2,38,85,191 7 0
(Including Rs. 11,81,640-10-0 in respect of Guarantees given to Government Departments, secured against part of the Bank's Investments)		
9. Profit and Loss—		
Balance of Profit Brought Forward	1,91,737 2 3	
Profit for the year	1,59,461 5 4	
	3,51,198 7 7	
LESS—Remitted to London Office	3,33,446 6 9	17,752 0 10
10. Contingent Liabilities—		
(i) On Outstanding Forward Exchange Contracts	28,31,90,364 11 10	
(ii) On Bills Re-discounted	10,65,807 1 9	
(iii) Uncalled liability on partly paid ordinary shares held as investments	4,000 0 0	
Total .. Rs.		8,73,61,461 5 8

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		37,83,131 5 11
2. Balances with Other Banks on Current Accounts—		
(i) In India	Nil	
(ii) Outside India	6,84,873 12 8	6,84,873 12 8
3. Money at Call and Short Notice		7,00,000 0 0
4. Investments (At Book Value)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	33,43,335 8 0	
(ii) Shares—		
Fully paid Ordinary Shares	2,50,000 0 0	
Partly paid Ordinary Shares	2,90,000 0 0	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
(Market Value of fully paid Ordinary Shares Rs. 1,88,750) (Market Value of partly paid Ordinary Shares —not quoted)		38,53,335 8 0
5. Advances (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—		
(1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 2,27,26,343 5 3		
(ii) Outside India .. .. Nil	2,27,26,343 5 3	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 50,37,869 4 0		
(ii) Payable outside India .. 1,32,62,232 13 1	1,83,00,102 1 1	4,10,26,445 6 4
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Banking Company is fully secured	2,31,37,247 12 7	
(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal security	1,29,29,516 8 4	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	49,59,681 1 5	
(iv) Debts considered doubtful or bad, not provided for	Nil	4,10,26,445 6 4
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	4,200 0 0	
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents, or, in the case of Private Companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	6,248 0 4	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents, or, in the case of Private Companies, as members	Nil	
(ix) Due from Banking Companies	202 8 0	
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	70,26,575 0 8	
(ii) Payable outside India	60,80,573 7 9	1,31,07,148 8 5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,38,85,191 7 0
8. Premises, Less Depreciation		Nil
9. Furniture and Fixtures, Less Depreciation		Nil
10. Other Assets—		
Stamps, Sundry Deposits, Prepaid Expenses and Charges Recoverable	1,08,272 1 5	
Adjusting Account	1,82,206 11 11	
Inter-Branch Adjustment	30,856 8 0	3,21,335 5 4
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		8,73,61,461 5 8

PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1956.

EXPENDITURE	Rs. a. p.
1. Interest paid on deposits, borrowings, etc.	6,62,325 0 8
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of General Manager Rs. 76,726-4-0)	12,33,733 7 1
3. Directors' and Local Committee Members' Fees and Allowances	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	1,40,174 3 1
5. Law Charges	25,175 12 9
6. Postage, Telegrams and Stamps	42,811 3 8
7. Auditors' Fees (including Rs. 1,700 for previous year)	3,500 0 0
8. Depreciation on and Repairs to Banking Company's Property	10,654 9 0
9. Stationery, Printing, Advertisement, etc.	63,977 1 6
10. Loss from sale of or dealing with Non-Banking Assets	Nil
11. Other Expenditure including proportion of London Office Administration Charges	5,82,189 2 6
12. Balance of Profit	1,59,461 5 4
Total .. Rs.	29,24,001 13 7

INCOME	Rs. a. p.
(Less Provision made during the year for Bad and Doubtful Debts and other usual necessary provisions)	
1. Interest and Discount	15,03,575 6 9
2. Commission, Exchange and Brokerage	14,12,488 14 10
3. Rents	Nil
4. Net Profit on Sale Conversion of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	7,937 8 0
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale or Dealing with such Assets	Nil
7. Other Receipts	Nil
Total .. Rs.	29,24,001 13 7

We have audited the foregoing Balance Sheet of the Indian Branches of The British Bank of the Middle East, as at the 31st day of December, 1956, and also the foregoing Profit and Loss Account of the Indian Branches of the Bank for the year ended on that date, in which are incorporated the unaudited returns of Calcutta Branch not visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to Sub-Section (1) and (2) of Section 211 and Sub-Section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Indian Branches of the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branch of the Bank not visited by us;

(c) the Balance Sheet and Profit and Loss Account of the Indian Branches of the Bank dealt with by this report are in agreement with the books of account and the returns;

(d) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Indian Branches of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit of the Indian Branches for the year ended upon that date.

P. L. SANDEMAN,
Manager.

BOMBAY, 28th March, 1957.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

CALCUTTA JUTE FABRICS SHIPPERS ASSOCIATION

MR. N. K. JALAN'S SPEECH AT ANNUAL GENERAL MEETING

STEADY SUPPLIES AND STABLE PRICES NEEDED

DESPITE the removal of export duties on jute in 1955 and the increase in mills' production at the beginning of last year, the jute manufacturing industry did not fare well in 1956. This was mainly due to the lack of sufficient response from the overseas market. The abnormal influence exercised on price structure by the unusually firm jute market was another contributory factor. In his address to the Annual General Meeting of the Calcutta Jute Fabrics Shippers Association held at Calcutta on Tuesday 2nd April 1957, Mr. N. K. Jalan, Chairman of the Association, stressed the need for steady supplies and stability in prices. He suggested that a properly regulated futures market could do much to stabilise jute prices.

The following is the full text of Mr. Jalan's speech at the meeting:

"GENTLEMEN,

"If you have no objection, I will take the notice convening this meeting as read.

"When I was elected Chairman of the Association at the beginning of the year under review, I might with some justification have looked forward from that point of time to the present occasion and pictured myself, after a lapse of 12 months, as the happy reviewer of a successful year for the Indian jute industry and trade. The outlook a year ago was certainly bright enough to warrant the modest hope that the progress made in 1955 would be maintained during 1956, and if today, contrary to expectations, I am not cast in the role of the aforesaid happy reviewer, I can at least try to analyse the reasons why our earlier hopes were not fulfilled.

Export Trade

"It is, of course, arguable that, solely from the point of view of the export trade, which is our bread and butter, the year was a moderately good one, even if the bread was rendered somewhat dry by the scarcity of the butter. In my 'Note on the Market' which appears in your Committee's Report, I did in fact use the words 'reasonably satisfactory' in alluding to the year's results. I was, of course, speaking as a shipper, and it must be acknowledged that, for the manufacturing industry itself, the 12 months under review were most disappointing and literally unrewarding; and we, as shippers, cannot indulge in complacency in circumstances where the manufacturing industry itself is not thriving. I think that most observers of the scene will agree that the two main contributory factors to the disappointments of the year were, firstly, the lack of a solid response from the overseas markets which we might reasonably have looked for as a result of the removal of the export duties in 1955 and the increase in the mills' production at the beginning of 1956—both of which developments must surely have been welcome features to consumer interests—and, secondly, the abnormal influence exercised on the price structure by the unusually firm jute market witnessed during the year. Given the first factor, bad enough in itself, the addition of the second factor was sufficient to turn the scales heavily against the industry, so much so that at one stage, towards the middle of the year, a minimum export price scheme was canvassed in official circles as a means of counteracting the uneconomic margin between jute and finished goods prices. The proposal was ultimately abandoned, and I am sure we were all glad that it did not materialise for we know how repugnant the idea of controls is to our overseas customers.

The Real Answer

"Considering the long-term interests of the industry, the real answer to the problem seems to lie in lower prices for raw jute, with finished goods prices stabilised at their present low levels, thus preserving our competitive advantage and assisting the growth of the national economy through higher earnings from increased exports. Mention of our competitive position leads me on naturally to a reference to our most formidable competitor, namely, Pakistan. We have seen the Pakistan jute industry mushroom to a very respectable size and we are obviously entering a period in which our combative strength is to be severely tested. Last year, Pakistan's exports of jute manufactures totalled 80,000 tons, an increase of about 50 per cent. on the previous year and roughly one-tenth of India's total exports of gunnies.

Overseas Demand

"Naturally we ourselves are immediately and primarily concerned about the state of overseas demand, and we were fortunate that it was fairly well sustained during the past year, even if it did not come up to our expectations. One keen disappointment which we all felt was the paucity of the eventual offtake by Russia, when we had been led to believe that substantial orders would be forthcoming from that quarter. Indeed, it was largely on the understanding that a sizable business was to be done with Russia that the industry agreed, at the instance of the Government of India, to increase its output in the early part of 1956. In the event, the total business put through amounted to only about 10,000 tons, and with no compensatory revival of demand from other sources, the mills were finally compelled to curtail their production once again, while shippers were left with a feeling of frustration. That Russia should have been at all interested in obtaining jute goods from India betokens a potentially large source of demand, especially when viewed against the background of that country's gigantic and rapidly expanding economy, and I am sure that, by sustained negotiation on the part of our Government, a rewarding business connection can still be established on behalf of the Indian jute industry.

"The total gunny export business during the calendar year 1956, at the provisional figure of 868,500 tons, was some 25,000 tons less than in 1955, although there is some satisfaction in being able to record that the rise in the domestic offtake was almost sufficient to restore the balance. Actually, India itself was the industry's second best customer during the year. Shipments to the U.S.A., still our largest single market, showed a welcome increase from 180,000 tons in 1955 to 195,800 tons in 1956, and if the increase in domestic consumption in that country did not quite match the higher offtake from Calcutta, we can at any rate take some encouragement from the general upward trend, which we hope will be maintained in the coming year. The U.S.A. is essentially a hessian consumer, and so also is the Argentine, but there was a disappointing drop in that country's purchases of jute goods in 1956, compared with the previous year. Nevertheless, this is possibly attributable to the fact that large stocks had been built up previously by the Argentine and were in course of liquidation during the year under review. Moreover, there is some prospect of a better offtake in the coming year with the return of the trade there to private hands. This latter measure may well assure for us a more even and better sustained demand from the Argentine. The total exports of jute goods to the U.K., another important customer, increased slightly to 60,800 tons, a figure at which we cannot cavil.

Shipments to Australia

"A telling factor in an assessment of the trade during the year was the marked decline in shipments of heavy goods to Australia, our biggest customer for this commodity. However, there is no reason to suppose that this decrease in offtake was occasioned by other than temporary considerations, and in the normal course of events there should be a substantial improvement this year in Australian purchases. Considering, also, the very heartening internal consumption of sacking goods during the past year and the prospect of an expansion of this demand in pace with the unfolding of India's second Five-year Plan, we can look forward with some confidence—barring unforeseen contingencies—to an increase in the consumption of heavy goods. It is unfortunate that, for political and other reasons, the Far Eastern market which was once so important to us has now virtually been lost and that, owing to the growth of indigenous jute manufacture in the areas concerned there is little likelihood of a resumption of this trade.

"One lesson that must by now have been well learnt, if we profit at all from our experience, is the fundamental importance to our export trade of assured supplies of goods and stability of prices. The rapid progress made towards the attainment of self-sufficiency in raw material supplies has been instrumental in bringing us nearer to that major goal, but speculation is still with us and will not be entirely eliminated even when it has lost the advantage of a fluctuating raw jute supply position. The recent severe depression of gunny prices, otherwise unaccountable, has shown how influential these ungoverned speculative activities can still be. The hopes of those who have the genuine interests of the industry and trade at heart now reside in the successful implementation of Government's scheme for the establishment of a properly regulated futures market which, given the chance to do so, could exercise more influence than any other single factor in stabilising prices. At the same time, we are glad to note that Government are pursuing this matter cautiously, for desirable as a sound hedge market is, it would be disastrous if the normal forward business for specific delivery were disrupted by the imposition of a control for control's sake. A misapplication of the rules governing futures trading could well throw out of employment all those gunny dealers and brokers who at present constitute what is known as the 'bazaar,' and their dependants and employees would suffer with them. I consider, therefore, that in all fairness the I.J.M.A.'s standard gunny contract form should be excluded from the application of the Forward Contracts (Regulation) Act, and in support of this contention I would point out that the regulations governing futures trading in the East India Cotton Association do not affect forward contracts for specific delivery, and these arrangements have worked very satisfactorily.

Delays in Loading

"Your Committee's report, which was issued to you shortly before this meeting, deals fairly comprehensively with the various matters which engaged the Association's attention during the year under review and I do not propose to weary you with a recital of the Committee's activities as already described in the report. I would, however, like to touch briefly on one or two matters which are of rather more importance and closer concern to us than others. First of all, there is the question of delays in the loading of gunny cargo, regarding which there has been so much controversy and negotiation over a period of many years.

"As you will have seen from the report, we seem at last to be making some headway towards an improvement in the boating position, and it will be particularly interesting to see what effect the new arrangements for Australian sailings have when they are introduced in July next. Apart from this, there is the diversion fee scheme recently introduced by the lighterage companies. No doubt this is well intentioned, but the scheme in its present form bears much too heavily on the shippers. Your Committee are aware of the considerable trouble to which some members have been put as a result of the peremptory demands made on them by some of the lighterage companies, and I should like to inform you that we are pressing the Calcutta River Transport Association to dissuade its members from enforcing the new scheme pending further discussions which are to take place between the interests concerned under the auspices of the Bengal Chamber.

F.O.B. Contract

"Your Committee have also been actively engaged in considering contract matters during the year, particularly the long outstanding f.o.b. contract for sales to America and also, as a result of prolonged correspondence with Australia during the year, the standard contract form for sales to that country. With regard to the f.o.b. contract, we are indebted to Mr. N. L. Kanoria for having taken this matter up in the course of a visit which he paid to the U.S.A. last year, and I am glad to be able to say that the I.J.M.A. has now agreed to reopen negotiations with us, although it has not committed itself in any way. Recently, your Committee had a useful discussion with a leading representative of one of the major jute goods importing and distributing committees in Australia and it is hoped that, before long, we will be able to arrive at some mutually satisfactory arrangement in regard to the controversial aspects of the present contract conditions applicable to Australian business.

"One perturbing feature during recent years has been the decline in our roll of members. There were eight resignations last year against only two new admissions, and at the present time, our membership list comprises 65 firms. Yet, only five years ago we had a total membership of 90. It is realised that part of this loss is attributable to normal factors, but it may well be that some firms which would otherwise have been interested in maintaining their connection with the Association have been unduly influenced in their decision to resign by the progressive increases in the rate of membership subscription which it has been found necessary to make in order to balance the annual budgets. The subscription last year was Rs. 100 per quarter per member, and while this is admittedly rather high, it scarcely seems to provide sufficient justification for leaving the Association, which after all is still the only body truly representative of the gunny exporting interests in Calcutta. I sincerely trust that the recent trend towards a smaller membership will be arrested, and if the main consideration in this has been the financial obligations of membership, members will at least have been reassured by the prospect of a lower subscription rate in the coming year, as mentioned in the Annual Report. We will have a smaller budget in 1957, due to the reduction in the Association's contribution to the Bengal Chamber, and I take this opportunity of placing on record our sincere appreciation of the Chamber Committee's generous action.

"In conclusion, gentlemen, I wish to place on record my very great appreciation of the valuable help and unfailing support which I have received from the members of the Committee in the discharge of my duties. Mr. Duncan Smith, your Deputy Chairman, is unfortunately unable to be present today, as he has just proceeded on leave to the U.K., but I take this opportunity of expressing my warm thanks to him for his most able assistance during the year.

"I should also like to express my sincere appreciation of the help I have received throughout from our Secretaries, Mr. Robertson and Mr. Mairs, and from the other members of the Chamber staff concerned with our Association."

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INDIAN MINING FEDERATION

MR. NARENDRA SINGH SINGHI'S PLEA FOR CO-ORDINATED COAL POLICY

ADDRESSING the Forty-fourth Annual General Meeting of the Indian Mining Federation, held on 27th March 1957, at Calcutta, Mr. Narendra Singh Singhi, the Chairman of the Federation, emphasised that the public and private sectors in the coal industry were not two different worlds, but were complementary to each other. The following are excerpts from his speech:

"GENTLEMEN,

"Our last annual general meeting was held on the eve of a new era. The draft Plan-frame, which served as the basis of the second Five-year Plan, had been considered in detail and allocations for various items in both the public and private sectors had received the final touches. It was, therefore, a heavy responsibility that I took over from my predecessor and it was natural that I should feel a little nervous, but at the same time I was elated with the hope of seeing the coal industry make the first big step towards the ambitious goal of 60 million tons of coal at the end of five years. Perhaps, it is not too ambitious if we view the Government's planning programme in perspective: an annual output of 15 million tons of steel and 150 million tons of coal to be achieved by the year 1965.

"We now have figures of the industry's performance during the year 1956. The two sectors between them produced just over 39 million tons of coal during the year, marking an increase of a little over a million tons over the output of the year 1955. Even after making due allowance for the fact that the calendar year 1956 covered only the first nine months of the Plan period, the coal industry, it will be admitted, has not made anything like a flying start towards the winning post of 60 million tons in 1960-61."

After referring to the fact that it was not till the end of June that the Production Ministry was able to make up its mind about the quantitative assignments of the two sectors, Mr. Singhi said: "Perhaps in its three-dimensional thinking the Government did not realise that the fourth dimension, time, is an indispensable factor for the success of planning." He added:

Wagon Supplies

"It is not my intention to sound a pessimistic note; but if we are to make a success of the Plan, in spite of its initial setback, we must first of all squarely face facts. Production is going up in the collieries at an increasing pace which can be speeded up still further. The supply of wagons has also increased of late but hardly to the extent necessary. Huge stocks are to be found at the pitheads. What will happen when the Plan gets going and there is a substantial increase in the tempo of coal production? The railways are the lifeline of industries; in particular, of the coal industry. If the meagre improvement that has taken place of late in the rail transport of coal is an earnest, the prospect of the Plan seems bleak indeed. The inadequacy of funds allotted for the improvement of railways is advanced by the railway authorities as the main reason for the failure of the railways so far to cope with the increased traffic. If that is so, the whole question should be thoroughly investigated at the highest Governmental level. But, with a little more efficiency, the railways could have utilised the funds made available to them to much better effect than they have so far done. At this rate there is little chance of the supply of wagons being able to catch up with production with the result that the sinister role of transport as the limiting factor of coal production threatens to become even more pronounced than ever before. Let us consider one immediate effect of this. Wholesale mechanisation is an important item in the plans for increased production of most collieries. But, once mechanisation is adopted, everything must go on schedule. It is essential, therefore, that wagons must be ready to receive the coal when it arrives there.

"But there are other factors to consider and I propose now to deal with one of the most important of them, namely, our doctrinaire obsession regarding the roles of the public and the private sectors in laying the foundation of a sound national economy.

"It might be argued that, so far as the coal industry is concerned, since the two sectors have been given their due assignments, we have only to carry on without trying to reopen an issue already settled. Well, carry on we must, but while most of us think of the assignment in static terms, our Prime Minister has always exhorted us to think dynamically. It we are to do so in the concrete terms of coal production, it just means that the 12 and 10 million tons of additional production, entrusted to the two sectors, are to be considered as flexible rather than fixed targets within the overall figure of 60 million tons. I am putting forward no revolutionary idea, but just drawing your attention to what the planning authorities have themselves said.

Public Sector

"The public sector in this industry has been in existence for quite a long time, but its output has always been a modest fraction of that of the private sector. In 1956, collieries in the public sector produced only 3 million tons, as against 35 million tons mined by the collieries in the private sector. Even with the very considerable expansion envisaged for it under the current Plan, its target at the end of the Plan period is 15 million tons, as against 45 million tons assigned to the private sector. But that, of course, is to be considered only as a beginning. In subsequent Plans, the public sector will have a progressively increasing role assigned to it. That seems to be the firm policy of the Government and it is not for me to criticise the policy.

"The fact remains, however, that the coal industry in both sectors has undertaken the vast commitment of providing the country with 60 million tons of coal at the end of five years of which one year has already gone without an appreciable increase in production owing, as I have already pointed out, to the Government's shilly-shallying methods. Can we reach the target in the four remaining years? I can speak only for the private sector. It has received the green signal rather late. But that is a minor matter compared with the other handicaps under which it has to operate. For example, new mines have been declared out of bounds for the private sector. While collieries are expected to go all out for production, it seems hardly a logical decision to ask them to confine their operations within a restricted area. The idea seems to be gradually to narrow the scope of the private sector and widen that of the public in pursuit of the policy of establishment of a socialistic pattern of society.

"After all, the private sector in the coal industry is not nearly so private as many might imagine, being subject to a whole series of control measures exercised by the Mines Department and the Coal Board in regard to the methods of mining, the depth of mines and safety measures, on the one hand, and the Coal Controller, on the other, who is responsible for the entire business of distribution of coal. The public sector too is not entirely manned by public servants, it has to lean fairly heavily on contractors who work for a profit. My point is that the two sectors are not two different worlds. They are complementary rather than contrary. An integrated coal policy, covering all aspects of production as well as distribution, can, therefore, be fully implemented throughout the industry irrespective of the two sectors. But, unfortunately, it is not. Modest enough as the public sector's role appears to be in the present scheme of things, the principle of 'weightage' still functions, as a heritage from the bad old days, in determining its 'minority rights.' This is borne out by the fact that it often gets an unduly large share of necessary facilities like supplies of iron and cement and, most important of all, transport. As you are aware, strong representations have been made by the industry, both in Calcutta and Delhi, against the favoured treatment in respect of wagons received by the Government collieries. What is most unfortunate in this connection is that details of indents and allotments to the Government collieries asked for by the representatives of the industry on the Wagon Allotment Committee in Calcutta were never furnished."

HINDUSTAN LEVER LIMITED

SPEECH OF THE CHAIRMAN AT ANNUAL GENERAL MEETING

THE Annual General Meeting of Hindustan Lever Limited was held in Bombay on 4th April 1957. The following is the text of the speech made at the meeting by the Chairman, Mr. A. J. C. Hoskyns-Abrahall:

"It gives me great pleasure to welcome our new shareholders to this annual general meeting of our Company in its new form and under its new name. The report and accounts have been in your hands for some days and, by your leave, I will take them as read.

"Less than five months have passed since we announced Unilever Ltd.'s intention to offer a part of our shares for sale to the public. At that time, we made certain forecasts about our business and expressed certain intentions about the distribution of our profits. In the short time that has elapsed since then, there has been no sudden boom in our business or any sort of windfall, but our final figures, as you will have seen, have shown our earlier forecast to have been somewhat conservative. We are, therefore, recommending to you a higher final dividend of 75 naye paise, at the same time coupling with that recommendation the caution that our outlook and policy have not thereby undergone any essential change. In the light of recent events, we would not like you to build up any great expectations that future dividends will be higher than we forecast those few months ago.

Taxation

"In this connection, I would remind you that the ink on our Offer for Sale documents was barely dry and the lists had not even been opened, when the Finance Minister sprang his surprise interim Budget on the country, with its capital gains tax, its lengthened scale of super-tax on dividends and its compulsory depositing of a large part of companies' reserves. Moreover, the Minister has also thought it right to tell us that, in seeking finance for the second Five-year Plan, he has by no means yet exploited corporate taxation to the full. In this sort of context, I feel bound to say that, however much we may be able to increase our sales turnover in the future, it does not necessarily follow that there will be a commensurate, if indeed any, benefit to our shareholders. The development of this country costs money, a lot of money, and the private investor will continue to be called upon to pay his share by way of taxes. How much that share will eventually be we cannot know; it is not likely to be small.

"We did, in fact, increase our sales in 1956, achieving a tonnage exceeding 121,000 without including the sale of toilet preparations, in which section mere tonnage is not a very suitable measure. That our profits were not quite of the order of those we earned in 1955 was mainly due to increases in costs of our raw materials, of processing and of freight.

"We are far from complacent about this upward trend in costs, which seems to be fairly general among household necessities, or near-necessities, into which class our products fall. In a community embracing so many people with very low incomes, our products run the risk of being too highly priced, whether for the consumers' good or our own, and we should greatly like to make reductions, with all the stimulus they would give to increases in consumption. Unfortunately, the prerequisites are lacking. We are vitally interested, for instance, in Government's second Plan target of more than 7½ million tons of oilseeds, representing a 30 per cent. increase in production. That oilseeds, and particularly groundnuts, should be freely available at moderate prices is of prime importance to our business, to say nothing of its significance for export and foreign exchange purposes, but we cannot yet detect any great progress being made towards hitting the target. Transport is another vital sphere where unrestricted availability at moderate prices is essential, but, at present, its inadequacy is constantly giving rise to costly delays and, on the top of that, freight rates are tending to increase. These are but two indications of what I have said is a general trend.

"While the rising national income will generally be absorbing some of the shock of higher prices, we do, of course, provide what counterblast we can in our own operations. Through nearly all the media we use, we are adding to our normal advertising efforts a steadily mounting educational service, by which habit-forming instruction in better washing and cooking methods is imparted to the public. In the countryside, particularly, our large and still growing fleet of demonstration, cinema and other vans is carrying this service farther afield every year.

Import Restrictions

"Another matter affecting us is the recent tightening of import restrictions and some of you may well be asking to what extent we rely on imported materials for the pursuit of our business. You will already know that we find between 80 and 90 per cent. of our raw materials from within this country, since that fact was stated in our Offer for Sale. That does not mean, however, that there are not certain key items, some perfume ingredients, for instance, and certain chemicals imported by us, without which—although they may be small in volume—we should be unable to maintain the quality, or what you might call the personality, of our products. We hope to be allowed to continue to import such items as being actual users of them, but of that we cannot yet be sure. It is hardly necessary to say that such changes as we are powerless to avoid we shall seek all means to mitigate, and we do not expect to have to ask our consumers to accustom themselves to any serious departure from our normal products. You should know, moreover, that, as exporters, we are already useful earners of that scarce and greatly sought after commodity, foreign exchange. In 1956, our exports of glycerine, *vanaspati* and soap were worth rather more than Rs. 76 lakhs, and they went to places as far apart as New York and Fiji with many destinations in between. When we seek to make imports, our record as exporters should be allowed to stand to our credit.

"It is, however, and has long been, our policy to buy Indian materials so far as we possibly can. In the past few years, we have been encouraging, with some success, the local manufacture of items which previously were imported. Bleaching earth, paper and board are recent instances where we have been able increasingly to switch our buying from foreign to local sources. We are also increasingly relying on Indian sources for the management of the business. It may interest you to know that, from a peak of 59 in 1952, the number of Europeans we employ has already fallen to 32, the places of the 27 who have gone having been taken by Indians. This trend extends throughout our business, whether it be in the marketing, commercial or technical sections.

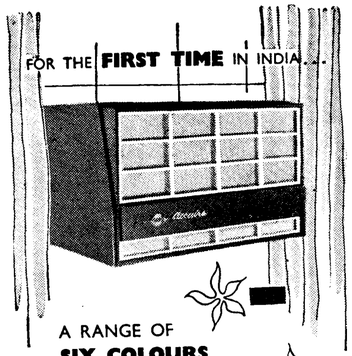
"Our staff have worked well throughout the year. We are glad to say that we have signed a comprehensive agreement with our Bombay factory employees covering the whole period of the second Five-year Plan. It embraces wages, bonus and retirement provisions for about half our employees, as well as production incentives. A similar agreement with the rest of our employees all over India is now on the point of being signed and we, therefore, have good reason to look forward to a period of steady consolidation of the goodwill already existing on both sides.

Welfare of Employees

"While on this subject, I might add that we try to look after the welfare of our employees, not only by giving them congenial working conditions, but, more particularly, by providing them with good medical services and good factory canteens. We have canteens in all our factories except the one at Shamnagar near Calcutta and there a newly built canteen is due to be opened ten days from now. Moreover, we are not satisfied with our Bombay Soap Factory in this respect and propose to build there a new canteen at a cost of about Rs. 6 lakhs, as soon as we can finalise our plans and secure the necessary cement and steel. Providing this facility for our office staffs is by no means an easy matter, but we propose to include a modern canteen with recreational facilities in the new Bombay Office building, on which we hope to start work this year. So far as medical services are concerned, we have full-time doctors and nursing sisters on the staff in our Bombay and Calcutta factories, while in our smaller factories we have part-time doctors who attend daily and full-time dispenser-dressers. All factories have consulting rooms and properly equipped dispensaries. Arrangements to deal with medical emergencies occurring outside general duty hours vary from place to place; in the Bombay factory, we have dispenser-dressers on duty in all shifts; in our other factories, we have staff specially trained in first-aid. In our offices, we have arrangements for doctors to be on part-time duty or we pay them retainers, so that facilities for free consultation and treatment are available to the employees concerned. In the past few years, these medical services have generally, and particularly in Bombay, reduced the time lost through illness and accident.

"I would like to end this review by giving you one good reason why this business should continue to expand, lest you should think that I have listed difficulties but little else and hear little but the rattle of chains. We are, in fact, conducting our operations in a rapidly developing country, inhabited by something approaching 400 million people, who by modern standards consume per head so little of the sort of products we manufacture, that an immeasurably greater consumption is bound to come. Moreover, it is entirely for the good of the country that it should come. On this satisfactory base, we expect to go on building. As for the difficulties, they are, or are likely to be, largely of a type common to most consumer industries at the present time, and it is probably fair to say that our business is as well equipped as most others to meet their challenge."

Note.—This does not purport to be a record of the proceedings of the annual general meeting.



THE FIRST NATIONAL CITY BANK OF NEW YORK

(INCORPORATED WITH LIMITED LIABILITY IN THE U.S.A.)

BALANCE SHEET OF INDIAN BRANCHES AS AT CLOSE OF BUSINESS, DECEMBER 29, 1956.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. **Capital**— 3% 1957 Government of India Bonds face value Rs. 20,25,000 market value as of date Rs. 20,19,937-8-0	20,19,937 8 0	
2. **Reserve Fund and Other Reserves**		Nil
3. **Deposits and Other Accounts**— Fixed Deposits	4,43,26,121 15 3	
Savings Bank Deposits	11,42,060 10 3	
Current Accounts, Contingency Accounts, etc.	3,18,76,333 15 11	
		7,73,44,516 9 5
4. **Borrowings from Other Banking Companies, Agents, etc.**— (i) In India	65,56,857 11 5	
(ii) Outside India	Nil	
		65,56,857 11 5
PARTICULARS— (i) Secured	Nil	
(ii) Unsecured	65,56,857 11 5	
5. **Bills Payable**		10,04,735 14 8
6. **Bills for Collection being Bills Receivable** as per contra— (i) Payable in India	1,29,56,361 7 10	
(ii) Payable outside India	23,81,197 1 5	
		1,53,37,558 9 3
7. **Other Liabilities**— (i) Unexpired Discount	320 7 0	
(ii) Reserve for Interest Payable	3,62,193 4 2	
(iii) Reserve for Taxes	5,91,785 12 1	
(iv) Reserve for Other Expenses	9,359 13 6	
(v) Sundry Accounts	7,57,743 2 8	
		17,21,402 7 5
8. **Acceptances, Endorsements and Other Obligations** per contra		Nil
9. **Profit and Loss**— Profit for the year ended December 22, 1956 brought from the Profit and Loss Account (includes Rs. 9,703-2-6 profit for the period December 24, 1955 to December 30, 1955 shown in the last Balance Sheet)	15,40,819 15 11	
LESS— Rs. a. p.		
Reserve for Taxes 11,10,168 0 1		
Amount remitted to Head Office 4,30,651 15 10		
	15,40,819 15 11	
	Nil	
ADD—Profit for the period from December 24, 1956 to December 29, 1956	17,740 12 7	17,740 12 7
10. **Contingent Liabilities**— (i) Outstanding Credits Unused	5,86,02,573 0 0	
(ii) Outstanding Forward Exchange Contracts	8,91,86,878 3 10	
(iii) Bills of Exchange Re-discounted	7,82,666 0 4	
(iv) Collection documents released on our responsibility	2,76,548 0 0	
(v) Claims against the Bank not acknowledged as debts	35,400 0 0	
Total .. Rs.		10,19,82,812 0 9

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. **Cash**— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		51,98,015 10 1
2. **Balances with Other Banks** (in Current Account)— (i) In India	4,92,040 0 8	
(ii) Outside India	5,58,567 3 5	
		10,50,607 4 1
3. **Money at Call and Short Notice**		Nil
4. **Investments** at book value— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	1,09,68,468 12 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		1,09,68,468 12 0
5. **Advances** (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)— (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 5,61,12,045 12 8		
(ii) Outside India Nil	5,61,12,045 12 8	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 80,12,826 1 2		
(ii) Payable outside India 40,95,585 6 11	1,21,08,411 8 1	
		6,82,20,457 4 9
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured	3,32,11,486 1 3	
(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	2,88,32,079 4 2	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	60,86,142 15 4	
(iv) Debts considered doubtful or bad, not provided for	90,749 0 0	
	6,82,20,457 4 9	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	3 1 5	
6. **Bills Receivable being Bills for collection** as per contra— (i) Payable in India	1,29,56,361 7 10	
(ii) Payable outside India	23,81,197 1 5	
		1,53,37,558 9 3
7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		Nil
8. **Premises Less Depreciation**		Nil
9. **Furniture and Fixtures**— At cost as of December 30, 1955	4,45,888 10 6	
Additions during the year	64,677 15 0	
	5,10,566 9 6	
LESS—Deductions during the year	16,389 0 0	
	4,94,177 9 6	
LESS—Depreciation written off upto December 22, 1956	2,77,955 0 0	
		2,16,222 9 6
10. **Other Assets**— (i) Accounts Receivable	19,467 15 3	
(ii) Interest Earned Not Collected	2,17,275 8 11	
(iii) Clearing and Cash Items	222 6 0	
(iv) Revenue Stamps	2,788 3 0	
(v) Prepaid Expenses	42,466 12 0	
(vi) Due from H. O. and Branches	7,09,261 1 11	
		9,91,481 15 1
11. **Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
12. **Profit and Loss**		Nil
Total .. Rs.		10,19,82,812 0 9

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED DECEMBER 22, 1956.

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	20,72,693 3 10
2. Salaries and Allowances and Provident Fund (including Salaries and Allowances to Manager Rs. 70,617-11-9)	17,33,444 14 6
3. Directors' and Local Committee Members' Fees and Allowances	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	1,65,572 9 0
5. Law Charges	17,805 0 11
6. Postage, Telegrams and Stamps	1,09,003 15 10
7. Auditors' Fees	Nil
8. Depreciation on and Repairs to the Banking Company's Property	91,552 9 2
9. Stationery, Printing, Advertisement, etc.	77,112 3 9
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure	4,88,249 15 9
12. Balance of Profit	15,40,819 15 11
Total .. Rs.	62,96,254 8 8

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other Usual or Necessary Provisions)	Rs. a. p.
1. Interest and Discount	37,78,196 2 0
2. Commission, Exchange and Brokerage	25,14,111 15 4
3. Rents	Nil
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	251 0 0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	3,695 7 4
8. Loss	Nil
Total .. Rs.	62,96,254 8 8

I, C. A. Dunham, having been appointed by the Comptroller of the Currency, and, therefore, being qualified under the Federal Reserve Act of the United States of America to examine and audit National Banks and their foreign branches, hereby certify that I have verified the attached statements to my satisfaction.

(Sd.) C. A. DUNHAM,
National Bank Examiner.

(Sd.) J. K. COWAN,
Accountant.

(Sd.) F. de C. MATTHEWS,
Manager.

March 12, 1957.

STATEMENTS OF CONDITION OF THE FIRST NATIONAL CITY BANK OF NEW YORK.

ASSETS	Dec. 31, 1956 $	Dec. 31, 1955 $
Cash, Gold and Due from Banks	1,861,534,344	1,616,567,604
United States Government Obligations	1,184,240,523	1,319,313,958
Obligations of other Federal Agencies	....	44,951,603
State and Municipal Securities	393,110,101	541,346,809
Other Securities	103,236,313	148,354,019
Loans and Discounts	3,708,099,539	3,184,559,907
Real Estate Loans and Securities	30,358,844	30,218,301
Customers' Liability for Acceptances	76,872,228	42,126,245
Stock in Federal Reserve Bank	15,000,000	15,000,000
Ownership of International Banking Corporation	7,000,000	7,000,000
Bank Premises	35,916,024	35,961,202
Items in Transit with Branches	....	11,008,921
Other Assets	11,561,124	4,887,952
Total .. $	7,426,979,040	7,001,296,521

LIABILITIES	Dec. 31, 1956 $	Dec. 31, 1955 $
Deposits	6,672,390,362	6,308,783,237
Liability on Acceptances and Bills (Own Acceptances in Portfolio Deducted 1956—$15,953,896; 1955—$18,354,147)	79,686,271	45,121,014
Due to Foreign Central Banks (In Foreign Currencies)	26,774,560	21,909,500
Items in Transit with Branches	7,004,915	....
Reserves for— Unearned Discount and Other Unearned Income	27,512,039	25,231,364
Payments under Agreement of Merger dated March 1, 1955	....	218,709
Interest, Taxes, Other Accrued Expenses, Etc.	37,769,767	34,027,837
Dividend	6,400,000	6,000,000
Capital (10,000,000 Shares—$20 Par)	200,000,000	200,000,000
Surplus	300,000,000	300,000,000
Undivided Profits	69,381,186	60,006,869
Total .. $	7,426,979,040	7,001,296,521

Figures of Overseas Branches are as of December 23.

For 1956, $435,076,964 ($453,849,290 in 1955) of United States Government Obligations and $28,136,600 ($22,571,200 in 1955) of other assets are pledged to secure Public and Trust Deposits and for other purposes required or permitted by law.

Member Federal Deposit Insurance Corporation.

CENTRAL BANK OF INDIA LIMITED

CHAIRMAN, MR. HOMI MODY'S SPEECH AT ANNUAL MEETING

REAPPRAISAL OF PLAN PROGRAMME AND POLICIES AS A WHOLE URGED

SPEAKING at the Forty-sixth ordinary general meeting of the Central Bank of India, Ltd., held in Bombay, on 28th March 1957, Mr. Homi Mody, Chairman of the Bank, made a brief reference to the second Five-year Plan. He said that the adjustment of the Plan from time to time according to the exigencies of the situation was not enough. What was needed, he urged, was a reappraisal, here and now, of programmes and policies as a whole, as the Government knew enough at this stage of the resources which could be mobilised for planned development of the country.

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

"LADIES AND GENTLEMEN,

"I have pleasure in presenting the Directors' report and statement of accounts for the year 1956, but before I deal with them I would like to make a few observations on matters of general interest affecting finance and industry.

"The year marked the end of the first Five-year Plan and the inauguration of the second. Economic conditions in India continued to show the buoyant tone in evidence in the last few years under the impact of progressively increasing development outlay. Industrial production, foreign and domestic trade, money supply and prices recorded sizable increases.

"The total money supply with the public, comprising currency and bank deposits, amounted to Rs. 2,178 crores at the end of December 1956, showing an increase of Rs. 131 crores over the corresponding date of the previous year. Due to the money supply outpacing the rise in production levels and economic activity, the index number of wholesale prices recorded an increase of 61 points and consumer prices also rose substantially.

"A feature of our economy which is causing serious concern is the rapid deterioration that has taken place in our foreign exchange resources. During the 11 months ended February this year, the fall in our reserves has reached the alarming figure of Rs. 227 crores. This development was largely unforeseen and, for the moment, it has thrown the second Five-year Plan out of gear. Against a figure of Rs. 783 crores of imports allowed for in the first year of the Plan, imports have been at the annual rate of Rs. 953 crores. As the Reserve Bank *Bulletin* for December 1956 says: 'Whereas the Plan expected the phasing of imports to be such as to lead to a hump in the second and third years of the Plan, it seems that the actual course of events has been such as to give rise to a hump even in the first year of the Plan.'

Unrealistic Targets

"That brings me to a consideration of the second Five-year Plan. Some of us have from the start criticised the unrealistic targets of investment laid down in the Plan and have pleaded for scaling them down. We have also commented on the inadequacy of the provision for agricultural development and production of consumer goods. In the survey of Asia and the Far East published on 18th March by the Economic Commission for Asia and the Far East, three questions have been posed: (1) Whether the Plan is not too ambitious in terms of resources; (2) whether it assigns too great a share of responsibility to the public sector and too little to the private; and (3) whether it does not emphasise industries (particularly heavy industries) too much at the cost of agriculture. The Commission have also spoken of the risks in attempting too much too quickly.

"In mitigation of the hardships which a Plan of this magnitude might impose on the community, spokesmen of the Government have been saying that there would be a process of adjustment from time to time which would take care of any material changes in the situation that might take place. I would like to urge that that is not enough and that what is needed is a reappraisal, here and now, of programmes and policies as a whole. I contend that enough is known, even at this stage, of the resources which could be mobilised for planned economic development in India, and the serious difficulties which have already arisen in the first year of the Plan must be taken as an indication that the projected scheme of development goes beyond the country's capacity to carry it out within the stipulated period. No year-to-year targets of investment were published when the second Five-year Plan was originally prepared, but the provision of Rs. 915 crores made for 1957-58 as outlay for the Central and State Governments is such as to suggest that the Government is still largely pursuing the schedule of investment under the original assumptions, even though the working of the first year has proved them to be wide of the mark.

Reappraisal Needed

"In the light of this trend, the urgency of a reappraisal of the whole position cannot be questioned. The extent to which inflationary finance can be resorted to, taxation can be stepped up, and foreign exchange can be secured, is pretty well known, and it would be very unfortunate if fiscal and other measures were taken at this stage in order to live up to an unrealistic programme of investment. In this connection, I cannot but voice my disappointment at the latest pronouncement of the Finance Minister in Parliament. I hope he will realise that the criticisms advanced on certain aspects of the Plan are neither selfish nor obstructive. The business community has repeatedly and unequivocally recognised the necessity of a planned development of the country and has offered its fullest co-operation. That does not mean, however, that it should not have views of its own regarding priorities and methods, nor that its experience and knowledge in such matters should be impatiently set aside.

"1956 was a year of stringency and dearness of finance and the resources of banks had to be strained to the utmost to meet the rapidly expanding demand for funds. The loan portfolio of banks had to be unduly stretched and they had to depend more and more on the Reserve Bank for assistance.

"The outstanding portfolio of advances and inland and foreign bills of the Scheduled banks amounted to Rs. 788 crores, showing an abnormal increase of Rs. 157 crores since the end of the previous year. The resources of the banking system did not, however, show a corresponding improvement, inasmuch as, over the same period, demand and time liabilities increased by only Rs. 81 crores to Rs. 1,114 crores. The banks, therefore, found it necessary to finance the additional credit requirements both by allowing their cash ratio to come down and by disposing of a portion of their security holding. The most remarkable sign of the pressure on the banks was, however, the increase in the Scheduled banks' indebtedness to the Reserve Bank from Rs. 30 crores at the end of 1955 to Rs. 79 crores at the end of 1956. In fact, the volume of debt was not much short of the banks' total cash resources, comprising both till-money and balances with the Reserve Bank. In this context, I may refer to a point mentioned in the White Paper on the Budget that the Reserve Bank had lent limited support to Government securities in order to relieve the extreme stringency in the money market. This is a move forced by the logic of the situation in which bankers have been placed. It is to be hoped that inflationary pressures would be lessened by a reasonable scaling down of the development outlay which has caused them, but given the situation as it is, official policy must obviously be directed towards providing banks with the funds they need for fulfilling their function as suppliers of credit.

"Before leaving the subject of the general banking position in the country, I would refer to an improvement in the published statistics which seems to be called for. Although detailed forms have to be sent in every week by all Scheduled banks, up-to-date figures of demand and time *deposits*, as distinguished from other kinds of demand and time liabilities, are not available. Similarly, loans to trade cannot be distinguished in the statistics from loans from one bank to another. A recent issue of the *Tata Quarterly* discusses some of these questions, and in view of the importance of these data for assessing monetary trends, I hope that steps will be taken to compile them on a regular basis.

Deposits of State Governments

"There is one other matter to which I would like to refer before closing this review. The statement recently made at the annual general meeting of the State Bank of India that, although the statute authorises its operating as a commercial bank, due regard is to be had to the public interest—and this is interpreted by the Bank to include its obligations to the banking structure as a whole—is indeed refreshing. But this pronouncement cannot quite be reconciled with the reported directives to some of the Government and quasi-public institutions, which had hitherto been depositing a part of their funds with commercial banks, to deposit hereafter all their funds exclusively with the State Bank. I would also like to point out that the measures being taken by the State Bank to increase its working funds and the opening by it of branches in areas adequately served by other institutions cannot but affect the interests of commercial banks.

"I shall now turn to matters of more personal interest to the shareholders—the Directors' report and statement of accounts.

"The past year was one of further growth in the resources and earnings of the Bank and in an appreciable expansion in its turnover of business in general. Our gross earnings, which had received a setback in 1953, have since been progressively increasing, and there was a particularly marked improvement during the past year, which recorded a rise of as much as Rs. 86 lakhs. While interest and discount accounted for a major portion of the increase, there was a substantial increase of Rs. 20 lakhs under commission, exchange, etc. Of this, a no small part was due to the ground gained by us in foreign exchange since the establishment of our own office in London which, for the first time, was able to contribute its quota to the general profits.

Expense Ratio Declines

"The rates of interest on time and call deposits had to be further stepped up during the year, and working funds, including borrowings from other banks, cost comparatively more, resulting in an increase of Rs. 57 lakhs under interest paid. With regard to establishment charges which apparently show a slight recession, the position is not what a comparison of the figures would indicate. The figures for the previous year included a sum of nearly Rs. 13 lakhs on account of arrears paid on adjustment of staff emoluments, as laid down by the Bank Award Commission. If that is taken into consideration, the establishment charges can be said to have been up by nearly Rs. 12 lakhs. The ratio of total expenses to gross profits stood at 75.24 per cent. as against 80.28 per cent. in the previous year. The ratio of establishment charges to gross profits similarly came down from 66.06 per cent. to 61.55 per cent.

"As stated in the earlier part of my speech, increase in the resources of banks lagged far behind the increased demand for credit. Scramble for deposits, therefore, continued to be acute and progressively higher rates had to be paid. In view of these conditions, our total deposits which stood at Rs. 138 crores, showing an improvement of Rs. 10 crores over the previous year, may be considered to be satisfactory.

"The increase in the Reserve Bank's lending rate against Government securities from 3½ per cent. to 4 per cent. and the rise in the cost of borrowings by banks against usance bills from 3½ per cent. to 4 per cent., consequent upon an abnormal raising of the stamp duty from the 1st of February, has given further momentum to the upward trend in deposit rates, which has carried the rate for call and time deposits to as high as 4½ per cent. This cannot but have its repercussions on the rates at which banks can afford to lend.

"Advances at Rs. 90.76 crores recorded a substantial increase of Rs. 18.56 crores over the previous year, and constituted the highest level touched by the Bank since its inception. Even so, our ratio of advances to deposits was 66 per cent. only, as against the general average of 71 per cent. of all Scheduled banks.

Investments Reduced

"The continuing credit squeeze compelled us more vigorously to pursue our policy of reducing our investment portfolio. The reduction would have been more substantial, but for the fact that we had to subscribe to the new Central and State Governmental loans floated during the year. The net reduction amounted to Rs. 3.74 crores, bringing down our ratio of investment to deposits from 44 per cent. in 1955 to 38 per cent. as at the close of 1956.

"The sudden decline in market values just towards the end of the year unfortunately widened the gap between the market value and the book value of our securities, but since the opening of the current year, there has been a revival in values and the position has improved. In this connection, it is worthy of note that nearly 75 per cent. of our investments in Government securities mature within the next ten years, and a further 22 per cent. in the following five years. As pointed out in the past, if we can hold on to our securities up to maturity, not only would the difference appearing at present be wiped out, but there would accrue a substantial surplus.

"Shareholders will have noted with satisfaction that, after a lapse of three years, the net profit figure has again crossed the rupee one-crore mark. The ratio of net profit to gross income rose to 15.87 per cent., as against 13.53 per cent. for the previous year. With the reorganisation that has taken place and the further measures we have in view, we hope to keep up the improvement.

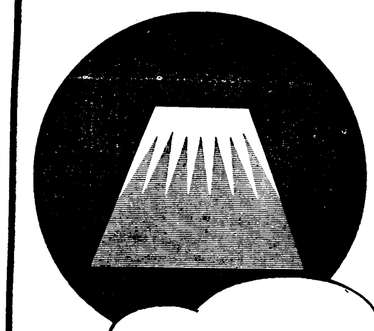
"Our profit figures would have been better but for some unfortunate experiences we have had in the last two or three years, and which have emphasised the need for doing everything possible to strengthen our position. In the interests of the Bank, it is obviously undesirable to enter into a discussion of the transactions in question. It will suffice to say, every possible step has been taken by the Board to secure the accounts which were not in order and adequate provision has been made where necessary.

Cut in Dividend Restored

"It gives me particular pleasure to record that it has been found possible, as a result of the year's working, to implement the assurances I have been giving in the past. I have stated on more than one occasion that as soon as our earnings warranted it, the cut in the distribution, both to the shareholders and to the staff, would be restored to the extent the profits permitted. Nothing has, therefore, given greater satisfaction to the Board than to be in a position to restore, after a lapse of four years, the cut in dividend and to double the bonus paid to the staff. Prevailing trends do not at the moment indicate conditions as favourable for banks as during the past year, but it is to be hoped that, with the improvement that has taken place in our relations with our staff and with the management wholeheartedly devoting itself to the interests of the Bank, the institution will be able to maintain, if not improve upon, the progress shown over the past year. In this connection, I must particularly mention the services of our Vice-Chairman, Mr. C. H. Bhabha. His ability and resourcefulness and the keen interest he has been taking in the day-to-day working of the Bank are beyond all praise, and I would like to extend to him, on behalf of the Board and the shareholders, our grateful thanks for all he has been doing.

"I would conclude by making our acknowledgements to all who are in the service of the Bank. The General Manager, Mr. N. K. Karanjia, has been carrying a heavy burden, which he has been discharging with ability and single-minded devotion to duty. He has done a great deal for the Bank since he has been placed at the head of the administration and he enjoys the fullest confidence of the Board. To him, to Mr. F. C. Cooper, the Deputy Manager, and to all members of the staff at the head office and at the branches, as also to the Local Advisory Committees at the various centres, I would like on behalf of the shareholders and the Board to convey our warmest appreciation."

Note.—This does not purport to be a record of the proceedings of the annual general meeting.



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(vi) This has been replied to in the writer's reply to Mr. Kalyanaraman and there is absolutely no hypothetication in the suggestion to employ truck-trailer combinations, which alone will solve our transport problem. It has been mentioned that the railway's original estimate for carrying 47 million tons is now likely to go up on account of rising costs. Moreover, by the end of the second Plan the country would have invested over Rs. 700 crores on roads and all they carry at present, including the truck-equivalent of bullock carts, is about two vehicles per mile against four in South Africa and 23 in the U.K. Obviously, it is in the interest of the country to see first that this investment is fully utilised before it can think of sparing more funds for the railways. Therefore, as mentioned in Parliament by several members and also by the two Deputy Ministers of Transport, road transport has to be stepped up to assist the railways and here truck-trailer combinations will have to be employed, however, hypothetical they may look to some people.

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UTILISATION OF IDLE CAPACITY IN GLASS INDUSTRY

KEYNOTE OF DEVELOPMENT PROGRAMME

IT has been the considered view of the glass manufacturers that, in view of the large installed capacity for meeting the requirements of glass and glassware in the country, no additional capacity should be installed, except where necessary to manufacture new and special varieties of products, during the second Plan period. An indication of the fact that their earnest plea has not fallen on deaf ears came when Mr. Manubhai Shah, the Union Minister for Heavy Industries, declared, in the course of his address to the annual meeting of the All-India Glass Manufacturers' Federation, held at New Delhi on 20th inst., that efforts were being directed towards utilisation of idle capacity and bringing into commission the factories that might have either closed for want of demand or had been partially working. He, however, stated that for manufacturing new products and special items it might be necessary to set up additional capacity in case it was not possible to divert the existing surplus capacity to manufacture them. It is noteworthy that, in fact, 21 new schemes, including six projects of substantial expansion involving an additional capacity of 44,000 tons per annum, have already been sanctioned, and are being established.

Present Capacity

At present, there are 134 glass factories engaged in the main lines of manufacture in the country with an annual capacity of 339,084 tons per annum. This, of course, is exclusive of the additional capacity that is being installed. Of these, only 92 factories are working with a capacity of 278,016 tons, while the rest, nearly 42 factories, have a capacity of 61,000 tons. As against this, the total production of various items in 1956 amounted to only 143,587 tons. This, it should be noted, represents an increase of no less than 65 per cent. from the level of production in 1950, when it stood at 87,270 tons. Thus, as at the end of 1956, the production did not constitute even 50 per cent. of the total capacity. The following table provides a clear picture of the main lines of production, existing capacity, production, estimated demand in 1956 and 1960-61, and the targets of production fixed under the Plan:

Item	Unit	Present installed capacity*	Production in 1956	Estimated demand for 1956	Estimated demand for 1960-61	Production targets for 1960-61
Sheet glass ..	Tons	50,400	24,848 (47 62 m.sq. ft.)	233,000 (40 00 m. sq. ft.)	35,000 (60 00 m. sq. ft.)	35,000
Glass shells ..	,,	2,964	1,522 (35 93 m. pcs.)	1,100 (25 00 m. pcs.)	2,200 (50.00 m. pcs.)	2,200
Laboratory glassware ..	,,	7,824	3,357	4,000	6,000	6,000
Vacuum flasks.	,,	2,064	330 (48,336 dozens)	560 (70,000 dozens)	800 (100,000 dozens)	750
Bottleware ..	,,	180,630	62,413	90,000†	90,000†	90,000
Table and pressedware.	,,	68,000	28,219	25,000	35,000	35,000
Lampware ..	,,	40,000	19,967	15,000	20,000	18,000
Miscellaneous glassware ..	,,	31,202	3,031	6,000	10,000	12,000
Total ..	,,	383,084	143,587	132,000	200,000	196,950

* Includes the existing capacity plus the additional capacity of 44,000 tons per annum sanctioned for new and special items of manufacture.
† Includes phials.

As can be seen from the table above, the estimated demand for 1956 was only 132,000 tons. Obviously, the chief reason for the slow rise in production was lack of adequate effective demand. The demand during the period of the second Plan, however, is expected to rise substantially—by no less than 15,600 tons, or 10 to 12 per cent.—to over 200,000 tons. Consequently, the targets for 1960-61 have been so fixed as to ensure the attainment of self-sufficiency in most of the items, without any further addition to their existing capacity. In the case of certain special items, however, additional capacity as already pointed out has been sanctioned. These items include laboratory glassware (1,800 tons), vacuum flasks (1,200 tons), bottles (17,000 tons), table and pressedware (20,000 tons) and miscellaneous items (20,000 tons).

Problems Facing Industry

In the course of his address, the Union Minister dwelt at some length on some of the problems facing the industry and reviewed the steps taken by the Government to overcome them. The quality of the products and output per man, the Minister pointed out, were low as compared with the standards in the industrially advanced countries. He conceded that this was due, to a certain extent, to too many factories producing the same item or items. In this connection he expressed the hope that the recommendations of the *Ad Hoc* Committee, set up with a view to promoting the development of the industry on healthy lines, would prove useful in raising the efficiency of production and the standard of the goods. He also drew the attention of the members to the Technical Survey of the industry conducted by the four foreign experts and the Development Officer for Mineral Industries. It is noteworthy that the team has visited more than 60 glass factories and is expected to submit its report soon. An important feature of their survey is that the experts have been assigned to 21 different glass factories individually for periods ranging between one week and three months. Mr. Shah strongly felt that the efforts of these experts would help improve the working of the industry.

In addition to the handicap arising from the practice of manufacturing a number of articles in each factory regardless of the facilities available there, is another obstacle to the efficient functioning of the industry, namely, the disparity between the capacity of the units, the capacity of the largest unit being 1,800 tons per month as against 12 tons of the smallest one. He rightly suggested that the first handicap could be overcome through rationalisation; and the example set by certain glass factories in the South of confining their production to certain few items on the basis of available facilities was worthy of emulation. To circumvent the latter, he rightly called for a common production programme. Under this programme, both the small- and large-scale factories could work together, supplementing each other's production to meet the requirements of both large and small consumers.

Developments

Reviewing the recent developments in the field, he noted with satisfaction the fact that certain varieties of sheet glass and safety glass had been produced for the first time in the country. He also welcomed the reduction, by 40 to 45 per cent., effected in the price of penicillin vials. Other notable developments are the setting up of factories, which are expected to go into production before the end of the year, for the production of glass building blocks, insulators, glasswood, synthetic stone, and optical glass.

Alluding to the difficulty faced by the industry in obtaining coal supplies, Mr. Shah pointed out that the Government had already recognised the claim of the industry for a fair and regular allotment of coal, and that its priority was recently upgraded from 'H' to 'F'. Consequently, the glass industry enjoys priority over chemical, engineering, paper, soap, and other industries in the matter of allocation of coal supplies. He felt that the supplies of 300,000 tons of coal the industry was already receiving should be enough to meet its requirements. The Government, he said, was trying to work out methods of effecting economy in the consumption of fuel. As regards transport difficulties he assured the manufacturers that facilities were being expanded.

The industry is also experiencing serious shortage of refractories. Mr. Shah felt that the shortage would be of a temporary nature and before long the refractory industry would be able to satisfy the demand. The question, he said, was being examined by the Panel appointed for the purpose. He could not endorse the view, however, that every glass manufacturer should make his own refractories, for the glass industry had neither the material nor the means to produce good refractories. Only good specialised units of refractories, he rightly stressed, could relieve the shortages.

The question of exports also figured in the speech. The value of exports of glass and glassware was only Rs. 48 lakhs in 1956, even though there is a large surplus capacity. It is to be hoped that the Export Promotion Council, which is proposed to be set up in due course, will suggest suitable measures for stimulating exports.

CORRIGENDUM

In our issue of 23rd February, page 381, column 1, it was stated by us that the "glass industry has been enjoying tariff protection since 1950". Only the sheet glass industry has received tariff protection since 1950.

PENICILLIN OUTPUT MORE THAN DOUBLED

PRODUCTION MINISTRY'S RECORD

THE various industries under the Production Ministry witnessed substantial progress in 1956. The more notable among them are the penicillin industry at Pimpri, whose output went up from 6.6 million mega units in 1955 to 14.12 million mega units in 1956, and the fertiliser factory at Sindri, where the production of ammonium sulphate increased to 331,000 tons in 1956, as compared with 321,000 tons in the previous year. It has also been decided to expand the production of the penicillin factory by 60 per cent. by the end of 1958. Besides, the D.D.T. factory at Delhi which went into production in 1955 turned out no less than 500 tons of D.D.T. during the year under review. The Government has also decided to double the capacity of the plant by the end of 1957.

Apart from ammonium sulphate, the new coke oven battery at Sindri continued to maintain its production at the rated capacity of 600 tons per day. The coke oven gas will be used for the production of two more fertilisers, namely, urea and double salt, thereby raising the production of Sindri by about 60 per cent. This expansion programme is expected to be completed by 1958. In addition, preliminary work is said to be proceeding apace on two large new factories of the size of Sindri. The Hindustan Cables at Chittaranjan manufactured 610 miles of cables in 1956, as against 386 miles in 1955. In view of the anticipated requirements of the Posts and Telegraph Department to the tune of 800 miles of cables a year, the armouring shop is being expanded. It is also proposed to work double shifts to raise the output to 1,000 miles a year.

An important development in the case of Hindustan Machine Tools is that the old agreement with Messrs. Oerlikons of Zurich, Switzerland, has been replaced by a set of new agreements. These, it is expected, will make for the improvement in the working of the project. As a result of the change, the Swiss firm will continue as technical consultants, but without participation in the company. Till the end of February 1957, 132 lathes had been manufactured. The Hindustan Shipyard at Visakhapatnam has turned out two ships during the year. It is also noteworthy that the Government proposes to start a second shipyard. A technical school is being started at the Visakhapatnam shipyard to train as many as 500 persons during the next five years. A significant development in this connection was the offer made by the U.K. Government to send an expert mission, which was accepted by the Government.

Electrical Equipment

Following the acceptance by the Government of the project report submitted by the consultants, Messrs. Associated Electrical Industries Ltd., of the U.K., preliminary work on the Heavy Electrical Equipment Factory at Bhopal has got under way during the year under review. Further, estimates and designs for the construction of training school, trainees' hostels, factory building, etc., have been drawn up and are under consideration. In the case of salt, production increased from 81 million maunds in 1955 to 88 million maunds in 1956. Of this, as much as 8 million maunds was exported, the highest since 1951. It is noteworthy that the standard purity prescribed has been raised from 94 per cent. to 95 per cent.

While the two oil refineries namely, Standard-Vacuum and Burmah-Shell, maintained full production during the year, Caltex has completed the erection of a refinery at Visakhapatnam. A interesting development in this field is the voluntary surrender, as from October 1956, by Burmah-Shell of the benefit of the duty protection of two annas per gallon on motor spirit to which they were entitled under the agreement. The gain to the national exchequer is Rs. 2 crores per annum.

The *Khadi* and Village Industries Board also is reported to have made substantial progress during the year. The total outlay on grants and loans by the Government for the development of *khadi* industries, including Ambar Charka, is about Rs. 10.5 crores during 1956-57. In accordance with the recommendations of the Ambar Charka Enquiry Committee, an experimental programme of 75,000 Ambar Charkas was sanctioned by the Government. Large development programmes had been approved for village industries. Special attention had been paid to the marketing of handicrafts also through mobile vans, exhibitions, etc.

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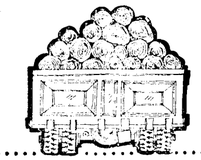

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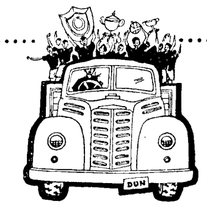

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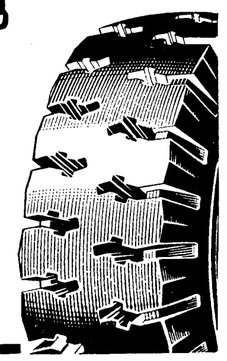

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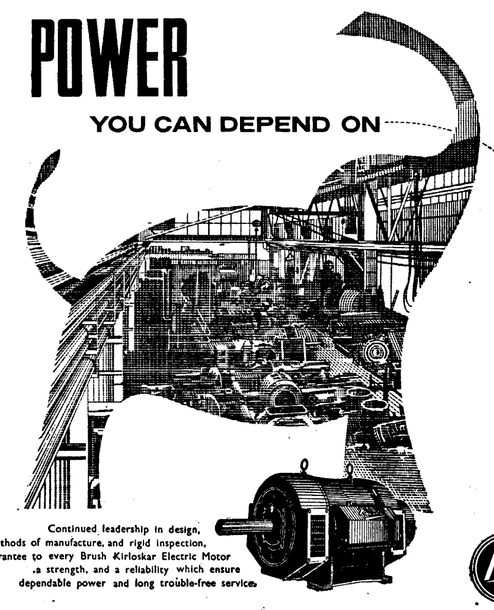

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BOMBAY DYEING'S PROFIT HIGHER

EXPORTS OF CLOTH AND YARN SALES REACH RECORD LEVELS

SHAREHOLDERS of the Bombay Dyeing and Manufacturing Company, Ltd. (Managing Agents: Messrs. Nowrosjee Wadia and Sons Private Ltd., Bombay) will be gratified to learn that the suggestion made by some of them at the last annual general meeting of the Company, to merge the cash bonus of Rs. 5 per share declared for that year with the dividend of Rs. 20, has been accepted, if not in that year, at least in the year following, that is, for the one ended 31st December 1956. It will be recalled that the Chairman, Mr. Neville Wadia, had then said that if the cash bonus was merged with the dividend, the Company would be expected to maintain the same. The decision to merge the bonus with the dividend for 1956, therefore, indicates that the Company has, for once, decided to make a departure from its conservative policy. It also implies that the Company is confident of maintaining the present rate of dividend which, for the year ended 31st December 1956, has been recommended at 10 per cent. as against a dividend of 8 per cent. and a cash bonus of 2 per cent. paid for the previous year.

The accounts of the Company for the year under review show that the results are satisfactory in the context of the market conditions which prevailed in the latter months of the year. The gross profit has gone up from Rs. 118.20 lakhs to Rs. 125.80 lakhs, the highest since 1945. The net profit has gone up from Rs. 49.52 lakhs to Rs. 54.16 lakhs. Out of the net profit, the Directors have transferred a sum of Rs. 12.87 lakhs to provision for gratuities as against Rs. 1.50 lakhs. The substantially larger provision is due to the award of the Industrial Court granting payment of gratuity to mill operatives with retrospective effect from November 1954 on a prescribed scale. The immediate liability of the Company on this account amounts to Rs. 36 lakhs, besides a recurring liability every year. While a provision of Rs. 12 lakhs has been made from the profit of the year under review, the balance will be provided gradually in due course. The allocation to bonus for purpose of "set on" in subsequent years, as per agreement, is Rs. 1.37 lakhs, as against Rs. 7.83 lakhs a year ago, and the addition to rehabilitation and development account reserve amounts to Rs. 13.14 lakhs, as against Rs. 14.88 lakhs.

The progress of the Company's working during the past three years can be clearly judged from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	7,47.15	7,23.34	7,26.42	6,64.61
Other income	14.64	10.08	7.65	8.86
Closing stocks	1,92.69	1,67.45	2,23.45	1,98.89
Expenses	6,43.13	6,20.99	6,58.61*	5,89.84*
Gross profit	1,25.80	1,18.20	74.04	82.43
Managing Agents' remuneration	12.18	12.31	7.75	8.59
Provision for—				
Depreciation	26.46	26.87	14.62	14.07
Taxation	33.00	29.50	18.50	23.00
Net profit	54.16	49.52	33.17	36.78
Loss on "Neville House"	...	...	4.21	...
To reserves and other provisions	27.38	24.21	11.78	15.19
To Dividend	25.10	25.10	20.08	22.59
	(10%)	(D. 8% + B. 2%)	(D. 8%)	(D. 8%) + B. 1%)
Carry forward	2.41	0.73	0.52	2.00

* Not actual but only approximate.

It will be noted that sale proceeds have gone up sizably, thanks to the buoyant conditions which prevailed in the earlier part of the year, and the encouraging exports of cloth, as well as larger sales of yarn. Although the total quantity of cloth exported from India during 1956 declined, the Company was able to speedily increase its exports, and, for the first time, over 50 million yards valued at approximately Rs. 3.95 crores were exported during the year. Free yarn sales by the Company reached a record figure of 4.81 million lbs. Out of this, the quantity exported was according to the quota allotted by the Government. Out of the 1,206 automatic looms which had been ordered for the Spring Mills of the Company, 320 looms have been received at the mills up to date and 128 are working at present. Shipments of the new automatic looms will continue to come in throughout the year, and as soon as the electrical equipment is received and installed at the mills, they will start working in the main automatic loom shed. The Spring Mills is being gradually put on to night shift as from 25th February 1957. The construction of the new bleach works at the Textile Mills is proceeding, and it is expected that the erection of the machinery will commence in May 1957. The work was delayed by about two months due to a strike in the workshops of the suppliers and fabricators of steel. Some of the new machinery ordered for the new bleach works has already been received at the mills. It is hoped that the plant will go into operation towards the end of 1957. During the year under report, additions to machinery amounted to Rs. 71.84 lakhs and additions to buildings Rs. 22.59 lakhs.

The Company's financial position as disclosed by its balance-sheet is impressive. The paid-up capital of the Company, all in ordinary shares of Rs. 250 each, remains unchanged at Rs. 2.51 crores. The reserves and surplus which supplement this aggregate Rs. 3.15 crores, of which general reserve accounts for Rs. 50 lakhs, and rehabilitation and development reserve accounts for Rs. 1.76 crores. The provision for taxation amounts to Rs. 14.41 lakhs. The current liabilities aggregate Rs 1.67 crores. The gross block of Rs. 5.98 crores has been written down to Rs. 2.47 crores. Additions during the year were of the order of Rs. 1.11 crores. The current assets aggregate Rs. 5 crores and include, among other items, investments in Government securities and shares of companies Rs. 73.41 lakhs, stores and spare parts at cost Rs. 14.89 lakhs, stock-in-trade Rs. 1.93 crores, debts, deposits and advances Rs. 90.53 lakhs and cash and bank balances Rs. 1.29 crores. There is, in fact, a drop in the cash balances from Rs. 2.68 crores as at the end of 1955, and this is evidently due to the additions to fixed assets noted above.

The Rs. 250 fully paid-up shares of the Company are being currently quoted at Rs. 353-12 *cum-div* (final: Rs. 17-8). On an *ex-div.* basis, and on the basis of the distribution for the past year, the yield works out to 4.77 per cent. per annum, free of income-tax.

The Directors have decided to sub-divide the present ordinary shares of the face value of Rs. 250 each into ten shares of the face value of Rs. 25 each. The splitting of the shares will be effective from 1st October 1957.

CONTROL OF CAPITAL ISSUES

The working of the Capital Issues Control during the year ended 31st March 1957 shows that the amount of capital issue for which sanction was accorded during the year was substantially greater than that in the previous year, the bulk of which was accounted for by industrial concerns. The number of applications received for consent to the issue of capital under the Capital Issues (Control) Act, 1947, and the Foreign Exchange Regulation Act, 1947, was 695, which included applications for extension of time of consents granted in earlier years. The total number of applications received in 1955 was 575. Three hundred and sixty-two applications made during the year under the Capital Issues (Control) Act 1947, for the issue of capital amounting to about Rs. 222.35 crores were disposed of, as against 374 applications for Rs. 151.42 crores in the previous year. An analysis of the consents granted and rejections on an industry-wise basis during the last two years shows the following trend:

(Amount of capital in crores of rupees)

	1956-57		1955-56	
	No. of applications	Amount of capital	No. of applications	Amount of capital
Agriculture and allied activities	26	1.76	46	3.18
	(12)	(0.47)	(9)	(0.71)
Industrial companies	205	160.44	176	97.51
	(25)	(17.72)	(50)	(20.75)
Non-industrial companies	66	35.81	67	24.70
	(28)	(2.31)	(26)	(1.74)

(The figures in brackets represent the issues for which permission was refused.)

The refusals mainly related to one application for initial issue amounting to Rs. 2 crores in the cement industry, another application for a further issue amounting to Rs. 11.05 crores in paper and paperboard industry and some applications for issue of bonus shares amounting to Rs. 3.17 crores (Rs. 4.91 crores). The difference of about Rs. 3.84 crores (Rs. 2.83 crores) between the figures of total disposals and the total of both consents and refusals combined is explained by the fact that consents in some cases were given to less amounts than those applied for.

One hundred and fourteen applications (113 in the previous year) out of the total number of disposals shown above involved issues of capital to persons resident abroad. Besides, 76 applications (40) made under the Foreign Exchange Regulation Act, 1947, were also disposed of upto the 31st December 1956. In all, 190 applications (153) were disposed of, which involved investment of foreign capital in companies registered in India to the extent of Rs. 23.29 crores (Rs. 23.41 crores); 160 of these (123), involving foreign investment of the value of Rs. 16.86 crores (Rs. 22.48 crores), were approved and 30 (30) applications involving foreign capital of about Rs. 6.43 crores (Rs. 0.93 crore) were refused.

ELGIN MILL ENHANCES DIVIDEND

Despite the uncertainty prevailing in the cotton textile industry and the difficult trading conditions, the working of the Elgin Mills Company, Ltd. (Managing Agents: Messrs. Begg Sutherland & Co., Private Ltd., Kanpur), for the year ended 30th September 1956, show a substantial improvement in earnings. Thus, the gross profit of the Company has advanced by Rs. 11.87 lakhs, that is, from Rs. 44.59 lakhs in the previous year to Rs. 56.46 lakhs during the year under review. This is the fourth year in succession for which the profit has shown an upward trend, having steadily moved up and more than doubled itself from Rs. 27.20 lakhs in 1951-52. What is more, the increase in profit for the year under review is larger than that noted in either of the previous three years.

The net profit, after providing for depreciation and taxation, stands higher at Rs. 23.32 lakhs, as against Rs. 16.80 lakhs. The rise in profits has enabled the Directors to declare a higher dividend at 12½ per cent. as against a dividend of 10 per cent. paid for the past three years.

Allocations to the reserves also have been proportionately increased from year to year in conformity with the rising trend in earnings. For the year under review, the Directors have provided a sum of Rs. 15 lakhs to rehabilitation reserve, as against Rs. 13 lakhs a year ago. This is in conformity with the Company's policy of conserving its financial resources to meet the cost of an extensive capital replacement programme. In addition to this transfer from the year's profit, a sum of Rs. 10 lakhs has also been transferred to this reserve from the provision for taxation no longer required, bringing the total allocation to the rehabilitation reserve to Rs. 25 lakhs. This also brings the total amount thus conserved for this purpose during the last six years to Rs. 64 lakhs. The Directors have also strengthened the general reserve with Rs. 2 lakhs.

The following table will bring out clearly the state of working of the Company for the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1956	1955	1954	1953
Sales	3,19.42	2,83.39	3,09.02	2,96.79
Stocks	36.56	11.60	15.82	18.04
Expenses	2,92.02	2,36.19	2,70.38	2,73.51
Gross profit	56.46	44.59	38.63	30.09
Managing Agents' remuneration	4.64	3.79	3.33	2.70
Depreciation	6.00	8.00	8.50	7.50
Taxation	22.50	16.00	12.00	10.00
Net profit	23.32	16.80	14.80	9.89
Adjustments due to changes in stock valuation	2.50	...	..	..
E.P.T.E. refund (net)	..	3.90	..	..
To reserves	17.00	13.00	7.00	3.00
To write off investments	..	..	0.92	..
Dividends—				
Preference	1.09	1.09	1.09	1.09
Ordinary	7.87 (12½%)	6.30 (10%)	6.30 (10%)	6.30 (10%)
Carry forward	0.79	0.93	0.62	0.73

The table shows that the Company's sale proceeds have improved by about Rs. 36 lakhs to Rs. 319.42 lakhs. The improvement in sales would have been more but for the accumulation in stocks, as reflected in the rise in value of closing stocks from Rs. 11.60 lakhs to Rs. 36.56 lakhs, consequent on the imposition of additional excise duty on cloth with effect from 1st September 1956. There has also been a sharp rise of Rs. 55.83 lakhs in expenses.

The Company continues its policy of reducing manufacturing expenses by replacing obsolete machinery with new. The replacement programme was, however, handicapped during the year under review by late delivery of new machinery, with the result that machinery valued at about Rs. 8.46 lakhs, due for installation in the year ended 30th September 1956, will be paid for in the current year and installed. Further orders for new machinery, valued at approximately Rs. 13 lakhs, have been placed for delivery during the financial year ending 30th September 1957. The Company has acquired the entire share capital of Shree Madhav Mills Ltd. and Calico Processors Ltd., Bombay, which have become its subsidiaries.

The Company has a paid-up capital of Rs. 78.20 lakhs, of which 8 per cent. cumulative preference shares of Rs. 100 each account for Rs. 11 lakhs, 5 per cent. 'B' cumulative preference shares of Rs. 10 each for Rs. 4.20 lakhs and ordinary shares of Rs. 10 each for the balance. This is strengthened by reserves and surplus aggregating Rs. 84.26 lakhs. The provision for taxation stands at Rs. 18.45 lakhs. The gross block of Rs. 154.24 lakhs, including additions during the year of Rs. 2.40 lakhs, has been written down to Rs. 19 lakhs. Investments in Government securities and shares of subsidiary companies amount to Rs. 69 lakhs. The other current assets aggregate Rs. 168.54 lakhs and cover the current liabilities and provision for taxation, amounting to Rs. 84.09 lakhs, by a wide margin.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted on the Calcutta Stock Exchange at Rs. 22-12 *ex-div.*, for which the dividend for the year provides a yield of 5.5 per cent. per annum.

COIMBATORE COTTON'S PROFIT HIGHER

EXPANSION PLAN ON HAND

THE audited accounts of the Coimbatore Cotton Mills Ltd. (Managing Agents: Messrs. R. Bheema Naidu & Co., Coimbatore) for the year ended 31st December 1956 disclose that the working of the Company during the year has been satisfactory, resulting in a further improvement in earnings. The gross profit, which had gone up from Rs. 12.84 lakhs to Rs. 14.88 lakhs in 1955, has improved further to Rs. 16.09 lakhs in 1956. This is the second year in succession for which the profit has maintained the upward trend and such an expansion has lifted the profit to the highest level since 1951.

The net profit also shows a welcome improvement from Rs. 3.78 lakhs to Rs. 5.57 lakhs, in refreshing contrast to the slight fall noted in the previous year. Notwithstanding the rise in earnings, the dividend is unchanged at 25 per cent., a rate which the Company had paid for the previous two years, after having raised it from 20 per cent. paid for 1953. This is because the rise in net profit has been more than offset by the allocation of Rs. 1.80 lakhs for payment of bonus to staff in respect of the year 1955 and the setting aside of Rs. 50,000 for gratuity fund, while no allocations had been made for either of these a year ago.

The following comparative table, giving the salient features of the Company's results for the past four years, provides an idea of its progress since 1953:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	83.67	73.21	N.A.	N.A.
Closing stocks	3.31	2.75	N.A.	N.A.
Raw materials and stores consumed	55.08	46.89	N.A.	N.A.
Expenses	14.89	12.46	N.A.	N.A.
Gross profit	16.09	14.88	12.84	14.40
Managing Agents' remuneration	1.96	1.91	1.67	1.66
Provision for—				
Depreciation	3.06	3.51	3.08	4.35
Taxation	5.50	5.68	4.20	1.97
Net profit	5.57	3.78	3.89	6.42
To reserves	...	..	0.84	2.69
,, bonus to staff	1.80	..	..	..
,, gratuity fund	0.50	..	..	..
,, charity trust	0.50	0.48	..	..
Dividend	3.00 (25%)	3.00 (25%)	3.00 (25%)	2.40 (20%)
Carry forward	0.11	0.34	0.05	...

N.A. = Not available.

The rises in sale proceeds, raw materials and stores consumed and expenses, all indicate that the production of the Company during the year must have been higher, though a part of the increases in the former two can be due to the rise in prices. Of the rise in expenses to the tune of Rs. 2.43 lakhs, salaries, wages and bonus account for Rs. 1.58 lakhs.

The Company's financial position is quite satisfactory. Its reserves and surplus as at the end of the year under review aggregate Rs. 19.12 lakhs, as against a paid-up capital of Rs. 12 lakhs. The provision for taxation stands at Rs. 6.96 lakhs. The current liabilities amount to Rs. 13.75 lakhs. On the assets side, the gross block of the value of Rs. 41.98 lakhs has been written down to Rs. 11.32 lakhs. The current assets amounting to Rs. 40.50 lakhs exceed the current liabilities and provision for taxes by as much as Rs. 19.79 lakhs. Of these current assets, cash balances account for Rs. 8.01 lakhs, having declined from Rs. 18.42 lakhs at the end of 1955.

The additions to fixed assets indicate the progress made in the construction of the Jubilee Mills, which is being started as a separate unit, in commemoration of the Company's Silver Jubilee. The buildings are almost completed and the whole of the machinery is expected to be received by about June this year. It is hoped that this unit will go into production by September 1957.

The Company has also a big expansion programme on hand. It has received permission from the Government to install 12,800 spindles and 240 looms. A sum of about Rs. 60 lakhs will be required to install and work the same. The Directors have thought it not prudent to have recourse to borrowing for this purpose. They have, therefore, obtained permission to issue fresh capital to the extent of Rs. 24 lakhs. For this purpose, it is proposed to raise the authorised capital from the present level of Rs. 25 lakhs to Rs. 75 lakhs.

The Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 355 *ex-div.*, at which rate and on the basis of the dividend for 1956, the yield works out to 7.04 per cent. per annum free of income-tax.

Points From The Chair

Relieving Money Stringency

"THE stringency in the organised money market sounds rather paradoxical in the context of heavy doses of deficit financing. This is, obviously, the result of the present financial policy of the Government to lay a heavy burden on the organised sector of the economy through direct taxes such as income-tax, dividend tax, tax on bonus issues of share capital, capital gains tax, death duty, and the newly instituted compulsory deposit scheme, as well as indirect taxes on industrial manufactures, on the one hand; and the expending of Government revenues in a manner which benefits most the lower income groups who either do not have a substantial saving margin, or are not accustomed to canalise their savings through the organised money market. The failure of the nationalised Life Insurance Corporation to maintain the high rate of writing new business attained by the companies during previous years will also cause, some diminution in individual savings mobilised by the organised section of the money market. As against this, demand is rising due to the generation of new income ahead of the productive capacity of the country. This explains the paradox of the tendency of commodity prices to rise at a time when stringent conditions prevail in the money market. The key to the problem lies, therefore, in increased production in agriculture as well as industry."

TULSIDAS KILACHAND,
Bank of Baroda Ltd.

New Enactments

"The year was particularly momentous for certain legislative enactments relating to insurance and banking. The life insurance business taken over by the Government under an emergent ordinance early in the year was legalised in September last by the passing of the Life Insurance Corporation Act, but claims thereunder of the old companies remain yet unsettled. The new Companies Act that came into force in April last is a cumbersome piece of legislation which extends to every possible aspect of company administration and, as you are aware, its application has already revealed several incongruities particularly in regard to banks. Other measures of importance are the amendments made to the Reserve Bank Act and the Banking Companies Act. The latter gave the Reserve Bank powers of control over the terms of appointment of whole-time directors, managing directors and chief executive officers of banks as also to issue directives to banks in matters of policy and administration. It also empowers the Reserve Bank to appoint officers for the purpose of watching and reporting on the conduct of affairs of any banking company. These amendments were, of course, received with mixed receptions but given the goodwill all round, it will not be impossible to achieve the objects in view in the best interest of the country."

M. CT. MUTHIAH,
Indian Overseas Bank Ltd.

Second Five-year Plan

"Some of us have from the start criticized the unrealistic targets of investment laid down in the Plan and have pleaded for scaling them down. We have also commented on the inadequacy of the provision for agricultural development and production of consumer goods. In the Survey of Asia and the Far East published on the 18th March by the Economic Commission for Asia and the Far East, three questions have been posed: (1) Whether the Plan is not too ambitious in terms of resources; (2) whether it assigns too great a share of responsibility to the public sector and too little to the private; and (3) whether it does not emphasise industries (particularly heavy industries) too much at the cost of agriculture. The Commission have also spoken of the risks in attempting too much too quickly. In mitigation of the hardships which a Plan of this magnitude might impose on the community, spokesmen of Government have been saying that there would be a process of adjustment from time to time which would take care of any material changes in the situation that might take place. I would like to urge that that is not enough and that what is needed is a reappraisal, here and now, of programmes and policies as a whole. I contend that enough is known, even at this stage, of the resources, which could be mobilised for planned economic development in India, and the serious difficulties which have already arisen in the first year of the Plan must be taken as an indication that the projected scheme of development goes beyond the country's capacity to carry it out within the stipulated period."

SIR HOMI MODY,
Central Bank of India Ltd.

Price of Copper

"The future course of copper prices is not a matter about which I should care to express any firm opinion. It is related to various considerations about which there is already a lot of publicised information available to us all, such as the technical position of the metal, the relation between its current production and consumption, and the point at which producers may be moved to take active steps to create conditions favourable to maintaining or even improving the current price level. There appears to be some grounds for hoping that the price of electrolytic copper will not fall materially below its present level for any long period in the immediate future and, consequently, that it is reasonable to hope that the profit after taxes for the current year will not fall below the estimate of £4¼ million, which I have already given you but it is obvious to me, and I hope that I have made it clear to you, that there can be no certainty on that point."

C. HELY-HUTCHINSON,
The British South Africa Company, London.

COMPANY MEETINGS AND DIVIDENDS

GOKAK MILLS LTD. Annual General Meeting, Bombay, 10th April 1957. Dividend: Rs. 13 per share, payable on and after 15th April 1957. Transfer books closed from 8th to 28th March 1957, both days inclusive.

RELIANCE FIREBRICK AND POTTERY CO., LTD. Annual General Meeting, Calcutta, 12th April 1957.

LAKHSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 15th April 1957. Dividend: Rs. 30 per share (final), payable on or after 22nd April 1957. Transfer books remain closed from 2nd to 16th April 1957, both days inclusive.

VISHNU COTTON MILL, LTD. Annual General Meeting, Bombay, 16th April 1957. Dividend: Rs. 5-8 per share (final), payable on and after 23rd April 1957. Transfer books remain closed from 3rd to 17th April 1957, both days inclusive.

AUTOMOBILE PRODUCTS OF INDIA LTD. Annual General Meeting, Bombay, 17th April 1957. Transfer books will remain closed from 11th to 17th April 1957, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th April 1957. Dividend: Rs. 17-8 per share (final), free of income-tax, payable on or after 29th April 1957. Transfer books remain closed from 22nd March to 11th April 1957, both days inclusive.

INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LTD. Annual General Meeting, Bombay, 22nd April 1957. Dividend: Rs. 3-8 per share, payable on and after 23rd April 1957. Transfer books will remain closed from 5th to 22nd April 1957, both days inclusive.

MODERN MILLS, LTD. Annual General Meeting, Bombay, 24th April 1957. Transfer books remain closed from 27th March to 16th April 1957, both days inclusive.

SWAN MILLS, LTD. Annual General Meeting, Bombay, 24th April 1957. Dividend: Rs. 25 per share, payable on or after 25th April 1957. Transfer books will remain closed from 30th March to 24th April 1957, both days inclusive.

GOLD MOHUR MILLS, LTD. Annual General meeting, Bombay, 25th April 1957. Dividend: Rs. 15 per share, payable on or after 26th April 1957. Transfer books will remain closed from 30th March to 25th April 1957, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 25th April 1957. Dividend: Rs. 5 per share (final) payable on 27th April, 1957. Transfer books remain closed from 2nd to 25th April 1957, both days inclusive.

BROACH ELECTRIC SUPPLY AND DEVELOPMENT CORPORATION LTD. Annual General Meeting, Bombay, 25th April 1957. Dividend: As. 10 per share, payable on 27th April, 1957. Transfer books remain closed from 2nd to 25th April 1957, both days inclusive.

NASIK-DEOLALI ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 25th April 1957. Transfer books remain closed from 2nd to 25th April 1957, both days inclusive.

FINLAY MILLS, LTD. Annual General Meeting, Bombay, 26th April 1957. Dividend: Rs. 20 per share, payable on or after 27th April 1957. Transfer books will remain closed from 30th March to 26th April 1957, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 27th April 1957. Dividend: As. 8 per share (final). Transfer books will remain closed from 6th to 27th April 1957, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Annual General Meeting, Bangalore, 27th April 1957. Dividend: Rs. 20 per share (final), payable on or after 28th April 1957.

BUCKINGHAM AND CARNATIC CO., LTD. Annual General Meeting, Madras, 27th April, 1957. Dividend: Rs. 6 per share (final) payable on 27th April 1957. Transfer books will remain closed from 5th to 26th April 1957, both days inclusive.

HUKUMCHAND JUTE MILLS, LTD. Interim dividend: Rs. 3-8 per share, free of income-tax on the preference shares, payable after 24th April 1957. Transfer books will remain closed from 15th to 24th April 1957, both days inclusive.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD. Additional dividend: Rs. 4.25 per share for the year ended 30th June 1954, payable on and after 27th April 1957. Transfer books will remain closed from 15th to 24th April 1957, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. (AND REDUCED). Interim dividend of Re. 1 per ordinary share, for the year ended 31st March, 1957. Transfer books will remain closed from 16th to 22nd April 1957, both days inclusive.

COORG TEA CO., LTD. Interim dividend of As. 8 per ordinary share, for the year ended 31st March, 1957. Transfer books remain closed from 5th to 15th April 1957, both days inclusive.

NELLIAMPATHY TEA AND PRODUCE CO., LTD. Interim dividend of As. 2 per ordinary share, for the year ending 30th June 1957. Transfer books will remain closed from 9th to 15th April 1957, both days inclusive.

RAJAGIRI RUBBER AND PRODUCE CO., LTD. Interim dividend of Re. 1 (10 per cent.) per share, for the year ending 30th June, 1957. Transfer books will remain closed from 9th to 15th April, 1957, both days inclusive.

TALAYAR TEA CO., LTD. Interim dividend of As. 8 per ordinary share, for the year ended 31st March 1957.

JAWAHAR MILLS LTD. Dividend of Re. 1-4 per share for the year ended 31st December 1956. Transfer books will remain closed from 13th to 26th April 1957, both days inclusive.

Notices

THE NEW MONKHOOSHI TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the members of the abovenamed Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta 1, on Tuesday the Twenty-third day of April, 1957, at 11-00 a.m., to consider and if thought fit to pass, with or without modification, the following resolutions, namely:—

1. (a) That it is desirable to capitalise a sum of Rs. 3,00,000 being part of the undivided profits of the Company standing to the credit of the Reserve Fund and accordingly that the said sum of Rs. 3,00,000 be capitalised and that this amount be used as a capital bonus which shall be applied on behalf of the persons who are, on the 23rd day of April, 1957, holders of the 80,000 issued Ordinary Shares of the Company of Rs. 7-8 each, in payment in full for 40,000 new Ordinary Shares of Rs. 7-8 each and that such 40,000 new Ordinary Shares, credited as fully paid, shall be accordingly allotted to such persons respectively in the proportion of one new Ordinary Share for every two issued Ordinary Shares held on the 23rd day of April, 1957, by such persons respectively and that the said new Ordinary Shares so distributed shall rank in all respects *pari passu* with the existing Ordinary Shares and will participate in any dividend declared in respect of the year ended 31st December, 1956, and shall also be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such Ordinary Shareholder and not as income.

   (b) That pursuant to the above resolution and in satisfaction of the said special capital bonus the Directors be and they are hereby directed to allot and distribute 40,000 new Ordinary Shares credited as fully paid up amongst the persons who are on the 23rd day of April, 1957, holders of the 80,000 issued Ordinary Shares of the Company in proportion to the issued Ordinary Shares held by them.

   (c) That the draft of the Agreement providing for the allotment of the said new Ordinary Shares in satisfaction of the said capital bonus submitted to this Meeting and signed in the margin by the Chairman thereof by way of identification be and the same is hereby approved and that the Directors be authorised to affix the Seal of the Company to duplicate engrossments of such Agreement as and when the same shall have been signed on behalf of the members holding Ordinary Shares in the Company on the 23rd day of April, 1957, by some person to be appointed by the Directors in that behalf under Article 168 of the Articles of Association of the Company.

The Share Transfer Books of the Company will be closed from 8th to 23rd April, 1957, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
J. H. G. WHITFIELD,
Acting Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *20th March*, 1957.

Note.—A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

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

2, FAIRLIE PLACE,
CALCUTTA, *20th March*, 1957.

THE NEW MONKHOOSHI TEA COMPANY LIMITED

Circular Letter to Shareholders

EXPLANATORY STATEMENT

DEAR SIR/MADAM,

Your Directors consider that the present issued capital of the Company does not reflect the actual Capital position of the Company and that the Issued Capital should be increased. They recommend that a sum of Rs. 3,00,000, being a part of the amount standing to the credit of General Reserve, be capitalised and that this amount be utilised as Capital Bonus to be satisfied by an issue of 40,000 Ordinary Shares of Rs. 7-8 each, credited as fully paid up, to the existing holders of Ordinary Shares on the 23rd day of April, 1957, in the proportion of one new Ordinary Share for every two issued Ordinary Shares held by them on the said 23rd day of April, 1957, the said new Ordinary Shares ranking in all respects *pari passu* with the existing Ordinary Shares, and participating in any dividend declared in respect of the year ended 31st December, 1956.

Your Directors recommend for your approval the resolutions which will be proposed in this connection and which are detailed in the Notice calling a General Meeting of Shareholders on the 23rd April, 1957.

The Directors and Managing Agents of the Company will be entitled to an allotment of New Shares in regard of their respective Shareholdings and to this extent they may be deemed to be interested in the above proposal.

The draft Agreement referred to in Resolution 1(c) of the annexed Notice convening the General Meeting may be inspected at the Registered Office of the Company on any working day during usual business hours, upto the date of the meeting.

Yours faithfully,
MACNEILL & BARRY LTD.,
J. H. G. WHITFIELD,
Acting Secretary,
Managing Agents.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have sanctioned payment of dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 31st March 1957.

The Preference Share Registers will be closed from the 8th to the 9th April 1957, both days inclusive. Payment will be made on or after the 1st May, 1957, to those Preference Shareholders whose names are on the Company's Register on the 9th April, 1957 or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *30th March*, 1957.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS OF THE above Company has sanctioned payment of the following Interim Dividends in respect of the Company's financial year ending 31st March, 1957, without any deduction for Income-tax payable by the Company.

On 8 per cent. 1st Cumulative Preference Shares—Rs. 4 per share.

On 4½ per cent. 2nd Cumulative Preference Shares—Rs. 2-4 per share.

On Preferred Ordinary Shares—Annas 2 per share.

On "A" and "B" Ordinary Shares—Dividend at Annas 14 per share and Bonus at Annas 4 per share.

These Dividends will be payable on or after 30th April, 1957, to those Shareholders (or their mandatees) whose names appear in the Company's books on 18th April, 1957, as the Registered holders of the above Shares.

The Share Transfer Registers of the Company will be closed from 8th to 18th April, 1957, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED.
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th March*, 1957.

THE BELSUND SUGAR COMPANY LIMITED

NOTICE

THE ANNUAL ORDINARY GENERAL MEETing of Shareholders will be held at the Registered Office of the Company, 14, Netaji Subhas Road, Calcutta-1, on Monday the 6th May, 1957, at 11-45 a.m., for the purpose of receiving the Directors' and Auditors' Report for the year ended 30th September, 1956, passing the Accounts, declaring Dividend, electing Directors and Auditors in place of those retiring and transacting any other ordinary business that may be brought forward.

The Share Transfer Books of the Company will remain closed from 22nd April, 1957 to 6th May, 1957, both days inclusive.

The Dividend Warrants will be sent to Registered Shareholders.

By Order of the Board,
Per Pro. BANGUR BROTHERS LTD.,
B. G. BANGUR,
Managing Agents.

14, NETAJI SUBHAS ROAD,
CALCUTTA, *28th March*, 1957.

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

GOVERNMENT OF INDIA
Ministry of Railways (Railway Board)

ESTABLISHMENT OF STEEL FOUNDRY AT CHITTARANJAN

THE MINISTRY OF RAILWAYS (RAILWAY Board) are inviting proposals for setting up a steel foundry at Chittaranjan, West Bengal, with the technical collaboration of a reputed foreign steel foundry. The proposed steel foundry will form a complement to the existing Locomotive Works at Chittaranjan and should have a planned output of 6,000 tons of finished casting with a possibility of expansion upto 9,000 tons per annum. The firm selected for collaboration will be fully responsible for

(i) the design and layout including the buildings and production equipment,

(ii) procurement, inspection and transport of the plant and equipment to the site,

(iii) supervision of erection and installation of important production equipment and

(iv) successful operation.

The selected firm will also be responsible for training Indian personnel in technical and managerial functions and should also provide competent key personnel in the initial stages.

The offer should give complete details of cost, men and material required, earliest date of commissioning the foundry and payment terms. Water, electric power and other raw materials required will be arranged by the General Manager, Chittaranjan Locomotive Works.

Further particulars are available in the tender hand-out which will be supplied on application to the undersigned. The offers are to be addressed to the Secretary (M), Railway Board, New Delhi, India, and should reach him on or before 15th June 1957.

J. F. MUNCHERJEE,
Director, Mechanical Engineering,
Railway Board.

NEW DELHI, *30th March* 1957.

BENARES ELECTRIC LIGHT AND POWER COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-seventh Ordinary General Meeting (not being an Annual General Meeting) of the abovenamed Company will be held at its Registered Office No. 12, Mission Row, Calcutta, on Monday the 29th April, 1957, at 11-0 a.m., for the following purposes:—

1. To receive and adopt the Audited Accounts for the half-year ended 30th June, 1956, and the Directors' and the Auditors' Reports thereon.
2. To declare a Dividend.

The Register of ordinary shareholders of the Company and the Transfer Books will be closed from the 23rd April, 1957, to the 29th April, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy, who need not be a member, to attend, and on a poll, to vote instead of himself.

By Order of the Board,
MARTIN BURN LTD.,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA 1, *3rd April*, 1957.

EXPLANATORY STATEMENT

N.B.—This meeting is being convened to consider the accounts for the half-year ended 30th June, 1956, in accordance with the provisions of the Company's Articles of Association.

THE SOUTH KARANPURA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above named Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, on Wednesday the 1st May 1957, at 11 a.m., for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st August 1956, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from the 17th April to the 1st May 1957, both days inclusive.

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

CALCUTTA, *28th March*, 1957.

Note.—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after the 9th May 1957, to those shareholders so entitled whose names appear in the Company's books on the 1st May, 1957, or to their mandatees. No application for Dividend Warrants will be necessary.

THE SOUTH KARANPURA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on 28th March, 1957, a Dividend of 3½ per cent. per annum was recommended to be paid for the year ended 31st August, 1956, without any deduction for Income-tax payable by the Company.

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

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE AMALGAMATED ELECTRICITY COMPANY, LIMITED

THE REGISTERS OF MEMBERS AND Transfer Books of the Company will be closed from 12th to 19th April, 1957, both days inclusive, in connection with Interim Dividend for the half-year ended 30th September, 1956, payable on or after 20th April, 1957.

By Order of the Board,
THE AMALGAMATED ELECTRICITY CO., LTD.,
N. C. JAVERI,
Director.

BOMBAY, *30th March*, 1957.

ECONOMICS OF EXPENDITURE TAX

(*Concluded from page* 681)

sheet of personal net wealth at the beginning and at the end of the period forces the taxpayer into a full disclosure of receipts; just as the need to make a full return of current receipts and expenditure forces the taxpayer into a full disclosure of capital assets."

The mistake in this argument is Dr. Kaldor's assumption that the transactions of people subject to the expenditure tax are only with persons who are also subject to this tax. But in India this is far from being the case. It would be perfectly possible to evade the expenditure tax by showing in the returns either a gift or a loan to someone who is not subject to income tax or showing it as repayment of a past loan to such a person to which there can be no limit. In India, fictitious *benami* transactions are not unknown and an expenditure tax can safely be evaded by showing an outlay on buying a house or some other property which in fact actually belongs to someone else. If both the parties were subject to the expenditure tax such transactions could easily be discovered but it would be almost impossible to do so if one of the parties is not paying the income-tax or the expenditure tax. Moreover, in the case of smaller businesses in India, personal accounts are mixed up with business accounts and it would be quite easy to evade an expenditure tax by either inflating the receipts of the business house and reducing one's own income or by passing some items of the expenditure to the business house. In the case of big business the allowances made available to business executives in connection with business, in spite of all the suggestions which Dr. Kaldor has made in this connection, would give scope for tax evasion.

Practical Difficulties

The most severe criticism against the expenditure tax is that it creates insurmountable administrative and practical difficulties. It is theoretically correct that expenditure "is more strictly definable than 'income' as the basis of taxation" but in actual practice the only way of finding out expenditure is, especially in the case of an economically backward country like India, to first find out the income and then to find out the net addition to savings. The difference of the two would be taken to constitute expenditure. It is difficult to calculate income and the task would become still more difficult if, in addition, we have to find out the net addition to a person's savings before we can find out his expenditure. Moreover, if an expenditure tax is levied the position of the income-tax officer would become still more difficult.

Dr. Kaldor has argued that in the case of an expenditure tax "concealments could not be carried to the point at which the taxpayer's own returned figure for his expenditure becomes apparently inconsistent with his mode of living." This means that the income-tax officer will not only have to determine a person's income but his 'true' expenditure with reference to the taxpayer's 'mode of living.' This is not calculated either to make the income-tax officer's task easier or to improve his relations with the public. Apart from every other consideration, the expenditure tax would enormously increase the work of the department and a large number of trained officers would be required to cope with the work.

It might be emphasised here that although, in theory, an expenditure tax is more equitable than an income-tax, in the peculiar conditions in India this does not happen to be the case. We have the joint family system and although Dr. Kaldor has provided for this by suggesting a tax on a *per capita* basis (i.e., per head per family), the difficulty is that, in a large number of cases, people have to incur expenditure on persons who do not actually live with them and who cannot by any definition be called members of their family. If they are taxed on the basis of this 'inflated' expenditure the expenditure tax ceases to be equitable in their case. Moreover, such a tax would be altogether equitable only in the case of a more or less stable price level. If prices are rising or falling, as is bound to be the case in India with an enormous developmental outlay under the Plan, the expenditure tax ceases to be equitable because in the case of rising prices the people suffer a double sacrifice by having to pay higher prices for maintaining their standard of living and by paying a higher expenditure tax as well while in the case of falling prices they get off more lightly than they should if equity were to be the criterion.

It appears that an expenditure tax would either suit a country, if such a country exists anywhere in the world, consisting "of a small group of people squandering their hereditary wealth on luxurious consumption" or a country in which every one has a fairly high income and most of the people, if not all, pay the income-tax (or the expenditure tax). India is not such a country and the expenditure tax is, therefore, completely unsuitable for us. The Finance Ministry must be tempted to make a new experiment and see what happens to the people under this financial B.C.G. injection. But we are already passing through enormous strains on account of the second Plan and this is not a suitable time for fancy experiments.

LAKHSHMI AND VISHNU COTTON MILLS REPEAT DIVIDENDS

ENCOURAGING RESULTS OF GODAVARI SUGAR

Lakhshmi Cotton Manufacturing Co., Ltd.

THE directors of the above Company (Chairman: Mr. E. S. Vernon-Jones, Bombay) submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts show a profit for the year of Rs. 21,76,350 (Rs. 21,79,447) to which must be added the balance brought forward from last year of Rs. 14,744 (Rs. 19,080) giving a total of Rs. 21,91,094 (Rs. 21,98,527). Out of this the interim dividend paid in November 1956 of Rs. 12-8 (Rs. 12-8) per ordinary share absorbed Rs. 1,60,000 (Rs. 1,60,000) leaving a balance of Rs. 20,31,094 (Rs. 20,38,527) to which the directors have added Rs. 5,58,935 (*nil*) transferred from engine and machinery fund, making available for appropriation a sum of Rs. 25,90,029 (Rs. 20,38,527). The directors have transferred to depreciation Rs. 13,37,539 (Rs. 7,81,640), gratuity Rs. 33,000 (Rs. 33,000), reserve for taxation Rs. 4,82,000 (Rs. 7,05,000) and engine and machinery fund Rs. 2,74,114 (Rs. 61,143).

Out of the balance of Rs. 4,63,376 (Rs. 4,57,744), the directors recommend a dividend of Rs. 12-8 (Rs. 12-8) per share less income-tax on 6,400 preference shares, and a final dividend of Rs. 30 (Rs. 30) per share on 12,800 ordinary shares (making Rs. 42-8 (Rs. 42-8) per share for the year) free of income-tax absorbing Rs. 4,43,000 (Rs. 4,43,000) and to carry forward the balance of Rs. 20,376 (Rs. 14,744).

The sum of Rs. 5,58,935, transferred from engine and machinery fund represents initial depreciation previously set aside on plant and machinery which has now for income-tax purposes been totally written off and included in depreciation. The sum of Rs. 2,74,114 transferred to engine and machinery fund represents the amount of income-tax saved from the initial depreciation and development rebate on building and machinery for 1956, plus Rs. 67,000 surplus available from the profits.

Trading Conditions:—Market conditions in India were very favourable during the first two-thirds of the year, sufficient to offset the rising cost of cotton and the rapid increase in dearness allowance, which arose from a scarcity of the coarser foodgrains in the Deccan. The heavy increase in excise duties on 1st September, however, completely altered the picture. It is hardly too much to say that the wholesale cloth trade, under pressure also from the credit squeeze, has had to abandon its traditional position as a buffer between the industry and retail, with the result that large stocks of cloth have been thrown back on to the mills. As a result, closing stocks are more than 60 per cent. larger than the opening balance (which was of reasonable dimensions) and stocks of superfine cloth, in particular, continue to present a serious problem. Stocks of cloth would have been even larger, had not production been to a large extent switched to export before the end of the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,00,000	Block (net) ...	43,42,120
Reserves ...	67,91,510	Machinery under erection ...	1,43,756
Provision for taxation ...	4,96,625	Stock-in-trade ...	97,66,047
Liabilities ...	1,06,97,000	Stores and spares ...	16,30,037
Profit and loss account ...	20,376	Debts, deposits and advances ...	61,16,262
		Investments ...	7,73,175
		Cash ...	34,114
Rs.	2,28,05,511	Rs.	2,28,05,511

Vishnu Cotton Mill Ltd.

The directors of the above Company (Chairman: Mr. E. S. Vernon-Jones, Bombay) submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts show a profit for the year of Rs. 12,90,479 (Rs. 15,35,692) to which must be added the balance brought forward from last year of Rs. 23,124 (Rs. 22,250) giving a total of Rs. 13,13,603 (Rs. 15,57,941). Out of this the interim dividend paid in November 1956 of Rs. 2-8 (Rs. 2-8) per ordinary share absorbed Rs. 80,000 (Rs. 80,000) leaving a balance of Rs. 12,33,603 (Rs. 14,77,941). To this the Directors have added Rs. 6,64,718 (Rs. 3,37,000) representing the amount transferred from depreciation renewal and extension fund Rs. 4,45,718 (*nil*) and dividend fund Rs. 2,19,000 (Rs. 3,37,000) making available for appropriation Rs. 18,98,321 (Rs. 18,14,941), from which they have transferred to depreciation Rs. 14,45,782 (Rs. 7,58,199), debenture redemption fund Rs. 1,33,747 (Rs. 1,33,747) and gratuity fund Rs. 45,000 (Rs. 32,000).

Out of the balance of Rs. 2,73,792 (Rs. 2,79,995 after transferring Rs. 2,86,000 to general reserve, Rs. 3,00,000 to depreciation and renewal fund and Rs. 25,000 to debenture issue expense) the directors recommend a dividend of Rs. 35 (Rs. 35) per share less income-tax on 3,133 preference shares, and a final dividend of Rs. 5-8 (Rs. 5-8) per share on 32,000 ordinary shares (making Rs. 8 (Rs. 8) per share for the year) absorbing Rs. 2,56,870 (Rs. 2,56,870) and to carry forward the balance of Rs. 16,922 (Rs. 23,124).

The sum transferred from depreciation, renewal and extension fund of Rs. 4,45,718 represents initial depreciation previously set aside on plant and machinery now totally written off for income-tax purposes and included in depreciation. The total amount of depreciation to be provided for the year is Rs. 16,67,782, but the directors have decided to provide Rs. 14,45,782 only, in view of the profit being insufficient to cover full depreciation and other provisions. The sum of Rs. 4,823 being refund of customs duty charged in excess on imported machinery has been reduced from the block.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,66,500	Block (net) ...	56,32,160
Reserves ...	31,89,009	Machinery in erection ...	7,48,560
Provision for taxation ...	19,400	Stock-in-trade ...	89,98,155
Liabilities ...	1,38,36,902	Stores and spares ...	17,09,377
Profit and loss account ...	16,922	Debenture issue expenses ...	49,964
		Debts, deposits and advances ...	38,98,772
		Investments ...	7,68,590
		Cash ...	23,155
Rs.	2,18,28,733	Rs.	2,18,28,733

Godavari Sugar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. K. J. Somaiya and Sons (Private) Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st May 1956.

The profit and loss account for the year under review shows a profit of Rs. 7,55,634 (Rs. 8,00,981) after providing Rs. 9,39,595 (Rs. 15,45,003) for depreciation and Rs. 22,50,000 (Rs. 7,00,000) for taxation. This, together with the balance of Rs. 19,309 (Rs. 20,130) brought forward from the last year, amounts to Rs. 7,74,943 (Rs. 8,21,111), which the directors recommend to appropriate as follows:—

Interim dividend at Rs. 15 (Rs. 10) per share on ordinary shares, free of income-tax, Rs. 6,00,000 (Rs. 4,00,000), final dividend on ordinary shares at Re. 1 (Rs. 2-8) per share, free of income-tax, Rs. 40,000 (Rs. 1,00,000) dividend on preference shares at 5½ (5½) per cent., free of income-tax, Rs. 1,01,802 (Rs. 1,01,802) and carried forward Rs. 33,141 (Rs. 19,309 after setting aside Rs. 2,00,000 for reserve fund).

The quantity of cane crushed during the year under review by the Company's two factories has broken all the records of the previous years. The crushing would have been even greater, but for the rat trouble that had developed in the farms. The directors had taken timely action in putting an end to the serious menace to the crop by the rats. The releases of sugar continued to be controlled by the Central Government and the Company carried highest sugar stock in the year under review, as compared to past years.

The directors inform that they have secured the licence to run the distillery. They were in a position to start the same on 27th February 1957.

The crop for the year under review is satisfactory. Cane crop available for the crushing season 1956-57 is about 2,874 acres. The working of the two factories has been satisfactory. The season for the year under review at both the factories has been comparatively longer. The Company had to purchase large quantity of sugar cane from outsiders.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	58,50,950	Block (net)	69,21,031
Reserves ...	45,34,298	Stock-in-trade ...	1,62,04,188
Provision for taxation ...	23,30,709	Stores and spares ...	31,64,039
Liabilities ...	1,99,98,037	Crop in progress ...	40,14,159
Profit and loss account ...	33,141	Debts, deposits and advances ...	8,74,802
		Investments	14,46,078
		Cash ...	1,22,838
Rs.	3,27,47,135	Rs.	3,27,47,135

Upper Ganges Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

Satisfactory progress has been maintained during the period under review, as will be seen from the following table:

Half-year Ended	*Units Sold*	*Revenue* Rs.
31st December 1953 ...	3,539,501	6,03,387
30th June 1954	3,555,244	5,87,679
31st December 1954 ...	3,861,862	6,14,170
30th June 1955 ...	3,923,868	6,28,668
31st December 1955 ...	4,214,945	7,05,546
30th June 1956 ...	4,365,805	7,50,265

After providing for all charges and placing Rs. 4,221 (Rs. 3,426) to statutory contingencies reserve and Rs. 30,000 (*nil*) to general reserve, there remains a balance of Rs. 36,947 (Rs. 34,513) including Rs. 8,097 (Rs. 9,049) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of in payment of a dividend at the rate of 10 (8¾) per cent. per annum, free of income-tax for the half-year Rs. 29,925 (Rs. 26,184) and in carrying forward to next half-year Rs. 7,022 (Rs. 8,329).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,99,250	Block ...	10,14,094
Reserves ...	2,71,543	Stores and spares ...	7,96,083
Provision for taxation ...	39,519	Debts, deposits and advances ...	2,33,861
Liabilities ...	17,68,506	Investments	1,21,626
Profit and loss account ...	7,022	Cash	5,20,176
Rs.	26,85,840	Rs.	26,85,840

Bareilly Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

As will be seen from the undermentioned schedule, satisfactory progress has been made during the six months under review:

Half-year Ended	*Units Sold*	*Revenue* Rs.
31st December, 1953 ...	3,682,856	7,36,411
30th June, 1954 ...	4,252,655	7,75,596
31st December, 1954 ...	4,119,991	7,79,404
30th June, 1955	4,885,872	8,92,718
31st December, 1955 ...	4,617,914	8,82,280
30th June, 1956 ...	5,368,304	9,56,125

Since there is an excess of clear profit over the reasonable return, and as this position is likely to continue, the discount for prompt payment of bills is to be increased from one anna to one and a half anna in the rupee.

After providing for all charges, and placing Rs. 10,744 (Rs. 10,245) to statutory contingencies reserve, Rs. 17,166 (Rs. 17,166) to reserve for redemption of debentures and Rs. 25,000 (*nil*) general reserve, there remains a balance of Rs. 56,088 (Rs. 60,090 after providing Rs. 15,000 for development and extensions account) including Rs. 19,748 (Rs. 18,718) brought forward from the previous half-year, available for distribution, and this the Directors recommend be disposed of in payment of a dividend at the rate of 10 (10) per cent. per annum, free of income-tax, for the half-year Rs. 40,000 (Rs. 40,000) and in carrying forward to next half-year Rs. 16,088 (Rs. 20,090).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	28,42,185
Reserves ...	11,06,514	Stores and spares ...	5,00,325
Provision for taxation ...	85,000	Debts, deposits and advances ...	99,877
Liabilities ...	27,53,878	Investments	1,51,863
Profit and loss account ...	16,088	Cash ...	11,47,551
		Fictitious assets ...	19,679
Rs.	47,61,480	Rs.	47,61,480

Saugor Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

Certain works in connection with the erection of the new thermal station have been delayed, owing to the exceptionally heavy rains that occurred in Saugor in the year 1956. Work is however, now proceeding satisfactorily, and it is expected to commission the new power station in June 1957.

As will be seen from the following schedule, satisfactory progress has been made during the six months under review.

Half-year Ended	*Units Sold*	*Revenue* Rs.
31st December, 1953 ...	591,616	1,96,763
30th June, 1954 ...	645,244	2,10,358
31st December, 1954 ...	635,557	2,10,705
30th June, 1955 ...	676,261	2,16,306
31st December, 1955 ...	682,701	2,25,792
30th June, 1956 ...	741,004	2,37,436

After providing for all charges and placing Rs. 1,939 (Rs. 1,769) to statutory contingencies reserve and Rs. 8,000 (*nil*) to general reserve, there remains a balance of Rs. 10,970 (Rs. 10,142 after adding Rs. 4,000 to development and extension account) including Rs. 2,247 (Rs. 2,680) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of in payment of a dividend at the rate of 5 (5) per cent. per annum, free of income tax, for the half-year Rs. 7,500 (Rs. 7,500) and in carrying forward to next half-year Rs. 3,470 (Rs. 2,643).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	4,48,327
Reserves ...	1,42,519	Stores and spares ...	1,87,289
Provision for taxation ...	34,656	Debts, deposits and advances ...	29,579
Liabilities ...	3,28,868	Investments	16,392
Profit and loss account ...	3,471	Cash	1,27,927
Rs.	8,09,514	Rs.	8,09,514

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

KEEN DEMAND FOR FUNDS

(From Our Own Correspondent)

BOMBAY, *3rd April*

Activity in the short-term money market during the week under review was marked by a keen demand for funds, in the face of acute shortage of supplies. In the absence of any big lenders, banks had to seek accommodation from the Reserve Bank in a large measure. There was a tendency for interest rate on house money at call to harden, but there was no widespread business at the higher rate, so that the general rate was still kept at 4 to 4¼ per cent. Short-term deposits for one to six months were also bid at 4 to 4¼ per cent. Business in the inter-bank section was at a low ebb, due to paucity of lenders. There was, however, no change in inter-bank call rate, which was quoted at 3½ per cent.

An expansion of Rs. 8.30 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 29th March 1957. Notes held in the Banking Department are lower by Rs. 7.64 crores and the increase of Rs. 66 lakhs in total notes is covered by a similar rise in rupee coin. Foreign securities have declined by Rs. 9 crores and this is accompanied by a fall of Rs. 10.90 crores in balances held abroad, so that the aggregate decline in foreign assets is of the order of Rs. 19.90 crores. There has been a rise of Rs. 10.94 crores in deposits of the Central Government, reflecting the year-end tax payments. Deposits of other Governments are lower by Rs. 3.21 crores, while those of banks have risen by Rs. 6.67 crores. Loans and advances to Governments show an increase of Rs. 1.85 crores and other loans and advances Rs. 3.14 crores, despite the reduction of Rs. 1.67 crores in outstanding advances to Scheduled banks against usance bills. Fresh advances to banks against these bills during the week aggregate Rs. 17.21 crores and the fall in outstanding borrowings shown above indicates that repayments of maturing bills are of the order of Rs. 18.88 crores. A sharp rise of Rs. 40.41 crores is noted in investments.

The Scheduled banks' statement for the week ended 22nd March 1957, discloses a fall of Rs. 4.71 crores in demand deposits and of Rs. 42 lakhs in time deposits. Borrowings from banks are also lower by Rs. 1.03 crores, while borrowings from the Reserve Bank and the State Bank have enlarged by Rs. 15.99 crores and Rs. 2.32 crores, respectively. Advances show a rise of only Rs. 73 lakhs, but the increase in bills purchased and discounted is more marked, being of the order of Rs. 5.13 crores. Cash balances are up by Rs. 1.99 crores, while money at call and short notice has dropped by Rs. 3.42 crores.

Dull conditions were witnessed in the Gilt-edged market during the week under review. The acute stringency in the money market kept interest at a low ebb and the turnover of business was poor. 3 per cent. 1986 Conversion Loan shaded off from Rs. 74.35 to Rs. 74.25. All the other counters were unchanged. 3 per cent. 1970-75 was on offer at Rs. 87.30 and 3 per cent. 1966-68 at Rs. 92.25. 3 per cent. 1964 was devoid of any interest at Rs. 94.45. 3 per cent. 1963-65 was dull at Rs. 94.20, and 3 per cent. 1959-61 at Rs. 97.75. 3½ per cent. 1962 was unchanged at Rs. 97.80. 3½ per cent. 1961 at Rs. 99.45 and 3½ per cent. 1964 at Rs. 98.45. 3½ per cent. 1965 was stagnant at Rs. 98.25 and 3¾ per cent. 1967 at Rs. 98.50. State loans were neglected and sellers were in evidence in some of the issues.

The weakness of sterling abroad during the week under review affected the rupee also in terms of the U.S. dollar. Thus, banks' selling rate for ready dollars rose from Rs. 479.50 to Rs. 480.00 per $100 and their buying rate from Rs. 476.25 to Rs. 476.50 per $100. In New York, spot sterling weakened from $2.79 1/6-2.79 3/16 to $2.78⅞-2.78¾. Three months' forward was marked down by 3/16c. to $2 78-2.78¼ and transferable sterling by 5s. to 276.10-276.20 cents.

COMMON TEAS DEARER

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *28th March*

Some 350,000 lbs. were on offer in Dust Sale 'G' which was held on Tuesday, 26th March. The sale opened to a good general demand with commonest kinds fully firm and often dearer. Medium dusts sold fairly well, but prices were half to one anna easier. Best liquoring descriptions were irregular and often declined. There was some demand for Middle East types.

The average price realised in Dust Sale 'G' was Re. 1-14-6 per lb., as against Re. 1-14-5 per lb. in Sale 'F' and Re. 1-14-6 per lb. in the corresponding sale of 1956.

London Market—Sale of 25th March 1957.—Best liquoring Assams firm; others 1*d.* to 3*d.* lower.

Sale of 26th March 1957.—Best steady; others 2*d.* easier.

Colombo Market—Sale of 25th March 1957.—Grainy dusts lower, others good demand firm rates.

Sale of 26th March 1957.—Quality inferior. Demand quieter. Highgrowns considerably lower, especially fannings. Medium brokens declined 15c. to 20c., but corresponding fannings slightly dearer. Small leaf lowgrown brokens declined 5c. Persian Gulf types firm.

Calcutta Market—Export.—59,700 packages. Whole leaf tippy teas, Gulf and Red Sea port types well supported. Others irregularly easier.

Internal.—19,300 dust. Good general demand. Middle East types dearer, others steady. C.T.Cs. up to As. 2 easier. Fibrous sorts neglected. 3,950 leaf. Good general demand at irregular rates.

Export Quota.—The market is very quiet pending the opening of special licence transactions on 1st April. The nominal quotation is 28 pies sellers, 24 pies buyers.

SILVER WEAKENS AT CLOSE

(From Our Own Correspondent)

BOMBAY, *3rd April*

An erratic trend in silver prices was again the feature of this week's trading in the bullion market. Gold, however, ruled steady with the movements confined to a narrow range. Towards the close, the yellow metal softened a little in sympathy with silver.

Uncertainty about the future of the Indo-Tibetan trade, the agreement in respect of which expired on 31st March, was the main dominating influence in silver. The trend during the earlier part of the week was slightly upward on expectations that the Government of India would restrict, if not ban, the import of silver coins from Tibet. Towards the close, rumours that the trade arrangement with Tibet had been extended for a period of three months and the actual arrival of about 200,000 coins today affected sentiment. Just at the close, there was again a mild revival, on profit-covering.

The bullion market remained closed on 1st April, being a Bank holiday, and on 2nd April, as a mark of respect to a leading broker who died yesterday.

Forward silver (13th April settlement) hardened from Rs. 179-2 to Rs. 180-14, thus maintaining the upward trend noted in the latter half of the previous week. There was, however, a sudden drop today to Rs. 178-5 for reasons stated above, before finishing at Rs. 179.

Ready silver moved up from Rs. 178-8 to Rs. 180-4, but retreated to Rs. 177-13 and closed at Rs. 178-10. The narrowing of the discount at which the ready metal was quoted below forward from As. 10 to As. 6, despite the increase in floating stocks and the slackness in demand, reflects the weakness of the forward. The floating stocks of silver are placed at 1,100 bars. The daily average offtake was 10 bars.

Forward gold (11th April settlement) improved from Rs. 105-12 to Rs. 106-1, before reacting to Rs. 105-5.

Ready gold was done on par with the forward. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals and offtake were of the order of 4,000 tolas.

There was no change in New York silver price at 91⅛c. Spot silver in London, however, hardened from 79¾d. to 80d. and forward from 79½d. to 79¾d. Gold staged a sharp rise from 250s. 3½*d.* to 250s. 9½*d.*

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

	3-4-1957	Highest	Lowest	27-3-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	105 5	106 1	105 2	105 12
Forward*	105 5	106 1	105 2	105 12
Sovereign	69 0	69 4	69 0	69 8
SILVER				
Ready (.995 fine Mint) ..	178 10	180 4	177 13	178 8
Forward†	179 0	180 14	178 5	179 2
London Silver Ready ..	80 *d.*	80 *d.*	79½*d.*	79¾*d.*
London Forward	79¾*d.*	79¾*d.*	79¼*d.*	79½*d.*
London Gold	250s. 9½*d.*	250s. 9½*d.*	250s. 4*d.*	250s. 8¼*d.*
New York Silver	91⅛c.	—	—	91⅛c.

* 11th April settlement.
† 13th April settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

TIN ADVANCES

(From Our Own Correspondent)

CALCUTTA, *2nd April*

A notable improvement in sentiment was in evidence in the metal market during the week under review, and the star feature was the rise in tin from Rs. 509 to Rs. 519 following a higher trend on the London Metal Exchange. This, in turn, was due to the decision of the International Tin Council to make an upward revision in the price of buffer stock tin. This decision followed the recognition by the Council of the need to increase output. Cost of production had been rising, and it was felt that, without an increase in price, producers would not get sufficient incentive. Locally, stocks continued to be plentiful and, naturally, consumers were content to carry little stocks. From Rs. 173, electrolytic copper improved to Rs. 176. Demand was moderate, and, as in tin, bazar stocks were fair in copper also. Government inquiries for moderate tonnages were a feature. Electrolytic zinc was fully steady at Rs. 78. For a time, there was some difficulty in locating ready stocks, but soon there were fresh arrivals. Virgin lead was firm at Rs. 79. The supply position was comfortable.

Forthcoming Auctions.—Dust Sale 'H' will be held on Tuesday, 9th April.

Tea shipments from Cochin:—

	From 1st Jan. to 9th March 1957.	*From 1st Jan. to 9th March* 1956.
To United Kingdom ...	7,428,303	7,941,616
To U.S.A.	1,985,417	1,704,965
To Canada	1,738,732	1,420,550
To Australia	773,809	926,995
To Indian Ports ...	1,230,707	1,066,030
To other countries ...	760,790	961,308
Total Lbs. ...	13,915,758	14,021,464

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale* 7.—1,500,000 lbs. Fair general demand at much lower rates. Low mediums and mediums irregularly 20 nP. to 30 nP. lower. Best considerably easier. Fannings grades more enquiry at the drop; whole leaf quieter."

COTTON FUTURES BEARISH

(From Our Own Correspondent)

BOMBAY, *3rd April*

The Government's move to requisition cotton stocks to ensure an equitable supply to mills at reasonable prices and the decision to ban all export sales of Indian cotton with immediate effect would appear to have had their full effect on the cotton futures market. The market ruled distinctly bearish during the week under review. Some traders were somewhat inclined to believe that, with heavier arrivals of new crop cotton and fair quality being made tenderable against the May and June settlements, prices would come down further. There were apprehensions that heavier margins might be imposed by the authorities. The market was also thick with rumours that the Government might soon rationalise the available supplies among the mills and certify the purchase and sales of cotton on the basis of samples drawn by the Controllers. Under the impact of these factors, cotton futures staged a sharp decline in prices.

Certain sections of the trade believe that, in the context of rising mill consumption and lower crop idea, the recent rise in prices is not something unnatural. In their opinion, any hasty and warranted Government intervention in the market would only harm the interest of genuine traders. Measures like requisitioning of cotton stocks and making them available to mills at reasonable prices give rise to serious practical problems which it will be difficult to tackle except through adoption of arbitrary and unfair methods.

Details as to how the requisitioning of stocks will be put into effect are not known but it is felt that the traders and mills will be called upon to declare their stocks and to obtain the prior approval of the Textile Commissioner, so that the latter will have full control over the purchase and sale of cotton by any section of the trade. Traders are still in the dark as to whether the requisitioning is going to be confined to Bombay only or whether it is applicable only to traders or to growers also. The Millowners' Association, Bombay, is reported to have put forward some suggestions to meet the current situation. These include certification of purchases and sales on the basis of samples drawn by the Controllers, non-extension of the validity of export licences expiring at the end of June 1957 and import of American cotton comparable to Indian growths. It has also suggested that the mills should be prohibited from buying *kapas* direct unless they have their own ginneries or have them on lease.

Meanwhile, the operators strongly protested against the irregularities in the fixation of room rates for the Vijay April contract; as a mark of protest, the traders refrained from doing any business on 28th March. Room rates for Vijay were fixed on 26th March, while those for Jayadhar, Laxmi and some other varieties were not fixed. However, on an application filed by a member, the basis for these varieties were fixed the next day. The room rates were generally considered to be close to the ceiling.

M. G. Jarilla (May delivery) opened the week at Rs. 707, as against the previous close of Rs. 712, and on firm bull buying improved to Rs. 724. The selling pressure induced by the Government requisitioning move and other related measures took the contract down to Rs. 699½ yesterday, although, towards the close, slight recovery was in evidence and the contract closed at Rs. 708-8. Opening at Rs. 707-8, the contract firmed up, on bear covering, to Rs. 712 before closing at Rs. 705.

Fluctuations in Vijay contracts were very marked. Vijay April commenced the week at Rs. 873, as against Rs. 887-8. Apprehensions that the Government might intervene at any moment induced heavy selling which resulted in a virtual landslide in values and the contract touched a low of Rs. 846 yesterday before finishing today higher at Rs. 853. The net loss over the week was Rs. 34-8.

After improving from Rs. 833 to Rs. 844, Vijay June encountered a selling spree which depressed the contract to Rs. 823 yesterday. Commencing today's session at Rs. 828, it improved to Rs. 831-8 before closing at Rs. 829-8. The net loss over the week was Rs. 14.

The following is the trend of prices of the contracts during the week:

(In rupees per candy of 784 lbs.)

	3-4-57	*High*	*Low*	27-3-57
Jarilla (May) ...	705	725	699½	712
Vijay (April) ...	853	877	846	887½
Vijay (June) ...	829½	844	823	843½

In the spot section, values declined considerably. Despite the fall, mill demand continued to be slack, as the ruling prices were still considered to be high.

The Joint Chief Controller of Imports and Exports has announced that, with immediate effect, no further sales of Indian raw cotton against the licences issued in terms of earlier notices would be permitted. Exporters who have already entered into firm commitments against the licences issued in terms of earlier notices on or before 30th March 1957 were required to produce the following documentary evidence: (i) firm Contract executed, (ii) letter of credit opened, (iii) cable offer and acceptance.

The notification further stated that no further licences on any ground will be issued in terms of the earlier notices.

The latest available spot rates—in rupees per candy of 784 lbs.—are given below, the figures in brackets being last week's closing quotations:

Bengal *Deshi* 740 (750); Berar Jarilla 820 (830); Khandesh 825 (840); Vijay 945 (945); Oomra *Deshi* 780 (800); Mogla 760 (775).

It is reported that the proposal for the establishment of a forward market in cotton at Ahmeda-

bad has been approved by the Government of India. The market is expected to be set up before *Divali* this year. Governments approval is subject to ratification by the Forward Markets Commission. Textile circles, organised mercantile bodies and tradesmen have welcomed the resumption of forward marketing in cotton after a lapse of 14 years. The establishment of forward markets is expected to provide incentive to the growth of cotton and its location in Ahmedabad which is linked with cotton fields is greatly welcomed.

The Karachi cotton futures market ruled firm during the week, thanks to brisk speculative buying induced by reports that a business of about 5,000 bales had been done with China. Bullish advices from Bombay also aided the sentiment favourably. Traders were inclined to believe that the decision of the Government of India not to permit any fresh export of Indian cotton would result in renewed interest in Pakistan cotton. Buying support ensued as a consequence and prices registered a handsome improvement. N.T.R.G. May rallied Rs. 2-1 to Rs. 81-14. July delivery advanced by Rs. 2-9 to Rs. 83-15. Spot values also recorded considerable gains, except *Deshi* styles, the rates of which remained unchanged. The following are the latest available spot quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 87: Punjab *Deshi* 78-8: 4 F Punjab Roller 85-7; S.G. 88-7; L.S.S. Punjab Roller 86-15; S.G. 90-7; N.T.R.G. 85-15; S.G. 93-15; 289 F Punjab Roller 90-7; S.G. 100-5.

Continued lack of overseas inquiries, coupled with slack domestic spinner demand, was responsible for the downward trend in the Alexandria cotton futures market in the week under review. The prices would have suffered a sharp break but for the expectation that the reported agreement between the Government of India and the Egyptian delegation providing for the purchase by India of 20,000 bales of Egyptian cotton would lift up values in the coming weeks. In the spot section, activity was subdued and turnover limited. The latest available rates—in tallaris per lb.—from Alexandria are as under:

Karnak: May 173.35; July 113.65. *Ashmouni*: April 78.15; June 79.25; August 79.50.

The Liverpool cotton futures market put on a cheerful appearance during the week. Values of both the American and American type contracts firmed up moderately on commission house buying and trade calling which found offerings limited. Strong advises from New York following the announcement of higher average price accepted by the C.C.C. for bids under the new export sales programme helped to improve sentiment further. The large volume of tenders against the March-April contract, however, acted as a damper. Sudan contract eased, due to absence of buying interest. Demand for ready and shipment cotton continued to be slack, as spinners were well supplied with stocks, sufficient to cover at least two months' requirements. Interest was mainly confined to lower grades U.S. growths. A small volume of business was put through in ready lots of Sudan, East African, Turkish and Russian. Spot lots of Indian Oomras evoked some attention, while there was practically no demand for shipment cotton.

The latest available rates—in pence per lb.—from Liverpool are given below:

American One Inch Staple Contract: May-June 26.46; July-August 26.34; October-November 26.17; December-January 26.12. *American Cotton Mixed Growth Contract*: May-June 26.57; July-August 26.43; October-November 26.22; December-January 26.17. *Sudan*: May-June 42.50; July-August 41.50.

Cotton values at New York were fully maintained during the week. The gradual reduction in Government stocks resulting from the recent large C.C.C. export sales and Soil Bank considerations affected the sentiment and activity was fairly brisk. Another helpful factor was the reported purchase by Formosa of about 20,000 bales of U.S. cotton for May-June shipment. But a marked rise in price was prevented by hedging and profit-taking sales.

The C.C.C. has sold under the current export programme a further 582,160 bales, making the aggregate sold thus far to 6,981,856 bales. The average price accepted for basis Middling 1" at average location was 27.42 cents per lb., as against 27.20 cents per lb. at the previous sale. Under the new export programme, the C.C.C. has sold 237,355 bales. This is the first sale under that programme and shipments can be made only after 15th August. The average price accepted for basis Middling 1" at average location was 27.47 cents per pound. Exports for the week ended the 21st March were 261,211 bales. Total shipments till that date this season were 5,448,141 bales, as compared with 1,062,117 bales in the same period last season.

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

(In cents per lb.)

	3-4-57	26-3-57	19-3-57
Spot	35.45	35.45	35.40
May	35.20	35.17	35.07
July	34.67	34.70	34.61
October	33.56	33.36	33.14

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 3rd *April*

Easy conditions prevailed in the yarn market during the week under review. Thanks to the continued stringency in the money market, comfortable supply position, and poor enquiries from consuming centres, business put through was considerably restricted, with values moving narrowly. Cotton yarns, in particular, ruled dull, following bearish advices from the cotton market, downward trend in exports, and reduced offtake by handlooms and powerlooms. Even reports of revival of demand in piecegoods markets failed to have any significant effect.

Rayon yarns 120 Dull Cones Snia for April delivery remained unchanged at Rs. 799. Although business in June delivery was commenced many days ago, no transactions were put through; the delivery was nominally quoted at Rs. 812. 150 Bright Cones April delivery, however, advanced by Rs. 11 to Rs. 623 on special buying support. In the spot section, 120 Italy fell by an anna to Rs. 4. 150 Italy receded by three pies to Rs. 3-10-6. 150 Japan declined by half an anna to Rs. 4-0-9. 120 Japan was quiet at Rs. 4-4. Among indigenous yarns, both National Rayons 120 Bright Cones 1st grade and 150 Bright Cones 1st grade were neglected at Rs. 3-11 and Rs. 3-5-3, respectively.

Staple fibre yarns evoked scattered inquiries, particularly from the Punjab side, and tended to rise. 40 x 2 June delivery advanced by Rs. 5 to Rs. 627. April delivery improved by Re. 1 to Rs. 627. Spot 40 x 2 Kohinoors moved up by three pies to Rs. 3-5. Citys gained a like amount to Rs. 3-4-3. New Greats were better by three pies at Rs. 3-3-3. Among foreign yarns (80x2), Paramounts advanced by an anna to Rs. 5-4. Fujis were quoted at Rs. 5-5 against Rs. 5-4-6 last week-end.

In the cotton yarn section, forty counts Gokaks and Moderns were quiet at Rs. 27 and Rs. 27-8, respectively. Minaxis, on the other hand, hardened by As. 7 to Rs. 27-5 on special support.

Eighty counts encountered selling. Mahendras fell by As. 12 to Rs. 73-4. Moderns dropped As. 4 to Rs. 76-4. Finlays were on offer at Rs. 81-8, same as last week. Among ten counts, Podars and Moderns were neglected at Rs. 14-12 and Rs. 15, respectively. Sixty counts Finlays and Moderns were stagnant, the former at Rs. 61 and the latter at Rs. 61-8. Thirty counts proved an exception and met with good buying support. Indus increased by As. 8 to Rs. 22 and Edwards by As. 4 to Rs. 21-12. Twenty counts Maduras were an anna better at Rs. 19-7. Moderns were firm at Rs. 19. Gokaks were quoted at Rs. 18-10.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days before:

	3-4-1957	27-3-1957
	Rs. a.	Rs. a.
Art silk yarn **(per case of 200 lbs.)—**		
150 Dull Cones Snia April	799 0	799 0
150 Bt. Cones April	623 0	612 0
120 Japan (per lb.)	4 4	4 4
150 Japan (per lb.)	4 12	4 11½
120 Italy (per lb.)	4 0	4 1
150 Italy (per lb.)	3 10½	3 10½
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 April	621 0	620 0
40 x 2 June	627 0	622 0
40 x 2 New Great (per lb.)	3 3½	3 3
40 x 2 Century (per lb.)	3 4½	3 4 7/12
40 x 2 City (per lb.)	3 4½	3 4
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	14 12	14 12
20s Madura	19 7	19 6
30s Edward	21 12	21 8
40s Gokak	27 0	27 0
60s Raghuvamshi	58 0	57 8
80s Modern	76 4	76 8

CASTORSEED FIRM

(From Our Own Correspondent)

BOMBAY, 3rd *April*

The previous week's firmness in castorseed prices continued unabated during the week under review though profit-taking offerings trimmed the extreme gains to some extent. The firmness was aided by speculative buying, thanks to demand from spot houses and shippers. As prices in the futures section exceeded the Rs. 165-mark, margins became operative. The groundnut sections ruled strong early in the week but developed easiness following upcountry offerings and limited interest evinced by crushers. As a result, the section closed somewhat lower on balance, after fluctuating narrowly. The trend in cottonseed futures was firm in sympathy with the cotton market. Linseed remained quietly steady.

A spectacular rise in prices was registered in the castorseed futures section. May contract which had slided down from Rs. 167-8 to Rs. 166-8 on the opening day, displayed a steady upward trend, notwithstanding profit-taking, to touch the high of Rs. 173-12 today. The contract closed the session at Rs. 172-4, having thus gained no less than Rs. 7-12, over the week. Spot Madras moved up by As. 14 to Rs. 34-4. Oil B.S.S. was higher by As. 11 at Rs. 21-3.

Groundnut May (futures) opened the week steady at Rs. 173-2 and, following upcountry offerings, declined to Rs. 170-10 on 30th March. Subsequently, however, it recovered to touch a low of Rs. 171-2 today before finishing at Rs. 171-6. Over the week, the contract shed Re. 1-2. Spot Bold F.A.Q. lost As. 2 to Rs. 34-4. Khandesh quality was unchanged at Rs. 35-4. Groundnut oil ex-mill declined by As. 3 to Rs. 18-13.

Linseed May contract commenced the week at Rs. 29-4, and moved between Rs. 29-1 and Rs. 29-8. It, however, finished lower at Rs. 29-5, having thus put on As. 3 over the week. In the spot section, Bold ready improved from Rs. 28-12 to Rs. 29. But linseed oil ready was quoted As. 4 lower at Rs. 16.

Cottonseed May (futures) section, continued to reflect last week's steady tone. Opening at Rs. 106, it touched the low of Rs. 105 on the following day. Subsequently, it resumed the former trend, having touched the peak of Rs. 107-8 today before finishing As. 8 lower. On balance, the contract was higher by Rs. 2-4.

Among other seeds, *kardi* seed Bold ready shed As. 8 to Rs. 21-12. *Niger* seed Madras was quoted at Rs. 29-4, as against Rs. 28-14 last week-end.

The third and official forecast report on groundnut crop for 1956-57 in Andhra Pradesh estimates the area sown upto 25th January last at 3,109,000 acres. Compared with the final area of 3,071,000 acres for the previous year, the present estimate is an increase of about 1-2 per cent. The yield of the crop is reported to be reduced to some extent in the districts of Visakhapatnam, Krishna, Nellore and Cuddappah due to excessive rains received during the growth of the crop. The yield is estimated at 10,95,000 tons of unshelled nuts. Compared with the revised estimated yield of 11,52,000 tons for the previous year, the present estimate shows a decrease of 3 per cent.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	3-4-1957	27-3-1957	20-3-1957
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
May 1957	171 6	172 8	173 8
Khandesh Quality Ready (per cwt.)	35 0	35 4	35 12
April-May	34 6	34 7	34 15
Linseed—			
May 1957	29 5	29 2	29 10
Bold Ready (per cwt.)	29 0	28 12	29 6
April-May	29 2	28 14	29 9
Castorseeds—			
May 1957	172 4	164 8	162 0
Madras (per cwt.)	34 4	33 6	33 8
Cottonseed—			
May 1957	107 0	104 12	102 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 13	19 0	19 8
Castor oil—			
Commercial (per quarter) ..	20 3	19 10	19 4
Linseed oil—			
Ready	16 0	16 4	16 12

SUGAR FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 3rd *April*

After displaying a somewhat easier trend early in the week following the usual monthly release announced on 28th March, the sugar market steadied up in the subsequent sessions. The chief helpful factor was the steadiness of the ex-mill quotations, thanks to good export business. Reduced arrivals of sugar into the market—being 12,000 bags, as against 22,900 bags in the previous week—also imparted strength. Consequently, the earlier losses were completely recovered, and today's rates were maintained at levels prevailing last week-end.

Spot small grain sugar was fully steady at Rs. 88 per bag, inclusive of sales tax, as also medium grain at Rs. 89-Rs. 91, and large grain at Rs. 93-97.

In the forward section, *Vaisakh* delivery contract for 'C' grade sugar which had receded earlier from Rs. 91-12 to Rs. 91-8 recovered subsequently to Rs. 92 under frantic bear-covering. It was, of course, a shade lower at Rs. 91-14 today.

KEEN DEMAND FOR BLACK TEAS

(From Our Own Correspondent)

CALCUTTA, 2nd *April*

An improvement in sentiment was recorded during the internal tea sales held last week. Dusts on offer amounted to 19,298 chests. There was keen demand for black teas suitable for Middle East consumption. The price for these teas also improved. Commons and orthodox Dooars possessing a clean black leaf appearance were steady. Good support was accorded to orthodox Assams, with black leafy teas receiving more attention. On the other hand, C.T.Cs lost 12 nP, and the dull fibrous teas were hardly noticed by buyers. The quotations were: Best Assams C.T.Cs Rs. 2.75, medium Assam C.T.C. Re. 2 to Rs. 2.12, medium Assam grainy dust Re. 1.69 to Re. 1.75, and medium Dooars Re. 1.12 to Re. 1.69.

Prices of leaf grades on offer, aggregating 4,009 chests, registered an upward trend.

JUTE GOODS FIRM

(From Our Own Correspondent)

CALCUTTA, 2nd *April*

Firm conditions prevailed in the jute markets during the week under review. Prices of jute goods recorded fractional gains, while lack of interest by mills led to a fractional recession in the prices of raw jute. Fair business was done for shipment, and the month of March was expected to record an improvement. From 1st to 20th March, sacking shipped had gone up to 27,000 tons, as against 14,200 tons only in the corresponding period in the previous month. Hessian was not as satisfactory as sacking, but all the same shipments at 20,100 tons were higher by 1,280 tons. It should be noted that shipments of hessian had declined to 28,170 tons in February from 37,445 tons in January, and those of sacking to 28,664 tons from 29,307 tons. There was the realisation in market circles that a part of the shipments done in the last month related to orders placed, while the Suez Canal crisis had reached its climax. The report that burlap consumption in the United States during February was as low as 62 million yards, as against 75 million yards in the previous month, did not cause any alarm, in view of the satisfactory figures relating to shipments as detailed above.

On Wednesday last, ready hessian 40" 10 oz. was steady at Rs. 40.50 and B. twills at Rs. 110. There were small inquiries and routine export business was done. Speculators showed keen

interest at this stage and, as a result, on Thursday B. twills rose to Rs. 110.37 and hessian 40" 10 oz. to Rs. 40.69. More business was done with shippers, and this resulted in the stabilisation of the earlier improvement in prices, following increased activity by speculators. In both hessian and sacking, further genuine business followed, and, on Friday, prices improved by another degree. Ready 40" 10 oz. hessian realised Rs. 40.75 and ready B. twills Rs. 110.75. These rates were the highest levels for the week under review. More business was done for forward positions. July-September B. twills at Rs. 111.87 added 87 nP and for the same delivery position hessian 40" 10 oz. at Rs. 41.25 added 25 nP. The market was closed on Saturday last and yesterday, being bank holidays for conversion of accounts to the decimal coinage system.

Mills showed little interest in raw jute, and prices were marked down. Indian northern bottoms at Rs. 28 gave way by 50 nP, and a similar recession was recorded in local daisee bottoms at Rs. 31.00.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 2nd *April*

There was no change in the kip market. Demand kept pace with arrivals at unchanged prices, though U.K. importers were trying in vain to buy at lower levels.

In the March London tanned skins public auctions, price of sheep skins recorded a decline of 3d. to 6d. on average parcels and 150,000 skins remained unsold. The next sale takes place on 6th May 1957.

In the local market, prices of tanned goat and sheep skins remained steady. Arrivals of market quality skins were small, and were expected to dwindle, due to tanners producing better class tannages which showed better results.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 1st *April*

Easy tendencies were discernible in the foodgrain markets during the past week and sharp losses were recorded in the prices of coarse grains in the wake of pressure of new crop arrivals. In sympathy, wheat and pulses also recorded a slight fall. The latest Government of India's policy envisages enough imports to meet the demand of the country and also to build up reserves against unforeseen demands due to droughts and floods.

Wheat lost As. 4 per maund during the week to Rs. 15-14 for average quality and to Rs. 17 for farm produce. Local stocks is now very poor, but, as stockists in producing centres want to sell their stocks, arrivals from villages have increased to an average of 50 maunds daily. Sales at the rate of 2 *seers* 12 *chattaks* per rupee continue at fair-price shops, the number of which has increased further. Prices would have gone up further if the fair-price shops, which now number over 19,000 all over the country, had not been opened. The demands of poor and middle classes is being meet at these shops. Harvesting of wheat has now begun in west U.P., while in east U.P., it is in full swing. Prices are expected to register a fall as soon as new crop arrivals begins in the markets.

Rice continues to rule quiet, due to comfortable supply position. On Monday, they were quoted at: *Basmati* Rs. 23 to Rs. 26-4, *Manipuri* Rs. 21 and coarse Rs. 16-4 per maund. With the increased arrivals of new crop gram from Madhya Bharat and lower Punjab advices influenced by good crop prospects there, gram prices registered a fall of Re. 1 per maund during the week. Fall in barley and *bejhar* prices was more pronounced, owing to increased new crop arrivals into the market. *Jowar*, however, ruled steady, due to poor stocks in the face of better demand for seed purposes, while maize and *bajra* ruled quiet owing to poor demand from the consumers. The prices as on Monday were (in rupees per maund)—gram from Punjab 12-14; from Madhya Bharat 12-10; barley 10; *bejhar* 9-8; maize 13-12; *bajra* 14; *jowar* white 13-10; brown 12-10; *guwar* 10-8.

Pressure of arrivals of new peas into the market accounted for a further fall in peas *dara* prices, as grinders for *dal* were the only purchasers and outside demand was dormant. Daily arrivals mounted to 1,000 maunds. Other pulses also recorded a subdued trend in sympathy with peas. The prevailing prices were: Peas *dara* Rs. 10-4; farm quality Rs. 10-14; *arhar* Rs. 12-4, *urd* Rs. 18 to Rs. 20; *moong* Rs. 13-8; *masoor* Rs. 15 per maund.

While *urd baisakh* delivery recorded slight gains during the week on scattered bull support, other Pulses futures eased. On Monday they were quoted at: Peas *jeth* Rs. 9-14-3; peas farm jeth Rs. 10-5-9; *arhar jeth* Rs. 10-14-6; *urd baisakh* Rs. 18-9.

SUGAR RECEDES

(From Our Own Correspondent)

HAPUR, 1st *April*

Thanks to poor outside buying enquiry from consuming centres, and the further release of 167,000 tons of sugar for free sale, mill delivery prices of sugar were slightly depressed during the week under review. The production of sugar in the country is expected to touch a new high this season. Up to 15th March, production was put at 1,359,000 tons, as against 1,242,000 tons during the corresponding period last year. Stocks with factories on this date stood at 1,148,000 tons as compared with 1,028,000 tons last year.

The prevailing mill delivery prices as on Monday were:—Jaswant Rs. 28-10; Simbhauli Rs. 28-12; Mawana Rs. 28 to Rs. 29; Daurala Rs. 29-6, Amroha Rs. 28-4; Bijnore Rs. 28-3; Mansoorpur Rs. 28-10 to Rs. 30; Rampur Rs. 31; retail Rs. 30-10 per maund.

Khandsari prices declined further during the week on slack outside buying enquiry in the face of increased stocks. Prices were Rs. 19 to Rs. 23 per maund.

Ready *gur* ruled quiet. Arrivals were modest, the average being 600 maunds daily and local stock was put at 97,000 maunds, as against 69,000 maunds a year before. Harvesting of *rabi* crops being in full swing, arrivals are likely to go down further. Sowings of cane for the next season is in full swing and an increased acreage is expected. Prevailing prices are Rs. 9-12 to Rs. 10 per maund. Arrivals of *gur* and *shakker* into other markets are still heavy at an average of 10,000 maunds daily in Muzaffarnagur and 5,000 maunds in Meerut.

Future *gur* prices ruled quiet. The latest quotations for *baisakh* delivery were near the opening level of the week at Rs. 9-13-3. Business in *Asar* and *Fagun* delivery was started today. They were quoted at Rs. 10-8-3 and Rs. 9-13, respectively.

SURVEY

(Concluded from page 662)

as Dr. Maitreyee Bose, President of the West Bengal I.N.T.U.C. pointed out, on whether there is a clear understanding of the real implications of rationalisation. In fact, much of labour's opposition can be traced to the fact that the very word conjures up a picture of large-scale displacement of labour, unemployment and dislocations in the labour ranks. If, therefore, the ill-informed criticism and the adamant opposition of labour are to be made to disappear, it is imperative that modernisation of machinery and reorganisation of industry must be associated with diversification of production, finding of new markets, search for betterment and development of industries. The employees must also be educated in the scope for larger employment opportunities. At the same time, it is necessary to see that rationalisation is introduced gradually and without upsetting the present system of working in factories or the social structure. This aspect was particularly stressed by Dr. J. D. N. Yershluys, Deputy Director of the U.N.E.S.C.O. Research Centre in Social Implications of Industrialisation in South-East Asia. He suggested that it would be better if rationalisation schemes consisted of a range of relatively small changes. Training of workers to handle new and often complicated machines, breaking off of existing working groups and adjustment of workers to take higher responsibilities in manning intricate machines are some of the problems to be tackled while introducing rationalisation.

The general consensus of opinion at the Conference was that increased productivity and decreased labour cost could be secured by improved management technique on the part of employers and that this device should be fully explored. It felt that, in effecting rationalisation through the introduction of modern machinery and other labour-saving devices, some preliminary planning and thorough investigation of the conditions in the particular industry were essential. Further, it was considered desirable to have proper phasing of schemes and prior consultation with the employees and their organisations, so as to secure their co-operation and assistance in the successful implementation of the scheme. It would be advantageous, the Conference pointed out, if an agreement on details of the scheme were arrived at and a clause providing for voluntary arbitration to remove doubts and to interpret the agreement were included in it. Wherever necessary, suitable arrangements should also be made for training workers to fit into changes inherent in rationalisation. The Conference also felt that due consideration should be given to the question of sharing of gains of rationalisation among capital, labour and consumers. It maintained that rationalisation should, as far as possible, be planned in such a way as to eliminate retrenchment and, where retrenchment was inevitable, efforts should be made to secure alternative employment for such persons in active co-operation with other employers and the State.

Steps taken to expand national shipping tonnage during the second Five-year Plan were detailed in a statement laid on the table of the Lok Sabha by the Union Deputy Minister for Transport and Railways last week. According to the statement, the policy of giving loan assistance to Indian shipping companies for acquisition of tonnage has been continued. A second shipping corporation, the Western Shipping Corporation, has been set up entirely in the public sector for acquisition of tonnage and entering into certain overseas trades. Firm commitments by way of loans to the private sector companies and the investments in the public sector companies have been made to the full extent of Rs. 37 crores provided for the development of shipping under the second Plan. Efforts are now being made to secure additional funds for the same purpose. Government assistance to Indian shipping companies by way of allotment of Government-owned controlled cargo is being continued.

NATIONAL BANK OF INDIA LIMITED

Incorporated in the United Kingdom (Established 1863)
The Liability of Members is Limited
BANKERS TO THE GOVERNMENT IN KENYA, UGANDA, ZANZIBAR AND ADEN

Subscribed Capital £4,562,500
Paid-up Capital £2,851,563
Reserve Funds £3,104,687

Head Office: 26, BISHOPSGATE, LONDON, E.C. 2
West End Office: 13, ST. JAMES SQUARE, LONDON S.W. 1

BRANCHES:

INDIA: Calcutta, Chowringhee, Calcutta, Bombay, Madras: Mount Road, Madras, Bangalore, Amritsar, Kanpur, Delhi, New Delhi, Tuticorin, Cochin
PAKISTAN: Karachi, Sadar Branch Karachi, Lahore, Chittagong, Agrabad Rd., Chittagong, Narayanganj, Khulna
BURMA: Rangoon
CEYLON: Colombo, Kandy, Nuwara Eliya
ADEN: Camp, Aden, Steamer Point, Aden, Little Aden (Sub-Branch to Aden)
SOMALILAND PROTECTORATE: Mombasa, Hargeisa, Berbera
ZANZIBAR ISLAND: Zanzibar, Pemba
TANGANYIKA TERRITORY: Dar-es-salaam, Mwanza, Lindi, Moshi, Mwanza, Mikindani (Sub-Branch to Mtwara), Bukoba, Mbeya
KENYA: Nairobi, Kisumu, Nakuru, Eldoret, Kitale
UGANDA: Kampala
Nairobi (Sub-Branch to Nakuru), Kisumu, Kakamega (Sub-Branch to Kisumu), Koricho, Sotik (Sub-Branch to Koricho), Nyeri
Entebbe, Fort Portal, Masaka, Jinja, Kamuin (Sub-Branch to Jinja), Mbale, Tororo, Soroti, Mbarara

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts opened.
Bombay Branch: Mahatma Gandhi Road, Fort, BOMBAY 1.
D. G. MOORE, Manager.

THE INDIAN BANK LTD.

Head Office: North Beach Road, Madras.

Branches throughout South India, Bombay, Calcutta, New Delhi, Colombo, Singapore and F.M.S.

CAPITAL

Authorised ... Rs. 1,00,00,000
Subscribed ... Rs. 72,00,000
Paid-up ... Rs. 62,02,615
Reserve and Other Funds ... Rs. 79,75,000
Deposits as on (30-6-56) ... Rs. 32.08 Crores

All types of Banking Business including Foreign Exchange transacted.

D. P. PARTHASARATHY, B.A. (Hons.), B.L. *Secretary.*

INSURE
against Loss or Damage by
FIRE AND RIOT
THE BRITISH EQUITABLE ASSURANCE CO. LTD.
(Incorporated in England)
(The Liability of the members of the Company is Limited)
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RINGWORM *and* ECZEMA
OINTMENT
BARNAGORE CALCUTTA

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	1st Feb., 1948	3	3
Ceylon	11th June, 1954	2	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1932	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	2½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	2½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	20th Mar., 1957	7.300	7.665
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	3½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug. 1956	3½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 29th March, 1957		Week ended 22nd March, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,60,836	88,94,23,000	2,57,979	65,38,34,000
Calcutta	1,93,357	84,82,29,462	1,74,883	76,57,56,898
Madras	N.A.	N.A.	86,277	10,48,18,642
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Jan., 1957	..	..	3,707,000	8,41,32,00,000
Feb.,	..	..	3,220,000	7,32,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 29th Mar., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		64,56,88,000
(2) Other Governments		31,94,88,000
(b) Banks		57,76,97,000
(c) Others		74,27,62,000
Bills Payable		28,03,01,000
Other Liabilities		117,00,19,000
	Rupees	399,59,35,000

ASSETS	Rs.
Notes	11,76,80,000
Rupee Coin	8,89,000
Subsidiary Coin	9,49,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,97,55,000
Balances held abroad*	114,30,95,000
Loans and Advances to Governments	7,65,46,000
Other Loans and Advances	127,87,10,000
Investments	121,22,38,000
Other Assets	13,80,76,000
Rupees	399,59,35,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 71,53,80,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 171,41,73,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,76,80,000	
Notes in circulation	1526,09,38,000	
Total Notes issued		1537,86,18,000
Total Liabilities		1537,86,18,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		122,61,05,000
Government of India Rupee Securities		884,97,19,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1537,86,18,000

Scheduled Banks*

Statement of Affairs for the week ended 22nd Mar., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	8,99,70,000
(ii) Other demand liabilities	692,08,52,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	2,18,00,000
(ii) Other time liabilities	464,67,63,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	11,38,85,000
(ii) Time liabilities	5,00,000
4. Cash in India	86,89,83,000
5. Balances with the Reserve Bank in India	52,34,44,000
6. Balances with other banks in current account in India	9,61,51,000
7. Money at call and short notice in India	12,78,11,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	348,08,91,000
9. Advances in India	711,28,77,000
10. Inland Bills purchased and discounted in India	113,98,35,000
11. Foreign Bills purchased and discounted in India	57,34,98,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	3rd April, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	480	479½
Buyers T.T. Rs.	473¾	473¾
London on New York $	2.79-2.79½	2.79½
London on Paris Fcs.	985	987½
London on Berne Sw. Fcs.	12.25	12.28
New York on London $	2.79-2.79½	2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'55-'56	79.32	..	1,931	243
Burma	1954	19.24	Kyats 2,905	390	204
Ceylon	1954	8.58	..	470	560
Japan	1955	88.90	¥. 6,575,000	8,698	978
Philippines	1955	21.35	Ps. 7,800	1,857	880
New Zealand	1955	2.18	£ (N.Z.) 846	1,128	5,296
Australia	1954	8.99	£ (A) 2,957	4,220	4,694
U.K.	1955	50.97	£ 16,584	22,178	4,351
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.60	$ 20,733	10,166	6,516
France	1955	43.27	Fr.Fr. 12,440,000	17,050	3,931
W. Germany	1955	49.99	Dm. 126,200	14,460	2,890
Its.y	1954	47.80	Lr. 9,713,000	7,480	1,560
Norway	1955	3.48	Kr. 19,764	1,830	5,050
Sweden	1954	7.21	Kr. 35,630	3,544	4,913
Netherlands	1955	10.75	Grs. 22,500	3,850	3,650
Denmark	1954	4.41	Kr. 23,374	1,610	5,054
Switzerland	1954	4.98	Sw. Fr. 23,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 22nd Mar., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	48,40,16,000
(b) Provincial Governments	3,41,55,000
(c) Banks	13,29,83,000
(d) Others	3,56,67,000
Bills Payable	26,55,000
Other Liabilities	12,13,54,000
Rupees	92,08,30,000

ASSETS	Rs.
Notes	14,83,54,000
Rupee Coin	14,000
Subsidiary Coin	23,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	9,48,000
Loans and Advances to Governments	26,00,000
Provincial Governments' Debtor Balances	4,32,51,000
Other Loans and Advances	15,81,88,000
Investments	44,41,18,000
Other Assets	11,83,24,000
Rupees	92,08,30,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,83,54,000	
Notes in circulation	329,66,16,000	
Total Notes issued	....	344,49,70,000
Total Liabilities	....	344,49,70,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,38,41,000	
Silver Bullion		
Sterling Securities	85,23,82,000	
Government of India Securities	23,68,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		163,33,00,000
B. Rupee Coin	5,26,72,000	
Government of Pakistan Securities	170,09,92,000	
Internal bills of exchange and other commercial paper	....	
		175,36,64,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	344,49,70,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 49.01 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	22nd Mar., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,517.79	1,524.71	1,506.25	1,453.78
Notes held in Banking Department	35.05	19.41	11.41	21.08	9.84
Foreign Securities	59.50	412.52	412.52	412.52	676.29
Rupee Securities	37.39	884.97	884.97	875.03	644.04
Banking Department					
Deposits of:					
Government of India	14.89	53.63	54.87	53.98	52.69
Other Governments	....	35.15	22.78	11.24	48.52
Balances held abroad	10.08	125.21	130.23*	106.35	71.54
SCHEDULED BANKS					
Demand Liabilities	134.86	701.03	706.72	694.53	625.20
		(9.00)†	(9.92)†	(7.15)†	(3.86)†
Time Liabilities	102.24	466.86	467.17	467.08	412.92
		(2.18)†	(2.07)†	(1.69)†	(2.87)†
Borrowings from Reserve Bank	..	97.59	81.60	84.85	66.93
		(73.20)‡	(60.18)‡	(58.85)‡	(32.46)‡
Borrowings from State Bank	..	11.44	9.07	10.79	19.66
Cash in India	6.70	36.90	35.66	36.77	34.63
Balances with Reserve Bank	25.17	52.34	51.59	51.92	46.42
Excess over statutory limits	15.52	7.95	6.92	7.85	6.90
Balances with other banks in current accounts in India	..	9.61	9.55	9.92	10.20
Money at call and short notice in India	..	12.78	16.20	13.67	4.28
Investments (at book value)	..	348.09	348.96	351.58	362.13
Advances and bills	105.09	882.57	876.61	857.46	749.73
STATE BANK					
Deposits	87.76	279.84	277.58	271.55	237.50
Investments	51.99	105.70	106.66	106.66	107.33
Advances	30.35	183.45	179.41	170.67	141.15
Cash	14.69	14.78	12.30	22.74	17.00

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December,		Nine months, April to Dec.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	10.92	11.00	85.33	93.01
Protective	1.03	0.81	7.63	9.20
60 surplus disposals	—	0.01	0.07	0.04
Total import duties	11.95	11.82	93.03	102.25
Export Duties	3.38	3.20	28.10	21.87
Land Customs	0.25	0.20	0.95	1.82
Miscellaneous	0.07	0.09	0.54	0.83
Gross total customs	15.66	15.31	122.62	126.77
Refunds and drawbacks	0.17	0.26	1.91	1.83
Net Customs	15.49	15.05	120.71	124.94
Gross excise	18.07	19.84	109.75	138.17
Refunds	0.44	0.18	3.48	1.50
Net Excise	12.63	19.66	106.27	136.67
Net total of customs and excise†	28.12	34.71	226.98	261.61

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 29th Mar., 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,37,50,000
Deposits and Other Accounts		299,90,16,000
Borrowings from Other Banking Companies, Agents, etc.		11,91,00,000
Bills Payable		4,38,46,000
Bills for Collection being Bills Receivable as per contra		62,94,000
Acceptances, Endorsements and Other Obligations per contra		4,93,000
Other Liabilities (including Inter-Office Adjustments)		2,28,76,000
Total	Rs.	331,16,25,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17,39,24,000
Balances with other Banks		4,03,63,000
Money at Call and Short Notice		1,50,00,000
INVESTMENTS:		
Government and other Trustee Securities	94,17,65,000	
Other Authorised Investments	11,54,10,000	
		105,71,75,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	156,67,58,000	
Bills Discounted and Purchased	28,46,91,000	
		185,14,49,000
Bills Receivable being Bills for Collection as per contra		62,94,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		4,93,000
Premises less Depreciation		1,20,96,000
Furniture and Fixtures less Depreciation		63,43,000
Other Assets (including Inter-Office Adjustments)		14,74,88,000
Total	Rs.	331,16,25,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,82	65	3,26	22.66	84,17	1,12.85	92,08	—	21,07	7,55	25,54	..	..	..	..
1953-54	4,70	1,62	4,99	27,27	1,24,64	1,24,94	1,20,88	—	36,35	5,57	27,15	7,40@	7,38	55‡‡	54
1954-55	3,76	1,98	5,48	37,19	1,44,36	1,55,15	1,57,86	—	58,37	4,79	41,25	9,66	16,37	45	96
January 1956	3,91	14	5,24	2,03	1,40,78	12,16	1,54,14	—	58,55	32	40,61	84	14,73	2	91
February ,,	3,88	16	5,29	2,33	1,42,37	12,87	1,56,19	—	58,66	29	40,95	93	15,57	2	93
March ,,	3,76	33	5,48	2,58	1,44,86	23,64	1,67,86	—	58,37	36	41,25	88	16,37	2	92
April ,,	3,69	24	5,54	3,19	1,45,85	14,54	1,71,08	—	58,96	34	41,51	83	17,13	2	93
May ,,	3,61	21	5,54	2,49	1,47,58	14,77	1,73,05	—	59,05	28	41,82	85	17,91	2	1,00
June ,,	3,54	28	5,55	2,70	1,49,48	15,34	1,76,09	—	59,15	28	42,11	92	18,75	4	1,04
July ,,	3,48	48	5 81	3,78	1,51,53	14,61	1,80,05	—	59,24	38	42,43	1,01	19,68	4	1,07
August ,,	3,40	20	5,82	2,53	1,53,14	14,10	1,83,21	—	59,35	26	42,72	98	20,58	5	1,11
September ,,	3,34	17	5,71	2,55	1,55,14	13,27	1,84,33	—	59,17	34	43,00	85	21,34	3	1,18
October ,,	3,28	16	5,59	2,88	1,56,51	13,00	1,85,99	—	59,26	35	43,29	92	22,06	4	1,17
November ,,	3,23	18	5 66	2,30	1,57,62	12,70	1,86,89	—	59,35	25	43,39	77	22,73	3	1,19
December ,,	3,17	23	5,76	2,47	1,58,90	14,77	1,87,96	—	59,43	26	43,58	70	23,32	3	1,22
January 1957 ..	3,12	21	5,80	2,67	1,59,83	13,46	1,88,10	—	59,34	36	43,89	..	..	6	1,27
February ,,	..	..	..	..	..	..	..	..	..	30	44,14	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

§ From July 1954.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 23rd Mar., 1957	16th Mar., 1957	23rd Feb., 1957	24th Mar., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.9	90.0	89.9	90.9
1. Government of India	89.7	89.7	89.6	90.8
2. Indian States	96.4	96.5	96.6	96.7
3. Municipal Port Trust, etc.	90.4	90.5	90.6	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	98.9	99.0	99.0	101.1
1. Electricity	98.8	98.8	98.7	102.8
2. Jute	97.0	97.0	97.2	97.6
3. Plantations	98.5	98.5	98.6	99.1
4. Sugar	98.5	98.5	98.5	98.6
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.0	100.9	100.9
7. Shipping	101.3	101.8	101.8	102.3
8. Others	101.1	101.1	100.3	101.1
PREFERENCE SHARES	79.7	80.1	79.6	85.8
1. Electricity	88.0	88.1	88.3	93.7
2. Cotton	79.3	79.7	79.8	81.0
3. Jute	74.0	74.1	74.1	82.9
4. Coal	82.1	82.1	82.2	89.9
5. Iron and Steel	82.5	82.5	82.2	85.4
6. Sugar	79.6	80.7	80.2	85.7
7. Paper	79.6	79.6	79.7	83.3
8. Plantations	78.6	99.2	99.5	101.7
9. Miscellaneous	75.0	75.1	74.0	81.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	111.5	111.9	112.1	123.6
(a) Financial	92.2	93.0	93.7	89.7
1. Banks	94.6	95.4	95.9	89.7
2. Insurance	81.8	82.2	84.5	85.1
3. Investment Trust	78.0	79.5	80.7	94.5
(b) Public Utilities	111.0	110.2	109.4	113.4
1. Electricity	109.4	109.8	109.8	117.6
2. Shipping and other Transport	124.0	119.9	117.2	110.8
3. Railways	77.5	79.0	78.0	88.2
(c) Manufacturing Industries	117.7	117.9	118.2	132.9
1. Cotton, Woollen and Silk	124.3	124.7	124.2	130.9
2. Jute	59.5	59.6	61.9	80.3
3. Iron and Steel	126.3	125.6	124.7	148.5
4. Paper	240.1	240.3	251.0	178.3
5. Cement	155.2	155.9	155.9	175.0
6. General Engineering	167.5	168.6	167.3	196.2
7. Sugar and Breweries	100.2	100.4	99.4	108.4
8. Chemicals	134.4	133.0	130.4	152.1
(d) Non-Manufacturing Industries	137.6	139.5	138.1	165.6
1. Tea	71.1	70.6	74.5	82.6
2. Mining and Oil	186.1	187.4	189.1	260.5
3. Plantations	157.3	159.0	155.0	178.3
(e) Miscellaneous	89.1	89.1	90.2	101.2
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.4	89.4	89.3	90.4
2. Calcutta	89.8	89.8	89.8	90.9
3. Madras	90.2	90.2	90.1	91.2
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.2	99.4	100.0
2. Calcutta	98.6	98.6	98.4	100.1
3. Madras	99.6	99.6	99.7	100.1
PREFERENCE SHARES:				
1. Bombay	84.2	84.8	84.2	89.8
2. Calcutta	73.8	73.8	73.4	80.7
3. Madras	94.1	94.6	94.6	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	122.5	122.6	121.5	122.8
2. Calcutta	97.5	97.8	99.0	112.3
3. Madras	124.8	126 6	125.2	126.8
4. Delhi	117.9	117.5	118.6	130.0

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days† lost
1951	1,071	691,321	3,818,028
1952	962	809 242	3,336,961
1953	772	466,607	3,382,603
1954	840	477,188	3,372,080
1955	1,166	527,767	5,697,848
January 1955†	95	49,038	322,807
February ,,	91	38,370	144,302
March ,,	113	70,042	334,695
April ,,	105	32,433	333,275
May ,,	120	68,441	961,776
June ,,	152	91,259	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	533,999
September ,,	251	22,619	580,031
October ,,	134	47,600	214,214
November ,,	99	48,509	178,113
December ,,	129	45,277	229,550
January* 1956†	107	61,050	349,655
February* ,,	123	69,450	778,886
March* ,,	146	133,188	678,716
April* ,,	143	83,580	555,048
May ,,	137	64,361	553,720
June ,,	152	71,818	476,166
July* ,,	149	100,069	535,775
August* ,,	136	64,516	495,839
Sept. ,,	185	122,226	908,399
Oct.* ,,	146	111,622	822,621
November ,,	111	48,293	437,449
December ,,	101	49,511 (a)	269,949 (b)

† Figures are provisional. * Revised.

(a) Not known in 2 cases. (b) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
Jan., to Dec., 1955	724	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,630.7	7,892.0
October 1955	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956..	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	825.8	669.1
June ,,	710	796.5	658.5
July ,,	724	798.0	656.2
August ,,	725	793.7	650.0
September ,,	737	812.7	666.4
October ,,	753	824.1	670.1
November ,,	756	810.5	668.1
December ,,	757	881.5	715.0

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

‡ At the end of period. *Source:*—Central Water and Power Commission.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	16th Mar., 1957	9th Mar., 1957	17th Mar., 1956	February, 1957	February, 1956	Percentage of Increase (+) or decrease (—) in Feb., 1957 as compared with Feb., 1956	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	402.3	402·4 R	356.0	406 0 R	335.3	+21.1	372.2	339.8
Cereals	59	525	524 R	444	526	411	+28.0	472	381
Pulses	8	445	446	384	439	351	+25.1	389	356
Others	22	243	245 R	232	251	230	+ 9.1	235	221
Industrial Raw Materials	(18)	514.1	519·3 R	474.6	520.5	464.6	+12.0	419.8	436.2
Fibres	5	504	502 R	470	503	470	+ 7.0	429	447
Oil seeds	10	558*	563	509	574	473	+21.4	398	424
Minerals	1	518	569	453	546	443	+23.3	437	423
Others	1	413	415	405*	415	426	— 2.6	431	427
Semi-Manufactures	(17)	404·1	403·7 R	370.1	410.6 R	355.8	+15.4	338.2	350.3
Leather	3	410	410	403	422	402	+ 5 0	378	376
Mineral oils	2	210	210	208	210	204	+ 2.9	207	221
Vegetable oils	6	581	579	490	611	425	+43.4	389 R	422
Cotton yarn	2	485	484	451	488	444	+ 9 9	422	454
Metals	1	328	328	282	328	280	+17.1	264	240
Oil cakes	1	418	421	391	445	347	+28.2	258	281
Others	1	387	387 R	364	388 R	364	+ 6.6	326	312
Manufactured Articles	(30)	384.5	384.2	375.3	385.5	375.3	+ 2.7	372.9	377.4R
Textiles	6	411	411	408	413	409	+ 1.0	408	421
Jute	1	416	413	412	429	417	+ 2.9	418	445
Cotton	4	414*	414*	403*	414*	403*	+ 2.7	408*	414*
Rayon and Silk	2	442*	442*	502*	442*	498*	—11.2	485*	469*
Woollen	1	266	266	278	266	278	— 4.3	284	311
Metal products	1	392	392	371	393	371	+ 6.0	359	340
Others	19	302	302	285	301	284	+ 6.0	285	286
Miscellaneous	(9)	567.9	569.7	512 9	585.2	529.3	+10.6	548.4	612.4
All Commodities	(100)	420.8	421.5 R	388.4	425.0	378.4	+12.3	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugar† | Gur | Tobacco | Raw Cotton |

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage			Outturn	
	Fore-cast	Unit	1955–56	1954–55	1955–56	1954–55
Cereals—						
Rice	final	tons	76,258	75,949	25,474	24,551
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,546
Small millets ..	final	,,	13,095	13,799	2,103	2,456
Total cereals ..	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,514	1,688
Other Kharif pulses § ..	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡ ..	final	,,	10,579	10,590	1,858	1,959
Total pulses ..	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut ..	2nd	tons	11,299†	10,968‡	3,559†	3,872‡
Castorseed ..	final	,,	1,462	1,394	126	124
Sesamum ..	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3,354	276	332
Total oilseeds ..	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	30,230	18,684	3,998	4,227
Jute A.	final	,,	1,885†	1,739‡	4,221†	4,197‡
Mesta A.	2nd	,,	695†	553††	1,430†	1,101††
Other crops—						
Potato	final	tons	693	688	1,339	1,736
Sugarcane ..	2nd	,,	4,532††	3,945‡	58,914†	50,455‡
Ginger (Dry) ..	final	,,	37	35	15	14
Pepper (Black) ..	final	,,	214	205	37	36
Chillies (Dry) ..	final	,,	1,492	1,522	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During February, 1957 ..	80 2
	Corresponding month, 1956 ..	92 8
	Eight months ended Feb., 1957 ..	686 3
	Corresponding period, 1956 ..	701 2
Stocks	At the end of Feb., 1957 ..	97 6
	Corresponding month, 1956 ..	89 4
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 26th Jan., 1957 ..	N.A.
	Corresponding week, 1956 ..	9,992
	From 1st Jan., to 26th Jan., 1957	N.A.
	Corresponding period, 1956 ..	26,325
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 26th Jan., 1957 ..	N.A.
	Corresponding week, 1956 ..	9,619
	From 1st Jan., to 26th Jan., 1957	N.A.
	Corresponding period, 1956 ..	60,461
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	February, 1957 ..	4·68
	Corresponding month, 1956 ..	5 77
	Eight months ended Feb., 1957 ..	40 92
	Corresponding period, 1956 ..	40·86

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	11,58,000	10 61,900	7,91,800
Do. 31st March 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955 ..	11,34,400	10,42,900	7,51,200
Do. 31st March, 1956 ..	11,55,900	10,62,100	7,97,800
Sept. 1955	95,800	87,500	65,700
October ,, ...	91,700	83,200	64,800
Nov. ,, ...	91,900	86,200	63,400
Dec. ,, ...	103,900	97,500	72,300
January 1956	1,03 900	96,800	71,500
February ,, ...	97,500	89,500	67,700
Sept. ,, ...	96,400	88,800	69,700
Oct. ,, ...	96,700	91,100	71,800
Nov. ,, ...	94,700	85,800	65,100
Dec. ,, ...	101,500	93,300	66,900
January 1957	97,400	94,300	70,500
February ,, ...	90,000	81,300	63,400
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	3,49 930	2,92,440
Do. 31st March, 1955 ..	7,15,949	5,25,540	4,59,065
Do. 31st March, 1956 ..	7,06,986	5,21,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
,, Sept., 1954.	1,80,018	1,29,741	1,12,861
,, Dec., 1954.	1,85,085	1,36,801	1,20,616
,, Mar., 1955.	1,65,108	1,43,828	1,18,136
,, June 1955.	1,85 605	1,54,738	1,16,281
,, Sept. 1955.	1,76,181	1,30,630	1,06,714
,, Dec., 1955.	1,60,750	1,34,696	1,05,762
,, Mar. 1956.	1,84,450	1,41 846	1,19,860
,, June, 1956.	1,45,306	1,17,710	92,609
,, Sept. 1956	1,74,447	1,32,322	1,13,983
,, Dec., 1956.	1,88,546	1,41,450	1,14 708

OVERALL BALANCE OF TRADE OF INDIA
November, 1956†

Particulars	November		Eight months April to Nov.,	
	1955	1956	1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs).	Rs. (lakhs).
1. Trade in merchandise—				
(a) Exports ..	49,45	54,35	388,86	378,000
(b) Re-exports ..	39	57	3,53	5,27
Less—Transit trade ..	..	3	8	8
Net re-exports ..	39	54	3 45	5,19
Total exports ..	49,84	55,89	391.81	383,19
2. Imports	62,98	69,97	419,45	535,06
Less—Transit trade ..	2	6	10	25
Net Imports* ..	62,96	69,93	419,35	534,33
Balance of trade in merchandise ..	—13,12	—14,04	—26,54	—151,84
Balance of trade in gold and silver	..	3	4	15
Total overall visible balance of trade ..	—13,12	—14,07	—26,58	—151,79

† Total values of foreign trade of India by all routes (i.e., sea, air and land.)
* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1954-55	11,782	2,709	886	184	98	62	154	15	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
December 1955	9 230	2 071	726	154	78	50	95	21	252	304	30	237	38	117
January 1956	10,396	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February ,, ...	11,048	2 541	883	190	97	62	132	27	395	374	38	298	45	136
March ,, ...	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ...	1,135	237	82	23	12	5	13	2	64	34	2	21	2	10
May ,, ...	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,, ...	2 264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,, ...	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,, ...	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September ,, ...	6 420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October ,, ...	7,494	1,705	579	110	50	32	96	12	216	242	18	212	33	98
November ,, ...	8,619	1,950	659	129	59	37	121	15	257	270	20	246	39	114
December ,, ...	9,850	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	144

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.–2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 28th Mar., 1957 ..	34 819(J)
	Corresponding week, 1956 ..	75,836(J)
	1st Sept. 1956 to 28th Mar., 1957.	1,073,869*
	Corresponding period, 1955-56 ..	1,135,123*
Cotton Exports‡ ..	Week ended 28th Mar., 1957 ..	7,111
	Corresponding week, 1956 ..	46,081
	1st Sept. 1956 to 28th Mar., 1957.	167,613
	Corresponding period, 1955-56 ..	437,369
Mill Consumption (Estimated) ..	1st Sept. 1956 to 28th Mar., 1957.	763,239
	Corresponding period, 1955-56 ..	736,391
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 28th Mar., 1957	579,401
	Corresponding date, 1956.. ..	545,563
Cotton Exports from Bombay (by sea)	During Dec., 1956	32,410
	During Dec., 1955	60,493
	1st Sept., '56 to 31st Dec., 1956..	65,631
	1st Sept., '55 to 31st Dec., 1955..	327,074
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 14th Mar., 1957	1,041,118
	Corresponding period, 1955-56 ..	1,166,974
Exports	1st Sept., 1956 to 14th Mar., 1957	538 948
	Corresponding period, 1955-56 ..	577,353

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1956 to 25th March, 1957	From 1st Sept. 1955 to 25th March, 1956
	Bales	Bales
From Bombay		
Cotton Shipments to—		
Ind Kingdom ..	19,002	51,751
Continent ..	15,765	32,216
Hongkong ..	23,421	31,121
China	3,437	86,951
Japan	100,103	251,494
U.S.A.	1,934	3,504
Other Countries ..	402	3,841
Total to all foreign countries ..	164,124	460,878
Coastal Ports ..	7,360	16,563
Total	171,484‖	477,441‖

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	January, 1957 ..	416,282
Foreign		199,017
Indian	Five months ended Jan., 1957	1,041,293
Foreign		248,635
Indian	Same Period 1956 ..	1,372,964
Foreign		235,249

Stocks (Mills and Elsewhere)—	As on	
Indian	31st January 1957 ..	1,126,458
Foreign		171,396
Indian	31st January, 1956 ..	1,137 911
Foreign		156 440
Cotton Pressed in India† (In running bales) ..	Week ended 15th Mar., 1957 ..	15,754
	Corresponding week, 1956 ..	109,137
	1st Sept., 1956 to 15th Mar., 1957	901,405
	Corresponding period, 1955-56 ..	1,005,399

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926–33	62,50,26,000	1960–70	100⅛
2½ % Loan	1938–39	1,16,17,46,000	1963–65	94 1/5
3 % ,,	1950	80 13 11,000	1964	94 9/20
3 % Fg. Loan	1943	1,10,11,79,000	1966–68	92¼
2½ % Y. Loan	1944	33,54,89,000	1957	99⅛
2½ % ,,	,,	1,15,05,88,000	1970–75	87 3/10
2½ % 2nd V.Loan	1945	1,19,65,84,000	1959–61	97⅛
2½ % Loan	1951	50,35,62,000	1958	99 13/20
2½ % Loan	1946	48,50,37,000	1960	96 2/5
2½ % Loan	1946	67,00,99,000	1961	93 11/20
2½ % Loan	1946	14,77,48,000	1976	83 1/10
2½ % Loan	1947	75,86,72,000	1962	93 11/20
3 % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99 9/20
2½ % N.P. Loan	1954	1,58,17,34,000	1964	98 9/20
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98¼
2½ % M.P. Bonds	1956	57,27,00,000	1962	97⅛
2½ % ,,	1956	33,32,00,000	1967	98⅛
3½ % ,,	1956	66,64,00,000	1974	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896–97	5,93,35,000	At option of Government after three months notice. On September, 1966 or later at option of Government after three months' notice.	73
3 % Loan	1948	2,48,91,47,000		74½
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958–68***	101⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97⅛
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97⅛
3 % Bombay	1944	2,06,56,000	15th Aug. 1958	98⅛
3 % Bombay	1949	2,55,55,000	1st Aug. 1962	94 1/10
3 % Bombay	1950	2,87,82,000	31st July 1960	96⅛
3½% Bombay	1951	2,95,25,000	17th Sept. 1962	98 1/10
3 % Bombay	1952	5,42,25,000	15th July 1963	100
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99⅛
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99 2/5
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97⅛
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97 7/10
4 % Cochin	1954	1,00,00,000	16th Dec. 1955–58	98
3½% Cochin	1936	70,09,000	1st June 1956–61	98⅛
3 % Howrah Bridge (New)	1936–37	1,95,06,700	1956–66	95⅛
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	98⅜
3 % Madras	1930	1,28,95,500	21st June 1959	96½
3 % Madras	1941	1,07,99,000	15th Aug. 1958	98⅛
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96⅛
3½% Madras	1946	2,81,77,200	1st Sept. 1961	93 1/10
3½% Madras	1946	2,88,25,400	31st July 1960	96⅛
3½% Madras	1951	3,01,49,300	17th Sept. 1962	97 3/10
4 % Madras	1952	10,38,65,000	15th July 1963	98⅛
4 % Madras	1952	5,54,75,000	1st Aug. 1964	98⅛
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	97⅜
3 % Mysore(J)	1938	2,98,84,300	1st Dec. 1953–63	100⅛
3 % Mysore	1938	5,99,72,500	30th Apr. 1956–61	99
3 % Mysore	1947	5,06,05,700	25th Jan. 1958	99
3 % Mysore	1947	3,24,47,000	15th July 1962	98⅛
4 % Mysore	1955	3,54,84,000	1st Sept. 1967	98⅛
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97⅜
3 % M.P.	1939	2,09,09,800	15th Aug. 1958	98⅛
3 % M.P.	1948	2,03,38,800	15th Sept. 1964	95⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	95⅛
3½% M.P.	1951	2,08,18,100	17th Sept. 1962	98
3½% M.P.	1952	1,10,15,000	15th July 1963	98⅛
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98
4 % M.P.	1956	2,50,00,000	3rd Sept. 1968	97⅜
4 % Saurashtra	1955	3,81,86,000	1st Sept. 1967	98⅛
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	97⅜
4 % Trav Cochin	1954	3,00,00,000	15th July 1963	99
4 % Trav Cochin	1956	2,00,00,000	3rd Sept. 1968	98
2½% U.P.Z.A.	1952	40,60,66,545‡		88⅛
3 % U.P.	1940	1,57,14,000	15th Sept. 1961–66	90⅛
3 % U.P.	1946	2,57,11,000	15th Aug. 1958	98⅛
3 % U.P.	1946	2,17,89,700	14th Sept. 1960	96
3½% U.P.	1951	2,59,93,500	1st Sept. 1961	93⅛
3½% U.P.	1951	1 91,02,000	17th Sept. 1962	97⅛
3 % U.P.	1952	3,11,45,200	1st Aug. 1964	98⅛
3 % U.P.	1955	3,68,15,500	15th July 1963	98⅛
4 % U.P.	1955	2,82,54,000	1st Sept. 1967	97⅛
4 % U.P.	1956	5,00,00,000	3rd Sept. 1968	97⅛
3 % Rajasthan	1939	2,00,00,000	3rd Sept. 1968	97⅛
3 % Orissa	1938	3,00,00,000	3rd Sept. 1968	97⅛
4 % M. Bharat	1955	1,00,00,000	15th July 1963	98⅛
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97⅛

PORT TRUST LOANS

Amount	Interest payable per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
36,50,000	4	1904	1954	
35,00,000	4	1905	1955	
15,00,000	4	1906	1967	
44,00,000	4	1907	1958	
75,00,000	4	1908	1958	98N
40,00,000	4	1909	1979	
10,00,000	4	1910	1961	
75,00,000	4	1911	1972	
1,10,00,000	4	1911	1973	
14,58,500	4	1912*	1974	D
80,00,000	4	1912	1974	98N
88,25,000	4	1914	1976	98N
1,00,00,000	4	1915*	1975	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,81,000	4	1923*	1960	
10,25,000	3½	1926*	1950	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1956	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1962	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	99
76,90,100	4	1918	1978	99
1,50,00,000C	2½†	1921	1981	99
68,02,300C	5½	1921	1981	144N
1,49,40,800B	5	1927	1957–87	101½
1,49,30,000	5	1928	1958–88	102½
80,00,000	4‡	1931	1991	99
80,00,000	3½	1938	1965	97½
25,00,000	3½	1938	1965–68	96
50,00,000	3	1945	2005	93
50,00,000	3	1946	1976	85
50,00,000	3	1947	1976	84½
50,00,000	3	1948	2008	74
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	83½
80,00,000	3	1949	1989	97
1,00,00,000	3	1949	1969	97
50,00,000	3	1950	1990	82
1,00,00,000	3	1950	1990	95½
1,50,00,000	3	1951	1991	81½
50,00,000	3	1951	1991	96½
50,00,000	4	1953	1963	100
50,00,000	4	1953	1983	99½
80,00,000	4	1953	1983	99½
80,00,000	4	1955	1985	98
77,00,000C	4	1956	1986	97½
78,00,000C	4	1956	1986	97½

STERLING LOANS

£992,600	5	1922	1952–82	£79½
£901,000	5	1924	1954–84	£79½
£335,100	5½	1933	1963	£91½

MADRAS

Rs.				Rs.
31,47,100	2½	1947	1977	
9,88,000E	3	1947	1977	A
1,00,00,000	3	1949	1979	
45,00,000E	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable per cent.	Year of Issue	Repayable	Market quotation
Rs.		BOMBAY		Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1913	1973	
19,00,000	4	1913	1973	
30,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
50,00,000	5	1927–28	1977–79	118N
66,00,000	6	1928	1955–80	
25,00,000	5	1928	1956–86	115N
25,00,000	5	1928	1961–70	96N
10,00,000	5	1936	1966	
STERLING LOANS				
£566,600		1909	1969	£95½N
£338,000		1910	1970	£95½N
Rs.		CALCUTTA		Rs.
25,00,000	6½	1929	1959	106
50,00,000	4	1924	1964	99½
55,00,000	3½	1938	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968–88	90
80,00,000	4	1952	1962	99½
1,02,00,000	4	1954	1958	99

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
20,60,000	4	1913–15	1974	99
10,00,000	5	1920	1956	113N
25,00,000	5	1928	1958	
8,45,500	5	1928–29	1958–59	103
25,21,500	5	1929	1959	
48,50,000	3½	1937	1967	86½
2,50,00,000	3½	1939	1969	86½
4,00,00,000	3½	1940	1965	92½
4,50,00,000	3½	1951	1984	98½
1,30,00,000	4	1953	1963	99½
1,00,00,000*	4	1953	1983	99
1,60,00,000*	4	1954	1966	99
2,50,00,000	4	1955	1967	98
1,50,00,000	4	1956	1968	98
Rs.		CALCUTTA		Rs.
86,00,000	5	1928	1958	102
25,00,000	5	1929	1967	101½
25,00,000	5	1928	1958	102
10,00,000	5	1928	1962	100
23,91,000	5½	1933	1965	94
15,56,800	4	1940	1967	99½
17,76,400	3½	1942	1967	99½
51,10,000	3	1943	1973	92
15 49 000	3½	1951	1966	97
16,33,000	3½	1951	1971	97½
66,88,000	3½	1951	1967	97
57,16,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
Rs.		MADRAS		Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1953	1983	107½

ABBREVIATIONS
A—Held by Government o. India. B.—Taken up by State Bank of India. C—Held by Commissioners.
(J) Income-tax free. * Loans held entirely by the Trustee. D—Rupee Counterparts.
†Bombay Stock Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st April, 1956.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1956.

Stock Loans—Contd.

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99
4 % W. Bengal	1953	2,50,25,000	15th July 1963	99
4 % W. Bengal	1955	7,56,72,000	1st Sept. 1967	99
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Garew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	93	100
Gawanpore Sugar Works ..	10,00,000	1905–24	8	Feb. Aug.	119	100
Deccan Sugar & Abkhar 'A' ..	7,00,000	1932	7	July Apr.	6½	5
†East India Distilleries ..	2,00,00,000	1897	7	Jan. July	102	51
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	67	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	67	100
Furtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	4,00,000	1933–36	6	Aug. ..	100	100
Ravalgaon Sugar	20,00,000	1943	6½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borea	4,00,000	1895–97	6½	Oct. Apr.	101	100
Burrakur (1st)	22,90,800	1901–19	7	Apr. Oct.	112	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.= Preferred Ordinary shares. Y= Accounts published yearly. H.= Accounts published half-yearly. P.= Company has Preference shares. T.= Company has Debentures. N.= Nominal quotations. x.d.= Ex. Dividend. c.d.= Cum. Dividend. i.= Interim Dividend. f.= Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	5,62,728	90,10,670	42,05,872	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2½	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,88,52,007	72,25,655	—6,97,129	M.	51,864	1,021	B. B. Cotton Mills ..	40	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,50,98,000	2,99,72,778	4,92,35,445	2,29,09,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,25,652	5,984	Bombay Dyeing & Mfg. ..	100	100	22 8*	20 0	25 0*	7 8½	3	Y.
10,00,000	28,74,392	58,51,886	58,57,495	91,711	Ramnarain Sons, Private Ltd.	44,784	860	Bradbury Mills	215½	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,89,45,800	2,63,96,925	2,61,53,254	1,07,05,117	6,24,956	Birla Brothers Private Ltd.	1,26,752	2,698	Century Spg. & Mfg. ..	454	100	22 0	22 0	22 0	8 0½	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,085	—33 08,097	V. D. Pilani (Chairman and Managing Director) ..	40,668	698	Colaba Land & Mill ..	65	100	*Nil*	*Nil*	*Nil*		12	Y.
8,00,000	13,08,880	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	..	Coorla Spg. & Wvg. ..	133½	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Private Ltd.	40,092	680	Dawn Mills	97½	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,435	76,75,267	56,81,788	2,33,843	Puranmal Bubna Sons ..	46,718	928	Edward Textiles ..	250	200	15 0	15 0	18 0		12	Y.
29,98,050	11,31,233	1,09,75,849	80,74,524	1,81,854	M.	41,300	886	Elphinstone Spg. & Wvg. ..	62	50	*Nil*	8 0	5 0		12	Y.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,528	784	Finlay Mills	364	100	16 0	16 0	20 0		12	Y.
50,00,000	51,19,022	87,77,494	52,92,387	36,308	James Finlay & Co., Ltd. ..	40,540	1,020	Gold Mohur Mills Ltd. ..	210	100	12 8	12 8	15 0		12	
11,84,000	75,14,589	1,52,84,660	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,525 992½	1,000 250	225 0* 56 4*	225 0 56 4	300 0 75 0	325 0 81 4	3	Y.P.
16,000									10 ¾	0 100.	0 10	*Nil*	0 15	0 10½		
4,00,00,000	62,50,899	4,68,15,552	8,39,00,000	1,98,112	Agarwal & Co.	2,44,300	6,278	India United Mills	1½	0 1D.	0 1	*Nil*	0 3	0 11	12	
80,00,000									5,275	1,000	225 0*	225 0	300 0	300 0	3	Y.P
8,55,000	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	47,984	1,122	Indian Mfg.	—	600	112 8*	112 8	150 0	150 0	3	
35,000	55,07,881	2,73,78,670	2,03,22,188	26,228	Khatau Makanji & Co., ..	92,852	1,489	Khatau Makanji Spg. & Wvg.	191½	100	10 0	8 0	10 0	10 0	6	Y.P.
80,85,000	2,00,68,745	3,24,98,906	2,42,88,268	2,85,049	Kilachand Sons	1,20,504	1,846	Kohinoor Mills	322½	100	20 0*	18 0	18 0	18 0	12	Y.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Kilachand Sons	1,20,504	1,846	Modern Mills	50	5	5 0	5 0	8 0*		10	Y.P.
22,18,050	41,06,720	1,18,74,348	55,99,115	1,61,659	Kilachand Sons Private Ltd. ..	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	227½	100	12 0	14 0	14 0	15 0	6	Y.P.
51,75,000	32,05,298	2,35,58,597	1,76,19,559	1,41,489	Piramal Sons Private Ltd. ..	..	..	National Rayon Corporation	223½	100	9 0	10 0	12 0		12	Y.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	53,192	Chinai & Co., Private Ltd. ..	45,944	452	New City of Bombay Mfg. ..	140½	100	10 0	10 0	12 0	10 0	12	Y.P.
24,00,000	29,50,456	78,05,743	48,70,077	245	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	220	100	10 0	7 8	10 0	10 0	12	Y.
80,00,000	22,01,402	95,52,534	63,37,035	2,40,352	Ramnarain Sons, Private Ltd.	69,208	1,190	Phoenix Mills	147½	100	8 0	8 0	10 0		12	Y.P.
48,00,000	30,10,989	1,34,29,555	84,72,255	3,92,877	Podar Sons, Private Ltd. ..	32,600	930	Podar Mills	165	100	10 0	10 0	12 0*		12	Y.
40 00,000	45,70,390	39,55,049	23,00,000	—1,72,154	David Sassoon & Co., Ltd. ..	..	..	Sassoon & Alliance Silk Mill	9¾	10	0 12	0 8	..	..	12	Y.
5,00,000	8,16,999	21,21,521	19,01,840	24,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg. ..	39½	10	1 4	1 12	2 0	..	12	Y.P.
37,70,000	82,80,605	1,92,63,251	1,59,71,824	1,47,429	Marwar Textiles (Agency) Ltd.	69,670	1,640	Shree Niwas Cotton Mills ..	107	100	14 0	14 0	12 0	..	12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	98,017	Forbes, Forbes Campbell & Co., Ltd.	84,840	1,276	Simplex Mills	175	50	15 0	11 0	10 0	12 0	3	Y.
42,00,000	39,02,179	98,78,309	78,68,762	12,888	Mafatlal Gagalbhai & Sons ..	97,888	2,400	Standard Mills	448	100	20 0	20 0	20 0		12	Y.P.
87,80,000	2,23,15,720	2,51,28,099	1,37,85,474	67,611	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	215½	100	16 0	8 0	12 0		12	Y.
99,85 700	84,69,716	2,28,87,647	1,19,01,809	1,51,080	James Finlay & Co., Ltd. ..	39,328	562	Swan Mills	410	100	20 0	20 0	25 0		12	Y.P.F
36,00,000	55,33,465	1,23,99,971	81,52,715	48,485	Tata Industries Private Ltd.	62,096	1,800	Tata Mills	47½	25	1 8	2 8	4 0		12	Y.
65,57,000	51,66,376	1,77,84,889	68,44,553	4,624	M.	45,508	1,308	Western India Spg. & Mfg.	5,200	1,000	225 0*	25 0	300 0	300 0	3	
12,00,000	61,05,709	1,27,41,228	90,20,000													
AHMEDABAD																
40,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	172½	100	10 0*	5 0	7 0	12 0	6	Y.P.
10,00,000	94,58,068	94,37,398	76,10,164	27,288	F. M. Hutheesing & Co., Ltd.	42,788	912	Aruna Mills	640	100	20 0*	20 0	25 0*		12	Y.P.
26,25,000	2,55,30,094	1,66,65,504	1,16,00,000	72,768	Narotam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,058	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	81,75,000	96,34,884	72,25,000	2,46,389	Mangaldas & Sons, Ltd. ..	40,092	680	Ashoka Mills	900	100	22 0*	22 0	30 0		12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,64,953	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	900	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35,76,233	4,61,25,852	2,38,68,344	2,31,712	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	531½	125	18 0	18 0	..	80 0‡	3	Y.P.
62,87,000	24,58,000	1,21,06,843	89,25,000	2,760	Tricumlal Bhoglial & Co., Ltd.	45,836	866	New Commercial Mills ..	1,030	70	70 0	70 0	80 0		12	Y.
25,00,000	72,58,432	1,32,09,252	96,26,968	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	885	125	35 0	35 0	45 0		12	Y.
10,00,000	58,48,000	50,68,197	37,98,317	16,658	Jagabhai Bhoglial Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	410	100	30 0*	30 0*	30 0		12	Y.P.
12,50,000	1,14,77,470	86,29,429	60,39,888	....	Lalbhai Dalpatbhai & Co. ..	51,120	636	Rajpur Mfg.	860	100	25 0	25 0	40 0*		12	Y.P.
33,50,000	14,78,207	1,07,01,469	71,42,808	17,24,749	Lalbhai Gordhandas Ltd. ..	82,156	648	Rohit Mills	167½	100	9 0	9 0	*Nil*		12	Y.P.
28,98,150	2,02,24,538	1,76,92,843	1,52,75,000	2,23,290	Harivallabhdas Kalidas & Co.	78,808	1,825	Shri Ambica Mills	590½	50	18 0	20 0	27 9*		12	
19,52,500	62,31,268	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. .. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg. ..	601½	100	20 0	25 0*	25 0		12	Y.
80,00,000	90,34,191	1,09,66,008	78,35,291	34,644	Haridas, Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	690	100	35 0*	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	1,42,800	34,08,029	21,28,880	361,576	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills ..	5½	10	0 4	0 8	0 8		12	Y.P.T.
7,98,060	9,10,617	78,14,055	62,69,911	59,390	Bengal Textile Agency, Ltd.	33,292	925	Bengal Luxmi Cotton Mills	40N	40	*Nil*	4 0	4 0	4 0	3	Y.P.
5,00,000	22,72,414	89,08,142	51,49,000	—29,47,378	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowrash Cotton Mills ..	110½	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,87,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	101	100	11 12	0 14	0 14	1 0	3	H.
1,50,00,000	2,29,43,320	3,76,19,853	1,81,25,333	1,82,672	Birla Brothers Private Ltd.	74,572	1,992	Kesoram Cotton Mills ..	14¾	10	1 8	0 10	1 0		3	Y.P.
15,47,750 O	7,45,000	47,06,298	24,48,352	1,094	Hazareesmull Heeralall ..	23,086	795	Rampoorna Cotton Mills ..	16N 8N	10 10	0 8 *Nil*	0 10 *Nil*	1 0 0-5 11/25		6	Y
5,00,000 D																
SOUTH INDIA AND OTHER CENTRES																
11,98,600	5,57,596	31,36,764	15,54,245	3,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd. ..	217	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	85,01,264	1,84,91,580	50,78,582	1,86,048	Industrial Trust Fund ..	86,186	716	Asoka Mills	82½	100	6 0	*Nil*	3 8(e)		3	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,88,268	2,85,049	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	580cd	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	58,72,182	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills ..	72	10	0 4½	*Nil* †			6,12	H.P.T
85,00,000	1,09,48,251	1,19,14,402	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	29,986	1,088	Birla Cotton Spg. & Wvg., Delhi	28N	10	8 0	8 0	8 0		3	Y.
1,78,47,800	1,76,52,500	6,38,09,208	3,52,32,180	2,38,445	Binny & Co. (Madras), Ltd. ..	1,20,288	2,762	Buckingham & Carnatic ..	174cd	100	10 0	10 0	10 0	4 0‡	11	Y.P.T.
20,00,000	20,00,000	89,69,354	67,26,861	27,583	Cannanore Spg. & Wvg. ..	37,536	4	Cambodia Mills	14	10	0 12	*Nil*	9 8		12	Y.
15,00,000	5,11,550	48,88,929	24,68,361	8,994	K. Damodaran, Esq. ..	20,600	..	Cannanore Spg. & Wvg. ..	170	100	12 0	20 0	12 0	15 0	3	Y.
80,00,000	29,51,420	69,40,829	61,72,376	86,767	Begg, Sutherland & Co., Ltd.	27,016	540	Cawnpore Textiles	7½	10	0 8	*Nil*	0 8	0 4	3	
9,37,470	2,00,000	50,87,168	30,65,709	58,798	C. R. Krishnamurthy Esq. (Chairman)	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11½	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.T.
12,00,000	10,01,000	41,07,884	30,65,709	10,889	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	355xd	100	20 0	25 0	25 0	25 0	12	Y.
20,00,000	19,95,000	36,59,480	24,25,921	14,823	T. R. N. Naidu & Co. ..	27,222	417	Coimbatore Pioneer Mills ..	268	100	15 0	20 0	25 0		12	Y.
20,76,900	5,076	1,10,00,858	85,56,242	21,290	R. S. Naidu & Co.	37,228	1,020	Coimbatore Spg. & Wvg. ..	83	50	3 0*	6 0	8 0		6	Y.
45,87,000	46,17,622	1,60,88,371	1,62,61,884	13,216	Tata Industries Private Ltd.	67,228	1,620	Central India	113	100	5 0	2 0	3 0	*Nil*	6	Y.P
3,88,86,225	3,06,82,110	11,16,31,472	5,81,67,827	1,28,712	B. R. Charat Ram & Co., Private Ltd.	1,41,180	2,852	Delhi Cloth & General Mills	35½N 2¼	25 0 2 4/5	12 0 0 : 3/5	12 0 0 3 3/5	12 0 0 3	6 0 0 4	12	Y.P.T.
1,00,563					M. N. Chettiar & Sons ..	38,052	201	Dhanalakshmi Mills ..	377cd	100	20 0	30 0	30 0	25 0	12	Y.
24,84,800	22,25,000	46,71,865	46,12,585	....	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	241	100	10 0	10 0	1 0	1 4	9	Y.P
68,00,000	93 47,056	1,54,57,568	1,35,57,642	78,754	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	208	100	17 0	13 0	15 0		12	Y.
48,81,000	35,22,175	1,00,55,167	68,95,968	14,000	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	14-8½	10	*Nil*	*Nil*	*Nil*		3	Y.P.
2,50,00,000	2,25,00,000	9,41,27,131	....	1,05,74,790	Kesoram Rayon Limited ..	51,180	1,420	Hooghly Mills	137½	100	6 0	6 0	9 0	5 01	12	Y.
50,00,000	6,16,447	1,33,91,958	1,12,28,576	9,551	K. L. Seksaria, Esq. (Chairman)	23,784	..	Janardhana, Mills	107cd	50	4 8	5 0	10 0		12	Y.
8,00,000	10,65,883	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd. ..											
15,54,000	18,24,703	45,22,234	33,98,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji ..	1,605	1,000	*Nil*	20 0	50 0	60 0	6	Y.
32,42,538	19,25,000	93,32,490	52,49,160	41,492	Kothari & Sons	41,040	800	Kothari Textiles	15½	10	0 8	0 8	1 0	1 0	6	Y.P.
32,00,000	67,91,550	1,09,61,585	1,26,19,465	20,376	M.	50,452	1,219	Lakshmi Cotton Mfg. ..	705 {130	250 50	37 8 6 0	33 12 10 0	42 8 13 8	42 8 12 8‡	12	Y.P.
35,54,100	65,55,990	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	65	25	2 8	5 0	6 4	6 4	3	Y.
17,32,050									433	15	3 0	3 0	3 0	2 10	12	
1,75,00,480	4,24,40,278	5,83,51,924	3,77,47,982	32,44,130	A. & F. Harvey Ltd. ..	4,53,000	100	Madura Mills	209	100	*Nil*	*Nil*	*Nil*		12	Y.
12,00,000	4,17,868	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and 2 others.	22,592	100	Malaiba Spg. & Wvg. ..	427½	100	12 8	22 8*	35 0	42 8	3	Y.
60,00,000	69,00,000	68,79,027	48,29,734	45,885	M. A. Beardsell & Co., Ltd.	25,656	608	Mettur Industries Ltd. ..	86½	100	7 0	5 0(e)	6 0		12	Y.
29,50,884	19,51,551	89,75,246	49,94,758	16,588	N. Sirur & Co. Private Ltd.	52,408	952	Minerva Mills	180	250	7 0	5 0(e)	7 8(e)	7 8	6	Y.
91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	88,640	1,884	Muir Mills	75N	100					12	Y.P.
50,00,000	52,19,600	1,53,39,272	1,06,91,651	—7,77,290	Indian Textile Syndicate Ltd.	50,480	500	Mysore Spg. & Mfg. ..	101½	50	10 0*	8*	6 0(e)	9 0*	12	Y.P.
24,32,500	19,00,000	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Private Ltd.											
18,61,780	6,900	29,25,252	15,12,761	—1,50,653	R. Surveyanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8¾ 8½	70 O. 2½	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		3	Y
22,89,8820	25,62,583	1,04,27,293	58,90,719	—43,58,087	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills ..	—	D. 1	*Nil*	*Nil*	*Nil*		12	Y.P
8,07,0650						37,788	902	Osmanshahi Mills	62	100	4 0	*Nil*	2 8(e)		9	Y.
87,19,600	55,48,220	1,69,90,989	61,91,861	74,722	Industrial Trust Fund ..	41,200	..	Palani Andavar Mills ..	{147	50A	12 0	12 0	12 0		12	Y.P.
4,00,0004	6,50,000	39,12,549	28,46,016	14,609	Bhagyalakshmi & Co.				{216	75B	18 0	18 0	18 0			
6,00,0008						27,980	..	Pankaja Mills Ltd.	70	100	*Nil*	*Nil*	4 0(e)		12	Y.
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	55,664	300	Radhakrishna Mills	{275 140	100A 50B	8 0 4 0	16 8 8 0	20 0 10 0		12	Y.
16,81,2004	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	33,896	..	Rajalakshmi Mills	150	50	7 8	10 0	12 0		3	Y.P.
3,40,0008						149	100	4 0	6 0	10 0	6 0	10 0	16 0	2	Y.
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	24,996	..	Rajapalayam Mills	100	100	8 0	8 0	10 0	10 0	12	Y.
16,14,800	12,00,000	32,92,216	17,41,484	10,510	Ramco Agencies Ltd. ..	14,800	..	Rayalaseema Mills	166cd	100	10 0	9 0	10 0	10 0	12	Y.
22,81,750	12,40,000	49,54,422	31,20,515	32,012	Rayalaseema Development Co.	34,582	600	Sankar Textiles	2¼	10	*Nil*	*Nil*	*Nil*		3	Y.P
80,00,000	62,41,563	1,00,25,428	35,44,914	—17,16,722	J. P. Srivastava & Sons (Rampur)	95,282	2,284	Sholapoor Spg. & Wvg. ..	{1,225 —	1,000 500	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	*Nil*	3	Y.P.
16,90,000	1,60,55,511	8,18,49,082	2,05,07,227	—1,65,20,798	Morarka & Co.				106	50	4 0*	4 8	5 0	7 0	3	Y.
10,000	17,10,000	81,44,272	65,63,818	1,09,148	H. N. Pallegar, Esq. ..	30,744	225	Sri Krishnarajendra Mills ..	80N	100	*Nil*	*Nil*	5 0		3	Y.
86,69,700	2,00,246	35,16,906	17,75,000	—8,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	94xd	10	4 0	5 0	6 0	6 0	3	
26,14,800	3,48,80,155	99,62,153	79,53,780	30,60,553	Birla Brothers, Private Ltd.	36,212	1,244	Sutlej Cotton Mills	11½	100.	0 8	0 12	0 12		12	Y.P.
15,00,000									11½	10F.O.	0-14 2/5	1-2 2/5	1-2 2/5			
17,50,0000	2,30,00,000	4,84,40,847	1,70,83,159	1,06,089	Jaipuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur) ..	13½	10	0 8	0 10	0 12		12	Y.P.T.
1,50,00,000									12½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.
1,00,00,000	80,14,788	3,80,55,317	1,37,16,775	2,53,771	Esgnete & Sons (Travancore), Ltd.	18,000	..	Travancore Rayons	810	100	12 0	15 0	20 0		12	Y.
1,00,00,000	2,78,333	17,32,181	11,37,436	1,508	Moolji Ramjee & Sons ..	44,424	270	Vasanta Mills	139½	100	4 0	4 0	8 0	8 0	12	Y.P.
18,98,670	24,60,000	71,88,723	40,63,168	56,000	R. K. Chetty & Brothers ..	47,240	1,355	Vishnu Cotton								
21,00,000	31,89,009	1,74,27,020	1,17,94,860	16,922	M.											

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of reserves. (5) For six months ended 31st December 1953.

The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

Golaco Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1954.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	25,43,500	1,12,48,027	57,89,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	101cd	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,630	26,75,014	29,38,961	16,23,423	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries] ..	8	5	0 8	0 8	0 9	0 9	3	Y.
85,49,950	£925,777	£1,302,585	£566,540	£50,499	Parry's Holdings Ltd.	East India]Distilleries and Sugar ..	271cd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P
85,00,000	9,60,000	15,90,636	15,90,629	4,679	Vital]Mallya, Esq., (Chairman)	United Breweries	— 180cd	B. 51	Sh. 4 15 0	Sh. 3 15 0	Sh. 4 15 0	15 0	3	Y.
CEMENT														
51,27,660	£13,06,123	83,25,520	44,19,760	19,893	Andhra]Engineering Co., Ltd.	Andhra Cement Co.	12½ 6½	B. 10 O. 10	1 0*	1 0	1 0*		12	Y.P.T.
5,14,8000	13,13,132	1,44,65 792	53,48,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	1½	D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.T.
4,70,976D.	8,46,99,450	27,75,38,613	9,34,43,675	2,93,988	Cement Agencies (Private) Ltd.	Associated Cement Companies] .

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	100	25	1 9	3 2	4 11		5,12	H.P.T.
63,00,000	56,05,511	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp †‡	23	10	12 0	14 0	1 6 2/5	0 11 1/5[1]	3,9	H.
25,00,000	20,12,500	1,48,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	16‡	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,52,500	2,14,71,781	4,58,61,778	1,07,73,892	2,12,435	Birla Brothers Private Ltd.	Orient Paper	80‡	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,49,070	67,32,768	1,55,90,914	95,51,993	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	16‡	10	1 8	1 8	1 4	0 10[1]	6,12	H.P.T.
20,06,000	6,50,000	95,88,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10‡	O. 10	0 12	0 12	1 4		3,9	H.P.T.
1,00,000"A."							10‡	A. 10	0 12	0 12	1 4			
2,18,55,240	49,18,050	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd.	Sirpur Paper Mills	Nil	Nil	Nil	5 0‡	0 8		6	Y.P.
56,00,000"A."							9‡	10	1 8	2 0*	1 2‡*			
56,04,800B.	3,41,23,015	5,94,12,293	2,25,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	35‡	A. 10	2 0*	1 8	2 0*	1 2‡*	3,9	H.P.
37,500P.O.							4‡	B. 10	2 0*	1 8	2 0*	1 2‡*		
								P.O. 24	0 4	0 4	0 4	0 2‡*		
PRESSING														
3,00,000	3,26,572	13,912	11,912	20,034	Andrew Yule & Co.	Calcutta Hydraulic†	95N‡	100	3 0	4 0	*Nil*	*Nil*	6	Y.
5,00,000	2,47,132	10,91,809	9,80,374	26,289	Andrew Yule & Co.	Central Hydraulic †	125	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
3,00,7840.	6,98,332	43,52,570	22,63,279	35,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13‡N	O. 10	0 11‡	0 9 3/5	0 9 3/5		9	Y.P.
2,50,000D.							2‡N	D. 1	0 4/5	*Nil*	0 2‡/			
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	2‡	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,70,109	98,05,154	95,89‡	—11,48,855	Andrew Yule & Co.	Midnapore Zamindary	23	100	1 8	4 0	3‡ 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
13,99,498	28,05,545	31,61,533	10,73,883	—5,14,587	Bird & Co. Private[Ltd.]‡	Assam Saw Mills	3‡	73	*Nil*	*Nil*	*Nil*		9	Y.
80,00,000	4,18,54,388	3,98,84,871	1,71,93,141	89,548	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	687	Old125	15 0	20 0	37 8	40 0	5	Y.
							215	New50	6 0	8 0	15 0	16 0		
6,00 000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	*Nil*	*Nil*			6	Y.P.
80,00,000	21,15,487	19,00,295	14,35,566	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	42	10	2 8	2 12	3 0	1 0‡	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,871	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	8‡	5	*Nil*	0 12	0 1	*Nil*	6	Y.
13,00,000A.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co.[Private Ltd.	Basti Sugar	130N	A. 100	10 0	10 0	10 0	10 0	4	Y.T.
2,00,000B.		4,45,000					14N	B. 10	1 0	1 12	1 12	1 0		
19,49,050	5,50,000	38,35,389	24,41,801	51,985	Bangur Bros., Ltd.	Belsund Sugar	10‡		0 12	0 12	0 12		9	Y.
15,00,000	13,51,513	18,12,168	12,47,841	2,330	Cotton Agents Private Ltd.	Bharat Sugar	15‡N	10	1 8	1 8	1 8	1 8	6	Y.P.
22,00,000	28,37,030	1,86,90,775	92,27,801	12,445	Gladstone Lyall & Co., Ltd.	Carew & Co.	7‡	10	*Nil*	0 12	0 4		6	Y.P.T.
36,00,000	57,88,651	1,09,44,647	84,82,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	17‡	10	2 0	0 12	0 12		10	Y.P.
18,00,000	89,72,380	81,58,085	55,46,244	29,608	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	20‡	10	1 0	1 0	1 8	1 0	8	Y.
5,99,453	6,18,562	24,58,530	15,35,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			8	Y.T.
50,00,000A.	44,05,000	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	276N	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
10,00,0000.							100	O. 100	15 0*	15 0*	15 0*	15 0		
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	66N	80	*Nil*	*Nil*	4 8		7	Y.P.
7,89,100	22,35,852	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd.	New India Sugar Mills	46‡	40	*Nil*	*Nil*	2 4		6	Y.P.T.
11,00,000	4,45,000	46,39,856	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd.	New Savan	80N	10	2 8	2 8	2 8	2 8	6	Y.
13,98,000	48,01,854	71,25,062	24,25,384	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	5‡xd	10	0 4	0 4	0 4	0 6	5	Y.
61,375							226N	100	20 0	20 0	20 0	20 0	7	
77,45,350	55,05,699	2,04,73,468	1,05,50,000	20,563	Cotton Agents Private Ltd.	Oudh Sugar	60N	25	5 0	5 0	5 0	5 0	6	Y.P.
13,00,000	12,69,374	31,96,494	21,49,459	24,662	Narang Bros. & Co., Private Ltd.	Punjab Sugar	140	100	11 0	11 0	11 0	11 0	7	Y.
9,00,000	17,64,269	87,85,808	80,67,249	6,871	Begg, Sutherland & Co., Ltd. ..	Puraibpore Co.	100N	100	10 0	10 0	10 0		10	Y.P.
5,00,000	6,10,793	28,74,028	22,66,700	13,204	M.	Ryam Sugar	17‡	10	1 0	0 12	0 12		10	Y.P.
11,99,000	19,38,520	45,20,102	24,12,120	8,554	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	20N	10	0 8	0 8	1 12	1 12	6	Y.
40,00,000	22,88,560	1,35,20,110	62,59,521	24,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	11‡	10	0 8	0 8	2ℕ	*Nil*	6	Y.
9,99,950	26,825	28,20,774	15,51,547	—4,25,477	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Silalpore Sugar	10‡	10	1 8	1 8	1 12		8	Y.P.T.
7,95,462	18,32,940	31,60,735	17,63,063	1,06,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	15‡	10	2 0*	1 8*			6	Y.T.
9,15,0000	46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	0 10	Nil	*Nil*	*Nil*	*Nil*		10	Y.P.T.
4,40,000D.							D. 2‡	*Nil*	*Nil*	4	*Nil*			
3,00,000	29,24,348	1,15,70,815	68,03,754	32,329	Cotton Agents[Private Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8	3 0	6	Y.P
16,00,000	7,66,589	32,89,951	26,68,926	20,554	M.	United Provinces Sugar	15	10	0 8	1 4	1 8		9	Y.
Other Centres														
47,50,000	1,94,32,556	8,78,51,606	72,16,569	1,16,199	J. K. Industries Private[Ltd. ..	Aluminium Corporation of India Ltd.	10	O. 10	*Nil*	*Nil*	*Nil*	9 8‡	3	Y.P.‡
2,50,000							5N	D. 2‡				*Nil*		
40,00,000	23,23,000	56,26,845	21,56,600	64,587	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	14xr	10	1 4	1 4	1 4	1 4	3	Y.
30,00,000	36,18,373	34,57,352	22,94,553	3,85,574	James Finlay & Co., Private Ltd. ..	Assam Bengal Tea Co., Ltd.	10	10	1 4	1 4	2 0	2 0‡	3	Y.
30,00,000	8,85,000	38,39,494	20,85,060	1,18,895	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	19‡	10	1 4*	1 4*	1 4*		12	Y.P.
20,00,000	32,47,883	1,02,58,021	36,57,880	2,45,122	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	8N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	3	Y.P.‡
30,01,400	1,16,58,000	67,47,111	33,07,111	5,08,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	160	100	20 0*	12 0‡	12 8		12	Y.
12,00,000	9,10,000	31,57,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	82‡	10	1 8	2 8	2 4	1 8‡	6,12	Y.
30,00,000	7,98,480	22,57,000		1,16,707	Lovelock & Lewis	British Tea Investment Ltd.	14	10	1 8	1 4	1 4		6	Y.P.T.
48,97,020	80,11,814	1,10,56,424	33,37,539	1,79,377	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	18‡	10	0 8	1 0	1 0	1 0	3	Y.P.T.
2,25,00,000	1,16,11,805	3,88,08,905	2,32,14,167	—37,86,584	Sir Robert Menzies	British India Corporation Ltd. ..	7‡	5	0 8	0 1	*Nil*		12	Y.P.
1,38,60,000		17,34,304		15,75,052	Andrew Yule & Co., Ltd.	Clive Row Investment	10	10	0 4 1/5	0 8 1/5	0 9	1 6	3	Y.
1,60,00,000	8,14,85,174	5,15,52,086	2,20,32,990	11,71,686	John Luckham, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	24‡	10	1 8	1 8	1 8		12	Y.P.
51,26,000	54,10,811	1,72,17,807‡‡	....	8,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd.	129	100	9 0	9 0	9 0	9 0	12	Y.P.
14,00,000	10,03,000	39,31,772	18,89,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	185	100	20 0	15 0	15 0		3	H.
65,00,000	58,17,300	19,73,012	9,18,963	89,541	J. F. D. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	10‡	10	7 8	7 8	1 6 2/5	1 9 3/5	3	Y.P.
30,00,000	14,87,354	81,39,820	35,68,393	7,458	D. P. R. Byrdmore	Great Eastern Hotel	225	125	15 0	6 4	6 8	10 0	3	Y.
4,96,05,700		3,04,18,142	1,31,58,541	6,16,062	Birla Brothers Private Ltd.	Hindustan Motors	7‡	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
1,60,00,000	45,77,764	4,16,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	18‡	10	*Nil*	*Nil*	9 0		12	Y.P.
1,53,59,370	1,37,00,000	1,99,25,000	71,50,000	52,04,214	B. T. Wolley, Esq. (Mg. Director)	Indian Cables	22‡	10	1 0*	1 4*	1 8*		8	Y.P.
8,37,970	6,08,000	16,74,908	9,50,306	69,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	20‡	10	0 12	0 8	0 10		8	Y.P.
15,16,00,000	7,69,02,692	4,15,59,461	1,63,28,377	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	188	10	..	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.
2,00,00,000	1,40,000	27,46,668	11,08,842	5,11,602	G. M. Mackinlay, Esq.	Jardine Henderson	75‡	100	7 8	7 8	8	7 8	3	Y.
40,00,0000.							225	O.100	10 0	17 0	2‡ 0		12	Y.P.
5,00,000D.	80,86,900	26,15,922	8,73,670	2,57,284	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	—[2]	D.0.10	0 8	1 8 1/5	1 12		9	Y.P.
1,43,96,500	81,82,796	49,23,088	13,84,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22‡	10	1 6*	1 6	1 12‡	2 2*	9	Y.P.
1,15,00,000	55,60,000	1,88,37,973	79,00,772	10,54,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	27‡	10	1 0	1 0	1 6	1 10	3	Y.P.
[illegible]	1,55,250	7,85,598	2,50,937	—2,38,691	Shankar Rao P. Ogale, Esq. ..	Mysore Glass and Enamel Works	4	10	*Nil*	*Nil*	*Nil*		3	Y.
6,56,250	9,18,598	11,18,641	5,61,088	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15‡	10	1 0	1 0	0 12	0 14 2/5	3	Y.T.
10,00,000	2,18,000	15,54,006	9,41,427	44,518	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	13‡	10	1 4	1 4	1 0	1 8	3	
40,00,000	74,71,172	63,80,914	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd.	National Insulated Cable Co. ..	20‡	10	1 0	1 0	1 8*	2 0*	3	Y.P.
40,00,000	15,00,000	93,19,898	21,17,403	75,726	Do	National Rolling & Steel Ropes	10	10	0 9	0 9	0 8‡	0 9‡	6	Y.P.
79,97,000	....	1,17,52,757	57,19,268	8,99,582	B. N. Elias & Co., Ltd.	National Tobacco Co.	10‡	10	*Nil*	0 8	0 12 4/5		10	Y.P.
2,25,00,000	6,71,248	1,46,28,415	44,28,274	—44,12,088	M. P. A. Pasqattil, Esq.	Ralli's (India) Ltd.	38‡	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
1,72,24,400	1,31,30,308	7,55,34,889	3,47,94,979	4,91,234	Sahu Jain Ltd.	Rohtas Industries	17‡	10	1 4	1 8	1 8	1 8	6	Y.P.
40,00,000	87,08,558	1,21,67,904	73,09,227	6,32,212	O. W. Stephenson, Esq.	Spencer & Co., Ltd.	16‡	10	1 8	1 8	1 8	1 8	6	Y.
75,00,000	54,13,860	17,49,3165	5,53,685	3,65,280	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	11‡	10	1 0	1 4	1 0		12	Y.
9,98,380	....	14,99,389	3,84,580	....	M.	Travancore Ogale Glass	8‡	10	*Nil*	*Nil*	1 4		9	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. † On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.10 each.

Z—In the case of Belapur Co.the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	3,70,019	11,34,864	5,38,169	....	McLeod & Co., Ltd.	825	Amluckie	300	100	25 0	72 0	19 0		12	Y.P.
3,50,000	3,42,250	10,69,902	2,45,089	77,477	R. K. Kanoria, Esq.	420	Ananda (Assam) Tea	37	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,21,575	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd...	437	Ananda Bag	24	10	2 8	8 0*	1 0		12	Y.
5,10,000	11,21,541	17,56,465	7,08,427	36,051	McLeod & Co., Ltd.	513	Bazhmari	22‡	*Nil*	2 8	5 8	1 0		12	Y.
3,40,500	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	32‡	10	2 8	3 0	1 0		12	Y.
2,20,000	4,65,000	11,68,776	7,13,759	50,398	National Tea Corporation	570	Batell	26‡	10	2 0	3 0	1 0		12	Y.
16,40,000	9,40,000	10,27,063	3,08,925	66,155	Gillanders Arbuthnot & Co., Ltd...	612	Betjan	26‡	5	2 0	4 0	2 8		12	Y.
6,00,000	25,00,000	58 38,162	26,80,662	1,49,359	Williamson Magor & Co., Ltd. ..	4,002	Bishnauth	20‡	10	2 0	10 0*	2 0		12	Y.
7,50,000	2,50,000	10,97,919	3,26,063	29,868	Octavius Steel & Co., Ltd.	435	Bokahat	16‡	10	2 8	3 0	2 0		12	Y.
25,00,000	7,37,550	9,56,117	3,05,780	15,485	McLeod & Co., Ltd.	450	Bormah Jan Tea	16‡	*Nil*	1 0	*Nil*			12	Y.
1,20,000	11,78,808	79,82,234	27,45,021	5,15,711	M.	2,834	Brooke Bond	10‡	10	0 12	2 8	2 0		12	Y.P.T.
6,00,000	4,55,626	6,44,302	2,17,579	42,144	McLeod & Co., Ltd.	253	Dejoo Valley	50‡	10	0 8	1 4	1 8	1 4	6	Y.P.
17,93,440	9,76,000	27,66,034	17,67,783	46,510	Jardine Henderson Ltd.	1,184	Dessai & Parbattia	20‡	10	1 0	6 0	3 0		12	Y.
4,68,970	9,97,952	24,59,777	8,10,850	42,736	James Warren & Co., Ltd. ..	661	Dhalakhat	21‡	10	1 8	3 0	1 0		12	Y.
4,50,000	2,95,000	7,50,462	2,80,404	2,101	M.	446	Dhansiri	19‡	10	1 8	3 0	1 0		12	Y.
3,25,700	7,25,800	14,15,911	6,43,291	46,921	McLeod & Co., Ltd.	458	Dibrugarh	23‡	10	2 0	5 0	2 0		12	Y.P.
6,40,500	6,11,700	11,36,207	5,66,707	98,251	Williamson Magor & Co., Ltd.	623	Dimakusi	27‡	10	1 8	4 0	2 0		12	Y.
10,00,000	8,83,000	20,32,232	13,35,163	1,33,540	Williamson Magor & Co., Ltd.	615	Duffla ghur	35‡	10	2 0	5 0	2 0		12	Y.P.
5,50,000	5,50 000	24,74,436	10,10,936	66,711	Williamson Magor & Co., Ltd.	1,151	East India Tea	14‡	10	1 8	5 0	4 0		12	Y.P.
3,38,000	3,40,000	9,87,135	4,58,922	18,215	L. C. Kanoi, Esq.	407	Gillapukri	31‡	10	1 12	3 8	1 8		12	Y.
7,41,840	6,58,000	17,31,156	9,19,156	87,096	Williamson Magor & Co., Ltd.	846	Gohpur	22‡	10	1 8	5 0	2 0		12	Y.
2,61,180	17,32,810	24 59,276	7,39,116	24,885	Octavius Steel & Co., Ltd. ..	1,910	Grob	32	A 10	2 0	5 0	2 8		12	Y.
5,00,000	5,76,000	8,25,291	3,05,660	1,849	Andrew Yule & Co., Ltd.	476	Hoograjuli	16	B 5	1 8	3 0	1 0		12	Y.
2,70,000	12,17,716	20,46,252	11,68,555	73,327	Andrew Yule & Co., Ltd.	1,310	Hoolangooree	29	10	1 8	3 0	1 0		12	Y.
58,95,900	84,40,889	....	....	72,556	Birla Brothers Private Ltd. ..	4,900	Jay Shree Tea Gardens ..	230	100	12 8	36 0	7 8		12	Y.
7,50,000	7,55,000	14,55,227	3,31,056	7,665	Gillanders Arbuthnot & Co., Ltd...	345	Jokai	11‡	10	*Nil*	3 8	0 8		12	Y.
3,40,000	11,30,500	12,75,348	6,72,348	65,988	M.	1,166	Kingsley-Golaghat (Assam).	25	10	*Nil*	3 8	*Nil*		12	Y.
6,50,000		19,29,634	91,729	16,331	Duncan Bros. & Co., Ltd.	1,656	Kutumaulai Tea	230N	100	*Nil*	25 0	25 0		12	P.Y.
10,00,000	11,88,557	10,05,397	3,45,515	1,760	Duncan Bros. & Co., Ltd.	836	Lede	26	5	*Nil*	*Nil*			12	Y.P.
5,00,000	9,37,500	20,03,855	8,22,557	54,150	Octavius Steel & Co., Ltd. ..	612	Methoni	21‡	10	2 0	2 12	1 0		12	Y.
1,50,000	30,000	10,09,227	3,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Mohoema	24	10	1 8	4 8	1 12		12	Y.
1,75,000	7,22,404	8,34,458	4,66,995	70,964	Kettlewell Bullen & Co., Ltd.	433	Mothola	450	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
2,00,000	5,05,000	9,67,840	5,56,656	23,401	Andrew Yule & Co., Ltd.	344	Murphulani	33‡	100	40 0	65 0	50 0		12	Y.
4,00,000	5,61,274	6,00,338	3,80,669	9,667	S.C. Sen, Esq., Supervising Director	545	Naga Hills	35	0. 10	2 0	4 8	1 4		12	Y.
5,00,000		9,78,621	4,78,401	13,71,401	M.	810	Namburakdi	20	P.O. 10	1 8	3 0	1 12		12	Y.
3,00,000	1,86,000	5,79,372	2,71,566	554	Duncan Bros. & Co., Ltd.	337	New Chinatollah	10	100	5 0	10 0	*Nil*		12	Y.
7,75,500	7,75,000	7,96,058	2,37,118	21,821	Andrew Yule & Co., Ltd.	353	Rajgarh	46	10	1 8	7 8	0 8		12	Y.
3,49,000	4,45,000	18,78,813	8,04,350	4,187	L. C. Kanoi, Esq.	980	Rajoli	43	10	2 8	4 8	2 0		12	Y.
4,50,000	2,90,000	9,08,664	5,97,884	27,589	Williamson Magor & Co., Ltd.	462	Sesjuli	28‡	10	2 8	3 8	1 8		12	Y.
5,98,000	7,80,000	11,98,818	3,97,135	24,523	Octavius Steel & Co., Ltd.	527	Tean Ali	25	10	1 8	6 0	2 0		12	Y.
4,00,000	10,73,724	11,17,963	4,13,180	24,549	McLeod & Co., Ltd.	498	Telijan	24‡	10	1 8	5 0	2 0		12	Y.
19,82,880	8,35,127	10,28,291	2,77,850	37,733	Gillanders Arbuthnot & Co., Ltd.	516	Tengpani	40N	10	1 8	3 8	2 0		12	Y.
5,20,000	1,40,000	27,31,760	15,99,760	59,278	Shaw Wallace & Co., Ltd.	2,143	Texpore	20	10	2 8	5 0	2 0		12	Y.
	16,00,250	25,81,287	11,85,400	98,241	McLeod & Co., Ltd.	1,650	Tyrreen	45‡xd	10	1 0	6 0	3 0		12	Y.
CACHAR															
5,00,000															
7,00,000	8,40,000	5,20,783	1,79,876	—8,86,166	M.	862	Arautikpore	9	10	*Nil*	*Nil*	*Nil*	Nil	12	Y.
22,50,000	11,11,000	7,79,291	72,101	—1,09,051	Octavius Steel & Co., Ltd...	540	Eastern Cachar	5‡	10	*Nil*	*Nil*

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
5,00,000	1,60,000	8,92,380	$1,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	$1 11,164	49,25,353	4,71,883	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8½	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	26	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,380	25,13,635	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	22	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,666	7,58,759	40,878	1,009	Associated Planters Ltd. ..	Cottanad Plantations	17½	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	45,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	15	10	1 4	2 8	2 0	0 10	12	Y.P.
4,00,000	10,92,499	18,33,625	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	26	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	8,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Matankara Rubber	30½	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,082	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	172cd	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nemmeny Rubber	22½	10	0 12	1 8	1 8	..	12	Y.P.T.
2,00,000	2,85,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co.	16½	10	1 0	1 0	1 8	..	12	Y.P.
19,45,980	21,29,615	42,87,395	14,23,968	*Nil	Peirce, Leslie & Co., Ltd. ..	Ouchterlaney Valley Estates ..	4–13½	2	0 3½	0 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
13,50,000	9,90,000	42,15,515	5,42,147	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	21½cd	10	1 12*	1 12*	2 0	2 8	6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Sayamalai Estates Ltd.	21	10	3 0	2 8	1 0	..	11	Y.
10,00,000	3,09,800	22,34,273	1,49,078	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9½	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,37,767	80,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	28	10	3 0	3 0	3 0	..	12	Y.P.
9,15,300	4,00,000	20,99,924	95,217	27,055	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	18	1	0 4½	0 13/5	0 2	0 2	9	Y.T.
6,00,000	75,491	9,79,479	2,23,517	3,745	Sapen Thomas, Esq. (Mg. Director)	Travancore Rubbers	20cd	10	2 0	2 0	1 8	..	12	Y.
41,00,000	14,30,799	76,82,300	8,68,181	$1,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	9½	10	1 0	1 8	1 4	..	12	Y.P.T.
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	30½	25	3 0	5 0	4 0	..	12	Y.
6,84,560	5,40,670	8,51,488	10,128	40,760	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	80½	10	2 0	2 4	2 8	1 8½	12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9½	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	9½	10	1 0	1 10	0 10	0 4	3.9	H.T.P.
6,00,000	10,25,000	51,65,438	26,93,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	160	100	2 8	7 8	10 0	..	6.12	H.P.T.
80,00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd.	1,264	Alliance	100	100	5 0	12 0	6 0	..	6.12	H.P.
2,49,20,750	69,00,000	2,95,90,382	1,93,15,000	2,50,472	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	134	100	12 8	7 8	8 8	8 8	3.9	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,844	11,377	Bird & Co., Private Ltd.	810	Auckland	100	100	4 0	2 8	10 0	1 0	3.9	H.P.T.
20,00,000	23,80,918	98,91,416	65,65,094	65,302	Jardine Henderson & Co. ..	959	Bally	158	100	4 0	Nil	8 8	Nil	3.9	H.P.
£275,000	£667,405	£1,477,480	£987,176	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	92	£5	£1 0	nh. 15	nh. 15	Nil	3	Y.P.
28,00,000	28,00,623	93,78,705	50,70,231	2,625	Andrew Yule & Co., Ltd. ..	1,880	Belvedere	95	100	15 0	10 0	7 8	Nil	6.12	H.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,66,100	Soorajmull Nagarmull	600	Bengal	15½	10	1 4	1 2	1 2	..	6	Y.P.T.
91,26,000	2,17,48,383	2,34,10,402	1,45,32,851	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla	15½	10	3 0	1 0	1 0	1 0	3	Y.P.
36,00,000	21,81,426	1,17,99,047	72,96,930	1,336	Andrew Yule & Co., Ltd. ..	991	Bowreah	100	100	10 0	5 0	7 8	Nil	4.10	H.P.
7,47,380	3,09,640	42,13,704	31,62,683	—8,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	8½	10	Nil	0 12	Nil	Nil	6.12	H.P.T.
18,00,000	26,46,234	87,35,841	43,34,058	1,328	Andrew Yule & Co., Ltd. ..	616	Caledonian	104	100	12 0	9 0	6 8	Nil	5.11	H.
59,16,400	95,49,238	2,23,68,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	666	Champdany	130	100	6 0	8 0	12 0	2 0	3.9	H.
30,15,000	19,83,092	82,12,211	57,10,175	1,387	Andrew Yule & Co., Ltd. ..	630	Cheviot	126	100	12 0	14 0	10 0	Nil	5.11	H.P.
24,00,000	$1,00,000	64,10,068	47,77,690	1,32,949	McLeod & Co., Ltd.	500	Chitavalsah	12	10	1 12	1 2	1 6	..	6.12	H.P.T.
8,00,000	7,35,000	41,36,247	26,53,448	1,144	Kilnick Industries Ltd.	350	Clive	13½	10	Nil	Nil	1 4	0 8	3	Y.P.
32,00,000	1,12,000	22,07,131	18,89,341	45,985	Macneill & Barry Ltd.	500	Dalhousie	85	100	4 0	2 8	4 0	Nil	3.9	H.P.T.
3,50,000	3,45,579	34,74,413	6,18,546	—5,57,293	Baijnath Trust Ltd.	500	Delta	131	100	20 0	12 0	10 0	Nil	5.11	H.P.
32,00,000	13,84,587	7,23	13,84,587	....	Andrew Yule & Co., Ltd. ..	1,000	Empire	16	10	1 0	..	1 4	..	6.12	H.T.P.
5,00,000	1,77,178	28,89,682	4,65,140	6,965	Bird & Co., Private Ltd.	310N	Fort Gloster	100	Nil	5 0	15 0	7 8	3 0	3.9	H.P.T.
1,88,400	8,72,960	46,77,858	36,47,986	1,33,474	Andrew Yule & Co., Ltd. ..	98	Fort William	184	10	5 0	20 0	20 0	0 12½	3.9	H.T.P.
11,00,240	84,814	16,72,961	10,41,868	—2,00,223	Begg Sutherland & Co.	210N	Ganges Mfg.	100	Nil	5 0	5 0	5 0	Nil	3.9	H.P.
9,00,000	11,56,413	28,69,268	22,97,957	2,255	H. V. Low & Co., Ltd.	231	Gondalpara	725	300	15 0	Nil	..	..	12	Y.
7,48,240	2,00,000	13,12,944	5,66,218	—2,50,233	Begg Sutherland & Co.	210	Gouripore	226	100	8 12	10 0	15 0	2 8	3.9	B.P.
7,00,000	56,617	10 23,740	5 20,295	4,566	Amritlal Ojha & Co., Ltd. ..	200	New Haneelpur ..	30	10	1 0	1 2	1 0	Nil	3.9	H.
6,00,000	75,000	13,78,883	88,63,066	94,383	Andrew Yule & Co., Ltd.	16	New Heerbhoom ..	10	10	1 0	1 2	1 0	..	4.10	H.
1,19,000	....	82,00,471	31,20,197	70,223	Octavius Steel & Co., Ltd. ..	10	New Manbhoom ..	10	10	Nil	Nil	Nil	Nil	3.9	H.
1,57,500	2,49,193	13,07,219	8,64,781	15,950	Andrew Yule & Co., Ltd.	20	North West	17	10	0 4	Nil	1 6	0 12½	3.9	H.
7,50,000	12,21,853	5,17,666	2,97,666	36,646	F. W. Heilgers & Co. Private Ltd.	17	Ondal	7½	10	0 8	Nil	1 0½	0 9½	6.12	H.P.
2,04,000	1,10,000	41,24,518	10 79,271	25,420	K. C. Thapar & Bros, Private Ltd.	14§	Central Coal	10	10	2 0	1 0	1 0	..	6.12	Y.P.
16,75,000	16,50,000	19,86,786	8,09,957	61,987	Deepchand Kishenlal	9	Parasea	12§	10	0 4	0 12	1 0	..	6.12	M.
23,99,500	20,17,108	1,24,85,588	57 91,264	88,734	Shaw Wallace & Co. Ltd.	16§	Pench Valley	16	10	1 10	1 10	1 8	0 11 1/2	3.9	H.
13,50,000	10,45,115	38,56,365	29,71,864	25,614	H. V. Low & Co., Ltd.	11§	Serampore	11	10	Nil	0 8	0 10	0 6	3.9	H.
20,00,000	5,00,000	44,25,843	18,78,118	3,20,176	Shaw Wallace & Co. Ltd.	22§	Rewa	22	10	2 0	1 8	0 14	0 12½	6.12	Y.
2,50,000	1,95,802	13,78,480	12,21,237	31,079	Jaipuria Sons Ltd.	11N	Samia Collieries ..	10	10	0 8	0 12	1 0	..	12	Y.
2,80,000	8,36,598	29,99,490	19 07,296	49,299	Macneill & Barry Ltd.	5N	Sankrail	24	10	0 10	0 10	0 12	..	6.12	H.P.
8,00,000	5,81,289	52,491	29,367	7,803	Andrew Yule & Co., Ltd.	27§	Seebpore	7	10	1 12	2 0	2 8	..	6.12	H.T.
68,21,450	25,77,474	4,78,97,817	3,17,80,286	7,310	F. W. Heilgers & Co. Private Ltd.	9N	Sendra	10	Nil	0 2	0 2	0 4	..	6.12	
					Industrial Trust Fund (Govern. ment of Hyderabad)		Singareni	10½	10	Nil	0 11 1/5	0 12	..	12	Y.
17,50,000	10,84,016	37,86,103	15 14,990	—51,883	Bird & Co., Private Ltd.	6	South Karanpura ..	10	10	0 4	0 2	0 2	..	12	Y.
5,00,000	14 01,053	1,69 57,570	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	20xd	Standard	10	10	2 0	1 8	1 0	1 0	12	Y.
10,00,000	12 950	30,32,289	15,43,502	—4,07,745	Villiers Ltd.	21	Talcher	21	Nil	..	..	..	..	9	M.
3,50,000	2,80,000	20,47,944	15 88,944	—9,658	Williamson Magor & Co., Ltd. ..	13§	Union	13	10	1 12	0 12	Nil	0 8	6.12	Y.
49,98,000	67 084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	5§	Western Bengal ..	5	10	0 6	0 6	0 8	..	12	M.
7,00,000	21,569	56,46,871	23,81,698	—1,46,650	Macneill & Barry Ltd.	6§	West Jamuria ..	6	10	Nil	Nil	Nil	..	6.12	M.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91 54,011	64,41,011	28,610	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	17§	10	1 0	1 5	1 6	0 8†	3.9	H.
12,00,000	8,77,642	37,37,084	24,90,182	45,899	Jardine Henderson Ltd.	Bararee Coke	16§	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 3/5†	3.9	H.
4,49,250	70,000	8,49,159	5,40,365	....	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6M	10	0 12	0 12	..	..	6.12	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,81,563	Andrew Yule & Co., Ltd.	Bengal Coal	445	100	32 0	30 0*	35 0*	..	6.12	H.P.
2,25,000	4,22,669	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	..	..	6.12	H.P.
18,97,000	4,73,358	37,70,192	22,77,754	13,488	H. V. Low & Co., Ltd.	Bhajgora	6½	10	0 8	..	..	..	9	Y.
40,00,000	8,00,000	1,39,06,662	71,05,184	27,433	Sahu Jain Ltd.	Bharat Collieries	10	10	0 12	0 10	0 10	..	3.9	Y.P.T.
7,15,000	15,11,080	52,62,588	37,38,500	—1,87,446	F. W. Heilgers & Co. Private Ltd.	Bhulanbararee	13§N	10	Nil	Nil	Nil	..	6.12	H.
2,50,00,000	16,17,936	68,14,858	39,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	12N	10	..	..	..	..	6.12	H.
7,50,000	24,29,026	42,39,603	26,53,448	84,207	F. W. Heilgers & Co. Private Ltd.	Borree	19xd	10	2 12	2 0	2 0	..	6.12	H.
90,92,480	1,79,05,968	4,22,86,647	1,90,16,824	36,168	Bird & Co., Private Ltd.	Burrakur	21§	10	0 12	0 9	0 10	0 8†	6.12	H.P.T.
49,97,750	....	42,33,430	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central India	6	10	0 4	0 4	0 4	0 8	3	H.
5,00,000	13,54,302	49,10,414	33,53,994	32,768	....	Central Kurkend	12N	10	1 8	..	..	..	6.12	H.
5,00,000	1,43,676	7,28,438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churila	1§	1	0 2	0 2	0 1†	..	6.12	H.
£840,000	£360,558	£3,81,704	£2,81,276	—1,83,318	Macneill & Barry Ltd.	Dhemo Main	6§	10	Nil	Nil	Nil	..	6.12	H.
£2,53,760	£3,55,049	£970,695	£351,279	£58,923	Jardine Henderson Ltd.	East Indian	26§	£1	2 8	2 8	2 0	2 8	4	H.P.
10,00,000	1,40,999	4,04,51,877	2,89,25,665	82 379	Macneill & Barry Ltd.	Equitable	20§	10	1 8	1 8	1 8	..	6.12	Y.
13,00,000	1,22,000	13,81,144	4,28,557	23,353	Bhattler's Agency Ltd.	Ghusick and Muslia ..	13§N	10	0 8	0 8	0 4	..	3	Y.P.
8,00,000	7,35,000	41,36,247	26,53,448	1,144	Kilnick Industries Ltd.	Hingir-Rampur	41§	50	2 0	Nil	2 4	2 4	6	H.
32,00,000	1,12,000	22,07,131	18,89,341	45,985	Macneill & Barry Ltd.	Burrilladih	21	10	1 0	1 12	2 8	..	6.12	H.P.
3,50,000	3,45,579	34,74,413	6,18,546	—5,57,293	Baijnath Trust Ltd.	Jogta Coal	1§	10	Nil	..	Nil	..	12	H.
32,00,000	13,84,587	7,23	13,84,587	....	Andrew Yule & Co., Ltd.	Kalapahari	20N	10	2 12	Nil	Nil	..	3	Y.P.
5,00,000	1,77,178	28,89,682	4,65,140	6,965	Bird & Co., Private Ltd.	Karanpura Collieries ..	9§	100	Nil	Nil	2 8	5 0	6	H.
1,88,400	8,72,960	46,77,858	36,47,986	1,33,474	Andrew Yule & Co., Ltd.	Katras Jherlah	5§	10	4 0	4 0	2 8	..	1.7	H.P.
11,00,240	84,814	16,72,961	10,41,868	—2,00,223	Begg Sutherland & Co.	Khas Karanpura	21N	10	Nil	Nil	..	..	6.12	Y.
9,00,000	11,56,413	28,69,268	22,97,957	2,255	H. V. Low & Co., Ltd.	Kuardi	2 4N	10	Nil	Nil	..	..	6	Y.
7,48,240	2,00,000	13,12,944	5,66,218	—2,50,233	Begg Sutherland & Co.	Lakurka	9§	10	0 8	0 4	..	..	4	Y.
7,00,000	56,617	10 23,740	5 20,295	4,566	Amritlal Ojha & Co., Ltd. ..	Nasira	6§	10	0 8	0 8	0 8	..	12	H.
17 76 250	20,01,783	1,19,78,883	88,63,066	94,383	Andrew Yule & Co., Ltd.	New Haneelpur ..	9N	10	1 0	1 2	..	..	3.9	H.P.
6,00,000	75,000	82,00,471	31,20,197	70,223	Octavius Steel & Co., Ltd. ..	New Heerbhoom ..	16	10	1 0	1 2	1 0	..	4.10	H.
1,19,000	....	....	....	....	....	New Manbhoom ..	10	10	Nil	Nil	Nil	Nil	3.9	H.
1,57,500	2,49,193	13,07,219	8,64,781	15,950	Andrew Yule & Co., Ltd.	North West	17	10	0 4	Nil	1 6	0 12½	3.9	H.
7,50,000	12,21,853	5,17,666	2,97,666	36,646	F. W. Heilgers & Co. Private Ltd.	Ondal	7§	10	0 8	Nil	1 0½	0 9½	6.12	H.P.
2,04,000	1,10,000	41,24,518	10 79,271	25,420	K. C. Thapar & Bros, Private Ltd.	Central Coal	14§	10	2 0	1 0	1 0	..	6.12	Y.
16,75,000	16,50,000	19,86,786	8,09,957	61,987	Deepchand Kishenlal	Parasea	9	10	0 4	0 8	0 4	..	6.12	H.P.
23,99,500	20,17,108	1,24,85,588	57 91,264	88,734	Shaw Wallace & Co. Ltd.	Pench Valley	12§	10	0 4	0 12	1 0	..	6.12	M.
13,50,000	10,45,115	38,56,365	29,71,864	25,614	H. V. Low & Co., Ltd.	Serangunge	16§	10	1 10	1 10	1 8	0 11 1/5†	3.9	H.
20,00,000	5,00,000	44,25,843	18,78,118	3,20,176	Shaw Wallace & Co. Ltd.	Rewa	11§	10	Nil	0 8	0 10	0 6	3.9	H.
2,50,000	1,95,802	13,78,480	12,21,237	31,079	Jaipuria Sons Ltd.	Samia Collieries ..	22§	10	2 0	1 8	0 14	0 12†	6.12	Y.
2,80,000	8,36,598	29,99,490	19 07,296	49,299	Macneill & Barry Ltd.	Sankrail	11N	10	0 8	0 12	1 0	..	12	Y.
8,00,000	5,81,289	52,491	29,367	7,803	Andrew Yule & Co., Ltd.	Seebpore	5N	10	0 10	0 10	0 12	..	6.12	H.P.
68,21,450	25,77,474	4,78,97,817	3,17,80,286	7,310	F. W. Heilgers & Co. Private Ltd.	Sendra	24	10	1 12	2 0	2 8	..	6.12	H.T.
					Industrial Trust Fund (Govern. ment of Hyderabad)		9N	10	Nil	0 2	0 4	..	6.12	
17,50,000	10,84,016	37,86,103	15 14,990	—51,883	Bird & Co., Private Ltd.	Singareni	10½	10	Nil	0 11 1/5	0 12	..	12	Y.
5,00,000	14 01,053	1,69 57,570	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	South Karanpura ..	6	10	0 4	0 2	0 2	..	12	Y.
10,00,000	12 950	30,32,289	15,43,502	—4,07,745	Villiers Ltd.	Standard	20xd	10	2 0	1 8	1 0	1 0	12	Y.
3,50,000	2,80,000	20,47,944	15 88,944	—9,658	Williamson Magor & Co., Ltd. ..	Talcher	21	21	Nil	..	..	..	9	M.
49,98,000	67 084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	13§	10	1 12	0 12	Nil	0 8	6.12	Y.
7,00,000	21,569	56,46,871	23,81,698	—1,46,650	Macneill & Barry Ltd.	Western Bengal	5§	10	0 6	0 6	0 8	..	12	M.
						West Jamuria	6§	10	Nil	Nil	Nil	..	6.12	M.

M—Managed by the Board of Directors. † Less income-tax. z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year 1955. * Including bonus. (k. Investment
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 3,40,000 shares of which 1,20,000 shares are bonus shares. (c) For seven months ended 31st March.
‡ New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
The William Jute Co. has sub-divided ordinary shares in Rs. 10/- to shares of Rs. 10 each.

FIRST NATIONAL CITY BANK OF NEW YORK

PROFIT OF INDIAN BRANCHES A SHADE LOWER

THE year 1956 represents the first full year of working of the First National City Bank of New York, after the merger of the National City Bank of New York and the First National Bank of the City of New York on 30th March 1955. The results of the integrated unit during the first nine months of its working disclosed that the expectation held at the time of the merger, that the activities of the two banks would broaden and complement each other and that the growth potential of the merged institution would be greater than that of the two banks separately, has been fully realised. The Bank's performance in 1956 confirms that the merger has been amply justified, with a further expansion in business and a strengthening of its financial position.

The total resources of the Bank at the end of the year amounted to $7,426.98 million, as against $7,001.30 million a year before and $6,323.10 million (of the National City Bank of New York) at the close of 1954. Deposits, which had grown from $5,639.19 million to $6,308.78 million at the end of 1955, expanded further to $6,672.39 million. Loans and discounts rose to $3,708.10 million from $3,184.56 million, to which level they had gone up from $2,337.06 million at the close of 1954. It will thus be noted that, while deposits were up by only $363.61 million, loans and discounts rose by no less than $523.54 million and this rise in advances was duly reflected in the fall of $373.32 million in investments in Government and other securities. Cash balances, gold and dues from banks, were, however, higher by $244.96 million at $1,861.53 million. The undistributed surplus profit shows a further rise from $60.01 million to $69.38 million.

The audited accounts of the Bank's Indian branches show that its turnover improved substantially during the year under review, as witness the rise in the balance-sheet total from Rs. 8.94 crores at the end of 1955 to Rs. 10.20 crores. The year's profit, however, shrunk slightly from Rs. 15.76 lakhs to Rs. 15.41 lakhs. This decline, albeit small, is in distinct contrast to the general trend of profits of Indian Scheduled banks and the marked increase noted in the Bank's own profit in 1955. Nevertheless, the year's profit is well above that of Rs. 9.89 lakhs for 1954.

The following comparative table brings out clearly the progress of the Bank's working during the past two years:

(In lakhs of rupees)

	For the year ended 23rd December 1956	1955	1954
Interest and discount	37.78	30.15	22.48
Commission and exchange ..	25.14	24.78	19.80
Interest paid	20.73	15.16	8.28
Expenses	25.90	23.94	23.83
Depreciation	0.92	0.88	0.98
Profit	15.41	15.76	9.89
Provision for taxation ..	11.10	8.46	5.41
Remitted to H. O. ..	4.31	7.28	4.48

	As on 30th December 1956	1955	1954
Capital*	20.20	20.15	20.15
Deposits	7,73.44	7,60.47	7,50.56
Borrowings from other banks	65.57	0.47	0.60
Advances	6,82.20	6,06.89	5,54.89
Investments	1,09.68	95.02	90.76
Cash	62.49	79.09	98.85
Balance-sheet total	10,19.83	8,94.06	8,38.60
Ratio to deposits of—	%	%	%
Advances	88.2	79.8	78.9
Investments	14.2	12.5	12.1
Cash	8.8	10.4	12.0

*Government securities lodged with the Reserve Bank.

The Bank's deposits in India have grown by only Rs. 13 lakhs, and even this is mainly due to the rise of Rs. 97 lakhs (to Rs. 4.43 crores) in fixed deposits and of over Rs. 11 lakhs (to Rs. 11.42 lakhs) in savings bank deposits. Current and other accounts have, on the other hand, dwindled by Rs. 95 lakhs to Rs. 3.19 crores. As against this, advances have risen by Rs. 75 lakhs, following the increase of Rs. 52 lakhs noted in 1955. This relatively larger increase in advances has been responsible for the larger borrowings from other banks, which, over the year, are higher by Rs. 65 lakhs and the fall of Rs. 17 lakhs in cash balances. The shrinkage in cash balances has

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Referens
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
16,00,000 / 14,50,000	1,08,00,000	12,42,652	Allahabad Bank	360 / 182½	100 / 50	18 0† / 9 0†	18 0† / 9 0†	18 0 / 18 0	9 0† / 9 0†	12	Y.P.
1,01,000	15,40,000	2,46,650	Andhra Bank	1200d / 864d	100 / 70	8 4	8 12	4 8 4/5	2 10†	6,12	H.
1,00,00,000	1 28,00,000	4,75,752	Bank of Baroda	99xd	50	6 0‡	6 0‡	6 0	7 0	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	23	25	0 12	0 12	0 14	....	12	Y.
2,50,00,000 / 50,00,000 'A'	3,10,00,000	15,54,924	Bank of India	134½ / 138	50 / 50'A'	7 0	7 0	8 0	8 0	6,12	R.L.Y.
15,30,375	27,00,000	67,486	Bank of Indore	52N	25	1 8	2 0	2 8	4 0	12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	40	50	16 0‡	2 0	2 0	....	12	Y.
50,00,000	84,00,000	5,91,011	Bank of Mysore	247½	100	2 8	16 0‡	16 0‡	16 0‡	12	Y.
61,21,700	58,73,013	10,089	Bombay State Co-operative Bank	57N	50	4 8	2 8	2 0	....	6	Y.T.
15,00,000	32,00,000	38,592	Canara Bank Ltd.	80	50	5 0‡	4 8	5 0	5 0	12	P.Y.
7,50,000	13,00,000	2,432	Canara Banking Corporation Ltd.	75½	50	3 0	5 0	5 8‡	....	12	Y.P.
2,62,11,375 / 52,42,375	4,02,77,123	18,23,048	Central Bank of India Ltd. ..	48½xd / 52xd	25 / 25	3 0	3 0	3 0	3 8	12	R.L.Y.
80,00,000	24,50,000	2,13,141	Devkaran Nanjee Banking Co. ..	38	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,40,911	Habib Bank (P)	72N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,62,060	Hind Bank	36½	50	Nil	1 8	3 0	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	14½	50	Nil	Nil	Nil	....	12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	10N	50	5 0	Nil	Nil	....	12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	80N	100	12 0‡	6 0‡	5 0	....	9	Y.
24,00,000 / 18,00,000	79,75,000	1,45,140	Indian Bank	194cd / — / 150cd	100 / 75	10 3‡ / 6 0	12 0‡ / 7 3‡	12 0 / 10 12‡	6 8‡ / 4 5‡	6,12	R.L.H.
13,20,000 / 49,19,575	80,00,000	2,38,299	Indian Overseas Bank	154cd	100	Nil	6 0	7 8	....	12	Y.
2,25,000 / 6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½ / 10½	100(A) / 25(B)	Nil / Nil	Nil / Nil	....	....	6,12	H.
10,00,000	....	....	....	18	50(C)	Nil	Nil	....	....	....	....
10,00,000	10,25,000	23,384	Pandyan Bank Ltd.	38½	25	1 4	1 0	1 14	1 14	12	Y.
87,50,000	87,50,000	2,25,108	Punjab National Bank	52	25	0 10	2 0	2 8	2 0	12	Y.
1,00,00,000	26,20,000	45,060	Travancore Bank	18½	25	0 5‡	0 12	1 0	1 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7 1/20	5	0 5‡	0 5‡	0 6	0 7	12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	57½	50	2 6	2 12	....	....	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£2,500,000	£5,000,000	£405,375	Chartered Bank.	£1-14-7½	£1	14†	15†	15†	....	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6½	£5	8†	8†	8†	....	12	R.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $10,606,589	Hongkong and Shanghai Banking Corporation	$97½	H.K. $125	5*	5*	5*	2*i	12	Y.
£18,565,070 'A'	£15,000,000	£558,008	Lloyds Bank	£2-9-3	£5 A	14†	15†	12†	....	12	R.L.Y.
£375,000 'A'				£4-5-6	A £5	14†	15†	14†	14†		
£375,000 'B'	£2,000,000	£224,521	Mercantile Bank of India ..	£4-5-6	B £5	14†	14†	14†	14†	12	R.L.Y.
£720,000 'C'					C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£354,046	National Bank of India	£1-0-6	sh. 12½	16†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 15th September..	Carew & Co. (2nd mortgage)	1941	95	25th February .. 1960
6,00,000	5½	20th June and 20th December..	Ramnugger Cane & Sugar Co., Ltd.	1936	99½	20th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1956-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)..	1944	96½	1st November .. 1959-64
COAL						
20,00,000	4½	20th April and 21st October ..	Bharat Collieries	1944	95½	20th June .. 1954
20,00,000	4½	20 th June and 21st December..	Barrakar Coal Co.	1947	91*	20th June .. 1957 (e)
50,00,000	5½	15th June and 15th December..	Equitable Coal Co.	1953	100	14th December .. 1958(e)‡
COTTON						
5,50,000	5½	20th June and 21st December..	Basanti Cotton Mills Ltd.	1942	85	20th April .. 1964
4,00,000	4½	10th May and 10th November..	Bengal-Nagpur	1897	98½	15th November .. 1955(k)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic ..	1952	100	1st March .. 1972(e)
12,58,000	5½		Jayshree Textiles	1949	90N	1st January .. 1956-59
99,90,000	5	1st June	Tata Mills	1951	99	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September..	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1968(e)
2,50,00,000	4½	15th June and 15th December..	Ahmedabad Electric Co., Ltd. ..	....	....	14th June .. 1950
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	97½	1st October .. 1959
12,00,000	4½	30th June and 31st December..	Bombay Electric Light and Power Co., Ltd.	1949	94	31st December .. 1969(e)
2,32,89,400	6	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	98½	1st January .. 1970(e)
25,00,000	4	30th June and 31st December..	Gourepore Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
13,00,000	5	1st January and 1st July ..	Hira (Jharriah) Electric Supply Co., Ltd.	1951	96	1st January .. 1976(e)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97½	15th July 1957-61
2,00,000	4½	31st March and 30th September.	South Madras Electric Supply ..	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1952-62
....	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	108	1stJuly 1975
2,50,70,000	4	1st April and 1st October ..	Tata Power	....	85 1/10	15th September .. 1966-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bryland Roof (India), Ltd. ..	1928	99	30th June 1958
30,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	100½	1st July 1957-62
81,146,400	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)..	1936	89?	31st December .. 1956(§§)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	98½	1st October .. 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(e)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	97½	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June 1959
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	99	31st December .. 1965
30,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	93½	30th June 1960
10,00,000	5	31st January and 31st July ..	Calcutta	1949	99	31st July 1959
9,00,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	100	30th June 1961
10,69,000	5	31st March and 30th September.	Dalhousie Jute Co.	1954	96½	31st March .. 1969(e)
20,48,000	5½	15th January and 15th July ..	Empire	1951	94½	15th July .. .. 1966(e)
8,56,000	5	1st January and 1st July ..	Mukundchand	1947	97½	30th June 1957
25,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1955	97½	31st March .. 1970
30,00,000	5½	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96½	31st December .. 1964(e)
25,00,000	6	30th June and 31st December ..	Naihati	1955	98	31st March .. 1965(e)
35,00,000	5½	14th November and 14th May ..	Reliance Jute Mills Co., Ltd. ..	1939	93	14th May 1959
5,00,000	4½	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
20,00,000	4	30th June and 31st December..	Presidency	1943	98	30th June 1958
8,00,000	4	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1950	91	5th September .. 1965(e
25,00,000	5	31st March and 14th September.	Soorah Jute	1927	96	14th September .. 1957
8,00,000	4½	14th March and 14th September.	Union	1937	96½	30th June 1957
12,00,000	4½	30th June and 31st December..	Waverly	1938	97½	31st July 1966
10,00,000	5½	31st January and 31st July ..				
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Baraset-Basirhat light Railway ..	1939	90N	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months notice or at par or over seventh year thereafter
£189,363	5	1st April and 1st October ..		1935	£77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December ..	Katakhal- Lalabazar Railway ..	1945	90½	31st December .. 1958(e) Any time on six months notice (e)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£55½N	1st September .. 1968
4,33,36,697	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	98	
PLANTING						
10,00,000	5½	30th June and 31st December..	Consolidated Coffee..	1942	102½	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nigiri Tea	1937	99½	1st April 1962-67
1,80,700	5½	31st March and 30th September.	Teakoy	1944	100	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1969
25,80,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December..	Bengal Paper Mills	1937	97	30th June 1957
2,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99½	1st September .. 1969(e)
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	102½	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
19,35,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	91	1st July 1956
80,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Bharat Ltd.	1946	92	 1960
1,80,00,000	5	1st January and 1st July ..	Duniop Rubber Co. (India) Ltd. ..	1950	98½	1st January .. 1971(e)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	101½	30th June .. .. 1969(e)‡
17,75,000	5	15th March and 15th September.	Mettur Chemical Industries	1949	95	.... 1966‡
58,08,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes) ..	1946	825	30th September .. 1976(e)
48,00,000	4	30th June and 31st December.	McLeod & Co., Ltd. (Convertible Notes)..	1947	470 (per note)	31st December .. 1972(e
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	89N	1st April 1971
1,50,00,000	5½	30th June and 31st December..	National Rayon	1955	99½	30th June 1965-70
1,00,00,00	5½	31st March	Orient Paper Mills Ltd.	1951	96½	31st March .. 1961(e)
1,00,00,000	4	30th June and 31st December..	Sohna Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	100‡	1st May .. .. 1968(e)‡‡

(e) These debentures are registered and are transferable by transfer deeds. (k) Option to repay on 3 months' notice at any time at 2 per cent. premium. (e) Option to repay on 3 months' notice at ¼ per cent. after 1-3-1954 but before 1-3-1957 and ¼ per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,50,00,000 debentures to be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. §§ 1 per cent of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings at par from May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1963.

LONDON LETTER

PRE-BUDGET COMMENTARY

From Our Own Correspondent

LONDON, 31st *March*

THE country approaches the budget divided but buoyant. Unions, employers and Government have yet to agree on the strike settlements, but one thing is certain, that there will be bigger wage packets at the end of it. It is hard to seek how a further dose of mild inflation can be avoided. Not only this, but it is generally supposed that the Prime Minister and Chancellor of the Exchequer together are going to try to give the country a Tory fillip to see how far they can stimulate enterprise by reducing taxation on the *entrepreneur* class.

The year that has just closed has shown revenue and expenditure both up on the previous year. Revenue is £265 million higher, expenditure is £372 million higher and, against the budget surplus in 1955-56 of £397 million this year, there are £290 million on the credit side. This is not quite as high as originally estimated, principally because of various supplementary expenditures, but rising revenue as ever in recent years has proved capable of taking care of the greater part of the increased expenditures. Income-tax and surtax between them have produced more than anticipated and nearly 10 per cent. more than the year before. Customs and excise duties have been equally buoyant.

But, of course, the revenue and expenditure budget is not the only way to look at the nation's finances, and it is not the only way in which the Chancellor will look. We must also take into account the very large bill for what is known as "below the line" expenditure; that is capital payments by the Government which, some way or other, ought to be met by increased savings, if they are not to be inflationary in effect.

A year ago, the Government estimated that they would invest something like £800 million. In the event the local authorities responsible for roads and housing and the nationalised industries invested less than expected and the total of Government advances turned out in the end at little more than £600 million.

If one offsets the Government's capital expenditure against its current revenue surplus, there is a deficit of £330 million. This is a few million less than was budgeted for a year ago, so that, broadly, the Chancellor can say that the overall national finances has worked out according to plan.

How far do the national financial results give a guide to the forthcoming budget? Unfortunately, not far. Chancellors in recent years have always budgeted for big surpluses as an anti-inflationary measure. If the Chancellor were guided by the usual considerations he would no doubt say that there was no room for tax remissions and he must work for another big budgetary surplus. The Chancellor *could* even say that he wants to balance the whole of his "below the line" capital expenditure against a revenue surplus and thus go for a strict deflationary budget; but he is unlikely to take either of these courses. If he is determined to provide incentives, then he can look at the whole of his budgetary surplus on current account and give tax remissions where they will do most good from the point of view of productivity and exports, to the full extent that the estimated revenue and expenditure permit—leaving himself with only a small accounting surplus. In this case, the whole of the Government's forthcomiag "below the line" capital expenditure would have to be financed out of current savings and his budget could contain provisions to stimulate this.—*All Rights Reserved.*

INDO-FINLAND TRADE AGREEMENT

On 21st March letters were exchanged in New Delhi between the representatives of the Government of India and the Government of Finland extending the trade agreement between the two countries until 31st December 1957.

The relations between the two countries will continue to be governed by the letters exchanged between them in January 1951 and again in September 1952. Appropriately, the present agreement has been concluded at a time when an official goodwill delegation from Finland is touring India to reciprocate a visit by a similar Indian delegation to Finland in 1956.

The important items in the list of exports from India to Finland are tobacco, hides and skins, cashewnuts, spices, jute goods, tea, coffee, shellac, coir yarn and manufactures, fibre for brushes and brooms, myrobalans and extracts, vegetable oils, handicrafts and cottage industry products, cotton textiles, coal and iron ore. Among the items available for export from Finland to India are mechanical and chemical wood-pulp, newsprint, various kinds of papers and paper products, boards, stationery, household and sanitary porcelain, steel files, machinery for farming, woodworking, plywood, road-making, etc., and electrical and telecommunication cables.

The impressions gained by the five-member delegation sponsored by the Engineering Export Promotion Council to explore the possibilities of finding markets for Indian goods in African countries confirm the belief that there is good prospects for the export of engineering goods like diesel engines, pumps, agricultural implements, tools, electric fans, sewing machines, abrasives, bolts and nuts, buckets, builder's hardware, etc., to countries like East Africa, Ethiopia and the Sudan. The delegation attempted to focus the attention of the countries which it visited on industrial development in India and sought to create an interest in Indian goods.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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TASK AHEAD OF KERALA

ALL eyes are now set on Kerala where the Communist party, having emerged as the single largest party in the recent elections, has assumed office for the first time in India's brief constitutional history. Of the total electorate of 7.5 million, 5.2 million exercised their franchise. The Communist party polled 1.99 million votes and captured 60 seats, as against 2 million votes polled and 43 seats captured by the Congress. Thus, the party has captured a disproportionately large number of seats as compared with the number of votes polled. This is one of those strange puzzles, commonly met with in electoral arithmetic. Be that as it may, the party is now in a position to form a government, thanks to the help of a few independents. Commenting on the election results in Kerala, Mr. Nehru recently said that they reflected discontent with local matters—local issues and irritations—and not so much positive support to communism. May be this is true, but the fact remains that the party is the only political body which is in a position to deliver the goods.

The fear has often been expressed that the party's political and economic policies may tend to be dictated by certain foreign countries. This fear has now been dispelled by the party spokesmen, who have averred that they will have no association with foreign powers, It is to be hoped that the party will observe this assurance in practice. Since in communist dialectic and practice ends are more important than the means, the question which would naturally be asked is whether the party will use the democratic ladder to reach its destination and thereafter kick the ladder by which it moved up. Again, the party spokesmen have made it clear that the Government of Kerala will function within the four corners of the Constitution. One, however, feels that this assurance has been given with a certain mental reservation. The party's leaders have declared that it is for the Union Government to show that it would respect the Constitution and help build up healthy conventions. Here is a suggestion that it is the Union Government, and not the Communist party, which might not respect the Constitution. This is, to say the least, a strange suggestion. A spokesman of the party has affirmed that, though the Ministry would function within the ambit of the Constitution, it did not mean that it would deviate from the cherished principles of Marxism, Leninism and Stalinism. Now the question arises as to what will be the party's attitude when the Constitution comes in the way of carrying out its Marxist, Leninist and Stalinist policies. Only time will show whether such conflicts will arise and how they will be resolved.

There is, however, no denying the fact that Kerala's economic problems are somewhat intractable. The pressure on land is acute, opportunities for employment are strictly limited, the level of industrialisation is relatively low, the percentage of literacy is comparatively very high. The ground is thus somewhat fertile for the growth of extremist political ideologies. Unless living standards are raised and the region's economy is improved and diversified, discontentment is bound to grow. The Central Government, on its part, has given the assurance that it will not deny to the State any assistance on the ground that it is run by a political party which is different from the Congress. This shows how the democratic Centre is prepared to work. But the Communist party seems to speak with two voices. At one time, it gives the assurance that it will work within the four corners of the Constitution and, at another time, it accuses the Central Government of being averse to certain changes in the Constitution. It remains to be seen whether it will be able to persuade the Central Government to change the Constitution in the way it wants. Clearly, the party wants to change the Constitution in order to introduce certain economic measures which it thinks are essential in the interests of the State. It is this factor which is bound to cause serious misgivings. It is up to the Central Government to remain firm on this issue and to see that Constitutional changes are not brought about merely for the sake of serving party expediency, rather than national interests.

The Chief Minister of the State, Mr. E. M. S. Namboodiripad, has declared that the party is under no illusions that its programme can be easily implemented through "orders issued by the Government one fine morning." If this suggests that the Ministry realises the value of hastening slowly in its economic reforms, it is all to the good. But some of the more recent utterances of the Chief Minister, especially those concerned with the nationalisation of foreign-owned plantations, point to the fact that the Ministry is inclined to regard economic tasks with much unnecessary political fervour. Particularly disturbing is the reported statement of the Chief Minister that in matters of nationalisation the model to follow is President Nasser of Egypt. Apart from the wisdom or otherwise of choosing Mr. Nasser as a model, it is clearly absurd for a federating unit, which is an integral part of a wider political entity, to think in terms of imitating a foreign independent power.

Be that as it may, the State Government's reasons for nationalisation of foreign-owned plantations are not convincing, to say the least. Accusing the Centre for not being able to see eye to eye with the State in the matter of nationalisation of these plantations, the Chief Minister said that the "Centre is not prepared to discuss the question of ending foreign domination in such a vital sector of economy as plantations on the sole consideration as to whether such a step will benefit Kerala from the financial and economic point of view." He added: "The Central Government takes its stand that plantations could not be nationalised even if by this single step Kerala can get several crores of rupees to be used for its development." This is a total misreading of the situation, besides being a total misrepresentation of the Central Government's attitude. The policy relating to plantations is best left to the Centre for decision. It is unwise on the part of a State Government to follow a unilateral policy in regard to plantations which are dotted all over the country. Further, there can be only two valid grounds for nationalisation of an industry. An industry is fit for nationalisation if it is proved that it is incapable of undertaking modernisation and expansion on its own. The other ground on which nationalisation can be justified is that the industry singled out for nationalisation has been so grossly mismanaged that matters cannot be set right through the normal process of legislation.

The nationalisation of foreign-owned plantations cannot be justified on either of these grounds. For it cannot be contended that foreign-owned plantations are not well maintained or they are hopelessly incapable of expansion and modernisation. It is true that they, like all industrial units in India (Indian or foreign-owned), need large resources for further expansion, but, given the necessary incentives, they will be able to go ahead much faster than they have been doing. In any case, expansion of these plantations will require money. The State Government cannot argue that it wants finance for nation-building purposes and at the same time spend money and make a call on India's limited foreign exchange resources in paying compensation and take over plantations which would require additional fin-

ance for further development. The only way out of the dilemma is to enable the plantation industry to acquire the resources it needs for further development so that it is able to expedite its expansion programmes and thereby create additional opportunities for fresh employment and also make a larger contribution to the State Exchequer. Nor can nationalisation of foreign-owned plantations be justified on the ground that they are ill-managed. In fact, it has been recognised by many impartial observers that many of these plantations represent models of good and efficient management.

Further, the State Government will be well advised to examine the impact of any decision to nationalise foreign-owned plantations on foreign and domestic capital. It requires no great far-sightedness to realise that such a decision will be interpreted not merely as a socialist measure but as a vexatious form of racial discrimination. It is bound to have far-reaching repercussions on national economy by stifling the flow of foreign capital at a time when the country can ill afford to do without external assistance. Besides, in the event of the decision being implemented, even domestic capital is bound to treat Kerala as "out-of-bounds" territory. For it will certainly read the writing on the wall and will not venture into Kerala for fear that it will not be long before it gets similar treatment to that which is meted out to foreign capital. In fact, it is easy to foresee a flight of capital from Kerala, which would only make things more difficult for the Government.

After all, Kerala, as even several communists have themselves realised, needs private capital. It would appear that the party would invite individual industrialists inside and outside Kerala to start new industries and the State Government would extend "all help" to them. In the course of a recent debate in the Rajya Sabha, a communist member revealed that the State Government would continue the negotiations already initiated for purposes of starting a cycle factory in Kerala. He also made a strong plea for large-scale exploitation of Kerala's forest wealth. He even announced that communists were prepared to come to an "industrial truce" in Kerala. All these soft words, carrying assurances to the private sector, will mean nothing, if the authorities show scant regard for capital already invested in the State.

The Chief Minister will, therefore, do well to learn the importance of the inevitability of gradualness in carrying out his economic reforms. He will in fact be creating more problems than he solves by pursuing the policy of hasty and ill-conceived nationalisation measures. It is, of course, right that he should claim from the Centre such assistance as he thinks is due to the State. Perhaps, he is on firm ground when he suggests that some States are getting a part of the Centre's income from industries concentrated or localised in the States concerned and that similar treatment should be meted out to Kerala in respect of coconut, pepper, rubber and other produce. The Chief Minister will also do well to institute such land reforms as will ensure larger production and higher levels of income for the farmers. But, by and large, Kerala's problems can be solved only through a rapid process of industrialisation. It is only large and efficient industries that would provide opportunities of employment for Kerala's youth. Such industrial progress cannot be brought about by the State taking upon itself all responsibility for further economic progress. All this means that the State, in the interests of its people, should learn to temper its political ideology by a sober consideration of the hard realities of the State's economy. To attempt to do too much with too little resources and in too short a time is to court economic disaster.

FISCAL REFORM

BY asserting that the disincentive effect of higher taxation on the will to work of higher-income groups was generally exaggerated, the Taxation Enquiry Commission has probably hardened the Government's attitude towards fiscal reliefs more than it intended. It is frequently forgotten, if not deliberately ignored, that the Commission was inclined to disbelieve only exaggerated accounts of the disincentive effect of higher taxation, though, in all probability, it would not have gone so far as to deny altogether the existence of such effect. However, ever since the Commission's remark gained currency, it has become somewhat difficult to convince the Government of the need for, and the importance of, liberal tax reforms. Because the assessees tend generally to emphasise the points where the tax system affects them most adversely, without making any corresponding effort to draw the attention of the Government to how the tax revenues could be augmented without seriously impairing incentive for effort, the authorities have been prone to ignore all pleas for fiscal relief on the ground that they represent nothing more than ordinary human failing expressing itself in the shape of demands for additional benefits from the taxing authorities. The memorandum on taxation policy, submitted to the Government by the Associated Chambers of Commerce of India, falls happily into a different category, in that, while it both indicates and justifies the possible lines of tax relief, in respect of direct and indirect taxation, it also suggests the measures which the Government could take in order to improve its revenue. The memorandum, therefore, deserves the serious consideration of the fiscal authorities in the country.

The two unexceptionable contentions on which the Chambers base their memorandum are:

(1) All classes of the population which benefit from the increase in the national income resulting from the Plan should contribute a fair proportion of the increase in the form of taxes to the State.

(2) The burden of tax on particular sections of the community should not stifle the growth and development of productive enterprise on their part, but should rather be adjusted so as to encourage the saving and investment of resources in advantageous ways.

In the Chambers' opinion, the present system of taxation is defective, in that not only is a very small part of the increase of income in the country being taxed, but what is being taxed is excessively taxed. It is the Chambers' view that it is of vital importance that there should be such changes in the form and incidence of taxation as will remedy these defects. The Chambers' general proposals are designed to broaden the tax structure, to reduce the present level of tax on incomes, particularly personal incomes, and to improve the efficiency and coverage of the tax system.

Emphasising that the classes assessed to income-tax carry too large a share of the national tax burden, the memorandum points out that, in 1952-53—the last year for which returns are available—the total number of assessees was 900,406, of whom 444,773 were salaried employees and, of the rest (excluding the comparatively small number of companies), the majority were engaged in business and professions. The incidence of tax on personal income, it rightly holds, is now so heavy that it is arguable that a stage of diminishing returns has been reached. In fact, the Government has tacitly admitted that the magnitude of this burden is large, that it has provided incentives in the shape of tax-free arrangements to foreign technicians working in this country. Since the encouragement to work, save and invest must be a primary consideration of tax policies during the next decade in this country, the memorandum has stressed the need for incentives for individuals who will be of vital importance during that period, namely, the administrative, managerial and professional classes.

Accordingly, it has suggested that there should be a general reduction in the burden of personal taxation, in the first instance, at least to the levels in force up to 1953-54. The differentiation between the treatment of earned and unearned income in the higher-income groups should be restored. The amount of earned income relief should be increased and such relief should be allowed for super-tax as well as income-tax purposes. Again, the employers' contribution to provident funds and interest on provident funds balances should be wholly excluded from employees' total incomes and relief in respect of employees' contributions and life insurance premiums should be allowed for super-tax as well as income-tax. Contributions by an employer out of taxed profits to provide for employees' pensions should be exempted from assessment as income in the hands of the employee. There is no doubt that these suggestions broadly represent the considered and moderate views of all those administrators, technical experts and executives who have now been subjected to a disproportionately large tax burden.

The chief contention of joint-stock companies in this country has been that, while the Government expects them to make an increasingly important contribution to national activity, its tax imposts leave little finance out of their profits which could be used for purposes of expansion. And the fact that high dividends and bonus shares attract penal tax provisions means that joint-stock companies cannot create a climate in which they could attract the savings of private investors to themselves. The Chambers' memorandum affirms that the present corporate tax policy, although it provides relief in the form of development rebate in respect of new machinery, would appear to contemplate that, to a large extent, increased working capital must come from banks or other loans. Since the extent to which such loans will materialise is problematic, the solution, in the Chambers' opinion, lies in the accumulation of profits by companies. It argues that the portion of a dividend tax based on the percentage of the paid-up share capital which is distributed as dividends is a denial of a justification for, and even of the rightful existence of, the joint-stock company system and is bound in time to impede the functioning of markets.

Its suggestions for reform of the tax system are all designed to provide the necessary incentive for better performance by joint-stock companies. Again, the memorandum, after discussing the vexed position of companies governed by section 23A, has suggested that the section should be replaced by a new section which would be restricted in its operation to companies where it is clear that one of their main purposes is to accumulate incomes by avoiding distribution to individuals who are liable to super-tax. Further, the new section should not apply to a company which is not a private company within the meaning of the Companies Act and the shares of which carrying no less than 33⅓ per cent. of the voting power have been allotted to the public. The need for amending section 23A arises from the fact that there are several companies which are caught by this section at present, although their shares, valued in the aggregate at several crores of rupees, are owned by thousands of small shareholders. The section, in its present form, prevents the accumulation of profits by these companies for purposes of development.

As regards indirect taxation, the memorandum recognises the justification for an increase in such taxation. It supports the Government's policy of making increasing resort to excise duties which it regards as a fruitful source of revenue. It suggests that the Government should give further serious consideration to the rationalisation of sales tax through the introduction of a uniform centrally administered tax which would replace existing single and double point taxes, reduce the harassment of the taxpayer, and ease the burden on the State administration. It urges consideration of the need for re-imposition of the salt tax. This levy, as is well known, has been the subject of great political controversy. But it is certainly time the Government revised its attitude. If it so chooses, the Government may set apart the revenue from this duty for such purposes as Harijan uplift or rural education or community projects. Among other suggestions are a tax on non-local rail passenger traffic, stamp duty on cheques (As. 2 per cheque), tax on share transfers (2 per cent. *ad valorem*), increase in postal charges and increase in land revenue and development levy.

A suggestion to which we would particularly draw the Government's attention is the institution of prize bonds and State lotteries. The memorandum says:

> "The Chambers think that there is every justification for the resort to unconventional methods of securing revenue and, bearing in mind the importance which State lotteries assume in many countries, they would suggest that consideration should be given to similar organised lotteries in India. The recent adoption in the United Kingdom of a system of prize bonds to stimulate the savings movement might equally be followed here."

It is well known that the belief in "good luck," "fortune" and "destiny" is both widespread and ingrained in the Indian public. And there is no reason why the Government should not turn this belief to good account. So far as we know, no inquiry has been instituted into the extent of public indulgence in lotteries of foreign origin, crossword puzzles and races. Following the judgment of the Supreme Court this week, which expressed the view that prize competitions were of a gambling nature and could not be regarded as trade or commerce within the meaning of Article 19(1) (*g*) of the Constitution, it may be expected that prize competitions will decline in importance. Before the public is led to more reprehensible forms of gambling, the Government will perhaps do well to examine how best it may utilise as well as control the "gambling instinct" through a well organised system of State lotteries or prize bonds.

SHARE MARKET RECOVERS SLIGHTLY

FISCAL RELIEF IN U.K.—CORPORATE TAX—SHREE GOPAL'S NEW ISSUE

THURSDAY, 5 P.M.

THERE has been a slight improvement in the share market during the last few days. Since Friday last, values have gained some ground. There is, however, no indication to suggest that the worst is over and the recovery can gain momentum in the coming weeks. For the extent of recovery is only small compared to the loss sustained since the last interim Budget and there is much ground to be covered before shares are restored to the levels touched on the Budget day. This is because confidence has not revived to any notable extent. The improvement has been brought about by technical factors rather than by any fresh bullish news. The bears seem to have realised that it is more prudent to book their profits before they pursue their game. But the bulls are hesitant to follow the rise, in view of the Budget uncertainties, the growing stringency in the money market and the absence of any brisk offtake of cloth from mills and traders. There has, therefore, been sizable profit-taking at the bulge, with the result that the closing levels are well below the week's high.

MARKET GOSSIP

The recovery in Tata Steel ordinaries from Rs. 163.25 touched on Friday last to Rs. 170.25 today, before closing at Rs. 168.00, is indeed noteworthy in the context of the call made by the Company for the payment of the second and final instalments on the new issue, for which the shareholders will have to find nearly Rs. 4 crores before 1st June. The rise in the new shares during the last two days from Rs. 113.25 to Rs. 119.00 is even more encouraging. This is said to be based on expectations that the management might consider the postponement of the date of payment of the second call money, in view of the extreme stringency in the money market and the difficulty of shareholders to find the necessary funds. It is stated that, before doing so, the management might find out the ways and means position and also consult the World Bank authorities under the terms of the agreement. If the Company does so, it will be a welcome relief to the shareholders, inasmuch as they will have some time for making their final payment. The question is how long the Company can postpone the payment date, considering that the money market does not show any sign of relaxation. Another factor which the Company has to take into consideration is whether it will be assured of the payment in full even after the postponement, in view of the fact that the Central and State Governments will be in the market in the next few months. If, however, the Company's ways and means position shows that it requires funds immediately, it may be compelled to insist on payment before the due date and allot the new shares not taken up by the holders of the existing ordinary shares.

Indian Irons have been remarkably steady during the last two days, notwithstanding the large issue of the Company which is hanging on the market and which has been a heavy drag on it all these days. This steadiness, almost on the eve of the last day for payment of the issue, that is, 15th April, has given rise to hopes that there might be a slight upward revision of the dividend on the old shares, in view of the fact that the Company's earnings for 1956-57 would be far more encouraging than in the previous year and that the new shares will not qualify for dividend in respect of 1956-57 and have to wait for another year before earning the dividend. This, however, requires the Government's permission and it remains to be seen whether the Government which turned down the request las year will agree to such a revision.

The presence of the Finance Minister in the City and his discussions with the Reserve Bank officials have given rise to various conjectures. It is believed that he might announce some measures by which the present monetary stringency can be eased and more money can be made available to industry and trade. Whether this presumption is correct or not, there is no doubt that the question must be uppermost in his mind and, even if the object of his visit is something else, he may take the opportunity to study the market climate for his borrowing programme. Indeed, the Finance Minister has rendered his task more difficult this year by having shaken completely the investors' confidence by his fiscal measures. If the present trend in the money and gilt-edged markets persists for the next few months, the chances of the Government's success in its borrowing programme will be bleak. It may be that the Government will try to force the loans on institutions. It is doubtful whether the Government will meet with much success in this way, because institutions will surely resist lending to the Government at 3½ per cent. when they themselves are borrowing from the Reserve Bank at 4 per cent. There are, therefore, only two alternatives open to the Government if its borrowing programme is to be successful. One is to agree to lend to banks at 3½ per cent., as against the present rate of 4 per cent., and this is most unlikely. The second is to raise its own borrowing rate from 3½ per cent. to 4 per cent. It may be that this will affect the existing securities and put the holders to some capital loss, but this cannot be helped, if the Government relies on borrowing to provide a substantial part of the finances for its development programmes.

Mr. Peter Thorneycroft, Britain's Chancellor of the Exchequer, presenting his first budget to the British Parliament, this week, has found it possible to announce a series of welcome tax reliefs. Although these reliefs perhaps fall short of what the Chancellor and his party would have themselves liked, it is easy enough to see that in the context of domestic inflationary pressure and the international situation no Chancellor could have made more liberal concessions. The Conservative Government has a record of massive achievements to its credit in that it has worked successfully and unceasingly for freeing the economy from the stranglehold of physical controls and rationing. The modest incentives, now offered, to taxpayers and certain classes of companies are designed at least partially to ensure the provision of the necessary incentives for the maintenance as well as expansion of productive effort.

Having assured himself that some concessions are both necessary and possible, the Chancellor has used great discrimination in the choice of the sectors in British economy which should benefit from the liberalisation measures. Britain's superannuated men will thank the Chancellor for setting special income-tax exemption limits for the aged which will be £250 per year for single persons of 65 and £400 for married couples where either husband or wife has reached that age. The taxation allowance for children will remain at £100 for a child under 12 but will be increased to £125 for older children and to £150 from the year the child becomes 17. The starting point for surtax for married couples will be £2,100 as against £2,000 at present. A further concession will involve the extension of the two-ninths of earned income allowance from the present limit of £2,000 a year to £4,000 a year; after the latter limit, the allowance will be one-ninth until the £10,000-a-year mark is reached. The Chancellor has abolished the tax on living theatres and sporting events and reduced that on cinema seats. Purchase tax on kitchenware has been reduced from 30 to 15 per cent. In order to help shipbuilding, which has been affected recently by strikes over wage demands, he has increased the investment allowance for expenditure on new ships from 20 per cent. to 40 per cent. Further, to discourage the flight of companies abroad, he proposes that trading corporations managed in Britain but operating abroad—other than shipping and financial institutions such as banks and insurance companies—will be exempted from income and profits tax on their overseas trading profits. Despite these concessions, the revenue for 1957-58 is placed higher at £5,387 million, as against £5,158 million in 1956-57; the expenditure estimates are £4,827 million and £4,868 million respectively.

The twin problems of British economy are the holding of the price line and promotion of exports. The chief obstacle in the way of maintenance of prices is the growing demand for higher wages. Mr. Thorneycroft has warned that Britain had been "trying to get more out of her economy than she had been putting into it." He says that, between 1955 and 1956, the nation's output had increased by £1,200 million in money value but only by £240 million in real terms. So far as the current balance is concerned, the position no doubt improved considerably last year. Thus, the year 1956 witnessed a surplus of £233 million, as compared with a deficit of £79 million in 1955. On the other hand, the accounts relating to long-term investment transactions showed a net outflow of £191 million in 1956 as compared with £163 million in the previous year. The point to be noted is that the 1956 current surplus, sizable as it was, was still inadequate to enable the country to meet all its overseas commitments and to start to build up sufficiently strong reserves. The country, as the Economic Survey warns, will have to earn more in order to pay for the increased imports which will be needed when the expansion of industrial production is resumed.

It must further be remembered that the drawing of $561 million from the International Monetary Fund will have to be repaid by 1959. In this connection, the Survey observes: "Our prospects, therefore, depend mainly on our success in the expansion of exports. The very heavy investment of the last two or three years has improved our industrial efficiency and expanded our capacity. Investment by private industry is likely to remain this year at about its present high level, and investment in the basic services of fuel, power and transport (including new road building) is expected to increase. Thus, our equipment for a further export drive has been considerably strengthened. With good prospects for world trade, and with a record of rising exports, the external conditions for a successful year are already present. Internally, high savings and all possible restraint in Government expenditure should create a situation favourable to the export effort and help us to avoid any undue increase in the level of imports when expansion is resumed." Exports must, therefore, necessarily be increased more rapidly than in recent years. It is true that the market for many of the goods the U.K. produces is vast. But it is also true that the country will have to reckon with competition from other main manufacturing countries which, as recent experience has shown, is bound to remain keen.

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Elsewhere in this issue (*vide* leader page) we have drawn the attention of our readers to some of the salient features of the memorandum on taxation policy submitted by the Associated Chambers of Commerce of India to the Government. It will be seen therefrom that the memorandum contains a large number of constructive suggestions which are designed to improve the system of taxation with a view to giving the necessary fillip to industrial and trading activity in this country. There is one aspect of the memorandum which deserves special notice in these columns. This refers to corporate taxation. The memorandum rightly holds that there is no field of enterprise in which the encouragement of saving and the expansion of real capital and productive capacity are in general so closely linked as in joint-stock organisation and none in which less consideration appears to have been given to the logical applications of principles to attain these ends. Among the different fiscal burdens on corporate enterprise, to which the memorandum has drawn attention, mention must be made of dividend tax. The fact that any dividend is expressed as a percentage of a nominal figure of capital is irrelevant to a shareholder who has purchased his shares on the market (and that is, the very large majority of shareholders), for what is important to him is the percentage return which the amount of the dividend represents on the price which he has paid for the shares on the market. The worst effects of the present sysem of taxation of dividends will only emerge after a year or two.

But meanwhile, it is, as the memorandum points out, obvious that this system imposes a penalty on the shareholders of those companies which, having conducted their affairs successfully in the past, have followed a conservative dividend policy and have built up substantial reserves; it is indeed paradoxical that a Government which desires to encourage just such a policy for the future should aim to enforce it by levying proportionately higher taxes against those who have followed that very policy in the past. The company which is over-capitalised and/or which is badly managed or is not employing its capital to the best effect will be unaffected by those penal rates of super tax. The memorandum submits that such a policy must be contrary to the national interest in the long run.

In the light of what is stated above, the Chambers make the following suggestions for changing the system of taxation of dividends:

(*a*) The base on which the percentage dividend is calculated for taxation purposes should be the total capital invested in the company, i.e., paid-up share capital plus premiums on shares issued plus all reserves, except those arising out of revaluation of assets.

(*b*) No additional tax on dividends should be payable if the dividend paid does not exceed a standard rate of dividend; such standard rate to be either: (i) six per cent. per annum of the total capital invested in the business, computed as above; or (ii) the actual average rate (on paid-up share capital) at which dividends were declared during the three accounting years ended on or before 31st March 1956—whichever may be the higher.

(*c*) With a view to encouraging new companies (which for this purpose may be taken to be companies formed on or after 1st January 1950), any deficiency in dividends below the standard rate of six per cent. per annum should be allowed to be carried forward so that any higher dividend declared in later years should, up to the extent of that deficiency, not attract any additional tax on dividends.

The memorandum has earnestly urged the Government to re-examine the system of taxation of corporate earnings with a view to reducing the charge on undistributed profits, redistributing the whole burden of corporate taxation and simplifying the whole structure. With this end in view, it has made the following notable suggestions:

(*a*) Income-tax should be charged at a standard rate on all company profits as at present. (*b*) Super-tax (corporation tax) should be charged at a standard rate on all company profits with substantial relief for undistributed profits. (*c*) Multiple corporation tax should be eliminated; the tax should be a single-point tax so that dividends paid by a company would not again be charged to super-tax if the recipient was another company, whether distributed by such other company or not. (*d*) The difference in the effective rates of super-tax on Indian and non-Indian companies should be eliminated. (*e*) Income-tax at the present company rate should be deducted from all dividends paid to shareholders; tax deducted from dividends will be retained by the company until the profits out of which they are paid are assessed and the company would then pay to Government any excess of the tax deducted from the dividend over the tax payable on its profits. (*f*) As a corollary to the procedure outlined in (*e*), shareholders should obtain credit for tax deducted from dividends at the standard rate, irrespective of whether or not the paying company has any assessable profits. (*g*) The present system of taxing companies in respect of dividends paid by the withholding of super-tax rebates should be discontinued and be substituted by an additional corporation tax or dividend tax over and above the standard rate calculated on the lines already indicated. (*h*) The present system of taxing companies in respect of bonus share issues should be discontinued.

An irksome provision in the Income-tax Act, as all corporate assessees know only too well, is section 18A which deals with advance payment of tax. This section which was inserted in 1944 as a war-time measure in order to mop up surplus profits has continued to remain on the Statute book though the original emergency which gave it birth has perhaps altogether ceased to exist. A suggestion for modest reform of this section has been made by the memorandum. It points out that, when tax rates are stable, the business community can plan its level of activity and working capital requirements on the understanding that section 18A will extract a certain amount of tax from profits as they arise. However, increased taxation with

(*Continued on page 771*)

EQUITIES IMPROVE

HESITANCY AT HIGHER LEVELS

(From Our Own Correspondents)

BOMBAY, 11*th April*

EQUITIES moved erratically during the week under review, but the trend was upward and modest gains were recorded in many counters. The recovery was mainly due to short-covering and some buying attracted by the low levels. Expectations that there might be an easing of the monetary stringency through increased money supply—this hope was based on last week's expansion of Rs. 37 crores in note circulation—and baseless rumours that the Budget might be postponed also improved sentiment. The closing prices were, however, below the week's best levels, as extreme gains were pruned by heavy profit-taking.

In the steel section, Tata Ordinaries dipped early in the week from Rs. 165.50 to Rs. 163.25, but moved up haltingly to touch today Rs. 170.25. At the close, they dropped to Rs. 168.00. The new shares declined from Rs. 116.00 to Rs. 113.25 before regaining to Rs. 119.00. After softening from Rs. 19.65 to Rs. 18.65, Indian Irons improved to Rs. 19.65 and closed at Rs. 19.45.

Textiles also fared better, though the improvement was not very marked. Bombay Dyeings declined from Rs. 543.00 to Rs. 535.00 before staging a rise to Rs. 555.50. The closing was, however, lower at Rs. 548.00. Centurys also came down from Rs. 449.00 to Rs. 441.00 earlier in the week. After recovering to Rs. 455.00, they finished at Rs. 448.50. Kohinoors were done at the close at Rs. 314 *ex-div.*, after advancing from Rs. 321.50 *cum-div.* to Rs. 317.00 *ex-div.* (final div. Rs. 12). Central Indias were marked up over the week by Rs. 1.50 to Rs. 113.50. Finlays gathered Rs. 4 to Rs. 305, while Gokaks shed Rs. 2 to Rs. 205. Indu Ordinaries were a fraction better at Rs. 10.40. Indore Malwas were dull at Rs. 138, while Khataus suffered a fall of Rs. 11.25 to Rs. 180. Morarji Mills gained Rs. 2.50 to Rs. 210.00, while New Greats were unchanged at Rs. 225.

Bank shares ruled quiet with a slight marking down in values. Barodas lost 75 nP. to Rs. 97.50 and Centrals new Re. 1 to Rs. 51, while the old shares were higher by 50 nP. at Rs. 48.50. Bank of Indias were taken down by Rs. 2 to Rs. 132 and United Commercials by 50 nP. to Rs. 56.50. Union Banks were steady at Rs. 7.10.

Electricity shares were featureless and the undertone was quietly steady. Ahmedabad Electrics came down from Rs. 93.25 to Rs. 92.50 before recovering to Rs. 93.25. Bombay Suburbans reacted from Rs. 110.00 to Rs. 107.81. Surat Electrics were done at Rs. 106.50 *ex-div.*, as against Rs. 112.50 *cum-div.* a week ago. Tata Hydros were a shade lower at Rs. 120.50 and Tata Powers at Rs. 1,193.75. Andhra Valleys lost Rs. 5 to Rs. 1,187.50.

Narrow movements were noted in the miscellaneous section. In the sugar group, Belapurs moved between Rs. 226.50 and Rs. 223.00 before closing at Rs. 225.50. Phaltans gathered Re. 1 to Rs. 134, while Walchandnagars maintained on balance Rs. 267.50. Among cement shares, Associated Cements were erratic. After slowly gaining ground from Rs. 156.50 to Rs. 160.50, the shares dipped to Rs. 158.25. Digvijays were marked down from Rs. 143.50 to Rs. 141.00. Orissa Cements were done 20 nP. lower at Rs. 13, while Ashoka Cements looked up to Rs. 9.85. In the engineering and mining group, Alcocks were unchanged on balance at Rs. 256.25, though they touched a low of Rs. 251.25 during the week. Tata Locomotives, after going down from Rs. 137.50 to Rs. 135.00, were bid up to Rs. 141.50. The closing was again lower at Rs. 138.25 Premier Constructions were maintained on balance at Rs. 162.50. Shivrajpur Syndicates were steady at Rs. 91, Indian Coppers at Rs. 3.28 and B.B. Petrols at Rs. 2.54.

Shipping shares ruled steady. Scindias dipped early in the week from Rs. 18.65 to Rs. 18.30, but on keen demand advanced to Rs. 19.40 before finishing at Rs. 19.00. Great Easterns gained on balance 45 nP. at Rs. 18. Premier Automobiles improved slightly from Rs. 86.75 to Rs. 87.50, while Hindustan Motors were quiet at Rs. 7.15.

In the miscellaneous group, Bombay Burmahs were erratic. After dropping from Rs. 581.50 to Rs. 563.00, they gained to Rs. 585.00 before reacting to Rs. 572.00. British India Corporations recovered smartly to Rs. 7.45 after drifting lower from Rs. 7.15 to Rs. 6.65. The closing was, however, done at Rs. 7.10. National Rayons came up to Rs. 230.75 from Rs. 221.00 touched early in the week, but finished at Rs. 225.00, with a loss of Rs. 1.25 over the week. Tata Chemicals were steady at Rs. 16.10 and Tata Oils at Rs. 42.75. Wimcos were marked down from Rs. 171.25 to Rs. 168.75.

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Calcutta Stock Exchange

CALCUTTA, 10*th April*

Lack of buying support continued to depress trading on the Calcutta Stock Exchange during the week under review. Fears of new imposts on trade and industry in the forthcoming budget made operators and investors lessen commitments. In the selling pressure thus caused, values came down further. Reports that the Communist Government in Kerala would ardently pursue the question of nationalisation of the plantation industry in that State were a psychological factor which chilled sentiment. The stringency in the money market, coupled with the approach of due date for an instalment on rights shares of the Indian Iron and Steel Company, Ltd., and for the final instalment of the call money on the Tata Iron and Steel Company Ltd.'s rights issues were the other factors which restricted buying interest. For these due instalments resulted in earmarking of a portion of funds available for the market. To that extent, daily trading was further affected.

Among coals, Burrakurs were unchanged at Rs. 21.25, while New Beerbhooms fell from Rs. 15.12 to Rs. 14.75. Equitables at Rs. 20.37 suffered a decline of Rs. 2.53. Central Indias sagged from Rs. 6.19 to Rs. 5.94. At Rs. 95.00, Karanpuras were down by several points.

Sellers predominated the jute section, and a gradual fall in prices was the consequence, despite the slightly improved trend in the jute goods export market. Nationals were driven from Rs. 19.75 to Rs. 19.25 and Chitavalsahs from Rs. 12.00 to Rs. 10.94. Naihattis were as low as Rs. 52.00, as against Rs. 78.00 previously, with Nuddeas being crossed at Rs. 29.25, as against Rs. 30.25. Howrahs invited attention at the lower rate of Rs. 16.00. New Centrals realised only Rs. 11.50, at which rate the decline was by Re. 0.37. Aucklands were extremely quiet at Rs. 85.

A further decline in quotations of engineering scrips was not surprising, in view of the general apathy. Indian Irons opened at Rs. 19.56 and declined to close at Rs. 18.88. In the absence of clarification on the Company's dividend policy, operators were in no mood to increase commitments in this speculative counter. Among other shares in the engineering section, Jessop & Cos. fell from Rs. 24.06 to Rs. 22.56 and Texmacos from Rs. 18.50 to Rs. 18.05. Guest Keens gave way from Rs. 25.75 to Rs. 25.44.

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Madras Stock Exchange

MADRAS, 10*th April*

Distinctly bearish conditions continued to prevail on the Madras Stock Exchange during the week under review also. Sellers predominated in many counters, particularly in plantation shares of Kerala. Absence of buyers, acute stringency in the money market, the disquieting statements of Kerala Communist Party leaders regarding nationalisation of plantations and reports of fresh difficulties in the way of a settlement between plantation labour and management, the proposal to set up a wage board for the textile industry and bearish advices from Bombay and Calcutta demoralised sentiment and business was considerably restricted.

Among tea shares in the planting section, Peermades and Twyfords lost a rupee each to Rs. 26.50 and Rs. 17.50, respectively. Periakaramalais marked down from Rs. 7.87 to Rs. 7.80 *cum-div.* (interim dividend: 10 per cent.). Highlands declined by 50 nP to Rs. 14.25 and Kalasas by a like amount to Rs. 13.75. Blue Mountains and Haileyburias were 25 nP lower at Rs. 4 and Rs. 22.50, respectively. Devasholas fell by 25 nP to Rs. 21.25. Kil Kotagiris receded by 24 nP to Rs. 5.95. Malabar Agriculturals were marked down by 37 nP to Rs. 11. Among coffee shares, Balmadies slumped by 25 nP to Rs. 3.25. Coffee Lands fell by 50 nP to Rs. 25.50. Kumargodes shed 7 nP to Rs. 6.65. Shevroys lost 5 nP to Rs. 1.95. Rajendras were neglected at Rs. 11.37. Consolidated Coffees, however, witnessed some support and the shares advanced by 30 nP to Rs. 22.10. In the rubber group, Malankaras dropped 50 nP to Rs. 29.75. Kailas fell by 44 nP to Rs. 5.00. Pullangodes receded by 15 nP to Rs. 2.44 and Midlands by 15 nP to Rs. 17.50 *cum-div.* Cochin Malabars were quoted 19 nP lower at Rs. 3.06.

In the textile section, Metturs were hammered down by Rs. 17.50 to Rs. 410. Rajalakshmi's were down by Rs. 17 at Rs. 133. Bangalore Woollens slumped by Rs. 12.75 to Rs. 562.25. Coimbatore Cottons declined by Rs. 5 to Rs. 350. Janardanas dipped by Rs. 2 to Rs. 93. Vasantas were Rs. 2 lower at Rs. 308 *cum-div.* Cambodias receded by a rupee to Rs. 13.

In the miscellaneous section, Rallis fell by Rs. 4 to Rs. 30. Orissa Cements dropped 38 nP to Rs. 12.87. Aluminium Industries declined by 25 nP to Rs. 13.62. Spencers receded by 12 nP to Rs. 16. F.A.C.Ts decreased by 10 nP to Rs. 5.50. Parrys Confectionery eased by 7 nP to Rs. 2.87. India Cements were unchanged at Rs. 24.50.

CALCUTTA CHEMICAL CO., LTD.

In our issue dated 30th March 1957, under "Company Reports," it had been stated that there was a shrinkage in the profit of the Calcutta Chemical Company, Ltd., for the year ended 30th June 1956. The net profit for the year, after providing for depreciation and taxes, was shown as Rs. 4,10,535, as compared with Rs. 5,70,522. This is not correct. For the profit for 1955-56 is arrived at after providing Rs. 2,75,000 for taxation, while that for 1954-55 was subject to taxation. The actual profit for 1955-56, subject to taxation, is, therefore, Rs. 6,85,535, an increase of Rs. 1,15,014 over that for the previous year. Even after providing for taxation (which in respect of 1954-55 is Rs. 2,05,000), the net profit for 1955-56 is higher at Rs. 4,10,535, as against Rs. 3,65,522 for the previous year.



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NEWS IN BRIEF

A FACTORY for the manufacture of micanite used for insulation purposes in electrical machinery is to be set up in the Nellore District of Andhra.

Deposits of talc, iron ore and kaolin have been located by the Geological Survey of India in the Keonjhargarh District of Orissa State.

The Railway Board has placed abroad orders worth about Rs. 10.7 crores for 100 diesel electric broad-gauge locomotives of 2,000 h.p. each, in order to cater to the increasing goods traffic demand during the second Plan period.

The Madras Government has sanctioned the establishment of one 'A' class and one 'B' class soap-making units in the State at an initial cost of Rs. 50,000. Provision has been made for a recurring expenditure of Rs. 35,120 per annum.

An agreement has been signed between India and Burma which provides for the purchase by the former of 500,000 tons of Burmese rice valued at Rs. 16 crores. Burma will supply 320,000 tons of *Naasein*, a special variety of rice at the rate of £33 per ton f.o.b. The balance of 180,000 tons will be made up of *Nagasein* parboiled at £33 11s. 4d. per ton f.o.b.

The Government of India has authorised the Tea Board to make an interim release of tea export quota for 1957-58 to the extent of 50 per cent. of the crop basis of tea estates, pending final notification of the Indian export allotment of tea for the year. The total releases for the season 1956-57 aggregated 63.4 per cent. of the estates' crop basis, or 453.3 million lbs.

The three-day conference of Railway Statistical Officers which concluded in New Delhi on the 5th inst. discussed measures to improve the accuracy of railway statistics and expedite the consolidation of data. Among the specific subjects dealt with were passenger and goods earning statistics, standard of statistical inspection on railways, uniformity in the form and contents of domestic statistics, and compilation of tonnage and ton-miles.

The Government of Andhra is at present conducting investigations about the occurrence of iron ore in Khammam and Warrangal districts. Preliminary estimates of iron-bearing deposits in this zone have shown that the deposits are spread over a very extensive area and the quality is good. Prospecting work for coal in the Godavari basin is also under progress and boring tests are being conducted.

The Mysore Government will take over the management of the Hatti Gold Mines shortly. An agreement to this effect has been reached between the Mysore and Andhra Governments. Situated in Raichur District, the gold mines are being managed by a private joint-stock company. The Mysore Government intends to improve the mines by providing hydro-electric power from the Tungabhadra Project and technical assistance from the Kolar Gold Fields.

The Soviet Union has offered coal-mining machinery to India on a deferred payment basis. Nearly Rs. 20 crores worth of coal-mining equipment is needed to exploit coal mines in the public sector, including the railway collieries taken over by the Coal Development Corporation. The biggest unit of coal-mining equipment will probably be needed in the Korba coalfields which are expected to yield about 4 million tons by the end of the second Plan period. Meanwhile, tenders have been invited for coal-mining machinery worth over Rs. 4 crores.

Equipment and aid worth Rs. 50 to Rs. 60 lakhs may be obtained from West Germany for the prototype workshop. The offer has been made by the West German Foreign Minister, Mr. Von Brentano, to the Government of India. The workshop will evolve simple machines for use in small-scale industries and make the prototypes available to Indian *entrepreneurs* for manufacture and sale. Services of nearly a dozen German experts will be available under the scheme. They will have a number of Indian assistants who will be trained in the technique of inventing new machines. The location of the workshop has yet to be decided.

The Government has decided not to entertain any more applications for licences for the installation of spindles in the worsted woollen sector. Announcing this decision, the Union Commerce and Consumer Industries Ministry points out that there is no scope for installation of additional worsted spindles in the woollen industry and any further expansion will only result in the dislocation of the production programme of existing units. The installed capacity and the capacity already licensed under the Industries (Development and Regulation) Act, 1951 amounts to 27 million lbs. of all varieties of worsted yarn. The target for the second Plan period is only 15 million lbs.

Salt exports from India during 1956 were substantially higher at 7,370,000 maunds, as against 5,560,000 maunds in the previous year. Japan was the principal buyer of Indian salt. Some quantities were also purchased by Indonesia, Malaya and Maldwip. The increase in exports was due to the record production of 88,900,000 maunds in 1956, as compared with 81,100,000 maunds in the previous year and 73,900,000 maunds in 1954. It is proposed to raise the production to 100 million maunds by 1960-61. A provision of Rs. 1.89 crores has been made for this purpose under the second Plan.

A scheme for the manufacture of nickel sulphate from the catalyst waste of hydrogenation factories has been prepared by the Small-scale Industries Organisation for the guidance of small-scale manufacturers of nickel sulphate. Nickel in the form of nickel formate is used as a catalyst for the hydrogenation of vegetable oils. The activity of the catalyst decreases after being used twice. As nickel-plating is being carried out on an extensive scale in India, there is a ready market for the nickel sulphate. The manufacturing process is explained elaborately in a booklet issued by the organisation Catalyst. The booklet also gives the basic data regarding the requirements of plant and machinery, raw materials, capital investment, manufacturing cost, profit, etc. Copies of the scheme can be obtained free of cost from the Office of the Development Commissioner, Small-scale Industries, and the Regional Directors of Small Industries Service Institutes at New Delhi, Calcutta, Bombay and Madras.

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From Abroad

Yugoslovia will get U.S. wheat and cotton shipments worth $13.5 million under an agreement recently concluded between the two countries.

A financial agreement has been signed by the Sudan and Egypt which provides for the withdrawal of over 20 million Egyptian pound notes circulating in the Sudan.

The Government of Pakistan has appointed a Taxation Enquiry Committee to carry out a comprehensive enquiry into the system of taxation in the country. The six-member committee is headed by Mr. Zahid Hussain, former Chairman of the Pakistan Planning Commission.

The U.S. Special Ambassador, James P. Richards, has announced that the United States is prepared in principle to provide $12.5 million towards regional economic development projects among the four Middle East members of the Baghdad Pact—Iraq, Turkey, Iran and Pakistan.

A newly formed consortium of five British firms will supply rubber manufacturing machinery and electrical equipment worth many million pounds to Russia for equipping a tyre factory now being built by the latter. When completed, the factory will be the largest in the world outside the United States.

The Court of Inquiry appointed by the U.K. Government to probe into the wage dispute in Britain's shipbuilding and engineering industries has commenced work. The Confederation of Shipbuilding and Engineering Unions has agreed to order its members to return to work, pending the recommendations of the Court.

During the financial year ended 31st March 1957, B.O.A.C. achieved a surplus, but the full and final assessment will not be complete until some weeks hence. Provisional figures, however, show that there was an increase in capacity of 8 per cent., but an increase in gross revenue of 13½ per cent. The passenger-miles flown aggregated 1,200 million, representing an increase of 11.5 per cent. over the figure for the financial year 1955-56.

PERSONAL

MR. Shaikh Yusuf Alfozan, presently Minister of Saudi Arabia to India, has been appointed the first Saudi Arabian Ambassador to India.

Mr. Sanjiban Banerji of the United Bank of India has been elected a member of the Committee of the Indian Banks Association for the current year.

Mr. V. M. Madhavan Nair, at present Deputy High Commissioner for India in Ceylon, has been appointed Commissioner for the Government of India in Malaya and Singapore in succession to Mr. P. K. Tandon.

Sir John Burns, Chairman of the James Finlay group of cotton mills, left India for the United Kingdom on Saturday last to join the Board of Directors of Messrs. James Finlay & Co., Ltd., at their head office in Glasgow.

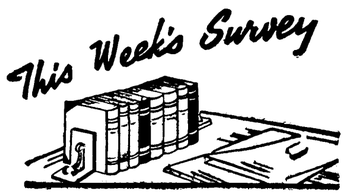
Lala Indermohon Thapar, Mr. Mulchand C. Parekh and Mr. S. B. Goenka have been elected Chairman, Vice-Chairman and Junior Vice-Chairman, respectively, of the Indian Mining Federation for the current year.



Rail Transport is an important factor in the economy of the country, which keeps a constant flow of raw materials to producing centres and manufactured goods to consuming centres. With the Second Five Year Plan well on the way the Railways are once again in the forefront to meet the ever-increasing transport demands of the country. This Railway Week we have made the occasion for renewal of our pledge to fulfil the task placed before us.

The Central & Western Railways are in the midst of several new projects in various stages of progress, some nearing completion. Many more are scheduled for early commencement. All this is aimed at providing greater transport capacity, more conveniences and better amenities to the travelling public, so that at the end of the Second Five Year Plan a 15% increase in passenger carrying capacity and 40% increase in goods carrying capacity would have been achieved as compared to what it was at the beginning of the plan.

CENTRAL & WESTERN RAILWAYS



SPECIAL U.S. AID FUND

NO other country has contributed so much to the material advancement of the undeveloped and underdeveloped regions of the world as the U.S. Indeed, but for the enormous foreign aid—financial and technical—given by this country, not only would the tempo of economic activity in the aforesaid regions have been considerably slower than what it is but the very basis of the democratic set-up would have been greatly shaken by communist infiltration. There is no exaggeration whatever in the remark of Mr. John Foster Dulles, U.S. Secretary of State, made while testifying in support of President Eisenhower's $4,400-million Mutual Security Programme before a special Senate Committee to study the Foreign Aid Programme, that the American people "have never tried to make their nation into an oasis of prosperity in a world desert of human misery." An eloquent testimony to this is provided by his proposal for the establishment of an "Economic Development Fund" to provide assistance through loans on terms more favourable than are possible through existing institutions. Suggesting tentatively that development loans made from this Fund might reach $750 million yearly, Mr. Dulles gave the following details:

The Fund can extend aid for specific programmes or projects submitted by applicant countries. Each request for a loan from the fund should meet certain criteria, including a showing (1) that financing cannot be obtained from other sources; (2) that the project is technically feasible; (3) that it gives reasonable promise of direct or indirect contribution to a nation's increased productivity. The Fund can usefully join with such institutions as the World Bank or the Export-Import Bank in financing particular projects. Its aid may thus enable these Banks to expand their operations by assisting projects which cannot qualify in their entirety for loans which these institutions are authorised to make. In order not to displace other sources of credit, loans from the Fund should be repayable on a basis subordinate to the claims of the World Bank, the Export-Import Bank, and private lending agencies.

The creation of an Economic Development Fund, as suggested by Mr. Dulles, will be widely welcomed, especially in the present context of acute shortage of capital resources experienced by a majority of countries in the underdeveloped region, including India. The present system of making U.S. appropriations on an annual basis is defective, inasmuch as the appropriations have resulted in procedures which do not allow either the U.S. or the receiving countries to make the most efficient use of the resources which the U.S. is providing. Drawing attention to this aspect, Mr. Dulles rightly emphasised that, since economic development was a continuous process, not an annual event, the Fund would need continuing authority and a capital authorisation sufficient for several years, to be renewed when needed.

The loans that will be made available out of the proposed Fund cannot, of course, be more than a marginal addition to any country's development efforts. Nevertheless, the addition can, as Mr. Dulles pointed out, be significant and even determining; "it can break foreign exchange bottlenecks and it can be a key factor in stimulating a country to a more effective development programme of its own." Reassuring is his statement that the establishment of the Fund will not entirely eliminate grant aid which may be needed to meet contingencies and imperative needs that cannot realistically be met by loans. Also reassuring is the statement that the technical assistance programmes—now running at about $150 million per annum—will be continued in the coming years also.

INDO-AUSTRALIAN TRADE

The possibilities of expanding Indo-Australian Trade are, indeed, very wide. The rapid industrialisation that is afoot in India calls for expanding imports of various kinds of plant, machinery and transportation equipment. There are other things, such as wheat and wool which India needs in order to meet the increasing consumption demand. At the same time, Australia can very profitably enhance its purchases from India of goods such as manganese and mica, cotton, cotton textiles, jute goods, vegetable oils, tea, coir products and a host of others. So far, however, a combination of forces in both the countries has served to affect adversely the quantum of trade that is passing between the two countries. For some time past, Australian economy has been subject to great inflationary pressures which, as a consequence, led to the imposition of severe import restrictions by the Government. In India, too, import restrictions have been in force for balance of payments reasons. The net result is that between 1951-52 and 1955-56 the trade between the two countries dwindled considerably, from £A64.7 million to £A35.7 million.

In this context, the observations of Mr. John G. Hurley, leader of the Australian Trade Mission, now in India, in the course of his address to the Bombay Rotary Club on 9th instant, are particularly significant. He pertinently pointed out that the two major obstacles that lay in the way of expanding trade between the two countries were shipping difficulties and import restrictions. It is noteworthy that the Mission has addressed itself to this task of mitigating shipping difficulties in right earnest and has held discussions with shipping companies and urged the authorities to solve this problem without delay. A matter of special satisfaction in this regard is the announcement by shipping companies now operating services that additional and more suitable vessels are on order and will commence operating progressively as from next year. It has been recognised that steps have necessarily to be taken to alleviate the shipping and port difficulties in India. At the same time, it is gratifying to note that the Trade Mission is alive to the fact that the problem is not one-sided.

The recent relaxation of import restrictions in Australia is a welcome measure and augurs well for the expansion of trade between the two countries. As a result of this relaxation, Australia, it is estimated, can now import Rs. 75 crores more worth of goods per annum, bringing the value of its total imports to as much as Rs. 800 crores. The possibilities of deriving benefit from these measures, however, depend, to a certain extent, on a reciprocal relaxation of import restrictions in India; and Mr. Hurley has expressed the hope that the Government of India, too, would show concessions. He appreciated, however, the problems arising from the balance of payments situation. Nevertheless, he felt that in a rapidly expanding economy, the persistence of import controls were highly inflationary in their effect. This is largely true. But, what determines, in the ultimate analysis, the quantum of imports from Australia is the types of goods offered to India and the terms under which they are offered. Thus, granting of long-term credit by Australia for the purchase of machinery and capital goods will go a long way in increasing India's imports of machinery. It is heartening to note that Australian business men are willing to consider this solution, and that the Government is already exploring the possibility of asking Australian manufacturers to meet these terms. It is to be hoped that some concrete results would emerge from the Trade Mission's tour in this country.

LEATHER INDUSTRY

Covering within its fold both hides and skins—raw as well as manufactured—the leather industry plays a vital role in India's economy. The number of workers employed in the organised tanning sector alone is about 10,000 and that engaged in the small-scale sector is as much as 763,000 which is about 6.6 per cent. of the total labour force employed in all the small enterprises (1950-51). Further, it produces goods which are used for a variety of purposes; these goods include sole, harness and saddlery, belting, upholstery and other heavy leathers, upper leather, sheep and goat skins (vegetable and chrome tanned), and reptile skins. It is, however, as one of the staple earners of foreign exchange that the leather industry has carved for itself a conspicuous place in the economic set-up of the country. On an average, India exports every year hides and skins—raw and manufactured—worth nearly Rs. 30 crores, which represent about 5 per cent. of the total foreign exchange earned.

In view of the vital role played by the leather industry thus and considering the present difficult foreign exchange position, the need for removing some of the handicaps facing it cannot be too strongly stressed. It is unfortunate that the quality of raw hides and skins is reported to be deteriorating gradually, and the tanner and the tanning technologist are confronted with the challenge to produce good quality leather from bad hide. The methods adopted for curing and preservation of hides and skins are also very primitive in several cases. It is not surprising, therefore, that as much as 50 per cent. of the installed capacity of the organised tanneries had been lying unutilised for a long time. An idea of the latest position in this respect can be had from the following figures:

	Unit	Installed capacity	Production in 1956
Tanned hides—			
Chrome	000 hides	1,680	743
Vegetable	,,	3,420	1,681
Leather cloth	000 yards	7,800	2,619
*Footwear**—			
Western type	000 pairs	5,775	3,630
Indigenous type	,,	N.A.	2,911

* Long-scale factories only. N.A.—Not available.

The foregoing table indicates the none too happy position of the leather and footwear industries. Surely, an expanding market for leather and the increasing hide deterioration, as Prof. M. S. Thacker, Director-General, Scientific and Industrial Research, Government of India, aptly remarked in his speech read (in his absence) at the symposium on "Raw Hides and Skins—Curing and Preservation" held at the Central Leather Research Institute in Madras the other day, militate against each other. This is the basic fact which calls, to quote Prof. Thacker, "for a searching of minds, pooling of thoughts, sharing of ideas and chalking out of a clear-cut co-ordinated programme." Given all these, the leather industry will, there is no doubt, be established on a more solid and secure footing. Needless to say that India, with the enormous livestock wealth which the country possesses, is well endowed for the rapid development of its leather industry.

The installed capacity of the leather industry, as already noted, is quite large. If only the handicaps facing it are removed, the industry will earn a considerably larger foreign exchange which is now precious to a degree; according to one estimate, the export trade in hides and skins —raw and manufactured—can be augmented by 100 per cent. It is gratifying to note that, in his address at the symposium, Mr. C. Subramaniam, Finance Minister of Madras, assured that the Government would always be prepared to help the leather industry, if proper schemes were formulated and presented by the representatives of the industry. This assurance and the move of the Central Leather Research Institute to undertake job work to convert the raw or half-tanned materials into finished products, as also to study the problem of effective utilisation of by-products, augur well for the future development of the Indian leather industry.

ENGINEERING INDUSTRY

Since engineering industry is basic to the entire industrial structure of the country, its rapid development on a sound and secure basis is a question of national importance. In his address at the annual meeting of the Indian Engineering Association, held recently at Calcutta, Mr. Cleetus, the Chairman, has therefore done well in highlighting some of the problems faced by the industry and pointing out the difficulties in the way of its rapid expansion. Although the engineering industry fared better than most other industries last year, it continued to be plagued by many inhibiting factors. Despite these disadvantages the industry recorded rapid advances in production, and output more than doubled during the period 1951 to 1956.

The supply position of steel, Mr. Cleetus pointed out, has been a matter of constant worry to the industry. Since steel is a basic raw material of the industry and its indigenous production inadequate to meet the demand, resort is taken to imports to fill the gap. But in the absence of a clear import policy for steel, importers and fabricators using steel have been put to much difficulty. There has been a drastic cut in the foreign exchange allocation for this purpose and it is not known now how much of steel will be permitted to be imported in the second quarter of the current year. This, Mr. Cleetus added, will eventually lead to disturbance in the production programmes of steel-using industries.

Proceeding, Mr. Cleetus referred to the recent award of the Appellate Tribunal on colliery disputes, which, he said, was a step of far-reaching consequences. Following the award, there has been a total increase in the price of coal to the tune of Rs. 4.5 per ton. This will put up the cost of the engineering industry, a

(*Continued on page 771*)

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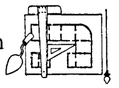
Giant walls taming  the rushing waters, irrigation channels bringing new life to barren soil, and heavy cables carrying a mighty surge of power throughout  the country are today laying the  foundations of India's economic self-sufficiency During the Second Five Year Plan  electrification will be extended  to 10,600 additional towns and villages and irrigation to an extra 21 million acres. Textile Machinery Corporation Limited is proud to play its part in this nation-wide endeavour to bring power to industry,  light to village homes, food  to the hungry and prosperity and happiness to the people. A pioneer in many fields of engineering, it supplies industry, railways and river valley projects with a wide range of equipment.

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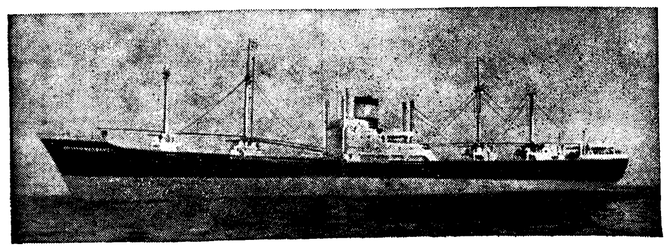

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DEFERRED PAYMENT SCHEME FOR IMPORT OF CAPITAL GOODS

RESULTS OF TALKS WITH FOREIGN TRADE MISSIONS ANALYSED

From Our Own Correspondent

NEW DELHI, *9th April*

DELHI LETTER

POSTAL delays can often be as exasperating as "the law's delays," and this correspondent is obviously irritated by the knowledge that his letter of 2nd April did not reach *Commerce* in time last week. His only consolation is that a part of his unpublished despatch is still topical enough to be included in this letter. And so what follows introduces the subject of this despatch in much the same way as it did last time.

The recent decision of the Government to grant import licences for certain types of capital goods only if suitable terms of deferred payments are arranged by importers, so that remittances of foreign exchange can be suitably phased, has just been fully explained in a *Gazette* announcement. The alternative sets of terms under which applications would be considered are indicated. One of the alternatives is that total payment prior to shipment is not to exceed 20 per cent. of the f.o.b. value of the plant and equipment, and the remaining 80 per cent. to be paid in seven more or less equal annual instalments thereafter. The other alternative is that the initial payment is to be limited to 10 per cent., and the balance to be paid after production has started and in instalments not exceeding the net saving in, or earning of, foreign exchange which the project will achieve thereafter. Import licences issued under either alternative will specify the value to be remitted, the currency in which it is to be remitted and the dates on which such remittances are to be permitted.

The types of cases in which it will not be necessary for importers to secure deferred payments are also described in the announcement. These are: (1) Where the total value of imported plant and equipment to complete a project is less than Rs. 5 lakhs; (2) where the equipment is 10 per cent. or less in value on the machinery already installed or covered by an import licence or available from indigenous sources and is essential for the completion of such plant; (3) where the total value of the equipment to be imported is less than the amount of fresh foreign capital coming in for the project; and (4) where the equipment is needed for constructional purposes, like earthmoving equipment and excavators. In these cases, however, applications will be considered only on merits in accordance with the import policy in force as well as the priority to be attached to the project.

Doubts Continue

Doubts continue whether the deferred payment scheme for importing capital goods will have the intended results. In this connection, Sir Norman Kipping, Director-General of the Federation of British Industries, who has been here recently, remarked that there was no likelihood of India succeeding in getting credits spread over a period of seven years, as asked by it for the import of capital goods. He, however, gave the hope that India could look forward to getting British credit for executing several projects which would be able to pay for themselves and save and earn foreign exchange in the course of the next few years.

The doubts, however, are not wholly allayed by the trend of discussions in the Capital between the West German and U.S. trade missions and the Government of India. The leader of the West German mission has no doubt fully appreciated the need for West Germany stepping up its offtake of Indian goods. Although, according to him, the West German Government as such could not undertake to provide loan assistance in the matter of export credits for capital goods, German banks could extend certain facilities which might be helpful from India's point of view. Another significant remark made by the leader is to the effect that West Germany would not lose interest in developing the Indian market for its manufactures, because of the attractions of the European common market. The common market will take 15 years or so to be organised and there need not be any clash, according to him, between Germany's willingness and capacity to trade with India and its desire to avail itself of the opportunities of the common market system.

For its part, the Ministry of Heavy Industries has done its best to allay the West German fears about a possible decline in exports to India on account of our restrictions on the import of capital goods. For one thing, the new regulations about the import of capital goods on a deferred payment basis are not as stringent as they appear to foreign suppliers, for the payment would actually be made in a large number of cases in three or four years, instead of seven years, although the initial payment would be low. These are the projects in which the payment for capital goods would be linked to their going into production and starting to save or earn foreign exchange. Payment would also be allowed to be made on the dates specified in the relevant import licence, irrespective of the time when the project goes into operation. However, if the supplies are not delivered according to schedule, the payment would be deferred for a corresponding period. The Ministry has also made it clear to the West German mission that the condition regarding seven-year export credits would not be applicable to a large number of projects. There would be insistence on this condition only in respect of projects whose potential to earn or save foreign exchange is not appreciable. The leader of the West German mission has, however, declined to commit himself and his delegation on a subject on which his country's industry alone could take a decision.

Helpful Stand

The West German mission, on the other hand, has taken a positively helpful stand on other matters under discussion with the Government of India. In the first instance, it has offered to receive an exporters' mission from India to enable this country to assess the possibilities of stepping up exports to West Germany. Secondly, it has taken up for further discussion the West German Foreign Minister's offer to set up in India a prototype workshop for small industries. The West German outlay on this project will be about Rs. 50 lakhs, while the rupee expenditure to be borne by India will be mainly on buildings. The mission has presented, in this connection, the project report for setting up the said prototype workshop. The mission's talks with the appropriate Ministries of the Government here are continuing, and their outcome is being watched with considerable hope.

Whatever be the outcome of the talks with the German mission, there is currently some ground for optimism in the arrival here of the Vice-President of the Export-Import Bank of Japan. He is to discuss with the Government of India the possible supply of Japanese capital goods on deferred payment basis. It is learnt that the Bank is thinking in terms of possibly financing Japanese exports of heavy machinery to India. There may not be much difficulty in the matter of evolving some suitable arrangement, in view of the fact that the Japanese Government's regulations already permit deferred payments for a period of five years. What is more, Japan has waived its restrictions on investment of Japanese capital in foreign countries. It is also recalled that the Japanese Federation of Heavy Machinery Manufacturers has already taken some preliminary steps to promote Japanese industrial investments in India.

The U.S. trade mission which returned to the Capital last week-end after its tour of industrial centres in India, has, however, held out no definite hope in the matter of export credits. The leader of the mission has not indicated any possibility of immediate large-scale accommodation to Indian importers by private firms in the United States, nor has he foreseen any official initiative in this matter. Some U.S. firms, according to him, have already accommodated Indian importers and others would emulate their example. And his country's Import-Export Bank might also be prepared to take up the matter.

(Continued on page 771)

PRECARIOUS BALANCE

From Our Own Correspondent

LONDON, *6th April*

LONDON LETTER

ON the face of it, 1956 ended up as a good year on balance of payments account. The overall surplus was £233 million, as compared with a deficit of £79 million in 1955 and yet, the gold reserves were only saved from falling away to a fantastically low level by the drawing of £200 million from international sources. The Economic Survey for 1957 takes as its main theme (one must remember this is a Treasury paper) the need to build up an even greater balance of payments surplus. Even investment, which might mean additional imports or a diversion from exporting of the capacity of the heavy industries, is frowned upon. The short-term view is taken that we must export more and more to build up a greater surplus on current account. Undoubtedly, before this theory comes to be put into practice in the months ahead, the question will be asked why exports are expanding with such difficulty and may be the answer will be suggested—because we are not putting aside enough to investment to improve our exporting power. It may be the battle of the long view against the short.

In 1956, imports (f.o.b.) aggregated £3,462 million and exports £3,403 million leaving a negligible overall deficit of £59 million. Against this, invisibles brought in no less than £462 million to which defence aid added £23 million.

Comparison

The following table shows how the second half of the year went compared with the similar period in 1955.

(In million £'s)

	July-December	
	1955	1956
Imports—		
Dollars	379	412
Other	1,355	1,316
	1,734	1,728
Exports—		
Dollars	258	311
Other	1,282	1,391
	1,540	1,702
Balance on visible trade	—196	— 26
Invisibles including defence aid	+188	+206
Government expenses	— 96	—101
Net balances	—102	+ 79

Thus, while imports were more or less held, exports improved something like 10 per cent. and largely accounted for the overall improvement over the period. What then caused the deterioration in the gold and dollar reserves? In the first place, investment principally in the sterling area at the rate of £243 million more than absorbed the whole of the surplus on current account. In the second place, heavy drawings on the sterling balances to the tune of £185 million would have drawn down the gold and dollar holdings by a combined total of £195 million. In the event, this was offset by borrowings of £200 million, so that, by 31st December, the gold and dollar reserves were more or less at the same level as the year before.

The following table shows over the last five years how the surplus (in most years) on current account has been drawn away by investment overseas, and the consequent effect on the overall international balance.

(In million £'s)

	1952	1953	1954	1955	1956
Current account surplus	+247	+188	+228	— 79	+233
Overseas investment	— 92	—175	—235	— 17	—243
Net surplus (+) or deficit (—)	+155	+ 13	— 7	— 96	— 10
Change in overseas sterling holdings	—330	+227	+ 94	—133	+15*
	—175	+240	+ 87	—229	+ 5

* This is made up of a drawing down of sterling balances of £185 million and on the other hand drawings by the U.K. on international reserves of £200 million.

It will be apparent from the above table that relatively small movements in the sterling balances can create havoc with the slender balances on overall trade account. Yet, if one is seeking to indite the holders of sterling balances for having embarrassed the U.K. by their drawings, one must also appreciate that, at the end of 1952, the sterling holdings of all the countries stood at £3,219 million and, at the end of 1956 at £3,425 million showing over the five years an *increase* of £200 million.—*All Rights Reserved.*

AMERICAN LETTER

WRATH OVER "HIGH" BUDGET CONTINUES

CONGRESS MAY APPLY THE CUTTING AXE

From Our Special Correspondent

NEW YORK, *3rd April*

PUBLIC opinion in the United States was pleased about the Eisenhower-Macmillan talks at Bermuda, but final judgment is reserved until future events prove the success which has been suggested in the official *communiques*. The inside story is that closer and more continuous liaison is to be established among responsible officials of the British Foreign Office and the American State Department. It is obvious that, while the conference dealt with the general goals of both nations in the Middle East, no common policy details have been spelled out. At any rate, hereafter, British and American officials are expected to keep in constant touch on all unresolved issues and will seek to chart a common course as various world problems arise.

It seemed to most observers on the spot that mists of suspicion between Washington and Whitehall which had arisen from the Suez attack were largely blown away—at least for the time being. The second point on the agenda concerned guided missiles, as indicated in my previous despatch. The talks brought forth an American promise to provide the United Kingdom with such missiles. This was played down purposely, wishing to avoid exciting anybody.

The prospect is that U.S. short-range missiles of 100-mile range will be ready in some quantities in 1958. They are primarily for tactical use by ground forces and against aircraft. Beyond that, Britain is to get long-range missiles capable of travelling about 1,500 miles which could strike deep into and behind the Iron Curtain. Weapons in this category, however, will not be ready for another five years, according to the experts.

The U.S. armed forces have not yet settled on the prototype of the future long-range missile. The Army has developed its "Jupiter" and the Air Force its "Thor." Both sides insist theirs is superior, but both need perfecting and the final weapon may be a combination of the two. Then there will be a long wait before orders are placed and production is begun.

Self-restraint

Over the protests of India and Japan, Britain and the United States will continue with their atomic and hydrogen bomb tests. Both leaders agreed that a treaty with Moscow placing limitations on atomic tests "today could not be enforced effectively, nor could breaches of it be detected surely." There will, however, be self-restraint in tests. They will be announced well in advance, it was said.

Moscow reaction was as expected. The Kremlin reiterated its proposal to stop nuclear tests altogether. As in the past, the Russians gave no indication of their willingness to accept inspection or guaranties, but Denmark and Norway were warned not to permit establishment of N.A.T.O. bases in their territories.

Meanwhile, much interest was shown here in two other overseas events. One was the entry into the canal of the first Suez convoy, since that waterway was blocked last November. The other was the signing at Rome of the six nations' pact to create a common European market and of a second agreement, Euratom, which provides for the joint development of atomic power for peaceful purposes. Both treaties will have to be ratified by the respective legislatures in the countries concerned. There is much curiosity here what ultimate effect both instruments might have on world trade. It is likely to take another decade to find out.

A mild bombshell was exploded here the other day by President Eisenhower's suggestion that a constitutional amendment be passed providing that a majority of the Cabinet members may be empowered to authorise the Vice-President of the United States to take over the power of the President in the event the latter should become incapacitated. The suggestions was outlined by the White House to Congressional leaders. There was much opposition. Those who opposed the idea said that the proposed change was unnecessary, since the Constitution provided for such a contingency—without formal action by the Cabinet.

The Eisenhower Middle East doctrine which was finally adopted, also was held to be superfluous on the same grounds. The President's insistence naturally led to a lot of speculation and bewilderment. Why bring up such an issue, if it is not imminent was the popular question, or is it imminent? Is there more behind it that meets the naked eye? In the perspective of the heart attack which the President suffered and of his serious operation later, many do believe that there may be doubts in the Chief Executive's own mind about his state of health, even though physicians have pronounced him hale and hearty for his age.

Future events will tell a clearer story. The Eisenhower suggestion, indeed, may be based on the honest conviction of the President that, since this is his last term anyway, provision should be made in the Constitution for a transfer of power in the event not only of death but also of disability of the President.

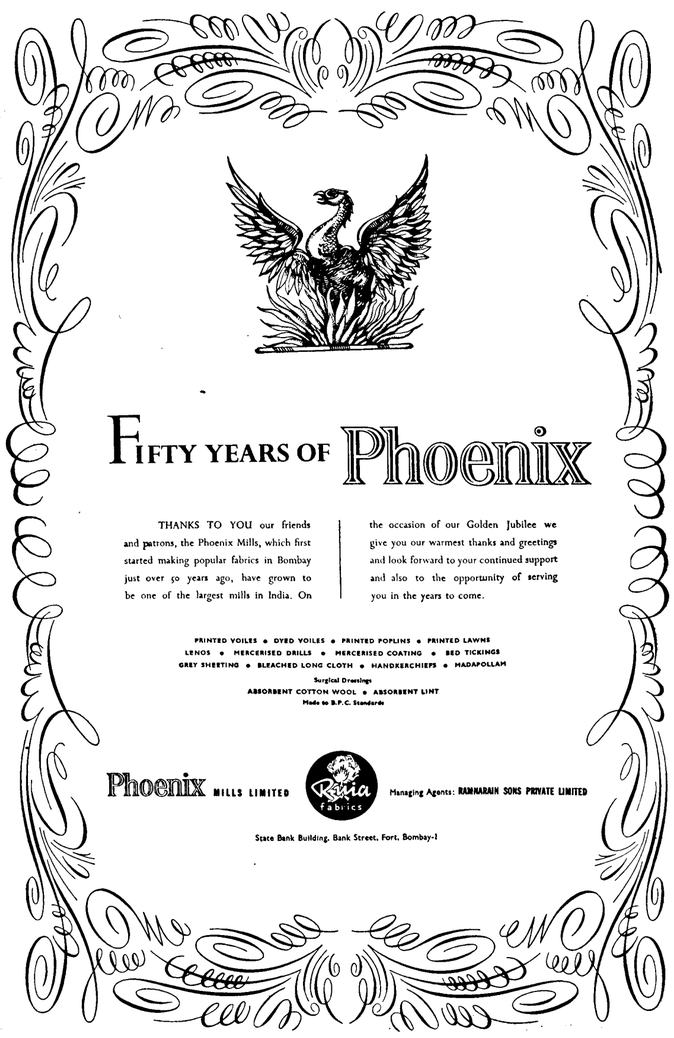
The Vice-President

Part of the opposition to the plan is based, undoubtedly, on the dislike of Mr. Nixon, the Vice-President. He is quite young, compared with others in government. His progress has been rapid and an element of envy cannot be denied. In the event of Mr. Eisenhower's disability, Mr. Nixon would be "acting President" under the plan. It cannot be disputed that the Vice-President has done an admirable job in representing the United States overseas and there is no reason to assume that he could not do an adequate job as acting President, even though he does not have the experience and world-wide esteem which Mr. Eisenhower enjoys personally. At any rate, this is some of the background of the current controversy.

Economically, the picture in the United States remains unchanged. The soft spots, fractional as they are, in the picture as a whole also remain unchanged. Automobile sales are slower than expected and the textile situation has not improved.

The last season in New York's centre of the garment industry was poor, and orders and reorders are not too encouraging. Retail business which is now largely pre-Easter buying, has been relatively good and slightly above last year. Some allowance must be made, however, for higher prices.

Upturn in terms of dollars does not necessarily mean a higher unit volume so that, in the final analysis, the retail picture is a little better than unchanged. The wrath over the extraordinarily high Federal Budget continues and it is almost certain that Congress will apply the cutting axe in various areas where it is politically feasible. The constituents will have to be appeased. There has been some easing of money rates which may turn still easier unless the business situation improves materially.—*All Rights Reserved.*



INSTITUTIONAL FINANCE IN JAPAN

CENTRAL BANK WIELDS OVERWHELMING INFLUENCE

JAPAN, as the most industrialised country of Asia, provides a storehouse of valuable knowledge and experience in the sphere of industrialisation upon which the rest of Asia can draw profitably. Though, in its insularity, relative deficiency in foodstuffs and raw materials and dependence on foreign trade, it is akin to the U.K., nevertheless, it shares with the rest of Asia some of its peculiar features and problems, such as large population and a high annual rate of increase of as much as 2 per cent. (as against 1.25 per cent. in India) and dependence of a large proportion of the total population on agriculture, forestry, fishery and small industries. Japan's emergence, in the context of these problems, as the most industrialised country of Asia is no small measure due to the effective role played by its financial institutions. These include, at present, the Bank of Japan, which is the Central Bank of the country, ordinary commercial banks, institutions for long-term credit, institutions for financing small enterprises, besides those for financing agriculture and forestry, and Government financial institutions. An important point to be noted here is that the pivotal role played and influence wielded by the Bank of Japan increased enormously, owing to the absence of a well-developed capital market, with the progress of industrialisation in the country.

In this connection, the article entitled "Financial Institutions of Japan" in the March issue of the *Reserve Bank of India Bulletin*, in which has been discussed at considerable length the growth of the various types of financial institutions in Japan, will be read with much interest. The reorganisation of the currency system on sound lines in Japan started with the establishment of the Bank of Japan in 1882, when the function of note issue was transferred to it from the national banks established under National Banks Ordinance promulgated in 1872. The process of bringing about uniformity in the functions and legal status of national banks and other private banks was completed by 1899, and all of them were made subject to General Banking Laws. For about 20 years, till the end of the First World War, the chief functions of the commercial banks were to provide long-term finance and short-term commercial loans to enterprises, and agricultural finance. A special feature of these activities was that the banks were able to give long-term loans because of the preponderance of fixed deposits in the resources raised by them. This, however, led to frequent crises of banks to prevent which the Government established special banks like the Yokahama Specie Bank, Industrial Bank of Japan, etc., which obtained their resources largely by the issue of debentures.

Enforcement of Banking Law

The year 1927 was another landmark in the history of banking in Japan. Occasioned by a severe financial crisis, the year saw the enforcement of the new Banking Law designed to strengthen the capital structure of banks and to establish sound banking traditions in the management of banks. The law provided for minimum capital requirements and licensing and supervision of banks, and for promotion of mergers and amalgamations of banks. The effect of these measures was seen in the sharp decline in the number of commercial banks from 1,867 in 1901 to 377 at the end of 1937 and to 61 at the end of the Second World War. The period since the end of the war witnessed three distinct phases. In 1945, the Allied Occupation Authorities adopted measures to split up the huge banking trusts of "Zaibatsu" families which had grown under the support of the Government. The process of breaking up was completed in 1949 after 1,200 firms had been removed from the control of the large banks. This was followed by a revision in the policy, based on the consideration that a strong financial organisation was necessary for achieving economic self-support in Japan. Consequently, most of the Zaibatsu banks were allowed to function, and other trust companies were permitted to reorganise and engage in banking. The third phase started with the enforcement of the nine-point principle under the "Dodge Plan" in 1949, according to which the operations of the Bank of Japan were enlarged with a view to checking inflation and bringing about economic stability. This was followed in 1953 by a new policy aimed at economic stabilisation and normalisation.

The Bank of Japan is the Central bank of the country. In terms of the Bank of Japan Law of 1942, the capital of the Bank amounts to 100 million yen of which 55 million yen have been subscribed by the Government, and the rest by private shareholders. Since 1949, the management of the Bank was taken over by the Policy Board, on which are represented the Ministry of Finance, Economic Counsel Board, agricultural, industrial, commercial and banking interests. The Board formulates all policies of the Bank. The Bank, being the sole note-issuing authority, was following the elastic fiduciary system till 1942, when it was changed to what is called the "maximum issue system," the maximum limit of note issue being decided at present by the Ministry of Finance with the approval of the Cabinet.

Credit Control

The Bank controls credit through three instruments, namely, open market operations, the official interest rate and the qualitative control measures. An interesting feature of the open market operations in Japan is that they cover not only institutions having transactions with the Bank, but also other financial institutions like insurance companies, urban credit co-operatives, and mutual loan companies. These quantitative control measures formed part of the nine-point principle of the Dodge Plan. A feature of the Bank's operations, till August 1955, in the matter of interest rates was the "higher interest rate application system." Under this system, the Bank, in order to provide funds at low rates to important basic industries and to curb inflation, fixes a standard amount or a loan quota for each of the city banks on the basis of several factors such as banking deposits, cash, advances, etc., and any loan amount in excess of this quota is charged higher interest rates. Up to 15 per cent. of the amount of the quota loans are made at the basic bank rates, while those beyond 15 per cent. but not exceeding 100 per cent. of the quota are charged slightly higher rates, known as "primary higher rates." Loans that exceed the second limit are charged "secondary higher rates."

Besides this, there is also qualitative credit control, according to which specially low rates are charged for nationally important purposes. Since August 1955, however, credit control has been operated chiefly through bank rates. The higher interest rate application system was modified in such a way that it might be resorted to in exceptional cases. Another significant feature is that the banks are not required legally to keep a certain percentage of their cash reserves with the Central Bank.

Ordinary Banks

The "ordinary" banks of Japan, which more or less correspond to the commercial banks and savings banks in Europe and the U.S.A., numbered 86, while their offices were 5,672 as at the end of 1955. This means an average of 63 offices per million people. Of these, two are long-term credit banks, 13 large city banks, 65 local banks and 6 trust banks. Besides, there are 13 foreign banks with 33 branches engaged mainly in foreign exchange business in the country. One of the noteworthy features in the sphere of commercial banks is that only joint-stock banks with a capital of one million yen or more are given licence by the Government to engage in commercial banking business. Yet another is that the deposits, advances, and investments of the 13 city banks respectively accounted for 66, 60 and 56 per cent. of the total of all ordinary banks in December 1956. Another notable feature of the banking system is that most of the investment demand for funds is directed towards commercial banks, which, in view of limited resources at their command, passed on the burden to the Bank of Japan by resorting to borrowing. As a result, a large measure of control over industrial policy has come to rest with the banking system, the Central Bank being the ultimate deciding authority.

Over-loaning is yet another peculiar and persistent feature of the system in Japan. The ratio of loan and discounts to deposits of commercial banks moved between 130 per cent. and 101 per cent. between 1897 and 1922. There were wide variations since 1922. In 1955 when there was slackening in economic activity, the ratio stood at 85.8. During 1956, however, there was, once again, an increase in the ratio. The conclusion drawn from this is that, during the last decade, the Bank of Japan's lendings have been more or less turned to the credit requirements of the private sector, and, in the absence of a well developed capital market, or investing public, Japanese industry and trade had to be developed through a process of forced savings bank loans originating from the Central Bank.

Peculiar Characteristics

There are certain characteristics peculiar to the Japanese commercial banks. They are: (i) A small number of city banks having many branches throughout Japan is co-existent with many local banks which mainly meet the local demand for funds; (ii) The proportion of long-term deposits has generally been high in the composition of deposits and the supply of long-term industrial funds is an important part of bank credit; (iii) Since the demand for funds is so great in relation to their resources, the banks largely depend on the Bank of Japan; (iv) as a consequence of the scarcity of loanable funds, interest rates on both loans and deposits are high.

In the absence of capital accumulation and a developed securities market, the demand for long-term credit has been usually met by special banks. An outstanding feature of these banks is that they can issue debentures which the ordinary banks are not allowed to do. Japan's advance in the sphere of small enterprises is once again largely due to the institutions which are especially intended to meet their needs. Thus, the Central Bank for Commercial and Industrial Co-operatives, which was established in 1936, and the Mutual Loans and Savings Banks, created by law in 1951 by converting *Mujin Kaisha* (mutual loan companies), accept deposits from their members and other bodies and extend loans. The former organisation extends long-term credit without security, and discounts bills for associate co-operatives and their members. As at the end of December 1955, its total outstanding deposits amounted to 13,896 million yen, while total of outstanding loans and discounts stood at 66,041 million yen. As on the same date, moreover, 9,371 commercial and industrial co-operatives were operating in the country. Besides, there are credit associations, governed by the Credit Associations Law, 1951, which supply small business finance. These are non-profit-making organisations and membership in them is confined to small enterprises and wage earners. In order to expand credit facilities to the small enterprises, the Government has recently initiated a Credit Insurance Scheme, whereby banks providing long-term loans and advances to medium and small-scale industries are enabled to insure the loan against non-payment to a specified extent.

To provide agricultural finance, there is the Central Co-operative for Agriculture and Forestry, established in 1923. Its main function is the adjustment of regional and seasonal excess or shortage of funds among its members. While the unit co-operatives in agriculture and fisheries at the village level extend loans by accepting deposits, the Central Co-operative Bank has direct access to the money market and is also in a position to raise funds from outside the co-operative circle by issuing debentures, and to obtain Government funds or loans from the Bank of Japan under the Agricultural Bill System. It is interesting to note that under this system farmers are able to get loans for production purposes. An agricultural bill is a promissory note drawn by a unit co-operative for a loan given to a farmer. This bill is discounted by the credit federations, which, in turn, get it rediscounted at the Central Co-operative Bank. This bill is also accepted by the Bank of Japan as a collateral for loans which it extends to the Central Bank at an interest rate lower than the normal rate.

The Government of Japan has also created institutions for specific types of business of national importance. Of these, mention must be made of the Export-Import Bank of Japan and Japan Development Bank, originally established, respectively, in 1950 and 1951. Their objects are restricted to the provision of such long-term funds, for export and import business in the case of the former, and for economic development and industrial reconstruction in the case of the latter, as the private financial institutions find it difficult to supply. The former is also prohibited from competing with other financial institutions. Besides these, Japan has other types of institutions, such as Labour Banks, Life Insurance Companies and the Securities Finance Corporations, which cater to the needs of various sectors of the economy.

PROFIT OF HONGKONG BANK A SHADE HIGHER

FURTHER FALL IN LIQUID ASSETS

THE year 1956 turned out, on the whole, to be one of steady economic progress, with an improvement in industrial activity and trade, for almost all Asian countries. As one of the leading international banks serving these areas, the Hongkong and Shanghai Banking Corporation (Chief Manager: Mr. Michael W. Turner, Hong Kong) has had its own share in financing such widespread and increasing activities. This is duly reflected in the rise of H.K.$143.84 million in the Bank's advances to customers and of H.K.$39.27 million in trade bills discounted as at the close of the year. Though such an expansion has helped the Bank's advances nearly to double themselves in three years, and trade bills to rise by 50 per cent., the pace of expansion in these two main items of credit has slowed down during 1956.

The Bank's profit for the year amounts to H.K.$20.63 million, an increase of only H.K.$55,100 over the year which is not commensurate with the expansion in the Bank's activity. This is partly due to the fact that banking business as a whole has been less remunerative than in the previous year, on account of the higher interest rates on deposits and bank borrowings, and partly due to the series of unfortunate losses suffered by the Bank in Calcutta. Nevertheless, with this small rise, the Bank has established a fresh record in its profit since 1930.

With the undistributed surplus of H.K.$10.61 million brought forward from 1955, the distributable sum, at H.K.$31.24 million, is higher by no more than H.K.$0.44 million. As in the previous year, a sum of H.K.$4 million has been utilised to write off Bank premises and H.K.$16.20 million for distribution to shareholders at £5 per share (made up of an interim payment of £2 per share and a final one of £3 per share), same as that paid a year ago on the increased capital of H.K.$25 million raised by the capitalisation of H.K.$5 million from the reserves in March 1955. These appropriations leave H.K.$11.04 million to be carried forward to 1957.

The following comparative table, giving the synopsis of the Bank's balance-sheets as at the close of the last four years, provides an idea of the Bank's progress:

(In thousands of H.K. $)

	As on 31st December			
	1956	1955	1954	1953
Capital	25,000	25,000	20,000	20,000
Reserve fund	128,000	128,000	128,000	96,000
Undistributed surplus	11,040	10,607	10,215	9,859
Note issue	675,742	675,742	675,742	755,742
Current, deposit and other accounts	2,564,288	2,557,376	2,672,641	2,636,471
Acceptances	16,130	20,356	56,521	10,557
Cash	200,907	260,260	330,986	439,317
Money at call and short notice	149,086	189,788	576,659	680,530
Securities against excess note issue	645,883	645,883	645,883	725,883
Investments—				
In Government and other securities	349,084	415,347	406,760	388,213
In subsidiary companies and associated company	10,867	9,264	2,136	2,136
Advances	1,213,502	1,069,860	929,455	645,653
Trade bills discounted	600,013	560,740	404,555	326,653
British and other Government treasury bills	220,746	227,066	208,216	295,928
Balance-sheet total	3,430,300	3,427,200	3,571,195	3,536,687

The current, deposit and other accounts show a small increase of H.K.$6.91 million, in contrast to the fall of H.K.$115.27 million noted in 1955, with the result that they are well below those at the close of 1954. They could have been more but for the transfer of some of the funds by depositors to the U.K. to take advantage of the high rates obtainable there.

This active demand for bank credit is reflected in the rise, as already pointed out, of H.K.$143.84 million in the Bank's advances and of H.K.$39.27 million in trade bills, thanks to a large extent to the growing industrial and commercial expansion in South-East Asia and to the credit squeeze in the U.K. which made itself felt in the Eastern territories, where the Bank largely operates, in a greater measure during the year under review. In the case of the Hongkong Bank, this was further aggravated by the fact that some concerns which had previously obtained a large part of their finance in London turned to the Bank for their credit requirements, while at the same time transferring their deposits to the U.K., as stated above.

As a result of the larger facilities granted to its constituents, the Bank's cash balances have shrunk by H.K.$59.29 million, money at call and short notice by H.K.$39.80 million and Government Treasury Bills by H.K.$6.32 million. Investments in Government securities also have declined by H.K.$66.26 million, but this is due partly to the fall in market value of British, Colonial and other Government securities quoted in Britain and partly to the sale of investments mainly in connection with the transfer of the funds of the staff retirement scheme to a separate trust. Despite the shrinkage in these liquid assets, the Bank has been prudent in maintaining a suitable degree of liquidity. The ratio of the Bank's readily realisable assets to its total liabilities as on 31st December 1956 is a little under 45 per cent., which, though the Directors consider as a safe margin, shows a fall over the last few years and serves as a reminder that the Bank's ability to finance the capital and current requirements of its clients must of necessity have some limitation.

BRITISH BANK OF THE MIDDLE EAST

SHARP FALL IN PROFIT

A SIZABLE setback in business turnover, accompanied by a further rise in expenses, has been responsible for the sharp drop in profit of the Indian branches of the British Bank of the Middle East (Manager: Mr. P. L. Sandeman, Bombay) for the year ended 31st December 1956, the third year of the Bank's operations in India after it took over the branches of the National Handelsbank N.V. on 1st January 1954. The balance-sheet total, which had gone up from Rs. 8.48 crores to Rs. 9.99 crores at the close of 1955, has declined to Rs. 8.74 crores. Similarly, after recording a rise from Rs. 2.12 lakhs to Rs. 9.63 lakhs, the Bank's profit has fallen to Rs. 1.59 lakhs for the year under review.

The Bank's gross income has dropped by Rs. 4.23 lakhs to Rs. 29.24 lakhs, in distinct contrast to the rise of Rs. 10.62 lakhs to Rs. 33.47 lakhs noted in the previous year. This is mainly accounted for by interest and discount earned which have fallen by Rs. 5.32 lakhs. Commission and exchange have, on the other hand, gone up by Rs. 1.01 lakh, but this is more than offset by the rise of Rs. 0.78 lakh in interest paid and of Rs. 2.92 lakhs in expenses, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December		
	1956	1955	1954
Interest and discount earned	15.04	20.36	15.01
Commission and exchange	14.12	13.11	7.76
Interest paid	6.62	5.84	4.44
Expenses	29.92	18.00	16.29
Depreciation	0.11	..	..
Profit	1.59	9.63	2.12
Remitted to Head Office	3.33	8.59	1.24
Carry forward	0.18	1.92	0.88
	As on 31st December		
	1956	1955	1954
Capital	20.80	20.81	20.66
Deposits	2,40.99	2,44.45	1,75.04
Borrowings from other banks	15.00	10.00	25.00
Bills for collection (*contra* item)	1,31.07	1,31.10	89.31
Acceptances (*contra* item)	2,38.85	2,03.52	2,13.69
Advances	4,10.26	5,37.45	4,53.03
Investments	38.53	30.92	20.50
Cash	51.68	74.04	64.83
Balance-sheet total	8,73.61	9,99.44	8,47.80

The Bank's deposits as at the close of the year show a slight fall of Rs. 3.46 lakhs, as against a rise of Rs. 69.41 lakhs noted at the end of 1955. Current and other accounts show a sharp recession from Rs. 214.43 lakhs to Rs. 188.22 lakhs and savings bank deposits are somewhat lower at Rs. 63,000. It is, however, gratifying to note that the decline in these two classes of deposits has been made good to a considerable extent by the expansion in fixed deposits from Rs. 29.37 lakhs to Rs. 52.14 lakhs. There has also been a rise of Rs. 5 lakhs in borrowings from other banks. Advances have dwindled from Rs. 5.57 crores to Rs. 4.10 crores and their recession has more than offset the rise of Rs. 1.04 crores noted in 1955. Of the decline in advances, loans, cash credits and overdrafts (at Rs. 2.27 crores) account for Rs. 76 lakhs and bills purchased and discounted (at Rs. 1.83 crores) for Rs. 71 lakhs. Notwithstanding the sharp fall in advances, the Bank's cash balances at the close of the year show a shrinkage of Rs. 22.36 lakhs and investments are higher by only Rs. 7.61 lakhs. There has been a welcome expansion in the Bank's foreign bills business, as witness the rise of Rs. 35.33 lakhs in acceptances, endorsements, etc.

HIND BANK'S PROFIT AT RECORD HIGH

DIVIDEND MAINTAINED

THE audited accounts of the Hind Bank Ltd. (General Manager: Mr. S. D. Pardiwalla, Calcutta) for the year ended 31st December 1956 make encouraging reading, inasmuch as the Bank's profit has been further marked up by Rs. 1.25 lakhs to a new high of Rs. 12.11 lakhs. It must, however, be noted that the rise in profit for 1956 is less pronounced than in the previous year, but this is not a peculiar feature of this Bank alone. For the general rise in costs and higher rate of interest paid on deposits and borrowings by banks have considerably reduced their profit margins.

With the rise in profit, the provision for taxation has also been stepped up from Rs. 4 lakhs to Rs. 4.50 lakhs and the allocation to the reserve fund from Rs. 2.50 lakhs to Rs. 3.75 lakhs. The dividend is, however, unchanged at 6 per cent., to which level it had been raised last year from 3 per cent. paid for 1953 and 1954.

An idea of the Bank's progress during the last three years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount earned	24.21	19.81	15.54	14.51
Commission and exchange	11.35	11.48	8.26	7.89
Interest paid	12.01	9.86	7.73	5.75
Expenses	12.04	10.34	9.38	8.53
Depreciation and repairs	0.38	0.24	0.19	0.24
Profit	12.11	10.86	6.56	7.91
Provision for taxation	4.50	4.00	2.50	3.86
To reserves	3.75	2.50	1.50	2.00
„ bonus to staff	0.90	0.83	0.39	0.40
„ gratuity fund	..	..	0.25	..
Dividend	3.00 (6%)	3.00 (6%)	1.50 (3%)	1.50 (3%)
Carry forward	1.02	1.66	1.13	1.01
	As on 31st December			
	1956	1955	1954	1953
Capital	50.00	50.00	50.00	50.00
Reserves	29.75	26.00	23.50	22.00
Deposits	5,11.77	5,12.48	4,07.01	3,80.30
Borrowings from other banks	..	0.02	..	..
Acceptances	1,80.28	2,51.28	1,59.23	2,20.96
Advances	3,49.37	3,80.17	2,62.67	2,36.59
Investments	1,28.45	1,26.60	1,12.33	1,10.25
Cash (including money at call and short notice)	1,14.48	90.06	1,07.65	1,14.89
Balance-sheet total	7,92.74	8,66.42	6,79.87	7,01.79
Ratio to deposits of—	%	%	%	%
Advances	68.2	74.1	64.5	62.2
Investments	25.1	24.7	27.6	29.0
Cash	22.4	17.6	26.4	30.2

It will be noted that the Bank's earnings by way of interest and discount have gone up by Rs. 4.40 lakhs, thus maintaining the upward trend for the fourth year in succession. During these four years the income from interest and discount has more than doubled itself from Rs. 10.67 lakhs in 1952 to Rs. 24.21 lakhs in 1956. The upward trend in earnings from commission and exchange noted in previous years has, on the other hand, been slightly reversed, though, at Rs. 11.35 lakhs, it is higher than that in any of the years preceding 1955. Interest paid on deposits and borrowings has also risen by Rs. 2.15 lakhs and expenses by Rs. 1.70 lakhs.

The Bank's balance-sheet shows a slight fall in deposits from the previous year's record level and a decline in advances. The recession in deposits is mainly accounted for by the decline in fixed deposits from Rs. 1.92 crores to Rs. 1.76 crores, in contrast to the general trend of banks in respect of this class of deposits. Savings bank deposits have, on the other hand, gone up from Rs. 18.62 lakhs to Rs. 22.51 lakhs and current and other accounts from Rs. 3.01 crores to Rs. 3.13 crores. Advances, which had consistently maintained an upward trend since 1950, with a rise from Rs. 1.23 crores to a record high of Rs. 3.80 crores in 1955, have suffered a reversal in 1956 with a decline of Rs. 31 lakhs to Rs. 3.49 crores, at which level they constitute the second highest in the history of the Bank. The bulk of this decline is accounted for by bills purchased and discounted which have dropped from Rs. 1.44 crores to Rs. 1.20 crores. Loans, overdrafts and cash credits have gone down by only Rs. 7 lakhs to Rs. 2.29 crores. The fall in advances has enabled the Bank to strengthen its liquidity, as witness the rise of Rs. 1.85 lakhs in investments and of Rs. 24.42 lakhs in cash balances. About 86 per cent. of the Bank's investments are held in Central and State Government securities, of which 92 per cent. mature within the next eight years.

AUGMENTING HANDLOOM CLOTH OUTPUT

PRODUCTIVITY MUST BE RAISED THROUGH MECHANISATION

MR. V. Nanjappa, Textile Commissioner and Chairman of the All-India Handloom Board, did well to emphasise, in the course of his address at the first meeting of the reconstituted Board held in the City last week, that the State Governments must "do everything in their power to ensure increased production of cloth." The production performance of the industry has not been quite encouraging. Despite all the active measures of encouragement and support extended by the State—through loans and grants, tax relief and reservation of markets in certain lines of production—the industry could not produce more than 1,541 million yards of cloth during the calendar year 1956. This quantity, though it was higher by 68 million yards as compared with the previous year, fell considerably short of the target of 1,700 million yards set in the first Five-year Plan. By way of contrast, it may be mentioned that the mill sector achieved in the same year an all-time record output of 5,306 million yards (as against the target of 4,700 million yards), notwithstanding the series of stresses and strains to which it was subjected on account of the unhelpful official measures.

The low level of output in the handloom sector must be attributed to the fact that the very structure of the industry is defective. Since it is highly labour-intensive in character, not only is productivity in the industry at a low ebb but production also is uneconomic. If the production of handloom cloth is, therefore, to be augmented, it is imperative that the production operations must be mechanised. Otherwise, the industry will not be economic and the persons depending on it will continue to be at the mercy of subsidy from the State even for living on a hand-to-mouth basis. As this journal has ere now pointed out, the real, permanent solution to the present ills of the handloom industry lies in the introduction of powerlooms. It is highly regrettable that vigorous opposition to this measure has been voiced by organised handloom interests in some States, especially Madras and Andhra. It is even more regrettable that the opposition has found support at the hands of some Governments, such as Andhra, who have decided not to introduce powerlooms in the handloom sector.

Too Large An Allocation

Viewed thus, it will not be an exaggeration if it is said that the reliance placed on the handloom sector to meet a substantial part of the increased consumption requirements of cloth during the second Plan period is beset with dangerous consequences. Out of the 1,700 million yards of additional production necessary to give a *per capita* consumption of 18.5 yards—this is undoubtedly a very conservative estimate—after allowing 1,000 million yards for export, as much as 1,000 million yards are allocated to the handloom sector. This is certainly too large an allocation to be successfully fulfilled by the handloom sector. Mr. Nanjappa declared that the handloom industry would have to increase its production by at least 300 million yards during 1957-58, if the target of production was to be achieved. After the question as to whether this target can be reached, there is the question whether the handloom products will be produced at a price which suits the pockets of the common man. It must, indeed, be said to the credit of the Handloom Board that it has, in its third annual report, called upon the handloom industry to think in terms not of continuing to depend upon assistance which was introduced in the nature of expediency but of becoming strong enough to stand on its own feet. For it says:

"There is hardly any need to mention that organising a cottage industry like the handloom industry, which is a widely dispersed industry, on proper lines is itself a difficult task. The fact that this industry has a million looms within the co-operative fold in a little over 8,000 primary weavers' co-operative societies in the country is certainly no small achievement. At the same time, that by itself should not lead to complacency on the part of the authorities. It has to be admitted that a substantial number of these looms is only nominally under the co-operative fold; they do not work for the societies as such. Emphasis must hereafter be laid on making every one of these looms work for the societies, or, in other words, on giving full-time work all the year round for each one of these looms. The demand for cloth in the country has increased in the recent past and is expected to increase further. This means that the overall cloth production has to be stepped up to meet the increasing demand."

The Handloom Board has further stressed that the future role of the handloom industry must naturally depend largely upon the success with which it would attain the target set for it in the second Plan. It observes: "The consumption of cloth in the country has been increasing and it is necessary to keep a close watch over the production of cloth from all sectors in order to ensure that the consumer is not faced suddenly with problems of shortage or scarcity. As far as the mill sector is concerned, accurate statistics of production and sales are being collected by Government. But so far as the handloom industry, which is the next important sector for cloth production, is concerned, there are hardly any reliable statistics and Government have had always to depend upon estimates. Planning on the basis of mere estimates would be unscientific and might lead to undesirable results. A start must, therefore, be made with the collection of accurate statistical information regarding production and sales of handloom cloth by the handloom industry. The earlier this start is made, the better."

Financial Assistance

The Board has discussed the problem of Central Government's assistance to the handloom industry in respect of the latter's need for working capital. It agrees that working capital required for commercial or quasi-commercial operations is business finance which has to be obtained from institutional financing agencies. It may be noted here that the Committee appointed to consider the question of credit facilities for handlooms recommended that, with the co-operation of the Government, the Reserve Bank and the co-operative banks, it should be possible for weavers' co-operative societies to draw from the institutional financing agencies their entire requirements of working capital for production and marketing at very reasonable rates of interest and the societies should do so at an early date. Following this recommendation, the Government of India informed the States that the weavers' co-operative societies should draw working capital for production and marketing of handloom cloth from the Reserve Bank with effect from 1st April 1957. While on this issue, the Handloom Board says: "The inconvenience caused by having to change over from one system of finance to another could be readily understood, but there could hardly be any difference of opinion that it would be in the interest of the handloom industry, from the long-term point of view, to adjust itself to this change-over without delay, instead of depending upon a system which was introduced as a purely short-term arrangement."

In his address, Mr. Nanjappa mentioned that, from the commencement of the Cess Fund schemes in September 1953 till March 1957, the Government of India had sanctioned Rs. 17.5 crores for the development of the handloom industry, of which the State Governments had spent nearly Rs. 15.0 crores. Exports during 1956 aggregated 60 million yards, representing an increase of 4 million yards over the previous year. Stating that there was considerable scope for increasing export to foreign countries, Mr. Nanjappa disclosed that the Government had decided to set up an Export Promotion Committee to advise it on the steps to be taken from time to time for augmenting exports of handloom fabrics.

At the Board's meeting last week, a Standing Committee of nine members was constituted for recommending schemes of State Governments for sanction by the Centre. The Board considered the question of accumulation of handloom cloth in certain centres *vis-a-vis* the increased production of handloom cloth under the second Five-year Plan. The view was generally held that, whereas there should be no slackening of efforts towards increasing the production of cloth according to targets, the causes leading to accumulations must be examined and remedial measures taken expeditiously. The principal cause towards accumulation appeared to be the absence of satisfactory arrangements for linking production with consumer demand, and the members expressed the view that the pattern of production should be altered in order to meet the changing demands of the consumer.

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TAX ON RAYON GOODS

As readers are aware, the Union Finance Ministry is working out a scheme which seeks to replace the sales tax on cotton textiles (and also sugar and tobacco) levied by the Governments of the various States by a Union surcharge on excise duty at the source of production. The rayon weaving industry wants this scheme to be made applicable to rayon fabrics also. Speaking on the occasion of a tea party given to Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, the other day by the Silk and Art Silk Mills Association Ltd., Bombay, Mr. D. N. Shroff, the President, warned that any discrimination shown to rayon fabrics would adversely affect the industry and might even cripple it. Urging the Government to include these fabrics in the proposed levy of Union excise duty, he pointed out that such inclusion would mean an additional incentive to the dealers, thereby leading to increased production and addition to Government revenues. In support of this conclusion, he said:

"As far as rayon fabrics are concerned, it is a buyers' market. Now it will be still more difficult for producers to market their goods, since the traders will be disinclined to deal in such textiles as may entail a complicated procedure, since these traders deal in 90 per cent. of cotton fabrics and about 10 per cent. of rayon fabrics, and no business man will be willing to undergo such considerable hardship for the poor returns that are available to rayon fabrics dealers on their turnover. Already, the dealers in rayon fabrics suffer from a considerable handicap at present, since they are not in a position to buy in advance goods in bulk quantity in anticipation of the orders from their various out-of-town constituents, as the sales tax has to be borne initially by them, resulting in a considerable blocking up of capital."

Alluding to the above plea, Mr. M. C. Shah could not hold out any hope as to the future course of action that the Government would be taking, although he stated that, personally, the industry had a good case and its demand was justified. He, however, made it clear that his Ministry was not concerned with the subject of sales tax, as it was a subject for the States. In this connection, he observed: "If, however, the States refer this matter to the Central Government and are willing for the inclusion of this commodity along with cotton textiles, the Centre will have no difficulty in including this commodity along with cotton textiles. But, as you know, the States are very jealous of their rights, especially with regard to sales tax, and they would not like even the Central Government to touch upon a subject which is within their purview under the Constitution. It is rather a difficult task, but I can assure you that I am with you that this should be included in cotton textiles. Yours, I feel, is a just demand. You have a strong case and, if you succeed in creating public opinion in your favour, you might succeed and there will be some hope."

PHŒNIX MILLS

On the occasion of the Golden Jubilee celebrations of the Phœnix Mills Ltd., Bombay, held recently, the management could certainly regard the progress of the Company over the last 50 years with considerable satisfaction. So marked has been the progress made by the Company during these five decades since its inception in 1905 that the Mill today ranks as one of the leading textile manufacturing units of India. It now produces fine and superfine yarn of the highest counts, as against yarns of 20 counts only spun in the beginning. It also weaves a variety of quality fabrics. It may be noted here that the Mill has its own fully equipped dye-house and a printing department. The quantitative progress of the Company since 1905, as reviewed by Mr. Ramniwas R. Ruia, Chairman of the Company, may be summed up as follows:

The Mill was first started as a purely spinning unit with 36,956 spindles, mostly mule. It was converted, in 1913, into a composite unit by the addition of 504 looms. Both the spindles and the looms were progressively increased by stages and today the Mill has 69,208 spindles and 1,190 looms. The quality and the variety of products have also undergone a change for the better. The Company originally started with a paid-up capital of Rs. 8 lakhs. The paid-up capital now is Rs. 48 lakhs, as a result of the issue of Rs. 40 lakhs worth of bonus shares to the shareholders. The block account, which was Rs. 16.69 lakhs in the year 1905, now stands at the impressive figure of Rs. 155.86 lakhs. All this, it is gratifying to be told, has been achieved without recourse to shareholders. To the end of 1955, the Company had distributed Rs. 140.1 lakhs to shareholders as dividends and paid Rs. 206.12 lakhs as taxes, Rs. 85.02 lakhs as excise duty and about Rs. 30 lakhs as municipal taxes.

The foregoing account bears testimony to what Mr. Ramniwas Ruia characterised as foresight and zeal of the men who have been responsible for its management from time to time. While congratulating the Company on its notable progress in the past, we wish it every success in the future.

LANCASHIRE'S REACTION TO FREE TRADE AREA SCHEME

TEXTILE EXPORTS DECLINE

From Our Special Correspondent

MANCHESTER, *2nd April*

MANCHESTER LETTER

THE Government has taken "altogether too lightly" the question of safeguards for British industry in its support for a European free trade area, according to Mr. Fred Wood, President of the Master Spinners' Federation. "In their eagerness for their new liberalism, they have practically swept aside the need for any safeguards except those in respect of balance of payment difficulties," he told the annual meeting of the Federation. He added: "The Government may be riding a horse which has many good points, but at present the horse shows signs of running away with his rider."

Mr. Wood said the Federation, representing owners of 400 Lancashire spinning mills, still retained an open mind on the proposed free trade area. Opinion in the industry tended to be coloured by whether one was at the fashion and speciality end of the trade or producing coarse and medium goods.

But they were still entitled to ask the Government whether, while acting according to their conception of what was in the national interest, they had considered sufficiently the need for safeguards against unfair competition, maintaining basic and strategic industries, and avoiding the dissipation of invested capital and acquired skill.

There was also the need for ensuring that changes which had to be made were not so abrupt as to be brutal in their effects on large sections of the population. Mr. Wood urged the importance of a cautious approach to a European free trade scheme. Every industry was entitled to consideration, particularly if it was showing itself forward-looking.

Cloth Exports

Lancashire dropped from third to fourth place in the table of the world's major exporters of cotton cloth in 1956. Japan took first place, with exports aggregating 1,262 million square yards followed by India with 740 million yards, the cotton Board announced in its quarterly statistical review. The United States, which shipped abroad 520 million yards of cloth, took over as the third most important exporting cotton textile industry from the United Kingdom, whose exports fell to 474 million yards, as compared with 555 million yards in 1955.

Almost all the main Western European textile industries expanded output of cotton yarn last year but Lancashire's output fell below the 1955 total. Total world production reached a new record of 2½ per cent. greater than the 1955 figure.

Reviewing the position in Lancashire, the report said the daily rate of cotton, spun rayon and mixture yarn production in February was the best for almost two years. Output of spun rayon yarn continued at a high level, due to the new trade in coarse yarns for tufted carpets. The weaving section of the industry had been more badly hit by the labour shortage than any other section and the daily rate of output in January was less than in all but two months of 1956.

"Since the beginning of December there has been a marked slackening in the rate at which new orders have been received by the producing sections of the British cotton industry and order books have shown a general tendency to shorten," said the report. It added: "Clearly, many merchants had anticipated their requirements in the previous flurry of buying. However, the vast majority of mills are fully occupied in working all the orders they received in that period."

Pending Claims

Contrary to some expectations, the trade unions in the spinning and weaving industries have postponed their approach to the employers for higher wages. The facts of the case to be presented are to be studied by a small sub-committee before further action is taken.

Coupled with the proposed claim is a suggestion that a definite move should be made to obtain some form of compensation for operatives who become redundant when mills close down through the contraction of the industry. This has been a subject for discussion among the unions ever since amalgamations became prevalent soon after the war, and the call for financial assistance for the workers involved has been gathering momentum as the number of idle mills has increased.

This supplementary demand may well be responsible for the unions' uncharacteristic delay in submitting their demands for higher earnings. To draw up a suitable scheme to provide compensation will require much skill and attention to detail if it is to have the slightest chance of consideration by the employers.

Earnings Up Again

Six months ago when the Ministry of Labour published returns showing earnings and hours worked at the end of April last year the wage advance of 5 per cent. conceded in the cotton industry had not actually come into operation. As a result the current statistics, covering October 1956 indicate a sharp advance in earnings.

The survey covers the wage rates of more than 7,000,000 workers in manufacturing industries and in October last the average pay packet for the first time exceeded £10 a week with adult men receiving £11 17*s.* 11*d.* and women £6 3*s.* 2*d.* The increase during the six months was 3*s.* a week on average but it is significant that the average level of weekly earnings for all workers had risen by 94 per cent. between April 1947 and October 1956.

Compared with the average general rise during the six months under review, the improvement in the position of textile operatives was very marked, as the following table shows:

	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)	All workers
Cotton Spinning	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
October, 1955 ..	191 8	117 5	118 9	96 5	141 7
April, 1956 ..	194 3	116 7	119 10	96 5	142 9
October, 1956 ..	205 3	126 3	126 11	102 7	151 6
Cotton Weaving					
October, 1955 ..	193 11	101 2	125 7	93 4	146 5
April, 1956 ..	196 7	104 5	126 0	94 1	147 11
October, 1956 ..	206 8	112 7	133 3	99 1	156 1
Total Cotton					
October, 1955 ..	192 7	111 8	121 9	95 2	143 8
April, 1956 ..	195 3	112 7	122 6	95 6	145 0
October, 1956 ..	205 10	121 7	129 7	101 3	153 5
Rayon Weaving					
October, 1955 ..	206 9	97 5	128 5	88 1	156 11
April, 1956 ..	212 3	102 1	130 0	99 4	159 6
October, 1956 ..	219 3	104 10	134 3	95 11	165 5
Textile Finishing					
October, 1955 ..	208 4	101 2	109 6	79 5	174 3
April, 1956 ..	209 8	102 5	110 10	80 10	175 10
October, 1956 ..	220 1	107 3	114 11	83 6	183 8

Adult male operatives in the cotton spinning and weaving industries have thus secured a £10 a week average for the first time, while the payment for juveniles continues substantially higher than the rates ruling in many other trades. Women workers still retain a satisfactory level of earnings but the advantage they once held in relation to other industries is not as pronounced as it was a few years ago.

Indicative of the better trading conditions encountered in Lancashire towards the end of last year is the fact that average hours worked in cotton mills in October was 43.9 compared with 43.6 in April. In spinning, the average was 44 hours and in weaving 43.8, while in textile finishing an average of 48.2 hours were worked per week.

Two-shift Working

Declaring that considerable changes are necessary in the cotton and associated textile trades to meet the new conditions, Mr. S. S. Hammersley, Chairman of Cotton and Rayon Spinners, Ltd., the Royton group, says in his statement sent out with the accounts that the industry will have to plan for more than single-shift working on modern machinery.

He adds that the proposal for a Free Trade Area in Europe constitutes a challenge Britain cannot afford to ignore. If, in face of this challenge, the industry refuses to adopt two-shift working, then, he warns, redundant capacity and uneconomical working in every section of the industry will drive down profits and in time lead to our virtual extinction. Mr. Hammersley continues: "We can refuse to participate in the European market, thus being driven to clamouring for more and more protection for the home market and a reliance on Commonwealth markets—every one of which desires to develop its own textile industry—everyone of which offers opportunities which are progressively diminishing. I am confident Lancashire will not take this defeatist attitude."

Problems of Change

On the domestic policy for the Lancashire textile industry, Mr. Hammersley writes: "Two changes are necessary. An altered outlook in the use of modern machinery and a more flexible organisation of the industry itself. Though

(*Continued on page 751*)

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COTTON IN THE E.C.A.F.E. REGION

TREND OF PRODUCTION AND EXPORTS

AGRICULTURAL production in the E.C.A.F.E. region in the 1955-56 crop year, according to the Survey of the Economic Commission for Asia and the Far East, was at a record level, exceeding the pre-war average by nearly 20 per cent. But unfortunately this increase has not been shared by cotton, one of the chief commercial crops of the region and a major foreign exchange earner. In the E.C.A.F.E. countries, exclusive of mainland China, according to the Survey, the 1955-56 season brought an apparently temporary break in the upward trend in production of raw cotton, a further increase in consumption and a reversal of the downward trend in exports. In mainland China, however, raw cotton production in 1955-56 was estimated at 1,518,000 tons, which was 42.5 per cent. above the 1954-55 crop.

The decrease in production was, according to the Survey, due to heavy flood and insect damage to the Indian crop which, in spite of an 8 per cent. increase in planted area, declined by 14 per cent. to 3.8 million bales (of 478 lbs.). Contrary to early reports, output in Pakistan continued its upward trend with a further gain of 9 per cent. over the 1954-55 crop, to 1,425,000 bales. The combined crop of the two countries decreased by 9 per cent. from 5,735,000 bales in the 1954-55 season to 5,225,000 bales in 1955-56. The plans of both countries, however, envisaged a further expansion in cotton production.

In 1955-56, consumption of raw cotton increased in India, Japan and Pakistan. In Japan, contrary to earlier expectations, total consumption in 1955-56, at 2,322,000 bales, was only slightly below the post-war peak of 1953-54. A new peak, at 4,260,000 bales, was reached in India. In Pakistan, raw cotton consumption continued the uninterrupted increase noticeable since Partition; at 800,000 bales, it was nearly tenfold the 1948-49 figure and equal to 56 per cent. of the total cotton production of the country.

Exports Up

The downward trend in exports of raw cotton from India and Pakistan, which had persisted since 1952-53, was reversed in 1955-56. The increase was especially notable in India, which exported its surplus of short-staple varieties. Total 1955-56 exports from India, at 540,000 bales, were two and a half times the 1954-55 exports and constituted a new post-war high. India's imports, chiefly from African countries producing long-staple cotton, increased slightly, from 492,000 bales in 1954-55 to 500,000 bales in 1955-56. Sizable imports of raw cotton from the United States into India were expected as a result of the agreement concluded in August 1956 with the United States under its Public Law 480, according to which 500,000 bales (480 pounds net) of United States surplus cotton were to be imported against rupee payments during the ensuing three years, with a minimum annual import of 100,000 bales. In Pakistan, the increase in raw cotton exports was about 12 per cent. over the previous year, the total being 726,000 bales. Japan the main customer, took 36.8 per cent., mainland China, which ranked second, took 17.5 per cent. The combined share of E.C.A.F.E. countries was 61.5 per cent., about the same as in the two preceding seasons. The heavy exports from India were made possible by rather large stocks in the beginning of the season—about 2.42 million bales—following a favourable crop and a small volume of exports in 1954-55. With high exports and high domestic consumption in the 1955-56 season, the initial stocks of the 1956-57 season were about half a million bales smaller. In Pakistan, the initial stocks of the 1956-57 season, at 165,000 bales, were at their lowest initial level since 1951-52.

Price Trend

Cotton prices were depressed early in the 1955-56 season by the announcement of the United States plan to release for export, from January 1956, one million bales of short-staple cotton owned by the Commodity Credit Corporation, and later by the announcement that all types of cotton owned by the agency would be sold competitively in world markets, beginning 1st August 1956. In Karachi, points out the Survey, the price (including the export tax) of 289F Punjab SGF reached a seasonal low of 29.99 U.S. cents a pound in October and, after rallying by May 1956 to about 34 cents, slipped back after announcement of the new United States export policy to about 32 cents. The decline continued during the 1956-57 season until mid-October, when prices below 27 cents were registered. The year ended, however, on a rising note, and in mid-December the price stood at 32.72 cents.

Regarding the current season the Survey observes that precise estimates of the 1956-57 crop are not available. However, the new crop in India was earlier expected to be about 15 per cent. and that of Pakistan about 8 per cent. above the 1955-56 season. Since the initial stocks were rather low in both countries and some increase in domestic raw cotton consumption was possible in both, supplies for export appeared likely to be smaller than in the 1955-56 season.

ALL-INDIA THIRD ESTIMATE OF COTTON

The all-India third estimate of cotton for the current (1956-57) season, released by the Directorate of Economics and Statistics, Union Ministry of Agriculture, puts area and production at 18,084,000 acres and 4,084,000 bales (of 392 lbs. each), as compared with the adjusted third estimate of 17,553,000 acres and 3,382,000 bales respectively for the previous season. This represents an increase of 531,000 acres or three per cent. in area and 702,000 bales or 20.8 per cent. in production over the 1955-56 season. Production of cotton seed is estimated at 1,429,000 tons during the current season, as against the corresponding adjusted estimate of 1,184,000 tons for 1955-56, an increase of 245,000 tons or 20.7 per cent.

This estimate, it may be noted, does not cover the entire area sown to cotton during the season. Past experience has shown that the area reported in the third estimate forms roughly 85 per cent. of the acreage finally reported. The following table gives the details of the estimate in terms of trade description and staple length:

	Area ('000 acres)		Production ('000 bales of 392 lbs.)	
	1956-57 (3rd estimate)	1955-56 (adjusted 3rd estimate)	1956-57 (3rd estimate)	1955-56 (adjusted 3rd estimate)
By Trade Description—				
Bengals	795	912	283	266
Americans	2,993	2,812	1,021	718
Jarilla (including Virnar and Verum)	1,783	1,596	467	289
H. 420	141	146	25	18
Oomras	878	958	123	152
Hyderabad Gaorani	1,226	1,223	100	97
Malvi	1,242	1,503	251	351
Broach-Vijay	1,237	1,139	314	292
Surti-Suyog	716	599	182	148
Dholleras	1,753	1,558	345	322
Southerns	1,565	1,490	287	268
Comillas	55	54	16	15
Total	18,084*	17,553†	4,084‡	3,382§
By Staple Length—				
Long staple	5,470	5,208	1,268	1,033
Medium staple	6,691	6,377	1,615	1,370
Short staple	2,263	2,415	531	533
Total	18,084*	17,553†	4,084‡	3,382§

Note:—
* Includes 3,325,000 acres for Vidarbha and 135,000 acres for Kutch for which variety-wise details are not available.
† Includes 3,425,000 acres for Vidarbha and 128,000 acres for Kutch for which variety-wise details are not available.
‡ Includes 620,000 bales Vidarbha and 50,000 bales for Kutch for which variety-wise details are not available.
§ Includes 422,000 bales for Vidarbha and 14,000 bales for Kutch for which variety-wise details are not available.

The increase in acreage during the current year has been reported mainly by Bombay and to a lesser extent by Punjab, Andhra Pradesh, Madras, Assam and Kerala and has been attributed to favourable weather conditions at the time of sowing during the current year, as compared with the previous year. The increase in acreage has, however, been offset to some extent by decreases recorded mainly in Madhya Pradesh, Mysore and Rajasthan, due to diversion of some area under cotton crop to wheat and other *rabi* crops. Increase in production has been reported by almost all the cotton-growing States except Bihar and Mysore, the rise being marked in the case of Bombay, Madhya Pradesh and Punjab. This has been attributed partly to increase in acreage and partly to favourable weather conditions during the growing period.

As regards the different varieties of cotton, the increase in production has occurred mainly in Americans, Jarilla, Broach-Vijay and Surti-Suyog and a decline in Malvi and Oomras. The increase in production has been largely shared by medium- and long-staple cotton.

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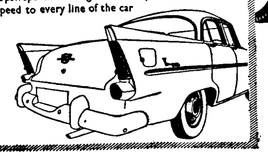

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BALANCE SHEET AS AT 31st DECEMBER, 1956

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
Deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act 1949, Government Securities of the face value of Rs. 21,19,400 included in investments on the opposite side.		Not applicable
2. Reserve Fund and Other Reserves		Not applicable
3. Deposits and Other Accounts—		
Fixed Deposits	53,66,624 10 0	
Saving Bank Deposits	Nil	
Current Accounts, Call Deposits, Contingency Accounts, etc.	2,48,51,900 3 8	
		3,02,18,524 13 8
4. Borrowings from Other Banking Companies, Agents, etc.—		
(1) India	32,00,000 0 0	
(2) Outside India	2,89,254 8 11	
		34,89,254 8 11
PARTICULARS—		
(1) Secured	Nil	
(2) Unsecured	34,89,254 8 11	
5. Bills Payable		1,58,500 7 11
6. Bills for Collection Being Bills Receivable as per contra—		
(1) Payable in India	61,37,613 0 0	
(2) Payable outside India	12,67,454 11 1	
		74,05,067 11 1
7. Other Liabilities—		
Branch Adjustments (In India)	1,13,708 7 3	
Head Office and Balances of Foreign Branches	89,79,375 3 6	
Unexpired Discounts	24,522 7 0	
Pension and Provident Funds	2,74,861 11 6	
		93,92,467 13 3
8. Acceptances, Endorsements and Other Obligations per contra		1,77,73,992 10 3
9. Profit and Loss—		
Profit for the year 1956 brought from the Profit and Loss Account	1,59,715 7 11	
LESS—Merged with Head Office and Inter-Branch Balances	1,59,715 7 11	Nil
10. Contingent Liabilities—		
(i) For Bills of Exchange rediscounted, all of which have run off	1,39,604 5 0	
(ii) For outstanding Forward Exchange Contracts (net)	86,77,289 0 0	
(iii) Guarantees given on behalf of others	88,30,622 0 9	
(iv) On Partly-paid shares of a Joint Stock Company	3,500 0 0	
Total Rs.		6,84,37,808 1 1

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		26,72,310 15 5
2. Balances with Other Banks on Current Account—		
(1) In India	89,634 9 5	
(2) Outside India	2,87,162 8 5	
		3,76,797 1 10
3. Money at Call and Short Notice		Nil
4. Investments (at cost or market value whichever is lower)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	47,07,147 5 0	
(ii) Shares—Partly-paid Shares—unquoted. Written-off	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other investments	Nil	
(v) Gold	Nil	
		47,07,147 5 0
(Securities of the face value of Rs. 21,19,400 deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act 1949 and of Rs. 4,500 as deposit with Post and Telegraph Offices)		
5. Advances—		
(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India	2,02,63,348 5 10	
(ii) Outside India	21,277 11 2	
	2,02,84,626 1 0	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— Rs. a. p.		
(i) Payable in India	30,22,272 10 1	
(ii) Payable outside India	98,57,085 3 2	
	1,28,79,357 13 3	
		3,31,63,983 14 8
(Particulars of Advances—as per attached Schedule)		
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	61,37,613 0 0	
(ii) Payable outside India	12,67,454 11 1	
		74,05,067 11 1
7. Constituents Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,77,73,992 10 3
8. Premises Less Depreciation (Transferred to Head Office Account)		Nil
9. Furniture and Fixtures Less Depreciation		Written-off
10. Other Assets—		
Head Office and Balances of or with Foreign Branches	10,99,257 0 10	
Interest accrued on Investments	53,223 13 11	
Other Interest Receivable	20,548 2 11	
Advance Payment of Income-tax and Tax deducted at source	10,84,107 0 0	
Stamps	5,406 10 0	
Prepaid Expenses and Amounts receivable	72,124 7 7	
Deposits	3,341 4 0	
		23,38,508 7 3
11. Non-Banking Assets Acquired in Satisfaction of Claim		Nil
Total Rs.		6,84,37,808 1 1

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1956

PARTICULARS	Rs. a. p.	PARTICULARS	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	2,76,43,547 5 6	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	12,784 14 0
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	39,01,948 14 0	(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	15,28,487 10 9	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other person	14,468 2 9
(iv) Debts considered doubtful or bad, not provided for	Nil	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil
Total Rs.	3,31,63,983 14 8	(ix) Due from Banking Companies	1,41,064 12 0

Dr. **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956** *Cr.*

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. To Interest paid on Deposits, Borrowings, Head Office and Foreign Branches Accounts, etc.	7,59,504 14 0	1. By Interest and Discount including from Head Office and Foreign Branches	11,73,395 7 5
2. ,, Salaries and Allowances and Provident and Pension Funds (Salaries and Allowances to Manager of Principal Office in India Rs. 62,736-10-0 excluding Special Bonus)	9,68,053 12 5	2. ,, Commission, Exchange and Brokerage	12,18,105 2 11
3. ,, Directors' and Local Committee Members' Fees and Allowances	Nil	3. ,, Rents	1,02,930 0 0
4. ,, Rent, Taxes, Insurance, Lighting, etc.	1,27,839 2 9	4. ,, Net Profit on sale of investments Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	26,505 11 0
5. ,, Law Charges	10,234 7 0	5. ,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. ,, Postages, Telegrams and Stamps	46,734 5 2	6. ,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. ,, Auditors' Fees	6,400 0 0	7. ,, Other Receipts (including Rs. 59,000 received in 1953 being refund of Income-tax re: Superannuation Fund Contribution now written back and Rs. 34,374-1-4 refund of Income-tax for 1953 received during the year)	1,21,112 3 6
8. ,, Depreciation on and Repairs to the Banking Company's Property	Nil		
9. ,, Stationery, Printing, Advertisements, etc.	48,236 9 6		
10. ,, Loss from sale of or dealing with non-banking assets	Nil		
11. ,, Other Expenditure (including Income-tax provision and Head Office Supervision Charges)	5,15,329 14 1		
12. ,, Balance of Profit	1,50,715 7 11		
Total Rs.	26,42,048 8 10	Total Rs.	26,42,048 8 10

(Sd.) E. FINOT,
Manager for India.

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Indian Branches of Comptoir National d'Escompte de Paris, as at 31st December, 1956, and also the foregoing Profit and Loss Account of the Indian Branches of the Bank for the year ended on that date in which are incorporated the returns of the Calcutta Branch of the Bank audited by other Auditors.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949 read with the provisions to Sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of these books, and proper returns adequate for the purpose of our audit have been received from the Calcutta Branch;

(c) the Balance Sheet and Profit and Loss Account of the Indian Branches of the Bank dealt with by this report are in agreement with the books of account and the returns;

(d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies, and on such basis and read with the notes appearing thereon, the said Balance Sheet gives a true and fair view of the State of the affairs of the Indian Branches of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit of the Indian Branches for the year ended upon that date.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 29th March, 1957.

GOVERNMENT PREPARED TO ALLOW LARGER SUGAR EXPORTS

RENEWED EFFORTS AT MAXIMISING OUTPUT

A NOTABLE pronouncement which Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, made in his inaugural address at the twenty-fourth annual meeting of the Indian Sugar Mills Association, held at New Delhi on Friday last week, was that the Government was prepared to allow larger exports of sugar on suitable offers. The Government, he said, had for the time being agreed to permit exports of a little more than 100,000 tons, but there was no rigidity about any figure. And he added that efforts were being made to maximise production of sugar, so that larger quantities might be made available for export.

The Government of India's willingness to permit further exports of sugar will be widely welcomed for two reasons. First, it will help the sugar factories to tide over, to some extent at least, the difficult problem of finding godown space and finance for stocking large quantities of sugar. The supply position of sugar is very comfortable, the quantity actually available in the current season being estimated at as much as 2.6 million tons (inclusive of the previous season's carry-over) which is nearly 500,000 tons more than what is expected to be required to meet the domestic needs in full. Secondly, exports of sugar will earn for the country the much-needed foreign exchange. As Mr. S. S. Kanoria, President of the Association, stated in his speech, if we can export 300,000 tons of sugar annually, we can earn foreign exchange to the tune of about Rs. 24 crores per annum. On this basis, the total yield of foreign exchange during the second Five-year Plan period may be estimated at nearly Rs. 100 crores, which represents 6.6 per cent. of the anticipated foreign exchange deficit of Rs. 1,500 crores.

While the need for building up an export market for sugar is thus of much significance, the question arises as to whether Indian sugar can be sold competitively in world markets. It is no doubt true that, in view of its geographical position, India, as Mr. Kanoria said, is in a much better position than any other sugar-exporting country; the net imports of neighbouring countries, which may be considered as our natural markets, are about 1.2 million tons per annum. It is also true that the world price of sugar has gone up of late. Nevertheless, the fact remains that the cost of producing sugar in India is high in all conscience, thanks to the heavy incidence of taxation—Central and State—which comes to over 25 per cent. of the price of sugar. If, therefore, the Government is really anxious to earn foreign exchange through sugar exports, it must unhesitatingly come forward with a downward revision in taxes.

Instead of appreciating the need for tax relief, the Union Food and Agriculture Minister warned the domestic consumers that they should be prepared to pay more for their quota of sugar. Justifying his stand, he observed: "Losses suffered by most of the surplus countries in the world in exporting sugar to other countries at competitive prices are made by suitably raising prices for internal consumption. . . . I think we will have to work out a scheme on some similar lines." This approach of Mr. Jain is, to say the least, not only irrational but also highly unjustified. As it is, the price of sugar, as already stated, is high in all conscience. The domestic consumer has nursed the sugar industry for 18 years during which it enjoyed tariff protection by making a heavy sacrifice in the form of payment of high prices for their requirements of sugar. Viewed thus and considering that sugar is an essential item of consumption, it is, indeed, deplorable on the part of Mr. Jain to come forward with a proposal asking the consumer to pay a higher price for sugar. The chief factor which has weighed with the Minister in pleading for a higher sugar price seems to be not so much the need for facilitating the export trade as the consideration that the revenues to the exchequer will be augmented, especially since the present excise duty on sugar is proposed to be replaced by a Central sales tax.

If, however, Mr. Jain is not prepared to sacrifice to any extent the Centre's share of tax on sugar, he could at least prevail upon the Governments of the States to refund, as Mr. Kanoria rightly urged, the cane cess on that part of the sugar output which is exported. It is certainly regrettable that the Government of Uttar Pradesh which had once agreed to such a refund has since changed its mind. Mr. Kanoria also wanted the co-operation of railways in the shape of special rates for carrying sugar intended for export to the ports, as was the practice at one time. It is to be hoped that this plea will receive the attention it deserves.

In the course of his address, the President of the Indian Sugar Mills Association criticised the way in which the Government of India was implementing the development programme for the sugar industry. He pointed out, for instance, that sufficient preference has not been given to expansion of existing units over establishment of new factories, that more capacity had been licensed in the South than in the North and that the expansion programme had not been related to the sugarcane development scheme in various States.

Mr. Jain, however, dismissed these remarks as incorrect. Substantiating his contention, he made the following observations:

"Almost all the applications received for expansions were accepted. It was only in a few cases that such applications had to be rejected and those were cases of factories which had applied for further expansions without completing the installations, licences for which had been previously granted to them. In certain other cases, applications for expansions were received too late. It has never been the intention of the Government to license the additional capacity on a regional basis. The interest of the country as a whole has to be kept in view and licences have been issued for installing new factories after taking into consideration all the relevant factors, including suitability of sites, availability of sugarcane and the economics of production. The number of applications received from the Northern States, particularly U.P. and Bihar, where the number of sugar factories is already large, was very few. The increase in production of sugarcane under the second Plan is to be achieved almost entirely by increasing the yields per acre, and not by increasing the area under cane. As regards the question of maximisation of sugar production by bringing 18 idle factories into production, an expert committee appointed to examine in detail the case of each one of them found that the plants of 14 of them were small and not capable of expansion or economic working."

The Food and Agriculture Minister gave the assurance that all possible measures to bring into production the additional capacity of one million tons licensed recently would be adopted. In this connection, he disclosed that, of the 57 licences issued for the setting up of new factories, eight had already come into production and another ten would have gone into production this year but for the Suez crisis which delayed the arrival of machinery. According to him, in spite of the difficult foreign exchange position, the requirements of the sugar industry are being given special consideration in the import of machinery, as also in allocation of steel and cement. Twenty new factories may be in a position to start operation next year and the remaining during the subsequent two years. Arrangements are being made to develop the manufacture of machinery for sugar industry in collaboration with foreign firms. Incidentally, the Minister regretted that the progress of expansion in the existing factories had not been up to his expectation. Out of 69 licences granted, it is only in about 20 cases that expansion has been carried out and that too only partially in some cases.

Proceeding, Mr. Jain expressed satisfaction that the co-operative form of organisation in the sugar industry had shown a degree of success; of the 38 units licensed so far, five had gone into production and six others were under construction. He disclosed, in this connection, that it was proposed to set up a national federation of co-operative sugar factories to give the necessary assistance in the formation of these societies, procurement of site and machinery, raising of finances, and supply of technical advice.

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ply the industry's requirements as far as possible. He looked forward to the day when transport would definitely cease to be a bottleneck. He also assured the colliery owners that any discrimination between the two sectors was not consistent with the present policy of the Government, which was looking up to the private sector for production of nothing less than 75 per cent. of the total coal requirements for the second Plan.

RAISING COAL OUTPUT

TRANSPORT BOTTLENECK MAIN HANDICAP

THE private sector of the coal industry is assigned the task of reaching a target of 45 million tons per annum at the end of the second Five-year Plan. This represents an increase of 10 million tons over the annual output at the end of the first Plan period, as against an additional output of 12 million tons per annum to be achieved by the public sector by 1960-61. The relatively smaller allocation of the target to the private sector does not mean that it is less capable or equipped than the collieries in the public sector. In fact, the plans submitted by the private collieries made it clear that they are in a position to increase their output by no less than 30 million tons by the end of the second Plan period. They are as anxious as the Government itself to deliver the goods.

The private collieries are not asking for any financial assistance from the Government to discharge their responsibilities. All that they want, as Mr. D. Samanta, President of the Indian Colliery Owners' Association, submitted in the course of his comprehensive address at the annual general meeting of the Association held a few days ago, are better facilities and more congenial atmosphere for carrying out their development plans without undue interference. They ask for a greater appreciation of their difficulties and a sympathetic and co-operative attitude on the part of the authorities. They are handicapped by the inadequacy of transport and shortage of iron, steel, cement and machinery. The position in respect of transport, as the colliery owners themselves admit, has improved considerably, as witness the movement of as much as 35 million tons of coal during 1956, for the first time in the history of the industry. The daily average loadings in 1956 amounted to 4.250 wagons, an increase of 200 wagons over 1955, but they are still far behind the collieries' requirements, which are estimated at 4,860 wagons per day for 1957-58 and about 6,800 wagons in 1960-61. The collieries also complain that the Government's policy in respect of granting adequate siding accommodation for them is disappointing and unhelpful. According to them, not even 10 miles of track in the entire coalfields of West Bengal and Bihar will be required to be laid down, if the collieries' requests for sidings and loading accommodation are granted most liberally. It is true that the shortage of rails and other materials stands in the way of providing necessary sidings, but the colliery owners are not convinced of this argument, as they feel that in view of the importance of coal movement priority should be given to this problem.

Another factor which, according to the colliery owners, is likely to affect the movement of coal is the introduction of the five-hour daylight loading system with effect from 1st December 1956 which means a reduction of one hour in coal loading hours. This reduction is not going to change the situation materially, but what the collieries are worried about is its effect on lower despatch and higher cost of loading which will be detrimental to the overall economy of the coal industry. It is pointed out that, under the existing arrangements, wagons move only for 4½ hours and an effort to improve transportation can, therefore, be made in the direction of reducing the idle hours of the wagons in transit.

It is also alleged by the colliery owners that in the matter of wagon allocations for transport, the railways show a discrimination in favour of State-owned collieries. Whatever wagons are available from the pool for daily loading of coal, it is stated, go first to meet the full requirements of the State collieries and the balance of allotments fall short of the actual requirements of the private collieries. In respect of granting siding facilities, the State-owned collieries are said to enjoy the most preferential treatment.

It is not that the Government has no confidence in the private sector's ability to fulfil the target fixed for it and is not appreciative of the difficulties facing the private sector. In fact, the other day, the Coal Controller, when he addressed the Indian Colliery Owners' Association at Dhanbad, admitted that some of the difficulties were real and substantial, such as, for instance, the shortage of steel, cement and imported machinery. Some such shortages were bound to be there at times and the industry, he said, should be prepared to face them. He, however, assured the industry that the Government would always be prepared to sup-

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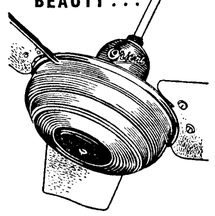

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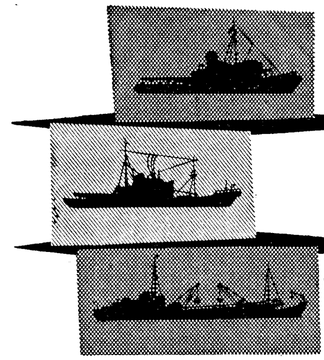

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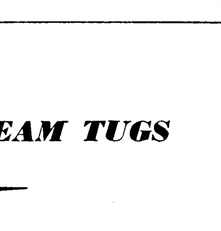

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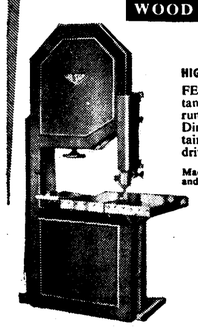

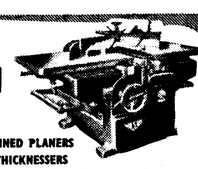

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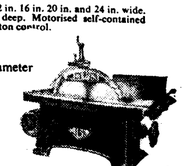

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TEA CONSIGNED TO LONDON AUCTIONS

PAKISTAN FIXES CEILING

THE decision of the Pakistan Government to restrict the consignment of tea from that country for direct sale in London auctions during the current season has had no effect on tea prices in London, where quality teas with colour and strength continue to attract inquiries, and plainer, end-of-season, teas fetch lower prices. This was because the Pakistan Government's order does not mean any cut on the total quantity of tea that will be available from that country to consumers in the U.K. The Pakistan Government has fixed the limit on the quantity so consigned at 4.5 million lbs. This restriction will be effective for one year ending 31st March 1958, after which date it will be reviewed, if necessary. There will, however, be no restriction on export of tea against letters of credit to any destination.

The placing of a limit on exports on a consignment basis to London is intended to encourage the sale of tea through Chittagong auctions, in order to stabilise prices at reasonable levels, thus attracting foreign buyers to Pakistan's main tea auction centre. The other benefits that are expected to be derived from this restriction are a reduction in retail price of tea, which is the common man's beverage in Pakistan, and a reduction in the loss of foreign exchange incurred on consignments of large quantities of tea to the London market by way of brokerage, warehousing and handling charges in London.

The restriction will reduce to 30 per cent. the amount of Pakistan tea sold at the London auctions, which in 1956 amounted to 15 million lbs., out of the total exports to the U.K. from Chittagong amounting to 19.43 million lbs. during the year. In 1955, the total exports aggregated no more than 9.06 million lbs. in 1954. Season-wise exports also show a similar trend. Thus, during the period April 1956 to February 1957, Pakistan's exports to the U.K. amounted to 21.4 million lbs., having recovered from 8.7 million lbs. in the corresponding period of 1955-56. They, however, fall short of the exports (22.4 million lbs.) in the 11 months ended February 1955.

The rise in exports far exceeds the increase in Pakistan's tea crop, which during 1956 aggregated 54.4 million lbs., as compared with 52.5 million lbs. in 1955 and 54.6 million lbs. in 1954. It is perhaps this encouraging trend in exports that has lured Pakistan to give some attention to develop Chittagong as an export auction centre and thus earn some foreign exchange for the country. Pakistan's decision provides, however, another example of the trend among some producing countries to build up their own domestic auction centres, the previous instance being provided by India. Tea auctions in Chittagong began in 1949 and the quantity of tea sold there has been rising, though it is much less than that sold in London, Calcutta and Colombo.

Pakistan's anxiety to develop a centre within its frontiers as an international market is understandable, just as India was keen on gradually selling all its exportable teas in Calcutta and Cochin. If India's experiment in this direction provides any guidance, it is doubtful whether Pakistan will succeed in its laudable attempt. It will be recalled that the Government of India fixed in July 1955 a limit of 140 million lbs. on the quantity of tea which might be consigned from North India to London for auction at that centre. It did not, however, fix any ceiling in respect of South Indian tea, because the Government was satisfied that the actual consignments were not likely to exceed the previous level of 23 million lbs.—a quantity well below 25 per cent. of the South Indian crop. This decision followed the recommendation of the Tea Auction Committee (Ghoshal Committee) that there should be a gradual reduction of the quantity of tea consigned to auctions in London. The limit fixed by the Government was, however, a slight modification of that recommended by the Committee. The Committee had recommended that the quantity so consigned in 1955-56 should not exceed 30 per cent. of the season's crop and 25 per cent. of the crop in 1956-57. It had also recommended that the position should thereafter be reviewed to see whether a further reduction to 20 per cent. could be made. The Committee felt that within five years the whole of India's tea crop should be sold in India itself. The Government of India did not think it necessary or desirable to fix a ceiling on a percentage basis. It, therefore, fixed a ceiling for 1955-56 of 140 million lbs. in respect of North Indian tea. As the South Indian exports to London auctions were much less than the ceiling recommended by the Committee and as they were not expected to exceed 25 per cent. of the crop, the Government did not fix any ceiling for South Indian tea. The strange part of the whole episode was that, within eight months after its decision, the Government had to withdraw this ceiling.

One of the difficulties in the way of developing Calcutta as an international auction centre was the absence of any effective arrangement for storing and financing of surplus production. The difficulties are all the greater now, in the context of the acute stringency in the money market and shortage of building materials to erect warehouses. Against this background, the success of Pakistan's latest decision will be watched with interest, particularly when its crop is just one-tenth of Indian production. Though the ceiling fixed by Pakistan is less than one-tenth of its output, it remains to be seen whether traders in London will take the trouble of turning to Chittagong for this small additional quantity, which they can get easily from other producing countries.

PLANTATIONS IN KERALA

The worst fears of the investors in Kerala plantation shares have been confirmed by the Communist Chief Minister of Kerala, Mr. E. M. S. Namboodiripad, with his announcement at his first Press Conference after assumption of office last week, that the State Government would take the earliest opportunity to initiate discussions with the Central Government on the nationalisation of foreign-owned plantations in the State. He added that the issue might be taken up at the next meeting of the National Development Council.

In reply to a question about compensation to be paid, the Chief Minister said that the Government had not calculated what exactly the compensation would be. He quoted the opinion of eminent economists that the Government could derive more resources than what it would have to pay by way of actual compensation. Replying to another question whether the Government would not have to pay compensation in foreign currency if the foreign-owned plantations were taken up, the Chief Minister said that the Government could pay compensation in rupees and he cited the instance of what Col. Nasser did in regard to compensation to the owners of the Suez Canal.

Mr. Namboodiripad expected that the Central Government would agree to the proposal. If it was found that there was a case for nationalisation on economic merits, as it applied to the economy of Kerala, he was confident that any reasonable man would agree to it. He added that he would request the Centre to consider it as a case specifically for the development of Kerala. He was sure that when the case was argued in this manner, even those who rejected the resolution for nationalisation of the tea industry in the Lok Sabha would be convinced and would agree to the proposal. If the Centre does not agree, the State Government cannot go against its direction. It can do nothing, as the Chief Minister himself admitted, except recording its strong protest. There is, therefore, some hope for investors that the Central Government will not go against its own decision.

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that India can preserve its competitive position. Mr. Jalan did well to draw attention to the importance to the export trade of assured supplies of goods and stability of prices. At the same time, he took care to warn against any complacency by saying that India was entering a period in which its combative strength was to be severely tested. As an instance, he pointed out that Pakistan's jute industry had grown from a mushroom to a very respectable size. Its exports of jute manufactures in 1956 aggregated 80,000 tons, an increase of about 50 per cent. over the previous year, and roughly equal to 10 per cent. of India's total exports.

An idea of the efforts made by Pakistan to expand its jute industry can be had from the fact that so far 11 jute mills with 6,500 looms have been established and 1,250 more looms are being established. The total investments in these mills aggregate Rs. 18.50 crores, of which the share of the Pakistan Industrial Development Corporation is Rs. 5.96 crores, the balance having been contributed by private investors. Production during 1956 was valued at over Rs. 18 crores, of which goods worth about Rs. 10 crores were exported. Besides expanding mills in its own country, the Pakistan Government is said to be interested in establishing mills in foreign countries also. During 1956, the Government invested through the P.I.D.C. a sum of Rs. 1.14 crores in jute mills in Egypt, Iraq and Turkey.

SHIPMENTS OF JUTE GOODS PICK UP

OVERSEAS DEMAND LIKELY TO RISE

THE jute goods markets have been ruling fairly steady in recent weeks, with a moderate rise in prices of all varieties, thus reversing the earlier trend noted since the close of 1956. This reversal does not provide any indication whether the rise is only a temporary phase or will be sustained in the coming months. For the current prices are well below those seen at the close of 1956, as will be noted from the following table:

	Latest as on 6-4-1957	A week ago	End of February, 1957	End of December, 1956
B. Twills—	Rs.	Rs.	Rs.	Rs.
Ready	112.00	110.69	107.62	119.75
April-June	112.75	111.87	108.75	120.75
Hessian 40" × 10 oz.—				
Ready	41.00	40.69	40.44	46.37
April-June	41.44	41.19	40.25	44.25

The slight recovery is said to be due to reports that business for shipment has been on a fair scale, though a part of it is to be attributed to speculative activity also. It is stated that there have been large enquiries from the U.K., North America and the Argentine for hessian, and export business is being done in heavy sacking also. There seems to be a change in the market's earlier estimate of the demand for gunnies. It is now generally expected that the consumer demand for gunnies during 1957 will not fall below that of 1956 and, at the current rate of mill production, the stocks with mills at the end of the year are expected to be even down to a modest level. The sizable decline in stocks at the end of February from 103,200 tons to 97,600 tons paved the way for this change in the market's sentiment, notwithstanding the fact that the February-end stocks were higher than those at the end of December last and substantially more than those at the close of February 1956. The figures of shipments for the month of March, which show an encouraging trend, have further strengthened the market's expectations. The following are the figures of shipments (including coastal shipments) relating to manufactured goods from the Port of Calcutta—gross figures based on shipping bills presented:

(In tons)

	Bags	Cloth	Total
Hessian			
1st to 31st March, 1957 ..	3,030.3	32,415.7	35,446.0
1st to 28th February, 1957 ..	2,054.4	27,761.0	29,815.4
1st to 31st January, 1957 ..	5,755.6	33,439.7	39,195.3
Sacking			
1st to 31st March, 1957 ..	40,095.4	5,412.2	45,507.6
1st to 28th February, 1957 ..	27,004.9	3,433.4	30,438.3
1st to 31st January, 1957 ..	29,052.1	229.5	31,376.6

The overseas buyers have evidently been attracted by the low prices touched in February and booked substantial orders. It is expected that some of the important overseas customers of India, whose purchases in 1956 were less than those made in the previous year, will step up their purchases during the current year. Thus, the Argentine's imports of jute goods from India showed a disappointing drop. This was possibly due to the fact that large stocks had been built up previously and were utilised during the year. There is, however, some prospect of a larger offtake from that country during the current year, with the return of trade there to private hands. Shipments to Australia, the biggest customer for Indian heavy goods, which had been marked down last year, are also expected to improve this year. Shipments to the U.S., no doubt, rose from 180,000 tons in 1955 to 195,800 tons in 1956. The increase in internal consumption there did not match with the higher offtake, but the general trend of consumption showed an upward trend. This has given rise to hopes that it will be maintained in 1957. Consumption of hessian in February this year, at 62 million yards, showed a substantial decline, as is usually the case in that month, but the closing stocks at the end of the month (including those afloat) were very low at 166 million yards, as against 267 million yards a month ago and 245 million yards a year ago. This also provides an indication that the offtake of hessian from India may be higher this year. Reliance is also placed on consumption in India itself, with the expected rise in agricultural production and cement output.

The realisation of these hopes lies, as Mr. N. K. Jalan, Chairman of the Calcutta Jute Fabrics Shippers Association, pointed out the other day, in the mills getting jute at lower prices and the stabilisation of prices of finished goods at the current levels, so

(Continued in previous column)

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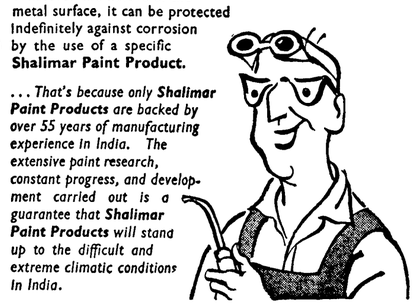

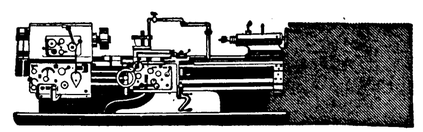

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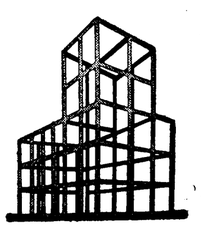


SHALIMAR PAINTS

SPW 358

DEVELOPMENT OF INTERMEDIATE AND MINOR PORTS

SECOND PLAN ALLOCATION QUITE INADEQUATE

WHILE it is true that the development and expansion of ports, which are vital links in the effective and efficient working of transport both by sea and land, have to be related to the general improvement of industry and trade in the country, their planning and construction should precede the anticipated developments in the different sectors of the economy. In view of the large development and production plans envisaged under the Second Plan the need for expansion of port capacity can hardly be overemphasised. The Government is, however, not unaware of the overriding importance of the development of port and harbour facilities. But its efforts in this direction in the past have not been commensurate with the requirements. This is particularly true in the case of intermediate and minor ports, although it cannot be denied that major ports, namely, Calcutta, Bombay, Madras, Cochin, Visakhapatnam and Kandla have been receiving increasing attention.

There are at present about 226 minor ports in the country—that is, ports with an annual cargo tonnage below 100,000 tons but not less than 1,500 tons—of which 150 are working ports. Ports having a capacity of below 1,500 tons are sub-ports. Intermediate ports which handle 100,000 tons of cargo a year, number about 18. The normal tendency of the Government before attainment of independence was towards overconcentration of the export and import traffic of the country, mainly concentrated in the major ports. Other ports along the coastline suffered age-long neglect. In the post-independence period also, intermediate and minor ports did not receive the attention they deserved. The Estimate Committee, in its recent report on Intermediate and Minor Ports, has pointed out that considering that these ports handle about one-sixth of the traffic handled by all major ports taken together, they have not received adequate attention in the First Plan. In actual figures, schemes included in the First Plan for rehabilitation, modernisation and expansion of facilities at the major ports were estimated to cost about Rs. 61 crores, whereas the development schemes planned for execution at the minor and intermediate ports were estimated to cost only Rs. 2.4 crores. While final figures regarding the amount actually incurred are not available, provisional figures suggest that only 40 per cent. of the planned expenditure for development of minor and intermediate ports could be incurred during the First Plan period.

Allocation of Funds

In the Second Plan also, the funds earmarked for the development of minor ports, including intermediate and sub-ports, are only Rs. 5 crores, as compared with Rs. 81 crores for the major ports. The former are, therefore, only 1/16th of the latter despite the fact that the amount of traffic handled by the minor and intermediate ports is about one-sixth of that by the major ports. This proportionate allocation of funds, according to the Committee, is partly due to a general unhealthy tendency towards overconcentration. It also points out that the schemes for the development of minor ports, as formulated by the maritime State Governments, were curtailed on the basis of the recommendation of the Officer on Special Duty whose contention in certain cases was that no work should be undertaken until increase in trade was well established. This, according to the Committee, is an unhealthy doctrine and quotes with approval the observation of the Ports (Technical) Committee, 1946, that the planning and construction of ports should precede the anticipated development and need of transport.

The broad objective of port development is to secure additional capacity required to meet expansion in seaborne trade arising out of the developments planned in the various sectors of the economy. Since there is great scope for expanding the capacity of many of the intermediate and minor ports, increased attention devoted to them will pay rich dividends in the form of enhanced cargo-handling capacity, at comparatively smaller capital outlay. The Committee, therefore, recommends that the Ministry of Transport should convene a high level conference of representatives of the maritime States to review the schemes for the development of minor ports. If the funds required exceed Rs. 5 crores, as they are quite likely to, some adjustment might be made from the funds earmarked for the major ports. Further, the Committee reiterates its earlier suggestion that the recommendation made at the second meeting of the National Harbour Board to create a Port Development Fund by levying a surcharge of one anna per ton on all goods imported or exported through all ports be implemented.

Some of the important problems faced by the minor ports requiring urgent solution on a planned basis are siltation of ports and entrance bars, survey of ports, navigational aids, communication between ships and ports, embarking and disembarking arrangements, cargo-handling facilities, suitable road or rail connections, etc. The Committee suggests that while drawing up development plans, local interests, including steamer companies, should be consulted.

Intermediate Ports

As regards intermediate ports, that is, ports which handle or have handled in the past 100,000 tons or more of cargo per year or are otherwise important, which number about 18, the Committee suggests that their development should be taken over by the Centre. It is common knowledge that at least three of the major ports, namely, Calcutta, Bombay, and Madras are working under heavy pressure. Hold ups to ships and cargo are quite a frequent occurrence. One day's hold up of a ship, according to the Committee, means a loss of approximately Rs. 5,000 to Rs. 8,000 and hence the annual loss on this account would probably run into several crores. Proper development of intermediate ports and intelligent and well planned rationalisation of traffic between major ports would therefore be in the interest of the major ports themselves, not to speak of the country as a whole. In the expanding economy of the country, the demand for additional port facilities is bound to increase. The Committee suggests, therefore, that it would be advisable to plan steps for converting some of the important intermediate ports into major ports and that such a programme may be included in the third Five-year Plan.

Congestion of traffic through the major ports has of late been a frequent occurrence. This has been mainly due to the following factor: (1) bunching of ship arrivals, labour troubles, limitation in rail and road transport for movement of goods to and from ports, inadequate berthing, handling and stacking facilities.

Even with the various measures already taken, periodical congestions continue to occur. The country, thus, faces a paradoxical situation wherein some of the major ports suffer congestions resulting in hold up to ships and cargoes, whereas the port capacity of some other ports like Cochin, Kandla, Bhavnagar, Okha, etc., is not fully utilised. The Committee has, therefore, come to the conclusion that the Ministry of Transport has not yet given much serious thought to the diversion of traffic from the congested major ports to the intermediate and minor ports which can easily handle the traffic with a little increase in the existing facilities or even by providing a few additional facilities. The Committee, therefore, recommends that the Ministry should give top priority to the rationalisation of traffic among different major, intermediate and minor ports and take concrete measures for diversion of traffic to ports which can easily handle them.

If the development and maintenance of minor ports have not received adequate attention in the past, it is partly due to the lack of well-knit port organisation and partly due to the limited resources of the maritime State Governments. As the question of developing ports all along the coastline and the rationalisation of import and export traffic is essentially a national problem, the Committee suggests that the feasibility of transferring the subject of "minor ports" from the "concurrent" List to "Union" List should be carefully examined in consultation with the maritime State Governments. Pending the examination of this issue, the Committee recommends that the development of the 18 intermediate ports should be taken over by the Centre. The State Governments may continue to manage these ports on behalf of the Centre on agency basis. As this will take some time, the pattern of port administration followed by Madras State might be adopted by other State Governments with suitable modifications.

Some of the other important recommendations of the Committee are: (1) Port Advisory Committees should be constituted at each of the 18 intermediate ports with proper representation to local interests. (2) The feasibility of forming Port Trusts on the same lines as at Tuticorin and Mangalore at the important intermediate ports should be examined. (3) Handling and Shipping Fees Committees and Conservancy Boards should be provided at the intermediate and important minor ports. (4) The question of standardisation of port dues should be finalised soon. The Committee has also recommended that the entire coastline of India should be divided into a suitable number of zones and each zone should be placed under the jurisdiction of a major or intermediate port for the purpose of maintenance and development of minor ports in each zone.

WORLD IRRIGATION CONFERENCE

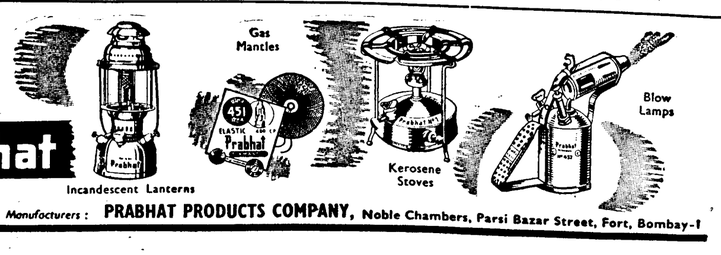
Six hundred delegates from about 45 nations, including India, will gather at San Francisco next month to exchange technical information on irrigation and drainage. The occasion will be the third congress of the International Commission on Irrigation and Drainage which will open its four-day meeting on 1st May. Following the sessions, the delegates will tour many great American irrigation projects. Among the members of the Commission, which has its headquarters in Delhi, are Egypt, India, Iran, Iraq, Pakistan, Syria, the Sudan and Ceylon. The Executive Secondary of the organisation is Stephen H. Poe, Technical Information Officer of the U.S. Bureau of Reclamation's Engineering Centre in the State of Colorado.

The Congress will gain access to many technical papers, some 2,700 pounds of them, dealing with economic use of fresh water, lining of irrigation canals and ditches, treatment of saline water and soil and alkaline soils, the merits of sprinklers as opposed to ditch irrigation and many other aspects of the problem confronting engineers who are attempting to increase the area of food-producing lands. Among the new techniques to be described to the delegates are the use of scientific devices to purify brackish waters, to prevent excessive evaporation, and to "seed" clouds in order to induce rainfall.

NATIONAL INSTRUMENTS FACTORY

India is marching slowly but steadily towards self-sufficiency in regard to the manufacture of precision instruments required by industry, the scientific research institutes and other agencies. The National Instruments Factory, Jadavpur, near Calcutta, is playing a notable part in meeting the requirements. The factory produces a wide range of about 250 complicated and precision instruments required for engineering, scientific and industrial purposes. Among these are barometers, microscopes, excise apparatus, hydrometers, monometers,

(Continued on page 737)



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NEW PRODUCTS AND PROCESSES

Temperature Control

AUTOMATION and electronics are combined in a new system by which temperatures are maintained in office buildings and other enclosed areas at desired levels in all-year round "climate control." This system has been developed by the Minneapolis-Honeywell Regulator Company, U.S.A. Control panels are maintained in central locations known as Supervisory Data Centres, which provide for 24-hour monitoring of indoor building temperatures, and the instantaneous automatic adjustment of remotely placed control equipment to maintain a constant temperature level. The controls are exercised by a complicated thermostatic network. At the present time, there are 125 such Data Centres in 57 cities of the United States, according to Minneapolis-Honeywell, and additional ones are being established all the time. They are found in banks, insurance companies, hotels, shopping centres and administrative buildings. The use of a central automatic, electronic control system results in substantial savings in maintenance costs, it is claimed. With existing methods of control, large staffs have to be employed to check and operate control systems. Where Data Centres have been installed, these manpower costs are greatly reduced, it is reported. The systems can also be used at the stage of construction of a building, to calculate influences, both external and internal, that affect the temperature conditions. Another extension of the same principle makes possible the recording of data. Data on the automatic equipment performance can be automatically typewritten on log sheets, for cost analysis by a building manager or engineer.

Coloured Radar

A coloured radar system that makes it easier for the operator to pick out a ship on his screen during stormy weather and heavy seas has been invented in the United States. The advantage of the new system over conventional radar sets is that it employs a colour identification process for picking out targets from the surrounding environment. The system's inventor, David E. Sunstein of Cynwyd, Pennsylvania, points out that all too often it is difficult for a radar operator to get a clear and sharp picture. This is particularly true, he says, in choppy seas where a ship appears on the radar screen to blend in with the water. Under such circumstances, Mr. Sunstein says, the operator often readjusts his set without remedying the situation. The coloured radar system employs the principle that signals reflected from a ship ordinarily are of greater amplitude than those reflected from land masses or the sea. Sunstein's system permits the signals to pass through a cathode ray tube equipped with a fluorescent screen which, under electron bombardment, emits light of a preselected colour. The signals then are passed through a second screen. The operator then sees the target in one colour and the surrounding environment in another colour.

Gold Plating Molybdenum

Scientists of the Batelle Institute, London, carrying out research into the development of techniques for utilising molybdenum and its alloys in turbine blades have discovered a way of overcoming the problems created by the fact that the molybdenum underneath ordinary protective plated coatings of nickel and chromium still comes into contact with the air. After plating the molybdenum specimens with one layer of chromium the scientists plated a thin layer of gold on to the chromium. The chromium and gold plated specimen was then plated with additional layers of nickel and chromium. When the molybdenum which had been treated in this fashion was exposed to high temperatures it was found that the gold had formed a layer that effectively retained the molybdenum, and prevented it from reaching the air through the super-imposed additional layers of nickel and chromium. As a result, it is claimed, this technique of gold plating molybdenum can be used to modify ordinary nickel and chromium plating techniques, thus enabling molybdenum parts to be successfully protected by plating processes for high temperature operation.

Alloy for Electric Motors

A new high strength high temperature resistant copper alloy has been developed in Britain for use in the construction of electric motors. The new material was originally developed for use in the construction of commutators for electric motors which would have to operate at the unusually high temperature of 500 degrees Fahrenheit, or more. It is, however, expected that it will prove useful in a number of other industrial applications. The alloy, which contains about 0.25 per cent. of zirconium, is said to be easy to produce and handle. Indeed, it was for this reason that the scientists carrying out the research which led to the production of the new copper alloy, preferred the zirconium-copper alloy to an alternative chromium-copper alloy, severe difficulties of production and handling being experienced with the latter. The electrical conductivity of the new material is said to be over 90 per cent. of that of the copper standard.

Speeding Up X-rays

A new high-speed automatically-controlled system for processing industrial and medical X-ray films has been developed and will shortly be available. The system is said to be capable of completely processing ordinary used X-ray films and delivering the dried films ready for inspection in only six minutes. This compares with the time of about 45 minutes, or more, which it takes to process the used film by normal methods. In the system the film need only be placed in one end of the processing unit whence it emerges, about six feet away, at the other end of the unit six minutes later, fully prepared for examination and filing.

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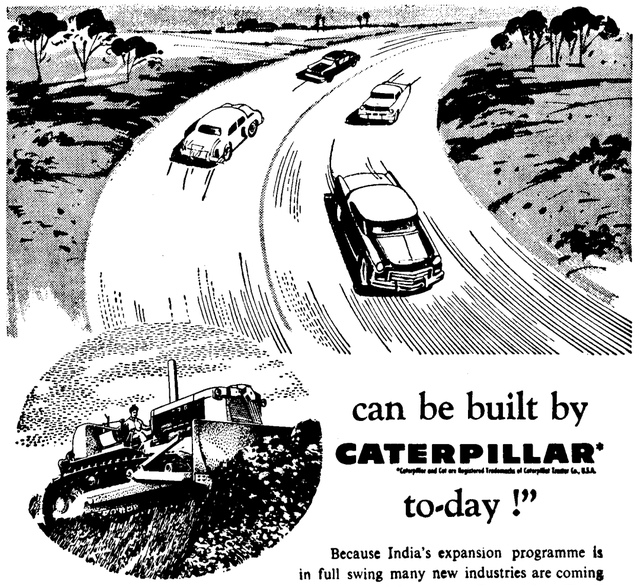

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CHAIRMAN'S SPEECH AT TWENTIETH ORDINARY GENERAL MEETING

MR. N. D. HARRIS ON FUTURE OF CHEMICAL INDUSTRY

ADDRESSING the shareholders of the Alkali and Chemical Corporation of India, Ltd. at their Twentieth Ordinary General Meeting held in Calcutta on 28th March 1957, Mr. N. D. Harris, Chairman of the Company, gave a brief account of the Company's plans for manufacture of Polythene. Referring to the proposed issue of new capital to finance a part of the cost of the project, he expressed the hope that the management would be able to maintain a reasonable dividend even on the higher capital. In this connection, Mr. Harris struck an optimistic note on the future of the chemical industry in India and disclosed that the Company had in mind plans for further extension of its activities.

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

"GENTLEMEN,

"The audited accounts and Directors' report for the year ended 30th September 1956 have been in your hands for some time and, with your permission, I propose to take them as read.

Accounts

"I am pleased to report that the year records further increases in production and sales. The net profit for the year, after providing for depreciation, amounts to Rs. 29,80,327. The total profit available including the balance from the previous year of Rs. 1,19,168 is Rs. 30,99,495, compared with Rs. 22,93,168 for 1954-55. A sum of Rs. 13,64,000 has been transferred to dividend equalisation reserve, and I shall refer to this unusually large transfer later. After this allocation and the others referred to in the Directors' report and the payment of the preference dividend, a dividend of 8 per cent., free of income-tax, is recommended on the ordinary shares. If you agree to this, a balance of Rs. 92,495 will be left to be carried forward.

"I referred at the last general meeting to our plans for the manufacture of Polythene at Rishra, and I am glad to say that we have received a licence from Government to proceed with this project. In fact, substantial progress has already been made on the site. As I told you, Imperial Chemical Industries Ltd., London, your technical advisers, have agreed to supply their process and continuing 'know-how' on very favourable terms. Polythene was discovered by I.C.I. Ltd., who now manufacture large quantities in the United Kingdom and have licensed its manufacture in several other countries. The production, actual and projected, and consumption of Polythene throughout the world have during recent years increased to a remarkable extent, and give every indication of continuing to do so.

Uses of Polythene

"The process will be that used by I.C.I. in the manufacture of the well-known 'Alkathene' brand of Polythene. The use of 'Alkathene' in India has been developed by I.C.I. (India) Private Ltd. who have operated a plant at Calcutta for the manufacture of film from imported granules since 1953. Polythene is a tough, flexible, thermoplastic material with outstanding electrical insulating properties. Many thousands of tons are used every year throughout the world in the manufacture of packaging film, flexible pipes, submarine telephone cables, radar equipment and moulded domestic articles, to mention only some of the major uses. The largest single use of Polythene in India will probably continue to be for packaging purposes, both as film and as coating on paper and jute.

"The project will involve a total investment of about Rs. 4 crores, which it was decided to raise by a substantial share issue at par and by borrowing. All ordinary shareholders have now received the circular letter dated 4th March which gave advance notice of the new issue of shares in the proportion of four new 'A' ordinary shares for one old ordinary share held. Shareholders will have the right to renounce and they will shortly receive a letter describing the procedure. The rights are saleable on the stock market as recently announced by the Calcutta Stock Exchange Committee.

"I referred previously to the large allocation of Rs. 13,64,000 to the dividend equalisation reserve. Your Directors made this reserve in the knowledge that, although the Polythene project should ultimately prove profitable, capital invested during the construction period will earn no return. It is hoped, however, with the help of the dividend equalisation reserve to maintain a reasonable dividend, even on the higher capital.

"Some of you may wonder why we have had to issue a different class of ordinary shares. The reason is that we hope this part of the capital of the Company will qualify for relief under section 56(A) of the Indian Income-tax Act, and that dividends received by companies on these shares will be exempt from super-tax.

"Our principal shareholder, I.C.I. (India) Private Ltd., will take up their new 'A' shares to the extent of Rs. 1,75,30,720 and it should be noted that this represents a substantial additional British investment in India by Imperial Chemical Industries, London, through I.C.I. (India) Private Ltd.

"I.C.I. (India) Private Ltd. are also agreeable to buy any 'A' shares not taken up or disposed of by shareholders.

Record Sales and Production

"I shall now give you a brief review of our activities. The year has been a record one for both sales and production. Demand for our products continues to increase and generally still exceeds our capacity which is being expanded in most of our products.

"Production of chlorine and caustic soda was 21 per cent. higher than in the previous year, and you will be interested to know that we consumed 30 per cent. of our total production of chlorine in the manufacture of other products. As there is still an unsatisfied demand we have applied to the Government for permission to increase this section of the plant.

"Production and sales of hydrochloric acid were about 10 per cent. higher and plant to double the capacity has already been installed.

"The plants for the production and formulation for our 'Gammexane' Benzene Hexachloride (B.H.C.) products also had a successful year, and extensions were completed during the year. An interesting development in this sphere was the first large purchase by the Government of B.H.C. water dispersible powder for use in their national malaria programme. It is expected that substantial supplies will be taken by the Government during the next few years.

Paints

"Our 'Duco' and 'Dulux' paints and our range of allied products continue to be very popular. The plant extensions referred to at the last general meeting were almost completed during the year, although some delay was caused by the blocking of the Suez Canal. It is now apparent that, although these extensions will increase our capacity considerably, they will still be inadequate to meet demand and your Directors are now considering further extensions. The increasing demand for metal pretreatment products, produced and marketed under the name of A.C.P., resulted in your Directors installing a plant for their manufacture.

"As I said earlier, a start has been made on the Polythene project; the site is being developed and construction has begun. Every effort is being made to ensure that this plant goes into production in the shortest possible time.

"Last year, I was happy to pay a tribute to the technical and sales staff of our Selling Agents, I.C.I. (India) Private Ltd. They have again earned our special thanks as they have matched with record sales, the record productions achieved at Rishra. Considerable competition was faced, particularly in the sale of paints and 'Gammexane' products which they were successful in meeting. I look forward with confidence to similar co-operation in marketing our 'Alkathene' brand of Polythene when this factory goes into production.

Potential Market for Chemicals

"The chemical industry in India is relatively in its infancy, and your Directors are aware that there is an immense potential market for chemicals for India's growing industrialisation. We hope to be in the forefront of this industry and have continuously in mind plans for further extension.

"I do not intend to enter the worn-out, controversy concerning the roles of the public and private sectors in industry, because I believe that both can function side by side, and the efficient working of both is essential to the success of India's plans. Certain spheres of industrialisation are not appropriate to private enterprise which, however, can be justly proud of its achievements to date and of its plans for the future. While I think that the Government really takes the same view of private enterprise's important role, nevertheless, some recent legislation and decisions in the fields of labour and taxation are not easily reconcilable with it.

"One hopes that labour tribunals are doing a real service to the country, but one wonders whether those who sit on them really understand the long-term implications of their awards. The Government is becoming a large employer of industrial labour, and I believe there will result a better appreciation of the private employer's point of view: also that in both the public and private sectors yardsticks to be used in wage rates, allowances, bonus, etc., will not widely differ.

"In the field of taxation, it is well known that the burden of corporate tax—and that in India is amongst the heaviest in the world—the recent legislation requiring the deposit with the Government of a part of profits, the penal tax on dividends, the heavy personal tax on management personnel have all contributed to the growing feeling of uncertainty and unrest.

"One of India's greatest needs today is industrial capital, and the developments I have referred to above must inevitably deter the investment of capital from abroad.

Labour Relations

"A special word of commendation is due to our staff and workers for the excellent results achieved during the year and, I am sure, you will wish me to convey to them our sincere thanks. Our relations with them remained good throughout the year. We are endeavouring to introduce new and improved terms of service at the factory, based upon a scientific appraisement of the value of each job. Unfortunately, due to difficulties arising as a result of our having two unions in the factory, we have so far been unable to reach an agreement which will enable us to introduce these new terms, but we hope that the current year will produce a solution to this problem.

"Your Board is alive to the need for trained management and technical personnel and have followed a progressive recruitment policy. A number of young Indians have received training in I.C.I. and other factories in the U.K. and more will be going when the Polythene plant is nearing completion. Indian engineering recruits are receiving practical training in workshops and factories in and around Calcutta and a 'school' for fitters and *mistries* is in operation at Rishra.

"The Directors retiring by rotation are Sir Birendra Nath Mookerjee, Sir Bijoy Prosad Singh Roy and Mr. P. M. G. Hutton and I have great pleasure in recommending their re-election.

"The auditors, Messrs. Lovelock and Lewes, also retire and you are requested to reappoint them for the ensuing year at a fee of Rs. 7,500 which is the same as that of last year."

Note.—This document does not purport to be a report of the proceedings of the general meeting.

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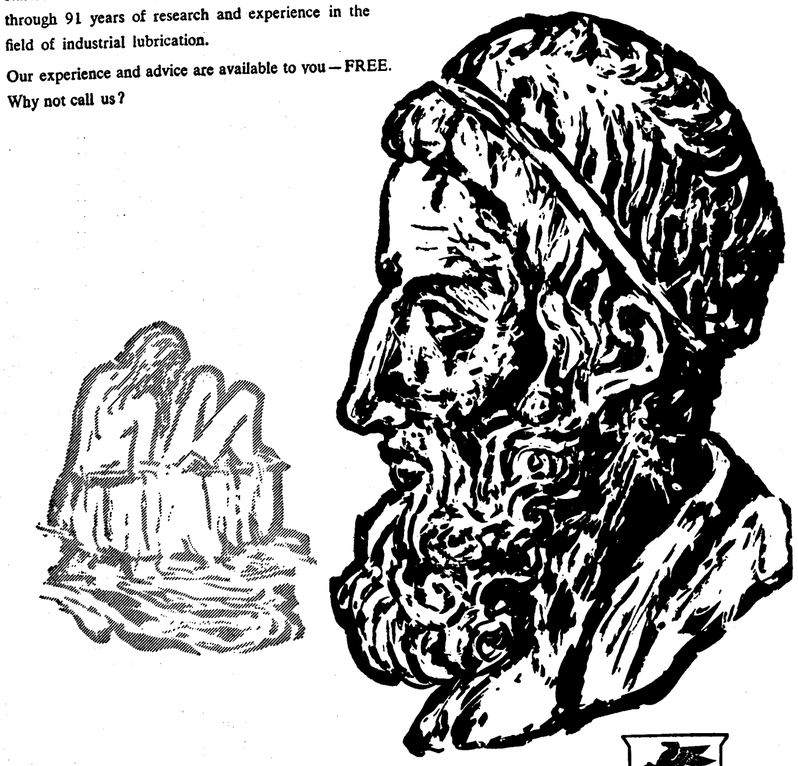

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INDIAN SUGAR MILLS ASSOCIATION

MR. S. S. KANORIA'S ADDRESS AT TWENTY-FOURTH ANNUAL MEETING

ACHIEVEMENTS OF SUGAR INDUSTRY REMARKABLE

THE achievements of the sugar industry in the past five years were impressively surveyed by Mr. S. S. Kanoria, Chairman of the Indian Sugar Mills Association, in the course of his address at the Twenty-fourth Annual General Meeting of the Association, held at New Delhi on Friday, 5th April 1957. Characterising the performance on the production front as being remarkable, Mr. Kanoria declared that it was a foretaste of what the industry was capable of achieving. He expressed his confidence that the output target set in the second Five-year Plan was well within the capacity of the industry. He referred, in particular, to the emergence of India as an exporter of sugar which, he said, was "a development of the highest significance." Touching on the advantages of exports, he expressed the hope that the foundations laid in the course of the year would support a rising volume of exports in the coming years.

Following are extracts from Mr. Kanoria's speech at the meeting:

"It is a matter of legitimate pride to us that the sugar industry has given such an outstanding account of itself during the first Five-year Plan and thereafter. Production in 1955-56, the last year of the first Plan, amounted to 1.86 million tons of sugar, thus exceeding even the revised target of 1.80 million tons. This represents an increase of 86 per cent. over the pre-Plan average production of one million tons, as compared with 33 per cent. in iron and steel, 40 per cent. in cotton textiles, 78 per cent. in cement, 12 per cent. in jute and 58 per cent. in paper. In the White Paper on the Central Budget for 1957-58, it has been observed that sugar was the one notable case of a substantial increase in production among the established industries. It compares the remarkable achievement of the sugar industry, of increasing production in one year by 20.7 per cent., to the much smaller increase, during the same period, of 9.8 per cent. in cement, 4.2 per cent. in finished steel, 3.7 per cent. in mill-made cloth, 2.3 per cent. in cotton yarn, 6.4 per cent. in jute textiles, 4.7 per cent. in tanned hides, 2½ per cent. in coal and no increase in tea.

"I believe that this impressive performance is only a foretaste of what the industry is capable of achieving. Under the second Five-year Plan, the target of sugar production has been fixed at 2.25 million tons, an increase of 0.45 million tons from the last target of 1.8 million tons. There can be no doubt that this target is well within the capacity of the industry to achieve. In setting it, the planners appear to have been guided more by the expected increase in demand within the country than by the capacity of the industry for rapid expansion. But the emergence of India as an exporter of sugar introduces an entirely new element into the situation. I am glad that the possibility and importance of sugar exports, which have been long overdue, have now been realised.

Sugar Exports

"I am convinced that the emergence of India as a substantial exporter of sugar is a development of the highest significance, both for the sugar industry, as well as for the nation as a whole. It is my earnest hope that the foundations we have laid in the course of this year will support a rising volume of exports in coming years. The advantages that planned development of sugar exports can confer on producers, consumers, the Government and the country as a whole are numerous. Exports could act as a safety valve for regulating an even flow of supplies to the home market at stable prices. Again, exports would enable a much more rapid expansion of the industry than would otherwise be possible, thus helping the movement towards industrialisation, which the second Five-year Plan stresses so much. Apart from providing investment opportunities and employment, this would materially benefit several lakhs of cane growers. As for the fear that sugar exports would lead to scarcity and a rise in prices, I think recent experience has proved how baseless this fear is. In spite of the export of one lakh tons now going on, sugar prices continue to be low.

"I think the contribution which sugar exports can make to relieve the foreign exchange shortage is generally underestimated. Over a five-year period, I feel sugar worth about Rs. 75 to Rs. 100 crores may be exported. Surely, this is not an insignificant sum. If by sugar exports we could pay for the foreign exchange requirements of one or two steel plants in five years, I consider it will be a remarkable achievement and a great step towards the successful implementation of our Five-year Plan.

"I think that we can confidently expect to capture a substantial portion of the international sugar market, if a well planned scheme for developing sugar exports is devised and implemented. I am aware that the present world price of sugar is abnormally high and is not likely to last. But even if prices decline, they are likely to stabilise at higher levels than before, and I am sure we can continue to export sugar at the expense of 4 to 6 annas per maund on our total production. This is a very small amount and would not mean any rise in internal prices. In this connection, you would recall that, to initiate exports, this season, the industry had at one stage volunteered to contribute 4 annas per maund on the entire production of the season 1955-56. But, in this connection, I must clearly mention that all States, particularly the U.P. and Bihar, should refund the cane cess on that part of the sugar output which is exported. At one time, the Government of U.P. agreed to such a refund, but changed their mind when the world price of sugar rose and exports at a profit became possible. This sudden decision to go back on an earlier promise is difficult to understand or justify, since the profits earned on sugar exports are pooled in a separate fund and do not accrue to the manufacturers or traders. It seems to me to reflect a deplorable lack of foresight and of awareness of the crucial importance of earning foreign exchange and I sincerely hope that they will reconsider the matter. We shall also need the co-operation of railways through the grant of special rates for carrying sugar intended for export to the ports, as was the practice at one time.

Exports by I.S.M.A.

"Before I turn from this matter of sugar exports, I would like to thank the Government of India for having entrusted our Association with the business of exporting sugar. We feel that we have discharged this great responsibility with credit and have already sold about 80,000 tons of Indian sugar to a number of countries as follows:

Sales upto 31st March 1957	Tons
East Africa	28,350
Persian Gulf and Red Sea Ports	21,600
Malaya	13,750
Ceylon	8,250
Burma	6,000
United Kingdom	1,000
Total ...	78,950

"Out of the above, some quantities have already been shipped and we have been particularly careful about quality and believe that we have established sound and cordial relations with our foreign customers. You are aware that we are not making any profit on this business. The entire profit, which is presently estimated at about Rs. 20 lakhs, is being credited to a special fund to be utilised for meeting losses on exports as necessity arises. This excludes a sum of Rs. 40 lakhs which should have come by way of rebate of cane cess. We are particularly gratified that our efforts have been appreciated by the Government and thank the Minister for Food and Agriculture for having stated in Parliament that the Indian Sugar Mills Association was conducting the business of sugar exports efficiently and as a non-profit-making organisation.

Internal Consumption

"Expansion of production follows as a natural corollary from expansion of exports. But quite apart from increasing production in order to meet the needs of the export market, there is an enormous scope for increasing output for home consumption. We know that, by world standards, our *per capita* consumption of sugar is extremely low and it is certain that, as incomes and living standards increase, this gap will be narrowed. Furthermore, the regional consumption pattern within the country is marked by wide inequalities as is evident from the following:

Statewise consumption of sugar per capita *during the season* 1955-56

	Lbs.		Lbs.
Saurashtra	34.66	Mysore	9.63
Bombay	25.05	Uttar Pradesh	8.46
Punjab	22.50	Bihar	6.96
West Bengal	21.14	Hyderabad	6.24
Madhya Bharat	14.38	Madras	5.50
Assam	10.05	Orissa	3.36
Madhya Pradesh	9.87	Other States including Andhra	19.15
Rajasthan	9.81		

"We may be sure that, in course of time, the low consumption areas like Orissa, Madras, Hyderabad and Bihar will tend to rise to the level of others such as Saurashtra and Bombay. This will involve a substantial increase in overall internal demand and will provide opportunity for an equally great increase in production.

Production and Licensing Policy

"It seems to me, then, that the most urgent problem facing the industry is that of expanding production. We have to extend output, both to meet a rising internal demand and in order to provide for exports. I believe that a very substantial increase in production is possible, provided the maximum use is made of the available resources. I may also sound here a note of caution. Our hopes regarding exports of sugar and earning foreign exchange may be completely belied, if effective steps are not taken to maximise production.

"I regret to have to say that the present licensing policy of the Government leaves much to be desired and licences have been granted without proper consideration as to the allocation of capacity between the existing and the new factories or regions. Expansion of existing factories can be carried out more cheaply, more quickly and with less foreign exchange than will be needed for the setting up of new factories. Already, the average Indian sugar factory is small, compared to those in other countries. An increase in size and reduction in the number of factories will bring substantial reduction in costs. In Australia, in recent times, the number of factories was reduced from 166 to 34 which are now producing the entire output of about 1.2 million tons of sugar. As against this, a very large number of new factories have been licensed here. Progress made so far in regard to the utilisation of the additional capacity so far licensed, is satisfactory. The 69 factories which were allowed expansion have already taken the necessary steps for increasing their capacity, except for 12 factories which were granted expansion licences, only in December 1956. Out of the new factories, only four went into production last season, including two mills shifted, and 14 were due to start this season but were delayed due to late arrivals of machinery. Orders for machinery are reported to have been placed for another 22 new factories for establishment during the season 1957-58, but this again is uncertain. In respect of the remaining 17 units, progress has been slow and a few of the licences might eventually have to be cancelled. Recently, difficulties have been faced in securing licences for importing machineries for expansion.

"I earnestly hope that, at least in future, if any further capacity is to be licensed, the claims for expansion of existing units will be given priority over setting up of new units. In any case, I would strongly urge that factories should be allowed to expand freely upto a capacity of 2,000 to 2,500 tons if cane is available, which should now be considered an economic size.

"A study of the regional distribution of increased cane cultivation and sugar production programmes shows that, in some areas, the additional capacity is quite inadequate to utilise the expected increase in cane supplies. In others, licences have been granted for sugar production where no provision has been made for increase in cane supplies. This has resulted in strange anomalies. In West U.P., for instance, the grower has been required to restrict cane cultivation, because the industry is not capable of absorbing the entire supply. This is an extraordinary situation, at a time when the industry is in the process of rapid growth.

"Even from the point of view of regional self-sufficiency, the grant of licences for additional capacity appears to have been overdone. In the Southern zone, comprising the old States of Andhra, Hyderabad, Mysore, Madras, Travancore-Cochin and Orissa, consumption in 1955-56 was approximately 3,24,000 tons and has been estimated to rise to 3,79,000 tons by 1960-61. Actual production in this area in 1955-56 was 2,54,000 tons. Additional capacity licensed for this area is 3 lakh tons, which means that there will be a surplus of 1,75,000 tons by 1960-61. Therefore, the licensing of 3 lakh tons additional capacity, most of it in the form of new factories, seems unwarranted, especially in view of shortage of foreign exchange for imports of machinery and the need for expansion in other areas.

"I would like to suggest that a very substantial increase in production could be accomplished by bringing the existing idle factories into production. There is also a great possibility of increase in sugar production this year by converting *gur* into sugar. This will improve the present low prices of *gur* and also provide us with more sugar to export and earn valuable foreign exchange. For this purpose, suitable concessions by way of rebate in excise duty should be immediately announced. Another avenue of stepping up production which seems to me to hold great possibilities is the duration of the season.

East U.P. and Bihar Factories

"Factories in Eastern U.P. and Bihar have been operating for some time under severe drawbacks. They suffer from overcrowding, shortage of cane supplies, uneconomic crushing period and low recovery. Factories in East U.P. are also realising lower prices for their sugar, being away from the markets. The situation is precarious and is rapidly deteriorating. I am sorry to say that, in some ways, Government action has tended to aggravate the situation. The action of the Cane Department in U.P. in some cases has amounted to taking advantage of the weak cane position of such factories to compel them to pay a premium on the cane price. Another instance of the unhelpful attitude of the Government to the problems of this area is the unwillingness to accede to the suggestion put forward by this Association, speaking for the entire industry, that factories in East U.P. should be given a 10 per cent. lead in quota releases over other areas. This does not involve any increase in the overall release. It is only a redistribution of the quantity released among the different areas to compensate the Eastern U.P. factories for the disadvantages they are suffering under the present quota release system. I am rather pained at the Government's unsympathetic attitude on this question.

"I believe that it is necessary to shift 10 to 12 factories out of this region immediately so that the remaining ones would have adequate supplies of cane for a full crushing season and opportunities for expansion.

Cane Development

"It is hardly necessary for me to stress the dependence of the sugar industry on adequate supplies of high quality cane. At present, the position in this important matter of raw material is far from satisfactory. The low sucrose content of the cane supplied to the factories makes for low recovery and high cost of production. If better quality cane enabled us to increase recovery by half or one per cent., that would mean 5 or 10 per cent. additional sugar.

"I believe that there are great possibilities of increasing recovery by a judicious choice of the sowing season and the use of early, mid and late ripening varieties of cane, together with a system of harvesting on the basis of maturity of cane. This would provide a continuous supply of cane for crushing over a much longer period than the present duration of the crushing season. I feel it is now time we began to think in terms of longer crushing season for the maximum utilisation of our resources. Unfortunately, the cane departments of the State Governments have not paid adequate attention to this matter. In fact, the Cane Rules in U.P. and Bihar do not permit harvesting on the basis of maturity on the plea of equitable supplies of cane.

"The Cane Departments of State Governments have recently been doing some good work, but, as now constituted, they are entirely inadequate to tackle the gigantic problem. The officials of these departments are overwhelmed with routine work and, in any case, I feel it is too much to expect from them the vision, imagination and dynamism which are required. With about 28 crore maunds of cane supplied annually to factories and probably another 50 crores converted into *gur* in U.P. alone, the problems of cane development are of a magnitude and complexity that call for attention at a higher level than they now receive. They are worthy of consideration by a special Minister.

"I have yet one more suggestion to make on this subject. I feel that the money now being spent on cane development does not produce the maximum possible results. There will, I am sure, be great improvement, if the expenditure of these funds were to be channelled through the factories, which, after all, are most immediately and intimately interested in adequate and high quality cane supplies. The factory could be made the nucleus of cane development in its area and all the money allotted by the State and Central Governments for cane development in factory zones could be spent through the Cane Development Council of each factory, where growers, management and Government are represented.

Cane Price

"My final point with regard to sugarcane is a plea for stability of cane prices. Frequent changes in these prices have a disruptive effect not only on cultivators' incomes but on the quantity of cane grown and that offered to factories and used for *gur*, production costs and prices of sugar. It is because of this desire for stability that the Association advised the Government to maintain the minimum prices of sugarcane unchanged for the 1957-58 season, in spite of the fact that cane prices were higher than those of other food crops.

Modernisation

"The need for rehabilitation and modernisation of plant and machinery has already been recognised by the Planning Commission who have estimated the amount required for this purpose at Rs. 50 crores. I venture to urge upon the Food Minister to use his good offices so that the National Industrial Development Corporation should extend the same financial assistance for this purpose to the sugar industry, as it already does to the jute and cotton textile industries.

Sugar Prices and Costs

"Another matter to which I think it necessary to invite your attention is that of internal sugar prices. What I wish to emphasise is that, contrary to common belief, Indian consumers are very much better off in this respect than their counterparts in other countries. I give below some figures of retail prices of sugar in different countries of the world, compiled by the International Sugar Council:

Retail price of sugar in different countries on 1st January 1956.

Country	*Per pound*	*Per seer*
	d.	Rs. a. p.
Yugoslavia	18.6	2 2 1
Italy	15.7	1 12 9
Japan	14.8	1 11 1
Greece	14.6	1 10 9
Sudan	12.5	1 6 6
France	12.3	1 6 4
Germany (F.R.)	12.2	1 6 3
Indonesia	10.5	1 3 3
Formosa	9.9	1 2 1
U.S.A.	9.0	1 0 1
United Kingdom	8.5	0 15 7
Canada	7.8	0 14 4
Philippines	7.5	0 13 9
Australia	7.2	0 13 2
Malaya	7.2	0 13 2
India	6.9	0 12 8
Cuba	5.8	0 10 7

"According to them, the Indian consumer pays less for sugar than those of most other countries. For instance, consumers here pay less than in the U.S.A., France, the Federal Republic of Germany, Japan, Malaya and the Philippines. They pay even less than consumers in the leading sugar-producing countries of the world such as the United Kingdom, Australia and Indonesia. This will come as a surprise to many who do not realise that the chief sugar-exporting countries of the world deliberately keep prices for home consumers high so that sugar may be exported and sold in the world market at cheap prices. Those who form their impressions on the low prices at which other sugars are sold in the world market are usually not aware of the other side of the picture, that such cheap sugar is not for the home consumers in those countries but only for export.

"What is even more remarkable is that, while the number of wholesale prices has been steadily rising, sugar prices have remained at a depressed level, despite increase in taxation and rising production costs. This can be substantiated by the following figures of price indices published by the Reserve Bank:

Commodity food articles	*March* 1955	*March* 1956	*Variation 2 over 1*
Rice	415	518	+ 24.8
Wheat ...	435	532	+ 22.3
Jowar ...	102	225	+120.5
Bajra ...	223	237	+ 6.3
Gram ...	192	284	+ 47.9
Gur	136	186	+ 36.9
Sugar ...	281	265	— 5.7

"The White Paper on the Budget for 1957-58 also comments on this stability of sugar prices at a time of inflationary pressure. I hope that these facts will effectively dispel the wrong notions about the sugar industry.

"I am acutely conscious of the fact that the system of private enterprise, of which we are a part, is at the cross-roads. Whether it will take the road leading downwards to decline and extinction or upwards to higher levels of national prosperity, depends largely on us. I, for one, look to the future with faith; faith in the capacity of our leaders, both political and economic, to help this country to accomplish successfully its great mission of planned economic development through democratic institutions."

ENGINEERING

(*Concluded from page* 732)

etc. Besides, the factory undertakes repairs of aircraft and other precision instruments. The standard of quality and prices of the products compare favourably with those imported from abroad.

The factory had its origin in the Mathematical Instruments Office, founded in 1830 for the maintenance and repair of precision instruments required in the Survey of India. The two world wars afforded an opportunity for the transformation of the Mathematical Instruments Office from a mere repair shop to a full-fledged instruments manufacturing institution. The range and number of instruments produced have considerably increased since then and the sale of manufactured products has also been progressively expanding. Total sales aggregated Rs. 21.56 lakhs in 1954-55 and after declining to Rs. 13.99 lakhs in 1955-56, it again rose to Rs. 18.75 lakhs in the first ten months of 1956-57.

The services of the factory are now availed of by the various Government departments using technical and scientific instruments. Neighbouring countries like Afghanistan and Burma also take advantage of the factory. The factory also gives training for two years to 10 graduate apprentices and 10 diploma holders in instrument technology. It has on its schedule during the Second Plan period, schemes for the manufacture of new instruments and apparatus such as optical and ophthalmic glasses, special microscopes for engineering and geological use, etc. The factory is also expected to take up the production of pressure and vacuum gauges.

CHAMBAL AND LAKKAVALI PROJECTS

The Committee on Plan Projects of the Planning Commission has appointed a five-member team with Mr. N. V. Gadgil, M.P., as Chairman, to study the Chambal and Lakkavali (Bhadra) Irrigation Projects. The study team will be assisted by a consultative committee of senior engineers who, after visits to the Projects concerned, will formulate the outline of a plan for the evaluation of the projects.

The team will, among other things, study all aspects of the projects having a bearing on economy and efficiency with special reference to utilisation of trained personnel and materials, utilisation of machinery and equipment, construction, plant layout, and adequacy of original estimates and designs as evidenced from actual construction of the project. It will also examine the phasing of the construction with a view to studying whether timely utilisation of benefits accruing from the project has been ensured, whether it is possible to accelerate accrual of benefits, and if benefits could be increased by rephasing the project at this stage. The team will assess the progress made in construction, the reasons for shortfall, if any, and suggest measures for improvement in the future. It will also examine the possibility of decreasing dependence upon imported materials and equipment.

LOCOMOTIVE PRODUCTION

The Chittaranjan Locomotive Works set up another record of production when the 500th locomotive rolled out of the factory on 25th March. The "WG" locomotive, produced by the factory, is one of the heaviest types of broad-gauge freight locomotives and weighs about 174 tons in working order and has a horse-power of 1,300 at 35-45 miles per hour. Production in the shops commenced on 26th January 1950 and the first locomotive, assembled out of imported components, was turned out on 1st November 1950. In 1950, three locomotives were produced. In 1951, 16, in 1952, 30, in 1953, 54, in 1954, 86, in 1955, 123, and in 1956, 150 'WG' locomotives were turned out and at present the shops are manufacturing 14 'WG' locomotives per month.

The workshop was set up for a target production of 120 average size locomotives per year which figure was reached as early as May 1954 and since then the Chittaranjan Locomotive Works is setting new records almost every month and thus contributing towards India's self-sufficiency in motive power requirements.

SOME PROVISIONS OF FINANCE ACT NO. III OF 1956 REVIEWED

HARMFUL EFFECTS OF COMPULSORY DEPOSIT SCHEME

By S. S. Jhunjhunwala

THE last month of 1956 witnessed the placing of Finance Act No. III of 1956 on the Indian statute book and so far as taxes on income are concerned it put an early end to the wishful thinking of the business man that in consideration of his financial assistance in the coming elections he would be spared the burden of increase in taxation for 1957-58 at least. It was a departure from the normal practice to lay down the provisions for the next financial year about four months in advance and that too, not in full. For, so far as rates of income-tax for all assessees and super-tax for non-companies are concerned the same has been left open. The object of the Act is mildly and cleverly worded. It is meant "further to amend the Indian Income Tax Act 1922, for the purpose of imposing a tax on capital gains and for certain other purposes and to prescribe the rate of super-tax on companies for the Financial year 1957-58."

Capital Gains

The imposition of tax on capital gains is among the important features of the law. In fact, it is a revival of this tax which was in force for a period of two years from 1st April, 1946 to 31st March 1948. But the revival is with certain modifications, one of which is the inclusion within its ambit of gains arising out of compulsory acquisition of capital assets. Compulsory acquisition, as a matter of course, will be by governmental bodies and in most of the cases there is no likelihood of any gains arising to the person concerned. But if there happens to be such gain, the Government will have henceforth its share in it. This is an indirect way of making compulsory acquisition for the Government cheaper to some extent.

The tax will be chargeable on gains arising from the sale, exchange, relinquishment or transfer of a capital asset effected after the 31st March 1956. Any distribution of capital assets on partition of a Hindu undivided family or under a deed of gift, bequest or will has been rightly excluded from this tax. Similar exclusion (with certain conditions) is there for the transfer of capital assets by a company to a subsidiary company the whole of the share capital of which is held by the parent company or by the nominees thereof. A very important concession given to the taxpayer is that of giving him an option of substituting the fair market value of the asset as on the 1st January 1954. in place of its actual original cost to him, if the asset has been acquired before that date. Thus, all capital appreciation prior to 1954 has been excluded from this tax.

A considerate provision has also been inserted for certain exemptions in cases where a person disposes of a property used as a dwelling house by himself or any of his parents for two years prior to the date of disposition and subsequently within one year from such date he purchases a new property for his own residence. In all fairness this exemption merited extension to the cases where such new property is acquired for the residence of any of the parents of the assessee or where the property instead of being purchased is constructed. There is also a provision for carry forward and set off of capital losses against capital gains in future and ignoring such gains or losses as may be below a prescribed minimum limit.

The rate of income-tax applicable to capital gains will be the rate applicable to the total income of the assessee (from all sources other than capital gains) plus one-third of the amount of capital gains. Thus, if a person has a total income of Rs. 30,000 and besides, he also earns capital gains to the extent of Rs. 21,000 he will be required to pay tax on this Rs. 21,000 at the average rate applicable to an income of Rs. 37,000 under the relevant Finance Act. This special manner of computation of rate of tax may be deemed to be fair and reasonable by all concerned.

The super-tax on companies has been increased in the following ways:

(*a*) Section 23A companies have now to pay additional super-tax of six annas in the rupee of undistributed profits within the meaning of Section 23A in place of four annas in the rupee.

(*b*) Those companies which do not fulfil the two conditions of being public companies within the meaning of Section 23A and having income below Rs. 25,000 have now to pay higher rate of super-tax on dividends declared in excess of 6 per cent. of the paid-up capital. As compared with the assessment year 1956-57, the rate registers an increase of one anna in the rupee on that part of the dividend which exceeds 10 per cent. but not 18 per cent. of the paid-up capital, and for the part of the dividends exceeding 18 per cent., the rise in the rate of super-tax is to the extent of three annas in the rupee.

The writer had occasion to consider this particular type of super-tax in his article published in *Commerce* dated 17th November 1956, and there is no use dealing with the same elaborately again. In a nutshell, it has the effect of cutting Section 23A companies both ways, whether they declare dividends or not. Furthermore, it creates complications in the computation of tax and makes the task of the ill-equipped Income-tax Department further difficult. If the Treasury is keen on having money it may be more convenient to have it by making a slight flat rate increase in the income-tax rate of all companies and do away with the distinction between private and public companies in this respect.

Compulsory Deposit

This innovation of the ingenious Finance Minister is covered by the general words "for certain other purposes" in the objects clause of the Act. Yet, in fact, it is the most far-reaching of the changes introduced by this new piece of legislation. It lays down that a company will not be entitled to the deduction of depreciation allowance, development rebate and obsolescence allowance from its total income for tax purposes unless it deposits with the Central Government, by the 30th June of the relevant assessment year:

(1) Such percentage, not exceeding twenty-five, as may from time to time be notified by the Central Government, of the accumulated profits and reserves of the company as at the end of the year preceding the previous year, to the extent to which such profits and reserves are not represented by the fixed assets of the company, plus (2) such percentage not exceeding seventy-five, as may from time to time be notified by the Central Government, of the amount by which the sum of the following amounts, namely,

(*a*) the total income of the company for the year in question as reduced by the amount of income-tax and super-tax payable in respect thereof, and by the dividends, if any, declared during the year, and

(*b*) the sum of the allowances under the heads of depreciation and development rebate, exceeds the sum of Rs. 1 lakh.

The Central Government is also empowered to make rules providing the manner in which the aforesaid deposit may be made, the time when and the manner in which refunds of any such deposit shall be made whether with or without interest, and in particular, the refund at any time of any such deposit or part thereof where the refund is claimed for carrying out any such proposal connected with the business of the company as is approved by the Central Government.

On a point of principle it should be deemed to be unfair to make the allowance of a legitimate deduction contingent upon the payment of a comparatively substantial amount of deposit with the Government. But monetary exigencies appear to make one abandon principles—be one a common man or Government. Moreover, at present, the Government is able to cloak many a thing on the plea of five-year plans. Taking then for granted that the money thus collected by the Government will be usefully disimbursed for the good aims of the Plan, we are still left with the task of examining the merits of the particular method adopted to which we now turn.

The first target of attack is the accumulated profits and reserves of the company, (1) as at the end of the year preceding the year in reference, and (2) to the extent to which such profits and reserves are not represented by the fixed assets of the company. A company's accumulated profits and reserves may be represented by usually the following items: (*a*) fixed assets, (*b*) advances, (*c*) stores, stock-in-trade and other current requirements, (*d*) loans and investments in other concerns, and (*e*) cash in hand and banks. The exclusion of accumulated reserves to the extent of their representation by fixed assets alone is justifiable only by shutting one's eyes to the practical reality that in the course of business it is as difficult to convert its non-fixed assets into hard cash as is the case with fixed assets. While taking such decisions there is no use relying over the dictionary meanings of the words "fixed," "current," "liquid," etc. The person who runs the show knows the difficulty in providing cash money out of so-called liquid assets. So far as loans to and investments in other concerns are concerned, it should not be forgotten that these accommodations are mutual and, secondly, these other concerns also after all provide employment to people. The tapping of these resources required for actual working is bound to act as a clog upon the company. One would not grudge—rather one would appreciate it—if the Government adopts a practical standard of determining the amount of *idle moneys* and collects the same in full, not to say of a percentage only, and utilises the same for the Five-year Plan with a fair return to the person concerned.

The second target is the amount by which the sum of the development rebate and depreciation allowance and the balance of the company's income that may remain after payment of tax and dividend exceeds Rs. 1 lakh. The choice of these allowances appears to rest on the basis that these are notional deductions—that is, these deductions are allowed to be made out of the total income although the assessee has not spent these amounts in cash. On a closer scrutiny it will appear that although it may be said to be true so far as development rebate is concerned, the depreciation allowances of varying rates reflect the actual wear and tear of the assessee's buildings, plant and machinery, etc., during the year. This depreciation of assets is always carefully taken into account by the business houses and steps are regularly taken for replacements, additions or alterations in the machinery and plant section. By laying its hand on this resource the Government will again hinder the normal working of the unit. In fact, it is the development rebate which, as its name denotes, is a concession to the assessee by way of a fillip to expansion of industrial units. If the Government is at all so keen, it may think of limiting this rebate in some other way but there, too, it should reckon the adverse effect it may have on the object of introduction of this concession. In fact, when all are unanimous regarding the need for maximum possible expansion of industries in India it becomes very difficult to see any wisdom in the Finance Minister subjecting industrial units alone to these new hardships.

Section 23A

An important aspect of the matter to which attention does not seem to have been drawn is that if a section 23A company is not able to make the deposit it will not only be disqualified from getting these allowances and thus made to pay tax on the same, but the Income-tax Department will hold that the provisions of section 23A apply to this part of the computed income as well and charge the additional rate of super-tax of six annas in the rupee to the prescribed extent. All this will result in the financial starvation of these industrial units. And the result of financial starvation is too well known to need any telling.

One big lacunæ—I dare presume that it is unintentional and will be remedied at its earliest—in this scheme is that if a company finds it difficult to make the whole payment and is willing to make a part deposit there is no provision for granting of the development rebate, etc., to the proportionate extent.

The Finance Minister has been good enough to assure speedy refunds for approved purposes. Its fulfilment remains to be seen. And, further, it is difficult to avoid the feeling that this scheme of compulsory deposits and refunds is based on the misapprehension that the working in the private sector is similar to that of the Government. Here, there is neither red-tapism, nor any endless flow of conferences. In private business houses there is a continuous process of quick decisions followed by action. The daily routine and improvement and extension plans are almost intermixed and executed day to day. They are not used to making out a plan and depositing the money after a few months in June with the Government, then applying for its refund and if the refund happens to come by some piece of good luck and hard efforts, then to use the same. If the Government so desires, it will have to accustom itself to this crippling waste of time and money, but then it is quite possible that this master stroke of planned economy will do more harm than good to its own cause.

THE HIND BANK LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

GENTLEMEN,

The Directors have pleasure in presenting herewith the Audited Accounts of the Bank for the year ended 31st December, 1956.

	Rs.	a.	p.
The Profit and Loss Account after deduction of all working expenses shows a profit of	12,10,668	0	3
to which must be added the amount brought forward from previous account	1,66,277	15	9
Total .. Rs.	13,76,946	0	0
which the Directors have disposed of as follows:—			
Provision made for taxation	4,50,000	0	0
Amount transferred to Reserve Fund	3,75,000	0	0
Bonus to Staff	90,000	0	0
Balance	4,61,946	0	0
Total .. Rs.	13,76,946	0	0

Out of the balance of Rs. 4,61,946-0-0 the Directors recommend to the shareholders payment of Dividend at Rs. 3 per share free of Income-tax which absorbs Rs. 3,00,000-0-0 leaving Rs. 1,61,946-0-0 to be carried forward to the next year's account.

The business of the Bank during the year under review and the results achieved are satisfactory. The investment policy of the Bank during the year 1956 continued to be the same. About 86 per cent. of the Bank's investments are held in Government of India and State Government Bonds of which 92 per cent. mature within the next 8 years. The Bank's Investments in the Balance Sheet stand at below market value as at 31st December, 1956.

Under Section 78 of the Companies Act, 1956, the amount of premium Rs. 3,75,000-0-0 received at Rs. 5 per share against issue of 75,000 shares in the year 1944 which was lying in Reserve Fund Account has been transferred to the Share Premium Account and shown separately in the Balance Sheet.

Under the provisions of the Articles of Association of the Company Shri K. P. Goenka, Shri B. Kumar Birla and Shri B. V. Jacob retire from the Board of Directors and being eligible offer themselves for re-election.

The Auditors appointed by the shareholders at the last General Meeting, Messrs. K. N. Gutgutia & Co. and Messrs. Dalal & Shah retire, but offer themselves for re-appointment.

The Directors express their gratitude to the shareholders and the constituents for their support in the growth of the institution and also to the members of the Local Advisory Committees at Ahmedabad and Bombay for their valuable advice. They also record their appreciation of the loyal and efficient services rendered by the staff at Head Office and branches.

For and on behalf of the Board of Directors,
K. P. GOENKA,
Chairman.

Dated, CALCUTTA, the 13th March, 1957.

BALANCE SHEET AS AT 31st DECEMBER, 1956.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000	0	0			
AMOUNT CALLED UP— 1,00,000 Shares at Rs. 50 per share	50,00,000	0	0			
Share Premium Account	3,75,000	0	0	53,75,000	0	0
2. Reserve Fund and Other Reserves—						
Reserve Fund (including under Section 17 of the Banking Companies Act)				26,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	1,76,41,586	6	9			
Savings Bank Deposits	22,50,587	7	2			
Current Accounts, Contingency Accounts, etc.	3,12,85,148	5	2	5,11,77,322	3	1
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	....					
(ii) Outside India	....			....		
PARTICULARS—						
(i) Secured	....					
(ii) Unsecured	....					
5. Bills Payable				5,58,241	10	5
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	9,56,902	13	5			
(ii) Payable outside India	92,969	10	9	10,49,872	8	2
7. Other Liabilities—						
(i) Unclaimed Dividends	21,663	0	0			
(ii) Rebate on Bills	1,958	15	9			
(iii) Branch Adjustments	....			23,621	15	9
8. Acceptances, Endorsements and Other Obligations per contra				1,80,28,281	5	3
9. Profit and Loss—						
Profit as per last Balance Sheet	4,66,277	15	9			
LESS—Dividend	3,00,000	0	0			
	1,66,277	15	9			
ADD—Profit for the year brought from the Profit and Loss Account	12,10,668	0	3			
	13,76,946	0	0			
LESS—Appropriations— Rs. a. p.						
Amount transferred to Reserve Funds .. 3,75,000 0 0						
Provision for Taxation .. 4,50,000 0 0						
Bonus to Staff .. 90,000 0 0	9,15,000	0	0	4,61,946	0	0
10. Contingent Liabilities—						
(i) Claims against the Banking Company not acknowledged as debts Rs. 27,893-0-0.						
(ii) In respect of Guarantees issued on behalf of constituents Rs. 28,91,317-9-0 (out of which the Banking Company is secured to the extent of Rs. 16,97,424-9-0—the securities include unquoted shares taken at paid-up value, Rs. 14,75,000-0-0).						
(iii) On partly paid up Preference Shares Rs. 2,50,000-0-0.						
(iv) Liability on Bills of Exchange rediscounted Rs. 15,20,985-0-0 of which Rs. 14,11,118-5-0 have run off up to 28th February, 1957.						
(v) Liability on account of outstanding Forward Exchange Contracts Rs. 6,05,81,858-4-3 of which Rs. 3,20,70,963-9-6 have been delivered up to 28th February, 1957.						
NOTE:—Provision to the full extent for future gratuities to staff has not been made—the liabilities for which has not been ascertained.						
Total .. Rs.				7,92,74,285	10	8

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)				45,63,551	8	10
2. Balances with Other Banks—						
In Current Account—						
(i) In India	83,950	9	2			
(ii) Outside India	38,00,235	6	7	38,84,185	15	9
3. Money at Call and Short Notice				30,00,000	0	0
4. Investments (at below market value)—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	1,10,72,467	10	0			
(ii) (a) Joint Stock Companies Preference Shares fully paid up	8,501	0	0			
(b) Joint Stock Companies Preference Shares partly paid up	2,10,000	0	0			
(c) Joint Stock Companies Ordinary Shares fully paid up	3,35,000	0	0			
(iii) Debentures or Bonds	2,22,000	0	0			
(iv) Pakistan Government Securities	9,97,562	8	0			
(v) Gold	....			1,28,45,531	2	0
(Investments of the face value of Rs. 2,06,300 deposited as security against two of the guarantees issued on behalf of constituents)						
5. Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 1,83,27,528 1 5						
(ii) Outside India 45,66,271 4 2	2,28,93,799	5	7			
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India 91,83,273 14 6						
(ii) Payable outside India .. 28,59,841 15 7	1,20,43,115	14	1	3,49,36,915	3	8
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the banking company is fully secured	2,55,18,151	13	3			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	49,48,536	12	8			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	44,70,226	9	9			
(iv) Debts considered doubtful or bad, not provided for	....					
	3,49,36,915	3	8			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	....					
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	20,77,222	8	7			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	....					
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	30,71,310	14	9			
(ix) Due from banking companies	56,656	5	0			
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	9,56,902	13	5			
(ii) Payable outside India	92,969	10	9	10,49,872	8	2
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				1,80,28,281	5	3
8. Premises Less Depreciation				....		
9. Furniture and Fixtures Less Depreciation (including Motor Cars)—						
Cost as per last Account	3,80,554	6	10			
Since added	1,34,496	5	0			
	5,15,050	11	10			
LESS—Sales and Adjustments	23,140	3	5			
	4,91,910	8	5			
LESS—Depreciation written off to date	1,72,555	13	8	3,19,354	10	9
10. Other Assets, including Silver—						
(i) Branch Adjustments	1,63,493	14	3			
(ii) Interest accrued on Investments	75,546	9	6			
(iii) Stamps	3,502	4	9			
(iv) Income-tax deducted at source	3,26,096	2	9			
(v) Advance Payment of Tax	77,954	5	0			
(vi) Property (Freehold Land at cost)	....					
(vii) Silver	....			6,46,593	4	3
11. Non-Banking Assets Acquired in Satisfaction of Claims				....		
12. Profit and Loss				....		
Total .. Rs.				7,92,74,285	10	8

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	12,01,557	9	9
2. Salaries and Allowances and Provident Fund	8,80,349	8	3
3. Directors' (Rs. 3,750) and Local Committee Members' Fees and Allowances	4,550	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	1,26,539	15	6
5. Law Charges	3,423	8	0
6. Postage, Telephone, Telegrams and Stamps	30,981	8	7
7. Auditors' Fees (including Periodical audits)	11,200	0	0
8. Depreciation on and Repairs to the Banking Company's Property	37,844	9	3
9. Stationery, Printing, Advertisement, etc.	71,448	15	0
10. Loss from Sale of or Dealing with Non-Banking Assets	....		
11. Other Expenditure	76,005	11	3
12. Balance of Profit	12,10,668	0	3
NOTE: Salaries and Allowances of the General Manager amount to Rs. 26,400-0-0. Total .. Rs.	36,54,569	5	10

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	24,20,751	14	1
2. Commission, Exchange and Brokerage	11,35,446	2	3
3. Rents	1,903	14	6
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	96,038	7	0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....		
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	....		
7. Other Receipts	....		
8. Loss	339	0	0
Total .. Rs.	36,54,569	5	10

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the annexed Balance Sheet of The Hind Bank Limited, as at 31st December, 1956, and also the annexed Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated branch returns audited by Statutory or Local Auditors.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to Sub-sections (1) and (2) of Section 211 and Sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1949. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) In our opinion, and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

K. N. GUTGUTIA & CO.
DALAL & SHAH
} Chartered Accountants.

K. P. GOENKA, *Chairman.*

S. D. PARDIWALLA, General Manager.

T. N. GANGULI, Chief Accountant.

B. L. JALAN
B. KUMAR BIRLA
N. D. BANGUR
K. L. KANORIA
B. V. JACOB
S. P. HUTHEESING
} *Directors.*

CALCUTTA, the 13th March, 1957.

AUTOMATION AND ATOMIC POWER

THEIR IMPACT ON LABOUR

THE labour and social implications of automation and other technological developments, including the industrial uses of atomic energy, have been analysed by the Director-General of the International Labour Organisation, Mr. David A. Morse, in a report to be discussed by Government, worker and employer delegates of 77 nations at the 40th session of the International Labour Conference at Geneva during June 1957. The report traces the progress of revolutionary technological changes in the world over the past few years. The impact on employment, skill, education and training, job satisfaction, labour mobility, wages and hours of work, industrial safety and social security are among the problems examined. Mr. Morse has also discussed the planning of technological changes within undertakings and the meaning of these developments for labour-management co-operation. Finally, he has outlined a number of guiding principles which could be of help in putting modern technology effectively to the service of mankind.

Mr. Morse points out that automation is only one form of technological change and it must be kept in proper perspective as one of many developments gradually altering the nature and structure of industry and commerce. He stresses that, "ever since the Second World War—which itself gave a great impetus to technological innovation—new machinery, new methods, new products and new processes have been making their way into the world's economy." According to him, while definitions of "automation" vary, three fundamental developments account for nearly everything that is commonly regarded as falling under the heading of automation. The first, continuous automatic production or integration, is often called "Detroit automation" in honour of the city where it got its start. The second is often termed feed-back technology, based on the use of built-in automatic devices which compare the way work is being done with the way which it is supposed to be done and make automatically any adjustments in the work process that may be necessary. The third is best known as computer technology, resting primarily on new developments in electrical engineering and covering the use of general and special purpose computing machines capable of recording and storing information (usually in the form of numbers) and of performing both simple and complex mathematical operations on such data. Full automation is the result of the flowing together of these three streams of technological progress.

What is New in Automation ?

Clearly, says Mr. Morse, automation is not new. What is new behind automation is the new way of thinking about production processes, including the possibility of envisaging a large and complex yet fully automatic factory in which a computer integrates and controls the separate automatic production lines. As an American observer has pointed out, the fact that today an imaginative scientist can improvise, in principle, mechanisms capable of carrying out almost any task is of revolutionary significance. Mr. Morse says: "It is this threat that lies behind the fear that we have created an uncontrollable force imperilling our society and even that we are in danger of being destroyed by our own creations." Another new element in automation is related to its potential in quickening the rate of change in industry. Finally, perhaps the most significant novel features of automation is that it makes it possible to do many things and to produce many goods and services which were simply not feasible in the past.

Mr. Morse refers next to the development of the peaceful uses of nuclear energy, which, in his opinion, has been even more spectacular in many ways. Only five years ago, there were many serious technical problems still to be overcome, and it was said that years would elapse before nuclear energy could compete with energy from coal and other conventional sources and that its practical use in industry could not be expected to materialise for two or three decades. Yet, by 1954, a nuclear energy plant was supplying power to industry and agriculture in one region of the U.S.S.R.; in 1955 a town in the United States was for a short period fully supplied with electricity from a similar source; and in 1956 two nuclear energy plants went into operation in France and the United Kingdom.

There is, Mr. Morse says, a close link between atomic energy and automation. But for the development of certain types of automation, the construction of nuclear reactors would not have been possible; in turn, radio-isotopes make possible many of the feed-back devices which are the essential element in one type of automation. Canada, the United Kingdom, the United States and the U.S.S.R. have all become large exporters of isotopes. A radio-isotope costing $250 can do the work of $25,000 worth of radium in testing the strength of metals. Oil, paper, plastics, rubber and other industries were also using isotopes. Since, in nearly every case, the use of radio-isotopes is cheaper, less time-consuming and more efficient than earlier methods, and since in many cases they render services which were completely impossible before, the annual saving to the industries of the world is incalculable. All these various developments and the many others pouring into the main stream of technological change in industry are transforming the whole productive process and creating new opportunities and problems in the labour and social field.

It is widely recognised that the key to the labour and social impact of automation and other technological innovations is the rate of speed at which they are introduced and at which they spread from one undertaking, industry and area to another and from one part of the world to another. To quote Mr. Morse: "If, as many have emphasised, the changes of the last 50 years had been compressed into the space of five years, there would have been economic and social chaos. If the changes resulting from automation, the use of atomic energy and other recent innovations were to take place within the same limited period of five years, there would be grounds for grave concern." While it is important to try to assess the rate of speed at which technological changes are occurring and are likely to occur in the world economy, it should be frankly admitted, says Mr. Morse, "that, at the moment, we have no real means of knowing how fast the changes will come and how far they will go."

Will Automation be Gradual?

Few have challenged the assumption that automation and other developments will be gradual, Mr. Morse observes. "Nor would I do so. Yet in the interests of caution, it might be noted that, only a few years ago, automation and atomic energy were both commonly regarded as practical problems for the next decade, not for this one. Things have happened far faster than most qualified observers in both fields expected." The need, he emphasises, is to study what is happening, to try to anticipate the impact in the social field, and to plan ahead to meet without confusion any problems that may arise.

In the considered opinion of Mr. Morse, there are certain clear-cut advantages of automation to industry. Some of these are financial. Of these, the most important is the reduction of direct labour costs. Other advantages are technical. Of these, the most important is probably the fact that automation makes it possible to produce better quality goods and to work with constant precision and within narrower specifications. He observes: "Because of these financial and technical advantages to industry, and leaving aside any social advantages which might also play a part in managerial decisions, many experts anticipate that industry will be forced into more and more automation at a faster and faster pace." Mr. Morse questions the wisdom of assuming that automation would affect certain types of industries while others would be less likely to feel its impact. "Competition among firms and other pressures for industrial efficiency oblige more and more undertakings to introduce automation. Also, the more that is learned about automatic devices, the more uses are devised for them."

Structure and Location of Industry

Both automation and the use of atomic energy affect the structure and location of industry. Automation will affect the shape and size and location of plants. With atomic energy and automation together, the employer will be more free to locate his plant and this would be likely to disrupt some communities and give new life to others. To quote Mr. Morse: "It may be that these changes will have international implications and will create shifts in the international location of industry. It has been pointed out that the new technology demands a world market and will exert tremendous pressure against artificial trade barriers. At the same time, economic development in industrially less developed areas may be accelerated. In any case, it seems likely that there will be changes in the division of labour between countries, particularly perhaps between small and large countries and between countries producing mainly primary products and those producing mainly manufactured products... My prediction would be that both automation and the industrial application of atomic energy will go further and faster in the less developed countries than we would now anticipate." At the same time, the new methods are likely to accentuate some of the problems of transition to industrialisation, particularly in countries with chronic underemployment and heavy population pressure. It is the human problems involved in this transition which require special attention, as modern technology invades the less developed countries. In this connection, Mr. Morse remarks: "So long as improvements are introduced against a background of high levels of economic activity and a continuing rate of economic expansion, the maintenance of the general level of employment is not likely to be a serious problem provided the occupational shifts required to adjust to the changes can be made."

Trend of Opinion

The Director-General of the I.L.O. points out that on the whole, the trend of opinion among employers and trade unions as to the employment situation is optimistic but cautious. Nevertheless, and more particularly in trade union circles, there is an evident fear that things will not go on for ever as they are: that a saturation point may be reached. He observes:

"These apprehensions are real and widespread. The only way in which they can be countered is by concentrating on the facts—in each country, in each industry, in each undertaking, by giving sustained attention to the changing employment situation, and by careful planning not only to promote full employment and economic growth but also to foster the social policies which must underlie and accompany such growth. Technological progress holds out great savings in labour: let us not be afraid to admit this. These savings may be taken in the form of (1) higher output (either in the same industry or in other parts of the economy), (2) shorter hours, (3) unemployment; or a combination of the three. The problem, to my mind, is to arrive at a satisfactory combination of the first two and to avoid the third. For many countries, the main danger of unemployment may arise not from too rapid but from too slow progress in automation and other technological developments."

Pattern of Skill

Mr. Morse has devoted three chapters to skill changes and the resultant impact on education and training of young and adult workers. "A look at the world today suggests that a redefinition of skill is long overdue," he says. "Do the classical concepts of unskilled, semi-skilled and skilled workers, largely taken from a static, medieval society of guilds, really correspond to the needs of the dynamic, fast-changing industrial society of today? Will the nineteenth century concept of salary-earning office employees and wage-earning factory workers make sense in the automated factory of tomorrow? The skill of one technological era is dead and the skill of a new era is just emerging."

Mr. Morse devotes special attention to the problem of equipping youth for the factories and offices of tomorrow. "As technological advance continues, illiteracy must be wiped out altogether. But modern industry demands more than this." Youth would probably need better and longer basic schooling. A greater percentage of the population would need to complete university or equivalent education. There will have to be a particular upsurge in higher technological education, and much more co-ordination of education and training channels at all levels. Vocational training facilities would have to be expanded, but, more important, functionally reoriented. Re-training of adult workers, including supervisors, needed more imagination as well as more attention from employers and workers.

Planning Changes Within Plants

Technological changes require many adjustments within the plant and from its labour force. Mr. Morse considers that the fear of change is natural, and makes the following observations:

"It is my experience that, today, there is no need to regard industrial disturbance and social unrest as an inevitable consequence of technological changeovers. The essentials of wise policy seem to me to be clear: careful advance planning on the part of management, with full consideration of the human problems of technological changeovers; full prior consultation of the workers and their representatives before plans are finalised; careful tim-

(*Continued on page 771*)

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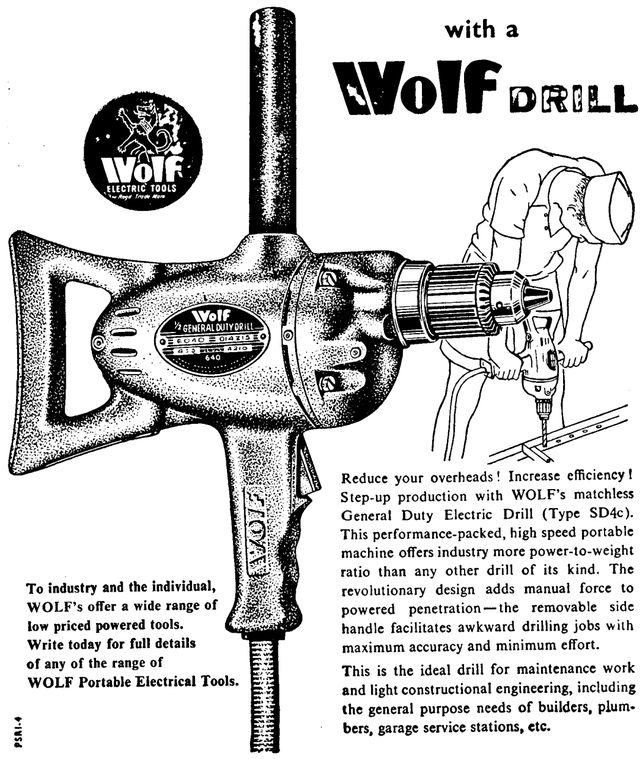

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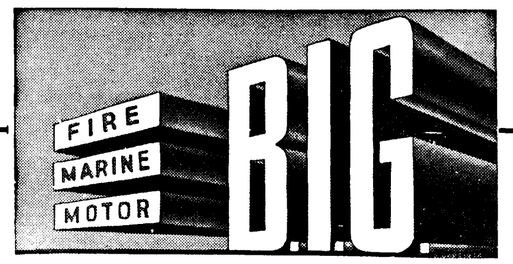

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THE HONGKONG AND SHANGHAI BANKING CORPORATION

MR. C. BLAKER'S REVIEW OF ECONOMIC CONDITIONS IN ASIAN COUNTRIES

WARNING AGAINST OVER-INVESTMENT OF GOVERNMENT FUNDS ABROAD

THE Annual General Meeting of the Hongkong and Shanghai Banking Corporation was held in Hong Kong on 15th March 1957. In the course of his customary statement to the shareholders, Mr. C. Blaker, M.C., E.D., Chairman of the Corporation, made a review of the political and economic conditions in the Asian countries in which the Corporation was represented. On the whole, he found the past year a satisfactory one for these countries and, notwithstanding setbacks, it was marked by general political stability with growing economic expansion.

Inaugurating the proceedings of the meeting, Mr. Blaker said:

"LADIES AND GENTLEMEN,

"The hour for which this meeting was called having now passed, I will call upon the Chief Manager to read the notice convening the meeting."

The notice convening the meeting having been read by the Chief Manager, Mr. Michael W. Turner, and the Auditors' report by a representative of the auditors, the Chairman continued:

"LADIES AND GENTLEMEN,

"As you will see from the accounts before you, the profit for the year amounts to $20,635,421, which represents a small increase over last year's figure. In accordance with our normal practice this profit has been arrived at after making transfers to the credit of our inner reserves, out of which full provision has been made for all realised losses, the depreciation in value of our investments and all known doubtful debts and contingencies.

"It is proposed that a sum of $4 million should again be written off Bank premises and, after allowing for this transfer and the interim dividend of £2 per share, the Directors recommend the payment of a final dividend of £3 per share leaving a balance of just over $11 million to be carried forward to next year.

"Turning to our balance-sheet, it will be seen that the total of our liabilities has remained virtually unchanged; a small increase in current, deposit and other accounts having been offset by a slight decrease in the total of acceptances on behalf of customers. In this connection arrangements were completed during the year for the establishment of a separate trust to administer the staff retirement scheme and the funds of this scheme, which were previously included among the current, deposit and other accounts, were transferred to the trust during the year.

Increase in Advances

"On the assets side of the balance-sheet, the main changes are increases of $144 million in advances to customers and other accounts and of $39 million in trade bills discounted. As a result of the larger facilities granted to our constituents, the total of cash, call money and Government Treasury Bills has decreased by just over $105 million. Investments have also fallen by $66 million, due partly to the drop in the market value of British Government securities, but also as a result of sales of investments, which were mainly in connection with the transfer of the funds of the staff retirement scheme to the separate trust to which I have already referred.

"The investment in an associated company, which is a new item in the balance-sheet, represents our one-third interest in Bowmaker (C.A.) (Private) Limited in which we are equal shareholders with Bowmaker Limited and Tozer, Kemsley and Millbourn Limited. This Company was incorporated on 29th May 1956 to trade in Central Africa, including the Rhodesias and Nyasaland, but for the present it will be mainly concerned with the granting of hire-purchase facilities in these territories.

"These are the main changes in our balance-sheet, but I should like to say a little more about the rise in advances and trade bills which, as you have seen, has resulted in a drop in the total of cash, call money and Government Treasury Bills. This rise is to a large extent due to the growing industrial and commercial expansion in South-East Asia, but that is not the only reason. It was not until the end of 1955 that the credit squeeze in the United Kingdom began to make itself felt in the Eastern territories in which we operate, but during 1956 the shortage of credit to a greater or lesser degree became a matter of increasing concern to merchants and bankers alike. This was aggravated in our case by the fact that some concerns which had previously obtained a large part of their finance in London now turned to us, while on the other side, depositors took advantage of the high rates obtainable in the United Kingdom to transfer some of their funds there.

"Governments also were not slow to follow suit and as a result the banking system in a number of territories was deprived of substantial sums at a time when the demand for advances, mainly for productive purposes, was very active. Even from a purely revenue-producing angle I wonder whether this action was wise. Has not the lure of higher interest rates caused them to lose sight of the increased revenue that would have accrued to them through taxation had the funds been available for local development? For the future growth of these territories an over-investment of Government funds abroad must result in a slowing down of the pace, as this deprives the banking system of what is almost its life-blood.

Not a Pleasant Task

"I am afraid that, as a result of the increasing demand for credit, the standing of the borrower and the security offered are not the only considerations which have to be taken into account by our managers when approached for new facilities. The necessity to turn away business, which at other times would be most suitable, has, I am afraid, been forced on bankers in many parts of the world and we could hardly expect to escape. Nevertheless, it is not a pleasant task and I hope that many of you in this room will realise—to quote a saying from our schooldays—'that it hurts me more than it hurts you.' In the interests of depositors and shareholders alike it would be most imprudent not to maintain a suitable degree of liquidity and, spread as our activities are over so many territories, this liquidity should, in our opinion, be higher than may be considered necessary by bankers whose interests are mainly confined to one single country. At 31st December 1956, the ratio of the Bank's readily realisable assets to its total liabilities, was just under 45 per cent. and, while your Directors are satisfied that this is a safe margin, the drop over the last few years is a reminder that our ability to finance the capital and current requirements of our customers and friends must of necessity have some limitation.

"The printed statement which is in your hands deals, as usual, with the political and economic situation in the Asian countries in which we are represented. We have tried in this statement to pick out the main developments which we thought would be of interest to shareholders, but with the increasing activity that is taking place in all these territories, a great deal must of necessity be left out. On the whole, the year was one of steady progress with an improvement in trade and your Directors are very satisfied with the results, which would have been even better if it were not for a series of unfortunate losses which we suffered in Calcutta.

"Since the time of the formation of the Bank the shareholders have been liable, in the event of the Bank being dissolved, for the full amount of the notes issued by the Bank; and have also been liable to contribute to the Bank's debts to the extent of the nominal value of each share. At that time such a liability was a usual condition for the establishment of a new bank in the Colonies in order to afford protection to the holders of notes and to the depositors. The growth of banks since these days has made such a protection unnecessary and recently in a number of instances arrangements have been made to do away with such a liability. In our case an amendment of the Ordinance is necessary and we have recently made representations to the Government that this should be done. In fact, although there is provision for a small fiduciary issue of under $7 million, the note issue is fully covered by Certificates of Indebtedness and approved securities, while the depositors are protected by the very substantial reserves which have been built up.

"I should like to take this opportunity of expressing our thanks to the Chief Manager, the Branch Managers and all our staff for their loyalty and efficient service to the Bank during the year.

"Ladies and gentlemen, the report and statement of accounts having been in your hands for the required period I will now formally propose their adoption as presented.

"After the proposal has been seconded I shall be pleased to answer to the best of my ability any questions which shareholders may wish to ask."

The resolution having been seconded, the report and accounts were adopted.

Chairman's Statement

The following is the Chairman's statement circulated at the meeting:

"When our annual review was prepared last year there seemed hope that we could look forward to a slow, but gradual, improvement in international relations. True, many problems remained unsolved, but a degree of stabilisation appeared to have been reached, sufficient at least to prevent any major disturbances from breaking out. The de-Stalinisation policy gave evidence of a change of emphasis, if not a change of heart, in Russia and the benefit of co-existence was the theme of many of her leaders' speeches, while the rest of the world seemed quiet. Unfortunately, these hopes were not realised and, at one time during the year, the world seemed very near to the calamity of a global war with all the destruction of life and treasure which such a catastrophe would have caused in this thermo-nuclear age. Dissension in Eastern Europe, due to dissatisfaction with living conditions caused to a large extent by the over-concentration of resources in the production of heavy industry, resulted in reforms in Poland and an armed uprising in Hungary; and in the Middle East the nationalisation of the Suez Canal by the Egyptian Government, coupled with their deteriorating relations with the State of Israel, set in train a series of events the results of which cannot yet be foreseen. Indeed, we have to go back many years to find an issue which raised so much controversy in the United Kingdom and elsewhere as the intervention of the British and French forces in the fighting between Israel and Egypt, and the passions raised by that intervention have not yet died down. On the whole, little pleasure can be found in looking back on the events of the past year. Some of the legacies, which will be with us for some time to come, are the damage which has been done to Anglo-American relations, the closing of the Suez Canal and the difficulties which the shortage of oil has caused to the economies of Western Europe; but there are many others. There is, however, a little comfort to be gained from the fact that shattering though some of the incidents were, causing as they did misery to many helpless people, the disturbances were to a great extent localised, and the fear of starting a world conflagration seemed to prevent action reaching the point of no return.

Industrial Production Higher

"Economically, industrial production continued to increase, although at a slower speed than in 1955, and a growing intensification of the restriction of credit began to make itself felt. In the United Kingdom, the first six months showed a steady improvement in the gold and dollar reserves—evidence that the deflationary measures imposed were proving successful—but from July onwards external factors began to come into play and economic conditions were dominated by events in the Middle East which culminated in a loss of nearly £100 million in the sterling area reserves during November. Steps taken in December to mobilise all available resources seem to have been successful in stopping this drain and the technical position of sterling has since been greatly improved, thus enabling the inherent strength of the economy to reassert itself. The stability of a currency is not, however, decided by technical considerations—important though these are in the case of sterling, in which currency such a large part of world trade is financed—and, while the short-term outlook is reassuring, it is only by a steady and substantial increase in the reserves that a permanent solution can be found. If it has done nothing else, the Suez crisis has clearly shown that the United Kingdom has been endeavouring to undertake larger responsibilities than the economy can bear. The present size of the armed forces is a case in point and recent announcements show that a determined effort is now being made to tackle this problem and this should do more than anything else to reduce the level of Government expenditure, the need for which has been stressed from so many platforms.

Free Trade Area

"Since the war, there has been considerable support for the proposal that some form of integration of the economies of Western Europe should be evolved, which, by the pooling of resources, would enable this area, with its large internal market, to compete on more equal terms with the United States and with the growing economic strength of Russia. Such an area would be immeasurably strengthened by the addition of the United Kingdom, but the difficulty of combining her Commonwealth obligations with the membership of a European union has always in the past proved a stumbling block. Opinion in the United Kingdom has, however, changed and in a recent White Paper the Government recommended to the Organisation for European Economic Co-operation that, subject to reservations on agriculture, general approval be given to the creation of a 'European Industrial Free Trade Area' which would associate with the European common market composed of France, Western Germany, Italy and the Benelux countries. At a meeting held in Paris shortly after the issue of this White Paper, seventeen Western European nations agreed to enter into the necessary negotiations and Mr. Thorneycroft was appointed chief co-ordinator. In this proposed free trade area tariffs and quotas, against imports from countries within the area, will be abolished progressively over a period of years, but each country will be permitted to retain its own individual tariffs against the outside world as opposed to the common market where there will be a standardised tariff with non-members. Although a number of differences have still to be ironed out a great step forward has been taken towards the setting up of this free trade area which, if it comes into being, will be one of the most encouraging developments in world trade that has been evolved since the war.

"Another important event, which took place in the United Kingdom during the year, was the formal opening by Her Majesty the Queen, in October, of the world's first large-scale nuclear power station at Calder Hall. This project is a considerable achievement which not only marks the beginning of the generation on a large-scale of electricity from the atom but may also result in the development of an export market with tremendous possibilities. Already there are reports that the Japanese are showing interest in the purchase of a power reactor of the British Calder Hall type.

Too Speedy Industrialisation

"In Asia, the international situation has remained quiet and although, as I pointed out last year, a number of problems remain unsolved, there were no developments, apart from several internal incidents, which disturbed the peace of the area. The disruption of shipping through the Suez Canal delayed and increased the cost of many of their imports from Western Europe, but so far this has not caused any undue strain on the economies of the various countries, while on the short view at least, Japan has benefited. In many of our annual reviews since the war the importance of agriculture has been stressed and we have tried to point out the dangers of a too speedy move towards industrialisation: but the desire to bring about an increase in the standards of living of the people has caused Governments to draw up plans which, if successful (and some of them so far have been fairly successful), will result in an extremely rapid enlargement of industrial resources. The increase of consumer demand which a large capital investment is bound to create and which precedes—often by some considerable time—the wealth generated by that investment, presses mostly heavily, moreover, on food prices and it is for this reason that the improvement in agricultural production at such a time is so necessary. As the report by the Council for Technical Co-operation in South and South-East Asia 1955-56 puts it, 'food is the basic sector of production' and this is borne out by a study of conditions in various countries where it is usually found that a favourable harvest is the best tonic for their general economic health. Recent events in Eastern Europe have shown that, even where the whole economy of a country is ruthlessly planned to the accumulation of fixed capital, there is a limit to the extent to which industrialisation can be pushed forward unless agriculture keeps pace. Unfortunately, during the year under review, agricultural production did not show any marked increase in Asia and while not in any way overlooking the part that weather conditions can play, particularly sudden natural disasters such as floods, one is left with the feeling that in many countries insufficient resources are being allocated to the agricultural sector. These remarks of mine will, I hope, not be misunderstood. The need for rapid industrialisation in this day and age cannot be questioned and enlightened self-interest alone would lead us to give this movement every encouragement: but this does not get away from the fact that under conditions which exist in most of Asia, with growing populations, the increase in industrial development should not move at such a high speed that the production of basic foodstuffs and other necessities of life is unable to keep pace.

Aid for Under-developed Countries

"The Colombo Plan continued to play a large part in furthering development in South-East Asia and it is encouraging to see how mutual aid has increased, particularly in the provision of training facilities. The Consultative Committee in its report, published after its annual meeting in Wellington in December, stresses the desirability of flexibility in development programmes, the importance of providing 'sufficient opportunities for productively employing the ever-increasing human resources of the area' and the need to maintain a proper balance between consumption and investment. The Committee also expressed the hope that 'increased opportunities may develop for drawing on foreign private investment.' This is certainly true and I trust that a suitable climate will be created to encourage this investment. United Nations agencies continued to play their part, while aid has been provided by the United States of America on a generous scale through various channels. The International Bank for Reconstruction and Development also made substantial loans including one of U.S. $75 million to the Tata Iron and Steel Company Limited of India, which is the largest loan for an industrial project so far made by that Bank; and its offspring, the International Finance Corporation, came into being in July and announced its intention of concentrating upon investment in less developed countries in association with private investors. The International Bank has proved itself one of the most successful international organisations set up since the war and I hope that, with the experience of its parent at its disposal, the International Finance Corporation will be able to make a useful and increasing contribution towards the economic development of its members in the private sector in which it will specialise. In our own small way we are doing our part and we have interests in two development corporations, one in India and the other in Ceylon, while consideration is being given to the setting up of a similar organisation in the Federation of Malaya. These corporations are intended to grant finance on a rather longer term basis than banks normally provide.

Hong Kong

"Hong Kong has been fortunate in recent years in avoiding any serious internal disturbances and for this a great deal of the credit is due to our efficient police force. Unfortunately, in October an incident, which started as a comparatively minor dispute in one of the resettlement areas, was exploited by criminals and gangster members of the Triad Societies to develop into the most serious riots the Colony has experienced since the war. The Governor, in a memorandum to the Secretary of State for the Colonies, stated that 'there is no evidence whatsoever to suggest that the riots in Kowloon were planned beforehand. On the contrary, all the indications are that they started spontaneously' and he went on to show that the crowded resettlement blocks, which it was necessary to build in urban areas in order to enable the inhabitants to be housed near their work, 'explains the dryness of the timber which was waiting to be ignited by any suitable spark.'

"The continuing rise in the population due to the large influx from China and the natural increase—excess of births over deaths—influences every sector of the community's life and it compelled the Government in September to reintroduce the quota system for Chinese entering the Colony. That this move was inevitable was borne out by the fact that during the six and half months when these restrictions were lifted there were over fifty thousand immigrants and this, if allowed to continue, coupled with the natural increase of about seventy-five thousand persons, would have imposed a strain on the Colony's resources which it would be quite unable to bear. The interim report of the Special Committee on Housing in Hong Kong, which I mentioned last year, estimates that even to prevent living standards from deteriorating it will be necessary to build 'the equivalent of one new town, not much smaller than York, each year' which gives some idea of the magnitude of the task. This problem was dealt with at considerable length by the Governor in his recent speech in the Legislative Council and the progress so far made in resettlement and in the construction of new housing generally is, I think, remarkable. It is nevertheless not enough. Hong Kong has prided herself since the war on what has been achieved by her own efforts and I hope that we shall be able to continue to be self-reliant for our normal development, but the task of resettlement is something quite different. The time is rapidly approaching—if it is not already here—when assistance from some outside agency will become essential and the riots emphasised how urgent this problem is. It is, therefore, all the more encouraging that the Executive Committee of the United Nations Refugee Fund recently agreed to ask the General Assembly to consider the problem.

"When we look at the year as a whole, however, we find that once again there has been an improvement in practically every field of economic endeavour as some of the figures I shall give will show. The Tai Lam Chung reservoir project was inaugurated this month by Lady Patricia Lennox-Boyd; progress on the airport is reported to be up to schedule; a development plan has been announced for the Hung Hom district of Kowloon; and building activity continues to be seen in every part of the Colony. The proposal to construct a tunnel or a bridge across the harbour has been the subject of a considerable amount of discussion during the year, but the Government has decided that the cost of either of these projects is not at present justified.

"The competition which the United Kingdom cotton industry is facing from imports of piecegoods from India and Hong Kong has been the subject of numerous statements in the Press and questions in the House of Commons. Led by Sir Cuthbert Clegg, a delegation from the industry visited both India and Hong Kong at the beginning of this year to discuss this problem. It was proposed that the local industry should voluntarily agree to limitation of exports of cotton cloth to the United Kingdom at an agreed figure and this suggestion is being examined. Even if certain sections of the industry are willing to co-operate, however, there seems little chance of bringing the garment-making industry into the scheme. This is very much of the cottage type of industry with no organised form of association and this makes any limitation unworkable. In view of the publicity that has been given to the competition from Hong Kong it is, I think, worthy of mention that the spinning industry here comprises just over three hundred thousand spindles, while in the United Kingdom there are reported to be something in the region of twenty-five million spindles in active operation.

Hong Kong's Trade

"Hong Kong's trade in 1956 increased by 24 per cent. in value, while volume rose by 12 per cent. Exports showed a greater improvement than imports with Indonesia moving into first place, while exports to Japan and Thailand were substantially higher. The increase in imports was fairly well spread with Japan and China making the most progress. Imports from China at just over $1,000 million were the highest since the war and, although the trend continued for exports to that country to be lower, the drop was not so severe as in 1955.

"Exports of Hong Kong products increased by 7 per cent. and comprised about a quarter of the Colony's total exports. The United Kingdom continued to be our best customer for local products, but total exports to that country are still only 60 per cent. of our imports from there, a point which some people in the United Kingdom seem to overlook. These figures illustrate the importance to Hong Kong of her local industries which continue to play a growing part in the Colony's economy. No less than 488 new factories were registered during the year, as opposed to 372 in 1955.

"Business on the Stock Exchange showed a fall of about one-third compared with 1955, but

the market was in a much more healthy state and the boom seemed to have spent itself. Land values continued to rise, although the number of properties that changed hands was considerably lower with buyers becoming more selective in their purchases.

"The Bank clearing figures for the year increased by 16 per cent. to around the equivalent of £950 million which has only been exceeded once before, in the year 1951.

Finances of Hong Kong

"Once again the Financial Secretary, Mr. A. G. Clarke, in his speech in the Legislative Council when he presented the Budget, was able to report a very satisfactory state of affairs. A surplus of just under H.K.$15 million is expected for the current year as revenue on what he describes as 'luxury taxation' has been particularly buoyant, while expenditure is again below the estimate. For the financial year 1957-58 a deficit of H.K.$54 million is estimated, but shareholders, who have followed the trend of the Colony's finances and observed how conservative these estimates seem to be, will perhaps feel, as I do, that this gives no cause for alarm. It is interesting that the Government is considering dealing with capital items in a separate budget as an amount of H.K.$150 million in next year's estimates represents this type of expenditure. The airport and Tai Lam Chung reservoir comprise 40 per cent. of this amount. There is also an allocation for the preliminary work on a new reservoir which is to be built on Lantao Island and this will take about six years to complete. For the first time since the war details are given of the assets held by the Government against their liability for the Certificates of Indebtedness held by us and the two other note-issuing banks as security for our respective note issues. These assets on 31st December 1955 were 108 per cent. of the liability with 37 per cent. in the form of cash, money at call or short notice.

China

"Conditions in China are a matter of considerable interest to all the countries in South-East Asia and nowhere is this more so than here in Hong Kong. Unfortunately, information until recently has been scanty and reliance has had to be placed to a large extent on official publications and on impressions of returning visitors whose movements have in some cases been limited: but lately there has been a welcome increase both in the number of visitors permitted to enter the country and in the extent of their travel when there which is enabling us in Hong Kong to hear eye-witness accounts of what is happening. There has also been a certain amount of criticism from China's own leaders, which has shown up where some of the weaknesses lie, and statistical information has been considerably improved. In fact, a great deal of literature is available; but the achievements of the present administration are still so much a subject of controversy that much of this takes a partisan view, giving credit or awarding blame according to the ideology of the writer. In spite of these qualifications on any opinion which is formed, there seems no doubt whatever that the progress in industrial development that has been made in the last few years is substantial and that the first stages of the welding of farms into collective units have been, to a large extent, completed. To what degree this has reflected the wishes of the people, or how lasting the collective pattern will be, is difficult to estimate, but the speed with which this has been brought about must have exceeded expectations.

"The construction of new railways has also been particularly impressive and it is claimed that over 2,500 miles have already been completed. One of the most ambitious of these projects is the line linking Lanchow with the Soviet network some 1,700 miles away. This has already passed the oilfields of Yumen. It may be more difficult to get these new lines into full operation, as there are reports of breakdowns and a lack of maintenance on existing railways, but this does not in any way diminish the credit due for what has already been achieved.

"The first National Congress of the Chinese Communist Party since the Yenan Congress in 1945 was held in Peking in September. At this meeting progress in the First Five-year Plan was discussed and many errors were admitted by the official spokesmen. These covered the setting of higher targets for capital projects than the production of building materials warranted, the neglect of industry along the coast (it was pointed out that this area still produced over 60 per cent. of China's consumer goods), and too low a wage structure. In considering the Second Five-year Plan Mr. Chou En Lai stated that it was their policy to build 'with heavy industry as its core' a comprehensive industrial system within three five-year plans. Special emphasis would be given to the metallurgical industry and it was hoped to raise, the national income by 50 per cent. by 1962. This was, however, before the disturbances in Eastern Europe; and since that time there is evidence that the lesson of these events, coupled with a less satisfactory agricultural output than was expected, has resulted in the targets of the plan being revised. It is significant also that free enterprise has been given greater scope in minor industries and handicrafts and a free market has been permitted in many items in daily use, both of which seem likely to benefit the consumer. During the year certain other relaxations have been made such as the campaign to employ 'intellectuals' without too much enquiry into their political activities and the permission for the circulation of text books published in the West. These are all signs that some of their original plans require modification but it would, I think, be a great mistake to assume that any real change has occurred in the basic policy of the regime, which is to increase the industrialisation of the country at as rapid a pace as the economy will bear. It seems likely, however, that the trend in Eastern Europe of diverting production towards consumer goods may slow up, or even halt, deliveries of heavy industrial equipment to China, and this may necessitate some adjustment. No doubt, Mr. Chou En Lai's interruption of his Asian tour to visit these countries was not only concerned with political matters.

"Trade with China continues to be restricted by the embargo, but it was announced in the House of Commons in May that more use would be made 'of the exceptions procedure to permit reasonable exports in appropriate cases to China of goods which are not on the Soviet lists.' While this move is welcome as far as it goes, it has not proved so helpful as it was hoped, due to the absence of precise lists and the delay in dealing with applications.

"An exhibition of China produce and manufactures was held in Canton from November to January and was visited by many Hong Kong merchants. The lay-out was excellent and not only showed the wide range of products, which we all here know so well, but also included examples of what their new industries are turning out. Many of these items were for export and there is plenty of evidence, here in Hong Kong, of the increase in the range of goods available from China.

Japan

"In Japan, the year was marked by steadily increasing economic expansion with continuing instability on the political scene. The index of industrial production in November was higher by over 25 per cent. compared with the figure for the previous year, but internally this does not seem as yet to have caused serious overstrain. While the cost of metals and machinery rose and there were bottlenecks in both transportation and electric power the prices of basic cloth and foodstuffs remained steady but in January the consumer goods index moved up sharply. Unless this is temporary it may be a sign that demand is beginning to press where it can do most harm. Interest rates continued high, but bank advances have steadily increased, resulting in a rise in the level of borrowing from the Bank of Japan.

"Shipbuilding, in particular, has been extremely prosperous and, aided by their early delivery dates, the industry has taken advantage of the world demand for shipping, particularly tankers, and Japan last year turned out 1,746,000 tons of shipping, double the previous year's total. Output of textiles also increased and exports have been rising which has not been welcomed by the competing industries in the importing countries, particularly in the United States of America. As a result of protests from that country the Japanese have agreed to a voluntary limitation of textile exports to 235 million square yards per annum. An interesting innovation to encourage exports has been the floating fair of Japanese machinery which is moving round various ports in South-East Asia. This fair is housed on board a freighter which will spend a few days in each city.

"The demands of industry caused a higher level of imports, mainly of raw materials, but, helped by another good rice crop and a world demand for her exports, it was still found possible to maintain a favourable balance of payments. As usual, this was mainly due to invisible items as payments for exports and imports were almost in balance at U.S.$2,400 million, but the foreign exchange surplus was just under U.S.$300 million as opposed to U.S.$500 million in 1955.

"In spite of Japan's favourable overall balance, her holdings of sterling have shown a considerable drop during the year and negotiations, which have been in progress in London since October, have recently concluded with the signing of a new trade agreement. It seems that the delay in reaching this agreement was caused by the different approach of the two Governments. Japan considered the drop in her sterling holdings as justification for requesting increased imports by the sterling area of her goods; but the United Kingdom argued that, as sterling could now be used for many types of payment outside the sterling area, balanced trade with individual countries was a relic of bilateralism and was now out of date. For the same reason the United Kingdom does not want to enter into a new payments agreement.

Budget

"The budget which has recently been presented in the Diet shows increased expenditure of around Yen 100 billions. In view of the favourable conditions enjoyed by industry, it is proposed to reduce personal income-tax, but it is anticipated that this will be more than covered by higher revenue from other taxes.

"When we turn from a survey of economic conditions and look at the political picture, the outlook is not so promising. The emergence of the two-party system, which I mentioned last year, has not brought with it any feeling of party cohesion and politics are still bedevilled by the rivalry of numerous factions. This party strife did nothing to improve the Japanese prospects in their negotiations with Russia where the dissensions and rivalry of the various political groups at home weakened a hand which was never particularly strong. The Japanese also found, as others have found before them, that the Russians were hard bargainers and the talks, which in the summer were resumed in Moscow, seemed for a long time to be making little progress. Finally, in October, an agreement was signed and, in December, at a ceremony in Tokyo, the ratification instruments were exchanged and the restoration of diplomatic relations became an accomplished fact. A few days later Japan was elected the eightieth member of the United Nations. This entry into the international organisation has given great satisfaction to the Japanese and has, to a large extent, tempered their disappointment over the failure to obtain satisfaction over their territorial claims. In this connection it seems unlikely that any progress will be made over the return of the Southern Kuriles and while the islands of the Habomai group and Shikotan are to be returned on the signing of the Peace Treaty, there is no indication as to when this will be. In the minds of many Japanese, a reappraisal of future relations with China seems to be the next step, but a settlement of this problem is likely to require a high degree of diplomatic skill.

"While these events were taking place, the Liberal-Democratic Party was endeavouring to find a new leader as Mr. Hatoyama had announced his intention of retiring. The personal rivalry between the various leaders made agreement difficult and it was not until a second ballot that Mr. Tanzan Ishibashi was elected and later formed a government. This Government was short-lived as Mr. Ishibashi was obliged to resign due to ill health. Mr. Kishi became the new Prime Minister, but continued to retain the portfolio of Foreign Affairs, while the Cabinet was practically unchanged. Recent developments unfortunately have not provided any evidence that the members of the party have buried their quarrels and the factional affiliations still seem as strong as ever. Although so far the political instability has not had a damaging effect on the country's economy, there are many problems both in the domestic and international fields requiring attention which is unlikely to be given as long as the present dissensions remain.

The Philippines

"The year 1956 was, on the whole, a good one for the Philippines. The political situation remained unchanged and President Magsaysay personally continued to enjoy the support of the majority of the nation, although this does not extend to all members of the administration. There was general satisfaction that the country became a member of the Security Council and that Governor Miguel Cuaderno of the Central Bank was elected Chairman of the Board of Governors of both the International Monetary Fund and the International Bank.

"Economically, there was general prosperity and, from such statistics as are available at the time of writing, it appears that activity in most sectors was at a higher level than in 1955. Exports were larger which was mainly due to increases in shipments to Europe and Asia as trade with the traditional market of the United States showed a slight fall. Due to curtailment of licences imports were on the whole lower, particularly consumer goods, but there was an increase in the purchases of machinery. As a result, the foreign exchange reserves showed a slight increase, but this was still dependent to a large extent on United States Government expenditure. The expansion of the economy, coupled with the reduction in the imports of consumer goods, had its effect on prices which tended to rise while a considerable increase in the supply of money gave warning of the inflationary dangers ahead. These were referred to by the President in his State of the Nation Address in which he stated that 'we will continue to adjust our foreign exchange allocations to the demand for essential consumer goods without impairing the requirements of high priority projects.' To achieve this balance will not be easy and the President dismissed suggestions that the time was ripe for the removal of economic controls. On the contrary, he recommended that Congress reconsider the 'No Dollar Import Law' which permitted a considerable amount of barter trade, as this measure was being abused. The suggestion that the peso should be devalued has been heard again from many quarters, but this proposal is strongly opposed by the Governor of the Central Bank who does not feel that it would be in the best interests of the country.

"The agreement covering reparations was made with Japan during the year which provides for the supply of capital goods to a total of U.S.$500 million over a period of twenty years. Detailed implementation of this agreement seems to be making little headway and the Philippines are anxious to terminate the trade agreement with Japan and substitute payment on a cash basis. Although relations with the the United States continued to be friendly, little progress seems to be being made over the revision of the military bases agreement.

Vietnam

"Although many of the difficulties facing the Republic of Vietnam, which I mentioned last year, still remain, considerable progress has, in fact, been made. The war against the sects has been brought to a successful conclusion, a large number of the refugees have been effectively resettled and the area under law and order is being rapidly enlarged.

"The new constitution has been drawn up and although this gives the President of the Republic very strong veto powers, for a time at least, in a country which has suffered from so much dissension, such powers are probably necessary. Steps are being taken, although possibly not fast enough, to introduce land reform. This will restrict the area of land suitable for growing rice which may be held by one individual. These are all considerable achievements, but the economic situation still gives cause for concern. Production of rice is still very low, in spite of efforts to develop hitherto unproductive areas and to replant rice fields abandoned during the hostilities, and exports of rice were not found possible in 1956. These have since been resumed on a small scale, but the price may make any large increase difficult. Little progress has been made in industrial development and inflation has become a serious threat, in spite of the large amount of American aid. The recent reorganisation of the import trade, by reducing the number of those engaged in it and the fixing of profit margins, at both wholesale and retail level, is aimed at lowering prices, but this can only have a limited effect. Moreover, the decision that all Chinese born in Vietnam would henceforth be Vietnamese nationals and that non-Vietnamese nationals would be prohibited from participation in the retail trade has had a damaging effect on the confidence of the Chinese who are particularly interested in this trade. For a long-term solution to their economic difficulties it would seem to be necessary to press ahead with increasing the area under rice cultivation and the setting up of secondary industries; but the most immediate problem is to bring down the cost of living.

Cambodia

"Prince Sihanouk continues to retain the confidence of the people and to wield considerable influence whether he has been in office or out of it. Strict neutrality is the declared policy of the country and the two-year capital investment plan is being largely financed by aid from abroad. Rice exports, which were banned early in the year, are to be resumed as this year's harvest is reported to be excellent. Progress is being made in the construction of the road to Kompong Som and when this is opened it will enable this new port to serve the capital.

Thailand

"The cautious optimism I expressed last year regarding the future of Thailand appeared to be borne out by events in 1956. There were signs of more political stability and the differences between rival personalities, which had in the past hampered the administration, seemed to be less marked. Unfortunately, the elections which were held at the end of last month, resulted in a certain amount of unrest and it was necessary to declare a state of emergency. These disturbances seem to have been brought under control, but the fact that they occurred shows that 'caution' is necessary in any appraisal of events in this country. Economic conditions were satisfactory and the operation of the Stabilisation Fund ironed out excessive fluctuations in exchange rates while the over-stocked condition of the consumer goods markets showed considerable improvement. The balance of trade, however, was slightly adverse during most of the year as imports continued at a high level, which had a beneficial effect on the revenue. This was considerably higher than expected and resulted in income exceeding ordinary expenditure in the revised estimates for 1956, while a small surplus is estimated for 1957. Capital expenditure will remain at about the same level and the overall shortfall will as usual be financed by loans and American aid. This aid is most beneficial to the economy of the country enabling deficit financing to be avoided, and has kept the cost of living and money supply comparatively stable; while a large appropriation is being used in the construction of strategic roads which will be of great commercial value. Shipments of rice, which earlier were lagging behind the level of 1955, increased during the last two months, due to reductions in export premiums, which enabled the total for the year to be some 13,000 tons more than for the previous year. Rubber exports were a little higher and estimated figures for both production and exports of tin indicate an increase of some 15 per cent. As can be seen, Thailand seems to be in a very happy position which should continue during the current year provided there is no further internal disturbance.

Federation of Malaya

"The Alliance Government has now been in office for over a year and steady progress has been made, both in the conduct of the day-to-day administration and in the movement towards full independence, while many of the changes agreed upon at the Constitutional Conference in London last year have already been brought into force. The Chief Minister, Tengku Abdul Rahman, who also holds the portfolio of Internal Defence and Security, became Chairman of the Emergency Operations Council and in July the Federation Armed Forces Council was inaugurated and has already set about the establishment of a self-contained local force. A Constitutional Commission was appointed early in the year under the chairmanship of Lord Reid and toured the country receiving recommendations from various interested bodies. Their report has recently been published, but it is not possible to do more than touch on it here. A strong central government with a common nationality for the whole of the Federation and 'a measure of autonomy' for the States and Settlements are among the recommendations. Provision is made for a constitutional Head of State for the Federation and for the Settlements becoming States in the new Federation. The need for safeguarding the special position of the Malays has been recognised and the qualifications for citizenship follow the proposals of the main parties.

"At a further meeting between the Governments of the United Kingdom and the Federation of Malaya, held in London over the end of the year, negotiations were satisfactorily concluded on the terms of the defence agreement 'under which Her Majesty's Government will undertake to assist the Federation Government in the external defence of its territory and in the training and development of its own armed forces, while the Federation Government will confer on Her Majesty's Government the right to maintain in the Federation the forces, including a Commonwealth strategic reserve, necessary for the fulfilment of Commonwealth and international obligations.'

"As a result of this preparatory work the scene is now set for the transference of power on 31st August and the Federation of Malaya will then take its place as a self-governing member of the Commonwealth. On the whole, their future prospects look favourable. The Alliance Government retains the support of the majority of the population and the economic outlook seems bright with a continuing world demand for their primary products. The Emergency continues as a dark cloud on the horizon as, although much success has been achieved, the terrorists remain active and the cost continues to be a heavy drain. Other problems spring to mind, such as the adjustment of racial interests and the relations between the Federation and Singapore, but the present Government has built up a considerable store of goodwill which should, provided tolerance is shown on all sides, enable them to get off to a good start.

"The present position of the finances of the Federation was dealt with clearly and concisely by Colonel H. S. Lee, the Minister of Finance, when he introduced his first budget. The estimates showed a prospective deficit of M.$145 million for 1957 which would reduce the realisable general revenue balance to M.$136 million by the end of that year. This was considered to be below the safety margin and, for this reason, changes in direct and indirect taxation were brought into force. Briefly, these covered increases in income-tax in the higher income brackets, new taxation affecting motor cars, the raising of certain import duties and an excise duty on locally grown tobacco. This increased revenue was expected to reduce the deficit to M.$110 million. The estimates for capital projects already approved show that a little over M.$200 million will be required in 1957 with not far short of M.$400 million thereafter. This finance is being provided at present by advances from the treasury, but a funding operation will require to be undertaken sooner or later. Many other schemes for development are in course of preparation and it was in the light of this heavy expenditure that the financial discussions were held in London concurrently with those on defence which I mentioned above. It was agreed that the United Kingdom Government would provide some financial assistance towards the continued cost of the Emergency and would help in the expansion of the armed forces. These arrangements, although perhaps on a smaller scale than was hoped for, should assist the Federation in their development plans and, before leaving London, Tengku Abdul Rahman stated that 'every encouragement would be given for the flow of foreign capital to Malaya to help the country's economic development.' This is a very welcome statement as foreign capital investment and, what is perhaps more important, the technical assistance which is likely to come with it, will be essential to the Federation for many years to come.

Tin and Rubber

"In the first six months of the year the price of both these commodities moved gradually downwards, but this trend was halted in July due to developments in the Middle East. For the rest of the year there were considerable fluctuations with a sharp increase in both prices during November and December. This rise has, however, not been maintained.

"The International Tin Agreement came into force on 1st July 1956 and contributions have already been made by members, all of them so far in cash. At the meeting in December of the International Tin Council it was agreed to review the present floor and ceiling prices and a report is expected to be submitted to the next meeting which will be held this month. While the introduction of this scheme should, on the whole, have a stabilising influence, to operate efficiently the buffer stock should hold both cash and tin but, as the manager of the buffer stock is not permitted to buy until the price is below £720 per ton, there is little prospect of acquiring any tin at the present time. From 31st January 1957 the buying of tin by the United States Government for stockpile purposes ceased and the smelter in Texas was sold to a private concern.

"Tin production in Malaya increased by a little over one thousand tons compared with 1955, while exports were the highest since 1950.

"The rubber replanting scheme, which is so vital for the future of the industry, is making progress although the smallholders are moving slower than the estates. This is understandable as to quote from the Federation of Malaya Annual Report for 1955 'to the smallholder, lacking mechanical aids, the task of replanting calls for hard and sustained physical labour' and considerable publicity with sufficient inducements is necessary to encourage the smallholder to undertake this work. Production was slightly

below the high level of 1955 and exports at 983,000 tons showed a drop of about 1 per cent.

Singapore

"The conference to decide the future constitution for Singapore was held in London in April but, in spite of three weeks of negotiation, it was found impossible to reach agreement. The main issue on which the discussions foundered was the extent of the powers to be retained by the British Government to enable them to discharge their responsibilities for external affairs and defence. After his return, Mr. Marshall resigned in June and Mr. Lim Yew Hock became Chief Minister. His task seemed a far from enviable one, as there was considerable disappointment over the failure to reach agreement in London, although in many quarters there was a feeling of relief that a period of quiet on the political scene seemed likely. In September, the Chief Minister obtained a unanimous vote of confidence in the Legislative Assembly, which greatly strengthened his position and enabled him to take stronger measures to stamp out subversive activities. One of these was an order dissolving the Chinese Middle Schools Students Union. For some time past many of the pupils in these schools had become extremely unruly and neither their teachers nor their parents seemed to have any authority over them and evidence was obtained which showed the extent of Communist infiltration in the union. The determined stand taken by the Government, unfortunately, resulted in serious riots, but no further disturbances have taken place since and there is every indication that the power of the Communists in the union has been severely weakened, if not entirely broken. This is an important achievement and particularly significant when it is remembered that over half the population is under twenty-one years of age. On the whole, the position in Singapore at the end of the year seemed more stable than it had been for some time and, with the added authority which this improvement gave him, Mr. Lim Yew Hock paid a visit to London to discuss the agenda for the resumption of the constitutional talks this month. Although it is always dangerous to prophesy, there seems ground for hope that this time he will not come back empty-handed.

"The estimates for 1957 showed a deficit of M$36 million, but new taxation similar to the Federation's reduced this figure to under M.$20 million. On the whole, this is not an unsatisfactory state of affairs, but the calls for capital development are heavy and are expected to amount to M.$750 million for the period 1958 to 1962, of which projects totalling M.$570 million are considered essential. To meet this heavy expenditure it is intended to increase revenue over the next three years to yield at least an additional M.$50 million and to mobilise local capital resources to the full. A Bill was introduced imposing a tax 'at wholesale level on any luxury goods which it may be decided to tax in the future.' This proposal has been severely criticised as likely to endanger Singapore's free port status and the Bill has been referred to a Select Committee. The necessity to maintain a suitable climate for investment, in the face of mounting expenditure for social services, is the difficult problem which faces Singapore's Government and a suitable balance will not be easy to find.

Malaya

"It has always been the practice in these statements to include comments on developments in the Federation of Malaya and Singapore under the same heading but, with the recent constitutional changes, this seems no longer suitable and this year I have tried as far as possible to separate them. Geography and their complementary economies, are facts which cannot be ignored, whatever the political differences may be, and it is no more easy for us to draw a line between the two territories in our summary of events than it is for one territory to ignore the effects on the other of the policy they adopt. Before I leave this peninsula, therefore, I wish to touch on a few matters of general interest to the area as a whole.

"One of the recommendations of the International Bank Mission was the establishment of a central bank and last year the two Governments requested Mr. Watson of the Bank of England and Sir Sydney Caine to make an examination of the present position and to submit a report on what form that central bank should take. Under their terms of reference they were required, among other things, to advise on the desirability of separate central banks as opposed to one for both territories. This question is linked with that of the currency for the two territories, the Governments of Sarawak, North Borneo and the State of Brunei having decided to adopt a currency of their own, and the report favours the continuance of one currency, which pre-supposes a joint central bank. This is a conclusion with which we agree, but the efficient working of a joint central bank would only be possible—to quote from the report—'if the two Governments co-ordinated their policies in the fiscal, monetary and economic fields.' Other recommendations cover the retention of the sterling link and the desirability of banking legislation.

"The importance of the provision of low cost housing as a deterrent to Communism is as great in Malaya as it is elsewhere and I am glad to be able to report that the Malaya Borneo Building Society, formerly Federal and Colonial Building Society Limited, for which, as I mentioned two years ago, we are providing finance, has made considerable progress. Already this society has assisted many families throughout Malaya to purchase their own homes and its activities are being extended to Borneo.

"Plans for the gradual Malayanisation of the public services have been approved in both territories. There has been a considerable amount of ill-informed discussion on this subject and it is satisfactory that the schemes adopted have avoided the danger of too much haste and that the retiring officials have been treated fairly.

"The Malayan trade figures showed a favourable balance of M.$13 million, as against M.$335 million in 1955. This considerable reduction was mainly due to the large increase in imports, while the level of exports was about the same. The total value of external trade was higher than in any other year except 1951.

"The above are a few of the many important developments that have taken place in Malaya during the last year and on the whole, in this part of the world, we can look back on 1956 with a considerable degree of satisfaction. The end of one chapter is in sight and we shall soon be turning to the next. What this chapter will contain we cannot yet tell, but the events which it will record will cover the early developments of these two territories under their own elected rulers. It appears that the transfer will take place peacefully with little rancour on either side and as long as merdeka is regarded as a challenge to progress and not as an end in itself the new chapter should make pleasant reading.

North Borneo

"We now turn to Borneo, a country which is blessed with considerable natural resources, but which is lacking in both capital and labour. Here also there is the urge to move forward in expanding the economy and over the last three years M.$53 million have been invested in development. Half of this was obtained from revenue with the balance from loans and external aid. Labour has also shown a welcome increase as a result of immigrants from Indonesia, but arrivals under the recent agreement with the Philippines have been disappointing. The importance of communications at the present stage of development needs no elaboration and, although progress has been made, the lack of trained personnel has resulted, as in so much else, in the pace being slower than it might be. These difficulties can in time be overcome and there is no doubt that over the last year there has been a feeling of greater confidence in the future.

"Trade has improved and the totals of both imports and exports seem likely to be higher than in 1955. Rubber still continues to be the mainstay, but the timber industry showed an increase in the volume of exports of about 24 per cent. and this industry is generally on a more stable basis. The decision that Labuan should revert to its pre-war free port status became effective from 1st September. For many years Harrisons and Crosfield have acted as our agents in Labuan and this has been a satisfactory arrangement to our mutual benefit. In view of the change of status of this port, however, your Directors considered that the time had come to open our own office which commenced business at the beginning of this year. Due to its geographical position Labuan has considerable future possibilities, but a great deal remains to be done and I do not expect a rapid development.

Brunei

"Progress continues to be made in the carrying out of the five-year development plan and this State remains in a very happy financial position. The surplus for 1957 is estimated to be M.$75 million, a slight increase over last year. The construction of the road from the capital to the oilfields at Seria is well under way and should be of considerable benefit to the State and the industry on which so much depends. A start has been made in drilling for oil offshore.

Indonesia

"Events in Indonesia have recently been changing with such rapidity that it is extremely difficult in a review of this nature to be entirely up to date. The elections held at the beginning of the year resulted in the formation of a coalition government under Mr. Sastroamidjojo with ministers mainly drawn from three parties but with others being represented. This Government suffered from the stress inherent in all coalitions and the rivalries of personalities and the groups they represent dominated the political scene. In the background there was the army—another factor to be reckoned with—which had interposed before and which it was felt might do so again. It is against this background that the numerous incidents reported in the Press must be viewed. The position at the moment seems confused with the revolts in Sumatra, which started in December, still continuing and the future of the present Government uncertain. Dr. Hatta, the Vice-President, has already resigned and the influential Masjumi Party withdrawn from the Government. This places a great responsibility on the President who is actively engaged in attempting to find a solution.

"The economic situation has naturally suffered as a result of this instability and the reduction of the statutory gold and foreign exchange reserves from 20 per cent. to 15 per cent. was announced last month. A similar reduction was made for three months in 1956 when assistance was obtained from the International Monetary Fund. The deteriorating position of Government finance can be seen from the advances obtained from the Bank Indonesia which have risen to over 7,000 million rupiahs, while notes in circulation have also increased. This state of affairs is unlikely to improve as long as the present dissension continues with the difficulty of collecting revenue in the disturbed areas. It seems, therefore, that a return to economic health must await a settlement of the political differences and the restoration of law and order throughout the islands.

India

"India, in recent years, has built up for herself a position of considerable influence in world affairs and this is particularly so in Asia where many of the smaller countries look to her for leadership and watch with anxious eyes to see how her industrial development is proceeding—a development they are all trying to emulate to a greater or lesser degree. In particular, her declared policy of neutrality is one which many others wish to follow and, although the dispute over Kashmir has soured relations with her near neighbour, and may, as a result of recent events, lower her own prestige, the interest in her progress is unlikely to be much diminished. The second Five-year Plan has, in particular, attracted considerable attention with its emphasis on heavy industry. In India this is considered vital to enable her to improve, or perhaps only to maintain, the standard of living of her growing population and all reports indicate that the Government is determined to achieve the targets even if this is not found possible within the stipulated period. China, as we have seen, is also moving in the same direction, although under a very different form of government, but with the same emphasis on speed. Whether either will be successful in this rapid move towards industrialisation, the future alone can show, but the success of one over the other would be viewed by many as a triumph for that form of government. The determination of India to retain her parliamentary institutions can be seen from the elections recently held—a massive piece of organisation—in which it is estimated that 200 million people have had an opportunity to vote at 200,000 polling booths. Success in her economic aspirations would strengthen such institutions not only in India but in many other countries as well, and these aspirations are at the moment centred round the second Five-year Plan.

"This plan has been the subject of much comment and criticism both in India and abroad and fears have been expressed that the dangers of inflation have not been sufficiently guarded against. Many doubt whether large enough resources have been allocated to raise the level of production of food and cloth to meet the increase in the supply of money, which the deficit financing will cause, while the adequacy of the transport system and port facilities is questioned. The estimate of the foreign exchange requirements of the Plan is considered to be unduly optimistic and this has already resulted in a more general realisation of the necessity to attract foreign investment, but is the present treatment of the private sector the way to achieve this? These are some of the criticisms levelled at the Plan and recent developments show that there is a good deal of substance in them.

Drop in Sterling Balances

"During 1956, sterling balances dropped by about £150 million, the wholesale price index rose by 13 per cent., while the cost of living went up by about 10 per cent. These were danger signals that could not be ignored and an interim budget was introduced in November. This imposed a tax on capital gains, increased super-tax on dividends and gave the Government control over the reserve funds of companies to insure that they are put to uses which promote industrial development in accordance with the Plan. Customs duties were also raised. To protect the external balances sever cuts were made in imports, particularly consumer goods, and a ceiling was fixed on foreign exchange expenditure for the next six months. New projects in both the public and private sectors, which involve expenditure in foreign exchange, were postponed if no commitment had been made.

"These and other measures, which there is not space to mention here, should have their effect, but it remains to be seen whether they will be sufficient to halt inflation and reduce the drain on the foreign exchange reserves without any major adjustment of the Plan. Meanwhile, the International Bank is considering making loans for a number of projects and a survey of transportation is being carried out by a mission from that Bank, while arrangements have been made to purchase U.S.$200 million from the International Monetary Fund.

"These difficulties, which it is only proper I should mention, do not detract in any way from the considerable progress that has already been made or the magnitude of what is being attempted. Recently, for example, the Hirakud dam was opened which is claimed to be the longest in the world. This dam, mainly the work of Indian engineers, extends for about three miles with dykes on the flank to a total of thirteen miles. For the future it is hoped to increase steel production during the period of the Plan by four million tons a year which will mean doubling the capacity of two existing plants and building three new ones. Construction of heavy machinery is also planned and a mission from the United Kingdom has recently visited the country to advise on what is required.

"These are only a few of the many interesting developments that are taking place, but before I leave India there are two matters of interest to our offices there which I should like to mention. The first is the Reserve Bank of India (Amendment) Act 1956 which gives that bank power to vary the cash reserves which Scheduled banks are required to maintain with it. The second is the Banking Companies (Amendment) Act 1956, which, *inter alia*, requires the appointment of managers of banks to be approved by the Reserve Bank of India. Although I understand that the powers given under both these measures are only intended to be held in reserve, they are nonetheless disturbing. Circumstances change and policies with them and a very recent example of this is the State Trading Corporation. This was set up to carry on trade with the Communist countries, where a government organisation was considered advantageous, but the Corporation is now competing to quite a large extent in imports from other countries which were formerly handled by the private sector.

Burma

"In Burma, the elections in April resulted in the expected victory for the Government party, although the size of the opposition vote was greater than expected. The Government was faced with a considerable number of problems, of which the most important was to establish and maintain law and order, and it is disappointing that very little progress seems to have been made in stamping out insurgency. Economically, the misgivings I expressed last year regarding the success of the disposal of rice under barter agreements were unfortunately proving only too well founded; and the failure to maintain a level distribution of commodities was evidence of the weakness of the administrative machine. There has been some improvement since then as rice shipments, on which so much depends, have increased, which combined with continued restriction of imports has resulted in the foreign exchange reserves rising by about 25 per cent. Unfortunately, there has been a disturbing increase in the cost of living which rose sharply by 20 per cent. in the first six months of the year but has since come back to about 10 per cent. higher at the end of the year. In an effort to improve the distribution of essential goods five import corporations, with capital subscribed jointly by the Government and the public, were set up towards the end of the year. Four of these corporations will be issued with import licences for general consumer goods, while the fifth will concentrate on the requirements of industry. Capital expenditure was considerably reduced during the year and was limited to carrying out projects which were already started and it was estimated that the deficit would be only half of what was originally expected, while a small surplus is hoped for in the coming financial year. A long-term loan of U.S.$25 million was recently made by the United States of America which will be used in various ways, ranging from the establishment of a medical centre to the expansion of the local airline and funds obtained from the International

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(THE LIABILITY OF MEMBERS IS LIMITED TO THE EXTENT AND IN MANNER PRESCRIBED IN CHAPTER 70 OF THE LAWS OF HONG KONG)

BALANCE SHEET AT 31st DECEMBER, 1956

1955 Hong Kong Dollars				Hong Kong Dollars	Sterling Equivalent
	SHARE CAPITAL—				
$ 25,000,000	Authorised and Issued— 200,000 Shares of H.K. $125 each, fully paid			$ 25,000,000	£ 1,562,500
	RESERVE LIABILITY OF MEMBERS— H.K. $125 per Share on 200,000 Shares		$ 25,000,000		
128,000,000	RESERVE FUND			128,000,000	8,000,000
10,606,689	PROFIT AND LOSS ACCOUNT			11,039,578	689,974
163,606,689				164,039,578	10,252,474
	HONG KONG CURRENCY NOTES IN CIRCULATION—				
30,000,000	Authorised Note Issue		$ 30,000,000		
645,742,000	Excess Note Issue		645,742,000	675,742,000	42,233,875
	CURRENT, DEPOSIT AND OTHER ACCOUNTS, including Reserves and Provisions for Contingencies and Taxation		$ 2,564,287,832		
2,557,375,793					
	AMOUNTS DUE TO SUBSIDIARY COMPANIES		378,395		
397,962					
	ACCEPTANCES ON BEHALF OF CUSTOMERS		16,130,379		
20,355,912					
	PROPOSED FINAL DIVIDEND in respect of the year ended 31st December, 1956		9,721,519		
9,721,519					
				2,590,518,125	161,907,382
				$3,430,299,703	£ 214,393,731
$3,427,199,875					

1955 Hong Kong Dollars		Hong Kong Dollars	Sterling Equivalent
$ 260,260,417	CASH IN HAND AND BALANCES WITH OTHER BANKS	$ 200,966,739	£ 12,560,421
189,788,034	MONEY AT CALL AND SHORT NOTICE	149,986,529	9,374,158
227,066,484	BRITISH AND OTHER GOVERNMENT TREASURY BILLS	220,746,319	13,796,645
560,740,284	TRADE BILLS DISCOUNTED	600,015,157	37,500,947
645,883,047	HONG KONG GOVERNMENT CERTIFICATES OF INDEBTEDNESS issued in respect of funds deposited as security for the Excess Note Issue	645,883,047	40,367,690
	INVESTMENTS, at under market values:		
281,850,080	British, Colonial and Other Government Securities: Quoted in Great Britain $ 211,303,280		
99,796,379	Quoted outside Great Britain 105,741,011		
	Other Investments:		
19,722,968	Quoted in Great Britain 18,006,610		
13,977,628	Quoted outside Great Britain 13,944,029		
		349,084,930	21,817,808
1,069,660,411	ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS, less provision for Bad and Doubtful Debts	1,213,591,940	75,843,871
10,146,901	AMOUNTS DUE BY SUBSIDIARY COMPANIES	5,497,165	343,573
20,355,912	LIABILITIES OF CUSTOMERS FOR ACCEPTANCES, per contra	16,130,379	1,008,149
$3,399,248,545		$3,401,812,205	£ 212,613,262
	FIXED ASSETS—		
9,264,179	Investments in Subsidiary Companies, at cost $ 9,263,842		
-	Investment in Associated Company, at cost 1,603,499		
18,687,151	Bank Premises at cost, less amounts written off 17,620,157		
		28,487,498	1,780,469
$3,427,199,875		$3,430,299,703	£ 214,393,731

Notes:—1. Confirmed Credits, Guarantees and Endorsements amount to H.K. $582,971,778 (H.K. $611,475,070) in addition to which there are commitments in respect of outstanding Forward Exchange Contracts.

2. Foreign Currency Balances have been converted into Hong Kong Dollars at approximately the rates ruling at 31st December, 1956. The Sterling equivalents of the figures shown in the above Balance Sheet have been converted at the rate of H.K. $1 = 1/3*d*.

3. Investments having a market value of H.K. $34,677,504 are deposited with The Crown Agents to cover the liability in respect of the Authorised Note Issue to the extent of H.K. $23,333,333.

MICHAEL W. TURNER, *Chief Manager.* J. A. H. SAUNDERS, *Chief Accountant.* C. BLAKER, J. A. BLACKWOOD, H. D. M. BARTON, *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS OF THE HONGKONG AND SHANGHAI BANKING CORPORATION

We have examined the above Balance Sheet with the books of the Corporation kept in Hong Kong, with the audited Accounts of the London Office and with the Returns received from the other Offices. We have obtained all the information and explanations we have required for the purposes of our examination. The above Balance Sheet gives the information required by the United Kingdom Companies Act 1948 in the manner prescribed for a Banking Company and on that basis, in our opinion, is a full and fair Balance Sheet properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs at 31st December, 1956, according to the best of our information and the explanations given to us and as shown by the books kept in Hong Kong and the Returns received from the other Offices.

HONG KONG, *25th February*, 1957. PEAT, MARWICK, MITCHELL & CO. / LOWE, BINGHAM & MATTHEWS *Chartered Accountants, Auditors.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956

1955 Hong Kong Dollars		Hong Kong Dollars	1955 Hong Kong Dollars		Hong Kong Dollars
$ 6,467,368	Interim Dividend of £2 per Share, paid 13th August, 1956, £400,000 at 1/2-13/16	$ 6,481,013	$ 10,215,256	Balance brought forward from 31st December, 1955	$ 10,606,689
	Appropriations recommended by the Directors:			Profit for the year, after providing for taxation on profits earned to date and after making transfers to the credit of Reserves for Contingencies, out of which provision for diminution in value of assets has been made	
4,000,000	Amount to be written off Bank Premises $ 4,000,000		20,580,320		20,635,421
9,721,519	Final Dividend of $3 per Share, £600,000 at 1/2-13/16 9,721,519				
		13,721,519			
10,606,689	Balance carried forward to next year	11,039,578			
$ 30,795,576		$ 31,242,110	$ 30,795,576		$ 31,242,110

Special Administrative Expenses, including Chief Manager's emoluments, Directors' Fees and London Committee Fees amounted to H.K. $964,015 (H.K. $1,045,918).

Bank will assist in the rehabilitation of the port of Rangoon and the railways. On the whole, Burma seems to have overcome the difficulties caused by the fall in the price of rice since the end of 1953 and the over-ambitious development projects which were planned in the anticipation of a high price continuing. An improvement in internal security and a reduction in the cost of living are two important problems that still remain.

"During the year, a number of discussions took place with China regarding the line of the frontier between the two countries. This has been a subject of dispute for many years as the exact line of demarcation has never been settled. A joint statement issued in December indicated that no decision had been reached, although it seems likely that the Chinese will withdraw from the Wa States in return for the secession of three villages in the Kachin States.

Ceylon

"The general elections held in April resulted in a sweeping victory for the People's United Front and Mr. Bandaranaike became Prime Minister of a Government which was pledged to institute a Ceylonese Republic and adopt a socialist programme including nationalisation of certain industries. So far the Government has proceeded slowly and no very drastic steps have yet been taken. Discussions on the British bases were held during the year and in the House of Commons in December it was announced that 'the United Kingdom Government will hand over the bases of Trincomalee and Katunayake to Ceylon in 1957 on a date to be agreed between the two Governments.' At the end of the year the People's United Front suffered a defeat in the Colombo Municipal elections and last month Mr. Dudley Senanayake, who has considerable popular following, announced his return to active political life. These developments can be construed as a sign of a swing back to the United National Party, although it is true to say that the People's United Front have relied to a great extent for their support on the rural areas. The Official Language Bill was passed in July prescribing Sinhala as the official language of Ceylon and this has resulted in considerable dissension among the Tamil community. In this controversy I hope that the recent remarks made by the Indian Prime Minister on the importance of the English language are not being overlooked.

"The favourable balance of trade has shown a considerable reduction over the record surplus obtained last year, but external assets were little changed at the end of the year from 1955. A further agreement with China to supply rubber in exchange for rice was signed in December and Ceylon will continue to receive a price above the average monthly Singapore market price, although the premium is a little lower.

"The budget presented in July brought only minor changes in taxation comprising rises affecting those in the higher income brackets and a small increase in company rates of taxation. It appears that the development programme I referred to last year has not been found acceptable to the present Government and a National Planning Council has been formed to prepare a new overall plan for economic development. This will inevitably result in delay as it is not so much in the planning that the weakness lies as in the lack of technical personnel to carry out the tasks. It was stated in June by the Auditor General that two-thirds of the funds put up by Commonwealth countries under the Colombo Plan remain unused which seems to bear out this contention.

"On the whole, the emergence of a Government with such different views from the previous one has resulted in a period of reflection with so far little change.

General

"As usual, I have tried to give shareholders a brief review of the political and economic conditions in the Asian countries in which we are represented. This can of necessity only touch on the main developments in these large areas, in many of which considerable changes are taking place. On the whole, this has been a satisfactory year and, notwithstanding setbacks, has been marked by general political stability with growing economic expansion.

"Before I close I should like to devote a little space to our offices outside these areas and to our subsidiaries.

"Sterling is still the medium for the finance of a large part of Eastern trade and for this reason our office in London plays an important part in all our activities. Business there continues to increase and a further enlargement of our premises is becoming necessary. This we shall do by taking over the second floor of our building when the present lease expires.

"New York office has naturally benefited from the increasing use of United States dollars in world trade since the war and has greatly extended its operations in recent years.

"Our office in France was transferred from Lyons to Paris in 1953 at the time when the economy of Indo-China relied to a large extent on trade with France. This is no longer the case and with the dwindling of the traditional business, which had been previously handled, it was necessary to explore other avenues. In this I am glad to say we have been quite successful and I hope that this office will continue to build up satisfactory connections on its own.

"Germany's increasing trade has been reflected in the turnover of our Hamburg office which continues to prove a most valuable link for our offices in the East.

"To turn to our subsidiaries, the Hongkong and Shanghai Banking Corporation of California has made a good beginning and I hope that it will be able very shortly to contribute to the profits of the Bank as a whole. The possibilities in the west coast of America are so extensive that the Directors have decided to open also in Los Angeles and permission to do this has recently been obtained from the American authorities.

"The three Trustee Companies in Hong Kong, London and Singapore continue to expand. These companies are all now self-supporting, but apart from this, I am sure, the service they are able to give indirectly increases the business of the Bank.

"I hope that these brief comments on some of the Bank's activities, which have not usually been mentioned in these annual statements, will be of interest to shareholders. While the main function of the Bank will continue, I trust, to be the financing of Eastern trade, your Directors will not be slow in taking advantage of promising openings elsewhere."

A NAME THAT SIGNIFIES QUALITY

Vinika
TRADE MARK

MAIN PRODUCTS:
Polyvinyl Chloride Resin,
Vinyl Film,
Vinyl Compounds.

OTHER PRODUCTS:
Plasticizers,
Polystyrene Resins

MONSANTO-KASEI
CHEMICAL COMPANY

AN ASSOCIATE COMPANY OF MONSANTO CHEMICAL CO. AND MITSUBISHI CHEMICAL INDUSTRIES LTD.

HEAD OFFICE
4, 2-chome, Marunouchi, Chiyoda-ku,
Tokyo
CABLE ADDRESS
"MONKASEI TOKYO"
BRANCHES
Osaka, Nagoya, Fukuoka, Sapporo

organic chemicals

Serving INDUSTRY

Alcohols — Ketones
Amines — Plasticisers
Anhydrides — Phenols
Aromatic Hydrocarbons — Nitrogen Compounds
Chlorine Compounds — Polyalkylene Glycols
Synthetic Lubricants — Rubber Auxiliaries
Glycols — Esters
Glycol-Ethers — Silicones

Wetting and Emulsifying Agents

INDUSTRIAL PRODUCTS DIVISION

NATIONAL CARBON COMPANY (INDIA) LTD.
18-A Brabourne Road, Calcutta-1
NCC 11731A

'ENGLISH ELECTRIC'

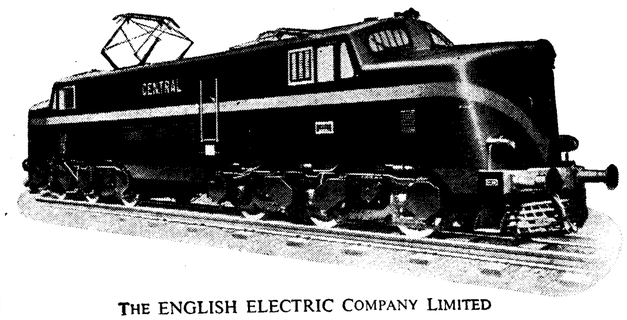
RAIL TRACTION IN INDIA

Manufactured or building for India are :—

★ 2,500 Vulcan Steam Locomotives..
★ The seven most powerful electric locomotives in service each rated at 3,600 H. P.
★ Electric equipments for a total of 111 motor coaches.
★ Twenty four Electric three-car articulated units
★ Twelve 3,120 H. P., 3,000v electric locomotives.

'ENGLISH ELECTRIC manufacture in their own organisation :—

★ Complete diesel-electric locomotives including the diesel engines, electrical equipment and mechanical parts
★ Complete AC and DC electric locomotives including the electrical equipment and mechanical parts
★ AC and DC electrical equipment for multiple unit trains.



THE ENGLISH ELECTRIC COMPANY LIMITED
(Incorporated in England. Liability of Members Limited)
NEW DELHI BOMBAY CALCUTTA MADRAS LUCKNOW
EEC-32

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(Incorporated in the Colony of Hong Kong)
The Liability of Members is Limited to the extent and in manner prescribed in Chapter 70 of the Laws of Hong Kong.

HEAD OFFICE: HONG KONG.

Capital Authorised — Hk. $25,000,000
Capital Issued and Fully Paid up — Hk. $25,000,000
Reserve Funds — Stg £ 5,000,000
Reserve Liability of Members — Hk. $25,000,000

BRANCHES

BORNEO: Colony of North Borneo — Jesselton, Labuan, Sandakan, Tawau; State of Brunei — Brunei Town, Kuala Belait
BURMA: Rangoon
CAMBODIA: Phnom-Penh
CEYLON: Colombo
CHINA: Shanghai
DJAWA: Djakarta, Surabaja
EUROPE: Hamburg, Paris
HONG KONG: Hong Kong, Kowloon, Mongkok, North Point
INDIA: Bombay, Calcutta
JAPAN: Kobe, Osaka, Tokyo, Yokohama
MALAYA: Colony of Singapore, Collyer Quay, Orchard Road; Federation of Malaya — Cameron Highlands, Ipoh
MALAYA—contd.: Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Sungei Patani, Taiuk Anson
PHILIPPINES: Iloilo, Manila
THAILAND: Bangkok, Suapah Road, Bangkok
UNITED KINGDOM: London
U.S.A.: New York, San Francisco
VIETNAM: Saigon

Correspondents Throughout the World.
Banking Business of Every Kind Transacted.

A COMPREHENSIVE SERVICE AS TRUSTEES AND EXECUTORS IS ALSO UNDERTAKEN BY THE BANK'S TRUSTEE COMPANIES IN HONG KONG, LONDON AND SINGAPORE

THE HONGKONG AND SHANGHAI BANKING CORPORATION OF CALIFORNIA
(Incorporated under the State Laws of California)

LONDON OFFICE: 9, Gracechurch Street, E.C.3.
NEW YORK OFFICE: 72, Wall Street.
BOMBAY OFFICE: 16, Veer Nariman Road
C. J. D. LAW, Manager.

State Bank of Hyderabad
(Formerly known as Hyderabad State Bank)

Head Office : Hyderabad-Dn.

HAVE PLEASURE IN ANNOUNCING ENHANCED RATE OF INTEREST ON SAVINGS BANK ACCOUNTS.

SAVINGS BANK (ORDINARY) 2%
SAVINGS BANK (SPECIAL) 1½%

Please contact our Offices at :

OFFICES IN BOMBAY

New India Assurance Building, Mahatma Gandhi Road, Fort, BOMBAY-1.

262-270 Narsinatha Street, Bhat Bazaar, BOMBAY-9.

MADRAS OFFICE
41, Linghi Chetty Street.

List of Other Offices

ANDHRA PRADESH
Adilabad, Bhongir, Bodhan, City Branch (Pathergatti, Hyderabad), Gadwal, Jadcherla, Jagtial, Jangaon, Karimnagar, Khammameth, Kothagudium, Mahbubgunj (Hyderabad), Mahbubnagar, Mancherial, Nagarjunasagar, Nalgonda, Nizamabad, Narayanpet, Peddapalli, Secunderabad, Sirpur (Kaghaznagar), Sultan Bazaar (Hyderabad), Suryapet, Tandur, Warangal, Zaheerabad.

BOMBAY STATE
Aurangabad, Bhir, Dharmabad, Hingoli, Jalna, Latur, Manwath, Nanded, Osmanabad, Parbhani, Parli-Vaijnath, Sailu, Udgir, Vaijapur.

MYSORE STATE
Bidar, Gulbarga, Kopbal, Raichur, Shahabad, Yadagiri.

PROTECTION TO ELECTRIC BRASS LAMP HOLDERS INDUSTRY

GOVERNMENT AGREES TO DISCONTINUE

THE view that the domestic electric brass lamp holders industry is no longer in need of protection, and that, therefore, the protection the industry has been enjoying since 1950 need not be continued beyond 31st December 1957, has been expressed by the Tariff Commission in its Report submitted to the Government in December last at the conclusion of its inquiry into the question. The Commission has found that, during the past seven years, the indigenous industry has made considerable progress both in respect of quantity and quality of production, though the prejudice against indigenous products still continues, and that the fair ex-factory price of the domestic product, including the allowance for the prejudice, is not significantly higher than the landed cost ex-customs duty of the imported product. The Commission is also of the view that the chief difficulty of the units arising from lack of adequate finance and absence of standardisation of the product can be got over through the existing import controls. Further, it has held that since no insuperable difficulties exist for the manufacture of insulators in this country, licences for import of insulators should not be issued except in special circumstances and for limited quantities. The Government has accepted these recommendations and is expected to keep the relevant suggestions of the Commission in view in formulating the import policy.

Protection to the electric brass lamp holders industry was first granted in 1950 in pursuance of the recommendations of the Tariff Board, the rate of duty being 36 per cent. *ad valorem* standard and 24 per cent. *ad valorem* preferential. A second inquiry recommended its continuance till the end of 1956, while, through *ad hoc* extension, it was further prolonged till the end of 1957. At the same time, the rate of duty was also enhanced by the Finance Acts, once in 1951 and again in 1954, the current rate being 60 per cent. *ad valorem* standard and 50 per cent. *ad valorem* preferential.

Scope of Inquiry

The scope of inquiry of the Commission was confined to brass lamp holders other than miniature lamp holders adapted for use in automobiles. The aspects of the industry examined by the Commission, include implementation of the Tariff Commission's recommendations of 1954, progress of the industry during the period of protection and its present position, and comparison of the fair ex-works price of its product with the landed cost of the imported product. The Commission has found that non-availability of brass sheets in strip form and of uniform thickness in the country came in the way of the implementation of the previous Commission's recommendation that the small units should avoid using brass sheets which do not conform to specifications. In regard to the manufacture of brass tubes, rods, etc., in the country, the Commission was informed by the Development Wing that they were at present available in the country. Further, in the case of production of insulators in the country, it has been found that it involves not so much of research problems as of standardisation of lamp holders so as to restrict the number of insulators to a few designs and sizes. Progress in the field of evolving standard specifications for brass lamp holders was hampered by the impending change-over to the metric system. The recommendations relating to the assistance of small units in West Bengal, on the other hand, could not be implemented owing to the handicaps circumscribing the units. It was pointed out to the Commission, in this connection, that the inability of the small units to buy the minimum of one wagon-load of brass sheets at a time has proved an obstacle to adequate and regular supply of raw material from the Indian Copper Corporation. As regards the question of improving the quality of their products, the Government of West Bengal is said to be preparing to introduce a scheme for quality marking of the products of cottage and small-scale units. The success of the scheme is, however, said to depend largely on the recognition by the Director-General of Supplies and Disposals of the quality marking stamp of the Government.

There were as at the end of September 1956 14 units in the industry, employing 413 workers, with an aggregate annual rated capacity of 6 million pieces on a single-shift basis. The capital employed in the industry was valued at Rs. 16.32 lakhs. Production was estimated at 3.5 million pieces in 1955 and at 2.849 million pieces in the period January-September 1956. As against this the number of units in 1951 was only 8, while the production stood at 0.5 million pieces. A characteristic feature of the growth of the industry during this period was the frequent changes in the number of units, caused by high birth and casualty rates, though the impact of such changes on the position of the industry was limited since five large units commanded a capacity of as much as 3 million pieces.

Demand

The domestic demand for brass lamp holders which was arrived at by adding imports to domestic production was estimated by the previous Commission at 1,449,000 pieces per annum, on an average, between 1951 and 1953. Further, the Commission anticipated an annual increase of 5 per cent. in consumption, and, accordingly, the demand in 1954 and 1955 was estimated respectively at 3.321 million pieces and 3.852 million pieces. Of this, imports were of the order of 896,000 in 1954 and 351,000 in 1955. Thus, the Commission found that while the generation of electricity recorded an increase of 67 per cent. during the first Plan, consumption has gone up by 125 per cent. Since the generation of electricity is expected to increase by 100 per cent. in the second Plan period, the Commission has estimated that the demand will double itself in the next five years; in other words, it would be 80 lakhs in 1959, as against 40 lakhs in 1956.

Another significant feature of the industry noted by the Commission is that, by and large, no complaints have been made by the industry either in respect of the supply or prices of raw materials required by the industry. These are, brass sheets, brass pipes, wires and rods and porcelain insulators. It has found, however, that many of the alleged shortcomings are due to the absence of standard specifications and the variety of sizes and designs of lamp holders and their components. The Commission has recommended, therefore, that the formulation of standards for electric brass lamp holders and their components should be completed without delay.

Fair Ex-Works Price

The most important factor of the industry, on an examination of which the Commission has recommended the discontinuance of protection, is fair ex-works price of the product. This price is largely based on the cost of the raw materials which alone account for 65 to 80 per cent. of the ex-works price of the product. The Commission has taken the Guru Nanak Electro-Mechanical Works as the representative unit for arriving at the ex-works price. It has not regarded another important unit, namely, Kersons Manufacturing Company of India Ltd., as representative, for this firm has elected to use expensive foreign raw materials in preference to cheaper indigenous raw materials and manufacture special quality products at higher prices. The Commission has calculated the weighted average of the fair ex-works price of brass lamp holders, including allowance for prejudice, of the representative unit to be Rs. 79.05 per gross. On the other hand, the landed cost, including excise duty of Rs. 45 per gross, of the imported product is calculated at Rs. 123.00 per gross, or Rs. 77.10, excluding excise duty. This indicates that the rate of duty required to protect the indigenous product from similar imports is only 2.55 per cent. Consequently, the Commission has come to the conclusion that the domestic industry is no longer in need of protection beyond December 1957. It has expressed the view that the rated capacity of the industry and the growth in production in the last few years has been rapid enough to justify the hope that no shortage in the articles manufactured by the industry will develop in the years ahead.

An Indian standard specification for ethylene dichloride, technical, has just been published by the Indian Standards Institution.

The standard prescribes the requirements and methods of sampling and test for ethylene dichloride, technical. The material is suitable for use in the paint industry and also as an insecticide (fumigant preparations). The standard includes the methods for the determination of specific gravity, distillation range, residue on evaporation, acidity and free chlorine.

STORES PURCHASE COMMITTEE RECOMMENDATIONS

MAJORITY OF THEM ACCEPTED

THE Government of India has now announced its acceptance of most of the recommendations of the Stores Purchase Committee which submitted its report in March 1955. The Government hopes that with the implementation of these recommendations, there will be substantial improvement in the working of the Central Purchase Organisation not only in regard to service to indentors but also in mitigating the hardships faced by suppliers.

One of the more notable of the recommendations accepted by the Government is that the Central Purchase Organisation (C.P.O.) should not only continue but should be expanded with the progressive transfer of procurement of specialised stores at present purchased by departments themselves as and when the organisation becomes effectively equipped to handle larger purchases. The Government has also accepted the view that the C.P.O. should not be burdened with purchases where the advantages of central purchasing are not significant. In respect, however, of the Committee's recommendation for constituting a High-powered Purchase and Development Board to control and co-ordinate Government's purchase activities, with particular reference to the development of industries, the Government has formed for the same purpose an Advisory Committee, under the chairmanship of the Secretary of the Ministry of Works, Housing and Supply, composed of the Director-General of Supply and Disposals, the Head of the Development Wing of the Ministry of Heavy Industries and representatives of the Ministries of Defence, Railways, Communications and Finance.

Indigenous Production

Some of the other important recommendations accepted by the Government are designed to encourage indigenous production of stores, at present imported. Some of the methods recommended are: (a) Adoption of special purchase procedures, (b) price preference to indigenous products over imported stores, (c) preference to products of cottage and small-scale industries, including reservation of certain classes of stores for this sector, (d) relaxation of standards, having regard to technical limitations in indigenous production.

Besides, the Government has also agreed that there should be a common list of registered suppliers for all Government purchasing authorities making substantial purchases. Some of the recommendations laid down the procedure to be followed, and conditions to be satisfied by the suppliers for being included in the list. The more important of those conditions are: (a) The technical capacity, financial resources and reliability should be examined before registering a firm. Registration should not take more than three months. (b) The firm should accept the general conditions of contract. The registration should be deemed provisional until the supplier executes at least one order satisfactorily. Moreover, the Government has agreed to afford special facilities for registration of cottage and small-scale industries.

A number of recommendations are designed to ensure expeditious payment to suppliers and to simplify and streamline the purchase procedure. Some of the other important recommendations may be mentioned here: (1) A progress wing should be set up in the Directorate-General of Supplies and Disposals to ensure timely supplies of controlled raw materials to contractors; the progress wing should actively process all such contracts. (2) Payment of final bills to the supplier should be ensured within 90 days from the date of despatch of stores. If a consignee fails to send a report in respect of stores even after the matter has been reported to his higher authorities, payment should be authorised on an indemnity bond. (3) In contracts for supply and/or erection of plant and machinery, the balance 20 per cent. bills should normally be paid in two instalments within eight months of the receipt of stores. (4) The existing facility for 80/90 per cent. payment of bills for outstanding supplies should be extended to contracts where the consignee is located in the same station as the supplier. (5) The previous system of inspection of and payment for stores during the grace period of 21 days after the due date of delivery should be restored; in such cases the inspection officer should be authorised to grant extension for delivery and no liquidated damages should be levied. (6) Accounts offices should ordinarily ensure payment within one week of the receipt of suppliers' bills where bills are received with complete documentation; defective bills should be returned promptly indicating the nature of all objections. (7) A branch of the Government Test House should be opened in Bombay.

Already some improvement in the sphere of stores purchase is reported to have been made with the implementation of some of the recommendations. It is realised that there is room for further improvement.

INDUSTRIAL PRODUCTION IN 1956

During the year 1956, industrial production continued to show substantial expansion, the index (1951=100) having gone up from 122.1 in 1955 to an estimated 134.7 in 1956. The improvement was shared by both capital and consumer goods industries. A significant feature of the expansion, however, was that the newer industries, in both categories, fared better than the old established ones.

Among the major industries which have mostly shared in the increase, mention must be made of steel, cement, diesel engines, automobiles, tyres, electric motors, sulphuric acid, bleaching power and liquid chlorine. In the case of steel the production has gone up from 1.24 million tons in 1955 to 1.33 million tons in 1956, or an increase of 4.2 per cent. Further, with the completion of the first phase of the expansion programme of the Tata Iron and Steel Company in a few months, a small but significant increase is expected. In the case of cement, again, the output increased from 4.5 million tons in 1955 to 4.9 million tons in 1956, or an increase of nearly 9 per cent. The rates of expansion registered in some of the other spheres were 16.8 per cent. in the production of diesel engines, of 32.5 per cent. in the case of power-driven pumps, and of 41.8 per cent. in electric motors. Among consumer goods, the output of radio receivers went up by 85.5 per cent., of bicycles by 34.4 per cent., mill-made cotton cloth by 3.7 per cent. and cotton yarn by 2.3 per cent. Sugar was, again, one of the established industries which registered a substantial expansion, namely, 20.7 per cent. It is noteworthy that, during the year, a number of new products like important dyes and drugs, certain types of tools and a number of automobile components were made in the country for the first time.

According to a report of the Ministry of Heavy Industries for 1956, the quickened pace of industrial expansion in 1956 is evidenced by the larger number of applications received for licences for setting up new undertakings or for the expansion of existing units. During the year under review, 250 licences were granted for the establishment of new undertakings and 468 for substantial expansions, as against 164 and 319 respectively, in the previous year. A further indication is provided by the imports of producer goods the value of which rose from Rs. 232 crores during the first six months of 1955-56 to Rs. 327 crores in the corresponding period of 1956-57. This is also a reflection of the special emphasis that is being laid on the development of machinery industry in the country in the second Five-year Plan.

It is also noteworthy that the National Industrial Development Corporation has completed its project study for a heavy foundry forge, which is regarded as the first requisite of the heavy machinery industry. The Government is expected to take a final decision on the project in the next few months. Among the other projects which have been studied and formulated by the Corporation, mention must be made of the manufacture of intermediaries for dyestuffs, the manufacture of newsprint from bagasse, the setting up of a new aluminium plant, and the production of cinematographic and X-ray films.

FORECAST FOR AGHANI LAC CROP

The yield of the *Aghanic* (*Kusmi*) lac crop in India for the year 1956 is estimated at 64,000 maunds as compared with 61,000 maunds in 1955 and a normal production of 90,000 maunds. The yield of this crop is below normal mainly because of shortage of broodlac at the time of infection.

The yield of *Baisakhi* lac crop this year is expected to be 6,75,000 maunds as compared with 6,83,000 maunds and 8,13,000 maunds in 1956 and 1955, respectively. The normal yield based on the average production of 10 years preceding 1956 is 7,40,000 maunds. The crop has suffered some damage in Palamau district of Bihar State and in western parts of Madhya Pradesh due to hailstorm. In Ranchi and Purulia districts, the crop is reported to have progressed satisfactorily.

TESTING QUALITY OF INDIAN WOODS

The Forest Research Institute (Timber Mechanics Branch), Dehra Dun, has brought out an Indian Forest Record on weights and specific gravities of Indian woods. The record provides interesting facts regarding different kinds of woods found in India. This country grows over 2,000 wood species out of which about 400 or more are of commercial importance as they produce useful timber. The weights of these woods vary greatly. For instance, *Moringa* weighs 19 lbs. only per cubic foot. It is so light that it can be used for floating heavy bodies. On the other hand, *Soymida febrifuga* is 71 to 72 lbs. per cubic foot. It is so heavy that even the seasoned timber sinks in water.

The weight or the specific gravity of any timber gives a rough idea of its strengh properties. The weight or specific gravity changes with changes in the moisture content of the wood and have, therefore, to be determined with reference to specified moisture contents. Exhaustive tables of reference are included in this book, containing weights and specific gravities of different woods under different seasoning conditions and temperatures. Average weights and the maximum and minimum observed values for 300 consignments of wood species have been given. All causes of variations have been taken into consideration in deriving these average weights. These tables can serve for reference in testing the various woods found in different parts of India.

MANCHESTER LETTER

(*Concluded from page 725*)

it seems inescapable that Lancashire will not be able to meet the competition which lies ahead unless our productive machinery is working for more than one shift, and although the new agreement on double-shift working with the Cardroom Amalgamation recognises this conclusion, we are met with the argument "What is the good of urging two-shift working when there is a shortage of operatives for one-shift working?" This is a short-sighted attitude.

He adds: "If improved methods, improved conditions and improved machinery make it easier to look after 500 spindles now compared with 250 a few years ago, it is against the interest of the spinners, as of the whole industry, if their remuneration is based on the number of spindles they oversee. Decrease the work load; increase the productivity; lower the cost. This is the only way to deal with growing competition. By proper job evaluation and by the recognition that it is machines, and not men, which would do the work, it is possible with the existing labour force to provide the man-power that two-shift working requires, and at the same time earn increased wages through increased productivity." The problem, according to him, is capable of solution on the lines of a common realisation that there are too many people looking after too few machines, and by the industry as a whole gradually working towards automation.—*All Rights Reserved.*

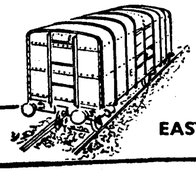


Achilles' heel

The wonder hero of the Trojan War, Achilles, was invulnerable–except at the heels.

In these days of power propulsion, 'wheels' rather than 'heels' are the symbol of speed. And when they say that our Plan for prosperity rides on the railway wheels, it is not mere rhetoric. The wheels must not be allowed to clog if the Plan is to succeed.

Indian Railways' 2,50,000 wagons must work their wheels faster and harder to carry more goods.



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EASTERN RAILWAY

BINNY MILLS MAINTAIN DIVIDENDS

BANGALORE WOOLLEN'S PROFIT MOUNTS UP—BUCKINGHAM'S PROFIT LOWER

THE Directors of the Buckingham and Carnatic Company, Ltd., and the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., both under the management of Messrs. Binny & Co. (Madras) Ltd., Madras, have decided to maintain the dividend on the ordinary shares of the Companies for the year ended 31st December 1956 at the same levels as those paid for the previous year, namely, 10 per cent. and 30 per cent. respectively. This is the fourth year in succession for which the above dividend of Buckingham is being repeated after having been raised from 4 per cent. paid for 1952. Bangalore Woollen is keeping the distribution unchanged for the third year in succession after having stepped it up from 25 per cent. paid for 1953.

The dividends have been maintained, despite the fact that the earnings of the two Companies have varied sizably from those for 1955. Thus, the gross profit of the Buckingham, which had risen from Rs. 1.19 crores to Rs. 1.43 crores in the previous year, the highest earned by the Company since 1948, has dropped to Rs. 1.35 crores in the year under review. The gross profit of the Bangalore Woollen, which had dwindled from Rs. 94.25 lakhs earned in 1954 to Rs. 80.78 lakhs in the following year, has again gone up, to Rs. 94.86 lakhs, thus creating a new record in the history of the Company. Such variations in profit for 1956 have occurred notwithstanding the increase in production of both the Companies. The profits would have been more encouraging but for the reduction in selling prices of cotton fabrics, which was effected by the Companies to reduce the burden on consumers as a result of the additional excise duty on cloth and to maintain, if not stimulate, their sales in overseas markets.

The net profits of both the Companies, however, show an increase, Buckingham's profit improving from Rs. 62.66 lakhs to Rs. 69.82 lakhs, despite the substantial increase in the provision for depreciation, to stand at the highest level in the history of the Company. Bangalore Woollen's profit has gone up from Rs. 36.10 lakhs to Rs. 39.86 lakhs, at which level it is less than that (of Rs. 45.50 lakhs) for 1954.

The following comparative table, presenting the salient features of the Buckingham and Carnatic's results for the past four years gives a graphic idea of its progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	9,36.68	9,00.78	8,44.09	8,56.07
Other income	13.96	8.88	6.19	5.04
Stocks of process and finished goods	1,14.48	96.60	87.71	84.53
Raw materials and stores consumed	4,72.92	4,71.11	4,43.05	4,34.89
Expenses	3,00.39	2,93.07	2,91.30	2,90.74
Gross profit	1,35.21	1,43.55	1,19.12	1,24.59
Managing Agents' commission	9.42	11.29	9.92	9.77
Provision for—				
Depreciation	40.97	30.60	19.90	17.89
Taxation	15.00	39.00	37.50	37.25
Net profit	69.82	62.66	51.79	59.68
Provisions no longer required written back	5.03	..	..	..
Profit on sale of machinery	1.82	..	..	..
To reserves and other funds	36.00	23.00	12.07	20.53
,, Bonus to employees	21.33	20.52	20.12	19.58
Dividends—				
7½ per cent. cum. preference	1.60	1.60	1.60	1.60
Ordinary	17.85	17.85	17.85	17.85
	(10%)	(10%)	(10%)	(10%)
Carry forward	2.28	2.34	2.69	2.53

The improvement in production of the mills is reflected in the substantial rise in sale proceeds by Rs. 35.90 lakhs. But the benefit derived from increased production has been more than offset by increased costs as indicated by the rise in expenses, which have shot up by Rs. 67.32 lakhs, and a reduction in selling prices, mentioned above. The Directors state in their report that the dearness allowance to the workpeople alone was about Rs. 12 lakhs higher than the previous year and expenditure on fuel oil increased by Rs. 3.20 lakhs, due to the additional excise duty introduced in February 1956. The amount set aside for depreciation has been considerably increased to cover the charge on capital expenditure on buildings and machinery brought into use during the year and represents the approximate income-tax claim for normal and shift allowances only. The expected relief from taxation on this account has resulted in a cut in the provision for taxation from Rs. 39 lakhs to Rs. 15 lakhs. The net profit has been supplemented by a sum of Rs. 5.03 lakhs, being the provisions no longer required, and by Rs. 1.82 lakhs, being the profit on sale of machinery.

An allocation of Rs. 5 lakhs has been made to the debenture redemption fund, as against Rs. 9 lakhs in the previous year. The allocation to the general reserve is higher at Rs. 11 lakhs, as against Rs. 10 lakhs made a year ago. The Company has introduced a short-term gratuity scheme for the benefit of workpeople who will be retiring on reaching the age of 55 during the next five years; following the recent arbitration award. This account has been credited with an initial amount of Rs. 20 lakhs and this is expected to cover the liability on this account as at 31st December 1956. The provisions of section 23A of the Indian Income-tax Act did not apply to the Company at any time during 1956, while it was applicable in respect of the previous two years. The dividends declared for 1954 and 1955, however, complied with the provisions of that section in that they exceeded 60 per cent. of the assessable income less tax thereon.

An impressive financial position is disclosed by the balance-sheet as at 31st December 1956. Against a paid-up capital of Rs. 199.78 lakhs, the reserves and surplus aggregate Rs. 280.01 lakhs. Of these reserves, general reserve accounts for Rs. 62 lakhs, dividend equalisation for Rs. 10 lakhs, taxation reserve for Rs. 6 lakhs, fire and accident insurance reserve for Rs. 20 lakhs, reserve for raw materials fluctuation for Rs. 48.71 lakhs, stores reserve for Rs. 20 lakhs, provision for increased replacement costs of buildings and machinery for Rs. 108 lakhs and debenture redemption fund for Rs. 3.02 lakhs. The outstanding liability on debenture stock is Rs. 78 lakhs. The debenture stock redeemed during the year amounted to Rs. 8.50 lakhs, bringing the total value of stocks redeemed so far to Rs. 22 lakhs. As in previous years, a corresponding sum has been transferred from the debenture redemption fund to the reserve for increased replacement costs of buildings and machinery. The latter reserve has also been strengthened by the transfer of Rs. 35.50 lakhs from the provision for taxation being the estimated relief obtained through the operation of the allowance for development rebate, initial and extra normal depreciation for 1954 and 1955. The provision for taxation stands at Rs. 49.74 lakhs. The current liabilities aggregate Rs. 179 lakhs and special liabilities Rs. 12.17 lakhs. There has been an addition of Rs. 28.76 lakhs to the gross block during the year, bringing the total value to Rs. 669.42 lakhs. This has been written down to a book value of Rs. 272.39 lakhs. Capital works in progress amount to Rs. 49.88 lakhs. The current assets aggregate Rs. 465.53 lakhs and investments held against special liabilities Rs. 10.91 lakhs.

Bangalore Woollen

The following comparative table provides an idea of the Bangalore Woollen's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	5,33.80	4,81.94	4,72.25	4,32.29
Process and finished stocks	71.74	60.15	55.84	48.43
Expenses (including raw materials consumed)	4,52.58	4,04.66	3,86.72	3,75.45
Gross profit	94.86	80.78	94.25	63.16
Agents' commission	7.65	6.26	7.19	4.62
Provision for—				
Depreciation	17.60	18.17	16.30	12.92
Taxation	29.75	20.25	25.25	15.50
Net profit	39.86	36.10	45.50	30.12
Provisions no longer required written back	3.32	..	..	..
To reserves and other funds	18.75	12.75	20.45	9.62
,, Bonus to employees	11.48	10.90	12.50	10.10
Dividends—				
6 per cent. cum. preference	0.36	0.36	0.36	0.36
Ordinary	12.15	12.15	12.15	10.12
	(30%)	(30%)	(30%)	(25%)
Carry forward	2.83	2.39	2.45	2.40

It will be noted that the provision for taxation has been raised from Rs. 20.25 lakhs to Rs. 29.75 lakhs, but that for depreciation has been slightly reduced from Rs. 18.17 lakhs to Rs. 17.60 lakhs. In addition to this provision, the Directors have made an additional allocation of Rs. 4 lakhs out of the net profit for depreciation based on replacement costs. The Directors have raised the allocation to the general reserve from Rs. 9 lakhs to Rs. 11 lakhs, while maintaining the contribution to officers' retiring fund the workpeople's housing fund at Rs. 75,000 and Rs. 3 lakhs, respectively.

According to section 23A of the Indian Income-tax Act, as amended by the Indian Finance Act, 1955, the Company has to pay for the year a higher dividend than that declared. But it has not done so and it has decided to make an application to the Commissioner of Income-tax, Bangalore, at the appropriate time, seeking exemption from such extra payment, on the lines of a similar application made for the calendar year 1954, that "having regard to the Company's requirements that are necessary and advisable for the maintenance and development of the business, it would be unreasonable to pay a larger dividend than that already declared." The Company, it will be recalled, was successful in getting exemption from the application of section 23A in respect of 1954, but it complied with the provisions of that section the following year. The Directors feel that an application for exemption regarding 1956 will be necessary for reasons stated already.

Commenting on the Company's working during the period under review the Directors, in their latest report, observe thus:

"Production and sales showed satisfactory increases when compared with the previous year and improved demand for woollen and cotswool fabrics enabled the Company to make much greater use of its installed capacity in these sections. Your Directors are pleased to report that after several years of losses, the woollen section has made a modest contribution to the Company's profits. Profit margins in the cotton section were slightly lower than in the previous year, as price reductions were made in order to offset increases in excise duties and to stimulate the Company's export trade. Further progress has been made with the programme for the replacement of old machinery and plans are now under active consideration for the installation of new plant which will improve both efficiency and production. Considerable finance will be required to meet the cost of these developments and your Directors have borne this in mind in making their proposals for appropriations from profits for the year."

The balance-sheet of the Company as at 31st December 1956 reflects a sound financial position. Its paid-up capital of Rs. 46.50 lakhs is supplemented by reserves and surplus aggregating Rs. 252.99 lakhs. Of these reserves, the general reserve alone accounts for Rs. 116 lakhs. Dividend equalisation reserve amounts to Rs. 11 lakhs, fire and accident insurance reserve Rs. 12 lakhs, reserve for taxation Rs. 20 lakhs, reconstruction reserve Rs. 33.89 lakhs, raw materials fluctuation reserve Rs. 23.27 lakhs, stores reserve Rs. 4 lakhs, and additional reserve for depreciation based on replacement costs Rs. 30 lakhs. The provision for taxation stands at Rs. 7.75 lakhs. The current liabilities amount to Rs. 74.92 lakhs. The gross block of the value of Rs. 339.77 lakhs, including an addition of Rs. 13.20 lakhs during the year, stands depreciated at Rs. 79.07 lakhs. The capital works in progress amount to Rs. 12.09 lakhs. The current assets aggregate Rs. 290.99 lakhs and cover the current liabilities and provision for taxation by a very wide margin.

The Directors have, since the close of the year, capitalised a sum of Rs. 81 lakhs out of the general reserve and issued two ordinary shares for each ordinary share held. The sanction for this bonus issue was obtained by the Company early in 1956.

The Rs. 100 fully paid-up shares of Buckingham are being currently quoted at Rs. 174 *cum-div.* and those of Bangalore Woollen at Rs. 575 *cum-div.* On an *ex-div.* basis, the yields on the shares work out to 5.95 per cent. per annum and 5.40 per cent. per annum, free of income-tax, respectively.

GOKAK MILLS' PROFIT LOWER

A shrinkage in profit accompanied by a lowering of dividend distribution are the main features of the financial results of the Gokak Mills Ltd. (Managing Agents: Messrs. Forbes Forbes Campbell & Co., Private Ltd., Bombay) for the year ended 31st December 1956. The gross profit for the year under review has fallen by Rs. 3 lakhs to Rs. 21.24 lakhs. It may be mentioned here that the previous year's gross profit, at Rs. 24.24 lakhs, was the highest earned by the Company since 1948. Although the profit for 1956 is lower, it still constitutes the second best in the last eight years. The net profit also stands lower at Rs. 8.94 lakhs as against Rs. 10.52 lakhs a year ago and Rs. 6.48 lakhs for 1954.

The fall in profit has adversely affected the distribution of dividend, in that it has been pruned to 13 per cent. from 15 per cent., thus restoring it back to the level paid for 1954. For the years 1952 and 1953, it will be recalled, a dividend of 17 per cent. per annum was paid on the then capital (Rs. 39.05 lakhs) of the Company. In the following year, that is 1954, the capital was increased to Rs. 48.81 lakhs by capitalisation of a part of the reserves and a dividend of 13 per cent. was made on the higher capital for 1954, which represents a negligible cut from the previous year's distribution.

The allocation to the reserves has similarly been cut from Rs. 3.20 lakhs to Rs. 2.35 lakhs. The reserve account has, therefore, been provided with only Rs. 1.25 lakhs, as against Rs. 2 lakhs, and the development reserve account with Rs. 1.10 lakhs, as against Rs. 1.20 lakhs in the previous year.

The following comparative table will give some idea about the Company's progress during the past three years.

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sales of yarn and waste	2,46.67	2,32.35	1,89.84	1,73.79
Closing stocks of finished goods	29.00	24.49	28.77	16.60
Cotton and staple fibre consumed	1,63.96	1,42.26	1,33.65	1,05.58
Expenses	66.53	61.78	52.23	45.75
Gross profit	21.24	24.24	16.40	18.15
Managing Agents' commission	2.10	2.52	1.77	1.79
Depreciation	4.50	4.00	3.15	3.50
Taxation	5.70	7.20	5.00	6.25
Net profit	8.94	10.52	6.48	6.61
Post-war refund of E.P.T.	..	..	..	0.21
To reserves	2.35	3.20	0.51	0.23
,, staff gratuity	0.30	0.22	0.11	0.13
Dividend	6.34	7.32	6.34	6.64
	(13%)	(15%)	(13%)	(17½)
Carry forward	0.08	0.14	0.37	0.85

Sales of yarn and waste have improved by more than Rs. 14 lakhs and stocks by Rs. 14.51 lakhs; but these have been more than offset by the sharp rise of Rs. 21 lakhs in the consumption of cotton and staple fibre and of Rs. 4.75 lakhs in expenses, with the result that the gross profit has shrunk, as stated at the outset.

The Company's paid-up capital stands at Rs. 48.81 lakhs, in ordinary shares of Rs. 100 each. The reserves and surplus aggregate Rs. 37.68 lakhs. The provision for taxation amounts to Rs. 6.15 lakhs and the current liabilities are no more than Rs. 25.54 lakhs. The gross block amounting to Rs. 103.45 lakhs, including additions during the year of Rs. 10.52 lakhs, has been written down to Rs. 33 lakhs. Buildings and machinery under erection (at cost) are of the order of Rs. 6.29 lakhs. The current assets aggregate Rs. 78.89 lakhs, the bulk of which, amounting to Rs. 56.37 lakhs, represent stock-in-trade. Stores and spares aggregate Rs. 7.52 lakhs and debts, deposits and advances Rs. 12.54 lakhs. The current assets cover the current liabilities and provision for taxation by a very substantial margin.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 206 *cum-div.* On an *ex-div.* basis, the 13 per cent. dividend for the year works out a yield of 6.73 per cent. per annum, free of income-tax.

COMPANY BALANCE-SHEET

The Government of India has decided that, in the preparation of balance-sheets under the new Company Law, it would be "sufficient compliance" with the Act, if corresponding figures for each "group lead" of items for the immediately preceding financial year is given instead of figures for each of the items, as required by the Act. It is stated that the Government reconsidered the question of furnishing "corresponding figures" for the previous year for all the items, in the light of difficulties brought to its notice by certain companies and the views of the accountancy profession in this regard and has come to this decision.

Communicating this decision to the Federation of Indian Chambers of Commerce and Industry, the Government says that as far as possible, in every balance-sheet prepared in accordance with Schedule VI of the Companies Act, 1956, the corresponding figures for the immediately preceding financial year for all the items in the balance-sheet and the profit and loss account should be given. "However, if the company finds it difficult to give the corresponding figures for the immediately preceding year for each of the items shown in the balance-sheet and profit and loss account, the Government would deem it sufficient compliance with the provisions of section 211 (1) and (2) of the Companies Act, if the corresponding figure is given for each 'group lead' as a whole (with suitable explanatory note), instead of for each item."

The intention of displaying the figures relating to the previous year, it is explained, is to facilitate the comparative study of the items in the balance-sheet and the profit and loss account, so that the significance of the figures for the current year can be readily understood and appreciated. It is necessary that a beginning should be made with the commencement of the Act (April 1, 1956), although complete corresponding figures will become available only for the next financial year, it is stated.

The Government, in its communication to the Federation, also says that, while displaying the figures for the previous year, care should be taken to ensure that all the items in the audited balance-sheet and the profit and loss accounts are fully incorporated in the current year's balance-sheet and profit and loss account as corresponding figures for the previous year.

ALKALI AND CHEMICAL

In the circular letter to shareholders of 4th March, in the provisional allotment letter of 3rd April and in the Chairman's speech at the annual general meeting on 28th March, the Alkali and Chemical Corporation of India Ltd. expressed the hope that the shares of the Company would qualify for relief under section 56A of the Indian Income-tax Act and that dividends received by companies holding these shares would be exempt from super-tax. The Company has now received a letter from the Government of India confirming that, in fact, the new shares will qualify for exemption under section 56A.

Points From The Chair

Checking Rising Costs

"WE are far from complacent about this upward trend in costs, which seems to be fairly general among household necessities, or near-necessities, into which class our products fall. In a community, embracing so many people, with very low incomes, our products run the risk of being too highly priced, whether for the consumers' good or our own, and we should greatly like to make reductions, with all the stimulus they would give to increases in consumption. Unfortunately, the prerequisites are lacking. We are vitally interested, for instance, in Government's second Plan target of more than 7½ million tons of oilseeds, representing a 30 per cent. increase in production. That oilseeds, and particularly groundnuts, should be freely available at moderate prices is of prime importance to our business, to say nothing of its significance for export and foreign exchange purposes, but we cannot yet detect any great progress being made towards hitting the target. Transport is another vital sphere where unrestricted availability at moderate prices is essential, but at present its inadequacy is constantly giving rise to costly delays and, on the top of that, freight rates are tending to increase. These are but two indications of what, I have said, is an internal trend."

A. J. C. HOSKYNS-ABRAHALL,
Hindustan Lever Limited.

Tribunal Award

"Under the terms of the settlement, two of our estates with preponderant tea acreage will pay wage increases representing an increase of 20 per cent. upon the pre-Award wage and the remaining three estates with preponderant coffee acreage will pay wage increases representing an increase of nearly 9 per cent. over the pre-Award wage. In addition to this, provident fund benefits at 8¼ per cent. of wages will be payable. Compared with the enormity of the Award, this is, of course, a merciful deliverance. By any other standard, it is a stern impost which, according to my estimate, will add Rs. 3½ lakhs to our wage bill. However, the decline of discipline and morale as a result of these five-year-old proceedings, will now, I trust, be arrested and with the return of more normal working conditions, we may hope to recover in increased productivity some part of this cost."

W. W. KILGOUR,
Ouchterlony Valley Estates (1938) Ltd.

Plantation Enquiry Commission Report

"Recently the report of the Plantation Enquiry Commission on Coffee was received, and I must say that this is an utterly disappointing document, and shows an entire lack of understanding of the economics of an agricultural enterprise, and those of a fruit crop in particular. I do not propose here to comment in any detail on the report, as this will be done to Government by the various producers' association, who have bigger staffs to devote to the study and analysis of the material used, the conclusions arrived at, and the suggestions made. I would, however, like to say that in my opinion several of the recommendations made are quite impracticable. There is one point on which I must comment, and that is on the Commission's remarks regarding replanting. According to the report, a considerable part of the acreage of most estates is in need of replanting. In arriving at this conclusion, the Commission seem to have totally ignored the yearly planting of supplies which has been done by the better run estates for many years. In the case of this Company, the number of supplies planted in the period from 1951 to 1956 was, after leaving a generous margin for failures through disease and other causes, equivalent to approximately 29 per cent. of the existing mature acreage. Were the conclusion arrived at by the Commission correct, one would expect crops over the past few years to be steadily decreasing whereas, in fact, exactly the opposite is the case. A very exacting examination of the figures produced, and recommendations made, in the report is, therefore, essential before any further action is taken on it."

J. N. A. HOBBS,
Kumergode Estates Ltd.

Meeting Credit Demands

"I am afraid that, as a result of the increasing demand for credit, the standing of the borrower and the security offered are not the only considerations which have to be taken into account by our managers when approached for new facilities. The necessity to turn away business, which at other times would be most suitable, has, I am afraid, been forced on bankers in many parts of the world and we could hardly expect to escape. Nevertheless, it is not a pleasant task and I hope that many of you in this room will realise—to quote a saying from our school days—"that it hurts me more than it hurts you.' In the interests of depositors and shareholders alike, it would be most imprudent not to maintain a suitable degree of liquidity and, spread as our activities are over so many territories, this liquidity should, in our opinion, be higher than may be considered necessary by bankers whose interests are mainly confined to one single country. At 31st December 1956, the ratio of the Bank's readily realisable assets to its total liabilities, was just under 45 per cent. and, while your Directors are satisfied that this is a safe margin, the drop over the last few years is a reminder that our ability to finance the capital and current requirements of our customers and friends must of necessity have some limitation."

THE HON. CEDRIC BLAKER,
Hongkong and Shanghai Banking Corporation, Hong Kong.

COMPANY MEETINGS AND DIVIDENDS

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 15th April 1957. Dividend: As. 10 per share. Transfer books remain closed from 1st to 15th April 1957, both days inclusive.

EMPIRE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 15th April 1957. Dividend: As. 8 per share. Transfer books remain closed from 1st to 15th April 1957, both days inclusive.

ALEXANDRA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 15th April 1957. Dividend: Rs. 5 per share. Transfer books remain closed from 1st to 15th April 1957, both days inclusive.

KELVIN JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 15th April 1957. Dividend: Rs. 5 per share. Transfer books remain closed from 1st to 15th April 1957, both days inclusive.

LAKHSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 15th April 1957. Dividend: Rs. 30 per share (final), payable on or after 22nd April 1957. Transfer books remain closed from 2nd to 16th April 1957, both days inclusive.

ELGIN MILLS CO., LTD. Annual General Meeting, Kanpur, U.P., 16th April 1957. Dividend: Re. 1-4 per share. Transfer books remain closed from 30th March to 16th April 1957, both days inclusive.

VISHNU COTTON MILL, LTD. Annual General Meeting, Bombay, 16th April 1957. Dividend: Rs. 5-8 per share (final), payable on and after 23rd April 1957. Transfer books remain closed from 3rd to 17th April 1957, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th April 1957. Dividend: Rs. 17-8 per share (final), free of income-tax, payable on or after 29th April 1957. Transfer books remain closed from 22nd March to 11th April 1957, both days inclusive.

BOMBAY POTTERIES AND TILES LTD. Annual General Meeting, Bombay, 22nd April 1957. Dividend: Rs. 6 per share, payable on and after 6th May 1957. Transfer books will remain closed from 15th to 29th April 1957, both days inclusive.

MODERN MILLS, LTD. Annual General Meeting, Bombay, 24th April 1957. Transfer books remain closed from 27th March to 16th April 1957, both days inclusive.

SWAN MILLS, LTD. Annual General Meeting, Bombay, 24th April 1957. Dividend: Rs. 25 per share, payable on or after 25th April 1957. Transfer books remain closed from 30th March to 24th April 1957, both days inclusive.

POLSON LTD. Annual General Meeting, Bombay, 25th April 1957. Dividend: Rs. 12.50 per share, payable on 6th May 1957. Transfer books will remain closed from 22nd April to 4th May 1957, both days inclusive.

GOLD MOHUR MILLS, LTD. Annual General Meeting, Bombay, 25th April 1957. Dividend: Rs. 15 per share, payable on or after 26th April 1957. Transfer books remain closed from 30th March to 25th April 1957, both days inclusive.

MACFARLANE & CO., LTD. Annual General Meeting, Calcutta, 26th April 1957. Transfer books will remain closed from 19th to 26th April 1957, both days inclusive.

FINLAY MILLS, LTD. Annual General Meeting, Bombay, 26th April 1957. Dividend: Rs. 20 per share, payable on or after 27th April 1957. Transfer books remain closed from 30th March to 26th April 1957, both days inclusive.

PICKERS LTD. Annual General Meeting, Ellis Bridge, Ahmedabad, 27th April 1957. Transfer books remain closed from 12th to 27th April 1957, both days inclusive.

BASANTI COTTON MILLS LTD. Annual General Meeting, Calcutta, 27th April 1957. Transfer books remain closed from 30th March to 27th April 1957, days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 27th April 1957. Dividend: As. 8 per share (final). Transfer books remain closed from 6th to 27th April 1957, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Annual General Meeting, Bangalore, 27th April 1957. Dividend: Rs. 20 per share (final), payable on or after 28th April 1957.

BUCKINGHAM AND CARNATIC CO., LTD. Annual General Meeting, Madras, 27th April 1957. Dividend: Rs. 6 per share (final) payable on 27th April 1957. Transfer books remain closed from 5th to 26th April 1957, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Fifty-seventh Ordinary General Meeting (not being an Annual General Meeting), Calcutta, 29th April 1957. Transfer books will remain closed from 23rd to 29th April 1957, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar, 30th April 1957. Dividend: Re. 1 per share. Transfer books will remain closed from 24th to 30th April 1957, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Annual General Meeting, Calcutta, 1st May 1957. Dividend: 3½ per cent. Transfer books will remain closed from 17th April to 1st May 1957, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 6th May 1957. Transfer books will remain closed from 22nd April to 6th May 1957, both days inclusive.

Notices

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE 31st Annual General Meeting of the Company will be held at the Registered Office, "Dunlop House," 57-B, Free School Street, Calcutta, on Monday the 29th day of April 1957, at 12-15 p.m., for the following purposes:—

1. To consider the Profit and Loss Account for the year ended the 31st December, 1956, the Balance Sheet as at that date and the Reports of the Directors and Auditors of the Company.
2. To declare Dividends.
3. To appoint Directors in the place of those who retire by rotation.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass, with or without modification, the following resolutions of which numbers 6 and 9 will be proposed as special resolutions:

5. "That Mr. John Luckham be and is hereby appointed a Director and Managing Director of the Company upon the terms and subject to the conditions contained in the letter dated the 31st December, 1956, addressed to him by Mr. T. E. Peppercorn as the agent of the Company duly authorised in that behalf."
6. (*As a special resolution*): "That consent be and is hereby accorded to Sardar Hardit Singh Malik holding and continuing, with effect from the 1st January, 1957, to hold an office or place of profit under the Company, namely, as a salaried official on the terms and conditions of a letter dated the 30th day of January, 1957, issued by the Company and addressed to him."
7. "That Sardar Hardit Singh Malik be and is hereby appointed a Director of the Company."
8. "That the remuneration payable to Mr. P. N. Haksar, a Director of the Company, be increased with effect from the 1st March, 1956, from a salary of Rs. 2,900 per mensem to Rs. 3,200 per mensem with the corresponding increases in dearness allowance, bonus (if any) and the contribution by the Company to the Provident Fund."
9. (*As a special resolution*): "That the Articles of Association of the Company be amended in the manner following, that is to say:—

(i) In Article 1 the definition of a "Managing Director" shall be deleted and the following shall be substituted therefor:—

"The Managing Director" and "the Deputy Managing Director" means the Managing Director and the Deputy Managing Director, respectively, appointed as such and holding office for the time being under the Company."

(ii) In Article 116 after the words "Managing Director" insert the words "Deputy Managing Director."

(iii) Article 121 shall be deleted and the following new Article substituted therefor:—

"121. At each Annual General Meeting (called "Ordinary Meeting" in these Articles) of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office."

(iv) Articles 131 and 132 shall be deleted and the following new Article shall be substituted therefor:—

"The Directors may appoint any person to act as alternate Director for a Director during the absence of the latter for a period of not less than three months from the State in which meetings of the Directors are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly; but he shall not require any qualification and shall *ipso facto* vacate office if and when the absent Director returns to the State in which meetings of the Directors are ordinarily held or the absent Director vacates office as a Director."

(v) In Article 140 after the words "time appointed for holding the same, the" insert the word "seniormost."

(vi) Articles 133 to 137 and the marginal notes shall be deleted and the following new Articles and the marginal notes substituted therefor:—

"133. *Business of Company to be carried on by Managing Directors and Deputy Managing Directors.*—The business of the Company shall be carried on by the Managing Director and Deputy Managing Director or Managing Directors and Deputy Managing Directors if and when appointed who shall subject to the superintendence control and direction of the Directors and the provisions of Article 135 be entitled to exercise the general and specific powers conferred by these Articles on the Directors collectively.

"134. *Power to appoint Managing Directors and Deputy Managing Directors.*—Subject to the provisions of Sections 316 and 317 of the Companies Act, 1956, the Directors may from time to time appoint one or more Directors to be the Managing Director or Managing Directors or the Deputy Managing Director or Deputy Managing Directors of the Company either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

"135. *Powers and duties of Managing Directors.*—Subject to the provisions of the Companies Act, 1956, and in particular to the prohibitions and restrictions contained in Section 292 thereof the Directors may from time to time entrust to and confer upon any Managing Director or any Deputy Managing Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think fit; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf; and may from time to time revoke withdraw alter or vary all or any of such powers.

"136. *Managing Director and Deputy Managing Director exempt from retirement by rotation, etc.*—Subject to Section 255 of the Companies Act, 1956, a Managing Director or a Deputy Managing Director may be appointed on terms that he shall not while he continues to hold that office be subject to retirement by rotation within the meaning of Article 121 but (subject to the provisions of any contract between him and the Company) each Managing Director and Deputy Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall *ipso facto* and immediately cease to be a Managing Director or Deputy Managing Director if he ceases to hold the office of Director from any cause.

If at any time the total number of Managing Directors and Deputy Managing Directors not subject to retirement by rotation is more than one-third of the total number of Directors the Managing Director or the Managing Directors shall not retire and the Deputy Managing Directors who shall not retire shall be determined by and in accordance with their respective seniorities so that those who have been longest in office as Directors since their last election shall retire from office and in the case of those with seniority from the same day the Deputy Managing Directors to retire shall (unless they otherwise agree among themselves) be determined by lot.

"137. *Remuneration of Managing Director or Deputy Managing Director.*—Each Managing Director and Deputy Managing Director shall be deemed to be a salaried official of the Company for the purposes of Article 113 and each shall subject to the provisions of Sections 309, 310 and 311 of the Companies Act, 1956, receive such remuneration as may from time to time be fixed by the Company in General Meeting."

10. "That each of Messrs. A. W. Gillespie, F. G. W. Jackson and P. N. Haksar, Directors of the Company, be and are hereby appointed a Deputy Managing Director of the Company upon the terms and conditions presently governing their employment and that each will continue to be entitled to remuneration presently paid or authorised to be paid."

Dated the third day of April, 1957.

By Order of the Board,

P. B. SEN GUPTA,
Secretary.

DUNLOP HOUSE,
57B, FREE SCHOOL STREET,
CALCUTTA.

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.

In terms of Article 4 of the Company's Articles of Association no Preference Shareholder as such is entitled to attend the Meeting. A Debenture Stockholder as such is also not entitled to attend the Meeting.

The Transfer Books and Registers of Members in respect of the Ordinary and Second Preference Shares of the Company will be closed from 15th April, 1957, to 5th May, 1957, both days inclusive. As any dividends that may be declared will be paid only to shareholders registered in the Company's Registers of Members, those holding shares on blank transfers are advised to register the transfers prior to 15th April, 1957.

DALMIA CEMENT (BHARAT) LIMITED

Registered Office:

DALMIAPURAM (MADRAS STATE)

NOTICE

THE TIME FOR SENDING ACCEPTANCES against the Letters of Right in connection with the fresh issue of capital by the Company has been extended till 30th April, 1957. Acceptances which are not duly received on or before the said date will not be considered.

By Order of the Board of Directors,

For DALMIA CEMENT (BHARAT) LIMITED,
For HARI BROTHERS PRIVATE LIMITED,
J. DALMIA,
Director,
Managing Agents.

Dated 25th March, 1957.

THE MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of the shareholders of the above Company will be held at the Registered Office, Mafatlal House, Back Bay Reclamation, Bombay, on Thursday the 9th May, 1957, at 5 p.m. (S.T.), to transact the following business:—

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1956.
2. To sanction declaration of Dividends on 1st Preference, 2nd Preference and Ordinary Shares and Bonus Dividend on Ordinary Shares.
3. To elect a Director in place of Shri Yogindra N. Mafatlal who retires by rotation, but being eligible, offers himself for re-election under Article 134 of the Articles of Association.
4. To elect a Director in place of Shri Natverlal Bhikhabhai who retires by rotation, but being eligible, offers himself for re-election under Article 134 of the Articles of Association.
5. To elect a Director in place of Shri Laxmanprasad D. Vasa who retires by rotation, but being eligible, offers himself for re-election under Article 134 of the Articles of Association.
6. To appoint Auditors for the current year and to fix their remuneration.

Notice is further given that the following business will be transacted as Special Business in this meeting:—

7. To consider and if thought fit to pass the following as an Ordinary Resolution, with or without any modifications:—

Ordinary Resolution No. 1

"RESOLVED that the Books, Registers, Minute Books and Documents of the Company required to be maintained and disclosed under the provisions of the Companies Act, 1956, be kept open to inspection by the persons entitled thereto, to the extent, in the manner and on payment of the requisite fees, if any, at the Registered Office of the Company on any working day between the hours of 2-30 p.m. to 4-30 p.m. and on Saturdays between 11 a.m. to 1 p.m. PROVIDED, however, that the Register required to be maintained under Section 307 of the Act, shall be open to the inspection by any Member, as aforesaid, during the period prescribed by clause (*a*) of sub-section (5) of Section 307 of the said Act."

8. To consider and if thought fit to pass the following as an Ordinary Resolution with or without any modifications:—

Ordinary Resolution No. 2

"RESOLVED that in accordance with the provisions of Section 359 of the Companies Act, 1956, the Company, being satisfied that the insurance premia or other charges made by The Jayabharat Insurance Co., Ltd., for insurance in respect of the Company's property assets and goods are at rates of tariff which are not less favourable to the Company than the market rates or are otherwise reasonable, the Company hereby authorises Messrs. Pransukhlal & Co., Private Ltd., an Associate of Messrs. Navinchandra Purshotamdas & Co., Ltd., the Managing Agents of the Company, to retain all commission and other remuneration already earned or to be earned by them at any time hereafter, as the Principal Agents of Messrs. Jayabharat Insurance Co., Ltd., in regard to all contracts of Insurance or Insurance Policies which have been or which may at any time hereafter be entered into by the said Jayabharat Insurance Co., Ltd., with the Company."

9. To consider and if thought fit to pass the following as Special Resolution, with or without any modifications:—

Special Resolution No. 3

"RESOLVED that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby consents to the continuance from 1st March 1958 of the existing arrangement with Messrs. Mafatlal Gagalbhai & Co., Private Ltd., which is an Associate of Messrs. Navinchandra Purshotamdas & Co., Ltd., the Managing Agents of the Company, for hiring from the said Associate as Office premises, an area of 1291 sq. ft. in their building known as Mafatlal House, Back Bay Reclamation, in Bombay, on the monthly rent of Rs. 646 so long as the Directors think fit."

10. To consider and if thought fit to pass the following as Special Resolution with or without any modifications:—

Special Resolution No. 4

"RESOLVED that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby consents to the continuance from 1st March 1958 of the existing arrangement made with The Sassoon Spinning and Weaving Company, Ltd., which is an Associate of Messrs. Navinchandra Purshotamdas & Co., Ltd., the Managing Agents of the Company, for the supply by the said Associate of air-conditioning facilities for the Company's Office premises in Mafatlal House, Bombay, in an area of 1,180 sq. ft. at the rental of Rs. 295 per month so long as the Directors think fit."

11. To consider and if thought fit to pass the following as Special Resolution, with or without any modifications:—

Special Resolution No. 5

"RESOLVED that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of all contracts to be entered into by the Company with Messrs. Textile Engravers Private Ltd., an Associate of Messrs. Navinchandra Purshotamdas & Co., Ltd., the Managing Agents of the Company, for supply of copper and other printing rollers to the Company and for rendering to the Company services as engravers, turners and polishers, etc., provided that

(*a*) the prices or amounts charged by the said Company are at rates or scales which are not less favourable to the Company than the market rates or scales or are otherwise reasonable, and

(*b*) the said orders shall be reported to the Board of Directors for information."

12. To consider and if thought fit to pass the following as Special Resolution, with or without any modifications:—

Special Resolution No. 6

"RESOLVED that the Company hereby consents to the employment of Shri Jayantilal Damodardas Vasa who is a relative as defined in Section 6 of the Companies Act, 1956, of Shri Laxmanprasad Damodardas Vasa a Director of the Company, as Stores Purchase Officer, on a monthly salary of Rs. 500 in addition to Bonus, Provident Fund and other benefits received by the other employees, and thus consents to his holding the office or place of profit aforesaid under the Company under Section 314 of the Act."

13. To consider and if thought fit to pass the following as Special Resolution, with or without any modifications:—

Special Resolution No. 7

"RESOLVED that the Articles of Association of the Company be altered in the manner following:

(*a*) Article 20 shall be deleted,

(*b*) Article 153—Sub-clause 26 shall be deleted,

(*c*) Article 154 shall be deleted."

14. To consider and if thought fit to pass the following as Special Resolution with or without any modifications:—

Special Resolution No. 8

"RESOLVED that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of the arrangement to transfer to this Company telephone belonging to The Sassoon Spinning and Weaving Company, Ltd., an Associate of Messrs. Navinchandra Purshotamdas & Co., Ltd., the Managing Agents of the Company on payment of Rs. 2,500."

15. To consider and if thought fit to pass the following as Special Resolution with or without any modifications:—

Special Resolution No. 9

"RESOLVED that in accordance with the provisions of Section 360 of the Act, the Company hereby accords consent to the continuance of employment of Shri Champaklal Sambhubhai Sitwala and Shri Chunilal Gulabbhai Sitwala who are associates, being relatives of Shri Natverlal Bhikhabhai and Shri Arvind N. Mafatlal, the Directors of the Company, and the Managing Agents, Messrs. Navinchandra Purshotamdas & Co., Ltd., respectively."

The relative Explanatory Statement pursuant to Section 173 of the Companies Act 1956 in respect of items 7 to 15 set out above is annexed to the Notice of the Annual General Meeting posted to all the Shareholders individually.

By Order of the Board of Directors,

NAVINCHANDRA PURSHOTAMDAS & CO., LTD.,

(SD.) ARVIND N. MAFATLAL,
Director,
Managing Agents.

BOMBAY, 18*th March* 1957.

Notes: (*a*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.

(*b*) The Transfer Books of the Company will be closed from Monday the 22nd April, 1957, to Thursday the 9th day of May, 1957, both days inclusive.

(*c*) The Dividends and Bonus Dividend on Ordinary shares as recommended by the Directors when sanctioned by the Shareholders will be paid at the Bank of Baroda Ltd., Reclamation Branch, Bombay 1, from Monday the 13th May, 1957 to Saturday, 31st August, 1957, during business hours and thereafter at the Registered Office of the Company during Office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 9th day of May, 1957.

Shareholders are requested to intimate to the Company immediately any change in their Registered Address.

(*d*) The letters recording the arrangements referred in Special Resolutions Nos. 3 and 4 and a copy of the Articles of Association are open for inspection at the Registered Office of the Company at Mafatlal House, on any working day between 11 a.m. to 1 p.m.

THE STANDARD MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-second Annual General Meeting of the Standard Mills Company, Limited, will be held at the Registered Office of the Company at Mafatlal House, Back Bay Reclamation, Bombay, on Friday, 10th May, 1957, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive, consider and adopt the Directors' Report and the audited Balance Sheet and Profit and Loss Account of the Company for the year ended 31st December, 1956.

(2) To sanction the declaration of dividend on 1st and 2nd Preference Shares and on Ordinary Shares, and Bonus on Ordinary Shares.

(3) To elect a Director in place of Shri Chimanlal Bapalal Parikh who retires by rotation under Article 161 of the Articles of Association of the Company and being eligible offers himself for re-election.

(4) To elect a Director in place of Shri Jayantilal Damodardas Vasa who retires by rotation under Article 161 of the Articles of Association of the Company and being eligible offers himself for re-election.

(5) To elect a Director in place of Shri Arvind N. Mafatlal who retires under Article 141 of the Articles of Association of the Company and being eligible offers himself for re-election.

(6) To elect a Director in place of Shri Yogindra N. Mafatlal who retires under

Article 141 of the Articles of Association of the Company and being eligible offers himself for re-election.

(7) To appoint Auditors for the current year and to fix their remuneration.

AND NOTICE IS HEREBY FURTHER GIVEN that the following business shall be transacted at the said Meeting as Special business:

(8) To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"Resolved that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of the contract of tenancy made by the Company with Messrs. Mafatlal Gagalbhai & Co. Private, Ltd., an Associate of the Managing Agents of the Company, in respect of the office accommodation admeasuring 3,472 sq. feet in Mafatlal House, Back Bay Reclamation, belonging to the said Mafatlal Gagalbhai & Co. Private, Ltd., as from 1st January, 1956, as a monthly tenant at a monthly rent of Rs. 1,736 and that the Company do after 1st March, 1958, continue the said tenancy on such terms and for such period as the Directors may deem fit and also take either before or after 1st March, 1958, such further accommodation in the said building for such period and on such terms as the Directors may deem proper."

(9) To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"Resolved that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of the arrangement made by the Company with the Sassoon Spinning and Weaving Co., Ltd., an Associate of the Managing Agents of the Company for supply by the said Sassoon Spinning and Weaving Co., Ltd., to the Company of air-conditioning facilities in respect of 3,174 sq. feet of the Company's office premises in Mafatlal House, Back Bay Reclamation, Bombay, from 1st January, 1956, at the rate of Rs. 794 per month and that the Company do continue the said arrangement after 1st March, 1958, for such period and on such terms as the Directors may deem fit and also take such further air-conditioning facilities in respect of their office premises either before or after 1st March, 1958, for such period and on such terms as the Directors may deem proper."

(10) To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"Resolved that under the provisions of Section 360 of the Companies Act, 1956, the employment in the Company of Shri Krishnalal Ratilal Sitwala, who is a relative of Shri Hemant B. Mafatlal, a partner in Messrs. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, as a Part-time Spinning Consultant on a monthly salary of Rs. 200, be and is hereby approved."

By Order of the Board,
For THE STANDARD MILLS CO., LTD.,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

"MAFATLAL HOUSE,"
BACK BAY RECLAMATION,
BOMBAY, 18*th day of March*, 1957.

N.B.—(1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(2) The Transfer Books of the Company will remain closed from Monday, 22nd April, 1957, to Friday, 10th May, 1957 (both days inclusive).

(3) The Dividends when sanctioned will be made payable from Monday, 13th May, 1957, to Wednesday, 31st July, 1957, at the Bank of Baroda, Ltd., Reclamation Branch, Bombay, during banking hours and thereafter at the Registered Office of the Company during office hours on all week days to those shareholders whose names stand on the Register on Friday, 10th May, 1957. The shareholders are requested to intimate immediately any change in their registered address to the Company.

ANNEXURE TO THE NOTICE

(Explanatory Statement as required by Section 173 of the Companies Act, 1956)

To,

THE SHAREHOLDERS
OF THE STANDARD MILLS CO., LTD.

In conformity with the Companies Act, 1956, the following Explanatory Statement as required by Section 173 of the aforesaid Act sets out all material facts relating to the Special business mentioned in the Notice dated 18th March, 1957.

In Respect of Item No. 8 of the Notice:

The Company has rented from Messrs. Mafatlal Gagalbhai & Co. Private, Ltd., a portion of their building known as Mafatlal House in Back Bay Reclamation, as a monthly tenant at a monthly rent of Rs. 1,736 from 1st January, 1956. The said Messrs. Mafatlal Gagalbhai & Co. Private, Ltd., are an Associate of Messrs. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. The said premises are suitable for the Company's office and will be required by the Company for a long time even after 1st March, 1958, when the said contract will terminate under Section 361 of the Companies Act, 1956. As the said Mafatlal Gagalbhai & Co. Private, Ltd., are an Associate of the Managing Agents, the said contract requires to be approved under Section 360 of the Act by the Company in General Meeting by a Special Resolution. It is desirable that the Directors be authorised to continue occupation of the said premises after 1st March, 1958, when the said contract will terminate under Section 361 of the Companies Act, 1956, on such terms and for such period as the Directors may deem fit and also to take such additional accommodation in the said premises either before or after 1st March, 1958, for such period and on such terms as they may deem proper.

The following Directors of your Company are partners in Messrs. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, and they are also Directors and Members of Mafatlal Gagalbhai & Co. Private, Ltd., and hold shares in the said Company as set out below against their respective names and as such they are interested in the said contract of tenancy:—

1. Shri Arvind N. Mafatlal—Holds 1,158 Ordinary Shares and 5,250 Preference Shares.
2. Shri Yogindra N. Mafatlal—Holds 1,308 Ordinary Shares and 5,250 Preference Shares.
3. Shri Rasesh N. Mafatlal—Holds 1,458 Ordinary Shares and 5,250 Preference Shares.

Shri Hemant B. Mafatlal is a partner in Messrs. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. He is also a Director and Member of Mafatlal Gagalbhai & Co. Private, Ltd., and holds 3,650 Ordinary Shares and 1,480 Preference Shares in the said Company and as such he is also interested in the said contract of tenancy.

In Respect of Item No. 9 of the Notice:

The Company has made arrangements with the Sassoon Spinning and Weaving Co., Ltd., an Associate of Messrs. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, for supply of air-conditioning facilities to an area of 3,174 sq. feet of the Company's office premises in Mafatlal House, Back Bay Reclamation, Bombay, as from 1st January, 1956, at the rate of Rs. 794 per month, and as such the said arrangement requires to be approved by the Company in General Meeting by a Special Resolution under Section 360 of the Companies Act, 1956. The said arrangement will terminate on 1st March, 1958, under Section 361 of the Companies Act, 1956. It is desirable that the Directors be authorised to continue the said arrangement after 1st March, 1958, for such period and on such terms as the Directors may deem fit and also to take such further air-conditioning facilities in respect of the Company's office premises either before or after 1st March, 1958, for such period and on such terms as the Directors may deem proper.

The following first four Directors of your Company are interested in the said arrangement inasmuch as they are Directors and Members of the Sassoon Spinning and Weaving Co. Ltd., and holds shares in the said Company as set out below against their respective names, the fifth one is only a Member in the said Sassoon Spinning and Weaving Co., Ltd:

1. Shri Arvind N. Mafatlal—Holds 550 shares.
2. Shri Yogindra N. Mafatlal—Holds 550 shares.
3. Shri Kaushikprasad Chandulal—Holds 550 shares.
4. Shri Jayantilal D. Vasa—Holds 3,000 shares.
5. Shri Chimanlal B. Parikh—Being Member holds 100 shares.

Shri Hemant B. Mafatlal is a partner in the firm of Messrs. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. He is also a Director and Member of the said Sassoon Spinning and Weaving Co., Ltd., holding 50 shares therein and as such he is also interested in the said arrangement.

In Respect of Item No. 10 of the Notice:

Shri Krishnalal Ratilal Sitwala, who is a relative of Shri Hemant B. Mafatlal, a partner in Messrs. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, and who is in the employ of the Company as a Part-time Spinning Consultant on a monthly salary of Rs. 200, and as such, the approval of the Company in General Meeting under Section 360 of the Companies Act, 1956, is necessary.

By Order of the Board,
For THE STANDARD MILLS CO., LTD.,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

THE SASSOON SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

THE EIGHTY-FOURTH ANNUAL GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office, Mafatlal House, Back Bay Reclamation, Bombay, on Friday the 10th May 1957, at 3-0 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1956.
2. To declare a Dividend.
3. To elect a Director in place of Shri Arvind N. Mafatlal whose term of office expires at this Annual General Meeting under Articles of Association of the Company and being eligible, offers himself for re-election and to pass the following Resolution.

"Resolved that Shri Arvind N. Mafatlal be and is hereby elected Director of the Company."

4. To elect a Director in place of Shri Jayantilal D. Vasa whose term of office expires at this Annual General Meeting under Articles of Association of the Company and being eligible, offers himself for re-election and to pass the following Resolution.

"Resolved that Shri Jayantilal D. Vasa be and is hereby elected Director of the Company."

5. To elect a Director in place of Shri Yogindra N. Mafatlal who retires by rotation but being eligible, offers himself for re-election.
6. To elect a Director in place of Shri Hariprasad S. Mahadevia who retires by rotation but being eligible, offers himself for re-election.
7. To elect a Director in place of Shri Bhupendra Bhikhabhai who retires by rotation but being eligible, offers himself for re-election.
8. To consider and if thought fit to pass the following Resolutions as Special Resolutions with or without any modification:

Special Resolution

"Resolved that the Company hereby approves of the continuance of the employment of Shri Kartikeya K. Mahadevia, who is an associate of M.G. Investment Corporation Private Ltd., the Managing Agents of the Company, as Stores Purchasing Officer of the Company and that he be paid a remuneration of Rs. 1,250 per month as from 1st January 1957 exclusive of any other benefits appertaining to the said post and that the Company do after 1st March 1958 continue the said appointment so long as the Directors may deem proper and the Directors be and are hereby authorised to increase his remuneration from time to time and to such extent as they may deem proper."

Special Resolution

"Resolved that in accordance with the provisions of Section 360 of the Companies Act 1956, the Company hereby approves of the arrangement to transfer the telephone belonging to the Company to the Mafatlal Fine Spinning and Manufacturing Company, Ltd., an associate of M.G. Investment Corporation Private Ltd., the Managing Agents of the Company, on a payment of Rs. 8,500."

9. To appoint Auditors for the current year and fix their remuneration.

To transact any other business the Chairman may bring before the Meeting.

Transfer Books of the Company will be closed from Monday the 22nd April 1957 to Friday the 10th May 1957, both days inclusive.

By Order of the Board of Directors,

M.G. INVESTMENT CORPORATION PRIVATE LTD.

ARVIND N. MAFATLAL,
Director,
Managing Agents.

MAFATLAL HOUSE,
BACK BAY RECLAMATION,
BOMBAY, 18*th March* 1957.

N.B.—Dividend, as recommended by the Directors, when sanctioned at the General Meeting, will be paid from 13th May 1957 to 31st July 1957 at the United Commercial Bank Ltd., Churchgate Reclamation Branch, Bombay, during business hours and thereafter at the Registered Office of the Company during office hours excepting Saturdays to those Shareholders whose names are on the Company's Register as on 10th May, 1957.

Shareholders are requested to intimate immediately any change in their registered address to the Company.

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to act and vote instead of himself or herself and a proxy need not be a Member.

INDUSTRIAL INVESTMENT TRUST LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Annual General Meeting of Industrial Investment Trust Ltd. will be held at the Registered Office of the Company, 61, Apollo Street, Fort, Bombay, on Tuesday the 7th May 1957, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1956.

(2) To declare a Dividend.

(3) To confirm the appointment of Mr. D. G. Moore as a Director of the Company.

(4) To appoint a Director in place of Mr. Maneklal Premchand who retires by rotation and is eligible for re-appointment and to consider, and if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

"RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956, Mr. Maneklal Premchand, who has attained the age of 67 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the said Act shall not apply to him."

(5) To appoint a Director in place of Mr. Jal H. Mehta who retires by rotation, in accordance with the Articles of Association of the Company, and being eligible offers himself for re-election.

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

(7) To consider and if thought fit, to pass the following resolution:

"RESOLVED that the Registers, Books and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 136, 143, 144, 150 to 152, 163, 193, 196, 301 to 304, 307, 356 to 360, 362 and 372 and Schedule VIII to the Act, be kept open for such inspections by the persons entitled thereto under the aforesaid provisions to the extent in the manner and on payment of the fees, if any, specified in the aforesaid provisions at the registered office of the Company between the hours of 12 noon to 2 p.m. (S.T.) on all working days except when the Registers and Books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company, provided, however, that the register required to be maintained under Section 307 of the Act shall be open for inspection of the members of holders of debentures of the Company, if any, as aforesaid between the times above mentioned during the period prescribed by sub-section 5(a) of Section 307."

NOTICE is also hereby given that the Transfer Books of the Company will remain closed from MONDAY the 22nd APRIL 1957 to SATURDAY the 11th MAY 1957, both days inclusive.

By Order of the Board,

PREMCHAND ROYCHAND & SONS,
Secretaries.

BOMBAY, *2nd April*, 1957.

To the shareholders of Industrial Investment Trust Ltd. and in particular to:—
Richard Austein Leigh, Esq., P. C. Francis Mascarenhas, Esq., Noorul Hasan Qadri, Esq., Kishenchand Verma, Esq., and Mrs. Edith Dawn Kingham.

Explanatory Statement as required under Section 173 of the Companies Act, 1956

1. *Item No. 4 of the Notice*:

Shri Maneklal Premchand who retires by rotation and is eligible for re-appointment has attained the age of 67 years he having been born on 7th September, 1889, and hence he cannot be appointed a Director of the Company except by a resolution in respect of which a special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a notice from some members notifying their intention to move the resolution as set out in the said item. Shri Maneklal Premchand joined the Board of Directors of the Company in 1936. He has wide and varied experience and during his association with the Company as Chairman and Director he has rendered very valuable services to the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be appointed a Director.

2. *Item No. 7 of the Notice*:—

Under the Companies Act, 1956, various registers are to be kept open for inspection of the persons entitled thereto such as contract Registers, Share Registers, Minutes of the General Meetings and the Act provides that such registers shall be kept open for such inspection during business hours subject to reasonable restrictions as the Company may impose so that not less than two hours in each day are allowed for inspection. It is proposed to keep the registers, etc., open for inspection of the persons entitled thereto between the hours of 12 noon and 2 p.m. (S.T.) on all working days.

Notes:—(a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

(b) The dividend when declared will be made payable at the Bank of India Ltd., Bombay, on and after the 20th day of May 1957. The Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 11th day of May 1957.

Change of address, if any, should be notified to the Company immediately.

By Order of the Board,

PREMCHAND ROYCHAND & SONS,
Secretaries.

BOMBAY, *2nd April*, 1957.

THE WESTERN INDIA MATCH COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-fourth Annual General Meeting of the Shareholders of the abovenamed Company will be held at the Registered Office of the Company at Indian Mercantile Chambers, Nicol Road, Ballard Estate, Bombay, at 4 p.m. on Wednesday the 8th day of May 1957, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1956.
2. To declare a Dividend and a Bonus.
3. To elect a Director in the place of Sir Rahimtoola M. Chinoy, who retires by rotation and is eligible for re-appointment and to consider and if thought fit, to pass the following resolution, of which special notice as required by section 281 of the Companies Act 1956 has been received by the Company:

"RESOLVED that Sir Rahimtoola M. Chinoy who has attained the age of 75 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit of 65 years prescribed by section 280 of the Companies Act 1956 shall not apply to him."

4. To elect a Director in the place of Mr. Dinshaw D. Romer, who retires by rotation and is eligible for re-appointment and to consider and if thought fit, to pass the following resolution as a Special Resolution, of which special notice as required by sections 261 and 281 of the Companies Act 1956 has been received by the Company:

"RESOLVED that Mr. Dinshaw D. Romer who has attained the age of 82 years and who is an associate of the Managing Agents of this Company, and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit of 65 years prescribed by section 280 of the Companies Act 1956 shall not apply to him."

5. To appoint Auditors for the ensuing year and to fix their remuneration.
6. To consider and if thought fit to pass the following resolution as a Special Resolution:

"RESOLVED that the Company hereby sanctions the borrowing of an aggregate sum of Rs. 60 lakhs on Cash Credit account from the Bank of India Ltd. and the Central Bank of India Ltd. (to the extent of Rs. 30 lakhs from each Bank) and as security for the said borrowing the Directors be and they are hereby authorised to hypothecate and charge all the movable property and assets of whatsoever nature (exclusive of uncalled capital) of the Company so as to create a floating security and charge on all such property and assets and to execute all such documents as may be required by the said Banks in connection therewith."

The Transfer Books of the Company will be closed from the 22nd day of April 1957 to the 10th day of May 1957 both days inclusive.

By Order of the Board,

A. HYDARI,
Executive Director.

INDIAN MERCANTILE CHAMBERS,
NICOL ROAD, BALLARD ESTATE,
BOMBAY, 2*nd April* 1957.

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

The dividend and bonus when sanctioned will be payable at the Central Bank of India Ltd., Bombay and Calcutta, on and after the 14th day of May 1957 to those shareholders whose names stand on the Register on the 10th day of May 1957 and warrants will be posted in due course to each shareholder at his registered address.

Explanatory Statement issued under Section 173 of the Companies Act 1956 in connection with the items of special business to be transacted at the Thirty-fourth Annual General Meeting to be held on the 8th day of May 1957.

As required by section 173 of the Companies Act 1956 the following explanatory statement is issued with the Notice of the Thirty-fourth Annual General Meeting of the Company and sets out all material facts relevant to items 3, 4 and 6 in the Notice.

Item 3: Your Director Sir Rahimtoola M. Chinoy is retiring by rotation. He has attained the age of 75 years and as such he cannot be re-appointed unless the shareholders pass a resolution specifically declaring that the age limit of 65 years prescribed under section 280 of the Companies Act 1956 shall not apply to him. As required by section 281 of the Act a special notice has been received by the Company proposing that Sir Rahimtoola M. Chinoy be re-appointed a Director of the Company and that the age limit of 65 years prescribed under section 280 of the Act shall not apply to him.

Sir Rahimtoola M. Chinoy is a business man of great and varied experience. He has been a Director of your Company for nearly 20 years and has rendered valuable services to the Company. It is in the interests of the Company that he should be re-appointed a Director.

Item 4: Your Director Mr. Dinshaw D. Romer is retiring by rotation. He has attained the age of 82 years. He cannot be re-appointed unless the shareholders pass a resolution specifically declaring that the age limit of 65 years laid down by section 280 of the Companies Act 1956 shall not apply to him. Furthermore, since Mr. Romer is an associate of your Managing Agents, the Swedish Match Company, being a Director of the Assam Match Company Ltd., which is a subsidiary Company of your Managing Agents, and since your Managing Agents are authorised to appoint a Director or Directors on the Board of your Company, Mr. Romer's re-appointment also requires a Special Resolution under section 261 of the Act. Special notice as required by sections 261 and 281 of the Act has been received by the Company proposing that Mr. Dinshaw D. Romer be re-appointed a Director of the Company and that the age limit of 65 years shall not apply to him.

Mr. Romer is a well-known Solicitor and Director of several companies. Having been associated with your Board for the last 18 years, he has rendered valuable services and it is in the interests of the Company that he should be re-appointed a Director.

Item 6: In September 1938 your Company arranged to obtain Cash Credit loans from the Bank of India Ltd. and the Central Bank of India Ltd. to the extent of Rs. 10 lakhs from each of the said Banks against hypothecation of all the movable property and assets (exclusive of uncalled capital) of the Company. Thereafter the Cash Credit arrangement with the Banks was being utilised as and when necessary. For some years however this Credit has not been utilised, but it has been kept alive in case of need. Now it has become necessary to increase our Cash Credit particularly because of the expenses to be incurred in connection with the establishment of the Company's new paper mill. The aforesaid Banks have agreed to grant a total Cash Credit loan of Rs. 60 lakhs (inclusive of the aforesaid earlier loan of Rs. 20 lakhs) against the same security, namely, hypothecation and charge of all the movable property and assets of whatsoever nature (exclusive of uncalled capital) of the Company. Each of the aforesaid Banks will grant Cash Credit to the extent of Rs. 30 lakhs. The terms on which the loan is offered by the Banks are fair and reasonable. Your Directors therefore recommend to the shareholders to sanction the necessary borrowing. Shareholders' sanction is required under Article 67 of the Company's Articles of Association.

The following Directors are interested in item No. 6:

Sir Cowasjee Jehangir as a Director and shareholder of the Bank of India Ltd.

Mr. Dinshaw D. Romer as a Director and shareholder of the Central Bank of India Ltd.

Sir Chunilal V. Mehta and Mr. Maneklal Premchand as shareholders of both the Bank of India Ltd. and the Central Bank of India Ltd.

By Order of the Board,
A. HYDARI,
Executive Director.

INDIAN MERCANTILE CHAMBERS,
NICOL ROAD, BALLARD ESTATE,
BOMBAY, *2nd April* 1957.

THE CENTURY SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT THE Sixtieth Annual General Meeting of the Shareholders will be held at the registered office of the Company at Industry House, 159 Churchgate Reclamation, Bombay, on Wednesday the 15th May 1957, at 4-30 p.m. (S.T.), for transaction of the following business:

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1956.
2. To sanction the declaration of a Dividend.
3. To appoint a Director in place of Shri Ramnath A. Podar who retires from office by rotation, but being eligible, offers himself for re-election.
4. To appoint a director in place of Shri Maneklal Premchand who has attained the age of 67 years and who retires from office by rotation, but being otherwise eligible, offers himself for re-election; and to consider and if thought fit to pass the following Resolution of which special notice under Section 281 of the Companies Act 1956 has been received by the Company:

   RESOLVED that pursuant to the provisions of Section 281 and other relevant provisions, if any, of the Companies Act 1956, Shri Maneklal Premchand who has attained the age of 67 years and who retires from office by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed for Directors under Section 280 of the said Act shall not apply to him.
5. To appoint Auditors for the current year and fix their remuneration.
6. To consider and if thought fit to pass the following Resolution as Ordinary Resolution:

   RESOLVED that the Registers, books and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act 1956 and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 159, 161, 163, 193, 196, 301 to 304, 307, 356 to 360, 362, 372 and 347 and Schedule VIII of the said Act, be kept open for such inspection by the persons entitled thereto to the extent and in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the Registered Office of the Company between the hours of 11-30 a.m. and 1-30 p.m. on any working day except when the Registers and books are closed under the provisions of the said Act or the Articles of Association of the Company. Provided, however, that the register required to be maintained under Section 307 of the Act shall be open for inspection of the members and by holders of debentures, if any, of the Company, as aforesaid between the hours abovementioned during the period prescribed by sub-section 5(a) of Section 307 of the Act.

By Order of the Board,
MAGANLAL H. GANDHI,
Chief Executive.

BOMBAY, *5th April* 1957.

N.B.—The Transfer Books of the Company will be closed from Monday the 22nd April 1957 to Tuesday the 14th May 1957, both days inclusive.

The dividend when sanctioned will be made payable at the United Commercial Bank Ltd., Churchgate Reclamation Branch, Bombay 1, on or after 22nd May 1957, to those shareholders whose names stand on the register on 22nd April 1957, to whom dividend warrants will be posted.

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

ANNEXURE TO THE NOTICE

Explanatory Statement as Required Under Section 173 of the Companies Act 1956.

Item No. 4 of the Notice:

Shri Maneklal Premchand, who has attained the age of 67 years, retires by rotation but is otherwise eligible for re-appointment and he offers himself for re-election. A special notice under section 281 of the Companies Act, 1956, has been received by the Company from a shareholder of his intention to move the Resolution as set out in the said item. Shri Maneklal Premchand joined the Board of Directors in February 1952, and is a businessman and financier of wide and varied experience, and during the period of his association with the Company he has rendered valuable service to the Company. As it is in the interests of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be re-appointed as Director.

Item No. 6 of the Notice:

Under the various sections of the Companies Act, 1956, referred to in item No. 6, it has been provided that as regards inspection of the registers, books and documents to be maintained under the said sections by the persons entitled thereto, the Company in General Meeting may impose reasonable restrictions so that such registers, books and documents shall, not less than two hours in each day, during business hours, be open for inspection. The restrictions sought to be imposed by the said resolution are reasonable and desirable from the administrative point of view.

By Order of the Board,
MAGANLAL H. GANDHI,
Chief Executive.

BOMBAY, *5th April* 1957.

THE DURBHANGA SUGAR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Ordinary General Meeting, being the Annual General Meeting of The Durbhanga Sugar Company, Limited, will be held at the Registered Office of the Company at Lohat on the 30th day of April, 1957, at 10.30 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Accounts for the year ended the 31st August, 1956, and Balance Sheet and Report of the Auditors thereon.

(2) To declare a Dividend.

(3) To elect a Director in place of the retiring Director.

(4) To appoint Auditors for the current year and to fix their remuneration.

As Special Business:

(5) To consider the payment of extra remuneration to the Directors for the year ended the 31st August, 1956.

(6) To transact any other business which may be brought forward at the meeting with the permission of the Chairman.

By Order of the Directors,
W. F. MALDEN,
Secretary.

LOHAT,
DISTRICT DARBHANGA,
26th February, 1957.

Note:—1. A member of the Company who is entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member.

2. Special notice received in connection with Item No. 5 above is available for inspection by members at the Registered Office of the Company on any working day between the hours of 9.00 a.m. to 12.00 noon.

3. The Share Transfer Books of the Company will be closed from the 14th April to the 30th April, 1957, both days inclusive.

4. Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 30th April, 1957.

Explanatory Statement in Accordance With Section 173 of the Companies Act, 1956,

With Regard to Item No. 5 of the Agenda

Under Article 93 (which was in force upto the 31st August, 1956) of the Articles of Association of the Company the Directors are entitled to such extra remuneration as the Company in General Meeting may sanction. By virtue of provision of Section 309(8), Section 309 would apply to this Company only from the 1st September, 1956. Special Notice to move a Resolution has been lodged with the Company and it has been proposed therein that an amount of Rs. 32,000 be paid to the Directors as extra remuneration for the year ended the 31st August, 1956.

ACUTE STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, *10th April*

The short-term money market continued to display stringent conditions during the week under review also. While the pressure of demand for bank credit was felt on a greater scale, there was extreme paucity of funds in the market. The difficulty of banks in getting as much funds as possible from the market was further aggravated by the second and final call made by the Tata Iron and Steel Company, Ltd. on its new issue involving a sum of about Rs. 4 crores, closely following the recent issue of new shares by the Indian Iron and Steel Company, Ltd., for which the shareholders have to find nearly Rs. 11 crores before 15th April. The new issue by Shree Gopal Paper Mills which was opened for public subscription today has placed further strain on the money market.

There was, however, no change in interest rates. Inter-bank call money rate was maintained at 3½ per cent. House money at call was done at 4 to 4½ per cent. and short-term deposits for one to six months were also offered 4 to 4½ per cent. per annum.

For the second week in succession, there has been an expansion in notes in circulation. The Reserve Bank's statement for the week ended 5th April 1957 discloses a rise of Rs. 37.48 crores in note circulation, following the increase of Rs. 8.30 crores noted in the previous week. Notes held in the Banking Department are lower by Rs. 3.88 crores, so that the rise in total notes issued is of the order of Rs. 33.59 crores. This is covered by an increase of Rs. 30 crores in rupee securities and of Rs. 3.59 crores in rupee coin. There has been no change in foreign securities, but balances held abroad (in the Banking Department) show a fall of Rs. 1.49 crores. Deposits of the Central Government have declined by Rs. 3.97 crores and those of other Governments by Rs. 24.04 crores. Deposits of banks have, on the other hand, gone up further by Rs. 2.23 crores. Loans and advances to Governments are up by Rs. 8 crores, while other loans and advances show a precipitous fall of Rs. 21.83 crores, of which advances to banks against usance bills alone account for Rs. 13.21 crores. Fresh borrowing by banks against usance bills during the week were of the order of Rs. 2.38 crores, while repayments of maturing bills amount to as much as Rs. 15.59 crores. Treasury bills purchased and discounted are up by Rs. 12.26 crores.

The outstanding feature disclosed by the Schedule banks' statement for the week ended 29th March 1957 is a substantial rise of Rs. 14.66 crores in banks' deposits, accompanied by an increase of over Rs. 5.5 crores, in their borrowings. Such a large expansion in resources has been utilised to increase their advances by more than Rs. 15 crores. Demand deposits have risen by Rs. 8.14 crores to cross the Rs. 700-crore mark and stand at Rs. 700.23 crores. Time deposits are also up by Rs. 6.52 crores. Borrowings from the Reserve Bank are up by Rs. 5.57 crores. On the assets side, advances have jumped by Rs. 10.54 crores and bills purchased and discounted by Rs. 4.67 crores. Cash balances have shrunk by Rs. 42 lakhs and money at call and short notice by Rs. 2.21 crores, while balances with other banks are up by Rs. 1.61 crores.

The Gilt-edged market was lifeless without any signs of activity. There were sellers at quoted rates all round, but in the absence of any buyers, the volume of business was extremely poor. 3 per cent. 1986 Conversion Loan was a shade better at Rs. 74.30. 3 per cent. 1970-75 was dull at Rs. 87.30 and 3 per cent. 1966-68 at Rs. 92.25. 3 per cent. 1964 was held at Rs. 94.45. 3 per cent. 1963-65 had sellers at Rs. 94.20. 3 per cent. 1959-61 was stagnant at Rs. 97.75. 3½ per cent. 1962 was neglected at Rs. 97.80 and 3½ per cent. 1961 at Rs. 99.45, while 3½ per cent. 1964 shaded off by nP 0.05 to Rs. 98.40. 3½ per cent. 1965 was unchanged at Rs. 98.25, while 3½ per cent. 1967 softened from Rs. 98.50 to Rs. 98.45.

The rupee ruled steady in terms of the U.S. dollar during the week. After rising from Rs. 480 to Rs. 480.25 per $100, banks' selling rate of ready U.S. dollars declined to Rs. 480 per $100. Similarly, the buying rate closed at Rs. 476.50, after moving up to Rs. 477 per $100. This is in consonance with the steadiness of sterling abroad. Thus, in New York, spot sterling gained from $2.78⅜-2.78⅝ to $2.78.13/16 to 2.78.15/16 and three months' forward from $2.78-2.78⅛ to $2.78.1/16-2.78.3/16. Transferable sterling gathered strength from 276.10-2.76.20 cents to 276.50-276.60 cents.

HIDES STEADY

(From Our Own Correspondent)

MADRAS, *8th April*

Shipment business with the U.K. in E.I. tanned cow hides was restricted, because Madras prices remained one to two pence over U.K. dressers' ideas. Sellers were going slow with booking fresh business, since inquiries were mostly for medium weights. Prices in the local market remained unchanged, and might give way on light weights if U.K. demand was less during this week. Top marks buff calf were sold occasionally at 90d. for run and buff calf, at 62d. for run and combined with thirds at 50d. Buff hides were not looked at by shippers and had to be sold for inland trade. There were several inquiries for superior tannages in goat skins and attractive prices were paid by importers on the Continent, leaving the U.K. to trail behind. Prices of sheep skins were steady to quiet.

Shipment during March 1957 were: To the U.K.: 2,394 bales tanned cow hides, 283 tanned cow calf, 8 tanned buff hides, 559 tanned buff calf, 960 tanned goat and 488 tanned sheep. To the Continent: 5 tanned cow, 5 tanned cow calf, 2 tanned buff calf, 996 tanned goat and 102 tanned sheep.

BULLION MOVES NARROWLY

(From Our Own Correspondent)

BOMBAY, *10th April*

The bullion market had only four sessions during the week under review. The market remained closed on Monday, 8th April, on account of *Ram Navami*, and today to mourn the death of a leading broker. During this short week, both silver and gold were featureless with fluctuations confined to a narrow range. The undertone was, however, fairly steady.

Though the silver section was influenced by reports of heavy import duty having been paid for import of Tibetan coins, the feeling that it would take some time before the coins find their way to the market, coupled with good offtake in the ready section, checked any recession in prices.

Good demand for gold in the ready section sustained the sentiment in the yellow metal, which otherwise would have been depressed by arrivals of unauthorised gold. In fact, bears were a little active in the forward section, particularly in the next settlement, as indicated by the carry forward charge of As. 2 against them yesterday, as against As. 2 in their favour early in the week.

Forward silver (13th April settlement) receded from Rs. 179 to Rs. 178-2 early in the week, but soon gained ground to close yesterday at Rs. 179-2. The next settlement (14th May), official business in which commenced on the 3rd inst., dipped from Rs. 179-11 to Rs. 178-13, before recovering to Rs. 179-11.

Ready silver closed at Rs. 179-2, after reacting from Rs. 178-10 to Rs. 177-12. The floating stocks of silver are reported to be 1,000 bars. The daily average offtake was 15 bars.

Forward gold (11th April settlement) was marked down from Rs. 105-5 to Rs. 104-8, but it soon hardened to Rs. 105-13 at the close. The next settlement (12th May) shed from Rs. 105-7 to Rs. 104-9 before recovering to Rs. 105-11.

Ready gold gained from Rs. 105-5 to Rs. 106. The floating stocks are estimated at 25,000 tolas. The daily average arrivals were 4,000 tolas, while the average offtake was higher at 5,000 tolas per day.

New York silver price was unchanged at 91¾c., while London silver was marked down. Spot silver dipped from 80d. to 79¾d. before gaining partially to 79¾d. Forward silver closed at 79¾d. after moving down from 79¾d. to 79¼d. Gold was erratic, moving between 250s. 7½d. and 250s. 5½d. On balance, it showed a loss of 4½d., at 250s. 5½d.

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

	9-4-1957	Highest	Lowest	3-4-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	106 0	106 3	104 8	105 5
Forward*	105 13	106 0	104 8	105 5
Sovereign	69 4	69 4	69 0	69 0
SILVER				
Ready (.999 fine Mint) ..	179 2	179 3	177 12	178 10
Forward†	179 2	179 8	178 2	179 0
London Silver Ready ..	79¼d.	79¾d.	79¼d.	80d.
London Forward	79¼d.	79¾d.	79¼d.	79¾d.
London Gold	250s. 5½d.	250s. 7½d.	250s. 5½d.	250s. 9½d.
New York Silver	91¾c.	—	—	91¾c.

* 11th April settlement.
† 13th April settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, *9th April*

Although activity was meagre, base metals ruled steady during the week under review. This was due to the better advices received from foreign markets. From Rs. 176, electrolytic copper advanced to Rs. 180. The stock position was good, and the increase in the number of enquiries was due to the anxiety of consumers to cover their requirements for the next few months. With the commencement of the financial years, manufacturers anticipated substantial Government orders. On the London Metal Exchange, the price improved by £5 per ton, and in New York also an upward movement was in evidence. The increase in price, despite the fact that copper production was running in excess of demand, was due to reports that American producers were re-adjusting their rate of production in order not to give way for a slump. In Calcutta, copper scrap was unchanged at Rs. 175, while fire-refined ready copper rose from Rs. 175 to Rs. 178. Tin, at one time, rose from Rs. 519 to Rs. 521, but since buyers were silent prices declined to Rs. 515, which was a few points below the replacement cost. Following a temporary shortage for the ready metal, electrolytic zinc was at one time as high as Rs. 79, as against the opening rate of Rs. 77. At this stage, reports of fresh arrivals were received, and the rate soon sagged to Rs. 77.50. Virgin lead remained unchanged at Rs. 77.50.

LINSEED QUIET

(Messrs. A. Bradley and Co.)

CALCUTTA, *8th April*

Linseed prices remained more or less unchanged during the week, and the undertone of the market was quiet. Arrivals were very poor, and, despite fair demand from crushers, turnover was small. The oil section was inactive, owing to lower price-indications from overseas, and shippers were very reserved.

The latest available quotations are: Ready Rs. 21.62 and April-May Rs. 20.75 per maund.

BEARISH TREND IN COTTON FUTURES ARRESTED

(From Our Own Correspondent)

BOMBAY, *10th April*

After continuing to depict a bearish trend in the first two sessions of the week under review, the cotton futures market staged a recovery on the 6th inst. which persisted practically till the close today. The earlier bearish trend was due to renewed fears of Government action in respect of requisition of cotton stocks, and the doubling of the margin rates. The favourable survey results of the 4th inst. was another unhelpful factor. Total tenders till that date aggregated 1,000 bales. But there was a feeling in certain quarters that, owing to the shortage of Vijay and Sarti styles, tenders against the Vijay April contract would not be as large as had been anticipated earlier. On Saturday, influenced by reports of steadily declining crop ideas and increasing mill consumption, the bulls entered the market and lifted the values. A large part of the initial losses was recovered. In fact, Vijay April delivery was Rs. 3 higher.

M.G. Jarilla May opened the week at Rs. 704.50 and declined to Rs. 691 the next day, on heavy selling by local bulls and upcountry interests. It, however, firmed up in the subsequent sessions, following good buying support and touched Rs. 709 today before closing lower at Rs. 703.50. M.G. Vijay April commenced trading a rupee lower at Rs. 852 and shed Rs. 12 to Rs. 840 the following day. The bull support forthcoming thereafter pushed the contract to a high of Rs. 858 today. The closing rate was lower by Rs. 2. Vijay June followed the same trend. After declining from Rs. 825 to Rs. 814, it rallied to Rs. 831 today before closing at Rs. 828.50. The following is the trend of prices during the week:

(In rupees per candy of 784 lbs.)

	10-4-57	*High*	*Low*	3-4-57
Jarilla (May) ...	703.50	709	691	705
Vijay (April) ...	856	858	840	853
Vijay (June) ...	828.50	831	814	829.50

At its meeting held yesterday, the Cotton Advisory Board is reported to have recommended several measures for dealing with the current situation. These include tightening up of the restriction on cotton with particular reference to stocks, relaxation of import restrictions, and conclusion of barter deals.

While details regarding the requisition of cotton stocks are still not known, it is believed that the authorities may insist on all stocks, sold or unsold, with the mills or with the trade, being notified to the Textile Commissioner. It appears that the mills have been strongly warned against precipitating a scramble for cotton, lest the authorities should be forced to introduce the quota system.

In the spot section, values were more or less maintained. There was sustained mill demand, as it was feared that, if the Government were to requisition cotton and then allocate them to the mills, the latter might not get the variety of their choice. Jarilla, Jayadhar, Vijay, Laxmi and Wagad were particularly sought after. In order to facilitate import of Egyptian cotton, the mill requirements of this cotton are being assessed. When the actual quantity needed is known, it will be communicated to the Government. An agreement with Sudan more or less on the same lines as the Indo-Egyptian deal is reported to be under contemplation. Suggestions have also been made to the authorities to permit import of lower grades American cotton. The following are the latest available spot rates from Sewri (in rupees per candy of 784 lbs.):

Bengal *Deshi* 740; Berar Jarilla 815; Khandesh 825; Vijay 945; Oomra *Deshi* 775; Moglai 760.

The Karachi cotton futures market ruled easy during the week. Reports that the U.S. Senate had passed a Bill permitting barter deals in cotton with communist countries induced some selling and values tended to look down. N.T.R.G. May receded from Rs. 81-14 to Rs. 81-6. May delivery shed As. 7 to Rs. 83-1. The spot section, however, ruled distinctly firm. There was persistent shipment demand for *Deshi* styles, the prices of which registered a marked advance. Punjab *Deshi*, for instance, rallied Rs. 4-12 to Rs. 83-4. Sind *Deshi* improved from Rs. 87 to Rs. 89. The following are the latest available spot quotations—in rupees per 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi:

4F Roller 85-10; S.G. 89-2; 4F Punjab Roller 87-10; S.G. 91-10; 289F N.T. Roller 86-10; 289F N.T. Sind S.G. 95-6; 289F Punjab Roller 91-2; S.G. 101-2.

A distinctly easy trend was depicted by the Alexandria cotton futures market during the major part of the week under review. The easiness was due to the reported decision of the U.S. to release 300,000 bales of long-staple cotton (which are at present stockpiled for national emergencies) in world markets. Even reports that the Egyptian Government had announced grant of export subsidies on sales made during April in specified currencies failed to have any significant effect on the market. Karnak May and July contracts fell from 113.35 tallaris and 113.85 tallaris to 111.00 tallaris and 111.60 tallaris, respectively, on the 6th inst. Towards the close of the week, however, recovery was in evidence and the loss was more than made up. In the spot section, premiums for higher grades Karnak and Menoufi were firm, while those for lower grades and other varieties continued to be easy. The following are the latest available rates—in tallaris per lb.—from Alexandria:

Karnak: May 112.90; July 113.70. *Ashmouni*: April 80.80; June 79.85; August 79.80.

The apprehension of cotton traders in Egypt is that the release of stocks of U.S. long-staple cotton for sale in world markets would knock the bottom off the Egyptian cotton prices. They also fear that Britain, France, Japan, etc., which are normally large-scale customers of Egyptian cotton, would be tempted to go in for cheaper priced Ame-

rican cotton. The political antipathy against Egypt, it is felt, would only induce these countries to switch over their purchases to U.S.A. as early as possible. The U.S. authorities, however, have assured that, in disposing of the surplus stock, they will be so careful as not to wreck the economies of other cotton-producing countries. The justification given by the U.S. for this step is that internal production of that quality cotton, which used to be the monopoly of Egypt, has of late been progressively rising and that this has made liquidation of stocks necessary. Further, it is held that Egyptian prices have been fluctuating so frequently as to inconvenience U.S. buyers.

Cotton futures values at Liverpool registered some improvement during the week on trade buying, mill fixation and commission house support. The volume of business, however, was limited. The market would have ruled firm but for easier offers from American shippers and reports of lower C.C.C. sales. Some quarters were also inclined to think that the C.C.C. would not be able to maintain the 27.47 cent price realised at the previous sales, although C.C.C. prices announced towards the close of the week were higher. Since the local prices were closely related to the C.C.C.'s selling prices, there was a general tendency for the trade to await the outcome of C.C.C. sales.

In the ready cotton section, though inquiries were spread over a wider range of growths, actual deals put through continued to be small. Some business was reported in American, Turkish, Russian and East African styles. The Government of India's decision to suspend exports of Indian cotton had very little effect on the market. Mills in the U.K. continued to prefer short-staple American cotton to Indian varieties, due to higher prices for the latter. Buyers of Sudan cotton were somewhat perturbed over the action of the Egyptian Government in granting export subsidies in specified currencies on sales of Egyptian cotton made during April. It was anticipated that the Sudan Gezira Board would be forced to make reductions in their reserve prices to meet the competition from Egypt. The following are the latest available rates—in pence per lb.—from Liverpool:

American One Inch Staple Contract: May-June 26.45; July-August 26.47; October-November 26.37; December-January 26.30. *American Cotton Mixed Growth Contract*: May-June 26.63; July-August 26.55; October-November 26.43; December-January 26.36. *Sudan*: May-June 42.85; July-August 41.70.

The New York cotton futures market put on a dull appearance during the week with prices moving narrowly. Advices from textile and spot markets were not encouraging, and traders were mostly inclined to await fresh developments. There were only some routine trade buying and short covering which were not sufficient to meet the light hedge and profit-taking sales. The Senate's approval of the Bill to allow barter of surplus U.S. farm commodities to Communist countries failed to have any perceptible immediate effect on the market.

The C.C.C. has announced a further sale against bids submitted on the 2nd inst. of 300,102 bales of cotton to shippers, thus bringing the total sales under the current export programme to 7,282,156 bales. Average price accepted for 1" Middling cotton was 27.58 cents a lb. It has also announced the sale of 873,315 bales of cotton for export during the next season's shipping period, bringing the total sales under this category to 1,013,810 bales. It was reported that the Secretary of Agriculture indicated that there were good chances of the 1957 cotton price supports being raised before the new season commenced on the 1st of August this year. Such action will be taken if the official estimates on which the interim and minimum loan rate already announced require important alteration. The loan rate will be raised if the estimated supply is too high and estimated disappearance too low. According to the United States Department of Agriculture, disappearance in the current season will aggregate 15,800,000 bales, made up of 8,750,000 bales of domestic consumption and 7,050,000 bales exports. The estimated disappearance is 4.4 million bales more than that of the preceding season. The carryover at the end of this season is estimated at about 12 million bales, about 2½ million bales less than that at its beginning.

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

(In cents per lb.)

	9-4-57	3-4-57	26-3-57
Spot	35.45	35.45	35.45
May	35.15	35.20	35.17
July	34.66	34.67	34.70
October	33.70	33.56	33.36

YARNS DULL

(From Our Own Correspondent)

BOMBAY, *10th April*

The easy conditions noted in the yarn market last week persisted during the week under review also. Business put through was very much limited, owing to continued stringency in money market and poor offtake by consuming centres. Rayon yarns were particularly dull, notwithstanding reports of revival of demand in the fabrics markets. Traders were somewhat inclined to feel that the supply position in respect of yarn might improve as a result of the move of some indigenous producers to manufacture yarns of 100 bright, 120 dull cones, etc. Staple fibre yarns lacked support. 2/40 varieties encountered selling on reports that the handloom and powerloom weavers were finding it unremunerative to sell cloth woven from these varieties and were switching over purchases to inferior counts. Cotton yarns also lacked support, thanks to unhelpful advices from centres like Surat and Malegaon.

In the rayon yarn section, spot 120 Italy receded by an anna to Rs. 3-15. 120 Japan were quoted an anna lower at Rs. 4-4. 150 Japan lost 3 pies to Rs. 4-0-6. 150 Italy was done at Rs. 3-11, as against Rs. 3-10-6. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade and 150 Bt. cones 1st grade lost three pies each to Rs. 3-10-9 and Rs. 3-5, respectively. Rayon yarns 120 dull cones Snia for April delivery, however, met with good buying support induced by expectations of enlarged buying enquiries from consuming centres in the coming weeks and advanced by Rs. 4 to Rs. 803. Similarly, June delivery was marked up by Rs. 6 to Rs. 818; 150 bright cones April delivery were fully maintained at Rs. 623.

Staple fibre yarns (40x2) June delivery came in for heavy selling and dropped Rs. 7 to Rs. 620. April delivery fell by Rs. 4 to Rs. 617. Spot 40x2 Citys declined by 6 pies to Rs. 3-3-9. New Greats lost a similar amount to Rs. 3-2-9. Centurys and Kohinoors lost 3 pies each to Rs. 3-4-3 and Rs. 3-4-9, respectively. Among foreign yarns (80x2), Fujis fell by 18 pies to Rs. 5-3-6. Paramounts shed 6 pies to Rs. 5-3-6.

In the cotton yarn section, twenty counts Moderns and Maduras shed an anna each to Rs. 18-15 and Rs. 19-6, respectively. Gokaks, however, had some enquiries and put on As. 2 to Rs. 18-12. Ten counts Podars and Moderns were both neglected, the former at Rs. 14-12 and the latter at Rs. 15. Thirty counts Indus were quiet at Rs. 22, as also Edwards at Rs. 21-12. Among 80s, Mahendras declined As. 4 to Rs. 73. Moderns changed hands at Rs. 76-4, same as last week. Finlays were on offer at Rs. 81-8. Sixty counts Moderns slipped by As. 4 to Rs. 61-4. Finlays were dull at Rs. 61 and Raghuvamshis at Rs. 58. Forty counts Moderns, on the other hand, evoked some support and hardened by As. 8 to Rs. 28. Minaxis rose by an anna to Rs. 27-6. Gokaks were unchanged at Rs. 27.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days before:

	10-4-1957	3-4-1957
	Rs. a.	Rs. a.
Art silk yarn (per case of 200 lbs.)—		
120 Dull Cones Snia April	803 0	799 0
150 Bt. Cones April	623 0	623 0
120 Japan (per lb.)	4 3	4 4
150 Japan (per lb.)	4 0½	4 0½
120 Italy (per lb.)	3 15	4 0
150 Italy (per lb.)	3 11	3 10½
***Staple fibre yarn* (per case of 200 lbs.)—**		
40 x 2 April	617 0	621 0
40 x 2 June	620 0	627 0
40 x 2 New Great (per lb.)	3 2½	3 3½
40 x 2 Century (per lb.)	3 4½	3 4½
40 x 2 City (per lb.)	3 3½	3 4½
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14 12	14 12
20s Madura	19 6	19 7
30s Edward	21 12	21 12
40s Gokak	27 0	27 0
60s Raghuvamshi	58 0	58 0
80s Modern	76 4	76 4

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, *10th April*

Barring castorseeds which were firm the oilseeds market ruled distinctly easy during the week under review. Groundnuts displayed easiness as a result of bull liquidation induced by fresh arrivals in the market in the wake of poor enquiries for seeds and oil. Linseed encountered some selling, thanks to continued slack demand for oil from overseas interests. Cottonseed also encountered selling on account of selling pressure from upcountry centres where stocks were reported to have increased. The castorseed section, however, maintained the previous week's firmness on rumours of export prospects, though it reacted on 6th, following offerings by local speculators. During the week, new futures contracts, namely, August 1957 in groundnut and September 1957 in linseed, castorseed and cotton seed were opened.

Groundnut May contract opened the week at Rs. 172.00 and gradually declined to Rs. 163.00 on the 6th inst. Subsequently, it improved on bear covering to Rs. 170.75 today, before closing lower at Rs. 168.75. Over the week, it lost Rs. 2.62. Much interest was not evinced in the new (August) contract. It opened on the 9th inst. at Rs. 172.00 and finished today at Rs. 171.62. Spot Bold F.A.Q. shed 25 nP. to Rs. 34.00. Groundnut oil ex-mill was lower by 6 nP. at Rs. 18.75.

Castorseed May contract commenced firm at Rs. 174.25 on the 4th inst. and moved up to Rs. 175.50 the same day. During the following days, it receded to a low of Rs. 171.00 on the 9th inst. before finishing today at a high of Rs. 177.50. It, however, finished lower at Rs. 175.75, thus gaining Rs. 3.50 over the week. Business in September contract commenced at Rs. 175.00 on the 9th inst. The contract forged ahead to Rs. 180.50 today, before closing 25 nP. lower. Spot Madras rose by 50 nP. to Rs. 34.75. Oil B.S.S., too, put on 31 nP. to Rs. 21.50.

Linseed May (futures) contract opened at Rs. 29.31 and moved between that level and Rs. 28.75, touched on the 6th inst. It finished today at Rs. 29.00, having lost 31 nP. over the week. September contract was quoted at Rs. 29.69 at the close today. Spot Bold declined by 38 nP. to Rs. 28.62. Linseed oil ready was done at Rs. 15.75, as against Rs. 16.

Cottonseed May contract slided down from the opening high of Rs. 107.50 to Rs. 104.50 on the 6th inst. It climbed up again to Rs. 107.75 today, though it finished lower at Rs. 106.75, having thus lost 75 nP. over the week. September contract, however, moved up from Rs. 107.00 at the commencement on 9th inst. to Rs. 109.00 at the close today.

Among others, *kardi* seed Bold shed 50 nP. to Rs. 21.25. *Niger* seed Madras was quoted at Rs. 27.75, as against Rs. 29.25 last week.

A quota of 2,500 tons of linseed oilcake will be released for export outside India during the period April-June 1957, or till the ceiling is reached, whichever is earlier.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	10-4-1957	3-4-1957	27-3-1957
	Rs. nP.	Rs. nP.	Rs. nP.
Groundnuts—			
May 1957 ..	168.75	171 6	172 8
Khandesh Quality Ready (per cwt.)	34.75	35 0	35 4
April-May	34.00	34 6	34 7
Linseed—			
May 1957	29.00	29 5	29 2
Bold Ready (per cwt.)	28.62	29 0	28 12
April-May	28.62	29 2	28 14
Castorseeds—			
May 1957	175.75	172 4	164 8
Madras (per cwt.)	34.75	34 4	33 6
Cottonseed—			
May 1957	106.75	107 0	104 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18.75	18 13	19 0
Castor oil—			
Commercial (per quarter) ..	20.37	20 3	19 10
Linseed oil—			
Ready	15.75	16 0	16 4

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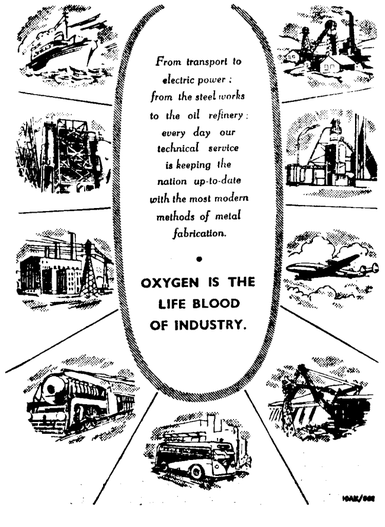

SUGAR MOVES UP

(From Our Own Correspondent)

BOMBAY, *10th April*

The sugar market ruled firm during the week under review. The firmness was aided principally by expectations of a rise in sugar prices which stemmed from the speeches of both the Union Food Minister and the President of the Indian Sugar Mills Association at the recent meeting of the Association. Reports of increasing consumption of sugar—at an annual rate of over 1.9 million tons—and satisfactory movement also imparted strength to the market. There was, therefore, good buying support and sugar prices moved up.

Arrivals of sugar into the market during the week aggregated about 15,600 bags, as against 12,000 bags in the previous week.

Spot medium grain sugar advanced from Rs. 89-Rs. 91 to Rs. 90-Rs. 93 per bag, inclusive of sales tax. Small grain put on a rupee to Rs. 89. Large grain rose by a like amount to Rs. 94-Rs. 98.

Vaisakh delivery contract for 'C' grade sugar, which had receded early in the week from Rs. 91-14 to Rs. 91-7, spurted under hectic bear-covering to Rs. 92-1. It was, however, taken down today to Rs. 91-13 as a result of hedging sales by spot houses.

DUST TEAS DECLINE

(From Our Own Correspondent)

CALCUTTA, *9th April*

Easy conditions characterised last week's internal sales with the price giving way by as much as 12 naye paise towards the close. Such a trend did not come off actually as a surprise to stockists and traders; for, with the decline in quality, a feature associated with the end of the season, buyers were disinclined to enter into commitments. The new season's teas are expected to reach the market one month earlier than usual.

Crop reports indicate the likelihood of a bigger outturn, with the result that common teas are likely to present the same problem as at the end of last year, namely, that of heavy stocks.

Exporters also paid little attention. Stocks in the United Kingdom as at the end of March, at 133 million lbs., were higher by 5 million lbs., as compared with the previous week, and represented consumption for about four months. This was the cause for the easier trend in the auctions held in Mincing Lane on 3rd April, and this report also affected local sentiment. Despite the prevalence of fair demand in the Colombo auctions held on 2nd April, prices moved down, because of the meagre interest shown by Great Britain. However, the United States and South Africa were reported to have operated keenly, but this support was not large enough to reverse the easy trend.

The Government of India has permitted the Tea Board to make an interim release of tea export quota for 1957-58 to the extent of 50 per cent. of the crop basis of tea estates. The export quota allotment of tea will be made later on. This announcement is timely as, with the new season in the offing, traders would have to make several arrangements before beginning operations. Trade circles have also noted the Karachi announcement, which reveals Pakistan's intention to restrict considerably shipments of tea for participation in London auctions and thus to attract foreign buyers to the Chittagong auctions.

Dusts offered during the sales held on Wednesday last amounted to 22,511 chests. All teas excepting those lots suitable for export opened easier by 6 naye paise and, as the sales progressed, the decline became pronounced and at the close it was 12 naye paise per lb. The plainer liquoring C.T.C. Assams were at one time as low as by 20 naye paise per lb. However, there were a few lots possessing bright liquors which met with keen competition at firm rates. At the opening, clean black fannings were firm, but joined the general trend subsequently. The quotations were: best Assam C.T.C. Rs. 2.75, medium Assam C.T.C. Re. 1.94 to Rs. 2.00, medium Assam grainy dust Re. 1.70, and medium Dooars Re. 1.58 to Re. 1.62.

Leaf grades on the catalogue amounted to 5,028 packages. There was strong general demand, but prices were irregular.

The current season's last export sales were held yesterday, when offerings aggregated 54,633 chests. Activity was more on account of internal buying rather than of export. Prices for the stylish whole leaf grades and clean black brokens were about firm, while all other kinds lost by 10 naye paise to 20 naye paise per lb. No quotations were given in view of the lack of representative selections.

There were buyers for new season's export quota at 23 naye paise per lb., but sellers had earlier demanded 24 naye paise. From 13 naye paise, special export quota moved down to 10 naye paise, while shipping licence was sold at 9 naye paise and 8 naye paise per lb.

TEA PRICES RECEDE

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *4th April*

Approximately 1,500,000 lbs. were on offer in Sale No. 7, which was held on Tuesday, 2nd April. Quality continued to show a seasonal decline and there were one or two invoices of rush production on offer. For the first time the auction was conducted in rupees and naye paise. The continued drop in prices both in London and Colombo made a fall in Cochin inevitable and this proved to be the case. There was a fairly good general demand, but at much lower rates. Low mediums and mediums declined irregularly 20 to 30 nP per lb. Fannings grades met with a rather better enquiry at the drop in price. Best liquoring teas were irregular, but generally considerably easier and can be quoted 40 to 60 nP below last prices. Whole leaf teas were in much less demand and prices were easier for these types also. The following are the quotations:—

	1957 Rs.	1956 Rs.
Plain B.P.	1.55	1.50
Low medium B.O.P. ...	1.70	1.81
Medium B.O.P.	1.85	2.12
Good B.O.P.	2.05	3.13 to 3.25
Well made black leaf O.P.	2.25	2.53

The average price realised in Sale No. 7 was Re. 1.92 per lb. as against Rs. 2.14 in the previous sale and Rs. 2.48 per lb. in the corresponding sale of 1956.

London Market—Sale of 1st April 1957.—Good liquoring Assams firm. Others 1d. to 2d. lower.

Sale of 2nd April 1957.—South India declined 2d. to 3d.

Colombo Market—Sale of 1st April 1957.—Quality plain highgrowns considerably lower. Medium down 15c. to 20c. but good demand at drop. Gulf types strong demand dearer.

Sale of 2nd April 1957.—Off grades fair demand appreciably lower.

Calcutta Market.—No export sale this week. The last sale of the season will be held on Monday, 8th April.

Internal.—22,500 dust. Good general demand. Market opened 6 nP easier, but weakened as sale progressed to 12 nP. Strongest feature Middle East types about steady. Fibrous and plain liquoring C.T.Cs weakest feature upto 20 nP easier. 5,100 leaf. Good general demand at irregular rates.

Export Duty.—The rate of export duty on tea to be levied during the month of April has been given by Government as nP 37.50. The price of tea was given as Rs. 2.74, as compared with Rs. 3.38 for March.

Export Quota.—Special licence is quoted at 12 nP, whilst there are sellers of 1957-58 export quota at 25 nP.

Forthcoming Auctions.—Sale No. 8 will be held on Tuesday, 16th April.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale H.*—400,000 lbs. Good general demand, but prices irregularly 5 nP to 10 nP easier all round, except highgrowns which are up to 25 nP.

JUTE GOODS IMPROVE

(From Our Own Correspondent)

CALCUTTA, *9th April*

Following good support, prices of jute goods improved during the week under review. Fears of shortage in raw jute were circulating and, although support of mills was limited to smaller quantities, prices, towards the close of the week, tended to move upwards fractionally. During the week, there were again rains and there are prospects of their recurrence. These rains are indeed welcome, as they help cultivators considerably in the preparation of the ground for sowing, and in actual sowing too. With these rains, the prospects of an early crop has also become brighter, and this was a factor restraining the uptrend in raw jute prices during the week.

During the week, more business in jute goods was done for export, and traders anticipate that the trend would continue. Shippers evinced interest in heavy sacking and export business in this construction soon followed. Buyers on behalf of the Argentine transacted some business in hessian. Hessian stocks in Argentina were believed to be poor, as that country lifted from India an unusually lower quantity in 1956. It was, therefore, anticipated that purchases by the Argentine during this year would be substantial, and the trade placed the estimate at 60,000 to 70,000 tons. The United States and Great Britain also purchased hessian during the week, and although burlap consumption in America in the month of February was disappointing, it was believed that such decline would not continue. America continues to exhibit a high level of economic activity, and burlap promoters there are sparing no efforts in popularising this packaging material. Australia has been an important consumer of Indian sacking goods, and although bulk handling methods have gained a hold in that country, traders expected that the cheapness of sacking bags would induce an increase in consumption there.

Indian jute goods have also found new markets in the last one decade, the U.S.S.R. and Communist China being two important countries among them. During last year, Russia was often reported to be aiming at higher purchases from India. These reports, Mr. N. K. Jalan asserted, while presiding over the annual meeting of the Calcutta Jute Fabrics Shippers Association here last week, were the main cause for the jute mills to agree to the Government of India's suggestion to increase output. However, big Russian orders were not just coming, and in the whole of 1956 Russia lifted only 10,000 tons. Another important point—important as far as the trade is concerned—disclosed by Mr. Jalan was that in the last year India itself was the industry's second best customer. Domestic consumption is bound to increase further, and all things considered, the trade can look forward to transact more business during this year. However, whether, such a turn of events would enable mills to increase their profit margin cannot be said, since variations in calculations of the industry can be caused by vagaries of the weather on the jute crop.

Early in the week, speculators showed considerable interest in both hessian and sacking goods, as they anticipated more business from overseas buyers. Following this, ready B. twills, on Thursday, rose from Rs. 111.00 to Rs. 112.00 on the previous day, and ready hessian 40" 10 oz. from Rs. 40.87 to Rs. 41.00. At this stage, some genuine business was done and on Friday and Saturday the rates were well maintained. Yesterday, there was fair activity, and rates recorded further gains. B. twills were fully steady at Rs. 112.25, and hessian 40" 10 oz. at Rs. 41.12. The eight oz. hessian was priced at Rs. 33.75 f.a.s.

Raw jute market was steady. Mills showed some interest. Sellers were, however, reserved. The latest quotations for the 1956-57 crop for April-May delivery for the different varieties are given below:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	37.50	34.50
Northern	37.00	34.00
Indian:		
Northern	31.00	28.50
Assam Upper ...	31.00	28.50
Assam Lower ...	31.00	28.50
Daissee	34.00	31.50
Western	29.50	27.00
Murshidabad ...	29.00	26.50
Jungli	28.50	26.00
Orissa	34.00	31.50
Uttar Pradesh ...	28.50	26.00
Daissee mesta ...	27.50	25.00
Bimli f.a.q.	Rs. 23.00	
Pucca bales 1st marks ...	Rs.180.00 per bale	

FOODGRAINS ADVANCE

(From Our Own Correspondent)

HAPUR, *8th April*

Steady to firm conditions were witnessed in the foodgrains market during the week, thanks to paucity of local stocks and delayed arrivals of new crop in the market following continued adverse cloudy weather. Fair-price shops ensured supplies to a large section of consumers at reasonable prices and thus relieved the open market from considerable demand, thereby preventing an abnormal rise in prices. Wheat prices flared up during the week, recording an advance of Re. 1 to Rs. 16-12 per maund for average quality and to Rs. 18 for farm produce. Local stock was now very small. Harvesting of wheat is taking place in west U.P. also (it has nearly finished in east U.P.), but arrivals of new crop are being delayed, due to cloudy weather and rains. Demand for wheat has also appeared from the nearby districts. Rice also registered grains during the week on firm advices from the main producing centres. The latest prices as on Monday were: *Basmati* Rs. 24 to Rs. 28, *Manipuri* Rs. 21-12; coarse quality Rs. 17 per maund.

Shortage of local stocks, coupled with good consumer demand and fall in arrivals of new crop gram from Madhya Bharat during the week, accounted for gains in gram prices here. Barley and *bejhar*, however, recorded a slight fall during the week, due to pressure of new crop arrivals—at an average of 75 maunds daily. *Jowar* scored gains, as a result of fresh demand for seeds in the face of poor local stocks. The week-end prevailing prices were: gram Punjabi Rs. 13-12; barley Rs. 10; *bejhar* Rs. 9-12; *jowar* Rs. 13 to Rs. 14-8; *guwar* Rs. 11 per maund.

New peas arrivals have increased to an average of 1,500 to 2,000 maunds daily and the *dara* quality reaching the market is definitely superior. Outside buying enquiry for peas was slack and *dal* grinders were the main purchasers. Prices registered a fall during the week. *Arhar* and other grams were also subdued in line with peas. The prevailing prices as on Monday were: *Peas dara* Rs. 9-12 to Rs. 10-8; farm quality Rs. 11; *arhar* Rs. 12; *urd* Rs. 18 to Rs. 20; *moong* Punjabi Rs. 14 and *masoor* Rs. 13 to Rs. 15 per maund.

After recording a fall in the earlier part of the week on bear pressure influenced by depressed conditions in the spot section, pulses futures recorded some advance in the later sessions due to profit-taking purchases. The latest quotations as on Monday were: Peas *jeth* Rs. 10-0-1½; peas farm *jeth* Rs. 10-8-9; *arhar jeth* Rs. 11-2-3; *urd baisakh* Rs. 18-10.

SUGAR BEARISH

(From Our Own Correspondent)

HAPUR, *8th April*

The sugar market ruled bearish during the week, owing to slack outside buying enquiry. Despatches to the consuming centres of Gujerat, Saurashtra, the Punjab and Delhi were mostly under previous commitments. The official all-India final estimate of sugar puts the current year's production at 2,021,000 tons, which is an increase of about 8.5 per cent. as compared with last year. This factor also accounted for depressed conditions in ready sugar prices. The announcement by the Union Food Minister that the Government would be willing to allow more export, besides 100,000 tons allowed so far, failed to cheer the market.

The latest prevailing prices of mill delivery of sugar as on Monday are: Jaswant Rs. 28-10; Simbhauli Rs. 28-12; Mowana Rs. 28 to Rs. 29; Daurala Rs. 30; Amroha Rs. 28-4; Bijnore Rs. 28-3; Mansoorpur Rs. 28-10 to Rs. 30-4; Rampur Rs. 31; retail Rs. 30-10 per maund.

The *khandsari* market ruled depressed on increasing stocks and poor outside support. Cane available to *khandsari* producers in the non-mill areas costs about As. 14 per maund, as against the mill-gate delivery price at Re. 1-7 per maund and non-gate delivery price at Re. 1-5 per maund. Prices of *khandsari* are Rs. 18 to Rs. 23-8 per maund.

Ready *gur* was mostly subdued during the week, as demand from consuming centres was dormant. Arrivals were lower, the average being 500 maunds daily and local stock was put at 97,000 maunds, as against 71,000 maunds a year before. Sowings of cane for the next season is still in full swing. The prevailing prices of *gur* are Rs. 9-12 to Rs. 10 per maund.

Gur futures declined during the week in line with prices in the ready section *baisakh* was today quoted at Rs. 9-11, as against the week's opening of Rs. 9-13-3. *Asar* and *fagun* delivery contracts were quoted at Rs. 10-4-3 and Rs. 10-0-9, respectively.

THE ALUMINIUM INDUSTRIES LIMITED, KUNDARA

(Incorporated in Travancore with Limited Liability)

We are glad to announce that the recent issue of 400,000 Ordinary Shares of Rs. 10/- each at par has been oversubscribed. Allotment letters are under preparation and will be posted to the applicants in due course.

SESHASAYEE BROTHERS (TRAVANCORE) PRIVATE LIMITED,
Managing Agents.

KUNDARA, *6th April, 1957.*

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
Iceland	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	20th Mar., 1957	7.300	7.665
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	4½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th Jan., 1944	3	4½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	4½	6
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	6
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug. 1956	3½	4
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 5th April, 1957		Week ended 29th March, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,81,269	66,28,56,000	3,60,836	88,94,23,000
Calcutta	1,51,057	66,18,83,403	1,93,357	84,82,29,462
Madras	69,584	9,92,91,569	92,974	13,70,74,942
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Jan., 1957	..	..	3,707,000	8,41,32,00,000
Feb.,	..	..	3,220,000	7,32,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 5th April, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		60,52,44,000
(2) Other Governments		7,30,31,000
(b) Banks		59,99,65,000
(c) Others		74,99,99,000
Bills Payable		17,93,83,000
Other Liabilities		116,36,49,000
	Rupees	363,28,81,000

ASSETS	Rs.	Rs.
Notes		7,88,29,000
Rupee Coin		4,47,000
Subsidiary Coin		5,00,000
Bills Purchased and Discounted—		
(a) Internal		
(b) External		
(c) Government Treasury Bills		15,23,63,000
Balances held abroad*		112,82,31,000
Loans and Advances to Governments		15,53,34,000
Other Loans and Advances		106,04,34,000
Investments		91,97,13,000
Other Assets		13,57,13,000
	Rupees	363,28,81,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 58,32,30,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 173,70,45,000/-.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,88,29,000	
Notes in circulation	1563,56,50,000	
Total Notes issued		1571,45,19,000
Total Liabilities		1571,45,19,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		120,20,06,000
Government of India Rupee Securities		914,97,19,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1571,45,19,000

Scheduled Banks*

Statement of Affairs for the week ended 29th Mar., 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	3,22,43,000
(ii) Other demand liabilities	700,22,71,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	1,97,00,000
(ii) Other time liabilities	471,19,34,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	11,48,88,000
(ii) Time liabilities	
4. Cash in India	84,28,20,000
5. Balances with the Reserve Bank in India	54,54,15,000
6. Balances with other banks in current account in India	11,22,81,000
7. Money at call and short notice in India	10,57,32,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	347,40,94,000
9. Advances in India	721,77,44,000
10. Inland Bills purchased and discounted in India	117,06,47,000
11. Foreign Bills purchased and discounted in India	58,93,74,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	10th April, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	480.00	480.00
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.79½	2.79-2.79½
London on Paris Fcs.	986.00	985
London on Berne Sw. Fcs.	12.27	12.25
New York on London $	2.79½	2.79-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	79.33	..	1,931	243
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	470	560
Japan	1955	88.90	Y. 6,575,000	8,698	978
Philippines	1955	21.85	Ps. 7,800	1,857	850
New Zealand	1955	2.13	£(N.Z.) 846	1,128	5,296
Australia	1954	8.90	£(A) 2,957	4,220	4,694
U.K.	1955	50.97	£ 16,634	22,178	4,351
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.60	$ 20,738	10,166	5,516
France	1955	43.27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm. 126,200	14,460	2,600
Italy	1954	47.80	Lr. 9,718,000	7,450	1,560
Norway	1955	3.43	Kr. 19,764	1,320	3,050
Sweden	1954	7.21	Kr. 38,630	2,544	4,012
Netherlands	1955	10.75	Grs. 22,560	2,850	2,650
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 29th Mar., 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	52,29,52,000
(b) Provincial Governments	2,61,40,000
(c) Banks	12,27,55,000
(d) Others	9,07,76,000
Bills Payable	11,93,000
Other Liabilities	12,44,70,000
Rupees	94,83,16,000

ASSETS	Rs.
Notes	13,94,59,000
Rupee Coin	16,000
Subsidiary Coin	8,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	9,48,000
Loans and Advances to Governments	26,00,000
Provincial Governments' Debtor Balances	9,10,32,000
Other Loans and Advances	14,21,03,000
Investments	45,41,23,000
Other Assets	11,80,27,000
Rupees	94,83,16,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,94,59,000	
Notes in circulation	327,55,75,000	
Total Notes issued	....	341,50,34,000
Total Liabilities	....	341,50,34,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	....	
Sterling Securities	84,71,36,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	162,70,54,000
B. Rupee Coin	5,27,36,000	
Government of Pakistan Securities	167,62,38,000	
Internal bills of exchange and other commercial paper	....	172,89,74,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	341,50,34,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 40·29 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	29th Mar., 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,526.09	1,517.79	1,510.96	1,466.64
Notes held in Banking Department	35.05	11.77	19.41	15.58	11.77
Foreign Securities	59.50	412.52	412.52	412.52	656.42
Rupee Securities	37.39	884.97	884.97	875.03	678.82
Banking Department					
Deposits of:					
Government of India	14.89	64.57	53.63	55.10	67.34
Other Governments	..	31.55	35.15	3.70	62.03
Balances held abroad	10.68	114.31	125.21	102.88	89.72
SCHEDULED BANKS					
Demand Liabilities	134.36	708.45 (8.22)†	701.08 (9.09)†	700.73 (9.22)†	635.99 (4.89)†
Time Liabilities	102.24	473.19 (1.97)†	467.80 (2.13)†	462.75 (1.62)†	414.32 (3.01)†
Borrowings from Reserve Bank	..	103.16 (71.54)‡	97.50 (73.20)‡	81.31 (56.81)‡	65.08 (27.43)‡
Borrowings from State Bank	..	11.49	11.44	10.17	20.55
Cash in India	6.70	34.38	36.00	37.97	35.57
Balances with Reserve Bank	25.17	54.54	52.34	50.20	49.12
Excess over statutory limits	15.52	9.66	7.95	5.91	9.04
Balances with other banks in current account in India	..	11.23	9.61	9.48	10.87
Money at call and short notice in India	..	10.57	12.78	12.66	6.46
Investments (at book value)	..	347.41	348.09	350.25	360.07
Advances and bills	105.09	897.78	882.57	862.26	760.80
STATE BANK					
Deposits	87.76	299.90	279.84	276.01	238.06
Investments	51.99	105.72	105.70	106.82	106.66
Advances	36.35	185.14	183.45	172.66	141.14
Cash	14.69	21.43	14.78	17.32	15.57

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December,		Nine months, April to Dec.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	10.92	11.00	85.33	93.01
Protective	1.03	0.81	7.03	9.20
On surplus disposals	..	0.01	0.07	0.04
Total import duties	11.95	11.82	93.03	102.25
Export Duties	3.38	3.20	28.10	21.87
Land Customs	0.26	0.20	0.95	1.82
Miscellaneous	0.07	0.09	0.54	0.83
Gross total customs	15.66	15.31	122.62	126.77
Refunds and drawbacks	0.17	0.26	1.01	1.83
Net Customs	15.49	15.05	120.71	124.94
Gross excise	13.07	19.84	109.75	138.17
Refunds	0.44	0.18	3.48	1.50
Net Excise	12.63	19.66	106.27	136.67
Net total of customs and excise†	28.12	34.71	226.98	261.61

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 5th April, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		301,46,85,000
Bills Payable		1,56,00,000
Bills for Collection being Bills Receivable as per contra		7,17,18,000
Acceptances, Endorsements and Other Obligations per contra		56,66,000
Other Liabilities (including Inter-Office Adjustments)		5,26,000
Total	Rs.	2,50,48,000
		325,32,43,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,12,36,000
Balances with other Banks		4,28,08,000
Money at Call and Short Notice		1,66,67,000
INVESTMENTS:		
Government and other Trustee Securities	94,16,63,000	
Other Authorised Investments	11,25,47,000	105,42,10,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	154,12,07,000	
Bills Discounted and Purchased	28,79,07,000	182,91,14,000
Bills Receivable being Bills for Collection as per contra		56,66,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		5,26,000
Premises less Depreciation		1,20,95,000
Furniture and Fixtures less Depreciation		63,84,000
Other Assets (including Inter-Offee Adjustments)		8,45,37,000
Total	Rs.	325,32,43,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits	2½% Ten-year Treasury Savings Deposit Certificates	10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*	Outstandings @	Receipts	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,83	65	3,26	23,66	84,17	1,13,35	92,03	— 21,07	7,55	25,64				
1953-54	4,70	1,03	4,99	27,27	1,24,64	1,24,94	1,30,88	— 26,35	5,57	37,15	7,40R	7,38	55††	54
1954-55	3,76	1,36	5,43	37,19	1,44,36	1,58,15	1,57,36	— 25,57	4,79	41,25	9,86	16,37	45	95
January 1956	3,91	14	5,24	2,02	1,40,78	13 16	1,54,14	— 38,55	33	40,61	84	14,73	2	91
February ,,	3,83	16	5,29	2,33	1,42,37	12,87	1,56,19	— 38,66	29	40,95	84	14,78	2	91
March ,,	3,76	33	5,48	2,82	1,44,36	12,64	1,67,86	— 38,87	36	41,25	88	16,37	3	92
April ,,	3,69	24	5,54	3,19	1,45,86	14,54	1,71,08	— 38,96	34	41,51	82	17,13	3	93
May ,,	3,61	21	5,54	2,40	1,47,58	14,77	1,73,05	— 39,05	33	41,82	85	17,91	3	1,00
June ,,	3,54	28	5,58	2,70	1,49,48	15,24	1,76,09	— 39,15	33	42,11	92	18,75	4	1,04
July ,,	3,48	43	5 81	2,78	1,51 53	14,61	1,80,05	— 39,24	33	42,42	1,01	19,68	4	1,07
August ,,	3,40	29	5,82	2,53	1,53,14	14,10	1,83,21	— 39,35	36	42,72	98	20,58	5	1,11
September ,,	3,34	17	5,71	2,65	1,55,14	13,27	1,84,83	— 39,17	34	43,00	85	21,34	3	1,13
October ,,	3,28	16	5,69	2,35	1,56,51	13,00	1,85,99	— 39,26	35	43,29	82	22,06	4	1,17
November ,,	3,23	13	5 66	2,30	1,57,62	12,70	1,86 89	— 39,35	25	43,38	77	22,77	3	1,19
December ,,	3,17	23	5,76	2,47	1,58,90	14,77	1,87,96	— 39,43	26	43,58	70	23,32	3	1,22
January 1957	3,12	21	5,80	2,67	1,59,83	13,46	1,88,10	— 39,34	36	43,89	..	..	6	1,27
February ,,	..	..	..	..	..	..	..	..	36	44,14	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Relating to nine months from July, 1954.

§ From July 1954.

@ Progressive net repayments at the end of period from 15th August 1947.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 30th Mar., 1957	23rd Mar., 1957	2nd Mar., 1957	31st Mar., 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90 0	89.9	89.9	90 9
1. Government of India	89.7	89·7	89.7	90 7
2. Indian States	96.4	96.4	96.6	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.6	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	98.9	98.9	98.9	101.1
1. Electricity	98.8	98.8	98.7	102 8
2. Jute	97.0	97.0	97.2	97 6
3. Plantations	98.4	98.5	98.4	99.1
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90 0
6. General Engineering	100.0	100.0	100.9	100 0
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.1	100.1	100.3	101 1
PREFERENCE SHARES	79.3	79.7	79.8	85.7
1. Electricity	87.5	88.0	84.2	93.7
2. Cotton	78.9	79.3	79.7	81 8
3. Jute	73.2	74.0	74.0	89 9
4. Coal	82.0	82.1	82.1	88 8
5. Iron and Steel	81.5	82.4	82.8	85.7
6. Sugar	79.6	79.6	80.5	83 5
7. Plantations	79.6	79.6	79.7	101 7
8. Others	98.6	98.6	99.3	102
9. Miscellaneous	74.9	75.0	74.0	80 4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	109.2	111.5	110 9	124 6
(a) Financial	91.3	92.2	93.4	99 3
1. Banks	93.4	94.6	95 5	89 5
2. Insurance	92.2	91.8	84 3	86 1
3. Investment Trust	78.2	78.0	80.1	93 9
(b) Public Utilities	109.2	111.0	109 1	114.2
1. Electricity	108.1	109.4	109.7	117.2
2. Shipping and other Transport	120.9	124.0	116.5	114.1
3. Railways	76.9	77.5	77.9	88 8
(c) Manufacturing industries	114.8	117.7	116.4	133 8
1. Cotton, Woollen and Silk	121.6	124.3	123.4	132.0
2. Jute	57.6	59.5	60.7	79 1
3. Iron and Steel	120.9	126.3	119.7	151 3
4. Paper	237.6	240.1	247.8	292 1
5. Cement	150.6	155.2	155 2	175 9
6. General Engineering	163.8	167.5	164 5	198 1
7. Sugar and Breweries	98.9	100.2	99.0	108.9
8. Chemicals	134.3	134.4	135.4	151.8
(d) Non-Manufacturing industries	136.8	137.6	137.5	169.4
1. Coal	69.6	71.1	74 0	82 6
2. Mining and Oil	179.0	186.1	185.5	266 5
3. Plantations	155.5	157.3	155.7	181 4
(e) Miscellaneous	88.9	89.1	89.1	101.9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.3	89.4	89·4	90.3
2. Calcutta	89.9	89.8	89 8	91 5
3. Madras	90.2	90.2	90.1	91.2
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99·4	100.0
2. Calcutta	98.6	98.6	98 4	102.1
3. Madras	99.5	99.6	99 6	100.1
PREFERENCE SHARES:				
1. Bombay	83.4	84.2	84 7	90·2
2. Calcutta	73.4	73.8	73 4	80 3
3. Madras	93.8	94.1	94.5	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	119.1	122.5	120 2	131.5
2. Calcutta	95.8	97.5	97 8	112 7
3. Madras	122.5	124.8	125.3	128.8
4. Delhi	115.2	117.9	114.6	132.5

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	968	809 242	3,382,008
1953	772	466,607	3,372,630
1954	840	477,138	5,697,848
1955	1,166	527,767	....
January 1956†	95	49,038	222,807
February ,,	91	58,370	144,302
March ,,	113	70,042	334,096
April ,,	105	32,432	333,276
May ,,	120	63,441	981,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	533,999
September ,,	251	22,619	580,031
October ,,	134	47,000	214,214
November ,,	99	48,609	178,113
December ,,	129	45,277	239,550
January* 1956†	107	61,050	349,653
February*	123	69,450	778,398
March* ,,	146	133,188	678,716
April* ,,	143	83 580	565,994
May ,,	137	64,361	553,720
June ,,	152	71,818	476,166
July*	149	100,069	535,775
August* ,,	136	64,516	495,639
Sept.* ,,	185	122,229	903,399
Oct.* ,,	145	111,622	882,021
November ,,	111	48,293	437,449
December ,,	101	49,511 (a)	269,919 (b)

† Figures are provisional.

(a) Not known in 2 cases.

* Revised.

(b) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301·4	5,134·2
1953-54	648	6,376·8	5,572.7
1954-55	686	7,240 9	6,319·2
1955-56	715	8,805 8	7,185.8
Jan., to Dec. 1955	724	8,494·6	6,928.3
Jan., to Dec., 1956	757	9,630.7	7,892.0
October 1955	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956	731	757.2	622.0
February ,,	739	749 9	651.0
March ,,	715	800.0	643.8
April ,,	701	780.8	669.1
May ,,	701	825.8	688.5
June ,,	701	795.5	656.2
July ,,	724	798.0	650.0
August ,,	725	793.7	666.4
September ,,	757	812 7	670.1
October ,,	753	824.1	668 1
November ,,	756	810 5	675.0
December ,,	757	881 5	716.0

* Excluding railway, military and factory power stations. Ghosi Power Station being interconnected with the Tata Power System, has been included. † Including purchases from non-electric utilities.

‡ At the end of period.

Source:—Central Water and Power Commission.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	23rd Mar., 1957	16th Mar., 1957	24th Mar., 1956	February, 1957	February, 1956	Percentage of Increase (+) or decrease (—) in Feb., 1957 as compared with Feb., 1956	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	399.6	402 4R	362.5	406 0R	335 3	+21.1	372.2	339.8
Cereals	59	525*	526R	448	526	411	+28.0	375	351
Pulses	8	440	448	380	439	351	+25.1	289	286
Others	33	240	243	244	251	230	+ 9.1	235	291
Industrial Raw Materials	(18)	519.0	514.1	484.6	520.5	464.6	+12 0	419.8	436 2
Fibres	53	506	504	470	503	470	+ 7.0	429	447
Oil seeds	30	561	553*	543	574	473	+21 4	398	424
Minerals	10	554	518	463	546	443	+23 3	427	422
Others	7	412	413	400*	415	426	— 2.6	421	427
Semi-Manufactures	(17)	403.8	403 9R	375.3	410.6R	355.8	+15.4	338.2	350.3
Leather	8	410	410	410	422	402	+ 5 0	378	376
Mineral oils	18	210	210	208	210	204	+ 2 9	207	221
Vegetable oils	16	578	580R	524	611	426	+43 4	359 R	435
Cotton yarn	35	485	485	453	488	444	+ 9 9	422	454
Metals	18	328	328	282	328	280	+17 1	264	240
Oil cakes	5	418	418	402	418	347	+20 2	335	391
Others	5	387	387	364	388R	364	+ 6.6	336	312
Manufactured Articles	(30)	383.9	384.5	374.1	385 5	375.3	+ 2.7	378.9	377.4R
Textiles	64	410	411	406	413	409	+ 1 0	408	421
Jute	11	409	416	400	429	417	+ 2.9	418	448
Cotton	45	414*	414*	403*	414*	403*	+ 2.7	403*	415*
Rayon and Silk	6	442*	442*	502*	442*	498*	—11.2	485*	459*
Woollen	2	266	266	278	266	278	— 4.3	324	311
Metal products	17	302	302	371	302	371	+ 6.7	350	340
Others	19	283	302	285	301	284	+ 6.0	285	286
Miscellaneous	(9)	567.1	568 4R	494 3	585.2	529.3	+10.6	548.4	512.4
All Commodities	(100)	420.5	420.8	392.6	425.0	378.4	+12.3	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar‡	Gur	Tobacco	Raw Cotton	Raw Jute‡	Groundnut	Linseed	Coal	Jute manufactures	Cotton manufactures	Iron and Steel
January 1956	449

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Forecast	Acreage (000's omitted) 1955-56	1954-55	Outturn (000's omitted) In tons 1955-56	1954-55
Cereals—						
Rice		2nd	72,512†	71,886†	23,000†	23,515†
Wheat		final	29,225	27,517	8,348	8,778
Jowar		final	42,721	43,446	6,940	9,093
Bajra		final	37,025	37,983	5,400	5,421
Barley		final	8,145	8,309	2,721	2,870
Maize		final	8,909	9,311	2,519	2,939
Ragi		final	5,637	5,711	1,844	1,646
Small millets		final	12,095	13,799	2,103	2,456
Total cereals		final	211,000	212,025	53,849	55,734
Pulses—						
Gram		final	22,092	22,047	4,865	5,393
Tur		final	5,757	5,944	1,314	1,888
Other Kharif pulses §		final	15,862	16,719	1,650	1,830
Rabi pulses‡		final	10,579	10,590	1,858	1,959
Total pulses		final	56,100	55,300	10,187	10,870
Oilseeds—						
Groundnut		2nd	11,299†	10,968‡	3,559†	3,372‡
Castorseed		final	1,462	1,394	126	124
Sesamum		final	5,738	5,901	458	599
Rape and Mustard		final	6,262	6,025	832	1,019
Linseed		final	3,424	3,354	376	382
Total oilseeds		final	29,471	30,822	5,596	6,242
Fibres—						
Cotton*		final	20,230	18,684	3,998	4,227
Jute A.		2nd	1,883†	1,739‡	4,221†	4,197‡
Mesta A.		2nd	695†	553††	1,430†	1,161††
Other crops—						
Potato		final	593	658	1,899	1,736
Sugarcane		2nd	4,532††	3,945‡	58,914††	50,455‡
Ginger (Dry)		final	37	35	15	14
Pepper (Black)		final	214	208	27	26
Chillies (Dry)		final	1,492	1,523	340	303
Tobacco		final	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1957	80.2
	Corresponding month, 1956	92.8
	Eight months ended Feb., 1957	686.3
	Corresponding period, 1956	701.2
Stocks	As at the end of Feb., 1957	97.6
	Corresponding month, 1956	89.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 26th Jan., 1957	N.A.
	Corresponding week, 1956	6,992
	From 1st Jan., to 26th Jan., 1957	N.A.
	Corresponding period, 1956	26,325
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 26th Jan., 1957	N.A.
	Corresponding week, 1956	9,619
	From 1st Jan., to 26th Jan., 1957	N.A.
	Corresponding period, 1956	60,481
	RAW JUTE	(Inlakh bales)
Consumption by Mills†	February, 1957	4.68
	Corresponding month, 1956	5.77
	Eight months ended Feb., 1957	40.62
	Corresponding period, 1956	40.86

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1954	11,84,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957	11,55,500	10,73,600	7,97,500
October 1955	91,700	83,800	64,800
Nov. "	91,900	86,200	63,400
Dec. "	103,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
Febuary "	97,500	89,500	67,700
March "	1,03,300	96,200	69,900
Oct. "	96,700	91,100	71,600
Nov. "	94,700	85,800	65,100
Dec. "	101,500	93,300	66,900
January 1957	97,400	94,300	70,900
February "	90,000	81,300	63,400
March "	95,100	93,200	73,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1954	6,26,710	4,31,450	3,12,940
Do. 31st March, 1955	5,80,020	5,49,930	4,22,440
Do. 31st March, 1956	7,15,949	5,28,240	4,59,093
Do. 31st March, 1957	7,06,986	5,81,506	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
" " " Sept., 1954	1,80,019	1,29,741	1,12,561
" " " Dec., 1954	1,88,053	1,36,501	1,30,016
" " " Mar., 1955	1,65,108	1,43,828	1,18,136
" " " June 1955	1,85,605	1,34,333	1,16,281
" " " Sept. 1955	1,76,181	1,30,630	1,08,714
" " " Dec., 1955	1,60,750	1,24,696	1,03,782
" " " Mar. 1956	1,84,450	1,41,846	1,19,860
" " " June, 1956	1,48,306	1,17,710	92,809
" " " Sept. 1956	1,74,447	1,33,325	1,13,954
" " " Dec., 1956	1,88,546	1,41,454	1,14,703

FOREIGN TRADE OF INDIA

Particulars	November, 1955	1956	Eight months April to Nov., 1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	3.27	3.24	36.32	23.46
Raw materials	12.26	10.20	102.57	108.39
Manufactures	44.48	54.35	260.90	387.24
Other items	24	35	3.83	3.02
Total*	60.25*	68.14*	401.77*	522.15*
By land	2.73	1.83	16.08	12.93
Total Imports	62.98	69.97	418.45	535.08
Exports:				
By sea and air—				
Foodstuffs	14.67	20.35	102.86	133.83
Raw materials	13.43	9.58	110.28	76.87
Manufactures	20.43	24.54	168.53	160.61
Other items	32	40	2.80	3.05
Total	48.85	54.87	384.47	374.36
By land	62	48	3.89	3.64
Total Exports	49.45	55.35	388.36	378.00
Total Re-exports	35	57	3.53	5.27
Balance of trade in merchandise	—13.12	—14.04	—26.54	—151.64
Balance of transactions in private treasure	—	3	—4	—15
Total visible balance of trade	—13.12	—14.07	—26.58	—151.79
Imports :†				
Total Ocwealth countries	24.48	23 02	181.48	207.41
Total Foreign countries	35.77	44.52	220.29	314.74
Exports :†				
Total Ocwealth countries	26.14	29.71	193.22	196.10
Total Foreign countries	22.71	25.16	191.25	178.26

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	103	61	188	21	169	297	25	260	46	166
1954-55	11,782	2,709	886	184	98	62	154	13	299	329	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
December 1955	9,230	2,071	726	154	78	50	95	21	252	304	30	237	38	117
January 1956	10,396	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February "	11,548	2 641	882	190	97	62	132	27	395	374	38	298	45	136
March "	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April "	1,135	227	82	23	12	5	13	3	64	34	3	31	3	10
May "	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June "	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July "	4,810	959	344	71	38	19	44	6	168	139	10	118	14	50
August "	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September "	6,420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October "	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98
November "	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114
December "	9,850	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	144

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 4th April, 1957	47,220(J)
	Corresponding week, 1956	49,183(J)
	1st Sept. 1956 to 4th April, 1957	1,123,339*
	Corresponding period, 1955-56	1,187,349*
Cotton Exports‡	Week ended 4th April, 1957	4,393
	Corresponding week, 1956	50,301
	1st Sept. 1956 to 4th April, 1957	172,098
	Corresponding period, 1955-56	487,670
Mill Consumption (Estimated)	1st Sept. 1956 to 4th April, 1957	760,164
	Corresponding period, 1955-56	755,181
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 4th April, 1957	564,566
	Corresponding date, 1956	529,822
Cotton Exports from Bombay (by sea)	During Jan., 1957	42,391
	During Jan., 1956	35,978
	1st Sept., '56 to 31st Jan., 1957	103,022
	1st Sept., '55 to 31st Jan., 1956	363,052
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 14th Mar., 1957	1,041,118
	Corresponding period, 1955-56	1,160,974
Exports	1st Sept., 1956 to 14th Mar., 1957	538 948
	Corresponding period, 1955-56	577,353

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1956 to 25th March, 1957 Bales	From 1st Sept. 1955 to 25th March, 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	19,002	51,751
Continent	15,765	82,216
Hongkong	23,421	31,121
China	3,437	36,951
Japan	100,103	251,494
U.S.A.	1,934	3,504
Other Countries	462	3,841
Total to all foreign countries	164,124	460,878
Coastal Ports	7,360	16,563
Total	171,484§	477,441§

Particulars	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	January, 1957	416,282
Foreign		199,017
Indian	Five months ended Jan., 1957	1,941,293
Foreign		248,635
Indian	Same Period 1956	1,872,064
Foreign		235,249
Stocks (Mills and Elsewhere)—		
Indian	As on 31st January 1957	1,126,458
Foreign		171,896
Indian	As on 31st January, 1956	1,137,911
Foreign		156 440
	Week ended 15th Mar., 1957	15,754
Cotton Pressed in India† (in running bales)	Corresponding week 1956	109,137
	1st Sept., 1956 to 15th Mar., 1957	901,405
	Corresponding period, 1955-56	1,095,399

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-35	65,30,26,000	1960-70	100.85
3 % Loan	1935-39	1 16,17,40,000	1958-65	94.20
3 % Loan	1950	80,33,10,000	1964	94.45
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	92.25
3 % Loan	1944	33,54,89,000	1957	99.75
3 % Loan	1945	1,16,05,88,000	1970-75	87.30
2½ % Std V.Loan	1948	1,13,65,64,000	1959-61	97.75
2½ % Loan	1951	80,33,63,000	1958	99.60
2½ % Loan	1946	45,60,37,000	1960	96.45
2½ % Loan	1946	57,00,69,000	1961	93.50
2½ % Loan	1946	14,77,46,000	1972	83.10
2½ % Loan	1947	75,86,72,000	1962	93.85
2½ % Loan (N.P. Bonds) (2nd Series)	1954	75,29,00,000	1961	99.45
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98.40
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98.25
3½ %	1956	57,27,00,000	1962	97.80
3½ % N.P. Bonds	1956	35,82,00,000	1967	98.45
3½ %	1956	66,64,00,000	1974	98.50
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option o Government after three months notice.	73.00
3 % Loan	1946	2,48,91,47,000	On September, 1986 or later at option of Government after three months' notice.	74.30
REPATRIATE STERLING LOANS				
4½% Loan	1925	5,85,73,000	1958-68***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97.80
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97.80
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98.85
3 % Bombay	1949	3,53,56,000	31st Aug. 1963	91.10
3 % Bombay	1950	2,87,82,000	31st July 1960	96.25
3½ % Bombay	1951	2,65,25,000	17th Sept. 1962	98.10
3½ % Bombay	1951	5,42,25,000	16th July 1963	100.00
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100.00
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99.50
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
3 % Cochin	1944	1,00,00,000	19th Dec. 1955-58	98.00
3½ % Cochin	1936	70,09 000	1st June 1956-61	98.75
Bridge (New)	1936-37	1,95 96,700	1956-66	95.50
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	3,00,00,000	3rd Sept. 1968	98.95
3 % Madras	1939	1,23,95,600	31st June 1959	96.95
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98.56
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96.25
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93.12
3 % Madras	1950	4,38,25,400	31st July 1960	96.12
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97.62
4 % Madras	1953	10,83,53,000	15th July 1963	98.72
4 % Maras	1952	5,24 81,200	1st Aug. 1964	98.62
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98.06
4 % Madras	1956	12,50,00 000	3rd Sept. 1968	97.45
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1958-68	100.50
3 % Mysore(f)	1936	5,99,72,900	30th Apr. 1956-61	98.87
3 % Mysore	1947	8,08,05,700	15th July 1958	98.75
3 % Mysore	1953	3,33,47,000	15th July 1968	98.94
4 % Mysore	1955	5,54,94,000	1st Sept. 1967	98.00
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97.87
3 % M.P.	1944	52,69,800	15th Aug. 1958	98.50
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93.00
3 % M.P.	1950	1 01,44,700	31st July 1960	95.50
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	98.75
4 % M.P.	1955	1,53,12,500	1st Sept. 1967	98.00
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4½% Trav. Cochin	1953	3,00,00,000	15th July 1963	98.62
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98.00
3 % U.P.Z.A.	1952	40,60,66,5452		98.75
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	99.81
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98.55
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96.85
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	93.05
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	97.85
4 % U.P.	1952	2,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1953	2,65,15,500	15th July 1963	98.85
4 % U.P.	1955	3,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	5,00,00,000	3rd Sept. 1968	97.90
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.90
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent. payable in London	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
26,50,000	4	1904	1964	
26,00,000	4	1905	1965	
15,00,000	4	1905	1967	
44,00,000	4	1907	1968	
76,00,000	4	1908	1968	98·00N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
76,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,878	4	1913*	1960	D
80,00,000	4	1913	1974	98·00N
88,25,000	4	1914	1974	98·00N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
64,04,000	4	1920*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3	1936*	1966	
40,00,000	3	1936*	1960	
10,00,000	3	1938*	1968	
7,90,000	3	1941	1971	
CALCUTTA				
Rs.				Rs.
96,24,800	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
1,50,00,000C	2½†	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
1,49,50,500B	4	1927	1957-87	101.50
1,49,30,000	5	1928	1958-88	102.50
80,00,000	4½	1931	1991	95.00
80,00,000	4½	1935	1995	97.50
25,00,000	3	1938	1964-68	90.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	2005	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	3½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	97.00
50,00,000	3	1950	1960	97.00
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	95.62
1,00,00,000	3	1950	1960	95.62
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1951	1961	98.50
50,00,000	3	1953	1983	100.00
50,00,000	4	1953	1983	98.56
90,00,000	4	1955	1985	98.00
77,00,000C	4	1956	1986	97.75
78,00,000C	4	1956	1986	97.75
STERLING LOANS				
£802,600	5	1923	1953-83	£79·25
£901,000	5	1924	1954-84	£79·25
£835,100	5½	1923	1953	£91·25
MADRAS				
Rs.				Rs.
81,47,169	2½	1947	1977	
9,88,000C	3	1947	1977	A
8,00,000C	3	1949	1979	
45,00,000C	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
40,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
40,00,000	4	1905	1965	97.75
25,00,000	4	1906	1966	N
18,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1913	1973	
18,00,000	4	1913	1973	
40,00,000	5	1914	1974	97.50
40,00,000	5	1914	1974	98·00N
40,00,000	5	1919	1957-79	98.90N
66,00,000	5	1920	1955-80	
80,00,000	5	1922*	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,800		1909	1969	95.50N
£388,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	4½	1920	1959	106.00
50,00,000	4	1924	1964	99.75
85,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
60,00,000	3	1937	1967	91.00
20,00,000	3	1938	1968-68	90.00
50,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20 60,000	4	1912-15	1974	98.00
10,00,000	5	1920	1959	113.00N
5,00,000	5	1928	1968	
8,45,500	5	1929	1954-59	102.00
26,21,500	5	1929	1959	
8 25,00 000	3½	1947	1979	86.25
2 50,00,000	3½	1949	1979	86.25
4,00,00,000	3½	1950	1965	92.25
2,50,00,000	4	1952	1964	98.25
2,00,00,000	3½	1951	1966	97.00
1,00,00,000	3	1953	1963	98.25
1,00,00,000†	4	1953	1963	99.00
1,00,00,000†	4	1954	1966	98.00
1,00,00,000	4	1955	1968	98.00
1,50,00,000	4	1956	1968	98.00
CALCUTTA				
Rs.				Rs.
86,00,000	5	1928	1958	102.00
25,00,000	5	1929	1957	101.50
25,00,000	5	1928	1958	102.00
10,00,000	5½	1922	1958	103.00
33,91,000	5	1925	1965	94.00
60,00,000	3	1936	1966	90.00
47,50 000	3	1938	1968	90.00
15,56,800	4	1940	1960	99.50
17,54,400	4	1947	1957	99.50
21,10,000	3½	1942	1959	96.50
15 49 000	3½	1951	1972	92.00
15,33,000	3½	1951	1960	97.00
66,88,000	3½	1951	1961	97.50
87,36,000	4	1952	1962	97.50
72,50,000	4½	1954	1979	100.00
MADRAS				
Rs.				Rs.
15,00 000	3½	1951	196	107.00N
15,00 000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.25
4 % W. Bengal	1952	2,50,00,000	1st Aug. 1964	99.75
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.75
4 % W. Bengal	1955	7,48,72,000	1st Sept. 1967	99.50
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99.00

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. (J) Income-tax rec. * Loans held entirely by the Trustees.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st April, 1955.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st June 1944.
Z.—By four instalments but inclusive of accrued interest.
N—Nominal. C—Held by Commissioners. D—Domestic Loan not marketable.
*** Rupee Counterparts.]—Interest free to Stat 15 years †—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	114	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	98	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	119	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6½	5
¶East India Distilleries	£200,000	1897	7	Jan. July	16½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	67	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	67	100
Puritabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	10,00,000	1933-36	6	Aug. ..	100	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	80N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	10,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99	100
Borea	4,00,000	1886-97	6½	Jan. Apr.	101	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	112	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	100	100½
Karanpura Collieries	9

STOCK & SHARE QUOTATIONS

Abbreviations :—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend. f—Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BOMBAY CITY AND ISLAND

50,00,000	5,62,728	90,10,670	43,05,872	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2·42	2	0 4(e)	0 2(e)	0 3		12	Y.
48,00,000	24,00,000	1,88,52,007	72,25,655	—6,97,129	M.	51,864	1,021	B. R. Cotton Mills	39·00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,98,000	3,12,58,951	5,98,22,946	3,51,60,992	2,41,366	Nowrosjee Wadia & Sons, Ltd. ..	2,23,552	3,984	Bombay Dyeing & Mfg. ..	550·50	250	22 8*	20 0	25 0*	25 0	12	Y.
10,00,000	23,74,893	58,81,886	53,57,495	91,711	Ramnarain Sons, Private Ltd. ..	44,784	660	Bradbury Mills Ltd.	212·50	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,00,42,500	2,43,96,226	2,81,83,264	1,97,06,117	6,34,956	Birla Brothers Private Ltd. ..	1,20,752	2,998	Century Spg. & Mfg.	453·00	100	22 0	22 0	22 0	8 01	12	Y
49,00,000	25,42,326	1,19,99,766	65,07,085	—88 06,997	V. J. Pilani (Chairman and Managing Director) ..	40,668	698	Colaba Land & Mill	65·00	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,08,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd. ..	24,848	..	Cooria Spg. & Wvg.	131·87	100	7 8	7 8	7 8	12 8*	3	Y.
10,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Private Ltd. ..	40,992	680	Dawn Mills	97·50	50	8 0	6 0	15 0		12	Y.
24,00,000	40,06,436	76,75,257	56,21,788	2,58,648	Puranmal Bubna Sons	48,718	928	Edward Textiles	250·00	100	15 0	15 0	15 0		12	Y.P.
29,98,950	11,81,233	1,09,78,549	80,74,284	1,51,354	M.	41,300	886	Elphinstone Spg. & Wvg. ..	59·00	50	*Nil*	3 0	5 0		12	Y.P.
50,00,000	70,11,875	1,52,38,513	74,17,807	1,67,199	James Finlay & Co., Ltd. ..	49,528	784	Finlay Mills	300·00	100	16 0	16 0	25 0*		12	Y.
50,00,000	51,19,022	1,57,77,494	52,92,357	96,368	James Finlay & Co., Ltd. ..	40,640	1,020	Gold Mohur Mills Ltd.	210·00	100	12 8	12 8	15 0		12	Y.
11,84,000 / 16,000 / 4,00,80,000 / 58,06,800D	75,14,589	1,52,24,660	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,625·00 / 962·50 / 10·35 / 1·62	1,000 / 250 / 100· / 0 1D.	225 0* / 56 4* / 0 10 / 0 1	225 0 / 56 4 / *Nil* / *Nil*	300 0 / 75 0 / 0 3 / 0 3	325 0 / 81 4 / 0 10 / 0 11	3	Y.P.
8,65,000 / 35,000	72,74,043	1,41,26,890	1,00,89,000	4,886	M.	47,984	1,196	Indian Mfg.	5,125·00 / 177·50	1,000 / 100	225 0* / 112 8*	225 0 / 112 8	300 0 / 150 0	300 0 / 150 0	3	Y.P
59,25,000	55,07,831	2,73,73,676	2,08,22,183	20,228	Khatau Makanji & Co. ..	92,852	1,480	Khatau Makanji Spg. & Wvg.	177·50	100	10 0	8 0	10 0	10 0	6	Y.P.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Kilachand Mills Ltd.	1,20,504	1,646	Kohinoor Mills	327·00	100	20 0*	18 0	18 0	18 0	12	Y.
23,18,050	41,06,720	1,18,74,848	65,99,116	81,670	N. Sirur & Co. Private Ltd. ..	47,400	944	Modern Mills	70·00XR	50	5 0	5 0	8 0		10	Y.T.
81,75,000	87,05,236	2,85,85,597	1,76,19,649	1,41,489	Piramal Swaroop Private Ltd. ..	71,662	1,652	Morarjee Goculdas Spg. & Wvg.	227·50	100	12 0	14 0	14 0	15 0	6	Y.P.
1,87,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd. ..		..	National Rayon Corporation	228·50	100	9 0	10 0	12 0		12	Y.P.
24,00,000	29,50,456	78,05,743	48,70,077	53,192	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	149·37	100	10 0	10 0	10 0	10 0	12	Y.P.
20,00,000	22,01,402	66,52,534	43,37,333	245	W. H. Brady & Co.,Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	223·00	100	8 0	7 8	10 0	10 0	12	Y.
48,00,000	80,10,989	1,84,29,555	84,72,255	2,40,352	Ramnarain Sons, Private Ltd. ..	69,208	1,190	Phoenix Mills	143·75	100	8 0	8 0	10 0*		12	Y.
40,00,000	45,70,390	89,55,049	52,00,000	3,98,877	Podar Sons, Private Ltd. ..	32,600	930	Podar Mills	166·40	100	10 0	10 0	12 0*		12	Y.
4,00,000	8,16,999	17,31,521	10,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	..	..	Sassoon & Allliance Silk Mill	9·81	10	0 12	0 8			12	Y.
87,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	89·50	10	1 4	1 12	2 0		12	Y.P.
50,00,000	47,70,061	90,20,958	55,27,985	1,47,422	Marwar Textiles (Agency) Ltd. ..	69,070	1,640	Shree Nirwa Cotton Mills ..	174·00	100	14 0	14 0	12 8		3	Y.
48,00,000	33,02,179	88,78,809	75,58,753	96,017	Forbes, Forbes Campbell & Co., Ltd.	54,840	1,276	Simplex Mills	174·00	50	15 0	11 0	10 0	12 0	3	Y.P.
87,50,000	2,25,15,720	2,51,25,099	1,37,58,474	12,888	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	447·00	100	20 0	8 0	12 0		12	Y.P.
99,85,700	84,69,716	2,28,37,647	1,19,01,809	57,611	Tata Industries Private Ltd. ..	97,338	552	Swan Mills	405·00	100	20 0	20 0	25 0		12	Y.
24,00,000	66,38,465	1,25,99,971	81,58,715	1,51,080	James Finlay & Co., Ltd. ..	49,328	552	Swan Mills	48·00	25	1 8	1 8	4 0		12	Y.P.T
65,57,000	81,96,376	1,77,34,889	68,44,553	48,485	Tata Industries Private Ltd. ..	62,096	1,800	Tata Mills	48·00	25	1 8	1 8	4 0		12	Y.
12,00,000	61,05,709	1,27,41,228	90,20,000	4,524	M.	45,508	1,808	Western India Spg. & Mfg.	5,200·00	1,000	225 0*	225 0	300 0	300 0	3	Y.

AHMEDABAD

40,00,000	21,50,000	1,48,70,885	69,76,844	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	172·50	100	10 0*	5 0	7 0	12 0	6	Y.P.
10,00,000	94,58,068	94,37,205	76,10,184	27,288	P. M. Hutheesing & Co., Ltd. ..	42,768	912	Arvind Mills	1,030·00	100	25 0	25 0	35 0*		12	Y.P.
24,25,000	2,55,30,037	1,07,65,504	1,16,00,000	75,768	Narottam Lalbhai & Co. ..	67,448	1,216	Arvind Mills	1,030·00	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	61,75,000	90,34,884	72,25,000	2,46,389	Mangaldas & Bros. Ltd. ..	35,884	892	Aryodaya Ginning & Mfg. ..	477·50	200	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,29,033	84,56,974	69,04,953	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	900·00	100	22 0*	22 0	30 0		12	Y.P.
1,87,50,000	3,35,75,223	4,61,25,355	2,25,65,344	2,31,716	Karamchand Premchand Ltd. ..	1,39,120	2,272	Calico	125·00	18	0 18	0		$0 0‡	3	Y.P.
62,87,000	54,55,000	1,21,06,843	59,25,000	3,760	Tricumlal Bhoglial & Co., Ltd. ..	45,886	866	New Commercial Mills	1,615·00	1,000	70 0	70 0	80 0	12	12	Y.P.
29,00,000	78,52,486	1,32,09,232	96,26,068	19,221	Mafatlal Chandulal & Co., Ltd. ..	51,100	907	New Shorrock Spg. & Wvg. ..	873·00	125	35 0	35 0	35 0		12	Y.
19,00,000	58,48,000	50,68,197	37,98,317	16,658	Jagabhai Bhoglial Nanavaty & Co., Ltd. ..	24,840	572	Nutan Mills	410·00	100	30 0*	30 0*	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,489	60,29,888	....	Lalbhai Dalpatbhai & Co. ..	31,120	626	Raipur Mfg.	860·00	100	25 0	25 0	35 0*		12	Y.P.
22,50,000	14,75,227	1,07,01,460	71,43,508	17,74,749	Lalbhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	166·25	100	9 0	9 0	12 0		12	Y.P.
28,52,150	2,08,34,338	1,76,92,542	1,52,75,000	8,33,290	Harivallabhdas Kalidas & Co. ..	78,808	1,325	Shri Ambica Mills	885·50	50	18 0	20 0	27 0*		12	Y.P.
10,52,500	62,81,268	78,08,018	66,84,701	16,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,648	720	Shorrock Spg. & Mfg.	601·25	100	20 0	25 0*	25 0		12	Y.
36,00,000	90,34,191	1,09,66,008	78,35,291	34,644	Haridas&shrallal & Co., Ltd. ..	36,176	780	Vijaya Mills	690·00	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,42,800	84,98,029	21,85,480	361,576	Calcutta Agency Private Ltd. ..	18,044	356	Basanti Cotton Mills	5·75xd	10	0 4	0 8	0 8		12	Y.P.T
7,98,000	9,10,617	78,14,055	52,09,911	58,290	Bengal Textile Agency, Ltd. ..	35,292	925	Bengal Luxmi Cotton Mills ..	40·00N	40	*Nil*	4 0	4 0	4 0	12	Y.P.
15,00,000	26,17,571	1,04,88,555	70,76,877	—1,97,951	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	175·00	100	*Nil*	*Nil*	2 8		6,12	H.
1,50,00,000	2,29,43,320	3,76,19,833	1,81,26,833	1,58,672	Birla Brothers Private Ltd. ..	74,072	1,992	Kesoram Cotton Mills	13·87	10	1 12	0 14	0 14	1 0	3	Y.P.
19,47,760 / 8,90,000D	7,45,000	47,06,298	24,48,852	1,094	Hazaremull Heeralall	23,036	795	Ramporia Cotton Mills	16·00N / 2·75N	10 / 1D	0 8 / *Nil*	0 8 / *Nil*	0 8 / 0 5 11/25		6	Y

SOUTH INDIA AND OTHER CENTRES

11,96,800	5,57,596	81,26,764	15,54 243	3,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd	217·00	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	35,91,264	1,84,91,580	50,78,582	1,86,048	Industrial Trust Fund	36,136	716	Azam Jahi Mills	82·50	100	6 0	*Nil*	8 8(e)		9	Y.
40,50,000	2,50,15,667	3,39,77,494	2,60,70,021	2,82,947	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	562·35xd	100	25 0 / 0 0	30 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	58,72,128	18,199	M.	29,936	610	Bengal-Nagpur Cotton Mills ..	7·50	10	*Nil*	*Nil*			6,12	H.P.T
25,00,000	1,09,48,251	1,19,14,492	87,76,993	4,25,221	Birla Brothers Private Ltd. ..	29,896	1,088	Birla Cotton Spg. & Wvg., Delhi	28·50N	10	3 0	3 0	5 0		3	Y.
1,78,47,800	2,77,73,212	6,69,41,316	3,07,01,513	2,28,220	Binny & Co. (Madras), Ltd...	1,20,288	2,762	Buckingham & Carnatic	174·00cd	100	10 0	10 0	10 0	10 0	12	Y.P.T.
20,00,000	20,00,000	89,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	37,538	4	Cannanore Mills	13·00	10	0 12	*Nil*	0 8		3	Y.
15,00,000	5,11,500	48,58,926	24,65,361	5,294	K. Damodaran, Esq.	20,600	..	Cannanore Spg. & Wvg. ..	170·00	100	12 0	20 0	12 0	15 0	3	Y.
80,00,000	29,51,420	69,40,529	51,78,376	36,767	Begg, Sutherland & Co., Ltd. ..	27,016	591	Cawnpore Textiles	6·25	5	0 ..	0 8	*Nil*	0 4	3	Y.
9,37,470	2,00,000	50,87,536	18,02,168	58,798	C. R. Srinivasan, Esq. (Chairman)	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11·37	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.T.
12,00,000	10,01,068	41,97,636	30,65,709	10,889	R. Bhema Naidu & Co.	23,864	..	Coimbatore Cotton Mills ..	350·00	100	20 0	25 0	25 0	25 0	12	Y.
30,00,000	19,95,000	86,59,480	54,25,921	14,822	T. R. N. Naidu & Co.	37,226	407	Coimbatore Pioneer Mills ..	265·00	100	15 0	20 0	25 0		6	Y.P.
20,76,900	5,076	1,18,00,888	85,58,242	21,920	E. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	94·00	100	5 0	5 0	5 0		12	Y.
46,87,500	46,12,622	2,50,83,371	1,62,61,854	19,215	Tata Industries Private Ltd. ..	67,228	1,620	Central India	173·75	25	1 12	2 0	2 4	2 8	3	Y.P.
3,38,50,525 / 1,00,563	3,06,82,110	11,16,31,472	5,81,07,327	1,28,712	Delhi Cloth & Genera Mills ..	1,41,180	2,352	Dhanalakshmi Mills	35·81R / 352·00xd	24 / 100	2 0 2/5 / 20 0	0 8/5 / 30 0	0 3/5 / 50 0	0 4 / 25 0	6,12 / 3	H. / Y.
84,34,800	22,25,000	66,71,865	45,12,958	....	M. N. Chettiar & Sons	38,052	201	Elgin Mills	22·00xd	10	1 0	1 0	1 0	1 4	9	Y.P.
68,00,000	19,47,056	1,04,57,558	1,35,57,945	78,754	Begg, Sutherland & Co., Ltd. ..	46,462	1,198	Gokak Mills	204·00	100	17 0	15 0	15 0	15 0	12	Y.
48,81,000	37,59,771	1,06,45,241	73,45,088	8,155	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gwalior Rayon	13·00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
2,50,00,000	2,25,000	3,41,27,181	....	1,06,74,790	Birla Gwalior Private Ltd. ..	138·00	100	Indore Malwa United	93·00xd	50	6 0	6 0	9 0	5 01	12	Y.
50,00,000	6,16,447	1,33,91,953	1,12,23,576	9,851	K. L. Setlawad, Esq. (Chairman)	51,180	1,420	Janardhana Mills	93·00xd	50	4 0	5 0	10 0		12	Y.
8,90,000	10,65,688	81,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardhana Mills								
15,54,000	18,24,703	45,22,284	33,88,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji ..	1,505·00	1,000	*Nil*	20 0	50 0	60 8	6	Y.
23,42,585	19,25,000	93,32,480	32,49,160	41,492	Kothari & Sons	41,040	200	Kothari Textiles	14·75	10	0 8	0 8	1 0	1 0	6	Y.P.
23,06,000	67,91,510	1,69,61,585	1,26,19,465	20,376	M.	50,452	1,219	Lakshmi Mills Co. Ltd. ..	705·00	250	37 8	33 12	42 8	42 8	12	Y.P.
23,54,100 / 1,02,00,000 / 5,00,000 h. / 9,93,400B.	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	130·00 / 65·00 / 41·75 / 109·00	50 / 25 / 15 / 200	5 0 / 2 8 / 3 0 / 5 0	10 0 / 5 0 / 3 0 / 8 0	12 8 / 6 4 / 3 0 / 12 8	12 8 / 6 4 / 3 0 / 2 10	3	Y.
1,75,02,480	4,24,40,278	5,83,51,924	3,77,47,982	22,44,130	A. & F. Harvey Ltd.	4,53,000	100	Madura Mills	410·00	100	12 8	22 8*	35 0	42 8	12	Y.
1,00,00,000	4,17,363	32,56,760	15,72,252	—20,078	A. A. R. S. Chettiar and 2 others.	25,056	603	Meenakshi Mills	82·00	100	7	5 0(e)	6 0		12	Y.
60,00,000	69,00,000	68,70,037	43,28,784	45,885	W. A. Beardsell & Co.,Ltd. ..	25,056	603	Meenakshi Mills	82·00	100	7	5 0(e)	6 0		12	Y.
29,50,884	19,61,581	89,75,246	49,94,788	16,588	N. Sirur & Co. Private Ltd. ..	29,896	704	Minerva Mills	170·00	258	7	5 0(e)	7 8(e)	7 8	6	Y.
24,91,856	21,56,146	1,71,94,769	78,81,853	1,55,068	M.	62,408	952	Model Mills (Nagpur)	170·00	50	....	....	....	....	12	Y.P.
30,00,000	12,19,500	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd. ..	58,640	1,824	Muir Mills	88·00	10	0*	8*	5 0(e)	5 0*	12	Y.P.
24,53,500	50,84,025	1,10,92,742	67,14,107	19,041	N. Sirur & Co., Private Ltd. ..	50,480	500	Mysore Spg. & Mfg.	101·25	50	10 0*	8*	5 0(e)	5 0*	3	Y.P.
13,61,750	6,500	29,25,252	15,12,761	—1,50,655	R. Suryavanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8·87 / 1·87 / —	10 / O. 7½ / D. 1	*Nil* / *Nil* / *Nil*	*Nil* / *Nil* / *Nil*	*Nil*	*Nil*	3	Y
22,89,8320 / 3,07,994D	25,62,533	1,04,27,293	58,90,719	—48,53,037	J. P. Srivastava & Co., Ltd. ..	70,072	1,333	New Victoria Mills	62·00	100	4 0	*Nil*	2 8(e)		12	Y.P
87,19,500	55,43,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	902	Osmanshahi Mills	147·00 / 215·00	50A / 75B	12 0 / 18 0	12 0 / 18 0	12 0 / 18 0		9	Y.
4,00,000A / 6,00,006B	6,50,000	39,12,549	23,46,016	14,509	Bhaghyalakshmi & Co.	41,200	..	Palani Andavar Mills	70·00 / 20·00	100 / *Nil*	*Nil* / *Nil*	*Nil* / 4 0(e)			12	Y.
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	275·00	100A	8 0	16 0	20 0		12	Y.
16,81,200A / 5,40,600B	22,75,000	83,60,150	49,36,174	4,862	A. G. Gurusamy Naidu & Co. ..	55,664	300	Radhakrishna Mills	140·00	50B	4 0	8 0	10 0		12	Y.
15,00,000	30,00,000	45,74,198	25,94,337	11,081	B. R. Naidu & Sons	33,896	..	Rajalakshmi Mills	133·00	50	7 8	10 0	10 0		12	Y.P.
16,14,300	15,00,000	32,92,216	17,41,484	10,510	Ramco Agencies Ltd.	24,996	..	Rajapalayam Mills	140·00	100	4 0	6 0	10 0	10 0	3	Y.
22,91,750	12,40,000	49,64,423	21,20,815	22,012	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	140·00	100	6 0	9 0	12 0	10 0	12	Y.
60,00,000	63,41,563	1,00,35,428	35,44,914	—10,16,732	J. P. Srivastava & Sons (Rampur)..	34,582	600	Raza Textiles	6·87N / 1,225·00	10 / 1,000	*Nil* / *Nil*	*Nil* / *Nil*	*Nil*	*Nil*	12	Y.P
15,00,000 / 10,000	1,60,85,917	8,18,49,081	2,06,07,227	—1,65,20,798	Morarka & Co.	95,222	2,234	Sholapoor Spg. & Mfg. ..	—— / 106·00	500 / 50	*Nil* / 4 0*	*Nil* / 4 8	*Nil* / 5 0	*Nil* / 7 0	3	Y.P.
26,69,700	17,10,000	81,44,272	65,58,318	1,09,148	H. N. Pallegar, Esq.	30,744	202	Sri Krishnarajendra Mills ..	80·00N	100	*Nil*	*Nil*	3 0		3	Y.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd. ..	17,880	440	Shree Sajjan Mills	94·00xd	10	4 0	5 0	6 0	6 0	3	Y.
15,00,000	3,43,80,155	99,62,158	79,85,780	80,60,558	Birla Brothers, Private Ltd. ..	36,212	1,244	Sutlej Cotton Mills	12·00N	100	0 8	0 12	0 12		12	Y.P.
17,50,0000 / 7,50,000Fc	2,30,00,000	4,84,40,847	1,70,68,159	1,09,029	Jaipuria Brothers	1,12,216	2,061	Swadeshi Cotton (Kanpur) ..	11·00N / Travancore Rayons .. / Trichinopoly Mills ..	102·0 / 13·60 / 13·00	0-14 2/5 / 10	1-2 2/5 / 0 12	1-2 2/5 / 0 12		12	Y.P.T.
1,00,00,000	80,14,788	3,80,55,317	1,37,16,775	2,63,771	Emcete & Sons (Travancore), Ltd...	..	..		13·00	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.
18,98,670	9,75,233	1,07,39,181	11,27,236	1,506	Moolji Ramjee & Sons	18,000	..	Vasanta Mills	308·00	100	12 0	15 0	20 0		12	Y.P.
21,00,000	24,50,000	71,58,722	40,62,168	56,000	B. K. Chetty & Brothers ..	44,424	270	Vishnu Cotton	139·37	100	4 0	1 0	8 0	8 0	12	Y.P.
32,00,000	31,39,009	1,74,27,020	1,17,94,860	16,922	M.	47,240	1,355									

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (h) For six months ended 31st December, 1956

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Gokee Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BREWERIES AND DISTILLERIES

19,92,000	25,43,500	1,12,48,027	57,39,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10·25cd	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,030	26,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries]	6·00	5	0 8	0 8	0 9	0 9	3	Y.
45,49,950	5925,777	51,302,585	5566,540	656,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	26·42 / —	A. 16sh. / B. £1	Sh. 1 3/6 / Sh. 4	Sh. 1 3/5 / Sh. 4	Sh. 1 3/5 / Sh. 4	Sh. 1	9	Y.P
25,00,000	9,60,000	15,96,636	15,96,629	4,079	Vital Maliya, Esq., (Chairman) ..	United Breweries	172·50	75	15 0	15 0	15 0	15 0	3	Y.

CEMENT

51,37,660 / 43,14,900D / 4,70,976D. / 12,71,67,258 / 60,00,0000. / 26,50,000D. / 5,00,000D. / 42,45,7500. / 7,50,000D.	13,06,123	83,25,520

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45 00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	100·00	25	1 0	3 2	4 11		6,12	H.P.T.
65,00,000	66 05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp	21·62	10	12 0	14 0	1 6	0 11 1/5[1]	3,9	H.
35 00,000	20,12,500	1,43,61,701	67,07,960	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16·37	10	1 0*	0 12*	0 12*	1 0*	3	H.P.T.
1,46,82,500	2,16,71,731	4,58,61,778	2,12,435	1,07,73,682	Birla Brothers Private Ltd. ..	Orient Paper	30·10	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,49,070	67,32,768	1,55,90,914	98,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	15·44	10	1 8	1 8	1 4	0 10[1]	6,12	H.P.T.
20 00,000	6 50,000	95,83,644	61 01,926	13,795	Bajoria & Co.	Star Paper Mills	10·25	O. 10	0 12	0 12	1 4	}	3,9	H.P.T.
10 00,000 P.A.							10·25	A. 10	0 12	0 12	1 4	1		
50 00,000 A.	49 18 060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd.	Sirpur Paper Mills	9·10	10	Nil	Nil	5 0‡	0 8	6	Y.P.
50 00,000 B.							35·37	A. 10	2 0*	1 8	2 0*	1 2†*		
50 00,000 L.							35·37	B. 10	2 0*	1 8	2 0*	1 2†*	3,9	H.P.
4,37,500 P.O.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,315	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	4·00	P.O. 24	0 4	0 4	0 4	0 2†*		
PRESSING														
5,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule & Co.	Calcutta Hydraulic	95·00N	100	3 0	4 0	*Nil*	*Nil*	6	Y.
5,00,000	2,47,132	10,91,509	9,30,374	26,289	Andrew Yule & Co.	Central Hydraulic	125·00	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
9,00,7800.	6,93,332	43,52,570	22,63,279	96,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13·50N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
3,00,000 D.							2·75N	D. 1	0 4/5	*Nil*	0 9 3/5			
60,00,000	18,07,374	84,39,704	15,00,000	540	Dorab Sassoon & Co., Ltd. ..	Port Canning Land	6·25	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,70,109	98,05,154	95 892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	23·00	100	1 8	4 0	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,05,545	31,61,533	10,78,333	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	2·87	3	*Nil*	*Nil*	*Nil*		9	Y
50,00 000	4,13,54,388	8,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	579·50	Old125	15 0	20 0	57 8	40 0	5	Y.
42,00,000							214·50	New50	6 8	8 0	15 0	16 0		
6,00 000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	25·00N	100	*Nil*	*Nil*	*Nil*		9	Y.P.
80,00 000	21,15 487	19,00,295	14,35,560	2,76-619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40·25	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,371	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	6·50	5	*Nil*	0 12	0 1	*Nil*	6	Y.
12 00 000 A.	29 80,240	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	130·00N	A. 100	10 0	10 0	10 0	10 0	4	Y.T.
3 00 000 B							14·00N	B. 10	1 0	1 0	1 0	1 0		
19,49,050	5,50,000	33,35,389	24 41,801	51,985	Bangur Bros., Ltd.	Belsund Sugar	10·87	74	1 12	0 12	0 12		8	Y.P.
15,00,000	13,51,513	15,12,168	12,47,841	2,330	Cotton Agents Private Ltd. ..	Bharat Sugar	16·25N	10	1 8	1 8	1 8	1 8	6	Y.P.T.
32,00,000	28,37,030	1,36,90 775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7·31	10	*Nil*	0 12	0 4		6	Y.P.
36,00,000	57 83,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	17·00	10	1 0	1 0	1 8	1 0	6	Y.
18,00,000	99 72 380	81 56,885	55,46,244	99,503	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	20·37	10	1 0	0 12			6	Y.T.
5,99 452	6,18 562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10·00N	10	15 0*	15 0*	15 0*	15 0	6	Y.P.
50 00,000 A.	44,95,000	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd. ..	Hindustan Sugar Mills	275·00	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
10,00 0000.							100·00	O. 100	15 0*	15 0*	15 0*	15 0		
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	65·00	80	*Nil*	*Nil*	4 8		7	Y.P.
							46 25	40	*Nil*	*Nil*	4 8			
7 89,100	22,35,852	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd. ..	New India Sugar Mills	30·00N	10	2 8	2 8	2 8	2 8	6	Y.P.T.
11,00 000	4 45,000	46,39,636	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd.	New Savan	5·75	10	0 4	0 4	0 4	0 5	5	Y.
12,98,900	48,01,854	71,25,062	24,33,984	9,769	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	229·00	100	20 0	20 0	20 0	20 0	6	Y.
61,375							60·00	25	5 0	5 0	5 0	5 0		
77,45,350	55,05,699	2,04,73,468	1,05,50,000	20 563	Cotton Agents Private Ltd. ..	Oudh Sugar	140·00	100	11 0	11 0	11 0	11 0	7	Y.P.
12,00 000	12,59 374	31,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	100·00	100	10 0	10 0	10 0		10	Y.
9,00,000	17,64,869	37,70,908	30,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	17·25N	10	1 0	0 12	0 12		10	Y.P.
8,00,000	6,10,793	28,74,028	22,66,790	13,204	M.	Ryam Sugar	18·25xdN	10	0 8	0 8	*Nil*	1 12	6	Y.P.
11,00,000	19,38,520	45 20,102	24,12,129	3,554	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	11·50	10	0 8	0 8	*Nil*	*Nil*	6	Y.
60,00,000	22,68,540	1,35,20,110	62,59,321	84,046	Salu Jain Ltd.	Shree Krishna Gyanoday Sugar	10·75	10	1 8	1 8	1 12		8	Y.P.T.
9 99,950	26,825	28,20,774	13,51,547	—4,25,477	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4·75	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
							15·00	10	2 0*	1 8*			8	Y.T.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	1·00N	O. 10	*Nil*	*Nil*	*Nil*		10	Y.
9,15,000 D.	46 462	29 66 360	11,46,770	—16,37,907	M.	South Behar Sugar	0·25N	D. 24	*Nil*	*Nil*	*Nil*		10	Y.P.T.
4,40,000 D.							70·00N	10	2 8	2 8	1 8	3 0	6	Y.P
8,00,000	29,24,348	1,15,70,815	68,03,754	32,829	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	15·00	10	0 8	1 4	1 8		9	Y.
15,00,000	7,66,589	32,69,951	26,68,926	20,564	M.	United Provinces Sugar								
Other Centres														
80,00,000	8,00,000	48,07,304	14,63,228	1,90,837	Rangarao & Co.	Andhra Sugars Ltd.	18·25	10	*Nil*	*Nil*	0 9 3/5	1 0	9	Y.
70,49,650	95,82,027	1,48,40,934	1,08 57,570	52,911	W. H. Brady & Co., Ltd. ..	Belapur Company	225·00	50	16 0	16 0	16 0	16 0Z	9	Y.
17,50,000	8,86,855	35,66,598	22 70,609	33,609	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	17·50	10	0 10	1 0	1 0	1 8	9	Y.P.
15,00,000	37,09,165	32,89,314	3,24,398	33,344	A. H. Bhiwandiwalla & Co. ..	Bhrer Chamdeo Sugar	20·75	12	8 3	1 0	2 0	6 0	9	Y.
15,93 900	2,45 755	40,16,957	31,85,399	—1,45,373	J. P. Srivastava & Sons (M.R.) Ltd.	Gwalior Sugar	60·00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
67,94 920	14,00 000	80 54,997	18,71,128	52,269	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	18·85	10	2 8	1 12	1 6 2/5		6	Y.P.
20,62,558	12,13,785	46,34,173	11,11,505	32,569	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	13·37	10	1 0	1 0	1 0	0 9-3/5	6	Y.P.
83 57 820	45 51,080	42,51 227	21,95,927	18,844	Govan Bros. (Rampur) Ltd. ..	Buland Sugar	14·50N	10	1 0	1 0	1 0		10	Y.
10,52,200 O.	79,50,000	1,79,05,147	85,20,265	26,868	V. Ramakrishna, Sons (Private) Ltd.	K. C. P. Ltd.	135·00	O.100	7 8	7 8	7 8	7 8	6	Y.P.
2,37,190 D.							145·00	D. 10	10 0	10 0	10 0	10 0		
21 79 250	86,24 818	1,29,89,142	82 81 728	2,63 107	S. Munnanlappa, Esq., (Mg. Director)	Mysore Sugar	37·50	10	2 0	2 0	2 0	2 0	6	Y.
50 00 000	53,00,541	1,99,70,631	63,35,454	93,981	Mafatlal, Apte and Kanthal Ltd.	Phaltan Sugar	133·00	50	6 0	8 0	8 0	9 0	8	Y.
16 59 920	35,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Rammugger, Cane and Sugar	22·75	10	2 0	2 0	2 0		8	Y.P.T.
20,00 0000	21,76 092	89,12,138	58,60,383	64,612	Walchand & Co. Ltd.	Ravalgaon Sugar Farm ..	135·00N	O. 50	*Nil*	2 8	9 0		9	Y.P.T.
4,00 000 D.							7·00N	D. 10	*Nil*	*Nil*	0 1 1/			
19,99 600	47,65,324	46,85,212	22,94,524	44,168	Govan Bros. (Rampur) Ltd. ..	Raza Sugar	15·50N	10	1 0	0 12	0 12		10	Y.
80 00,000	9 10,000	59,87,263	32,10,844	45,098	Parry Co., Ltd.	Travancore Sugars	11·12	10	*Nil*	*Nil*	0 12	1 0	7	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,31 172	M.	Walchandnagar Industries ..	265·00	100	14 0	16 0	18 0	1 0	7	Y.P.T
TRANSPORT														
20,00 000	1,00,69,622	1,24 00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	130·00	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,619	4,41,65,364	1,55,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	80·00N	100	5 0	5 0	5 0		12	Y
60,00,000	81,60,611	3,31,00,904	59,55,703	83,315	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd. ..	Great Eastern Shipping Co. ..	17·90	10	1 0	1 0	*Nil*	1 8	6	Y.P.
						India General Navigation & Rly Co.	60·00	£10	*Nil*	Sh. 1 0	Sh. 10		12	Y.P.
					Kilburn & Co., Private Ltd. ..	India Steamship Co.	10·10	10	0 8	*Nil*	*Nil*	1 0	3	Y.P.
£555 580	£1,098,198	£5,614,160	£3,397,531	£32,063	Lions' Edwards Ltd.	Scindia Steam Navigation Co. ..	10·20	20	0 12	0 8	*Nil*		3	Y.P.
$ 25 00,000	89,99 232	9 04 47,644	2,22,99 146	5,62,020	M.	Walford Transport Ltd.	as. 1 3/25	1 22/2	as 2 6/25			1 0	6	Y.T.
9,39 98,000	9,00,12,101	22,64,99,394	4,85,66,202				2·06	O. 1	as. 10/25	1 19/25	as.128/25		12	Y.
$ 40,8000.	19,68,266	11,55,483	7,29,969	1,34,493	R. B. Alyar, Esq., (Manager ..		1·81	P.O. 1						
10,200 P.O.														
UNCLASSIFIED (Bombay)														
2 40,000	71,000	5,68,521	4,22,863	230	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530·00	200	32 0	32 0	32 0	30 9	12	Y.
15,93,880	2,04 173	2 26 474	90,000	1,99,351	M.	Bombay-Uganda	60·00N	80	5 0	4 8	*Nil*		12	Y.
25 00,000	1,00 000	£2 37 1/4		225	M.	Devkaran Nanji Investment Co.	11·50	25	0 12	0 12	0 12	0 18	3	Y.
5,57,00,000	1,03,03,754	4,55,59,017	1,03,65,563	04,16,738	A. J. C. Hoskyns-Abrahall (Chairman).	Hindustan Lever	18·50	10				1 4	12	
30,17,990	13,68,886	86,39,283	59,24,587	38,092	Birla Brothers Private Ltd. ..	Hind Cycles	142·50	100	8 0	10 0	10 0		12	Y.P.T.
14,98,440	3 42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	40·00	50	*Nil*	2 0	2 0		3	Y.P.
99 99 250	19,47,386	1,22,03 604‡‡	8,04,331	2 83 136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76·00	100	4 8	4 8	4 8		12	Y.
99 99,975	35,08,351	35 47,826	8,04,331	6,0 ,445	K. G. Milne, Esq. (Mg. Director)	Kilick Industries	153·00	100	10 0	11 0	11 0	11 0	6	
3,20 13,725 A. O.	39,14,395	8 06,59,811	1,49 05,326	7,356	Aero-Auto Private Ltd.	Premier Automobiles	108·00	*Nil*	*Nil*	*Nil*	*Nil*		6	Y.
10 21,200	5,05,419	8,09,102	5,79,614	9,341	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	24·50	20	3 0	2 0	2 0	3 0	6	Y.
2,75,00,000	73,75 000	3,03,67 181	1,63,71,846	5 61,994	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co.	168·75	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	62,52,390	7,44,904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350·00	150	20 0	20 0	20 0	22 8	12	Y.
Other Centres														
47,50,000	1,94,82,556	3,78,51,606	72,16,868	1,16,199	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	9·50	O. 10	*Nil*	*Nil*	*Nil*	0 8	3	Y.P.T.
2,50 000							5·00N	D. 24				*Nil*		
40,00 000	28,25,000	56,28,345	21,54,600	54,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd. ..	13·62	10	1 4	1 4	1 4	1 4*	3	Y.
80 00,000	36,18,873	54,21,252	22,04,853	3,35,874	Turner Morrison & Co., Private Ltd.	Angelo Bros., Ltd.	19·00	10	1 4	1 4	2 0*	2 0*	3	Y.
80,00,000	8,85 000	38,39,494	20,85,050	1,18,396	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	19·25	10	1 4*	1 4*			12	Y.
20,00,000	32,47,883	1,02,58,021	36,87,830	2,45,122	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	7·50N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	8	Y.P.T.
80,01,400	1,16,53,000	67 47,111	33,97 111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	154·00	100	20 0*	13 0‡	12 8		12	Y.
12,00 000	9 10 000	31,37 448	24,00,448	78,830	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	31·25	10	1 8	2 8	2 4	1 21	6,12	Y.
20,00,000	7,95,430	62,57 004‡‡		1,15,707	Lovelock & Lewis	Birds Investment Ltd.	13·75	10	1 4	1 4	1 4		9	Y.P.T.
45,97,020	80,11,814	1 10 56,424	33,87,839	1,79 277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	13·06	10	0 8	0 8	1 0	1 0	9	Y.P.T.
3,25,00,000	1,16 11,805	2,82,03,005	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	7·20	5	0 8	0 1	*Nil*		12	Y.P.
1,38,80,000	17,34,264	2,03,27,225‡‡		12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	9·62	10	0 4 1/5	0 3 1/5	0 9	1 6	3	Y.
1,80,00,000	3,14,86,174	5,15,52 036	2,20,82,990	11,71,686	John Luckham, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	24·75	10	1 8	1 8	1 8		12	Y.P.
61,26,000	54,10,811	1,72,17,307‡‡	....	3,27,016	Hind & Co. Private Ltd.	Eastern Investments Ltd. ..	115·00	100	9 0	9 0	9 0	9 0	12	Y.P.
14,00,000	10,02,000	88,81,772	18,89,772	27 194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	135·00	100	20 0	15 0	15 0		8	H.
65,00,000	53,17,300	19,73,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	10·62	10	7 8	7 8	1 6 2/5	1 9 3/5	3	Y.P.
30,00,000	14,67,354	81,29,920	23,68,392	7,458	B. F. E. Syndicate	Great Eastern Hotel	26·00	10	2 0	2 0	2 0	16 0	3	Y.
4,98,05,700	....	3,94,18,142	1,31,88,541	6,16,062	Birla Brothers Private Ltd. ..	Hindustan Motors	12·75	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
1,60,00,000	46,77,754	4,16,74,246	1,74,76,663	6,18,074	E. B. Greenwood (Mg. Director)	Indian Aluminium Co.	12·75	10	1 0	1 0*	9 0		12	Y.P.
1,52,79,220	1,37,00,000	1,96,35,780	71,50,911	82,04,214	E. J. Woodley, Esq. (Mg. Director)	Indian Cables	16·00	10	1 4*	1 4*	1 4*	1 8*	3	Y.P.T.
8,27,970	6,03,000	15,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	26·00	10	1 0	1 0	0 10	1 0	3	Y.P.
15,16,00,000	7,89,02,892	4,15,59,461	1,63,28,877	24,94,274	G. S. Moulton & Co. (India) Ltd.	Imperial Tobacco Co. of India Ltd.	13·50	10		0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
1,00,00,000	1,00,00,000	87,46,656	11,08,843	5,11,852	G. M. Macklinay, Esq.	Jardine Henderson	26·00	100	7 8	7 8	7 8	7 8	3	Y.P.
40,00,0000.	80,86,900	26,15 922	8,78,870	2,67,234	A. T. Dolg. Esq. (Mg. Director)	McLeod & Co.	225·00	O.100	10 0	17 0	2 8‡		12	Y.P.
5,00,000 D.							....	D.O.10	0 8	1 3 1/5	1 12			
1,43,98,500	61,82,796	49,23,993	13,34,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	29·37	10	1 6*	1 6	1 12*	2 2*	9	Y.P.
1,10,00,000	58,50,000	1,86,37,973	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman).	Metal Box Co. of India, Ltd. ..	27·50	10	1 4	1 4	1 4	1 10	9	Y.P.
6,35,585	1,55,250	7,83,596	2,50,987	—2,38,681	Shankar Rao P. Vyale, Esq. ..	Mysore Glass and Enamel Works	4·00	10	*Nil*	*Nil*	*Nil*		6	Y.
6,56,250	9,13,696	11,13,541	5,81,935	440	M.	Mysore Lamp Works	15·37	10	1 0	1 0	0 12	0 14 2/5	3	Y.P.
10 00,000	2,18,500	15,54,005	9,41,427	44,518	M. H. Parthasarathy Esq. (Chairman).	Mysore Tobacco	19·62	10	1 0	1 4	1 0	1 8	3	Y.T.
40,00,000	74,71,172	68,80,914	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd. ..	National Insulated Cable Co. ..	20·00	10	1 0	1 0	1 8*	2 0*	3	Y.T.
						National Rolling & Steel Ropes	10·00	10	0 9	0 9	0 9‡	0 9‡	6	Y.P.
40,00,000	15,00,000	93,19,395	21,17,402	75,726	Do	National Tobacco Co.	10·62	10	*Nil*	0 8	0 12 4/5		6	Y.P.
79,97,000	....	1,17,52,757	57,19,268	8,99 582	B. N. Elias & Co., Ltd.	Rallis (India) Ltd.	30·50	100	*Nil*	*Nil*	*Nil*	*N*	3	Y.P.
2,25,00,000	8,71,248	1,45,28,415	45,23,274	—44,12,988	M. P. A. Pappatil, Esq.	Rohtas Industries	16·50	10	1 8	1 8	1 8		8	Y.P.
1,72,24,400	1,31,20,308	7,56,34,889	3,47,94,970	4,91,624	Sahu Jain Ltd.	Spencer & Co., Ltd.	16·00	10	1 8	1 8	1 8	1 8	10	Y.P.T.
40,00,000	87,06,558	1,21,67,804	73,06,327	6,32,212	G. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	11·44	10	1 0	1 4	1 0		12	Y.P.
75,00,000	54,13,860	17,59,8165	5,81,935	3,65,280	B. H. D. Campbell, Esq.	Travancore Ogale Glass	3·62	10	*Nil*	*Nil*	*Nil*		12	Y.
9,98,380	....	14,99,289	3,84,580	....	Ogale Bros., Ltd.									

M.—Managed by Board of Directors. ‡‡ Investments at cost. • Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

X—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,34,864	5,38,169	..,77,477	McLeod & Co., Ltd.	325	Amluckie	28·00	10	25 0	72 0	19 0		12	Y.P.
3,50,000	8,43,250	10,69,902	2,83,926	50,526	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea ..	36·00	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,21,676	7,08,427	36,051	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	23·00	10	2 8	8 0*	1 0		12	Y.
5,50,000	11,21,541	17,56,465	4,59,309	66,735	McLeod & Co., Ltd.	513	Badimari	21·12	10	Nil	3 8	1 0		12	Y.
5,10,000	9,10,000	12,25,582	7,13,759	50 298	Andrew Yule & Co., Ltd.	378	Basmatia	31·12	10	2 8	3 0	1 8		12	Y.
3,30,600	4,65,000	10,27,063	3,08,925	66,155	National Tea Corporation	570	Bateli	29·00xd	5	2 0	4 0	2 8		12	Y.
3,20,000	9,40,000	58

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
5,00,000	1,60,000	3,92,350	31,236	22,236	Planting Agencies Ltd.	Balmadies Plantations	3-25	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,185	21,13,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8-06	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	25-50	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,85,000	45,87,750	1,16,65,380	25,13,535	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	21-25	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	3,47,666	7,88,759	40,878	1,009	Associated Planters Ltd. ..	Cottanad Plantations	17-37	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	14-25	10	1 4	2 8	2 0	0 10†	12	Y.P.
4,00,000	10,92,899	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	26-25	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	29-75	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71 161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	17-50	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmony Rubber	22-75	10	0 12	1 8	1 8	....	12	Y.P.T.
2,00,000	2,65,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co.	16-25	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	21,29,615	42,87,395	14,23,968	*Nil*	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4-80	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10	
13,50,000	9,90,000	42,15,515	5,42,127	8,082	A. V. Thomas & Co. Ltd. ..	Rajagiri Rubber	20-00	10	1 12*	1 12*	2 0	2 8	6	
2,55,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Savannah Estates Ltd.	21-00	10	2 0	2 8	2 0	....	11	
10,00,000	3,00,000	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9-19	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	12	
3,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	28-00	10	3 0	3 0	3 0	....	12	
9,15,300	4,00,000	20,99,920	96,217	87,055	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1-78	1	0 4½	0 13/5	0 2	0 2	9	Y.
6,00,000	75,491	9,79,479	3,23,517	2,745	Kapen Thomas, Esq (Mg. Director)	Travancore Rubbers	20-00	10	2 0	2 0	3 0	....	12	Y.
41,00,000	14,80,799	76,82,300	8,68,181	2,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	9-25	10	1 0	1 8	1 4	....	12	Y.
20,00,000	....	27,70,782	6,45,980	82,727	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	39-50	25	3 0	5 0	4 0	....	12	
6,25,880	5,40,670	8,51,488	16,125	40,780	Harrisons & Crosfield Ltd. ..	Valkumdam (Travancore) Rubber ..	30-25	10	2 0	2 4	2 0	1 8†	12	
6,75,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9-62	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,844	56,37,664	29,690	B. N. Elias & Co., Private Ltd. ..	879	Agarpara	8-37	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6,00,000	10,25,000	51,65,433	36,93,877	1,58,339	MeLeod & Co., Ltd. ..	446	Alexandra	135-00xd	100	2 8	7 8	10 0	....	6,12	H.P.T.
80,00,000	6,25,000	1,17,61,827	32,75,069	23,108	MeLeod & Co., Ltd. ..	1,254	Alliance	74-00	100	5 0	12 0	6 0	....	6,12	H.P.
49,20,700	60,00,000	2,05,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	131-00	100	12 8	7 8	8 0	8 8	3,9	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,277	Bird & Co., Private Ltd. ..	810	Auckland	85-00	100	4 0	8 8	10 0	1 0†	3,9	H.P.T.
20,00,000	23,80,918	96,91,416	45,55,094	65,302	Jardine Henderson & Co. ..	959	Bally	142-00	100	4 0	*Nil*	5 8	*Nil*	3,9	H.P.T.
£275,000	£667,405	£1,477,480	£987,176	....	Sir John H. Burder (Chairman)	1,889	Barnagore	91-00	£5	£1 0	sh.15	sh.15	*Nil*	3,9	H.P.
28,00,000	28,00,623	93,78,705	59,70,221	2,525	Andrew Yule & Co., Ltd. ..	820	Belvedere	90-00	100	15 0	10 0	7 8	*Nil* †	6,12	H.P.
48,00,000	38,43,000	87,03,178	31,35,574	2,65,100	Soorajmull Nagarmull	600	Bengal	14-50	10	1 4	1 4	1 4	....	6	H.P.
91,25,000	2,17,48,353	3,34,02,472	1,48,32,451	4,87,393	Birla Brothers Private Ltd. ..	1,573	Birla	14-00	10	1 4	1 4	1 0	1 0	3	Y.P.
36,00,000	21,81,426	1,17,90,047	72,95,939	1,336	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	90-00	100	10 0	9 0	7 8	*Nil*	3,9	H.P.
7,47,380	8,09,640	42,13,704	31,62,882	—8,31,470	Dayaram & Sons	502	Calcutta Jute Mfg.	8-50	10	*Nil*	0 12	*Nil*	....	6,12	H.P.
18,00,000	26,46,234	57,85,841	43,35,058	1,313	Andrew Yule & Co., Ltd. ..	1,035	Caledonia	165-00	100	12 0	9 0	6 8	*Nil* †	5,11	H.P.T.
59,16,400	95,49,223	2,23,08,769	1,11,69,802	19,019	James Finlay & Co., Ltd. ..	600	Champdany	120-00	100	6 0	3 0	10 0	2 0†	5,11	H.
15 95,000	19,83,082	82,12,511	37,10,176	1,287	Andrew Yule & Co., Ltd. ..	530	Cheviot	125-00	100	12 0	14 0	10 0	*Nil* †	5,11	H.P.
80,15,000	81,00,000	64,10,068	47,77,990	1,32,249	MeLeod & Co., Ltd. ..	600	Chitavalsah	10-00xd	10	1 12	1 2	1 6	....	6,12	H.P.T.
24,00,000	9 00,000	81,05,335	67,13,327	25,925	Shree Krishna Investment Co., Ltd.	969	Clive	13-75	10	*Nil*	*Nil*	1 4x	0 8	3	Y.P.
31,49 203	46,65,252	1,17,25,484	46,04,778	—8,80,846	Bird & Co., Private Ltd. ..	766	Dalhousie	4 0	2 8	4 0	*Nil*	3	H.
28,00,000	40,71,579	75,67,478	47,33,110	2,164	Andrew Yule & Co., Ltd. ..	779	Delta	20 0	12 4	10 0	*Nil*	5,11	H.P.
15,00,000	24,50,000	52,62,679	39,80,760	78,264	MeLeod & Co., Ltd. ..	500	Empire	14-00xd	10	1 0	1 4	1 0	....	5,11	H.P.
21,00,000	60,80,960	2,70,39 034	1,89,10,198	1,80,416	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	299-00 N	100	*Nil*	5 0	15 0	7½	6,12	H.T.P.
21,00,000	13,00,000	97,85,974	84,69,893	1,84,823	Bangur Bros., Ltd. ..	1,014	Fort William	17-50	10	1 0	20 0	20 0	0 12½	3,9	H.T.P.
84,32,100	....	2,11,07,224	1,33,88,826	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	46-00	100	*Nil*	0 8	8 8	*Nil* †	3,9	H.P.
10,80,000	25,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	225-00	100	15 0	*Nil*	....	....	12	Y.
24,00,000	29,32,327	2,19,00,613	1,81,37,422	25,195	Macneill & Barry Ltd.	1,294	Goneporo	220-00	100	8 12	10 0	15 0	2 8†	3,9	H.P.
40,00,000	64 68,253	1,14,86,548	56,72,130	3,40,348	Bangur Bros., Ltd.	1,078	Hastings	82-25 N	100	10 0	11 0	11 8	5 0	3	Y.P.
16,80,000	18,61,969	66,47,781	47,70,916	—2,95,858	Jaipuath Bajoria	720	Hooghly	18-50	10	1 4	0 8	1 4	*Nil*	3	Y.P.
45,52,800	27,44,343	49,64,372	1,10,52,708	87,282	Andrew Yule & Co., Ltd. ..	1,940	Howrah	15-00	10	1 8	1 4	0 14	0 4†	3,9	H.P.T.
52,50,000	27,88,153	2,86,51,559	1,96,51,559	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	29-00	10	1 8	2 0	1 8	1 8†	3,9	H.P.T.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,257	M.	1,076	India	{121-00	125	6 4	3 2	4 11	4 11†	3,9	H.
$0.00								D.	1	0 4/5	0 2/5	0 2/5	2% †		
24,00,000	18,75,346	1,85,39,772	1,15,01,308	....	Jardine Henderson Ltd.	1,797	Kamarhatty	{83-00	100	9 0	8 0	8 0	*Nil* †	6,12	H.
19,20,000'B'								{80-00	'B' 100	9 0	8 0	8 0			Y.P.
$0.00 000	9,81,472	1,74,14,302	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankanarrah	{56-00	100	7 8	6 8	7 0	*Nil* †	6,12	H.P.
14,00,000'B'								{55-00	'B' 100	7 8	6 8	7 0			
$1,00 000	53,00,000	1,22,91,697	33,77,484	1,10,851	MeLeod & Co., Ltd.	703	Kelvin	170-00xd	100	15 0	20 0	17 8	....	6,12	H.P.
54,00,000	23,83,375	1,72,56,983	1,18,60,127	56,928	Andrew Wright Ltd.	1,530	Kinkinah	115-00	100	17 8	12 0	11 8	5 8†	3,9	H.P.
48,00,000	1,08,90,860	2,44,37,944	1,15,66,122	41,637	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	121-00	100	9 0	7 0	15 0	6 0†	3,9	H.P.T.
24,48,000	29,51,564	1,11,32,345	47,99 245	—2,12,719	Bird & Co., Private Ltd.	921	Lansdowne	90-00	100	7 0	8 0	6 0	*Nil* †	3,9	H.P.
58,00,000	45,75,193	1,16,38,800	64,57,897	1,07,293	Bird & Co., Private Ltd.	840	Lawrence	90-00	100	5 0	6 0	6 0	*Nil* †	3,9	H.P.
31,65,200	26,36,045	2,64,13,349	1,26,97 309	1,64,942	M.	1,283	Magna	68-00	100	5 0	2 8	8 12	3 12†	3,9	H.
20,98,900	38,40,147	1,34,91,468	1,01 37,572	—3,09,111	F. W. Heilgers & Co. Private Ltd.	816	Naihati	54-00	100	*Nil*	*Nil*	*Nil*	*Nil* †	3,9	H.
20,00,000	15,55,000	39,01,503	13,21,709	17,811	Howrah Trading Co., Ltd. ..	476	Nasarpara	13-75	10	0 8	1 0	0 10†	....	4,10	H.T.
35,00,000	41,54,326	30,28,401	16,32,816	1,929	Andrew Yule & Co., Ltd. ..	852	National	19-25	10	2 0	2 0	2 12	0 6	4,10	H.P.
26,25,000	26,25,000	37,71,022	20,34,909	1,08,157	MeLeod & Co., Ltd.	816	Nellimarla Jute ..	10-94	10	1 12	1 8	1 0	....	6,12	H.P.T.
38,50 000	2,71,44,343	4,39,15,627	99,32,548	87,287	Kajaria Ltd.	1,768	New Centralia	11-50	10	24 0	17 0	11 8	0 12†	12	Y.P.
16,79,880	49,70,164	1,18,50,857	51,62,018	70,116	Bird & Co., Private Ltd.	567	Northbrook	29-00	10	1 8	2 0	1 8	1 8†	12	Y.P.T.
66,79,500	22,24,981	2 18,55,164	1,39,46,811	17,000	Macneill & Barry Ltd.	1,093	Nuddea	29-00	50	0 8	0 8	1 0	*Nil* †	3,9	H.
24,93,250	33,72,790	75,07,658	50,85,690	587	Andrew Yule & Co., Ltd. ..	901	Ooterpara	99-00	125	12 0	8 0	8 0	1 0†	5,11	H.P.
26,00,000	6 28,490	80,86,437	65,32,186	51,595	MeLeod & Co., Ltd.	400	Presidency	3-37	5	0 2	0 2	....	....	6,12	H.T.
20,00,000	2 49,781	26,97,878	2,39,120	—9,12,218	Birla Brothers Private Ltd.	208	Rameshwara	5-12	10	*Nil*	*Nil*	*Nil*	*Nil* †	3	H.P.
49,50,000	5,82,454	1,23,38,629	69,15,849	—11,72,841	Jardine Henderson Ltd.	1,576	Reliance	7-75	10	0 8	*Nil*	*Nil*	*Nil* †	3,9	H.P.T.
£400 0 3	£1,093,712	£1,245,244	£58,994	....	Thomas Du	2,013	Samnagger	10-25	£1	10%	10%	8% 11	....	3,9	H.P.T.
80,00,000	13,14 910	1,15,50,877	76 96,165	7,078	Bagaria Mo:	911	Shree Ambica	14-00	10	0 8	1 0	0 8	....	3,9	H.P.
14,00,000	11,25,000	66,11,794	35,79,394	2,186	Hindustan Jave .. .. Mon	401	Soorah	13-00	10	0 8	1 0	1 8	....	12	Y.P.T.
25 19 600	42 72,182	1,27,38,246	53,23,429	—4,87,127	Bird & Co., Pri	680	Standard	65-00	100	2 0	2 0	0	*Nil*	3,9	H.P.T.
£600,000	£926,119	£1,137,660	....	£83,548	Thomas Duff & Co. (India), Ltd.	1,794	Titaghar	10-25	£1	10%	10%	8% 11	....	12	Y.P.
£5,95 600	£5,06,723	£9,00,00,808	£4,38,858	18,334	Bird & Co., Private Ltd.	1,100	Union	110-00	1,250	6 0	6 0	10 0	1 0†	3,9	H.P.T.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	10-00	£1	10%	10%	8% 11	....	12	Y.P.
2,50,000	6,85,000	55,98,062	40,22,991	14,818	MeLeod & Co., Ltd.	457	Waverley	3-25	1	0 1	0 8	0 8	....	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
28,50,000	25,05,000	91,54,011	64,41,011	28,610	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	17-50	10	1 0	1 5	1 6	0 8†	3,9	H.
13,00,000	8,77,542	37,37,034	24,90,152	45,399	Jardine Henderson Ltd.	Barares Coke	16-25	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 8/5†	3,9	H.
4 49,350	70,000	8,49,159	5,40,966	4,961	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5-50xd	10	0 12	0 12	....	....	6,12	H.
1,00,00,000	1,40,54,223	5,91,92,614	3,91,77,324	7,31,068	Bird & Co., Private Ltd.	Bengal Coal	220-00	100	32 0*	30 0*	25 0*	....	4,10	H.P.
2,25,000	4,22,669	24,81,732	23,25,524	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14-00	10	*Nil*	*Nil*	....	....	4,10	H.P.
15 97,000	4,73,584	37,70,192	32,77,384	13,498	H. V. Low & Co., Ltd.	Bhalgora	4-75	10	0 8	....	....	....	6,12	H.T.
40,00,000	1,39,05,603	71,06,188	37,423	1,31,181	Bharat Collieries	Bhulanbararee	6-13	10	0 13	0 10	0 10	....	3	Y.
7,18,000	15,11,080	52,62,588	37,38,500	—1,87,446	F. W. Heilgers & Co. Private Ltd.	Bhulanbararee	13-00 N	10	*Nil*	*Nil*	*Nil*	....	6	Y.P.T.
16,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12-00 N	10	....	....	....	....	6,12	H.P.
7,50,000	24,29,053	42,39,603	28,83,408	24,207	F. W. Heilgers & Co. Private Ltd.	Borrea	8-75	10	2 8	2 0	2 0	....	6,12	H.
90,92,480	1,79,05,988	4,22,86,647	1,90,16,824	36,168	Bird & Co., Private Ltd.	Burrakur	21-25	10	0 12	0 9	0 10	0 8†	6,12	H.
49,97 750	....	42,38,430	7,80,000	9,927	Hindustan Investment Corpn., Ltd.	Central India	6-00	10	0 4	0 4	0 4	0 3	3	Y.
2,00,000	15,54,302	69,10,414	32,62,984	25,788	M.	Central Kurhurd	10-00	10	1 0	....	....	....	6,12	H.
6,00,000	1,43,676	7,25 438(k)	2,129	F. W. Heilgers & Co. Private Ltd.	Churila	1-87	4	0 2	0 2	0 11	....	....	6,12	H.
16,00,000	....	52,81,704	29,81,276	—1,85,318	Macneill & Barry Ltd.	Dhemo Main	5-62	10	*Nil*	*Nil*	*Nil*	....	6,12	H.T.
£840,000	£890,558	£970,895	£781,579	£58,973	Jardine Henderson, Ltd.	East Indian	25-69	£1	2 8	2 8	2 0	2 8	4	Y.
29,43,760	33,55,049	6,04,31,877	3,39,26,645	32,379	Macneill & Barry Ltd.	Equitable	21-00	10	1 8	1 8	1 8	....	6,12	H.P.T.
16,00,000	1,40,999	13,81,144	4,28,587	23,383	Bhatter's Agency Ltd.	Ghusick and Mahia	13-50 N	10	0 8	0 8	0 4	....	3	Y.
12,00,000	1,22,000	41,35,427	23,43,143	1,144	Killick Industries Ltd.	Hingir-Rampur	41-25	50	3 0	*Nil*	2 4	2 4	6	Y.P.
5,00,000	7,25,000	22,07,121	13,89,341	45,985	Macneill & Barry Ltd.	Hurriladih	21-00	10	1 8	1 12	2 8	....	6,12	H.
22,00,000	1,12,060	24,74,412	6,15,546	—5,87,393	Raipale Trust Ltd.	Jogta Coal	1-12	10	*Nil*	*Nil*	....	....	12	Y.P.
3,80,000	9,45,579	12,54,857	7,22,656	1,144	Andrew Yule & Co., Ltd.	Kalapahari	20-00	10	2 12	*Nil*	*Nil*	....	3,8	H.
20,00,000	1,77,175	52,89,688	46,12,140	6,965	Bird & Co., Private Ltd.	Karanpura Collieries ..	88-50	100	*Nil*	*Nil*	2 8	5 0	3	Y.
5,00,000	16,60,000	46,77,822	36,47,985	1,33,474	Andrew Yule & Co., Ltd.	Katras Jheriah	53-25	10	4 0	4 0	5 8	....	12	Y.P.
1,38,400	5,73,960	12,55,941	5,72,960	—5,60,316	Berlia & Co.	Khas Kajora	2-50 N	10	*Nil*	*Nil*	....	....	1,7	H.
11,00,240	64,314	16,72,961	10,41,883	—44,220	H. V. Low & Co., Ltd.	Knardi	2-50 N	10	*Nil*	*Nil*	....	....	6,12	H.P.
9,00,000	11,86,412	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	7-00 N	10	0 8	0 4	....	....	4	Y.
7 48,240	2,00,000	18,12,208	8,66,219	81,301	Tantia Brothers Ltd.	Nazira	6-75	10	0 8	0 8	0 8	....	12	Y.
7,00 000	36,317	10 83,740	8 20,386	4,560	Amrital Ojha & Co., Ltd.	New Banadeopur	9-00 N	10	0 12	1 4	....	....	3,9	H.
17 76 220	90,21,762	1,19,78,858	58,63,066	94,382	Andrew Yule & Co., Ltd.	New Beerbhoom	14-75	10	1 0	1 2	1 0	....	4,10	H.P.
6,00,000	75,000	33,00,471	21,30,197	70,322	Octavius Steel & Co., Ltd. ..	New Manbhoom	8-12	10	*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
1,18,000							{19-25xdN	10	0 4	*Nil*	1 6	0 12†		
1 57 620	2,86,122	13,07 219	8,64,781	15,980	Andrew Yule & Co., Ltd.	North West	{16-50xdN	7½	0 3	*Nil*	1 0†	0 9†	3,9	H.
7,50,000	13,21,868	5,17,666	3,97,066	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	14-50 N	10	2 0	1 0	1 0	....	6,12	H.P.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. D. Thapar & Bros. Private Ltd.	Oriental Coal	8-00 N	10	0 6	0 8	0 8	....	12	Y.P.
8,34,000	10,050	19,86,766	8,69,957	61,987	Deepchand Kishenlall	Parasea	13-00 N	10	0 4	0 12	1 0	....	12	H.P.
16,75 000	16,50,000	49,91,252	36,01,252	83,784	Shaw Wallace & Co., Ltd.	Panch Valley	16-00	10	1 10	1 10	1 8	0 11 1/5†	3,9	H.
12 99 500	20,17,106	1,34,31,585	87,85,154	1,31,185	B. N. Elias & Co., Private Ltd.	Ramagunge	10-50	10	*Nil*	0 8	0 10	0 6	3,9	H.
13,50 000	10,45,115	38 59,365	29,71,364	15,614	Shaw Wallace & Co., Ltd.	Rewa	19-75 N	10	2 0	1 6	0 14	0 12†	6,12	H.
20,00,000	8,90,000	44,26,858	18,78,118	3,20,175	Jaipuria Sons Ltd.	Samla Collieries ..	11-00 N	10	0 8	0 12	1 0	....	12	Y.
2 50,000	1,95,802	13,78,480	12,21,327	21,079	M.	Sarisatolli	5-12	10	0 10	0 10	0 12	....	3	Y.
3,80,000	8,36,598	39,99,490	19,07,396	49,899	Andrew Yule & Co., Ltd.	Seebpore	27-50	7	1 12	2 0	2 8	....	6,12	H.P.
8,00,000	5,31,289	52,491	25,867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9-00 N	10	*Nil*	0 2	0 4	....	6,12	H.T.
66,21,450	33,77,474	4,72,97,317	2,17,80,256	7,810	Industrial Trust Fund (Govern-ment of Hyderabad)	Singareni	10-50	10	*Nil*	0 11 1/8	0 12	....	12	Y.T.
17,50,000	10,84,016	37,86,108	15 14,990	—51,583	Bird & Co., Private Ltd.	South Karanpura ..	8-31	10	0 4	0 2	0 2	....	2,8	H.
8,00,000	14 01,058	1,69,57,670	27,510	17,411	H. V. Heilgers & Co. Private Ltd.	Standard	20-00xd	10	2 0	1 8	1 0	1 0	12	Y.
10,00,000	....	90,52,259	16,43,902	—4,07,736	Villiers Ltd.	Talcher	1-75	2½	*Nil*	....	....	....	9	Y.
5,00,000	2,80,000	20,47,944	15,58,944	—9,656	Williamson Magor & Co., Ltd. ..	Union	14-94	10	1 12	0 12	*Nil*	....	6,12	H.
2,50,000	67,084	55,56,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal ..	6-38	10	0 8	0 8	0 8	0 8	3	Y.
49,98,000	27,084	58,46,871	23,21,286	—1,48,950	Macneill & Barry Ltd.	West Jamuria	8-00	10	*Nil*	0 12	*Nil*	....	6,12	H.
7,00,000	31,569													

M—Managed by the Board of Directors. ‡ Less income-tax. s) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(d) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,50,000 shares

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,12,652	Allahabad Bank	260.00	100	18 0‡	18 0‡	18 0	9 0‡	12	Y.P.
14,50,000				182.00	50	9 0‡	9 0‡	18 0	9 0‡		
1,00,000				125.00xd	100	6 8	7 8	6 8	3 12‡	6,12	H.
33,58,500	15,40,650	2,46,650	Andhra Bank	85.50xd	70	3 4	3 12	4 8‡	2 10‡		
1,80,00,000	1,28,50,650	4,75,752	Bank of Baroda	97.50xd	50	6 0‡	6 0‡	6 0	7 0	12	Y.
50,00,000	29,50,000	1,159	Bank of Bikaner	23.00	25	0 12	0 12	0 14		12	Y.
2,50,00,000				132.00	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
56,00,000 'A'	3,10,00,000	15,54,924	Bank of India	138.00	50'A'						
15,50,375	27,00,000	67,486	Bank of Indore	52.00N	25	1 8	3 0	3 8	4 0	12	Y.
50,00,000	29,25,000	41,779	Bank of Jaipur	40.00	50	16 0‡	2 0	2 0		12	Y.
50,00,000	84,00,000	5,91,911	Bank of Mysore	247.00	100	2 8	16 0‡	16 0‡	16 0‡	12	Y.
61,21,780	58,73,013	14,009	Bombay State Co-operative Bank	57.00S	50	4 8	2 8	2 0		6	Y.P.
15,00,000	32,00,000	38,502	Canara Bank Ltd.	80.00	50	5 0‡	4 8	5 0	5 0	12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80.00	50	3 0	5 0	5 8‡		12	Y.P.
2,62,11,875				48.00xd	25	3 0	3 0	3 0	3 8	12	
62,42,375	4,02,77,123	18,23,048	Central Bank of India Ltd.	51.00xd	25	2 0	4 0	3 0	3 8		R.L.Y.
50,00,000	34,50,000	2,13,141	Devkaran Nanjee Banking Co.	38.00	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,46,941	Habib Bank (P)	52.00N	25	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,92,909	Hind Bank	36.50	50	Nil	1 8	3 0	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	14.25	50	Nil	Nil	Nil		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	10.00	50	5 0	Nil	Nil		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89.00	100	12 0‡	6 0‡	5 0		9	Y.
24,00,000				193.00xd	100	10 3‡	12 0‡	12 0	6 8‡		
18,00,000	79,75,000	1,45,140	Indian Bank	95	7 3‡	10 3‡	10 3‡	10 12‡	6 2‡	6,12	R.L.H.
18,20,000				75	6 0	7 3‡	7 3‡	7 12‡	4 3‡		
40,15,875	30,00,000	2,28,299	Indian Overseas Bank	149.00xd	100	Nil	6 0	7 8		12	Y.
2,25,000				137.00xd	100	Nil	Nil				
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	42.50	100(A)	Nil	Nil			6,12	H.
10,00,000				16.50	25(B)	2 0	Nil				
10,00,000	10,25,000	23,384	Pandyan Bank Ltd.	18.00	50(C)	2 0	Nil				
87,50,000	97,50,000	2,35,108	Punjab National Bank	38.75	25	1 4	1 9	1 14	1 14	12	Y.
1,00,00,000	20,20,000	43,000	Travancore Bank	52.00	25	0 10	3 0	3 8	2 0‡	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	16.00	25	0 5‡	0 12	1 0	1 0	12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	7.05	5	2 0	0 5‡	0 6	0 7	12	H.
				57.00	50		2 8	2 12	4 0‡	12	Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank	£1-15-9	£1	14‡	15‡	15‡		12	R.L.Y.
£1,000,000	£1,250,000	£69,017	Eastern Bank	£6‡	£5	8‡	8‡	8‡		12	R.L.Y.
H.K.$25,000,000	H.K.$128,000,000	H.K.$10,606,689	Hongkong and Shanghai Banking Corporation	$97	H.K. $125	5*	5*	5*	2*‡	12	Y.
£18,565,070 'A'	£15,000,000	£558,996	Lloyds Bank	£2-9-0	£5 A	14‡	15‡	12‡		12	R.L.Y.
£375,000 'A'				£4-5-3	A £2‡	14‡	14‡	14‡	14‡		
£375,000 'B'	£2,000,000	£224,521	Mercantile Bank of India	£4-5-3	B £2‡	14‡	14‡	14‡	14‡	12	R.L.Y.
£720,080 'C'				—	C £1	14‡	14‡	14‡	14‡		
£2,851,563	£3,104,687	£354,046	National Bank of India	£1-0-3	sh. 12‡	16‡	15‡	15‡	15‡	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. †† O.S.Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	99.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	94.00	28th February .. 1960
1,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102.00	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91.00	1st November .. 1950-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101.00	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96.25	1st November .. 1959-64
COAL						
80,00,000	4½	30th April and 31st October	Bharat Collieries	1944	94.00	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	90.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	99.25	14th December .. 1968 (a)‡
COTTON						
3,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	4½	10th May and 10th November	Beacal-Nairpur	1937	95.00	15th November .. 1956 (b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March .. 1972 (a)
13,68,000	5½		Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,00,000	5	1st June	Tata Mills	1951	99.00	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	94.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	....	100.00	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97.75	1st October .. 1959
12,50,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94.00	31st December .. 1964 (a)
2,32,89,400	5½	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.25	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourespore Electric Supply Co., Ltd.	1945	85.50	31st December .. 1970
13,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	96.00	30th June .. 1976 (a)
4,35,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97.12	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94.00	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94.50	30th September .. 1953-63
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94.00	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103.00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	....	85.12	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.00	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99.00	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Rume Pipe (Bearer)	1942	100.50	1st July .. 1957-62
£1,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	897.00	31st December .. 1960(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.25	1st October .. 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.	1950	99.50	31st December .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	88.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93.75	30th June .. 1960
9,00,000	5	31st January and 31st July	Chitavalsah Jute Mills	1949	90.00	31st July .. 1959
10,00,000	5	30th June and 31st December	Dalhousie Jute Co.	1951	95.00	30th June .. 1966
20,48,000	5½	31st March and 30th September	Empire	1954	95.00	31st March .. 1969 (a)
8,56,000	5	15th January and 15th July	Kinnison Jute Mills Co., Ltd.	1951	94.50	15th July .. 1966 (a)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	92.50	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	97.50	31st March .. 1969
25,00,000	5	30th June and 31st December	Nellimarla Jute Mills Co., Ltd.	1949	96.50	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati Jute Mills Co., Ltd.	1952	95.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93.50	14th May .. 1959
20,80,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88.00	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93.00	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	88.00	5th September .. 1965 (a)
8,00,000	4½	14th March and 14th September	Soorah Jute Co.	1937	96.00	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	96.50	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverly	1925	87.50	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	80.00N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.25N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77.62N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85.62N	Any time on six months' notice (a)
4,33,26,597	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1932	102.50	1st July .. 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea	....	99.50	1st April .. 1958-68
1,89,700	5½	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	95.00	31st December .. 1965
26,00,000	4½	1st January and 1st July	Associated Hotels of India	1948	96.00	31st December .. 1962
4,00,500	4½	30th June and 31st December	Benzal Paper Mills	1937	95.00	30th June .. 1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.00	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.50	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92.00	1st February .. 1964
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	85.00	1st July .. 1968
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87.75	15th September .. 1980
1,00,00,000	5	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	91.00	
1,30,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	99.00	
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	102.25	
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	91.00	1956
38,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	[illegible]	30th September .. 1972 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	[illegible]	470.00 (per note)	31st December .. 1972 (a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	88.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93.00	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100.25	1st May .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at [illegible] per cent. premium, after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With cert[illegible] per cent. premium. be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding [illegible] on Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentu[illegible] out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1944 [illegible] debentures at 101 per cent. on 1-9-1964 [illegible] 1964 onwards. The Company has option to redeem a debenture at 101 [illegible] from

(c) Option to repay on 3 months' notice at ½ per cent. pr[illegible]

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th April 1957.

	Closing quotations 4-4-1957	High	Low	Closing quotations 11-4-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	172.50	—	—	172.50
Apollo (2)	2.45	2.46	2.40	2.46
Bombay Dyeing (250)	542.00	555.50	525.00	548.00
Bradbury (50)	212.00	212.50	212.00	212.50
Central India (100)	112.00	115.00	111.00	113.50
Century Mills (100)	449.00	455.00	441.00	448.50
Colaba (100)	65.00	—	—	65.00
Edward Textile (200)	250.00	—	—	250.00
Elphinstone (50)	62.00	—	—	62.00
Finlay (100)	391.00	396.00	390.00	395.00
Gokak (100)	207.00	207.00	203.00	205.00
Ind. Untd. Defd. (1)	1.62	1.66	1.58	1.64
Ind. Untd. Ord. (10)	10.35	10.45	10.25	10.40
Indore Malwa (100)	138.50	138.25	136.00	138.00
Khatau (100)	191.20	191.25	177.50	180.00
Kohinoor (100)	321.50	327.50	314.00	314.00xd
Lakshmi (250)	705.00	—	—	705.00
Minerva Mills (100)	86.25	86.25	82.00	82.00
Model Nagpur (250)	180.00	180.00	170.00	180.00
Morarji (100)	227.50	227.50	210.00	210.00
Mysore (50)	101.25	—	—	101.25
National Rayons (100)	230.75	230.75	221.00	225.00
New City (100)	149.40	—	—	149.40
New Great (100)	225.00	225.00	222.00	225.00
Pharmix (100)	147.50	146.25	143.75	143.75
Podar Mills (100)	165.00	—	—	165.00
Sassoon Silk (10)	9.81	—	—	9.80
Sassoon Spg. (10)	39.50	—	—	39.50
Shahjahar (1,000)	1,225.00	—	—	1,225.00
Shrinivas (100)	175.00	175.00	173.00	174.00
Simplex (50)	172.00	175.00	171.00	174.50
Standard (100)	443.00	449.00	438.00	447.00
Svadeshi (100)	214.00	221.00	212.00	217.75
Swan (10)	410.00	410.00	405.00	405.00
Tata Mill (25)	44.50	49.00	44.25	48.25
Vishnu (100)	139.40N	—	—	139.40
Western India (1,000)	5,180.00	—	—	5,180.00
BANKS				
Bank of India (50)	134.00	133.50	131.00	132.00
Do. (New) (50)	138.00	—	—	138.00
Bank of Baroda (50)	98.25xd	98.50	97.50	97.50
Central (25)	48.00xd	48.50	47.75	48.50
Central 'A' (25)	52.00xd	51.50	51.00	51.00
Dena Bank (50)	38.00	—	—	38.00
Punjab National (25)	53.00	53.00	52.00	52.00
Union Bank (5)	7.05	7.10	7.05	7.10
United Com. (50)	57.00	57.50	56.00	56.50
ELECTRIC COS.				
Ahmedabad (100)	93.25	93.50	92.50	93.25
Amalgamated (10)	10.50	10.80	10.40	10.75
Andhra Valley (1,000)	1,192.50	1,199.00	1,185.00	1,187.50
Bom. Sub-El. (100)	110.00xd	—	—	110.00
Surat (100)	110.00xd	110.00	108.75	108.50
Tata Hydro (100)	121.00	121.00	120.00	120.50
Tata Power (1,000)	1,195.00	1,196.25	1,180.00	1,193.75
INSURANCE COS.				
British India (10)	13.25	—	—	13.25
Empire of India (100)	350.00	—	—	350.00
Ind. Mercantile (20)	40.50	—	—	40.50
Jupiter (15)	6.50	—	—	6.50
New India (15)	40.00	39.75	38.00	38.25
Oriental (200)	3,775.00	—	—	3,775.00
Universal (10)	11.50	—	—	11.50
Vulcan (10)	15.60N	—	—	15.60N
STEEL COS.				
Ind. Iron (10)	19.05	19.65	18.85	19.45
Tata Steel Ord. (75)	165.50	170.25	163.25	168.00
SUGAR COS.				
Belapur (50)	227.00	226.50	223.00	225.50
Bhopal (10)	17.50xd	—	—	17.50x
Phaltan (50)	133.00	134.00	131.50	134.00
Walchand Ind. (100)	267.50	269.50	262.50	267.50
CEMENT COS.				
Associated Cts. (100)	156.50	160.50	155.25	158.25
Digvijay (100)	143.50	141.00	139.75	143.00
MISCELLANEOUS				
Alcock Ashdown (100)	256.25	260.00	250.00	256.25
Bom. Burmah (125)	581.50	585.00	563.00	572.00
Do. (New) (50)	217.50	217.50	214.00	217.50
Br. B. Petrol (4 sh.)	2.56	2.62	2.44	2.54
Br. I. Corpn. (5)	7.15	7.45	6.65	7.10
C. P. Rly. (100)	69.75	69.50	68.75	69.25
Indian Copper (2 sh.)	3.22	3.30	3.16	3.28
Ind. Inv. Tr. (100)	75.50	76.00	75.00	76.00
Kemp (200)	197.50	—	—	197.00
Killicks (100)	159.00	159.00	153.00	156.00
Polson (100)	173.75	173.75	171.25	171.25
Port Canning (100)	6.25	—	—	6.25
Pre. Automobiles (100)	86.75	87.00	85.00	87.50
Premier Cm. (30)	162.50	164.50	158.50	162.50
Scindia (20)	18.65	19.40	18.65	19.00
G. E. Shipping (10)	17.55	18.00	17.35	18.00
Shivraipur (10)	90.50	91.00	89.00	91.00
Tata Chemicals (10)	15.85	16.15	15.60	16.10
Tata Locomotive (100)	137.50	141.50	135.00	138.25
Tata Oil (25)	42.50	43.50	41.50	42.75
W. I. Match (100)	171.25	171.25	167.50	168.75

GOVERNMENT SECURITIES	4-4-1957	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	11-4-1957
	Rs.			Rs.
2½% 1961	93.50	—	4.18	93.50
2½% 1960	96.37	—	3.95	96.40
2½% 1962	93.05	—	3.95	93.95
2½% 1976	93.05	—	3.95	93.10
3% 1957	99.75	—	4.03	99.75
3% 1958	99.75	—	3.38	99.90
3% 1950-61	99.60	—	3.26	99.75
3% 1964	99.75	3.95	3.32	94.40
3% 1963-65	94.40	—	3.92	94.20
3% 1966-68	94.20	4.10	3.85	92.25
3% 1970-75	92.25	4.03	3.87	87.30
3% 1986 Con. Loan	87.30	4.28	4.00	74.30
4% 1960-70	74.25	—	4.04*	100.90
4½% 1958-68**	100.90	3.72	3.92	101.75
3½% 1961 N.P. Bonds	101.75	2.95	4.30	99.45
3½% 1964 N.P. Loan	99.45	—	3.65	98.45
3½% 1965 N.P. Loan	98.45	—	3.75	98.90
3½% 1962	98.30	—	3.75	97.80
3½% 1967 N.P. Bonds	97.80	—	3.72	98.50
3½% 1974	98.50	—	3.68	98.50

BRITISH GOVERNMENT SECURITIES

	Closing	High	Low	Closing
3% War Loan	[illegible]	—	—	53½
3½% War Loan	73½	—	—	75½
4% Victory Bonds 1976	94	—	—	94½
4% Funding 1960-90	89‡xd	—	—	89xd

* Current Income x.d.—Ex-dividend. ** Rupee Counterparts x.r.—Ex-Right.

COMMERCE

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

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EXPORT PROMOTION

A REALISTIC appraisal of India's foreign trade situation will reveal that, even if there is no cause for alarm, it is particularly vital that exports must be promoted. It is true that the gap in balance of payments which has recently manifested itself is a factor that was not entirely unforeseen. In retrospect, this might afford some comfort. But that does not lessen the difficulty of finding a solution. The fact is that there should not be any further delay in coming to grips with our export problems. Perhaps it might even help if the war-time slogan "Produce or perish" were altered into "Export or perish," in order to inculcate a sense of urgency in quarters which are responsible for India's export trade.

A look at the country's export and import figures, however, does not reveal that there is any unexpected development in the situation. During the period April to November 1956, India's imports aggregated Rs. 522.2 crores and exports Rs. 374.4 crores, as against Rs. 401.8 crores and Rs. 384.5 crores in the corresponding period of 1955. When these figures are compared with the target for 1956-57, set under the second Five-year Plan, namely, Rs. 573 crores for exports and Rs. 783 crores for imports, it will be seen that, while the annual rate of imports in the April-November 1956 period has hit the target, the similar rate for exports is only slightly below the target. The gap, as the Union Minister for Trade, Mr. D. P. Karmarkar, in the course of his recent address at the annual meeting of the Indian Council of Foreign Trade, held in New Delhi, pointed out, is not an "index of some economic ailment by which we have suddenly been assailed." A large proportion of imports consists of essential items such as steel, plant and machinery which the country needs in order to implement the programmes under the second Five-year Plan. The existence of the gap need not cause any great alarm. It would, of course, be tragic if it bred complacency. What is needed is that the gap should be narrowed further through a discriminating reduction in imports and a vigorous drive for more exports. Import cuts, as is now well known, have already been imposed. Perhaps, they might yield—rather, save—Rs. 30 crores each half-year. But one must remember that this saving is made at a very heavy cost and at least, in some points of the economy, will lead to the accentuation of the inflationary pressure. In any case, considering the fact that foreign exchange reserves have been depleted to low levels and import cuts are at best only a negative way of dealing with the situation, it is of the utmost importance that more positive methods of promoting exports must be energetically adopted.

An analysis of India's export trade reveals the need for geographical diversification—only two countries account for nearly 50 per cent. of India's exports—as well as for quantitative diversification—only three commodities, tea, jute goods and textiles, account for 50 per cent. of our export earnings. The Government is not unaware of the importance of export promotion. [illegible] of the purely organisational point of view, to a reasonable measures include the setting up Commissi[illegible]motion councils and participation in it is believe[illegible] Government has set up such councils, by for[illegible] commodities, including cotton textiles, silk and rayon textiles, tobacco, mica, cashewnuts, pepper, engineering goods, leather and leather products. It is proposed to set up councils for chemicals and allied products, sports goods and Indian films. Apart from these councils, there are the commodity boards such as the Tea Board, the Coffee Board, the Coir Board, the All-India Handicrafts Board and the Small-scale Industries Board which, besides other activities, are all engaged in promoting exports of [illegible] con-

goods with which they are concerned. India's membership of the G.A.T.T. has secured for its commerce most-favoured-nation treatment in the countries which account for nearly 80 per cent. of the world trade.

On the fiscal front, the Government has adopted measures which enable exporters to claim refund in respect of duties and excises which may have been collected in respect of certain identifiable components of the goods they seek to export. There is scope for extending the list of goods for which these facilities are available and also for simplifying the procedure for the grant of refund of duties. Mr. Karmarkar himself admitted that the present position was not entirely satisfactory. It is gratifying to note that he has also given the assurance that the matter was receiving the Government's attention and it would soon effect improvement in this procedure in the near future.

The Government has also decided to institute the export credit insurance scheme. Mr. Karmarkar revealed that the Government would soon set up an Export Risks Insurance Corporation with its headquarters in Bombay. This is a bold experiment the value of which cannot be overemphasised. The details of the risks which the Corporation will cover will be awaited with interest. It may be recalled that the Export Credit Guarantee Committee recommended that the Corporation should cover risks relating to import control in the buying country, war risks, transfer of payment risks, and risks relating to the insolvency or default of the buyer and expenses incurred in market services not fully recouped by sales made in that country. It further recommended that, in order to make the exporter himself take some responsibility for prudent trading, only a certain proportion of the risks should be covered by the Corporation. Thus, it set a limit of 80 per cent. in respect of commercial risks, 85 per cent. in respect of political risks and 50 per cent. in respect of promotional expenses. If exporters take full advantage of the facilities offered by the Corporation—we hope they will do so—it will give a great fillip to export trade. A notable advantage which the corporation could derive through participation in the scheme is that the banks will be induced to give financial aid to exporters who have covered their export risks under this scheme. This will, at least to a limited extent, solve the problem of finding export finance.

There are three aspects of export promotion which deserve continuous attention—quality, prices and personal effort. Unless the quality of our goods is maintained and improved, other countries are bound to steal a march over India. Here is a sphere in which exporters and manufacturers have jointly to assume responsibility. The exporter is the domestic manufacturer's ambassador abroad; he should not only interpret the changing requirements of the foreign buyer to his domestic principal but also see that there is no want of correspondence between the samples he sends and the goods he ships. A rigorous form of control over quality of goods should be enforced. In this connection, Mr. Karmarkar said: "While Government could impose standards for compulsory adherence, they have thus far taken the view that quality control should be imposed on itself by the trade." It is to be hoped that both the manufacturers and the exporters will justify this confidence, for, as Mr. Karmarkar warned, in the event of their failure, the Government will not "hesitate" to introduce compulsion.

There is next the question of prices. Clearly, constant vigilance over production costs is the price which a nation has to pay for continuous expansion in its export trade. Here, it is the Government, not the manufacturer, that has a special responsibility. For most manufacturers, the room for manœuvre in respect of production costs is strictly limited. This is because of high taxation, the inflexible wage bill (imposed by labour awards) and regulations which virtually prevent retrenchment of surplus labour. In some industries, notably textiles, there are the additional disadvantages arising from prohibition of employment of modern machinery and fixation of ceilings on production. A gradual, if not immediate, relaxation of these restrictions is indicated in the interests of export promotion.

Finally, there is the value of personal effort. Perhaps, it is not as widely realised as it should be that the manufacturer and the exporter, or their representatives, should seek to establish personal contacts with buyers abroad, and also make an on-the-spot study of their requir

RICE ECONOMY

BEING the staple food of millions of people in large and thickly populated regions of the world, rice is a commodity which has a great significance in the life and the livelihood pattern of large masses of people. For many a peasant in diverse parts of the world and in Asian countries in particular, prosperity means easy availability of rice. To the peasant, life is one continuous and almost traditional cultivation of paddy. A good crop year for him means a year of great affluence and a year in which the crop fails is one of unrelieved gloom. Paddy is not merely a commodity on which he lives but one around which all his life revolves. Clearly, from the point of view of the source of livelihood for millions of people, rice is certainly the most important of international commodities. In this connection, an inestimable service which the U.N. Food and Agricultural Organisation has been rendering for some time past is to publish a series of commodity reports of which rice is one. The latest report on this commodity covers, as usual, wide and varied ground, relating to the production of and trade in rice, and also reviews the prospects for this commodity.

The world production of rice (excluding the output in Russia) increased from 188.3 million tons in terms of paddy in 1954 to 199.2 million tons in 1955; the 1934-38 average was 151.2 million tons. Asia, as is well known, is still the world's largest rice bowl and accounted for 106.2 million tons in 1955, as compared with 99.7 million tons in the previous year. This figure, however, excludes the output in mainland China, North Korea and North Vietnam; in mainland China, production is estimated at 75.2 million tons in 1955, as against 70.9 million tons in 1954 and 50.5 million tons in 1934-38 (average). South America is the next largest rice-growing region, though its share in world output is much smaller than Asia's. In 1955, it produced 5.2 million tons, as against 5.1 million tons in 1954. African production, however, improved from 3.8 million tons to 4.2 million tons and the European output was practically unchanged at 1.7 million tons. In North America, production declined from 3.6 to 3.2 million tons, thanks to the sharp reduction in acreage in the U.S. The decline in output in this region would have been far greater but for the fact that yields improved greatly.

Much significant progress in improving the per-hectare yield of rice has been achieved in recent years. This is to be attributed to the wider diffusion of the knowledge of superior agricultural practices and to the fact that the use of fertilisers by the world's farmers is growing rapidly. Nevertheless, the world per-hectare average has not improved significantly since pre-war years. In 1955, it was thus about 15.6 quintals, as against 15.4 quintals in pre-war years. But it was larger than in 1954 when the per-hectare yield was 14.9 quintals. This, however, is the broad world picture. It conceals both bright and very dark spots. The countries with very high per-hectare yields (in quintals) are: Egypt 51.9, Spain 59.5, Italy 51.0, France 41.4, U.S. 32.9, Japan 48.1. The countries which, though they are large producers of rice, show relatively small per-hectare yields, are: India 12.8, Burma 14.8, Thailand 14.3, Pakistan 13.4, Brazil 16.4.

There is certainly great scope for improving the yield of rice per hectare in many parts of the world. In India, the subject has lately attracted considerable attention. The movement towards the wider adoption of Japanese agricultural methods has been gaining ground, thanks to the great success which has marked its introduction in the last two years. The area under this method of cultivation increased from 400,000 acres in 1952-53 to 1.3 million acres in 1953-54 and further to 2.1 million acres in 1955-56. The gain in the production of paddy, as a result of the adoption of this method, is very impressive, being on an average as much as 17.3 maunds of paddy or 11.56 maunds of rice per acre. The Government has, therefore, set a target of 4 million acres to be brought under Japanese method of cultivation by the end of 1960-61. The additional production expected from this acreage is about 2 million tons of paddy or 1.33 million tons of rice.

A notable feature of the international trade in rice is that only a small proportion of the world production of rice enters such trade. In recent years, this proportion, it has been computed, is about 4 per cent. (including China); it is expected to be somewhat higher in 1956. These low figures are, however, only world averages. They do not bring out the fact that many countries are dependent for a rather large proportion of their foreign exchange earnings on exports of rice. Thus, in 1956, Burma exported 48 per cent. of its rice output. The relevant percentages for other countries are: 78 for Australia, 55 for Italy, 27 for Egypt, 59 for the U.S. and 23 for Thailand. An outstanding feature of 1956 has been the great increase in the requirements of importing countries and the consequent expansion in international trade. World imports of rice in 1955 aggregated 5.1 million tons, as against 4.6 million tons in 1954 and 9.7 million tons in 1934-38 (average).

The F.A.O. report distinguishes five categories of importing countries: "(*a*) those whose own production of rice increased; (*b*) those whose own production of rice remained almost unchanged; (*c*) those whose own production fell; (*d*) those who grew very little or no rice; (*e*) those who in other years have been net exporters." In group (*a*), Japan produced in 1955 about 2½ million tons more of milled rice than in 1954. Nevertheless, Japan was still importing rice in 1956. India's supplies were about 1 million tons (milled rice) higher than in the previous year, but it made large purchases from Burma, China and the United States. Ceylon harvested about 13 per cent. more, but as consumption rose, imports for 1956 did not appear to be falling. The French territories in Western and Equatorial Africa grew about 10 per cent. more rice in 1955 than in 1954, but imports in 1956 were not less than the 1955 level of about 120,000 tons, including brokens. In group (*b*), imports into Malaya in 1955 and 1956 were at approximately the same rate, which may be regarded as normal. The increase during 1955 over 1954, it is stated, is explained by the reduction in imports in the latter year, due to an exceptionally large carry-over of stocks from 1953. The Philippines showed signs of increasing its purchases from abroad.

Indonesia is the most important example of a country in group (*e*). Apart from a fall in its own production of rice, there was also a heavy fall in its maize crop. As a result, imports have been rising considerably. Cuba, with lower production, showed some indication of an increase in imports from the United States. A marked rise in purchases by European countries—group (*d*)—which grow no rice of their own, or only very little, was a feature of 1955. This rise continued in 1956, the main factor being, on this occasion, the purchase by Eastern Europe. Most of the rise in imports into Western Europe in 1955, according to the F.A.O. report, was due to the availability in Asia of poorer kinds of rice at prices which made these supplies attractive for animal feeding. Less of this rice was available in 1956 and this year's shipments to Western Europe are expected to be lower than those of 1955. On the other hand, the purchases of rice by East European countries, under bilateral clearing agreements, mainly with Burma, but also with Egypt, have continued to grow. A part has been shipped to Viet-Minh; some rice has been diverted to Pakistan for famine relief, while other smaller lots are said to have been resold to Western Europe and West Africa.

In recent years, Pakistan, among group (*e*) countries, has been a net exporter of rice, in some years on quite a substantial scale. Thus, in 1955, Pakistan ranked as the fourth or fifth highest among exporters. When the crop harvested towards the end of 1955 suffered badly from floods and insect damage, and there was consequently a deficiency of about 700,000 tons of home-grown milled rice in 1956 in East Pakistan, where the shortage made itself felt acutely, exports from W. Pakistan to foreign countries were prohibited, although some shipments continued to be made in execution of old contracts, and about 70,000 tons were shipped from West to East Pakistan. The Government was compelled to buy rice from abroad, mainly in the U.S. under special aid arrangements. So far 610,000 tons of imports, it is understood, have been arranged for 1956 and early in 1957.

As regards price trend, the F.A.O. report points out that there was a widespread fall in rice prices in 1954-55, though no such general movement was noticeable in 1956. Some prices, it is stated, have continued to recede, but others have risen and there have been quite marked divergencies between movements in different countries. It may be noted here that the index number of rice prices in India (base August 1939=100) rose from 449 in the beginning of 1956 to 609 in November 1956, though it now stands somewhat lower, the latest available index number being 607 for February 1957. In order to regulate prices, the Government has now decided to build buffer stocks of rice. During the period of the second Plan, reserves of foodgrains to the tune of 2 million tons will be built up, consisting of one million tons of wheat and one million tons of paddy. The Indo-Burma rice agreement envisages purchase of two million tons of rice from Burma, spread over a period of five years, commencing from 1st June 1956; in 1957, Burma is expected to supply 500,000 tons of rice, the U.S. 200,000 tons and China 60,000 tons.

Since rice is among the chief agricultural crops on which farmers depend, the governments of many countries have thought it fit to give some assurance of price stability to the peasants in their countries. Commenting on this trend, the F.A.O. report says: "Prices to rice farmers were kept steady in a number of countries by Government intervention which tended to provide a floor price, though in some cases it was also intended to fix an upper limit by fixed prices." In the U.S., the official minimum support rate was slightly lower for the 1955 crop at an average of $102.73 per metric ton than for 1954 (at U.S. $108.47) and the support price was lowered further for the 1956 crop to $100.75 per metric ton. In this country too, there has been much discussion on the value and importance of fixing minimum prices for not only rice but also other agricultural commodities. The Conference of State Ministers of Agriculture, held at New Delhi in December last, recognised the "importance of minimum prices as an inducement to the farmer" and strongly recommended that the Government of India should take "early steps for fixing minimum prices of at least principal agricultural crops."

In the last two years, the importance of inter-governmental consultations in matters relating to rice has won considerable recognition. In response to the recommendation of the third special meeting on the economic aspects of the rice industry, held at Bangkok in September 1955, the F.A.O. Committee on Commodity Problems established a consultative sub-committee on the economic aspects of rice. The sub-committee was asked to provide a forum for consultation on the economic aspects of rice, paying particular attention to trade matters and to any special difficulties which exist or are likely to arise in the international trade in rice. The first session of the sub-committee was held at Rome in October last and was attended by representatives and observers of 22 countries, including India. It examined the world rice situation and discussed the means of facilitating the flow of the international trade in rice, measures for the expansion of consumption and methods for reducing instability in the world trade in rice.

What is the outlook for rice in 1957? The F.A.O. furnishes some provisional answer to this question on the basis of the information available at the time of writing the report. Since South-East Asia is an important producer of rice, political conditions in this region are an important factor in determining the outlook for rice. The report finds that there has not been any diminution in internal security over wide areas, such as affected rice cultivation in some previous years. Cambodia and Viet Nam are likely to resume exports in 1957. The fresh supplies from South-East Asian region may, therefore, be expected to be in 1957 at least as large as in 1956. On the other hand, exportable stocks from former crops have been depleted to 50 per cent. of last year's levels. Nevertheless, there are still appreciable stocks available for shipment in 1957. In the U.S., which in recent years has been one of the leading exporters of rice, the acreage under rice has been cut by 13 per cent. The Soil Bank programme, it is believed, will reduce the 1957 acreage and output. Among Mediterranean countries, Italy and Spain have been trying to restrict or even reduce production, while Egypt is greatly expanding the acreage under rice. China, the world's largest grower of rice, remains an unknown factor in world trade. Great efforts are being made to grow more rice. But there are also more mouths to feed.

World supplies from stocks and new crops available for fresh purchases by importers in 1957 are thus not likely to exceed those avail[able] in 1956; there is some likelihood of the[m] smaller. On the other hand, importers [may] make fewer fresh purchases in 1957 [as] since their crop prospects are thoug[ht] The F.A.O. report, therefore, reaches the conc[lu]sion that "supply of and demand for rice in int[er]national trade may well be fairly balanced [in] 1957." It notes that uncommitted stocks in e[x]porting countries are down to low levels. B[ut] as against this factor must be set down the i[n]crease in reserve stocks in 1956 in some impor[t]ing countries. The obvious inference is tha[t] other things being equal, rice prices this ye[ar] should be able to maintain a steady trend.

RISE IN EQUITIES SUSTAINED

COTTON FUTURES—BURDEN OF DEPOSIT LIABILITY ON COMPANIES

WEDNESDAY, 5 P.M.

THE share market presents a brighter, though not quite a cheerful, appearance. There have been further gains in equity values, but the recovery is slow, as is only to be expected, considering the bad state in which the market found itself two weeks ago. Nevertheless, the gains in the last twelve days have been quite encouraging, despite the fact that there has been no encouraging news since the recovery started. This is because the market had been oversold and probably the bears found that there was no scope for carrying on their raid. Despite this recovery, it is stated that the oversold position is yet to be corrected to a considerable extent.

MARKET GOSSIP

The recovery is also said to be partly due to reports that the Life Insurance Corporation may extend its support to industrial shares, if the recent suggestion that the Corporation should invest up to 25 per cent. of its investible funds in shares and debentures, as against the present level of about 16 per cent., is accepted. This will no doubt mean sizable support to the market, but it is stated that there is no prospect of such a change in the Corporation's investment policy. Further, if the present trend in the market persists and if a certain measure of confidence is restored to the market, then there will be no necessity for support from the Corporation. With only four weeks to go for the Central Budget to be presented, the market has necessarily to be on the cautious side.

The Finance Minister's discussions in Bombay have been a closely-guarded secret and no indications are available about the outcome of his talks. However, the markets have derived some comfort from the fact that there have been no depressing pronouncements from the Finance Minister, as he did not accept any public engagements this time. There is, nevertheless, widespread expectation that something will be done by the authorities to relax the stringency in the money market, if not for anything else, at least to assure the success of the Government's borrowing programme.

The Prime Minister's assurance to the business men gathered at New Delhi last week-end that the private sector will have not only a very important but a respected place in the context of the broad policies followed by the Government has no doubt been noted with interest, but it has not brought any widespread cheer to the market. This is because, as Mr. Nehru indicated, the public sector will continue to occupy a dominant place and the next two or three years are likely to be a difficult period for the country. He was, however, confident that the difficulties could be overcome by the joint effort of the Government and all sections of the people. This inevitably means that there should be close co-ordination between the Government and the private sector in all development plans.

The policy followed by the Government has, unfortunately, been one which does not bring this co-ordination. By pursuing such a policy, the Government is losing the valuable assistance and services of experienced and tried business men. The latest instance of such a tendency is provided by the resignation of Mr. C. H. Bhabha from the Board of the Eastern Shipping Corporation, of which he was the Chairman. Mr. Bhabha is said to have resigned on the issue of the ownership and control of the Corporation. The Corporation, it will be recalled, was set up in 1950 and its issued and subscribed capital of Rs. 5.5 crores was till last month shared by the Government to the tune of Rs. 4.07 crores and the Scindia Steam Navigation Company to the extent of Rs. 1.43 crore. Last month, the Government acquired all the shares held by Scindias and the Corporation became wholly state-owned. Such acquisition and control by the State is opposed by Mr. Bhabha, as he is of the view that the interests of shipping will be best served, so far as this country is concerned, by joint State and private ownership of new corporations and that total control by the State marks a departure from the policy he himself had pronounced as Commerce Minister. In the context of such diversions from the accepted policies, how can the Government expect wholehearted co-operation from the public?

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The much-feared, though long-anticipated, action has now been taken. The forward section of the cotton market was closed today in response to a reported directive from the Forward Markets Commission to the E.I.C.A. At the time of writing, it is believed that the closure is temporary. Perhaps, by tomorrow, more light will be thrown on the Commission's attitude towards forward trading. It is also presumed that discussions and consultations will be held before further measures are taken. At the time of the closure of the market—at 12-47 p.m., to be precise—Jarilla May was quoted at Rs. 754, Vijay April at Rs. 915 and Vijay June at Rs. 838. The magnitude of the rise in these prices will be evident from the fact that only a month ago, Jarilla May was quoted at Rs. 685½, Vijay April at Rs. 868 and Vijay June at Rs. 825½. The rapid rise has been attributed to the tight statistical position in cotton and to a good demand by the mills. At the meeting of the Cotton Advisory Board, which was held last week, the general consensus of opinion was that the rise in prices was due to the scaling down of the commercial crop estimate which is now estimated at 4.9 million bales, as against 5.5 million bales earlier, to the shortage of tenderable varieties of cotton generally and to a reduction in the production of the much-sought-after Vijay and Surti cottons. Perhaps, the absence of any reference to speculation, as such, in the Board's appraisal of the cotton price situation lent a fillip to the upward trend in cotton. Be that as it may, the prices of cotton, it is now recognised, have reached unduly high levels. Mills, it is reported, are paying even prices above ceilings for certain varieties in upcountry centres. It remains to be seen how the authorities are going to reverse this upward trend in prices. But one thing is clear. Whatever might be the virtue or the efficacy of temporary expedients in the shape of requisitioning stocks or administering shock treatment to the forward market, the real solution lies only in augmenting the overall supply of cotton. In the short run, this can be done, as the Cotton Advisory Board itself has recognised (*vide* cotton market report this week) only through imports of cotton and, in the long run, through vigorous and sustained efforts at increased production of cotton in the country.

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Of all the recent fiscal measures introduced by the Union Finance Minister, the one which has caused the greatest concern to the business community is that relating to compulsory deposit of corporate reserves, inasmuch as it is, in the first instance, ambiguous in many respects and, secondly, it is bound to have far-reaching repercussions on corporate finances. Briefly, under the deposit scheme, every joint-stock company is under obligation—on pain of forfeiting its claim to depreciation and development rebate—to deposit with the Government (1) up to 25 per cent. of its accumulated depreciation and other reserves "not represented by fixed assets"; and (2) up to 75 per cent. of the balance—in excess of Rs. 1 lakh—of its annual profits before deducting depreciation but after deducting tax and dividends. It has created not a little confusion even among financial experts who are not all agreed about the manner of determining the amount of deposit liability of companies. The Union Finance Minister has given assurances to the effect that the rigour of the measure would be softened considerably by the rules framed for administering this provision.

The draft rules which have been published this week for purposes of eliciting public opinion do not appear to be complete in themselves, as they cover only the deposits required to be made by companies out of their current profits and do not refer to the deposits to be made out of the accumulated reserves of companies. In fact, the latter part of the provision is more controversial and wide differences of opinion are held as to whether, in computing the amount of reserves "not represented by fixed assets," the paid-up capital of companies should be ignored or regarded as representing the corresponding amount of fixed assets. Even the rules regarding deposits out of current profits are not clear as to the method of computing the amount of deposit. It should thus be obvious that the aggregate liability of the corporate sector would depend upon the nature of the rules framed under the Act.

In this context, the study of 410 companies in five industries—cotton textiles 282, sugar 93, iron and steel 2, cement 13, paper 20—made from the point of view of the impact of the deposit scheme on corporate finance and published in the *Economic Trends*, the journal of the Association of Indian Trade and Industry, acquires a new significance. This painstaking piece of research, which is obviously the first of its kind, brings into bold relief the inhibiting effect of the scheme on the fortunes of joint-stock enterprises in this country. The companies selected for analysis represent 70 to 100 per cent. of the installed capacity in each of these industries; their total paid-up capital is Rs. 175 crores, gross block Rs. 425 crores and the value of their output Rs. 650 crores. On the basis of its analysis of the financial position of these companies, as revealed in their accounts for 1954-55, the study has reached the conclusion that the aggregate liability of the 410 companies under the scheme, on account of both the accumulated reserves as well as reserves from current year's profits, would fluctuate between Rs. 53 crores and Rs. 8 crores, according as the rules framed by the Government are strict or liberal.

It would, of course, be difficult to hazard any guess about the deposit liability of the entire corporate sector. Judging from the results of the survey of these 410 companies, it is evident that the burden is bound to be very large. The Government has not indicated how much it hopes to mobilise under the scheme. But unofficial estimates place the figure in the vicinity of Rs. 100 crores. In any case, irrespective of whether the rules framed under the scheme are liberal or not, the aggregate liability of the companies, as the study points out, would be "large enough to complicate the ways and means position of the corporate sector and enhance considerably the prevailing financial stringency in the money market." It must be pointed out here that not all companies have sufficient liquid assets to discharge their liabilities under the scheme. This means that the companies would have to lean more heavily on the banking structure in order to raise the finance they need under the scheme. The study, therefore, rightly warns that the "load on the banking system would be heavy and, unless something is done to lighten the burden on the money market, a financial crisis would ensue." In order to minimise the hardships that are inherent in the scheme, it suggests that the methods of applying the scheme should be as liberal as possible. Thus, the paid-up capital should be exempted, loans and debentures should be allowed to be set off against deposit liability and reserves used as working capital should be excluded from the deposit scheme. It also suggests that a method of staggered payments should be introduced in order to reduce the peak load on the banking system. Further, prompt and liberal withdrawals should be allowed for both fixed and working capital purposes.

The study disputes the view that the scheme is intended to utilise idle resources or to prevent misuse of corporate funds for purposes of speculation and cornering of the shares of other concerns. The "idle resources" argument has no validity in the context of the general financial stringency. Nor has the "misuse of corporate funds" argument any such validity in view of the fact that there are adequate provisions under the Companies Act, the Capital Issues Control Act and other laws which leave hardly any scope for undesirable types of interlocking activity. It is, therefore, difficult to avoid the impression that the Government has brought forward this measure in order to tap a new source of revenue and this is being done at the expense of the private sector. But since the development of the private sector is as important for national progress as that of the State sector, it is, as the study points out, imperative that the scheme should not be allowed to continue for long but be dropped at the earliest possible opportunity.

LONDON LETTER

ASSIGNMENT WITH INFLATION?

From Our Own Correspondent

LONDON, 13*th April*

BY the time the Chancellor of the Exchequer had finished his survey of the national income and expenditure for the financial year just beginning, he had astonished everyone by actually increasing last year's surplus of £290 million. The buoyant revenue is going to be £228 million more and expenditure £41 million less—a surplus of no less than £560 million. Against this, his distribution of gifts of £100 million does not seem unduly generous. On the other hand, below-the-line expenditure, that is, capital sums and loans, are going to cost a net £587 million, so there is a theoretical deficit of £127 million. But it can be expected that this will be far more than offset by national savings. At first blush, the Chancellor appeared to have made a break away from tradition in the way in which he distributed his cake and at least his side of the House left in an extremely happy mood. Purchase tax on domestic articles took a quarter of the distributed relief. The abolition of the tax on British companies operating overseas took another quarter, reductions in entertainment tax, the "Suez" petrol tax and small concessions to old people took another quarter, and the last and controversial quarter went to reduce the excessive taxation on the top incomes which are earned by something like 220,000 people in this country. That is what the incentive budget comes to and it is now being said that Mr. Thorneycroft has simply steered a middle way between his party and the pound sterling.

How has this disillusionment, after what looked like the first breath of fresh air let into the budget for years, come about? It is because of the realisation that mere concessions to top incomes leave undealt with two basic problems, first, that of incentives to the enormously important technicians' class in the middle income ranges—it is this class that is providing a large bulk of the deplored emigration from the United Kingdom—and, secondly, the problem of increasing investment. It is for omitting to do anything about this last that the Chancellor will be held most guilty. His only concession was to increase the tax-free investment allowance on the construction of new ships and the approval with which this move has been received in the City and generally has shown how quickly it was realised that here the Chancellor was on the right lines.

Why did the Chancellor then disappoint the Federation of British Industries, the National Association of Manufacturers and those who looked to see some real incentive given to increased investment? He was afraid that anything he did to increase investment would increase imports and, therefore, weaken the pound. He played for short-term safety instead of long-term salvation.

But Mr. Thorneycroft's dilemma is a very serious one. If it is true that it is impossible to increase investment without setting off another round of inflation, then the country is, indeed, in a parlous state. Of course, the Chancellor had to take into account the strength of the Trade Unions, as proved by the recent settlements of the shipbuilding and engineering strikes. Perhaps he regarded these as a warning that the risks of doing anything which might raise prices and lead to another round of wage demands were too great. On the other hand, he is committed not to use physical controls to direct spending into the desired investment channels, although his appointment of a new committee into money and finance suggests that he is by no means satisfied that monetary controls alone are effective. His critics are able to say that this is an inflationary budget, since it increases spending power without making sure of increasing savings. And, all in all, the consensus of opinion appears to be that the Chancellor has only touched the fringe of the problem of incentives and has missed an opportunity to show courage on the main issues.—*All Rights Reserved.*

EQUITIES RULE STEADY

MODERATE GAINS OVER THE WEEK

(From Our Own Correspondents)

BOMBAY, 17*th April*

EQUITIES staged a further recovery during the week under review, on short-covering and renewed buying. The improvement was helped mainly by technical considerations; there were a few other factors also which strengthened the market's sentiment. The Prime Minister's speech at the annual meeting of the All-India Manufacturers' Organisation assuring the private sector of the industry that it had necessarily to have a very important and respected place in the context of the broad policies that the Government pursued was noted with interest, but the response was one of cautious optimism. Reports of good offtake in the cloth markets and renewed expectations of easier money market conditions also aided sentiment. The recovery was, however, cautious in view of the Budget uncertainties and there was profit-taking at higher levels. However, leading counters scored moderate gains over the week.

In the steel section, Tata Ordinaries advanced from Rs. 168.00 to Rs. 172.25, but relapsed to close at Rs. 171.00. The new shares moved between Rs. 118 and Rs. 120 and closed at Rs. 119. Indian Irons hardened from Rs. 19.45 to Rs. 20.45, the highest level seen during the last four weeks. Profit-taking, however, pruned a part of the gain and the shares finished the week at Rs. 20.15.

The recovery in textiles was led by Centurys which attracted good buying on reports that the Company was concentrating its attention on production of goods for export markets and the shares rallied from Rs. 448.50 to Rs. 464.00. Bombay Dyeings crept up from Rs. 548.00 to Rs. 558.50 before closing at Rs. 557.50. Central Indias gathered Re. 1.50 to Rs. 115.00, Finlays Re. 1 to Rs. 206. Gokaks remained steady, being done at the close at Rs. 192 *ex-div.*, as against Rs. 205 *cum-div.* a week ago. Indu Ordinaries were dull at Rs. 10.30 and Indore Malwas at Rs. 137. Khataus were steady at Rs. 180.50. Kohinoors gathered strength from Rs. 314 to Rs. 318. New Greats advanced from Rs. 225 to Rs. 230 before finishing at Rs. 228. Morarjees moved up by Rs. 10 to Rs. 220. Shree Niwas Cottons gained Rs. 4 to Rs. 178, while Simplex shaded off from Rs. 174.50 to Rs. 173. Standards were marked up by a rupee to Rs. 448. Svadeshis were featureless at Rs. 217.25, as also Tata Mills at Rs. 47.75. Swans shed Rs. 5 to Rs. 400.

Bank shares attracted some attention and modest gains were recorded over the week. Barodas were done up to Rs. 99, a gain of Re. 1.50 over the week. Centrals picked up 25 nP to Rs. 48.75 and their new shares Re. 1.50 to Rs. 52.50. Bank of Indias gained Rs. 2 to Rs. 134. Union Banks were a shade better at Rs. 7.15, while United Commercials were maintained at Rs. 56.50.

Scattered business was put through in insurance shares at slightly higher rates. New Indias changed hands 75 nP higher at Rs. 39, Jupiters 50 nP better at Rs. 7 and British India Generals 20 nP higher at Rs. 13.45.

Divergent trends were noted in the electricity section. Ahmedabad Electrics were a shade better at Rs. 93.50, while Bombay Suburbans shed Rs. 4 to Rs. 106. Poona Electrics were done Rs. 2 lower at Rs. 128. Surat Electrics gathered a rupee to Rs. 107.50, as also Tata Hydros to Rs. 121.50. Tata Powers looked up by Re. 1.25 to Rs. 1,195, but their new shares lost Rs. 10 to Rs. 1,160.00. Andhra Valleys were marked down from Rs. 1,187.50 to Rs. 1,185.

The miscellaneous section generally showed a better tendency, although the variations were confined to a small range in most counters. In the sugar group, Belapurs were somewhat erratic. After rallying from Rs. 225.50 to Rs. 229.00, they slipped back to Rs. 226.00. Phaltans gathered over the week Re. 1 to Rs. 135. Bhopals were unchanged at Rs. 17.50, while Walchandnagar Industries were conspicuous with a rise from Rs. 267.50 *cum-div* to Rs. 253.00 *ex-div.* (div. Rs. 21 per share). Cement shares were featureless. Associated Cements moved up from Rs. 158.25 to Rs. 160.75, before reacting to Rs. 159.25. Digvijays were done Re. 1 lower at Rs. 142. Orissa Cements gained 20 nP to Rs. 13.20 and Jaipur Udyogs 25 nP to Rs. 12.

In the engineering and mining group, Alcocks attracted buying and scored a gain of Rs. 7.50 to Rs. 263.75. Tata Locomotives recovered from Rs. 138.25 to Rs. 141.50, but finished a shade lower at Rs. 141.00. Premier Constructions improved by Re. 1.50 to Rs. 164.00. Larsen and Toubros gained by 25 nP to Rs. 15.00. Shivrajpurs were a shade better at Rs. 91.25. Indian Coppers were done at Rs. 3.32 *ex-div.* (div. 9 nP) as against Rs. 3.28 *cum-div.*, while B.B. Petrols were unchanged at Rs. 2.54.

Shipping shares were fairly steady. Scindias improved from Rs. 19.00 to Rs. 19.40, but receded to Rs. 18.90 at the close. Great Eastern Shippings rose by 35 nP to Rs. 18.35. Premier Automobiles were quiet at Rs. 87, while Hindustan Motors were a shade better at Rs. 7.30. United Motors were put through Re. 1.50 lower at Rs. 23.

In the miscellaneous group, Bombay Burmahs improved, but the recovery was slow. After going up from Rs. 572.00 to Rs. 588.00, the share slipped back to Rs. 575.50. The closing was, however, done at Rs. 581.00. British India Corporations looked up from Rs. 7.10 to Rs. 7.40. National Rayons appreciated from Rs. 225.00 to Rs. 228.50. Gwalior Rayons were marked down by 60 nP to Rs. 12.40. Killick Industries closed Re. 1 higher at Rs. 157. Hindustan Levers had business 10 nP lower at Rs. 18.60. Tata Chemicals were unchanged at Rs. 16.10, while Tata Oils dropped 25 nP. to Rs. 42.50. Wimcos were a shade better at Rs. 169.50.

Madras Stock Exchange

MADRAS, 16*th April*

In contrast to the bearish trend noted on the Madras Stock Exchange in the past two weeks, a slightly improved tone was in evidence during the week under review. Although there was no fresh encouraging development, operators were somewhat inclined to buy in expectation of inflation gathering momentum in the coming years following large-scale deficit financing. There was also some professional support at lower levels to which the shares had receded in the past fortnight. Firm advices from Bombay and Calcutta too imparted some strength. Turnover, of course, continued to be restricted, but prices generally tended to move up.

Among tea shares in the planting section, Neelamalais advanced by 25 nP to Rs. 6.15. Ouchterlonys gained a like amount to Rs. 5.05. Chembras put on 10 nP to Rs. 3.85. Blue Mountains were fully steady at Rs. 4, Devasholas at Rs. 21.25 and Nilgiri Teas at Rs. 10.25. Nelliampathys, however, had sellers and eased by 13 nP to Rs. 3.07. Talayar Teas declined by 61 nP to Rs. 10.70. Among coffee shares, Balmadies gathered 5 nP to Rs. 3.30. In the rubber group, Midlands improved by 25 nP to Rs. 17.75. Cochin Malabars were favoured 6 nP higher at Rs. 3.12. Pullangodes picked up 6 nP to Rs. 2.50. Thirumbadis increased by 7 nP to Rs. 1.85. Vaikundams and T.R. & T's were firm, the former at Rs. 30.25 and the latter at Rs. 9.25. Travancore Rubbers, however came in for selling and lost 25 nP to Rs. 19.75. Rajagiris fell by 75 nP to Rs. 19.25.

In the textile section, Ranga Vilas met with good buying enquiries and rallied Rs. 6.75 to Rs. 88.75. Rajalakshmis were pushed up by Rs. 5.50 to Rs. 138.50. Coimbatore Spinnings improved by Rs. 4.25 to Rs. 88.25. Lakshmis advanced by Rs. 5 to Rs. 135. Buckinghams spurted by Rs. 2 to Rs. 176. Janardanas were a rupee higher at Rs. 94. Loyals increased by Rs. 1.50 to Rs. 50.75. Travancore Rayons put on 30 nP to Rs. 13.90. Maduras gathered 25 nP to Rs. 42. Trichinopolys rose by 12 nP to Rs. 13.12. Pankajas were fully maintained at Rs. 70 as also Radhakrishnas at Rs. 275. Vasantas at Rs. 308 and Kotharis at Rs. 14.75. Coimbatore Cottons, on the other hand, fell by Rs. 10 to Rs. 340. Bangalore Woollens dropped Rs. 5.25 to Rs. 557. Metturs receded by Rs. 3 to Rs. 407.

In the miscellaneous section, India Cements advanced by Re. 1.50 to Rs. 26. Andhra Cements improved by 60 nP to Rs. 12.85. Mettur Chemicals increased by 25 nP to Rs. 9.25. Rallis put on a like amount to Rs. 30.25. F.A.C.Ts gathered 12 nP to Rs. 5.62. Mysore Chemicals and Fertilisers were firm at Rs. 7.91. India Steel Rollings, however, eased by 25 nP to Rs. 11.

In the sugar group, E.I.Ds receded by 17 nP to Rs. 26.25. Travancores declined by 12 nP to Rs. 11. Mysores were neglected at Rs. 37.50 and Indias at Rs. 15.85.

Notices

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting, the payment of the following dividends to the shareholders for the year ended 31st December 1956:—

Rs. 5 per share free of income-tax on Preference shares.

Rs. 12 per share and a bonus of Rs. 2 per share without deduction of income-tax on Ordinary shares.

For and on behalf of,
THE SVADESHI MILLS CO., LTD.,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 11*th April* 1957.

THE TATA MILLS LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting, the payment of a dividend on Ordinary Shares at Rs. 3 per share and a bonus of 50 nP per share without deduction of income-tax, to the shareholders for the year ended 31st December 1956.

For and on behalf of,
THE TATA MILLS LIMITED,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 11*th April* 1957.

DEPOSITS OUT OF COMPANIES' PROFITS

DRAFT RULES PUBLISHED

DRAFT rules regarding the deposits required to be made out of current profits by companies has been published in a *Gazette Extraordinary* issued by the Government of India on the 16th inst. The rules have been framed under the amendment to the Income-tax Act passed in December last as part of the Finance No. III Act of 1956, which came into force on 1st April 1957. These rules are called "Income-tax Allowances (Current Profits Deposits) Rules, 1957." They apply to companies incorporated in India and to those incorporated outside India, but doing business in this country. The draft rules have been gazetted in order to elicit comments before they are finalised.

Under the Act, a company has to deposit with the Central Government a percentage of its current profits by which the statutory surplus exceeds a lakh of rupees. The statutory surplus consists of: (*a*) the total income of the company for the previous year, as reduced by the amount of income-tax and super-tax payable in respect thereof and by the dividends, if any, declared during the previous year, *plus* (*b*) the sum of the depreciation allowances and development rebates. The deposit shall be made by the company on or before 30th June following the previous year in which the profits were made. In the case of a company whose previous year ends after 31st December and before 1st May, the deposit must be made within six months of the end of the previous year. The money must be deposited with the Reserve Bank of India, including agencies doing business on its behalf.

Government Securities

Within 15 days of making a deposit, a company must furnish—to the Income-tax Officer a statement showing the basis on which it computed the amount of the deposit and a receipt from the bank for the amount deposited by it. If a company so desires, it may, in lieu of a money deposit, deposit with the Bank, Government securities of the requisite market value. Such securities will be held in the Bank's custody, but no interest will be payable on these securities. However, the interest due on the securities according to the terms of the issue will be realised and paid by the Bank after deducting the usual collection charges. All money deposits will carry simple interest at a rate which will be notified by the Central Government for each financial year. Interest will be allowed from the day commencing next after the date on which the deposit is actually made, and will be computed on the basis of daily balances and paid by the Bank as on 31st March and 30th December.

The draft rules also provide for the computation of current profits deposits of companies incorporated outside India but doing business in this country. The dividends declared by such companies during any previous year will be those actually declared by them in respect of their business in India. That proportion of the dividends declared at the registered office of the company as the profit and gains of its Indian business bear to the total profits and gains out of which the dividends are declared will be taken into account for computing the deposit amount.

Exemptions Under the Act

Where any portion of the profits and gains of the company is not included in its total income, because such portion has been exempt from tax under any provision of the Act, the amount of the dividends declared during the previous year will, for purposes of determining the current profits deposits, be such proportion thereof as the total income of the company for the previous year bears to its total profits and gains for that year reduced by such allowances as may be admissible under the Act which have not been taken into account by the company in its profits and loss account for that year. Where an assessment by the authorities of the deposit to be made under the Act is in excess of the amounts actually deposited, the difference must be deposited within 30 days of being asked to do so by the Income-tax Officer. In addition, interest calculated at 6 per cent. on the excess amount will have to be deposited. If a company fails to make these deposits within the prescribed period, it will be considered not to have made any deposits as required under the Act. The consequences will be that the depreciation allowances and the development rebate, otherwise admissible to the company will be added to the income. The Income-tax Officer will, thereupon, inform the Board of Referees (appointed under the Act) which will order refund of the amount already deposited by the company for that year.

Notwithstanding that some amount has been deposited by the company and it has been directed to make a further deposit, the Income-tax Officer may make such adjustments in the assessment of the company for the relevant year as is necessary under the provisions of section 10 of the Act, as if no deposits had been made on the due date. But the collection of tax attributable to such adjustments will be deferred by the Income-tax Officer for the period given for the payment of the additional deposits. If this deposit is made within the period allowed, the assessment will be rectified, deleting the adjustments made.

Reduced Income

Where the total income of a company determined by the Income-tax Officer for the assessment made by him under the Act is finally reduced as a result of any other proceedings under the Act, and the deposit originally made by the company exceeds the amount of the current deposits calculated with reference to the reduced total income, and deposit

(Cont.)

NEWS IN BRIEF

THE Geological Survey of India has estimated that a reserve of 49 million tons of coal is present in the South Karanpura coalfields in Bihar.

The Central Geological Department has traced deposits of several minerals such as barytes, bauxite, coal, lignite and gypsum in the State of Jammu and Kashmir.

The Union Government has sanctioned a loan of Rs. 4.08 crores to Bihar to cover the expenditure on the Kosi project during 1956-57. This brings the total loan sanctioned so far by it for the project to Rs. 7.04 crores.

The Ford Foundation spent more than $16 million in India during the period October 1951 to September 1956. The bulk of the expenditure was accounted for by rural development, education, vocational training, industries and business management.

The Government of India has sanctioned loans of Rs. 40 lakhs and Rs. 250 lakhs to Rajasthan and Madhya Pradesh States, respectively, for the Chambal project. This brings the total amount of loans sanctioned for this purpose to Rajasthan to Rs. 227 lakhs and to Madhya Pradesh to Rs. 455 lakhs.

The Union Government has accepted the recommendations of the Sub-committee of the Coal Transport Advisory Committee for giving top priority to proposals for increasing siding and loading accommodation to collieries in order to enable them to move their increased output more expeditiously.

The President has given his assent to the Bombay Tenancy and Agricultural Lands (Amendment) Bill, 1957. The Bill replaces an ordinance promulgated by the Government of Bombay to remove doubts regarding interpretation of certain sections of the Bombay Tenancy and Agricultural Lands (Amendment) Act, 1955.

The Government of India has decided, in consultation with the Board of Trustees of the Coal Mines Provident Fund, to grant interest to the subscribers of the Fund on their accumulations at the rate of 3¾ per cent. during 1957-58. The rate of interest for 1956-57 was 3¾ per cent. Accumulations in the Fund up to January 1957 exceeded Rs. 8 crores.

The State Trading Corporation of India will route the exports of iron and manganese ores of Mysore to Japan, Poland and other destinations *via* Cochin next month. The diversion of exports from Madras to Cochin will considerably augment the employment potential of this port. The development of Cochin as a major harbour is expected to enable it to handle an additional million tons annually.

The Andhra Government has introduced a Bill in the State Assembly which is designed to consolidate and amend the laws relating to the levy of a general tax on the sale or purchase of goods in the State. It follows the Government's decision to adopt a unified system of taxation of sales and purchases throughout the State in the place of the present varying enactments prevailing in the former Andhra State and Telengana.

The housing shortage in India, according to a U.N. report to the Economic and Social Council, is so great that, by 1961, in urban areas alone it may be about 5.3 million units, or a shortage of twice as many units as in 1951, and that despite the fact that about 1.5 million houses have been built during the first Plan period. The U.N. report estimates that the cost of a minimum dwelling unit in India is equivalent to $1,000. For India, the indications are that perhaps only five per cent. of the rural householders and 12 per cent. of the urban population will be able to pay this amount.

The Export Promotion Committee appointed by the Government of India to recommend measures to stimulate India's exports will undertake a three-week tour of the country shortly. During its tour, the Committee will meet commercial and industrial associations and discuss with them matters relating to the promotion of exports. The Committee has been asked to report on the nature of fiscal and other concessions to be granted for promoting exports, the nature and extent of credit facilities required for export trade, and the lines on which the export promotion bodies should function. It will also recommend measures for transport facilities and simplification of commercial transactions.

The Railway Board has planned a major expansion of the railway wagon-building industry to raise its present installed capacity by about 80 per cent. As the wagon-building industries are now located in Calcutta and Kanpur, the new manufacturing units will be at Delhi, Rajasthan, U.P., Saurashtra, Madras, Bihar and Bombay. The present installed capacity of 20,000 wagons a year is proposed to be increased by 16,000 wagons a year. Sixteen new Indian firms have been selected by the Board to raise output. The Board is also making efforts to manufacture in India special types of wagons which are now being imported.

The Government of India has set up a committee, with Mr. A. C. Mitra, Chief Engineer, Irrigation, U.P., as Chairman, to make an assessment of the flood problem in the country and to give authoritative advice on the measures that should be taken to tackle it. The Committee will analyse the factors responsible for the succession of heavy floods in the Ganga and the Brahmaputra basins in recent years and indicate, in a general way, after an examination of the hydrological and other relevant data available, the lines on which the flood problem in various areas should be tackled. It will also report on how work should be carried out in future in regard to the construction of projects as well as the collection of data for the formulation of long-term schemes. Besides, it will lay down the principles for the fixation of priorities in the construction of flood protection works and will examine specific flood problems of an important nature in States like Andhra, Orissa and Punjab, and suggest ways for solving them.

* * * *

From Abroad

U.S. imports in January, valued at $1,118.5 million, were the highest on record. The January volume showed an increase of about six per cent. over the December figure of $1,051.3 million and about four per cent. over the January 1956 figure of $1,073.3 million.

The United Nations has announced that the cost of clearing the Suez Canal is around $10.8 million, a little more than half of the most conservative previous estimate. The advances already made by a number of countries are said to be sufficient to cover the entire cost.

As a result of the operations carried out in the south of Iran by a consortium of international oil companies, Iran's oil revenues in 1956 amounted to £54.3 million. Crude oil production exceeded the amount guaranteed in the 1954 agreement between Iran and the consortium by 9.8 per cent. Output of crude oil aggregated 25.9 million tons, as against 15.8 million tons in 1955.

The Rio Grande Railway, which has been seeking to develop an atomic-powered locomotive, has been successful in using coal irradiated with atomic energy as diesel fuel. Finely-ground coal had been treated with waste products from atomic reactors mixed with oil and burned as fuel. The impact of the radiation is to reduce the coal to a dust so fine that it floats in air like smoke. When mixed with oil, it increases the energy-content as diesel fuel.

Personal income in the United States in February last, according to the U.S. Department of Commerce, rose to a record annual rate of $336,700 million. This was an increase of $19,600 million over the same month a year ago. The term personal income embraces wages and salaries, the net income of proprietorships and partnerships, dividends and interest, net rents received by landlords and other types of individual income.

Data on national employment in the U.S. reveal that, for the first time in U.S. history, production workers are outnumbered by persons in the other occupations. The total number of factory workers, farmers, miners and construction workers was smaller than the aggregate of retail clerks, Government workers, salesmen, stock brokers, auto mechanics, laundry workers, domestic servants and all others in service enterprises. The shift in the employment pattern, U.S. economists point out, reflects the sharp rise in productivity, due to better machines and methods, that has occurred in the past 10 years. Since then, the output of production workers has risen about 45 per cent.

The American Petroleum Institute reports the nation's known reserves of crude oil and natural gas liquids at a record high of 36,336 million barrels at the end of 1956. This is 886 million barrels more than reported reserves on 31st December 1955. Natural gas reserves at the past year-end were reported at 237 million cubic feet by the American Gas Association, some 14 million above the 223 million reserves reported one year earlier. Production of crude oil and natural gas liquids last year amounted to 2,899 million barrels, 158 million above the record set in 1955. Natural gas output was 10,908,790 million cubic feet, up 790,000 million. This was the largest gain reported for any year.

The Communist countries account for almost one-third of the world's mid-1955 population of 2,691 million, according to the U.N. *Year Book* for 1955. The population of the Soviet Union in mid-1955 is estimated at 200.2 million, Communist China at 582.6 million, Poland at 27.2 million, Rumania at 17.4 million, East Germany at 16.7 million, Czechoslovakia at 13 million, Hungary at 9.8 million, Bulgaria at 7.5 million and Albania at 1.3 million. The Communist countries produced about 30 per cent. of the world coal and 22 per cent. of its steel.

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SHRI RAMNATH A. PODAR

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PERSONAL

MRS. Vijayalakshmi Pandit, India's High Commissioner in the U.K., has arrived in India for consultations with the Government of India.

Mr. Kadri Ressen, former Turkish Ambassador to Jordan, has been appointed Turkey's Ambassador to India.

Mr. A. C. H. Graafland, Consul attached to the Netherlands Consulate-General in Bombay, is leaving India shortly after ten years of service in Bombay. He was acting Consul-General on several occasions.

Dr. Clement Alberto Rezzonico, Swiss Minister in India, has been appointed his country's Ambassador to India, consequent upon the decision of the Federal Council of Switzerland to raise its Legation here to Embassy level.

Mr. S. N. Haji has been re-elected Chairman of the All-India Manufacturers' Organisation for the year 1957. The other office-bearers elected are: Vice-Chairmen: Messrs. M. L. Tannan (Bombay), F. R. Moos (Bombay), S. K. Sen (West Bengal), K. N. Modi (Delhi) and V. Seshasaye (Madras). Honorary Treasurer: Mr. P. B. Advani. Joint Hon. Secretaries: Messrs. J. V. Patel, Pranlal Patel and G. G. Morarji.

Mr. B. N. Adarkar, India's Executive Director-designate of the International Monetary Fund, left Bombay for London on Saturday last to participate in the Commonwealth consultations on the European common market treaty which commenced in London on the 15th inst. Thereafter, he will go to Geneva to attend the meetings of the inter-sessional Committee of the General Agreements on Tariffs and Trade which is due to commence there on the 24th inst.

"COMMERCE" 1932

FORM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 23*rd April*

Indian Textile Industry

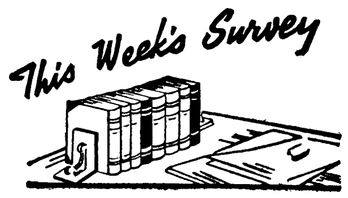
It appears from certain Bombay papers that Indian commercial circles there do not like the special reference to Imperial Preference in the terms of reference to the Tariff Board which has been requested to make an enquiry into the question of protection to the cotton mill industry. The grievance is that the Government of India has already committed itself to the principle of Imperial Preference in advance of the decisions to be reached at the Imperial Economic Conference at Ottawa. The terms of reference to the Tariff Board run thus: (1) whether the claim of the Indian cotton textile industry to protection has been established; (2) if claim is found to be established, in what form protection should be given and to what extent; (3) if it is proposed that protection should be given by means of import duties; (*a*) whether the same rate of protection is required against the competition of goods manufactured in the United Kingdom as against competition of goods manufactured elsewhere and (b) what rates of duty are recommended in respect of (i) cotton piecegoods, (ii) piecegoods made wholly or partly of artificial silk and (iii) cotton twist and yarn according as they are manufactured (*a*) in the United Kingdom, (*b*) elsewhere.

In making its recommendations, the Tariff Board will take all relevant considerations into account, including that stated in part (B) of the resolution adopted by the Legislative Assembly, on the 16th of February 1932. In particular, the Tariff Board has been requested to consider how its recommendations will affect the handloom weaving industry.

The combined steel output of the Soviet Union, China and four East European countries rose by 160 per cent. between 1937 and 1955, as against a corresponding rise of 86 per cent. in the rest of the world.

The Political and Economic Planning (P.E.P.) of Britain, an independent, non-party organisation, has forecast that the current substantial emigration of Britons is likely to continue in the immediate future. In a report on Britain and Commonwealth migration, the P.E.P. says that, between the end of the war and 1955, more than 1.2 million Britons emigrated primarily to Australia, Canada and New Zealand. But immigration, particularly from Europe and the Irish Republic as well as British West Indies, India and Pakistan, went a long way towards reducing the numerical loss resulting from emigration. The immigrants had not made up the loss of skilled man-power in important industries and occupations.

The Federation of West German Industries has pointed out that the payment terms fixed by the Indian Government for imports of investment goods at the end of January are unbearable and cannot be accepted by German exporters. The Indian regulations provides that import licences for investment goods will be issued only if contracts provide for the payment of 20 per cent. in not less than seven years after arrival. The present credit facilities only allow West German exporters to accept terms of a maximum of five years. Meanwhile, the West German Foreign Office has promised to ask the Indian Government to leave the credit terms in pending contracts, as they were fixed when the contracts were concluded. These contracts have a value of about 150 million marks.



FOREIGN EXCHANGE

THE appeal of the Prime Minister, Mr. Jawaharlal Nehru, made while inaugurating the seventeenth annual conference of the All-India Manufacturers' Organisation (A.-I.M.O.), held at New Delhi on Saturday last, that the public should make available to the Government gold ornaments and other jewellery, in order to solve the country's foreign exchange position, clearly underlines the magnitude of the problem involved. The weakest link in the second Five-year Plan is that relating to foreign exchange. Indeed, the most intractable of the economic issues, as we have pointed out on more than one occasion, is the gap in foreign exchange resources over the Plan period; the gap is now estimated to be of the order of as much as Rs. 1,500 crores. Unless energetic steps are taken from now alone to fill this gap, the implementation of the series of schemes included in the Plan is bound to be affected adversely. Such is especially so with regard to schemes in the private sector which has already made elaborate arrangements for expansion and establishment of new lines of manufacture. The A.-I.M.O. has, therefore, special reason to support Mr. Nehru's appeal. The main resolution which the Organisation adopted in this connection may be summed up thus:

> A mechanism may be evolved by which gold and silver, in the form of either bullion or ornaments, held by the people as unproductive investments or as personal jewellery, can be made available to the Government for purchase. The gold thus secured can be used for further reserve against expanding note issue for the issue of gold certificates convertible after a period of 10 years bearing an attractive rate of interest, and for the purpose of augmenting the foreign exchange position by way of either sale to obtain foreign currency or depositing with the International Monetary Fund to enable the Government to obtain further loans.

While the above suggestion is commendable, the question arises as to whether much reliance can be placed on this source of finding resource to fill the foreign exchange deficit. For it is common knowledge that a wide section of the country's population attaches great sentimental value to its holdings of gold and silver, though it fully realises that the holdings are unproductive. Even assuming that a large part of the holdings can, in fact, be garnered by the State, such will constitute only a trickle, considering the huge deficit that remains to be covered. The real, effective solution to the problem lies elsewhere. As Mr. S. N. Haji, Chairman of the A.-I.M.O., very aptly urged, every endeavour should be made (1) to curtail drastically all avoidable imports; (2) to increase earnings from invisibles which have shown a tendency to improve in recent years; (3) to obtain foreign aid and foreign capital in large measure through either grants and loans or equity capital; and (4) to augment exports by immediately adopting effective and remedial measures as are found necessary.

The last-mentioned course deserves to be specially stressed in the present context of the establishment of a buyers' market the world over. The competitive capacity of several of India's export products has suffered a distinct setback of late, thanks to heavy tax imposts, high wage bill, and irrational policies of the State based on ideological considerations. So long as the competitive capacity of goods remains low, the country cannot meet successfully the growing international competition. The Export Promotion Committee appointed by the Government of India will do well to take note of this factor and put forward concrete proposals designed not only to remove the various handicaps confronting trade but also to give encouragement for stimulating exports.

In the course of his address, Mr. Haji drew pointed attention to the shortage of capital resources which are needed to meet the rising investment requirements. In its anxiety to net in, through more and more taxes, as much revenue as possible to the exchequer, the Government has deprived the private sector of a considerable portion of funds available with it. Surely, the Government, as Mr. Murarji J. Vaidya, a leading industrialist of Bombay, rightly declared while moving the main resolution of the A.-I.M.O., ought to realise that, like the public sector, the private sector is also in need of more resources for fulfilling the Plan targets assigned to it. Needless to say here that the main source of capital for the private sector consists of savings effected by itself. Emphasising this point, Mr. Haji called upon the Government to enable the industry to plough more resources back into production channels by providing "adequate and deserved" relief in corporate and personal taxation. This is, indeed, a just plea which must be recognised by the Government. The Government itself has acknowledged, in the White Paper on the Budget for 1957-58, that the increase in the net indebtedness of the private sector to banks "indicates"—to quote the Paper—"the inadequacy of corporate savings for financing the programme in the private sector." The problem of finding resources and easing the tight monetary conditions in the private sector can be solved, as the main resolution of the A.-I.M.O. rightly suggested, by removing penal taxation measures and by evolving new techniques for tapping small savings, especially in the rural areas, including issuance of bearer bonds payable after 10 or 15 years. The resolution also rightly made two other suggestions. First, diversion of savings to unproductive channels or for speculative purposes should be discouraged by higher taxation. Secondly, wages and wage increases must be correlated to norms of production.

INDO-U.S. ECONOMIC COLLABORATION

Ever since India's attainment of independence, the U.S. has been taking an increasing interest in the economic endeavours of the former, and has always been willing to extend a helpful hand. This attitude of the U.S. cannot be termed as being inspired only by considerations of enlightened self-interest. It is, equally, an offspring of the belief that there is, between the two countries, a wide area of agreement on fundamental purposes and objectives. And it is precisely this aspect of Indo-U.S. relations that holds out the promise of greater economic collaboration between the two countries in future.

Discussing the scope for larger U.S. assistance to India, Mr. Ellsworth Bunker, U.S. Ambassador, observed the other day at Madras that there was one economic tie which he considered most important in terms of India's continuing growth and development, namely, American private investment. It is true that in comparison with investments in other countries, the participation of American private capital in India's economic development has been small. At present, American private investment in India aggregates about $190 million. U.S. assistance to India has been largely on the governmental level, and U.S. Government aid since August 1947 aggregated $826 million. It may be observed in this connection that there has of late been a growing antipathy in U.S. against enhanced foreign aid commitments which has been reflected in the increasing number of votes cast in the Senate against foreign aid appropriations. From this point of view, if American economic assistance could be extended through non-governmental channels, in the shape of, say, private investments, it would be less subject to political criticism.

As regards the bogey of foreign capital invasion raised in some quarters, Mr. Bunker has some pertinent remarks to offer. Citing instances from American economic history, he said that the experience of the U.S. in this respect had been exactly the contrary. The phenomenal expansion of the U.S. in the latter half of the nineteenth and early years of the present century had been stimulated by European capital. American railways, coal mines, steel mills, etc., enjoyed the benefit of British, French and Dutch capital. Foreigners invested their money on exactly the same terms as their American counterparts, received the same consideration and advantages and, in the process, made an effective contribution to the industrial growth of the U.S.

Mr. Bunker did not say how best India could attract American capital as he would leave it to the Government of India to work out its own technique for attracting foreign investors. But he believed that the introduction of American manufacturing techniques and management practices could be of as great value to India as American capital because he was convinced that sharing of the experience and knowledge gained in the organisation of production and its distribution could be a significant factor in accelerating India's economic growth. Referring to the possibility of greater co-operation between the two countries, Mr. Bunker said that the assistance which the U.S. was giving was only one facet of economic relations. The trade between the U.S. and India, he added, was growing in amount and importance. For instance, one-third of India's manganese, three-quarters of its jute, 30 per cent. of its mica, 70 per cent. of its shellac, half of its pepper and more than a third of its tea exports currently go to the U.S.

Exhorting the business community to adjust itself to the changing circumstances, Mr. Bunker said that although, due to the lower rate of capital formation in India, the Government was called upon to undertake a greater part in economic life there was in India, as well as in the U.S., a large area which fell to private enterprise to develop. But it would remain there only if business men recognise and accept their responsibilities. These go much beyond the mere making of profits for the shareholders. They also include the realisation of the fact that the widest possible distribution of the products of industry at the lowest price rather than charging all that the traffic will bear, will make for conditions of sound and permanent prosperity.

A BANKING PLAN

Never before in the economic history of India had the banking system been asked to play so vital a role as the one they are asked to play today. The country stands on the threshold of a new era of planned economic development, having launched upon a giant programme of raising the living standards of the people. The banking system should fall in line with the programme by ensuring the creation of the necessary developmental climate for both the expansion and the consolidation of the banking structure. This view was forcefully brought out by Dr. N. N. Law, Chairman of the United Bank of India Ltd., in his speech at the annual meeting of the Bank held at Calcutta the other day. The banks, Dr. Law declared, must bring in the untapped resources as grist to the economic mill and "so aid the avoidance of an excessive and frustrating tax level by assisting the Government in getting larger funds through borrowings." How this objective can be achieved has been indicated by Mr. B. K. Dutt, Managing Director of the United Bank of India, in a study entitled "Necessity for a Banking Plan—A Tentative Study" prepared at the request of the Indian Banks Association.

The objective of a banking plan, Mr. Dutt observes, and rightly so, needs to be geared to a programme of collecting resources now tending to disappear in unorganised segments of the economy. This could be brought about through a two-pronged programme of rapid extension of banking facilities—by opening offices at the rate of 1,000 per annum in new places and by strengthening the existing ones, where necessary, and bringing into existence smaller unit banks set up regionally. The other salient features of the Plan as suggested by Mr. Dutt are: Arrangements for strengthening to soundness all the reporting banks, with State help (formation of a Rehabilitation Finance Corporation may be considered in this behalf); ensuring quick credit maturity of all the banks through insurance of deposits (formation of a Deposit Insurance Corporation may be considered in this connection); organisation of issue houses, consortium for Government and private marketable obligations, and unit trusts for industrial obligations; formation of bank-owned organisations for medium and long-term financing; strengthening the Indian Banks Association with a view to undertaking continuous study, investigation and research on the problems confronting banks of all description and its transformation into an All-India Banks Association; a development pact with the bank employees, at national level, so that pursuit of the Plan may not be interrupted and all disputes are settled by arbitration.

Here is a framework which can serve as the basis for formulating a workable plan for setting the banking industry on a more solid and sound footing. The framework, it is, of course, made clear, is intended only to raise discussion; it will require closer examination and further investigation. It is to be hoped that the banking community as a whole and the leading banks, in particular, will view the plan in the light of the changing economic climate in the country and also give it the consideration which its author's painstaking efforts merit.



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DOUBTS OF BUSINESS MEN SET AT REST

MR. NEHRU'S ADDRESS AT A.-I.M.O. MEETING

From Our Own Correspondent

NEW DELHI, 15*th April*

THE All-India Manufacturers' Organisation, claiming a direct membership of nearly 4,000 factories, held its annual conference here last week-end. For the second year in succession, the session has had the honour of being inaugurated by the Prime Minister of India, Mr. Nehru set at rest the doubts of the assembled business men by affirming that "the private sector has necessarily to have not only a very important place but a respected place in the context of the broad policies that we pursue." The A.-I.M.O., which is, by and large, composed of medium and small business men and which believes that, "in an expanding economy like ours, there is ample scope for both large-scale and small-scale industries to co-exist and develop further," should have felt cheered by the Prime Minister's reference to the remarkable progress made by small industries in the Punjab since independence. (According to Mr. Nehru, 26,000 small enterprises had grown up in the Punjab in the last few years with a relatively small capital but with a great deal of energy and enterprise.) The Prime Minister's speech was most notable for its exhortation to people to sell their gold or jewellery to the Government. He did not, of course, mean to suggest that every woman should sell away all the jewellery she possessed; what he wanted was that this should be done on a fairly wide scale so that it could "generate a certain atmosphere of partnership in meeting difficulties."

DELHI LETTER

This idea of tapping the country's resources in gold was always canvassed by some publicists, but it was not politically countenanced till the Prime Minister himself set the ball rolling the other day. And the assembled business men of the A.-I.M.O., which favours the determined implementation of the second Plan without scaling down its targeted outlays or extending its period and which expects that the necessary resources will be provided, have just given a further impetus to the idea. The A.-I.M.O.'s support to what looks like an emerging movement is contained in a resolution adopted yesterday. This resolution suggests a series of measures to make larger finance available for the private and public sectors.

The A.-I.M.O. certainly deserves credit for promptly concretising the Prime Minister's suggestion. That the Finance Ministry will soon examine the merits of the suggested measures may be taken for granted. So far so good. But any spectacular success in this direction may have to be discounted for obvious reasons.

Other Measures

The A.-I.M.O.'s key resolution on resources is even more notable for the other measures it suggests. In the first instance, it pleads for the removal of penal taxation measures in order to enable industrial units in the private sector to plough back more resources into productive channels; for greater collaboration between the Government and the people in public corporations by associating the people in the equity capital and direction of public enterprises, excluding the four industries which are the exclusive monopoly of the Central Government; for evolving new techniques for tapping small savings, especially in the rural areas, which should include, among others, issuing of bearer bonds payable after 10-15 years, with low rates of interest but with a right to participate in drawing tax-free prizes; for obtaining foreign aid and foreign capital in a larger measure than hitherto and removing, in this connection, the obstacles which hinder the flow of such aid or capital, such as existence of double taxation or absence of Treaty of Friendship, Commerce and Navigation; for granting relief to Indian concerns operating abroad from taxation on the lines recently given in the United Kingdom; and for discouraging, by means of higher taxation, diversion of savings to unproductive channels as in investment of gold and silver or for speculative purposes.

Together with the suggestions for achieving greater equilibrium in the country's balance of payments position, these constitute an impressive volume of what may be taken by Government as helpful and constructive advice by a considerable section of Indian business. Carried away by its own real or fancied optimism in the matter of resources, the A.-I.M.O. has proceeded to plead for increasing the available supply of agricultural and industrial products by fixing higher targets and endeavouring to achieve the same by higher productivity on land and in existing industrial units and by extending the area under cultivation and by extending the existing industrial units, as also by the establishment of new units of production. The A.-I.M.O. has obviously not examined the implications, in terms of larger investment outlay, of this general plea. To plead for higher physical targets in respect of agriculture and industry in the second Plan period is to plead for a larger overall investment outlay in the public and private sectors.

Not Bright

This view of a section of Indian business is opposed to the view of another section which holds that, in the light of its reappraisal of resources, the revised public sector outlay of Rs. 5,250 crores (including Rs. 1,000 crores of new development expenditure) would have to be cut back to Rs. 3,750 crores for the second five-year period or phased over a seven-year period at an average annual rate of Rs. 750 crores, if the investment target of the private sector is not to be drastically cut down. This latter view cannot be ignored for the second year public sector outlay of the second Plan, it is now learned, will have a shortfall of about Rs. 115 crores. If the public sector outlay in the first two years of the Plan would be only Rs. 1,500 crores, the chances for an outlay of Rs. 3,750 crores in the remaining three years of the Plan are not excessively bright.

There is no reason to believe that the suggestions thrown out by the A.-I.M.O. will enable the Government to make up the entire estimated gap in resources. Even if the resources gap comes to be filled, it may be only at the expense of the private sector. Perhaps the A.-I.M.O. may welcome the fulfilment of the public sector investment target in the hope that it will also involve the development of small industries in the private sector. Here is discernible a conflict of views arising, perhaps, from a conflict of interests between the bigger and the smaller sections of Indian business. This probably explains why the All-India Manufacturers' Organisation is anxious to extend to Government even greater co-operation than the Federation of Indian Chambers of Commerce and Industry was willing to do in its recent annual conference in the Capital. Sections of business men now appear to think that the "socialist pattern" visualises a small-holder economy in both agriculture and industry. One wonders if the "war of nerves" to which the private sector has been subjected in recent years is just beginning to pay dividends to the Government.—*All Rights Reserved.*

(Concluded from next column)

charge to members and non-members alike, and, apart from the value of the advice given, it has had a useful effect in building up goodwill.

Two final examples will show the variety of the society's operations. Its insurance department enables members to insure their buildings, machinery and livestock against mishap of all sorts, while the veterinary shop sells every kind of medicine likely to be required by livestock. The chemist in charge is not a qualified veterinary surgeon and cannot, therefore, give treatment, but his visits have given many farmers a better understanding of how to look after their livestock. He also makes up his own mixtures much more cheaply than many proprietary brands, and these benefits, coupled with the fact that members can draw a bonus on all veterinary purchases, are the main advantages which the shop has brought.

A WAGON EVERY 20 SECONDS

India's largest railway marshalling yard at Moghalsarai (near Banaras) last month set up a record of operating performance which has never before been achieved in its long history. During March, an average of 2,082 wagons was despatched daily to a multitude of destinations on the Northern, Central and Western Railway, marking a 17 per cent. increase over the performance in March last year and a 24 per cent. increase over March 1955. In the opposite direction, to the Eastern Railway, an average of 2,101 wagons left Moghalsarai daily during March, an increase of nearly 20 per cent. over the daily average for March last year. During the last 11 days of March, an average of one wagon left Moghalsarai every 20 seconds. This process continued all round the clock.

CO-OPERATION ON LAND IN BRITAIN

HOW THE MOVEMENT HELPS FARMERS

By J. A. B. Hamilton

THE multi-purpose farmers' co-operative societies in Britain can supply farmers with feeding stuffs, fertilisers, equipment and much else, and purchase their eggs, poultry and grain; in fact, the largest societies are able to supply practically everything required on the farm. Nothing of the kind was foreseen when the farmers' co-operative movement started in the latter part of the last century. It started with a few small societies for the purchase of feeding stuffs and fertilisers. Their primary object was to protect the farmer against the excessive prices charged by merchants, but, instead of separate organisations being formed for each purpose, as has happened in most other countries, these societies gradually began to purchase first one essential for the farmers' needs, then another. Thus the multi-purpose society came into existence.

The movement made no great headway until after the end of World War II, but, since then, it has been going ahead fast. The effect has always been to bring down prices—known to be higher in parts of the country where no society exists. It thus benefits all farmers in the locality, whether they are members or not, while members derive the further benefit of sharing the profits in the form of a bonus on the amount of business done.

A large society may have a turnover of anything from £2,000,000 to £8,000,000, of which about three-quarters will come from farm requisites. The members will number from 3,000 to 10,000, but, with the tolerance which seems inherent in the British character, the society will also do a large business with non-members. On the whole, it will be strongest in areas where most of the farms are medium-sized or small.

Typical Society

Let us take a typical large society, with some 20 depots serving an area of about 4,000 square miles. Each depot holds large stocks of animal foods, but much of this goes in lorry-loads direct from the mill to the member's farm. The society has several mills for grinding its own mixtures, but it also sells those manufactured by outside firms, as some farmers prefer these. Each branch has a sundries department, which sells rakes, brooms, wire-netting, binder twine, gumboots, paint, troughs, ladders, poultry-houses, to mention only a few items. These are delivered in the society's lorries along with the feeding stuffs. Members may visit the depot and give their orders personally, or telephone if they are in a hurry. More often, they will order from the travelling salesman who calls once a fortnight. Most members will buy the bulk of their requirements from the society, but they often like to deal with a private merchant as well, in order to encourage competition.

The machinery department is organised in a separate series of branches which undertake all kinds of repairs, either in the workshop or out on the farm. The society maintains a building department which undertakes all kinds of farm repairs and installations such as laying water-pipes or fitting up the buildings with electricity. Other services include spreading lime and spraying of crops against pests and weeds. For farmers who prefer to do their own spraying, the society supplies both the outfit and the liquid. Another department sells tractor fuels—petrol, paraffin and diesel oil. The society does this as agent to one of the large distributors who have found that their sales to farmers have nearly doubled since they deputed the business to the society. For one thing, the society gives much prompter deliveries than any rival distributor, and a farmer who runs short knows that he need only telephone to be sure of a further supply within 24 hours at most. All goods and services, as well as sales to this society qualify for members' bonus which for some years has been at the rate of eightpence in the £—nearly 3½ per cent.

The society maintains a buying department which will purchase grain from members, often for sale to other members, especially in the case of barley. The egg packing station handles about 50,000,000 eggs a year—most of the eggs in the district. To help farmers with egg and poultry production, a full-time expert is maintained who visits farms to advise on housing, feeds, hygiene, laying strains, incubation and all poultry problems. The service is available without

(Continued in previous column)

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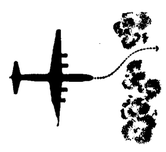

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SWISS QUALITY WORLDWIDE SWISSAIR

LOWEST "PER CAPITA" NATIONAL PRODUCT IN ASIA

THREE COUNTRIES SHARE 55 P.C. OF TOTAL

TWENTY-SIX countries in Asia, Africa and Latin America, constituting about 62 per cent. of the total population of 55 countries covered by a United Nations Study, together share only 15 per cent. of the total "net national product" of the 55 countries. The *per capita* national product in these underdeveloped countries varies between $50 (in Burma) and $230 (in Brazil). At the other extreme, there are three countries, namely, the United States, Canada and Switzerland, the population of which forms only about 13.5 per cent., while their aggregate net national product constitutes no less than 54.7 per cent., of the total of the 55 countries. This is one of the striking conclusions that can be drawn from the *Statistical Papers on Per Capita National Product of Fifty-five Countries*, 1952-54, prepared by the Statistical Office of the United Nations. The study contains estimates of the average annual *per capita* product of 55 countries for the period 1952-54, expressed in United States dollars.

In this study, the concept called "net national product" is employed in the place of the concept "national income" which was employed in its report published in 1950. The net national product is defined "as the value at factor lost of the product, after deduction of provisions for the consumption of fixed capital, attributable to the factors of production supplied by the normal residents of a given country." It is, according to the report, identically equal to the national income which is defined as the sum of the incomes accruing to factors of production supplied by normal residents of the given country before deduction of direct taxation. Though the results arrived at through either method are the same, the difference lies in that they are taken to measure two different aspects of economic activity—the former, production; the latter, income. The study, however, does not include estimates for the U.S.S.R. and other countries where the concept "net material product" is used in a sense different from the one employed in the study.

Not Indicative of Welfare Levels

The report also points out that the estimates presented in the study are rough approximation of levels of *per capita* national production but are not indicative of levels of welfare. This is so, for, to quote the report:

"The monetary value of a nation's output of goods and services does not reflect the efforts, strains, etc., that accompany production or certain undesirable consequences of it. Differences in climate, terrain and natural resources may also result in different degrees of satisfaction of the basic needs of societies producing the same amount of poduct. Apart from economic factors, differences in tastes may also explain in part differences in price relationships of the same or similar goods and services produced in two countries. Furthermore, the boundary of production as defined for national income purposes may exclude from the estimates activities which may well enhance a society's welfare but, at the same time, may include activities which do not necessarily contribute to its well-being."

The report cautions, however, that the estimates suffer from certain short-comings. One of them is that the estimates of *per capita* product of some of the countries—about six—are not official ones, but are based on those prepared by experts on behalf of Governments concerned or by international organisations. Further, the existence of a substantial non-monetised economy in less developed countries poses problems in estimating their national product. Still another limitation is imposed upon international comparisons of national product estimates by the difference in the concepts used for the purpose from country to country. An important feature of the estimates, however, is that the estimates generally represent averages for the three-year period, 1952-54, in order to reflect more accurately the level of product.

The total population of the countries covered by the present study was 1,325,684,000 as at the middle of 1953, while their total estimated net national product at factor cost was $590,120 million. The average *per capita* works out to $445. Certain striking features emerge from this study. The *per capita* net national product of 36 of the 55 countries is less than that of the average of $445; while that of only 19 exceeds that level. Moreover, the countries, numbering eight, the *per capita* net national product of which ranges between $750 and $1,000, sharing between themselves about 6.1 per cent. of the population of the 55 countries, account for no less than 11.6 per cent. of the total net national product. Further, 11.8 per cent. of the total net national product is contributed by six countries, the *per capita* net national product of which varied between $500 and $749, with 9.4 per cent. of the total population. Furthermore, 12 more countries with nearly the same proportion of population share between themselves 6.9 per cent. of the total net national product. Their *per capita* net national product, however, varies between $250 and $499. In other words, 29 countries, the *per capita* net national product of which is $250 and above, account for 85 per cent. of the net national product, while their population constitutes only 38.2 per cent. of the total population of the 55 countries.

The following table gives the figures for population, net national product at factor cost and *per capita* product for some of the important countries covered by the study.

Name of the country	Population mid-year 1953 (thousands)	Net national product at factor cost (million U.S. dollars)	*Per capita* product (U.S. dollars)
Africa—			
Egypt	22,062	2,650	120
Union of South Africa ..	13,153	3,950	300
America—			
Argentina	18,393	8,460	460
Brazil	55,772	12,830	230
Canada	14,781	19,360	1,310
Chile	6,437	2,320	360
Mexico	28,056	6,170	220
United States	159,643	298,530	1,870
Asia			
Burma	19,045	950	50
Ceylon	8,155	890	110
India	372,000	22,320	60
Israel	1,650	770	470
Japan	86,700	16,470	190
Pakistan	79,330	5,550	70
Philippines	21,039	3,150	150
Europe—			
Belgium	8,778	7,020	800
France	42,860	31,720	740
Germany (Western) ..	48,994	24,990	510
Italy	47,551	14,740	310
Sweden	7,171	6,810	950
Switzerland	4,877	4,930	1,010
United Kingdom	50,611	39,480	780
Oceania—			
Australia	8,815	8,400	950
New Zealand	2,047	2,050	1,000

It is also noteworthy that the 14 countries the *per capita* net national product of which ranged between $500 and $1,000 are, with the exception of three, namely, New Zealand, Australia and Venezuela, West European countries. A further interesting feature is that three Asian countries, namely, Israel, Malaya and the Lebanon, fall in the category of those with a *per capita* net national product varying from $250 to $499, which is mostly dominated by the countries of South America. In the last group, the countries of Asia and Africa dominate, their *per capita* net national product generally being less than $100, with the exception of a few countries such as Turkey (210) Japan, the Philippines, Egypt and Ceylon. The *per capita* product of those countries of Central and South America which come under this group varies between $120 and $230.

(Concluded from next column)

of £18 million in investment in Government securities, of which British Government securities (at £326.05 million) account for £16.06 million. The market value of the latter is £317.93 million, but this difference is left uncovered, as in the previous year, because all securities are redeemable at fixed dates, the majority within 10 years, when any depreciation will be recovered.

The working of the Indian branches of the Bank during the year ended 31st October 1956 has been more encouraging, in that the profit has staged a further rise of Rs. 7.22 lakhs to Rs. 28.64 lakhs, thus maintaining the upward trend for the second year in succession. With this rise, the Bank has been able more than to make good the decline in profit suffered in 1954 from Rs. 26.56 lakhs to Rs. 16.39 lakhs.

The Bank's income from interest and discount has increased by Rs. 16.25 lakhs to Rs. 157.06 lakhs, and that from commission and exchange by Rs. 9.22 lakhs to Rs. 48.02 lakhs. Offsetting these are the rise of Rs. 8.53 lakhs (to Rs. 57.65 lakhs) in interest paid and of Rs. 9.90 lakhs (to Rs. 113.05 lakhs) in expenses.

The variations in the main items of the balance-sheet are well brought out in the table above. They show a sharp rise of Rs. 10.80 crores in advances, accompanied by a fall of Rs. 1.76 crores in deposits. This has been met by stepping up the borrowings from other banks, which have gone up over the year by Rs. 5.46 crores, by a reduction of Rs. 7.08 crores in investments and of Rs. 1.33 crores in cash balances.

LLOYDS BANK'S PROFIT RISES FURTHER

DIVIDEND STEPPED UP

THE performance of Lloyds Bank Ltd. (Chairman: Sir Oliver Franks, London) during the year ended 31st December 1956 has been quite encouraging, despite the credit squeeze, the higher rate of interest paid on deposits and a further rise in operational costs. The profit, which had been maintaining an upward trend since 1946, has staged a further rise of £219,354 to £2,541,793, the highest level reached since 1929. The Bank has, however, been able to offset these higher outgo by larger earnings, thanks to the expansion in business and the higher money rates in force throughout the year.

With the undistributed surplus of £558,006 brought in from 1955, the profit available for appropriation is £3,099,799, as against £2,638,996 in the previous year. Out of this, the Directors have set aside £500,000 each (same as in the previous year) to the general reserve and the reserve for future contingencies. An interim dividend of 6 per cent. (less income-tax) on the 14,372,956 'A' shares of £5 each, £1 5s. paid-up and 2½ per cent. (less income-tax) on £1,437,296 'B' stock, same as in 1955, was paid in August, absorbing £619,834. The final dividend of 7 per cent. (less income-tax) is on the reorganised capital of £18,565,070, made up of 18,565,070 shares of £1 each fully paid, following the conversion and amalgamation of 'A' shares and 'B' stock into one class of shares. This represents an increase of one per cent. from that paid for 1955 on the old 'A' shares and is in conformity with the intention expressed by the Directors at the time of reorganisation of capital. The final distribution takes up £747,244, as against £640,495, leaving a slightly larger surplus of £712,060 to be carried forward.

The following comparative table brings out the salient features of the Bank's balance-sheets and those of its Indian branches as at the close of the last four years:

(In thousands of £'s sterling)

	As on 31st December			
	1956	1955	1954	1953
Capital	18,565	19,403	15,810	15,810
Reserve fund	17,500	15,000	17,000	16,500
Undistributed surplus ..	712	558	517	555
Deposits	1,197,144	1,190,146	1,244,306	1,203,039
Acceptances, endorsements, etc.	157,811	124,171	131,058	94,784
Cash, money at call and balances with other banks ..	247,156	245,666	252,892	252,049
Bills	242,128	242,853	254,800	247,156
Investments—				
Gilt-edged	369,578	387,542	424,525	410,055
Trade	10,049	10,046	8,990	8,119
Loans and advances ..	336,878	308,107	301,192	288,976
Items in transit ..	15,603	18,057	23,085	18,526
Balance-sheet total ..	1,394,209	1,350,899	1,410,461	1,332,702
Ratio to deposits of—	%	%	%	%
Cash	20.6	20.6	20.3	20.9
Gilt-edged investments	30.9	32.6	34.1	34.1
Loans and advances ..	28.1	25.9	24.2	24.0
	Indian Branches (In lakhs of rupees)			
Deposits	39,93.46	41,69.57	39,86.55	37,50.40
Borrowings from other banks ..	6,36.06	89.85	1,48.68	40.31
Bills for collection ..	4,47.84	3,47.79	3,13.25	2,76.77
Acceptances, endorsements, etc.	6,77.32	4,18.11	2,86.23	2,49.36
Advances	30,54.09	20,04.14	17,59.88	16,66.93
Investments	12,67.95	19,75.56	20,43.73	19,01.26
Cash (including money at call and short notice)	3,09.38	5,02.66	5,91.97	3,16.58
Balance-sheet total ..	58,70.11	52,75.92	50,22.16	45,27.09

The reorganisation of the capital structure carried out during the year has resulted in a reduction of capital, consequent on the writing down of 'B' stock by £838,425, and this sum is kept as a part of the reserve fund. At the same time, a sum of £1.16 million was transferred from the contingency reserve to the general reserve. These two transfers together with the allocation of £500,000 from the year's profit, account for the increase of £2.5 million in the published reserves. The Bank's deposits (including contingency accounts) have gone up by £7 million, notwithstanding the withdrawal of £1.16 million from the contingency accounts, but this increase has only fractionally made good the decline of £54 million noted in 1955.

Following the rise of £6.92 million made in the previous year, loans and advances have staged a further increase of £28.77 million in the year under review. The slight reduction in bills is mainly due to the fall of £4.65 million (to £9.13 million) in holdings of British bills of exchange. This has been nearly made good by the increase of £2.63 million (to £228.34 million) in British Government Treasury bills and of £1.30 million (to £4.66 million) in Dominion, Colonial and foreign bills. The sizable increase of £28.77 million in advances, as against a rise of only £7 million in deposits, has been met by a reduction

INDIAN BANK'S PROFIT MORE THAN DOUBLES

BUSINESS EXPANDS SIZABLY

THE working results of banks in India for the year 1956 have generally been encouraging and the profits, in many cases, have recorded a sharp rise over those for the previous year. Few banks have, however, had the distinction of seeing their profits doubled. The results of working of the Indian Bank Ltd. (Secretary: Mr. D. P. Parthasarathy, Madras), provide one such rare instance; its profit for the year under review has jumped from Rs. 20.28 lakhs to as much as Rs. 45.71 lakhs, representing an increase of over 125 per cent. It has, thus, set up a fresh record in the history of the Bank, exceeding the previous high of Rs. 23.45 lakhs established in 1946 by no less than Rs. 22.26 lakhs. Such an impressive performance has been rendered possible, despite the higher expenses, by the sizable expansion in the Bank's turnover, although this, as in the case of many other banks, has meant a strain on its lendable resources.

The allocation to the reserves has been raised from Rs. 7.13 lakhs to Rs. 10.75 lakhs by stepping up the transfer to the reserve fund under section 17 of the Banking Companies Act, 1949, from Rs. 3.50 lakhs to Rs. 10 lakhs, while cutting the provision for sinking fund from Rs. 2.63 lakhs to Rs. 75,000. No amount has been set aside to the reserve fund other than under section 17 of the Act, which had received Rs. 1 lakh last year. In addition to the large allocations to the reserves, the Directors have created a special gratuity fund with a provision of Rs. 1.50 lakhs. The distribution to the shareholders has also been raised to 13 per cent. from 12 per cent. paid for the previous six years, by increasing the bonus part of it from 2 per cent. to 3 per cent. It will also be noted that the enhanced dividend is on a higher capital raised during the year by making further calls on the Bank's partly paid-up shares.

The progress of the Bank in recent years is well brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount ..	1,25.77	1,06.66	94.79	88.85
Commission and exchange ..	75.46	36.49	25.06	22.23
Interest paid	77.20	57.81	49.99	45.97
Expenses	80.03	66.74	57.18	53.44
Depreciation	1.39	1.45	1.56	1.32
Profit	45.71	20.28	13.94	12.91
Provision for taxation ..	18.50	5.75	5.75	2.60
To reserves	10.75	7.13	1.00	3.00
„ special gratuity fund	1.50	..	..	..
„ building account ..	0.30	0.30	0.15	0.25
Dividend	7.97	6.96	6.96	6.67
	(D. 10% +B.3%)	(D. 10% +B.2%)	(D. 10% +B.2%)	(D. 10% +B.2%)
Carry forward	8.13	1.45	1.31	1.25
	As on 31st December			
	1956	1955	1954	1953
Capital	63.83	59.87	57.79	57.68
Reserves	90.50	79.75	77.50	76.50
Deposits	32,56.44	29,44.16	24,34.65	21,85.32
Borrowings from other banks ..	1,93.00	30.33	..	15.00
Bills for collection (*contra*) ..	5,77.79	2,26.15	2,27.77	1,99.22
Acceptances (*contra*)	3,39.97	6,95.52	1,44.10	91.32
Advances	23,09.29	17,54.24	13,00.68	11,26.04
Investments	9,98.71	11,14.88	9,75.56	9,59.85
Cash balances	3,86.94	3,30.04	3,57.41	2,92.32
Balance-sheet total ..	48,00.47	41,90.10	31,09.58	27,20.85
Ratio to deposits of—	%	%	%	%
Advances	72.7	59.6	52.3	51.5
Investments	37.7	36.8	39.2	43.2
Cash	11.9	11.2	14.4	13.4

The gross income of the Bank has gone up by Rs. 58.05 lakhs to Rs. 204.33 lakhs and the bulk of this rise has been contributed by commission and exchange which have gone up by Rs. 38.97 lakhs. The increase in income from interest and discount is no doubt encouraging, but it is less than half of the rise in commission and exchange. There has also been a sharp rise of Rs. 19.39 lakhs in interest paid and of Rs. 13.29 lakhs in expenses, but the increase in outgo under these two items has only partially wiped out the rise in income.

The paid-up capital of the Bank (less calls unpaid) shows an increase of Rs. 3.96 lakhs, consequent on the calls of Rs. 10 per share made on 20,000 shares of Rs. 90 paid-up each and 28,000 shares of Rs. 65 paid-up each, making them fully paid-up and Rs. 75 paid-up, respectively, and bringing the total fully paid-up shares to 44,000 of Rs. 100 each. Of these, calls of Rs. 5 each made towards the close of the year do not rank for dividend in respect of the year under review. The calls unpaid amount to Rs. 1.17 lakhs. The deposits show an increase of Rs. 3.12 crores, as against Rs. 4.59 crores, thus maintaining the upward trend noted since 1949. A break-up of the deposits shows that seasonal and short-term deposit have gone up by Rs. 1.74 crores and savings bank deposits by Rs. 83 lakhs, the rise in other classes of deposits being relatively small. The increase in total deposits has been further supplemented by substantial borrowings from other banks which have gone up by no less than Rs. 1.63 crores.

The increase in resources is not, however, sufficient to cover the rise in advances, which are up by Rs. 6.15 crores, almost the whole of which is accounted for by loans, cash credits and overdrafts. Such a sharp increase in advances has necessitated a reduction in investments by Rs. 1.16 crores.

CANARA IND. AND BKG. SYNDICATE

SHARP RISE IN PROFIT

THE Canara Industrial and Banking Syndicate Ltd. (Managing Director: Dr. T. M. A. Pai, Udipi) has had a successful period of working during the year ended 31st December 1956. The progress made by the Bank in earlier years has not only been maintained but further improved, which has enabled the Bank to strengthen its position. Its profit, which had crept up by Rs. 3.52 lakhs in 1952 to Rs. 5.96 lakhs in 1955, has advanced sharply to Rs. 8.95 lakhs in the year under review, thus establishing a fresh record in the Bank's history. In consonance with the impressive rise in profit, the Directors have strengthened the reserves by adding Rs. 3.25 lakhs to the various reserves, as against Rs. 1.50 lakhs transferred a year ago, and raised the distribution to the ordinary shareholders from 12½ per cent. to 15 per cent. by stepping up the bonus part of it from 2½ per cent. to 5 per cent. It will be recalled that last year the distribution was raised from 9 per cent. to 12½ per cent. by increasing the dividend part of it from 9 to 10 per cent. and paying an additional cash bonus of 2½ per cent.

The following table presents the salient features of the Bank's profit and loss account and balance-sheet for the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount ..	42.72	32.91	28.18	23.15
Commission and exchange ..	4.53	3.96	3.53	3.12
Interest paid	17.98	13.11	10.56	8.61
Expenses	21.77	18.93	16.81	14.36
Depreciation	0.68	0.61	0.52	0.46
Profit	8.95	5.96	5.21	4.01
To provision for taxation	3.00	2.00	1.75	1.00
„ reserves	3.25	1.50	1.40	1.10
„ bonus to staff ..	0.75	0.00	0.50	0.40
Dividend	1.97	1.79	1.53	1.32
Carry forward	0.17	0.19	0.08	0.05
	As on 31st December			
	1956	1955	1954	1953
Capital	27.81	26.76	25.52	25.34
Reserves	18.00	15.00	13.50	12.10
Deposits	8,46.18	6,67.03	5,42.37	4,71.51
Borrowings from other banks ..	24.00	52.56	..	0.38
Advances	5,11.92	3,93.78	3,16.80	3,08.16
Investments	3,42.55	3,07.71	2,08.86	1,48.59
Cash	98.25	81.96	75.63	72.37
Balance-sheet total ..	10,64.10	8,70.32	6,58.97	5,93.62
Ratio to deposits of—	%	%	%	%
Advances	60.5	59.1	58.4	65.4
Investments	37.6	38.5	38.5	31.4
Cash	11.6	12.3	14.0	15.3

With the sum of Rs. 3 lakhs added from the year's profit, the Bank's reserves have been considerably strengthened in the last few years. There has also been a progressive rise in the Bank's deposits and during the year under review alone they have grown by Rs. 1.79 crores, thus more than doubling themselves in the last four years. The Bank has been able, according to the Chairman, whose speech at the annual general meeting is published elsewhere in this issue, to build up its deposits during the year, "without an undue increase in interest rates." This has been done by tapping a larger number of sources. The fixed deposits as at the end of the year are higher by Rs. 1.17 crores, savings bank deposits by Rs. 36 lakhs and current and contingency accounts by Rs. 25 lakhs.

Consequent on this expansion in deposits, the Bank has been able to reduce its borrowings from other banks by Rs. 28.56 lakhs and to utilise more of its funds to raise its advances by Rs. 1.18 lakhs and at the same time strengthen its liquid assets. The ratio of advances to deposits has gone up only slightly, with a corresponding fall in that of liquid assets to deposits.

PUNJAB NATIONAL KEEPS UP PROGRESS

SMART INCREASE IN EARNINGS

THE audited accounts of the Punjab National Bank Ltd. (General Manager: A. M. Walker, Delhi) for the year ended 31st December 1956 disclose an impressive progress in its working. There has been considerable expansion in the turnover of business, as witness the increase of about Rs. 28 crores in the balance-sheet total, accompanied by a rise of over Rs. 77 lakhs in income. The upward trend in profit noted in the previous three years has gathered considerable momentum during the year under review with a jump from Rs. 64.41 lakhs to Rs. 87.85 lakhs, a record in the Bank's history, which exceeds the previous high of Rs. 70.23 lakhs touched in 1947.

A substantial part of the increase in profit has been absorbed by the provision for taxation, for which a sum of Rs. 27.50 lakhs has been set aside, as against Rs. 11 lakhs in the previous year, while the allocation to the various reserves has been slightly pruned from Rs. 29 lakhs to Rs. 27.50 lakhs. The entire sum set aside out of the profit for 1956 goes to the statutory reserve fund, while that allocated last year was made up of Rs. 5 lakhs transferred to the reserve fund and of Rs. 24 lakhs to the contingency reserve. The dividend has been stepped up from 14 per cent. to 16 per cent., following the increases made in the previous four years.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount earned ..	4,01.62	3,43.20	2,75.64	2,45.29
Commission and exchange ..	369.0	69.54	61.38	55.05
Other income	36.42	37.06	37.10	31.09
Interest paid	192.99	1,61.30	1,24.72	1,06.51
Expenses	2,39.10	2,17.42	1,89.68	1,78.85
Depreciation and repairs ..	7.40	6.67	5.94	6.21
Profit	87.85	64.41	53.76	39.86
Provision for taxation ..	27.50	11.00	16.00	12.50
To reserves	27.50	29.00	14.97	11.19
„ bonus to staff ..	13.00	13.50	9.50	7.50
„ other appropriations ..	2.00	1.30	0.90	0.50
Dividend	14.00 (16%)	12.25 (14%)	10.50 (12%)	7.00 (8%)
Carry forward	6.20	2.35	4.99	3.10
	As on 31st December			
	1956	1955	1954	1953
Capital	87.50	87.50	87.50	87.50
Reserves	1,25.00	97.50	92.50	90.00
Deposits	106,38.58	90,12.26	75,63.84	65,81.18
Borrowings from other banks ..	2,36.51	1,29.47	0.47	30.58
Bills payable	7,41.18	5,99.69	4,17.52	4,07.28
Bills for collection (*contra*) ..	9,15.82	6,97.91	5,84.18	5,55.93
Acceptances (*contra*)	13,43.91	6,53.54	3,57.33	2,68.47
Advances	54,86.00	42,02.21	32,40.40	25,54.91
Investments	48,30.10	45,64.58	35,37.50	36,14.27
Cash (including money at call and short notice)	12,39.24	9,28.12	11,26.23	7,47.49
Balance-sheet total	141,03.20	112,88.79	91,16.27	79,78.22
Ratio to deposits of—	%	%	%	%
Advances	51.6	46.6	42.8	39.1
Investments	45.4	50.6	46.8	55.3
Cash	11.6	10.3	14.9	11.4

The impressive rise in the Bank's income during the year is due, in no small measure, to the increase of Rs. 58.42 lakhs in interest and discount earned and of Rs. 19.76 lakhs in commission and exchange. It will, however, be noted from the table that rise in income from interest and discount during 1956 is less than that noted in the previous year. Similarly, the pace of increase in outgo by way of interest paid and expenses has also slowed down a bit during the year under review, resulting in a sharper rise in profit as noted above.

The salient features of the balance-sheets given in the table above indicate that the Bank's business has grown sizably in many directions. Despite the keen competition among banks to attract deposits, the Bank has been able to raise its deposits by no less than Rs. 16.26 crores, of which the share of fixed deposits alone (at Rs. 48.07 crores) is Rs. 8.21 crores. Savings bank deposits have gone up by Rs. 4.57 crores to Rs. 28.12 crores and current accounts, contingency accounts, etc., by Rs. 3.51 crores to Rs. 29.81 crores. Notwithstanding the increase in deposits, the Bank's borrowings from other banks show an increase of Rs. 1.07 crores. As against the expansion of Rs. 17.33 crores in deposits and borrowings, the rise in advances is only Rs. 12.84 lakhs, of which loans, cash credits and overdrafts account for Rs. 11.71 crores and bills purchased and discounted for Rs. 1.13 crores, with the result that the Bank has been able to keep the ratio of advances well below the general average for all Scheduled banks and at the same time strengthen its liquid assets considerably, as witness the rise of Rs. 2.66 crores in investments and of Rs. 3.11 crores in cash balances.

FREE WORLD COTTON PRODUCTION IN CURRENT SEASON

SIZABLE REDUCTION ANTICIPATED

ALTHOUGH the cotton situation in many countries remains problematic, the global situation, according to the latest *Monthly Review* of the International Cotton Advisory Committee, Washington, appears to be more promising than for several seasons past. This improved outlook, according to the *Review*, may be attributed to three factors. First, the increment to the carry-over stock at the beginning of the current season was the smallest ever recorded since 1951. Secondly, free world consumption has been steadily increasing and is presently expected to set a new record this season, aggregating about 29.3 million bales (of 478 lbs.). Thirdly, cotton production, estimated at 29.0 million bales, is somewhat lower than what was expected earlier in the season and represents a decline of nearly 2 million bales from the 1955-56 level. Total supply during the season, that is, production plus stock, is placed at 51 million bales and disappearance is expected to aggregate 30 million bales, leaving a balance of 21 million bales to be carried over to the next season.

It may be mentioned that the United States and Mexico were mainly responsible for the decline in output, their respective shares in the reduction being 1.5 million bales and 500,000 bales. Acreage controls in the former and credit restrictions in the latter were instrumental in bringing down production. Acreage and production are also lower in Brazil, Egypt and Pakistan. India, Sudan and Syria are the only countries where cotton plantings have registered an increase. While record crops are expected in the latter two countries, in India earlier crop ideas have been scaled down considerably.

Output in the U.S.

In the U.S., cotton ginned up to mid-January aggregated 13.1 million bales and total supply, that is, production plus carryover is estimated at over 27 million bales. The supply of Middling and higher grades this season is about 14 per cent. larger and strict Low Middling and lower White grades about 5 per cent. lower than a year earlier. The sharpest increases in the staple supply were in cotton of staple length 31/32" to 1.1/32". Crop prospects outside the U.S. this season have deteriorated in recent months due mainly to adverse weather in India and also, to a certain extent, in Brazil. Aggregate production in the free world outside the U.S. in the current season is expected to aggregate 15.9 million bales, as compared with last season's 16.2 million bales. The trend towards increased acreage in several of the major cotton-growing countries has been reversed and total acreage in the free world outside the U.S. is expected to be a million acres less than last season. The following table gives the estimated acreage, yield and production figures for the various countries of the free world, along with those of the communist countries.

Country	Acreage (1,000 acres)		Production (1,000 bales)	
	1955-56	1956-57	1955-56	1956-57
United States	16,928	15,051	14,080	13,150
Other free world countries	47,171	46,279	16,180	15,900
Of which:				
Mexico	2,575	2,040	2,240	1,740
India	20,230	21,000	3,880	4,200
Pakistan	3,537	3,384	1,425	1,320
Turkey	1,547	1,532	600	600
Syria	615	675	410	457
Egypt	1,885	1,716	1,541	1,470
Sudan	598	765	440	545
Belgian Congo	875	875	245	250
Uganda	1,585	1,560	304	310
Argentina	1,350	1,400	520	550
Brazil	5,000	4,000	1,700	1,500
Peru	368	370	450	470
Others	6,806	6,753	2,425	2,488
Total Free World	64,099	61,930	30,860	29,050
U.S.S.R.	5,100	5,100	5,300	5,800
China	10,000	10,500	3,300	3,500
E. Europe	495	495	122	140
Total Communist Countries	15,595	16,095	8,722	9,440
Total World	79,694	78,025	39,582	38,490

Country-wise, the second official estimate of the 1956-57 cotton acreage in Pakistan is 3,384,000 acres which is about 4 per cent. below the previous season's figure. Yields have reportedly been affected by flood and pests in some areas. The latest official estimate places output at 1,320,000 bales (of 478 lbs.) about 100,000 bales lower than last season's final outturn. In India, as is well known, yields in several cotton-growing areas have been considerably affected by adverse weather and the earlier expectation of a markedly better crop this season aggregating 5.4 million bales (of 400 lbs.) have been found to need drastic revisions. Current crop estimates centre round 4.9 million bales.

In the Middle East, aggregate production is expected to equal last season's level. In Egypt, however, output of cotton this season is expected to be lower, by 70,000 bales, than the previous season. The third official estimate places the season's crop at 1,470,000 bales, comprising 425,000 bales of Karnak, 165,000 bales of Menoufi (including Giza 45), 257,000 bales of Giza 30 (including Giza 47 and Dendara), 566,000 bales of Ashmouni and 57,000 bales of other varieties. This compares with the aggregate 1955-56 output of 1,541,000 bales.

In Other Countries

Acreage, yield and production in Turkey are expected to show little variation. Favourable weather condition has resulted in an increase in cropped area in Syria and production is expected to aggregate 450,000 bales, about 10 per cent. higher than last season and an all-time record. No change in production is anticipated in Iran and Iraq. The Sudan, one of the leading producers of long-staple cotton, is expected to harvest an excellent crop this season. Acreage has been expanded by about 28 per cent., yield is expected to be high and quality excellent. Preliminary estimates of production are as high as 545,000 bales, as against only 440,000 bales last season.

Due to extensive insect damage and reduced acreage in Sao Paulo variety, production in Brazil is bound to register some reduction from last season's level of 1.7 million bales. Although there was water scarcity in Peru earlier this season, crop prospects have brightened with the improvement in weather conditions. Acreage remains almost unchanged and output is expected to be at least maintained at last season's 450,000 bales. Although average sown to cotton is higher in Argentina, due to the earlier drought, it is doubtful if a proportionate increase in output will materialise.

Coming Season

With only four months left for the commencement of the 1957-58 season, attention is now focussed on production prospects for the coming season. According to the *Review*, a factor of vital importance in this connection is the Soil Bank programme in the United States. This programme was not enacted until late in May 1956 and, therefore, had only a minor effect on production this season. Also, much of the land put into the Soil Bank was in Texas and would have been abandoned anyway due to drought. Next season, however, the effect should be much greater. Growers have appeared generally more receptive to the programme as a result of the prolonged drought in the south-western sections of the cotton belt, but more recently there has been rain in these areas. Most observers of the situation have felt that the number of acres taken out of production may not be as high as provided for by the Department of Agriculture. Nevertheless, till 1st March, which was the deadline for putting cotton land into the Soil Bank, 2.3 million acres had been committed and there was a strong possibility that this total would grow to 3.0 million acres by the time all applications had been processed. Compared to last season's cultivated acreage, the acreage already committed ranges from 25 per cent. or higher in the south-eastern States, to 13 per cent. in Mississippi, 10 per cent. in Texas, and 6 per cent. in California. At present, observes the *Review*, it appears unlikely that the Soil Bank could cause a reduction of more than 2.0 million bales.

In Mexico, it was previously thought that drought and shortage of irrigation water would seriously limit cotton production in some areas next season. Heavy rains in Matamoros, Reynosa, Nuevo Leon, Coahuila and other northern areas in mid-February, however, have improved the production outlook, and planting restrictions on cotton have been relaxed recently.

The importance of banking to the COFFEE INDUSTRY

COMMERCIAL cultivation of coffee in India dates from about 1830, and is still almost entirely confined to South India. The yearly crop varies between 20,000 and 30,000 tons, most of which is consumed in India. When a surplus of Indian coffee is available for export, it finds ready buyers in fastidious foreign markets.

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A LEADING BANK IN SOUTH INDIA

COTTON INDUSTRY AND GOVERNMENT'S FINANCIAL POLICY

REACTIONS TO RESTRICTIVE TRADE PRACTICES ACT

From Our Special Correspondent

MANCHESTER, *9th April*

PRODUCTION of raw cotton in Commonwealth cotton fields last year reached the record total of 1,279,000 bales—50,000 bales more than the previous best, Lord Derby, President of the British Cotton Growing Association, told the annual meeting in Manchester. Larger crops could reasonably be anticipated in the next few years, he said. In his absence through illness, Lord Derby's remarks were read by Mr. Richard Brooks, Chairman of the Association. "For the last three years, raw cotton production had averaged 1,250,000 bales—40 per cent. more than the pre-war best. There is no purpose in asking Governments to make larger crops available unless buildings and machinery are provided so that the crops can be processed efficiently and expeditiously," said Lord Derby. "Larger crops can reasonably be anticipated in the next few years. Accordingly, in the countries where the main or sole responsibility of ginning, baling, etc., falls on the Association, considerable further capital expenditure will in all probability have to be undertaken."

MANCHESTER LETTER

Strikes Hit Textiles?

A warning that sales of textile goods may be adversely affected as a result of the engineering and shipbuilding strikes in Britain was given by Sir John Grey, Chairman of John Grey Ltd., the Burnley weaving firm, at the annual meeting. It had been estimated, he said, that spending power had been reduced by £25,000,000 by the strikes. "This has a rapid effect on purchases of consumer goods such as textiles," he continued. "In this age when people mortgage their future by indulging in extensive hire purchase arrangements, the effect of sudden unemployment on the family income causes a much more rapid depreciation in spending power than in times gone by."

Dealing with the imports of large quantities of cotton goods from the Far East, Sir John declared that, instead of Britain sending delegations abroad, we should invite representatives of foreign textile-producing countries to come here to discuss the position. "I have spent many years of my life in dealing with the relationship between India and ourselves and other countries from the other angle," he said. "We used to be frustrated in sending our goods to their countries and we had to send out delegations to try and convince them that we were doing nothing against their interests. Now, I think we should be receiving delegations from these countries which are seeking to continue the enormous advantages they have gained."

The week on which Budget day falls presents an annual problem. It can be hoped that Mr. Thorneycroft, as Chancellor of the Exchequer, will meet with less disapproval in Lancashire than Mr. Thorneycroft, as President of the Board of Trade, encountered during his term of office. Each year, the economic survey drawn up by the Government prior to the Budget provides the background to the scene which unfolds when the Chancellor introduces his financial proposals. Merely to record the continued decline in output of textiles is of little value to an industry which is fully conversant with the statistics relating to its production, employment and overseas trade. Even the slightly more encouraging prospects, added as a "sweetener," come as no surprise to Lancashire traders, who are kept fully up to date with developments from many sources.

The Government itself can claim little, if any, credit for its efforts on Lancashire's behalf over the past 12 months. Despite a variety of claims for attention, the approaches made to Westminster have met with an invariable refusal to act on behalf of textile interests. More and more traders believe that those who advocate "do-it-yourself" are on the right track.

Common Market

The latest example of the Government's inability to size up the attitude of the rank and file in industry centres around the controversial issue of the European common market. Individual spokesmen, some of whom are leaders in the official textile trade associations, have given lip service to the plan, but opposition among the membership of the organisations is strong, if not always vocal. It is difficult to assess the full strength of the antagonism to this vital development but it covers a very wide cross-section of the industry.

At the same time, there is clear evidence that the Government intends to support the scheme and it would be unrealistic to assume that it will not come into operation at some later date. Advance warning of its introduction has been given and those firms with foresight must be making their plans accordingly, however much they feel the liberalisation of trade may react against their interests.

Trade Agreements

It is not surprising that little has been heard of the progress made in dealing with the 1,200 or more agreements which have been registered under the Restrictive Trade Practices Act. The amount of work facing those responsible for investigating these systems which private industry has built up to protect itself over the years must be extremely formidable. As was generally forecast when legislation was introduced, it will take time to sift those schemes which need adjustment or abolition from those which gain approval.

The cotton industry itself is split in twain on the subject—those sections which have failed to secure unanimity on the subject being generally antagonistic to those which have maintained a firm front in the face of opposition. Mr. Fred Bottomley, Chairman of the Cotton Yarn Doublers' Association, referred to the considerable amount of work done by the organisation in connection with the registration of the agreement in this branch, when he addressed the annual meeting. "It is right that the Government should seek to satisfy itself that the public is not held to ransom as a result of collective price-fixing," he said, "but I do not think anyone could level such a charge at our scheme." Voicing the opinion of those sections of the industry which subscribe to these arrangements, Mr. Bottomley contended that the overall effect of the abolition of price regulation would merely transfer the profits from the millowners to their customers and the retailers, leaving prices to the public unchanged. Like many a textile producer, he feels that the share of the final price taken at the retail end is out of all proportion to the margin enjoyed by the firm which has a vast amount of money invested in buildings and machinery.

Productivity Courses

While the highly important function of the Cotton Board as a mouthpiece and channel of communication on behalf of the industry has received due attention, its other assets should not be forgotten at this time when the structure of the organisation and the future of the chairmanship are under keen discussion. Over the years, valuable facilities of several kinds have been put at the disposal of the trade and there would be general regret, if they were withdrawn now. One of the Board's early post-war successes was in stimulating interest at mill level in the modern practices of redeployment, work-study and the newly-found panacea—automation. The courses held at the Productivity Centre have enabled hundreds of students of all grades to secure tuition in the most up-to-date methods of scientific management.

A significant development at the end of last year was the agreement in the spinning section establishing new and improved wage structures, designed to pave the way for lower costs through the greater use of work-study. At the beginning of 1956, courses aimed at training management accountants were introduced by the Cotton Board. Now they have been reorganised in the light of the experience gained and a new series of instruction has been drawn up catering for weavers, spinners and the special needs of the small manufacturing unit. The sessions, lasting for four or five days, will deal with budgetary control of labour, material and overhead expenses. The setting up of production targets for costing purposes and forward planning will be considered and ideas for guiding output into more profitable channels will be suggested.—*All Rights Reserved.*

THE CONCORD OF INDIA

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(INCORPORATED IN INDIA)

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Telephone: 22-4315 Telegrams: YULINSURE

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LLOYDS BANK LIMITED

(INCORPORATED IN ENGLAND)

BALANCE SHEET 31st DECEMBER 1956.

LIABILITIES

Capital :—		
AUTHORISED :— 74,000,000 Shares of £1 each		£74,000,000
ISSUED :— 18,595,079 Shares of £1 each, fully paid		£18,565,079
Reserve Fund (see Note IV) :—		
Capital Reserve (including Share Premium Account, £1,143,683)	£1,982,108	
General Reserve	15,517,892	
		17,500,000
Profit and Loss Balance, as per Account below		712,060
		36,777,139
Current, Deposit, and Other Accounts, including Contingency Accounts (Public Accounts secured as per Note III are also included)	1,197,144,010	
Balances in Account with Subsidiary Companies	1,719,133	
		1,198,863,143
Final Dividend, less Income Tax (subject to confirmation by the Members)		747,244
Notes in Circulation (Isle of Man) (see Note III)		10,655
Acceptances		2,414,496
Endorsements, Guarantees and Other Obligations		155,396,870
		£1,394,209,538

ASSETS

Cash, in hand, with Bank of England and Eastern Reserve Banks	£94,426,358	
Balances with, and Cheques in course of collection on, other Banks in the United Kingdom and Ireland	66,157,891	
		£160,584,249
Money at Call and Short Notice		76,215,750
Balances with Banks abroad		10,355,902
British Government Treasury Bills	228,340,000	
British Bills of Exchange	9,130,121	
Dominion, Colonial and Foreign Bills (including India, Pakistan and Burma Treasury Bills, £750,000)	4,658,335	
		242,128,456
Investments (see Notes I, II and III) :—		
Securities of, or guaranteed by, the British Government	326,055,546	
Other Investments, including Securities of Dominion and Colonial Governments, British public Boards and British Municipal Corporations — quoted	35,632,567	
— unquoted	7,889,951	
		369,578,064
Loans and Advances after deducting provision for Bad and Doubtful accounts	336,878,350	
Balances in Account with Subsidiary Companies	—	
		336,878,350
Items in Transit		15,603,106
		1,211,343,877
Trade Investments :—		
Subsidiary Companies		
The National Bank of Scotland Limited		
Consolidated Capital Stock £4,001,735 (nominal), £1,960,604 paid up, taken at amount paid up, plus proportion of Reserve Fund and undivided Profits (see Note I on attached accounts)	4,446,879	
Lloyds Bank (Foreign) Limited		
24,000 Shares of £50 each, fully paid, at £50 per share	1,200,000	
Lloyds Bank Executor and Trustee Company (Channel Islands) Limited		
100,000 Shares of £1 each, fully paid, at cost	100,000	
	5,746,879	
Other Trade Investments at cost or under	4,301,934	
		10,048,813
NOTE. There is a contingent liability for uncalled Capital in respect of a portion of these Investments.		
Other Assets and Accounts (including sundry Properties at cost, less amounts written off)		4,393,613
Bank Premises, at cost, less amounts written off		10,606,809
Liabilities of Customers for Acceptances, as per contra		2,414,496
Liabilities of Customers for Endorsements, Guarantees and other Obligations, as per contra		155,396,870
		£1,394,209,538

E. J. HILL,
G. Y. HINWOOD, } Chief General Managers.

C. B. HOWLAND, Chief Accountant.

OLIVER FRANKS, Chairman
HARALD PEAKE, Vice-Chairman

PROFIT AND LOSS ACCOUNT FOR THE YEAR 1956

Dr.		*Cr.*	
To Interim Dividends, less Income Tax	£640,495	By Balance brought forward	£558,006
„ General Reserve	500,000	Profit brought in, after providing for taxation on the profits of the year and after making transfers to the credit of contingency accounts, out of which accounts full provision has been made for any diminution in value of assets (subject to Note I on the balance sheet)	2,541,793
„ Reserve for Future Contingencies	500,000		
„ Final Dividends, less Income Tax (subject to confirmation by the Members)	747,244		
„ Balance to be carried forward	712,060		
NOTE. Directors' emoluments amounted to £77,053 (1955 : £75,613), including £8,549 (1955 : £7,774) paid to certain Directors by subsidiary and other Companies and £2,500 (1955 : £2,500) pension to a Director in respect of past services as Chairman.	£3,099,799		£3,099,799

REPORT OF THE AUDITORS TO THE MEMBERS OF LLOYDS BANK LIMITED

In our opinion and to the best of our information and according to the explanations given to us, the foregoing accounts of the Bank, with the annexed statements relating to the Bank's subsidiaries, The National Bank of Scotland Limited and Lloyds Bank (Foreign) Limited, give in the prescribed manner the information required of banking companies by the Companies Act, 1948, and on the basis therein authorised give, subject to Note I and to the corresponding note on the accounts of The National Bank of Scotland Limited, a true and fair view of (*a*) the state of the Bank's affairs as at 31st December 1956 and of its profit, ascertained as indicated in the accounts, for the year ended on that date and (*b*) the state of affairs and the profit, ascertained as indicated in the accounts and annexed statements, of the Bank and its subsidiaries so far as concerns members of the Bank.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion the Bank has kept proper books of account and obtained proper and adequate returns from the branches and the above accounts of the Bank are in agreement therewith. The accounts of the Eastern branches are included therein as at 31st October 1956 and the accounts of the subsidiaries are made up to 1st November and 30th September 1956 respectively.

PRICE WATERHOUSE & CO., Chartered Accountants.

3, Frederick's Place, London, E.C. 2 15th January, 1957.

BALANCE SHEET OF THE INDIAN BRANCHES OF LLOYDS BANK LIMITED AS AT 31st DECEMBER 1956.

CAPITAL AND LIABILITIES

	Rs. As. P.	Rs. As. P.
Capital—		
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act 1949	23,32,812 8 0	
2½% Loan 1961 Rs. 25,00,000 @ Rs. 93/5/-		Nil
Reserve Fund And Other Reserves		
Deposits and Other Accounts—		
Short Deposits and Deposits at call	5,14,03,416 8 3	
Fixed Deposits	5,87,00,570 15 2	
Savings Bank Deposits	9,82,35,519 7 0	
Current Accounts, Contingency Accounts, etc.	19,10,02,126 3 4	
		39,93,45,933 1 9
Borrowings from other Banking Companies, Agents, etc.—		
(i) In India	6,36,00,000 0 0	
(ii) Outside India	6,164 14 7	
		6,36,06,164 14 7
PARTICULARS :—		
(i) Secured by Central Government Securities per contra	6,27,00,000 0 0	
(ii) Unsecured	9,06,164 14 7	
	Rs. 6,36,06,164 14 7	
Bills Payable		38,86,811 9 2
Bills for Collection being Bills Receivable as per Contra—		
(i) Payable in India	3,70,91,591 12 7	
(ii) Payable outside India	76,92,745 11 6	
		4,47,84,337 8 1
Other Liabilities—		
Inter Branch Balances—Net—Head Office and Branches outside India	9,62,329 9 2	
Inter Branch Adjustments—Branches in India	1,28,634 3 3	
Staff Provident Fund	65,64,067 3 10	
		76,55,031 0 3
Acceptances, Endorsements and other Obligations—per Contra		6,77,31,899 5 6
Contingent Liabilities—		
Liability on account of outstanding Forward Exchange Contracts	21,47,83,619 10 4	
Rs.		58,70,11,077 7 4

PROPERTY AND ASSETS

	Rs. As. P.	Rs. As. P.
Cash—		
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		2,46,82,491 12 10
Balances with other Banks—		
Current Accounts—		
(i) In India	3,35,189 10 8	
(ii) Outside India	19,20,106 9 8	
		22,55,296 4 4
Money at call and short Notice		1,00,00,000 0 0
Investments—At or under Market Value—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (of which nominal value Rs. 6,85,45,400/- are lodged as security for borrowings from other Banks and for other accounts.)	12,60,94,650 2 4	
(ii) Shares	7,00,000 0 0	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
Advances—		12,67,94,650 2 4
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
(I) Loans, Cash Credits, Overdrafts etc.—		
(i) In India	28,27,96,918 12 6	
(ii) Outside India	Nil	
	28,27,96,918 12 6	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India	90,11,201 3 11	
(ii) Payable outside India	1,66,61,116 0 4	
	2,56,72,317 4 3	
		30,84,69,236 0 9
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the banking company is fully secured	23,80,39,437 5 11	
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	4,29,72,720 5 0	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,74,57,078 5 10	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	30,84,69,236 0 9	
(v) Debts due by Directors or Officers of the banking company or any of them either severally or jointly with any other persons	1,49,097 6 9	
(vi) Debts due by companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents, or in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the banking company or any of them either severally or jointly with any other persons	2,19,610 0 0	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	4,28,312 7 9	
Bills Receivable Being Bills For Collection—As per Contra—		
(i) Payable in India	3,70,91,591 12 7	
(ii) Payable outside India	76,92,745 11 6	
Constituents' Liabilities For Acceptances, Endorsements, and Other Obligations—Per Contra		4,47,84,337 8 1
Premises Less Depreciation—		6,77,31,899 5 6
Original Cost	10,09,767 7 0	
Less—Depreciation	1,12,020 0 0	
Furniture and Fixtures Less Depreciation		8,97,747 7 0
Other Assets, including Silver—		Nil
Income Tax Advance Payments	1,13,930 12 0	
Interest, Exchange, Commission, Discount and Expenses	12,81,488 2 6	
(No adjustments made as at 31st December 1956 for the two months, November and December for accrued Interest and Exchange Commission receivable and payable and Commission receivable.)		13,95,418 14 6
Non-Banking Assets Acquired In Satisfaction Of Claims		Nil
Rs.		58,70,11,077 7 4

CALCUTTA, 27th March 1957.

PRICE WATERHOUSE & CO., Chartered Accountants.

J. A. BROUGH & E. S. TIBBETTS, Chief Managers (Eastern Branches)

AUDITORS' REPORT ON THE INDIAN BRANCHES OF LLOYDS BANK LIMITED UNDER SECTION 30 OF THE BANKING COMPANIES ACT, 1949.

We have audited the Balance Sheet of the Indian Branches of Lloyds Bank Limited dated 31st December 1956 and above set forth and the annexed Profit and Loss Account for the year ended 31st October 1956 with the books and accounts as kept at the Chief Manager's (Eastern Branches) Office, Calcutta, in which are incorporated certified returns from the ten Indian Branches and also with the books and accounts kept at the Calcutta Branch.

In accordance with the provisions of Section 29 of the Banking Companies Act 1949, read with the provisions of Section 211 (1), (2) and (5) and Section 227 (5) of the Companies Act 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with Schedule VI of the Companies Act 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule of the Banking Companies Act 1949.

We report that :—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Chief Manager's (Eastern Branches) Office and the Calcutta Branch so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the nine Branches not visited by us.

(c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the certified returns.

(d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Branches as at 31st December 1956 and the Profit and Loss Account gives a true and fair view of the profit for the year ended 31st October 1956.

PRICE WATERHOUSE & CO., Chartered Accountants.

CALCUTTA, 27th March 1957.

OIL CONSUMPTION RAPIDLY MOUNTING

PROBLEM OF TANKER-SHIPPING

[The world of shipping is going tanker-minded of late. A recent striking tendency among a number of countries is to build giant tankers, called super-tankers, to transport goods and commodities. The importance of these tankers is especially great in a commodity like oil, the world consumption of which has been mounting rapidly. In view of this importance, the following article on tanker shipping and oil supplies, contained in the latest issue of Index, *the Svenska Handelsbanken Monthly Economic Review, will be read with interest.*—ED.]

OWING to the Suez crisis, the problem of tanker shipping capacity has come to the fore with dramatic suddenness. The necessity of taking the long route round the Cape has resulted in a substantially increased demand for tonnage. True, the United States has made available a number of tankers from her reserve fleet and a number of shipping companies have put back into service ships they had laid up as outmoded, but this has not appreciably relieved the shortage of tonnage. Tanker freight rates have soared in recent months and far outstripped the earlier peak quotations during the Korean War. The prices for new and second-hand tanker tonnage have also registered fresh peaks. The shipbuilding industry throughout the world is enjoying an unprecedented boom. Orders have accumulated on such a scale that only a few big yards can accept new orders for delivery before 1960.

At the time of the outbreak of the First World War, the world's tanker fleet comprised no more than a few hundred vessels with an aggregate cargo capacity of barely 2 million tons d.w., corresponding to 3 per cent. of the world's total merchant fleet. A quarter of a century later, in 1939, the tanker fleet had grown to 16.6 million tons d.w. and corresponded at the time to 17 per cent. of the world's total mercantile marine. Today it comprises nearly 3,600 vessels with a combined carrying capacity of about 45 million tons d.w. Thus the tanker fleet is today over 2½ times as large as it was before the Second World War, and its share of the world's total merchant tonnage has grown to close on 30 per cent. The tanker fleet's carrying capacity has gone up still more rapidly, owing to the improved speed and efficiency of the vessels. A newly built tanker has probably nearly 50 per cent. greater capacity than a vessel of equal size built before the war.

The fact that there has nevertheless been a shortage of tanker tonnage is attributable to the rapidly mounting consumption of oil. Moreover, the production of oil has shifted to regions lying further away from the important consumption centres. World output and consumption of crude oil has risen from about 100 million tons in 1920 to, in round figures, 800 million tons per annum at the present time. Since pre-war days alone, the extraction of oil has been almost tripled, but over half of the world production is consumed by the oil-producing countries themselves. Of the approximately 350 million tons that enter world trade, the greater part is shipped by sea. Reckoned in tons, oil nowadays represents no less than 45 per cent. of seaborne international trade, as against 14 per cent. at the beginning of the 1930s.

The United States is now, as formerly, both the leading producer and the leading consumer of oil. Her oil production increased from 164 million tons in 1938 to 335 million tons in 1955. During the last few decades, however, the importance of the Middle East as the world's source of oil has risen rapidly. In 1955, the output of oil in that region was 163 million tons, which compared with 1938 implies a tenfold increase. The consequence has been that the share of the Middle East in the world's oil production rose from 6 per cent. in 1938 to 21 per cent. in 1955, while at the same time the United States' share fell from 63 per cent. to 44 per cent. Since two-thirds of the world's known oil resources are estimated to lie in the Middle East, it is expected that the importance of that region as a source of oil will continue to increase.

Shifts in the localisation of production have, of course, affected international trade in oil. While the share of the Middle East in Europe's oil imports has gone up from a pre-war 20 per cent. to 80 per cent., the share of American oil has declined correspondingly. The shift has contributed to the increase in the demand for tonnage. The bulk of the Middle East oil comes from the Persian Gulf. The distance by sea from there to Great Britain, for instance, via the Suez Canal, is about 6,500 nautical miles, or about 1,700 nautical miles longer than the voyage from the Mexican Gulf to Britain and 2,300 nautical miles longer than from Venezuela to Britain.

There are many indications that the demand for tanker tonnage will continue to increase even after the reopening of the Suez Canal to traffic and the re-employment of the now cut-off pipelines.

The world's energy requirements are rapidly rising. The importance of coal as a source of energy will in all probability decline. Atomic power is hardly likely to bring about any radical change in the energy-supply situation within the next 10 years. Accordingly, it can be assumed that the world's oil requirements will rise by at least 70 per cent. in the next 10 years. In particular, Western Europe's oil consumption will probably rise sharply. Reckoned per head of the population, it is still only one-ninth of the consumption in the United States.

On the other hand, the expansion of the tanker fleet may also be expected to continue. According to *Lloyd's Register*, at the end of December 1956, there were 249 tankers aggregating 5.2 million tons d.w. under construction in the world's shipyards. At the same date, the stock of tanker orders in hand reached a new record level, estimated at 20—25 million tons d.w. Notwithstanding the shortage of steel and labour, it is likely that deliveries can be increased during the next few years. It is estimated that 4.5 million tons d.w. will be delivered this year, as compared with 4.0 million tons d.w. in 1956. The vessels due to be added to the world's tanker fleet up to 1960 are expected to correspond to nearly 50 per cent. of the present tonnage. If, moreover, the increasing efficiency is taken into account, the additional tonnage may be estimated to be equivalent to about 60 per cent. of the existing tanker fleet.

In spite of this, international shipping circles regard the present plans for expansion as inadequate. It is presumed, therefore, that a considerable volume of new orders will be placed within the next few years. It has been reported, for example, that the American Government contemplate building about 300 tankers in the 60,000-ton d.w. class. This would add 18 million tons d.w. to the world total. For the moment, there is a private American shipbuilding programme involving 30 tankers of between 29,000 and 100,000 tons.

A noteworthy feature of the development is the growing interest in ever larger types of vessel. The tendency towards bigger ships has been noticeable for some time, though as yet the number of "super-tankers" is relatively limited. Only 20 tankers with a capacity of 38,000 tons d.w. or more are in service at present. However, in the middle of 1956, there were under construction or on order 108 vessels of the size class in question, 12 of them being of 50,000—100,000 tons d.w.

The big vessels have both advantages and disadvantages. Building costs reckoned per ton become far lower, as do also the operating costs. On the other hand, the field of utility of the really big vessels is fairly limited. There are at present only a few ports in the world capable of accommodating super-tankers of 80,000 tons. In Europe, probably only 3-4 ports could do so without difficulty. An expansion of port facilities and the deepening of entrance fairways would require huge capital investments and take a long time. Finally, there are only a very small number of yards that can build and repair such large vessels. Consequently, the opinion that tankers should not exceed 60,000 tons d.w. is rapidly gaining ground.

THE
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S. T. SADASIVAN
Acting Manager, Bombay Branch : S. J. UTAMSING

LLOYDS BANK LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st OCTOBER, 1956.

EXPENDITURE	Rs. As. P.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. As. P.
To Interest paid on deposits, borrowings, etc.	57,65,532 1 7	By Interest and Discount	1,57,06,162 1 7
„ Salaries and Allowances and Provident Fund (includes Chief Manager (Eastern Branches) Rs. 74,438/14/8)	87,66,687 14 8	„ Commission, Exchange and Brokerage	48,01,879 6 7
„ Directors' and Local Committee Members' Fees and Allowances	—	„ Rents	16,044 0 0
„ Rent, Taxes, Insurance, Lighting, etc.	7,29,187 10 3	„ Net Profit on sale of Investments, Gold and Silver, Land, Premises and other Assets	37,142 2 0
„ Law Charges	10,929 12 10	„ Income from non-banking assets, and profit from sale of or dealing with such assets	—
„ Postages, Telegrams and Stamps	1,32,859 0 9	„ Other receipts	—
„ Auditors' Fees	10,000 0 0	„ Loss	-
„ Depreciation on and repairs to the banking company's property	6,26,606 8 3		
„ Stationery, Printing, Advertisement, etc.	4,44,620 11 8		
„ Loss from sale of or dealing with non-banking assets	—		
„ Other Expenditure (including proportion of Head Office Expenditure)	12,11,040 7 3		
„ Balance of Profit (subject to Indian Income Tax and Super-Tax)	28,63,763 6 11		
	Rs. 2,05,61,227 10 2		Rs. 2,05,61,227 10 2

J. A. BROUGH & E. S. TIBBETTS
Chief Managers (Eastern Branches)

SUGAR INDUSTRY AND POWER ALCOHOL MANUFACTURE

GREAT SCOPE FOR AUGMENTING INDUSTRIAL USES ENVISAGED

ANYONE who has cared to follow the developments in the white sugar industry in India since its birth twenty-five years ago will fully admit that the industry has all along been suffering from a rigid cost structure, thanks to heavy load of taxes, high prices of sugarcane and other materials, and heavy transport charges. Indeed, it is one of the industries which have been nursed at a great sacrifice by the consumer. Notwithstanding the long period of protection enjoyed by the industry, prices of sugar continue to be high in all conscience. One of the most effective means of lowering the level of prices lies in the successful utilisation of the several by-products of the industry, other means being reduction in the price of cane and downward revision in taxes—Central and State. The most important of these by-products is molasses, the primary raw material in the manufacture of power (absolute or dehydrated) and industrial (rectified and denatured spirit) alcohol.

For every ton of sugar produced, the sugar factories can get Rs. 2.70 by way of sale of the resultant molasses to the alcohol distilleries on the basis of the officially depressed price of about Rs. 6.75 per ton. On this basis and taking the average yield of molasses at 40 per cent., the total revenue that will accrue to the sugar industry, if the 90 per cent. of its molasses output is fully utilised for the manufacture of alcohol, will be Rs. 50 lakhs. This will be no less than Rs. 2 crores, and even more, if a proper price is fixed by the State Governments for this commodity. Apart from assisting the sugar mills to sell economically the surplus molasses produced by them, the development of power alcohol industry is imperative, considering that power alcohol serves as a vital indigenous source of motor fuel and has even greater importance as a raw material for manufacturing a variety of chemical products, including plastics like polyethylene, cellulose acetate and polyvinyl chloride, several esters, some solvents like butanol, ether and acetone, synthetic rubber and several important organic chemicals. It may be interesting to note here that power alcohol finds use in alcohol lamps, anti-freeze for automobile radiators, bronzing liquids, cleaning fabrics, glass, etc., in disinfectants, dyes, enamels, etching, for scientific purposes, inks, lacquers, oil-refining, paints, varnishes, perfumes, soap, soldering fluxes, waterproofing compounds and the like.

Planned Expansion

The vital role which the power alcohol industry plays in the country's economy thus was impressively brought out by Mr. Manubhai Shah, Minister for Heavy Industries, Government of India, in the course of his address at the thirteenth annual meeting of the All-India Distillers' Association, held at New Delhi recently. Mr. Shah declared that the alcohol industry was of great national importance and its development had been accorded a high priority in the second Five-year Plan. The Plan, it may be recalled, envisages a marked expansion in output of alcohol from 15.6 million gallons in 1955-56 to 30.0 million gallons (18.0 million gallons of power alcohol and 12.0 million gallons of industrial alcohol). For achieving this target, the rated capacity required is estimated at 36.0 million gallons, a rise of 8.90 million gallons as compared with 1955-56.

The production target is well within the reach of fulfilment, inasmuch as the alcohol industry will be assured of adequate supplies of molasses. On the basis of the modest target of 2.25 million tons of sugar annually fixed in the second Plan, the total quantity of molasses that will be available may be estimated at over 900,000 tons. The whole of this quantity can be utilised to produce about 50 million gallons of alcohol in the next three of four years. Mr. Shah did well to emphasise this and made an "earnest appeal" to all the alcohol distillery owners and industrialists to come forward fully to utilise the additional production of molasses—wherever possible—by the installation of new factories for the total utilisation of the local molasses, or adding new distilleries attached to new sugar factories, so that the entire quantity of molasses can be put to its most suitable use, namely, production of power and industrial alcohol. To quote him:

"Molasses are a valuable by-product of the sugar industry and we can, therefore, ill afford to lose or waste such a product. As a result of this effort, India can well look forward to being the country with perhaps the highest production of fermentation alcohol in the whole world in the coming decade." Looking to the present production of 15 million gallons of alcohol, it should be the endeavour of all those engaged in this industry to strive for a threefold increase from the present level of production of power and industrial alcohol, that is, to reach the target of 45 million gallons by 1960-61. Thus, apart from the greater utilisation of existing capacity, considerable additional capacity of the order of 15 to 20 million gallons per year may have to be established in the near future and I have no doubt that, with the co-operation of your Association and the enterprising people in the country, this would be possible of achievement."

The aforesaid observations of Mr. Shah assume special significance, especially considering the huge idle capacity of the alcohol industry. The aggregate output of alcohol during 1956 was not more than 14.4 million gallons (10.2 million gallons power alcohol and 4.2 million gallons industrial alcohol), which represents a bare 50 per cent. of the actual installed capacity of 29.4 million gallons (15 million gallons power and 14.4 million gallons industrial). The substantial gap between installed capacity and actual output must be attributed to three disquieting factors, namely, lack of adequate and regular supplies of raw material, transport difficulties and inadequate offtake of the finished product.

Vexatious Controls

It is, however, not so much these factors as the innumerable vexatious controls over the disposal of molasses and alcohol exercised by the State Governments in pursuance of the object of making prohibition a success that have really been hampering the progress of the alcohol industry. Unless these restrictions are released, the alcohol distilleries will continue to be confronted with the difficulty of securing regular and adequate supplies of molasses from the sugar factories. And the huge stocks of molasses accumulating with the mills will persist as a standing problem to the mills.

If the alcohol industry is to be set on a sound and solid footing, it is imperative that the abovementioned handicaps should be removed. Equally imperative is the need for augmenting consumption of alcohol. Stressing this need, the Minister for Heavy Industries stated that, as the country was committed to a policy of prohibition, the present level of consumption of alcoholic beverages was likely to decrease in the coming years. He said: "The consumption of potable spirits is naturally very small (4 to 5 million gallons) in terms of the total alcohol that can be produced in the country. We have, therefore, concentrated on the utilisation of alcohol as motor fuel by admixture with petrol in the proportion of 20 per cent. This has made it possible to absorb more than 10 million gallons of alcohol per year, particularly in parts of Northern India. While this is a very creditable achievement, we should try to utilise alcohol for better industrial and productive uses. No doubt 20 per cent. of the total petrol consumed in the country could be replaced by power alcohol amounting to about 50 million gallons of power alcohol per year. However, this cannot be considered its best utilisation."

Scope for Raising Consumption

In this connection, Mr. Shah revealed that the Government had made a careful assessment of the scope for raising consumption and had several proposals under consideration for setting up industries based on industrial alcohol. With the setting up of these industries, the consumption of industrial alcohol is expected to go up from the present level of 4 million gallons per annum to 30-35 million gallons by 1960-61. The Minister informed the meeting that discussions for establishing a 20,000-ton synthetic rubber plant in Uttar Pradesh, which can consume 10 to 12 million gallons of alcohol every year, will be finalised soon. According to him, this unit will come into operation at an early date. Two factories for the production of polyethylene also have been licensed. These will require three to four million gallons of alcohol per year. The expansion of the manufacture of acetate rayon will need four to five million gallons, and substantial quantities will be required for the production of acetic acid, ether, acetone, D.D.T., etc. There is more scope for production of acetic acid, acetate rayons and other allied products throughout the country. At the same time, it may be necessary to continue the use of power alcohol as motor spirit to the extent of 10 to 15 million gallons annually for several years to come. This will have to continue as a stop-gap arrangement to cover any lack of balance between the production of and demand for alcohol in other industries in the country.

Price Must Be Low

While the importance attached by the Government to the need for increasing consumption of alcohol is welcome, the actual progress in this direction will depend on the price at which alcohol, whether as motor spirit or as an industrial raw material, is made available. Unless the price is sufficiently low, it will not, as Mr. Manubhai Shah rightly remarked, be an economic substitute for other raw materials, like petroleum refinery gases, in the manufacture of important products such a synthetic rubber and polyethylene. A reduction in the price can be brought about largely by lowering the cost of production, as suggested by Mr. Shah, through improvements in the manufacturing process. Alluding to this subject, the President of the All-India Distilleries Association pointed to the difficulty experienced by some distilleries situated at a distance from sugar factories and to the differences in the ex-sugar factory prices for molasses; power alcohol is at present paid for at a uniform rate. This point was admitted by Mr. Shah as a valid one. He revealed that the Alcohol Committee had examined the issue in considerable detail and recommended a price of alcohol based on a reasonable cost of production, taking into account a fair return on investment to the producer and the incidence of the average freight on molasses incurred by different units. Mr. Shah did not, however, disclose the reaction of the Government to the recommendation; he merely said: "We may hope that this question will be satisfactorily solved at an early date."

In the course of his speech, the President of the Association urged the Government to constitute a development council for the alcohol industry. Referring to this plea, the Minister revealed that the Alcohol Committee had also recommended the formation of such a Council for fermentation industries. He assured the Association that the recommendation would receive the "most sympathetic consideration from the Government and we will soon have some representative body to look after the development of the fermentation industries in the country."

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AUTOMOBILE PRODUCTS OF INDIA LIMITED

CONSIDERABLE EXPANSION IN ACTIVITY: STEADY DEMAND FOR LAMBRETTAS

MR. M. A. CHIDAMBARAM REVIEWS COMPANY'S PROGRESS

ADDRESSING the seventh Annual General Meeting of Automobile Products of India Ltd., held at Bhandup, Bombay, on Wednesday, 17th April 1957, the Chairman, Mr. M. A. Chidambaram, pointed out that the Company's effort to extend its activity had met with considerable success and all the schemes were progressing on sound lines. He indicated that there was a steady and rising demand for the Lambretta motor scooter. He also felt confident of the Company being able to implement the manufacturing programme it had submitted to the Government; in fact, the Company was now ahead of the schedules.

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

"It gives me great pleasure to welcome you all to the seventh annual general meeting of the shareholders of the Company. The report and balance-sheet for the year ending 31st July 1956 have been in your hands for some time and with your permission, I shall take them as read.

Rise in Net Profit

"During the year under review, your Company earned a net profit of Rs. 4,73,393-1-5. After adding the previous year's profit of Rs. 91,112-9-3 and excess provision for taxation written back of Rs. 89,681-4-0, a sum of Rs. 6,54,186-14-8 has been carried forward as profit in the current year. Out of this amount, the Directors have transferred a sum of Rs. 90,000 to development reserve and have proposed to pay the balance of the arrears of dividend on preference shares for the years 1953, 1954 and 1955. It is also proposed to pay dividend on preference shares for the year which has ended on 31st July 1956. Thus, no preference dividend would be in arrears. This would absorb a sum of Rs. 5,60,000 and a sum of Rs. 4,186-14-8 will be carried forward as balance in the profit and loss account. I hope hereafter it will be possible for the Company not only to continue payment of dividend on preference shares, but also to resume payment of dividend to the ordinary shareholder.

"Your Company's effort to extend its activity has met with considerable success and all the schemes are progressing on sound lines. I shall now give you a resume of the various activities in which your Company is engaged.

Brake Lining Plant

"The machinery was received towards the end of 1955 and was installed and trial operations commenced towards the close of the financial year. Normal production was established from the beginning of the new financial year and as regards quality, the product has been found comparable in every respect with the American product. Selling arrangements have been concluded with Messrs. Firestone Tyre and Rubber Company of India Private Ltd., and our experience in the few months indicates that we will have a rising volume of demand and a substantial share of the market.

Lambrettas

"I have indicated in my speech last year that the marketing and distribution of the Lambretta motor scooter had been supported by a well planned advertising and sales promotion programme. This helped us to establish a steady and rising demand for the vehicle, which has now been recognised in India as a very economical and reliable form of transport for the individual, for the small trader and for the large commercial and industrial concerns. We had indicated to the Government that we would proceed to implement our phased manufacture once we establish a steady demand for the new product in the country, at any rate not later than the end of the first year. Orders have been placed through our Associates in Milan for all the machine tools, jigs, small, standard and special tools to implement the first phase of our approved manufacturing programme. Shipments of the above machine tools, etc., have started and all the equipment will be in India in good time. We have also concluded an arrangement with Messrs. Kirloskar Oil Engines Limited to manufacture the engine and transmission unit on a five-year phased programme period. By this arrangement, a considerable responsibility, which should have normally rested on the Company, has been shared with Messrs. Kirloskar Oil Engines Limited which is a well-known firm with considerable experience in the manufacture of engines, machine tools and other similar products. This arrangement has the Government's concurrence.

Meadows Diesel Engines

"The assembly line and test house capable of assembling and testing 20 engines per day have been installed during the year. We have been negotiating with two primary manufacturers of commercial vehicles for fitment of Meadows 330 engines as original equipment. One of them have accepted the engine and vehicles fitted with our engines are currently under test with the other. Agreements will be entered into with the primary manufacturers as soon as the tests are over and the engines approved by them. As the Meadows is a recognised engine and is fitted as original equipment on such well-known vehicles as Guy, Scammel and other vehicles in the U.K., we believe that the tests will be only a matter of formality since the engine is already a proven one.

"Our Director, Mr. P. Matthen, was deputed along with our Chief Planning Engineer, to order the required machinery for the first and second year manufacturing programmes. Orders for machinery for a value of about Rs. 26 lakhs have been placed in consultation with our Associates and we have already received about 40 per cent. of the machinery, which is in course of erection. I am glad to inform you that 19 out of 95 components to be produced in the first year are under manufacture. Your Company is confident of implementing to schedule the phased manufacturing programme it has submitted to Government. In fact, we are currently ahead of schedule.

Borg and Beck Clutches and Lockheed Brake Systems

"During the visit to the U.K. of Mr. Matthen, orders were placed for machinery for manufacturing Borg and Beck clutches. This machinery is expected to be received in the course of the next few months. Meantime, we have started assembly of Borg and Beck clutches out of C.K.D. components. Manufacture of rubber parts in the Lockheed brake system was established and samples have already been approved by our Associates in the U.K. The machine tools for the master cylinders, wheel cylinders, hose sleeves, etc., will be received in Bombay before the end of this year.

Building Programme

"It has been decided to expand the main factory building on the northern side to secure covered accommodation of about 20,000 sq. ft. to install the machinery and plant that will be arriving. The building is expected to cost about Rs. 2 lakhs and is expected to be completed before the next monsoon. It will also be necessary to erect warehouses at the service parts building to secure further accommodation of 30,000 sq. ft. The construction of this building, which has been sanctioned by the authorities, will be taken up only next year.

Finance

"As stated in my speech at the last annual general meeting, we obtained a loan of Rs. 12½ lakhs initially from the Industrial Finance Corporation of India to cover the brake lining plant. This was reduced to Rs. 9 lakhs to cover the actual cost of the brake lining plant and a second application was submitted to them for a further loan of Rs. 26 lakhs to cover the requirements of the other programmes. The Corporation has been pleased to grant a further loan of Rs. 21 lakhs, making in all Rs. 30 lakhs, and we have drawn Rs. 20 lakhs out of this loan so far. As indicated last year, our annual turnover will go up to Rs. 3 crores and it will, therefore, be very necessary for your Company to augment its liquid resources by another Rs. 25 lakhs to meet the needs of working funds. Our turnover has increased from about Rs. 77 lakhs in 1954-55 to about Rs. 134 lakhs in the year under review and on the basis of current sale volume, will be well over Rs. 2 crores in the year which will close on 31st July 1957. In order to maintain the progress of the Company, it will be very necessary to bring in the additional capital at an early date. A proposal to issue second preference shares for Rs. 5 lakhs in payment of the arrears of preference dividend has already been submitted to you and has elicited favourable response from many of the shareholders, for which I am grateful to them. It is proposed to approach the existing shareholders and the public shortly for a further capital of Rs. 20 lakhs.

Tariff Commission's Report on the Automobile Industry

"By a resolution dated 6th August 1955, the Government of India, Ministry of Commerce and Industry, had asked the Tariff Commission to inquire into and recommend the fair ex-works and selling prices of the automobiles under indigenous development. The Commission took the opportunity to make a comprehensive review of the industry since the time of its first report in 1953. Your Company submitted a memorandum to the Tariff Commission and appeared before the Commission at the public inquiry. We were also invited to a private hearing at which the programmes of the Company were discussed. We are grateful to the Chairman and the members of the Tariff Commission for the patient hearing they gave us and for the sympathetic consideration of our representation.

"The Commission submitted its report on 6th October 1956. It has estimated that the annual demand for motor vehicles is likely to increase by 1960-61 to 40,000 commercial vehicles and out of this demand about 70 to 80 per cent. is expected to be for the diesel-driven type. The Commission has also observed that for the effective implementation of the second Five-year Plan, the number of additional commercial vehicles required would be much higher, provided the various factors hampering the demand were removed. It has also recommended that priority should be given for the manufacture of commercial vehicles rather than passenger cars and out of the commercial vehicles, the maximum demand would be for diesel vehicles and every effort should be made to meet this demand and that additional capacity required for commercial vehicles should be installed in the existing units rather than new ones.

Commercial Vehicle

"These recommendations of the Commission were accepted in principle by the Government. The Commission has also emphasised the importance to establish within as short a time as possible the complete manufacture of the engine, transmission, rear axle, suspension and chassis members. The recommendations of the Tariff Commission should go a long way in establishing the complete manufacture of the commercial vehicle in India within the second Five-year Plan period.

"I would like to take this opportunity of tendering our grateful thanks to the Ministry of Commerce and Industry and the Development Wing (Auto), Government of India, whose help, co-operation and advice have been invaluable.

"Our thanks are also due to Mr. P. Matthen, his executives and all members of the staff and factory workers for the wholehearted efforts that they have put in for the expansion of the activities of the Company.

"In conclusion, I earnestly hope that the Company will maintain its progress, and will become a leading manufacturer in the automobile industry."

NATIONALISATION OF FOREIGN-OWNED PLANTATIONS IN KERALA

ECONOMICS OF THE PROPOSAL ANALYSED

By A Special Correspondent

WITH the reorganisation of States, Kerala became the largest plantation State in India. Its northernmost district lying well within 10 degrees of the Equator and with a rainfall varying from about 40" to 140" and suitable areas for planting at varying elevations up to 7,000 ft., Kerala provides the ideal home for a large variety of agricultural crops that are most efficiently grown on a plantation scale.

There are 97,500 acres under tea, 198,000 acres under rubber, 43,000 acres under coffee, over 40,000 acres under cardamom, nearly 200,000 acres under pepper, about 11,000 acres under orange, over 1,200,000 acres under coconut, 87,000 acres under arecanut, 30,000 acres under lemongrass and nearly 200,000 acres under cashew. The size of holdings under these various crops begins to diminish from the eastern ranges towards the coast. The zonal distribution of the different crops and certain historical features have contributed to the development of the different crops, some on a plantation basis and others as peasant crops. It is easy enough to see why lemongrass, cashew, coconut, arecanut and pepper did not develop on a plantation scale in India or in Kerala where these crops are practically concentrated. For one thing, there was not the experience or large-scale exploitation or management tradition in agriculture in Kerala. By the time the superiority of such plantation type development became familiar to the people, pressure of population had so risen as to prevent anyone acquiring sufficient land except under prohibitive prices.

Despite the heavy dependence on coconut and arecanut cultivation in Kerala, these two crops are very heavily protected. The import of arecanut is controlled and there is a duty of over Re. 1 per lb. on the imported nuts, probably the heaviest duty to be levied on any agricultural produce. The all-in protection on imported coconuts amounts to 72 per cent. of the value at the source. Pepper has traditionally been a catch crop of subsidiary importance on homesteads till recently and its recent prominence was entirely due to a temporary post-war shortage. Before the war, pepper was hardly a commodity of export. Cashew has been grown in Kerala for nearly 400 years as a boundary plant where the farmer could not plant anything else. Lemongrass is not an extensive crop and is raised by farmers who take advantage of a short crop in certain years. While they all contribute to the State's general economy, the crops that have reached the status of industrial assets are tea, coffee and rubber. The area under orange and cardamom is insignificant and holdings are too small to attract political attention. It is tea, coffee and rubber that have drawn political attention for three substantial reasons, namely, (1) the element of foreign ownership and management, (2) the size of the holdings and (3) the political importance of the large number of regularly employed workers.

During the past ten years a continuous struggle for hegemony over the workers has been waged by all the political parties. During this period, nationalisation of plantations has been one of the most frequently announced objectives of the communist party. This was subsequently modified to cover only the foreign-owned plantations and Mr. A. K. Gopalan's resolution in the Lok Sabha, which was rejected two weeks ago, was in keeping with the party's developing idea on the subject.

During the last 17 years, foreign interests in planting have been disposing of their holdings. There remains only one single proprietary non-Indian rubber property in the whole State. Although non-Indian managing agency firms manage a number of properties, the shareholdings in the companies are predominantly Indian. For some years, the non-Indian interests in rubber companies have been steadily falling. There are no foreign holdings in Kerala's coffee industry which is largely confined to the Wynaad. Out of a total area of over 199,000 acres under rubber, foreign ownership with sterling capital is less than 20,000 acres. Tea companies with sterling capital own about 66,000 acres. At current market value they may be worth anything from Rs. 23 to Rs. 28 crores. From just over 85,000 acres the State currently receives an income in terms of gross sales value of nearly Rs. 12 crores. From this the Central and State Government derives an income of Rs. 2½ crores, which excludes *panchayat*, municipal, professional, personal income-tax, education cess, land cess and other local levies. So, even if the foreign-owned plantations in the State can be taken over with the Centre's consent, that part of the income which the State might obtain, in addition to what it is now getting, would be the annual profits distributed by the companies. Without allocations to reserves of all kinds the total annual profit has varied between Rs. 40 lakhs and just over Rs. 1 crore during the past six years. It is this sum that the Communist Government may conceivably obtain after forcing the retirement of the present owners and paying them a fair compensation. If compensation is to be made without injury to the reputation of the country in its dealings with foreign business interests, the amount required would be of such a magnitude that if the State Government were to float a loan for the purpose, the annual interest payment alone would come to Rs. 1 crore.

Plantation being an agricultural industry, its great success lies in the managerial sphere. The planters are demonstrably the country's most efficient and successful farmers and their success rests upon competent soil and plant management. With nationalisation there would be an abrupt exodus of this class of personnel and the resultant disquietude might have its repercussions on yields and production costs. What appears to be highly profitable ventures might be a burden on the State. It is, of course, possible to obtain a certain measure of ideological satisfaction from nationalisation and it would conceivably be sustained so long as the people do not know the truth and dare not ask questions. But, with the Communist rule confined to Kerala, with an alert and informed opposition, with a vigilant Centre and with the State's heavy dependence on Union finances, the truth will be too widely known. With plantations under private management just across the border and the previous record of the companies, it would be extremely difficult to cover up the deficiencies of State management of the properties taken over.

All these considerations are irrespective of the attitude of the Centre in the matter. By insisting on discriminatory nationalisation the Communists would have struck a blow against the Centre's policy of attracting foreign investments and would embarrass it no end, as the proposal in its extreme presentation might do as much damage to confidence as if the take-over had been accomplished. The Communists may well have proceeded on the reasoning that, since it was one of the main planks of their election campaign, they cannot very well remain quiet. In an attempt to be responsible rulers without losing face in public, they might as well stand firm on the question until the Centre takes the responsibility for turning it down. This would, of course, have two effects probably not considered by the party's leadership. One is that the managements, threatened with dispossession would be plagued by uncertainties regarding their future so that they will not be able to plan for the industry's future. Secondly, the Communists would confirm, despite the initial impressions created by the party's spokesmen, the suspicion that they are after all politicians enough to stake the State's best interests for the party's cheap popularity.

(*Concluded from next column*)

Exports of raw jute from East Pakistan during the first seven months of the current season commencing from July 1956 aggregated 2.95 million bales, as compared with 3.28 million bales in the corresponding period of the 1955-56 season. Shipments to overseas countries, however, rose from 2.27 million bales to 2.58 million bales, while exports to India declined from 1.01 million bales to 0.37 million bales.

The East Pakistan Government is takng strict measures to enforce the ban on production of *mesta*. Primary Licensing Assistants and other officers of the Jute Directorate have been warned, following reports of *mesta* cultivation in Kustia and Jessore districts, that they will be held responsible for any *mesta* grown in their jurisdiction.

STOCKS OF JUTE GOODS SHADE HIGHER

SHARP FALL IN SACKING

THE figures of shipments of jute goods during the month of March 1957, published in these columns last week, showed that the demand for both hessian and sacking during last month was heavy. It would also be noted therefrom that the increase in shipments of hessian during the month was not however, sufficient to make good the decline in the previous month. Shipments of sackings were, on the other hand, substantially higher, as compared with the small recession noted in February. This trend in shipments is not fully reflected in the month-end stocks of manufactured goods with mills. The total stocks at the end of March show only a slight increase from 97,400 tons to 97,700 tons. This indicates that the production during March, on account of the longer working period, must have been higher.

The rise in stocks is negligible and provides no cause for anxiety to mills. Even this small increase is mainly accounted for by hessian stocks, which have gone up from 25,200 tons to 29,800 tons, and stocks of "other manufactures" which have increased from 10,600 tons to 11,400 tons. The increase of 5,400 tons in these two items has, however, been offset to a substantial extent by the fall in stocks of sacking from 61,600 tons to 56,500 tons.

This is the third month in succession for which hessian stocks show a rise, having gone up from 19,700 tons at the end of December 1956. Thus, the cumulative increase during the three months is 10,100 tons, with the result that the stocks at the end of March are only 1,000 tons behind the previous high of 30,800 tons seen at the close of October 1956 and 500 tons below those a year ago. Evidently, the output of hessian during March must have been particularly large.

The downward trend in stocks of sacking noted in February has been maintained in the month under review also. The aggregate fall of 11,200 tons in the last two months has brought the sackings down to the lowest level since March 1956, when they aggregated 55,200 tons. The overall position in respect of stocks of all manufactured goods is, no doubt, much better than that noted a few months ago, thanks to the reduction in output of sacking, partly due to the diversion of some looms from production of sacking to hessian. It remains to be seen whether the recent heavy demand for sacking, as indicated by the shipment figures for March, will induce the mills to switch back again to production of sacking.

While the demand for jute goods during the current year is expected to be maintained, if not increased, the mills are anxious to ensure a stable price level for their goods. This can be done only by having an adequate supply of raw jute at lower prices. The prospects for raw jute supply during the current year are not yet very clear, in view of the uncertainty about the weather. Efforts are, nevertheless, not being spared to attain self-sufficiency in raw jute. It was only in January last that a conference on promotion of jute production was convened in New Delhi and several recommendations were made for increasing raw jute production. The progress made since then was again reviewed at a conference of the Development Commissioners, Directors of Agriculture and Secretaries of the State Agriculture Departments of West Bengal, Bihar, Assam and Orissa, held this week in Calcutta, under the chairmanship of Dr. M. S. Randhawa, Vice-Chairman, Indian Council of Agricultural Research. The sub-committee appointed by the Delhi Conference to go into the question of self-sufficiency in jute also held its second session this week and met the representatives of the various jute interests in Calcutta for exchange of views. The outcome of these deliberations is not known at the time of writing.

Meanwhile, the Pakistan Government has placed raw jute under O.G.L. for purposes of export with effect from the 3rd inst. It has, however, been laid down that no exporter can ship habi jabi jute, if the quantity so exported together with the quantity exported earlier by him since 1st July 1956 exceeds 2 per cent. of the total quantity of his long jute exports from that date up to his latest export of habi jabi jute. Exporters are also required to give certain information to the Jute Board before registering their sales with the State Bank.

(*Continued in previous column*)

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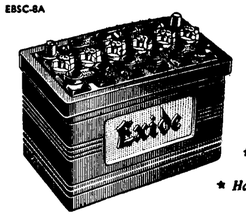

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PROGRESS OF ROAD DEVELOPMENT

NAGPUR PLAN TARGETS TO BE ACHIEVED BY 1960-61

A WELL developed transport system, designed to serve the needs of industrial development, is vital to the success of the Second Plan. Railways at present handle the major portion of the traffic in the country, but it is common knowledge that even if all the expansion programmes included in the Second Plan are completed according to schedule, the enlarged capacity will still be short of actual requirement. This fact serves to underline the need for developing other modes of transport, especially roads, coastal shipping and inland waterways, with a view to supplementing the railways. The various means of transport should also be effectively co-ordinated and the entire system should be integrated with programmes of industrial development, particularly of major industries.

The annual report of the Ministry of Transport on the progress of road development during the year 1956-57 is, therefore, of particular interest. An important achievement of the year, says the report, was the enactment of the Motor Vehicles (Amendment) Act, 1956, which contained important provisions relating to the establishment of an Inter-State Transport Commission for the development, co-ordination and regulation of road transport services on inter-State routes. Due to abnormal increase in the intensity and volume of traffic, however, the progress in respect of improvement and upgrading of road surface has not been commensurate with actual needs. At the beginning of the First Plan India had about 98,000 miles of metalled roads and nearly 151,000 miles of unmetalled roads. During the Plan period about 24,000 miles of metalled roads and about 44,000 miles of unmetalled roads were added to the road system of the country, bringing the total mileage to about 122,000 miles of metalled and 195,000 miles of unmetalled roads at the end of the period.

It is estimated that under the programmes formulated for the Second Plan period, about 22,000 miles of metalled roads and about 40,000 miles of unmetalled roads would be constructed. This is expected to raise the road mileage of the country to 144,000 miles of metalled and 235,000 miles of unmetalled roads. It may be observed that the Nagpur Plan of post-war development laid down as far back as 1943 a target of 123,000 miles of metalled and 208,000 miles of unmetalled roads. Thus if the programmes of road development under the Second Plan are implemented, the Nagpur Plan targets in terms of mileage and of surfaced and unsurfaced roads would be achieved. The total expenditure on road development from 1943 up to the end of the First Plan is estimated at about Rs. 232 crores. Under the Second Plan, a provision of Rs. 247 crores has been made for road development.

National Highways

The National Highways Bill, 1956, providing for the declaration of certain highways to be national highways and for matters connected therewith, was passed by Parliament in August 1956. Under this measure, the highways which were provisionally accepted by the Central Government as suitable for inclusion in a system of national highways generally with effect from the 1st April 1947 were declared as national highways. At the beginning of the Second Plan, the total actual length of national highways was 12,900. A provision of Rs. 55 crores has been included in the Plan for the further development of these highways. The total cost of the development programme proposed to be taken up will be about Rs. 87.5 crores but the actual expenditure during the Plan period will be restricted to Rs. 55 crores and the balance carried over to the Third Plan.

The programme contemplates work being taken up on the construction of 1,300 miles of missing links, by-passes and diversions and 114 major bridges, the improvement of 4,000 miles of existing sections of national highways and the widening of 3,300 miles of the improved sections to two-lane carriageway. The actual physical targets aimed at for the Second Plan period are the construction of 900 miles of missing links and 60 major bridges, the improvement of 4,000 miles of existing sections of national highways, and the widening of 1,500 miles of the improved sections to two-lane carriageway. All missing road links in the national highways system are expected to be constructed by the end of the Second Plan period. A sum of Rs. 10 crores is expected to be spent on the development of national highways during 1956-57. In physical terms, the targets aimed at consist of the construction of about 150 miles of missing links and 7 major bridges, the improvement of about 800 miles of existing sections, and the widening of about 300 miles of improved sections to two-lane carriageways. An important event of the year in the history of the development of National Highways is the opening of the western tube of the new Banihal Tunnel, connecting Kashmir to the rest of the country, to limited traffic on the 22nd December 1956. This has made all-weather road communication possible for the first time between the Kashmir Valley and the rest of India throughout the year. The remaining work on the construction of the tunnel is in progress.

Under the programme of financial assistance to the States for the development of roads of economic or inter-State importance, initiated under the First Plan, sixty-nine works, estimated to cost Rs. 2.28 crores, were sanctioned for execution in the various States from 1st January 1956 up to 31st January 1957. Upto 1st December 1956 sixty-six miles of new roads have been constructed and 647 miles of existing roads improved under this programme.

Central Road Fund

The role of the Central Road Fund in the development of the road system has also greatly increased recently. Till 1950-51, more than 20 years since the creation of the Fund, schemes of a total cost of Rs. 20 crores had been approved and an expenditure of about Rs. 17 crores incurred on these schemes. Compared with this, during the First Plan period itself, schemes of a total cost of Rs. 28 crores were approved and an expenditure of Rs. 16 crores on the execution of the approved schemes incurred out of the Fund. During the year under review, the Central Designs Office of the Roads Wing, Ministry of Transport, continued to issue, through the medium of the various committees of the Indian Roads Congress, different types of standards suitable for adoption on roads and bridges in various parts of the country.

Technical officers of the Roads Wing continued to assist the Indian Roads Congress in coordinating the road research activities of the various road research laboratories in India, give technical advice to several administrations on various problems such as layout of roads, road junctions, siting petrol filling stations and location of underground utilities, and participate in the activities of institutions and societies like the Indian Standards Institution, the Council of Scientific and Industrial Research and the Central Road Research Institute, etc. A broad study of the subject of development of rural road communication had also been undertaken by the Road Wing of the Ministry of Transport. The study was intended to cover primarily the questions of integration of the various programmes of rural road development included in the Second Plan, the adequacy or otherwise of the standards adopted for rural roads, and the extent to which the provision made in the Plan would help to achieve the broad targets set in the Nagpur Plan.

The Consulting Engineer (of the Road Wing) had been rendering the necessary technical advice to the Ministry of Heavy Industries in matters relating to the establishment of an indigenous road roller industry in India. Two factories for the manufacture of diesel and steam road rollers had been licensed, out of which one factory had already started producing diesel road rollers. The indigenous steam road roller is expected to be in the market towards the end of the year 1957. The Consulting Engineer also advises the Chief Controller of Imports, whenever requested, on the grant of licences for the import of road rollers or its component parts from abroad. Stone crushers and granulators are expected to be produced in this country by about the middle of this year. Advice and assistance continued to be given by the Consulting Engineer to the Public Works Department of States and the C.P.W.D. in the selection of the right type of machinery and equipment required for roadworks and in their procurement, operation and maintenance. The essential road statistics were brought upto date as far as possible towards the end of 1956 and the relevant information incorporated in a pamphlet called *Road Facts in India* 1956.

TRANSPORT IN EUROPE

NEED FOR MAKING RAILWAYS MORE EFFICIENT

THE structure and the level of transport rates influence not only production costs but also the degree of concentration of the population and, consequently, the future structure of a country. The development of motor transport and to a lesser extent of air transport, according to the *Economic Survey of Europe in* 1956, published by the U.N. Economic Commission for Europe, has already modified the general way of life and will continue to do so.

Reviewing the patterns of transport in East and West Europe, the *Survey* notes that, over the last quarter of a century, the volume of goods traffic in Europe increased about three and a half times, but the relation between the rate of growth of transport and the rate of growth of production varies greatly between countries. It is particularly large where economic development has concentrated on extraction of coal and minerals and on steel production. It is smaller where the production of finished products has developed most. A striking contrast exists between West and East European countries in the distribution of their increases among various means of transport. In the U.S.S.R., 90 per cent. of the increase has been accounted for by the railways, while in West Europe two-thirds at least have gone to road transport. As a result, the problems of East and West European countries are quite different. In the former, the demands on railways are heavy. In the latter, railways compete with road transport particularly in carriage of commodities for which high rates are charged.

In Italy and Denmark, where transport of fuels and minerals is of small importance, road transport accounts for two-thirds of total goods transport; in the United Kingdom, the figure is, 40 per cent. and in the other West European countries between one-third and one-fourth. By contrast, in the East European countries as well as in Turkey and Yugoslavia, road transport is still in its infancy. The average haul of the railways is enormous in the U.S.S.R. —757 kilometres (1.6093 kilometre=1 mile). Everywhere else, it is much less, varying between 263 kilometres in Italy and 117 kilometres in the United Kingdom and even dropping below that in some other countries. The average haul greatly increased in Western Europe from 1930 to 1950, but, because much medium-distance transport has been transferred to the road, the average haul has since then remained about the same or has even slightly decreased.

Investment

West European countries, except for the United Kingdom where investments are smaller, have spent in the last few years 5 per cent. of their gross national product on gross investment in transport. Of this, it is noteworthy that road investments have taken a share 3 to 10 times larger than that of railway investments. In sharp contrast, in East European countries, the percentage of gross transport investments in relation to the gross national product is smaller because of the low level of investments on roads and on vehicles. In the U.S.S.R., 60 per cent. of the investment in transport went to the railways.

In 1954, even the most heavily motorised countries of Europe had only just reached the level of motorisation of the United States in the early 'twenties. Traffic density remains relatively light in France and Sweden where the road network is well developed in relation to population density, although those counrties have the largest number of vehicles per head in Europe. Although the United Kingdom, of all European countries, has the most serious traffic problems to face, expenditures there over the last few years on the construction or maintenance of roads is by far the smallest, both per vehicle and as a percentage of the national income. While most West European countries spend 200 to 250 dollars per vehicle per year for this purpose, the United Kingdom spent less than 85 dollars per year per vehicle between 1950 and 1955.

Traffic density is heavy in Western Germany, Belgium, the Netherlands and especially in the United Kingdom. In those countries, the population density is 10 to 15 times that of the United States and road traffic problems will be difficult to solve in the future and will necessitate considerable investments.

The gross investment in railways in Western Europe consists only of renewals and modernisation. Many West European railways have an operating deficit. Sweden, Switzerland and the

(*Continued on page* 813)

NEW PRODUCTS AND PROCESSES

Mineral Supplements for Animal Rations

INTENSIVE investigations for determining the mineral requirements of Indian milch cattle fed on various types of feeds and fodders at the Indian Veterinary Research Institute, Izatnagar, Indian Agricultural Research Institute, New Delhi and National Dairy Research Institute, Bangalore, have led to the development of a typical mineral mixture containing common salt, bonemeal, dicalcium phosphate, chalk, yellow oxide of iron, potassium iodide, sodium carbonate, sodium thiosulphate, cobalt chloride, copper sulphate and manganese sulphate in requisite proportions. Bonemeal used in this composition is sterilised so as to contain no harmful microorganism. Calcium and phosphorous contents of the mixture are over 20 per cent. and 10 per cent. respectively and care is taken to keep flourine at less than 0.1 per cent. 1 oz. of this mixture may be given daily to growing animals and 2 ozs. to lactating animals. If the daily milk yield is more than 10 lbs. an additional 1 oz. of the mixture may be given for every extra 2 lbs. of milk. In areas where paddy straw forms the chief source of roughage, manganese sulphate should be omitted, as paddy contains abnormally high quantities of this element. The requirements of calcium on a paddy straw ration is however, ccmparatively high and in such areas in addition to the manganese free mineral mixture, an equal amount of calcium carbonate should be fed to the animal. According to the 1951 census India has a cattle population of 29 million cows and buffaloes in milk and 58 million of young stock from both the species. Assuming that even 25 per cent. of these animals are likely to benefit from mineral supplements and granting a daily intake of 2 ozs. per head for milch stock and 1 oz. for young stock, the annual requirements of the mineral mixture will be 3 lakh tons. Method of production, it is claimed, is simple and no costly machines are required. Parties interested in undertaking the commercial development of the process may contact National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi 1.

Cold Welding of Metals

A laboratory of the U.S.S.R. Electric Welding Equipment Research Institute of Leningrad has developed a method of cold welding of aluminium with copper. The welding is done by a pneumohydraulic installation with a device for transferring the energy of air compressed to 5 atmospheres to presses operating under a pressure of 50 tons. Heterogenous metals are welded together quickly and firmly. Three hundred seams per hour can be made with this installation. At a recent seminar at the Leningrad Technical Propaganda Centre Leningrad welders were acquainted with this new method of welding. I. Baranov, a scientific worker of the institute, told about the physical laws upon which the new method is based and the prospects of its application in a number of industries. He demonstrated several parts joined by cold welding. This simple method is of especial importance for electrical engineering and instrument building, where heterogeneous metals badly yielding to ordinary electrical welding often have to be joined together. It is planned to build several such installations at the institute's experimental shop. The staff of the laboratory help in introducing the new method in firms of Leningrad, Vilnius, Zaporozhye and other cities.

Atom Product for Cancer Treatment

A Philadelphia cancer specialist reported recently that he is convinced that rays from radioactive cobalt, a peaceful product of atomic energy, are more beneficial than conventional X-rays in treating cancer. Dr. Stanley P. Reimann and his associates, of the Institute for Cancer Research and Lankenau Hospital Research Institute, were among the first physicians in the United States to obtain a so-called cobalt bomb, a teaspoonful of metal made radioactive by bombarding it with neutrons in an atomic reactor. In the treatment of cancer, it is used as a radiation source 12 times more powerful than the conventional, 250,000 electron volt X-ray machines. Its energy equivalent, Dr. Reimann said, would be that obtainable from a $30 million block of radium. But there just hasn't been that much radium processed since radium's discovery in 1898, Dr. Reimann pointed out. Patients under treatment at the Philadelphia institute are given treatments lasting 8 to 10 minutes each as the ray-emitting capsule of radioactive cobalt is rotated around the body, its radiations focussed through the tumour. One circumstance, the fact that the cobalt therapy is now being used chiefly on patients with far-advanced cancers, makes it difficult to make comparisons with benefits from ordinary X-rays. Dr. Reimann further noted that cancer benefits are appraised most reliably only after a five-year interval, and the cobalt has been used for only about 2½ years.

Automatic Wire Rod Mill

The Soviet industry, it is claimed, is being equipped, with highly efficient mechanised automatic rolling mills with a speed of rolling considerably exceeding that of the existing mills. The construction of the first such mill is being completed now at Krivorozhstal Plant in the Ukraine. It will turn out wire rods with a diameter of 5 to 10 millimetres. The new mill, is one of the most efficient and powerful mills in the country. All processes in it—from feeding blanks into the heating furnace to wrapping and loading the finished product are mechanised and are performed automatically. The rolling is done simultaneously in four threads at a speed of 28 to 32 metres per second. Last year the same plant put into operation the Soviet Union's best rolling mill "250," which turns out 450,000 tons of light sections annually. It is serviced by 450 workers. The wire rod rolling mill has a per-worker capacity which is two times greater than that of the light-sections rolling mill. Serviced by only 250 workers, it will turn out 500,000 tons of wire rods annually.

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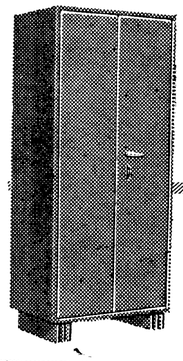

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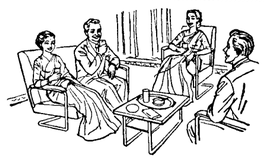



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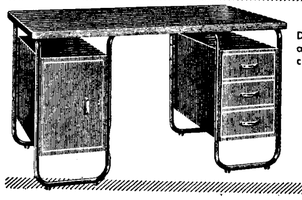

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KEY FACTORS IN DETERMINING ECONOMIC GROWTH—I

ROLE OF PUBLIC SECTOR

By M. C. Munshi

WITH the advance in the technique of economic planning, the theory of the process of economic growth has assumed new and added significance. Indeed, not only are the factors that accelerate this process distinguished from those that retard economic development but in contrasting the developed economies from the underdeveloped, the *pre-conditions* of development in the public and the private sectors—such as leadership at all levels and the desire for progress—are increasingly emphasised. It was on these lines that the opening chapters of the first Five-year Plan, while dealing with the problems of development—the social and economic implications of planning—dwelt on "the determinants of economic development." They thus emphasised the key role of the rate of capital formation in the attainment of higher productivity and in expanding the levels of income and employment. They also add that the larger the stock of capital, the greater tends to be the productivity of labour though, in a general way, of course, productivity depends on other things also such as technical efficiency and the attitude to work of labour that handles the available equipment.

In more concrete terms they then confined themselves to the lines of macro-economic analysis, to relationships, long-term and short-term, income, saving, investment and employment. On these lines, they obviously proceed to stress the key role of capital formation in the expansion of levels of income and employment. Coupled with the stress on this key factor is another conclusion—equally inevitable (theoretically inescapable)—regarding the initiative that the State must take for bringing about innovation and entrepreneurial change, more especially, in an underdeveloped economy, and, therefore, a rapidly rising share of the public sector in the investment of the community's savings. No student of economic theory could possibly come to any other conclusion. In the following paragraphs let us, however, examine their implications in terms of the objectives of our *democratic planning* and *the mixed economy* that we envisage through our industrial policy.

There is an intrinsic reason for this examination; for, as against the purely macro-economic analysis, the first Five-year Plan said, "Basically, development involves securing higher productivity all round and this is a function of the degree of technological advance the community is able to make"—and they add, significantly, "the problem is not merely of adopting and applying the processes and techniques developed elsewhere but of developing new techniques specially suited to local conditions."

Second Five-year Plan

Before we take up these issues let us complete this approach by a brief reference to the second Five-year Plan. Reverting to the key factors of development they begin by stating that "in a sense these skills and know-how (for transforming the resources of nature) are more important than even capital formation proper and that in an underdeveloped economy the resources of nature, not being quite fully known, new techniques of utilising them have to be developed. Recalling the determinants of economic development from the first Plan, they add that the rate of economic development would depend upon (*a*) the rate of growth of population, (b) the proportion of the current income of the community devoted to capital formation and (c) the return by way of additional output on the investments undertaken. In brief, these parameters that have been worked out for the next few decades, "in terms of certain assumptions," are (*a*) 2.5 per cent. per annum; (b) capital output ratio 2.3 : 1 and (c) rate of saving rising from 7 to 11 per cent. of the national income.

Mixed Objectives

It is, however, a perusal of the subsequent paragraphs dealing with the approach to the second Plan in terms of its objectives and techniques, that are bound to raise great difficulties. The broad objectives and techniques of the Plan are now fairly well known; but let us recall the emphasis they seem to lay on "the socialist pattern of society" in their objectives and in interpreting the Industrial Policy statement of last April. For instance, the elasticity of the phrase "socialist pattern of society" must be distinguished from, if not contrasted with, the rigidities implied in any specific brand of socialism. Otherwise, even as early as 1892, Lord Salisbury said in Parliament that they were all socialists then. Mere use of the phrase 'socialism' means very little in terms of the theory of economic policy. It is not merely the elasticity of the language in these paras that is impressive, but the manner in which this phrase seems almost to replace the older one of "mixed economy." It is this elasticity of such phrases again that enables them to emphasise the significance of social gain in place of private profit or the rise in income and employment and reduction in inequality on the one hand, and the social purpose in all agencies of social economic relationship as well as equality of opportunity for the small man. For, the latter are the objectives of any welfare State and are also sought to be stressed even in the achievements of the American economy in the decade following the passage of the Employment Act (1946).

Little Repetition

Indeed, in these paras we find an emphasis not only on the heavy responsibilities and the dominant role by the State but also on the private sector where "conditions have to be created in which there is full scope for private initiative and enterprise either on an individual or co-operative basis." It may incidentally be noted that, in the second Plan, there is little repetition of the almost touching faith in co-operative endeavour that was shown in the first Plan. In the first Five-year Plan, we read "the distinction between the public and the private sectors, it will be observed, is one of relative emphasis; private enterprise should have a public purpose and there is no such a thing, under the present conditions, as completely unregulated and free private enterprise, etc., etc."; the second Plan says that "private enterprise, free pricing, private management, are all devices to further what are truly social ends; they could only be justified in terms of social results." Are we hearing the echos of "people's capitalism" to which the United States Press of late has been directing our attention?

It will be seen that, while the phrase "mixed economy" seems to have been replaced by a socialist pattern of society, scope is to be provided for simultaneous expansion of the public as well as the private sector in a growing and increasingly diversified economy. The democratic approach, too, is not to be lost sight of, for, they also stress that the public sector should not result in the centralisation of decision-making or exercise of authority, and "in the broad framework, rules of the game have to be observed." What has one to conclude from these paragraphs: Do we march from precedent to precedent towards State (or some specific brand of) socialism or have we "to secure economic advance along democratic and egalitarian lines"? Let us be clear that it is in the light of this assertion that the objectives of a sizable increase in income, rapid industrialisation, expansion of employment and reduction of inequalities have to be dealt with.

One finds the same elasticity of expression not merely in the statement of the Plan objectives but also in their amplifications of the Industrial Policy Statement of last April. Ordinarily one would expect that while this statement of policy could be in general terms, the framework of the Plan would seek more concretised expression of the socialist pattern of society; for, the framework has to seek to translate this policy into workable propositions and targets for attainment during the Plan period. Let us recall that in the case of the first Plan a programme and targets of production for 42 industries in the private sector were worked out. The second Plan does speak of the necessity of "a great deal of dovetailing" between the private and the public sectors, especially, in Schedule B industries listed in the Policy Statement. It stresses that the private sector has to be given the opportunity and facilities to function effectively within its field but the *modus operandi* is presumably left to the departments and changing Ministries concerned.

There are several issues of both great theoretical as well as practical import that arise out of the foregoing exposition of economic growth made by the Planning Commission: (1) The significance of the rate of capital formation as a determinant of economic growth and the limitations of national income analysis; (2) the key role of the State and, therefore, the importance of the *modus operandi* by which it has to perform the innovator entrepreneurial functions; and (3) the *raison d'etre* of mixed economy and of democratic planning. That these are germane questions will be realised, if we remember that the second Plan itself seeks to go behind the "monetary veil" and to relate physical with financial planning. Indeed they themselves speak of the integration between the physical and financial resources and the consistency to be obtained between various sectoral developments so as "to secure an integration of policy and experience at each stage."

Rate of Capital Formation

We have already seen that after making a fleeting reference to all-round productivity of our economy, the plans confine themselves to national income analysis and income projection on the lines of macro-economic analysis. It is no doubt true that this capital formation is not only a key factor of economic advance but is also the most objectively measurable quantitative factor in this analysis. What needs, however, to be remembered is that all that the macro-dynamic analysis does is to attempt to insert long-term factors of advance into a short-term context based on the aforesaid interrelationship through computation and projections of national income. But this technique also involves assumptions regarding institutional growth and social framework. For instance, capital formation as a determinant of economic growth implies a long-term process, i.e., (1) creation of saving, (2) mobilisation and canalising of savings, and (3) investment of savings that should result in the creation of goods and services. It will be readily seen that this process involves not merely measurable (estimatable) factors such as current size or level of income and propensity to consume but also—crucially—entrepreneurial enterprise and ability of the community. It is also to be remembered that capital is created in the process of development and that this means that development is not just a function of the creation of capital. While the aggregates of income projections give useful summaries it is the process which they reflect that makes for advance. Indeed we can see even from the brief references to the Five-year Plans, that we have so far made that the basic elements of advance are not merely the changes in the quantitative economic aggregates but innovation, changes in patterns of behaviour or institutional changes—and other kinds of qualitative changes—for which the orthodox economist turns to the neighbouring sciences. What is intended to be stressed here is not the easy assertion that economic growth is "a complex problem," bringing in sociology, psychology, etc., but in a non-Schumpeterian world this economic growth—through determinants—is a problem of making changes in the existing factor-combination in order to make for new or improved techniques of production.

Let us put this theoretical problem in another way. Taking the model of a dynamic economy such as that of R. F. Harrod, the marginal efficiency of capital may move into a long run position which together with the consumption function may prevent the attainment of full employment in a capitalistic society; and so the State's intervention is inevitable in order to maintain a given rate of growth. Thus in advanced economies there is a natural rate of advance and a warranted rate of growth, the balance between the two is sought to be maintained by the State. The determination of the natural rate of growth and the divergence between the warranted rate and the natural rate (i.e., the tendency of the national product to diverge from the estimated one under warranted growth) are two distinct problems. In other words, the rate of capital formation in an underdeveloped economy is "not merely to adjust smoothly to given parameters of growth but to increase in some appropriate manner the rate of growth." It will be readily agreed that, while estimating the marginal efficiency of capital and the accelerator effects, our problem is to determine this natural rate of growth and not so much to rectify the divergences. It is certainly not known how the Plan has integrated the financial and physical planning in arriving at the rates of growth they have estimated.

(*To be continued*)

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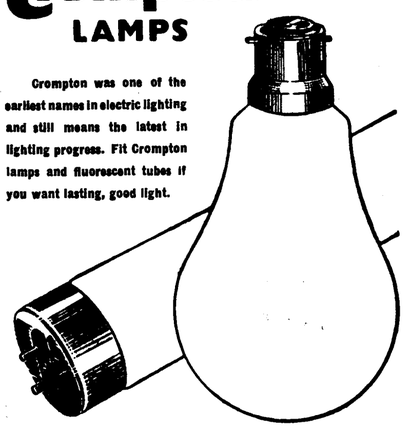
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(Established in 1895)

DIRECTORS' 110th REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER, 1956

The General Board of Directors begs to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1956.

The transactions for the year under report have resulted in a profit of Rs. 90,20,272-7-8 (including Rs. 2,35,108-2-3 brought forward from the previous year's account). The following amounts have been appropriated for the under-mentioned purposes:—

		Rs.	a.	p.
1.	Transferred to Income-tax Provision	27,50,000	0	0
2.	Transferred to Reserve Fund (Statutory)	27,50,000	0	0
3.	Transferred to Bonus to Staff Account	13,00,000	0	0
4.	Transferred to Charity Account	1,00,000	0	0
5.	Transferred to Gratuity to Staff Account	1,00,000	0	0
6.	Ad-interim Dividend at Rs. 2 per share free of Income-tax paid	7,00,000	0	0
	Total .. Rs.	77,00,000	0	0

The Directors recommend that the balance of Rs. 13,20,272-7-8 be disposed of as follows:—

	Rs.	a.	p.
(a) Dividend at Rs. 2 per share free of income-tax making the total at 16 per cent. per annum	7,00,000	0	0
(b) Carry forward to the next year's account	6,20,272	7	8

The Directors consider that the working of the Bank has been satisfactory.

By Order of the General Board of Directors,
S. P. JAIN,
Chairman.

12th March, 1957.

BALANCE SHEET AS AT 31st DECEMBER, 1956

Previous Year Rs.	CAPITAL AND LIABILITIES	Amount Rs.	a.	p.	Total Rs.	a.	p.
	1. Capital—						
1,00,00,000	AUTHORISED CAPITAL—8,00,000 Shares of Rs. 25 each				2,00,00,000	0	0
87,50,000	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—3,50,000 Shares of Rs. 25 each				87,50,000	0	0
	2. Reserve Fund and Other Reserves—						
55,00,000	(i) Reserve Fund as on 1st January, 1956	60,00,000	0	0			
5,00,000	ADD—Amount transferred from Profit and Loss Account	27,50,000	0	0			
60,00,000		87,50,000	0	0			
37,50,000	(ii) Share Premium Account	37,50,000	0	0			
97,50,000					1,25,00,000	0	0
	3. Deposits and Other Accounts—						
39,85,93,002	Fixed Deposits	48,06,76,094	1	11			
23,54,46,670	Savings Bank Deposits	28,11,78,206	5	9			
29,30,25,531	Current Accounts, Contingency Accounts, etc.	29,81,37,653	2	10			
41,60,837	Employees' Security Deposits (held by the Bank itself)	38,66,257	1	9			
90,12,26,040					1,06,38,58,200	12	8
	4. Borrowings from Other Banking Companies, Agents, etc.—						
1,29,46,646	(i) In India	2,36,51,111	3	9			
Nil	(ii) Outside India	Nil					
1,29,46,646					2,36,51,111	3	9
	PARTICULARS—						
1,29,46,646	(i) Secured by part of Government Securities and Usance Promissory Notes lodged	2,36,51,111	3	9			
Nil	(ii) Unsecured	Nil					
5,99,64,599	**5. Bills Payable**				7,41,12,809	3	1
	6. Bills for Collection being Bills Receivable as per contra—						
6,62,91,666	(i) Payable in India	8,83,31,938	15	8			
34,99,280	(ii) Payable outside India	32,50,454	7	9			
6,97,90,946					9,15,82,393	7	5
	7. Other Liabilities—						
1,24,252	Dividend and Interest on Advance Calls unclaimed	1,47,814	4	3			
36,664	Rebate on Bills Discounted	5,992	10	3			
1,60,916					1,53,806	14	6
6,53,54,373	**8. Acceptances, Endorsements and Other Obligations as per contra**				13,48,90,969	10	5
	9. Profit and Loss Account—						
11,99,040	Profit as per last Balance Sheet	9,35,108	2	3			
7,00,000	LESS—Final Dividend at Rs. 2 per share free of income-tax for the year 1955	7,00,000	0	0			
4,99,040		2,35,108	2	3			
64,41,068	ADD—Profit for the year brought from the Profit and Loss Account	87,85,164	5	5			
69,40,108		90,20,272	7	8			
	LESS—	Rs.	a.	p.			
5,25,000	Ad-interim Dividend at Rs. 2 per share free of income-tax paid	7,00,000	0	0			
11,00,000	Transferred to Provision for Income-tax	27,50,000	0	0			
80,000	Transferred to Charity Account	1,00,000	0	0			
13,50,000	Transferred to Bonus to Staff Account	13,00,000	0	0			
50,000	Transferred to Gratuity to Staff Account	1,00,000	0	0			
5,00,000	Transferred to Reserve Fund	27,50,000	0	0			
*24,00,000					77,00,000	0	0
60,05,000					13,20,272	7	8
9,35,108							
	10. Contingent Liabilities—						
35,16,878	(i) Claims against the Bank not acknowledged as debts	31,56,364	9	0			
Nil	(ii) Guarantees given on behalf of Directors or Officers	Nil					
58,23,169	(iii) Guarantees given on behalf of others	87,17,923	3	9			
....	(iv) Arrears of Cumulative Preference Dividends	Does not arise					
81,013	(v) Bills of Exchange re-discounted	3,50,315	13	3			
Nil	(vi) Outstanding Forward Exchange Contracts	11,02,084	1	5			
	(vii) Liability for calls on partly paid Ordinary Shares of Rehabilitation Housing Corporation Ltd., sponsored by the Central Government	3,75,000	0	0			
3,75,000							

NOTES:—Contingent liability exists in respect of—

(a) Contracts for the construction of Bank's premises and agreement to purchase building for Bank's use.

(b) Retirement gratuity to staff—amount not ascertained.

* Transferred to Contingency Reserve.

1,12,88,78,628	Total .. Rs.	1,41,03,19,563	11 1

Previous Year Rs.	PROPERTY AND ASSETS	Amount Rs.	a.	p.	Total Rs.	a.	p.
8,35,89,262	**1. Cash—** In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)				9,37,86,081	7	1
	2. Balances with Other Banks—	Current Account Rs. a. p.	Deposit Account Rs. a. p.				
7,81,788	(i) In India. 15,17,745 8 8	5,00,000	0	0			
73,73,398	(ii) Outside India . 85,52,885 8 6	Nil					
81,55,186					1,05,70,631	1	2
	(Includes Rs. 3,68,714-8-6 with State Bank of Pakistan)						
10,67,420	**3. Money at Call and Short Notice**				1,95,66,898	5	8
43,51,80,625	**4. Investments at or below Cost—** (i) (a) Securities of the Central and State Governments				45,68,05,815	15	0
90,98,965	(b) Other Trustee Securities				1,21,60,855	0	0
44,41,88,590					46,89,66,670	15	0
	(Estimated Market Value Rs. 46,96,91,573-10-0)	Fully Paid-up	Partly Paid-up				
11,43,894	(ii) Shares—	Rs. a. p.	Rs. a. p.				
35,80,301	Preference	4,000 0 0	Nil				
47,24,195	Ordinary	32,61,265 1 8	1,25,000 0 0				
56,76,965	(Estimated Market Value Rs. 32,14,637-8-0)				33,90,265	1	8
	(iii) Debentures of Indian Joint Stock Companies (Estimated Market Value Rs. 51,72,162-0-0)				55,42,965	1	8
13,25,006	(iv) Other Investments—	Rs.	a.	p.			
	Pre-partition Punjab Bonds held in India.	6,75,000	0	0			
	Pre-partition Punjab Bonds and other Pakistan Government Securities held in Pakistan	12,54,649	6	0			
3,62,752	Burma Government Securities held in Burma	30,00,000	0	0			
Nil	Rangoon Municipal Debentures held in Burma	1,80,110	0	0			
1,80,110	(Estimated Market Value Rs. 51,07,236-14-0)						
18,67,862	(v) Gold				51,09,759	6	0
Nil					Nil		
45,64,57,712	**5. Advances—** (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)						
	(1) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
33,99,51,385	(i) In India	45,80,88,304	9	11			
37,99,585	(ii) Outside India	27,47,688	3	5			
34,37,50,970							
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
7,10,62,962	(i) Payable in India.	7,49,84,016	6	2			
54,06,804	(ii) Payable outside India	1,27,80,516	8	11			
7,64,69,766							
42,02,20,736	(Particulars of Advances—As per Schedule attached)				8,77,64,532	15	1
	6. Bills Receivable being Bills for Collection as per contra—						
6,62,91,666	(i) Payable in India				8,83,31,938	15	8
34,99,280	(ii) Payable outside India				32,50,454	7	9
6,97,90,946							
6,53,54,373	**7. Constituents' Liability for Acceptances, Endorsements and Other Obligations as per contra**				9,15,82,393	7	5
	8. Premises Less Depreciation—						
35,52,378	Balance on 1st January, 1956 (at cost)				39,63,998	11	1
4,11,621	Additions during the year				1,800	0	0
39,63,999					39,65,798	11	1
	LESS—Transferred to Property not used as Bank premises				3,15,942	0	0
3,74,121	LESS—Depreciation written off to date				36,49,856	11	1
35,89,878					4,29,792	3	7
74,49,124	**9. Furniture and Fixture at Cost Less Depreciation—** As per last Balance Sheet				32,20,064	7	6
8,47,736	Additions and adjustments during the year including transfers from Branches				80,42,809	9	10
82,96,860					10,39,902	12	0
2,54,051					90,82,712	5	10
80,42,809	LESS—Sales, write offs and adjustments during the year including transfers to Branches				2,61,002	4	8
36,21,004	LESS—Depreciation written off to date				88,21,710	1	2
44,21,805					40,38,245	10	4
	10. Other Assets—						
46,54,545	(a) Interest accrued and outstanding and dividends due on Investments				47,23,464	6	10
9,01,254	(b) Prepaid expenses, advance payments and amounts recoverable				50,21,536	15	11
5,20,606	(c) Property not used as Bank premises less depreciation				16,14,530	0	4
3,71,026	(d) Land purchased for constructing Bank premises				9,44,805	8	0
4,23,449	(e) Library, Motor Cars, Cycles and other Vehicles less depreciation				4,74,425	12	0
10,20,944	(f) Stationery and Stamps				4,25,526	9	10
28,206	(g) Deposits with Electric Supply Companies and Government Departments				9,76,047	8	2
96,069	(h) Amount remitted for purchase of Trustee Securities				35,081	11	5
17,59,620	(i) Cash remittances through Insured post, Reserve Bank and State Bank of India in transit (since received)				1,97,500	0	0
22,064	(j) Amount paid towards purchase of 2½% U.P.Z.A.C. Bonds pending verification of endorsements				50,81,000	0	0
Nil	(k) Fully paid shares of Companies in liquidation				31,040	8	0
	(l) Income-tax deducted at source on yield of investments	Rs.	a.	p.	46,125	0	0
	LESS—Provision for Taxation Account	1,10,36,724	4	11			
63,23,402		51,30,574	1	4			
1,61,26,185					59,06,150	3	7
	11. Non-Banking Assets Acquired in Satisfaction of Claims—						
	Balance as per last Balance Sheet				1,05,125	0	0
1,05,125	LESS—Depreciation				20	5	0
	(The book value is less than the realisable value)				1,05,104	11	0
1,12,88,78,628	Total .. Rs.				1,41,03,19,563	11	1

(Continued on next page)

NEW PUBLICATIONS

The Story of the Integration of Indian States. By V. P. Menon. Published by Orient Longmans Ltd., Nicol Road, Ballard Estate, Bombay, 1. Pages 494. Price: Rs. 25.

THIS is the first of the twin publications planned and completed by the author, Mr. Menon, who has surveyed the political changes that took place in India culminating in the establishment of the Republic of India in 1950. How competent Mr. Menon is to handle this task has already been mentioned earlier in these columns while reviewing the other volume, *The Transfer of Power*. As a distinguished member of the Political Department of the Government of India for over 30 years, he had full access to the day-to-day constitutional development of India but as the right-hand man of the late Sardar Vallabhbhai Patel, he played a vital part in the integration of the Indian States into the Indian Union. It is true what the Sardar planned, Mr. Menon executed. It must also be admitted that Mr. Menon played a substantial part in his master's plans. Hence the publication contains an authentic account of events which took place in 1947 and 1948 leading to the consolidation of the Indian Union, a fusion of the 555 pricipalities—a miracle of modern times.

It is a matter of history that the Indian continent, though one geographical entity, never enjoyed political homogeneity. "Not even in the palmiest days of the Hindu and Moghul empires, did the entire country come under one political umbrella." The British administration succeeded in promoting enduring political consolidation but it destroyed it by partitioning the country into Pakistan and India while withdrawing in 1947. British paramountcy was paramount until 1947 from the days of Queen Victoria's proclamation in 1858. The Indian Empire consisted of British India spread over three-fifths of India and Indian India under the rule of Indian princes covering two-fifths of the country. These Indian States effectively served as the "bulwarks" of British rule in India. Their rulers were guaranteed their position not only against external aggression but also against internal revolution. Therefore, they became faithful allies of the British. What was anathema to the British administration was also also anathema to the Indian States.

When the British administration transferred power in 1947 to the people of India, the British Parliament declared that its paramountcy over the Indian States lapsed, instead of transferring it to the successor Government. At one stroke of the pen two-fifths of India under Indian princes became "independent." But they could not progress without the assistance and co-operation of the Indian Union. Their subjects, numbering 86.5 millions, elected to be guided by the Union leaders. A few wise princes, who looked ahead, signed the Instrument of Accession with the Indian Union and paved the way for grouping and regrouping and the final integration with the Union. It was a co-operative effort as described by Mr. Menon. But the secret of integration was the desire of the people of the States (State subjects as they were then called) to carry on the administration of the States themselves in the wake of autonomy enjoyed by the neighbouring districts of the Indian Union. When the British Government transferred power to the people, the Indian princes could not have autocratic and unrepresentative administration in their areas. If the princes had not yielded, they would have been wiped out of the picture by their own people as there was no longer the guarantee against internal revolution. The British power had gone and the Congress administration would not have given them any assistance to put down the popular demand for responsible government. A majority of princes righty agreed to merge their areas with the Union when their privy purse, status, succession and other parapharnalia were guaranteed by the Indian National Congress.

Mr. Menon with his characteristic grasp of political affairs narrates the gradual evolution that took place, stage by stage in every State or group of States. His chapter on Jammu and Kashmir State is worth reading in view of the controversy now going on between Pakistan and India and the world attention diverted to it. Mr. Menon's version confirms one's belief that the automatic lapse of paramountcy announced by the British Government proved a blessing in disguise. If, on the other hand, paramountcy had been transferred to Free India with all the obligations of the British Government under various treaties, engagements and *sanads*, the successor Government would not have been able to solve the problem so quickly. The lapse of paramountcy enabled the Union Government to start with a clean state unhampered by objections. The Congress leaders were able to prevent any balkanisation of India because they had the support of the "State subjects." What the Union lost by the partition of British India and the creation of Pakistan, an area of 364,737 sq. miles and a population of 81.5 millions, was recouped by the merger of the Indian States which brought to the Union an additional area of 500,000 sq. miles with a population of 87.5 millions.

Mr. Menon has done ample justice to the task undertaken. One should say that the narrative is superb in many respects. One, however, feels that the author would have done well to publish some of the correspondence which passed between the Government and the princes, for these documents have great historical value.—*N. Salivateeswaran.*

F.B.I. Register of British Manufacturers, 1957. 29th Edition. Published for the Federation of British Industries by Kelly's Directories Ltd., and Iliffe and Sons Ltd., Dorset House, Stamford Street, London, S.E. 1. Price: 42 sh. (post free).

An important factor which helps to promote a country's foreign trade is the proper dissemination of knowledge about the varied manufactures and products among the overseas buyers. Viewed thus, the Federation of British industries has done a monumental work in bringing out a register of British manufacturers, the twenty-ninth edition of which has now been published. The Register covers a substantial cross-section of British industry, listing the products and services of over 7,000 member firms under more than 5,400 alphabetical headings. Besides the inclusion of the classified Buyers' Guide, the Register contains seven sections which give addresses of companies and firms, and other valuable information about trade associations, proprietary names, trade marks, etc. For those who are not fully conversant with British product terms, the French, German and Spanish glossaries, contained in the Register offer much needed and useful information. Every product term used in the main Buyers' Guide is properly translated and numbered for easy reference between the English headings and their translations in the glossaries.

"Nanthis" Directory of India Manufacturers, Exporters, Importers and Who's Who (1956-57). Published by the Export India Journal, Post Box 401, Madras-5. Price: Rs. 10.

"Nanthi's" Directory of India contains useful information on trade and business in India. It touches on several aspects of commerce, indicating the sources of production of food and cash crops, minerals, etc., within the country and listing the internal as well as overseas trade, manufactures, world markets, insurance companies. banks and the like.

THE PUNJAB NATIONAL BANK, LIMITED, DELHI—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

Previous Year Rs.	EXPENDITURE	Amount Rs.	a.	p.	Previous Year Rs.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Amount Rs.	a.	p.
1,61,20,772	1. Interest paid on Deposits, Borrowings, etc.	1,92,99,543	8	10	3,43,20,205	1. Interest and Discount	4,01,61,732	14	2
	2. Salaries and Allowances and Provident Fund (includes Rs. 61,007-14-0 paid to General Manager, besides payment of bonus amounting to Rs. 8,033-8-0, free residential accommodation and use of Bank's car for part of the year; and compensation and gratuity aggregating to Rs. 1,28,129-1-0 paid to the Ex-General Manager)	1,79,05,854	0	0	69,54,048	2. Commission, Exchange and Brokerage	89,29,934	5	4
1,63,06,117					9,10,358	3. Rents	10,24,644	7	7
22,309	3. Directors' and Local Committee Members' Fees and Allowances	18,470	5	0		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
11,82,936	4. Rent, Taxes, Insurance, Lighting, etc.	12,78,781	0	6	1,04,014				
1,82,110	5. Law Charges	2,11,575	2	6		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
13,01,258	6. Postage, Telegrams and Stamps	15,94,096	6	4	Nil				
8,000	7. Auditors' Fees	8,000	0	0		6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
6,67,542	8. Depreciation on and Repairs to the Banking Company's Property	7,40,057	6	3	Nil				
10,69,335	9. Stationery, Printing, Advertisement, etc.	10,56,356	13	8	26,91,911	7. Other Receipts	26,17,818	8	8
7,168	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil							
16,82,871	11. Other Expenditure	17,46,231	3	3					
64,41,068	12. Balance of Profit (subject to Taxation)	87,85,164	5	5					
4,49,80,536	Total .. Rs.	5,27,34,130	3	9	4,49,80,536	Total .. Rs.	5,27,34,130	3	9

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1956.

Previous Year Rs.	PARTICULARS OF ADVANCES	Rs.	a.	p.	Previous Year Rs.	PARTICULARS OF ADVANCES	Rs.	a.	p.
38,44,32,126	(i) Debts considered good in respect of which the banking company is fully secured	51,73,58,001	15	0		(v) Debts due by Directors or Officers of the banking company or any of them either severally or jointly with any other persons—	Rs.	a.	p.
					Nil	Directors	Nil		
2,98,33,777	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	2,21,18,189	1	4	3,31,740	Officers	3,23,152	9	1
					3,31,740		3,23,152	9	1
59,54,333	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	91,24,334	12	1		(vi) Debts due by companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members			
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil			98,92,048		1,46,77,289	8	0
						(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the banking company or any of them either severally or jointly with any other persons			
					3,31,740		3,61,003	15	4
						(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members			
					1,52,71,300		1,74,10,499	6	3
					35,42,779	(ix) Due from banking companies	32,07,521	13	11
42,02,20,736		54,86,00,525	12	5					

AUDITORS' REPORT TO THE SHAREHOLDERS, THE PUNJAB NATIONAL BANK LIMITED, DELHI.

We have audited the annexed Balance Sheet of the Punjab National Bank Ltd., as at 31st December, 1956, and also the annexed Profit and Loss Account of the Bank for the year ended on that date, with the books and accounts kept at the Head Office in Delhi, in which are incorporated the unaudited returns of the Bank's Branches in Indian Union, Pakistan and Burma none of which were visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are, therefore, drawn up in conformity with forms 'A' and 'B' of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion and to the best of our knowledge and information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, read along with the notes appearing thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

NEW DELHI, 11th March, 1957.

V. SANKAR AIYAR & CO.,
Chartered Accountants.

M. K. PANDIT, Chief Accountant.
MOHAN SINGH, Deputy General Manager.
S. L. VERMA, Assistant Secretary, Accounts.
A. M. WALKER, General Manager.
R. L. TULI, Secretary and Deputy General Manager.

S. P. JAIN, C. L. BAJORIA, SHITAL PRASAD, JASWANTRAI CHURAMANI, MAHARAJ KRISHNA KAPUR, J. N. BHAN, KESHAB CHANDER, KAMALNAYAN BAJAJ. } Directors. — Chairman.

THE INDIAN BANK LIMITED, MADRAS

(ESTABLISHED 1907)

(To be Submitted to the Shareholders at the Fiftieth Annual General Meeting to be held at the Registered Office of the Company, "Indian Bank Buildings," North Beach Road, Madras, on Saturday the 20th April 1957, at 11 a.m.)

DIRECTORS' NINETY-NINTH REPORT

The Directors have the pleasure to submit a statement of Assets and Liabilities and of Profit and Loss Account of the Bank for the year ended 31st December 1956. The Auditors' Report is also annexed.

2. The Net Profit of the Bank for the year amounts to Rs. 45,70,651-11-3 and together with the sum of Rs. 1,45,139-11-1 carried from the previous year's account, makes a total of Rs. 47,15,791-6-4.

3. Out of this sum, the Directors have made the following interim appropriations :—

	Rs.	a.	p.
An *ad interim* dividend at the rate of 5 per cent. and a Bonus of 1½ per cent. (both free of Income-tax) was paid which absorbed	3,91,300	0	0
The Directors now recommend that the following further appropriations may be made :—			
To pay a final dividend of 5 per cent. and a Bonus of 1½ per cent. (both free of Income-tax) thereby making the dividend and bonus for the year amount to 13 per cent.	4,06,000	0	0
To provision for Taxes	18,50,000	0	0
To transfer to Reserve Fund under Section 17 of the Banking Companies Act, 1949	10,00,000	0	0
To transfer to Sinking Fund	75,000	0	0
To transfer to Special Gratuity Fund	1,50,000	0	0
To transfer to Bank's Buildings account	80,000	0	0
To carry forward	8,13,491	6	4
Total .. Rs.	47,15,791	6	4

4. The Bank rate remained unchanged at 3½ per cent. during the year under report.

5. Offices of the Bank were opened during the year at Anakapalle, Badagara, Cuddalore (N. T.), Kodambakkam (Madras City), Kurnool, Palni, Tellicherry and Vilakuthoon (Madura).

6. In accordance with Articles 95 and 96 of the Articles of Association of the Bank read with Section 256 of the Companies Act, 1956, four Directors, Messrs. L. Alagusundaram Chettiar, K. Balasubramania Iyer, P. V. Rm. Kulandayan Chettiar and Rao Saheb E. M. Muthappa Chettiar retire this year by rotation and they, being eligible, offer themselves for re-election.

INDIAN BANK BUILDINGS,
MADRAS 23*rd March*, 1957.

BALANCE SHEET AS AT 31st DECEMBER, 1956

Corresponding figures 31st Dec., 1955 Rs. a. p.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
	1. Capital—		
	AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each ..	1,00,00,000 0 0	
	ISSUED CAPITAL FOR PAYMENT IN CASH— 72,000 Shares of Rs. 100 each ..	72,00,000 0 0	
	SUBSCRIBED CAPITAL— 72,000 Shares of Rs. 100 each ..	72,00,000 0 0	
	AMOUNT CALLED UP— 44,000 Shares of Rs. 100 each	44,00,000 0 0	
	On 28,000 Shares at Rs. 75 per share ..	21,00,000 0 0	
	(Call money of call made on 15-12-56 payable by 2-1-57 Rs. 2,40,000 does not rank for Dividend)	65,00,000 0 0	
	LESS—Calls unpaid (including calls payable by 2-1-57 Rs. 98,980-0-0) ..	1,16,870 0 0	
		63,83,130 0 0	
59,87,200 0 0	ADD—Forfeited Shares	Nil	63,83,130 0 0
31,17,300 0 0	SHARE PREMIUM ACCOUNT		31,17,800 0 0
	2. Reserve Fund and Other Reserves—		
	(i) Reserve Fund under Section 17 of the Banking Companies Act 1949 ..	31,32,900 0 0	
	(ii) Reserve Fund other than that under Section 17 of the Banking Companies Act 1949	10,00,000 0 0	
41,44,800 0 0	(iii) Sinking Fund	7,25,000 0 0	48,57,900 0 0
	3. Deposits and Other Accounts—		
	Fixed Deposits	10,78,38,855 7 5	
	Season and Short-Term Deposits ..	4,35,13,546 10 8	
	Savings Bank Deposits	6,06,62,361 0 9	
	Current Accounts, Contingency Accounts, etc.	11,36,09,497 10 7	
29,44,16,484 14 7			32,56,44,260 18 5
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India	1,93,00,000 0 0	
30,33,217 9 5	(ii) Outside India	Nil	1,93,00,000 0 0
	PARTICULARS—		
	(i) Secured (Secured by part of investments in Central and State Government securities and Advances as per contra) Rs. 1,93,00,000 0 0		
	(ii) Unsecured Rs. Nil		
75,29,071 15 10	**5. Bills Payable**		1,01,25,403 4 8
	6. Bills for Collection being Bills Receivable as per contra—		
	(i) Payable in India	4,86,99,409 8 11	
	(ii) Payable outside India	90,80,101 1 0	
2,26,14,732 14 0			5,77,79,510 9 11
	7. Other Liabilities—		
	(i) Rebate on Bills	14,775 10 6	
	(ii) Unclaimed Dividends	83,323 4 1	
	(iii) T.Ts. Payable	2,23,190 1 7	
	(iv) Sundries Payable	7,30,221 8 6	
	(v) Branch Adjustment	56,71,623 1 8	
	(vi) Provision for Taxes	17,64,641 11 2	
68,03,793 13 8	(vii) Interest Realisable	30,251 15 10	85,18,027 5 4
6,95,52,505 12 6	**8. Acceptances, Endorsements and Other Obligations** per contra		3,99,96,691 3 4
	9. Profit and Loss—		
	Profit as per Balance Sheet as at 31st December 1955	18,11,239 11 1	
	LESS—Appropriations—		
	(i) Final dividend of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) .. Rs. 3,48,000 0 0		
	(ii) Provision for taxes .. 5,75,000 0 0		
	(iii) Reserve fund under Section 17 of B.C. Act 1949 .. .. 3,50,000 0 0		
	(iv) Reserve fund other than that under Section 17 of B.C. Act 1949 .. 1,00,000 0 0		
	(v) Sinking fund . 2,63,100 0 0		
	(vi) Depreciation on Bank's Premises .. 30,000 0 0		
		16,66,100 0 0	
		1,45,139 11 1	
	ADD—Profit for the year brought from the Profit and Loss Account	45,70,651 11 3	
		47,15,791 6 4	
	LESS—Interim Appropriations— Ad-Interim Dividend of 5 per cent. and Bonus of 1½ per cent. (both free of income-tax)	3,91,300 0 0	
18,11,239 11 1			[43,24,491 6 4
	10. Contingent Liabilities—		
	(1) On partly paid-up shares of Banks Rs. 30,675-0-0.		
	(2) Claims against the Bank not acknowledged as debt—		
	(a) Rs. 25,000-0-0 falling which Rs. 670-11-0.		
	(b) Rs. 91,380-4-4.		
	(3) On guarantees given on behalf of constituents Rs. 74,21,007-0-11.		
	(4) On Forward Exchange contracts Rs. 2,72,49,424-4-7.		
41,90,10,346 10 8	Total .. Rs.		48,00,46,714 11 0

Corresponding figures 31st Dec., 1955 Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
2,52,37,920 7 1	**1. Cash—** In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		2,91,93,694 13 0
	2. Balances with Other Banks*—		
	(I) In India— Rs. a. p. On Deposit .. Nil In Current Account 13,80,349 13 11	13,80,349 13 11	
	(II) Outside India— On Deposit .. Nil In Current Account 81,20,317 2 7	81,20,317 2 7	
77,65,771 4 0	**3. Money at Call and Short Notice**		95,00,667 0 6
Nil	**4. Investments** (at cost)*—		Nil
	(i) Securities of the Central and State Governments (Terminable loans) and other Trustee Securities, including Treasury Bills of the Central and State Governments— Face Value Rs. a. p.		
	Quoted .. 9,46,34,600 0 0 Unquoted .. 9,50,000 0 0		
	9,55,84,600 0 0		
	(Market Value Rs. 9,07,09,169-8-0)	9,63,78,349 0 6	
	(ii) Shares (Quoted)— Rs. a. p. Preference (other than Banking Companies)— Fully paid .. 66,900 0 0		
	Ordinary (Banking and other Companies)— Fully paid .. 6,92,410 0 0 Partly paid .. 1,18,019 8 0		
	(Market Value Rs. 8,03,152-4-0)	8,77,329 8 0	
	(iii) Debentures Face Value (Unquoted) Rs. 3,97,000	3,97,000 0 0	
	(iv) Other Investments—(Quoted)— Malayan and F.M.S. Terminable loans of Face Value St. $550,500 (Market Value Rs. 7,67,991-2-10)	8,50,423 10 8	
	British 3 per cent. 1955-59 War Loan Face Value £12,212-10-4 (Market Value Rs. 1,55,450-7-4)	1,59,143 10 0	
	Ceylon Government Terminable Loan Face Value Rs. 11,56,000 (Market Value Rs. 11,51,030-0-0)	11,58,336 0 0	
	Ceylon Development Finance Corporation Shares .. .. Paid up Value Rs. 50,000-0-0 (Market Value Rs. 47,500-0-0)	50,000 0 0	
	(v) Gold	Nil	
	(Provision in Sinking fund and non-statutory Reserve Fund as per contra Rs. 17½ lakhs towards depreciation on investments.)		
11,14,87,892 14 7	**5. Advances—**		9,08,70,581 13 2
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of auditors).		
	(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (i) In India .. 18,09,10,380 8 10 (ii) Outside India 92,93,876 0 3		
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— Rs. a. p. (i) Payable in India .. 3,24,71,266 3 10 (ii) Payable outside India 1,42,53,754 12 5	19,02,04,256 9 1	
17,54,23,607 8 4	(Particulars of Advances shown in next page)	4,67,25,021 0 8	23,69,29,277 9 4
	6. Bills Receivable being Bills for Collection as per contra—		
	(i) Payable in India	4,86,99,409 8 11	
	(ii) Payable outside India ..	90,80,101 1 0	
2,26,14,732 14 0	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		5,77,79,510 9 11
6,95,52,505 12 6	**8. Premises—**		3,99,96,691 3 4
	At cost as at 31st December 1955 .. Rs. a. p. 7,41,509 1 0		
	Additions during the year .. 77,220 0 0		
	LESS—Depreciation written off to date ..	8,18,729 1 0 4,94,219 3 10	
2,81,080 2 2	**9. Safes, Furniture and Fixtures—**		3,24,509 13 2
	At cost as at 31st December 1955 .. Rs. a. p. 11,86,139 14 6		
	Additions during the year .. 1,98,758 12 11		
	LESS—Deductions in the year ..	13,84,898 11 5 62,232 6 3	
	LESS—Depreciation written off to date ..	13,22,666 5 2 6,18,691 7 4	
6,33,713 3 1	**10. Other Assets, including Silver—**		7,03,974 13 10
	Books and Stationery	4,68,275 13 4	
	Sundries Receivable (including advance Income-tax Rs. 38,66,042-9-3)	41,65,552 9 10	
	Interest Accrued on Investments ..	8,93,667 6 3	
	Stamps and Drafts	26,526 1 4	
	Silver	Nil	
60,13,122 8 11	**11. Non-Banking Assets Acquired in Satisfaction of Claims—**		55,54,021 14 9
Nil	(Either reserve price fixed by Court or purchase price paid at public auction).		1,93,785 0 0
	* Includes investments of staff security deposits.		
41,90,10,346 10 8	Total .. Rs.		48,00,46,714 11 0

TAXES WHICH SOVIET PEOPLE PAY

LEVY ON AGRICULTURAL INCOME

A NOTEWORTHY feature of the Soviet Budget is the very small proportion—less than a twelfth—of its revenue derived from taxes levelled on the public. In the current budget, which is quite typical, the people will pay only 48,400 million rubles out of a total revenue of 590,000 million rubles. In return, they benefit to the tune of 147,000 million rubles to be spent on education, free health services and social insurance.

This wide discrepancy is possible because the chief source of funds for the Soviet budget are profits of State enterprises.

The main tax paid by the town population is known as "income-tax." This tax is collected from industrial and office workers employed in State and co-operative enterprises, from artisans, craftsmen, writers, artists, actors, lawyers and other gainfully employed persons, as well as from people other than peasants, living in the countryside.

Income-tax is progressive, the smaller the income the smaller the tax. If monthly wages amount, for example, to 260 rubles a month or less—as in the case, for instance, of office cleaners doing only a few hours' work a day—no tax is levied. If they total 400 rubles, income-tax takes 4½ per cent. At 700 rubles, the income-tax rate rises to 6.6 per cent., and at 1,000 rubles to 8.2 per cent. If earnings exceed 1,000 rubles a month, income-tax is levied at 8.2 per cent. on the first 1,000 rubles, and at the rate of 13 per cent. on all over that figure. A taxpayer maintaining a family of four or more enjoys a 30 per cent. reduction in taxation.

Incomes of writers, painters and other art workers are assessed for tax payment at the same rate as those of industrial and office-workers. Artisans and craftsmen belonging to producers' co-operatives pay similar income-taxes, but the rate is increased by 10 per cent. Higher taxation of these groups is economically justified by the fact that in addition to regular wages they receive extra remuneration in the shape of a share of profits of the co-operative.

People who earn their livelihood from agriculture pay an agricultural tax. The incomes of peasants in the Soviet Union come from two sources. They receive the major part from the collective enterprise in which the common income is distributed among the members according to the work done by each of them. Besides participating in collective enterprise, every member of a collective farm has land for his or her personal use—a house, a garden, an orchard and livestock. The income received by the collective farmers from the collective farms consists of both cash and produce. No taxes are imposed on these, since tax is collected from the total income of the collective farm before distribution.

Income from the produce of their own land was taxed up to 1953 by an agricultural tax on the same principle as income-tax. In 1953, a major reform of the agricultural tax was effected. The total sum of the tax was reduced to two-fifths, and the system of calculating the tax was simplified. The agricultural tax is now imposed only in proportion to the size of the plot of land for personal use. This system of taxation encourages the collective farmers to cultivate their plots in the most rational way: to raise the most valuable orchard and garden crops, to increase the number of their cattle and raise their productivity. An average rate of agricultural tax has been established for every constituent republic, calculated in rubles per 100 square metres (100 sq. metres are approximately 120 sq. yds.). In the Russian Federation (R.S.F.S.R.), for example, the average rate has been fixed at 8½ rubles a year per 100 sq. metres.

Proceeding from this average tax rate, each republic has the right to fix varying tax rates for individual regions depending on local conditions—yield of agricultural crops, availability of markets and the size of the incomes obtained.

This system allows the differences in the level of income from land in every area to be taken into account when tax rates are fixed. Men of 60 or over and women of 55 or over are completely exempted from agricultural taxes if there are no wage earners in their families. Also exempt from the tax are teachers of rural schools, agronomists, livestock and other specialists employed in the countryside.

Families with one or more members disabled are either completely exempted from the tax or pay only half the normal rate. In addition to the two chief taxes, income and agricultural, there is a *special tax* in the Soviet Union levied on single men and women and people with small families. This tax is imposed on men aged 20 to 50 and on women aged 20 to 45 if they are childless or if they have one child or two children.

For industrial and office workers and other gainfully employed persons (with the exception of peasants) this tax has been fixed at the rate of six per cent. of earnings if there are no children, one per cent. if there is one child, and one-half per cent. if there are two children.

Mothers with more than three children are granted a monthly allowance from the State. In addition, they get large grants on the birth of the third and every additional child. Besides these general State taxes and duties there are certain local taxes in the U.S.S.R., revenue from which goes to the budgets of cities and villages. City residents pay taxes on the use of land belonging to the State and on certain property belonging to them personally.

People owning houses in cities or rural localities pay a yearly tax on the buildings at the rate of one per cent. of the cost of construction of the building. Taxes are paid by owners of cars, motor cycles or bicycles who live in towns. Taxes on the very popular Moskvich and Pobeda cars range from 0.68 per cent. of the cost of the car in small towns up to 1.2 per cent. in large cities and capitals of republics.

City and rural Soviets have no right to introduce taxes other than those sanctioned by general State laws.

THE INDIAN BANK LIMITED, MADRAS—*Continued.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

Corresponding figures 31st Dec., 1955 Rs. a. p.	EXPENDITURE	Rs. a. p.	Rs. a. p.
57,81,369 8 11	1. Interest paid on deposits, borrowings, etc.	77,20,328 5 8	
48,37,911 12 2	2. Salaries and Allowances, Provident Fund, Bonus and Gratuity.	57,70,318 3 6	
	(Salary and Allowances paid to Secretary .. .. .. Rs. 61,819 0 9) (Acting Secretary .. .. .. Rs. 46,176 11 1)		
78,574 14 5	3. Directors' and Local Committee members' fees and allowances	1,12,962 15 5	
4,84,217 5 7	4. Rent, Taxes, Insurance, Lighting, etc.	5,55,943 9 2	
13,529 15 11	5. Law Charges	8,273 0 5	
3,50,827 5 5	6. Postage, Telegrams and Stamps	4,24,286 8 8	
18,980 6 10	7. Auditors' Fees	20,720 11 6	
1,45,431 13 2	8. Depreciation on and repairs to the banking company's property	1,39,244 2 1	
3,88,966 11 5	9. Stationery, Printing, Advertisement, etc.	4,53,759 13 11	
Nil	10a. Loss from sale of or dealing with non-banking assets ..	Nil	
Nil	10b. Net loss on sale of investments	5,091 8 6	
4,99,842 1 5	11. Other Expenditure (Includes payment of Rs. 31,100 made to a Firm in which a director is interested, in satisfaction of a claim previously not acknowledged as debt)	6,51,049 1 3	
20,28,454 10 2	12. Balance of Profit	45,70,651 11 3	
1,46,28,006 9 5	Total .. Rs.	2,04,32,629 11 4	

Corresponding figures 31st Dec., 1955 Rs. a. p.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1,06,05,988 13 2	1. Interest and Discount	1,25,76,865 6 8
36,48,850 6 9	2. Commission, Exchange and Brokerage	75,46,218 11 11
80,515 11 5	3. Rents	1,06,150 15 5
	4. Net profit on sale of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	Nil
32,545 15 0	5. Net profit on revaluation of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	Nil
Nil	6. Income from non-banking assets, and profit from sale of or dealing with such assets	Nil
Nil	7. Other receipts	2,03,394 9 4
2,00,305 11 1		
1,46,28,006 9 5	Total .. Rs.	2,04,32,629 11 4

PARTICULARS OF ADVANCES REFERRED TO ON THE ASSETS SIDE OF THE BALANCE SHEET AS AT 31st DECEMBER, 1956.

PARTICULARS	Amount Rs. a. p.	PARTICULARS	Amount Rs. a. p.
(I) Debts considered good in respect of which the Banking Company is fully secured	20,60,52,988 11 1	(vi) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 3,39,770-9-7 is fully secured)	3,59,626 2 9
(II) Debts considered good for which the Banking Company holds no other security than the debtor's personal security	2,45,68,901 12 0	(vii) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or in the case of private companies, as Members (of which (a) Rs. 20,14,029-1-5 is fully secured) and (b) Rs. 53,39,517-5-8 is due by a company where a director of the Banking Company is an *ex-officio* director and the advance is guaranteed by a State Government) ..	82,04,607 4 3
Advances under Joint and several Pronotes including Bills Discounted and Purchased .. .. .. Rs. 1,58,59,486 9 5		(viii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 5,95,257-5-5 is fully secured)	6,06,889 3 5
Advances to individual parties including Bills Discounted and Purchased 87,09,415 2 7		(ix) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as members (of which (a) Rs. 13,99,745-6-7 is fully secured and (b) Rs. 57,78,935-14-5 is due by a Company where a Director of the Banking Company is an *ex-officio* Director and the advance is guaranteed by a State Government)	84,31,862 15 2
(III) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	56,33,326 4 5	(x) Due from Banking Companies	14,79,845 6 5
(IV) Debts due on temporary overdrafts and other advances	6,74,060 13 10		
(V) Debts considered doubtful or bad not provided for	Nil		
Total .. Rs.	23,69,29,277 9 4		

We have audited the above Balance Sheet of the Indian Bank Limited as at 31st December, 1956 and also the above Profit and Loss Account of the Bank for the year ended on that date with the books of account of the Head Office and Branches other than those in Malaya and with certified returns from Malayan Branches and report that :—

(a) We have obtained all the information and explanations which to the best of our knowledge and behalf were necessary for the purpose of our audit;

(b) Such information and explanations have been found to be satisfactory;

(c) The returns received from the branches have been found adequate for the purpose of our audit;

(d) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank;

(e) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required;

(f) In our opinion, (i) the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December 1956;

(ii) the Profit and Loss Account gives a true and fair view of the Profit or Loss for the year ended that date and shows a true balance of profit for the period covered by the audit; and

(iii) proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and

(g) The Bank's Balance Sheet and the Profit and Loss Account dealt with by the Report are in agreemen with the books of account and returns.

B. PURUSHOTTAM & CO.
BRAHMAYYA & CO.
SUNDARAM & SRINIVASAN
V. SOUNDARARAJAN & CO.
KARRA DAKSHINAMURTHY
} Chartered Accountants, Auditors.

MADRAS, dated 25th March, 1957.

L. ALAGUSUNDARAM CHETTIAR
P. V. RM. KULANDAYAN CHETTIAR
K. BALASUBRAMANIA IYER
E. M. MUTHAPPA CHETTIAR
M. A. M. MUTHIAH CHETTIAR
R. K. VENKATACHALAM
} Directors

B. SUNDRAM IYER
T. S. KACHAPIRESA MUDALIAR
O. M. SP. L. M. MEYYAPPA CHETTIAR
M. A. MUTHIAH CHETTIAR
M. R. GURUSWAMI MUDALIAR
C. KRISHNAMOORTHY MUDALIAR

S. MUTHUSWAMI, Ag. Chief Accountant.
A. K. PRABHU, Deputy Secretary.
D. P. PARTHASARATHY, Secretary.

CANARA INDUSTRIAL AND BANKING SYNDICATE LIMITED

CHAIRMAN, DR. T. M. A. PAI'S SPEECH AT ANNUAL GENERAL MEETING

BANKS SHOULD BE PREPARED FOR VOLUNTARY RESTRICTION OF CREDIT

THE view that banks would have to be prepared for voluntary restriction of credit facilities and canalise them towards a healthier economy was expressed by Dr. T. M. A. Pai, Chairman of the Canara Industrial and Banking Syndicate Ltd., in the course of his address at the Thirty-first Annual General Meeting of the Bank held in Udipi on 16th March 1957. The following is the full text of Dr. Pai's speech:

"GENTLEMEN,

"It is with deep regret I have to report to you the passing away of our Founder Director Sri Upendra Ananth Pai. It was to his vision and courage we owe the founding of this institution and he looked after it for several years in various capacities. He was a friend and guide of the institution and we miss him very much today. The Directors have decided to commemorate his memory suitably.

"I am glad that I could report to you on a successful year of working so far as your Bank is concerned. The improvement has been all round, adding to the strength and continued stability of the institution. With the calls coming in, the paid-up capital of the Bank improved from Rs. 26,75,668 as on 31st December 1955 to Rs. 27,80,579 as on 31st December 1956 and with the transfer of Rs. 3 lakhs from the current year's profit to the reserve fund, the reserves improved from Rs. 15 lakhs to Rs. 18 lakhs. Thus, as against the paid-up capital and reserves of Rs. 41,41,568 on 31st December 1955, the corresponding figure of paid-up capital and reserves stood at Rs. 45,80,579 on 31st December 1956. During the year the shares of the Bank were listed on the Madras Stock Exchange.

Deposits Rise

"There has been a progressive rise in deposits from Rs. 6,67,03,420 to Rs. 8,46,17,907 during the year. With the stringency in the money market and interest rates improving generally, it is gratifying to note that your Directors could get these results without an undue increase in the interest rates. There was also an improvement of about 20,000 deposit accounts.

"The Bank has been carrying on its business mainly in rented premises, but your Directors have been able to purchase a good building in the Bombay Fort area for an attractive price, so that our difficulty of restricted space for our Bombay office will not be there any longer from this year. The Directors also have gone ahead with the scheme of putting up our own building at Mangalore. Your Directors propose to constitute a separate building reserve fund and transfer Rs. 25,000 from the current year's profit to it.

"With the improvement in advances for finance of trade and movement of goods, there has been a slight reduction in investment in Government securities and cash in hand and with bankers expressed as a percentage of the total deposits. The investments in Government securities improved from Rs. 3,06,74,166 to Rs. 3,41,06,873, while the cash in hand and with bankers rose from Rs. 81,96,417 to Rs. 98,25,552.

"The total advances of the Bank stood at 58 per cent. of the total deposit liabilities, out of which 82 per cent. was fully secured and the number of loan accounts increased from 64,418 to 68,199. The bills for collection and acceptances and endorsements for customers improved from Rs. 55,85,026 to Rs. 75,24,877. Thus, our total resources stood on 31st December 1956 at Rs. 10,64,10,312 with over 240,010 customers.

"As against the gross income of Rs. 38,51,487 in 1955 (with previous year's brought forward) the Bank had a gross earning of Rs. 49,38,581 and the net profit increased from Rs. 6,04,532 to Rs. 9,14,030.

Economic Progress

"The satisfactory economic progress of the country under the first Five-year Plan and the new problems that are now coming up continuously require to be solved. New targets have got to be reached both under agriculture and industry and employment. Added expenditure has to be incurred to keep up the momentum of the development that is already under its way. All these have partly contributed also to the inflationary forces. The need for finding adequate resources to finance the second Five-year Plan, while at the same time preventing inflation getting out of hand as a result of the heavy governmental expenditure, the need for providing jobs, while at the same time restricting the expenditure on consumption, the need for improving agricultural income in order to provide incentives for growing more food and raw materials being counterbalanced by curbing of expenditure and the need to resist wages and salary increases in order to prevent the overall increase in the prices, are issues conflicting enough by themselves; but the nation and the Governments have to face these issues squarely as they are inevitable in the transitional period. Appreciation of these issues by a larger number of people and the realisation on the part of the people in the country that the huge capital and other expenditure contemplated by the Government could come only out of the sacrifices that different groups and sectors in the national economy are prepared to make, will go a long way in creating conditions of stability. Unless the nation is prepared for harder work, these burdens can never be lightened.

Much to Accomplish

"There is so much to attempt and so much to accomplish, that what has been achieved seems very little by comparison. But it is significant that never before has the country made such great progress in the development of its resources both under agriculture and industry. It is heartening to see the country progressing along right lines and a determined people, with patriotism and broader outlook, being prepared to take up these burdens of sacrifice can surely win the battle against poverty. These economic conditions have had their inevitable repercussions on the banking structure. It must be said to the credit of the Central Banking authority and the Government that some of these problems have been tackled by them with courage and imagination. Banks will have to be prepared for voluntary restriction of credit facilities and canalise them towards a healthier economy. While each banking unit must be happy over the progress it has made, it does not matter how much each of them has relatively improved compared with the other banking units. They will be serving the country and its economy only by tapping the resources which do not find their way to the banking system at present rather than diversion of funds from one banking unit to another. Instead of competition and offer of higher rates of interest for deposits, if greater effort could be made in making the people banking minded and induce them to part with their savings, a greater measure of national service could have been rendered.

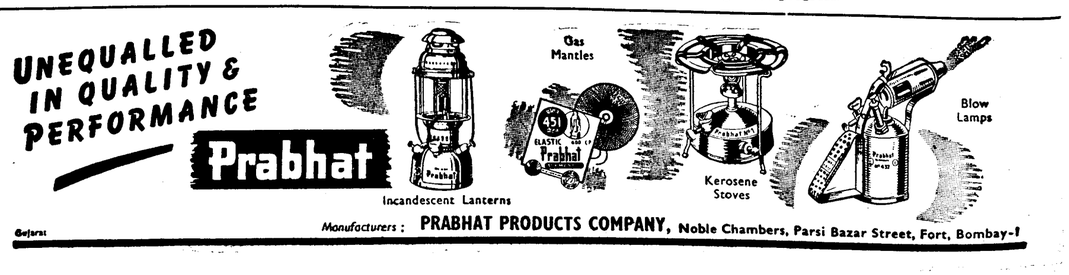
"Last year, the banks contributed liberally and with a patriotic zeal towards the Central and State loans. Because of this, the loans were easily got subscribed. Not only direct contributions were made, but smaller people also were induced to go in for these investments by banks creating suitable facilities. Unfortunately, the capital depreciation that was allowed to take place subsequently to the closing of these issues, I am afraid, ought not to have been allowed particularly when there is a heavier borrowing programme during the second Five-year period and the need to cultivate the habit of investing in Government securities should have been deliberately fostered and developed in the investing public. A greater stability to the security market could be imparted only by a larger number of people being induced to hold on to the securities rather than the securities getting concentrated in the hands of a few investing institutions.

"While the Government have their own ideas about credit being made available to agriculture and industry at economic rates of interest, the red-tapism involved in this process and the ultimate rate at which this money is lent to the people in the villages make the utility of these schemes look very unreal. While the Governments have hastened with legislation to put curbs on moneylending and shutting off of avenues of credit facilities in the rural parts, the vacuum has not been filled up as rapidly as it should have been. Unless credit is made available with imagination, it will take a longer time for the people to get the real benefits. Until the co-operative institutions are able to take all these responsibilities and the State Bank takes up the real burden, there is no reason why the agency of the Scheduled banks should not be permitted to take up this responsibility. If only the conflict of ideologies could be reduced, much of the avoidable difficulties facing the people could be reduced.

Warehousing

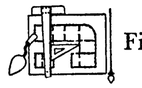
"I am happy that the question of warehousing has at last received the attention of the Government and the Central Warehousing Corporation (under the Agricultural Produce—Development and Warehousing Act) has been brought into existence with the main function of setting up a chain of 100 warehouses during the second Five-year Plan and also promoting State Warehousing Corporations, which, in their turn, will establish about 250 warehouses at important centres within each State. This will help in removing one of the serious handicaps so far as credit facilities being made available to the villagers and also help the banks to encourage these advances without any risk. I am glad that my suggestion that the Government should have given sufficient attention to the training of technical personnel taking into consideration the contemplated development plans has received the attention, however belated it be. If only this decision had been taken five years ago, most of the problems that are now facing us could have been got over. The lack of will to get things done within the minimum possible time and the lack of requisite resilience on the part of the administrative machinery still act as bottlenecks to our progress. I have no doubt, this will receive the attention of the authorities.

"In conclusion, I thank all the staff members for the honest work that they have put in and the depositors and borrowers for their continued patronage and the shareholders for the keen interest they have taken in the progress of the institution. The progress of the Bank during the current year has been a new landmark and I trust will enable the Bank to march towards greater progress."



Plan for Progress

Industry in India

Steel biting  into the earth, metal and concrete taking shape as buildings, and giant machines roaring into action are today changing the pattern of India's economy through dynamic industrialisation.  Over Rs. 1,000 crores will be spent on the expansion of industries during the Second  Five Year Plan. This intensive development programme will increase the national income,  create more employment and bring the benefits of modern living to India's millions. 

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Estd. 1906

Head Office: UDIPI (S.I.)
(A Scheduled Bank)

With a network of branches and agencies all over the Indian Republic, the Bank transacts banking business of every description.

Our Rates of Interest on Deposits:

Current Accounts	1/4% p.a.
Savings Bank Deposits	2½% p.a.
Fixed Deposits (for varying amounts and terms)	3 to 4½% p.a.
Golden Jubilee and Cumulative Deposits	4% p.a

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Further particulars can be had from the Head Office or any of our branches.

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ASIAN COUNTRIES REPORT RISE IN INDUSTRIAL OUTPUT

INCREASED IMPORTS OF CAPITAL GOODS

DURING the year 1956, the region covered by the Economic Commission for Asia and the Far East witnessed and accelerated growth of industrial production, as compared with the previous two years—an 8 per cent. gain in 1955 over 1954, being followed by a further gain of nearly 15 per cent. in the first half of 1956, which was much higher than the rate of growth in agricultural production, and than even the rate for the whole world. The latest Survey of the E.C.A.F.E., points out, however, that the rate of increase, though striking, will be misleading unless the low industrial base from which the growth is measured is borne in mind. Rough estimates for the region, based on preliminary data, indicate that during the year under review steel production increased by 19 per cent., cement by 18 per cent., pig iron, chemical fertilisers and paper by 15 per cent., cotton cloth by 14 per cent., electric power by 12 per cent., cotton yarn by 11 per cent., coal by 8 per cent., and crude petroleum by 6 per cent., as compared with 1955. Further, final returns for the foreign trade of the region for the whole year are expected to show an element of adverse effect in the form of higher import prices and reduced growth of import and export volume following the closure of the Suez Canal in the fourth quarter. It is noteworthy, however, that in the first nine months of the year exports of the countries of the region, excluding mainland China, were 6 per cent. higher by value —and much higher in terms of volume—as compared with the corresponding period of 1955. As against this, the value of imports rose by no less than 20 per cent., because of higher import prices and a substantially larger inflow of capital goods for developmental purposes. An important feature of the trade, consequently, was that the terms of trade worsened for most countries as the trade gap widened.

Some of the countries which shared in the expansion in industrial production were China (mainland and Taiwan), India, Japan, Indonesia, Ceylon, Malaya, Pakistan and Hong Kong. In China, for instance, industrial production, excluding handicrafts, was reported to have risen by 25 per cent. during the year, as compared with 1955. But its annual rate of increase declined from about 32 per cent. in 1953 to about 17 per cent. in 1954, and to about 8 per cent. in 1955. A number of major industrial products, including iron and steel, but not electricity, coal, crude petroleum, ammonium sulphate, cotton cloth and sugar, were reported to have shared in the increase. In India, the rate of expansion was as much as 15 per cent. during the first nine months of the year as compared with 1955. The increase was shared by both basic and consumer industries. A noteworthy development was the manufacture for the first time of a number of items, such as penicillin, D.D.T., newsprint, plastics. sheet glass and others. The industrial output in Japan and the Philippines for the first half of 1956 was about 12 per cent. higher, as compared with the corresponding period of 1955.

Major Industrial Items

Substantial increases were recorded in a number of major industrial items. The total generation of electricity in the region, excluding a few countries, increased by an estimated 12.4 per cent. in 1956 as compared with 1955. The total installed generating capacity as at the end of the year was estimated to be about 22 million kw. Production of iron and steel, which is mostly concentrated in China, India and Japan, is reported to have increased significantly—by about 15 per cent. in respect of pig iron, and 19 per cent. in the case of crude steel—to 12.6 million tons in the case of pig iron and 16.7 million tons in the case of steel. Further, a beginning had been made in a number of countries, including Burma, South Korea, Pakistan, the Philippines, Singapore and Thailand. Cement production in 11 of the countries of the region rose from 15.3 million tons in 1952 to 22.1 million tons in 1955, and further to an estimated 26.1 million tons in 1956. This increase was attributed to rapidly rising demand for development purposes. Chemical fertilizers, about three-fifths of which are nitrogenous, have been produced in increasing quantities in Japan, China and India. The total production for the three countries rose from 6 million tons in 1955 to an estimated 6.9 million tons in 1956. Of this total, Japan contributed 83.6 per cent., China 9.9 per cent. (7.1 per cent. on the mainland and 2.8 per cent. in Taiwan), and India 6.5 per cent. Further, in order to meet increasing demands, measures were being taken to expand output. Among the countries where new fertiliser factories were under construction, mention must be made of South Korea and Pakistan. In the case of the cotton textile industry which is extensively developed in China. Hong Kong, India, Japan and Pakistan, the output of cotton yarn and cloth increased from 2,099,000 tons in 1955 to 2,353,000 tons in 1956 in respect of yarn, and from 11,904 million metres to 13,674 million metres in respect of cloth.

Characteristic Feature

A characteristic feature of the industrial development of this region, however, is that manufacturing in most countries is still largely concerned with processing agricultural and mineral raw materials, and is commonly carried on by hand, cottage and small-scale industries. Further, a number of considerations enter into the choice of new industries for development, chief among them, according to the E.C.A.F.E. Survey, being the availability of raw materials, need for self-sufficiency and foreign exchange, provision of employment and extent of the market. A common factor among the countries generally is that, though development plans differ in emphasis, they frequently call for the establishment of basic industries. An important feature noted by the Survey in the sphere of foreign trade of this region is that there has been a steady decline in the imports of consumer goods and raw materials needed for consumer goods. The share of these imports in the total was 71 per cent. in 1954, 69 per cent. in 1955 and 44 per cent. in the first half of 1956. As against this, the proportion of imports of capital goods and materials needed for their production to the total increased during the same period from 29 to 36 per cent.

During the year under review, the share of trade within the region in total trade remained at about one-third for both exports and imports. What is significant, however, is the marked rise—from 2.8 per cent. to 4.8 per cent.—in the region's relatively small imports from the centrally planned economies of Europe and mainland China. The share of its exports to these countries, however, declined from 5.1 per cent. to 3.1 per cent.

An important trend that is likely to influence the trade within the area in the near future is Japan's export policy. A Japanese business and Government drive to expand trade and investment in South-East Asia is stated to be under way. Various measures are being envisaged in this connection, such as providing increased technical assistance, increased subsidies to various technical co-operation and investment associations, and the like. Further, Japan is also reported to be planning a more than $100 million each way trade with China this year in anticipation of U.S. relaxation of embargo, lists governing the non-communist world's trade with China. These plans are likely to take concrete shape at the forthcoming meeting of the Japanese industrialists and traders with the Peking authorities.

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By B. T. Thakur

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ORIENT LONGMANS

AREA UNDER RABI CEREALS

The all-India first estimate of *rabi* cereals (wheat and barley) puts the current year's area at 38,772,000 acres, as against the corresponding adjusted estimates of 36,015,000 acres for 1955-56. This represents an increase of 2,757,000 acres or 7.7 per cent. in area under the said cereals, as compared with last year.

A significant feature is that the increase in acreage has been shared by almost all the States, particularly Andhra Pradesh, Madhya Pradesh, Rajasthan and Delhi. It is also noteworthy that an important contributory factor has been the favourable weather conditions at the time of sowing.

The present estimates, it is stated, generally cover the period upto the end of December 1956. Till then, the condition of the standing crops of these cereals were reported to be generally satisfactory, except in some parts of Chhindwara district in M.P. Moreover, the estimates do not cover the entire area sown to *rabi* cereals. Past experience has revealed that the area at the first estimate stage forms roughly 90 per cent. of the area under wheat and 95 per cent. of the area under barley finally reported.

It will be recalled that the first estimate of *kharif* cereals has already been announced. The overall position of *kharif* and *rabi* cereals for 1956-57, at the first estimate stage, is as under:

Area (thousand acres)

	1956-57 (First Estimate)	1955-56 (Adjusted First Estimate)	Increase (+) or decl. (2) over col. (3)	
			Absolute	Per cent.
(1)	(2)	(3)	(4)	(5)
Kharif Cereals .. (Rice, Jowar, bajra, maize, ragi and small millets)	140,070	139,802	(+) 268	(+) 0.2
Rabi Cereals .. (Wheat and barley)	38,772	36,015	(+)2,757	(+) 7.7
Total ..	178,842	175,817	(+) 3,025	(+) 1.7

As will be seen from the table, the first estimate for all cereals reveals an increase of 3,025,000 acres or 1.7 per cent. in 1956-57 as compared with 1955-56. As regards wheat alone, the present estimates puts the acreage at 30,502,000 acres, as against the corresponding adjusted first estimate of 27,756,000 acres for 1955-56. In the case of barley, the corresponding figures for 1956-57 and 1955-56 are 8,270,000 and 8,259,000 acres, respectively.

DEMAND FOR CEMENT

The total demand for cement in the country has risen from 2.6 million tons per annum during 1949-51 to 10.0 million tons per annum in 1956-57. In 1947, soon after Partition, the number of cement factories in India was 18, with an installed capacity of over 2.1 million tons. At present, their number is 28, with an installed capacity of 4.9 million tons. The target for cement production at the end of the second Plan is 12.0 million tons, twice that of the existing capacity. The actual production of cement in India was 2.6 million tons in 1950-51, 3.5 million tons in 1952-53, and 4.6 million tons in 1955-56.

The total investment in the cement industry up to 1950-51 was Rs. 29 crores. Rs. 15 crores were invested in new units and expansion by April 1955. The projected growth in this industry by 1961 will involve a capital expenditure of more than Rs. 75 crores. The bulk of the expansion of cement industry in India has been in the private sector, although the Government has now entered the field with three Government-operated factories, one each in U.P., Bombay and Mysore. As against 33,000 persons employed at the commencement of the first Plan, the present strength of the labour force in cement factories is about 40,000. It was estimated that about 75,000 persons will be employed in the industry by 1960-61.

MANUFACTURE OF FOUNTAIN PEN INK

The Small Industries Organisation has just announced preparation of a scheme for the manufacture of fountain pen ink (blue-black) for the guidance of small industrialists. The scheme has been explained elaborately in a booklet issued by the Organisation. It gives the basic data on the requirements of machinery and equipment, raw materials, capital investment and manufacturing cost.

The production of fountain pen ink in India in 1955 was 7,43,000 dozen of 2-oz. phials, as compared with 533,600 dozen similar phials in 1953. Despite this increase, fountain pen ink is still being imported. The demand for the ink is expected to increase further in view of the expansion in literacy and in the number of fountain pens. Besides, possibilities of export are also wide.

ADVERSE TRADE BALANCE IN JANUARY

During January this year, provisional figures for foreign trade of India by all routes—sea, air and land—on private and Government accounts indicate that the total value of exports, including re-exports, of merchandise and gold fell short of imports by Rs. 23.49 crores. This was, however, exclusive of the value of certain consignments of Government stores awaiting adjustment. The details are as under:

Merchandise, excluding transit trade of Pakistan and other overland foreign countries, namely, Nepal, Tibet, Sikkim, and Bhutan. *Exports* Rs. 54.98 crores; *re-exports* Rs. 30 lakhs. *Imports*: Rs. 78.76 crores. Total trade: Rs. 134.04 crores.

THE UNITED BANK OF INDIA LIMITED

DR. N. N. LAW COMMENDS THE NECESSITY OF A BANKING PLAN

SPEECH AT ANNUAL GENERAL MEETING

ADDRESSING the shareholders of the United Bank of India Ltd. at their Annual General Meeting held in Calcutta on 15th April 1957, Dr. N. N. Law, Chairman of the Bank, reviewed at length the various aspects of the monetary and banking trend during the year 1956. In this connection, he pointed out that the growing financial needs of the private sector could be met by banks, without much leaning on the Central Bank of the country, through territorial and functional development of banking which would go a long way in increasing the resources of banks.

The following are the relevant extracts from Dr. Law's speech:

"GENTLEMEN,

"Copies of the accounts for the past year have been in your hands for some time, and I hope you all share our pleasure in that the results depict another year of progress. The year's achievements have generally followed the pattern of most of the larger banks. The deposits of the Bank at Rs. 33.9 crores were higher by Rs. 2.6 crores, i.e., 8.4 per cent. over the previous year's figure. This should be deemed to be very satisfactory considering that the average rise in deposits of Scheduled banks for the year was 7.8 per cent. Although our advances were correspondingly higher by Rs. 2.3 crores, the increased revenue from this source was more or less absorbed by higher interest charges, as also salaries and allowances, resulting in a smaller rise in net profits.

Rising Trend of Interest Rate

"Despite further increase in money supply, the year under review witnessed persistent tight money conditions. A large portion of the increase in money supply was in spheres beyond the reach of the organised banking system and the increase in bank deposits was disproportionately small compared to the increase in money supply. While this was the position in regard to banks' resources, the demand on them for accommodation increased substantially, reflecting quickened pace of the economy. This resulted in severe competition on the part of banks for a shift in deposits from one bank to another, and the rate of interest for call and short-term deposits was forced up to a new high level. I would refer you to my observations made in this regard in my speech last year where I suggested that banks should make fuller use of existing associate facilities for making concerted efforts to combat the growing *malaise* of the increasing rate of interest on deposits. Although we still hold to that view it is difficult for us to keep up a sustained resistance to a tendency which we feel not to be in our best interests.

"Very high rates of interest offered by most of the larger banks of the country have not attracted proportionately higher deposits to the banking system. That is an indication that deposits are not interest-sensitive to the extent they are supposed to be. If, instead of diverting the spending power, by those who have it, in the direction of payment of interest, the amount was spent in extending the banking organisation, better results could possibly have been obtained and the foundation laid for ensuring a systematically rising trend in deposits. The point is a pertinent one, because tight money condition and high interest charges threaten to be a permanent feature, if the present pattern continues in a developing economy.

Bill Market Scheme

"With regard to the Bill Market scheme, only a few banks, including ours, are in a position to utilise the facility. The aggregate amount availed of by banks is rather small, compared to what the Reserve Bank is inclined to permit. It is, of course, for the banks to decide how far they will go. But I would like to mention here that, if the intention of the 'scheme' is to provide funds to the trade and commerce and make it available at all levels, non-inclusion of a large number of banks in this facility limits the scope of its functioning. Since the bill against which such advances may be allowed would arise out of genuine commercial transactions, attempts should be made to bring in more of the banks, in so far as they otherwise qualify, within the purview of the scheme. Indeed, the recommendation of the Shroff Committee was for inclusion of at least all the Scheduled banks within the same scheme.

Bank Rate

"Coming back to the monetary situation which is considered paradoxical, in that we have stringency of money concurrently with a rising trend in prices in certain sectors of the economy, I feel that the question of the Reserve Bank's lending rate deserves more attention. It is not the money market alone which has got to be viewed in the determination of an appropriate monetary policy. In the context of an expanding economy, a higher Bank rate, if anything, only hardens the cost structure and acts against developing a climate for investment or a favourable trend for export and also adds to the problems of resources. Therefore, stringency in the money maket, under conditions of rapid economic development, demands graduated flow of less costly funds to the money market. This is not to deny the need for ensuring that such a flow does not lead to conditions of credit inflation. But such tendencies when they persist in raising their ugly head, could be curbed by the application of qualitative control by the central bank of the country. In an economy serviced by a banking system limited in its scope both territorially and functionally, the controls would, in any case, be less effective. I, therefore, think that whatever may have been the circumstances leading to the raising of the Bank rate, the issue demands re-examination.

Centralisation of Economic Power

"The past year marked the initiation of the second Five-year Plan. Although the size of the Plan is about double that of the first Plan, it is a national duty on the part of every person and institution to ensure success and that too within the time schedule. It is also true that taxation measures, at least for some time to come, will have to be broadbased and intensive, if the resources are to be obtained consistently with the social objectives. But, on the other hand, it is the duty of the Government to see that every economically active individual and organisation contributing to the Plan's fulfilment can retain a part of the resulting benefits, so that they may continue with greater vigour and encouragement to make progressively better contributions. The wholehearted participation of all the sectors of economy, including the enterprise and risk capital, is vital and necessary for the success of the Plan. If persistent attempts are, however, made towards more and more centralisation of economic powers in the hands of the State and if the extensive measures of direct taxation are pushed to such a level as will substantially discourage the existing enterprise in the private sector, the success of the Plan will suffer from substantial limitation dissuading the *entrepreneurs* from being adventurous enough to think in terms of taking upon themselves progressively larger risk of enterprise. The capital market is not in that mood.

State Sector's Requirements

"The requirements of the State sector should very largely be met by borrowing, and the borrowing programme should be so geared as will make the need for various fiscal measures less urgent or necessary. But, left to the Government alone, such a programme is unlikely to produce a balanced result. In this regard, the banking community can make its special contribution to the success of the Plan by ensuring that the necessary developmental climate has been created both for expansion and consolidation of the banking structure. I say, with all seriousness and with emphasis, that this co-operative atmosphere must be brought about among banks, so that they can bring in the untapped resources as grist to the economic mill and so aid the avoidance of an excessive and frustrating tax level by assisting the Government in getting larger funds through borrowings. The need for resources in the private sector is growing apace, which has to be met without much leaning on the Central Bank of the country. The growing needs are again varied in pattern. With these in view, your Managing Director, at the request of the Indian Banks Association, has tried to draw the attention of the banking community to the need for a 'Banking Plan' for the territorial and functional development of banking, in a brochure entitled *Necessity for a Banking Plan—a Tentative Study*. I am glad to mention that the outlines given therein have so far been favourably received as a basis for discussion.

Two-pronged Programme

"At the end of 1955 there were only 1,670 places which have been covered by the offices of the commercial banks; of these, only 646 places were served by major banks including the State Bank of India. It is also obvious that the needs of the common man in smaller places cannot be suitably met by specialised central organisations or by larger all-India banks. It has, therefore, been further suggested in the said Plan that this be taken care of through a two-pronged programme of quick extension of banking facilities by opening new offices at the rate of 1,000 per year in new places and by strengthening the existing ones, where necessary, and bringing into existence smaller unit banks set up regionally. Such unit banks may be organised and developed either as independent units or as subsidiaries to the larger banks. The Union Finance Minister himself has also expressed the hope that a large number of banks will grow in the country to accelerate the rehabilitation of the unemployed. It has also been suggested that the relics of past failures should be removed quickly in a planned way and, in due course, positive indemnity to individual depositors will have to be arranged, if deposit banking in the country is to grow as far as the economic and social requirements demand, and that India, in this respect, should take a lesson from banking experience in the U.S.A. and draw up her schemes for insurance of bank deposit and 'rehabilitation' of smaller banks.

Rehabilitation of Small Banks

"Necessity of rehabilitation of the small banks is further emphasised by the fact that, whereas the major banks of the country were at the end of the year 1955 serving only about 215,000 customers by providing advances, the rest of the banks were serving about 1,200,000 customers. It is not the aggregate quantum of money advanced, but the number of places and customers serviced, that is important. Indeed, we are aware of a number of smaller banks in the South and elsewhere in the country which are rendering useful service by helping medium and small business and industries in their respective regions. The position with regard to employment and rehabilitation of the people can largely be improved by helping development of the medium and small industries through proper and careful financing and here the necessity of rehabilitation and new growth of smaller unit banks is so acutely felt. In this regard, I would further suggest a statutory ceiling for the rate of interest that the major banks, including ours, may offer for deposits as a measure of assistance in the growth and development of the smaller banks till they assume necessary credit maturity and immunity from neglect due to smallness in size through insurance of bank deposits.

Subsidiaries

"So long as such regional banking organisations do not come into existence independently in large numbers, it is our view that it should be the duty of the larger banks to sponsor subsidiaries in different regions to be converted into independent units in due course. It has also been suggested in the said plan that the large banks, in addition to opening new offices, should play their role in the regional development of banking by assisting the existing smaller banks in so far as that can be done with safety, in conjunction with the suggested Government-sponsored organisations. We are of the view that a workable plan should be drawn up on the basis of the proposals made. Such a plan would go a long way in substantially increasing the flow of new resources into the banking system and this will in the ultimate analysis, apart from helping the lower-income-group economy in general, benefit the banks in the country, including this and other larger banks. It has been suggested that if the banking system is to evolve such a plan and work it out effectively, it may be useful to organise various associations amongst banks both on the basis of regions as well as on

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INDIAN ALUMINIUM COMPANY EARNS RECORD PROFIT

EXPANSION PROGRAMME PROCEEDING TO SCHEDULE

THE year ended 31st December 1956 has turned out to be the most successful one, in respect of both sales and earnings, for the Indian Aluminium Company, Ltd. (Managing Director: Mr. E. S. Greenwood, Calcutta). The sales and earnings for the year have not only recorded a sharp rise over those of the previous year but have created record levels in the history of the Company. Shipments of the Company's own products reached a high of 7,064 tons, having gone up from 6,617 tons in 1955, and, in terms of value, the sale of its products increased by 20 per cent., that is, from Rs. 2.89 crores to Rs. 3.45 crores. The gross profit, which had improved from Rs. 13.41 lakhs to Rs. 48.64 lakhs in 1955, has made a further sharp advance to a record high of Rs. 65.58 lakhs during the year under review. The net profit also stands higher at Rs. 35.79 lakhs, as against Rs. 27.09 lakhs earned in the previous year. Viewed against the background of a net loss of Rs. 11.65 lakhs suffered as recently as in 1953 and of Rs. 4.18 lakhs in 1954, the progress of the Company during the last two years has indeed been very remarkable and provides hope that the future is now laid on solid foundations.

No amount has been added to the reserves, in spite of the higher earnings, while in the previous year a sum of Rs. 10 lakhs had been transferred to fixed assets replacements reserve. This is presumably due to the substantially larger amount that has been set aside for payment of ordinary dividend. It may be noted that the rate of dividend has been raised by only one per cent. to 10 per cent. but this is on a higher capital of Rs. 201.10 lakhs, raised during the year by the issue of new capital amounting to Rs. 41.10 lakhs. In addition, the Directors have set aside a sum of Rs. 10.05 lakhs for payment of a dividend of 5 per cent. to the purchasers of convertible stocks issued in February 1957 on the assumption that the entire stock will have been converted into ordinary shares and will, in accordance with the Deed Poll dated 17th December 1956, rank *pari passu* with the existing ordinary shares.

Factors Responsible

Several factors were cumulatively responsible for the outstanding achievement of the Company during the year. The fabricating operations received a further impetus from favourable market conditions, and although a decline in strip mill orders and a temporary shortage of metal affected operations at Belur, the total output of rolled products was higher at 6,636 tons as compared with 6,010 tons in 1955. There was also an increase of 50 per cent. in the production capacity of aluminium paste in the Company's plant at Kalwa. Again, in November 1956, the extrusion plant at Alupuram switched on to double-shift operation as a result of progress attained in developing operating technique and a widening of its sales outlets. Other facilities for continuous casting of rolling ingots and extrusion billets located near the smelter came into operation early in the year.

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	4,24.97	3,65.67	2,37.63	1,17.85
Other income ..	2.08	2.32	2.85	3.40
Manufacturing administrative and other expenses	3,61.47	3,19.34	2,26.02	1,19.02
Gross profit	65.58	48.64	13.41	2.11
Provision for—				
Depreciation	22.79	21.55	18.64	15.76
Taxation	7.00	..	..	..
Net profit (+) or loss (—) ..	+35.79	+27.09	— 4.18	—11.65
To reserves	..	10.00	..	..
Dividends—				
5 per cent. preference ..	1.83	2.00	1.47	1.47
Ordinary	30.16*	14.40	..	..
	(10%)	(9%)		
Carry forward	7.97	4.18	3.49	9.15

* Includes a provision of Rs. 10.05 lakhs made on the assumption that the entire convertible loan stock will have been converted into ordinary shares.

The second factor was the wider use of aluminium in various relatively new applications, particularly in the field of transportation, thanks to persistent market development efforts, aided by continuous improvement in the fabrication of medium and high strength alloy products. The Company's competitive position in the world aluminium industry has been improved by the fact that in recent months the Tariff Commission's estimated price for the Company's ingot production has been less than the landed cost without duty of imported ingot. However, the Company had to import a larger quantity of aluminium ingot at steadily increasing prices during the year, to offset the fall in production in its Alupuram smelter due to failure of power supply for one month and a labour strike lasting nearly two months. Bauxite mining and alumina production operations were conducted successfully with a view to reducing the imports which will be necessary when the Hirakud smelter comes into operation.

The comparative table given at the foot of the previous column provides an idea of the Company's progress in recent years.

Of the sale proceeds for the year under review, the Company's own products account for Rs. 345 lakhs, representing an increase of 20 per cent. over the year, and agency and distributor products for Rs. 80 lakhs, as compared with Rs. 77 lakhs in 1955. During the year, there was a decline in the Company's shipments of circles, but this was made good by a considerable increase in the shipments of other important products like flat and corrugated sheet, aluminium paste, etc.

New Issues

In January 1956, each of the ordinary shares of the Company of Rs. 100 was split into 10 shares of Rs. 10 each. In October last, a further issue of 411,000 ordinary shares of Rs. 10 each was made to the existing shareholders at a premium of Rs. 2-8 each, raising the paid-up ordinary capital from Rs. 160 lakhs to Rs. 201.10 lakhs. Since the close of the year, the issue of Rs. 268.13 lakhs of 5 per cent. convertible loan stock at par was successfully completed and allotment made in March 1957. The two issues together have provided about Rs. 3.2 crores to meet a part of the cost of the Company's current expansion programme (including additional working capital), estimated at Rs. 8.65 crores. The balance is proposed to be met out of bank loans, undistributed earnings and depreciation reserves. The Company's reserves and surplus as on 31st December 1956 aggregate Rs. 64.54 lakhs. The gross block of Rs. 460.51 lakhs, including an addition of Rs. 45.53 lakhs during the year, has been written down to Rs. 283.61 lakhs. The current assets amount to Rs. 281.92 lakhs, as against current liabilities aggregating Rs. 259.89 lakhs, including a provision for taxation of Rs. 7 lakhs.

The first stage of the Company's current expansion programme comprising the establishment of a new aluminium reduction plant of 10,000 tons annual production capacity at Hirakud in Orissa, and a relatively small expansion of the existing alumina plant at Muri to a production capacity of 18,000 tons of alumina per annum, is expected to be completed by the end of 1958. Thereafter, further expansion of the Muri alumina plant to 30,000 tons capacity will be taken in hand. This is expected to be completed by 1961. The whole programme, when completed, would enable the Company to produce 15,000 tons of aluminium per annum. Though the aluminium reduction plant at Hirakud will, in the first stage, have an annual installed capacity of 10,000 tons of ingot production, it is being designed to permit easy future expansion to a capacity of 20,000 tons or more per annum. At the same time, the Directors are making a continuous study of the availability of financial resources to enable them to carry out as early as possible the expansion of the Hirakud smelter to 20,000 tons capacity. The present phase of expansion programme is proceeding to schedule.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted on the Calcutta Stock Exchange at Rs. 12.50 *ex-div.* On this basis, the dividend for 1956 provides a yield of 8 per cent. per annum.

SHIVRAJPUR SYNDICATE'S BUMPER PROFIT

DIVIDEND LEVEL MAINTAINED

THE working results of the Shivrajpur Syndicate Ltd. (Managing Agents: Messrs. Killick Industries Ltd., Bombay) for the year ended 30th November 1956 have been encouraging, in that the profit has recorded a smart increase over the year from Rs. 36.98 lakhs to Rs. 50.52 lakhs, thus more than making good the setback suffered in 1954-55. What is more noteworthy is that the profit has recorded such a rise, despite the fall in the Company's output during the year. This is because of the substantial increase in shipments and sales, thanks to the satisfactory supply of wagons for movement of ores.

The net profit is only slightly higher, having gone up from Rs. 17.14 lakhs to Rs. 18.78 lakhs. This is due to the larger provisions for depreciation at Rs. 4.50 lakhs, as against Rs. 3.60 lakhs, and taxation at Rs. 21.50 lakhs as against Rs. 12.25 lakhs. The Managing Agents' remuneration has also gone up from Rs. 3.99 lakhs to Rs. 5.74 lakhs. The dividend has been maintained at 80 per cent., made up of a dividend at the rate of Rs. 5 per share of Rs. 10 and a bonus of Rs. 3 per share, free of income-tax. This is the fourth year in succession for which the distribution is being maintained at this level, after having been raised from 70 per cent. paid for 1951-52 by stepping up the bonus part of it from 20 per cent. to 30 per cent.

The allocation to the various reserves has been raised from Rs. 11.45 lakhs to Rs. 13.30 lakhs. Of these, the mine development and prospecting reserve gets Rs. 7 lakhs, having been doubled from Rs. 3.50 lakhs, while the transfer to the general reserve has been pruned from Rs. 5 lakhs to Rs. 1 lakh. The allocation to the dividend equalisation reserve has, however, been maintained at Rs. 1.50 lakhs.

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

(In lakhs of rupees)

	For the year ended 30th November			
	1956	1955	1954	1953
Sale proceeds of ore	1,63.08	115.23	1,18.53	1,48.21
Closing stocks	34.46	37.91	29.84	11.86
Expenses	1,10.19	87.36	96.51	1,11.32
Gross profit	50.52	36.98	41.46	39.82
Managing Agents' remuneration	5.74	3.99	4.01	3.98
Depreciation	4.50	3.60	3.10	2.32
Taxation	21.50	12.25	10.75	11.26
Net profit	18.78	17.14	23.62	22.29
To reserves and other funds	13.30	11.45	18.18	16.48
Dividend	5.60	5.60	5.60	5.60
	(D. 50% +B. 30%)	(D. 50% +B. 30%)	(D. 50% +B. 30%)	(D. 50% +B. 30%)
Carry forward	0.09	0.22	0.13	0.32

As already pointed out, the Company's output declined from 91,427 tons to 83,238 tons, the fall being due to the opencast workings nearing exhaustion. It is, however, expected that this drop in output from the opencast workings will be made good by higher production which will result, when the underground development schemes now in hand are completed. As a result of the satisfactory supply of wagons, the total shipments and sales rose from 82,332 tons to 117,482 tons. Commenting on the trading conditions during the year, the Directors observe, in their report for the year, as follows:

"As reported last year, forward contracts had been concluded for delivery extending into the financial year 1956-57, the total outstanding commitments being 123,684 tons at the close of the year under review. The Government decided to reimpose an export duty on manganese ore with effect from 3rd September 1956 on a sliding scale, payable in the case of the Company's sales by the buyers. In June 1956, the Government of India introduced a new export policy with the object of canalising a certain proportion of the export of ores through the State Trading Corporation. Quotas for export of manganese ore and for rail transport to the extent of 73,650 tons valid up to end June 1957 were issued by the Chief Controller of Exports, Bombay. Although these quotas do not fully cover the Company's outstanding commitments, nevertheless, as the result of recent discussions with the authorities in Delhi, it is expected that the granting of future annual quotas and the canalising of certain contracts will enable the Company to meet its outstanding obligations by the end of 1958."

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CANARA BANK LIMITED

MR. A. DAMODAR PAI'S SPEECH AT ANNUAL MEETING

THE Fifty-first Annual General Meeting of the Canara Bank Ltd. was held in Mangalore on 18th February 1957. Addressing the shareholders on the occasion, Mr. A. Damodar Pai, Chairman of the Bank, struck a note of warning that a rate-war among banks would prove harmful in the long run. He desired that some action would have to be taken by the Reserve Bank and the Government to create healthier conditions in the money market.

The following is the full text of Mr. Pai's speech delivered on the occasion:

"To us in the Canara Bank, 1956 has been a particularly significant year, having been our Golden Jubilee year. The celebration of the Golden Jubilee at various branches on different occasions was utilised by your Directors and staff to express gratitude to the numerous patrons and well-wishers who have helped to build up your Bank. I am very happy to report the increased interest shown by all sections of the people in the services rendered by the Bank. Thanks to the large clientele, your Bank today occupies the first place among the banks incorporated in the new State of Mysore. I am aware that this happy position has added to our responsibilities, but, with your support, we shall play our part well in building up the economy of the State and the country.

"During 1956, in continuation of the trend of the two previous years, the deposits of Scheduled banks continued to rise, though the rate of increase was not as marked as in the previous year. While in 1955 the total deposits of Scheduled banks showed an increase of Rs. 90 crores, the increase in 1956 was just over Rs. 80 crores. During the year, your Bank showed an increase of Rs. 2.37 crores, as against Rs. 3 crores the previous year. Unlike in the previous year, the increase under demand deposits of your Bank was more marked than under time deposits.

"The increase in deposit rates noticed last year continued throughout the year 1956. There is now more or less a race among banks for accepting call money at rates higher than the Reserve Bank rate. Available funds move from one bank to another at the offer of higher rates. While healthy competition is no doubt essential, there can be little doubt that a rate-war among the banks will in the long run prove harmful. Some action will have to be taken by the Reserve Bank and the Government to create healthier conditions in the money market and to foster the establishment of a convention among banks as a healthy curb on rising rates.

"There was heavy demand for funds throughout the year due to larger imports and higher production in the country. Bank advances were at a high level throughout the year and the traditional ratio of advances to deposits was hardly ever maintained. While your Bank also was obliged to operate at a higher level of advances, the ratio was not permitted to shoot up too high. The balance-sheet shows advances were at 52.3 per cent. of deposits, as against 65 to 70 per cent. for Scheduled banks as a whole. This was more or less the pattern throughout the year, which operated more for liquidity than for higher profits.

"Our investments in Government and Trustee securities are higher by Rs. 1.24 crores which is slightly more than 50 per cent. of the increase under deposits. It should be a matter of satisfaction for you to know that your Bank has participated to a great extent in our Governments' borrowing programmes for their development schemes. Despite the unprecedented weakness in market for Gilt-edged securities, our holdings are still within market value.

"The foreign department of the Bank continued to make good progress, despite the effect of the uncertainty in the international situation on our foreign trade. The services of the foreign department at Madras, opened in the previous year, are appreciated and are being availed of in increasing measure by exporters and importers in the South.

"The times ahead of us are full of difficulties, but are also full of opportunities to serve and possibilities for growth to those who dare with full knowledge of their strength and weakness coupled with complete humility. With your good wishes and co-operation, and with the support of members of the staff who are our partners in this enterprise, we hope to play our part well in the coming years."

Points From The Chair

Smaller Unit Banks

"NECESSITY of 'rehabilitation' of the small banks is further emphasised by the facts that, whereas the major banks of the country were, at the end of the year 1955, serving only about 2,15,000 customers by providing advances, the rest of the banks were serving about 12 lakhs customers. It is not the aggregate quantum of money advanced but the number of places and customers serviced that is important. Indeed, we are aware of a number of smaller banks in the South and elsewhere in the country which are rendering useful service by helping medium and small business and industries in their respective regions. The position with regard to employment and rehabilitation of the people can largely be improved by helping development of the medium and small industries through proper and careful financing and here the necessity of 'rehabilitation' and 'new growth' of smaller unit banks is so acutely felt. In this regard, I would further suggest a statutory ceiling for the rate of interest that the major banks, including ours, may offer for deposits, as a measure of assistance in the growth and development of the smaller banks till they assume necessary credit maturity and immunity from neglect due to smallness in size through 'insurance of bank deposits.'"

DR. N. N. LAW,
United Bank of India Ltd.

Coal Production

"The fact remains, however, that the coal industry in both sectors has undertaken the vast commitment of providing the country with 60 million tons of coal at the end of five years, of which one year has already gone without an appreciable increase in production owing, as I have already pointed out, to the Government's shilly-shallying methods. Can we reach the target in the four remaining years? I can speak only for the private sector. It has received the green signal rather late. But that is a minor matter compared with the other handicaps under which it has to operate. For example, new mines have been declared out of bounds for the private sector. While collieries are expected to go all out for production, it seems hardly a logical decision to ask them to confine their operations within a restricted area. The idea seems to be gradually to narrow the scope of the private sector and widen that of the public in pursuit of the policy of establishment of a socialistic pattern of society."

NARENDRA SINGH SINGHI,
Indian Mining Federation

Credit Facilities

"Banks will have to be prepared for voluntary restriction of credit facilities and canalise them towards a healthier economy. While each banking unit must be happy over the progress it has made, it does not matter how much each of them has relatively improved compared with the other banking units. They will be serving the country and its economy only by tapping the resources which do not find their way to the banking system at present rather than diversion of funds from one banking unit to another. Instead of competition and offer of higher rates of interest for deposits, if greater effort could be made in making the people bank-minded and induce them to part with their savings, a greater measure of national service could have been rendered."

DR. T. M. A. PAI,
The Canara Industrial and Banking Syndicate, Ltd.

Problems of Jute Industry

"Considering the long-term interests of the industry, the real answer to the problem seems to lie in lower prices for raw jute, with finished goods prices stabilised at their present low levels, thus preserving our competitive advantage and assisting the growth of the national economy through higher earnings from increased exports. Mention of our competitive position leads me on naturally to a reference to our most formidable competitor, namely, Pakistan. We have seen the Pakistan jute industry mushroom to a very respectable size and we are obviously entering a period in which our combative strength is to be severely tested. Last year, Pakistan's exports of jute manufactures totalled 80,000 tons, an increase of about 50 per cent. on the previous year and roughly one-tenth of India's total exports of gunnies."

N. K. JALAN,
Calcutta Jute Fabrics Shippers Association

Supply of Cotton

"This has not been an easy year for cotton. Not only has the Indian crop fallen short of expectations, but continued changes in Government's policy regarding imported cotton have made planned purchasing most difficult. It goes without saying that it is very difficult to maintain a consistent quality of cloth or yarn in the face of such conditions. I sincerely hope, therefore, that the Government will stabilise its programme for imported cotton at least from year to year so that mills may budget in confidence for each 12-month period. The cost of Egyptian and Sudan cotton has, of course, risen considerably as a result of the Middle East crisis. It is to be hoped that the time is not far off when these better quality cottons are available once more to Indian mills at a price which they can afford to pay."

K. G. MILNE,
Kohinoor Mills Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

MODERN MILLS LTD. Annual General Meeting, Bombay, 24th April 1957. Dividend: Rs. 8.00 (includes bonus of Rs. 3.00) per share, payable on and after 29th April 1957.

GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 25th April 1957. Dividend Rs. 15.00 per share, payable on and after 26th April 1957. Transfer books remain closed from 30th March to 25th April 1957, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Annual General Meeting, Bombay, 25th April 1957. Dividend: Rs. 8.00 per share (includes bonus of Rs. 3.00 per share), payable on and after 7th May 1957. Transfer books remain closed from 27th March to 25th April 1957, both days inclusive.

DUNLOP RUBBER CO. (INDIA) LTD. Annual General Meeting, Calcutta, 29th April 1957. Dividend: Re. 1.50 per share, free of tax, payable on 6th May 1957. Transfer books remain closed from 15th April to 5th May 1957, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Fifty-seventh Ordinary General Meeting (not being an Annual General Meeting), Calcutta, 29th April 1957. Dividend: As. 8 per share. Transfer books remain closed from 23rd to 29th April 1957, both days inclusive.

MARSHALL, SONS & CO. (INDIA) LTD. Annual General Meeting, Calcutta, 30th April 1957. Dividend: 20 per cent. Transfer books remain closed from 16th to 30th April 1957, both days inclusive.

TRICHINOPOLY MILLS LTD. Annual General Meeting, Tiruchirapalli, 30th April 1957. Dividend: Re. 1.12 per share. Transfer books remain closed from 16th to 30th April 1957, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Annual General Meeting, Madras, 30th April 1957. Dividend: 15 per cent.

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Lohat, District Darbhanga, 30th April 1957. Transfer books remain closed from 14th to 30th April 1957, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Annual General Meeting, Calcutta, 1st May 1957. Dividend: Re. 0.35 per share. Transfer books remain closed from 17th April to 1st May 1957, both days inclusive.

STRAW PRODUCTS LTD. Annual General Meeting, Bhopal, 3rd May 1957. Dividend: Re. 1.25 per share. Transfer books remain closed from 20th April to 3rd May 1957, both days inclusive.

INDUSTRIAL INVESTMENT TRUST LTD. Annual General Meeting, Bombay, 7th May 1957. Dividend: Rs. 5.00 per share, payable on and after 20th May 1957. Transfer books will remain closed from 22nd April to 11th May 1957, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 7th May, 1957. Transfer books will remain closed from 22nd April to 7th May 1957, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 8th May 1957. Dividend: Rs. 11.00 per share (includes bonus of Rs. 1.00 per share), payable on and after 14th May 1957. Transfer books will remain closed from 22nd April to 10th May 1957, both days inclusive.

NATIONAL PIPES AND TUBES CO., LTD. Annual General Meeting, Calcutta, 8th May 1957. Transfer books will remain closed from 25th April to 8th May 1957, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th May, 1957. Transfer books will remain closed from 22nd April to 8th May 1957, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 9th May 1957. Dividend: Rs. 18.00 (includes bonus also) per share, payable on 13th May 1957. Transfer books will remain closed from 22nd April to 9th May 1957, both days inclusive.

STANDARD MILLS CO., LTD. Annual General Meeting, Bombay, 10th May 1957. Dividend: Rs. 22.50 (includes bonus of Rs. 2.50) per share, payable from 13th May 1957. Transfer books will remain closed from 22nd April to 10th May 1957, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 10th May 1957. Dividend: Rs. 2.00 per share, payable on 13th May 1957. Transfer books will remain closed from 22nd April to 10th May 1957, both days inclusive.

CAWNPORE SUGAR WORKS LTD. Annual General Meeting, Kanpur, U.P., 13th May 1957. Dividend: Re. 0.75 per share. Transfer books will remain closed from 29th April to 13th May 1957, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 15th May 1957. Dividend: Rs. 14.00 per share (final), payable on and after 22nd May 1957. Transfer books will remain closed from 22nd April to 14th May 1957, both days inclusive.

TRAVANCORE CEMENTS LTD. Annual General Meeting, Kottayam (Kerala State), 27th May 1957. Dividend: 6 per cent. Transfer books will remain closed from 29th April to 13th May 1957, both days inclusive.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of Re. 0.50 per share, for the year ended 31st March 1957. Transfer books remain closed from 18th to 25th April 1957, both days inclusive.

Notices

WAVERLEY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE 78th Annual General Meeting of the Members of Waverley Jute Mills Company, Limited, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Wednesday, the 8th day of May, 1957, at 4 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the half-year ended 30th June, 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend on the Preference Shares.
3. To appoint Directors in place of Messrs. R. G. Edwards and A. N. Sil, the Directors retiring by rotation at the Meeting.

   And in this connection to consider, and if thought fit, to pass the following resolutions which will be proposed as Special Resolutions in conformity with the provisions of Section 261 of the Companies Act, 1956.

   (i) "That Mr. R. G. Edwards be and is hereby appointed a Director of the Company liable to retirement by rotation."

   (ii) "That Mr. A. N. Sil be and is hereby appointed a Director of the Company liable to retirement by rotation."

   Special notice dated 10th April 1957, of the intention to propose the foregoing resolutions as Special Resolutions in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Messrs. R. G. Edwards and A. N. Sil are "associates" of the Managing Agents within the meaning of the Act by reason of their being Directors of a Subsidiary of the Managing Agents' Company, and that, therefore, they can only be appointed by special resolutions as Directors of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolutions which will be proposed as Special Resolutions:—

5. That the requirements of Articles 82, 83, 87, 121, 175, 179 and 180 of the Articles of Association of the Company be not complied with in respect of the half-year ended the 31st December, 1956.
6. That the Articles of Association of the Company be altered in manner following:—

   (a) Articles 82 and 83 shall be deleted and the following new Article substituted therefor:

   82. *When Annual General Meetings to be held.*—In addition to any other meetings, General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956, and, subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Directors. Such General Meetings shall be called "Annual General Meetings" and shall be specified as such in the notice convening the meeting. All other meetings of the Company shall be called "Extraordinary General Meetings."

   (b) Article 87 shall be deleted and the following new Article substituted therefor:

   87. *Business of Meetings.*—The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business.

   (c) In Article 121, line 1, the word "Ordinary" shall be deleted and the words "Annual General" substituted therefor.

   (d) Article 175 shall be deleted and the following new Article substituted therefor:

   175. *Profit and Loss Account and Balance Sheet.*—At every Annual General Meeting the Directors shall lay before the Company a Balance Sheet and a Profit and Loss Account made up in accordance with the provisions of Section 210 of the Companies Act, 1956, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 218 and of Schedule VI to the said Act, so far as they are applicable to the Company but, save as aforesaid, the Directors shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than they may deem expedient.

   (e) In Article 179, line 1, the word "Twice" shall be deleted and the word "Once" substituted therefor.

   (f) In Article 180, lines 1 and 2, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor. In sub-para 3, the word "Ordinary" wherever appearing, shall be deleted and the words "Annual General" substituted therefor.

The Share Transfer Books of the Company will be closed from 22nd April, 1957, to 8th May, 1957, both days inclusive.

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

By Order of the Board,
MCLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *12th April*, 1957.

Note.—Payment of the proposed dividends, if declared, will be made on or after 15th May, 1957, only to those members whose names are registered in the Books of the Company as holders of the Preference Shares on 8th May, 1957, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

Explanatory Statement in Respect of Special Business

In order to comply with the Articles of Association of the Company, the Company's Accounts have been closed and audited half-yearly and a Profit and Loss Account in respect of each half-yearly period ending on the 30th June and the 31st December in each year and the Balance Sheet as at each date, have been laid before the Company in General Meetings held twice in every calendar year.

Under the provisions of the Companies Act, 1956, each such half-yearly period has to be regarded as a "financial year" and as a result, the usual half-yearly General Meetings will each be deemed to be an "Annual General Meeting" within the meaning of the Act, thus resulting in two "Annual General Meetings" in each calendar year. Having regard to the obligations imposed on a Company by the Act in respect of every Annual General Meeting, viz., retirement of Directors by rotation, appointment of Auditors, and filing of an Annual Return, etc., and the work and expense attending the preparation of the Accounts to be laid before members in conformity with the provisions of the Act, your Directors recommend that the Articles of Association of the Company be amended to provide that the Company's Accounts be closed and audited annually and laid before the Company at an Annual General Meeting in each calendar year. The proposed amendments are set out in Resolution 6 of the convening notice. In respect of the half-year ended the 31st December, 1956, it is proposed that the Accounts be not separately prepared and laid before members but that they be embodied in consolidated accounts for a period commencing on the 1st July, 1956. Special Resolution 5 in the convening notice suffices to effect this proposal. If Special Resolutions 5 and 6 are passed, the accounts of the Company will be closed on a date subsequent to 31st December, 1956, of which members will be advised later, which hereafter will be the closing date of each financial year of the Company.

The foregoing changes will not result in any financial benefit either to the Directors or to the Managing Agents of the Company, and interim dividends may, subject to trading results in a current financial year, be declared by the Directors under Article 161.

NELLIMARLA JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE 34th Annual General Meeting of the Members of NELLIMARLA JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Tuesday, the 7th day of May, 1957, at 2-45 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the half-year ended 30th June, 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Mr. T. K. Basu, the Director retiring by rotation at the Meeting.

   And in this connection to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956:

   "That Mr. T. K. Basu be and is hereby appointed a Director of the Company liable to retirement by rotation."

   Special Notice dated 10th April 1957, of the intention to propose the foregoing resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. T. K. Basu is an "Associate" of the Managing Agents within the meaning of the Act by reason of his being a Director of a subsidiary of the Managing Agents' Company and that, therefore, he can only be appointed by special resolution as a Director of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

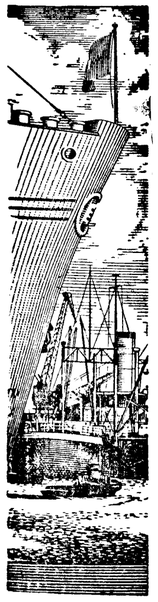
The Share Transfer Books of the Company will be closed from 22nd April to 7th May, 1957, both days inclusive.

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

By Order of the Board,
MCLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *12th April*, 1957.

Note:—Payment of the proposed dividends, if declared, will be made on or after 15th May, 1957, only to those members whose names are registered in the Books of the Company on 7th May, 1957, or to their Mandatees. Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.



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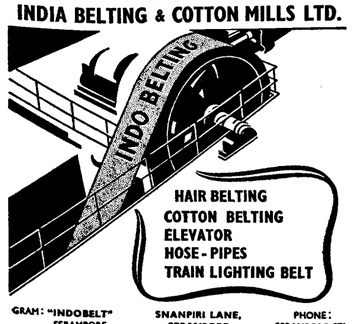

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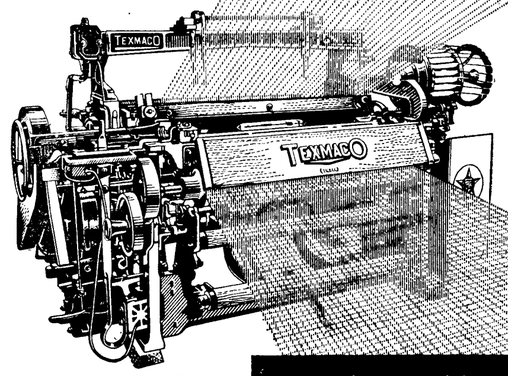

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MARSHALL SONS AND COMPANY RAISES DIVIDEND

SETBACK IN RESULTS OF MCLEOD GROUP JUTE MILLS

Marshall, Sons and Co. (India) Ltd.

THE directors of the above Company [Managing Agents: Marshalls (Direction) Private Ltd., Calcutta] submit the audited accounts of the Company for the year ended 30th June 1956.

The trading account shows a profit of Rs. 5,19,244 (Rs. 5,61,081). After adding the profit on sale of furniture and motor vehicles Rs. 8,107 (Rs. 3,521) and dividend from John Fowler (India) Private Ltd. Rs. 12,500 (Rs. 6,250) there is a total of Rs. 5,39,851 (Rs. 5,70,852). From this amount is deducted general depreciation Rs. 1,17,488 (Rs. 1,03,067), adjustments in respect of previous years Rs. 33,893 (Rs. 70,657) and provision for taxation Rs. 1,90,000 (Rs. 2,00,000) leaving a net profit of Rs. 1,98,470 (Rs. 1,76,406). Adding to this the amount brought from the previous year of Rs. 1,12,618 (Rs. 93,713) there is available for disposal a sum of Rs. 3,11,089 (Rs. 2,70,118 after providing Rs. 20,000 for bad and doubtful debts). It is recommended that this balance be disposed of as follows:

Payment of a dividend of 20 (15) per cent. free of Indian income-tax amounting to Rs. 2,10,000 (Rs. 1,57,500) and leaving a balance of Rs. 1,01,089 (Rs. 1,12,618) to be carried forward.

The Company's trading again shows an improvement. Sales for the year in question showed an increase, being Rs. 2,56,02,270 as against Rs. 2,12,35,000 during the preceding year. The trading profit, however, shows a decrease, due to keenly competitive market conditions which necessitated a reduction in the margins of profit realisable. The directors feel justified, however, in recommending a dividend of 20 per cent. free of tax.

The increase in expenditure can readily be explained, firstly, because of the new manner in which accounts have to be rendered, whereby the gross income has to be shown on some items, instead of the net profits, as has been done in the past, and secondly, there is a considerable increase in the interest on overdraft owing to the heavy trading.

It is with pleasure that the directors report the satisfactory co-operation with the Britannia Engineering Co., Ltd., in the working of the Marshall/Britannia Agreement for the indigenous manufacture of tea machinery, and their continued endeavour to meet the Tea Industry's demands for tea machinery.

The directors also report a further joint undertaking with the Britannia Engineering Co., Ltd. for the indigenous manufacture of steam road-rollers. It is hoped that these will soon be available so that they can be offered for sale to fill an important demand in the mofussil areas for a reliable, simple, road-roller to assist the Government of India in their road development undertaking.

It will be of interest to know that the Marshall Electric Motors, which are being indigenously manufactured for the Company, are in very great demand, and every endeavour is being made to step up production as much as possible.

With the curtailment of imports, the directors have found it essential to explore every avenue leading to sources of indigenous manufacture of the various items of machinery with which they have been so long associated. To this end the Company has undertaken, and has received a licence from the Government of India for the indigenous manufacture of *Baxter Stonebreakers*.

The directors, although confronted with considerable cuts in imports, look forward with confidence to the continued well-being of the Company by actively forwarding the Government of India's policy of becoming self-sufficient through the indigenous manufacture of a number of items of machinery required during their second Five-year Plan and thereafter.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,50,000	Block ...	4,14,165
Reserves ...	24,87,584	Stock-in-trade	1,01,78,982
Provision for taxation ...	2,57,904	Stores ...	39,405
Liabilities ...	1,46,04,979	Loose tools & patterns ...	5,483
Profit and loss account ...	1,01,089	Debts, deposits and advances ...	73,77,908
		Investments	2,07,382
		Cash ...	2,78,231
Rs.	1,85,01,556	Rs.	1,85,01,556

Alexandra Jute Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1956.

The profit for the half-year, after providing for depreciation Rs. 78,225 (Rs. 1,18,000) and taxation Rs. 1,30,000 (Rs. 2,00,000), amounted to Rs. 1,68,242 (Rs. 2,29,971) to which was added dividends forfeited Rs. 636 (Rs. 10) and credit balance brought forward from the previous half-year of Rs. 1,38,329 (Rs. 94,086) making a total of Rs. 3,07,207 (Rs. 3,24,067). This amount the directors distributed as follows:—

To dividend on 9,000 preference shares at 7 per cent. per annum for the half-year ended 30th June 1956, or Rs. 3-8 per share Rs. 31,500 (Rs. 31,500) and to dividend on 6,000 ordinary shares at 10 (10) per cent. per annum for the half-year ended 30th June 1956, or Rs. 5 (Rs. 5) per share Rs. 30,000 (Rs. 30,000) leaving to be carried forward Rs. 2,45,707 (Rs. 2,02,567).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June 1956, have been valued at market price.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, Mills worked 48 hours per week with 12½ per cent. of the total looms sealed until 8th January 1956. This figure was reduced to 10 per cent. from 9th January 1956 and to 5 per cent. from 20th February 1956. Since the close of the period the Industry sealed 2½ per cent. of the total looms from 16th July 1956 and a further 5 per cent. on 17th September 1956, again making a total of 12½ per cent. of the total looms sealed. Due to the purchase of loom hours these mills worked 96 hours per week on a double shift basis working 272 looms on each shift.

Trading conditions throughout the half-year continued to be difficult, and with the increase in production due to unsealing of looms prices fell rapidly and at no time was it possible to transact business simultaneously in raw jute and goods at a profit.

Mills were on strike from 15th October 1956, to 22nd December 1956, due to the refusal of workers in the Weaving Department to work one weaver to two looms although this procedure had been in force for a considerable period.

Proposed Change in the Company's Accounting Period.—Subject to the passing of the Special Resolution to be proposed at the forthcoming Annual General Meeting amending the Articles of Association of the Company, the directors have decided to close the Company's accounts annually on 31st December. The next accounts will, therefore, be in respect of the half-year ended 31st December 1956, and, thereafter, annual accounts made up to the 31st December, in each year will be issued.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	15,73,948
Debentures ...	6,00,000	Machinery for installation	1,95,987
Reserves ...	10,25,000	Stock-in-trade	20,32,042
Provision for taxation ...	4,11,693	Stores and spares ...	4,78,070
Liabilities ...	17,60,216	Debts, deposits and advances ...	11,24,875
Profit and loss account ...	2,45,707	Investments	70,000
		Cash ...	67,694
Rs.	55,42,616	Rs.	55,42,616

Chitavalsah Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

The profit for the half-year, after making adjustments and providing for depreciation Rs. 85,173 (Rs. 1,00,000) and taxation Rs. 3,35,000 (Rs. 2,92,000), amounted to Rs. 3,62,905 (Rs. 3,75,447) to which must be added the unclaimed dividends forfeited Rs. 2,534 (Rs. 364), bad debts recovered Rs. 1,397 (Rs. 1,622) and the credit balance brought forward from the previous half-year of Rs. 1,32,949 (Rs. 1,52,253) making a total of Rs. 4,99,785 (Rs. 5,49,434 including Rs. 19,749 being adjustments and E.P.T. Post-war Refund). Bonus paid to workers in respect of previous period absorbed Rs. 92,820 leaving a total of Rs. 4,06,965 (Rs. 5,49,434). The directors have transferred to reserve for machinery renewals Rs. 1,00,000 (Rs. 1,75,000) leaving an available balance of Rs. 3,06,965 (Rs. 3,74,434). This amount the directors distributed as follows:—

To dividend on 5,000 preference shares at 7 per cent. per annum for the half-year ended 30th June 1956, or Rs. 3-8 per share Rs. 17,500 (Rs. 17,500) and to dividend on 3,01,500 ordinary shares at 12½ per cent. per annum for the half-year ended 30th June 1956, or As. 10 (As. 12) per share Rs. 1,88,438 (Rs. 2,26,125) leaving to be carried forward Rs. 1,01,027 (Rs. 1,30,809).

Jute stocks are shown at or under cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June 1956, have been valued at market rates.

The mills continued to work in accordance with the main and supplementary working time agreements of the Indian Jute Mills Association. Trading conditions were fair during the period under review. Labour relations were satisfactory during the period.

At a General Meeting of the Company held on 14th January 1957, and subject to the approval of the Central Government, McLeod & Co., Ltd., were re-appointed the managing agents of the Company for a fresh term of 10 years commencing from 15th January 1957. Pending receipt of such approval, they have signed the balance-sheet as at 30th June 1956, and the profit and loss account for the half-year ended 30th June 1956, as managing agents of the Company.

Accounts in brief were as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	35,15,000	Block ...	8,25,096
Debentures ...	10,69,000	Machinery-in-transit ...	23,353
Reserves ...	32,00,000	Stock-in-trade	28,77,796
Provision for taxation ...	5,17,824	Stores and spares ...	5,12,710
Liabilities ...	16,82,441	Debts, deposits and advances ...	9,41,846
Profit and loss account ...	1,01,027	Investments	9,14,722
		Cash ...	29,89,769
Rs.	1,00,85,292	Rs.	1,00,85,292

Empire Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

The profit for the half-year after providing for depreciation Rs. 1,04,900 (Rs. 1,60,000), and taxation Rs. 77,000 (Rs. 1,02,000), amounted to Rs. 1,00,831 (Rs. 1,42,114) to which must be added the credit balance brought forward from the previous half-year of Rs. 78,204 (Rs. 1,32,960), unclaimed dividend forfeited Rs. 2,197 (Rs. 2,300) and overprovision of liability in respect of previous period written back Rs. 5,259. (E.P.T. Post-war Refund Rs. 14,298) making a total of Rs. 1,86,491 (Rs. 2,91,672). This amount the directors distributed as follows:—

To dividend on 10,000 preference shares at 7 per cent. per annum for the half-year ended 30th June 1956, or Rs. 3-8 per share Rs. 35,000 (Rs. 35,000) and to dividend on 1,50,000 ordinary shares at 10 (15) per cent. per annum for the half-year ended 30th June 1956, or As. 8 (As. 12) per share Rs. 75,000 (Rs. 1,12,500) leaving to be carried forward Rs. 76,491 (Rs. 1,43,894).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June 1956, have been valued at market rates.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed until 8th January 1956. This figure was reduced to 10 per cent. from 9th January 1956 and to 5 per cent. from 20th February 1956. Since the close of the period the Industry sealed 2½ per cent. of the total looms from 16th July 1956 and a further 5 per cent. on 17th September 1956, again making a total of 12½ per cent. of the total looms sealed.

At a General Meeting of the Company held on 14th January 1957, and subject to the approval of the Central Government, McLeod & Co., Ltd., were re-appointed the Managing Agents of the Company for a fresh term of 10 years commencing from 15th January, 1957. Pending receipt of such approval, they have signed the balance sheet as at 30th June 1956, and the profit and loss account for the half-year ended 30th June 1956, as Managing Agents of the Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	23,07,444
Debentures	8,86,000	Stock-in-trade	24,77,246
Reserves ...	34,50,000	Stores and spares ...	7,51,186
Provision for taxation ...	6,32,281	Debts, deposits and advances ...	13,36,688
Liabilities ...	7,84,914	Investments	9,37,003
Profit and loss account ...	76,491	Cash ...	5,20,119
Rs.	83,29,686	Rs.	83,29,686

Kelvin Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

The profit for the half-year, after providing for depreciation Rs. 2,69,025 (Rs. 2,93,000) and taxation Rs. 90,000 (Rs. 2,50,000), amounted to Rs. 1,09,946 (Rs. 3,11,370) to which was added the unclaimed dividends forfeited Rs. 10,536 (Rs. 5,991) and credit balance brought forward from the previous half-year of Rs. 1,10,851 (Rs. 1,70,687) making a total of Rs. 2,31,333 (Rs. 4,98,176 including E.P.T. Post-war Refund Rs. 10,111 and Rs. 17 being unclaimed deposits written back). This amount the directors distributed as follows:

To dividend on 10,000 preference shares at 7 per cent. per annum for the half-year ended 30th June 1956, or Rs. 3-8 per share absorbing Rs. 35,000 (Rs. 35,000) and to dividend on 21,000 ordinary shares at 10 (20) per cent. per annum for the half-year ended 30th June 1956, or Rs. 5 (Rs. 10) per share absorbing Rs. 1,05,000 (Rs. 2,10,000) leaving to be carried forward Rs. 91,333 (Rs. 1,52,856).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June 1956, have been valued at market rates.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed until 8th January 1956. This figure was reduced to 10 per cent. from 9th January 1956, and to 5 per cent. from 20th February 1956. Since the close of the period the Industry sealed 2½ per cent. of the total looms from 16th July 1956, and a further 5 per cent. on 17th September 1956, again making a total of 12½ per cent. of the total looms sealed.

Trading conditions throughout the half-year continued to be difficult, and with the increase in production due to unsealing of looms prices fell rapidly and at no time was it possible to transact business simultaneously in raw jute and goods at a profit. Labour relations have been satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Block ...	48,92,854
Reserves ...	53,00,000	Stock-in-trade	40,48,567
Provision for taxation ...	17,35,305	Stores and spares ...	9,12,434
Liabilities ...	36,10,915	Debts, deposits and advances ...	32,22,103
Profit and loss account ...	91,333	Investments ...	6,08,446
		Cash ...	1,53,149
Rs.	1,38,37,553	Rs.	1,38,37,553

Shree Krishna Gyanoday Sugar Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Dalmianagar, Bihar) submitted the audited accounts of the Company for the year ended 31st July 1956.

The year's working after providing all overheads and interest charges shows a surplus of Rs. 14,68,502 (Rs. 18,66,708). Out of this provision has been made for depreciation Rs. 5,33,115 (Rs. 5,67,137) leaving a sum of Rs. 8,35,387 (Rs. 12,99,571). To this is added balance brought forward from last year of Rs. 34,046 (Rs. 5,475) making a total of Rs. 9,19,433 (Rs. 11,05,046 after paying an interim dividend of Re. 1 per share absorbing Rs. 2,00,000). This amount the directors recommend to be appropriated as follows:—

Payment of dividend (free of income-tax) for the year ended 31st July 1956, to the shareholders as on 30th April 1957:— On 6,000 'A' class preference shares at Rs. 6 (Rs. 6) per share Rs. 36,000 (Rs. 36,000), on 12,000 'B' class preference shares at Rs. 5 (Rs. 5) per share Rs. 60,000 (Rs. 60,000) on 3,99,115 (2,00,000) ordinary shares on amount paid up at Re. 1 (As. 12 per share final) per share, i.e., 10 (total of 17½ per cent.) per cent. Rs. 3,97,052 (Rs. 1,50,000), to provision for taxation Rs. 4,10,000 (Rs. 7,25,000) and the balance of Rs. 16,381 (Rs. 34,046 after setting aside Rs. 1,00,000 to general reserve) be carried forward.

During the year under review the Sugar Factories at Hathwa and Lauriya crushed 35,74,870 (32,51,972) mds. and 38,97,662 (27,39,217) mds. sugarcane and produced 3,59,307.5 (3,29,406.3) mds. and 3,89,316.23 (2,89,619.7) mds. sugar respectively. The cane crushed at Lauriya is the highest recorded so far in the factory. The sugar recovery during the season 1955-56 was 10.051 (10.13) per cent. at Hathwa and 9.99 (10.57) per cent. at Lauriya. The crush during the current year is also expected to be satisfactory.

The Company also undertook working of the Sugar Factory at Gururu owned by Messrs. Gaya Sugar Mills Ltd. (In Liquidation) after obtaining the same on lease for the crushing season 1955-56. The lease has, however, been renewed till end of September 1958, and the Company is also working the factory during the current crushing season for production of sugar by cane.

The production of distillery products during the year under review has been the highest at 9,96,748 (7,61,720) bulk gallons. This has been mainly due to improved supply of molasses and coal and better offtake of power alcohol and spirits. The Distillery is working satisfactorily during the current year as well, except for occasional stoppages due to non-supply of coal which might adversely affect the production slightly. The prospects for the current year continue to be satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	57,70,525	Block ...	72,49,554
Debentures	15,00,000	Machinery-in-stock ...	5,11,191
Reserves ...	22,68,560	Stock-in-trade	1,28,75,411
Provision for taxation ...	26,72,000	Stores and spare parts, etc. ...	20,29,860
Liabilities ...	1,37,13,734	Debts, deposits and advances ...	31,62,707
Profit and loss account ...	16,381	Investments	7,387
		Cash ...	1,05,090
Rs.	2,59,41,200	Rs.	2,59,41,200

Hind Mills Ltd.

The directors of the above Company (Agents: Hind Agents Private Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th June 1956.

During the year after meeting all working expenses and after making provision for depreciation in the accounts, the Company made a profit of Rs. 14,59,633 (Rs. 5,63,139). To this was added Rs. 14,940 (Rs. 1,801) brought forward from previous year's account, thus making a total of Rs. 14,74,573 (Rs. 5,64,940). The directors disposed of this sum as follows:—

To provision for taxation Rs. 4,50,000 (Rs. 1,50,000), to development reserve Rs. 4,00,000 (*nil*), to general reserve fund Rs. 2,00,000 (Rs. 1,00,000), to payment of dividends, free of income-tax at 5 per cent. on 20,000 preference shares of Rs. 100 each, for the year ended 30th June 1956 Rs. 1,00,000 (Rs. 1,00,000) and at 6 (4) per cent. on 5,00,000 ordinary shares of Rs. 10 each, for the year ended 30th June 1956 Rs. 3,00,000 (Rs. 2,00,000). The directors have carried forward to next year's accounts the balance of Rs. 24,573 (Rs. 14,940).

The directors consider the working results of the Company during the year under report as satisfactory. But the prospects for the coming year do not appear to be bright as the incidence of higher excise duty and the various restrictive measures taken by Government to prevent accumulation of stocks and to bring down prices have unduly depressed the market.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	62,00,957
Reserves ...	9,73,336	Stock-in-trade	1,15,32,872
Provision for taxation ...	6,65,080	Stores, spare parts, etc.	8,93,434
Liabilities ...	1,20,74,433	Debts, deposits and advances ...	20,35,596
Profit and loss account ...	24,573	Investments	9,968
		Cash ...	64,595
Rs.	2,07,37,422	Rs.	2,07,37,422

Hooghly Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

The Company's profit for the half-year after the inclusion of Rs. 24,959 (Rs. 22,062) brought forward and Rs. 20,000 (*nil*) provision for taxation no longer required, is Rs. 2,02,657 (Rs. 1,82,310) and after making provision for taxation Rs. 75,000 (Rs 75,000) there remains a balance of Rs. 1,27,657 (Rs. 1,07,310). Out of this sum, the directors have placed to general reserve Rs. 28,893 (*nil*) and dividend equalisation reserve Rs. 25,000 (*nil*). An interim dividend paid on 6th February 1957 at 15 per cent. per annum, without any deduction for income-tax paid by the Company absorbed Rs. 45,000 (*nil*). They now recommend payment of a final dividend at 2½ per cent. per annum, without any deduction for income-tax paid by the Company absorbing Rs. 7,500 (Rs. 75,000) leaving to be carried forward Rs. 21,264 (Rs. 32,310).

Trading Conditions.—The production of the Mill was maintained at a high level, due to the keen demand for the Company's products throughout the half-year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	2,99,000
Reserves ...	6,90,000	Capital expenditure in suspense ...	46,724
Provision for taxation ...	2,35,000	Stock of wheat, flour, etc.	5,92,805
Liabilities ...	5,90,088	Stores ...	63,171
Profit and loss account ...	21,264	Debts, deposits and advances ...	11,27,640
		Cash ...	7,012
Rs.	21,36,352	Rs.	21,36,352

Calcutta Hydraulic Press Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June 1956.

After providing Rs. 3,244 (Rs. 23,311) for depreciation, the results show a loss of Rs. 25,619 (loss of Rs. 85,479). The profit of Rs 96,486 on investments sold in previous year, as reduced by the loss of Rs. 2,279 on sale of investments in the year under review, has been transferred to reserve for depreciation of investments. The excess provision for tax in previous years amounting to Rs. 5,000 has been transferred to taxation reserve. After bringing in a debit balance of Rs. 85,479 from the last account, and Rs. 2,92,552 from block realisation account, providing Rs. 9,500 for taxation, and taking credit for Rs. 46,805 profit on the sale of stores, there is a balance of Rs. 3,64,066 at the debit of profit and loss account. The directors have transferred Rs. 3,85,000 from reserve, leaving a credit balance of Rs. 20,934 (Rs. 85,479) to be carried forward.

After a number of unsuccessful years, shareholders were informed by the directors' report dated 19th October 1955, that baling had ceased with effect from 1st July 1955. It became apparent during the year that there was little prospect of the recommencement of profitable baling operations and accordingly steps were taken to dispose of the idle presses and ancillary equipment. These sales were completed during the year and the lease in respect of the Press House surrendered on 31st January 1956.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	2,069
Reserves ...	3,26,572	Debts, deposits and advances ...	1,28,330
Provision for taxation ...	10,173	Investments	10,14,264
Liabilities ...	26,185	Cash ...	39,201
Profit and loss accounts ...	20,934		
Rs.	11,83,864	Rs.	11,83,864

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

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ALKALI AND CHEMICAL CORPORATION OF INDIA LIMITED

PROCEEDINGS OF THE TWENTIETH ORDINARY GENERAL MEETING

THE Twentieth Ordinary General Meeting of the members of the Alkali and Chemical Corporation of India Limited was held at the registered office of the Company, 34, Chowringhee Road, Calcutta, on Thursday, 28th March 1957, at 3-30 p.m.

Mr. N. D. Harris, the Chairman, presided.

Mr. M. Cariapa, representing the Secretaries, Imperial Chemical Industries (India) Private Ltd., having read the notice convening the meeting and the Auditors' report, the minutes of the ninteenth ordinary general meeting held on 7th March 1956, the minutes of an extraordinary general meeting held on 2nd April 1956 at 3-30 p.m. and the minutes of a general meeting held on 28th September 1956 at 3-30 p.m. were laid on the table having been already signed.

After the Chairman had delivered his speech, which has already been reported in *Commerce* dated 13th April 1957 (*vide* page 734), two shareholders, Messrs. A. V. Seth and K. L. Mukerji, raised the following points: About the proposed share issue, they said that, since the Company had been formed, it had paid a low rate of average dividend, whereas the market prices of the ordinary shares had ranged as high as Rs. 60 and averaged about Rs. 30. Good profits were made by the Company in 1956, but nevertheless a dividend of 8 per cent. only was paid, a large transfer having been made to dividend equalisation reserve; it was contended that this was unfair to shareholders. In addition, shareholders were faced with a 4 : 1 rights issue, the new shares having to be paid for over five months. This it was suggested was unfair on small investors who, in the present tight money market conditions, were unable to raise the extra money in the time. At the same time, this rights issue had brought the market price down by nearly 100 per cent. The new shares, it was believed, would not receive a dividend for several years. They would only start to rank for dividend from 1st October 1957 and dividends would probably then be payable at even lower rates than now.

Mr. Harris replied that the market price of shares was, he understood, determined by other factors as well as by the rate of dividend declared. For some years past now, A.C.C.I. Ltd. had declared a reasonably good rate of dividend. It was in order to safeguard the interests of shareholders and to endeavour to ensure that a satisfactory dividend should continue on the larger capital which the Company would shortly have, that a substantial transfer had been made to the dividend equalisation reserve. The terms of the present Polythene issue had been decided by the Board only after very careful thought and after taking the best advice available. To help shareholders, agreement of the Stock Exchange Committee had been obtained for official dealings to take place in renunciation letters, thus enabling shareholders who did not wish to take up the new shares, to have a market for the sale of their rights. The term over which calls were to be collected has been made as long as was practicable, but the Stock Exchange disliked shares which were partly paid for a long period, owing to the difficulties involved in dealings, and it was in the shareholders' own interest that a market should be created for the fully paid shares as soon as possible. The new shares would start to rank for dividend from the 1st October 1957, that is, five months after application money had been paid and immediately after the final call. From the above date, they would participate both in profits made by the old capital and in the substantial sums which have already been set aside to the dividend equalisation reserve. For the prospects of future dividends, shareholders were advised to consult recent published accounts.

In regard to accounts, the above shareholders pointed out that selling commission totalling to Rs. 22,61,430 had been paid on a turnover of Rs. 1,88,30,913. This rate of commission was compared with the rate of commission paid by Indian Iron and Steel. Why was the commission not based on profits instead of on sales? It was noticed that technical fees were paid in addition to selling commission. Was Directors' remuneration by way of a commission or fees? What benefit was received by the Company for the fee paid for loan guarantee?

In reply, Mr. Harris pointed out that I.C.I. (India) Private Ltd. were Selling Agents for A.C.C.I. Ltd., and not Managing Agents and that they could not be compared with the Managing Agents of Indian Iron and Steel. Whereas a managing agency commission is paid by reference to profits, selling commission is paid by reference to turnover and its amount must depend on the nature of the products and the difficulties and costs in selling them. Products requiring a high degree of technical sales service demand an expensive sales force and necessitate a high rate of selling commission. Paints and B.H.C. formulations are examples of such products and they are in no way analogous to bulk sales of iron or steel.

The technical charges paid to I.C.I. (India) Private Ltd. are quite separate from the selling commission and refer to the technical help given in running the plant by arrangement with I.C.I. (India) Private Ltd., technical advice received in this way costing the Company much less than would the appointment of a separate technical staff. Directors' remuneration is by way of monthly fees. No commission is paid. By paying I.C.I. (India) Private Ltd., for guaranteeing their bank loan, A.C.C.I. Ltd. are charged a lower rate of interest. This saving is shared equally with the guarantors.

The above two shareholders asked whether tenders were called for for the construction of the Polythene plant. I.C.I. being a monopoly, they were, it was suggested, able to make any charge they might wish to A.C.C.I. Ltd.

Mr. Harris replied that I.C.I. Ltd. providing the technical "know-how" and design work for the erection of the Polythene plant. The contract was, it was understood, put out by them to tender and the Company accepted Simon-Carves' quotation on the counsel of their technical advisers.

Is A.C.C.I. Ltd. a company to which the provisions of section 23A of the Indian Income-tax Act apply, asked the shareholders.

The provisions of section 23A of the Act did not this year affect the Company, though they might in future years, was the reply.

The report and accounts was adopted. Sir Birendra Nath Mookerjee, Sir Bijoy Prosad Singh Roy and Mr. P. M. G. Hutton were reappointed Directors. The Auditors, Messrs. Lovelock and Lewes, were reappointed.

Notices

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SEVENTY-FIRST ANNUAL GENERAL MEETING of the Shareholders of THE SVADESHI MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Monday, the 20th May 1957, at 4-30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 31st December 1956, and the audited Balance Sheet as at 31st December 1956.

(2) To declare Dividends.

(3) To appoint a Director in place of Sir Fazal Rahimtoola, Kt., C.I.E., who retires by rotation and is eligible for re-appointment.

(4) To appoint a Director in place of Mr. K. M. D. Thackersey who retires by rotation and is eligible for re-appointment.

(5), (6), (7) To consider and, if thought fit, to pass three resolutions arising from the coming into force of the Companies Act, 1956, full particulars of which are stated in the Notice which will be duly posted to all shareholders.

(8) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 11*th April*, 1957.

Notes:—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(2) The Transfer Books of the Company were closed from Monday, the 11th March to Tuesday, the 9th April 1957, both days inclusive.

(3) If dividends on shares, as recommended by the Directors, are passed at the meeting, the payments will be made on and after Tuesday, the 21st May 1957, to those shareholders whose names are on the Register of the Company on the 9th April, 1957.

THE TATA MILLS LIMITED

NOTICE

THE FORTY-FIFTH ANNUAL GENERAL MEETING of the Shareholders of THE TATA MILLS LIMITED will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Wednesday the 22nd May 1957, at 4-30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 31st December 1956, and the audited Balance Sheet as at 31st December 1956.

(2) To declare a Dividend.

(3) To appoint a Director in place of Mr. N. M. Amersey, who retires by rotation and is eligible for re-appointment.

(4), (5), (6) To consider and, if thought fit, to pass three resolutions arising from the coming into force of the Companies Act, 1956, full particulars of which are stated in the Notice which will be duly posted to all shareholders.

(7) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 11*th April*, 1957.

Notes:—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(2) The Transfer Books of the Company were closed from Monday, the 11th March to Tuesday, the 9th April 1957, both days inclusive.

(3) If dividend on shares, as recommended by the Directors, is passed at the meeting, the payment will be made on and after Thursday, the 23rd May 1957, to those shareholders whose names are on the Register of the Company on the 9th April, 1957.

MACNEILL AND BARRY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5½ per cent. per annum for the half-year ended 31st March, 1957.

Payment will be made on 1st May, 1957 to those Preference Shareholders whose names appear on the Company's Register on that date or in accordance with their instructions.

By Order of the Board,
J. H. G. WHITFIELD.
Acting Secretary.

2, FAIRLIE PLACE,
CALCUTTA—1, 10*th April*, 1957.

MONEY RATES FIRM

(From Our Own Correspondent)

BOMBAY, 16*th April*

The seasonal pressure of demand for funds showed no signs of relaxation during the week under review, with the result that the stringency in the short-term money market persisted for yet another week. Though the supply of funds to banks improved, as witness the sharp rise in their deposits during the two weeks ended 5th April, such were utilised to reduce the banks' borrowings from the Reserve Bank substantially. The persistent demand for funds kept the money rates at the previous week's high levels. Inter-bank call money rate was unchanged at 3½ per cent. and house money at call and short-term deposits for one to six months were done 4½ per cent. and a higher rate of 4¾ per cent. was paid for large sums.

As we go to Press a day earlier, the customary analysis of the Reserve Bank's statement for the week ended 12th April 1957 has been held over.

The Scheduled banks' statement for the week ended 5th April 1957 shows a further rise of as much as Rs. 17.81 crores in demand deposits and of Rs. 7.03 crores in time deposits, bringing the aggregate increase in total deposits (net) during the last two weeks to Rs. 39.50 crores. Borrowings from the Reserve Bank stand reduced by Rs. 21.20 crores. Advances show a fall of Rs. 5.58 crores, while bills purchased and discounted are up by Rs. 6.31 crores. Cash balances have been strengthened by Rs. 12.73 crores and money at call and short notice by Rs. 1.48 crores.

The Gilt-edged market continued to be dull. Barring a few small inquiries here and there, very little attention was paid to most of the securities and the volume of business was extremely small. 3 per cent. 1986 Conversion Loan was sagnant at Rs. 74.30. 3 per cent. 1970-75 was placed at Rs. 87.20 *ex*-voucher, as against Rs. 87.30 *cum*-voucher a week ago. 3 per cent. 1966-68 finished 10 nP lower at Rs. 92-15. 3 per cent. 1964 was unchanged at Rs. 94.45, 3 per cent. 1963-65 at Rs. 94.20 and 3 per cent. 1959-61 at Rs. 97.75. 2½ per cent. 1961 hardened slightly from Rs. 99.45 to Rs. 99.50, while 3½ per cent. 1964 kept its own at Rs. 98.40 despite the proximity of interest payment. 3½ per cent. 1965 and 3½ per cent. 1967 were dull at Rs. 98.25 and Rs. 98.45, respectively.

TEA DUSTS RECEDE

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 11*th April*

Approximately 400,000 lbs. were on offer in dust sale 'H' which was held on Tuesday, 9th April. From the outset there was a good general demand at slightly lower rates. Common and low medium dusts were irregularly 5 to 10 nP easier, but medium types, and, in particular, clean black dusts, were firm. Best liquoring dusts met with a quieter tone and prices were up to 25 nP lower.

The average price realised in dust sale 'H' is Re. 1.88 per lb., as against Re. 1-14-6 in sale 'G' and Re. 1.92 per lb. in the corresponding sale of 1956.

London Market—Sale of 8th April 1957.—Improved demand. Best qualities 1d. to 2d. dearer non-descript sorts irregularly easier. Plain firm to dearer.

Sale of 9th April 1957.—Best stronger. Others irregular, following quality.

Colombo Market—sale of 8th April 1957.—Good demand. Medium and highgrown brokens 5c. to 10c. dearer, corresponding fannings 15c. to 20c. lower. Gulf types declined 5c. to 10c. Other lowgrowns firm.

Sale of 9th April 1957.—Stalky broken mixeds and grainy dusts lower. Others good demand firm to dearer.

Calcutta Market—Export.—Last export sale of season again tended easier by 10 to 20 nP. Fannings of all types weakest feature.

Internal.—Approximately 16,500 packages. Met a good general demand at 6 to 10 nP easier. Middle East types strongest feature and sold at about valuation and sometimes dearer. Weakest feature C.T.C. which declined 10 to 20 nP. Leaf prices irregular but generally dearer.

Export Quota.—Business has been done at the following figures. Transferable special rights 12 nP. Shipping licence 9 nP and new seasons quota at 23 nP.

Forthcoming Auctions.—Dust Sale I will be held on Tuesday, 23rd April.

The South Indian crop for March 1957 is estimated at 11.88 million lbs., as against 9.06 million lbs. (actual) for March 1956. This brings the total output for the first three months of 1957 to 27.31 million lbs., as compared with 22.80 million lbs. (actual) for Jan.-March 1956.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 14*th April*

During the week under review, the hides and skins market was steady. New arrivals of wet salted cow and buff were quite considerable. The offtake was prompt, the main purchasers being the local tanners headed by Messrs. Cooper Allens. The Madras dealers were lukewarm during the week. The country tanners made substantial purchases of inferior grade cow.

The latest available quotations are: Wet salted cow 1st grade Rs. 300, 2nd grade Rs. 240 and 3rd grade Rs. 140 per score; wet salted buff 1st grade 2 lb. and 2nd grade 2 lb. 3 ozs. per rupee; goat 1st grade Rs. 325 to Rs. 350 and 2nd grade Rs. 300 per 100 pieces; sheep Rs. 300 to Rs. 225 per 100 pieces.

SILVER ERRATIC

(From Our Own Correspondent)

BOMBAY, 16*th April*

Trading in the bullion market during the week under review was dominated by silver which presented an irregular trend. Gold on the other hand, was featureless. The white metal showed a hardening tendency in the earlier half of the week, which lifted the prices to levels not seen in the previous six weeks, thanks to the good offtake in the ready section and rumours about the possibility of restriction on import of silver. Subsequently, however, a reaction set in on nervous bull liquidation induced by fears of imminent arrivals of Tibetan coins. The decision of the Directors of the Bullion Association to commence trading in June contract well ahead of the usual time also affected sentiment.

Gold moved within a narrow range, but the undertone was well maintained, thanks to the good demand in the ready section. A rise in prices was, however, checked by the reactionary trend in silver during the last two days.

Silver forward (April settlement) advanced from Rs. 179-2 to Rs. 181-15 before reacting to Rs. 180-3 when the settlement ran out. The May settlement gained from Rs. 179-11 to Rs. 182-10, but gave way to close at Rs. 181-1.

Ready silver crept up from Rs. 179-2 to Rs. 182-2, before receding to Rs. 180-9. The floating stocks of silver are reported to be 1,100 bars. The daily average offtake was 15 bars.

Forward gold (April settlement) moved between Rs. 105-13 and Rs. 105-3, but finished at Rs. 105-11 when the settlement ran out. The May settlement gained from Rs. 105-11 to Rs. 105-15, but softened to Rs. 105-10 at the close today.

Ready gold picked up from Rs. 106 to Rs. 106-4, but soon reacted to close at Rs. 105-14. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 4,000 tolas and the average offtake also was of the same order.

Silver price in New York was maintained at 91¾c and there was no change in London prices as well, at 79*7d.* for spot and 79*8d.* for forward. Gold dipped from 250*s.* 5*1d.* to 250*s.* 3*1d.* but gained back to 250*s.* 4*2d.*

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

	16-4-1957	Highest	Lowest	9-4-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	105 14	106 4	105 8	106 0
Forward*	105 10	105 15	105 4	105 13
Sovereign	69 4	—	—	69 4
SILVER				
Ready (.996 fine Mint) ..	180 9	182 2	180 1	179 2
Forward†	181 1	182 10	180 9	179 2
London Silver Ready ..	79*1d.*	—	—	79*1d.*
London Forward	79*1d.*	—	—	79*8d.*
London Gold	250*s.* 4*3d.*	250*s.* 4*4d.*	250*s.* 3*4d.*	250*s.* 5*1d.*
New York Silver	91¾c	—	—	91¾c

* May settlement.
† May settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, 16*th April*

The firm trend noted in the sugar market last week abated this week. In fact, the market ruled distinctly bearish, thanks to anxious selling in bulk by several U.P. mills. Arrivals of sugar into the market were also large, being 18,500 bags, as against 15,600 bags a week before and 12,000 bags two weeks before. Operators were generally inclined to reduce their commitments and, buyers being somewhat reserved, prices of sugar staged a retreat.

Medium grain dropped Rs. 2 to Rs. 89-Rs. 91 per bag, inclusive of sales tax. Small grain fell by a rupee to Rs. 88. Large grain receded from Rs. 94-Rs. 98 to Rs. 93-Rs. 98.

Vaisakh delivery contract for 'C' grade sugar was subjected to hedge sales by spot houses and declined by As. 6 to Rs. 91-10.

KIPS UNCHANGED

(From Our Own Correspondent)

MADRAS, 15*th April*

Kip prices remained unchanged during the week. Stocks in the market were slightly more than usual and shippers were active in their day-to-day arrivals of F.A.Q. standards were in demand at unchanged prices, but not declined

Inquiries for buff calf and grest in buff calf, as U.K. importers felt that the optimum prices enough. U.S. buyers showed no call for buff but only at 5 per cent required by shippers. Unchanged in the E.I. tanned hides for shipment prices were firm while those

Improved ...ed to buy tanned goat skins for goat skins ...ths ahead, it is presumed that the of sheep ...ices would hold for some more time. tinent ... three cur...

COTTON FUTURES BUOYANT

(From Our Own Correspondent)

BOMBAY, 16*th April*

After opening the week on an easy note, the cotton futures market registered strident advances in prices during the subsequent sessions. The initial easiness was partly due to the Textile Commissioner's directive asking traders to furnish him with information relating to the quantities and descriptions of cotton stocks held by them before the 12th inst. The bearish impact, however, proved shortlived. On Saturday, the market picked up considerable strength, thanks to statistical position of cotton, persistently increasing mill consumption and shortage of tenderable cotton, particularly Vijay and Surti styles. These factors let loose a buying spree which could not be curbed even by fears of Government intervention in the cotton trade at any moment. For, a section of the trade was inclined to believe that the Government might not resort to any drastic step such as closing of futures trading altogether, but would only try to augment supply by liberalising imports. Nor had the Cotton Advisory Board's recommendation that imports of American cotton of stapling 13/16" and above instead of 1-1/16" and above should be permitted any effect on the market. Consequently, cotton futures registered an impressive rally. The upward trend persisted till the close today.

M.G. Jarilla May opened the week at Rs. 698, as against the previous close of Rs. 700. Under the impetus of large buying orders and on extensive short covering by Akola interests, the contract spurted to touch a high of Rs. 731.50 yesterday. Opening at Rs. 737 today, the contract firmed up on consistent bull support and continued buying by Akola interests, to touch the week's highest level of Rs. 749 before closing at Rs. 737.50. The net gain over the six-day period was Rs. 34.50. M.G. Vijay commenced the week at Rs. 852, as against Rs. 856 last week-end, and moved up steadily to touch a high of Rs. 918 today. The closing rate was, however, lower at Rs. 903. The net advance was thus Rs. 47.00. Vijay June followed the same pattern. Opening lower at Rs. 824, the contract met with good buying support which took it to a high of Rs. 873 today. But the closing quotation was lower at Rs. 862. The net gain was Rs. 36.50. The following is the trend of prices in the cotton futures section during the week:

(In rupees per candy of 784 lbs.)

	16-4-57	*High*	*Low*	10-4-57
Jarilla (May) ...	737.50	749.00	697.50	703.50
Vijay (April ...	903.00	918.00	851.00	856.00
Vijay (June) ...	862.00	873.00	822.00	828.50

In the spot section, values ruled fully steady. Scarcity of cotton was increasingly felt. Good quality cotton was particularly sought after. A section of the cotton trade is inclined to think that if the present tendency were to persist, introduction of mill quotas and strict control of distribution would be resorted to. The Textile Commissioner's notification relating to the declaration of stocks by the 12th inst. is not unexpected. Trade circles are expecting the issue of another directive requiring the grading and surveying of stocks for staple as well as prohibiting mills from keeping more than three months' stock with them.

Following the recommendation of the Cotton Advisory Board that larger imports should be permitted, prospects of getting more U.S. cotton have considerably brightened. Besides suggesting liberalisation of dollar cotton import the Board is reported to have recommended imports of 50,000 bales of cotton stapling 1-1/32" and above and 25,000 bales of staple length 1-3/16" from soft currency areas. It has also suggested that the floor and ceiling prices of cotton for the 1957-58 season should be announced as early as possible and that the basic floor price should be raised by Rs. 50 per candy so as to provide an incentive to the cultivator to grow more cotton. The following are the latest available spot rates—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 740; Berar Jarilla 815; Khandesh 825; Vijay 945; Oomra *Deshi* 775; Moglai 765.

The easy trend noted on the Karachi market last week gathered further momentum during the week under review, thanks to renewed fears of competition from U.S. cotton in world markets, especially in the Communist countries. Even reports that the Government of India was contemplating removal of restrictions on imports of sterling area cotton failed to have any effect on the market. Good spot advices also failed to exert any influence. Export sales from the commencement of the season aggregated 550,000 bales, of which 270,000 bales were sold to Japan, Hongkong and China. Jarilla very dropped Re. 1-12 to Rs. 81-15. The July rate are the latest available spot rates—in folds per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 89; Punjab *Deshi* 82-12; L.S.S. Punjab R.G. 83-14; S.G. 92-14; 289 F.R.G. 88-6; S.G. 97.6.

Values in the Alexandria cotton futures market registered a decline during the week under review. Overseas inquiries were practically *nil* and domestic spinner demand continued to be slack. Spot lots of lower grades were neglected. Higher grades Karnak and Menoufi, however, met with some demand. The following are the latest available rates —in tallaris per lb.—from Alexandria:

Karnak: May 112.20; July 112.95. *Ashmouni*: April 78.50; June 78.45.

The Egyptian Government is reported to be much worried about the steep fall in exports of cotton in the current season. Since almost 90 per cent. of the country's foreign exchange earnings is accounted for by cotton, a fall in its exports, it is felt, is sure to result in a corresponding drop in foreign exchange earnings. Although Communist countries have been Egypt's best customers in recent times, it is feared in certain quart-

ers that the demand from these countries may not remain at the same level for long. A series of discount rates and the recently instituted export subsidy point to the anxiety of the Government to accelerate exports of cotton.

Dull conditions prevailed in the Liverpool cotton futures market during the week. Values eased on a sizable volume of hedge selling which was absorbed only to a limited extent by commission house support and trade buying based on expectations of higher American C.C.C. sales prices in the future. Both the American and the American type contracts tended to look down. Sudan contract was also neglected in the absence of buying support. The latest available rates—in pence per lb.—from Liverpool are as follows:

American One Inch Staple Contract: May-June 26.40; July-August 26.34; October-November 26.24; December-January 26.17. *American Cotton Mixed Growth Contract*: May-June 26.53; July-August 26.44; October-November 26.30; December-January 26.23. *Sudan*: May-June 42.85; July-August 41.70.

The New York cotton futures market put on a cheerful appearance during the week. Fairly good buying support induced by prospects of higher loan rate for the 1957 crop and optimism over possible official action in relaxing the Government's cotton export programme were the chief influencing factors. The gain would have been more marked but for the selling towards the close induced by uncertainty among a section of the trade regarding possible changes in Government cotton export programme and reports of favourable weather in cotton tracts.

It is reported that the International Co-operation Administration has issued to Yugoslavia an authorisation covering 30,000 of U.S. cotton.

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

(In cents per lb.)

	15-4-57	9-4-57	3-4-57
Spot	35.45	35.45	35.45
May	35.21	35.15	35.20
July	34.68	34.66	34.67
October	33.68	33.70	33.56

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 16*th April*

Buoyant conditions prevailed in the oilseeds market during the week under review. The bullish sentiment, manifested in the castorseed futures section in the past two weeks, touched a feverish pitch under the spell of favourable export prospects followed by speculative buying, although the spot section was dull on reports of heavy stocks in the town. Brisk activity was also in evidence in the linseed section, thanks to revival of enquiries for linseed oil. Scattered buying, induced by enquiries from crushers and firmness of exportable oils imparted considerable strength to the groundnut section which registered handsome gains. In sympathy with the general trend and on firm advices from the cotton market, cottonseed prices recorded an improvement. The general undertone of the market was distinctly firm.

Groundnut May contract opened the week at Rs. 168.50 and crept up to Rs. 168.85 before closing the same day at Rs. 168.62. In the subsequent sessions, the trend was steadily upward; and the contract touched the high of Rs. 172.32 today, before finishing slightly lower at Rs. 171.50. Over the week the contract thus put on Rs. 2.75. August contract commenced at Rs. 171.75, and touched the lowest of the week at Rs. 171.12 the same day. The persistent speculative buying in the rest of the week pushed the contract to Rs. 176.37 today. It was, however, finishing slightly lower at Rs. 175.50, at the close. The gain over the week was Rs. 3.88. Spot Bold F.A.Q. improved by 25 nP to Rs. 34.25. Coramandel was marked up by the same amount to Rs. 35.00. Groundnut oil ex-mill was quoted higher by 25 nP at Rs. 19.00.

Castorseed May contract opened firm at Rs. 175.75 and on speculative buying rose the next day to Rs. 178.50. It, however, retreated on profit-taking to Rs. 176.75 at the close the same day. Today, it touched a new high of Rs. 181.00, before closing lower at Rs. 180.75, having thus gained Rs. 3.25 over the week. September contract commenced at Rs. 179.25 and spurted to Rs. 186.25 today, though at the close it was lower at Rs. 185.75. The net advance over the week was Rs. 6.50. In the spot section, Madras was quoted today at Rs. 34.62 which was nominally lower, Oil E.S.S. however, rose by 25 nP to Rs. 21.75.

Linseed May opened the week at Rs. 29.00 and advanced slowly, with fluctuations confined to narrow limits, to Rs. 30.75 today. The closing quotation at Rs. 30.62 today represented a gain of Rs. 1.62 over the week. September contract, which was commenced at Rs. 29.81 reflected more or less the same trend. It reached the peak of Rs. 31.75 today before finishing at Rs. 31.62. Spot bold ready moved up by Re. 1 to Rs. 29.62. Linseed oil ready was quoted at Rs. 16.87, as against Rs. 15.75 last week.

Marked gains were recorded in the cottonseed futures section. May contract opened at Rs. 106.75 and advanced to Rs. 112.50 today, thanks to speculative support. The contract's closing rate today at Rs. 111.00 represents a gain of Rs. 4.25 over the week. September contract which displayed a similar trend, made the same amount of gain. It moved from Rs. 109.00 at the start to Rs. 115.25 today, before closing at Rs. 113.75.

Among others, nigerseed Madras was higher by 25 nP at Rs. 28.00. Kardiseed Bold ready, however, was done lower at Rs. 21.12, as against Rs. 21.25.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	16-4-1957	10-4-1957	3-4-1957
	Rs. nP	Rs. nP	Rs. nP
Groundnuts—			
May 1957 ..	171.50	168.75	171.37
Khandesh Quality Ready (per cwt.)	35.00	34.75	35.00
April-May	34.25	34.00	34.37
Linseed—			
May 1957	30.62	29.00	29.31
Bold Ready (per cwt.)	29.62	23.62	29.00
April-May	29.62	28.62	29.12
Castorseeds—			
May 1957	180.75	175.75	172.25
Madras (per cwt.)	34.62	34.75	34.25
Cottonseed—			
May 1957	111.00	106.75	107.00
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19.00	18.75	18.81
Castor oil—			
Commercial (per quarter) ..	20.50	20.37	20.19
Linseed oil—			
Ready	16.87	15.75	16.00

YARNS LISTLESS

(From Our Own Correspondent)

BOMBAY, 16*th April*

Barring rayon yarns which were fully steady, the yarn market continued to depict an easy trend. Staple fibre yarns encountered persistent selling, thanks to considerable slackness in demand from consuming centres. Cotton yarns failed to elicit any support, owing to poor offtake by handloom weavers who were reported to be experiencing much difficulty as a result of heavy accumulation of cloth. Rayon yarns, however, ruled, as already stated, fully steady. The steadiness was aided by firm advices from fabrics markets which reported good offtake. There would have been a marked rise in prices but for reports of increasing stocks with importers, dealers and consumers and fall in inquiries from quarters which had been granted sufficient licences to import direct.

Rayon yarns (120 dull cones Snia) for April delivery were marked up by Rs. 6 to Rs. 809. June delivery advanced by Rs. 4 to Rs. 822; 150 bright cones April delivery hardened by Rs. 2 higher at Rs. 625. 150 Japan had good support and advanced by 18 pies to Rs. 4-2. 120 Italy was firm at Rs. 3-15, as also 150 Italy at Rs. 3-11. 120 Japan, however, declined by half an anna to Rs. 4-2-6. Among indigenous yarns, National Rayons 150 Bt. Cones 1st grade was fully maintained at Rs. 3-5, 120 Bt. Cones 1st grade picked up three pies to Rs. 3-11.

Staple fibre yarn (40×2) for June delivery came in for selling and declined by Rs. 2 to Rs. 618. April delivery was neglected at Rs. 617. Spot 40×2 Citys receded by three pies to Rs. 3-3-6. Kohinoors lost a similar amount to Rs. 3-4-6. Centurys were a shade lower at Rs. 3-4. New Greats were, however, done higher at Rs. 3-3, as against Rs. 3-2-9. Among foreign yarns, both (80×2) Paramounts and (80×2) Fujis improved from Rs. 5-3-6 to Rs. 5-5.

In the cotton yarn section, ten counts Podars and Moderns receded by As. 2 each to Rs. 14-10 and Rs. 14-14, respectively. Twentys Moderns shed an anna to Rs. 18-14. Maduras changed hands at Rs. 19-6, same as last week. Gokaks were on offer at Rs. 18-12. Thirty counts Edwards fell by As. 4 to Rs. 21-8. Indus decreased by As. 2 to Rs. 21-14. Among forty counts, Moderns dropped As. 4 to Rs. 27-12. Minaxis were stagnant at Rs. 27-6. Sixty counts Raghuvamshis eased by As. 12 to Rs. 57-4. Moderns were quiet at Rs. 61-4 and Finlays at Rs. 61. Among eighty counts, Mahendras, Moderns and Finlays were all unchanged at Rs. 73, Rs. 76-4 and Rs. 81-8, respectively.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days before:

	16-4-1957	10-4-1957
	Rs. a.	Rs. a.
***Art silk yarn* (per case of 200 lbs.)—**		
120 Dull Cones Snia April	809 0	803 0
150 Bt. Cones April	625 0	623 0
120 Japan (per lb.)	4 2½	4 3
150 Japan (per lb.)	4 2	4 0½
120 Italy (per lb.)	3 15	3 15
150 Italy (per lb.)	3 11	3 11
***Staple fibre yarn* (per case of 200 lbs.)—**		
40 s 2 April	617 0	617 0
40 s 2 June	618 0	620 0
40 s 2 New Great (per lb.)	3 3	3 2½
40 s 2 Century (per lb.)	3 4	3 4½
40 s 2 City (per lb.)	3 3¼	3 3½
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14 10	14 12
20s Madura	19 6	19 6
30s Edward	21 8	21 12
40s Gokak	27 0	27 0
60s Raghuvamshi	57 4	58 0
80s Modern	76 4	76 4

JUTE GOODS MARKED DOWN

(From Our Own Correspondent)

CALCUTTA, 16*th April*

Although fair business was done in jute goods for export, prices were marked down after being higher earlier during the week under review. Contrary to earlier expectations, a slight increase in the overall stock of finished products held with mills as at the end of March was announced early in the week, and this naturally caused some disappointment in the market. The overall increase was only 300 tons. The stock of sacking cloth and bags at 56,500 tons recorded a welcome decline of 5,100 tons, which was, however, not reflected in the overall stock, inasmuch as hessian increased from 25,200 tons to 29,800 tons and miscellaneous constructions from 10,600 tons to 11,400 tons. There was nothing unusual in the increase in the hessian figure, since, at this time of the year, hessian shipments are affected. The figure relating to sacking goods is more than satisfactory, as it represents production of less than a month and is the lowest since March 1956. Market circles, therefore, consider the stock figures as healthy from the standpoint of trade as well as industry. In fact, shipments, including coastal shipments, during the month of March were higher than in the previous month. Hessian shipped had aggregated 35,400 tons and sacking goods 45,500 tons, representing an increase of 5,600 tons and 15,100 tons, respectively. These satisfactory shipment figures in the face of the almost unchanged nature of the overall stock leads to the presumption that purchases for consumption within the Calcutta industrial belt and for despatch upcountry by rail and other surface transport must have been lower in March than in February.

Production during March was higher at 84,700 tons, as against 80,200 tons in the previous month. Hessian at 36,000 tons was more by just 1,000 tons, miscellaneous goods were unchanged at 5,600 tons, and sacking goods at 43,100 tons were more by 3,500 tons. These figures indicated that the readjustment in production in the light of demand for particular constructions has been successful. However, the shift from hessian to sacking must continue for some time more. The overall higher production was attributed to the increased number of working hours in March. It was noted that the total availability of goods in March was 182,100 tons, consisting of February-end stocks of 97,400 tons and March production of 84,700 tons. Deducting the March-end stocks of 97,700 tons, demand in the month was of the order of 84,400 tons which, market circles cheerfully noted, was equivalent to a month's production. Such an analysis prevented prices of goods from falling and encouraged speculative elements to hold on to their stocks. That explained for the mid-week rise in prices even after publication of the stock figures.

The week under review opened with the publication of details of finished goods' stocks with mills as at the end of March. Although the stock position was almost unchanged, this was considered disappointing, as against the earlier expectations of a decline in view of the encouraging shipment figures. Such disappointment was reflected by ready B. twills falling to Rs. 111.37 from Rs. 112.12 and ready hessian 40" 10 oz. to Rs. 41.00 from Rs. 41.12. The rather higher decline in heavy goods followed selling pressure on weaker speculative elements. However, steadiness soon returned to the market and speculators turned as buyers on Wednesday, although there was little genuine buying. B. twills recovered fractionally to Rs. 111.62, hessian 40" 10 oz. remaining unchanged at Rs. 41.00. At this stage, genuine support was available, as buyers on behalf of overseas markets become active on the apprehension that the upward movement would continue. In the active buying that followed, sellers became reserved, with B. twills scoring to Rs. 112.25 and hessian 40" 10 oz. to Rs. 41.37. This was on Thursday. The trend was reversed on Friday when prices fell, as offers by speculators failed to meet with response in certain cases. Thus, B. twills gave way to Rs. 111.25, but hessian 40" 10 oz. was better at Rs. 41.44. Covering business was a feature on Saturday last and contributed to a further fractional rise in prices. B. twills were priced at Rs. 111.37 and 40" 10 oz. hessian at Rs. 41.25. Yesterday, however, sentiment was affected, as speculators turned sellers for substantial quantities. B. twills declined to Rs. 111.00 and ready 40" 10 oz. hessian to Rs. 41.12.

Mills showed little interest in raw jute. But prices of most varieties rose by 50 nP. During the week, there was little rain in the jute districts. Sowing has thus been delayed in several areas and, even in the low-lying areas where sowing had been completed, the plants were on the danger of being affected, if the unfavourable weather conditions continued. The latest quotations are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	38.00	35.00
Northern	37.50	34.50
Indian:		
Northern	31.00	28.50
Assam Upper	31.00	28.50
Assam Lower	31.00	28.50
Orissa	34.50	32.00
Western	30.00	27.50
Murshidabad	29.00	26.50
Jungli	28.50	26.00
Daissee	33.50	31.00
Uttar Pradesh	28.50	26.00
Daissee mesta	27.00	24.50
Bimli f.a.q.	23.00	

Pucca bales 1st marks ready Rs. 188.00 per bale.

TEA EASY

(From Our Own Correspondent)

CALCUTTA, 16*th April*

Poor support was accorded to last week's sales for internal consumption. The number of chests containing dust on offer was 16,614. C.T.C. Assams declined by as much as 6 to 10 nP. Even the brighter liquoring lots from C.T.C. Assams did not attract any great attention of buyers. Clean orthodox Assams possessing bright liquors and teas from all districts with black leaf appearance were easy but were sometimes in demand. All other teas on offer, namely, from Cachar, Assam and the Dooars gave way by 6 to 10 nP per lb. The quotations were: Best C.T.C. Rs. 2.60 to Rs. 2.70, medium C.T.C. Re. 1.80 to Re. 1.90, medium Assam grainy dust Re. 1.65 to Re. 1.70, and medium Dooars Re. 1.50 to Re. 1.60.

(Continued on page 823)

ENGINEERING

(Concluded from page 792)

three Benelux countries are the only ones where the railways seem to have a comfortable margin of revenue over operating costs to cover renewals and other investments. In many countries, passenger traffic appears to be subsidised by goods traffic, or to be the principal or only cause of the deficits when they occur. It seems likely, observes the *Survey*, that the development of private motor vehicles will reduce passenger traffic on a great number of railway lines in Western Europe, if not immediately, then in the next 20 or 30 years. Already receipts for many passenger services do not cover the direct cost of the services. The profitability of new investments for passenger traffic other than on the main lines is therefore doubtful; even on the principal lines amortisation of investments specific to passenger traffic will have to be rapid.

As regards goods traffic, the transport of solid fuels by rail is bound to decrease even if the total consumption of coal increases, because the proportion of coal consumed at the mine will increase. Technical progress will reduce the cost of gas and electricity transport and power stations using other sources of energy (notably atomic energy) will be built close to the large consuming centres.

In order to meet the competition from road traffic in Western Europe, it is essential the *Survey* points out, that the railways reduce their costs. Since labour represents 50 to 60 per cent. of operating expenses, the question of the productivity of labour is crucial. The majority of railway personnel works at the stations or shunting operations, the areas where the improvement of the productivity of personnel would be most profitable. To achieve this end, discontinuance, partial or total, of lines and stations and reduction of services are indispensable. The *Survey* estimates that the loss in traffic which these measures entail for the railways is no doubt smaller than that which would be brought about by the maintenance of too high costs. The railway administrations, it is suggested, should have a general authorisation to discontinue uneconomical services, while bearing in mind, of course, the plans for economic development and acting in close collaboration with the representatives responsible for the Government's regional policy.

COMPANY AFFAIRS

(Concluded from page 804)

The balance-sheet of the Company as on 30th November 1956 discloses a sound financial position. Its paid-up capital is only Rs. 7 lakhs, against which the reserves and surplus aggregate Rs. 56.59 lakhs, excluding workmen's compensation, staff welfare and retiring gratuity reserves amounting to Rs. 13.75 lakhs. The provision for taxation stands at Rs. 19.01 lakhs and current liabilities amount to Rs. 38.66 lakhs. The gross block of Rs. 56.73 lakhs stands written down to Rs. 32.28 lakhs. Additions to the gross block during the year were of the order of Rs. 13.46 lakhs and capital work in progress accounts for Rs. 4.38 lakhs. The current assets aggregate Rs. 98.37 lakhs of which the cash balances alone are to the tune of Rs. 19.54 lakhs. The current assets cover the current liabilities and provision for taxation by a wide margin.

It will be observed that the Company's paid-up capital is extremely small compared to its block account and the Directors had, therefore, sought the permission of the Controller of Capital Issues to raise the capital to Rs. 21 lakhs, by capitalising a sum of Rs. 14 lakhs from the reserves and issue two shares for every one held. The sanction has been obtained, but the Directors have not finally decided to carry out their earlier proposal, presumably because of the levy of bonus tax in April 1956 and the prospect of enhancement of this tax.

With regard to the future prospects of the Company, the Directors state that, with the advent of State trading, it is not possible to make any accurate forecasts. However, they anticipate that, if as a result of recent negotiations in Delhi, the Syndicate are permitted to sell 50 per cent. of production direct, while the remainder is purchased by the State Trading Corporation at a reasonable return to the Company, the future need not be viewed with despondency.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 90.25 *cum-div.* On an *ex-div.* basis, the latest distribution provides a yield of 9.72 per cent. per annum, free of income-tax.

THE UNITED BANK OF INDIA LIMITED

(Concluded from page 803)

the basis of size linked to a federation of all such associations. As it is, the Indian Banks Association has a membership of only 39, whereas the total number of banking companies in the country is over 470. It is, therefore, felt necessary that if a bold plan like the one suggested is to succeed, participation of all the banks in the country should be ensured. Such Associations and the Federation may also be found useful by the Reserve Bank of India in the matter of formulation of policies and its financial operations.

No Prosperity Through Isolation

"In the matter of formulating a plan as envisaged in the brochure, proposals have been made for holding, under the auspices of the Indian Banks Association, a convention of all banks with a view to sponsoring the idea of forming a 'Banking Expansion Commission' and to appoint a 'Standing Plan Committee' of the Convention to maintain liaison with the proposed 'Banking Expansion Commission'. I fervently hope that the banking community, as a whole, and the leading banks, in particular, will be able to see that the interest of their own institutions lies in the growth of the banking system as a whole and not in the attempts to acquire prosperity in isolation. I trust, therefore, that they will fully co-operate and contribute towards the formulation and working of a plan."

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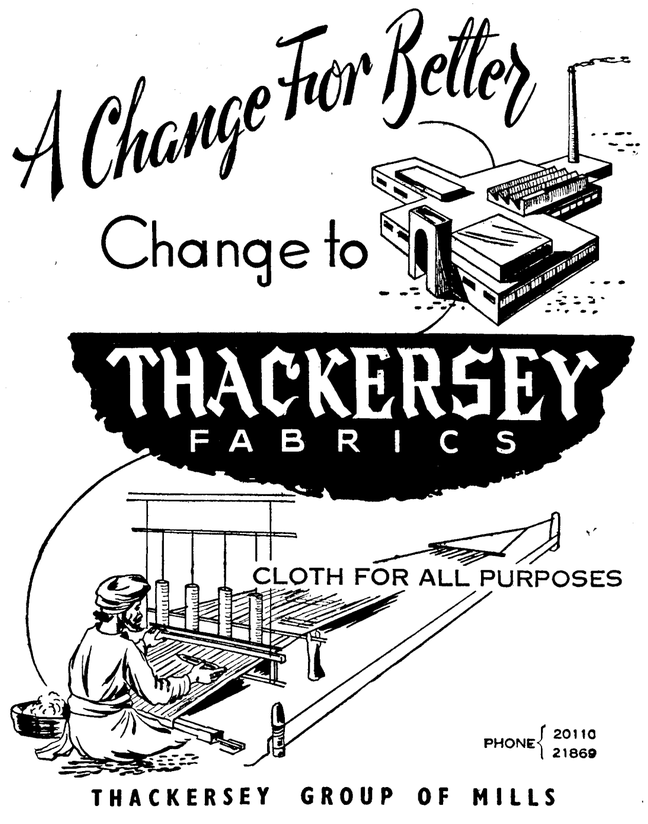
Note.—This does not purport to be a record of the *proceedings* of the Annual General Meeting.



MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	15th June, 1935	4	4½
Colombia	18th July 1933	6	6
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	20th Mar., 1957	7.300	7.665
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1956	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	13th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug. 1956	3½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 5th April, 1957		Week ended 29th March, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,81,269	68,28,56,000	3,60,836	88,94,23,000
Calcutta	1,51,957	66,18,63,403	1,93,357	84,32,39,402
Madras	69,584	9,92,91,509	92,974	13,70,74,942
All Centres— 1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,680,800,000
Jan., 1957	..	..	3,707,000	8,41,82,00,000
Feb., ,,	..	..	3,220,000	7,32,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 5th April, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government— (1) Central Government	60,59,44,000
(2) Other Governments	7,90,31,000
(b) Banks	59,99,65,000
(c) Others	74,49,99,000
Bills Payable	12,75,83,000
Other Liabilities	116,36,49,000
Rupees	363,28,81,000

ASSETS	Rs.
Notes	7,88,29,000
Rupee Coin	4,47,000
Subsidiary Coin	5,69,000
Bills Purchased and Discounted— (a) Internal	....
(b) External	....
(c) Government Treasury Bills	15,23,63,000
Balances held abroad*	112,32,31,000
Loans and Advances to Governments	15,65,46,000
Other Loans and Advances	106,04,34,000
Investments	91,97,19,000
Other Assets	13,57,13,000
Rupees	363,28,81,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 58,32,30,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 173,79,48,000/-.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,88,29,000	
Notes in circulation	1563,56,50,000	
Total Notes issued		1571,45,19,000
Total Liabilities	....	1571,45,19,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion— (a) Held in India	117,76,08,000	
(b) Held outside India		
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		126,20,06,000
Government of India Rupee Securities		914,97,19,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1571,45,19,000

Scheduled Banks*

Statement of Affairs for the week ended 5th April, 1957

	Rs.
1. Demand Liabilities in India: (i) Borrowings from banks other than the State Bank and a notified bank†	7,86,06,000
(ii) Other demand liabilities	718,03,40,000
2. Time Liabilities in India: (i) Borrowings from banks other than the State Bank and a notified bank†	2,09,00,000
(ii) Other time liabilities	478,22,08,000
3. Borrowings in India from the State Bank and/or a notified bank: (i) Demand liabilities	10,78,85,000
(ii) Time liabilities	....
4. Cash in India	39,43,65,000
5. Balances with the Reserve Bank in India	62,11,72,000
6. Balances with other banks in current account in India	11,32,73,000
7. Money at call and short notice in India	12,05,09,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	847,23,46,000
9. Advances in India	716,19,16,000
10. Inland Bills purchased and discounted in India	123,69,95,000
11. Foreign Bills purchased and discounted in India	58,60,92,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	15th April, 1957	Previous week
Bombay on London— Sellers T.T. D.D. Spot s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months s.	1-6⅛	1-6⅛
Bombay on New York— Sellers T.T. D.D. Rs.	479.75	480.00
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.78½-2.78¾	2.79-2.79½
London on Paris Fcs.	986.50	986.50
London on Berne Sw. Fcs.	12.27½-12.27¾	12.27
New York on London $	2.78½-2.78¾	2.79-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	Nations Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..		10,170	269
Pakistan	'52-'54	79.33	..		1,931	243
Burma	1954	19.24	Kyats	3,905	390	204
Ceylon	1954	8.58	..		470	550
Japan	1955	88.80	Y.	6,575,000	7,895	975
Philippines	1955	21.85	Fs.	7,800	1,557	350
New Zealand	1955	2.15	£(N.Z.)	546	1,128	5,295
Australia	1954	8.99	£(A)	3,957	4,330	4,994
U.K.	1955	50.97	£	16,634	22,178	4,351
U.S.A.	1955	165.27	$	324,000	155,520	9,410
Canada	1955	15.40	$	30,738	10,166	6,516
France	1955	43.27	F.Fr.	13,440,000	17,010	3,931
W. Germany	1955	49.99	Dm.	126,200	14,460	2,590
Italy	1954	47.36	Lr.	9,713,000	7,480	1,560
Norway	1955	3.43	Kr.	19,764	1,820	3,056
Sweden	1954	7.21	Kr.	32,620	3,844	4,913
Netherlands	1955	10.75	Grs.	22,500	3,250	3,650
Denmark	1954	4.41	Kr.	22,374	1,610	3,564
Switzerland	1954	4.98	Sw. Fr.	22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 5th April, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,00,00,000
Deposits:— (a) Central Government	51,51,11,000
(b) Provincial Governments	....
(c) Banks	14,63,54,000
(d) Others	9,26,86,000
Bills Payable	10,81,000
Other Liabilities	11,77,25,000
Rupees	93,27,57,000

ASSETS	Rs.
Notes	9,30,58,000
Rupee Coin	17,000
Subsidiary Coin	9,000
Bills Purchased and Discounted:— (a) Internal	....
(b) External	9,08,000
Loans and Advances to Governments	3,16,00,000
Provincial Governments' Debtor Balances	13,76,65,000
Other Loans and Advances	12,57,28,000
Investments	43,48,98,000
Other Assets	10,88,74,000
Rupees	93,27,57,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,30,58,000	
Notes in circulation	332,01,01,000	
Total Notes issued	....	341,32,19,000
Total Liabilities	....	341,32,19,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	82,02,56,000	
Sterling Securities		
Government of India Securities	23,83,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,09,21,000	160,01,74,000
Government of Pakistan Securities	170,31,18,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan— Gold Coin and Bullion	19,02,000	175,40,39,000
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	341,32,19,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 49.29 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	5th April, 1957	A week ago	A month ago	A year ago
RESERVE BANK *Issue Department*					
Notes in circulation	172.37	1,563.57	1,526.09	1,525.91	1,506.69
Notes held in Banking Department	35.05	7.88	11.77	9.55	14.78
Foreign Securities	59.50	412.52	412.52	412.52	686.42
Rupee Securities	37.39	914.97	884.97	884.97	688.75
Banking Department Deposits of:					
Government of India	14.89	60.59	64.57	51.88	57.10
Other Governments	..	7.90	31.95	2.75	35.70
Banks in Scheduled abroad	10.08	112.82	114.31	98.80*	62.09
SCHEDULED BANKS					
Demand Liabilities	134.36	725.89 (7.86)†	708.45 (8.22)†	706.09 (8.99)†	651.20 (6.17)†
Time Liabilities	102.24	480.31 (2.09)†	473.16 (1.97)†	464.25 (1.72)†	418.56 (2.92)†
Borrowings from Reserve Bank	..	81.96 (68.32)‡	103.16 (71.54)‡	79.08 (65.92)‡	50.88 (25.44)‡
Borrowings from State Bank	..	10.79	11.49	9.20	14.34
Cash in India	6.70	39.44	34.28	36.84	38.29
Balances with Reserve Bank	25.17	62.12	54.54	50.56	54.77
Excess over statutory limits	15.52	16.22	9.66	5.52	13.84
Balances with other banks in current account in India	..	11.33	11.23	10.45	11.73
Money at call and short notice in India	..	12.05	10.57	14.76	5.80
Investments (at book value)	..	347.23	347.41	349.40	359.55
Advances and bills	105.09	898.50	897.78	866.01	756.80
STATE BANK					
Deposits	87.76	301.47	299.90	275.66	241.43
Investments	51.99	105.42	105.72	106.56	107.45
Advances	20.35	182.91	185.14	174.99	137.22
Cash	14.60	24.40	21.43	14.12	20.43

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December,		Nine months, April to Dec.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	10.92	11.00	85.33	93.01
Protective	1.03	0.81	7.63	8.20
On surplus disposals	..	0.01	0.07	0.04
Total import duties	11.95	11.82	93.03	102.25
Export Duties	3.33	3.20	28.10	21.87
Land Customs	0.26	0.20	0.95	1.82
Miscellaneous	0.07	0.09	0.54	0.88
Gross total customs	15.56	15.31	122.62	126.77
Refunds and drawbacks	0.17	0.22	1.91	1.83
Net Customs	15.49	15.05	120.71	124.94
Gross excise	12.07	19.84	109.75	133.17
Refunds	0.44	0.13	3.48	1.60
Net Excise	12.63	19.66	106.27	136.07
Net total of customs and excise†	28.12	34.71	226.98	261.61

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 5th April, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL— Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,87,50,000
Borrowings from Other Banking Companies, Agents, etc.		301,46,85,000
Bills Payable		1,56,00,000
Bills for Collection being Bills Receivable as per contra		7,17,18,000
Acceptances, Endorsements and Other Obligations per contra		56,66,000
Other Liabilities (including Inter-Office Adjustments)		5,26,000
Total	Rs.	2,50,48,000
		325,32,43,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,12,36,000
Balances with other Banks		4,28,05,000
Money at Call and Short Notice		1,66,67,000
INVESTMENTS: Government and other Trustee Securities	94,16,63,000	
Other Authorised Investments	11,26,47,000	
		105,42,10,000
ADVANCES: Loans, Cash Credits, Overdrafts, etc.	107 61,050	849,655
Bills Discounted and Purchased	154,12,07,000	773,886
	28,79,07,000	678,716
Bills Receivable being Bills for Collection as per contra		565,964
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		653,720
Premises less Depreciation		476,166
Furniture and Fixtures less Depreciation		535,775
Other Assets (including Inter-Office Adjustments)		495,639
Total	Rs.	908,399
		222,021
		437,449
		269,949 (b)
		182,91,14,000
		56,66,000
		5,26,000
		1,20,95,000
		83,84,000
		8,45,87,000
		325,32,43,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.53	65	3.26	23.66	84.17	1,13.25	92.93	— 21.07		7.55	25.64				
1953-54	4.70	1.62	4.99	27.27	1,34.64	1,54.94	1,30.58	— 35.35		5.57	27.15	7.40R	7.35	55††	54
1954-55	3.76	1.98	5.48	27.19	1,44.36	1,58.16	1,67.36	— 35.87		4.79	41.25	9.36	16.37	45	95
January 1956	2.91	14	5.24	2.02	1,40.78	12 16	1,54.14	— 35.55		32	40.61	84	14.73	3	91
February ,,	3.33	16	5.29	3.33	1,43.27	13.57	1,56.19	— 35.66		39	40.95	93	15.57	3	98
March ,,	3.76	33	5.48	3.83	1,44.36	13.64	1,57.36	— 35.87		36	41.25	88	16.37	3	99
April ,,	2.49	24	5.24	2.19	1,45.58	14.54	1,71.08	— 38.98		34	41.51	82	17.13	3	98
May ,,	2.51	21	5.54	2.49	1,47.68	14.77	1,73.05	— 39.05		38	41.82	85	17.91	3	1,00
June ,,	2.64	23	5.55	2.70	1,49.48	15.34	1,75.09	— 39.15		35	42.11	92	18.75	4	1,04
July ,,	2.48	43	5.81	2.78	1,51.53	14.51	1,80.05	— 39.24		33	42.43	1,01	19.63	4	1,07
August ,,	2.40	29	5.82	2.85	1,53.14	14.10	1,83.21	— 39.35		36	42.73	98	20.58	5	1,11
September ,,	3.34	17	5.71	3.55	1,55.14	13.27	1,84.38	— 39.17		34	43.00	85	21.34	3	1,15
October ,,	3.28	16	5.69	2.88	1,56.51	13.00	1,85.99	— 39.26		35	43.20	92	22.06	4	1,17
November ,,	3.23	18	5.66	2.30	1,57.62	12.70	1,86.89	— 39.35		25	43.39	77	22.73	3	1,19
December ,,	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 39.43		26	43.58	70	23.32	3	1,22
January 1957	3.12	21	5.80	2.57	1,59.83	13.46	1,88.10	— 39.84		36	43.89	..	..	6	1,27
February ,,	..	..	..	..	..	..	..	..		30	44.14	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

● Progressive net repayments at the end of period from 15th August 1947.

†† Relating to nine months from July, 1954.

§ From July, 1954.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 6th April 1957	30th Mar., 1957	9th Mar., 1957	7th April 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.0	90.0	90.0	90.9
1. Government of India	89.7	89.7	89.7	90.7
2. Indian States	96.4	96.4	96.5	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.6	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	98.9	98.9	98.9	100.9
1. Electricity	98.8	98.8	98.7	102.4
2. Jute	97.0	97.0	97.1	97.6
3. Plantations	98.4	98.4	98.6	99.1
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	99.6	99.6	99.6	99.6
6. General Engineering	100.0	100.0	100.9	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.1	100.1	100.2	101.1
PREFERENCE SHARES	78.9	79.3	80.0	85.7
1. Electricity	87.3	87.5	88.2	93.9
2. Jute	78.8	78.9	79.5	81.5
3. Tea	72.8	73.2	74.0	83.1
4. Coal	81.8	82.0	82.1	89.9
5. Iron and Steel	88.2	88.5	88.8	88.8
6. Sugar	79.6	79.6	80.5	85.7
7. Paper	79.4	79.6	79.7	83.5
8. Plantations	98.2	98.6	99.2	101.4
9. Miscellaneous	74.7	74.9	74.9	80.8
VARIABLE DIVIDEND INDUSTRIAL SHOURITIES	107.5	109.2	111.9	124.4
(a) Financial	90.5	91.3	93.4	88.6
1. Banks	92.4	93.4	95.7	88.8
2. Insurance	82.6	82.2	83.3	82.2
3. Investment Trust	77.2	78.2	77.9	93.9
(b) Public Utilities	107.5	109.2	110.6	113.8
1. Electricity	107.3	108.1	109.8	117.1
2. Shipping and other Transport	116.5	120.9	121.5	113.0
3. Railways	77.2	76.9	79.1	88.8
(c) Manufacturing industries	112.6	114.8	117.7	133.6
1. Cotton, Woollen and Silk	119.5	121.6	124.3	131.8
2. Jute	56.2	57.6	60.0	78.7
3. Iron and Steel	118.5	120.9	125.5	152.2
4. Paper	235.5	237.6	233.3	293.8
5. Cement	146.1	150.6	157.4	177.6
6. General Engineering	160.2	163.8	168.5	197.7
7. Sugar and Breweries	97.3	98.9	100.2	106.6
8. Chemicals	133.1	134.3	133.4	150.5
(d) Non-Manufacturing industries	134.3	134.8	138.9	169.7
1. Coal	70.3	69.6	72.3	82.3
2. Mining and Oil	180.9	179.0	188.5	264.2
3. Plantations	153.3	155.5	157.4	183.1
(e) Miscellaneous	84.8	86.9	89.5	102.0
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.3	89.3	89.4	90.3
1. Bombay	89.9	89.9	89.8	90.8
2. Calcutta	90.2	90.2	90.2	91.2
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	99.0	99.0	99.4	100.0
1. Bombay	98.6	98.6	98.4	101.7
2. Calcutta	99.5	99.5	99.4	100.1
3. Madras				
PREFERENCE SHARES:	82.9	83.4	84.9	90.2
1. Bombay	73.2	73.4	73.8	80.4
2. Calcutta	93.4	93.8	94.5	97.0
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	116.5	119.1	122.7	131.0
1. Bombay	94.8	95.8	97.7	112.7
2. Calcutta	73.2	73.4	122.5	126.5
3. Madras	114.1	115.2	118.1	132.4
4. Delhi				

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809 242	3,336,961
1953	772	466,607	2,332,603
1954	840	477,138	2,372,680
1955	1,166	527,767	5,697,848
January 1955†	95	49,088	223,807
February ,,	91	38,370	144,302
March ,,	112	70,042	324,996
April ,,	108	33,432	133,745
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	226	90,218	533,099
September ,,	251	93,519	580,091
October ,,	134	47,600	214,214
November ,,	99	48,609	178,113
December ,,	129	45,277	239,550
January* 1956†	107	61,050	349,655
February* ,,	122	69,450	773,886
March* ,,	148	133,188	678,716
April* ,,	143	83,580	565,964
May ,,	137	64,351	653,720
June ,,	152	71,813	476,166
July* ,,	149	100,069	535,775
August* ,,	138	64,516	495,639
Sept.* ,,	185	125,226	908,399
Oct.* ,,	145	111,622	222,021
November ,,	111	43,233	437,449
December ,,	101	49,511 (a)	269,949 (b)

† Figures are provisional. * Revised.

(a) Not known in 2 cases. (b) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,801.4	5,134.3
1953-54	648	6,876.8	5173.7
1954-55	656	7,760.9	5,819.2
1955-56	715	8,805.8	7,185.8
Jan., to Dec. 1955	724	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,630.7	7,892.0
October 1955	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956	731	757.3	621.8
February ,,	739	749.9	623.0
March ,,	715	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	825.8	669.1
June ,,	710	798.5	658.5
July ,,	724	798.0	658.3
August ,,	725	793.7	650.0
September ,,	737	812.7	666.4
October ,,	753	824.1	670.1
November ,,	756	810.5	668 1
December ,,	757	881.5	715.0

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

‡ At the end of period.

Source:—Central Water and Power Commission.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	30th Mar., 1957	23rd Mar., 1957	31st Mar., 1956	March, 1957	March, 1956	Percentage o/ Increase (+) or decrease (—) in Mar., 1957 as compared with Mar., 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	401.4	403.6R	358.8	402.5	351.6	+14.5	388.5	313.2
Cereals	59	535*	534*R	447*	528	439	+20.3	499	372
Pulses	8	432	440	355	440	373	+17.9	397	289
Others	33	236*	240	243*	242	233	+ 3.9	247	235
Industrial Raw Materials	(18)	519.4	520.8R	477.9	518.0	475.6	+ 8.8	501.9	419.8
Fibres	55	508	509R	465	505	471	+ 7.8	483	429
Oil seeds	20	557*	561	538	559	511	+ 9.4	558	398
Minerals	10	538	538	438	552	453	+21.9	508	427
Others	7	414	412	401*	413	406	+ 1.7	421	431
Semi-Manufactures	(17)	400.6	403.8	375.5	403.3	369.8	+ 9.1	402.3	338.2
Leather	8	410	410	411	410	408	+ 0.5	409	378
Mineral oils	12	210	210	208	210	208	+ 0.9	209	207
Vegetable oils	16	569	578	529	577	489	+17.9	582	389
Cotton yarn	35	482	485	434*	484	452	+ 7.1	487	422
Metals	12	328	328	282*	328	282	+16.3	318	264
Oil cakes	5	403	418	306	419	379	+10.5	447	338
Others	5	376	387	363	385	364	+ 5.8	366	336
Manufactured Articles	(32)	384.1	383.9	373.7	384.1	374.9	+ 2.5	384.6	372.9
Textiles	64	410	410	405	410	408	+ 0.5	416	408
Jute	11	411	409	395	412	410	+ 0.5	416	418
Cotton	45	414*	414*	402*	414*	403*	+ 2.7	420*	403*
Rayon and Silk	6	442*	442*	502*	442*	502*	—11.9	435*	485*
Woollen	2	266	266	278	266	278	— 4.3	265	284
Metal products	17	392	392	371	392	371	+ 5.7	386	359
Others	19	302	302	286	302	285	+ 5.96	294	285
Miscellaneous	(8)	568.9	567.1	494.1*	569.8	508.0	+12.2	559.3	546.4
All Commodities	(100)	420.7	422.0R	390.4	421.2	387.4	+ 8.5	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugar† | Gur | Tobacco | Raw Cotton | Raw Jute† | Groundnut | Linseed | Coal† | Jute manufactures | Cotton manufactures† | Iron and Ste

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		(In thousand acres)			(In thousand tons)	
	Fore-cast	1955-56	1954-55	1955-56	1954-55
Cereals—						
Rice	2nd	72,512†	71,886††	23,000†	23,515††
Wheat	final	29,225	27,517	9,348	9,778
Jowar	final	45,721	45,446	6,940	9,093
Bajra	final	37,025	37,983	5,400	5,421
Barley	final	8,145	8,809	2,721	2,870
Maize	final	8,909	9,311	2,819	2,930
Ragi	final	5,527	5,711	1,444	1,546
Small millets ..	final	18,095	18,799	2,108	2,456
Total cereals ..	final	211,000	212,025	53,249	55,734
Pulses—					
Gram	final	22,022	22,047	4,855	5,393
Tur	final	5,757	5,944	1,514	1,688
Other Kharif pulses §	final	15,868	16,719	1,650	1,830
Rabi pulses‡	final	10,578	10,990	1,858	1,959
Total pulses ..	final	55,100	55,800	10,187	10,870
Oilseeds—					
Groundnut ..	2nd	11,290†	10,968††	3,559†	3,378†
Castorseed ..	final	1,403†	1,408††	329†	1243††
Sesamum ..	3rd	4,996†	5,423††	417†	434††
Rape and Mustard	final	6,262	6,095	862	1,019
Linseed	final	3,484	3 854	876	882
Total oilseeds ..	final	29,471	30,822	5,566	6,242
Fibres—					
Cotton*	final	20,230	18,684	3,998	4,227
Jute A.	final	1,388†	1,739††	4,221†	4,197††
Mesta A.	2nd	695†	553††	1,430†	1,101††
Other crops—					
Potato	final	693	668	1,889	1,786
Sugarcane ..	2nd	4,552††	3,945††	58,914†	50,455††
Ginger (Dry) ..	final	27	25	15	14
Pepper (Black) ..	final	214	208	37	36
Chillies (Dry) ..	final	1,492	1,522	340	368
Tobacco	final	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During March, 1957	84.7
	Corresponding month, 1956 ..	99.3
	Nine months ended Mar., 1957 ..	771.0
	Corresponding period, 1956 ..	800.5
Stocks	At the end of Mar., 1957 ..	97.7
	Corresponding month, 1956 ..	95.0
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 9th Feb., 1957 ..	N.A.
	Corresponding week, 1956 ..	3,555
	From 1st Jan., to 9th Feb., 1957.	N.A.
	Corresponding period, 1956 ..	42,667
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 9th Feb., 1957 ..	N.A.
	Corresponding week, 1956 ..	18,681
	From 1st Jan., to 9th Feb., 1957.	N.A.
	Corresponding period, 1956 ..	143,014
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	March, 1957	4.91
	Corresponding month, 1956 ..	5.76
	Nine months ended Mar., 1957 ..	44.93
	Corresponding period, 1956 ..	46.62

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1954 ..	11,54,000	10,70,800	7,80,000
Do. 31st March, 1955 ..	11,84,400	10,42,900	7,81,800
Do. 31st March, 1956 ..	11,58,900	10,63,100	7,97,600
Do. 31st March, 1957 ..	11,55,600	10,73,000	7,97,500
October 1955	91,700	82,500	64,800
Nov. ,, ...	91,900	86,800	68,400
Dec. ,, ...	103,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
Febuary ,, ...	97,500	89,500	67,700
March ,, ...	1,03,300	99,200	69,300
Oct. ,, ...	98,700	91,100	71,500
Nov. ,, ...	94,700	88,500	65,100
Dec. ,, ...	101,500	93,500	66,900
January 1957	97,400	94,800	70,500
February ,, ...	90,000	81,300	63,400
March ,, ...	95,100	93,200	75,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	6,36,710	4,81,460	3,13,940
Do. 31st March, 1954 ..	5,80,080	5,49,980	3,93,440
Do. 31st March, 1955 ..	7,15,949	5,38,340	4,59,092
Do. 31st March, 1956 ..	7,05,886	5,31,508	4,80,607
Three months ended June, 1954.	1,88,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954.	1,80,016	1,20,741	1,13,861
,, ,, ,, Dec., 1954.	1,88,053	1,36,801	1,30,616
,, ,, ,, Mar., 1955.	1,65,108	1,43,828	1,18,186
,, ,, ,, June, 1955.	1,85,605	1,34,823	1,16,381
,, ,, ,, Sept., 1955.	1,76,181	1,30,630	1,06,714
,, ,, ,, Dec., 1955.	1,80,750	1,34,695	1,05,752
,, ,, ,, Mar., 1956.	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956.	1,48,806	1,17,710	92,609
,, ,, ,, Sept., 1956.	1,74,447	1,38,825	1,13,954
,, ,, ,, Dec., 1956.	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	November,		Eight months April to Nov.,	
	1955	1956	1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	3,27	3,24	36,32	23,46
Raw materials ..	12,26	10,20	102,57	108,39
Manufactures ..	44,43	54,35	260,90	387,28
Other Items ..	24	35	1,08	3,02
Total*	60,23*	68,14*	401,77*	522,15*
By land	2,73	1,83	16,68	12,93
Total Imports ..	62,98	69,97	418,45	535,08
Exports :				
By sea and air—				
Foodstuffs ..	14,67	20,35	102,86	133,83
Raw materials ..	13,43	9,38	110,28	76,87
Manufactures ..	20,43	24,54	168,53	160,61
Other Items ..	32	40	2,80	3,65
Total ..	48,85	54,87	384,47	374,36
By land	60	48	3,89	3,64
Total Exports ..	49,45	55,35	388,36	378,00
Total Re-exports ..	35	57	3,53	5,27
Balance of trade in merchandise	—13,12	—14,04	—26,54	—151,64
Balance of transactions in private treasure	....	3	4	15
Total visible balance of trade.	—13,12	—14,07	—26,58	—151,79
Imports : ‡				
Total C'wealth countries ..	24,48	23,62	181,48	207,41
Total Foreign countries ..	35,77	44,52	220,29	314,74
Exports : ‡				
Total C'wealth countries ..	26,14	29,71	193,22	196,10
Total Foreign countries ..	22,71	25,16	191,25	178,26

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Figures subject to revision.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	351	48	148
December 1955	9,230	2,071	726	154	78	50	95	21	252	304	30	237	38	117
January 1956	10,396	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February ,, ...	11,548	2,541	882	190	97	63	133	27	395	374	38	298	45	136
March ,, ...	12,761	2,772	972	212	110	67	150	29	474	412	41	351	48	148
April ,, ...	1,135	237	82	22	12	5	13	2	44	34	2	21	2	10
May ,, ...	2,227	470	166	44	25	11	26	5	115	70	5	50	5	21
June ,, ...	3,264	705	256	59	33	15	32	5	148	104	7	89	9	33
July ,, ...	4,310	959	344	71	35	19	44	6	168	139	10	118	14	50
August ,, ...	5,400	1,222	433	87	43	23	58	8	184	172	13	150	19	65
September ,, ...	6,430	1,445	505	97	46	23	72	10	199	207	15	179	26	81
October ,, ...	7,494	1,703	579	110	50	22	96	12	216	242	18	212	33	98
November ,, ...	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114
December ,, ...	9,550	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	144

Notes.—The figures relate to broad and metre gauges of Class I Railways. The montly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.
* Including sugarcane rom November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 11th April, 1957 ..	49,434(J)
	Corresponding week, 1956 ..	63,759(J)
	1st Sept. 1956 to 11th April, 1957 ..	1,175,623*
	Corresponding period, 1955-56 ..	1,254,108*
Cotton Exports‡ ..	Week ended 11th April, 1957 ..	1,266
	Corresponding week, 1956 ..	4,616
	1st Sept. 1956 to 11th April, 1957	173,272
	Corresponding period, 1955-56 ..	492,286
Mill Consumption .. (Estimated)	1st Sept. 1956 to 11th April, 1957	805,764
	Corresponding period, 1955-56 ..	775,600
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 11th April, 1957	603,890
	Corresponding date, 1956.. ..	614,849
Cotton Exports from Bombay (by sea)	During Jan., 1957	42,291§
	During Jan., 1956	35,978
	1st Sept., '56 to 31st Jan., 1957.	108,022
	1st Sept., '55 to 31st Jan., 1956.	363,052
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 28th Mar., 1957	1,084,715
	Corresponding period, 1955-56 ..	1,204,843
Exports	1st Sept., 1956 to 28th Mar., 1957	555,679
	Corresponding period, 1955-56 ..	620,165

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1956 to 8th April, 1957 Bales	From 1st Sept. 1955 to 8th April, 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	19,163	63,343
Continent	17,286	89,473
Hongkong	24,817	36,482
China	3,437	53,185
Japan	105,907	249,318
U.S.A.	2,084	3,751
Other Countries	462	2,926
Total to all foreign countries ..	173,156	498,478
Coastal Ports ..	7,360	64,115
Total	180,516§	562,593§

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	January, 1957	416,282
Foreign		199,017
Indian	Five months ended Jan., 1957	1,941,293
Foreign		248,635
Indian	Same Period 1956	1,872,984
Foreign		235,249
Stocks (Mills and Elsewhere)—		
Indian	As on 31st January 1957 ..	1,126,458
Foreign		171,896
Indian	As on 31st January, 1956 ..	1,187,911
Foreign		156,440
Cotton Pressed in India (In running bales) ..	Week ended 29th Mar., 1957 ..	16,691
	Corresponding week, 1956 ..	130,943
	1st Sept., 1956 to 29th Mar., 1957	2,837,859
	Corresponding period, 1955-56 ..	2,284,352

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-35	63,30,26,000	1960-70	100.85
3 % Loan	1938-39	1,16,17,46,000	1968-65	94.20
3 % Loan	1940	40,33,10,000	1964	94.45
3 % Fd. Loan	1943	1,10,11,78,000	1958-68	99.15
3 % V. Loan	1944	28,54,89,000	1957	99.75
2½ Loan	1945	1,18,04,86,000	1970-75	87.20
2½ 2nd V.Loan	1945	1,18,04,54,000	1965-91	97.75
2½ Loan	1951	50,25,33,000	1958	99.65
2½ Loan	1946	45,00,27,000	1960	96.45
2½ Loan	1946	57,00,69,000	1961	93.50
2½ Loan	1946	14,77,45,000	1976	83.10
2½ Loan (N.P. Bonds)	1947	75,86,72,000	1968	93.85
2½ N.P. Loan	1954	75,39,00,000	1961	99.50
2½ N.P. Loan	1954	1,58,17,84,000	1964	98.40
2½ N.P. Bonds (2nd Series)	1946	1,08,07,92,000	1966	98.45
2½ ,,	1956	57,37,00,000	1962	97.80
2½ N.P. Bonds	1946	38,38,00,000	1967	98.45
2½ ,,	1956	66,64,00,000	1974	98.50
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months notice. On September, 1966 or later at option of Government after three months' notice.	73.00
5 % Loan	1946	2,48,91,47,000		74.30
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,73,000	1958-68***	101.75
STATE LOANS				
3 % Andhra	1955	4,50,00,000	1st Sept. 1967	97.80
3 % Andhra	1956	6,00,00,000	1st Sept. 1968	97.80
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98.85
3 % Bombay	1949	8,53,56,000	1st Aug. 1968	97.10
3 % Bombay	1950	9,57,39,000	31st July 1960	98.40
3½ % Bombay	1951	2,05,25,000	17th Sept. 1962	98.10
4 % Bombay	1952	5,42,26,000	16th July 1963	100.00
4 % Bombay	1953	2,55,57,000	1st Aug. 1964	100.00
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99.50
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
3 % Coohin	1945	1,00,00,000	16th Dec. 1955-58	98.00
3½ % Coohin	1956	70,09 000	1st June 1956-61	98.75
3½ % Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	95.25
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99.00
3 % Madras	1939	1,23,95,600	21st June 1959	96.50
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98.55
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98.25
2½ % Madras	1946	2,81,77,200	1st Sept. 1961	93.10
3 % Madras	1950	4,38,25,400	31st July 1960	96.25
3½ % Madras	1951	3,01,49,200	17th Sept. 1962	97.60
4 % Madras	1952	10,32,52,000	16th July 1963	98.50
4 % Maras	1952	5,24,81,200	1st Aug. 1964	98.75
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98.00
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	97.95
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1958-63	100.50
3 % Mysore(f)	1936	5,99,72,900	30th Apr. 1956-61	99.00
3 % Mysore	1947	3,05,00,700	25th Jan. 1958	99.00
3 % Mysore	1953	3,33,47,000	15th July 1963	98.85
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.00
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97.95
4 % Orissa	1954	52,50,800	15th Aug. 1964	97.50
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93.00
3 % M.P.	1950	1,01,44,700	31st July 1960	95.50
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	98.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % Saurashtra	1953	3,61,66,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4 % Trav. Cochin	1953	3,00,00,000	15th July 1963	98.62
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98.62
2½ % U.P.Z.A.	1952	40,60,66,545‡		38.75
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90.81
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98.85
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96.00
3½ % U.P.	1946	2,20,93,600	1st Sept. 1961	93.05
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	98.10
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1953	5,65,15,500	15th July 1963	98.85
4 % U.P.	1955	2,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.90
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	2,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

ABBEVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(f) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. § Interest free loan for [illegible]

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
35,50,000	4	1904	1954	
35,00,000	4	1905	1955	
15,00,000	4	1906	1957	
44,00,000	4	1907	1958	
75,00,000	4	1908	1958	98·00N
40,00,000	4	1909	1970	
15,00,000	4	1910	1977	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
1,15,37,000	4	1913	1973	D
80,00,000	4	1913	1974	98·00N
85,25,000	4	1914	1975	98·00N
24,58,000	4	1915	1975	
55,00,000	4	1915*	1975	
61,61,000	4	1924*	1960	
1,14,11,000	4	1925*	1960	
10,25,000	2½	1926*	1980	
85,00,000	2½	1926*	1949	
12,50,000	2½	1927*	1949	D
13,50,000	2½	1931*	1961	
13,50,000	2½	1932*	1962	
24,58,000	2½	1934*	1964	
15,00,000	2½	1936*	1966	
48,04,000	2½	1936*	1960	
10,00,000	2½	1937*	1962	
7,00,800	2½	1941	1971	

Amount Sanctioned	Interest per cent.	Year of Issue	Repay-able	Latest Available Quotation Rs.
IMPR. TRUST LOANS				
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100·00
30,00,000	4	1901	1961	
60,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
20,00,000	4	1905	1965	97·75
20,00,000	4	1906	1966	N
20,00,000	4	1907	1967	
20,00,000	4	1908	1968	
25,00,000	4	1911	1971	
18,00,000	4	1913	1973	
30,00,000	4	1914	1974	97·50
40,00,000	4	1916	1976	N
40,00,000	5	1919	1927-70	118·90‡
66,00,000	6	1920	1955-80	
25,00,000	5	1924	1956-80	115·00‡
25,00,000	4	1927	1967-77	98·00‡
10,00,000	3	1926	1966	
STERLING LOANS				
£566,000		1909	1969	95·50‡
£388,000		1910	1970	£95.50‡
CALCUTTA				Rs.
Rs.				
25,00,000	5½	1920	1950	106·00
50,00,000	5	1924	1954	99·75
35,00,000	5½	1925	1955	94·00
20,00,000	3	1926	1956	90·00
50,00,000	3	1927	1957	90·00
20,00,000	3	1928	1958-68	90·00
80,00,000	4	1952	1962	99·75
1,08,00,000	4	1956	1966	99·00

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1918-19	1974	98·00
10,00,000	5	1920	1980	113·00‡
25,00,000	5	1928	1948	
5,45,500	5	1928	1958	102·00
26,21,500	5	1929	1959	
5,00,00,000	3	1947	1977	86·25
2,50,00,000	2½	1947	1979	86·25
4,90,00,000	2½	1950	1985	92·25
2,50,00,000	3	1951	1984	92·25
2,00,00,000	3½	1951	1987	92·00
1,50,00,000	4	1952	1982	98·25
2,50,00,000	4	1955	1985	98·00
1,50,00,000	4	1956	1968	98·00
CALCUTTA				
35,00,000	5	1928	1958	102·00
25,00,000	5	1929	1967	101·50
25,00,000	5	1929	1958	102·00
10,00,000	5½	1932	1965	90·00
33,91,000	3½	1935	1965	94·00
60,00,000	3	1936	1966	90·00
50,00,000	3	1938	1968	99·00
15,56,800	4	1940	1957	99·50
17,64,400	3½	1942	1969	96·00
21,10,000	3½	1948	1968	97·00
15,49,000	3½	1951	1960	97·50
16,88,000	3½	1951	1961	97·50
66,88,000	3½	1951	1966	97·75
37,66,000	4	1952	1962	99·00
72,50,000	4½	1954	1979	100·00
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107·00
15,00,000	3½	1952	1962	107·50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98·25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99·75
4 % W. Bengal	1953	2,50,25,000	15th July 1963	99·50
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99·00
4 % W. Benga	1956	7,00,00 000	3rd Sept. 1968	99·75

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6½	Mar. Sep.	110.00	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ,, ..	70.00	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	98.00	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	120.00	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6.75	5
¶East India Distilleries ..	£200,000	1897	7	Jan. July	16.50	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	62.00xd	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	62.00xd	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15.00	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	100.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	80.00	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20.00	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8.25	10
Upper Ganges	12,00,000	1923	5	Dec. ..	90.00N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70.00N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99.00	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	100.00	100
Burrakur (1st)	82,99,800	1901-19	7	Apr. Oct.	112.00	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7.50	10
Equitable	4,00,000	1895	6	Mar. Sept.	99.00	100‡
Karanpura Collieries	9,37,500	1946	5½(a)	.. ..	80.00	75(p)
††Khas Kajora	1,92,000	1931	5	Mar. Sept.	3.00N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	11.00	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	104.00	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	100.00	100
Bangalore	6,00,000	1884	6	Jan. July	123.50	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7.75	10
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	90.00	100
Bowrah 'A'	6,00,000	1900	8	Feb. Aug.	125.00	100
Do. 'B'	6,00,000	1900

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BOMBAY CITY AND ISLAND

90,00,000	5,62,738	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	58,468	893	Apollo Mills	2·40	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	54,98,000	1,35,52,007	72,25,655	—6,97,129	M.	51,864	1,021	B. R. Cotton Mills	39·00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,12,58,951	5,98,22,946	3,51,00,992	2,41,366	Nowrosjee Wadia & Sons, Ltd.	2,23,552	3,084	Bombay Dyeing & Mfg.	555·00	250	55 8*	20 0	25 0*	25 0	12	Y.
10,00,000	28,74,392	58,31,886	38,57,496	91,711	Ramnarain Sons, Private Ltd.	44,784	860	Bradbury Mills	212·50	50	10 0†	7½ 0†	7½ 0	20 0	12	Y.P.
1,99,42,500	2,58,96,825	2,81,59,254	1,37,06,117	6,54,956	Birla Brothers Private Ltd.	1,26,752	2,596	Century Spg. & Mfg.	462·50	100	22 0	22 0	22 0	8 0‡	12	Y.
49,00,000	25,43,226	1,19,99,786	65,07,085	—35 08,097	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	65·00	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000	13,06,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	..	Coorla Spg. & Wvg.	131·90	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,896	49,10,561	24,66,041	2,17,076	Ramnarain Sons, Private Ltd.	40,992	680	Dawn Mills	97·50	50	8 0	6 0	15 0		12	Y.
24,00,000	40,06,435	74,75,267	36,81,782	2,83,643	Piramal Bubna Sons ..	45,718	928	Edward Textiles	250·00	200	15 0	15 0	18 0		12	Y.P.
29,98,050	11,31,233	1,09,78,849	60,74,324	1,51,324	M.	41,300	886	Elphinstone Spg. & Wvg.	59·00	50	*Nil* 3	5 0	5 0		12	Y.
56,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,523	784	Finlay Mills	305·00	100	16 0	16 0	20 0		12	Y.
60,00,000	51,19,022	87,77,496	52,92,387	38,348	James Finlay & Co., Ltd. ..	40,040	1,020	Gold Mohur Mills Ltd. ..	97·50	100	12 8	12 8	15 0		12	Y.
11,84,000	78,14,589	1,52,34,660	1,07,26,800	808	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,525·00 992·50	1,000 250	225 0* 56 4*	225 0 56 4	300 0 75 0	325 0 81 4		Y.P.
16,000									5,125·00	1,000	225 0*	225 0	300 0	300 0		
8,00,00,000	62,50,899	4,68,15,852	3,39,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills ..	1·66	0 1D.	0 1	*Nil*	0 3	0 11	12	Y.
8,65,000	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	47,984	1,122	Indian Mfg.	1,125·00	1,000	225 0*	225 0	300 0	300 0	3	Y.P
25,000									1,125·00	1,000	225 0*	225 0	300 0	300 0		
98,56,000	55,07,881	2,73,73,679	2,03,33,128	26,228	Khatau Makanji & Co., ..	92,852	1,489	Khatau Makanji Spg. & Wvg.	182·50	100	10 0*	10 0	10 0	10 0	3	Y.
1,00,00,000	1,32,00,000	3,59,04,591	2,75,94,101	1,62,802	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	316·50xd	100	20 0*	18 0	18 0*	18 0	12	Y.
22,18,050	41,06,780	1,18,74,848	55,99,116	81,670	N. Sirur & Co., Private Ltd.	70,002	944	Modern Mills	63·00	50	6 0	6 0	6 0*		10	Y.P.
51,75,000	37,05,298	2,35,58,597	1,76,19,580	1,41,489	Piramal Sons Private Ltd. ..	71,662	1,652	Mearjee Goculdas Spg. & Wvg.	220·00	100	12 0	14 0	14 0	15 0	6	Y.P.
1,57,74,400	88,41,004	6,84,71,096	2,05,00,000	5,18,085	Chinai & Co., Private Ltd. ..			National Rayon Corporation	228·00	100	9 0	10 0	12 0		12	Y.
24,00,000	29,80,456	78,06,743	48,70,077	58,192	W. H. Brady & Co., Ltd. ..	49,013	1,018	New City of Bombay Mfg.	149·40	100	10 0	10 0	10 0	10 0	12	Y.P.
20,00,000	22,01,492	96,52,334	63,37,035	245	W. H. Brady & Co., Ltd. ..	69,208	1,190	New Great Spg. & Wvg.	230·00	100	7 8	10 0	10 0		12	Y.
42,00,000	30,10,989	1,54,29,584	84,72,255	2,40,352	Ramnarain Sons, Private Ltd.	52,600	930	Phoenix Mills	143·75	100	8 0	8 0	10 0		12	Y.
40,00,000	45,70,290	93,55,049	52,80,000	2,92,577	Podar Sons, Private Ltd. ..			Podar Mills	165·00	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	8,16,990	21,21,531	19,01,840	—1,78,154	David Sassoon & Co., Ltd. ..	94,884	2,127	Sassoon Spg. & Wvg. ..	39·50	10	1 4	1 12	2 0		12	Y.
37,70,000	82,80,808	1,93,62,251	1,59,71,284	1,47,422	M. G. Investment Corporation, Ltd.	60,070	1,640	Shree Ajitnath Cotton Mills	173·00	100	14 0	14 0	12 0		12	Y.P.
30,00,000	47,70,081	90,20,958	55,37,258	1,47,422	Marwar Textiles (Agency) Ltd.	56,840	1,276	Simplex Mills	174·25	50	15 0	11 0	10 0	12 0	3	Y.
42,00,000	38,02,179	98,78,209	78,65,752	94,017	Forbes, Forbes Campbell & Co., Ltd.	97,688	2,409	Standard Mills	447·00	100	20 0	20 0	20 0		12	Y.P.
57,50,000	8,23,15,720	2,51,52,099	1,57,58,474	12,988	Mafatlal Gagalbhai & Sons ..	72,256	2,000	Swadeshi Mills	218·00	100	16 0	8 0	12 0		12	Y.P.
99,55,700	54,69,716	2,52,87,647	1,19,01,809	67,611	Tata Industries Private Ltd. ..	99,328	552	Swan Mills	401·25	100	20 0	20 0	25 0		12	Y.
36,60,000	68,38,465	1,28,99,971	81,63,715	1,51,080	James Finlay & Co., Ltd. ..	62,096	1,800	Tata Mills	48·00	25	1 0	2 8	4 0		12	Y.P.
65,57,000	51,96,776	1,77,54,589	98,44,353	48,485	Tata Industries Private Ltd. ..	45,508	1,808	Western India Spg. & Mfg.	5,200·00	1,000	225 0*	25 0	300 0	300 0	3	Y.
13,08,000	61,05,708	1,27,41,228	90,50,000	4,524	M.											

AHMEDABAD

46,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills	172·50	100	10 0*	5 0	7 0	12 0	6	Y.P.
10,00,000	94,00,058	94,37,993	76,10,164	27,288	P. M. Hutheesing & Co., Ltd. ..	42,768	912	Aruna Mills	1,045·00	100	25 0	20 0	30 0		12	Y.P.
30,23,000	2,55,30,694	1,66,65,504	1,16,00,000	73,768	Narottam Lalbhai & Co. ..	62,448	1,316	Arvind Mills	477·50	100	15 0	15 0	25 0*		12	Y.P.
20,00,000	81,75,000	90,34,384	72,25,000	2,46,389	Mangaldas & Bros. Ltd. ..	35,884	592	Aryodaya Ginning & Mfg.	960·00	100	22 0	22 0	30 0		12	Y.P.
10,00,000	11,00,000	1,33,45,074	69,64,953	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	50·50	125	10 0	10 0		80 0‡	3	Y.
1,37,50,000	3,35,76,223	4,61,25,353	2,88,66,344	2,31,712	Karamchand Premchand Ltd. ..	1,89,120	2,572	Century Spg. & Mfg. Ltd.	1,615·00	1,000	70 0	70 0	80 0		12	Y.
62,87,000	24,58,000	1,51,00,345	59,25,000	2,760	Tribhuvandas Bhoglal & Co., Ltd.	45,836	866	New Commercial Mills ..	892·00	125	35 0	35 0	35 0		12	Y.
20,00,000	72,55,488	1,12,09,322	86,20,968	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.								
12,50,000	1,14,77,470	86,39,439	60,39,888	.....	Jagabhai Bhoglal Nanavaty & Co., Ltd. ..	24,840	572	Nutan Mills	410·00	100	20 0*	80 0*	80 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,608	17,24,749	Lalbhai Dalpatbhai & Co. ..	81,120	636	Raipur Mfg.	840·00	100	25 0	25 0	35 0*		12	Y.P.
30,96,150	2,03,84,588	1,76,92,543	1,52,75,000	2,23,290	Lallubhai Gordhandas Ltd. ..	82,156	845	Rohit Mills	166·25	100	9 0	9 0	*Nil*		12	Y.
19,52,500	62,31,268	1,39,06,018	68,84,701	15,592	Harivallabhdas Kalidas & Co. ..	73,808	1,325	Shri Ambica Mills ..	592·00	50	18 0	20 0	27 8*		12	Y.P.
					Mafatlal Chandulal & Co. .. (Ahmedabad), Ltd. ..	36,648	720	Shorrock Spg. & Mfg. ..	601·25	100	20 0	25 0*	25 0		12	Y.
26,00,000	90,84,191	1,09,66,008	73,35,291	84,644	Haridas & Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	690·00	400	35 0*	35 8*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,42,500	24,93,029	21,33,330	61,676	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mill's ..	5·75xd	10	0 4	0 8	0 8		12	Y.P.T
15,00,000	9,10,617	73,14,055	52,99,911	59,990	Bengal Textile Agency, Ltd. ..	33,297	925	Bengal Jute Cotton Mills ..	40·00N	10	*Nil* 4	0 8	0 8	4 0	6	Y.
9,0,000	22,72,414	89,08,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,944	516	Bowreah Cotton Mills ..	115·00	100	*Nil*	*Nil*	*Nil*		6,12	H.
19,00,000	20,17,177	1,04,85,585	70,74,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	175·00	100	*Nil*	*Nil*	2 8		6,12	H.
1,60,00,000	2,20,43,320	3,76,19,833	1,31,26,833	1,86,673	Birla Brothers Private Ltd. ..	74,672	1,992	Kesoram Cotton Mills ..	13·75	10	1 12	0 14	1 0	1 0	3	Y.
13,47,7500	7,45,000	47,06,298	24,48,252	1,094	Hazarecmull Heeralall ..	23,036	795	Rampooria Cotton Mills	16·00N	10	*Nil*	*Nil*	*Nil*		6	Y
5,00,000D									2·75N	1D	*Nil*	*Nil*	0·5 11/25			

SOUTH INDIA AND OTHER CENTRES

11,86,600	5,37,596	31,26,764	15,64,248	2,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217·00	100	4 0	*Nil*	12 8	15 0	6	Y.
17,34,000	25,91,264	1,84,91,580	50,78,582	1,36,043	Industrial Trust Fund	26,136	716	Azam Jahi Mills	82·50	100	6 0	*Nil*	3 8(e)		3	Y.
40,50,000	2,50,15,867	3,39,77,494	2,60,70,021	2,82,947	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	557·00cd	100	25 0	80 0	80 0	80 0	12	Y.P.T
27,00,000	15,50,000	77,25,162	53,72,182	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills ..	7·50	10	0 4	*Nil*			6,12	H.P.T
25,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	28·50N	10	3 0	3 0	3 0		3	Y.T.
1,78,47,800	2,77,73,212	6,69,41,316	3,97,01,813	2,28,220	Binny & Co. (Madras), Ltd...	1,20,288	2,762	Buckingham & Carnatic ..	176·00cd	100	10 0	10 0	10 0	10 0	12	Y.T.
20,00,000	20,00,000	59,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	27,036	4	Cambodia Mills	12·25	10	0 12	*Nil*	2 8		3	Y.
15,00,000	5,11,500	45,38,029	24,63,351	5,294	K. Ramachandran, Esq. ..	20,600	..	Connemara Spg. & Wvg. ..	170·00	100	12 0	20 0	15 0	15 0	3	Y.
50,00,000	29,51,000	69,40,822	46,71,778	26,767	Begg, Sutherland & Co., Ltd.	27,016	591	Cawnpore Textiles	6·18	5	0 9	0 8	*Nil*	0 4	3	Y.
9,87,470	2,00,000	50,87,586	18,02,168	58,798	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11·37	10	*Nil* *Nil*	0 10	0 12	0 12	3	Y.T.
12,00,000	19,01,066	41,97,684	30,85,709	10,889	R. Bheema Naidu & Co. ..	23,884	..	Coimbatore Cotton Mills ..	340·00	100	20 0	25 0	25 0	25 0	6	Y.
20,00,000	19,95,000	50,59,480	24,25,921	14,522	T. R. N. Naidu & Co.	26,000	..	Coimbatore Pioneer Mills ..	265·00	100	15 0	20 0	20 0		6	Y.
20,00,000	5,076	1,15,00,888	85,58,242	21,920	R. G. S. Naidu & Co.	26,000	407	Coimbatore Spg. & Wvg. ..	86·00	50	8 0	6 0	8 0		12	Y.
46,87,500	46,12,622	2,50,83,371	1,62,61,854	18,216	Tata Industries Private Ltd. ..	114,550	1,930	Central India	67·25	25	3 0	3 0	3 0	*Nil*	6	
3,85,35,225	3,06,82,110	11,16,21,472	5,81,67,227	1,28,712	T. T. Sarat Ram & Co., Private Ltd. ..	1,41,180	2,352	Delhi Cloth & General Mills	35·50N	25	1 12	2 4	2 4	2 8	3	Y.P.T.
1,00,563										2½	0 2 4/5	0 3 5/5	0 3 5/5	0 4		
24,34,500	22,25,000	66,71,565	45,12,585	.....	M. N. Chettiar & Sons	38,052	201	Dhanalakshmi Mills	345·00	100	22 0	30 0	30 0	25 0	12	Y.
68,00,000	19,43,000	1,54,57,565	1,35,57,642	78,754	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	22·00xd	10	1 0	1 0	1 0	1 4	3	Y.
48,81,000	37,59,771	1,06,45,241	73,45,088	8,155	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	193·00xd	100	10 0	13 0	15 0	13 0	12	Y.P.
2,50,00,000	2,25,000	3,41,27,131	.....	1,08,74,790	Birla Gwalior Private Ltd. ..	51,180	1,420	Gwalior Rayon	138·00	*Nil*	*Nil*	*Nil*	*Nil*		3	Y.
80,00,000	6,16,447	1,33,91,953	1,12,23,576	9,551	K. L. Sakaaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United ..	138·00	100	6 0	6 0	9 0	5 01	12	Y.
8,00,000	10,66,583	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardhana, Mills	94·00	50	4 8	5 0	10 0		12	Y.
15,54,000	18,24,703	45,22,234	32,88,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji ..	1,505·00	1,000	*Nil*	20 0	50 0	60 8	6	Y.
32,42,535	19,25,000	98,32,480	82,49,160	41,492	Kothari & Sons	41,040	300	Kothari Textiles	14·75	10	0 8	0 8	1 0	1 0	6	Y.
32,00,000	67,91,510	1,69,61,585	1,26,19,465	20,376	M.	60,462	1,210	Lakshmi Cotton Mfg. ..	705·00	250	37 8	33 12	42 8	42 8	12	Y.
35,54,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	133·00	50	5 0	10 0	12 8	12 8	3	Y.
17,82,050									65·00	25	2 8	5 0	6 4	6 4		
1,75,02,480	4,24,40,278	5,83,51,024	3,77,47,982	32,44,180	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	41·75	15	3 0	3 0	3 0	2 10	3	Y.
12,00,000	4,17,335	28,95,753	16,72,203	—99,078	A. L. A. R. S. Chettiar and Others.	22,592	100	Malabar Spg. & Wvg. ..	100·00	100	8 0	*Nil*	12 0		12	Y.
60,00,000	69,00,000	68,79,027	43,39,784	45,885	W. A. Beardsell & Co., Ltd.	25,656	608	Mettur Industries Ltd...	410·00	100	12 8	22 8*	35 0	42 8	12	Y.
29,80,884	19,61,581	69,75,246	49,94,788	16,588	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	82·00	100	7 8	5 0(e)	6 0		12	Y.
94,91,850	21,56,116	1,71,94,769	78,81,528	1,88,008	M.	52,408	952	Model Mills (Nagpur) ..	191·00	250	7	5 0(e)	7 8(e)	7 8	12	
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	38,540	1,834	Mair Mills	75·00N	100						
24,53,500	50,54,085	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Private Ltd.	50,480	500	Mysore Spg. & Mfg. ..	101·25	50	10 0*	8*	6 0(e)	9 0*	3	Y.
15,61,780	6,500	29,25,252	15,12,761	—1,50,858	R. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8·87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
26,99,3520	25,02,523	1,04,27,293	58,90,719	—48,59,087	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills ..	1·87	0. 2½	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
5,07,0960										D. 1	*Nil*	*Nil*	*Nil*			
4,97,19,600	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	902	Osmanshahi Mills	62·00	100	4 0	*Nil*	2 8(e)		9	Y.
4,90,200A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	41,200	..	Palani Andavar Mills	147·00	50A	12 0	12 0	12 0		12	Y.
5,00,000B									215·00	75B	18 0	18 0	18 0			
18,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	70·00	100	*Nil*	*Nil*	*Nil*	6 0(e)	12	
16,81,200A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	300	Radhakrishna Mills	275·00	100A	8 0	16 0	20 0		12	
8,40,600B									140·00	50B	4 0	8 0	10 0			
18,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	33,896	..	Rajalakshmi Mills	137·00	50	7 8	10 0	10 0		12	Y.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,596	..	Rajapalayam Mills	140·00	100	4 0	6 0	10 0	10 0	3	Y.
22,31,750	12,40,000	49,64,423	21,20,815	32,012	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	140·00	100	6 0	9 0	10 0	10 0	12	Y.
60,00,000	62,41,588	1,00,25,428	35,44,914	—15,16,728	J. P. Srivastava & Sons (Rampur)..	34,582	600	Raza Textiles	6·50N	10	*Nil*	*Nil*			3	
16,90,000	1,60,45,917	3,18,49,081	2,05,07,227	—1,65,20,798	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	1,225·00	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
10,000										500	*Nil*	*Nil*				
36,59,700	17,10,000	81,44,272	65,63,818	1,09,148	H. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills ..	106·00	50	4 0*	4 8	5 0	7 0	3	
26,14,800	2,00,345	35,18,906	17,73,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	89·00N	100	*Nil*	*Nil*			12	
15,00,000	3,43,80,155	99,02,153	79,53,780	80,80,553	Birla Brothers, Private Ltd. ..	26,212	1,244	Sutlej Cotton Mills	94·00xd	100	5 0	5 0	6 0	6 0	3	Y.P.
17,50,000	2,30,00,000	4,54,40,847	1,70,63,159	1,09,029	Jalpuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur)	12·00N	100	0 8	0 12	0 12		12	Y.P.
1,00,00,000	30,14,788	2,80,55,817	1,87,16,776	2,63,771	Emcete & Sons (Travancore), Ltd...			Travancore Rayons	11·90N	10P.O.	0·14 2/5	1·2 2/5	1·2 2/5		12	Y.
12,94,870	8,78,331	37,20,181	11,37,836	1,508	Mooili Ramjee & Sons			Trichinopoly Mills	13·75cd	10	0 8	0 10	0 12		12	Y.
21,00,000	34,80,000	71,82,723	40,83,188	56,000	R. K. Chetty & Brothers ..	18,000	..	Vasanta Mills	13·12cd	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.
32,00,000	31,89,009	1,74,27,020	1,17,94,860	16,922	M.	44,424	870	Vishnu Cotton	308·00cd	100	12 0	15 0	20 0		12	Y.
						47,240	1,355		139·40	100	4 0	1 0	8 0	8 0	12	

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (b) For six months ended 31st December 1955.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BREWERIES AND DISTILLERIES

19,22,000	25,48,500	1,12,43,027	57,39,023	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	10.25cd	5	*Nil*	*Nil*	0 8	0 12	5	Y.
16,20,930	26,75,014	29,39,941	16,23,423	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6.00	5	0 8	0 8	0 9	0 9	3	Y.
55,49,950	$925,777	$1,308,585	$566,540	$56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	26.25 B. 51	A. 16th. B. 51	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	Sh. 1	9	Y.P
6,00,000	9,50,000	15,90,636	15,96,629	4,679	Vittal Mallya, Esq., (Chairman)	United Breweries	172.50	75	15 0	15 0	15 0	15 0	3	Y.

CEMENT

51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	12.62	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,6000	13,13,132	1,44 65 792	53,48,079	4,59,343	Hastern Corporation Ltd. ..	Assam Bengal Cement ..	6.25 0.94	O. 10 D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.T.
4,70,976D														
12,71,67,253	8,46,99,450

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	100.00	25	1 9	3 2	4 11		6,12	H.P.E.
63,90,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp †‡ ..	21.50	10	12 0	14 0	1 6 0/0	011 1/51	3,9	H.
35,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16.00	10	1 0*	0 12*	0 12*	1 0*	3	
1,46,82,500	2,15,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd....	Orient Paper	31.10	10	2 0	0 15	1 2	0 10	3,9	H.P.E.
1,25,49,070	67,82,768	1,55,90,914	95,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills] ..	14.93	10	1 8	1 8	1 4	0 10	6,12	H.P.E.
30,00,000	6 50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10.25	O. 10	0 12	0 12	1 4		3,9	H.P.E.
19,00 000'A.'							10.25	A. 10	0 12	0 12	1 4			
2,18,55,240	49,18,060	3,75,66,264	57,02,879	17,813	Birla Brothers Private Ltd.	Sirpur Paper Mills	9.10		Nil	Nil	5 0‡	0 8	6	Y.P.
56,00,000A.							35.37	A. 10	2 0*	1 8	2 0*	1 2‡*		
56,04,800B.	8,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	35.37	B. 10	2 0*	1 8	2 0*	1 2‡*	3,9	H.P.
4,87,600P.O.							4.00	P.O. 24	0 4	0 4	0 4	0 2‡*		
PRESSING														
5,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule &Co.	Calcutta Hydraulic]	95.00N	100	3 0	4 0	*Nil*	*Nil*	6	Y.
5,00,000	2,47,132	10,91,809	9,80,374	26,289	Andrew Yule & Co.	Central Hydraulic]	125.00	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
6,00,786O.	6,93,332	43,52,570	22,63,279	36,000	S. A. Baali, Esq., & others (Directors)	Humayun Properties	13·50N	O. 10	0 11‡	0 9 3/5	0 9 3/5			
2,00,000D.							2·75N	D. 1	0 4/5	*Nil*	0 9 3/5		9	Y.P.
60,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co.,Ltd.	Port Canning Land	6·25	100	1 8	1 8	*Nil*		4	Y.
94,00 000	26,70,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	21.25	100	1 8	1 4 0	3 0	*Nil*,	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,05,545	31,61,533	10,73,833	—5,14,587	Bird & Co. Private Ltd.	Assam Saw Mills	2·95	3	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000							586.00	Old125	15 0	20 0	27 8	40 0		
43,00,000	4,13,54,388	3,93,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corps.	217.00	New50	6 0	8 0	15 0	16 0	5	Y.
6,00,000		7,23,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25·00N	100	*Nil*	*Nil*			6	Y.P.
60,00,000	21,15 487	19,00,295	14,35,560	2,76 619	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products.	40·25	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,37,602	—48,371	Begg, Sutherland & Co., Ltd. ..	Balrampu Sugar	6·50	5	*Nil*	0 12	0 1	*Nil*	6	Y.
12,00,000A.	29,80,250	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	130.00N	A. 100	10 0	10 0	10 0	10 0	6	Y.P.
3,00,000B.							14·00N	B. 10	1 0	1 1	1 0	1 0	4	
19,49,050	5,50,000	33,35,389	24,41,801	51,885	Bangur Bros., Ltd.	Belsund Sugar	11.37	7½	0 12	0 12	0 12		3	Y.
18,00,000	13,57,313	18,12,193	12,47,841	2,330	Cotton Agents Private Ltd. ..	Bhagar	16·25N	10	1 8	1 8	1 8	1 8	6	Y.
32,00,000	28,87,030	1,36,90 776	92,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7.31	10	*Nil*	0 12	0 4		6	Y.P.T.
80,00,000	65,63,722	1,63,27,398	86,27,332	91,991	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	17.00	10	2 0	0 12	0 12	0 12	10	Y.P.
18,00,000	39,72,380	81,88,088	55,46,244	29,508	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	20·37	10	2 0	1 0	1 8		6	Y.
5,99,452	6,18,562	24,58,530	15,38,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10.00N	10	1 0	1 0	1 8	1 0	6	Y.P.
50,00,000A.	44,95,000	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills ..	275·00	A. 100	15 0*	15 0*	15 0*	0 12	8	Y.P.
1,00,00,000.							100.00	O. 100	15 0*	15 0*	15 0*	15 0	6	
13 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	65.00	80	*Nil*	*Nil*	4 8		6	Y.P.
7,89,100	22,35,852	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd. ..	New India Sugar Mills ..	46.25	40	*Nil*	*Nil*	2 4		7	Y.P.T.
11,00,000	4,45,000	46,39,636	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd.	New Savan	5.75	10	2 8	2 8	2 8	2 8	5	Y.
13,98,000							225·00	100	20 0	20 0	20 0	20 0		
61,375	48,01,854	71,25,062	24,33,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill ..	60.00	25	5 0	5 0	5 0	5 0	6	Y.
77,45,350	55,05,699	2,04,72,468	1,05,50,000	20,568	Cotton Agents Private Ltd. ..	Oudh Sugar	140.00	100	11 0	11 0	11 0	11 0	7	Y.P.
18,00,000	12,69,874	31,96,494	21,49,459	24,562	Narang Bros. & Co. Private Ltd.	Punjab Sugar	100.00	100	10 0	10 0	10 0		7	Y.
9,00,000	10,54,317	43,09,385	31,54,228	20,705	Begg, Sutherland & Co., Ltd. ..	Partabpore Co.	17·25N	10	1 0	0 12	6 0		10	Y.P.
3,00,000	6,10,793	28,74,028	22,66,790	13,204	M.	Ryam Sugar	18·25xdN	10	0 8	0 8	*Nil*	1 12	6	Y.P.
11,99,000	19,88,520	46,20,192	24,12,129	3,554	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	11.50	10	1 0	0 8	*Nil*	1 12	6	Y.P.
29,70,525	22,88,560	1,40,84,561	68,35,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	31.00	10	1 8	1 8	*Nil*	*Nil*	6	Y.
9,99,950	26,825	28,20,774	13,51,547	—4,25,477	H. K. Ghosh, Esq., and R. N. Dasta, Esq. (Managing Directors)	Sitalpore Sugar	4.75	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.T.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros.	Shri Bisaram Sugar	15.06	10	2 0*	1 8*			6	Y.
9,15,000O.	46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	1·00N	O. 10	*Nil*	*Nil*	*Nil*		8	Y.P.
4,40,000D.							0·25N	D. 2½	*Nil*	*Nil*	*Nil*			
8,00,000	29,24,348	1,15,70,815	68,03,754	32,829	Cotton Agents Private Ltd.	Upper Ganges Sugar	70·00N	10	*Nil*	*Nil*	*Nil*		10	Y.
16,00,000	7,66,589	32,69,961	26,68,926	20,564	M.	United Provinces Sugar	15.00	10	2 8	2 8	2 8	3 0	6	Y.P.
Other Centres														
20,00,000	8,00,000	48,07,304	14,63,228	1,90,837	Rangarao & Co.	Andhra Sugars Ltd.	18.25	10	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
2,25,00,000	8,71,248	1,45,28,415	44,23,374	—44,12,988	W. H. Brady & Co., Ltd. ..	Belapur Company	226.00	50	16 0	16 0	16 0	16 0Z	9	Y.
1,72,24,400	1,31,20,208	7,56,34,689	3,47,94,970	4,91,024	Sahu Jain Ltd.	Bhopal Sugar Industries Ltd.	17.50	10	2 0	1 0	1 0	1 0	6	Y.
40,00,000	87,05,558	1,21,67,804	73,09,327	6,32,212	O. W. Stephenson, Esq. ..	Bhore Sugar	32.50	10	2 0	1 8	2 0	1 8	6	Y.
75,00,000	54,13,880	1,77,40,316	5,58,635	3,65,280	E. H. D. Campbell, Esq.,	Sponsor & Co., Ltd.	16·12	10	1 8	1 8	1 8	1 8	6	Y.
9,98,380	....	14,99,280	3,84,580	....	Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd. ..	11·44	10	1 0	1 0	1 0		12	Y.
						Travancore Ogale Glass ..	3·62	10	*Nil*	*Nil*	*Nil*		13	

M.—Managed by Board of Directors. †‡ Investments at cost. * Includes bonus.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.
Z—In the case of Belapur Co.,the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,34,864	5,38,169	....	McLeod & Co., Ltd.	825	Amluckie	28.00	10	25 0	72 0	19 0		13	Y.P.
5,50,000	8,43,250	10,60,902	2,43,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea ..	36.00	10	1 4	7 81			13	Y.
3,50,000	3,93,250	11,21,076	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd...	437	Ananda Bag	23.00	10	2 8	3 0*	1 0		13	Y.
5,50,000	11,21,541	17,56,465	7,08,427	56,251	McLeod & Co., Ltd.	513	Baghmari	21.12	10	*Nil*	2 8	1 0		13	Y.
5,10,000	9,10,000	12,25,583	4,89,309	50,298	National Tea Corporation ..	370	Basmatia	31.12	10	1 8	3 0	1 8		13	Y.
3,30,600	4,65,000	11,62,776	7,13,759	50,298	Gillanders Arbuthnot & Co., Ltd...	570	Batell	29.00xd	5	2 0	4 0	2 8		13	Y.
2,20,000	9,40,000	10,27,063	3,08,025	66,155	Gillanders Arbuthnot & Co., Ltd...	613	Betjan	29.00	10	2 0	10 0*	2 0		13	Y.
10,50,000	28,00,000	58,38,162	20,80,062	29,686	Williamson Magor & Co., Ltd.	4,002	Bhalmuth	19.00	10	3 8	5 8	2 0		13	Y.
6,00,000	3,50,000	10,97,919	3,35,063	19,446	Octavius Steel & Co., Ltd. ..	455	Bokakhat	16.25	10	*Nil*	1 0	*Nil*		13	Y.
7,50,000	7,27,550	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	18.75	10	0 12	2 0	1 0		13	Y.P.M.
25,00,000	11,78,802	79,82,284	27,45,021	42,144	McLeod & Co., Ltd.	2,224	Brooke Bond	18.12	10	1 0	1 4	4 12	1 4	4	Y.P.
1,30,000	4,38,426	6,44,808	2,17,579	42,144	Jardine Henderson Ltd.	282	Deloo Valley	50.25	10	1 0	4 0	3 0		13	Y.
6,00,000	9,76,000	27,66,084	17,67,732	46,010	Jardine Henderson Ltd.	1,184	Dessai & Parbattia ..	230.50xd	100	20 0	40 0	10 0		13	Y.
17,58,540	9,57,952	24,59,777	8,10,850	45,786	James Warren & Co., Ltd. ..	661	Dhekakhat	21.37	10	1 8	2 8	2 8		13	Y.
4,68,970	2,92,000	3,86,404	2,101	....	M.	646	Dhunseri	16.75	10	2 0	3 0	1 0		13	Y.P.
4,50,000	7,25,800	6,45,496	48,344	54,231	McLeod & Co., Ltd.	482	Dibrugarh	23.37	10	1 0	2 0	1 0		13	Y.
2,25,700	6,11,700	11,36,207	5,56,707	1,83,540	Williamson Magor & Co., Ltd.	623	Dimakusi	26.75	10	1 4	3 0	2 0		13	Y.P.
5,62,500	3,33,000	10,32,232	13,36,113	46,711	Williamson Magor & Co., Ltd.	615	Duflaghur	33.75	10	1 4	3 0	1 4		13	Y.P.
10,00,000	5,50,000	24,74,436	10,10,956	19,211	Williamson Magor & Co., Ltd.	1,151	East India Tea ..	25.25	10	1 0	2 0	1 0		13	Y.
5,38,760	3,40,000	9,87,135	4,86,822	19,211	L. C. Kanoi, Esq.	407	Gilapukri	31.50	10	1 12	3 0	2 0		13	Y.
3,35,000	2,08,000	5,38,037	2,19,156	47,696	Williamson Magor & Co., Ltd.	546	Gohpur	22.50	10	2 0	3 0	2 0		13	Y.
A. 7,41,540	17,33,810	34,59,276	7,39,116	24,588	Octavius Steel & Co., Ltd. ..	1,910	Greb	29.50xd	A 10	2 0	5 0	2 8		13	Y.
B. 5,61,180								14.75xd	B 5	1 0	2 8	1 4			
5,00,000	5,78,000	8,35,391	3,05,540	1,849	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	28.00 N	10	2 0	9 0	0 8		13	Y.
5,70,000	12,17,716	20,46,252	11,65,555	72,827	Andrew Yule & Co., Ltd. ..	1,310	Hoolangacroe ..	245.00	100	15 0	55 0	7 8		13	Y.
58,56,900	34,40,839	....	....	72,856	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	21.37	10	*Nil*	1 0	1 0		13	Y.
7,50,000	7,20,000	14,55,327	3,31,056	7,668	Gillanders Arbuthnot & Co., Ltd...	945	Jutlibari	21.37	10	*Nil*	3 8	*Nil*		13	
2,40,000	11,30,500	12,75,848	6,72,348	65,988	M.	1,166	Kingsley-Golaghat (Assam)	280.00	100	*Nil*	25 0	25 0		13	Y.P.
1,80,000	....	19,29,634	91,729	16,321	Duncan Bros. & Co., Ltd. ..	1,054	Kotamalai Tea	29.00	5	....	....	*Nil*		13	Y.P.
6,50,000	11,33,557	10,05,997	2,45,213	1,740	Duncan Bros. & Co., Ltd. ..	636	Ledo	29.13	10	2 0	2 12	1 0		13	Y.
10,00,000	9,37,500	30,03,555	5,32,557	54,150	Octavius Steel & Co., Ltd. ..	613	Mekhoni	18.94	10	1 8	4 8	1 8		13	Y.
4,80,000	20,000	10,09,237	2,43,586	1,217	Duncan Bros. & Co., Ltd. ..	573	Mokoman	24.00	10	*Nil*	*Nil*	*Nil*		13	Y.P.
1,80,000	7,25,434	8,34,453	4,86,895	24,031	Andrew Yule & Co., Ltd. ..	433	Mothola	450.00 N	100	40 0	65 0	50 0		13	Y.
O. 1,75,000	5,05,000	9,67,340	5,86,556	83,401	Andrew Yule & Co., Ltd. ..	344	Murphulani	33.00	O. 10	2 0	4 0	1 4			
P.O. 2,00,000								33.00	P.O. 10	1 8	3 0	1 12		13	Y.
4,00,000	8,61,274	6,00,338	2,30,569	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	34.50	10	2 0	3 01			13	Y.
5,25,000	....	8,74,140	6,73,401	5,053	M.	810	Namburadi	20.00	10	*Nil*	0 81			13	
9,00,000	1,95,000	5,79,872	3,71,566	584	Duncan Bros. & Co., Ltd. ..	1,117	New Chumtalai ..	17.00	100	5 0	10 0	*Nil*		13	
2,00,000	7,52,500	7,06,985	3,87,351	81,321	Andrew Yule & Co., Ltd. ..	353	Nolgarh	46.00	10	3 8	7 8	0 8		13	Y.
6,00,000	4,45,000	18,76,013	8,04,230	4,197	L. C. Kanoi, Esq.	950	Sapoi	28.00	10	1 8	4 8	1 8		13	Y.
2,49,000	2,90,000	9,98,684	5,02,884	27,889	Williamson Magor & Co., Ltd.	403	Seajuli	24.50xd	10	1 0	4 0	2 0		13	Y.
4,50,000	7,80,000	11,98,816	3,97,156	54,538	Octavius Steel & Co., Ltd. ..	567	Teen Ali	24.00	10	1 8	4 0	2 0		13	Y.
5,98,000	10,73,724	11,17,983	4,13,130	62,549	McLeod & Co., Ltd.	495	Teloijan	40.00 N	10	2 0	5 0*	2 12		13	Y.
4,00,000	8,35,127	10,28,891	2,77,850	37,738	Gillanders Arbuthnot & Co., Ltd.	516	Tengpani	19.37	10	2 8	5 0	1 8		13	Y.P.
19,82,980	21,98,082	27,21,760	15,99,760	55,873	Shaw Wallace & Co., Ltd. ..	2,142	Tezpore	45.75	10	1 0	4 0	3 0		13	Y.
5,20,000	10,00,250	25,31,267	11,65,490	93,241	McLeod & Co., Ltd.	1,050	Titabar								
CACHAR															
5,00,000	5,40,000	5,20,768	1,79,876	—3,86,185	M.	998	Arunipore	9.00	10	*Nil*	*Nil*	Nil		13	Y.
12,50,000	11,000	27,79,291	72,101	—1,09,081	Octavius Steel & Co., Ltd. ..	2,650	Eastern Cachar ..	5.00	10	*Nil*	*Nil*			13	Y.
4,80,000	11,62,719	23,90,111	10,97,034	23,810	Octavius Steel & Co., Ltd. ..	1,154	Hatikhira	15.75	10	2 8	4 0	0 12		13	Y.
4,80,000	2,50,000	2,82,731	2,274	15,830	Bullion Co., Ltd.	577	Kalinagger and Khoreel	110.00	100	*Nil*	20 0	15 0		13	Y.
2,50,000	3,24,391	5,44,620	2,31,708	4,018	Duncan Bros. & Co., Ltd. ..	1,000	Kashajoora	9.25	10	*Nil*	*Nil*	*Nil*		13	Y.
7,00,000	6,50,000	10,93,474	3,45,114	1,21,654	B. L. Nopany, Esq.	1,268	North-Western Cachar	140.00	100	*Nil*	20 0	15 0		13	Y.
2,99,050	8,500	3,56,078	37,470	20,090	Octavius Steel & Co., Ltd...	487	Pathemora	10.25	10	*Nil*	*Nil*	*Nil*		13	Y.
2,50,000	3,58,502	6,52,546	2,28,031	14,425	McLeod & Co., Ltd.	585	Rangamatioe	15.75	10	*Nil*	1 8	1 8		13	Y.
5,25,000	10,42,356	12,14,582	3,37,561	24,323	Duncan Bros. & Co., Ltd. ..	638	Sonai River	95.00	50	10 0	15 0	10 0		13	Y.
4,00,000	5,51,718	10,16,960	3,26,644	—62,256	Davenport & Co., Ltd.	668	Tarra Valley	15.00	10	*Nil*	1 4	*Nil*		13	Y.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING ; PRODUCE AND RUBBER									
5,00,000	1,00,000	3,92,350	51,826	25,286	Planting Agencies Ltd.	Balmadies Plantations	3-25	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,184	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	7-90	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	26,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	25-50	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,84,800	45,87,750	1,10,65,380	25,13,695	1,13,812	R. C. Paterson, Esq.	Consolidated Coffee	21-25	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,855	7,88,759	46,875	1,009	Associated Planters Ltd.	Cottanad Plantations	17-37	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,80,543	25,79,990	4,94,158	49,542	A. V. Thomas & Co., Ltd.	Highland Produce	14-25	10	1 4	2 8	2 0	0 10½	12	Y.P.
4,00,000	10,92,899	18,33,825	2,21,241	4,589	A. V. Thomas & Co., Ltd.	Kaipetta Estates	26-25	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	5,17,955	5,95,920	2,50,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	29-75	10	5 8	2 4	2 4	3 4	3	Y.
87,00,000	29,11,662	77,71,161	5,84,890	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber	17-50	10	1 8	1 12*	2 8	2 0	3	Y.
2,25,000	2,31,000	14,16,774	1,67,177	16,787	A. V. George & Co., Ltd.	Neeranny Rubber	22-75	10	1 8	1 8	1 8	....	12	Y.P.T.
3,00,000	2,58,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	16-25	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	21,29,616	42,87,895	14,23,968	Nil	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates ..	4-80	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
2,50,780	9,00,000	4,70,359	45,171	71,842	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	20-00cd	10	1 10*	1 12*	2 0	2 8	6	Y.P.
10,00,000	3,09,600	22,34,273	1,49,071	8,473	East India Agencies Private Ltd.	Seavamalai Estates Ltd.	21-00	10	3 0	2 8	1 0	....	11	Y.
3,50,000	2,37,500	5,37,767	20,924	14,887	A. V. George & Co., Ltd.	Teakoy Rubber (India) Ltd. ..	9-19	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
9,15,800	4,00,000	20,99,924	95,317	87,055	Peirce, Leslie & Co., Ltd.	Thamaraparly Rubber	28-00	10	3 0	3 0	3 0	....	12	Y.P.
6,00,000	75,421	9,79,479	2,28,517	3,743	Keyen Thomas, Esq. (Mg. Director)	Thirumbadi Rubber Co., Ltd. ..	1-81	1	0 4‡	0 13/5	0 2	0 2	9	Y.T.
41,00,000	14,80,799	76,82,300	8,68,181	2,71,083	Travancore Rubbers	Travancore Rubber & Tea Co., Ltd.	19-75cd	10	2 0	2 0	3 0	....	12	Y.P.T.
80,00,000	....	27,70,782	6,45,980	27,027	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	9-12	10	1 0	1 8	1 8	....	12	Y.
6,25,330	5,40,670	8,51,488	16,128	40,750	Harrisons & Crosfield Ltd.	Travancore Tea Estates	30-50	25	3 0	5 0	4 0	....	12	Y.
6,76,010	97,259	13,34,565	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	30-00	10	2 0	2 4	2 8	1 8½	12	Y.P.T.
							9-62	10	1 0	1 8	2 0	1 4	3	

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,844	56,37,654	29,690	B. N. Rlias & Co., Private Ltd. ..	879	Agarpara	8-25	10	1 0	1 10	0 10	4 4	3,9	H.T.P.
20,00,000	10,25,000	53,46,050	37,72,102	2,45,707	McLeod & Co., Ltd.	1,264	Alexandra	135-00xd	100	2 8	7 8	10 0	5 0‡	6,12	H.P.
40,00,000	60,00,000	1,27,61,837	99,76,068	23,108	McLeod & Co., Ltd.	1,264	Alliance	74-00	100	5 0	12 0	6 0	....	6,12	H.P.
2,00,00,000	2,96,90,858	2,96,15,000	1,93,15,000	2,80,192	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	135-00	100	12 0	8 0	8 8	2 8	3,9	H.P.
40,00,000	22,80,918	96,91,416	65,65,094	11,377	Bird & Co., Private Ltd.	810	Auckland	78-00	100	4 0	2 8	10 0	1 0‡	3,9	H.P.
5,75,000	6567,405	61,477,488	6987,176	....	Jardine Henderson & Co.	959	Bally	142-00	100	4 0	Nil	3 8	Nil‡	3,9	H.P.
25,00,000	28,00,622	28,78,788	20,70,331	5,875	Sir John H. Burder (Chairman) ..	1,589	Barnagore	87-00	25	£1 0	sh.15	sh.15	Nil	3	Y.P.
18,48,000	18,11,080	52,65,882	37,55,909	—1,87,446	Andrew Yule & Co., Ltd.	920	Belvedere	84-00	100	15 0	10 0	7 8	Nil‡	6,12	H.P.
91,25,000	16,17,936	65,14,856	39,99,841	—79,196	Ramnath Industries (Coal) Co. ..	600	Bengal	14-50	10	1 4	1 2	1 2	....	6	Y.P.T.
2,50,000	24,29,026	42,89,402	26,65,408	24,207	F. W. Heilgers & Co. Private Ltd.	1,572	Birla	14-00	10	3 0	1 0	1 0	1 0	3	Y.P.
90,00,000	1,79,08,965	4,82,26,647	1,90,16,824	80,168	Bird & Co., Private Ltd.	2,191	Bhadge-Budge	90-00	100	10 0	9 0	7 8	Nil	4,10	H.P.T.
49,97,750	....	42,82,480	7,80,000	9,987	Hindustan Investment Corpn., Ltd.	502	Calcutta Jute Mfg.	8-50	10	Nil	0 12	Nil	....	6,12	H.P.T.
5,00,000	12,54,802	49,10,414	32,66,984	32,768	M.	616	Caledonian	105-00	100	12 0	9 0	6 8	Nil‡	5,11	H.
15,95,000	19,58,082	52,13,211	17,01,175	1,837	Andrew Yule & Co., Ltd.	600	Champdany	116-00	100	6 0	2 8	10 0	2 0‡	3,9	H.
30,15,000	32,00,000	66,65,762	48,43,686	1,01,027	McLeod & Co., Ltd.	530	Cheviot	125-00	100	12 0	14 0	10 0	Nil‡	5,11	H.P.
84,00,000	9,00,000	81,05,233	67,18,337	25,225	Shaw Wallace & Co., Ltd.	500	Chitavalsah	11-37	10	1 12	1 2	1 6	0 10‡	6,12	H.P.T.
29,49,400	40,68,252	1,17,25,454	49,04,775	—8,30,845	Bird & Co., Private Ltd.	786	Dalhousie	84-00	100	4 0	2 8	4 0	Nil	3,9	H.P.T.
29,00,000	49,71,579	79,97,478	47,80,119	2,864	Andrew Yule & Co., Ltd.	779	Delta	121-00	100	20 0	12 0	10 0	Nil	5,11	H.P.
15,00,000	34,50,000	83,05,104	60,85,660	76,491	McLeod & Co., Ltd.	1,000	Empire	87-00	100	11 0	7 0	7 0	0 8‡	6,12	H.P.T.
21,00,000	40,60,960	2,70,39,084	1,89,10,198	1,68,418	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	290-00 N	100	Nil	5 0	15 0	7‡	3,9	H.P.T.
12,00,000	....	97,88,074	54,68,992	1,94,828	Bangur Bros., Ltd.	1,014	Fort William	17-50	10	5 0	20 0	20 0	0 12‡	3,9	H.T.P.
....	....	3,11,07,874	1,33,82,185	—4,56,455	Mansell & Barry Ltd.	1,709	Gagalmarie Mfg.	44-50	100	Nil	2 8	2 8	Nil‡	3,9	H.
24,00,000	29,32,837	71,52,963	48,45,693	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	220-00	100	15 0	Nil	....	....	12	Y.
40,00,000	64,68,245	2,19,00,513	1,61,35,422	25,195	Mansell & Barry Ltd.	1,894	Gourepore	220-00	100	3 12	10 0	15 0	2 8‡	3,9	H.P.
16,40,000	18,61,969	1,14,46,548	58,73,130	5,40,345	Bangur Bros., Ltd.	1,078	Hastings	80-00	100	10 0	10 0	11 8	5 0	3,9	H.P.
40,32,500	49,64,372	66,47,781	47,70,916	—2,95,353	Baijnath Bajoria	720	Hooghly	18-50	10	1 4	1 8	1 4	Nil	3	Y.P.
52,50,000	57,32,153	1,53,66,486	1,10,52,708	57,084	Jardine Henderson Ltd.	1,940	Howrah	15-00	10	1 8	1 4	0 14	0 4‡	3,9	H.P.T.
57,00,000	27,32,153	2,56,51,558	1,56,51,558	1,10,935	Ramdutt Ramkissendas	3,572	Hukumchand	20-00	10	1 8	1 8	2 0	2 0	3	H.
80,000	17,20,650	1,27,01,698	80,32,070	2,57,257	M.	1,076	India	121-00	O. 125	6 4	3 2	4 11	4 11‡	3,9	H.
24,00,000									D. 1	0 6/5	0 2/5	0 3/5	2½ ‡		
24,00,000'B'	18,75,346	1,85,39,772	1,15,01,308	....	Jardine Henderson Ltd.	1,527	Kankinarrah	86-00	100	9 0	8 0	8 0	Nil‡	3,9	H.P.
24,00,000'B'	9,81,472	1,74,14,302	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankinarrah	89-00	100	9 0	8 0	8 0	Nil‡	6,12	H.P.
21,00,000	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd.	708	Kelvin	57-00	100	15 0	20 0	17 8	5 0‡	6,12	H.P.
24,00,000	24,33,375	1,72,55,982	1,19,90,187	44,328	Anderson Wright Ltd.	1,200	Khardah	120-00	100	17 8	12 8	11 0	4 8‡	3,9	H.P.
48,00,000	1,08,90,850	1,19,46,138	81,47,344	41,687	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	123-00	100	9 0	7 0	8 0	4 0‡	3,9	H.P.
24,45,000	39,51,564	1,11,32,245	47,99,245	—2,15,719	Bird & Co., Private Ltd.	921	Lansdowne	80-00	100	7 0	2 0	7 0	Nil‡	3,9	H.P.
28,00,000	35,78,192	1,15,89,282	64,57,897	1,37,295	Bird & Co., Private Ltd.	1,000	Lawrence	99-00	100	8 0	8 0	8 0	Nil‡	3,9	H.P.
21,45,200	26,26,045	5,54,13,249	1,36,97,399	1,64,945	M.	2,382	Magna	68-00	100	5 0	5 0	5 12	3 12‡	3,9	H.P.
39,98,900	38,40,147	1,24,91,466	1,01,57,573	—5,09,111	F. W. Heilgers & Co. Private Ltd.	815	Naihati	53-00	100	Nil	Nil	Nil	Nil	3,9	H.
20,00,000	18,53,006	80,01,468	18,31,709	17,816	Kesvan Trading Co., Ltd.	456	Nalkarpara	18-75	10	0 8	1 2	1 0	0 10‡	4,10	H.P.
55,00,000	41,54,338	80,38,401	10,38,816	1,929	Andrew Yule & Co., Ltd.	852	National	20-00	10	1 8	1 8	1 8	0 4	4,10	H.P.
38,35,000	26,25,000	27,71,022	20,34,906	1,66,257	McLeod & Co., Ltd.	816	Nellimarla Jute	11-00	10	1 12	1 8	1 8	1 0	6,12	H.P.T.
1,50,00,000	5,71,44,543	4,39,15,487	2,36,56,548	5,71,186	Sahu Jain Ltd.	1,763	New Central	120-00	100	24 0	17 0	14 0	9 12‡	12	Y.P.
16,79,880	49,70,164	1,18,50,357	81,68,018	79,116	Bird & Co., Private Ltd.	567	Norkhbrook	80-00	100	8 0	2 8	2 4	1 8‡	3,9	H.P.T.
66,79,400	22,34,961	2,18,55,164	1,50,46,811	17,606	Macneill & Barry Ltd.	1,092	Naddea	29-00	50	1 8	1 12*	2 8	2 0	3	Y.P.
24,98,250	23,73,000	78,97,436	50,58,577	5,110	Andrew Yule & Co., Ltd.	601	Orient	99-00	100	12 0	8 0	8 0	1 0‡	3,9	H.
28,00,000	6,28,490	80,26,427	48,28,166	61,998	McLeod & Co., Ltd.	400	Presidency	83-00	50	8 0	8 0	8 0	1 0‡	5,11	H.P.
20,00,000	2,49,781	26,07,878	8,39,130	—9,18,218	Birla Brothers Private Ltd. ..	308	Rameshwara	5-12	10	Nil	Nil	Nil	Nil	6,12	H.
49,00,000	2,00,000	6,70,359	45,171	71,842	Jardine Henderson Ltd.	1,376	Rishra	27-31	10	0 8	1 0	1 0	Nil	3	H.P.
4600,000	51,092,713	41,645,344	....	652,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samaugger	10-25	61	10%	10%	8%21	....	3,9	H.P.T.
30,00,000	13,14,910	1,15,49,877	79,96,145	7,978	Bangur Bros., Ltd.	911	Shree Ambica	14-00	10	0 8	1 0	0 8	....	12	Y.P.
11,25,000	11,25,000	66,11,794	35,79,384	45,179	Hindustan Investment Corpn., Ltd.	401	Seconda	15-00	10	1 0	1 0	1 8	....	3,9	H.
25,19,400	43,75,182	1,27,25,246	59,53,439	—4,87,127	Bird & Co., Private Ltd.	660	Standard	50-00	100	8 0	8 0	8 0	....	3,9	H.P.T.
4600,000	5026,119	41,187,660	....	599,548	Thomas Duff & Co. (India), Ltd. ..	1,784	Titaghur	10-25	61	10%	10%	8%21	Nil	3,9	H.P.T.
60,00,000	68,06,782	2,04,59,984	84,59,984	15,384	Bird & Co., Private Ltd.	1,128	Union	10-00	100	6 0	6 0	10 0	1 0‡	3,9	H.P.T.
4600,000	5688,085	41,124,819	....	580,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	10-00	61	10%	10%	8%21	....	3,9	H.P.T.
2,50,000	6,85,000	55,98,062	40,33,991	14,618	McLeod & Co., Ltd.	457	Waverley	3-25	1	0 1	0 1	0 2	0 2	6,12	H.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	58,610	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	17-50	10	1 0	1 5	1 6	0 8‡	3,9	H.
12,00,000	5,17,645	37,37,084	34,90,182	45,399	Jardine Henderson Ltd.	Barares Coke	16-25	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 3/5‡	3,9	H.
4,49,850	70,000	5,40,966	4,961	4,961	Andrew Yule & Co., Ltd.	Bengal-Bhadee	5-50xd	10	0 13	0 12	....	....	3,9	H.
1,80,00,000	1,40,49,233	5,91,95,614	3,95,77,826	7,81,563	Andrew Yule & Co., Ltd.	Bengal Coal	220-00	100	32 0*	20 0*	25 0*	....	3,9	H.
2,25,000	4,32,650	24,42,782	22,23,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14-00	10	Nil	Nil	....	....	4,10	H.P.
15,97,000	4,72,868	37,70,722	28,77,964	16,498	M. V. Low & Co., Ltd.	Bhalgora	4-75	10	0 8	....	....	....	6,12	H.P.
40,00,000	8,00,000	1,39,06,662	71,05,182	27,425	Sahu Jain Ltd.	Bharat Collieries	6-13	10	0 13	....	....	....	6	Y.
7,15,000	18,11,080	52,65,882	37,55,909	—1,87,446	F. W. Heilgers & Co. Private Ltd.	Bhulanbarare	13-00 N	10	Nil	0 10	0 10	....	6	Y.P.T.
10,00,000	16,17,936	65,14,856	39,99,841	—79,196	Ramnath Industries (Coal) Co. ..	Bokaro-Ramgur	11-75 N	10	Nil	Nil	Nil	....	6,12	H.
7,80,000	24,29,026	42,89,402	26,65,408	24,207	F. W. Heilgers & Co. Private Ltd.	Borree	15-75	10	3 12	2 0	2 0	....	6,12	H.
90,00,000	1,79,08,965	4,82,26,647	1,90,16,824	80,168	Bird & Co., Private Ltd.	Burrakur	21-40	10	1 12	1 8	1 8	....	6,12	H.P.T.
49,97,750	....	42,82,480	7,80,000	9,987	Hindustan Investment Corpn., Ltd.	Central India	5-06	10	0 12	0 8	0 10	....	6,12	H.P.T.
5,00,000	12,54,802	49,10,414	32,66,984	32,768	M.	Central Kurhead	12-00 N	10	0 4	0 4	0 4	0 8	3	Y.
16,00,000	1,43,879	7,82 626(r)	2,189	....	F. W. Heilgers & Co. Private Ltd.	Churila	1-87	10	1 8	....	....	....	6,12	H.
4840,806	6280,553	4970,695	4781,579	455,925	Macneill & Barry Ltd.	Dhemo Main	5-62	10	Nil	0 8	0 11	....	6,12	H.P.T.
28,83,750	28,56,004	4,04,81,377	2,89,25,965	82,879	Macneill & Barry Ltd.	East Indian	25-69	61	2 8	2 8	Nil	....	6,12	H.P.T.
10,80,000	1,46,992	13,81,144	4,38,857	38,288	Shatter's Agency Ltd.	Equitable	21-00	10	1 8	1 8	1 8	....	6	H.
12,00,000	1,32,000	41,35,247	33,48,143	1,144	Killick Industries Ltd.	Ghusick and Musha	13-50 N	10	0 8	0 8	1 8	....	6,12	H.
5,00,000	7,36,000	32,07,181	18,99,341	45,983	Macneill & Barry Ltd.	Hingir-Rampur	41-25	50	3 0	Nil	2 4	2 4	3	Y.
22,00,000	1,15,000	54,74,412	6,15,840	—5,97,296	Rajpale Trust Ltd.	Hurriladih	21-00	10	1 8	2 0	2 8	2 4	6	H.
3,50,000	3,48,579	13,54,257	7,23,845	....	Andrew Yule & Co., Ltd.	Jogta Coal	1-12	10	1 12	2 8	....	....	6,12	H.
20,00,000	1,77,575	28,09,662	4,85,146	9,968	Bird & Co., Private Ltd.	Kapasbari	20-00	10	Nil	Nil	....	....	12	Y.
5,00,000	15,60,000	46,77,588	29,67,985	1,81,474	Andrew Yule & Co., Ltd.	Karanpura Collieries	58-50	100	Nil	Nil	2 8	5 0	3,9	H.
1,58,406	5,72,960	12,85,941	5,72,960	—2,60,226	Beriwala & Co.	Kawas Jheriah	53-25	10	Nil	Nil	2 8	5 0	3	H.
11,00,340	64,35,117	1,14,72,961	10,41,863	—41,230	Khas Kajora	Khas Kajora	4 0	10	4 0	4 0	5 8	....	3,9	H.
9,00,000	11,86,413	32,49,288	22,97,987	2,854	M. V. Low & Co., Ltd.	Kuardi	2-50 N	10	Nil	Nil	....	....	6,12	H.
7,68,240	2,00,000	13,13,208	9,66,310	81,301	Tantia Brothers Ltd.	Lakurka	7-00 N	10	Nil	Nil	....	....	3	H.
7,50,000	10,25,740	10,25,740	5,20,325	4,566	Amritlal Ojha & Co., Ltd.	Mahira	6-75	10	0 8	0 4	....	....	4	H.
17,76,288	20,01,763	1,19,72,853	82,68,964	94,333	Andrew Yule & Co., Ltd.	New Basadeopur	9-00 N	10	0 8	0 8	0 8	....	6,12	H.
6,00,606	75,000	33,90,471	31,39,197	70,223	Osmania Steel & Co., Ltd.	New Beerbheem	14-75	10	0 12	1 4	....	....	3,9	H.
1,57,500	2,86,198	13,07,219	8,64,731	15,940	Andrew Yule & Co., Ltd.	New Manbhoom	8-12	10	Nil	Nil	Nil	Nil	4,10	H.
7,50,000	12,21,555	5,17,666	2,87,666	54,646	F. W. Heilgers & Co. Private Ltd.	North West	19,25xdN	10	0 4	Nil	1 0	Nil	3,9	H.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oudal	16,50xdN	10	0 8	Nil	1 0½	0 12‡	3,9	H.
3,84,000	10,050	10,86,766	8,09,957	61,987	Oriental Coal	Oriental Coal	14-50 N	10	2 8	1 0	1 0	0 9‡	6,12	H.
18,75,000	16,50,000	49,91,352	25,61,358	23,784	Deepchand Kishenlall	Panch	8-00 N	10	0 6	0 8	0 4	....	12	Y.
32,99,800	20,17,108	1,24,26,582	87,86,104	23,158	Shaw Wallace & Co., Ltd.	Panch Valley	16-00	10	0 4	0 12	1 0	....	6,12	H.
13,50,000	10,46,115	38,59,365	29,71,964	15,614	B. N. Rlias & Co., Private Ltd. ..	Ranegunge	10-50	10	1 10	1 10	1 8	0 11 1/5‡	3,9	H.
2,00,000	3,00,000	44,25,585	19,72,118	2,50,174	Shaw Wallace & Co., Ltd.	Rewa	10-50	10	Nil	0 8	0 10	0	3,9	H.
2,50,000	1,96,802	13,78,480	13,31,327	11,079	Jaipuria Sons Ltd.	Samla Collieries	11-75 N	10	2 0	1 6	0 14	0 12‡	6,12	H.
2,80,000	3,56,598	29,99,480	19,07,296	49,299	M.	Searsole	5-19 N	2½	0 10	0 12	1 0	....	12	Y.
5,00,000	5,81,259	....	52,491	58,867	Andrew Yule & Co., Ltd.	Seshpore	27-50	10	0 10	0 12	1 0	....	3	H.
66,31,450	23,77,474	4,73,97,917	3,17,80,286	7,803	F. W. Heilgers & Co. Private Ltd.	Sendra	9-00 N	10	Nil	0 8	2 8	....	6,12	H.
				7,810	Industrial Trust Fund (Govern- ment of Hyderabad)				Nil	0 8	0 4	....	6,12	H.
17,50,000	10,54,016	27,58,108	15,14,990	—51,555	Bird & Co., Private Ltd.	Singareni	10-50	10	Nil	0 11 1/5	0 12	....	12	Y.
8,00,000	14,01,052	1,09,57,570	57,210	17,411	F. W. Heilgers & Co. Private Ltd.	South Karanpura	8-00	10	0 4	0 8	0 8	....	3,9	H.
10,00,000	12,950	30,82,239	15,45,502	—4,07,745	Villiers Ltd.	Standard	20-00xd	10	2 0	1 8	1 0	1 0	12	Y.
2,80,000	2,80,000	20,47,944	15,85,944	—9,550	Williamson Magor & Co., Ltd. ..	Tatcher	1-75	2½	Nil	....	....	....	6	Y.
49,98,000	67,984	55,05,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	14-94	10	1 12	0 12	Nil	....	6,12	H.
7,00,000	31,569	56,46,871	28,31,098	—1,46,650	Macneill & Barry Ltd.	Western Bengal	5-31	10	0 6	0 8	0 8	0 8	3	H.
						West Jamuria	8-00	10	Nil	Nil	....	....	6,12	H.

M—Managed by the Board of Directors. † Less income-tax. a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year 1955. * Including bonus. (k) Investment
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 195
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
W—West William Jute Co. has sub-divided ordinary shares o Rs.100 int shares o f Rs.10 each

DEPOSITS OUT OF COMPANIES' PROFITS

(*Concluded from page 776*)

held by the Bank exceeds the current profit deposits so calculated, the company will make an application to the Income-tax Officer. The Income-tax

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,42,652	Allahabad Bank	300.00	100	18 0	18 0	18 0	9 0	12	Y.P.
14,50,000				180.00	50	9 0	9 0	9 0	9 0		
1,01,000	15,40,000	2,46,659	Andhra Bank	129.00(d)	100	6 8	7 8	6 8	3 12½	6,12	H.
37,58,600				86.50(d)	70	3 4	3 12	4 8	2 10½		
1,00,00,000	1,28,00,000	4,75,752	Bank of Baroda	99.00	50	6 0	6 0	6 0	7 0	12	Y.
50,00,000	22,50,000	2,706	Bank of Bikaner	23.00	25	0 12	0 12	0 14	1 0	12	Y.
2,50,00,000				134.00	50	7 0	7 0	8 0	8 0		
50,00,000 'A'	3,10,00,000	15,54,924	Bank of India	138.00	50A'					6,12	R.L.Y.
15,30,375	27,00,000	67,486	Bank of Indore	52.00N	25	1 8	3 0	3 8	4 0	12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	40.00	50	16 0½	2 0	2 0		12	Y.
50,00,000	54,00,000	5,01,911	Bank of Mysore	247.00	100	2 8	16 0½	16 0½	16 0½	12	Y.
61,21,700	58,73,013	10,093	Bombay State Co-operative Bank	57.00N	50	4 8	2 8	2 0		6	Y.T.
15,00,000	32,00,000	38,502	Canara Bank Ltd.	86.00	50	5 0½	4 8	5 0	5 0	12	P.Y.
7,50,000	12,75,000	3,302	Canara Banking Corporation Ltd.	80.00	50	3 0	5 0	5 0	5 0½	12	Y.P.
2,62,11,875	4,02,77,123	18,23,048	Central Bank of India Ltd.	48.75	25	3 0	3 0	3 0	3 8	12	R.L.Y.
52,42,375				52.00	25	2 0	4 0	3 0	3 8		
50,00,000	34,50,000	2,13,141	Devkaran Nanjee Banking Co.	38.00	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,46,911	Habib Bank (P)	72.00N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,61,346	Hind Bank	32.50xd	50	Nil	1 8	3 0	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	19.50	50	Nil	Nil	Nil		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	12.00	50	5 0	Nil	Nil		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89.00	100	12 0½	6 0½	5 0	9 0	12	Y.
44,00,000	90,50,200	8,13,491	Indian Bank	193.00	100	10 3½	12 0½	12 0	13 0	6,12	R.L.H.
21,00,000				—	95	7 3½	10 3½	10 12½			
				149.00	75	6 0	7 3½	7 12½	9 12		
49,20,375	36,00,000	2,52,286	Indian Overseas Bank	137.00xd	100	Nil	6 0	7 8	10 0	12	Y.
2,25,000				42.50	100(A)	Nil	Nil				
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	10.50	25(B)	3 0	Nil			6,12	H.
10,00,000				18.00	50(C)	2 0	Nil				
10,00,000	10,25,000	23,384	Pandyan Bank Ltd.	38.12	25	1 4	1 9	1 14	1 14	12	Y.
87,50,000	1,25,00,000	6,20,272	Punjab National Bank	51.50	25	0 10	3 8	3 8	1 0	12	Y.
1,00,00,000	26,20,000	45,060	Travancore Bank	15.50	25	0 5½	0 12	1 0	1 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7.15	5	2 0	0 5½	0 6	0 7	12	Y.
2,00,00,000	1,15,00,000	29,420	United Commercial Bank	57.00	50	2 0	2 8	2 12	3 8	12	H.
PRINCIPAL EXCHANGE BANKS										Dividend (per cent.)	
£3,500,000	£5,000,000	£409,308	Chartered Bank	£1-17-9	£1	14†	15†	15†	15†	12	R.L.Y
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6½	£5	8†	8†	8†		12	R.L.Y.
H.K.$25,000,000	H.K.$125,000,000	H.K.$11,039,578	Hongkong and Shanghai Banking Corporation	$95	H.K. $125	5*	5*	5*	5*	12	Y.
£18,565,070	£17,500,000	£712,060	Lloyds Bank	£2-8-3	£5 Á	14†	15†	12†	13†	12	R.L.Y.
£375,000 'A'	£2,000,000	£224,521	Mercantile Bank of India	£4-5-3	A £2½	14†	14†	14†	14†	12	R.L.Y.
£720,000 'C'				£4-8-3	B £2½	14†	14†	14†	14†		
£2,851,563	£3,104,687	£354,046	National Bank of India	—	C £1	14†	14†	14†	14†	12	R.L.Y.
				£1-0-3	sh. 12½	16†	15†	15†	15†		

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. †† O.S.Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	99.00	1st June 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	94.00	28th February 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102.00	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91.00	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101.00	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96.25	1st November 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	94.00	30th June 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	90.00	30th June 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	99.25	14th December 1968 (a)‡
COTTON						
3,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	95.00	15th November 1956 (b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March 1972 (a)
13,68,000	5½		Jayshree Textiles	1949	90.00N	1st January 1956-59
39,90,000	6	1st June	Tata Mills	1951	99.00	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	94.00	31st March 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100.00	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97.75	1st October 1959
12,00,000	4½	30th June and 31st December	Assanes Electric Light and Power Co. Ltd.	1949	94.00	31st December 1964 (a)
2,82,89,400	5½	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.25	1st January 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.50	31st December 1967
18,00,000	5	1st January and 1st July	Hijra (Jhenaidah) Electric Supply Co., Ltd.	1951	96.00	30th June 1976 (a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply		97.12	15th July 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94.00	1st October 1960-64
5,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94.50	30th September 1953-63
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94.00	1st July 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103.00	1st July 1970
3,50,00,000	4	1st April and 1st October	Tata Power		85.12	15th September 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.00	31st December 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99.00	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100.50	1st July 1957-62
£1,146,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	897.00	31st December 1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	97.00	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.25	1st October 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.		99.50	31st December 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97.50	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	88.00	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93.75	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90.00	31st July 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	95.00	30th June 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1944	95.00	31st March 1969 (a)
8,80,000	5	15th January and 15th July	Empire	1951	94.50	15th July 1959
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92.50	30th June 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1957	95.00	31st March 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96.50	31st December 1964 (a)
25,00,000	5½	30th June and 31st December	Kelinarla Jute Mills Co., Ltd.	1952	95.00	31st March 1964 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93.00	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88.00	30th June 1964
8,00,000	4	30th June and 31st December	Premier Jute	1943	93.00	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	88.00	5th September 1965 (a)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96.00	14th September 1957
12,00,000	4½	30th June and 31st December	Union	1937	96.50	30th June 1957
10,00,000	5½	31st January and 31st July	Waverly	1925	87.50	31st July 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	80.00N	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.25N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77.62N	1st October 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85.62N	Any time on six months' notice (a)
4,83,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st September 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1932	102.50	1st July 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April 1955-68
1,89,700	5½	31st March and 30th September	Teekoy	1944	100.00	31st March 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	95.00	31st December 1965
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86.00	31st December 1962
2,00,00,000	5½	30th June and 31st December	Bengal Paper Mills	1937	95.00	30th June 1957
2,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.00	1st September 1964-69(a)
21,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.50	1st October 1970
19,95,000	4½	1st February and 1st August	Chowringhee Properties	1915	92.00	1st February 1964
20,00,000	4	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	85.00	1st July 1986
1,00,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87.75	15th September 1960
1,30,00,000	5	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	91.00	
1,00,00,000	5½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.		99.00	1st January 1960
17,75,000	5	1st January and 1st July	Indian Cable Co., Ltd.	1950	102.25	30th June 1971(g)††
88,08,500	4	15th March and 15th September	Mettur Chemical Industries	1954	95.00	30th June 1969 (a)‡
45,00,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1949	520.00	1968
		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1946	(per note)	30th September 1976 (a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1947	470.00	31st December 1972 (a)
1,50,00,000	5½	30th June and 31st December	National Rayon	1951	88.00N	1st April 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1955	99.50	30th June 1965-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1951	93.00	31st March 1961 (a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	91.00	31st December 1959
					100.25	1st May 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentures to be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. §§ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. ††Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th April 1957.

	Closing quotations 11-4-1957	High	Low	Closing quotations 17-4-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	172.50	—	—	172.50
Apollo (2)	2.46	2.50	2.44	2.46
Bombay Dyeing (250)	548.00	558.50	548.00	557.50
Bradbury (50)	212.50	—	—	212.50
Central India (100)	113.50	115.00	113.50	115.00
Century Mills (100)	448.50	465.00	450.00	464.00
Colaba (100)	65.00	—	—	65.00
Edward Textile (200)	250.00	—	—	250.00
Elphinstone (50)	82.00	—	—	82.00
Finlay (100)	305.00	306.00	305.00	306.00
Gokak (100)	205.00	206.50	192.00	192.00xd
Ind. Untd. Defd. (1)	1.64	1.68	1.64	1.64
Ind. Untd. Ord. (10)	10.40	10.45	10.30	10.30
Indore Malwa (100)	138.00	138.00	136.50	137.00
Khatau (100)	180.00	182.50	180.00	180.50
Kohinoor (100)	314.00xd	318.00	313.50	318.00
Lakshmi (250)	705.00	7.05	680.00	680.00
Minerva Mills (100)	82.00	—	—	82.00
Model Nagpur (250)	180.00	180.00	177.00	180.00
Morarji (100)	210.00	—	—	220.00
Mysore (50)	101.25	—	—	101.25
National Rayons (100)	225.00	230.00	223.25	225.50
New City (100)	149.40	—	—	149.50
New Great (100)	225.00	230.00	225.00	228.00
Phoenix (100)	143.75	—	—	143.75
Podar Mills (100)	165.00	—	—	165.00
Sassoon Silk (10)	9.80	—	—	9.80
Sassoon Spg. (10)	39.50	—	—	39.50
Sholapur (1,000)	1,225.00	—	—	1,225.00
Shrinivas (100)	174.00	179.00	178.00	178.00
Simplex (50)	174.00	174.25	173.00	173.00
Standard (100)	447.00	450.00	444.00	445.00
Svadeshi (100)	217.75	220.00	216.50	217.25
Swan (100)	405.00	405.00	400.00	400.00
Tata Mill (25)	48.25	48.50	47.50	47.75
Vishnu (100)	139.40	140.00	139.50	140.00
Western India (1,000)	5,180.00	—	—	5,180.00
BANKS				
Bank of India (50)	132.00	134.00	132.50	134.50
Do. (New) (50)	138.00	—	—	138.00
Bank of Baroda (50)	97.50	99.00	98.00	99.00
Central (25)	48.50	48.75	48.00	48.75
Central 'A' (25)	51.00	52.50	51.00	52.50
Dena Bank (50)	38.00	—	—	38.00
Punjab National (25)	52.00	52.00	51.50	51.50
Union Bank (5)	7.10	7.15	7.05	7.15
United Com. (50)	56.50	57.00	56.25	56.50
ELECTRIC COS.				
Ahmedabad (100)	93.25	93.50	93.00	93.50
Amalgamated (10)	10.75	—	—	10.75
Andhra Valley (1,000)	1,187.50	—	—	1,195.00
Bom. Sub-El. (100)	110.00	106.25	105.50	106.00
Surat (100)	108.50	—	—	107.50
Tata Hydro (100)	120.50	121.50	121.00	121.50
Tata Power (1,000)	1,193.75	1,195.00	1,191.25	1,195.00
INSURANCE COS.				
British India (10)	13.25	13.45	13.25	13.40
Empire of India (100)	350.00	—	—	350.00
Ind. Mercantile (20)	40.50	—	—	40.50
Jupiter (15)	6.50	7.00	6.60	7.00
New India (15)	38.25	39.00	38.00	39.00
Oriental (200)	3,775.00	—	—	3,775.00
Universal (10)	11.50	—	—	11.50
Vulcan (10)	15.60N	—	—	15.50
STEEL COS.				
Ind. Iron (10)	19.45	20.45	19.60	20.10
Tata Steel Ord. (75)	168.00	172.25	168.00	171.00
SUGAR COS.				
Belapur (50)	225.50	229.00	225.50	226.00
Bhopal (50)	17.50xd	—	—	17.50
Phaltan (50)	134.00	135.25	134.00	135.00
Walchand Ind. (100)	267.50	273.75	250.00	255.00
CEMENT COS.				
Associated Cts. (100)	158.25	160.05	158.00	159.00
Digvijay (100)	143.00	142.00	141.00	142.00
MISCELLANEOUS				
Alcock Ashdown (100)	256.25	270.00	256.25	268.00
Bom. Burmah (125)	572.00	588.00	576.00	584.00
Do. (New) (50)	217.50	217.50	216.00	216.00
Br. B. Petrol (4 sh.)	2.54	2.62	2.54	2.54
Br. I. Corpn. (5)	7.10	7.40	7.05	7.40
G. E. Bly. (100)	69.25	—	—	69.00
Indian Copper (2 sh.)	3.28	3.34	3.28	3.30
Ind. Inv. Tr. (100)	76.00	—	—	76.00
Kenp (200)	197.50	—	—	197.00
Killicks (100)	156.00	157.00	156.00	157.00
Polson (100)	171.25	—	—	171.75
Port Canning (100)	6.25	—	—	6.00
Pre. Automobiles (100)	87.50	89.00	87.00	87.00
Premier Con. (30)	162.50	166.00	162.75	164.00
Scindia (20)	19.00	19.40	18.85	18.90
G. E. Shipping (10)	18.00	18.50	17.80	18.00
Shivrajpur (10)	91.00	91.75	90.50	91.00
Tata Chemicals (10)	16.10	16.35	16.05	16.10
Tata Locomotive (100)	138.25	141.50	138.00	138.50
Tata Oil (25)	42.75	43.00	42.50	42.50
W. I. Match (100)	168.75	170.00	168.75	169.50

GOVERNMENT SECURITIES	11-4-1957 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption
2½% 1961	93.50	—	4.18
2½% 1960	96.40	—	3.95
2½% 1962	93.95	—	3.95
2½% 1976	88.10	—	4.03
3% 1957	99.75	—	3.38
3% 1958	99.60	—	3.26
3% 1959–61	97.75	3.95	3.52
3% 1964	94.40	—	3.92
3% 1963–65	94.20	4.10	3.85
3% 1966–68	92.25	4.03	3.87
3% 1970–75	87.30	4.28	4.00
3% 1986 Con. Loan	74.30	—	4.03*
4% 1960–70	100.90	3.72	3.92
4½% 1958–68**	101.75	2.95	4.30
3½% 1961 N.P. Bonds	99.45	—	3.65
3½% 1964 N.P. Loan	98.45	—	3.75
3½% 1965 N.P. Loan	98.30	—	3.75
3½% 1969	97.80	—	3.73
3½% 1967 N.P. Bonds	98.50	—	3.68
3½% 1974	98.50	—	3.87

BRITISH GOVERNMENT SECURITIES	Closing quotations 5-4-1957 £			Closing quotations 12-4-1957 £
2½% Brit. Consols	53⅜	—	—	53⅜
3% Savings Bonds 1965–75	76	—	—	76
3% War Loan 1955–59	96⅜	—	—	96⅜
3½% War Loan	74½	—	—	74½
4% Victory Bonds 1976	94½	—	—	94½
4% Funding 1960–90	88½xd	—	—	88½

* Current Income x.d.—Ex-dividend. ** Rupee Compound x.r.— Ex-Right.

COMMERCE

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

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THE NEW CABINET

THE formation of a cabinet, a unique institution in all parliamentary democracies, is undoubtedly one of the most difficult of the tasks which face the leader of the victorious political party. The cabinet has to work as a team; it must jointly face the electorate and parliament and must take joint responsibility for the government's measures. It certainly takes time to build up parliamentary traditions of joint cabinet responsibility. Considering that the parliamentary system of government cannot boast of a hoary past in this country, it is perhaps something of a marvel that the Cabinets at the Centre and in the States have worked so remarkably well. It is true that, at the Centre, there have been quite a few resignations in the brief period of its history. And on each occasion, Mr. Nehru has himself testified to the fact that he sincerely regretted the loss of an able colleague. There is, however, some comfort in the thought that the resignations were prompted by high considerations of policy rather than merely personal differences. Although a section of the Press and even of the public is never tired of highlighting the real or fancied differences of opinion among Ministers, it must be said to the credit of the Congress Government that it has, by and large, functioned as a team and held itself tenaciously together. It is of the utmost importance that this spirit of cohesion should continue to inspire the Government in the next few years which, because of the many constructive tasks ahead of the country, are bound to prove more difficult than the recent past. There is reason to hope that the new Cabinet at the Centre, announced last week, will continue to give a good account of itself as its immediate predecessor.

For one thing, it is largely composed of men who have been the right hand of Mr. Nehru. The point that it contains no new faces has been made in a few quarters. Apart from Mr. S. K. Patil, the Cabinet consists of no new member. In a way, this might turn out to be an advantage in that Mr. Nehru will have so much less "personal" problems. Further, it is a party Cabinet in the sense that no non-Congress member of Parliament has been included. It may, however, be deplored that a few more younger members were not chosen to join the Cabinet. The average age of the Cabinet, it has been computed, is over 59 years. To a student of current affairs, it may seem odd that some Ministers are well beyond the age at which company directors are deemed unfit to undertake the less onerous task of joint-stock administration. Some Ministers are well past 60 or are perilously near it. It must, of course, be admitted that this is by no means old age when it is compared with the average age of the cabinets of some of the older parliamentary democracies. But, if one takes into account the climatic considerations, the low average expectation of life among Indians, and the fact that in a country of India's continental size mobility makes heavy demands on physical endurance, there is valid ground for training younger men for ministerial tasks. Fortunately, the ranks of Ministers of State and Deputy Ministers contain some very able young men. However, in the long run, it is not the age of Ministers that matters. What really matters is that the Ministers should bring to bear upon their tasks a clear and realistic, as distinguished from a purely political mind, for they should then be able to leave behind a record of genuine national progress.

The new Government—rather, the old Government in its new form—has utilised the opportunity presented by the formation of the new Cabinet to reorganise the various Ministries. Appropriately enough, the Ministry of Production—this Ministry was something of an anomaly, for almost every Ministry is concerned with production of one kind or another—has been abolished and its work distributed among the Ministries of Commerce and Industry, Transport and Communications, and Steel, Mines and Fuel. The Ministry of Natural Resources and Scientific Research, too, has been abolished and its work will hereafter be shared by the Ministry of Education and Scientific Research and that of Steel, Mines and Fuel. The Ministries of Commerce and Consumer Industries and Heavy Industries have been incorporated into a new Ministry known as Ministry of Commerce and Industry. The new Ministry will have three departments—the Department of Commerce and Light Industries, the Department of Chemical and Pharmaceutical Industries and the Department of Heavy Industries. The Department of Commerce and Light Industries will handle all subjects handled at present in the Ministry of Commerce and Consumer Industries and will also be responsible for the National Instruments Factory, the *Khadi* and Village Industries Board, the Handicrafts Board and the Silk Board. The Department of Chemical and Pharmaceutical Industries will deal with fertilisers, caustic soda, soda ash and other chemicals, including the D.D.T. factory, pharmaceutical and penicillin plants, fine chemicals and salt. The Ministries of Food and Agriculture have been combined into the Ministry of Food and Agriculture.

Besides the Ministry of Railways, there will be a new Ministry, to be known as Ministry of Transport and Communications, which will have three departments—the Department of Transport, the Department of Communications and the Department of Civil Aviation. The Transport Department will handle ports, shipping, road and water transport and tourism, while the Department of Communications will be responsible for posts and telegraphs, wireless, telephones and metereology and the Department of Civil Aviation for internal and external airlines. Obviously, frequent consultations between the Ministry of Railways and that of Transport and Communications will be needed in the interest of coordination of transport which, in the context of the admitted deficiency of all means of transport and communications, has necessarily to be viewed as a single problem.

Among the new Ministries, the Ministry of Steel, Mines and Fuel will become an increasingly important limb of the Government. This Ministry will have three departments, one each in charge of iron and steel, of mines and of fuel. The Iron and Steel Department will take over charge of the three Government-owned steel plants and will be generally responsible for steel production in the country, including the administration of iron and steel control. The Department of Mining will include all mines and mining, Indian Bureau of Mines and the Indian School of Mines and Applied Geology. The fuels, including coal, lignite, oil and gas, will be the special responsibility of the Department of Fuel. Considering that nearly every aspect of the work of this new Ministry is going to mark a new line of development in the country, one may wonder whether it was wise to group all of them under one Ministry. Perhaps it would have been better, if the Iron and Steel Ministry had been allowed to continue the somewhat special status which it formerly enjoyed, at least until the three steel plants went into production.

The scheme of reorganisation of Ministries envisages considerable expansion in the work of the old Ministry of Education, now termed the Ministry of Education and Scientific Research. It will have three departments—the Department of Education, the Department of Scientific Research and Technical Education, and the Department of Fine Arts and Physical Culture. The Department of Education will deal with general education, the scheme of primary, pre-primary, elementary and basic education, development of Hindi and various schemes of scholarships and other activities. The Department of Scientific Research and Technical Education has a wide and varied range of responsible functions. These include the Council of Scientific and Industrial Research, the Geological Survey of India, the Botanical Survey of India, technical and scientific education, the Indian Institute of Science, all polytechnics and other technical institutions, including the Indian Institute of Technology at Karaghpur. It will disburse grants to technical and scientific institutions and technical scholarships. Under this Department will function the All-India Council of Technical Education and its boards and committees. Since, in the next few years, technical education and training has necessarily to assume greater and greater importance, the way in which this Department discharges its functions has more than a merely departmental significance. There is a danger that, since it is the Education Ministry, and not the more technical Commerce and Industry Ministry, that will be responsible for scientific research and technical education, such education and research may turn out to be more academic than practical. Clearly, the necessary liaison between the Education Ministry, on the one hand, and the Commerce and Industry Ministry and the other Ministries, on the other, will have to be maintained. This will ensure that a proper balance between fundamental and applied research is maintained and that the technical training facilities of the right type will be speedily augmented and the much-feared shortage of trained personnel made up without avoidable delay. It is to be hoped that the Department will not be starved of funds needed for the expansion of its activities.

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INSURANCE ORDINANCE

IT is a pity that the Government is frequently compelled to issue ordinances, the latest instance being the ordinance designed to set right matters relating to the Life Insurance Corporation. The ordinance is a sequel to a judgment of Mr. Justice K. T. Desai of the Bombay High Court who held that section 11 of the Life Insurance Corporation Act 1956 did not empower the authorities to alter the terms and conditions of service of the employees. The case arose out of a petition filed by several employees of the Corporation protesting against the scheme of rationalisation of the employees' pay scales which was brought into effect on 10th September 1956.

In his judgment, Mr. Justice Desai discussed two important issues—the status of the Corporation as a successor to the insurance companies which it took over and the scope of section 11 of the Life Insurance Corporation Act. The petitioners contended that, since the Corporation had taken over the business of the former private insurance companies, the awards which had governed the employees and the employers in the pre-nationalisation period were also binding upon the Corporation under section 18 of the Industrial Disputes Act. Mr. Justice Desai discussed the question whether the establishments taken over by the Corporation retained their individual character and existence or had been so integrated and merged in the Corporation that they could be said to have ceased to exist. While counsel for the employees insisted that the Corporation, by virtue of section 18 of the Industrial Disputes Act, was bound by the awards and settlements arrived at between the companies and their employees, it was contended by the Corporation that it had not retained the former insurance offices in "separate identifiable form" and that it was not a "conglomeration of various units but one single unit formed for the purpose of carrying on life insurance business in India and outside India." After discussing this question, Mr. Justice Desai held:

> "It is the scheme of the Industrial Disputes Act that any awards or settlements arrived at thereunder would bind not merely the then employers but their successors, and would bind not merely the then employees but future employees too. This binding nature of the settlements and awards continues only so long as it can be said that the establishment continues. With the extinction of the establishment, the binding nature of the settlements and awards would cease. In my view, the awards and settlements have ceased to bind the Corporation under section 18(c) of the Industrial Disputes Act."

This aspect of the judgment has an obvious significance for the future of labour. It is clear that, in the event of the nationalisation of an industry, any institution, which might be formed by the Government for purposes of carrying on the business of the various units comprising that industry, will not be bound by the awards given by industrial courts in respect of the different units in the days prior to the date of nationalisation.

The other point which arose for consideration was section 11 of the Life Insurance Corporation Act. Briefly, this section states that an employee of a life insurance office taken over by the Corporation shall continue to hold his position on the same terms and conditions of service under which he was formerly working. Section 11(2), however, makes it clear that the Central Government may, in the interests of the Corporation and its policyholders, alter the terms of the service of the employees as to their remuneration. After discussing the scope of this section, Mr. Justice Desai held, in effect, that the powers of the Central Government under this section were confined to alteration of the terms as to remuneration only and did not extend to alteration in other terms and conditions of service. Accordingly, the Judge held that the orders prescribing the uniform pay scales and conditions of service were bad in law.

It has been pointed out on behalf of the Corporation that it would have still been possible to issue fresh orders in regard to pay scales, but without making any alterations in the conditions of service as existed under the previous insurers. This would, however, have meant that different employees of the Corporation who formerly belonged to different offices would be governed by different terms and conditions of service in respect of hours of work, holidays and leave. In order to prevent such a disturbance to the working of the Corporation, the Government has now issued an ordinance amending section 11(2) of the Act. The new section is:

> "Where the Central Government is satisfied that, for the purpose of securing uniformity in the scales of remuneration and the other terms and conditions of service applicable to employees of insurers, whose controlled business has been transferred to and vested in the Corporation it is necessary so to do, or that, in the interests of the Corporation and its policyholders a reduction in the remuneration payable to employees or any class of them is called for, the Central Government may from time to time, notwithstanding anything contained in sub-section (1) or in the Industrial Disputes Act, 1947, or in any other law for the time being in force, or in any award, settlement or agreement for the time being in force, alter (whether by way of reduction or otherwise) the remuneration and the other terms and conditions of service to such extent and in such manner as it thinks fit; and if the alteration is not acceptable to any employee, the Corporation may terminate his employment by giving him compensation equivalent to three months' remuneration, unless the contract service with such employee provides for a shorter notice of termination.
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> "The compensation payable to an employee under this sub-section shall be in addition to, and shall not affect, any pension, gratuity, provident fund money or any other benefit, to which the employee may be entitled under his contract of service.
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> "Any order altering the remuneration and the other terms and conditions of service of the employees referred to in sub-section (2) of section 11 of the Principal Act made or purporting to have been made under that sub-section before the commencement of this Ordinance by the Central Government for any of the purposes specified in that sub-section as amended by this Ordinance shall, notwithstanding anything contained in any judgment, decree or order of any court, be deemed to have been made under that sub-section as amended by this Ordinance as if this Ordinance were in force on the date on and from which the order was intended to take effect and the order shall continue in force and have effect accordingly."

As things have now turned out, the legal victory of illusory value to the petitioners has ended in the promulgation of an ordinance which has placed the powers of the Central Government above legal reproach. The obvious lesson that could be learnt from this episode in the brief history of the Corporation is that it is not through legal battles that the employees can hope to better their lot; nor can the authorities hope to retain the goodwill of the staff through ordinances. What is necessary is that both sides should learn to let their recent past bury itself and bend their energies to finding a settlement of all outstanding issues. A somewhat intractable issue is that of bonus. On behalf of the Corporation, it has been contended that Government-sponsored institutions cannot grant bonus, in view of the fact that they are not profit-making bodies. The authorities have, however, recognised the validity of the employees' contention that they have for long regarded bonus as part of their salary and that an abrupt withdrawal of this payment would mean keen disappointment. The authorities, it is learnt, would like to make up for the loss of bonus by increased amenities. They have already put into effect a free insurance scheme. Perhaps this does not compensate the loss of the bonus in full. A new approach is called for in respect of bonus and other issues in order to reach a settlement which will leave the Corporation free to concentrate on its most essential function—increase of life insurance business.

MEDIUM-TERM CREDIT

THE proposal for setting up an institution, to be known as the Re-finance Corporation, for purposes of meeting the medium-term credit requirements of industrial units is a welcome experiment in the history of banking in this country. Although there are now several institutions for meeting the long-term credit needs of industry, there is no institution meant exclusively for medium-term credit. The need for such an institution is certainly great. Many banks, it is now common knowledge, have on their books a sizable volume of advances to clients which, though technically returnable at short notice, are periodically renewed so that they are virtually medium-term loans. This, however, is at best a make-shift arrangement. Besides, in the context of the continuing monetary stringency, such loans must mean additional hardship to the banks. As Mr. G. D. Birla, Chairman of the United Commercial Bank Ltd., in the course of his speech at the recent annual meeting of the Bank, pointed out, "with the ratio of advances to deposits well over 70 per cent. and in individual cases topping even the 80 per cent. mark, it is clear that the commercial banks now lack the credit base to carry the load of medium-term finance to industry." Of the total deposits, those that are repayable on demand constitute 60 per cent. and those repayable within three to six months some 30 per cent., while deposits which have a year to run represent a bare 10 per cent.

The broad details of the Corporation are now available. It will commence functioning with an ordinary share capital of Rs. 12.5 crores to be subscribed by the Reserve Bank of India (Rs. 5 crores), the State Bank of India (Rs. 2.5 crores), the Life Insurance Corporation of India (Rs. 2.5 crores) and the other banks (Rs. 2.5 crores). The other banks, it is stated, are Central Bank of India, Punjab National Bank, Bank of India, Bank of Baroda, National Bank of India, United Commercial Bank, Lloyds Bank, Allahabad Bank, Chartered Bank, Indian Bank, United Bank, Mercantile Bank of India, Dena Bank and State Bank of Hyderabad. The Government of India will place with the proposed Corporation the American counterpart funds of Rs. 26 crores as an interest-bearing loan for 30 years. The total funds available to the Corporation will thus be Rs. 38.5 crores. Loans under this scheme will be for periods between three and seven years. They will be given to medium-sized industrial units, so that no single industrial concern will have total resources in excess of Rs. 2.5 crores; the maximum amount of loan to any one borrower will not exceed Rs. 50 lakhs. Each of the participating banks, it is stated, will be allocated a quota from the total funds of Rs. 38.5 crores. Within this quota, the banks may offer certain types of loans to the Corporation for discount; the minimum limit of the quota will be Rs. 1 crore and the maximum Rs. 3 crores. If the Corporation charges 5 per cent., the banks under the scheme will be entitled to charge about 6.5 per cent. on loans given to industrial concerns. Lending banks will, however, assume the full credit risk on loans submitted to the Corporation for discount.

While the scheme is certainly intended to fill a genuine gap in the country's credit structure, there are some obvious difficulties in the way of implementing it. In the first place, the banks have to take the entire responsibility for the creditworthiness of the clients to whom they give medium-term loans. This is a risk which they may find it difficult to take. After all, medium-term advances represent a new field in which their experience is strictly limited. From this point of view, it may be wondered whether the Government itself should not relieve the banks of at least a part of the risk involved, considering that the banks are now being asked to underwrite risks which are somewhat repugnant to traditional banking practice. Secondly, it is to be feared that the margin of 1.5 per cent. envisaged for the bankers under the scheme may prove too small for the risks involved in administering the system of medium-term credits. Thirdly, the banks, as Mr. Birla stressed, do not now possess a satisfactory base for purposes of a successful experiment in this sphere. A wider incursion in the field of medium-term loans to industry, he stressed, would require the previous development of long-term deposits from the public. He added that, if Indian banks could successfully issue bonds with a maturity of three to six years, a base for medium-term credit to industry would have been established. There is no such base now and the proposed Corporation is also unwilling to shoulder the risk involved in medium-term advances. This is not a situation which is calculated to advance the cause of the scheme. Finally, it cannot be too often reiterated that any scheme of medium-term credits will depend for its success on the adoption by the Government of appropriate fiscal and economic policies which are designed both to encourage industrial units to borrow for purposes of expansion and to enable them to repay the loans promptly enough. Efforts should be continually made to overcome these difficulties, if this well-meant experiment is to become a real success and make a significant contribution to industrial finance.

CURB ON CREDIT FOR SPECULATION

U.S. LEND-LEASE SILVER—MARGIN ON COTTON—COMPULSORY DEPOSITS

THURSDAY, 5 P.M.

MARKET GOSSIP

WITH only three weeks to go for the budget to be presented to the new Parliament, the share markets have begun to show hesitancy. Though the budget fears have not yet been reflected in prices, operators seem to be reluctant to follow the upward movement noted in the previous two weeks. Except the general expectation that the budget proposals are bound to contain heavy tax measures, there are no indications to show the shape of the budget to come. One thing, however, is certain; that is, the cotton mill industry has to continue to shoulder the burden of heavy excise duties. This has been categorically reiterated again by the Union Minister for Commerce and Industry, Mr. Morarji Desai, in the course of his talks on Friday last with the members of the Committee of the Millowners' Association, Bombay, on the current problems of the textile industry.

The hopes of getting relief on this account in the May budget having been ruled out, textile mills have to bow to the inevitable. The only way open to them for getting their stocks of cloth reduced is to cut the prices and thus offer an inducement to consumers. This would mean a drastic fall in their profits for the current year. On top of this, the high prices of cotton would mean a further increase in production costs. In the circumstances, it will not be surprising if some textile mills look for other activities to supplement their income. In this connection, it is noteworthy that the Standard Mill of the Mafatlal Group has plans for diversifying its activities. The Company has been granted licence to establish a cement factory in Saurashtra and has obtained a certificate of approval for acquiring prospecting licences and mining leases in respect of many minerals in the Bombay State. This Company has no doubt the financial resources to undertake such ventures, but there are very few units which are in a position to do so.

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Equities on the kerb last night received a jolt from the reported circular of the Reserve Bank of India to banks advising them to desist from making advances for the purpose of cornering shares by parties who are intent upon acquiring control over companies. The banks have been asked to scrutinise applications for loans, so that bank credit may not be exploited for speculative purposes. The market's initial reaction is due to a misinterpretation of the contents of the Reserve Bank's circular. It was felt that advances against shares would not be available from banks. On second thoughts, however, the market seems to have realised the implications of the circular, as witness the higher opening in today's official trading. It is wondered by some as to what could have been the provocation for the Reserve Bank to issue this circular. This is not the first time that the Reserve Bank has issued such a directive. It probably wants to draw the attention of banks to the need for conserving bank finances to the maximum extent possible for genuine requirements of trade and industry, in view of the present acute monetary stringency. The Reserve Bank is understood to have emphasised that financial resources of banks should be harnessed to productive ends, instead of being made available to parties who pledge shares of companies with banks and obtain funds which, in turn, are used for unproductive and speculative purposes. While warning banks not to encourage such parties, the Reserve Bank is said to have stated that it has no objection to banks advancing loans against shares to those undertakings which utilise such loans for productive purposes.

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A development of interest to the silver section of the bullion market is the Government of India's decision to return to the U.S. in full the silver borrowed from the latter during the last war under the lend-lease agreement. During the war, the U.S. Government had lend-leased to India 226 million fine ounces of silver to be returned five years after the duration of the emergency. Following the partition, the liability was shared between India and Pakistan, India's share being 172 million ounces. The quantity has to be returned before 30th April 1957. The difficulty in the way of India returning this silver all these years was that it does not have sufficient quantity of silver. It has only a large amount of quaternary coins as a result of demonetisation of silver coins, from which the silver content has to be extracted. It is estimated by Messrs. Handy and Harman that the Indian Government has on hand a stock of silver amounting to 300 million ounces in the form of the demonetised coins. All these years America was reluctant to accept these quaternary coins and India's refining capacity was too inadequate to undertake the refining of these coins. The refining capacity has no doubt been enlarged now, but the nature of the quaternary alloy presents considerable difficulties in refining the coins. It will take quite a number of years before India refines all the coins. In view of these problems, there had been expectations in the market that the Government of India would enter the market to buy silver in order to return it to the U.S.

All these speculations have now been set at rest with the decision of the U.S. Government to accept these quaternary coins and undertake their refining at their own cost. It will at the same time retain all the metals recovered in the refining process. It has been agreed that India would ship 50 million ounces of silver of the requisite fineness in the form of bars and the balance of 122 million ounces in the form of quaternary coins. The first instalment of the shipment of 50 million ounces was made yesterday, when about 3 million ounces was embarked on an American liner.

The possibility of the Government buying silver from the market having thus been ruled out, attention is now diverted to guessing how much silver the Government of India will have after the lend-lease silver is returned. As already stated, the Government is said to have a stock of 300 million ounces from the demonetised coins, besides some quantity of *Hali Sicca* coins and the Government of India quaternary coins still with the public. As at the end of March 1956, the circulation of *Hali Sicca* currency amounted to Rs. 3.49 crores in Indian rupees and that of Government of India quaternary coins aggregated Rs. 52 crores. In the circumstances, the market is somewhat worried that the Government might come forward to sell a part of its silver stocks in order to meet its development expenditure.

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The latest move of the Government to effect a further drastic upward revision in margin deposits on transactions put through in Jarilla cotton May contract above Rs. 700 per candy of 784 lbs. signifies the grim determination of the authorities to nip in the bud any speculative tendency in the cotton futures market. Only on Thursday last, the deposits were doubled when forward trading was resumed after a day's closure. Yesterday, the Forward Markets Commission directed the Board of the East India Cotton Association to replace the slab system of fixing the deposit according to the price of cotton—Rs. 100, Rs. 140 and Rs. 200 per candy, if the quotation is higher than Rs. 700, Rs. 725 and Rs. 750, respectively—by a flat rate of Rs. 400 per candy (Rs. 200 per bale) whenever the Jarilla May contract rises above Rs. 700. The revised margin deposit is to be effective from 1st May. Evidently, the Commission has found that the doubling of the margins has not had the desired effect on the price trend. There was, of course, a sharp break in values, following the rise in deposits, Jarilla May dropping as much as Rs. 16 to Rs. 738 on the 18th inst. But, the contract firmed up again to Rs. 747, thanks to considerable short-covering and scarcity of offers. The Commission seems to think that a further increase in deposits at a time when credit conditions continue to be stringent would induce liquidation of holdings by speculative interests before 1st May, that is, when the revised margin comes into effect. It looks as though the Commission is right in thinking so. The Jarilla May contract has come down from Rs. 747 yesterday to Rs. 708 today, a fall of Rs. 39. The authorities are somewhat inclined to feel that the rate of Rs. 700 is the reasonable price, though the ceiling is fixed higher at Rs. 754. Naturally, they do not favour any business above Rs. 700. This objective is likely to be fulfilled, considering that there are not many who can pay as much as Rs. 20,000 for every 50 candies. Be that as it may, the recent increased official intervention in the cotton trade has evoked bitter protest at the hands of a section of traders. As a mark of protest, four members of the Board of the E.I.C.A., it is believed, have tendered their resignation.

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After a lapse of four months since the passage of the Finance (No. 3) Bill of 1956 by Parliament, which sought to amend section 10 of the Indian Income-tax Act, 1922, the Government of India has published the long-promised draft rules relating to the compulsory deposits to be made in respect of current profits under sub-section 2B of the section. The one anomalous feature of these rules is that they have been published two weeks after the relevant provisions of the Act themselves came into force, that is, on 1st April 1957. It is, no doubt, to be welcomed that the Government has asked for public comment before finalising the rules, but the time limit fixed therefor is too short. If those in charge of the enforcement of the Act themselves take so much time to publish the draft rules relating to the Act, which has caused much confusion among those affected by it, it may well be imagined how much time the public would take to understand the rules and give an opinion thereon. Even assuming that public comments are received within the end of the month, it will take two or three weeks, if not more, for the Government to finalise the rules. The period left after the finalisation of the rules for companies to make the deposit is too inadequate to arrange for the necessary finance, particularly for those companies whose "previous year" ended on or before 31st December last, for they have to make the deposit before 30th June next.

The most notable feature of these rules is that they relate only to current profits of companies and not to their accumulated reserves. If this welcome omission is to be taken as the Government's intention not to disurb companies' disposition which might have been made out of the accumulated reserves, it is surely a gesture on its part. For, in the case of many companies which have vast accumulated reserves, as a result of following a conservative policy in the matter of distribution of dividends, such resources have been locked up in rehabilitation and expansion programmes undertaken in recent years and in stocks of manufactured goods and raw materials. Representations have been made by industrial concerns to the effect that the companies which have already utilised their reserves for approved purposes should be exempted from the provisions of this part of sub-section 2B of Section 10 of the Indian Income-tax Act. The Government has presumably seen the weight of this contention and is willing to concede the demand. There is, however, no clear indication in the published rules of the Government's anxiety to give relief to companies in respect of accumulated reserves and there is, therefore, a certain amount of uncertainty about the enforcement of this part of the provisions. The Government will do well to clarify its intention in this regard, instead of leaving the public guessing. As the law has already been passed, it cannot be made infructuous by reason of the fact that the relevant rules have not been published. The Government should, if its intention is to keep in abeyance the law relating to "accumulated reserve deposits," announce that the percentage of deposits to be made by companies in respect of accumulated reserves is *nil*, as the Government has power to fix any percentage up to a maximum of 25.

Five categories of companies have been exempted from the deposit scheme and, in the case of others, the deposit to be made out of current profits is fixed at 50 per cent. of the amount by which the statutory surplus exceeds Rs. 1 lakh. In fixing this percentage at 50, instead of the maximum of 75 prescribed under the Act, the Government has no doubt given some relief to companies and this is in consonance with the Finance Minister's statement made subsequent to the passing of the Act that it was the Government's intention not to fix the percentage at over 50 in the first instance.

Another welcome feature of the rules is that companies have been given the discretion to make the deposits in the form of securities, instead of cash, the securities being valued at market value. This would mean that many companies need not have to strain their cash resources or to borrow from banks for the purpose of making the deposits, but only to make over their investments in Government securities to the Reserve Bank. Even this is not so easy as it appears to be, if these investments had already been pledged with banks for borrowings made. The valuation of securities at market rates for the purpose of deposits would mean that companies have to deposit a larger amount of securities than would be necessary, if they are taken at par value, in view of the heavy discount at which they stand now. The companies would not even mind this, if there is any guarantee against further depreciation in values of securities. It is not clear from the draft rules whether the securities so deposited will be revalued periodically according to the market value. For instance, if the market value goes down some time after the securities have been deposited, will the companies be asked to deposit further securities, or if it goes up, will the companies be given back the securities found in excess as a result of the revaluation? It must also be noted that there is no specific provision for refund of deposits (cash or securities) made by companies, if as a result of assessment by the Income-tax authorities they were found in excess of the assessed figure.

The list of "approved purposes" mentions only two definite purposes, namely, capital expenditure and repayment of borrowing against fixed assets, and leaves the other approved purposes to the discretion of the Commissioner of Income-tax or the Board of Referees. The Government is anxious that the deposits should be utilised for genuine purposes only and this can be ensured by giving the list of all possible "approved purposes" in the rules itself. The approved purposes must include working capital also.

The draft rules lay down that companies have to make the deposits on their own computation and to await the assessment of the Income-tax authorities. Usually, the assessment takes two or three years and in such cases, if the deposits already made by companies fall short of the deposits due on the basis of the assessment, the penal interest of 6 per cent. to be paid for such a long period will mean undue hardship to companies for no fault of theirs. While the Government has fixed the penal interest at 6 per cent., no rate of interest payable on the actual deposit made has been prescribed. The rate of interest will be notified by the Government for each financial year. Companies have no doubt the option to challenge the assessment made by the Income-tax authorities and if, as a result of the proceedings taken under the Income-tax Act, the assessment is reduced, the rules (*vide* rule 15) prescribe that the excess of deposits made over the amount so reduced will be refunded to companies. There is, however, no provision for refund of the excess interest paid. The Government has not specifically mentioned about it, presumably because there is already a provision under section 18A of the Income-tax Act for the refund of excess tax paid and the excess interest paid. Anyway, it is better to make the position clear by introducing a specific rule.

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By reason of his close association with industrial enterprises and rich experience as an administrator, the observations of Dr. Ramaswami Mudaliar on current economic issues do naturally evoke widespread interest. Addressing the annual meeting of the Industrial Credit and Investment Corporation of India, Ltd., held this week in Bombay, Dr. Ramaswami Mudaliar, after referring to the fact that everybody realised that both the public and private sectors should function in a complementary manner, expressed the view that "proper development of industries in the private sector would lead to a snowball effect gathering more and more momentum by the utilisation of resources saved so as to make further industrialisation possible, whereas there is not the same result or even

(Continued on next page)

SHARE MARKET QUIET

UPWARD TREND HALTED

(From Our Own Correspondents)

BOMBAY, *25th April*

THE share market presented an erratically lower trend during the week under review. The upward movement noted in the previous two weeks was not sustained in the face of heavy bull liquidation in leading counters. The series of holidays, fears of heavy deliveries in the last settlement and the Commerce Minister's statement that there would be no reduction of excise duty on cloth, brought down values sizably. Yesterday, however, there was a smart recovery on replacement buying at lower levels and short-covering. Today, again, sentiment was affected a little as a result of the misinterpretation of the Reserve Bank's circular to banks advising them to desist from making advances for the purpose of cornering shares. This was interpreted initially to mean that banks would discontinue advances against shares. On second thoughts, it was realised that genuine advances against shares would not be affected. Consequently, there was a recovery at the close. On balance, equities suffered minor losses over the week.

In the steel section, Tata Ordinaries suffered a setback from Rs. 171 to Rs. 165.75. After staging a recovery to Rs. 169.50, the shares drifted lower to Rs. 168 at the close. Tata Steel (new) were unchanged at Rs. 119. Indian Irons softened from Rs. 20.15 to Rs. 19.60, but regained to touch a high of Rs 20.30. The closing was, however, done lower at Rs. 20.05.

Textiles were affected earlier in the week by the Commerce Minister's statement that there would be no reduction of excise duty on cloth, but the closing prices were well above the lowest levels touched. Bombay Dyeings were marked down from Rs. 557.50 to Rs. 550.50, before smartly recovering to Rs. 559. The closing was done at Rs. 556.50. Centurys came down to a low of Rs. 453.50 from the previous week's closing of Rs. 464, but finished better at Rs. 466.50. Kohinoors gained over the week Re. 1 to Rs. 319, the highest and lowest levels touched being Rs. 321 and Rs. 313.50, respectively. Central Indias shed a rupee to Rs. 114. Finlays dropped Rs. 5 to Rs. 301, Gokaks 75 nP to Rs. 191.25 and Indu Ordinaries 20 nP to Rs. 10.10. Indore Malwas changed hands Re. 1 lower at Rs. 136. Edward Textiles were, however, marked up by Rs. 2.50 to Rs. 252.50. New Greats were unchanged at Rs. 228, but New City Mills had business at Rs. 133.75, a fall of Rs. 15.65 over the week. Podar Mills moved down by a rupee to Rs. 164, while Shree Niwas Cottons were maintained on balance at Rs. 178. Simplex moved between Rs. 173 and Rs. 171 before finishing at Rs. 172. Standards drifted lower by Rs. 4 to Rs. 444, Svadeshis by Rs. 3 to Rs. 214.25 and Tata Mills by 25 nP to Rs. 47.50. Vishnu Cottons were done lower at Rs. 125 *ex-div.* (div. Rs. 5.50), as against Rs. 140 *cum-div.* last week.

Bank shares fared better on investment enquiry. Barodas were picked up 50 nP higher at Rs. 99.50. Central Banks gained Rs. 2 to Rs. 50.75 and their new shares Rs. 1.25 to Rs. 53.75. Bank of Indias provided an exception with a drop of Re. 1 to Rs. 133. Union Banks were up by 10 nP at Rs. 7.25. United Commercials were done at Rs. 53 *ex-div.* (div. Rs. 3.50), as against Rs. 56.50 *cum-div.* a week ago.

Very little activity was noted in the insurance section. New Indias changed hands 75 nP higher at Rs. 39.75. British India Generals were lower by 20 nP at Rs. 13.25.

Business in electricity shares was restricted, but the undertone was steady on enquiries for select counters. Ahmedabad Electrics were taken up 25 nP higher at Rs. 93.75, as also Bombay Suburbans at Rs. 106.25. Surat Electrics picked up 75 nP to Rs. 107.75. Tata Hydros were a fraction lower at Rs. 121. Tata Powers improved by Rs. 12.50 to Rs. 1,207.50, while Andhra Valleys were unchanged at Rs. 1,185.

In the miscellaneous section, sugar shares emerged better, despite the generally lower trend, on reports that the Government of India was considering a proposal to give excise duty concession for encouraging production of sugar from *gur*. Belapurs dipped earlier from Rs. 226 to Rs. 224, but rallied to close at Rs. 229. Phaltans gained 75 nP to Rs. 135.25, while Walchandnagars were marked down from Rs. 253 to Rs. 248.75. Associated Cements were taken down from Rs. 159.25 to Rs. 157.75 before gaining to Rs. 160. Their coupons were done Rs. 2 higher at Rs. 58. Digvijays hardened by Rs. 2.50 to Rs. 144.50. Orissa Cements improved by 24 nP to Rs. 13.44. Engineering and mining shares followed the general pattern, the notable exception being provided by Tata Locomotives. On rumours that the Company might declare an interim for the current year, in view of the encouraging performance, Tata Locomotives rose sharpiy to Rs. 146.25 from Rs. 138.25, to which level they had been marked down on Tuesday from Rs. 141 at the close of the previous week. Alcock Ashdowns fell by Rs. 6.25 to Rs. 257.50. Premier Constructions stood a rupee higher at Rs. 165. Larsen and Toubros were unchanged at Rs. 15. Shivrajpurs were lower by 75 nP at Rs. 90.50 and Indian Coppers by 4 nP at Rs. 3.28, as also B.B. Petrols at Rs. 2.50.

In the shipping and automobile group, Scindias fluctuated between Rs. 18.80 and Rs. 18.40 before closing 40 nP lower at Rs. 18.50. Great Easterns were done 25 nP lower at Rs. 18.10. Premier Automobiles fared well with a rise of Re. 1.50 to Rs. 88.50, while Hindustan Motors shed 5 nP to Rs. 7.25.

Bombay Burmahs (old) suffered a retreat from Rs. 581 to Rs. 560.50 before recouping to Rs. 565.50 at the close. Their partly paid-ups lost Rs. 5.75 to Rs. 211.25. British India Corporations were quiet at Rs. 7.30. National Rayons gave way from Rs. 228.50 to Rs. 226.50 and Gwalior Rayons lost 15 nP to Rs. 12.25. Hindustan Levers were a steady feature with a rise of 45 nP to Rs. 19.05. Tata Chemicals were maintained at Rs. 16.10 and Tata Oils at Rs. 42.50. Wimcos improved by Re. 1.50 to Rs. 171.

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Calcutta Stock Exchange

CALCUTTA, *24th April*

After depicting a slightly better trend following expectations of increased support from the Life Insurance Corporation, the Calcutta Stock Exchange turned lethargic on Thursday, when it closed for the Easter holidays and the week-end. The market reopened yesterday, cheerfulness being hardly perceptible. Some support was forthcoming, in view of the low levels which quotations had touched. But the support was extremely cautious, and as such could not reverse the falling trend. This change in sentiment for the worse was due to expectations of increased levies in the forthcoming budget, and note was taken of a New Delhi report which said that the Railway Budget would disclose a general upward revision in freights, threatening to claim from trade and industry a 20 per cent. increase in revenue from goods traffic. Another cause for the setting in of dullness was the publication of the draft rules under which joint-stock companies should deposit a portion of the reserves with the Government. Although these rules are as wide as possible, it was thought that their actual enforcement would affect the normal working of companies. Stock market circles entertained the fear that the deposit scheme was likely to lead managements of companies to follow a more cautious dividend policy, in view of the relationship of dividends to the cash position.

The announcement of the decision to close the Standard Jute Company on account of continued uneconomic working chilled operators' enthusiasm for jute shares, despite better prospects of jute goods exports and better statistical position of stocks of finished products with mills. Howrahs fell from Rs. 15.87 to Rs. 15.25, and Nationals from Rs. 20.50 to Rs. 20.10. Orients were as low as *Rs. 103, as against Rs. 111 previously*, while Anglo-Indias, on fresh support, were taken to Rs. 134 from Rs. 132. After being lower at Rs. 11.87, New Centrals regained to Rs. 12.06, Indias changing hands at Rs. 123, as against Rs. 121.

Coals were, for a time, noted for steadiness, but turned quiet subsequently. Thus, Burrakurs, after realising Rs. 21.65, closed at Rs. 21.00. From Rs. 16.25, Pench Valleys were driven back to Rs. 14.87, while Bengals were a shade better at Rs. 216. The announcement of an increase in the stowing subsidy for collieries did not cause any change in sentiment, as this was considered too poor. The statement that the price and cost structure of the coal industry would be closely studied did not also cause any cheer.

Engineering scrips were subjected to profit-taking. Indian Irons opened at Rs. 19.96 and, after improving to 20.09, sagged to Rs. 19.69. Kumardhubis were fractionally lower at Rs. 9.50. Jessop & Cos. gave way to the opening rate of Rs. 25.37, after being higher at Rs. 26.25. On the other hand, fresh support was accorded to Braithwaite & Cos. which at Rs. 25.00 added 12 nP. India Galvanisings were pushed back to Rs. 19 from Rs. 19.12, Guest Keens being unchanged at Rs. 25.50.

Madras Stock Exchange

MADRAS, *23rd April*

The Madras Stock Exchange presented a quiet trend during the week under review. Investment buying was at a low ebb, thanks to lack of any encouraging development. Although the draft rules regarding compulsory deposits out of companies' current profits are less rigorous than expected, they were still considered to be quite harsh, affecting firms having low reserves. The categorical declaration by the Union Commerce and Industry Minister that the Government would not reduce excise duty on cloth also chilled the enthusiasm of operators. Advices from Bombay and Calcutta, too, were not inspiring. Transactions put through were, as a consequence, greatly restricted and values of several counters tended to look down.

Among tea shares in the planting section, Blue Mountains declined by 25 nP to Rs. 3.75, Kalasas by 20 nP to Rs. 13.80. Waterfalls and United Nilgiris decreased by 13 nP each to Rs. 4.20 and Rs. 17.62, respectively. Neelamalais lost 5 nP to Rs. 6.10. Kil Kotagiris receded by 25 nP to Rs. 5.95. Talayar Teas were neglected at Rs. 10.70, Haileyburias at Rs. 22.50, Chandramalais at Rs. 3.90 and Devasholas at Rs. 21.25. Balanoors, however, advanced by 25 nP to Rs. 18.75 and Parksides by the same amount to Rs. 15.50. Peermades moved up by 75 nP to Rs. 27.25. Twyfords gathered 5 nP to Rs. 17.55. Among coffee shares, Consolidated Coffees slumped by Rs. 1.10 to Rs. 22.20. Coffee Lands were lower by 35 nP at Rs. 25.40. Mysore Coffees shed 9 nP to Rs. 3.00 and Sheveroys 6 nP to Rs. 2.04. In the rubber group, Cochin Malabars dropped 52 nP to Rs. 7.60. Be Bes eased by 15 nP to Rs. 4.60. Kailas lost a like amount at Rs. 4.95. Rajagiris and Mercaras both shed 25 nP to Rs. 19.00 and Rs. 8.25, respectively. T.R. & T's receded by 13 nP to Rs. 9.12. Pullangodes decreased by 10 nP to Rs. 2.40.

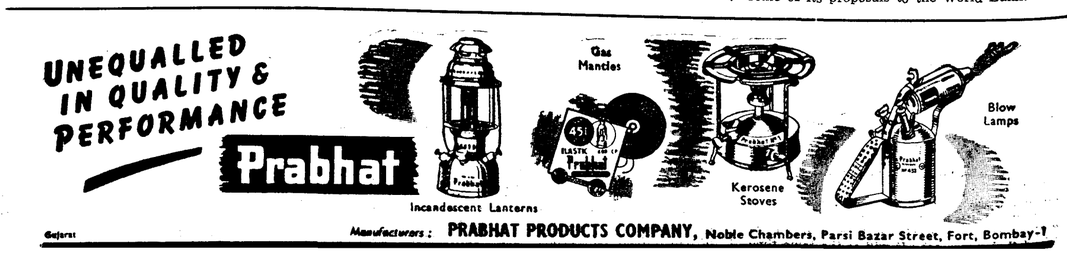
In the textile section, Ranga Vilas dropped Rs. 2.25 to Rs. 86.50. Rajalakshmis and Metturs both declined by Rs. 1.50 to Rs. 137.00 and Rs. 406.00, respectively. Gnanambikais slumped by Rs. 5 to Rs. 155.00. Janardanas, Loyals and Maduras shed 50 nP each to Rs. 93.50, Rs. 50.25 and Rs. 41.50, respectively. Lakshmis had good support and rallied Rs. 5 to Rs. 140.00. Coimbatore Pioneers were marked up by Rs. 5 to Rs. 270.00. Coimbatore Spinnings firmed up by Rs. 1.75 to Rs. 88.00.

In the miscellaneous section, Mysore Tobaccos and Mysore Papers shed 25 nP each, the former to Rs. 14.75 and the latter to Rs. 15.75. F.A.C.Ts receded by 32 nP to Rs. 5.30. Aluminium Industries were lower by 15 nP at Rs. 13.75. Spencers eased by 10 nP to Rs. 16.15. Singarenis were neglected at Rs. 10.50, Sen-Raleighs at Rs. 12.62 and Rallis at Rs. 30.25.

(Concluded from previous page)

the same incentive in public enterprises promoted by the State." A very high level of taxation, he rightly held, may produce more money to the State but will have an "atrophying" effect on private savings and thus on the development of industries in the private sector. Proceeding, he observed that there seemed to be a realisation on the part of the authorities that their taxation policy had seriously crippled the resources of Indian capital. He added: "The change in the policy of the Government regarding the extent to which foreign collaboration in the capital structure of a company can be promoted is a recognition of the shortage both of Indian capital and of foreign exchange." He felt that this more flexible attitude of the Government towards foreign capital was a welcome sign.

As regards the activities of the Corporation, the Chairman defended the Corporation against certain criticisms which have been made against its working. He stressed that the Corporation was not a purely lending company concerned mainly with the security offered against its loans. It had done a substantial amount of underwriting of shares and had invested in the share capital of a number of companies. He pointed out that this activity implied a very close consideration of the proposals which came up before the Corporation. He admitted that certain risks had necessarily to be taken in all ventures, but these risks must be carefully calculated risks and not risks incurred blindly. As regards the alleged failure of the Corporation to make use of the $10 million credit granted to it by the World Bank, Dr. Ramaswami Mudaliar revealed that in the early stages, so long as industrialists could get their foreign currency needs in the normal way, they were not willing to take loans in foreign currency from the Corporation. Subsequently, since the situation had altered as a result of the shortage of foreign exchange, the Corporation had received a number of enquiries for loans in foreign currency. He added that the Corporation in the coming months would present some of its proposals to the World Bank.



NEWS IN BRIEF

THE first session of the new Lok Sabha will commence on 10th May next.

A new railway marshalling yard is to be built at Tughlakabad, near Delhi, at a cost of Rs. 1 crore. At present, all goods traffic has to pass through either the main yard at Delhi or the New Delhi marshalling yards, causing heavy congestion. The proposed new yard is expected to relieve the pressure to a great extent.

The Government of India has decided to set up a Central Mechanical and Engineering Research Institute at Kalyani at an estimated cost of Rs. 50 lakhs. The project will be implemented in collaboration with the Government of West Bengal. The proposed Institute will carry out fundamental and applied research in mechanical engineering relating to industries.

The Secretary for Economic Affairs in the Union Ministry of Finance, Mr. B. K. Nehru, will shortly undertake a mission to Europe and the United States for negotiating imports against credit. He will discuss India's foreign exchange position and explore the possibility of securing credits from foreign industrialists and financiers, including the World Bank.

As a result of the decision (in principle) taken by the Calcutta Maritime Board which is composed of shipowners, seafarers, and the Joint Secretaries of the National Union of Seamen of India, the wages of the Calcutta seamen will be raised to the level prevailing in Bombay. About 20,000 seamen are to be benefited by this to the extent of Rs. 25 each, on an average, per month.

A special rebate of three naye paise per rupee will be granted on all the retail sales of handloom cloth during the Handloom Week 5th to 11th May. This is in addition to the rebate now being granted at the rate of 12 naye paise per rupee in Bombay State and 9 naye paise per rupee in all other States. A special rebate of 9 naye paise will also be granted on such sales where the present rate of rebate is 6 naye paise only.

For the development of sheep and wool production in India, 396 extension centres will be set up by 31st March 1959 at a total cost of Rs. 150 lakhs. It is also planned to establish, in 1957-58, three wool-utilisation centres—one each in Uttar Pradesh, Bombay and Rajasthan. A similar number of sheep breeding farms will be opened in the States of Bombay, Himachal Pradesh and Madhya Pradesh.

A general agreement has been reached by the representatives of the Union Government and the Assam Oil Company over the formation of a rupee company to exploit the newly found oil at Nahorkatiya in Assam. Earlier. disagreement over the financing of the pipeline and the price of crude oil was resolved by the common acceptance of some general principles in respect of both. The agreement is subject to ratification by the Government of India and the Board of Directors of the Company.

The Government of India has decided to allow the holders of 10-year Treasury Savings Deposit Certificates to pledge them with Scheduled banks and co-operative banks and societies for the purpose of securing advance against them. At present, these Certificates can be transferred for the purpose of being deposited as security only to a gazetted Government officer and executive officer of a local authority in his official capacity or the Reserve Bank of India. The new facility will come into effect from 1st May and is intended to help holders of Certificates to avoid their premature encashment.

The Railway Freight Structure Inquiry Committee is reported to have favoured the introduction of a new pattern of freights designed to discourage short-distance traffic and to encourage booking for long distances. With this end in view, the Committee is understood to have suggested a sliding scale of freights beginning with 3.6 pies per maund per mile for distances below 25 miles and ending with half a pie per maund per mile for distances beyon 1,200 miles. While the result of this rationalisation will be a general increase in existing freights, there will be some relief in the case of traffic moving over any distance ranging from 300 to 500 miles. This revision of rates is expected to result in a 20 per cent. increase in freight revenue.

The Standing Committee of Technical Experts on the Neyveli Lignite project has completed its studies on the various alternative possibilities in connection with the fertiliser part of the project. The studies involved investigation of various production possibilities, including production of complex fertilisers and other fertilisers, containing two principal plant nutrients. In view, however, of the satisfactory results from a large number of demonstration trials with urea as the fertiliser, the production of only this fertiliser has been decided upon at Neyveli. For one thing, urea is preferred by the agriculturists. It can also be produced and delivered cheap and it has satisfactory keeping qualities. The proposed fertiliser unit at Neyveli is, therefore, being planned and designed for the production of urea of the order of 70,000 tons of nitrogenous content per annum by the total recycle process. When it goes into production, it is expected to be one of the largest urea plants in the world.

The Government of India has been sanctioned a Ford Foundation grant of $1.5 million for the training of 200 Indian engineers in the management and production methods of the United States steel industry. The training, which will begin in September and take one year, will be conducted by the nation's eight largest steel companies. Academic instruction will be provided by co-operating technological institutes in the vicinity of the plants to which the trainees are assigned. The Carnegie Institute of Technology will serve as the administrator of the programme in this country and as liaison between the educational institutions and the steel companies. The Foundation grant will meet the trainees' living expenses in the United States and academic fees connected with their institute studies. The steel companies will assume the costs of instruction and training in their plants. The Government of India will pay the trainees' international travel expenses and the costs of preliminary training in India.

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From Abroad

A Conference of Commonwealth Prime Ministers will open in London on 26th June next.

The French Government is expected to announce shortly details of a cut of 250,000 million francs in Government military and civil spending in order to meet the country's economic difficulties.

President Eisenhower has signed a Bill permitting Britain to postpone up to seven payments of annual interest and principal on loans and its lend-lease account received from the U.S. Government. The Bill had earlier been passed by both the Houses of the Congress.

The new cotton mills with a total of 800,000 spindles and 20,000 looms are scheduled to go into operation in China this year, according to the Chinese Ministry of Textiles Industry. Altogether, 40 mills with a total of 1,620,000 spindles and about 40,000 looms will be completed by December 1957, under China's first Five-year Plan.

The Planning Board of Pakistan has submitted to the National Economic Council an approved draft of Pakistan's Five-year Plan with reduced estimates. The draft allows for an investment of Rs. 1,080 crores in the private and public sectors, as compared with the original estimate of Rs. 1,160 crores. The estimated increase in national income over the Plan period of 1955-60 has been lowered from 20 to 15 per cent.

Personal income in the U.S. during March rose to a record annual rate of $337,500 million. The rate level was $1,000 million over the preceding month. Personal income—a major indicator of the economy—includes wages and salaries, the net income of proprietorships, as well as dividends and interest, net rents received by landlords, and other types of individual income.

Soviet engineers have drafted a plan to reverse the flow of several northward flowing rivers in European Russia in order to produce immense quantities of electric power and irrigate millions of acres of steppe and semi-desert land. About 800 million cubic yards of earth, it is estimated, will have to be moved for the purpose, which are ten times as much as those moved for the building of the Suez Canal.

The United Auto Workers Union plans to institute a pilot centre at Detroit for retired workers. Experience gained in operating the centre will be used in planning future centres designed to meet the needs of the elderly workers in American industrial communities. The new centre will provide retired workers of this area with recreational and social activities, and will offer them guidance on financial, health, and housing problems.

The Soviet Government intends to double the production of the Magnitogorsk Iron and Steel Works, the nation's biggest producer of ferrous metals, by 1965. The expansion programme envisages an increase in the number of coking batteries from 10 to 16 and of open hearth furnaces from 28 to 37, addition of two more blast furnaces, and automation of many ore concentration and coking processes.

The 1956 economic aid programme cost the United States $4,900 million in goods, services and cash. This figure, according to the U.S. Department of Commerce, marked an advance of 8 per cent. over the 1955 figure of $4,547 million. Deliveries to Western Europe aggregated more than $1,900 million, to Latin American countries $218 million, and to Asian countries $1,900 million. The U.S. also sold $1,100 million in farm products to friendly nations. Of this amount $519 million in foreign currencies were used during the year on projects agreed upon by the recipients and the U.S.

PERSONAL

DR. S. Radhakrishnan has been re-elected Vice-President of India.

Mr. A. S. Rao, until recently Legal Adviser to the Textile Commissioner, Government of India, Bombay, has been appointed a whole-time Member of the Forward Markets Commission.

Mr. Shantilal Mangaldas and Mr. Chandulal Vardhman have been elected President and Vice-President, respectively, of the Saurashtra Millowners' Association for the year 1957-58.

Mr. K. L. Dhandhania has been elected President of the Bharat Chamber of Commerce, Calcutta, for the year 1957. Mr. B. P. Poddar and Mr. R. K. Kanoria have been elected senior Vice-President and junior Vice-President, respectively.

Mr. A. H. Milnes, Technical Director of Messrs. Cook and Company (Manchester) Ltd., the well-known manufacturers of ring travellers, rings, vacuum card stripping and pneumatic conveying equipment, testing machinery, etc., arrived in Bombay on the 18th inst. and intends to visit the principal textile centres and as many mills as possible during his stay in India. Mr. Milnes has been responsible for the development of many of the Company's products and is the author of two standard publications on statistics as applied to the textile industry. He may be contacted through W. H. Brady & Co., Ltd., Bombay.

Mr. Jawaharlal Nehru assumed office as the Prime Minister and Minister of External Affairs and also in-charge of the Department of Atomic Energy on the 17th inst. The other members of the Cabinet are: Maulana Abul Kalam Azad, Education and Scientific Research; Messrs. Govind Ballabh Pant, Home Affairs; Morarji R. Desai, Commerce and Industry; Jagjivan Ram, Railways; Gulzarilal Nanda, Labour and Employment and Planning; T. T. Krishnamachari, Finance; Lal Bahadur Shastri, Transport and Communications; Sardar Swaran Singh, Steel, Mines and Fuel; Messrs. K. C. Reddy, Works, Housing and Supply; Ajit Prasad Jain, Food and Agriculture; V. K. Krishna Menon, Defence; S. K. Patil, Irrigation and Power. The Ministers of State are: Mr. S. N. Sinha, Parliamentary Affairs; Dr. B. V. Keskar, Information and Broadcasting; Mr. D. P. Karmarkar, Health; Dr. P. S. Deshmukh, Food and Agriculture; Messrs. K. D. Malaviya, Mines and Oil; Mehr Chand Khanna, Rehabilitation; Nityanand Kanungo, Commerce; Raj Bahadur, Transport and Communications; B. N. Datar, Home Affairs; Manubhai Shah, Industries; S. K. Dey, Community Development; Dr. K. L. Shrimali, Education and Scientific Research; Messrs. A. K. Sen, Law; Humayun Kabir, Transport and Communications. The Deputy Ministers are: Sardar S. S. Majithia, Defence; Messrs. Abid Ali, Labour; Anil Kumar Chanda, External Affairs; M. V. Krishnappa, Food and Agriculture; Jai Sukh Lal Hathi, Irrigation and Power; Satish Chandra, Commerce and Industry; Shyam Nandan Mishra, Planning; Bali Ram Bhagat, Finance; Shah Nawaz Khan, Railways; Dr. Mono Mohan Das, Education and Scientific Research; Mrs. Lakshmi N. Menon, External Affairs; Mrs. Violet Alva, Home Affairs.

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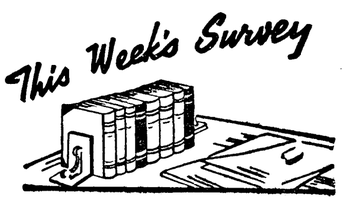

PUBLIC AND PRIVATE SECTORS

THERE is no exaggeration whatever in the statement of Mr. K. M. Munshi, Governor of Uttar Pradesh, made while presiding over the function organised in Bombay last week to felicitate Mr. G. D. Birla on the conferment of *Padma Vibhushan*, that, in honouring Mr. Birla, the Government of India has honoured the Indian business community itself. For Mr. Birla symbolises in himself the best traditions of this community. The House of Birlas is known not merely for its farsighted endeavours in the sphere of trade and industry but for its unflinching devotion to the cause of freedom even at a time when its supporters had not yet been successful in their struggle. The services of Mr. Birla, who is one of the leading lights of the house which bears his name, are both wide in range and manifold in character. Besides making significant contributions to trade, industry and banking, Mr. Birla has founded large trusts which, as Mr. Munshi aptly described, "are a source of pride to the country and which have benefited hundreds and hundreds of people in different spheres of activities." Mr. Birla belongs to the class of industrialists who are known for their enlightened interest and progressive outlook. A clear indication of this is provided by the observations of Mr. Birla, in the course of his reply to the felicitations extended to him. Pointing, in particular, to the undue emphasis on the public and private sectors, he said:

"It was a bad day when these words, private sector and public sector, were coined. Even before, there did exist the so-called public sector—the railways, telegraphs and so on and so forth. And there was the private sector too. Even today, in the United States and other countries, there is the so-called public sector and the private sector. But nobody talks about it. I do not know why we started talking of public and private sectors. To me, there is no such thing as public and private sectors. It is a national sector in which we are all called upon to play our part. The business community has got enterprise. They work. They like to create not for the purpose of earning money—it is a second habit—but because they must work. They cannot live without work. And, therefore, they will continue to create."

This is a neat summing up of the vexed controversy relating to the two sections. Mr. Birla's words, though addressed primarily to business men, apply with greater force to the Governments, Central and State. It is a pity that the Governments, in their anxiety to do too much in too short a period, should have imposed all sorts of restrictions on the more creative private enterprise. If, however, Mr. Birla called upon the business community to be patient with the Government, it is because there is, as he himself put it, no alternative to such an attitude. He did well to urge his listeners that business men should not be down-hearted. He averred that what was called private sector was going to play a very important part. Quoting approvingly the Prime Minister, in this connection, Mr. Birla remarked: "I have no doubt that we are going to occupy a respected place." It is to be hoped that this observation will come true; those at the helm of affairs in the Governments should so revise their attitude towards private enterprise as to enable it to function more efficiently and with speed in the task of building a new India.

FINANCE FOR TEA INDUSTRY

Mr. Morarji Desai's address at the Conference of representatives of tea producers and bankers, held in Calcutta on the 12th inst., to discuss the ways and means of meeting the financial requirements of the tea industry for both long-term and short-term purposes, emphasises the Government's anxiety to assist those units of the industry which are experiencing serious difficulty in raising money for normal working as well as development. Institutional financing of the tea industry takes various forms and involves a large number of Scheduled banks and finance corporations operating in the tea-growing areas. The main problem appears to be that, although finance on a large scale has been made available to the industry in the past, the conditions under which it has been given have been far from easy, and, in many instances, have been characterised as hard and exacting. It seems that, unless the rules and conditions are relaxed, many units of the tea industry requiring assistance cannot avail themselves of the facility from a large number of institutions which are capable of giving the assistance.

The Government's initiative in convening the conference, follows presumably the recommendations of the Plantation Inquiry Commission on the subject. In Chapter X of the report dealing with finance for the tea industry, the Commission examined the matter in some detail. Short-term or seasonal finance is needed by the tea industry for meeting working costs of the estate and factory for the production and marketing of tea, while long-term finance is needed for expenditure of a capital nature, such as extensive replanting, extension of cultivation, improvement of factory and machinery, labour housing and various amenities to workers prescribed by legislation. The normal sources of finance for these purposes are the estates' own resources like reserves built out of retained profits, advances or loans from managing agents, commercial banks, brokers and others. The Commission estimated the yearly average working capital requirements of the North Indian tea industry at Rs. 1,290 per acre and those of South India at Rs. 727 per acre. The working capital requirement of the Indian section of the industry is estimated at Rs. 22.8 crores. The rate of interest charged by commercial banks ranges between 4 and 9 per cent. Some banks are also charging a commission of ½ to 1 per cent. on gross sales. Brokers lending money to the estates charge interest at the rate of 4 to 5 per cent. The Plantation Inquiry Commission considered that the levy by some of the banks of a charge on gross sales, in addition to interest, was not justified and recommended that the Reserve Bank should use their good offices with banks and, if necessary, use its legal powers to see that the levy was discontinued.

The Commission also recommended that the financial difficulties of the Indian section of the industry could only be removed by the State Bank providing sufficient finance. Once short-term finance was available from the State Bank, the industry would not have to draw on its reserves for working capital which could then be made available for long-term capital expenditure. It was urged by the Commission that the Industrial Finance Corporation and the various State Finance Corporations should meet the need for long-term finance. One particular difficulty of the smaller Indian-owned gardens in raising money from commercial banks on hypothecation of the crop, the Commission pointed out, was that these banks also wanted the gardens to deposit their title deeds to garden property as a collateral security. This prevented the gardens from raising money from any other sources, whatever the emergency may be, so long as the earlier borrowings had not been repaid.

At the Calcutta conference in which representatives of producers' associations, State Finance Corporations, the State Bank and the Reserve Bank, the Scheduled banks and the brokers took part, the Hon. Minister for Commerce and Industry, Mr. Morarji Desai, in the course of his speech, classified the needs of the industry under the heads of: (1) working capital requirements, (2) block capital requirements, (3) money required for implementing statutory requirements, and (4) money for liquidation of past debts.

It is understood that some representatives of the tea industry pointed out that the industry's difficulties in the way of getting finance would not be so great, if it was allowed some relief from the heavy burdens that it carried at present. In addition, it was mentioned that the provisions of the Finance Act 3 of 1956, requiring companies to leave a large part of their depreciation allowances and reserves with Government, was effectively preventing tea companies from utilising their own resources for either working capital or development. Generally speaking, the larger growers would not be in need of external finance if their resources, built up over a long period, were not depleted by the above-said means. A point specially stressed at the conference was that the real difficulties of the tea growers were at present obscured by the fact that the provisions of the Plantations Labour Act had not been implemented. Lack of building materials and transport difficulties had compelled the growers to delay the implementation, but when implementation was in full swing even large units in the industry might suffer from want of finance.

It is stated that the practice of charging a commission on sales is not general, but is confined to a small number of banks which justify the levy on the ground that they perform a number of services free of charge to the borrowing gardens. As regards deposit of title deeds and production of guarantors, it appears that banks generally start advancing money to gardens even before the crop is harvested and long before it is marketed and, in consequence, banks wish to be covered adequately for the amounts advanced. The Calcutta conference appears to have discussed the possibility of various banks "sharing" the title deeds of individual gardens in such manner that it should be possible for more than one bank to advance money to a garden under particular circumstances.

There appears to be a feeling that the Industrial Finance Corporation and the State Finance Corporations can render greater service to tea gardens than they are doing at present. Some of the State Corporations have advanced large sums to tea gardens, but the majority of them cannot go further, unless their rules are suitably relaxed. They require that as much as 75 per cent. of the advance should be capitalised and only the remainder used for working expenses. The conference decided that a working group should be appointed to go further into the question of finance for the tea industry.

FOREIGN EXCHANGE

One of the much-discussed topics today is the problem of foreign exchange. Appropriately, a great deal of discussion is centered on import controls, export promotion, creation of suitable climate for attracting foreign capital and so on. It is not, therefore, surprising that these issues found a prominent place in the address delivered by Mr. K. P. Goenka, President of the Indian Chamber of Commerce, at the annual meeting of the Chamber, held this week at Calcutta. Mr. Goenka rightly stressed the fact that the deficit contemplated in the balance of payments position following the large-scale imports of capital goods would not lead to any serious weakening of the economy of the country, for the goods imported would raise the country's productive strength. He also emphasised that the country could not think of lowering the targets under the Plan, for it would mean slowing down of the pace of development which was undesirable in view of the fast-growing population. This obviously means finding other methods of meeting foreign exchange expenditure involved in importing the capital goods essential for development. A method suggested by Government is the deferred payment basis. Various quarters have expressed doubts about the practicability of this solution. Mr. Goenka also doubted if the foreign countries which were the suppliers of these goods to this country would be willing to meet the conditions stipulated by the Government, especially in view of the increasing need for capital goods in various parts of the world. Though there is some force in this view, it cannot be denied that there has been some evidence of willingness among a few capital goods exporting countries to consider favourably these conditions, more especially because of the fact that India provides a large and growing market, a stable Government and comparatively stable economy; these are by far the most powerful factors in India's favour. Be that as it may, Mr. Goenka rightly pleaded that the Government should consider some method by which industrialists would be assured of foreign exchange to the extent of their commitments at the rates prevailing now. For, it would involve a big liability on the purchases of capital goods if they did not know how much capital they should provide in terms of their long-term commitments. Further, according to Mr. Goenka, the increase in cost of capital goods under the deferred payment scheme might be as much as 25 per cent.

As regards the import policy of the Government, Mr. Goenka said that a number of items coming under unessential categories were still being imported. Turning to export promotion, he stated that it was a question of making the country's export industries more competitive in international markets. This, he rightly emphasised, depended on factors such as cost structure, public relations work by Indian business men in foreign countries, transport facilities, and not the least important, adequate port and shipping facilities. Indeed, there is much that the Government and the private industries can do in all these directions, so as to raise Indian exports to foreign countries.

AMERICAN LETTER

BRISK BUSINESS DESPITE SOFT SPOTS

EVERYBODY IS FOR CUT IN SPENDING

From Our Special Correspondent

NEW YORK, *17th April*

BUSINESS in the United States remains brisk, despite some soft spots. Employment increased by 667,000 last month to nearly 63.9 million persons. This was a new high for March. Unemployment fell. The overall figures, just as national statistics, generally, can be misleading, of course, so far as individual segments of the economy are concerned. The apparel business is far from satisfactory, for example. Spending for new plants and equipment may be nearing a peak now, owing to previous commitments, but it is likely to slacken. Demand for loans is smaller than last year and there are signs that the stringency of money is easing. Some rates have declined already. Home building, hurt by tight money, shows signs of some slight pick-up. The automobile industry is going along at an even pace. Indications are that the industry may produce this year somewhere between 6.2 million and 6.3 million cars, instead of 6.5 million in 1956. Such a slight reduction would be no calamity.

Thus, complaints are really few. Yet, there still remains an air of disenchantment. It is prevalent at this time of the year anyway when Federal and State taxes are due in the United States. Beyond that, a feeling of disappointment is evident as regards both domestic and international affairs.

While tax cuts have been made by Governments overseas, notably in the United Kingdom, no such gesture has come out of Washington. The revolt about the proposed Budget for the next fiscal year is continuing. It has not been explained publicly and to the satisfaction of the taxpayers that such huge outlays are necessary.

The Middle East situation is another bone of contention. While the Suez Canal has been reopened, terms of the so-called settlement are regarded highly unsatisfactory. President Nasser of Egypt has won nearly on all points over the United States and the United Nations. The Arab-Israel relationship is as tense as it was before. Events in Jordan are not reassuring either, except as a possible offset to Egyptian aggressiveness which keeps maritime insurance rates high in that part of the world.

East-West Relations

There is also no improvement in East-West relations, as was indicated the other day by Soviet protests over the minute supervision of Russian steamers going through the Panama Canal. Propaganda from the Kremlin always tries to draw a parallel between the Suez and Panama waterways. In this connection, it is always ignored that whatever property rights the United States holds at the Central American Isthmus were acquired legally by purchase.

Conviction is growing that the Suez Canal is losing more and more of its economic importance as time passes. Once new pipelines are completed, the waterway's significance, so far as the delivery of oil is concerned, will have shrunk considerably. It will mean a reduced income for Egypt which seized the canal for both political and economic reasons. Other sources of income of that magnitude will be difficult to find for the Cairo Government. It is the same old question of necessity which is the mother of invention. When certain raw materials became scarce at the outset of the war, substitutes were found and new industries were created. To cite one example, the importance of raw rubber has diminished greatly. The Suez Canal is headed for the same fate.

Growing Population

Long-term economic considerations in the United States, just like in India, are based, essentially, on a growing population. It is now above 170 million here and it is expected to cross the 200-million mark by 1967. That would be a rise of one-sixth. If living standards continue to go up one-eighth in the next decade as they have in the past, it would mean a 30 per cent. boost, over the next 10 years, in the annual demand of American consumers for goods and services of all kinds. This accounts for nearly two-thirds of all demand for goods, both private and public. Therefore, it represents a powerful influence in the economy. Higher standards of living are more often than not predicted upon machines and gadgets which become costlier every year as they become more complicated and more efficient.

The widely publicised efforts by the Congress to achieve a reduction of Government expenditures have not been too successful this year. Nearly one-third of all the proposed cuts represent just reductions in estimates. If these should turn out to be too low, supplemental appropriations will, no doubt, be voted. Moreover, the Senate still has to vote on all the cuts made by the House of Representatives and it has been in the habit of raising the figures of the House. One of the comic-opera sidelights of the current U.S. preoccupation to do something about Federal spending was the withholding by Congress of appropriations for the post office. Postmaster General Summerfied, therefore, ordered all post offices throughout the U.S. closed Saturday and Sunday. It caused outcries of indignation and demands for an investigation.

Despicable Business

It shows the general confused state of mind. Everybody is for reduction of spending, but, if this is detrimental to a person, groups or everybody, then it is regarded as despicable business. A similar psychology is apparent when hearings on tariffs are held. Nearly everyone is for reduction, even the elimination of duties, but when it comes to touching his own protective tariff wall, it is a different story. I suppose this is human nature.

The various forces pull in various directions at the same time. It has created strain—strain between Democrats and Republicans and strain between the White House and many members of the Republican Party. One bone of contention is that Britain and other European nations will cut their defences at the expense of the U.S. This is defended by the Administration spokesmen as a necessity in the overall scheme of world tranquillity.

In this connection, it may be noted that the report of Vice-President Richard M. Nixon, made after the return from his recent trip, suggests an overhaul of U.S. representation and missions in Africa. He recommended that officials of the highest possible competence and stability should be assigned to the African area. Mr. Nixon considers the dark Continent so important that he proposes the creation within the Department of State of a Bureau for African Affairs. Economic and technical assistance is urged not only by the U.S. but by other nations as well. Communist domination is not an imminent danger, he said, although it was admitted that the Kremlin is sending top men into the African area. They are versed in the fields of diplomacy, intrigue and subversion, he said.—*All Rights Reserved.*

Foreign Governments paid $700 million in debts to the U.S. Government last year but still owed more than $11,500 at the year end. The year 1956, according to the Department of Commerce, was the third consecutive year in which foreign countries reduced their debts to the U.S. The total outstanding as on 31st December last was $11,652 million, about two-thirds of this being owed by three countries, namely, Britain, France and West Germany. About $500 million represented payments on principal amounts and $191 million constituted interest payments. The latter fell below those of the preceding two years, because Britain was permitted to waive or defer payment of $82 million due for payment on 31st December 1956.



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A BUSINESSLIKE APPROACH TO INDIA'S ECONOMIC PROBLEMS

GOVERNMENT DECIDES TO HOLD INQUIRY INTO COST STRUCTURE OF COAL

From Our Own Correspondent

NEW DELHI, 23rd *April*

DELHI LETTER

THE kind of mixed economy that is being developed in India has just come in for praise from the U.S. Ambassador, Mr. Ellsworth Bunker. With his 34 years' experience as a business executive, Mr. Bunker, it is refreshing to find, is bringing to bear a businesslike approach to the economic problems of this country. His latest speech at the Indian Junior Chamber of Commerce here is indicative of the line of thinking of the businessman-diplomat and perhaps of the U.S. State Department.

Quoting Edmund Burke at the outset, Mr. Bunker said that "the State ought not to be considered as nothing better than a partnership agreement—to be taken up for a little temporary interest and to be dissolved by the fancy of the partners." From this partnership, he said, has developed the economic and political society in the United States. In describing the essential characteristics of this society, the American Ambassador referred to the crucial role played by the State in laying down the rules of the competitive incentive system and in stimulating private investment through pioneering public expenditure on projects in which the immediate return would have been too low to attract private capital. All this, however, is within the framework of the American belief "that, wherever private capital finds the incentive to invest, the job will be done more economically and more efficiently than by the Government, and, therefore, at a lower cost to the consumer." To these developments should be added, Mr. Bunker continued, the effect of redistributive taxation which "may already be counted as one of the great social revolutions of history" brought about by democratic means. To quote him: "At the same time, there has evolved a steadily growing sense of social responsibility on the part of business and industry—a belief that ownership carries social obligations and that the managers of business are trustees not only for the owners but for society as a whole."

Mr. Ellsworth Bunker's narration of the essential characteristics of the American economic system was, by no means, wholly original. Its significance lay in that it prefaced his description of the characteristics common to both India and the United States. "Both our countries," he said, "are rich in material resources. America is a great mass market. India potentially is a much larger one. In both countries, private investment has a major role to play." While the Government played a large role in the mixed economy of the United States, economic development in India, he maintained, would require greater Government participation than in his country, because the rate of capital formation here was relatively lower than in his. This understanding attitude on the part of the American envoy towards the compulsions of the Indian economy is so agreeably different from that of the original stand of the World Bank chief that it looks as though a better understanding of the central objectives of the second Plan is coming about in the only country which can see us through the current foreign exchange crisis.

Coal Prices

At a Press conference last week, Mr. K. C. Reddy, Minister for Works, Housing and Supply, revealed that the Government of India had decided on a comprehensive inquiry into the cost structure of coal through a committee or through the Tariff Commission. Referring to the departmental inquiries since 1947, he said that the stage had now arrived for a thorough probe. But he hastened to add that an inquiry should not be taken to mean that there would necessarily be an increase in prices. This cautious remark cannot, of course, be taken seriously, in view of the Minister's reference to the increased costs in collieries in the public sector. What is true of the public sector is even more true of the private sector, and private collieries have repeatedly urged a review of the price policy with a view particularly to including in the coal prices a special element providing financial resources for ploughing back into the industry. They have also represented that production costs have risen on account of the higher wage bill resulting from the Tribunal's award. In the circumstances, the Minister's observation that the industry by and large has a fair return on the capital invested would need to be substantiated by the proposed inquiry.

The Minister also touched on other questions relating to the coal industry. First, the idea of a pooled price for coal would be pursued only when the reports of the committees on railway and sea freights had been received. Secondly, legislation was being planned for implementing, subject to some minor modifications, the recommendations of the Committee on Amalgamation of Collieries. Thirdly, a Bill to provide for acquisition of unworked coal-bearing areas would be introduced in the new session of Parliament. Fourthly, the Coal Board had liberalised the procedure for assessment of stowing costs in coal mines and for grant of stowing subsidy to collieries. Here the Minister referred to the Board's decisions which apply to all stowing done after 1st April 1955. These decisions are: (1) Depreciation will be calculated at revised rates on the original value of plant on the straight line method; (2) to meet the increased cost of stores, the allowance for repairs and renewals will be increased by 54 per cent. of the scheduled rates in the case of plant and machinery installed before 1st April 1950; (3) aerial ropeway will be treated as direct expenditure according to a revised formula; (4) the allowance to cover depreciation of stowing pipes will be increased to meet the increased costs of such pipes.

Indo-German Trade

The negotiations between the West German Trade Mission and the Government have just led to the revision of the Indo-German Trade Agreement of 1955. The revision is in respect of schedules of Indian exports. Some of the items of exports have been removed from the "quota" list and placed in the "liberal" list. At the same time, the quotas of items subject to quantitative restrictions have been increased. The export quotas for items like twine, ropes, cordage, handmade laces, cotton blankets, knotted carpets, carpets of jute, and tanned and finished leather will be valid upto 30th September next after which they will figure in the "liberal" list. All this would mean higher imports of Indian goods by West Germany which has thus undertaken to enable India to redress, as far as possible, its adverse balance of trade with that country. The adverse balance may be further redressed by the possible bulk export of coal, iron ore and manganese ore by the State Trading Corporation through a long-term agreement. As was expected, the West German Mission has not committed itself on the question of supply of capital goods in terms of our deferred payment scheme. Otherwise, the West German trade parleys with the Government of India have justified the hope that the existing trade and economic relations between the two countries would be greatly strengthened.—*All Rights Reserved.*

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THE ECONOMIC SURVEY

EFFECT OF SUEZ CANAL CLOSURE ANALYSED

From Our Own Correspondent

LONDON, 20th *April*

LONDON LETTER

A LINE in the British Government's 1957 *Economic Survey*, published at the time of the Budget, reads "the outlook for much of world trade is at the moment clouded by the blocking of the Suez Canal. About one-eighth of the total tonnage of cargo in world seaborne external trade normally passes through the canal...". And the *Survey* goes on: "Provided there is no prolonged delay in bringing the Canal into full use, a renewed upturn in European production . . . may be expected." The general tenor of the analysis would lead a casual reader to assume that the resumption of traffic through the Canal was a matter of reasonably urgent importance to the United Kingdom. The Government must also have been largely of that opinion themselves when their deliberations led to the strongest possible rumours that petrol would be derationed over the time of the national holidays this Easter. For it was understood that derationing was unlikely to take place unless supplies through the Canal were assured. Moreover, in his Budget, the Chancellor removed the shilling special tax on petrol imposed at the time that rationing was introduced, and which the Government had declared would be taken off as soon as petrol was derationed.

And yet in the event rationing has been maintained. Not so far as it can be ascertained because of any shortage in the internal stock position, but because the Government have not yet made up their minds over their attitude towards using the Canal. It is, of course, obvious that the intransigeance of the Arab countries towards Israel means that the Middle East must remain a trouble spot for some time. But the Government's hesitations spring less from that than from their own irritation at the terms that Colonel Nasser is imposing. France and Britain are together in this matter, but most other user nations have already agreed to pay Canal dues to Egypt and a good many British shipowners have now accepted the inevitable and are doing the same, having transferred their flags to other countries of registration!

At present, the non-usage of the Canal is not only costing a maintenance of petrol rationing in this country but is imposing a charge on the national import bill of the order of £3 million a week.

The Right Attitude

There is a growing view here that the right attitude towards the Canal is to make the best job of the present situation that one can, and accept with a brave countenance that Colonel Nasser is at the moment having things his own way. At the same time, measures such as the building of giant tankers and overland pipelines should continue in order to ensure no long-term dependence on the Canal. But, in the long run, there is also the additional factor that the user countries will be able to negotiate more sensible arrangements than have been imposed at present.

Apart from the petrol situation, the effects of which the Government do not consider to have been as serious as might have been (the total inflow of supplies is about 90 per cent. of normal), the Government are now apparently complacent about the effects of the closure of the Canal on the economy. The *Survey*, indeed, makes no mention at all of the weekly cost on the import bill as the result of higher freights. Instead, it concentrates on the time-honoured theme of the need to build up a current surplus to finance the United Kingdom's long-term investment and to strengthen the country's position as an international banker. "Our prospects", says the *Survey*, "depend mainly on our success in the expansion of exports . . . internally, high savings and all possible restraint in Government expenditure should create a situation favourable to the export effort and help us to avoid any undue increase in the level of imports when expansion is resumed." And on this note of hope the *Survey* concludes.—*All Rights Reserved.*



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WORLD BANK AND DEVELOPMENT ASSISTANCE

GROWING ACCEPTANCE OF PROJECT APPROACH WELCOMED

DURING the short span of its existence since the commencement of its loan operations 10 years ago, the International Bank for Reconstruction and Development has made commendable progress. The annual rate of its development lending has increased steadily from $28 million in 1948 to $292 million in 1952 to $406 million in 1955 and further to $507 million in 1956. So far, the Bank has made 166 loans representing a gross total of over $3 billion in five continents. The membership of the countries and territories of the Bank stands now at 60. This high rate of lending has been helped on an increasing scale by releases by member-countries of their 18 per cent. capital subscriptions. Recently, the Bank has also made additional borrowings to meet its commitments. A noteworthy feature which testifies to the sound practices of its working is that not a single default in payment has been reported. Further, by the second half of 1956, the net income of the Bank was running at a rate 20 per cent. higher than a year before. The level of reserves stood as high as $254 million.

These were some of the highlights of the working of the Bank in the fiscal year ended June 1956 and in the following seven months which are to be found in an address by Mr. Eugene Black, President of the Bank, before the 23rd Session of the Economic and Social Council of the United Nations held in New York on the 18th instant. Among some of the more important of the loans given by the Bank during the period under review, mention must be made of the largest loan of $80 million for the execution of a power project on Zambesi River in the Federation of Rhodesia and Nyasaland. Moreover, six loans—all of them in Latin America—were granted to extend and repair road networks. Loans to industry included those to the Tata Iron and Steel Company and the Indian Iron and Steel Company in India, amounting to $95 million. A notable item in the list was the loan of $75 million granted to Iran to help build up its staff of engineers and other experts under Iran's Seven-year Plan Organisation.

Loans Sold

It is interesting to note that the Bank was able to sell, despite the keen competition for finance, substantial portions of its loans without its guarantee. The gross total of funds raised in this way rose to $300 million by the end of 1956. The Bank was also successful in sponsoring further joint operations in which other investors have participated. The period under review was also noteworthy for the birth of two new institutions, namely, the International Finance Corporation and the Economic Development Institution, in the establishment of which the Bank had taken part. The former came into existence in July 1956 and has now 49 member-countries and a total subscribed capital of $91 million. The latter, which concluded its second six-month course of study, is intended to relieve the shortage of administrators skilled in the handling of economic affairs.

Mr. Black also referred to the conditions to be satisfied by a country desirous of borrowing loans for development. First, it should estimate the size of the public investment programme it can afford and assign priorities for projects within the programme. Though the Bank does not ask for the details of the Plan, it seeks for "some indication that the Government is looking ahead, not just tackling problems and projects haphazardly, as they come along." Secondly, the Bank makes loans normally for specified development projects. In evaluating a loan application, therefore, the Bank considers not just the specifics of the project but the many competing claims on the nation's resources as well. For example, the Bank regards with a critical eye any project which alone will absorb an overwhelming proportion of the available capital, foreign exchange earnings and technical skills in a given country, for it throws the entire development programme off balance for many years. A third requirement to be satisfied by the country is the provision of sound management and organisation for the execution of development projects. The Bank asks only that essential standards of public administration be observed. Explaining this point, Mr. Black observed:

"The power projects and road systems, the ports and railway networks that are being built in the less developed countries today are big enough and complicated enough to require modern organisation and management. The mayor of a big city or a cabinet minister in charge of a big government department has much too much to do already without being saddled with the day-to-day administration of public service projects. In fact, one of the most important reasons for encouraging independent, professional management of public projects is to free senior officials for the more important decisions of policy which are their first duty."

Financial Stability

There is another category of problems which the Bank has to face in deciding whether or not to make a loan. One of them is the financial stability of the country. Mr. Black observed in this connection:

"Here we encounter our most difficult problems. For example, to withhold loan capital from a government which, to us, appears unwilling or unable to deal effectively with inflation is assuming a lot of very unwelcome responsibility. Yet, clearly, any use of the Bank's resources which would stimulate further a dangerous inflationary trend would be irresponsible. We have to consider the additional inflationary effects of large investment projects which we help to finance, but which normally require a substantial investment of local funds as well. In effect, we are faced here with another kind of management problem. The men who make monetary and fiscal policies in the government and the men who run the institutions, public and private, which determine the price of capital, are all responsible for keeping inflation within bounds. While there are no set rules for doing these jobs, there are well-established guidelines. If they are ignored, development may be greatly distorted, and any loans the World Bank might make would largely fail of their purpose."

In the course of his address, Mr. Black also alluded to certain encouraging developments during the period under review. It is the tendency among certain member-Governments with bilateral assistance programmes of their own to consider favourably the adoption of the kind of approach which the Bank is trying to follow. Mr. Black felt, however, that the assistance, whether administered in a bilateral or multilateral way, should be effectively focussed on the development programme and soundly administered. Proceeding, the President of the Bank remarked:

"I welcome the wide recognition that the promotion of development is a major objective of the free world and that its attainment requires assistance beyond that which can be provided on a sound banking basis. I welcome the growing realisation that development assistance, to be effective, must be disentangled from competing and conflicting political and economic objectives of a short-term nature. I welcome the growing appreciation that to achieve concrete results assistance must be assured on a continuing basis over a significant period of time and must be administered on the basis of objective and businesslike criteria. And I welcome the growing acceptance of the project approach in development assistance, for it is by concentrating on specific projects that the real lessons of development can be learned and the real rewards of development assistance reaped."

Grants and Loans

Welcoming the present trend towards substituting loans for grants as a primary device in administering development assistance, Mr. Black pointed out that grants, though advantageous in certain respects, had their disadvantages, as compared with loans. In the case of grants, according to him, the donor-donee relationship might create an atmosphere of inequality and dependence which would impair the ability of nations to work together. It was also difficult to maintain standards of effective administration. In contrast, loans were apt to lend themselves more readily to businesslike administration. There were, however, certain limitations to the substitution of loans for grants. Explaining this point of view, Mr. Black said:

"If the loans are such as to increase substantially the fixed foreign exchange obligations of the borrowing countries; this technique will only weaken their credit standing and thus dry up other sources of capital. And if this should be done on a scale which led to defaults or debt adjustments, it would poison relations between borrower and lender and disrupt the whole development process. And I would warn, too, that these dangers are not avoided by casting the additional foreign exchange burden in the form of loans with token interest rates and unduly long periods of repayment. Such loans would tend to undermine the respect for contract obligations which are the basis for all international investment."

These dangers, nevertheless, could be avoided, according to him, through a "properly conceived" system of loans repayable in the currency of the borrower. It means that the loans are administered on a businesslike basis, which impose a clear and unambiguous obligation to repay in local currency and which are made on terms appropriate to the type of project being financed. Further, the proceeds of such local currency may be made ultimately transferable, but only to the extent and in a manner which would not affect the country's then existing foreign exchange obligations.

Mr. Black was of the view that the lending operations of the Bank derived significant support from the aid that was being advanced to underdeveloped countries on a bilateral basis in the form of both grants and local currency loans, and that they were essential for the further expansion of the activities of the Bank. He felt, however, that, if any substantial part of that assistance were to be given in loans involving foreign exchange burden on the recipient countries, the activities of the World Bank, and even more, the participation of private capital in international lending would be adversely affected.

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IOA/X/57.

ROLE OF HUNDIS

The view that there was justification in the complaint that absence of uniformity in the customs and usages governing *hundis* in different places was causing much disruption and inconvenience in the *hundi* business, and that the Bombay Shroffs' Association should address itself in right earnest to the task of rectifying this defect was expressed by Mr. Jayantilal Shah in the course of his presidential address to the extraordinary general meeting of the Bombay Shroffs' Association held on 20th April.

At the outset Mr. Shah pointed out that the Association was the successor to the Bombay Shroffs' Association Ltd., which was voluntarily wound-up on account of heavy incidence of income-tax, and as such, the new Association was virtually the same as the old one, established in 1910 but without its limited liability character.

Referring at some length to the proposal put forward by the Law Commission for withdrawing the protection afforded to the use of *hundis* by the saving clause to section 1 of the Negotiable Instruments Act, Mr. Shah recalled the memorandum the Association had submitted to the Commission and the discussion they had with the latter. In the course of these, he said, the Association had stated unequivocally that the *hundi* fulfilled an essential function in the credit system of the country, especially in areas where banking was not well developed. Moreover, the *hundi*, along with the cheque and the bill of exchange, comprised the total supply of credit in the country, and as such, the removal of the *hundi* would create a void which could not be easily filled.

The deputation, he said, further pointed that Sharafi Associations provided service to its members in the matter of noting and protesting of dishonoured *hundis* at nominal cost, whereas if the protection of the Saving Clause was withdrawn, the shroffs and merchants would have to incur very heavy charges for the same service from the notaries public.

ANDHRA BANK'S PROFIT NEARLY DOUBLED

DIVIDEND STEPPED UP

THE audited accounts of the Andhra Bank Ltd. (General Manager: Mr. E. Ramachendramurti, Masulipatnam) for the year ended 31st December 1956 make encouraging reading, inasmuch as the Bank has been more than able to make good the setback in earnings suffered in the previous year and to establish a fresh record in its history. Thus, the profit, which had dropped from Rs. 5.37 lakhs to Rs. 4.28 lakhs in 1955, has nearly doubled itself to a new high of Rs. 8.46 lakhs in the year under review. This has been in no small measure due to the expansion in resources, despite the higher interest rates on deposits and borrowings, and the profitable utilisation of these larger resources.

Consequent on the sharp rise in profit, the provision for taxation has also been raised from Rs. 1.40 lakhs to Rs. 3.45 lakhs and the allocation to the reserves from Rs. 86,000 to Rs. 2.26 lakhs. The transfer to the reserves is made up of a sum of Rs. 1.76 lakhs to the statutory reserve and Rs. 50,000 to the investment reserve. The distribution to the shareholders has also been stepped up from 6½ per cent. to 8 per cent., thus more than making good the cut made last year from 7½ per cent. paid for 1954.

The progress of the Bank during the past three years is well brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount	44.45	32.73	31.98	25.45
Commission and exchange	8.35	6.78	6.10	5.70
Interest paid	23.41	18.68	16.09	12.41
Expenses	21.25	17.25	16.33	15.00
Depreciation	0.62	0.39	0.27	0.25
Profit	8.46	4.28	5.37	4.12
Provision for taxation	3.45	1.40	2.30	1.65
To reserves	2.26	0.86	1.10	0.85
Dividend	2.75	2.06	1.87	1.62
Carry forward	(8%) 0.12	(6¼%) 0.12	(7½%) 0.16	(6½%) 0.07

	As on 31st December			
	1956	1955	1954	1953
Capital	34.41	33.47	25.00	25.00
Reserves	16.63	14.37	13.51	12.41
Deposits	9,26.18	8,31.95	6,52.94	5,39.86
Borrowings from other banks	60.45	..	..	..
Advances	6,13.13	4,42.30	3,16.25	3,01.97
Investments	3,17.79	2,83.80	1,88.69	1,90.79
Cash	1,30.29	1,64.24	1,97.13	97.34
Acceptances, endorsements, etc.	13.21	5.97	0.14	0.08
Balance-sheet total	11,84.13	10,03.72	8,17.55	6,82.73
Ratio to deposits of—	%	%	%	%
Advances	66.2	53.2	48.4	55.9
Investments	27.5*	34.1	28.9	35.3
Cash	14.1	19.7	30.2	17.6

* After taking into account the investments earmarked against borrowing from other banks.

The gross income of the Bank for the year under review amounts to Rs. 53.74 lakhs, an increase of Rs. 13.14 lakhs over the year. The bulk of this rise is accounted for by interest and discount earned which have gone up by Rs. 11.73 lakhs. Commission and exchange are up by only Rs. 1.57 lakhs. As against these, the outgo by way of interest paid has risen by Rs. 4.73 lakhs and expenses by Rs. 4 lakhs. Of the latter, salaries and allowances and provident fund account for Rs. 2.84 lakhs.

The increase in the capital of the Bank is due to the payment of the unpaid amount to the extent of Rs. 94,000 on the fresh call of Rs. 20 per share made in 1955 on the Rs. 50 paid-up shares, making them Rs. 70 paid-up per share. The deposits have gone up by Rs. 94 lakhs and this expansion does not compare well with that of Rs. 1.79 crores noted in 1955, thus reflecting the difficulty experienced by banks in securing deposits. A break-up analysis of the deposits shows that fixed deposits have risen by Rs. 46 lakhs to Rs. 4.34 crores, saving bank deposits by Rs. 33 lakhs to Rs. 2.76 crores and current accounts, contingency accounts, etc., by Rs. 15 lakhs to Rs. 2.16 crores.

The upward trend in advances noted for some years past has been maintained in the year under review also with a rise of Rs. 1.71 crores, which compares well with the aggregate increase of Rs. 1.70 crores in the previous three years. Of this rise, loans, cash credit and overdrafts account for Rs. 1.63 crores and bills purchased and discounted for about Rs. 8 lakhs. Reflecting the keen demand for bank finance is the sharp rise in ratio of advances to deposits from 53.2 per cent. to 66.2 per cent., but this ratio is very much less than that noted in a few other Scheduled banks. Though this has resulted in a fall in liquidity ratio, it is well above the general average of all Scheduled banks.

ENCOURAGING RESULTS OF GRINDLAYS BANK

PROFIT FURTHER MARKED UP

A FURTHER improvement in earnings, in consonance with the general trend of bank results, is disclosed by the audited accounts of the Indian branches of Grindlays Bank Ltd. (Chief Manager: Mr. D. D. Watters) for the year ended 31st December 1956. The profit, which had gone up to Rs. 1.66 lakhs in 1955 after a successive recession from Rs. 13.14 lakhs in 1951 to Rs. 1.12 lakhs in 1954, has maintained the upward trend with a further advance to Rs. 3.82 lakhs in the year under review. Despite this improvement, the profit for 1956 still lags behind that of Rs. 4.51 lakhs earned in 1953. After providing Rs. 65,000 (as against *nil* last year) for taxation and bringing in the previous year's surplus, a sum of Rs. 4 lakhs has been remitted to head office.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount	34.28	34.10	30.15	34.89
Commission and exchange	33.90	28.72	25.98	27.27
Interest paid	10.93	9.28	7.77	8.44
Expenses	53.23	51.78	47.23	48.24
Depreciation	0.23	0.13	0.06	0.99
Profit	3.82	1.66	1.12	4.51
Provision for taxation	0.65	..	..	..
Remittance to H. O.	4.00	1.62	4.83	..
Carry forward	..	0.83	0.80	4.51

	As on 31st December			
	1956	1955	1954	1953
Capital*	20.84	20.89	20.33	21.05
Deposits	10,60.80	10,07.51	9,88.63	9,52.15
Borrowings from other banks	..	79.00	3.00	..
Bills for collection	1,09.13	1,13.21	78.58	1,19.40
Acceptances	2,47.65	1,86.93	1,63.83	1,65.14
Advances	7,09.97	6,03.71	4,66.70	6,48.91
Investments	1,99.14	2,06.01	3,56.46	3,09.12
Cash (including money at call)	2,47.45	3,08.24	1,85.94	1,36.91
Balance-sheet total	16,22.75	14,43.41	12,98.19	13,91.43
Ratio to deposits of—	%	%	%	%
Advances	66.9	60.0	47.2	68.1
Investments	18.7	20.4	39.1	32.5
Cash	23.4	30.5	18.8	14.4

* Deposit with the Reserve Bank of India.

The upward trend in deposits noted in the previous two years has been well maintained in the year under review also with a rise of Rs. 53 lakhs. As against this, the increase in advances is of the order of Rs. 1.06 crores, which has pushed up the credit ratio to the highest level in the last three years. Almost the entire increase in advances is accounted for by loans, cash credits and overdrafts which have gone up from Rs. 4.57 crores to Rs. 5.61 crores. Bills purchased and discounted have risen from Rs. 1.46 crores to Rs. 1.48 crores. The relatively larger increase in advances has resulted in a further reduction in liquid assets but this is inevitable in the context of the keen demand for bank credit with no corresponding expansion in supply of funds to banks.

OUTSTANDING PROGRESS

31st December, 1956

Deposits Exceed ..Rs. 106 Crores

Working Funds Exceed ..Rs. 141 Crores

The P. N. B. secured about 20% of the additional deposits of all scheduled banks in the country during 1956

Chairman
Shri S. P. Jain

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A. M. WALKER—General Manager

UNITED BANK OF INDIA KEEPS UP PROGRESS

ADVANCES AT A RECORD LEVEL

THE working results of the United Bank of India Ltd. (Managing Director: Mr. B. K Dutt, Calcutta) for the year ended 31st December 1956 show that the past year has been one of further progress, for the Bank, though the pace of advance has been less marked than in the previous year. The balance-sheet total shows a rise of only Rs. 1.78 crores, as against an increase of Rs. 5.18 crores noted at the end of 1955, and the profit has advanced by no more than Rs. 97,000, as compared with Rs. 1.56 lakhs in the previous year. This is not, however, a peculiar feature of this Bank alone and is due to factors beyond the control of the management.

This is the third year in succession for which the Bank's profit has maintained the upward trend, having recovered to Rs. 15.58 lakhs from Rs. 12.07 lakhs, to which level it had dropped in 1953 from Rs. 21.01 lakhs earned in 1951. The dividend has been maintained at 3 per cent. per annum, a rate which it had been paying from 1950 onwards, the year of its formation by the amalgamation of four banks. The dividend has been repeated only after raising the provision for taxation from Rs. 3.50 lakhs to Rs. 4.40 lakhs and the allocation to the statutory reserve fund from Rs. 2.95 lakhs to Rs. 3.15 lakhs.

The steady progress made by the Bank in recent years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount	1,19.46	1,02.44	94.88	92.12
Commission and exchange	32.51	29.29	28.46	22.01
Other income	12.26	11.70	11.15	13.14
Interest paid	41.35	33.13	29.55	26.37
Expenses	1,02.81	91.14	87.02	84.98
Depreciation and repairs	4.49	4.55	3.98	3.84
Profit	15.58	14.61	13.05	12.07
Taxation	4.40	3.50	2.46	1.72
To reserves	3.15	2.95	2.61	2.42
Dividend	8.00	7.99	7.99	7.97
	(3%)	(3%)	(3%)	(3%)
Carry forward	1.73	1.70	1.63	1.54

	As on 31st December			
	1956	1955	1954	1953
Capital	2,66.56	2,66.56	2,66.36	2,66.36
Reserves	74.10	70.95	68.00	1,04.00
Deposits	33,91.00	31,26.71	30,47.79	26,93.33
Borrowings from other banks	1,02.52	1,90.84	..	..
Bills for collection	3,42.22	3,32.43	2,24.74	1,89.75
Acceptances, endorsements, etc.	1,69.47	1,37.56	73.38	74.57
Advances	20,17.85	18,13.42	13,86.83	13,34.02
Investments	13,91.20	14,41.46	14,60.83	13,34.18
Cash (including money at call)	4,25.99	4,02.74	5,22.27	4,00.78
Balance-sheet total	45,18.00	43,40.19	38,22.35	34,72.66
Ratio to deposits of—	%	%	%	%
Advances	59.5	58.0	45.5	49.5
Investments	38.0*	40.0*	47.9	49.5
Cash	12.6	12.9	17.1	14.9

* After taking into account the investments earmarked against borrowing from other banks.

The sizable increase of Rs. 17.02 lakhs in interest and discount earned accounts for the bulk of the rise in gross income. Commission and exchange have gone up by Rs. 3.22 lakhs. The increase in earnings from these sources has almost been offset by the rise of Rs. 8.22 lakhs in interest paid and of Rs. 11.67 lakhs in expenses. Of the latter, salaries and allowances and provident fund alone account for a rise of Rs. 10.31 lakhs.

The Bank's deposits as at the close of the year show an increase of Rs. 2.64 crores, as against a rise of only Rs. 79 lakhs noted at the end of 1954. Moreover, the increase, representing 8.4 per cent. over the year, compares well with the average rise of 7.8 per cent. in the case of all Scheduled banks. The Bank's fixed deposits and cash certificates have gone up by Rs. 20 lakhs to Rs. 5.84 crores, savings bank deposits by Rs. 1.32 crores to Rs. 13.68 crores and current and contingency accounts by Rs 1.12 crores to Rs. 14.30 crores. The bulk of the expansion in deposits has been utilised to meet the rising demand for bank credit, as witness the increase of Rs. 2.04 crores in advances to a new high of Rs. 20.18 crores. It is noteworthy that the Bank's advances outside India, that is, in Pakistan, have grown from Rs. 1.59 crores to Rs. 2.24 crores. That the Bank's business in Pakistan has expanded is also evident from the increase in bills for collection payable outside India from Rs. 58 lakhs to Rs. 74 lakhs, while those payable in India have fallen from Rs. 3.24 crores to Rs. 2.69 crores. Despite the sharp rise in advances, the Bank's liquidity ratio is maintained at a comfortable level.

INDUSTRIAL CREDIT & INVESTMENT CORP. OF INDIA, LTD.

SIR A. RAMASWAMI MUDALIAR'S ADDRESS AT ANNUAL MEETING

CONTINUING SERIES OF SHOCKS TO INVESTING PUBLIC MUST BE AVOIDED

THE need for avoiding a continuing series of shocks to the investing public was reiterated by Sir A. Ramaswami Mudaliar, Chairman, Industrial Credit and Investment Corporation of India, Limited, in the course of his address at the Second Annual General Meeting of the Company held at Bombay on Monday, 22nd April 1957. Sir Ramaswami declared that, if the establishment of new industries and the expansion and modernisation of old ones in the private sector were to be successfully undertaken, it was necessary that all interested in the economic and social progress of the country should avoid a continuing series of shocks to the investing public. Anyone conversant with the establishment of industries in the private sector, he pointed out, would realise that the very high level of taxation has had a dampening effect on such enterprises. He emphasised that proper development of industries in the private sector would lead to a snowball effect gathering more and more momentum by the utilisation of resources saved so as to make further industrialisation possible, whereas there was not the same result, or even the same incentive, in public enterprises promoted by the State.

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

"GENTLEMEN,

"I welcome you to this the second annual general meeting of the shareholders of this Company. The Directors' report and the audited accounts have been in your hands for some time and, with your permission, I shall take them as read.

"Before we proceed to the consideration of the accounts and the adoption of the Directors' report, I should like to make a few observations of a general character.

"From the Directors' report, it will be seen that, at the end of 1956, your Company had agreed to give assistance in respect of 24 projects and others were under examination. The total of assistance authorised has now reached over Rs. 8 crores in respect of 28 projects. For the reasons brought out in the report, the present total of our actual investments is, of course, substantially less.

Criticisms Not Justified

"You will be aware that there has been some criticism in certain quarters regarding our activities. We have been accused of being too slow and too cautious in our lending and investing policy. Your Directors have had these criticisms very much in mind and from time to time have reviewed past activities to see whether these criticisms were justified. They reached the conclusion that they were not. When a company such as ours is started from scratch, it inevitably takes some considerable time to get organised and to gain experience. The record of other companies doing similar business both in India and elsewhere is very much the same as ours in their earlier stages. We set out to do something wider in scope than has ever been attempted in India. We are not a purely lending company concerned mainly with the security offered against our loans. We have done a substantial amount of underwriting of shares and have, indeed, invested in the share capital of a number of companies, an activity which requires very close consideration of the proposals advanced. At our inception, there was a great urge to move forward as rapidly as possible with the development of industries in the private sector and it is only natural that those concerned with these plans, both in Government and outside it, should wish to see our activities expand as rapidly as possible.

"You will, of course, realise that your Board of Directors are not only the custodians of the shareholders' funds but have also entrusted to them a substantial amount by way of loan from Government which has to be repaid in due course. The aims and objects of your Company have been clearly defined and it is realised that these cannot be achieved by being over-cautious. Certain risks have necessarily to be taken in all such ventures, but these risks must be carefully calculated risks and not risks incurred blindly.

"The detailed investigation involved in examining fully all aspects of a project presented to the Company before the Directors are asked to take a decision has also been the subject of criticism on the part of some industrialists who thought that, because they had investigated matters to their satisfaction, there was no need for further scrutiny on the part of your management and technical advisers and ultimately by the Board. I believe this is not a correct appreciation of the responsibility which we have in coming to a decision.

World Bank Credit

"There has also been recently some criticism that we have so far failed to make use of the $10 million of credit granted to us by the International Bank for Reconstruction and Development—the World Bank, as it is commonly known. I have always been of the opinion that this source must be availed of at the earliest possible opportunity and, in fact, the talks that some of the promoters of this Company had with the officials of the World Bank at the highest level gave us the optimistic hope that further credits will be forthcoming from the World Bank once this amount was fully availed of. The fact, however, remained that, so long as industrialists and promoters of schemes presented to us were in a position to get their foreign currency needs in the normal way, they were not willing to take loans in foreign currency from us. In fact, there was no application before the Board for foreign currency facilities and, the resources of local currency not having been exhausted, there was no need to turn to the World Bank and utilise the line of credit open to us.

"The situation has now altered as the result of shortage of foreign exchange. Since the announcement by Government of the new policy regarding the provision of exchange for imports of capital goods, we have received a number of enquiries for loans in foreign currency and we expect to present some of these proposals to the World Bank in the coming months.

Private Sector

"Your Company has been established to promote the development of industries in the private sector and I feel it would not be inappropriate, if I were shortly to refer to the position which the private sector occupies today in the economy of the country and what its future is likely to be. The position of and the prospects for industrial development in the private sector has undergone substantial change since 1954 when the establishment of your Company was decided upon. In my speech at the last annual meeting, I stated it will be evident to everyone that, if the establishment of new industries and the expansion and modernisation of old ones in the private sector is to be successfully undertaken, it is necessary that all interested in the economic and social progress of the country should avoid a continuing series of shocks to the investing public. I referred to a feeling of uncertainty among the investing public caused by a series of measures that had been adopted. Anyone conversant with the establishment of industries in the private sector would realise that the very high level of taxation has had a dampening effect on such enterprises. The budgets of 1955 and 1956 and the supplementary budget have raised rates of income-tax, corporation tax and super-tax, have imposed dividend, bonus issue and capital gains taxes and have introduced the much debated deposit scheme covering both past and current profits. It has also been freely stated that more rigorous measures of taxation are in the offing and may be introduced in the coming budget.

"Observations about the effects of high taxation on enterprise have been answered by reference to the substantial amount of development which is currently taking place in the private sector. I would like, however, to point out that the current development in the private sector represents in the main the consummation of earlier plans.

Industrialisation

"Both the Government and the public realise that it is absolutely necessary, if the standard of living of the people should be raised, that greater industrialisation should take place in the country, that funds should be available for such industrialisation whether in the public or the private sector and that both sectors should function in a complementary manner, if the purpose which Government has in view has to be fulfilled. I hold the view, however unorthodox it may be, that proper development of industries in the private sector would lead to a snowball effect gathering more and more momentum by the utilisation of resources saved so as to make further industrialisation possible, whereas there is not the same result or even the same incentive in public enterprises promoted by the State. A very high level of taxation which may produce more money to the State partly for promoting social amenities and partly for investing in public enterprise will have an atrophying effect on private savings and thus on the development of industries in the private sector. There seems to be a realisation on the part of the authorities that their taxation policy has seriously crippled the resources of Indian capital. The change in the policy of the Government regarding the extent to which foreign collaboration in the capital structure of a company can be permitted is a recognition of the shortage both of Indian capital and of foreign exchange. This more flexible attitude of Government towards foreign capital is a welcome sign, which will be appreciated by all who are interested in the industrial development of the country.

"I do not want to elaborate any further on the many aspects of industrialisation in the private sector with which we are mainly concerned. The chairmen of various industrial companies have made observations on the present situation and I venture to think that some at least of these gentlemen have done so not merely with a view to criticising Government policy or questioning the accepted social pattern of society but have done so with the genuine desire of bringing to the notice of the Government the considerations which they believe may jeopardise the very objectives of the Government.

Net Income

"Turning now to our own accounts, you will see that, after meeting the heavy demands of income-tax which require over Rs. 15 lakhs out of our net income of nearly Rs. 37 lakhs, we have for disposal, including the balance of Rs. 7 lakhs and odd brought forward from last year, a total of Rs. 28.81 lakhs. From this your Directors have appropriated Rs. 5 lakhs to general reserve, making, with the Rs. 5 lakhs provided last year, a total of Rs. 10 lakhs. A dividend at the rate of 3½ per cent. free of income-tax for the year is recommended, absorbing Rs. 17½ lakhs, and leaving a little over Rs. 6 lakhs to be carried forward to next year.

"In recommending this first dividend, your Directors have had in mind that many of those who invested in our shares have looked for an early return and I would remind you that this dividend represents a gross return of over 4½ per cent. on the share capital. I need not repeat what I said last year about the necessity of building up a substantial reserve. As our profits grow, we must constantly bear this need in mind. However careful we may be, we shall not always succeed in avoiding losses, for which due provision must be made.

Position Remains Very Liquid

"Our position remains very liquid, but, provided the projects we have agreed to assist by way of rupee loans or investments are not held up as the result of the shortage of foreign exchange, the figures at the end of the current year are likely to show a very different picture and we shall be continuing our thoughts, to which reference is made in the Directors' report, of the means by which our rupee resources can be augmented when the need arises.

Prospects

"You will see that we have adopted the unusual course of giving full details of invest-

(*Continued on page* 839)

TREND OF TEXTILE OUTPUT UPWARD

TWO MAJOR GROUPS IN RAYON TRADE TO MERGE THEIR INTERESTS

From A Special Correspondent

MANCHESTER, 16*th April*

THE most significant development in Britain's textile industry this week has been the decision of the two major groups in the rayon trade to merge their interests. The Directors of Courtaulds Ltd. and British Celanese have announced a plan for collaboration and financial amalgamation, giving as one of their reasons for the move the threat arising from the projected European Common Market.

MANCHESTER LETTER

Although rumours of such an amalgamation between these large combines have been circulated from time to time in the past, it is no exaggeration to say that the decision taken is quite as important to British textiles as the combination of the Morris and Austin organisations was to the motor industry. The main difference between these examples is that, whereas other large groups remained in existence in the car trade, the merger of the rayon producing giants creates a virtual monopoly which cannot be challenged. In the huge field of man-made fibres, the two companies now directly concerned have an overwhelming interest.

The Best Policy

By coupling the new venture in Europe with the decision to amalgamate, these leaders in the rayon trade have caused speculation as to whether their collaboration will provide a pattern for others to follow. In the post-war years, it has not always been a case of the large combines swallowing smaller units, although a good deal of this has been done in the textile trades. Big groups which have found competition between themselves embarrassing have sometimes decided that co-operation is the best policy, whether through an open financial link or merely by unofficial association. Recent moves to restrict the freedom of individual firms and industries which make their own protective arrangements may have the effect over the next few years of causing a further trend towards amalgamation.

Faced with the prospects of ever-growing empires controlled by a few large groups the position of the small firm is by no means easy. The contraction of textiles, not only in the amount of machinery at work but in the number of firms in operation, seems likely to continue apace. The latest development may sow seeds which will be reaped in the years to come by a steadily decreasing number of companies whose individual size will increase in accordance with their capacity for absorbing smaller firms capable of fitting into their organisation.

Production of Lancashire-made yarn and cloth during February showed an expansion and employment in the mills continued the upward trend evident during the past few months. A noticeable feature was the fact that output this year in all sections was higher than in the comparable period of 1956, despite the intervening labour losses. Single yarn production averaged 18,250,000 lbs. weekly, as against 17,540,000 lbs. a week in January and 17,480,000 lbs. weekly in February 1956. The improvement was shared throughout the range of yarns, whether of cotton or man-made fibres. Similar gains were secured in cloth output, which averaged 48,310,000 linear yards a week, as against 45,460,000 yards in January and 44,930,000 yards a week in February 1956. In this instance, however, cotton cloth made the most progress, as output of mixtures and man-made fibres was slightly below last year's level.

The low point in the number of operatives in spinning and weaving on the books of employers is now shown to have been reached at the end of October when the available manpower had declined to little more than 243,000. In subsequent months, recruitment has steadily exceeded wastage and the labour force at the end of February had reached 245,740, equal to the figure at the end of July last year. The current total, however, is still almost 10,000 below the number of employees on the books 12 months ago. The chief decline has been in weaving, where the mills have lost 7,500 workers, the drop in those available for single spinning being 1,350.

Compared with a year ago, fewer spindles are at work, the number running in February being 21,700,000, as against 22,100,000 in 1956. The proportion in running mills, however, has increased from 74 per cent. to 77 per cent. In weaving, the number of looms running in February was 237,000, as against 244,000 in the same month last year and an average of 229,000 during the whole of 1956.

Overall Manufacture

The Chairman of the Domestic Section of the Overall Manufacturers' Association of Great Britain, speaking at the annual meeting in Manchester, said that the United Kingdom had nothing to fear from Continental craftsmanship in the manufacture of housewives' overalls in the event of a European Common Market. It was certain, however, that the country would be flooded with new types of materials and manufacturers would have to be bold enough to create new and contemporary designs to meet the challenge.

At the annual meeting of the full Association, the Chairman, Mr. Norman Hey, of Leeds, called for an earlier Budget to help remove some of the uncertainties of trade at this time of the year. Trade tended to become stagnant and it would be a great help not only to the overall trade but to several others if the Budget could be brought forward to January before the spring trade got under way.

Among the many reports of British textile companies which are presented annually, the survey of current events drawn up by Mr. James Ewing, Chairman of the Bradford Dyers' Association, is one of the most keenly scanned. Not only does he comment in detail on the ever-widening activities of the group itself, but he provides an excellent summary of conditions in the textile industries as a whole.

In his speech this year, Mr. Ewing raised several important points to which the trade will have to give consideration in the months ahead. On the future of the Cotton Board, for example, he questioned whether, under its present charter, the Board was the right type of organisation for present-day requirements. Like many others, he feels it essential that there should be a forum to represent the trade, but considers that the Wool Textile Delegation is an example more in keeping with current conditions.

Firms in the finishing branches were among the first to take steps to deal with redundant capacity and their experience has led them to definite views on the subject. The two alternatives under present circumstances were clearly set out by Mr. Ewing. On the one hand, there could be an orderly contraction by means of a trade scheme to purchase excess plant, as was practised in the spinning and finishing branches before the war, or the jungle law of "healthy bankruptcy" could prevail. The second system, said Mr. Ewing, was too slow and too expensive while a trade scheme could make provision for both employer and operative.

Surplus Dyeing Capacity

Turning from suggestions to facts, Mr. Ewing gave details of the contraction in textile dyeing in the five years between 1951 and 1956. Output of cotton dyed cloth, he said, had fallen by 23 per cent. and continuous filament rayon cloth had declined by 7 per cent. In mixtures of cotton and rayon there had been a fall of 21 per cent. The only improvement had occurred in production of dyed spun-rayon fabrics, the increase being 8 per cent. Total output of dyed material showed a drop of 17 per cent. from 1,092 million yards in 1951 to 910 million yards in 1956. The decrease was almost entirely due to the fall in exports.

Against this output of 910 million yards last year, the Cotton Board has lately estimated the capacity of the piece dyeing industry at about 1,160 million yards, an excess of estimated capacity over production of 27 per cent. Mr. Ewing commented: "An industry carrying the surplus capacity which these assessments suggest is disadvantageously placed in competition with countries working on a three-shift basis with low labour costs. This progressively deteriorating situation should be a challenge to the whole industry to equate supply with demand in a compact and efficient group."

As in other sections, the larger combines in the finishing trade are making their own arrangements to reduce capacity in line with current demand. Uneconomic units have been closed and, in the case of the Bradford Dyers' Association, diversification of the activities of the company is being increasingly carried out. Bonded fabric production has been established in conjunction with a large European associate. But it is not only in the sphere of textiles that these groups are expanding. Control has been obtained over firms engaged in structural engineering, air conditioning and dust extraction and civil engineering. Another new interest is in the transport of liquids in bulk.—*All Rights Reserved.*

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THE CANARA INDUSTRIAL & BANKING SYNDICATE, LTD.

(INCORPORATED IN INDIA. LIABILITY OF SHAREHOLDERS LIMITED.)

Head Office: **UDIPI, S. India.**

THIRTY-FIRST ANNUAL REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The Directors submit the results of the working of the Syndicate for the year ending 31st December, 1956, duly audited:

	Rs.	a.	p.
The Net Profits as per Profit and Loss Account	8,95,199	9	3
ADD—Brought forward from last year's account	18,830	15	6
Rs.	9,14,030	8	9

After the appropriations in the Balance Sheet of Rs. 2,00,000 to the Statutory Reserve Fund under Section 17 of the Banking Companies Act and Rs. 1,00,000 to the Contingent Reserve Fund, the Directors recommend the following appropriations:

	Rs.	a.	p.
To pay a dividend at 10 per cent. and bonus at 5 per cent. per annum (Tax-free) on 'A' and 'C' Class Ordinary Shares, which will require Rs. 86,812-15-11 and dividend at 6 per cent. per annum (Tax-free) on 6 per cent. Cumulative Preference shares and 5 per cent. per annum (Tax-free) on 5 per cent. Cumulative Preference shares, which will absorb Rs. 1,10,541-7-5	1,97,354	7	4
To provision for Taxation	3,00,000	0	0
To provision for Bonus to Staff	75,000	0	0
To Premises Reserve Fund	25,000	0	0
To carry forward to next year's account	16,676	1	5

During the year, Branches of the Bank have been opened at Uravakonda, Gulbarga and Hyderabad. All the Branches of the Bank have progressed well and increased their clientele and their utility to the public. The Bank has continued to serve the small accounts as earnestly as the bigger ones. The policy of encouraging small advances through suitable and convenient schemes to serve the middle class constituents is being continued and the banking service is extended to a larger section of the public.

The solid and unstinted support of the staff under their General Manager and the increasing goodwill and co-operation of the Shareholders and the rapidly growing clientele of the Syndicate will enable us to reach yet another landmark in the history of the Bank during the current year.

(By authority of the Board),

(Sd.) T. M. A. PAI,
Chairman.

UDIPI, 31st January, 1957.

BALANCE SHEET AS AT 31st DECEMBER, 1956

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—						
6,000 "A" Class Ordinary Shares of Rs. 100 each	6,00,000	0	0			
1,80,000 "B" Class Ordinary Shares of Rs. 10 each	18,00,000	0	0			
6,00,000 "C" Class Ordinary Shares of Re. 1 each	6,00,000	0	0			
4,000 Six per cent. Cumulative Preference Shares of Rs. 100 each	4,00,000	0	0			
2,20,000 Five per cent. Cumulative Preference Shares of Rs. 10 each	22,00,000	0	0			
				56,00,000	0	0
ISSUED—						
6,000 "A" Class Ordinary Shares of Rs. 100 each	6,00,000	0	0			
23,787 "C" Class Ordinary Shares of Re. 1 each	23,787	0	0			
4,000 Six per cent. Cumulative Preference Shares of Rs. 100 each	4,00,000	0	0			
2,20,000 Five per cent. Cumulative Preference Shares of Rs. 10 each	22,00,000	0	0			
				32,23,787	0	0
SUBSCRIBED—						
5,872 "A" Class Ordinary Shares of Rs. 100 each	5,87,200	0	0			
23,787 "C" Class Ordinary Shares of Re. 1 each	23,787	0	0			
4,000 Six per cent. Cumulative Preference Shares of Rs. 100 each	4,00,000	0	0			
2,20,000 Five per cent. Cumulative Preference Shares of Rs. 10 each	22,00,000	0	0			
				32,10,987	0	0
PAID-UP—						
5,872 "A" Class Ordinary Shares out of which 133 shares called at Rs. 50 each, 78 at Rs. 60 each, 44 at Rs. 70 each, 17 at Rs. 80 each, 5 at Rs. 90 each, 5,595 at Rs. 100 each	5,75,720	0	0			
LESS—Calls in arrears	3,500	0	0			
	5,72,220	0	0			
23,787 "C" Class Ordinary Shares at Re. 1 each fully paid	23,787	0	0			
4,000 Six per cent. Cumulative Preference Shares of Rs. 100 each fully paid	4,00,000	0	0			
2,20,000 Five per cent. Cumulative Preference Shares out of which 25,147 Shares called at Re. 1 each, 3,860 at Rs. 2 each, 1,345 at Rs. 3 each, 3,218 at Rs. 4 each, 866 at Rs. 5 each, 26,340 at Rs. 6 each, 3,705 at Rs. 7 each, 4,122 at Rs. 8 each, 453 at Rs. 9 each and 1,50,944 at Rs. 10 each	17,84,572	0	0			
				27,80,579	0	0
2. Reserve Fund and Other Reserves				18,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	5,25,66,210	4	0			
Savings Bank Deposits	1,86,12,154	4	4			
Current Accounts, Contingency Accounts, etc.	1,34,39,542	8	10			
				8,46,17,907	1	2
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	24,00,000	0	0			
(ii) Outside India	Nil					
				24,00,000	0	0
PARTICULARS—						
(i) Secured against Central and State Government Securities	24,00,000	0	0			
(ii) Unsecured	Nil					
				13,72,857	0	11
5. Bills Payable						
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	72,73,620	8	8			
(ii) Payable outside India	2,103	13	0			
				72,75,724	5	8
7. Other Liabilities—						
(i) Branch Adjustments	51,97,327	15	6			
(ii) Rebate	59,569	14	9			
(iii) Unclaimed Dividends	21,185	15	9			
(iv) Outstanding Charges	21,977	3	0			
				53,00,061	1	0
8. Acceptances, Endorsements and Other Obligations as per contra				2,49,153	2	9
9. Profit and Loss—						
Profit as per last Balance Sheet	4,54,532	0	10			
LESS—Appropriations—	Rs.	a.	p.			
(i) Bonus to Staff	60,000	0	0			
(ii) Provision for Taxes	2,00,000	0	0			
(iii) Dividends	1,75,701	1	4			
	4,35,701	1	4			
	18,830	15	6			
ADD—Profit for the year brought from the Profit and Loss Account	8,95,199	9	3			
	9,14,030	8	9			
LESS—Placed to—	Rs.	a.	p.			
Statutory Reserve Fund under Section 17 of the Banking Companies Act	2,00,000	0	0			
and to Contingent Reserve	1,00,000	0	0			
	3,00,000	0	0			
				6,14,030	8	9
10. Contingent Liabilities—	Rs.	a.	p.			
(i) On Partly Paid Shares of Companies held as investments	255	0	0			
(ii) On Foreign Bills Negotiated	11,774	0	0			
(iii) On Claims against the Syndicate not acknowledged as debts	5,380	0	0			
Total .. Rs.				10,64,10,312	4	3

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In Hand and with Reserve Bank and State Bank of India				91,24,665	9	6
2. Balances with Other Banks—						
(a) In Current Accounts—						
(i) In India	2,60,662	14	10			
(ii) Outside India	Nil					
(b) In Deposit Accounts	Nil					
				2,60,662	14	10
3. Money at Call and Short Notice (includes Staff and Agency Security Deposits Rs. 37,500 with Scheduled Bank)				4,40,223	8	0
4. Investments at Cost—						
(i) Securities of the Central and State Governments and other Trustee Securities of the face value of Rs. 3,41,53,964-5-0	3,41,06,872	13	0			
(ii) Shares of other Banks and Companies at cost—	Rs.	a.	p.			
(a) Shares of the Madras Industrial Investment Corporation Ltd.	50,000	0	0			
(b) Shares of Banks and other Companies—						
Equity fully paid	25,247	15	0			
Equity partly paid	255	0	0			
Preference fully paid	4,190	0	0			
Deferred fully paid	3,172	4	0			
(iii) Debentures and Bonds	62,865	3	0			
(iv) Other Investments	65,000	0	0			
(v) Gold	Nil					
				3,42,54,738	0	0
5. Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditor)						
(i) Loans, Cash Credits, Overdrafts, etc.—						
(a) In India	3,86,46,212	0	1			
(b) Outside India	Nil					
(ii) Bills Discounted and Purchased—	1,25,03,114	1	8			
(a) Payable in India	42,662	4	0			
(b) Payable outside India				5,11,91,988	5	9
6. Bills Receivable Being Bills for Collection as per contra—						
(a) Payable in India	72,73,620	8	8			
(b) Payable outside India	2,103	13	0			
				72,75,724	5	8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				2,49,153	2	9
8. Premises at Cost						
Additions during the year	3,11,150	1	5			
	443	13	6			
	3,11,593	14	11			
LESS—	Rs.	a.	p.			
Sales	3,335	11	11			
Depreciation to date	91,258	3	0			
	94,593	14	11			
	2,17,000	0	0			
9. Furniture, Fittings and Motor Cars—						
As per last Balance Sheet	6,07,156	2	11			
Additions during the year	83,594	10	1			
	6,90,750	13	0			
LESS—	Rs.	a.	p.			
Sales during the year	12,614	1	9			
Depreciation to date	3,09,536	11	3			
	3,22,150	13	0			
	3,68,600	0	0			
10. Other Assets—						
(i) Interest accrued on Investments and Advances	4,45,826	2	7			
(ii) Stock, Stationery and Library (less depreciation)	2,10,803	12	7			
(iii) Insurance Policies at Cost	1,11,537	15	6			
(iv) Branch D.Ds., T.Ts. paid, Bills realised in transit pending adjustments	16,09,337	15	6			
(v) Sundries, including prepaid expenses	1,54,035	3	10			
(vi) Income-tax deducted at source and advanced under Section 18-A	2,78,981	9	0			
				28,10,522	11	0
11. Non-Banking Assets Acquired in Satisfaction of Claims at book value—						
Landed Property as per last Balance Sheet	2,41,713	3	2			
Additions during the year	9,679	11	0			
	2,51,392	14	2			
LESS—Sold during the year	34,358	3	5			
				2,17,034	10	9
(Approximate market value of the entire holdings: Rs. 2,30,400)						
N.B.—One item of property is subject to a charge of Rs. 2,000 and interest.						
Total .. Rs.				10,64,10,312	4	3

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1956.

PARTICULARS OF ADVANCES	Rs.	a.	p.
(i) Debts considered good in respect of which the Banking Company is fully secured	4,17,81,814	1	4
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (inclusive of advances on joint and several pronotes)	48,29,627	3	0
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	45,80,547	1	5
(iv) Debts considered doubtful or bad not provided for	Nil		
Total .. Rs.	5,11,91,988	5	9

PARTICULARS OF ADVANCES	Rs.	a.	p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	61,940	11	1
(vi) Debts due by the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	2,19,282	13	11
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	82,549	6	6
(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	2,64,625	3	6
(ix) Due from Banking Companies	93,074	13	10

(Continued on next page)

STATISTICAL POSITION OF COTTON TIGHT

LIBERALISATION OF IMPORTS NECESSARY

WITH the recent spurt in cotton prices and the introduction of a series of measures designed to control the price trend, attention has naturally been focussed on the supply position of cotton during the current season. At present, crop ideas centre round 4.9 million bales, as against 5.4 million bales estimated in the beginning of the season. Reduced crop estimate in the face of the continuing upward trend in mill consumption induced extensive buying by mills and trade interests which have pushed up cotton prices to high levels. There is also a scramble for Broach Vijay as there is widespread apprehension of extremely scarce supplies of this variety, based on the continuous scaling down of earlier estimates for this variety. Broach Vijay, it may be pointed out, has been the bread-and-butter cotton of Indian mills on which they mainly depend for maintaining their standard mixings. The shortage of supplies of Broach Vijay and the keen demand for it had their effect on cotton prices not only in the local market but throughout the country. The situation has been aggravated further by reports of poor yields of Westerns and, to some extent, of cotton grown in the Tinnevelli Karungani tracts.

At its meeting held on the 9th inst., the Cotton Advisory Board held that the rise in the prices of Indian cotton in the current season was due to the scaling down of the commercial crop estimate, shortage of tenderable cotton generally, and reduction in the output of Vijay and Surti cottons, the two most popular varieties. The Board rightly pointed out that, in a country like India where weather conditions affected the ultimate yield to a large extent, it was necessary to aim at a carryover of not less than six months' estimated consumption of mills; to be on the safe side, the carryover to be aimed at should be 2.5 million bales. The Board put forward suggestions for augmenting supply of cotton. One such suggestion was that, since there was likely to be a shortage of cotton of staple length of 13/16"-1.1/16", imports of American cotton of stapling 13/16" and above should be permitted, instead of 1.1/16" and above as at present. Another suggestion was that 50,000 bales of cotton of staple length 1.1/32" and above and 25,000 bales of stapling 13/16" and above should be permitted to be imported from soft currency areas immediately. The position should be reviewed later and, if considered necessary, a further 50,000-75,000 bales should be licensed, subject to such staple length stipulations as may be considered essential.

Presumably acting on the recommendation of the Board, the Government of India announced on the 18th inst. its decision to license import of 50,000 bales of East African cotton in the staple range of 1.1/32" to 13/16". The quota was exhausted within three days after the announcement. A further quota of 20,000 bales of cotton over 1.3/16" staple from soft currency areas was announced on the 22nd inst. Cottons coming under this staple length stipulation are all Karnak and Menoufi, all grades of Sudan Gezira 'S' variety and all grades down to G6L in the 'L' variety and private estate Sudans down to grade 4. Mill and trade interests are also awaiting liberalisation of imports of American cotton. Surely, all these measures will go a long way towards relieving the tight statistical position of cotton.

A reference may be made to the supply and distribution pattern of cotton in the current season. Carryover with mills and trade at the beginning of the current season was 2.15 million bales, comprising 1.93 million bales of Indian and 0.22 million bales of foreign cotton. The season's commercial crop is expected to be about 4.95 million bales. On this basis and assuming that imports during the season will be of the order of 607,000 bales, the total visible supply will work out to 7.70 million bales. As regards distribution, mill consumption during the first six months ended February last aggregated 2,616,711 bales, comprising 2,324,414 bales of Indian and 292,297 bales of foreign cotton. If this trend were to continue in the remaining months, the total consumption during the entire season might reach 5.2 million—4.6 million bales of Indian and 600,000 bales of foreign cotton. Out of the season's estimated crop of 4.95 million bales, about 300,000 bales are covered under export commitments. It will thus be seen that the supply actually available out of the current season's crop—that is, 4.65 million bales—will be just sufficient to cover the mill requirements of Indian cotton. In view of the tight supply position and the Government's ban on exports, shipments of Indian cotton abroad will be small. Assuming that it will be of the order of 300,000 bales, total disappearance would be 5.5 million bales, including 600,000 bales of foreign cotton. The end-season stocks with mills and the trade will, therefore, come to 2.2 million bales, comprising about 2 million bales Indian cotton and the balance foreign. The following table gives the estimated supply and distribution position for the season.

Supply and Distribution of Cotton in 1956-57

(In thousand bales of 400 lbs. each)

	Indian	Foreign	Total
Supply—			
Carry over with mills and trade on 31-8-1956	1,930	220	2,150
Estimated commercial crop during the season	4,950	..	4,950
Estimated imports	..	607	607
Total supply	6,880	827	7,707
Distribution—			
Estimated mill consumption during the season	4,600	600	5,200
Exports	300	..	300
Total distribution	4,900	600	5,500
End season stock with trade and mills	1,980	227	2,207

From the foregoing account it will be clear that the cotton supply position is none too happy. The only feasible, effective solution to the problem, therefore, lies in the further liberalisation of imports. This, of course, involves payment of foreign exchange. It must, however, be conceded that by allowing adequate imports of foreign cotton, the Government will, as we pointed out on an earlier occasion, be enabling the mills to maintain a high level of textile output which is vitally needed from the point of view of both employment and export of cotton manufactures, one of the staple earners of foreign exchange. The long-term solution, of course, lies in stepping up production through renewed efforts so that the target of 6.5 million bales of cotton set in the second Five-year Plan may be fulfilled successfully in time.

INDUSTRIAL CREDIT & INVESTMENT CORPORATION OF INDIA, LTD.

(*Concluded from page* 836)

ments actually made and loans actually disbursed. The reasons for this change are set out in the Directors' report. It seemed undesirable to confine ourselves to the minimum requirements of the Companies Act, since this would have given an unbalanced view of our activities. Before I pass to the normal business, I should say something about our prospects. Given reasonable opportunities and reasonable operating conditions, I see no reason why this Company should not continue to expand on the sound basis which I believe we have established but much will depend on Government policies and the availability of foreign exchange in the provision of which we shall, with the help of the World Bank, play our part.

"Before concluding, I have to inform you that two senior officers have been appointed in the course of the year, Mr. Parekh who has been appointed Deputy General Manager and Mr. Johnson who has been appointed Technical Adviser. The addition of these two officers has somewhat strengthened the administrative organisation of the Company, but I am bound to state that we still need additional senior officers, if the work of the Company is to proceed in the way desired by the General Manager and your Board.

"I would like to thank the officers and staff of the Company who have done hard and strenuous work during the year under review. The nature and extent of that work is not reflected by the number of applications which the Board has ultimately sanctioned but by the number of applications received and examined. In respect of many of these, constant advice has been sought and freely given; several are undergoing further scrutiny before final consideration by the Board. I would like to pay special tribute to the General Manager and the Deputy General Manager who have both devoted themselves with great earnestness to the onerous duties that they have to discharge."

THE CANARA INDUSTRIAL & BANKING SYNDICATE, LTD.—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956

Dr. *Cr.*

EXPENDITURE	Rs.	a.	p.
To 1. Interest paid on Deposits, Borrowings, etc.	17,98,534	0	8
,, 2. Salaries and Allowances and Provident Fund (including (1) Salary, Allowances and Provident Fund of Rs. 18,750 paid to the General Manager and (2) Remuneration and Allowance of Rs. 32,000 paid to the Managing Director)	15,22,197	10	0
,, 3. Directors' and Local Committee Members' Fees and Allowances	16,774	9	3
,, 4. Rents, Taxes, Lighting, Insurance, etc.	1,61,312	10	1
,, 5. Law Charges	7,204	5	9
,, 6. Postage, Telegrams and Stamps	1,67,107	0	3
,, 7. Auditor's Fees	2,750	0	0
,, 8. Depreciation on and Repairs to the Banking Company's Property	67,985	2	6
,, 9. Stationery, Printing and Advertisements, etc.	1,41,993	14	4
,, 10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
,, 11. Other Expenditure	1,57,522	8	6
,, 12. Balance of Profit	8,95,199	9	3
Total .. Rs.	49,38,581	6	7

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
By 1. Interest and Discount	42,71,957	11	11
,, 2. Commission, Exchange and Brokerage	4,53,394	9	4
,, 3. Rents	Nil		
,, 4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, 5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, 6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	10,141	10	10
,, 7. Other Receipts	2,03,097	6	6
Total .. Rs.	49,38,581	6	7

AUDITOR'S REPORT

I beg to report that I have audited the above Balance Sheet of the Canara Industrial and Banking Syndicate, Limited, as at 31st December, 1956, and also the above Profit and Loss Account of the Bank for the year ended that date with the Books and Accounts and certified Returns from the Branches and that I have visited some major branches of the Bank during the year and have examined the books of account and cash and securities as at the time of my visit and report that:

(a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the audit.
(b) Such information and explanations have been found to be satisfactory.
(c) Transactions of the Bank as have come to my notice have been, in my opinion, within the powers of the Bank.
(d) The Returns received from the Branches have been found adequate for the purposes of my audit.
(e) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account and the Returns.
(f) In my opinion and to the best of my information and according to the explanations given to me the said accounts give the information required by the Companies Act, 1949, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1956 and the Profit and Loss Account gives a true and fair view of the profit for the year ended 31st December, 1956.
(g) In my opinion proper books of account as required by law have been kept by the Bank so far as appears from my examination of those books.

CAMP, UDIPI,
Dated 31st January, 1957.

(Sd.) A. UMANATH RAO, B.A., F.C.A.,
Chartered Accountant. } Auditor.

(Sd.) T. M. A. PAI, Managing Director.

(Sd.) H. N. PAI, Chief Accountant.

(Sd.) K. V. SHENOY, Secretary.

(Sd.) K. K. PAI, Superintendent of Branches.

(Sd.) A. UMANATH RAO, Auditor.

(Sd.) T. ANANT PAI, General Manager.

(Sd.) B. PADMANABHA PAI,
(Sd.) M. N. PRABHU SHIROOBKAR
(Sd.) L. H. PRABHU
(Sd.) V. V. SHANBHAG,
(Sd.) A. LAKSHMINARAYAN RAO,
(Sd.) P. PADMANABHA RAO,
(Sd.) K. GUKURAJA RAO,
(Sd.) K. VITTAL MANJUNATH KAMATH. } Directors.

SUGARCANE DEVELOPMENT

NEED FOR INTENSIFIED CULTIVATION

A DISQUIETING trend in the Indian sugar economy has all along been the none too happy position on the sugarcane front. Not only does per-acre yield of cane continue to be very low but the quality also has not shown any improvement. In fact, there has been some setback in the yield of cane of late. The all-India average yield of sugarcane during the last year of the first Five-year Plan—that is, 1955-56—was not more than 12.99 tons, as against 13.33 tons in the base year (1950-51). It may be noted here that, over the Plan period, while the total area sown to sugarcane increased by 5.7 per cent.—from 4.21 million acres in 1950-51 to 4.45 million acres in 1955-56—the actual yield rose by just 3 per cent.—from 56.16 million tons to 57.75 million tons. Similarly, the average recovery of sugar in cane was as low as 9.84 per cent., which compared unfavourably with nearly 10 per cent. five years before. It must, of course, be admitted that notable progress has been made in areas, mainly factory zones, covered under the intensive sugarcane development schemes.

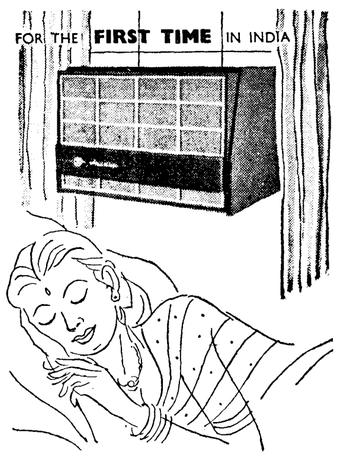
The setback on the sugarcane front thus is certainly unfortunate. As readers are aware, sugarcane constitutes the mainstay of income to quite a large section of the agricultural population and it is the principal raw material in the manufacture of such essential items of consumption as white sugar, *gur* and *khandsari*. It is, therefore, imperative that any scheme of cane development should have as its main objective the need for ensuring the cultivator a good return, on the one hand, and the white sugar producing factories adequate supplies of quality cane at an economic cost, on the other.

Viewed thus and considering the large programme of expansion of sugar industry now being implemented under the second Five-year Plan, the importance of a vigorous campaign for intensified development of cane cannot be stressed too strongly. The Indian Central Sugarcane Committee has done well, indeed, fully to recognise this aspect. In its latest annual report published recently, the Committee points out, for instance, that greater attention is required to be paid to the carrying of the results of sugarcane research to the doors of the cane growers than is being done hitherto. The area under sugarcane development will also have to be enlarged so as to cover the entire sugarcane acreage in the country. Apart from the development work, which will continue to receive attention under the various essential items, the problem of improvement in road communication in sugar factory areas will receive special attention. It is proposed to increase the acre-yields of sugarcane substantially and to raise the quality of sugarcane under the second Plan, so that the sugarcane grower gets a good return, the factories receive their full crushing quotas of quality cane and, at the same time, the surplus land is released for food crops. Incidentally, it may be noted that the production target for sugarcane in the second Plan is fixed at 78.00 million tons, as against the actual output of 57.75 million tons in 1955-56.

The annual report of the Sugarcane Committee contains a review of the progress achieved in the implementation of the cane development schemes during 1955-56. The review reveals that, in this year, 51 different schemes continued to run at the various sugarcane research stations and sub-stations and at selected sugarcane development centres in the various important sugarcane-producing States. An area of 800.000 acres was covered under the intensive sugarcane development schemes mainly in the factory zones, as against 625,000 acres in the previous year. The average yield of sugarcane per acre in the intensively development areas increased by about 50 per cent. in Bihar, the Punjab and Madras, 25 per cent. in Uttar Pradesh, and 40 per cent. in West Bengal and Andhra, as compared with the yields prevailing at the time of the commencement of the sugarcane development schemes in 1948-49. A significant step in the direction of raising the acre-yield of sugarcane was taken during the year 1954-55 when it was decided to start a campaign for the intensive manuring of sugarcane crop in the factory zones of the three States of Uttar Pradesh, Bihar and the Punjab to cover an area of 220,000 acres. A total area of 179,000 acres was treated with 216,000 maunds of ammonium sulphate during the year. The acre-yields improved by 25.6 per cent. in U.P., 37.0 per cent. in Bihar and 19.7 per cent. in the Punjab.

Judging by the success of this campaign, it was decided to cover an area of about 935,000 acres during the year 1955-56 in all the important sugarcane-producing States in the country. An area of 806,000 acres was covered under this campaign in the States of U.P., Bihar, Punjab, P.E.P.S.U., Madhya Bharat, Bombay, Hyderabad, Madras, Mysore and Andhra and an increase of about 25 per cent. in production over the previous year has been recorded. The target for 1956-57 covers an area of 1.5 million acres and a provision of 1.7 million maunds of ammonium sulphate and necessary loans for the purpose have been made.

The Government of India continued to give an annual normal grant of Rs. 8 lakhs for the sugarcane research schemes and the administration of the Committee during 1955-56. Out of this grant, an amount of Rs. 6.27 lakhs was paid as subsidy for the sugarcane research schemes, an amount of Rs. 1.62 lakhs was spent on the administration of the Committee, and a sum of Rs. 68,000 on the Biennial Conference, *Ad hoc* Expert Sub-committee, publication of journal and grant to the International Society of Sugarcane Technologists.



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INQUIRY TO BE HELD ON COAL PRICES

PRODUCTION MINISTER ON POSITION OF PRIVATE SECTOR

THE Government of India has decided to institute a comprehensive inquiry into the cost structure of the coal industry. The inquiry will be conducted by a committee or by the Tariff Commission, the decision in respect of which will be announced shortly. Disclosing this in the course of a Press conference held last week, the Union Minister for Production, Mr. K. C. Reddy, explained the Government's basic policy in respect of fixing coal prices. For some time past, the coal industry has been urging the Government for an upward revision of coal prices, on account of the increased costs of production. The industry has also been asking for the inclusion of a 'special element' in the revised prices to provide financial resources for expansion and development of the industry.

The fixation of coal prices is a somewhat complicated matter on account of the differences in the level of working costs as between individual collieries and in the various regions. The industry has, however, been urging an interim increase in prices to meet the increased costs on account of the recent award of the Appellate Tribunal which granted additional concessions to workers. Having received no favourable response from the Government, the collieries have been compelled to appeal to the Supreme Court against the Tribunal's award. The Government is now unwilling to consider the grant of an interim increase until the judgment of the Supreme Court is pronounced.

Explaining the Government's price policy, Mr. K. C. Reddy said that it had, *inter alia*, been guided by the consideration that the industry must have a fair return on the capital invested. The prices had been reviewed from time to time and the information that had been available to the Government, Mr. Reddy declared, indicated that the industry by and large had had a fair return on the capital invested. However, arising out of the Award of the Appellate Tribunal the question of coal prices was under review. No final decision could be taken until the judgment of the Supreme Court was pronounced on the subject.

As the Production Minister himself admitted at the Press conference, the most important need in the national interest is increased production of coal at an economic price. Although the private collieries submitted plans early in 1956 for an additional production of 30 million tons per annum during the second Five-year Plan, the Government fixed the target for the private sector at only 10 million tons per annum, out of a total of 22 million tons, the balance being left to the public sector. These allocations were arrived at, Mr. Reddy declared, after discussion with the private sector of the industry and a realistic appraisal of the potentialities of the two sectors within the broad framework of the Industrial Policy Resolution of 30th April 1956. In pursuance of this resolution, all new units, save where their establishment in the private sector had already been approved, will be set up only by the State. "This does not, however, preclude," Mr. Reddy explained, "the expansion of existing privately-owned units or the possibility of the State securing the co-operation of private enterprise in the establishment of new units when the national interests so require."

The expansion of the private collieries even within the framework of the Government's industrial policy is being hampered by the shortage of materials like iron, steel and cement, and railway wagons. There is a general complaint that a discrimination is being made in favour of State collieries in respect of allotment of these. Denying that there had been any such discrimination, Mr. Reddy said:

"Admittedly there is a general shortage of iron, steel and cement and neither the public nor the private sectors have been getting all that they need. Except for one quarter, when a larger amount of cement was given for the coal washery set up at Bokaro and Kargali, the available supplies have been equitably distributed. As regards the allotment of wagons, the State collieries at one time were owned by the railways and their entire output is consumed almost wholly by the railways. Loco coal has the highest priority and the private sector supplying loco coal enjoys the same priority. The difficulty experienced is mainly due to the increase in the transport facilities not being able to keep pace, in spite of best efforts, with the increase in demand."

The Production Minister added that the transport position had been steadily improving and in support of his contention he quoted the following daily average loading figures for the last three years:

(No. of wagons)

Year	All fields	West Bengal-Bihar
1954	3,948	3,206
1955	4,045	3,262
1956	4,246	3,405

Emphasising that the Government was doing its utmost to increase the transport availabilities, the Minister said that the position, which was constantly under review, had continued to improve steadily. As a result of this improvement, he added, the collieries had been able to increase their production and reduce the pit-head stocks appreciably during 1956. The stocks declined from 3.6 million tons at the end of 1955 to 2.7 million tons at the close of 1956.

Mr. Reddy also indicated the possibility of the control on coal production and distribution being revised. Thus, he said:

"The present position regarding coal is that the production and transport capacities cannot meet the full demand and, therefore, some kind of control over production and distribution including price control has become necessary. The problems arising out of the control are constantly under review and, if it becomes necessary to make any departure from the existing system, the Government will take appropriate measures in the matter."

Referring to the problems of the industry in respect of coal mining machinery and requirements of sand for stowing, Mr. K. C. Reddy said that these were constantly under review and the Production Ministry and the Government as a whole were doing everything possible to give such reasonable help as was necessary in the matter. An assessment had recently been made of the requirements of imported coal-mining machinery for the private sector and the matter was under further examination. As regards sand for stowing, Mr. Reddy declared, a Committee had gone into the matter of availability of sand and the Coal Board had set up Technical Committees to study in detail the arrangements required for the supply of sand.

Replying to questions on import of coal-mining equipment and manufacture thereof within the country, the Minister said that negotiations with the Russians were now in progress both for the purchase of coal-mining equipment for immediate use in the public sector and for Soviet collaboration in setting up a plant for the manufacture of coal-mining machinery. While the Government had received quotations from more than one country for coal-mining equipment, the terms of the U.S.S.R. were attractive. Russia would be able to effect deliveries in 1958 and had agreed to deferred payment. The purchase of machinery would be in the course of normal Indo-Russian trade, while the project for setting up a plant to manufacture coal-mining equipment, if it went through, would be financed from Russian offer of a Rs. 60-crore credit.

Referring to amalgamation of small collieries, Mr. Reddy said:

"The examination of the report of the Committee on Amalgamation of Collieries is in the concluding stages. Consultations have also taken place between the State Governments of West Bengal and Bihar. Steps are being taken to implement the recommendations of the Committee which are broadly acceptable, subject to a few minor modifications in matters of detail. The necessary legislation, details of which are under further discussion, will be promoted as early as possible."

The Minister added that the legislation for acquisition of unworked coal-bearing areas was ready last December, but could not be introduced in Parliament on account of pressure of other official business and also for want of time. Legislation would be introduced in the first session of the new Parliament in May 1957.

STOWING COSTS IN COAL MINES

The Coal Board has liberalised the procedure for assessment of stowing costs in coal mines and for grant of stowing subsidy to collieries. This follows the representations made by the coal industry. The Board's decisions have been arrived at after discussions between the Board's technical officers and the representatives of the colliery companies carrying out large-scale stowing.

The Board's decisions, which will be effective in respect of all stowing done after 1st April 1955, are: (i) Depreciation will be calculated at revised rates on the original value of plant on the straight line method; (ii) to meet the increased cost of stores, the allowance for repairs and renewals will be increased by 54 per cent. of the scheduled rates in the case of plant and machinery installed before 1st April 1950; (iii) aerial ropeway rope will be treated as direct expenditure according to a revised formula; and (iv) the allowance to cover depreciation of stowing pipes will be increased to meet the increased costs of such pipes. The Board has also decided that, out of 94 cases of sanctioned assistance during 1956-57, 65 will be eligible for increased assistance at 85 per cent. of the cost subject to a maximum of Rs. 1-8 per ton (against the ordinary

(*Continued on page 875*)

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ENLARGING RAW JUTE PRODUCTION

GOVERNMENT OF INDIA TO SET UP SUPERVISORY BODY

THE Government of India has decided to set up a central supervisory body with the Jute Controller as Chairman to review periodically the progress made in jute production towards achieving the target of 5.54 million bales fixed for the second Five-year Plan. This was announced by Dr. M. S. Randhawa, Vice-Chairman, Indian Council of Agricultural Research, at the conclusion of the high-level conference held in Calcutta last week. This conference of the Development Commissioners, Directors of Agriculture and Secretaries of the State Agriculture Departments of West Bengal, Bihar, Assam and Orissa, Chairman of the I.J.M.A., Jute Controller and the Economic and Statistical Adviser to the Government of India, held on the 18th inst. under the chairmanship of Dr. Randhawa, reviewed the progress made in the implementation of the recommendations of the conference on promotion of jute production held in New Delhi on 12th January last. The conference was preceded by the second meeting, on the 15th, of the Sub-committee appointed by the Delhi Conference to go into the question of self-sufficiency in jute. The Sub-committee also met representatives of various jute interests on the 16th and 17th inst. for exchange of views.

The Government's decision to set up a supervisory body has been taken in view of the national importance of achieving self-sufficiency in jute. Similar bodies will also be set up at the State level in the jute-growing States. The central supervisory body will consist of: The Jute Controller (Chairman), representatives of the Planning Commission and the Indian Jute Mills Association, Directors of Agriculture of West Bengal, Assam, Bihar, Orissa and U.P., Chief Jute Development Officer, Director of Railway Movements, Calcutta, and Secretary of the Indian Central Jute Committee.

Initiating the discussion, Dr. Randhawa asked representatives of the States to treat the problem of jute production in India on an emergency footing in view of the difficult foreign exchange position. The conference also decided to speed up the distribution of fertilisers to jute growers by opening more depots, so that the fertilisers could reach them in about six to eight weeks from now.

The two-day meeting of the Sub-committee on Jute Promotion held on the 16th and 17th inst. with the jute interests, under the chairmanship of Dr. S. R. Sen, Economic and Statistical Adviser, Government of India, discussed the long and short-term aspects of problems likely to arise from the increased target (from 5 million to 5.54 million bales) for the second Plan period and had full exchange of views on the basis of assumptions behind the revised target. The discussion centred, from the long-term view, on ways of phasing the jute development programme in a proper order of priorities, so that difficulties cropping up in the wake of unplanned production could, as far as practicable, be avoided.

Useful data that would be needed in the formulation and phasing of the jute development programme over the next few years were obtained in the course of discussions. The data related to the specific requirements of the industry for various qualities of jute, their availability within the country, possibilities of augmenting supplies of each variety in an appropriate order of priorities, and concentration of the intensive methods of cultivation in areas best suited to the production of high quality jute from the standpoint of climate, soil, retting water and transport facilities. It was felt that difficulties in the way of obviating India's present dependence on Pakistan for the minimum quantity of high grade fibre used in the manufacture of bright hessian were not insurmountable and there was good prospect, given incentive and expert advice, of raising the same grade of jute in the required quantity from selected tracts in India.

The policy governing the acreage to be planted with *mesta* in relation to the total estimated demand for raw material of the jute industry in 1960-61 was also considered.

The jute trade and industry were asked to employ their upcountry agencies in supplementing the efforts of the Government to propagate the efficacy of the use of fertilisers.

While the measures taken to raise the output of jute and thus make the working of jute mills more economic are commendable, the difficulties of jute mills, in the meantime, are said to have been aggravated and the small units, in particular, have been hard hit by the high raw material prices which bear no relation to prices of manufactured goods, and by the higher labour and other costs. As a result, some of the small units are being closed one after another. During the last two months, two jute mills, Luxmi Jute Mills and Victoria Jute Products, have been closed on account of heavy losses. Following this, the Standard Jute Company, Ltd., under the management of Messrs. Bird & Co., Ltd., has decided to close down with effect from 4th May. The mill is said to have suffered heavy losses aggregating Rs. 14 lakhs, including depreciation provision, during the last 18 months.

According to estimates made recently, units representing 57 per cent. of the Indian jute industry suffered losses aggregating Rs. 1.75 crores during the six months ended October 1956. Conditions have shown very little improvement since then. Under conditions prevailing at present in the industry, the Standard Jute Company is considered an uneconomic unit, having only about 650 looms, of which 12½ per cent. remain sealed in accordance with the I.J.M.A. Working Time Agreement. The closure of the Mill will not, however, affect the total production of the industry, as its loom hours will be "sold" to the Kinnison Jute Company, Ltd., and will be worked by the latter.

JUTE GOODS OUTPUT RISES

A rise of 4,500 tons in output of jute goods is disclosed by the production statistics of the I.J.M.A. for the month of March 1957. The total production has gone up from 80,200 tons to 84,700 tons, thus reversing, to a large extent, the declining trend noted in the previous month when the output dropped from 88,800 tons to 80,200 tons. Notwithstanding the rise, last month's production falls short of that in the corresponding month of 1956 by 14,600 tons, as will be seen from the following table:

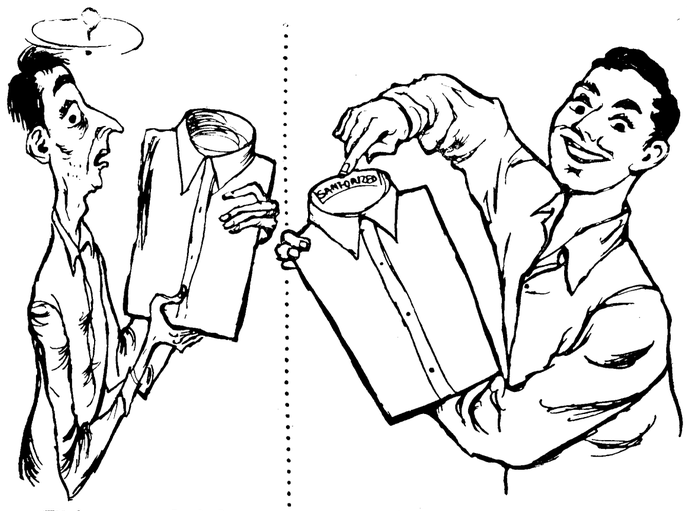
Jute Goods Production

(In tons)

	March, 1957	February, 1957	January, 1957	March, 1956
Hessian	36,000	35,000	38,800	34,800
Sacking	43,100	39,600	43,500	57,900
Others	5,600	5,600	6,500	6,700
Total ..	84,700	80,200	88,800	99,300

The increase in production is shared by hessian, which has gone up by 1,000 tons, and sacking which accounts for a rise of 3,500 tons. It is noteworthy that the proportion of sacking to total production has gone up and that of hessian has declined for the first time after a lapse of a few months. This indicates that the mills must have switched back again some of their looms to production of sacking in view of the recent demand for this variety of goods.

The rise in production during March is due to the longer working period, the number of hours worked being 200.5, as against 192 in February. On the basis of the above production figures, the consumption of raw jute by mills during March aggregated 494,600 bales, as against 467,600 bales in the previous month and 576,900 bales in the corresponding month of 1956. This brings the total consumption during the first nine months of the current season to 4.50 million bales, as against 4.66 million bales in the corresponding period of 1955-56. The total production of jute goods during this period amounted to 771,000 tons, as against 800,500 tons in the nine months ended March 1956.



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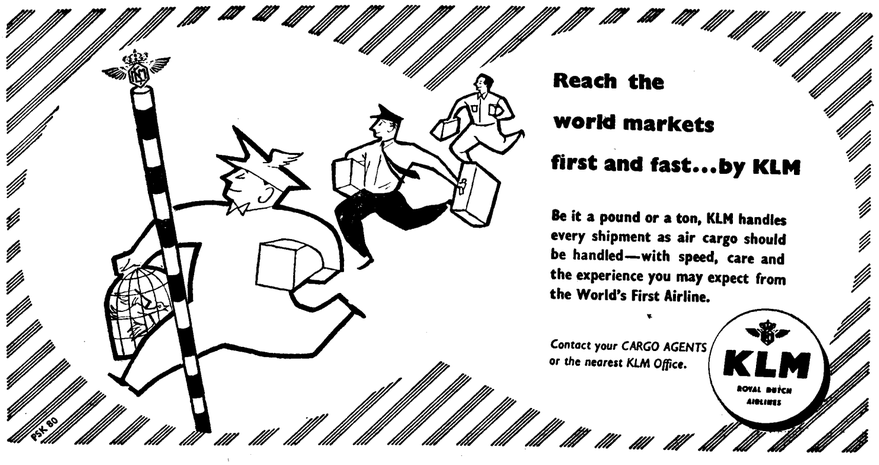

EXPANSION OF RAILWAYS' TRAFFIC CAPACITY

SHORTAGE OF STEEL AND CEMENT MAJOR OBSTACLE

WITH the increased emphasis placed on industrial development in the second Plan, the problem of developing the railways in order to cope with the increasing transport requirements assumes a sense of unusual urgency. It is indeed heartening to realise that the Government of India and those who are directly in charge of running the railways are fully aware of the need. The railway authorities could not have chosen a more opportune moment to highlight the past performance and the task ahead of the railways than the Railway Week recently celebrated. In a series of 14 articles top executives of Indian railways have attempted to bring into focus the position, programmes and problems of this vital artery of the country's economy. Of particular interest is an article by Mr. P. C. Mukerjee, Chairman of the Railway Board, which lists the work undertaken in 1956-57, the first year of the second Plan. In addition to giving a factual account of programmes already under way and those that are planned, this article enables one to assess how far the entire railway system is geared to the tasks assigned to it in the second Plan.

During the first Plan period a total expenditure of Rs. 423.73 crores, inclusive of Rs. 140 crores from the general revenues, was incurred in respect of railway development. The railways acquired, during the period, 1,586 locomotives, 61,254 wagons and 4,758 coaches, raising their total holdings to 9,172 locomotives, 235,198 wagons and 23,158 coaches at the end of the Plan period.

Second Plan

The objectives of the second Plan in respect of railways are (1) to provide sufficient capacity to carry the increased output of heavy industries like coal, steel, cement, and other commodities, (2) to rehabilitate track, bridges, and rolling stock in order to maintain them in satisfactory working condition, (3) to achieve self-sufficiency, as far as possible, in railway equipments through enhanced indigenous manufacture of these items. The second Plan allocations for railway development are of the order of Rs. 1,125 crores, which covers the following: (1) construction of about 842 miles of new railway lines mainly to serve the requirements of coal and steel industries; (2) the renewal of about 8,000 miles of existing track which has been delayed due to shortage of rails and sleepers; (3) doubling of about 1,607 miles of track where the existing single line is already working to capacity and cannot carry the increased traffic which it will be called upon to do; (4) the conversion of about 265 miles of metre-gauge into broad-gauge and (5) the electrification of about 1,343 route miles of existing railway lines where density of traffic is such that steam traction cannot possibly carry all the traffic offered. Funds will be made available from three sources. They are Rs. 750 crores from the general revenues, Rs. 225 crores from railway revenues by way of current appropriations to the depreciation fund at the rate of Rs. 45 crores per year and a further sum of Rs. 150 crores from railway revenues. The rolling stock that is proposed to be purchased during the second Plan period include 2,364 locomotives, 11,575 units of coaching stocks and 107.247 wagons.

In 1956-57, the base year of the second Plan, provision for an expenditure of Rs. 318 crores was made for the annual works programme. The items included in the programme were rolling stocks, workshop, plant and machinery, track renewals, bridges, line capacity works, electrification, new lines, staff quarters and staff welfare, railway users' amenities, etc. The budget provision for the programme amounted to Rs. 193 crores comprising Rs. 88 crores for rolling stock and Rs. 105 crores for other works. Severe handicaps in the shape of shortage of steel and cement, aggravated all the more by the Suez crisis, was a major obstacle to progress. In spite of this the railways are expected to have spent Rs. 178 crores during the past year. Actual deliveries of locomotives, coaching stocks (in units) and wagons (in units) were of the order of 516, 1,167 and 27,132 respectively. Total deliveries till the end of March 1957 are expected to have been 624 wagons, 1,406 coaching stock and 31,759 wagons.

During the same year, a total of 2,800 miles of surveys were approved. The work in the field is under way on about 2,000 miles. Three new lines were opened to traffic during the year. These were the 37-mile metre-gauge Ernakulam-Kottayam line on the Southern Railway, the 24-mile Champa-Korba broad-gauge line on the South Eastern Railway, and the 26-mile Fatehpur-Churu metre-gauge line on the Western Railway. In addition, the seven-mile line from Gandhidham to the new Kandla Port was opened for goods traffic only. Work is in progress on about 556 miles of new railway lines, the important ones among them being Rourkela-Dumaro, Bhilai-Dhalli-Rajhara, Etah-Burhan, Indore-Dewas-Ujjain, etc.

Projects Under Execution

Work is under way on the Rohtak-Gohanna section of the Northern Railway. Also progressing is the conversion of the Reniguntа-Gudur metre-gauge section of the Southern Railway into broad-gauge, a total of 52 miles, at an estimated cost of Rs. 2 crores. It is expected that the work will be completed and opened to broad-gauge traffic during the course of the year. A few of the important sections where doubling work is in progress are Delhi-Mathura, Saharanpur-Moradabad, Kanpur-Allahabad, Delhi-Rewari, Arkonam-Jalarpet, Bezwada, Gudur, Mancharpur-Rourkela, Rajkarswan-Barajamda, and Rourkela-Durg.

Electrification of the Howrah-Bandel main line and Sherophuli-Tarakeswar sections of the Eastern Railway is progressing and it is planned that the first electric train will run in this area this year. A large number of workshops and loco sheds are being expanded and modernised to meet the maintenance requirements of the increased holdings of rolling stock. As many as 67 goods yards are being remodelled including major remodelling of marshalling yards at Moghalsarai, Ondal, Tatanagar. Work on providing modern marshalling yards at Bhilai and Rourkela is progressing. Fifty-two new crossing stations are being opened to increase the line capacity. At about 100 stations the length of existing loops is being increased and additional loops are also being provided.

Self-sufficiency in respect of stores and equipment has been one of the major objectives of railway development programmes. Acting on the recommendation of the Railway Equipment Committee a nucleus Development Cell has been established. One of the major steps taken by the cell was to augment the wagon-building and underframe manufacturing capacity in the country from 20,000 wagons and 300 underframes per annum to about 36,000 wagons and 1,700 underframes per annum. Issue of licences has been recommended in favour of some of the prospective firms capable of undertaking the work. Orders for a number of rolling stock components as well as electrical signalling items have also been placed during the year.

Locomotive production at Chittaranjan increased during the year to 14 WG locomotive per month. An aggregate of 156 steam locomotives were manufactured during 1956-57. This brought the total production since the establishment of the factory to 504 WG locomotives. The monthly outturn of unfurnished coaches at the Integral Coach Factory, Perambur, has been stepped up to 10 per month. The question of opening a similar factory for the metre-gauge coaches is under consideration. A workshop for the manufacture of spare parts for locomotives and to carry out the major reconditioning of machine tools is being set up. Funds have been allotted for these two units in the second Plan.

Volume of Traffic

As a result of these measures, goods traffic recorded an increase in the past year. Till November 1956, goods traffic had increased by about 10.1 per cent. over that of the corresponding period of the previous year. Total goods traffic carried during the period aggregated 66.96 million tons, of which 52.65 million tons were accounted for by broad-gauge and 14.30 million tons by metre-gauge, as compared with 58.35 and 15.38 million tons carried by broad- and metre-gauges during the corresponding period of the previous year. During 1955-56 total tonnage of goods moved on the Indian railways was about 114 million tons which is expected to have increased to 125 million tons during 1956-57. The second Plan proposals provide for the lifting of a total of at least 161 million tons of goods by the end of 1960-61. In order to cope with the increasing demands on railways attention is concentrated on improving operational efficiency by better utilisation of wagons through running block trains and express goods services, reducing the time taken for loading and unloading of wagons, round the clock working in important transhipment yards, etc.

An important point worth mentioning in this connection is that expansion of line capacity and rolling stock goes hand in hand with programmes for increased passenger amenities and a better deal for railway employees. The railways employ more than a million workers and the latter's dependents, on the basis of an average family of five members, aggregate about four million. Thus almost one out of every 70 inhabitants of the country derives direct benefit from the railways. In 1947, after partition, the number of quarters available for railway men was about 270,000. At the end of the first Plan it stood at 336,168 of which 41,000 were built during the Plan period itself. During the second Plan it is estimated that on the basis of the present allotment between 60,000 and 66,000 staff quarters will be built.

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ELECTRIC SMELTING

An electric smelting furnace for ferro-manganese, which is claimed to be the first of its kind in India, was set up at the Electro Metallurgical Works Private Ltd., Dandeli. The furnace has a capacity of about 10,000 tons per year and it has been designed and supplied by the Norwegian firm, Elektrokemisk A/S, Oslo, Norway. For a generation, this Norwegian company has been known to the electro-metallurgical world as designers and suppliers of equipment for electric smelting. The firm was founded in 1904 by a team of young and enthusiastic engineers for the purpose of utilising the vast amount of unharnessed water-power which hurled down from the Norwegian mountains. During the following years, the Norwegian production of nitrogen for fertilising purposes —today the biggest export product within the chemical industry in Norway—was founded under the auspices of this firm. Later, Elektrokemisk took up the production of ferro-alloys and other metallurgical products based on hydro-electric power. During World War I, when lack of imported pre-baked electrodes hampered the production, the firm's engineers started making electrodes in their own way. The result was the self-baking, continuous electrode, an invention which has since gained fame for itself all over the world under the name of the Soederberg electrode.

In view of the important role which inland waterways have to play in India's transport system, the second Plan makes a provison of about Rs. 3 crores to be spent on development of inland waterways and transport. There are at present about 5,500 miles of navigable waterways, the most important of them being the Ganga, Brahmaputra and their tributaries, the Godavari and Krishna and the backwaters and canals of Kerala, the Buckingham Canal and the Mahanadi canals in Orissa. The schemes included in the second Plan are the Upper Ganga Pilot Project, the Assam Feeder River Project, the Assam Ferry Project, wireless telephone facilities for inland water transport operators in Assam, installation of automatic beacons to facilitate night navigation, arrangements for regular and continuous survey of waterways, purchase of boats for clearing snags, purchase of dredgers for river conservancy and development of ports especially Pandu, Gauhati, Dhubri, Karimganj, Patna, Manihari, Varanasi.

NEW PRODUCTS AND PROCESSES

Waterway Pollution

THE possibility that bacteria may play a part in solving—as well as creating—the widespread problem of acid pollution of waterways is under study by Ohio State, U.S.A., University engineers. The investigations have been concentrated in coal mining areas where streams appear to be particularly vulnerable to acid pollution because of the nature of mining operations and the presence of all necessary components for acid formation—coal, shale, slate and the coal mine waste material called gob, in addition to the requisite air and water.

The nine-man team has done preliminary field work to locate mines sealed under the Federal Mine-Seal programme, conducted field studies on sealing and flooding of mines and damming of water from mine-fed streams, and conducted laboratory tests on the role of micro-organisms in acid formation. That bacteria have a role in acid formation appears likely, since the organisms are consistently found at the point of formation. An interim report, which suggests a number of possible methods for correcting pollution conditions—such as exclusion of one of the necessary components by flooding or pumping; reclaiming or dilution of acid; or treatment of the stream by chemicals—also indicates that treatment with micro-organisms is a possibility.

Based on preliminary work with bacteria, the report states that "it may be possible to obtain a group of organisms which are able to stabilise water treatment processes." Simultaneous research is also being conducted on the use of gob as an aggregate for making lightweight concrete. Gob piles contain quantities of natural materials, such as carbon and sulphur, necessary for acid formation and, since they are exposed to outside air and surface water, it is believed much acid pollution originates with these piles.

Chlorophyll Batteries

Chlorophyll solar batteries may be made in the future as the result of a recent research discovery. The research has demonstrated that the chlorophyll-containing units, called chloroplasts, which occur in plants, behave under some circumstances like semi-conductors—the basic materials from which transistor crystal valves are made. When a dried layer of these units is exposed to heat, the chloroplasts absorb the heat and convert the energy of the heat into light which they then radiate, just like silicon, germanium and other semi-conductor crystals do under similar circumstances. The experiments also showed that the electrical resistance of the chloroplasts was likewise affected in the same way as that of conventional materials. Green plants are, therefore, it seems, converting solar energy into electrical energy, just like a solar battery. The plants, it is thought, use the electricity they gain in this way to stimulate the chemical changes by which they convert carbon dioxide into sugar. The practical industrial applications of this new discovery must lie in the future, but they can be expected to be many, since the discovery means, the scientists responsible for the research believe, that a new and exceptionally abundant source of semi-conductor material should be made available to industry.

Radar Mapping

A novel Radar Restitutor, which promises to inaugurate a new era in the use of radar for accurate mapping and charting, has been developed. The device overcomes the many distortions and inaccuracies in photographs of radar displays which make them unsuitable for measuring distances between different points on the ground. The chief distortion is due to the fact that radar records the distance between radar station and an object. For airborne radar sets, this means that the slant distance is recorded while, for mapping purposes, it is necessary to know the ground distance between the aircraft radar and the ground object. Another source of error is that an airborne radar is in continual motion while the radar display does not take this motion into consideration. The Restitutor is designed to compute these and several additional distortions automatically and produce a new photograph on which the ground object is positioned at corrected co-ordinates. The Restitutor-produced photographs are then used in the compilation of maps.

New Banking Machine

A new bank machine, designed automatically to handle the processing of cheques and deposits, one of the major paperwork problems of modern banking, has just been introduced in the U.S. and Canada by Burroughs Corporation. The machine's three major components—master unit, sorting unit and listing unit—are cable connected, permitting it to be used with maximum flexibility for present operations while allowing addition of other automatic operations as they are developed. One operator seated at the master unit keyboard can tabulate hundreds of documents such as deposit slips and cheques each hour while the machine automatically endorses the cheques, sorts them to any one of 27 compartments for routing to other banks or departments and produces a running list of deposits and withdrawals and separate lists of each of the 27 distributions.

New Elastic Plastics

A range of new elastic plastic materials may be developed with the aid of a new chemical compound which is currently being developed. Experiments have shown that when the compound, called beta-chloropropionitrile, is used in the processing of mixtures of ethylene-based plastic compounds a number of interesting new elastomer materials are created. The compound can also be used in the manufacture of other types of plastics and in a number of other types of chemical reactions of industrial importance.



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CAUSES OF FOREIGN EXCHANGE SCARCITY

EXTERNAL RATE OF RUPEE IS A DRAG ON INDIA'S EXPORTS

By B. R. Shenoy

DIRECTOR, UNIVERSITY SCHOOL OF SOCIAL SCIENCES, GUJARAT UNIVERSITY, AHMEDABAD

THE pre-war (1938-39) currency reserves of India (Rs. 118 crores) represented 63 per cent. of the currency notes in circulation (Rs. 189 crores). With the mounting of the war-time rupee expenditure of the U.K. and the Allies, which was met by currency expansion against equivalent sterling credited to the Reserve Bank of India, the reserve ratio shot up. At the close of 1945-46, the reserves (Rs. 1,769 crores including gold) represented 145 per cent. of the note circulation (Rs. 1,219 crores). In about a decade thereafter the order of our sterling balances problem has been reversed, from one of super-abundance to one of scarcity bordering on crisis. With the natural emergence of import surpluses (and payments deficits) to meet the repressed demand for imports, there was a decline in the reserves after the close of the war. The division of assets with Pakistan in 1948-49 caused a big drop in them to Rs. 984 crores from Rs. 1,572 crores in the preceding year. Heavy (overall) payments deficits in 1949-50 and 1951-52 and a moderate deficit in 1954-55, coupled with an expansion in the note circulation, brought down the reserve ratio to 54 per cent. at the close of the first Plan period (31st March 1956).

The deterioration was rapid thereafter. The reserves fell even during the second half of the financial year when our current account payments are usually in surplus. During 1956-57 (excluding the last week for which statistics are not available at the time of writing). The loss of reserves (including the recent loan from the I.M.F.) was Rs. 304 crores, or about 53 per cent. more than the net loss (Rs. 198 crores) during the eight years following the partition of assets. The second Plan provides for a draft on the reserves of Rs. 200 crores over the five years of the Plan.

Gold Revalued

As the reserves were pressing ominously towards the legal minimum ratio of 40 per cent., on 6th October 1956, by the Reserve Bank of India (Amendment) Act, 1956, gold in the reserves was revalued from Rs. 21-3-10 per tola (the 1927 parity price) to Rs. 62-8-0 per tola (the September 1949 parity). On 5th October 1956, the reserve ratio was 45 per cent. and the surplus reserves Rs. 78 crores. The amending Act also abandoned the outmoded system of relating the minimum reserves to the note circulation and prescribed, following the French system prior to 1928, a fixed minimum reserve of Rs. 515 crores, of which Rs. 115 crores should be in gold. In emergencies, the foreign exchange part of the reserves may be reduced to Rs. 300 crores. The irreducible amount of the reserves was, thus, Rs. 415 crores. The amendment raised the surplus reserves, as on 12th October 1956, to Rs. 303 crores. The pressure on reserves having persisted, early in February 1957, the Government borrowed from the I.M.F. Rs. 61 crores ($127.5 million) and arranged for a standby credit of Rs. 35 crores ($72.5 million). Notwithstanding the amount of the loan as on 22nd March 1957 the surplus reserves had fallen to Rs. 241 crores. If the reserves should be depleted at the 1956-57 rate, this may not last longer than another 9½ months.

Activity of Saving

Contrary to the prevailing belief in India, payments difficulties are not an essential concomitant of economic development. Intractable payments deficits need not arise if investments are limited to total savings comprising current domestic savings, drafts on currency reserves (past savings), and imported savings (foreign aid). The activity of saving will make available the requisite foreign exchange, if need be, through increased exports or reduced imports.

This is well illustrated by our first Plan experience. Assuming an average rate of savings of 6 per cent. of the aggregate national income (Rs. 50,300 crores), total savings of the first Plan period may be placed at Rs. 3,000 crores. Adding to this foreign aid (Rs. 204 crores) and drafts on the reserves (Rs. 138 crores), and deducting from it the use of savings in the purchase of smuggled and domestically mined gold (estimated at a total of Rs. 190 crores), the net available investment resources (Rs. 3,152 crores) may be said to have approximated to the estimated first Plan investment (Rs. 3,100 crores). The current account deficit of the period was about Rs. 30 crores.

The position would be different if part of economic development was financed by created money. By adding to the money incomes of the community it would enhance domestic consumption. As, however, the national product and the stream of goods flowing into the market will not have risen, enhanced consumption would take place at the expense of exports or through increased imports. In either case, the payments position would deteriorate, as reduced exports would diminish the supply of foreign exchange and increased imports would add to the demand for it. Persistent payments difficulties are automatic reflex phenomena of continued domestic inflation.

The prevailing foreign exchange crisis is attributable to this factor principally. During 1956-57 the Government's (capital account) disbursements have exceeded the national savings placed at its disposal, through revenue surpluses, market loans subscribed from the current savings of the public, small savings, and miscellaneous capital account receipts. This excess, financed through created Reserve Bank money, is measured by the sum (Rs. 266 crores) of the overall budget deficit (Rs. 216 crores) plus subscriptions of the banking system (including the Reserve Bank) to permanent debt (estimated at Rs. 50 crores). The resulting expansion of money was largely cancelled by its conversion into foreign exchange at the Reserve Bank (payment deficits of Rs. 304 crores) and, allowing for errors and omissions, the amount of the money supply with the public (as at the close of February 1957) rose by about Rs. 78 crores (about 3.6 per cent.) to Rs. 2,262 crores. The general index of prices, however, rose by about 11 per cent., during the same interval, to 422. The disproportionate rise in prices suggests flagging national product and an increase in the velocity of circulation of money.

Inflation

True to expectations, the inflationary expansion of incomes in 1956-57 ate into exports and added to the pressure for imports. During the first four years of the first Plan, the index of the volume of Indian exports (1952-53=100) was at 100-102. It rose to 115 in 1955-56. The first eight months of 1956-57 saw the index decline to 106, the monthly average of the corresponding period of the preceding year being 112. Except for 1951-52, when it was at an inordinately high level (146), the import index during the first Plan period was generally below the index of exports. During the first eight months of 1956-57 it shot up to 135, the index of the corresponding period of the preceding year being 106.

Part of the payments difficulties was due to the increased flow of smuggled gold. Gold was now available with comparative ease in the free markets of London and Brussels at the parity price of U.S. $35 per ounce. Formerly, it commanded premiums in terms of U.S. dollars, and dollars to pay for them had to be acquired (mostly) at premium prices. This, coupled with the rise in the rupee price of gold, enhanced the profits of gold smuggling from about Rs. 30 per tola in 1954-55 to over Rs. 40 per tola since March 1956.

To these factors may be added the "leads" and "lags" in payments, inevitable in times of exchange crises. Those who have payments to make abroad rush to do so for fear that the lean supplies of foreign exchange may cause a rise in its price (devaluation) and those who have foreign exchange owing to them would be in no great haste to accelerate the pace of payment as they would gain in the event of devaluation. This would accentuate the immediate payments difficulty. Mention may also be made of the decline in agricultural production in 1955-56, which reduced exports or increased the need for imports, and the closure of the Suez Canal, which added to our freight bill.

The remedial measures, outlined in the Budget White Paper of March 1957, to the problem of foreign exchange scarcity comprise, in the fiscal and monetary spheres, additional taxation, selective credit restriction, and an increase in the cost of certain types of Reserve Bank accommodation. These steps will be supported by releases of foodgrains from Government stocks, fair-price foodgrain shops, larger foodgrain imports from Burma and the U.S.A., a stepping up of the second Plan targets of production of foodgrains and certain other agricultural produce, and increased production of cotton textiles. In the foreign exchange field, remedial action includes the use of I.M.F. resources, increased foreign aid, a further tightening of travel restrictions, reduced imports in the import programme of January-June 1957, and promotion of exports by the adoption of certain administrative and fiscal measures.

Most of these measures are little more than palliatives. Once overinvestment has put expansionary funds into circulation, increased taxation and credit restriction are ill-suited to correct their inflationary consequences. The amount of the revenues (excluding the increase in excise duties) expected in a full year from the supplementary tax proposals of December 1956 is estimated at Rs. 16 crores. This is chicken-feed in face of the proposed budget deficit of Rs. 365 crores in 1957-58. Even if a substantial stepping up of tax collections were practical, it would make no difference to the inflationary situation.

Credit Policy

In a poor economy in which increased incomes would be first directed to the purchase of foodgrains and other essential consumer goods, it would be an uphill task to attempt to hold down their prices when money incomes and general prices were on the uptrend. To the extent a policy of selective credit control may achieve this, it would be a case of selective penalising of the production of, and trade in, essential supplies. If such credit policy was persisted in, even as during the regime of selective price control, under pressure of reduced profits, resources would be shifted away from the production of foodgrains and other essential supplies and their output would suffer. This will aggravate the payments problem as we would, then, have to import increasing quantities of foodgrains from overseas.

To step up the output and imports of foodgrains and other consumer goods would be to work at cross purposes. It would divert resources (including foreign exchange) away from capital formation and would retard the pace of economic development. While a rise in the general level of our consumption was, doubtless, a pressing necessity, an inflationary rise in money incomes through overinvestment was not the best method of achieving it.

A tightening of restrictions on imports and payments, whilst inflation fattened consumption demand, would cause a further corrosion of exports. Potential exports would be diverted into home consumption or production for exports would be switched over into production for home consumption. Our own experience well illustrates this. Notwithstanding an estimated increase of about 18 per cent. in our national income during the first Plan period, the index (106) of the volume of Indian exports (1952-53=100) during the first eight months of 1956-57, when payments deficits born of inflation had led to stricter import restrictions, was below the index in the pre-Plan year (117). As we shall presently see, this factor had caused post-war Indian exports to remain below their pre-war norm.

Cessation of further inflation may not be sufficient remedy to our payments problem as it was also attributable, in part, to the overvaluation of the rupee at the current exchange rate of 18*d.* per Re. 1 As at the second quarter of 1956, relatively to 1937, money supply in India had risen to over seven times. The corresponding rise in the U.K. was 3½ times. During the same interval, the cost of living in India had risen to over three times and in the U.K. to 2.5 times. This suggests a revision of the exchange rate, which had remained unchanged in terms of sterling since before the war.

Exports

Industrial production in India, as at the second quarter of 1956, relatively to pre-war, had risen by 100 per cent. and agricultural production by about 20 per cent. During the same interval industrial production had risen by 52 per cent. in the U.K. This suggests that in both countries the national product had risen significantly above the pre-war level. Nevertheless,

(*Continued on page* 865)

THE MITSUI BANK LIMITED

(INCORPORATED IN JAPAN WITH LIMITED LIABILITY)

BALANCE SHEET OF BOMBAY BRANCH AS AT 31st DECEMBER 1956

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	20,58,256 10 8	
2. Reserve Fund and Other Reserves		Nil
3. Deposits and Other Accounts—		
Fixed Deposits	53,800 0 0	
Savings Bank Deposits	Nil	
Current Accounts, Contingency Accounts, etc.	13,47,337 14 5	
		14,00,637 14 5
4. Borrowings from Other Banking Companies, Agents, etc.—		
(I) In India	Nil	
(II) Outside India	Nil	
		Nil
PARTICULARS—		
(I) Secured	Nil	
(II) Unsecured	Nil	
	Nil	
5. Bills Payable		84,910 4 1
6. Bills for Collection Being Bills Receivable as per contra—		
(I) Payable in India	Nil	
(II) Payable outside India	Nil	
		Nil
7. Other Liabilities—		
Head Office and Branches outside India		1,09,09,085 4 0
8. Acceptances, Endorsements and Other Obligations per contra		1,10,67,698 12 0
9. Contingent Liabilities—		
On Outstanding Forward Exchange Contracts	1,48,80,349 15 6	
NOTE:—No provision has been made for future gratuities to Staff, the liability in respect of which has not been ascertained.		
Total .. Rs.		2,34,12,332 2 6

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand, with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		1,58,955 11 5
2. Balances with Other Banks on Current Accounts—		
(I) In India	1,57,630 9 4	
(II) Outside India	24,222 15 6	
		1,81,853 8 10
3. Money at Call and Short Notice		2,00,000 0 0
4. Investments (at Book Value)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	19,88,128 9 10	
(II) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		19,88,128 9 10
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(I) In India 83,84,343 10 6		
(II) Outside India .. Nil		
	83,84,343 10 6	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(I) Payable in India .. 5,98,791 4 8		
(II) Payable outside India .. 5,87,175 5 10		
	11,85,966 10 6	
PARTICULARS OF ADVANCES—		95,70,310 5 0
(I) Debts considered good in respect of which the Banking Company is fully secured	12,35,615 0 9	
(II) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	57,00,375 9 6	
(III) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	26,34,319 10 9	
(IV) Debts considered doubtful or bad, not provided for	Nil	
	95,70,310 5 0	
(V) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
(VI) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(VII) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
(VIII) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firm in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(IX) Due from Banking Companies	Nil	
		Nil
6. Bills Receivable Being Bills for Collection as per contra—		
(I) Payable in India	Nil	
(II) Payable outside India	Nil	
		Nil
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,10,67,698 12 0
8. Premises, Less Depreciation		Nil
9. Furniture and Fixtures, Less Depreciation—		
Cost to 31st December, 1955	41,763 5 9	
Additions during the year	25,118 10 0	
	66,881 15 9	
Less—Depreciation written-off— Rs. a. p.		
To 31st December, 1955 .. 1,987 0 0		
This year 9,006 3 1		
	10,993 3 1	
		55,888 12 8
10. Other Assets—		
Stamps, Prepaid Expenses and Rent Deposit	6,132 0 0	
Adjusting Account	1,32,545 7 4	
		1,38,677 7 4
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
12. Profit and Loss—		
Balance of Loss brought forward	16,201 10 10	
Loss for the year (subject to Taxation)	58,900 3 4	
	75,101 14 2	
Less—Loss transferred to London Office	24,282 14 9	
		50,818 15 5
Total .. Rs.		2,34,12,332 2 6

PROFIT AND LOSS ACCOUNT OF BOMBAY BRANCH FOR THE YEAR ENDED 31st DECEMBER, 1956.

Dr. *Cr.*

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	2,65,894 0 11	1. Interest and Discount	2,90,481 9 5
2. Salaries and Allowances and Provident Fund (including Salary and Allowance of Manager Rs. 44,251-10-10)	1,84,268 0 6	2. Commission, Exchange and Brokerage	2,94,254 13 0
3. Directors' and Local Committee Members' Fees and Allowances	Nil	3. Rents	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	34,094 6 6	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Law Charges	1,314 8 0	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Postage, Telegrams and Stamps	18,401 11 9	6. Income from Non-Banking Agents, and Profit from Sale of or Dealing with such Assets	Nil
7. Auditors' Fees	1,500 0 0	7. Other Receipts	10,344 1 0
8. Depreciation on and Repairs to Banking Company's Property	10,748 14 4	8. Net Loss (subject to Taxation)	58,900 3 4
9. Stationery, Printing, Advertisement, etc.	9,966 7 0		
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure	39,430 0 9		
12. Loss on Revaluation of Investments	88,312 8 0		
Total .. Rs.	6,53,930 9 9	Total .. Rs.	6,53,930 9 9

T. KONDO,
Manager.

We have audited the foregoing Balance Sheet of the Bombay Branch of the Mitsui Bank Limited, as at the 31st day of December, 1956, and also the foregoing Profit and Loss Account of the Branch of the Bank for the year ended on that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;

(c) The Balance Sheet and Profit and Loss Account of the Bombay Branch of the Bank dealt with by this report are in agreement with the books of account;

(d) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, read along with the note appearing thereon, gives a true and fair view of the state of the affairs of the Bombay Branch of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the loss of the Branch for the year ended upon that date.

A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 28th March, 1957.

THE UNITED COMMERCIAL BANK, LIMITED

MR. G. D. BIRLA'S STATEMENT

CONDITIONS FOR REVIVING REAL SAVINGS AND ENCOURAGING CAPITAL FORMATION URGED

THE creation of conditions for reviving real savings and encouraging domestic capital formation was urged by Mr. G. D. Birla, Chairman of the United Commercial Bank, Limited, in the course of his statement circulated to the shareholders at the Fourteenth Ordinary General Meeting of the Bank held at Calcutta on Thursday, 18th April 1957. Mr. Birla pointed to the "very stringent" conditions in the money market and said that bank deposits had not registered a growth commensurate with the growth of economy. He wanted the problem of medium-term credit to be tackled urgently. In his opinion, the idea that the commercial banks should grant medium-term loans ranging from five to seven years out of deposits conflicted with the principles of sound banking. Mr. Birla also touched on the question of external finance required for the second Five-year Plan and emphasised the importance of foreign investment. He observed that the country must welcome this investment, improve the climate for it and make the investor feel that the opportunities for profitable utilisation of capital here compare favourably with those available anywhere else in the world.

The following is the full text of Mr. Birla's statement:

"GENTLEMEN,

"The balance-sheet and profit and loss account for the year ended 31st December 1956 have been in your hands for some time and they bear testimony to the brisk activity of the Bank's business in the past year.

Rise in Profits

"We have been able to show the substantially increased profit of Rs. 56,51,658-8-9 in respect of last year's working. This result is naturally a matter of considerable gratification to the Board, as it would be to you, and the Directors would like to see that it is maintained, and if possible, improved upon. It is, however, necessary, in view of the uncertainties of the monetary outlook and of trade, to sound a note of caution. The resources of banks are not expanding as fast as we would wish, with the result that competition for deposits is very keen, and the rate of interest allowed on deposits has risen. But the rise in the rate of interest charged on advances is not adequate to offset the higher cost of deposit money. Borrowings from the Reserve Bank of India are progressively costing more. Operating costs, of which salaries are the largest item, continue to rise. In these conditions, the maintenance of future profits at the higher level now attained is dependent on increase in business, greater volume of deposits and prevention of rise in working expenses through the achievement of greater efficiency.

"Shareholders will observe that we have considered it prudent in these circumstances to utilise a substantial part of our additional profit to increase our allocation to the reserve fund which now stands at Rs. 1.15 crores. At the same time, we have been mindful of the shareholders and the staff in that we have increased the dividend payable to shareholders and the bonus disbursed to staff.

The Balance-sheet

"*Deposits.*—Turning now to the main features of the balance-sheet, you will notice that the total of current, savings and fixed deposits and other accounts at the end of 1956 stood at Rs. 52.15 crores, as compared with Rs. 47.69 crores at the end of 1955. The increase in deposits of Rs. 4.46 crores represents a rise of 9.3 per cent. in 1956, as against 17.9 per cent. in 1955 and compares with the rise of 7.8 per cent. in the deposits of Scheduled banks as a whole for the year 1956.

"*Cash.*—Cash on hand and with banks was Rs. 7.51 crores and represented 14.4 per cent. of our deposit liabilities.

"*Investments.*—The investments of the Bank in Government and other approved securities stood at Rs. 19.43 crores, which is a reduction of Rs. 2.74 crores from our holding at the end of 1955. In that year, we invested in Government securities the bulk of our increase in deposits, but we have now corrected that position and have effected a more even spread over advances and bills. The cash resources and unencumbered investments, together amounting in the aggregate to Rs. 22.03 crores, give a ratio of 42.2 per cent. to total deposits.

"In view of the bill market scheme of the Reserve Bank of India, our liquid assets are not confined merely to cash and Government securities but also include eligible bills which augment our liquidity.

"*Bills.*—The amount of bills discounted and purchased increased during the year from Rs. 9.74 crores to Rs. 15.92 crores. A good percentage of these are sight bills which are continually falling due, while usance bills are available as collateral for advances from the Reserve Bank of India. You will be gratified to note that this self-liquidating asset forms 30.5 per cent. of the deposits of the Bank.

"*Liquidity Ratio.*—The total of our liquid assets—cash on hand and with banks, unencumbered investments and bills—represents 66 per cent. of our deposit liabilities, which you will agree is a very satisfactory liquidity ratio.

"*Advances.*—Our advances have risen from Rs. 17.85 crores to Rs. 22.54 crores and they form 43.2 per cent. of our deposits. We have endeavoured to meet all legitimate demands of our customers for increased accommodation and, for this purpose, have freely drawn upon the facilities available with the Reserve Bank of India for advances against bills and Government securities.

"*Foreign Exchange Business.*—The foreign exchange business of our Indian and overseas branches has shown a gratifying expansion. Owing to the increase in its activity, our London branch was moved to more spacious premises at No. 12, Nicholas Lane, E.C. 4.

"The credit for the excellent results of the working of the Bank goes primarily to the General Manager, Mr. S. T. Sadasivan, and his able deputies and assistants, to whom I take this opportunity to record the thanks of myself and of the Board of Directors. I wish also to record our thanks to the other members of the staff of the Bank for their contribution in achieving these results. I also look forward to greater co-operation from them in the current year and the years to come.

Bank Rate

"The official bank rate of the Reserve Bank of India remained unchanged at 3½ per cent., but the cost to commercial banks of borrowing from the central banking institution has been progressively increased. In the first place, the rate of interest chargeable to commercial banks for loans against usance promissory notes under the bill market scheme was put up in two stages from 3 per cent. to 3½ per cent. and the concession that the Reserve Bank of India would bear half the stamp duty on usance promissory notes was withdrawn. Early this year, the stamp duty on bills of exchange and usance promissory notes was raised tenfold to two annas per cent. for three months or part thereof. This has enhanced the cost of borrowing against usance bills by a minimum of half per cent. and, when allowance is made for the fluctuations in the debit balances of customers over a period and of the bank's borrowings against bills, the rise in the real cost is very much more than half per cent. per annum. At the same time, the Reserve Bank rate for advances to Scheduled banks against Government securities was put up to 4 per cent. For all practical purposes, therefore, the bank rate has effectively been raised from 3½ per cent. to 4 per cent. The working of the bill market scheme would, however, be much facilitated, if the Government were to annul the recent enhancement of the stamp duties on bills of exchange and usance promissory notes, leaving it to the Reserve Bank to charge the same rate of interest to Scheduled banks for loans against bills as against Government securities.

"While money rates in India are hardening, there is a retreat from dear money in other international money markets. The Bank of England rate has gone down from 5½ per cent. to 5 per cent., while open market rates in London are more akin to a still lower Bank rate. The Bank rate in West Germany has been brought down in two successive stages from 5½ per cent. to 4½ per cent.

Monetary Conditions

"For the past six months, conditions in the money market have been very stringent and the demand for funds has continued unabated. Short- and long-term factors have been at work in creating these conditions. Among the short-term factors may be mentioned the deflationary effects of adverse balance of payments caused by excessive imports. Imports of machinery have imposed a heavy drain on bank finance and import of iron and steel, which has been exceptionally heavy, has been a new factor in the demand for funds. There has been a basic alteration in the pattern of bank advances, the seasonal character of which has been largely blurred on account of financial requirements of industry being spread evenly throughout the year. Secondly, inventories of trading, manufacturing and engineering companies stood at a very high level. The long-term trend has been the rising demand for money from industries to meet the increased needs of a developing economy. The resources of commercial banks have not risen proportionately to the increased demand. There has been a further tightening of money during the conventional busy season as a result of the requirements of crop finance and of the sugar industry being superimposed on the more stable pattern of industrial demand.

"The problem for the monetary authorities is, therefore, how to meet the legitimate demands for accommodation, while, at the same time, keep inflation in check during a period of substantial development expenditure under the second Five-year Plan.

"It is gratifying to note that the Finance Ministry and the Reserve Bank of India have taken measures to remedy the situation in good time and liberalised the bill market scheme so as to make Central Bank credit freely available to Scheduled banks for the legitimate purposes of credit expansion during the current busy season. Another welcome step is the change in the policy of the Reserve Bank as regards open market operations in Government securities. The sale by banks of Government securities during the busy season was a normal method of providing themselves with funds during periods of stringency, but the Reserve Bank discontinued buying securities since the middle of 1951 save in exceptional cases and banks had, therefore, to put themselves in funds by borrowing from the Reserve Bank. During the current busy season, the Reserve Bank has changed its policy and has bought securities freely from banks. The only unsatisfactory feature is that bank deposits have not registered a growth commensurate with the growth of economy. Conditions have to be created under which there may be a revival of real savings and encouragement to domestic capital formation.

Medium-term Credit

"The problem of medium-term credit has to be tackled urgently. What should be the organisation or institution that should disburse medium-term credit to private industry and how should the large resources required for the purpose be raised? There is already an appreciable element of medium-term financing included in the advances of Scheduled banks and their investments. There is an increase in investments by banks in ordinary and preference shares of industrial companies and in their debentures. The banks have also subscribed to the capital of institutions like the Industrial Finance Corporation, Industrial Credit and Investment Corporation of India and State Finance Corporations, which have been organised to extend long-term credit to industry. Advances have been made by banks against stocks and other approved securities, but, in reality, the money so raised has been utilised for the purpose of expansion of block.

"With the ratio of advances to deposits well over 70 per cent. and, in individual cases, topping even the 80 per cent. mark, it is clear that commercial banks now lack the credit base to carry the load of medium-term finance to industry. 60 per cent. of bank deposits is repayable on demand, another 30 per cent. is probably repayable within three to six months and a bare 10 per cent. of deposits has a year to run. The idea that commercial banks should grant medium-term loans ranging from five to seven years out of the resources of this nature conflicts with principles of sound banking. Whether medium-term financing should be the responsibility of special institutions or whether commercial banks should undertake this additional responsibility, and if the latter is considered the better course, to what extent the well established rules of practice of commercial banks should, at the present stage of development of banking, be modified and what protection should be given in the event of the loans getting frozen, are all matters which have to be carefully enquired into. Banks may legitimately employ a part of their capital and resources not represented by fixed assets in such loans and this they have already done.

"A wider incursion in the field of medium-term loans to industry would require the previous development of long-term deposits from the public. Swiss banks are known to have raised funds through the issue of bonds with a maturity of three to six years and, if Indian banks could issue such bonds successfully, a base for medium-term credit to industry would have been established. In Switzerland, the stamp duty on such bonds is a nominal 1.2 per mille per annum, whereas by virtue of the recent Finance Act, the stamp duty in India has been stepped up to one per cent. If on the analogy of the debentures issued by the Industrial Finance Corporation of India and the Co-operative Central Land Mortgage Banks, the bonds to be issued by commercial banks are exempted from stamp duty, and the interest thereon is made payable after deduction of income-tax at source, as in the case of Government securities, the ground would be well prepared for an interesting experiment.

U.S. Funds

"Such an experiment would, however, take a long time to produce results, whereas the medium-term credit needs of industry are urgent. In view of this, the U.S.A. funds arising from the sale of wheat which are earmarked for assistance to the private sector of industry, could well be handed over to the commercial banks and utilised for medium-term loans to existing industries for the purpose of expansion, such loans to be repaid out of subsequent earnings of the borrowing companies.

"Finance for starting new industries and permanent capital required by existing industries should be left to be raised by issue of new capital to the public through the normal channels and it is here that the Stock Exchange comes into the picture. The Stock Exchange does not create or destroy the prosperity of the country. But it does act as the barometer of the conditions obtaining in industry and, as such, the present low level of activity in the Stock Exchange clearly indicates how confidence in the stability of industry has been shaken among the investors, and how impossible it is for companies, now, to raise any new capital. It is, therefore, necessary to bring about an amelioration in the condition of the middle classes and a revival of the confidence of investors in order that companies might be able to raise new capital through the customary channels.

Success of First Five-year Plan

"The execution of the first Five-year Plan has been acclaimed as a success on all hands and the targets of development and production have been fully achieved and in some cases surpassed. In the field of agricultural production, the output of foodgrains rose from about 54 million tons to 65 million tons; cotton from 2.9 million bales to 4.9 million bales; jute from 3.3 million bales to 4 million bales; oilseeds from 5.1 million tons to 5.5 million tons. In the field of industrial manufactures, the production of cotton textiles increased from 4,618 million yards to 6,850 million yards; sugar from 1.1 million tons to 1.7 million tons; paper from 114 thousand tons to 200 thousand tons; cement from 2.7 million tons to 4.3 million tons; fertilisers from 46 thousand tons to 380 thousand tons and automobiles from 16,500 units to 25,000 units. The first Plan was a modest one which did not strain the available resources. The total investment was very roughly Rs. 3,100 crores, of which the investment in the private sector accounted for a little more than half the total. The net borrowing from the central banking institution, which is the extent of deficit financing, was only Rs. 250 crores. As a result of the financial operations during the first Plan period and the economic development during the period, bank deposits went up from Rs. 882 crores to Rs. 1,042 crores and the currency notes in circulation from Rs. 1,247 crores to Rs. 1,467 crores. Thus, the total money supply during the first Plan period increased by Rs. 380 crores.

"Another factor to be noticed during the execution of the first Plan is the very substantial contribution made by the private sector for the success of the Plan. In the first Plan period, though the overall investments by the public and the private sector were about equal, the investment outlay in the large and medium industries by the public sector was Rs. 148 crores, as compared with Rs. 340 crores by the private sector. The private sector was able to mobilise the resources required and contributed in such a spectacular manner to the rise of industrial production during the first Plan period.

Wide Scope for Private Enterprise

"Turning to the second Five-year Plan, the industrial development by the public sector in the field of large and medium industries and minerals envisages an investment of the order of Rs. 700 crores, whereas the investment allocated to the private sector is Rs. 575 crores over new projects and Rs. 150 crores on replacement and modernisation. It will thus be seen that, from the financial point of view, the private sector is invited to play as important a part as the public sector in the field of industrial development. In this connection, it should be borne in mind that the bulk of the investment in the public sector relates to the three steel projects, heavy electrical machinery, machine tools and fertilisers, all of which, in any case, could not be developed by private enterprise without a very substantial backing from the Government. The wide range of industries awaiting development and expansion on a big scale in the private sector are the iron and steel, ferro-manganese, refractories, aluminium, cables, heavy and light engineering industries, automobiles, railway wagons and rolling stock, casting, industrial machinery, bicycles, motors, transformers, chemicals, industrial explosives, dyestuffs, rayon, sugar, cement, plastics, paper and a host of medium-sized industries too numerous to mention. It is, therefore, on the private sector that the responsibility of normal expansion of industries is placed and the private sector has, therefore, plenty of scope for its initiative and resourcefulness. There is, therefore, no need to emphasise the demarcation between the public and private sectors or to harp upon any imaginary conflict between the two.

Foreign Exchange Gap

"We are, however, faced with the most serious problems when we turn to examine the resources available to both the public and the private sectors for the execution of the various tasks allotted to them. In my speech last year, I drew your attention to the seriousness of the inadequacy of foreign exchange resources to carry through the Plan. I then estimated that the foreign exchange required would be anything between Rs. 1,600 and Rs. 2,000 crores and that, even on the basis of the lower figure, there would be a deficit of Rs. 800 crores to be found. This gap has turned out to be wider than anticipated. But if I had foreseen serious difficulties in respect of foreign exchange, I admit I had not expected similar difficulties in the availability of internal capital which has now suddenly become so scarce. Even if we had adequate external finance, without its rupee counterpart, obviously, no industry could be built up. Internal finance has, at present, become so dear that even the best industrial scrips are selling on 8 to 10 per cent. yield basis. With the interest rates so high, who would invest his savings in a new venture with all its concomitant uncertainties? If none, then how is the Plan to be implemented? The external and the internal finances are the two main rocks on which the Plan may wreck and, therefore, we cannot afford to ignore the danger.

Voluntary Savings

"The plain truth of the matter is that the resources for the Plan can come only from savings, whether forced or voluntary. Forced savings can be effected through direct and indirect taxation and such measures as compulsory deposit of reserves. Voluntary savings emerge from the profits of companies and personal savings, and it is these that form the sources of funds for capital investment in new companies in the private sector. With individual taxation at a very high level, there is very little money with the private investor to subscribe to new issues, and the middle class investor, who formed the backbone of every flotation of capital in the past, has ceased to exist. Since the advent of independence, we have looked after the rural and industrial areas very well, but have neglected the middle class, a fact which is perhaps reflected in the recent elections. We must henceforward lay greater emphasis on the prosperity of the urban area—the cities—if the middle classes are to be rehabilitated and reconstituted as a source of support for industrial flotations.

"As regards corporate savings, there has unfortunately been a sudden change in the pattern of industrial profits in recent months. The jute industry is in a bad way and had a record of disastrous losses during 1956. The textile industry, which was doing well a few months back and was expanding production enormously, is now finding it difficult to sell its products. I venture to hope that this is only a passing phase. If not, it is a real danger to production. Tea prices have gone down and the profits of tea companies and the foreign exchange earnings arising out of the export of tea have declined. The coal industry has its own special problems. It is only cement, steel, paper, engineering and a few other miscellaneous industries which are really enjoying prosperous conditions. I do not mean to say that there is anything in the nature of an industrial crisis brewing, but I certainly feel that the present net earnings of industry are not conducive to large-scale investments and quick expansion of production.

"The Finance Minister has rightly remarked in some of his speeches that he was not against earnings but that he desired these earnings to be utilised for the benefit of society. This objective is undoubtedly one which will find echo from every quarter, but, rather than have the earnings put to good use through compulsion, it would be better to achieve the desired result through methods of persuasion.

"The experience in all democracies has been that, without a friendly climate and expectation of reward, there has been no industrial expansion either in the private or in the public sector. Even the public sector can only thrive upon profits. It appears to me that, for development of internal finance, the first and foremost action that we have to take is to revive confidence and create conditions conducive to the greater earning by industrial concerns to be ploughed back for expansion schemes.

Private Foreign Investment

"As for external finance, the search for foreign credits and extended terms of payment goes on and may afford some relief and so also the borrowing from the International Monetary Fund and the World Bank. The time has now, however, come to revise our attitude towards the private foreign investment, which, if freely encouraged, could go a long way to solve our problem of the exchange gap. History teaches us that all backward countries have been built up with the help of foreign capital, and we cannot afford to ignore the lessons of history. We must appreciate the fact that we can build up India quickly only through the help of foreign capital and, since we are an independent nation, I do not see why we should be afraid of it. I feel, therefore, that not only should we allow foreign investment without any restriction but we should welcome it, improve the climate for it and make the investor feel that the opportunities for profitable utilisation of capital here compare favourably with those available anywhere else in the world. Sometime ago, the Finance Minister stated that he was not against foreign capital but that it had to make peace with Indian capitalists. I hope Indian industrialists will not take a narrow view of the situation, but, in the higher interests of the country, make it absolutely clear that they welcome foreign capital.

"I have tried to deal at some length with the question of internal and external finance required for the second Five-year Plan and have also suggested measures which may lead to the establishment of a better atmosphere. I am sure the Hon'ble Finance Minister is already aware of these considerations. Mr. T. T. Krishnamachari is no novice in the field of finance. As Minister for Commerce and Industry, he gave a great fillip to production and left the Ministry with a brilliant record of achievement. He may, therefore, be trusted to apply his talents to the financial problems of the second Five-year Plan and achieve greater success in his new sphere of responsibility. The Commerce Ministry is now presided over by an equally able Minister, but like the Finance Minister, he is also faced with great problems. I am, however, confident that he would solve the difficulties in such a way that production and trade expand during his stewardship. With these two key portfolios in the hands of such distinguished Ministers, I look to the future with faith and optimism."

THE ANDHRA BANK, LIMITED

ESTABLISHED: 1923

Head Office: **MASULIPATNAM**

The Report of the Board of Directors to be presented to the Shareholders at the 33rd Annual General Meeting to be held at the Registered Office of the Bank, Cantonment Road, Masulipatnam, on Saturday the 4th May, 1957 at 3 p.m.

The Directors have the pleasure to submit to the Shareholders the audited Balance Sheet of the Bank as at and the Profit and Loss Account for the year ended 31st December, 1956, and the Auditors' Report thereon. The net profit of the Bank for the year 1956, after payment of 24 months' substantive salary as bonus to staff and after making necessary provision for contingencies, amounts to Rs. 8,45,793-7-0 and including a sum of Rs. 12,374-15-6 brought forward from the previous year's account, the total amount available for appropriation comes to Rs. 8,58,168-6-6. Out of this the following interim appropriations were made by your Directors:

	Rs.	a.	p.
Interim dividend for the half-year ended 30th June, 1956, at the rate of 7½ per cent. per annum free of income-tax	1,29,972	4	0
Transfer to Statutory Reserve under Section 17 of the Banking Companies Act, 1949 ..	1,76,000	0	0
Transfer to Investment Reserve	50,000	0	0
Transfer to provision for Taxes	3,45,000	0	0
Your Directors now propose:—			
To pay a final dividend for the half-year ended 31st December, 1956, @ 8½ per cent. per annum free of income-tax making a total of 8 per cent. per annum free of income-tax for the year 1956, which will absorb	1,45,200	0	0
To carry forward to the next year's account	11,996	2	6
Total .. Rs.	8,58,168	6	6

The official rate of the Reserve Bank of India remained at 3½ per cent. per annum during the year.

Demand for bank finance was very keen throughout the year.

A Branch at Hyderabad, Capital of Andhra Pradesh, and two Sub-Offices at Tadepalligudem and Anaparti were opened during the year.

Sri Dantu Suryarao, one of your Directors, resigned in October, 1956, owing to failing health and in the vacancy Sri Dantu Bhaskararao has been co-opted. The Directors have learnt with profound sorrow of the demise of Sri Dantu Suryarao on 25th March, 1957.

Messrs. K. S. Datt, B.Sc., R. Satyanarayanamurty and B. Venkateswarlu, Directors, retire by rotation and from the next bonfest in office, Sri S. R. Y. Sivarama Prasad Bahadur has volunteered to retire. The retiring Directors are eligible for re-election.

You are requested to appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration. Messrs. Brahmayya & Co., and Ch. V. Lakshmaiah & Co., the retiring Auditors, offer themselves for re-appointment.

By Order of the Board,
S. R. Y. SIVARAMA PRASAD BAHADUR,
Chairman.

29th March, 1957.

BALANCE SHEET AS AT 31st DECEMBER, 1956

Corresponding Figures 31st December, 1955 Rs.	CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
	1. Capital—						
	AUTHORISED CAPITAL—						
	1,00,000 Shares of Rs. 100 each				1,00,00,000	0	0
	ISSUED CAPITAL—						
	49,990 Shares of Rs. 100 each for payment in cash	49,99,000	0	0			
	10 Shares of Rs. 100 each for consideration other than cash	1,000	0	0			
					50,00,000	0	0
	SUBSCRIBED CAPITAL—						
	48,990 Shares of Rs. 100 each				48,99,000	0	0
	AMOUNT CALLED UP—						
	On 1,010 Shares at Rs. 100 per Share ..	1,01,000	0	0			
	On 47,980 Shares at Rs. 70 per Share ..	33,58,600	0	0			
		34,59,600	0	0			
	LESS—Calls unpaid	18,140	0	0			
		34,41,460	0	0			
33,47,180	ADD—Forfeited Shares	Nil					
					34,41,460	0	0
	2. Reserve Fund and Other Reserves—						
	Statutory Reserve under Section 17 of the Banking Companies Act, 1949	7,93,000	0	0			
	Other Reserves	2,21,780	0	0			
14,87,000	Share Premium	6,48,220	0	0			
					16,63,000	0	0
	3. Deposits and Other Accounts—						
	Fixed Deposits (including Cash Certificates, Season Deposits and Staff Security Deposits)	4,34,14,970	13	8			
	Savings Bank Deposits	2,75,96,640	8	5			
2,31,94,936	Current Accounts, Contingency Accounts, etc..	2,16,06,868	14	3			
					9,26,18,480	4	4
	4. Borrowings from Other Banking Companies, Agents, etc.—						
	(i) In India	60,45,295	10	7			
Nil	(ii) Outside India	Nil					
					60,45,295	10	7
	PARTICULARS—						
	(i) Secured by part of Investments per contra	60,45,295	10	7			
	(ii) Unsecured	Nil					
5,55,230	**5. Bills Payable**				14,14,832	11	9
	6. Bills for Collection Being Bills Receivable as per contra—						
	(i) Payable in India	57,46,443	4	3			
64,35,991	(ii) Payable outside India	29,26,949	14	1			
					86,73,393	2	4
	7. Other Liabilities—						
	Unclaimed Dividends	45,052	14	8			
	Branch Adjustments	30,06,602	0	10			
23,74,942	Rebate on Bills Discounted	26,984	13	0			
					30,78,639	12	6
5,97,073	**8. Acceptances, Endorsements and Other Obligations** per contra				13,20,690	11	6
	9. Profit and Loss—						
	Profit as per Balance Sheet as at 31st December, 1955	1,29,574	15	6			
	LESS—Final Dividend for the half-year ended 31st December, 1955, @ 7 per cent. per annum free of Income-tax making a total of 6¾ per cent. per annum free of Income-tax for the year 1955	1,17,200	0	0			
		12,374	15	6			
6,24,388	ADD—Profit for the year brought from the Profit and Loss Account	8,45,793	7	0			
		8,58,168	6	6			
	LESS—	Rs.	a.	p.			
	Transfer to Statutory Reserve under Section 17 of the Banking Companies Act, 1949..	1,76,000	0	0			
	Transfer to Investment Reserve	50,000	0	0			
	Ad-interim dividend for the half-year ended 30th June, 1956, @ 7¼ per cent. per annum free of Income-tax ..	1,29,972	4	0			
	Provision for taxes for the year 1956 ..	3,45,000	0	0			
1,29,575		7,00,972	4	0	1,57,196	2	6
	10. Contingent Liabilities—						
	(1) Claims against the Banking Company not acknowledged as debts	Rs.	a.	p.			
		8,226	11	6			
	(2) Money for which the Banking Company is contingently liable. Uncalled capital on partly paid Shares held as Investments ..	1,250	0	0			
	(3) Arrears of cumulative preference dividends..	Nil					
	(4) Liability on Bills of Exchange Rediscounted	Nil					
	(5) Liability on account of outstanding Forward Exchange Contracts ..	Nil					
10,03,71,927	Total .. Rs.				11,84,12,988	7	6

Corresponding Figures 31st December 1955 Rs.	PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1,07,61,310	**1. Cash—** In hand and with Reserve Bank and State Bank				1,09,75,491	11	8
43,63,056	**2. Balances with Other Banks in Current Accounts—** (i) In India	17,35,882	15	0			
13,00,000	(ii) Outside India	3,18,016	11	11			
	3. Money at Call and Short Notice				20,53,899	10	11
	4. Investments at Cost—				Nil		
	(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments—	Face Value Rs.					
	(a) Securities of Central and State Governments ..	3,05,25,800			3,02,07,864	15	6
	(b) Fully paid-up shares of Industrial Finance Corporation of India ..	1,00,000			1,00,000	0	0
	(c) Fully paid-up shares of Andhra State Financial Corporation	1,06,500			1,06,500	0	0
	(d) Post Office National Savings Certificates ..	5,000			5,000	0	0
	(ii) Shares—						
	(a) Fully paid-up ordinary shares of the Madras Industrial Investment Corporation Ltd. ..	25,000			25,000	0	0
	(b) Fully paid-up ordinary shares of Joint Stock Companies	87,800			70,078	4	0
	(c) Partly paid-up ordinary shares of Joint Stock Companies (paid-up value Rs. 1,250)	2,500			625	0	0
	(iii) Debentures or Bonds	12,66,700			12,64,200	0	0
	(iv) Other Investments	Nil			Nil		
	(v) Gold	Nil			Nil		
2,83,80,163	**5. Advances—**						
	(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)				3,17,79,268	3	6
	(i) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
	(a) In India	5,45,65,450	11	4			
	(b) Outside India	Nil					
	(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—				5,45,65,450	11	4
	(a) Payable in India..	67,32,853	4	8			
	(b) Payable outside India	14,574	12	0			
4,42,30,029					67,47,428	0	8
	(Particulars as per separate sheet attached)				6,13,12,878	12	0
	6. Bills Receivable being Bills for Collection as per contra—						
	(i) Payable in India	57,46,443	4	3			
84,35,991	(ii) Payable outside India	29,26,949	14	1			
5,97,073	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra ..				86,73,393	2	4
					13,20,690	11	6
	8. Premises (Less Depreciation)—						
	Cost as per Balance Sheet of 31st December, 1955	6,41,165	8	5			
	Additions during the year	4,435	8	0			
	LESS—Depreciation written off to date ..	6,45,601	0	5			
6,24,388		38,863	13	10			
	9. Furniture and Fixtures (Less Depreciation)—				6,06,744	2	7
	Cost as per Balance Sheet of 31st December, 1955	5,32,072	10	7			
	Additions during the year	81,768	10	0			
	LESS—Deductions: Cost of Furniture sold and/or written off during the year	6,13,841	4	7			
		5,543	5	9			
3,70,237	LESS—Depreciation written off to date ..	6,08,297	14	10			
		1,89,808	0	2			
	10. Other Assets including Silver—				4,18,489	14	8
	(a) Sundries (including Income-tax deducted at source, Advance Payment of Income-tax)				6,08,065	1	6
	(b) Stationery on hand at cost				1,62,202	1	5
	(c) Stamps on hand				4,311	11	4
	(d) Accrued Interest on Investments				3,61,013	6	5
	(e) Library—	Rs.	a.	p.			
	Balance as per Balance Sheet of 31st December, 1955 ..	3,017	6	7			
	Additions during the year ..	460	11	0			
		3,478	1	7			
	LESS—Written off	38	7	0			
		3,439	10	7			
	LESS—Depreciation written off to date	223	3	6			
	(f) Premises not occupied by the Banking Company—				3,216	7	1
	Balance as per Balance Sheet of 31st December, 1955 ..	97,220	13	6			
	Additions during the year ..	Nil					
		97,220	13	6			
	LESS—Depreciation written off to date	9,867	1	0			
12,87,887					87,353	12	6
21,793	**11. Non-Banking Assets Acquired in Satisfaction of Claims** .. .. (At Book Value) (This does not exceed the estimated realisable value)				12,26,163	8	5
					45,969	10	6
10,03,71,927	Total .. Rs.				11,84,12,988	7	6

(Continued on next page)

TECHNICAL AND HUMAN FACTORS IN ECONOMIC DEVELOPMENT

RESPECT FOR DIGNITY OF INDIVIDUAL ESSENTIAL

By W. S. Woytinsky

THE modern economic system rests on a combination of technical, social, political and psychological premises. It would not have reached the present level of efficiency, if our science, technology, socio-political organisation and, above all, modern man, were not what they are. The factors that have moulded our modern economy are so interwoven that it is difficult to disentangle them and assess the significance of each of them separately. The concept of productivity illustrates this point. When trade union economists talk of the "rising productivity of labour," this term has a definite connotation, suggesting that labour is to be credited with the growth of the economic system. On the other hand, when production engineers and business economists describe rising productivity as the mainspring of economic progress, they think primarily of technical factors in economic growth. Productivity experts of the United States missions abroad, like all technicians, are sometimes inclined to overemphasise the technical aspect of the programme and thus fail to arouse enthusiasm for it in the ranks of organised labour.

Perhaps, it is as impossible to assess the respective parts played by human and technical factors in economic progress in modern industrially developed nations as to assess the respective roles of a mountain climber's two legs in reaching the top of a 20,000-foot (6,000-metre) peak. He cannot credit each leg with having brought him to an elevation of 10,000 feet (3,000 metres). The question of the role of the two groups of factors in economic growth becomes real and of practical importance, however, when a newly developing area considers plans for rapid industrialisation and must allocate its limited resources among different projects designed to promote its economic growth.

Let us consider the practical question faced by nations engaged in ambitious plans of industrialisation. The Governments of such nations are aware that a mechanised economy demands special skills which their people do not possess. They are eager to send their young men abroad for technical training, they invite foreign technicians to visit them, and they establish training centres for all technical skills. One occasionally hears criticism of these programmes. Some trainees from underdeveloped areas, after having acquired needed skills abroad, decide not to return home. Others return, but find it difficult to go back to the traditional ways of life of their countrymen. Some of them may become frustrated and alienated from their own people. Some come back with grudges against the countries in which they have been trained. Similarly, the work of foreign technicians in newly developing areas does not always meet all expectations. Lack of mutual understanding between them and their hosts is commonplace and, without such understanding, their special skills may be of little use in the new environment. Local training centres also are not always effective. Some suffer from lack of proper equipment, others from inadequate management and unrealistic programmes.

All in all, however, exchanges of persons and training projects are among the most successful ventures in the technical assistance programmes of the United Nations and the United States, and the Colombo Plan within the British Commonwealth. People of the developing areas have proved themselves able to absorb the technical skills of the modern industrially developed nations. The British experiment with large-scale peanut plantations in tropical Africa has shown that bushmen from the jungle can drive a bulldozer after two or three weeks' training. Records of the training of workers of the Middle East, the highlands of South America, and South East Asia are equally telling.

There is little doubt that individual technical skills are not hereditary and do not require long preliminary education. Most of them can be readily transferred without long apprenticeship and cultural conditioning of the trainees. Indeed, the characteristic of most operations in a modern factory is their simplicity. It takes much time to learn how to maintain motors and to repair them, but, as our automobile age shows, a man or woman can easily be shown how to operate a motor until it breaks down.

In general, modern plants do not require more technical skill of the operatives than primitive handcrafts. My wife and I have seen Indian brocade weavers at work and watched most intricate designs, like miniature paintings

THE ANDHRA BANK, LIMITED—*(Continued)*

Particulars of 'Advances' forming part of the Balance Sheet as at 31st December, 1956

Corresponding Figures 31st Dec., 1955 Rs.	PARTICULARS	Rs.	a.	p.
3,93,24,552	1. Debts considered good in respect of which the banking company is fully secured	5,88,10,248	13	0
38,71,129	2. Debts considered good for which the banking company holds no other security than the debtors' personal security (The above includes Rs. 62,73,576-14-7 debts for which more than one person is liable)	64,05,956	13	8
10,34,348	3. Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of debtors ..	10,96,673	1	4
Nil	4. Debts considered doubtful or bad, not provided for	Nil		
4,42,30,029		6,13,12,878	12	0

Corresponding Figures 31st Dec., 1955 Rs.	PARTICULARS	Rs.	a.	p.
7,25,078	5. Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons			
	Fully secured	Rs. 5,89,530	a. 8	p. 11
	Unsecured (To Officers)	412	8	0
		5,89,943	0	11
40,37,873	6. Debts due by companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members			
	Fully secured	Rs. 28,80,025	a. 15	p. 6
	Secured by personal liability of debtors, etc. ..	10,27,776	10	5
		39,07,802	9	11
10,34,365	7. Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)			
	8. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members ..			
42,23,434	Fully secured	Rs. 47,60,164	a. 6	p. 4
	Secured by personal liability of debtors, etc. ..	21,18,539	14	2
		68,84,704	4	6
195	9. Dues from banking companies .. .. (This statement forms part of the Balance Sheet)			

Corresponding Figures 31st Dec., 1955	5. Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Rs.	a.	p.
7,25,078				
	Fully secured	5,89,530	8	11
	Unsecured (To Officers)	412	8	0
		5,89,943	0	11
40,37,873	6. Debts due by companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members			
	Fully secured	28,80,025	15	6
	Secured by personal liability of debtors, etc. ..	10,27,776	10	5
		39,07,802	9	11
10,34,365	7. Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)			
42,23,434	8. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members ..			
	Fully secured	47,60,164	6	4
	Secured by personal liability of debtors, etc. ..	21,18,539	14	2
		68,84,704	4	6
195	9. Dues from banking companies .. .. (This statement forms part of the Balance Sheet)			

Rs.	a.	p.
6,90,822	8	4
68,84,704	4	6
1,805	13	0

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956

Corresponding Figures 31st Dec., 1955 Rs.	EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
18,68,279	1. Interest paid on Deposits, Borrowings, etc.				23,41,137	11	6
	2. Salaries and Allowances and Provident Fund ..	Rs.	a.	p.			
	(a) Managing Director's Honorarium ..	7,500	0	0			
	(b) General Manager's Salary and Allowances..	17,656	10	8			
	(c) Others	15,36,447	6	1			
12,77,576					15,61,604	0	9
15,230	3. Directors' and Local Committee Members' Fees and Allowances ..				12,200	0	0
1,20,649	4. Rent, Taxes, Insurance, Lighting, etc.				1,38,340	2	5
923	5. Law Charges				146	8	4
98,593	6. Postage, Telegrams and Stamps				1,20,351	8	2
6,000	7. Auditors' Fees				6,000	0	0
88,930	8. Depreciation on and Repairs to the Banking Company's Property ..				61,903	12	5
1,18,630	9. Stationery, Printing, Advertisement, etc.				1,44,337	7	6
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets				Nil		
	11. Other Expenditure. (This includes Rs. 42,737-10-5 net loss on sale of Investments)				1,42,796	4	9
4,28,253	12. Balance of Profit (subject to Taxation)				8,45,793	7	0
40,60,497		Total ..		Rs.	53,74,310	14	10

Corresponding Figures 31st Dec., 1955 Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
32,72,635	1. Interest and Discount	44,45,425	2	2
6,75,516	2. Commission, Exchange and Brokerage	8,34,834	1	1
10,077	3. Rents	24,114	0	0
41,303	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserve or any particular Fund or Account)	Nil		
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserve or any particular Fund or Account)	Nil		
1,171	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	1,313	13	6
	7. Other Receipts—	Rs.	a.	p.
	(a) Sundry Receipts	68,240	5	1
	(b) Share Transfer Fee	333	8	0
56,195		68,573	13	1
40,60,497	Total .. Rs.	53,74,310	14	10

AUDITORS' REPORT.

We have examined the Balance Sheet of the Andhra Bank Limited, as at 31st December, 1956, and the Profit and Loss Account of the Bank for the financial year ended on that date, with the books of account of the Head Office and Branches.

We report that:—

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) Such information and explanations have been found to be satisfactory;

(c) The transactions of the Bank which have come to our notice have been within the powers of the Bank;

(d) Proper returns adequate for the purposes of our audit have been received from the Branches of the Bank;

(e) In our opinion proper books of account, as required by law, have been kept by the Bank so far as appears from our examination of those books;

(f) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account of the Head Office and Branches;

(g) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of affairs of the Bank as at the end of the financial year and the Profit and Loss Account gives a true and fair view of the profit of the Bank for the financial year.

GUNTUR, 30th March, 1957.
MADRAS, 29th March, 1957.

CH. V. LAKSHMAIAH & CO.,
BRAHMAYYA & CO.,
} Chartered Accountants.

S. R. RAO,
Chief Accountant.

T. R. BHAGAVAT,
Deputy General Manager.

M. RAMACHANDRAMURTI,
General Manager.

S. R. Y. SIVARAMA PRASAD BAHADUR, Chairman, Board of Directors.
J. MANIKYALA RAO, Deputy Chairman.
T. SRIRAMULU, Managing Director.
MADDI SUDARSANAM,
MAJETI SESHAGIRI RAO,
V. VENUGOPAL,
REPAKA SATYANARAYANAMURTY,
ಬಿ.ಜಯಶೆಟ್ಟಿ.
C. RAMANADHA BABU,
K. S. DUTT,
S. RAMAOHAR,
} Directors.

on ivory, emerge under their deft fingers. There are few jobs in a modern factory which require more precision and concentration than certain types of work on a handloom! People who can master such intricate work can be taught any other manual skill. Thus, innate disposition and differences in cultural background do not bar people in newly developing areas from attaining technical skills required in mechanised mass production.

With some reservations, this statement also applies to professions which require considerable scientific preparation such as medicine, architecture and engineering. In modern, economically developed nations, a person enters such professions after 15 or 20 years of general and special education combined with strenuous competition and strict selection. Of course, this process cannot be replaced by quick training courses, but there is no evidence that young men in newly developing areas who are subjected to the same type of education, training and selection will not become technicians of the same stature as those in prosperous modern nations. The intelligentsia of India illustrate this point.

To sum up, in so far as individual skills are concerned, nothing keeps the newly developing areas from rising to the level of modern industrialised nations.

Modern Technology

The same situation exists with respect to the technical factors in economic progress. Modern technology is highly transferable. Airfields with all their modern electronic devices can be established in deep jungles, in the heart of a desert or on an inaccessible plateau surrounded by glaciers. Modern hydro-electric power stations can be built on the Nile, on the slopes of the Himalayas and among the precipices of the Andes almost as readily as on the St. Lawrence River. Most efficient, ultra-modern oil refineries have been erected not in the leading industrial areas but in the wilderness, close to the richest oilfields. The question of logistics is only a matter of cost and time. Wherever modern industrial installations are built, they follow the same international blueprints. The same firms are building them in all corners of the world. A photographer taking a picture of such installations in a newly developing area finds it difficult to indicate the *couleur locale* unless he can induce a few nationals in local garb to pose in the picture.

The new means of transportation—the motor and the airplane—have tremendously increased transferability of modern technology. In the nineteenth century, factories were tied to railroads, harbours and waterways. Today they can be established anywhere.

The increasing transferability of modern technology has been combined with far-reaching changes in the attitude of people. In the past, even in the nineteenth century, industrially developed nations tried to preserve their exclusive position as workshops of the world. The world economy was organised as a pyramid, with production of raw materials spread widely over our planet and the processing concentrated in the hands of half a dozen leading nations. This pattern of world economy, which found its expression in the system of colonial empires, has been swept away by technological and political developments in the past four decades.

With the end of the colonial era, the old international division of labour has also come to an end, The drive toward industrialisation stirs former colonial and semi-colonial areas, and their former masters have given up any attempt to stop this movement. Contrary to their traditional policy, they support the efforts of the emerging countries to establish a more or less self-sufficient economy, and their new policy has found expression in the Technical Assistance Programmes mentioned earlier. This policy, whatever its motives, tends in the long run to liquidate the old vertical organisation of the world economy, to abolish the rigid division of labour between industrial and agricultural areas, and to establish a wider geographical distribution of industrial production.

To the extent that modern industrial nations are willing to support the drive of underdeveloped areas toward economic independence and industrialisation, they can do so only by stimulating the technical and human factors favourable to economic progress in these areas. Such a policy requires planning and assessment of the relative significance of each single factor, by itself and in combination with other factors.

Current economic planning in areas engaged in the programme of rapid industrialisation is based essentially on the idea of accelerating capital formation and directing investment toward strategic industries. Allocation of investments is the main issue in India's Five-year Plan. The same idea predominates in national programmes in the Colombo Plan. This does not exclude the strong interest of the planners in such problems as education and health services, social welfare or resettlement and rehabilitation of refugees, but these and similar issues are dwarfed for them by their main goal, which is the development of the productive forces of the nation by investment of funds in its industrial plant, in the broad sense of the term. The reasoning of the planners runs as follows:

Poor as our economy is now, it has valuable unutilised natural and human resources. It needs more mines and factories to develop its natural resources and provide jobs for the unemployed. This goal demands capital outlays. Domestic private capital formation is insufficient, however, and the people who have money are reluctant to invest it in the nation's industry. It is, therefore, up to the Government to accelerate capital formation by taxation, credit operations, foreign loans and—if possible—foreign grants. It must direct the available funds to productive projects, even if this requires, temporarily, a regime of austerity for the people and delays some social reforms and social welfare measures.

The planners are ready to meet the objections of those who demand that more attention be given to the problems of immediate human interest and, first of all, to education. Surely, the country needs more schools, they say. But compulsory education is very expensive. In contrast to industrial projects that require initial capital outlay but promise to add to national income in the future, each new school is a new source of future expenses. A poor country cannot afford a precipitous expansion of its school system. First, it must strengthen its economic structure by establishing new sources of income. Later it will have time to think of such projects as the eradication of illiteracy and improvement of educational and health standards.

This reasoning would be defensible only if substantial industrial progress and increase in national income were possible without sweeping changes in the psychological and social climate of a country, or if industrial progress could be effected without raising the educational and health standards of the masses of the people. Lack of adequate attention to these human factors in the economic growth is the weakest point in many plans for rapid industrialisation.

Other Regrettable Errors

A close examination reveals other regrettable errors in some of these plans. Their immediate objectives are often determined on the basis of political, military and psychological motives, regional pressures and the whim or insistence of political leaders particularly interested in one or another type of projects. Injection of the argument of national prestige into the plans of industrialisation can be most harmful. Cement and brick factories, textile mills, production of small tools, sugar, candles, paper, soap, and caustic soda tanneries, paint, varnish and glass factories and production of other consumer goods are not spectacular enough for some enthusiastic planners. True industrialisation, they maintain, must begin with automobile and aircraft factories, production of heavy machinery and electronic devices, nuclear reactors and steel rolling mills.

Assessment of high priority to steel rolling mills is defensible in a country that has iron ore, coal and manganese and yet imports large quantities of iron and steel for its railroads, highways, buildings and other industries, as in India. But public opinion may demand a steel rolling mill in an area that has no raw materials that go into production of steel and is not ready to develop machine industries. Usually, after a long discussion, the Government rejects or postpones the obviously extravagant projects but occasionally a totally absurd plan may be approved by a well-intentioned Government that lacks experience in economic matters.

The contention that a Government can accelerate the industrialisation of a country by purely mechanical means, spending tax money and borrowed funds on purchase of new factories introduces an element of unreality into economic planning. Economic and industrial progress ceases to be considered as a component part of historical evolution. Experience of other nations is tossed out of the window, supplanted by new home-baked theories, some of them of doubtful validity. One such fallacious theory is, in my opinion, the contention that industrialisation of an underdeveloped area should start with the development of heavy industries and manufacture of capital goods.

Except for Great Britain, which led the rest of the world in industrialisation, all nations that later reached a high level of economic development have faced the problem of priorities of different branches of production at one time or another. Their common goal has been to accelerate their economic growth. Because of the difference in historical and geographic conditions, they developed various patterns of economic policy, but there are some common features in what they have done to foster their infant industries. I believe that their experience has firmly established three principles: (1) Industrial progress requires political security, adequate means of transportation, an aggressive and imaginative managerial class, continuously rising purchasing power of the people, a flexible and mobile labour force, and competent technicians. (2) The basis of industrial progress is processing domestic raw materials for domestic consumption. (3) The Government can accelerate the progress of industrialisation by encouraging import of capital goods and discouraging import of certain types of consumer goods.

I do not mention here the need for adequate capital formation and investment because these are manifestations of industrial development rather than its controlling factors or premises. In brief, I believe that sound principles of policy of rapid industrialisation were established as long ago as the time of Alexander Hamilton in the United States and Friedrich List in Germany. Whether we like or dislike these two names and all that is associated with them, their ideas on the policy of industrialisation have been vindicated by history.

A Strange Twist

Lack of interest in the lessons of history explains a strange twist in the thinking of economic planners in newly developing areas. Some of them believe that economic planning was invented in the U.S.S.R., the first country that consciously adopted rapid industrialisation as its goal. There is no doubt that the Russian Five-year Plans are largely responsible for the economic philosophy that has spread widely in newly developing areas.

According to this philosophy, development of consumer goods industries does not lead to rapid industrialisation and is incompatible with the idea of a planned economy. A country must start with building of factories for producing machinery to equip, later, other factories which will turn out consumer goods. A corollary of this theory is that increase in consumption and development of the domestic market must be discouraged in the early phase of industrialisation and the people must be called upon to sacrifice their welfare to the new deities: Industrialisation and Heavy Industry. There is more mysticism than logic and commonsense in this cult of the Iron Calf. The results of the Russian economic experiment have not been very encouraging, and there is no evidence that it can be duplicated by a free nation.

Over-emphasis on Heavy Industry

Apart from these considerations, overemphasis on heavy industry and disregard for human needs and the human factor in economic growth are more likely to slow down the economic progress than to accelerate it. Indeed, this approach undermines progress in education, weakens private initiative, and turns the attention of the Government from its most urgent tasks toward projects of minor value for the people. It is shortsighted to sacrifice the present generation to doubtful speculations about the remote future.

Furthermore, if a country begins industrialisation by building factories for making machines for industries which are not yet established, the chances are that it will turn out industrial equipment that is inferior in quality and more expensive than better equipment available on world markets. Contrary to Hamilton's and List's plans, which tended to provide their countries with the best and most modern equipment money could buy, the Governments that follow the new policy are likely to cripple their infant industries by saddling them with overpriced second-rate machinery which may become obsolete before it can be put into operation.

It seems to me that the philosophy that heavy industries are the foundation of industrialisation has been accepted by newly developing countries without due attention to the nature of economic growth. That philosophy

(*Continued on page* 875)

GRINDLAYS BANK LIMITED

(INCORPORATED IN ENGLAND—THE LIABILITY OF MEMBERS IS LIMITED)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER, 1956

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. **Capital**— Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	20,84,250 0 0	
2. **Reserve Fund and Other Reserves**	Not applicable	
3. **Deposits and Other Accounts**— Fixed Deposits	2,05,74,657 8 2	
Savings Bank Deposits	2,38,45,268 13 10	
Current Accounts, Contingency Accounts, etc.	5,96,60,208 8 11	10,60,80,134 14 11
4. **Borrowings from Other Banking Companies, Agents, etc.**— (i) In India	Nil	
(ii) Outside India	Nil	Nil
PARTICULARS— (i) Secured	Nil	
(ii) Unsecured	Nil	
5. **Bills Payable**		14,40,710 8 6
6. **Bills for Collection being Bills Receivable** as per contra— (i) Payable in India	1,67,88,780 0 2	
(ii) Payable outside India	22,24,576 8 3	1,90,13,356 8 5
7. **Other Liabilities**— (i) Inter-Branch Balances (Net)—Head Office and Branches outside India	80,68,038 5 0	
(ii) Inter-Branch Adjustments (Net)—Branches in India	1,96,958 3 8	
(iii) Staff Provident Fund and Other Funds	27,11,634 7 5	1,09,76,631 0 1
8. **Acceptances, Endorsements and Other Obligations** per contra		2,47,64,649 7 5
9. **Profit and Loss**— Balance as per last Balance Sheet	83,510 14 3	
ADD—Profit for the year	3,81,834 13 8	
	4,65,345 11 11	
LESS— Remittance to Head Office (Net)	4,00,345 11 11	
Provision for Taxation	65,000 0 0	
	4,65,345 11 11	Nil
10. **Contingent Liabilities**— (i) Claims against the Banking Company not acknowledged as debts Rs. 3,41,878-9-9.		
(ii) Guarantees given on behalf of Customers includes Rs. 31,100 in respect of guarantees given to Government Departments secured against part of the Bank's investments.		
(iii) On Bills rediscounted Rs. 32,82,686-7-1 of which Rs. 19,78,529-9-3 have run off as at 20th February, 1957.		
(iv) Outstanding Forward Exchange Contracts Rs. 3,69,28,361-13-4.		
NOTE:—Full account has not been taken of the liability for future gratuities payable to Indian Staff.		
Total .. Rs.		16,22,75,482 7 4

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. **Cash**— In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		65,35,058 4 4
2. **Balance with Other Banks on Deposit and Current Accounts**— (i) In India on Current Accounts	1,17,293 1 0	
(ii) In India on Deposit Accounts	1,60,03,000 0 0	
(iii) Outside India	8,92,936 14 4	1,70,13,229 15 4
3. **Money at Call and Short Notice**		12,00,000 0 0
4. **Investments** (At Market Value)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	1,97,63,165 5 0	
(ii) Ordinary Shares, fully paid up	1,51,000 0 0	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	1,99,14,165 5 0
5. **Advances** (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)— (1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (i) In India .. 5,61,58,210 10 10 (ii) Outside India .. Nil	5,61,58,210 10 10	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India .. 56,89,522 6 11 (ii) Payable outside India .. 91,48,928 7 10	1,48,38,450 14 9	7,09,96,661 9 7
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the Banking Company is fully secured	6,48,27,370 9 10	
(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal security	36,40,244 7 3	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors	25,28,546 8 6	
(iv) Debts considered doubtful or bad, not provided for	Nil	7,09,96,661 9 7
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	56,293 14 11	
(vi) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,23,000 3 8	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(ix) Due from Banking Companies	Nil	
6. **Bills Receivable being Bills for Collection** as per contra— (i) Payable in India	1,67,88,780 0 2	
(ii) Payable outside India	22,24,576 8 3	1,90,13,356 8 5
7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** as per contra		2,47,64,649 7 5
8. **Premises, Less Depreciation**— Cost to 31st December, 1955	5,45,053 4 6	
Additions during the year	Nil	
	5,45,053 4 6	
LESS—Depreciation written-off to date	46,160 0 0	4,98,893 4 6
9. **Furniture and Fixtures, less Depreciation**		Nil
10. **Other Assets**— Deposits and Prepaid Expenses		23,42,468 0 9
11. **Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
Total .. Rs.		16,22,75,482 7 4

Dr. PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1956 *Cr.*

EXPENDITURE	Rs. a. p.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	10,93,332 0 4	1. Interest and Discount	34,27,887 10 8
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Chief Manager—Rs. 58,100-2-0)	39,20,494 13 0	2. Commission, Exchange and Brokerage	33,89,792 14 1
3. Directors' and Local Committee Members' Fees and Allowances	Nil	3. Rents	1,732 4 0
4. Rent, Taxes, Insurance, Lighting, etc.	3,32,510 15 7	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Law Charges	30,993 5 0	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Postages, Telegrams and Stamps	1,13,489 11 7	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Auditors' Fees	11,850 0 0	7. Other Receipts	1,414 5 0
8. Depreciation on and Repairs to Banking Company's Property	23,372 3 9		
9. Stationery, Printing, Advertisement, etc.	1,55,724 13 4		
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure including proportion of London Office Administration Charges	7,57,224 5 6		
12. Balance of Profit (subject to Taxation)	3,81,834 13 8		
Total .. Rs.	68,20,827 1 9	Total .. Rs.	68,20,827 1 9

NOTE.—In accordance with the usual practice of the Bank, interest accrued on Investments but not due on 31st December, 1955 and 1956, amounting to Rs. 1,50,470-7-9 and Rs. 1,96,260-8-2 (gross) respectively, has not been taken into account as at those dates.

(Sd.) D. D. WATTERS,
Chief Manager.

We have audited the foregoing Balance Sheet of the Indian Branches of Grindlays Bank Limited, as at the 31st Day of December, 1956, and also the foregoing Profit and Loss Account of the Indian Branches of the Bank for the year ended on that date, in which are incorporated the returns of Calcutta (Canren Lane Branch) audited by other Auditors, and the unaudited returns of Calcutta (Brabourne Road), Madras, Delhi, New Delhi and Simla Branches not visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Branches of the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank not visited by us;

(c) The Balance Sheet and Profit and Loss Account of the Indian Branches of the Bank dealt with by this report are in agreement with the books of account and the returns;

(d) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis and read with the notes appearing thereon, the said Balance Sheet gives a true and fair view of the state of the affairs of the Indian Branches of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit of the Indian Branches for the year ended upon that date.

BOMBAY, 28th March, 1957.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

UNITED BANK OF INDIA LIMITED

Registered Office: UNITED BANK BUILDINGS, 4, CLIVE GHAT STREET, CALCUTTA

BALANCE SHEET AS AT 31st DECEMBER, 1956.

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
	1. Capital—		
	AUTHORISED CAPITAL—		
	1,90,000 'A' Shares of Rs. 50 each	95,00,000 0 0	
	3,20,000 'B' Shares of Rs. 25 each	80,00,000 0 0	
	6,05,000 'C' Shares of Rs. 20 each	1,21,00,000 0 0	
	10,40,000 'D' Shares of Rs. 10 each	1,04,00,000 0 0	
		4,00,00,000 0 0	
	ISSUED CAPITAL—		
	40,000 'A' Shares of Rs. 50 each	20,00,000 0 0	
	3,20,000 'B' Shares of Rs. 25 each	80,00,000 0 0	
	6,05,000 'C' Shares of Rs. 20 each	1,21,00,000 0 0	
	10,40,000 'D' Shares of Rs. 10 each	1,04,00,000 0 0	
		3,25,00,000 0 0	
	SUBSCRIBED CAPITAL—		
	39,022 'A' Shares of Rs. 50 each	19,51,100 0 0	
	2,98,983 'B' Shares of Rs. 25 each	74,74,575 0 0	
	6,00,155 'C' Shares of Rs. 20 each	1,20,03,100 0 0	
	10,35,454 'D' Shares of Rs. 10 each	1,03,54,540 0 0	
		3,17,83,315 0 0	
	CALLED AND PAID-UP CAPITAL—		
	8,054 'A' Shares called at Rs. 50 per share	4,02,700 0 0	
	30,968 'A' Shares called at Rs. 25 per share	7,74,200 0 0	
	2,07,955 'B' Shares called at Rs. 25 per share	51,98,875 0 0	
	91,023 'B' Shares called at Rs. 22-8 per share	20,48,130 0 0	
	1,87,563 'C' Shares called at Rs. 20 per share	37,51,260 0 0	
	4,12,592 'C' Shares called at Rs. 10 per share	41,25,920 0 0	
	10,35,454 'D' Shares called at Rs. 10 per share	1,03,54,540 0 0	
2,66,55,625	(Reserve Liability of Shareholders Rs. 49,00,120)		2,66,55,625 0 0
70,95,000	**2. Reserve Fund and Other Reserves**		74,10,000 0 0
	3. Deposits and Other Accounts—		
5,63,86,893	Fixed Deposits and Cash Certificates	5,83,92,353 4 4	
8,80,377	Staff Security Deposits	8,81,365 12 7	
12,35,75,131	Savings Bank Deposits	13,68,40,198 9 2	
13,18,26,004	Current Accounts, Contingency Accounts, etc.	14,29,77,008 12 10	
31,26,71,405			33,90,99,926 8 11
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(1) In India— Rs. a. p.		
	(i) Secured by part of Investments as per contra	65,93,816 4 3	
1,90,83,996	(ii) Unsecured	Nil	
Nil	(2) Outside India—		
	(i) Secured by part of Investment as per contra	36,58,752 1 6	
Nil	(ii) Unsecured	Nil	
1,90,83,996			1,02,52,568 5 9
72,46,013	**5. Bills Payable**		51,15,931 14 1
	6. Bills for Collection being Bills Receivable as per contra—		
3,24,43,464	(i) Payable in India	2,68,71,340 8 0	
57,99,275	(ii) Payable outside India	73,50,287 2 2	
3,82,42,739			3,42,21,627 10 2
	7. Other Liabilities—		
75,74,792	Branch Adjustments	1,03,41,988 11 7	
2,73,605	Unclaimed Dividends	2,98,966 6 3	
1,20,000	Staff Gratuity Fund	1,35,000 0 0	
1,08,436	Capital Redemption Fund	1,15,477 8 0	
1,86,924	Sundry Liabilities for Expenses	2,33,301 14 0	
34,946	Rebate on Bills Discounted	Nil	
82,98,703			1,11,24,734 7 10
1,37,55,946	**8. Acceptances, Endorsements and Other Obligations** per contra		1,69,46,572 14 8
	9. Profit and Loss—		
	Balance of Profit and Loss Account as per last Balance Sheet	9,69,174 5 0	
9,51,839	LESS—Appropriation for Dividend	7,99,378 8 0	
7,99,083			
1,52,756		1,69,795 13 0	
	ADD—Profit for the year brought from the Profit and Loss Account	15,58,020 7 9	
14,61,418			
16,14,174		17,27,816 4 9	
	LESS—Appropriations— Rs. a. p.		
	Transfer to Reserve Fund under Section 17 of the Banking Companies Act	3,15,000 0 0	
2,95,000	Transfer to Provision for Taxation	4,40,000 0 0	
3,50,000			
6,45,000		7,55,000 0 0	
9,69,174			9,72,816 4 9
	10. Contingent Liabilities—		
	(i) Claims against the Banking Company not acknowledged as debts	44,61,589 0 9	
26,96,175	(ii) Money for which the Banking Company is contingently liable—		
	(a) Liability for partly paid up shares held by the Bank in Investment Account	4,41,805 7 0	
4,57,727	(b) Guarantee given on behalf of Directors or Officers	Nil	
Nil	(c) Guarantee on behalf of others	4,59,950 10 9	
16,669	(Includes Rs. 4,56,705 in respect of guarantees given to Government Departments secured against part of Bank's Investments)		
	(iii) Liability on Bills of Exchange re-discounted	49,398 5 9	
58,013	(iv) Liability on account of outstanding Forward Exchange Contracts	2,41,40,258 8 7	
1,86,89,864			
43,40,18,601		Total .. Rs.	45,17,99,803 0 2

Previous Year Rs.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
	1. Cash—		
3,16,35,983	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		3,39,91,414 11 6
	2. Balance with Other Banks in Current Accounts—		
63,016	(i) In India	3,37,835 13 11	
85,75,551	(ii) Outside India	77,70,151 9 5	
86,38,567			81,07,987 7 4
Nil	**3. Money at Call and at Short Notice**		5,00,000 0 0
	4. Investments (at or below market value)—		
10,58,70,653	(i) Securities of the Central and State Governments and other Trustee Securities Treasury Bills of the Central and State Governments	10,21,56,135 9 8	
Nil		Nil	
5,95,148	(ii) (a) Shares, Preference, fully paid-up Rs. a. p. 7,81,628 0 0		
40,29,578	(b) Shares, Ordinary, fully paid-up 40,31,729 14 11		
3,43,392	(c) Shares, Ordinary, partly paid-up 4,36,657 7 0		
1,179	(d) Shares, Deferred, fully paid-up Nil		
49,69,297		52,50,015 5 11	
53,64,504	(iii) Debentures or Bonds	47,93,353 14 6	
	(iv) Other Investments—		
2,77,65,899	(a) Pakistan Central and Provincial Government Securities	2,67,57,225 9 0	
47,500	(b) Foreign Securities	47,500 0 0	
1,08,436	(c) Capital Redemption Policy	1,15,477 8 0	
Nil	(d) Gold	Nil	
14,41,46,289			13,91,19,707 15 1
	5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
13,69,83,089	(i) In India 15,61,66,944 0 7		
90,09,243	(ii) Outside India 1,45,04,319 15 10		
14,59,92,332		17,06,71,264 0 5	
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
2,84,84,094	(i) Payable in India 2,31,85,340 9 11		
68,65,679	(ii) Payable outside India 79,28,077 7 5		
3,53,49,773		3,11,13,418 1 4	
18,13,42,105			20,17,84,682 1 9
	(Particulars required by Act X of 1949 as per separate schedule annexed and forming part of this Balance Sheet)		
	6. Bills Receivable being Bills for Collection as per contra—		
3,24,43,464	(i) Payable in India	2,68,71,340 8 0	
57,99,275	(ii) Payable outside India	73,50,287 2 2	
3,82,42,739			3,42,21,627 10 2
1,37,55,946	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		1,69,46,572 14 8
	8. Premises Less Depreciation—		
15,61,160	At cost as per last Balance Sheet	15,89,931 4 5	
28,771	ADD—Additions during the year	2,929 6 0	
15,89,931		15,92,860 10 5	
Nil	LESS—Sales or deductions made during the year.	Nil	
15,89,931	Total cost to date	15,92,860 10 5	
1,38,260	LESS—Depreciation written off to date	1,62,979 14 0	
14,51,671			14,29,880 12 5
	9. Furniture and Fixtures, Less Depreciation—		
27,38,301	Cost as per last Balance Sheet	30,73,335 14 8	
3,35,034	ADD—Additions less deductions during the year.	4,59,995 1 2	
30,73,335	Total cost to date	35,33,330 15 10	
10,01,162	LESS—Depreciation written off to date	12,32,261 7 11	
20,72,173			23,01,069 7 11
	10. Other Assets including Silver—		
14,65,612	Interest accrued on Investments	13,54,444 12 7	
53,04,713	E.P.T. Deposits and Tax paid in advance and deducted at source	61,48,037 15 6	
4,36,387	Stores, Stationery and printed materials	4,72,528 1 0	
20,06,397	Land and Buildings not used as Bank's Premises less depreciation (Cost Rs. 25,02,001-5-3 less depreciation Rs. 5,74,022 6-0)	19,27,978 15 3	
	Sundries (Temporary Advances, Suspense, Security Deposits, Outstanding Rents, Stock of Stamps, Adjusting Accounts, etc.)	25,52,782 13 5	
25,68,311			
1,17,81,420			1,24,55,822 9 9
9,51,708	**11. Non-Banking Assets Acquired in Satisfaction of Claims** (Immovable property at Book Value)		9,41,037 5 7
43,40,18,601	Total .. Rs.		45,17,99,803 0 2

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

Previous Year Rs.	EXPENDITURE	Rs. a. p.	Rs. a. p.
83,13,377	1. Interest paid on Deposits, Borrowings, etc.	41,35,188 13 0	
63,23,923	2. Salaries and Allowances and Provident Fund (Of which payment to Sri B. K. Datta as General Manager Rs. 18,257-5-6 up to 26-8-1956 and as Managing Director up to 31-12-1956 Rs. 9,922-2-6, total Rs. 27,949-8-0)	78,55,251 6 4	
(27,412)			
35,090	3. Directors' and Local Committee Members' Fees and Allowances	34,566 0 0	
7,58,883	4. Rent, Taxes, Insurance, Lighting, etc.	8,31,136 8 1	
1,45,158	5. Law Charges	1,63,195 1 11	
3,30,923	6. Postage, Telegrams, Telephones and Stamps	3,86,228 14 5	
26,325	7. Auditors' Fees	26,700 0 0	
4,55,337	8. Depreciation on and Repairs to the Banking Company's Property	4,48,782 0 2	
5 33,138	9. Stationery, Printing, Advertisement, etc.	5,37,744 2 9	
2,699	10. Loss from Sale of or Dealing with Non-Banking Assets	755 7 0	
4,57,566	11. Other Expenditure	4,45 651 13 9	
14,61,418	12. Balance of Profit	15,58,020 7 9	
1,43,42,937	Total .. Rs.	1,64,23,220 11 2	

Previous Year Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
1,02,43,704	1. Interest and Discount	1,19,45,735 13 10	
29,29,255	2. Commission, Exchange and Brokerage	32,50,941 10 7	
1,55,186	3. Rents	1,48,300 0 6	
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	606 0 2	
2,360			
	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
Nil			
	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	2,476 11 7	
2,620	7. Other Receipts	10,75,160 6 5	
10,09,832			
1,43,42,937	Total .. Rs.	1,64,23,220 11 2	

(Continued in next ...)

KEY FACTORS IN DETERMINING ECONOMIC GROWTH—II

IMPORTANCE OF DEMOCRATIC PLANNING

By M. C. Munshi

IT is quite common for economists to come to the conclusion that for initiating *change*, in an underdeveloped economy, the State must be the principal agency. Granting this key role of the State, let us ask ourselves some pertinent questions: What are the methods by which the States will play this role of entrepreneurial innovator? Are the existing methods found satisfactory? Or have they, in their operation, shown great bottlenecks? Have we developed objective methods of judging their performance? What are the consequences on the working of the Plan if these public enterprises in the organised industrial sector do not deliver the goods?

It is true that very little is yet said of these matters in the literature on economic growth or on the technique of economic planning. But the significance of these issues will be realised when we remember that even before the first Plan was launched, we had an important public sector which accounted for about 48 per cent. of employment in the organised industry. The rapidly mounting emphasis that has, since then, been placed on this sector must bring questions of its working to the fore in terms of its ability to deliver the goods. The U.N. Experts Group's Report on Measures for the Economic Development of Underdeveloped Countries obliquely raised such questions. They speak of appropriate legislative and administrative action though they confine themselves to "border-line functions" of State initiative. "When new development is confined to public enterprise, its speed will be determined by the rate at which Governments can mobilise their capital, skill and enterprise and its efficiency will be determined by what Governments can manage to attain.... Every country must decide for itself where it wishes to draw the limits of the public sector."

After the advent of freedom—especially after April 1948—we have been evolving a certain pattern of our public sector: (1) Enterprises owned and managed on departmental lines, (2) statutory corporations and (3) public corporations. Briefly, the objectives of this approach to public ownership are in terms of (1) public accountability, (2) planning against unemployment, (3) opportunity for promotion by ability, (4) extension of industrial democracy, and (5) replacing private gain by service and responsibility to the community. Space would forbid us from discussing the many issues that the management and accountability of these forms undoubtedly raise. But it must be emphasised that while many countries have, in the last 30 or 40 years, favoured "public corporations" "as the best of both worlds" their implications are yet slowly unfolding themselves and the various forms of ownership and control are yet in an experimental stage. They may be clothed with the powers of Government (as President Roosevelt said) but they have not yet shown to be possessed of the flexibility and initiative of private enterprise. Further, it cannot be said that this failure is due to want of appropriate administrative or legislative action or—as is often asserted in our country—to want of requisite personnel.

Let us realise that the working of these various forms has raised vital questions of (1) degree of parliamentary control, (2) internal management of authority, (3) protection of the consumer and the taxpayer, (4) training of business leadership, and (5) criteria of judging their performance. On questions of political and administrative organisation there is a volume of growing debate even in our country. For instance, a recent trend of criticism against such corporations is that they have tried to by-pass the authority of the Government with regard to details of scrutiny and audit and the Estimates Committee and the Public Accounts Committee have been helpless in this respect. Let us, however, focus our attention on some structural issues. (1) Has it not been found that freedom from financial control and freedom from political control are more closely associated than was generally assumed? (2) Is it to be assumed that under public enterprise (including *nationalised industries*) if the profit motive is eliminated, does it also mean that the incentive to exploitation too has vanished? (3) The profit motive may be replaced by service but does this not also mean that the principal criterion of efficient management is avoidance in many cases and minimisation, in some, of loss? (4) What is the principle of "disinterestedness"? (5) Are prices to be fixed on the basis of marginal cost or on average cost? Further, when we talk of business principles in the public corporations we must remember that, in the latter, there is the ever-present danger of overcapitalisation. The problem is not one of merely safeguarding the national interests without encroaching upon the administrative independence of the organisations and usurping their managerial responsibility, but of evolving objective criteria for judging their performance.

These problems are not peculiar to our country and are increasingly clamouring for solution elsewhere too. Let us, therefore, recognise the limitations to the public sector implied in them. In fact, Great Britain has of late been showing hesitation in pushing forward the existing methods of public control. There is need for a similar realisation in our country. It is necessary to devise satisfactory methods of their managerial accountability and performance and not depend on the emotional fervour of State socialism. This will mean not merely planning "from above" but planning "from below" as well—such as material budgeting, financial and manpower balances and productivity targets. Briefly, this means that a good part of the management technique of private business must be imbibed by the "public business." There is in our country an inadequate appreciation of the organisational changes which the industry in the private sector, especially that in advanced countries, has been undergoing such as the increasing impersonalisation of management decisions, the equity-holder losing his functions.

This brings us to the third proposition that we have raised, namely, democratic planning. It has often been asserted—and rightly—that our plans are essays in democratic planning. It is true that the opening chapters of the second Five-year Plan do not repeat the first Plan's emphasis on the democratic character of our planning and speaks increasingly of the sanctions or regulatory devices for a comprehensive plan. But, as we have already seen, the basic objective still remains that of "securing economic advance along democratic and egalitarian lines." There is also an awareness that there is an immeasurable advantage in democratic planning over the comparatively more cohesive totalitarian planning. The second Plan does assert that expansion of the public sector should not mean centralisation of decision and of authority. This should enable us to avoid the almost fatal mistake of totalitarian planning in that "the fortunes of a whole trade or area should not depend on the foresight of a single centre of decision." Mistakes may be committed but democratic planning implies that once a mistake has been discovered the planning authorities would not keep on hoping against hope, that the tide would somehow turn in their favour so that they could then avoid the more arduous course of rectifying the error.

We have thus reached three main conclusions in the foregoing paragraphs. We have not belittled the importance of rate of capital formation—indeed, "it can be safely said that humanity's material welfare depends more on a proper comprehension, on as wide a scale as possible, of the role of capital formation and the conditions of securing it as quickly and humanely as possible than on any other factor." But the rate of savings and their transformation into capital are brought about by a rise in productivity in the economy or the sectors concerned. Really speaking, this is not so unorthodox a view as the economic theorist might appear to take. Indeed, in a recent publication, entitled "Capital Formation and Economic Growth," Simon Kuznets argues that the proportion of income saved does not necessarily rise with the real income per head. We may also add that our contention is also strengthened by the recent trends in the U.K.

Secondly, economic growth is not a mere mechanistic sequence of favouring investment into any one sector and watching its expansion through the gadget of the accelerator effect. Co-ordinating financial with physical planning really implies that you also make for efficient uses of your resources. It would then seem imperative that the criteria for measuring the performance of the expanding sectors must be laid down. Not a few of these have to be borrowed from the private sector.

Thirdly, if democratic values are to be retained and if the great experiments on which we have launched are to be tenaciously pursued for realising lasting results, let us avoid concentration of economic power—and its consequences in any shape or form.

(Concluded)

UNITED BANK OF INDIA LIMITED—*(Continued)*

Schedule of particulars required under the Banking Companies Act, 1949, attached to and forming part of the Balance Sheet as at 31st December, 1956.

Previous Year Rs.	PARTICULARS OF ADVANCES	Rs. a. p.	Rs. a. p.
15,54,09,843	(i) Debts considered good in respect of which the Banking Company is fully secured	18,00,74,168 3 9	
1,63,98,289	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,65,36,241 5 1	
94,43,972	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	51,74,272 8 11	
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	
18,13,42,104	Total .. Rs.	20,17,84,682 1 9	

Previous Year Rs.	PARTICULARS OF ADVANCES	Rs. a. p.	Rs. a. p.
Nil	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
37,40,923	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	72,03,002 5 6	
22,389	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	31,537 15 3	
38,64,185	(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	80,27,026 13 5	
6,06,235	(ix) Due from Banking Companies	2,08,082 3 2	

AUDITORS' REPORT.

We have audited the annexed Balance Sheet of United Bank of India Ltd., as at 31st December, 1956, and also the annexed Profit and Loss Account of the Bank for the year ended upon that date in which are incorporated the Returns from the Branches audited under Section 228 of the Companies Act, 1956, by other Auditors.

In accordance with the provisions of section 29 of the Banking Companies Act, 1949, read with the proviso to sub-sections (1) and (2) of section 211 and to sub-section (5) of section 211 and section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the bank which have come to our notice, have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the Profit for the year ended upon that date.

CALCUTTA, 7th March, 1957.

RAY & RAY,
Chartered Accountants.

N. N. LAW,
Chairman.

B. K. DATTA,
Managing Director.

A. K. ROY,
Secretar

S. B. DUTT,
J. M. DUTT,
K. G. M. FAROQUI,
N. C. DATTA,
K. C. DAS,
} Directors.

WIDE SCOPE FOR EXPANSION OF PLASTICS INDUSTRY

QUALITY OF PRODUCTS SHOULD BE RAISED

THE view was expressed by Mr. Morarji Desai, Minister for Commerce and Industry, in the course of his address to the Tenth All-India Plastics Manufacturers' Conference held in Bombay on 19th inst., that the plastic industry had a great future if it was run on right lines. One of the foremost requisites for the successful functioning of the industry, according to him, was to keep abreast of modern developments. A second one was augmenting of exports, which declined from Rs. 16 lakhs in 1953-54 to Rs. 7 lakhs last year. The Minister rightly pointed out that the raising of the competitive power of the industry through production of standard goods and reduction of costs would go a long way in improving the export prospects.

Plastic products, as is well known, find wide application in a number of industries, such as engineering, building, chemical, electrical, telephone, radio, transport, textiles, medicine and a host of others. Despite this capacity for wide application, which is sometimes much greater than that of the products of natural resins because of a number of special characteristics enjoyed by synthetic resins, the *per capita* consumption of plastics in India is very low as compared with certain advanced countries. To cite only a few examples, their *per capita* consumption in India is as low as 0.06 lb., as against 2.066 lbs. in Japan, 12.04 lbs. in the U.K., and 20.33 lbs. in the U.S.A. This shows the great scope there is for the expansion of the industry. Indeed, the industry has made considerable progress during the last eight years, though it was almost non-existent before the war. In the moulding branch of the industry, there were in 1955-56 more than 80 firms, concentrated mainly in Bombay and Calcutta, as against 40 in 1948. Of these, about 40 are on the active list of the Development Wing of the Ministry of Commerce and Industry. These firms possess 187 compression moulding presses with a capacity of about 12,600 tons, 244 injection moulding machines with a capacity of about 685 oz. and 47 extruders of sizes ranging from 1" to 4½". Production of moulded items, computed by the Development Wing, is as under:

Plastic Moulding

(000 gross)

1952	... ...	1,544.1
1953	... ...	1,357.2
1954	... ...	1,302.0
1955	... ...	2,516.4
1956	(estimated)	3,700.0

Plastics Items

Further, the production of various plastics items has also increased considerably. The production figures of certain important items for 1954 and 1955 are given in the table* below:

Item	Annual capacity	Production 1954	Production 1955
Laminated sheets (in tons) ..	450	99	140.3
Spectacle frames (in million pieces) ..	1.80	0.7	0.7†
Tooth brushes (in million pieces) ..	24	3.7	4.6†
Fountain pens (in million pieces) ..	Variable	5	6
Plastic buttons (in million gross)	1.43	0.95	1.3
P.V.C. cables and wires (in million yards).	8.6	4.23	10.87
Leather cloth (in million yards) ..	5	1.3	2.62
Polythene film and lay flat tubings (in tons, single shift)	234	366.3	381.8
Bakelite electrical accessories (in gross)..	..	38,462	50,453†

* These figures are taken from the table given by Mr. B. D. Garvare, in his article in the *Times of India*, dated 19th instant.

† Provisional figures.

As can be seen from the table, some of the items which have witnessed substantial increase in production are laminated sheets, tooth brushes, fountain pens, P.V.C. cables and wires, and leather cloth. An important feature of the development during the last few years is the commencement of production of certain items such as phenolic laminates and polythene film and lay flat tubings, production of P.V.C. unsupported sheets and film by calendering process.

An important feature with respect to the raw materials of the industry is that, with the exception of phenol formaldehyde moulding powder, production of which in the country is fairly large, all others are largely imported to meet the internal demand. The table below gives the figures, computed by the Planning Commission, for the current demand and the estimated demand by the end of the second Plan for some of the important raw materials.

(In tons)

Item	Estimated demand for 1955-56	Estimated demand for 1960-61
Phenol formaldehyde moulding powder ..	800	1,200
Urea formaldehyde moulding powder ..	300	500
Cellulose acetate and cellulose acetate butyrate moulding powders and sheets ..	400	800
Nitro cellulose, industrial (for celluloid, leather cloth and laquers)	250	600
Polystyrene	2,500	3,500
P.V.C. resins/compounds	400	N.A.
P.V.C. sheets	400	N.A.
Polythene moulding powder	600	3,500

N.A.=Not available.

In the case of phenol formaldehyde moulding powder, the existing capacity in the country is estimated at about 1,180 tons. In 1955, the production was estimated at 715 tons. A noteworthy development in the field of raw materials is that a plant is being installed in Bombay by Messrs. Polychem Limited for the manufacture of polystyrene in collaboration with Messrs. Dow Chemicals Co. of U.S.A. The plant, the capacity of which is 6 million lbs. per annum, is expected to go into production shortly. Further, Imperial Chemical Industries (India) Private Ltd. and the National Carbon Company have also plans for the manufacture of the same product. The total capacity of the two plants will be of the order of 5,100 tons. Other raw materials for the production of which in the country plans are afoot are urea formaldehyde moulding powder, cellulose acetate moulding powder and P.V.C. compositions from imported acetate flakes and P.V.C. resins.

Targets for Second Plan

Having regard to the programmes already under implementation or consideration, and with a view to meeting fully from domestic production the demand for moulding powders as soon as possible, the second Plan has put the targets for capacity to be attained by 1960-61 at 12,810 tons per annum, as against 1,180 tons in 1955-56. During the same period, the production is also expected to increase from 725 tons to 10,600 tons.

It will be recalled that certain sections of the plastics industry have been enjoying tariff protection since 1950, though, in pursuance of the recommendations of the Tariff Commission submitted last year, protection was discontinued to electrical accessories as from 1st January 1957. The Commission recommended, among other things, that formaldehyde moulding powder and buttons should continue to enjoy protection till the end of December 1959 at the existing rates of duty. Besides, the Commission also recommended that the manufacturers of phenol formaldehyde moulding powder having a minimum annual production of 200 tons would continue to enjoy "drawback" of customs duty in respect of the three raw materials. The Government has also allowed "drawback" of customs duty in respect of three other moulding powders, namely, polystyrene, cellulose acetate and cellulose acetate butyrate moulding powders to enable the manufacturers to reduce the price of their products and to compete successfully in foreign markets. These factors, in addition to the generally restrictive import policy in force at present, should not only enable the industry to attain the targets fixed for the Plan in time, but also to reduce imports and augment exports, considerably. During the last six years, it may be noted, imports of some of the plastic raw materials and manufactures increased significantly. In the case of synthetic resins and moulding powders, the value of imports rose from Rs. 113.74 lakhs in 1950-51 to Rs. 231.4 lakhs in 1955-56. During the same period, imports of semi-fabricated plastic materials went up from Rs. 46.67 lakhs to Rs. 96 lakhs and those of finished plastic goods (not classified elsewhere) climbed up from Rs. 1.06 lakhs to Rs. 4.36 lakhs. On the other hand, the exports witnessed a decline from a value of Rs. 15.98 lakhs in 1953-54 to Rs. 7.62 lakhs in 1955-56.

Certain Handicaps

The industry, however, suffers from certain handicaps, the most serious of which is the backwardness of the country in the production of chemical raw materials for the industry. Some difficulties are of a temporary nature and arise chiefly from import controls and administrative procedures. It is pointed out, for instance, that the reduction of the quota to established importers to 15 per cent. for imports of polystyrene moulding powder, the termination of granting of actual users' licence, and the unsatisfactory functioning of the machinery for the settlement of "drawbacks" of customs duty, to mention a few, have been causing much hardship to the industry. These difficulties demand the urgent attention of the Government. Nevertheless, what is of utmost importance to the industry and to the country is the promotion of exports. It is encouraging to note that the Export Promotion Council, established in 1955, has done some useful work. Among the activities the Council engaged itself in 1956-57, mention must be made of (1) publication of an illustrated brochure of the products manufactured by members of the Council; (2) publication of a Directory of Manufacturers and Exporters of Indian Plastic goods; (3) surveying of certain foreign markets with a view to assessing market requirements and obtaining other relevant information, and (4) examination of the question of standardisation of plastics manufactures as to quality and packing so as to issue certification mark in respect of Indian-made plastics. Of these, special importance attaches to the findings of the delegation sent out to the East African countries. The delegation found, perhaps much to its surprise in certain respects, that very often the goods received by the traders abroad did not conform to the samples submitted by the suppliers, that the importers abroad are not fully aware of the range of products available in India, that the goods imported by them arrived in poor packing, and that the commission promised to local agents had not been paid promptly and regularly.

These, to say the least, are very serious shortcomings, and in the nature of things, affect adversely the trading position of India. It is, however, gratifying to note that the delegation has assured the importers abroad that the defects would be rectified soon. Viewed in this light, there is special significance in Mr. Morarji Desai's appeal the other day to the industry to improve the competitive position of the industry. He admitted the need for modernising the industry and equipment, but pointed out, pertinently, that it could be done only gradually in view of the present shortage of foreign exchange. He also stressed the need for co-operation between the producers of raw materials for the industry and the processors in the interests of maintaining the progress of the industry. But progress of the industry also depends on research work, and Mr. Ramnath A. Podar pleaded rightly for Government help in that regard.

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ALL-INDIA FIRST ESTIMATE OF POTATOES

The all-India first estimate of potatoes for 1956-57 puts the current year's area at 573,000 acres as against the corresponding adjusted estimate of 560,000 acres for 1955-56. This shows an increase of 13,000 acres or 2.3 per cent. in area during the current year, as compared to last year.

The increase in acreage during the current year has been shared by Bombay, West Bengal, Punjab, Madhya Pradesh, Madras and Mysore States, and has been attributed generally to favourable climatic conditions at the time of sowing. This increase has, however, been offset to some extent by decreases recorded in Uttar Pradesh, Bihar and Rajasthan. It may be noted that the estimate covers the period up to the end of December 1956.

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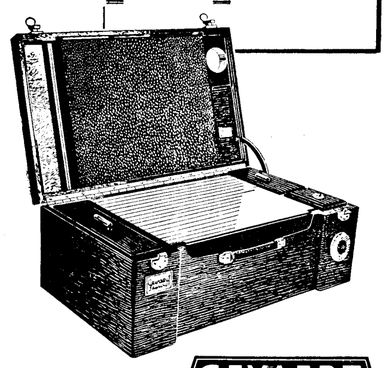
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SATISFACTORY RESULTS OF E.I.D. & S.

FINAL DIVIDEND SKIPPED OVER DUE TO HEAVY TAX INCIDENCE

THE audited accounts of the East India Distilleries and Sugar Factories Ltd. and its subsidiaries (Managing Director: Mr. G. N. Noel-Tod, Madras) for the year ended 30th September 1956, provide a typical instance of the stifling effect of the present level of corporate taxation on companies, as a result of which the Directors have been unable to recommend the payment of a final dividend on the reorganised capital of the Company. The Directors paid a first interim dividend of 5 per cent. for the year under review, followed by a second interim distribution of 10 per cent. on the consolidated ordinary capital of £549,950 (549,950 shares of £1 each), while in the previous year they had paid an interim dividend of 5 per cent. on the then 'A' share capital of £80,000 (100,000 shares of 16s. each) and 'B' capital of £300,000 (300,000 shares of £1 each). They also paid a final dividend of 5 per cent. on the 'A' capital and also made a provision for payment of a final dividend of 10 per cent. and a special additional distribution of 5 per cent. on the increased 'B' capital of £400,000 which would have resulted from the issue of £100,000 of the 'B' capital to the ordinary shareholders of Parry & Co., Ltd. The Directors have, however, expressed their inability to recommend any final distribution on the reorganised capital for the year 1955-56, in view of the greater inroads made by taxation into the profits of the year under review. The incidence of the additional taxation, as a result of the introduction of tax on bonus shares, the increase in super-tax on dividends and the withdrawal of rebate of income-tax on undistributed profit, works out to £66,223.

The accounts for the year under review are not comparable with those of the previous year, inasmuch as they include the results of working of the E.I.D. & S. during the 12 months ended 30th September 1956 and those of its subsidiaries during the nine months ended 30th September 1956, while those of the previous year relate to the working of the holding company alone. This is consequent upon the acquisition of the ordinary capital of Parry & Co., Ltd., as a result of which Parry & Co., Ltd., and its two subsidiaries became subsidiaries of the E.I.D. & S. on 26th February 1956. As at the date of the balance-sheet, 1,100 ordinary shares of Rs. 2 each in Parrys had not been acquired by virtue of the fact that applications had been made to the Court under section 153B of the Indian Companies Act, 1913. These applications were subsequently disposed of and the whole of the ordinary share capital of Parrys came to be held by the E.I.D. & S.

There are, however, enough indications in the accounts to show that the holding company, namely, E.I.D. & S., has had a satisfactory year of working, despite the slight setback in production of sugar, and its profit has been maintained nearly at the previous year's level. The gross profit of the group for the year amounts to £599,772, as against £359,726 of the holding company alone for 1954-55. The net profit, after providing for depreciation and taxation, is £220,707, of which the share of the holding company alone is £187,559, which compares with £187,707 earned by it in the previous year. Of this profit of £220,707, the proportion of profit of subsidiary companies attributable to outside shareholders' interest is £8,475 and that earned by the subsidiaries prior to acquisition by the holding company is £12,077.

After bringing in the surplus of the previous year, the profit available for appropriation is £256,654, out of which a sum of £4,500 has been set aside to the capital reserve and £100,000 to the general reserve. The dividend on 7 per cent. preference capital absorbs £14,000 and that on ordinary capital £82,493, leaving a surplus of £55,661. A sum of £3,788, being the over-provision for final and additional special dividends on the 'B' share capital for 1954-55 has been written back. The Company had intended to issue £100,000 of the 'B' share capital to the holders of ordinary shares in Parry & Co., Ltd., but the additional 'B' shares capital subsequently issued on this account amounted to only £74,950 and the excess provision for dividends on this additional capital has now been written back.

The Company's crushing of sugarcane during the season 1955-56 amounted to 349,247 tons yielding 29,575 tons of sugar, having declined from the record level of 368,989 tons of cane crushed in the previous season producing 32,272 tons of sugar. The recovery of sugar has also declined from 8.75 per cent. to 8.47 per cent. due chiefly to the deterioration in the quality of one variety of sugarcane, which was seriously affected by disease. Although the excise duty on sugar remained unchanged at Rs. 112-8 per ton, higher prices were realised from sugar sales during the year. This resulted in the payment of a small bonus at the rate of Re. 0-2-6 per ton of cane to the ryots in accordance with the S.I.S.M.A. formula.

As regards the other sections of the holding Company's business, the new distillery at Nellikuppam was in full production for the whole year and sales of spirit were maintained at the same level as in the previous year. Turnover in carbonic acid gas reached a record level of 2,297,600 lbs., bringing in a substantial improvement in the profitability of this department. The production of sulphuric acid, however, was at a lower level and amounted to only 8,000 tons. Consequent on the doubling in capacity of the newly introduced sulphate of alumina plant, sales of this product showed a marked improvement. The Government of India's move to discourage the use of Epsom salt in the tanning industry has led to a fall in the sales of this commodity. The reorganisation of the pottery has helped the Company to substantially increase the profitability of this department. Emphasis on the production of sanitaryware is being maintained and the prospects for this industry appear to be very bright, in view of the introduction of the rural development scheme under the second Five-year Plan.

During the nine-month period ended 30th September 1956 sales of fertiliser mixtures by Parry & Co., Ltd., increased by 30 per cent. over the corresponding period of the previous year. Sales of superphosphate also recorded an increase of 25 per cent. It is significant that these increases have been achieved in the face of difficulties caused by the hold-up of raw materials and movement of finished products due to transport difficulties. A new development associated with this department is the construction of a pesticide formulation plant at Ranipet which produces formulations of all the commonly used pesticides. The chemical imports department of Parry & Co., Ltd., handled 52,700 tons of phosphates and sulphur during the period under review. There was considerable improvement in the business of the engineering department of Parry & Co., Ltd., both for imported and indigenously manufactured products. The monthly level of turnover in the pharmaceutical department was approximately 25 per cent. higher than the figures for the previous year. Likewise, turnover in the general sales department of Parry & Co., Ltd., increased by 18 per cent. and profits by more than 25 per cent.

The consolidated balance-sheet as at 30th September 1956 shows the paid-up capital of the Company at £749,950 of which £200,000 are in 7 per cent. cumulative preference shares of £1 each and the balance in ordinary shares of £1 each. Against this, the reserves and surplus aggregate £1,208,915. This is inclusive of a reserve for future taxation of £159,468. There is a 4½ per cent. debenture liability on account of Parry & Co., Ltd., to the tune of £21,621. The current liabilities amount to £3,234,636 including a provision for taxation at £295,916. The gross block of £1,757,928, including additions during the year amounting to £77,001, has been written down to a book value of £933,253. The current assets aggregate £4,281,869 and cover the current liabilities and provision for taxation by a very wide margin.

The £1 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 26.50. On the basis of the year's dividend, the shares offer a yield of 7.54 per cent. per annum, free of income-tax.

BOMBAY DYEING AND MFG. CO., LTD.

The Bombay Dyeing and Manufacturing Company, Ltd., is likely to be exempted from payment of compulsory deposits, in view of the expansion programme which is being carried on now. This was disclosed by Mr. Neville N. Wadia, Chairman of the Company, in the course of his replies to questions at the annual general meeting held last week. On the basis of last year's earnings, the Company would, in normal circumstances, have to pay about Rs. 27 lakhs by way of compulsory deposits. On the accumulated reserves and current profits, the Company's liability by way of compulsory deposits would have aggregated Rs. 1.25 crores, but the Chairman, as stated above, expressed the hope that the Company might be exempted from making this deposit.

The move to split up the high denomination shares of Rs. 250 each into 10 shares of Rs. 25 each was justified by the Chairman on the ground that even persons of modest means might be able to participate in the concern. He explained that high denomination shares were not in vogue either in Britain or in the U.S. and assured the shareholders that the unit of trading would be fixed in such a way that the scheme worked smoothly and efficiently.

The policy of the Company in regard to conservation of resources came in for much criticism. One of the shareholders drew attention to the experience of the Imperial Bank shareholders which, he said, should serve as a warning to company managements to take a more liberal attitude in the matter of capitalisation of reserves. While defending the Company's policy, Mr. Wadia admitted that the Company was well in a position to capitalise at least Rs. 50 lakhs by giving one bonus share for every five shares, but the tax liability on this account would be about Rs. 6.25 lakhs. This amount, he said, could be more profitably used for the expansion programme of the Company which ultimately would result in better returns for the Company. Some of the shareholders desired that the Company should issue bonus shares even if it had to pay the tax. The Chairman replied that no useful purpose would be served in applying for sanction to issue bonus shares, when so many applications were pending with the Government. He added that the Government's policy in regard to bonus issues being uncertain, they could as well await the May budget when a clear idea of policy would be available. As regards the plea for higher dividends, Mr. Wadia was against change in dividend with every fluctuation in profit. It was better to follow a steady dividend policy.

The stocks of cloth lying with the Company at present were not abnormal and sales in the local market had been made up to September next. Exports of the Company's cloth were steadily increasing and amounted to over 50 million yards or 59 per cent. of the total output in 1956, as against 42 million yards, or 47 per cent. in 1955. Export prices realised were better than those available in the home market. The Chairman indicated that the export outlook for the Company was very hopeful, especially to Australia, the annual exports of the Company's cloth to this country being of the order of 25 million yards. He was confident that this would be maintained. The Company suffered least on account of either unsold stocks or the incidence of higher excise duty, in view of its larger exports. The incidence of excise duty on sales in internal markets was Rs. 31.75 lakhs in 1956.

Greater productivity was expected to accrue from the installation of automatic looms in the Company's mills. The double shift at Spring Mills will have a labour complement of 5,200 as against 3,307 for one shift. Machinery was being regularly shipped from overseas but on account of the Suez trouble, the Company was experiencing some unavoidable delay in receiving them. The working of National Peroxide, which resumed production by the end of February, had been satisfactory in view of the fact that all imports had been stopped by the Government.

Union Bank of India Limited.
(ESTD: 1919)
HEAD OFFICE: FORT, BOMBAY 1.

SAVINGS BANK ACCOUNTS

Interest allowed at 2% p. a.

Withdrawals by cheques allowed.

Call and Fixed Deposits accepted at attractive rates.

F. K. F. NARIMAN,
General Manager.

DUNLOP RUBBER SHOWS BETTER RESULTS

DIVIDEND MAINTAINED

AN appreciable improvement in sales and earnings is disclosed by the audited accounts of the Dunlop Rubber Company (India) Ltd. (Managing Director: Mr. John Luckham, Calcutta) for the year ended 31st December 1956. The sale proceeds have gone up by Rs. 1.88 crores or 12½ per cent. over those for the previous year, and gross profit, before providing for depreciation and taxation, has risen by Rs. 13.75 lakhs to Rs. 133.28 lakhs. The increase in profit is in refreshing contrast to the fall of Rs. 7.35 lakhs suffered in 1955. The rise in the profit during the year under review has thus more than made good the setback in the previous year. It will be interesting to note that the year's profit had been surpassed only once, that was in 1951 when the profit had touched a record total of Rs. 146.54 lakhs.

The net profit has increased by only Rs. 5.70 lakhs; that is, from Rs. 49.40 lakhs to Rs. 55.10 lakhs. The relatively lower improvement in net profit is due to the higher provisions for depreciation and taxation, the former having risen from Rs. 27.51 lakhs to Rs. 30.54 lakhs and the latter from Rs. 42.32 lakhs to Rs. 47.34 lakhs. The provision for taxation includes Rs. 2.80 lakhs, representing the super-tax on ordinary dividend in excess of six per cent. In accordance with the Company's policy of ploughing back substantial sums year after year, the Directors have transferred this year also a sum of Rs. 26 lakhs to the general reserve in order to provide the resources necessary for the expansion of the business and this represents an increase of Rs. 4 lakhs over that provided a year ago. The dividend on ordinary shares has been maintained at 15 per cent. for the sixth year in succession.

The progress of the Company during the past three years can be judged from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	16,99.60	15,11.60	13,70.34	12,57.95
Other income	4.28	3.45	3.26	4.90
Manufacturing, selling and other expenses	15,64.11	13,80.03	12,40.22	11,41.90
Debenture interest ..	6.50	6.50	6.50	6.50
Gross profit	1,33.28	1,19.53	1,26.88	1,20.96
Provision for—				
Bad debts	0.30	0.30	0.30	0.30
Depreciation	30.54	27.51	30.20	27.78
Taxation	47.34	42.32	37.75	37.50
Net profit	55.10	49.40	58.63	55.38
To reserves	26.00	22.00	30.00	24.00
Dividends—				
6% preference (tax-free) ..	1.80	1.80	1.80	1.80
6% 2nd preference (less tax).	1.77	1.77	1.77	1.77
Ordinary	24.00	24.00	24.00	24.00
	(15%)	(15%)	(15%)	(15%)
Carry forward	13.25	11.72	11.89	10.83

The sale proceeds show, as already stated, an increase of Rs. 1.88 crores, in spite of reductions in the selling prices, made towards the close of 1955, and larger expenses indicate that the productions must have been higher. The lower selling prices, coupled with higher costs, have lowered the profit margin of the Company in relation to its turnover. This will be clear from the following comparative figures taken from the Directors' report:

(Per cent.)

	1956	1955	1954	1953
Before taxation ...	6.0	6.4	7.0	7.4
After taxation ...	3.2	3.6	4.3	4.6

The paid-up capital of the Company as at 31st December 1956 remains unchanged at Rs. 230 lakhs, supplemented by reserves and surplus aggregating Rs. 354.11 lakhs. This is inclusive of a special depreciation reserve of Rs. 113.86 lakhs, being the provision for excess depreciation made on buildings and plant in post-war years at rates in excess of normal rates. The 5 per cent. debenture-stock is unchanged at Rs. 130 lakhs. Against this, there is a debenture-stock redemption fund of Rs. 24.66 lakhs. Including additions during the year amountng to Rs. 42.22 lakhs, the gross block aggregates Rs. 555.02 lakhs. This has been written down to a book value of Rs. 306.30 lakhs. The current assets amount to Rs. 712.17 lakhs, of which stock inventories (at cost or market value) alone account for Rs. 455.47 lakhs and cash balances for Rs. 9.68 lakhs, and exceed the current liabilities and provision for taxation, at Rs. 329.02 lakhs, by a substantial margin of Rs. 383.15 lakhs. Of the current liabilities, loans from bank, unsecured loans and usance promissory notes deposited with bank account for Rs. 191.78 lakhs, having gone up by Rs. 77.71 lakhs. This increase reflects to some extent the larger working capital represented in stocks and debtors. Stock inventories show a rise of Rs. 63.84 lakhs, of which raw materials account for Rs. 47.75 lakhs and finished goods for Rs. 16.84 lakhs. There is also an increase of Rs. 28.79 lakhs in debtors, reflecting the expansion in turnover.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 24 *ex-div.*, at which rate and on the basis of the latest dividend, the yield on the shares works out to 6.25 per cent. per annum, free of income-tax.

EXEMPTIONS FROM COMPULSORY DEPOSITS

The Central Government has fixed the percentage for computing deposits to be made by a company with reference to the amount by which the statutory surplus exceeds Rs. 1 lakh. These deposits relate to the assessment to income-tax of any company for the year commencing on the first day of April 1957. No deposits will be required to be made in the cases where: (1) a company in which not less than 40 per cent. of the share capital is held by the Central Government or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments; (2) a company incorporated under any special Act of Parliament; (3) a banking company as defined in the Banking Companies Act, 1949 (10 of 1949); (4) a company, being an insurer as defined in the Insurance Act, 1948 (4 of 1938); and (5) a company engaged in the generation or supply of electricity.

In the case of all other companies, the figure fixed for computing the deposit to be made is 50 per cent. A notification to this effect has been published in a *Gazette Extraordinary* dated 16th April 1957.

Any comments on the draft rules published which may be received by the Ministry of Finance (Department of Revenue) by the end of April 1957 will be taken into consideration before the rules are finalised.

COMPANY MEETINGS AND DIVIDENDS

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Annual General Meeting, Madras, 30th April 1957. Dividend: 15 per cent. (5 per cent. first interim dividend plus 10 per cent. second interim dividend).

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Lohat, District Darbhanga, 30th April 1957. Dividend: Rs. 2.00 per share. Transfer books remain closed from 14th to 30th April 1957, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Annual General Meeting, Calcutta, 1st May 1957. Dividend: Re. 0.35 per share. Transfer books remain closed from 17th April to 1st May 1957, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 6th May 1957. Dividend: Re. 1.00 per share. Transfer books remain closed from 22nd April to 6th May 1957, both days inclusive.

INDUSTRIAL INVESTMENT LTD. Annual General Meeting, Bombay, 7th May 1957. Dividend: Rs. 5.00 per share, payable on and after 20th May 1957. Transfer books remain closed from 22nd April to 11th May 1957, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 7th May 1957. Dividend: Re. 0.50 per share. Transfer books remain closed from 22nd April to 7th May 1957, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 8th May 1957. Dividend: Rs. 11.00 per share (includes bonus of Re. 1.00 per share), payable on and after 14th May 1957. Transfer books remain closed from 22nd April to 10th May 1957, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th May 1957. Dividend: Re. 1.25 per share. Transfer books remain closed from 22nd April to 8th May 1957, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 9th May 1957. Dividend: Rs. 18.00 (includes bonus also) per share, payable on 13th May 1957. Transfer books remain closed from 22nd April to 9th May 1957, both days inclusive.

STANDARD MILLS CO., LTD. Annual General Meeting, Bombay, 10th May 1957. Dividend: Rs. 22.50 (includes bonus of Rs. 2.50) per share, payable from 13th May 1957. Transfer books remain closed from 22nd April to 10th May 1957, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 10th May 1957. Dividend: Rs. 2.00 per share, payable on 13th May 1957. Transfer books remain closed from 22nd April to 10th May 1957, both days inclusive.

CAWNPORE SUGAR WORKS LTD. Annual General Meeting, Kanpur, U.P., 13th May 1957. Dividend: Re. 0.75 per share. Transfer books will remain closed from 29th April to 13th May 1957, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 15th May 1957. Dividend: Rs. 22.00 per share, payable on and after 22nd May 1957. Transfer books remain closed from 22nd April to 14th May 1957, both days inclusive.

CAMBODIA MILLS LTD. Annual General Meeting, Coimbatore, 20th May, 1957. Dividend: Re. 0.50 (5 per cent.) per share. Transfer books will remain closed from 4th to 20th May 1957, both days inclusive.

SVADESHI MILLS LTD. Annual General Meeting, Bombay, 20th May 1957. Dividend: Rs. 14.00 per share (includes bonus of Rs. 2.00 per share), payable on and after 21st May 1957.

TATA MILLS LTD. Annual General Meeting, Bombay, 22nd May 1957. Dividend: Rs. 3.50 per share (includes bonus of 50 nP per share), payable on and after 23rd May 1957.

Points From The Chair

Chemical Industry

"THE chemical industry in India is relatively in its infancy, and your Directors are aware that there is an immense potential market for chemicals for India's growing industrialisation. We hope to be in the forefront of this industry and have continuously in mind for further extension. I do not intend to enter the worn-out controversy concerning the roles of the public and private sectors in industry, because I believe that both can function side by side, and the efficient working of both is essential to the success of India's plans. Certain spheres of industrialisation are not appropriate to private enterprise which, however, can be justly proud of its achievements to date and of its plans for the future. While I think that Government really take the same view of private enterprise's important role, nevertheless some recent legislation and decisions in the fields of labour and taxation are not easily reconcilable with it."

N. D. HARRIS,
Alkali and Chemical Corporation of India, Ltd.

Plan Targets

"For effectively reaching the Plan targets, Plan estimates indicate an investment of about Rs. 5,300 crores in the public sector alone covering the Central and State Governments. But the need for reappraisal of the position is becoming more apparent as the strains and stresses of the very first year of the Plan are beginning to be felt. There are enough indications to show that the present scheme of development is too ambitious to be carried out successfully without serious damage to the economy of the country. Further, if an additional Rs. 2,400 crores are needed in the private sector, the Plan will mean double the expenditure of the First Five-year Plan. It will be wisdom, therefore, that the Plan should not leave out of sight the resources available for it and should not also be allowed to dominate the economy to the point of breaking it. It is the view of many of our leading economists and industrialists that a re-examination of the resources is vitally necessary. The increase in the rate of investment in the Plan projects should also be in proportion to the rate of increase in consumption. But an underdeveloped economy can never keep pace with the rate of increase of investment which is out of proportion to its capacity for consumption."

M. A. M. MUTHIAH CHETTIAR
Indian Bank Ltd.

Bank Rate

"The official Bank rate of the Reserve Bank of India remained unchanged at 3½ per cent. but the cost to commercial banks of borrowing from the central banking institution has been progressively increased. In the first place, the rate of interest chargeable to commercial banks for loans against usance promissory notes under the bill market scheme was put up in two stages from 3 per cent. to 3½ per cent. and the concession that the Reserve Bank of India would bear half the stamp duty on usance promissory notes was withdrawn. Early this year, the stamp duty on bills of exchange and usance promissory notes was raised tenfold to two annas per cent. for three months or part thereof. This has enhanced the cost of borrowing against usance bills by a minimum of half per cent. and, when allowance is made for the fluctuations in the debit balances of customers over a period and of the Bank's borrowings against bills the rise in the real cost is very much more than half per cent. per annum. At the same time, the Reserve Bank rate for advances to Scheduled banks against Government securities was put upto 4 per cent. For all practical purposes, therefore, the Bank rate has effectively been raised from 3½ per cent. to 4 per cent. The working of the bill market scheme would, however, be much facilitated, if the Government were to annul the recent enhancement of the stamp duties on bills of exchange and usance promissory notes, leaving it to the Reserve Bank to charge the same rate of interest to Scheduled banks for loans against bills as against Government securities."

G. D. BIRLA,
United Commercial Bank Ltd.

Effect of High Taxation

"Both the Government and the public realise that it is absolutely necessary, if the standard of living of the people should be raised, that greater industrialisation should take place in the country, that funds should be available for such industrialisation whether in the public or the private sector and that both sectors should function in a complementary manner, if the purpose which Government has in view has to be fulfilled. I hold the view, however unorthodox it may be, that proper development of industries in the private sector would lead to a snowball effect gathering more and more momentum by the utilisation of resources saved so as to make further industrialisation possible, whereas there is not the same result or even the same incentive in public enterprises promoted by the State. A very high level of taxation which may produce more money to the State partly for promoting social amenities and partly for investing in public enterprise will have an atrophying effect on private savings and thus on the development of industries in the private sector."

SIR A. RAMASWAMI MUDALIAR,
Industrial Credit and Investment Corporation

STANDARD MILLS' PROFIT HIGHER

CAWNPORE SUGAR MAINTAINS DIVIDEND

Standard Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Mafatlal Gagalbhai & Sons, Bombay) submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts show that profit for the year after deducting depreciation of Rs. 28,10,063 (Rs. 17,27,971); deducting managing agents' commission and remuneration of Rs. 10,26,477 (Rs. 4,38,326) and providing Rs. 35,15,000 (Rs. 10,00,000) for taxation amounts to Rs. 47,99,772 (Rs. 28,87,581) to which is added balance brought forward from last year of Rs. 12,833 (Rs. 17,128) making a total of Rs. 48,12,605 (Rs. 29,04,709). From this amount the directors have appropriated to:—

Rehabilitation and development reserve Rs. 17,35,073 (*nil*), development rebate reserve Rs. 7,10,973 (*nil*), payment of proposed dividend of Rs. 4 per share, free of income-tax, on 6,000 4 per cent. cumulative redeemable 1st preference shares Rs. 24,000 (Rs. 24,000), payment of proposed dividend of Rs. 4 per share, free of income-tax, on 6,000 4 per cent. cumulative redeemable 2nd preference shares Rs. 24,000 (Rs. 24,000), payment of proposed dividend of Rs. 20 (Rs. 20) per share free of income-tax on 87,800 ordinary shares Rs. 17,56,000 (Rs. 17,56,000) and payment of proposed bonus of Rs. 2½ (*nil*) per share free of income-tax on 87,800 ordinary shares Rs. 2,19,500 (*nil*) leaving a balance to be carried forward to next year's account of Rs. 2,93,059 (Rs. 12,833 after placing Rs. 10,87,876 to special depreciation reserve).

The scheme of modernisation of the Mills was continued during the year under report. It will be observed that a sum of Rs. 1,76,202 has been spent on construction of new buildings and a sum of Rs. 26,84,364 has been spent on installation of new machinery during the year. Machinery amounting to Rs. 3,93,193 is under installation. The machinery installed has been working satisfactorily.

The Company has been granted a Certificate of approval for acquiring prospecting licences and mining leases in respect of many minerals in the State of Bombay. The Company has already obtained a licence from the Government of India for establishing a Cement Factory in Saurashtra. All steps are being taken to carry on the prospecting work and results are keenly awaited.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	99,80,000	Block ...	1,15,80,064
Reserves ...	2,50,82,705	Machinery awaiting installation	3,93,193
Provision for taxation ...	43,95,083	Stock-in-trade	96,57,050
Liabilities ...	74,02,458	Stores and spare parts	27,13,254
Profit and loss account ...	2,93,059	Other assets	22,273
		Debts, deposits and advances ...	62,70,987
		Investments	5,56,805
		Cash ...	1,59,59,679
Rs.	4,71,53,305	Rs.	4,71,53,305

Cawnpore Sugar Works, Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co. Private Ltd., Kanpur) submit the audited accounts of the Company for the year ended 31st October 1956.

The results for the year, after providing for all charges including provisions for taxation and depreciation, and adjustments, and having written back earlier provisions no longer required, show a surplus of Rs. 6,64,968 (Rs. 8,07,327). From this amount has been deducted the amount transferred to rehabilitation reserve Rs. 3,50,000 (Rs. 4,00,000) leaving a balance of Rs. 3,14,969 (Rs. 3,27,327 after providing Rs. 80,000 for contingencies reserve). To this has been added the carry forward from the previous year of Rs. 82,023 (Rs. 59,696) leaving at credit of profit and loss account Rs. 3,96,991 (Rs. 3,87,023). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend on the preference shares of 8 per cent. per annum, free of income-tax, for the year ended 31st October, 1956 Rs. 80,000 (Rs. 80,000), in payment of a dividend on the ordinary shares of As. 12 (As. 12) per share, free of income-tax, for the year ended 31st October 1956 Rs. 2,25,000 (Rs. 2,25,000) and carry forward Rs. 91,991 (Rs. 82,023).

A cane price attractive to the growers and reasonable climatic conditions allowed the Company's factories to increase the total cane crushed during the cane crushing season 1955-56. In the case of Marhowrah Factory, the quantity of cane crushed was 39,04,304 (32,62,453) maunds with an extraction of 9.89 (10.21) per cent. While the cane crop has increased considerably over the previous season there has been a diminution in the yield following the longer crushing period. In the case of Gauri Factory, there was a slight decrease in the cane crushed over the previous year to 22,40,830 (24,14,693) maunds but this was more than compensated for by an increased yield to 11.23 (10.68) per cent. which is one of the highest yields recorded in Northern India. Marhowrah Factory started crushing on the 4th November 1955 and finished on the 2nd May 1956, while Gauri Factory started crushing on the 5th December 1955 and finished on the 9th April 1956.

The high cane price continued at Re. 1-7 per maund at the Factory gate and Re. 1-5 per maund at out-stations, has been responsible for an increase in the quantity of cane grown and tendered to sugar factories for crushing, with the result that the total sugar produced in India reached the all-time record of 18.5 lakh tons. This high production of sugar tended to reduce market prices, particularly in U.P. and Bihar where despatches over the N.E. Rly. were in the first six months of the year somewhat disappointing. The high production has also been the reason for a considerable carry over of stocks of sugar from last season into the current season.

Reference was made in the last directors' report to plans to expand the sugar interests of the Company, and two additional factories have been added, namely, Padrauna Factory and Kathkuiyan Factory, both in the Deoria District of U.P., and within a few miles of the Company's existing Gauri Factory. During the season under review the Company, at the request of the Authorised Controller, assisted in the operation of the Factories until their sale to the Cawnpore Sugar Works, Ltd., was confirmed.

The operation of these two factories by the Company in the season under review did, however, place a strain on the Company's working capital. While expenses were not fully recovered during the season under review it is expected that the newly acquired factories will prove valuable assets in future.

The Cawnpore Distillery has now closed down for economic reasons and all labour has been paid off. Meanwhile the plant and machinery is being transferred to the Marhowrah Distillery to increase the production at that unit. The Marhowrah Distillery continued to work at a modest profit but with the added capacity of the Cawnpore equipment, that profit should increase.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	77,03,997
Reserves ...	65,63,722	Stock-in-trade	43,89,229
Provision for taxation ...	5,11,603	Stores and spare parts etc. ...	36,30,283
Liabilities ...	1,15,10,926	Goods-in-transit ...	56,489
Profit and loss account ...	91,991	Debts, deposits and advances ...	59,52,768
		Investments	4,69,793
		Cash ...	4,75,683
Rs.	2,26,78,242	Rs.	2,26,78,242

Braithwaite and Co. (India) Ltd.

The directors of the above Company (Secretary: Mr. Y. S. Tayal, Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1956.

After providing for depreciation and sundry charges the trading profit for the year amounted to Rs. 30,48,096 (Rs. 27,02,716). The higher rate of taxation imposed on Companies by the Finance Act (3) 1956 necessitates a provision for taxation of Rs. 15,70,000 (Rs. 13,00,000) resulting in a net profit of Rs. 14,78,096 against Rs. 14,02,716 in 1955. After bringing into account Rs. 3,579 (*nil*) being post-war refund of excess profits tax, Rs. 7,00,000 being excess provision for sales tax no longer required, Rs. 5,59,761 (Rs. 2,09,750) being balance brought forward from last year's accounts and after charging Rs. 2,12,242 for super tax payable on the issue of bonus shares, the balance available for appropriation is Rs. 25,29,194 (Rs. 16,12,466). On the results of the year's trading the directors have paid an increased dividend of Rs. 2 per share (Rs. 1-12-0 in 1955) absorbing Rs. 11,31,958 (Rs. 12,02,705) and transferred Rs. 11,97,937 (*nil*) to general reserve, leaving Rs. 1,99,299 to be carried forward.

By resolution passed by the Company in General Meeting held on 18th December 1956, the Company's shares were restored to their original value of Rs. 10. It is a matter of great satisfaction to the directors that the prudent policy followed by the Company has made this possible. The Company's Order Book is in a healthy condition and in the opinion of directors, prospects remain good.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,59,790	Block ...	51,44,314
Reserves ...	58,54,991	Stock and stores ...	10,02,902
Provision for taxation ...	13,84,637	Contracts-in-progress ...	1,07,33,875
Liabilities ...	78,62,812	Erection plant etc. ...	2,74,027
Profit and loss account ...	1,99,299	Debts, deposits and advances ...	9,39,425
		Investments	18,77,933
		Cash ...	9,89,053
Rs.	2,09,61,529	Rs.	2,09,61,529

South Karanpura Coal Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st August, 1956.

This is the first annual closing of the Company's accounts. These accounts have been drawn up in conformity with the Companies Act, 1956.

Raisings and despatches.—168,281 tons of coal were raised and 181,663 tons were despatched compared with 172,969 tons raised and 177,801 tons despatched in the preceding period.

The earlier part of the year covered a period of change from open cast working to underground mining at the Company's West Sirka properties.

The usual difficult wagon supply period in the first half of the year was followed by a few months of excellent movement resulting a very heavy reduction in stocks. The directors report that good transport conditions continue.

Labour Awards.—It would be premature to advise firmly on the likely outcome of the All-India Industrial Tribunal (Colliery Disputes) and its effect on the operation of the mines since the Award itself has been the subject of an Appeal which again is for hearing in the Supreme Court.

Electric Power.—As stated in the directors' report a year ago the power connection with the D.V.C. was completed. The directors are glad to report that this has resulted in reducing power costs considerably.

The profit and loss account after providing for all charges and making provision of Rs. 1,05,443 (Rs. 57,650) for depreciation shows a profit of Rs. 73,600. From this amount is deducted the balance brought forward from the previous year Rs. 51,533 leaving a balance of Rs. 22,067, to which is added refund of excess tax paid Rs. 60,190 making a total of Rs. 82,257. The amount transferred to development rebate reserve absorbs Rs. 600 and amount transferred to general reserve Rs. 10,000 leaving a balance available of Rs. 71,657. The directors propose to dispose of this as follows:—

By payment of a dividend at the rate of 3½ per cent. per annum without any deduction for income-tax payable by the Company Rs. 61,250 and by carrying forward Rs. 10,407.

In the half-year ended 31st August 1948, the directors decided to revalue the fixed assets of the Company to a figure corresponding more closely to market values at the time by the addition of the sum of Rs. 3,13,000 and to create a reserve of similar amount named capital reserve which would be used specifically for the purpose of making adjustments in the future value of the fixed assets.

The directors therefore feel that it is necessary to calculate depreciation on actual cost only and that, if a lower valuation of the fixed assets of the Company is called for in the future, a suitable adjustment may be made by utilising the above reserve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,50,000	Block ...	22,79,233
Reserves ...	10,89,693	Stock-in-trade	12,920
Liabilities ...	10,72,055	Stores and spare parts etc. ...	1,72,132
Profit and loss account ...	10,407	Debts, deposits and advances ...	14,32,862
		Investments	6,183
		Cash ...	18,825
Rs.	39,22,155	Rs.	39,22,155

Benares Electric Light and Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June 1956.

As envisaged when making the report for the half-year ended 31st December 1955, and as indicated in the schedule forming part of the report now under review, development is such that expenditure on capital account is becoming exceedingly heavy, making it imperative that additional capital be raised and this is under consideration. As an interim measure, it is proposed to set aside Rs. 1,05,000 to general reserve.

The following table gives the units of electricity sold and the revenue earned for the last six half-years:

Half-year ended	*Units sold*	*Revenue*
31st December 1953 ...	11,071,085	16,24,041
30th June 1954	11,233,253	14,49,894
31st December 1954 ...	11,582,601	16,21,616
30th June 1955	13,298,217	15,79,101
31st December 1955 ...	14,635,884	20,05,122
30th June 1956	15,908,508	18,97,015

After providing for all charges, and placing Rs. 22,012 (Rs. 20,844) to statutory contingencies reserve, Rs. 58,400 (Rs. 58,400) to reserve for redemption of debentures, Rs. 6,000 (*nil*) to reserve for bad and doubtful debts and Rs. 1,05,000 (Rs. 21,000) to general reserve, there remains a balance of Rs. 1,24,992 (Rs. 1,46,767) including Rs. 38,507 (Rs. 38,780) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed as follows:—

Payment of a dividend at the rate of 10 (12½) per cent. per annum free of income-tax for the half-year Rs. 85,000 (Rs. 1,06,250) and carrying forward to next half-year Rs. 39,992 (Rs. 40,517).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,00,000	Block ...	52,49,631
Debentures ...	12,00,000	Capital work-in-progress	35,10,930
Reserves ...	30,55,969	Stores and spares ...	10,12,687
Provision for taxation ...	4,13,232	Other assets	601
Liabilities ...	66,36,687	Debts, deposits and advances ...	13,77,594
Profit and loss account ...	39,992	Investments	2,38,160
		Cash ...	16,11,613
		Miscellaneous expenditure	44,664
Rs.	1,30,45,880	Rs.	1,30,45,880

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

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ALEX. IZAT,
General Manager.

AB-14

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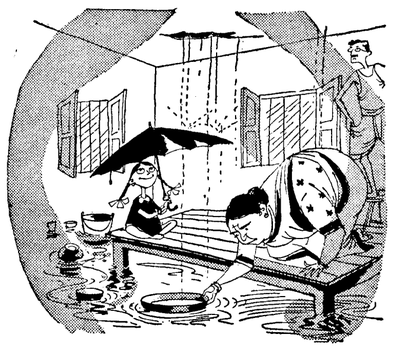

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NEW PUBLICATIONS

Indian Railway Finance. By Dr. V. V. Ramanadham. Published by Atma Ram and Sons, Kashmere Gate, Delhi 6. Pages 184. Price: Rs. 7-8.

BESIDES being an important means of carrying goods and transporting people and a substantial contributor to the general revenues, the Indian railways provide employment for over a million people. It is, therefore, a vital sector of the economy exerting decisive influence on the trade and commerce of the country. The railways naturally offer a wide field for inquiry and fruitful investigation. Unfortunately, academic interest in this vitally important subject is less than what it really deserves. The scanty literature available on it consists mostly of official reports or reports of *ad hoc* committees appointed from time to time. Any addition to the literature on railways is therefore welcome.

Until the commencement of the present century railways had been a drain on Government's revenues. The railways were a losing concern mainly because of the perfunctory and unbusinesslike methods adopted in running it. Signs of financial health were visible since then, thanks to the change in railway policy and operational methods and in the last 50 years it has grown into a valuable national asset, more than paying for itself. In the book under review Dr. Ramanadham examines the pattern of railway finance since 1900. The author who is a Reader in Commerce in Andhra University, has already had to his credit a few other books on the economics of transport. The book under review is the elaboration and further development of the thesis prepared by the author and approved by the Andhra University for the Ph.D. degree in 1949.

The book is divided into three parts. The first is devoted to an analysis of the secular and cyclical changes in the railway economy and an attempt is made to relate them to the general business conditions which obtained during the period. The second part is taken up with a study of the cost behaviour of railways in times of business boom and depression. Owing to the fixity of cost and also because capital investments are lumpy, the probability of losses is more certain during depression than gains during boom. Maintenance work and replenishment of stock are generally neglected during both periods, the difficulty being financial during depression and physical during boom periods. In this connection, the author points out the need for a long-term expenditure policy for railways in order to carry out maintenance and replacement programmes.

In the third part, which indeed is the kernel of the book, the author analyses railway profits and its relationship with railway rates. The main emphasis is laid on the rate level rather than on the rate structure as the former is considered more fundamental. During the course of the illuminating discussion on profit-rate relationship it is argued that regulation of profits is a necessary prerequisite of regulation of rates as the magnitude of the former is an index of the reasonableness of the latter. The author also examines critically the Separation Convention of 1924 and its revised version of 1949 and compares them with the system of profit regulation prevalent in Britain and U.S.A.

Of more immediate interest is the discussion of some of the present problems contained in the last chapter. The author makes some very pertinent observation on the zonal regrouping of railways and the freight pool. He holds that although the objectives of regrouping, namely, the attainment of the optimum size in respect of operation, finance, and policy are sound, they have not been realised in India to any significant extent. He also makes certain practical suggestions for achieving these objectives. Regarding the freight pool it is argued that it can at best offer a negative stimulus to the development of backward areas by removing their disadvantages from the point of view of transport. Development of backward areas can be achieved only through more positive governmental measures, though it is not denied that freight pool in respect of coal and building materials would create a favourable background for development. It is better, observes the author, to keep the question of development of underdeveloped regions, separate from the freight pool and make out a case for or against freight pool on its own merits.

The author has brought to bear upon the subject an analytical mind sufficiently trained in the discipline of modern economic analysis. The motivations of the author being academic, the conclusions are unbiased. The value of the book is considerably enhanced by numerous statistical tables, graphs and charts added on to the text.

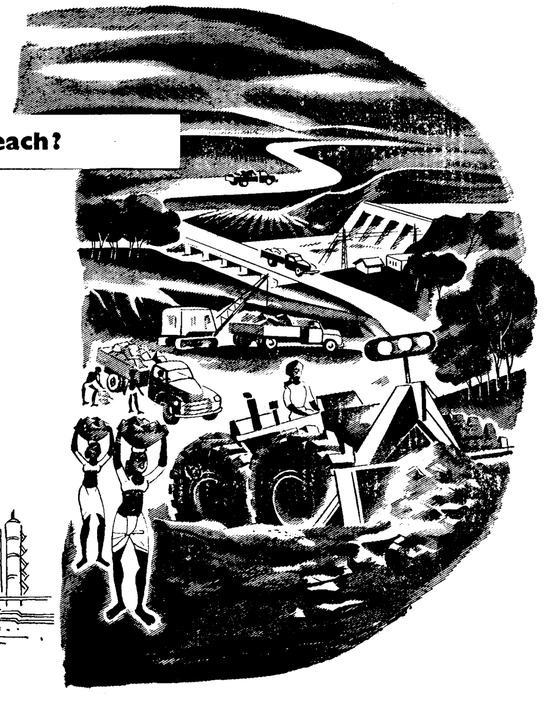
Yojana. Edited by Kushwant Singh. Published by the Director, Publications Division, Ministry of Information and Broadcasting, Government of India, Delhi 8. Price: 10 Naye Paise.

As the success of the Five-year Plans depends so much upon the co-operation of the people it is imperative that the latter should be made aware of the tremendous significance of the Plan to their individual and community life with a view to eliciting their sincere and purposeful participation. Much of the publicity work undertaken in this respect in the past had been of a haphazard or perfunctory nature, though there is no denying that a large volume of posters, folders and booklets had been printed and distributed at nominal price. *Yojana*, under notice, is the first and only journal designed specifically to cater to the need for publicity for the Plan. Its aim is "to carry the message of the Plan and an understanding of its aims and values to villages throughout the country and to the workers, official and non-official, in the different fields of national life." *Yojana* will embrace not only developments in the economic field, but will cover the endeavours of the people in the educational, social and cultural fields as well. Presently issued as a fortnightly in English and Hindi, it will, in due course, be converted into a weekly and published in all the major regional languages. It is heartening to know that, though sponsored by the Planning Commission, *Yojana* will in no way be restricted to expressing the views of the Government.

While wishing *Yojana* all success, one would like to suggest that the articles and features appearing therein should continue to be non-technical and presented in a manner which will appeal to the common man for whom it is primarily intended. If this can be ensured the journal is bound to have an increasingly wider readership.

Labour in Ancient India. By K. M. Saran. Published by Vora & Co., Publishers, Ltd., Bombay 2. Pages 106. Price: Rs. 5.

The literature on the economic conditions in ancient India is still meagre and is even more meagre than the literature on ancient India's political conditions. We would, therefore, welcome the attempt made by Mr. K. M. Saran in his book *Labour in Ancient India* wherein he has brought to bear upon the subject much scholarship. The author has examined the social structure and occupations in ancient India, technical and vocational training as well as the regulation of industrial relations. He has drawn much of his material from the Upanishads, Smritis and in particular from Kautilya's Arthasastra. The chief difficulty in a work of this kind is to find out which of the rules and regulations recommended for adoption by the ancient writers were actually observed in practice. Be that as it may, it is interesting to note that Kautilya recommended the withholding of a week's wages from any worker who did not perform his work or did it carelessly. The book is a notable addition to the admittedly small library of books on ancient Indian economy. It carries a select bibliography which a research student will find useful.



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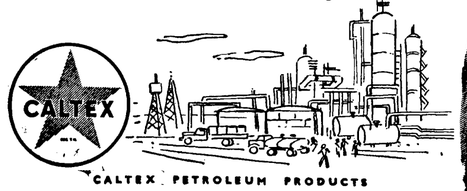

CALTEX PETROLEUM PRODUCTS

SLIGHT RELAXATION IN MONETARY STRINGENCY

(From Our Own Correspondent)

BOMBAY, *24th April*

The short-term money market showed signs of slight relaxation in the stringency during the week under review. This was not, however, due to any enlargement in floating funds in the market or to any falling off of demand for bank credit. The banks were not very keen borrowers in the market either. No doubt, some funds were placed by the Insurance Corporation, but a larger share of banks' requirements was presumably met by their sale of securities to the Reserve Bank, if the increase of about Rs. 20 crores in the Reserve Bank's investment portfolio during the week ended 19th April and a fall of Rs. 1.23 crores in Scheduled banks' investments in the preceding week provide any indication. If that is so, it will be further reflected in the Scheduled banks' statement for the week ended 19th April. Banks have also been able to reduce their borrowings from the Reserve Bank and the State Bank of India.

The aforesaid conditions were more fully reflected in the inter-bank call money rate, which was more commonly quoted at 3¼ per cent., as against 3½ per cent. in the previous week. House money at call was placed at 4 to 4¼ per cent. and short-term deposits for 1 to 6 months at 4¼ to 4½ per cent., the higher rate being offered for large amounts.

The Reserve Bank's statement for the week ended 19th April 1957 disclose a shrinkage of Rs. 5.31 crores in notes in circulation, in contrast to the successive increase noted in the previous three weeks aggregating Rs. 56.62 crores. Notes held in the Banking Department are up by Rs. 5.76 crores and the small increase in total notes issued is covered by a corresponding rise in rupee coin. In the Banking Department, the deposits of the Central Government have declined by Rs. 2.19 crores, following the decrease of Rs. 10.97 crores in the previous two weeks. Deposits of other Governments and banks have gone up by Rs. 4.01 crores and Rs. 2.06 crores, respectively. With the latest increase, the deposits of banks have risen by Rs. 20.79 crores in the last four weeks. Balances held abroad are lower by Rs. 4.37 crores, bringing the aggregate fall in foreign assets during the last five weeks to Rs. 30.39 crores. Loans and advances to Governments are also lower by Rs. 9.57 crores and other loans and advances by Rs. 5.60 crores, of which outstanding borrowings by Scheduled banks against usance bills account for Rs. 1.88 crores. Fresh borrowings by banks against these bills during the week amount to Rs. 7.92 crores, while repayments aggregate Rs. 9.80 crores. Investments show a sharp rise of Rs. 19.99 crores, while Government Treasury bills purchased and discounted have declined by Rs. 8.39 crores.

A fractional decline in demand deposits of banks is disclosed by the Scheduled banks' statement for the week ended 12th April 1957, while time deposits show a further increase of Rs. 7.17 crores. Borrowings from the Reserve Bank have been reduced by Rs. 1.02 crores and those from the State Bank by Rs. 2.07 crores. Advances show only a fractional rise, while bills purchased and discounted are up by Rs. 3.66 crores. Investments stand reduced by Rs. 1.23 crores while cash balances have increased by Rs. 1.28 crores.

The Gilt-edged market remained featureless for yet another week, but the undertone remained steady, thanks to small enquiries for select issues. State loans were devoid of support and a decline in prices was noted in a few issues. 3 per cent. 1986 Conversion Loan picked up 10 nP to Rs. 74.40 on some outside enquiries. 3 per cent. 1970-75 was unchanged at Rs. 87.20, 3 per cent. 1966-68 at Rs. 92.15, 3 per cent. 1964 at Rs. 94.45 and 3 per cent. 1963-65 at Rs. 94.20. 3½ per cent. 1962 was dull at Rs. 97.80, as also 3½ per cent. 1961 at Rs. 99.50. 3½ per cent. 1964 was placed at Rs. 98.30 ex-voucher, as against Rs. 98.40 *cum*-voucher a week ago, 3½ per cent. 1965 and 3½ per cent. 1967 improved by 5 nP to Rs. 98.30 and Rs. 98.50, respectively. Among State loans, 4 per cent. Bombay 1967 shed 15 nP to Rs. 99.35 and Madras 1968 10 nP to Rs. 97.85. 4 per cent. Andhra 1967 dropped 30 nP to Rs. 97.50 and 1968 5 nP to Rs. 97.75.

In the foreign exchange section, rupee ruled steady in terms of the U.S. dollar, banks selling rate for ready dollars declining from Rs. 480 to Rs. 479.75 per $100. Their buying rate was maintained at Rs. 476.50 per $100. This is in consonance with the slight improvement in sterling abroad. Thus, in New York, spot sterling gained from $2.78¾—2.78¾ to $2.78¾—2.79, three months' forward from $2.77-15/16—2.78-1/16 to $2.78-1/16—2.78-3/16 and transferable sterling from 276.15—276.25 cents to 276.40—276.50 cents.

LINSEED ADVANCES

(Messrs. A. Bradley and Co.)

CALCUTTA, *22nd April*

Very firm conditions prevailed in the linseed market throughout the week and there was a continuous advance in prices, although actual turnover was disappointing. The main feature was scarcity of supplies. Ready goods were virtually unobtainable, and sellers for forward delivery were very reserved. The expected emergence of new season's supplies was frustrated by the apparent intention of upcountry merchants to withhold stocks to the limit of economic feasibility. The hope of a better demand for oil from abroad spurred local buyers on to increased activity at increasing prices, but without any corresponding enthusiasm from overseas buyers.

The latest quotations are: Ready Rs. 23 and April-May Rs. 22-12 per maund.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, *24th April*

The bullion market ruled steady during the week under review, with fluctuations confined to a narrow range. The most outstanding event of the week under review was the announcement on Monday, the 22nd inst., by the Government of India of its decision to return to the U.S. Government the silver given by the latter under lend-lease arrangement during the last war. Of the total quantity of 226 million ozs. given then, India's share following partition was 172 million ozs. The Government of India made arrangements to ship today 50 million ozs. in the form of bars. The balance of 122 million ozs. will be returned in the form of quaternary alloy coins, which the U.S. Government will refine and keep all the metals recovered in the process. The U.S. Government will bear the costs of handling, transportation and refining.

The significance of this announcement to the silver market was that it set at rest all speculation about the Government coming to the market to buy silver for returning the lend-lease metal to the U.S., in case the latter declined to accept the quaternary coins. This bearish news, coupled with the reports that heavy duties had been paid in the last few days for import of Tibetan coins, would have upset the silver section but for the speculative support induced by the good offtake in the ready section.

Gold was listless, on account of reports that there had been a persistent inflow of unauthorised metal, but prices did not show any recession on account of the steady demand in the ready section.

Forward silver (14th May settlement) relapsed early in the week from Rs. 181-1 to Rs. 180-1, but good demand, despite the influx of Tibetan coins, lifted prices to Rs. 181-13. There was, however, again a slight setback to Rs. 181-4 at the close today. Business in June settlement commenced on the 17th inst., at Rs. 180-8 and, after a recession to Rs. 180-1, moved up to Rs. 181-11. The closing was done at Rs. 181-6.

Ready silver finished at Rs. 181-4, after moving down to a low of Rs. 179-9. The floating stocks are placed at 1,200 bars. The daily average offtake was about 20 bars.

Gold for forward delivery (13th May) fluctuated between Rs. 105-12 and Rs. 105-3, but closed As. 2 lower over the week at Rs. 105-8. The next settlement, in which business commenced yesterday, was done between Rs. 105-10 and Rs. 105-5.

Ready gold slipped back from Rs. 105-14 to Rs. 105-9. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,000 tolas and the offtake was also of the same order.

In New York silver held its own at 91.3/8c. London silver, however, gained from 79.7/8d. to 80d. for spot and from 79¾d. to 79¾d. for forward. Gold fluctuated between 250s. 4d. and 250s. 3¼d.

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

	24-4-1957	Highest	Lowest	16-4-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	105 0	105 15	105 6	105 14
Forward*	105 8	105 12	105 4	105 10
Sovereign	69 6	69 6	69 4	69 4
SILVER				
Ready (.996 fine Mint) ..	181 4	181 9	179 9	180 9
Forward†	181 4	181 13	180 1	181 1
London Silver Ready ..	80d.	80d.	79¾d.	79¾d.
London Forward	79¾d.	79¾d.	79¾d.	79¾d.
London Gold	250s. 3¼d.	250s. 4d.	250s. 3¼d.	250s. 4¼d.
New York Silver	91¼c	—	—	91¼c

* 13th May settlement.
† 14th May settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

TEA EASY

(From Our Own Correspondent)

CALCUTTA, *23rd April*

Easy conditions were again in evidence during last week's sale in tea for internal consumption, when the number of chests containing dusts on offer was 18,921. A strong feature, however, was medium C.T.C.s having bright liquors and a clean leaf appearance which were sold at higher rates. Buyers also devoted good attention to black leafy teas from all districts suitable for export. Orthodox Assams possessing useful liquors also declined, but the fall was not as big as 4 nP to 8 nP noted in the prices of the balance of teas on offer. The quotations were: Best Assam C.T.C.—not quotable, the quantity on offer being insufficient; medium Assam C.T.C. Re. 1.75 to Re. 1.85; medium Assam grainy dust Re. 1.65 to Re. 1.70; and medium Dooars Re. 1.50 to Re. 1.60.

There was no leaf sale.

Special export licence was offered at 17 nP per lb. However, buyers' term was only 15 nP per lb. The new season's quota was wanted at 24 nP with no sellers. Shipping licence changed hands at 13 nP, but, earlier, sellers had demanded 15 nP per lb.

Tea trade circles noted that there had been a further increase in the U.K. stocks. For the week ended 13th inst., there were 143.68 million lbs., as against 140.37 million lbs. in the previous week. During the sales in London on the 16th inst., buyers showed interest in good quality teas such as good coloury medium teas of Ceylon and good liquoring and coloury descriptions from the south of India. Poor quality and light liquoring kinds were marked down. At the auctions held in Colombo on the 15th inst., there was active demand for all teas on offer, excepting medium grown brokens.

COTTON FUTURES RECOVER AT CLOSE

(From Our Own Correspondent)

BOMBAY, *24th April*

The cotton futures market presented a distinctly bearish trend in the first four sessions but picked up strength on Monday. The earlier bearish tone followed the official closing of the market for a day on the 17th inst. by the Forward Markets Commission, doubling of margins on transactions put through at rates higher than sub-ceilings and downward revision in the ceiling rates for Jarilla and Vijay cottons from Rs. 820 and Rs. 970 to Rs. 754 and Rs. 878 per candy, respectively. These developments, coupled with the F.M.C's warning to traders in Akola not to indulge in speculative and illegal trading in cotton, adversely affected the sentiment of operators. The categorical declaration by the Union Commerce and Industry Minister that the Government would not reduce excise duty on mill cloth and the official decision to permit import of 70,000 bales of sterling area cotton with immediate affect also acted as a damper. There was, therefore, a wave of selling on Thursday and prices suffered a sharp break. The market ruled listless on the subsequent two days but picked up strength on Monday, as stated at the outset, when renewed buying by leading bulls led to a recovery in values. The recovery persisted practically till the close today. A large part of the earlier losses was made up and today's closing rates were near those prevailing eight days ago. In fact, Jarilla May contract was higher by Rs. 9.50.

M.G. Jarilla May opened the week at Rs. 756, as against the previous close of Rs. 737.50, and advanced to Rs. 759 on the same day. When trading was suspended on the same day at 12.47 p.m., the contract was quoted at Rs. 754. It sharply declined on nervous liquidation to Rs. 730 on the following day. After moving narrowly on Monday, it elicited fresh buying support yesterday and improved to Rs. 747 at which rate it closed today. Vijay April fell from Rs. 915 to Rs. 890 on Monday, on account of persistent selling. It, however, recovered on fresh support to Rs. 902 today before closing lower at Rs. 900. Vijay June also followed more or less the same pattern. After moving down from Rs. 862 to Rs. 847 on Monday, the contract firmed up to Rs. 859.50 today. The following is the trend of prices of the contracts during the week:

(In rupees per candy of 784 lbs.)

	24-4-57	*High*	*Low*	16-4-57
Jarilla (May) ...	747	759	730	737.50
Vijay (April) ...	900	915	890	903.00
Vijay (June) ...	859.50	882	847	862.00

The fixation of revised ceiling on the basis of rates prevailing at the time of suspension of trading is generally considered to be equitable and not arbitrary; but certain quarters feel that the Forward Markets Commission is not justified in reducing the ceiling drastically. There were rumours that many Directors of the East India Cotton Association Board had resigned as a protest against increased Government intervention.

The E.I.C.A. would appear to have urged the F.M.C. to permit trading in new contracts, Jarilla July and Vijay August, as it is thought that this will reduce the pressure on the current contracts. The Commission, however, does not seem to have seen eye to eye with the E.I.C.A. on this point as, in its opinion, it is not sure that the new contracts will not behave as erratically as the current ones, especially since the supply of tenderable cotton is extremely scarce. It has, therefore, refused to permit trading in the new contracts. In the reported view of the Commission, the by-laws under which the hedge contracts are functioning at present were framed in expectation of a larger cotton crop this year. In view of the sharp turnround in the supply position these by-laws require considerable modification. It is not considered expedient and advisable to revise the by-laws in the middle of the season.

Meanwhile, interest of cotton traders is focussed on the fixation of room rates on the 26th inst. Tenders against Vijay April till the 22nd inst. aggregated 6,350 bales.

The developments in the futures section had its natural reaction in the spot section. Following suspension of futures trading and downward revision in ceilings, spot values declined by about Rs. 10 per candy the next day. But owing to continued scarcity of quality cotton, prices again firmed up. Rumours were current that the Government may take drastic measures to arrest the inflationary trend in the spot section also, as has been done in the case of futures.

The Joint Chief Controller of Imports announced on the 18th inst. that licences for the import of 50,000 bales of East African cotton of staple length 1-1/32" to 1-3/16" would be issued with immediate effect. Following the announcement, there was a virtual scramble for securing import licences by leading Ahmedabad and Bombay mills and the quota was exhausted within three days. An additional quota of 20,000 bales of cotton of stapling 1-3/16" from soft currency areas was announced on Monday. This quota is also expected to be exhausted soon. Indian mills consider East African varieties to be the cheapest of all sterling area cotton. U.S. growths are, of course, cheaper; but mills in this country which are accustomed to using East African cotton would appear to be prepared to pay a slightly higher price for it.

The latest available spot quotation—in rupees per candy of 784 lbs.—from Sewri are given below:

Bengal *Deshi* 730; Berar Jarilla 815; Khandesh 825; Vijay 745; Oomra *Deshi* 780; Moglai 765.

In contrast to the easy trend noted last week, the Karachi cotton market ruled fully steady during the week under review. Fears of U.S. competition would appear to have been allayed by pros-

pects of better demand for Pakistan cotton from Japan and China, following the ban on exports of Indian cotton. Sentiment was also favourably affected by rumours that a Chinese charter had been arranged for the shipment of 25,000 bales of Pakistan cotton to China next month. Some buying support ensued as a consequence and prices of cotton were held firm. N.T.R.G. May improved by an anna to Rs. 79-7. July delivery put on As. 3 to Rs. 81-15. In the spot section, *Deshi* styles registered a decline. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 87; Punjab *Deshi* 81; 4 **F** Punjab Roller 82-7; S.G. 86-15; L.S.S. Punjab Roller 84-15; S.G. 88-15; N.T. Roller 83-15; S.G. 81-7; 289 **F** Punjab Roller 87-15; S.G. 96-7.

Limited turnover with narrow price movements characterised trading in the Alexandria cotton futures market this week. For there was continued slackness in demand. Karnak May registered a decline, while the July position advanced slightly. Ashmouni April delivery closed a shade higher, but June delivery was easy. Spot premiums did not show any significant change and the volume of business continued to be small. Export sales from the commencement of the season till the end of March were 507,239 bales (of 730 lbs.), as compared with 792,362 bales in the same period last season. Actual shipment up to 27th March last aggregated 343,764, as against 576,943 bales in the corresponding period of the previous season.

In its fourth and final estimate, the Egyptian Ministry of Agriculture has placed the current season's cotton crop (excluding scarto) at 7,061,000 kantars, as against the last season's outturn of 7,253,000 kantars. Trade circles are expecting the Government's permission to commence trading in new crop months towards the end of the month. The latest available rates—in tallaris per lb.—from Alexandria are given below:

Karnak: May 112.35; July 112.60. *Ashmouni*: April 79.00; June 78.00; August 78.20.

The Sudan Gezira Board has suspended new crop sales by auctions, as the bidding at the recent auctions were very slow. The Board has decided that cotton should henceforward be sold by tenders, the highest bidder being given the cotton. Sales by tender commenced on the 18th inst. It is reported that the Sudan Government is seriously considering measures to dispose of its cotton, following the Egyptian Government's recent decision to give a discount in prices for cotton exported.

Values in the Liverpool cotton futures market registered an improvement, due mainly to commission house buying and short-covering. Distant deliveries, however, were easy on account of hedge selling. American interests were also sellers in distants. In view of the uncertainty generated by the Sudan Government's decision to substitute sales by auctions by sales by tenders, Sudan cotton contracts were neglected. The latest available quotations—in pence per lb.—from Liverpool are as under:

American One Inch Staple Contract: May-June 26.50; July-August 26.34; October-November 26.19; December-January 26.14. *American Cotton Mixed Growth Contract*: May-June 26.65; July-August 26.47; October-November 26.26; December-January 26.20. *Sudan*: May-June 42.57; July-August 41.60.

The New York cotton futures market depicted a fully steady trend during the week. Local and New Orleans selling was absorbed by short-covering and commission house buying, induced by reports of unwanted rains in the cotton tracts, especially Texas and Oklahoma. Turnover was, however, limited, in view of the prevailing uncertainty over the possible course of cotton policy. A section of the trade believes that, as the futures market has been dislocated to a considerable extent by the operation of the double-price system, the authorities will consider the feasibility of restoring the system of single-price trading. In fact, a return to the single-price system has been strongly urged by certain influential quarters.

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

(In cents per lb.)

	21-4-57	15-4-57	9-4-57
Spot	35.40	35.45	35.45
May	35.27	35.21	35.15
July	34.85	34.68	34.66
October	33.60	33.68	33.70

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 24th *April*

Dull conditions prevailed in the yarn market during the week under review. In the absence of any encouraging development and thanks to absence of enquiries from consuming centres, transactions put through were very much limited, with values moving narrowly. Rayon yarns were subjected to selling, induced by expectations of large arrivals of yarn at lower cost from the Continent, following the resumption of traffic through the Suez Canal. Cotton yarns lacked support. There were reports that some of the up-country mills which were financially weak were inclined to dispose of their stocks at reduced prices. The fibre yarn section ruled quiet, notwithstanding hopes of revival of demand from Punjab, Surat, Bhagalpur and other important consuming centres.

Snia rayon yarn (120 dull cones) for April delivery encountered selling and, fell by Rs. 2 to **Rs. 807**. June position was neglected at Rs. 822. **150 Bright** cones for April delivery was unchanged **at Rs. 625**. Spot 150 Italy receded by 27 nP to **Rs. 3.67**. 120 Japan lost 7 nP to Rs. 4.09. 150 Japan eased by 3 nP to Rs. 4.09. 120 Italy, however, elicited some support and gained 6 nP to Rs. 4.00. Among indigenous yarns, National Rayons 120 Bright cones 1st grade was done at Rs. 3.70 and 150 Bright cones 1st grade at Rs. 3.32.

Staple fibre yarns (40×2) for June delivery dropped Rs. 2 to Rs. 616. April delivery fell by Rs. 5 to Rs. 612. Spot 40×2 Centurys were quiet at Rs. 3.25. Kohinoors and New Greats, however, had some enquiries and increased by 4 nP each to Rs. 3.32 and Rs. 3.23, respectively. Citys were a fraction better at Rs. 3.23. Among foreign yarns (80×2), Fujis were dull at Rs. 5.31, while Paramounts put on 3 nP to Rs. 5.34.

In the cotton yarn section, ten counts Podars and Moderns were quiet at Rs. 14.62 and Rs. 14.87, respectively. Twenty counts Gokaks and Moderns remained unchanged, the former at Rs. 18.75 and the latter at Rs. 18.87. Maduras declined by 12 nP to Rs. 19.25. Thirty counts Edwards were neglected at Rs. 21.50. Indus receded by 12 nP to Rs. 21.75. Forty counts Moderns were unchanged at Rs. 27.75. Minaxis, on the other hand, hardened by 88 nP to Rs. 28.25, on special enquiries. Among 60s, Finlays remained stagnant at Rs. 61.00, but Raghuvanshis improved by 75 nP to Rs. 58.00 and Moderns by 25 nP to Rs. 61.50. Eighty counts Mahendras were on offer at Rs. 73.00. Finlays changed hands at Rs. 81.50, same as last week. Moderns shed 25 nP to Rs. 76.00.

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

	24-1-1957	16-4-1957
	Rs.	Rs.
Art silk yarn **(per case of 200 lbs.)—**		
120 Dull Cones Snia April	807.00	809.00
150 Bt. Cones April	625.00	625.00
120 Japan (per lb.)	4.09	4.16
150 Japan (per lb.)	4.09	4.12
120 Italy (per lb.)	4.00	3.94
150 Italy (per lb.)	3.67	3.94
Staple fibre yarn **(per case of 200 lbs.)—**		
40×2 April	612.00	617.00
40×2 June	616.00	618.00
40×2 New Great (per lb.)	3.23	3.19
40×2 Century (per lb.)	3.25	3.25
40×2 City (per lb.)	3.23	3.22
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	14.62	14.62
20s Madura	19.25	19.37
30s Edward	21.50	21.50
40s Gokak	..	27.00
60s Raghuvanshi	58.00	57.25
80s Modern	76.00	76.25

OILSEEDS MOVE UP FURTHER

(From Our Own Correspondent)

BOMBAY, 24th *April*

The oilseeds market continued to rule buoyant during the week under review, with values touching new high levels. Hopes of fresh support from export houses following bear covering and replacement buying kept up the sentiment in the castor section, despite frequent profit-taking and fears of interference by the Forward Markets Commission to keep down prices. Hectic replacement buying and bear covering imparted strength to the groundnut section. Notwithstanding the earlier dullness caused by the Forward Market Commission's directive to suspend trading in cotton and the apprehensions of alteration in the margin system in order to check the rising trend, the cottonseed section staged a further rise in prices, thanks to support from upcountry centres. The undertone of the market was firm.

Groundnut May contract opened at **Rs. 172.25** and, after an initial decline to Rs. 170.37, advanced to Rs. 175.75 on 23rd. This level was more or less maintained on the 23rd inst. and today. At the close, however, it was a shade easy at Rs. 174.50. The net gain over the week was Rs. 3. August contract commenced at Rs. 176.35 and steadily increased with minor fluctuations to Rs. 180.25 today, before finishing at Rs. 179.50. The contract put on Rs. 4 over the week. Spot Bold F.A.Q. was higher by 50 nP at Rs. 34.75. Groundnut oil ex-mill was done at Rs. 19.62, as against Rs. 19.

Castorseed May contract opened at Rs. 180.75 on the 17th inst. and, after fluctuating between Rs. 178.00 and Rs. 184.75, closed at Rs. 173.25 today, the net increase over the week being thus Rs. 2.50. September contract commenced at Rs. 186.00. It fluctuated between Rs. 183.25 and Rs. 190.75, but was done lower at Rs. 189.25 at the close today. Spot Madras rose up by Rs. 1.38 to Rs. 36.00. Oil B.S.S. was in demand at Rs. 22.12, as against Rs. 21.75.

Linseed May contract declined from the opening level of Rs 31.00 to Rs. 30.31 on the following day. Subsequently, however, it increased steadily to Rs. 31.62 today before finishing at Rs. 31.12. September contract rose from Rs. 32.12 to Rs. 32.57 but closed easy at Rs. 32.31. Over the week, the two contracts put on 50 nP and 61 nP, respectively. Spot Bold was higher by 38 nP at Rs. 31.00. Linseed oil ready was done at Rs. 17.00, that is, 13 nP higher as compared with the last week-end rate.

Opening steady at Rs. 113.00 and Rs. 115.25, respectively, cottonseed May and September contracts remained slightly dull during the first three days. In the following days, however, they made a slow but steady advance. May contract was quoted at Rs. 116.50 today before closing at Rs. 114.25 and September contract touched the peak of Rs. 119.00 before finishing at Rs. 117.50. Thus, over the week, May position put on Rs. 4.25 and September delivery Rs. 3.75.

Among others, *kardi* seed Bold ready was higher by 38 nP at Rs. 21.50. June-July was quoted at Rs. 22.25. *Niger* seed Madras remained firm at Rs. 28.00.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	24-4-1957	16-4-1957	10-4-1957
	Rs.	Rs.	Rs.
Groundnuts—			
May 1957	174.50	171.50	168.75
Khandesh Quality Ready (per cwt.)	35.37	35.00	34.75
June-July	35.37	..	..
Linseed—			
May 1957	31.12	30.62	29.00
Bold Ready (per cwt.)	31.00	29.62	28.62
June-July	31.69	..	..
Castorseeds—			
May 1957	183.25	180.75	175.75
Madras (per cwt.)	36.00	34.62	34.75
Cottonseed—			
May 1957	114.25	111.00	106.75
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19.62	19.00	18.75
Castor oil—			
Commercial (per quarter) ..	22.12	20.50	20.37
Linseed oil—			
Ready	17.00	16.87	15.75

SUGAR RISES

(From Our Own Correspondent)

BOMBAY, 24th *April*

Despite some slackness in consumer demand, the sugar market ruled firm during the week under review. Ex-mill quotations for sugar were fully maintained. Arrivals of sugar into the market were smaller than those in the previous week, being 16,700 bags, as against 18,500 bags. There would have been a distinct rise in sugar prices but for the cautious attitude of traders who were awaiting the announcement of the usual monthly release of sugar for sale in free market. The traders were also not inclined much to have large fresh purchases on the eve of the budget.

Spot small grain sugar improved by a rupee to Rs. 89 per bag, inclusive of sales tax. Medium grain put on a like amount to Rs. 90-Rs. 92. Large grain was firm at Rs. 93-Rs. 98.

Vaisakh delivery contract for 'C' grade sugar, which had receded from Rs. 91-12 to Rs. 91-4 on bear-hammering and hedge selling, recovered subsequently to Rs. 91-8 today.

JUTE GOODS LOOK UP

(From Our Own Correspondent)

CALCUTTA, 23rd *April*

The week under review, intercepted by the Easter holidays, was noted for steadiness in the jute goods and fibre markets. Stockists of jute goods cheered the New York report which revealed that burlap consumption in the United States in the month of March was as high as 73 million yards. However, this higher figure caused no surprise. For, when the February consumption figure was announced as being as low as 62 million yards, such decline was believed to be a usual feature for that part of the year. With the measures that the promoters of burlap have been taking for popularising jute goods in the U.S., market circles are hopeful that 1957 would record higher export of hessian to that country. The consumption figure for March has only aided this expectation. It was, however, noticed that the month of April had not begun well as regards export of jute goods. For, between the 1st and 10th inst., sacking exported was only 6,915 tons and hessian 8,582 tons, as against 19,839 tons and 17,299 tons, respectively, in the corresponding period in March.

News of importance during the week under review was the decision to close the Standard Jute Mill (Managing Agents: Messrs. Bird & Co. Private Ltd.). The cause is the uneconomic nature of working of the mill and the extreme improbability of a change for the better in this trend. In the last year and a half, a loss of as much as Rs. 14 lakhs has been incurred. The mill possesses 650 looms, consisting of 283 sacking looms and 367 hessian looms. In accordance with the I.J.M.A. working time agreement, 12.5 per cent. of these looms is sealed. The mill, will cease working as from next month, but the Kinnison Jute Company will work the loom hours and will provide employment to as many workers of the Standard Jute Mill as possible. Labour troubles have already started in the Standard factory, following the announcement of the management's decision. It will be remembered that two mills have already closed down on account of uneconomic working. At the same time, the jute mill industry is not sparing any attempts to modernise their plants and machinery, and this has led to a reduction in labour strength from 325,000 to 260,000. However, the higher price for raw jute and the increased labour costs have been standing factors which militate attempts of mills at better working.

Early in the week under review, ready B. twills were steady at Rs. 111.12 and ready hessian 40" 10 oz. at Rs. 41.25. Fair business was being done, and in sacking sentiment received a fillip on news of a fresh tender from Burma. It was known that a trade delegation from Burma would visit India next month to purchase cotton textiles. It was thought likely that the delegation would get itself interested in jute goods also. As the news of higher consumption figure for the month of March in the United States was received, ready hessian 40" 10 oz. touched Rs. 41.44 by Thursday, since when the market has remained closed for Easter holidays and the week-end. Yesterday, there was a further rise to Rs. 41.75, with the 8 oz. being steadily quoted at Rs. 34 f.a.s. Ready B. twills sympathised with the higher trend in hessian and rose to Rs. 111.37 by Thursday and to Rs. 112.00 yesterday.

The raw jute market was fully steady and quotations for most varieties rose further by 50 nP. Mills were in the market and purchased some quantity. Lack of rains continued to make stockists reserved. The latest quotations for the 1956-57 crop, April-May delivery, are:

	Middles	*Bottoms*
Pakistani:	Rs.	Rs.
District	38.60	35.50
Northern	38.00	35.00
Indian:		
Northern	31.50	29.00
Assam Upper ...	31.50	29.00
Assam Lower ...	31.50	29.00
Orissa	34.50	32.00
Western	30.50	28.00
Murshidabad ...	29.50	27.00
Jungli	28.50	26.00
Daissee	34.00	31.50
Uttar Pradesh ...	28.50	26.00
Daissee mesta ...	27.50	25.00
Bimli f.a.q.	Rs. 23.50	

BLACK PEPPER FIRM

(Messrs. Parekh and Co.)

BOMBAY, 23rd *April*

Prices of Malabar black pepper were firmly held during the week, with fluctuations narrow, in view of the absence of selling pressure at all the terminal markets and reserved buying policy of the U.S.A. Spot in New York was quoted at $0.27 with grinders' interest developing. Afloat and shipments by named steamers for Malabar Black were reported done at prices ranging from $0.25½ to $0.26. Alleppey was quoting Rs. 600, while garbled at Cochin changed hands from Rs. 101 to Rs. 102½. Calicut also improved to Rs. 620 and Rs. 640, according to quality.

A section of traders and growers is bullishly inclined, as shipments to Russia and other East European countries upto the end of May are likely to be about 4,000 tons. The total export from November to April to all destinations is also expected to reach a high figure of about 9,000 tons. In the context of the above, any aggressive demand from the U.S.A. in future is sure to push up the prices. But the rise is likely to be slow, as Malabar has to face competition from Sarawak and Lampong during the coming months. Bulls as such are fearing in trying their hands at rigging up prices, because Sarawak and Lampong may undersell them during their harvesting seasons which begin in May in case of Sarawak and in August in case of Lampong.

Much, however, depends on the size of new crop Sarawak and Lampong. It also remains to be seen how the Indian growers will react when prices of Malabar reach a figure beyond Rs. 600, as stocks with growers in the interior are estimated differently both by bulls and bears according to their views.

Business in the local market is very much restricted, as outsiders are watching the development on the expansion of new arrivals in Singapore from Sarawak. Singapore is reported quiet at round about Str. $71 for black, while white is said to be firm, in view of shortage of stock.

In the A.S.T.A. section, May-June changed hands from $0.25½ to $0.26, while July-September was done from $0.25 to $0.25½. In the delivery section, the market failed to look up, in view of the accumulation of stock and unsatisfactory local demand.

Today's nominal quotations are: Ready delivery Rs. 81 per Bengal maund; May Rs. 550-Rs. 555, June Rs. 560-Rs. 565 and July Rs. 568-Rs. 573 per candy of 5¼ cwts.

BASE METALS FULLY STEADY

(From Our Own Correspondent)

CALCUTTA, 23rd *April*

A fair amount of business in base metals was put through during the week under review, and thus prices were fully steady. From Rs. 182, electrolytic copper was pushed up to Rs. 185, sagging subsequently to Rs. 183. Stocks with importers were fair, and this was no surprise. For copper imports in the three months to March last were substantially higher at 5,336 tons. During the week, the Government also lent its support to the market, in that there was an inquiry for a fair tonnage. Activity in tin was on a better scale, and the quotation at Rs. 516 marked a gain of Rs. 4, although the rate was still below the replacement cost. Electrolytic zinc opened at Rs. 76 and on good demand rose to Rs. 77.50. This was due to the prevalence of good demand, and the consequent decline in stocks. However, there were fresh arrivals during the week. Virgin lead was fractionally better at Rs. 79, after having opened at Rs. 78.75.

TRADING IN KIPS SMALL

(From Our Own Correspondent)

MADRAS, 22nd *April*

Trading in kips with the U.K. was small due partly to the pre-holiday (Easter) period and partly to refusal by shippers to accommodate buyers over prices. There was a gap of ¼d. to 1d. between Madras and London, and sellers were holding firm to their prices, because arrivals met with ready clearance. Premium marks cow hides were in good demand, at unchanged to ½d. up. There were spotty inquiries for top class cow calf run at 90d. and buff calf run at 63d.

Importers on the Continent were freely buying goat skins 8/9 lbs. run (premium marks) at 14s. 3d. to 14s. 6d. and 11/12 lbs. at 3d. less. Prices in raw centres increased, due to competitive buying by tanners.

In the next London tanned skins public auctions, which ommence on 6th May next, 58,000 tanned goat skins and 48,000 sheep skins will be offered for sale.

FOODGRAINS RECEDE

(From Our Own Correspondent)

HAPUR, 22nd *April*

Easier trend marked trading in ready grains during the week in west U.P., due to increased arrivals of new crop into the markets. The State Government is worried about the food situation in the hilly districts, which are chronically deficient in foodgrains, the situation having been aggravated on account of failure of crops and other abnormal conditions. The Central Government has been requested for further allocation of wheat to tide over the emergency. Acute food shortage has also been reported in some parts of Bihar, where the Government has decided to continue sales though fair-price shops even after 1st May and the Centre has promised all help to that State.

Wheat prices at Hapur declined further by about Rs. 2 to Rs. 14 per maund for average *dara* quality and to Rs. 15-4 for farm quality. Local arrivals were higher, the average being 1,500 maunds daily, but as yet there was no stock-building, due to consumer demand. Local stock was nil, as against 3 *khaties* a year before. Pressure of sales on fair-price shops subsided and they are to be closed by the end of the month. Harvesting of *rabi* crops has finished and arrivals into the market will increase soon. Rice prices recorded modest gains towards the week-end, due to increasing seasonal consumer demand. *Basmati* was done at Rs. 24 to Rs. 28, *Mainpuri* at Rs. 22-12 and coarse at Rs. 17 per maund.

Although new gram arrivals had not yet begun, gram prices registered a fall of Re. 1-8 per maund during the week on easy Punjab advices, where pressure of new arrivals was being felt in the market. Barley and *bejhar* prices, however, ruled quiet, as arrivals were still small at 100 maunds daily and consumer demand was increasing, as maize and *bajra* had ceased to attract consumers. *Jowar* prices were steady, due to good demand for seed. The prevailing prices were (in Rs. per maund). Gram 11-6 to 11-12; barley 10-4; *bejhar* 10; *jowar white* 14-8; *brown* 13; *guwar* 11.4.

Despite increased daily arrivals to 4,000 maunds, ready peas prices continued steady, due to brisk buying inquiry from North Bihar and Assam. Total arrivals of peas from the beginning of the season were estimated at 35,000 maunds, the corresponding figure last year being 20,000 maunds. *Arhar* arrivals will still take about a month and prices have continued unchanged. Prices of other pulses were also quiet to be quoted in the week-end at: (in Rs. per maund): Peas *dara* green 10-12; farm 11-8; cape 12-8; *arhar* 12; *urd* 18 to 20; *moong* 14-8 to 16; and *masoor* 14-4 to 16.

Pulses future recorded sharp gains during mid-session on continued bull support, but the latest quotations were lower than the highest due to profit-taking at highest levels. The latest quotations were: Peas *jeth* Rs. 10-7-7½; peas farm *jeth* Rs. 10-12-3; *arhar jeth* Rs. 11-8-9; *urd baisakh* Rs. 18-13.

SUGAR IMPROVES

(From Our Own Correspondent)

HAPUR, 22nd *April*

Sugar prices continued to rule steady during the week, despite reports of increased production in the country. Export prospects provided the main fillip. The general sentiment was buoyed up by the recent pronouncement of the Union Food Minister that increasing sugar export should be an important objective and that the Government would give every encouragement to that end. Good support was coming from the consuming centres of Punjab, Delhi, Rajasthan, Gujerat and Saurashtra. The factories in west U.P. are still crushing with their maximum capacity, as supplies of cane are adequate and the season is expected to last till mid-May.

The latest mill delivery prices of sugar are: Jaswant Rs. 28-10; Simbhauli Rs. 28-12; Mawana Rs. 28-4 to Rs. 29-4; Daurala Rs. 28-8 to Rs. 29-12; Amroha Rs. 29-4; Bijnore Rs. 28-3; Mansoorpur Rs. 28-10 to Rs. 30-4; Rampur Rs. 30-8; retail Rs. 30-10.

The *khandsari* prices improved during the week on expectations of good demand in the near future. Prices ranged between Rs. 20 and Rs. 26 per maund, according to quality.

Ready *gur* prices improved during the week fractionally, as arrivals were fast dwindling and were about 100 maunds today. Demand from consuming centres was not very brisk and local stock was put at about 100,000 maunds. Total arrivals from the beginning of the season were put at 453,000 maunds and prevailing prices were Rs. 11-4 per maund. Future *gur* prices, after early bull support influenced by expectations that the sugar factories would buy *gur* for conversion into sugar, declined towards the week-end, as such conversion was not considered by a section of the trade as economical for the factories. The latest prevailing prices were: *Gur baisakh* Rs.10-4-1½, *asar* Rs. 11-0-9 and *fagun* Rs. 10-8, as against Rs. 10-11-9, Rs. 11-7-6 and Rs. 10-9-6, respectively, during mid-session.

CAUSES OF FOREIGN EXCHANGE SCARCITY

(Concluded from page 846)

the post-war volume of Indian exports contrasts with that of the U.K. The index (1948-49=100) of the volume of Indian exports in 1954-55 was 115 as against 175 in 1937-38. Adjusting the latter figure, which related to undivided India, on a population basis, the index of the pre-war volume exports of what is today Indian Union territory may be placed at 152. Our exports in 1954-55 were, then, 75 per cent. of the exports in 1937-38, and the annual average (110) for the post-war period ending 1954-55 72 per cent. The index rose somewhat in 1955-56, but it declined close to the 1954-55 level during the first eight months of 1956-57. The U.K. exports as at the second quarter of 1956 were at 177 per cent. of the 1937 level, and the annual average for the post-war period ending 1954 was 134 per cent.

On the other hand, the annual average (110) of post-war Indian imports for the seven years ending 1954-55 was about 97 per cent. of the estimated volume of imports in 1937-38 notwithstanding severe import restrictions. Thereafter, with the progress of inflationary demand for consumption, the index moved up. It was about 19 per cent. above the pre-war level during the first eight months of 1956-57. In the U.K., where import restrictions had been considerably liberalised since 1954, the index of the volume of imports in the second quarter of 1956 was about 104 per cent. of the index in 1937, the annual average for the six years ending 1955 being about the same as before the war.

This suggests that the prevailing exchange rate of the rupee is not an equilibrium rate. It is acting as a drag on our exports. And it so favours imports that it is not possible to defend the external payments position of the country without rigorous import and exchange restrictions.

Overvaluation of the rupee is also indicated by the vast gap, which exists, between the internal and the external prices of gold, the international yardstick of values. This gap arose and grew as domestic inflation drove up the rupee price of gold and the intrinsic value of the rupee fell, while the exchange rate of the rupee in terms of gold (and the U.S. dollar) remained unchanged. The devaluation of the rupee in September 1949 (which raised the parity price of gold to Rs. 62.50 from Rs. 42.59 per tola) reduced the gap from about Rs. 72 per tola to about Rs. 52 per tola. Since then, the gap has fluctuated (mainly) with the state of domestic inflation. At the prevailing price of around Rs. 106 per tola, the price differential is about Rs. 43.50.

With our reserves near rockbottom, we have now next to no escape from devaluation, though it may be possible briefly to defer this step if the I.M.F. should be willing to extend a further loan of $227.5 million (Rs. 108 crores), the balance of our drawing rights. But to do so would be a ruthless waste of resources. To draw upon other loan funds to defend an artificial exchange rate would be to divert valuable foreign exchange away from capital formation to the detriment of the pace of economic development. Being a deep-rooted *malaise*, it cannot be cured by respite measures.

Devaluation alone was not enough to meet the crisis. If overinvestment continued, the rupee would be soon overvalued again at the new rate. Post-war experience had shown more conclusively than ever before that for a lasting solution to persistent payments difficulties devaluation must be preceded and followed by a pruning of investment to match the available domestic savings and such amounts of foreign aid as may be forthcoming, a restriction of money supply to the needs of output, and a prevention of the wage rates from becoming incompatible with the level of production and the requirements of development. Let us not vainly attempt to write a new set of economic laws and add to human suffering.—*All Rights Reserved.*

TENDER NOTICE

TENDERS ARE HEREBY INVITED BY THE Director of Industries, Colombo, for the establishment of a Cane Sugar Factory at Kantalai, Ceylon. Tenders should reach Colombo before 9.30 a.m. on 19th June, 1957. Further particulars available with the Ceylon Trade Commissioner, Ceylon House, Bruce Street, Bombay-1.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	2½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	2	2½
Chile	18th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	15th Nov., 1951	3	2½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	20th Mar., 1957	7.300	7.665
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	6	5
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th Jan., 1954	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	5	4
U.S.A.	23rd Aug. 1956	3½	3½
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 18th April, 1957		Week ended 12th April, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,08,995	64,79,72,000	2,51,740	52,81,31,000
Calcutta	1,62,606	54,22,74,027	1,92,964	66,65,31,629
Madras	67,721	9,04,34,811	96,188	12,65,80,297
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Jan., 1957	..	..	3,707,000	8,41,32,00,000
Feb.,	..	..	3,220,000	7,32,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 19th April, 1957

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,40,75,000
(2) Other Governments	5,55,71,000
(b) Banks	71,89,16,000
(c) Others	74,54,19,000
Bills Payable	15,13,22,000
Other Liabilities	117,91,50,000
Rupees	362,44,62,000

Assets	Rs.
Notes	12,38,09,000
Rupee Coin	9,10,000
Subsidiary Coin	5,97,000
Bills Purchased and Discounted—	
(a) Internal	10,01,07,000
(b) External	99,82,94,000
Loans and Advances to Governments	15,17,46,000
Other Loans and Advances	98,70,61,000
Investments	112,90,00,000
Other Assets	13,20,38,000
Rupees	362,44 62,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 57 54,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 188,61,90,000/-.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	12,38,09,000	
Notes in circulation	1569,10,54,000	
Total Notes issued		1581,48,63,000
Total Liabilities		1581,48,63,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		126,30,26,000
Government of India Rupee Securities		924,90,43,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1581,44,63,000

Scheduled Banks*

Statement of Affairs for the week ended 12th April, 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	7,97,48,000
(ii) Other demand liabilities	717,88,17,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,30,00,000
(ii) Other time liabilities	485,38,94,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,71,36,000
(ii) Time liabilities	
4. Cash in India	38,78,24,000
5. Balances with the Reserve Bank in India	64,05,50,000
6. Balances with other banks in current account in India	10,65,70,000
7. Money at call and short notice in India	12,56,24,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	346,90,81,000
9. Advances in India	716,30,62,000
10. Inland Bills purchased and discounted in India	126,77,17,000
11. Foreign Bills purchased and discounted in India	59,19,49,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	15th April, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to n/ne months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	473.75	480.00
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.78½-2.78¾	2.79-2.79½
London on Paris Fcs.	986.50	986.50
London on Berne Sw. Fcs.	12.27½-12.27¾	12.27
New York on London $	2.78½-2.78¾	2.79-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	..	10,170	269
Pakistan	'53-'54	79 23	..	..	1,931	243
Burma	1954	19 24	Kyats	3,905	390	204
Ceylon	1954	8.88	..	..	470	550
Japan	1955	88.90	Y.	6,575,000	8,598	978
Philippines	1955	21.85	Ps.	7,800	1,857	850
New Zealand	1955	2.13	£(N.Z.)	846	1,128	5,296
Australia	1954	8.99	£(A)	2,947	4,228	4,694
U.K.	1955	50.97	£	16,634	22,178	4,351
U.S.A.	1955	165.27	$	324,000	155,520	9,410
Canada	1955	15.60	$	20,728	10,166	6,516
France	1955	43.27	F.Fr.	12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm.	126,200	14,460	2,890
Italy	1954	47.80	Lr.	9,718,000	7,480	1,560
Norway	1955	3.43	Kr.	19,750	4,350	12,650
Sweden	1954	7.21	Kr.	23,620	5,544	4,912
Netherlands	1955	10.75	Grs.	22,500	2,850	2,650
Denmark	1954	4.41	Kr.	23,574	1,610	3,654
Switzerland	1954	4.92	Sw. Fr.	22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 12th April, 1957

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	48,12,16,000
(b) Provincial Governments	
(c) Banks	14,40,98,000
(d) Others	9,06,43,000
Bills Payable	9,09,000
Other Liabilities	11,95,58,000
Rupees	89,64,29,000

Assets	Rs.
Notes	9,47,52,000
Rupee Coin	16,000
Subsidiary Coin	10,000
Bills Purchased and Discounted:—	
(a) Internal	
(b) External	
(c) Government Treasury Bills	7,97,000
Loans and Advances to Governments	3,16,00,000
Provincial Governments' Debtor Balances	16,28,57,000
Other Loans and Advances	8,10,57,000
Investments	42,12,44,000
Other Assets	10,40,96,000
Rupees	89,64,29,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,47,52,000	
Notes in circulation	331,79,51,000	
Total Notes issued		341,27,03,000
Total Liabilities		341,27,03,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33 41,000	
Silver Bullion		
Sterling Securities	80,74,56,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	158,73,74,000
B. Rupee Coin	5,04,05,000	
Government of Pakistan Securities	171,59,18,000	
Internal bills of exchange and other commercial paper		176,63,23,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets		341,27,03,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued 48.16 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	12th April, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1574.42	1,563.57	1,524.71	1,515.98
Notes held in Banking Department	35.05	6.62	7.88	11.41	10.05
Foreign Securities	59.50	412.52	412.52	412.52	681.45
Rupee Securities	37.39	924.90	914.97	884.97	698.69
Banking Department					
Deposits of:					
Government of India	14.89	53.60	60.59	54.87	53.23
Other Governments	..	1.54	7.90	22.78	32.36
Balances held abroad	10.08	104.20	112.82	130.23*	58.73
SCHEDULED BANKS					
Demand Liabilities	134.86	725.86 (7.97)†	725.89 (7.86)†	706.72 (9.02)†	650.87 (7.31)†
Time Liabilities	102.24	487.69 (2.30)†	480.31 (2.09)†	467.17 (2.07)†	423.56 (2.93)†
Borrowings from Reserve Bank	..	80.94 (59.16)‡	81.96 (58.32)‡	81.60 (60.18)‡	49.42 (28.95)‡
Borrowings from State Bank	..	8.71	10.79	9.07	10.66
Cash in India	6.70	38.78	39.44	35.66	37.20
Balances with Reserve Bank	25.17	64.06	62.12	51.59	49.53
Excess over statutory limits	15.52	18.02	16.22	6.92	8.52
Balances with other banks in current account in India	..	10.66	11.33	9.55	11.33
Money at call and short notice in India	..	12.56	12.05	16.20	8.59
Investments (at book value)	..	346.01	347.23	348.96	356.37
Advances and bills	105.09	902.27	898.50	866.71	754.80
STATE BANK					
Deposits	..	87.76	300.08	301.47	277.58	236.03
Investments	..	61.99	105.31	105.42	106.66	105.32
Advances	..	30.35	182.08	182.91	179.41	135.50
Cash	..	14.69	32.66	24.40	12.30	16.89

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1956	1957	1955-56	1956-57
Import Duties:				
Revenue	10.51	12.69	95.96	105.67
Protective	0.8₄	1.27	8.44	10.50
On surplus disposals	—	—	0.08	0.04
Total import duties	11.35	13.96	104.48	116.21
Export Duties	2.63	2.96	30.93	25.15
Land Customs	0.20	0.21	1.15	2.03
Miscellaneous	0.05	0.10	0.59	0.94
Gross total customs	14.23	17.23	137.15	144.33
Refunds and drawbacks	0.21	0.25	2.12	2.09
Net Customs	14 02	16.98	135.03	142.24
Gross excise	13.51	17.96	123.06	155.31
Refunds	0.13	0.25	1.50	1.75
Net Excise	13.38	17.71	119.46	154.06
Net total of customs and excise	27.40	34.69	254.49	296.30

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 19th April, 1957

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000 6,87,50,000
Deposits and Other Accounts		304,48,07,000
Borrowings from Other Banking Companies, Agents, etc.		93,00,000
Bills Payable		7,86,35,000
Bills for Collection being Bills Receivable as per contra		62,74,000
Acceptances, Endorsements and Other Obligations per contra		5,65,000
Other Liabilities (including Inter-Office Adjustments)		2,74,55,000
Total	Rs.	328,70,36,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		31,07,60,000
Balances with other Banks		3,32,23,000
Money at Call and Short Notice		93,33,000
INVESTMENTS:		
Government and other Trustee Securities	94,07 13,000	
Other Authorised Investments	11,45,84,000	105,52,97,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	154,53,57,000	
Bills Discounted and Purchased	26,44,02,000	180,97,59,000
Bills Receivable being Bills for Collection as per contra		62,74,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		5,65,000
Premises less Depreciation		1,20,97,000
Furniture and Fixtures less Depreciation		54,05,000
Other Assets (including Inter-Office Adjustments)		3,33,23,000
Total	Rs.	328,70,36,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates ‡	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	0.53	65	3.26	23.66	84.17	1.13.35	92.03	— 31.07	7.55	25.54					
1953-54	4.70	1.62	4.99	27.27	1.24.64	1.84.94	1.30.88	— 36.35	5.87	37.15					
1954-55	3.76	1.98	5.48	27.19	1.44.36	1.53.15	1.67.86	— 38.37	4.79	41.25	7.40₃	7.38	45½‡	45	95
January 1956	3.61	14	5.34	2.03	1.40.78	12 16	1.54.14	— 38.55	33	40.61	84	14.73	3	3	93
February ,,	3.83	16	5.29	2.33	1.42.27	13.87	1.56.19	— 38.66	39	40.95	92	15.57	3	3	93
March ,,	3.76	23	5.48	2.82	1.44.26	23.64	1.67.86	— 38.37	4.79	41.25	9.86	16.37	45	45	95
April ,,	3.69	24	5.54	2.19	1.45.85	14.84	1.71.08	— 38.06	34	41.51	83	17.13	3	3	93
May ,,	3.61	21	5.54	2.49	1.47.58	14.77	1.73.05	— 39.05	38	41.82	85	17.91	4	4	1.00
June ,,	3.54	23	5.55	2.70	1.49.48	15.34	1.76.09	— 39.15	38	42.11	92	18.78	4	4	1.04
July ,,	3.48	43	5.81	2.78	1.51.43	14.61	1.80.05	— 39.24	38	42.42	1.01	19.68	4	4	1.07
August ,,	3.40	29	5.88	2.53	1.53.14	14.10	1.83.21	— 39.25	36	42.78	98	20.58	4	4	1.11
September ,,	3.34	17	5.71	2.65	1.55.14	13.27	1.84.83	— 39.17	36	43.00	85	21.34	3	3	1.13
October ,,	3.28	16	5.69	2.38	1.56.51	13 00	1.85.90	— 39.26	35	43.29	82	22.06	4	4	1.17
November ,,	3.23	18	5.66	2.30	1.57.62	12.70	1.86.89	— 39.35	35	43.39	77	22.72	3	3	1.19
December ,,	3.17	23	5.76	2.47	1.58.90	14.77	1.87.96	— 39.43	26	43.53	70	23.32	3	3	1.22
January 1957	3.12	21	5.80	2.67	1.59.83	13.46	1.88.10	— 39.84	36	43.89	..	..	..	6	1.27
February ,,	..	..	..	..	..	..	..	..	30	44.14	..	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Relating to nine months from July, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

● Progressive net repayments at the end of period from 15th August 1947.

‡ From July 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 13th April, 1957	6th April 1957	16th Mar., 1957	14th April 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.9	90.0	90.0	90.9
1. Government of India	89.7	89.7	89.7	90.7
2. Indian States	96.4	96.4	96.5	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.5	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.0	98.9	99.0	100.9
1. Electricity	98.0	98.8	98.8	102.2
2. Jute	97.0	97.0	97.0	97.6
3. Plantations	98.4	98.4	98.5	99.1
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.0	100.9	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.1	100.1	100.1	100.1
PREFERENCE SHARES	78.7	78.9	80.1	85.6
1. Electricity	87.2	87.3	88.1	93.9
2. Cotton	78.4	78.8	79.3	81.4
3. Jute	72.2	72.2	74.1	83.5
4. Coal	81.8	81.8	82.1	89.9
5. Iron and Steel	80.7	80.8	83.2	88.4
6. Sugar	79.4	79.5	80.7	85.1
7. Paper	78 8	79.4	79.6	82.6
8. Plantations	97.8	98.2	99.2	101.2
9. Miscellaneous	74.7	74.7	75.1	80.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	106.8	107.5	111.9	123.6
(a) Financial	90.2	90.6	93 0	88.1
1. Banks	92.3	92.4	95.4	88.3
2. Insurance	82.2	82.6	82.3	84.3
3. Investment Trust	75.7	77.2	79.5	93.8
(b) Public Utilities	107.6	107.5	110.2	113.0
1. Electricity	107.1	107.3	109.8	116.7
2. Shipping and other Transport	117.2	116.5	119.9	111.3
3. Railways	77.5	77.2	79 0	88.5
(c) Manufacturing industries	112.0	112.6	117.9	131.8
1. Cotton, Woollen and Silk	118.6	119.5	124.7	131.1
2. Jute	55.2	55.2	59.6	77.2
3. Iron and Steel	119.3	118.5	125.6	148.6
4. Paper	229.7	235.5	240.8	291.4
5. Cement	147.7	149.1	155.9	174.9
6. General Engineering	160.9	160.2	168.6	193.8
7. Sugar and Breweries	96.5	97.3	100.4	104.7
8. Chemicals	133.2	133.1	133.0	140.2
(d) Non-Manufacturing industries	132.3	134.3	139.5	167.3
1. Coal	69.5	70.3	73.6	81.6
2. Mining and Oil	179.1	180.9	187.4	256.6
3. Plantations	150.2	153.3	159.0	181.9
(e) Miscellaneous	83.6	84.8	89.1	101.5
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.3	89.3	89.4	90.4
2. Calcutta	89.3	89.9	89.8	90.8
3. Madras	90.2	90.2	90.2	91.2
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99.2	100.0
2. Calcutta	98.7	98.6	98.6	101.0
3. Madras	99.5	99.5	99.6	100.1
PREFERENCE SHARES:				
1. Bombay	82.8	82.9	84.8	89.9
2. Calcutta	72.3	73.2	73.8	80.4
3. Madras	93.0	93.4	94.6	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	116.7	116.5	122.6	123.9
2. Calcutta	93.9	94.8	97.3	111.6
3. Madras	119.0	120.1	126.6	126.1
4. Delhi	113.6	114.1	117.5	130.6

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved..	Number of mandays lost
1951	1,071	491,321	3,818,928
1952	962	809 242	3,336,951
1953	772	466,607	3,382,608
1954	840	477,138	3,375,580
1955	1,106	537,767	5,597,848
January 1955†..	95	49,038	322,807
February ,, ..	91	38,370	144,802
March ,, ..	112	70,042	324,696
April ,, ..	105	52,433	333,275
May ,, ..	120	68,441	961,776
June ,, ..	152	91,259	1,144,011
July ,, ..	111	55,260	660,492
August ,, ..	236	90,818	833,999
September ,, ..	251	92,619	980,031
October ,, ..	184	47,600	814,214
November ,, ..	99	48,609	178,112
December ,, ..	129	45,377	239,550
January* 1956†..	107	61,050	549,658
February* ,, ..	123	69,450	775,586
March* ,, ..	144	132,188	678,716
April* ,, ..	143	83,580	565,994
May ,, ..	157	64,361	553,720
June ,, ..	152	71,518	476,166
July* ,, ..	149	100,069	535,775
August* ,, ..	139	64,516	495,639
Sept.* ,, ..	185	125,226	908,399
Oct.* ,, ..	145	111,022	825,621
November ,, ..	111	48,293	437,449
December ,, ..	101	49,511 (a)	269,949 (b)

† Figures are provisional.

* Revised.

(a) Not known in 2 cases.

(b) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	646	6,876.8	5,572.7
1954-55	686	7,760.9	6,312.2
1955-56	715	8,805.8	7,185.8
Jan., to Dec. 1955	724	8,494.6	6,922.3
Jan., to Dec. 1956	757	9,630.7	7,862.0
October 1955	716	720.7	591.9
November ,,	731	725.5	597.0
December ,,	734	785.7	648.0
January 1956	731	757.2	621.8
February ,,	739	749.9	623.0
March ,,	716	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	825.8	669.1
June ,,	710	796.5	658.5
July ,,	724	798.0	656.2
August ,,	725	798.7	650.0
September ,,	737	812.7	666.4
October ,,	753	824.1	670.1
November ,,	756	810.5	663 1
December ,,	757	881.5	715.0

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

Source:—Central Water and Power Commission.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	6th April 1957	30th Mar., 1957	7th April 1956	March, 1957	March, 1956	Percentage of increase (+) or decrease (—) in Mar., 1957 as compared with Mar., 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	405.1	401.4	364.9	402.5	351.6	+14.5	388.5	313.2
Cereals	59	530*	535*	457	528	439	+20.3	499	372
Pulses	8	431	432	387*	440	373	+18.0	397	289
Others	23	240*	236*	240*	242	233	+ 3.9	247	235
Industrial Raw Materials	(18)	514.7	519.9R	472.9	518.1R	475.6	+ 8.9	501.9	419.8
Fibres	58	508	508	460	505	471	+ 7.2	483	429
Oil seeds	30	555	555R	524	559R	511	+ 9.4	558	398
Minerals	10	514	514	552	453	410	+21.9	508	427
Others	7	418	417R	402*	414R	406	+ 2.0	421	431
Semi-Manufactures	(17)	398.8	400.6	374.4	403.3	389.8	+ 9.1	402.3	338.2
Leather	8	391	410	410	410	408	+ 0.5	409	378
Mineral oils	13	210	210	208	210	208	+ 1.0	209	207
Vegetable oils	16	559	560	515	577	489	+18.0	582	389
Cotton yarn	35	485	482	452	484	452	+ 7.1	487	422
Metals	18	328	328	282	328	282	+16.3	318	264
Oil cakes	5	409	403	411	419	379	+10.6	447	338
Others	5	375	376	363	385	364	+ 5.8	366	336
Manufactured Articles	(30)	383.9	384.1	375.5	384.1	374.8	+ 2.5	384.6	372.9
Textiles	64	410*	410	408	410	408	+ 0.5	416	408
Jute	11	416	411	396	412	410	+ 0.5	416	418
Cotton	45	412*	414*	409*	414*	403*	+ 2.7	410*	402*
Rayon and Silk	6	—	442*	502*	442*R	502*	−12.0	455*	485*
Woollen	3	266	266	264	266	278	— 4.3	265	284
Metal products	12	392	392	371	392	371	+ 5.7	386	338
Others	19	303	302	286	302	285	+ 6.0	294	285
Miscellaneous	(9)	564.6	567.2R	495.5	569.6R	508.1	+12.1	559.3	546.4
All Commodities	(100)	420.7	420.7	392.1	421.2	387.4	+ 8.7	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugar† | Gur | Tobacco | Raw Cotton | Raw Jute† | Groundnut | Linseed | Coal† | Jute manufactures | Cotton manufactures† | Iron and Steel |
|---|---|---|---|---|---|---|---|---|---|---

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Fore-cast	(In thousand acres) 1955-56	1954-55	(In thousand tons) 1955-56	1954-55
Cereals—						
Rice	.. ..	2nd	72,512†	71,886††	23,000†	23,515††
Wheat	.. ..	final	29,225	27,517	8,348	8,778
Jowar	.. ..	final	42,721	43,446	9,940	9,093
Bajra	.. ..	final	27,025	27,983	3,400	3,421
Barley	.. ..	final	8,145	8,309	2,721	2,870
Maize	.. ..	final	9,909	9,311	2,519	2,939
Ragi	.. ..	final	5,627	5,711	1,844	1,846
Small millets	..	final	13,095	13,799	2,108	2,456
Total cereals	..	final	211,000	212,025	53,349	55,734
Pulses—						
Gram	.. ..	final	22,092	22,047	4,865	5,393
Tur	.. ..	2nd	5,581†	5,725††	1,603†	1,705††
Other Kharif pulses §	..	final	15,862	16,710	1,650	1,830
Rabi pulses‡	..	final	10,579	10,590	1,888	1,959
Total pulses	..	final	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	..	2nd	11,292†	10,968††	3,559†	3,372††
Castorseed	..	2nd	1,403†	1,408††	129†	124††
Sesamum	..	3rd	4,996†	5,422††	417†	434††
Rape and Mustard	..	final	6,262	6,065	382	1,019
Linseed		final	3,424	3 354	376	382
Total oilseeds	..	final	29,471	30,822	5,596	6,242
Fibres—						
Cotton* ..	..	final	20,230	18,684	3,993	4,227
Jute A. ..	..	final	1,333†	1,739††	4,221†	4,197††
Mesta A. ..	..	2nd	695†	558††	1,430†	1,101††
Other crops—						
Potato ..	..	final	598	658	1,389	1,786
Sugarcane	..	2nd	4,532†	3,945††	58,914†	50,455††
Ginger (Dry)	..	final	37	35	15	14
Pepper (Black)	..	final	214	208	27	26
Chillies (Dry)	..	final	1,492	1,523	340	368
Tobacco ..	..	final	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During March, 1957	84.7
	Corresponding month, 1956 ..	99.3
	Nine months ended Mar., 1957 ..	771.0
	Corresponding period, 1956 ..	880.5
Stocks	At the end of Mar., 1957 ..	97.7
	Corresponding month, 1956 ..	95.0
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 16th Feb., 1957 ..	N.A.
	Corresponding week, 1956 ..	3,744
	From 1st Jan., to 16th Feb., 1957	N.A.
	Corresponding period, 1956 ..	46,411
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 16th Feb., 1957 ..	N.A.
	Corresponding week, 1956 ..	3,845
	From 1st Jan., to 16th Feb., 1957	N.A.
	Corresponding period, 1956 ..	146,859
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	March, 1957	4.91
	Corresponding month, 1956 ..	5.76
	Nine months ended Mar., 1957 ..	44.93
	Corresponding period, 1956 ..	46.62

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1954..	11,54,000	10,70,300	7,99,000
Do. 31st March, 1955..	11,34,400	10,42,900	7,51,200
Do. 31st March, 1956..	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957..	11,55,500	10,73,600	7,97,500
October 1955	91,700	83,800	64,800
Nov.	91,900	86,200	63,400
Dec.	103,900	97,500	72,300
January 1956	1,03,200	96,800	71,500
February	97,500	89,500	67,700
March	1,03,300	96,200	69,900
Oct.	96,700	91,100	71,800
Nov.	94,700	88,800	68,100
Dec.	101,500	93,500	66,900
January 1957	97,400	94,800	70,500
February	90,000	81,300	63,400
March	95,100	93,200	73,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954..	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955..	7,18,949	5,28,240	4,59,993
Do. 31st March, 1956..	7,06,986	5,31,506	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
" " " Sept., 1954.	1,80,018	1,28,741	1,13,651
" " " Dec., 1954.	1,88,083	1,36,801	1,30,616
" " " Mar., 1955.	1,65,108	1,43,828	1,18,186
" " " June, 1955.	1,66,605	1,34,333	1,16,231
" " " Sept., 1955.	1,76,181	1,36,714	1,08,714
" " " Dec., 1955.	1,60,750	1,24,696	1,05,752
" " " Mar., 1956.	1,84,450	1,41,846	1,19,860
" " " June, 1956.	1,48,806	1,17,710	92,609
" " " Sept., 1956.	1,74,447	1,33,135	1,13,953
" " " Dec., 1956.	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	December, 1955 (Rs. lakhs)	December, 1956 (Rs. lakhs)	Nine months April to Dec., 1955 (Rs. lakhs)	Nine months April to Dec., 1956 (Rs. lakhs)
Imports :				
By sea and air—				
Foodstuffs	2,97	3,72	40 47	27,11
Raw materials	15,07	22,55	134,70	138,69
Manufactures	40,49	40,96	304,77	428,20
Other items	34	52	2,32	3,55
Total*	58,87	67,69	482,26	597,55
By land	3,17	1,69	19,85	14,62
Total Imports	62,04	69,38	502,11	612,17
Exports :				
By sea and air—				
Foodstuffs	14,79	19,10	117,64	153,85
Raw materials	15,91	13,02	125,79	89,91
Manufactures	21,06	22,27	189,60	182,89
Other items	35	42	3,15	3,53
Total	51,71	54,81	436,18	430,18
By land				
Total Exports ..	43	60	3,96	5,10
Total Re-exports ..				
Balance of trade in merchandise ..	— 8,97	— 13,04	— 57,13	— 172,15
Balance of transactions in private treasure	— 2	+ 1	— 6	— 15
Total visible balance of trade..	— 8,99	— 13,03	— 57,19	— 172,30
Imports : ‡				
Total Cwealth countries ..	21,67	24,15	210,47	233,79
Total Foreign countries ..	37,20	43,54	271,79	363,76
Exports : ‡				
Total Cwealth countries ..	25,19	27,38	218,40	223,81
Total Foreign countries ..	26,52	27,43	217,78	206,37

* Excludes the value of certain stores imported on Government account, particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	122
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	145
December 1955	9,230	2,071	726	154	78	50	95	21	252	304	30	237	38	117
January 1956	10,396	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February	11,548	2,541	883	199	97	62	132	27	395	374	38	298	45	126
March	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	145
April	1,185	237	82	23	12	5	13	2	64	34	2	31	2	10
May	2,227	470	164	44	25	11	25	3	115	70	5	60	5	21
June	3,264	705	254	59	33	15	33	5	148	104	7	89	9	33
July	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September	6,420	1,446	505	97	46	28	73	10	199	207	15	179	26	91
October	7,494	1,703	579	110	50	33	95	12	216	242	18	212	33	98
November	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114
December	9,850	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	144

Notes.—The figures relate to broad and metre gauges of Class I Railways. The montly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane rom November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 18th April, 1957 ..	52,805(J)
	Corresponding week, 1956 ..	54,288(J)
	1st Sept. 1956 to 18th April, 1957	1,230,128*
	Corresponding period, 1955-56 ..	1,311,396*
Cotton Exports‡ ..	Week ended 18th April, 1957 ..	5,099
	Corresponding week, 1956 ..	6,428
	1st Sept. 1956 to 18th April, 1957	178,971
	Corresponding period, 1955-56 ..	498,714
Mill Consumption .. (Estimated)	1st Sept. 1956 to 18th April, 1957	849,953
	Corresponding period, 1955-56 ..	796,019
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 18th April, 1957	595,958
	Corresponding date, 1956.. ..	633,587
Cotton Exports from Bombay (by sea)	During Jan., 1957	42,301§
	During Jan., 1956	35,978
	1st Sept., '56 to 31st Jan., 1957..	106,022
	1st Sept., '55 to 31st Jan., 1956..	363,052
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 28th Mar., 1957	1,084,715
	Corresponding period, 1955-56 ..	1,204,343
Exports	1st Sept., 1956 to 28th Mar., 1957	555,679
	Corresponding period, 1955-56 ..	620,165

Particulars	From 1st Sept. 1956 to 15th April, 1957 Bales	From 1st Sept. 1955 to 15th April, 1956 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	19,413	63,343
Continent	18,206	89,553
Hongkong	25,314	30,890
China	3,437	63,185
Japan	107,167	253,983
U.S.A.	2,234	3,751
Other Countries	462	2,926
Total to all foreign countries	176,233	503,541
Coastal Ports ..	7,360	69,070
Total	183,593§	572,611§

Particulars	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	January, 1957	416,282
Foreign		109,017
Indian	Five months ended Jan., 1957	1,941,293
Foreign		248,638
Indian	Same Period 1956	1,872,064
Foreign		235,249
Stocks (Mills and Mi-chwers)—		
Indian	As on 31st January 1957 ..	1,126,458
Foreign		171,398
Indian	As on 31st January, 1956 ..	1,137,011
Foreign		156,440
Cotton Pressed in India† (In running bales) ..	Week ended 5th Apr., 1957 ..	147,542
	1st Sept., 1956 to 5th Apr., 1957	1,031,122
	Corresponding period, 1955-56 ..	2,422,272

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-35	68,50,26,000	1948-78	100.85
3 % Loan	1938-39	1,16,17,46,000	1968-85	94.20
3 % Loan	1950	30,88,10,000	1964	94.45
2½ % Tr. Loan	1945	1,10,11,75,000	1965-66	92.35
3 % Y. Loan	1944	33,54,89,000	1957	99.75
3 % Loan	1945	1,15,85,88,000	1970-75	87.20
2½ % Nd Y. Loan	1945	1,13,85,54,000	1959-61	97.75
3 % Loan	1951	60,55,68,000	1958	99.65
2½ % Loan	1946	45,00,37,000	1960	96.45
2½ % Loan	1946	67,00,99,000	1961	93.50
2½ % Loan	1946	14,77,48,000	1976	83.10
2½ % Loan	1947	75,86,72,000	1966	93.85
3 % N.P. Loan (H.P. Bonds)	1953	75,29,00,000	1961	99.50
2½ % N.P. Loan	1954	1,58,17,84,000	1964	98.40
2½ % N.D. Bonds (2nd Series)	1955	1,08,67,92,000	1965	98.25
2½ %	1956	87,37,00,000	1962	97.80
2½ % N.P. Bonds	1956	83,82,00,000	1967	98.45
2½ %	1956	66,64,00,000	1974	98.50
NON-TERMINABLE LOANS				
3 % Loan	1896-97	3,93,35,000	At option o Government after three months notice. On September, 1966 or later at option of Government after three months' notice.	73.00
2½ % Loan	1946	2,48,91,47,000		74.30
REPATRIATE STERLING LOANS				
4½% Loan	1923	5,85,73,000	1958-68***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97.50
4 % Andhra	1956	6,00,00,000	1st Sept. 1968	97.75
3 % Bombay	1944	3,06,56,000	15th Aug. 1958	98.85
3 % Bombay	1949	5,63,56,000	1st Aug. 1962	94.10
3 % Bombay	1950	2,87,82,000	31st July 1962	96.15
2½ % Bombay	1951	2,95,25,000	17th Sept. 1962	93.00
4 % Bombay	1956	5,42,26,000	15th July 1963	100.00
4 % Bihar	1952	2,55,87,000	1st Aug. 1964	100.00
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	97.50
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1956	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98.00
2½% Cochin	1956	70,09 000	1st June 1956-61	98.75
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	95.25
4 % Hyderabad	1955	2,15,45,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	3,00,00,000	3rd Sept. 1968	98.00
3 % Madras	1939	1,28,96,500	21st June 1959	96.50
3 % Madras	1944	1,07,96,000	15th Aug. 1958	98.85
3 % Madras	1945	2,75,44,000	14th Sept. 1960	98.15
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93.10
3 % Madras	1950	4,38,25,400	31st July 1960	96.15
2½ % Madras	1951	3,07,49,500	17th Sept. 1962	97.60
4 % Madras	1952	16,33,36,000	15th July 1963	98.50
4 % Mysore	1953	5,34,81,200	1st Aug. 1964	98.50
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98.00
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	97.85
4 % Mysore(f)	1953	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore(f)	1956	5,99,72,800	30th Apr. 1956-61	99.00
3 % Mysore	1947	5,03,05,700	25th Jan. 1958	98.80
4 % Mysore	1953	3,23,47,000	15th July 1963	98.60
4 % Mysore	1954	1,54,94,000	1st Sept. 1964	98.00
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97.90
3 % M.P.	1944	52,69,800	15th Aug. 1958	98.50
3 % M.P.	1945	2,83,85,900	15th Sept. 1954	98.00
3 % M.P.	1950	1,01,44,700	31st July 1960	95.50
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1952	1,10,18,000	15th July 1963	98.75
4 % M.P.	1955	1,35,13,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % Saurashtra	1955	3,51,56,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	98.25
4½ Trav. Cochin	1953	3,00,00,000	15th July 1963	98.62
4½ Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98.00
2½ U.P.Z.A.	1952	40,50,56,545Z		99.00
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90.81
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98.55
3 % U.P.	1945	3,17,89,700	14th Sept. 1957	98.00
2½ % U.P.	1946	2,20,98,500	1st Sept. 1961	93.05
2½ % U.P.	1951	1,91,02,000	17th Sept. 1962	97.85
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	98.50
4 % U.P.	1953	5,56,15,500	15th July 1963	98.85
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.85
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				Rs.
Rs. 56,50,000	4	1904	1964	
95,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	98·00N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
1,15,57,500	4	1913	1973	D
80,80,800	4	1913	1974	98·00N
68,25,000	4	1914	1975	98·00N
64,00,000	4	1915	1975	
85,00,000	4	1915	1976	
66,00,000	5	1920	1955-80	115·00N
25,00,000	5	1926	1956-86	115·00N
25,00,000	5	1927	1957-87	98·00N
10,08,000	3	1938	1966	
STERLING LOANS				
£565,600		1909	1959	95·50N
£339,000		1910	1970	£95·50N
CALCUTTA				
90,24,800	4	1914	1974	99.00
70,90,100	4	1915	1975	99.00
1,50,00,000	2½†	1927	1962	82.00
68,02,3000	6½	1931	1962	
1,49,40,500	5	1927	1957-87	101·50
1,49,40,500	5	1927	1958-88	102·50
80,00,000	4‡	1931	1965	97.50
80,00,000	3½	1935	1965	97.50
50,00,000	3	1937	1962	90.00
50,00,000	3	1938	1963-65	90.00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,80,000	4	1912-15	1974	98.00
10,00,000	5	1920	1958	113.00N
25,00,000	5	1928	1958	
1,00,00,000†	4	1905	1956-59	102.00
26,21,500	5	1929	1959	
2 25,00,000	3½	1947	1977	86.25
1,00,00,000	3½	1947	1977	86.25
4,80,00,000	3½	1950	1965	92.25
2,50,00,000	4	1952	1964	97.00
1,00,00,000†	4	1951	1963	96.50
1,50,00,000	4	1953	1963	93.25
2,50,00,000	4	1954	1966	96.00
1,50,00,000	4	1955	1967	98.00
		1956	1968	
Rs.				Rs.
CALCUTTA				
26,00,000	5	1928	1958	108.00
25,00,000	5	1929	1957	101 50
25,00,000	5	1929	1958	108·00
10,10,000	5	1929	1965	94.00
23,91,000	3½	1935	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1937	1967	90.00
15,56,800	3	1940	1957	99.50
17,64,400	3½	1948	1968	98.00
31,10,000	3½	1948	1978	97.50
15,49,000	3½	1951	1969	97.50
16,83,000	3½	1951	1971	97.50
66,88,000	3½	1951	1973	99.00
37,36,000	4	1952	1962	100.00
72,50,000	4½	1954	1979	107.00
Rs.				Rs.
MADRAS				
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.75
4 % W. Bengal	1955	3,50,23,000	15th July 1963	99.50
4 % W. Bengal	1955	7,58,73,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99.00

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Rupee Counterparts.
Bombay State Transport. †† Rate of interest reduced from 6 to 2 per cent. with effect from 1st June 1944.
‡ Rate of Interest increased from 2½ to 4 per cent with effect from 1st April, 1956. ‡‡—Interest free for first 15 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6½	Mar. Sep.	110.00	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70.00	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	100.00	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	120.00	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6.12	5
†East India Distilleries ..	£200,000	1937	7	Jan. July	16 25	£1
Gwalior Sugar	£75,000(e)	1940	7(a)	Dec. ..	62.00xd	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	62.00xd	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15.00	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	100.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	80.00	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20.00	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8.12	10
Upper Ganges	12,00,000	1922	5	Dec. ..	90.00N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70.00N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99.00	100
Borea	4,00,000	1896-97	6½	Oct. Apr.	100.00	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	112.00	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7.50	10
Equitable	4,00,000	1946	6	Mar. Sept.	99.00	100‡
Kasaipara Collieries	4,00,000	1946	5½(a)	.. ..	54.00	75(p)
Khas Kajora	9,87,500	1946	5	Mar. Sept.	3.00N	10
New Beerbhoom	1,92,000	1931	7	Jan. July	11.00	10
Ondal	2,00,000	1896-99	6½	Apr. Oct.	104.00	100
COTTON						
Ahmedabad Advance..	10,00,000	1939	5	Apr. Oct.	100.00	100
Bangalore	6,00,000	1884	6	Jan. July	123.50	100
Banaraji Cotton	5,00,000	1938	6½	Nov. ..	7.75	10
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	90.00	100
Bowreah 'A'	3,00,000	1906	8	Feb. Aug.	125.00	100
Do. 'B'	6,00,000	1906	7	Feb. Aug.	65.00	100
Bradbury	14,75,000	1919	7	June Dec.	63.00	50
Buckingham & Carnatic ..	£1,30,200	1920	7½	Jan. July	143.50	100
Cambodias	1,00,000	1938	7	Apr. ..	115.00	100
Central India	60,00,000	1913	5	Apr. Oct.	432.50	400
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	104.75	100
Elgin	11,00,000	1913	8	May. Nov.	114.00xd	100
Do. 'B' Pref.	4,20,000	1945	5	July Jan.	7.25xd	10
Elphinstone	8,00,000	1919	7(a)	May Nov.	87.00	100
Empress	£5,00,000	1919	7	June Dec.	116.00	100
Khatau Makanji (Ind) ..	20,00,000	1919	7	.. ..	77.50	100
Kothari	29,92,000	1947	6	Nov. ..	9.90	10
Kothari 'B' (Pref.)	6,00,000	1937	6	.. ..	5.00	10
Lakhmi Cotton (Bombay) ..	16,00,000	1896	6(a)	.. ..	210.00	250
Morarjee Goculdas Spg. & Wvg.	17,85,000	1947	4½	Jan. ..	85.00	100

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend on first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	5,62,728	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,408	898	Apollo Mills	2.44	2	0 4(c)	0 2(c)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,652	—6,97,129	B. K. Cotton Mills ..	39.00	100	*Nil*	*Nil*	*Nil*					6	Y.P.Y.
2,50,98,000	8,12,58,951	5,98,22,946	3,51,00,962	2,41,366	Nowrosjee Wadia & Sons, Ltd.	557.50	250	22 8*	20 0	25 0*	25 0				12	Y.
10,00,000	28,74,392	48,81,886	63,57,495	91,711	Ramnarain Sons, Private Ltd.	12.50	50	100 0†	75 0†	12 8	20 0				3	Y.P.
1,00,42,800	2,35,31,209	6,00,66,076	2,32,91,093	7,61,731	Hirji Brothers Private Ltd.	460.00	100	22 0	22 0	22 0	22 0				12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,039	—88 09,097	V. J. Pilani (Chairman and Managing Director)	65.00	100	*Nil*	*Nil*	*Nil*					12	Y.
26,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	131.90	100	7 8	7 8	7 8	12 8*				3	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Private Ltd.	97.50	50	6 0	6 0	15 0					12	Y.
24,00,000	40,06,435	76,76,267	56,21,788	2,83,643	Puranmal Bubna Sons ..	252.50	200	15 0	15 0	18 0					12	Y.P.
29 98,000	11,31,223	1,09,78,649	80,74,224	1,81,254	M.	48.00	50	*Nil*	3 0	5 0					12	Y.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	303.50	100	16 0	16 0	20 0					12	Y.
50,00,000	48,98,022	90,86,946	59,17,387	1,67,789	James Finlay & Co., Ltd. ..	210.00	100	12 8	12 8	15 0	15 0				12	
11 84,000						6,225.00	1,000	225 0*	225 0	300 0	325 0				3	Y.P.
10 000	75.14,589	1,52,34,660	1,07,26,500	508	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	992.50	250	56 4*	66 4	75 0	84 4		
6,00,00,000	62,50,399	4,68,15,552	5,39,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills ..	10.40	0 100	0 10	*Nil*	0 15	0 101	12	Y.
50,00,000D						10.60	0 115	*Nil*	*Nil*	0 2	0 11					
8,50,000	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	47,984	1,122	Indian Mfg.	5,125.00	1,000	225 0*	225 0	300 0	360 0	3	Y.P
35,000										500	112 8*	112 8	150 0	150 0		
58,50,000	25,07,831	2,73,72,670	2,03,22,135	26,228	Khatau Makanji & Co.. ..	92,852	1,489	Khatau Makanji Spg. & Wvg.	180.50	100	10 0	10 0	10 0	10 0	3	Y.P.
1,00,00,000	1,20,80,503	3,56,04,597	2,78,94,101	1,62,802	Killick Industries Ltd. ..	321.00	1,846	Kohinoor Mills	1,20,504	100	20 0*	18 0	18 0	18 0	12	Y.
22,13,050	52,27,288	1,22,08,423	64,68,440	55,109	N. Sirur & Co. Private Ltd. ..	49,000	644	Modern Mills	70.00XR	50	5 0	5 0	8 0*	8 0*	10	Y.P.
51,75,000	37,05,298	2,35,58,597	1,76,19,559	1,41,489	Piramal Sons Private Ltd. ..	71,652	1,052	Morarjee Goculdas Spg. & Wvg.	320.00	100	12 0	14 0	14 0	16 0	6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,885	Chinai & Co., Private Ltd. ..	..	..	National Rayon Corporation	228.00	100	9 0	10 0	12 0	..	12	Y.
24,00,000	29,50,456	78,06,743	48,70,077	58,192	W. H. Brady & Co., Ltd. ..	45,044	422	New City of Bombay Mfg.	133.75	100	10 0	10 0	10 0	10 0	12	Y.P.
30,00,000	22,01,402	99,52,784	63,37,035	246	W. H. Brady & Co.,Ltd. ..	49,012	1,018	New Great Spg. & Wvg.	228.00	100	10 0	7 8	10 0	10 0	12	Y.
48,00,000	30,10,899	1,34,29,555	84,72,255	2,40,353	Ramnarain Sons, Private Ltd.	82,203	1,190	Phoenix Mills	143.75	100	8 0	8 0	10 0	..	12	Y.
40,00,000	45,64,554	48,09,067	24,25,000	4,72,663	Podar Sons, Private Ltd. ..	32,600	920	Podar Mills	161.25	100	10 0	10 0	12 0*	12 0*	12	Y.
5,00,000	8 16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	..	..	Sassoon & Alliance Silk Mfg.	9.80	10	0 12	0 8	..	..	12	Y.
37,70,000	82,80,653	1,92,63,251	1,59,71,234	84,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg. ..	39.50	10	1 4	1 12	2 0	..	12	Y.P.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	60,070	1,640	Shree Niwas Cotton Mills ..	177.50	100	14 0	14 0	12 0	12 0	3	Y.P.
42,00,000	23,02,179	98,78,308	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	172.50	50	15 0	11 0	10 0	12 0	3	Y.P.
87,50,000	2,50,82,765	2,77,88,979	1,62,68,915	2,03,059	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	445.00	100	10 0	20 0	20 0	22 8*	12	Y.P.
99,85 700	84,69,716	2,28,87,647	1,19,01,809	67,611	Tata Industries Private Ltd. ..	72,226	2,000	Svadeshi Mills	215.00	100	16 0	8 0	12 0	..	12	Y.
36,60,000	65,13,465	1,37,20,469	92,02,715	1,01,175	James Finlay & Co., Ltd. ..	99,328	662	Swan Mills	460.00	100	20 0	20 0	25 0	25 0	12	Y.P.
94,11,880	81,96,146	1,77,34,769	65,44,553	48,485	Tata Industries Private Ltd.	62,096	1,800	Tata Mills	47.75	25	1 8	2 8	4 0	..	12	Y.P.Y.
12,00,000	61,05,709	27,41,228	90,20,000	4,524	M.	45,508	1,308	Western India Spg. & Mfg.	5,200.00	1,000	225 0*	25 0	800 0	300 0	3	Y.
AHMEDABAD																
48,08,800	21,50,000	1,43,70,545	69,76,244	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	172.50	100	10 0*	5 0	7 0	12 0	6	Y.P.
19,00,000	94,38,068	94,37,398	76,10,164	27,288	P. M. Hutheesing & Co., Ltd. ..	42,708	912	Aruna Mills	640.00	100	20 0*	20 0	30 0	..	12	Y.P.
26,25,000	2,55,30,694	1,66,36,504	1,16,00,000	72,768	Narotam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,020.00	100	25 0	25 0	25 0*	..	12	Y.P.
20,00,000	81,75,000	90,34,384	72,25,000	2,46,203	Manyadas & Bros. Ltd. ..	35,384	892	Ayodya Ginning & Mfg.	477.50	200	15 0	15 0	25 0*	..	12	Y.
12,00,000	1,18,39,603	94,37,574	69,94,953	69,866	Lalbhai Dalpatbhai & Co. ..	37,366	914	Asoka Mills	900.00	100	22 0*	22 0	30 0	..	12	Y.
1,87,50,000	3,35,76,233	4,61,25,352	2,38,65,344	2,31,712	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	532.50	125	18 0	18 0	..	..	12	Y.
62,87,000	24,58,000	1,21,06,543	80,25,000	2,760	Tricumlal Bhoglal & Co., Ltd.	45,836	866	New Commercial Mills ..	1,615.00	1,000	70 0	70 0	80 0	..	12	Y.
89,00,000	72,52,436	1,32,09,232	96,26,902	19,221	Mafatlal Chandulal & Co., Ltd.	41,240	1,082	New Shorrock Spg. & Wvg.	892.00	125	35 0	35 0	35 0*	..	12	Y.
10,00,000	58,48,000	50,63,197	37,98,317	16,058	Jacobhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	393.00	100	20 0*	30 0*	20 0	..	12	Y.P.
12,50,000	1,14,77,470	86,29,439	60,39,000	....	Lalbhai Dalpatbhai & Co. ..	31,150	636	Raipur Mfg.	840.00	100	25 0	25 0	35 0*	..	12	Y.P.
37,50,000	14,78,207	1,07,01,469	71,42,898	17,34,749	Lalbhai Dalpatbhai Gordhandas Ltd.	23,156	648	Rohit Mills	166.25	100	9 0	9 0	*Nil*	..	12	Y.
33,99,150	2,02,84,538	1,76,92,842	1,52,75,000	3,28,290	Harivallabhdas Kalidas & Co.	73,808	1,325	Shri Ambica Mills ..	587.50	50	18 0	20 0	27 0*	..	12	Y.
19,82,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg. ..	601.25	100	20 0	25 0*	25 0	..	12	Y.
88,00,000	90,84,191	1,09,66,068	78,85,291	34,644	Haridas, Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	690.00	400	35 0*	35 0*	35 0*	..	12	
WEST BENGAL																
15,00,000	1,42,800	24,03,029	21,25,880	361,676	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills ..	5-75xd	10	0 4	0 8	0 8	..	12	Y.P.
7,98,060	9,10,617	75,14,055	50,99,142	50,305	Bengal Textile Agency, Ltd. ..	33,202	925	Bengal Luxmi Cotton Mills ..	40.00N	40	*Nil*	4 0	4 0	..	6	Y.
6,00,000	22,75,414	99,08,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills ..	115.00	100	*Nil*	*Nil*	*Nil*	..	6,12	H.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	176.00	100	*Nil*	*Nil*	2 8	..	12	H.
1,80,00,000	2,29,43,320	3,76,19,833	1,81,26,833	1,86,672	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills ..	13.37	10	1 12	0 14	0 14	..	6	Y.
19,47,750D						16.00N	10	0 8	0 10	1 0						
5,00,000D	7,45,000	47,06,298	48,382	1,094	Hazaremull Heeralalji ..	23,036	795	Rampooria Cotton Mills ..	2·75N	1D	*Nil*	*Nil*	0x5(11/25)		6	Y.
SOUTH INDIA AND OTHER CENTRES																
11,98,600	5,87,596	31,36,764	15,64,248	3,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217.00	100	4 0	*Nil*	*Nil*	8	12	Y.
71,94,000	25,91,264	1,84,91,530	50,78,882	1,36,048	Industrial Trust Fund	26,136	716	Azam Jahi Mills	82-50	100	6 0	*Nil*	*Nil*	8	3	Y.
40,50,000	2,50,15,667	3,20,77,494	2,60,70,021	2,82,947	Binny & Co. (Madras), Ltd....	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	557.00cd	100	25 0	30 0	30 0	30 0	12	Y.P.
37,00,000	18,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	7-50	10	0 4	*Nil t*			6,12	
55,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	29,896	1,068	Birla Cotton Spg. & Wvg., Delhi	28-50N	10	3 0	3 0	3 0	..	3	Y.P.
1,78 47,800	2,77,73,212	6,69,41,316	3,97,01,813	2,28,220	Binny & Co. (Madras), Ltd...	1,20,288	2,762	Buckingham & Carnatic ..	176.00cd	100	10 0	10 0	10 0	10 0	12	Y.
20,00,000	20,00,000	89,69,354	21,66,851	27,598	Felrce, Leslie Co., Ltd. ..	27,536	1,032	Canara Mills	1,032.50	10	0 12	*Nil*	0 8	..	12	Y.
15,00,000	5,11,500	48,38,929	24,53,361	8,994	K. Damodaran, Esq.	20,600	..	Cannanore Spg. & Wvg. ..	165-00	100	12 0	20 0	12 0	15 0	3	Y.P.
80,00,000	29,51,420	69,40,529	61,72,376	26,767	Begg, Sutherland & Co., Ltd.	27,016	591	Cawnpore Textiles ..	6-16	5	0 9	0 8	*Nil*	0 4	3	Y.P.Y.
9,87,470	2,00,000	50,87,526	18,02,166	58,798	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Coimbatore Cotton Mills ..	10	*Nil*	*Nil*	*Nil*	0 10	0 12	6	Y.
19,00,000	19,01,006	41,97,654	20,65,709	10,589	Birla Gwalior Private Ltd. ..	28,864	..	Coimbatore Pioneer Mills ..	340-00	100	20 0	25 0	25 0	25 0	12	Y.
20,00,000	19,95,000	26,59,430	24,25,921	14,823	T. R. N. Naidu & Co. ..	270-00	100	15 0	20 0	20 0	..				12	Y.
20,76,900	5,076	1,13,00,886	85,68,242	21,920	R. G. R. Naidu & Co. ..	27,228	407	Coimbatore Spg. & Wvg. ..	88-00	100	8 0	8 0	8 0	..	12	
48,57,500	46,19,222	2,50,83,371	1,63,61,854	19,215	Tata Industries Private Ltd.	67,228	1,620	Central India	114.00	100	10 0	10 0	12 0	..	12	Y.
3,33,56,225	8,06,82,110	11,16,21,472	5,81,67,327	1,28,712	B. R. Charat Ram & Co., Private	1,41,180	2,352	Delhi Cloth & General Mills ..	35.50N	25	1 12	2 4	2 4	2 8	3	Y.
1,00,568										100	2 4/5	0 10	1 8/5	0 8 2/5		
84,84,800	22,25,000	66,71,856	46,12,585	....	M. N. Chettiar & Sons ..	38,052	921	Dhanalakshmi Mills	345.00	100	20 0	10 0	20 0	20 0	12	Y.
63,00,000	93 47,056	1,54,57,568	1,35,57,542	78,754	Begg, Sutherland & Co. Ltd.	48,452	1,198	Digin Mills	21.50	10	1 0	1 0	1 0	1 4	3	Y.
48,81,000	37,59,771	1,06,45,241	73,45,088	8,155	Forbes, Forbes Campbell & Co., Ltd.	72,904	..	Kaiser Mills	101.00xd	100	17 0	13 0	13 0	13 0	12	Y.
2,50,00,000	2,25,00,000	3,47,27,344	....	1,06,74,760	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	18-00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
50,00,000	5,16,447	1,33,91,953	1,12,28,576	9,551	K. L. Sekaraja, Esq. (Chairman)	51,180	1,420	Indore Malwa United ..	137-00	100	6 0	6 0	9 0	5 0	3	Y.
3,90,000	10,55,583	31,05,669	18,45,185	2,079	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardhana Mills	93.50	50	4 8	5 0	10 0	..	3	Y.
15,54,000	18,24,703	45,22,284	33,88,098	7,012	Mr. Bhairoolals Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,505-00	1,000	*Nil*	20 0	50 0	60 0	6	Y.
33,42,535	19,25,000	92,32,480	52,49,160	41,462	Kothari Sons	41,040	800	Kothari Textiles	14.75	10	0 8	0 8	1 0	1 0	6	Y.
32,00,000	67,91,510	1,69,61,585	1,26,19,465	20,876	M.	50,452	1,219	Lakshmi Cotton Mfg. ..	650.00xd	250	57 8	83 0	43 8	42 8	3	Y.
84,54,100	66,55,960	1,61,18,090	95,51,437	6,51,854	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	149.00	50	5 0	10 0	12 8	12 8	3	Y.
17,82,050									149.00	100	10 0	10 0	12 8	12 8		
1,75,02,480	4,24,40,278	5,83,51,924	2,77,47,982	32,44,130	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	41-50	25	2 8	4 0	4 0	6 0	12	Y.
12,00,000	4,17,283	33,20,768	16,72,262	—99,078	A. L. A. R. S. Chettiar and 2 others.	22,692	106	Malabar Spg. & Wvg. ..	109.00	200	8 0	*Nil*			12	Y.
60,00,000	49,00,000	68,79,627	43,29,784	45,825	W. A. Beardsell & Co., Ltd.	25,956	603	Meettur Industries Ltd....	408.00	100	12 8	25 0*	25 0	42 8	12	Y.
29,80,884	19,61,581	89,75,246	49,94,758	16,588	N. Sirur & Co. Private Ltd. ..	32,408	704	Minerva Mills	82.00	100	7	8 0(c)	8 0(c)	..	12	Y.
94,11,880	21,56,144	1,71,94,769	78,51,228	1,85,008	M.	32,408	952	Model Mills (Nagpur) ..	180.00	250	7	8 0(c)	7 8(c)	7 8	12	Y.
80,00,800	52,19,600	1,58,39,272	1,05,91,451	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Model Mills	75-00N	100					12	Y.
24,82,500	50,54,035	1,10,93,743	67,14,107	19,041	N. Sirur & Co., Private Ltd.	60,480	500	Mysore Spg. & Mfg. ..	101.25	50	10 0*	8*	6 0(c)	8 0*	3	Y.
13,61,780	6,000	29,25,252	15,12,761	—1,50,853	R. Surveyanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	3-87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
22,89,8310	25,02,533	1,04,27,292	58,90,719	—43,58,037	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills ..	1-87	O. 21	*Nil*	*Nil*			3	Y.
57,19,0000									—	D. 1	*Nil*	*Nil*				
57,19,606	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund ..	37,788	902	Osmanabad Mills	147-00	100	4 0	*Nil*	2 8(c)		12	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakhmi & Co. ..	41,200	..	Palani Andavar Mills	147-00	50A	1 8	2 0	2 8	2 8	12	Y.
6,00,000B									212-00	75B	18 0	18 0	18 0			
15,00,000	1,65,000	34,16,017	17,49,476	—14,98,897	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	70.00	100	*Nil*	*Nil*	4 0(c)		12	Y.
16,81,200A	22,75,000	83,60,150	49,86,177	4,852	A. G. Gurusamy Naidu & Co.	55,664	800	Radharishna Mills	140.00	100A	8 0	16 8	20 0	..	12	Y.
8,40,600B									140.00	50B	4 0	5 0	10 0			
15,00,000	30,00,000	48,74,198	25,94,337	11,081	R. R. Naidu & Sons	33,895	..	Rajalakshmi Mills	137.00	50	7 8	10 0	10 0	..	12	Y.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd. ..	14,800	..	Rajalakshmi Mills	140.00	100	6 0	8 0	10 0	..	12	Y.
22,81,750	12,40,000	42,27,452	21,20,815	32,012	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	139-00	100	6 0	9 0	10 0	10 0	12	Y.
60,00,000	62,41,868	1,00,25,428	55,44,914	—17,16,728	J. P. Srivastava & Sons (Rampur).	54,582	600	Raza Textiles	6-50N	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
15,00,000									1,225-00	1,000	*Nil*	*Nil*	*Nil*	*Nil*		
10,00,000	1,60,85,917	8,18,49,081	2,05,07,227	—1,65,20,798	Morarka & Co.	95,222	2,224	Sholapoor Spg. & Wvg. ..		500	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
26,09,700	17,10,000	81,44,272	65,62,318	1,09,148	H. N. Pallegar, Esq. ..	30,744	292	Sri Krishnarajendra Mills ..	104-00	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80-00N	100	*Nil*	*Nil*			3	Y.
15,00,000	3,45,80,155	99,62,153	79,53,780	80,60,553	Birla Brothers, Private Ltd. ..	96,212	1,344	Subzi Cotton Mills	94-00xd	10	4 0	5 0	6 0	6 0	12	Y.
17,50,0000	2,30,00 000	4,54,40,847	1,70,62,169	1,09,029	Jaipuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur)	11.00N	10	0 8	0 12	0 12		12	Y.
7,50,000P									12.00N	10P	0-0 2/5	0-1 2/5	0-2 2/5	1-2 2/5		
1,00,00,000	80,14,788	2,80,55,817	1,27,16,775	2,63,771	Emcete & Sons (Travancore), Ltd...	16,000	..	Travancore Rayons	13.75cd	10	0 8	0 10	0 12		12	Y.
1,00,00,000	9,50,000	17,49,881	12,41,858	62,837	Moolji Ramjee & Sons ..	4,424	270	Travancore Mills	13.25cd	10	0-11 1/5	0-14 2/5	0-14 2/5	0-14 2/5	1	2
13,98,070	84,50,000	71,88,723	40,63,168	56,000	R. K. Chetty & Brothers ..	47,240	1,355	Vishnu Cotton	308.50cd	100	12 0	15 0	20 0	..	12	
21,00,000	31,89,009	1,74,27,020	1,17,94,860	16,922	M.				124.50xd	100	4 0	4 0	8 0	8 0	3	Y.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (b) For six months ended 31st December (1956).

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1954.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	25,43,500	1,12,43,027	57,39,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	10.90cd	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,830	26,75,014	29,38,361	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	8.00	5	0 8	0 8	0 9	0 9	3	Y.
45,49,950	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	26.50	A. 10sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 9/5	9	Y.P
							—	B. £1	3 4	3 3	3 4	3 4		
6,00,000	9,80,000	15,95,636	15,95,029	4,579	Vital Maliya, Esq. (Chairman) ..	United Breweries	170.00	75	15 0	15 0	15 0	15 0	3	Y.
CEMENT														
51,27,660	313,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	13.00	B. 10	1 0*	1 0	1 0*		12	Y.P.Y.
43,14,6000	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	6.25	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.Y.
4,70,976D							0.93	D. 1						
13,71,67,228	3,46,99,450	27,75,38,913	9,84,43,675	2,93,968	Cement Agencies (Private) Ltd.	Associated Cement Companies	150.25	100	9 8	8 8	10 0		7	Y.T.
60,00,0000							12.00	O. 10	1 0	1 0	1 0	10 0		
25,50,0000	60,02,251	96,09,383	34,70,030	2,87,995	Hari Brothers Ltd. .. ..

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	100.00	25	1 9	3 2	4 11		6,12	H.P.
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ††	21.50	10	12 0	14 0	1 6 ⁵/₆	0 11 1/5[	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,880	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mill	15.75	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,18,71,731	4,58,61,773	1,07,73,853	2,12,435	Birla Brothers Private Ltd...	Orient Paper	30.20	10	2 0	0 15	1 2	0 10	3,9	H.P.
1,25,49,070	67,82,768	1,55,90,914	93,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	15.12	10	1 8	1 8	1 4	0 10[	6,12	H.P.
20 00,000 }	6 60,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	{ 10.25	O. 10	0 12	0 12	1 4	}	3,9[	H.P.
10,00 000 A.}	49,18 060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd.	Sirpur Paper Mills	{ 10.25	A. 10	0 12	0 12	1 4	}		Y.H
2,18,55,240							9.10	10	Nil	Nil	5 0[	0 8	6	
66 00,000 A.}	3,41,28,015	5,94,12,293	3,23,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	{ 33.50xd	A. 10	2 0*	1 8	2 0*	1 2[*	3,9	H.I
66 04,300 B.							{ 33.50xd	B. 10	2 0*	1 8	2 0*	1 2[*		
4,27,5602 O.							4.00	P.O. 24	0 4	0 4	0 4	0 2[*		
PRESSING														
2,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule & Co.	Calcutta Hydraulic	95.00N	100	2 0	4 0	Nil	Nil	6	Y.
5,00,000	2,47,132	10,91,809	9,20,874	26,289	Andrew Yule & Co.	Central Hydraulic	125.00	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
2,00,7860.}	6,93,333	43,52,570	32,65,378	86,000	S. A. Baali, Esq., & others (Directors)	Humayun Properties	{ 12-50N	O. 10	0 11⅓	0 9 3/5	0 9 2/5			Y.I
2,00,600 D.}							{ 2-75N	D. 1	0 4⅓		0 3 3/5		9	Y.
90,000 000	18,07,374	84,39,704	18,00,000	840	David Sassoon & Co., Ltd.	Port Canning Land	6-25	100	1 8	1 8	Nil		4	Y.I
94,00 000	36,70,109	93,05,154	93,932	—11,45,855	Andrew Yule & Co.	Midnapore Zamindary	21.00	100	1 8	4 0	3 0	Nil	4	Y.I
SAW MILLS AND TIMBER														
13,29,288	22,05,545	31,61,522	10,78,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	2.95	2	Nil	Nil	Nil		9	Y.
50,00,000 }	4,18,54,388	3,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 567.50	Old125	15 0	20 0	27 8	40 0 }	6	Y
43,00,000 }							{ 212.50	New50	6 0	8 0	16 0	16 0 }		
6,00 000	.....	7,23,569	7,23,267	—4,49,907	Jardine Henderson Ltd.	Bengal Timber Trading	25.00N	100	Nil	Nil			6	Y.I
99,00 000	21,15 487	19,00,295	14,35,560	2,76-619	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	40.00	10	2 8	2 12	2 0	1 0[	9	Y
SUGAR (U.P. and Bihar)														
14,99,000	12,23,302	42,04,482	29,87,602	—48,371	Begg, Sutherland & Co., Ltd. ..	Bakampur Sugar	6-50	5	Nil	0 12	0 1	Nil	6	Y
15,00,000 A. }	29,80,260	55,40,831	36,32,425	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	{ 180.00N	A. 100	10 0	10 0	10 0	10 0 }	4	Y.I
15,00,000 B. }							{ 14-00N	B. 10	1 0	1 0	1 0	1 0 }		
19,49,050	5,50,006	33,35,389	24,41,801	51,985	Baugur Bros., Ltd.	Balarad Sugar	11-50	7½	0 12	0 12	0 12		9	Y
15,00,000	13,61,513	18,12,168	12,47,841	2,330	Cotton Agents Private Ltd. ..	Bharat Sugar	15.25N	10	1 8	1 8	1 8		6	Y
32,00,000	28,37,080	1,36,90,775	93,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7.69	10	Nil	0 12	0 4	1 8	6	Y.I
50,00,000	65,63,722	1,63,27,393	86,27,332	91,991	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	17.00	10	2 0	0 12	0 12	0 12	10	Y
18,00,000	39,72,380	31,58,085	55,46,244	29,508	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	19-12	10	1 0	1 0	1 8	1 0	8	Y.
9,99,483	4,18,563	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10.00N	10	1 0	0 12			8	Y.
90,00,000 A. }	44,95,000	1,02,71,005	67,56,074	32,123	Bachhraj & Co. Private Ltd. ..	Hindustan Sugar Mills	{ 275-00	A. 100	15 0*	15 0*	15 0	15 0 }	6	Y.I
10,00,000 B. }							{ 100.00	O. 100	15 0*	15 0*	15 0*	15 0 }		
12 00,000	8,61,001	75,31,309	42,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	{ 65.00	80	Nil	Nil	2 4		7	Y.I
7,89,100	22,25,852	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd. ..	New India Sugar Mills	{ 46.25	40	Nil	Nil	2 4			
11,00,000	4,45,000	46,39,636	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd.	New Savan	80-00N	10	2 8	2 8	2 8	2 8	6	Y
18,98,000							5.75	10	0 4	0 4	0 6	0 8	5	Y
61,375	45,01,854	71,25,062	24,33,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	{ 225-00	100	20 0	20 0	20 0	20 0 }	6	Y
77,48,350	55,05,699	2,04,73,468	1,05,50,000	20,862	Cotton Agents Private Ltd. ..	Oudh Sugar	140.00	100	11 0	11 0	11 0	11 0	7	Y.
12,00 000	12,69 374	31,96,494	21,49,459	24,063	Narang Bros. & Co. Private Ltd.	Punjab Sugar	100.00	100	10 0	10 0	6 0		10	Y.
9,00,000	19,04,817	43 29,385	31,54,228	20,705	Begg, Sutherland & Co., Ltd. ..	Partabpore Co.	37-25N	10	1 0	0 12	0 12	0 12	10	Y.
3,00,000	5,10,793	28,74,022	22,66,790	18,204	M.	Ryam Sugar	21-50	10	0 8	0 8	Nil	1 12	6	Y.
11,99,000	19,38,520	45,20,176	24,15,129	2,854	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	11.50	10	0 8	0 8	Nil	1 12	6	Y.
39,70,525	22,63,560	1,40,84,561	68,85,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.12	10	1 8	1 8	1 12	1 0	6	Y.I
9,99,950	26,825	28,20,774	13,51,547	—6,25,477	H. K. Ghosh, Esq., and R. N. Dasta, Esq. (Managing Directors)	Sitalpore Sugar	4.75	10	Nil	Nil	Nil	Nil	6	Y
7,95,463	18,32,940	31,60,725	17,68,063	1,06,227	Karamchand Thapar & Bros. ..	Shri Bisram Sugar	15.06	10	2 0*	1 8*			6	Y.
4,40,000 D. }	46,462	29 66,360	11,46,770	—16,37,907	M.	South Behar Sugar	{ 1.00N	O. 10	Nil	Nil	Nil			Y.I
2,00,000	29,24,348	1,15,70,815	68,08,784	32,829	Cotton Agents Private Ltd.	Upper Ganges Sugar	{ 0-25N	D. 2½	Nil	Nil	Nil		10	
16,00,000	7,66,589	32,69,951	26,68,926	30,564	M.	United Provinces Sugar	{ 70-00N	10	2 8	2 8	2 8	3 0	6	Y
							15.00	10	1 8	1 4	1 8		9	Y
Other Centres														
50,00,000	3,00,000	48,07,804	14,63,228	1,80,837	Rangaroo & Co.	Andhra Sugars Ltd.	18.75	10	Nil	Nil	Nil		3	Y.
79,49,650	95,62,027	1,45,40,394	1,58 91,570	92,911	W. H. Brady & Co., Ltd.	Belsund Company	228.75	50	16 0	16 0	16 0	16 0[	9	Y.
17,50 000	8,56,585	25,56,598	22 70,609	32,609	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	17.50	10	1 0	1 0	1 0	1 0	9	Y.
15,00,000	37,08,185	32,89,112	2,24,398	33,344	A. H. Bhiwandiwalla & Co. ..	Shree Changdeo Sugar	20.75	12	8 0	1 0	2 0	2 0	9	Y.
15,93,900	24,71,731	40,15,357	—1,64,902	2,442	M. J. P. Srivastava & Sons (M.B.) Ltd.	Sitapur Sugar	60.00	100	Nil	Nil	Nil		6	Y.
47,94,920	14,00,000	20,84,997	16,71,128	5,22,518	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	140.00	100	Nil	Nil	Nil		6	Y.
20,62,558	12,13,785	48,34,178	11,11,506	32,560	E. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	18.50	10	1 8	1 12	1 6 2/5		6	Y.
23,57,630	44,81,080	48,51,380	31,98,837	1,06,844	Govan Bros. (Rampur) Ltd. ..	Rampur Sugar	14.50N	10	1 0	1 0	1 0	0 9-3/5	10	
10,52,2000.}	79,50,000	1,79,03,447	85,20,285	26,868	V. Ramakrishna, Sons (Private) Ltd.	K. C. P. Ltd.	{ 135.00	O.100	7 8	7 8	7 8	7 8	10	Y.
2,87,190 D. }							{ 145.00	D. 10	10 0	10 0	10 0	10 0 }	6	Y.
31,79,200	56,24,818	1,29,89,142	82,21,728	2,63,107	S. Muniswamy Iyer, Esq. (Mg. Director)	Mysore Sugar	37.50	10	2 0	2 0	2 0	2 0	9	Y.
50,00,000	53,00,540	1,09,70,631	63,35,454	92,981	Mafatlal, Apte and Kasthle Ltd.	Phaltan Sugar	75.00	50	8 0	8 0	8 0	8 0	9	Y.
16,58 820	35,50,820	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnagar, Cane and Sugar ..	135.75	50	8 0	8 0	9 0	9 0	9	Y.
20,00,00,000. }	35,02,395	95,61,317	56,00,576	67,511	Walchand & Co., Private Ltd. ..	Ravalgaon Sugar Farm	22.25	10	2 0	1 8	2 0		9	Y.I
4,00,000 D. }							{ 185.00N	O. 50	Nil	Nil	9 0	12 0 }	9	
19,99 600	47,66,324	46,85,212	23,94,524	44,163	Govan Bros. (Rampur) Ltd.	Rana Sugar	{ 7.00N	D. 10	Nil	Nil	0 11⅓	7% }		Y.I
30,00,000	9,10,000	59,87,263	32,10,844	45,998	Parry Co., Ltd.	Travancore Sugar	15.50N	10	1 0	0 12	1 0		10	Y
1,81,00,000	1,08,46,263	2,28,80,653	99,17,710	1,75,780	Walchand & Co., Private Ltd. ..	Walchandnagar Industries	11.90	10	Nil	Nil	0 12	1 0	7	Y
							248.75xd	100	14 0	16 0	18 0	21 0	9	Y
TRANSPORT														
30,00 000	1,00,69,622	1,24,00,702	15,56,557	55,226	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	130.00	100	10 0	7 8	7 8		10	Y.
1,00,00,000	1,37,37,019	4,41,85,264	1,55,09,519	1,54,225	Dhanbar Private) Ltd.	Bharat Line	80.00N	100	5 0	5 0	7 8		12	Y
60,00,000	31,80,911	3,31,00,904	89,55,702	83,515	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	18.10	10	1 0	1 0	Nil	1 8	6	
4855 580	61,088,193	55,614,160	43,397,531	832,063	Kilburn & Co., Private Ltd. ..	India Steamship Co.	66.00	410	Nil	5h. 1 0	Nil	5h. 10	12	
2,25 00,000	59,09,822	9 64,47,644	2,23,99,146	25,920	Lione Edwards Ltd.	Scindia Steam Navigation Co. ..	16.10	10	0 8	Nil	Nil	1 0	3	
9,39 98,060	9,00,12,101	52,64,99,934	4,85,66,202	5,62,020	M.		18-55xd	20	0 12	0 8	0 8	1 0	3	
5,40,8000.}	19,69,866	11,85,483	7,29,969	1,84,493	R. R. Aiyer, Esq., (Manager) ..	Walford Transport Ltd.	{ 2-62	O. 1	as. 1 2/25	1 22/2	as 2 6/25		12	Y.
10,300 P.O. }							{ 1-81	P.O. 1	as. 10/25	1 19/25	as.122/25			
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,58,321	4,22,362	250	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530-00	200	32 0	32 0	32 0	30 0	9	
15,98,800	2,04,178	2 26,474	90,000	1,99,851	M.	Bombay-Uganda	60-00N	20	5 0	4 8	Nil		12	
25,00,000	1,00 000	23,87 214[§		226	M.	Devkaran Nanji Investment Co.	11-50	10	0 12	0 12	0 12	0 12	3	
5,57,00,000	1,03,93,754	4,55,59,017	1,03,65,563	94,16,788	A. J. C. Hoskyns-Abrahall (Chairman).	Hindustan Lever	19-00	10					3	
80,17,900	13,88,886	98,38,383	69,34,587	83,608	Birla Brothers Private Ltd. ..	Hind Cycles	130.00	100	4 0	5 0	7 4	12 0	12	
14 98,840	8,42,585	23,00,600	17,75,000	4,110	Choonilal Manilal Ltd.	Hotwela Batteries	130.00	100	6 0	10 0	10 0	12 0	12	
99,99 250	19,47,386	1,23,03,604[§		2,83,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	75-00	50	4 0	4 0	2 0		3	
99,99,975	58,99,351	1,35,47,482	8,04,321	4,849	K. G. Mulye, Esq. (Mg. Director)	Hilton Hotels Ltd.	167-00	100	4 0	4 0	4 0		12	
2,50 18,775 A.O.	39,14,265	3,96,59,681	1,49,06,326	6,05,448	Aero-Auto Private Ltd.	Premier Automobiles	10 0	11	11 0	11 0	11 0	6	12	
10,31,200	5,06,419	8,09,102	5,79,614	7,356	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	88-00	100	Nil	Nil	Nil		6	
2,74,00,000	72,79,000	3,03,67,181	1,63,71,846	5 61,984	Mr. A. Eydan & Mr. S. Goldberg	Western India Match Co.	171.00	100	11 0*	11 0*	11 0*	6 0	12	
45,00,000	62,52,890	7,44,904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350-00	150	20 0	20 0	20 0	22 8	12	
Other Centres														
47,50,000 }	1,94,82,556	3,73,51,606	73,16,869	1,16,199	J. K. Industries (Private Ltd....	Aluminium Corporation of India Ltd.	{ 9.12	O. 10	Nil	Nil	Nil	0 8 }	3	
2,50,000 }							{ 5-00N	D. 2½				Nil }		
46,00 000	22,25,000	56,26,845	21,56,606	64,837	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	15-62	10	1 4	1 4	1 4	1 4	3	
30,00,000	36,18,878	34,21,252	22,94,853	2,35,874	Turner Morrison & Co., Private Ltd.	Angelo Bros., Ltd.	19-25	10	1 4	1 4	1 4	1 4	3	
30,00,000	8,85 000	38,31,494	20,95,000	1,15,395	M. A. Eydari & M. S. Goldberg	Bharat Iron Works, Ltd.	19-25	10	1 4	1 4	1 4	2 0*	12	
28,00,000	22,47,888	1,02,58,021	56,87,880	2,45,122	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7-50N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	3	Y.I
26,01,400	1,18,83,000	67,47,111	23,97,111	5,08,139	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	144-00	100	20 0*	12 0[	12 8		12	
12,00,000	9,10,000	21,37,448	24,06,448	76,850	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	21-25	10	1 8	1 8	1 8	1 8	6,12	
28,00,000	7,95,480	82,87 994[§		1,18,707	Lovelock & Lewis	Birds Investment Ltd.	13-75	10	1 0	1 0	1 0	1 0	9	
45,97,020	39,11,814	1,10,84,484	23,37,889	1,79,377	M. Julius Secrit, Esq. (Mg. Director).	Britannia Biscuits	13-06	10	0 8	1 0	1 0		9	
3,25,00,000	1,16,11,505	3,33,08,908	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	7-35	5	0 8	0 8	0 8	1 0	3	
1,25,80,000	17,34,264	3,03 27 282[§		19,76,082	Andrew Yule & Co., Ltd.	Clive Row Investment	9-56	10	0 4 1/5	0 3 1/5	Nil		12	
1,60,00,000	9,40,96,174	5,55,01,995	2,48,71,167	12,24,595	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	24-06	10	1 8	0 8	0 9	1 6	12	
51,28,000	54,10,811	1,72,17,307[§		8,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd.	107-00	100	9 0	9 0	9 0	9 0	12	
14,00,000	10,67,000	28,81,772	18,89,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	120-00	100	20 0	15 0	15 0		3	
65,00,000	53,17,300	19,73,012	9,18,968	89,541	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	10-75	10	7 8	7 8	1 6 2/5	1 9 2/5	3	
30,00,000	14,67,354	31,29,020	23,68,922	7,455	B. P. E. Syndicate	Great Eastern Hotel	226-00N	100	15 0	6 0	6 0	16 0	3	
4,98,05,700		3,94,19,145	1,31,58,541	9,18,065	Birla Brothers Private Ltd.... ..	Hindustan Motors	7-35	10	Nil	Nil	Nil	Nil	12	
2,01,10,000	56,56 548	4,80,45,268	1,96,84,142	7,67,410	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	18-80	10	Nil	Nil	Nil	Nil	12	
1,52,89,220	1,37,00,000	1,99,88,788	71,50,911	32,04,214	B. J. Woodley, Esq. (Mg. Director) .	Indian Cables	26-62	10	1 0*	1 0*	1 0*	1 8*	9	
5,27,970	1,00,000	16,74,908	9,50,205	62,728	G. S. Monilton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	26-00	10	0 12	1 0	0 8	1 0	9	
15,16,00,000	7,89,02,622	4,15,59,461	1,62,52,877	54,94,274	M. G. H. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	18-50	10			0 8	0 10	3	
2,00,00,000	57,29,646	37,49,656	11,08,843	5,11,882	G.M. Mackinlay, Esq.	Jardine Henderson	78-00	100	7 0	9 2/5	0 12 4/5	0 12 4/5	3	
60,00,000 }							225-00	100	7 8	7 8	7 8	7 8	12	
5,00,000 D. }	90,86,906	26,18 923	8,73,670	2,57,284	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	{ 225-00	O.100	10 0	17 0	2 8			
1 43,96,500	81,82,796	24,06,298	13,34,790	2,70,207	T. Leslie Martin, Esq.(Mg. Director).	Martin Burn Ltd.		D.O.10	0 8	1 3 1/5	1 12			
1,18,80,000	58,50,000	1,88,37,978	78,00,772	10,24,249	H. Chiswell Jones, Esq. (Chairman) .	Metal Box Co. of India, Ltd. ..	22-50	10	1 0	1 0	1 12	2 0*	3	
2,52,585	1,55,250	7,85,598	2,50,987	—2,28,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works	27-25	10	1 0	1 0	1 4	1 10	3	
6,56,250	9,18,096	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	8-75	10	Nil	Nil	Nil		12	
10,00,000	2,18,500	15,34,006	9,41,427	44,512	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	15-62	10	1 0	1 0	0 12	0 14 2/5	3	
40,00,000	74,71,172	63,30,914	41,52,961	1,44,445	Associated Industrial Development Co., (Private) Ltd.		13-75	10	1 0	1 0	1 0	1 0	3	
40,00,000	18,00,000	98,19,895	51,17,463	75,726		National Insulated Cable Co. ..	19-75	10	1 0	1 0	1 8*	2 0*	3	
79,97,000	.....	1,17,82,767	57,19,285	8,99,582	Do	National Rolling & Steel Ropes ..	10.00	10	0 9	0 9	0 9	0 9	3	
.....	9,71,848	1,45,25,118	44,23,274	—44,12,925	B. N. Elias & Co., Ltd.	National Tobacco Co.	10-25	10	Nil	0 8	0 12 4/5		12	
1,72,24,400	1,81,30,338	7,56,34,589	3,47,94,970	6,91,624	M. P. A. Pappatti, Esq.	Rallis (India) Ltd.	20-50	100	Nil	Nil	Nil	Nil	12	
40,00 000	87,06,558	1,21,07,804	78,09,327	6,22,212	Sahu Jain Ltd.	Rohtas Industries	17-40	10	1 4	1 8	1 8		12	
75,00,000	54,13,850	17,49,315[§	5,58,635	3,05,280	O. W. Stephenson, Esq.	Spencer & Co., Ltd.	16-15	10	1 8	1 8	1 8	1 8	12	
6,96,250	.....	14,99,289	3,84,580	.....	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	11-50	10	1 0	1 0	1 0		12	
					Ogale Bros., Ltd.	Travancore Ogale Glass	3-50	10	Nil	Nil	Nil		12	

M.—Managed by Board of Directors. †† Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each ,which subsequently were divided into shares of Rs.10 each.

x—In the case of Belagavi Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,34,864	5,38,169	.....	McLeod & Co., Ltd.	825	Amluckie	23.00	10	25 0	72 0	19 0		12	Y.P.
3,50,000	3,43,350	10,69,902	2,42,089	77,477	B. K. Kanoria, Esq.	439	Ananda (Assam) Tea	36.00	10	1 4	7 8[			12	Y.
3,50,000	8,98,256	11,21,676	2,53,926	80,526	Gillanders Arbuthnot & Co., Ltd...	437	Ananda Bag	23.00	10	1 8	5 0*	1 0		12	Y.
5,10,000	11,21,541	17,56,465	7,08,427	26,051	McLeod & Co., Ltd.	512	Bazhmari	23.00	10	Nil	5 0	1 0		12	Y.
3,50,000	8,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	21.12	10	2 8	5 0	1 0		12	Y.
3,50,000	4,65,000	11,85,776	7,12,759	80,298	National Tea Corporation	570	Batali	31.12	10	2 8	3 0	1 0		12	Y.
16,50,000	9,40,000	10,27,063	3,08,925	66,155	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	27.00	5	2 0	4 0	2 8		12	Y.
25,00,000	44,09,567	63,38,162	26,80,662	1,49,359	Williamson Magor & Co., Ltd.	4,002	Bhamatah	29.00	10	2 0	10 0*	2 0		12	Y.
3,50,000	7,40,000	10,87,919	3,95,063	69,484	Ostavius Steel & Co., Ltd. ..	455	Bokakhat	19.00	10	1 8	5 0	1

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
8,00,000	1,00,000	8,92,280	81,236	88,236	Planting Agencies Ltd.	Balmadies Plantations	3-35	2	0 4	0 4	0 4 1/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Pelree, Leslie & Co., Ltd. ..	Cochin Malabar	7.60	3	0 12	0 12	0 7 1/5	0 12	3	Y.P.T.
15,00,000	21,50,000	86,15,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	25-40	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	43,87,756	1,16,65,280	35,13,535	1,12,313	E. C. Paterson, Esq.	Consolidated Coffee	22.20	10	1 8	1 12	2 4	2 0	6	Y.P.
4,00,000	6,47,666	7,58,769	40,878	1,009	Associated Planters Ltd.	Cottanad Plantations	17.37	10	1 8	1 8	1 12*	1 8	3	Y.P.
16,00,000	9,30,843	25,79,996	4,94,158	46,643	A. V. Thomas & Co., Ltd. ..	Highland Produce	13.37	10	1 4	2 8	2 0	0 10†	12	Y.
4,00,000	10,92,599	13,33,325	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	26.25	10	2 0	2 0	2 12	2 9	4	Y.
9,00,000	8,17,955	5,86,920	2,50,348	.....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	29.50	10	2 0	2 4	2 4	3 4	3	Y.P.
17,00,000	29,11,062	77,71,161	8,84,890	1,07,840	A. V. Thomas & Co., Ltd. ..	Midland Rubber	16-75xd	10	1 8	1 12*	2 8	2 0	3	Y.P.T.
2,25,000	2,31,000	14,16,774	1,67,177	16,787	A. V. George & Co., Ltd. ..	Nenmeny Rubber	21.12	10	0 12	1 8	1 8	..	12	Y.P.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	16.25	10	1 0	1 0	1 8	..	12	Y.P.T.
19,45,950	31,29,615	43,87,395	14,23,068	Nil	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4-90	2	0 3½	0 9 3/5	0 2 2/5	0 3 1/5	10	Y.P.
13,50,000	9,90,000	42,16,515	5,21,127	5,082	A. V. Thomas & Co., Ltd. ..	Kalagiri Rubber	19.00xd	10	1 12*	1 12*	2 0	2 8	11	Y.
3,66,780	3,50,000	7,77,412	78,478	71,842	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	21.00xd	10	3 0	2 8	1 0	1 8	11	Y.P.T.
10,80,000	3,09,600	22,34,272	1,49,071	8,472	East India Agencies Private Ltd.	Teskoy Rubber (India) Ltd. ..	9-12	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.
2,50,000	2,27,500	8,37,787	80,934	14,887	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	27.50	10	3 0	3 0	3 0	..	12	Y.
9,15,300	4,00,000	20,99,924	96,217	27,055	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1.85	1	0 4½	0 13/5	0 2	0 2	9	Y.
6,00,000	75,491	9,79,479	3,23,517	2,745	Aspen Thomas, Esq. (Mg. Director)	Travancore Rubbers	19-75xd	10	2 0	2 0	3 0	..	12	Y.P.T.
41,00,000	14,80,799	74,58,300	9,65,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	9-12	10	1 0	1 8	1 4	..	12	Y.
20,00,000	.....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	30.25xd	10	2 0	2 4	2 8	1 8†	12	Y.
6,28,580	5,40,670	8,51,433	16,128	40,780	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	9-50	10	1 0	1 8	2 0	1 4	3	Y.P.T.
6,76,610	97,259	13,34,568	10,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates								

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,80,008	1,06,27,844	54,37,664	29,696	R. N. Bliss & Co., Private Ltd. ..	879	Agarpara	8.25	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6,00,000	10,25,000	58,46,050	37,72,102	2,45,707	McLeod & Co., Ltd.	446	Alexandra	135.00xd	100	2 8	7 8	10 0	5 0‡	6,12	H.P.T.
50,00,000	8,25,000	1,17,61,837	93,76,089	23,103	McLeod & Co., Ltd.	1,264	Alliance	74.00	100	5 0	12 0	6 0	0 8	6,12	H.P.
49,20,700	60,00,000	2,96,90,382	1,93,15,906	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	130.00	100	12 0	7 8	8 0	2 8	3,9	H.P.T.
40,00,000	42,17,051	1,76,37,079	92,91,544	11,877	Bird & Co., Private Ltd.	810	Auckland	78.50	100	4 0	8 8	10 0	1 0‡	3,9	H.P.
20,00,000	23,80,018	96,91,416	65,65,094	65,802	Jardine Henderson & Co.	939	Bally	142.00	100	4 0	Nil	3 8	Nil†	3,9	H.P.
£378,000	£667,405	£1,477,480	£987,176	.....	Sir John H. Burder (Chairman) ..	1,885	Barnagore	85.00	£5	£1 15	sh. 15	sh. 15	Nil	3	H.P.
22,00,000	28,00,033	39,78,705	5,70,821	2,625	Andrew Yule & Co., Ltd.	820	Belvedere	95.00	100	15 0	10 0	7 8	Nil†	6,12	Y.P.T.
44,00,000	23,45,000	87,08,172	31,28,574	2,65,160	Seorajmull Nagarmull	600	Bengal	14.50	10	1 4	1 8	1 8	..	6	H.P.
21,26,000	2,17,48,383	3,84,10,403	1,46,32,651	4,87,393	Birla Brothers Private Ltd. ..	1,573	Birla	14.25	10	2 0	2 4	1 0	1 0	3	H.P.
80,00,000	21,81,426	1,17,90,047	72,94,980	.....	Andrew Yule & Co., Ltd.	991	Budge-Budge	90.00	100	10 0	9 0	7 8	Nil	4,10	H.P.T.
7,47,180	3,09,446	43,78,704	31,62,683	—8,31,470	Dayaram & Sons	502	Calcutta Jute Mfg.	8.50	10	Nil	0 12	Nil	Nil	6,12	H.
15,00,000	26,46,224	37,35,841	45,34,068	1,338	Andrew Yule & Co., Ltd.	616	Caledonia	105.00	100	12 0	9 0	6 Nil	Nil †	3,11	H.
59,16,400	95,49,228	2,29,86,769	1,11,69,202	19,010	James Finlay & Co., Ltd.	600	Champdany	120.00	100	6 0	3 0	10 0	2 0‡	3,9	H.
14,95,000	19,35,033	37,70,192	25,15,175	1,387	Andrew Yule & Co., Ltd.	520	Chevlot	125.00	100	13 0	14 0	10 0	Nil †	5,11	H.P.T.
80,15,000	32,00,000	66,68,762	48,43,666	1,01,027	McLeod & Co., Ltd.	600	Chitavalsah	12.31	10	1 12	1 2	1 0	0 10‡	6,12	Y.P.
84,00,000	9,00,000	81,98,235	67,13,237	21,334	Mare Kishan Investment Co., Ltd.	969	Clive	13.75	10	Nil	Nil	1 4‡	0 8	3	H.P.T.
51,49,200	46,45,252	1,17,84,564	46,04,775	—8,30,845	Bird & Co., Private Ltd.	766	Dalhousie	84.00	100	4 0	2 8	4 0	Nil	3,9	H.P.
28,00,000	48,71,679	78,87,475	47,30,110	2,164	Andrew Yule & Co., Ltd.	775	Delta	125.50	100	20 0	12 0	10 0	Nil	5,11	H.P.T.
15,00,000	34,50,000	89,93,104	60,85,660	75,401	McLeod & Co., Ltd.	560	Empire	14.50	10	1 0	1 4	1 4	0 8‡	6,12	H.P.T.
81,00,000	60,00,000	2,70,19,094	1,39,10,198	1,59,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	290.00 N	100	Nil	5 0	15 0	7½†	3,9	H.P.T.
21,00,000	13,00,000	97,58,074	54,63,692	1,34,932	Bangur Bros., Ltd.	1,014	Fort William	17.50	10	1 0	25 0	80 0	0 12½†	3,9	H.
84,52,100	.....	3,11,87,254	1,33,58,935	—8,67,463	Mansell & Barry Ltd.	1,709	Ganges Mfg.	44.00	100	Nil	0 8	2 8	Nil †	3,9	H.
10,80,000	22,00,000	71,85,983	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	725.00	800	15 0	Nil	..	..	12	H.
24,00,000	29,32,257	2,19,00,613	1,61,26,422	25,195	Mansell & Barry Ltd.	1,294	Gourepore	220.00	100	2 12	10 0	15 0	2 8‡	3,9	H.
40,00,000	64,68,223	1,14,89,548	56,72,130	5,40,348	Bangur Bros., Ltd.	1,028	Hastings	82.25 N	100	10 0	10 0	11 8	5 0	3	H.
14,82,000	16,61,989	64,47,721	47,70,916	—2,95,255	Baijnath Bajoria	720	Hooghly	18.50	10	1 4	0 8	1 4	Nil	3	H.P.T.
65,52,500	49,64,372	1,32,66,485	1,10,52,708	57,024	Jardine Henderson Ltd.	1,940	Howrah	15.25	10	1 8	1 4	0 14	0 4‡	3,9	H.P.T.
52,50,000	27,85,153	2,56,51,559	1,56,51,559	1,18,594	Kamdutt Ramkissendas	2,272	Hukumchand	20.00	75	1 8	2 0	2 0	2 0	3	H.
87,00,000 } 30,000 }	17,20,656	1,27,01,698	90,28,979	2,57,387	M.	1,076	India	{123.00 {91.00	125 100	6 4/5 0 8	9 3/5 0 8	9 3/5 0 8	8 3/5 ‡ } Nil †	3,9 } 6,12	H. H.P.
24,00,000 } 19,20,000 'B' } 30,00,000	18,75,846	1,85,39,772	1,15,01,308	.....	Jardine Henderson Ltd.	1,797	Kamarhatty	{82.00 {57.00	100 'B' 100	0 8	0 8	0 8	Nil †	} 6,12	H.P.
30,00,000	9,81,473	1,74,14,802	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankarrah	57.00	'B' 100	7 8	6 8	1 0	Nil	6,12	H.P.
54,00,000 'B'	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd.	708	Kelvin	164.00	100	15 0	20 0	17 8	5 0‡	6,12	H.P.
54,00,000	23,83,275	1,72,56,993	1,18,00,127	56,028	Anderson Wright Ltd.	1,539	Kinrich	125.00	100	17 0	12 0	11 8	4 0‡	3,9	H.P.T.
48,00,000	1,08,90,866	2,45,37,744	1,15,46,132	41,087	J. W. Holligers & Co., Private Ltd.	1,250	Khaleon	123.00	100	7 0	7 0	7 8	0 0‡	3,9	H.
24,48,000	39,51,464	1,11,33,345	47,99,245	—2,12,719	Bird & Co., Private Ltd.	921	Lansdowne	80.00	100	7 0	5 0	7 0	Nil †	3,9	H.
28,00,000	55,75,192	1,16,59,380	64,57,897	2,782	Bird & Co., Private Ltd.	1,040	Lawrence	84.00	100	8 0	6 0	8 0	Nil †	3,9	H.
21,45,200	26,26,048	2,64,13,349	1,58,97,983	1,64,643	Mangu	1,328	Mangu	68.00	100	5 0	3 0	3 12	2 12‡	3,9	H.
29,98,900	38,40,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Holligers & Co. Private Ltd.	815	Naihati	53.00	100	Nil	Nil	Nil	Nil †	3,9	H.
28,00,000	15,55,000	39,01,548	18,31,709	17,516	Newrah Trading Co., Ltd. ..	555	Nalkarpara	13.75	10	0 8	1 2	0 10‡	..	4,10	H.P.
15,00,000	41,84,228	58,28,491	16,28,814	14,644	Andrew Yule & Co., Ltd.	552	National	20.10	10	1 8	2 0	1 12	0 6	4,10	H.
26,25,000	27,71,022	27,71,022	20,24,900	1,66,257	McLeod & Co., Ltd.	216	Nellimarla Jute	11.56xd	10	1 12	1 8	1 0	0 12	6,12	H.P.
85,50,000	2,71,44,542	4,59,15,627	99,36,542	8,71,398	Sahu Jain Ltd.	1,765	New Central†	12.12	10	24 0	12 0	1 8	0 12‡	12	H.P.
16,79,850	49,70,164	1,18,59,357	51,49,005	70,112	Andrew Yule & Co., Ltd.	547	Northbrook	20.31	10	1 8	1 8	1 8	1 8‡	3,9	H.P.T.
66,79,100	44,39,491	2,18,55,164	1,39,46,311	17,000	Mansell & Barry Ltd.	1,092	Nuddea	30.25	10	0 8	0 8	1 0	Nil †	3,9	H.
24,92,250	23,73,799	75,07,665	50,65,690	537	Andrew Yule & Co., Ltd.	661	Orient	103.00	100	12 0	10 0	9 0	1 0‡	5,11	H.P.T.
24,00,000	6,28,490	64,52,164	51,26,437	51,053	McLeod & Co., Ltd.	400	Ptarkeasy	8.62	10	0 8	0 8	0 8	Nil †	6,12	H.
80,00,000	2,49,790	29,97,878	5,39,130	—9,18,218	Birla Brothers Private Ltd. ..	805	Rameshwara	5.12	10	Nil	Nil	Nil	Nil †	3	H.P.T.
49,50,000	5,82,465	1,59,85,629	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance	7.37	10	0 8	Nil	Nil	Nil †	3,9	H.P.T.
4,00,000	61,093,718	61,24,05,244	.....	4,58,924	Thomas Duff & Co. (India) Ltd. ..	3,013	Samnagar	10.25	81	10%	10%	8%21	..	12	Y.
99,00,000	13,14,918	1,15,69,877	70,96,145	7,978	Bagaria More & Co., Ltd.	911	Shree Ambica	14.00	10	0 8	1 0	0 8	..	3	H.P.T.
14,00,000	11,25,000	66,11,794	38,79,294	2,156	Hindustan Investment Corporation	401	Seorah	13.00	10	0 8	1 0	1 0	..	12	H.P.
25,19,600	42,72,182	1,37,88,246	58,23,499	—4,87,127	Bird & Co., Private Ltd.	650	Standard	56.00	100	2 8	2 0	1 0	Nil	3,9	H.
£400,000	£625,111	£1,187,690	.....	£53,548	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	10.25	£1	10%	10%	8%21	..	12	Y.
£5,98,400	£8,06,722	£,00,00,808	£4,22,956	18,324	Bird & Co., Private Ltd.	1,328	Union	109.00	100	5 0	6 0	10 0	1 0‡	3,9	H.
£400,000	£688,035	£1,124,819	.....	£60,851	Thomas Duff & Co. (India) Ltd. ..	1,221	Victoria	10.00	£1	10%	10%	8%21	..	12	Y.
2,56,000	6,85,000	55,58,063	40,23,921	16,518	McLeod & Co., Ltd.	457	Waverley	3.06	1	0 1	0 2	0 2	..	6,12	H.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	28,610	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	15.93	10	1 0	1 5	1 0	0 8‡	3,9	H.
12,00,000	8,27,643	37,37,024	24,80,182	45,289	Jardine Henderson Ltd.	Bararee Coke	16.25	10	1 4 2/5	1 7 1/5	1 7 1/5	0 9 2/5‡	3,9	H.
4,48,384	70,000	8,48,135	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5.50xd	10	0 12	0 12	..	..	6,12	H.
1,00,80,000	1,40,49,222	5,01,92,614	3,05,77,226	7,31,663	Andrew Yule & Co., Ltd.	Bengal Coal	210.00	100	25 8*	30 0*	25 0*	..	3,9	H.P.T.
2,25,000	4,22,669	24,81,732	22,32,524	.....	Bird & Co., Private Ltd.	Bengal-Nagpur	14.00	10	Nil	Nil	..	..	3,9	H.
18,97,000	4,73,258	37,70,192	25,77,384	19,496	K. V. Low & Co., Ltd.	Bhajgora	4.62	10	0 8	..	..	..	9	Y.P.T.
40,00,000	5,00,000	1,39,06,662	71,05,185	37,483	Sahu Jain Ltd.	Bharat Collieries	6-19	10	0 12	0 10	0 10	..	12	H.
7,15,000	15,11,080	52,98,858	37,52,560	—1,87,446	F. W. Holligers & Co. Private Ltd.	Bhulanbararee	13.00 N	10	Nil	Nil	Nil	..	6,12	H.
10,00,000	66,14,856	93,99,961	33,99,961	—79,196	Ramgarh Industries (Coal) Co. ..	Bokare-Ramgur	11.75 N	10	..	..	..	..	6,12	H.
7,50,000	24,39,026	42,39,068	26,53,405	84,507	F. W. Holligers & Co. Private Ltd.	Borren	18.75	10	2 12	2 0	2 0	..	6,12	H.P.
90,92,480	1,79,05,968	4,22,86,647	1,90,16,824	30,168	Bird & Co., Private Ltd.	Burakur	21.40	10	0 12	0 9	0 10	0 8‡	3,9	H.
4,89,77,760	.....	7,45,39,430	7,40,000	9,927	Hindustan Investment Corpn., Ltd.	Central India	6.06	10	0 4	0 4	0 4	0 2	6,12	H.
5,80,000	18,54,302	49,10,414	33,68,984	32,765	M.	Central Kurkend	12.00 N	10	1 8	..	..	..	6,12	H.
6,80,000	1,43,676	7,58,458(k)	.....	2,139	F. W. Holligers & Co. Private Ltd.	Charria	1.87	1	0 2	0 2	0 1‡	..	6,12	H.
19,80,000	.....	83,81,704	29,81,276	—1,87,518	Mansell & Barry Ltd.	Dhemo Main	5.62	10	Nil	Nil	Nil	..	6,12	H.
£240,000	£230,583	£979,005	£731,579	£55,922	Jardine Henderson Ltd.	East Indian	24.56	£1	2 8	2 8	3 0	2 8	3	H.
29,62,750	83,56,049	4,04,81,877	2,89,25,665	22,879	Mansell & Barry Ltd.	Ghusick and Musia	13.50 N	10	1 8	1 8	1 8	..	6,12	H.
10,80,000	1,32,999	13,81,144	4,58,887	33,283	Bhatter's Agency Ltd.	Hingir-Rampur	41.25	10	0 8	0 8	2 4	..	6	H.
12,80,000	1,22,000	41,85,847	23,43,143	1,144	Killick Industries Ltd.	Hirrilladih	21.00	50	2 0	Nil	2 4	2 4	6,12	H.
8,00,000	7,25,000	23,07,121	12,89,541	45,985	Mansell & Barry Ltd.	Jogta Coal	1.12	10	1 8	1 12	2 8	..	6,12	H.
13,50,000	1,13,000	34,74,453	18,19,580	—8,87,288	Killpatrick Trust Ltd.	Kalapahari	20.00	10	Nil	Nil	..	..	12	H.
2,50,000	3,45,579	13,84,857	7,23,688	.....	Andrew Yule & Co., Ltd.	Karanpura Collieries	88.50	100	Nil	Nil	5 0	5 0	3	H.
20,00,000	1,77,176	28,99,688	4,85,149	6,965	Bird & Co., Private Ltd.	Kasai-Jharian	58.25	10	4 0	4 0	2 8	..	1,7	H.
5,00,000	16,40,000	46,77,888	34,47,888	1,33,674	Andrew Yule & Co., Ltd.	Khas Kajora	2.50 N	10	Nil	Nil	..	..	6,12	H.
1,28,498	5,72,966	13,85,941	5,72,940	—2,60,326	Beriwala & Co.	Khas Kajora	2.50 N	10	Nil	Nil	..	..	6,12	H.
11,00,340	64,314	19,73,961	10,41,883	—41,338	H. V. Low & Co., Ltd.	Kusedi	2.50 N	10	Nil	Nil	..	..	6,12	H.
9,00,000	11,84,511	28,60,268	23,97,887	2,38,621	H. V. Low & Co., Ltd.	Lakarka	7.00 N	10	0 8	0 4	..	..	4	H.
7,48,340	2,60,000	13,13,308	9,66,218	81,201	Tantia Brothers Ltd.	Nasira	6.75	10	0 8	0 8	0 8	..	12	H.
7,00,000	26,617	10,33,746	5,20,395	4,566	Amritlal Ojha & Co., Ltd.	New Bansdeopur	9.00 N	10	0 12	1 4	..	..	3,9	H.
17,76,288	20,91,215	1,19,76,653	58,68,066	94,283	Andrew Yule & Co., Ltd.	New Dhanbad	14.75	10	1 0	1 2	1 0	..	4,10	H.
6,00,000	75,000	32,00,471	21,20,197	79,222	Octavius Steel & Co., Ltd. ..	New Manbheem	8.12	10	Nil	Nil	Nil	..	3,9	H.
1,15,000 } 1,57,500 }	2,85,198	13,07,219	8,64,781	15,950	Andrew Yule & Co., Ltd.	North West	{19.25xdN {16.50xdN	10	0 4 0 7½	Nil Nil	1 0 0 4	0 12‡ 0 9‡	3,9 } 6,12	H.
7,50,000	13,31,853	5,17,666	3,97,666	56,646	F. W. Holligers & Co. Private Ltd.	Ondal	14.50 N	10	2 0	1 0	1 0	..	6,12	H.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	8.00 N	10	0 6	0 8	0 4	..	6,12	H.
2,24,000	10,00,050	19,86,766	8,69,957	25,981	Shapland Kishenlall	Pearson	13.00 N	10	0 4	0 12	1 0	..	6,12	H.
18,75,000	16,50,000	49,91,253	26,61,252	33,784	Shaw Wallace & Co., Ltd.	Pench Valley	14.48	10	1 10	1 10	1 8	0 11 1/5‡	3,9	H.
22,99,200	20,17,105	1,24,25,582	87,36,164	23,188	B. N. Elias & Co., Private Ltd. ..	Ranesgunge	10.50	10	Nil	Nil	0 10	0 8‡	6,12	H.
15,50,000	10,46,150	58,59,356	29,71,364	2,814	Shaw Wallace & Co., Ltd.	Rewa	19.75 N	10	2 0	1 8	0 14	0 12‡	12	H.
20,00,000	2,90,000	44,23,848	18,79,118	2,20,175	Jaipuria Sons Ltd.	Samla Collieries	11.00 N	10	0 8	0 12	1 0	..	12	H.
2,50,000	1,95,802	13,78,480	12,21,327	21,070	M.	Searsole	5.19 N	5	0 10	0 10	0 12	..	6,12	H.
2,50,000	8,36,595	29,99,490	19,07,296	49,399	Andrew Yule & Co., Ltd.	Seetpore	27.50	7	1 12	2 0	2 8	..	6,12	H.
8,00,000	3,31,229	42,401	28,557	7,628	F. W. Holligers & Co. Private Ltd.	Sendra	9.00 N	10	Nil	0 8	0 4	..	6,12	H.
66,31,480	23,77,474	4,73,97,817	3,17,80,586	7,310	Industrial Trust Fund (Governm't of Hyderabad)	Singareni	10.50	10	Nil	0 11 1/5	0 12	..	12	H.
17,50,000	10,89,603	38,95,664	16,16,434	10,407	Bird & Co., Private Ltd.	South Karanpura	8.25	10	0 4	0 2	0 2	0 5 3/5	12	H.
8,00,000	14,01,963	1,59,57,570	27,810	17,411	F. W. Holligers & Co. Private Ltd.	Standard	20.00xd	10	2 0	1 8	1 0	1 0	9	H.
18,00,000	12 950	20,52,289	15,42,502	—4,07,745	Villiers Ltd.	Talcher	1.62	1½	Nil	..	..	..	6,12	H.
2,50,000	2,80,000	20,47,944	13,35,944	—9,488	Williamson Magor & Co., Ltd. ..	Union	15.25	10	1 12	0 12	Nil	..	3	H.
40,00,000	67,084	55,98,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	5.50	10	0 6	0 6	0 8	0 8	6,12	H.
49,98,000	21,569	56,46,871	23,81,698	—1,46,650	Macneill & Barry Ltd.	West Jamuria	8.00	10	Nil	0 8	0 4	..	6,12	H.

† Less income-tax. a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments M—Managed by the Board of Directors. (c) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (e) For seven months ended 31st March 1957. (f) New Central Jute Mills.—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December

Notices

PRESIDENCY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE 72nd Annual General Meeting of the Members of Presidency Jute Mills Company, Limited, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Tuesday the 21st day of May, 1957, at 3-30 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the half-year ended 30th June, 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To appoint Directors in place of Mr. N. B. Elias and Dr. S. C. Law, the Directors retiring by rotation at the Meeting who, being eligible, offer themselves for re-appointment.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolutions which will be proposed as Special Resolutions:—

5. That the requirements of Articles 82, 83, 87, 121, 176, 180 and 181 of the Articles of Association of the Company be not complied with in respect of the half-year ended the 31st December, 1956.
6. That the Articles of Association of the Company be altered in manner following:—

(a) Articles 82 and 83 shall be deleted and the following new Article substituted therefor:

82. *When Annual General Meetings to be held.*—In addition to any other meetings, General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956 and subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Directors. Such General Meetings shall be called "Annual General Meetings" and shall be specified as such in the notice convening the meeting. All other meetings of the Company shall be called "Extraordinary General Meetings."

(b) Article 87 shall be deleted and the following new Article substituted therefor:

87. *Business of Meetings.*—The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business.

(c) In Article 121, line 1, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor.

(d) Article 176 shall be deleted and the following new Article substituted therefor:

176. *Profit and Loss Account and Balance Sheet.*—At every Annual General Meeting the Directors shall lay before the Company a Balance Sheet and a Profit and Loss Account made up in accordance with the provisions of Section 210 of the Companies Act, 1956, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the said Act, so far as they are applicable to the Company but, save as aforesaid, the Directors shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than they may deem expedient.

(e) In Article 180, line 1, the word "Twice" shall be deleted and the word "Once" substituted therefor.

(f) In Article 181, lines 1, 2 and 3, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor. In sub-para 3, the word "Ordinary" wherever appearing, shall be deleted and the words "Annual General" substituted therefor.

The Share Transfer Books of the Company will be closed from 7th to 21st May, 1957, both days inclusive.

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

By Order of the Board,

McLEOD & Co., LTD.,

A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *24th April*, 1957.

Note: Payment of the proposed dividend, if declared, will be made on or after 4th June, 1957, only to those members whose names are registered in the Books of the Company on 21st May, 1957, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

Explanatory Statement in Respect of Special Business

In order to comply with the Articles of Association of the Company, the Company's Accounts have been closed and audited half-yearly and a Profit and Loss Account in respect of each half-yearly period ending on the 30th June and the 31st December in each year and the Balance Sheet as at each date, have been laid before the Company in General Meetings held twice in every calendar year.

Under the provisions of the Companies Act, 1956, each such half-yearly period has to be regarded as a "financial year" and as a result, the usual half-yearly General Meetings will each be deemed to be an "Annual General Meeting" within the meaning of the Act, thus resulting in two "Annual General Meetings" in each calendar year. Having regard to the obligations imposed on a company by the Act in respect of every Annual General Meeting, viz., retirement of Directors by rotation, appointment of Auditors, and filing of an Annual Return, etc., and the work and expense attending the preparation of the Accounts to be laid before members in conformity with the provisions of the Act, your Directors recommend that the Articles of Association of the Company be amended to provide that the Company's Accounts be closed and audited annually and laid before the Company at an Annual General Meeting in each calendar year. The proposed amendments are set out in Resolution 6 of the convening notice. In respect of the half-year ended the 31st December, 1956, it is proposed that the accounts be not separately prepared and laid before members but that they be embodied in consolidated accounts for the period commencing on the 1st July, 1956. Special Resolution 5 in the convening notice suffices to effect this proposal. If Special Resolutions 5 and 6 are passed, the accounts of the Company will be closed on a date subsequent to the 31st December, 1956, of which members will be advised later, which hereafter will be the closing date of each financial year of the Company.

The foregoing changes will not result in any financial benefit either to the Directors or to the Managing Agents of the Company, and interim dividends may, subject to trading results in a current financial year, be declared by the Directors under Article 162.

THE HIND BANK LIMITED

Head Office: **CALCUTTA**

Chairman:
Mr. K. P. GOENKA

General Manager:
S. D. PARDIWALLA

Paid-up Capital - - Rs. 50,00,000
Reserve Fund - - Rs. 26,00,000

COMPLETE BANKING SERVICE OFFERED

Transacting all kinds of Foreign Exchange Business.

Bombay Office:
Sir Pherozshah Mehta Road
BOMBAY 1

S. L. MEHTA, *Manager.*

THE JAY SHREE TEA GARDENS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eleventh Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at India Exchange (2nd Floor), India Exchange Place, Calcutta-1, on Friday the 31st May, 1957, at 3.00 p.m.

(a) To receive and pass the Directors' Report and Audited Accounts for the year ended 31st December 1956.
(b) To declare dividend on Ordinary Shares.
(c) To elect Directors in place of those retiring by rotation.
(d) To appoint Auditors for the current year and to fix their remuneration.
(e) To transact any other business that may be transacted at such meeting.

The Share Transfer Registers will remain closed from 13th May to 31st May 1957, both days inclusive.

By Order of the Board,

BIRLA BROTHERS PRIVATE LTD.,
Managing Agents.

8, INDIA EXCHANGE PLACE,
CALCUTTA, *15th April* 1957.

Note: 1. A member entitled to attend and vote at the meeting may appoint a proxy in place of himself and that the proxy need not be a member.

2. The Dividend Warrants for dividend on Ordinary Shares, if passed at the meeting, will be posted to shareholders registered as on 31st May, 1957, on and from 28th June, 1957.

THE PODAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company, Podar Chambers, Parsee Bazar Street, Fort, Bombay-1, on Thursday the 16th May, 1957 at 4 p.m. (S.T.), to transact the business, details of which have been mentioned in the Notice which has already been circulated to the Shareholders.

By Order of the Board of Directors,
For PODAR SONS PRIVATE LIMITED,
Managing Agents,
GANESHNARAYAN R. PODAR,
Director.

BOMBAY, *15th April*, 1957.

COMMERCE

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

VOL. XCIV. No. 2408 BOMBAY, 4th MAY 1957 PRICE: Re. 1.50

7-MAY 1957

BANKS AND INDUSTRIAL FINANCE

LAST week, we referred to the setting up of a new institution for financing the medium-term capital requirements of our industrial establishments. We also referred to the fact that banks would normally be averse to granting medium-term credit on their own since, such a policy would be repugnant to the accepted canons of commercial banking. While this remains generally true in many parts of the world, it is interesting to note that banks in Europe are found breaking new ground in the field of industrial finance. This trend, though not statistically, is at least qualitatively significant. It shows that the banks, without abandoning their traditional role as suppliers of short-term credit, are not unwilling to shoulder the responsibility for slightly longer-term credit. Some light on this trend has been thrown by the Report of the European Productivity Agency of the Organisation for European Economic Co-operation, entitled "The Supply of Capital Funds for Industrial Development in Europe." The Report, which has been prepared by Lord Piercy in collaboration with national consultants in different countries, publishes the findings of the agency which studied conditions in the European capital market in the years 1952, 1953 and 1954.

There are, of course, several constituent parts of the capital market which include direct private lenders and investors, commercial banks, specialised banking institutions, stock exchanges, other institutional sources of capital such as savings banks, investment trusts, insurance companies, pension funds and building societies, public authorities, public and private channels for investment of foreign resources. An important change which has come over the capital market in Europe is the relatively important role played by the small saver. The far-reaching distribution of disposable incomes, according to the Report, has tilted the bulk of personal earnings heavily towards the lower income group. Although this group has hardly any personal saving for direct investment in industrial securities, its savings take the form of small deposits with the various saving institutions, life insurance policies, pension funds, shares in building and co-operative societies. Through many of these channels, the savings of great numbers of persons and households flow into institutions and reach the capital market through them. There are, as is well known, many specialised institutions which engage themselves in the grant of capital to industrial undertakings. What is perhaps less well known is that the ordinary commercial banks themselves do not view with disfavour a slight departure into the realm of medium-term financing.

It can be argued, as the Report points out, that the distinction between provision of credit and provision of capital is illusory, though this is not the position taken by practical bankers. After all, one of the commercial banks' essential functions is to supplement their customers' working capital by lending them the additional funds needed for financing stocks, work-in-progress, debtor accounts and exports until the proceeds of sales are collected. Since stocks and work-in-progress are elements in capital formation, it is clear that the banks do in practice provide their customers with capital year after year and, in spite of the conventional views on the short-term character of bank credit throughout the normal life of industrial firms, much of their working capital is their bankers' money.

A consideration which has influenced the European banks in the decision to undertake medium-term financing is that the ratio of time deposits to total deposits seems now to be higher in many countries than formerly, thanks to the fact that considerable amounts of institutional moneys and enhanced business reserves are left with the banks for fixed periods of up to two or three years and even longer. The concern of Governments about depositors' interest and the measures taken in the recent past to protect them, it is suggested, may well have led many people to expect that the authorities will act without delay if an emergency comes again and that their action will be effective. The other consideration is that the banks find that there is a hard core of deposits which is unlikely to be drawn upon. In this connection, the Report observes:

"It is probable, though hard to prove statistically, that, for psychological as well as structural reasons, there is a hard core of bank deposits which is not likely to be severely affected by a sudden rush into liquidity. Relying on this assumption, and also on their own resources in capital and reserves, and on the extensive facilities for 'mobilising' assets through the central banks, some commercial banks seem to consider as justified the use of part of their deposits for long-term loans to industry. They have been, and still are, urged to do so by business people and by writers on finance and investment. There is a distinct trend of opinion in that direction, especially in favour of assisting with capital industrial firms with no access to the capital market. Any extensive development in this sense would in effect be reversing the continental banking reforms of the 1930's.

"A safer and convenient method of using the commercial banks' resources to the proposed end is to form specialised, technically well-equipped institutions whose share capital is jointly held by the banks, and to supply them with sufficient loan capital for long-term investment. One advantage of this course is that it defines the extent of the banks' engagement. It is essential that the loan capital provided should be really earmarked for long-term lending and not withdrawable whenever the shareholding banks have liquidity troubles. A technically safer solution is for any such specialised institutions to raise their operating funds by issue of bonds and debentures, instead of relying on bank advances. This might still leave to the banks the function of supplying the basic capital."

The Report describes the changes in banking practice which have taken place in different European countries in recent years. So far as the U.K. is concerned, it notes that liquidity has always been their leading feature. In daily practice, however, there are exceptions to textbook principles. It is thus pointed out that overdraft accounts which ought to show a credit balance from time to time do not invariably behave in this way. There are cases where a customer's expanding business requires capital outlay which would eventually be repaid out of an issue of shares or debentures or simply out of two or three years' profits. "These and other like situations," it is stated, "lead without doubt to a certain proportion of lock-up business in a market where competition between banks is very keen indeed." In an indirect manner, the banks, of course, provide long-term capital resources by means of their contribution to specialised credit institutions such as the Industrial and Commercial Finance Corporation.

In France, the four largest deposit banks were nationalised in 1945, as also the Bank of France itself. Apart from the nationalised banks, two important deposit banks as well as 22 banks of local importance and 68 small deposit banks continue to work as private institutions. In spite of statutory restrictions, many of the French banks, it is stated, do not limit their transactions to short-term lending and many of them exercise a considerable influence on the management of the firms financed by them. The French *Banques de'affaires* have traditionally specialised in providing long-term finance either by acquiring shares in industrial and commercial companies and ultimately selling the shares to the public or by preparing and underwriting issues of debentures on such companies. In Germany, early after the currency reform of 1948, when many of West Germany's mills and factories were "little more than heaps or ruins," the banks had to provide extensive medium-term credits for the restoration of industrial buildings and equipment. In this, they had the firm support of the Bank Deutscher Laender. According to the Report, the view is held in German banking and financial circles that, within the structure of demand deposits and short-term deposits, there is a substantial hard core which is not liable to be withdrawn on a large scale and can, therefore, be used for medium-term and even longer loans to industry.

Among other European countries, the banking practices in Sweden deserve special notice. Neither official control nor their own lending policy, it is stated, has prevented the deposit banks in Sweden from making rather long-term loans to industrial units. This is more or less

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true of Austria also where there has been a tradition of close association between banks and industry. Austrian banks take an active part in issues of securities on capital market. All applications for admission of new issues to the stock exchanges have to be submitted through a bank which is usually required by the Stock Exchange Board to take up 5 to 10 per cent. of every issue in order to ensure normal trading conditions for the securities issued. In Belgium, however, the contribution of commercial banks to the provision of medium- and long-term finance to industry is strictly limited, although for nearly 50 years up to 1940 that country's industrial expansion was mainly financed by the banks. In Italy, too, the position is virtually the same. The earlier period of intimate contact between banks and industry has been followed by the institution of governmental restrictions on banks' advances for long-term purposes. Today the main activity of deposit banks in industrial financing has been confined to short-term loan finance and discounts.

Summing up the general study of the problem of banks' activities in relation to the capital requirements of industrial concerns, the Report observes that not only the deposits have been rising in every country but the proportion of time deposits to demand deposits is higher than in the pre-war period. Further, the bankers seem to feel that the deposits are less subject to mass withdrawal than they were in the 1930's. This fact is held to justify a policy of very substantial provision of industrial finance by the banking system. Again, significant results have been achieved by setting up specialised institutions for long-term lending to industry from resources provided by the commercial banks. Finally, the Report avers that it would "be no overstatement to say that the banking systems are fairly generally expected to do more for financing the capital formation of industry than orthodox views on deposit banking would allow." It adds: "It might be advisable to concentrate on devising newer techniques for solving the problems involved than to go on fighting a rearguard action against the trend of developments." It deserves examination as to how far these developments could be adapted to the Indian context through cautious modification, rather than thoughtless abandonment, of the conservative traditions in banking practice.

RETRENCHMENT COMPENSATION

THE Ordinance designed to give the Life Insurance Corporation powers to alter the remuneration and service conditions of its employees has now been followed by another ordinance providing for compensation to workers who are retrenched by an employer upon closure of his business. It is difficult not to notice the contrast in principle between the two ordinances, although both of them seek to get over judicial decisions. The 'insurance' Ordinance improves the status of the State-sponsored Insurance Corporation as an employer, while the 'retrenchment compensation' Ordinance hits the private employer. The new Ordinance is a sequel to the judgment of the Constitution Bench of the Supreme Court which held, in November last, in a case arising out of the closure of the Barsi Light Railway Company, Ltd., and Shree Dinesh Mills Ltd., Baroda, that the workmen would not be entitled to retrenchment compensation under section 25F of the Industrial Disputes Act, if their services had been terminated by the employer on a real and *bona fide* closure of business or where the services of all workmen had been terminated by the employer on the business being taken over by another employer.

Mr. Justice S. K. Das, who delivered the judgment of the Court, said that retrenchment meant discharge of surplus workmen in an existing or continuing business. It had acquired no special meaning so as to include discharge of workmen on *bona fide* closure of business, though a number of labour appellate tribunals had awarded compensation to workmen on closure of business as an equitable relief for a variety of reasons. It was reasonable to assume, His Lordship said, that in enacting section 25F, the Legislature had standardised the payment of compensation to workmen retrenched in the normal or ordinary sense in an existing industry or continuing industry. The Legislature had also done away with the perplexing variety of factors for determining the appropriate relief in such cases by adopting the simple yardstick of the length of service of the retrenched workmen. Since this judgment was delivered, it would appear that a number of undertakings, particularly in Ahmedabad, Kanpur and West Bengal, have closed down or put up notices of closure for one reason or another.

The new Ordinance, which is intended to provide relief to the workers affected, comes into force with effect from 1st December 1956. It provides:

> (1) Where a concern is closed down, a workman shall be entitled to retrenchment compensation and notice of retrenchment as provided in section 25F. But if the closure is on account of unavoidable circumstances beyond the control of an employer, the amount of compensation will be limited to three months' average pay. (2) In the case of construction works (buildings, bridges, dams, etc.) no compensation is payable if the work is completed within two years. If the work is not completed within two years, retrenchment compensation will be payable on the usual scale, but the first two years of the workman's service will be excluded. (3) In a case of transfer of ownership, retrenchment compensation will not be payable if the conditions mentioned in section 25F safeguarding the previous service and terms and conditions of work are fulfilled. Otherwise, compensation will become payable.

By its too frequent resort to ordinances, the Government has succeeded in creating an impression that it is too impatient to adopt the normal procedure for legislation. To make a law a *fait accompli* and then get Parliament to pass it is certainly repugnant to the spirit of democratic procedure. Again, it reflects no great credit on the Government that it should frequently set at naught the judgments of the courts. Further, so far as the new Ordinance is concerned, some important principles are involved. As Mr. Homi Mody, President of the Employers' Federation of India, has pointed out, industrial undertakings "do not wantonly stop running; such a step involves heavy losses not only to the *entrepreneur* but a large body of shareholders, most of them of small means." He adds: "In such a situation, it is difficult to appreciate the justice of singling out for compensation just one section out of all those affected by the closure." It would certainly have been better if the change, contemplated by the Ordinance, had followed a Parliamentary debate. However, an unintended effect of the Ordinance will be that those who seek to set up new ventures on a more or less experimental basis will be partially deterred by the consideration that they will also have to provide for retrenchment compensation in the event of failure of their experiments. To this extent, it is bound to affect adversely the incentive for starting new industrial units with relatively less certain chances of success.

FREE ENTERPRISE

IN this country, the case for free enterprise has never received the support it deserves. There are historical reasons for this unintended, rather than studied, neglect. Those who are engaged in free enterprise were for a long time closely associated with the freedom movement. And they perhaps thought that when freedom came their case would not go by default. Events have proved that they were mistaken. In the post-independence era, free enterprise has been under heavy fire. In this long-drawn engagement, truth has been the main casualty, reported missing. A couple of words have been hurled at free enterprise without discrimination. "Profit" has been confused with "profiteering" and "business man" has become a synonym for "exploiter." It is in this climate that socialist ideas began to grow. The result is that the area of economic freedom has begun to shrink rapidly. But there are men, who feel that, if this trend were not averted, it might mean a diminution of the democratic content of our Constitution. It is hardly surprising that this particular view figured somewhat prominently in the deliberations of the first convention of the Forum of Free Enterprise, held in Bombay last week.

The basic, though not the only, criticism made by the two principal speakers at the convention—Mr. M. A. Sreenivasan and Mr. A. D. Shroff—was that the assumption of excessive powers by the State would gradually whittle down the freedom of the individual. This is a fear which is not confined only to a few thoughtful men in this country. This fear has been expressed in many parts of the free world. Thus, John Jewkes of the University of Manchester, in his book, *Ordeal by Planning*, which is perhaps the most closely reasoned exposition of the case for free enterprise ever made anywhere, has warned business men in his country that they would be unwise to ignore the criticisms which were falling upon them thick and fast. He feels that, if a business man "keeps quiet" in the face of all this criticism, he does so at the "peril of his own existence and that of the free economy." He has urged them to think as to why the type of economic freedom which finds room for them has positive advantages over a centrally planned economy, understand thoroughly the nature of the free economy and take time and trouble to rebut misrepresentations of it. After pointing out the fact that the ownership of the means of production was not necessarily an instrument of exploitation—there was slavery before machines made their appearance—he has explained how the loss of economic freedom, especially the freedom to own private property, would ultimately spell grave danger to the democratic way of life. Emphasising that, as private property diminished in importance as a result of penal taxation and other measures adopted by the State, there would be fewer and fewer people who would have the independence to criticise fearlessly the Government's policy without risking their livelihood and the security of their family, he has observed that business men operating in what is left of the free economy know only too well that there are innumerable ways in which outspoken critics of official muddles can be penalised. Again, discussing the sociological impact of the abolition of private ownership, he has said:

> "The abolition of private ownership of the means of production would constitute the abolition of the institution of property itself, and that, in turn, would involve the destruction of all forms of freedom.... It would wipe out the merchant. It would impose cramping restrictions on those who are temperamentally attracted by the task of taking risks, organising or innovating. It would restrict all choice of occupation except that approved by the State. It would deprive people of the right to save except under conditions which make them more completely subservient to the State. And, by preventing the creation of a class with a measure of financial independence, it would enfeeble the expression of unpopular minority views which represent the salt and savour of any society and so often constitute, in one generation, what comes to be accepted as the wisdom of the following."

Many people in this country hold erroneously, though obviously sincerely, the view that the concentration of economic power in the hands of individuals or groups of individuals is wrong for the country, whereas it is a great blessing if such power is concentrated in the State. They seldom realise that, while groups of individuals could be easily controlled by the State, there is nothing that could deter a proliferating bureaucracy, an inevitable accompaniment of State capitalism, from arrogating to itself more authority than is good for the country. Mr. Sreenivasan rightly thought that the Forum should show how, "with the well tried and familiar weapons that every democratic State now keeps in its armoury—in the shape of graduated income-taxes, monetary controls and legislative checks on anti-social tendencies—huge accumulations of power, economic or other, are utterly impossible except with the State itself." He added that the Forum must also point out how the "heavy and increasing economic armament and harness that our own State is piling up month after month may lead to an unhealthy concentration of economic power in the hands of the State and ultimately to the destruction of individual liberty." Mr. Shroff gave expression to a similar sentiment when he emphasised that excessive regulation and control of the economy cannot but lead to a gradual diminution in the democratic way of life. He felt that business men in general had already been seized with a fear complex; this had been a demoralising factor noticeable in the life of this country. He added: "With a due sense of responsibility, I can say that, during my recent travels to various parts of the country, I have come across thousands of people who feel strongly on the issue of free enterprise but acknowledge their helplessness in expressing their minds because of the fear of inviting official wrath."

This fear is bound to grow more and more intense and also permeate larger and larger sections of population, as the economy becomes subject to greater and still greater regimentation. A whole complex of economic apprehensions will most certainly be generated with all its debilitating effect on the national economy. It is time those whose responsibility it is to express as well as guide public opinion realised that even economic prosperity is too dearly won—if it could be won at all—at the expense of liberal values which make democracy so attractively beneficient a system of government.

PRE-BUDGET CAUTION IN SHARES

SUGAR EXPORTS—WORLD BANK'S NEW ISSUE PLAN

WEDNESDAY, 5 P.M.

THE share markets have entered the pre-budget dull phase. Nobody is inclined to speculate on the budget proposals and enter into commitments either way. The undertone is remarkably steady, a rather unusual feature two weeks before the presentation of the Central Budget. It is customary for operators to reduce their holdings to the barest minimum in order to be prepared for the worst and equities would consequently show a downward trend. But this is not the case now; there has been no selling pressure, evidently on account of the fact that prices are already at very low levels. It may not be an exaggeration to say that the various ministerial pronouncements made at the last budget session and subsequently have already led the public to expect, if not reconcile itself to, heavy tax burdens. The public has now got some idea of the possible tax measures that may be introduced; they have provoked sufficient discussion in the Press and on the platform. It is, however, too much to expect that the Union Finance Minister would exhaust the list at one stroke. It will not, therefore, be surprising if the tax measures do not turn out to be as rigorous as is generally feared.

MARKET GOSSIP

It is perhaps this feeling that is keeping up the morale of the market which has not experienced further landslide on the eve of the budget. There is a view that the Government may adopt a conciliatory attitude towards the private sector. The recent pronouncement of the Prime Minister at the A.I.M.O. meeting is cited in this connection. There is also a widespread belief that the Plan period may be judiciously extended. It is generally assumed that exemption will be given to companies from making compulsory deposits out of their accumulated reserves, though an official pronouncement to that effect is yet to be made. These considerations, together with the latest reduction of export duty on tea to 25 nP per lb. with effect from today, that is, below the minimum of 37½ nP per lb. under the slab system of duty introduced in April 1956, provide the basis for a somewhat optimistic outlook. It remains to be seen whether all this encouraging reading of the situation will be borne out by events.

A notable feature of the trading on the Stock Exchange during the last two weeks has been the growing enquiries for leading preference shares and debentures, some of which have gained some ground, though the tendency is not on a pronounced scale. Thus, Indian Irons 5 per cent. tax-free preferences have been bid up to Rs. 100-8 *ex-div.*, as against Rs. 102 *cum-div.* a week ago and Rs. 101 a fortnight ago. Tata Steel first preferences (6 per cent. taxable) have gone up from Rs. 153.25 to Rs. 155 and 7½ per cent. taxable second preferences from Rs. 114.75 to Rs. 117.50. Business has also been reported in preference issues of Stanvac, Tata Hydro group and Mahindra, though at lower rates in the case of some of them. Some of the equities in the cash section, such as banks and electrics, have also attracted enquiries and the gain in prices, though not marked, is notable in the context of the general dullness.

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There is growing feeling that the Government is after all amenable to reason and is willing to redress at least some of the public grievances. This feeling has gained further ground with the Government's recent decision to publish the draft rules regarding compulsory deposits for eliciting public opinion, although the time given for it is inadequate. The hardships that are likely to be caused to companies by this compulsory deposit system have been brought home to the Government which has duly considered these representations. The non-publication of the rules regarding deposits out of the accumulated reserves is taken as an indication of the Government's desire not to enforce this part of the provision in deference to public opinion. Nevertheless, the draft rules require clarification and modification in many respects. A careful study of the issues which need such clarification and modification has been made by Mr. G. P. Kapadia, Vice-President of the Indian Merchants' Chamber and a well-known authority on taxation.

Mr. Kapadia suggests, in the course of a note prepared on the subject, that to the list of exempted categories of companies, a few additions should be made, namely, (*a*) companies entitled to exemption under section 15c; (*b*) companies whose assessable income is *nil* or *minus;* (*c*) companies registered under section 25 of the Companies Act 1956; and (*d*) companies which have borrowings and have no extraneous investment or surplus cash and companies where the extraneous investments and surplus cash are less than the borrowed amounts. The ground on which the claim for exemption of the first three of these categories is based is that, for the purpose of computing the deposits in these three cases, the amount of depreciation which is allowable for arriving at assessable income will be added, so that a notional surplus will be created and the companies asked to make a deposit out of that surplus, although for income-tax purposes their income may be *nil* or *minus*. In respect of the fourth category, it is suggested that in cases where a company in this group has extraneous investments or cash surpluses, the same should be initially deducted from the borrowings and if the net result shows a net borrowing, it should be exempted from making a deposit.

The list of approved purposes for the utilisation of the deposits has been drawn with the object of preventing the use of companies' funds for an extraneous purpose not related to the business of the companies concerned. In this connection, Mr. Kapadia suggests that amounts utilised in the lay out for the stock-in-trade, stores and other outstandings and advances for the business and trade items should be treated as made for approved purposes. Similarly, a company might require a substantial amount, in accordance with its own past record, by way of cash resources and to that extent, cash resources should be considered as required for the purposes of business and not as surplus cash. In other words, Mr. Kapadia points out, it is only the lay out during the particular year in extraneous investments and for surplus cash that may be considered for the purposes of deposit, while the remainder should, *ipso facto*, be treated as laid out for an approved purpose. As an instance in point we may take the case of a sugar factory. The sugar companies are not free to release its stocks of sugar and get their cash back. The stocks are subject to Government releases and the companies' funds are necessarily locked up in business. The funds thus utilised should, therefore, be considered as made for approved purpose.

Another notable suggestion made by Mr. Kapadia in regard to approved purposes is in respect of companies which are desirous of utilising their large cash balances or bank surpluses for purposes of expanding their activities in other industrial spheres for the fulfilment of the second Five-year Plan. He suggests that cases of specified industries wherein such surpluses are to be laid out should be treated as approved purposes. Clearly, if this suggestion were not accepted, the compulsory deposit scheme would only serve to prevent industrialists from contributing to the success of the Plan.

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It is learned that the Central Government is contemplating to allow a further export of 100,000 tons of sugar, in addition to the 100,000 tons now permitted. The whole of the permitted quantity is reported to have already been sold in the foreign markets, although full shipments have not been effected. The latest export deal struck in sugar is around £69 10*s.* per ton (c.i.f.). Among the countries which have bought Indian sugar lately are Zanzibar, Burma, Ceylon and Persian Gulf ports. Overseas enquiries for Indian sugar continue to be quite encouraging, and the proposed additional quota may be expected to be utilised in the not-too-distant future. Much, of course, depends on the availability of adequate shipping space and the removal of transport bottleneck which at present is said to be hampering movement of sugar from factories in North India to the ports.

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The one question which is exercising the minds of planners and the Government most is how to bridge the yawning gap between the resources actually available and those required for implementing successfully the second Five-year Plan. Mr. T. T. Krishnamachari, Union Finance Minister, has categorically declared that there would be no whittling down of the Plan and that the Government would endeavour to bring all ingenuity at its disposal to bear upon the problem of raising resources. It remains to be seen what success attends these endeavours. It must, however, be emphasised that the Government would have to think of a new way of meeting development expenditure, especially when the scope for additional taxation is greatly restricted. In this context, the introduction of a novel "pay-when-you-please" feature into the recent capital issues of the World Bank deserves to be examined. As regards the 4½ per cent. $100-million stock marketed in the U.S. recently, the Bank has announced that, in addition to offering bonds for regular delivery, it will extend to certain institutional investors the privilege of making delayed payments giving them a selection of delivery dates between the beginning of August next and 1st February 1960. Although details of how the arrangement will operate have not been explained, it is gathered that the institutional investors to whom the facility is being extended will be permitted to defer payment for the whole of the stock they agree to take up to dates falling within the aforesaid 2½-year period which they and the Bank find convenient. The new arrangement, according to the Bank, is designed "to serve the dual purpose of co-ordinating its own borrowing with disbursements and of making it possible for purchasers to arrange their own payments to suit their own projected cash positions." This explanation has evoked some interesting remarks by "Lombard," the noted columnist of the *Financial Times*, London. He observes:

> "So far as achieving the first of these objectives is concerned, the Bank's plan has no great advantage over the practice of fixing an extended call period for stock issues. But it is not difficult to see that, from the institutional investor's viewpoint, it represents a considerable advance on that arrangement. For instance, an insurance concern that is fully extended at the moment might be unable to take up any portion of the World Bank's issue, if it had to pay only 10 per cent of the money involved immediately, even though it was aware that it would be able to cover this and the whole of the rest of the price of the bonds by the middle of next year. But, under the Bank's "pay-when-you-please" scheme, it would be in a position to become a subscriber. The Bank's innovation has another important advantage for institutional investors. It means that they can arrange to engage at current rates of interests funds that are not immediately available but which they know will be accruing later. For example, an insurance concern that took the view that the trend of interests rates during the next few years was likely to be downward could, by taking advantage of the World Bank's offer, make sure of securing the current rate of interest over a relatively lengthy period of time—the issue of stock being made in the U.S. this month (April) is repayable between 1967 and 1977—on premium income that it knows will be coming forward for investment as far as two years ahead."
>
> "Lombard," however, hastens to add that the advantages referred to above are not all on the lender's side. For he says that, by borrowing money in this way, those seeking finance for banking capital development can protect themselves against the backwash of a rise in interest rates. They should also be able, he adds, to count upon getting wider support for their issues than if they followed more conventional procedures. It is for this reason that "Lombard" expects that the World Bank's example will be followed by others who are planning to tap the world money markets for large development finance.

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If there is one economic malady which has afflicted nearly all parts of the world in recent years, it is the shortage of capital. In some countries, the disease may be found in a malignant form and in some others it may be of a somewhat milder variety. Nevertheless, in most parts of the world it does exist. This has, therefore called for very strenuous efforts on the part of the authorities who are all seized of the urgency of finding a remedy. Elsewhere in this issue (*vide* Leader page) we have made a reference to the report of the European Productivity Agency of the Organisation for European Economic Co-operation, entitled *The Supply of Capital Funds for Industrial Development in Europe*. We have indicated there how the European banks are making some attempt at providing long-term funds for industrial units. Apart from the commercial banks, there are several specialised institutions and also other agencies which make available long-term capital to industry. One of the important means of capital formation is for the industrial establishments to retain a part of the profits they have made. The Report describes this method, namely, the retention and accumulation of profits by companies, by the word 'self-financing.' It would appear that, in the U.K. and a few other countries, a major proportion of the total savings is represented by the retained profits of business units. In many countries, self-financing is now believed to be much more important than before the war.

Many reasons have been given to explain this development. In the first place, in family concerns and small businesses, it is the prudential consideration—anxiety for the future and the like—that has been responsible for retaining a large part of the profits they make. Secondly, inflation itself has been at the root of self-financing. Thus, large retentions generally arise out of large profits and these in turn arise out of inflation. Thirdly, there has been a new tendency on the part of the large companies to accomplish the main part of their investment programmes out of their own resources. Finally, political considerations in certain countries have played a part in reducing distribution of profits. Thus, in England, the differentiation in the rate of profits tax (on company profits) as between distributed and undistributed profits has been a factor which has led to the expansion of self-financing.

Self-financing is not, however, an unmixed blessing. It is true that this method of accumulating capital has been rendered necessary because of the difficulty of obtaining capital in the open-market and also because of certain fiscal considerations. But some of the consultants in different countries, who helped to draw up the Report, observe that self-financing is a method which itself restricts capital. In this connection, the Report observes:

> "It is, of course, obvious that the funds retained by one company are not available (and are not meant to be available) for the investment purposes of other companies, and although such funds, deposited with the banks, may enable the latter to increase their lending to other firms, still the funds are mostly withheld from the public capital market. This may be a factor in the shortage of external capital available for new ventures and rapidly expanding companies. The general point is that there is no certainty that retained funds will be used for investment, still less that current priorities for new investment will be satisfactorily met by this road. This is viewed by some of the consultants as one of the reasons for a certain shortage of risk capital."

A notable view on self-financing is that of Dr. Rittershausen of Germany who contends that by socially more desirable price policies or by reasonably full distributions, society would benefit, on the one hand, by general cheapness and by a better flow of investible funds to the capital market on the other. It would appear that the American consultants also came to the conclusion that self-financing though it has been a major factor in the country's expansion, is one of the most potent causes of the "depressed role of risk equity" in the total supply of capital. Again, although self-financing has contributed to the plethora of liquid internal resources the consultants describe these resources as "nominalistic rather than realistic" capital formation.

EQUITIES RULE DULL

VOLUME OF BUSINESS LOW

(From Our Own Correspondents)

BOMBAY, 1st *May*

LETHARGIC conditions prevailed on the Stock Exchange during the week under review. In the absence of any trading incentive and as a pre-budget caution, equities moved narrowly and the volume of business was also low. A notable feature was, however, the lack of selling pressure, which kept the sentiment remarkably steady. The slight improvement in the conditions of the money market, the expectations of larger credit facilities on a medium-term basis and fair-sized enquiries for some cash scrips and leading preference issues helped the sentiment very much, though operators in the forward section were reluctant to enter into fresh commitments. On balance, equities over a wide front scored minor gains.

In the steel section, Tata ordinaries moved within a range of Re. 1.50, that is between Rs. 168.75 and Rs. 167.25, before closing at Rs. 168.50, as against the previous week's close of Rs. 168. Tata Steels (new) were well favoured and they staged a rise of Rs. 2 over the week to Rs. 121. Indian Irons were steady, the sentiment having been helped by reports that the response to the Company's rights issue was very good. The shares closed at Rs. 20, as against Rs. 20.15 a week ago.

Small gains were noted in many counters of the textile section. Bombay Dyeings crept up from Rs. 556.50 to Rs. 559 before being placed at Rs. 528 *ex-div.* on Monday last. Subsequently, they appreciated to Rs. 543 *ex-div.* at the close today. Centurys were conspicuous with an advance from Rs. 456.50 to Rs. 463. Kohinoors were somewhat erratic, moving between Rs. 318 and Rs. 320, before finishing at Rs. 321, a gain of Rs. 2 over the week. Central Indias showed a rise of Re. 1 at Rs. 115, while Gokaks shed Re. 1 to Rs. 190.25. Indu Ordinaries were maintained at Rs. 10.10. Indore Malwas were up by Re. 1 at Rs. 137, as also New Greats at Rs. 229. New City Mills were stagnant at Rs. 133.75. Khataus were placed at Rs. 177 *ex-div.*, as against Rs. 180.50 *cum-div.* a week ago. New Kaiser-I-Hinds shed Rs. 1.75 to Rs. 102. Shree Nivas were unchanged at Rs. 178, while Simplex were dull at Rs. 171.50. Standards were lower by Re. 1 at Rs. 443. Svadeshis gained Rs. 1.25 to Rs. 215.50. Tata Mills were held at Rs. 47.50.

Bank shares attracted some enquiries and business was done at slightly better rates in some counters. Barodas gained Re. 1.50 to Rs. 101. Centrals had business at Rs. 50.75 and their new shares at Rs. 53.30. Bank of Indias changed hands 50 nP lower at Rs. 132.50, while Punjab Nationals were done Re. 1 higher at Rs. 52.50. United Commercials hardened by 50 nP to Rs. 53.50.

The insurance section was dull, but fractional rises were noted in select counters. Thus, New Indias crossed the Rs. 40-mark after a lapse of over three weeks and touched Rs. 40.25 before finishing at Rs. 40. British India Generals gained 20 nP to Rs. 13.45.

Electricity shares also depicted a better trend, on investment enquiries. Tata Hydros were marked up by 50 nP to Rs. 121.50 and their new shares by Re. 1.75 to Rs. 117.25. Tata Powers moved up Rs. 6.25 to Rs. 1,213.75 and Andhra Valleys by Rs. 22.50 to Rs. 1,207.50. Ahmedabad Electrics were done up to Rs. 94, but closed lower at Rs. 93.50. Bombay Suburbans improved by Re. 1.25 to Rs. 107.50. Surat Electrics appreciated from Rs. 107.75 to Rs. 108.25. Poona Electrics were done at Rs. 123 *ex-div.*, as against Rs. 128 *cum-div.* Amalgamated Electrics were a shade better at Rs. 10.40.

The miscellaneous section followed the general pattern of the market and changes recorded over the week were fractional. Belapurs moved between Rs. 228.50 and Rs. 230 before closing at Rs. 229, with no change over the week. Phaltans were a shade dull at Rs. 135.50, while Walchandnagars improved by Re. 1.25 to Rs. 250. Cement shares were featureless. A.C.Cs moved up from Rs. 160 to Rs. 161, but gave way to Rs. 160. Their coupons were picked up Re. 1 higher at Rs. 59. Digvijays shed 25 nP to Rs. 144.25. Orissa Cements softened from Rs. 13.44 to Rs. 13.35, but Jaipur Udyogs were stagnant at Rs. 12. In the engineering and mining group, Alcocks were a steady feature at Rs. 257.50. Tata Locomotives jumped from Rs. 146.25 to Rs. 147.50, but relapsed to Rs. 145.25 before gaining ground again to Rs. 146 at the close. Premier Constructions shed 75 nP to Rs. 164.25. Larsen and Toubros were done 25 nP higher at Rs. 15.25. Shivrajpur Syndicates were better by 50 nP at Rs. 91 and Indian Coppers were steady at Rs. 3.30. B.B. Petrols were done 4 nP lower at Rs. 2.46.

Scindias were featureless, but steady, moving between Rs. 18.50 and Rs. 18.20. The closing was done at Rs. 18.50, with no change over the week. Great Eastern Shippings picked up 10 nP to Rs. 18.20. In the automobile group, Premier Automobiles were marked up by 25 nP to Rs. 88.75, while Hindustan Motors shed 10 nP to Rs. 7.15.

In the miscellaneous group, Bombay Burmahs improved from Rs. 565.50 to Rs. 569 early in the week. After a mild relapse to Rs. 564, they gained to Rs. 567 at the close. British India Corporations shed 35 nP to Rs. 6.95. National Rayons gained from Rs. 226.50 to Rs. 227.25 before closing at Rs. 226.50. Tata Chemicals were dull at Rs. 16.15, but Tata Oils changed hands 75 nP higher at Rs. 43.25. Wimcos were done Re. 1 lower at Rs. 170. Hindustan Levers were steady at Rs. 19.10.

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Madras Stock Exchange

MADRAS, 30*th April*

The Madras Stock Exchange depicted a distinctly easy trend during the week under review. Fears of fresh tax imposts in the forthcoming budget to be presented in Parliament in about a fortnight's time from now chilled the enthusiasm of operators. Reports from Kerala suggesting that the State Government would go ahead with its programme of nationalising foreign-owned plantations and that plantation labourers there were urging upward revision in wages also acted as a damper. Operators were, therefore, inclined to reduce their holdings and, buyers being greatly reserved, equities suffered a setback in prices. Even reports of better crop harvests in several tea, coffee and rubber estates and the encouraging prospects of medium-sized industries getting credit facilities from the proposed Re-finance Corporation failed to have any effect on the market.

Among tea shares in the planting section, Devasholas dropped a rupee to Rs. 20.25. Nilgiri Teas fell by a similar amount to Rs. 9. Neelamalais receded by 20 nP to Rs. 5.90. Talayar Teas declined by 15 nP to Rs. 10.55. Blue Mountains lost 8 nP to Rs. 3.67. Chembras shed 5 nP to Rs. 3.87. Ouchterlonys, however, evoked some support and gathered 5 nP to Rs. 4.95. Among coffee shares, Balmadies were neglected at Rs. 3.35. In the rubber group, Travancore Rubbers slumped by a rupee to Rs. 18.75. Rajagiris eased by 25 nP to Rs. 18.75. Pullangodes declined by 20 nP to Rs. 2.20. T.R. & Ts were a shade lower at Rs. 9.10. Cochin Malabars decreased by 10 nP to Rs. 7.50. Midlands were quiet at Rs. 16.75 and Nelliampathys at Rs. 3. Vaikundams, on the other hand, hardened by 25 nP to Rs. 30.50.

In the textile section, Buckinghams were quoted at Rs. 169 *ex-div.* as against Rs. 176 *cum-div.* last week. Coimbatore Cottons receded by Rs. 10 to Rs. 330. Metturs fell by Rs. 4 to Rs. 402. Rayalasesmas lost a like amount to Rs. 135. Lakshmis and Janardanas shed Rs. 2 each, the former to Rs. 138 and the latter to Rs. 91.50. Coimbatore Spinnings receded by Rs. 1.50 to Rs. 86.50. Saradas by Rs. 2 to Rs. 97 and Loyals by 75 nP to Rs. 49.50. Kotharis and Rajalakshmis shed 50 nP each to Rs. 14.25 and Rs. 136.50, respectively. Travancore Rayons eased by 10 nP to Rs. 13.60. Palani Andavars were quiet at Rs. 147. Pankajas at Rs. 70, Premiers at Rs. 185 and Radhakrishnas at Rs. 275. Ranga Vilas, however, put on 50 nP to Rs. 87. Cambodias picked up 18 nP to Rs. 12.18.

In the sugar group, Travancores were marked down by Re. 1.40 to Rs. 10.50. Indias dipped by 60 nP to Rs. 15.25. Mysores eased by 25 nP to Rs. 37.25. E.I.D's however, rose by 10 nP to Rs. 26.60.

In the miscellaneous sections, India Cements shed 10 nP to Rs. 26.65. F.A.C.Ts eased by 5 nP to Rs. 5.25 and Mysore Papers a like amount to Rs. 15.70. Mettur Chemicals were quiet at Rs. 9.40, Mysore Chemicals and Fertilisers at Rs. 7.91, Indian Steel Rollings at Rs. 11 and Andhra Cements at Rs. 13. Dalmia Cements, however, were quoted 25 nP higher at Rs. 11.62.

WORKING OF COMPANY LAW IN BOMBAY

Two public limited companies with a total authorised capital of Rs. 202.00 lakhs, 38 private limited companies with a total authorised capital of Rs. 296.80 lakhs and one guarantee company were registered with the Registrar of Companies, Bombay, during the first quarter of 1957. Included in these are two giant concerns with authorised capital of Rs. 100 lakhs or more.

During the same period, 16 private companies with a total paid-up capital of Rs. 3,07,965; 9 public companies with paid-up capital of Rs. 8,81,075 and one association not for profit and one guarantee company, were struck off the Register of Companies under section 560 of the Act. Six public limited companies with a paid-up capital of Rs. 14,75,894 and 20 private limited companies with a paid-up capital of Rs. 14,14,766 were reported to have gone into liquidation. Five public limited companies having a paid-up capital of Rs. 42,22,295 and 9 private limited companies with a total paid-up capital of Rs. 17,00,500 were reported to have been finally dissolved.

Eleven cases were filed against companies, their directors and other officers of the companies during the quarter under review, out of which three cases were for not filing the annual returns as required under section 32 of the Indian Companies Act, 1913 (Section 159 of the Companies Act, 1956). Six cases were filed for not filing copies of balance sheet and for not circulating the same to the members of companies, etc., and two cases under section 91B and 54A of the Indian Companies Act, 1913, respectively. Altogether, six cases resulted in conviction during the quarter. Two directors were fined Rs. 75 each in a case for not filing the summary of share capital and list of members as required by section 32 of the Indian Companies Act, 1913 (section 159 of the Companies Act, 1956). The liquidator of a company in voluntary liquidation was fined Rs. 250 in five cases for not filing the annual statement of accounts as per section 244 of the Indian Companies Act, 1913 (section 551 of the Companies Act, 1956).

AUGMENTING EXPORT OF TEA AND COFFEE

U.P.A.S.I.'S MEMORANDUM

THE United Planters' Association of Southern India has presented a memorandum to the Export Promotion Committee on the question of the steps that would be necessary to secure an increase in the exports of plantation crops from India. The following are extracts from the memorandum:

"Among the important plantation crops produced in South India, tea, coffee, cardamom and pepper have valuable export markets. The Indian tea crop amounts to about 655 million lbs. annually, the largest produced by any country. About 450 million lbs. are exported, leaving 200 million lbs. for internal consumption. Tea stands at the top of the list of commodities capable of earning increased foreign exchange. Earnings from the export of tea during the period 1956-61 have been estimated in the second Five-year Plan at Rs. 635 crores. By comparison, the expected earnings from jute (India's second best export earner) and cotton manufactures (third best export earner) are placed at Rs. 610 crores and Rs. 375 crores, respectively.

"The question of the extent to which exports can be pushed up depends on a variety of factors, the most important of which is the ability of Indian tea to compete with tea of other countries in respect to quality and price. Our export trade in tea is experiencing stiff competition, not only from established competitors like Ceylon and Indonesia but also from newcomers like Africa, which not many years ago imported tea from abroad. At the present moment African tea is available in the London market at a price at least a shilling below Indian tea. Time and again, the tea industry has proposed measures designed to assist the competitive strength of Indian tea, but the Government appears to be reluctant to accept any of them. The matter has been allowed to drift far too long that our competitors have gained an advantage, and at the present moment it is extremely doubtful, if even a reduction in the rate of export duty or export cess is going to help us very much. If export promotion is really the aim, no time should be lost in arousing a national consciousness among the producers and exporters on the need for stepping up exports of all commodities and tea, in particular. Piecemeal efforts carried out in a half-hearted fashion cannot help at all. Measures like participating in international fairs and exhibitions, seeking information from our Trade Commissioners regarding the condition of the tea market in various countries, urging producers here to improve the standard of production and packing are no doubt helpful, but these do not by any means bring about a visible rise in the export level.

Suggested Measures

"The following measures are suggested as being practicable and necessary in the effort to secure an increase in the exports of tea from India. The suggestions in themselves indicate some of the impediments which now stand in the way of export promotion and which should be removed if we have to achieve the object in view:—

"1. Producers and exporters should be advised of the reasons for seeking an increase of the export levels, their co-operation should be sought, and they should be promised reasonable and practical assistance in solving their export problems.

"2. An attempt should be made to see that export business is attractive. Certain Governments have provided special incentives to the export trade, such as tax refunds and export subsidies. It is stated that some years ago a Government-appointed Committee made a suggestion that the Government of India should grant a refund of income-tax on the basis of a small percentage of profits earned from exports as an inducement to export, but so far this has not been implemented.

"3. The present system of levy of export duty on Indian tea makes no distinction between good quality and bad quality teas. More than 50 per cent. of teas produced in India are common teas which have to face increasing competition from other producing countries under conditions of world overproduction. This is the appropriate time either for abolishing the duty in its entirety or for considering a suitable revision in the system of levy and the revision should be such that teas facing increasing world competition get the maximum possible relief.

"4. Considering the fact that a part of the present 'export cess' of Rs. 4 per 100 pounds on export teas is being utilised for tea promotional activities abroad, it is perhaps not right to ask for its abolition. But this levy at present covers all the expenditure of the Tea Board apart from that covered by licence fees. This includes expenditure on internal propaganda, research and labour welfare. To this extent the cess is a definite disincentive to export and there is a strong case for the extension of the cess to all teas with a reduction in the rate, so that internal consumption will bear a fair share of the cost of the measures designed to assist the industry as a whole.

"5. We have not yet devised a foolproof method of regulating the price of tea export quota. When the price of export quota rises abnormally, as it has so often happened in the past, it constitutes a grave threat to the competitive position of Indian tea. The quota system itself is vexatious and is an important factor in limiting India's revenues from the tea export trade and has no effect on supplies of tea for internal consumption. Its abolition, coupled with the abolition, or substantial reduction, in the rate of export duty, will considerably help to raise the export level.

(*Continued on page* 923)

NEWS IN BRIEF

OVER 54,000 tenements were built by State Governments, private enterprises and corporations under the subsidised industrial housing during the year ended 31st March 1957.

Two food laboratories, one at Raipur and the other at Jabalpur, will be set up by the Government of Madhya Pradesh during the second Plan period in order to detect adulteration of food, edible oils, etc.

The Governments of India and the U.S. signed at New Delhi on Saturday last two supplementary projects agreements providing for $10.5 million in development assistance funds for the Indian railways and $2 million for the Community Development programme.

The Government of India has decided to extend the rebate of duty on excisable goods to cotton fabrics used in the manufacture of bags which are exported out of the country. The rebate is at present applicable only to ready-made apparel, tents, and sugar products, including biscuits and preserved fruit.

A 16-man delegation will represent India at the 26th Congress of the International Chambers of Commerce to be held at Naples from the 6th to 10th inst. The leader of the delegation, Mr. R. G. Saraiya, will preside over one of the general meetings of the Congress devoted to the problems of underdeveloped areas.

The Government of India has sanctioned a loan of Rs. 1.93 crore to Madras to enable the latter to meet the expenditure during the current year on the three schemes for the improvement of scarcity areas—Vaigai project, Amaravathi reservoir project and Mettur canal scheme. The total amount of loans so far sanctioned for the schemes aggregates Rs. 4.86 crores.

The estimated total output of iron ore in India increased to 365,168 tons in February 1957 from 354,406 tons in January 1957. Returns received from 108 mines for the month of February 1957, show a total despatch of 260,100 tons to the iron and steel plants and 75,192 tons to the export markets. The reported stocks as at the end of the month amounted to 1,478,607 tons.

The Rs. 69-crore Neiveli Lignite Project will be inaugurated on the 20th inst. by the Prime Minister, Mr. Jawaharlal Nehru. It is estimated that 3.5 million tons of lignite will be mined from Neiveli per year. The Union Government has also set up a Lignite Corporation, with Mr. T. M. S. Vilani as the Chief Executive Officer, to look after the implementation of the Project.

The Federation of Indian Chambers of Commerce and Industry will send a delegation of industrialists, led by Mr. G. D. Birla, to Europe and the U.S.A. some time in August next. The Federation will also undertake during the current year two important studies—one on the country's taxation structure and the other on the role and place of managing agency organisation in a developing economy.

The formulation and execution of a man-power programme to meet the requirements of India has been recommended by Mr. John Hillard, an American expert, who is currently advising the Government of India on man-power problems. He is understood to have also suggested special studies of different categories of personnel and stressed the importance of information regarding man-power resources and utilisation.

Indian mines registered an improvement in both production and employment during 1955, according to the Indian Bureau of Mines. The production in terms of rupees was 105.6 crores, as against 102.6 crores in the preceding year. The average daily employment in mines was 591,000, as against 568,000 in 1954. The value of mineral production was nearly 1 per cent. of the total national product.

Pursuant to the suggestion made at the fifth Development Commissioners' Conference held at Simla last year, the Ministry of Community Development proposes to establish 625 pilot housing projects in the country and drawing up master plans for building up model villages and suitable designs for rural houses. A sum of Rs. 1.6 lakhs has been earmarked for each project. The Ford Foundation has offered aid for this purpose.

Drilling for oil has started in the region 3½ miles east by Burdwan under the Indo-Stanvac oil exploration project. The search is being conducted by the Standard-Vacuum Oil Company under an agreement with the Government of India, signed in 1954, according to which 10,000 sq. miles of land where oil deposits are reasonably believed to exist have been allotted to the Company. The Government has 25 per cent. of the shares in the Indo-Stanvac venture.

The expert body appointed by the Eastern Regional Committee of the All-India Council for Technical Education has recommended a large expansion of technical studies in the eastern regions comprising West Bengal, Bihar, Assam and Orissa) through 1,128 additional seats at the degree level and 2,870 seats at the diploma level as recommended by the experts. The increase suggested will bring the total seats available to 4,728 for degree and 4,300 for diploma courses.

The Government of India is reported to have advised the Madhya Pradesh Government to expand its technical training programmes with a view to meeting the requirement of the two major industrial projects located in the State—the Bhilai steel plant and the Heavy Electrical Equipment Factory at Bhopal. The two projects together are expected to require 11,000 trained technicians and craftsmen, about 8,000 for the steel mill and 3,000 for the electrical factory. The State Government is understood to have prepared a Rs. 158.6-lakh scheme for the training of technical personnel. At present, the State has facilities for training only 300 technicians and craftsmen. To begin with, it has been decided to provide facilities for training 1,200 students in the current year by starting new vocational training centres and doubling the capacity of existing institutions.

* * * *

From Abroad

A Swiss financier plans to build an oil refinery at Emden, West Germany, with the aim of undercutting petrol prices charged by the large oil companies.

A rubber trade delegation from Malaya will leave for London shortly to discuss with the British rubber manufacturers the problems relating to rubber shipments from Malaya to the U.K.

The U.S. and Pakistan have reached an understanding by which 54,000 ounces of U.S. silver loaned for coinage purposes during the second World War will be repaid to the U.S. Treasury.

The U.S. Government has announced its willingness of offer $10 million as economic aid to Jordan to assist economic development and maintenance of political stability in the country.

A credit agreement was signed in London on 30th April between the Argentine State Railways and a U.K. banking group, headed by Baring Brothers, under which the latter will supply the former £5 million to finance the purchase of steam locomotive spare parts. Nearly a year ago, the Baring Brothers headed a group of British banks which offered Argentina a credit of about £20 million to facilitate purchase of British capital goods.

More than 700 big companies in the U.S. have prepared emergency plans to keep production and management going in case nuclear attacks destroy their head offices or main factories. Several of the companies have already well developed emergency arrangements. One company has supplied 16 of its centres with undated salary cheques and also bonds and other securities. If there is an attack on the head offices, employees are expected to make their way to one of these reporting centres.

Japan will demand a special session of G.A.T.T. to discuss the European common market treaty before the regular plenary session opening at Geneva on 24th October next. Announcing this at a meeting of the 18-member G.A.T.T. Intersessional Committee at Geneva last week, Mr. Ichiro Kawasaki, Japanese permanent delegate to the U.N. in Geneva, said that there was much concern in his country about the possible effects of the common market treaty on Japan's export trade.

A French technical mission is to visit Japan in July to advise on modernisation of the coal mining industry. The visit is the outcome of a Japanese request to the World Bank for a loan to help in the modernisation of their coalfields. The granting of the loan is subject to a preliminary report by a team of experts from a third country. A French group, formed a year ago to carry out technical mining studies, won the contract for the preparation of the report against British, American, German and Belgian competition.

The Russian Section of the London Chamber of Commerce has written to the President of the Board of Trade expressing concern at the reported American proposal that certain additions be made to the Soviet embargo list as a condition of bringing the Chinese embargo list into line. The Section, it is stated, has no desire to prejudice the negotiations for a reduction of the Chinese list which it welcomes in the general interests of British exports, but it is opposed to such reduction being at the expense of the U.K.'s trade with Russia. It believes that consideration should be given to the possibility of further relaxing the Russian list so as to enable British commerce and industry to take advantage, within reasonable strategic limits, of the increasing interest being shown by the Russians in such items as machine tools and factory equipment of all kinds. It, therefore, urges the U.K. authorities firmly to refuse to impose additional controls of any kind on exports to Russia and not to hesitate to take a unilateral stand on this matter, if necessary.

PERSONAL

MRS. Vijayalakshmi Pandit, Indian High Commissioner in the United Kingdom, who was on a brief visit to India for consultations with the Government, left for London on Tuesday last.

Dr. Panjabrao S. Deshmukh, has been designated Minister for Co-operation in the Union Ministry of Food and Agriculture, and Mr. M. V. Krishnappa as Deputy Minister for Food.

Mr. M. G. Vohra of the Hind Cycles Ltd. and Mr. B. P. Kapadia of the Hindustan Construction Co., Ltd., have been elected Chairman and Vice-Chairman, respectively, of the Engineering Association of India, Bombay Region, for the current year.

Mr. W. H. Pinckard has announced his retirement as Chairman of the Board and Chief Executive Officer of California Texas Oil Co., Ltd., New York. Mr. W. F. Bramstedt, President, has been elected to succeed him. Mr. A. J. Singleton, Executive Vice-President, has been elected President.

Dr. B. K. Madan, Principal Adviser to the Reserve Bank of India, left for Sydney, Australia, on Monday this week to attend the meeting of the Governors of Commonwealth Central Banks in the South-East Asia region to be held there from the 6th inst. for formulating a plan of higher training of prospective central bank senior executives. He will be away from India for about three weeks.

"COMMERCE" 1932

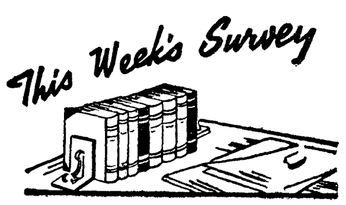
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 7*th May*

Ceylon Tea

Last week we reviewed in these columns, the course of the tea industry and trade in India during the past year. We have since received the report of the Colombo Tea Traders' Association for 1931. The tea industry suffered a serious set-back during the year and prices ruling at the close were in most cases under cost of production. This state of affairs was brought about chiefly by excessive exports of tea from Java and Sumatra, these countries having increased their crop since 1910 by four hundred per cent., whereas the outturn in that period from India and Ceylon only increased by sixty-five and thirty-nine per cent., respectively. The tea restriction scheme which was carried out during 1930 by India, Dutch East Indies and Ceylon was not renewed during 1931. Ceylon succeeded in obtaining the required percentage of adherence. South India, however, was unsuccessful and Dutch producers failed to confirm the figures tentatively submitted. A further enquiry was made in August towards this end from the Ceylon Association by the Indian Tea Association which asked whether it was considered desirable to seek the co-operation of producers in Ceylon, India and the Dutch East Indies to discontinue the manufacture of tea during the month of August. The proposal did not, however, commend itself to the Ceylon producers in London. The matter of restriction received renewed attention later on by growers in the Dutch East Indies, but with little avail.





FOOD SITUATION

THE latest statement of the Union Food and Agriculture Minister, Mr. Ajit Prasad Jain, that there is absolutely no cause for alarm about the food situation in any part of the country and the situation is, on the other hand, hopeful, is certainly comforting and should go a long-way towards correcting the near-panic caused by frequent reports of high prices and scarcity in certain areas. One of the disquieting trends in Indian economy in the past few months has been the persistently upward trend in food-grains prices, although the trend has somewhat been arrested lately. The wholesale price index of food articles (Base: year ended August 1939=100) for the week ended 13th April 1957 stood at 406.1, as against 360.9 a year before, representing an advance of 45 points or 12.5 per cent. over the year. The advance is accounted for by both cereals and pulses, the prices of which having gone up by 17.6 per cent. and 20.5 per cent., respectively.

It is not the mere rise in foodgrains prices that is a matter of anxiety. Reports indicating acute scarcity conditions have emanated from different States. In fact, some centres are reported to be experiencing actual famine conditions. Mr. Jain, however, has described these reports as exaggerated. He has declared that the Central Government has enough stocks of wheat to meet the requirements of all the States. His assessment of the food situation in the three States of Uttar Pradesh, Bihar and Bombay, where the position is said to be difficult, may be summed up as follows:

The total needs of the aforesaid three States amount to 150,000-175,000 tons in the next five to six months. This is not a 'mighty' quantity and, according to the import programme, the Government is receiving from the U.S. 1.5 million tons of wheat before September next. Bihar requires, in addition to the 8,000 tons per month it is receiving at present, a further quantity of 35,000 tons of wheat in the coming five months which the Centre is ready to meet. In the U.P., the recent breakdown in transport has been remedied and supplies have reached the areas. The Centre has agreed to supply 15,000 tons of foodgrains to the hilly region and eastern parts of the U.P. and also to continue the fair-price shops even after the 1st inst. U.P. and Bihar together require 70,000 tons of wheat and the Government has ample stock to meet the shortage. As regards Bombay, the Centre is under an obligation to meet its demand fully—the demand is for 20,000 tons a month, as against 10,000 tons received hitherto—since the State has been cordoned off, export or import of wheat not being allowed. It has also agreed to supply 20,000 tons or more of wheat to the State in order to compensate for the loss in *jowar* crop in certain parts.

The figures relating to the production of wheat and rice, the two staple foodgrains of the country, make encouraging reading. The aggregate yield of rice during the current year is estimated at 28.14 million tons—an all-time record—as against the partially revised estimate of 26.85 million tons for 1955-56, a rise of nearly 1.29 million tons or 4.8 per cent. Similarly, the wheat crop is expected to reach the peak level of 8.78 million tons (touched in 1954-55), or an increase of 430,000 tons as compared with the previous year. While the rise in output of rice and wheat thus is gratifying, the fact remains that the damage caused to coarse grains like maize and *jowar* in certain parts of the country will continue to exert pressure on wheat and rice. The Government of India will do well not to be complacement about the food situation; it should take energetic steps to replenish the stocks as and when they get exhausted.

HEAVY ENGINEERING INDUSTRIES

The dearth of well qualified and adequately trained personnel is acutely felt in all fields of economic activity, particularly in the heavy engineering industries. In fact, this is a serious handicap which has all along been hampering the pace of progress in the implementation of the series of industrial development programmes. Viewed thus, the reported decision of the Government of India to constitute a committee to select the requisite technical personnel to man the heavy engineering plants proposed to be established under the second Five-year Plan must, indeed, be welcomed. The decision is a sequel to the recommendation made by the Jehangir Ghandy Committee of Enginering Experts. This Committee, it will be recalled, was appointed by the Government of India some time ago to study and report on the relative merits of the Russian and British proposals relating to the heavy engineering industries to be started in the public sector.

After examining the relative merits of the proposals contained in the British and Russian reports on heavy engineering industries, the Ghandy Committee is reported to have favoured the adoption of the British report only in so far as it pertains to heavy vessels and heavy plate shops, and that of the Russian report which relates to location of heavy machine building plant and forge foundry. While on the former, the Committee feels that the techniques developed in Britain are quite unique and suitable to Indian conditions. According to it, the British report is flexible and suggests the location of economic units on an India-wide basis. Such location will, besides helping the private sector to take an active part, enable the multiplication of units as required and directed towards a specialised group of products. There is also the additional advantage that the rate of expansion of heavy engineering industries can not only be nourished but also controlled, while, at the same time, achieve a balanced development as and when it is convenient to do so in accordance with either the real requirements or the available capital resources of the Government from time to time. If this recommendation were to be accepted by the Government, the City of London Authority may, it is believed, float a sterling loan for meeting the cost of heavy equipment that is likely to be imported from the U.K.

As regards the Russian report, the Ghandy Committee has favoured the location of heavy machine building plant and forge foundry, largely because of the favourable credit terms offered. In the considered opinion of the Committee, the heavy machine building plant must both produce considerable equipment for the three Government-owned steel plants and meet the equipment needs of the other industrial projects included in the Plan. The chief consideration which seems to have weighed with the Committee in not accepting the Russian proposals in full is the heavy initial cost which India cannot afford at present.

FOREIGN EXCHANGE

The one problem which is engaging the utmost attention of planners and the Government is that relating to foreign exchange. This is only to be expected, considering the marked deterioration in the country's balance of payments of late. The aggregate foreign assets of India now stand at a perilously low level of about Rs. 512 crores, a sharp contraction of Rs. 222 crores as compared with the position a year before. Candidly enough, Mr. T. T. Krishnamachari, Union Finance Minister, admitted, while talking to Press men at Madras the other day, that the foreign exchange position was, indeed, difficult, "there being not much of a surplus." But then, he added, the Government was endeavouring to fill the gap by various means—restricting imports, raising exports and conducting negotiations for credit with foreign suppliers of capital goods. He declared that not a single important project under the second Plan would be held up for want of either foreign exchange or funds. He referred, in particular, to the prospects of securing capital goods from British industry on the basis of deferred credit. He also revealed that arrangements were being made to get essential plants for more than a score of industries under the scheme, subject, however, to two conditions. First, repayment should be spread over seven years. Secondly, the industry must be capable of earning foreign exchange for repayment one year after the commencement of production.

While the endeavours of the authorities to solve the problem of foreign exchange will be widely welcomed, doubts will arise as to whether the efforts will meet with complete success. For the problem has turned out to be very acute, especially since the foreign exchange reserves have, as the White Paper on the 1957-58 Budget says, already been drawn down to an extent which leaves little scope for further draft upon them. This aspect has been forcefully brought out in an interesting article on India's balance of payments deficit appearing in the latest issue of *The N.B.I. Review*. The growing gap between foreign receipts and expenditure, the *Review* points out, follows the familiar pattern of export earnings lagging behind a rising import bill. At the same time, the once ample cushion provided by the sterling balances built up during the war has gradually disappeared, with the result that it is no longer possible to make good deficits incurred on current account by indenting on resources accumulated in past years.

The *Review* has examined the special measures taken by the Government to check the deterioration in the balance of payments. The measures include a vigorous pruning down of imports in the current half-year (this is expected to save Rs. 30 crores in the import bill, tightening up of capital goods imports, directive to the private sector of industry to seek out extended credits when purchasing equipment from abroad, abolition of basic travel allowances except for approved purposes relating to business, education or health, and close watch on imports of raw materials so as to prevent any unnecessary stockpiling. Characterising all these as being mostly negative measures designed to hold the line, the *Review* emphasises, and rightly so, that the permanent reinforcement of the foreign exchange front must mostly come from increased export earnings, private foreign investment, and loans from Governments and international agencies. In this connection, it observes:

"An export drive is under way aided by eight Export Promotion Councils. A first glance at the problem suggests that, though, ultimately, increased exports will add substantially to foreign earnings, they are unlikely to make any quick contribution to the bridging of the gap which now yawns before those responsible for carrying out the second Plan. Nonetheless, the authorities were entirely right in deciding to examine prospects in the export field without delay. Negotiations have been going on for some time with the World Bank and other bodies for loans to cover the foreign exchange needs of various development projects, and for as far ahead as one can foresee, it is obvious there must be heavy reliance on the I.B.R.D. and other international lending institutions. Ultimately, the way may be clear for Indian Government borrowing abroad, but there are still a number of technical and other difficulties to be resolved."

There is considerable force in the aforesaid remarks of the *Review*, as also in its statement that any fresh inflow of private foreign investment is likely to be halted until it is seen what new policies, if any, emerge as a result of the recent general elections. In any case, some basic fiscal changes are, as the *Review* pertinently emphasises, necessary to inspire and maintain investment interest abroad. It adds that, in the end, perhaps, there may be no option but to slow down some parts of the second Five-year Plan.

AGRICULTURAL PRODUCTION

The task of raising agricultural output was the main issue on which, appropriately enough, the deliberations of the sixth Development Commissioners' Conference, held at Mussoorie last week, centred. It may be noted here that the production of foodgrains which substantially declined since 1953-54, has witnessed considerable recovery in 1956-57. The fact, however, remains that further strenuous efforts are called for in order to raise agricultural output in the ensuing years. It is noteworthy that the States have agreed to an increase of 28 per cent. in the target for foodgrains to be reached at the end of the second Plan. The Planning Commission has been contemplating, with a view to bringing programmes of food production more in relation to the programmes of irrigation, a 15- to 20-year programme for irrigation projects.

Be that as it may, what essentially determines the success of these programmes is the efficiency of the agencies through which the targets are proposed to be attained. Community Development (C.D.) and the National Extension Service (N.E.S.) blocks, which claim to have achieved a 25 per cent. increase in food articles in the areas covered by them since their inception, hold out, obviously, great hopes. The working of these community projects, however, has not been as encouraging as one might expect. This has been disclosed by the latest evaluation report. Among other defects, it points out, that the Advisory Committees at the block and district levels have yet to play the role that is expected of them in the development programmes, that there is an inadequate orientation of the project staff in the objectives and techniques of community development, and that loans made in the project budgets have not been fully utilised. To add to these, a wide disparity has been found in the distribution of achievements and, therefore, of benefits as between village and village

(*Continued on page 923*)

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INTER-STATE ISSUES FIGURE AT MEETING OF NORTHERN ZONE COUNCIL

PROSPECTS FOR CAPITAL GOODS CREDITS

From Our Own Correspondent

NEW DELHI, 29*th April*

DELHI LETTER

AN important highlight of the week under review was the inaugural meeting of the Council of the Northern Zone, comprising the States of Jammu and Kashmir, Punjab and Rajasthan and the Union territories of Delhi and Himachal Pradesh. This Zonal Council, Constituted in terms of the States' Reorganisation Act, is to have its headquarters at Delhi. The inaugural meeting discussed a number of problems common to all the units in the zone. Two notes presented by the Planning Commission on the development plans and the agricultural production programmes for the current year were first considered by the Council. The Deputy Chairman of the Planning Commission pointed out that the targets of agricultural production had not been reached in most of the States. The Chief Ministers of the States concerned undertook to examine the matter and report to the Council.

The question of manpower planning in the context of the second Plan was next considered, and the Council set up a committee to study it in detail and report back to the Council. The Council also undertook to consider the desirability of exchange of service personnel belonging to all-India and also State services on a limited scale for periodic service in States other than the parent State.

Inter-State Problems

The Northern Zone, as the Union Home Minister, Mr. Pant, explained in his inaugural address, has to deal with some very important matters of an inter-State character. Apart from the Bhakra Project which is jointly controlled by Punjab, Rajasthan and Himachal Pradesh, there is the problem of soil conservation, in the catchment area of the Sutlej in Himachal Pradesh, to protect the project and the Nangal Hydel canal. There is also the problem of resettlement of persons who will be displaced when the main Bhakra reservoir is completed by 1959. The Nangal hydro-electric grid already cuts across the boundaries of Himachal Pradesh, Punjab and Delhi, and the utilisation of the ultimate power potential of 3.5 lakh kw. from the project will also call for a long-term plan of co-ordinated industrial development and a common tariff policy in the zone. Similarly, a rapid development of about 3 million acres of land likely to be irrigated by the project in Punjab and Rajasthan will call for co-ordination between the two States in the matter of fixation of water rates, crop planning, etc. Thirdly, Himachal Pradesh, having virtually no railways, depends on private road transport covering the area from points in Punjab; any steps to nationalise the road transport system will, therefore, call for co-ordination between the States concerned. And, last, there are many points in common between Jammu and Kashmir and Punjab, and they are tied together for their economic development.

Indo-Australian Trade

While pointing out, at the Zonal Council meeting, the pivotal position of food in the economy of India, the Union Home Minister said that it was necessary to produce more food so that foreign exchange could be made available for plant and machinery which must be imported. But what would be eminently good for this country would not be good for a country like Australia which has all along been one of our suppliers of wheat and other foods. The Australian Trade Mission, for example, has expressed here its concern over a possible setback to Australian exports with increased food production in India. Already the volume of Australia's wheat exports to this country has fallen in recent years. Although the Government of India has assured the trade delegation that Australia could look forward to a continuing share in any necessary imports of wheat by India, the delegation has rightly chosen to explore the possibilities of developing other lines of exports in order to maintain the present volume of Australian exports.

The leader of the Australian mission has just told a Press Conference here that the immediate results of their Indian tour have exceeded their expectations and the prospects are good for a healthy two-way trade between India and Australia. There are also good prospects for establishing engineering industries in collaboration with Australian and Indian firms. Australia is already associated with the manufacture in India of windmills, spray irrigation equipment and road rollers. On the trade side, the delegation has discovered good prospects for such Australian products as vitamin-fortified non-fat milk powder, dairy equipment for additional cattle colonies, certain chemicals, refrigeration equipment, light agricultural machinery and some steel products. As for Indian exports to Australia, large orders have just been placed for carpets, coir goods, jute floor coverings, ginger, spices and nuts. The delegation has also told the Government of India that there is scope for importing Indian cashewnuts, pepper and jute manufactures.

Shipping Services

The mission, however, has firmly expressed its inability to entertain orders in terms of the Indian deferred payment scheme connected with the import of capital goods. The shortage of capital resources in Australia itself, according to the leader of the Trade Mission, has led his country to attract foreign capital. Any large-scale Australian investment in India has, therefore, to be ruled out from the realm of possibility. But one positive result, among some others relating to trade, of the Indo-Australian talks pertains to shipping services between the two countries. It is revealed that, under arrangements negotiated with the Australian mission and Indian shipping interests, the Eastern Shipping Corporation will put on the Indo-Australian run, in September or October next, one of its new ships. This new ship will be the third of its kind because the Corporation has already two ships for goods traffic between the two countries. The British India Company also will be putting the first of its new ships on the Australian line in a year's time. For its part, Australia is likely to start a shipping service next year.

Supply of Credit

It is now becoming apparent that, with all their goodwill towards India, the Western nations are in no position to meet, in the brief period of the second Plan, this country's huge demands arising from its drive for industrialisation. This is borne out by the latest *Bulletin* of the London Credit Insurance Corporation which is described as an influential firm of credit insurance consultants, particularly in overseas trade. Extracts from the *Bulletin* are reproduced, *in extenso*, in a London despatch to *The Hindustan Times* here. The Bulletin, after analysing India's foreign exchange difficulties, concludes that "it may be politic for India to convert her Five-year Plan into a ten-year plan." The *Bulletin's* arguments in respect of India's seven-year deferred payment scheme for the import of capital goods are:

"So far as the Western nations are concerned, the Indian proposals could not have come at a more inopportune moment. After several uneasy years in which it seemed that a credit race might develop there is now general agreement among the various countries as to the maximum credit period which should be allowed for the sale of capital goods. There may be minor differences but, broadly speaking, the view is that five years is the longest period of credit that should be permitted and then only for heavy capital goods. This is also the maximum period for export credits financed by the Japanese Export-Import Bank. . . .

"It is doubtful whether the (British) banks would feel able to finance seven-year's credit even assuming that such terms were acceptable to the Exports Credits Guarantee Department. It is also questionable whether manufacturers, when large sums are involved, would be willing to carry the uninsured portion of the contract, particularly in view of the uncertainties as to India's ultimate capacity to pay. . . .

"The present situation is beyond the capacity of India to solve single-handed. In view of our close historical association and the fact that India is a member of the sterling area, it would be right for the U.K. to take the lead in mobilising outside assistance. The sterling area (however) has neither the resources nor the industrial capacity to be able to carry the programme through in the time-table devised by the Indian Government. . . . The size of India's projected import bill is too great for this to be treated as a problem of normal credit giving."

ROLE OF SALESMANSHIP IN ECONOMY

BUSINESS MEN MUST BE CONSUMER-ORIENTED

By G. J. Ticoulat

THE sales road to economic development requires what I call the sales mentality. It means very simply that business men have to be consumer-oriented rather than production-oriented. It means that, in the economic sense, people are looked upon as potential markets not as so many mouths to feed. It might be argued that the consumer approach is a luxury which only the highly industrialised country can afford. To a certain extent, that may be true. And yet, I have read with interest this statement by the well-known statesman of the Republic of Indonesia, Mohammad Hatta: "No longer will the main stress be put upon production for the world market as was the case in the colonial era. Now we will concentrate on creating domestic markets and awakening the buying capacity of the people."

It is only accurate to point out that consumer-orientation, or the sales mentality, flourishes with maximum effectiveness only in a particular economic atmosphere. I do not think that a Government monopoly, for instance, could ever produce a really good vacuum cleaner, at least not for long. Healthy competition is the essence of the sales approach to economic development.

Without competition, no Olympic records would be broken. Without competition for sales, fresh ideas do not come along and, sooner or later, industry stagnates. At least that has been our experience in the United States. And when we in the United States talk about the difficulties of competition, it is not because we want to get rid of it. It is because we want to compete successfully. But no matter how good our plants and materials may be, no matter what the products do, we can never compete effectively without efficient people on the sales force employed by us.

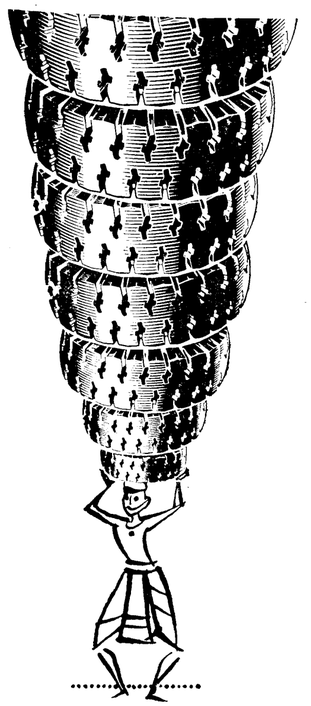
It is because of consumer-orientation that you find the elaborate machinery for encouraging demand and distributing goods in the United States. By that I mean dealer organisations, advertising, consumer credit financing, strategically located and modern manufacturing facilities, market, engineering and consumer research. By investing $5,000 million a year in research, American industry maintains a steady flow of new products into nation-wide markets.

Point of Sale

Sales people in the United States often use the term "Point of sale." In one sense, what we mean by "Point of sale" is that nothing has happened, economically, until the customer has committed the physical act of buying a product. The entire industrial process is foiled, if the product is not sold. In a modern industrial society, the worker cannot possibly sell his own labour, as he did in the days of individual craftsmen and artisans. It is more accurate to say that the sales force sells the labour of the worker and places in the hands of the consumer the results of the worker's skills and enterprise. By stimulating new markets, therefore, we automatically stimulate greater employment.

We of the United States, although smaller in population than Western Europe and considerably smaller in population than Asia, produce and consume about half the world's output of goods and services. This is a fact which may be explained in part by the way in which the country developed historically, politically and economically. But at the heart of this enormous consumption of goods and services is the average American, with all the strengths and weaknesses of average people anywhere. He has been encouraged, and he has encouraged others, to demand the products of twentieth century industry and technology. He has been the key to our own economic development. He might have gotten along, for example, with an old-fashioned ice box which had to be constantly replenished with cakes of ice. But he wanted an electric refrigerator which makes its own ice. He could have been satisfied with the horse for travelling distances. But he wanted to get there in an automobile. His wife could wash clothes in a tub. But an electric washing machine did it faster and better.

While these products tend to make life easier, it took creative selling to build the demand for them. Mass demand, stimulated by creative selling, led to the mass production of goods at prices people could afford to pay.



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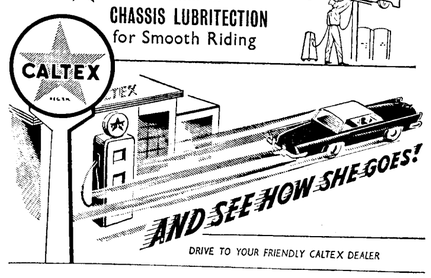

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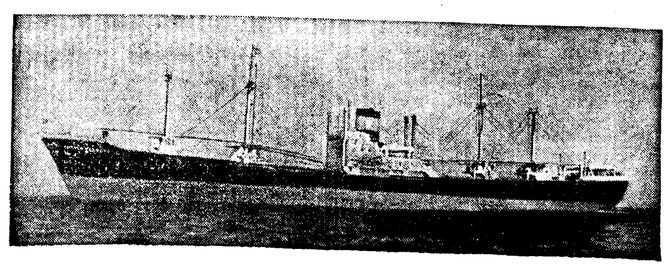

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SUPPLY OF AGRICULTURAL CREDIT

MANY COUNTRIES SET UP NEW INSTITUTIONS

THE chronic problem of many of the underdeveloped countries, especially in the region of South and South-East Asia, is the great pressure of population on land. Certain general characteristics of agrarian structure in these countries have helped to intensify the seriousness of this problem. These include, great inequalities in the distribution of land, fragmentation of holdings, high rents and insecurity of tenure, lack of adequate credit facilities and high indebtedness, and inefficient utilisation of land and human resources. In recent years, the agricultural policies of a number of countries have been directed towards overcoming these serious obstacles to economic and social advance. Notable among the measures taken since 1952 are those for improving the supply of credit for agriculture through the establishment of new institutions and through expansion and reorganisation of existing channels. Another notable feature is the special attention that has been devoted to the question of the reduction of agricultural indebtedness, in formulating the agrarian policies in not a few countries.

These and other similar developments that have taken place since 1952 in a number of countries are reviewed in a recent publication of the United Nations, entitled *Progress in Land Reform, Second Report*. The expansion of credit facilities for agriculture in the underdeveloped areas is beset with many impediments of varying magnitude. Here, institutional finance to agriculture is very meagre and the few institutions that exist suffer from inadequacies in organisation and administration. This is in sharp contrast with the position obtaining in the economically advanced countries where, besides Government-aided institutions, facilities of the commercial banking system, of private financing agencies and of credit co-operatives, are available to meet the needs of farmers. Consequently, Government action is needed in these areas only to meet the marginal needs of agriculture, whereas, in the former, active governmental assistance is called for financially, administratively and otherwise.

Measures in Advanced Countries

Viewed in this light, it is understandable that the measures taken in a large majority of the advanced countries are confined primarily to supplementing the existing credit institutions. In Austria, for example, substantial Government funds have been made available for afforestation, soil improvement, combating forest pests, provision of machinery and tools, and construction of forest roads to improve the forestry sector. The Government of France, to cite another instance, had further strengthened the institutional financial structure for agriculture, which is already able to meet practically all the credit requirements of the farmers, by establishing in 1955 a joint security fund to which regional and local agricultural agencies are required to belong. The function of the fund is to act as a guarantee of all individual and co-operative credit operations and as a central agency to facilitate expansion of credit in areas where new land is brought under cultivation and agricultural marketing facilities are expanded. Also noteworthy are the efforts of the East German Government to expand the activities of the German Farmers' Bank, which was established in 1950, as a central Government credit institution for agriculture, with a network of branches throughout the country. On the other hand, across the demarcation line (that is, in West Germany) expansion of facilities to agricultural enterprises of medium and small sizes has been provided since 1954 through a further tax exemption to the central bank for the promotion of co-operatives. Yet another notable instance is provided by Ireland where, to supplement the activities of the commercial banks which generally meet the short-term and medium-term needs of farmers, the Agricultural Credit Corporation Limited was established by the State in 1954 to provide longer-term credit needs, such as for the purchase of cattle and machinery. Specialised co-operatives for farming and sugar-beet cultivation also provide working capital. Japan also established a similar institution in 1952 to provide long-term finance for activities in the fields of agriculture, fisheries and forestry.

Mention must be made, in this connection, of the new legislation passed in the U.S. to provide new types of emergency loans for certain specified purposes. These are: the special livestock loan programme instituted in 1953 and a soil and water conservation loan programme commenced in 1954. The production emergency loan programme was also modified in 1953 with a view to meeting credit needs in disaster areas. Under another type of emergency loan programme, farmers in areas determined by the Secretary of Agriculture, where the needs of credit cannot be met by any other source, are granted credit. Other legislation includes the Farm Credit Act of 1953, under which the Farm Credit Administration of the Department of Agriculture was established as an independent agency and the Farm Credit Act of 1955 which broadened the loan authority of land banks to provide credit facilities to part-time farmers. Further, in Yugoslavia, a new credit system has been in force since 1954 which applies to all agricultural producers. Sources of finance under this system are: (*a*) federal, regional and local investment funds, (*b*) funds provided by banks, and (*c*) credit resulting from special agreements with processing industries.

Less Developed Countries

A majority of the less developed countries which replied to the questionnaire sent out by the U.N., on the other hand, have been actively assisting in establishing basic agricultural credit institutions and in the supervision and expansion of credit facilities. Of these, special mention must be made of the State Agricultural Bank in Burma, in June 1953, with a capital of 80 million kyats, 62 per cent. of which is held by the Government. This institution is intended to improve agricultural credit facilities.

A notable development in Chile was the creation in 1953, by merger of four credit institutions, of a State Bank with a combined capital of 5 billion pesos to centralise the provision of credit for developmental purposes. With a view to increasing the flow of medium- and long-term credit, the Bank issues bonds to finance agricultural and industrial development. In addition, an Agricultural Development and Research Board, composed of several agencies concerned with agricultural planning and development, was set up in 1956, in order to use more efficiently their combined resources.

India is another country where the entire rural credit machinery is being overhauled in pursuance of the recommendations of the All-India Rural Credit Survey, published in 1954. The Survey Report envisages a comprehensive programme of assistance to, and reorganisation of, co-operative institutions at all levels. One of the most important changes contemplated is that loans will be related to crop production, instead of property rights. The Reserve Bank of India will be the main urgency in the credit field, while the Ministry of Food and Agriculture will be primarily responsible for other co-operative economic activities such as marketing, processing and warehousing. Following the acceptance by the Government of the recommendations embodied in the Survey Report, the Reserve Bank of India Act was amended in 1955 under the provisions of which have been established the National Agricultural Credit (Long-term Operation) Fund to advance loans to the State Governments to facilitate their participation in the co-operative institutions, and the National Agricultural Credit (Stabilisation) Fund, which is intended to grant medium-term loans to State co-operative banks for the purpose of enabling them to convert short-term into medium-term loans in certain special circumstances. In addition, the Central Government has passed the necessary legislation under which the National Co-operative Development and Warehousing Board, and the twin statutory funds, namely, the National Co-operative Development Fund and the National Warehousing Fund have been brought into existence. The Board will be generally responsible for promoting co-operative economic activities. To this end the former Fund is to make long-term loans to State Governments to enable them to subscribe to the share capital of co-operative societies engaged in processing and marketing of agricultural produce. There is also a Central Warehousing Co-operative, which, together with the Warehousing Fund, will help bring into being a network of warehouses all over the country.

Notable developments have also been reported in Nyasaland, Puerto Rico, Sudan and Thailand. In certain other countries, major expansion of agricultural credit has taken place through the existing institutions. The more important of the countries which have taken measures in this regard are: Columbia, where its Bank for Agricultural Credit has considerably increased its activities in recent years, one such activity being the farm supplies section; Egypt, where, since the land reform of 1952, the commitments of the Agricultural Credit Bank have expanded considerably, especially in areas where land has been redistributed; India, Laos, Thailand, Malaya, French Morocco and Viet-Nam.

Another Significant Aspect

Another significant aspect considered by the U.N. Survey, in this connection, is the conditions under which loans are made available to the farmers. It is noteworthy that, generally in the economically developed countries, individual farmers and co-operatives are able to supply their credit needs under conditions and rates of interest which compare favourably with those applicable to borrowers in the other sectors of the economy. In certain countries, however, some improvement has been reported. Mention must be made here of East and West Germany where loans have been made available at reduced rates and Yugoslavia which has been providing agricultural loans at lower interest rates and on more favourable terms of repayment than to other sectors.

In regard to underdeveloped countries, the Report observes:

"In most underdeveloped countries, not only is the supply of credit available to agriculture inadequate, but the security which the borrowers can offer is generally very poor. The two factors tend to reinforce each other; they find expression in high interest rates and, in some cases, dependence on individual moneylenders. The various measures reported aim at improving the terms on which loans to farmers are made available. In some countries, the aim is to improve the contacts between potential borrowers and suppliers of credit. Thus, in Burma, in addition to the establishment of the State Agricultural Bank, there exists special machinery for the issue and supervision of loans provided by the Government in areas where the Bank does not operate. Loans are issued by township officers on the recommendation and security of recognised village loan committees or, in the absence of the latter, village land committees. Where co-operatives are not yet well established, as, for example, in Haiti and Laos, advice on credits requested and supervision of use of loans are the responsibility of the agents and technical staff of the Department of Agriculture. For Chile, it is reported that one of the most frequent criticisms levelled against the State Bank is that the considerable amount of paper work required to apply for a loan, and the bureaucratic and administrative formalities involved discourage many of the small-scale and medium-scale cultivators from seeking loans. Moreover, the procedure involves such long delays that the loans are virtually useless for the required purpose by the time they are granted."

Among other countries, mention must be made of Gautemala where supervised credit system was established with the aid of United States Technical Assistance, in order to prevent the peasants from using loans for purposes other than those for which they are granted. Moreover, in some countries, specially low interest rates are charged for loans intended for agricultural purposes. In Laos, for instance, loans with interest at 2 per cent. per annum, repayable in three years, have been extended to farmers as an emergency credit to buy cattle, implements and other equipment. In French Morocco, co-operatives were granted loans at 4½ per cent.

In order to relieve the burden of indebtedness, a number of measures have been adopted since 1952 in not a few underdeveloped areas. The more important among them are Colombia and Taiwan, in which local committees have been established to ensure reasonable terms for the repayment of old debts and to provide adjudication in cases of hardship. India is another notable example where legislation to provide debt relief has been passed since 1952 in some States, fixing maximum interest rates, limiting total interest to the principal amount of a loan, adjusting debts to the capacity of the debtors to pay, etc. The other countries which have acted in this direction include Malaya and Thailand.

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MADURAI

ABRIDGED BALANCE SHEET AS AT 31st DECEMBER, 1956

CAPITAL AND LIABILITIES	Rs.	a.	p.
Capital Paid-up and Reserves.	14,97,500	0	0
Deposits	2,62,47,280	6	10
Bills for Collection, Acceptances, etc. (as per contra)..	22,70,891	2	4
Other Liabilities	34,49,701	6	8
Profit and Loss Account ..	1,83,417	5	10
Total ..	Rs. 3,36,48,790	5	8

PROPERTY AND ASSETS	Rs.	a.	p.
Cash and Bank Balances ..	44,03,309	1	8
Investments at Cost ..	95,10,574	7	0
Loans, Cash Credits, Overdrafts, etc.	1,68,93,308	0	0
Bills for Collection, Constituents' Liabilities for Acceptances, etc. (as per contra)	22,70,891	2	4
Other Assets	5,70,707	10	8
Total ..	Rs. 3,36,48,790	5	8

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CREDIT UNIONS IN U.S.

There are today nearly 17,000 credit unions in the United States, with 8.8 million members. Their operations are regulated by both State and Federal laws. Their assets total more than $3,000 million, their loans more than $2,000 million—about 17 per cent. of all personal loans outstanding in the United States. Generally, membership in credit unions is confined to those who share some sort of common bond—social, occupational, religious or community. About 80 per cent. has been formed by employee groups, either in single industrial plants or in trade unions. The average credit union has about 525 members or shareholders, who have invested a minimum of $5 in its operations. Its average loan is about $450, extended at an interest rate of not more than one per cent. a month on the unpaid balance. Profits at the end of each year are distributed among the shareholders as dividends.

Originally set up to make small personal loans to members, credit unions now make loans for other purposes as well. These include the purchase of automobiles and appliances, and in some cases, even homes. In the past three years, their outstanding instalment credit has risen 80 per cent., compared with about 40 per cent. for banks and regular finance companies. Although they are run by so-called "amateurs"—mostly company employees who are not paid for their credit union work—these lending institutions have a surprisingly good performance record. Their losses on loans have run at a rate of less than one half of one per cent., fairly close to the national average. It is small wonder that banks and finance companies have begun to look upon credit unions as new business rivals.

MITSUI BANK LTD.

The 12 months ended 31st December 1956 represent the first full year of working of the Mitsui Bank Ltd. in India since it opened its only branch in Bombay on 28th May 1955. During the year under review, the Bank has earned a small profit of Rs. 29,412, as against a loss of Rs. 1.03 lakhs in the previous seven months. This small profit has, however, been offset by the loss of Rs. 88,312 suffered on revaluation of the Bank's investments, the loss on the same account in the previous seven months being as much as Rs. 1.67 lakhs. The net loss for the year, therefore, amounts to Rs. 58,900, as against Rs. 2.70 lakhs. After bringing the previous year's balance of deficit amounting to Rs. 16,202, a loss of Rs. 24,283 has been transferred to the Bank's London office, leaving a net loss of Rs. 50,319 to be carried forward to 1957.

The Bank's deposits as on 31st December 1956 stand at Rs. 14.01 lakhs, having risen from Rs. 11.61 lakhs a year ago. As against this, the advances amount to Rs. 95.70 lakhs, as compared with Rs. 32.47 lakhs. At the same time, investments have gone up from Rs. 19.34 lakhs to Rs. 19.88 lakhs, while cash balances have shrunk from Rs. 10.30 lakhs to Rs. 5.41 lakhs. The bulk of the advances would appear to have been met from remittances from its head office and/or other branches abroad, as witness the sharp rise in liabilities to head office and branches outside India from Rs. 50.97 lakhs to Rs. 109.09 lakhs.

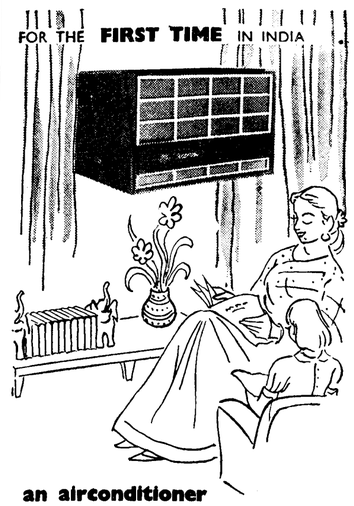
NATIONAL BANK OF BELGIUM'S GOLD RESERVE

The Governor of the National Bank of Belgium has called an extraordinary meeting, to be held in Brussels on 9th May, to amend the Bank's articles to conform with the new law of 12th April 1957. This law fixes the gold parity of the Belgian franc and requires the Bank to keep a gold reserve of 33½ per cent. of its sight obligations.

The present gold cover, according to the weekly return dated 17th April is 37.8 per cent.

The previous requirement, suspended since 1944, was that a reserve of 40 per cent. should be maintained in gold and convertible currencies, of which not less than 30 per cent. should be in gold.

A further funding of a part of the U.K. deficit in the European Payments Union—standing at $333.4 million at the end of March 1957—is likely as a result of the consultations now in progress between member countries concerning the renewal of the E.P.U. for a further 12 months to 30th June 1958. This funding operation may be accompanied by a capital repayment, as occurred in 1954. No date has yet been set for the E.P.U. Council to meet, the object of the current consultations being to present the Council with a ready-made renewal agreement.



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BANK OF RAJASTHAN'S INCOME GOES UP

PROFIT HIGHEST SINCE 1951

THE audited accounts of the Bank of Rajasthan Ltd. (General Manager: Mr. D. L. Gupta, Udaipur) for the year ended 31st December 1956 disclose that the Bank has had another year of successful working, with a further expansion in business and an increase in profit. The total working funds of the Bank as at the end of the year are higher by about Rs. 84 lakhs, of which deposits alone account for over Rs. 70 lakhs. Advances have risen by Rs. 13 lakhs and liquid assets stand strengthened by Rs. 30 lakhs. The profit also has gone up from Rs. 1 lakh to Rs. 1.23 lakhs.

The increase in profit may appear small and incommensurate with the rise in working funds, but it is in refreshing contrast to the slight recession suffered in 1955, when the profit was marked down from Rs. 1.13 lakhs to Rs. 1 lakh. It must also be noted that the year's profit is the highest since 1951, when a record profit of Rs. 2.06 lakhs was earned. If the profit has not moved up in consonance with the increase in working funds, it is due to the fact that the Bank's ratio of advances to deposits was well below the general average for all Scheduled banks throughout the year. Another factor which is responsible for this is the further sharp rise in administrative expenses. The increase in profit has been utilised to strengthen the reserve fund by Rs. 34,119, as against Rs. 24,626 added a year ago, to create a gratuity reserve fund with an initial allocation of Rs. 7,500 and to step up the dividend to 4½ per cent. from 3½ per cent. paid successively for the previous four years.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount	10.95	7.99	6.81	5.92
Commission and exchange ..	3.62	2.81	2.75	2.70
Interest paid	6.73	4.72	3.46	2.71
Expenses	6.80	5.43	5.16	4.98
Depreciation	0.29	0.12	0.20	0.22
Profit	1.23	1.00	1.13	1.05
Provision for taxation	0.40	0.43	0.58	0.50
To reserves	0.42	0.25	0.24	0.24
Dividend	0.41 (4¼%)	0.32 (3½%)	0.32 (3½%)	0.32 (3½%)
Carry forward	0.01	0.01	0.01	0.02

	As on 31st December			
	1956	1955	1954	1953
Capital	9.23	9.23	9.23	9.22
Reserves	5.36	5.28	5.03	5.01
Deposits	3,39.99	2,69.82	2,05.79	1,72.80
Advances	1,22.77	1,09.54	58.37	60.12
Investments	1,06.61	1,05.89	79.46	63.02
Cash	1,42.45	1,13.66	87.00	61.79
Balance-sheet total	4,04.56	3,20.76	2,39.02	2,09.50
Ratio to deposits of—	%	%	%	%
Advances	36.1	40.6	28.3	40.0
Investments	31.3	39.2	38.6	36.5
Cash	41.9	41.9	42.3	35.8

The gross income of the Bank for the year under review amounts to Rs. 15.14 lakhs, a rise of Rs. 3.88 lakhs over the year. As in the previous year, the bulk of the increase in income is accounted for by "interest and discount" earned, which has gone up by Rs. 2.96 lakhs. There has been a sharp rise of Rs. 2.01 lakhs in interest paid on deposits and borrowings and of Rs. 1.46 lakhs in expenses. The increases in both these items are much higher than those noted in 1955, and have offset substantially the rise in income.

The Bank's deposits have gone up by Rs. 70.17 lakhs and, with this rise, the deposits have almost doubled themselves in three years and reached a record level of Rs. 3.40 crores. Fixed deposits amount to Rs. 1.70 crores, an increase of Rs. 48 lakhs over the year, savings bank deposits are up by Rs. 12.03 lakhs at Rs. 70.53 lakhs and current and contingency accounts by Rs. 10.13 lakhs at Rs. 92.25 lakhs. As against this rise in deposits, the increase in advances is only Rs. 45.93 lakhs, of which loans, cash credit and overdrafts (at Rs. 79.72 lakhs) account for Rs. 32.13 lakhs and bills purchased and discounted (at Rs. 43.05 lakhs) for Rs. 13.80 lakhs. The Directors observe in their report that the average ratio of the Bank's advances to deposits for the year was only 38 per cent., as against 65.4 per cent. for other Scheduled banks.

As the scope for advances in Rajasthan is limited, the Directors are desirous of extending its area of operation where its funds can be usefully employed all over the year. With this end in view they have already opened a branch in Bombay.

FREE WORLD'S COTTON TEXTILE TRADE

DOWNWARD TREND PERSISTS

THE downward trend in the cotton textile trade of the free world which set in during 1955 continued unabated in the calendar year 1956, although the decline was not so marked as in 1955. The aggregate quantity of cotton piecegoods actually exported by the twelve major producing countries in the free world—India, Japan, the U.S., the U.K., Holland, France, Western Germany Belgium, Hong Kong, Portugal, Italy and Switzerland—during 1956 was 4,270.9 million yards, as against 4,631.7 million yards in the previous year, representing a fall of 360.8 million yards or 7.8 per cent. The fall compares favourably with a drop of 497.9 million yards or nearly 9.5 per cent. a year before. Taking however, the world as a whole, that is, including China and East European countries, the cotton textile exports in 1956 were said to be slightly above that recorded in the previous year.

The persistent setback to world cotton textile trade must be attributed to four important factors. First, several countries which were formerly importing a large part of their requirements of cloth are turning out to be producers of cloth themselves; their imports are, therefore, being replaced by domestic output. Secondly, the offtake of piecegoods by many countries has tended to be lower, thanks to imposition of restrictions on imports necessitated by balance of payments difficulties. Thirdly, exports of textiles from the free world to the communist nations have suffered a fall on account of business in this region being largely done on a barter basis. Finally, there is the growing competition from cloth woven from man-made fibres. Throughout 1956, international business in such goods was about 12 per cent. more than in 1955, the whole of the expansion being accounted for by Japanese shipments. The aggregate exports of rayon piecegoods from the twelve leading exporting countries, for instance, amounted to 1,985.6 million yards, as against 1,881.8 million yards. Of this quantity, the share of Japan alone was more than 50 per cent., the quantity actually shipped being over 998 million yards, as compared with 911 million yards.

Trend of Exports

An idea as to how the aforesaid twelve major producers of cotton textiles fared in the international cloth trade during 1956 as compared with the preceding two years can be had from the following statement:

(In million yards)

	1956	1955	1954
Japan	1,262.0	1,138.9	1,278.0
India*	804.4	873.0	952.0
U.S.A.	517.5	551.7	613.3
U.K.	474.2	554.5	637.4
Holland	255.9	238.4	230.4
France	222.8	388.7	518.0
W. Germany	187.7	247.7	230.8
Belgium	159.6	211.4	215.8
Hong Kong	123.7	164.7	162.6
Portugal	115.2	109.4	137.0
Italy	88.3	100.9	103.4
Switzerland	59.6	53.4	50.9
Total	4,270.9	4,631.7	5,129.6

* Figures include both mill and handloom piecegoods.

It will be seen from the above table that the decline in world cotton textile trade in 1956 was shared by all the leading exporting countries, except Japan, Holland, Portugal and Switzerland. The drop was particularly pronounced in France, the U.K. and India, the actual extent of the decline in exports from these countries being 165.9 million yards, 80.3 million yards and 67.6 million yards, respectively. The reduction in shipments—in million yards—from other countries was: West Germany 60.0; Belgium 51.8; Hong Kong 41.0; the U.S.A. 34.2; Italy 12.6. Japan, however, accounted for a marked rise in cloth exports, the quantity actually exported in 1956 being higher by as much as 123.1 million yards at 1,262 million yards; this figure was, of course, slightly less than the post-war record of 1,278 million yards achieved in 1954. Holland accounted for an increase of 17.5 million yards. Switzerland for 6.2 million yards and Portugal for 5.8 million yards.

The most striking feature of free world cotton textile trade during the year under review was the continued supremacy of Japan as the largest supplier of cloth. India retained its position as the second largest supplier, while the United Kingdom gave its third place held by it in 1955 to the U.S. Holland emerged as the fifth largest exporter, the position which was formerly held by France. In the order of importance, France occupied the sixth place, followed by Western Germany, Belgium, Hong Kong, Portugal, Italy and Switzerland.

Cotton piecegoods exports from India during 1956 aggregated, as already noted, 804.4 million yards, a fall of 67.6 million yards as compared with the previous year. The whole of this fall was accounted for by mill-made cloth, the total shipments of which were about 746 million yards, as against 816 million yards. Exports of handloom cloth, however, were slightly higher at 58 million yards. The drop in the exports of mill-made piecegoods was shared by all the varieties, barring coarse counts which registered some improvement in exports.

Non-competitive Prices

The reduction in the offtake of Indian mill piecegoods was largely the result of the non-competitive prices *vis-a-vis* other textile producing countries, Japan, Russia and China, in particular. This is due to the rigid cost structure of mills, thanks to the heavy incidence of taxes, increasing wage bill and low productivity. Moreover, the fall in the world price of cotton has almost wiped out the advantage which India enjoyed previously over other countries in the form of relatively low prices for domestic cotton. The other important factors contributing to the setback are those which have affected the world trade in textiles, namely, establishment of cotton mills in countries which were until recently large buyers of cloth, restriction on imports imposed by several countries following foreign exchange difficulties, and the growing tendency among certain countries to enter into barter treaties which canalise trade between them.



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COTTON VS. MAN-MADE FIBRES

WORLD TRADE IN FORMER MUST BE FREE FROM RESTRICTIONS

THE view that, if cotton is to maintain its position against man-made fibres, it is imperative that there should be a further liberalisation of the world cotton trade has been forcefully brought out by Mr. Mario Ludwig, Director of the International Federation of Cotton and Allied Textile Industries, in the course of an interesting article contributed to the Convention Number of the *Cotton Trade Journal*, Memphis, issued on the occasion of the thirty-third annual meeting of the American Cotton Spinners' Association held on 26th April 1957. Mr. Ludwig points out that the fabric woven from cotton should be made sufficiently attractive in price to the consumer. In his considered opinion, the price of raw cotton must be determined, as far as possible, by the free interplay of the natural forces of supply and demand. In order to achieve this objective, he urges the removal of all artificial restrictions on trade. He has drawn particular attention to the following three notable recommendations which the Federation made to the United States Secretary of Agriculture during the latter's visit to the cotton centres in Europe late in 1955:

(i) Definition and publication, as soon as possible, of a long-term policy regarding raw cotton prices; (ii) achievement of an orderly adjustment of raw cotton prices by a gradual return to the natural laws of supply and demand, particularly with a view to the adaptation of raw cotton production to the types and qualities which correspond to present mill requirements; (iii) elimination of price differentials, subsidies and other artificial measures which can only result in prolonged uncertainty, harmful to all concerned.

Since then, the United States Department of Agriculture has made various attempts to solve the cotton problem. Mr. Ludwig, no doubt, admits that its measures of surplus disposal have been relatively successful so far. Nevertheless, he feels that they cannot solve the long-term problem of the American cotton economy. According to him, the much desired long-term cotton policy is still missing, although, in all fairness, it must be recognised that the responsible authorities in the United States are making every possible effort to achieve this objective.

Price of End-Product

The Director of the Federation emphasises that it is only natural that the consumers' main interests should be focussed on the price of the end-product. Therefore, as the price of the raw material is such an important factor in the cost structure of textile goods, raw cotton pricing policies should be such that spinners and manufacturers are enabled to produce an end-product which will be attractive to the consumer both as regards price and quality and which will be competitive with other fibres. This is only possible, if and when unrealistic price support policies, price differentials, subsidies and other forms of artificial interference with the normal channels of trade are eliminated.

Proceeding, Mr. Ludwig says that the laws of supply and demand can play a particularly valuable part in the raw cotton trade, as they can work with the aid of one of the most highly sensitive instruments of commodity trading, namely, the futures market. But even these, in his view cannot fulfil their task, if obstacles are put in their way. Today, efficient trading in futures is still hampered by price and import controls, foreign exchange regulations and governmental interference in commodity markets. Cotton futures trading should be open to as many customers from as many areas as possible and prices should truly reflect actual supply and demand. Exchange restrictions may exclude foreign customers, prevent hedging and limit trading to nationals of the country where the market is located. Price regulations may lead to unrealistic quotations when compared with prices in free foreign markets. Buying or selling in bulk by Governments may interfere with the normal price formation for cotton. For these reasons it is essential that every effort should be made to return to unhampered and expanding trading on the world's cotton futures market.

In conclusion, Mr. Mario Ludwig observes that the cotton policies for the future should aim at a further liberalisation of the world cotton trade. Only then will it be possible for cotton to maintain its position against man-made fibres; only then will it be possible to ensure the future prosperity of the cotton trade, from the producer to the consumer.

MINIMUM PRICE AGREEMENTS IN COTTON INDUSTRY

MILL PROFITS DECLINE

From A Special Correspondent

MANCHESTER, *23rd April*

AFTER months of speculation as to the eventual fate of the minimum price agreements in the Lancashire cotton industry, it has been decided to include the schemes in the spinning and doubling sections in the first batch of agreements to be investigated under the Restrictive Trade Practices Act. Britain's Board of Trade has now notified the Registrar of Restrictive Practices that agreements in a number of industries are to be probed and submitted to the Restrictive Practices Court. A decision has then to be made whether the restrictions in each agreement are against the public interest.

MANCHESTER LETTER

Individuals and organisations likely to have knowledge about the schemes under consideration will be asked to assist the Court with evidence and anybody else can write in with details of their own experience about the alleged pacts. Legal agreements establishing minimum margins on cotton yarn prices have been in force for about 10 years, but voluntary arrangements were introduced in the Lancashire industry some years before the war.

Removal of Uncertainty

To those directly concerned with the administration of the systems in force in the cotton industry, the inclusion of the agreements in the first schedule may come as a relief, in that the uncertainty which has persisted since the Act was originally planned will now be resolved one way or the other. Few people in the trade have a neutral attitude towards the price-agreements; individuals are either wholeheartedly behind the schemes or equally opposed to them.

Whatever criticisms have been levelled against the arrangements in the past, they have certainly enabled the spinning and doubling branches to maintain a firm front, avoiding the collapse of the most vital producing sections at times when trade has been exceedingly difficult. Some will say that the operational costs basis provides a "cushion" for the inefficient and it is possible to blame the organisations for a lack of flexibility when some variation in the schemes might have been of benefit to the industry as a whole.

It is significant, however, that, despite the adverse comments made from time to time by representatives of sections which have no similar stabilising influence, private opinions have frequently been expressed in support of the arrangements. Many traders believe they have been the salvation of the post-war industry in Lancashire, because they have averted any threat of substantial internal price-cutting reminiscent of conditions nearly a generation ago.

It was no surprise to those closely connected with the textile industry to learn at the beginning of the year that the results published by local companies during 1956 showed substantially reduced earnings as compared with the financial details announced in the previous 12 months. In the first quarter of the current year, however, the trend of profits has not declined to the same extent and the improvement in activity recorded since the early autumn should lead to better returns in due course.

Total net profits earned by 25 companies, which have so far announced their results this year, were £984,426, as compared with £1,154,950 12 months ago. The average profit has, therefore, declined from £46,198 per company to £39,377, while the dividend has been reduced from 12.63 per cent. to 11.36 per cent. per company.

No Marked Variations

The position of firms in the different sections of the industry has not shown any marked variation. All have reported lower average earnings and a reduction in dividends. In the case of those companies entirely devoted to spinning, the average net profit has fallen from £31,307 to £27,757 and the dividend from 14.35 per cent. to 13.94 per cent. Companies combining spinning and weaving have recorded a drop in average earnings from £86,700 to £75,259 and the distribution has declined from 10.36 per cent. to 9.29 per cent. In ratio, the weaving group has again been the most affected by adverse conditions, average profits being £20,754, as against £28,728 and the dividends have been cut from 11.83 per cent. to 8.64 per cent.

In the first quarter of the year, only one of the main combines in spinning and weaving announces its results. The net group profit earned by the Amalgamated Cotton Mills Trust declined slightly from £397,307 to Rs. 375,941, but, with the assistance of an increased sum arising from the sale of fixed assets, a larger dividend was declared. On the reorganised capital, this was equal to 15 per cent., tax-free, as against the former tax-free distribution of 11⅛ per cent.

Results of Free Trade

Any current report surveying the prospects for industrial activities, whether prepared by chairmen of individual companies or on behalf of trade organisations, must of necessity refer to the important part which the anticipated free trade area in Europe is going to play in determining the shape of the future. In a large and comprehensive volume, the Economic Commission for Europe has dealt fully with this vital topic which, it says, may result in some transitional unemployment, the shift of European industry to the Rhine area and the possibility of world trade being split into protectionist sectors.

Summarising the probable outcome of the project, the Survey contends that efficient industries as a whole should benefit from the economies achieved, if all the industrial countries of Western Europe join in the scheme, thus forming a single market of nearly 250 million people.

The advantages and dangers of the plan have already been discussed in innumerable articles, but there are aspects of the situation which have not been fully developed. East-West trade in Europe, for example, which has shown signs of broadening in recent years, might be hampered by the suggested preferential tariff, resulting in the lowering of prices by Eastern countries. It has also been estimated that the free trade area would represent about 40 per cent. of world trade, causing about 25 per cent. to suffer from the arrangements made to erect fresh tariff barriers. Countries outside Europe could well establish their own competitive trading areas, a move already under consideration in Latin America.

The Federation of British Industries has also issued a detailed analysis forecasting the results of the plan, in which it declares that the development will bring about a change of course in British commercial policy comparable in significance to the United Kingdom's abandonment of free trade over 25 years ago. Those industries now enjoying higher than average tariff protection, which include textiles, are likely to be particularly affected by the proposals, it adds.

The Voice of Industry

Comments on the scheme are now receiving almost daily publicity. A few, chosen at random, are given below:

Mr. Wallace Ellison, Chairman of Brocklehurst-Whiston Amalgamated Ltd., the Macclesfield group: "Although a breathing space or period of adaptation to changing circumstances is provided for in the scheme, many branches of industry in this country will be called upon to give most careful thought to redeployment of their capital resources and their labour. The common market must be a common market with no specially privileged participating countries and free trade must be fair trade."

Mr. Fred Livsey, Chairman of Mutual Mills, Heywood: "We have made extensive inquiries on the Continent to find out what effect the proposals will have on our trade. From the evidence obtained, we are forced to the conclusion that, while the plan may work to the benefit of many industries, it holds no immediate prospects for the textile trade."

Mr. John Foster Beaver, Chairman of the Wool Industries Research Association: "Without careful safeguards the textile industries, particularly the older ones, will be exposed to very considerable risks. All our industries will be challenged and, if they are to retain and expand their position, they must be in the forefront with scientific development and achievement."

Mr. Ernest Thornton, M.P., former Secretary of the United Textile Factory Workers' Association: "It may well be that we shall be compelled to meet this challenge. Is it not important that we should seriously study the issues and problems involved and be prepared to meet the challenge with vigour and determination? Big changes will be needed in outlook as well as in methods of both employers and workers."—*All Rights Reserved.*

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SOME FACETS OF INCOME-TAX LAW*—I

LEGAL IMPLICATIONS OF A FEW SECTIONS

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

"FACET," says a dictionary, is a side of or a slant on a many-sided body. Like a diamond it has many facets which when you view it in the light of cold reason seem to sparkle with brilliancy of an unreason, an anomaly or an absurdity. Charging sections 3 and 4 are the centre and circumference of the Act. They are the hub round which the other sections turn. The other sections must hang round the hub or fall out of its orbit. Section 4(1)(*b*)(iii) reads: "In case of a resident the scope of liability will *inter alia* be all income accruing or arising to him without the taxable territories during such year." This means that income which accrues or arises outside India will be exigible to tax. Now this means that income factually accruing alone is caught within its net. In other words, "fictional income," i.e., income created by a fiction of law, falls outside it. One may compare in this regard an inland income under clause (i). It says that income accruing or arising or deemed to accrue or arise in India will be taxable. Why was it necessary to provide in the charging section dealing with inland income that deemed incomes are chargeable and expressly to omit it in clause (ii) with regard to foreign income?

The obvious conclusion is that the Legislature was not anxious to create "deemed income" outside India—possibly guided by international conscience which precludes exercising sovereignty on non-residents outside the country. Be that as it may. Section 44D briefly provides that if any person, by virtue of a transfer of assets to a limited company outside India, the income whereof gets payable to such a non-resident, and if such a person has power to enjoy the income of the non-resident either forthwith or in future, then notwithstanding that such income belongs to a non-resident and accrues or arises outside India, it shall yet be deemed to be the income of the transferor. After the transfer of assets to a non-resident company, income does not arise in India, nor does it arise to the resident. Yet the fiction provides that such income accruing or arising will be deemed to be exigible in the hands of the resident who is no more the owner of a source. This is the first slant on the Act.

Section 4(1)(*a*) provides that income received in India either by a resident or a non-resident will be exigible to tax. Section 4(1)(*b*)(iii) provides that any income arising to a resident outside India prior to the previous year, if received or brought into India will be liable to tax. The slant that is introduced is why under section 4(1)(*a*) is it necessary in case of a resident to provide taxation on receipt basis—something that is already caught on the accrual basis outside India? So far as resident is concerned, it does not seem to read sense. In section 4(1)(*a*) the words used are "income received." In section 4(1)(*b*)(iii) words used are: "income received or brought into."

Why this change of phraseology? Under section 4(1)(*a*) "income received" signifies the first receipt. For "incoming concept" can arise only when it is first received. Something which has already come in once cannot come in again, but it can be brought into. Something that has once come in may be brought again elsewhere but not received elsewhere. In short, these words have therefore the legal connotation of income when it is first received as well as income when it is brought in a second time. Thereby hangs a difference and that is this. Income once received, if not attacked at that stage gets exemption from tax thereafter, for any movement of income after the first receipt is movement of capital. In regard to non-resident staying beyond the Government's sovereign jurisdiction, first receipt alone can be subjected to tax. You can't tax capital. But in regard to resident staying within your juridical limits this international fineness or subtlety need not bother or deter you, even from collecting tax on capital by calling it income for purposes of financial exigency of the country.

There is yet another slant euphemistically called a facet. A non-resident husband sends his wife in India remittance. If he is a non-resident then his first receipt alone can be exigible, his second receipt is exempt. Legislation, therefore, steps in and says that remittance sent by a non-resident husband to his wife in India will be deemed to be income of the wife. What one cannot get at directly at the non-resident husband owing to international law, one can get at indirectly at the same pocket through the wife by introducing a fiction of law. A fiction of law has no limits. It can create black into white and white into black. It is no respecter of biology either. It can say, and has said, that a male may include female and a female male. They say a fiction must be carried to its logical conclusion. Here, the income of the husband is taxed in a foreign country and again in India. There is thus double taxation of the same income—once in the hands of the husband and again in the hands of the wife. The same income is taxed twice, yet there is no provision for any relief, because legally husband and wife are two persons and as such two distinct assessees at law. When it is a question of aggregation the same, husband and wife, as if by a magic wand, become one, the wand being the fiction of law.

Let us go to another facet. There are three categories of assessees: resident, non-resident and not ordinarily resident. Resident assessees are persons whose normal mode of living is in India. Non-residents are those whose normal living of life is outside India. Who are then the not ordinarily residents? They are a class of persons who are not normally resident, nor are normally non-residents. Persons who satisfy the conditions of a resident in a year but over a period of years their stay is so attenuated that it would not be proper to call them normal residents. One can understand the three differentials, but one cannot reconcile oneself to the differentiation and discrimination in the treatment given to this new-fledged comrade: giving him a deal better than the resident and better than a non-resident. His total income, unlike resident, consists of income arising or accruing in India. Income accruing abroad is not to be aggregated either for tax purposes like that of a resident or for rate purposes like that of a non-resident unless it arises from business controlled in India—a rare thing. Why this tender consideration for a species who like a bat is neither a bird nor a beast? There is little logic and less sense in such refinements introduced into our Act. But there they are and they persist even to this day.

This is not a solitary instance where the logic has become topsy-turvy. A company is a legal entity as much as a firm, an association of individuals or an H.U.F., yet there is a world of difference. A company, according to clause (*c*), will be resident in India if the control and management of its affairs is situated wholly in India in that year. A firm, according to clause (*b*), will be resident in India unless the control and management of its affairs is situated wholly without India. The import of "unless" in one and omission of "unless" in the other makes a world of difference in discrimination. A company is normally deemed to be a non-resident unless control of its affairs is wholly situated in India. Implication of this is that unless 100 per cent. control resides in India companies need not bring into accounts its foreign income. But in case of a firm unless 100 per cent. control resides abroad it cannot avoid paying tax on its foreign income. Why this tenderness towards a limited company and why this stepmotherly treatment towards a firm? The mind of a legislature, like the mind of God, is indeed inscrutable. This discrimination has more in it than meets a superficial eye.

A company has another test for its residence. It is this: If the company's income accruing in India is more than the income accruing abroad, it is to be treated as a resident for purpose of taxation, although on the test of control and management it is a non-resident company. The intention was perhaps to widen the net for a company which operated from abroad in India having a substantial income in India, yet it escaped liability on its foreign income on the test of control and management. But the other consequence arising out of the provision is serious enough. Take a non-resident company. In the year 'A' its income in India is Rs. 5,000. Its world income is a loss of Rs. 50 lakhs.

By this test the company's income in India is more than the income abroad. Positive income is greater than negative naught. Therefore, it becomes a resident company with a right to carry forward under section 24(2) its world loss against future Indian profit. In the following year 'B', let us suppose the position is reversed. It has made a profit of Rs. 50 lakhs in England and Rs. 5 lakhs in India. The company will not pay any tax on Rs. 50 lakhs for its income abroad is larger than its income in India; therefore it is a non-resident company not liable to pay tax on its income abroad. But it will also not pay tax even on Rs. 5 lakhs, for it can claim set-off of last year's carry forward of Rs. 50 lakhs. A foreign company is thus provided a comfortable berth in India to come and compete with the nationals and yet get away without paying taxes on their profit, while nationals are taxed on theirs. An important, though startingly glaring, preference is shown to a non-resident, as against one's nationals. A government protects its own nationals. Here is an instance where the Government protects non-nationals against nationals. A logic which, for want of a better word, can only be termed cock-eyed.

Let us pass on to another facet—section 18A. This section, in brief, says that as regards incomes other than those in respect of which tax has to be deducted at source tax shall be payable quarterly in advance. The question is: is dividend an income in respect of which a person must pay advance tax? It seems from the peculiar wording that it is. On dividend the company is not entitled to deduct tax. It can declare dividend either less tax or free of tax. Therefore, it does not satisfy the condition of deduction under section 18. It, therefore, clearly attracts advance tax payments under section 18A. If it does the tax must be paid in advance—both income-tax and supertax and no credit for income-tax can be vouchsafed to anyone while payment is made under section 18A. I know it is done—but this is being done extra legally to avoid a startling anomaly. You collect advance income-tax under section 18A only to refund the same *in toto* in an assessment, for under section 18, no income-tax is payable on dividend—a shareholder always gets a credit for tax paid by the company.

This facet offends two principles—one that it calls upon a person to pay tax before he earns it and, secondly, calls upon him in the alternative to make an estimate of his dividend income, which he can never do; it is a source over which he has no control nor any knowledge. In cases where such estimate or payment does not fit in the scheme of "pay-as-you-earn" scheme, relaxation and relief are already provided, namely, in case of agency commission. This source need not pay advance tax quarterly, but only after such commission is credited by the managed company. Yet so far as dividend is concerned no such relief is available. However, I understand there is some executive relief vouchsafed to the assessee by the Central Board of Revenue. The Act provides no relief even where its logic fails to have any force in an enactment.

Now, to another facet, the registered firm and the unregistered firm. The former pays tax through the partner's own assessment, the latter on the profit of the firm as one entity. This is a difference without a distinction—a device to collect more tax on the basis of an artificial distinction. Nowhere in the world does such a distinction obtain in the tax system. India is unique in its originality. Having created an artificial difference, the recent amendment goes one better and says: A registered firm, as an entity, enjoys an exemption, which a unregistered firm does not. Therefore, let us subject it to a special tax called registered firm's tax. This tax on a registered firm is justified on the ground that it enjoys a privileged position, not extended to unregistered firms. We will accept that position, but should not the tax then be worked on the true profits of the registered firm for the year? An unregistered firm's profit will be computed by setting off against it the last year's carry forward of loss while registered firm's profit will not be so reduced. The loss of the registered firm is not set off against the profit of the registered firm, for it is argued that it has been already allocated among the partners.

Partners having had already the advantage of these losses in their individual assessments, it would be wrong to deduct it again in computing profits of a registered firm. At first sight, this seems to be unanswerable. But if one examines the position critically, the fallacy will be apparent. A firm pays tax on its profits—but is the profit a measure of a tax on its corporate existence or is it a tax on income itself? If it is a tax on income, it is incomprehensible how there can be two assessees made liable on the same income. If it is a tax on income, then the fact that the tax is paid by a registered firm on the profits should entitle the partners to claim exemption on these allocated parts of profits. But it is not so. A registered firm pays tax on the income and when the income is allocated each partner pays the tax again on the aliquot part as his income. This clearly proves that the tax on a registered firm is merely a measure of tax for its corporate existence like corporate tax on a company and, if that be so, there should be no difficulty in deducting loss from the profit if proper measure of tax is to be determined. Yet when a claim is put forward for a proper rational measure, carry forward of loss is ignored. If income is a yardstick—the true profits measure will be current year's profit less last year's loss (if any). The Act has ignored this aspect with the result that a facet of the Act has developed a slant against the taxpayers.

Let me take you to section 23A before its recent amendment. If there is any section which bristles with pointed difficulties in every word, in every clause, in every section, it is section 23A. I would call section 23A a porcupine section, for it bristles with difficulty and doubts.

Let me give you only one or two illustrative examples. In a scheme of capital reduction, a section 23A company wrote off its capital to wipe out accumulated losses. In applying the formula under section 23A, must you compare the reserves with paid-up capital as reduced or cost of fixed assets, whichever is higher, or reserves must be compared with capital as originally paid up or with cost of fixed assets as originally invested? If the reduced capital of the company is made the basis of comparison, the company would be called upon to distribute 100 per cent. of its assessable profits less taxes for the reserves will have reached the limit of capital; whereas, in fact, reserves are considerably inflated, because they have not been reduced by accumulated losses as they should have been. Further, paid-up capital has been artificially reduced for purpose of comparison. This is hitting the company both ways—first by reducing paid-up capital and, secondly, by inflating the reserves. What is the correct position in law? I can hardly dogmatise; but it seems that the view, namely, that, for purposes of section 23A comparison, paid-up capital as reduced by losses should be taken, does not seem to be reasonable for the following reasons:

(i) Comparison in order to be useful and effective must be between like unto like.

(ii) If fixed assets are to be taken at the original cost, is there any reason why paid-up capital should be taken at reduced figure?

(iii) Should reserves be taken at a figure which is truly inflated, for accumulated loss written off against paid-up capital should be against reserves? Reserves to the extent of accumulated losses, therefore, have ceased to exist.

Take another facet of section 23A—paid-up capital and fixed assets. Reserves to be compared are figures at the beginning of the accounting year. Are these to be merely book figures or effective figures? What I mean to say is are these figures subject to some adjustments, as, for example, the following:

(i) Should accumulated loss be deducted from reserve, although not actually written off against reserve in books?

(ii) Should provision for taxation be deducted, even if no liability for the respective assessment year has accrued because assessments are in arrears?

(iii) Should extra dividend be declared under section 23A to comply with requisitions out of accumulated profits figure, although dividends were actually declared later on but relate back to the year when the first dividend was declared?

(iv) If dividend declared subsequently relates back to the original declaration under section 23A, will it not be correct to deduct these extra dividends declared after the beginning of the year from the reserves in the beginning?

(v) Should taxation reserve form part of the reserves to the extent found in excess of actual liability subsequently determined?

(vi) Should loan capital of the shareholders include loan by a firm in which all shareholders are partners or a firm in which few shareholders are partners and others are not, or a private company in which all shareholders are the shareholders of section 23A company?—*All Rights Reserved.*

(To be continued)

* The article is based on the lecture delivered by the author before the Bombay Regional Council.

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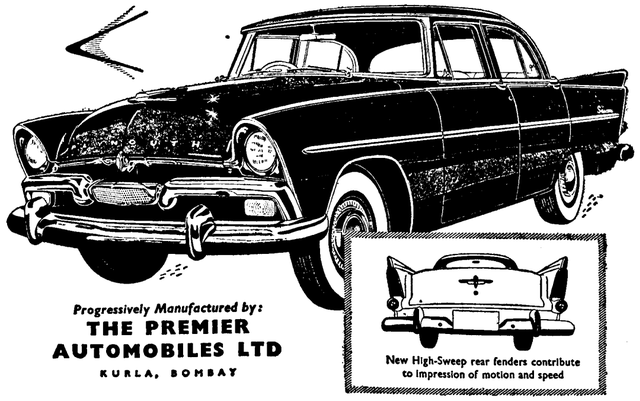

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Two pieces of earthenware pipes—silent witnesses to a civilisation that flourished 5000 years ago. These two pieces, complete with spigot and socket joints, which still cling to the wall of a house at Mohenjo-Daro, formed part of a rainwater pipe.

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INDIAN ALUMINIUM COMPANY, LIMITED

MR. K. C. MAHINDRA'S ADDRESS AT ANNUAL MEETING

SCOPE FOR ENLARGED ALUMINIUM CONSUMPTION IN UTENSIL INDUSTRY SMALL

THE view that, although the utensil industry would continue to be a substantial consumer of aluminium, the scope for rising consumption in this industry appeared small, as compared to the electrical, transportation, building, construction, canning and packing industries, was expressed by Mr. K. C. Mahindra, Chairman of the Indian Aluminium Company Limited, in the course of his address at the Annual General Meeting of the Company held at Calcutta on Saturday, 27th April 1957. Mr. Mahindra emphasised that the success of the aluminium industry's efforts in the field of sales development or production operations or labour relations was influenced considerably by the actions of the Government. For, he said, the State not only operated the railways, on which the Company must depend for the transport of raw materials and finished products, but it also owned an increasing number of manufacturing industries to which the Company must sell its products. Mr. Mahindra, therefore, stated that it was not merely the measures of direct taxation which affected the Company but the host of other imposts, such as sales taxes, excise and import duties, and railway freights as well. He considered the increase in rail freight from January 1957 as being prohibitive and pointed out that such an increase had compelled the Company to resort to sea shipment from Cochin to Calcutta, which, though cheaper than the new transportation cost by rail, was nevertheless about 25 per cent. higher than the previous cost.

The following is an abbreviated version of the speech of Mr. K. C. Mahindra, at the annual meeting:

"The period since I last addressed this annual meeting has been an eventful one for your Company. Sales and profits in 1956 attained new heights, the programme for fresh issues of capital was successfully completed, and new patterns, long under preparation, emerged in sales of the Company's products and in the field of labour relations.

Market Development

"You will recall the pioneering efforts the Company has been making for the past five years or more to diversify its production and cater to the needs of industrial consumers for technically more advanced aluminium products. The transportation field provides the most notable example of the success of the Company's efforts in market development, which is reflected in sheet and plate assuming the primary place in shipments of the Company's products during 1956. An achievement of some significance is the formal acceptance, by the railway authorities, of the use of aluminium for the panelling of railway coaches, and it is satisfying to note that our sales in 1956 to the railways for various applications were double those of the previous year. There has been progress also in the road transport field and several State and private organisations are contemplating complete change-over to aluminium for buses. You will have noted from the Directors' report, however, that the shipments of circles declined considerably during the past year. Although the utensil industry will continue to be a substantial consumer of aluminium, the possibilities of expanding consumption in this industry appear small, compared to the electrical, transportation, building, construction, canning and packaging industries, where the use of aluminium is rapidly increasing.

The Company's Future

"The success of the recent capital issues made by the Company is a tribute to the confidence reposed in the Company's future and in its management. At a time when investors are shy and money is scarce, it is encouraging to feel that the Company has been able to raise substantial funds on the Indian market. Nevertheless, it should be borne in mind that the Canadian shareholder, Aluminium Limited, subscribed to one-half of the new capital issues, and this subscription assumes added significance today, in the light of the foreign exchange position of the country. The new dollar investment by Aluminium Limited and the loan of one million dollars it is further proposed to obtain from the Company's principal shareholder are of vital significance to the Company in obtaining imports of capital equipment essential to the execution of its expansion programme.

"Some of the advantages that your Company derives from participation of Aluminium Limited have been sharply brought into focus by the generous and prompt willingness of the Canadian group to assist the Company, when the Government expressed its inability to provide the requisite balance of foreign exchange for completing the Hirakud scheme. By virtue of such participation, your Company also receives, at cost, the benefit of the accumulated experience in the technique of aluminium production, fabrication and utilisation of one of the largest companies in the world engaged in this industry. The association of foreign capital is beneficial to your Company also in the training of Indian personnel. Today there are only four foreigners on our permanent staff and all the six operational units of the Company are administered by Indian managers. In an industry which requires technical and managerial skills of a high order, this is a creditable achievement, made possible by a continuous programme of training promising employees at various establishments of Aluminium Limited in Canada and Europe. This policy is being actively pursued in the light of the increasing complexity of the Company's activities, and is meeting the wholehearted co-operation of Aluminium Limited.

Labour Relations

"I had earlier referred to developments in the field of labour relations as being among the events of particular significance which had occurred during the past year. The comprehensive agreements negotiated at the Company's works at Belur, Muri and Alupuram, which are the result of free 'collective bargaining' between management and the Employees' Unions set out in detail the rights and responsibilities of the management and workers. For the first time in the history of labour relations in India, the workers also have come forward to agree with the management frankly and openly that productivity is the true key to progress, that the 'payment of bonus on Company's earnings or profits is not considered a sound or satisfactory principle by either party. It is felt by both the parties that relating bonus to production, which is directly linked up with workers' effort, is a better and more satisfactory principle'—indeed, a revolutionary contribution to labour-management relations in practice. Your Company firmly believes in the democratic process of free negotiation with the freely constituted representatives of its employees as the only firm and stable assurance of good relations, and the agreements concluded bear testimony to the consistent policy pursued by the Company in this respect. A meed of praise and commendation is due to the Company's personnel staff and to the workers for this pioneering achievement in social engineering.

Railway Freights

"Whatever endeavours we make, whether it be in the field of sales development or production operations or labour relations, the success of our efforts is influenced considerably by the actions of the Government. The State today not only operates the railways on which we must depend for transportation of our raw materials and finished products, but it also owns an increasing number of manufacturing industries, to whom we must sell our products. It is thus not only measures of direct taxation which affect us, but the host of other imposts such as sales taxes, excise and import duties, and railway freights. Railway freights are of particular significance to your Company, as they exert a considerable influence on our competitive position in the market for our products. From January of this year, the railway increased the freight rate applicable to the movement of aluminium ingot from Alupuram to Belur from Rs. 87 per ton to Rs. 160 per ton. This prohibitive increase in rail freight has compelled us to resort to sea shipment from Cochin to Calcutta, which, although cheaper than the new transportation cost by rail, is nevertheless about 25 per cent. higher than our previous cost. This is only an example of how Government actions influence our day-to-day operations. I appreciate that the development needs of the railways and for other Government works may be responsible for such actions, but the requirements of the aluminium industry in the context of the country's development should not be overlooked, and there is much need for restraint to be exercised by all of us, if an inflationary spiral is to be avoided.

Inflation

"In my address to you last year, I raised a small voice, calling attention to the impending threat of inflationary pressures. It is, indeed, a fact that the world has experienced, during the last decade, a sustained, perhaps a long-term, cycle of inflation. The Indian economy has no doubt stood well in this picture; the index of the value of money in 1956, as compared to 1946, shows a deterioration of 28 per cent.—only a shade worse than Switzerland and Germany. The annual rate of depreciation of the Indian rupee thus amounts to 3.2 per cent. in India, while the U.S.A. rate was 3.4 per cent., the U.K. 4.6 per cent., France 6.5 per cent., Australia 7.5 per cent. and Brazil 12.7 per cent. This, indeed, is a tribute to India's cautious and enlightened management of fiscal and monetary affairs. During the last twelve months, however, the danger symptoms have multiplied and the authorities, conceding the existence of severe 'stresses and strains' in the economy, recognise that 'there is no slack' left. Quicksands of inflation are an impossible foundation for orderly economic development.

Varied and Puzzling Issues

"We have in India today many varied and puzzling issues: Food prices subject to fickle anticipations about the coming monsoon; rising cost of wages and of raw materials in production, the shifting pattern of consumer preferences in the matter of cloth supplies and of cereals; lack of restraint in consumption an uncontrolled desire to eat more, to clothe well and to live better; monetary stringency induced substantially by heavy workloads. Throw in this economic cauldron the scarcity of resources at the disposal of Government and private business alike, the rapid dwindling of foreign exchange balances precipitated by an appreciable fall in exports, and the pronounced dislike of foreign capital to investment in India. A formidable task, indeed, to find the rightful prescription for progress and development.

Inflation

"It is sometimes averred that, in an underdeveloped economy, a steady inflationary tendency is contributory to rapid economic growth, but the crucial problem of the Indian economy today is the desire to instil increased purchasing power amongst the peasantry and, at the same time, maintain relatively stable prices of things which really count—things like food, clothing and shelter. The menace of inflation is aggravated not merely by the extent and magnitude of deficit financing—a crore a day is the figure revealed in the March Budgetary Statement—but also by the multiplier effect of the distinguishable type of priming through an ever-increasing flow of public expenditure. Illustratively, it is rarely recognised that the injection of an extra ton of steel, worth, say, Rs. 600, involves 'new' expenditure of almost Rs. 2,000, when the ton of steel is put to use. Consider the consequences of the heroic efforts in 1956 in releasing in the country an additional million tons of steel, a couple of million tons of cement, perhaps a million tons of foodgrains and 20 per cent. more cloth—this vast 'multiplier' expenditure in the country would undoubtedly swell the volume of purchasing power and generate a great inflationary demand. So even as the facts of political life in India make a smaller or slower plan of development impossible, the facts of economic life do not permit us to ignore the very real threat of inflation, of rapid corrosion in the real value of the rupee, which, if it occurs, will also have political repercussions.

"The Finance Minister, introducing the Budgetary Statistics last month, stated emphatically that 'a greatly increased measure of productivity

(Continued on page 913)

Plan for Progress

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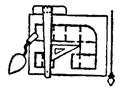
Fields swaying  with golden corn, tall chimneys  spouting smoke, flowing waters generating power, and a network of roads, railways and airways linking  remote distances are today creating new opportunities for a richer and fuller life for the Indian people. By the end of the Second Five Year Plan  the total national income will have risen by 25% and the per capita income, by 18%.  Textile Machinery Corporation Limited is proud to play its part in this mighty adventure of bringing plenty, prosperity and happiness  to the people.

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CHANGING PATTERN IN JUTE TRADE

DEVELOPING ECONOMY AND NEW USES HOLD PROMISE OF POTENTIAL MARKET

RAW jute occupies a unique place among the natural fibres of the world. In terms of annual output, it is only second to cotton. It plays an important role in the economy of the British Commonwealth, inasmuch as all but a fraction of world total is grown in the Commonwealth, being shared mainly by East Pakistan and West Bengal. While raw jute constitutes the main foreign exchange earner for Pakistan, jute goods form the largest single item in India's export trade. In either form, jute is one of the main dollar-earners of the sterling area.

Most of the countries in the world use jute goods, many of them have their own processing centres. India is the largest manufacturer and the U.K., Continental Europe, the U.S. and, more recently, Pakistan are the other main processing centres. The U.S. spin carpet and other yarns on a considerable scale, but imports its requirements of jute fabrics from India, the U.S., the Continent, Pakistan and Japan. Continental countries as a whole are self-supporting and have even a surplus for export. The present world demand for jute goods is about 1.8 million tons, which shows a slight decline from the pre-war level, on account of several factors. The world capacity for manufacturing jute goods has increased vastly, so that intense competition is only to be expected, particularly between India and Pakistan. This has tended to narrow the export opportunities for other non-Asiatic processing countries.

For over a hundred years, jute has enjoyed the monopoly of being the cheapest packaging material. During the last 15 years, however, some far-reaching changes have occurred in the industry, brought about more by external factors than by any internal circumstances. An interesting account of the changes is given by a special correspondent in the course of an article in a recent issue of the *Financial Times*, London. The most important of the developments which exercised tremendous influence on the world jute industry was the partition of India. "Almost overnight," the article says, "an international line of demarcation was drawn between the main jute-growing areas (East Pakistan) and the processing industry (India). It might have been hoped that economic realities would have ensured the continuance of a free flow of trade between the two areas, but, in practice, disputes over the jute trade immediately developed." The economic rivalry between the two countries —Pakistan trying to build up its own processing industry and regulating its jute crop, in order to avoid surpluses and so to keep up prices, and India, on its part, striving to make itself self-sufficient by expanding its jute acreage and improving yields per acre—have had widespread effects.

The uncertainty over supplies and artificially high prices in 1950-51 induced a search for substitutes for jute for heavy duty packaging. It was certainly not due to any genuine shortage of raw jute or consumer preference for other materials. The competition between the two, jute and its substitute, according to the article, took three different forms, namely, the use of substitute types of natural bast fibres for processing mainly in their country of origin; synthetic fibres and non-textile materials; and the development of bulk handling which diminishes the need for packaging. The synthetic fibres are said to lack the qualities of true jute and together with the difficulty of extracting the fibre from the plants economically, they do not appear to offer any considerable challenge on a world scale. The greater use of paper sacks has no doubt made sizable inroads into trades which were formerly served by jute, as in the case of cement and fertilisers. The development of bulk handling has also reduced the need for jute and other containers at the dockside, but internal distribution and storing require large quantities of sack. The use of sack also serves as a traditional index of measurement. While bulk handling is likely to develop further in several fields, there are certain physical limits to its use.

It is, however, claimed that jute has its own merit and has workmanlike qualities such as greater toughness, length of life and general serviceability in conveying commodities safely to their destination under all conditions, many of which the substitute fibres lack. The article referred to above discusses the merits of jute and gives an indication of the continuing vitality of the industry. It also points to the development of many new applications of the fibre, the cultivation of which is of such importance to the economies of India and Pakistan. As a fabric, jute is durable, easily repaired, withstands abrasion and the stresses of weather and climate, seals itself when pierced by hooks and crabs and, being porous, allows perishable produce to "breathe" when used as carrier. With such properties, the article says, it is not surprising that jute should have become a principal carrier of world commodities. Its rise to prominence has been associated with the rapidly expanding world trade in food during the past 100 years. This development created the need for a container which was efficient in use and cheap in relation to the value of the produce.

Emphasising that in Britain and other industrial countries jute has now many other end-uses besides sacks and wrapping cloth, the article states: "Its versatility is, indeed, remarkable, even if rarely seen or appreciated, for the reason that it is mainly hidden from view. . . Yet the fact is that every day, every one of us in the United Kingdom is surrounded by jute. We literally walk, sit, and sleep on jute daily without noticing it." The U.K. has contributed a good deal in developing new uses for jute. Of the total production of jute yarn in Britain, about 40 per cent. is absorbed by the consuming industries for use in carpets, cables, twines, cordage, and ropes. Jute, for instance, was associated with two triumphs of electrical engineering in 1956—the bedding and serving of the new transatlantic telephone cable between Britain and North America, and the undersea power cable between Vancouver and the mainland of British Columbia in Canada.

But apart from the uses already mentioned, jute woven in Britain is used as the backing for linoleum and tufted carpets and the foundation for imitation leather, roofing felts, and plaster work. In recent years, the services of jute to industry and agriculture have been improved by the application of scientific research. Jute cloth can be proofed against water, rot and mildew, insect damage, fire, and acid fumes. It can also be bleached, dyed, and lined with paper or plastic materials. It is against this background of versatility, the article adds, that the British jute industry, small and compact though it is, is regarded as a key industry necessary for the smooth running of many others.

In conclusion, the article says that the expansion of the world economy, particularly in the underdeveloped countries of Africa and the East, will continue to increase the demand for packaging and wrapping materials, even if we take the progress of bulk handling into consideration. The potential market for jute could be enormous and a relaxation of tensions on the Indian sub-continent could greatly help to ensure its success against rival materials. Fortunately, there has been evidence of a more realistic understanding in this area of the economic consequences of disharmony. The disturbance to jute markets caused by the Middle East crisis has tended to mask the growing recognition of need for adequate and steady supplies of the raw material at economic prices, but a settling-down phase is now evident and, when maintained, will enable jute to resume its longstanding role as the world's cheapest and best carrier. Outside the packaging field, the uses of jute are practically unlimited. Better methods of processing and the application of growing research knowledge, resulting in the improved performance of jute products and the extension of their end-uses, reflect the basic determination of jute interests to overcome the problems and uncertainties which have halted the progress of the industry in recent years.

(Concluded from next column)

Press and through other visual aids. As a result of the Tea Board's iced tea campaign, iced tea now figures on the menu of many leading tea rooms, restaurants and hotels in India and is also prepared and served in many homes. Although iced tea is not widely known in this country, the drinking of iced tea has entrenched itself as a popular or rather a national habit in the United States of America. People in America prefer iced tea for its clean, cool taste and for its freshening properties. If correctly prepared, iced tea retains the full flavour of tea and, at the same time, serves as a delightful and energising hot-weather drink.

WORLD TEA EXPORTS

CEYLON'S SHARE DECLINES

THE complete figures for 1956 relating to tea trade of the four main producing countries show that, except exports from Ceylon, the exports of all the other countries increased during the year. As the main supplier of tea to the world, India's share in the rise was obviously greater. Indian exports aggregated 514.15 million lbs., having gone up from 365.62 million lbs. Ceylon, second only to India in exports of tea, shipped 348.13 million lbs., as against 362.23 million lbs. in 1955. The following comparative table shows the exports of the main producing areas during the last three years:

(In million lbs.)

	1956	1955	1954
North India	433.07	289.69	301.99
South India	80.18	75.93	78.00
Ceylon	348.13	362.23	356.08
Indonesia	75.91	64.40	88.50
Pakistan	51.41	42.11	49.72

A country-wise analysis shows that the U.K.'s imports from these four countries during 1956 aggregated 521.73 million lbs., having gone up from 382.37 million lbs. in 1955. The bulk of this rise is accounted for by India, whose exports rose from 242.66 million lbs. to 353.36 million lbs. Ceylon's exports to Britain increased from 121.40 million lbs. to 135.90 million lbs. and Indonesia's from 9.25 million lbs. to 13.04 million lbs. Exports of Pakistani tea more than doubled themselves from 9.06 million lbs. to 19.43 million lbs. The U.S. imported from the four main producing countries 69.82 million lbs., a rise of 3.88 million lbs. over 1955. India's share increased from 24.04 million lbs. to 27.75 million lbs. and Ceylon's from 35.79 million lbs. to 36.34 million lbs. Indonesia shipped 6.24 million lbs., as against 5.92 million lbs. in 1955. Among the other countries which took more tea from India are: Canada—21.86 million lbs. (16.45 million lbs. in 1955); Europe—11.58 million lbs. (6.48 million lbs.); the U.S.S.R. —13.02 million lbs. (*nil*); Australia—9.42 million lbs. (6.15 million lbs.) and Egypt—21.6 million lbs. (12.9 million lbs.).

Ceylon has been steadily losing its market in Australia and Egypt. Its exports to the former, which had dropped from 51.6 million lbs. in 1954 to 40.5 million lbs. in 1955, fell further to 32.9 million lbs. in 1956. The decline in exports to Egypt was even more marked, from 24.6 million lbs. in 1955 to about 8 million lbs. Ceylon's exports to Iraq and Iran, two of the main consumers of Ceylonese tea, fell from 36.15 million lbs. to 29.16 million lbs. The increase in exports to Canada, Europe, Africa and New Zealand was insignificant when compared to the decline in exports to Australia and Egypt alone. Holland, which is the main customer of Indonesia, imported from that country 30.74 million lbs., during 1956, as against 25.40 million lbs. in 1955. This increase more than made good the decline noted in the previous year from 30.69 million lbs. The offtake of Australia also rose sharply from 3.68 million lbs. to 11.80 million lbs., and this has more than made good the fall in exports to Malaya from 10.89 million lbs. to 5.72 million lbs. In 1954, Malaya's offtake of tea from Indonesia amounted to 20.31 million lbs. Thus, in the course of the last two years, exports of Indonesian tea to Malaya has dwindled by nearly 75 per cent. Egypt's purchases from Indonesia have also gone up from 1.82 million lbs. to 2.42 million lbs. East Pakistan's exports to Karachi declined from 32.43 million lbs. to 31.43 million lbs.

The latest estimate of the crop of South Indian tea for the first quarter of 1957 places the output at 4.5 million lbs. higher than that for the same period of 1956. Tea production during the first two months amounted to 15.43 million lbs., as against 13.74 million lbs. in the corresponding period of 1956. Ceylon's output in the first two months was also up at 60.2 million lbs., having gone up by 8.2 million lbs. over the year.

TEA BOARD INTRODUCES TEA ICECREAM

The Tea Centre, Bombay, run by the Tea Board under the Union Ministry of Commerce and Consumer Industries, has introduced, for the first time in India, tea icecream which is becoming increasingly popular in the city. Both the tea icecream and iced tea—also served at the Tea Centre, Bombay —not only show novel methods of preparation of tea but also prove the versatility of tea itself. From the steadily mounting figures of iced tea sale during the summer season at the Tea Centre, Bombay, it is evident that people in this country are increasingly recognising the merits of iced tea as a relaxing cold drink.

The Tea Board will shortly launch for the third year in succession its iced tea campaign both in the

(Continued in previous column)

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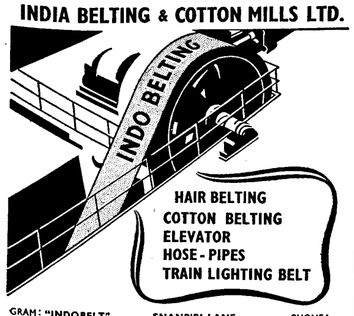

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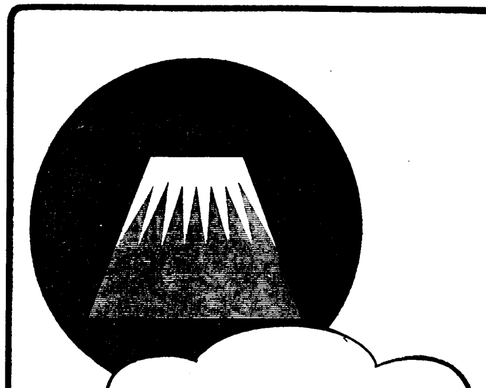

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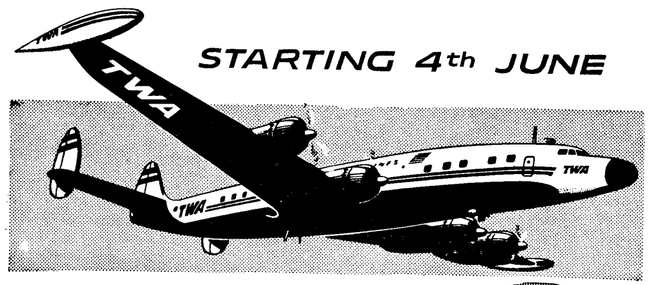

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TRAINING OF ENGINEERING PERSONNEL

RATIONAL USE OF TEACHING STAFF URGENT

EFFECTIVE utilisation of material and human resources, as the Planning Commission observes, is of vital significance in planning. To achieve the requisite tempo of development it is essential that the task of "matching human resources on the one hand with material resources on the other should be taken up with as much precision as may be possible. Manpower has usually been referred to as the nation's first resource; much more so is technical." This observation of the Planning Commission underlines the importance of trained personnel for the success of the plans. Realising this, the first Five-year Plan made a provision of Rs. 28 crores for technical and vocational education. Although only 50 per cent. of this amount could be actually spent, an increase of 120 per cent. in the outturn of engineering graduates and 160 per cent. in that of diploma-holders was achieved by the end of the Plan period. The second Plan has earmarked Rs. 50 crores for technical education. According to the estimates of the Engineering Personnel Committee, even if the whole amount is spent on the expansion and development of facilities for technical education as envisaged by the Plan, there will be a shortage to the tune of 1,800 graduate engineers and 8,000 diploma-holders by 1960-61.

The river valley projects and industrial development programmes included in the first and second Plans are of such a magnitude that the supply of technical personnel should be steadily increased if the programmes are to be completed according to schedule. The river valley development is steadily progressing. The first phase of development of the Damodar Valley is almost complete. Two dams, Tilaiya and Konar, and also the Durgapur Barrage are already functioning. The construction of the Maithon Dam is almost over and work is underway on the Panchat Hill Dam. The Hirakud Dam was opened by the Prime Minister in January last and the construction of the Bhakra Dam is progressing. Koyna, Rihand, Chambal, Kosi, Nagarjunasagar and other dams are under various stages of execution. An idea of the magnitude of the river valley development projects can be had when it is remembered that the amount spent on them every year is more than what was spent during the entire century prior to independence. In the industrial field also substantial progress is being made. The steel mills, the atomic plant, the oil refineries, etc., signify the beginning of a new era of industrial development.

Magnitude of the Problem

The work of building up industrial India falls naturally to the engineers of the country. Further, if the level of activity were to be stepped up rapidly there must necessarily be a substantial increase in the ratio of engineers and technicians to the total working force. The number of professional engineers in 1954, has been estimated at 535,000 in the U.S.A., 540,000 in the U.S.S.R., 60,000 in the U.K., and only 25,000 in India. In 1955, the outturn of engineering graduates in India was little more than 3,100 and of diploma-holders about 6,000. The shortage of engineers in India will continue to grow as the Plan progresses.

The second Plan makes provision for the establishment of five engineering colleges, three higher technological institutes, 22 polytechnics and 61 junior technical institutes. The Engineering Personnel Committee, in its report submitted in May 1956, had recommended that in order to meet the growing demand for technical personnel 18 new engineering colleges and 62 polytechnics should be established, besides increasing the training capacity of existing institutions by 10 per cent. for degree and 25 per cent. for diploma courses. The Central Government and the Planning Commission, having carefully considered the question, came to the conclusion that the starting of a number of new institutions was not a feasible proposition as, in their opinion, the new institutions envisaged under the second Plan required all the technical and financial resources of the Government. It was, therefore, thought that the most fruitful and practicable way of expanding technical education was to enlarge the unit size of the existing well established institutions. A special committee, consisting of Dr. J. C. Ghosh, Member of the Planning Commission, and Mr. L. S. Chandrakant, Deputy Educational Adviser, was appointed to hold discussions with the Chairmen of the various committees connected with technical education, heads of institutions and State Governments regarding the possibilities of expanding the training capacity of existing institutions and to suggest, in the light of the discussions, the number of new institutions which would be necessary. The Committee prepared a report, embodying the principle of larger unit size, in which it made various proposals for expansion of training facilities. These proposals were that the 19 existing engineering colleges and 46 polytechnics should be so enlarged as to provide 2,538 additional seats for degree and 4,225 additional seats for diploma courses. For the balance of the requirements, three new engineering colleges and 27 new polytechnics capable of providing 520 seats for degree and 4,680 seats for diploma courses were suggested. These proposals, it may be observed, were approved by the All-India Council for Technical Education.

The most important consideration which weighed with the Government in deciding not to multiply the number of institutions as suggested by the Engineering Personnel Committee appears to have been the shortage of adequately trained teaching personnel. This indeed is a real limitation. What can be done to meet this shortage? In this connection, reference may be made to an article by Mr. Kanwar Sain, Chairman of the Central Water and Power Commission, in *Bhagirath*, in which he refers to some experiments conducted in the U.S.A. in order to meet the shortage of trained teachers.

Experiment in U.S.

A study instituted with the help of Central Michigan College, U.S.A., revealed that the teachers' traditional complaint of vast amount of unnecessary work was justified. It was found that each of the 137 teachers were spending from an hour and a quarter to more than four hours every day on a combination of activities which did not require professional teaching competence and could be included in the general phrase "housekeeping." Hence a system for the use of teacher "aides" was instituted. These teacher "aides" took roll call, checked papers, recorded grades, prepared materials for teaching, supervised homework—all the dozens of things that take so much of the teacher's special talents. It was found that the new system made it possible for the teacher to spend an average of 23 per cent. more time on activities closely related to instruction.

In Ohio, there were three colleges that were concerned over the calibre of instruction in science courses. They, too, hired teacher "aides." In addition, they hired three top-quality instructors, each a master in his own subject. These three moved from college to college giving each institution a level of competence in those three courses that it could not have afforded on its own. Obviously, small institutions cannot afford to hire top-quality teachers for every course. However, it is worth trying if this method could be adopted in India with any measure of success. Teacher's pay is certainly an important question. It is one of the paradoxes of our system, observes Mr. Sain, that we pay all our teachers on the basis of the same yardstick. It should be realised, he points out, that the educational system is not immune to the laws of supply and demand.

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PISTON ASSEMBLY INDUSTRY

INQUIRY INTO QUESTION OF CONTINUING PROTECTION

AN important ancillary of the automobile industry, the piston assembly industry, has a vital role to play in the development of the former. As the transport requirements of the country are steadily increasing, the demand for automobiles is bound to increase and with it the demand for piston assemblies also. But the future of the industry, as Mr. C. Ramasubban, Member of the Tariff Commission, pointed out, at the time of the public inquiry into the claim of the industry for continuance of protection beyond 31st December 1957, held on 23rd April at Bombay, depends on maintaining high quality and keeping costs low.

The piston assembly industry has been enjoying protection for about a year and a half. The Tariff Commission inquired into the claim of the industry for protection in 1955 and recommended protection till 31st December 1957, by levying a protective duty of 50 per cent. *ad valorem*, standard, on trunk piston assemblies of 6 inches diameter and below and pistons, rings (excluding chromium-plated rings) and gudgeon pins required for such piston assemblies imported separately. The preferential rate was left to be fixed according to the relevant trade agreements. The Government accepted these recommendations and protection was granted to the industry with effect from 23rd November 1955.

At the 1955 inquiry, the Commission estimated the domestic demand, exclusive of the requirements of the Defence Service at 600,000 (units) each for pistons and gudgeon pins and 4,800,000 for piston rings. The demand was expected to increase by 10 per cent. during the following two years. The Development Wing of the Ministry of Commerce and Industries estimates the current demand for pistons at 738,000, for piston rings at 5,900,000 and for gudgeon pins at 738,000. Varying estimates have been given by two of the producers.

Installed Capacity

In 1955, only India Pistons Ltd., Madras, was manufacturing pistons, rings and gudgeon pins for use as original equipment as well as for replacement. Its capacity on single shift was estimated at 360,000 for pistons, 1,800,000 for piston rings and 480,000 for gudgeon pins. Another unit, namely, Hindustan Motors Ltd., Calcutta, was manufacturing piston assembly for use in engines manufactured by it. One more unit, Goetze (India) Ltd., New Delhi, with a capacity of 1,500,000 piston rings in the first year, was expected to go into production early in 1956. Besides, there were some small engineering units engaged in the manufacture of component parts of piston assembly according to orders but necessary details about them were not available to the Commission. The position at present remains more or less the same. The present capacity of India Pistons Ltd. has been estimated by the firm at 300,000 for pistons, 2,280,000 for piston rings and 360,000 for gudgeon pins. The lower capacity for pistons and gudgeon pins submitted by the Company is attributed to the wider range of large size pistons in its manufacturing programme. Goetze (India) Ltd., could not commence production as scheduled and the firm now expects to go into production of piston rings, including chromium-plated rings, in July this year. Its capacity remains unchanged at 1,500,000 rings on single shift. The capacity of Hindustan Motors Ltd. has been estimated by the Development Wing at 30,000 pistons per annum. As was the case during the last inquiry, no statistics are available about the small engineering units engaged in the manufacture of component parts of piston assemblies for their own use. The output of India Pistons Ltd. during the last year was 160,238 pistons, 2,080,528 piston rings, 142,187 gudgeon pins, production showing a steady upward trend.

The variety-wise breakdown of imports of piston assemblies and components during 1956 are as follows: Trunk piston assemblies of diameter 6" and below, 93,923; trunk pistons of diameter 6" and below 71,385; trunk piston rings (excluding chromium-plated rings) of diameter 6" and below 190,263; gudgeon pins for trunk pistons of diameter 6" and below 20,406. Protected categories of trunk piston assemblies and components thereof are assessed to protective duty of 50 per cent. *ad valorem*, standard, and 42½ per cent. *ad valorem* preferential.

NEW PRODUCTS AND PROCESSES

Electric Surface Thermometer

A FIRM in Amsterdam, the Netherlands, producing technical equipment, manufactures an electric surface thermometer designed as a resistance thermometer and capable of recording surface temperatures between —50° C. and +200° C. with an accuracy of ±0.2° C. Both surface and liquid temperatures can be measured. The thermometer consists of an entirely watertight nylon measuring head with welded-on polyvinyl chloride flex and an indicator housed in a portable cabinet. Measuring head and flex can be cleaned by immersion or boiling if necessary by means of disinfectants. The indicator is a sensitive milliammeter, which in the standard design can be supplied as required with a measuring range of 0-100° C., 50-200° C. or 10-42° C. (e.g., for use as a skin thermometer). The firm will supply, if desired, instruments with two measuring ranges and a selector switch or instruments with more than one measuring head and a selector switch. The firm will also supply to order instruments with measuring ranges other than the standard ranges mentioned above. The thermometer is fed by a flat 4½-volt pocket torch battery. The battery voltage on the metre is checked by pushing a button.

Chemical Instruction Equipment

The operation of apparatus in which chemical products are manufactured is a special task requiring, above all, technical thought and action. It is usually impossible to see what is going on inside the apparatus and equipment, so that manipulations are almost entirely dictated by the readings of the various measuring instruments. A Netherlands firm has manufactured equipment for training staff in attendance on chemical plants. With this equipment a series of basic operations for chemical processes can be carried out and taught, e.g., dissolving, reacting (with or without stirring), evaporation, distillation, crystallisation, settling, filtration, drying. It is a training school for all persons who will afterwards be employed at a chemical production plant. The equipment is used for teaching at technical schools and by factories having their own staff training courses.

Better Anti-Static Rubbers

Research into anti-static rubber materials in the U.K. has recently taken a number of important strides forward. One result of this research has been the development of a number of new anti-static rubber mouldings suitable for use in industrial plants as mountings for machinery. Hitherto the use of anti-static rubbers has been limited mainly to its use in hospitals, in aircraft tyres, and for flooring in ordnance factories. One advantage of the use of machinery mountings made from anti-static rubbers lies in the fact that the mountings act both as vibration absorbers and as electrical earths. Some of these anti-static rubbers developed in the U.K. have an electrical resistance of 10,000 ohms per cubic centimetre and they can be made, if required, in the form of precision mouldings formed to tolerance of plus or minus one two-thousandth of an inch.

Low Temperature X-Rays

A system which will permit X-ray examinations of the structure of materials to be carried out at low temperatures has been developed in the U.K. The system which is the first of its kind to be developed is expected to play an important role in the development of new electrical materials for industry. It will enable the crystal structure of materials being developed for research purposes and industrial use to be examined in the future by X-rays at a temperature which is held either above or below room temperature. This was hitherto impossible. The successful operation of the new X-ray unit depends on the fact that gas is used as a coolant in place of the liquid oxygen previously used for cooling purposes in X-ray units designed for use in materials examination. Temperatures ranging from between minus 140 degrees centigrade and plus 20 degrees centigrade can be obtained and held steady with the new apparatus.

Miniature Hurricanes

Scientists at the University of Chicago are creating miniature "hurricanes" in the laboratory to analyse characteristics of real tropical storms. The hurricane models are small whirlpools of water, whose movement simulates the motion of air masses in an actual hurricane. The whirlpools are induced by the same conditions which produce nature's devastating storms—that is, warming at the centre, cooling at the outside, and slow rotation. Through mathematical equations, the scientists can project the known forces generated by the whirlpools to arrive at the probable forces generated by actual hurricanes.

Stronger Paper

Stronger paper bags may be produced as the result of research carried out by U.S. scientists into the development of a new vegetable colloid material. The colloid material forms the basis of a new additive for jute and sulphate paper bags which gives them additional tensile and tear strength. Experimental tests have also indicated, the scientists responsible for developing the new compound claim, that the use of the additive in the pulp improves paper formation and permits a markedly increased machine speed to be used during paper making. It also increases the porosity and stiffness of the finished paper. Something of the efficiency of the compound in increasing the strength of the paper to which it has been added can be judged from the fact that in some cases indices of tensile and tear strength are increased by from 15 to 25 per cent.

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GENERAL INSURANCE BUSINESS IN INDIA

NEED FOR ADOPTING HEALTHY PRACTICES

FOR effectively mobilising the nation's savings and channelling them to productive enterprises, the insurance industry has a decisive role to play. Further, as a principal means of earning and effecting savings in foreign exchange the importance of insurance cannot be too strongly stressed. It is, therefore, essential that Indian insurance should develop on sound and healthy lines. This aspect was particularly stressed by Mr. D. Das Gupta, retiring President of the Indian Insurance Companies' Association, in his address to the annual general meeting of the Association held last week in Calcutta. Mr. Das Gupta said that although a code of conduct for insurers was formulated in 1952 and repeated appeals were made to the trade to run its business on healthy lines, malpractices continued to persist. This necessitated the drawing up of a new code of conduct last year, by way of supplementing the old one. The new code introduced certain additional restrictions with a view to making the observance of correct standards more effective than it had been hitherto. He, therefore, appealed to Indian insurers to see that no unhealthy practice obtained in the trade.

Mr. Das Gupta also touched upon certain important aspects of insurance in the country and made various suggestions to rationalise the rules governing insurance business. He laid particular stress on the need for giving full freedom to Indian insurers to write life assurance business in overseas markets. Indian insurers opened a number of branches in foreign countries after independence and the earnings from these sources have been steadily increasing. But there is need for granting permission to open more branches abroad and to provide facilities which would prove an additional incentive to insurers willing to venture abroad. Mr. Das Gupta referred, in this connection, to the drain on foreign exchange in the shape of premiums on reinsurances effected abroad. The net drain out of India in this respect was estimated at Rs. 117 lakhs in 1952. The volume of the drain, however, has been gradually declining.

Reinsurance Corporation

A significant development in this connection is the setting up of the Reinsurance Corporation last year in the private sector. Mr. Das Gupta expressed the hope that with the rapid development of the economy and the general insurance business in the country, the Corporation would grow into a full-fledged insurance service in the world market. With banks and shipping, insurance has always been a valuable source of earning foreign exchange. The Import Inquiry Committee estimated in 1950 that foreign exchange receipts through invisible trade constituted approximately 25 per cent. of the total of such receipts. At the time of the inquiry it was impressed upon the Import Control Inquiry Committee that Government should provide in the licensing procedure that those importers who made use of the services of Indian shipping, banking and insurance companies should be allotted an additional monetary quota for licensable imports equivalent to the difference between c.i.f. or c. & f. price as the case may be and the f.o.b. price of imports. In support of this suggestion it was further stated that while the bulk of the country's exports were on an f.o.b. basis it was anomalous that most of its imports were on c.i.f. contracts and that steps should be taken to remove the anomaly as early as possible. The Committee agreed to this in principle. Mr. Das Gupta, therefore, appealed to the Government to give its consideration to this aspect of the matter. Importers, he pointed out, also could help in this regard if they would insist on freight and insurance being placed with Indian companies.

Mr. Das Gupta drew pointed attention to the fear entertained by private insurers regarding competition from Government-controlled general insurance companies. The Government, as is well known, acquired a controlling interest in three general insurance companies, by reason of the fact that the latter were subsidiaries of life insurance companies which came under its control. The Government was thinking of placing its general insurance business with these companies. This would have given the subsidiary companies controlled by the Government an unfair advantage over the companies which are in the private sector. Such a policy of discrimination in placing business would not have been conducive to the development of general insurance. It is, therefore, gratifying, Mr. Das Gupta said, to learn that the Government has now agreed to allow 50 per cent. of its general insurance business to be retained by private insurers.

Principal Agencies

Continuation or otherwise of the principal agencies after 31st August 1957—the date on which they are to terminate under the provisions of the Insurances (Amendment) Act, 1950—is a subject which has been receiving the attention of insurers in this country. Referring to this, Mr. Das Gupta observed:

"The experience of the working of the principal agencies all these years has shown that they have justified their existence and reserve continuation. The principal agents have had a sobering effect on insurance industry and normally they have a close link with large industrial houses and in that position they have been able to give many insurers a stability by procuring business at a very reasonable cost. Further, with major reforms in general insurance and the code of conduct under way, the time is inopportune to discontinue the present system of principal agency and throw the business hitherto controlled by the principal agencies into the melting pot. This would upset the equilibrium which is so essential at this juncture. The cost angle also has to be considered. Many insurers who are operating through the principal agencies in certain areas may have to establish branch offices for servicing of clients and procuring business. This will result in increased expenses. All things considered, I would urge Government to continue the principal agency system after the 31st August 1957."

As regards the interpretation of the Insurance Rules by which it is insisted that to qualify themselves for all the three departments, principal agents should introduce a premium income of Rs. 20,000 separately in each department in a calendar year, Mr. Das Gupta averred that this was unfair. The Indian Insurance Companies' Association, he recalled, had suggested for the Government's consideration that so long as a principal agent introduced a premium of Rs. 20,000 in a calendar year in any of the three departments, he should not lose the principal agency in other departments even if he failed to reach this limit in the latter. He may, however, receive a lower rate of commission as provided for in the sixth schedule of the Act.

There is a general feeling that with the nationalisation of life insurance the Insurance Act, 1938, and the Rules made thereunder, have become out of date in many respects and, therefore, require considerable modification. Concurring with this view, Mr. Das Gupta cited, as an instance, the limitation of expenses under section 40C and the Rules framed thereunder. Marine business requires the maintenance of a trained and efficient staff in the same manner as fire and miscellaneous business. There is little justification, he pointed out, in having two sets of limits of expenses for the marine and non-marine departments. Further, he added, it was doubtful whether the companies could, with any amount of certainty and correctness, allocate expenses of the supervisory staff and overhead charges between these two departments. Consequently, allocation of expenses between them tended to assume a theoretical character, which was not at all satisfactory.

There is still a certain element of uncertainty in respect of the future of general insurance. Referring to the apprehension that the Government might take over general insurance also, Mr. Das Gupta observed that by so doing the State would benefit very little by way of availability of surplus funds to finance capital formation. In general insurance, while the risks undertaken are great, the premiums charged are comparatively small. Out of the premiums the insurers have to keep reserves for unexpired risks and build up funds for unforeseen catastrophies. The funds of a general insurance company are not trust funds like life assurance funds. Further, general insurance policies are for short periods only and renewable at the end of each term and merchants who generally take advantage of the facilities afforded by general insurance know how to guard their interests. There can be, as Mr. Das Gupta rightly suggested, no justification for the Government to entertain any proposal for taking over general insurance.

So far as the scope for general insurance business is concerned, Mr. Das Gupta observed that it was wide especially in spheres connected with personal accident insurance, householders' burglary insurance, sickness insurance, etc. So far only a fringe of business has been touched. It should, therefore, be obvious that if the Government adopts a sympathetic attitude and the insurers themselves strive to create greater awareness in the public of the value of insurance, there is a bright future ahead of general insurance business in the country.

HEALTH INSURANCE

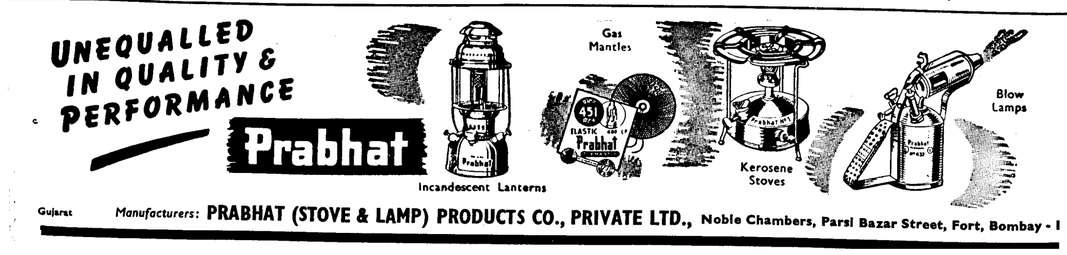
Although the progress of health insurance was not very rapid in the early stages of its inception in 1952, it has now made considerable headway, thanks to the determined efforts on the part of the Employees State Insurance Corporation to extend the scheme to more and more centres. It is computed that the scheme covers nearly 11,25,000 workers in 51 areas in 10 States. Presiding over the meeting of the Corporation held in New Delhi, Mr. Gulzarilal Nanda, Union Minister for Labour, Employment and Planning, called upon the Corporation to take energetic measures in order to extend medical care under the scheme to the families of insured persons. He felt that the hospital facilities under the scheme were very inadequate at present and observed that very much more will have to be done quickly to bring medical care to a satisfactory level.

The Corporation, as is well known, has approved measures for improvement of benefits available to insured persons. Thus, those suffering from tuberculosis now get medical treatment for a period extending from 18 to 24 months from the time they have to leave employment. Cash benefit is also granted for a further period of 13 weeks in such cases. Another important decision has been the provision of artificial limbs free of charge to insured persons who lose their limbs during the course of their work. The cash benefit is now remitted free of cost in many cases. Medical care originally contemplated, consisted of only outpatient medical care. It now includes specialist treatment as well as ancillary investigations. Hospitalisation is also to be provided for on the scale of one general bed for 800 employees, one T.B. bed for 1,600 employees and one maternity bed for 500 insured women. Another development of interest is the step taken to set up regional offices and regional boards of the Corporation, as far as possible on a State basis. These, when set up, will ensure better liaison between the State Governments and the Corporation and should make the running of the Scheme more smooth and efficient.

EMPLOYEES' STATE INSURANCE SCHEME IN BOMBAY

Total benefits amounting to Rs 5.30 lakhs were paid to industrial workers in Greater Bombay under the Employees' State Insurance Scheme during February last. Of this amount, Rs. 4,43,003 was paid as sickness benefit, Rs. 57,212 as temporary disablement benefit, Rs. 16,598 as maternity benefit, Rs. 9,159 as permanent disablement benefit and Rs. 4,360 as dependants' benefit. According to the progress report of the scheme for the month, as many as 8,696 workers were newly registered under the scheme. At the end of the month, 5,21,286 workers were entitled to medical care under the scheme.

About 11,802 insured workers attended diagnostic centres while X-ray plates were taken in 1,163 cases and blood examinations were made in 2,953 cases, and 831 persons were admitted to hospitals. The total number of beds occupied in hospitals during the month numbered 11,257. Payments amounting to Rs. 4.96 lakhs were made to insurance medical practitioners and Rs. 2.16 lakhs to chemists during February.



THE SHIVRAJPUR SYNDICATE, LIMITED

FIFTY-THIRD ANNUAL GENERAL MEETING

CHAIRMAN, MR. A. N. HAKSAR, STRIKES A CAUTIOUS NOTE ON OUTLOOK

THE fifty-third Annual General Meeting of the Shivrajpur Syndicate Ltd. was held in Bombay on 25th April 1957. Speaking on the occasion, Mr. A. N. Haksar, Chairman of the Company, reviewed the developments of the year in the field of export trade in manganese ore. He pointed out that State trading had introduced a dislocation or partial disruption of the old trade channels at a time when the overall costs to the consuming countries had substantially increased. He, however, added that the future need not be viewed with any undue pessimism, in view of the fact that the Government was keen on promoting exports of ore. The Company's new development and existing mining operations were progressing satisfactorily, which together with other measures were calculated to increase output in due course.

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

"LADIES AND GENTLEMEN,

"During the year under review, it was not possible to step up the output of your mines for reasons given in the report and raisings amounted to 83,238 tons, as against 91,427 tons in the previous year. However, there was an improvement in the supply of wagons, which enabled shipments and local sales to be increased to 117,482 tons, as compared with 82,332 tons in the year 1954-55.

Demand for Manganese

"You will also be interested to hear that there has been a continued demand for manganese ore of all qualities, at prices which have shown a progressive improvement over those previously obtained. Although it was the intention of the management to make new forward sales of your Company's ore to regular buyers for delivery in 1958 and 1959, consistent with their policy, it was not possible to do so, due to the advent of State trading. You are probably aware that the Government has proposed to canalise the export of manganese ore in a progressively increasing measure through the State Trading Corporation, and that only limited opportunities might be allowed to mining and trading interests for direct participation in the export trade, within the limits of the broad policy announced by the Government of India from time to time. As a beginning, a quota system of exports on a limited scale was introduced, and your Company was granted a quota for a period of one year ending 30th June 1957, for the export of 73,650 tons. The Government has also indicated that the balance of ore due for shipment against your Company's old contracts, which will remain after this quota is exhausted (i.e., 85,494 tons), can be partly canalised through the State Trading Corporation on a commission basis of 6¼ per cent. of the contracted price and the remainder shipped subsequently against future export quotas.

Reasonable Facilities

"In December last, the Chairman and other representatives of the Syndicate interviewed the officials of the State Trading Corporation in Delhi and, as a result of the discussions which took place, the S.T.C. promised all reasonable facilities in future for disposal of your Company's ores. However, it may not be out of place to mention here the risk involved to the country's economy as a whole, arising from the advent of State trading in manganese ore. This is the risk of forcing overseas buyers in gradually increasing measure to turn to new sources of supply, with the result that India's very valuable export trade in this commodity might be very seriously reduced, or even irreparably damaged. State trading has introduced a dislocation or partial disruption of the old trade channels at a time when the export duty on manganese ore, together with higher freight rates for shipping caused by the closure of the Suez Canal, have substantially increased overall costs to the consuming countries.

"It is reported that the Bethlehem Steel Company in the U.S.A. has completed arrangements to extract 600,000 tons of manganese ore annually from its new mine in Brazil after five years of development and exploration. Of this quantity, about 200,000 tons will be made available for consumption by the American industry and the remainder will go to the U.S. Government stockpile. In addition, it is also learnt that the National Tungsten Corporation in the U.S.A. will soon begin exploitation of one of the world's largest manganese deposits, namely, a new reef located west of the Andes Mountains in North Chile. There has been increased competition from Russia and South Africa so far as the U.K. market is concerned, while yet another potential competitor is the new State of Ghana from where increasing quantities of ore are expected to be exported. Such sources of supply are likely to prove formidable competitors to the Indian manganese ore trade, and this likelihood would become a certainty, if once the steady flow of supplies from India became interrupted or erratic.

New Method of Processing

"Furthermore, I would draw attention to a recent report in a commercial publication that a completely new method has been evolved of processing low grade manganese ore deposits in New Brunswick, Canada, and that a prototype plant has already been installed for this purpose. It is claimed that the process will prove economic and it is intended to erect a production plant capable of handling up to 5,000 tons of manganese per day to give an annual output of 75,000 tons of ferro-manganese and 75,000 tons of ingot iron. It is further claimed that the utilisation of the process on a broad scale would make the North American Continent completely independent of other sources of supply by making possible the treatment of low grade manganese ores, which hitherto were regarded as incapable of treatment.

"With regard to the question of renewal of the Shivrajpur Estate Leases, it will be recalled that my predecessor when he addressed you last year referred to the prospects of renewal of the old 'north' and 'south' leases and expressed the hope that the Thakore Saheb would sign with your Company a new lease for a period of 20 years. Unfortunately, due to the illness of the Thakore Saheb's Adviser, execution of the lease was delayed and, in the meantime, the Industrial Policy Resolution of 30th April 1956 was announced by the Government of India. This ruled that new deposits of certain minerals, including manganese ore, would in future be worked only by the Government, while old mining concessions could be renewed only after the prior approval of the Central Government. Accordingly, the Thakore Saheb applied on 16th October 1956, through the State Government, for the necessary consent to the granting of the new lease. Your Company has also followed up this appeal, and the Government's reply is awaited.

Bauxite Lease

"Whilst on this subject, I might also mention that the bauxite lease of your Company at Kapadvanj, working rights of which have been transferred to the Associated Cement Companies Ltd., has been renewed by the Government in accordance with the Mineral Concession Rules, 1949, for a further period of 30 years from 2nd January 1953.

"It will be seen from the report that various amenities, including the provision of further buildings and quarters, are being progressively provided for the employees at the mines and I am happy to say that our relations with the labour and the union's officials have continued to be cordial.

Bonus Issue

"You will also have seen from the report that permission has been granted by the Government to capitalise a portion of the reserves by the issue of bonus shares. I may assure you that your Board of Directors has this question under active consideration and, if it should be decided that it would be in the Company's interest to make any issue of bonus shares, the shareholders will be advised immediately.

"Turning now to the accounts, you will note that the layout of the Company's balance-sheet and profit and loss account has been changed to meet the requirements of the Companies Act, 1956. The results for the year can, I think, be considered satisfactory, and adequate provision has been made for taxation and other liabilities which the Company has to meet, for example, retiring gratuities to employees. In view of the large expansion programmes which are continuing to proceed on the mines, particularly in the Pani and Bamankua areas, your Directors considered it prudent to set aside a sum of Rs. 7 lakhs to mining development and prospecting reserve, Rs. 1 lakh to general reserve and Rs. 1,50,000 to equalisation of dividends reserve. After making these allocations, the Directors have recommended a dividend of Rs. 5 per share and a bonus of Rs. 3 per share, both free of income-tax, for the year.

Outlook

"As regards the future, both new development and existing mining operations are progressing satisfactorily. This, coupled with other measures taken in respect of modernisation of equipment and installation of an additional generating set, are calculated to increase production in due course.

"The Government appears to be keen to promote exports of ore, and it is hoped that your Company will be granted an adequate export quota, thus enabling it to meet much of its shipping commitments during the current financial year. As against this, it should not be forgotten that there exist other factors, such as the tendency to an increasing imposition of taxes, increasing costs of mining machinery and stores, and transport charges, etc., which would increase total mining costs. In fact only last month it was announced that the Government had increased the rate of royalty from 7½ per cent. to 12½ per cent. for manganese of 45 per cent. and over, and at the rate of 10 per cent. for ore below 45 per cent. Nevertheless, consequent on the improved trend of the market, the future, I feel, need not yet be viewed with any undue pessimism."

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Note: This does not purport to be a record of the proceedings of the annual general meeting which will be sent separately to shareholders.

BANCO DI ROMA

HEAD OFFICE: ROME

PAID-UP CAPITAL AND RESERVE

L. 4,500,000,000



ESTABLISHED 1880

OVER 200 BRANCHES IN ITALY AND ABROAD.

REPRESENTATIVE OFFICES:

LONDON, FRANKFORT-ON-MAIN, NEW YORK, BUENOS AIRES.

FOREIGN AFFILIATED BANKS

BANCO DI ROMA (FRANCE)
BANCO DI ROMA PER LA SVIZZERA
BANCO DI ROMA (BELGIQUE)
BANCO ITALO-EGIZIANO

CORRESPONDENTS ALL OVER THE WORLD

THE BANK OF RAJASTHAN LIMITED

Head Office:—Udaipur *Central Office*:—Jaipur

BALANCE SHEET AS AT 31st DECEMBER, 1956.

31-12-1955 Rs.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
20,00,000	**1. Capital**—		
	AUTHORISED—		
	20,000 Shares of Rs. 100 each	20,00,000 0 0	
	ISSUED—		
	20,000 Shares of Rs. 100 each	20,00,000 0 0	
	SUBSCRIBED—		
	18,182 Shares of Rs. 100 each	18,18,200 0 0	
	CALLED AND PAID-UP CAPITAL—		
	300 Shares of Rs. 100 each fully paid up	30,000 0 0	
	17,882 Shares of Rs. 100 each, Rs. 50 per Share called up	8,94,100 0 0	
		9,24,100 0 0	
	LESS—Calls unpaid	1,225 0 0	
		9,22,875 0 0	
	ADD—Forfeited Shares	Nil	
9,22,825			9,22,875 0 0
	2. Reserve Fund and Other Reserves—		
	Reserve Fund	3,85,000 0 0	
	Investment Reserve	1,40,000 0 0	
	Gratuity Reserve Fund	7,500 0 0	
	Rs. a. p.		
	Provision for Bad Debts .. 5,500 0 0		
	LESS—Doubtful debts not shown on the contra .. 1,846 2 3		
		3,653 13 9	
5,27,884			
43,000	Provision for Income Tax		5,36,153 13 9
			86,195 11 0
	3. Deposits and Other Accounts—		
	Fixed Deposits	1,70,52,321 14 0	
	Savings Bank Deposits	70,52,321 3 0	
	Current Accounts, Contingency (Unadjusted)	98,25,950 13 10½	
	Staff Security Deposits	69,153 12 3	
2,69,82,123			3,39,99,348 0 1½
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India	Nil	
	(ii) Outside India	Nil	
	PARTICULARS—		Nil
	(i) Secured	Nil	
	(ii) Unsecured	Nil	
			Nil
14,53,325	**5. Bills Payable**		13,99,734 8 0
	6. Bills for Collection Being Bills Receivable as per contra—		
	(i) Payable in India	19,57,642 12 3	
	(ii) Payable outside India	218 7 9	
14,41,281			19,57,861 4 0
	7. Other Liabilities—		
	(i) Unpaid Dividends	4,618 6 6	
	(ii) Staff Benefit Account	124 11 5	
	(iii) Sundry Creditors	37,959 1 2	
3,76,135	(iv) Branch Adjustments	11,23,629 9 9	
			11,66,331 12 10
2,96,600	**8. Acceptances, Endorsements and Other Obligations** as per contra		3,45,000 0 0
	9. Profit and Loss—		
	Balance of last year's profit after appropriation	33,161 8 3½	
	LESS—Dividend for 1955	32,298 14 0	
		862 10 3½	
	ADD—Profit for the year brought from Profit and Loss Account	1,23,183 8 2	
		1,24,046 2 5½	
	LESS—Appropriations— Rs. a. p.		
	Reserve Fund .. 34,119 2 3		
	Provision for Income-tax 40,000 0 0		
	Gratuity Reserve Fund .. 7,500 0 0		
33,161		81,619 2 3	42,427 0 2½
	10. Contingent Liabilities—		
	Rs. a. p.		
	Claims against the Banking Company not acknowledged as Debts 62,736 4 0		
3,20,76,334	Grand Total .. Rs.		4,04,55,947 1 11

31-12-1955 Rs.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
	1. Cash—		
	In hand and with Reserve Bank of India and State Bank of India	68,48,648 7 8	
	Cash in transit	14,35,900 0 0	
72,97,743	Currency Notes sent for exchange	228 0 0	82,84,776 7 8
	2. Balances with Other Banks on Current Account—		
	(i) In India	8,80,332 14 6	
7,38,370	(ii) Outside India	Nil	8,80,332 14 6
32,70,000	**3. Money at Call and Short Notice**		50,80,000 0 0
	4. Investments—		
	(i) Securities of Central and State Governments and Other Trustees Securities including Treasury Bills of the Central and State Governments of the face value of Rs. 1,01,21,100 and market value Rs. 99,19,965-15-9	1,00,36,358 0 0	
	NOTE.—Full provision for the difference between the market value and the cost of investment has been made as per contra.		
	(ii) Shares	35,000 0 0	
	(iii) Debentures or Bonds	5,11,789 14 0	
	(iv) Other Investments	Nil	
	(v) Gold	78,371 1 2	
1,05,89,382			1,06,61,518 15 2
	5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	(1) Loans, Cash Credits, Overdrafts—		
	(i) In India	79,71,897 3 8	
	(ii) Outside India	Nil	
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments) (Only Demand Bills purchased in course of collection)—		
	(i) Payable in India	43,04,878 10 3	
76,83,876	(ii) Payable outside India	Nil	1,22,76,775 13 11
	(Particulars as per separate Schedule attached)		
	6. Bills Receivable Being Bills for Collection as per contra—		
	(i) Payable in India	19,57,642 12 3	
	(ii) Payable outside India	218 7 9	
14,41,281			19,57,861 4 0
2,96,600	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** as per contra		3,45,000 0 0
	8. Premises, Less Depreciation—		
	Total Cost as on 31st December, 1955	1,20,159 13 9	
	LESS—Sale of Old Materials	18 0 0	
		1,20,141 13 9	
	ADD—Additions during the year	1,15,867 9 0	
		2,36,009 6 9	
	LESS— Rs. a. p.		
	Depreciation as per last Balance Sheet .. 5,924 9 0		
	Depreciation during the year .. 1,307 3 0		
		7,231 8 0	
1,14,236			2,28,777 14 9
	9. Furniture and Fixtures—		
	As per last Balance Sheet	2,03,529 11 0	
	Additions during the year	85,659 8 3	
		3,49,189 3 3	
	LESS— Rs. a. p.		
	Depreciation as per last Balance Sheet .. 88,839 12 5		
	Depreciation of this year .. 19,889 9 10		
		1,08,729 6 3	
1,74,690			2,40,459 13 0
	10. Other Assets—		
	(i) Silver	5,127 15 6	
	(ii) Sundry Debtors	29,685 5 6	
	(iii) Stamps	42 8 0	
	(iv) Prepaid Insurance	8,344 8 0	
	(v) Stationery in stock	80,752 6 1	
	(vi) Indian Income-tax deducted at source	2,23,420 7 0	
	(vii) Interest accrued on Call Money, Investment and Government of Rajasthan Account and Commission accrued	1,32,553 5 2	
		4,79,926 7 3	
	Library— Rs. a. p.		
	As per last Balance Sheet .. 8,466 0 6		
	Additions during the year .. 914 0 6		
		9,380 1 0	
	LESS— Rs. a. p.		
	Depreciation as per last Balance Sheet .. 3,383 10 1		
	This year .. 809 14 9		
		4,193 8 10	
		5,186 8 2	
	Conveyance (Motor Cars and Tongas)— Rs. a. p.		
	As per last Balance Sheet .. 40,197 4 3		
	ADD—Additions during the year. 144 0 0		
		40,341 4 3	
	LESS— Rs. a. p.		
	Depreciation as per last Balance Sheet .. 18,000 7 3		
	This year .. 7,009 13 6		
		25,010 4 9	
		15,330 15 6	
4,70,156			
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		5,00,443 14 11
			Nil
3,20,76,334	Grand Total .. Rs.		4,04,55,947 1 11

Schedule of Particulars required by the Banking Companies Act X of 1949 attached to and forming part of the Balance Sheet as at 31st December, 1956.

PARTICULARS OF ADVANCES	Bills Discounted and Purchased	Loans, Advances, Cash Credits and Overdrafts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Bank is fully secured	31,29,790 1 3	78,36,585 11 11	1,09,66,375 13 2
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	6,13,246 0 0	24,795 2 6	6,38,041 2 6
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors—			
(a) Debts guaranteed by the Government of Rajasthan	Nil	68,543 5 3	68,543 5 3
(b) Others	5,61,842 9 0	41,973 0 0	6,03,815 9 0
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nil
	43,04,878 10 3	79,71,897 3 8	1,22,76,775 13 11

PARTICULARS OF ADVANCES	Bills Discounted and Purchased	Loans, Advances, Cash Credits and Overdrafts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	—	30,758 14 9	30,758 14 9
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	18,020 2 0	40,687 7 9	58,707 9 9
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or Officers, of the Banking Company or any of them either severally or jointly with any other persons	—	30,868 3 3	30,868 3 3
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	1,25,054 8 0	3,06,295 15 10	4,31,350 7 10
(ix) Due from Banking Companies	—	—	—

(Continued on next page)

THE DUNLOP RUBBER CO. (INDIA) LTD.

MR. JOHN LUCKHAM'S REVIEW

THE Thirty-first Annual General Meeting of the Dunlop Rubber Company (India) Ltd. was held in Calcutta on 29th April 1957. Addressing the shareholders, Mr. John Luckham, Managing Director, said:

"GENTLEMEN,

"The Directors' report and accounts for the year 1956 have been in your hands for some time and, with your permission, I will take them as read.

"I should like to preface my remarks this year by referring to changes in your Board of Directors. Mr. Cecil Stack, who had been a Director of the Company since 1942 and Managing Director for the last six years, resigned at the end of last month. During the last year, Mr. Stack had been in indifferent health and since he had served for 33 years in this country he decided to accept an appointment offered to him by the Dunlop Rubber Company, Ltd., in London. It was with great regret that the Board accepted his decision and, I am sure, you will wish to join me in expressing our appreciation of Mr. Stack's long and valuable services.

"You will have seen from the notice convening the meeting that it is proposed to appoint Sardar H. S. Malik to the Board. Sardar Malik, as I am sure you are all aware, has recently retired from a long and distinguished career in the service of the Government of India and latterly as Indian Ambassador to France. I am confident that Sardar Malik's wise counsel and great knowledge of affairs will be of the utmost assistance to your Board and I commend this appointment for your approval.

The Year's Trading

"The factory was working to full capacity throughout the year and new records of output were achieved. Nevertheless, we were unable to meet the demand for all of our products and a shortage of giant and cycle tyres and cycle rims necessitated the Government granting import licences for these products to alleviate the situation. We have plans for increasing our production and I will deal with these later on in this review.

"Once again distribution of the Company's products was adversely affected due to the shortage of railway wagons. Many pleas have been made from both the public and private sectors for serious action to be taken to improve the situation, and it is to be hoped that this important problem will receive the attention it deserves.

"Total sales in value were 12½ per cent. higher than in 1955, but with the lower level of selling prices prevailing throughout 1956, the ratio of profit to turnover declined from 3.6 per cent. to 3.2 per cent. after taxation. This exceedingly modest profit percentage provides, I think, a good measure of our service to the community.

Products

"We have continued to receive the full benefits of the Dunlop world-wide research activities and many improvements have been put into effect during the year.

"Last year, my predecessor announced the introduction of the new Dunlop Roadster Giant Tyre, and it is with great pleasure that I am able to tell you that this has been extremely successful and has proved ideal for most conditions. This new tyre, combined with the ever-popular Dunlop Trakmaster Giant Tyre, provides users with an ideal selection to choose from to cover the different types of service conditions which are found in this country.

"Car tyre performance continues to be excellent and we have retained our premier position in the market.

"I must make mention here of the very rapid growth in the development of the scooter and to say that your Company have prepared themselves to meet the demand for the special type of tyre required.

"The bicycle industry continues to develop very rapidly and so far we have been unable to keep pace with the demand for our cycle tyres and rims, and, as already stated, imports were necessary to help fill the gap.

"Substantial increases in sales were also achieved in our industrial rubber products range. The second Five-year Plan has already increased the demand for conveyor belting and we are taking steps to ensure that we can play our part in meeting this. Further great strides were made in Dunlopillo Latex Foam cushioning and demand remains ahead of production.

"Our work in chemical plant lining made considerable progress during 1956, and we now have orders in hand which fully justify our decision to undertake this work.

New Factory

"I am happy to be able to tell you that, in addition to the expansion which has taken place and will continue at least for the next two years at your Sahaganj factory, the Company has obtained Government approval for the establishment of another tyre factory in Madras. The Chairman stated at this time last year that we, as a company, hoped to play our full part in meeting the very considerable increase in demand for rubber products which would arise under India's second Five-year Plan. The new factory in South India will, it is hoped, give us sufficient overall capacity to meet the demands for our products for some time to come. A substantial amount of additional capital will be required to finance this new project and as soon as our plans have been finalised you will be advised of the Board's proposals. An issue of further share capital will form the basis of these plans.

Raw Materials

"The raw material supply position, with the exception of crude rubber, was generally satisfactory and we were fortunate that at the time of the Suez Canal crisis we had adequate stocks of imported materials.

"As in the previous year, consumption of raw rubber by manufacturers, at 31,405 tons, far exceeded production, at 23,444 tons, and substantial imports were made.

"Since the world market price of rubber had fallen below the Indian controlled price, the Government introduced a cess on imported rubber equal to the difference between the landed cost of the imported rubber and the local price, applicable to all imports after August 1956. The amount collected under this price equalisation policy is payable to the Rubber Board as a contribution to the rehabilitation of rubber plantations. We were happy to co-operate with the Government in this scheme, but have been unable to get any indication of how the importer will stand in the event of the world rubber price again rising above the local price.

"Generally costs tended to rise during the latter half of the year, chiefly due to increases in freight rates and import duties. For instance, the duty on rayon yarn, one of our chief raw materials, was increased by 25 per cent. and to a lesser extent carbon black and tyre valves were also affected.

Profit and Loss Account

"The net profit for the year after providing for depreciation, interest and taxation was Rs. 55,09,909 and after taking into account the balance of profit carried forward the amount available for disposal is Rs. 66,81,594, as compared with Rs. 61,28,686 for 1955. The Directors are recommending the same rate of ordinary dividend as for 1955, that is 15 per cent., which will absorb Rs. 24 lakhs. The Directors also propose the transfer of Rs. 26 lakhs to general reserve, as against Rs. 22 lakhs last year. This will increase the general reserve to Rs. 216 lakhs and you will see from the balance-sheet that the ordinary share capital is covered more than twice by the total reserves and surplus. These reserves are, of course, fully employed in the business and the continued availability of profits for appropriation to reserves is very necessary to assist in providing the funds for development and expansion.

Balance-Sheet

"The additions to fixed assets during the year amounted to Rs. 42,22,000, consisting mainly of plant and machinery for expansion and modernisation. The amount of depreciation written off in 1956 was Rs. 30,55,000, as against Rs. 27,51,000 in 1955.

"Stock inventories at Rs. 4,55,47,000 were Rs. 63,84,000 higher than at the close of the

(Continued on page 910)

THE BANK OF RAJASTHAN LIMITED—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

31-12-1955 Rs.	EXPENDITURE	Rs. a. p.	Rs. a. p.
4,72,425	1. Interest paid on Deposits, Borrowings, etc.	6,73,397 7 0	
3,62,612	2. Salaries, Allowances and Provident Fund (Salaries and Allowances to the General Manager Rs. 12,135)	4,40,925 12 3	
642	3. Directors' and Local Committee Members' Fees and Allowances	929 0 0	
35,850	4. Rent, Taxes, Insurance, Lighting, etc.	45,459 15 9	
1,270	5. Law Charges	1,637 0 0	
45,190	6. Postage, Telegrams and Stamps	58,729 14 0	
5,408	7. Auditors' Fees and Allowances	5,015 3 0	
12,264	8. Depreciation on and Repairs to the Banking Company's Property (Safes, Furniture, Fixture, Conveyance and Library, etc.)	29,016 14 1	
38,406	9. Stationery, Printing, Advertisement, Subscription to Newspapers and Uniforms for Servants, etc.	57,416 13 5	
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets Rs. a. p.	Nil	
	11. Other Expenditure— 33,756 5 5		
	(i) Remittance Charges		
	(ii) Travelling Expenses and Conveyance 24,677 0 9		
	Charges 20,323 13 6		
	(iii) Other Miscellaneous Expenses	78,757 3 8	
52,688		1,23,183 8 2	
1,00,086	12. Balance of Profit (subject to Income-tax)		
11,26,341	Total .. Rs.	15,14,468 11 4	

31-12-1955 Rs.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
7,99,096	1. Interest and Discount	10,95,161 13 2
2,31,003	2. Commission, Exchange and Brokerage	3,62,308 7 0
Nil	3. Rents	Nil
7,700	4. Net Profit on the Sale of Investments, Gold and Silver, Land, Premises and Other Assets	10,600 0 0
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	Nil
Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
39,042	7. Other Receipts	46,398 7 2
11,26,341	Total .. Rs.	15,14,468 11 4

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have examined the above Balance Sheet of the Bank of Rajasthan Limited, Udaipur, as at 31st December, 1956, and the annexed Profit and Loss Account for the year ended on that date as above set forth with Books and Accounts of Udaipur and Jaipur Offices and Returns of Branches and Pay Offices and report that :—

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, and have found them to be satisfactory;

(b) In our opinion, proper books of account, as required by law, have been kept by the Bank so far as appears from our examination of those books, and proper returns, adequate for the purposes of our audit, have been received from the branches not visited by us;

(c) The Bank's Balance Sheet and the Profit and Loss Account dealt with by the report are in agreement with the books of account and returns;

(d) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by law, in the manner so required and on such basis give a true and fair view, in the case of the Balance Sheet, of the state of the Bank's affairs as at the end of its financial year, and, in the case of the Profit and Loss Account, of the true balance of profit for its financial year;

(e) The transactions of the Bank which have come to our notice are within the powers of the Bank.

(f) The Returns received from Branches for the year ended 31st December, 1956, were duly audited by Chartered Accountants.

B. D. GARGIEYA & CO.,
Chartered Accountants.

UDAIPUR, 19th March, 1957.

HARI SINGH, Chairman.

AMAR SINGH,
G. S. PUROHIT,
D. L. MANSINGHKA, } Directors.
पुसालाल मानसिंहका

D. L. GUPTA,
Ex-Officio Director and General Manager.

BUCKINGHAM AND CARNATIC COMPANY, LTD.

MR. R. E. CASTELL'S SPEECH AT THE ANNUAL GENERAL MEETING

DEMAND FOR CLOTH LIKELY TO EXCEED SUPPLY WITHIN TWO YEARS

ADDRESSING the shareholders of the Buckingham and Carnatic Company, Ltd., at their Thirty-sixth Annual General Meeting held in Madras on 26th April 1957, Mr. R. E. Castell, Chairman of the Company, stated that he shared the view that the official estimate of *per capita* demand for cloth by 1960-61 at 18.5 yards was too low. He was convinced that within the next year or two the demand for cloth was likely to exceed supply and hoped that the Government would not unduly prolong the implementation of its plans for raising cloth production.

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

"GENTLEMEN,

"The report of the Directors and the accounts for the year ended 31st December 1956, having been in your hands for the requisite time, I propose with your permission to take them as read, but I will be glad to reply to questions later.

"The delay in publishing the accounts and the holding of the annual meeting is regretted, but is due to the many complications which arose in preparing the accounts in accordance with the new Companies Act and because of the additional notice to shareholders which it is now necessary to give under that Act.

Modernisation

"The year under review was not an easy one for the Indian textile industry and the present trading results of your Company for 1956 owe much to the progress made with modernisation of machinery and manufacturing methods and to the continuing popularity of the Company's products. That this process of modernisation should be continued is essential for maintaining the Company's high standard of quality and to mitigate the effect of higher wages, heavy sales taxes and excise duties, by every possible economy in production methods. There are obstacles now in prospect which are likely to impede our further efforts with the general programme of modernisation, and I think it right that you should be informed of your Directors' present anxiety on this matter. The obstacles before us arise from India's present shortage of foreign exchange, which has caused the Government to adopt a most stringent import licensing policy. The effect on your Company seems likely to be serious, as much of our programme of modernisation depends on our obtaining machinery and components which at present can only be secured abroad, and which may not for many years yet be made in India, whereas our needs are urgent.

New Weaving Sheds

"Our first new weaving shed reached the stage of full operation in 1956 and has made a substantial contribution to the increase in the Company's productivity. The completion of our second new weaving shed, the building of which is already well advanced, forms an important part of our modernisation programme and to make this second new weaving shed as efficient as the first, we require a range of foreign precision-made components for rehabilitating the existing automatic looms to be transferred to it from the old buildings. The issue of import licences to cover these components is of vital importance.

"Yet another cause of anxiety is the prospect of drastic cuts in imports of dyestuffs, textile auxiliaries and other essential stores not now made in India, but which are so vital for our present standards of quality and variety. As you know, almost every yard of your Company's production is either bleached or dyed, and much of it is specially finished by one process or another. Unless we have the materials necessary to supply a range of well woven and properly finished cloths in pleasing and lasting colours, we cannot hope to continue to satisfy the Indian public or our customers overseas, who can afford to be fastidious and exacting, as there are other manufacturing countries eager and well equipped to supply all their needs.

"The textile industry, as a whole, was embarrassed last year by accumulation of stocks and this difficulty generally continues. Your Company was not much inconvenienced in this way, but in spite of the widespread popularity of their products, it was found necessary to reduce prices in order to compete overseas and internally to absorb some part of the heavy increases in excise duties during the year, particularly those from 1st September 1956.

"Per Capita" Demand for Cloth

"The final official estimate was that by 1960-61 the *per capita* demand for cloth would be 18½ yards: other authorities, including representatives of the textile industry, and I share their opinion, consider the official estimate too low. At first sight, it seems strange that stocks should have accumulated in 1956 when the total production of mill and handloom cloth, less the quantity exported, provided only 16 yards *per capita*. While there is no doubt that the higher cost to the consumer had in itself a restrictive effect on purchases, the circumstances in which the latest excise duties were imposed gave rise to a widespread belief that they were of a temporary nature and that cloth would be available later on at cheaper rates. There also seems to have been some diversion of spending by the masses to other essentials and to luxuries also.

"I am still convinced, however, that within the next year or two the demand for cloth is likely to exceed supply, and I hope, therefore, that the Government will not unduly prolong the implementation of their plans, announced in June 1956, for increasing cloth production.

Conditions Most Exacting

"As you will remember, these plans included the handloom industry and the mills, not to mention the powerlooms and the Ambar Charka: for the mills the plan was to install 14,600 additional automatic looms to produce 350 million yards of cloth for export. The conditions attached by the Government to the scheme for expansion of the mill industry are most exacting, particularly in the obligation that all the production of the new looms must be exported in addition to almost all the production previously exported. For every yard of the guaranteed quantity not exported, it is intended that a penal duty will be levied on the mill concerned. This condition involves a serious business risk for the industry, in view of the ever-increasing competition in overseas markets, which has been reflected in the progressive decline in India's exports of cloth for the past three years.

"However, after very careful consideration of all the circumstances, your Directors decided that, in spite of the risks, it would be wrong to miss the opportunity of increasing the productive installation of your mills, for which we have all waited so long. We, therefore, accepted an allocation of 144 new automatic looms, but I am sorry to say that we cannot proceed with the procurement of the additional machinery until the Government have announced their policy regarding the looms and other machinery which it will be necessary to import in order to expand our unit with proper efficiency. Even if the Government make a decision soon, it is unlikely that the new machinery can be installed and in operation before the end of 1958 at the earliest.

Increase in Exports

"I am glad to tell you that by strenuous effort we succeeded in increasing our export sales last year in the face of keen foreign competition, with the result that, in 1956, your Company earned foreign exchange to the value of nearly Rs. 1,90,00,000. We shall strive to improve on this performance, but it will be difficult even to maintain it, unless we continue to be supplied with those essential machines, components, dyestuffs and other materials which we can as yet only obtain from abroad.

"In 1956, nearly 10,000 bales of yarn were supplied by your mills to the handloom industry, against 8,500 bales in the previous year. It is possible that in the next year or two, with so many new spinning mills coming into production, and the spindleage of existing mills being increased, our statutory obligation to supply in quantities which are large for a composite mill, such as ours, will be reduced or even removed.

"When I addressed you last year, I mentioned that certain disputes which had been raised by labour were to be the subject of arbitration by the Hon'ble Mr. Justice Ramaswamy Gownder.

"In all, thirteen major issues were referred to the arbitrator, including such important ones as wages, leave facilities, bonus, shift timings, dearness allowance and gratuity.

"The award was recently published and by it labour was granted an increased minimum basic wage, a short-term gratuity scheme and certain other benefits. The rate of dearness allowance, the system of bonus, the leave facilities and shift timings were left unaltered, but in all, the award has placed a considerable additional financial burden on the Company.

"During the year, there were one or two stoppages by sections of labour, but fortunately work was resumed before interruption of the production of the mills as a whole assumed serious proportions.

"For reasons which are difficult for us to understand, the Madras Labour Union withdrew from the Mill Labour Advisory Organisation.

Accounts

"There is little to comment, I think, on the published accounts which are now shown in much greater detail than has been the practice in the past. It was unfortunate that the improvement in production was offset by increased costs and reductions in selling prices.

"It has been necessary to allocate Rs. 20 lakhs from profit and loss account in respect of the short-term gratuity scheme, to which I have already referred, this being the estimated liability on this account as at the date of the balance-sheet.

"You will note that an amount of Rs. 35,50,000 has been transferred from taxation reserve to the provision for increased replacement costs of buildings and machinery and, as this represents relief from taxation on our profits for 1954 and 1955 through the operation of allowances for initial and extra normal depreciation and development rebate, it is but logical to utilise it for the purpose for which it was intended by the Government of India, that is, to finance the expansion of our reconstruction programme.

"Debentures to the face value of Rs. 8,50,000 were redeemed and cancelled during the year and, in accordance with our practice, a similar amount has been transferred from the debenture redemption fund to the provision for increased replacement costs of buildings and machinery.

Compulsory Deposits

"Since the introduction of the interim budget in December 1956, your Directors have been perturbed by the implications of the provisions relating to the compulsory deposit with the Central Government of certain proportions of accumulated and current reserves. It is obvious from our published accounts that the effect of this legislation could be extremely serious for your Company and it is, therefore, sincerely to be hoped that the draft rules which have recently been published for general information will finally make it clear beyond all doubt that those companies whose reserves are being fully used for the purpose of the business will be exempt from making such deposits.

"The liabilities of the workpeoples' and employees' provident funds, the accounts of which are now maintained by the Trustees, amounted, at 31st December 1956, to Rs. 1,50,47,590 and Rs. 13,32,355 respectively, and corresponding amounts have been invested in Trustee Securities.

"In 1956, the Company made a donation of Rs. 75,000 to the University of Madras on the special occasion of its centenary. This sum, combined with donations from the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., and Binny & Co. (Madras) Ltd., has been earmarked to provide a hostel for accommodating research students in chemical engineering, textile technology and allied subjects.

"Nowadays there is little, if anything, which is either private or free in that sector of enterprise in which we are engaged, but, in spite of

(*Continued on page* 910)

NEW PUBLICATIONS

Company Law. By N. C. Chatterjee and N. Krishnamurthi. Published by Federation of Indian Chambers of Commerce and Industry, 28, Ferozshah Road, New Delhi. Pages 862. Price: Rs. 25.

THERE is now no dearth of books on company law. But the fact that books continue to be written on the subject shows that there are still aspects of the subject which require special treatment. The book under review, however, is a very comprehensive publication on company law which, as is well known, is one of the most complicated pieces of legislation ever placed on the Statute Book by the Indian Parliament. It must be said, to the credit of the authors of this publication, that they have tried to make the treatise as helpful as it could possibly be made to lawyers, company promoters, and the management of companies as well as to all those who are interested in company law. The book is a lucid presentation of the different sections of the Companies Act and also carries references to the case law on the subject.

A chapter on income-tax and estate duty detailing the important provisions of the Income-tax Act, 1922, and the Estate Duty Act, 1953, pertaining to companies, has been included. Appendices have been added to some of the chapters which will convey useful information on important topics. The appendix at the end of the treatise incorporates a comparative table showing the correspondence between the 1913 and 1956 Acts and the 1948 Act of the United Kingdom as also indicating the relevant references to the report of the Company Law Committee. Among the welcome features of the book must be mentioned an exhaustive index which will make ready reference easy.

The authors observe that the apprehension has been expressed by competent persons engaged in the working of big companies, that too many statutory restrictions and possibilities of bureaucratic control and intervention may seriously affect the initiative of the business enterprises and ultimately hamper the further promotion of companies and effective development of existing ventures and sap the vitality of the private sector so essential for running a mixed economy. They point out that the spokesmen for the Government have given assurances that the stringent provisions were intended to check malpractices and not to hamper business management or initiative. The authors rightly express the view that the Act should be worked in this spirit.

The New Atomic Age. Published by the United Nations Department of Public Information, New York. Available at Orient Longmans, Bombay. Price: 25 cents.

The difference between the new atomic age and all other ages and industrial revolutions is that "the nations of the world are planning together to ensure the benefits and prevent the possible ills of this new technology." The unique contribution of the United Nations in this atomic development is that it "provides the common ground both for preliminary discussion and for co-operative action." This is a conclusion contained in a new booklet entitled *The New Atomic Age* published by the United Nations Department of Public Information.

The 40-page illustrated booklet describes in non-technical language the principles of producing atomic energy, and examines the role of nuclear radiation in industry, medicine and agriculture. Among its seven chapters is one devoted to international co-operation in the atomic field. It describes steps leading to the creation of the future International Atomic Energy Agency and co-operative work in this field undertaken or planned by the U.N. specialised agencies. Also covered in this section is the work being carried out by the U.N. Scientific Committee on the Effects of Atomic Radiation. Other chapters in the booklet, each containing a series of illustrations, deal with man's need for expanding his use of the atom; the energy potential in atomic fuels; the harnessing of the atom; uses of radiation in science, industry, agriculture and medicine; and the development of a new atomic industry.

Fundamentals of Statistics. By D. N. Elhance. Published by Kitab Mahal, 56-A, Zero Road, Allahabad. Pages 1017. Price: Rs. 15.

With the rapid advances in science and technology, and the increasing emphasis that is being laid on economic development, the science of statistics has come to occupy a very important place. In fact, progress does not convey any sense when there is no yardstick to measure it and express it in relative terms. The measure of the growth of population, their *per capita* income and welfare, prices, productivity, and a host of other concepts in the economic, educational and scientific spheres, of which there is a constant growth in this complicated world—all come under the realm of statistics.

The importance of this science is being increasingly realised in India, as is evidenced by the opening of Statistics Departments in the Indian Universities, and establishment of institutes for imparting special training. At a time like this, a book on Fundamentals of Statistics, such as the one under review, has a special function to fulfil. This book is a successful attempt at furnishing a comprehensive text for those who desire to equip themselves with a knowledge of statistical methods. It is written primarily for university students offering papers in statistics, and as such, will be found very useful to them. All formulæ have been neatly derived. And the book abounds in worked examples as well as exercises for the student, many of which have been taken from university question papers and competitive examinations. Besides covering measures of central tendency, dispersion, index numbers, correlation, analysis of time series, the book deals with theory of attributes, probability, sampling, chi-square test and goodness of fit, analysis of variance and interpolation. There is a notable chapter on business forecasting and another on growth of statistics in India. The get-up of the book is good.

Place and Problems of Small Industries. By S. K. Basu. Published by A. Mukherjee & Co. Private Ltd., 2, College Square, Calcutta. Pages 97. Price: Rs. 4.

Much emphasis has been laid in the second Five-year Plan on small-scale industries. There are many agencies which are now responsible for the development of these industries. The main problem which those who are engaged in this sphere have to face is one of finance. Mr. S. K. Basu, the author of the book under review, has devoted a considerable portion of the book to a discussion of the financial problems of small industries. Not only does the book offer a survey of the existing problems but also a critical appraisal of the working of the small-scale industries and of the agencies which provide financial assistance to these industries.

Economic Theory and Practice in India. By Sudhir Das Gupta. Published by Atmaram Jajodia. Pages 19. Price: Re. 1.

This booklet is the reprint of a lecture delivered by Mr. Das Gupta of the J. K. Organisation to the Post-graduate students of the Faculty of Business Administration of the Delhi School of Economics. Its central thesis is that economic theory, to be practically sound, must be inductive and not deductive. In other words, correct theories could be deduced only from actual practice. He rightly urges Indian economists to develop and perfect theories based on the peculiar conditions obtaining in India instead of blindly adopting Western theoretical maxims. Although this is a point of view, the significance of which is now more widely understood than before, it is perhaps more ignored than respected in actual practice.

THE
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(Incorporated in England by Royal Charter, 1853)
(Liability of Stockholders Limited)
Capital (Paid-up) - £3,500,000
Reserve Fund - - £5,000,000
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THE BANK OF INDIA, LTD.
ESTABLISHED 7th SEPTEMBER, 1906
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CAPITAL PAID-UP .. .. Rs. 3,00,00,000
RESERVE FUND .. .. Rs. 3,10,00,000
Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY
BRANCHES IN INDIA:
AHMEDABAD, Bhadra (Main Office), Ellis Bridge, Gandhi Road, Manek Chowk, Station Branch
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BANGALORE
BOMBAY, Andheri, Bandra, Bullion Exchange, Colaba, Kalbadevi, Malabar Hill
BHUJ (Kutch)
CALCUTTA, 23-B, Netaji Subhas Road (Main Office), Sara Bazar, Chowringhee Square
COIMBATORE
DELHI
GANDHIDHAM (Kutch)
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JAMSHEDPUR
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MADRAS
NAGPUR, Kingsway, Itwari Bazar
NEW DELHI
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RAJKOT
SURAT
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Mr. MADANMOHAN MANGALDAS.
Mr. N. K. PETIGARA.
SIR VITHAL N. CHANDAVARKAR.
Current Deposit Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.
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D. R. THOM, General Manager.

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MADRAS
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LOPSIDED DEVELOPMENT OF LAMP INDUSTRY

PROPER REGULATION NECESSARY

AN undesirable feature vitiating the balanced growth of the electric lamp industry in India is said to be the irrational consumers' preference for its products *vis-a-vis* goods marked with foreign brands, although their quality and price are the same. Indeed, it is pointed out, the prejudice against the indigenous products has led to cut-throat competition among the producers of different brands, resulting in an unduly quick expansion of some units and retardation of certain others. Such a trend is certainly disquieting which must be removed, if the industry is to be set on a solid and sound footing. Mr. H. Sinha, President of the Indian Lamp Factories Association, did well, therefore, to draw special attention to this aspect when he addressed the eleventh annual general meeting of the Association held at Calcutta recently. Mr. Sinha urged the Development Council for Electric Lamp Industry to recommend to the Government of India appropriate measures to regulate the production, marketing and future expansion of the industry.

It will be noted with interest that, despite the fact that the country had been self-sufficient during the first Five-year Plan period in respect of all types of G.L.S. lamps, train and cab lights, loco headlight lamps, and coloured and decorative lamps, a serious problem continued to persist, namely, existence of large idle capacity. The Government had, therefore, imposed restrictions on production in 1953 which were, however, gradually relaxed by the end of 1955, when it was felt that the demand for the products had increased substantially. Since then, production has been expanding. The actual production of G.L.S. lamps in 1956 was 25.9 million, as against 19.9 million in the previous year. The output was very near the estimated demand for 26.9 million, the corresponding figure for 1955 being 24.5 million.

The following table shows the progress of the industry since 1946:

(In thousands)

Year	Actual production of G.L.S. and other types	Actual production of fluorescent tubes	Actual production of miniature bulbs
1946	8,110	..	..
1947	7,620	..	..
1948	9,240	..	..
1949	13,640	..	..
1950	14,330	..	..
1951	15,510	..	..
1952	20,880	73	143
1953	19,660	102	454
1954	22,960	214	898
1955	23,510	721	1,717
1956	29,780	881	1,023

As will be seen from the above table, a significant feature of the development of the industry in the last few years is the diversification of production. The rate of output of fluorescent tubes and miniature bulbs, the production of which was undertaken for the first time in 1952, is adequate to meet a substantial portion of domestic demand. In view of this encouraging progress, Mr. Sinha was confident that the increasing domestic demand for the products of the industry during the second Plan period would give the industry adequate impetus not only to utilise fully the reassessed capacity of 36 million pieces of G.L.S. lamps by the end of 1959 but also to expand the capacity of G.L.S. and other types of lamps (excluding fluorescent and miniature bulbs) up to 45 million pieces as originally programmed by the Development Council.

The two developments of some importance to the industry in recent years are the establishment of the Development Council for Light Electrical Industries on which the lamp industry is represented and the sanction, by the Government last year, of an extra capacity of two million pieces to each of the six different units. Surely, these indicate the helpful attitude of the Government towards the industry. Expressing his satisfaction on this issue, the President of the Association appealed to the authorities to keep certain considerations in view while devising methods to help the industry grow on healthy lines. In the first place, the Government should keep a watch on the expansion of the industry to ensure that it does not further aggravate the already lopsided development of the industry. Secondly, it should stick to the target of 45 million pieces, originally fixed for the industry, by the Development Council, and should not increase it to 50 million pieces, as estimated subsequently by the Planning Commission. This also means that the manufacturers should not be allowed to produce in future lamps of the existing foreign brand beyond the capacity already sanctioned by the Government. Again, the Government should examine whether it is possible, and if so, to what extent, to extend the special treatment accorded to the small and cottage industries to the organised sector also. Finally, it should examine the question of including a representative of the Association in the Development Council for Light Electrical Industries.

In the course of his address, Mr. Sinha pointed out that, while the expansion of certain units had been sanctioned by the Government, licences had not been issued for the import of necessary machinery. Though this is understandable in view of the critical foreign exchange position, it is, nevertheless, stressed that, unless licences are issued immediately, it would not be possible to secure the required machinery in time to enable the industry to cope with the pressure of demand for the products in the next few years.

In regard to the supply position of raw materials, no significant improvement has been reported. It is pointed out that, since the second half of 1956, the production of glass shells has been inadequate to neet the demand. This is attributed to the delay in the issue of licences for the import of automatic machines. It is, however, gratifying to note that, in the case of brass caps, the demand for which has so far been met entirely out of imports, their manufacture has been undertaken by Hind Lamps Ltd. The factory is expected to meet about 50 per cent. of the total demand. Further, two factories have taken up the manufacture of two other raw materials, namely, tubes and rods. Actual production is expected by the end of the current year. There is said to be much scope for expanding production of these raw materials within the country itself. Surely, the Government should take necessary steps to assist the indigenous producers in their efforts to step up output.

The Government has been encouraging the development of the indigenous industry through a restrictive import policy. Imports of general lighting service lamps up to 500 watts, train lighting and cab light lamps, for instance, have been banned. Imports of fluorescent tubes and auto lamps have been further restricted, the quota for the current half-year being 20 per cent. and 10 per cent. of the basic year's imports. Despite these measures, the industry feels that there is need for further restrictions on imports. In support of this view, mention is made of the existence of idle capacity in the country in respect of lamps imported, appreciable expansion in their production and establishment of new units as in the case of miniature lamps.

INDIAN FILM INDUSTRY

At the end of 1956, there were 255 film-producing concerns, about 900 distributing agencies, 60 studios and 40 laboratories in India. The total number of people employed in the industry was about a lakh, the capital invested about Rs. 42 crores and the gross annual income about Rs. 25 crores. The number of cinemas at the end of 1956 was 3,829, including 996 touring and temporary cinemas. The annual attendance at cinemas was estimated at 60 crores.

The film industry celebrated in December 1956 the twenty-fifth anniversary of the advent of the "talkie" in India. An important part of these celebrations was the screening of some of the outstanding Indian films produced during the last twenty-five years. A symposium on the Film and the Nation, meetings to honour the pioneers of the Indian talkie, and a variety show by film stars were other features of the celebrations.

In pursuance of the recommendations of the Film Enquiry Committee and the resolutions passed in the Rajya Sabha and the Lok Sabha urging Government to take steps for improvement in the standard of films, it was decided by Government to set up a National Film Board. A Bill to that effect was introduced in the Rajya Sabha on 10th December 1956. It is provided in the Bill that the Board will have three constituent units, namely, a Film Certification Bureau, a Film Production Bureau and a Film Institute.

Indian films are exported to a number of foreign countries, including Pakistan, Iraq, Malaya, Indo-China, Burma and East Africa.

The number of films approved for general public exhibition during 1956 was 294. The largest number was of Hindi films—121, followed by 53 films in Bengali, 50 in Tamil, 27 in Telugu, 14 in Kannada, 13 in Marathi, 5 in Malayalam, 3 in Gujarati, 2 each in Oriya and Urdu, and 4 in Assamese. There were no films in Punjabi and Kashmiri languages.

In 1956, the Central Board of Film Censors examined 3,244 films, of which 3,101 were given 'U' and 96 'A' certificates. This number included 2,330 foreign and 867 Indian films (including shorts). The number of films which were refused certificates was 47, of which 46 were foreign films. The total length excised from films was 73,923 feet. Bombay continued to be the major centre of production, Madras and Calcutta taking the second and third places respectively. About 47 per cent. of the total number of films were produced in Bombay, 33 per cent. in Madras and 20 per cent. in Calcutta. Bombay was the principal centre of production of Hindi films, Madras of Tamil and Telugu films and Calcutta of Bengali films.

The year witnessed further progress in the scope and influence of documentaries, the bulk of which continued to be produced by the Central and State Governments. During the year the Films Division produced 35 documentaries through its own units. Nine documentaries were produced on behalf of the Films Division by private producers.

TRADE AGREEMENT WITH W. GERMANY

An important feature of the exchange of letters that took place on 21st inst. between the Government of India and the West German Trade delegation following negotiations is that the schedules of Indian exports embodied in the agreement signed by the two countries on 31st March 1955 have been revised. As a result, some of the items of exports have been removed from the 'quota' list and placed in the 'liberal' list. Moreover, the quota items subject to quantitative restrictions have been generally increased. The agreement has opened up possibilities of bulk export of coal, iron ore, and manganese ore by the State Trading Corporation through long-term arrangement. Markets for handloom fabrics and handicrafts will also be developed. Another notable feature is that the Indo-German trade agreement of 1955 will now apply to Saar territory also.

In the course of the negotiations, it is stated, the German delegation has offered to receive an exporters' mission from India to enable close links being established between the business communities on either side.

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CHAIRMAN, MR. R. E. CASTELL'S REVIEW OF TRADING CONDITIONS

RESTRICTION ON IMPORTS NOT LIKELY TO AFFECT MODERNISATION PROGRAMME

THE Seventy-fourth Annual General Meeting of the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., was held in Bangalore on 27th April 1957. Addressing the shareholders on the occasion, Mr. R. E. Castell, Chairman of the Company, said that the results for the past year were assisted by the programme of rehabilitation and replacement of machinery and further improvement of processing methods. He added that much remained to be done in respect of the programme of modernisation, but he hoped that the restriction on imports was not likely to retard progress in this direction.

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

"GENTLEMEN,

"The Directors' report and accounts for the year ended 31st December 1956 having been with you for the requisite time, I propose with your permission to take them as read, but after my speech I shall be glad to attend to any questions members may wish to ask.

"The delay in publishing the accounts and the holding of the annual meeting is regretted. It is due to complications arising from the introduction of the new Companies Act and because of the additional notice to shareholders which it is now necessary to give.

Another Successful Year

"As you will see from the accounts, your Company has concluded another successful trading year, the results of which have been assisted by the continuing programme of rehabilitation and replacement of machinery and the further improvement of processing methods. In spite of all that has already been accomplished, we still have a long way to go before we can complete our plans for modernisation and for this purpose more machinery and components are required, some of which must of necessity be imported, and we trust that our further progress in this direction will not be retarded by the present stringency in import licensing arising from the shortage of foreign exchange.

"As you know, your Company manufactures an unusually wide range of textile fabrics, including cotton, woollen, union and silk goods, and to maintain our reputation for quality and variety, it is impossible to rely wholly on equipment and materials made in India. Apart from the matter of machinery, therefore, your Directors are perturbed by the prospect of severe cuts in imports of those dyestuffs and other essential stores which can only be obained abroad.

Accumulation of Stocks

"Last year, the Indian textile industry as a whole experienced an accumulation of stocks, and these conditions still obtain. I think it must be accepted that the heavy increases in excise duties during 1956 were largely responsible for the decline in offtake. Traders have developed the habit of buying cautiously, partly because of the general impression that the last increases in excise duties on 1st September 1956 were a temporary measure, and also because of the uncertainty about the Government's intentions for replacing existing sales taxes on cotton textiles by excise duties. The consumer is also being cautious or may be he is spending more of his money otherwise.

"There was no serious accumulation of stocks in your mills during the year, but it was found necessary to reduce prices for cotton cloth in order to keep goods moving, despite the increases in excise duties already mentioned. It seems strange that the supply of cloth should be more than enough when only 16 yards of mill and handloom cloth is presently available for internal consumption and one could reasonably expect demand to be rising towards the official estimate of 18½ yards as at the end of the second Five-year Plan, an estimate which many of us consider to be too low.

"I do not think, however, that we should be misled by the present apparent adequacy of supply, as within a year or so there is more likely to be a shortage. I hope, therefore, that the Government will proceed with their plans announced last year for the expansion of the textile industry. For the most part these plans depend on expansion by the handloom industry assisted by spinning mills and Ambar Charkas, and on conversion of handlooms to powerlooms. The expansion of composite mills has, in fact, been linked to the export trade.

Automatic Looms

"The conditions laid down by the Government for the installation of additional automatic looms were difficult in several respects, particularly in their insistence that all the production of the new looms be exported, as well as almost all the production previously exported. However, after carefully considering every aspect of the matter, your Directors decided that the Company should not miss the opportunity to expand their existing installation. We have, therefore, accepted an allocation of 96 new automatic looms, of which we have agreed to buy 24 from Indian manufacturers. We are waiting for the Government to announce their policy regarding the other looms which we need to buy abroad.

"In spite of intense competition in overseas markets, the Company's export sales of cloth in 1956 were considerably more than in the previous year, and we shall continue to exert ourselves to secure foreign exchange for India by further developing our export trade.

"It is pleasing to record that after several years of losses, the Company's woollen section made a modest profit in 1956. This change of fortune was the result of sustained efforts by our technical, administrative and sales staff to increase production and to introduce new qualities and designs. Every further effort will be made to ensure that the woollen section continues to pay its way, but a fair reward is unlikely to come to us or any other unit of the Indian woollen industry so long as the present heavy excise duties and cesses apply to woollen goods. Also, for some time now we have had to pay higher prices for wool, both indigenous and imported.

"The year brought a further increase in production and sales of our popular union fabric 'Cotswol' and of the heavier cloth 'Angola' which, although mainly suppled to the armed forces, is also in general demand.

Silk Section

"Production and sales in the Company's silk section exceeded all previous records, but we now face a new problem, in that we specialise in the manufacture of superior quality silk *saris* and other fabrics, and although we use considerable quantities of raw silk produced in Mysore State, we must rely on importing a proportion of our requirements of filature silk and most of our needs of spun silk to maintain our reputation for the quality of our silk fabrics until such time as the indigenous materials are further improved. Unfortunately, supplies of the imported materials have lately been severely cut and unless we can find some remedy for this, our production and trade in silk fabrics is likely to be seriously disturbed.

Octroi Duty

"The imposition of a heavy octroi duty on raw materials and other essential items entering the City limits, announced by the Bangalore Corporation in 1954, is still a matter serious in its implications. The Company lost its case in the Mysore High Court, but has decided to appeal to the Supreme Court, for if this duty prevails, the local industry will be handicapped by an increase in costs which will not affect other manufacturing centres.

"Towards the end of 1956, the Company was asked to reduce consumption of Corporation water-supply by 40 per cent. So heavy a reduction would have seriously disturbed the Company's manufacturing activities, but fortunately the authorities later agreed to reduce the cut to about 20 per cent. Within this limit we have so far managed to avoid any serious dislocation of our output, but although we shall continue to do everything we can to offset the reduced water-supply by economies in consumption and use of bore-well water, we hope that the former full supply of Corporation water will be restored shortly.

"Although during the year we were involved in long discussions and negotiations with the Labour Association on a number of issues, I am glad to say that there were no stoppages of work causing loss of production.

"Your Directors have set aside Rs. 3 lakhs to cover the estimated cost of workpeople's housing during 1957, including the electrification of all the houses in Binnypet Village.

Accounts

"The published accounts, particularly the profit and loss account, have this year been shown in much greater detail and, I think, give you all the information you require regarding the financial position and the trading results of the Company.

"Although there was a slight reduction in the profits of the cotton section, satisfactory trading in all other sections was responsible for the improvement in the profits when compared with the previous year.

"You will observe from the comparative figures given in the Directors' report that the allocations for depreciation, bonus, officers' retiring fund and dividends remain approximately the same, but that it has been necessary to increase the provision for taxation by Rs. 9½ lakhs in order to cover the liability on the higher profits and also that arising from the additional burdens placed on companies by the Finance Acts of 1956.

Dividend Tax

"In this regard, I refer to the incidence of the increased dividend tax which is particularly severe on companies where the ordinary capital represents a relatively small proportion of the total effective capital. In the case of your Company, for example, the ordinary dividend represents a modest distribution of profits of slightly over 4 per cent. on the ordinary capital plus the reserves and it seems to me inequitable that we should be called upon to pay the excess dividend tax. However, merely because this tax is assessed arbitrarily on the rate of dividend on the ordinary capital, we are liable to an additional tax of Rs. 2,83,500.

"Your Directors view with grave concern the implications of the provisions relating to the compulsory deposit with the Central Government of certain proportions of accumulated and current reserves. This Company, which has consistently followed the conservative financial policy of a reasonable allocation of profits between dividends and reserves is all the more adversely affected by this recent legislation and I can only hope that the draft rules, which have recently been published for general information, will finally make it clear beyond all doubt that those companies where the reserves are being fully used for the purposes of the business will be exempt from making such deposits.

Capitalisation of Reserves

"At an extraordinary general meeting of the Company held on 29th March 1957 the necessary resolutions authorising the capitalisation of Rs. 81 lakhs from reserves and the issue to shareholders of two ordinary shares for each ordinary share held by them on that date were unanimously passed and the new share certificates are now being prepared and will shortly be issued to shareholders.

"You have already received notice of an extraordinary general meeting which is to be held later this morning for the purpose of passing certain resolutions regarding the reappointment of Binny & Co. (Madras) Ltd. as Managing Agents of the Company for a period of 10 years with effect from 1st January 1957. The results of their management over a long period of years are well known to you. I am happy to inform you that the Central Government have approved of their reappointment and your Directors recommend these resolutions for your approval.

(*Continued on page* 910)

CENTURY MILL'S EARNINGS IMPROVE

LARGE DEVELOPMENT REBATE EARNED—RAYON PLANT EXPANSION GOING AHEAD

A WELCOME improvement in earnings is disclosed by the audited accounts of the Century Spinning and Manufacturing Company, Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Bombay), for the year ended 31st December 1956. The Company's gross profit has advanced by Rs. 8.99 lakhs to Rs. 96.64 lakhs, thus nearly making good the decline suffered in the previous two years when the profit dropped from Rs. 96.82 lakhs to Rs. 87.65 lakhs. The net profit, which had also declined from Rs. 51.82 lakhs in 1953 to Rs. 34.10 lakhs in 1955, has jumped to Rs. 56.11 lakhs. The expansion in earnings is encouraging, particularly when viewed in the context of the difficult trading conditions which prevailed during the year, following the two successive increases in excise duty on cloth, once in March and again in September 1956.

The provision for taxation has been reduced from Rs. 31 lakhs to Rs. 3.11 lakhs, thanks to the substantial depreciation allowances and development rebate the Company is entitled to in respect of the new plant and machinery installed during the year. This is indicated by the substantial increase in the provision for depreciation from Rs. 15 lakhs to Rs. 30.81 lakhs and the creation of a development reserve out of the development rebate of Rs. 55 lakhs. The dividend has been maintained at 22 per cent. for the fourth year in succession, to which level it had been stepped up in 1953 from 20 per cent. paid for 1951 and 1952. The dividend which absorbs Rs. 24.07 lakhs is paid out of dividend equalisation reserve, as the profit available for appropriation after setting aside Rs. 55 lakhs, representing the development rebate to the development reserve, is sufficient to pay a dividend of only one per cent. No other allocation to reserves has, therefore, been possible.

The following comparative table will bring out clearly the progress of the Company during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	7,80.32	8,25.73	7,88.06	7,25.40
Stocks of finished goods and materials in process	1,82.22	1,17.06	2,11.44*	1,78.75*
Expenses	7,55.01	7,13.09	7,04.81†	6,34.78†
Gross profit	96.64	87.65	87.89	96.82
Managing Agents' commission	6.45	7.55	3.80	..
Provision for—				
Depreciation	30.81	15.00	12.00	12.50
Taxation	3.11	31.00	29.50	32.50
Net profit	56.27	34.10	42.59	51.82
Transfer from dividend equalisation reserve	24.07	..	..	..
To reserves	55.00	35.00	..	20.24
Dividend	24.07	24.07	24.07	24.07
	(22%)	(22%)	(22%)	(22%)
Carry forward	7.62	6.35	31.33	12.81

* Includes cloth, cotton, yarn and waste.
† Only approximate.

The difficult trading conditions mentioned are duly reflected in the drop of Rs. 45.41 lakhs in the Company's sale proceeds, in distinct contrast to the rise of Rs. 37.67 lakhs in the preceding year. In fact, the year opened with bright trading conditions but the increase in excise duty on cloth from 1st March 1956 had some adverse effect on offtake. Subsequently, there was a mild recovery, but this was once again offset by the further increase in duty with effect from 1st September. The extent to which the rise in excise duty has affected the turnover is further reflected in the sharp rise in the closing stocks at the end of the year by as much as Rs. 65.16 lakhs. Expenses have also risen from Rs. 713.09 lakhs to Rs. 755.01 lakhs; this is partly due to the Company's rayon factory at Kalyan which went into production in September 1956.

Commenting on the Company's working during the year, the Directors state that the textile mill worked smoothly and efficiently except for the closure due to disturbances following the publication of the States Reorganisation Committee's report. Staggering of mill holidays due to restriction on power supply continued throughout the year but this was discontinued early in 1957. The work on the expansion of the rayon plant to a capacity of 12 tons per day is progressing. A large part of the necessary machinery ordered out for expansion has arrived. The building work for such expansion is also in progress.

The paid-up capital of the Company as on 31st December 1956 remains unchanged at Rs. 109.43 lakhs in ordinary shares of Rs. 100 each. As against this, the reserves and surplus aggregate Rs. 292.93 lakhs. The current liabilities at Rs. 324.90 lakhs include secured loans from a bank to the tune of Rs. 142.95 lakhs, these having gone up from Rs. 25 lakhs at the end of 1955. The gross block of the value of Rs. 606.67 lakhs (Century Mills, Rs. 287.31 lakhs and Century Rayon Rs. 319.36 lakhs) stands written down to Rs. 373.75 lakhs. Additions during the year were of the order of Rs. 76.09 lakhs. The current assets aggregate Rs. 356.51 lakhs and include investments in Government securities and shares of companies amounting to Rs. 11.29 lakhs, stores and spare parts, etc. Rs. 25.43 lakhs, stock-in-trade of Rs. 247.38 lakhs, debts, deposits and advances Rs. 64.85 lakhs and cash and bank balances Rs. 7.54 lakhs. The current assets cover the current liabilities and provision for taxation by a comfortable margin of Rs. 28.61 lakhs.

In order to bring the paid-up capital more in consonance with the block value, the Directors decided at the close of the year of review to increase the authorised capital of the Company from Rs. 1.5 crores to Rs. 5 crores—and the subscribed capital by Rs. 164.14 lakhs to Rs. 273.57 lakhs by capitalising reserves and issuing fully paid-up bonus shares in the proportion of three shares for every two shares held. The application to the Controller of Capital Issues for the issue of the bonus shares will be made as soon as the policy of the Government in respect of bonus shares is clarified.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 459.50 *cum-div.* (final dividend Rs. 14 per share). On an *ex-div.* basis, the shares provide a yield of 4.93 per cent. per annum, free of income-tax.

INDUSTRIAL INVESTMENT TRUST

The audited accounts of the Industrial Investment Trust Ltd. (Secretaries: Messrs. Premchand Roychand & Sons, Bombay) for the year ended 31st December 1956, disclose that the year proved to be one of further progress for the Company. The gross revenue at Rs. 6.96 lakhs is a shade better than that of Rs. 6.88 lakhs earned in the previous year, and the profit before taxation shows an increase from Rs. 5.82 lakhs to Rs. 6 lakhs. It must, however, be noted that the improvement in both gross revenue and profit has been less marked than in 1955. The dividend has nevertheless been raised to 5 per cent. after having been maintained at 4½ per cent. for the previous five years.

The Company's income by way of dividends on shares and interest on debentures and securities (less tax) amounts to Rs. 6.72 lakhs as against Rs. 6.79 lakhs for 1955, but this slight decline has been made good by a larger income of Rs. 24,182 from other sources, as against Rs. 8,691 in 1955. Of this income from other sources, the profit on sale of investments accounts for Rs. 11,511 and compares favourably with Rs. 6,013 earned in the previous year. Expenses have further declined substantially from Rs. 74,583 to Rs. 64,551. The Secretaries' commission is higher at Rs. 32,091, as compared with Rs. 31,154 for 1955.

The profit has been supplemented by a sum of Rs. 2,621 being the refund of U.K. income-tax, as against *nil* a year ago. After bringing Rs. 2.83 lakhs from the previous year, the Directors have transferred a sum of Rs. 11,511 to capital reserve being the net profit on sale of investments, as against Rs. 6,013, and Rs. 50,000 to investment reserve as against Rs. 25,000 in the preceding year. The higher dividend of 5 per cent. absorbs Rs. 5 lakhs leaving a balance, subject to taxation for the four years 1953 to 1956 of Rs. 3.24 lakhs to be carried forward, as against Rs. 2.83 lakhs brought in.

The Trust has got a paid-up capital of Rs. 99.99 lakhs in shares of Rs. 100 each. As against this, the reserves and surplus aggregate Rs. 23.37 lakhs. The Company's investments are slightly higher at Rs. 1.23 crores as against Rs. 1.22 crores at the end of 1955. A break-up analysis of these investments shows that Government securities account for Rs. 2.94 lakhs, as against Rs. 4.12 lakhs a year earlier, ordinary shares for Rs. 92.90 lakhs (Rs. 91.18 lakhs), preference shares for Rs. 19.15 lakhs (Rs. 18.81 lakhs) and debentures for Rs. 7.62 lakhs (Rs. 7.62 lakhs). The approximate valuation of the Company's investments at market quotations as on 31st December 1956, or in the case of unquoted investments at the book value, was higher than the total book value, by 3.1 per cent. as against 8.15 per cent. at the end of 1955.

The classification of the investments according to denominations of the securities shows that ordinary shares and stock account for 75.77 per cent., preference shares for 15.62 per cent. and Government securities and debentures for 8.61 per cent. The distribution of investments among different classes of undertakings shows that as much as 20.42 per cent. is invested in miscellaneous companies, 12.91 per cent. in cotton and silk mills, 9.76 per cent. in electricity and tramways, 9.46 per cent. in sugar industry, 9.29 per cent. in jute mills, 7.42 per cent. in banks and 5 per cent. in iron and steel industry.

PODAR MILLS' PROFIT SHADE BETTER

DIVIDEND MAINTAINED

A SLIGHT improvement in earnings is disclosed by the audited accounts of the Podar Mills Ltd. (Managing Agents: Messrs. Podar Sons Private Ltd., Bombay) for the year ended 31st December 1956. Thus, the gross profit, at Rs. 12.32 lakhs, is a shade better than that for the previous year, at Rs. 12.09 lakhs. The increase in profit is no doubt small, but it has enabled the Company not only to arrest the downward trend noted in the previous three years but also to reverse it. This should be considered satisfactory in view of the difficult trading conditions which prevailed in the closing months of the year, following the levy of additional excise duty on cloth in September 1956. The net profit, after providing for Managing Agents' commission, depreciation and taxation stands at Rs. 6 lakhs, as against Rs. 5.99 lakhs in the preceding year. The Managing Agents' commission is slightly lower at Rs. 1.07 lakhs, as against Rs. 1.10 lakhs, as also taxation at Rs. 4 lakhs, as against Rs. 5 lakhs. A sum of Rs. 1.25 lakhs has been set aside for depreciation which had not received anything in the previous year. No allocation to the reserves has been made for the second year in succession. The distribution to the shareholders has been maintained at 12 per cent., to which level it had been stepped up in the previous year from 10 per cent. per annum paid for the previous four years. This is inclusive of the special bonus of 2 per cent. by which the level of distribution was raised a year ago.

The following comparative table discloses the progress of the Company's working for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	1,62.96	1,59.50	1,66.97	1,60.31
Closing stocks	18.75	17.81	22.26	26.66
Other income	1.84	1.59	1.70	1.58
Cotton consumed	93.93	88.02	92.39	84.47
Expenses	59.50	61.52	56.35	54.40
Loss on shares	..	..	..	0.14
Gross profit	12.32	12.09	13.83	19.66
Managing Agents' commission	1.07	1.10	1.29	1.89
Provision for—				
Depreciation	1.25	..	0.50	1.00
Taxation	4.00	5.00	5.50	8.00
Net profit	6.00	5.99	6.54	8.77
To reserves	..	..	2.00	2.63
Dividends—				
4 per cent. preference	0.40	0.40	0.40	0.40
Ordinary	4.80 (D. 10% +D. 2%)	4.80 (D. 10% +D. 2%)	4.00 (D. 10%)	4.00 (D. 10%
Carry forward	4.73	3.93	3.14	2.99

It will be noted from the above table that the Company's sales turnover has made a welcome improvement of Rs. 3.46 lakhs in contrast to the fall of Rs. 7.47 lakhs in the preceding year. Cost of cotton consumed also has risen by Rs. 10.91 lakhs. Expenses, which had been progressively mounting up for the past five years, are lower by Rs. 2.02 lakhs.

Financial Position

The Company's financial position, as disclosed by its latest balance-sheet, is quite sound. Its paid-up capital remains unchanged at Rs. 50 lakhs, divided into 40,000 ordinary shares of Rs. 100 each and 10,000 four per cent. tax-free, cumulative preference shares of Rs. 100 each. This is supplemented by reserves and surplus aggregating Rs. 50.37 lakhs. The provision for taxation stands at Rs. 24.43 lakhs and current liabilities aggregate Rs. 22.77 lakhs. The gross block of Rs. 48.70 lakhs, with additions during the year amounting to Rs. 9.16 lakhs, has been written down to a book value of Rs. 24.45 lakhs. The current assets aggregate Rs. 123.13 lakhs, and include, among others, investments in Government securities and shares of companies together with interest accrued for Rs. 32.63 lakhs, stock-in-trade for Rs. 26.37 lakhs, debts, deposits and advances for Rs. 22.74 lakhs and cash balances for Rs. 39.16 lakhs. The cash balances show a drop from Rs. 72.28 lakhs as at the close of the previous year which is partly accounted for by the additions to fixed assets and the rise of Rs. 13.78 lakhs in investments.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 164.00 *cum-div.* (final Rs. 7 per share). On an *ex-div.* basis, the yield on the shares works out to 7.64 per cent. per annum, free of income-tax.

JAY SHREE TEA MAINTAINS DIVIDEND

The results of working of the Jay Shree Tea Gardens Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) during the year ended 31st December 1956, show that the past year has proved to be a fairly prosperous one. The Company's gross profit amounted to Rs. 31.69 lakhs, representing an increase of Rs. 6.82 lakhs over that for the previous year, in refreshing contrast to the fall of Rs. 24.18 lakhs suffered in 1955. The generally higher prices of tea which prevailed during the year and the encouraging exports have contributed to the improvement in earnings of the Company. It must, however, be noted that the earnings for the year under review include those of the Risheehat Tea Company, Ltd., which was taken over with effect from 1st January 1956 but excludes those of the Invercauld Tea Estate which was sold with effect from the same date. While the year's profit is thus better than that earned a year ago, it is still far short of the record profit of 1954 at Rs. 49.05 lakhs.

The net profit has increased from Rs. 8.89 lakhs to Rs. 12.54 lakhs, after providing Rs. 7.88 lakhs for depreciation (Rs. 7.90 lakhs in 1955) and raising the provision for taxation from Rs. 6.50 lakhs to Rs. 9 lakhs. Out of the net profit, a sum of Rs. 1.09 lakhs has been set aside for previous year's adjustments. After writing back Rs. 2.75 lakhs, being the excess provision for taxation no longer required, the Directors have transferred a sum of Rs. 8.50 lakhs to general reserve, as against only Rs. 2.50 lakhs set aside last year. The Directors propose to pay a dividend of 10 per cent. per annum, the same as that paid for 1954 and 1955. The dividend absorbs Rs. 5.86 lakhs, leaving a balance of Rs. 98,818 to be carried forward, as against Rs. 72,556 brought in.

The following synopsis of the Company's latest balance-sheet reflects its sound financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital	59,28,575	Net block	1,08,07,410
Preference share application money account	4,800	Stock-in-trade	35,96,073
Reserves and surplus	46,15,869	Stores	11,13,434
Provision for taxation	17,07,374	Debts, deposits and advances	23,66,331
Liabilities	60,13,532	Investments	2,74,587
		Cash	1,99,315
		Suspense	3,000
Total	Rs. 1,83,60,150	Total	Rs. 1,83,60,150

During the year under review, the Company issued 29,285 six per cent. tax-free, redeemable cumulative preference shares of the face value of Rs. 100 each. These were, in the first instance, offered to the existing shareholders and after their demands are met, the Directors have decided to offer the remaining shares to the public. As at the close of the year, 1,706 preference shares of Rs. 100 each have been subscribed, of which Rs. 50 per share have been called up. Substantial capital additions to the factory buildings, staff quarters, labour quarters as well as installation of modern machineries were undertaken during the year. The Company has made an application for permission to issue bonus shares to the existing ordinary shareholders in the ratio of one bonus share for every three existing shares. The application is still pending with the Government.

The Company has undertaken schemes to expand its activities in other industrial and commercial spheres. It has, thus, started a tea warehousing department and a department for import of iron and steel. It has further obtained a licence for the manufacture of 50 tons of sulphuric acid and 100 tons of superphosphate per day. The Directors, however, strike a note of caution in respect of all these schemes, in view of the general uncertainty of the markets, financial stringency and the threat of increased taxation.

ALKALI AND CHEMICAL

The Directors of the Alkali and Chemical Corportation of India Ltd. have given careful consideration to the number of acceptances and renunciation letters which have reached the Company in respect of the recent issue of 2,480,000 'A' ordinary shares. They feel that shareholders may wish to have further time in which to deal with the new shares provisionally allotted to them and they have, therefore, decided to extend the time by which the forms must reach Lloyds Bank from 27th April to the close of business on 11th May 1957.

This means that the shareholders have time until 11th May to follow the instructions given to them in the provisional allotment letter dated 3rd April.

NATIONAL CARBON CO.

The National Carbon Co. (India) Ltd. announces that its earnings before tax during 1956 amount to Rs. 90.43 lakhs compared to Rs. 86.82 lakhs for the year 1955. Tax provision for the year absorbs Rs. 43.62 lakhs as against Rs. 36.66 lakhs for the preceding year. Depreciation is higher at Rs. 9.12 lakhs as against Rs. 7.69 lakhs.

The expansion programme of the Company will continue to involve heavy capital expenditure. The directors have recommended that a final dividend of 7½ per cent. be paid. This, plus the interim dividend of 7½ per cent. distributed earlier in the year, will result in a total distribution of 15 per cent. for the year.

SATHE BISCUIT AND CHOCOLATE CO.

The directors of Sathe Biscuit and Chocolate Company, Ltd., report the Company's sales for the year ended 31st March 1957 have increased by over Rs. 9 lakhs to Rs. 33 lakhs and gross profit by Rs. 3 lakhs to Rs. 5 lakhs, subject to depreciation and audit. The Company is issuing a fresh capital of Rs. 5 lakhs in the form of 7 per cent. cumulative preference shares.

Points From The Chair

State Trading in Manganese

"IN December last, the Chairman and other representatives of the Syndicate interviewed the officials of the State Trading Corporation in Delhi and, as a result of the discussions which took place, the S.T.C. promised all reasonable facilities in future for disposal of your Company's ores. However, it may not be out of place to mention here the risk involved to the country's economy as a whole, arising from the advent of State trading in manganese ore. This is the risk of forcing overseas buyers in gradually increasing measure to turn to new sources of supply, with the result that India's very valuable export trade in this commodity might be very seriously reduced, or even irreparably damaged. State trading has introduced a dislocation or partial disruption of the old trade channels at a time when the export duty on manganese ore together with higher freight rates for shipping caused by the closure of the Suez Canal, have substantially increased overall costs to the consuming countries."

A. N. HAKSAR,
Shivrajpur Syndicate Ltd.

Demand for Cloth

"I am still convinced that within the next year or two the demand for cloth is likely to exceed supply, and I hope, therefore, that Government will not unduly prolong the implementation of their plans, announced in June 1956, for increasing cloth production. As you will remember, these plans included the handloom industry and the mills, not to mention the powerlooms and the Ambar Charka: for the mills the plan was to install 14,600 additional automatic looms to produce 350 million yards of cloth for export. The conditions attached by Government to the scheme for expansion of the mill industry are most exacting, particularly in the obligation that all the production of the new looms must be exported in addition to almost all the production previously exported. For every yard of the guaranteed quantity not exported, it is intended that a penal duty will be levied on the mill concerned. This condition involves a serious business risk for the industry, in view of the ever-increasing competition in overseas markets, which has been reflected in the progressive decline in India's exports of cloth for the past three years."

R. E. CASTELL,
Buckingham & Carnatic Co., Ltd.

Inflation

"It is sometimes averred that, in an underdeveloped economy, a steady inflationary tendency is contributory to rapid economic growth, but the crucial problem of the Indian economy today is the desire to instill increased purchasing power amongst the peasantry and at the same time, maintain relatively stable prices of things which really count—things like food, clothing and shelter. The menace of inflation is aggravated not merely by the extent and magnitude of deficit financing—a crore a day is the figure revealed in the March Budgetary Statement—but also by the multiplier effect of the distinguishable type of priming through an ever-increasing flow of public expenditure. Illustratively, it is rarely recognised that the injection of an extra ton of steel, worth, say, Rs. 600, involves new expenditure of almost Rs. 2,000 when the ton of steel is put to use. Consider the consequences of the heroic efforts in 1956 in releasing in the country an additional million tons of steel, a couple of million tons of cement, perhaps a million tons of foodgrains and 20 per cent. more cloth—this vast multiplier expenditure in the country would undoubtedly swell the volume of purchasing power and generate a great inflationary demand. So even as the facts of political life in India make a smaller or slower plan of development impossible, the facts of economic life do not permit us to ignore the very real threat of inflation, of rapid corrosion in the real value of the rupee, which, if it occurs, will also have political repercussions."

K. C. MAHINDRA,
Indian Aluminium Co., Ltd.

Meeting New Needs

"I have already indicated that the prime object of our research is to enable us to forecast and meet the new needs arising in a world of change. I do not pretend our motives are entirely altruistic. In a competitive age, failure in our efforts to produce new and better and cheaper products will cause the expansion which is the hallmark of a dynamic business to fade and die. It is by the discovery of new and better products that we keep our place in the race. It is by improving methods and processes and reducing the costs of manufacture that we bring our products within the reach of new classes of customers and so expand our markets. And here again, scientific research must be supported by sound market research, for, whatever the intrinsic merits of the product, it is futile to produce it if the public will not or cannot buy it. The interplay of scientific research and market research must, therefore, be close and continuous. It is some evidence of the importance which we attach to market research that we spend on it each year an amount no less than half that of our annual expenditure on scientific research and development throughout the world. Another object of research which follows as a natural consequence of rising standards of living and growing populations is the search for new raw materials that can be processed to yield ingredients for existing or novel products. Not only can this make more of these products available to satisfy increasing demands and cheapen the cost, but it often releases for other essential purposes the raw materials hitherto used."

THE LORD HEYWORTH,
Unilever Limited London.

COMPANY MEETINGS AND DIVIDENDS

INDUSTRIAL INVESTMENT TRUST LTD. Annual General Meeting, Bombay, 7th May 1957. Dividend: Rs. 5.00 per share, payable on and after 20th May 1957. Transfer books remain closed from 22nd April to 11th May 1957, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 8th May 1957. Dividend: Rs. 11.00 per share (includes bonus of Re. 1.00 per share), payable on and after 14th May 1957. Transfer books remain closed from 22nd April to 10th May 1957, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th May 1957. Dividend: *Nil*. Transfer books remain closed from 22nd April to 8th May 1957, both days inclusive.

BLACKWOODS INDIA LTD. Annual General Meeting, Calcutta, 10th May 1957. Transfer books remain closed from 29th April to 10th May 1957, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 15th May 1957. Dividend: Rs. 22.00 per share, payable on and after 22nd May 1957. Transfer books remain closed from 22nd April to 14th May 1957, both days inclusive.

PODAR MILLS LTD. Annual General Meeting, Bombay, 16th May 1957. Dividend: Rs. 7.00 per share (final dividend Rs. 5.00 per share plus bonus of Rs. 2.00 per share), payable on and after 17th May 1957. Transfer books remain closed from 25th April to 16th May 1957, both days inclusive.

CAMBODIA MILLS LTD. Annual General Meeting, Coimbatore, 20th May 1957. Dividend: Re. 0.50 (5 per cent.) per share. Transfer books remain closed from 4th to 20th May 1957, both days inclusive.

SVADESHI MILLS LTD. Annual General Meeting, Bombay, 20th May 1957. Dividend: Rs. 14.00 per share (includes bonus of Rs. 2.00 per share), payable on and after 21st May 1957.

PRESIDENCY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 21st May 1957. Transfer books will remain closed from 7th to 21st May 1957, both days inclusive.

MAHINDRA AND MAHINDRA LTD. Annual General Meeting, Bombay, 22nd May 1957. Dividend: Re. 1.25 per share. Transfer books will remain closed from 8th to 22nd May 1957, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 22nd May 1957. Dividend: Rs. 3.50 per share (includes bonus of 50 nP per share), payable on and after 23rd May 1957.

AURUNGABAD MILLS LTD. Annual General Meeting, Bombay, 23rd May 1957. Transfer books will remain closed from 13th to 25th May 1957, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 24th May 1957. Dividend: Re. 1.25 per share (includes bonus of Re. 0.25 per share), payable on and after 28th May 1957. Transfer books will remain closed from 16th to 25th May 1957, both days inclusive.

JAY SHREE TEA GARDENS LTD. Annual General Meeting, Calcutta, 31st May 1957. Dividend: Re. 1.00 per share. Transfer books will remain closed from 13th to 31st May 1957, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. Annual General Meeting, Calcutta, 7th June 1957. Dividend: Rs. 0.75 per share (final), payable on or after 25th June 1957. Transfer books will remain closed from 18th May to 7th June 1957, both days inclusive.

COWCODDY ESTATES LTD. Interim dividend of Re. 0.50 (25 per cent.), per share, for the year ending 30th June 1957. Transfer books remain closed from 4th to 11th May 1957, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Dividend of Re. 0.37 per share for the year ended 31st October 1956.

BENGAL COAL CO., LTD. Dividend of Rs. 10.00 per share, for the year ended 31st October 1956.

MINERVA MILLS LTD. Dividend of Rs. 6.00 per share, for the year ended 31st December 1956, payable on 24th June 1957. Transfer books will remain closed from 13th May to 8th June 1957, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Dividend of Rs. 14.00 per share, for the year ended 31st December 1956, payable on 14th June 1957. Transfer books will remain closed from 20th May to 13th June 1957, both days inclusive.

KILLICK INDUSTRIES LTD. Interim dividend of Rs. 4.00 per share for the year ending 30th June 1957, payable on 28th May 1957. Transfer books will remain closed from 13th to 27th May 1957, both days inclusive.

SHARP RISE IN PROFITS OF GOLD MOHUR AND SWAN MILLS

BELSUND SUGAR PAYS MORE

Gold Mohur Mills, Ltd.

THE directors of the above Company (Agents: Messrs. James Finlay & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1956.

The trading profit for the year, after allowing Rs. 6,25,000 (Rs. 4,63,000) for depreciation and Rs. 4,70,000 (Rs. 2,66,000) for taxation, amounted to Rs. 12,49,421 (Rs. 9,48,977). Adding the amount brought forward from previous year of Rs. 36,368 (Rs. 2,04,390) there was a total of Rs. 12,85,789 (Rs. 11,53,367). From this amount the directors appropriated to general reserve account Rs. 1,00,000 (*nil*), to development rebate reserve account Rs. 43,000 (Rs. 3,37,000), to retiring gratuity reserve account Rs. 2,35,000 (Rs. 30,000) and to payment of a dividend at the rate of Rs. 15 (Rs. 15) per share on 50,000 shares (free of income-tax) Rs. 7,50,000 (Rs. 7,50,000) leaving a balance of Rs. 1,57,789 (Rs. 36,368) to be carried forward to next year's accounts.

Machinery has been well maintained during the year and orders were placed for the installation of flourescent lighting in certain spinning departments as well as in the folding department.

Prices and deliveries of cloth were satisfactory for the first eight months of the year, but these declined in the latter portion of the year coincident with the increase in excise which came into effect from 1st September 1956. The additional amount of excise as a result of this increase is estimated at approximately Rs. 23,00,000 per annum.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	31,69,259
Reserves ...	48,98,022	Stock-in-trade ...	86,59,605
Provision for taxation ...	8,77,450	Stores, spares, etc.	6,93,650
Liabilities ...	32,48,686	Debts, deposits and advances ...	11,31,174
Profit and loss account ...	1,57,789	Investments	81,000
		Cash ...	4,47,259
Rs.	1,41,81,947	Rs.	1,41,81,947

Swan Mills, Ltd.

The directors of the above Company (Agents: Messrs. James Finlay & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1956.

The trading profit for the year, after allowing Rs. 10,50,000 (Rs. 11,30,000) for depreciation and Rs. 3,40,000 (Rs. 8,00,000) for taxation amounted to Rs. 14,00,845 (Rs. 9,46,266). Adding the amount brought forward from previous year of Rs. 1,51,030 (Rs. 3,59,764) there was a total of Rs. 15,51,875 (Rs. 13,06,030). From this amount the directors appropriated to general reserve account Rs. 1,00,000 (Rs. 1,00,000), to development rebate reserve account Rs. 2,25,000 (Rs. 1,25,000), to retiring gratuity reserve account Rs. 2,25,000 (Rs. 30,000) and to payment of dividend at the rate of Rs. 25 (Rs. 25) per share, on 36,000 shares (free of income-tax) Rs. 9,00,000 (Rs. 9,00,000) leaving a balance of Rs. 1,01,875 (Rs. 1,51,030) to be carried forward to next year's accounts.

An order has been placed for the installation of an air-conditioning plant for the spinning department. Some additional machinery was installed in the cord department during the year. Machinery has been well maintained during the year.

Prices and deliveries of cloth were satisfactory for the first eight months of the year, but these declined in the latter portion of the year coincident with the increase in excise which came into effect from 1st September 1956. The additional amount of excise as a result of this increase is estimated at approximately Rs. 12,00,000 per annum.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,00,000	Block ...	45,17,754
Reserves ...	65,13,465	Stock-in-trade ...	1,09,04,497
Provision for taxation ...	9,35,240	Stores, spares, etc.	10,21,996
Liabilities ...	77,54,603	Debts, deposits and advances ...	23,84,200
Profit and loss account ...	1,01,875	Investments	71,600
		Cash ...	5,136
Rs.	1,89,05,183	Rs.	1,89,05,183

Belsund Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September 1956.

The results for the year after providing for depreciation shows a profit of Rs. 9,86,373 (Rs. 3,36,483) from which has been deducted for taxation Rs. 4,80,000 (Rs. 1,39,502) leaving a balance of Rs. 5,06,373 (Rs. 1,96,981). To this amount has been added the amount brought forward from the previous year of Rs. 51,985 (Rs. 49,906) making a total available for appropriation of Rs. 5,58,358 (Rs. 2,46,887). This the directors recommend, should be disposed off as follows:—

To transfer to development reserve Rs. 1,00,000 (*nil*), transfer to reserve Rs. 1,25,000 (*nil*) and to pay a dividend at Re. 1 (As. 12) per share free of income-tax for the year ended 30th September 1956 Rs. 2,59,870 (Rs. 1,94,903) leaving to be carried forward to the next account Rs. 73,488 (Rs. 51,985).

The factory commenced crushing on 17th November 1955 and finished on 29th May 1956 with a total crush of 37,64,594 mds. of cane, as compared to 19,84,371 mds. of cane in the previous year. The quality of cane available was normal and the recovery was 10 per cent. compared to 10.72 per cent. in the previous year.

The minimum cane price was Re. 1-7 per md. at the factory and Rs. 1-5 per md. at outstations. Cane cess was levied at As. 3 and Cane Co-operative Society's Commission was 9 pies per md. of cane.

Season 1956-57:—It is expected that more than 30 lakh mds. of cane will be crushed during this year. The Government of India is allowing export of sugar and the local market is maintaining steady condition.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,49,050	Block ...	8,44,538
Reserves ...	8,25,000	Stock ...	36,57,095
Provision for taxation ...	6,05,000	Stores, etc. ...	8,44,679
Liabilities ...	39,43,962	Debts, deposits and advances ...	19,06,180
Profit and loss account ...	73,488	Investments	35,839
		Cash ...	1,08,169
Rs.	73,96,500	Rs.	73,96,500

Nellimarla Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June 1956.

The profit for the half-year, after making adjustments and providing for depreciation Rs. 37,356 (Rs. 56,200) and taxation Rs. 1,90,000 (Rs. 1,85,000), amounts to Rs. 2,29,504 (Rs. 2,36,215) to which must be added the credit balance brought forward from the previous half-year of Rs. 1,08,257 (Rs. 1,31,394), unclaimed dividends forfeited Rs. 6,325 (Rs. 4,530) and difference on gunny contracts in respect of previous period adjusted Rs. 7,000 (Rs. 16,344) making a total of Rs. 3,51,086 (Rs. 4,65,003 which includes Rs. 76,520 being E.P.T. Post-war refund). After deducting forfeited dividends paid Rs. 425 (*nil*) there is a balance of Rs. 3,50,661 (Rs. 4,65,003) from which the directors have transferred to reserve for machinery renewals Rs. 75,000 (Rs. 1,75,000) leaving an available balance of Rs. 2,75,661 (Rs. 2,90,003). This amount the directors recommend should be distributed as follows:—

To dividend on 5,000 preference shares at 6 per cent. per annum for the half-year ended 30th June 1956, or Rs. 3 per share Rs. 15,000 (Rs. 15,000) and dividend on 2,62,500 ordinary shares at 10 per cent. per annum for the half-year ended 30th June 1956, or Re. 0.50 (Re. 0.50) per share Rs. 1,31,250 (Rs. 1,31,250) leaving to be carried forward Rs. 1,29,411 (Rs. 1,43,753).

Jute stocks are shown at or under cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June 1956, have been valued at market rates.

The Mills continued to work in accordance with the main and supplementary working time agreements of the Indian Jute Mills Association. Trading conditions were fair during the period under review. Labour relations were satisfactory during the period.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,25,000	Block ...	7,59,219
Debentures ...	5,00,000	Stock-in-trade ...	21,21,500
Reserves ...	27,00,000	Stores and spare parts	3,99,124
Provision for taxation ...	9,54,776	Debts, deposits and advances ...	23,22,298
Liabilities ...	11,05,525	Investments	5,88,175
Profit and loss account ...	1,29,411	Cash	23,24,396
Rs.	85,14,712	Rs.	85,14,712

Purtabpore Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Private Ltd., Kanpur) submit the audited accounts of the Company for the year ended 31st October 1956.

It will be observed that the accounts are presented in the new form required by the Companies Act, 1956.

The results for the year, after making the usual provisions, charging depreciation, and adjustments, show a profit of Rs. 3,91,334 (Rs. 3,00,414) to which has been added the carry forward from the previous year of Rs. 6,871 (Rs. 3,957) making a total of Rs. 3,98,205 (Rs. 3,04,371). The directors have transferred to rehabilitation reserve account Rs. 2,50,000 (Rs. 1,20,000) leaving at credit of profit and loss account Rs. 1,48,205 (Rs. 1,34,371 after placing Rs. 50,000 to contingencies reserve). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend of 10 per cent. on the preference shares, free of income-tax, for the year ended 31st October 1956, absorbing Rs. 60,000 (Rs. 60,000), in payment of a dividend of As. 12 (As. 12) per share, free of income-tax, on the ordinary shares for the year ended 31st October 1956, absorbing Rs. 67,500 (Rs. 67,500) and carry forward Rs. 20,705 (Rs. 6,871).

The quantity of cane crushed by the factory during season 1955-56, was very similar to that in the previous season namely 25,97,018 (26,15,826) maunds but the extraction improved from 10.15 per cent. in the previous season to 10.22 per cent. in the season under review. The factory commenced crushing on the 1st December 1955, and completed the season on the 14th April 1956.

The cane price remained at the high rate of Re. 1-7 per maund for Factory gate and Re. 1-5 per maund at out-stations, and while the factory did not receive any increase in the quantity of cane crushed, in other parts of India that high cane price produced a very high quantity of cane and a corresponding increase in the quantity of sugar produced in the country. The result of this high production of sugar tended to reduce the market price for sugar and also to increase the quantity of sugar carried over from the season under review to the next season. This carry over of stocks was also aggravated by a shortage of Railway Wagons on the N.E. Railway in the early part of the year and this also had its effect in depressing the market price of sugar.

The efficiency of factory operation continued at a very high level while the Company's estates continued to supply cane to the factory and seed cane to growers to assist in improving both the quantity and the quality of the cane offered for crushing.

Rehabilitation reserve has been utilised to the extent of Rs. 5,50,000. This Company is a subsidiary of The British India Corporation Ltd., as defined by the Companies Act, 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	12,45,157
Reserves ...	19,64,817	Stock-in-trade	20,35,027
Provision for taxation ...	83,348	Stores and spare parts	9,27,929
Liabilities ...	22,38,943	Loose tools ...	51,786
Profit and loss account ...	20,705	Debts, deposits and advances ...	13,85,034
		Investments	1,50,052
		Cash ...	12,828
Rs.	58,07,813	Rs.	58,07,813

Jawahar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Umaiyambika & Co., Salem) submit the audited accounts of the Company for the year ended 31st December 1956.

After deducting all working expenses and interest and providing Rs. 2,26,057 (Rs. 2,34,762) for depreciation, the year's working has resulted in a net profit of Rs. 13,48,418 (Rs. 8,91,769). From this sum, the directors have expended for bonus for 1951 Rs. 11,191, for donation Rs. 777 (Rs. 894), for bonus for the year 1955 Rs. 163 and for carrying charges in respect of cotton contracted for and purchased in previous years Rs. 15,000, with the sum of Rs. 83,416 profits carried forward from last year, there is a sum of Rs. 14,04,703 (Rs. 9,28,598) to the credit of profit and loss account which the directors recommend to dispose of as follows:

To provision for taxes Rs. 6,30,000 (Rs. 3,30,000), for general reserve Rs. 3,00,000 (Rs. 1,22,682), for dividend equalisation reserve Rs. 1,25,000 (Rs. 1,25,000), to provision for contingencies Rs. 1,00,000 (Rs. 1,50,000), to pay a tax free dividend of 25 (12½) per cent. to the shareholders absorbing Rs. 2,35,000 (Rs. 1,17,500) and to carry forward to next year Rs. 14,703 (Rs. 83,416).

It may be noticed that the accounts are drawn up in a form different from that in which they were drawn up till now. The present form is in compliance with the requirements of the Companies Act, 1956.

Though the Act came into force on 1st April, 1956, following the recent decision in the Bombay High Court, the managing agents of the Company have been allowed the remuneration under the terms of the current Managing Agency agreement.

The increase in the profits of the year when compared with the previous year is due to the very favourable margin of profit in the sale of 60s yarn. Considering the present trends in the market the demand for yarn has considerably weakened and the prices of cotton have increased. Hence the result of the working for the year 1957 does not seem to be bright.

The erection of machinery at our Branch at Chettinad is nearing completion. Production on a small scale was begun at the end of January, 1957. It is expected that all the frames, i.e., 12,480 spindles will be brought under working before the end of June, 1957.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,40,000	Block ...	36,76,518
Debentures ...	4,16,000	Stock-in-trade	18,83,109
Reserves ...	14,05,975	Stores ...	2,98,024
Provision for taxation ...	4,65,009	Debts, deposits and advances ...	12,96,811
Liabilities ...	40,37,846	Investments	33,000
Profit and loss account ...	14,703	Cash ...	92,071
Rs.	72,79,533	Rs.	72,79,533

Eastern Investments, Ltd.

The directors of the above Company (Secretaries: Messrs. Bird and Co. (Private) Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1956.

The profit and loss account after providing for all charges and making provision of Rs. 5,44,728 (Rs. 7,36,882) for taxation and after paying an interim dividend on the cumulative preference shares at 2½ per cent. per annum, less tax, amounting to Rs. 46,094 (Rs. 46,094), shows a profit of Rs. 5,29,212 (Rs. 5,00,264) to which is added the balance brought forward from the previous year of Rs. 3,06,138 (Rs. 3,13,308), making a total of Rs. 8,35,350 (Rs. 8,13,572). The directors disposed of this amount as follows:—

By payment of a final dividend of 2½ per cent. per annum, making the total dividend 5 per cent. for the year on the 25,000 issued preference shares less income-tax at 48 pies per rupee plus 5 per cent. surcharge on income-tax Rs. 46,094 (Rs. 46,094), by payment of a dividend at the rate of 9 (9) per cent. per annum on the 51,260 issued ordinary shares without any deduction for income-tax paid by the Company Rs. 4,61,340 (Rs. 4,61,340) and by carrying forward Rs. 3,27,916 (Rs. 3,06,138).

Investments.—The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange with the exception of certain shares costing Rs. 1,04,553 for which no quotations are available. The total of the market value of the investments for which quotations are available together with unquoted investments as valued by the directors, exceeds the book value at 31st December, 1956, by Rs. 47,43,413.

General reserve.—Rs. 1,401 have been transferred to profit and loss account to set off the loss due to change of investments during the year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	76,26,000	Investments	1,72,17,367
Reserves ...	54,10,811	Current assets	25,206
Provision for taxation ...	8,62,214		
Liabilities ...	30,15,632		
Profit and loss account ...	3,27,916		
Rs.	1,72,42,573	Rs.	1,72,42,573

Modern Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st October 1956.

The result of the Company's operations during the year showed a gross profit of Rs. 21,45,439. From out of this profit, a provision of Rs. 4,70,590 has been made for payment of bonus to the staff and workers for the year 1956 in accordance with the Agreement arrived at between the Rashtriya Mill Mazdoor Sangh and the Millowners' Association, Bombay, and approved by the directors. After the close of the financial year of the Company, the Industrial Court, Bombay, gave an Award dated 28th November 1956 bringing into force a gratuity scheme for workers with retrospective effect from 22nd November 1954. A further provision of Rs. 5,84,466 had therefore to be made for such gratuity taking into account not only the claims which the Company paid during the current year but also the accrued liability in respect of the workers who have completed 15 years of service and also the contingent liability in respect of such workers as have put in more than ten but less than fifteen years of service and who continue in the employment of the mills. After debiting the profit and loss account with both the above provisions aggregating Rs. 10,55,056 and also with depreciation on buildings and machinery amounting to Rs. 4,68,595 and with the provision for taxation amounting to Rs. 44,261 (both of which, it was the practice of the Company to provide in previous years by appropriation of profits), the net profit for the year stands at Rs. 5,77,527 (Rs. 6,99,346) as shown in the profit and loss account. This profit together with Rs. 31,670 (Rs. 16,412) brought forward from the previous year's account makes a total of Rs. 6,09,197 (Rs. 7,15,758) from this sum, the directors have allocated to machinery rehabilitation reserve fund Rs. 2,00,000 (Rs. 3,00,000) leaving a balance of Rs. 4,09,197 (Rs. 4,15,758) to be disposed of as under:—

To dividend of Rs. 5 (Rs. 5) and a bonus of Rs. 3 (Rs. 3) per share, making a total of Rs. 8 (Rs. 8) per share on 44,261 ordinary shares of Rs. 50 each for the year ended 31st October 1956 Rs. 3,54,088 (Rs. 3,54,088) and to carry to next year's account Rs. 55,109 (Rs. 31,670).

Trading conditions during the greater part of the year under report were satisfactory, but the steep and sudden increase in the excise duty made effective from 1st September 1956 and the credit restrictions imposed by Government completely paralysed the cloth trade. To facilitate clearances, the mills had to share the duty with the dealers and in some cases had to bear even the entire increase in the duty on pending contracts. But for this setback from which the market has yet to recover, the results of the year under report would have been still better.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,13,050	Block ...	57,39,984
Debentures ...	12,00,000	Stock-in-trade	70,59,728
Reserves ...	52,27,238	Stores and spares ...	8,68,033
Liabilities ...	57,05,944	Loose tools ...	16,951
Profit and loss account ...	55,109	Debts, deposits and advances ...	5,33,999
		Investments	1,24,788
		Cash ...	57,858
Rs.	1,44,01,341	Rs.	1,44,01,341

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

MEETING DEVELOPMENT EXPENDITURE

CHEAP MONEY POLICY SUGGESTED

By Shantilal Sonawala

THE Five-year Plan expenditure is to be met out of resources available within and outside the country. As the Plan has ambitious targets, the Union Finance Minister is hard put to it to raise the necessary resources. The aim of this article is to bring out the fact that, although taxation has till now been the chief method for collection of revenue, a limit has already been reached at the present stage and any further increase in the taxation level will not be in the interests of our national economy. The authorities have a double responsibility to see that the Plan expenditure is met from the available resources and, at the same time, such expenditure achieves the objectives laid down. The emphasis on borrowing and deficit finance in the present stage is, therefore, advocated in this article as a temporary solution for meeting development expenditure. Cheap money policy is suggested as a remedy by which larger funds, as and when they become available to the public, can be mopped up by way of borrowing to meet expenditure.

The target laid down in the Five-year Plan for the resources to be collected by way of taxation alone is Rs. 800 crores made up of (*a*) Rs. 350 crores at 1955-56 taxation level and (*b*) Rs. 450 crores by way of additional taxation. Out of the Rs. 800 crores, the Centre has to raise Rs. 575 crores, while the States have to raise Rs. 225 crores in five years, i.e., approximately Rs. 115 crores and Rs. 45 crores per annum, respectively. The estimates of taxation revenue in the Central Budget for 1957-58 reveal a total of Rs. 519.39 crores, a rise of Rs. 93 crores as compared with the 1955-56 level.

Although the 1957-58 figures for States are not yet available, the following budget figures of 1956-57 are indicative of the trend:

Receipts by way of Taxation

(In crores of rupees)

States	1955-56	1956-57
Part A	272.66	285.37
Part B	69.16	73.00
Part C	13.10	14.26
Total ..	354.92	372.63
		+27.71 crores

The taxation level, as envisaged under the Plan, has already been reached with the increase of about Rs. 140 crores per year. It is, therefore, doubtful whether any further increase from this level will be in consonance with economic conditions of this country. It is likely to yield better results even at the present level of taxation, provided other development programmes progress at the same rate of expansion. The level of taxation should be kept up in relation to the increase in national income, resources available and savings out of the increase in income arising out of larger production.

Taxation has no doubt yielded better results. But all this revenue has not become available for development expenditure, because there has been a considerable rise in non-development expenditure as under::

(In crores of rupees)

	1955-56	1957-58
(1) Civil Administration expenditure	135.91	187.60
(2) Defence expenditure	203.97	282.71

The budget estimates lay down the total Plan outlay of the Centre and the States at Rs. 900 crores, of which the Centre's share is Rs. 775 crores, made up of Rs. 37 crores on revenue account and Rs. 460 crores on capital account and assistance to the States to the tune of Rs. 70 crores on revenue account and Rs. 208 crores on capital account. The States have a Plan expenditure estimated at Rs. 140 crores.

The deficit in the budget is estimated at Rs. 365 crores, out of which Rs. 338 crores arise out of capital outlay and Rs. 27 crores under revenue account. The question is how this deficit is to be met. In this connection, the item of capital expenditure which requires special mention is the expenditure of Rs. 49.25 crores on State trading account. It must be examined whether this is an expenditure which is likely to be a loss on capital account or capital to be reimbursed at a subsequent period. Again, thorough examination is necessary as to whether there is any scope for economy in development and non-development expenditure which has been raised to new heights.

The emphasis, therefore, shifts to the achievements required to be reached under the Plan in order to raise the resources for meeting the Plan expenditure. It must be examined whether the targets envisaged in the first year of the Plan have been achieved. If not, more efforts are necessary in order to see that the Plan expenditure achieves the desired results. The public and the taxpayers alone should not be asked to undergo sacrifices. There is need for similar determination on the part of the administrators to achieve results through economy and sacrifice.

Borrowing is another source for collecting revenues for the Plan. The target laid down under the Plan, namely, Rs. 700 crores in five years or Rs. 140 crores per year, has not been achieved. This, it is stated, is due to lower savings available to individuals for investment; the income, as envisaged under the Plan, has not yet come up to the level of savings. Thus, the question is whether the present economic structure can bear the Plan development expenditure, which from the beginning was placed at an ambitious level, especially considering that non-development expenditure has also been simultaneously raised to new heights. If both are to be met at an economic level what methods are necessary to lift the burden?

Taxation, as we have seen, has already risen and can yield better results only if it is consistent with increase in national income, resources available and savings invested out of increase in income arising out of larger production. The next source is borrowing and loans. This can be tapped more efficiently if the technique followed be commensurate with the resources available. In this connection, three considerations deserve to be noted. In the first place, the policy of constant threats to the capital markets does not create the right atmosphere for purposes of capital borrowings. Secondly, larger yields in industrial shares do not encourage investment in Government loans; nor do they encourage small savings. Thirdly, the methods of war-time finance adopted during the period of World War II should provide some guidance to the present state of this country's economy. Cheap money is the only solution for the problem of bringing about a higher level of activity internally in a country, which has to make all resources available within itself. After all, deficit finance is a phase in the country's overall policy in five years. Deficit financing remains "deficit" only so long as there is no corresponding income through production. As soon as production catches up with the spending the deficit is automatically wiped out.

The much-feared danger of inflationary effects on the economy is the only reason, if not prejudice, in not pursuing this policy. It is not here suggested that inflationary policy should be followed throughout, but it is to be adopted only as a temporary policy till the results overcome the effects of initial inflation. The larger activity of industrial expansion has never coincided with a policy of deflationary financial policy. The policy which has a record of success in the U.S., since it went off the Gold Standard, the record of success in Britain and Germany during post-war period, could be more profitably followed in India at this stage. The fear of increase in price levels may militate against the adoption of this policy. But it must be noted that price levels have increased, in spite of all the cautious policy followed by the Government in the last two years. The prices of manufactured goods have not gone up to the same extent as food articles or raw materials. The rise in food articles has been due to many causes other than inflation.

The moment it is felt that the situation as a consequence of the adoption of cheap money policy is getting out of control, measures are available to curb the price level. These measures include making essential commodities available to the public through larger releases from stocks and physical control. A policy of stockpiling of foodgrains and cloth which are to be made available to the consumers on the appearance of inflationary tendency is necessary in order to check undesirable results if this policy is followed. The danger of price rise is there. But under present circumstances, the risk is worth taking, as in no country developments have been achieved without some inflation. Measures to check inflationary tendency in an economy are sufficiently well known.

Notices

MINERVA MILLS, LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Monday the 17th day of June, 1957, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December 1956.
2. To declare a Dividend.
3. To appoint Directors in place of those who retire, but who are eligible for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 13th day of May 1957 to the 8th day of June 1957, both days inclusive.

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

Detailed Notice setting forth all the items of business to be transacted at the above Meeting is being published in the Press and will be posted to the shareholders individually.

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

BOMBAY, 24*th April* 1957.

N.B.—The Dividend when declared will be made payable at the State Bank of India, Bombay, on and after Monday the 24th June 1957, to those Shareholders whose names stand on the Register of Members on the 13th May 1957 and who have paid all dues to the Company whether in respect of the calls on their shares, interest thereon or otherwise. The Dividend Warrants will be made negotiable at par at the State Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

THE MODERN MILLS, LIMITED

NOTICE OF 16th DIVIDEND

NOTICE IS HEREBY GIVEN THAT A Dividend of Rs. 5 and a Bonus of Rs. 3 per share of Rs. 50 for the year ended 31st October, 1956, sanctioned by the Shareholders at the Twenty-third Annual General Meeting held on the 24th April, 1957, is made payable at the State Bank of India, Bombay, on and after Monday the 29th April 1957, to those Shareholders whose names stood on the Register of Members on the 27th March 1957. The dividend warrants are made negotiable at par at the State Bank of India, Bangalore.

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

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 24*th April*, 1957.

MAHINDRA & MAHINDRA LIMITED

NOTICE

THE ELEVENTH ANNUAL GENERAL MEETING of the Shareholders of Mahindra & Mahindra Ltd. will be held at Green's Hotel, Apollo Bunder, Bombay 1, on Wednesday, 22nd May 1957, at 4.00 p.m., to transact the following business:—

(1) To receive and adopt the Directors' Report, the audited Balance-sheet and Profit and Loss Account for the year ended 31st October, 1956.

(2) To declare dividend on Preference and Ordinary Shares.

(3) To appoint a Director in place of Mr. A. K. Mitra who retires under Article 110 of the Articles of Association but is eligible for re-election.

(4) To appoint a Director in place of Mr. Keshub Mahindra who retires by rotation under Article 110 of the Articles of Association but is eligible for re-election.

(5) To appoint a Director in place of Mr. Jal H. Mehta who retires by rotation under Article 110 of the Articles of Association but is eligible for re-election.

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

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

By Order of the Board,
KESHUB MAHINDRA,
Director.

11*th April*, 1957.

The Transfer Books of the Company will be closed from the 8th May 1957 to 22nd May 1957, both days inclusive.

The dividend when sanctioned will be payable to those shareholders whose names stand on the Register of the Company on 22nd May 1957 and the Dividend Warrants will be posted to them on or after 23rd May 1957. Shareholders are requested to immediately notify any change of address.

THE KATAKHAL LALA BAZAR RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-sixth Annual General Meeting of the Members of The Katakhal Lala Bazar Railway Company, Limited, will be held at No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 24th day of May 1957, at 4-00 p.m., for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. O. N. Goenka, the Director retiring by rotation at the Meeting who, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 10th to 24th May 1957, both days inclusive.

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

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

3, NETAJI SUBHAS ROAD,
CALCUTTA, 29*th April* 1957.

Note:—Payment of the proposed dividend, if declared, will be made on or after 1st June 1957 to those members whose names are registered in the Books of the Company on 24th May 1957 or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE DUNLOP RUBBER CO. (INDIA) LTD.

(*Concluded from page* 901)

previous year. This was partly due to increased production but also to the fact that some raw material stocks were abnormally low at the end of 1955. Sundry debtors were up by Rs. 28,79,000, due to the greater sales turnover. Cash, bank and current balances were also higher, making the total increase in current assets Rs. 1,07,15,000. Deducting the increase of Rs. 17,96,000 in sundry creditors and other current liabilities there is shown a net increase in working capital during the year of approximately Rs. 89 lakhs, which is reflected in the combined rise in the bank overdraft (including the usance promissory notes) and unsecured loans.

Labour

"During the past year we have continued our efforts to maintain and improve our high reputation for congenial working conditions and welfare facilities. At our Sahaganj factory we now house, at low rents, a community of 4,600 employees and their families. The standard of housing is very high and excellent medical services including a modern hospital are available to all. Canteens have been provided in which good meals are available at subsidised prices. The existing educational facilities for children are now proving inadequate and a new school building is under construction. A market building is also being provided to improve shopping conditions for the residents in the Company's housing estate. The construction of 65 additional houses, to which the Chairman referred on this occasion last year, is now well advanced and improved street lighting is being installed. All forms of sport are encouraged, for which the Company provides the necessary grounds and buildings. Thus, we strive to look after the welfare of our employees and extend their social amenities. General labour relations remained consistently good throughout the year. Staff and operatives have given us their loyal support and contributed greatly towards the successful outcome of the year's activities. I am sure you will wish to join with the Directors in thanking them for their faithful service."

Note.—This does not purport to be a record of the proceedings of the annual general meeting.

BUCKINGHAM AND CARNATIC CO., LTD.

(*Concluded from page* 902)

all new problems and difficulties, your Company has made further progress. I would like once again to ask you to join me in a word of praise for the executive and supervisory staff of the management and the mills. By their conscientiousness and zeal, they are helping your Company to make a valuable contribution towards the second Five-year Plan and I only wish their efforts could be rewarded and further inspired by some mitigation of the present harsh personal taxation.

"I deeply regret the untimely death last year of two former Directors of the Company, Mr. B. W. Batchelor, C.B.E., and Mr. D. V. Bulloch, whose energy, foresight and enterprise during their many years of service achieved so much for the lasting benefit of your mills."

Note:—This document does not purport to be a report of the proceedings of the general meeting.

BANGALORE WOOLLEN COTTON AND SILK MILLS CO., LTD.

(*Concluded from page* 905)

"The workpeoples' and employees' provident funds do not appear in the published accounts of the Company as they are vested in Trustees. The liabilities of these funds as at 31st December 1956 amounted to Rs. 64,12,070 and Rs. 4,58,264, respectively, and corresponding amounts are invested in Trustee securities.

"I feel you will wish to join me once again in expressing appreciation of the valuable work done by the executive and supervisory staff of the management and the mills.

"I deeply regret the untimely death last year of two former Directors of the Company, Mr. B. W. Batchelor, C.B.E., and Mr. D. V. Bulloch, who worked in Bangalore for several years and whose endeavours over a long period contributed much to the present efficiency and prosperity of these mills."

Note:—This document does not purport to be a report of the proceedings of the general meeting.

MONEY UNCHANGED

(From Our Own Correspondent)

BOMBAY, 30*th April*

The slight relaxation in the pressure of demand for funds noted in the previous week persisted during the week under review also. Though the demand for bank credit was still on the high side, banks were able to get their requirements from the market and, at times, at slightly lower rates of interest. Inter-bank call money was done at 3½ per cent. and occasional business was put through at 3¼ per cent. also. House money at call was placed at 4 per cent., as against 4 to 4½ per cent. in the previous week. Short-term deposits were available for 4 to 4½ per cent. for one to six months.

As we go to press a day earlier than usual, the customary analysis of the Reserve Bank's statement for the week ended 26th April 1957 has been held over.

The Scheduled banks' statement for the week ended 19th April 1957 discloses a sharp rise in bank deposits, demand deposits recording an increase of Rs. 4.34 crores and time deposits Rs. 8.14 crores. Borrowings from the Reserve Bank have been reduced by Rs. 5.37 crores and those from the State Bank by Rs. 1.51 crores. Advances have risen by Rs. 3.99 crores, while bills purchased and discounted are lower by Rs. 4.95 crores. Investments are further down by Rs. 98 lakhs. Cash balances have improved by Rs. 5.28 crores and money at call and short notice by Rs. 3.26 crores.

The Gilt-edged market ruled dull during the week under review also, with no signs of any revival of interest. On the other hand, many of the Central and State loans were on offer and prices were marked down in some counters. 3 per cent, 1986 Conversion Loan was on offer at Rs. 74.40. 3 per cent. 1970-75 was neglected at Rs. 87.20, while 3 per cent. 1966-68 dropped 10 nP to Rs. 92.05. 3 per cent. 1964 was dull at Rs. 94.45. 3 per cent. 1963-65 was on offer 5 nP lower at Rs. 94.15. 3 per cent. 1959-61 was unchanged at Rs. 97.75. 3½ per cent. 1961 was steady at Rs. 99.50 and 3½ per cent. 1964 at Rs. 98.30, while 3½ per cent. 1965 was placed 5 nP lower at Rs. 98.25. Among State loans, 4 per cent. Madras 1968 drifted lower from Rs. 97.85 to Rs. 97.25 and Andhra 1968 from Rs. 97.75 to Rs. 97.10. 4 per cent. Mysore 1968 shed 5 nP to Rs. 97.85.

After an initial hardening tendency, the rupee developed some weakness in terms of the dollar during the week under review, following a similar trend displayed by sterling, but emerged better over the week. Thus, banks' selling rate of ready dollars declined from Rs. 479.75 to Rs. 479.25 per $100 before rising to Rs 479.50. Their buying rate was marked down over the week from Rs. 476.50 to Rs. 476.00 per $100. In New York, spot sterling hardened from $2.78½-2.79 to $2.79.3/16-2.79.5/16 before declining to $2.79-2.79½. Three months' forward gained from $2.78.1/16-2.78.3/16 to $2.78.3/16-2.78.5/16 and transferable sterling from 276.40-276.50 cents to 276.95 to 277.05 cents.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 29*th April*

Steady conditions prevailed in the sugar markets during the week under review, following reports that the earlier expectations of the sugar season to last till June might not materialise. It was felt that, as some of the factories were facing cane shortage, the season might end by 15th May and, in that case, the total production of indigenous sugar in the country would not go above 1.9 million tons. The production and despatches of indigenous sugar amounted to 1,701,000 tons and 944,000 tons up to 15th April, in the current season, as against 1,546,000 tons and 735,000 tons, respectively, in the corresponding period last year. The stocks with the factories on this date stood at 1,285,000 tons, as compared with 1,221,000 tons a year before. The export performance has been encouraging and, as the latest reports indicate that East Africa, Aden and Japan are also interested in Indian sugar, a further small export is likely to be announced soon.

The prevailing mill delivery prices (in rupees per maund) are: Jaswant 28.60; Simbhauli 28.37; Mawana 28 to 29; Daurala 29.56 to 30.62; Amroha 28.25; Bijnore 28.12; Mansoorpur 29.69 to 30.37; Rampur 30.50; retail 30.62.

The *khandsari* market ruled quietly firm during the week, prices touching the highest at Rs. 21 to Rs. 27 per maund.

Ready *gur* registered an advance of 37 nP during the week to Rs. 11.25 per maund today. Arrivals were lower, the average being 75 maunds, and local stock was put at 96,500 maunds. The earlier proposal in some section that *gur* would be utilised for manufacturing sugar is reported to have been found uneconomic by the factories. Futures *gur* advanced during the week on bull support and was quoted at: *Gur baisakh* Rs. 10.58; *asar* Rs. 11.54 and *fagun* Rs. 11.6.

LINSEED DECLINES

(Messrs. A. Bradley and Co.)

CALCUTTA, 29*th April*

Although the undertone of the linseed market was fairly steady, owing to scarcity of supplies, prices declined to some extent, following a fall in the price of linseed oil. Sellers were still rather reserved. Despite fairly good demand from crushers, turnover was small. In the oil section, shippers were unwilling to pay enhanced rates, owing to an appreciable decline in overseas prices. There was some small activity in ready goods, chiefly for shipment against previous sales.

The latest quotations are: Ready Rs. 22-10 and April-May Rs. 22-8 per maund.

SILVER GAINS GROUND

(From Our Own Correspondent)

BOMBAY, 30*th April*

The bullion market remained steady during the week under review. Activity was, however, confined to the silver section, which moved both ways before recording a gain over the week, while gold ruled dull. Silver staged a smart recovery in the earlier half of the week on good offtake in the ready section and bear covering induced by reports that the import duty paid for Tibetan coins was much less than expected. Subsequently, however, there was a setback on profit-taking due to rumours that heavy import duty had been paid and that about 2 million coins had already arrived. Nevertheless, the persistent demand for ready metal checked a sharp recession. The improvement in offtake is reflected in the premium of As. 4 which the ready metal came to command over the May settlement in the last two days, as against a discount of As. 4 noted ten days back.

Silver for forward delivery (14th May settlement) advanced from Rs. 181-4 to Rs. 183-1 on Saturday last, but relapsed to Rs. 181-15 today before finishing at Rs. 182-4. The June settlement gained from Rs. 181-4 to Rs. 182-8, but gave way to Rs. 181-12 at the close.

Ready silver finished at Rs. 182-8, after hardening from Rs. 181-4 to Rs. 183-3. The floating stocks of silver are reported to be 800 to 900 bars. The daily average offtake was 25 bars.

Forward gold (13th May settlement) hardened slightly from Rs. 105-8 to Rs. 105-15 before drifting lower to Rs. 105-11 at the close today. The June settlement was done today at Rs. 105-10, as against Rs. 105-7 a week ago.

Ready gold gained over the week As. 3 and closed at Rs. 105-12, after being done up to Rs. 106. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake was lower at 3,500 tolas.

New York silver price was maintained at 91⅜c. London prices were also unchanged at 80*d.* for spot and 79⅜*d.* for forward. Gold declined from 250*s.* 3½*d.* to 250*s.* ⅜*d.* before recovering to 250*s.* 3*d.*

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

	30-4-1957	Highest	Lowest	24-4-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	105 12	106 0	105 9	105 9
Forward*	105 11	105 15	105 8	105 8
Sovereign	69 6	69 8	69 6	69 6
SILVER				
Ready (.996 fine Mint) ..	182 8	183 3	181 6	181 4
Forward†	182 4	183 1	181 4	181 4
London Silver Ready ..	80d.	—	—	80d.
London Forward	79⅜d.	—	—	79⅜d.
London Gold	250*s.* 3*d.*	250*s.* 3*d.*	250*s.* ½*d.*	250*s.* 3½*d.*
New York Silver	91⅜c.	—	—	91⅜c

* 13th May settlement.
† 14th May settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 29*th April*

Quietly steady conditions prevailed in the foodgrains market during the past week. The Union Food Minister said that there was "absolutely no cause for alarm" about the food situation in any part of the country and the situation was, in fact, hopeful.

Wheat at Hapur, which had touched the lowest at Rs. 14 per maund for average quality and at Rs. 15.25 for farm quality last week-end, improved to Rs. 15.25 and Rs. 16.75 per maund, respectively, during mid-session due to a fall in daily arrivals to 250 maunds. The week-end, however, witnessed a fall in prices to Rs. 15 and Rs. 16.31, respectively. Arrivals today mounted to 4,000 maunds, mostly by trucks from nearby centres, and local stock was put at 3 *khaties*. Rice also recorded further gains during the week on advices from the main producing areas. The prevailing prices today were: *Basmati* Rs. 24 to Rs. 28.12, *Mainpuri* Rs. 23.50, coarse quality Rs. 17.75 per maund.

Coarse grains, on the other hand, recorded a hardening trend during the week on good consumer demand, although local arrivals increased. Gram was transacted upto Rs. 12 per maund. Barley and *bejhar* were higher by 50 nP at Rs. 11.37. *Jowar* scored fresh gains, due to good demand in the face of poor local stocks. It was quoted at Rs. 12.87 per maund for brown quality and at Rs. 15 for white. *Guwar* was done 25 nP higher at Rs. 11.50.

Continued buying inquiry from O.T.R. destinations and Bihar accounted for an improvement of 31 nP in the price of peas *dara* green during the week. Daily arrivals were at an average of 3,000 maunds and, although loading facilities to the needy areas of Assam, Bihar and east U.P. were not very satisfactory, traders were building up stocks for despatch to these centres. Total arrivals of peas here from the beginning of the current season were estimated at 50,000 maunds and local stock was put at 20 *khaties*, as against 32,000 maunds and 10 *khaties*, respectively, a year before. New *arhar* arrivals had begun and the week's total aggregated 350 maunds and, due to good buying inquiry from outside, prices ruled steady. Other pulses also improved in sympathy with peas and *arhar*. Peas *dara* green was done at Rs. 11.06, peas white at Rs. 12.12½ *arhar* at Rs. 12.06, *urd* at Rs. 18.50 to Rs. 20.50, *moong* at Rs. 14.50 to Rs. 16.50 and *masoor* at Rs. 15.75 to Rs. 16.50 per maund.

Pulses futures recorded a firm trend during the week in line with better ready prices. Peas *jeth* was quoted at Rs.10.81, peas farm *jeth* at Rs. 10.92, *arhar jeth* at Rs. 11.73 and *urd baisakh* at Rs. 19.6.

COTTON FUTURES BEARISH

(From Our Own Correspondent)

BOMBAY, 30*th April*

The cotton futures market depicted a distinctly bearish trend during the week under review, thanks to the proposed steep upward revision in margin deposits in respect of Jarilla May contract with effect from tomorrow and persistent rumours that the revised margin would be made applicable to Vijay contract also. The series of announcements permitting imports of cotton from soft currency areas and the conclusion of the Indo-Egyptian deal providing for an import of 20,000 bales of Egyptian cotton also imparted weakness to the market. There were, besides, apprehensions that the Forward Markets Commission would not hesitate to adopt even more drastic measures, if the steps already taken were to prove ineffective in holding the price line. On top of these, the fixation of room rates in respect of Jarilla May announced on Friday was in favour of sellers. The cumulative effect of all these factors was considerable selling pressure, which resulted in a landslide in values. The fall in Vijay June was, of course, not as steep as that in the case of Jarilla, since the revised enhanced margin does not apply to it. The low levels to which prices receded, however, evoked some support to-day and a recovery was in evidence in both Jarilla May and Vijay June.

M.G. Jarilla May opened the week at Rs. 734, as against the previous day's close of Rs. 747. The contract encountered heavy speculative selling which pushed it down to Rs. 696 on Saturday. Opening today at Rs. 694, the contract received some support and recovered to Rs. 709, before closing at Rs. 707. The net drop in prices over the week was Rs. 40. Vijay April went off the board at Rs. 910 on Thursday. Vijay June commenced at Rs. 850 and fell on heavy liquidation to Rs. 831 on Friday. It, however, recovered to-day to Rs. 856. Vijay April went off the Board on the 25th inst. at Rs. 910. Total tenders against the contract aggregated 9,450 bales. It may be recalled that business in the contract commenced at Rs. 825½ on 18th June 1956. The highest level touched was Rs. 918 on 16th April and the lowest Rs. 719 on 28th December. The following is the trend of prices of the contracts during the week:

	30-4-57 Rs.	High Rs.	Low Rs.	24-4-57 Rs.
Jarilla (May)	707.00	734.00	696.00	747.00
Vijay (June) ...	856.00	856.00	831.00	859.50

The drastic steps taken by the Forward Markets Commission to check the rise in prices have come in for a great deal of criticism. A section of the trade feels that, although the Commission may succeed in preventing the rise in cotton prices beyond a certain limit, the latter will not reflect the correct statistical position of cotton. Such an artificial price level in the futures section, they contend, is not in the long-term interest of the trade. The heavier margin is considered an inducement to bears to push down prices. There is also the fear that the Commission may not be as prompt in arresting a fall in price, as it was in curbing a rising trend. The market forces behind the spurt in price, it is maintained, have not been properly analysed by the authorities before adopting the measures.

The spot section was influenced by the weakness in futures and values of certain varieties came down by five to ten points. Mills were not willing to make any fresh commitments and were inclined to adopt a wait-and-watch attitude. However, there was demand for 320F. Co2, O394 and other popular varieties.

The latest available rates—in rupees per candy of 784 lbs.—are given below (the figures in brackets- being last week's closing quotation:

Bengal *Deshi* 730 (740); Jarilla 810 (815); Khandesh 815 (820); Vijay 945 (945); Oomra *Deshi* 780 (780); Moglai 760 (765).

The signing of the Indo-Egyptian cotton deal was greatly welcomed by the trade. According to the agreement, India will purchase 20,000 bales of Egyptian cotton, payment for which will be made in rupees, in a specially opened rupee account, to be operated by the State Trading Corporation to provide easy payment facilities to exporters and importers. The entire amount will be utilised by Egypt in purchasing Indian goods like jute, tea, pepper and tobacco. Cotton imports from Egypt will take place against contracts approved by the Textile Commissioner.

The Government has issued a notification prohibiting inter-mill sales of raw cotton imported against actual user licences. Another notification issued by it directs all holders of *kapas* to get them ginned before 31st May.

The Karachi cotton futures market put on a cheerful appearance during the week. There were good buying induced by expectations of enlarged overseas demand, especially from China, following absence of possible competition from Indian cotton. Consequently, prices of cotton tended to move up. N.T.R.G. May improved by As. 7 to Rs. 79-14. July delivery gathered As. 8 to Rs. 82-7. Spot rates also registered improvement. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 87; Punjab *Deshi* 81; 4F Punjab Roller 82-14; S.G. 87-6; L.S.S. Punjab Roller 85-6; S.G. 90-6; N.T.R.G. 84-6; S.G. 94-14; 289F Punjab Roller 88-6; S.G. 96-14.

In contrast to the easy trend noted last week, the Alexandria cotton futures market depicted a slightly firm trend during the week under review. The firmness was aided by the trade agreement signed between India and Egypt under which India has agreed to purchase 20,000 bales of Egyptian cotton. As a result of the price discounts offered by the Egyptian Government to cotton exported from Alexandria, overseas demand was expected

to revive. Thanks to these factors, there was good buying support and both the long-staple Karnak and the medium-staple Ashmouni contracts recorded handsome gains. Permission is expected to be given for trading in new crop shortly. The condition of the crop is reported to be satisfactory. The latest available rates—in tallaris per lb.—from Alexandria are as under:

Karnak: May 112.65; July 113.35. *Ashmouni*: June 78.15; August 77.80.

Cotton futures at Liverpool market registered some improvement in prices, owing to mill fixations and trade buying which found offerings limited. Firm advices from the spot section also imparted strength. Near deliveries of American cotton mixed growth contract, however, were easy, due to occasional hedge selling. The Sudan contracts were neglected. The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: May-June 26.55; July-August 26.35; October-November 26.23; December-January 26.18. *American Cotton Mixed Growth Contract*: May-June 26.56; July-August 26.45; October-November 26.27; December-January 26.24. *Sudan Lambert Seed Contract*: May-June 42.75; July-August 41.60.

The New York cotton futures market ruled easy during the week. There was a large volume of selling on reports that the U.S. Secretary of Agriculture had called for lower prices and bigger crops to solve the cotton problems. The scattered commission house support and New Orleans buying prompted by recent unwanted rains in the cotton belts were not sufficient to absorb the offerings. There was a growing awareness in trade circles that the present two-price system would not continue for long without seriously dislocating the futures market. The growing uncertainty regarding future policy weakened the sentiment of the market further.

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

(In cents per lb.)

	29-4-57	21-4-57	15-4-57
Spot	35.35	35.40	35.45
May	35.26	35.27	35.21
July	34.81	34.85	34.68
October	33.62	33.60	33.68

SUGAR FULLY MAINTAINED

(From Our Own Correspondent)

BOMBAY, 30*th April*

Despite heavy arrivals of sugar to the tune of about 20,000 bags during the week under review, the sugar market presented a fully steady trend. The steadiness was aided principally by thick rumours of an additional levy of excise duty on sugar in the forthcoming budget and an upward revision in railway freight. The delay in the normal monthly release of sugar for sale in the free market also lent support. Sugar prices, as a consequence, were fully maintained. Thanks to slim unsold released stocks with manufacturers and heavy buying inquiry from all sides, the ex-mill quotation for Bombay-Deccan sugar has been raised by As. 8 per bag.

In the spot section, small, medium and large grain sugar were held firm at Rs. 89, Rs. 90-92 and Rs. 93-98 per bag (inclusive of sales tax), respectively, same as last week.

Vaisakh delivery contract for "C" grade sugar advanced from Rs. 91-5 to Rs. 92 today, with buyers at this price. This contract is scheduled to be squared up on 15th May next. Business in a fresh forward delivery contract for *Shravan* commenced today with buyers at Rs. 93-4 per bag of C.28 grade sugar, inclusive of sales tax and additional excise duty, if any.

YARNS RECEDE

(From Our Own Correspondent)

BOMBAY, 30*th April*

Conditions in the yarn market were distinctly easy during the week under review. Staple fibre yarns encountered heavy selling, on account of large accumulations of stocks, following continued slackness in demand from consuming centres. Cotton yarns tended to look down, thanks to bearish advices from the cotton market and absence of enquiries from handloom weavers. Rayon yarns lacked support, barring those deniers in which an acute shortage of supplies was felt. Even rumours of a drastic cut in import quota failed to have any effect. The mills, it was reported, would be given licences on the basis of Rs. 4 per loom shift worked during the previous period. If this anticipated cut were to materialise, the aggregate import licences would not, it was felt, be for a value of more than Rs. 1.87 crores, as against Rs. 2.66 crores *plus* a special licence of Rs. 75 lakhs in the previous licensing period.

Snia Rayon yarn (120 dull cones) for April delivery was subjected to heavy selling and was hammered down by Rs. 17 to Rs. 790. June delivery dropped Rs. 11 to Rs. 811. 150 Bright Cones for April delivery was neglected at Rs. 625. Spot 150 Japan was dull at Rs. 4.09. 120 Japan, however, gained 3 nP to Rs. 4.12. 120 Italy put on 3 nP to Rs. 4.03. 150 Italy were quoted at Rs. 3.69, as against Rs. 3.67 last week-end. Among indigenous yarns, National Rayons, 150 Bright Cones 1st grade was a fraction lower at Rs. 3.31, while 120 Bright Cones 1st Grade were slightly better at Rs. 3.72.

Staple fibre yarns (40x2) for April delivery receded by Rs. 4 to Rs. 608. June delivery lost Rs. 2 to Rs. 614. Spot 40x2 New Greats declined by 4 nP to Rs. 3.19. Citys were a shade lower at Rs. 3.22. Centurys were unchanged at Rs. 3.25. Kohinoors, on the other hand, were a shade better at Rs. 3.33. Among foreign yarns, (80x2) Fujis were dull at Rs. 5.31, while Paramounts put on 6 nP to Rs. 5.40.

In the cotton yarns section, ten counts Podars fell by 12 nP to Rs. 14.50. Moderns were unchanged at Rs. 14.87. Twenty counts Maduras declined by 13 nP to Rs. 19.12. Moderns shed 12 nP to Rs. 18.75. Gokaks decreased by 13 nP to Rs. 18.62. Thirty counts Indus were quiet at Rs. 21.75, as also Edwards at Rs. 21.50. Forty counts Minaxis were pushed down by Re. 1.13 to Rs. 27.12. Moderns changed hands at Rs. 27.75, same as last week. Sixty counts were neglected, Moderns being at Rs. 61.50, Raghuvamshis at Rs. 58.00 and Finlays at Rs. 61.00. Eighty counts were also neglected, Finlays being quoted at Rs. 81.50, Moderns at Rs. 76.00 and Mahendras at Rs. 73.00.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days before:

	30-4-1957	24-4-1957
	Rs.	Rs.
Art silk yarn **(per case of 200 lbs.)—**		
120 Dull Cones Snia April	790.00	807.00
150 Bk. Cones April	625.00	625.00
120 Japan (per lb.)	4.12	4.09
150 Japan (per lb.)	4.09	4.09
120 Italy (per lb.)	4.03	4.00
150 Italy (per lb.)	3.69	3.67
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 April	608.00	612.00
40 x 2 June	614.00	616.00
40 x 2 New Great (per lb.)	3.19	3.23
40 x 2 Century (per lb.)	3.25	3.25
40 x 2 City (per lb.)	3.22	3.23
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	14.50	14.62
20s Maduras	19.12	19.25
30s Edward	21.50	21.50
40s Gokak	58.00	58.00
60s Raghuvamshi	76.00	76.00
80s Modern		

BLACK PEPPER FIRM

(Messrs. Parekh and Co.)

BOMBAY, 30*th April*

Malabar black pepper ruled firm during the greater part of the week, in sympathy with New York where, spot having improved to $0.27½, some business for afloat and for shipment by named steamers was done at as high as $0.26½. The political situation in West Asia was also said to be a supporting factor.

Alleppey improved to Rs. 625, with sellers reserved. Garbled at Cochin were done at Rs. 107. May and June delivery were traded on the ring at as high as Rs. 111½. Calicut improved to Rs. 675.

When New York dealers found that Malabar sellers were quoting high, they diverted their attention to Singapore and bought some parcels of Lampong and Sarawak for nearby shipment at $0.26 and $0.25, respectively. This caused firmness in Singapore, despite poor inquiries from Europe where dealers were reported waiting for lower prices on improvement in the arrivals of new crop Sarawak.

At the close of the week, however, the market was a bit quiet, owing to pressure of sales by bears and profit-taking by bulls. Alleppey came down to Rs. 600, while garbled at Cochin was done at Rs. 105. Report of delay in the shipment of Russian purchases brought forth fresh selling by holders who were until now out of the market in the hope of better prices at the time of shipment to Russia.

The future of the market appears uncertain, in spite of the improved statistical position of Malabar, as trade, in general, is doubting the possibility of maintaining the present rate of export to the U.S.A. when once Sarawak begins pressing.

Today's nominal quotations are: Ready delivery Rs. 85 per Bengal maund; May Rs. 579-Rs. 584 and June Rs. 587-Rs. 592 per candy of 5¼ cwts.

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 30*th April*

The oilseeds market suffered a moderate setback in prices during the week under review. Apprehensions of Government's intervention to check the rising trend in prices coupled with fears of the Reserve Bank of India restricting supply of credit induced unloading by bulls, particularly in the earlier sessions. Castorseeds were subjected to heavy selling by shippers, thanks to continued slackness in overseas enquiries for castor oil, and considerable profit-taking by several operators. Linseed remained dull, owing to lack of support from shippers in the wake of offerings by local trade. Cottonseeds ruled weak. There was large selling pressure let loose by the sharp fall in raw cotton prices. In sympathy with the general trend, the groundnut section presented an easy trend, as operators were generally hesitant to enter into fresh commitments, notwithstanding reports of scarcity in supplies of quality seeds. The general undertone of the market was distinctly easy.

Groundnut May contract commenced the week at Rs. 173.75 and declined to Rs. 170.00 on the 26th inst. After rising to Rs. 172.37 yesterday, it again receded to Rs. 170.25 today. Over the week, the contract thus lost Rs. 4.25. August contract opened at Rs. 178.87 and, after fluctuating between Rs. 175.50 and Rs. 178.50, finished at Rs. 176.62, the net loss over the week being Rs. 2.88. Spot Bold F.A.Q. was a shade lower at Rs. 34.62. Groundnut oil ex-mill was quoted at Rs. 19.37 as against Rs. 19.62.

Castorseed May contract commenced at Rs. 182.50 and after dipping to Rs. 177.25 on the 26th inst. recovered to Rs. 182.50, before finishing lower at Rs. 180.50. It thus shed Rs. 2.75. September contract receded from Rs. 188.75 to Rs. 182.75 on the 26th inst., but recovered to Rs. 187.00, today. Spot Madras was maintained at Rs. 36.00. Oil B.S.S. was lower by 12 nP at Rs. 22.00.

Opening the week at Rs. 31.12, linseed May fluctuated between Rs. 31.25 and Rs. 30.25 and closed at Rs. 30.31, representing a fall of 87 nP, as compared with last week-end. September contract moved between Rs. 32.25 and Rs. 31.69, before closing slightly higher at Rs. 31.75. Over the week, it thus declined by 56 nP. Bold Ready was done at Rs. 30.44, as against Rs. 31.00 last week. Linseed oil ready was lower by 25 nP at Rs. 16.75.

In the cottonseed futures section, May contract dropped by Rs. 3.25 to Rs. 111. September contract fell by Rs. 6.50 to Rs. 110.

Among others, kardiseed Bold ready was done at Rs. 22.00 as against Rs. 21.50 last week. Niger-seed Madras was higher by 25 nP at Rs. 28.25.

The following table shows the prices of oil-seeds and oils at close as compared with those at the close of the previous two weeks:

	30-4-1957	24-4-1957	16-4-1957
	Rs.	Rs.	Rs.
Groundnuts—			
May 1957	170.25	174.50	171.50
Khandesh Quality Ready (per cwt.)	35.00	35.37	35.00
June-July	35.06	35.37	..
Linseed—			
May 1957	30-31	31.12	30.62
Bold Ready (per cwt.)	30-44	31.00	29.62
June-July	31-06	31.69	..
Castorseeds—			
May 1957	180.50	183.25	180.75
Madras (per cwt.)	36.00	36.00	34.62
Cottonseed—			
May 1957	..	114.25	111.00
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19.37	19.62	19.00
Castor oil—			
Commercial (per quarter) ..	20.87	22.12	20.50
Linseed oil—			
Ready	16.75	17.00	16.87

CLEARANCE IN KIPS SLOW

(From Our Own Correspondent)

MADRAS, 29*th April*

Arrivals of E.I. tanned cow hides were moderate, and clearances slow. Shippers efforts to buy at lower prices were in vain and, consequently, were unable to fall in with U.K. levels for F.A.Q. marks. Importers were buying good marks at unchanged prices and also paid half a penny more. Demand for top class buff calf was patchy and 63*d.* to 64*d.* were paid. Tanned cow calf and buff heavies remained dull.

In the tanned skins section, demand for superfine tannages in goat skins was fair sized, but importers were trying to buy at lower prices. As tanners had sold for three to four months' shipments, they were not eager to take lower prices and were adopting a wait and see policy.

TEA PRICES LOWER

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 25*th April*

Some 575,000 lbs. were on offer in Dust Sale 'I' which was held on Tuesday, 23rd April. The sale opened to a fair general demand, although prices were generally below last. Commonest kinds and low mediums were irregularly 10 to 15 nP easier, although a few selected types met with some competition. Coloury mediums stored in Kozhikode met a strong demand and advanced by 5 to 10 nP. High-grown teas were often neglected and prices were 20 to 25 nP lower.

The average price realised in Dust Sale 'I' was Rs. 1.76 per lb., as against Rs. 1.86 per lb. in the previous sale and Rs. 1.71 per lb., in the corresponding sale of 1956.

London Market.—No sales due to holidays.

Colombo Market.—No sale this week.

Calcutta Market—Export.—No sale this week.

Internal.—19,000 dust. Good general demand for all types. Strongest features Middle East non-wither dooars and Powdery C.T.C. types. Market opened easier, but strengthened as sale progressed. 4,500 leaf. Good general demand for all types generally 10 to 20 nP dearer.

Export quota.—There has been a stronger enquiry and the following quotations can be made:

Special rights 20 to 22 nP. Shipping License 17 to 18 nP 1957-58 export quota 26 to 28 nP.

Forthcoming Auctions.—Dust Sale 'J' will be held on Tuesday, 7th May.

DHOLE & CO.
RINGWORM
and
ECZEMA
OINTMENT
BARNAGORE · CALCUTTA

TEA DUSTS GAIN

(From Our Own Correspondent)

CALCUTTA, 30*th April*

The view often expressed in these columns that there was considerable scope for expansion in internal consumption is amply borne out by the decidedly better demand noted in the tea sales for domestic consumption held last week. This was not, however, fully reflected in prices, due to reports that there was still a considerable quantity of common teas that remained to be marketed.

Dusts on offer amounted to 18,937 chests. When the sales opened, prices were easier by 10 nP. However, with the progress of the auctions, demand improved and towards the close, prices recorded gains. Black leaf teas were the strongest feature, and contributed a fair share for the improvement of the general conditions as the sales progressed. Offers for non-withery Dooars, residue kinds, and powdery C.T.C. Assams were readily absorbed. The market was not devoid of a weak spot which was amply provided by the best C.T.C. Assams which met with poor support.

The quotations were: Medium Assam C.T.C. Re. 1.70 to Re. 1.80, medium Assam grainy dust Re. 1.70, medium Dooars Re. 1.60 to Re. 1.65. Best Assam C.T.C. dusts were not quoted.

Leaf grades on offer aggregated 4,429 chests. Prices improved, following a keen general demand for all descriptions The strongest features were broken orange pekoes and clean well-made whole leaf grades.

TIN HARDENS

(From Our Own Correspondent)

CALCUTTA, 30*th April*

The feature of the metal market during the week under review was the uptrend in tin. Copper ruled easy, but other base metals were steady at around previous levels.

Stockists of tin noted with cheer the high advices from foreign markets. Both in London and New York, demand was running at a higher level, as consumers desired to build up stocks. Reports from London also indicated that there had been buying for the buffer pool, created under the International Tin Agreement. This together with the good consumer demand, accounted for the rise in price in London by £5 per ton. In the local market, the price gained from Rs. 514 to Rs. 517. However, at the higher level, the quotation was seven points below the replacement cost. Although the price gained, consumers were the least perturbed, and purchased only their minimum needs. For they believed that, with fair stocks with local stockists, the price was bound to move down. Electrolytic copper declined from Rs. 182 to Rs. 178. The decline was attributed to weakness in London and New York for the settlement of strike in a big Chilean mine. Fire-refined copper ingots gave way from Rs. 182 to Rs. 177. There was more demand for scrap and price of utensils scrap, at Rs. 175, showed a gain of Rs. 2. Virgin lead was unchanged at Rs. 80. Demand was running high as Government enquiries for sizable tonnages were current. Electrolytic zinc, at Rs. 78, was fully steady. Ready supplies were difficult to be obtained.

JUTE GOODS MOVE UP

(From Our Own Correspondent)

CALCUTTA, 30*th April*

With more enquiries for export and larger volume of business, prices of jute goods improved during the week under review. Another reason was the uptrend in raw jute prices, following the continuance of bad weather for the jute crop. For completion of sowing, rains are badly required, and although the meteorological office has been almost daily forecasting storms accompanied by showers, the week under review was as dry and hot as the previous week. However, prospects for rain in the next few days were considered fair. If rains occur in the near future, chances of a higher crop would become bright. If so, the uptrend in raw jute prices cannot persist. At any rate, sowings have been delayed in many parts of the jute-growing districts for lack of rain, and it is expected that the crop would begin reaching the markets a month later than usual. This would mean that mills would have to carry on with their stocks of raw jute as well as those in the bazaar. However, it is believed that fair stocks are still available in the bazaar, albeit the fall in imports from Pakistan. Indian purchases of Pakistani jute during the month of March were as low as 6,000 bales.

If rains fall within the next two weeks, many in the market believe that prices of both the raw material and the finished products would tumble down. Lack of rains was also responsible for the uptrend in raw jute prices in the East Pakistani markets. Total exports of raw jute from Pakistan during the current season are expected to reach 4 million bales. At the end of March, exports aggregated 3.6 million bales, after adding the March shipment of 300,000 bales. In view of the expectation in East Pakistan that there would be a fair carryover, prices should begin moving down when it rains. Forward business in the new crop has been forthcoming with difficulty, in view of the price uncertainty. The United States and France were believed to be requiring fair quantities before June. Apart from the uptrend in raw jute prices during the week, prospects for increased business in jute goods with overseas buyers seemed to have improved. Cuba and Australia were in need of sacking, as could be made out from the keener enquiries from those two countries. In view of India's imports of cotton, India's trade balance with the Sudan is on the adverse side. Following the recent visit of the Sudanese trade delegation, it was expected that the Sudan would purchase from India a larger quantity of jute goods during this year. Burma showed interest in heavy cees.

That jute mills are going through a difficult period is clearly indicated in the working results of mills, many of which have been unable to declare a dividend. This state of affairs is due to the continuance of higher prices for raw jute, in the face of the need to lower prices of jute goods in order that the latter may be pushed through in the highly competitive foreign markets. The increased labour costs and the continuance of demand for still higher wages in the face of low *per capita* output are also causes for headaches to the managements of mills. The heavy losses by mills on account of the above factors account for the recent closures. Three mills have already closed down, and the Standard Jute Mill is to close down as from the 4th May. These closures have naturally caused anxiety to the West Bengal Government. The jute industry provides direct employment to 260,000 people. Naturally, the Government is endeavouring to look into the causes for these closures, and find a solution. The price of raw material has to come down if the jute industry is again to be placed on a sound footing. In view of this, it would serve a useful purpose if a full investigation is made to determine what would be a fair price for raw jute. If, however, raw jute prices have to be maintained at the present high levels and further closures of mills are at the same time to be prevented, an official subsidy to mills based on consumption of each mill is the only alternative. These and other closures in the country, it was realised, led New Delhi to promulgate the retrenchment compensation Ordinance on Saturday last.

The market opened during the week with ready B. twills being steady at Rs. 111.87 and hessian 40" 10 oz. at Rs. 41.62. At these levels, buying support was in evidence, and on Wednesday last these quotations were maintained. Mills sold a fair quantity. Speculators showed particular interest in hessian, but B. twills fell back to Rs. 111.62 on Thursday. However, by the week-end, better conditions prevailed and more business was done. This followed the gain in prices of raw jute. Fair business was put through for forward deliveries. By Saturday, ready B. twills had risen to Rs. 112.50 and 40" 10 oz. hessian to Rs. 41.81. Yesterday, further addition to prices was recorded. Ready B. twills rose to Rs. 113.25 and the 10 oz. hessian to Rs. 42.00 and 8 oz. fully steady at Rs. 34.12.

Raw jute prices gained by 50 nP to Re. 1.50 for most varieties for reasons already discussed. The latest quotations for the 1956-57 crop for April-May delivery are given below:

	Middles Rs.	*Bottoms.* Rs.
Pakistani:		
District	39.00	36.00
Northern	38.50	35.50
Indian:		
Northern	32.50	30.00
Assam Upper ...	32.00	29.50
Assam Lower	32.00	29.50
Orissa	35.00	32.50
Western	31.00	28.50
Murshidabad	30.00	27.50
Jungli	30.00	27.50
Daissee	34.50	32.00
Uttar Pradesh ...	30.00	27.50
Daissee mesta	28.50	26.00
Bimli f.a.q.		Rs. 24.50
Pucca bales 1st marks ready		Rs. 187.50 per bale.

The question of excluding pending contracts from imports of West German industrial equipment into India from the application of India's deferred payments scheme was discussed during the recent trade talks between the two countries held in India, but no final solution has been found, according to a statement made by the leader of the German trade delegation Dr. Von Bargen, at Bonn on his return from India. Despite the German exporters' protests, India still wishes, he says, to apply the new scheme to pending contracts which were concluded before the new regulations became effective. But India has promised that it will settle such cases generously. The talks at New Delhi did not touch on the question of West German credits to India. But Indian industrialists and exporters have been invited to Germany to study sales prospects for Indian goods on the West German market.

INDIAN ALUMINIUM COMPANY, LTD.

(*Concluded from page* 892)

and savings must be achieved and steps taken for increasing and conserving foreign exchange earnings in order not to allow to an accentuation of inflationary pressures.' Higher production per man hour and increased stimulus to saving habits are the two vital defences which must be reared and strengthened on all fronts.

The Middle Line

"India is at the crossroads of destiny after a decade of political freedom. The pace and the velocity has quickened. There is a revolution in the air of rising expectations, if we are to survive as a nation of decent human beings. It ill befits the experience and the wisdom of the business groups to indulge in cheese-paring polemics about the Plan or diminish the high endeavour required for democratically reaching our objectives of a progressive and a happier society. Foreign observers have pointed out that 'Indian business carries on its shoulders a deep sense of sin and it seeks redemption either by finding the shelter of Government doing exactly what it is told' or exhibiting a posture of dialectical defiance under the convenient label of free enterprise. Surely, there is a middle line both for business people and for the planners: there is enough acumen and independence of judgment in the country to present a rational, sober and constructive viewpoint along the line of co-operative endeavour to assist Government in formulating measures both in the fiscal and monetary spheres. A community of responsibility for the Plan is obviously more desirable than obiter dicts from authority or a *non possumus* from private business. The Finance Minister has dedicated himself for his next tenure of office to think only of the category of people in the lower income groups and their welfare—a simple dedication worthy of his high office and in line with the dynamics of the situation. Should it not also be the endeavour of all, as well as the decisive criteria for every legislative measure, that this category of people eat more, use more cloth and are better housed?

"Selective Expansion"

"One should not hesitate in borrowing from overseas experience and, with temerity, I suggest the policy of 'selective expansion,' recently advocated for Britain by the London *Economist*, and defined as 'the pursuit of maximum pace of expansion and willingness to let the lower income groups have the lion's share of the resulting increase in national income; instead of taking away from one to give another, it puts a lien on progress in favour of those who need it most."

"The pace and the characteristic of expansion will be determined at every step by the sufficiency of managerial and administrative talent in the country, but the governing factor and the most imperative task above all, in my opinion, should be to maintain the respectability of the rupee both domestic and abroad—the sheet-anchor of stability and growth.

"In conclusion, I should like to express on your behalf and mine, our appreciation of the services rendered by the staff and the workers of the Company in making possible the achievements of the past year and giving promise of better results for the future."



MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	20th Mar., 1957	7·300	7.665
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	5th Sept., 1956	3½	4
Sweden	22nd Nov., 1956	3½	4½
Switzerland	26th Nov., 1936	4	1½
Thailand	1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1938	8	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 26th April, 1957 Number of Cheques	Amount Rs.	Week ended 18th April 1957 Number of Cheques	Amount Rs.
Bombay	3,47,710	55,08,21,000	3,08,995	64,79,72,000
Calcutta	1,66,924	59,28,31,509	1,62,966	54,22,74,027
Madras	86,188	19,53,63,457	67,721	9,01,34,811
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
Jan., 1957	..	..	3,707,000	8,41,32,00,000
Feb.,	..	..	3,220,000	7,32,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 19th April, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,40,75,000
(2) Other Governments	5,55,71,000
(b) Banks	71,59,16,000
(c) Others	74,54,19,000
Bills Payable	15,13,22,000
Other Liabilities	117,91,59,000
Rupees	362,44,62,000

ASSETS	Rs.
Notes	12,38,09,000
Rupee Coin	9,10,000
Subsidiary Coin	5,97,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,01,07,000
Balances held abroad*	99,82,94,000
Loans and Advances to Governments	15,17,46,000
Other Loans and Advances	98,79,61,000
Investments	112,90,00,000
Other Assets	13,20,38,000
Rupees	362,44,62,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 57 27 54,000/-advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 188,61,90,000/-.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,38,09,000	
Notes in circulation	1569,10,54,000	
Total Notes issued		1581,48,63,000
Total Liabilities	....	1581,48,63,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		126,30,26,000
Government of India Rupee Securities		924,90,43,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1581,44,63,000

Scheduled Banks*

Statement of Affairs for the week ended 19th April, 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State bank and a notified bank†	9,84,47,000
(ii) Other demand liabilities	722,22,22,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State bank and a notified bank†	2,13,10,000
(ii) Other time liabilities	493,53,29,000
3. Borrowings in India from the State bank and/or a notified bank:	
(i) Demand liabilities	7,10,83,000
(ii) Time liabilities	....
4. Cash in India	38,27,79,000
5. Balances with the Reserve Bank in India	69,83,66,000
6. Balances with other banks in current account in India	10,75,82,000
7. Money at call and short notice in India	15,81,84,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	345,02,59,000
9. Advances in India	720,29,84,000
10. Inland Bills purchased and discounted in India	121,92,56,000
11. Foreign Bills purchased and discounted in India	59,08,70,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	29th April, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	480·00	480·00
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.79-2.79½	2.79-2.79½
London on Paris Fcs.	986‡	986‡
London on Berne Sw. Fcs.	12.27½-12.27½	12.27½
New York on London $	2.79-2.79½	2.79-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378·07	..		10,170	269
Pakistan	'53-'54	79·33	..		1,931	243
Burma	1954	19·24	Kyats	3,905	390	204
Ceylon	1954	8·38	..	..	470	560
Japan	1955	88·90	¥.	6,575,000	8,698	978
Philippines	1955	21·85	Ps.	7,860	1,837	850
New Zealand	1955	2·13	£(N.Z.)	846	1,128	5,296
Australia	1954	8·99	£(A)	3,957	4,220	4,694
U.K.	1955	50·97	£	16,634	22,178	4,351
U.S.A.	1955	165·27	$	324,000	155,520	9,410
Canada	1955	15·60	$	20,738	10,166	6,516
France	1955	43·27	F.Fr.	12,440,000	17,010	3,931
W. Germany	1955	49·99	Dm.	126,200	14,460	2,890
Italy	1954	47·80	Lr.	9,718,000	7,480	1,560
Norway	1955	3·43	Kr.	19,764	1,320	3,050
Sweden	1954	7·21	Kr.	38,630	3,544	4,912
Netherlands	1955	10·75	Grs.	22,500	2,850	2,650
Denmark	1954	4·41	Kr.	23,374	1,610	3,654
Switzerland	1954	4·92	Sw. Fr.	22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 12th April, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	48,12,16,000
(b) Provincial Governments	....
(c) Banks	14,40,98,000
(d) Others	9,06,48,000
Bills Payable	9,00,000
Other Liabilities	11,95,58,000
Rupees	89,64,29,000

ASSETS	Rs.
Notes	9,47,52,000
Rupee Coin	16,000
Subsidiary Coin	10,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	7,97,000
Loans and Advances to Governments	3,16,00,000
Provincial Governments' Debtor Balances	16,28,57,000
Other Loans and Advances	8,10,57,000
Investments	42,12,44,000
Other Assets	10,40,96,000
Rupees	89,64,29,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,47,52,000	
Notes in circulation	331,79,51,000	
Total Notes issued		341,27,03,000
Total Liabilities	....	341,27,03,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	....	
Sterling Securities	80,74,56,000	
Government of India Securities	23,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		158,73,74,000
B. Rupee Coin	5,04,05,000	
Government of Pakistan Securities	171,69,18,000	
Internal bills of exchange and other commercial paper	....	
		176,63,23,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	341,27,03,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued 48.16 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	19th April, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1569.11	1574.42	1,517.79	1509.65
Notes held in Banking Department	35.05	12.38	6.62	19.41	16.67
Foreign Securities	59.50	412.52	412.52	412.52	681.45
Rupee Securities	37.39	924.90	924.90	884.97	608.69
Banking Department					
Deposits of:					
Government of India	14.89	51.41	53.60	53.63	55.86
Other Governments	..	5.56	1 54	35.15	25.53
Balances held abroad	10.08	99.83	104 20	125.21	52.71
SCHEDULED BANKS					
Demand Liabilities	134.36	732.08	725.80	701.08	648.31
		495.66†	487.69†	466.86†	427.77†
Time Liabilities	102.24	(2.13)‡	(2.30)‡	(2.18)‡	(2.96)‡
Borrowings from Reserve Bank	..	75.57 (57.28)‡	80.94 (59.16)‡	97.59 (73.20)‡	50.80 (32.82)‡
Borrowings from State Bank	..	7.20	8.71	11.44	8 81
Cash in India	6.70	38.28	38.78	36.90	37.89
Balances with Reserve Bank	25.17	69.84	64.06	52.34	50.87
Excess over statutory limits	15.52	23.33	18.02	7.95	9.90
Balances with other banks in current account in India	..	10.76	10.66	9.61	10.42
Money at call and short notice in India	..	15.82	12.56	12.78	8.21
Investments (at book value)	..	345.03	346.01	348.09	355.58
Advances and bills	105.09	901.31	902.27	882.57	752.05
STATE BANK					
Deposits	..	87.76	304 48	300 08	279-84	234.09
Investments	..	51.99	105 53	105 31	105.70	105.34
Advances	..	30.35	180 98	182 03	183.45	134.57
Cash	..	14.69	34.90	32.66	14.78	18.72

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1956	January, 1957	Ten months, April to Jan., 1955-56	Ten months, April to Jan., 1956-57
Import Duties:				
Revenue	10.51	12.69	95.96	105.67
Protective	0·85	1.27	8.44	10.50
On surplus disposals	..	..	0·08	0 04
Total import duties	11.35	13.96	104·48	116·21
Export Duties	2 63	2.96	30·93	25.15
Land Customs	0 29	0 21	1.15	2.03
Miscellaneous	0·05	0 10	0.59	0·94
Gross total customs	14·23	17.23	137.15	144 33
Refunds and drawbacks	0 21	0 25	2.12	2 09
Net Customs	14 02	16·98	135·03	142 24
Gross excise	13·51	17·96	123.06	155·81
Refunds	0·13	0·25	3·60	1·75
Net Excise	13·38	17·71	119·46	154·06
Net total of customs and excise†	27.40	34·69	254·49	296·30

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 19th April, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		8,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		804,48,07,000
Bills Payable		93,00,000
Bills for Collection being Bills Receivable as per contra		7,86,35,000
Acceptances, Endorsements and Other Obligations per contra		62,74,000
Other Liabilities (including Inter-Office Adjustments)		5,65,000
Total	Rs.	2,74,55,000
		328,70,36,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		31,07,60,000
Balances with other Banks		3,82,23,000
Money at Call and Short Notice		93,33,000
INVESTMENTS:		
Government and other Trustee Securities	94,07 13,000	
Other Authorised Investments	11,45,84,000	
		105,52,97,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	154,53,57 000	
Bills Discounted and Purchased	26,44,02,000	
		180,97,59,000
Bills Receivable being Bills for Collection as per contra		62,74,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		5,65,000
Premises less Depreciation		1,20,97,000
Furniture and Fixtures less Depreciation		64,05 000
Other Assets (including Inter-Office Adjustments)		3,33,23,000
Total	Rs.	328,70,36,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates 5-Year Receipts	5-Year Outstandings*	7-Year Receipts	7-Year Outstandings*	12-Year Receipts	12-Year Outstandings*	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings*	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates Receipts	3½% Ten-year Treasury Savings Deposit Certificates Outstandings*	10-Year National Plan Certificates‡ Receipts	10-Year National Plan Certificates‡ Outstandings*	15-Year Annuity Certificates‡ Receipts	15-Year Annuity Certificates‡ Outstandings*
1952-53	6,83	65	3,26	28·66	84,17	1,13,35	92,03	— 31,07	7,55	25,64	..	..	..	..	..
1954-55	4,70	1,62	4,99	27,27	1,24,64	1,34 94	1,30,88	— 36,35	5,57	37 15	7,40R	7 38	..	55‡‡	54
1955-56	3,76	1,98	5,48	27,19	1,44,36	1,58,15	1,67,86	— 38,87	4,79	41,25	9,86	16,37	45	3	95
January 1956	3,91	14	5,24	2,03	1,40,78	12 16	1,54,14	— 38,55	32	40,61	84	14,78	2	2	91
February ,,	3,83	16	5,29	2,33	1,42 37	12,87	1,56,19	— 38,66	29	40,95	93	15,57	2	2	93
March ,,	3,76	33	5,48	2,82	1,44 36	23,64	1,67 86	— 38,87	36	41,25	88	16,37	2	2	92
April ,,	3 69	24	5,54	2,19	1,45,88	14,54	1,71 08	— 38,96	34	41.51	82	17,13	2	2	..
May ,,	3,61	21	5,54	2 49	1,47,58	14,77	1,73 05	— 39,05	38	41,82	85	17,91	2	2	1,00
June ,,	3,54	28	5,55	2,70	1,49,48	15,24	1,76,09	— 39,15	38	42,11	92	18,75	4	1	1,04
July ,,	3,48	43	5 81	2,78	1,51 53	14,61	1,80,05	— 39,24	38	42,42	1,01	19,68	4	1	1,07
August ,,	3,40	29	5 82	2,53	1,53,14	14,10	1,83,51	— 39,35	36	42,72	98	20,58	5	1	1,11
September ,,	3,34	17	5,71	2,65	1,55 14	13,27	1,84,83	— 39,17	34	43,00	85	21,34	3	1	1,13
October ,,	3,28	16	5,69	2,38	1,56,51	13 00	1,85,99	— 39,26	35	43,29	82	22,06	4	1	1,17
November ,,	3,23	18	5 66	2,30	1,57,02	12,70	1,86 89	— 39,35	25	43,39	77	22,73	3	1	1,19
December ,,	3,17	23	5,76	2,47	1,58,90	14,77	1,87,96	— 39,43	26	43,58	70	23,32	3	1	1,22
January 1957	3,12	21	5,80	2,67	1,59,33	13,46	1,88,10	— 39,84	36	43,89	..	..	..	6	1,27
February ,,	..	..	..	..	..	..	..	..	30	44,14	..	..	..	..	..

* At the end of period.

† Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

‡ From July 1954.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 20th April, 1957	13th April 1957	23rd Mar., 1957	21st April 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90·0	89·9	89·9	90·9
1. Government of India	89·7	89·7	89·7	90·7
2. Indian States	96·4	96·4	96·4	96·7
3. Municipal Port Trust, etc.	90·4	90·4	90·4	89·4
DEBENTURES OF INDUSTRIAL CONCERNS	99·0	98·9	98·9	100·9
1. Electricity	99·0	98·9	98·8	102·2
2. Jute	97·0	97·0	97·0	97·6
3. Plantations	98·4	98·4	98·5	99·2
4. Sugar	98·5	98·5	98·5	93·5
5. Coal	90·6	90·6	90·6	90·0
6. General Engineering	100·0	100·0	100·0	100·0
7. Shipping	101·8	101·8	101·8	102·3
8. Others	100·1	100·1	100·1	101·1
PREFERENCE SHARES	78·4	78·7	79·7	88·4
1. Electricity	86·8	87·2	88·0	93·8
2. Cotton	78·0	78·4	79·3	81·6
3. Jute	71·0	72·3	74·0	83·3
4. Sugar	81·8	81·8	82·1	89·9
5. Iron and Steel	80·7	80·7	82·4	87·7
6. Sugar	79·4	79·4	79·6	84·5
7. Paper	78·8	78·8	79·6	82·1
8. Plantations	97·8	97·8	98·6	101·5
9. Miscellaneous	74·7	74·7	75·0	80·8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	107·0	106·8	111·6	122·8
(a) Financial	90·1	90·2	92·2	97·9
1. Banks	92·1	92·3	94·6	88·1
2. Insurance	82·4	82·2	81·8	84·7
3. Investment Trust	75·6	75·7	76·4	93·5
(b) Public Utilities	107·3	107·6	111·0	112·9
1. Electricity	106·9	107·1	109·4	116·1
2. Shipping and other Transport	116·9	117·2	124·0	111·9
3. Railways	112·6	112·0	117·7	131·3
(c) Manufacturing Industries	118·7	118·6	124·3	130·7
1. Cotton, Woollen and Silk	54·6	55·2	59·5	75·6
2. Jute	130·3	119·3	128·3	149·0
3. Iron and Steel	228·2	229·7	240·1	290·0
4. Paper	148·5	147·7	155·2	174·9
5. Cement	183·0	180·9	187·5	194·0
6. General Engineering	95·9	96·5	100·2	104·7
7. Sugar and Breweries	134·2	133·2	134·4	144·0
(d) Non-Manufacturing Industries	132·4	132·3	137·6	188·5
1. Coal	69·8	69·5	71·1	81·5
2. Mining and Oil	180·3	179·1	189·3	258·9
3. Plantations	150·0	150·2	157·3	183·5
(e) Miscellaneous	83·7	83·6	89·1	101·0
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89·3	89·3	89·4	90·4
1. Bombay	89·9	89·8	89·9	90·9
2. Calcutta	90·2	90·2	90·2	91·2
3. Madras	99·0	99·0	99·0	100·0
DEBENTURES OF INDUSTRIAL CONCERNS:	98·8	98·7	98·6	101·6
1. Bombay	99·5	99·5	99·6	100·2
2. Calcutta	739	749·9	622·0	
3. Madras	715	806·0	851·0	
PREFERENCE SHARES:	701	780·8	648·8	
1. Bombay	701	825·8	669·1	
2. Calcutta	710	796·5	658·5	
3. Madras	724	798·0	656·2	
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	725	793·7	650·0	
1. Bombay	737	815·7	666·4	
2. Calcutta	753	824·1	670·1	
3. Madras	758	810·5	688·1	
4. Delhi	757	881·5	715·0	

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	962	809 242	3,336,961
1953	772	466,607	3,382,608
1954	840	477,138	3,372,680
1955	1,166	527,767	5,697,848
1956	1,258	722,334	7,095,000
January 1955†	95	49,038	422,907
February ,,	91	38,870	144,302
March ,,	113	70,042	334,696
April ,,	106	32,433	333,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	553,990
September ,,	251	93,619	680,031
October ,,	134	47,600	214,214
November ,,	99	48,609	176,118
December ,,	129	45,277	239,550
January* 1956†	107	61,755	362,000
February* ,,	123	70,155	781,706
March* ,,	140	133,188	678,716
April* ,,	140	83,524	509,087
May ,,	137	65,037	349,352
June ,,	153	71,047	484,439
July* ,,	150	100,335	529,151
August* ,,	138	64,767	492,173
Sept.* ,,	134	130,667	922,685
Oct.* ,,	150	113 404	819,619
November ,,	138	59,451	499,636
December ,,	145	65,351	407,166
January 1957 ,,	121	52,362(a)	280,320(b)

† Figures are provisional.

* Revised.

(a) Not known in 3 cases.

(b) Not known in 4 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,801·4	5,124·2
1953-54	648	6,876·8	5,257·7
1954-55	686	7,760·9	6,319·2
1955-56	715	8,805·8	7,185·8
Jan., to Dec. 1955	724	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,830.7	7,892.0
October 1955	716	730.7	591·9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	806.0	651.0
April ,,	701	780.8	648.8
May ,,	701	825.8	669.1
June ,,	710	796.5	658.5
July ,,	724	798.0	656.2
August ,,	725	793.7	650.0
September ,,	737	815.7	666.4
October ,,	753	824.1	670·1
November ,,	758	810.5	688·1
December ,,	757	881.5	715.0

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

† At the end of period. *Source:*—Central Water and Power Commission.]

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	13th April, 1957	6th April 1957	14th April, 1956	March, 1957	March, 1956	Percentage of increase (+) or decrease (—) in Mar., 1957 as compared with Mar., 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	406.1	403.4R	360.9	402.5	351.6	+14.5	388.5	313.2
Cereals	59	540*	535*R	459	528	439	+20.3	499	372
Pulses	8	423	431	351	440	373	+18.0	397	289
Others	33	241	240*	236*	242	233	+ 3.9	247	235
Industrial Raw Materials	(18)	513.6	514.7	471.0	518.1R	475.6	+ 8.9	501.9	419.8
Fibres	53	508	508	459	505	471	+ 7.2	483	429
Oil seeds	30	550*	555	524	559R	511	+ 9.4	558	398
Minerals	10	511	514	444	552	453	+21.9	508	427
Others	7	418	418	395*	414R	406	+ 2.0	421	431
Semi-Manufactures	(17)	399.6	398.8	375.5	403.3	368.8	+ 9.1	402.3	338.2
Leather	8	391	391	410	403	408	+ 0.5	409	378
Mineral oils	13	211	211R	208	210	208	+ 1.0	209	207
Vegetable oils	16	561	560R	514	577	489	+18.0	582	389
Cotton yarn	35	484	434R	455	484	452	+ 7.1	487	422
Metals	18	328	328	282	328	282	+16.3	318	264
Oil cakes	5	419	409	418	419	379	+10.6	447	338
Others	5	375	375	362	385	364	+ 5.8	366	336
Manufactured Articles	(30)	384.1	384.3R	375.8	384.1	374.8	+ 2.5	384.6	372.9
Textiles	64	409*	410	408	408	410	+ 0.5	416	408
Jute	11	414	416	397	412	410	+ 0.5	416	418
Cotton	45	412*	412*	408*	414*	403*	+ 2.7	420*	403*
Rayon and Silk	6	—	—	502*	502*	442*R	+ 12.0	495*	435*
Woollen	2	266	266	264	266	278	— 4.3	265	284
Metal products	17	392	392	371	392	371	+ 5.7	386	359
Others	19	305	305R	286	302	285	+ 6.0	294	295
Miscellaneous	(9)	585.9	584.6	496.0	589.6R	508.1	+12.1	559.3	546.4
All Commodities	(100)	421.0	420.2R	390.7	421.2	387.4	+ 8.7	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to th various sub-groups within groups are shown without brackets. R—Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | J

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop		Forecast	(In thousand acres) 1955-56	1954-55	(In thousand tons) 1955-56	1954-55
Cereals—						
Rice	..	2nd	72,512†	71,886††	23,900†	23,515††
Wheat	..	final	29,225	27,517	8,348	8,778
Jowar	..	2nd	39,839†	41,174††	4,516†	4,312††
Bajra	..	final	27,025	27,983	3,400	3,421
Barley	..	final	8,145	8,309	2,721	2,870
Maize	..	final	8,909	9,311	2,519	2,939
Ragi	..	final	5,671†	5,693††	1,914†	1,829††
Small millets	..	final	13,095	13,799	2,103	2,456
Total cereals	..	final	211,000	212,025	53,349	55,734
Pulses—						
Gram	..	final	22,092	22,047	4,865	5,303
Tur	..	2nd	5,581†	5,725††	1,603†	1,705††
Other Kharif pulses §	..	final	15,862	16,719	1,650	1,830
Rabi pulses‡	..	final	10,579	10,590	1,858	1,959
Total pulses	..	final	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	..	2nd	11,299†	10,968††	3,550†	3,372††
Castorseed	..	final	1,403†	1,404††	129†	124††
Sesamum	..	3rd	4,996†	5,423††	417†	434††
Rape and Mustard	..	final	6,262	6,025	832	1,019
Linseed	..	final	3,424	3 354	876	882
Total oilseeds	..	final	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	..	final	20,230	18,684	3,993	4,227
Jute A.	..	final	1,883†	1,739††	4,221†	4,197††
Mesta A.	..	2nd	695†	553††	1,430†	1,161††
Other crops—						
Potato	..	final	693	658	1,839	1,736
Sugarcane	..	2nd	4,532†	3,945††	68,914†	50,455††
Ginger (Dry)	..	final	37	35	15	14
Pepper (Black)	..	final	214	208	27	25
Chillies (Dry)	..	final	1,492	1,523	340	363
Tobacco	..	final	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During March, 1957 ..	84.7
	Corresponding month, 1956 ..	99.3
	Nine months ended Mar., 1957 ..	771.0
	Corresponding period, 1956	800.5
Stocks	At the end of Mar., 1957 ..	97.7
	Corresponding month, 1956 ..	95.0
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 23rd Feb., 1957 ..	N.A.
	Corresponding week, 1956 ..	11,327
	From 1st Jan., to 23rd Feb., 1957	N.A.
	Corresponding period, 1956 ..	57,738
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 23rd Feb., 1957 ..	N.A.
	Corresponding week, 1956	10,304
	From 1st Jan., to 23rd Feb., 1957	N.A.
	Corresponding period, 1956 ..	157,163
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	March, 1957 ..	4.91
	Corresponding month, 1956 ..	5.76
	Nine months ended Mar., 1957 ..	44.03
	Corresponding period, 1956 ..	46.62

* From Calcutta. † Estimated. N.A.=Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1954..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955..	11,54,400	10,42,900	7,81,200
Do. 31st March, 1956..	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957..	11,55,500	10,73,600	7,97,500
October 1955	91,700	83,800	64,800
Nov. "	91,900	86,200	63,400
Dec. "	103,900	97,500	72,300
January 1956	103,900	96,800	71,700
Febuary "	97,500	89,500	67,700
March "	103,300	96,200	69,900
Oct. "	96,700	91,100	71,500
Nov. "	94,700	85,800	65,100
Dec. "	101,500	93,300	66,900
January 1957	97,400	94,300	70,500
Febuary "	90,000	81,300	63,400
March "	95,100	93,200	73,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954..	5,80,020	5,49,930	2,92,440
Do. 31st March, 1955..	7,15,949	5,28,240	4,09,093
Do. 31st March, 1956..	7,06,986	5,31,565	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
" " " Sept., 1954.	1,80,018	1,29,741	1,12,861
" " " Dec., 1954.	1,88,053	1,36,801	1,20,616
" " " Mar., 1955.	1,65,108	1,43,828	1,18,136
" " " June, 1955.	1,58,695	1,34,333	1,16,284
" " " Sept., 1955.	1,76,181	1,30,630	1,08,714
" " " Dec., 1955.	1,60,750	1,24,696	1,05,752
" " " Mar., 1956.	1,84,450	1,41,846	1,19,860
" " June, 1956	1,48,306	1,17,710	92,609
" " Sept., 1956.	1,74,447	1,33,325	1,13,953
" " Dec., 1956.	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	December, 1955	1956	Nine months April to Dec., 1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	2,07	3,72	40 47	27,11
Raw materials ..	15,07	22,55	131,70	138,69
Manufactures ..	40.49	40,90	304,77	428,29
Other Items ..	34	62	2,32	3,55
Total* ..	58,87	67,69	482,26	597,55
By land	3,17	1 69	19,85	14,62
Total Imports ..	62,04	69,38	502,11	612,17
Exports :				
By sea and air—				
Foodstuffs ..	14.79	19,10	117,64	153,85
Raw materials ..	15,51	13,02	125,79	89,91
Manufactures ..	21,06	22,27	189,60	182,89
Other Items ..	35	42	3,15	3,53
Tota ..	51,71	54,81	436,18	430,18
By land				
Total Exports ..	43	60	3,96	5,10
Total Re-exports ..				
Balance of trade in merchandise	— 8,97	— 13,04	— 57,13	—172,15
Balance of transactions in private treasure ..	— 2	+ 1	— 6	— 15
Total visible balance of trade.	— 8,99	— 13,03	— 57,19	—172,30
Imports : ‡				
Total C'wealth countries ..	21,67	24,15	210,47	233,70
Total Foreign countries ..	37,20	43,54	271,79	363,76
Exports : ‡				
Total C'wealth countries ..	25,19	27,38	218,40	223,81
Total Foreign countries ..	26,52	27,43	217,78	206,37

* Excludes the value of certain stores imported on Government account. † Provisional figures. ‡ Excluding Bullion and Specie.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	125
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
December 1955 ..	9.230	2,071	726	154	78	50	95	21	252	304	30	237	38	117
January 1956 ..	10,326	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February ,, ..	11,548	2 541	883	190	97	62	132	27	395	374	38	298	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ..	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,, ..	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,, ..	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,, ..	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,, ..	5,409	1,222	438	87	48	23	58	8	184	173	13	150	19	65
September ,, ..	6,420	1,446	565	97	46	28	73	10	199	207	15	179	26	81
October ,, ..	7,494	1,703	570	110	50	32	96	12	216	242	18	212	33	98
November ,, ..	8,819	1,969	659	129	59	37	121	15	257	275	20	246	39	114
December ,, ..	9,850	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957 ..	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	144

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 25th April, 1957 ..	43,651(J)
	Corresponding week, 1956 ..	42,828(J)
	1st Sept. 1956 to 25th April 1957	1,276,429*
	Corresponding period, 1955-56 ..	1,357,224*
Cotton Exports‡ ..	Week ended 25th April, 1957 ..	7,654
	Corresponding week, 1956 ..	5,545
	1st Sept. 1956 to 24th April, 1957	186,625
	Corresponding period, 1955-56 ..	504,259
Mill Consumption .. (Estimated)	1st Sept. 1956 to 25th April, 1957	877,253
	Corresponding period, 1955-56 ..	816,438
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 25th April, 1957	506,212
	Corresponding date, 1956.. ..	639,100
Cotton Exports from Bombay (by sea)	During Jan., 1957	42,391§
	During Jan., 1956	35,978
	1st Sept., '56 to 31st Jan., '1957..	108,022
	1st Sept., '55 to 31st Jan., 1956..	363,052
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 11th April 1957	1,114,584
	Corresponding period, 1955-56 ..	1,228,582
Exports	1st Sept., 1956 to 11th April 1957	578,867
	Corresponding period, 1955-56 ..	638,280

Particulars	From 1st Sept. 1956 to 22nd April, 1957 Bales	From 1st Sept. 1955 to 22nd April, 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	10,513	63,351
Continent ..	19,181	89,026
Hongkong ..	27,679	36,890
China	3,437	54,546
Japan	112,282	256,467
U.S.A. ..	2,234	3,837
Other Countries ..	462	2,926
Total to all foreign countries ..	184,788	507,643
Coastal Ports ..	7,360	74,217
Total	192,148§	581,860§
	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	February, 1957	383,121
Foreign		43,662
Indian	Six months ended Feb., 1957	2,324,414
Foreign		292,297
Indian	Same Period 1956	2,221,013
Foreign		287,444
Stocks (Mills and Elsewhere)—		
Indian	As on 28th February 1957 ..	1,151,853
Foreign		182,316
Indian	As on 28th February, 1956 ..	1,187,986
Foreign		174,625
	Week ended 12th Apr., 1957 ..	4,557
	Corresponding week, 1956 ..	96,324
	1st Sept., 1956 to 12th Apr., 1957	1,154,634
	Corresponding period, 1955-56 ..	2,524,656

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.85
3 % Loan	1938-39	1 16,17,46,000	1963-65	94.15
3 % Loan	1950	30,33,10,000	1964	94.45
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	92.05
3 % V.Loan	1944	33,54,89,000	1957	99.75
3 % Loan	1945	1,15,05,88,000	1970-75	87.20
3 % 2nd V.Loan	1945	1,13,65,64,000	1959-61	97.75
2½ % Loan	1951	50,35,83,000	1958	99.65
2½ % Loan	1946	45,90,37,000	1960	96.45
2½ % Loan	1946	57,00,69,000	1961	93.50
2½ % Loan	1946	14,77,18,000	1962	93.20
2½ % Loan	1947	75,86,72,000	1962	93.90
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99.50
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98.30
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98.25
3½ %	1956	57,27,00,000	1962	97.80
3½ % N.P. Bonds	1956	33,82,00,000	1967	98.45
3½ %	1956	66,64,00,000	1974	98.50
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,35,000	At option o Government after three months notice. (On September, 1986 or later at option of Government after three months' notice.	73.00
3 % Loan	1946	2,48,91,47,000		74.40
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958-68***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97.50
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97.10
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98.35
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94.10
3 % Bombay	1950	2,87,82,000	31st July 1960	96.25
3½ % Bombay	1951	2,55,25,000	17th Sept. 1962	98.00
4 % Bombay	1953	5,42,25,000	15th July 1963	100.00
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100.35
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99.40
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	97.70
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
3 % Cochin	1945	1,50,00,000	16th Dec. 1955-58	98.00
3½ % Cochin	1936	70,09 000	1st June 1956-61	98.75
3½ % Howrah				
Bridge (New)	1936-37	1,95 96,700	1956-66	95.25
4 % Hyderabad	1955	2,12 42,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	98.85
3 % Madras	1939	1,23,45,000	21st June 1959	96.50
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98.55
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96.15
2½ % Madras	1946	3,81,77,200	3rd Sept. 1961	93.10
3 % Madras	1950	4,38,25,400	31st July 1960	96.15
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97.60
4 % Madras	1953	10,35,51,000	15th July 1963	98.50
4 % Madras	1952	5,24 81,200	1st Aug. 1964	98.50
4 % Madras	1955	7,60,00,000	1st Sept. 1967	98.00
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	97.25
3 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
3 % Mysore(f)	1936	5,99,72,300	30th Apr. 1956-61	98.90
3 % Mysore	1942	5,18,45,700	15th July 1958	98.80
3 % Mysore	1953	3,33,47,000	15th July 1963	98.60
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.60
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97.85
3 % M.P.	1944	62,60,800	15th Aug. 1958	98.50
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93.00
3 % M.P.	1950	1,01,44,200	31st July 1960	95.50
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
3½ % M.P.	1953	1,10,18,000	15th July 1963	98.75
4 % M.P.	1953	1,63,12,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4 % Trav. Cochin	1953	2,00,00,000	15th July 1963	98.00
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98.00
3 % U.P.Z.A.	1952	40,66,66,5462	.....	40.00
3 % U.P.	1948	1,57,14,000	15th Sept. 1961-66	97.80
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98.55
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96.00
3 % U.P.	1946	2,20,93,800	3rd Sept. 1961	93.05
3½ % U.P.	1951	1 91,02,000	17th Sept. 1962	97.85
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1953	7,25,15,500	15th July 1963	98.85
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.90
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
86,50,000	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1966	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	98·00N
45,00,000	4	1909	1969	
56,00,000	4	1910	1971	
75,00,000	4	1911	1975	98·00N
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
50,00,000	4	1914*	1974	98·00N
88,25,000	4	1914	1975	98·00N
10,00,000	4	1915*	1960	
66,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
10,00,000	3½	1936*	1966	
48,04,000	3½	1036*	1960	
10,00,000	3½	1038*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
1,50,00,000‡		1921	1981	82.00
85,02,300‡	6½	1921	1981	144.00N
1,49,40,500§	5	1927	1957-87	101.50
1,49,30,000	5	1928	1958-88	102.50
60,00,000	4½	1931	1959	95.00
80,00,000	3½	1935	1965	97.50
25,00,000	3	1938	1963-68	90.00
50,00,000	3	1938	1968	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	1976	74.00
60,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1979	82.00
50,00,000	3	1950	1980	82.00
50,00,000	3	1950	1980	95.00
50,00,000	3	1950	1960	95.62
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1951	1981	98.50
50,00,000	4	1953	1983	100.00
50,00,000	4	1953	1983	98.56
90,00,000	4	1955	1985	98.00
77,00,000¶	4	1956	1986	97.75
78,00,000¶	4	1956	1486	97.75

STERLING LOANS

Rs.				
£892,600	5	1923	1953-83	£79.25
£901,000	5	1924	1954-84	£79.25
£835,100	5½	1932	1962	£91.25

MADRAS

Rs.				
31,47,169	3½	1947	1977	Rs.
9,88,000†	3	1947	1977	
8,00,000†	3	1949	1979	A
45,00,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
50,00,000	4	1899	1959	100.00
80,00,000	4	1901	1961	
30,00,000	4	1903	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4½	July 1914	1976	
40,00,000	5	1919	1957-79	118.00N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
30,00,000	3	1936	1966	
‡STERLING LOANS				
£566,600		1909	1969	95.50N
£338,000		1910	1970	£95.50N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	106.00
50,00,000	4	1934	1964	99.75
35,00,000	5½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	91.00
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1982	99.75
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs.				Rs.
20,60,000	4	1913-15	1974	98.00
10,00,000	5	1920	1980	113.00N
25,00,000	5	1923	1958	
5,45,000	5	1924	1954-59	102.00
26,21,500	5	1929	1959	
8 25,00,000	3½	1947	1977	86.25
8 50,00,000	3½	1947	1979	86.25
4,00,00,000	3½	1950	1965	92.25
2,50,00,000	4	1952	1964	98.25
2,00,00,000	4	1953	1968	98.25
1,30 00,000	4	1953	1963	98.25
1,00,00,000†	4	1952	1964	99.00
1,00,00,000†	4	1955	1968	98.00
2,50,00,000	4	1955	1967	98.00
1,50,00,000	4	1956	1968	98.00
		CALCUTTA		Rs.
86,00,000	5	1923	1958	102.00
25,00,000	5	1929	1957	101 50
25,00,000	5	1929	1958	102.00
10,00,000	5½	1932	1962	98.00
33,31,000	5½	1933	1963	98.00
60,00,000	3	1936	1966	90.00
47,50 000	3	1938	1968	90.00
15,56,800	4	1940	1957	99.50
17,64,400	3½	1942	1959	98.50
21,10,000	3½	1942	1972	97.00
19,40,000	3½	1951	1961	97.50
16,33,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	99.75
27,56,000	4	1952	1968	99.00
72,50,000	4½	1954	1979	100.00
		MADRAS		Rs.
Rs.				
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.75
4 % W. Bengal	1953	3,60,25,000	15th July 1963	99.75
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.50
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99.00

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not payable
(f) Income-tax free. * Loans held entirely by the Trustees. ‡ Rs. 1,50,00,000 Inclusive of Sinking Fund. § Rs. 4 to 6 per cent. ¶ Rs. 1,00,00,000 Inclusive of Sinking Fund. N—Nominal. *** Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6½	Mar. Sep.	110.00]	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70.00	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	98.00	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	120.00	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6.12	5
†East India Distilleries ..	£200,000	1897	7	Jan. July	16.31	£1
Gwalior Sugar	6,75,000(e)	1940	7(a)	Dec. ..	62.00xd	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	62.00xd	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	14.00xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	80.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	29.00	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	8.12	10

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.= Preferred Ordinary shares. Y= Accounts published yearly. H.= Accounts published half-yearly. P.= Company has Preference shares. T.= Company has Debentures. N.= Nominal quotations. x.d.= Ex. Dividend. c.d.= Cum. Dividend. i= Interim Dividend. f= Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,738	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2.44	2	0 4(c)	0 2(c)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,67,129	M.	51,864	1,021	B. R. Cotton Mills	30.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,38,000	3,12,58,951	3,85,22,946	3,50,00,000	2,41,366	Jawrosjee Wadia & Sons, Ltd.	2,23,552	3,984	Bombay Dyeing & Mfg. ..	542.00	250	22 8*	20 0	25 0*	25 0	12	Y.
10,00,000	28,74,892	58,81,886	53,57,495	91,711	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	212.50	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,09,42,800	2,85,31,209	6,06,66,976	2,32,91,693	7,61,731	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg. ..	450.00	100	25 0*	22 0	22 8	22 0	12	Y.
49,00,000	23,42,826	1,19,99,766	65,07,085	—33 08,097	Y. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	65.00	100	*Nil*	*Nil*	*Nil*		3	Y.
25,00,000	13,03,350	90,15,997	57,80,041	17,016	Cowasjee Jehangir & Co., Ltd.	54,548	680	Crown Spg. & Wvg.	131.00	100	7 8	7 8	7 8	12 8*	12	Y.
15,00,000	44,56,895	89,10,881	54,66,041	2,17,076	Ramnarain Sons Private Ltd.	40,992	630	Dawn Mills	97.50	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,435	76,75,257	50,21,788	2,85,643	Purannal Bubna Sons ..	48,718	928	Edward Textiles	255.00	200	15 0	15 0	18 0		12	Y.
29,98,050	11,81,233	1,09,78,649	80,74,224	1,81,354	M.	41,300	856	Elphinstone Spg. & Wvg. ..	59.00	50	*Nil*	2 0	5 0		12	Y.P.
50,00,000	70,11,873	1,33,35,518	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,528	784	Finlay Mills	282.00xd	100	16 0	16 0	20 0		12	Y.
50,00,000	48,98,022	90,86,646	59,17,887	1,67,780	James Finlay & Co., Ltd. ..	40,640	1,020	Gold Mohur Mills Ltd. ..	210.00	100	12 8	12 8	15 0	15 0	12	Y.
11 84,000} 1,16,000}	75,14,589	1,52,34,650	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	{5,525.00 / 992.50}	{1,000 / 250}	225 0* / 56 4*	225 0 / 56 4	300 0 / 75 0	325 0 / 81 4	3	Y.P.
2,00,00,0000} 50,00,000D}	62,50,399	4,65,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills	{10.65 / 1.58}	{0 100. / 0 10.}	0 10 / 0 1	*Nil* / *Nil*	0 15 / 0 2	0 101 / 0 12	12	Y.
8,55,000} 35,000}	72,74,043	1,41,26,890	1,00,89,000	4,886	M.	47,984	1,122	Indian Mfg.	{5,215.00 / 177.00xd}	{1,000 / 500}	225 0* / 112 8*	225 0 / 112 8	300 0 / 150 0	300 0 / 150 0	3	Y.P
29,85,000	55,07,581	2,72,72,670	2,08,22,138	26,228	Khatau Makanji & Co., ..	92,852	1,489	Khatau Makanji Spg. & Wvg.	319.25xd	100	20 0*	18 0	18 0	18 0	6	Y.P.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	20.00XR	50	1 0	5 0	8 0*	8 0*	10	Y.T.
22,13,050	52,27,238	1,22,08,423	54,58,440	55,109	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	260.00	100	12 0	14 0	14 0	15 0	6	Y.P.
51,75,000	37,05,298	2,35,88,597	1,76,19,589	1,41,489	Piramal Sons Private Ltd. ..	71,652	1,652	National Rayon Corporation	226.00	100	9 0	10 0	12 0	15 0	12	Y.P
1,87,74,400	85,41,004	5,84,71,095	3,05,00,000	5,15,085	Chinai & Co. Private Ltd. ..	..	..	New City of Bombay Mfg. ..	133.75	100	10 0	10 0	10 0	10 0	12	Y.
24,00,000	29,50,456	78,05,743	48,70,077	68,192	W. H. Brady & Co., Ltd. ..	45,944	432	New Great Spg. & Wvg. ..	229.00	100	10 0	7 8	10 0	10 0	12	Y.P.
30,00,000	22,01,492	95,52,784	65,37,035	245	W. H. Brady & Co., Ltd. ..	49,012	1,013	Phoenix Mills	147.50	100	8 0	8 0	10 0		12	Y.
48,00,000	30,10,989	1,84,25,555	84,75,255	2,40,352	Ramnarain Sons Private Ltd.	62,208	1,190	Phoenix Mills	164.00	100	10 0	10 0	12 0*	12 0*	12	Y.P.
40,00,000	45,64,554	48,69,907	24,25,000	4,72,683	Podar Sons Private Ltd. ..	32,600	930	Podar Mills	9.80	10	0 12	0 8	1 0	1 0	6	Y.P.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	..	..	Sassoon & Allance Silk Mill	39.50	10	1 4	1 12	2 0		12	Y.
87,70,000	53,80,605	1,02,53,251	1,59,71,124	54,339	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	178.00	100	14 0	14 0	12 0	12 0	12	Y.P
50,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	69,070	1,640	Shree Niwas Cotton Mills ..	171.00	50	15 0	11 0	10 0	12 0	3	Y.
45,00,000	32,02,170	98,78,809	78,58,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	442.00	100	20 0	20 0	20 0	22 8*	3	Y.P.
87,80,000	2,50,32,705	2,27,88,979	1,52,08,915	2,33,559	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	214.50	100	16 0	8 0	12 0	14 0*	12	Y.P.
1,00,00,000	98,08,485	2,71,02,081	1,33,02,735	29,124	Tata Industries Private Ltd.	82,328	552	Swan Mills	370.00xd	100	20 0	20 0	25 0	25 0	12	Y.
36,00,000	65,13,465	1,37,20,469	92,02,715	1,01,175	James Finlay & Co., Ltd. ..	39,328	552	Tata Mills	47.75	25	1 8	2 8	4 0	3 8*	12	Y.T.P
65,57,575	56,74,500	2,01,67,229	80,31,256	17,925	Tata Industries Private Ltd.	65,448	1,860	Western India Spg. & Mfg.	5,200.00	1,000	225 0*	25 0	300 0	300 0	3	Y.
12,00,000	61,05,709	27,41,228	90,20,000	4,524	M.	45,508	1,308									

AHMEDABAD

40,00,800	21,50,000	1,43,76,525	89,76,844	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	172.50	100	10 0*	5 0	7 0	12 0	6	Y.P.
12,00,000	94,58,068	94,37,898	76,10,164	27,288	P. M. Huthessing & Co., Ltd.	42,768	912	Aruna Mills	500.00	100	20 0*	20 0	30 0		12	Y.P.
24,25,000	2,58,80,694	1,66,65,504	1,16,00,000	78,768	Narotam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,040.00	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	81,75,000	96,84,384	72,25,000	2,40,859	Mangaldas & Bros. Ltd. ..	35,884	892	Aryodaya Ginning & Mfg.	477.50	200	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,033	1,49,81,974	1,04,54,953	69,804	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	960.00	100	22 0*	22 0	30 0		12	Y.P.
1,87,50,000	2,35,76,238	4,61,25,852	2,86,68,844	2,81,712	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	535.00	125	18 0	18 0	...	$0 0‡	3	Y.P.
62,37,000	24,58,000	1,21,06,843	89,25,000	2,760	Tricumlal Bhoglal & Co., Ltd.	45,836	866	New Commercial Mills ..	1,615.00	1,000	70 0	70 0	80 0		12	Y.P.
39,00,000	78,52,486	1,32,09,233	96,25,923	2,23,211	Mafatlal Chandulal & Co., Ltd.	42,344	918	Dunbar Mills	775.00	100	14 0	14 0	14 0		12	Y.
10,00,000	58,48,000	50,62,197	37,98,317	16,658	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	398.75	100	20 0*	80 0*	20 0		12	Y.P.
13,50,000	1,14,77,470	86,29,489	60,39,888	....	Lalbhai Dalpatbhai & Co. ..	31,120	636	Raipur Mfg.	840.00	100	25 0	25 0	35 0*		12	Y.P.
3,50,000	14,78,507	1,07,01,469	71,42,808	17,94,749	Lalbhai Gordhandas Ltd. ..	82,156	648	Rohit Mills	167.50	100	9 0	9 0	9 0		12	Y.P.
26,98,150	2,02,84,588	1,76,92,842	1,52,75,000	8,22,290	Harivallabhdas Kalidas & Co.	73,808	1,825	Shri Ambica Mills	564.00xd	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,21,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad) Ltd. ..	36,648	720	Shorrock Spg. & Mfg. ..	587.50	100	20 0	25 0*	25 0		12	Y.
30,00,000	90,34,191	1,09,66,008	78,85,291	54,644	Haridas&Ishratlal & Co., Ltd.	36,176	780	Vijaya Mills	690.00	400	35 0*	35 0*	35 0*		12	Y.

WEST BENGAL

15,00,000	1,42,800	84,02,029	81,82,880	[61,576	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	5.25xd	10	0 4	0 8	0 8		12	Y.P.N
7,50,000	9,10,017	72,14,055	52,66,911	59,990	Bengal Textile Agency, Ltd.	33,292	925	Bengal Luxmi Cotton Mills	40.00N	40	*Nil*	*Nil*	4 0	4 0	3	Y.P.
9,0,000	22,72,414	89,06,142	51,49,000	—23,47,973	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills ..	118.00	100	*Nil*	*Nil*	*Nil*		6,12	H.P
10,00,000	26,17,571	1,04,88,548	70,76,377	1,87,951	Mafatlal Chandulal & Co., Ltd.	42,344	918	Dunbar Mills	775.00	100	*Nil*	*Nil*	8 0		6,12	H.
1,50,00,000	2,20,42,382	2,76,19,583	1,91,80,823	1,82,852	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills ..	13.21	10	1 12	0 14	0 14	1 0	9	Y.P.
19,47,7500 5,90,900D}	7,45,000	47,06,298	*48,852	1,094	Hazaresmull Heeralall & Sons	23,086	795‡	Rampooria Cotton Mills ..	{2·75N / 16.00N}	{1D / 10}	*Nil*	*Nil*	0 8	0-5‡11/25	6	Y

SOUTH INDIA AND OTHER CENTRES

11,86,600	5,87,586	21,36,764	15,64,248	2,666	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd	217.00	100	4 0	*Nil*	12 8	15 0	6	Y.
11,94,000	25,91,264	1,84,91,580	50,78,582	1,26,043	Industrial Trust Fund ..	36,136	716	Asarn Jahi Mills	79.00	100	6 0	*Nil*	3 8	8(c)	9	Y.
40,50,000	2,50,15,667	3,39,77,494	2,60,70,021	2,25,947	Binny & Co. (Madras), Ltd...	40,048	1,157	Bangalore Woollen, Cotton and Silk Mills	550.00cd	100	25 0	30 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	58,72,138	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	7·50	10	*Nil* / 0 4	*Nil* t			6,12	H.P.T
25,00,000	1,09,46,351	1,19,14,492	87,76,992	4,55,221	Birla Brothers Private Ltd. .	29,896	1,088	Birla Cotton Spg. & Wvg. Delhi	28·00N	10	2 0	3 0	3 0		3	Y.
1,78,47,800	2,77,78,212	6,69,41,316	3,97,01,813	2,28,220	Binny & Co. (Madras) Ltd...	1,20,388	2,762	Buckingham & Carnatic ..	169.00xd	100	10 0	10 0	10 0	10 0	12	Y.P.
20,00,000	30,00,000	62,33,535	28,00,012	68,534	Ferros, Jardine & Co., Ltd. ..	37,536	4	Cambodia Mills	12.18cd	10	0 12	*Nil*	0 8	0 8	3	Y.P.
15,00,000	5,11,500	48,38,929	24,62,861	8,994	K. Damodaran, Esq.	20,600	592	Cawnpore Textiles	165·00	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,420	69,40,829	61,72,876	36,767	Begg, Sutherland & Co. Private Ltd.	27,016	591	Cawnpore Spg. & Wvg. Mills Ltd.	6·25	5	0 0	0 8	*Nil*	0 4	3	Y.P.T.
9,37,470	8,00,000	50,37,536	36,02,143	58,788	C. R. Srinivasan, Esq. (Chairman).	24,900	..	Coimbatore Cotton Mills ..	11·87	10	*Nil*	*Nil*	0 8	0 12	3	Y.
12,00,000	19,01,066	41,97,634	30,45,709	10,889	R. Bheema Naidu & Co. ..	23,864	..	Coimbatore Pioneer Mills ..	340·00	100	20 0	25 0	25 0	25 0	12	Y.P.
20,00,000	19,95,000	56,59,450	24,58,021	14,823	T. E. N. Naidu & Co. ..	27,226	..	Coimbatore Spg. & Wvg. ..	270·00	100	15 0	20 0	20 0		6	Y.
30,70,000	....	1,21,06,889	15,45,125	21,992	G. V. Naidu & Co.	23,188	407	Coimbatore Spg. & Wvg. ..	86·00	50	3 0‡	6 0	8 0		12	Y.
46,87,500	46,12,622	2,50,58,371	1,62,61,884	19,215	Tata Industries Private Ltd. ..	67,328	1,620	Central India	115.00	100	5 0	5 0	5 0		6	Y.P
3,33,56,2250 1,00,1840}	8,06,82,110	11,16,81,472	5,81,67,827	1,28,712	B. K. Charat Ram & Co., Private Ltd.	1,61,180	2,252	Delhi Cloth & General Mills ..	35.50N	25 1 12	{0 4 3/5 / 1 3/5}	{0 / 0 3/5}	{0 / 0 3/5}	{0 4 / 0 3/5}	3	Y.P.T.
84,84,800	22,25,000	66,71,865	46,12,885	....	M. N. Chattiar & Sons	38,052	201	Dhanalakshmi Mills	845.00	100	20 0	30 0	30 0	25 0	12	Y.
48,00,000	93,47,056	1,54,57,568	1,35,57,642	78,754	Begg, Sutherland & Co. Private Ltd.	48,456	1,198	Digvijay Cement Co. Ltd. ..	31.00	10	1 0	1 0	1 0	1 4	9	Y.H
42,81,000	37,59,771	1,04,88,548	70,76,377	1,87,951	Forbes, Forbes Campbell & Co., Ltd.	42,344	5	Gokak Mills	191.25xd	100	17 0	18 0	15 0	18 0	3	Y.
2,50,00,000	2,25,000	3,41,27,181	....	1,05,74,790	Birla Gwalior Private Ltd. ..	12,252	..	Gwalior Rayon	12·25	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
50,00,000	6,16,447	1,25,91,955	1,12,28,576	9,551	K. L. Sekaraju, Esq.(Chairman)	51,180	1,420	Indore Malwa United	132·00	100	4 0	6 0	9 0	5 0‡	12	Y.
3,80,000	10,85,593	21,06,889	15,45,125	2,079	G. V. Naidu & Co.	23,784	..	Janardhana Mills	91.00	50	4 8	5 0	10 0		12	Y.
18,54,000	18,24,703	45,22,234	33,88,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,505·00	1,000	*Nil*	20 0	50 0	60 0	6	Y.
23,42,535	19,25,000	93,32,480	52,49,160	41,492	Kothari & Sons	41,040	200	Kothari Textiles	14·25	10	0 8	0 8	1 0	1 0	6	Y.P.
23,00,000	67,91,510	1,69,61,585	1,26,19,465	20,376	M.	50,452	1,219	Lakshmi Cotton Mfg.	650.00xd	250	37 8	32 12	42 8	42 8	12	Y.P.
35,64,100} 17,82,050}	66,55,950	1,61,18,090	95,51,437	6,81,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	{140.00 / 69.50}	{50 / 25}	5 0 / 2 8	10 0 / 5 0	10 0 / 12 8	10 0 / 12 8	3	Y.
1,79,02,480	4,24,40,278	5,88,51,924	3,77,47,982	22,44,130	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	41·25	15	2 8	5 0	6 0	6 0	3	Y.
13,00,000	4,17,368	28,26,768	16,72,262	—99,078	A. L. A. K. S. Chettiar and Brothers	22,592	100	Malabar Spg. & Wvg.	199.00	100	8 0	*Nil*	3 0	3 0	12	Y.
60,00,000	69,00,000	88,78,627	43,29,784	45,385	W. A. Beardsell & Co.,Ltd. ..	25,556	603	Mettur Industries Ltd. ..	400.00	100	12 8	22 8*	25 0	42 8	3	Y.
29,80,584	19,01,581	69,75,246	49,04,782	16,588	N. Sirur & Co. Private Ltd.	29,896	704	Minerva Mills	82·50	100	7	5 0(c)	7 0		12	Y.
94,91,550	21,56,146	1,71,94,769	78,81,523	1,55,008	M.	32,408	952	Model Mills (Nagpur) ..	180.00	250	7	5 0(c)	7 8(c)	7 8	6	Y.
30,00,800	58,19,600	1,58,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	58,640	1,884	Mohr Mills	76·00N	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
24,25,500	80,84,035	1,10,19,583	67,14,107	19,041	N. Sirur & Co. Private Ltd.	50,480	500	Mysore Spg. & Mfg.	101.25	50	10 0*	8* 6	6 0(c)	8 0*	3	Y.
13,61,750	6,500	29,25,252	16,12,761	—1,50,553	R. Surveyanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8·75	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y
22,59,8820 5,07,0960}	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills	{1·81 / 0. 25 / D. 1}	{50 / *Nil* / *Nil*}	*Nil*	*Nil*	*Nil*		3	Y.P
87,19,600	35,48,220	1,69,99,989	61,91,561	74,722	Industrial Trust Fund ..	37,788	902	Osmanabad Mills	58·50	100	4 0	*Nil*	2 8(c)		9	Y.
4,00,000A 6,00,000B}	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	41,200	..	Palani Andavar Mills	{147·00 / 212·00}	{40A / 75B}	12 0 / 18 0	12 0 / 18 0	12 0 / 18 0		12	Y.P
15,00,000	1,55,000	34,16,017	17,49,676	—14,98,997	C. S. R. Mudaliar & Sons ..	27,080	..	Pankaja Mills Ltd.	20·00	10	*Nil*	*Nil*	2 8(c)		9	Y.
10,51,800A 3,40,800B}	22,75,000	88,80,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	800	Radhakrishna Mills	{275·00 / 139·50}	{100A / 50B}	6 0 / 4 0	16 0 / 8 0	20 0 / 20 0		12	Y.
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	33,896	..	Rajalakshmi Mills	136·00	50	7 8	10 0	10 0		12	Y.P.
16,14,800	12,00,000	52,99,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	..	Rajapalayam Mills	134·00	100	6 0	6 0	10 0		12	Y.
22,81,750	12,40,000	49,64,423	21,20,815	32,012	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	134·00	10	6 0	9 0	10 8	12 0	12	Y.
60,00,000	63,41,568	1,00,35,428	35,44,914	—12,16,728	J. P. Srivastava & Sons (Rampur).	24,532	600	Raza Textiles	6·25N	10	*Nil*	*Nil*	10 0	10 0	12	Y.P
19,000} 1,60,85,917}	1,60,85,917	3,18,49,081	2,05,07,227	—1,65,20,798	Morarka & Co.	95,222	2,224	Sholapoor Spg. & Wvg. ..	——	500	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
46,49,700	17,10,000	81,44,272	65,63,816	1,09,148	H. N. Pallegar, Esq. ..	10,744	292	Sri Krishnarajendra Mills ..	104·00	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,15,905	17,78,000	—3,45,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	87·00N	100	*Nil*	*Nil*			3	Y.
15,00,000	2,43,80,155	99,62,153	79,58,780	80,50,553	Birla Brothers Private Ltd.	40,212	1,244	Sutlej Cotton Mills	94·00xd	10	4 0	5 0	6 0	6 0	3	Y.
17,50,0000 7,50,000FO}	2,30,00,000	4,54,40,847	1,70,63,159	1,09,029	Jalpuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur)	{11·75N / 12·00N}	{100 / 10P.O.}	0 8 / 0-14 2/5	0 12 / 1-2 2/5	0 12 / 1-2 2/5		12	Y.P.
1,00,00,000	80,14,788	3,80,55,317	1,27,16,775	2,63,771	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	13·66cd	10	0 8	0 10	0 12		12	Y.P.T.
13,98,670	9,50,000	17,49,881	12,41,858	62,837	Mooji Ramjee & Sons ..	18,000	..	Trichinopoly Mills	13·25cd	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.
21,00,000	24,50,000	71,98,723	40,63,168	58,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	308·00cd	100	12 0	15 0	20 0		12	Y.P.
33,00,000	31,89,009	1,74,27,020	1,17,94,860	16,922	M.	47,240	1,355	Vishnu Cotton	125·00xd	10	4 0	4 0	8 0	8 0	12	Y.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (5) For six months ended 31st December 1955.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

‡ Gokee Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
19,92,000	25,43,500	1,12,43,027	57,39,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10.62cd	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,630	29,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries, ...	6.12	5	0 8	0 8	0 9	0 9	8	Y.
2549,950	£1,149,466	£1,757,923	£341,807	£59,449	Parry's Holdings Private Ltd.	East India Distilleries and Sugar ..	20.00 —	A. 16sh. B. £1	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	Sh. 3	9	Y.P
6,00,000	9,60,000	15,90,636	15,96,629	4,679	Vital Maliya, Esq., (Chairman)	United Breweries	170.00	75	15 0	15 0	15 0	15 0	3	Y.

CEMENT

51,27,660	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	13.00	B. 10	1 0*	1 0	1 0*		12	Y.P.N.
43,14,000Q 4,70,976D}	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement	6.22 0.93	D. 10 D. 1

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	26,71,841	2,03,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	85·00N	25	1 9	3 2	4 11		6,12	H.P.T
66,80,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	21·25	10	12 0	14 0	1 6 2/6		3,9	H.
35,00,000	20,18,500	1,43,61,701	67,07,860	47,166	T. Shanmanna, Esq. (Chairman)	Mysore Paper Mills	15·70	10	1 0*	0 12*	1 0*	0 11 1/5‡	3	Y.
1,44,83,500	2,16,71,781	4,58,61,778	1,07,79,682	2,12,435	Birla Brothers Private Ltd..	Orient Paper	80·20	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,49,070	67,82,768	1,55,90,914	93,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	15·00	10	1 8	1 8	1 4	0 10‡	6,12	H.P.T.
20,00,000	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10·12	O. 10	0 12	0 12	1 4		3,9‡	H.P.T.
2,18,55,240	49,18,060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	10·12	A. 10	2 0*	1 8	2 0*	1 2*		
54,60,000A.							9·25	Nil	Nil	5 0‡	0 8		6	Y.P.
54,84,300B.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	33·56	A. 10	2 0*	1 8	2 0*	1 2*	3,9	H.P.
4,87,84,300P.O.							33·56	B. 10	2 0*	1 8	2 0*	1 2*		
							4·00	P.O. 24	0 4	0 4	0 4	0 2*		
PRESSING														
5,00,000	3,26,572	13,912	11,912	20,024	Andrew Yule & Co.	Calcutta Hydraulic	90·00N	100	3 0	4 0	5 0	*Nil*	6	Y.
5,00,000	2,47,132	10,91,806	9,80,374	26,258	Andrew Yule & Co.	Central Hydraulic	125·00	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
9,99,7880.	6,93,332	43,53,570	22,63,379	36,000	S. A. Bash, Esq., & others (Directors)	Humayun Properties	13·50N	O. 10	0 11½	0 2 2/5	0 2 2/5		9	Y.P.
5,00,000D.							2·75N	D. 1	0 4/5	*Nil*	0 2 2/5			
66,00,000	18,07,374	54,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	6·25	100	1 8	1 8	*Nil*		4	Y.
94,00 000	36,70,109	92,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	21·00	100	1 8	4 0	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	23,05,545	21,61,583	10,78,633	—5,14,527	Bird & Co. Private Ltd.	Assam Saw Mills	2·94	2	*Nil*	*Nil*	*Nil*		9	Y.
66,00,000	4,13,54,388	3,93,54,871	1,71,98,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	567·00	Old125	15 0	20 0	37 8	40 0‡	5	Y.
43,00,000							212·50	New50	6 0	8 0	15 0	16 0‡		
5,00,000		7,33,569	7,26,267	—4,49,967	Jardine Henderson Ltd.	Bengal Timber Trading	25·00N	100	*Nil*	*Nil*			6	Y.P.
99,00 000	21,15 487	19,00,295	14,35,366	2,76-619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40·75	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,33,202	43,04,462	29,87,602	—48,871	Begg, Sutherland & Co. Private Ltd.	Balrampur Sugar	6·50	5	*Nil*	0 12	0 1	*Nil*	6	Y
12,00,000A.	29,80,260	55,45,881	36,32,425	12,13,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	180·00N	A. 100	10 0	10 0	10 0	10 0	4	Y.T.
3,00,000B.							14·00N	B. 10	1 0	1 0	1 0	1 0		
19,49,050	8,25,000	33,76,107	25,31,569	73,488	Bangur Bros., Ltd.	Belsund Sugar	10·81	7½	0 12	0 12	0 12	1 0	6	Y.
15,00,000	13,51,513	18,13,168	12,47,561	2,330	Cotton Agents Private Ltd.	Bharat Sugar	15·25N	10	1 8	1 8	1 8	1 8	6	Y.P.
33,00,000	28,37,030	1,36,90,775	92,37,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7·25	10	*Nil*	0 12	0 4		6	Y.P.T.
30,00,000	65,63,722	1,63,37,893	86,37,333	91,991	Begg, Sutherland & Co. Private Ltd.	Cawapore Sugar	17·00	10	2 0	0 12	0 12	0 12	10	Y.
18,00,000	20,72,580	81,58,085	55,46,344	29,488	Begg, Sutherland & Co. Private Ltd.	Champaran Sugar	10·12	10	1 0	1 0	1 8	1 0	6	Y.
5,99,155	6,18,582	24,85,830	15,38,747	46,264	Karamchand Thapar & Bros. ..	Deoria Sugar	10·00N	10	1 0	0 12			8	Y.T.
20,06,000A.	44,95,000	1,02,71,005	67,56,074	83,183	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	275·00	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
10,00,000O.							100·00	O. 10	15 0*	15 0*	15 0*	15 0		
12 00,000	8,61,001	78,81,809	42,63,455	37,986	Kilachand Devchand & Co.	Kesar Sugar	65·00	80	*Nil*	*Nil*	4 8		7	Y.P.
7,89,100	22,35,852	44,42,878	22,81,723	2,720	Cotton Agents Private Ltd.	New India Sugar Mills	46·25	40	*Nil*	*Nil*	2 4		7	Y.P.T
11,00,000	4,45,000	46,99,636	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd. ..	New Savan	98·00Old	10	8 8	2 8	2 8	2 8	6	Y.
13,98,000	48,01,854	71,25,062	24,33,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	5·75	10	0 4	0 4	0 6	0 5	5	Y.
21,375							225·00	100	20 0	20 0	20 0	20 0	6	
77,45,850	55,05,699	2,04,78,468	1,05,80,000	20,563	Cotton Agents Private Ltd.	Oudh Sugar	50·00	25	5 0	5 0	5 0	5 0‡		
12,80,000	12,69,374	31,96,494	21,49,459	24,668	Narang Bros. & Co. Private Ltd. ..	Punjab Sugar	100·00	100	10 0	10 0	6 0		10	Y.
9,00,000	19,64,317	48,99,585	21,54,325	60,705	Begg, Sutherland & Co. Private Ltd.	Partabpore Co.	16·50	10	1 0	0 12	0 12	0 12	10	Y.P.
3,00,000	6,10,793	28,74,023	25,66,790	19,304	M.	Kyam Sugar	20·00	10	0 8	0 8	*Nil*	1 12	6	Y.
11,99,000	19,85,520	45,20,102	24,12,129	3,554	Begg, Sutherland & Co. Private Ltd.	Samastipur Central Sugar	11·50	10	0 8	0 8	*Nil*	*Nil*	6	Y.P.T.
99,70,525	22,68,560	1,40,84,561	68,85,007	16,881	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	10·19	10	1 8	1 8	1 12	1 0	8	
9,99,850	26,325	23,20,774	19,51,547	—4,35,477	R. K. Shesh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4·75	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
7,95,462	18,32,940	31,50,735	17,68,068	1,06,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	18·06	10	2 0*	1 0*			8	Y.P.T.
9,15,0000							1·00N	O. 10	*Nil*	*Nil*	*Nil*		10	
4,40,000D.	46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	0·25N	D. 2½	*Nil*	*Nil*	*Nil*			Y.P.
5,00,000	29,24,348	1,15,70,815	68,03,754	32,839	Cotton Agents Private Ltd.	Upper Ganges Sugar	70·00N	10	2 8	2 8	2 8	3 0	6	Y.
16,00,000	7,66,589	32,09,951	26,85,926	30,564	M.	United Provinces Sugar	15·00	10	0 8	1 4	1 8		9	
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,702	15,54,537	55,226	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	130·00	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,819	4,41,65,864	1,85,09,519	1,54,925	Dimbaw (Private) Ltd.	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	80·00N	100	5 0	5 0	5 0		12	Y.
60,00,000	31,60,611	3,31,00,904	89,85,702	59,815	Andrew Yule & Co.									
						Great Eastern Shipping Co. ..	18·20	10	1 0	1 0	*Nil*	1 8	6	Y.P.
						India General Navigation & Rly. Co.	66·00	510	*Nil*	5h. 1 0	5h. 10		11	Y.P.
£455,556	£1,086,198	£5,614,160	£3,397,531	£38,962	Kilburn & Co., Private Ltd. ..	India Steamship Co.	10·10	10	0 8	*Nil*	*Nil*	1 0	3	Y.T.
2,25,00,000	89,99,323	9,64,47,644	2,23,99,146	25,920	Lions Edwards Ltd.	Scindia Steam Navigation Co. ..	18·40	20	0 12	0 8	0 8	1 0	6	Y.T.
9,39,98,060	9,00,12,101	22,64,99,394	4,85,66,202	5,62,020	M.		2·12	O. 1	as. 1 2/25	1 22/3	as 2 2/25			
5,40,8000.	19,63,266	11,55,483	7,29,949	1,84,498	R. R. Aiyar, Esq., (Manager) ..	Walford Transport Ltd.	1·75	F.O. 1	as. 10/25	1 19/25	as.1 25/25		12	Y.
10,20F.O.														
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,66,251	4,22,843	239	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530·00	200	32 0	32 0	32 0	30 0	9	Y.
15,56,888	2,04,173	3,04,47,474	90,000	1,99,851	M.	Bombay-Uganda	60·00N	20	5 0	4 8	*Nil*		12	Y.
25,00,000	1,00,000	23,37,814‡‡		225	M.	Davkaran Nanji Investment Co.	11·50	10	0 12	0 12	0 12	0 12	12	Y.
6,57,00,000	1,03,93,754	4,55,59,017	1,08,65,563	94,16,738	A. J. C. Hoskyns-Abrahall (Chairman)	Hindustan Lever	19·05	10				1 4	12	
30,17,900	13,88,886	50,28,225	26,39,242	35,803	Birla Brothers Private Ltd. ..	Mind Cycles	130·00	100	8 0	10 0	10 0		12	Y.P.T.
14,98,540	3,43,384	19,00,500	17,78,000	4,110	Choenlal Manilal Ltd.	Mahvia Batteries	37·75	25	2 0	2 0	2 0		12	Y.
99,99,250	20,12,950	1,22,60,0663‡		3,23,875	Premchand Roychand & Sons ..	Industrial Investment Trust ..	75·50	100	4 8	4 8	4 8	5 0	12	Y.
99,99,975	35,08,851	85,47,826	3,04,881	4,49,06,326	K. G. Khosla, Esq. (Mg. Director)	Kilnick Industries	162·00	100	10 0	11 0	11 0	11 0	6	Y.
3,30,13,775 A.O.	30,14,284	3 05,03,551	1,49,06,326	6,05,448	Asso-Ante Private Ltd.	Premier Automobiles	38·50	100				11 0	12	
10,31,200	5,05,419	8,09,102	5,79,614	7,256	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	28·00	20	2 0	2 0	2 0	2 0	12	Y.
2,75,00,000	1,35,45,329	3,14,34,161	1,59,08,376	5,02,285	Mr. A. Hydari & Mr. S. Gothkeny	Western India Match Co., Ltd.	170·00	100	11 0*	11 0*	11 0*	11 0*	12	Y.
48,00,000	68,53,390	7,44,904	5,09,715	60,077	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350·00	156	20 0	20 0	20 0	22 8	12	Y.
Other Centres														
47,50,000	1,94,82,556	3,73,51,606	78,16,869	1,16,199	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	9·43	O. 10	*Nil*	*Nil*	*Nil*	6 8	3	Y.P.T
3,50,000							2·50N	D. 2½						
60,00,000	28,25,000	55,26,245	21,66,600	64,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	19·75	10	1 4	1 4	1 4	1 4	3	Y.
80,00,000	36,18,873	84,21,252	22,94,853	3,38,874	Turner Morrison & Co., Private Ltd.	Angelo Bros., Ltd.	19·25	10	1 4	1 4	2 0*	2 0*	3	Y.
30,00,000	15,70,000	30,82,721	21,20,141	1,72,573	Mr. A. Hydari & Mr. S. Gothkeny	Assam Match Co., Ltd.	17·00	10	1 4*	1 4*	1 4*	1 4*	12	Y.
80,00,000	32,47,883	1,03,52,021	36,37,580	2,49,123	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	7·50N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	3	Y.P.T.
99,01,400	1,16,53,000	67,47,111	23,97,111	5,08,189	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	142·00	100	20 0*	12 0‡	12 8		12	Y.
12,00,000	9,10,000	31,37,445	24,05,448	76,326	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	31·00	10	1 8	1 8	2 4	1 81	6,12	Y.
30,00,000	7,98,430	68,57 994‡‡		1,15,767	Lovelock & Lewis	Birla Investment Ltd.	18·75	10	1 4	1 4	1 4		9	Y.P.T.
45,97,080	20,11,814	1,10,56,424	29,87,893	1,76,977	T. Vellins Scott, Esq. (Mg. Director)	Britannia Biscuits	12·94	10	0 8	1 0	1 0	1 0	2	Y.
2,25,00,000	1,16,15,500	3,53,08,003	2,22,14,167	—37,56,584	Sir Robert Menzies	British India Corporation Ltd. ..	7·05	5	0 0	0 1	*Nil*		12	Y.
1,25,80,000	17,84,264	2,08,27,282‡‡		18,74,052	Andrew Yule & Co., Ltd.	Clive Exor Investment	9·37	10	0 4 1/5	0 3 1/5	0 9	1 4	12	Y.P.T.
1,60,00,000	3,40,86,174	5,55,01,695	2,48,71,167	13,24,595	John Luckham, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	24·00	10	1 8	1 8	1 8	1 8	12	Y.P.
51,25,000	54,10,811	1,75,17,3674‡		3,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd.	107·00	100	9 0	9 0	9 0	9 0	12	
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	120·00	100	20 0	15 0	15 0		8	Y.
65,00,000	53,17,300	19,73,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	10·75	10	7 8	7 8	1 6 2/5	1 9 3/5	3	Y.P.
80,00,000	14,67,354	81,29,620	23,65,225	7,468	E. F. E. Syndicate	Gresham Tandon Hotel	226·00N	250	15 0	6 4	6 4	18 0	3	Y.
4,98,05,700		2,84,18,142	1,31,88,341	7,07,410	Birla Brothers Private Ltd. ..	Hindustan Motors	7·15	10	*Nil*	*Nil*	*Nil*		12	Y.
2,01,10,000	56,56,543	4,80,46,298	1,90,54,142	2,97,410	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co. Ltd. ..	12·81	10	*Nil*	*Nil*	9 0	1 0	12	Y.P.
1,52,89,220	1,97,00,000	1,99,32,780	71,50,911	32,04,214	J. B. Woodley, Esq. (Mg. Director)	Indian Cables	25·25	10	1 0*	1 0*	1 4*	1 8*	2	Y.P.
3,37,970	6,03,000	16,74,908	6,72,724	5,56,806	G. S. Kenilson & Co. (India) Ltd.	Indian Rubber Manufacturers ..	26·25	10	0 12	0 8	0 8	0 10	3	Y.P.
15,15,00,000	7,89,05,972	4,19,54,811	1,63,38,877	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	15·38	10	*Nil*	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
2,00,00,000	57,29,566	37,45,656	11,08,843	5,11,852	Mr. G. H. Mackinlay, Esq. ..	Jardine Henderson	79·00	100	4 8	*Nil*	7 8	7 8	3	
40,00,00000.	80,86,909	26,18,929	8,72,679	2,57,224	M.	McLeod & Co.	210·00	100	10 0	17 0	24 8		3	Y.P.
8,00,000D.								D.O.10	1 0	1 8 1/5	1 12			
1,43,96,500	81,82,796	24,06,298	13,34,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23·19	10	1 6*	1 4	1 12	2 2*	3	Y.P.
1,15,00,000	58,50,000	1,88,37,978	78,00,778	16,24,249	H. Chilwell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	26·69	10	1 0	1 0	1 4	1 10	3	Y.P.
	1,50,550	7,83,296	3,50,237	—2,35,581	Shankar Rao P. Ogale, Esq. ..	Mysore Glass and Enamel Works	15·62	10	*Nil*	*Nil*	*Nil*		3	Y.
6,56,625	9,18,696	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15·62	10	1 0	1 0	0 12	0 14 2/5	3	Y.P.
6,56,250	2,18,500	15,34,006	9,61,427	44,513	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	18·75	10	1 0	1 4	1 0	1 8	3	Y.
10,00,000	74,71,173	63,50,914	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd.	National Insulated Cable Co. ..	19·00	10	1 8	1 0	1 8*	2 0*	3	Y.P.
						National Rolling & Steel Ropes	9·87	10	0 9	0 9‡	0 9‡	0 9‡	6	Y.P.
						National Tobacco Co.	9·75	10	*Nil*	0 8	0 12 4/5		12	Y.P.
40,00,000	15,00,000	92,19,205	21,17,408	75,726	B. N. Ellias & Co., Ltd.	Realis (India) Ltd.	30·00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
79,97,000		3,71,348	1,17,55,757	57,19,268	M. P. A. Pappatti, Esq.	Robtas Industries	18·12	10	1 4	1 8	1 8		10	Y.P.T.
2,25,00,000	1,31,20,208	7,56,54,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Spencer & Co., Ltd.	16·25	10	1 8	1 8	1 8	1 8	6	Y.
1,72,24,400	57,06,558	1,21,57,804	73,00,237	6,32,212	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	11·12	10	1 0	1 4	0 12	1 0	3	Y.
40,00,000	54,18,960	17,49,816‡	5,53,635	3,65,280	R. H. D. Campbell, Esq.	Travancore Ogale Glass	3·30	10	*Nil*	*Nil*	*Nil*		12	Y.
75,00,000	....	14,99,289	3,84,580	....	Ogale Bros., Ltd.									
9,96,250							37·05	555					12	

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each ,which subsequently were divided into shares of Rs .10 each.

‡—In the case of Belsapur)Co,the proportionate dividend on new bonus shares amount to Rs. 8 per share.

‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,34,864	5,58,169	....	McLeod & Co., Ltd.	826	Amlenkie	28.00	10	25 0	72 0	19 0		12	Y.P.
3,50,000	8,42,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	439	Ananda (Assam) Tea	36·00	10	1 4	7 81			12	Y.
2,50,000	8,93,250	11,21,676	2,53,926	50,526	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	30·00	10	2 8	8 0*			12	Y.
5,50,000	11,21,541	17,56,465	7,08,427	36,051	McLeod & Co., Ltd.	513	Baghmari	21·12	10	*Nil*	2 8	1 0		12	Y.
5,10,000	9,10,000	12,25,582	4,59,309	66,736	Andrew Yule & Co., Ltd.	378	Baamatia	31·12	10	2 8	3 0	1 8		12	Y.
3,50,000	4,65,000	11,83,775	7,13,759	80,398	National Tea Corporation	570	Bateli	27·00	5	2 0	4 0	2 8		12	Y.
3,20,000	9,40,000	10,27,062	3,08,925	66,155	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	26·00	10	2 0	10 0*	2 0		12	Y.
16,50,000	28,00,000	58,38,162	26,80,662	1,49,359	Williamson Magor & Co., Ltd.	4,092	Bilmanath	19·00	10	3 8	5 8	2 0		12	Y.
6,00,000	2,50,000	10,97,919	3,95,488	1,01,026	Octavius Steel & Co., Ltd.	435	Bokakhat	36·25	10	1 0	6 0	*Nil*		12	Y.P.
7,50,000	7,27,550	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Bormah Jan Tea	18·50	10	0 12	3 8	2 0		12	Y.P.T.
55,00,000	11,78,802	79,82,284	27,45,021	5,15,711	M.	2,334	Brooke Bond	18·12	10	0 8	1 4	4 12	1 4	6	Y.P.
1,20,000	4,25,426	6,44,302	2,17,579	42,144	McLeod & Co., Ltd.	382	Dejoo Valley	50·25	1	0 8	1 0	0 8		12	Y.
6,00,000	9,76,000	27,66,084	17,67,783	45,610	Jardine Henderson Ltd.	1,134	Dessai & Furbuttia	285·00	100	20 0	40 0	10 0		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,735	James Warren & Co., Ltd. ..	661	Dhalakhat	21·90	10	1 8	2 8	1 8		12	Y.
4,68,870	3,95,000	7,60,451	2,86,404	2,101	M.	660	Dhunseri	16·75	10	2 0	5 0	2 0		12	Y.P.
4,50,000	7,25,800	14,15,911	6,43,291	68,921	McLeod & Co., Ltd.	488	Dibrugarh	22·75	10	1 0	4 0	2 0		12	Y.
2,86,700	5,11,700	11,36,207	5,66,707	98,251	Williamson Magor & Co., Ltd.	623	Dimakuai	26·75	10	4 8	6 0	2 0		12	Y.P.
46,80,500	8,82,000	20,32,283	13,35,163	1,82,540	Williamson Magor & Co., Ltd.	615	Duffaghur	33·75	10	4 0	5 0	4 0		12	Y.P.
10,00,000	11,50,000	20,10,936	10,10,936	68,711	Williamson Magor & Co., Ltd.	1,151	East India Tea	24·62	10	2 8	3 8	1 0		12	Y.
5,03,760	8,40,000	9,87,135	4,88,322	18,315	L. G. Kanoi, Esq.	407	Gillapukri	31·50	10	1 12	3 0	2 8		12	Y.
3,85,000	6,88,000	17,32,156	8,19,156	87,096	Williamson Magor & Co., Ltd.	340	Golijan	20·75	10	1 0	3 0	2 0		12	Y.
A. 7,41,540								29·50xd	A 10	3 0	5 0	2 8			
B. 3,61,180	17,32,810	34,59,276	7,39,116	24,588	Octavius Steel & Co., Ltd.	1,910	Grob	14·75xd	B 5	1 8	2 8	1 4		12	Y.
5,00,000	5,76,000	8,35,391	3,05,560	1,849	Andrew Yule & Co., Ltd.	476	Hoograjuli	28·00 N	10	2 8	3 0	1 8		12	Y.
3,70,000	12,17,716	20,46,252	11,68,855	72,327	Andrew Yule & Co., Ltd.	1,310	Hoolangooree	245·00	100	12 8	55 0	7 8		12	Y.
58,66,900	45,17,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3-35	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	7.65	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	25-15	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,390	25,13,535	1,12,313	R. C. Paterson, Esq.	Consolidated Coffee	22-15	10	1 8	1 12	2 4	2 8	6	Y.P.T.
4,00,000	6,47,666	7,58,759	40,878	1,000	Associated Planters Ltd. ..	Cottanad Plantations	17-37	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	14-25	10	1 4	2 8	2 0	0 10†	12	Y.P.
4,00,000	10,92,999	18,33,826	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kaliyetta Estates	24-00	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,925	5,66,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	29-50	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	16-75	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nennemy Rubber	29-50	10	0 12	1 8	1 8	....	12	Y.P.T.
2,00,000	2,04,500	7,81,436	50,077	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co.	16-50	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	21,29,615	43,87,395	*Nil*	14,23,968	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4-93	2	0 3†	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
18,50,000	9,99,000	42,15,515	5,,2,127	8,082	A. V. Thomas & Co., Ltd. ..	Rajakri Rubber	18-75	10	1 12*	1 12*	2 0	2 8	6	Y.P.
3,66,780	3,50,000	7,57,412	78,473	71,342	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	21-00cd	10	3 0	2 8	1 0	1 8	11	Y.
10,00,000	3,09,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	9-00	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	3,37,767	30,034	14,887	A. V. George & Co., Ltd. ..	Thannrapally Rubber	27-50	10	2 0	3 0	3 0	....	12	Y.P.
9,15,300	4,00,000	20,99,024	99,217	27,055	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1-99	1	0 4‡	0 1 3/5	0 2	0 2	9	Y.T.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	18-75cd	10	2 0	2 0	3 0	....	12	Y.
41,00,000	14,80,799	76,82,300	8,65,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	9-10	10	1 12	1 8	1 4	....	12	Y.P.T.
20,00,000	....	37,70,752	5,45,980	27,027	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	30-40	25	3 0	5 0	4 0	....	12	Y.
6,28,880	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd. ..	Vaikundam (Travancore)	30-50cd	10	2 0	2 4	2 8	1 8†	12	Y.
6,76,010	97,259	13,34,568	10,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9-50	10	1 0	1 8	2 0	1 4	3	Y.P.T.

† Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,37,544	56,37,664	29,690	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	8.00	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6,00,000	10,25,000	53,46,050	37,72,102	2,45,767	McLeod & Co., Ltd.	446	Alexandra	135-00xd	100	2 8	7 8	10 0	5 01	6,12	H.P.T.
30,00,000	6,25,000	1,17,61,927	93,78,089	23,103	McLeod & Co., Ltd.	1,264	Alliance	74.00	100	5 0	12 0	6 0	....	6,12	H.P.
49,20,700	69,00,000	2,95,90,382	1,93,15,008	2,30,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	134.00	100	12 8	7 8	8 8	8 8	3,9	H.P.
40,00,000	43,17,051	1,78,37,979	93,01,344	11,877	Bird & Co. Private Ltd.	810	Auckland	78.00	100	4 0	2 8	10 0	1 0†	3,9	H.P.T.
20,00,000	23,80,918	96,91,416	65,86,094	66,303	Jardine Henderson & Co. ..	959	Bally	146.00	100	4 0	*Nil*	3 8	*Nil* †	3,9	H.P.
£275,000	£667,405	£1,477,480	£987,176	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	87.00	£5	£1 0	sh. 15	sh. 15	*Nil*	3	Y.P.
28,00,000	28,00,623	93,78,708	50,70,231	2,525	Soorajmull Nagarmull	820	Belvedere	95.00	100	15 0	10 0	7 8	*Nil* †	6,12	H.P.
45,00,000	38,45,000	87,03,172	51,22,574	2,66,100	Soorajmull Nagarmull	600	Bengal	14.50	10	1 4	1 2	1 2	....	6	Y.P.T.
91,26,000	2,17,48,383	3,34,10,403	1,45,12,661	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla	14.25	10	1 0	1 0	1 0	1 0	3	Y.P.
36,00,000	21,81,426	1,17,90,047	72,95,930	1,336	Andrew Yule & Co., Ltd.	991	Budge-Budge	90.00	100	10 0	9 0	7 8	*Nil*	4,10	H.P.
7,47,380	2,09,640	42,13,704	31,43,653	—3,81,470	Jaffaram & Sons	502	Calcutta Jute Mfg.	8.50	10	*Nil*	0 12	*Nil*	*Nil*	6,12	H.P.T.
18,00,000	26,46,234	87,85,841	43,24,058	1,828	Andrew Yule & Co., Ltd.	616	Caledonian	105.00	100	12 0	9 0	6 8	*Nil* †	5,11	H.
50,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd.	2,020	Champdany	120.00	100	6 0	8 0	10 0	2 0†	3,9	H.
15,95,000	19,35,032	82,12,211	57,19,175	1,387	Andrew Yule & Co., Ltd.	530	Cheviot	125.00	100	12 0	14 0	10 0	*Nil* †	5,11	H.P.
30,15,000	32,00,000	66,68,762	48,43,666	1,01,027	McLeod & Co., Ltd.	560	Chitavalsah	12.31	10	1 12	1 2	1 6	0 10†	6,12	H.P.T.
24,00,000	9,00,000	81,05,335	67,13,337	—25,936	Shree Krishna Investment Co., Ltd.	969	Clive	13.75	10	*Nil*	*Nil*	1 4	0 8	3	Y.P.
31,49,200	46,65,252	1,17,35,454	49,04,775	—2,20,845	Bird & Co. Private Ltd.	766	Dalhousie	74.00	100	4 0	2 8	4 0	*Nil*	3,9	H.P.T.
28,00,000	40,71,679	76,67,475	47,80,110	2,564	Andrew Yule & Co., Ltd.	770	Delta	125.50	100	20 0	12 0	10 0	*Nil*	5,11	H.P.
15,00,000	34,50,000	83,93,104	60,85,060	76,491	McLeod & Co., Ltd.	560	Empire	14.75	10	1 4	1 4	1 0	0 8†	6,12	H.T.P.
21,00,000	60,50,000	2,70,39,034	1,89,10,198	1,30,415	Keiliwell Dullen & Co., Ltd. ..	1,884	Fort Gloster	290.00 N	100	*Nil*	5 0	15 0	7‡†	3,9	H.P.T.
21,00,000	13,00,000	97,88,074	54,63,692	1,34,822	Bangur Bros., Ltd.	1,014	Fort William	17-50	10	5 0	20 0	20 0	0 12½†	3,9	H.T.P.
34,32,100	....	2,11,07,224	1,33,88,825	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	44.00	100	*Nil*	0 8	2 8	*Nil* †	3,9	H.P.
10,50,000	28,00,000	71,52,963	48,43,622	—74,093	Gillanders Arbuthnot & Co., Ltd. ..	607	Gondalpara	725.00	300	15 0	*Nil*	....	....	12	Y.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd.	1,394	Gourepore	216.00	100	3 12	10 0	15 0	2 8†	3,9	H.P.
40,00,000	64,68,233	1,14,86,848	56,75,140	3,40,348	Bangur Bros., Ltd.	1,078	Hastings	82.25 N	100	10 0	10 0	11 8	5 0	3	Y.P.
18,50,000	1,98,903	38,79,480	18,21,237	21,070	Baijnath Bajoria	720	Hooghly	18.50	10	1 4	0 8	1 4	*Nil*	3,9	Y.P.
55,62,500	49,64,372	1,82,66,485	1,10,52,708	57,034	Jardine Henderson Ltd.	1,940	Howrah	15.19	10	1 8	1 4	0 14	0 4†	3,9	H.P.T.
52,50,000	27,85,153	2,86,31,559	1,56,51,859	1,18,935	Kamaduti Ramkissendas	2,272	Hukumchand	20.00	7½	3 0	2 0	2 0	1 0†	3	H.
24,00,000	18,75,846	1,85,39,772	1,15,01,308	....	Jardine Henderson Ltd.	1,797	Kamarhatty	{123.00 93.00	O. 125 D. 100	6 4 9 0	3 2 8 0	4 11 2 8	4 11† } *Nil* † }	6,12	H.P.
19,20,000'B'								82.00 57.00	'B' 100 'B' 100	9 0 7 8	8 0 6 8	2 8 1 0			
30,00,000	9,81,472	1,74,14,302	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankinarrah	55.00					*Nil*	6,12	H.P.
21,00,000	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd.	703	Kelvin	161.00	100	15 0	20 0	17 8	5 0†	6,12	H.P.
84,00,000	23,83,375	1,72,56,988	1,18,00,137	55,928	Anderson Wright Ltd.	1,530	Khardah	125.00	100	17 8	12 8	11 0	5 0†	3,9	H.P.
48,00,000	1,08,90,860	2,44,37,944	1,15,46,122	41,082	Kilburn & Co. Private Ltd. ..	1,250	Kinnison	123.00	100	9 0	7 0	13 0	6 0†	3,9	H.P.T.
24,45,000	39,51,564	1,11,32,754	47,99,254	—2,17,719	Bird & Co. Private Ltd.	931	Lansdowne	80.00	100	7 0	3 0	7 0	*Nil* †	3,9	H.P.
28,00,000	55,75,192	1,16,39,380	64,57,897	2,792	Bird & Co. Private Ltd.	840	Lawrence	84.00	100	5 0	5 0	6 0	*Nil* †	3,9	H.P.
21,03,200	28,36,045	2,84,13,949	1,35,97,399	1,54,945	H. W. Heilgers & Co.	1,235	Magma	51.50	100	6 0	2 8	2 12	1 8†	3,9	H.
20,98,900	38,40,147	1,54,01,466	1,01,57,572	—3,09,111	F. W. Heilgers & Co. Private Ltd.	815	Naihati	53.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
20,00,000	15,55,000	29,01,563	18,21,700	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	13.75	10	0 5	1 2	0 10†	....	4,10	H.T.
25,00,000	41,54,000	39,35,401	9,82,816	7,959	Andrew Yule & Co., Ltd.	353	National	19.20	10	2 8	3 0	1 12	0 6	4,10	H.P.
26,25,000	27,00,000	28,37,475	20,72,256	1,29,411	McLeod & Co., Ltd.	316	Nellimarla Jute	11.56xd	10	1 12	1 8	1 0	0 8†	6,12	H.P.T.
55,50,000	2,71,44,342	4,89,15,427	96,20,648	5,71,293	Sahu Jain Ltd.	1,765	New Central†	12-12	10	24 0	17 0	1 8	0 12†	12	Y.P.
15,79,880	49,72,183	1,17,83,346	51,83,016	70,116	Bird & Co. Private Ltd.	567	Northbrook	20-31	10	2 0	2 4	1 8	1 8†	3,9	H.P.T.
66,79,500	22,24,961	2 18,55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	1,092	Muddea	30-25	50	0 8	0 8	1 0	*Nil* †	3,9	H.
24,92,250	23,72,799	75,97,655	49,55,090	527	Andrew Yule & Co., Ltd.	601	Orient	100-00	100	12 0	10 0	9 0	1 0†	5,11	H.P.
51,00,000	6,35,490	80,84,437	45,23,164	51,595	McLeod & Co., Ltd.	400	Prestonsey	8-62	5	0 9	0 9	....	....	6,12	H.P.
30,00,000	2,49,781	29,07,878	8,39,130	—9,12,218	Birla Brothers Private Ltd. ..	805	Rameshwara	5-12	10	*Nil*	*Nil*	*Nil*	*Nil* †	3	H.P.
49,50,000	5,82,465	1,28,85,629	89,15,596	—11,72,341	Jardine Henderson Ltd.	1,376	Reliance	7-44	10	0 8	*Nil*	*Nil*	*Nil* †	3,9	H.P.T.
£600,000	£1,095,173	£1,742,141	....	£53,994	Thomas Duff & Co. (India) Ltd. ..	2,018	Rammuggur	9-00	10	10%	10%	8%‡1	....	12	Y.P.
30,00,000	13,14,910	1,15,59,877	70,96,145	7,972	Bagaria More & Co., Ltd.	911	Shree Ambica	14-00	10	0 8	1 0	0 8	....	3,9	H.
14,00,000	11,25,000	66,11,794	38,79,294	2,156	Hindustan Investment Corporation	401	Soorah	13-00	10	0 8	1 0	1 8	....	12	Y.P.T.
35,19,600	48,72,183	1,37,83,346	58,33,439	—4,57,117	Bird & Co. Private Ltd.	650	Standard	66-00	100	2 0	2 4	1 0	*Nil*	3,9	H.P.T.
£600,000	£925,119	£1,187,686	....	£88,548	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	10-25	£1	10%	10%	8%‡1	....	12	Y.P.
25,98,600	68,06,723	2,00,00,808	84,32,958	18,354	Bird & Co. Private Ltd.	1,326	Union	109-00	100	5 0	8 0	10 0	1 0†	3,9	H.P.T.
£400,000	£688,034	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	10-00	£1	10%	10%	8%‡1	....	12	Y.P.
2,50,000	6,35,000	56,01,062	40,73,991	11,327	McLeod & Co., Ltd.	457	Waverley	8-06	1	0 1	0 8	0 8	*Nil*	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	25,510	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	15.93	10	1 0	1 5	1 6	0 8†	3,9	H.
13,00,000	8,77,545	37,37,034	24,90,132	45,399	Jardine Henderson Ltd.	Bararee Coke	16-25	10	1 2 2/5	1 7 1/5	1 7 1/5	0 9 8/5†	3,9	H.
4,49,850	70,000	8,49,189	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5.50xd	10	0 12	0 12	....	....	6,12	H.
1,00,00,000	1,40,49,323	5,91,92,614	3,95,77,226	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	215-00	100	32 0*	30 0*	35 0*	....	4,10	H.P.
2,25,000	4,25,000	84,81,783	52,32,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14-00	10	*Nil*	*Nil*	....	....	6,12	H.P.
15,97,000	4,75,358	37,70,102	22,77,364	18,498	H. V. Low & Co., Ltd.	Bhaigora	4-62	10	0 8	....	....	....	9	Y.
40,00,000	8,00,000	1,39,06,662	71,06,186	37,483	Sahu Jain Ltd.	Bharat Collieries	6-08	10	0 12	0 10	0 10	....	6	Y.P.T.
1,15,000	15,11,080	52,62,268	37,38,861	—1,57,350	H. W. Heilgers & Co. Private Ltd.	Bhimlaberaree	18-00	10	*Nil*	*Nil*	*Nil*	....	6,12	H.P.
16,00,000	16,17,926	68,14,856	50,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	11-75 N	10	....	....	....	....	6,12	H.P.
7,50,000	24,39,026	42,39,603	26,58,406	84,207	F. W. Heilgers & Co. Private Ltd.	Borrea	18-75	10	2 0	2 0	3 0	....	6,12	H.
90,99,480	1,79,05,988	4,22,38,647	1,90,16,884	56,168	Bird & Co. Private Ltd.	Barrakur	21-50	10	0 12	1 8	0 10	0 8†	6,12	H.P.T.
49,97,750	....	42,38,430	7,50,000	9,927	Hindustan Investment Corpn., Ltd.	Central India	6-00	10	0 4	0 4	0 4	0 8	3	Y.
8,00,000	13,84,302	49,10,414	32,68,984	32,748	M.	Central Kurkend	12-00 N	10	1 2	....	....	....	6,12	H.
6,00,000	1,49,676	7,25,425(a)	....	8,139	F. W. Heilgers & Co. Private Ltd.	Churia	1-87	4	0 6	0 2	0 1†	....	6,12	H.
16,00,000	....	53,81,704	29,81,876	—1,88,318	Macneill & Barry Ltd.	Dhemo Main	5-62	10	*Nil*	*Nil*	....	....	6,12	H.
£840,000	£980,558	£970,095	£721,579	£68,922	Jardine Henderson, Ltd.	East Indian	24-56	£1	2 8	2 8	2 0	2 8	4	Y.
39,84,760	28,55,000	4,04,51,377	2,89,35,403	23,573	Macneill & Barry Ltd.	Equitable	24-25	10	1 4	1 8	1 8	....	6,12	H.P.
16,00,000	1,40,999	13,81,144	4,28,857	28,283	Bhatter's Agency Ltd.	Ghusick and Munia	13-50 N	10	0 8	0 8	0 4	....	3	Y.
12,00,000	1,22,000	41,35,247	23,43,143	1,144	Killick Industries Ltd.	Hingir-Rampur	41-25	50	2 0	*Nil*	2 4	2 4	6	Y.P.
5,00,000	7,25,000	32,07,181	18,89,124	45,965	Macneill & Barry Ltd.	Karrilladih	21-00	10	1 0	1 12	2 8	....	6,12	H.
23,00,000	1,12,056	84,74,412	6,18,546	—5,57,396	Rajpale Trust Ltd.	Jogta Coal	1-12	10	*Nil*	*Nil*	....	....	12	Y.P.
2,50,000	8,45,578	13,54,857	7,23,886	....	Andrew Yule & Co., Ltd.	Kalapahari	20-00	10	2 12	*Nil*	*Nil*	....	2,8	H.
30,00,000	1,77,178	52,89,633	4,85,170	6,965	Bird & Co. Private Ltd.	Karampura Collieries ..	58-50	100	*Nil*	*Nil*	2 8	5 0	8	Y.P.
5,00,000	16,60,000	46,77,888	30,47,988	1,33,474	Andrew Yule & Co., Ltd.	Katras Jheriah	53-75	10	4 0	4 0	5 8	....	1,7	H.
1,28,400	6,72,960	12,85,941	5,73,960	—2,60,286	Beriwala & Co.	Khas Kajora	2-50 N	10	*Nil*	*Nil*	....	....	6,12	H.P.
11,00,240	64,814	12,72,961	10,11,150	—1,15,301	H. V. Low & Co., Ltd.	Khrakhi	2-50 N	10	*Nil*	*Nil*	....	....	6	Y.
9,00,000	11,86,418	32,09,368	23,97,267	2,255	H. V. Low & Co., Ltd.	Lakurka	7-00 N	10	0 8	0 4	....	....	4	Y.
7,48,240	2,00,000	13,13,206	9,66,219	81,201	Tantia Brothers Ltd.	Nasira	6-75	10	0 8	0 8	0 8	....	12	Y.
7,00,000	1,50,317	10,82,740	5,80,304	4,640	Amrital Oliha & Co., Ltd.	New Ranneegunge	10-00 N	10	*Nil*	*Nil*	....	....	3,9	H.
17,76,280	20,01,763	1,19,78,885	83,58,966	94,382	Andrew Yule & Co., Ltd.	New Beerbhoom	14-75	10	1 0	1 2	1 0	....	6,12	H.P.
6,00,000	75,000	33,00,471	21,29,197	70,222	Octavius Steel & Co., Ltd.	New Manbheom	8-50	10	*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
1,18,000 } 1,57,500 }	2,85,186	13,07,219	8,64,781	15,950	Andrew Yule & Co., Ltd.	North West	{19,25xdN 16,50xdN	7½	0 4 0 8	*Nil* *Nil*	1 6 1 0½	0 12† 0 8†	3,9	H.
2,50,000	12,31,863	5,17,666	3,97,466	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	14-50 N	10	2 0	1 0	1 0	....	6,12	H.P.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	8-00 N	10	0 8	0 8	0 4	....	12	Y.P.
5,24,000	10,050	19,56,769	8,09,957	61,987	Deepchand Kishenlall	Parasea	13-00 N	10	0 4	0 12	1 0	....	6,12	H.P.
18,75,000	16,50,000	49,91,252	36,61,252	23,724	Shaw Wallace & Co., Ltd.	Panch Valley	14-75	10	1 10	1 10	1 8	0 11 1/5†	3,9	H.
32,92,500	29,17,000	1,24,85,585	87,86,164	28,188	R. N. Elias & Co. Private Ltd. ..	Ramagoonge	10-50	10	*Nil*	0 8	0 10	0 6	3,9	H.
18,50,000	10,45,116	38,99,363	29,71,964	1,03,604	Shaw Wallace & Co., Ltd.	Rewa	19-75 N	10	2 0	1 6	0 14	0 12†	6,12	Y.
30,00,000	3,90,000	44,28,585	18,73,118	2,20,175	Jalpuria Sons Ltd.	Samla Collieries	11-00 N	10	0 8	0 12	1 0	....	12	Y.
1,50,000	1,98,903	38,79,480	18,21,237	21,070	M.	Searsole	5-19 N	24	0 10	0 10	0 12	....	1	H.P.
5,50,000	8,86,598	39,99,490	19,07,398	49,899	Andrew Yule & Co., Ltd.	Seebpore	27-50	7	1 12	2 0	2 8	....	6,12	H.P.
8,00,000	5,81,239	55,491	28,367	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9-00 N	10	*Nil*	0 2	0 4	....	6,12	H.T.
68,21,450	33,77,474	4,72,97,317	2,17,90,286	7,310	Industrial Trust Fund (Governm't of Hyderabad)									
17,50,000	10,89,623	38,95,664	16,16,434	10,407	Bird & Co. Private Ltd.	Singareni	10-50	10	*Nil*	0 11 1/5	0 12	....	12	Y.P.
8,00,000	14 01,982	1,60,57,570	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	South Karanpura	8-12	10	0 4	0 2	0 2	0 5 3/5	2,8	H.
10,00,000	12,950	30,82,869	15,45,502	—4,07,745	Villiers Ltd.	Standard	20-00xd	10	2 0	1 8	1 0	1 0	12	Y.
2,50,000	2,80,000	20,47,044	15,58,944	—2,958	Williamson Magor & Co., Ltd. ..	Talcher	1-87	£1	*Nil*	....	....	....	9	H.
49,98,000	67,084	56,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	15-25	10	1 12	0 12	*Nil*	....	6,12	H.
7,00,000	21,559	56,46,871	23,31,698	—1,46,650	Macneill & Barry Ltd.	Western Bengal	5-50	10	0 8	0 6	0 8	0 8	3	H.
						West Jamuria	8-00	10	*Nil*	*Nil*	*Nil*	....	6,12	H.

M—Managed by the Board of Directors. ‡ Less income-tax. a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments (l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 19[illegible]
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,42,652	Allahabad Bank	360.00	100	18 0	18 0	18 0	9 0	12	Y.P.
14,50,000				180.00	50	9 0	9 0	18 0	9 0		
1,01,000				180.00	50	9 0	9 0	18 0	9 0		
33,58,800	16,63,000	11,996	Andhra Bank	120.00cd	100	6 8	7 8	6 8	8 0	6,12	H.
1,00,00,000	1,28,00,000	4,75,752	Bank of Baroda	86.50cd	70	3 4	3 12	4 8	5 9	3/5	
50,00,000	22,50,000	2,796	Bank of Bikaner	99.50	50	6 0	6 0	6 0	7 0	12	Y.
2,50,00,000				23.00	25	0 12	0 12	0 14	1 2	12	Y.
50,00,000 'A'	3,10,00,000	15,54,924	Bank of India	132.50	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
				138.00	50'A'	...	...	...	...		
15,30,375	27,00,000	67,486	Bank of Indore	52.00N	25	1 8	3 0	3 8	4 0	12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	40.00	50	16 0	2 0	2 0	...	12	Y.
50,00,000	84,00,000	5,91,911	Bank of Mysore	246.50	100	2 8	16 0	16 0	16 0	12	Y.
61,21,700	58,73,013	10,069	Bombay State Co-operative Bank	57.00N	50	4 8	2 8	2 0	8 0	6	Y.T.
15,00,000	32,00,000	38,502	Canara Bank Ltd.	86.00	50	5 0	4 8	5 0	5 0	12	P.Y.
7,50,000	12,75,000	3,992	Canara Banking Corporation Ltd.	80.00	50	3 0	5 0	5 8	5 0	12	Y.P.
2,62,11,875	4,02,77,123	18,23,048	Central Bank of India Ltd.	50.50	25	3 0	3 0	3 0	3 8	12	R.L.Y.
52,42,375				53.50	25	2 0	4 0	3 0	3 8		
50,00,000	34,50,000	2,13,141	Devkaran Nanjee Banking Co.	38.50	50	4 0	2 0	2 8	2 0	12	Y.
20,00,000	7,50,000	1,49,911	Habib Bank (P)	72.00N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,61,946	Hind Bank	33.25	50	Nil	1 8	3 0	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	10.00	50	Nil	Nil	Nil	...	12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	12.00	50	5 0	Nil	Nil	...	12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89.00	100	12 0	6 0	5 0	...	9	Y.
44,00,000	90,50,200	8,13,491	Indian Bank	184.00	100	10 3	12 0	12 0	13 0	6,12	R.L.H.
21,00,000				...	95	7 3	10 3	10 12	...		
				141.50	75	6 0	7 3	7 12	9 12		
49,20,375	86,00,000	2,52,286	Indian Overseas Bank	137.00	100	Nil	6 0	7 8	10 0	12	Y.
5,25,000				42.50	100(A)	Nil	Nil	...	...	6,12	H.
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	10.50	25(B)	3 0	Nil	...	...		
10,00,000				18.00	50(C)	2 0	Nil	...	...		
10,00,000	10,25,000	23,384	Pandyan Bank Ltd.	38.12	25	1 4	1 9	1 14	1 14	12	Y.
87,50,000	1,25,00,000	6,20,272	Punjab National Bank	52.50	25	0 10	3 0	3 8	4 0	12	Y.
1,00,00,000	26,20,000	45,060	Travancore Bank	15.50	25	0 5½	0 12	1 0	1 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7.25	5	0 0	0 5½	0 6	0 7	12	Y.
2,00,00,000	1,15,00,000	29,420	United Commercial Bank	53.50	50	2 0	2 8	2 12	3 8	12	H.
PRINCIPAL EXCHANGE BANKS						**Dividend (per cent.)**					
£3,500,000	£5,000,000	£409,308	Chartered Bank	£1-19-7½	£1	14†	15†	15†	15†	12	R.L.Y
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7¼	£5	8†	8†	8†	...	12	R.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $11,039,578	Hongkong and Shanghai Banking Corporation	£20½	H.K. $125	5*	5*	5*	5*	12	Y.
£18,565,070	£17,500,000	£712,060	Lloyds Bank	£2-7-0	£5 A	14†	15†	12†	13†	12	R.L.Y.
£375,000 'A'	£2,000,000	£224,521	Mercantile Bank of India	£4-5-3	A £2½	14†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4-5-3	B £2½	14†	14†	14†	14†		
£720,000 'C'				...	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£354,046	National Bank of India	£1-0-6	sh. 12½	16†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. †† O.S.Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	99.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	94.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102.00	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91.00	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101.00	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	94.00	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	90.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	99.25	14th December .. 1968 (a)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	95.00	15th November .. 1956 (b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March .. 1972 (a)
13,88,000	5½		Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	99.00	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	97.00	31st March .. 1965 (a
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100.00	14th June .. 1960
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	96.00	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94.00	31st December .. 1964 (a)
2,32,89,400	5½	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	86.50	31st December .. 1970
13,00,000	5	1st January and 1st July	Sirsa (Hartilah) Electric Supply Co., Ltd.	1951	96.00	30th June .. 1976 (a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97.12	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94.00	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94.50	30th September .. 1958-63
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94.00	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	100.00	1st July .. 1960-64
2,50,00,000	4	1st April and 1st October	Tata Power		85.10	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.00	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99.00	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100.50	1st July .. 1957-62
10,00,000	4	31st March and 30th November	Kumardhubi Engineering Works Ltd.	1946	87.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	97.75	1st October .. 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.	1950	99.50	31st December .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	88.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93.75	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1945	90.00	31st July .. 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	95.00	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	95.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	94.50	15th July .. 1966 (a)
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92.50	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	97.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96.50	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	95.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88.00	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93.00	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	88.00	15th September .. 1965 (a)
8,00,000	4½	14th March and 14th September	Seorah Jute	1937	96.00	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	96.50	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverly	1925	87.50	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1939	80.00N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.25N	At 103% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77.62N	1st October .. 1964
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85.62N	Any time on six months' notice (a)
4,33,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	94.00	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1932	102.50	1st July .. 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April .. 1958-63
1,89,700	5½	31st March and 30th September	Teckoy	1944	100.00	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	95.00	31st December .. 1965
20,50,000	4½	1st January and 1st July	Associated Hotels of India	1948	96.00	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	95.00	30th June .. 1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1951	98.75	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.98	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92.00	1st February .. 1964
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	85.00	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87.75	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	88.00	 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	98.50	1st January .. 1971(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
17,75,000	5	15th March and 15th September	Metur Chemical Industries	1949	95.00	 1966
38,08,600	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	520.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470.00	31st December .. 1972 (a)
					(per note)	
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	88.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93.00	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December .. 1959
2,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100.00	1st May .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs to be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 par cent. on 1st May 1963, on six months' notice. ††Option to repay at par on 6 months' notice, on after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st May 1957.

	Closing quotations 25-4-1957	High	Low	Closing quotations 1-5-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	172.50	—	—	172.50
Apollo (2)	2.44	2.46	2.42	2.46
Bombay Dyeing (250)	556.50	559.00	538.00	543.00xd
Bradbury (50)	212.50	—	—	212.50
Central India (100)	114.00	115.00	113.50	115.00
Century Mills (100)	456.50	463.00	454.50	463.00
Colaba (100)	65.00	—	—	65.00
Edward Textile (200)	252.50	—	—	255.00
Elphinstone (50)	62.00	—	—	62.00
Finlay (100)	301.00	302.00	282.00	282.00xd
Gokak (100)	191.25	191.25	190.25	190.25
Ind. Untd. Defd. (1)	1.52	1.62	1.58	1.60
Ind. Untd. Ord. (10)	10.10	10.15	10.00	10.15
Indore Malwa (100)	136.00	138.00	136.00	137.00
Khatau (100)	180.50	—	—	181.00
Kohinoor (100)	319.00	321.00	318.00	321.00
Lakshmi (250)	280.00	—	—	680.00
Minerva Mills (100)	82.00	—	—	82.50
Model Nagpur (250)	180.00	180.00	172.50	180.00
Morarji (100)	220.00	—	—	220.00
Mysore (50)	101.25	—	—	101.25
National Rayons (100)	226.50	227.75	225.75	226.50
New City (100)	133.75	—	—	133.75
New Great (100)	229.00	229.00	225.00	229.00
Phœnix (100)	143.75	147.50	143.75	147.50
Podar Mills (100)	164.00	—	—	164.00
Sassoon Silk (10)	9.80	—	—	9.80
Sassoon Spg. (10)	39.50	—	—	39.50
Sholapur (1,000)	1,225.00	—	—	1,225.00
Shrinivas (100)	178.00	179.00	177.00	178.00
Simplex (50)	172.00	172.00	170.00	171.50
Standard (100)	444.00	446.50	442.00	443.00
Svadeshi (100)	214.25	216.00	213.00	215.50
Swan (100)	400.00	—	—	370.00xd
Tata Mill (25)	47.50	48.00	47.00	47.50
Vishnu (100)	125.00	—	—	125.00
Western India (1,000)	5,180.00	—	—	5,180.00
BANKS				
Bank of India (50)	133.00	133.00	132.00	132.50
Do. (New) (50)	138.00	—	—	138.00
Bank of Baroda (50)	99.50	101.50	99.00	101.00
Central (25)	50.75	51.00	50.50	50.75
Central 'A' (25)	53.75	54.00	53.50	53.50
Dena Bank (50)	38.00	—	—	39.00
Punjab National (25)	51.50	53.00	50.50	52.50
Union Bank (5)	7.25	—	—	7.25
United Com. (50)	53.00	54.00	53.50	53.50
ELECTRIC COS.				
Ahmedabad (100)	93.75	94.00	93.50	93.50
Amalgamated (10)	10.30	—	—	10.40
Andhra Valley (1,000)	1,18.00	1,210.00	1,205.00	1,207.50
Bom. Sub-El. (100)	106.25	107.50	106.25	107.50
Surat (100)	107.75	108.25	107.75	108.25
Tata Hydro (100)	121.00	121.50	120.25	121.50
Tata Power (1,000)	1,207.50	1,215.00	1,207.50	1,213.75
INSURANCE COS.				
British India (10)	13.25	13.45	13.25	13.45
Empire of India (100)	350.00	—	—	350.00
Ind. Mercantile (20)	40.50	—	—	40.50
Jupiter (15)	7.00	—	—	7.00
New India (15)	39.75	40.25	39.25	40.00
Oriental (200)	3,775.00	—	—	3,775.00
Universal (10)	11.50	—	—	11.50
Vulcan (10)	15.60	—	—	15.60
STEEL COS.				
Ind. Iron (10)	20.05	20.10	19.90	20.00
Tata Steel Ord. (75)	168.00	168.75	167.25	168.50
SUGAR COS.				
Belapur (50)	229.00	230.00	229.00	229.00
Bhaiji (10)	17.50	—	—	17.50
Phaltan (50)	135.75	136.00	135.00	135.00
Walchand Ind. (100)	248.75	251.00	248.75	250.00
CEMENT COS.				
Associated Cts. (100)	160.00	161.00	159.25	160.00
Digvijay (100)	144.00	144.50	144.25	144.25
MISCELLANEOUS				
Alcock Ashdown (100)	257.50	257.50	255.00	257.50
Bom. Burmah (125)	565.50	569.00	563.00	567.00
Do. (New) (50)	211.25	212.50	211.25	212.50
Br. B. Petrol (4 sh.)	2.50	2.50	2.44	2.46
Br. I. Corpn. (5)	7.38	7.25	6.90	6.95
C. P. Rly. (100)	69.50	—	—	69.50
Indian Copper (2 sh.)	3.28	3.32	3.28	3.30
Ind. Inv. Tr. (100)	75.50	75.50	75.00	76.50
Kemp (200)	197.50	—	—	197.50
Killicks (100)	157.00	162.00	157.00	162.00
Polson (100)	171.25	—	—	171.25
Port Canning (100)	6.25	—	—	6.25
Pre. Automobiles (100)	88.50	89.00	87.50	88.75
Premier Con. (30)	165.00	165.00	163.25	164.25
Scindia (20)	18.50	18.55	18.20	18.50
G. E. Shipping (10)	18.10	18.20	18.10	18.20
Shivrajpur (10)	90.50	91.50	89.50	91.00
Tata Chemicals (10)	16.10	16.20	16.05	16.15
Tata Locomotive (100)	146.25	147.50	145.00	146.00
Tata Oil (25)	42.50	43.25	42.50	43.25
W. I. Match (100)	171.00	171.50	170.00	170.00

GOVERNMENT SECURITIES	25-4-1957	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	1-5-1957
	Rs.			Rs.
2½% 1961	93.50	—	4.18	93.50
2½% 1960	96.40	—	3.95	96.40
2½% 1962	93.95	—	3.95	93.95
2½% 1976	83.10	—	4.03	83.10
3 % 1957	99.75	—	3.88	99.75
3 % 1958	99.00	—	3.26	99.50
3 % 1959–61	97.75	3.95	3.52	97.75
3 % 1964	94.40	—	3.92	94.40
3 % 1963–65	94.20	4.10	3.85	94.20
3 % 1966–68	92.15	4.05	3.88	92.15
3 % 1970–75	87.25	4.29	4.00	87.20
3 % 1980 Con. Loan	74.44	—	4.03*	74.40
4 % 1960–70	100.90	3.72	3.92	100.80
4½% 1958–68**	101.75	2.95	4.30	101.75
3½% 1961 N.P. Bonds	99.56	—	3.62	99.55
3½% 1964 N.P. Loan	98.55	—	3.73	98.50
3½% 1965 N.P. Loan	98.35	—	3.75	98.30
3½% 1962	97.80	—	3.73	97.80
3½% 1967 N.P. Bonds	98.50	—	3.68	98.50
3½% 1974	98.50	—	3.87	98.50

BRITISH GOVERNMENT SECURITIES	Closing quotations 18-4-1957 £			Closing quotations 26-4-1957 £
2½% Brit. Consols	52⅜	—	—	51⅜
3 % Savings Bonds 1965–75	74⅛	—	—	75⅛
3% War Loan 1955–59	96 17/32	—	—	96⅝
3½% War Loan	72⅛	—	—	72⅛xd
4% Victory Bonds 1976	94¼	—	—	95¼
4% Funding 1960–90	88⅛	—	—	89⅛

* Current Income x.d.—Ex-dividend. ** Rupee Counterparts
x.r.— Ex-Right.

COMMERCE

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

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PLANNING FOR PRODUCTIVITY

A SUBJECT which has attracted considerable attention in the last two or three years is productivity in industries. Two factors have been responsible for the new interest in the subject. In the first place, there is a whole series of developments which might be comprehensively termed "automation." This has greatly increased industrial productivity in several countries. In a competitive world, it is scarcely possible that one country can afford to lag very much behind another in the adoption of modern devices of production. Secondly, there is the "nuclear" development, the utilisation of atomic power. Taken together, these two developments have been rightly hailed as a "second industrial revolution," with immense possibilities of increase in the range and quality of industrial output. It is now generally recognised that those who choose to fight these developments are waging a losing battle.

India too, on its part, cannot afford to cut adrift from the world currents, despite all the pious resolutions of the advocates of antediluvian equipment in our industries. Productivity in our industries has necessarily to be stepped up. An initial handicap, not only in India but elsewhere, is the opposition of labour to all modern ideas of productivity. The workers are somewhat suspicious of what for many years remained a hazy concept which carried the threat of exploitation. Further, productivity, in ordinary parlance, has become synonymous with man-hour output. The workers, therefore, feel that productivity means only higher work-loads for them. This explains their negative attitude towards modern means of production. The first thing to do is obviously to convince the workers that productivity does not necessarily mean higher work-load. They must be told that it essentially implies maximum utilisation of all factors of production. Although man-hour output may be a convenient index for measuring productivity, the concept of productivity itself is certainly very much wider than what is indicated by man-hour output. Productivity, according to a formal definition, represents the ratio of goods produced to the total resources required to produce it. Surely, this definition does not emphasise only man-hour output, inasmuch as labour is only one of the resources employed in producing goods. Any increase in productivity is obviously the result of improved utilisation of all resources, including manpower, equipment and raw materials. It is only when the problem of increase in productivity is tackled in this comprehensive and many-sided manner that any real increase in output can be hoped for.

The implementation of industrial programmes in the second Five-year Plan obviously calls for a large increase in productivity. This will ensure economical utilisation of the resources employed during the period of the Plan. An important effect of increased productivity in India, as in other countries, is bound to be higher output, reduction in physical effort, better wages and better working conditions. The ground for productivity studies in this country has been cleared, though necessarily to a small extent, by the commendable work of the I.L.O. team which visited India about four years ago. It may be recalled that the team split itself into two groups, one working in the textile mills in Bombay and Ahmedabad and another in certain engineering units in Calcutta. The work of these teams brought to light one very important result. It demonstrated to the management, as well as trade union leaders, that, given adequate supervision, it is possible to secure a significant improvement in productivity, with the same plant and equipment even after comparatively short and complete training in productivity techniques. The increase in output in the engineering industry ranged from 17 per cent. in some sections to 116 per cent. in others. In the textile industry, the increase varied from 6 per cent. in certain jobs to 36 per cent. in other jobs. The record of the team brought out the fact that work-study techniques could be applied in India with marked success in raising output, and that they could also improve industrial relations, though this result was dependent on human and sympathetic approach by work-study men and supervisors.

The latest attempt at spotlighting the importance of productivity is the one that has been made by the report of the delegation of officials and non-officials (leader: Dr. Vikram A. Sarabhai) which visited Japan last October. The report emphasises that, in a rapidly developing economy, the increase in productivity could be a powerful element of national policy designed to increase national wealth and raise living standards without creating unemployment; the report warns that productivity should not be confused with rationalisation and retrenchment of surplus labour. Accordingly, it has suggested the creation of a national productivity council which will launch an effective national movement for increase in productivity in India. Such a council, according to the report, should be an autonomous organisation at the Centre. It should create productivity-consciousness all over the country. It should stimulate the establishment of local productivity councils in different centres. It has been suggested that the council should be representative of employers, labour, Government, technicians in industry, scholars, research workers and professional consultants. It is further suggested that, before the council is set up, the Government of India should convene a seminar representing the various sections which will be interested in the increase of productivity. This seminar, it is stated, should determine the principles which should govern the movement in order to ensure the full co-operation of various elements.

The report has stressed the great interest in productivity that is evinced in Japan. It, however, points out that the productivity of Japanese industries is substantially low as compared with other Western countries; it is one-fifth of the American level, one-third of the British and two-fifths of the level in West Germany. Indeed, it is the recognition of this comparatively low level of productivity in Japan that has induced the authorities in that country to launch a country-wide movement for the increase in productivity, with the help of the National Government and on the initiative of four important national economic organisations, namely, the Federation of Economic Organisations, the Japan Federation of Employers' Associations, the Japan Chamber of Commerce and Industry and the Japan Management Association. The move was made in 1953 to create an organisation for propagating the productivity concept and techniques. Two years thereafter, that is, in March 1955, the Japanese Productivity Centre (J.P.C.) was established. Progressive industrialists in various regions of the country took the initiative in establishing regional productivity centres.

It is interesting to note that, in Japan, the co-operation of the workers in the productivity movement was initially secured through agreement that the profits of any increase in productivity would be jointly shared by capital, labour and consumers. The sponsors also stressed that the movement should not be confused with mere efficiency drive and that redundancy of labour must be avoided through the joint efforts of the Government and the industries concerned. Finance for the movement, it is stated, was provided partly by the National Government and the Technical Assistance Programme of the United States and partly from membership fees from industries. The J.P.C. and regional centres are governed by the boards, on which there are representatives of employers, labour and scholars. Productivity organisations stimulate and encourage the exchange of technical information in international as well as domestic fields. The J.P.C., according to the report, has sent a number of teams of industrialists, labour and technicians for the study of the techniques of productivity increase in the U.S. Productivity consultants and specialists have been secured from abroad for organising training coarses and seminars.

The report points out that productivity techniques include the following:

"(1) writing down the requirements of each of the jobs and the attributes necessary for the person performing them; (2) the selection of the right man for the right job; (3) carefully determining better, easier, safer, and faster ways to do the job; (4) training the man to do the job in the proper way; (5) seeing to it that the work can be performed in a pleasant atmosphere, healthy surroundings and with a maximum of job satisfaction; (6) organising the work, so that there are minimum of interruptions and wasted motions; (7) designing the product, so that a minimum of material is required; (8) looking for materials that are just as good but less expensive; (9) finding possible causes of material loss and eliminating or controlling them; (10) finding better ways to use the machines available and caring for them, so that more production and longer life can be obtained from them; (11) obtaining machinery when required for an overall increase of productivity of the various resources, and (12) giving the working

proper incentive to apply himself diligently to his work and to find out and adopt better and easier ways of doing it."

We commend the delegation's suggestion for setting up a national productivity council in India. Such a council, if properly manned and organised, could give great impetus to industrial productivity. It must, however, be reiterated that any increase in productivity implies a simultaneous work in many spheres, including training of workers, quality control and industrial research. The delegation has done well to throw some light on the work that is being done in Japan in these spheres of economic activity. Thus, in Japan, great emphasis is laid on vocational training. Facilities for apprenticeship training are available in both large-scale and small-scale units. In 1954, over 28,000 establishments conducted apprenticeship programmes with 65,000 apprentices. Out of these, 87.4 per cent. was employed in small-scale units, each employing less than 10 workers. This is obviously indicative of the value attached to systematic apprentice training even by small-scale industries. Small-scale units which found it difficult to give apprenticeship training individually have organised co-operative apprenticeship training programmes. The Government itself attaches much importance to apprenticeship training of all kinds, considering that it regulates such training by statute in order to prevent exploitation of apprentices.

The delegation found that Japanese industries are "very quality-conscious" and strive to maintain and enhance the quality of their products. Representatives of various sections within a plant are associated in functional committees which deal with production policy. In the plant, there is generally a production control section which is part of the technical control department. All production is planned at least three to six months ahead in every detail, and in some industries, such as machinery, iron and steel and shipbuilding, for a much longer period. Further, quality control is administered through a systematic inspection of raw and finished materials and processed goods at every stage of manufacture. In the task of improving the quality of output as well as in the wider field of general industrial progress, the national laboratories and forty-seven laboratories maintained by the Prefectures play an important role by undertaking extensive research programmes.

In applying to India industrial practices in Japan, or any other highly industrialised country, there is one great obstacle which must first be overcome. So long as the Government's industrial policy is not genuinely productivity-conscious but is vitiated by an anti-machine philosophy, it will be difficult to work for higher levels of productivity. Unless this philosophy is abandoned—if it cannot be done abruptly, it should be done at least as rapidly as possible—there can be no real progress in industrialisation, much less, in the application of the more recent trends in industrial practices. It is a pity that so few realise that the alternative to marching in step with other nations is industrial stagnation of a kind that will leave the Indian economy in a sad state of disrepair.

COMPULSORY DEPOSITS

AMONG the fiscal measures which have been adopted recently, none has created greater confusion among companies than the compulsory deposits scheme. The scheme, as is well known, lays down that every joint stock company is under obligation—on pain of forfeiture of its claim to depreciation and development rebate—to deposit with the Government (1) up to 25 per cent. of its accumulated depreciation and other reserves "not represented by fixed assets" and (2) up to 75 per cent. of the balance, in excess of Rs. 1 lakh, of its annual profits before deducting depreciation, but after deducting tax and dividends. Although the scheme which formed part of the Finance No. 3 Bill 1956 came into force nearly four months ago, it was only last month that the Government was able to publish the draft rules relating to it. This delay itself indicates that the Government had not clearly formulated the scheme before taking Parliamentary sanction for it.

The scheme raises certain fundamental issues such as the constitutional propriety of arming the Government with powers to direct the disposition of the reserves of companies. It is also doubtful whether it is in the interests of corporate finance that the authorities should possess such powers. The whole scheme is certainly fraught with serious consequences to the future of the joint-stock economy in this country. From this point of view, the least that the Government should have done was to allow a reasonably long period for the public to study the rules and offer its criticism thereon. But the Government had announced that it must receive comments on the rules before the end of April 1957, though the rules themselves were published only on 15th April 1957. One wonders whether it is even now too late for the Government to extend the time limit, in view of the importance of the scheme to the many enterprises that are bound to be affected by it.

Since the scheme was announced in Parliament, the Government has effected certain modifications in it. Thus, the draft rules relate only to the current profits of the companies and not to their accumulated reserves. It is not known whether it is the Government's intention not to implement that part of the scheme which relates to such reserves. If that is the intention, the Government should declare it in unambiguous terms. A welcome feature is that banks, insurance companies and electricity undertakings have been exempted from the deposit scheme. It is, however, not clear why a special status has been claimed for enterprises in which the Central and the State Governments are shareholders to the extent of 40 per cent. of the share capital and for companies incorporated under special Act of Parliament; these enterprises have been exempted. Be that as it may, another welcome feature is that the deposit to be made out of the current profits has been fixed at 50 per cent. of the amount by which the statutory surplus exceeds Rs. 1 lakh, as against the maximum of 75 per cent. prescribed under the Act.

In view of the fact that the scheme is bound to create many practical financial difficulties for companies, it is certainly desirable that the list of exempted enterprises should be suitably extended. It has been rightly suggested that the non-profit-making organisations, as also new industrial undertakings (under section 15C of the Indian Income-tax Act) and industries of national importance (such as those that are included under section 56A of the Act), should be exempted from the operation of the scheme. There is also a strong case for exempting companies the assessable income of which is either *nil* or minus. As Mr. G. P. Kapadia, to whose note on the subject we drew the attention of our readers last week, points out, in the case of companies, the assessable income of which is *nil* or minus, the addition of the depreciation amount or depreciation arrears would create a notional surplus; such companies, though they would be entitled to total exemption and be free of the charge of income-tax and super-tax, would be caught within the scheme. He adds: "The scheme of deposits envisages cases where a company as such definitely reaps the advantage of the depreciation amount and the development rebate and it is able to save as a matter of fact tax in respect of those amounts for a particular year and it is this saving that is intended to be deposited. With a *nil* result or a minus result, the advantage in the form of tax saving can be reaped only when there are surplus profits after fully providing for the depreciation and/or the arrears of depreciation, and therefore, such companies should not be brought within the purview of the deposit scheme and should be left out of consideration." Indeed, we feel that, if the scheme is to be successfully implemented, it will be better for the Government to exempt, in the first place, as large a sector of the economy as possible, to study the working of the scheme and then to find out whether the list should be enlarged or further abridged.

Just as important as the need for enlarging the list of exempted enterprises is the need for a liberal interpretation of the purposes for which the exemptions and refunds of deposits may be claimed. Under the draft rules, an "approved purpose" means any purpose which involves the utilisation of the resources of the company for (1) capital expenditure for the construction, erection or acquisition, by way of replacement or otherwise, of buildings, plant, machinery and other fixed assets required for the purpose of the existing business of the company; (2) repayment of moneys borrowed by the company on the security of its fixed assets for the purpose of carrying on such business; and (3) includes any other purpose the application of the financial resources of a company on which, in the opinion of the Commissioner of Income-tax or Board of Referees, having regard to the nature of the company's business (and such other circumstances as he or the Board of Referees may consider relevant), justified.

It is necessary to include in the list of approved purposes amounts utilised in building up stocks and stores and advances for trade purposes made by the company concerned. It is well known that, in some industries—in the sugar industry, for instance—stocks pile up as a result of Government's control and administrative policies. It would be great hardship if the companies were forced into a position of having to build up large stocks which, in its turn, would compel them to go to banks for their working capital and were also deprived of the facility of including the stocks under "approved purposes." The case is also strong for including in "approved purposes" capital expenditure incurred for the purpose of expansion of existing business, working capital for maintenance and development of business and loans of any kind. The companies which intend to utilise their resources in furtherance of the industrial programmes, included under the second Five-year Plan, deserve sympathetic consideration; in such cases, the expenditure which has already been incurred or is proposed to be incurred should come within the purview of "approved purposes" under the scheme.

As regards interest payable by the Government on amounts deposited by the companies, the draft rules provide that the deposits will carry simple interest at a rate which will be notified by the Central Government for each financial year. It is further provided that the interest will be computed on the basis of daily balances and paid on 31st March and 30th September each year. There is no justification for subjecting the rate of interest to annual enactments. It would appear that the Federation of Indian Chambers of Commerce and Industry has suggested that the interest should be not less than one per cent. above the Bank rate. There can be no insuperable difficulty in implementing a suggestion for linking the rate with the Bank rate. Further, there is a special reason why the deposits should carry a reasonable, if not an attractive, rate of interest. Some of the companies may, in actual practice, be compelled to borrow from banks in order to make the necessary deposits. They would then have to pay a rate of interest that would be considerably higher than the Bank rate. It would certainly mean some relief, welcome as well as deserved, if the rate of interest were fixed at a reasonable level.

Above all, the success of the scheme depends upon its efficient administration. The scheme calls for ability to take quick decisions, knowledge of the working of different types of industrial enterprises and imaginative grasp of their problems. It is to be hoped that those who are entrusted with the task of administering the scheme will have these qualities. The draft rules provide for the appointment of a Board of Referees which will work under the "general control" of the Central Government. It is further provided that, on matters relating to representations made by companies, the decision of the Board shall be final. In view of the fact that the powers conferred on the Board are large, there is certainly considerable force in the Federation's suggestion that the Board should be constituted as an independent body, free from control by the Central Government, on the lines of the Income-tax Appellate Tribunal. The acceptance of this suggestion would infuse greater confidence among aggrieved companies and make them feel that their representation will receive the consideration it deserves.

Although the implementation of the suggestions, made above, may make the scheme both more workable and more acceptable, there is no doubt that the Government will do well to consider whether the interests of the country will not be better served by a total withdrawal of the scheme. Apart from the serious difficulties which it will cause both to the tax-collector and the taxpayer, the scheme is bound to have an inhibiting effect on the flow of foreign investments into this country. Foreign investors are not likely to be attracted to a country where not only will their current income be taxed but also the reserves they may accumulate will be at the mercy of the tax authorities. The scheme is, in fact, bound to prove to be the greatest impediment to the inflow of foreign capital to India, and that, at a time when the country urgently needs foreign capital to bridge the yawning gap in the foreign exchange necessary for the success of the programmes included in the second Five-year Plan.

SOME THOUGHTS ON COMING BUDGET

U.K.'S MONETARY POLICY—COTTON HEDGE CONTRACT—PAPER INDUSTRY

THURSDAY, 5 P.M.

THE pattern of stock exchanges in the coming weeks and months will depend primarily upon the Central Budget scheduled to be presented to Parliament on Wednesday the 15th inst. There is a feeling of mild optimism in certain influential quarters that the Budget will not be so bad for investors as many seem to apprehend. This optimism is based on two grounds. First, the Government is already worried over the continued depression of stock markets and the virtual absence of new industrial flotations of any worthwhile size. Secondly, the Government is fully aware of the difficulties that are being experienced by well-established companies like the Tata Steel, the A.C.C. and the Alkali Chemical to raise additional capital for financing their expansion schemes which form an integral part of the second Plan. It may not, therefore, take any steps which would worsen the position of capital markets still further. It is this optimism which is mainly responsible for the steadiness of share markets in recent days. There would be a severe fall in share values if the Budget failed to be in line with this expectation.

MARKET GOSSIP

The general public, by which is meant the vast majority of operators, however, is full of apprehensions. It shares the common belief that fresh taxation of the order of Rs. 30 to Rs. 40 crores is quite likely, in addition to the widely anticipated stiff increase in railway freight rates. The Railway Budget is due to be presented, as readers are aware, on Tuesday the 14th inst. Considering the large resources required for financing the Plan, so argues the concerned section of the general public, the Finance Minister cannot but help imposing fresh tax burdens on corporations and individuals alike. Having been bitten several times in the past, it is reluctant to believe that T.T.K. will let the investors off lightly.

The cat will be out of the bag in six days from now. This journal has no desire to indulge in any Budget speculations. It is the responsibility of the Finance Minister to ensure the secrecy of his new proposals and the privilege of Parliament to be the first to hear them. It is, therefore, better to refrain from intruding, even indirectly into their sphere of rights and responsibilities. But one has every right to say what ought to be the Budget.

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The requirements of the second Plan will naturally dominate the Budget. But the Plan has been cast on ambitious lines. At one time, there might have been some justification—though we saw none at any time—for the debate whether or not the Plan was overambitious. It must, however, be apparent now to all those who have an open mind that there is no need for such a debate, and that the Plan is clearly beyond the capacity of the country. The Finance Minister, if he is wise, will bear in mind this fundamental point while framing his Budget proposals. It may be that political expediency will not permit him to admit the truth in public. There is, however, nothing to prevent him from quietly doing things that will not break the camel's back. In any case, the execution of the Plan has already been slowed down at several points, as witness the restrictions on imports of a number of essential items, the continued stringency of the money market and the suspension of quite a few projects. The main stumbling blocks to the progress of the Plan are the much discussed shortage of foreign exchange resources and the not-so-well-known scarcity of real resources within the country itself.

Today, there is no slack in the country which can take the enormous developmental expenditure of nearly Rs. 1,000 crores envisaged in the Plan for 1957-58. Despite the introduction of new taxation and regulatory measures five months ago, the price line has continued to edge forward. The index number of wholesale prices stood at 421 by the middle of last month and it must be higher still now. In any case, the mid-April figure itself is 34 points above the level a year before. If the food group alone is taken, one finds that the rise over the year is nearly 47 points; in this group, cereals show a rise of as many as 81 points. These data are sufficient to show that even now people are paying through their nose for their food.

The prospects for the near future in respect of food are none too bright. If anything, they seem to be disturbing. From the statements of Ministers in charge of food, made early this week, it is clear that the food position is not comfortable, that the country's dependence on imports of foodgrains has definitely tended to exceed the earlier expectations and that the Government will not hesitate to buy as much foreign grains as possible in order to cover the deficit and build up minimum reserve stocks. This means an additional drain on the foreign exchange reserves and that at a time when they have dropped to a precariously low level.

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The country is running into a scarcity of other resources as well. Raw cotton is an instance. Consumers of cotton are now stressing that arrangements should be made to import more foreign cotton. There are then shortages of steel, tin plate, non-ferrous metals, cement and transport equipment The magnitude of these shortages is bigger than had been anticipated. Early this year, for instance, it was felt that sufficient steel had been stockpiled to carry the country through this year. But it now seems that this calculation is not correct, as witness the move to freeze stocks of steel with the dealers.

The scarcity of savings and capital is too well known to need reiteration. The short-term money market is still suffering from acute stringency, though the currency in circulation has reached the record total of Rs. 1,577 crores, as against Rs. 1,519 crores this time last year. The Scheduled banks' advances stand at the high level of Rs. 908 crores which constitute 74.4 per cent. of their deposits aggregating Rs. 1,221 crores (Rs. 1,063 crores a year before). It may be interesting to note here that, a year ago, the banks' advances stood at Rs. 753 crores or 70.8 per cent. of their deposits. Yet business men complain of lack of working capital. And we all know that the complaint is genuine.

As for the long-term capital market, there can be no better proof of the inadequate supply of resources than the arrears of call pertaining to the new issues of T.I.S.Co. and the A.C.C. to mention only two instances. Further proof of it is provided by the heavy discount at which even first class preference shares are quoted.

Even on a money supply of about Rs. 2,400 crores, the price levels have reached a stage which cannot but be regarded as disturbing. To mount a developmental expenditure of Rs. 900 crores to Rs. 1,000 crores on this inflated base would be to invite grave risks to the internal and external value of the rupee. This is particularly so for two reasons. In the first place, only a small part of the planned developmental expenditure is towards increased production of consumer goods, so that there is the danger of too much money chasing too few goods. Secondly, there is hardly any room for increasing the supply of goods through imports of either finished goods or raw materials or both. As already stated, the country's foreign exchange resources are very low. Despite the addition of Rs. 60.69 crores being a part of the credit given by the International Monetary Fund, India's foreign assets as on the 3rd inst. were only Rs. 496.42 crores, that is, a net overall decline of Rs. 70.63 crores since 1st February 1957 when the I.M.F. gave the credit line. This leaves us a margin of only Rs. 96.42 crores for the future, assuming that Rs. 400 crores are necessary as the irreducible minimum reserve, without which the confidence of the outside world in the rupee will be impaired. This margin is sufficient to cover the country's needs for barely four months. It is pertinent to point out, in this connection, that India's export trade usually slackens during the monsoon months which are ahead by only four weeks, so that the chances of large additions to our sterling balances through exports in the coming months are slender.

It is true that the Government of India is trying its level best to augment the foreign exchange reserve position by securing credits from the World Bank, the U.S., the U.K. and other countries. One of its officials is abroad now to explore ways and means of securing quick results in this direction. He is on a difficult mission, for neither the economic policy nor the foreign policy of the Government of India is conducive to securing such results from the Western world. There is no dearth of goodwill for India in Western countries, especially in the U.K. and the U.S. But what stand in the way of this goodwill yielding concrete results are the growing leftist tendencies in the ruling party and its increasing affinity with the communist and the pro-communist world. The talk in high places of leaving the Commonwealth has adversely affected the chances of getting credits and capital from the Western world.

To sum up. The economic position and prospects on the eve of the Budget are not encouraging, to say the least. There are shortages of food and raw materials, with very little chances of their disappearance in the near future. The foreign exchange position is critical and the climate for securing credits to bridge the gap is not favourable. Price levels have reached uncomfortably high peaks and the chances of their coming down are remote. The internal capital markets are fast drying up, owing to confiscatory levels of taxation, and those who have savings have been scared away by the political and economic policies of the party in power.

In framing his Budget proposals and announcing the policies of the Government, the Finance Minister should take all the foregoing factors into consideration and try to remedy the situation. He should try to restore the confidence of investors and boost production by giving judicious reliefs in taxation and by respecting the sanctity of private property. He should be bold enough to face the realities of the situation and refrain from pitching the Plan targets too high. He would do well to recognise that excessive taxation kills incentive, discourages production and thereby aids the inflationary pressure. Finally, he should realise that, if he presses too far with the implementation of the overambitious second Plan in the present state of affairs, the external and the internal value of the rupee will be gravely jeopardised. Politically, the consequences of such a development will be far more serious than a straightforward readjustment of the Plan to the available resources.

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The U.K. Government has announced the appointment of a committee under the chairmanship of Lord Radcliffe to inquire into the working of the monetary and credit system. The other members of the Committee are: Professor A. K. Cairncross, Professor of Applied Economics in Glasgow University, Sir Oliver Franks, Chairman of Lloyds Bank, Viscount Hall, Managing Director of Morgan Grenfell, Mr. W. E. Jones, President of the National Union of Mineworkers, Professor R. S. Sayers, Professor of Economics, London University, Sir Reginald Verdon Smith, Chairman of Bristol Aeroplane Company, Mr. George Woodcock, Assistant General Secretary, T.U.C., and Sir John Woods, Director of English Electric. Clearly, the composition of the Committee indicates that the Government is anxious to have the monetary policy examined by a body representative of all interests. The appointment of the Committee, it may be recalled, was indicated by Mr. Peter Thorneycroft, Chancellor of the Exchequer, in the course of his Budget speech. He then said that a committee would be set up with terms of reference "to inquire into the working of the monetary and credit system and to make recommendations." This inquiry would be primarily directed to reviewing the working of the system in the conditions of today, taking particularly into account the great influence now exerted upon it by the public finances and the need to maintain a high level of savings and investment. The Committee, Mr. Thorneycroft added, would be concerned with the achievement of the best possible system of money and credit while observing to the full the international obligations in the matter of exchange rate and other matters which the Government had assumed and had every determination to honour.

It may be remembered that the last occasion when the U.K.'s monetary system was the subject of inquiry was in 1931 when the Macmillan Committee examined the system and issued a report which is generally regarded as a classic on the subject. Many changes have taken place in the U.K., as in the rest of the world, since that report was written. For one thing, Britain, again along with many other countries, then faced the problem of pumping more credit into the economic system. The problem is radically different now, for it is essentially one of restricting credit fighting inflation. Secondly, public debt has greatly increased during the last few years, so that its management is a more difficult problem than in pre-war years. It is for these reasons that, in the past year or two, the suggestion has been frequently made from several quarters for the appointment of a committee of inquiry. The Committee, the formation of which has now been announced, is a sequel to these suggestions and an indication of the realisation on the part of the authorities that the range of issues relating to monetary and credit policy deserves re-examination by an expert committee. The outcome of the Committee's labours will naturally be awaited with interest, not only in Britain but in the rest of the world, for nearly all countries face economic and monetary problems which are not different from those which Britain faces today. In India itself, the suggestion for a full-fledged examination of the credit and monetary policies has been made in certain quarters. Obviously, the suggestion has not commended itself to the authorities. But in the past, there have been instances of the Government appointing a committee in India soon after a similar committee has completed its work in the U.K.; the Company Law Reforms Committee is a case in point. It remains to be seen whether the authorities will reconsider the suggestion for inquiry now, or at least, after the Radcliffe Committee has submitted its report. In some ways, the Indian monetary and credit problem is even more intractable than Britain's, what with the large size of its non-monetised sector and the monetary sector which is somewhat beyond the control of the central banking authorities.

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All cotton traders are keenly awaiting tomorrow's meeting of the E.I.C.A. Board at which the Board will consider the recommendation of its subcommittee that only one single hedge contract must be allowed for the next season's (1957-58) cotton crop, instead of two simultaneous contracts as at present. This recommendation marks a switch-back to the position prevailing prior to 18th June 1956. The basis of the proposed single contract (Indian Cotton Contract) shall be Fine M.G. Moglai staple 25/32", tenderable up to two classes "on" and up to "rejection standard." Tendering differences must be fixed on the basis of spot rates and not on forward rates as at present. The cotton tendered, when rejected, is to be invoiced back at a discount of Rs. 15.

The sub-committee has suggested that, while one settlement is operating, the next one may be opened before the delivery period of the first settlement commences, the delivery months being March, May and August. It has opposed fixation during the currency of contract of floors and ceilings within the existing Government floors and ceilings. It, however, favours levy of deposits on purchases remaining outstanding, if prices rule about Rs. 600—Rs. 100 when the price is between Rs. 600 and Rs. 650 and Rs. 200 when it exceeds Rs. 650.

The chief consideration which seems to have weighed with the sub-committee in suggesting only one single hedge contract is that the operation of two contracts simultaneously in the context of tight supply position is ineffective, inasmuch as fluctuations in cotton futures values will not correctly reflect the demand for and the supply of cotton. Whether and to what extent this view is justified are questions open to debate. But it stands to reason that a final decision on the question of having a single contract or two contracts could conveniently wait till the picture of the ensuing season's cotton crop becomes clear. There are no indications at present—indeed, there can be none—about the probable size of this crop. It would, therefore, be unwise to base the suggestion for a switch-over from two hedge contracts to one single contract merely on the assumption that the supply position will continue to be tight. It is not, of course, the function of the hedge contract for cotton to assure

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EQUITIES MOVE NARROWLY

UNDERTONE STEADY

(From Our Own Correspondents)

BOMBAY, *9th May*

THE share market was featureless during the week under review. The trend was somewhat indecisive, but the fluctuations were confined to a narrow range. The volume of business thinned down, due to proximity of the Central budget and the uncertainties about the tax proposals induced operators to sit on the fence. The reappearance of stringency in the money market and the implications of the serious food situation in some parts of the country, which would, as was indicated by the Union Minister for Food and Agriculture, at a Press Conference in New Delhi on Monday last, necessitate large-scale imports of foodgrains, fears about the success of the Central Government's borrowing programme in the face of the present stringency in money and reports that a Singapore Trust had submitted a petition to the Allahabad High Court for liquidation of the British India Corporation Ltd., Kanpur, for default to settle its claims were all factors which chilled the enthusiasm of the operators. Nevertheless, there was no selling pressure, except for profit-taking at higher levels. The undertone remained steady.

The Stock Exchange remained closed today, being a public holiday on account of the Municipal elections.

In the steel section, Tata Ordinaries opened on a quiet note with a slight decline from Rs. 168.50 to Rs. 167.25 due to end-of-account considerations. In the new account, the shares displayed some firmness and rose to Rs. 171.50 on Tuesday. On profit-taking at that level, they came down to Rs. 169.25 at the close yesterday. The new shares were done a rupee lower at Rs. 120. After an initial drop from Rs. 20 to Rs. 19.80, Indian Irons gained ground to Rs. 20.80, but again shaded off to Rs. 20.45.

Textile counters were conspicuously dull, with very little activity. Bombay Dyeings gave way from Rs. 543 to Rs. 538.50, but came up to Rs. 548. At the close, there was a setback to Rs. 542.50. Centurys stood Rs. 4 lower on balance at Rs. 459, after touching a high of Rs. 465.50. Kohinoors were done up to Rs. 322.50, before they finished lower at Rs. 321.50. Central Indias were dull at Rs. 114.50. Gokaks shed Rs. 3.75 to Rs. 186.50. Indu Ordinaries were a fraction better at Rs. 10.15 and Indore Malwas changed hands Rs. 2 higher at Rs. 139. Minervas gained Rs. 1.50 to Rs. 84, while Models dropped Re. 1.75 to Rs. 178.25. Morarjee Goculdas receded by Rs. 8.75 to Rs. 211.25, but New Greats improved by Re. 1 to Rs. 230. Shree Niwas Cottons were unchanged on balance at Rs. 178. Simplex closed at Rs. 170.50, as against Rs. 171.50 a week ago, after being done up to Rs. 172. Standards held their own at Rs. 443, while Svadeshis were marked down by Rs. 1.50 to Rs. 214 and Tata Mills by nP 25 to Rs. 47.25.

Bank shares continued to elicit enquiries and scored further small gains. Barodas gathered Re. 1 to Rs. 102. Centrals old and new gained nP 50 each to Rs. 51.25 and Rs. 54, respectively. Bank of Indias were up by nP 50 at Rs. 133. Punjab Nationals were done at Rs. 51 *ex-div.* (div. Rs. 2), as against Rs. 52.50 *cum-div.* a week ago. United Commercials improved by nP 75 to Rs. 54.25.

Buyers were in evidence in the insurance section, though business was limited. New Indias were picked up Re. 1.25 higher at Rs. 41.25 and Indian Mercantiles nP 75 higher at Rs. 41.25.

Conditions in the electricity section were better, with most of the counters attracting attention and scoring useful gains. Ahmedabad Electrics moved up by nP 25 to Rs. 93.75, while Bombay Suburbans were lower by Re. 1 at Rs. 106.50. Surat Electrics were maintained at Rs. 108.25. Tata Hydros appreciated by Re. 1.50 to Rs. 123. Tata Powers by Rs. 10 to Rs. 1.223.75 and Andhra Valleys by Rs. 22.50 to Rs. 1.180. Tata Powers (New) shot up by Rs. 40 to Rs. 1.200.

The miscellaneous section was on the whole lethargic, with price variations confined to a narrow range. Sugar shares did not evoke any enthusiasm, despite the good outlook for the industry. Belapurs were lower by Rs. 2 at Rs. 227. Bhopals gained no more than nP 25 to Rs. 17.75, Phaltans nP 75 to Rs. 136.25 and Walchandnagars nP 50 to Rs. 250.50. In the cement group, A.C.Cs moved between Rs. 160.75 and Rs. 158.50 before finishing at Rs. 159.25. Digvijays gained Re. 1.25 to Rs. 145.50. Ashokas were a shade better at Rs. 9.90 and Jaipur Udyogs at Rs. 12.05. Orissa Cements lost nP 10 to Rs. 13.25.

In the engineering and mining section, Alcocks scored Re. 1.25 to Rs. 258.75. Tata Locomotives were erratic. After an initial setback from Rs. 146 to Rs. 144, the shares advanced to Rs. 150.25, but drifted lower to Rs. 147.50 at the close. Premier Constructions shed Rs. 2.25 to Rs. 162, while Larsen and Toubros were unchanged at Rs. 15.25. Mahindra and Mahindras were a feature with a rise of Re. 1.50 to Rs. 15.50. Shivrajpurs were done at Rs. 84 *ex-div.*, as against Rs. 91 *cum-div.* a week ago. Indian Coppers were unchanged at Rs. 3.30, while B.B. Petrols gained nP 14 to Rs. 2.60.

Among shipping and automobile shares, Scindias moved both ways. After declining from Rs. 18.50 to Rs. 18.20, they gained back to Rs. 18.60, but drifted again to Rs. 18.35 at the close. Great Eastern Shippings gained on balance nP. 70 to Rs. 18.90. Premier Automobiles were marked down by Re. 1.25 to Rs. 90, while Hindustan Motors were steady at Rs. 7.25.

In the miscellaneous group, Bombay Burmahs receded from Rs. 567 to Rs. 561. After a recovery to Rs. 567, they gave way to Rs. 560.50. Their partly-paid shares lost Rs. 2.50 to Rs. 210. National Rayons improved from Rs. 226.50 to Rs. 230, but receded to Rs. 227.25 at the close. Gwalior Rayons improved by nP. 30 to Rs. 12.60. British India Corporations lost nP. 45 to Rs. 6.50. Tata Chemicals were steady at Rs. 16.25. Alembic Chemicals shot up by Rs. 5.50 to Rs. 122.50. Tata Oils gathered nP 75 to Rs. 44. Hindustan Levers were done nP. 40 higher at Rs. 19.50.

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Calcutta Stock Exchange

CALCUTTA, *8th May*

A slightly improved sentiment was in evidence on the Calcutta Stock Exchange during the week under review, but the volume of transactions remained low. This followed expectations of a relaxation in the tight money conditions. How this would be brought about was debatable in view of the rising demand for credit for industrial requirements. Thoughts about the forthcoming budget continued to check the enthusiasm of operators, although a section of the market believed that new taxation measures would not be as severe as was thought earlier. There was a rumour that there would be a welcome reduction in tax on earned income, although the better sentiment generated thereby was partially nullified by another set of rumours forecasting taxes on gifts and wealth.

The West Bengal Premier, Dr. Roy's speech at the annual meeting of the Tea Association of India, held here on Sunday last, wherein he thought that tea companies should restrict dividends to shareholders to 6 or 7 per cent. and that business conditions for tea were satisfactory, caused surprise in market circles and led to lessening of interest in tea shares. The decision of the British India Corporation to close down the Cawnpore Cotton Mills, in view of the heavy loss the mills have incurred during the last 5½ years in the absence of Government's permission to rationalise the mills, was also noted with disappointment in the market.

Among textiles, Kesorams, after being lower at Rs. 13.12, returned to the opening level of Rs. 13.25. Cawnpores hardly received attention at Rs. 5.93, but Basantis improved to Rs. 5.37 from Rs. 5.06.

The higher costs of production and the absence of any increase in coal prices continued to discourage investors in coal shares. It was noted with regret that coal was not one of the industries which would be eligible for re-lending facilities from the proposed Re-finance Corporation. In this section, activity was meagre, but the small number of transactions that took place were due to interested buying. Khatras Jherriahs were lifted to Rs. 54.62 from Rs. 53.75. At one time, New Manbhooms were as low as Rs. 8, but subsequently picked up to Rs. 9.50. Burrakurs were steady at Rs. 22, as were Bengals at Rs. 222 following the announcement of a final dividend of Rs. 10 per cent. for the year ended 31st October 1956, which together with the interim one of 7½ per cent. makes the total distribution for the year as 17½ per cent., same as that paid for the previous year.

Jutes were quiet. Nationals, after being lower at Rs. 19.90, closed better at Rs. 20.20. Fort Williams were hammered down to Rs. 16.00 from Rs. 18.09.

Among engineerings, Guest Keens were as high as Rs. 27.12, following a good working report for 1956 and the declaration of the final dividend at 15 per cent. Indian Irons improved to Rs. 20.50 from Rs. 19.84. For a time, Texmacos were fractionally better at Rs. 19.10, but closed at Rs. 18.95. Braithwaites tended quiet at Rs. 24.50.

Selected miscellaneous industrials were favoured at higher rates. India Steamships met with support at Rs. 10.12, as against Rs. 10.03, while B.I. Corporations gave way to Rs. 6.45 from Rs. 7.03. At Rs. 25.75, Darbhanga Sugars gained a few points on interested buying. Indian Coppers were unchanged at Rs. 3.28. Imperial Tobaccos changed hands at Rs. 13.94. Orient Papers were lively at Rs. 30.50. Dunlop Rubbers at Rs. 24.06 were fractionally higher. Metal Boxes were better at Rs. 27.56.

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Madras Stock Exchange

MADRAS, *7th May*

A quiet trend was in evidence on the Madras Stock Exchange during the major part of the week under review. Buying enquiries were at a low ebb, thanks to pre-budget uncertainties. With only a week to go for the presentation of the budget, operators were not inclined to speculate on proposals and enter into commitments either way. Transactions put through were, as a consequence, greatly restricted and values moved narrowly, the general tendency being downward. The sentiment of the market was, of course, a bit better today, although the improvement in values was limited only to a few selected scrips.

Tea shares in the planting section staged a retreat. Nonsuch Teas dropped As. 8 to Rs. 22 *cum-div.* Nilgiri Teas receded by 25 nP to Rs. 8.75. Talayar Teas decreased by 15 nP to Rs. 10.40. Twyfords lost 20 nP to Rs. 17.40. Blue Mountains shed 2 nP to Rs. 3.65. Chembras were a shade lower at Rs. 3.35. Balanoors remained quiet at Rs. 19.25, Coonoor Teas at Rs. 23.75, Haileyburias at Rs. 22.50, Neelamalais at Rs. 5.90, and Highlands at Rs. 14.25. Kalasas, however, evoked some support and improved by 30 nP to Rs. 14.20. Kil Kotagiris and Periakaramalais gained 15 nP each to Rs. 6.10 and Rs. 7.45, respectively. Waterfalls put on 8 nP to Rs. 4.20. Peermades were done 25 nP higher at Rs. 26.25. Among coffee shares, Kumergodes receded by 10 nP to Rs. 6.60. Balmadies were neglected at Rs. 3.35 as also Rajendras at Rs. 11.37 and Shevroys at Rs. 2.03. Consolidated Coffees, however, advanced by 45 nP to Rs. 22.50. Coffee Lands increased by 10 nP to Rs. 25.25. In the rubber group, Malankaras declined by 25 nP to Rs. 29.25. Teekoys dropped 94 nP to Rs. 8.06. Kailas shed 4 nP to Rs. 4.90. Ponmudi Rubbers were lower by 25 nP at Rs. 1.75. Nelliampathys were dull at Rs. 3, Nilamburs at Rs. 16.50 and Peninsulars at Rs. 28. Cochin Malabars, on the other hand, were marked up by 30 nP to Rs. 7.80 on special support. Midlands gathered 10 nP to Rs. 16.85. Pullangodes were better by 13 nP at Rs. 2.33. Thirumbadis were transacted at Rs. 1.88.

In the textile section, Coimbatore Cottons fell by Rs. 5 to Rs. 325. Metturs dropped Rs. 4 to Rs. 398. Saradas receded by Rs. 2 to Rs. 95. Bangalore Woollens eased by a rupee to Rs. 173. Kasthuris shed As. 8 to Rs. 28.50. Coimbatore Pioneers were unchanged at Rs. 268, Kotharis at Rs. 14.25, Pankajas at Rs. 70, Ranga Vilas at Rs. 87 and Premiers at Rs. 185. Buckinghams, however, firmed up by Rs. 3 to Rs. 172. Cambodias were quoted higher by 82 nP at Rs. 13 *cum-div.* Coimbatore Spinnings hardened by Rs. 2.50 to Rs. 89. Vasantas gathered a rupee to Rs. 289. Janardanas put on 50 nP to Rs. 92. Maduras gained a like amount to Rs. 41.75. Lakshmis rose by As. 8 to Rs. 138.50.

In the sugar group, Travancores lost 10 nP to Rs. 10.40. United Breweries softened by 4 nP to Rs. 166. Cauverys were dull at Rs. 32. Jeypores at Rs. 13.50, K.C.P. ordinaries at Rs. 135 and Kirlampudis at Rs. 26.50. E.I.D, however, increased by 27 nP to Rs. 26.87. Indias moved up by 25 nP to Rs. 15.50. Mysores were better by 12 nP at Rs. 37.37.

In the miscellaneous section, Aluminium Industries decreased by 25 nP to Rs. 12.60. Indian Aluminiums were neglected at Rs. 12.85, Indian Steel Rollings at Rs. 11, Parrys Confectionery at Rs. 2.81 and Sen-Raleighs at Rs 12.62. But Binnys improved by Rs. 2 to Rs. 174. India Cements strengthened by As. 8 to Rs. 27. F.A.C.Ts added As. 4 to Rs. 5.65. Spencers gained 33 nP to Rs. 16.65. Mettur Chemicals were higher by 25 nP at Rs. 9.65. Rallis hardened by a like amount to Rs. 31.25.

BOMBAY SHAREHOLDERS' ASSOCIATION BULLETIN

Investors in India are mostly drawn from average middle class people and many joint-stock ventures owe a large part of their success to this class of investors. They have, however, for a long time been the least vocal and organised among the various elements constituting an enterprise. Thanks to the untiring efforts of the Bombay Shareholders' Association during the last twenty-eight years of its existence, they have become conscious of their rights and responsibilities. This is indicated by the large gatherings of shareholders at annual general meetings of joint-stock companies in the last few years and the fund of information they elicit from the chairmen about the companies and their workings. The Bombay Shareholders' Association has also been responsible for the several reforms in the field of joint-stock enterprise.

In order that its services may reach a wider circle of investors, the Association has done well in bringing out a publication of its own, the first number of which has just come out. The *Bulletin* pledges itself to present the case of the investor honestly and fearlessly. The first number gives a brief account of the Association's activities during the last twenty-eight years and brief summaries of the two recent memoranda submitted by the Association to the Government. The most notable feature of the *Bulletin* is the "Question Box," in which questions of interest to investors are answered. On the whole, the publication is a pioneering effort, which it is hoped will give useful information about profitable avenues of investment and give guidance to those who want to invest their savings in various undertakings engaged in the development of the country.

The broad pattern of the development of heavy machinery manufacture during the second Plan period has been approved by the Government of India. The entire group of projects will be developed as an economic integral whole, so as to meet the needs of the country for several industries, including steel plants, chemical and fertiliser industries and various others. While the details of the different projects covered by this programme have yet to be worked out, it is estimated that the entire development will cost over Rs. 80 to Rs. 90 crores, of which about Rs. 50 crores will be the foreign exchange component. The scheme provides for, (1) a heavy machine building shop; (2) a foundry forge shop to meet the requirements of the machine shop and other industries; (3) a heavy structural shop; (4) a plate and vessels shop; (5) a heavy machine tool plant; (6) a mining machinery and equipment plant; and (7) an alloy and tool steel plant.

NEWS IN BRIEF

AN Afghan trade delegation, headed by Mr. M. R. Yunossi, Director-General of Foreign Trade, Afghanistan, is expected to visit India shortly.

The Government of Madhya Pradesh proposes to establish at Satna a cement factory with a daily production capacity of 900 tons at an estimated cost of Rs. 4 crores. The establishment of a similar factory at Maihar is also under consideration.

The famous Leyland direct-injection diesel engine, known as the 0.350 unit, which is already in use in over 50 countries, is to be progressively manufactured in India by Ashok Leyland Ltd. as a power unit for the Leyland Comet seven-ton truck and Comet passenger chassis which are being built by the Company in Madras.

India's reserves of manganese ore are estimated at about 112 million tons by the Indian Bureau of Mines. The reserves, it is claimed, are of all grades and are chiefly found in Madhya Pradesh, the reserves in this State being put at as much as 100 million tons. The remaining 12 million tons are scattered in other areas. Out of the total reserves, about 60 million tons are of high grade, containing 45 per cent. and above of manganese.

An agreement for the purchase of oil drilling equipment has been signed between the Government of India and the U.S.S.R. According to the agreement, equipment worth Rs. 37.24 lakhs will be supplied by the Russian Government within six months. At present, eight officers of the Oil and Natural Gas Commission are undergoing training in oil drilling in the U.S.S.R. Another batch will soon leave for Russia for training in seismic prospecting and instrument technology.

Three industrial tribunals will shortly be set up in Uttar Pradesh to administer industrial justice in the State. The tribunals will have their headquarters at Allahabad and will start functioning from the 16th inst. The Government is also setting up four regional labour courts, one each at Kanpur, Bareilly, Gorakhpur and Meerut. These courts, which will replace the present adjudication machinery, will deal with cases referred to them by Conciliation Boards through the Government.

The U.S., India and Japan are reported to be working out plans for the joint development of India's iron ore mines in Orissa. The plan calls for the U.S. to furnish a capital of $25 million, India $17 million and Japan $8 million. Meanwhile, Messrs. Sanderson and Portes, an engineering firm in the U.S., which has been investigating the best method of transporting iron ore from Orissa mines, is expected to submit its report in about three months. According to Mr. John Garde of the firm, an important feature of the project under consideration is the construction of a 100-mile rail track from Orissa to the Port of Visakhapatnam, from where the ore will be picked up by freighters.

Several schemes for the manufacture of electrical equipment, accessories and fittings are understood to have been approved by the Government of India. A Calcutta firm is to manufacture overhead railway electrification material at the rate of 240 tons per year. A number of schemes for the manufacture of transformers, involving the setting up of new units of substantial expansion of existing factories, have also been approved. With the approval of these schemes, the existing and licensed capacity for the manufacture of transformers will be about two million kv.a., as against the target capacity of 2.2 million kv.a. recommended by the Development Council for Heavy Electrical Industries. A Bombay firm is being allowed to increase its capacity for the manufacture of distribution transformers from 36,000 kv.a. to 72,000 kv.a. per year. Another firm is being allowed to expand its production of transformers from 108,000 kv.a. to 180,000 kv.a. per year. A new unit is being set up at Tiruchirapalli for the manufacture of 100,000 transformers per year.

* * * *

From Abroad

The number of foreign visitors to Paris in 1956 was 1,559,238, an increase of 7 per cent. as compared with the previous year.

The Toyota Motor Sales Company of Japan will shortly set up a truck and passenger car assembly plant and a network of sales offices in Thailand in an effort to boost its exports of automative parts. The proposed plant will cost about £75,000 and will be wholly Japanese-owned.

The Government of Communist China has announced that it will raise the price of food, clothes and a few other goods, because the ambitious investment in heavy industry last year has led to nation-wide shortages. The consumer will have to pay an average of 20 per cent. more for pork, some edible oils, woollen clothes, cigarettes and salt.

An American company, The Forest Oil Corporation of Pennsylvania, has been granted a licence to prospect for oil in Cyprus. The licence is for a period of two years and covers the whole island and its territorial waters. Exploration is expected to start shortly. Six years ago, the Trag Petroleum Company prospected for oil on the island, but their tests led them to believe that there was none to be found.

French investments during 1956 registered a remarkable increase over the previous year. A report issued by the Economic and Social Development Fund estimates that 3,360 milliard francs (1 milliard=1,000 million) were spent on equipment in 1956. This is 14.9 per cent. over the 1955 figure. Although the increase is partly explained by the higher prices, the net increase in investment is estimated at about 8 per cent. over the previous year.

A group of European steel experts are now in the United States on a six-week on-the-spot study of American management methods. The visit is organised jointly by the American Iron and Steel Institute and the High Authority of the European Coal and Steel Community. The experts will be specially interested in the different structure of American management as compared with its European counterpart, and will study the elements that are suitable for incorporation into the European structure.

Nearly a third of the new orders for ships placed in Britain in the first quarter of this year are from customers abroad. The orders related to 90 ships, aggregating 600,000 gross tons. Of the new orders, tankers and cargo ships each accounted for 43 per cent., passenger and passenger/cargo vessels for 8 per cent., and other types for 6 per cent. This brings the number of ships ordered during the 12 months ended March to 382, or over 2,750,000 gross tons. About 22 per cent. of the year's orders is on foreign account.

The U.S. is reported to have granted Indonesia a loan of $15 million and promised another $77 million for development purposes. Indonesia has agreed to repay $15 million loan over 40 years with interest at 4 per cent., if the repayment is in Indonesian currency and at 3 per cent. if it is in dollars. According to the International Co-operation Administrators, the U.S. is also prepared to lend Indonesia approximately $77 million in rupiah (Indonesian currency) still held by the U.S. from the former's purchase of $97 million worth of U.S. surplus farm commodities.

Libya has signed an agreement with the Export-Import Bank and the International Co-operation Administration for a $2.5 million U.S. loan. The funds, made available under the U.S. Mutual Security Programme, will be used to repair the Tripoli power plant and to expand its capacity by the installation of two 10,000-kilowatt generating units. The Libyan Government has already received a $3.6-million credit from the private Westinghouse Corporation to help in the power expansion project. The overall cost of the project is estimated at $11 million.

The Finance Bill of Britain, published on 30th April, outlines details of the scheme announced in the Budget for giving special tax treatment to British companies which trade abroad. These companies are to be called Overseas Trade Corporations (O.T.C.). Their trading income will be entirely exempt from British income-tax and profits tax, except when paid out as dividends to their shareholders. Companies will thus be able to reinvest profits abroad without paying British tax on the profits. They will also be able to shift profits from one overseas country to another without (as at present) incurring tax on the money in transit through Britain.

American overseas relief agencies distributed more than 1,140 million pounds of U.S. reserve food stocks free to needy people abroad during the nine months ended 31st March 1957. The overseas shipments by the religious agencies had a total value of $99,895,942. Other reserve stocks similarly distributed by non-religious voluntary agencies amounted to 108 million pounds, valued at $14,184,256. Of this, the largest amount—nearly 101 million pounds was distributed by C.A.R.E.—Co-operative for American Remittances Everywhere. In addition, 61 million pounds of dried milk valued at $9,605,040 were distributed through the U.N.I.C.E.F.

The International Committee of the National Planning Association of the U.S., a non-political organisation devoted to planning in economic and other fields, has recommended the establishment of a new Government Corporation with an initial capital of at least $1,000 million to handle economic aid. In the opinion of this Committee, all foreign aid should take the form of repayable loans. Such a programme will ensure better continuity than the present system whereby foreign aid has to be decided anew each year. The Committee maintains that repayable loans will relieve the foreign nations of an indefinite moral obligation which may breed resentment and nullify the good effects of the aid programme.

The Government of Indonesia, in a determined bid to restore the financial equilibrium of the country's economy, has imposed a complete ban on imports for an indefinite period. The ban, however, does not apply to Government orders and goods allowed to be imported as an incentive to export under the export inducement certificate schemes and a few other items. The country's gold and foreign currency resources recently reached the lowest level, being 15.14 per cent. of the currency in circulation, as against the legal percentage of 20. The Government financial experts feel that the Cabinet will have to ask Parliament for an extension of the period for another three months and possibly permission to reduce the legal percentage.

PERSONAL

MR. S. V. Rayan, Editor, *Commerce*, returned to Bombay on Sunday last after a two-month tour of the U.K. and the Continent.

Mr. Anil Kumar Chanda, at present Deputy Minister for External Affairs, has been appointed Deputy Minister for Works, Housing and Supply.

Sir Joseph Kay, K.B.E., Chairman and Managing Director, Messrs. W. H. Brady & Co., Ltd., left Bombay for the United Kingdom on Wednesday this week.

Mr. E. A. Midgley, M.B.E., United Kingdom Trade Commissioner, left New Delhi for Britain on the 3rd inst., after spending 20 years in India. Mr. Midgley will take up a new post in the Board of Trade.

Mr. R. G. Saraiya, Chairman of the Bombay State Road Transport Corporation, and leader of the Indian delegation to the 16th Congress of the International Chamber of Commerce, left for Rome on Wednesday last.

Mr. K. G. Ambegaokar, Deputy Governor of the Reserve Bank of India, has proceeded on four months' leave. Mr. C. S. Divekar, Chief Accountant, has been appointed Principal Executive Officer to look after Mr. Ambegaokar's administrative duties.

Mr. P. W. Webster, who is now serving at the Lowestoft (England) depot of Marconi International Marine Communication Co., Ltd., has been appointed to represent the Company in Bombay. He will take up his new duties in the middle of next month.

Mr. D. C. Ghose and Mr. T. Kanoria have been elected President and Vice-President, respectively, of the Tea Association of India for the year 1957-58. The other members of the Committee are Messrs. B. K. Birla, S. R. Daga, Dhanoolal Chirimar, L. C. Kanoi, S. S. Kanoria, S. M. Mohta and K. L. Thirani.

Mr. J. F. Brierley of the India Paper Pulp Co., Ltd., and Mr. I. A. Macpherson of the Titaghur Paper Mills Co., Ltd., have been elected Chairman and Vice-Chairman, respectively, of the Indian Paper Makers Association for the year 1957-58. The other members of the Committee are Messrs. P. H. Sykes (Bengal Paper Mill Co., Ltd.), D. S. Birkbeck (Tribeni Tissues Private Ltd.), and V. Mehta (Shree Gopal Paper Mills Ltd. and Ballarpur Paper and Straw Board Mills Ltd.).

"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

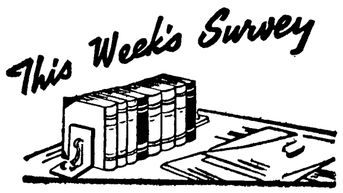
CALCUTTA, *14th May*

Federal Finance

Despite the preoccupations due to the civil disobedience movement in India, the preparatory work for the framing of a new constitution for the country is being carried on as steadily as practicable. After the conclusion of the second Round Table Conference, three committees were sent out to India to elicit further information on certain complex problems and make what suggestions they thought best to solve them for the assistance of the framers of the constitution. One was concerned with franchise—the basic principle on which the constitution is to be broadbased; another was set the difficult task of adjusting the relations between the Indian States and British Provinces and the third was entrusted with the knotty problem of Federal Finance. Of these, we are concerned with the last, the other two being merely political. Finance is the crux of the problem; and once this baffling perplexity is smoothened out, the vessel of State will be assured of plain sailing in fair weather.

The Oil Committee Organisation for European Economic Co-operation has reported that aggregate stocks of oil in Western Europe are already at the level of 1956. Even if the Suez Canal were not used, supplies during this quarter would be sufficient to meet the current demand and seasonal re-stocking. In the light of the advice which the Oil Committee received from the O.P.E.G., the O.E.E.C.'s emergency consultative oil group, on present stock and forward supply position for the second quarter, it is agreed that the co-ordinating task which the O.P.E.G. has been performing so effectively since December last is no longer necessary. It maintains that West Europe's requirements can now be satisfactorily met by a return to the normal commercial operations of the individual oil supplying companies.

World jute production in 1956 is estimated at 4,651 million lbs., as compared with 4,477 million lbs. in 1955, according to *Foreign Agriculture*, a monthly publication of the U.S. Department of Agriculture. Of this, Pakistan's share was 62 per cent. The present balance between world supply and demand in raw jute, according to the publication, is good. World demand for raw jute has increased somewhat through the years, but the pattern of consumption of raw jute and supply of manufactured goods is changing. European countries and Pakistan are manufacturing and exporting jute goods in increasing quantities, but Indian exports have failed to increase in the same proportion. Twelve and a half per cent. of the looms of the Indian Jute Mills Association are now sealed from production.



COAL PRICE INQUIRY COMMITTEE

THE Government of India has constituted a six-member inquiry committee under the chairmanship of Mr. S. Boothalingam, Secretary, Union Ministry of Steel, Mines and Fuel, to study the cost of production and price structure of coal. The other members of the Committee are: Mr. V. Narayanan, Joint Secretary, Ministry of Finance; Mr. S. R. Kalyanaraman, Member (Commercial), Railway Board; Mr. P. M. Menon, Joint Secretary, Ministry of Labour and Employment; Mr. S. R. Kaiwar, Joint Secretary, Ministry of Steel, Mines and Fuel, and the Coal Controller of the Government of India.

In accordance with the terms of reference the Committee will examine and report upon the cost of production of coal in the country taking into account the awards of various industrial tribunals and other relevant factors that have a bearing on the coal production programme envisaged under the second Five-year Plan. The Committee has been asked to submit its report within a period of two months. It will also suggest the changes necessary in the price structure of coal and report on the impact of the price changes recommended by it on the economy of the country.

The Government's decision to set up a committee of inquiry is in accordance with the recent announcement made by Mr. K. C. Reddy on the eve of his laying down office as Minister for Production and his taking charge as Minister for Works, Housing and Supply. He then said that the inquiry would be conducted either by a committee or by the Tariff Commission, the decision in respect of which would be announced shortly thereafter. The reason behind the Government's preference for a Committee of inquiry to go into the question, instead of entrusting it to the Tariff Commission, is not known. If the Government's intention in not giving the task to the Tariff Commission is to avoid a purely official set-up to study the question, but to constitute a semi-official body by associating with it representatives of the industry also, it has certainly failed to do so. The Committee is composed only of officials so that it lacks the non-official element that would give it a representative character. We do not wish to pre-judge the recommendations of the official Committee. Even so, it may not be too late for the Government to enlarge the Committee by including representatives of the industry and other sectors of our economy.

INDO-FRENCH ECONOMIC RELATIONS

The reported move of the Government of France to send an official delegation to India in order to explore the possibilities of strengthening and expanding the economic relations between the two countries will be widely welcomed. The major problem confronting the planners and the Government of India at present is the shortage of financial resources for carrying out the series of development schemes included in the second Five-year Plan, especially the acute foreign exchange situation. If the Plan is to be implemented successfully, it is imperative that the industrially advanced countries such as the U.S., the U.K., Germany and France must take a more active interest in India's economic development. The proposed French delegation to India is expected to hold detailed discussions with the various Ministries at the Centre and the Planning Commission and undertake a tour of the important places in the country, with a view to assessing the ways in which France can most usefully aid India in the task of economic development. In particular, the delegation will, it is said, examine the feasibility of concluding a general technical co-operation agreement between India and France.

The proposals which this delegation will put forward and the action of the Indian and French Governments thereon will be awaited with utmost interest. Meanwhile, it is gratifying to be told that the Government of France is considering a scheme envisaging extension of long-term credit to India. Although the exact amount of the credit is not known, it is believed to be around 20,000 million francs (or about Rs. 27 crores). Incidentally, it may be noted that France is one of the countries which by Mr. R. K. Nehru, Secretary to the Union Ministry of Finance, who is now abroad to arrange finance for the second Plan, will visit.

The proposed grant of a long-term credit for India by France is of great significance in the context of the continued adverse balance of trade which India has been having with that country in recent years. In fact, the deficit has tended to increase, such for the calendar year 1956 being Rs. 12.83 crores, as against Rs. 10.40 crores in 1955. The rise in deficit is due in a large measure to the spurt in imports from Rs. 17.32 crores to Rs. 19.54 crores and partly also to the fall in exports from Rs. 6.92 crores to Rs. 6.71 crores. Imports are bound to be larger still in the coming years, what with the increasing tempo of the implementation of the Plan. Such heavy imports involve payment of foreign exchange which is scarce. Surely, the proposed grant of long-term credit by France will help overcome this problem to some extent.

Apart from this credit, France will do well to augment technical assistance facilities in fields like electric traction, petroleum, electronics and mining. It may be noted here that the French are already assisting several projects in the public sector. Mention, for instance, may be made of the Hindustan Shipping Yard at Visakhapatnam and the Bharat Electronics at Bangaiore. They are also participating in industries such as cement, chemicals and paper. But there are several other fields where French technical collaboration can be increased. Viewed thus, the gesture of France to take a number of young Indians for industrial training in France—the number of places offered for 1957 is 70—and the contemplated move to establish two or three advanced technical colleges in India will be widely appreciated.

ENGINEERING INDUSTRIES

Shortage of adequate supply of iron and steel is one of the main handicaps of Indian engineering industries. Since the latter are basic to the entire industrial structure of the country, it is imperative to see that their progress is not held up for want of the requisite raw materials. Mr. P. R. Bagri, President of the Engineering Association of India, has, therefore, done well, in his address to the 14th annual meeting of the Association, held on 4th inst., at Calcutta, to pinpoint the need for augmenting the supply of iron and steel, one of the basic requirements of the engineering industries. Mr. Bagri urged that a steady supply of these materials should be ensured as intermittent supplies made it impossible to draw up production programmes in advance. He, therefore, appealed to the Government to plan steady supplies and to budget for steel for a period of not less than two years at a time. As a short-term measure, however, he suggested that the iron and steel with public projects, which cannot be put to use immediately, be diverted to steel processing factories which should be allowed to borrow from each other in case of need. Another suggestion made by him was that the available supplies of steel should be augmented by melting within the country nearly 200,000 tons of steel scrap which at present is being exported. In view of the difficulties encountered in getting steel and its proper allocation, Mr. Bagri strongly felt the need for the appointment of a Steel Allocation Advisory Committee which should contain, among others, representatives of consumers' interest. He also suggested that the Government should consider the question of introduction of uniform price for scrap at all railheads, as was done in the case of steel.

Another aspect of engineering industries Mr. Bagri touched upon was export promotion. According to him, while there is realisation of the need to increase exports, the existence of a home market ready to absorb all that is produced acts as a hindrance which needs to be overcome by suitable incentives in favour of exports. Conventional ways of price fixation, it is common knowledge, do not always work in foreign markets and he therefore recommended the formation of an organisation in the Ministry of Commerce and Industry to consider in what manner and how much of assistance could be given to engineering exports. Remission of taxes on export profits, facilities to discount export bills and a smooth procedure for refund of import duties on material used for export, etc., Mr. Bagri suggested, would give the manufacturers the much needed export incentive.

Inaugurating the meeting, Mr. Manubhai Shah, Union Minister for Heavy Industries, said that unless the production of capital goods went up at a faster pace than now it was not possible to accelerate the tempo of industrialisation. This was the reason, he observed, why the Government gave high priority to the development of heavy engineering industry. The Minister disclosed that the Government would set up a central heavy machine building plant for manufacturing machinery for the steel plant and other projects at an estimated cost of Rs. 80 crores. The plan, besides catering for mineral industries and mining projects, would also be in a position to produce every two or three years machinery for one complete steel plant. Urging the industrialists to set up shadow machine tool factories attached to their industries, Mr. Shah said that an adequate supply of machine tools of the right kind was a necessary adjunct of industrial expansion.

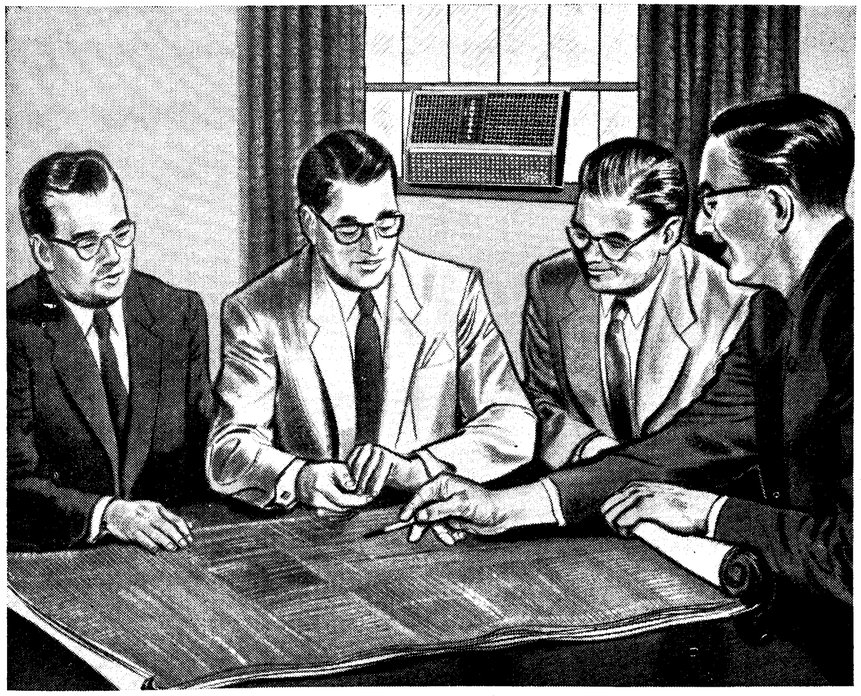
The demand for machine tools at the end of the second Plan period is estimated to be of the order of Rs. 17-18 crores, as against last year's production worth Rs. 80 lakhs and imports to the tune of Rs. 7-8 crores. The Government of India proposes to set up factories for the production of machine tools worth Rs. 5 crores annually by 1960-61. It is also proposed to expand total production in the country by Rs. 5 crores worth of goods thereby enabling the country to manufacture machine tools worth Rs. 10 crores annually. Apart from machine tools, there is need for increasing the output of machinery. In this connection, Mr. Shah pointed out that by the end of the second Plan, Rs. 90-100 crores worth of machinery was expected to be produced as against the present output of the value of Rs. 23 crores. The annual demand for machinery, which at present is estimated to be of the order of Rs. 130 crores, is expected to go up to Rs. 250-300 crores by the end of the Plan period. This calls for special efforts on the part of the engineering industry designed to improve and extend the range of its output.

A COMMONWEALTH BANK

The U.K. Government is considering the idea of setting up a commonwealth bank. For some time past, the proposal for an agency to provide a new channel for savings and investment has been a subject of some discussion in Commonwealth countries. Although Mr. Nigel Birch, Economic Secretary to the Treasury, disclosed in the House of Commons last week that the subject was engaging the Government's attention, he was cautious enough not to commit himself over the outcome of this consideration.

The proposal to establish a Commonwealth organisation, such as a Commonwealth bank, now under consideration was first mooted in November last, when the British Government promised to refer to the Commonwealth countries suggestions for a new organisation to integrate development plans. The Commonwealth countries, it is believed, have not so far displayed any enthusiasm over the proposal. Consultations are going on still, but the U.K. Government is inclined to pursue the matter only if the reactions of member-countries are favourable. Meanwhile, some interest seems to have been aroused on the proposal to set up a bank out of subscriptions aggregating £30 million from member-countries. This plan is the subject of consultation with the countries concerned and the British Economic Secretary seems to feel that this proposal has chances of a favourable reception.

Mr. Birch, however, made it clear that such a bank would be of benefit only if it stimulated savings in the U.K. and proved a more convenient channel for investment. There was a possibility that it would help to canalise the flow of dollars into the Commonwealth. But on all these points, according to the Economic Secretary, there was still some doubt at least. When a member of the House stated that dollar aid to the Commonwealth countries might turn them into a "dollar empire with a dollar way of life," if Britain itself did not give greater help, Mr. Birch replied that everyone welcomed American capital going into the Commonwealth, but the fact remained that Britain was overwhelmingly the next important external provider of capital for the Commonwealth. He added that even today about 70 per cent. of investment in the Commonwealth came from Britain, British investment, both public and private, in the Commonwealth (excluding Canada) amounted, at present, to about £150 million per annum. The investment in Canada was about £100 million per annum. These rates of investment, according to Mr. Birch, were as high as could be managed under the present financial position of Britain.



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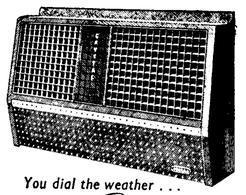

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DEPOSITS OUT OF COMPANIES' PROFITS

COMMERCE FEDERATION URGES GOVERNMENT TO MODIFY RULES

From Our Own Correspondent

NEW DELHI, *7th May*

DELHI LETTER

THE Federation of Indian Chambers of Commerce and Industry has submitted an important note to the Finance Ministry on the draft rules for the deposit of the current profits of companies. The note suggests at the outset that the definition of "approved purposes" under the rules should also include: (i) capital expenditure for the purpose of expansion of existing business and working capital for development and maintenance of business; (ii) loans of any kind and not merely borrowings on fixed assets, and payment of interest; (iii) amounts utilised for stock-in-trade, stores and other outstandings and advances for the business and trade items; (iv) cash resources required for the purpose of the business; and (v) investments in companies to which sections 15C or 56A are applicable, as also in such other companies and industries as may be considered important for the industrial development of the country.

In regard to the definition of "total income," the note suggests that the income to be taken into account should be what is ascertained according to commercial principles and not the assessable income. The note points out, in this connection, that, if the basis of the assessable income is adopted, disallowable items (which go out of the coffers of the company), like donations and other necessary expenses, which, under the Act or for other technical reasons, are added back to the assessable income, would not remain in the hands of the company and the cash resources would stand depleted, and yet the company would be called upon to make a deposit in respect of the same. It is also suggested that receipts in kind in the form of shares or debentures should be exempted in computing the total income.

Another suggestion advanced by the Federation is that the position regarding taxation in foreign countries, especially in Pakistan, should be taken into account in defining total income. According to the draft rules, the position is that total income will include profits made by companies outside India and income-tax and super-tax alone will be deducted from the total income in order to determine the statutory surplus. In Pakistan, for example, there is a business profits tax. The rule should provide, the note says, for deduction of this tax as well as other tax liabilities from the total income to arrive at the statutory surplus. For dividend deduction in respect of foreign companies, a proportionate deduction having reference to the Indian income and the total profits is to be made. Logically, therefore, the income to be taken into consideration should be that portion only which arises in India. Some countries prevent remittances, and such is the case particularly for Pakistan. The rules should provide, too, that, in respect of companies having income in such countries, the income to be taken into consideration will be that portion of the total income as is received in India.

Reserves and Accumulated Profits

The Federation's note deals next with the determination of "a substantial portion of reserves and accumulated profits" under the draft rules. One of the rules is in respect of utilisation by a company, for approved purposes, of the whole or a substantial portion of its money represented by reserves and accumulated profits. But it is not clarified what is meant by "a substantial portion of reserves and accumulated profits." The note continues that there should be no pre-condition that the company must have utilised its reserves and accumulated profits for approved purposes before it can be allowed to utilise a part of the current profits for development and other approved purposes. It may be that the reserves and accumulated profits had been already spent for necessary purposes, though not "for approved purposes." That should not disentitle a company from utilising current profits for approved purposes. The company should not be penalised for utilising its funds in past years for necessary purposes in its best interests, which, after many years, may not now be considered as having been spent for approved purposes. The company could not have foreseen such contingencies. The rules should, therefore, provide that, only if the current profits are not utilised for approved purposes, the question of deposit should arise.

The Federation note also deals with the draft rules concerning the rate of interest on amounts deposited, the percentage of profits demanded for deposit and the constitution and working of the Board of Referees. Regarding the rate of interest to be given by the Government on deposits, the note suggests that it should be not less than 1 per cent. above the Bank rate, for the companies, in certain circumstances, may have to borrow money to make the deposits at considerably higher rates of interest than the Bank rate. As regards the percentage of current profits to be deposited, which is now fixed at 50, as against the maximum of 75 laid down in the Finance Act, the note points out that the actual saving to every company is to the extent of the amount of the tax and not to the extent of the absolute amount of depreciation or development rebate. Therefore, the saving is to the extent of only about 50 per cent. of the amount of the depreciation allowance and/or the development rebate. While laying down the percentage of 75, 25 per cent. appears to have been excluded to leave a small margin with the company itself. Taking into account the tax factor, the note suggests that the rate should be fixed at 37½ per cent. and not at 50 per cent. As regards the proposed Board of Referees, the note urges that it should be an independent body, free from control by the Central Government and on the lines of the Income-tax Appellate Tribunal, so that it may create confidence in the assessees. But it is stated that the Board will be a purely official body.

Cocoa Powder and Chocolate

The Government of India has just published the resolution on the continuance of protection to the cocoa powder and chocolate industry. It has accepted the Commission's recommendation that the protective duty on cocoa powder should be maintained at the existing rate of 31¼ per cent. *ad valorem* (including surcharge), that the protective duty in the case of covering chocolate should be 50 per cent. *ad valorem* or Re. 1 per lb. (including surcharge), whichever is higher, that these rates of duty should remain in force up to the 31st December 1958, and that cocoa beans should continue to be exempted from payment of import duty. It is announced that the revised rate of protective duty recommended by the Commission in respect of covering chocolate is being brought into force with immediate effect. As regards the Commission's recommendation that the Government might consider the desirability of stopping the import of covering chocolate by actual users, the *Gazette* announcement says that it will be considered along with other relevant factors while formulating import policy from time to time. The Government may also take suitable action in due course on the Commission's ancillary recommendations and suggestions for developing cocoa plantations in India, for improving the quality of the local product, and for general assistance to the industry.

Calcium Lactate Industry

The Government of India's resolution on the Tariff Commission's report (1957) on the continuance of protection to the calcium lactate industry has been published in a *Gazette of India Extraordinary*. The Government has accepted the Tariff Commission's main recommendation that protection to the industry should be continued at the existing rates of duty—37.8 per cent. *ad valorem* (standard) and 27.3 per cent. *ad valorem* (preferential)—for a period of three years, that is, upto 31st December 1960. It has also accepted certain other ancillary recommendations of the Commission for assistance to the industry and will take suitable steps to implement them as far as possible. The attention of the industry is drawn to the Commission's suggestion that, if at any time the industry finds that its competitive position in the domestic market is seriously threatened by abnormally cheap imports, it may apply for a review of the existing scheme of protection.

THE POUND STERLING

TWO STEPS FORWARD, ONE STEP BACK

(From Our Own Correspondent)

LONDON, *4th May*

LONDON LETTER

THE post-war history of this country has seen a continuous expansion of money incomes against a background of the diminishing value of the pound sterling. It is alarming to realise that, at the close of the war, the pound was worth, in terms of purchasing power, two-thirds of its pre-war value, and that today it is worth little more than one-third. From time to time, the curve of depreciation has flattened out, as in 1953, only to resume its steady, if nowadays somewhat less marked, trend.

In 1956, the total national income of the United Kingdom was £18,000 million, that is, more than twice the pre-war level, and the following table shows how it has risen continuously over the past six years, the second column showing the amount of direct consumer expenditure:

(In thousand million £'s)

	National income	*Consumer expenditure*
1951	12.8	10.1
1952	13.9	10.6
1953	14.9	11.2
1954	15.9	12.0
1955	16.8	12.8
1956	18.0	13.4

Thus, in money terms, the national income increased by 40 per cent. between 1951 and 1956. However, over this period, the pound depreciated by 18 per cent., so that, in terms of 1951 money, the national income of 1956 would have been £14,750 million, that is, an increase of about 15 per cent. But consumer expenditure, which is the better index of the well-being of the population, has increased about as much.

The following table shows for the past five years what the increase has been, expressing everything in terms of 1948 prices:

Consumer expenditure at 1948 prices

(In thousand million £'s)

1952	8.70
1953	9.10
1954	9.50
1955	9.80
1956	9.86

Thus, over the five years in real terms, consumer expenditure has increased by about 13 per cent.; two years ago, the rise was as much as 3 per cent. over 12 months, but last year, it was as little as ½ per cent.

Sobering Thought

It is a sobering thought that, in 1956, while in money terms the national income rose by £1,200 million, that is, by about 7 per cent., consumer expenditure in real terms rose by only ½ per cent., and it is a curious commentary on human behaviour to find that, in spite of this background, personal savings rose to about 10 per cent. of personal income, that is, a higher figure than in any year since the war. Of course, credit restriction was a factor in this. The possibility of spending money by the hire purchase of goods was lessened, the fact that the professional classes could not increase bank overdrafts no doubt lead them to save more, and the fact that people had to save for such things as house purchase would all have contributed. Of course, if the effect of this abstention from spending in 1956 is to slow down the rate of internal sterling depreciation, the Government will be able to claim an economic victory. But, unfortunately, there are other factors at work beyond the control of the savers to continue the depreciation of the pound.

This situation warrants a revision of fiscal policy. If the pound is to continue to depreciate as steadily in the next five years as in the past five years, are there no steps to be taken to preserve the value of savings invested in gilt-edged and in insurance, in fact, all forms of saving other than in property and industry whose value obviously rises as the value of money depreciates? The trouble is that the authorities will not address their attention to what is an important problem for savers, because to do so would be to admit that the internal value of the pound will continue to depreciate and this they will not do. Even confronted by the facts of the past 11 years they will say that the aim of their policy is to flatten out the curve of depreciation. With this objective, everyone must have sympathy, but the wary investor will also hedge against the possibility that the objective may not be achieved.—*All Rights Reserved.*

* * * *

OUTLOOK FOR MARKETS

LONDON, *27th April*

April, following the close of the financial year for many companies, has witnessed a spate of accounts published and dividends declared which has allowed the City to take stock of the commercial outlook. The immediate reaction has been that the post-Suez months engenderd excessive optimism which the facts of company earnings have not quite justified. Yet too much should not be read into the fall over the past week in the *Financial Times* equity index from 201 to 198.2—a drop of 1½ per cent. The index still stands 20 points higher than it closed at the end of December (178.8) and the expectation is that, as soon as dividend disappointments have been swallowed, the upward rise will be resumed. After all, while inflation prospects hold good, it is hard to see where one could go wrong!

Nothing could point the way of inflation more clearly than the dividend yields on gilt-edged and equities, respectively. The gross yield on 3½ per cent. War Loan is 4.9 per cent., and this can be taken as the normal return on a Government stock. Compare this with the 4.6 per cent. which is all that I.C.I. yield on their latest mark-down following a 10 per cent. dividend declaration; or 4.0 per cent. and 4.4 per cent. on two leading cement manufacturers who have just declared; or with 3.7 per cent. on British Petroleum and 3.7 per cent. also on Unilever!

Even if one admits the likelihood that the move already made to cheapen Government money is only a preliminary and that there will be a further Bank rate reduction as soon as the international situation (which here means the Middle East and oil) becomes calmer, then, while that means that the prices of gilts should rise, is there any reason why equities should not keep in step and still below the figure for Government stock? It is known that the Government are contemplating the re-financing of some £400 millions of maturities by the half-year, but the overall total of money to be borrowed will not be increased and, if the re-financing takes the form of a cash repayment as a preliminary to re-borrowing, then some of this cash may move into the equity market and bring down yields still further.

Setback for Industrials

On the other side, one could argue that some of the latest results indicate a further setback for industrials. For instance, I.C.I. net profits have fallen from £24 million to little over £19 million. Associated Portland Cement dropped their profits from £5 million to £4.6 million; Brush—biggest maker of diesel engines in the world—have not only made less profit but passed their dividend; and Hawker Siddeley, whose shares are yielding over 5 per cent., are looking about for means of countering the end of the aircraft boom. But these cases again must be understood before jumping to conclusions merely on the profits figures. I.C.I. have increased their already vast turnover of over £400 million by 6 per cent. and, while such a concern with world-wide interests is affected by rising costs and the need to compete in world markets, a reduction in profits is much less significant in the long view than an expansion in business. And firms such as Hawker and Brush, who are understood to be contemplating a financial amalgamation, have such wide interests that they can turn with ease to atomic developments.

The general conclusion seems to be that more competitive conditions readily explain lower current profits without necessarily casting any doubt on the likelihood of steady expansion by the industrial giants. And, while equity rates remain as low as they do, there is no need to feel concern at the long-term earning prospects of British industry.—*All Rights Reserved.*

COMPETITION THE PRICE OF FREE ENTERPRISE

WITHOUT ITS SPUR, THERE WILL BE INERTIA

ONE of authoritarianism's strongest weapons in its war of attrition against free enterprise is its power to "divide and conquer." This power is usually brought to bear on the pocket book. New forms of governmental compulsion in the economic field are almost always of direct and immediate financial benefit to some individuals or groups—at the expense of others, of course. The beneficiaries may number themselves among the staunchest adherents of economic freedom, but, if political interference with free markets puts money into their pockets, improves their competitive position, or protects them against the risk of loss, their objectivity must be strong indeed, if they cannot convince themselves that theirs is an exceptional case requiring special treatment.

Even business men, who should be and commonly are loyal supporters of free enterprise, are not always immune to such temptations. When they yield, authoritarianism has gained a new group of perhaps unconscious allies, and the free economy has lost some of its most natural and most needed defenders.

It is generally agreed that free enterprise and competition necessarily go hand in hand and that the combination has made possible the phenomenal economic progress of the western world during the last two centuries. Yet it is easier for men to extol competition as a broadly beneficent principle than to accept it as an active force ceaselessly bearing down upon them as individuals, always limiting their earnings and occasionally ruining them. Competition is a never-ending battle, and, in a battle, there must be losers as well as winners. Even to the winners, victory may be costly.

Restraints of Competition

Men individually, therefore, have always been restless under the restraints of competition and have tried innumerable ways of escaping from them. The mediæval guilds protected their members by restricting the number of apprentices who would later become competitors. Handicraft workers bitterly resisted the rise of the factory system, demanding, and in some cases obtaining, legislation against the use of more efficient machinery—a practice which has been revived in recent years in some "planned" economies. The trusts of the late nineteenth century tried to eliminate competition by buying it out when they could not destroy it. Mail-order houses, department stores, chain stores, and so-called discount houses have, in turn, been obliged to contend against the organised opposition of established trade groups, likewise reinforced by legislation.

Every major innovation in industry and commerce has been resented and, when possible, resisted by those who were hurt by it. Men are prone to justify their opposition to new forms of competition by calling them "unfair" or "ruthless" or "cut-throat" competition. What do these words really mean? All competition is ruthless and cut-throat to those who are unable or unwilling to meet it. As for the charge of unfairness, there is, of course, such a thing as unfair competition.

Too often, however, the charge of unfairness means only that the practice complained of is contrary to existing usage in the industry or trade—that it is an innovation. This does not necessarily make it unfair. Every innovation that successfully meets the competitive test by reducing costs, improving quality, or otherwise serving the needs and desires of consumers is a step in economic progress. At the same time, every such innovation injures those who cannot or will not adapt themselves to it. If new practices had always been prohibited as unfair competition because they were contrary to existing usage, the world would still be in the Stone Age.

One form of competition that has always been especially irksome is foreign competition. Customs barriers are almost if not quite as old as is Government itself. It took men thousands of years to learn that international trade is a two-way street, that import barriers are also export barriers, and that their final effect is to deprive the people of all countries of the benefits and economies of international trade as a whole. Today, almost all believers in free enterprise support the general idea of freer trade across international boundaries.

Yet there are few economic sectors in which practice lags so far behind principle. The question is admittedly complicated by the requirements of national defence and other considerations that are not strictly of an economic nature. Some of these considerations are quite valid, especially at a time when the foundations of peace are none too firm and when internal economies everywhere operate under a bewildering variety of artificial regulations and restrictions. But how much of the real opposition to specific measures of trade liberalisation comes from those who have succeeded in persuading themselves that the general rules of free enterprise and competition somehow do not apply to them?

"Tight Money" Protest

Most of those who have joined in the outcry against tight money during the past year or more would, perhaps, be surprised to discover that what they have actually been attacking is not governmental or Federal Reserve policy but the natural competition of the free market. This confusion between form and substance is not surprising, in view of the financial history of recent times. For about 20 years prior to 1951, the money market was a manipulated market, and it was continuously manipulated in favour of easy money. During the nineteen-thirties the manipulation was practised in a largely futile effort to promote business recovery. During World War II and for five and a half years thereafter, its main purpose was to enable the Federal Treasury to borrow as cheaply as possible.

In 1951, after it had become apparent that the continuing fulfilment of the Federal Reserve's supposed war-time commitment to the Treasury was making monetary policy an instrument of inflation, the Federal Reserve reached an "accord" with the Treasury, whereby it was enabled to allow the money market to fluctuate much as a truly free market would do. The long period of manipulation, however, has left the impression in many people's minds that the money market is at the mercy of the Federal Reserve, behaving as the central banking authorities want it to behave. In a superficial sense, this is true. The Federal Reserve could make money easier, but it could not control the economic consequences of such action.

It is impossible to appreciate the function of the money market in a free economy without recognising that the money market is, to a large extent, a mirror of the market for goods and services. Men are continually bidding against one another for the limited supply of the products of industry. The more money they have, the higher they are able to bid. The higher bids, however, cannot appreciably increase the output of an industrial system that is already operating virtually at capacity.

Tight money, therefore, is a natural reflection of keen competition for a limited supply of goods and services and an essential means of preserving the balance between demand and supply when the competition becomes too keen. Those who demand easier money at such a time are really protesting against the necessary pinch of competition and are, in effect, demanding inflation.

Competition, despite its unpleasant features, is still accepted in principle by most Americans, because it is recognised as an indispensable condition of free enterprise. Unfortunately, many foreign countries have shown less stamina or less perceptiveness. They have failed to enact adequate counterparts of the American anti-trust laws and have permitted cartels to fix prices and allocate markets. Without the spur of competition, industrial inertia has prevailed. Antiquated methods and equipment have been retained. Relative costs have risen. Competitive advantages in international trade have been lost. Subsidies have been used on an increasing scale. National budgets and balances of international payments have developed chronic deficits. Inflationary pressures have become irresistible. Industries have been socialised.

Can it happen here? Not if Americans want free enterprise enough to accept competition with all its rigours, even when the consequences fall heavily upon them as individuals. Not if they unite in opposition to vast governmental handouts, even when they are the beneficiaries. Not if they are shrewd enough to recognise and steadfast enough to resist the insidious tendency of authoritarianism to "divide and conquer."—*By courtesy: "The Guaranty Survey."*

SUPPLY OF LONG-TERM INDUSTRIAL FINANCE IN WESTERN EUROPE

MAJOR ROLE OF GOVERNMENTAL ACTION IN POST-WAR ERA

THE genesis of Government intervention in the field of long-term industrial finance in Western Europe can be traced to the extra-ordinary conditions prevailing there after the First World War, characterised by the enormous task of reconstruction and rehabilitation of the war-devastated economies, and the unprecedented demand for capital which was much beyond the institutional and private investors' capacity to fulfil. The situation was further accentuated by the inability of the banks to advance long-term credit out of their deposits which were predominantly short-term, owing to legal and/or technical restrictions. The methods adopted to tide over the difficulties arising from shortage of capital differed from country to country. Notable, and by far the most far-reaching in character, among such measures was the intervention by the Governments concerned in the capital market by the setting up of new public or semi-public credit institutions with powers to issue their bonds (sometimes under public guarantee) to hold deposits and to borrow from savings banks and other credit institutions. Among other measures taken in this connection, mention must be made of: (1) Issues of securities by Governments or public authorities, the bulk of which had to be taken up by the banks, insurance companies, savings banks, etc., where the public savings are kept, (2) extended use of central credit through rediscount and other mobilisation devices, and (3) Government guarantees to loans and advances made to firms working on "labour-creation" contracts or investing in capital equipment connected with such work.

Renewed Scope

Though, as the emergency appeared to fade away, some of these measures were allowed to lapse, the need for raising productive capacity during the Second World War and for reconstruction and rehabilitation of industries following the war, and the collapse of capital markets in a number of countries during the period of hostilities, gave renewed scope to public and semi-public institutions in the field of industrial credit and investment. France and Italy were the foremost countries where such institutions had to supply vast amounts of resources and facilities. Another instance was Belgium, where a major part of industrial finance was supplied by, or rather through, semi-public and public institutions, mainly by issues of bonds in the markets and by extracting savings deposits at rates of interest which private institutions found it difficult to pay. Other important instances were West Germany and Austria. These significant developments indicate, according to a study entitled *The Supply of Capital Funds for Industrial Development in Europe*, published by the European Productivity Agency* of the Organisation for European Economic Co-operation, that in the final analysis, the restoration of Western Europe's damaged economy could not have reached its present stage without Government intervention in the supply and distribution of capital and credit. There are, however, indications, according to the study, that considerable adjustments have become necessary in the public institutional arrangements and also in certain important respects in the policies underlying them, in view of the changed circumstances since their creation. One such major change is the great expansion in the public domain consequent on the acceptance by a number of countries of the concept of welfare State.

Medium and Long-Term Finance

The Report examines at considerable length the role played by institutional finance, medium and long-term, with particular reference to public and semi-public institutions, in the economic reconstruction of some of the important O.E.E.C. countries. Among the countries where public institutions for long-term lending have made a very substantial contribution to that end, mention must be made of West Germany. Here, the only private institution, namely, *Industriekreditbank* (or I.K.B.), originally established in 1924, and re-shaped in 1949, specialises in granting long-term loans for the reconstruction of industry, with special regard to the requirements of small and medium-sized firms. An important feature of its working is that it cannot receive deposits from the public, but it can issue its own bearer bonds and re-finance certain transactions of banks and bankers. Further, its bonds enjoy a clearly defined priority in case of its winding-up. The sources of funds for I.K.B. are: (1) Issues of bearer bonds, and (2) loans from public institutions, partly, "counterpart" funds of Marshall Aid. Its future policy is to increase its bond issues and, thereby, fulfil its primary function of linking small and medium-sized industrial firms with the capital market to which they have no direct access.

On the other hand, the most important of the public institutions in the country is the *Kreditanstalt fuer Wiederaufbau* (or K.f.W.), established in 1948, with a capital of DM. 1 million, held by Federal and Laender Governments. Its object is to provide medium- and long-term loans for the reconstruction of all branches of the economy in so far as resources cannot be obtained from other credit institutions. Short-term transactions and acceptance of deposits are not permitted. It also obtains its resources through issue and sale of its bearer bonds and borrowing from Federal Government and abroad and "counterpart" funds. A noteworthy feature of the K.f.W. is that extensive tax exemptions, freedom from legal provisions and regulations applicable to all other banks, place it in a privileged position. Its most important function has been to take over from the Federal Central Bank the large accumulation of American Aid counterpart funds—which constitute its largest source of funds—and to channel them into the country's economy through the medium of long- and medium-term loans.

Difference in Lending Policies

A significant difference in the lending policies between I.K.B. and K.f.W. is that, while 95 per cent. of the former's loans are made to small and medium-sized firms, a considerable proportion of those of the latter are made to large companies and public services. Broadly, there is a division of tasks between these two institutions. But they agree on the policy that investment should be promoted not so much for increasing productivity as for increasing the efficiency of the borrowers. Yet another public institution is the Refugees Bank established in 1950. Its special purpose is to provide financial assistance and services to German and German-speaking refugees. The Federal Government is the main supplier of funds to this bank. American Aid funds have been its main source of lending capital.

A curious feature in the field of industrial finance in France, to take another instance, is that all attempts by purely private companies to provide long-term capital to industry have remained without significant results. Important among the public institutions is the *Caisse des dé pôts* (or C.D.D.), with a long record of outstanding service to the country's economy. Since its establishment in 1816, its scope and responsibilities have grown far beyond its initial duties. It derives its resources from savings banks, old age pension funds, and many other accumulations of savings. It finances industries by direct investment in their securities, debentures guaranteed by the Government and debentures issued by the Credit National. It also discounts banks' bills arising out of advances to industry, making available thereby large amounts of medium-term credit.

The institutions providing long- and medium-term finances to industry which form an intricate pattern, raise their funds from four main sources: (1) issues in public market for capital; (2) borrowing based on the savings concentrated in the C.D.D., (3) advances from the Treasury (including American Aid "counterpart" funds) and (4) rediscount with central banks of bills originating from advances by the commercial banks to their customers. The foremost organisation in this network is Credit National, a semi-public institution formed in 1919. Besides being the most important medium-term and long-term lender to industry, it plays a principal part in the rediscount mechanism on which rests the main supply of medium-term finance. There are two important features to be noted in connection with the rebuilding of French industry. In the first place, American Aid "counterpart" money has contributed more than any other factor in the capital market. Secondly, loans under Government guarantee have been an extensively used method of assisting industrial firms whose capital structure and earnings offered no adequate basis for obtaining credit from elsewhere.

Institutions in Italy

Italy was another important country which witnessed, as a result of the active part played by the State since the 1930's, considerable expansion in the public, semi-public and private institutions providing long and medium-term finance. The reorganisation of the deposit banking system in the 1930's was aimed at reserving the functions of channelling savings and capital market resources into medium and long-term lending to industry to certain complex network of institutions, and since then, the Government has been guided by the principle of linking medium and long-term lending to resources of a corresponding nature. At present, there are 21 public and private institutions of this kind, 12 of which are of regional importance. The most important among the public institutions are the *Instituto Mobiliare Italiano* (or I.M.I.) and the *Instituto per la Ricostruzione Industriale* (or I.R.I.). Established in 1931, the I.M.I. provides long-term finance to industry and commerce on the security of property, bonds, shares and, in some cases, on personal guarantees. The Government holds 45 per cent. of its capital. During 1945-1954, 44 per cent. of its advances went to public services. Following considerable additions to its resources in 1954 under Marshall Aid, advances to industry increased substantially. The I.R.I. was set up in 1933 with the double purpose of relieving the banks from their participation in industrial companies, and of providing them the long-term finance they needed for carrying on their business and reducing unemployment. After the war, the I.R.I. was reorganised and entrusted with all financial operations relating to industrial concerns in which the I.R.I. or the Government participate, or to public enterprises the capital of which is supplied by public authorities.

Notable among the private institutions are: (1) *Mediobanca* (2) *Ente Finanziamenti Italiani* (E.F.I.) and *Centrobanca*. These institutions mostly specialise in medium-term finances. The first draws its resources from time deposits, through issue of bonds and debentures. It also undertakes underwriting operations. The E.F.I., on the other hand, obtains its funds through its own bond issues. These two lend to industry generally. The third one, namely, *Centrobanca*, draws its funds through deposits, loans from other banks and rediscounting. A distinguishing feature of its lending policies is that it lends only to small and medium-sized firms.

Notable Progress in Belgium

In Belgium, semi-public institutions made notable progress in the last one and a half decades. They were set up by public authorities and a large part of their operating funds came from issues of notes and bonds in the capital market. The *Credit communal*, founded in 1860, is one of the most important of them. Its main contribution to industrial development has been in long-term loans for the construction and improvement of local roads, water-supplies, electric power plants, etc. Another institution, namely, *Société nationale de Crédit à l' industrie*, established shortly after the First World War for the purpose of financing small and medium-sized firms, has also done notable work during emergencies. The most important private institutions providing long-term finance to industry are the two finance companies—*Société générale de Belgique* and *Brufina*—which, after the bank reform in 1934, took over the long-term loans and participations of the two largest commercial banks. Apart from holding in portfolio and managing considerable amounts of industrial securities, these institutions help the companies in which they hold shares to obtain long-term funds from other sources. This help is mainly of two kinds: (1) the finance companies arrange new issues of capital on behalf of the industrial concerns in which they are interested and place these issues in the market, and (2) they guarantee the industrial companies' borrowing from other sources in the capital market.

The U.K. stands on a somewhat different footing. Supply of long-term institutional finance has been based chiefly on private arrangements in which the joint-stock banks and insurance companies played the leading part. The Industrial and Commercial Finance Corporation Ltd. (I.C.F.C.), a private company formed in 1945, is typical of these institutions. Its specific purpose is to provide long-term capital to industrial and trading companies which, for various reasons, cannot borrow conveniently on the capital market. It is particularly helpful to small and medium-sized firms for whom it is not easy to raise funds otherwise. The I.C.F.C. also sponsored two institutions, namely, Estate Duty Investment Trust Ltd., to provide long-term funds for the payment of death duties on the estate of industrial and commercial company directors, and Ship Mortgage Finance Company Ltd. Another corporation, that is, the Finance Corporation for Industry, formed by the Bank of England, insurance companies and investment trusts, takes care of projects involving larger capital outlay. For instance, it has played a vital role in meeting the requirements of the steel industry.

Significant Examples

But these institutions, that is, the I.C.F.C. and F.C.I., provide examples when banks' resources are utilised for long-term industrial financing. In this connection, the Report observes that these two institutions offer significant examples of a method whereby a part of the commercial banks' resources can be harnessed to long-term lending through agencies technically equipped for this specialised work and able to devote their full attention to doing it consistently. On a long view of the prospects of this relatively new departure in industrial financing, according to the Report, it may be in the best interest of all concerned that the local capital used by such institutions should not be dependent upon bank advances. It could be raised by issue and sale to the capital market of bonds and debentures. Bank advances, the Report says, would then be used, more appropriately, to meet marginal fluctuations in requirements and to provide temporary finance between bond issues.

Having thus analysed the place of the institutional finance in various countries, the Report makes some pertinent observations for future guidance to the Governments in formulating their financial policies. The Report feels, for example, that the usefulness of the type of institutions described above will increase further with the increase in savings which cannot be directly invested in industry. Further, the limitations of public market for capital make further expansion on these lines all the more desirable. Again, a major aim to be pursued will be to ensure a steady market for the securities—equity or loan capital—issued by the specialised institutions, or under their auspices. The Report is also of the view that the concepts governing the proportions of loan capital and equity capital in the institutions analysed may be re-examined. It is especially relevant in view of the emphasis that is being laid on providing institutional finance to medium and small enterprises. It also calls upon the Governments to streamline and simplify the institutional pattern of the institutions.

*This Agency was set up as a new branch of the O.E.E.C. in May 1953. Its task is to stimulate productivity, and thereby raise European standards of living by influencing not only Governments but also industrial, agricultural and research organisations. One of its primary aims is to convince management and workers alike of the benefits of productivity and to enlist their co-operation.

WORLD BANK'S NET INCOME RISES

The International Bank for Reconstruction and Development has reported a net income of $25.7 million for the nine-month period ended 31st March 1957, as compared with $21.2 million for the corresponding period in 1956. The income is placed in the supplemental reserve against losses on loans and guarantees, and this has raised the reserve to $176.4 million. Loan commissions amounted to $12.3 million and are credited to the Bank's special reserve, increasing that reserve to $89.3 million. Total reserves as on 31st March 1957 were $265.7 million.

Gross income, exclusive of loan commissions, was $53.6 million, as compared with $47.3 million in 1956. Expenses, which included $22.2 million for interest on Bank bonds and other financial expenses, aggregated $27.9 million for the period.

BANK OF RAJASTHAN

In the opening paragraph of our review of the working of the Bank of Rajasthan Ltd., during the year ended 31st December 1956, given in our issue dated 4th May 1957 (*vide* page 887), it was stated that the Bank's advances had risen by Rs. 13 lakhs. They were actually higher by about Rs. 46 lakhs. The figure of advances relating to the year 1955 given in the table should have been Rs. 76.84 lakhs, instead of Rs. 109.54 lakhs mentioned therein. Also, the ratio of advances to deposits in respect of 1955 should read 28.5 per cent. instead of 40.6 per cent.

FINANCIAL AND CREDIT SYSTEMS OF U.K. AND U.S.

SPECIAL COMMITTEES SET UP TO EXAMINE THEM

THE great economic dilemma of the post-war world, how to maintain full employment and economic expansion without incurring persistent inflation, is underlined by the recent decisions in the U.K. and the U.S.A. to appoint special committees to inquire into these countries' financial and credit systems. The oil industry has a fundamental interest in the outcome of these inquiries. Economic expansion and rising oil consumption go hand in hand. But, if economic growth is accompanied by the steady erosion of currency values, oil companies, with their almost unparalleled needs for big and continuing capital investment, are among the most strongly affected, the more so where tax laws take no account of increasing replacement costs.

Indeed, the position of oil concerns epitomises the problems faced by the modern economy as a whole. However deeply concerned with the adverse effects of falling money values, few would welcome the achievement of a stable currency at the price of economic stagnation and perhaps of widespread unemployment and eventual economic decline. Some economists, indeed, have suggested that a steady slow fall in money values may prove to be an inevitable accompaniment of economic expansion and of the avoidance of slumps.

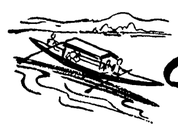
Faced with inflation as a fact, a number of countries have attempted to mitigate its effects on the small saver by linking interest payments and the repayment of capital to price or similar index numbers. But such arrangements can only be palliatives. Their acceptance as a permanent widespread practice would inevitably itself accelerate the decline in money values. In a money economy, it is essential that currency should function, not only as a medium of exchange, but also, to quote the textbooks, as a store of value. If it ceases to be a reliable store of value—if a £ or a $ set aside today will become worth only a few shillings or cents in 10 years—money ultimately becomes less acceptable also as a medium of exchange.

Fresh Examination Timely

It has become increasingly evident that existing financial and credit mechanisms and controls in many of the more developed economies are inadequate to the new and much more complex tasks they have now to perform. In the United States, the inquiry commission has been proposed by President Eisenhower "to conduct a broad national inquiry into the nature, performance and adequacy of the (U.S.) financial system." It is not intended to solve specific problems or any immediate crisis, but

(*Continued on page 975*)

HOLIDAY THIS SUMMER IN



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CENTRAL AND WESTERN RAILWAYS

U.S. COTTON SALES PROGRAMME

EXPORTS FROM OTHER COUNTRIES TO BE AFFECTED

CHANGES in U.S. cotton policy have a profound effect on the international trade in that fibre owing to the fact that that country is the largest single producer of cotton in the world and also the biggest exporter. It is, therefore, of interest to note that there is a growing feeling in U.S. cotton circles that the prevailing double-price system, that is, one price for cotton traded domestically and a lower price for cotton exported, has done considerable harm to futures trading in cotton. And the expectation is being entertained that the Department of Agriculture will consider the feasibility of restoring single-price trading. In fact, a return to the single-price system has been strongly urged by certain influential quarters. But there is no doubt that the current policy has resulted in a substantial scaling down of the surplus Government-owned cotton stocks in that country. Sales for export under the special Export Programme till 6th March aggregated 6.4 million bales (of 478 lbs.). Actual exports till the end of December were 3.0 million bales but shipments since the turn of the year have been heavy and trade sources estimate that exports up to the end of February were 4.8 million bales as compared with 841,700 bales in the same period last season. Exports for the full season are expected to reach 6.5 million bales easily which, it may be observed, is the official estimate.

The U.S. Department of Agriculture has already announced a new export programme relating to the six million bales of loan cotton taken over by the C.C.C. on 1st January. Sales will be made periodically on a competitive bid basis as under the current programme. Cotton cannot be exported under the new 1957-58 programme until after 15th August 1957. The programme will be substantially the same as the present programme. Cotton can be delivered against all sales, including Public Law 480, barter and credit sales, and substitution is allowed. The only real difference between the two programmes is that cotton sold under the 1957-58 programme has to be shipped within nine months after delivery of the cotton or the warehouse receipts to the buyer or by 31st July 1958, whichever is the earlier. The current programme provides for export within 12 months or by 15th August 1957, whichever is the earlier. Sales under the new programme, it was officially assured, will be made "in an orderly manner so as to avoid disrupting world market prices and impairing the traditional competitive position of friendly countries."

Concern has been expressed over what effect the U.S. export programme is having on cotton exports from other countries. On present estimates, according to the International Cotton Advisory Committee, Washington, aggregate free world exports this season are expected to increase to around 13 million bales compared to 11.6 million bales in 1955-56. This means that total exports outside the United States would be approximately 6.5 million bales or about 3 million bales less than was exported in 1955-56. Export availabilities in the free world outside U.S. are presently estimated at between 7.0 and 7.5 million bales, of which about 6.5 million bales will be actually exported. This would mean, of course, that there would be some increase in carryover stocks in net exporting countries outside the United States on 1st August 1957. However, total stocks, according to the Committee, are still likely to be no higher than the average of the last five seasons. Also, against the increase in stocks must be set the significant increase in domestic consumption in these countries in recent years.

As will be seen from the table below, the main reductions in export availabilities this season are in Mexico, Egypt, Pakistan, Brazil and Peru, and so exports from all these countries will be much lower than last season. In most other countries there is sufficient cotton on hand to maintain exports at close to last season's level if demand is favourable.

In studying the impact of the U.S. export programme on cotton exports from other countries, the Committee observes, account must also be taken of the lower prices of American-type cottons this season. It is true that prices declined by very roughly 20 per cent. when it became known that the United States intended to make all its cotton competitive with other cottons. Since the beginning of the season, however, prices have risen quite significantly and are now much nearer the average price last season. Using the 1955-56 average price, however, probably understates foreign exchange earnings from cotton, especially in the case of producers in the Northern Hemisphere for the main export business came in the first half of the 1955-56 season when prices were significantly above those ruling at the end of the season. Nevertheless in many instances revenues from cotton sales during the present season have been noticeably lower than in 1955-56. This does not apply to all Egyptian types, however, particularly the extra long staples, where there has been a marked rise in price this season. In Egypt itself, however, the increase in price only partly compensates for the decline in exports.

Imports into many countries during the opening months of the current season were running at a higher rate than last season. Available figures indicate that in the main consuming countries of Western Europe and in Japan, more was consumed during the first few months than was imported. In view of the continuing heavy exports from the U.S., however, to these countries, the gap between imports and consumption was narrowed or even removed subsequently.

The following table gives the country-wise breakdown of estimates of export availabilities in the current season:

(In thousand bales of 478 lbs.)

	1955-56		1956-57 (estimated)
	Available for export and stocks	Actual exports	Available for export and stocks
Mexico	2,081	2,018	1,350
Egypt	1,756	1,439	1,400
Sudan	720	561	695
Pakistan	900	726	625
Turkey	310	142	290
Syria	390	375	385
Brazil	1,475	815	1,150
Peru	630	491	530
Uganda	344	294	300
Belgian Congo	253	222	238
India	2,548	554	2,330
Others	2,456	1,763	2,269
Total free world (excluding U.S.)	13,863	9,400	11,622

Source: International Cotton Advisory Committee, Washington.

WORLD FIBRE OUTPUT

The aggregate free world output of chief industrial fibres during 1955-56 touched the record level of 28,300 million lbs. (12,800 kilos), which represented an increase of as much as 12 per cent. as compared with the previous year, according to the 1956 edition of *Industrial Fibres* published by the Commonwealth Economic Committee. The improvement was shared by all the major varieties, such being particularly impressive in the case of man-made fibres and jute. Total fibre production in the Commonwealth had continued to rise and there were appreciable increases in wool, jute and man-made fibres. But sisal output was virtually unchanged and cotton production fell by about 5 per cent. World consumption of apparel fibres again increased, but the improvement was not sufficient to prevent a further rise in stocks of cotton. By contrast, stocks of wool and jute declined between 1955 and 1956. The total cotton crop in the non-Communist world was nearly 4 per cent. larger than in the previous season, due chiefly to a rise in American output. Wool production also rose by 4 per cent., while there was an increase of 37 per cent. in the output of man-made fibres.

(*Concluded from next column*)

Corporation has been the importing agency, while the Board continues to handle distribution thereof in the country. The Corporation imported 57 tons of raw silk during July-December 1956 and a further 51 metric tons during January-June 1957. Canalisation of imports through the agency of the Government has not only minimised the quantum of imports but also helped both the weaving and the sericulture industries to promote their respective interests by preventing violent and rapid fluctuations which were chronic before canalisation of imports by Government agency.

In the course of his address, Mr. Nanjappa also alluded to exports of silk waste of South Indian origin. He recalled that, on the recommendation of the Board, the Central Government had approved the policy of shipping only the surplus silk waste available in South India, after meeting the demand of the Spun Silk Mills Ltd., Channapatna. The Government, however, announced—on 5th September 1956—an *ad hoc* export quota to the extent of 40 per cent. of stocks held in South India, in order to liquidate the heavy accumulations of stocks.

DEVELOPMENT OF SILK INDUSTRY

PROGRESS NOT SATISFACTORY

IT is regrettable that, despite the repeated stress laid on the need for accelerating the pace of implementing the schemes for the development of silk industry, the State Governments have not taken effective steps to remove the bottlenecks of inadequate organisation and procedural delays. The total expenditure actually incurred by the Governments during the year ended March 1957 out of the grants given by the Centre was a bare 30 per cent., being only Rs. 10 lakhs, as against the sanctioned amount of Rs. 32.30 lakhs. The latter sum is in addition to the loans aggregating Rs. 27.02 lakhs, Rs. 7.84 lakhs sanctioned for the establishment of the Central Foreign Race Seed Station in Shrinagar, and Rs. 3.89 lakhs for the administrative and other developmental expenditure by the Central Silk Board. The actual expenditure out of the grants is, of course, higher than the amounts spent in the preceding three years—Rs. 7.23 lakhs in 1955-56, Rs. 5.20 lakhs in 1954-55 and Rs. 1.61 lakhs in 1953-54. Surely the progress, as Mr. V. Nanjappa, Textile Commissioner to the Government of India and Chairman of the Central Silk Board, said at the eleventh general meeting of the Board held at Bangalore recently, cannot be considered satisfactory. He did well to urge, once again, the State Governments to take "all necessary steps to increase the pace of expenditure," so that adequate progress may be made in the implementation of their development schemes during the Plan period.

In this connection, Mr. Nanjappa alluded to the financial assistance given by the Centre to the States for strengthening the sericultural organisations in their respective regions and to the liberalisation in the pattern of assistance as a further step towards improvement in the rate of expenditure. According to him, under the new pattern of technical assistance, the Central Government makes 100 per cent. grants for development schemes, excluding the cost on land and buildings, the grant of which will be considered on merit. Characterising this assistance as being substantial, he said: "I do expect that this substantial assistance by the Government of India would accelerate the implementation of schemes in the States. If the States spent the amounts in the Plan period, it would not be difficult to ask for further aid from the Government of India. . . . It is necessary that State Governments should set up adequate organisation to deal with the increased grants available from the Government of India."

While the performance of the State Governments in the utilisation of grants is thus unsatisfactory, it is gratifying to note that the Centre is quite earnest in obviating delays in the matter of providing sanction of matching grants by States. The Government convened in February-March 1957 a conference of the Ministers of Production and Finance, the Planning Commission, and the Silk Board to discuss the State schemes for 1957-58. These schemes, Mr. Nanjappa revealed, were further scrutinised by the Technical Development Committee at the meetings held on 23rd and 24th April last. It recommended 92 out of the 148 schemes, involving about Rs. 39.16 lakhs as grants and Rs. 20.64 lakhs as loans. The schemes were approved by the Standing Committee on 25th April. The grants and loans now approved and recommended by this Committee, it is claimed, have in most cases come up to the ceiling allotments made to the States for the current year. "It is now for the States," to quote Mr. Nanjappa, "to implement the schemes vigorously and utilise the grants fully. I sincerely hope that, with the co-operation of the State Governments, we should avoid heavy surrenders at the close of the year and give a better account of ourselves."

The Chairman of the Central Silk Board reviewed the position regarding import of raw silk and indicated the effect of such import on the indigenous silk industry. His review shows that, till the licensing period January-June 1956, the Central Silk Board was both importing and distributing raw silk in the country. It imported 90 metric tons of raw silk in 1955 and 50 metric tons during the licensing period January-June 1956. These imports were intended primarily to meet the requirements of the specialised sectors of the silk weaving industry, particularly to meet export requirements, besides stabilising prices of silk. The Board made a net profit of Rs. 7.6 lakhs out of 90 tons and a sum of about Rs. 4.27 lakhs out of 50 tons. Since the licensing period July-December 1956, the State Trading

(*Continued in previous column*)

FINAL DETAILS OF "PLAN FOR COTTON" TO BE WORKED SHORTLY

MARKED RISE IN CLOTH IMPORTS

From A Special Correspondent

MANCHESTER, 30*th April*

MANCHESTER LETTER

A SEVEN-MAN Lancashire textile mission will fly to Karachi this week for talks with Pakistan cotton industry leaders with the object of securing voluntary limitation of cotton cloth exports to Britain. Announcing this in Manchester, the Cotton Board said that the members of the mission would be those who in January had talks in India and Hong Kong—the major shippers of cloth to this country. The Lancashire team will again be led by Sir Cuthbert Clegg, a Vice-President of the Cotton Spinners and Manufacturers Association.

At the end of the first quarter of the year, the situation so far as export trade in cotton goods is concerned is remarkably similar to the position 12 months ago. Cloth shipments to overseas markets are within a few thousand yards of last year, while yarn sales have improved fractionally. After the sharp decline in export business recorded during the past two or three years, the mere fact that current shipments are being maintained is satisfactory, but the totals give no cause for complacency.

Imports Rise Markedly

Of more interest are the substantial imports of foreign cloth which, in the first three months this year, have reached unprecedented levels. Although the interference with normal shipping routes may have aggravated the position, the fact remains that arrivals of cotton goods from abroad have exceeded 100,000,000 square yards for the first time in any one quarter—and, in the same period, exports from Lancashire were barely 120,000,000 square yards!

The value of cotton yarn and manufactured goods exported to the end of March was just £1,000,000 higher than a year ago at £23,665,121. The following table shows recent quarterly comparisons by volume, emphasising the narrowing gap between Lancashire's reduced export trade and the larger imports now being received:

(Cloth in sq yards and yarn in lbs.)

		Exports		Imports
		CLOTH	YARN	CLOTH
1955				
1st quarter	.. ..	165,314,000	10,667,800	99,341,000
2nd ,,	.. ..	116,106,000	7,510,000	71,600,000
3rd ,,	.. ..	143,437,000	8,195,200	70,294,000
4th ,,	.. ..	129,237,000	9,167,800	58,351,000
1956				
1st quarter	.. ..	120,194,000	9,069,000	74,802,000
2nd ,,	.. ..	116,780,000	8,670,000	84,980,000
3rd ,,	.. ..	111,510,000	7,590,000	74,190,000
4th ,,	.. ..	125,960,000	9,650,000	72,320,000
1957				
1st quarter	.. ..	120,185,000	10,050,000	103,064,000

The volume of goods sent to leading markets has shown very little change as compared with a year ago. Australia remains the best single consuming outlet, having taken nearly 2,000,000 lbs. of cotton yarn and 17,500,000 square yards of cloth. South Africa has absorbed 15,000,000 yards of fabric, while trade with the British West African territories has also been well maintained.

All the chief supplying countries have sent larger quantities of grey cloth to Britain this year. Shipments from India have increased by 10,000,000 yards to 45,731,000 yards and Hong Kong has provided an extra 2,000,000 yards, at 14,103,000 square yards. Although arrivals from Japan are less than half the volume imported two years ago, current supplies amount to 12,508,000 square yards, an increase of some 3,000,000 yards on last year. An interesting feature remains the much larger shipments from undesignated countries, which this year have already amounted to over 15,500,000 square yards, as against less than 4,000,000 yards 12 months ago.

Planning Ahead

Final details of "Plan for Cotton," embodying the trade union proposals for the Lancashire cotton industry of the future, will be worked out in Manchester on 20th May at a meeting between the Legislative Council of the United Textile Factory Workers' Association and Mr. Harold Wilson, M.P., author of the plan. Mr. Harold Bradley, Secretary of the Legislative Council, said this week that the document would then be passed on to constituents for approval.

Work on "Plan for Cotton" began four years ago. It has recently been revised in the light of changed circumstances. The revised version is understood to contain proposals for a return to centralised purchasing of raw cotton and the setting up of a commission to regulate imports of cheap cotton cloth.

Yearly Pay Scheme

A guaranteed annual wage for Lancashire textile workers as a means of curbing the drift of operatives to more secure jobs has been suggested by Sir Alfred Roberts, General Secretary of the Card, Blowing and Ring Room Operatives' Association, one of the three principal Lancashire cotton unions. In many cases, bottlenecks were being created by a shortage of key workers, and the labour force in the producing sections of the industry now stood at 245,410—11,000 fewer than a year ago, said Sir Alfred in his quarterly report. "These shortages are likely to continue unless and until the industry can offer not only attractive conditions and wages but also reasonable stability of employment," he said. "It is instability and insecurity which have driven so many workers to seek employment in other industries. It may well be that a guaranteed annual wage—an idea which is rapidly developing in the United States—is the best answer to the problem."

Sir Alfred said that an escape clause in the guaranteed week agreement made it quite valueless when it was most needed. "Employers should give some thought to the question of security and stability of income if they really wish to maintain and increase the number and quality of the workers employed in the mills," he added.

Price Hesitation Again

Trade in textile goods in Lancashire in the first few months of the year has made slow progress, but a steady turnover has been recorded without evidence of any strong demand or alternatively a sharp falling away in interest. Variations have naturally occurred from week to week in the consumption of finished goods, but the general offtake has not shown any startling development.

One of the main reasons given for the improvement in turnover which took place towards the end of 1956 was the revival of confidence in prices which was then apparent among customers. Subsequently, values have been well maintained and, in the American staple at least, there is no statistical reason to suggest that any substantial decline will occur in the near future. There are still, however, many buyers who hold bearish views and this hesitancy is causing commitments to be limited in a manner reminiscent of the way in which trade has slackened in recent years, leading to the contraction of productive capacity within the industry.

In the main, the current belief in certain quarters that prices may decline has been based on the possibility of cheaper raw material rates ruling in the United States. The authorities in Washington, however, have shown no sign of accepting a reduced level of values in their disposal plans for the surplus stocks now being offered on a competitive bid basis each fortnight.

Uncertainty still persists as to the trend of prices for Sudan and other long-staple cottons. The situation has been complicated by the decision to discontinue local auctions and revert to sales by tender. There is a widespread feeling among users that lower rates are inevitable and, in such circumstances, a natural disinclination to look far ahead is to be anticipated.

Restraining Production

Unless there is a decided change in policy in the United States, stability in values of American cotton should be maintained. The provisions of the soil bank programme are aimed at producing a smaller crop next season, although this method may not cause as pronounced a reduction in acreage as appeared likely at one time. While the soil bank plan has its opponents among American growers and merchants, it also has supporters. They point out that the programme has been established in order to get marginal land out of production. Farmers who, through scientific methods, have already succeeded in increasing their yields considerably will use every possible device, including intensified fertilisation, more insecticides and better irrigation, to achieve a still higher yield and so reduce their cost per unit.

Ultimately, these progressive growers will favour larger production and will accept a further gradual reduction in the loan basis. It is significant that, out of 3,000,000 acres scheduled for the soil bank at the end of March, more than 2,000,000 acres came from the traditional growing areas in the Southern States where yields have lately been much lower than in the new farming lands.—*All Rights Reserved.*

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RAPID DEVELOPMENT OF MERCHANT NAVY URGENT

By M. A. Master

WITHIN a very few months of the beginning of the second Plan, both Government and shipowners made commitments for the purchase and construction of vessels of about 170,000 g.r.t. As the Minister for Transport observed at that time, the entire sum of Rs. 37 crores, to be given as loans, allotted for this purpose by the Planning Commission, was exhausted. The country has yet to acquire about 220,000 g.r.t. of shipping to reach even the very low target of 900,000 tons by March 1961, mentioned in the Plan.

There is, however, a complete ban on the raising either of the additional finance or the release of the necessary foreign exchange for the acquisition of new tonnage. The country will, therefore, feel grateful to the Estimates Committee for considering it "unfortunate" that the target of two million tons recommended by the Reconstruction Policy Sub-Committee was not yet realised and for emphasising in clear terms that "rapid expansion of Indian shipping should be regarded as a national problem of great importance and urgency." They feel that India "is destined to play an important role in international affairs." Apart from preserving India's strategic importance, the Committee are convinced that Indian ships as "roving ambassadors" will provide "an effective instrument in strengthening India's external relations." They have no doubt that "Indian shipping has a wide scope for securing more overseas traffic and that it has a very bright future." They, therefore, look upon shipping to play a much wider and more dynamic role in the building up of a new India.

We, therefore, cherish the hope that, now that the Estimates Committee have given an inspiring lead for the rapid development of shipping, it will bring new life and new spirit in the placid and complacent atmosphere of New Delhi and will awaken both in the Planning Commission and in the Ministry of Transport a livelier and more responsible sense of their obligations for the rapid development of the Indian merchant navy.

Shipping Target Low

The Estimates Committee have carefully examined whether the objectives set forth in the second Plan for 100 per cent. participation in the coastal trade, 12 to 15 per cent. in the overseas trade and 50 per cent. in the adjacent trade, at the end of the Plan, will be achieved, even if the country is to reach the target of 900,000 tons by March 1961. The tonnage of cargo, which will move in both the coastal and overseas trades, is bound to witness a very substantial rise. The Chairman of the Scindia Company expects that the movement of dry cargo in the coastal trade alone will go up from three to five million tons. The Government themselves have indicated that shipping will have to carry an additional load of about six million tons in the overseas trade by 1958. From such evidence as was placed before the Estimates Committee, they have come to the conclusion that 900,000 tons will not be sufficient to attain the objectives laid down by the Planning Commission. They have, therefore, requested the Government that the position should be carefully reassessed and that the apparent discrepancy in the volume of traffic to be carried and the shipping tonnage to be achieved at the end of the second Plan should be reconciled.

They have thereby rendered a great service to the country. It is no use deluding ourselves that the country would carry, if not 15 per cent., at least 12 per cent. of the country's overseas trade by the end of the second Plan, with total shipping tonnage of 900,000 tons. Everyone will, therefore, welcome this frank appeal on the part of the Estimates Committee for the reassessment of the present target in the light of the possibility of attaining the very moderate objectives placed before the country.

The recommendations of the Estimates Committee, which will be widely welcomed and will effectively help, if implemented, the rapid development of Indian shipping, refer to the terms and conditions on which loans are to be granted, the necessity for giving operational subsidies and the redressing of some of the grievances which seriously affect Indian shipping, which is in its early stage of growth. It is a matter of satisfaction that, from the beginning of 1946 till the end of the first Plan, the shipowners have raised about Rs. 66 crores for financing the additional tonnage acquired—about Rs. 44 crores from their own resources and about Rs. 22 crores by way of loans from the Government. They have been requesting the Government to liberalise the terms and the conditions on which these loans have been granted. Despite the assurance of the Minister for Transport that the shipowners have an arguable case and that the terms and the conditions of the loans would not only be liberalised, but any concessions that might be granted would also be given retrospective effect, the recent indication of the Government of India that no loans would be given in the future unless the shipowners agreed to pay 4½ per cent. by way of interest instead of 2½ per cent. in connection with the loans given to them for the acquisition of overseas vessels, came as a bolt from the blue.

State-Aid

The Estimates Committee have pointed out at length the nature of State-aid given to shipping in such important maritime countries as the United States and the United Kingdom, as well as in such war-shattered countries as Italy, Germany and Japan. Exemption from income-tax on profits derived from the ships for the first five years, duty-free import of steel, timber and machinery required for the ships, sums given out of profits of industries as interest-free loans to shipping industry to be free of income-tax, investment allowance of 20 per cent. which has now been raised to 40 per cent. and concealed subsidies to enable shipping to carry exports and imports at low freight rates are some of the important forms—as mentioned in the Report—in which financial aid is given to national shipping by other maritime lands. The Estimates Committee have emphasised that Indian shipping companies have "played a very significant role in maintaining the maritime traditions of the country against heavy odds." They have stressed the fact that, "in view of the expanding economy of the country, there "is a heavy demand of shipping for carrying her export and import trades." They have added that "utilising foreign shipping for this purpose means a heavy drain on the foreign exchange resources." In view of all these factors, the Estimates Committee have recommended that the question regarding the terms and conditions of the loans, as regards the quantum of loans, as regards the rate of interest and as regards the period of repayment, as demanded by the Indian National Steamship Owners' Association, "should be considered sympathetically by Government and every encouragement given to the shipping industry." It is hoped that this categorical recommendation of the Estimates Committee, consisting of thirty members of the Lok Sabha, will not be ignored by the authorities concerned but will be implemented without any delay.

As regards operational subsidies, the Estimates Committee have referred to the following assurance in the Industrial Policy Resolution of April 1956: "When there exists in the same industry both privately and publicly owned units, it would continue to be the policy of the State to give fair and non-discriminatory treatment to both of them." The Estimates Committee have then stated their views in this connection in the following clear and emphatic terms:

" Keeping in view the above Policy Statement, and the pressing need of developing Indian shipping, the Committee suggests that the question of giving operational subsidy to avoid closing down of certain essential services (as has happened in the case of India-U.K. passenger service) may be reconsidered. As the Government is indemnifying the Shipping Corporations in the public sector against losses for a certain period subject to reimbursement out of subsequent profits, similar facilities may be extended to the private sector also, *in the larger interest of Indian shipping* as a whole" (italics ours).

We must congratulate the Estimates Committee on the high sense of justice and fair play which they have thus shown for recommending equal treatment to the shipping services irrespective of the fact whether they are started by the State or by the people.

Relief is Other Directions

Representations have been made to the Government by the shipping companies for affording them relief in a variety of other directions. To make the proceeds from sale of ships exempt from income-tax and capital gains tax, to exempt the profits ploughed back into the shipping industry from income-tax, to exempt ships' stores and bunkers from customs duty and sales-tax are some of the important demands made by the shipowners. "Keeping in view the assistance that is being given to the shipping industry by other countries," the Estimates Committee have requested the Government that the representations made by the shipowners "be examined sympathetically." They have added that all reasonable facilities should be given to the shipping industry at the present stage of development. There can be no doubt that, if the Government would be pleased to implement the recommendation of the Estimates Committee mentioned above, they would not only make it possible for Indian shipowners to go in for a very rapid expansion of Indian tonnage but also considerably help them to place the Indian shipping industry on a permanently sound and economic basis.

The Committee have welcomed the decision of the Ministry of Transport in placing "new building orders in the Continental yards and purchasing a tanker even to the extent of exhausting the entire amount of Rs. 37 crores provided by the Planning Commission in the second Five-year Plan." Looking to the onward trend in the present market and the uncertainty of securing fixed time-schedules of delivery, the Committee have recommended that "the Ministry should take effective steps to secure the requisite funds from the Planning Commission without which it would not be possible to procure any tonnage even in the third Plan and the industry will have to face the same situation which it is facing now." We trust that these wise words will not only be heeded but acted upon by those who have got the power to shape the destiny of shipping in this country.

Serious Drain

The Estimates Committee have shown great awareness of the serious drain which has been made on our foreign exchange resources in the absence of a substantial merchant navy of our own. They have pointed out that Government had to pay more than Rs. 96 crores as freight to foreign vessels for import of foodgrains alone on Government account during 1950-55. They have also referred to the large amount of charter-hire money, over £24 lakhs for the coastal and over £91 lakhs for the overseas trade, involving a great drain on the foreign exchange pool, which the country had to pay between 1951 and 1955. They have added that these very large figures "do not include expenditure on charters for import trade which is met from overseas purchase." They have also referred to the conservative estimates of the annual freight bill of no less than Rs. 140 crores paid by India to non-Indian shipping lines for the movement of goods and commodities to and from foreign countries. They have invited the pointed attention, in this connection, to the observation of Mr. C. H. Bhabha, that, "if only through a systematised and properly evolved policy, 20 per cent. of this total freight annually is laid by for investment in ships for the next few years, the day may not be far off when India could claim for the modest target of two million tons of shipping visualised and recommended by the Shipping Policy Committee as far back as 1947." They have indicated the manner in which the earnings in the overseas trade have witnessed a rise from Rs. 7½ crores in 1950-51 to Rs. 10.50 crores in 1954-55 and have shown by quotations how shipping is a great earner of foreign exchange.

As a result of their examination from all these points of view, the Committee have recommended "the need of assigning a *higher priority* to the development of the shipping industry as a resourceful potential instrument of earning foreign exchange" (italics ours). We hope and trust that this clear recommendation for according a higher priority to the development of shipping will find a ready and adequate response from the Planning Commission and the Ministry of Transport.

The Committee have also expressed the hope that the Government of India would negotiate with the World Bank, as well as with the Exchange Banks in other maritime countries, for securing at least the minimum amount of loan assistance required for the essential development of the shipping industry in India. They have also requested the Government to examine the suggestion made by Mr. Bhabha regarding the procurement of loans through marketable bonds. They have further requested the Government to examine the feasibility of getting a few ships from the reserve fleet of the U.S.A. against a long-term loan and to associate shipowners in connection with this matter for their specialised knowledge of the industry. These important recommendations of the Estimates Committee will merit, we hope, the immediate and favourable consideration of the authorities at New Delhi.

The Estimates Committee have pointed out that the country actually remitted more than Rs. 22 crores, by way of foreign exchange, from 1952 to June 1956, as the purchase price and/or construction cost of additional tonnage. This does not cover the very substantial amount running into crores which will have to be remitted hereafter. They have, therefore, carefully examined the expansion of the building capacity of ships in this country. They are of the opinion that, even when the second shipyard comes into being within the second Plan period, it will only mean a building capacity in the country of about 120,000 g.r.t. of shipping per year. That will not meet the needs of the country. It is the opinion of the Estimates Committee that the planning for a third shipyard, to be established during the period of the third Plan, should be started from now. It is their definite conviction that "it should be our objective in planning, not merely to build the ships required for mercantile purpose on the high seas and for coastal traffic but also the ships required for our navy. The ultimate plan should provide for building ships for other countries in South and South-East Asia in competition with other suppliers." There will be universal agreement in the country with the way in which the Estimates Committee consider the role which the shipbuilding industry should play in the reconstruction of this great country.

Utilisation of Capacity

The Estimates Committee have also indicated that, at the end of the second Five-year Plan, the total imports and exports in the major ports alone are anticipated to be 32 million tons. They have also remarked that steps should be taken as early as possible to rationalise the carriage of traffic between rail and sea in such a way that the coastal shipping is utilised to its full capacity in the wider interest of the country. They have called it unfortunate that no representative of the shipping interests, which are vitally concerned in the matter, was included in the personnel of the Rail-*cum*-Sea Co-ordination Committee. They have not hesitated in emphasising the fact "that the policy of allowing chartering of vessels for coastal trade is not in keeping with the policy of 100 per cent. reservation of coastal trade" and have advised that the use of charter vessels for normal trade purposes on the coast should be avoided. They have further recommended that "the Ministry should also enforce gradual reservation of coastal trade in wet cargo for Indian shipping companies until foreign participation is completely eliminated, as the 100 per cent. reservation of coastal trade for Indian shipping companies will be achieved only when the entire cargo on the coast in both dry and wet is lifted by Indian shipping companies."

The Committee have also suggested that the question of acquiring more tankers in the private and/or public sector for the import of crude oil from abroad should be given serious consideration. They are convinced that certain passenger services should be maintained and run, if necessary, at some financial losses in the initial stage. As the Indian flag participation in the India-U.S.A. trade is conspicuously absent at present, they have called upon the Ministry of Transport to examine that question, in consultation with the representatives of the Indian Shipping Companies, in all its aspects and devise ways and means so that Indian shipping could participate in that important trade. The country is deeply indebted to the Estimates Committee for the comprehensive manner in which they have analysed the present shipping problems and the constructive way in which they have made recommendations for building up a merchant navy worthy of this country.

The Estimates Committee have invited again and again the attention of the authorities concerned to the sad lack in this country of the vital statistics connected with shipping and trade. They could not receive from the Government any information in regard to the total freight bill of India. They did not receive any proper statistics as regards the total volume of cargo carried by the foreign flags in the overseas trade. No particulars could be obtained in regard to the total cargo imported on account of the Central and State Governments and the freight paid thereon. No such vital statistics on these important subjects as well as on other subjects of equal importance are available in this country. We would, therefore, join our humble voice to the strong request made by the Estimates Committee that the Government should lose no time in collecting, collating and presenting these statistics to the public at regular intervals.

In congratulating once again the Estimates Committee on their excellent report and in offering the country's grateful thanks for the very valuable and the constructive suggestions that they have made, we share their hope that "the day is not far off, when a continuous chain of Indian ships, under the tricolour, will constantly girdle the globe carrying her message of universal peace and brotherhood." The ushering of the dawn of that great day lies in the hands of the Planning Commission and the Ministry of Transport and we wish them all strength, all success and all good luck in their great endeavour for that purpose.

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SPEEDING TURNROUND IN PORTS

The Inland Water Transport Committee of the International Labour Organisation, at its meeting held in Hamburg from 11th to 23rd March 1957, recommended introduction of schemes for regularisation of employment of dock workers, adoption of practical methods for improving organisation of work at the docks and the desirability of accepting new types of mechanical equipment and new methods of work when they are efficient, economic and safe, with a view to speeding up the turnround of ships in ports. A resolution adopted by the Committee observed that it was desirable that a concentrated effort be made to introduce practicable methods of improving organisation of work and output in ports. A quicker turnround of ships, it held, could make a substantial contribution to raising general economic efficiency. This increased productivity, the resolution added, could and should be achieved through the use of improved methods rather than by excessive effort. Such improvements were expected to be reflected in better social standards in which dock workers should have their fair share.

The following steps were also recommended: (i) Schemes for the regularisation of employment of dock workers, where they do not already exist, should be developed; (ii) the competent authorities or employers, or both, should take all practicable steps to ensure that new methods of improving organisation of work or the introduction of new equipment do not lead to sudden or arbitrary dismissals; (iii) there should be appropriate machinery involving consultation with employers' and workers' organisation at port level and, if desired, at the national level; (iv) the prompt settlement of grievances and disputes and, in particular, those based on rates of pay or the strength of gangs for particular cargoes and circumstances; and (v) there should be efficient systems of communication between all concerned in order to inform the docker on all matters relating to his condition of employment.

The application of work study techniques to port work, the Committee noted, had the prospect of material assistance in determining methods of increasing efficiency. Various suggestions were also made for the effective introduction of schemes of payment by results. The Committee further observed that it was desirable to accept new types of mechanical equipment, whether they were for use on boardship or on the quayside, and new methods of work, when they are efficient, economic and safe. It was also desirable, it said, that they should contribute to easing the work of the dock worker and to speeding up the turnround of ships. To increase the efficiency of the port industry in relation to matters other than labour, the Committee urged that special attention be paid to co-ordination problems, the adjustment of time-tables and various specific administrative steps.

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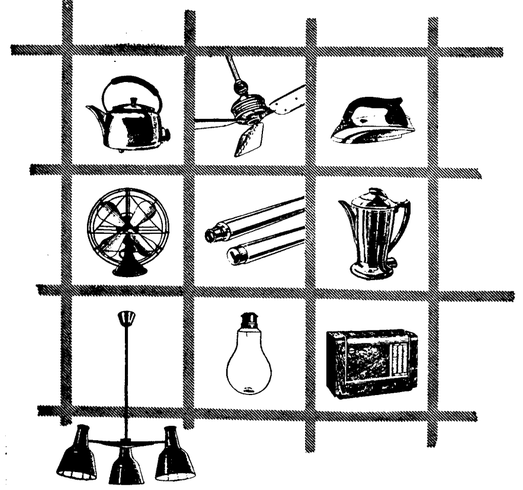

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WORLD SUGAR PRODUCTION TOUCHES ALL-TIME RECORD

PRICES, HOWEVER, RULE FIRM

THE current sugar season (1956-57) will go down in the history of the world sugar trade as the most eventful, in that the season has witnessed an all-time record production. The aggregate world output of sugar during the season is estimated at as much as nearly 43 million tons (raw value), representing a rise of over one million tons as compared with 41.98 million tons produced in 1955-56. The whole of this increase is accounted for by cane sugar, the anticipated production of which amounts to 27.32 million tons, as against 26.01 million tons. The beet sugar output, however, has suffered a setback, albeit slight, the estimate for the season being 15.68 million tons, as against 15.88 million tons; it is, of course, higher by 770,000 tons as compared with 1954-55.

The rise in world cane sugar output in 1956-57 has been shared by practically all the major producing countries, with the exception of Brazil, the Philippines and Indonesia. The improvement is particularly marked in Cuba, the actual extent of the increase being 558,000 tons. India accounts for a rise of 185,000 tons, Hawaii for 75,000 tons, Australia for 62,000 tons and Mexico for 57,000 tons. Sugar production in Brazil, however, is expected to be lower by 118,000 tons, in Indonesia by 41,000 tons and in the Philippines by 12,000 tons. The decline in beet sugar production has occurred despite an appreciable expansion of 410,000 tons to 4.15 million tons reported by the U.S.S.R. The U.S. and the U.K. also have reported an increase of 82,000 tons and 39,000 tons, respectively. Most of the European countries have experienced a failure of beet crop. The fall in output is especially sharp in France, being 230,000 tons. The production in Italy is placed lower by 208,000 tons, in Czechoslovakia by 182,000 tons, in Western Germany by 140,000 tons and in Poland by 87,000 tons.

Trend of Production

An idea of the trend of sugar production—cane and beet—during the current season as compared with the two previous seasons can be had from the following statement:

(In thousand tons—raw value)

	1956-57	1955-56	1954-55
Cane Sugar			
Cuba	5,222	4,664	4,456
India	5,037	4,842	4,557
Brazil	2,205	2,323	2,337
Australia	1,197	1,135	1,285
Hawaii	1,075	1,000	1,018
Philippines	1,075	1,087	1,224
Puerto Rico	1,070	1,028	1,040
Mexico	925	878	1,054
Formosa	850	800	754
British West Indies	810	779	848
Indonesia	800	841	903
Other countries	7,053	6,722	6,494
Total	27,319	26,099	25,970
Beet Sugar			
U.S.S.R.	4,150	3,740	2,855
U.S.A.	1,763	1,681	1,824
France	1,375	1,605	1,660
West Germany	1,136	1,276	1,295
Poland	985	1,072	1,132
Italy	955	1,103	878
U.K.	715	676	633
Czechoslovakia	1,706	1,978	2,107
Other countries	2,804	2,687	2,525
Total	15,679	15,878	14,909
Grand Total	42,998	41,977	40,879

Despite the substantial improvement in sugar production as noted above, the world sugar markets have been ruling distinctly firm in the past year, although the firmness has abated lately. Cuban raw sugar in the New York market, which had gone down to as low as 3.13 cents per lb. (f.a.s. Cuba) on 7th May 1956, that is, 0.12 cent below the World Sugar Agreement minimum, touched a peak of 6.75 cents on 15th April 1957; the currently ruling price is lower at 6.40 cents. The firmness in sugar prices must be attributed principally to the large purchases made by European countries, following a setback to the beet crop, not to speak of the effect of the Suez crisis. These countries which were until recently net exporters of sugar have almost turned out to be net importers. This change in status has come about at a time when the Cuban sugar stock is much reduced. Notwithstanding an increase in its sugar production, the U.S.S.R., traditionally an exporter to the free market, has also bought large quantities of sugar, the total bought since the beginning of this year being 410,000 tons, of which about 150,000 tons of raw sugar were purchased only recently from Cuba at a net price of 6.06 cents per lb. f.a.s. It may be recalled here that world consumption of sugar itself has been steadily going up. On the basis of the trend of consumption in the past few years, the total quantity that will be consumed during 1957 may be estimated at nearly 42 million tons.

It is in view of the continued firmness in world sugar markets and with a view to checking any tendency of spiralling prices, it will be recalled, that the International Sugar Council announced on 31st January last removal of all restrictions on sugar exports by member-countries during the current year. The Council also called upon all the participating countries to release immediately to the free sugar market the minimum stocks held by them under the World Sugar Agreement. Following these steps, sugar prices were expected to come down. This expectation, however, has not been fulfilled. With demand for sugar from a large number of countries still buoyant, "there is," to quote a report, "little prospect of any easing in supplies until the European beet crop is harvested towards the end of the year."

Considering the aforesaid prospects and the need for more foreign exchange, the reported decision of the Government of India to allow a further quantity of 100,000 tons of sugar for export, in addition to the 100,000 tons already permitted, must, indeed, be widely welcomed. This additional export will fetch for the country a further Rs. 8 crores of foreign exchange. There is no need for domestic consumers to have any uneasy feeling on this score, as there is plenty of sugar in the country.

EXPANSION OF SUGAR INDUSTRY

Production of white sugar in India during 1956-57 is expected to aggregate 2.0 million tons. This was stated by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, while addressing a meeting at the Doiwala Sugar Mills (now under Central Government control) at Dehra Dun the other day. With increased production, India was, Mr. Jain said, already establishing itself as a permanent exporter of sugar, and much of the credit must go to the large number of cane growers and workers in sugar factories. He recalled that, in 1953-54, India produced a little over 1.0 million tons of sugar and had to import sugar worth about Rs. 60 crores. But now India had exported 100,000 tons of sugar, thereby earning Rs. 8 crores of foreign exchange, so vitally needed for the implementation of the second Five-year Plan.

The Minister referred to the large-scale development of the sugar industry envisaged in the Plan and alluded, in particular, to the establishment of a large number of factories by cane growers on co-operative basis; out of the 57 new units licensed, co-operatives accounted for 38 units. When the programme was initiated, many, he said, felt sceptical about its success, but results achieved so far had belied their suspicions. The sugar industry had good prospects and "the cane growers can take advantage of it through co-operative factories which will help them to improve their standard of living and develop the countryside. According to him, the Government of India had decided to advance Rs. 10 lakhs or more to State Governments per factory for investment in co-operative undertakings and about Rs. 50-60 lakhs were given by the Industrial Finance Corporation of India.

SUGAR PRODUCTION IN TANJORE

The Government of India has turned down the request of the Tanjore District Planning Board to start a co-operative sugar factory in the district on the ground that licences have already been sanctioned for three factories sponsored by private individual promoters and that the extent of area under sugarcane cultivation in the district is negligible, and that, even including the additional acreage that can be brought under sugarcane cultivation, the quantity of sugarcane that can be grown will be just sufficient to feed the three sugar mills. The Government has also mentioned that all the four co-operative sugar mills envisaged under the second Five-year Plan have already been allocated to other districts where the area under sugarcane cultivation is much larger. It has instructed the State Government to adopt a go-slow policy in the matter of starting new sugar mills and to see that the two important conditions, that the requirements of the factory with regard to the quantity of sugarcane can be grown within the operation of the factory and that at least a minimum of Rs. 8 lakhs has been raised as share capital, are fulfilled before entertaining any proposal.

SUGAR PRODUCTION AND STOCKS

More than 1.70 million tons of white sugar came off the crushing plants of sugar mills in India during the 5½ months ended 15th April 1957, as against 1.55 million tons in the corresponding period last year, or a rise of 155,000 tons. The total despatches in the same period amounted to 944,000 tons, as against 735,000 tons. The closing stocks with the factories as on 15th April 1957 aggregated 1,285,000 tons, the figure for the same date in 1956 being 1,221,000 tons.



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SAFETY IN COAL MINES

COLLIERY MANAGERS CRITICISE DRAFT RULES

THE serious accident which occurred in Burro Dhemo Colliery, near Asansol, in September 1956 brought once again to the forefront the problem of safety in coal mining. The Committee which inquired into the accident, in its report, emphasised that, with a little precaution and certain essential equipment, much suffering could have been avoided. There are no two opinions on the fact that an element of risk is inherent in all mining operations, but the problem is one of improving the safety and reducing accidents in coal-mining operations. The draft rules called the Coal Mines Regulations (in replacement of those of 1926), published by the Ministry of Labour, Government of India, in November 1956 for eliciting public opinion, are meant to improve safety in coal mines.

The colliery owners contend that some of these rules are rather too rigid and the existing regulations are quite sufficient to serve the desired purpose. They feel that what is required is advice as to the methods whereby safety can be improved and not rigid enforcement of rules. It is also pointed out, in this connection, that much of the vexation is avoidable, because in some spheres the functions of the Ministry in charge, the Coal Board and the Inspectorate of Mines, have not been clearly defined and in some others they even overlap. Research into the causes of accidents and disease and into methods of safer mining is yet in an elementary stage. These rules which define the duties and responsibilities of the various persons concerned with mining operations, have been criticised by colliery managers as well on the ground that they are very drastic and are designed to throw heavy responsibilities on the managers and to bring about radical changes in their position in relation to the mines and miners under their charge. They are very much perturbed that, under the impact of these regulations, their own safety is likely to be endangered. The Indian Mine Managers' Association has, in this connection, submitted to the Government of India various comments and suggestions on the draft rules, some of which have been incorporated in the amended draft, but there are still several points on which the Association does not agree.

According to Mr. P. S. Jagpal, Chairman of the National Association of Colliery Managers (Indian branch), Raniganj, the provisions of the new draft regulations have gone too far in apportioning an unduly heavy burden of responsibilities on colliery managers. Addressing the annual general meeting of the Association, held in Jharia a few days ago, he said that the responsibility should be distributed at different levels, thereby making each worker conscious of his duties and obligations. The problem of safety in the colliery would hardly be solved simply by making the manager solely responsible for anything and everything. Referring to the present labour laws, which, according to him, were too cumbersome. Mr. Jagpal suggested that where a case involving danger to life and property in a mine was to be tried, it should be done so only by specially constituted technical courts, having a certain number of members drawn from technically qualified mining personnel.

Mr. Jagpal pointed out that discipline was vital to safety and efficiency and the existing legislation should be suitably amended to relieve the manager from the purview of non-technical responsibilities, such as labour laws, welfare provisions, etc. In this connection, he referred to the practice prevalent in the U.K. where the Coal Board had provided a qualified assistant to each manager to enable him to devote more attention to the technical side of his duties. To improve working conditions and to ensure safety in the mines, safety officers and ventilation officers should be employed in larger mines or group of mines. This would indirectly improve efficiency as well.

He also urged that proper facilities be given for the training of technical personnel in an efficient and effective manner, so that they may be helpful in increasing production. Surveyors should also be given their due status in the new set-up to encourage people with higher education to enter the profession. Mr. Jagpal also pointed out that a few years of planning was necessary before any colliery reached the stage of economic production. It was, therefore, expected of the planners of the nation to give a clear-cut directive in this connection before it was too late.

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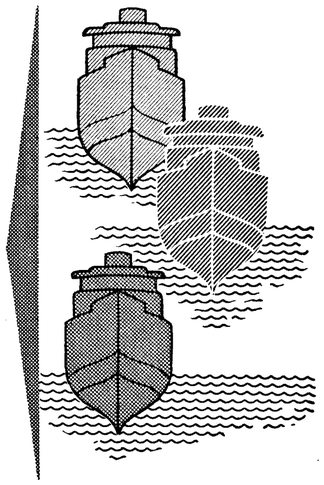

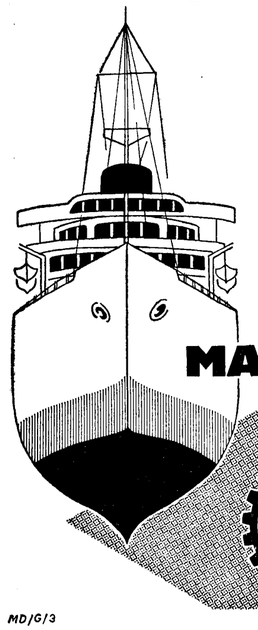

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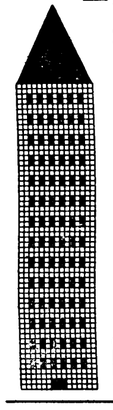

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EXPORT DUTY ON TEA

SLAB SYSTEM NOT TO BE REPLACED BY "AD VALOREM" DUTY

THE Government of India is reported to have informed the Federation of Indian Chambers of Commerce and Industry that it is not possible to replace the existing slab system of export duty on tea by an *ad valorem* duty, which has a great advantage, in that it adjusts itself to the level of prices. The main ground on which the Government has ruled out the *ad valorem* duty is that it is administratively impossible to introduce it.

It will be recalled that the present slab system of export duty was introduced in March 1955, the duty being fixed on the basis of the weighted average prices of all Indian teas sold in the London auctions during the previous month. This replaced the flat rate duty which was being levied till then. Export duty on tea was levied for the first time in February 1947, when the rate was As. 2 per lb. The Government then gave an assurance that the levy was a temporary one and would be withdrawn if it hampered exports in any way. The duty was later raised to As. 4 per lb. and was maintained at that level till it was further enhanced to As. 7 in October 1954. The reason for the enhancement was that tea prices had shown a rising trend at the auctions and the Government wanted to mop up a portion of the tea companies' profits. In January 1955, there was a further increase in export duty to As. 10 per lb., before it was replaced by the slab system, under which the duty varied from As. 4 to As. 12 per lb.

The Government of India is of the view that the *ad valorem* duty introduces an element of uncertainty regarding the price, which may militate in some way against entering into contracts for sale. Besides, there are administrative difficulties in implementing an *ad valorem* rate of duty. For the price of tea varies according to grade and from one producing district to another and from sale to sale. Furthermore, the Government points out, there are different methods of sale of Indian tea—some quantity is sent on a consignment basis to London for auctions there, some sold on forward contracts, while a substantial quantity is being sold in the Calcutta and Cochin auctions. An assessment of the price, which tea sent on a consignment basis to London auctions will fetch, will be very difficult.

The slab system of export duty is no doubt preferable to a fixed duty, but tea producers and traders feel that the wide gaps in the present slab system give rise to speculations about a possible rise or fall in the export duty, which, in turn, dominate the whole trade and upset the stability of the tea market. The experience of 1956 shows that the slab system induces shippers and buyers for outmarkets to regulate their activities towards the end of a particular month in order to take advantage of a fall or to avoid a rise in export duty. Moreover, as Mr. H. B. Kanoi, Chairman of the Tea Association of India, pointed out at the first annual general meeting of the Association held early this week, the "variations in export duty prove irritating to the overseas buyers, as they alter their buying programme whenever the duty is increased in India and they prefer to purchase teas from alternative sources which results in loss of trade to India."

The competition to Indian tea in overseas markets, particularly in the U.K., is growing. The major portion of Indian tea is of common variety known as "common teas," the largest market for these teas being the U.K., where they face keen competition from East African teas. East Africa is able to sell at considerably low prices, because the cost of production is very low as compared with that in India, the main contributing factor being the availability of cheap labour. Expressing the concern of Indian tea planters at the rapid progress which East Africa is making in extending its area under tea, Mr. Kanoi said that, in course of time, it would be difficult for Indian teas to face the severe competition from East Africa, unless suitable measures were adopted by the Government of India to improve the competitive position of Indian teas. Mr. Kanoi suggested that the International Tea Agreement should be revived, covering all producers, old and new, and statistical control should be overall and strict. He added that if the Agreement was signed without participation of countries, other than the signatories of the previous Agreement, which had growing surpluses for export to world markets, then they would be able to expand their exports at India's cost.

Another suggestion made by Mr. Kanoi for promoting tea consumption both abroad and internally, was to do extensive propaganda, on which depended, to a large extent, the future of the Indian tea industry. There are certain promotional activities undertaken by the Tea Board, but Mr. Kanoi complained that the full amount of cess collected for that purpose was not being utilised. Out of the sum of about Rs. 2 crores collected from the cess, only a small sum was being spent, the balance accumulating in the general revenue of the Board. Mr. Kanoi said that this should not be the case and the industry which paid for its own propaganda must get the necessary service through adequate publicity.

Mr. Kanoi also enumerated the various other problems with which the industry was faced, namely, inadequate storage facilities for tea in Calcutta, the heavy tax burden following the imposition of high export duty, West Bengal entry tax and Assam Road and inland waterways tax, transport difficulties, inadequate finances and low labour productivity. He added that the industry suffered greatly from a generally low capital structure and the large sums required for seasonal working expenditures.

Replying to the demands of the industry, Dr. B. C. Roy, Chief Minister of West Bengal, who inaugurated the meeting, promised to look into the warehousing problem in Calcutta. He, however, categorically stated that the West Bengal entry tax on goods could not be dropped. Abolition of the tax would mean a loss of Rs. 2 crores to the State's exchequer. He wondered why the industry should ask for reduction of taxation when its business had been fairly satisfactory, despite all difficulties. He advised the tea industry to look to the interests of the country as a whole instead of considering group and individual interests. The industry's demand for withdrawal of taxes and the President's report of an all-time record of tea exports and satisfactory prices in 1956 seemed to Dr. Roy to be contradictory. If the industry could maintain an export quota at so high a figure and if prices were reasonably fair, in spite of all taxes and competition, he saw no reason why they should not do so in future.

The time had come, Dr. Roy said, when shareholders should also make some sacrifices and contribute to the development of the country. He was told that some of the companies gave as much as 40 to 50 per cent. dividend to shareholders. Dr. Roy suggested that tea companies should curtail their dividends to shareholders to 6 to 7 per cent. This economy would help companies to build up their reserve funds for expansion, he said. The tendency to have a fairly high profit with limited capital was disastrous to the industry in the long run.

(*Concluded from next column*)

surmountable. Unless, however, the percentages of the various grade of jute and mesta to be grown are fixed, it is doubtful whether the production of good quality jute will show any appreciable improvement.

BOARDS FOR LAY RACES OF JUTE LOOMS

The Indian Standards Institution has published a specification for boards for lay races of jute looms. A lay race is made of a thin wooden board and is fixed on upper surface of the lay of a loom; the shuttle travels along the length of the race during its passage from one shuttle box to the other.

The standard lays down general requirements, such as freedom from defects and from knots. The specific requirements prescribe the slope of grain, species of timber and minimum dimensions of boards. The dimensions and tolerances in dimensions of lay races are not specified in this standard, since they are shaped to the correct size in the consumers' workshop.

The recommended code of practice for the manufacture of boards for lay races along with a list of approved species of timber and their short description is given in the appendices to the standard. It is hoped that the short description of the approved species of timbers will be useful both to the manufacturers and users of lay races in selecting the proper species of timber for their requirements. It is expected that this standard would be of use to the manufacturers especially those operating on cottage industry basis in making boards for lay races of acceptable quality and to purchasers in acquiring dependable supplies.

NEW JUTE CROP DELAYED

MESTA OUTPUT GROWS

THE raw jute market has been ruling steady during the last ten days, with an all-round increase in prices for all varieties. Thus, Indian Northern Bottoms are being now quoted at Rs. 30 per maund, as against Rs. 29 on 26th April. A similar rise is noted in Assam Upper Bottoms at Rs. 30 and in Local Daisee Bottoms at Rs. 32.50. The main contributory factor for this rise is the delay in sowing, due to drought in almost all areas, which has induced sellers to be reserved, in the expectation that they would be able to get better prices if the drought prolongs.

Usually, at this time of the season, there is heavy selling in new crop at a price below the old crop, but this year, little new crop has been sold, due to the delay in sowing. It is expected that the new crop will start coming into the market a month later than usual, provided the drought is not prolonged further. It is, however, stated that there is a fair quantity of stocks in the bazaar, which, together with the stocks on hand, will enable the mills to carry on for some weeks.

At higher levels, however, there is some resistance on reports that the current year's production of mesta has been encouraging. The all-India final estimate of mesta for 1956-57 places the current year's area and production at 738,000 acres and 1,474,000 bales (of 400 lbs. each), as against the partially revised estimate of 572,000 acres and 1,159,000 bales, respectively, for 1955-56. This shows an increase of 166,000 acres or 29 per cent. in area and 315,000 bales or 27.2 per cent. in production over last year.

The increase in area during the current year has been shared mainly by West Bengal, Bombay and Bihar, and has been attributed to favourable climatic conditions at the time of sowing. Some minor decrease in acreage during the current year has, however, been reported from Mysore and Madhya Pradesh. The overall increase in the current year's production has been shared by almost all the States, except Andhra Pradesh and Madhya Pradesh. The increase is marked in the case of West Bengal, Bihar and Bombay and has been attributed partly to increase in acreage, and partly to favourable climatic conditions at the growing period of the crop.

The aforesaid output of mesta for 1956-57, together with the production of 4.22 million bales of raw jute, places the total supplies of raw material from India at 5.69 million bales, as against 5.30 million bales in the previous year. The stocks with mills at the beginning of the season aggregated 1.02 million bales. The imports of raw jute from Pakistan during the first seven months of the current season amounted to about 380,000 bales. As against these supplies, the total estimated consumption by mills in India during the current season is estimated at 6.2 million bales.

It will be recalled that the high level conference of the representatives of the Government of India and the jute industry held in Calcutta recently discussed, among other things, the mills' requirements of different qualities of jute, their availability within the country and possibilities of augmenting supplies of each variety in an appropriate order of priority. The conference also discussed the policy governing the acreage to be planted with mesta in relation to the total estimated demand for raw materials of the industry in 1960-61. It is stated that the consumption of mesta by mills is steadily growing. It is feared in some circles that the growers will switch over from production of jute to mesta in some areas, in view of the lower cost of production of mesta. The area under mesta production can be more widely distributed, because it can be grown under different climatic conditions, so that the shortfall in output in one area due to adverse weather can be made good by the larger supplies from other areas. It can also be grown in a shorter period than jute. Further, the quality of mesta has been improved considerably in recent years, so that it can very usefully supplement raw jute in production of jute goods. It, cannot, however, completely replace raw jute, as the latter has its own advantages and high quality jute is required for producing certain varieties of jute goods. It is true that India is dependent on Pakistan for the minimum quantity of high grade fibre used in the manufacture of bright hessian. But the difficulty of obviating this dependence is not in-

(*Continued in previous column*)

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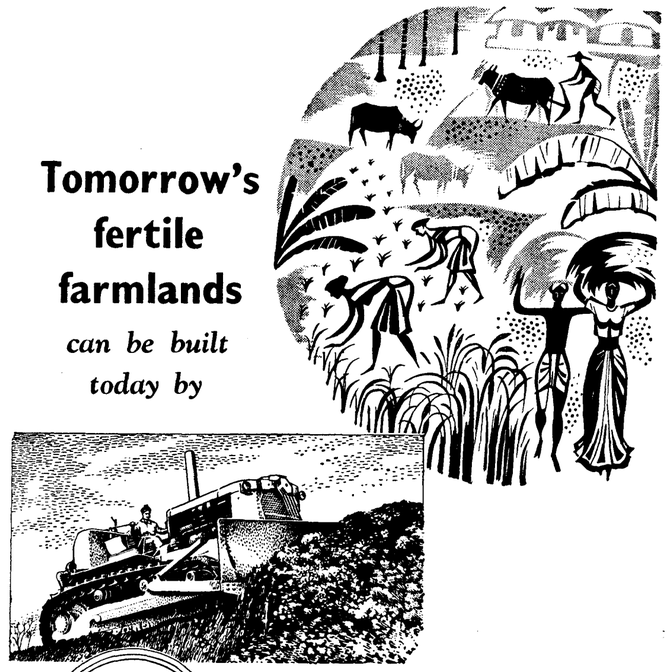
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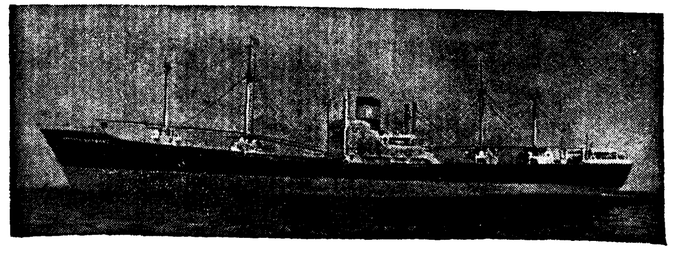
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PROBLEMS OF NON-FERROUS METALS INDUSTRIES

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NON-FERROUS metals manufacturers can look upon the first Plan period with considerable satisfaction on account of the fact that the industry's performance during the period, as Mr. P. R. Kamani, President of the Indian Non-Ferrous Metals Manufacturers' Association pointed out, has indeed been "creditable." In his presidential address to the annual general meeting of the Association held last week in Calcutta, Mr. Kamani observed that during 1951-56 the production capacities and actual output of the non-ferrous metals industries showed an all-round improvement. Quoting figures to substantiate the claim, he pointed out that production of copper last year was an all-time record. Monthly production of aluminium reached its peak in 1956. Production of copper, aluminium, lead and antimony was estimated at 7,628, 6,500, 2,496 and 589 tons respectively. Mining operations in lead and its subsequent smelting have also made rapid strides during the past five years and the expectation was that production of zinc and lead will increase considerably in the immediate future.

Non-ferrous metals manufacturers, Mr. Kamani pointed out, are aware of the important role they have to play in the fulfilment of the Plan. The growth of the industry has been in a large measure due to the liberal policy of the Government in the import of virgin and scrap metals. The country, he suggested, should continue to import such metals, despite the difficult foreign exchange situation in order to ensure an adequate supply. Another aspect of the question of metal self-sufficiency to which Mr. Kamani drew pointed attention was the desirability of ensuring an adequate stockpile of metals in the country with the Government or with private individuals. The U.K. and the U.S. have shown how stocks could be built up whether for strategic or civil purposes and how valuable they were in times of scarcity. Mr. Kamani was doubtful if measures could immediately be taken to facilitate large build-up of metal stocks in the country. But he urged that the policy should be such as would facilitate a free building up of stocks by the trade. The Government of Japan, Mr. Kamani pointed out, has participated financially in companies formed among the industry and the trade to purchase and sell in a manner which would help the free inflow and outflow of the metal, and ensure adequate metal stocks in the country. Explaining the Government's stand on this point, Mr. Manubhai Shah, Minister for Heavy Industries who also addressed the meeting, pointed out that though it was desirable to have sufficient stocks, in view of the difficult foreign exchange situation, it was "incongruous" to think of large-scale stockpiling of non-ferrous metals.

Forward Market in Metals

Regular inflow of metals into the country, Mr. Kamani said, will be accelerated by the existence of a properly constituted forward market in metals and to this extent he welcomed the steps now being taken by the Forward Markets Commission to regularise the rules of the Bombay Metal Exchange and give it official recognition. He expressed the hope that in doing this, the Commission would give its earnest consideration to questions such as the desirability of making contracts of the Exchange of the transferable specific delivery type, the enforcing of a system of security deposits, the regularising of membership categories and membership strength on the Exchange, the desirability of having a machinery for quick and effective settlement of disputes, the laying down of proper procedure for emergency clearance and adequate representation to manufacturers on the executive committee of the Exchange. These steps, he emphasised, would, however, be no substitute for adequate prospecting and exploration of the country's resources. Such investments have in the past proved productive of results and with intensified activity in the same direction, dependence on imported raw materials must increasingly diminish.

Metal self-sufficiency, which all these steps must jointly ensure, is ultimately in the interest of the user industries which draw on primary metals and scrap for their raw materials. This section of the industry has made rapid strides in the past and is fast expanding. But in some branches, particularly rolling of sheets and rods as also of alloys and castings, there is the problem of excess capacity. In these, the problem is one of re-conversion into lines of work which have a comparatively ready demand. While the import policy has generally been very helpful in the utilisation of indigenous capacity, there is still need for effecting modifications in it in the light of later developments in the industry. As an instance, Mr. Kamani pointed out that there is no need for importing items such as brass rods, bronze rods, brass and bronze wires and aluminium foils. He did not suggest that import control should be introduced in respect of items which are only experimentally manufactured. But he averred that at a time when foreign exchange difficulties are acute, materials which are being manufactured here should not be allowed to be imported. It would be of some relief, Mr. Kamani held, to the non-ferrous rolling industry if some of its units were permitted to re-equip their mills for rolling of aluminium, thereby enabling utilisation of surplus capacity. Replying to this point, Mr. Manubhai Shah pointed out that as the development of certain engineering industries depended largely on the receipt of regular supplies of raw materials, the Government had to be somewhat liberal in allowing imports so as not to handicap the consuming industries.

With the expansion of industries under the public sector, the demand for non-ferrous products is bound to increase. Mr. Kamani suggested, therefore, that it would be desirable if the Development Wing of the Ministry of Commerce and Industries were able to assess the prospective demand for the products turned out by this sector, as a guide to the industry. He was also of the view that the Government should permit export of such exportable items as semi-manufactures of copper, and all tin, lead and antimony alloys.

Stores Purchase Policy

As regards the stores purchase policy of the Government, Mr. Kamani observed that it had been of considerable help to the industry in the past and hoped that with the progressive implementation of the recommendation of the Stores Purchase Committee, it would be more helpful in future. He urged the Government that in planning orders abroad, components which are capable of being manufactured within the country should be taken into account so that indigenous manufacturing capacity could be properly utilised. This, he continued, was of particular interest to manufacturers of alloys and castings who find that large orders for wagons and coaches placed abroad might deprive them of the demand for their own products such as axle boxes and bearings. He also pleaded for adequate co-ordination of the production of the civil sector of industry with that of the ordnance factories in order to avoid wasteful competition between the two.

Addressing the gathering, Mr. Manubhai Shah stressed the need for establishing smelting and metal producing units within the country even if these required use of imported ores. He explained that production of metals from imported ores was always more profitable than continuous import of metals. In respect of zinc, copper, lead, tin and antimony, he said, it was possible through trade agreements with countries possessing these ores to import them to India with a view to setting up production plants. But this should be considered, as the Minister rightly suggested, in the light of the electricity and power generation programme in India.

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WORLD SHIPBUILDING

Lloyd's Register of Shipbuilding returns indicates how the world's yards have been getting busier every year, thanks to the unprecedented and growing demand on shipping space in the past few years. There were 1,598 vessels aggregating 8,381,697 gross tons under construction in world's yards as at the end of March 1957, showing an increase of 316,629 tons, as compared with the figure for the end of 1956, which itself had shown the substantial increase of 616,000 gross tons over the figure for the previous quarter.

Ships under Construction in World's Yards

As at 31st Dec.	No. of ships	Gross tons
1950	1,169	4,818,753
1951	1,212	5,494,065
1952	1,179	6,118,585
1953	1,136	6,294,876
1954	1,169	5,854,247
1955	1,452	6,612,641
1956	1,575	8,065,068
1957 (31st March)	1,598	8,381,697

A country-wise analysis of the tonnage under construction as at 31st March 1957 shows that Japanese shipbuilding activity has continued to expand while that of Britain has been decreasing. Japan increased the tonnage under construction in its yards by 69,645 tons to 1,433,835 tons over the quarter, while that of Britain decreased by 48,956 tons to 2,086,262 tons. Japan continued to lead world output with 586,545 tons launched and 481,172 tons completed during the quarter, as compared with 224,945 tons launched and 349,303 tons completed in Britain. The loss in output due to shipyard strike in Britain during the latter half of March is assessed at about 60,000 tons. As at 31st March, the Indian shipyards had under construction 12 ships aggregating 26,530 tons, five of which were motor ships of between 4,000 and 6,000 tons each and the rest small ships each under 1,000 tons, and aggregating 2,303 tons. There were also for registration in India, seven vessels of 35,450 tons under construction in foreign yards.

The total tonnage under construction in the world for countries other than the country of build amounts to 3,357,909 tons, of which 27.9 per cent. is being built in Japan, 17.2 per cent. in Germany, 14.0 per cent. in Great Britain and Northern Ireland, and 9.3 per cent. in Sweden. The countries "importing" the largest amounts of new tonnage are: Liberia (1,051,063 tons), Norway (566,844 tons), and Panama (530,573 tons), and the countries making the largest additions to their existing fleets are U.K. (1,785,745 tons), Liberia (1,051,063 tons), Norway (856,380 tons), Panama (530,573 tons), Japan (496,625 tons), the Netherlands (478,696 tons), Italy (439,175 tons), France (398,506 tons), and United States of America (361,990 tons). Oil tankers under construction in the world amount to 277 ships of 3,729,134 gross tons (116 steamships of 2,414,405 tons and 161 motor ships of 1,314,729 tons), which is 285,735 tons more than the previous quarter, and represents 44.5 per cent. of the total tonnage under construction in the world.

ENGINEERING EXPORT PROMOTION COUNCIL

Reviewing the activities of the Engineering Export Promotion Council, Mr. K. L. Chowdhury, the President of the Council, observed the other day at Calcutta that in spite of enormous difficulties the Council had been doing good work in promoting export of engineering goods. Sending trade delegations, organising exhibitions and opening of showrooms and offices in foreign countries were some of the methods adopted by the Council in popularising engineering goods. As a result of these measures many products exported from India have come to enjoy a reputation in foreign markets and the Council had been receiving regular inquiries from almost all neighbouring countries. It has also succeeded in getting over the reluctance of some manufacturers in this country and has made them export-minded to some extent. The Council had been carrying on surveys of various items of engineering goods and exploring the possibilities of their export to foreign countries. Besides, it had been conducting market surveys in different countries with a view to ascertaining the scope of exports to them. The Council was also collecting statistics regarding the export of engineering goods.

Mr. Chowdhury listed non-availability of pig iron and steel, lack of shipping space, high freight rates, competitive markets and prejudice of foreigners against Indian products as some of the main difficulties the Council had been experiencing in its attempt to develop export trade. The endeavours in overcoming some of these difficulties having proved fruitful, the Council proposes to make more vigorous efforts in the direction. Mr. Chowdhury said that during the current year, the Council would send two delegations to foreign countries—one to the Middle East countries and the other to Indo-China, Malaya, Singapore, the Phillipines, and Hongkong. It has also decided to send two groups of technicians to Japan and Western Europe with a view to making an on-the-spot study of various methods adopted by those countries to promote the export of their products.

NEW PRODUCTS AND PROCESSES

Device to Prevent Plane Collisions

A DEVICE to prevent airplanes from colliding while in flight is being developed by the Collins Radio Company of Cedar Rapids, Iowa, in the United States. The electronic device, called a "collision detection and avoidance" system, will not be ready for use until 1959. Meanwhile, the company has proposed the manufacture of interim equipment which would warn pilots of nearby planes. Based on radar, it would show the presence of aircraft ahead, behind, to the right or left, and above or below. Further development, expected to require considerably more research, would produce a device that would automatically determine if a nearby aircraft is on a collision path and advise the pilot of the necessary evasion action to take. The Iowa firm said recently that the first device—a proximity warning indicator—will be available to airlines early in 1958. The "collision detection and avoidance" equipment is to be ready the following year.

Miniaturised Nuclear Reactor

A miniaturised low-cost atomic reactor which is small enough to fit into any school, industrial or medical laboratory has been developed by Atomics International, a United States firm which specialises in development of the peaceful uses of atomic energy. According to Dr. A. B. Martin of Atomics International, the availability of this safe, simplified, low-cost reactor will open the door to widespread study and development in the nuclear field. The Laboratory Reactor is expected to do for the nuclear science field what the Model T Ford automobile did for the automobile industry. The reactor operates at a power level of 5 watts, and provides sufficient radiation for important studies in the engineering, biological and medical fields. It uses uranyl sulfate in a water solution for fuel and is housed in an 8-foot tank filled with ordinary water. Priced at $55,000, the reactor can be constructed, installed and ready-to-run at any location in less than six months, the manufacturers say.

Plant Growth Stimulant

Scientists of the United States Department of Agriculture (U.S.D.A.), working with a substance that induces amazing plant growth, are seeking to make their research work of practical application to world agriculture. The substance which has brought remarkable acceleration in plant-height growth—gibberellic acid—achieved these results with a number of plants on which it was used in a broad scope of experimental tests at U.S.D.A.'s Agricultural Research Centre at Beltsville, U.S.A. The researchers are now continuing their work in efforts to apply gibberellic acid's amazing power with benefit to agriculture in various ways. Preliminary studies at Beltsville show that gibberellic acid may have great potentialities for increasing rates of growth and, possibly, the productiveness of a wide variety of crop plants. Strangely, work with it to excite greater growth in plants is the result of original efforts to eliminate its restraining effects on the yields of rice grain in Japan.

Electronic Photograph Printing

A system which will inspect photographic negatives electronically and then automatically produce contact prints in which the variations of density in the original negative have been adjusted to give a uniform contrast is going into production in the U.K. The advantage of the system lies in the fact that it can be used to produce clear uniform contact prints of aerial photographic maps, of photographs, of blueprints, or industrial equipment, or of other commercially important photographic negatives when the original negative is partially fogged, or otherwise unclear. The operation of the system depends on the scanning of the negative by an electron beam which feeds the details of the original picture into a control unit. This control unit then reduces the density of each spot on the negative so that it matches up to produce a uniform suitably adjusted contact print.

Electronic "Mind"

A new type of electronic computing machine, which considers information given to it and then makes up its own "mind" in solving the problems presented to it, has been demonstrated in the United States by the Westinghouse Electric Corporation. The electronic "mind" was designed to control chemical processes too complicated for human operators to handle. The machine works at the problem by trial and error rather than solving equations as most electronic computers do. The machine tries one answer to a problem in control and if that does not work it tries another. Once it has the best answer to the problem it deliberately makes small mistakes in order to check its own performance and make sure that it really has the best answer.

Tiny Cooling System for Jets

A jet-powered refrigeration unit whose working parts can be packed into a ladies' handbag has been developed by the Carrier Corporation in the United States. It will be used in the air-conditioning system of the Douglas Aircraft Company's new DC-8 jet airliners, which have been ordered by a number of commercial airlines. Two of these units, each one powerful enough to cool seven average-size homes, will be installed in the new Douglas jet planes. The units have been designed to meet rigid requirements for substantial weight reduction. Each one weighs less than the average male airline passenger, the Carrier Corporation says.

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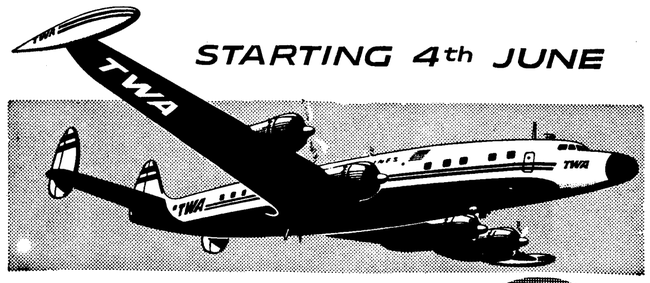

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PROTECTION OF THE UNEMPLOYED

HOW IT IS ENSURED IN YUGOSLAVIA

THE efforts of economic enterprises to raise production results invariably surplus manpower. There is then a tendency to retrench this surplus labour which affects mainly the workers and employees with lower qualifications. However, this does not mean in Yugoslavia today that enterprises are free to dismiss workers unrestrictedly. On the contrary, in the majority of cases, the approval of the appropriate organs over the enterprises must be sought before serving notice terminating employment.

Where a worker or employee loses his job through no fault of his won, he is protected by social and economic measures designed to ensure re-employment to the individuals seeking it and material protection to those who are unable to find new employment immediately. The economic organisations, the State organs and the individual employers in Yugoslavia are required to notify the labour exchange offices about such dismissals and the vacancies occurring thereby.

Rights of Unemployed Persons

Temporarily unemployed persons enjoy material protection. Guaranteed to them is relief in the form of monetary compensation, transportation at reduced fare to the places where they might find employment, health protection for themselves and members of their families, a permanent children's allowance. The period of unemployment is recognised in the case of such individuals as part of their regular work record for the realisation of health protection and children's allowance, etc. Only the right to pension is excluded here; such a period is not counted with the statutory periods governing qualification for pension payments. The social insurance contribution of unemployed persons is paid by the labour exchange. These same rights also apply to apprentices and the pupils of industrial schools.

Relief is payable only to those workers and employees who are registered with the labour exchange and amounts to 50 per cent. of their last earnings or salary rate. This is payable to those individuals only who until the termination of employment had been employed for at least one year without interruption or 18 months with interruption during the two years preceding such termination.

Certain restrains, however, are applicable. Relief is not payable to a worker or employee who is living in a household the aggregate income of which suffices for his upkeep too. Where such income is less, the relief may vary from 75 per cent. to 25 per cent. of the regular amount thereof.

After paying relief for six months, the labour exchange may direct a worker or employee to a job which does not correspond to his qualifications, but which may only be one grade below the level of his qualifications. If the medical commission of the social insurance office should establish, though, that such an individual is not fit to accept such a job, payment of relief is continued.

In cases where the labour exchange finds employment for a worker or employee in another locality, or where the individual has done so himself, he has the right to reduced fare or free transport to such a locality for himself and the members of his family, as well as to free removal of his belongings.

Registrations in Labour Exchange

In 1955, an average of 8,422 persons, or 12.53 per cent. of the total number registered at the labour exchange, were benefiting by relief payments every month. The corresponding percentage for 1953 and 1954 were 11.60 per cent. and 8.39 per cent.

The employment exchange authorities have been able to find re-employment for a large number of unemployed within a relatively short time. For example, of the total workers and employees who have been benefiting by this right, only 3,480 or 4.6 per cent. received such relief for longer than one year, while 46.129 of the total 76,121 beneficiaries from 1st April 1952 to 31st December 1955 received such payments for less than three months.

During 1955, the right to transport at reduced fare was utilised by not more than 1,534 persons. An average of 690 dinars per person was disbursed for the purpose, which shows that shorter trips had been involved. The number of beneficiaries of reduced-rate or free transportation has been gradually declining, indicating that the labour exchange offices have been finding openings for re-employment within their own territories.

Again, during 1955, children's allowance was being paid to an average of 3,964 workers and employees per month. The total amount thus disbursed—241,235,230 dinars—almost equalled that paid towards relief benefits, which reflects favourably on the average benefits granted to unemployed individuals till they can find a new job.

EUROPEAN PRODUCTIVITY AGENCY ON AUTOMATION

The complicated problems presented by automation, with its far-reaching social consequences, cannot be dealt with entirely by technicians and economists. Workers' and trade union participation in the study and solution of the problems is indispensable. This is one of the main points emphasised in a report (*About Automation*, by Pierre Liénart and Serge Colomb. Can be obtained by writing to the Trade Union Section, E.P.A., 3, rue André Pascal, Paris, 16ème. Price: 150 Fr. francs) published by the Trade Union Section of the European Productivity Agency.

The report is published as part of the follow-up programme to the trade union seminar on automation held in London in May 1956, on the initiative of E.P.A. The publication is intended to give trade unionists an overall picture of the technical and economic aspects of automation and the particular problems it presents to trade unions. The conclusion of the report is as follows:

"Only in an expanding economy can the introduction of automation, with its undeniable technical and economic advantages, be considered without fear. The extension of automation must be carefully planned to prevent a state of anarchy developing on the production side, for this would have disastrous consequences for both workers and industry. This planning must not be left entirely to the technicians. Satisfactory and permanent solutions to the problems arising from automation will be found only if the support of labour is obtained by the offer of effective guarantees. These can be given only if labour has the means of effective intervention wherever automation causes structural changes in the firms introducing it. Technical discoveries may be considered as real progress only in so far as they bring to man new means of ensuring his full development and his economic fulfilment."

EMPLOYEES' PROVIDENT FUND

The Government of India has decided to raise the limit of eligibility to the membership of the employees' provident funds to Rs. 500 per mensem, inclusive of dearness allowance and cash value of food concessions. The decision will take effect from 31st May 1957.

Under the existing provisions of the Employees' Provident Funds Scheme, 1952, an employee drawing more than Rs. 300 per month as basic wage is ineligible to become a member of the Fund, although employees who became members while getting a lower wage continue as members, even when the basic wage exceeds the limit of Rs. 300 per mensem. The Employees' Provident Funds Act 1952, which applied only to factory industries, was amended by Parliament in December 1956 to empower the Government to extend it to non-factory establishments also. The Act has since been extended to cover plantation employees. The scheme covers over 2 million workers employed in 4,500 factories in India.

LABOUR WELFARE DIPLOMA

The next diploma course of the Institute for Labour Welfare Workers, Bombay, will commence from 1st July 1957. The course, which is of two years' duration, is designed to give theoretical and practical training to persons aspiring to be social welfare or labour leaders, labour welfare officers or personnel officers in factories. Diplomas will be awarded to candidates declared successful in the examination to be held after the completion of the course and this diploma is recognised as a requisite qualification for the posts of welfare officers in Bombay State and several other States. The minimum qualification for admission to the course is the intermediate arts, science or commerce. Preference will be given to those having higher qualifications or experience in labour work. Applications for admission to the course are to be made in the prescribed form and should reach the Principal, Institute for Labour Welfare Workers, on or before the 30th inst.

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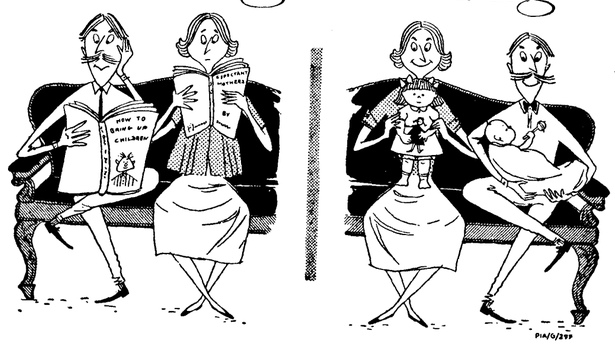

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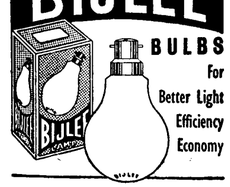

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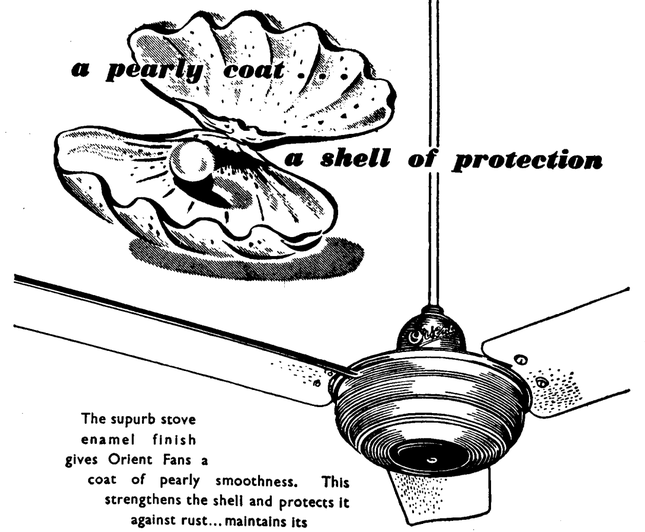

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FIFTY-NINTH ANNUAL GENERAL MEETING

MR. C. R. SRINIVASAN ON SUGAR INDUSTRY'S ROLE IN THE COUNTRY'S ECONOMY

THE Fifty-ninth Annual General Meeting of the East India Distilleries and Sugar Factories Ltd. was held in Madras on 30th April 1957. Speaking on the occasion, Mr. C. R. Srinivasan, Chairman of the Company, said that the sugar industry had made a promising start in finding an export market for its output, and added that, if only the Government were to take note of the export potential and the need to build it up in all possible ways, the sugar industry, besides safeguarding its own economy, was destined to play an important part in the balance of payments position of the country.

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

"Last year, when I had the privilege of addressing you for the first time, as Chairman of the Company, I indicated to you in broad outline the shape of things to come, following the merger of Parrys with E.I.D. Now that I have the opportunity of addressing you again, you will no doubt be interested to know what progress we have made in the objectives set out. The E.I.D. is now a director-managed concern, with a majority of Indians on the Board. You will remember that at the time the merger proposals were placed before you, only myself and Sri V. Ramakrishna were on a Board of five, the other three being Messrs. Wonfor, Noel-Tod and Hadfield. The Board invited two distinguished Indians, Dr. U. Krishna Rau and Sri R. Venkataswamy Naidu, to join the Board and I may take this opportunity to record how much we valued their co-operation and goodwill, their knowledge and understanding of the problems that came for assessment at the Board level. May I also take this opportunity of recording my appreciation of the spirit of loyalty and sense of duty that uniformly characterised my British colleagues on the Board who were all in executive charge and entrusted with the responsibility of implementing the decisions of the Board. I have nothing but praise for the way the Directors on Parry Board also responded to their call. The Parry Board all along has been a close preserve of senior British executives, but today we have two Indian nationals on the Board and I have no doubt that in due course more Indians will find their place on it.

Recruitment to Covenanted Ranks

"It is the accepted policy of the Company that other things being equal, Indian nationals will have preference and priority in recruitment to the service cadre of the Company. It is also the policy of the Company to have these recruitments to the covenanted ranks by open competition. For the first time posts were advertised and applications invited towards the close of last year and, I may confess, I was amazed at the thousands of applications that came pouring in. From a study of these applications two things emerge, viz., that there is plenty of qualified talent in this country waiting for openings and opportunities and that service in Parrys set-up is greatly coveted even by men already in service elsewhere. My only regret is that we are not in a position yet to make fuller use of the abundant talent available. Of those who are in the service of the Company today, it is but right that I should record that I have found them in good fettle, eager and willing to give of their best, especially in the new set-up.

"And now let me turn to the report and the accounts for the year ended 30th September 1956. These have been in your hands for the statutory period and, with your permission, I shall take them as read. I regret very much that these accounts are submitted to you later in the year than has been done in the past. The delay, however, has been quite unavoidable. It has been largely occasioned by this being the first time that consolidated Group accounts have been furnished and the preparation of accounts in this form has necessarily had to be done with great care. Also, the provisions of the Indian Companies Act 1956, regarding the charging of expenses by a managing agent to managed companies, have delayed the finalisation of the accounts of our subsidiary, Parry and Company, Ltd. To enable the Directors of Parry and Company, Ltd., to formulate an equitable assessment of the amounts of overheads, etc., that should correctly be charged to the managed companies, an elaborate system of recording through time sheets, the time spent by each member of the staff on the affairs of each company in the Group was introduced. The consolidation of the information made available by these time sheets took some time to complete, but in order to comply with the spirit and the letter of the Indian Companies Act it was quite essential that this additional work should be undertaken. Having now accumulated reliable statistics, I expect, it will not be necessary in succeeding years to undertake this work in such detail and I, therefore, hope that it will be possible to issue the accounts for the current year well before this time next year. You are, of course, aware that in order to ensure that dividends were paid within the fiscal year ended 31st March 1957 your Directors declared a second interim dividend of 10 per cent. in anticipation of these accounts being adopted and thereby shareholders have been saved the embarrassment of the final dividend being paid the next fiscal year.

New Facet

"The operations of the year have been fully reviewed in the Directors' report and there are only one or two points I should like to refer in this context. You would have noticed with interest that the sugar industry has developed a new facet with the emergence of an export market due to fortuitous circumstances. Part failure of the beet crop in Europe and the closure of the Suez Canal created a shortage of sugar supply in the Middle East which it was possible for India to cover at remunerative prices. Exports are being handled through the agency of the Indian Sugar Mills' Association, on a non-profit basis. Such profits as are made are carried over to a reserve, with a view to balancing any loss that may be incurred in the future in the maintenance of the export market. So far, firm orders to the extent of about 86,550 tons have been booked and shipments in substantial measure have already commenced according to an agreed schedule. Further orders are expected and the Government of India, I understand, are agreeable to release stocks for export and they had no idea of imposing any rigid limits in this respect. In hammering out the export scheme and giving it dynamic expression you will be glad to know that Mr. P. Hadfield, Deputy Managing Director of this Company, played a notable part as Vice-President of the Indian Sugar Mills' Association. Our Group has not yet sold any sugar for export. This is understandable against the background that South India is still deficient in sugar and it is easier to negotiate freight at the two ports, Bombay and Calcutta, from which exports are now made. But the value of this offtake by means of exports cannot be overlooked or underestimated in sugar economy.

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"Today there is an all-India surplus in production, supply outpacing demand. This, no doubt, is a heartening reversal of the position three years back when sugar had to be imported to relieve shortage in the country. In 1954-55, the total production of sugar in the country was 15.89 lakhs of tons; in 1955-56, it moved up to 18.56 lakhs of tons; in 1956-57, it is estimated production will touch 20.2 lakhs of tons. Besides expanding production, we have also a carryover of well over 5 lakhs of tons. The present pace of consumption is rated at 19 lakhs of tons and at the end of the Planning period it is expected this may move up to 22.5 lakhs of tons. At the same time, with new sugar mills progressively coming into production during the Plan period and several of the old ones expanding their crushing capacity the total production in the country is expected to reach up to 25 lakhs of tons at the end of the second planning period. If sugar economy is to be protected, obviously, apart from expanding internal consumption a regular outlet by way of export has to be created, developed and maintained. By good luck we have made a promising beginning and if only Government will take note of the export potential and the need to build it up in all possible ways, I believe the sugar industry, apart from safeguarding its own economy, is destined also to play an important part in the balance of payments position of the country. Before leaving this subject, may I crave your indulgence to correct a misstatement in the Directors' report. In the last para under the heading 'sugar' in page 6 of the report the closing sentence says that the export target at the end of the second Five-year Plan has been fixed at 2,500,000 tons. This is obviously a mistake, the figure refers to the total production target.

Fertiliser Production

"You will also have observed that in the report mention is made of the substantial increase in fertiliser turnover. The turnover in fertilisers during the period under review amounts to just under two crores of rupees, equivalent to £1½ million sterling, and that of chemical imports to 61 lakhs of rupees, equivalent to 457,000 pounds sterling. Business in these lines bids fair to increase in the coming years as people in the agricultural sector are getting fertiliser-minded and it is the policy of the Government to increase food production by extensive as well as intensive cultivation. With a view to simplifying and streamlining operation and control of the Group's factory at Ranipet where the major part of our fertiliser manufacture is carried on, the transfer of Parry's interests in the fertiliser business to East India Distilleries and Sugar Factories Ltd. has just been completed and, in addition, it is proposed to set up another factory at Bezwada to which I shall refer in greater detail presently. It is obvious that a turnover of this magnitude, running into millions of pounds, will require careful consideration of our cash and credit resources. On the basis of our present capital and reserves it seems to me our credit resources are fully extended and it would be unwise to base our further expansion programme on such additional banking facilities as may be available to us. Your Directors are now exploring various alternatives by which further capital can be introduced into the Group and we shall come forward presently with proposals to this end. In this context, it may be just as well to correct a possible misapprehension arising from the acquisition of Parry's equity shares. Although the total cost of cash for the purchase of the Parry ordinary shares amounted to £558,000, the actual net outgoing of cash from the Group on this account is £204,000 only. This is because £225,000 of the outgoing amount was immediately used by the main sellers, the Coromandel Investment Trust Ltd., to purchase the E.I.D. shares then held by Parry & Co., Ltd., and they also agreed to accept deferred payment in respect of £144,000, balance of the purchase price. Of this amount of £144,000 for which deferred payment over five years was agreed, a first instalment of £15,000 only has just been paid.

Results of the Year

"Turning to the results of the year, I would like to stress that the accounts of our two main subsidiary companies, Messrs. Parry & Co., Ltd., and Messrs. Parry Murray & Co., Ltd., are for nine months only, but it is most satisfactory to note that for these nine months they have recorded profits on a par with their results for the previous twelve months, which confirms the view taken by your Directors 18 months ago on the profitability of acquiring the ordinary capital of these Companies. If we convert these figures to a basis of twelve months and if we reduce the taxation charge by the sum applying to previous years, we find that the net profit after taxation would have been increased by some £60,000 and that our present dividends would be covered three times by earnings. On the basis of a full year's income, the figures for 1956 show that the purchase price of ordinary shares in Parry & Co., Ltd. (on an annual basis of 22.4 per cent.) works out to less than five years' yield on these shares. I may also make a reference to the amount of taxation paid on the Group profits for the year under review, as set out in note 3 of page 18 of the report and accounts. The total amount of tax represents the very high figure of about 56 per cent. of the profit and of the total amount of taxation, £66.223 consists of additional taxation imposed by the Indian Finance Act, 1956, and the Indian Finance (No. 3) Act, 1956. This sum represents 13 per cent. of the profit or, viewed in another way, 12 per cent. on the ordinary capital. I feel, therefore, that it may be recorded as a matter for satisfaction that, in spite of the burden of this upsurging in taxation, your Directors have been able to maintain a total dividend of 15 per cent. on the ordinary share capital. To what extent the burden of taxation may be varied during the current year is, of course, dependent on the contents of next month's budget and I cannot, therefore, venture on any forecast, but the figures I have quoted will establish beyond doubt or dispute that private enterprise, rightly directed, will prove a bulwark to our national economy.

Prospects for Current Year

"Turning to the prospects for the current year, I am glad to say that progress is well maintained in all directions. It is common knowledge that import restrictions have progressively been tightened in recent months. To the extent that the policy is dictated by a desire to protect indigenous industries we may take comfort that the trading activities of Parry & Co., Ltd., will not be seriously affected, as in Parrys' sales agency portfolio we hold a high proportion of goods of Indian manufacture. The major items in the import agencies that we hold are essential commodities, such as sulphur, phosphates and plant for generation of electricity, in respect of which, I expect, restrictions will be relaxed. Incidentally, shareholders will be interested to learn, in connection with the last item, that over the past eighteen months Parrys have obtained orders for the Diesel generating equipment manufactured by Messrs. Mirless Bickerton and Dey Ltd., of Stockport, to a total contract value of just under two crores of rupees, or very nearly £1½ million. These orders include about 6,000 kilowatts of power for the Koyna Project in Bombay, 6,000 kilowatts of power for the construction of the Russian Steel Plant at Bhilai in Madhya Pradesh, and over 20,000 kilowatts for the Delhi State Electricity Board. It must, however, be recognised that the general exchange position has sadly deteriorated and its shadows have begun to fall even in respect of capital goods. Unless long-term credit facilities from overseas manufacturers are forthcoming, exchange restrictions, I am afraid, will affect the flow of orders in respect of capital goods. It may be possible to arrange medium-, if not long-term credit, if the Government can find ways and means to guarantee exchange rates. I understand the Government are considering at the moment representations to this effect from concerned interests and I hope that the problem posed will be resolved soon.

"Apart from the direct activities I have so far referred to, you are aware that Parry & Co., Ltd., perform the duties of the Managing Agents for three companies, the Deccan Sugar and Abkhari Company, Ltd., the Travancore Sugars and Chemicals Ltd., and Parrys Confectionery Ltd. You will be glad to hear that all these companies are in good shape and have maintained their dividends. In respect of the Deccan Sugar and Abkhari Company, Ltd., you will be interested to know that the Company is at the moment engaged in a programme of modernisation and reorganisation of its factories at Samalkot and Pugalur which will considerably improve the efficiency of both units. The Company is issuing 398,400 shares at par, totalling approximately twenty lakhs of rupees which, I expect, will easily be taken up by the shareholders having regard to the record of the Company in the past and current market quotations for these shares.

Cauvery Sugars and Chemicals

"Last year, the Cauvery Sugars and Chemicals Ltd. was promoted with the goodwill and co-operation of the East India Distilleries and Sugar Factories Ltd., and Parry & Co., Ltd. Capital issued was of the order of 49 lakhs and the entire issue was underwritten. Orders have been placed for the requisite machinery and the factory is now under construction. The factory is well located at Pettavathalai in Kulittalai Taluk, Tiruchirapalli District, as good quality cane in sufficient supply is confidently expected to be available. The capacity of the factory is 800 tons of cane per day. The East India Distilleries and Sugar Factories Ltd. have been appointed Technical Consultants and Parry and Co., Ltd., are the Secretaries and Treasurers. The main reason which prompted our association with this new company is the desire to have a common selling organisation which will not only operate economically but also ensure a fair margin for the production of the Nellikuppam Factory, Pugalur Factory and Cauvery Factory. The new factory is expected to go into production in June-July next year.

"Earlier, I referred in another context to our intention to set up a factory at Bezwada for fertilisers to cover the needs of the Krishna and Godavari Delta. This Company (Andhra Fertilisers Private Ltd.) in which the East India Distilleries and Sugar Factories Ltd. will be equal partners with Messrs. K. C. P. Ltd., will shortly be formed. It is proposed to establish a superphosphate manufacturing unit, for which Government approval has already been obtained. The sales franchise of this new company will be exercised by the East India Distilleries and Sugar Factories Ltd. I don't think I need say anything more about the value or importance of this unit, intended as it is, to enable us to improve our coverage in Andhra in respect of fertilisers.

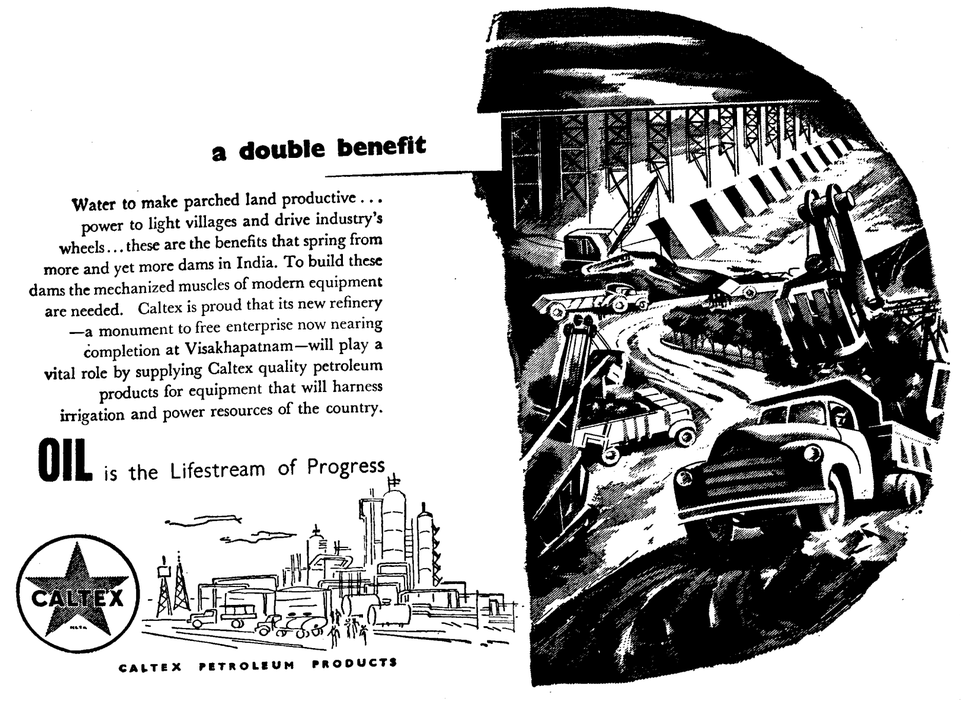
Starch Production

"One other company that we propose to interest ourselves in is the Pamba River Starch Company Private Ltd., in which the East India Distilleries and Sugar Factories Ltd. will be an equal partner with Messrs. Corn Products Ltd. and Messrs. Travancore Sugars and Chemicals Ltd. The object of the Company is to manufacture from tapioca roots a high grade starch principally for the export markets. We are holding up the integration of the Company pending clarification of the conditions under which companies may be required to deposit a part of their reserves with the Government, pending also the issue of an import licence for the plant required and, finally, pending a clarification of the policy of the present Government of Kerala on the issue of nationalisation.

"I shall now revert to the report and accounts placed before you; before proposing the adoption of the report and accounts for the year ended 30th September 1956, I shall be glad to answer to the best of my ability any questions which any shareholder may wish to put to me concerning the report and accounts.'"

The Directors' report and the accounts for the year ended 30th September 1956 were unanimously adopted. Mr. R. Venkataswamy Naidu and Mr. P. Hadfield were re-elected to the Board, and the Auditors, Messrs. Lovelock and Lewes, were reappointed.

N.B.—This does not purport to be a report of the proceedings of the general meeting.



PUNJAB NATIONAL BANK LIMITED

MR. S. P. JAIN'S REVIEW OF ECONOMIC TRENDS

COMMERCIAL BANKS SHOULD EXPAND THEIR ACTIVITIES IN RURAL AREAS

THE view that commercial banks have to organise themselves to collect money from unorganised sectors and supplement their deposits through other facilities was expressed by Mr. S. P. Jain, Chairman of the Punjab National Bank Ltd., in the course of his speech at the One Hundred and Tenth Ordinary General Meeting of the Bank held in Delhi on 27th April 1957. In this connection, he added that banks had to expand their activities in the rural areas either directly or through the agency of subsidiary or small banks. The success of this effort would depend to a large extent on the policy and support of the Government of India and the Reserve Bank.

The following are extracts from Mr. Jain's address:

"GENTLEMEN,

"I extend to you all a hearty welcome to the one hundred and tenth ordinary general meeting of the Bank.

"The past year has been one of outstanding progress for your Bank with profits, deposits, advances and foreign exchange business touching new peaks.

"The accounts show a profit of Rs. 90.20 lakhs, including Rs. 2.35 lakhs brought forward, as against a profit of Rs. 69.40 lakhs in 1955. This profit has been arrived at after provision for contingencies. After transfers—Rs. 27.5 lakhs to taxation, Rs. 27.5 lakhs to reserves, Rs. 13 lakhs for bonus to staff, Rs. 2 lakhs for gratuity to staff and charity—the Board has proposed a final dividend of Rs. 2 per share in addition to the interim dividend of Rs. 2 per share. This raises the rate of dividend to 16 per cent. per annum. It has been proposed to form a trust under which a fund will be built up by annual appropriations from profits for gratuity benefits to employees.

Deposits

"The working capital has risen by Rs. 28 crores to Rs. 141 crores, registering 2½ times increase over 1950. Against our paid-up capital of Rs. 87.5 lakhs, our reserves stand at Rs. 1.25 crores including the share premia amount of Rs. 37.5 lakhs. Deposits rose to Rs. 106 crores registering an increase of Rs. 16 crores during the year, against Rs. 14 crores in 1955. It will be noted that the quantum of increase in the total deposits of all Scheduled banks in 1956 declined as compared with 1955. The growing confidence of the public in your Bank is reflected by the fact that of the increase in the deposits of all Scheduled banks in 1956, 20 per cent. was gained by the Punjab National Bank. Your Bank did not make any general increase in the interest rates and the cost of money remained, therefore, steady in the year under review.

Strong Liquid Position

"The figures on the assets side indicate a strong liquid position. Cash in hand, bank balances, money at call and short notice and investments aggregate Rs. 59.3 crores constituting 55.7 per cent. of the deposits. If the bills discounted and purchased, amounting to Rs. 8.77 crores, are added, we have a total of Rs. 68 crores. raising the ratio of our liquid assets to deposits to 64 per cent.

"Our loans and advances show an increase of Rs. 12.84 crores from Rs. 42.02 crores in 1955 to Rs. 54.86 crores in 1956. There has been 31 per cent. increase in our advances. Our efforts to step up advances to meet the developmental needs are continuing and we are strengthening our organisation to that effect both in the head office and in the field.

"You will be glad to know that there has been rapid increase in our letter of credit business. 'Acceptances, endorsements, and other obligations' which are mainly in connection with foreign exchange business amounted to Rs. 13.4 crores in 1956, as compared with Rs. 6.53 crores in 1955, registering 100 per cent. increase.

"Your Bank's application for issue of bonus shares about which I had mentioned in my review at the last meeting is still pending with the Finance Ministry. The required permission should be obtained before long, because your Bank's issue is against share premia which are but receipts of capital from the shareholders themselves.

"Our network of branches continues to expand. With the opening of 14 branches during the year, we have 340 offices including one office in Rangoon and two in Pakistan. The demand for lockers was well sustained and we are continuing to develop this business. You will be glad to know that the head office building in New Delhi is coming up and will be complete in about a year for occupation. The removal of the head office to New Delhi will meet the convenience and wishes of a large number of the Bank's customers. With regard to branch offices also, we are trying to improve the premises and follow a policy of progressive extension of service to the public. In this connection, our expansion programme is also receiving careful consideration.

Tight Money

"The problems of the banks during the last year were the consequences of the problems that faced the country. What have agitated all minds are the acuteness of finance for domestic needs as well as to pay for imports and the rising trend of prices. There were the large needs for development, imports of steel, capital machinery, etc. There was an increase of Rs. 158 crores in advances and bills against an increase of Rs. 77 crores in deposits. The banks had to resort to increased borrowings from the Reserve Bank, liquidate a small part of their investments and reduce cash balances to meet the demand. Shri T. T. Krishnamachari, the Commerce Minister, on taking over the Finance portfolio, was confronted with the serious problem of credit for trade and industry and the limited capacity of the commercial banks to meet the same. Living up to his reputation for prompt and dynamic action, the Finance Minister had consultations with banks and representatives of industry along with the Governor of the Reserve Bank and liberalised the bill market. This very largely assisted the commercial banks to meet the demand for funds from industry and commerce and Shri T. T. Krishnamachari rightly earns the credit for the easening in the otherwise tight situation. The higher money cost aimed at curbing inflation in India has had no significant effect. Similar is the experience in the U.K. and they are in the process of reversing gears. The gilt-edged market has been adversely affected and but for the open market operations which induced confidence, there would have been a greater drop in prices. The stamp charges and higher interest rates raised the cost of money to banks. The banks had to incur the stamp charges on bills even when the bills were not ultimately fully utilised. The stamp charges could have been covered, if at all necessary, in the interest rates. The cost of money from the Reserve Bank induced the banks to raise their interest rates. This affected money already with the banks and pushed up its cost in large commercial centres. New money was not attracted to banks from small investors and mofussil areas.

Rise in Prices

"The second significant economic trend as regards rise in price levels was characterised as inflationary arising from large developmental expenditure. In the White Paper published in March, the Finance Minister has analysed that the rise in prices has been basically due to declining agricultural production. There has been some complacency in this respect due to the comparatively comfortable position in regard to agricultural supplies at the end of the first Plan. The White Paper states: 'The success of the Plan, it is apparent, would turn largely on the realisation of the targets of agricultural production. Apart from the obvious effect of agricultural production on prices and on the balance of payments, the flow of savings in the economy also depends to a significant extent on production in this sector. Scarcity of foodgrains and agricultural products in India often leads to relatively sharper increases in agricultural prices than in the prices of manufactures and this in turn leads to a redistribution of national income away from both the fixed income groups and the investing classes.' This has been the crux of our problem.

Foreign Exchange

"The foreign exchange scarcity is another serious problem to be effectively tackled. The difficult foreign exchange position arising from developmental activities is being understood and appreciated the world over. The appearance of this scarcity condition earlier than expected only confirms that the rate of development has been faster and larger than planned. The position was also aggravated by higher prices of capital equipment and increased transport cost due to the Suez crisis. The deferred payment system that has been evolved is, of course, very costly, but it is a screening process by itself. Projects which are not adequately remunerative will not be proceeded with immediately and foreign exchange expenditure to that extent will be automatically curtailed. Representatives of capital exporting countries abroad who have visited our country after the announcement of deferred payment scheme have understood and appreciated the value and desirability of such a scheme. Our efforts in the direction of rapid economic and industrial development are also appreciated. In order, however, that import of necessary equipment in line with the policy enunciated by the Government takes place, certain institutional facilities have to be arranged for. They are: (i) the coverage of fluctuations in foreign exchange beyond normal trade risk by Government or any Government agency, (ii) underwriting the risk or giving some acceptable guarantee to the overseas seller, (iii) association or institution formed by a combination of manufacturers in industries of national importance should be able to obtain financial assistance for development from institutions like the World Bank, International Finance Corporation etc. It will be necessary for the Finance Ministry and the Reserve Bank to work out details.

Magnitude of Second Plan and Standard of Living

"The second Plan aims at increasing the national income by 1961 to Rs. 13,480 crores from Rs. 10,800 crores. The rise in the national income at the end of the Plan is of the order of Rs. 2,680 crores. Against the present saving of Rs. 800 crores, we have to save Rs. 1,482 crores. The increase in our savings for reinvestment and development will be Rs. 682 crores against a national income increase of Rs. 2,680 crores. Thus, three-fourths of the additional income, viz., Rs. 2,000 crores, will be available for sustaining a higher standard of living. If our effort is not of the magnitude planned, our national income will not go up as envisaged. If our national income does not go up as targeted, the quantum available for consumption will be curtailed with its consequence on the standard of living. What we have to fulfil is, no doubt, a big task, but we have to gear ourselves to the best effort.

More Funds Needed

"More funds are needed by both the public and private sectors. There has to be a proper apportionment of the available resources, if the overall economic activity has to be stepped up. The tax policy of the Government has to be such as to leave savings in the hands of that class of society which has the habit of saving for investment. While there has been more expenditure in the rural sector, the burden on the urban sector has been increasing. As the Taxation Enquiry Commission has stated: 'The *per capita* tax is uniformly and distinctly higher in urban than in rural areas. The *per capita* Central taxation in the urban sector is a little over two and a half times the rural estimate, while the State taxes come to nearly three times.' Vast sums of money are thus diffused and not drawn into the money stream.

"The commercial banks have to organise themselves to collect money from the unorganised sectors and supplement their deposits through other facilities. In large towns there is already keen, rather unhealthy, competition. The current deposits are being converted to call deposits which were paid higher interest rates. This does not create any additional money, but only makes the money dearer. The commercial banks have, therefore, to expand their activities in the rural areas either directly or through the agency of subsidiary or small banks. To a large extent, the success of this effort will depend on the policy and support of the Government of India and the Reserve Bank. Fortunately, we have at our helm a Finance Minister who is bold and who has ideas and vision. The greater the difficulty of a problem the greater appears to be his resourcefulness and courage. The new Reserve Bank Governor, Shri H. V. R. Iyengar has intimate knowledge of the problems relating to the development of our economy and is aware of the needs of industry and trade. This knowledge and experience will help him to have a practical outlook in his new task.

"In the banks' expansion in the countryside, there are certain factors of primary importance. The Government should provide facilities for security of cash and other assets, so that banks many be saved the large expenditure on employment of chowkidars, which forms an appreciable percentage of expenditure in small branches. This may be done by giving instructions to the police authorities to take special care for the safety of the property of banks. Some scheme of co-operative insurance may also be evolved by the banks themselves or through insurance companies. Secondly, to enable large banks to open branches, the wage structure for the new offices should be in consonance with the prevailing living conditions in the rural areas concerned and not according to the bank classification.

Credit to Cultivator

"The third factor is that the banks should be in a position to cater to the credit needs of the rural areas. It is difficult for the banks to make available such credit from their existing resources. The Reserve Bank is not finding a proper agency in the co-operative banks to make available the entire money that they have apportioned for supplementing credit to the rural areas. The co-operative banks are only confining their activities to co-operative societies and, knowing as we do the weak structure of the co-operative societies, in certain States especially, we should not insist on credit being made available only through them. By commercial banks expanding in the countryside, rural credit will be augmented. The commercial banks may also in turn take the help of agencies which have commercial dealings with agriculturists, at present, such as sugar factories, ginning presses, rice mills, oil mills, etc. The Reserve Bank may lay down a condition at the time of discounting the bills of commercial banks for rural credit that the cost of money to the cultivator should not be higher than what he will have to pay when he obtains credit through co-operative societies. We are under the impression at present that credit through co-operative societies is cheaper. What we find today in many parts of the country is that the ultimate cost of money to the cultivator is 3½ to 4 per cent. higher than the rate at which the Reserve Bank makes available the money. When we are keen on increased agricultural production we should use all agencies to make available to him necessary credit at reasonable cost. The utilisation of the commercial banks in this sphere will achieve a dual purpose. The non-monetised sector of the country will be monetised through savings of the rural sector coming into banks. The agriculturist will get organised credit in his effort to increase food production which is admittedly the key to the success of the second Plan. I hope the Reserve Bank will find this proposal worth pursuing.

Financial Institutions

"In the growth of new industries, a great handicap is sluggishness in the stock exchange. It is difficult for any new enterprise or even the existing ones to raise additional finance through the Stock exchange. Therefore, it is important that the financial institutions in the country should carry on a more positive and active role. The Industrial Finance Corporation, the State Finance Corporations and also the Industrial Credit and Investment Corporation have done satisfactorily during the last year. But for meeting the tempo of development in this country they have to do very much more. The present limit of advances at the State level should be increased considerably. It should be brought up to something of the order of Rs. 25 lakhs. All small and medium needs should be met by the State institutions. The State Corporations should be strengthened by additional resources through the Reserve Bank. The Industrial Finance Corporation of India should increase their limit from 1 crore to 2½ crores of rupees. Most of the large industrial organisations today cost us anything between 3 and 8 crores. Money should be advanced when the Corporation is satisfied that the undertaking or project in question is in line with the general policy and pattern of the National Plan. The Industrial Credit and Investment Corporation should also, in my opinion, be more active and finance large industries like non-ferrous metals, chemicals and large engineering workshops as they are of very great importance. These industries have been left under the second Plan to be developed by the private sector. In this connection, it is heartening that a Refinance Corporation is being formed to utilise the U.S.A. Wheat Sales Fund for extending medium-term credit. The terms that have been announced are very sound and I am confident that banks will take advantage. It will greatly improve money market conditions and the requirements of industry for expansion will be met considerably.

Better Climate and Investment Prospects

"The industries in this country are, by and large, making reasonable profits and I am confident that with the better atmosphere that may now be created with the removal of the uncertainties when the new budget will come, the share market will improve and the investor will come forward to invest his savings in the industrial projects of this country. The process will be greatly aided if the investors find it convenient to borrow money against their industrial securities whenever money is needed and the advances against industrial shares could be rediscounted by the Reserve Bank. The Finance Minister should come out with a clear cut policy and a four-year budget that will give him the resources that he requires and enable the people to budget as he does and fulfil their responsibilities under the Plan with the resources that they require. I am confident that with the boldness and imagination that he possesses, Shri T. T. Krishnamachari will see that he gets what he requires for carrying on the responsibilities of the Government and, at the same time, creates conditions and an atmosphere under which the people will have the enthusiasm and resources to fulfil a difficult but essential task.

People's Gold for Development

"A suggestion that I would like to refer here to is that of the Prime Minister, in one of his speeches, that the people should give their gold to the Government, so that hoarded wealth may be put to use. The Finance Minister should evolve a policy that will induce the people to part with their gold. Even if the Government buys gold at a price higher than the world price the gold stock with the Government will help to strengthen our currency considerably and will enable the Government to get money from abroad at more reasonable cost. What the exchequer will lose in the purchase price will be adequately compensated by the large financial resources that could be obtained and by the early development of our country.

"Before I conclude, I must express my thanks to all our worthy constituents for their continued co-operation and confidence. I owe more than formal thanks to my colleagues on the Board and the Local Advisory Committees. I would also like to welcome our new General Manager, Mr. A. M. Walker, whose experience with the erstwhile Imperial Bank of India should prove of real value to our institution under the present fastly developing conditions in the country. I must also record my appreciation for Shri R. L. Tuli who has carried on with diligence and ability, the responsible and onerous duties of General Manager till Mr. Walker's taking over. I have also to thank other officers and staff at all levels at the head office and elsewhere for their loyalty and sense of devotion to the interests of the Institution."



26th POZNAN INTERNATIONAL FAIR

A GREAT INTERNATIONAL MARKET CONTRIBUTING TO EAST-WEST TRADE

9-23 June 1957

FOR FULL PARTICULARS PLEASE APPLY TO :—

The Trade Representation of the Polish People's Republic

The Polish Commercial Counsellor's Office, 42-44, Sunder Nagar, NEW DELHI.

28, Stephen Court 18-A, Park Street, CALCUTTA

Jugal Kishore Bldg., 40-A, Peddar Road, BOMBAY-26.

Notices

ALLIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Twenty-third Annual General Meeting of the Members of ALLIANCE JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 31st day of May, 1957, at 3 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the half-year ended 30th June, 1956, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare a Dividend on the Preference Shares.
3. To appoint a Director in place of Mr. G. L. Bangur, the Director retiring by rotation at the Meeting, who, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following resolutions which will be proposed as Special Resolutions:—

5. That the requirements of Articles 82, 83, 87, 121, 175, 179 and 180 of the Articles of Association of the Company be not complied with in respect of the half-year ended the 31st December, 1956.
6. That the Articles of Association of the Company be altered in manner following:—

(a) Articles 82 and 83 shall be deleted and the following new Article substituted therefor:

82. *When Annual General Meetings to be held.*—In addition to any other Meetings, General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956 and, subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Directors. Such General Meetings shall be called "Annual General Meetings" and shall be specified as such in the notice convening the meeting. All other Meetings of the Company shall be called "Extraordinary General Meetings."

(b) Article 87 shall be deleted and the following new Article substituted therefor:

87. *Business of Meetings.*—The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business.

(c) In Article 121, line 1, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor.

(d) Article 175 shall be deleted and the following new Article substituted therefor:

175. *Profit and Loss Account and Balance Sheet.*—At every Annual General Meeting the Directors shall lay before the Company a Balance Sheet and a Profit and Loss Account made up in accordance with the provisions of Section 210 of the Companies Act 1956, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the said Act, so far as they are applicable to the Company but, save as aforesaid, the Directors shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than they may deem expedient.

(e) In Article 179, line 1, the word "Twice" shall be deleted and the word "Once" substituted therefor.

(f) In Article 180, lines 1 and 2, the words "first Ordinary" shall be deleted and the words "Annual General" substituted therefor. In sub-para 3, the word "Ordinary" wherever appearing, shall be deleted and the words "Annual General" substituted therefor.

The Share Transfer Books of the Company will be closed from 15th to 31st May, 1957, both days inclusive.

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

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

3, NETAJI SUBHAS ROAD,
CALCUTTA, *6th May*, 1957.

Note.—Payment of the proposed dividend, if declared, will be made on or after 7th June, 1957, only to those members whose names are registered in the Books of the Company as holders of the Preference Shares on 31st May, 1957, or to their Mandatees. Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

Explanatory Statement in Respect of Special Business

In order to comply with the Articles of Association of the Company, the Company's Accounts have been closed and audited half-yearly and a Profit and Loss Account in respect of each half-yearly period ending on the 30th June and the 31st December in each year and the Balance Sheet as at each date, have been laid before the Company in General Meetings held twice in every calendar year.

Under the provisions of the Companies Act, 1956, each such half-yearly period has to be regarded as a "financial year" and as a result, the usual half-yearly General Meetings will each be deemed to be an "Annual General Meeting" within the meaning of the Act, thus resulting in two "Annual General Meetings" in each calendar year. Having regard to the obligations imposed on a Company by the Act in respect of every Annual General Meeting, viz., retirement of Directors by rotation, appointment of Auditors, and filing of an Annual Return, etc., and the work and expense attending the preparation of the Accounts to be laid before members in conformity with the provisions of the Act, your Directors recommend that the Articles of Association of the Company be amended to provide that the Company's Accounts be closed and audited annually and laid before the Company at an Annual General Meeting in each calendar year. The proposed amendments are set out in Resolution 6 of the convening notice. In respect of the half-year ended the 31st December 1956, it is proposed that the accounts be not separately prepared and laid before members but that they be embodied in consolidated accounts for the period commencing on the 1st July, 1956. Special Resolution 5 in the convening notice suffices to effect this proposal. If Special Resolutions 5 and 6 are passed, the accounts of the Company will be closed on a date subsequent to the 31st December, 1956, of which members will be advised later, which hereafter will be the closing date of each financial year of the Company.

The foregoing changes will not result in any financial benefit either to the Directors or to the Managing Agents of the Company, and interim dividends may, subject to trading results in a current financial year, be declared by the Directors under Article 161.

GUEST, KEEN, WILLIAMS, LIMITED

NOTICE

THE TWENTY-SEVENTH ANNUAL GENERAL Meeting of the Shareholders of Guest, Keen, Williams, Limited will be held at the premises of the Bengal Chamber of Commerce and Industry, Royal Exchange, Calcutta-1, on Wednesday, 29th May, 1957, at 11 a.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Accounts for the 52 weeks ended 29th December, 1956.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. As special business to consider and if thought fit to pass the following resolution, namely:

"That the Books, Registers and other documents required to be maintained by the Company and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under sections 49, 118, 144, 163, 196, 301, 302, 304, 307, 362 and 372 of the said Act, shall be available for inspection at the Registered Office of the Company by the persons entitled thereto to the extent and in the manner and on payment of the requisite fees, if any, specified in the aforesaid provisions, between the hours of 10 a.m. and 12 noon on each business day. Provided, however, that the Register required to be maintained under section 307 of the Act shall be open for inspection of the members or holders of debentures of the Company between the times abovementioned only during the period prescribed by sub-section 5(a) of section 307."

The Register of Members of the Company will be closed from the 8th May, 1957, to the 29th May, 1957, both days inclusive.

By Order of the Board,
W. MORRICE,
Director and Secretary.
CALCUTTA, *1st May*, 1957.

Note.—A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

Explanatory Statement Required by Section 173 of the Companies Act, 1956

Item No. 5.—With reference to the resolution relating to inspection of Books, Registers and other documents referred to in the above notice, the Companies Act, 1956, provides that the Company may impose reasonable restrictions on such inspection but so that not less than two hours in each day are allowed for inspection, and the resolution is being moved accordingly.

THE NEW INDIA ASSURANCE COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 27th May to 25th June, 1957, both days inclusive.

By Order of the Board,
B. K. SHAH,
Managing Director.
BOMBAY, *3rd May* 1957.

THE BRITISH INDIA CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Corporation will be closed from 25th May, 1957, to 22nd June, 1957, both days inclusive.

By Order of the Board,
E. C. CALDWELL,
Registrar.
KANPUR, *4th May*, 1957.

INDIAN PAPER MAKERS ASSOCIATION

MR. P. H. SYKES'S SPEECH AT ANNUAL GENERAL MEETING

SUGGESTION TO ESTABLISH AN INDEPENDENT PULP INDUSTRY

ADDRESSING the Annual General Meeting of the Indian Paper Makers Association held in Calcutta on 1st May 1957, Mr. P. H. Sykes, Chairman of the Association, referred to the difficulty of new paper mills coming up in States where there was a shortage of raw materials. In this connection, he suggested that an independent pulp industry should be set up in a place where raw materials were available in plenty. This would encourage separate paper-making units to be established near paper markets and thus lay the foundation for an export business in paper.

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

"GENTLEMEN,

"This has been a dull year, by comparison with its predecessors, if one rates as excitement the usual series of worries over labour troubles, transport difficulties, adverse legislation, etc., from all of which, I am glad to say, there has been some relief—a sign, perhaps, that the country is steadily surmounting its growing pains. The year has, however, been far from dull from the point of view of the development of the industry that is taking place at present. In this connection, progress has been remarkable. I speak in respect of not only increase in production achieved and increase in production planned but also the great interest now being taken by the Government in our industry and of the very real understanding of our problems they are so clearly demonstrating.

"This interest is being shown in many ways, the latest of which being their appreciation of the rise in our costs and their sanctioning of an increase in the price of our paper to meet it. More important still—in the long run—is their complete understanding of the raw material problem and the necessity to link it with their desire for increased production. This desire, I can assure you, is tempered by their realisation that more paper cannot be made unless there is something—and an indigenous something—out of which to make it. Within the framework of their Five-year Plans Government are thinking big (demand, they say, is likely to go up by 400 per cent. within the next 15 years), but they realise production targets to meet this increase can never be achieved unless (*a*) supply of the necessary raw materials is assured, and (*b*) the new projects they license are only for lines of paper in maximum demand or for lines hitherto imported.

"I feel there has been too much slanging of Government and too much talk of private and public sectors. We are lucky in our industry. We may come under the Industries (Development and Regulation) Act, but Government are clearly showing that if we private industrialists pull our weight we can expect plenty of co-operation from them. If our projects are sound we can go ahead, so can Government or, alternatively, they are happy to join hands with us in joint enterprises. I find these signs of willing co-operation, and of goodwill towards us, eminently satisfactory and it is up to us to show what we are made of.

"I referred just now to production targets. A year ago, I myself was staggered by the size of the targets being fixed by Government and I was sceptical of their chances of achievement, but today I am a convert, at least so far as the second Five-year Plan is concerned. The fact of the matter is that the rate of consumption is going up on the lines of the Planning Commission's calculations and you have only got to study today's demand to realise this. It is, however, difficult to be certain of how things will go in the third and fourth plans. When one thinks of the vast potential business in the wrapping and packaging trade alone, the fringe of which has barely been touched, one can well believe, assuming that industrialisation continues at the same tempo and that education is on the increase, that demand and consumption will continue to climb for a long time yet, but what is going to be worrying is the raw material position in, say, ten years' time. I believe that, unless a big planting programme is initiated, and very soon at that, we will tend to run out of bamboo and that it is up to the industry in the interim to exploit to the full the possibilities of bagasse, reeds, grasses and various types of wood. Government are of the opinion that waste materials are what the paper industry should rely on for their pulp manufacture. That should give us to think. It means that the national (i.e., railways, etc.) and other industrial demands for certain types of wood and the commercial demand for bamboo may continue to receive preference over our demand for timber and bamboo for paper-making purposes. In other words, certain types of wood may be denied us and the public's demand for bamboo for commercial and village-industry purposes will continue to be given first preference.

"The paper industry is already experiencing difficulty in obtaining its full requirements of bamboo, because not only are the various units competing amongst themselves but, as I have already mentioned, there are many other users of bamboo. Bamboo is employed extensively in the villages, there is a large cottage-industry use for it and there is a big commercial trade in it (scaffolding, lathis, etc.). There may, for the time being, still be supplies of bamboo available for mills established in forest areas sufficient for them to expand, but, even in those cases, a declining supply position will, unless large-scale planting is undertaken, eventually bring expansion to a halt. Mills situated in States short of raw materials cannot expand under present conditions, for, whilst they are infinitely grateful for the decision taken at the end of 1955 guaranteeing continuity of their existing leases in other States and for the way those States are honouring this guarantee, they cannot obtain new long-term leases of forest areas in States which, as opposed to their own, are rich in pulp-making raw materials. Thus, unless they are permitted to import wood-pulp indefinitely (which will not be the case) they cannot expand and, up to the present, their only means of securing their pulp requirements, so as to enable them to increase production, is to agree to put up new units in States wih raw materials, which is of course a sheer waste of money when compared with expansion of their existing units, which could be effected so much more quickly and cheaply. Furthermore, this shortage of raw material supply means that new paper mills cannot be set up in other non-raw material producing States.

"To my mind, the remedy is obvious, and that is a source of supply of indigenous pulp which will enable paper (as opposed to paper-*cum*-pulp) units to be sited anywhere. At present, because of the integrated mill system (mills producing both pulp and paper), not only, as I have already said, are paper mills being confined to States with raw materials but, because of transport and other material problems, they are naturally tending to be further confined to those raw material-rich areas which are central and easily accessible.

"An independent pulp industry sited where the raw material grows would not only enable separate paper-making units, small as well as large, to be established near the paper markets but it would also encourage the exploitation of remote areas and would lay the foundation for an export business. The indigenous pulp would replace imports of wood-pulp and of paper at present made from imported wood-pulp worth, together, many crores of rupees per annum.

"It is for these reasons that a decision has been taken by a group to embark on a pulp-making enterprise and Assam has been selected as a suitable site for the mill. I am glad to tell you that the Governments of India and Assam are in full accord with the promoters and the theory I have just outlined and have given every encouragement and assistance to the project. Let us, therefore, wish the sponsors well in this new venture which is of obvious importance, pioneering, as it will, a new industry for our country.

"Another point I have to make is that a pulp mill of this nature will greatly assist the railways. Bamboo, reeds and grasses take up a lot of room and the railways cannot enjoy locking up great numbers of wagons over long hauls. The short hauls contemplated by the pulp mill in Assam will be confined to a small uncongested area, while river-rafting, road transport and, perhaps, aerial ropeways, will help out. The finished article, pulp in bales, will be definitely more economic to transport, for the wagon space occupied by the amount of bamboo necessary to manufacture one ton of pulp is about three and a half times as much as that required by one ton of pulp in bales.

"I now propose referring to the new Panel for the Pulp and Paper Industry that has recently been set up by the Government of India. The formation of this Panel, which, I am glad to say, has industrial representation on it, as well as governmental, marks, I consider, a very great step forward in the development of the industry. It is a well-knit body, with representatives from the Development Wing of the Ministry, the Planning Commission, the Forest Service and the Railway Board serving on it and it embraces the interests of the rayon industry as well as those of ours. Our Association has always been keen on an advisory or development council for the paper industry, but one has never been formed. Now this Panel has been set up and it will provide a very adequate substitute. It will furnish a close link between the industry and Government in all matters of development and its scope will be very wide. It will, for instance, examine the whole of India's forest materials position and thus be in a position to recommend to Government the best places for siting new units. It may even study the marketing and distribution of the end-product and the types of paper that are being manufactured or need manufacturing. It will certainly organise the dissemination of technical information within the industry and it will advise the Government on the manufacture in India of paper-making plant and equipment. Sub-committees have already been established in most of these various connections and the one that deals with forest resources may very possibly take the place of the *Ad Hoc* Committee, a purely governmental body, which was established towards the end of 1955.

"I think it will be in the interests of all of us to get used to the idea of pulp and paper machinery and equipment being manufactured in India. Though it will take a long time it has got to come and, until the new industry has become properly established, we shall undoubtedly have to make allowances for many teething troubles. Engineering firms are so booked up at the moment that the process will be a protracted one, but the determination of India to manufacture her own machinery is both obvious and natural and the desire to get a move on is being spurred on by the current foreign exchange difficulties. We all know that the importation of capital plant for new projects, now necessitating arrangements for deferred payment, etc., is not going to be so easy as it was and the more equipment, therefore, that we can get made out here the better for us. Government are going to do all they can to promote indigenous manufacture and we must do our best to co-operate, but only to the point that the quality of our paper is not affected, for—I think we all agree, and so do Government—the raising of the standard of Indian-made paper is of equal importance. I wish very much we could get our prices down but with the trend in costs as it is—it looks as though another rise in freight rates was coming—and with the possibility of having to pay more for our equipment it is quite impossible.

"Before I close I would like for a moment to touch on a not very pleasant matter. It concerns the cornering of the shares of one of our oldest member-companies. It is disgraceful that an attempt should have been made by people of no experience whatsoever of our industry to oust from its managing agency a firm that over the past sixty years has shared extensively in the building up of the Indian paper industry to its present position and has invariably helped its managed company to surmount the many grave difficulties that that company, in common with the rest of the industry, has had to face during the past.

"It gives me pleasure to acknowledge the services of our efficient Secretary and of our parent body, the Bengal Chamber, and to thank my fellow committee members for the assistance they have given."

SOME FACETS OF INCOME-TAX LAW—II

A FEW MORE CONTROVERSIAL SECTIONS EXAMINED

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

WE may now consider a facet represented by section 24 which deals with set off of losses; sub-section (2) deals with carry-forward. Under the proviso to section 24(1), speculation losses are to be disintegrated and carried forward under sub-section (2) to be set off only against speculation profit. The proviso was enacted in 1953. Prior to that, profits and losses under the head business, whether speculative or otherwise, all fell under section 10 and were treated as one; only the resultant figure, after setting off profit and losses under that head, was brought to tax. The problem that has arisen is whether the carry forward of loss brought over since 1952 could be disintegrated between speculation and normal business loss, in order to give effect under section 24(2) in the year of assessment, say, 1955-56. There are two views on the subject. One is that carry forward of loss after 1953 must be disintegrated, so that speculation loss can only be carried forward against speculation profit. Since the carry forward is given effect to in 1955-56 when both the proviso and carry forward about speculation sections are in operation, loss on account of speculation, even though brought forward prior to 1953, cannot be set off except against speculation profit.

The other view, as forceful and logical, is this. Losses of speculation were carried forward to 1953 under the head business as one business. This loss prior to 1953 must be regarded, therefore, as loss from business and set off against subsequent business profits. Not to do so would deprive the assessee of a vested right, which right has not been taken away by an express retrospective provision. What has been treated a loss from one business can only be disintegrated by reopening the assessment order under section 34. And, even if reopened, it can be reopened for deciding a point on the law as then in force. The law prior to 1953 did not warrant such disintegration and, therefore, integrated loss cannot be disturbed. On a balance of views the latter stand must succeed.

Speculative Loss

Allied to this is another interesting point. A person in the previous year has made a speculation loss in 1954, say, of Rs. 20,000. It is carried forward to the 1955 account in which he has ready business loss of, say, Rs. 20,000, speculation profit Rs. 30,000 and dividend income of Rs. 2,000. The assessee says that he must be allowed to set off carry forward of Rs. 20,000 against speculation profit of Rs. 30,000. The Department argues that, whereas speculation loss is to be segregated, profit is not. Therefore, carry forward can only arise after setting off under section 24(1) 30,000 + 2,000 − 20,000=12,000. Speculation profit available is thus only Rs. 10,000. The Department's view seems to be strictly correct according to the letter of the law, but it violates flagrantly the spirit behind the enactment. The whole spirit of carry forward of speculation profit and losses is to segregate such transaction, almost as if it were a separate head. If the setting off resulted in the profit, it should be added to income, if it resulted in a loss it should be carried forward without reducing the total income of the year for assessment. The conflict between spirit of the law and the letter of the law seems to be strewn and scattered all over the Act—more so in Income-tax than any other law. What is given by one hand is snatched by the other.

Section 16 is one of the most controversial of the sections. Since charging section levies tax on "total income," this section becomes the centre of lots of controversy. Let us look at one or two of its facets. Charge is founded on section 3 and section 4. Section 3 says that tax shall be levied in respect of total income. Tax can be levied in respect of "total income" is not equivalent to total income, for, if it were, then tax can only be levied on the fact of existence of total income, not on its distribution or disposal, since in case of a company tax is levied first on the quantum, then an additional tax on the distribution. But the Courts have held whatever tax or taxes may be levied in respect of total income it must not exceed the total income itself.

Two points emerge for consideration. Can an excess dividend tax be levied by way of additional tax on a company which has part agricultural and part non-agricultural income? Agricultural income is exempt, non-agricultural income is taxed. Agricultural income does not enter into the total income. Is an additional tax, therefore valid, if in computing it you take both agricultural and non-agricultural incomes? Dividend is declared by the company from both. And additional tax is levied by finding an excess of dividend income less total income less taxes and amount exempt from tax. Since the excess is made up both of agricultural and non-agricultural, unless one deducts from dividend proportionate agricultural income, one will be levying an additional tax on an agricultural income although the Act expressly exempts it from tax. If the income is not exigible to income-tax, much less it is exigible to additional tax.

Grossing up of Dividends

Another aspect is that of grossing up of dividends. Dividends are exigible to tax directly in the hands of the shareholders. No exemption is provided under section 14(2). It gets credit from tax paid by the company which under section 49 is regarded as tax paid on behalf of the shareholders. Credit is to be given under section 18(5), provided grossing of dividend is done under section 16(2). Grossing of dividend under that section is permitted at the rate applicable to the total income of the company in the year it is distributed. Now what is the rate applicable to the company? Unless there is a rate, there is no grossing up and unless there is a total income there is no rate. Hence, the Department, argues that, where a company in a year has no assessable income, there is no rate applicable and, therefore, on any dividend declared, there can be no question of grossing up. The assessee argues that the reference to the rate is the rate applicable to the company, that is, the normal rate prescribed for companies as a class and not the effective rate actually applied to a particular company whose dividend is grossed up. If a company declares dividend, it declares a dividend out of profits available for distribution. To the extent that they are from sources not liable to tax, for example, agricultural income, no grossing up can be permitted, but to deny the right of grossing up where dividends have been paid out of past taxed profits which have borne tax is to render nugatory section 49 which expressly provides the warrant for the theory that tax paid by the company is paid on behalf of the shareholders. There are some references pending before the High Court on this issue and the true interpretation of this section will be pronounced, until then let the din and dust of controversy lay low and the zealots on both sides hold their souls in patience.

Finally there is the facet represented by section 34(3). Section 34(3) proviso 2 provides that nothing contained in section 34 limiting the time within which an assessment can be reopened shall apply to reassessment under section 27 or assessment or reassessment made on the assessee in consequence of any finding or direction contained in the order under section 31, section 33, section 33A, section 33B or section 66 or section 66A. These sections are sections which relate to appellate authorities like Appellate Assistant Commissioner, Commissioner of Income-tax, Tribunal or High Court. The serious question that arises is this. In an appellate order the A.A.C. states that the particular income taxed by the I.T.O. is not the income of the year and, therefore, declares that action under section 34 should be taken to include it in the proper year, in which it rightly falls. If he so directs, then can the Income-tax Officer, ignoring the time limitation of four and eight years, reopen any year's assessment in order to give effect to the A.A.C.'s direction? Does the section 34(3) enable the I.T.O. to revise and give effect to the order of the year under appeal only or any past year, may be 25 years back? If that is so, then the precious right of an appeal has little meaning; for you are always exposed to the risk of the A.A.C. making an adverse finding in that or any other year—and irrespective of time limitation, you may be proceeded against, which proceedings, but for your appeal, would have barred all action against you.

Section 34(3)

The *raison d'etre* of section 34(3), as generally understood, may here be mentioned. An appellate order is merely an order of finding or a direction. Actual implementation of the finding or direction must be given by the Income-tax Officer by altering the order previously passed. This action of the Income-tax Officer must comply with the prescribed period of limitations under section 34. If there is delay in passing these appellate orders, such delays, so far as the year in appeal is concerned, should be condoned. But does this mean that the A.A.C. can give a direction on a matter not before him in an appeal and direct the Income-tax Officer to reopen past assessment *ad libitum* without reference to the period of limitation.

An A.A.C's powers are limited to giving relief or confirming the assessment. He has power to cancel assessment and direct fresh assessment. Therefore, is his power of making a direction limited to section 27 appeal only? While the law as interpreted by the Department is to ignore all reasonable time limitation on opening assessments, on the side of the assessee it is extremely strict; so much so that, if in a reassessment proceeding the assessee detects an obvious overassessment, he can have no remedy or relief. Reassessment proceedings will be closed or dropped and relief denied, though the Department is satisfied that the assessee has been clearly overassessed.

Let me conclude by tersely summing up, in the words of a writer, that income-tax proceedings can be dramatised in three Acts: Act I; taxpayer and some money; Act II: taxpayer and less money and Act III: taxpayer himself.

(*Concluded*)

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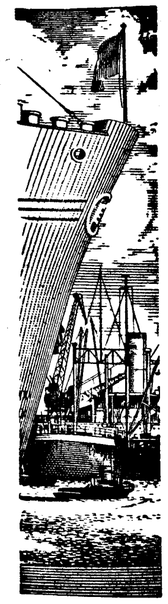

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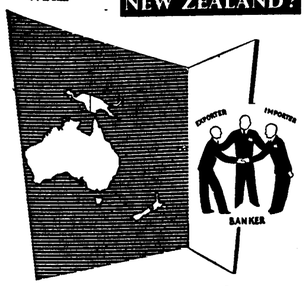

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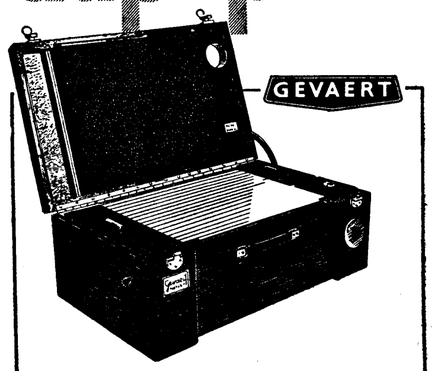

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COCOA POWDER AND CHOCOLATE INDUSTRY

TARIFF PROTECTION EXTENDED FOR ONE MORE YEAR

THE tariff protection to the cocoa powder and chocolate industry which is due to expire on 31st December next, has been extended for a further period of one year, that is, up to the end of next year. This is the result of the Central Government's acceptance of the recommendation made by the Tariff Commission. In its report on the question of continuation of protection to the cocoa powder and chocolate industry submitted to the Government, the Commission recommended, among others, that the protective duty on cocoa powder at the existing rate of 31¼ per cent. *ad valorem* (including surcharge) and that on covering powder, at a rate of 50 per cent. *ad valorem* or one rupee per lb. (including surcharge), whichever is higher, should be in force till the end of December 1958. It also suggested that the cocoa beans should continue to be exempted from payment of import duty. Further, the Commission felt that the Government might consider the desirability of stopping the import of covering chocolate by actual users. While the Government has accepted the first two recommendations, it has taken note of the suggestion relating to covering chocolates, which, it says, will be taken into consideration while formulating the import policy from time to time.

The cocoa powder and chocolate industry, it will be recalled, was first granted protection in February 1947 when the revenue duty of 30 per cent. *ad valorem* on cocoa powder and covering chocolate in force at that time was converted into a protective duty at the same rate. The Government also assisted the industry by remitting in full the import duty of 30 per cent. *ad valorem* on cocoa beans. These provisions remained in force till the end of March 1950; thereafter, following two other investigations, one in 1949 and the other in 1954, and lately by an *ad hoc* measure, they were continued till the end of the current calendar year. Despite tariff protection and assistance through grant of import duty drawback on cocoa beans thus, the industry still suffers from huge idle capacity. The capacity actually utilised during the first nine months of 1956 was a bare 13 per cent. for the cocoa powder sector and 5 per cent. for the chocolate sector.

Present Rated Capacity

The present annual rated capacity (on a single-shift basis) of the industry for the manufacture of cocoa powder and chocolate is 275 tons and 790 tons, respectively. As against this, the actual production of the former declined from 52.8 tons in 1953 to 26.6 tons during the nine months ended December 1956, while that of the latter fell from 102.3 tons to 30.7 tons. One of the reasons given for the low level of production is the decline in the demand for chocolate owing to the increase in prices caused by the abnormal rise in prices of cocoa beans in 1954. Though a slight reduction was effected substantially it would appear to have had no significant effect on demand. This, obviously shows that the industry has not taken adequate steps to popularise the products which is so essential for creating a taste among people. Recognising this, the Commission has rightly suggested that the domestic producers should undertake more active salesmanship and propaganda to promote the sale of their products. Another reason for the existence of huge idle capacity is the difficulties confronting the Sathe Biscuit and Chocolate Company, which is the only firm manufacturing products direct from cocoa beans, to balance its production of cocoa powder with chocolate. This difficulty, in the opinion of the Commission, can be overcome by popularising consumption of chocolate which requires cocoa butter for its manufacture.

It is, however, gratifying to be told that the industry has made considerable progress in raising the keeping quality of covering chocolate in the last few years. Although stray complaints were received by the Commission during its inquiry, both the Development Wing of the Union Commerce and Industry Ministry and the Food and Technological Institute have expressed the view that the Indian products compare favourably with the imported one. Nevertheless, the Commission has done well to stress that, for an edible article like chocolate and cocoa powder, there should be continuous efforts to improve the quality and food value by application of better techniques of production, careful selection of raw materials and adoption of improved recipes. In view of the limited resources of the industry to maintain an up-to-date research laboratory for the purpose, the Commission has also done well to call upon the domestic producers to keep themselves informed of all technical developments that take place from time to time in other countries in the manufacture, storage, and transport of covering chocolate and cocoa powder and to make use of them to the maximum extent possible. Incidentally, it wants the Indian Standards Institution to lay down standard specifications for cocoa powder and chocolate.

Raw Materials

A particular feature of the industry is the total dependence on imports of cocoa beans, its principal raw material. The chief sources of supply are Ceylon, Gold Coast and Nigeria. It is noteworthy that, in Madras and Mysore States, efforts have lately been made to develop the plantation of cacao trees. About 74 acres are said to have already been brought under cacao plantation. According to this, the Commission feels that, if the cacao plantations in Madras and elsewhere are to be of value, they should be developed in the closest collaboration with the domestic cocoa powder and chocolate industry and that expert advice in the matter must be obtained from the U.K. Development Corporation and the chief cocoa-growing countries. Besides, it has suggested here that the Indian Council of Agricultural Research might include, in the terms of reference of the delegation to be sent to Ceylon shortly in connection with spices, a study of cacao plantation in that island.

After carefully considering all the relevant factors, the Tariff Commission estimates the current total demand for both chocolate and cocoa powder at 300 tons a year. As regards future demand, the Commission feels that it will not be unrealistic to estimate it at 500 tons a year. This view is based on two considerations, namely, (1) the expectation of the industry that the demand will increase as a result of the fall in the price of the principal raw material, namely, beans, and (2) the total level of supplies available in the country during the three years preceding the rise in prices of beans in 1954. The sum total of imports and domestic production during this period was 433.7 tons in 1951, 346.8 tons in 1952 and 487.3 tons in 1954.

Imports Decline

Imports of cocoa powder and chocolate declined from 240.2 tons in 1954 to 94.65 tons in the period January-June 1956. During the three years, 1954-56, licences were granted to established importers to the extent of 5 per cent. of their best year's imports. Since the licensing period of July-December 1955, milk crumbs have been allowed to be imported against quota licences. Additional licences for the import of chocolate covertures have also been made available to established importers with effect from the January-June period. The industry had no comments on the policy for established importers, but it felt that the operation of actual users' licences had operated to its disadvantage. The Development Wing admitted that recommendations had been made on certain occasions for the grant of such licences when it was represented that cheaper supplies were available abroad. After considering the relevant points as also the present idle capacity of the industry, the Commission declares that imports of cocoa powder and covering chocolate in the present state of our balance of payments difficulty merely on the basis of cheapness are not justified. It has accordingly asked the Government to consider the desirability of stopping import of these items by actual users in future.

For the purpose of comparing the fair ex-works price of the Indian products with the landed cost of imported ones, and for determining the measure of protection to be recommended for the industry, the Commission has taken as the basis the production costs of the Sathe Biscuit and Chocolate Company, Ltd. The fair ex-works price, inclusive of freight disadvantage, of the Indian cocoa powder and covering chocolate comes to Rs. 1.85 and Rs. 2.70 per lb., as against the landed cost without duty of Rs. 1.41 and Rs. 1.81, respectively. The difference thus comes to 44 nP or 32.2 per cent. in the case of cocoa powder and 89 nP or 50 per cent. in the case of covering chocolate.

The Tariff Commission has also expressed itself strongly in favour of curbing the temptation to import cheaper chocolate prepared with hydrogenated palm kernel oil or other substitutes for cocoa. It has suggested that the Government should consider the question of prescribing that all covering chocolate should, at the time of its importation into or sale in the country, display on the container its composition, that is, whether it contains cocoa butter, hydrogenated palm kernel oil or any other substitutes.

IMPORT AND EXPORT ADVISORY COUNCILS

As the term of the Import Advisory Council and the Export Advisory Council—reconstituted in November 1954, expired on 8th May 1957, the Government of India has decided to reconstitute these bodies for a period of two years.

The structure of the two Councils will be similar. They will consist of the Minister of Commerce and Industry as Chairman and the Minister of Commerce as Vice-Chairman. The President of the Federation of Indian Chambers of Commerce and Industry and of the Associated Chambers of Commerce will be ex-officio members of both Councils, with the right to send a nominee to represent them if they so choose. The Secretary-General of the Federation of Indian Chambers of Commerce will also be a member of both the Councils. For the rest there will be 19 non-official members on each Council to be nominated by the Government of India. The first meeting of the reconstituted Import Advisory Council will be held on 25th May 1957, and the Export Advisory Council will meet on the following day.

INDUSTRIAL ESTATE AT OKLA

In Okla, situated near Delhi, an industrial estate for the development of small industries is fast growing. Out of the 35 factories that are being constructed, 29 have already been allotted to small *entrepreneurs* from Delhi. The remaining six factories are expected to be allotted shortly. Thirteen of the factories, it is stated, have already been equipped with water and electricity and are ready for occupation. Ten more factories by June and 12 more by July are expected to be ready for occupation. The Small Industries Corporation, which has taken up this task, has also sunk a tube-well for the supply of unfiltered water.

Certain criteria on the basis of which industries have been accommodated are (1) there should be benefit to both the consumers and producers, (2) load of electrical power needed for operation should not be heavy, and (3) the industry should not produce injuries effects. Moreover, preference has been given to co-operatives and private limited concerns as well as to firms which are prepared to install graded machinery and manufacture items according to standard specifications.

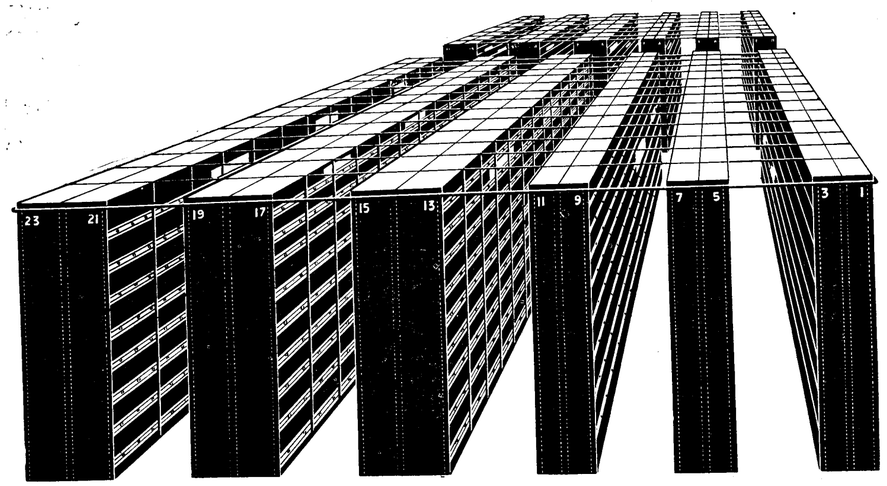
INDO-NORTH VIET NAM TRADE

The State Trading Corporation of India and an official trade delegation from North Viet Nam concluded a trade agreement on 1st May. This is a sequel to the exchange of letters that took place between the two Governments last June. Under the agreement, India has agreed to buy from North Viet Nam 7,000 metric tons of rice during the current year. The first shipment is expected to be made by the end of May.

A significant feature of the agreement is that North Viet Nam has agreed to accept payment in rupees and utilise the money for the purchase of goods in India which include jute manufactures, textiles, raw hemp, machines, engineering goods and hides and skins. It is also understood that discussions are in progress for the purchase of cement from North Viet Nam.

A medium-scale chemical factory, the first of its kind in India to produce calcium carbonate, an essential raw material for rubber and leather industries, has been established recently at Habra, near Calcutta, at an estimated cost of Rs. 4 lakhs. In its initial stages the factory is expected to produce 10 tons of calcium carbonate a day, at a price of Rs. 700 per ton. Consequently, it will help save foreign exchange to the tune of Rs. 1.2 crores every year. When the factory goes into full production, on a three-shift basis, it will turn out 30 tons a day. It is stated that India now imports 2,000 tons of this material from Japan, Belgium, and the U.K. every month.

The Madras Regional Board for Salt Industry approved, at its meeting held recently, the establishment of a model salt factory at Rajakamangalam near Nagercoil. The factory, including a number of other items of work, is estimated to cost Rs. 14 lakhs. It may be noted that, since 1948, when the country was importing about 50 per cent. of its requirements, considerable progress has been achieved in salt production in the country, as a result of which it has been possible not only to achieve self-sufficiency but also to export in substantial quantities. Recently, it is stated, 50,000 tons of salt were exported to Indonesia.



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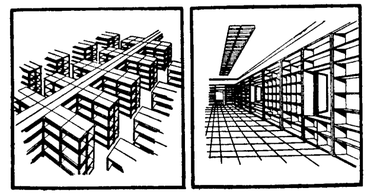

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EARNINGS OF MODERN MILLS HIGHER

DIVIDEND WELL MAINTAINED—FINANCIAL POSITION GOOD

ENCOURAGING results are disclosed by the audited accounts of the Modern Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay) for the year ended 31st October 1956. The gross profit has advanced to Rs. 18.54 lakhs from Rs. 14.50 lakhs, to which level it had gone up from Rs. 3.30 lakhs earned in 1952-53. Though the pace of expansion in profit during the year under review is much less than that in the previous year, the year's performance is nevertheless highly satisfactory in the context of the adverse trading conditions which prevailed in the closing months of the year, following the imposition of additional excise duty in September last. The net profit, after making provision for Managing Agents' commission, depreciation and taxation, also stands higher at Rs. 12.08 lakhs, as against Rs. 7.41 lakhs for the previous year.

Despite the increase in earnings the distribution to the shareholders has been maintained at the previous year's level of 16 per cent. made up of a dividend of 10 per cent. and a bonus of 6 per cent. It may be mentioned, in this context, that the distribution was stepped up in the previous year from 10 per cent. paid for 1953-54 by paying an additional cash bonus of 6 per cent. If the distribution has not been raised, it is because of the large provision of Rs. 6.30 lakhs which the Company has had to make for staff gratuity, including a sum of Rs. 4.76 lakhs in respect of previous years. This is in accordance with the Award given by the Industrial Court, Bombay, on 28th November 1956 with retrospective effect from 22nd November 1954. Consequent on this, the allocation to the machinery rehabilitation reserve has been pruned from Rs. 3 lakhs to Rs. 2 lakhs and the general reserve, which had received Rs. 30,000 in the previous year, has not been provided with anything.

The following table brings out clearly the salient features of the Company's working for the past four years:

(In lakhs of rupees)

	For the year ended 31st October			
	1956	1955	1954	1953
Sales of yarn, cloth and waste.	1,36.31	1,85.80	1,71.51	1,46.79
Closing stocks of yarn, cloth and waste	52.37	55.24	63.84	60.81
Other income	0.72	0.36	1.09	0.91
Expenses	1,65.62	1,63.06	1,68.13	1,64.82
Gross profit	18.54	14.50	7.53	3.30
Managing Agents' commission..	1.28	1.48	0.79	0.37
Depreciation	4.75	5.26	6.03	6.28
Taxation	0.44	0.36	..	0.28
Net profit (+) or loss (—) ..	+12.08	+7.41	+0.71	—3.63
Transfer from reserves	..	..	1.80	5.95
To reserves	2.00	3.30	..	..
gratuity provision	6.30	0.41	0.25	0.22
Dividend—				
Ordinary	3.54 (D. 10% +B. 6%)	3.54 (D. 10% +B. 6%)	2.21 (D. 10%)	2.21 (D. 10%)
Carry forward	0.55	0.32	0.16	0.12

The Company's sale proceeds of yarn, cloth and waste for the year are only a shade better than those for the previous year, as compared with the sharp rise noted in the previous two years. This reflects the adverse trading conditions during the closing months of the year, consequent on the rise in excise duty and the credit restrictions imposed by Government. Commenting on the trading conditions, the Directors observe:

"Trading conditions during the greater part of the year under report were satisfactory, but the steep and sudden increase in the excise duty made effective from 1st September 1956 and the credit restrictions imposed by the Government completely paralysed the cloth trade. To facilitate clearance, the mills had to share the duty with the dealers and in some cases had to bear even the entire increase in the duty on pending contracts. But for this setback from which the market has yet to recover, the results of the year under report would have been still better."

The Company's paid-up capital as on 31st October 1956 stands at Rs. 22.13 lakhs made up of 44,261 ordinary shares of Rs. 50 each. Of these shares, the Mysore Spinning and Manufacturing Company, Ltd., the holding company, holds 23,136 shares. The reserves and surplus (including premium on shares) aggregate Rs. 43.63 lakhs. There is a 5 per cent. first mortgage debenture liability of Rs. 12 lakhs secured by the fixed assets of the Company. The provision for taxation stands at Rs. 1.35 lakhs. The current liabilities of Rs. 64.91 lakhs include loans secured from banks against hypothecation of liquid assets for Rs. 32.19 lakhs. The gross block of Rs. 122.08 lakhs has been written down to Rs. 57.40 lakhs. The current assets aggregate Rs. 86.61 lakhs and more than adequately cover the current liabilities and provision for taxation.

The Rs. 50 fully paid-up shares of the Company are being nominally quoted at Rs. 70. On the basis of the latest dividend, the yield works out to 11.4 per cent. per annum.

ENCOURAGING RESULTS OF MAHINDRA AND MAHINDRA

The year ended 31st October 1956 has proved to be a period of phenomenal success in respect of sales operations for Messrs. Mahindra and Mahindra Ltd. (Chairman: Mr. K. C. Mahindra, Bombay). This has been characterised by a greater demand for the Company's manufactures resulting in a substantial increase in its turnover and profit earnings. The gross profit for the year under review amounts to Rs. 39.30 lakhs, as compared with Rs. 20.24 lakhs for the previous year and Rs. 13.20 lakhs for 1953-54. In other words, the gross profit has increased by nearly 200 per cent. during the short span of two years. The net profit, after making higher provisions for depreciation and taxation, has jumped from Rs. 9.22 lakhs to Rs. 21.15 lakhs. The provision for depreciation has been raised from Rs. 1.51 lakhs to Rs. 2.15 lakhs and that for taxation from Rs. 9.50 lakhs to Rs. 16 lakhs.

The Directors have transferred a sum of Rs. 1.52 lakhs to the reserve for additional taxation and contingencies which had received Rs. 6 lakhs in the previous year and a sum of Rs. 10 lakhs to general reserve, as against *nil*. A dividend of 12½ per cent. per annum (free of tax) has been declared on the ordinary capital, as against 10 per cent. paid *pro rata* after the Company was converted into a public limited one in June 1955. The ordinary dividend absorbs Rs. 6,87,500 and the 6 per cent. (tax free) preference dividend Rs. 1,50,000, leaving a surplus of Rs. 2.12 lakhs to be carried forward, as against Rs. 86,830 brought in.

As mentioned at the outset, the year under review has been a period of record sales turnover for the Company, following the large demand for jeeps, tractors and trailers. The volume of steel imports during the year exceeded the most optimistic expectations. The following comparative table gives the figures in terms of value of sales in the various categories:

(In lakhs of rupees)

	Jeeps etc.	*Trailers*	*Tractors*	*Steel*
1954-55 ...	264.1	16.5	13.8	272.0
1955-56 ...	364.5	22.0	38.2	962.0

The Company's jeep manufacturing programme has made satisfactory progress. The Directors feel that the increased demand for jeeps and allied vehicles during the year provides confidence for the future. The expansion of plant facilities in regard to trailers is nearing completion. The new factory at Pimpri commenced operations from March 1957 and is equipped to produce agricultural and industrial trailers from 1½ cwt. to 14 tons capacity. A beginning has also been made with a trailer assembly shop at Madras. With regard to tractors, the Directors observe, a comprehensive demonstration-*cum*-sales campaign throughout the country has provided encouragement for the future. But the main problem for sales in the immediate future, according to them, is the scarcity of foreign exchange. As such, no import licences have yet been granted by the Government for the current season. The prospects of business in steel imports currently will be determined by the availability of exchange. Imports of steel on private account has already been restricted by the Government and priorities have been given only to Government requirements. There is a large outstanding tonnage still to be shipped during 1957, but the Directors do not expect the same volume of business in 1958.

A steel stockyard was established in Bombay during the year and an increasing volume of steel was handled at both Calcutta and Bombay yards. The jeep manufacturing division made substantial progress with the acquisition of built-up factory areas at Worli and Ghatkopar. It will be recalled that the Company's original plans were based on an output of 2,500 to 3,000 units. The Company was, however, advised to raise its output in view of the Tariff Commission's estimate that the demand for jeeps would increase to 5,000 units by 1961. The Company proposes, accordingly, to enlarge its programme of requirements of machinery and equipment. A modern well equipped tool room machine shop and body shop commenced operations last year and these sections are being rapidly developed to meet the demand of the phased manufacturing plan. The foundry and gear shop was originally expected to be in operation towards the end of the current year, but some delays are now anticipated on account of the non-issue of licences for import of the remainder of the Company's capital goods requirements.

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

Liabilities	Rs.	Assets	Rs.
Capital ...	80,00,000	Gross block	63,94,924
Reserves and surplus ...	16,12,095	*Less*: Depreciation ...	7,30,755
Provision for taxation ...	34,62,244	Net block ...	56,64,169
Liabilities	9,03,56,935	Work-in-progress ...	2,29,464
		Stock - in - trade ...	6,14,01,540
		Stores, etc. ...	1,59,870
		Debts, deposits and advances ...	3,10,86,570
		Investments	19,33,222
		Cash ...	29,56,438
		Goodwill ...	1
	Rs. 10,34,31,274		Rs. 10,34,31,274

Of the current liabilities shown above in the summary of the balance-sheet, a sum of Rs. 7.19 crores represent borrowings from banks, showing an increase of Rs. 5.17 crores over the year. This increase is an indication of the full assistance received by it from the banks for its trading operations. The Company's additions to the gross block during the year were of the order of Rs. 47.11 lakhs. The Company's application for relief under section 23A, sub-section (3) of the Indian Income-tax Act has been granted and the dividends paid by the Company last year have been declared to be adequate. A similar application for relief will be submitted in respect of this year also.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 14.10 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 9.7 per cent. per annum, free of tax.

SAVAMALAI ESTATE RAISES DIVIDEND

A modest improvement in earnings is disclosed by the audited accounts of the Savamalai Estates Ltd. (Secretaries and Treasurers: Messrs. Peirce, Leslie & Co., Ltd., Kozhikode), for the year ended 30th November 1956. The gross profit, which had declined successively from Rs. 2.20 lakhs for 1952-53 to Rs. 1.25 lakhs for 1954-55, has advanced to Rs. 1.43 lakhs for the year under review. After making slightly larger provisions for depreciation and taxation, the net profit stands higher at Rs. 80,493, as against Rs. 68,116 for the previous year. The Directors have transferred a sum of Rs. 50,000 to the general reserve, same as in the previous year. The rise in earnings have enabled the Directors to propose a higher dividend of 15 per cent., as against a dividend of 10 per cent. paid for the previous year, to which level it had been stepped down from 30 per cent. for 1952-53 and 25 per cent. for the following year. With the small increase in dividend for 1955-56, the cut effected in the previous two years has been partially restored. The dividend absorbs Rs. 55,017, leaving a balance of Rs. 46,818 to be carried forward.

The Company's harvest of coffee during the 1955-56 season amounted to 2,396 cwts., having declined from 2,860 cwts. in the previous season, in contrast to the general increase in coffee output to record levels. This has, however, been made good by the higher valuation at Rs. 2-8 per point as compared with Rs. 2-4 per point in 1954-55. The payment received up to the end of March 1957 amounted to Rs. 2-5 per point. This works out at approximately Rs. 132-8 per cwt. for robusta and Rs. 192-8 per cwt. for arabica, as against Rs. 132-8 and Rs. 180, respectively, for the previous season. The crop for the current season is estimated at 3,120 cwts., but a shortfall of 220 cwts., is anticipated in the arabica crop estimate due to adverse weather conditions.

The Company's area under mature coffee is 335.23 acres, made up of 207.10 acres of robusta and 128.13 acres of arabica, and under immature coffee 156.20 acres (robusta 71.62 acres and arabica 84.58 acres).

The Company's paid-up capital is Rs. 3.67 lakhs, half of which represents the capital raised by the capitalisation of reserves in 1952-53. The reserves and surplus aggregate Rs. 3.97 lakhs. The current liabilities aggregate Rs. 79,712 and provision for taxation less advance payments stands at Rs. 40,127, to cover the balance of estimated liability on account of agricultural income-tax for the seasons 1953-54, 1954-55 and 1955-56. No provision has been made against Central income-tax on account of coffee. The gross block of Rs. 7.77 lakhs has been written down to a book value of Rs. 6.99 lakhs. A sum of Rs. 50,854 was spent during the year on the upkeep of immature areas and cost of opening and planting the new arabica clearings. The current assets amount to Rs. 1.85 lakhs and cover the current liabilities and provision for taxation by a comfortable margin.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 21 *cum-div.* On an *ex-div.* basis, the dividend of 15 per cent. for the year works out a yield of 7.7 per cent. per annum.

TATA STEEL OUTPUT

The production of iron and steel by the Tata Iron and Steel Co., Ltd. during the month of April 1957 has suffered a setback, as compared with that in the previous month. As compared with the output in April 1956, the production during the month under review of pig iron and saleable steel shows a decline, while that of steel ingots is higher, as will be seen from the following table:

	(In tons) April 1957	March 1957	April 1956
Pig Iron	92,300	95,100	100,000
Steel Ingots	89,300	93,200	87,200
Saleable Steel:			
Finished	62,500	73,600	64,300

PROFIT OF CAMBODIA MILLS SHRINKS

DIVIDEND, HOWEVER, UNCHANGED

LABOUR unrest resulting in strikes and lock-outs, consequent upon the implementation of the Textile Tripartite Enquiry Commission's recommendations in October last, have been responsible for a sizable shrinkage in sales turnover and a corresponding reduction in the earnings of the Cambodia Mills Ltd. (Managing Agents: Messrs. Peirce Leslie & Co., Ltd., Coimbatore), for the year ended 31st December 1956. The gross profit has dropped from Rs. 5.16 lakhs to Rs. 3.41 lakhs, in distinct contrast to the smart recovery made in 1955, when the profit jumped from a low of Rs. 1.99 lakhs earned in 1954. The net profit, after providing for Managing Agents' commission and depreciation, stands lower at Rs. 92,303, as against Rs. 1.97 lakhs in the previous year. Indeed, the net profit would have been still lower had it not been for the fact that the Managing Agents have agreed to forgo their entire 1 per cent. commission on purchases of cotton and stores and 2½ per cent. commission on development which together amounted to Rs. 79,828. The net profit, however, compares favourably with the net loss of Rs. 0.88 lakh suffered in 1954.

In view of the lower earnings, the Directors have not been able to transfer anything to the reserves, while in the previous year a modest allocation of Rs. 6,594 had been made to the development and reconstruction reserve. The net sum available for appropriation (including the surplus brought in from 1955) is just sufficient to pay the 6 per cent. preference dividend and to maintain the ordinary dividend at 5 per cent. per annum. However, the small sum of Rs. 40,638, being the excess provision for taxation no longer required, and the refund of B.P.T. and E.P.T. has come in handy for maintaining the dividend comfortably.

The following table will enable a comparative study of the Company's working during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	91.22	1,23.06	1,10.47	92.66
Expenses (including raw materials consumed)	92.01	1,00.19	1,08.64	83.83
Gross profit	3.41	5.16	1.99	9.17
Managing Agents' commission..	0.31	1.13	0.98	1.38
Depreciation	2.13	2.06	1.91	1.59
Taxation	..	..	..	2.60
Net profit (+) or loss (—) ..	+0.92	+1.97	—0.88	+3.60
Reserve for taxation no longer required	0.32	..	..	..
Refund of B.P.T. and E.P.T. ..	0.09	..	..	..
Transfer to reserves	..	0.07	..	2.57
Dividends—				
7% cum. preference	0.07	0.07	0.07	0.07
Ordinary	1.00 (5%)	1.00 (5%)	..	1.50 (7½%)
Carry forward	0.54	0.28	—0.55	0.40

It will be seen from the above table that the sale proceeds have made a substantial drop of Rs. 31.84 lakhs during the year under review. This stands in marked contrast to the rise of Rs. 12.59 lakhs noted in the previous year and also reverses the upward trend in sales for the previous two years. The decline, as the Directors point out, is due to lower production attributed to the loss of 62 full working days through strikes and lockouts and the go-slow tactics adopted by workers. Expenses have, however, come down from Rs. 100.19 lakhs to Rs. 92.01 lakhs, but this only reflects the setback in production. The expenses would have been lower still but for an additional one month's bonus to labour for the year 1955 having been charged to the accounts under review as a result of a bonus arbitration award.

Commenting on the Company's expansion programme, the Directors state that the implementation of the extensive rehabilitation scheme has made satisfactory progress. They anticipate that all machinery ordered so far will have been installed by September this year, including the humidification plant which is already in partial operation.

The Company's financial position, as disclosed by its balance-sheet as at 31st December 1956, is quite satisfactory. Its paid-up capital of Rs. 21 lakhs, made up of 1,000 7 per cent. cumulative preference shares of Rs. 100 each and 200,000 ordinary shares of Rs. 10 each, is supplemented by reserves and surplus aggregating Rs. 20.53 lakhs. This reserve has been built up even after capitalising a sum of Rs. 10 lakhs in 1948, when the paid-up capital was increased from Rs. 11 lakhs to Rs. 21 lakhs. The current liabilities amount to no more than Rs. 5.43 lakhs and include loans from banks aggregating Rs. 1.54 lakhs. The gross block of Rs. 42.33 lakhs, including additions during the year amounting to Rs. 2.44 lakhs, stands written down to Rs. 18.34 lakhs. The current assets aggregate Rs. 28.62 lakhs and cover the current liabilities by a wide margin of Rs. 23.19 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 12.18 *cum-div.* On an *ex-div.* basis, the dividend for the year provides a yield of 4.28 per cent. per annum, free of tax.

Points From The Chair

Textile Industry

"TRADERS have developed the habit of buying cautiously, partly because of the general impression that the last increases in excise duties on 1st September 1956 were a temporary measure, and also because of the uncertainty about the Government's intentions for replacing existing sales taxes on cotton textiles by excise duties. The consumer is also being cautious or may be he is spending more of his money otherwise. It seems strange that the supply of cloth should be more than enough when only 16 yards of mill and handloom cloth is presently available for internal consumption and one could reasonably expect demand to be rising towards the official estimate of 18½ yards as at the end of the second Five-year Plan, an estimate which many of us consider to be too low. I do not think, however, that we should be misled by the present apparent adequacy of supply, as within a year or so there is more likely to be a shortage. I hope, therefore, that the Government will proceed with their plans announced last year for the expansion of the textile industry. For the most part, these plans depend on expansion by the handloom industry assisted by spinning mills and Ambar Charkas, and on conversion of handlooms to powerlooms. The expansion of composite mills has, in fact, been linked to the export trade."

R. E. CASTELL,
Bangalore Woollen, Cotton and Silk Mills Co., Ltd.

Sugar Production

"Today there is an all-India surplus in production, supply outpacing demand. This no doubt is a heartening reversal of the position three years back when sugar had to be imported to relieve shortage in the country. In 1954-55 the total production of sugar in the country was 15.89 lakhs of tons; in 1955-56 it moved up to 18.56 lakhs of tons; in 1956-57 it is estimated production will touch 20.2 lakhs of tons. Besides expanding production, we have also a carryover of well over 5 lakhs of tons. The present pace of consumption is rated at 19 lakhs of tons and at the end of the planning period it is expected this may move up to 22.5 lakhs of tons. At the same time, with new sugar mills progressively coming into production during the Plan period and several of the old ones expanding their crushing capacity, the total production in the country is expected to reach up to 25 lakhs of tons at the end of the second planning period. If sugar economy is to be protected, obviously, apart from expanding internal consumption a regular outlet by way of export has to be created, developed and maintained. By good luck we have made a promising beginning and if only Government will take note of the export potential and the need to build it up in all possible ways, I believe the sugar industry, apart from safeguarding its own economy, is destined also to play an important part in the balance of payments position of the country."

C. R. SRINIVASAN,
East India Distilleries and Sugar Factories Ltd.

Tight Money

"The problem of the banks during the last year were the consequences of the problems that faced the country. What have agitated all minds are the acuteness of finance for domestic needs as well as to pay for imports and the rising trend of prices. There were the large needs for development, imports of steel, capital machinery, etc. There was an increase of Rs. 158 crores in advances and bills against an increase of Rs. 77 crores in deposits. The banks had to resort to increased borrowings from the Reserve Bank, liquidate a small part of their investments and reduce cash balances to meet the demand. Shri T. T. Krishnamachari, the Commerce Minister, on taking over the Finance portfolio, was confronted with the serious problem of credit for trade and industry and the limited capacity of the commercial banks to meet the same. Living up to his reputation for prompt and dynamic action, the Finance Minister had consultations with banks and representatives of industry along with the Governor of the Reserve Bank and liberalised the bill market. This very largely assisted the commercial banks to meet the demand for funds from industry and commerce and Shri T. T. Krishnamachari rightly earns the credit for the easening in the otherwise tight situation. The higher money cost aimed at curbing inflation in India has had no significant effect."

S. P. JAIN,
Punjab National Bank Ltd.

COMPANY MEETINGS AND DIVIDENDS

PODAR MILLS LTD. Annual General Meeting, Bombay, 16th May 1957. Dividend: Rs. 7.00 per share (dividend Rs. 5.00 per share plus bonus of Rs. 2.00 per share), payable on and after 17th May 1957. Transfer books remain closed from 25th April to 16th May 1957, both days inclusive.

CAMBODIA MILLS LTD. Annual General Meeting, Coimbatore, 20th May 1957. Dividend: Re. 0.50 (5 per cent.) per share. Transfer books remain closed from 4th to 20th May 1957, both days inclusive.

SVADESHI MILLS LTD. Annual General Meeting, Bombay, 20th May 1957. Dividend: Rs. 14.00 per share (includes bonus of Rs. 2.00 per share), payable on and after 21st May 1957.

PRESIDENCY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 21st May 1957. Transfer books remain closed from 7th to 21st May 1957, both days inclusive.

MAHINDRA AND MAHINDRA LTD. Annual General Meeting, Bombay, 22nd May 1957. Dividend: Re. 1.25 per share. Transfer books remain closed from 8th to 22nd May 1957, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 22nd May 1957. Dividend: Rs. 3.50 per share (includes bonus of 50 nP per share), payable on and after 23rd May 1957.

AURUNGABAD MILLS LTD. Annual General Meeting, Bombay, 23rd May 1957. Transfer books will remain closed from 13th to 25th May 1957, both days inclusive.

ANGLO FRENCH TEXTILES LTD. Annual General Meeting, Pondicherry, 23rd May 1957.

KATAKHAL LALA BAZAR RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th May 1957. Transfer books remain closed from 10th to 24th May 1957, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 24th May 1957. Dividend: Re. 1.25 per share (includes bonus of Re. 0.25 per share), payable on and after 28th May 1957. Transfer books will remain closed from 16th to 25th May 1957, both days inclusive.

GUEST, KEEN, WILLIAMS LTD. Annual General Meeting, Calcutta, 29th May 1957. Dividend: 15 per cent. (final). Transfer books remain closed from 8th to 29th May 1957, both days inclusive.

BRUSHWARE LTD. Annual General Meeting, Kanpur, U.P., 31st May 1957. Dividend: Re. 1.00 per share.

PORT CANNING AND LAND IMPROVEMENT CO., LTD. Annual General Meeting, Bombay, 31st May 1957. Dividend: *Nil*. Transfer books will remain closed from 16th to 31st May 1957, both days inclusive.

GODFREY PHILLIPS INDIA LTD. Annual General Meeting, Bombay, 31st May 1957. Transfer books will remain closed from 25th to 31st May 1957, both days inclusive.

ALLIANCE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 31st May 1957. Transfer books will remain closed from 15th to 31st May 1957, both days inclusive.

JAY SHREE TEA GARDENS LTD. Annual General Meeting, Calcutta, 31st May 1957. Dividend: Re. 1.00 per share. Transfer books will remain closed from 13th to 31st May 1957, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. Annual General Meeting, Calcutta, 7th June 1957. Dividend: Re. 0.75 per share (final), payable on or after 25th June 1957. Transfer books will remain closed from 18th May to 7th June 1957, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 17th June 1957. Dividend: Rs. 6.00 per share, payable on and after 24th June 1957. Transfer books will remain closed from 13th May to 8th June 1957, both days inclusive.

INDIAN WOOD PRODUCTS LTD. Final dividend of 20 per cent. (making a total of 30 per cent.) for the year ended 30th September 1956.

TROPICAL PLANTATIONS LTD. First and final dividend of 12 per cent. i.e., Rs. 3.00 per share for the year ended 31st December 1956. Transfer books will remain closed from 25th to 31st May 1957, both days inclusive.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. A final dividend of Rs. 2.00 per share (making a total of Rs. 3.50 per share, for the year), for the year ended 31st December 1956. Transfer books remain closed from 4th to 11th May 1957 both days inclusive.

NONSUCH TEA ESTATES LTD. Interim dividend of Re. 1.00 per share, for the year 1956-57. Transfer books remain closed from 10th to 16th May 1957, both days inclusive.

COMPANY REGISTRATIONS

SIEMENS ENGINEERING AND MANUFACTURING CO. OF INDIA PRIVATE LTD. (First Director: Mr. D. M. Khatau.) Business: Electrical engineering and electrotechnical manufacture. Authorised capital: Rs. 1,00,00,000. Private company. Address: Stadium House, 81/83, Veer Nariman Road, Bombay-1.

PIONEER EQUIPMENT CO. PRIVATE LTD. (First Director: Mr. Yeshwant M. Mehta.) Business: Importers, exporters and general traders. Authorised capital: Rs. 25,00,000. Private company. Registered office of the Company will be situated in the State of Bombay.

GORDHANDAS DESAI PRIVATE LTD. (First Director: Mr. Gordhanbhai Ishwerbhai Patel.) Business: Manufacture of scientific apparatus, equipment, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Karmani Building, Sir P. M. Road, Bombay.

WIMCO'S PROFIT SHRINKS SLIGHTLY

FINLAY MILL REPEATS DIVIDEND

Western India Match Co., Ltd.

THE directors of the above Company (Chairman: Mr. Chunilal V. Mehta, Bombay) submitted the audited accounts of the Company for the year ended 31st December 1956.

While production and sales show an increase over the previous year, severe competition from the subsidised cottage industry remains and the Company's trading result can in the circumstances be deemed satisfactory.

As sanctioned by the shareholders at the extraordinary general meeting held on 19th June 1956, the transfer of Shahdara Factory and certain other assets in Pakistan has been completed and the proceeds have been received by the Company in India. During the year under review, the Company's small splint factory at Dharmadam has also been disposed of as it was no longer economical to continue manufacturing activities there.

The directors have decided to build a factory for the manufacture of paper and Government have granted the necessary licence. This establishment is to be situated adjacent to the Company's Calcutta Factory, and orders for machinery have already been placed.

After the shareholders had approved of the re-appointment of the managing agents at the extraordinary general meeting held on 23rd October 1956, the Government also granted their consent, and the Swedish Match Company have now been re-appointed the managing agents of the Company for a further period of 10 years from 1st January 1957 on the terms and conditions of the Agreement approved at the aforesaid extraordinary general meeting. Government however required that the directors nominated by the managing agents shall not be called "Managing Directors" and they have in consequence been redesignated "Executive Directors."

The factories and other property of the Company have been adequately maintained and net fresh capital expenditure in respect of additions to machinery and buildings amounts to Rs. 11,96,760. Rs. 9,66,888 (Rs. 8,56,341) has been provided for depreciation on the same basis as the last two years. For 1956 a provision of Rs. 29,90,000 (Rs.34,40,000) has been made for taxation.

The net profit for the year, after providing for depreciation and taxes for 1956 as aforesaid, is Rs. 37,22,994 (Rs. 39,65,281), to which should be added the sum of Rs. 5,61,984 (Rs. 5,28,887), being the balance brought forward from last year, making a total of Rs. 42,84,978 (Rs. 44,94,168). The directors recommend that this amount may be dealt with as follows:—

To pay a dividend for the year ended 31st December 1956 at the rate of 10 (10) per cent. per annum [i.e. Rs. 10 (Rs. 10) per share] free of income-tax absorbing Rs. 27,50,000 (Rs. 27,50,000), to pay a bonus for the year ended 31st December 1956 at the rate of 1 (1) per cent. per annum [i.e., Re. 1 (Re. 1) per share] free of income-tax absorbing Rs. 2,75,000 (Rs. 2,75,000), to set aside for general reserve Rs. 4,00,000 (Rs. 5,00,000), to extra commission to the managing agents as per the old agreement Rs. 3,57,740 (Rs. 4,07,184) and to carry forward to next year's account Rs. 5,02,238 (Rs. 5,61,984).

In terms of a recent decision of the Bombay High Court the directors are advised that the managing agents are entitled to the extra commission, in respect of the profits for 1956, under the provisions of the earlier managing agency agreement, which expired on 31st December 1956.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,75,00,000	Block ...	1,55,25,785
Reserves ...	1,35,45,829	Stock-in-trade	1,11,08,813
Provision for taxation ...	3,03,387	General stores	45,79,262
Liabilities ...	1,37,67,905	Loose tools ...	51,960
Profit and loss account ...	8,59,978	Goods-in-transit ...	16,86,234
		Debts, deposits and advances ...	93,95,630
		Investments ...	73,194
		Cash ...	1,27,01,225
		Banderols held in trust ...	8,54,996
Rs.	5,59,77,099	Rs.	5,59,77,099

Finlay Mills, Ltd.

The directors of the above Company (Agents: Messrs. James Finlay & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1956.

The trading profit for the year, after allowing Rs. 8,76,000 (Rs. 2,65,000) for depreciation and Rs. 40,000 (Rs. 5,60,000) for taxation amounts to Rs. 14,60,058 (Rs. 13,56,538) to which is added the amount brought forward from previous year of Rs. 1,67,199 (Rs. 3,90,661) making a total of Rs. 16,27,257 (Rs. 17,47,199). From this amount the directors have appropriated to development rebate reserve Account Rs. 2,98,000 (Rs. 5,70,000), to retiring gratuity reserve account Rs. 2,50,000 (Rs. 10,000) and to payment of a dividend at the rate of Rs. 20 (Rs. 20) per share, and 50,000 shares (free of income-tax) absorbing Rs. 10,00,000 (Rs. 10,00,000) leaving a balance of Rs. 79,257 (Rs. 1,67,199) to be carried forward to next year's accounts.

The Alexander and Finlay Thread Co., in which the Company has a 50 per cent. interest with the English Sewing Cotton Co., Ltd., Manchester, showed a loss during the year of Rs. 1,24,870 of which the Company's share is Rs. 62,435. The technical difficulties referred to in the last report have now been overcome but market conditions during the year deteriorated. It is hoped, however, that the results of the current year will show improvement.

Permission has been obtained for the installation of 18,500 additional spindles and part of the necessary preparatory machinery has already been received. A new *Baling Press* has been installed in the *Bleach House*. Machinery has been well maintained during the year.

Prices and deliveries of cloth were satisfactory for the first eight months of the year, but these declined in the latter portion of the year coincident with the increase in excise which came into effect from 1st September 1956. The additional amount of excise as a result of this increase is estimated at approximately Rs. 18,00,000 per annum.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	58,84,802
Reserves ...	67,54,875	Stock-in-trade	72,83,082
Provision for taxation ...	5,60,189	Stores, spares, etc. ...	21,43,952
Liabilities ...	57,92,082	Debts, deposits and advances ...	19,55,966
Profit and loss account ...	79,257	Investments	9,00,585
		Cash ...	18,016
Rs.	1,81,86,403	Rs.	1,81,86,403

Waverley Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1956.

The loss for the half-year, after taking into account the sum of Rs. 50,000 (Rs. 1,01,000) for depreciation, amounted to Rs. 42,389 (profit of Rs. 1,30,080). After deducting therefrom the credit balance brought forward from the previous half-year of Rs. 14,518 (Rs. 1,14,640), unclaimed dividends forfeited Rs. 517 (Rs. 312), over-provision of liability in respect of previous half-year written back Rs. 7,550 (Rs. 12,591) and amount transferred from general reserve Rs. 50,000 (*nil*) there remained a credit balance of Rs. 30,196 (Rs. 2,65,660 which includes Rs. 8,037 being E.P.T. Post-war refund). Forfeited dividends paid, amounted to Rs. 119 (Rs. 63) leaving an available balance of Rs. 30,077 (Rs. 2,65,597). This amount the directors distributed as follows:—

Paid dividend on 15,000 preference shares at 5 per cent. per annum for the half-year ended 30th June 1956, or Re. 1.25 (Re. 1.25) per share Rs. 18,750 (Rs. 18,750) and carried forward Rs. 11,327 (Rs. 2,12,031 after paying ordinary dividend at 12½ per cent. absorbing Rs. 31,250 and paying Rs. 3,566 as income-tax on E.P.T. Post-war refund).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June 1956, have been valued at market rates.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, the Mills worked 48 hours per week with 12½ per cent. of the total looms sealed until 8th January 1956. This figure was reduced to 10 per cent. from 9th January 1956 and to 5 per cent. from 20th February 1956. Since the close of the period the industry sealed 2½ per cent. of the total looms from 16th July 1956 and a further 5 per cent. on 17th September 1956, again making a total of 12½ per cent. of the total looms sealed. Due to the purchase of loom hours three mills worked 96 hours per week on a double shift basis working 260 looms on each shift as from 2nd July 1956.

Trading conditions throughout the half-year continued to be difficult, and with the increase in production due to unsealing of looms prices fell rapidly and at no time was it possible to transact business simultaneously in raw jute and goods at a profit.

Mills were on strike from 13th October 1956 to 29th December 1956, due to the refusal of workers in the Spinning Department to carry out duties of one spinner to two frames and in the Weaving Department weavers refused to work one weaver to two looms although this procedure had been in force for a considerable period.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	15,27,071
Debentures ...	10,00,000	Stock-in-trade	20,37,624
Reserves ...	6,35,000	Stores and spare parts	5,70,605
Liabilities ...	21,88,372	Debts, deposits and advances ...	5,68,535
Profit and loss account ...	11,327	Investments	60,000
		Cash ...	70,864
Rs.	48,34,699	Rs.	48,34,699

Assam Match Co., Ltd.

The directors of the above Company (Chairman: Mr. Dinshaw D. Romer, Bombay) present the audited accounts of the Company for the year ended 31st December 1956.

The trading result of the year has been satisfactory, both production and sales being good. The factory and other property of the Company have been adequately maintained. Rs. 1,36,810 (Rs. 1,16,268) has been provided for depreciation on buildings and machinery on the same basis as the last two years. For 1956 a provision of Rs. 4,80,000 (Rs. 4,00,000) has been made for taxation.

The net profit for the year, after providing for depreciation and taxes for 1956 as aforesaid, is Rs. 5,44,478 (Rs. 4,35,902) to which should be added the sum of Rs. 1,18,395 (Rs. 1,17,493) being the balance brought forward from last year, making a total of Rs. 6,62,873 (Rs. 5,53,395), which the directors recommend may be dealt with as follows:

To pay a dividend for the year ended 31st December 1956 at the rate of 10 (7½) per cent. per annum [i.e. Re. 1 (Re. 0.75) per share] free of income-tax absorbing Rs. 3,00,000 (Rs. 2,25,000), to pay a bonus for the year ended 31st December 1956 at the rate of 2½ (5) per cent. per annum [i.e. 25 (50) naye paise per share] free of income-tax absorbing Rs. 75,000 (Rs. 1,50,000), to set aside for general reserve Rs. 90,000 (Rs. 60,000), to set aside for dividend equalisation reserve Rs. 25,000 (*nil*) and to carry forward to next year's account Rs. 1,72,873 (Rs. 1,18,395).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	18,62,280
Reserves ...	15,70,000	Stock-in-trade	19,16,671
Provision for taxation ...	18,48,265	Stores and loose tools	7,38,430
Liabilities ...	14,02,587	Goods-in-transit ...	2,91,910
Profit and loss account ...	1,72,873	Debts, deposits and advances ...	30,27,155
		Investments	5,968
		Banderols held in trust ...	58,828
		Cash ...	92,483
Rs.	79,93,725	Rs.	79,93,725

Port Canning and Land Improvement Co., Ltd.

The directors of the above Company (Bombay) submit the audited accounts of the Company for the year ended 30th April 1956.

Messrs. David Sassoon & Co., Ltd., were in charge of the Company as secretaries, treasurers and agents during the period under review; they ceased to act from the 1st August 1956.

The directors regret that book debts amounting to about Rs. 1,39,000 which were shown as doubtful for the first time in last year's accounts have on scrutiny turned out to be time-barred for years; they have had to be, therefore, written off as bad. Most of the remaining book debts are reported to be under suits or decreed; they have been, however, shown as doubtful pending realisation or proving otherwise. It may be pointed out that since the year's working resulted in a loss, no provision could be made for doubtful debts.

An adjustment in respect of the value of the land acquired by the State of West Bengal is not considered practicable until such time as the actual compensation receivable is known. Buildings at Canning and Kutcha houses and other structures at lots and dead stock having been written down in past years, no further depreciation could be provided.

The Company's capital and the reserves and other funds are mainly absorbed in the land block acquired by the State of West Bengal. Unfortunately, the terms of acquisition under the West Bengal Estates Acquisition Act, 1953, are entirely inadequate and inequitable.

A proper representation not having been submitted to the Government of West Bengal immediately after the Company's estates vested in the State on the 15th April 1955, it has now been submitted.

Since acquisition the working of the Company has been far from satisfactory; during the year, the Charland suit against the Company by Government remained unsettled; the case was compromised subsequently, the realisation of Company's non-rent receiving interest and properties was scarcely begun; the collections dwindled to about Rs. 1,39,000 as against about Rs. 6,69,600 during the previous year; and the expectations of the Canning Office that the Company's expenses would be covered by collections failed to materialise. No material change took place in the tax position from that of last year.

The Company's present and future working has been prejudiced by the premature payment of retrenchment compensation to the staff at Canning during the year under report. Since then, certain members of the staff have been allowed to leave service without regard to the terms on which they were re-employed.

According to their agreement with the Company, Messrs. David Sassoon & Co., Ltd., were to serve as secretaries, treasurers and agents for a period of twenty years expiring on the 31st December 1956. They, however, ceased to act from the 1st August 1956, on which date the directors took charge under protest.

The Directors have been endeavouring to obtain full possession of the facts. They regret to report that the state of the Company's affairs was most unsatisfactory. There is little prospect of improvement at this late stage and the question of putting the Company into liquidation therefore requires your urgent consideration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	60,00,000	Block ...	68,00,359
Reserves ...	14,00,051	Stores ...	879
Provision for taxation ...	2,92,981	Debts, deposits and advances ...	3,24,989
Liabilities ...	60,774	Investments	4,57,359
		Cash ...	1,70,220
Rs.	77,53,806	Rs.	77,53,806

Polson Ltd.

The directors of the above Company (Managing Agents: Messrs. Polson Agencies Private Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1956.

The net profits after providing for managing agents' commission and depreciation amounted to Rs. 9,59,038 (Rs. 12,16,322) which with the sum brought forward from the preceding year's accounts of Rs. 30,914 (Rs. 25,124) made a total of Rs. 9,89,952 (Rs. 12,41,446). From this amount the directors have transferred to rehabilitation reserve Rs. 62,126 ((Rs. 72,810), to development reserve Rs. 2,62,064 (Rs. 33,222), to reserve for taxation Rs. 1,20,000 (Rs. 4,68,500) and to reserve fund Rs. 1,10,000 (Rs. 3,00,000) leaving a balance available for distribution Rs. 4,35,762 (Rs. 3,66,914). Out of this, the directors have paid a dividend of Rs. 6 (Rs. 6) (subject to deduction of income-tax) per share on the preference shares Rs. 1,20,000 (Rs. 1,20,000) and a dividend of Rs. 12-8 (Rs. 10) per share, free of income-tax, on the ordinary shares Rs. 2,70,000 (Rs. 2,16,000) leaving a balance of Rs. 45,762 (Rs. 30,914) to be carried forward.

The sales during the year were Rs. 95,84,598 as compared to Rs. 97,38,656 of the previous year.

The Polson Model Dairy at Patna was put into commission on the 3rd December, 1956. The inauguration ceremony of the Patna Dairy was done by the Governor of Bihar on the 28th February, 1957.

The dairy is the last word in structure and machinery and the directors have full hope that they shall be able to turn out butter which could stand competition anywhere in quality. The dairy has the maximum production capacity of 10,000 lbs. per day.

The Company's dairy at Khagaul (Dinapore) which has now been finally closed due to the opening of the Patna Dairy, remained closed for over four months owing to labour trouble and this was to a very great extent responsible for creating shortage of butter on the market in various places resulting in loss of business and deficiency in profits. It is, however, hoped that with the starting of the new dairy at Patna the position will be retrieved considerably.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,60,000	Block ...	46,27,512
Reserves ...	26,00,003	Raw and manufactured goods ...	11,44,355
Provision for taxation ...	12,50,528	Stores and spare parts	5,48,890
Liabilities ...	13,10,659	Debts, deposits and advances ...	20,18,675
Profit and loss account ...	45,762	Investments	730
		Cash ...	10,26,790
Rs.	93,66,952	Rs.	93,66,952

Brushware Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co. Private Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th November 1956.

It will be observed that the accounts are presented in the new form required by the Companies Act, 1956.

The results for the year, after providing for all charges including provisions for taxation and depreciation, and adjustments, show a surplus of Rs. 16,798 (Rs. 7,280) from which has been transferred to rehabilitation reserve a sum of Rs. 7,500 (Rs. 3,500) leaving a balance of Rs. 9,298 (Rs. 3,780). After adding the balance brought forward from the previous year of Rs. 7,251 (Rs. 10,971), there is an available balance of Rs. 16,549 (Rs. 14,751). The directors recommend to dispose of this amount as follows:

In payment of a dividend of Re. 1 (Re. 0.75) per share, free of income-tax, for the year ended 30th November, 1956, absorbing Rs. 10,000 (Rs. 7,500) and carry forward Rs. 6,549 (Rs. 7,251). The dividend on the ordinary shares complies with the requirements of Section 23A of the Indian Income Tax Act, 1922.

Such of the recommendations made by the firm of Industrial Consultants, reference to which was made in the last report, as could be given effect to, having regard to the financial position of the Company, have been implemented leading to reduction in manufacturing costs.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,000	Block ...	8,925
Reserves ...	3,21,000	Stock-in-trade	2,61,888
Provision for taxation ...	21,854	Stores and spare parts	49,449
Liabilities ...	1,43,865	Debts, deposits and advances ...	1,39,840
Profit and loss account ...	6,549	Investments ...	1,30,209
		Cash ...	2,957
Rs.	5,93,268	Rs.	5,93,268

Trichinopoly Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Mooljee Ramjee & Sons, Ramjeenagar, Tiruchirapalli) submitted the audited accounts of the Company for the year ending 31st December 1956.

The result of the working of the year is satisfactory. The net profit after deducting all expenses including Rs. 63,889 being the bonus to workers for 1954 and 1955 and writing off Rs. 1,20,435 (Rs. 92,151) as depreciation on fixed assets amounted to Rs. 4,67,686 (Rs. 1,73,179). Donations amounting to Rs. 2,339 (Rs. 4,112) have been paid therefrom. Along with Rs. 1,508 (Rs. 8,321) carried forward from last year, there is a sum of Rs. 4,66,855 (Rs. 1,77,388) to the credit of the profit and loss account, which the directors recommend to dispose of as follows:

To provision for taxes Rs. 1,75,000 (Rs. 50,000), to pay a tax-free dividend of 11¼ (9) per cent. to shareholders Rs. 1,57,350 (Rs. 1,25,880), to general reserve Rs. 48,668 (*nil*), to reserve for rehabilitation Rs. 13,000 (*nil*), to dividend equalisation reserve Rs. 10,000 (*nil*) and to carry forward to next year Rs. 62,837 (Rs. 1,508).

The slackness of the demand for yarn and costlier prices of cotton coupled with the threatened cut in energy supply and expected enhancement in the wages to workers may depress the earnings of the current year.

Accounts in brief were as under:—

•Liabilities	Rs.	Assets	Rs.
Capital ...	13,98,670	Block ...	5,08,023
Reserves ...	9,50,000	Stock-in-trade	14,11,008
Provision for taxation ...	2,18,177	Stores and spare parts	2,06,591
Liabilities ...	3,34,805	Debts, deposits and advances ...	6,71,386
Profit and loss account ...	62,837	Other assets	54
		Investments	1,02,456
		Cash ...	64,971
Rs.	29,64,489	Rs.	29,64,489

Straw Products Ltd.

The directors of the above Company (Managing Agents: Messrs. J. K. Agents Private Ltd., Bhopal) submitted the audited accounts of the Company for the year ended 31st December 1956.

During the year after meeting all the expenses and charges and taking into account bonus to workers and staff, provision for depreciation, remuneration to directors, and managing agents' commission and remuneration, the Company has made a net profit of Rs. 8,18,607 (Rs. 4,03,078) which together with the excess depreciation written back amounting to Rs. 4,60,295 (*nil*) and the balance brought forward from the last year's account of Rs. 16,003 (Rs. 42,925) comes to Rs. 12,94,905 (Rs. 4,46,003). The directors have made provision for disposal of the above amount as under:—

Provision for taxation Rs. 3,75,000 (Rs. 1,30,000), to pay dividend at Re. 1-4 (Re. 1) per share on 1,50,000 shares free of tax, equivalent to 12½ (10) per cent. Rs. 1,87,500 (Rs. 1,50,000), transfer to general reserve Rs. 6,50,000 (Rs. 1,50,000) and balance to be carried forward to next year Rs. 82,405 (Rs. 16,003).

During the year under review the production and sales of the Company's products have been satisfactory, and the reputation for high quality has been maintained. Labour relations have also been cordial.

The depreciation provided for in excess of the allowances given under the Income-tax Act in the previous years has been written back in the accounts.

The construction of 72 one-roomed double storeyed tenements for the labour has been completed and the same have been allotted under the rules of the Industrial Housing Scheme of the Government of India.

Out of the two machines, the old *Cylinder Mould* machine has been discarded and sold. The new machine, order for which was placed during the year 1955 has arrived, and is already under erection. The machine is expected to go into production during the second quarter of this year. Order for equipment for extension of the main machine has also been placed and it is expected that this extension too will be completed before the end of this year. It is to be noted that with the above addition and extension, the production capacity of the factory will be more than doubled by the end of this year.

The directors have pleasure in informing that the Company has been granted licence for establishment of a paper mill of 18,000 tons per annum capacity in Orissa. Negotiations for purchase of machinery and plant are under finalisation. Orissa Government has granted bamboo forests on long leases to the Company to ensure full supply of raw material. Working and development of forests allotted from 1st October 1956, has also commenced.

All these expansion schemes and new projects will require heavy capital expenditure for which plans are being worked out for raising further capital. The authorised capital of the Company has already been raised to Rs. 5 crores.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	89,20,615
Reserves ...	88,84,537	Stores and spare parts	3,29,144
Provision for taxation ...	5,56,977	Raw materials	1,50,390
Liabilities ...	18,00,997	Stock-in-trade	43,676
Profit and loss account ...	82,405	Work-in-progress ...	849
		Debts, deposits and advances ...	6,03,491
		Investments	20,58,614
		Trustees employees' provident fund	1,87,284
		Cash ...	5,50,853
Rs.	1,28,24,916	Rs.	1,28,24,916

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

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A NEW ERA IN FINANCING ECONOMIC DEVELOPMENT OF AUSTRIA

EVERY WORKER AN INVESTOR?

[A significant development in Austria of late has been the ending of the period of expansion of State ownership of industry and business. Those at the helm of affairs in the Government have now come to realise that concentration of ownership of property either in the State or in private hands is a danger. Reflecting this shift in emphasis is the commencement of a new era in financing economic development, promising to lighten the load carried by the Government as the owner of so many public services, industries and businesses nationalised in 1946. This is, indeed, a development which deserves to be noticed in India where the State's incursion into the country's economic activity is on the increase. In view of the vital importance of the new trend in Austria, we publish below an interesting article on the subject by a correspondent of the Swiss Bank Corporation Bulletin, *contributed to a recent issue of the* Bulletin.—Ed.]

AUSTRIA needs capital urgently on a large scale for the development of her economy. One pregnant example is enough to demonstrate this. In Austria, the energy deficit is widening rapidly. To close the gap, the imports of coal from the U.S.A. have had to be increased from a monthly average of 40,000 tons in 1954. to 110,000 in 1955 and 160,000 in 1956. As Austria has immense natural resources in water power, great efforts have been made to increase the output of hydro-electric energy. As long as investment capital could be obtained from Marshall Aid funds and from World Bank loans, the output of water power increased by leaps and bounds, year after year. But, as the demand for electrical power has been increasing by more than 12 per cent. yearly, the rate of increase in the power supply has barely kept pace with the demand, despite the vast amount of capital invested.

The following estimates of the power requirements in the next three years show that, even if the investment capital can be found, the rate of economic expansion will probably prevent the gap from being quite closed:

(In milliard kw.h.)

	Production	*Demand*
1957	10.83	11.30
1958	11.70	12.10
1959	12.24	12.80

But, as further investment capital from Marshall Aid funds and World Bank loans will probably be unobtainable and as the prospect of floating foreign loans on the requisite scale is remote, the solution of the problem of capitalisation of development must be sought elsewhere.

Austria is rich in deposits of mineral oil and natural gas. But investment capital is required for their development. Crude oil from Austrian wells is available already, but the capacity of the Austrian refineries (2.3 million tons yearly) is not great enough to provide sufficient heating oil to cover even home demand.

Not Feasible

Both the hydro-electric power works and the oil industry are publicly-owned. Hence the task of finding the investment capital required for their expansion is mainly the business of the State. In practice, this means that the capital would usually have to be raised by taxation or by the issue of State loans at home or abroad. Neither way promises to be very productive. The Austrian State revenue for the current year is estimated to be about $34 milliard at most. No substantial increase is feasible.

Equally urgent, moreover, is the need of investment capital for private industry. No estimates of the amount required for the modernisation of plant and equipment yet exist, but the aggregate amount is believed to be of the order of magnitude of $10 milliard. The need would become more urgent still, if Austria joined the Free Trade Area. The rate at which new investment capital can be made available from Austrian sources depends essentially on the rate of growth of national income, savings, and the willingness of savers to invest.

During 1948-53, the Austrian national income increased at the average rate of 9 per cent. and in 1954-55 at 10 per cent. yearly, reaching $100 milliard at the end of 1955. To keep up this rate of increase would require the investment of new capital comparable in amount with that provided by Marshall Aid. In the last few years, savings have greatly increased. In 1954, savings deposits alone aggregated $6.7 milliard, in 1955 $9.2 milliard, in 1956 $12.5 milliard. This was highly satisfactory. But until now the Austrian people have shown little inclination to invest in shares and have bought bonds only very grudgingly. Nearly all post-war bond issues have been taken up by banks, insurance companies and pension funds. In Austria, small savers have always shown a marked preference for mortgages. Industrial expansion in Austria since World War II has been chiefly self-financed, that is, out of the undistributed profits of existing industries.

Finding Investment Capital

If the economic development of Austria is to continue at the present rate, the problem of finding the investment capital needed must be solved. Ostensibly, the solution that suggests itself first is that of making Austria attractive as a field for the investment of foreign capital. Borrowing abroad, however, has very narrow limits. The last World Bank loan obtained in 1956 was for U.S. $31 million, that is $800 millions, hardly enough to cover the deficit in the 1956 programme of water-power works construction.

Private investors in other countries would not be interested in financing the development of Austrian State-owned power works or industries. There is, indeed, a reluctance in Austria to encourage the inflow of foreign capital on a large scale for fear that foreign influence on the Austrian economy might become too strong. Preferably all the latent sources of investment capital in Austria itself should be exploited in full first.

Pressed from all sides to provide far more investment capital for the development of the national economy that could be made available in the customary ways, the Austrian Government decided to try a bold experiment—for which there was no precedent—and, to the surprise of everybody, has achieved success far beyond anything expected. A new era in financing economic development has begun, promising to lighten the load carried by the Austrian Government as owner of so many public services, industries and businesses nationalised in 1946. This new policy is destined ultimately:

Vastly to increase the number of small investors; to stimulate thrift; to make all workers "investment-conscious;" to encourage every worker to become part owner of the enterprise in which he is employed; to increase the sense of responsibility of the worker to the economy as a whole and to his own works in particular; to generate preference for the earning of dividends over the desire for higher wages; and to give the workers a direct influence on the management of those industrial concerns where they are employed.

Altogether 40 per cent. of the share capital of the two great Austrian, State-owned commercial banks was offered to investors of Austrian citizenship in the form of "Volksaktien"—people's shares—to be acquired by purchase—30 per cent. in the form of preference shares paying a guaranteed minimum dividend of 6 per cent. nominal, without voting power, offered to the general public and 10 per cent. in common stock, carrying voting power, not offered for sale publicly but to certain public bodies through a syndicate.

This is the first time any part of the share capital of a State-owned Austrian enterprise has been offered for sale. By means of a very skilfully worded folder, distributed nation-wide through the post, the advantages of investing one's savings in these preference shares was explained clearly in simple language. The folder showed that $150 million 6 per cent. preference shares in the Creditanstalt-Bankverein and $75 million common stock in the Oesterreichische Landerbank in denominations of $500 and $1,000 were purchaseable at 115 per cent., payment in cash or by instalments spread over a period of five months. The net yield at this price is 5.22 per cent. At present prices, the average yield on Austrian shares is about 3½ per cent., so that, at the issue price, the investment in preference shares is exceedingly attractive, especially as the purchaser is entitled to the dividend for 1956. If, contrary to expectation, the profits in any one year are not enough to meet the guaranteed dividend on the preference shares, the arrears must be paid off within the two following years. If the profits justify a higher dividend than 6 per cent., this will be paid. Dividends are not to be curtailed intentionally by the accumulation of reserves.

Only after the payment of the dividend on the preference shares will the holders of the remaining 70 per cent. common stock be entitled to a share in the net profits. If the share capital of the banks is increased, the subscription rights of the holders of preference shares will entitle them to acquire new preference shares only. Being bearer-shares, the preference shares will be marketable freely on the Vienna Stock Exchange at the market price of the day without special formality. From now onwards, the State will hold only 60 per cent. of the share capital in these two banks, but will exercise 85.7 per cent. of the voting power.

Success of the Experiment

As the Austrian people had never shown much interest in shares as a form of investment, great scepticism prevailed in Austria at the possibility of the success of the experiment. Within a few days, however, the whole issue was heavily oversubscribed. As the State wished the preference shares to be distributed as widely as possible, the application list was kept open till 28th February as originally announced.

Speaking of the result of the issue, the Austrian Finance Minister, Prof. Dr. Reinhold Kamitz, declared that the period of expansion of State ownership of industry and business had now ended. The concentration of ownership of property, whether by the State or in private hands, was a danger. What the State aimed at in this experiment was to teach the saver the advantage of sharing in the ownership of industry and business. By creating a demand for people's shares, a far wider market for all shares will be achieved. Demand for capital needed to expand and modernise industry can in future be referred to the capital market. Moreover, instead of workers saving short-term to make purchases of consumer goods, they will form the habit of saving long-term to finance the economy.

A precedent has been established. While still retaining the majority of the share capital and voting power in State-owned concerns, the State will be able to raise new investment capital by the sale of part of the share capital in other State-owned concerns. Workers who become shareholders in concerns owned by the State will in future insist that State-owned industries earn profits and pay dividends.



MONEY STRINGENT AGAIN

(From Our Own Correspondent)

BOMBAY, 8th *May*

Stringent conditions came to prevail in the short term money market during the week under review. The slight relaxation in the pressure of demand for funds noted in the previous two weeks proved to be a short-lived affair and money was again in keen demand in the face of a general shortage of floating funds. Banks had often to seek accommodation from the Reserve Bank, with the result that money rates remained firm.

The prevailing conditions are duly reflected in a further fall in Scheduled banks' deposits with the Reserve Bank during the week ended 3rd May 1957 and a sharp rise in their borrowings against usance bills.

Inter-bank call money was keenly bid at 2½ per cent. House money at call was in demand at 4 to 4½ per cent. and short-term deposits at 4½ per cent. for one to six months. A higher rate of 4¾ per cent. was reported to have been offered for one month deposit early in the week.

The statement of the Reserve Bank of India for the week ended 3rd May 1957 discloses an expansion in notes in circulation to the tune of Rs. 15.20 crores, in contrast to the shrinkage of Rs. 7.20 crores in the previous week. Notes held in the Banking Department are lower by Rs. 11.53 crores and the consequent increase of Rs. 3.67 crores in total notes issued is covered by an increase of Rs. 4.97 crores in rupee securities and a decline of Rs. 1.29 crores in rupee coin. There is no change in foreign securities, but balances held abroad maintain the downward trend with a further fall of Rs. 8.48 crores during the week. This is the seventh week in succession for which foreign balances show a decline, the aggregate fall during this period being of the order of Rs. 46.32 crores. The deposits of the Central Government and other Governments are lower by Rs. 1.02 crores and Rs. 2.13 crores, respectively. Deposits of banks also have shrunk by Rs. 3.54 crores. Loans and advances other than to Governments are up by Rs. 9.07 crores, of which outstanding advances to Scheduled banks against usance bills account for Rs. 6.74 crores. Fresh advances to banks against these bills during the week amount to Rs. 13.07 crores. There has been an addition of Rs. 14.72 crores to the Reserve Bank's investments during the week, while a decline of Rs. 4.67 crores is noted in Government Treasury Bills purchased and discounted.

A further increase in total deposits of banks is shown by the Scheduled banks' statement for the week ended 26th April 1957. While demand deposits are lower by Rs. 1.77 crores, time deposits have gone up by Rs. 6.84 crores. Borrowings from the Reserve Bank have fallen by Rs. 2.86 crores. Advances have risen by Rs. 4.12 crores and inland bills purchased and discounted by Rs. 3.97 crores. Foreign bills have, however, declined by Rs. 1.45 crores. Cash balances show a shrinkage of Rs. 4.29 crores, while money at call and short notice are up by Rs. 1.28 crores.

For yet another week, the Gilt-edged market remained dull, with the volume of business reduced to very low proportions and hardly any variations in prices. Most of the Central and State loans were on offer. 3 per cent. 1986 Conversion Loan attracted sellers at Rs. 74.40, while there were buyers at Rs. 74.37. 3 per cent. 1970-75 were on offer at Rs. 87.20. 3 per cent. 1966-68 was unchanged at Rs. 92.05, as also 3 per cent. 1964 and 1963-65 at Rs. 94.45 and Rs. 94.15, respectively. 3 per cent. 1959-61 was on offer at Rs. 97.75, but 3 per cent. 1958 and 1957 had buyers at Rs. 99.65 and Rs. 99.75, respectively. 3½ per cent. 1961 was in demand at Rs. 99.50, while 3½ per cent. 1964 had sellers 5 nP lower at Rs. 98.25, and 3½ per cent. 1967 at Rs. 98.50. Among State loans, 4 per cent. Madras 1967 dropped 65 nP to Rs. 97.35 and 1968 7 nP to Rs. 97.18. 4 per cent. Travancore 1963 shed 75 nP to Rs. 98.25.

There was a further hardening of the rupee in terms of U.S. dollar during the week. Banks' selling rate for ready dollars declined from Rs. 479.50 to Rs. 479, before gaining partially to Rs. 479.25 per $100. The buying rate fell from Rs. 476 to Rs. 475.75 per $100. This is in consonance with the trend in sterling. In New York, spot sterling hardened from $2.79-2.79¼ to $2.79⅜-2.79½, but declined to $2.79¼-2.78⅜ yesterday. Three months' forward improved from $2.78-3/16-2.78-5/16 to $2.78⅜-2.78½ before falling to $2.78⅜-2.78¼. Transferable sterling gained from 276.95-277.05 cents to 277.65-277.75 cents.

HIDES STOCKS SMALL

(From Our Own Correspondent)

MADRAS, 6th *May*

The tanned hides and skins market remained unchanged, as several tanners and merchants had gone to upcountry for *Ramzan* holidays. U.K. inquiries for kips were moderate and, as prices in the local market were firm, shippers did not accept U.K. levels. There was selective call for buff calf, especially top marks, but sellers were reserved because stocks were small. Tanned cow calf and buff hides were neglected. Inferior fifths cow hides fetched attractive prices for inland trade and, consequently, trading with the U.K. in this section was negligible.

There were good inquiries for prime class goat skins from the Continent, and sheep skins from the U.K. since the prices quoted were 3*d.* to 6*d.* lower than the earlier transactions, shippers did not evince any interest in new business. Market quality sheep and goat skins were in good demand by exporters, and arrivals found ready clearance at unchanged prices.

The London public sales have been postponed to tomorrow, and the quantities of goat and sheep skins available are now 608,000 and 498,000 pieces, respectively.

Shipments during April were 2,616 bales cow hides, 282 cow calf, 10 buffs, 406 buff calf, 683 goat, 381 sheep to the U.K.; 250 bales goat, 56 sheep to the Continent: 102 bales buffs, 54 buff calf and 53 bales goat to the U.S.A.

BULLION RECOVERS

(From Our Own Correspondent)

BOMBAY, 8th *May*

The bullion market displayed steady conditions during the week under review, though the trend was two-sided. In the earlier half of the week, silver suffered a slight setback on reports of heavy payment of import duty on Tibetan coins. The recession was made good during the last three days on heavy offtake in the ready section, the depletion in floating stocks and rumours of an increase in silver price in Tibet. Gold also softened a bit early in the week on reports of arrivals of unauthorised metal, but good demand from upcountry centres soon pushed up the rates.

The notable developments of the week under review were the widening of backwardation charges in both silver and gold and the increase in premium of ready over forward. Backwardation charges widened from As. 7 to Re. 1-5 in the white metal and from *nil* to As. 11 in gold. At the close, however, they were a shade lower at Re. 1-3 and As. 10, respectively. The premium of ready silver over the current settlement rose from As. 4 to Re. 1-6 and that over the next settlement from As. 12 to Rs. 2-8. Ready gold, which had commanded a premium of just an anna over the current settlement a week ago, came to be quoted As. 12 higher. The premium over the next settlement widened from As. 2 to Re. 1-6.

Silver for forward delivery (14th May settlement) improved from Rs. 182-4 to Rs. 183-6, but gave way to Rs. 181-7 on Monday this week. Thereafter, there was a sharp recovery to Rs. 183 at the close today. The June settlement gained from Rs. 181-12 to Rs. 182-4 before giving way to Rs. 180-3. Subsequently, there was again an improvement to Rs. 181-14.

Ready silver advanced from Rs. 182-8 to Rs. 184-6. The floating stocks of silver are placed at 500 bars. The daily average offtake was 25 bars.

Forward gold (13th May settlement) dropped from Rs. 105-11 to Rs. 104-13 before gaining ground to Rs. 106 at the close. The June settlement was marked down from Rs. 105-10 to Rs. 104-11, but in the subsequent recovery it gained to Rs. 105 at the close.

Ready gold hardened from Rs. 105-12 to Rs. 106-12. The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals were 4,500 tolas, while the offtake was of the order of 5,000 tolas per day.

New York silver price was unchanged at 91⅛c. In London, however, prices fluctuated both ways, but, on balance, they were lower. Thus, spot silver dipped from 80*d.* to 79½*d.*, before gaining to 79⅝*d.* Forward silver gave way from 79⅝*d.* to 79½*d.* Gold declined from 250*s.* 3*d.* to 250*s.* ½*d.*, but improved to close at 250*s.* 1½*d.*

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

	8-5-1957	Highest	Lowest	30-4-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	106 12	106 14	104 15	105 12
Forward*	106 0	106 2	104 13	105 11
Sovereign	69 12	69 12	69 4	69 6
SILVER				
Ready (.999 fine Mint) ..	184 6	184 7	182 11	182 8
Forward†	183 0	183 2	181 7	182 4
London Silver Ready ..	79½d.	79½d.	79½d.	80d.
London Forward	79½d.	79½d.	79½d.	79½d.
London Gold	250*s.* 1½*d.*	250*s.* 2½*d.*	250*s.* ½*d.*	250*s.* 3*d.*
New York Silver	91⅛c.	—	—	91⅛c.

* 13th May settlement.
† 14th May settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

SUGAR EXPORT PROSPECTS

(From Our Own Correspondent)

HAPUR, 6*th May*

Sugar prices continued to rule steady during the week on further export prospects. Production of indigenous sugar, which up to 15th April was put at 17.01 lakh tons, as against 15.46 lakh tons a year before, is expected to exceed 19 lakh tons. Sugarcane supplies to factories in Meerut district are reported to be diminishing and it is thought that most of the factories will terminate crushing operations by the 15th inst., but, in the nearby Muzaffarnagar district, the season is expected to last till the end of the month. Demand for sugar this year has been very keen from Madras side, but despatches are held up from time to time, due to want of loading facilities. Although the Government is reported to be considering to allow further exports to the extent of 200,000 tons, but traders feel that no such exports should be sanctioned till total production of sugar is not known; otherwise it will create a bullish trend in prices.

The prevailing mill delivery prices of sugar are: Jaswant Rs. 28.69; Simbhauli Rs. 29; Mawana Rs. 2.50 to Rs. 29.50; Daurala Rs. 29.75 to Rs. 30.75; Amroha Rs. 28.31; Bijnore Rs. 28.12; Mansoorpur Rs. 28.62 to Rs. 30.37; Rampur Rs. 30.75; retail Rs. 30.50 per maund.

The *khandsari* market ruled quiet during the week and prices varied between Rs. 21 to Rs. 26.50, according to quality.

Ready *gur* improved during the week as daily arrivals were lower at about 100 maunds. Local stock was about 96,000 maunds, as against 69,000 maunds last year. Germination reports of new crop were reported to be satisfactory. The prevailing prices were Rs. 11.25 to Rs. 11.50.

Gur futures improved during the week on bull support influenced by better ready prices. The week-end quotations were: *Gur baisakh* Rs. 11.15; *asar* Rs. 11.78; *fagun* Rs. 11.31.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, 8*th May*

The cotton futures market presented a rather curious trend during the week under review, the two contracts, Jarilla May and Vijay June, moving in opposite directions. Thus, while the former ruled firm, Vijay June staged a retreat. The firmness of Jarilla May was aided by good buying support, following encouraging spot advices. Indeed, this contract would have scored a marked rise in prices but for the operation of stringent margins, uncertainty regarding the Forward Market Commission's attitude to the trend in cotton futures, and large-scale profit-taking operations. Vijay June lacked support. Business put through was greatly restricted, such done being mostly of a squaring up nature. The bulls were reluctant to make any large-scale purchases, owing to fears of Government intervention and heavy margins, while bears were hesitant to sell, in view of the tight supply position of cotton. The undertone of the market was generally steady.

M.G. Jarilla May delivery opened the week at Rs. 713 and, after improving to Rs. 725 the same day, declined to Rs. 709 on heavy profit-taking. It, however, picked up strength in the subsequent sessions and rose to Rs. 718 yesterday. It opened today at Rs. 720 and closed at Rs. 718. The net gain over the week was Rs. 11.

M.G. Vijay June commenced the week at Rs. 858, as against Rs. 850. The contract encountered selling which brought down the quotation to Rs. 843.50 on Saturday. After recovering to Rs. 853 today, it again eased to Rs. 850.50 at the close. The net loss over the week was Rs. 5.50.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	8-5-57	*High*	*Low*	30-4-57
Jarilla (May) ...	718	725	703	707
Vijay (June) ...	850.50	858	843.50	856

With the waning of interest in the current contracts, attention of cotton traders is focussed on the commencement of trading in new contracts. The ways and means of formulating a hedge contract which will truly reflect the supply and demand position of cotton are being studied by the Special Sub-Committee of the East India Cotton Association. The consensus of opinion among the Committee members would appear to be in favour of a single contract which it is thought would be more realistic and workable from the contracts formulated in the past seasons. It is understood that the Sub-Committee has already made certain recommendations in this regard. One of such recommendations is that no floor and ceilings within the existing Government floors and ceilings should be prescribed during the season.

Meanwhile, the E.I.C.A. is reported to have urged the authorities to decontrol cotton in the coming season. For, it feels that continuance of control over cotton is not justified particularly when there is no control on prices of cloth and other important commodities. The continued imposition of control over prices of cotton has hindered the smooth working of a hedge contract. The hedge contract, framed within the present control machinery, does not permit the forward section to reflect correctly the cotton supply position. If, however, the Government were not prepared to lift control, the floor and ceiling prices should, the E.I.C.A. points out, be so fixed as to obviate the necessity of official interference in the middle of the season. The E.I.C.A. is also reported to have suggested that, in order to check wide fluctuation in prices of cotton futures, the floor prices for the ensuing season be raised.

In the spot section, values were fully maintained. Mill demand broadened on apprehensions of shortage of supplies before the arrival of new crop. All the popular varieties were in good demand. There was keen interest in 320F, Jayadhar, Wagad, etc., as well as in American cotton. Interest in Egyptian cotton, however, continued to be low, as the prices were not attractive to mills.

The shipment period for import of raw cotton from the U.S.A. to India under the Indo-Burma U.S. tripartite agreement, 1956, has been extended up to 30th June 1957.

The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 730; Berar Jarilla 815; Khandesh 820; Vijay 945; Oomra *Deshi* 780; Moglai 760.

Depressed conditions prevailed in the Karachi cotton futures market during the week under review. The sentiment of operators was adversely affected by fears of keener competition from U.S. cotton in world markets. These fears were based on the possibility of the American Government adopting a low price support policy for cotton, following a recent statement by Mr. Ezra Benson, U.S. Secretary of Agriculture, that high prices would hamper export sales and that cotton must be priced right if it were to sell. These fears touched off large-scale selling in May and July contracts, leading to a drop in values. N.T.R.G. May fell by Rs. 1-10 to Rs. 78-4. July position declined from Rs. 82-7 to Rs. 80-5. In the spot section, barring *Deshi* styles which remained firm, others ruled easy. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 88-8; Punjab *Deshi* 83-8; 4F Punjab Roller 81-6; S.G. 85-6; L.S.S. Punjab Roller 82-14; S.G. 86-14; N.T.R.G. 82-14; S.G. 89-14; 289F Punjab Roller 85-14; S.G. 94-6.

The Alexandria cotton futures market depicted an easy trend during the week under review. The easiness was due to fears of competition from U.S. cotton following Mr. Benson's aforesaid pronouncement about the farm programme. There was, therefore, selling and values tended to look down.

In the spot section, premiums for all grades, excepting higher grades, suffered a decline.

Mr. Mohammed Abu Nossier, Egyptian Minister for Trade, is reported to have categorically denied that East European countries were re-selling Egyptian cotton in the world market at prices lower than those quoted by Egypt. He said that the trade agreement with East European countries governing cotton transactions did not permit such resales. Meanwhile, it is reported that Egypt's dependence on cotton purchases by Communist countries has enabled the U.S.S.R. and its satellites to keep prices above world markets through adoption of bulk-buying techniques. It is generally believed that these countries obtain hard currencies by reselling Egyptian cotton at a discount of up to 25 per cent. Any loss on these deals are made good by the increased ability of these countries to buy in the most attractive markets and by their firmer grip on the Egyptian market, the import requirements of which can be met with goods of lower quality than would be competitive elsewhere.

The following are the latest available rates—in tallaris per lb.—from Alexandria:

Karnak: May 110.75; July 111.20. *Ashmouni*: June 75.70; August 75.55.

Values in Liverpool cotton futures market registered handsome gains. This was due to speculative buying induced by the belief that, whatever might be the future course of U.S. cotton policy, for the rest of the season, the C.C.C. export sales would be designed to stabilise prices of U.S. cotton at about the current level. Sentiment was also influenced by fairly good spot advices. The Sudan contract, however, encountered selling and registered a decline. The following are the latest available rates—in pence per lb.—from Liverpool.

American Cotton One Inch Staple Contract: May-June 26.60; July-August 26.43; October-November 26.27; December-January 26.23. *American Cotton Mixed Growth Contract*: May-June 26.75; July-August 26.53; October-November 26.37; December-January 26.33. *Sudan*: May-June 41.90; July-August 40.75; September-October 40.00.

Despite Mr. Benson's plea for a freer market for cotton instead of the present mandatory price support, the New York cotton futures market put on a cheerful appearance during the week. Throughout the week, there were good buying enquiries, induced by expectation of knowledgeable quarters that any major shift in farm policy was unlikely in the immediate future. Reports of adverse rains in certain cotton belts also imparted strength. Distant deliveries, however, came in for selling and staged a retreat.

The Department of Agriculture announced on the 6th inst., a further export sale of 143,514 bales of Government-owned cotton (1955 crop). The average price accepted for basis Middling 1" cotton was 27.61 cents. About 57,873 bales of 1956 crop cotton were also sold at an average price of 27.36 cents per lb. under the 1957-58 export programme. This brings the total sales effected today under the old programme to 7,585,638 bales and those under the new programme to 2,520,340 bales.

It is reported that the U.S. has tentatively offered economic aid to Poland, which will also include funds for purchase of an unspecified quantity of U.S. cotton.

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

(In cents per lb.)

	7-5-57	29-4-57	21-4-57
Spot	35.35	35.35	35.40
May	35.31	35.26	35.27
July	35.09	34.81	34.85
October	33.86	33.62	33.60

YARNS DECLINE FURTHER

(From Our Own Correspondent)

BOMBAY, 8th *May*

The easy conditions noted in the yarn market last week continued unabated during the week under review. In particular, rayon yarns encountered heavy selling pressure, let loose by reports of open sales for quick shipment of fine denier quality yarns at substantially reduced prices by some leading Continental manufacturers. Such sales were said to have forced the other members of the Syndicate to offer yarns at reduced rates, the cut being 4d. per lb. for finer deniers and 2d. for coarse varieties. Staple fibre yarns were also subjected to selling, thanks to reports of large accumulations of stocks with dealers as well as consumers and fears of South Indian producers being inclined to dispose of their stocks at lower rates.

Cotton yarns ruled quiet, owing to slackness in demand from consuming centres. Snia Rayon yarn (120 dull cones) for June delivery dropped Rs. 12 to Rs. 799. Spot 120 Japan receded by 7 nP to Rs. 4.05. 120 Italy declined by 3 nP to Rs. 4. 150 Italy shed 2 nP to Rs. 3.67. 150 Japan was neglected at Rs. 4.09. Among indigenous yarns, National Rayons 120 bright cones 1st grade lost 3 nP to Rs. 3.69. 150 bright cones 1st grade were done at Rs. 3.34.

Staple fibre yarns (40x2) for June delivery slumped by Re. 11 to Rs. 603. Spot 40x2 New Greats receded by 8 nP to Rs. 3.11. Citys lost 6 nP to Rs. 3.16. Centurys shed 3 nP to Rs. 3.22. Kohinoors were a shade lower at Rs. 3.32. Among foreign yarns (80x2) Fujis and Paramounts shed 6 nP each, the former to Rs. 5.25 and the latter to Rs. 5.34.

In the cotton yarn section, ten counts Podars and Moderns were neglected at Rs. 14.50 and Rs. 14.87, respectively. Twenty counts Maduras receded by 12 nP to Rs. 19. Moderns were quiet at Rs. 18.75, as also Gokaks at Rs. 18.62. Thirty counts Indus were neglected at Rs. 21.75 and Edwards at Rs. 21.50. Among forty counts, Moderns were dull at Rs. 27.75. Minaxis, however, had some support and improved by 50 nP to Rs. 27.62. Among sixty counts, Raghuvamshis eased by 25 nP to Rs. 57.75. Moderns declined by a like amount to Rs. 61.25. Finlays changed hands at Rs. 61, same as last week. Eighty counts Mahendras decreased by Re. 1.50 to Rs. 71.50. Moderns were unchanged at Rs. 76. Finlays were on offer at Rs. 81.50.

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

	8-5-1957	30-4-1957
	Rs.	Rs.
Art silk yarn **(per case of 200 lbs.)—**		
120 Japan (per lb.)	4.05	4.12
150 Japan (per lb.)	4.09	4.09
120 Italy (per lb.)	4.00	4.03
150 Italy (per lb.)	3.67	3.69
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 June	603.00	614.00
40 x 2 New Great (per lb.)	3.11	3.19
40 x 2 Century (per lb.)	3.22	3.25
40 x 2 City (per lb.)	3.16	3.22
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	14.50	14.50
20s Madura	19.00	19.12
30s Edward	21.50	21.50
40s Gokak	..	..
60s Raghuvamshi	57.75	58.00
80s Modern	76.00	76.00

SUGAR ADVANCES

(From Our Own Correspondent)

BOMBAY, 8th *May*

There was a spurt in sugar prices during the week, thanks to renewed rumours of an upward revision in excise duty on sugar and frantic gate delivery demand in the Bombay-Deccan area. The buying support was so keen that the heavier arrivals—being 24,000 bags, as against 20,000 in the previous week—had no effect. The latest monthly release of 164,000 tons also did not have any significant influence. It was reported that the sugar mills had not received the release orders even on the third day of its announcement. The undertone of the market was firm.

Spot large grain sugar advanced by Rs. 2 to Rs. 95-100 per bag, inclusive of sales tax. Medium grain rallied a like amount to Rs. 92-94. Small grain rose by a rupee to Rs. 90.

Vaisakh delivery contract for "C" grade sugar moved up by Re. 1.1 to Rs. 93-1 before being quoted today at Rs. 92-12. *Shravan* delivery improved from Rs. 93-4 to Rs. 94-10; it was, however, lower at Rs. 94-6 today.

OILSEEDS MOVE UP

(From Our Own Correspondent)

BOMBAY, 8th *May*

Trading in the oilseeds market during the week under review was characterised by hectic purchases at higher prices by bulls, especially in groundnuts and cottonseed. The buying support in the groundnut section was due to scarcity of floating stocks and enlarged enquiries from *vanaspati* manufacturers, coupled with firm advices from up-country centres, Rajkot and Delhi in particular. Castorseeds, which were adversely affected in the earlier regions by upcountry offerings and apprehensions of increased competition from Brazil based on reports of higher castor output in that country, recovered smartly during the last two sessions of the week. The recovery was aided by reports that India had succeeded in selling castor oil at higher prices in overseas markets and that the U.S. could not sell castor out of its stockpile, in view of political uncertainty. Cottonseed displayed a firm trend. In sympathy with the general trend, the linseed section also ruled strong. The undertone of the market was firm.

Groundnut May contract opened steady at Rs. 169.87 and advanced to Rs. 178.00 on the 7th inst.; owing to profit-taking, however, it closed lower at Rs. 176.60 today, having made a handsome gain of Rs. 6.35 over the week. August contract commenced the week at Rs. 176.50 and moved up to Rs. 182.87 before closing at Rs. 181.25. The net rise was Rs. 4.63. Spot Bold F.A.Q. put on 88 nP to Rs. 35.50. Groundnut oil ex-mill was quoted higher at Rs. 20.12 as against Rs. 19.37 last week-end.

Castorseed May contract opened at Rs. 180.50 and climbed up to Rs. 182.25 the same day. After declining to Rs. 176.00 on the 4th inst., it again moved up to Rs. 184.75 today, though it finished a shade lower at Rs. 182.50. The gain over the week was Rs. 2. September contract maintained a similar trend. Opening at Rs. 180.50, it touched the same day a level of Rs. 188.00, but came down to Rs. 181.00 on the 4th inst. In the subsequent days, it rose steadily to touch the peak of Rs. 190.75 today, before finishing at Rs. 188.25. Spot Madras quality was higher by 50 nP at Rs. 36.50. Castor oil B.S.S. gathered 37 nP to Rs. 22.37.

Linseed May opened at Rs. 30.87 and with minor variations, touched the height of Rs. 31.25 before finishing at Rs. 31.00. September contract commenced at Rs. 32.31 and moved between Rs. 31.75 and Rs. 32.44 before finishing at Rs. 32.31. Spot bold ready hardened by 50 nP to Rs. 30.94. Linseed oil ready was done at Rs. 16.87 as against Rs. 16.75 last week-end.

Cottonseed May Contract moved between Rs. 111.50 and Rs. 114.25, and September contract between Rs. 116.25 and Rs. 119.25, during the week. The closing rates were Rs. 113.50 and Rs. 118.25, respectively. Over the week, the former made a smart gain of Rs. 3.50 and the latter put on Rs. 8.25.

Among others, *kardi* bold and *niger* seed Madras were higher, the former by 12 nP at Rs. 22.12 and the latter by 25 nP at Rs. 28.50.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	8-5-1957	30-4-1957	24-4-1957
	Rs.	Rs.	Rs.
Groundnuts—			
May 1957 ..	176.60	170.25	174.50
Khandesh Quality Ready (per cwt.)	36.37	35.00	35.37
June-July	35.94	35.06	35.37
Linseed—			
May 1957	31.06	30-31	31.12
Bold Ready (per cwt.)	30.94	30-44	31.00
June-July	31 37	31-06	31.69
Castorseeds—			
May 1957	182.50	180.50	183.25
Madras (per cwt.)	36.50	36.00	36.00
Cottonseed—			
May 1957	113.50	..	114.25
Groundnut oil—			
Ex-mill Ready (per quarter) ..	20.12	19.37	19.62
Castor oil—			
Commercial (per quarter) ..	21.12	20.87	22.12
Linseed oil—			
Ready	16.87	16.75	17.00

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 7th *May*

Quiet conditions were experienced by Malabar black pepper during the week, with narrow fluctuations in prices. Turnover was very much restricted, as both buyers and sellers were awaiting new developments. Alleppey ruled round about Rs. 600, while garbled at Cochin was quoted at Rs. 102 in ready. May and June were listed at Rs. 103½. Calicut was in the market at Rs. 655, but business was small.

Sarawak at Singapore was fluctuating between $70 and $72 (Singapore dollars). Bulls at both Bombay and Cochin were inactive. They appeared unwilling to accumulate further contracts for the moment. Demand from overseas was discouraging. All eyes are now turned to Singapore where pressure from arrivals from Sarawak was expected to develop soon. From the trend of prices at Singapore, it appeared that there was no pressure so far.

The future of pepper now depends upon the attitude of Sarawak sellers and New York buyers. Unless aggressive buying by New York, pepper is expected to be a tame affair, as speculative elements in the commodity all over the world is slowly dying out.

It is imperative that the Government of India should announce as early as possible a limit on the supplies of Malabar pepper to Russia and its associates so as to restrict their chances of re-export of Malabar pepper to the U.K. and other European countries and the U.S.A. Otherwise, Russia and others will be earning foreign exchange by reselling Indian pepper at the cost of India.

May-June was quoted at $0.26 sellers, while July-August-September changed hands at $0.25½ sellers.

In the delivery section, May delivery is moving narrowly for want of new buying.

Today's nominal quotations are: Ready delivery Rs. 82 per Bengal maund, May Rs. 576-Rs. 581 and June Rs. 586-Rs. 591 per candy of 5¼ cwts.

TEA PRICES WEAKEN

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 2nd *May*

Some 1,900,000 lbs. were on offer in Sale No. 9 which was held on Tuesday, 30th April. Quality showed a slight decline from the previous sale, but there were still some useful teas on offer. The sale opened to a good demand which weakened steadily as the sale progressed. Common and low mediums were about steady, but good mediums were irregularly 15 to 20 nP easier. Best liquoring teas were irregular, but where quality was maintained prices were fully firm and occasionally slightly dearer. A feature of the sale was the demand for clean black well-made teas which sold at a premium. Whole leaf teas met with more enquiry and must be quoted dearer. The following are the quotations:

	1957 Rs.	1956 Rs.
Plain B.P.	1.45	1.69
Low medium B.O.P. ...	1.55 to 1.60	1.97
Medium B.O.P.	1.65	2.12
Good B.O.P.	1.80 to 1.90	2.14 to 3.00
Well made black leaf O.P.	2.25	2.50

The average price realised in Sale No. 9 was Re. 1.74 per lb., as against Re. 1.82 per lb. in the previous sale and Rs. 2.39 per lb. in the corresponding sale of 1956.

London Market.—Sale of 29th April 1957.—Generally 1d. to 3d. dearer. Good liquorings strongest feature.

Sale of 30th April 1957.—Little stronger, although irregular.

Colombo Market.—Sale of 29th April 1957.—Fairly good demand, Coloury mediums firm, others declined 5c. to 10c., highgrowns 10c. to 20c. lower. Lowgrowns steady.

Sale of 30th April 1957.—Strong demand. Dusts about steady, fannings and broken mixeds 10c. to 15c. dearer.

Calcutta Market.—Export.—No sale this week.

Internal.—19,000 packages. Good general demand for all types. Commonest 10 to 12 nP dearer; mediums 4 to 6 nP easier. Black leafy Middle East types easier. Medium C.T.C. dusts 15 to 20 nP easier; best C.T.C. strongest feature and sold above valuations.

Export Duty.—Government have announced the price of tea for the purpose of determining the export duty as Rs. 2.41, as against Rs. 2.64 per lb. in force for the previous month. The duty is thus lowered to 25 nP.

Export Quota.—Business has been done at the following prices:—Shipping licence 15 nP—Special rights—20 nP. 1957-58 export quota 27 nP.

Forthcoming Auctions.—Sale No. 10 will be held on Tuesday, 14th May. Thereafter, providing sufficient quantities are available, weekly auctions will be held and sale 11 is due to be held on Tuesday, 21st May.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale J*:—750,000 lbs. Less demand, prices irregularly 15 to 25 nP easier."

JUTE GOODS FIRM

(From Our Own Correspondent)

CALCUTTA, 7th *May*

The continued absence of rains in the jute-growing districts and the consequent delay in sowing operations contributed to a further rise in prices of raw jute (1956-57 crop) during the week under review. This naturally led to fully steady conditions in the goods market. At higher levels, there was profit-taking for a time, but yesterday prices again gained and touched the highest levels for the week. However, overseas inquiries were limited. A fair amount of business took place in special constructions. Shipments in the month of April were much lower than in March, and as such a rise in stocks held with mills as at the end of the last month was anticipated. Between the 1st and 25th April hessian shipped was only 12,000 tons, as against 17,000 tons in the previous month, and sacking shipments, at 17,200 tons, were lower by 14,000 tons. In view of the expectation of an increase in stocks, foreign buyers elected to give only restricted support in the belief that prices would move down sooner or later. Mills reported forward business for deliveries up to the end of the year.

With fair demand, the goods section opened on a steady note. From Rs. 112.87, ready B. twills improved to Rs. 114.00. Ready hessian 40" 10 oz. was pushed up to Rs. 41.94 on Tuesday from Rs. 41.87, and it should be noted that this improvement was maintained, despite selling pressure in the *fatka* market. In sympathy with the higher trend in raw jute, a further rise in goods was the feature on Wednesday when B. twills touched a high of Rs. 115.15 and 40" 10 oz. hessian gained to Rs. 42.18. Despite profit-taking, these levels were maintained. On Thursday, the market was closed on account of *Id*. On Friday, there was a bear raid, as speculators began to unload in anticipation of rains. Ready B. twills fell to Rs. 113.25 and hessian 40" 10 oz. to Rs. 41.75. However, during the week-end, a fractional rise in prices was reported to lift B. twills to Rs. 113.75 and hessian 40" 10 oz. to Rs. 41.90. Yesterday conditions improved as the weather continued to be as dry and hot as before. B. twills rose to Rs. 115.00 and 40" 10 oz. hessian to Rs. 42.37, with the eight oz. quoting Rs. 34.62.

Raw jute prices improved by about 50 nP per maund. Sellers were reserved. Mills were, however, buyers of fair quantities, in view of their need to replenish stocks. They felt that building up stocks was essential now that there was definite possibility of the new crop being delayed by one month. There is not much prospect for imports from East Pakistan. Although Pakistan has plenty of jute still to be sold, prices there continue to be uneconomic as far as mills in India are concerned. Mesta has become a favourite with mills because of its cheapness, daissee mesta bottoms realising Rs. 26.50 per maund, as against Rs. 26.00 a week ago. Transactions in new crop were few and far between. From past experience dealers have learned that forward business in raw jute is not profitable. It has become so usual for raw jute prices to rise immediately after floods, and such rise in prices have placed sellers in a disadvantageous position. In the past, mills had entered into commitments to sell finished goods in the forward position depending on the discounted rates for raw jute. The latest quotations for the different varieties of the remaining 1956-57 crop, May-June delivery, are:

	Middles Rs.	Bottoms Rs.
Pakistani:		
District	39.50	36.50
Northern	39.00	36.00
Indian:		
Northern	32.50	30.00
Assam Upper	32.50	30.00
Assam Lower	32.50	30.00
Orissa	34.50	32.00
Western	32.00	29.50
Murshidabad ...	30.00	27.50
Jungli	29.00	26.50
Daissee	35.00	32.50
Uttar Pradesh ...	29.00	26.50
Daissee mesta ...	29.00	26.50
Bimli f.a.q.	Rs 25.00	

Pucca bales 1st marks ready ... Rs. 187.50 per bale.

TEA PRICES MARKED DOWN

(From Our Own Correspondent)

CALCUTTA, 7th *May*

Prices fell during last week's sales for domestic consumption. Dusts offered aggregated 18,325 chests, the quality of which was poor. A decline of as much as 20 nP was recorded in the price of the larger grainy C.T.C. Assams. Good support was, however, forthcoming to the powdery teas, and, consequently, they were quoted higher occasionlly. Prices of orthodox kinds from Assam, Cachar and Dooars declined by 4 to 6 nP per lb. Black leaf teas also shared the quiet trend of the market although more support was available from Middle East buyers. The quotations were: medium Assam C.T.C. Re. 1.70, medium Assam grainy dust Re. 1.65 to Re. 1.70, medium Dooars Re. 1.60 to Re. 1.65, and best C.T.C. Assam not quotable.

The internal leaf sale was not held.

Export rights changed hands at 22 nP per lb. However, sellers were soon demanding 23 nP, but buyers were then prepared to offer only 21 nP. In new season's shipping licence, sellers quoted 28 nP, but buyers offered 27 nP with no business taking place. Special rights realised 23 nP.

The prevalence of strong conditions and the unexpected rise in prices of useful liquoring teas by 2d. to 4d. per lb. in the London auctions held on 1st May, tea trade circles here believe, should not be taken as an indication that export auctions here, as and when they commenced in the new season, would record greater demand. For buying for London is expected to be cautious and lower, in anticipation that stocks in the United Kingdom at the end of June would be 25 million lbs. more than those a year ago. Although good support was expected from the Middle East, that would not be sufficient to strengthen the market. For, if the principal buyer, i.e., the United Kingdom, showed less interest, that would affect sentiment of the market as a whole.

The 1957 crop in North-east Indian gardens is expected to be satisfactory, but in view of the competition in export by producing countries implied in the absence of an international tea agreement, it remains to be seen how producers in India can avoid voluntary restriction of output.

METALS ACTIVE

(From Our Own Correspondent)

CALCUTTA, 7th *May*

With more consumer demand, there was increased activity in the metal market during the week under review. This was duly reflected in a rise in prices. Ready supplies were difficult to obtain in respect of some of the base metals. Consumers were anxious to cover against orders.

India's requirements of non-ferrous metals has been increasing, and imports of base metals are on an *ad-hoc* basis. Naturally, any development in the supplying countries is reflected in quotations here. However, from the speech of Mr. Manubhai Shah, Union Minister for Industries, which he delivered to the annual meeting of the Indian Non-ferrous Metals Manufacturers Association held here on Friday last, the trade and industry circles noted that foreign trends would continue to influence prices in India. For, Mr. Shah said that New Delhi, faced with a difficult foreign exchange position, could not agree to stockpiling non-ferrous metals and ores. From Mr. Shah's further remarks, it appeared that continuance under the O.G.L. of virgin metals was doubtful. In a forthright speech, the Association President, Mr. P. R. Kamani, appealed to the Government of India to ban imports of brass rods, phosphor copper, phosphor tin, brass and bronze wires, nickel alloys and castings in view of production in manufacturing units engaged in these being sufficient to meet the country's requirements. He pleaded for permission being accorded to the non-ferrous metals industry to roll aluminium too, and urged facilities for export of copper semi-manufactures.

During the week, tin rose from Rs. 517 to Rs. 522, and was the most impressive feature. Consumers purchased tin for meeting immediate requirements only, as they believed that, with a satisfactory supply position, prices might come down. Reports from Far Eastern markets revealed keen activity by Japan. Electrolytic zinc was also a strong feature and improved from Rs. 78.00 to Rs. 82.50. A fair quantity changed hands, with the ready delivery position commanding a premium of Rs. 8 over June-July forward. Virgin lead was fully steady at Rs. 80. Buying for despatch to up-country manufacturing units was fairly large. From Rs. 177, electrolytic copper moved up to Rs. 180. However, transactions were limited, in view of the good stock position in the bazar.

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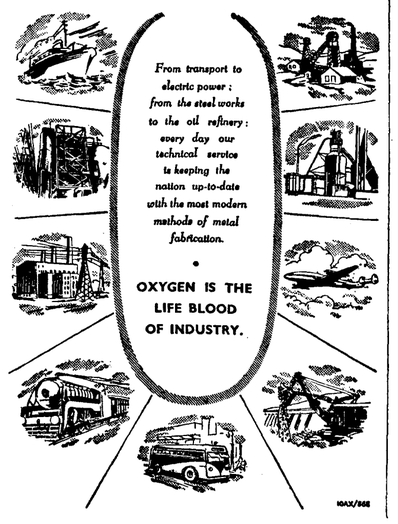

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 6th *May*

Quietly easy conditions prevailed in the foodgrains markets during the past week, thanks to pressure of new crop arrivals here and in other markets of the State. Towards the week-end, however, there was some improvement in prices, due to good demand for wheat from millers which under a recent order of the Government are not being supplied imported wheat on Government account. Scarcity of foodgrains is felt in some parts of Bihar where wheat crop has failed on account of heavy rains and hailstorms. The Union Food Minister who undertook a tour of the affected areas has announced that the State Government will receive 60,000 tons of wheat in the next three months to be distributed through 5,500 fair-price shops. The Government of India has sufficient stocks and is further receiving supplies of 15 lakh tons of wheat before September from the U.S.A., which will eliminate any possibility of scarcity.

After recording a fall of Re. 1 to Rs. 14.50 and Rs. 16 average quality and farm produce improved slightly towards the week-end to Rs. 14.62 and Rs. 16.25, respectively, today. Daily arrivals have increased to an average of 3,000 maunds, and total arrivals of new wheat from the beginning of the season are estimated at 25,000 maunds. Most of the arrivals have been lifted by consumers, as sales through fair-price shops here has been stopped from the 1st inst. and some purchases were made by millers and local stock is put at 6 *khaties*, as against 8 *khaties* last year, when new wheat arrivals aggregated 20,000 maunds on this date. Rice recorded a modest decline during the week, due to better supply position. The final estimate of rice for 1956-57 at 78,174,000 acres and production at 28,142,000 tons which is an all-time record, also acted as a bearish factor. The prevailing prices were: *Basmati* Rs. 24 to Rs. 28, *Mainpuri* Rs. 23.25, coarse quality Rs. 18 per maund.

Gram registered a fall of 50 nP per maund during the week, due to easy Punjab advices where new crop arrivals were flooding the markets. Barley and *bejhar* were mostly unchanged, the daily arrivals of each being 200 maunds. *Jowar* continued to attract good demand at unchanged prices. The week-end prices were:—Gram Rs. 11 to Rs. 11.50; barley Rs. 11; *bejhar* Rs. 10.63; *jowar* white Rs. 15; brown Rs. 12.87; *guwar* Rs. 11.75 per maund.

A record maize crop has been produced during the year in the country. The all-India final estimate of maize for 1956-57 puts the current year's area and production at 9,244,000 acres and 3,020,000 tons, respectively, which is an increase of 1.4 per cent. in area and 18.2 per cent. in production over last year.

Continued brisk buying enquiry from North Bihar and east U.P. accounted for the steady conditions in the peas section, although daily arrivals mounted to an average of 3,000 maunds. Loadings are very much restricted and traders are building up stocks for despatch as soon as loading was available. In fact, demand for peas has very much increased in the country and, side by side with demand, production has gone up and quality, too, has improved. Total arrivals from the beginning of the season were put at 68,000 maunds, as against 40,000 maunds a year before. Local stock was put at 30 *khaties*, besides a heavy quantity stored in *kothas*. *Arhar* arrivals averaged 500 maunds daily and, due to good outside support, prices improved fractionally. Other pulses were steady in sympathy. The prevailing prices at the close of the week were: Peas *dara* green Rs. 11.12; white Rs. 12.50; *arhar* Rs. 12.12; *urd* Rs. 19 to Rs. 21; *moong* Rs. 14.87 to Rs. 17; *masoor* Rs. 15 to Rs. 17.

Pulses futures ruled quietly steady during the week. Peas farm (gram) future contracts were stopped during mid-season, following the stern warning by the Forward Markets Commission that such trading was illegal. The standing transactions were settled at Rs. 10.75. The latest quotations were: Peas *jeth* Rs. 10.87; *arhar jeth* Rs. 11.87 and *urd baisakh* Rs. 19.12.

COW HIDES IMPROVE

(From Our Own Correspondent)

KANPUR, 5th *May*

During the week under review, the hides and skins market ruled firm and there was an improvement in the price of cow. Although new supplies were ample, they met with demand. The main purchasers were the local tanners and the Madras dealers.

The latest available quotations are: Wet salted cow, 1st grade Rs. 300 and 2nd grade Rs. 220 per score; wet salted buff, 1st grade 2 lb. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat, 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces; sheep, 1st grade Rs. 350 and 2nd grade Rs. 300 per 100 pieces.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	5
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	5th May, 1957	7.665	8.304
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug. 1956	3½	4
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 3rd May, 1957		Week ended 26th April 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,75,139	64,59,81,000	3,47,710	85,08,21,000
Calcutta	1,52,612	55,08 78,674	1,66,924	59,28,31,509
Madras	..	..	86,188	10,53,63,457
All Centres—				
1955-56*	..	..	3,100,000	6,630,200,000
1956-57*	..	..	3,334,000	7,269,900,000
Feb., 1957	..	..	3,220,000	7,32,92,00,000
Mar.,	..	..	3,503,000	8,33,05,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 3rd May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		51,81,43,000
(2) Other Governments		4,25,50,000
(b) Banks		64,06,24,000
(c) Others		76,02,34,000
Bills Payable		19,25,35,000
Other Liabilities		121,15,45,000
	Rupees	362,56,31,000

ASSETS	Rs.
Notes	9,04,38,000
Rupee Coin	4,84,000
Subsidiary Coin	6,68,000
Bills Purchased and Discounted—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	7,81,16,000
Balances held abroad*	83,90,33,000
Loans and Advances to Governments	15,72,46,000
Other Loans and Advances	105,30,90,000
Investments	127,14,47,000
Other Assets	13,51,09,000
Rupees	362,56,31,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 50 98 44 000/-advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 208,24,55,000/-.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,04,38,000	
Notes in circulation	1577,11,07,000	
Total Notes issued		1586,15,45,000
Total Liabilities		1586,15,45,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	412,51,01,000	
Total of A		530,27,04,000
B. Rupee Coin		126,00,20,000
Government of India Rupee Securities		929,87,31,000
Internal Bills of Exchange and other commercial paper		.....
Total Assets		1586,15,45,000

Scheduled Banks*

Statement of Affairs for the week ended 26th April, 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	8,63,23,000
(ii) Other demand liabilities	720,45,46,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	2,52,00,000
(ii) Other time liabilities	500,37,65,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	7,86,17,000
(ii) Time liabilities	..
4. Cash in India	27,96,61,000
5. Balances with the Reserve Bank in India	65,85,54,000
6. Balances with other banks in current account in India	10,17,12,000
7. Money at call and short notice in India	17,09,92,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	344,51,28,000
9. Advances in India	724,41,80,000
10. Inland Bills purchased and discounted in India	125,39,30,000
11. Foreign Bills purchased and discounted in India	57,63,28,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	7th May, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6	1-6
Buyers T.T. 10 to 12 months	1-6	1-6
Bombay on New York—		
Sellers T.T. D.D. Rs.	479.00	480.00
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.79½-2.79⅝	2.79-2.79⅛
London on Paris Frs.	986½	986½
London on Berne Sw. Frs.	12.27	12.27⅛-12.27½
New York on London $	2.79½-2.79⅝	2.79-2.79⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	..	10,170	269
Pakistan	'55-'56	79.33	..	..	1,931	243
Burma	1954	19.24	Kyats	3,905	390	204
Ceylon	1954	8.88	..	..	470	530
Japan	1955	88.90	Y.	6,575,000	8,698	978
Philippines	1955	21.85	Ps.	7,800	1,857	850
New Zealand	1955	2.13	£(N.Z.)	846	1,528	5,296
Australia	1954	8.99	£(A)	3,957	4,220	4,694
U.K.	1953	50.07	£	16,834	22,176	4,351
U.S.A.	1956	166.27	$	324,000	155,520	9,410
Canada	1955	15.50	$	20,738	10,166	6,516
France	1955	43.27	F.Fr.	12,440,000	17,010	3,921
W. Germany	July, 1956	49.99	Dm.	129,200	14,460	2,900
Italy	1954	47.80	Lr.	9,718,000	7,480	1,560
Norway	1955	3.43	Kr.	19,764	1,320	3,850
Sweden	1954	7.31	Kr.	36,630	3,544	4,913
Netherlands	1955	10.75	Grs.	82,500	2,850	2,650
Denmark	1954	4.41	Kr.	28,874	1,610	3,654
Switzerland	1954	4.82	Sw. Fr.	32,010	2,410	4,986

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 26th April, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	62,33,89,000
(b) Provincial Governments	51,69,000
(c) Banks	15,58,73,000
(d) Others	9,15,61,000
Bills Payable	15,82,000
Other Liabilities	13,18,57,000
Rupees	106,94,31,000

ASSETS	Rs.
Notes	13,42,96,000
Rupee Coin	18,000
Subsidiary Coin	12,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	2,27,000
Loans and Advances to Governments	95,00,000
Provincial Governments' Debtor Balances	11,62,47,000
Other Loans and Advances	7,48,03,000
Investments	62,29,24,000
Other Assets	11,14,04,000
Rupees	106,94,31,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,42,96,000	
Notes in circulation	328,06,87,000	
Total Notes issued		341,49,83,000
Total Liabilities		341,49,83,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	.....	
Approved Foreign Exchange	104,38,03,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		158,73,74,000
B. Rupee Coin	5,26,85,000	
Government of Pakistan Sterling Securities	171,59,18,000	
Internal bills of exchange and other commercial paper	.....	
		176,86,03,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		341,49,83,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.12 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	26th April, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1561.91	1569.11	1,526.09	1505.01
Notes held in Banking Department	35.05	20.57	12.38	11.77	22.35
Foreign Securities	59.50	412.52	412.52	412.52	681.45
Rupee Securities	37.39	924.90	924.90	884.97	698.69
Banking Department					
Deposits of:					
Government of India	14.89	52.83	51.41	64.57	58.60
Other Governments		6.38	5.56	31.95	27.01
Balances held abroad	10.08	92.39	99.83	114.31	44.20
SCHEDULED BANKS					
Demand Liabilities	134.36	729.00 (8.63)†	732.08 (9.85)†	708.45 (8.22)†	645.72 (6.89)†
Time Liabilities	102.24	502.90 (2.52)†	495.66 (2.13)†	473.16 (1.97)†	427.29 (2.90)†
Borrowings from Reserve Bank	..	72.71 (53.24)‡	75.57 (57.28)‡	103.16 (71.54)‡	55.90 (37.32)‡
Borrowings from State Bank	6.70	7.86	7.20	11.49	9.19
Cash in India		37.97	38.28	34.38	37.56
Balances with Reserve Bank	25.17	65.86	69.84	54.54	48.80
Excess over statutory limits	15.52	19.35	23.33	9.66	7.97
Balances with other banks in current account in India	..	10.17	10.76	11.23	10.90
Money at call and short notice in India	..	17.10	15.82	10.57	9.15
Investments (at book value)	105.09	344.51 907.94	345.03 901.31	347.41 897.78	355.09 757.76
Advances and bills					
STATE BANK					
Deposits	87.76	209.14	204.48	209.90	229.53
Investments	51.99	105.52	105.52	105.72	105.27
Advances	30.35	183.37	180.98	185.14	135.08
Cash	14.69	28.38	34.90	21.43	16.17

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1956	1957	1955-56	1956-57
Import Duties:				
Revenue	10.51	12.69	95.96	105.67
Protective	0.8+	1.27	8.44	10.50
On surplus disposals	—	—	0.08	0.04
Total import duties	11.35	13.96	104.48	116.21
Export Duties	2.63	2.96	30.93	25.15
Land Customs	0.20	0.21	1.15	2.03
Miscellaneous	0.05	0.10	0.59	0.94
Gross total customs	14.23	17.23	137.15	144.33
Refunds and drawbacks	0.21	0.25	2.12	2.09
Net Customs	14.02	16.98	135.03	142.24
Gross excise	13.51	17.96	123.06	155.81
Refunds	0.13	0.25	3.60	1.75
Net Excise	13.38	17.71	119.46	154.06
Net total of customs and excise†	27.40	34.69	254.49	296.30

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 26th April, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		299,14,77,000
Bills Payable		51,00,000
Bills for Collection being Bills Receivable as per contra		7,13,31,000
Acceptances, Endorsements and Other Obligations per contra		70,95,000
Other Liabilities (including Inter-Office Adjustments)		5,17,000
Total	Rs.	323,06,99,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,06,87,000
Balances with other Banks		3,57,89,000
Money at Call and Short Notice		580,081
INVESTMENTS:		
Government and other Trustee Securities		73,33,000
Other Authorised Investments	94,06 68,000 11,45,84,000	
ADVANCES:		105,52,52,000
Loans, Cash Credits, Overdrafts, etc.	155,79,23 000	
Bills Discounted and Purchased	27,58,68,000	
Bills Receivable being Bills for Collection as per contra		183,37,96,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		70,95,000
Premises less Depreciation		5,17,000
Furniture and Fixtures less Depreciation		1,21,02,000
Other Assets (including Inter-Office Adjustments)		64,73 000
		3,16,55,000
Total	Rs.	323,06,99,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates ‡	
	5-Year		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,82	65	2,26	23,66	84,17	1,13,85	92,03	— 31,07	7,55	25,04				
1953-54	3,76	1,98	5,48	27,19	1,44,36	1,58,16	1,67,86	— 38,97	4,79	41,35				
1954-55	..	..	..	..	..	..	..	— 35,55	3,91	44,28	9,86	16,37	45	95
1955-56	..	..	..	..	..	..	..	— 38,06	33	40,61	84	14,73	2	91
January 1956	3,91	14	5,24	2,02	1,40,78	12 16	1,54,14	— 39,20	30	40,95	93	15,57	2	93
February ,,	3,83	16	5,20	2,33	1,42,37	12,87	1,66,19	— 38,97	24	41,35	88	16,37	2	93
March ,,	3,81	18	5,48	2,81	1,44,86	25,84	1,97,86	— 38,96	24	41,51	88	17,18	3	93
April ,,	3,60	24	5,54	3,19	1,45,86	14,54	1,71,08	— 39,05	38	41,82	85	17,91	2	1,00
May ,,	3,61	21	5,54	2,40	1,47,58	14,77	1,73,05	— 39,15	38	42,42	92	18,75	4	1,04
June ,,	3,54	26	5,55	2,70	1,49,48	15,24	1,76,09	— 39,24	38	42,72	1,01	19,68	4	1,07
July ,,	3,48	43	5,81	2,78	1,51,53	14,61	1,80,05	— 39,35	36	42,72	98	20,58	5	1,11
August ,,	3,40	29	5,82	2,58	1,53,14	14,10	1,83,21	— 39,26	38	43,00	85	21,34	3	1,15
September ,,	3,36	17	5,71	2,55	1,55,14	13,37	1,84,83	— 39,35	36	43,29	82	22,06	4	1,17
October ,,	3,28	16	5,69	2,88	1,56,51	13,00	1,85,99	— 39,26	34	43,00	77	22,73	2	1,19
November ,,	3,22	18	5,66	2,80	1,57,62	12,70	1,86,89	— 39,35	25	43,29	70	23,32	3	1,22
December ,,	3,17	23	5,76	2,47	1,58,90	14,77	1,87,96	— 39,43	25	43,58	86	24,07	6	1,27
January 1957	3,12	21	5,80	2,76	1,59,92	13,46	1,88,10	— 39,84	36	43,99	73	24,70	4	1,30
February ,,	3,07	17	5,82	3,34	1,61,00	12,96	1,88,83	— 39,91	30	44,14	73	24,70	4	1,30
March ,,	..	..	..	..	..	..	..	—	22	44,28	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

§ Relating to nine months from July, 1954.

§ From July, 1954.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 27th April, 1957	20th April, 1957	30th Mar., 1957	28th April, 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.0	90.0	90.0	91.0
1. Government of India	89.7	89.7	89.7	90.8
2. Indian States	96.4	96.4	96.4	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.0	99.0	98.9	100.9
1. Electricity	97.0	97.0	97.0	97.6
2. Jute	98.4	98.4	98.4	99.2
3. Plantations	98.5	98.5	98.5	98.5
4. Sugar	90.6	90.6	90.6	90.6
5. Coal	100.0	100.0	100.0	100.9
6. Teneral Engineering	101.3	101.3	101.3	102.3
7. Shipping	100.1	100.1	100.1	101.1
8. Others	78.5	78.4	79.3	85.4
PREFERENCE SHARES	86.7	86.5	87.5	93.6
1. Electricity	78.1	78.0	78.9	81.7
2. Cotton	70.8	71.0	73.2	83.3
3. Jute	81.8	81.8	82.0	89.9
4. Coal	81.6	80.7	81.5	87.7
5. Iron and Steel	78.1	79.4	79.6	84.5
6. Sugar	78.3	78.3	79.6	82.1
7. Paper	97.7	97.8	98.6	101.6
8. Plantations	74.8	74.7	74.9	80.8
9. Miscellaneous	98.7	98.7	97.5	93.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	108.4	107.0	109.2	122.2
(a) Financial	89.9	90.1	91.3	87.8
1. Banks	91.8	92.1	93.4	88.0
2. Insurance	82.2	82.4	82.2	84.7
3. Investment Trust	75.6	75.6	78.2	93.1
(b) Public Utilities	106.3	107.3	109.2	112.2
1. Electricity	103.7	106.9	108.1	115.5
2. Shipping and other Transport	113.7	116.9	120.9	111.4
3. Railways	76.4	76.5	76.9	88.2
(c) Manufacturing Industries	112.0	112.6	114.8	130.3
1. Cotton, Woollen and Silk	117.7	118.7	121.6	130.1
2. Jute	54.6	54.6	57.6	75.0
3. Iron and Steel	121.9	122.8	120.9	147.3
4. Paper	228.2	228.2	237.8	238.6
5. Cement	148.8	148.5	150.6	173.5
6. General Engineering	162.5	163.0	163.8	191.5
7. Sugar and Breweries	93.5	95.9	98.9	103.4
8. Chemicals	133.5	134.2	134.3	143.3
(d) Non-Manufacturing Industries	131.4	132.4	134.8	168.9
1. Coal	69.4	69.8	69.6	81.4
2. Mining and Oil	178.1	180.3	179.0	262.0
3. Plantations	149.2	150.0	155.5	182.9
(e) Miscellaneous	82.9	83.7	86.9	100.8
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.3	89.3	89.3	90.4
1. Bombay	89.9	89.9	89.9	90.9
2. Calcutta	90.2	90.2	90.2	91.2
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	99.0	99.0	99.0	100.0
1. Bombay	98.8	98.8	98.6	101.6
2. Calcutta	99.5	99.5	99.5	100.2
3. Madras				
PREFERENCE SHARES:	83.3	82.7	83.4	89.3
1. Bombay	72.3	72.5	73.4	80.2
2. Calcutta	92.8	92.9	93.8	97.7
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	116.9	117.6	119.1	127.2
1. Bombay	92.7	93.5	93.8	111.1
2. Calcutta	119.2	119.6	122.5	127.0
3. Madras	115.6	115.7	115.2	130.4
4. Delhi				

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	8,818,928
1952	963	809 242	3,336,961
1953	772	486,607	3,389,608
1954	840	477,188	5,697,848
1955	1,166	537,767	7,095,960
1956	1,258	722,334	8,223,807
January 1955†	95	49,039	444,802
February ,,	91	58,370	534,696
March ,,	112	58,432	833,275
April ,,	105	68,441	961,776
May ,,	120	91,269	1,144,011
June ,,	152	55,260	660,492
July ,,	111	90,218	533,999
August ,,	236	92,519	580,081
September ,,	251	47,600	214,214
October ,,	134	48,609	178,113
November ,,	99	45,277	339,550
December ,,	129	61,755	362,000
January* 1956†	107	70,153	781,706
February* ,,	122	133,188	678,716
March* ,,	146	83,524	569,037
April* ,,	140	65,037	549,932
May ,,	137	71,047	484,439
June ,,	153	100,335	529,151
July* ,,	150	64,767	492,173
August* ,,	138	130,667	922,685
Sept.* ,,	134	113 404	819,614
Oct.* ,,	150	59,451	499,636
November ,,	138	65,351	407,166
December ,,	145	52,362(a)	280,829(b)
January 1957	121		

† Figures are provisional.

(a) Not known in 3 cases.

(b) Not known in 4 cases.

* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,154.3
1953-54	648	6,887.8	5,573.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,186.8
Jan., to Dec. 1955	724	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,630.7	7,892.0
October 1955	716	720.7	591.9
November ,, ,,	721	725.5	597.0
December ,, ,,	734	785.7	648.0
January 1956	739	757.2	621.8
February ,, ,,	716	749.9	622.0
March ,, ,,	716	800.0	651.0
April ,, ,,	701	760.8	648.8
May ,, ,,	701	825.8	669.1
June ,, ,,	710	796.5	656.5
July ,, ,,	724	796.0	656.2
August ,, ,,	725	793.7	650.0
September ,, ,,	737	812.7	666.4
October ,, ,,	753	824.1	670.1
November ,, ,,	756	810.5	668.1
December ,, ,,	757	881.5	715.0

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

† At the end of period.

Source:—Central Water and Power Commission.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	13th April, 1957	6th April 1957	14th April, 1956	March, 1957	March, 1956	Percentage of increase (+) or decrease (−) in Mar., 1957 as compared with Mar., 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	406.1	403.4R	360.9	402.5	351.6	+14.5	388.5	313.2
Cereals	59	540*	535*R	459	523	439	+20.3	499	372
Pulses	8	423	431	351	440	373	+18.0	397	292
Others	33	241	240*	236*	242	233	+ 3.9	247	235
Industrial Raw Materials	(16)	513.6	514.7	471.0	518.1R	475.6	+ 8.9	501.9	419.8
Fibres	5	508	508	459	505	471	+ 7.2	483	429
Oil seeds	30	550*	555	524	559R	511	+ 9.4	558	398
Minerals	10	511	514	444	552	453	+21.9	508	427
Others	7	418	418	395*	414R	406	+ 2.0	421	431
Semi-Manufactures	(17)	399.6	398.8	375.5	403.3	369.8	+ 9.1	402.3	338.2
Leather	3	391	391	410	403	410	− 0.5	409	378
Mineral oils	13	211	208	210	208	203	+ 1.0	209	207
Vegetable oils	16	561	560R	514	577	489	+18.0	583	399
Cotton yarn	25	434	434R	455	434	452	− 7.1	487	422
Metals	13	323	328	282	328	282	+16.3	318	264
Oil cakes	5	419	409	418	419	379	+10.5	447	333
Others	5	375	375	302	383	364	+ 5.8	366	336
Manufactured Articles	(20)	384.1	384.3R	375.8	384.1	376.8	+ 2.5	384.6	372.9
Textiles	64	409*	410*	408	410	408	+ 0.5	416	408
Jute	11	414	416	397	412	410	+ 0.5	416	418
Cotton	45	412*	412*	408*	414*	402	+ 2.7	420*	403*
Rayon and Silk	6	..	—	502*	442*R	502*	−12.0	455*	485*
Woollen	3	266	266	264	266	278	− 4.3	265	284
Metal products	17	392	392	371	392	371	+ 5.7	386	359
Others	19	305	305R	286	302	285	+ 6.0	394	355
Miscellaneous	(9)	565.9	564.6	496.0	569.6R	508.1	+12.1	559.3	546.4
All Commodities	(100)	421.0	420.2R	390.7	421.2	387.4	+ 8.7	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to th various sub-groups within groups are shown without brackets.

R—Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop		(In thousand acres)			(In thousand tons)	
	Fore-cast	1955-56	1954-55	1955-56	1954-55
Cereals—						
Rice	2nd	72,912†	71,889††	23,900†	23,515††
Wheat	final	29,225	27,517	8,348	8,778
Jowar	2nd	39,539†	41,174††	4,510†	4,312††
Bajra	final	27,025	27,983	3,400	3,421
Barley	final	8,145	8,309	2,721	2,870
Maize	final	8,909	9,311	2,519	2,939
Ragi	final	5,674†	5,693††	1,914†	1,820††
Small millets ..	final	13,095	13,799	2,103	2,456
Total cereals ..	final	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	22,092	22,047	4,865	5,393
Tur	2nd	5,581†	5,725††	1,603†	1,705††
Other Kharif pulses ‡ ..	final	15,862	16,719	1,650	1,830
Rabi pulses‡ ..	final	10,579	10,590	1,858	1,959
Total pulses ..	final	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut ..	final	13,101†	12,892††	4,086†	3,862††
Castorseed ..	final	1,403†	1,405††	129†	124††
Sesamum ..	3rd	4,996†	5,423††	417†	434††
Rape and Mustard	final	6,269	6,025	832	1,019
Linseed	final	3,424	3 354	376	882
Total oilseeds ..	final	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	3rd	18,034†	17,553††	4,084†	3,382††
Jute A.	final	1,883†	1,739††	4,221†	4,197††
Mesta A.	final	738†	572††	1,474†	1,159††
Other crops—						
Potato	final	693	658	1,839	1,736††
Sugarcane ..	2nd	4,532†	3,945††	58,914†	50,455††
Ginger (Dry) ..	final	37	36	15	14
Pepper (Black) ..	final	214	208	27	26
Chillies (Dry) ..	final	1,492	1,528	340	363
Tobacco	final	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During March, 1957 ..	84.7
	Corresponding month, 1956 ..	99.3
	Nine months ended Mar., 1957 ..	771.0
	Corresponding period, 1956 ..	800.5
Stocks	At the end of Mar., 1957 ..	97.7
	Corresponding month, 1956 ..	95.0
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 2nd March, 1957 ..	N.A.
	Corresponding week, 1956 ..	3,110
	From 1st Jan., to 2nd March, 1957	N.A.
	Corresponding period, 1956 ..	60,343
		(In 000 Yds.)
Exports* (Jute Cloth) ..	Week ended 2ndMarch, 1957 ..	N.A.
	Corresponding week, 1956 ..	45,308
	From 1st Jan., to 2nd March, 1957	N.A.
	Corresponding period, 1956 ..	203,471
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	March, 1957 ..	4.91
	Corresponding month, 1956 ..	5.76
	Nine months ended Mar., 1957 ..	44.93
	Corresponding period, 1956 ..	46.62

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1954..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955..	11,34,400	11,42,900	7,81,200
Do. 31st March, 1956..	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957..	11,55,500	10,73,000	7,97,500
October 1955	91,700	83,800	64,800
Nov. "	91,900	86,200	63,400
Dec. "	103,900	97,500	72,300
January 1956	103,900	96,800	71,500
Febuary "	97,500	89,500	67,700
March "	1,03,300	96,200	69,900
Oct. "	96,700	91,100	71,800
Nov. "	94,700	85,800	65,100
Dec. "	101,500	93,300	66,900
January 1957	97,400	94,300	70,500
Febrnary "	90,000	81,300	63,400
March "	95,100	93,200	73,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	6,26,710	4,31,460	3,12,940
Do. 31st March,1954 ..	5,80,020	5,49,920	2,92,440
Do. 31st March,1955 ..	7,15,949	5,28,240	4,36,090
Do. 31st March,1956 ..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
" " " Sept., 1954.	1,80,018	1,29,741	1,12,861
" " " Dec., 1954.	1,88,053	1,36,801	1,20,616
" " " Mar., 1955.	1,65,108	1,48,328	1,18,136
" " " June, 1955.	1,88,603	1,41,333	1,10,281
" " " Sept. 1955.	1,76,181	1,30,680	1,08,714
" " " Dec., 1955.	1,60,750	1,24,696	1,05,752
" " " Mar. 1956.	1,84,450	1,41,840	1,19,860
" " " June, 1956.	1,83,306	1,17,710	1,13,309
" " " Sept., 1956.	1,74,447	1,33,325	1,13,953
" " " Dec., 1956.	1,88,546	1,41,450	1,14,708

FOREIGN TRADE OF INDIA

Particulars	December,		Nine months April to Dec.,	
	1955	1956	1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs ..	2,97	3,72	40 47	27,11
Raw materials ..	15,07	22,55	134,70	138,09
Manufactures ..	40,49	40,90	304,77	428,20
Other Items ..	34	52	2,32	3,55
Total*	58,37	67,89	482,26	597,55
By land ..	3,17	1.69	19,85	14,62
Total Imports ..	62,04	69,38	502,11	612,17
Exports:				
By sea and air—				
Foodstuffs ..	14,79	19,10	117,64	153,85
Raw materials ..	15,51	13,02	125,79	89,91
Manufactures ..	21,06	22,27	189,60	182,89
Other Items ..	35	42	3,15	3,63
Tota	51,71	54,81	436,18	430,18
By land	3	60	3,96	5,10
Total Exports ..	43			
Total Re-exports ..				
Balance of trade in merchandise ..	— 8,97	— 13,04	— 57,13	— 172,15
Balance of transactions in private treasure ..	— 2	+ 1	— 6	— 15
Total visible balance of trade.	— 8,99	— 13,03	— 57,19	— 172,30
Imports: ‡				
Total C'wealth countries ..	21,67	24,15	210,47	223,79
Total Foreign countries ..	37,20	43,54	271,79	363,76
Exports: ‡				
Total C'wealth countries ..	25,19	27,38	218,40	223,81
Total Foreign countries ..	26,52	27,48	217,78	206,37

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1954-55	11,782	2,709	886	184	98	62	154	18	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	20	474	412	41	331	48	148
January 1956 ..	10,396	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February ,, ..	11,538	2,532	885	191	98	62	131	27	439	374	38	297	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ..	1,135	237	83	23	12	5	18	2	64	34	2	31	2	10
May ,, ..	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,, ..	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,, ..	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,, ..	5,400	1,222	438	87	48	23	58	8	184	173	13	150	19	65
September ,, ..	6,420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October ,, ..	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98
November ,, ..	8,619	1,959	659	129	59	37	121	15	257	276	20	246	39	114
December ,, ..	9,550	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957 ..	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	144
February ,, ..	12,280	2,684	929	197	96	52	190	22	520	388	7	350	51	150

Note.—The figures relate to broad and metre gauges of Class I Railways. The montly figures are progressive from April, equated to M. G. Wagons (1 B.G.–2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source*:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 2nd May, 1957 ..	44,004(J)
	Corresponding week, 1956 ..	47,191(J)
	1st Sept. 1956 to 2nd May, 1957	1,322,883*
	Corresponding period, 1955-56 ..	1,407,415*
Cotton Exports‡ ..	Week ended 2nd May, 1957 ..	3,487
	Corresponding week, 1956 ..	1,968
	1st Sept. 1956 to 2nd May, 1957	190,112
	Corresponding period, 1955-56 ..	506,227
Mill Consumption (Estimated) ..	1st Sept. 1956 to 2nd May, 1957	903,733
	Corresponding period, 1955-56 ..	856,259
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 2nd May, 1957	602,284
	Corresponding date, 1956.. ..	634,882
Cotton Exports from Bombay (by sea)	During Jan., 1957	42,391§
	During Jan., 1956	35,978
	1st Sept., '56 to 31st Jan., 1957..	168,022
	1st Sept., '55 to 31st Jan., 1956..	363,052
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 18th April 1957	1,123,075
	Corresponding period, 1955-56 ..	1,239,170
Exports	1st Sept., 1956 to 18th April 1957	584,496
	Corresponding period, 1955-56 ..	659,280

Particulars	From 1st Sept. 1956 to 6th May, 1957 Bales	From 1st Sept. 1955 to 6th May, 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	19,913	63,351
Continent	19,611	89,626
Hongkong	29,356	36,890
China	3,437	54,599
Japan	119,704	261,711
U.S.A.	2,234	3,837
Other Countries ..	717	2,026
Total to all foreign countries	195,572	512,040
Coastal Ports ..	7,360	77,674
Total	202,932§	590,614§

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	February, 1957	383,121
Foreign		43,662
Indian	Six months ended Feb., 1957	2,324,414
Foreign		292,297
Indian	Same Period 1956	2,221,013
Foreign		287,444

Stocks (Mills and Elsewhere)—		
Indian	As on 28th February 1957 ..	1,151,853
Foreign		182,316
Indian	As on 28th February, 1956 ..	1,187,986
Foreign		174,625
Cotton Pressed in India (In running bales) ..	Week ended 26th Apr., 1957 ..	4,546
	Corresponding week, 1956 ..	131,032
	1st Sept., 1956 to 26th Apr., 1957	1,271,609
	Corresponding period, 1955-56 ..	2,772,408

‡ By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.80
3 % Loan	1938-39	1 16,17,46,000	1968-65	94.15
2½ % Loan	1950	94,33,10,000	1964	74.45
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	92.05
2 % V. Loan	1944	33,54,89,000	1957	99.75
2½ % Loan	1945	1,16,05,88,000	1970-75	87.20
3 % 2nd V.Loan	1945	1,13,85,84,000	1959-61	97.75
2½ % Loan	1951	50,35,63,000	1968	99.65
2½ % Loan	1946	45,80,37,000	1960	99.45
2½ % Loan	1946	57,00,69,000	1961	93.50
2½ % Loan	1946	14,77,48,000	1976	83.20
2½ % Loan	1947	76,86,72,000	1962	93.40
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99.50
2½ % N.P. Loan	1954	1,58,17,34,000	1964	98.35
2½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98.25
3½ %	1956	57,27,00,000	1962	97.80
3½ % N.P. Bonds	1956	33,82,00,000	1967	98.50
3½ %	1956	66,64,00,000	1974	98.50
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option o. Government after three months notice.	73.00
5 % Loan	1946	2,48,91,47,000	On September, 1986 or later at option of Government after three months' notice.	74.40
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958-68***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97.40
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97.06
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98.88
3 % Bombay	1949	6,53,56,000	15th Aug. 1959	94.10
3 % Bombay	1950	2,87,82,000	31st July 1960	96.25
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98.00
3 % Bombay	1953	5,42,25,000	15th July 1963	100.00
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100.00
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99.35
4 % Bombay	1956	7,50,00,000	1st Sept. 1970	99.40
4 % Bihar	1956	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
4 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98.75
3½% Cochin	1936	70,09 000	1st June 1956-61	98.75
3½ % Howrah				
3½ % Madhya (New)	1936-37	1,95,96,700	1956-66	95.25
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	98.85
3 % Madras	1939	1,23,95,800	23rd June 1959	96.56
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98.56
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96.25
2½ % Madras	1946	3,81,77,200	31st Oct. 1961	98.12
3 % Madras	1950	4,88,25,400	31st July 1960	96.25
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97.62
4 % Madras	1953	10,33,65,000	15th July 1963	98.40
4 % Maras	1953	5,34,81,300	1st Aug. 1964	98.45
4 % Madras	1955	7,00,00,000	1st Sept. 1967	97.35
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	97.06
4 % Mysore(J)	1938	2,96,86,200	1st Dec. 1958-63	100.10
3 % Mysore(J)	1938	5,99,72,900	30th Apr. 1956-61	98.87
4 % Mysore	1947	8,08,05,700	26th Jan. 1958	98.69
4 % Mysore	1953	8,32,47,000	1st Sept. 1963	98.50
4 % Mysore	1955	8,54,94,000	1st Sept. 1967	98.00
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97.25
3 % M.P.	1944	62,59,800	15th Aug. 1958	98.50
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93.00
3 % M.P.	1950	1,01,44,700	31st July 1960	95.50
3½ % M.P.	1951	1,02,15,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	98.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4 % Trav. Cochin	1953	2,00,00,000	15th July 1963	98.25
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	97.50
2½ % U.P.E.A.	1952	40,66,66,5452	....	40.00
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90.81
3 % U.P.	1946	2,87,11,000	15th Aug. 1958	98.55
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96.00
3 % U.P.	1948	2,30,98,500	1st Sept. 1961	93.06
3½ % U.P.	1951	1 91,08,000	17th Sept. 1962	97.85
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1953	5,65,15,500	15th July 1963	98.85
4 % U.P.	1955	9,58,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.90
3 % Rajasthan	1956	1,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July. 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repay-able	Market quota-tion
BOMBAY				
Rs.				Rs.
35,50,000	4	1904	1964	
35,00,000	4	1906	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	98·00N
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
35,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	98·00N
15,00,000	4	1914	1975	98·00N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,51,082	4	1925*	1960	
11,61,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,68,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,00,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99.00
75,00,100	4	1915	1975	99.00
1,50,00,000C	3††	1921	1981	82.00
68,08,300D	6½	1921	1981	144.00N
1,49,40,500D	6	1927	1957-87	101.50
1,49,30,000	5	1928	1958-88	102.50
80,00,000	4½	1931	1991	95.00
50,00,000	3½	1935	1995	87.50
25,00,000	3	1938	1968-68	90.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1976	85.00
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	88.75
50,00,000	3	1949	1979	97.00
50,00,000	3	1949	1959	97.00
50,00,000C	3	1950	1960	92.00
1,00,00,000	3	1950	1960	95.62
50,00,000	3	1950	1960	95.62
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1951	1961	98.50
50,00,000	4	1953	1983	100.00
50,00,000	4	1953	1988	98.56
90,00,000	4	1955	1985	98.00
77,00,000	4	1956	1986	97.75
78,00,000C	4	1956	1986	97.75
STERLING LOANS				
£592,600	5	1923	1958-88	£79.25
£901,000	5	1924	1954-84	£79.25
£885,100	5½	1932	1962	£91.25
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	
9,88,000F	3	1947	1977	
9,00,000F	4	1949	1979	A
45,00,000F	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repay-able	Market quota-tion
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
50,00,000	4	1906	1966	N
50,00,000	4	1907	1967	
30,00,000	4	1908	1968	
55,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
50,00,000	5	1916	1976	N
40,00,000	5	1917	1957-79	118.90N
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	7	1927	1961-76	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1969	95.50N
£888,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	6½	1929	1959	106.00
50,00,000	4	1934	1964	99.75
85,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	91.00
20,00,000	3	1938	1968-68	90.00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1913-15	1974	98.00
10,00,000	5	1920	1980	113.00N
10,00,000	5	1928	1958	
8,45,500	5	1929	1954-59	102.00
26,21,500	5	1929	1959	
8 50,00,000	3½	1947	1977	86.25
2 50,00,000	3½	1949	1979	92.25
4,00,00,000	3½	1950	1965	92.25
2,50,00,000	3	1952	1964	98.25
2,00,00,000	3½	1951	1964	98.25
1,50,00,000	4	1953	1968	98.25
1,00,00,000	4	1955	1967	99.00
1,00,00,000†	4	1955	1968	99.00
2,50,00,000	4	1955	1967	98.00
1,50,00,000	4	1956	1968	98.00
Rs.				Rs.
CALCUTTA				
26,00,000	5	1928	1958	102.00
25,00,000	5	1929	1957	101 50
25,00,000	5	1929	1958	102.00
10,00,000	3½	1932	1962	108.00
33,91,000	3½	1935	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
15,56,800	3½	1938	1967	99.50
17,84,400	3½	1942	1959	96.50
31,10,000	3½	1943	1973	92.00
15,49,000	3½	1946	1976	97.00
16,33,000	3½	1951	1961	97.50
66,66,000	3½	1951	1966	97.50
37,36,000	4	1952	1962	99.75
73,50,000	4½	1954	1979	100.00
Rs.				Rs.
MADRAS				
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.25
4 % W. Bengal	1952	5,00,00,000	1st Aug. 1964	99.75
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.75
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.50
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99.00

N—Nominal.
ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. §—Interest free to first 18 years. §—Interest free for first 7 years.
‖—Rs. forty instalments but inclusive of scanned interest.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad‡Bank	15,00,000	1901	6	Mar. Sep.	107.00	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70.00	100
Carew & Co. *	8,00,000(b)	1875	6½	Mar. Sep.	98.00	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	120.00	100
Deccan Sugar & Abkhar,'A' ..	7,00,000	1920	7	July Apr.	6.12	5
¶East India Distilleries ..	£200,000	1897	7	Jan. July	16.31	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	62.00xd	100
Do. (Non-redeem.) ..	5,00,000	1940	7(a)	Dec. ..	62.00xd	100
Purtabpore Co.	5,00,000	1922	10	Oct. ..	14.00xd	10
Ramnugger

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents gross block of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director, or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,728	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2.48	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,07,129	M.	51,834	1,021	B. B. Cotton Mills	38.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,98,000	3,12,58,951	5,98,22,946	3,51,00,992	2,41,366	Nowrosjee Wadia & Sons, Ltd.	2,23,552	3,984	Bombay Dyeing & Mfg.	542.50	250	22 8*	20 0	25 0*	25 0	12	Y.
10,00,000	82,74,393	88,81,886	53,57,495	91,711	Ramnarain Sons Private Ltd.	44,784	660	Bradbury Mills	112.00	100	7 0	7 0	7 0	8 0	3	Y.P.
1,09,42,800	2,85,31,209	6,06,66,976	2,32,01,693	7,61,731	Birla Brothers Private Ltd.	1,26,752	2,762	Century Spg. & Mfg.	459.00	100	22 0	22 0	22 0	22 0	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,085	—33 08,097	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	65.00	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,08,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	..	Cooria Spg. & Wvg.	131.90	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,396	69,10,861	54,66,041	2,17,076	Ramnarain Sons Private Ltd.	40,992	680	Dawn Mills	97.50XR	50	6 0	6 0	15 0		12	Y.
24,80,000	40,06,435	76,75,207	56,21,788	2,53,643	Puranmal Bubna Sons	49,718	928	Edward Textiles	285.00	100	15 0	15 0	18 0		12	Y.
29,98,050	11,81,333	1,09,78,649	80,74,224	1,81,854	M.	41,300	886	Elphinstone Spg. & Wvg.	62.50	50	*Nil*	3 0	5 0		12	Y.P.
50,00,000	67,54,875	1,41,78,099	82,93,207	70,257	James Finlay & Co., Ltd.	49,528	784	Finlay Mills	284.50	100	16 0	16 0	20 0	20 0	12	Y.
50,00,000	45,98,022	90,86,646	50,17,387	1,57,789	James Finlay & Co., Ltd.	40,640	1,030	Gold Mohur Mills Ltd.	210.00	100	12 8	12 0	15 0	15 0	12	Y.
11 84,000} 14,000 }	75,14,589	1,52,34,660	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,525.00 / 992.50	1,000 250	225 0* 56 4*	225 0 56 4	300 0 75 0	325 0 81 4	3	Y.P.
8,99,80,000} 50,06,900D	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills	10.15 / 1.60 / 5,215.00	0 100, 0 10 / 0 ID, 0 1 / 1,000	*Nil* / *Nil* / 225 0*	*Nil* / *Nil* / 225 0	0 15 / 0 2 / 300 0	0 10½ / 0 1 / 300 0	12	Y.
8,55,000} 25,000 }	72,74,043	1,41,26,890	1,00,89,000	4,886	M.	47,984	1,122	Indian Mfg.	—	500	115 0*	112 8	150 0	150 0	3	Y.P
59,35,000	55,07,831	2,78,78,670	2,03,22,188	26,228	Khatau Makanji & Co.	92,852	1,489	Khatau Makanji Spg. & Wvg.	181.00	100	10 0	10 0	10 0	10 0	6	Y.P.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	321.50	100	20 0*	18 0	18 0	18 0	12	Y.
22,15,050	43,06,720	1,22,08,423	64,68,440	55,109	N. Sirur & Co. Private Ltd.	40,000	644	Modern Mills	70.00XR	50	5 0	5 0	8 0*	8 0*	12	Y.T.
81,75,000	87,06,396	2,85,35,587	1,76,19,589	1,41,489	Piramal Sons Private Ltd.	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	211.25	100	12 0	14 0	14 0	15 0	6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	3,05,00,000	5,12,085	National Rayon Corporation	227.25	100	Chinai & Co. Private Ltd.	227.25	100	9 0	10 0	12 0		12	Y.P
24,00,000	29,50,456	78,05,743	48,70,077	58,192	New City of Bombay Mfg.	133.75	100	W. H. Brady & Co., Ltd.	133.75	100	10 0	10 0	10 0	10 0	12	Y.
20,00,000	22,01,402	95,58,784	63,37,035	245	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	230.00	100	10 0	7 8	10 0	10 0	12	Y.
48,80,000	30,10,989	1,84,29,555	84,72,255	2,40,352	Ramnarain Sons Private Ltd.	69,208	1,190	Phoenix Mills	147.50	100	8 0	8 0	10 0		12	Y.
40,00,000	45,04,554	48,09,067	24,25,000	4,72,683	Podar Sons Private Ltd.	52,000	980	Podar Mills	164.00	100	10 0	10 0	12 0*	12 0*	12	Y.P.
5,00,000	6,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd.	..	..	Sassoon & Alliance Silk Mill	9.80	10	0 12	0 8	0 11		12	Y.
27,70,000	83,80,605	1,93,53,251	1,59,71,824	84,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	39.50	10	1 4	1 12	2 0		12	Y.
80,00,000	47,70,061	90,20,958	55,27,934	1,47,422	Marwar Textiles (Agency) Ltd.	60,070	1,640	Shree Nivas Cotton Mills	170.00	100	15 0	14 0	18 0	18 0	12	Y.P
48,00,000	83,08,179	98,78,806	75,85,755	96,017	Forbes, Forbes Campbell & Co., Ltd.	54,240	1,278	Simplex Mills	170.50	50	15 0	14 0	15 0	15 0	12	Y.
87,80,000	2,50,82,705	2,77,88,979	1,62,08,915	2,93,059	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	443.00	100	20 0	20 0	20 0	22 8*	12	Y.
1,00,00,000	98,08,485	2,51,02,081	1,33,02,735	29,124	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	214.00	100	18 0	18 0	22 0	14 0*	12	Y.P.
38,00,000	65,15,465	1,37,20,499	92,62,715	1,01,176	James Finlay & Co., Ltd	59,238	852	Swan Mills	370.00xd	100	20 0	20 0	25 0	25 0	12	Y.
65,57,875	56,74,500	2,01,67,222	80,31,256	17,925	Tata Industries Private Ltd.	65,448	1,800	Tata Mills	47.25	25	1 8	2 8	4 0	3 8*	12	Y.T.
12,00,000	61,05,709	27,41,228	90,20,000	4,624	M.	45,608	1,308	Western India Spg. & Mfg.	5,200.00	1,000	225 0*	25 0	300 0	300 0	3	Y.

AHMEDABAD

40,00,000	21,50,000	1,43,75,585	69,76,244	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	172.50	100	10 0*	5 0	7 8	12 0	6	Y.P.
10,00,000	94,58,068	94,37,995	76,10,164	87,888	P. M. Hutheesing & Co., Ltd.	42,768	912	Arvind Mills	600.00	100	20 0*	20 0	20 0		12	Y.P.
26,25,000	2,55,20,694	1,66,65,504	1,16,00,000	78,768	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,043.00	100	50 0	50 0	50 0*		12	Y.P.
30,00,000	81,75,000	1,04,34,384	72,25,000	2,46,389	Mangaldas & Bros. Ltd.	53,504	892	Aryodaya Ginning & Mfg.	477.50	100	15 0	15 0	25 0*		12	Y.
12,00,000	1,18,39,033	84,56,974	69,64,953	69,806	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	960.00	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,86,76,233	4,61,25,852	2,88,68,344	2,81,712	Karamchand Premchand Ltd.	1,89,120	2,872	Calico	1,135.00	125	18 0	18 0	....	80 0‡	3	Y.P.
62,37,000	84,58,000	1,84,58,000	1,25,00,000	2,760	Trivenlal Bhoglal & Co., Ltd.	49,856	866	New Commercial Mills	1,615.00	1,000	70 0	70 0	80 0		12	Y.
39,00,000	72,52,436	1,52,09,323	96,26,063	19,321	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	902.00	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,63,107	37,98,217	16,658	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	306.25	100	30 0*	30 0*	30 0		12	Y.P.
12,50,000	1,14,77,470	86,29,439	60,39,888	....	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	845.00	100	25 0	25 0	35 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,808	17,24,749	Lalbhai Gordhandas Ltd.	48,156	648	Rajpur Mills	167.50	100	9 0	9 0	*Nil*		12	Y.P.
2,00,84,350	2,08,84,350	1,76,08,284	1,58,72,000	2,58,290	Harivallabhdas Kalidas & Co.	73,808	1,825	Shri Ambica Mills	563.50	50	18 0	20 0	27 8*		12	Y.P.
19,52,500	62,31,268	79,08,018	60,54,701	15,593	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	30,648	720	Shorrock Spg. & Mfg.	590.00	100	20 0	25 0*	25 0		12	Y.
26,00,000	90,24,191	1,09,66,008	78,35,291	24,644	Haridas&Ahratlal & Co., Ltd.	36,176	780	Vijaya Mills	590.00	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,42,800	84,98,029	81,88,830	1261,676	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	5.37	10	0 4	0 8	0 6		12	Y.P.T
7,98,060	9,10,617	78,14,055	52,66,911	69,900	Bengal Textile Agency, Ltd.	33,292	925	Bengal Linoleum Cotton Mills	40.00N	40	*Nil*	*Nil*	4 0	4 0	3	Y.P.
9,0,000	22,72,414	89,00,114	51,49,000	—28,47,373	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	118.00	100	*Nil*	*Nil*	*Nil*		6,12	H.
19,00,000	26,17,971	1,04,88,558	70,76,377	1,87,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	13.25	10	1 12	0 14	1 0	1 0	3	Y.P.
1,60,00,000	2,29,48,320	3,76,19,833	1,31,26,533	1,88,672	Birla Brothers Private Ltd.	74,672	1,902	Kesoram Cotton Mills	16.00N	10	0 8	0 10	1 0		12	Y.P.
13,47,7500 } 5,00,000D }	7,45,000	47,06,298	48,852	1,094	Hasareemull Heeralall	23,036	7951	Rampooria Cotton[Mills)	2·75N	1D	*Nil*	*Nil*	0-5,11/25		6	Y.

SOUTH INDIA AND OTHER CENTRES

11,26,600	3,57,596	21,26,764	15,64,243	3,556	Setna & Co.	24,800	..	Asher Textiles Ltd	217.00	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,000	25,91,264	1,84,41,580	80,78,582	1,86,043	Industrial Trust Fund	36,126	716	Azam Jahi Mills	79.00	100	6 0	*Nil*	3 8(e)		9	Y.
40,50,000	2,50,15,667	3,39,77,494	2,60,70,021	2,82,947	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	178.00xdxr	100	25 0	30 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,182	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills	7·50	10	0 4	*Nil*	*Nil*		6,12	H.P.T
35,00,000	1,09,48,251	1,19,14,492	57,78,992	4,25,221	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	28·00N	10	3 0	3 0	3 0		3	Y.
1,78,47,500	2,77,79,213	6,69,41,316	3,97,01,813	2,28,220	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	172.00xd	100	10 0	10 0	10 0	10 0	12	Y.P.T.
20,00,000	20,00,000	42,33,535	23,99,012	58,534	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	13·00cd	10	0 12	*Nil*	0 8	0 8	3	Y.P.
15,00,000	5,11,500	48,88,929	24,63,361	8,994	K. Damodaran, Esq.	27,016	591	Cannanore Spg. & Wvg.	165·00	100	12 0	20 0	12 0	15 0	3	Y.
50,00,000	29,51,450	1,03,00,000	61,72,376	56,767	Begg, Sutherland & Co. Private Ltd.	24,800	..	Cawnpore Textiles	6·93	5	0 9	0 8	*Nil*	0 4	3	Y.P.
2,87,470	2,00,000	50,87,686	18,02,163	58,798	C. R. Srinivasan, Esq. (Chairman).	22,800	..	Coimbatore Spg. & Wvg. Mills Ltd.	11·37	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.
12,00,000	19,01,066	41,97,634	30,65,709	10,889	R. Bheema Naidu & Co.	22,226	..	Coimbatore Pioneer Mills	268.00	100	15 0	20 0	20 0		6	Y.P.
50,00,000	19,86,000	1,85,59,430	84,25,972	14,823	K. N. Naidu & Co.	47,128	407	Coimbatore Spg. & Wvg.	89.00	100	8 0	6 0	8 0	10 0	12	Y.
80,76,900	5,076	1,13,00,858	85,58,242	81,920	R. G. S. Naidu & Co.	27,228	1,620	Central India	114.50	100	6 0	6 0	8 0	*Nil*	6	Y.P.
48,87,500	46,12,622	2,50,88,371	1,62,61,854	13,215	Tata Industries Private Ltd.	..	..	Delhi Cloth & General Mills	35·50N	25 1 12	2 4	2 4	2 4	2 8	3	Y.P.T.
2,88,56,325} 1,00,563 }	3,06,82,110	11,16,21,472	5,81,67,287	1,28,712	India Limited	1,41,180	2,352	Dhanalakshmi Mills	845.00	24 100	0 8 5/8	0 8 5/8	0 8 5/8	0 8 5/8	3	Y.P.
84,34,800	22,25,000	86,71,665	46,12,585	....	M. N. Chettiar & Sons	38,052	201	Elgin Mills	20.00	100	2 0	2 0	2 0	25 0	12	Y.
88,00,000	93,47,056	1,54,57,668	1,05,57,642	78,754	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Gokak Mills	33.00	100	1 0	1 0	1 0	1 4	9	Y.P
48,81,000	37,59,771	1,06,45,241	78,45,088	8,155	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gwalior Rayon	12·25	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
2,40,00,000	2,25,000	3,41,27,131	....	1,05,74,790	Birla Gwalior Private Ltd.	51,180	1,420	Indore Malwa United	139.00	100	6 0	6 0	0 0	5 01	12	Y.
80,00,000	6,15,447	1,85,91,953	1,18,28,576	9,551	K. L. Srikanta, Esq. (Chairman)	25,784	..	Janardhana Mills	92.00	50	4 8	5 0	10 0		12	Y.
8,90,000	10,65,683	21,06,669	18,48,185	2,079	G. V. Naidu & Co., Ltd.	..	..									
15,54,000	18,24,705	45,22,234	32,88,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,505·00	1,000	*Nil*	20 0	50 0	60 0	6	Y.P.
32,42,535	19,25,000	93,32,480	32,49,160	41,492	Kothari & Sons	41,040	200	Kothari Textiles	14.25	10	0 8	0 8	1 0	1 0	6	Y.P.
33,00,000	67,91,510	1,69,61,585	1,26,19,465	20,376	M.	45,144	1,219	Lakshmi Cotton Mfg.	680.00	250	37 8	32 12	42 8	42 8	12	Y.P.
1,00,00,000} 50,480 }	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	4,58,000	..	Lakshmi Mills	138.50 / 70.00	50 25	5 0 / 2 8	10 0 / 5 0	12 8 / 6 4	12 8 / 6 4	3	Y.
1,75,02,480	4,24,40,278	5,83,51,924	3,77,47,982	32,44,130	A. & F. Harvey Ltd.	41,776	..	Madura Mills	75.00	25	2 8	2 8	2 8	2 10	12	Y.
18,00,000	4,17,353	28,26,763	16,75,228	—90,072	A. L. S. Chettiar and 2 others.	22,592	100	Malabar Spg. & Wvg.	109.00	200	8 0	*Nil*	....		12	Y.
60,00,000	60,00,000	68,79,627	48,33,784	45,885	W. A. Beardsell & Co.	29,856	608	Mettur Industries Ltd.	398.00	100	18 0	18 0	18 0		3	Y.
29,50,884	19,61,581	89,75,246	49,94,788	16,588	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	84.00	100	7 0	5 0(e)	6 0		12	Y.
24,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	178.25	250	7	5 0(e)	7 8(e)	7 8	6	Y.
30,00,000	52,19,000	1,58,39,273	1,08,91,851	—7,77,290	Indian Textile Syndicate Ltd.	58,640	1,584	Modern Mills	75.00N	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
24,53,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co. Private Ltd.	50,480	900	Mysore Spg. & Mfg.	101.25	50	10 0*	8*	6 0(e)	6 0*	3	Y.P.
13,61,780	6,500	29,25,252	15,12,761	—1,50,653	R. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	8.70	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y
22,39,3820} 3,07,090D }	25,02,582	1,04,27,293	58,90,710	—43,58,037	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills	1·81 / —	O. 2½ / D. 1	*Nil* / *Nil*	*Nil* / *Nil*	2 8(e)		9	Y.P
57,19,500	55,48,220	1,69,99,989	61,91,561	74,722	Industrial Trust Fund	37,788	902	Osmanshahi Mills	58.50	100	4 0	3 0	3 0		9	Y.
4,00,000A } 6,00,000B }	6,50,000	29,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	41,200	..	Palani Andavar Mills	147·00 / 212.00	62 75B	12 0 / 18 0	12 0 / 18 0	12 0 / 18 0		12	Y.P
15,00,000	1,65,000	84,16,017	17,49,676	—14,96,897	C. S. R. Mudaliar & Sons	27,080	..	Pankaja Mills Ltd.	70.00	100	*Nil*	*Nil*	4 0(e)		12	Y
16,81,2004 } 3,40,000B }	23,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	800	Radhakrishna Mills	376.00 / 139.50	100A 50B	16 0 / 4 0	20 0 / 8 0	20 0 / 18 0		12	Y.
15,00,000	30,00,000	48,74,198	25,94,327	11,081	B. R. Naidu & Sons	33,296	..	Rajalakshmi Mills	137.00	50	7 8	10 0	10 0		12	Y.P.
16,14,200	12,00,000	82,92,216	17,41,434	10,510	Rameo Agencies Ltd.	24,996	..	Rajalakshmi Mills	149.00	100	4 4	6 0	8 0	10 0	3	Y.
52,81,750	12,40,000	42,54,422	21,20,815	32,012	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	185.00	100	6 0	8 0	10 0	10 0	12	Y.
50,00,000	63,41,568	1,00,35,483	58,44,914	—17,16,725	J. P. Srivastava & Sons (Rampur) Ltd.	34,582	600	Raza Textiles	1,225·00	10	*Nil*	8·25N	*Nil*	*Nil*	3	Y.P.
15,90,600} 10,000 }	1,60,85,911	2,18,49,061	2,05,07,227	—1,66,20,798	Morarka & Co.	95,222	2,234	Sholapoor Spg. & Wvg.	—	500	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
36,69,700	17,10,000	91,44,272	65,58,318	1,09,148	H. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills	104.00	50	4 0*	4 8	5 0	7 0	3	Y.
38,14,800	2,00,246	35,16,906	17,78,000	—2,46,777	Gopaldas Jiladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	87.50	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	3,43,80,155	99,62,158	79,58,790	30,60,553	Birla Brothers Private Ltd.	90,212	1,244	Sutlej Cotton Mills	90.00N / 11.75N	100 / 100	9 0 / 0 12	9 0 / 0 12	9 0 / 0 12		3	Y.
17,50,00000 } 7,50,000P }	2,50,00,000	4,84,40,847	1,70,83,159	1,09,029	Jaipuria Brothers	1,12,216	2,061	Swadeshi Cotton (Kanpur)	15.00N / 18.60cd	10P.C.	0-14 2/5	1-8 2/5	1-2 2/5		12	Y.P.
1,00,00,000	30,14,788	2,80,55,317	1,37,16,775	2,63,771	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	12·12xd	10	0-11 1/5	0-14 2/5	0-14 2/5	1 2	12	Y.
15,98,870	9,50,000	17,49,381	12,41,858	62,387	Moolji Ramdas & Sons	18,000	..	Vasanta Mills	288.00xd	100	12 0	16 0	20 0		12	Y.P.
21,00,000	24,50,000	71,88,723	40,63,168	56,000	R. K. Chetty & Brothers	44,424	870	Vishnu Cotton	125.00	100	4 0	4 0	8 0	8 0	12	Y.P.
98,00,000	51,89,099	1,74,27,020	1,17,94,560	19,922	M.	47,240	1,355									

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of reserves. (5) For six months ended 31st December 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

‡ Gokac Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1954.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
19,92,000	25,48,500	1,12,48,027	57,29,029	1,23,340	Parry & Co., Ltd.	Deccan Sugar & Abkhari	7.45xdxR	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
13,30,030	26,75,014	29,35,901	15,25,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries	6.12	5	0 8	0 9	0 9	0 9	3	Y.
£549,350	£1,149,466	£1,757,923	£841,807	£59,449	Parry's Holdings Private Ltd.	East India Distilleries and Sugar	26.87 / —	A. 16sh. B. £1	Sh. 4	Sh. 3	Sh. 4	Sh. 3	9	Y.P
6,00,000	9 60,000	15,90,636	15,96,629	4,679	Vital Mallya, Esq., (Chairman)	United Breweries	166.00	75	15 0	15 0	15 0	15 0	3	Y.

CEMENT

51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement]Co.	13.00 / 6.25	B. 10 / O. 10	1 0*	1 0	1 0*		12	Y.P.H.
43,14,6000 } 4,70,976D }	13,13,132	1,44,55,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam]Bengal]Cement	0.93	D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.
13,71,87,255	8,46,99,450	27,75,38,613	9,34,43,675	2,93,963	Cement Agencies (Private) Ltd.	Associated Cement Companies	159.25 / 11.94	O. 10	9 8 / 1 0	8 8 / 1 0	10 0 / 1 4		12	Y.P.
60,00,0000.	60,02,261	96,09,338	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	3.00 / 3.00 / 27.00	O. 2½ / D. 1 / O. 25	0 1-3/8	0-1 3/8	1 4	2 1	12	Y.P.
5,00,0000. 62,45,7500. 7,50,000D.	19,00,000	1,01,41,804	54,02,378	2,97,128	Hasan Private Ltd.	India]Cements Ltd.	5.20 / 13.25	D. 5	*Nil*	0 4	1 4	0 8 5/8	12	Y.P.
57,58,500	31,41,935	1,33,13,049	59,73,404	6,03,315	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	145.50	100	6 0	8 8	8 8		12	Y.P.
88,93,375	44,50,000	2,04,20,192	88,59,098	2,78,525	Shree Lakmi Agencies Ltd.	Shree Digvijay Cement	6.25	5	0 6	0 4	0-4 4/5		12	Y.
75,00,000	22,45,000	1,91,72,337	1,45,45,476	41,941	M.	Sone Valley Portland Cement	9.25xd	10	0 8

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,71,541	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	85.00N	25	1 9	3 2	4 11		6,12	H.P.T
63,00,000	56,05,511	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	21.06	10	12 0	14 0	1 6 2½	0 11 1/5[	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	15.85	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,45,82,500	2,16,71,781	4,58,61,778	1,07,73,658	2,12,435	Birla Brothers Private Ltd...	Orient Paper	30.15	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,35,49,070	67,32,768	1,55,90,014	96,51,593	1,17,735	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	15.12	10	1 8	1 8	1 4	0 10[	6,12	H.P.T.
20,00,000	6,50,000	95,83,644	61,01,926	13,705	Bajoria & Co.	Star Paper Mills	9.62	O. 10	0 12	0 12	1 4		3,9	H.P.T.
10,00 000'A.'							9.62	A. 10	0 12	0 12	1 4			
2,18,55,240	49,18 060	3,75,66,264	57,92,279	17,813	Birla Brothers Private Ltd.	Sirpur Paper Mills	9.25	10	Nil	Nil	5 0‡	0 8	6	Y.P.
56,56,060A.							33.75	A. 10	2 0*	1 8	2 0*	1 2½*		
56,56,800B.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd.	Titaghur Paper Mills Co., Ltd.	33.75	B. 10	2 0*	1 8	2 0*	1 2½*	3,9	H.P.
4,87,560P.O.							4.00	P.O. 24	0 4	0 4	0 4	0 2½*		
PRESSING														
3,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule & Co.	Calcutta Hydraulic	90.00N	100	3 0	4 0	Nil	Nil	4	Y.
3,00,000	2,47,232	10,91,800	9,80,874	26,380	Andrew Yule & Co.	Central Hydraulic	125.00	100	4 0	5 0	5 0	6 0	4	Y.
PROPERTY AND LAND														
6,00,7800.	6,93,333	43,52,570	22,68,279	35,000	S. A. Baali, Esq., & others (Directors)	Humayun Properties	13·50N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,900D.							2·75N	D. 1	0 4/5	Nil	0 9 3/5			
56,00,000	14,00,051	83,91,859	15,91,500	....	M.	Port Canning Land	6·25	100	1 8	Nil	Nil	Nil	4	Y.
94,00 000	36,70,109	93,05,154	95,893	—11,63,355	Andrew Yule & Co.	Midnapore Zamindary	21·00	100	1 8	4 0	3 0	Nil	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,05,545	31,61,533	10,78,833	—5,14,587	Bird & Co. Private Ltd.	Assam Saw Mills	3·03	3	Nil	Nil	Nil		9	Y.
66,00,000							560·50	Old125	15 0	20 0	27 8	40 0		
43,00,000	4,18,54,388	2,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corps.	210·00	New50	6 0	8 0	15 0	16 0	5	Y.
6,00 000	....	7,28,569	7,26,267	—4,59,907	Jardine Henderson Ltd.	Bengal Timber Trading	25·00N	100	Nil	Nil	Nil		6	Y.P
20,00 000	21,15 487	19,00,295	14,38,566	2,76 619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40.75	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,871	Begg, Sutherland & Co. Private Ltd.	Bahrampur Sugar‡	6·50	5	Nil	Nil	Nil	Nil	3	Y
12,00,900A.	29,80,250	55,40,831	36,82,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	180·00N	A. 100	10 0	10 0	10 0	10 0	6	Y
5,00,000B.							14·00N	B. 10	1 0	1 0	1 0	1 0		
19,49,050	8,25,000	33,76,107	25,31,569	78,488	Bangur Bros., Ltd.	Belsund Sugar	11·00	74	0 12	0 12	0 12	1 0	4	Y.T.
18,00,000	13,51,513	18,12,168	12,47,841	2,920	Cotton Agents Private Ltd.	Bharat Sugar	15·25N	10	1 8	1 8	0 12	1 0	9	Y.
25,00,000	23,37,030	1,55,90,775	92,37,801	15,445	Gladstone Lyall & Co., Ltd.	Carew & Co.	7·43	10	Ni	1 8	1 8	1 8	6	Y.P.
30,00,000	65,63,722	1,63,27,398	86,27,332	91,091	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	16·25	10	2 0	0 12	0 4		6	Y.P.T.
18,00,000	39,72,380	81,58,085	55,46,244	20,508	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	19·12	10	1 0	0 12	0 12	0 12	10	Y.P.
5,99,455	6,18,562	24,58,830	15,33,747	48,504	Karamchand Thapar & Bros.	Deoria Sugar	10·00N	10	1 0	1 0	1 8	1 0	6	Y.
50,00,000A.							275·00	A. 100	15 0*	15 0*			3	Y.T.
10,00,0000.	44,95,000	1,02,71,605	67,56,074	33,123	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	100.00	O. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	65.00	80	Nil	Nil	4 8		3	Y.P.
7,89,100	22,85,552	44,42,878	22,21,723	3,730	Cotton Agents Private Ltd.	New India Sugar Mills	46.25	40	Nil	Nil	2 4		7	Y.P.
11,00,000	4,45,000	46,39,636	27,41,208	10,794	K. C. Thapar & Bros. Private Ltd.	New Savan	28.00N	10	2 8	2 8	2 8	2 8	6	Y.P.T
19,98,000							5·75	10	0 4	0 4	0 4	0 8		
61,375	48,01,854	71,25,062	24,33,984	9,759	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	240·00	25	20 0	20 0	20 0	20 0	6	Y.
77,43,750	55,05,899	2,04,72,468	1,06,50,009	20,863	Cotton Agents Private Ltd.	Oudh Sugar	60.00	5	6 0	6 0	5 0	5 0	6	Y.
12,00,000	12,69,374	31,96,494	21,13,450	24,562	Narang Bros. & Co. Private Ltd.	Punjab Sugar	125.00N	100	11 0	11 0	11 0	11 0	7	Y.P.
9,00,000	19,64,817	48,96,385	31,54,228	20,705	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	100.00	10	10 0	10 0	6 0	10 0	10	Y.
5,00,000	6,10,703	28,74,028	22,66,790	13,504	M.	Ryam Sugar	16.50	10	1 0	0 12	0 12	0 12	10	Y.P.
11,99,000	19,85,520	45,30,192	24,12,139	8,584	Begg, Sutherland & Co. Private Ltd.	Samastipur Central Sugar	20.00	10	0 8	0 8	Nil	1 12	6	Y.P.
39,70,525	22,68,560	1,40,84,561	66,35,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11.50	10	1 0	1 8	Nil	Nil	6	Y.
9,99,950	26,825	28,20,774	18,51,547	—4,25,477	H. K. Ghosh, Esq., and R. N. Dastia, Esq. (Managing Directors)	Sitalpore Sugar	10·12	10	1 8	1 12	1 12	1 0	6	Y.P.T.
7,95,468	18,32,940	31,50,735	17,68,068	1,06,227	Karamchand Thapar & Bros.	Shri Sitaram Sugar	4·75	10	Nil	Nil	Nil	Nil	6	Y.
6,16,0000	46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	15.06	10	2 0*	1 8*			3	Y.T.
4,40,000D.							1·00N	O. 10	Nil	Nil	Nil			
2,00,000	29,24,348	1,15,70,815	68,08,754	32,829	Cotton Agents Private Ltd.	Upper Ganges Sugar	0·25N	D. 24	Nil	Nil	Nil		10	Y.P.T.
16,00,000	7,66,589	32,69,051	26,68,926	30,564	M.	United Provinces Sugar	70·00N	10	2 8	2 8	2 8	3 0	6	Y.P.
							13·50	10	0 8	1 4	1 8		9	Y.
Other Centres														
30,00,000	3,00,000	48,07,804	14,68,228	1,90,837	Rangaroo & Co.	Andhra Sugars Ltd.	18.75	10	Nh	Nil	0 9 3/5	1 0	9	
70,49,850	99,62,097	1,45,40,324	1,06,31,579	59,021	W. H. Brady & Co., Ltd.	Balapur Company	227·00	100	16 0	16 0	16 0	16 0	9	Y.
17,50,000	5,56,885	25,56,598	22,70,609	23,609	A. H. Bhiwandiwalla & Co.	Bhagwati Sugar Industries Ltd.	17·75	10	1 0	1 0	1 0	1 0	9	Y.
18,00,000	37,08,165	32,89,314	3,24,398	32,344	A. H. Bhiwandiwalla & Co.	Shree Changdeo Sugar	30.75	12 8	2 0	1 0	1 8	2 0	9	Y.P.
14,99,900	3,49,755	40,16,867	31,65,892	—1,596	Sir J. P. Srivastava & Sons (M.R.) Ltd.	Gwalior Sugar	15.50	100	Nil	Nil	Nil		9	Y.
47,94,920	14,00,000	30,44,997	18,71,138	5,31,218	India Sugar Agencies Private Ltd.	India Sugars and Refineries	16.50	10	1 8	1 12	1 6 2½		9	Y.P.
20,62,558	12,13,785	46,24,175	11,11,505	32,569	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	13.50	10	1 0	1 8	2 0*	0 9-3/5	9	Y.P.
28,57,250	45 51,080	43,51,227	21,95,327	18,645	Govan Bros.(Rampur), Ltd.	Buland Sugar	14.50N	10	1 0	1 0	1 0		10	Y.
10,52,2000.	79,50,000	1,79,03,447	35,20,265	26,868	V. Ramakrishna, Sons (Private) Ltd.	K. C. P. Ltd.	135.00	O.100	1 0	1 0	1 0	7 8	10	Y.
2,87,190D.							145.00	D. 10	10 0	10 0	10 0	10 8	6	Y.P.
21,70,280	86,24,318	1,89,89,142	98,21,738	2,68,107	S. Muniasaiappa, Esq., (Mg. Director)	Mysore Sugar	37.37	10	2 0	2 0	2 0	2 8	6	Y.
56,00,000	56,00,000	1,09,70,581	62,35,454	99,991	Mafatlal, Ajaba and Kantilal Ltd.	Phaltan Sugar	136.25	56	2 0	2 0	2 0	2 0	9	Y.
16,59,820	35,50,880	56,11,940	29,77,241	20,849	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	25.18	10	1 0	1 8	2 0	3 0	9	Y.
20,00,0000.	35,02,395	95,61,317	56,00,576	67,511	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	126.00N	O. 50	Nil	Nil	8 0	12 0	9	Y.P.T.
4,00,0000D.							7.00N	D. 10	Nil	Nil	0 1 1/5	7%		
19,99 600	47,65,324	46,85,218	32,94,524	44,168	Govan Bros. (Rampur), Ltd.	Rana Sugar	15.50N	10	1 0	0 12	1 0		9	Y.P.T.
20,00,000	9,10,000	59,87,262	22,10,844	45,098	Parry Co., Ltd.	Travancore Sugars	10.40	10	Nil	Nil	0 12	1 0	10	Y.
1,01,00,000	1,08,46,263	2,28,80,653	99,17,710	1,75,780	Walchand & Co. Private Ltd.	Walchandnagar Industries	250.50	100	14 0	16 0	18 0	21 0	7	Y.P.
													9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,708	15,56,587	58,826	Andrew Yule & Co.	Bengal-Assam Steamship Co.	130.00	100	10 0	7 8	7 8			
1,00,00,000	18,87,619	4,41,65,864	1,85,09,619	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	80.00N	100	5 0	5 0	5 0		10	Y.P.
60,00,000	31,80,611	3,81,00,904	59,55,703	53,315	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	18.90	10	1 0	1 0	Nil	1 8	12	Y.
5655,550	81,093,198	55,514,160	43,297,531	438,863	Kilburn & Co., Private Ltd.	India General Navigation & Rly. Co.	64.50	510	Nil	Sh. 1 0	Sh. 10		6	
2,25,00,000	89,39,223	3,96,47,544	2,22,99,146	5,21,998	Andrew Yule & Co.	India Steamship Co.	10·15	10	0 8	Nil	Nil	1 0	17	Y.P.
9,39,98,060	9,00,12,101	22,54,99,394	4,85,66,226	5,63,020	M.	Scindia Steam Navigation Co.	18.35	20	0 12	0 8	0 8	1 0	3	Y.P.
6,40,8000.	19,68,266	11,55,488	7,20,969	1,34,493	R. R. Aiyer, Esq., (Manager)	Walford Transport Ltd.	2.12	O. 1	as. 1 2/25	1 22/2	as 2 6/25			
10,300P.O.							1.75	P.O. 1	as. 19/25	1 19/25	as.122/25		12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,68,521	4,22,863	320	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530·00	200	32 0	32 0	32 0	80 0	9	Y.
13,95,860	2,04,173	2,26,474	90,000	1,99,551	M.	Bombay-Uganda	60·00N	50	5 0	4 8	Nil		12	Y.
88,00,000	81,50,011	3,81,00,904		53,315	M.	Davkaran Nanji Investment Co.	11·50	10	0 12	0 12	0 12	0 12	3	Y.
5,57,00,000	1,03,93,754	4,55,59,017	1,03,65,563	94,16,738	A. J. C. Hoskyns-Abrahall (Chairman).	Hindustan Lever	19.50	10				1 4	12	Y.
80,17,900	13,68,886	36,39,225	59,24,587	38,608	Birla Brothers Private Ltd.	Hind Cylates	130.00	100	8 0	10 0	10 0		12	Y.P.T.
14,98,540	8,42,565	39,05,884	17,75,000	4,311	Choonilal Manilal Ltd.	Kaira Taluka Cooperative	37.75	50	3 8	2 0	3 8		3	Y.P.
99,99,250	20,12,980	1,22,60,0625‡‡	....	3,23,875	Premchand Roychand & Sons	Industrial Investment Trust	75.50	100	4 8	4 0	5 0	5 0	12	Y.
99,99,975	85,08,351	35,47,826	3,04,321	4,559	K. G. Milne, Esq. (Mg. Director)	Killick Industries	162.00	100	10 0	11 0	11 0	11 0	6	Y.
2,25,13,775 A.O.	89,14,395	3,06,58,581	1,49,05,326	6,05,448	Auto-Auto Private Ltd.	Premier Automobiles	90.00	100	8 0	8 0	8 0	6 0	6	Y.T.
10,31,200	5,05,419	8,09,102	5,79,614	3,000	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	28.00	20	3 0	2 0	2 0	2 0	6	Y.
2,75,00,000	1,35,45,829	3,14,34,161	1,59,08,376	5,02,238	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	170.00	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	62,52,390	7,44,904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350·00	158	20 0	20 0	20 0	22 8	12	Y.
Other Centres														
47,50,000	1,94,82,556	3,78,51,606	72,16,809	1,16,199	J. K. Industries Private Ltd.	Aluminium. Corporation of India Ltd.	9.43	O. 10	Nil	Nil	Nil	6 8	3	Y.P.T.
2,50,000							2·50N	D. 2½				Nil		
40,00,000	28,25,000	56,26,245	21,56,600	44,527	Ambassador Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	13.00	10	1 4	1 4	1 4	1 4	3	Y.
30,00,000	36,18,873	84,21,252	22,94,563	2,35,874	Turner Morrison & Co., Private Ltd.	Angelo Bros., Ltd.	18·50	10	1 4	1 4	0 10*	1 4	3	Y.
30,00,000	15,70,000	39,82,721	21,20,441	1,72,873	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17.00	10	1 4*	1 4*	1 4*	1 4*	12	Y.
28,00,000	32,47,885	1,02,58,021	85,87,880	2,45,112	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	7·50N	10	0 8 1/5	0 8 1/5	0 6 2/5	1 8-1/5	3	Y.P.T.
36,01,400	1,16,58,000	67,47,111	33,97,111	5,08,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	145.00	100	20 0*	12 0‡	12 8		12	Y.
12,00,000	9,10,000	21,87,448	24,06,448	76,820	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	31·00	10	1 8	2 8	2 4	1 21	6,12	
30,00,000	7,95,430	62,57 994‡‡	....	1,16,707	Lovelock & Lewis	Birds Investment Ltd.	13·75	10	1 4	1 8	1 4		3	Y.P.T.
48,97,020	80,11,814	1,10,56,424	33,87,880	1,79,377	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	12.81	10	0 8	1 0	1 0	1 0	3	Y.P.T.
2,25,00,000	1,16,11,805	2,82,03,008	2,22,14,167	—27,56,584	Sir Robert Menzies	British Corporation Ltd.	6·50	5	0 0	0	Nil		3	Y.P.
1,35,80,000	17,84,264	3,03 27,828‡‡	....	12,76,092	Andrew Yule & Co., Ltd.	Clive Row Investment	9·50	10	0 4 1/5	0 3 1/5	0	1 6	3	Y.P.
1,40,00,000	3,40,86,174	5,55,01,695	2,48,71,167	13,24,695	John Luckham, Esq. (Mg. Director) .	Dunlop Rubber (India) Ltd.	24·00	10	1 8	1 8	1 8	1 8	12	Y.P.T.
51,25,000	54,15,811	1,72,17,3675‡‡	....	3,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd.	107·00	100	9 0	9 0	9 0	9 0	12	Y.P.
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacKell & Barry Ltd...	Ganges Rope Co., Ltd.	120·00	100	20 0	15 0	15 0		3	H.
65,00,000	53,17,300	19,73,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq.	Gillanders Arouthnot & Co., Ltd.	11·31	10	7 8	7 8	1 6 2/5	1 9 3/5	3	Y.P.
30,00,000	14,67,354	81,29,620	58,05,982	7,468	B. F. H. Syndicate	Great Eastern Hotel	226·00N	250	15 0	6 8	6 8	15 0	3	Y.
4,98,05,700		8,94,18,142	1,31,88,541	6,16,062	Birla Brothers Private Ltd...	Hindustan Motors	7·25	10	Nil	Nil	Nil	Nil	3	Y.
2,01,10,000	56,56,543	4,80,45,288	1,90,84,142	7,97,410	E. S. Greenwood (Mg. Director)	Indian Aluminium Co. Ltd.	12·81	10	Nil	Nil	9 0	1 0	12	Y.P.
1,52,89,220	1,37,00,000	1,90,88,789	71,50,911	13,04,3714	H. J. Woodhouse, Esq. (Mg. Director)	Indian Cables	24·06	10	1 0*	1 0*	1 0	1 8*	3	Y.P.
8,37,970	6,03,000	16,74,908	9,50,806	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	26·25	10	0 12	0 8	0 8	0 10	3	Y.P.T.
15,15,00,000	7,89,02,832	4,15,59,461	1,63,28,877	24,04,874	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	13·75	100	....	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
2,00,00,000	57,29,556	37,46,656	11,08,843	5,11,853	G. M. Mackley, Esq.	Jardine Henderson	76·50	100	7 8	7 8	7 8		3	Y.
40,00,0000.	80,86,900	26,18 928	8,78,670	2,57,324	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	210·00	O.100	10 0	17 0	2- 8			
5,00,000D.							—	D.0.10	1 0	1 8 1/5	1 12		12	Y.P.
1 43,96,500	81,82,796	24,06,298	13,34,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	23·31	10	1 0*	1 8	1 12‡			
1,15,00,000	55,50,000	1,88,37,972	79,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman).	Metal Box Co. of India, Ltd.	27·62	10	1 0	1 0	1 4	2 2*	3	Y.P.
6,35,585	1,56,250	7,83,598	2,60,987	—2,38,681	Shankar Rao F. Ogale, Esq.	Mysore Glass and Enamel Works	9·75	10	Nil	Nil	1 8	1 10	3	Y.P.
6,56,250	2,18,500	9,18,996	5,51,088	440	M. J. L. D'Sa (Controller)	Mysore Lamp Works	15·62	10	1 0	1 0	0 12	0 14 2/5	3	Y.P.
10,00,000	2,18,500	15,54,005	9,41,427	44,518	M. H. Parthasarathy Esq. (Chairman).	Mysore Tobacco	13·75	10	1 0	1 4	1 8	1 8	3	Y.P.
40,00,000	74,71,172	63,80,914	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd.	National Insulated Cable Co.	19.25	10	1 0	1 0	1 8*	2 0*	3	Y.T.
40,00,000	15,00,000	92,19,395	21,17 403	75,726	Do	National Rolling & Steel Ropes	9·87	10	0 0	0 9½	0 9½	0 9½	3	Y.P.
79,97,000		1,17,52,787	57,19,268	8,99,882	B. N. Elliss & Co., Ltd.	National Tobacco Co.	9·75	10	Nil	Nil	0 12 4/5		12	Y.P.
2,25,00,000	8,71,248	1,45 28,415	44,28,274	—4,12,985	M. P. A. Pasputti, Esq.	Rallis (India) Ltd.	30·00	100	Nil	Nil	Nil	Nil	3	Y.P.
1,72,24,406	1,31,20,208	7,56,34,589	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	18·37	10	1 4	1 8	1 8		12	Y.P.T.
40,00,000	87,06,553	1,21,67,804	75,09,327	6,32,212	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16·65	10	1 8	1 8	1 8	1 8	6	Y.P.
78,00,000	54,13,860	1,74,49,816	5,53,285	3,65,280	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	11·19	10	1 0	1 4	1 0		12	Y.P.
9,98,880	.....	14,99,289	3,84,580	....	M.	Ogale Bros., Ltd.	Travancore Ogale Glass	8·30	10	Nil	Nil	Nil		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each ,which subsequently were divided into shares of Rs.10 each.

Z—In the case of Belapur Co. the proportionate dividend onNew bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	8,70,619	11,34,864	5,38,189	....	McLeod & Co., Ltd.	525	Amluckie	28.00	10	25 0	72 0	19 0		12	Y.P.
3,50,000	3,43,250	10,59,902	2,43,089	77,477	R. K. Kanoria, Esq.	437	Ananda (Assam) Tea	36.00	10	1 4	7 51			12	Y.
3,50,000	3,93,250	11,21,576	2,53,926	50,536	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Hag	23.00	10	2 8	3 0*	1 0		12	Y.
5,80,000	11,21,541	17,56,485	7,08,427	36,051	McLeod & Co., Ltd.	513	Baghmari	21.12	10	Nil	2 8	1 0		12	Y.
5,10,000	9,10,000	13,25,582	4,69,309	56,756	Andrew Yule & Co., Ltd.	278	Baemazia	31.12	10	2 8	2 0	1 8		12	Y.
3,30,600	4,65,000	11,56,773	7,13,759	50,398	National Tea Corporation	570	Batali	27.00	5	2 0	4 0	2 8		12	Y.
3,20,000	9,40,000	10,27,053	3,05,925	66,155	Gillanders Arbuthnot & Co., Ltd.	413	Batlan	26.00	10	2 0	4 0	3 0*		12	Y.
16,80,000	28,00,000	58,38,162	26,80,062	1,49,359	Octavius Steel & Co., Ltd.	455	Bishnauth	19.25	10	2 8	3 8	2 0		12	Y.
6,00,000	7,50,000	10,97,913	2,25,063	1,82,640	Williamson Magor & Co., Ltd.	450	Bornah Jan Tea	17.81	10	0 12	2 8	1 8		12	Y.P.
7,50,000	7,27,550	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	314	Brooke Bond	18.19	10	0 8	1 4	4 12	1 4	6	Y.P.
35,00,000	11,76,808	79,82,284	27,46,021	5,15,711	M.	252	Dejoo Valley	50.25	10	1 0	4 0	5 0		12	Y.
1,80,000	4,35,426	6,44,809	2,44,144	46,616	McLeod & Co., Ltd.	1,154	Dessai & Fatbatia	265.00	100	20 0	40 0	10 0		12	Y.
5,00,000	9,70,000	27,66,084	17,67,738	46,616	Jardine Henderson Ltd.	961	Dhalakhat	21.50	10	1 8	2 8	2 8		12	Y.
17,33,440	9,57,982	24,59,777	8,10,850	45,784	James Warren & Co., Ltd.	646	Dhansiri	16.75	10	1 0	2 0	1 0		12	Y.P.
4,85,370	3,95,000	7,50,451	3,36,404	45,344	M.	456	Dibrugarh	22.75	10	1 0	4 0	2 0		12

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	References
PLANTING ; PRODUCE AND RUBBER														
5,00,000	1,60,000	3,92,380	81,236	22,256	Planting Agencies Ltd.	Balmadies Plantations	8-35	2	0 4	0 4	0 4 6/5	0 8 1/5	5	Y.P.
17,94,195	21,11,184	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	7-80	5	0 12	0 12	0 7 1/6	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,068	1,57,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	25-25	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,880	25,18,525	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	22-50	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,566	7,58,759	40,878	1,009	Associated Planters Ltd. ..	Cottanad Plantations	17-25	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,79,990	4,04,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	14-25	10	1 4	2 8	2 0	0 10‡	12	Y.P.
4,00,000	10,02,889	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24-00	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	6,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	29-25	10	2 0	2 4	2 4	3 4	3	Y.
27,00,000	29,11,082	77,71,151	8,84,980	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	16-85xd	10	1 8	1 12*	2 8	2 0	3	Y.P.
2,35,000	2,31,000	14,16,774	1,67,177	16,757	A. V. George & Co., Ltd. ..	Nenmeny Rubber	20-50xd	10	0 12	1 8	1 8	....	12	Y.P.T.
2,00,000	2,88,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Kilambur Rubber Co.	16-50	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	21,29,615	48,87,395	14,23,068	Nil	Peirce, Leslie & Co., Ltd. ..	Onekercherry Valley Estates	4-98	2	0 2½	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
18,50,000	9,99,000	42,15,515	5,12,127	5,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	18-75	10	1 12*	1 12*	2 0	2 8	6	Y.P.
3,66,750	3,50,000	7,77,412	78,478	71,342	Peirce, Leslie & Co., Ltd. ..	Savannah Estates Ltd.	20-87xd	10	2 0	2 8	1 12	1 8	11	Y.
10,00,000	8,09,560	22,34,278	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	8-06	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
3,50,000	2,27,500	5,37,767	80,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	27-50xd	10	3 0	3 0	3 0	....	12	Y.P.
9,15,300	4,00,000	20,99,924	96,217	27,085	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1-88	1	0 4‡	0 3 2/5	0 2 1/	0 2	9	Y.
6,00,000	75,491	9,79,479	3,23,517	8,745	Kapur Thomas, Esq. (Mg. Director)	Travancore Rubbers	18-75xd	10	2 0	2 0	3 0	....	12	Y.
41,00,000	14,80,799	76,82,300	8,68,181	2,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	9-15	10	1 0	1 8	1 4	....	12	Y.P.T.
30,00,000	....	27,70,782	6,46,960	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	30-40xd	10	3 0	5 0	4 0	....	12	Y.
6,25,500	5,40,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd. ..	Valkandam (Travancore) Rubber	30-00xd	10	2 0	2 4	2 8	1 8‡	12	Y.
6,76,010	97,259	19,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9-50	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,60,008	1,06,27,544	56,37,664	29,000	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	8.00	10	1 0	1 10	0 10	6 4	3.9	H.T.P.
6,00,000	10,25,000	58,46,050	37,72,102	2,45,707	McLeod & Co., Ltd.	446	Alexandra	135.00xd	100	2 8	7 8	10 0	5 01	6,12	H.P.T.
30,00,000	4,35,000	1,17,81,837	82,74,069	25,108	McLeod & Co., Ltd.	1,264	Alliance	68.00	100	2 0	12 0	6 0	....	6,12	H.P.
49,20,700	69,00,000	2,86,80,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Private Ltd.	2,561	Anglo-India	140.00	100	12 8	7 8	8 0	2 8	3	H.P.
40,00,000	42,17,051	1,76,87,979	92,01,844	11,377	Bird & Co. Private Ltd.	810	Auckland	78.00	100	4 8	3 8	10 0	1 0‡	3,9	H.P.T.
20,00,000	23,80,918	99,81,416	65,43,084	46,982	Jardine Henderson & Co.	949	Bally	146.00	100	6 0	Nil	3 8	Nil †	3,9	H.P.
£375,000	£467,408	£1,477,488	£987,176	....	Sir John H. Burder (Chairman) ..	1,869	Barnagore	90.00	£5	£1 0	sh. 15	sh. 15	Nil	3	Y.P.
28,00,000	28,60,622	99,75,785	56,70,231	2,825	Andrew Yule & Co., Ltd.	820	Belvedere	95.00	100	15 0	10 0	7 8	Nil †	6,12	H.
48,00,000	88,45,000	87,66,173	31,32,574	3,66,190	Soorajmull Nagarmull	600	Bengal	14.50	10	1 4	1 0	1 2	....	6,12	H.P.
91,36,000	2,17,46,883	3,34,10,402	1,45,32,861	4,37,398	Birla Brothers Private Ltd. ..	1,373	Birla	14.62	10	1 0	1 0	1 2	1 0	3	Y.P.T.
36,00,000	21,31,426	1,17,90,047	72,95,939	1,226	Andrew Yule & Co., Ltd.	991	Budge-Budge	90.00	100	10 0	9 0	7 8	Nil	4,10	H.P.
7,47,250	3,09,640	42,15,704	31,61,683	—8,31,479	Dayaram & Sons	502	Calcutta Jute Mfg.	8.50	10	Nil	0 12	Nil	....	6,12	H.P.T.
15,00,000	26,46,284	87,85,841	48,24,088	1,328	Andrew Yule & Co., Ltd.	616	Caledonian	102.00	100	12 0	8 0	6 8	Nil †	3,9	H.
60,19,400	95,49,233	2,23,06,769	1,11,49,902	19,010	James Finlay & Co., Ltd.	600	Champdany	120.00	100	6 0	8 0	10 0	2 0‡	3,9	H.
15,95,000	19,88,982	52,12,211	87,10,175	1,387	Andrew Yule & Co., Ltd.	530	Clive(t)	126.00	100	12 0	14 0	10 0	Nil †	5,11	H.P.
30,15,000	42,00,000	66,68,762	48,43,666	1,01,027	McLeod & Co., Ltd.	500	Chitavalash	13.00	10	1 12	1 2	1 4	0 10‡	6,12	H.P.T.
24,00,000	9,00,000	81,66,925	67,13,257	25,935	Shree Krishna Investment Co., Ltd.	969	Clive	13.00	10	Nil	Nil	1 4‡	0 3	3	Y.P.
21,42,500	1,17,35,454	48,94,775	47,30,110	—2,30,844	Bird & Co. Private Ltd.	766	Dalhousie	14.00	10	4 0	2 8	4 0	Nil	3,9	H.P.T.
28,00,000	49,71,879	78,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd.	779	Delta	125.50	100	20 0	12 8	4 0	Nil	3,9	H.P.T.
15,00,000	24,50,000	88,93,104	60,35,660	76,491	McLeod & Co., Ltd.	500	Empire	14.44	10	1 0	1 4	1 4	0 8‡	6,11	H.
21,00,000	3,70,39,084	1,89,10,196	1,39,41,418	1,39,445	Keiliwell Bullen & Co., Ltd. ..	1,884	Fort Gloster	200.00 N	100	Nil	6 0	15 0	7‡	6,12	H.P.T.
21,00,000	18,00,000	97,88,074	54,43,992	1,94,822	Bangur Bros., Ltd.	1,014	Fort William	16.00	10	5 0	20 0	20 0	0 12½	3,9	H.P.T.
84,32,180	....	2,11,97,224	1,32,62,826	—2,67,453	Macneill & Barry Ltd.	1,709	Ganges Mfg.	51.00	100	Nil	0 8	2 8	Nil †	3,9	H.P.
10,80,000	24,00,000	48,43,692	47,72,972	—74,092	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	680.00	100	15 0	Nil	....	....	12	Y.
24,00,000	29,32,527	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd.	1,394	Gourepore	225.00	100	2 12	10 0	15 0	2 8‡	3,9	H.P.
40,00,000	64,68,233	1,14,86,548	56,72,180	9,40,348	Bangur Bros., Ltd.	1,078	Hastings	82.25 N	100	10 0	10 0	11 8	5 0	3	H.P.
16,20,000	18,51,949	66,47,781	47,70,916	—9,29,243	Birla Jute Bajoria	720	Hooghly	16.50	10	1 4	0 8	1 4	Nil	3	Y.P.
85,82,500	49,64,372	1,82,66,485	1,10,52,768	57,084	Jardine Henderson Ltd.	1,940	Howrah	16.50	10	1 8	1 8	1 8	0 14	3,9	Y.P.
52,50,000	27,85,163	2,86,51,559	1,56,51,559	1,18,955	Ramdutt Ramkissendas	2,272	Hukumchand	20.00	7½	2 0	2 0	2 0	2 0	3,9	H.P.T.
57,00,000	17,80,460	1,27,01,688	80,28,079	2,57,287	M.	1,076	India	180.00	O. 125	15 0	15 0	15 0	4 11½	3,9	Y.P.T.
30,000									D. 1	6 4/5	2 8	0 8/5	2 8½ †	3,9	H.
24,00,000	18,75,846	1,85,39,772	1,15,01,808	....	Jardine Henderson Ltd.	1,797	Kamarhatty	98.00	100	9 0	8 0	2 8	Nil †	3,9	H.
19,50,000 'B'								93.00	'B' 100	9 0	8 0	2 8			
30,00,000	9,81,472	1,74,14,802	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankinarah	57.00	100	7 8	6 8	1 0	Nil	6,12	H.
24,00,000 'B'								59.50	'B' 100	7 8	6 8	1 0			
21,00,000	53,00,000	1,85,18,975	86,26,121	91,333	McLeod & Co., Ltd.	703	Kelvin	161.00	100	15 0	20 0	17 8	5 01	6,12	H.
54,00,000	22,32,375	1,72,66,988	1,18,80,127	58,029	Anderson Wright Ltd.	1,530	Khardah	125.00	100	17 0	12 0	11 0	4 01	3,9	H.P.
48,00,000	1,06,90,560	2,44,87,944	1,15,66,122	41,687	F. W. Heilgers & Co. Private Ltd.	1,530	Khanison	130.00	100	9 0	7 0	12 0	6 01	3,9	H.
24,48,000	19,91,564	1,11,32,845	67,99,545	—2,13,719	Bird & Co. Private Ltd.	981	Lansdowne	80.00	100	7 0	8 0	7 0	Nil †	3,9	H.P.T.
30,00,000	35,75,193	1,14,39,380	64,57,897	3,793	Bird & Co. Private Ltd.	840	Lawrence	84.00	100	6 0	6 0	6 0	Nil †	3,9	H.P.
21,65,200	26,26,045	2,64,13,349	1,36,97,309	1,64,943	M.	1,283	Megna	79.50	100	5 0	2 8	3 12	2 12†	3,9	H.P.
25,98,900	28,40,147	1,64,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. Private Ltd.	815	Naihati	68.00	100	Nil	Nil	Nil	Nil †	3,9	H.
30,00,000	15,55,000	1,23,83,614	79,01,616	17,816	Howrah Trading Co., Ltd. ..	425	Nasarpara	13.75	10	0 5	1 0	1 0	....	3	Y.
35,00,000	41,34,326	80,98,401	0,32,818	1,929	Andrew Yule & Co., Ltd.	852	National	20.20	10	2 0	2 0	2 0	0 6	4,10	H.
26,25,000	27,00,000	23,31,475	20,72,256	1,29,411	McLeod & Co., Ltd.	316	Nellimarla Jute	11.56xd	10	1 12	1 8	1 0	0 8‡	4,10	H.
85,50,000	1,79,44,342	4,39,15,897	2,51,15,897	5,71,286	Kettlewell Bullen & Co., Ltd.	1,765	New Central†	12.25	10	24 0	17 0	1 8	0 12‡	12	Y.P.
16,79,880	49,70,164	1,21,89,857	51,63,018	70,116	Bird & Co. Private Ltd.	547	Northbrook	20.81	10	1 0	1 0	1 8	1 8‡	3,9	H.P.T.
66,79,500	22,24,961	2,18,55,154	1,39,48,211	17,000	Macneill & Barry Ltd.	1,092	Nuddea	31.50	50	0 8	0 8	1 0	Nil †	3,9	H.P.T.
24,94,625	22,72,795	75,97,016	50,35,000	1,000	Andrew Yule & Co., Ltd.	601	Orient	101.00	100	12 8	9 0	9 0	1 0‡	3,9	H.
35,00,000	6 28,490	80,98,427	65,22,166	61,595	McLeod & Co., Ltd.	400	Presidency	8.87xd	5	1 0	1 0	....	....	5,11	H.P.
20,00,000	2 49,781	26,97,878	5,39,130	—9,18,218	Birla Brothers Private Ltd. ..	205	Rameshwara	5.12	10	Nil	Nil	Nil	Nil †	6,12	H.
49,50,000	5,82,468	1,23,83,629	89,15,596	—11,73,841	Jardine Henderson Ltd.	1,276	Reliance	7.06	10	0 8	Nil	Nil	Nil †	3	H.P.
£900 000	£1,098,713	£1,243,244	....	£58,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Ramnagar	10.25	£1	10%	10%	5%21	....	3,9	H.P.T.
30,00,000	13,14,910	1,15,59,877	79,96,145	7,972	Bagaria More & Co., Ltd.	911	Shree Ambica	14.00	10	0 8	1 0	0 8	....	12	Y.P.
14,00,000	11,25,000	66,11,794	38,79,294	2,156	Hindustan Investment Corporation	401	Soorah	13.00	10	0 8	1 0	1 8	....	3,9	H.P.
35,19 500	42 78,183	1,37,85,346	53,23,483	—4,87,127	Bird & Co. Private Ltd.	650	Standard	22.50	100	3 0	3 0	1 0	Nil	12	Y.P.
£600,000	£925,119	£1,137,686	....	£53,548	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	10.25	£1	10%	10%	5%21	....	3,9	H.P.T.
35,98 600	88,06,723	2,00,00,808	84,28,958	18,384	Bird & Co. Private Ltd.	1,326	Union	109.00	100	5 0	6 0	10 0	1 0‡	3,9	H.P.T.
£400,000	£688,038	£1,124,819	....	£60,501	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	10.00	£1	10%	10%	5%21	....	12	Y.P.
2,50,000	6,35,000	56,01,062	40,73,921	11,327	McLeod & Co., Ltd.	457	Waverley	3.12	1	0 1	0 8	0 8	Nil	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	25,810	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	16.00	10	1 0	1 5	1 6	0 8†	3,9	H.
12,00,000	8,77,542	37,87,084	34,90,182	45,399	Jardine Henderson Ltd.	Bararee Coke	16.25	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 3/5†	3,9	H.
4,49,350	70,000	8,49,189	5,40,966	4,961	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5.50xd	10	1 0	1 0	....	....	3,9	H.
1,20,00,000	1,40,49,223	5,91,99,614	3,95,77,355	7,31,568	Andrew Yule & Co., Ltd.	Bengal Coal	225.00	100	32 8*	30 0*	25 0*	....	6,12	H.
2,25,000	4,22,669	24,81,732	22,33,544	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14.00	10	Nil	Nil	....	....	6,12	H.P.
15 97,000	4,73,358	37,70,192	32,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	4.75	10	0 8	....	....	....	9	Y.
60,00,000	5,00,000	1,39,06,668	71,06,188	27,433	Sahu Jain Ltd.	Bharat Collieries	6.31	10	0 12	0 10	0 10	....	6	Y.P.T.
7,15,000	15,15,080	52 62,585	37,38,500	—1,87,479	F. W. Heilgers & Co. Private Ltd.	Bhuindanjaree	13.00 N	10	Nil	Nil	Nil	....	6,12	H.T.
16,60,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgar	11.25 N	10	....	....	....	....	6,12	H.P.
7,50,000	24,29,026	42,39,608	26,83,408	84,207	F. W. Heilgers & Co. Private Ltd.	Borrea	18.75	10	2 12	2 0	2 0	....	6,12	H.
90,92,480	1,70,05,984	4,22,58,647	1,96,18,824	88,168	Bird & Co. Private Ltd.	Barrakur	22.00	10	2 12	2 0	2 0	2 8	6,12	H.
49,97 750	....	42,33,430	7,40,000	9,927	Hindustan Investment Corpn., Ltd.	Central India	6.12	10	0 12	0 9	0 10	0 8‡	6,12	H.P.T.
8,00,000	18,34,302	49,10,414	32,63,954	82,768	M.	Central Kurkend	12.00 N	10	1 4	0 4	0 4	0 8	3	Y.
6,00,000	1,63,576	7,28 438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churlia	1.87	4	0 2	0 2	0 1‡	....	6,12	H.
16,00,000	....	53,81,704	29,81,276	—1,88,318	Macneill & Barry Ltd.	Dhemo Main	6.62	10	Nil	Nil	Nil	....	6,12	H.
£840,000	£880,583	£970,695	£721,476	£58,922	Jardine Henderson Ltd.	East Indian	24.56	£1	2 8	2 8	2 0	2 8	4	Y.
39,63,760	83,55,049	4,04,51,377	2,89,25,665	92,579	Macneill & Barry Ltd.	Equitable	25.00	10	1 8	1 8	1 8	....	6,12	H.P.T.
10,00,000	1,40,999	13,81,144	4,28,557	22,353	Bhatdee Agency Ltd.	Ghusick and Mualia	13.50 N	10	0 8	0 8	0 4	....	3	Y.
12,00,000	1,22,000	41,35,247	23,43,142	1,144	Killick Industries Ltd.	Hingir-Rampur	41.25	50	2 0	Nil	2 4	2 4	6	Y.P.
8,00,000	7,85,000	23,07,181	15,89,241	45,985	Macneill & Barry Ltd.	Hurriladih	21.00	10	1 8	1 12	2 8	....	6,12	H.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Rajpals Trust Ltd.	Jogta Coal	1.50	10	Nil	Nil	....	....	12	Y.P.
3,50,000	3,45,579	13,84,887	7,23,658	....	Andrew Yule & Co., Ltd.	Kalapahari	20.00	10	2 12	Nil	....	....	2,8	H.
20,00,000	1,77,175	23,38,588	4,46,149	6,065	Bird & Co. Private Ltd.	Karanpura Collieries ..	88.50	100	Nil	Nil	2 8	5 0	2	Y.P.
5,00,000	16,50,000	46,77,533	26,47,985	1,33,474	Andrew Yule & Co., Ltd.	Katras Jheriah	64.62	10	4 0	4 0	5 8	....	1,7	H.
1,38,400	5,72,960	12,85,941	5 72,960	—2,60,226	Beriwala & Co.	Khas Kajora	2.50 N	10	Nil	Nil	....	....	6,12	H.P.
11,00,240	64,314	16,72,984	10,41,883	—41,350	H. V. Low & Co., Ltd.	Kuardi	2.50 N	10	Nil	Nil	....	....	6	Y.
9,00,000	11,86,412	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	7.00 N	10	0 8	0 4	....	....	4	Y.
7,48,240	3,00,000	18,12,208	9,66,219	81,201	Tantia Brothers Ltd.	Nasira	6.75	10	0 8	0 8	0 8	....	12	Y.
7,00,000	1,06,317	10,35,744	5 20,285	4,649	Amrit Oil & Co., Ltd.	New Ranadeopur ..	9.00 N	10	0 12	1 4	....	....	3,9	H.
17 76 230	30,01,762	1,19,78,863	88,63,066	94,382	Andrew Yule & Co., Ltd.	New Searsole	14.62	10	1 12	1 12	1 0	....	6,12	H.
6,00,000	75,000	33,00,471	21,20,197	70,222	Ostavius Steel & Co., Ltd. ..	New Manbhoom	9.50	10	Nil	Nil	Nil	....	4,10	H.P.
1,18,000							19.25xd	10	0 4	Nil	1 6	0 12†	3,9	H.
1,57 500	2,86,198	13,07,219	8,64,731	15,960	Andrew Yule & Co., Ltd.	North West	16.50xd	7½	0 2	Nil	0 10½	0 9†	3,9	H.
7,50,000	12,21,852	5,17,666	2,97,666	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	14.50 N	10	2 0	1 0	1 0	....	6,12	H.P.
10,00,000	1,16,000	41,24,518	19 79,271	25,429	K. C. Thakur & Bros. Private Ltd.	Oriental Coal	8.00 N	10	0 6	0 8	0 4	....	12	Y.T.
8,34,000	10,050	19,86,756	8,69,957	61,987	Deepchand Kishenlall	Parasea	13.00 N	10	0 6	0 12	1 0	....	6,12	H.P.
15,75 000	16,50,000	49,91,252	26,61,252	33,734	Shaw Wallace & Co., Ltd.	Panch Valley	14.75	10	1 10	1 10	1 0	0 11 1/5†	3,9	H.
32 99 500	20,17,108	1,34,15,580	87,85,154	49,186	B. N. Elias & Co. Private Ltd. ..	Ramagunge	10.50	10	Nil	0 8	0 10	0 6	3,9	H.
12,50 000	10,45 115	38 59,365	20,71,364	15,614	Shaw Wallace & Co., Ltd.	Rewa	19.75 N	10	2 0	1 0	0 14	....	3,9	H.
20,00 000	3,90,000	44,28,885	18,78,118	2,20,175	Jalpuria Sons Ltd.	Samla Collieries	11.00 N	10	0 8	0 12	1 0	0 12†	6,12	H.
2,50,000	1,95,850	18,78,450	13,81,217	51,870	....	Searsole	5.19 N	24	0 10	0 10	0 12	....	12	Y.
2,80,000	8,36,598	29,99,490	19 07,296	49,290	Andrew Yule & Co., Ltd.	Seebpore	27.50	7	1 12	2 0	2 8	....	1	Y.
8,00,000	5,31,289	52,491	28,867	7,803	F. W. Heilgers & Co. Private Ltd.	Sendra	9.00 N	10	Nil	0 2	0 4	....	6,12	H.P.
68,21,450	23,77,474	4,78,97,317	3,17,80,286	7,310	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	10.50	10	Nil	0 11 1/5	0 12	....	6,12	H.T.
17,50,000	10,89,693	38,95,664	16,16,434	10,407	Bird & Co. Private Ltd.	South Karanpura	8.12	10	0 4	0 2	0 2	0 5 3/5	12	Y.T.
8,00,000	14 01,058	1,99,57,570	87,510	17,419	F. W. Heilgers & Co. Private Ltd.	Standard	20.00xd	10	2 0	1 8	1 0	1 0	3,3	H.
10,00,000	12 950	30,82,289	15,48,502	—4,07,745	Villiers Ltd.	Talcher	1.65	2½	Nil	....	....	....	12	Y.
2,80,000	2,80,000	20,47,944	15,86,044	—9,659	Williamson Magor & Co., Ltd.	Union	15.25	10	1 12	0 12	Nil	....	9	Y.
50,50,000	67,984	56,56,560	22,00,000	7,252	Hindustan Investment Corpn., Ltd.	Western Bengal	5.84	10	0 6	0 6	0 8	0 8	6,12	H.
49,98,000	21,569	56,46,871	23,81,698	—1,46,550	Macneill & Barry Ltd.	West Jamuria	7.12	10	Nil	Nil	Nil	....	3	Y.
7,00,000													6,12	H.

M—Managed by the Board of Directors. ‡ Less income-tax. s) Clive Mills have paid dividend at Rs. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments. (t) Made

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000	1,08,00,000	12,42,652	Allahabad Bank	360.00 / 180.00 / 115.75xd	100 / 50 / 100	18 0‡ / 9 0‡ / 6 8	18 0‡ / 9 0‡ / 7 8	18 0 / 9 0 / 6 8	9 0‡ / 9 0‡ / 8 0	12 / 6,12	Y.P. / H.
23,58,500	16,63,000	11,996	Andhra Bank	99.00xd	70	3 4	3 12	4 8	5 9 3/5		Y.
1,00,00,000	1,28,00,000	4,75,752	Bank of Baroda	102.00	50	6 0‡	6 0‡	6 0	7 0	12	Y.
50,00,000	22,50,000	2,796	Bank of Bikaner	23.00	25	0 12	0 12	0 14	1 2	12	Y.
2,50,00,000	3,10,00,000	15,54,924	Bank of India	133.00 / 138.00	50 / 50'A'	7 0	7 0	8 0	8 0	6,12	R.L.Y.
50,00,000 'A'				52.00N	25	1 8	3 0	3 8	4 0	12	Y.
15,30,375	27,00,000	67,486	Bank of Indore	40.00	50	16 0‡	2 0	2 0		12	Y.
50,00,000	30,25,000	41,779	Bank of Jaipur	246.50	100	2 8	16 0‡	16 0‡	16 0‡	12	Y.
50,00,000	34,00,000	5,91,911	Bank of Mysore	57.00N	50	4 8	2 8	2 0		6	Y.T.
61,31,700	58,75,018	10,069	Bombay State Co-operative Bank	86.00	50	5 0‡	4 8	5 0	5 0	12	P.Y.
15,00,000	22,00,000	33,502	Canara Bank Ltd.	80.00	50	3 0	5 0	5 8‡	5 0‡	12	Y.P.
7,50,000	12,75,000	3,992	Canara Banking Corporation Ltd.	177.50 / 100'A'		9 0	12 8	12 8	15 0	12	Y.
5,72,220 'A'	18,00,000	16,676	Canara Ind. & Bkg. Syndicate Ltd.	1.86	1'O'	9%	12½%	12½%	15%	12	
23,787 'C'				51.25	25	3 0	3 0	3 0	3 8		
2,62,11,875	4,02,77,123	18,23,048	Central Bank of India Ltd.	54.00	25	2 0	4 0	3 0	3 8	12	R.L.Y.
52,42,375				38.50	50	4 0	2 0	2 8	3 0	12	Y.
50,00,000	34,50,000	2,18,141	Devkaran Nanjee Banking Co.	73.00N	20	1 8	4 0	4 0	2 0	12	Y.
20,00,000	7,50,000	1,46,911	Habib Bank (P)	33.25	50	Nil	1 8	3 0	3 0	12	Y.
50,00,000	29,75,000	1,61,946	Hind Bank	9.75	50	Nil	Nil	Nil		12	Y.
1,25,00,000	15,45,000	16,919	Hindustan Commercial Bank	12.00	50	5 0	Nil	Nil		12	Y.
50,00,000	1,87,00,000	2,771	Hindustan Mercantile Bank	89.00	100	12 0‡	6 0‡	5 0		9	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	184.00xd	100	10 3⅓	12 0‡	12 0	13 0	12	
44,00,000 / 31,00,000	90,50,200	8,13,491	Indian Bank	140.75xd	95 / 75	7 3⅓ / 6 0	10 3⅓ / 8 3⅓	10 12½ / 7 12½	9 12½	6,12	R.L.H.
49,20,375	86,00,000	2,52,286	Indian Overseas Bank	136.00	100	Nil	6 0	7 8	10 0	12	Y.
10,00,000	10,25,000	23,384	Pandyan Bank Ltd.	38.12	25	1 4	1 9	1 14	1 14	12	Y.
87,50,000	1,25,00,000	6,20,272	Punjab National Bank	51.00	25	0 10	3 8	3 8	4 0	12	Y.
1,00,00,000	25,00,000	45,060	Travancore Bank	15.50	25	0 5‡	0 12	1 0	1 0	12	Y.
40,00,000	57,50,000	1,80,787	Union Bank of India	7.30	5	2 0	0 5‡	0 6	0 7	12	Y.
2,00,00,000	1,15,00,000	29,420	United Commercial Bank	54.25	50	2 0	2 8	2 12	3 8	13	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£409,808	Chartered Bank	£1-18-10½	£1	14†	15†	15†	15†	12	R.L.Y
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	8†	8†	8†		12	R.L.Y.
H.K.$25,000,000	H.K.$128,000,000	H.K.$11,039,578	Hongkong and Shanghai Banking Corporation	$95½	H.K. $125	5*	5*	5*	5*	12	Y.
£18,565,070	£17,500,000	£712,060	Lloyds Bank	£2-7-6	£5 A	14†	15†	12†	13†	12	R.L.Y.
£375,000 'A'	£2,000,000	£224,521	Mercantile Bank of India	A £2½ / B £2½ / C £1	A £2½ / B £2½ / C £1	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†	12	R.L.Y.
£750,000 'B'				£4-5-6							
£750,000 'C'				£4-5-6							
£2,851,563	£3,104,687	£354,046	National Bank of India	—	sh. 12½	16†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. †† O.S.Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	99.00	1st June 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	94.00	20th February 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102.00	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91.00	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101.00	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	94.00	30th June 1956
50,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	94.00	30th June 1967 (e)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	99.25	14th December 1958 (e)‡
COTTON						
2,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	95.00	15th November 1956 (b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100.00	1st March 1972 (a)
13,88,000	5½		Jaykhee Textiles	1949	90.00N	1st January 1956-59
39,90,000	5	1st June	Tata Mills	1951	98.50	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	97.00	31st March 1965 (e
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100.00	14th June 1960
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97.75	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co. Ltd.	1941	94.00	31st December 1964 (e)
2,32,89,400	5½	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.50	1st January 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.50	31st December 1970
13,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	96.00	30th June 1976 (a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97.12	15th July 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94.00	1st October 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94.50	30th September 1953-58
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94.00	1st July 1956-61
47,75,000	5	1st April and 1st October	Tata Power	1940	103.00	1st July 1970
2,50,00,000	4	1st April and 1st October	Tata Power		85.10	15th September 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.00	31st December 1969
3,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99.00	30th June 1958
20,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100.50	1st July 1957-62
10,00,000	6	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	97.00	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.25	1st October 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.	1950	99.50	31st December 1960 (e)
JUTE						
18,00,000	5½	1st October and 1st April	Agarpara	1939	97.50	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	88.00	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mills Co., Ltd.	1939	93.75	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90.00	31st July 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	95.00	30th June 1966
20,45,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	95.00	31st March 1969 (e)
8,88,000	5	15th January and 15th July	Empire	1951	94.50	15th July 1966 (e)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	95.50	30th June 1957
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	97.50	31st March 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96.50	31st December 1964 (e)
25,00,000	5½	30th June and 31st December	Naihati	1952	98.00	31st March 1967 (e)
8,00,000	4½	14th November and 14th May	Northbrook Jute Co., Ltd.	1939	95.00	14th May 1969
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88.00	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	1948	98.00	30th June 1958
25,00,000	4	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	88.00	30th September 1958 (e)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96.00	14th September 1957
12,00,000	4½	30th June and 31st December	Union	1937	96.50	30th June 1957
10,00,000	5½	31st January and 31st July	Waverly	1925	87.50	31st July 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	80.00N	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.25N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1938	£77.62N	1st October 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December 1959 (e)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85.62N	Any time on six months' notice (a)
4,33,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st September 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1932	102.50	1st July 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April 1958-68
1,89,700	5½	31st March and 30th September	Teakoy	1944	100.00	31st March 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd	1948	95.00	31st December 1965
25,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86.00	31st December 1963
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	95.00	30th June 1957
3,00,00,000	6½	1st March and 1st September	Burmah-Shell	1954	98.25	1st September 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.25	1st October 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1916	92.00	1st February 1956
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	85.00	1st July 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87.75	15th September 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	88.00	1st January 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	98.50	1st January 1971(e)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June 1969 (e)‡
1,00,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95.00	1968
17,75,000	5	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	320.00	30th September 1976 (e)
38,08,500	4	30th June and 31st December	Mcleod & Co., Ltd. (Convertible Notes)	1947	470.00 (per note)	31st December 1975 (e)
45,00,000				1951	98.00N	1st April 1971
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1955	99.50	30th June 1965-70
1,50,00,000	5½	30th June and 31st December	National Rayon	1951	93.00	31st March 1961 (a)
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1946	91.00	31st December 1959
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1958	100.00	1st May 1968(a)‡‡
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.			

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-6-1956. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1968, on six months' notice. ††Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREN

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st May 1957.

	Closing quotations 1-5-1957	High	Low	Closing quotations 8-5-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	172.50	—	—	172.50
Apollo (2)	2.46	2.48	2.42	2.46
Bombay Dyeing (250)	543.00xd	543.00	538.50	542.50
Bradbury (50)	212.50	—	—	212.50
Central India (100)	115.00	115.00	113.50	114.50
Century Mills (100)	463.00	465.50	458.50	459.00
Colaba (100)	65.00	—	—	65.00
Edward Textile (200)	255.00	—	—	255.00
Elphinstone (50)	62.00	65.00	59.50	62.50
Finlay (100)	282.00xd	284.50	283.50	284.50
Gokak (100)	190.25	190.00	186.50xd	186.50xd
Ind. Untd. Defd. (1)	1.60	1.64	1.58	1.59
Ind. Untd. Ord. (10)	10.15	10.25	10.00	10.15
Indore Malwa (100)	137.00	140.00	138.00	139.00
Khatau (100)	181.00	181.00	180.00	181.00
Kohinoor (100)	321.00	321.00	319.00	321.50
Lakshmi (250)	680.00	—	—	680.00
Minerva Mills (100)	82.50	84.00	82.50	84.00
Model Nagpur (350)	180.00	180.00	177.50	178.25
Morarji (100)	220.00	220.00	211.25	211.25
Mysore (50)	101.25	—	—	101.25
National Rayons (100)	226.50	230.00	225.00	228.25
New City (100)	133.75	—	—	133.75
New Great (100)	229.00	230.00	226.25	230.00
Phoenix (100)	147.50	—	—	147.50
Podar Mills (100)	164.00	—	—	164.00
Sassoon Silk (10)	9.80	—	—	9.99
Sassoon Spg. (10)	89.50	—	—	90.50
Sholapur (1,000)	1,225.00	—	—	1,225.00
Shrinivas (100)	178.00	179.00	177.00	178.00
Simplex (50)	171.50	172.00	169.00	170.50
Standard (100)	443.00	447.00	440.00	443.00
Svadeshi (100)	215.50	216.50	213.00	214.00
Swan (100)	370.00xd	—	—	370.00
Tata Mill (25)	47.50	48.00	47.25	47.25
Vishnu (100)	125.00	—	—	125.00
Western India (1,000)	5,180.00	—	—	5,180.00
BANKS				
Bank of India (50)	132.50	133.00	132.00	133.00
Do. (New) (50)	138.00	—	—	138.00
Bank of Baroda (50)	101.00	102.50	100.75	102.00
Central (25)	50.75	51.50	50.50	51.25
Central 'A' (25)	53.50	54.50	53.50	54.00
Dena Bank (50)	39.00	39.00	38.50	38.50
Punjab National (25)	52.50	52.50	51.00	51.00xd
Union Bank (5)	7.25	7.30	7.25	7.30
United Com. (50)	53.50	54.25	53.75	54.25
ELECTRIC COS.				
Ahmedabad (100)	93.50	94.00	93.25	93.75
Amalgamated (10)	10.40	10.40	10.20	10.20
Andhra Valley (1,000)	1,207.50	1,207.50	1,205.00	1,207.50
Bom. Sub-El. (100)	107.50	107.50	106.25	106.50
Surat (100)	108.50	108.50	108.25	108.25
Tata Hydro (100)	121.50	123.00	121.50	123.00
Tata Power (1,000)	1,213.75	1,230.00	1,210.00	1,223.75
INSURANCE COS.				
British India (10)	13.45	—	—	13.45
Empire of India (100)	350.00	—	—	350.00
Ind. Mercantile (20)	40.50	41.25	40.50	41.25
Jupiter (15)	7.00	—	—	7.00
New India (15)	40.00	41.25	39.75	41.25
Oriental (200)	3,775.00	—	—	3,775.00
Universal (10)	11.50	—	—	11.50
Vulcan (10)	15.60	—	—	15.60
STEEL COS.				
Ind. Iron (10)	20.00	20.80	19.80	20.45
Tata Steel Ord. (75)	168.50	171.50	167.25	169.25
SUGAR COS.				
Belapur (50)	229.00	229.50	227.00	227.00
Bhopal (10)	17.50	17.75	17.50	17.75
Phaltan (50)	135.50	137.00	136.00	136.25
Walchand Ind. (100)	250.00	251.00	247.50	250.50
CEMENT COS.				
Associated Cts. (100)	160.00	160.75	158.50	159.25
Digvijay (100)	144.25	146.00	144.25	145.50
MISCELLANEOUS				
Alcock Ashdown (100)	257.50	263.75	255.00	259.75
Bom. Burmah (125)	567.00	567.00	560.50	560.50
Do. (New) (50)	212.50	212.50	210.00	210.00
Br. B. Petrol (4 sh.)	2.46	2.72	2.48	2.60
Br. I. Corpn. (5)	6.95	6.95	6.25	6.50
C. P. Bly. (100)	69.50	—	—	69.50
Indian Copper (2 sh.)	3.30	3.34	3.26	3.30
Ind. Inv. Tr. (100)	75.50	—	—	75.50
Kemp (200)	197.50	—	—	197.50
Killicks (100)	162.00	162.00	161.00	162.00
Polson (100)	171.25	171.25	164.35xd	164.35
Port Canning (100)	6.25	—	—	6.25
Pre. Automobiles (100)	88.75	91.00	88.25	90.00
Premier Con. (30)	164.25	164.50	161.25	163.00
Scindia (20)	18.50	18.60	18.20	18.35
G. E. Shipping (10)	18.20	18.90	18.20	18.90
Shivrajpur (10)	91.00	91.25	84.00xd	84.00
Tata Chemicals (10)	16.15	16.50	16.05	16.25
Tata Locomotive (100)	146.00	150.25	144.00	147.50
Tata Oil (25)	43.25	44.00	43.00	43.50
W. I. Match (100)	170.00	—	—	170.00

GOVERNMENT SECURITIES	1-5-1957	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	7-5-1957
	Rs.			Rs.
2½% 1961	93.50	—	4.18	93.50
2½% 1960	96.40	—	3.92	96.40
2½% 1962	93.95	—	3.95	93.90
2½% 1976	83.10	—	4.03	83.10
3 % 1957	99.75	—	3.28	99.75
3 % 1958	99.60	—	3.26	99.60
3 % 1959–61	97.75	3.95	3.52	97.75
3 % 1964	94.40	—	3.92	94.40
3 % 1968–65	94.20	4.10	3.85	94.20
2 ½ 1965–68	92.15	4.05	3.89	92.15
3 % 1970–75	87.25	4.29	4.00	87.25
3 % 1986 Con. Loan	74.40	—	4.03*	74.40
4 % 1960–70	100.30	3.75	3.92	100.80
4½% 1958–68**	101.75	2.95	4.30	101.75
3½% 1961 N.P. Bonds	99.50	—	3.63	99.50
3½% 1964 N.P. Loan	98.30	—	3.78	98.30
3½% 1965 N.P. Loan	98.30	—	3.75	98.30
3½% 1962	97.80	—	3.73	97.80
3½% 1967 N.P. Bonds	98.50	—	3.68	98.50
3½% 1974	93.50	—	3.87	93.50

BRITISH GOVERNMENT SECURITIES

	Closing quotations 30-4-1957 £			Closing quotations 7-5-1957 £
2½% Brit. Consols	53 ½	—	—	53½
3 % Savings Bonds 1965–75	75⅜	—	—	76
3% War Loan 1955–59	96 21/32	—	—	97 ⅛
3½% War Loan	71 ⅜	—	—	71 ⅜
4% Victory Bonds 1976	95 ½	—	—	95 ½
4% Funding 1960–90	89½	—	—	90⅛

* Current Income x.d.—Ex-dividend. ** Rupee Counterpart x.r.— Ex-Right.

COMMERCE

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

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PREDATORY BUDGET

THE first impression that one gets after reading the lengthy budget speech of Mr. T. T. Krishnamachari, the Union Finance Minister, is respect for his skill and ingenuity to handle an exceptionally difficult problem within the limits imposed by his Party's ideology, as also for his power to make an impassioned appeal to the public to bear the new burdens with patience, if not with a smile. Indeed, he deserves to be complimented on raising a mundane issue to a highly emotional plane and thereby trying to evoke public support for the steps he has taken. If the published reactions to his proposals are any indication, he seems to have succeeded in creating the fatalistic feeling that they (the proposals) must be accepted as an inevitable price for speedy economic development. To Mr. Krishnamachari goes also the credit of being the first Indian Finance Minister to impose in a single budget the largest number of taxes, calculated to yield nearly Rs. 100 crores. It requires of a Finance Minister enormous courage and conviction to cast his net so wide as has been done by Mr. Krishnamachari. He has left out none. The rich and the poor alike have been roped in. Fortified by the fact that the present Government is safe in power for another five long years, he has laid his hands heavily even on those whom the State Finance Ministers had fought shy of approaching. Perhaps, such heavy doses of taxation as the community has now been subjected to would not have been found necessary had the State Finance Ministers been less timid in raising additional taxes in their respective areas and paid greater attention to securing higher production in the sphere of agriculture. With almost every State Government leaving large deficits in their budgets and expecting grants, credits and subventions from the Centre for financing their development schemes, the Union Government's position had become desperate. It is not surprising, therefore, that its final budget for 1957-58 resembles the efforts of a desperado to save himself from sinking.

Mr. Krishnamachari is entitled to praise for another important performance. And that is his description of the present economic health of the country. He has been candid enough to highlight in his speech all the weak spots, even at the risk of his picture becoming sombre. He has not hidden anything from the public and has frankly told the people how serious is the balance of payments position, what exactly is the state of the food front and internal savings. On the whole, his assessment of "emergent and prospective trends" is realistic and gives no room for false optimism.

The taxation proposals dominate the budget speech of the Finance Minister. It is, therefore, to these that one has to pay attention first. These proposals, to put it mildly, constitute too heavy a burden on the community and will do more harm than good. The Finance Minister says that he has framed them in the light of the following four objectives:

(1) They must produce a sizable addition to public revenues;

(2) they must provide incentives for larger earnings and more savings;

(3) they must restrain consumption over a fairly wide field so as to keep in check domestic inflationary pressures and to release the resources required for investment; and

(4) they must initiate such changes in the tax structure as would make tax yields progressively more responsive to increased incomes and facilitate an orderly development of the economy, with due regard to the social objectives we have adopted.

To us it looks as though the taxes he has now heaped on the people are in accordance with the first objective, but we do not see how they will serve the second objective, namely, the need for providing incentive for larger earnings and more savings. It is true that the Finance Minister has given some reliefs, but he has more than neutralised them by placing new burdens. In fact, from the rich and the middle classes, his right hand has taken away far more than that given by his left hand. The third objective can be realised only in part and that too only in certain circumstances all of which do not obtain today. If anything, the chances of new taxes adding to inflationary forces are greater. If this reading is correct, as it seems to be to us, the fourth objective, too, will be realised only in part. There is no doubt that the tax base has been so broadbased as to yield progressively more in keeping with the increase in incomes, but one cannot be so sure whether they "will facilitate an orderly development of the economy," inasmuch as most of the proposals in the sphere of direct taxation of the proposals in the sphere of direct taxation are, of course, in keeping with the social objectives adopted by the Government and the Congress Party but only on paper. We advisedly make this qualification, for there can be a positive achievement of the egalitarian aims of the Party only if the real wealth of the country goes up and, what is more, if the democratic way of life is preserved. There are good reasons to doubt whether both these conditions will be fulfilled so long as the socialism of the Party is more akin to that of the communist world than to socialism of the democratic world. The introduction of wealth tax and expenditure tax on top of several forms of double taxation that already abound in this country only goes to strengthen these doubts.

A detailed analysis of the implications of the new proposals to the economy, in general, and to the interests affected, in particular, has to be deferred to our next issue for want of time. But the conclusions stated above may be elucidated now. An increase in excise duties over a wide front is unavoidable in the context of the needs of even a modest plan. And the public, it will not be incorrect to say, has been prepared for it. In wielding this instrument as he has done, the Finance Minister, however, seems to have strengthened the chances of aggravating the inflationary forces. In the case of some commodities, as, for instance, vegetable oils, sugar, matches, mineral oils and tea, the incidence of the enhanced excise duties on the prices for consumers may turn out to be so heavy as to generate a fresh wave of price inflation. The risk is all the greater, because imports are to be drastically cut in order to conserve foreign exchange. In any case, if his aim of keeping down consumption of these commodities is to be achieved, the increase in excise duties must be passed on to consumers and not allowed to cut into the profit-margin of manufacturers, as has happened in the case of cotton textiles. If the latter were to be the outcome, the addition to public revenues by way of excise duties would be offset by a fall in receipts of income and corporation taxes. If the consumers were to bear the rise in excise duties, it would push up prices and the cost of living which in turn would enhance the cost of the development projects. Thus the outcome of this step remains to be seen.

The Finance Minister claims that another object of his steeply raising the excise duty on certain commodities is to create surpluses which will compel manufacturers to find an export outlet for them. He says that his experiment of this device on cloth has yielded satisfactory results and hopes that its extension to sugar would yield similar results. His claim about cloth is open to question. Even supposing it is right, it is a moot point whether the results achieved in sugar exports will be worth the heavy sacrifice which domestic consumers are asked to pay, especially because, when normal conditions return to world sugar markets, the high-cost-ridden Indian sugar industry will not be able to keep even the small foothold it has now secured. In regard to tea and coffee, too, the position is not different. In coffee, there is a large surplus at present and, if domestic consumption were to fall consequent on the high rate of excise duty, the disposal of the surplus would become more difficult and that at a time when the export prospects are not bright. The enhanced excise duty on tea runs counter to the oft-repeated advice of the Government to the industry that every effort should be made to expand the domestic market for this beverage in order to reduce its dependence on export markets the vagaries of which are unpredictable. If more exports of tea were the object of the Government, the best way of attaining it would be to encourage more production for which there is plenty of room.

In the sphere of direct taxation, the reliefs given to the middle class and to those who are subjected to maximum rates of income and super taxes are welcome small mercies. So are the reliefs extended to Section 23A companies. But these cannot be expected to enthuse the interests concerned to such an extent as to constitute a significant incentive to hard work and more savings. More so, because these little benefits have been offset by the other measures. The loss of purchasing power to the middle class consequent on higher cost of living and the enhanced indirect taxes on almost every article that it uses will exceed the

private capital by reducing the rate of inter-corporate super tax. This bait, if it is one, is not so tempting as to yield the desired results. All that it seeks to do is to maintain the *status quo* in respect of company super tax for foreign companies. But the other changes made in the fiscal field, more especially the introduction of wealth tax and the expenditure tax, the control on reserves and the heavy tax on bonus shares, have brought about a further deterioration in the climate for foreign investment. It may be interesting to note, in this connection, that, on the basis of an average annual salary of Rs. 60,000 per year or Rs. 5,000 per month, the vast majority of foreigners who come to this country for work will be subject to the most obnoxious of all taxes, namely, the expenditure tax which obtains nowhere else in the world. This tax, by itself, may prove a great deterrent to the flow of foreign private capital, because no foreigner would like to invest in this country, unless he can have his own men in the key posts of his enterprise and he will find it pretty difficult to find such men so long as they have to submit a statement of their expenditure to the tax authorities in order to enable the latter to assess the tax on it.

The wealth tax has even more mischievous potentialities in an underdeveloped country like India. It is a tax which is usually levied to check economic development, for it acts as a disincentive to savings and capital formation. What is worse, in applying it to individuals, as well as corporations, the Finance Minister has thrown all canons of taxation to the wind, as it is one of the flagrant forms of double taxation. In fine, the Finance Minister has greatly underestimated the importance of incentive to individuals for hard work and increased the direct responsibility of the State for the economic progress of the country. If leaders of free enterprise had hoped to see in this budget perceptible signs of a change of heart and a greater sense of realism in the Congress Party, they have good reasons to feel disappointed.

RAILWAY BUDGET

THE Railway Budget presented, this week, by the Union Minister for Railways, Mr. Jagjivan Ram, does not differ significantly from the interim budget submitted in March last. Only, there is a slight upward revision in gross traffic receipts now estimated at Rs. 377.9 crores for 1957-58, as against the earlier estimate of Rs. 368.5 crores, thanks to the proposed increase in supplementary charge from 6¼ per cent. to 12½ per cent. It is estimated that, over a full year, the increase will account for an improvement in traffic receipts to the tune of Rs. 12½ crores. Since the increase is to come into force only on 1st July, it will yield, for the current financial year, a smaller sum of Rs. 9½ crores. The estimates of working expenses, miscellaneous expenses and other items remain the same as they were in March 1957. The net surplus, as the figures published elsewhere will show, is estimated at Rs. 30.83 crores, as compared with Rs. 21.43 crores proposed in March 1957.

The increase in surcharge is not, however, applicable to the commodities which were exempted at the time it was originally imposed. Thus, grains and pulses, fodder, manure, *khadi*, newspapers, newsprint and books will not bear the supplementary charge. Passengers, however, have not been left alone. They have been asked to contribute a sizable amount—tentatively estimated at Rs. 14 crores in a whole year and about Rs. 8 crores in the current year—to meet the bill of economic development. Only, the method chosen for collecting this revenue is different and the railways will not benefit by it. Thus, instead of the Railway Minister, the Finance Minister has imposed the new burden on passengers in the form of a tax on fares. The rate of tax is 5 per cent. for distances up to 30 miles, 15 per cent. for distances between 31 miles and 500 miles and 10 per cent. for longer distances; season tickets are exempted from this new tax. The proceeds of this tax are to be utilised to strengthen the finances of State Governments. Explaining the principle involved in the tax, Mr. T. T. Krishnamachari said: "The States need more resources, and railway travellers, like consumers of other commodities, should, under present conditions, make a contribution." This is an entirely new approach to railway finance which may be misused in the coming years to the detriment of passengers and railway economy. Further, the increase in fares is adding insult to injury in the sense that, while passengers have been told that there is no prospect of relief from overcrowding, they are being asked to pay more for the discomfort of railway travel. But that is the price which one has to pay for development. Mr. Jagjivan Ram, on his part, has announced some welcome relief for blind persons and for T.B. patients who use the railways. All blind persons in the country will now be able to travel with one attendant on a single ticket only. Persons suffering from tuberculosis will enjoy similar concession during their journey to and from sanatoria or hospitals.

As regards the much broader question of the overall revision of freight rates, Mr. Jagjivan Ram revealed that the report of the Freight Enquiry Committee had been received. It would appear that the Ministry has not yet been able to examine and implement the Committee's recommendations. The Minister, however, indicated that the detailed study of the Committee's recommendations and the preparation of the new structure of rates and tables based thereon might be completed before the end of the current calendar year. Naturally, the Committee's recommendations and the Government's decision will be awaited with considerable interest.

Although the Railway Minister's speech does not reveal any marked variation in figures released at the time of the presentation of the interim budget in March last, it is important for the reason that it throws some new light on the Railway Plan. Considering that long-distance traffic is bound to increase with the passage of time and more especially with the implementation of the agricultural and industrial programmes included in the second Five-year Plan, it is obviously necessary that the railways should be able to carry as large a part of the increased traffic as they can do economically. It is now widely recognised as well as appreciated that transport might turn out to be the weakest link in the second Plan chain and that, unless it is strengthened, many of the other programmes included in the Plan might be endangered. There are two aspects of the Railway Plan which deserve notice. In the first place, there is the purely financial aspect, in that the allotment made to the railways is not as large as is consistent with its needs. Secondly, there is the foreign exchange aspect. The Railway Plan implies a sizable expenditure of foreign exchange. The solution to this problem is bound up partly with the overall improvement in the country's foreign exchange position and partly with the continuing negotiations between the Government of India and the World Bank.

So far as the financial aspect is concerned, the outlay on the Plan, it may be recalled, was originally fixed at Rs. 1,425 crores. At the instance of the Planning Commission, it was revised downwards to Rs. 1,125 crores. If this were all the expenditure to be incurred, the railways would be able to carry only about 162 million tons at the end of the second Plan period, as against 180.8 million tons under the original Plan. On the basis of the trends in goods traffic in the first year of the second Plan, it is now feared that the demand for railway transport will even exceed the 180.8 million tons which had been assumed earlier. It will thus be seen that shortages in transport will manifest themselves in a very acute form if the railways are not permitted to exceed the targets set under the modest Rs. 1,125-crore Plan.

Mr. Jagjivan Ram calculated that an additional amount of over Rs. 100 crores at the present price levels would be required by the railways in order to enable them to carry 180.8 million tons. Meanwhile, there is also another circumstance which has added to the difficulties of the railway planners. This arises from the fact that prices of materials which are required for implementing the Plan have risen. This factor, it is estimated, will necessitate an addition of another Rs. 100 crores to the outlay on the Railway Plan. It may be recalled that, under the original Plan, the railways were expected to find Rs. 375 crores from their own internal resources. On the basis of the fares and freights which were in force at that time, the railways, it was computed, would actually be able to find only Rs. 325 crores. Thus, there was even then a clear gap of Rs. 50 crores. This gap will widen now, thanks to the fact that the outlay on the Plan may itself have to be increased by Rs. 200 crores. Mr. Jagjivan Ram, on his part, failed to indicate how this gap was going to be filled. It remains to be seen whether the Ministry will resort to a further increase in fares and prices in order to get the revenue it needs. Generally speaking, there may be nothing inherently wrong about charging what the traffic will bear, so long as the additional revenue is utilised for constructive purposes. But it must be recognised that such a policy should be implemented judiciously if it is not to add to the inflationary pressures within the country. Again, assuming that the necessary resources can and will be raised, it is a moot point whether they can be translated into physical targets, what with the shortages of basic raw materials and equipment. Incidentally, the authorities cannot possibly deny to the private sector the right to expect the adoption of a similar policy when it comes to the question of the latter wanting to augment its resources for purposes of expansion.

In view of the difficult financial position in which the railways have been placed, so far as the implementation of their expansion programme is concerned, it is hardly surprising that Mr. Jagjivan Ram has refused to undertake any ambitious schemes for new railway lines. Referring to the surveys for the new railway lines contemplated and in progress, he said that, on examination, some of the lines may be eliminated on financial and other considerations. Even in regard to the rest, he saw no prospect of their construction being undertaken during the second Plan period. He felt that, in these circumstances, there could be no point in undertaking any fresh surveys, thereby dissipating the available manpower, which was rapidly acquired for speeding up the approved plan projects. He, therefore, declared that it would not be prudent to sanction any new surveys during the year 1957-58. But the authorities will, however, go ahead with certain projects which are under contemplation or have already been taken in hand. These include the electrification of 800-mile track, the sections included in the Plan being the Calcutta suburban area and the main-line sections from Burdwan to Gomoh, Igatpuri to Bhusaval and Tambaram to Villupuram. Another 500 miles of track covering Gomoh to Moghalsarai and Asansol to Rourkela and Rajkharswan to Barajamada will also be taken up for electrification. All this represents a realistic approach to the question of priorities.

Clearly, the success of the Railway Plan is not all a question of reaching the physical targets. It is no less dependent on the attitude of constructive co-operation which workers adopt in relation to their work. The authorities deserve to be congratulated on the extensive welfare schemes which they have undertaken in the interest of railway labour. It must be remembered, in this connection, that the railways are the single largest employer in this country; the labour force consists of 1 million persons and with the members of families added, it would almost mean a population of 5 million. Mr. Jagjivan Ram announced that he was considering proposals for the introduction of the pension system of retirement benefits in place of the existing provident fund-*cum*-gratuity schemes. Housing and medical facilities are other spheres in which improvements are being effected. A noteworthy feature is that some commendable efforts are being made to enlarge the educational facilities for railway men's children. It is not as widely realised as it should be—even the leaders of railway labour are only insufficiently conscious of the importance of this factor—that there is both need and scope for enlarging these facilities. The fact is that a very large proportion of India's railway stations is located in areas ill-served by schools. Further, many of the stations are far removed from the towns the names of which they bear. It is of the utmost importance that children of railway men should not grow up in life with no more knowledge than they can gather by themselves without the aid of schools and teachers. If labour leaders were wise and not merely vocal, they would demand that the Railway Administration accept a special responsibility for the education of the children of the staff, even if such a demand meant a slight sacrifice of their other rights. In fact, they should utilise a part of their union funds for increasing the facilities available for educating workers' children.

While the grant of more amenities and creation of better working conditions for labour are obviously necessary it is well to bear in mind that there has been a great increase in ordinary working expenses of the railways. Between 1950-51 and 1956-57, these expenses have risen from Rs. 180 crores to Rs. 229.34 crores. In 1957-58, they are expected to rise to Rs. 244.16 crores. It is obviously necessary to keep in mind the need for economy in working expenses, so that they may not absorb a disproportionately large share of the increase in revenue. The need for economy cannot be too strongly emphasised from the point of view of the general health of the railway economy and of the inflationary implications of unproductive expenditure on mere administration. In other words, the authorities cannot afford to relax their efforts designed to secure utmost economy in administrative costs. Such a policy will also release increasingly larger funds for genuine development purposes.

INCENTIVE TO SAVE AND INVEST KILLED

WEALTH TAX—STATE TRADING—COMMODITY MARKETS' REACTION TO BUDGET

THURSDAY, 5 P.M.

THOSE who thought that the Finance Minister would be soft towards investors as the economic position of the country was not conducive to the imposition of heavy taxes have been proved wrong. The events of the week have clearly shown that they were indulging in mere wishful thinking. The pity of it is that this feeling was widely prevalent two or three days before the presentation of the General Budget on Wednesday evening and acquired fresh strength after the Railway Budget a day earlier which disclosed only a modest addition of 6¼ per cent. to the surcharge on freights, as against steep increases in fares and freights anticipated earlier. Even the disclosure of the Railway Minister that the question of passenger fares was receiving the attention of the Finance Minister did not give rise to any serious misgivings among the operators about the contents of the General Budget. In fact, some of the bears had started covering their position, while a few of the leading operators had built up a small bull position. Accordingly, in the pre-budget trading on budget day, the share markets in Bombay, Calcutta and Madras were ruling steady to firm, with the rates standing well above the lows witnessed earlier in the week. The Finance Minister can thus claim to have successfully caught the market napping.

MARKET GOSSIP

Because of the fond hopes nursed on the eve of the budget, the share markets' disappointment was profound. In fact, the budget provided a severe shock, as the burden of fresh taxation belied even the worst fears. Even the pessimists did not expect it to be more than Rs. 60 crores. But it turned out to be no less than Rs. 93 crores. If allowance is made for underestimates of revenue —a regular feature of Central budgets—the actual burden will be well over Rs. 100 crores. This is a staggering figure. One will do well to bear in mind that it represents the net outgo from the hands of the public to the Exchequer after allowing for the small reliefs given by the Finance Minister.

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More time is required than we have had to assess the significance of the budget proposals to the various sections of equities. The full texts of the relevant Finance Bills were received only a little while ago and their complicated provisions require careful study. But it does not take long to realise that the cumulative effect of all the taxes on savings and investments will be most damaging. The irony of it all is that, even after having imposed such a heavy burden on the public, the Finance Minister seriously claims that he has provided incentives for hard work, efficiency and savings. He is, of course, right in one sense; the more conscientious among the citizens will try to work hard, stint and save in order to cover the higher cost of living and the fall in the purchasing power of the rupee which is inevitable at least till such time as all the investments that are now being made yield more production and add to the supply of goods. But this section of the public constitutes a negligible minority. The vast majority of workers, however, will soon get fed up with life, if both expenditure and savings are taxed.

The wealth tax and the expenditure tax are the most hideous ones, especially when they are mounted upon the traditional system of income taxation as has been done by Mr. T. T. Krishnamachari. They will discourage savings and hard work. They will open the floodgates of corruption in the administration. They will add to the scope that already exists for harassing the assessees. They will reduce the scope for privacy in life and tend to make the people slaves of the State. They will give a new impetus to the inherent tendency among our people to hoard their wealth in such unproductive assets as gold, silver, diamonds, platinum and other precious metals; in short, they will drive underground such savings as are left and adversely affect the banking habit built up over years of hard work and against heavy odds. They are entirely foreign to the Indian soil and offend the generally accepted principles of sound, equity taxation. They will bring about a further deterioration in the morale of the people.

Such will be the general effects of the new taxes that have been incorporated into the fiscal structure of the country. They may sound exaggerations because they are not quite perceptible at present. But they will be as time passes.

In any case, from the share markets' point of view, the wealth tax on corporations is a serious affair. Even at the rate of half per cent., it will mean a heavy burden to a developing economy. It is a heavy blow to new companies, in particular, and will make it extremely difficult for companies to find fresh capital. It will definitely retard flotations of new enterprises. It must be abandoned. Even Dr. Kaldor did not advocate this step and the Finance Minister himself is apologetic about it. In no part of the free world does such a measure exist.

Of about Rs. 100 crores of new taxation now thrust on the public, the rural population will bear only a small percentage. The major portion, perhaps as much as 75 per cent., will come out of the pockets of people who live in cities and towns which constitute the backbone of share markets. It is thus obvious that the flow of fresh money into these markets will greatly thin down, if not completely dry up, at least for some years to come. In any case, the heavy depreciation in equity values which has already taken place will frighten away investors from putting any further money in this mode of investment.

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There are already signs of flight of capital from productive channels to the unproductive precious metals. Spot gold has crossed the Rs. 110-mark per tola and silver is quoting at Rs. 186; just before the budget, they were ruling at Rs. 107-13 and Rs. 185, respectively. As both the metals had begun to discount the prospect of a wealth tax and expenditure tax long before the budget, the increase after the budget is modest. It will not be surprising if they climb up to still higher levels. Another evil outcome of the tax proposals will be an increase in the smuggling of gold which the authorities have never been able to prevent. The smuggling of gold affects the country's foreign exchange supply and has an adverse effect on the value of the rupee in the foreign exchange markets of the world. The Indian rupee, it may be noted here, is already quoted at a discount of 15 per cent. in Zurich, the capital of the free foreign exchange markets of the world.

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In raising the Bank rate to 4 per cent. on Wednesday last, the authorities have bowed to the inevitable. This action only shows that there is a limit to the extent to which one can try to stem the inexorable economic forces by resorting to ingenuity and wizardry. More about this in a subsequent issue. Meanwhile, attention must be drawn to the reduction in the stamp duty on usance bills from ½ per cent. to 1/5 per cent., so that, though the Bank rate has gone up by ½ per cent, the usance bill rate is only a shade higher than before. The reduced stamp duty, however, is a fraction higher than the 1/8 per cent. which used to be the level before Mr. Krishnamachari used his ingenuity and invested this tax with a monetary function.

EFFECT OF BUDGET ON SHARES

	Highest in 1956	Pre-Budget Closing May 15, 1957	Lowest after Budget	Closing on May 16, 1957
	Rs.	Rs.	Rs.	Rs.
Tata Ordy.	216.00*	165.75*	145.00*	153.50
Indian Iron	39.22*	19.50*	16.50*	17.20*
Bombay Dyeing ..	702.50	531.00	491.00	509.00
Century	609.50	444.00	390.00	406.00
Finlay	385.50	276.00	262.00	264.00
Gokak	255.00	182.50	172.50	176.00
Indn Ordy.	14.56	9.95	9.45	9.60
Kohinoor	402.00	316.50	292.00	306.00
National Rayon ..	276.25	222.50	198.00	203.50
Simplex	229.00	168.50	160.00	162.50
Svadeshi	277.00	211.25	197.50	203.50
A.C.C.	209.00*	158.75	142.00	146.00
Belapur	250.50*	220.00	205.00	210.00
B. Burmah F.P. ..	800.00	548.00	485.00	506.00
Central Bank	56.75	51.75	50.25	50.25
B.I.C.	13.22	6.30	5.85	6.00
New India	50.50	41.25	40.50	40.50
Scindias	19.81	18.25	16.50	17.20
Tata Loco	185.50	150.00	134.50	144.50
Tata Oil	62.00	44.00	41.00	42.50
Wimco	211.25	157.50†	157.50†	157.50†

* x.r. † ex-dividend.

There has been no sharp reaction to the raising of the *de jure* Bank rate in the gilt-edged market. Values are only a shade lower. But this is due to the continued support of the Reserve Bank. Buying enquiries are completely absent, because of the impression that the existing values should find lower levels if the Government were to borrow on the basis of the enhanced Bank rate, as it must if its borrowing programme were to be a success. The money market is pretty tight, with few lenders and more borrowers. The signs are that there will be a further hardening of interest rates and bank credit will cost more. The State Bank of India has already raised its advances and *hundi* rates by ½ per cent. to 4½ per cent. and 5½ per cent., respectively.

* * * *

The annual tax on wealth, which has now been imposed, is one of those proposals which can trace their origin in India to the Kaldor Report, now the Bible of the Union Finance Ministry. The burden of the tax, however, is somewhat less heavy than what Dr. Kaldor proposed. But Kaldor's proposals constituted a package deal; the novel taxes proposed by him and now adopted by the Government in their outline were matched by substantial relief in income taxation. This compensating factor is conspicuously absent in T.T.K.'s scheme of taxation. Be that as it may, while Kaldor proposed an exemption limit of Rs. 1 lakh, the Wealth Tax Bill fixes the limit for individuals at Rs. 2 lakhs of net wealth. On the next Rs. 10 lakhs, the rate is ½ per cent. and on the next slab of Rs. 10 lakhs, it is 1 per cent.; on the balance of the net wealth, it is 1½ per cent. For the Hindu undivided family, the exemption limit is Rs. 3 lakhs; the rates and the slabs are the same as those for individuals. In the case of every company, there will be no tax on the first Rs. 5 lakhs of net wealth, while the rate on the balance of net wealth is ½ per cent. Thus, the tax is payable by individuals, Hindu undivided families and companies. Since a "company" means a company as defined under section 3 of the Companies Act 1956 and includes a foreign company within the meaning of section 591 of that Act, there is no escape from the tax, irrespective of whether the unit concerned is a private or public company. It is computed that there are about 26,000 individuals, 4,000 Hindu undivided families and 6,000 companies which are likely to be assessed to this form of tax.

The phrase "net wealth" has been used to indicate the excess of the aggregate value of the assets over the aggregate value of debts on the valuation date. By "assets" are meant property of every description, movable or immovable, excluding agricultural land. Exempted items of assets include: property held in trust, treasury savings deposit certificates, annuity certificates and other forms of national savings and provident fund accounts. The valuation of any asset, it is provided, shall be estimated to be the price which, in the opinion of the wealth tax officer—there is provision for appeal to the Appellate Assistant Commissioner and the Appellate Tribunal—it would fetch if sold in the open market on the valuation date. Thus, it is the market value of an asset that will be taken into account for purposes of tax. Notwithstanding this, the Bill further provides:

"(a) Where the assessee is carrying on a business for which accounts are maintained by him regularly, the wealth-tax officer may, instead of determining separately the value of each asset held by the assessee in such business, determine the net value of the assets of the business as a whole having regard to the balance-sheet of such business as on the valuation date and making such adjustments therein as the circumstances of the case may require; (b) where the assessee carrying on the business is a company not resident in India and a computation in accordance with clause (*a*) cannot be made by reason of the absence of any separate balance-sheet drawn up for the affairs of such business in India, the wealth tax officer may take the net value of the assets of the business in India to be that proportion of the net value of the assets of the business as a whole wherever carried on determined as aforesaid as the income arising from the business in India during the year ending with the valuation date bears to the aggregate income from the business wherever arising during that year."

Perhaps, the language of this clause admits of some improvement so as to make it clear that it is the depreciated value of the asset of a business concerned that will be taken into account.

* * * *

Although the Government has never precisely defined the functions of the State Trading Corporation, it was understood that the Corporation was intended mainly to supplement, rather than supplant, normal trading channels. Further, the Corporation, it has generally been conceded, is in a somewhat better position to undertake trading with countries with centralised economies. Indeed, a substantial proportion, though not the major portion, of the trading activities of the Corporation, it is gratifying to note, is still directed towards such countries. Thus, till 1st May 1957, its export contracts amounted to Rs. 24.48 crores, of which the exports to Communist countries aggregated nearly Rs. 7 crores. Such countries would appear to have been even more important as sources of imports. Thus, out of the total import contracts valued at Rs. 12.35 crores, these countries accounted for over Rs. 5 crores. The following figures give the export and import contracts of the Corporation till 1st May 1957, the first figure representing the quantity in tons, unless otherwise specified, and the figure in brackets the value in lakhs of rupees.

Export Contracts

Iron ore: Japan, 1,700,750 (938.33); Poland, 140,000 (72.00); Hungary, 15,000 (8.00); Italy, 75,000 (43.50); Czechoslovakia, 507,000 (268.43); Yugoslavia, 45,000 (25.30); Holland, 20,000 (11.46); U.S.A., 9,000 (4.98); East Germany, 18,000 (9.96). Total 2,529,750 (1,381.97).

Manganese ore: Japan, 85,100 (154.31); Holland, 67,500 (151.11); U.S.A., 87,521 (165.94); Italy, 22,000 (57.18); England, 62,000 (105.90); France, 40,521 (65.64); Norway 1,000 (1.28). Total 365,642 (701.46).

Chrome: U.S.A., 6,500 (11.00); Japan, 12,000 (19.28). Total mineral, 18,500 (30.29).

Miscellaneous: Shoes, U.S.S.R., 500,000 pairs (113.29); coffee, U.S.S.R., 775 L. tons (61.02); handicraft, U.S.S.R. (16.66); and Czechoslovakia (2.28); woollen fabrics, U.S.S.R., 250,000 yards (34.31); jute bags, Viet-Nam, 6 lakh pieces (9.55); coir matting, Czechoslovakia, 52,700 sq. yds. (1.69); salt, Indonesia, 50,000 metric tons (15.00); tobacco, U.S.S.R., 2,000 tons (20.16); cotton seed oil, East Germany, 1,200 tons (18.97); castor oil, Czechoslovakia, 620 tons (11.59), and U.S.S.R., 1,500 tons (28.30); cardamoms, East Germany, 5 tons (1.10); total (334.00). Grand total (2,447.74).

Import Contracts

Cement: Rumania, 70,000 (50.55); Yugoslavia, 25,000 (29.06); Russia, 25,000 (29.83); Japan, 55,000 (61.04); Poland, 100,000 (107.40); Pakistan, 165,000 (166.65).

Soda ash (light): China, 15,000 (33.40); East Germany, 10,000 (22.27); U.K., 30,000 (50.56).

Caustic soda: United Kingdom, 45,000 (210.33); East Germany, 425 (1.84).

Ammonium sulphate: East Germany, 34,520 (78.74); U.S.A., 70,000 (131.45).

Chilean nitrate: Chile, 15,000 (43.50).

Gypsum: Pakistan, 150,000 (19.50).

Raw silk: China, 35 m. tons (15.56); Japan, 73 m. tons (34.24).

Ships: Yugoslavia, 2 (138.80). Total (1,235.61).

Among the items of export trade in which the Corporation is engaged, the most controversial are the ores—iron and manganese. It will be seen from the figures given above that the export contracts in these two items account for over Rs. 20 crores. It is not, of course, known what proportion of these contracts has been fulfilled or what proportion represents export contracts, concluded by the private sector and subsequently channelled, for want of quotas, through the Corporation. Be that as it may, this aspect of the Corporation's trading activities raises a number of intricate issues. In the first place, in an important export commodity like ores, is it necessary to have a system of quotas at all? Secondly, why should the Corporation engage itself in ores trade at all and attempt to take over the entire iron ore trade? A spokesman of the Corporation, it is reported, has argued that the Corporation can better fulfil the foreign importers' requirements than private traders. This claim has been disputed in trade circles which point out that, last year, the Corporation actually failed in some of its contracts with the U.S., France and Japan. Yet another argument of the Corporation is that it can implement ore export policy on a long-term basis which private exporters cannot adopt. Traders insist that this is begging the question, for they argue that, if the Government had acceded to their suggestion for a long-term policy instead of declaring periodical

(*Continued on page* 1023)

DEBACLE IN SHARES

TAX PROPOSALS SAP MORALE

(From Our Own Correspondents)

BOMBAY, 16*th May*

THE special Budget session of the Stock Exchange held last evening and the regular session today witnessed a debacle in share values, the like of which had not been seen since 1947, when the Liaquat Ali Khan budget was presented. Prices fell headlong over a wide front on sustained nervous unloading, following the announcement of budget proposals by the Union Finance Minister in the first session of the new Parliament. The heavy tax proposals, covering a wide range and sparing no section of the society, from the low-income group to the wealthiest, confounded even the worst pessimists. Though it was generally anticipated that there would be heavy tax measures, it was never believed that they would be so heavy and varied. The tax proposals, numbering nearly 112, involved extensive changes in the existing taxes and the addition of new ones. They included the upward revision of excise duty on 13 items, raising customs duty on 90 items, imposition of tax on wealth and a tax on expenditure, increase in railway fares, and the upward revision of certain postal and telegraph rates and increase in tax on companies.

The worst part of the tax proposals was the heavy burden placed on corporate earnings. It was generally expected that the corporate sector had had the worst and that there would be no further levy on companies. But the Finance Minister sprang the most unpleasant surprise on this sector by strangulating it with a rise in the tax rate for it. The income-tax on companies has been raised from As. 4 to 30 per cent. and corporation tax from As. 2-9 to 20 per cent. A tax of ½ per cent. on wealth of companies in excess of Rs. 5 lakhs would be levied. The tax on bonus issues has been stepped up from 12.5 per cent. to 30 per cent.

The only small mercy shown by the Finance Minister on companies was the reduction in super-tax on dividends (declared by companies in excess of 6 per cent.) from 12½ per cent. to 10 per cent. on distribution between 6 per cent and 10 per cent. of the paid-up capital, from 25 per cent. to 20 per cent. on distribution between 10 per cent. and 18 per cent. and from 37½ per cent. to 30 per cent. on that in excess of 18 per cent. The effect of this reduction will, however, be more than offset by the increase in corporation tax, which will reduce the distributable profits of companies. The Finance Minister has also afforded some relief in super-tax in inter-corporate dividends by reducing it from 17 per cent. in the case of Indian companies and 30 per cent. in the case of foreign companies to 10 per cent in the case of both Indian and foreign companies. The corporation tax on foreign companies operating through branches and earning other incomes has also been reduced from 36 per cent. to 30 per cent. These reliefs to foreign companies, the Finance Minister expects, will give some encouragement to investment of foreign capital in India. There is also a reduction in the minimum amount required to be distributed by section 23A companies engaged in manufacturing activity. However, the general view is that the overall burden of tax on companies is very heavy and will affect capital formation.

The effect of the further levies on companies, together with the wealth tax on individuals, tax on expenditure, the impact on living costs as a result of the increase in excise duties on various items such as sugar, cement, steel, petrol, vegetable oils, coffee, tea, tobacco, and paper, with its repercussions on wage bill of companies, the anticipated increase in stringency in money, as a result of the rise in Bank rate from 3½ per cent. to 4 per cent., cumulatively demoralised the sentiment. Fears of payment difficulties in Calcutta and the reported closure of the Calcutta Stock Exchange for five days from today as a protest against the tax proposals also affected sentiment. The closing prices today were slightly above the lowest levels touched during the day on heavy bear-covering and reported purchases by the Life Insurance Corporation of some of the blue chips.

Earlier in the week, the market remained quiet with fluctuations confined to a narrow range, as a pre-budget caution. The undertone in the pre-budget session yesterday, however, improved a little on expectation that the budget proposals might not prove to be so severe as generally feared and that the worst had been discounted in prices.

The steel section was affected, besides the higher corporation tax, by the increase in excise duty on steel ingots from Rs. 4 to Rs. 40 per ton, which is estimated to yield Rs. 6.7 crores per annum. Tata Ordinaries dipped from Rs. 169.25 to Rs. 163.25 before steadying up to Rs. 166.75 in the pre-budget session. In the budget session, they nose-dived to Rs. 154 and to Rs. 145 today. At the close they slightly hardened to Rs. 153.50. Indian Irons came down from Rs. 20.45 to Rs. 19.05, but improved to Rs. 19.70 yesterday afternoon. They receded to Rs. 17.20 in the budget session and further to Rs. 16.55 today before gaining to Rs. 17.20 at the close.

The Commerce Minister's statement a few weeks ago in Bombay that there would be no reduction in excise duty on cloth was confirmed by the absence of any relief in the budget proposals presented yesterday. As the leading industry in the country, textile mills would be much affected by the heavy corporation taxes. Bombay Dyeings drifted from Rs. 542.50 to Rs. 520.50 before recovering to Rs. 531 in the pre-budget session. Today, they slumped to Rs. 491 and closed a shade higher at Rs. 509. Centurys touched a low of Rs. 390 today, as against the pre-budget closing of Rs. 444 and last week's closing of Rs. 459. They, however, finished at Rs. 406. Kohinoors retreated from Rs. 321.50 to Rs. 292, before closing at Rs. 305. Central Indias shed Rs. 10.50 to Rs. 104, Finlays Rs. 20.50 to Rs. 264, Gokaks Rs. 11.50 to Rs. 175, and Indu Ordinaries 65 nP to Rs. 9.60. Indore Malwas lost over the week Rs. 7 to Rs. 132, New Greats Rs. 12 to Rs. 218 and Shree Niwas Rs. 13 to Rs. 165. Simplex gave way from Rs. 170.50 to Rs. 162. Standards fell precipitously from Rs. 443 to Rs. 385. Svadeshis suffered a loss of Rs. 10.50 to Rs. 203.50 and Tata Mills Re. 1.75 to Rs. 45.50.

Bank shares were not much affected. Barring a sentimental in a few scrips, the undertone was steady. Barodas held their own at Rs. 102. Centrals fell by Re. 1 to Rs. 50.25, while their new shares were unchanged at Rs. 54. Bank of Indias were a fraction better at Rs. 133.25. Punjab Nationals were done Re. 1.50 higher at Rs. 52.50, while United Commercials dropped 75 nP to Rs. 53.50.

The main beneficiaries of the rise in Bank rate are the electricity undertakings, whose return is linked with the Bank rate. However, this bullish factor was not reflected in prices of electricity shares, in view of the other penal tax measures. Ahmedabad Electrics came down from Rs. 93.75 to Rs. 93.50. Surat Electrics shed 25 nP to Rs. 108 and Bombay Suburbans 50 nP to Rs. 106. Andhra Valleys were a shade better at Rs. 1,185, while Tata Hydros dropped from Rs. 123 to Rs. 120 and Tata Powers from Rs. 1,223.75 to Rs. 1,222.50.

Sugar shares were affected by the doubling of the excise duty on sugar from Rs. 5.62 to Rs. 11.25 per cwt. which would yield to the Government Rs. 18.55 crores in a year. Belapurs slumped from Rs. 227 to Rs. 205, and closed at Rs. 210. Phaltans lost over the week Rs 9.25 to Rs. 127 and Walchandnagars Rs. 11.50 to Rs. 239. The increase in excise duty on cement from Rs. 5 to Rs. 20 per ton hit cement shares, A.C.C. drifting from Rs. 159.25 to Rs. 142. At the close they were done at Rs. 146.

In the engineering and mining section, Alcocks were hammered down from Rs. 258.75 to Rs. 242.50. Tata Locomotives dropped earlier in the week from Rs. 147.50 to Rs. 142.75, but recovered to Rs. 150 in the pre-budget session, on expectation of higher dividend. Today, they gave way to a low of Rs. 134.50, but quickly rallied to Rs. 144.50 at the close. Premier Constructions lost as much as Rs. 18 to Rs. 144. Larsen and Toubros were down by 15 nP at Rs. 15.10. Shivrajpurs gave way from Rs. 84 to Rs. 76. Indian Coppers were dull at Rs. 3.28. B.B. Petrols declined by 20 nP to Rs. 2.40.

Shipping and automobile shares ruled weak. Scindias were hammered down from Rs. 18.35 to Rs. 16.50, before they finished at Rs. 17.20. Great Easterns dropped 90 nP to Rs. 18. Premier Automobiles were done Rs. 2 lower at Rs. 88. Hindustan Motors lost 25 nP to Rs. 7.

In the miscellaneous group, Bombay-Burmahs dropped heavily from Rs. 560.50 to Rs. 485. At the close, they recovered to Rs. 506. National Rayons fell from Rs. 227.25 to Rs. 198, but looked up to Rs. 203.50 at the close. Tata Chemicals were not much affected and they closed 25 nP lower at Rs. 16. Tata Oils lost Re. 1.50 to Rs. 42.50. Wimcos were done at Rs. 157.50 *ex-div.*, as against Rs. 170 *cum-div.* a week ago.

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Calcutta Stock Exchange

CALCUTTA, 15*th May*

Trading on the Calcutta Stock Exchange during the week under review reflected the traditional pre-budget caution. There was a decline in the volume of transactions and prices gradually fell. At lower levels, prudent investors accorded restricted support to the more popular counters. The chill wind of rumour suggested a possible levy of excise duty on paper and paper products, and that explained the downtrend in the shares of paper mills. The rising trend in the prices of food and other essential articles in daily use was a factor which frightened genuine investment, as it was feared that, if the rise was not checked, it was capable of generating sufficient labour troubles.

The fear that, if more imports of basic raw materials were not permitted, several industries would suffer further affected sentiment. The tightness in the money market continued to restrict activity in the share market and the company deposit scheme would further affect money conditions. The only enlightening influence was the President's address to Parliament wherein he declared that the Government was determined to go ahead with the development plans despite temporary difficulties. After this address, a change in sentiment seemed possible, but on Tuesday the market was closed on account of Lunar eclipse. The increase in freight rates on goods and parcels traffic announced by the Railway Minister yesterday was noted with concern, as the measure would result in an additional cost of Rs. 12.5 crores a year to industry and trade.

Jutes ruled quiet, in view of the fears about the raw material position. The section-feeler, Nationals, sagged to Rs. 19.25 from Rs. 20.10. Ballys lost from Rs. 145 to Rs. 141, while New Centrals were firm at Rs. 12.25.

Coals hardly invited the attention of buyers. Revival of interest was not expected until after the Coal Price Committee had completed its deliberations and its recommendations were known. Bengals were pushed down to Rs. 214, while Burrakurs ruled steady at Rs. 21.87, and provided an exception to the general trend.

Engineering shares were easy, but the volume of transactions was higher as operators displayed interest at lower levels. Guest Keens were subjected to profit-taking which took the rate down to Rs. 26.19. Kumardhubis fell from Rs. 9.06 to Rs. 8.94. More scrips of Indian Irons changed hands, the rate moving down to Rs. 19.06 from Rs. 20.54.

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Madras Stock Exchange

MADRAS, 14*th May*

The Madras Stock Exchange depicted a quiet trend during the week under review. In view of uncertainty regarding budget proposals, operators were hesitant to enter into fresh commitments either way. The volume of business put through was, therefore, considerably restricted, the general trend of prices being downward.

Tea shares in the planting section encountered selling and staged a decline. Coorg Teas dropped 65 nP to Rs. 11.35. Peermades and Balanoors receded by 50 nP each, the former to Rs. 25.75 and the latter to Rs. 16.75. Blue Mountains shed 5 nP to Rs. 3.60. Kil Kotagiris lost 7 nP to Rs. 6.03. Ouchterlonys were lower by 8 nP at Rs. 4.90. Twyfords fell by 15 nP to Rs. 17.25.

In the textile section, Coimbatore Spinnings receded by Re. 1.50 to Rs. 87.50. Metturs declined by Rs. 2 to Rs. 396. Saradas shed a like amount to Rs 93. Loyals and Lakshmis eased by 50 nP each to Rs. 49.50 and Rs. 138, respectively. Maduras lost 35 nP to Rs. 41.40.

Notices

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER NOTICE

Sub:—**Technical collaboration in the design and execution of Railway Electrification Projects on the Single Phase A.C. Traction System.**

THE MINISTRY OF RAILWAYS (RAILWAY Board) invite tenders from Technical Associates with previous experience in the design and execution of Railway Electrification Projects on the Single Phase A.C. Traction System, for Technical Collaboration.

The prospective Technical Associates should advise the undersigned of their intention to make an offer in the form of a sealed letter so as to reach the undernoted address on or before 31st May 1957. The detailed proposals for Technical Collaboration should reach the undernoted address on or before 29th June 1957.

The particulars of tender and terms of reference can be obtained from the undersigned on payment of Rs. 2 per copy in cash or by money order.

P. N. MURTI,
Electrical Adviser,
Railway Board.

NEW DELHI, 13*th May* 1957.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Company a final dividend of 13¾ per cent. for the year ended 31st December 1956.

By Order of the Board,
BALMER LAWRIE & COMPANY LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 10*th May*, 1957.

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from 24th June 1957 to the 8th July 1957, both days inclusive.

Shareholders are requested to notify immediately any change in address to the undersigned.

By Order of the Board,
FORBES FORBES CAMPBELL & CO.
PRIVATE LTD.,
Agents.

FORBES BUILDING,
HOME STREET, FORT,
BOMBAY, 15*th May* 1957.

NEWS IN BRIEF

THE Government of East Pakistan has decided to import a large quantity of mustard oil from India and shipping arrangements have already been made at Karachi for import of mustard seeds and oil.

The engineering interests of the British firm, Birlec Ltd., will in future, be handled in India by the Associated Electrical Industries (India) Ltd., with headquarters at Calcutta and branches in many other towns.

Babcock and Wilcox Ltd. of the U.K. will form a new company, in partnership with Vickers Ltd. and the Associated Cement Companies Ltd. of Bombay, for seting up a large factory in the Durgapur area of West Bengal to manufacture a variety of heavy-engineering products, including Babcock and Wilcox products of all kinds and cement-making machinery.

A micanite factory, the first of its kind in India, is being set up in Kodarma in the heart of the mica belt of Bihar. It is expected to go into production in a few months' time. The machines installed in the factory are mostly automatic and will require about a hundred workers to run them. The factory will produce 300 tons of micanite annually. The present annual consumption of micanite in India is only 40 tons.

The Madhya Pradesh Government has appointed a 24-man committee, headed by the State's Deputy Minister for Revenue, for formulating plans for the introduction of metric system and making the change-over as smooth as possible. The committees appointed previously in the former States of Madhya Pradesh, Madhya Bharat, Vindhya Pradesh and Bhopal have been dissolved.

The Standard-Vacuum Oil Company has begun drilling operations in quest of oil at the village of Nedhra in West Bengal. It is hoped that oil will be struck within a depth of 7,500 feet, but it is possible that a well of about 10,000 feet may have to be drilled. The operations will last between four and six months. The plant has its own power unit and laboratory. Equipment has come from the U.S.A. and most of the senior technologists are Americans. Indians are associated as assistants or trainees with every aspect of the operations.

An agreement was signed last week by Mr. T. M. S. Mani, Managing Director of the Neiveli Lignite Corporation, with the British firm of Messrs. Powell Duffryn for securing expert consultancy services for the mining scheme of the integrated Neiveli Lignite Project. The approximate cost of the consultancy services over a period of three and half years is put at Rs. 40 lakhs. The services of Messrs. Powell Duffryn were originally obtained as technical consultants under the Colombo Plan in 1954 for drawing up proposals for the mining, utilisation and procuring of the South Arcot lignite.

A sum of $1,853,000 has been allocated to India for 1958 by the United Nations Technical Assistance Board under its expanded programme of technical assistance. The proposed shares of the participating agencies are: U.N. Technical Assistance Administration $217,000; I.L.O. $189,000; F.A.O. $378,000; U.N.E.S.C.O. $633,000; I.C.A.O. $33,000 and W.H.O. $403,000. These amounts are in addition to the "regular" programmes of the U.N., the W.H.O. and the U.N.E.S.C.O. which carry out additional technical assistance projects using a part of their own regular annual budgets.

The Travancore Chemical and Manufacturing Company, Ltd., which is at present manufacturing potassium chlorate at Kundara, has commissioned a plant at Alwaye with a daily production capacity of 10 tons (about 3,000 tons per annum) of copper sulphate of guaranteed purity and strength. It is expected that the factory will be able to meet the entire demand in this country for this chemical. The other important fungicides like copper oxychloride and cuprons oxide will be produced shortly to replace the present imports of these chemicals as well.

A thermal grid scheme with a capital outlay of Rs. 570.106 lakhs has been drawn up by the Bombay State Electricity Board, with a view to providing cheap electrical power and a transmission network in the East and West Khandesh area. The scheme, called the Khandesh Electrification Scheme, is proposed to be put into commission by 1960. It envisages construction of a 30 m.w. station, complete with boiler and auxiliary coal and ash-handling plant, electrical equipment and a civil engineering colony, at Bhusaval on the Tapti river on a 400-acre plot situated where the Central Railway tracks diverge to Nagpur and Delhi.

The Government of India sanctioned loans amounting to Rs. 233.17 lakhs to various State Governments under the low-income group housing schemes during the month of March. Of this amount Uttar Pradesh got Rs. 45 lakhs, Andhra Pradesh Rs. 25 lakhs, Bombay Rs. 25 lakhs, Mysore Rs. 25 lakhs, Rajasthan Rs. 25 lakhs, Madras Rs. 20 lakhs, West Bengal Rs. 18.80 lakhs, Delhi Rs. 12.88 lakhs, Assam Rs. 10.79 lakhs, Bihar Rs. 9 lakhs, Orissa Rs. 8 lakhs, Kerala Rs. 3.50 lakhs, Himachal Pradesh Rs. 3.20 lakhs and Pondicherry Rs. 2 lakhs. The total amount of loans sanctioned to various States since the inception of the scheme in November 1954 is Rs. 1,746 lakhs.

The Government of India is understood to have decided to locate the heavy machinery manufacturing plant in Bihar. A technical team, consisting of experts from the Soviet Union, Britain, West Germany and India, is being appointed to survey the various sites in Bihar and recommend the most suitable site. The Soviet experts, in their report, have recommended Ranchi as the suitable site. But, owing to lack of transport facilities, the Government is not inclined to accept the recommendation. The plant is, however, likely to be located near about that place, probably near Bokaro. According to the manufacturing programme drawn for the first year of its operation, the plant will manufacture heavy and medium-sized forging and casting required by different industries in the country. In the second and third years, the plant will take up manufacture of components of steel plant.

Vessels will be able to enter and leave the ports of Bombay and Calcutta in adverse weather conditions without delay and in safety when two chains of navigational radio aids, ordered from a well-known British firm, are put into use. The Indian order for these navigational aids follows closely on the construction by the British firm, Decca, of similar equipment for Canada and will bring about a further expansion in the world coverage by the Decca system. In the case of Calcutta, the accuracy of marine navigation is of particular importance, as the city lies some miles inland from the mouth of the Hooghly River and eastwards along the coast is the complex Ganges delta. Although the approaches to Bombay are more straightforward, squalls and bad weather, particularly during the monsoon, can cause serious delays to shipping.

With a view to regulating the supply of chemical fertilisers of prescribed standard to cultivators at fair prices, the Government of India has promulgated the Fertiliser (Control) Order, 1957. Under this Order, which came into force on the 15th inst., the Central Government has been empowered to fix the maximum prices or rates at which any fertiliser may be sold by a manufacturer or a dealer in a particular area and for a specific class of consumer, having regard to the local conditions and other circumstances prevailing in that area. The dealers in fertilisers are required to obtain a licence every year, besides a certificate of registration for sale of fertiliser mixtures. The licensing and registration authorities will be appointed by the State Governments in the various regions. In addition, inspectors of fertilisers will be appointed for securing compliance of the Order. The licensing and registration fee will be fixed by the State Governments in consultation with Controller of Fertilisers. No person is allowed to manufacture for sale or sell or distribute any fertiliser which is not of the prescribed standard. Further, the fertilisers are required to be packed and marked in a prescribed manner, the contents of the container being displayed suitably.

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From Abroad

The U.S. Export-Import Bank will send a delegation to Israel sometime in July next to study the latter's request for a $75 million loan.

Within two years, British Guiana will produce manganese on a large scale. The North-West Guiana Mining Company plans to produce 10,000 tons per month by 1959 and 30,000 tons by 1961.

The total working days lost due to official and unofficial strikes in Britain since December 1955 up to the end of March 1957, amounted to 5,960,000, according to Mr. Macleod, Minister of Labour.

West Germany proposes to step up the installed capacity of its atomic power plants from 500 mega watts to be attained in 1965 to 1,500 mega watts in 1967. The estimated cost of the expansion is £220 million.

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PERSONAL

MR. Escott Reid, outgoing Canadian High Commissioner in India, left Bombay last Tuesday for Italy *en route* to Canada.

Dr. Sushila Nayyar, M.P., has been elected first Vice-Chairman of the United Nations Social Commission.

Mr. K. G. Ambegaokar, Deputy Governor of the Reserve Bank of India, left Bombay last Wednesday for the U.K. on a four-month holiday.

Mr. J. E. Jenkins, Manager of the Anchor Line Ltd., Bombay, has assumed charge as General Manager of the Company for the East. Mr. Jenkins succeeds Mr. B. R. Graham who recently retired.

Dr. Fritz Koenecke, Chairman of Daimler-Benz (West Germany), arrived in Delhi in the 12th instant on a two-day visit. He had discussions with the Central Ministers and officials on the project for expanding the production of the Telco automobile works at Jamshedpur.

Mr. R. E. Rutherford, oversea sales and service liaison representative of Bryce Berger Ltd., fuel-injection engineers, of Staines, Middlesex, will visit India in July in the course of a four-month tour of Eastern countries. Other countries to be visited by Mr. Rutherford, who is already in Australia, are New Zealand, Malaya, Thailand, Pakistan and Ceylon.

The West German Ministry of Economics has extended its authorisation for German business men to take a more vigorous part in futures trading abroad by allowing speculative transactions. The activity of these business men is now restricted only to hedging.

East Germany, the world's leading lignite producer, is said to be still suffering from fuel shortages which are severely affecting the progress of its key industries. Iron and steel and engineering industries, in particular, have fallen behind schedule, due to difficulties in the supply of coke, coal and electric power.

The surcharge on freight shipped by vessels belonging to the lines of the outward and homeward U.K. and Continental shipping conference has been reduced from 17½ per cent. to 10 per cent. with effect from the 13th inst. The reduction applies to freight shipped by these lines from India, Pakistan and Ceylon to the U.K. and *vice versa*.

Britain's first big "fast breeder" reactor, now being completed on the stormy northern coast of Scotland, will supply nuclear fuel not only for future power stations but also for exports. It is a part of the £25-million atomic energy project which will begin operating from next year. The basis of the experiment is to increase the efficient use of uranium, so that one ton of uranium will do the work of 1 million tons of coal.

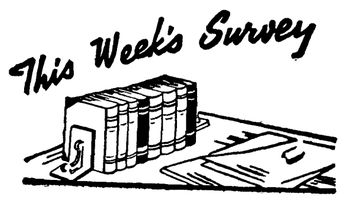
The United States has welcomed as "bold and imaginative" the Euratom report urging an immediate start on atomic power stations for Europe and setting a goal of 15 million kilowatts of nuclear energy for the area by 1967. In its opinion, the report represents another concrete step in the development of the European Atomic Energy Community. The 15-million kilowatt goal is entirely possible and feasible.

Reports from Madrid aver that the Spanish Government intends to hand over gradually to private enterprise the various industrial concerns initiated by the State-sponsored National Institute of Industry. In a statement issued to the Press recently, the Institute's President, Mr. Senor Suanses, stressed the advantages which would accrue from the takeover by private agencies of the Institute's various concerns, valued at about £540 million.

The recently appointed Transport Board of Ceylon has recommended nationalisation of the bus services in the country in January 1958. The Board expects to acquire a fleet of about 600 buses by the end of this year. The central workshop for the nationalised bus service will be equipped by Czechoslovakia and Germany which will also supply skilled personnel in the preliminary stages and train Ceylonese to succeed them.

The Italian Fiat Motor Company is making a determined bid to capture a portion of the American motor market. On the 8th inst., a specially equipped ship with a load of 1,000 Fiat cars left the port of Savona for the west coast of the U.S. where Fiat has already started its sales and service organisations. Out of a total of 315,000 cars produced in Italy during 1956, 269,573 were built by Fiat. Fiats' capacity will go up from the present 1,000 cars a day to 1,500 next year, following the expansion of the Company's plant at Turin.

It has been forecast by Sir Christopher Hinton, Managing Director of the industrial group of the U.K. Atomic Energy Authority, that, by 1980, nuclear power stations will be producing power at half the cost as compared with that produced by stations using conventional fuel. Even by 1965, the nuclear power stations then coming into operation will produce power much more cheaply than the conventional power stations coming into operation at the same time. Before the end of the 20th century, even domestic heating will come primarily from nuclear power. The reactors that are being built today, represent tremendous advances on those in satisfactory operation at Calder Hall. It is possible to forecast with certainty a tremendous improvement in the next decade.



ROAD TRANSPORT

ROAD and road transport have lately won much deserved recognition, though not the equally deserved financial assistance. But it is something to be able to look forward to 1961 (the end of the second Five-year Plan) when the classic targets set by the Nagpur Plan for road development—drawn up in 1943—will have been reached. Meanwhile, it is worthwhile considering whether the targets mentioned in the second Plan do not err on the conservative side and, if they do, whether it is not necessary to raise the targets upwards so as to lay the foundations for a road programme that will be large enough to take into account the anticipated increase in traffic. From this point of view, Mr. P. L. Varma, President of the Indian Roads Congress, in the course of his address at the annual session of the Congress, held last week at Shillong, did well to emphasise the need for revision of the Nagpur Plan.

The importance of roads arises from the fact that they help carry about 75 per cent. of the traffic in the country. Even in the sphere of long-distance traffic, their share is not inconsiderable. The estimated long-distance goods traffic at the end of the second Plan is about 195 million tons per annum. Of this, the railways are expected to carry about 162 million tons. The rest of the traffic has necessarily to be carried by coastal shipping, inland water transport and road transport. Now coastal shipping and inland water transport carried about 5 million tons in 1954-55. And even if their carrying capacity were to be doubled in the next two years, the burden on road transport will be large. Apart from this severely practical consideration, it must be recognised that roads have sociological implications of profound significance in that they help create in many ways opportunities of social and economic betterment to people in underdeveloped areas.

The leeway which has still to be made up in road sphere will be evident from the fact that the road mileage per square mile of area is 0.26 in India, as compared with 1.11 in the U.S., 1.99 in the U.K. and 2.4 in France. Not only is the proportion of road mileage per square mile low in India but a large proportion (about 60 per cent.) of the roads that exist consists of unmetalled surface. Under the second Plan, the allotment to road development is about Rs. 270 crores. The point is that, even after this expenditure is incurred, India's road mileage will increase by a mere 0.05 mile per sq. mile. Mr. Varma raised the issue whether the increase in road mileage, now contemplated, was adequate. He felt that the Nagpur Plan itself should be modified in the direction of a slight upward revision of the targets it set.

The Nagpur Plan, it will be recalled, envisaged a road system in which no village was more than five miles from a metalled road in a developed area and 20 miles in an underdeveloped area; it assumed the mileage of metalled roads required for this purpose at 123,000 miles. If this target is modified so as to bring (*a*) all villages in developed areas within a distance of three miles of a metalled road, (*b*) all villages in semi-developed areas within a distance of nine miles and (*c*) villages in underdeveloped areas within a distance of 20 miles, it will mean that the target of road mileage will have to be stepped up to 320,000. Even if this target were realised, India would have only 0.5 mile of road per square mile. No one will, therefore, deny that the revised target would, if anything, be modest. But the financial implications would be large. Mr. Varma estimated that they would imply an expenditure of Rs. 4,000 crores. And, at the present rate of investment on roads (Rs. 270 crores over a five-year period), the achievement of the modest target envisaged by Mr. Varma would take almost three-quarters of a century!

All this may not indicate what is immediately practicable. But it does show, as Mr. Varma himself pointed out, that the "need for greater allocation of funds for road development cannot be overemphasised." The Nagpur Plan was drawn up at a time when five-year plans had not been visualised. And it certainly should be revised in a way that will give a road programme consistent with the agricultural and industrial progress that is implied in the Five-year Plans. It may be useful to remember, in this connection, that most West European countries, despite the fact that their achievements in the sphere of transport have already been large, still spend about 5 per cent. of their gross national product on gross investment in transport. Of this, road investment has taken a share 3 to 10 times larger than that of railway investments. In India, too, the need, as well as the scope, for road development is large. To delay such development longer, or not to undertake it on a scale that will match the anticipated increase in production, will be to jeopardise the economic development programmes. Since finance is still the chief bottleneck, Mr. Varma's suggestions for road construction bonds, guaranteed by the State and redeemable for a fixed number of years and the earmarking of "road user" tax revenue exclusively for road development deserve examination by the authorities. In any case, it is well to realise that to postpone road development till the day the need for it is forced on the country is like asking a man to delay learning to swim until he is in deep waters.

PLANNING FOR CHEMICALS

A machine does not function efficiently if its numerous components do not exactly fit into each other. This phenomenon is no less true of the "machine" of planning. Sometimes, planners seem to feel triumphant at overreaching certain targets, while, at the same time, they look apologetical or escapist on the failure to attain certain others, fixed in the plans. In so doing, it is often forgotten that overdoing can be as wrong as inadequate achievement, since both can be a source of wastage and loss. Proper coordination of all programmes is the *sine qua non* of success in planning.

One of the sectors of the economy in which, to ensure a precisely planned development, much can, and should, be done, is that of chemicals. The feeling is irresistible, as one goes through the address of Mr. Manubhai Shah at the reconstituted Development Council for Heavy Chemicals the other day at Delhi, that the Government has sensed the need for dovetailing effectively the programmes of development of various chemicals with each other, on the one hand, and with the needs of the economy, on the other, Mr. Shah revealed that a joint meeting of the Development Councils for alkalis, acids, fertilisers, drugs and pharmaceuticals and the representatives of Ministries would be held at Bombay next month, in order to discuss and formulate a national fertiliser policy and draw up a programme of balanced development of important components of fertilisers. If the proposed policy were to be phased appropriately, it would imply, *inter alia*, reorganisation, or removal where necessary, of uneconomic plant capacities, or small-sized plants working at submarginal capacities, which, in the nature of things, involve high costs of production, wastage of national resources and unnecessary burden on the consumer. This is a liability which afflicts not a few industries, such as sulphuric acid, soda ash, chlorine and superphosphate. Moreover, the policy should also be designed to attain self-sufficiency in respect of many chemicals, such as soda ash, liquid chlorine and caustic soda, which are so essential for a number of industries, including iron and steel and ferro-manganese. Viewed thus, it is a matter for some gratification that the Government has on hand plans to increase the production of these chemicals fourfold in the next five years.

The lopsided development in fertiliser production is another serious defect which requires immediate rectification. As things stand, while a great measure of emphasis is laid on nitrogenous fertilisers, the production of phosphatic and potassium fertilisers is neglected. Evidently, this approach is inimical to balanced development of agricultural resources. Whereas, for instance, in Western countries, 115 units of superphosphate are used for every 100 units of nitrogenous fertilisers, in India, the corresponding proportion of superphosphate used is only 30 units. No wonder, then, that the yield per acre is so low in India, as compared with that in the West. Another important aspect is development of exports in chemicals, which obviously calls for a long-term policy, in view of the inadequate domestic production. From this point of view, the Government's decision to open an export promotion cell in the Development Wing of the Ministry of Commerce and Industry, will be widely welcomed. Admittedly, the reorganisation of the Ministry of Commerce and Industry has made it possible to evolve appropriate national policies for fertilisers, drugs and other chemicals. It is to be hoped that the joint meeting of the councils proposed to be held next month will exploit this opportunity to the full.

MANAGEMENT TRAINING

It is now generally realised that the economic progress of a country hinges to a large extent on the supply of adequate technical personnel. But what is not so readily realised, at least by laymen, is that industrial advancement is conditioned by the quality and adequacy of managerial and administrative personnel also. In India, there is a shortage of both technical and managerial personnel, the deficiency in the latter being equal, or perhaps even more than, in the former. This is a problem of no mean importance. There is considerable doubt in the minds of many observers whether, in its range and quality, administrative and managerial performance, in both private and public sectors, would prove equal to the challenges and responsibilities contained in the Plan. And, as the Plan proceeds, difficult issues are likely to relate more to questions of administration and organisation than to matters of policy and approach.

Mr. Jehangir Ghandy, President of the Management Board of the All-India Board of Technical Studies, has, therefore, rightly pinpointed the need for training in scientific management in all fields of national activity. He told the fifth meeting of the Management Board last week at Calcutta that the Courses Committee of the Board had submitted a comprehensive report on the reorganisation of management studies in the country. Mr. Ghandy said that, with a view to developing management studies, the Government of India, at the instance of the Board, had sponsored a request for securing technical assistance from the U.S. During a recent visit to the U.S., Dr. V. K. R. V. Rao, Director of the Delhi School of Economics, made a preliminary examination of the nature of assistance that might be secured from institutions specialising in management training in that country. On the basis of Dr. Rao's suggestions, arrangements are being made, in collaboration with the Technical Co-operation Mission, for sending a team of five experts to the U.S. to study the organisation and method of management schools there. A team of American experts would also visit this country for consultations regarding the manner in which collaborative and co-operative relationship could be established between the American institutions and their Indian counterparts. Since the U.S. is a country where, following the pioneering works of Frederick Taylor, exhaustive studies have been undertaken in the structure and mechanics of company management and the fruits of such studies applied to practical problems of management and administration with revolutionary results, association with institutions in that country is most likely to be of invaluable help, particularly in connection with the "case studies method."

COAL-MINING LEASES

The Bill to establish greater public control over coal-mining industry, introduced in the opening session of the new Parliament, has the distinction of being the first official measure to be taken up for consideration and passed in the current session itself. The introduction of this measure, which empowers the Government to acquire, for the purpose of development, unworked coal-bearing areas held by private lessees on payment of "reasonable" compensation, will probably be surprising to the uninitiated, but those who are familiar with the Government's industrial policy cannot but reconcile themselves to it. Incidentally, the said legislation was ready even by last December, but could not be introduced then on account of pressure of other official business and also for want of time.

The present measure represents the first step in implementing the Industrial Policy Resolution of 1956, in so far as it concerns the coal industry, under which the future development of coal is the responsibility of the State and all new units in the coal industry will be set up only by the State, save in exceptional circumstances as laid down in the Resolution. Out of the additional annual production target of 12 million tons set apart for the public sector under the second Five-year Plan, the bulk (10 million tons per annum) has to be raised by the development of new coalfieds, such as Korba, Karanpura, Kathara and Jhillimili and Misrampur. The overriding consideration for reaching the target set for the public sector is that development of new mines should, as far as practicable, be in the outlying areas. The main obstacle in the way of development of these areas is that very nearly all the coal-bearing areas are covered by mining leases held by private persons or prospecting licences which carry a right to a mining lease. Unless these coal-bearing areas are acquired, the Government will find it hard to fulfil its quota of additional production. Accordingly, as the explanatory note on the Bill says, "it is proposed to take power to acquire unworked coal-bearing areas covered by private leases or prospecting licences which are found surplus to the production required in the private sector."

It must, however, be noted that the Bill does not seek to acquire the rights over the minerals as such, but only to take up the rights of the present lessees. For, as the explanatory note explains, the rights in minerals are vested in all areas in the State Governments, following the acquisition of *zamindari* rights by the latter. The Union Government does not consider it appropriate to use the powers vested in it under the Land Acquisition Act, 1894, for the acquisition of the mineral rights, particularly because the Central Government does not intend to acquire the proprietary rights vested in the States. This difficulty can be overcome only by acquiring the lessees' rights over the coal-bearing areas required by the Government for the additional coal production. But there is no existing Central or State legislation under which the Government has powers to acquire the lessees' rights. "It is, accordingly, considered necessary to take powers by fresh legislation to acquire the lessees' rights over unworked coal-bearing areas on payment of reasonable compensation to the lessees, and without affecting the State Government's rights as owner of the minerals or the royalty payable to the State Government on minerals."

By acquiring the existing lessees' rights, the Government is restricting the scope for development in the private sector which has been asked to raise the output by 10 million tons per annum by 1960-61 from the existing collieries and immediately contiguous areas. The question of "reasonable" compensation may also give rise to discontent. The Government's conception of "reasonable compensation" has always fallen very much short of what equity and justice prescribe. It is to be hoped that the Government will use sufficient discrimination in using the powers it seeks to acquire and also be reasonable in the matter of giving compensation.

What Forum of Free Enterprise Stands for

SINCE the Forum of Free Enterprise came into being with the object of educating public opinion on the values of Free Enterprise and the significant contribution which it can make to the rapid progress of economic development, a great deal of enthusiasm for its cause, and interest in its work has been generated. Along with this, controversy has been provoked as to whether the tenets of Free Enterprise are consistent with the social and economic ends which the country seeks to attain. The Forum is convinced that they are; and in this statement reiterates its attitude towards some of the basic issues which have been raised so that no misconception or doubt on its point of view can be left in the public mind.

Free Enterprise not "Laissez Faire"

We consider that "Laissez Faire" or Nineteenth Century Capitalism has no place in contemporary Indian life. These systems, whatever their usefulness might have been, have outlived it. Today they are as dead as the dodo and can make no contribution to the industrial, social and economic advancement we seek. Equally do we hold that the Marxist approach to socialism through State ownership of the means of production is outmoded in time and thoroughly discredited in practice

Capitalism of today, or as we prefer to call it "Free Enterprise", operating within a planned economy, is the most alive and the most vigorous economic system in the world Its motive power is rooted in the fulfilment of the individual, controlled and bounded always by the values and principles of the society in which he lives. Thus, Free Enterprise contributes to the moral and material betterment of society by the voluntarily harnessed efforts of the people which compose it. From this must spring a happier and a richer life for all. Reverse the process by introducing authoritarian planning, which places the State above the individual, and the result will inevitably be confusion, frustration and the loss of liberties.

"The Socialist Pattern of Society"

As far as we know, this phrase has not yet been defined in specific terms. The Forum unreservedly accepts the concept of a fuller and better life for all, equality of opportunity, eradication of unjust privilege, in fine, the establishment of a Welfare State. Indeed we hold that these objectives will be attained more rapidly, more effectively, and with a greater degree of enthusiastic co-operation of the people, through Free Enterprise, than through any other system. Inherent in our acceptance of these social aims is also that of a planned economy, and the common existence and mutual interdependence of a State-controlled and Free Enterprise Sector. What we do not accept is the theory that this State-owned sector should continuously expand until it dominates the national economy, for then, as night follows day, will there be a regimentation of life, totally at variance with India's outlook and traditions, which have always recognised the place and worth of the individual in society.

The Bhakra-Nangal Dam, the Fertiliser Factory at Sindri, the Aarey Milk Colony in Bombay, to take only a few examples, are State achievements which are matters of pride not only to their authors but to the whole country On the other hand, the Nationalisation of Life Insurance, the introduction of State Trading and the acquisition of the Kolar Gold Fields are equally in our opinion examples of unwarranted State intervention. It is this trend which must be curbed and halted if the free way of life in our country is to be preserved and its economic progress through the democratic processes assured.

The first Convention of the Forum of Free Enterprise was held in Bombay, on April 25, '57 at which many leading industrialists, professionals, and businessmen were present. Write for copies of speeches made by Mr. A. D. Shroff & Mr. M. A. Sreenivasan at the Convention.

Free Enterprise and Scientific Advancement

A good deal has been said recently on the need to avoid obsolescent thinking in this age of atomic power and of breathtaking scientific advancement. It is important that we define our stand on this issue. We believe that the challenge of our times is to evolve a synthesis of these techniques and their effective use by free members of a democratic society In many ways our country is blessed by the fact that she is embarking on her plans of industrialisation at a time when superb scientific aids are available to her Possibly for the first time in history conditions prevail when the question of Bread *or* Freedom need not even be asked. For, today, science offers us not only Bread *and* Freedom, but also Speed of attainment thrown in for good measure. It would be a tragedy indeed if this bountiful opportunity were distorted and misconstrued to impose Centralised State Control as the instrument of applying the benefits of science to a regimented society. This and not our approach would be a demonstration of obsolete thinking.

Conclusion

For the reasons which we have given we claim that socially responsible private initiative, or Free Enterprise as we term it, is the most dynamic and effective system available to attain the moral and material ends which all of us so ardently hope for. That is why the Forum has pledged itself to the task it has undertaken, and that is why it will continue its effort in the certainty that in our good country the values of Free Enterprise will ultimately prevail.

Forum of Free Enterprise
235, DR. DADABHAI NAOROJI ROAD, BOMBAY 1.

A non-political organisation to educate public opinion on Free Enterprise

FE-57-2

PRESIDENT DOES TIGHT-ROPE WALKING

PRIVATE SECTOR INVESTING MORE?

From Our Own Correspondent

NEW DELHI, 13*th May*

PRESIDENT Dr. Rajendra Prasad has just addressed the Union Parliament today. The address is notable for the official admission that there has been "some inevitable slowing down in the first year of the Plan." In referring to the economic situation, however, the President has observed that it does not "warrant grave apprehensions" but is only of "serious concern." Nobody could make out what vital difference there is between "grave apprehension" and "serious concern." If "unproductive and anti-social habits of hoarding and speculation" were alone responsible for the deterioration in the economic situation, the Government could have surely curbed them. But the larger truth, according to the President's own admission, is that the deficit in the Central and State budgets and the strain on foreign exchange resources were occasioned by the requirements of the Plan which have proved to be far too onerous for the first year of the Plan. What was true of the first year is no less true of the second year. But how the determination and fervour of our people and their readiness to accept discipline, as hoped for by the Government, would enable the country to pass successfully through the present crucial period of the Plan, passes one's comprehension.

DELHI LETTER

There is no clear indication in the President's address that the size of the second Plan would be reduced or that its period would be extended. On the other hand, the emphasis is on the need for overcoming difficulties, where necessary, *by reconsideration and revision of methods* and by planned mobilisation of resources, not by either abandoning or slowing down the progress towards our objectives. One is left guessing whether "reconsideration and revision of methods" would involve reordering of priorities in the Plan.

Budget Eve

Eve-of-Budget speculation, however, has not been so much in evidence here as eve-of-Budget advice to the Finance Minister. The advice which broadly reflects the expectations of the larger section of Indian business has taken a distinct line of its own in the sombre background of difficulties in the matter of food, foreign exchange and credit for the private sector. The immediately relevant question is: "Will the impending regular Budget for the second year of the Plan fulfil the expectations of the public?" There are some indications that it partly may. Already it has been discreetly let out that the second year outlay in the public sector would be cut back to about Rs. 800 crores by a reordering of priorities. That this could be done without prejudice to "a steady rise in the tempo of economic expansion" appears to have been dimly recognised by the Finance Ministry. This is not unlikely in the context of the reported disinclination of the World Bank to meet the entire foreign exchange component of 400 and odd crores of rupees for the Railway Plan. If the Indian official mission, now in Washington, should by any chance fail to get the World Bank loan to the required extent, a possible shortfall in the ultimate second-year public sector outlay would inevitably occur. Even if there is to be no formal reordering of priorities, only the most urgent and essential projects in the public sector may come to be *actually* financed in the course of the budget year. The decision of the Government of India to take advantage of the Soviet offer of a long-term-credit of Rs. 60 crores for financing the proposed construction of a heavy machinery-manufacturing plant may, however, make no difference as far as the second-year outlay is concerned, for the initial preparations for launching this project will probably take more than a year.

Private Sector

As far as the private sector is concerned, present indications are somewhat encouraging. One of these is understood to be the Union Finance Ministry's direction that the Reserve Bank of India should work out a scheme for the administration of life insurance funds by a board of trustees functioning in association with the Bank itself. This board would have to look after the funds estimated at about Rs. 400 crores. Fifty per cent. of this may be invested in Government securities, while the other 50 per cent. is to be made available for investment in industrial debentures and for housing finance. This proportion would have to be broadly maintained every year when the board of trustees decides on the amount of the Government securities it would be taking up in that year.

Yet another indication is that two legislative measures for improving the credit position of the private sector are most likely to be introduced in the present session of Parliament. One of these Bills will seek to amend the Reserve Bank of India Act to empower it to purchase and hold shares of other credit institutions which might be set up to meet the requirements of the second Plan. The other Bill will seek to empower the State Bank of India to grant medium-term loans and also to lend money against the primary security of immovable property.

The third indication is the authoritative (?) estimate that the private sector is investing money more rapidly than is anticipated in the second Plan. This estimate, however, appears to be based on the private sector's imports so far or its orders for imports of capital goods of the value of about Rs. 325 crores. What is doubtful here is whether adequate foreign exchange will be available for all the pending orders or whether they will be covered by the deferred payment scheme. In the circumstance the likely private sector investment is not quite so encouraging as it looks.

New Developments

The Government of India, it is learnt, has approved of a number of schemes for the manufacture of electrical equipment, accessories and fittings. The approval for some of these schemes, however, is subject to arrangements being made for the import of plant and machinery on the basis of deferred payment and foreign collaboration. One of the schemes is for the manufacture by a Calcutta firm of overhead railway electrification material at the rate of 240 tons per annum. Another Calcutta firm is permitted to produce copper-grooved conductors for overhead railway and traction equipment. A Bombay firm is expected to increase its capacity for the production of distribution transformers from 36,000 K.V.A. to 72,000 K.V.A. per annum. A unit is to be set up near Allahabad by a Calcutta firm for the manufacture of power and distribution transformers at the rate of nearly 1½ lakhs K.V.A. a year. A Bombay firm is also permitted to expand its production of transformers from 108,000 K.V.A. to 180,000 K.V.A. per annum. A new unit is to be set up at Tiruchinappalli in Madras State for the manufacture of transformers to the extent of 100,000 K.V.A. Besides these, four schemes for the manufacture of A.C. S.R. and all-aluminium conductors have been approved. One of them will be a new unit in Delhi with a capacity of from 1,500 to 2,000 tons per annum. Three firms in Bombay are to manufacture switch-gears, metal-cased plugs and sockets and switches. A Poona firm is to expand production of household electrical, lighting and wiring accessories from 120,000 dozen a year to 360,000 dozen a year.

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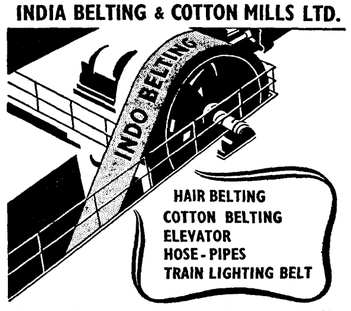

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STOCK MARKETS STRONG

STEEL DENATIONALISATION

From Our Own Correspondent

LONDON, 11*th May*

THE strength in the stock markets which your correspondent noted a fortnight ago is not only being well maintained on the equity front but has definitely spread into Gilt-edged. The equity market has naturally gained from the clear indications that there are to be no industrial struggles and that wage increases pressed for will more or less be granted. The Gilt-edged market has enjoyed a boom because of the conviction that rates are coming down and that a reduction in the Bank Rate is hanging about on the horizon of Throgmorton Street. The Government have announced that the £400 million of stock maturing in June will be repayed without resort to a conversion. This has been made possible by the buoyancy of the revenue coupled with economies in spending. It is thought that only the offerings of £100 million of stock this week snapped up on the strength of a possible cut in Bank Rate will be necessary to finance the repayment operation. The latter is, of course, going on continuously with the Treasury buying in the redeemable stock as it is offered.

LONDON LETTER

Naturally one must expect the Gilt-edged market to move up and down as expectations of another cut in Bank Rate advance and recede, and, after the cut has come, they are likely to become more stable on their new level.

Mr. Bevan on Nationalisation

An exception to the recent stock market liveliness has been the marking down of steel shares, following on Mr. Bevan's reaffirmation that Labour policy would be to nationalise the steel industry once again. He has been asked why he and his party continue to bother about nationalisation which some Socialist thought characterise as outmoded and unnecessary. Mr. Bevan's smart answer to this is that his party attaches exactly the same importance to nationalisation as does the Tory party. If the latter think that the steel industry was worth de-nationalising then that only confirms Mr. Bevan's suspicions that it ought to be re-nationalised! Of course, Mr. Bevan has added that the new nationalisation will be in such a form that it will not be practicable to de-nationalise when the Tory Government comes back again into power. When challenged whether it was possible with Parliamentary Government to nationalise an industry in such a way that it could not be de-nationalised, he replied that his party could not make it *impossible* to de-nationalise steel but they could make it very awkward indeed! He would not give away how the new operation was to be performed but that it will be performed there can be little reasonable doubt, and the Labour Party will make no bones of their intention when the time comes for them to fight an election.

Wages Front

On the wages front, talks are already under way to increase engineering and shipbuilding wages, following the recent call-offs of strikes. The unions are reluctant to accept any arrangements which will prevent them from bringing in further claims within a short time of those currently under negotiation being settled. They will probably prefer to accept slightly less now and retain their liberty of action to come back for more if conditions warrant it. The building trades workers have just won another increase and more upward moves are in the offing. The Government are more than ever anxious that pay and prices should be studied together by a permanent body which could establish a wage policy for the country. The Trade Union Congress has frequently considered a wages policy and frequently turned it down—the last time three years ago. At that time, however, the proposal was for a once-for-all enquiry but the Government are now considering a standing body. From the Trade Union point of view, a standing body to study pay and prices would be much less dangerous, because, being in permanent session and issuing periodical reports, it would always be possible to defer unpalatable action to a later occasion.—*All Rights Reserved.*

AMERICAN LETTER

FEELING OF OPTIMISM ABOUT ECONOMY

OUTPUT OF NUCLEAR POWER BEFORE THE YEAR ENDS

From Our Special Correspondent

NEW YORK, 8*th May*

A PRONOUNCED upswing in optimism for business for the rest of the year and into 1958 became evident in the last few weeks. Buoyancy has superseded caution, even apprehension. So far this year, total business activity, considering the degree of prevailing inflation caused by the wage-price spiral, has been about the same as in 1956, or fractionally better.

Soft spots remain as before. The decline in home building activity has affected such related lines as saw mills, cement and plywood manufacturers. Housing starts are now in the neighbourhood of 880,000 units a year, instead of 1,000,000 units previously. Household equipment companies, paint makers, radio and TV sets are also off from last year, including farm machinery and paint. Automobile manufacturers now predict sales of 6 million units in 1957 rather than the previously forecast 6.5 million.

All this is no calamity, since the slack in those lines is being taken up by a greater boom than last year in other business endeavours. For example: Leading the upturn is railroad equipment. The railways are badly in need of replenishing their fleet of freight cars. The shortage of such cars is particularly pronounced during the harvest. Substantially greater activity is also evident in aircraft, electrical machinery, copper refining, shipbuilding, printing, detergents and soap, tyres, industrial apparatus and mining. Other increases were reported for machine tools, cigarettes, apparel, natural gas, alcoholic beverages and foods. Investment in plant and machinery has levelled off, but purchases by Government units are still on the increase. Budgets of Federal, State and Local governments foreshadow further gains in this area.

Pending changes in the top echelon of the U.S. Treasury, after Secretary Humphrey's resignation, should not be too pronounced as far as fiscal policy is concerned, but financial opinion is reserved on that point pending the final outcome. Optimism is also apparent in the realm of foreign developments. So far, anti-Communist factions have held the upper hand in the turbulences in Jordan. The movements of the U.S. Sixth Fleet in the Mediterranean turned into a cruise rather than bloody action.

Russian acceptance, at least partially, and in a nebulous sort of way, of President Eisenhower's two-year old advocacy of an open sky policy for inspection of East-West military preparations, was also chalked up on the buoyant side of the picture.

China Trade

Softening of U.S. policy towards Red China now seems probable. The U.S. now stands virtually alone in her opposition to trade with that nation. The chances are Washington will recognise trade of its Allies with Red China, grudgingly perhaps. It may also extend diplomatic relations, despite the fact that a technical state of war still exists between that country and the United Nations. U.S.-Chinese trade will continue to be opposed by Washington, as will be China's admission to the U.N. This stand is based chiefly on moral indignation over the continued incarceration of U.S. citizens in China.

Congressional concern over the size of the Federal Budget continues. It is certain to result in sizable cuts of proposed expenditures in the new fiscal year, in the field of foreign aid, particularly.

The economy drive is apt to extend into other areas as well. With no tax cuts and continued good tax receipts, the Budget surplus for the fiscal year ending 30th June 1958, is projected to run to $1,800 million.

Foreign trade has held up well. Exports were the highest ever in March. This was partly the result, however, of the dock strike which kept goods from being moved the month before. Imports, too, have held up well. The dire predictions that the closing of the Suez Canal would put a serious dent in European gold and dollar reserves to the point where purchases would have to be curtailed in the U.S. did not come true.

Nuclear Power

Development of nuclear power for peaceful purposes is coming of age. There will be five or six nuclear power stations in operation by the end of the year and at least 21 by early 1960. The atom age has revolutionised engineering. Machines for either peaceful or destructive purposes, which formerly had a life of many years, are now obsolete in half that time. This is boosting costs and it has made equally obsolete many ideas of depreciation and continuity held in previous eras.

Thus, the demand for investment money is becoming greater and there is no end in sight to these inherent pressures which have their ultimate effects throughout the economy. This is superimposed upon the demands of a steadily increasing population.

Politically, the situation in the U.S. remains unchanged. Dissatisfaction is rampant with the Administration's attitude in many fields at home and abroad. While peace has been preserved, there is a feeling that policy abroad has been indecisive and confusing, that the Middle Eastern situation, for example, could have been handled much better.

Domestically, many people feel the Eisenhower Administration is just as expansionary and inflationary as the preceding Administration of the Democratic Party when Government spending was king.

Mexico

This correspondent recently returned from an extended tour through Mexico. That country is booming. The last fiscal year showed a substantial Budget surplus. Gold and dollar reserves which fluctuate seasonally have been averaging about $500 million. Considering that similar reserves of the British Commonwealth in which the sun never sets average somewhat better than $2,000 million, this showing of Mexico is excellent.

There is general atmosphere of well-being and prosperity and a new middle class is in the making. Improvement of living conditions is making steady progress. Those foreign industries which came to Mexico have been extraordinarily successful. Two examples are Celanese Corporation of America and Pan-American Sulphur Company.

German influence likewise is strong. The Volkswagen Motor Works are establishing new branches and doing well. Native Mexican business is likewise impressive. To the two existing stock exchanges in Mexico City and Monterrey, a third one will shortly be added at Guadelajara.

There are two important steel plants in Mexico and the nationalised oil industry, Pemex, is not only doing well in its current operations, but is searching for new deposits of petroleum inland and offshore.

Government credit policy has stemmed inflation successfully. Although the influence of trade unions has become stronger with resultant increases in wages and in some prices, the more beneficial effect of this development has been to spread the income.

Distribution of goods remains a problem. The railway system, at the present time, is being reorganised with the help of an Export-Import Bank loan from Washington. Distrust of stability is slowly but gradually disappearing, but the the next Government will move into office in 1958 and its policies remain an unknown factor at this time.—*All Rights Reserved.*



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ROLE OF BANKS IN LONG-TERM LENDING IN BRITAIN

WIDE DIFFERENCES OF OPINION EXIST

WITH the growing needs of the expanding economy of the U.K. for long-term capital which the existing institutions have not been able to fully satisfy, attention has been directed for some time past towards possible sources of such finance. Divergent views have been expressed from time to time on the possible role the commercial banks can play in filling the gap between the actual needs and the extent to which they are fulfilled. No doubt, the British banks have already been playing a major role in this field by contributing a part of their deposits towards the resources of the two institutions, namely, the Industrial and Commercial Financial Corporation Ltd. and the Finance Corporation for Industry, which furnish significant examples of how a part of bank's resources can be channelled through specialised agencies. Despite this, however, one school of thought, represented by Sir George Erskine, holds the view that, at the present juncture, so clearly characterised by the shortage of long-term funds for industry, banks alone have the necessary equipment, organisational and monetary, to meet the situation. The other school, a powerful exponent of which can be found in Mr. Bland, the President of the Institute of Bankers, is emphatic that it is not good for the country, for industry or for the banks themselves, to attempt to close any gap that may arise between the demand for and the supply of long-term finance.

The view of Sir George, who gave expression to it in the course of an address at the Institute of Bankers two years ago, was essentially based on the fact that an overall shortage of long-term funds existed in the economy, and, since the banks were the only competent institutions to cover the gap, they had every justification for departing from the traditional practice of lending only on short-term basis. Besides, he held that such a course would benefit the banks as well as industry if they participated more actively in the field.

At the other extreme, Mr. Bland has declared, addressing the same Institute a few days ago, that the belief that the banks could, by providing more finance for the industry, increase the total physical volume of new industrial capital, is a fallacy. According to him, if the savings for industrial development are there, they will find their way into one branch of industry or another through the existing capital market. Conversely, if there are no savings, no capital will be forthcoming. For no amount of fiscal wizardry, he says, can bring into being capital that does not in fact exist. Moreover, the solution to the shortage lies, according to him, in a reduction in the share of the national income taken by the central and local government. Every tax cut, he claims, not only increased the incentive to produce, but also raised the proportion of income left with the taxpayer, from which alone industrial capital could be drawn.

Not True State of Affairs

These views, according to "Lombard," of the *Financial Times*, do not represent the true state of affairs. They are either overstatement, as those of Sir George, or understatement, as those of Mr. Bland. In the first place, he questions the assumption of the latter that the existing machinery of the capital market can be relied upon to channel such savings as are available for investment to the best possible uses. For vast changes have taken place during the past few decades in the forms in which the nation's saving is being done, while there are no indications that the country's capital market machinery has also been reshaped to the extent necessary to ensure proper channelling of the savings. Secondly, the difficulty encountered in recent years in raising funds in the capital market suggests that there are many defects in the present arrangements, which may multiply with the waning of the post-war inflationary phase. Consequently, the banking system, according to the columnist, is undoubtedly well placed to help build up a capital market of the type the country needs. Besides, the banks can offer the kind of security which investors insist upon. Further, he does not find any reason why the banks should run any serious danger of weakening their financial structures by expanding the proportion of their total lendings employed in the long-term form.

"Lombard" also doubts whether the banking system will not seriously impair its own development by continuing to eschew the provision of funds for long-term financing. It will be all the more harmful to the future of the system, he fears, if, what with the Government's policy of maintaining a more or less constant 'stop' on lending to the private borrower, and with many business concerns finding an increasingly large proportion of their liquid resources internally, there arises (which is probable) a tendency for the demand for short-term finance to fall as years go by. The importance of the banking system, according to him, has already begun to decline relatively to the rest of the business community since the adoption by the Government of a stringent credit policy since the 1950s.

Be that as it may, it would appear that the establishment of public or semi-public institutions on the model of those created in certain West European countries such as France, Italy, Belgium, and West Germany, provides, possibly, an appropriate answer to the problem in the U.K. A special advantage with these institutions is that they get over the limitation imposed by the capital market. They provide specialised full-time service in the field which the banks, in their present position, may not be prepared to undertake, and constitute channels through which the resources of banks and other institutions can be utilised for long-term purposes, without having to violate what are called sound banking principles. A further advantage with these institutions is that they can directly raise capital from local markets by issue and sale of their bonds and debentures, without the need for depending too much on banks for funds, which facilitates the utilisation of banks' advances to meet marginal fluctuations in requirements.

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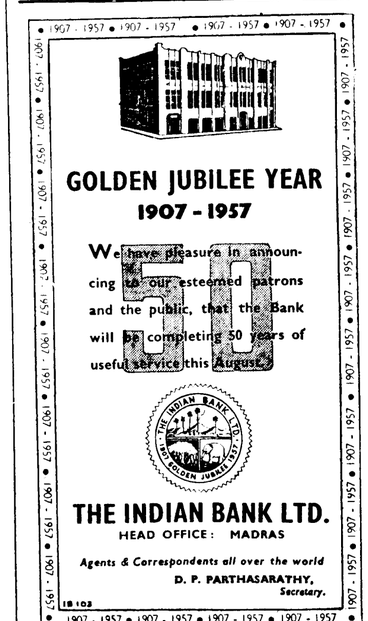
discounted by Rs. 18 lakhs at Rs. 1.64 crores. The relatively smaller increase in advances, as compared with that in deposits, has enabled the Bank to strengthen its investment portfolio by Rs. 54 lakhs. Though the cash balances are a fraction lower, the total liquid assets are higher, as witness the rise in their ratio to deposits from 47.4 per cent. to 49.9 per cent. The Bank's investments are shown at book value, the market value being lower by Rs. 3.58 lakhs.



JAIPUR BANK'S PROFIT RISES SHARPLY

DIVIDEND STEPPED UP

A RISE of more than 50 per cent. in profit, that is, from Rs. 6.20 lakhs to Rs. 9.82 lakhs, is the most striking feature of the working results of the Bank of Jaipur Ltd. (General Manager: Mr. S. L. Kothari, Jaipur) for the year ended 31st December 1956. This sharp expansion follows the steady improvement in the Bank's profit since 1952 and has helped it more than double itself in the last three years. The profit for the year under review is a fresh record on the high side, exceeding the previous best of Rs. 7.11 lakhs earned in 1946.

With this improvement in earnings, the Bank has been able not only to strengthen its reserves by a sizable extent but to raise the distribution to the shareholders to 5 per cent. from 4 per cent., a level which had been maintained for the previous two years. In consonance with the rise in profit, the provision for taxation has been stepped up from Rs. 2.50 lakhs to Rs. 4.50 lakhs. The allocation to the reserve fund has been raised from Rs. 1.25 lakhs to Rs. 2 lakhs, thus restoring the cut made in the previous year.

The progress of the Bank during the past three years is clearly brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Interest and discount	37.70	31.87	28.05	24.34
Commission and exchange	12.81	8.69	6.38	4.91
Interest paid	21.69	16.27	13.46	10.18
Expenses	19.28	18.21	15.47	14.41
Depreciation	0.56	0.50	0.51	0.59
Profit	9.82	6.20	5.52	4.40
To provision for taxes	4.50	2.50	1.50	0.75
" reserves	2.00	1.25	2.00	2.00
" staff gratuity and bonus	1.00	0.25	0.25	...
Dividend	2.50	2.00	2.00	1.50
	(5%)	(4%)	(4%)	(3%)
Carry forward	0.24	0.42	0.25	0.48

	As on 31st December			
	1956	1955	1954	1953
Capital	50.00	50.00	50.00	50.00
Reserves	22.25	20.25	19.00	17.00
Deposits	9,81.89	8,15.03	7,03.58	6,60.72
Borrowings from other banks	10.05	63.00	..	0.33
Advances	6,06.46	5,28.58	3,80.04	3,78.23
Investments	3,28.40	2,74.16	2,38.59	2,10.56
Cash	1,71.49	1,74.95	1,97.11	1,63.87
Balance-sheet total	12,82.03	11,35.46	8,99.70	8,15.29
Ratio to deposits of—	%	%	%	%
Advances	61.8	64.8	54.0	57.2
Investments*	32.4	25.9	33.9	31.8
Cash	17.5	21.5	28.0	24.8

* After taking into account the investments earmarked against borrowings from other banks.

The gross income of the Bank for the year under review amounts to Rs. 51.35 lakhs, an increase of Rs. 10.17 lakhs over the year. Of this rise, income from interest and discount accounts for Rs. 5.83 lakhs and commission and exchange for Rs. 4.12 lakhs. This has been offset, to a large extent, by the increase of Rs. 5.42 lakhs in interest paid on deposits and borrowings and of Rs. 1.07 lakhs in expenses.

The Bank's balance-sheet as at the close of the year under review indicates a further expansion in business, as witness the rise of Rs. 1.47 crores in the balance-sheet total, thanks to the increase of Rs. 1.67 crores in deposits. With this rise, the Bank's deposits have nearly doubled themselves in the course of the last three years. As in the previous year and in consonance with the general trend, the increase in higher interest-bearing fixed deposits is more marked than in savings bank deposits and current accounts. Thus, fixed deposits have gone up over the year by Rs. 1 crore to Rs. 4.54 crores, while savings bank deposits are up by only about Rs. 15 lakhs, at Rs. 1.01 crores, and current and contingency accounts by Rs. 52 lakhs, at Rs. 4.27 crores. It will be noted with interest that the Bank's fixed deposits have successively risen in the last four years by Rs 2.77 crores, while the increase in current and contingency accounts is of the order of only Rs. 1.46 crores. This is, however, not a peculiar feature of this Bank alone. The Bank has been able to reduce its borrowings from other banks as at the end of the year from Rs. 63 lakhs to Rs. 10.05 lakhs.

On the assets side, advances show an increase of only Rs. 78 lakhs, as against a rise of Rs. 1.67 crores in deposits, a feature which is in contrast to the general trend. Nevertheless, the advances as at the end of the year constitute a record in the history of the Bank. A break-up analysis of the advances shows that loans, cash credits and overdrafts are higher by about Rs. 60 lakhs at Rs. 4.42 crores and bills purchased and

(Continued in previous column)

FOR YOUR RECORD

ECONOMIC CONDITIONS IN INDIA

FINANCE MINISTER'S APPRAISAL

THE final version of the Central Budget for 1957-58 was presented to Parliament on Wednesday, 15th May 1957, by Mr. T. T. Krishnamachari, the Finance Minister. Supplementing the White Paper and the interim budget for 1957-58, the final Budget was primarily a long list of tax proposals designed to secure a surplus on current account and to cut substantially the deficit on capital account. The new tax proposals are expected to net in about Rs. 93 crores, during the rest of the current financial year. Of this sum, the States will receive Rs. 15 crores and the balance—Rs. 77.85 crores, to be precise—will swell the revenues of the Central Government.

The Finance Minister prefaced his tax proposals by a factual analysis of the economic conditions in India. The following is the full text of his appraisal which is being reproduced for the purpose of record; full particulars of tax proposals will be published in our next issue, as the official text of them is not available at the time of writing:

"In March last, I presented to the predecessor of this House an interim budget for the year 1957-58 in order to obtain a vote on account to meet the Government's expenditure until the new Parliament assembled. The expenditure estimates I am presenting today are more or less the same as the ones I presented in March. They have, however, been reclassified in terms of the reorganised Ministries, and there are a few new items to which I shall refer in the course of my speech.

"A White Paper, reviewing the major economic developments in the economy during 1956 and outlining the perspective against which policies for the current year have to be formulated, was circulated along with the budget papers in March last. Copies of that White Paper need little modification in the light of subsequent data. I shall, however, review briefly the latest available economic indicators and attempt an assessment of emergent and prospective trends. Before I do so, I would say that the economic classification of the budget, as it is now being presented, will be issued in two or three days' time. We attempted this reclassification for the first time in March last, and we propose to continue the practice. But the document will have to be released after the short time-interval needed for working into the tables the proposals I am now placing before the House today.

Price Situation

"The White Paper of March last gave an analysis of the factors responsible for the upward pressure on prices during 1956. In recent months, the index of wholesale prices has remained stable around 420. For the week ended 27th April, it was 423.5, which is a rise of 8.5 per cent. over the level a year ago. Rice prices are now at 633 and wheat prices at 581; they are 14.1 per cent. and 16.4 per cent., respectively, above the level that obtained a year ago.

"Prices of industrial raw materials have risen by 9 per cent. during the year, of semi-manufactures by 5.3 per cent. and of manufactures by 2.4 per cent. The rising price trend is due in part to the insufficiency of food production in relation to the demand, and in part, it is attributable to certain external factors. There are, however, clear signs of demands in the economy tending to outstrip the supplies available. If unchecked, these trends cannot but get reflected in further increases in the cost of living and in the cost structure of industries.

Agricultural Output

"The latest available estimates of agricultural production indicate that the fall in production in 1955-56 was somewhat smaller than had been estimated earlier. The output of rice is now estimated at 26.8 million tons, as compared with the earlier estimate of 25.5 million tons, and the estimate for the total foodgrain output for the year has now been revised upwards from 63.4 million tons to 64.8 million tons. Even so, the year shows a short-fall of some four million tons, as compared with 1953-54 and some two million tons as compared with 1954-55. The decline in foodgrain output in 1955-56 was mainly in respect of coarse grains, while the output of rice was higher and that of wheat only slightly lower than in the previous year. The output of commercial crops shows no significant change relatively to the estimates given in the White Paper issued in March. The overall index of agricultural production, taking food crops and commercial crops together, would still show a fall of about two per cent. in 1955-56 as compared with 1954-55. The estimates of the likely level of agricultural production in 1956-57 indicate that the outturn should, on the whole, be somewhat better than the previous year's. The production of rice is expected to be around 28 million tons, that is, about 1.2 million tons better than in 1955-56, and of wheat about 8.6 million tons as compared with 8.3 million tons in 1955-56. The output of coarse grains and pulses is estimated at about the same level as in 1955-56.

"Among commercial crops, latest reports indicate that the production of cotton has increased by 20 per cent., groundnut by 6 per cent. and sugarcane by about 17 per cent.

"Nevertheless, reports on the food situation in recent weeks indicate difficult conditions in some of the States. I would not like to minimise the gravity of the situation as it obtains in these pockets. But statistically, it does seem that, if at all there is an overall shortage, it is of a marginal character. With the arrangements that have been made for the import of foodgrains from abroad to meet our normal needs and with the availability of additional supplies under the P.L. 480 Agreement, it should be possible to ensure adequate supplies to enable us to hold the price line. I would, however, concede that the situation will need careful watching and the apparatus necessary to deal with the situation as it develops from time to time would have to be kept in readiness.

Industrial Production

"Industrial production has continued to rise at an annual rate of about eight per cent., the newer industries, both in the capital goods and in the consumer goods sector, advancing more rapidly than the older industries. The pace at which industrial development has been proceeding is encouraging. In that process, it generates heavy demands on our foreign exchange resources for import of capital goods as well as raw materials. The immediate difficulties in respect of foreign exchange notwithstanding, it would be reasonable to hope that the rate of progress in the industrial sector will be maintained. The overall position that emerges from the review of production trends so far is that the supply of domestic goods and services has, on the whole, shown only a modest improvement over the previous year, and that the rise in prices during the year reflects the pressure of a shortage in supplies relatively to the strength of expansionary factors in the economy generated by the rising levels of both public and private investment.

Money Supply

"Considered by itself, the increase in money supply over the last twelve months or so is not very large. Between 13th April 1956 and 12th April this year, it increased by about Rs. 132 crores. This increase, it must, however, be remembered, occurred in spite of the large balance of payments deficit which resulted in a precipitous fall in the Reserve Bank's foreign exchange holding. The increase in rupee securities held by the Reserve Bank works out at Rs. 273 crores over the past twelve months. This is, clearly, an expansionary factor which reflects, in the main, the growing borrowings of the Government from the Reserve Bank; in part, it arises from the pressure on commercial banks to replenish their resources by selling securities.

"Scheduled bank lending to the private sector was up by Rs. 147 crores during the year. The liquidity of the banks has in the process been strained and money rates have hardened. Stringency in the money market has continued. This stringency is a usual accompaniment of a phase of economic boom when investment tends to cutrun savings; it is not an indication of an insufficiency of the monetary media. An abatement of monetary stringency has at this stage to be sought not through a general increase in the supply of credit, but through measures to prevent an excessive diversion of credit to less essential uses and through the creation of special institutions or facilities for supplying selectively the type of credit needed for priority developments.

Foreign Exchange

"The major problem before the country is the large and continuing strain on foreign exchange resources. Since the beginning of the fiscal year 1956-57, there has been a persistent pressure on the balance of payments resulting in a draft on the country's foreign exchange resources of about Rs. 300 crores. Since, during this period, a credit of Rs. 60.7 crores was obtained from the International Monetary Fund, the fall in the Reserve Bank's holdings amounted to about Rs. 240 crores. The balance of payments for the first quarter of 1956-57 showed a current account deficit of Rs. 44.5 crores. The deficit widened to Rs. 81.4 crores in the second quarter. For the third quarter for which data are now available, there was a further increase in the deficit which worked out at Rs. 84.8 crores. Excluding 'official donations' which enter into the current account, the deficits for the three quarters were Rs. 54.1 crores, Rs. 89.9 crores and Rs. 92.4 crores.

"Since January 1957, further foreign exchange resources of the order of Rs. 86 crores have been used up. The foreign assets of the Reserve Bank now stand a little below Rs. 500 crores. Despite the measures already taken to restrict imports, there is no indication yet of an abatement in the rate of withdrawals which averages Rs. 5 to 6 crores a week. This embarrassing 'lag' notwithstanding, the steps we have already taken and the further steps we shall take as necessary will, it is believed, begin to produce their effect before long.

"On a rough estimate, imports for the year 1956-57 will aggregate over Rs. 1,000 crores, while exports will be around Rs. 650 crores. The bulk of the additional imports received during the year is for developmental purposes and should help strengthen the economy in due course. It is, however, obvious that foreign exchange expenditure has to be limited to the availability of resources, and the present imbalance in the country's external account rectified.

"The various corrective measures adopted during the year were reviewed in the March White Paper; further action in the same direction which is necessary will, as I have just said, be taken. There is hardly any cushion left in our foreign exchange reserves to permit a further significant draft on them. The level of imports hereafter has necessarily to be regulated in the light of our current earnings and the inflow of supplemental resources we can secure from abroad and should be closely related to essential requirements of the high priority projects in the Plan. The import policy for the second half of 1957-58 is being formulated with the objective of securing a further sizable saving on imports. The large volume of imports of capital goods and of developmental commodities that has already come in should make it possible for investment within the economy to go forward for a time at a satisfactory rate and care will be taken to allow such imports as are necessary for getting the benefit of whatever equipment has been obtained and for maintaining production at a reasonable level. It would, however, be idle to pretend that all hardship can be avoided. The exigencies of the situation require that a balance on external account must be resorted as early as possible, and the necessary price has to be paid.

"An improvement in the balance of payments situation is, I should add, largely conditional upon the adoption of domestic policies designed to hold inflationary pressures in check. An excess of purchasing power within the economy raises internal prices; it also reduces the availability of supplies for export and pushes up the demand for imports. It is, therefore, necessary to orient fiscal and monetary policies to the keeping down of domestic consumption and to the diversion of a part of the domestic output to export markets. I may mention, in this connection, that the exports of cotton textiles in the first three months of 1957 have reached a total of 260 million yards, which gives an annual rate of over 1,000 million yards. The increase in excise duty on cloth in September last has, it seems, succeeded in one of its objectives without raising prices in the process. We should constantly be on the watch for similar opportunities to enlarge our foreign exchange earnings.

Budget Estimates for 1957-58

"After this broad review of the latest economic trends, I should now like to give an account of the budget estimates for 1957-58. In the estimates presented on 19th March 1957, revenue was taken at Rs. 636.22 crores and expenditure at Rs. 663.09 crores, leaving a deficit on revenue account of Rs. 26.87 crores. As a result of certain modifications which have since been found to be necessary, revenue deficit, on the basis of existing taxation, is now estimated to increase by Rs. 6.25 crores. This is as a result of a reduction of Rs. 1.25 crores in the net contribution of the Posts and Telegraphs Department to general revenues and an increase in expenditure of Rs. 5 crores. The reduction in the Posts and Telegraphs contribution is due to an additional provision of Rs. 1.25 crores for the renewals reserve fund. A broad examination has revealed that the provision made in recent years for depreciation and replacement of assets has been very inadequate and that at least 2.75 per cent. of the capital at charge should be provided as a depreciation reserve. Provision made this year amounts to Rs. 1.25 crores which represents only 1.25 per cent. on the capital at charge of about Rs. 100 crores. Pending a detailed examination, the provision is now being doubled for the current year.

"The increase in expenditure is accounted for by three items. The first is a provision of Rs. 3.12 crores for grants to the *Khadi* and Village Industries Commission for development of Ambar Charkhas. A programme for the introduction of 75,000 Ambar Charkhas was started last year. The results of this programme have been reviewed recently and it has been decided to continue and expand it further during 1957-58. For the present, the expanded programme provides for the introduction of an additional 90,000 Ambar Charkhas. The total cost of this programme during the current year is estimated at Rs. 10.09 crores, of which Rs. 3.12 crores will be by way of grants and the balance by way of loans to the Commission.

"The second item is a grant of Rs. 1.55 crores to the Government of Assam towards the extra expenditure which they have had to incur recently for the maintenance of law and order as a result of the disturbances in certain border areas. The State Government has had to incur large expenditure on providing relief to the affected population, borrowing police forces from other States and constructing roads and bridges to facilitate communications. This abnormal expenditure has caused a great strain on the State's resources and the Government of India has agreed to meet 50 per cent. of the cost of relief measures and of roads and bridges and the entire expenditure on the police borrowed from other States.

"The last item is a provision of Rs. 33 lakhs for incidental expenditure on transport, etc., in connection with the return of lend-lease silver to the U.S. Government. During the last war, the U.S. Government leased 226 million fine ounces of silver to the Government of India to be returned five years after the termination of the emergency. The liability for the return of this silver was divided between India and Pakistan, India's share being approximately 172 million fine ounces. It has now been agreed that the Government of India would make immediate arrangement for the shipment of 50 million fine ounces of silver and that the balance of 122 million fine ounces should be made available in the form of quaternary alloy coins. The cost of shipment of fine silver would be borne by the Government of India, while the alloy silver would be delivered in India and the U.S. Government would meet all cost of handling, transport and refining and also retain the metals recovered in the refining process.

(Continued on page 1024)

UTILISATION OF COTTON MILLS' CAPACITY

MORE UNITS WORK THREE SHIFTS

THE intensive utilisation of capacity in the mill sector of the Indian cotton textile industry noted in the past four years gathered further momentum during the following calendar year, that is, 1956. The number of mills working three shifts in 1956 was as high as 194, as against 174 in 1955 and 158 in 1954. The rise in three-shift working was induced by the increasing domestic demand for cotton manufactures and the Government of India's unhelpful policy in regard to the expansion in the weaving capacity of mills. Naturally, there was a fall in the number of mills working two shifts, the figure for 1956 being 156, as compared with 161 and 173 in the preceding two years, respectively. Similarly, the number of mills working one shift declined from 27 in 1964 and 24 in 1955 to 21 during the year under review. The number of mills which remained closed was also lower at 21, as against 26 in 1955 and 25 in 1954. The total number of mills in these three years was 417, 405 and 399, respectively.

The intensive utilisation of existing cotton mill capacity resulted in a marked improvement in output of both yarn and cloth. The quantity of cloth that actually came off the looms during 1956 was an all-time record of 5,306.58 million yards, which compares very favourably with 5,094.48 million yards, or an advance of more than 4 per cent. The increase in cloth output followed a rise in yarn production which during 1956 aggregated 1,671.20 million yards, as against 1,630.40 million yards in the previous year.

Shifts Worked

An idea of cotton mills in the various States according to the shifts worked at the end of 1956 can be had from the following table:

	Total number of mills	Remained closed	1-shift	2-shift	3-shift
Bombay	196	4	9	68	115
Madras	94	..	2	46	46
W. Bengal	28	3	2	3	20
Uttar Pradesh	23	3	3	6	11
Madhya Pradesh ..	19	2	1	8	8
Mysore	14	1	..	7	6
Kerala	12	..	..	4	8
Andhra	12	1	3	4	4
Rajasthan	11	1	..	7	3
Punjab	5	1	..	..	4
Delhi	4	..	..	..	4
Bihar	3	1	1	1	..
Orissa	3	..	1	..	2
Pondicherry ..	3	..	..	2	1
Total ..	427	17	22	156	232

The year 1956 also witnessed a substantial increase in employment. The total number of workers on the rolls of mills was greater at 932,873, which compares very favourably with 855,726 in 1955, the exact increase over the year thus being 77,147; in the previous year, there was a net addition of 58,243 persons. But the increase in the average daily number of workers employed was comparatively less, being only 48,747; during 1956, about 80,791 workers were employed daily (average), as against 758,044 in 1955 and 741,169 in 1954. The average daily number of workers employed in the different shifts in the past three years is indicated below:

	1956	1955	1954
1st shift	434,231	419,236	416,227
2nd shift	276,504	262,226	258,851
3rd shift	96,056	76,582	66,091
Total ..	806,791	758,044	741,169

It will be seen from the above figures that the average daily number of workers employed registered a rise in all the three shifts. The rise was particularly marked in the case of the third shift, being 19,474. The increase in the first shift was 14,992 and in the second shift 14,278.

The bulk of the labour force employed in the cotton mill sector is accounted for by the State of Bombay, the major seat of the textile industry. Thus, the number of workers on the rolls of cotton mills in this State comes to more than 58 per cent., the actual number at the end of 1956 being 550,743 out of the total of 948,968 for the whole country. Next in order of importance comes Madras which accounts for 12.4 per cent. The share of Uttar Pradesh and Madhya Pradesh in the total number of workers on the rolls is 6.6 per cent. and 6.2 per cent., respectively. The balance of 16.8 per cent. is shared by all the remaining ten States. The average daily number of workers employed in cotton mills was also the highest in Bombay, being 484,645, or as much as 58 per cent. of the total of 831,049 persons, followed by Madras, Uttar Pradesh, Madhya Pradesh and other States.

Employment Position

The employment position in cotton mills in the various States at the end of 1956 is shown in the following statement:

	No. of workers on rolls	Average daily number of workers employed
Bombay	550,743	484,645
Madras	117,704	105,339
Uttar Pradesh	62,874	52,487
Madhya Pradesh ..	58,843	49,696
West Bengal	43,745	41,335
Mysore	32,992	28,711
Delhi	21,333	18,347
Rajasthan	13,710	13,146
Andhra	11,850	9,701
Kerala	10,957	9,750
Punjab	8,932	7,907
Pondicherry	7,906	5,746
Orissa	5,863	4,150
Bihar	1,516	989
Total ..	948,968	831,049

While the basic wages earned by the cotton mill workers during 1956 were the same as those earned in the previous two years, the dearness allowance received was higher in all the States. This must be attributed to the marked rise in commodity prices, especially of foodgrains, which raised the cost of living in the urban areas. The all-India average general index of wholesale prices (base: year ended August 1939=100) during 1956 stood high at 403, as against 355 in 1954, or a rise of 13.5 per cent. The rise in prices was in marked evidence in the case of foodgrains—the principal constituent in the workers' family budget—the average for the year being 373, as against 305, representing a rise of 22.3 per cent. Following the increase in commodity prices, the all-India consumer price index number (base: 1949=100) for working class moved up, the average for the year being 105, as against 96 a year before. The following table gives the minimum wages and dearness allowance in the cotton mill industry for a standard month of 26 working days in the past two years:

	Minimum basic wages during 1955 and 1956	Dearness allowance (average)	
		1956	1955
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bombay	30 0 0	68 12 4	64 12 11
Ahmedabad	28 0 0	63 15 0	54 11 4
Sholapur	26 0 0	57 10 10	40 15 9
Baroda	26 0 0	57 6 0	49 6 9
Nagpur	26 0 0	46 13 9	40 2 10
Madras	26 0 0	47 12 0	41 7 3
Kanpur	30 0 0	51 12 3	43 5 5
W. Bengal	20 2 5	30 0 0	30 0 0

A disquieting trend in the cotton mill economy during 1956 was the distinct setback in the average production per worker in contrast to the improvement noted in the previous year. The average output of yarn per worker, for instance, was 2,071 lbs., as against 2,144 lbs. in 1955 and 2,111 lbs. in 1954. The average per-worker output of cloth was also lower at 6,577 yards, which compares unfavourably with 6,720 yards and 6,745 yards in the two preceding years, respectively.

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During the year under review, absenteeism—that is, percentage of man-shifts lost to man-shifts scheduled to work—was comparatively more in Coimbatore, Madurai, Sholapur and Bombay; it was 11.4, 13.0, 18.4 and 8.3, as against 9.9, 12.2, 18.0, 8.2, respectively. Absenteeism was, however, less in Kanpur, being 11.1, as against 12.8. It was also less at 6.5 (6.8) in Ahmedabad and 6.2 (6.6) in Madras.

WOOL TEXTILES IN U.K.

The export record of U.K. wool textiles is one of which any industry could be proud, claims the annual report of the National Wool Textile Export Corporation. Using sterling area raw material, the industry has earned more North American dollars than any other U.K. industry since the war, the earnings in 1956 being $112,709 million, as compared with $108,030 million in 1955. The report says: "There would be no dollar problems for the sterling area, if more U.K. industries were capable of supplying as large a share of the consumption of their product in the U.S.A. and Canada as is done by the U.K. wool textile industry." According to it, 4 per cent. of the wool cloth consumed in the U.S.A. and 40 per cent. of that consumed in Canada is supplied by the U.K. Monetary values are an unreliable criterion by which to judge the success of the manufacturing section of the industry—as increased or decreased activity may be marked by rises and falls in the world price of wool. In terms of volume, the total exports of wool tops from the U.K. increased between 1938 and 1956 from 32.5 million lbs. to 81.5 million lbs. and, while wool yarn exports declined from 34.7 million lbs. to 28.9 million lbs., exports of wool tissues increased from 95.8 million sq. yards to 109.9 million sq. yards. In this connection, the report observes:

"It is well that these successes should be recorded, as there is a disposition among some economic writers and theorists to lump the export record of the wool textile industry with that of other less successful textile industries and to describe the textile industry as uncompetitive and its position as bad and likely to get worse. The moral would seem to be that we should lose no opportunity of publicising our record of success. If the industry is to enter the common European market, as now seems likely, we cannot afford any such handicaps as loss of morale at home or loss of prestige abroad, which unfavourable publicity may engender."

In view of the importance of wool textiles exports, attention is focussed on expanding research facilities in the industry. A new three-storey block to hold the topmaking and worsted spinning sections is to be built by the Wool Industries Research Association at Torridon, Leeds (U.K.). This was announced at the annual meeting of the Association recently. The other research departments will benefit by the release of space in the existing buildings.

The Chairman, Mr. John Foster Beaver, reported the success of negotiations with the Department of Scientific and Industrial Research for financial assistance. While the Association can receive the same Government support as heretofore, the industry will have to raise more money per year in order to obtain it. In the first two years of the new five-year period, the industry must raise £140,000 per annum to obtain a total grant of £70,000, but, in the succeeding three years, the industry must raise £170,000 per annum to obtain the grant of £70,000. The industry much appreciates this valuable help from the Department and, on the recommendation of the Wool Textile Research Council, the Wool Textile Delegation is taking steps to secure an increase in the statutory levy on the industry for purposes of research.

BASIC WAGES FOR COTTON GINNING MILL WORKERS

The Government of Bombay has fixed minimum rates of wages for employees in the cotton ginning and cotton pressing factories in the Saurashtra area of Bombay State. The rates are fixed after considering the advice of the Committee appointed for the purpose by the former Saurashtra Government. For fixation of rates, the area is divided into three zones and the rates, which will come into effect from 1st July, are payable on monthly basis.

The areas covered by each zone are: *Zone I*—The cities and towns of Rajkot, Bhavnagar, Jamnagar, Junagadh, Morvi, Veraval, Surendranagar, Porbandar, Joravarnagar and Wardhwan. *Zone II*—The cities and towns of Limbdi, Savarkundla, Una, Khambhalia, Botad, Upleta, Mahuva, Dhoraji, Palitana, Wankaner, Dhrangadhra, Gondal, Halvad, Keshod and Lathi. *Zone III*—All other areas not included in Zones I and II.

The rates of wages for skilled workers like engineers, engine drivers, fitters, boiler attendants, cobblers, carpenters, blacksmiths, valvemen and opener men are Rs. 63.50 in Zone I, Rs. 55.50 in Zone II and Rs. 47.50 in Zone III. Semi-skilled workers and firemen, roll cutters, oilmen, number makers, finisher men, toliwala *mukadams*, *mukadams*, and *labadias* will receive Rs. 50.50, Rs. 48.50 and Rs. 41.50, respectively.

Separate rates are fixed for unskilled light work and unskilled heavy work. The rates of wages for workers of the first category are Rs. 33.25, Rs. 29.25, and Rs. 27.50, respectively, in the three zones. The corresponding rates for workers of the second category are Rs. 46.25, Rs. 42.25 and Rs. 39. The rates are all-inclusive, that is, basic rate, cost of living allowance and cash value of concessions, if any. The minimum rate payable to a child is 50 per cent. and to an apprentice 75 per cent. of the minimum rates of wages fixed for an unskilled employee.

PROFOUND CHANGES IN COTTON INDUSTRY

BREAK FROM TRADITIONAL ATTITUDE TOWARDS SCIENTIFIC OUTLOOK

From A Special Correspondent

MANCHESTER, *7th May*

MANCHESTER LETTER

A NEW era in the Lancashire cotton industry with mills and workers making full use of the latest scientific developments, was forecast by Mr. William Roberts, President, the United Textile Factory Workers' Association at the annual conference at Morecambe. He said: "Profound changes are taking place in all sections of the industry by the adoption of improved methods of working, the extension of research facilities, and the installation of the latest types of machinery, equipment and electronic devices."

Addressing delegates representing 250,000 workers, Mr. Roberts urged people who believed the industry to be a long way behind the times to "get rid of their prejudices, based on stories which have been grossly exaggerated, and bring themselves up to date. The industry is not backward in accepting the challenge of our competitors who seek to enter our overseas markets. There have been remarkable changes in its structure, organisation and techniques within recent years, resulting in a breakaway from the traditional attitude towards a more scientific outlook."

Because of this new and scientific approach, there arose a need for wider and more advanced knowledge and a higher technological education. Something was being done about this and the announcement by the Cotton Board of a scholarship scheme offered splendid opportunities for advancement to interested and resolute young people.

Adverse Publicity

Mr. Roberts said that adverse publicity had driven young people with high intelligence and ability to seek places in newer industries. The scholarship scheme was another indication of the industry's belief in its ability to survive its many difficulties.

On the European Free Trade Area he said: "It is doubtful whether the provisions of the recent measure passed by Parliament is sufficient safeguard for our industry. There is a special need to pay regard to the matter of taxation. Our industry should be in a position of being able to compete on equal terms. This country is in a very much worse position than that of our competitors in Europe in that respect, also in respect of the permitted rate of depreciation."

Factories Move to Britain?

The setting up of more American factories in North-West Britain has been forecast by Mr. G. S. F. Ritson, Director of the Lancashire and Merseyside Industrial Development Association. Back from talks with bankers and industrialists in New York, Chicago and Philadelphia, he said in Manchester that U.S. interest in overseas investment had been quickened by the plans for a European Free Trade Area.

"I have come back more optimistic than on any previous trip," he said. A number of American firms producing machine tools, chemicals and ladies' clothing had promised to make a decision shortly. There was a tendency to wait and see how the European Free Trade Area developed, but the Americans were definitely interested, because they knew they would be outside the market unless they invested and set up factories in Europe. "We are hoping to get them to Lancashire," said Mr. Ritson.

The Development Association would emphasise the opportunities in North-East Lancashire for American firms, but, if a firm insisted on going elsewhere in the North-West, co-operation would still be given.

Slow Futures Trading

When the Liverpool cotton market was resuscitated three years ago, there were high hopes that the facilities which had been for so long denied to the trade would bring back the opportunities for hedging and provide a firmer basis on which to conduct business in the industry's raw material. There have been occasions when activity has quickened in the futures market, but, throughout most of this intervening period, trading has been dull and the turnover has been within narrow confines.

The market, throughout its revived existence, has been beset by problems which were not in evidence before the war and improvisation has been necessary to meet the changing circumstances of international trade. World events and the action of the authorities in several of the chief cotton-producing countries have frequently acted as a brake on activity, so that many traders are now disillusioned as to the outlook for this type of trading.

A survey of current conditions and the background leading up to them has been given in a recent issue of the *Economist*, which paints a gloomy picture but one not entirely without hope for the future. Describing "the very different world" in which the various futures markets had to restart operations after the war, the article observes: "Consumers, for so long corseted by official supply departments, had forgotten the art of buying and selling; many preferred fixed prices. The merchanting community had declined in numbers and substance; its capital had been eroded by inflation. The freedom of the markets was circumscribed by exchange restrictions and other forms of official interference with the marketing of commodities."

Dealing with the cotton situation, the writer admits that the new American selling programme has been successful within its limits, but declares that it has wrecked the mechanism of futures markets. As a result, the New York Cotton Exchange has been turned into a purely domestic market and the link between New York and Liverpool has snapped. Because American cotton export prices now have a minimum level, spinners on this side have little incentive to hedge their purchases.

Once again, the small man may be hit hardest by this development. The resources of the larger combines give them facilities for operating on their own account, and to some extent ignoring futures trading. The independent units, on the other hand, tend to suffer from the lack of adequate facilities for covering their transactions.

The writer in the *Economist* contends that the authorities in some markets have not done all they can to attract custom. This charge can scarcely be laid against the Liverpool Cotton Association which has introduced several fresh features and experimented with new contracts in an effort to provide an adequate service for the trade.

Disposal Plans Succeed

With little more than three months to go before the end of the current season, exports of raw cotton from the United States have forged ahead to such an enormous extent that they already exceed 6,275,000 bales, as compared with less than 1,500,000 bales in the same period last year. As a result, stocks held in America are expected to be some 3,000,000 bales lower at the end of this season, as compared with the 14,500,000 bales held a year previously.

This complete reversal of the situation which has existed for the past two or three years stems directly from the system of competitive bids introduced as a basis for disposal of cotton surpluses by the American Department of Agriculture. Officials of the Department are visiting European centres at the moment and have lately been discussing consumption prospects in Lancashire with local trade leaders.

The increased demand for cotton goods, which was so marked before the turn of the year, brought a larger movement of supplies of raw cotton and the subsequent maintenance of output in the mills has continued this trend. Stocks in distributing centres in Liverpool and Manchester have been built up to a higher level than has been the case for several years past and little difficulty should be encountered in securing supplies, should the pressure for finished goods remain on its current scale.

It is too early yet to assess the probable American crop for next season; the situation this year is still further complicated by the effect of the soil bank programme on the area to be harvested. It is reported that more than 3,000,000 acres have withdrawn from production under the programme, which would leave the acreage at around 14,500,000 and result in a crop of some 12,000,000 bales. Estimates of this kind, however, are subject to many imponderable factors such as the extent of good farming land withdrawn from cultivation and the high yields which one obtained from the remainder, coupled with more intensive harvesting methods.—*All Rights Reserved.*

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MILL CONSUMPTION OF RAW COTTON

NEW RECORD IN PROSPECT

FIGURES relating to mill consumption of cotton during the first six months of the current season, that is, from 1st September 1956 to 28th February last, would appear to justify the general expectation that the offtake of raw cotton by mills during the season would reach a new peak. Consumption of Indian cotton during the period aggregated 2,324,414 bales (of 392 lbs. net), as against 2,221,013 bales during the same period last season and that of foreign cotton aggregated 292,297 bales as compared with 287,444 bales in the corresponding period of the 1955-56 season. If this trend were to continue for the rest of the season, consumption would reach roughly 5,233,422 bales, comprising 4,648,828 bales of Indian and 584,594 bales of foreign cotton. This compares with 4,968,707 bales used up by mills during the 1955-56 season of which 4,365,456 were Indian and 603,251 bales imported cotton. It is probable that the rate of consumption of foreign cotton during the rest of the season may be accelerated as the import of cotton from the soft currency areas and the U.S.A. permitted under the various import quota announcements gets speeded up. Foreign cotton may, therefore, account for a larger share of the total quantity consumed during the season than has been estimated above on the basis of the figures for the first half of the season.

An examination of the State-wise consumption of raw cotton shows that Bombay State, accounting for 1,119,551 bales of Indian and 236,440 bales of foreign cotton, continues to be the premier cotton-consuming State of the Union, followed by Madras, Uttar Pradesh, Madhya Pradesh, and West Bengal. The following table gives the State-wise consumption of cotton during the period:

States	1-9-1956 to 28-2-1957		
	Indian	Foreign	Total
Bombay—			
Bombay Island	574,462	88,266	662,728
Ahmedabad	243,357	110,784	354,041
Bombay remainder	301,832	37,390	339,222
Total	1,119,551	236,440	1,355,991
Madhya Pradesh	165,813	72	165,885
Rajasthan	55,768	..	55 768
Punjab	36,396	..	36,396
Uttar Pradesh—			
Kanpur	151,786	492	152,278
U.P. remainder	44,043	110	44,153
Total U.P.	195,829	602	196,431
Delhi	85,599	2,006	87,605
West Bengal—			
Calcutta	49,858	537	50,395
W. Bengal remainder	51,647	6,606	58,253
Total W. Bengal	101,505	7,143	108,648
Bihar	1,771	..	1,771
Orissa	16,392	445	16,837
Andhra	41,099	45	41,144
Madras	367,693	39,793	407,486
Mysore	88,470	5,191	93,661
Kerala	33,311	560	33,871
Pondicherry	14,717	..	14,717
Grand Total	2,324,414	292,297	2,616,711

As regards the principal varieties of Indian cotton utilised by mills during the period under review, it may be noted that, as usual, Jarillas, including Virnar, Malvi, and Verum, top the list, accounting for 620,440 bales, followed by Punjab Americans 216F and 320F aggregating 301,574 bales while Broach Vijay, rating as third, accounting for 234,405 bales. During the corresponding period of the previous season Indian mills consumed 525,594 bales of Jarillas, 290,795 bales of 216F and 320F and 241,078 bales of Broach Vijay. The fall in the latter variety was mainly due to the scarcity of supply. Certain other important varieties of cotton consumed by mills during the period were: Laxmi (in bales) 106,186; Jayadhar 101,436; Surti Vijalpa (including Suyog) 122,611; Madras Cambodia 100,528; Kalyan 114,709; Dhollerahs 75,089; Bengal *Deshi* 70,535.

As will be seen from the table below, there has been a sharp fall in the mill offtake of Egyptian cotton. This may be attributed to the fact that this cotton was not attractive price-wise to Indian mills. Now that the India-Egyptian trade agreement involving about 20,000 bales of cotton has been signed, mills may increasingly take to Egyptian cotton. Indian mills have absorbed more U.S. cotton in the current season than in the comparable period of the previous one and the chances are of a definitely marked rise in consumption during the rest of the season. But it may also be observed that mills are reluctant to resort to U.S. cotton as easily as they do East Africans or Egyptians with which they are more accustomed.

Among the varieties of foreign cotton consumed by mills, the most important were East African, Egyptian, U.S. and Sudan growths the share of each being 188,991, 56,926, 56,549 and 49,385 bales respectively. The following table gives the variety-wise breakdown of foreign cotton consumed during the period:

Variety	September-February	
	1956-57	1955-56
Egyptian—		
Ashmouni	2,298	495
Giza 30 and 31	16,573	35,332
Karnak	29,382	50,255
Menoufi	7,840	4,338
Others	433	317
Total	56,926	90,737
Peruvian	5,642	3,152
Sudan Egyptian	47,829	56,635
Sudan American	1,556	1,769
East African	118,991	114,359
Russian	177	502
U.S. growths	56,549	17,113
Mexican	265	134
Belgian Congo	1,208	453
Other foreign styles	3,154	2,444
Grand Total	292,297	287,444

Stocks of Indian cotton as at 28th February 1957 were 1,151,853 bales and their period of availability is estimated at three months. Stock held on the corresponding date (29th February) of the previous season were 1,187,986 bales. Foreign cotton held in stocks on 28th February aggregated 182,316 bales, as against 174,625 bales held on the corresponding date (29th February) of the previous season. These are expected to be sufficient for 3¾ months. The approximate period of availability of stocks at the current rate of consumption of all kinds of cotton held by mills is estimated at 3½ months.

Some conclusions may be drawn from this analysis. If the current trends were to be maintained for the rest of the season, it is quite likely that consumption of Indian cotton may exceed, or at least be equal to, 4.6 million bales. The rising trend in consumption in the wake of continuously falling crop estimates points to a very tight supply position for the rest of the season. Although earlier in the season a commercial crop of 5.4 million bales was thought to be within the limits of probability, subsequent estimates were progressively lower. The latest crop ideas centre round 4.75 million bales, of which the shares of different States are estimated as follows (in bales): Bombay 2,525,000; Punjab 780,000; Madhya Pradesh 410,000; Mysore

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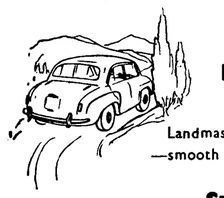

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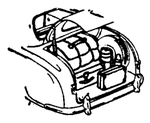

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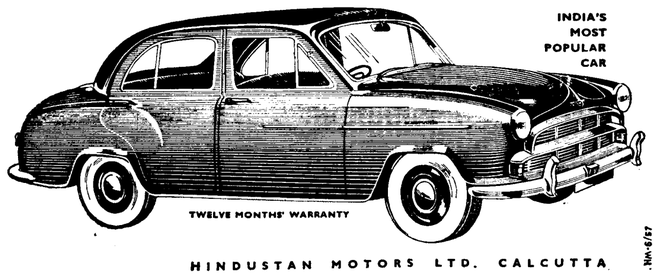

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ANNUAL FREIGHT BILL FOR INDIA'S OVERSEAS TRADES

STOP THE DRAIN AND SAVE FOREIGN EXCHANGE

By M. A. Master

STATISTICS regarding the deadweight tons of cargo carried by ships of all flags in the coastal and overseas trades of India and the amount of freight paid thereon have always been matters of great interest to the country. The payment of over Rs. 103 crores by way of freight to foreign flags, for the imports of foodgrains alone between 1946 and 1951, developed a very living and lively interest in the problem of India's annual freight bill. Questions have been raised again and again from 1953 onwards in the Lok Sabha in regard to the various aspects of this problem, but the Government have not been able to supply the members with either full or accurate information. This question was raised once again in the Lok Sabha on the 28th March this year. The only answer that was given was that the information was being collected and would be placed on the table of the House. We are afraid, the promised information would not be forthcoming, as steps have not been taken for collecting particulars in regard to the freight bill of this country.

The Government of India have, as a member of the United Nations, accepted the obligation to furnish to that organisation statistics regarding goods unloaded in coastwise traffic and goods loaded and unloaded in international seaborne traffic. Moreover, members of the International Monetary Fund are under an obligation to collect statistics regarding the freight in regard to transportation account by sea, which they have to submit to the Monetary Fund in regard to the country's balance of payment. We do not, however, know how and to what extent India has been fulfilling her international obligations in this matter.

It is well known that the recommendations made by the Ports and Shipping Statistics Committee, in connection with these vital obligations and other essential needs, were fully endorsed by the Government. It is, however, significant that the Estimates Committee, in their 48th report presented to Parliament in February 1957, were compelled to make the following observation in regard to the lack of vital statistics in this country. They have observed:

"The scant attention paid to the implementation of the various recommendations of the Ports and Shipping Statistics Committee seems to indicate that the importance of having a well-knit organisation for collecting and compiling various ports and shipping statistics has not been fully realised by the Ministry of Transport. The Committee suggest that, in view of the abnormal delay that has already occurred, high priority should be given to the implementation of the various recommendations of the report referred to."

Let us, therefore, cherish the hope that the strong appeal made by the Estimates Committee, consisting of 30 members of Parliament, will find an early and effective response from the Ministry of Transport.

Matter of Serious Concern

The foreign exchange resources of the country have become today a question of topical interest and a matter of serious concern. It is recognised that national shipping makes a substantial contribution to the foreign exchange pool of the country. Moreover, Government themselves have become the one largest importer of goods in India. Although no accurate statistics of the volume of goods imported by the Central and State Governments, year after year, and the total amount of freight paid thereon are available, the Government informed a member of Parliament, in July 1954, that 91 lakhs deadweight tons of cargo in 1951 and 61 lakhs deadweight tons in 1952 were imported into India on account of the Central and State Governments. Over Rs. 80 crores were paid by way of freight on these imports in 1951 and over Rs. 57 crores in 1952. The Government have, however, cautioned the member that the figures required further verification.

During the second Plan period, the imports on account of the Central and State Governments and the corporations and undertakings sponsored by them will witness a still greater rise. The additional imports—that is, imports in addition to the normal trade—in terms of the specific commodities such as imports of steel, cement and foodgrains and of the planned increase in exports of ores—the Estimates Committee were advised, as stated in their 48th report would come to "six million tons of imports and exports" and that that figure was expected to be reached in the year 1958. It will, therefore, be realised that the Government alone will have to find crores of rupees year after year, by way of foreign exchange, for paying the freight bill on their imports. The time has, therefore, come to ascertain definitely the annual toll, which India has to pay, by way of freight, to ships of foreign flags and what effective steps could and should be taken to save this continuous large drain on our exchange resources by the acquisition of additional tonnage for building up the merchant navy of India.

Had we got the tonnage of the commodities imported and exported and had we got the particulars of the countries to which they were carried or from which they were brought, it would not have been difficult to make as accurate an estimate as possible of India's annual freight bill. We have got no such statistics in this country. Important maritime countries do maintain statistics commodity-countrywise and country-commoditywise. Moreover, the Ministry of Transportation in Japan issues a White Paper giving separately the particulars of the tonnage of goods carried by national and foreign ships in the overseas trade of Japan and the earnings of Japanese ships both in the overseas as well as cross trades. We do not maintain such statistics.

Collection of Information

The Director-General of Shipping has been collecting information in regard to the freight earned by Indian shipping companies in the overseas trade of India. No such particulars are collected by him from foreign shipping companies. Calling upon foreign ships to furnish information in regard to the freight earned and amounts disbursed by them in the country is in accordance with international practice. For instance, the Government of the United States of America has made it obligatory on all foreign vessels to submit to them information in regard to the weight of the imports which the foreign ships bring to America and the amounts of freight paid or payable thereon. Similar information is also called forth so far as the exports carried and the freight earned thereon by foreign ships are concerned. In the case of exports, the disclosure of the information has not been made compulsory. Disclosure of such information regarding the carriage of exports and the freight earned thereon has been made compulsory by the Government of New Zealand.

We understand that, in order to enable India to discharge her obligation to the Monetary Fund, the Reserve Bank of India has been collecting information on a consolidated basis from foreign flags in regard to the freight paid by India on the imports brought by them to this country. No such information is collected in regard to the exports carried by foreign ships. Further, the information collected by the Reserve Bank is strictly confidential.

Take Effective Steps

With a view to ascertaining India's annual freight bill and to draw lessons from those statistics as to how India's foreign exchange resources could be increased, we would earnestly urge the Government of India that they should take effective steps without any further delay for collecting, compiling and publishing information in regard to the total quantity in deadweight tons of India's imports and exports and the total amount of freight paid thereon in accordance with the recommendations of the Ports and Shipping Statistics Committee, which have already been approved by them. Till such information is available to the public, we can only base our estimates as regards the annual freight bill in the light of the actual statistics available and on the law of average. We propose to do so in the paragraphs that follow.

We have first to find out what the total deadweight tonnage of India's imports and exports in the international seaborne traffic is. Several ports give in their reports the tonnage in deadweight of the cargoes handled by them. There is, however, no publication which gives these particulars for the whole of India. We have tried to collect information under this head for the year 1955-56 from such reports as are available. Particulars in regard to the tonnage of imports and exports at different ports or groups of ports are shown in the following table:

(In tons)

	Imports	Exports	Total
	Tons	Tons	Tons
Calcutta	3,409,062	4,621,673	8,030,735
Vizag	228,406	1,094,648	1,323,054
Madras	1,833,874	627,737	2,461,611
Madras minor ports	329,949	329,913	659,862
Andhra minor ports	1,948	589,074	591,022
Tuticorin	267,913	309,502	577,415
Travancore ports other than Cochin	..	..	300,000*
Cochin	1,220,836	453,539	1,674,375
Marmagoa	..	..	1,700,000*
Bombay	6,707,173	3,598,626	10,305,799
Saurashtra ports other than Okha.	364,462	879,238	1,243,700
Okha	230,122	196,824	426,946
Ports in Kutch other than Kandla.	36,697	77,966	114,663
Kandla	205,390	102,512	307,902
Orissa ports and Bombay minor ports	..	..	1,100,000†
	..	..	30,817,084

* Estimated on the actual imports and exports in the year 1953-54.
† Based on the estimates of the total volume of imports and exports made by Mr. S. Nanjundiah in 1949-50.

From the figures given above, it will be noted that about 30.81 millions dw.t. of cargo were handled at the ports in India during the year 1955-56.

Adjustments

The above particulars include the carriage of all cargo both in the coastal as well as in the overseas trade. Cargo carried on the coast is, however, counted twice: once at the port of loading and again at the port of discharge. With a view, therefore, to arriving at the total tonnage carried in the overseas trade, we have to deduct the cargo carried on the coast from the total figure given above.

From such figures as have been given by the Government in the Lok Sabha, we find that the total quantity of dry cargo carried on the coast in 1955-56 by steamers came to 2.8 million dw.t. Similarly, dry cargo carried on the coast in the same year by sailing vessels came to 1.5 million dw.t. As regards the refined oil products carried on the coast during the same period by tankers, they came to 1,383,000 dw.t.

As stated above, as the coastal cargo is counted twice, we should multiply 5.683 million ×2. That will give us the figure of 11,366,000 dw.t. Deducting this tonnage of 11,366,000 from the total tonnage handled at all the ports of 30,817,084, the balance that will be left will be 19,451,084 dw.t. That is the total quantity of cargo carried in 1955-56 in the adjacent and the overseas trades of India.

As the rates of freight for the cargo carried in the adjacent trades are much lower than the rates at which cargoes are carried in the overseas trades, we consider it desirable that the quantum of cargo carried in the adjacent trades should be deducted from the figure of 19.45 million dw.t. From such figures as have been given from time to time by the Government in the Lok Sabha and in letters addressed to the members of Parliament, we can say that it would be fair to put down the tonnage of this cargo at 1.4 million dw.t. for the year 1955-56. Deducting this tonnage from 19.45 million tons, the balance left will be 18,051,084 dw.t. This is the tonnage which was carried in the international seaborne trade of India in 1955-56.

Overseas Trades

This tonnage may be divided again into two parts. The tonnage of dry cargo and the tonnage of crude oil and refined products.

So far as the imports of crude oil and other refined products are concerned, 3,755,902 dw.t. of these commodities were imported into Bombay in 1955-56. The position in regard, therefore, to the movement of cargo in the year 1955-56 will be as under:

	Dw.t.
(a) Dry cargo in the overseas trades	14,295,182
(b) Crude oil and other oils by tankers	3,755,902
(c) Adjacent trades	1,400,000
Total	19,451,084

We cannot apply one single rate for ascertaining the total amount of freight paid in connection with our overseas trades, as the rates of freight vary not only according to commodity to be carried but also for the two ports between which the same is carried. Further, the scales of rates on different routes also vary. The rates between India and the U.K./Continent and the U.S. will be, generally speaking, higher than the rates between India and Australia and India and the Far East. It is also to be remembered that the liners have got their own schedules of freight. Unless a definite change is made in the schedule, the same rates are being quoted from time to time. This is not the case with the chartered steamers.

(*Continued on page* 1008)

IMPROVEMENT OF SUGARCANE CULTURE

NEED FOR INTENSIFYING RESEARCH

A DISQUIETING trend in the Indian sugar economy has all along been that the progress in the secondary stage—that is, manufacture of white sugar—has not been accompanied by corresponding progress in the primary stage—that is, cultivation of sugarcane. In fact, the conditions obtaining in the agricultural sector of the sugar industry continue to be none too happy, the all-India averages for per-acre yield and recovery per cent. of sugar in cane being at a low level; they amount to not more than about 13 tons and 10 per cent., respectively. This is certainly unfortunate, especially considering that sugarcane is the most important cash crop in the country and the livelihood of several thousands of cultivators depends on it. It differs from other agricultural crops, in that it must be processed soon after leaving the growers' fields. Incidentally, it may be noted that about 51 per cent. of the cane production is converted into *gur*, 30 per cent. utilised for white sugar, and the rest is used for seed, chewing, fodder, etc. Viewed thus, it is, indeed, gratifying to note that the Indian Central Sugarcane Committee (I.C.S.C.) and the various research stations attached to it have done quite valuable research work in the different specialised aspects of the cane crop. An interesting review of the progress made in the implementation of research schemes is contained in the twelfth Annual Report of the I.C.S.C., that covering the season 1955-56.

The review reveals that sugarcane research has as its aim constant improvement in quantity and quality of crop produced per unit of land under varied sets of environmental conditions obtaining in the country. The fountain-head of cane varieties at Coimbatore maintains almost a constant stream of new releases, its breeding programme being geared to the needs of the crop. It aims at producing varieties combining high tonnage and juice quality, tolerances to adverse conditions of growth, and resistance to pests and diseases. Such veteran canes as Pundia and Vallai have been completely replaced by Co.419 which has truly come to be recognised as the wonder cane of the South with an acre-yield of 40-90 tons and a recovery per cent. of 13-16. Co.419 is claimed to be a variety *par excellence* in the entire Peninsular India and is now on its march to the North, covering a considerable part of the cane average in Orissa, West Bengal and Assam, as also in certain tracts in Bihar. Co. 312 and Co.421 have proved very successful in the sub-tropical belt of North India, while Co.L.9 is showing up well in the Punjab, and Co.S.109, Co.S.245, Co.S.321 and Co.S.416 in the U.P.

Manurial Practice

Manurial doses vary largely in the different parts of the country, a heavy nitrogenous dressing (300-450 lbs. per acre) being applied in Bombay, followed by 200-350 lbs. in Madras. Nitrogen doses in the sub-tropical North generally range from 120 lbs. to 200 lbs. under irrigated conditions and barely 100 lbs. under unirrigated conditions. The manurial practice of India has till recently consisted of the use of nitrogen alone, phosphatic applications being restricted to Bihar and parts of Bombay and Madras. The most notable cultural improvement has been the shift in the planting date so as to raise the growth span of the crop and thus step up tonnage and quality. Peninsular India has largely switched over to an *Adsali* (18 months) crop from the older practice of *Eksali* (12 months) plantings. Similarly, in North India, a rapid change-over to autumn planting is taking place. Means have also been devised for increasing production by other cultural methods such as reduction in distances between and within the rows of crop and adoption of a new procedure of stubble harvesting (digging the cane, instead of cutting it at the surface). Weed control by 2, 4-D and MCP has, likewise, been successfully effected. Much useful work on the water requirements of sugarcane under control conditions has also been done at the sugarcane research stations in Bombay, Andhra, Uttar Pradesh, Punjab and Bihar.

As regards cane chemistry, the hand retractometer is being used in the sugar industry with fruitful results. Among its important applications is mentioned the evaluation of juice quality in standing cane by retractometer survey for which a dependable procedure has been developed. This has enabled pre-determination of crushing schedule in succession of ripening, leading to a substantial enhancement in sugar recovery. The nature of *gur* and its formation have been elucidated in the light of physico-chemical theories. Special attention is paid to improving juice clarification, methods of storage, cane crushers and juice-boiling furnaces.

Studies of soil characteristics constitute a major item of cane research in the States of Bombay, Uttar Pradesh and Bihar. The Bombay work began with a classification of black cotton soils in the major canal tracts into twelve distinct types, followed by a rapid test survey of soil types and preparation of maps showing physical properties and nutrient status. In the U.P., classification of cane soils into three major types has been effected, along with further divison into lower category levels of texture and phase. In both the States, extensive crop-cutting and manurial experiments have been carried out on different soils for assessing their manurial requirements.

Sugarcane Entomology

Another field in which useful research work has been done relates to sugarcane entomology. The morphology and biology of various important pests have been worked out in detail in case of termites, the influence of climatic conditions on pest population exhaustively studied, and sampling technique evolved for estimating the incidence of borers, pyrilla, whitefly and mites. In the field of borer control, mechanical measures such as collection of egg masses and adults, cutting out dead hearts, killing of live larvæ by spindle thrust and early earthing are successful, as also biological control by trichogramma under limited conditions. The discovery of new insecticides has, however, for the time being at least, relegated these methods to the background, for the results of chemical control have been quite spectacular in the case of both whitefly and pyrilla where D.D.T., B.H.C. and Endrin have proved admirably successful, and less so in the case of borers where Endrin is showing some promise. Similarly, control of termites can be effectively secured by treatment of setts lying in furrows with Aldrin and Dieldrin, the protection afforded lasting over one year. Besides the above, a number of minor pests such as grasshoppers, 'hispa,' black bugs, army worms, thrips, aphids and mites prove amenable to chemical control with one or other of various insecticides, such as D.D.T., B.H.C., Aldrin and Dieldrin.

Red-rot is the principal disease of sugarcane in sub-tropical India. Two epiphytotics in the recent past have been associated with the appearance of a distinct strain. A certain amount of information has become available with regard to the growth and longevity of the pathogen; the physiology of the fungus has not received adequate attention so far. Wilt of sugarcane is a disease often occurring in association with red-rot and, under these conditions, it causes much greater damage to the crop than either of the diseases occurring alone. It has been possible to produce typical symptoms of wilt by soil inoculation in the vicinity of artificially injured roots and by growing healthy plants in infected soil. Smut disease is also important which has more than once necessitated large-scale control measures, consisting in the eradication of diseased clumps and replacement of the susceptible variety.

While the progress made in sugarcane research is thus notable, much still remains to be done, especially in so far as varietal growth is concerned. For variety is the pivot round which both sugarcane cultivation and sugar industry revolve. Emphasising this aspect, the Central Sugarcane Committee has urged that special attention must be paid to the need for evolving prolific varieties which possess a high degree of resistance to disease, test and frost and which are suitable to the different soils and climatic conditions in the various regions of the country. It has also urged further research work on the application of different nitrogenous fertilisers. It is felt desirable to employ phosphatic fertilisers, in order to maintain a correct balance in the soil and further to improve the juice quality in cane, apart from increasing its yields.

(Concluded from next column)

became a key problem for the Eastern German economy, with the result that even skilled shipbuilding workers had to be transferred to lignite mines. The fuel shortage was further accentuated by the stagnation of oil production in Rumania and the sharp decline in Hungary.

COAL OUTPUT IN EUROPE

MEAGRE RISE IN 1956

THE production of coal in Western Europe showed very little progress during 1956, according to the *Economic Survey of Europe* in 1956, prepared by the Economic Commission for Europe. Most of the major producing countries largely succeeded in maintaining the output at the 1955 level. Nevertheless, supplies were fully maintained, so that industrial activity might not suffer a setback. In Eastern Europe, however, the past year witnessed a general shortage of fuel, because the production fell short of the planned output.

The total output of coal in Western Europe during 1956 aggregated 516.0 million tons, as against 510.8 million tons in the previous year. The U.K., which accounts for more than half the output of Western Europe, produced 225.6 million tons, an increase of 0.4 million tons over the year. The aggregate rise in output of all Western European countries is mainly due to the rise of 4 per cent. in output of West Germany, that is, from 160.8 million tons to 166.1 million tons, the rate of expansion being greater than that noted in the preceding two years. In France, the third largest producer, the output fell from 56 million tons to 55.9 million tons. Though the decline was less pronounced than during the previous two years, the output was fully 5 per cent. below the target.

The following comparative table shows the production, imports and exports of coal by some of the main countries of Western Europe:

(In million tons)

Country	Production		Imports		Exports	
	1956	1955	1956	1955	1956	1955
U.K. ..	225.6	225.2	5.3	11.7	8.2	11.6
West Germany ..	166.1	160.8	19.4	16.4	12.5	13.1
France ..	55.9	56.0	13.3	7.5	2.4	6.7
Belgium-Luxembourg ..	29.5	30.0	4.8	3.7	5.1	7.6
Saar ..	17.1	17.3	0.8	0.8	4.4	6.1
Netherlands ..	12.1	12.0	9.0	8.1	1.1	1.2
Yugoslavia ..	6.1	5.8	1.4	1.0	..	..
Austria	2.2	2.2	4.4	4.2	..	..
Italy	1.2	1.3	10.9	10.4	..	..
Other countries ..	0.2	0.2	9.0	11.1	..	..
Total ..	516.0	510.8	78.3	74.9	33.7	45.3

The production of coal and lignite in Eastern Europe amounted to 223.3 million, an increase of no more than 2.5 per cent. over 1955, as against the increase of 5 per cent. planned. In Poland, the largest producer, the output, at 97.6 million tons, was higher by only 1 per cent. Eastern Germany's production rose by 2.5 per cent. to 60.3 million tons and that Czechoslovakia by 9.5 per cent. to 46.6 million tons.

The main obstacle to further expansion in Western Europe's coal production in 1956 was the difficulty in attracting mining labour, or even retaining it in some countries. Towards the end of the year, however, there was an improvement in the labour position in Western Germany and the U.K. The labour force in French coal mines continued to diminish during 1956, owing mainly to call-up for military service. In Belgium, there was an expansion in labour force during the early months of last year, on account of recruitment of foreign labour. During the spring and summer, however, there was a marked decline in foreign workers engaged in Belgian mines and, in spite of more successful recruitment efforts towards the end of 1956, the total labour force fell by 6 per cent. over the year as a whole.

The lack of progress in Western Europe's coal production during the past year did not constitute a serious bottleneck for industrial activity, but it raised the need for larger imports. With the exception of Western Germany, all the major producing countries had to cut back sharply their exports of coal. In the U.K., the decline in exports made possible a reduction of imports to 50 per cent. of the 1955 level. Elsewhere, imports went up, the increase being more marked in France, where apparent consumption rose by 14 per cent. during the year. The net effect of these changes was that Western Europe's imports of American coal rose to more than 1.5 times the 1955 level. None of the major producing countries, according to E.C.E., foresees any marked increase in coal output during the current year and any big increase in requirements of coal in order to replace oil will obviously have to be met through larger imports of American coal.

In Eastern Europe, exports of coal from Poland were cut back sharply, the effects of which were particularly felt in Eastern Germany. Two of the blast furnaces in Stalinstadt had to be closed for lack of Polish coke and the stepping up of domestic brown-coal production

(Continued in previous column)

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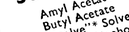
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STOCKS OF JUTE GOODS RISE SHARPLY

OUTPUT HIGHER—SHIPMENTS FALL

A sharp fall in shipments of jute goods during the month of April, in distinct contrast to the encouraging increase noted in the previous month, had led to the belief that there would be a heavy accumulation of manufactured goods at the end of the month. This expectation has come true and the month-end stocks with mills are higher by 7,300 tons, to stand at the highest level since October 1956.

The total shipments of jute goods during the month under review aggregated 53,025.2 tons, as against 80,953.6 tons in the previous month, to which level they had risen from 60,253.7 tons for February. The decline in shipments is shared by both hessian and sacking, as will be seen from the following table of gunny shipments (gross figures based on shipping bills presented):

(In tons)

	April, 1957	March, 1957	February, 1957	April, 1956
Hessian				
Bags	2,603.3	3,030.3	2,054.4	3,149.8
Cloth	22,844.0	32,415.7	27,761.0	28,379.7
Total ..	25,447.3	35,446.0	29,815.4	31,529.5
Sacking				
Bags	26,176.6	40,095.4	27,004.9	39,950.6
Cloth	1,401.3	5,412.2	3,433.4	1,734.7
Total ..	27,577.9	45,507.6	30,438.3	41,685.3

As already pointed out, the decline in shipments is duly reflected in an increase of 7,300 tons in stocks of jute goods with mills. This follows the fractional rise noted at the end of March. The bulk of the increase in stocks is accounted for by hessian which has gone up from 29,800 tons to 35,400 tons. This is the fourth month in succession when the stocks of hessian have maintained the upward trend, the aggregate rise since December 1956 being 15,700 tons; this has taken up the stocks to the highest level since July 1956. Stocks of sacking are higher by only 2,300 tons, but the rise is in distinct contrast to the fall of 5,100 tons noted at the close of March last. Despite the increase during the month under review, the stocks of sacking are lower than those a year ago by 4,500 tons. The stocks of "other manufactures" have, however, fallen by 600 tons, as against an increase of 800 tons in March. As compared with those a year ago, the stocks of "other manufactures" are up by 2,100 tons, as will be seen from the following table:

(In tons)

	As on 30th April, 1957	As on 31st Mar., 1957	As on 28th Feb., 1957	As on 30th April, 1956
Hessian	35,400	29,800	25,200	35,900
Sacking	58,800	56,500	61,600	63,300
Others	10,800	11,400	10,900	8,700
Total ..	105,000	97,700	97,400	107,900

The accumulation of stocks is also due in part to the rise in production during the month under review. The total output of goods in April amounted to 86,800 tons, as against 84,700 tons in the previous month, thus maintaining the upward trend for the second month in succession. The increase in production is shared by all classes of goods, though to a more marked extent by sacking, the output of which has gone up from 43,100 tons to 44,800 tons, the highest level since August 1956. The hessian output has risen by only 200 tons to 36,200 tons and other manufactures by a similar extent to 5,800 tons.

This is not the first time that stocks with jute mills show a sharp rise, for, as recently as in January last, they rose by 7,500 tons to 103,200 tons, from which level they declined to 97,400 tons at the end of February. But the fresh rise during the last two months has come at a time when mills are faced with the rising trend in raw jute prices and unremunerative prices for manufactured goods. This has led to the closure of some of the units in recent weeks. The Lakshmi Mills and the Victoria Jute Products, for instance, ceased to work a few weeks ago. This was followed by the Standard Jute Mills, which was shut down from the 4th instant, on account of the loss suffered during the past 18 months. In the case of the last mentioned mill, however, the loom hours were "sold" to the Kinnison Jute Company, another mill in the same group. But the trouble has not ended there. For the Kinnison Jute had to declare a lock-out on Wednesday last week, involving 5,000 employees, following the refusal of workers to accept re-allocation of jobs, as a result of which the manufacturing process was completely dislocated.

Meanwhile, the Labour Department of the West Bengal Government has decided to ask the managements of jute mills for details of their rationalisation plans and for their estimates of the effect rationalisation will have on employment in the mills. This action has been prompted by the Governments desire to get a clearer picture of the current employment position in the mills as opposed to the position after rationalisation.

PLANS FOR 50-LB. BURLAP FEED BAG

Plans for the introduction of 50-lb. burlap feed bags in the U.S. market were announced at the Open Industry meeting of the National Burlap Bag Dealers Association's 24th annual convention held in New York recently. The 50-lb. feed bag, it was emphasised, would find favour in the industry leading to a substantial increase in American consumption of burlap, as not all feed manufacturers were satisfied with the bulk method of shipment.

Speeches delivered at the convention generally carried an undertone of cautious optimism. The growth of the return bag programmes and the adoption of the 50-lb. burlap potato bag were credited with being the major factors in limiting a wider use of bulk shipping and substitute packaging methods. Use of the new potato bag last year increased 18.6 per cent. over 1955.

Mr. G. J. Gardner, North American representative of the Indian Jute Mills Association, stated that prospects for increased Argentine purchases of burlap were good, since the indications were that there would be little burlap on hand by the end of the year. Consumers, he added, need fear no runaway prices for burlap should consumption increase, since the Indian mills, in an effort to keep burlap prices at competitive levels, were prepared to unseal additional looms and increase production, if this were merited by the demand.

John C. Daly, Vice-President of Stein, Hall & Co., Inc., New York, sounded a cautious note, pointing out that the 6.3 per cent. increase in burlap consumption in the United States last year "left much to be desired" in the light of the record-breaking rise in industrial expansion and gross national productivity. He suggested that the Indian mills should appropriate additional funds to the Burlap Council in New York, in order that it might better fulfil its mission.

MODERNISATION OF FRENCH JUTE INDUSTRY

Stabilisation of the French jute industry is the objective of the third phase of the modernisation plan drawn up by a working party of experts for the period 1957-61, reports the *Jute Bulletin* of the Indian Central Jute Committee. The plan, involving a capital investment of 43,000 million francs, aims at complete modernisation of the existing plants for stepping up output and reducing costs. Total production on fulfilment of the programme in 1961 would come to 100,000 tons of yarn and 75,000 tons of cloth. Expansion of capacity is ruled out, in view of increased competition from India and Pakistan.

Domestic consumption of jute cloth and sacks during 1961 has been estimated at 51,000 tons and that of yarn at 76,000 tons, as compared with 49,400 tons and 68,500 tons, respectively, in 1954. Estimates for 1961 are framed on the basis of a rise of 3 per cent. in the case of jute cloth and sacks and an increase of 11 per cent. in the case of yarns over the actuals for 1954.

Exports in 1961 are expected to be maintained at the 1954 level—34 per cent. of total output (21 per cent. to markets within the franc area and 13 per cent. to foreign countries).

The French industry accounts for 20 per cent. of European jute output and ranks second to the U.K. This position is likely to be maintained in 1961.

(*Concluded from next column*)

of Brazil's holdings may be inferior coffee which may prove difficult to sell. The supply of good quality coffee from Brazil may continue to be tight until the new crop becomes available in July or August. But the growing conditions are said to be good so far and the general expectation is that the weather will be fine in the next few months when the crop will be harvested.

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COFFEE CROP SETS NEW RECORD

LARGE EXPORTABLE SURPLUS

IT may sound anomalous, but it is true, that the coffee industry in India is faced with the problem of marketing surplus production and is at the same time vigorously pursuing a development plan for further raising coffee production. The problem of disposing of surplus is a short-range one and is the result of two factors, namely, the declining trend of prices in export sales, prices having progressively fallen from January 1957, and the bumper crop for this year. The problem would have, perhaps, been of smaller magnitude, if the authorities had anticipated the crop more efficiently or at least placed some reliance on the crop estimates of experienced planters. Had they done so, they would have allowed a larger quantity of coffee for export at a time when the world market was favourable. Thus, owing to a miscalculation on the part of the Coffee Board, the country has lost the opportunity of earning more foreign exchange through the export of this beverage.

The latest revised estimates of the 1956-57 crop, according to the Marketing Committee, puts it a record high of 40,425 tons (as against the previous estimates of 38,000 tons) made up of 27,785 tons of arabica and 12,640 tons of robusta. It may be noted here that several months ago private estimates of the crop were of the order of 40,000 tons, but the Coffee Board would not accept this figure. Be that as it may, out of this crop, the receipts into the pool up to the end of April 1957, amounted to 39,515 tons (21,677 tons of plantation, 6,539 tons of arabica cherry and 11,299 tons of robusta). Most of the robusta has come into the pool and further receipts may not be appreciable. A quantity of 25,172 tons has been cured out of the 1956-57 crop receipts, of which 8,115 tons have been released for exports and internal market, 600 tons are earmarked for monsoon curing, 1,368 tons have been shipped inland and 52 tons are in transit, 5,300 tons will be left on the coast for post-monsoon curing.

The total quantity of coffee released for internal consumption through various channels during the four months ended April 1957 amounted to 8,316 tons, the releases during April alone accounting for 2,191 tons. As for exports, the total quantity sold up to the end of last month was 5,383 tons of plantation and 85 tons of arabica cherry. The prices realised continued to be low. Negotiations have been finalised for sale of 725 tons of plantation coffee to the U.S.S.R.

In its previous *News Letter*, the Coffee Board had reported that the stocks available for export sales were plenty, but the time available before the break of the monsoon to complete the programme was not sufficient. This surplus has since grown further, with a further increase in crop estimates. On the basis of the figure for the first quarter of the current year, the internal consumption runs at an annual rate of about 25,000 tons, so that the surplus available is over 15,000 tons. As against this, only about 5,500 tons have been sold for export.

Although coffee prices abroad appear to be steady at present, a fresh threat to the price level is being held out by the prospect of the large unsold stocks of Mexican coffee being released for sale in world markets. There had been considerable uncertainty till recently about the export policy of Mexico and Salvador, but these doubts have been cleared with the two countries agreeing to abandon altogether their minimum export price agreement. This means that Mexico is now free to clear its unsold stocks, estimated at 500,000 bags or one-third of the total crop, most of which, it is stated, it will be able to sell in the next six or seven weeks.

While the stocks of Mexican coffee constitute, for the time being, a threat to prices, there is also a prospect of prices being kept up, if Columbia is able to hold on to its stocks till the market is again stronger. It is stated that it will be able to do so, with its extensive storage facilities. The coffee growers' organisation in Columbia is said to be buying up already new crop from the producers.

As regards Brazilian coffee, prices are steady now, but, in this case also, there is a likelihood of prices coming down. As at the end of March, the stocks in Brazil aggregated 6 million bags, about half of which was of poor quality. In the second quarter of the current year, two million bags are scheduled to be shipped, so that at the end of June about 75 per cent.

(*Continued in previous column*)

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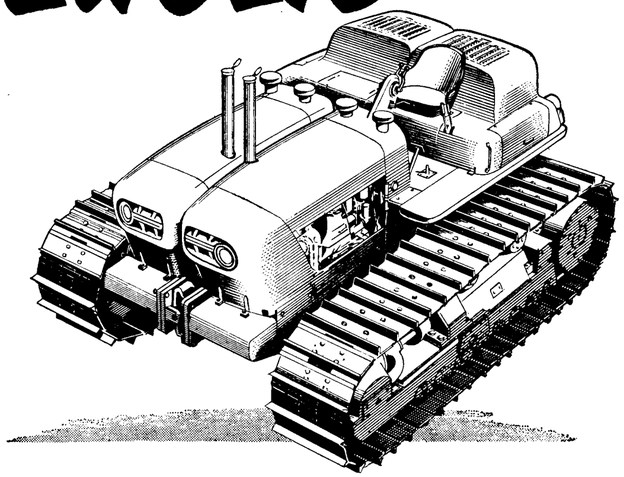

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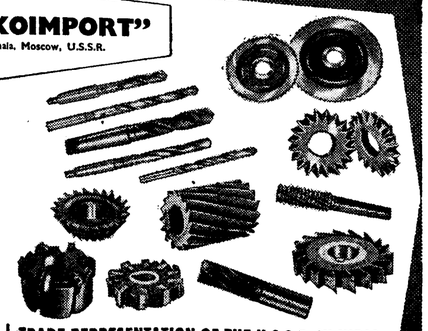

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NU-61

INQUIRY INTO MAHBUBNAGAR RAIL DISASTER

GOVERNMENT REJECTS COMMISSION'S FINDING

THE Government of India has rejected the main findings of the Commission of Inquiry, consisting of Mr. S. T. Desai, Judge of the Bombay High Court, which, in its report on the train disaster in Mahbubnagar, Hyderabad, in September last, held that the "Central Railway administration and its senior engineering officials are responsible for the failure to provide a bridge opening, adequate for discharging the flood resulting from a rainfall of two to two-and-a-half inches per hour." Disagreeing with the findings of the Commission, the Government of India, in a resolution, published last week-end, avers that "no responsibility attaches to the Central Railway administration or its senior engineering officials in not having selected the bridge (bridge No. 229) for an increase of waterway."

It may be recalled that, on 1st September 1956, the Secunderabad-Dronachalam passenger train crashed on bridge No. 229 near Mahbubnagar, resulting in an estimated loss of over 120 lives. A Commission of Inquiry, with Mr. S. T. Desai as the sole member, was set up in December 1956. Mr. N. K. Mitra, Retired Chief Engineer, Indian Railways, and Mr. K. L. Rao, Member (Design and Research, Central Water and Power Commission) were appointed assessors to assist and advise the Commission. The accident gave rise to considerable misgivings in the public mind, especially as it had been preceded by another accident in Jangaon in the former Hyderabad State. Further, the Mahbubnagar accident was soon followed by the much greater Ariyalur rail disaster which claimed a loss of about 150 lives. In the course of a debate in Parliament, in the first week of December 1956, members strongly criticised the Railway administration, contending that, if it had "woken up" after the Jangaon incident, the Mahbubnagar and Ariyalur train disasters could have been averted. Speaking on behalf of the Government, the then Deputy Minister for Railways and Transport, Mr. O. V. Alagesan gave the assurance that the authorities would undertake more frequent inspection of bridges and track.

To revert to the official resolution on the Commission's report, the Government observes that the technical assessment and the conclusion reached by the Commission differ from those of the inspector. The two assessors of the Commission, the Government says, have also expressed divergent views. The resolution adds: "Such lack of agreement on issues which are essentially of a technical nature has necessitated a reappraisal of the facts of the case by the Government."

Technical Issue

On the technical issue as to how much rainfall fell in the catchment area of the bridge in question near Mahbubnagar on the night of the accident, there is again a divergence of views. The Government Inspector of Railways has assessed the intensity of rainfall as four inches per hour, whereas the Commission's estimate is two to two-and-half inches per hour. The estimate, says the Government resolution, "is at best a guess in the absence of a continuous self-recording rain gauge in the area which alone could enable a reliable estimate of the intensity of rainfall." The Commission, in its report, has dwelt at some length on the technical issue relating to the adequacy or otherwise of the ventway (opening) of the bridge near which the accident occurred and has reached the conclusion that the ventway was "inadequate." The Government's resolution maintains that the bridge had been constructed and the ventway provided according to the well recognised practice in the area.

The propriety of this practice, according to the resolution, was confirmed by the evidence of all engineers working in the area, including the opinion of Mr. Thirumalai Iyengar, Chief Engineer of the Hirakud Dam project, in his reply to the Commission's questionnaire. "It is unfortunate," the Government says, "that this expert opinion, based upon 30 years' experience in that part of the country, was not taken into consideration by the Commission, although received before the report was written, on the ground that it was received after the sittings had been concluded." Mr. N. K. Mitra, one of the assessors associated with the Commission, has also observed that the bridge in question was designed on the basis of Dickens' Formula, which was extensively used in that part of the country. He says that up to now, for southern India, nobody has found serious faults with the Dickens' Formula. He adds: "He would be a bold engineer indeed who would be able to guarantee 100 per cent. security against all floods and their effect on railway banks and waterways and yet design his works on rational or economical basis."

An Explanation

The Commission, in its report, has discussed the question whether the experience of the Jangaon accident near Hyderabad, in 1954, indicated the necessity of any modification to the ventway of the bridge involved in the Mahbubnagar accident which occurred on 2nd September last. The resolution points out that there are 15,000 bridges on the Central Railway, and the most practical and reasonably effective method for determining whether any of the bridges was vulnerable was to scrutinise carefully the past history of each bridge and then to take corrective action. This, the resoluton claims, was done, and up to the date of the accident 12 bridges had actually been modified as a result of this investigation. The bridge involved in the Mahbubnagar accident had no previous history and there was, therefore, no reason to apprehend any danger. No action was, therefore, taken to increase its ventway.

The issues involved in the Commission's report and the Government's resolution thereon are too technical for lay comment. Even so, the public is bound to form the impression that the Government had been somewhat partial to the Railway officials. At the same time, it must be recognised that nothing could be more reprehensible than indiscriminate punishment of officials in a "witch-hunting" spirit. The main point, however, is that the authorities should always be "safety-minded" for no aspect of the working of the Railways brings the administration into greater disrepute than accidents. From this point of view, it is noteworthy that the Government has been devoting some attention to the need for expert investigation of floods in relation to railway travel. Besides the Central Flood Control Board and the River Commission, which are investigating the general problem of floods, the Government has set up a high-level committee of engineers with Dr. A. N. Khosla, ex-Chairman of the Central Water and River Commission to review the flood problem in relation to railways. It is to be hoped that these inquiries and investigations will suggest ways for more effective prevention of accidents in rail travel. The Railway Ministry will certainly receive all support from the public as well as Parliament in any measure it feels compelled to take in the interests of improving the "safety" element. Only, it should be borne in mind that the task of ensuring "safety" is a continuing one, which neither can nor should admit of finality.

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POWER PLANNING IN BRITAIN

REVIEW OF ENERGY RESOURCES

IN Britain, as in Europe, industrial expansion calls for ever-increasing investments in fuel and power industries. Additions to capital assets in these industries have recently been at a rate of between £300 million to £350 million a year. During the next 10 years, these are expected to rise to an annual average of £500 million on the basis of 1956 price levels. Such large-scale investments must be planned well ahead as there is normally a time-lag between the blue-printing of major power projects and their completion.

The plans for capital expenditure of the coal, gas and electricity industries have already been published. In the 10 years from 1956 to 1965, they are estimated to aggregate £4,850 million, besides the expenditure (unofficial estimates) of £1,000 million to be incurred by the oil industry. The £4,850-million programme consists of: National Coal Board £1,000 million; Gas Council £500 million; Electricity Authorities—Conventional stations £776 million; nuclear power stations £919 million; transmission £395 million, work in progress by 1965 (including £160 million for nuclear stations) £200 million, distribution £1,000 million and other expenditure £40 million. According to the latest expert, though largely unofficial, estimates, the whole power programme must be designed to meet an expansion of total demand (including exports) from the equivalent of 285 million tons of coal in 1956 to 320 million tons in 1965 and 385 million tons in 1975. Allowing for the latest changes of plan, including the expansion of the nuclear power programme, the proportion of primary energy needs met from coal will fall from 86 per cent. in 1955 to 75 per cent. in 1965 and to 62 per cent. in 1975. Nuclear power, non-existent in 1955, is expected to supply 6 per cent. of demand in 1965 and possibly 15 to 20 per cent. in 1975.

New Phase

Some more light on Britain's plans for developing energy resources was thrown by the U.K.'s Paymaster General, Mr. Reginald Maudling, in the course of a Parliamentary debate on the subject. He said: "We may shortly be at the beginning of completely new phase in our fuel and power policy as a nation." Two events might change the present position, according to him. The difficulties connected with importing oil from overseas had been underlined, and there was the remarkably rapid progress British scientists had made in harnessing nuclear energy to the production of power for civil purposes. Technical changes in the nuclear field were very rapid, and no man could predict from one year to the next where research would lead them. Referring to the nuclear programme, Mr. Maudling said: "Our scientists and engineers have carved out a most remarkable place by an achievement which the whole country salutes. We must support that by being bold in our plans for the use of nuclear energy." It should be possible, he added, to supply nuclear energy at a cost per unit which will compare reasonably with that of energy provided from conventional sources, but he pointed out that people should not talk about nuclear power displacing coal. It was replacing coal for other purposes.

Mr. Maudling said one of the "exciting possibilities" being examined was the import of liquid methane for the manufacture of gas. The investment cost of likely expansion in world oil output was really fantastic, said Mr. Maudling. It had been estimated that, over this decade, investment throughout the free world in oil production would be something like £40 million. That investment could be paid for largely only from the retained profits of oil companies. That was the reason they must have them. Another exciting possibility mentioned by Mr. Maudling was the underground gasification of coal, but, he went on, "our basic energy source is coal, and will remain coal. Our main policy must be to ensure that we make the maximum use of the coal underground."

The Government's atomic power programme, it may be mentioned here, was recently revised. Under the revised programme, it is believed that at least 6,000 M.W. of power will become available during the next nine years, and that, in a full year's operation, with this generating capacity, some 18 million tons of coal will be saved. The cost of nuclear power stations, as already mentioned, will be about £900 million. It is estimated that sixteen more stations will have to be built in addition to the three for which orders have already been placed at Berkely, Bradwell and Huntersten. According to one calculation, the coal or oil-fired stations large enough to supply the power outlined in the programme would cost £810 million.

TELEGRAPH ENQUIRY COMMITTEE

The Government of India has announced the appointment of a telegraph enquiry committee to make a review of the working of the telegraph service in India and to make suitable recommendations to improve the efficiency of the service. The terms of reference of the Committee, which will have Mr. Sudhir K. Kanjilal, Deputy Director-General, P.& T. Department, as Chairman, include both the technical aspects of the service and matters pertaining to its staff and establishment. The order appointing the Committee points out that the question of examining the working of the telegraphs branch of the P. & T. Department has been engaging the attention of Government for some time. The last review was made by a committee appointed in 1932. Since then, vast expansion as well as considerable technological advancement has taken place. Government have, therefore, decided to appoint a telegraph enquiry committee for a fresh review. The Committee is expected to submit its report within the next eight months.

In the terms of reference on the technical side, the Committee has been asked: (a) to study the present methods of operation and supervision in telegraph offices, including all problems connected with the booking, transmission, circulation and delivery of messages and to make recommendations for effective improvements therein, and (b) to examine and recommend necessary modifications in respect of: (i) the procedure for engineering and traffic control of circuits, (ii) the standards for conversion of combined post and telegraph offices into independent telegraph offices, and (iii) the present standards for introducing teleprinter working including the operative standards for introducing relay switching.

The Committee have been asked to report to Government within a period of eight months from the time its secretariat is set up.

TURBO-PROP AIRLINER

Another British turbo-prop airliner has just been announced. It is a new version of the Handley Page Herald transport plane, which will be powered by two Rolls-Royce Dart turbo-prop engines. It has been designed for branch-line operators throughout the world. The plane will carry 43 passengers in pressurized comfort, or nearly five tons of freight, or a combination of both passengers and freight, at a mean cruising speed of 275 m.p.h. This raises the number of existing or projected British turbo-prop aircraft to eight. The others are the Vickers Viscount and the Bristol Britannia, already in service, the Vickers Vanguard, the Fairey Rotodyne (50-seater helicopter with a jet-powered rotor and twin turbo-props for forward drive), the Armstrong-Whitworth 650 freighter, the Accountant feeder or executive aircraft, and the Miles 107 feeder liner.

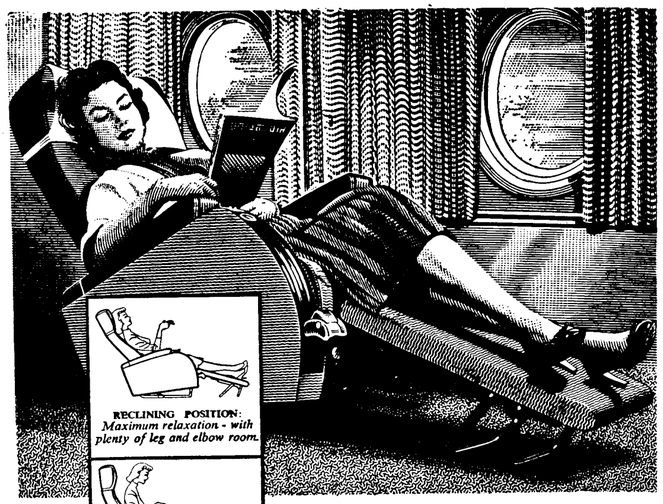
Parallel production is planned both for the turbo-prop and the piston-engined Herald. In many regions, especially remote areas, the piston-engined type (with Alvis Leonides engines) will remain more suitable. It will score particularly in very hot countries and in operation from small, high-altitude airstrips in difficult terrain. The Dart-engined Herald, however, is some 70 m.p.h. faster, and it will be especially suited to fast branch-line services in developed areas. Its take-off and landing performance is almost as good as that of the piston-engined aircraft in temperate regions, where its greater speed and smoothness may make it more attractive to operators and passengers alike. Its purchase price is likely to be well received. A Dart Herald will cost £175,000, including furnishings. The operating cost of this new turbo-prop airliner will, say the manufacturers, be less than three half-pence a passenger-mile and 16d. a ton mile. The first flight is scheduled for early next year.

GAS TURBINES

Interest in gas turbines for use in the marine and industrial fields is steadily growing, as the claims of British designers and manufacturers are confirmed by operational experience. A contract has been placed with a British engineering firm for two 5,700 kw., natural-gas-burning sets to be installed at Multan for the Pakistan Industrial Development Corporation. Shipowners also are becoming more interested in the possibilities of gas-turbine engines for propulsion as a result of developments in linking gas turbines with free-piston gasifiers. An example of this new departure is the re-fitting of a 10-year-old British India liner with four free-piston gasifiers. The gas delivered by them will be fed to a 4,000 shaft horsepower reversing gas turbine. It is stated that the British India line wishes to obtain experience with this form of propulsion with a view to employing it in future new tonnage. In general, it is stated by industrial power engineers that developing countries where oil and natural-gas deposits exist provide likely markets for gas turbines.

TANK FOR SMALL CAR

A larger fuel tank is now being fitted to the Morris Minor. The Nuffield Organisation, makers of the car, say that 300 miles without refuelling should now be attained. The 5-gallon tank previously fitted is being replaced by a tank of 6½ gallons capacity. "Despite the extremely good petrol consumption of the Minor," said a Nuffield spokesman, "it has been felt that giving the car an even greater range would please many people, particularly in those oversea countries where filling-stations are few and far between."



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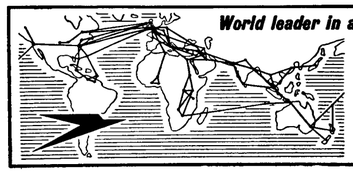
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HIGHER PAY SCALES FOR LIFE CORPORATION EMPLOYEES

SALARY BILL TO RISE BY RS. 5 LAKHS A MONTH

THE long-drawn-out controversy between the Life Insurance Corporation and its employees over the question of pay scales would now be over, at least temporarily, as an agreement has been reached over the question of pay scales of the employees. The Corporation has proposed a general upward revision of the pay scales which the representatives of the employees consider as fairly satisfactory and the latter are expected to recommend its acceptance to their respective organisations. The revised scales will affect 21,000 clerical and lower grade employees of the Corporation and will involve an increase of Rs. 4.5 to Rs. 5 lakhs per month in the pay bill of the Corporation.

According to the revised pay scales, clerical staff will get a single grade starting from Rs. 75 and rising up to Rs. 300. This replaces the two existing grades with a total span of 28 years—Rs. 55 to Rs. 220 and Rs. 100 to Rs. 300. Supervisory staff will get a special pay which will be integrated with their basic salary. Pay scales of class V employees (lower grade) have been increased by Rs. 5 in addition to an upward revision of ceilings. Dearness allowance is increased by Rs. 5 for those drawing a basic salary of less than Rs. 50 per month. Dearness allowance will remain the same for other employees. A new higher assistants cadre has been created. Drivers, liftmen, head peons, watchmen, etc., also stand to benefit by the revised scales. There is also an option clause providing for employees who so wish to continue in the old company grades. The effect of the new pay scales would be to bring them generally on par with pay scales of the former Oriental Life Assurance Company or the State Bank of India. At a Press Conference, held in Bombay last week, the Union Finance Minister, Mr. T. T. Krishnamachari, said that the Government was bound hand and foot to the terms of the agreement which, according to him, took the pay scales of the employees up to the top scales obtaining in life insurance companies before nationalisation except four companies. The Corporation's monthly wage will, which at present amounts to Rs. 34 lakhs, would, as a result of the implementation of the new scales, increase to Rs. 39 lakhs.

Pay Scales

Category (Class III)	*Scale* Rs.
1. Superintendents	200-20-500.
2. Higher grade assistants	140-10-210-E.B.-12-270-15-390-20-410.
3. Stenographers:	
(i) Employees confirmed before 31st August 1956	90-10-210-E.B.-15-300.
(ii) Employees confirmed after 31st August 1956	90-10-210-E.B.-15-270.
Note.—Stenographers selected for work with senior officers will receive special pay on the following scale:	
Chairman	50 p.m.
Directors	40 p.m.
Zonal manager, deputy zonal manager and senior officers at Central Office	30 p.m.
4. Assistants:	
(i) Employees confirmed before 31st August 1956	75-5-90-6-120-8-136-E.B.-8-160-10-220-E.B.-10-240-15-300.
(ii) Employees confirmed after 31st August 1956	75-5-90-6-120-8-136-E.B.-8-160-10-220-E.B.-10-240-15-270.
Note.—Section heads will be in this scale and receive a special pay of: Rs. 30 in the first five years of service, Rs. 35 in the next five years of service and Rs. 40 in the next five years of service.	
5. Receiving and paying cashiers	Same as assistants with an allowance of Rs. 10 per month.
6. Typists	
7. Telephone operators	
8. Addressing machine and punched card operators	
9. Comptometer operators	
Note.—Graduates appointed to categories 4 to 9 will receive two increments on confirmation.	
10. Record clerks, banda and duplicating machine operators	55-4-75-5-110-E.B.-5-130-6-172-8-180.
CLASS V	
Sweepers and cleaners	30-2-42-3-81-4-85-5-90.
Sepoys, *chaprasis*, *hamals*, etc.	35-2-47-3-86-4-90-5-95.
Head peons, liftmen and watchmen	
Daftries	
Drivers	70-3-85-4-105-5-115.

Note.—(i) Head peons, liftmen and watchmen will have a special pay of Rs. 5 p.m.

(ii) On promotion as *daftry* the employee will receive three increments in the grade. Minimum pay for a *daftry* will be Rs. 45.

Dearness Allowance

Basic salary	*Dearness allowance* (Rs.)
Less than Rs. 51	45
Rs. 51 to Rs. 100	50
Rs. 101 to Rs. 150	55
Rs. 151 to Rs. 200	60
Rs. 201 to Rs. 250	65
Rs. 251 to Rs. 300	70
Rs. 301 to Rs. 400	75
Rs. 401 to Rs. 500	80

As the Union Finance Minister observed, pay scales have been a sore point with employees of the Life Insurance Corporation. The upward revision of the scales, now effected, should, therefore, go a long way towards removing discontent in the ranks of employees. It should also enable the Corporation to obtain their enthusiastic co-operation which is so essential for the success of the Corporation's activities. While welcoming this bold and liberal, though belated, step one would like to point out that the major attention of the Corporation has hitherto been directed towards questions of pay scales and conditions of service of employees. Now that the "pay scales" question has been settled, it is to be hoped that the Corporation will be free to concentrate its energy and attention on its most essential function—the spread of life insurance.

VEHICLE INSURANCE IN U.K.

Not only in India but all over the world the costs of operation of vehicle insurance have risen so that in more than one country insurers complain of the unremunerative character of this type of insurance and the need for raising the premium rates. In the U.K., for instance, insurers have decided to raise the premiums for car, motor cycle and commercial and agricultural vehicles. The increase in rates, which will come into effect on 1st July 1957, will range from about 12½ per cent. to 33-1/3 per cent. of the present levels. According to the correspondent of the London *Financial Times*, for private cars first licensed from 1947 onwards, and rated for insurance purposes on cubic capacity, comprehensive premiums are to be increased by 33-1/3 per cent. For older private cars, and most of those insured against third party risks only, the premium increases will vary from 12½ per cent. to 25 per cent. For third party only, pre-1947 cars pay 12½ per cent. more and 1947 and later models 20 per cent. more. All premiums can be reduced by no-claims discounts of up to 30 per cent. where the experience has been satisfactory. The fact that the largest increase in premium now is being applied to the more modern cars insured against comprehensive risks indicates that much of the deterioration in claims experience has resulted from the high cost of repairing accidental damage to these newer cars. Even where a motorist has been bearing the first £10 or £20 of any claim, insurers have found that this has not been large enough to relieve them of contributing substantially to the repair of damage caused by minor accidents. In most instances, the premium reduction allowed against an excess from 1st July will be 5 per cent. lower than the existing allowance.

The percentage of the excess discount has remained constant since 1934. While the maximum amount which the policyholder has to bear has remained unaltered, the value of the discount has been increased by every increase in rate, and this has led to the "more realistic" scales now introduced. Commercial vehicles of all kinds will have premiums raised approximately 12½ per cent. For the rating of commercial vehicles many outlying areas are to be brought within district "C" (London area) and so will attract a higher premium rating. For all but the very lightweight types, motor cycle rates of premium for comprehensive cover will also be increased in varying degree, up to 33-1/3 per cent. for the heaviest machines. There will be no change in the rates for third party only cover. The decision to make these changes from 1st July ensures that insurance companies' motor accounts for 1957 receive some benefit. It takes approximately six months before any appreciable result from premium revisions is felt. The full benefit of the increases will not be brought into the figures of the insurance companies until the 1958 accounts are produced.

(*Concluded from next column*)

cost of setting claims. In Canada, the Corporation's fire business was again unremunerative and, for the first time, the Corporation made no profit in the U.K. during the year, following the heavy cost of claims on frost damage in the early months of the year. Elsewhere, the business turned out to be profitable.

The experience, on the whole, of the accident business was by no means unsatisfactory and it underlined the value of possessing a strong and healthy accident account in a year when fire business was generally unfavourable. In the U.S., where the Corporation does extensive business in accident insurance, it had a reversal of the experience of 1955 in the two major classes. Motor business was profitable and workmen's compensation unprofitable in 1955, while in 1956, it was the other way round. The remaining accident lines in the U.S. turned out well as usual. In Canada, the Corporation's business in accident insurance was again profitable. In the U.K., except that the motor business was unremunerative, the Corporation made a fair profit. "In other overseas branches," as the Chairman says in his statement, "the story was, generally speaking, the familiar one of profits earned on the whole, but of having to strive, not everywhere successfully, to extract a slender return out of the inadequate margins in motor premiums."

EMPLOYERS' LIABILITY ASSURANCE CORPN.

SETBACK IN PROFIT

THE audited accounts of the Employers' Liability Assurance Corporation Ltd. (General Manager: Mr. C. E. Keysell, M.B.E., London) for the year ended 31st December 1956 indicate that the past year has by no means proved to be an easy one for the Company, with the result that the underwriting profit has suffered a setback. The aggregate premium income has, no doubt, risen, but the heavy claims, particularly in fire insurance, in the face of inadequate premium rates, have been responsible for the setback in the underwriting profit. The premium income from fire insurance has maintained the upward trend noted in previous years, with a further rise from £3.30 million to £4.09 million. The accident and general insurance premium income has established a fresh record, at £26.21 million, having gone up from £24.59 million in 1955. The underwriting result in fire business is a loss of £249,791, in distinct contrast to the profit earned in the previous year of £25,763, to which level it had risen from a mere £1,778 earned in 1954. The profit in accident and general business, which had dwindled from £1,579,230 to £937,267 in 1955, has further gone down to £910,759 in the year under review.

The underwriting loss suffered in the fire business has further brought down the Corporation's aggregate profit for the year from £963,030 to £660,968, which is the lowest since 1952. This decline has, however, been made good to a large extent by the rise in the Corporation's share in the life profit of the Clerical, Medical and General Life Assurance Society from £55,223 to £87,493, and that in other income (from interest, dividends, and rents) from £1,120,248 to £1,266,902. After making a larger provision of £414,051, as against £378,516, for staff pensions and expenses not charged to other accounts and lowering the provision for U.K. taxation from £1,142,923 to £966,114, the net profit available is slightly higher at £635,198, as against £617,062. After bringing in the previous year's surplus of £1,346,657 (as against £1,167,095), the Directors have maintained the transfer to the contingencies account at £150,000. The distribution to the shareholders has been stepped up from 5s. per share (less tax) to 5s. 6d. per share (less tax), by raising the final dividend from 3s. 6d. to 4s. per share. The Corporation proposes to reduce hereafter the disparity between the interim and final distributions. Any resultant increase in the interim dividend for 1957 must not, therefore, be taken, the Chairman, the Rt. Hon. Viscount Knollys, in the course of his statement accompanying the report and accounts for 1956, warns, as an indication of a higher total distribution for 1957. The total dividend for 1956 absorbs £316,250, as against £287,500; the balance left to be carried over is £1,515,605.

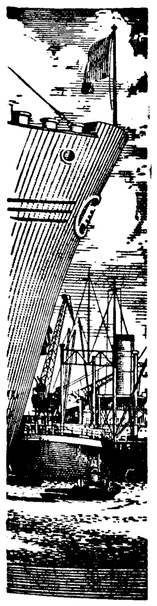
The following comparative table shows the progress of the Corporation's underwriting results during the past three years:

(In £'s sterling)

	For the year ended 31st December			
	1956	1955	1954	1953
Fire				
Provision for unexpired risks at the beginning of the year	2,057,489	1,676,533	1,394,711	1,150,301
Premiums (less re-insurances)	4,094,867	3,299,206	2,802,419	2,443,350
Claims paid and outstanding	1,930,348	1,348,102	1,207,209	1,027,373
Commission paid	913,415	715,916	620,262	501,437
Expenses	907,127	742,705	611,101	528,993
Overseas taxes	112,684	85,126	69,795	53,191
Provision for unexpired risks at the close of the year	2,538,573	2,058,127	1,676,533	1,394,711
Profit (+) or loss (—)	—249,791	25,763	1,778	119,266
Accident and General				
Provision for unexpired risks at the beginning of the year	9,234,939	8,389,626	8,085,391	7,600,556
Premiums (less re-insurances)	26,212,051	24,588,090	23,218,649	22,402,866
Claims paid and outstanding	15,354,326	13,994,406	12,788,457	13,130,831
Commission paid	4,964,562	4,636,984	4,388,384	4,138,850
Expenses	3,668,582	3,483,347	3,434,903	3,252,389
Overseas taxes	727,216	687,665	711,415	652,217
Provision for unexpired risks at the end of the year	9,821,545	9,238,047	8,389,626	8,085,391
Profit	910,759	937,267	1,579,230	706,562

The loss in fire business has been mainly attributable to the Corporation's branch in the U.S. where the experience of all insurers in fire business during 1956 was the worst for at least a quarter of a century, the loss from fire damage during the year being a record. The heavy claims, together with the fall in values at which property of all kinds was insured below the true up-to-date values, tended to create a disparity between the level of premiums and the

(*Continued in previous column*)



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SOMALILAND PROTECTORATE: Hargeisa, Berbera
ZANZIBAR ISLAND: Zanzibar
TANGANYIKA TERRITORY: Tanga, Daressalaam, Mwanza, Lindi, Moshi, Mtwara, Mikindani (Sub-Branch to Mtwara), Bukoba, Mbeya
KENYA: Mombasa, Nairobi, Kiambu (Sub-Branch to Nairobi), Delamere Avenue, Nairobi, Thika, Fort Hall (Sub-Branch to Thika), Nakuru, Naivasha (Sub-Branch to Nakuru), Kisumu, Kakamega (Sub-Branch to Kisumu), Eldoret, Koricho, Sotik (Sub-Branch to Koricho), Nyeri
UGANDA: Entebbe, Fort Portal, Kampala, Masaka, Jinja, Kamuli (Sub-Branch to Jinja), Mbale, Tororo, Soroti, Mbarara

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts opened.

Bombay Branch:
Mahatma Gandhi Road, Fort.
BOMBAY 1. D. G. MOORE, Manager.

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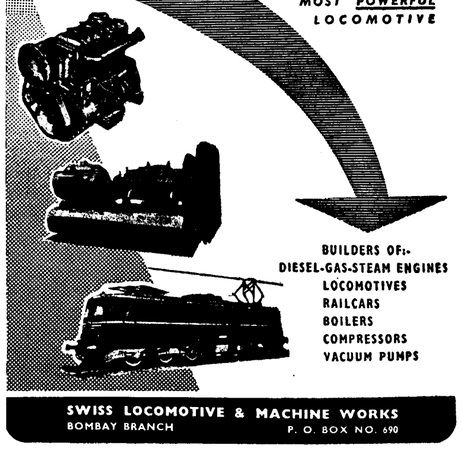

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THE BANK OF JAIPUR, LIMITED

(INCORPORATED IN JAIPUR, LIABILITY OF MEMBERS BEING LIMITED)

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors beg to submit the audited Balance Sheet and Profit and Loss Account of the Bank of Jaipur Ltd., for the year ended 31st December, 1956.

After providing for all expenses and making necessary provisions, the net profit of the Bank for the year amounted to Rs. 9,81,954-3-2 to which is to be added Rs. 41,779-5-10 brought forward from last year making a total of Rs. 10,23,733-9-0 available for distribution. The Directors recommend its appropriation as under:—

	Rs.	a.	p.
Reserve under Section 17 of the Banking Companies Act	2,00,000	0	0
Dividend at 5 per cent. Tax Free	2,50,000	0	0
Provision for Taxes	4,50,000	0	0
Staff Gratuity Fund and Bonus	1,00,000	0	0

and the balance of Rs. 23,733-9-0 be carried forward to next year's account.

The working of the Bank during the year continued to be satisfactory.

The following Directors of the Bank retire under Article 114 of the Articles of Association and being eligible offer themselves for re-appointment.

(1) Shri Gajadhar Somani. (2) Shri Sunderlal Tholia.

The Directors wish to convey their thanks to the depositors for their valuable support and confidence and the members of the staff of the Bank for their enthusiastic and devoted services.

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

For and on behalf of the Board,
RAMNATH A. PODAR,
Chairman.

JAIPUR, 18th March, 1957.

BALANCE SHEET AS AT 31st DECEMBER, 1956.

31-12-1955 Rs.	CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
	Capital—						
	AUTHORISED CAPITAL—						
2,00,00,000	2,00,000 Shares of Rs. 100 each	2,00,00,000	0	0	2,00,00,000	0	0
	ISSUED AND SUBSCRIBED CAPITAL—						
1,00,00,000	1,00,000 Shares of Rs. 100 each	1,00,00,000	0	0	1,00,00,000	0	0
	Amount called up at Rs. 50 per share in cash on						
50,00,000	1,00,000 shares	50,00,000	0	0			
Nil	LESS—Calls unpaid	Nil					
50,00,000		50,00,000	0	0			
Nil	ADD—Forfeited Shares						
50,00,000					50,00,000	0	0
	Reserve Fund and Other Reserves—						
	Reserve under Section 17 of the Banking Companies Act	9,40,000	0	0			
8,15,000	Dividend Equalisation Fund	1,00,000	0	0			
1,00,000	Other Reserve earmarked for Contingency of Bad or						
9,85,000	Doubtful Debts	9,85,000	0	0			
19,00,000					20,25,000	0	0
	Deposits and Other Accounts—						
8,53,38,263	Fixed Deposits	4,53,61,758	9	10			
86,80,522	Savings Bank Deposits	1,01,53,379	8	9			
3,74,84,744	Current Accounts, Contingency Accounts, etc.	4,26,73,598	7	2			
9,15,03,529					9,81,88,736	9	9
	Borrowings from Other Banking Companies, Agents, etc.—						
63,00,000	(i) In India	10,00,000	0	0			
Nil	(ii) Outside India	5,134	2	10			
63,00,000					10,05,134	2	10
	PARTICULARS—						
63,00,000	(i) Secured by part of Government Securities as per contra	10,05,134	2	10			
Nil	(ii) Unsecured	Nil					
21,15,150	**Bills Payable**				23,84,081	11	4
	Bills for Collection Being Bills Receivable as per contra—						
42,19,999	(i) Payable in India	38,77,716	3	1			
1,51,606	(ii) Payable outside India	2,61,867	1	9			
43,71,605					41,39,583	4	10
14,87,374	**Other Liabilities**				25,29,568	8	1
	Acceptances, Endorsements and Other Obligations as per contra—						
1,02,23,198	(Secured by part of Bank's Investments)				1,19,07,354	2	3
	Profit and Loss Account—						
6,00,128	Profit as per last Balance Sheet				6,45,279	5	10
	LESS—Appropriations—	Rs.	a.	p.			
	Transfer to Reserve Fund as provided under Section 17 of Banking Companies Act.	1,25,000	0	0			
1,15,000	Transfer to Reserve other than under Section 17 of Banking Companies Act	Nil					
85,000					1,25,000	0	0
4,00,128					5,20,279	5	10
	LESS—						
2,00,000	Payment of Dividend	2,00,000	0	0			
1,50,000	Provision for Taxes	2,50,000	0	0			
25,000	Staff Gratuity Fund	25,000	0	0			
....	Donations	3 500	0	0			
					4,78,500	0	0
25,128					41,779	5	10
6,20,152	ADD—Profit for this year brought from the Profit and Loss Account				9,81,954	3	2
6,45,280					10,23,733	9	0
	Contingent Liabilities—						
2,500	In partly paid Shares of Joint Stock Companies				21,780	0	0
	Liability on account of outstanding Forward Exchange Contracts (of which upto 4th March,						
15,50,665	1957 Rs. 17,80,402-12-4 have run off)				25,74,202	5	8
	Claims against the Bank not acknowledged as						
19,27,976	debts				19,10,780	15	4
Nil	Liability on Bills of Exchange re-discounted				Nil		
£56,239	Liability to other Banks for guarantees issued £9,409-8-6.						

NOTE.—Provision to the full extent for future gratuities to Staff has not been made—the liability for which has not been ascertained.

11,35,46,136	Total .. Rs.		12,82,03,192 0 1

31-12-1955 Rs.	PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
	Cash—						
1,56,05,418	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)				1,29,49,560	10	11
11,32,110	Balances with other Banks in Current Account— (i) In India				11,63,560	5	4
7,518	(ii) Outside India				6,333	15	8
11,39,628							
7,50,000	**Money at Call and Short Notice**				11,74,894	5	0
					30,25,000	0	0
	Investments (at Book Value)—						
	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments. Part of the Securities are lodged with other banks for borrowing and other arrangements as per contra						
2,63,86,464	Face Value Rs. 3,23,03,593 Market Value Rs. 3,13,92,471				3,17,98,720	10	0
	(ii) Shares—	Rs.	a.	p.			
1,44,442	(a) Fully paid preference shares	1,20,258	0	0			
4,84,399	(b) Fully paid ordinary shares	6,10,162	5	3			
6,750	(c) Partly paid ordinary shares	16,767	8	0			
	Market Value Rs. 7,91,287-14-0				7,47,187	13	3
2,94,000	(iii) Debentures or Bonds Market Value Rs. 2,93,000				2,94,000	0	0
Nil	(iv) Other Investments (to be classified under proper heads)						
Nil	(v) Gold				Nil		
					Nil		
2,74,16,055					3,28,39,908	7	3
	Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—						
	(i) Loans, Cash Credits, Overdrafts, etc.—						
3,32,35,277	(a) In India				4,41,99,705	7	2
Nil	(b) Outside India				Nil		
	(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
1,19,77,741	(a) Payable in India				1,46,98,454	12	10
26,44,635	(b) Payable outside India				17,47,740	8	3
5,28,57,653							
	PARTICULARS OF ADVANCES—						
	(i) Debts considered good in respect of which the Banking Company is fully secured						
4,45,43,156					5,24,61,938	0	2
	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security						
60,52,381					58,61,321	2	5
	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors						
21,62,116					23,22,641	9	8
	(iv) Debts considered doubtful or bad not provided for						
Nil					Nil		
5,28,57,653					6,06,45,900	12	3
	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons						
85,414					2,01,684	3	1
	(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members						
47,42,754					52,62,574	7	5
	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons						
2,04,252					2,03,819	10	0
	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members						
49,31,075					66,06,360	5	7
4,059	(ix) Due from Banking Companies				9,317	1	0
	Bills Receivable Being Bills for Collection as per contra—						
42,19,999	(i) Payable in India				38,77,716	3	1
1,51,606	(ii) Payable outside India				2,61,867	1	9
43,71,605							
1,02,23,198	**Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra				1,19,07,354	2	3
	Premises—						
37,600	At cost upto 31st December, 1955				37,600	8	3
Nil	Additions				Nil		
37,600					37,600	8	3
	LESS—Depreciation—	Rs.	a.	p.			
	Upto 31st December, 1955	17,500	0	0			
17,500	During the year	5,000	0	0			
					22,500	0	0
20,100					15,100	8	3
	Furniture and Fixtures—						
6,84,254	At book value upto 31st December, 1955				7,23,959	10	9
46,566	Additions and transfers				70,656	8	6
7,30,830					7,99,616	3	3
1,870	LESS—Sales and transfers				6,970	8	9
7,28,960					7,93,645	10	6
	LESS—Depreciation—	Rs.	a.	p.			
	Upto 31st December, 1955	4,00,260	8	2			
	During the year	41,944	7	1			
4,00,260					4,42,204	15	3
3,28,700					3,51,440	11	3
	Other Assets including Silver—						
1,294	Stamps				2,115	3	0
79,626	Stationery				87,635	3	9
1,15,546	Advance Payment of Tax				1,19,705	2	9
2,72,420	Interest accrued				3,66,016	3	3
3,64,893	Taxation at source				5,78,977	5	4
8,33,779					11,54,449	2	1
Nil	**Non-Banking Assets Acquired in Satisfaction of Claims.**				Nil		
Nil	**Profit and Loss**				Nil		
11,35,46,136	Total .. Rs.				12,82,03,192	0	1

(Continued on next page)

NEW PRODUCTS AND PROCESSES

Tools for Asbestos Cement Water Conduits

AN engineering works of the Netherlands manufacture tools with which asbestos cement water conduits can be shortened and finish-turned in a simple manner. The cutting tool, fitted with a blade-shaped guide wheel and a tool hit, is clamped to the pipe in such a way that the latter rests between two support wheels and the guide wheel. By rotating the tool about the pipe by means of a handle the blade-shaped guide wheel forms a groove; by placing the tool bit in position the groove is then deepened and the whole pipe is ultimately cut through. The tool is suitable for 75- to 200 mm. (3"-to 8") pipes. The finish-turning tool is supplied, together with accessories, in three designs for pipes inside diameters. The tool consists of a clamping device secured to the end of a screw spindle, and a hub with tool holder rotating about the spindle. The clamping device is slid into the pipe and tightened, the tool thus being centrally fixed in the pipe. The hub is rotated about the screw spindle by means of two handles, the pipe being finish-turned by two adjustable tool bits. The feed of the tool bits corresponds to the fine thread of the screw spindle.

Paint-Mixing Gauge

A Birmingham firm of paint manufacturers has devised a paint-mixing gauge which will enable amateurs to produce any one of 300 colour shades from 19 basic colours. The gauge has been produced primarily for garages, where re-spraying is often held up for lack of a particular shade specified by a customer. With the gauge go colour cards, the formulations for mixing the colours, and containers in which to mix them. The firm has compiled a basic kit which consists of the gauge, formulations, and cans, together with a supply of basic colours. The gauge and the kit were on display for the first time at the British Industries Fair, Birmingham. The mixing gauge is basically a sliding strip actuated by a control knob working in unison with the needle against a dial incorporating three scales. To mix a given colour, the gauge needle is set at the appropriate reading and a basic colour poured into the can until the level reaches the bottom edge of the sliding strip. The needle is then re-set according to formula and the next basic colour added until its level reaches the bottom edge of the strip. After the colours, thinners are added and the ingredients mixed to give the required shade.

Furnace Control

Gamma rays from radio-active cobalt are being used to detect and control the level of molten titanium in a new "cold hearth" arc furnace at the Westinghouse metals development plant at Blairsville, Pennsylvania. With the rays beamed through the furnace walls and the 12-inch titanium ingot inside, the level of the titanium can be "seen" by operators and the information is also used automatically to raise or lower the ingot to correct operating level. Source of the gamma rays is a small needle of cobalt-60, kept in a shielded lead box outside the furnace in line with the top surface of the ingot. Rays passing through the furnace are detected by two scintillation counters. If the ingot is too high, it partly blocks the rays; if too low, there is less interruption. Depending upon the amount of radiation they pick up, the scintillation counters feed pulses to electronic circuits designed to drive a hydraulic system that raises or lowers the titanium ingot. The system is said to be precise enough to detect and maintain the level of the ingot to within one hundredth of an inch of its ideal operating position.

Novel Finish for Metal Parts

It has recently been announced that a new, bright metal finish for industrial and domestic use may be developed as the result of experimental work now being undertaken at the Tin Research Institute at Greenford, Britain. Scientists at the institute have found that the addition of a small quantity of wood tar to solutions used in tin plating causes the tin coating to be deposited as a bright finish. This new application is still in the laboratory stage, and experiments are still going on to discover the constituent of the tar which causes this bright finish. Sufficient results have been obtained, however, to show that the bright plating process is a practical proposition. The scientists responsible for developing the process believe that electrical equipment and instrument parts are among the products which would benefit especially from the new process. It is expected that this new finish will challenge bright finishes of other metals in such fields when it reaches the stage of commercial development.

Hydraulic Fire Ladder

A Netherlands firm has recently started the manufacture of a fully-hydraulic, fully automatic fire escape provided with all the safety devices considered necessary for this type of ladder. The special feature of this ladder is that the hydraulic mechanism is not only utilised for elevating, pitching, sliding in and out and revolving the ladder on the carriage, but that the shock absorbers are also operated hydraulically. The ladder stops automatically when obstacles are encountered while it is being revolved, etc. Any faulty manipulation, which it is often difficult to detect accurately at a distance of 105 feet, is automatically prevented. Nor is it possible for the ladder to be extended beyond the permitted field of operation or to get outside it by pitching. Since this steel ladder is designed in a special shape and specially constructed a saving in weight is effected enabling it to be extended and loaded 25 per cent. more than other ladders of this type.

Production Testing

A quality control instrument for measuring as little as one ten-thousandth of an inch of paint film, electroplating or metal overlay has been developed by General Motors. The new device, the Laminagage, is a portable, non-destructive tester that can be used for a high rate of production testing. On bearings or decorative plated surfaces, where overlays or deposits must be kept within definite limits of thickness or thinness, the device quickly indicates whether the limits are within quality control standards. It is also useful in measuring thickness of paint on aluminium, nickel electroplate on steel, copper electroplate on steel and babbit bearing overlay on bronze. The instrument consist of a small metal cabinet containing electronic equipment and a probing coil connected by coaxial cable with the cabinet. The probing coil is used to contact the part under test—such as a bearing, a rod or a piston pin—and it can be designed for probing parts of virtually any shape—curved, flat, angular or rod-like. When the coil makes contact, the thickness of the paint film or plating overlay on the part instantly registers on a dial on the front of the cabinet. The Laminagage utilises the principle that distribution of an alternating electric current in a conducting material is greatest at the surface and decreases as it penetrates beneath.

Wire Rope Cutter

The Hydrashear cable cutter is a hydraulically operated cutter for wire rope. Its manufacturers, Metal Processors Proprietary Ltd., of 22 Newington Road, Marrickville, New Suth Wales, market the cutters in three sizes—for rope of ½", 1¼" and 1¾" diameter respectively. The machines are sturdily built, with main bodies of special steel casting, and all their components are of the best tool steel. The wire rope is placed in a hinged saddle and lached in position. A release valve is then closed, and by movements of a pump handle the main ram advances with an attached cutting blade to sever the rope. The release valve is opened to retract after cutting. The danger of accidents to operators is reduced to a minimum because no chips are dislodged, and there is no sudden recoil of the severed strands. A great advantage of the Hydrashear is that it can be taken to the site of the cable to be cut, and hence saves much time ordinarily spent in dismantling the cable and transporting it elsewhere for cutting.

New Electronic Aids for Jute Manufacture

Two instruments developed at the laboratories of the British Jute Trade Research Association at Dundee, Scotland, were displayed at the Electronics and Automation Exhibition recently held in London. The first is an electronic meter which measures the moisture content of textile packages including jute in a matter of seconds. A number of these meters are already in use in Dundee jute mills as aids to processing efficiency and control. The other device, also electronic, has been developed for measuring tension on running yarns. Its main advantage is that it is a self-contained portable instrument requiring no external power supply.

Portable Water Filter

A new portable pump filter giving an output of filtered water of high bacteriological purity from impure sources at a rate of 20 gallons per hour was shown for the first time at the 1957 British Industries Fair at Birmingham. Already tried out with marked success in tropical countries, it is now going into commercial production. It is easy to work, and there is nothing to go wrong if it is properly used. Weighing only a little over five lbs., it is ideal for survey parties, explorers, and for use in the armed services. The manufacturers also exhibited a full range of water filters for industrial and domestic uses; self-sterilising candles for all makes of filters, and domestic water-softeners.

Accurized Piston Pinholes

Australian automotive engineers have perfected a process to super-finish piston pinholes to very close dimensional tolerances. This process, known as "accurizing," had been adopted exclusively for all pistons manufactured by the Russell Manufacturing Company Proprietary Ltd. (the engine parts division of Repco Ltd.), of Richmond, Melbourne, Australia. Accurizing imparts the greatest degree of smoothness obtainable—a smooth finish within the limits of two to four micro-inches. Such a finish means that almost the whole surface of a pinhole acts as a bearing for a pin, and there is negligible initial wear during run-in. Accurized smoothness permits a pin to be fitted with an "easy" clearance that does not increase with running, and at the same time obviates the danger of breakdown resulting from overtight pins.

Moth-proofing Treatment for Wool

Australian scientists invented a new moth-proofing process recommended by the International Wool Secretariat, the Commonwealth Scientific Industrial and Research Organisation announced recently. The new process, Si-ro-moth, uses dieldrin, the most active and persistent insecticide of its type known, and was developed in the C.S.I.R.O. wool textile research laboratories at Geelong. The process is cheap and effective. The treated wool has no odour, and its appearance and physical and chemical properties are unchanged. At least 14 major companies use the process in Australia, and it is being rapidly taken up overseas.

THE BANK OF JAIPUR, LIMITED—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956

31-12-1955 Rs.	EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
16,27,291	To Interest paid on Deposits, Borrowings, etc.				21,69,137	12	9
	,, Salaries, Allowances and Provident Fund—	Rs.	a.	p.			
	(i) General Manager	33,925	0	0			
	(ii) Staff	13,99,597	8	9			
13,58,620					14,33,522	8	9
11,818	,, Directors' and Committee Members' Fees and Allowances				11,043	12	0
1,40,230	,, Rent, Taxes, Insurance, Lighting, etc.				1,44,597	6	5
19,556	,, Law Charges				19,673	12	0
85,511	,, Postage, Telegrams and Stamps				1,01,247	7	0
5,950	,, Auditors' Fees				10,000	0	0
50,594	,, Depreciation on and Repairs to the Banking Company's Property				55,859	5	1
96,633	,, Stationery, Printing and Advertisement, etc.				1,00,333	0	0
Nil	,, Loss from Sale of or Dealing with Non-Banking Assets				Nil		
1,04,962	,, Other Expenditure				1,03,140	5	1
6,20,152	,, Balance of Profit (subject to Taxation)				9,81,954	3	2
	NOTE:—Remuneration received by Directors for their own use from other Companies by virtue of nomination by the Bank on the Board of other Companies amounted to Nil during the year.						
41,18,227	Total .. Rs.				51,35,509	8	3

31-12-1955 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
31,86,895	By Interest and Discount	37,69,732	15	2
8,63,936	,, Commission, Exchange and Brokerage	12,80,567	13	9
Nil	,, Rents	Nil		
	,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)			
Nil		Nil		
	,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)			
Nil		Nil		
	,, Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
Nil				
62,396	,, Other Receipts	85,208	11	4
41,18,227	Total .. Rs.	51,35,509	8	3

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the forezoing Balance Sheet of the Bank of Jaipur Limited, as at 31st December, 1956, and also the forezoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the returns of 9 branches audited by us, and the unaudited returns from 31 other branches not visited by us.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the bank which have come to our notice, have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and returns;

(e) In our opinion, and to the best of our information and, according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, read along with the notes appearing thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

K. N. GUTGUTIA & CO.,
Chartered Accountants.

18th March, 1957.

RAMNATH A. PODAR, Chairman.

S. L. KOTHARI,
General Manager.

A. R. SAVOOR,
Manager, Jaipur.

MADAN SINGH,
G. D. SOMANI,
GANGA SAHAI PUROHIT,
S. L. THOLIA,
M. U. MENON,
G. R. PODAR.
} Directors.

THE EMPLOYERS' LIABILITY ASSURANCE CORP. LIMITED

PARTICIPATION IN UNDERWRITING OF ATOMIC RISKS

THE RT. HON. VISCOUNT KNOLLYS' STATEMENT

IN his statement accompanying the Directors' report and statement of accounts for the year ended 31st December 1956, of the Employers' Liability Assurance Corporation Ltd., the Chairman of the Corporation, the Rt. Hon. Viscount Knollys, G.C.M.G., M.B.E., D.F.C., states that the Corporation is participating in the insurance of atomic risks. In all countries where material damage and public liability cover relating to the building and operation of nuclear reactors is being, or soon will be, underwritten, companies have formed themselves for the purpose into pools capable of meeting the very high limits of liability required. The Corporation, on its part, has participated in arrangements made in this manner in the U.K., in the U.S. and in a pool organised in London to cover risks in other foreign countries.

The following is the full text of Viscount Knollys' statement:

"The figures which comprise the record of the Corporation's trading results in 1956 are set out in the Directors' report in a way which, I believe, makes them quite clear. I have therefore thought that it would be best for me to confine myself here to a short summary of the important figures, which are as follows.

"The premiums of our group at £34,596,000 showed an increase of £2,522,000 over those for 1955, and the combined trading profit, after deduction of tax, was £640,508. A final dividend of 4s. 0d. per share is recommended by the Directors, making, with the interim dividend of 1s. 6d. per share, 5s. 6d. per share for the year, and we have accordingly provided for the amount of £316,250 which represents the total net cost, and for the additional profits tax of £144,882 consequent on this distribution. It is our intention, for the convenience of shareholders, to reduce the present disparity between our interim and final dividend payments. Any resultant increase in the next interim dividend must not, however, be taken as an indication of a higher total distribution for 1957.

"The total of our share capital and published reserves, including carry forward, now stands at £8,787,268, against £8,461,776 at 31st December 1955.

Fire

"The 1956 results of fire insurance for all insurers in the United States were probably the worst for at least a quarter of a century. As a consequence of the good profits made there in the preceding years rates had been reduced, but the total amount of loss from fire damage in the year was a record. It was estimated at $989 million, an increase of no less than $100 million, or 11 per cent., over that for 1955. Moreover, the values at which property of all kinds was insured had fallen, through the general inflation of the economy, below the true up-to-date values, a state of affairs which always tends to create a disparity between the level of premiums and the cost of settling claims.

"It was not therefore surprising that the loss of £304,000 on our fire account was primarily attributable to our United States branch, and to our subsidiary the Halifax of Massachusetts. Their combined fire premium income increased however by £731,000 in the year, and therefore not only is a part of the book loss accounted for by additions to reserves, but also there is on our ledgers a large amount of additional business on which we may expect to earn profits in the years to come. In saying this I am not forecasting an immediate return to conditions in which good profits can be made, for it will be a year or two before we can hope for proper increases in rates to have been obtained and to take effect. But fire business, as I have told you in previous years, should be paying business in the long run, and to build up a strong fire account it is necessary to acquire it steadily year after year, without seeking to adjust policy to temporary ups and downs of rates and loss experience.

"In Canada, fire business was again unremunerative. Rates have for a while past been too low, and are being kept down by the pressure of competition. In addition we suffered from the damage done by four separate windstorms.

"In the United Kingdom, for the first time for many years, we made no profit, and what turned the scales against us was the cost of claims for frost damage in the early months of the year, which must have affected the results of most other companies. We only just failed to break even however, and we may regard the year as an unsuccessful but not abnormal one, such as we must expect every now and then in a series of years of which the average result is well on the right side.

"Elsewhere generally we made profits, and in all our major branches we increased our premium income. Our total world fire premium income reached £4,779,000, an increase of £781,000 over that for 1955.

Accident

"Our experience on the whole of this account was by no means unsatisfactory, and it exhibits the value of possessing a strong and healthy accident account in a year that is generally unfavourable for fire business. In the United States, where our accident business is extensive, we had in the two major classes in 1956 a reversal of the experience of 1955. Motor business was profitable and workmen's compensation unprofitable in 1955, while in 1956 it was the other way round. The remaining accident lines written by our United States branch turned out well for us, as usual.

"I should, I think, warn you that conditions are difficult at present for motor insurers in the United States. Almost all rates have become inadequate, and in some States they are gravely so. On the compulsory part of motor cover in Massachusetts, for instance, the companies, basing their request on reliable statistics, asked for a rate increase of 22 per cent. for 1957, but were granted virtually none at all. Elsewhere increases are being pressed for (and some may well be obtained) large enough to indicate how insufficient the current rates are in the light of underwriting experience.

"Nowhere, however, is there a recent increase of any importance in force yet, except in the Western States and Illinois, and whatever benefit may come from any that are pending will hardly affect 1957 at all. It is, moreover, my view that our workmen's compensation results for 1957 are not likely to be as good as those in 1956, particularly as there is reason to expect that compensation benefits in many States may be increased by law without corresponding increases in rates. I cannot, therefore, hold out to you the hope of large profits from our United States operations this year, and indeed I think that Mr. E. A. Larner, our United States General Manager and Attorney, and his skilful team of officials and managers have at present an uphill task in front of them.

"Before I pass on from the United States, a new development that I should mention is the introduction as from the beginning of this year of compulsory third party motor insurance in the State of New York. As over 90 per cent. of the cars in the State were in fact already insured we shall not have much increase in business from this source. What is more important than the effect in New York itself is the likelihood that other States may follow suit, and indeed that compulsory motor insurance may become the rule instead of being, as it is now, the exception.

"In Canada, our accident account was again profitable, though we were only able to break even on our motor business there, for the rate reductions brought in at 1st January 1956, proved over-optimistic, especially in view of a steady increase in the cost of claims. Other classes, with only a few exceptions, showed good results, and profits on them were sufficient in all to outweigh the loss on fire business. In our other overseas branches, the story was, generally speaking, the familiar one of profits earned on the whole, but of having to strive, not everywhere successfully, to extract a slender return out of the inadequate margins in motor premiums.

" On our United Kingdom accident account in all we made a fair profit, besides adding satisfactorily to our premium income. It was disappointing only in that our motor business, in spite of the rate increases to which I referred last year, was again unremunerative.

"Last year, I called your attention to a development which I then described as being in prospect, and that was the cover which would be required in connection with atomic risks. It may interest you to know to what extent we are now entering this new line of business. In all countries where material damage and public liability cover relating to the building and operation of nuclear reactors is being or soon will be, underwritten, companies have formed themselves for the purpose into pools capable of meeting the very high limits of liability required. So far we ourselves have participated in arrangements made in this manner in this country, in the United States and in a pool organised in London to cover risks in other foreign countries. Both here and in the United States, we have thought it right to accept our full share of the commitments thus to be assumed.

Life, Marine and Aviation

"Net new business of our associated life office, the Clerical, Medical and General Life Assurance Society, was £10,126,498 for the year. This constitutes a record for the Society, and it is a landmark in that for the first time new business has exceeded £10,000,000. It includes group assurances and compares with £9,824,821 for 1955, an increase of £301,677. The premium income increased by £55,227 to £2,981,760, and the gross rate of interest earned on investments rose to the record figure of £5 17s. 2d. per cent.

"The Merchants Marine has continued its expansion in all classes, and sums of £15,000 and £32,748 have been transferred from the marine fund and the fire, accident and general account, respectively, to profit and loss account. A dividend of 10 per cent. for the year has been recommended by the Directors. The Company's liquid position has been improved by the sale of its premises in Cornhill at a price exceeding the book value.

"There has been no relaxation during the past year of competition for aviation business, which always tends to be severe because of the international character of the market. Our interest in this class consists of our holding of shares in the Aviation and General Insurance Company and our participation in the United States Aviation Insurance Group and its Canadian subsidiary. Both of these have maintained their high tradition of careful underwriting in spite of the difficulties that competition causes.

Investments

"The Corporation's total investments, including property and associated and subsidiary companies, amounted to £41,722,433, which represents an increase of £2,314,899 over the figure at the end of 1955. As most shareholders are aware, the chief feature of the investment record of 1956, in nearly all countries where British insurance companies operate, was an increase in the yield on Government and other fixed interest securities, or in other words, a fall in their market values. This trend has naturally affected the Corporation in the United States, in Canada and in Great Britain. Our total investments, however, were still worth a good deal more at market prices at 31st December last than the figure that represents their book value in our balance sheet, for the appreciation in value of our holding of ordinary stocks was still considerable.

"From time to time, in past years, mention has been made of the increasing volume of our Canada branch investments. I thought that this year you might be interested to have this development illustrated by some simple figures, and the following table, comparing 1956 with 1951, shows its salient features:

Market Values of Canada Branch Investments at 31st December

	1951 $	1956 $
Government and Provincial Securities (including Guaranteed)	2,629,563	5,475,080
Other Fixed Interest Securities	305,350	1,030,912
Common Stocks	6,000	1,008,137
	$2,940,913	$7,514,129

"The Canadian laws that govern the operation of insurance companies work out so that, with a development such as ours, more and more deposits have had to be put up against our business obligations. The increase in our security holdings in Canada has thus outstripped the growth of our premium income, and is in fact the most striking feature of our expansion there. I do not, however, know any other country in which I would sooner invest at this time, and I am more than willing to see both our premiums and our investments in Canada continue to expand.

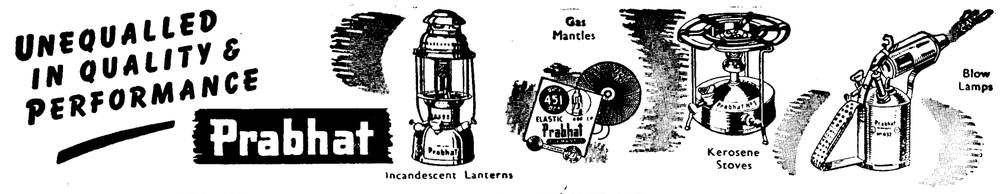
"Indeed it may be that at some stage it will be clear that development there and in other countries overseas must be halted or held back unless it can be specially financed. If that situation should arise, I would regard it as our duty to provide the necessary funds rather than to restrain progress which we believe to be healthy and desirable.

"Our Australian advisory committee has been augmented by the appointment, on the 1st June 1956, of Mr. A. R. L. Wiltshire, C.M.G., D.S.O., M.C. Mr. Wiltshire was General Manager of the Bank of Australasia from 1944 to 1951 and of the Australia & New Zealand Bank from 1951 to 1954. He is a director of several important financial and industrial companies, and has, therefore, a fund of experience upon which to draw. With this and his acknowledged ability he will certainly be a valuable addition to our committee.

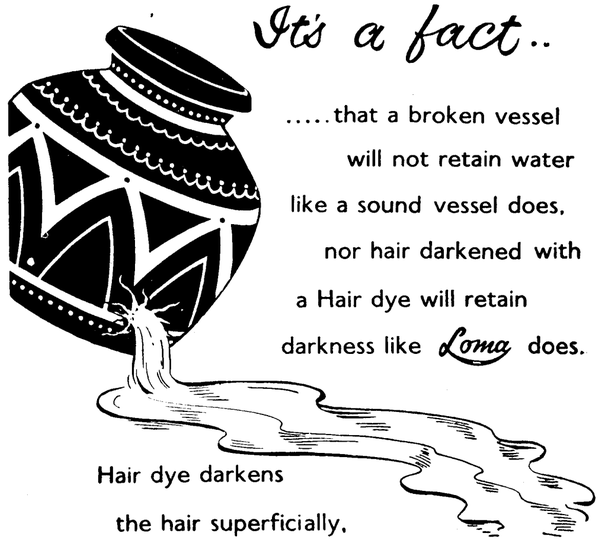
"In October and November, last year, I paid a visit to Canada and the United States. Mr. Keysell, our general manager, was also in these two countries then. He and I together heard from Mr. Larner in Boston about the progress of our United States branch and that of our subsidiary company, the Halifax of Massachusetts, and were able to exchange views with him on policy and on our major problems. Mr. Keysell also made one of the tours of some of our United States branch offices that he always finds so interesting and instructive. This one took him as far as California, and, before returning to London, he spent some time with Mr. Curtis, our manager for Canada, at Montreal.

"Mr. Crocker, the assistant general manager of the Corporation, paid a visit at the end of last year to our branches and agencies in South Africa, East Africa and Rhodesia. Earlier Mr. Wanford, our overseas manager, spent some weeks on our business in the Caribbean area.

"May I finally commend the excellent work that is done by our officials, managers and staff, and the loyal co-operation of our agents all over the world. I have done so each year since I became your Chairman, and each year it has been with a fresh sense of sincere admiration for the qualities of those who form our team and of gratitude for their achievements."



Gujarat Manufacturers: PRABHAT (Stove & lamp) PRODUCTS CO., PRIVATE LTD., Noble Chambers, Parsi Bazar Street, Fort, Bombay - 1



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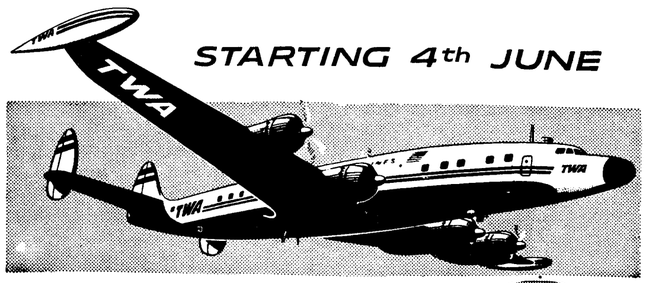
THE UNIVERSALLY ACCLAIMED NATURAL HAIR DARKENER
Sole Agents: M. M. KHAMBHATWALA, AHMEDABAD 1.
Agents: C. NAROTAM & CO., BOMBAY 2. Tel: 30575



TRADERS' VIEWS ON EXPORT PROMOTION—I

NEED FOR SIMPLIFIED EXPORT PROCEDURES

IT will be recalled that the Export Promotion Committee, set up by the Government of India in February last, sent out a questionnaire early in March to various business associations for ascertaining their views on such questions as the long- and short-term measures to be adopted by the Government, industry and trade, in order to step up exports. Export policy and procedure, particularly the quota system and export duty, fiscal incentives necessary for export promotion, procedure for refund of excise duty and drawback of import duty, invisible exports, export financing, shipping and transport facilities were the principal topics on which these bodies were asked to state their views. Noteworthy among the short-term measures suggested by two business associations, namely, the All India Exporters' Association and the Gujarat Chamber of Commerce, are that the Government should (*a*) simplify export procedure and sales tax and excise procedure, (*b*) minimise avoidable delays in granting export licences and in enforcing customs formalities, (*c*) remove technical objections and (*d*) accord high priority in respect of transport facilities, both on railway and shipping, for export commodities. It is also pointed out by them that exports cannot be stimulated unless Indian products are enabled to overcome the price resistance offered by foreign products by reducing their costs of production. This obviously calls for appropriate wage policies the responsibility for which rests primarily with the Government and the trade unions. Incidentally, it is also suggested that subsidising of exports would go a long way in helping certain commodities to face foreign competition.

Among the other measures put forth by these two bodies, special mention must be made of their stress on provision of cheap credit. It may be recalled, in this connection, that on not a few occasions, Indian trade missions visiting foreign countries found to their dismay that many Indian products were scarcely known there and that foreign importers were also dissatisfied with the quality and packing of Indian exports. It is, therefore, quite appropriate that the associations should have laid considerable stress on the responsibilities of the industry for improving the quality of the goods and packing, and on the need for giving adequate publicity about Indian goods in the overseas markets. The Gujarat Chamber's view on this point is that a new export division should be opened in the Department of Commerce exclusively for the purpose of disseminating information about Indian products. It would, however, be desirable if the industrialists themselves were to undertake this publicity work. The Federation of the Chambers of Commerce and Industry, for instance, could be asked to perform this function.

Items of Export

Among the various items in which exports can be augmented in the immediate future substantially, mention is made of the traditional exports, namely, cotton textiles, tea, tobacco, jute goods, hides and skins, etc. The Gujarat Chamber of Commerce (G.C.C.) has expressed the view that the exports of jute manufactures can be increased substantially, if serious attempts are made to export them in forms other than of packing material, such as carpets and tapestry. Other items in which exports can be raised are, according to the Associations, sugar, leather and coir goods, carpets, silk, rayon textiles, sewing machines, cotton bags and umbrellas. It is also pointed out that exports in tea can be enhanced if the methods of grading and of publicity abroad are improved. The G.C.C. is also of the view that since the *vanaspati* exported to certain European countries is chiefly used for manufacturing margarine, the latter, if produced in India, will have a steady market abroad. Also, with the same end in view, it calls for a reorganisation of the leather industry on scientific lines and provision of adequate financial and technical help to the producers. The Gujarat Chamber has especially stressed the possibility of increasing the exports of engineering and electrical goods the production of which is expected to expand considerably during the second Plan. The All India Exporters' Association opines that, with a view to raising the exports of these items, the Government should devise extensive schemes of incentives by granting relief measures like relaxation of export duties and supply of finance on easy terms.

On the question of export policy and procedure, the Exporters' Association has expressed itself against the practice of giving licences to manufacturers. This, the Association feels, is harmful to exports, for the manufacturers are not sufficiently export-minded, because of the fact that the home market gives them better profit margin without undergoing the risk of exports. Better results can be obtained, it says, by granting quotas to established exporters. The Association has also suggested, incidentally, that (1) export quotas should be liberally increased wherever production has increased, keeping in view internal requirements, and (2) the export duty on those items should be removed the exports of which are likely to increase as a result of such removal.

Drawback of Duty Inadequate

The two business associations have also claimed that the present rate of drawback of duty on the re-export of imported goods at seven-eighths of the duty, subject to certain conditions, is inadequate. According to them, the advantage of the duty is not availed of by the exporters because of the complicated procedure involved and also of the feeling that the benefit is not proportionate to the trouble involved. The A.I.E.A. further feels that, in the case of export of manufactured goods in which the imported materials are used, full drawback of duty should be allowed.

An important suggestion made by the All India Exporters' Association with reference to incentives is that the recent imposition of inter-State sales tax on export sales is detrimental to export promotion. In its opinion, all sales that take place inside the country for ultimate export, provided no material change in the commodity takes place, should be exempted from the incidence of provincial or inter-State sales tax, or any other impost applicable to internal sales. Both the Associations have also strongly felt that the railway transport facilities are very inadequate. They have, consequently, suggested that the transport of goods meant for export should receive priority for railway transport. Shipping facilities should also be more regular and frequent. It is pointed out, in this connection, that lack of direct steamers to some important destinations adversely affects the export trade. Stress is also laid on the need to increase Indian tonnage. Other suggestions for pushing up exports are: (1) Facilities for transport of capital of Indians residing in foreign countries should be allowed on concessional rates. (2) An export-import bank for advancing loans to exporters on easy terms should be established. (3) Minimum standards for quality, packing and performance should be laid down for commodities meant for export. (4) It should be ensured that foreign shipping lines that touch Indian waters do not discriminate against Indian exports. (5) Special facilities may be provided for export industries in procuring machinery, raw materials, stores, etc.

Invisible Exports

It is significant that both the Associations are agreed on the point that it is very essential that Indian banks should take more interest in foreign business than hitherto, in order to increase invisible exports. Indian banks, it may be noted, account for only 25 to 30 per cent. of India's import-export business. It has been suggested by the A.I.E.A. that Indian banks should utilise the services of prominent exporters in an advisory capacity to help them on matters pertaining to exports. Mention is also made of the role of insurance. The re-insurance business, 70 per cent. of which at present goes to foreign companies, it is stated, constitutes a good source of foreign exchange. In view of the fact that Indian shipping companies carry only 6 per cent. of India's foreign trade, it has not forgotten to point out that every effort must be made to acquire additional tonnage. The attention of the Committee is drawn to coastal shipping also. It is stressed that the Government should adopt measures to reserve coastal traffic to Indian companies by patronage and loans to increase the

(*Continued on next page*)

CALCIUM LACTATE INDUSTRY

PROTECTION FOR THREE MORE YEARS

FOLLOWING the Central Government's acceptance of the recommendations made by the Tariff Commission on the claim of the calcium lactate industry for protection, the industry gets protection for three more years, that is, upto 31st December 1960—at the existing rates of duty, namely, 37.8 per cent. *ad valorem* standard, and 27.3 per cent. *ad valorem* preferential. Suitable steps are expected to be taken by the Government in due course to implement this recommendation. Among others, the Commission has urged (1) a careful watch on the volume and prices of imports, particularly from China, and (2) purchase of the entire requirements of calcium lactate from the indigenous industry by the Central and State Governments. The latter suggestion is, of course, qualified by the proviso that the producers maintain a necessary standard of quality and reasonable prices. While on prices, the Commission has stressed that, for determining the reasonableness or otherwise of prices, the abnormally low prices of imported products should not be taken as the standard. The Government of India has taken note of these two recommendations and steps will be taken to implement them as far as possible.

Incidentally, the Commission has provided for a review of the scheme of protection, when the industry is threatened by unduly cheap imports of foreign goods. At the same time, it has called upon Messrs. Sarabhai Chemicals, practically the sole producers of this chemical, to mark this product as conforming to Indian Pharmacopœia (I.P.) specifications only, until it is able to attain strict conformity to British Pharmacopœia (B.P.) specifications.

Progress of Industry

The calcium lactate industry has been enjoying protection since 1950; the last extension, granted in 1956, is expected to expire by the end of the current calendar year. There are at present three factories in the field, though production is concentrated in one factory. The following table gives the progress of the industry during the last four years:

(In tons)

	Annual rated capacity	Actual production			
		1953	1954	1955	1956 *
Sarabhai Chemicals, Baroda ..	72	28.77	31.63	51.25	35.26
Calcutta Chemical Co., Ltd., Calcutta.	30	N.A.	0.63	0.80	2.68
Alembic Chemical Works, Baroda ..	60	7.39	4.34	1.63	..
Total ..	162	36.16	36.60	53.68	37.94

* (January-September)

As can be seen from the table, an important problem of the industry is its idle capacity. It is noteworthy, however, that Sarabhai Chemicals is now utilising about 70 per cent. of its installed capacity, and that the company has drawn up plans to increase its capacity to 90 tons per annum. Nevertheless, the fact remains that imports have been found necessary to meet the domestic demand which is estimated at 56 to 60 tons per annum. They increased from 0.40 ton valued at Rs. 1,521 in 1943 to 7.55 tons, worth Rs. 22,891, for the period January-September 1956. In view of the increasing domestic demand for the product—which is placed at 75 tons per annum during the next three years and for meeting which the existing capacity will be more than adequate—and of the high fair ex-works price of the indigenous product, as compared with the imported product, the Commission has found it necessary to extend protection to the industry for three more years. The Commission has estimated the actual fair ex-works price of the product at Rs. 1.83, and that of the future at Rs. 1.76, per lb. As against this, the landed cost, without duty of the cheapest imported products, that is, from China, is placed at Rs. 1.06. Consequently, the difference between the actual fair ex-works price and the landed cost works out to 76 nP, or 73.7 per cent., expressed as percentage of the c.i.f. price. It is noteworthy, however, that the Commission has not chosen to raise the existing rate of protective duty to 74 per cent. to cover this difference. The reasons are threefold: (1) It will constitute a heavy burden on consumers who still import the product from sources such as the U.K., Holland, or Denmark, though it is cheapest in China, (2) it will also necessitate raising the preferential duty, which is not desirable, in view of the fact that the U.K.'s product does not constitute a serious competition; and (3) it is not clear whether the abnormally low price quoted by China is due to special advantages or commercial considerations.

As regards quality, though some improvement has been made by the industry in respect of assay and solubility, the Commission has expressed the view that there is much scope for the improvement, especially with regard to "odour."

(*Concluded from previous page*)

mercantile marine tonnage. Tourism is another source on which considerable emphasis is laid by the Associations. Good hotel accommodation in tourist centres and relaxation of customs examination of tourists as also of prohibition rules are rightly held to be essential facilities for promotion of tourism.

On the question of methods of export financing, the Associations have expressed the view that the availability of credit is limited and that the rates of interest are high even as compared with countries like Japan. A suggestion worthy of special consideration is the establishment of an export-import bank, which the Associations feel, will provide credit facilities on easy terms and stimulate exports. In this connection, the case of the Export-Import Bank of Japan is cited. It is further suggested that small exporters should get assistance from State Financial Corporations and co-operative banks.

The Associations have welcomed the establishment of Export Promotion Councils. But they are emphatic on the point that they should have competent officers in important foreign markets to assess market requirements and send correct reports regularly. It is particularly stressed in this context that the reports that are sent to the Ministry of Commerce by the Trade Commissioners stationed abroad are published after such a lapse of time that they lose all practical utility. Stress is laid, consequently, on the appointment of adequately trained and experienced staff as Trade Commissioners abroad and on the prompt dissemination of their reports to traders and industrialists.

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Bombay 1
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Manager .. 261221
Office .. 263058
Mr. T. Ohnuma, *Manager.*

HOLIDAY THIS SUMMER IN



Kashmir

CONCESSIONAL RETURN TICKETS BY RAIL-OFFERED



Concessional Rail-Cum-Road and Rail-Cum-Air Return Tickets, at one and one-third single Rail journey fares for I, II and one and one-half single journey fares for third classes for the Rail portion and Rs. 27/- per seat for the Road journey and Rs. 76/- for Air journey between Pathankot and Srinagar are issued to Srinagar via Pathankot from the following stations:

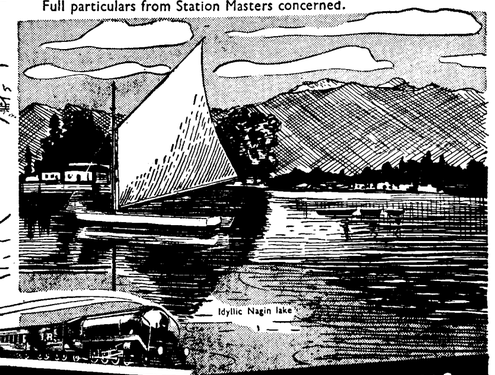
Central Rly. Stations.		Western Rly. Stations.	
Bombay V. T.	Begampet	General Offices Booking office, Churchgate, Bombay.	
Byculla	Hyderabad (Dn)		
Dadar	Kacheguda	Bombay Central	Jaipur
Poona	Gwalior	Surat	Rajkot
Nagpur	Bhopal	Baroda	Jamnagar
Jubbulpore	Sholapur	Ahmedabad	Ajmer
Agra Cantt.	Saugor	Bhavnagar Terminus	Agra Fort
Raja-ki-mandi	Kurnool Town		Mhow
Agra City	Secunderabad	Indore	

Tickets will be issued till October 31, 1957, valid for 3 months from the date of commencement of the journey.

Children—Half fares for Rail journey and full return fares for road journey and half fares for Air journey.

Those who desire to visit Kashmir are requested to make their own arrangements for securing the permit from the District Magistrate or the authority concerned for entry into Kashmir.

Full particulars from Station Masters concerned.



CENTRAL AND WESTERN RAILWAYS

P. N. B.

WORKING RESULTS AT A GLANCE

STATEMENT OF ACCOUNTS AS ON 31-12-1956

LIABILITIES

i.	Paid up capital	Rs.	87,50,000
ii.	Reserve Fund and other Reserves	Rs.	1,25,00,000
iii.	Deposits	Rs.	1,06,38,58,201
iv.	Other Liabilities (including contra items such as Bills for collection and acceptances, endorsements and other obligations)	Rs.	32,52,11,363
	Total ..	Rs.	1,41,03,19,564

ASSETS

i.	Cash and balances with Bankers		Rs.	12,39,23,611
ii.	Investments			
	(a) Investment in G. P. Notes, Municipal Loans and shares guaranteed by the Central and State Govts.	46,89,66,671		
	(b) Other investments	1,40,42,990		48,30,09,661
iii.	Loans and advances			54,86,00,526
iv.	Other assets (including contra items such as Bills Receivable being Bills for collection and constituent liabilities for acceptances, endorsements and other obligations)			25,47,85,766
	Total ..		Rs.	1,41,03,19,564

Chairman
Shri S. P. Jain

THE PUNJAB NATIONAL BANK LTD.

Head Office : Delhi
A. M. Walker—General Manager

SUBSTANTIAL RISE IN NATIONAL RAYON'S EARNINGS

DIVIDEND RAISED—EXPANSION IN PROGRESS

WITH the declaration of a dividend of 14 per cent. for the year ended 31st December 1956, the Directors of the National Rayon Corporation Ltd. (Managing Agents: Messrs. Chinai & Co. Private Ltd., Bombay) have increased the distribution to the shareholders for the third year in succession, after the maiden dividend of 9 per cent. paid for 1953. While in the previous year the dividend was raised to 12 per cent. from 10 per cent. for 1954, the higher distribution for the year under review is in the nature of a dividend of 12 per cent. and a cash bonus of 2 per cent. In our last year's review we questioned the wisdom of the Directors in having stepped up the dividend when the profit for that year did not justify any such action, especially when it was contrary to their own declared policy of maintaining the distribution at 10 per cent. for some years to come. No doubt, this policy has been observed only in the breach right from its conception but, for the year under review, the higher distribution is fully warranted by the substantial increase in earnings. Thus, the gross profit for the previous year at Rs. 115.26 lakhs, which was a shade lower than Rs. 115.78 lakhs for 1954, has jumped up by Rs. 40.03 lakhs to Rs. 155.29 lakhs. After making substantially higher provisions for Managing Agents' commission and depreciation and providing Rs. 26.61 lakhs for taxation as against *nil*—the Company expects that its profit for the year may be assessable for income-tax—the net profit stands slightly higher at Rs. 58.33 lakhs, as compared with Rs. 58.29 lakhs a year ago. The dividend on the preference shares is proposed to be paid after deducting tax at source.

As usual, the Company has conserved a good part of its profit, but its reserve fund, created only two years ago, should receive better attention. It has been provided with only Rs. 7 lakhs as against Rs. 10 lakhs in the previous year. The deferred taxation reserve, however, gets a higher allocation of Rs. 10 lakhs, as against Rs. 5 lakhs, while the debenture redemption reserve has been maintained at Rs. 10 lakhs.

The following comparative table presents the salient features of the Company's working results for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	4,22.38	3,42.50	2,96.37	2,85.13
Stock of finished goods ..	22.32	16.08	10.92	15.85
Other income	3.11	1.75	1.57	1.35
Raw materials consumed ..	1,17.58	1,03.29	79.21	68.72
Expenses	1,59.86	1,30.93	98.01	74.92
Gross profit	1,55.29	1,15.26	1,15.78	99.09
Managing Agents' commission..	10.35	6.97	7.08	5.92
Provision for—				
Depreciation	60.00	50.00	45.00	40.00
Taxation	26.61	..	..	0.15
Net profit	58.33	55.29	63.70	53.02
Underwriting expenses written off	..	..	..	3.50
Debenture issue expenses written off	..	4.16	..	..
To reserves	27.00	25.00	38.00	22.00
gratuity reserve	2.00	2.00	0.50	..
Dividends—				
5% cumulative preference ..	6.43*	8.71	8.71	8.71
Ordinary	22.50 (D. 12% + B. 2%)	19.02 (12%)	15.77 (10%)	14.19 (9%)
Carry forward	5.52	5.12	5.72	5.01

* Less tax.

It will be seen from the above table that the Company's sale proceeds have sharply increased by Rs. 79.88 lakhs. The cost of raw materials consumed and the other expenses have also gone up, but these are in consonance with the higher production and the rising trend in turnover. The Company expects that, due to stringency in the money market and other unfavourable market conditions, the excise duty on the production of rayon yarn, which the Government of India imposed with effect from 1st of December last year, will, in future years, impose a burden of more than Rs. 35 lakhs every year on the Company. Another adverse factor is the tremendous rise in freight charges which has boosted up the landed cost of the imported raw materials.

The Company's various schemes of expansion are proceeding apace. Elucidating the position of these, the Directors, in their latest report, observe as follows:

"The expansion of the rayon plant taken on hand is progressing satisfactorily. The second stage of the expansion was completed in December last and the third and fourth stages are expected to be completed within a short time. With the completion of this expansion, the total installed capacity of the plant will be 24 tons per day on the basis of 150 denier. The erection of the caustic soda chlorine plant is also progressing satisfactorily, and it is hoped that the plant will go into operation some time in the third quarter of this year. The starting of these plants was delayed due to the incoming machinery having been held up on account of the Suez crisis, which, in some cases, extended over three months resulting in corresponding delay in the erection and starting of the plants.

"Your Directors have also decided to put up a four million lbs. capacity tyre cord plant. Under the Government of India's new scheme for the release of foreign exchange for purchase of capital goods, the putting up of this plant would be possible only if the Company can arrange deferred payments extending over seven years in respect of 80 per cent. of the cost of the equipment to be imported. Representatives of the Company are being deputed abroad to explore possibilities of obtaining such credit and also for negotiating terms for the purchase of necessary equipment and the 'know-how.' An application has also been made to the Central Government for permission to increase the capacity of the caustic soda plant to take care of the requirements of caustic soda for the proposed tyre cord plant."

The Directors further state that the putting up of the tyre cord plant will cost about Rs. 3 crores and the erection of the plant itself might take about two years from the date of placing orders. In order to meet a portion of the cost of this new venture, the Directors have decided to increase, as already reported in *Commerce*, the ordinary capital of the Company by a further issue of 80,500 ordinary shares to the existing shareholders of the Company in the proportion of one share for every two ordinary shares held. Subject to sanction from the Government of India, the new capital is proposed to be issued at a premium of Rs. 25 per share.

The balance-sheet of the Company as at 31st December 1956 shows its paid-up capital at Rs. 334.92 lakhs of which the 5 per cent. cumulative preference capital in shares of Rs. 100 each accounts for Rs. 174.29 lakhs and the balance is in ordinary shares of Rs. 100 each. The paid-up capital shows an increase of Rs. 3.03 lakhs over the year which amount represents receipts in respect of forfeited shares sold during the year. The paid-up capital is supplemented by reserves and surplus aggregating Rs. 124.32 lakhs, of which general reserve accounts for only Rs. 32 lakhs, deferred taxation reserve for Rs. 60 lakhs and the debenture redemption reserve for Rs. 20 lakhs. The Company's debenture capital secured by 5½ per cent. mortgage debentures amounts to Rs. 150 lakhs. The current liabilities aggregate Rs. 226.65 lakhs and provision for taxation Rs. 26.92 lakhs. The current liabilities include loans from banks amounting to Rs. 120.76 lakhs. There has been an addition of Rs. 266.01 lakhs to the gross block during the year bringing its total value to Rs. 946.21 lakhs. This has been written down to a book value of Rs. 681.21 lakhs. The current assets aggregate Rs. 186.46 lakhs and fall short of the current liabilities and provision for taxation by as much as Rs. 67.11 lakhs.

The Rs. 100 fully paid-up shares are being currently quoted at Rs. 224 cum-div. On an *ex-div.* basis, the latest dividend affords a yield of 6.7 per cent. per annum, free of income-tax.

(Concluded from next column)

of 21,000 ordinary shares of Rs. 100 each, 1,500 six per cent. cumulative preference shares of Rs. 100 each and 3,000 6½ per cent. cumulative preference shares of Rs. 100 each. Of the ordinary capital of Rs. 21 lakhs, as much as Rs. 14 lakhs represent the amount capitalised out of reserves in the past. Even after this, the reserves and surplus aggregate Rs. 38.94 lakhs, of which general reserve alone accounts for Rs. 18 lakhs, reserve for renovation and replacement of machinery for Rs. 11 lakhs, dividend equalisation reserve for Rs. 7 lakhs, provision for contingencies for Rs. 2 lakhs and investment depreciation reserve for Rs. 50,000. The provision for taxation stands at Rs. 8.17 lakhs. The current liabilities amount to Rs. 30.44 lakhs. The gross block of Rs. 80.73 lakhs, including additions during the year of Rs. 10.56 lakhs, has been written down to Rs. 33.50 lakhs. The current assets aggregate Rs. 69.55 lakhs and exceed the current liabilities and provision for taxation by a margin of Rs. 30.94 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are being quoted at Rs. 289 *ex-div.* at which rate and on the basis of the latest dividend, the yield on the shares works out to 6.9 per cent. per annum, free of income-tax.

VASANTA MILLS' PROFITS BETTER

DIVIDEND MAINTAINED

THE hope expressed by the Directors of the Vasanta Mills Ltd. (Managing Agents: Messrs. R. K. Shanmukham Chetty & Bros., Singanallur, Coimbatore District) in their last annual report that the increase in the spinning output, consequent on the commissioning of the new spindles with effect from December 1955, held out prospects of earning "reasonably decent profits" for the year ended 31st December 1956, has been fully justified by the results for that year published recently. The profit earned shows a marked improvement over that for the previous year. As compared with 1955 results, the gross profit has staged a smart rise of Rs. 5.56 lakhs or 30 per cent., that is, from Rs. 18.53 lakhs to Rs. 24.09 lakhs. It may be noted here that this improvement is in refreshing contrast to the slight fall suffered by the Company in 1955 from Rs. 18.82 lakhs for 1954. Another interesting point is that the gross profit for 1956 is nearly twice as much as that for 1953 when it was no more than Rs. 12.77 lakhs. Lest this comparison should create the impression that the earnings for 1956 were excessive, it is necessary to add that 1953 was a very lean year for the cotton mills in South India, and as such does not represent a proper base for comparison. The main reason for better profit in 1956 is the improvement in the productive capacity of the Company. Indeed, as the Directors point out, the year's trading results could have been far more gratifying, but for the interference caused by the power cut over a short period.

The net profit stands at Rs. 8.37 lakhs, as against Rs. 7.25 lakhs a year ago. The relatively smaller improvement in net profit as compared with the gross profit is due to the substantially higher allocations to depreciation and taxation. Thus, the provision for depreciation has gone up from Rs. 4.68 lakhs to Rs. 7 lakhs and for taxation from Rs. 5 lakhs to Rs. 6.50 lakhs. The dividend has only been maintained at the previous year's rate of 20 per cent., to which level it had been stepped up from 15 per cent. for 1954 and 12 per cent. for 1953. The management has, however, devoted a good part of the improvement in net profit to strengthen the reserves. Thus, it has credited to general reserve fund Rs. 2 lakhs as against only Rs. 50,000 a year before. In addition, the transfer to the dividend equalisation reserve has been maintained at Rs. 2 lakhs.

The following comparative table provides a broad idea of the Company's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	1,80.03	1,60.92	1,60.57	1,31.50
Manufacturing and other expenses	1,56.35	1,42.77	1,42.37	1,19.26
Gross profit	24.09	18.53	18.82	12.77
Managing Agents' commission and allowance	2.22	1.60	1.62	1.14
Depreciation	7.00	4.68	4.73	3.55
Taxation	6.50	5.00	6.00	3.50
Net profit	8.37	7.25	6.47	4.58
To general reserve	2.00	0.50	3.00	..
other reserves	2.00	2.00	..	1.99
Dividends—				
Preference	0.28	0.28	0.28	0.28
Ordinary	4.20 (20%)	4.20 (20%)	3.15 (15%)	2.52 (12%)
Carry forward	0.44	0.56	0.30	0.28

The better results of the year are to be traced to the higher turnover which have substantially gone up from Rs. 160.92 lakhs to Rs. 180.03 lakhs. This, as mentioned already, is due to the additional spindles installed in 1955 going into full production during the year under report. Manufacturing and other expenses have increased by Rs. 13.58 lakhs, of which the general increase in wage level, based on an agreed settlement following the Textile Tripartite Committee's recommendations, accounts for an increase of about 10 per cent. in the total wage bill of the Company over the year. The Directors state that the heavy incidence of the excise duty and sales tax on cotton piecegoods have adversely affected the demand position, resulting in accumulation of stocks and blocking of a large portion of the Company's working capital. The replacement recently of one line of the old blow room equipment with the latest type of machinery, under the Company's programme of modernisation of the mills' spinning plant, is expected to improve the quality of the Company's products.

The Company's financial position, as disclosed by its latest balance sheet, is quite sound. Its paid-up capital of Rs. 25.50 lakhs is made up

(Continued in previous column)

Points From The Chair

Production in Private Sector

"INDUSTRYWISE, production in the private sector continued to show satisfactory progress, but many plans for expansion and new construction were apt to be altered drastically owing to the deterioration in the foreign exchange position of the country and the resultant changes in the import of capital goods. The situation which was already desperate because of the Suez complication got even more aggravated because of the official restrictions on foreign exchange spending. Yet another impost has been saddled on the industries which will tend to impede progress severely. I am referring to the provisions relating to the compulsory deposit with the Central Government of certain proportions of accumulated and current reserves. The effect of this legislation could be extremely serious in case of some companies and it is to be hoped that when the rules are finally published, Government will take into consideration the various aspects of the problem and be liberal in their application."

MANEKLAL PREMCHAND,
Industrial Investment Trust Ltd.

Savings

"The Banking Companies Act has been amended giving more powers to the Reserve Bank of India in the matter of issuing directions to banks on matters of policy, administration and on other important matters. The Reserve Bank has already been helping the commercial banks with its advice and guidance and there is every reason to hope that the powers vested will be used for the development of banking on sound lines to suit the pattern of the second Plan. Bank credit has become costly during the year, as the resources of banks have not improved as rapidly as the demand for finance has developed. As against a rise of Rs. 104 crores in notes in circulation, the deposits of Schedule banks have risen only by Rs. 79 crores. The need for mobilising savings to meet the demand for investment in the Plan is very essential. Steps for development of banking in rural areas to tap savings must be encouraged by the authorities, as a very wide field is left untouched in this direction."

YARLAGADDA SIVARAMA PRASAD BAHADUR,
Andhra Bank, Ltd.

Place of Aluminium

"In the electrical field, reductions which have taken place in the price of other non-ferrous metals have not challenged aluminium's position as the cheapest available conductor of electricity, and it should not be forgotten that in the case of high voltage overhead transmission lines, aluminium established this position many years ago in the days when the price per ton of copper was considerably lower than that of aluminium. Since then aluminium has made steady progress in other sections of the electrical industry, in some of which, notably the insulated cables and wiring sections, the price advantage is not so spectacular owing to the composite use of other materials. The use of aluminium in funnels, superstructures and other marine components is technically established, and its economic advantages are becoming appreciated. It is interesting to note that in the newest passenger liners now being built for the Orient and P. & O. Lines extensive use will be made of welded aluminium in the superstructures. The production of aluminium foil for packing, wrapping and insulation in the United Kingdom, has increased during the last ten years from 5,000 to 20,000 tons a year, and we share the confidence of the foil rollers in the further expansion of this market shown by the substantial additional capacity planned to commence production within the next year or two."

Rt. Hon. VISCOUNT PORTAL,
British Aluminium Co., Ltd.

Wage Fixing

"It is a moot point whether the present practice in so many industries of fixing wages on a national basis should be continued or whether wages should be a matter for agreement within each individual business. After all, the sole criterion where wages are concerned should be the ability of the business to pay. In other words, wages must be linked to production—not to any outside factor such as a cost-of-living index. In the end, the law of supply and demand will ensure this, whether we like it or not, particularly in the economic circumstances of this little island where the real employers of all of us are the overseas buyers of our goods and services. No employer who can see beyond the end of his nose objects to paying high wages; provided they are *earned*, are reflected in greater and cheaper production, the higher the better. But the attempts in recent years to exact higher wages in certain major industries without a corresponding increase in production, without greater output and the elimination of the restrictive practices of a bygone era, are irresponsible, particularly when backed by the threat of strikes on a national scale."

HALFORD REDDISH,
The Rugby Portland Cement Co. Ltd.

COMPANY MEETINGS AND DIVIDENDS

NUTAN MILLS LTD. Annual General Meeting, Ahmedabad, 24th May 1957. Dividend: Rs. 20.00 per share.

RAIPUR MANUFACTURING CO., LTD. Annual General Meeting, Ahmedabad, 24th May 1957. Dividend: Rs. 27.50 per share, final (includes bonus of Rs. 10.00 per share), payable on 11th and 12th June 1957. Transfer books remain closed from 5th to 25th May 1957, both days inclusive.

ARVIND MILLS LTD. Annual General Meeting, Ahmedabad, 24th May 1957. Dividend: Rs. 27.50 per share, final, (includes bonus of Rs. 10 per share).

NORTH DAMUDA COAL CO., LTD. Annual General Meeting, Calcutta, 24th May 1957. Transfer books remain closed from 10th to 24th May 1957, both days inclusive.

AHMEDABAD NEW COTTON MILLS CO., LTD. Annual General Meeting, Ahmedabad, 25th May 1957. Dividend: Rs. 20.00 per share.

SARASPUR MILLS LTD. Annual General Meeting, Ahmedabad, 25th May 1957. Dividend: Rs. 20.00 per share.

ASOKA MILLS LTD. Annual General Meeting, Ahmedabad, 25th May 1957. Dividend: Rs. 30.00 per share.

GUEST, KEEN WILLIAMS, LTD. Annual General Meeting, Calcutta, 29th May 1957. Dividend: Re. 1.50 per share (final). Transfer books remain closed from 8th to 29th May 1957, both days inclusive.

JAY SHREE TEXTILES LTD. Annual General Meeting, Rishra, Dist. Hooghly, West Bengal, 30th May 1957. Dividend: Re. 0.37 (As. 6 per share) per share. Transfer books will remain closed from 17th to 30th May 1957, both days inclusive.

CAREW AND CO., LTD. Annual General Meeting, Calcutta, 31st May 1957. Dividend: *Nil*. Transfer books remain closed from 13th to 31st May 1957, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Pathirapally, 6th June 1957. Transfer books will remain closed from 20th May to 7th June 1957, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. Annual General Meeting, Calcutta, 7th June 1957. Dividend: Re. 0.75 per share (final), payable on or after 25th June 1957. Transfer books will remain closed from 18th May to 7th June 1957, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Annual General Meeting, Bombay, 13th June 1957. Dividend: Rs. 14.00 per share (includes bonus of Rs. 2.00 per share), payable on 14th June 1957. Transfer books will remain closed from 20th May to 13th June 1957, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 17th June 1957. Dividend: Rs. 6.00 per share, payable on and after 24th June 1957. Transfer books remain closed from 13th May to 8th June 1957, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Final dividend 13¾ per cent. for the year ended 31st December 1956.

ANANDAM RUBBER CO., LTD. Dividend of Rs. 2.00 per share, for the year ended 31st December 1956. Transfer books will remain closed from 5th to 10th June 1957, both days inclusive.

NENMENY RUBBER AND PRODUCE CO., LTD. Dividend of Re. 1.50 per share, for the year ended 31st December 1956. Transfer books will remain closed from 20th to 24th June 1957, both days inclusive.

UDAYAGIRI RUBBER CO., LTD. Dividend of Re. 0.75 per share, for the year ended 31st December 1956. Transfer books will remain closed from 20th to 24th June 1957, both days inclusive.

THAMARAPALLY RUBBER CO., LTD. Dividend of Rs. 3.00 per share, for the year ended 31st December 1956. Transfer books will remain closed from 5th to 10th June 1957, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Final dividend of Re. 1.00 per share, free of income-tax, for the year ended 31st December 1956.

COMPANY REGISTRATIONS

INTERNATIONAL FISHERIES PRIVATE LTD. (First Director: Mr. Jehangir B. Wadia.) Business: Fishing. Authorised capital: Rs. 25,00,000. Private company. Address: 169/170, B.P.T. Buildings, Sassoon Dock, Colaba, Bombay

TRANSMISSIONS PRIVATE LTD. (First Director: Mr. Ramchandra Bhikaji Sathe.) Business: Importers, exporters and commission agents. Authorised capital: Rs. 5,00,000. Private company. Address: 104-14, Frere Road, Sugar Market, Bombay.

JAMNAGAR IRON TRADING CO. PRIVATE LTD. (First Director: Mr. Nandlal Somchand Sheth.) Business: Dealers in hardware. Authorised capital: Rs. 5,00,000. Private company. Address: Outside Bedi Galli, Jamnagar.

Notice

THE INDIA SUGARS AND REFINERIES LIMITED

MADRAS-17

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Ordinary General Meeting of the Company will be held at the Registered Office of the Company at No. 5, Deenadayalu Street, Madras-17, on Monday the 10th June, 1957, at 10-15 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 30th September, 1956.
2. To declare a Dividend on Ordinary Shares.
3. To elect two Directors in place of:
   (i) Lala Ramgopal Gupta,
   (ii) Sri S. M. Ramakrishna Rao
   who retire and are eligible for re-election.
4. To appoint Auditors for the year 1956-57 and fix their remuneration.
5. As special business to consider and if thought fit to pass the following resolution, namely:

   "That the Books, Registers and other documents required to be maintained by the Company and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 144, 163, 196, 301, 302, 304, 307, 362 and 372 of the said Act, shall be available for inspection at the Registered Office of the Company by the persons entitled thereto in the presence of an officer of the Company, to the extent and in the manner and on payment of the requisite fees, if any, specified in the aforesaid provisions, between the hours of 10 a.m. and 12 noon on each business day. Provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection of the members of the Company between the times abovementioned only during the period prescribed by sub-section 5(*a*) of Section 307."

You are requested to be present in person or by proxy.

The Share Transfer Books of the Company will be closed from 22nd May 1957 to 10th June 1957, both days inclusive.

By Order of the Board,
For THE INDIA SUGAR AGENCIES PRIVATE LTD.,
Managing Agents.
C. HARIPRASAD,
General Manager.

MADRAS, 12*th May*, 1957.

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

The Directors have recommended a dividend at 11¼ per cent. free of Indian Income-tax on the old Ordinary Shares and pro-rata *on the new Shares.*

The dividend when declared will be made payable on or after 17th June 1957 at the State Bank of India, Madras, and Dividend Warrants will be posted to the Shareholders whose names stand in the Register of Members as on 22nd May, 1957. Shareholders may kindly intimate to the Company any changes in address immediately.

Explanatory Statement Required by Section 173 of the Companies Act, 1956.

Item No. 5.—With reference to the resolution relating to inspection of Books, Registers and other documents referred to in the above notice, the Companies Act, 1956, provides that the Company may impose reasonable restrictions on such inspection but so that not less than two hours in each day are allowed for inspection, and the resolution is being moved accordingly.

ANNUAL FREIGHT BILL FOR INDIA'S OVERSEAS TRADES

(*Concluded from page 991*)

or with the ships which are run as tramps. In view of these complexities and the absence of information of the carriage of commodities to different regions or the imports of commodities from different regions, we have tried to study the average rates which have been realised on different routes by Indian shipping companies.

From such information as is available from the published balance-sheets and from the office of the Directorate-General of Shipping, we note that the two leading shipping companies carried about 8 lakh tons of cargo on the India-U.K./Continental route during 1955-56 and earned a freight of nearly Rs. 10.65 crores. The rates which they have realised varied on an average from Rs. 130 to Rs. 137 per dw.t.

The Shipping Corporation carried in the same period a little over 181,000 dw.t. and earned a freight of Rs. 1.50 crores. It realised on an average the rate of Rs. 82 per dw.t. covering important routes, namely, India-Australia, India-Africa and India and the Far East.

Size of The Bill Assessed

The rates realised by other shipping companies on comparatively nearer routes or as tramps varied from Rs. 75 to Rs. 78 per dw.t.

A very large quantity of our cargo is imported or exported by chartered ships or by tramps. These ships generally carry such bulk commodities as foodgrains, iron ores, manganese ores, steel, cement, fertilisers, ilmenites, etc. We have carefully gone into some of the recent fixtures that have been made of chartered ships. Fertilisers have been carried at Rs. 85 per dw.t. The rates of freight of iron ores and manganese ores have varied from Rs. 85 to Rs. 108 per dw.t. So far as foodgrains are concerned, the rates at which the steamers have been chartered for carrying them have varied from Rs. 116 to Rs. 133 per dw.t. It has also to be remembered that some of these fixtures are made on F.I.O. terms. This means that the cost of stevedoring, which is normally borne by the ships, is not to be borne by the ships but by the shipper and the consignee, as the case may be. The practical effect of this procedure is that the ships get a higher rate than at which it is fixed, as the cost of stevedoring may vary from Rs. 10 to Rs. 15 per dw.t., including both the loading and the discharge.

In view of the facts given above, it would be fair to conclude that so far as the carriage of cargo by liners on the India-U.K./Continental route, or the India-U.S.A. run, or the India-U.S.S.R. service, or on such other important routes is concerned, the rate of freight which we should take on an average per dw.t. should be Rs. 130. Although the rates of freight on routes other than the India-U.K./Continent will be normally higher, we would not like to take a higher rate but would err on the safe side by taking it only at Rs. 130 per dw.t.

Further, so far as the carriage of cargo by chartered ships and tramps and the carriage of cargo on such routes as the India-Australia, India and the Far East, India-Africa, etc., are concerned, the average rate per dw.t. should be taken at Rs. 80. This is lower than the average rates at which charters have been fixed during the last four months.

We may here further point out the fact that the liner rates have been increased twice—first in March 1956 and again in April 1957. Every time there was an increase of 10 per cent. It is obvious that these increases do not cover the voyage results of the year 1955-56. It may also be added that the average rate of Rs. 130 indicated above, has nothing to do with the surcharge imposed on rates as a result of the Suez crisis. That crisis came after June 1956. The average of the earnings arrived at above was before that period.

Drain of Rs. 155 Crores

We have already stated above that 14.29 million tons of dry cargo was carried in the overseas trades. As a result of careful investigation in regard to the cargo carried by tramps in the overseas trade of India, it was established that nearly 5.6 million tons of such cargo were carried in the year 1953-54. As the average rate of freight to be applied to the cargo carried by charters, tramps and cargo carried on such nearer routes as the India-Australia, India and the Far East, is Rs. 80 per dw.t., as mentioned above, we estimate that the total quantity of the cargo that has been thus carried in 1955-56 will come to about 7.2 million tons. The balance will be carried by the liners on different routes. To this, we will have to add the freight earned on cargo carried in the adjacent trades. The average rate for that purpose has been put down at Rs. 35 per dw.t. Let us now estimate what the total freight bill of India has been in 1955-56 on the basis outlined above:

(In crores of rupees)		
71 lakhs dw.t. of cargo carried by liners at Rs. 130 per dw.t.		92.30
72 lakhs dw.t. of cargo carried by tramps or chartered ships and by liners on nearer routes at Rs. 80 per dw.t.		57.60
14 lakhs dw.t. of cargo carried in adjacent trades at Rs. 35 per dw.t.		4.90
Total	Rs.	154.80

We can, therefore, say that our annual freight bill came to about Rs. 155 crores in 1955-56. This does not include the freight earned in the coastal trade. It also does not include the freight paid on the imports of crude and other oils exceeding 3.75 million tons. The above figure does not take into consideration the two 10 per cent. increases in the rates of freight made by the liners.

The tonnage carried in our overseas trades has been on the increase. It has been stated by the Estimates Committee in their recent report that they have been advised that the normal carriage of cargo in the overseas trades will increase by the carriage of additional six million tons by 1958. Taking the average rate only at Rs. 100 on this additional carriage of cargo, as the same will consist mainly of bulk cargoes, there will be a rise in our annual freight bill by Rs. 60 crores. It will not, therefore, be unfair to conclude that our annual freight bill will run to the neighbourhood of about Rs. 215 crores by 1958.

More Than Pays Its Way

According to the information supplied by the Director-General of Shipping, the total earnings of Indian ships in the overseas trade in the calendar year 1955 came to Rs. 12.96 crores. It is estimated that it must have gone beyond Rs. 14 crores in the year 1956. As remarked by the Chairman of the Scindia Company, at its annual meeting held on the 13th March, "the Indian ships now engaged in overseas trade earn and save foreign exchange for the country to the tune of Rs. 7 to 8 crores and it will go up to about Rs. 12 crores when all ships on order at the end of the first Plan are delivered." This clearly shows the great potentiality of shipping as an earner of foreign exchange. We may add that the entire amount of the freight earned is not taken as the contribution of shipping to the foreign exchange resources of the country. Disbursements made by Indian ships in foreign countries are deducted from the total earnings of those ships. The results of the enquiries made in this connection in the United Kingdom, in Holland and in Norway show that the amount of disbursements come to about 40 to 50 per cent. of the total earnings of the ships. We have taken into consideration the earnings both on imports as well as on exports. The manner in which Indian ships contribute to the foreign exchange pool of the country was put in the following clear and concise words by Mr. Dharamsey Khatau in his speech as Chairman of the Scindia Company last March. He remarked:

"Actually, an Indian vessel in the overseas trade contributes to our foreign exchange pool in two ways—(*a*) by earning freight in foreign currency and (*b*) by saving foreign exchange required (i) to pay freight on our imports carried by a foreign ship, and (ii) for remittances of freight earned in rupees by a foreign shipowner on our exports. Such contribution amounts to nearly 55 per cent. of the overseas freight earnings."

The Planning Commission has laid down the very moderate objective that, by March 1961, Indian ships should carry about 50 per cent. of the adjacent trade and 15 per cent. of the country's international traffic. That would mean the carriage of about 3.6 million dw.t. of cargo in the overseas trade. The largest portion of this cargo will be carried by the liners. If Indian ships are able to do so, they would be contributing every year about Rs. 25 crores to the country's exchange resources. We would earnestly appeal to the authorities at Delhi to assign as high a priority as possible to the acquisition of additional tonnage.

Stop The Drain

We are fully aware of the difficulties which our Government have to face in providing foreign exchange for the needs of the country. They will have, however, to solve the conundrum without any delay. In the absence of the acquisition of additional tonnage, the Government will have to find about Rs. 60 crores every year by way of foreign exchange for paying the charter hire or freight on the additional six million tons of cargo which they will be importing. This is in addition to the great toll which they are paying by way of freight to the foreign flags today. Once the charter hire or the freight to the tune of Rs. 60 crores is paid, it will bring no tangible results for the future. The money will go. The drain will be drastic. We would, therefore, submit in all humility that at least a substantial portion of such foreign exchange as is available should be utilised for the purchase and/or construction of additional ships. A ship costing a crore and a half rupees will be able to repay the foreign exchange provided for its cost from its earnings within a period of six years. Thereafter, it will be contributing annually about Rs. 30 lakhs to the foreign exchange pool of the country. It will continue to do so for 15 to 20 years. Bearing in mind this great potentiality of shipping as the earner of foreign exchange, and recognising the needs of an adequate merchant navy for enabling India to maintain her strategy, strengthen her defence, and discharge her international obligations, we would, once again, earnestly appeal to the Government that they should give the highest possible priority to the acquisition of additional ships and thereby not only prevent the great drain on our foreign exchange, by way of freight paid to foreign flags, but also conserve and increase our foreign exchange resources.—*All Rights Reserved.*

Notice

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at Gillander House, Netaji Subhas Road, Calcutta, on Monday the 10th June 1957, at 10 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1956.
2. To sanction the declaration of a Dividend.
3. To elect a Director in place of Mr. H. J. Silverston, who retires by rotation and is eligible for re-election.
4. To consider and, if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act 1956 has been received by the Company:—

   As an Ordinary Resolution: That the age limit prescribed under Section 280 of the Companies Act 1956, shall not apply to Mr. Mohamed Ismail Kee Kee Bhai, a Director who has attained the age of 68 years and who retires by rotation, and that he be and is hereby re-appointed a Director of the Company.
5. To consider and, if thought fit, to pass the following resolution of which a special notice as required by Section 261 of the Companies Act 1956 has been received by the Company:—

   As a Special Resolution: That Mr. W. Hutchinson who is an employee of Messrs. Steel Brothers & Co., Ltd., the Managing Agents, be and is hereby elected a Director of the Company.
6. To appoint Auditors for the year ending 31st December 1957 and to fix their remuneration.

Notice is further given that the Equity Register of Members of the Company will be closed from 27th May 1957 to 10th June 1957, both days inclusive.

By Order of the Board,
STEEL BROTHERS & COMPANY, LTD.,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA, *8th May*, 1957.

N.B.—1. A member entitled to attend and vote at the above-mentioned meeting may appoint a proxy who need not be a member to attend and, on a poll, to vote on his behalf.

2. An explanatory statement concerning items 4 and 5 as required by Section 173(2) of the Companies Act 1956, has been posted to the shareholders.

RAILWAY BUDGET REVEALS SURPLUS OF RS. 30.83 CRORES

ENHANCED SUPPLEMENTARY CHARGE ON FREIGHT TRAFFIC

THE financial picture of the Indian railways for the current year (1957-58), presented by Mr. Jagjivan Ram, Union Minister for Railways, to the Lok Sabha on Tuesday last, is substantially the same as that revealed in the interim budget submitted about two months ago. The only significant change is the enhancement, with effect from 1st July next, of the supplementary charge on goods and parcels freight from 6¼ to 12½ per cent., excepting on grains and pulses, fodder, manure, *khadi*, newspapers, newsprint and books. Thanks to this increase, the net surplus of railways that is now expected to occur amounts to as much as Rs. 30.83 crores, as against Rs. 21.43 crores anticipated earlier, Rs. 26.95 crores for 1956-57 (revised) and Rs. 14.22 crores for 1955-56 (actual). The rise of Rs. 3.88 crores in surplus during 1957-58 as compared with the previous year thus is expected to occur despite a marked increase of Rs. 14.82 crores in working expenses, Rs. 3.10 crores in net miscellaneous expenditure and Rs. 6.10 crores in dividend to General Revenues. It is obvious that these increases have been more than covered by a substantial expansion in gross traffic receipts, the exact increase being Rs. 27.90 crores. Of this rise, Rs. 9.4 crores are accounted for by the enhancement of the supplementary charge on goods and parcels traffic just announced.

The statement given below compares the budget estimates of railways for 1957-58 as now placed with those presented in March 1957 and the figures for the previous two years:

(In crores of rupees)

	Budget estimate, 1957-58		1956-57 Revised estimate	1955-56 Actuals
	As now proposed	As presented in March, 1957		
Gross traffic receipts ..	377.90	388.58	350.00	316.29
Ordinary working expenses ..	243.85	243.85	229.03	212.95
Appropriation to Depreciation Reserve Fund ..	45.00	45.00	45.00	45.00
Payments to worked lines ..	0.31	0.31	0.31	0.27
Total working expenses ..	289.16	289.16	274.34	258.22
Net traffic receipts	88.74	79.34	75.66	58.07
Miscellaneous transactions:				
Receipts	0.16	0.16	0.43	0.04
Expenditure	14.28	14.28	11.45	7.77
Net miscellaneous expenditure.	14.12	14.12	11.02	7.73
Net railway revenues	74.62	65.22	64.64	50.34
Dividend to General Revenues ..	43.79	43.79	37.69	36.12
Net gain or surplus	30.83	21.43	26.95	14.22

It will be noticed from the above table that there is an increase of Rs. 9.40 crores in the surplus corresponding to the increase in earnings. It is proposed to appropriate this additional amount also to the Development Fund, which requires strengthening, in view of the very heavy expenditure anticipated from the Fund in relation to the balance in it. The Fund is now expected to close the year with a balance of Rs. 20.12 crores, instead of Rs. 10.56 crores previously estimated.

Traffic Receipts

The anticipated improvement of Rs. 27.90 crores in gross traffic receipts for 1957-58 principally comes from goods earnings, the estimate of which is placed higher by Rs. 20.00 crores at Rs. 226.50 crores. The estimates of passenger, other coaching and sundry earnings are also placed higher by Rs. 3.50 crores, Rs. 3.50 crores and Rs. 75 lakhs, respectively. The details of these receipts are shown below:

(In crores of rupees)

	Budget estimates 1957-58		1956-57 Revised estimate	1955-56 Actuals
	As now proposed	As presented in March, 1957		
Passenger earnings:				
Upper	13.75	13.75	13.00	12.85
Third	105.25	105.25	102.50	94.86
Other coaching earnings ..	24.90	24.00	21.40	20.87
Goods earnings	226.50	218.00	206.50	180.28
Other sundry earnings ..	8.10	8.10	7.35	6.81
Suspense	—0.60	—0.60	—0.75	0.62
Total ..	377.90	368.50	350.00	316.29

The estimate of total ordinary working expenses for 1957-58 appearing in the White Paper remains unchanged at Rs. 243.85 crores (net). There have been some changes in the figures relating to operation (fuel) and miscellaneous expenses, due to some adjustments since found necessary. The change in the former is due to the addition of Rs. 1.02 crores to provide for the additional freight, consequent on the doubling of the supplementary charge of 6¼ per cent. on the transport of coal, since movement of railway coal is also being charged at the public tariff rate. There is an extra provision of Rs. 40 lakhs in miscellaneous expenses for Government contribution to the provident fund of employees who have completed three years' temporary service, which could not be estimated precisely earlier. This has, however, been absorbed in the reduction of Rs. 1.39 crores under suspense in the same demand, owing partly to a review of the provision required on the Southern Railway and partly to the transfer of the provision in respect of transactions relating to payment of certain stores bills to purchases—capital suspense as a result of change in procedure introduced on the Central Railway. There have also been some minor changes in the provision for individual railways, but these do not affect the total provision required under the demands. The details of working expenses after these minor alterations are shown in the table below:

(In crores of rupees)

	Budget estimate, 1957-58		1956-57 Revised estimate	1955-56 Actuals
	As now proposed	As presented in March, 1957		
Administration	30.71	30.71	34.60	31.56
Repairs and maintenance ..	93.92	93.92	86.16	80.38
Operating staff	59.39	59.39	52.66	49.73
Operation (fuel)	50.76	49.74	45.14	39.00
Operation other than staff and fuel	17.25	17.25	15.72	14.70
Miscellaneous expenses ..	15.24	26.23	28.43	32.18
Labour welfare	7.18	7.18	6.27	5.31
Total ..	284.45	284.42	268.98	252.86
Credits or recoveries	—40.60	—40.57	—39.95	—39.91
Net ..	243.85	243.85	229.03	212.95

The amount of expenditure on works has been retained at the same figure as in March. But the anticipation in March that an "on account" payment would be made for the Bombay Government plant in the Chola Power House did not materialise, since negotiations about the basis of valuation of the plant could not be finalised within the year. A provision of Rs. 3.30 crores has been tentatively made for this item, utilising Rs. 40 lakhs available within the demand, due to reduction in the provision for the Chittaranjan Locomotive Works and the reduction of Rs. 2.90 crores in the provision made in conformity with present anticipations of expenditure during the year on certain constructions on the Eastern Railway.

Railway Plan

In the course of his speech, Mr. Jagjivan Ram categorically declared that a substantial expansion of the Railway Plan had become inescapable, in order to cater to a higher volume of traffic and that such an expansion "must be planned straightaway." The railways, he said, would have to find an additional sum of about Rs. 250 crores during the second Plan period, including the gap of Rs. 50 crores which had to be filled in the railway contribution under the existing plan of Rs. 1,125 crores. To quote him: "As we are already well into the second year of the Plan, the augmentation of resources to meet the extra expenditure on rolling stock and works can brook no further delay, as, otherwise, the railways may be too late in creating the capacity required to carry the additional traffic load which, it is quite certain now, will devolve on the railways during the Plan period." In this connection, the Railway Minister alluded to the effects of the reduction in the size of the railways' original plan from Rs. 1,480 crores to Rs. 1,125 crores, and observed:

"To conform to the reduced allotment, the scope of the railway plan had necessarily to be cut down and, after eliminating most of the new lines except those essentially required for the projected expansion in steel and coal production, it was found possible to cater, within the funds allotted, for an increase of only 15 per cent. in passenger transport and a total of 162 million tons in goods transport. The reduction in the target of passenger transport capacity restricted the possibility of any substantial relief of overcrowding in our passenger trains during the period of the Plan.

"While the prospect of continuance of the present state of overcrowding was undesirable, the enforced reduction of the provision for extra goods transport from 180.8 million tons to 162 million tons was much more serious, from the point of view of the country's developing economy. After reserving capacity for 25 million tons on account of coal and other raw materials required for the new steel plants and expansion of the existing ones, 6 million tons more coal for other consumers and 4 million tons more for cement, a very meagre margin was left for the increases in the general merchandise traffic, including increases in trade and the output of all other industries and agriculture.

"The experience of the first year of the second Five-year Plan has made it abundantly clear that demands on rail transport during the Plan period are likely to exceed even the original estimate of 180.8 million tons. It is, therefore, manifest that the allotment of Rs. 1,125 crores, which includes financial provision for carrying only an additional 42 million tons of traffic, will be quite inadequate. In order to cater for a higher volume of traffic, a substantial expansion of the railway plan has become inescapable and such an expansion must be planned straightaway, as the execution of the line capacity and signalling works essential for moving the higher quantum of traffic will take their own time. On a rough basis, it is anticipated that an additional amount of over Rs. 100 crores at the present price levels would be required to carry 180.8 million tons.

"Apart from the demands of the larger quantum of traffic which the railways must carry as the Plan develops, the rise in the cost of labour and such essential materials as steel and cement, since the Plan was prepared, has already made the allotment of Rs. 1,125 crores insufficient for creating capacity even for the increase of 15 per cent. in passenger transport, and 42 million tons of goods traffic and it is estimated that achieving the physical targets originally included in the Rs. 1,125 crores Plan will itself require an extra amount of about Rs. 100 crores."

Extra Funds Needed

Proceeding, the Railway Minister said that, out of the railway plan of Rs. 1,125 crores, the railways themselves were expected to make a contribution of Rs. 375 crores. According to him, when the existing supplementary charge of 6¼ per cent. on goods and parcels was proposed in February 1956, the railway revenue resources on the basis of fares and freights in force were estimated for the Plan period at about Rs. 325 crores, thus leaving a gap of Rs. 50 crores to be filled, in order to meet the railway contribution of Rs. 375 crores envisaged in the Plan. On present estimates, it seems that the revenue surpluses at the basic fare and freight rates may be somewhat higher and that the levy of the supplementary charge of 6¼ per cent. will bring in about Rs. 71 crores extra over the Plan period. It is, however, quite clear that, on the basis of the present supplementary charge of 6¼ per cent. on goods and parcels freight, the resources that will be left over after filling the initial gap of Rs. 50 crores will not amount to more than a small proportion of the extra amount of over Rs. 200 crores which has to be found, if the railways are to cope with the anticipated demands of goods transport by 1960-61.

The Railway Minister expressed deep gratitude to Mr. A. Ramaswami Mudaliar and his colleagues on the Railway Freight Structure Enquiry Committee for the "thorough manner in which they had dealt with an intricate subject in this report. He, however, regretted that it had not been possible for him to indicate the Committee's recommendations and the effect of their implementation, since the report in its final and complete form was received only recently. All that he could say on the Committee's report was this: "While the recommendations of the Committee envisage an appreciable rise in the general level of freight rates, various aspects dealt with in the report have far-reaching implications and the recommendations, particularly those related to the augmentation of freight rates, call for a detailed study. It is anticipated that a complete examination of the recommendations and the preparatory work like the amendment of the goods tariff and the preparation of mileage tables, which must precede the introduction of the new freight rates, are not likely to be completed until the end of the current calendar year."

First Year of Second Plan

Dealing with the progress made during the first year of the second Plan period, the Railway Minister said that, as against the budget provision of Rs. 193 crores for 1956-57 for expenditure on works, plant and machinery and rolling stock, the railways' final estimates in the last week of the year amounted to Rs. 178 crores, the shortfall being almost entirely on the works side. The revised estimate of expenditure on civil engineering works in 1956-57 was nearly Rs. 11.8 crores less than the original estimate of Rs. 88.16 crores, and the final estimates fell short even of the revised estimate by nearly Rs. 6.6 crores. While the last-mentioned surrender of the funds was partly because the on-account payment for the purchase of the Bombay Government plant in the Chola Power House could not materialise, by far the greater portion of the shortfall was due to the shortage of materials, particularly permanent way items like rails, sleepers and fittings and signal and interlocking stores and equipment.

After giving details of the progress made on various projects, the Railway Minister revealed that an aggregate of 87 miles of new railway lines were opened to traffic during 1956-57. The construction of eight other projects aggregating 524 miles was in progress, and work was also in progress on nearly 700 miles of doublings, of which about 370 miles were on the South Eastern Railway, 116 miles on the Western Railway, and 78 miles on the Southern Railway. At the close of the last financial year, more than 150,000 men were working on the various projects. Approved surveys aggregated 2,800 miles during 1956-57, of which field work on nearly 2,000 miles was still in progress.

Referring to the Government's anxiety to stabilise and strengthen the railway route to Assam, the Minister said that the report of the Committee of Experts appointed to suggest measures for stabilising the Assam rail link route had been received and was being studied. In the meantime, all possible measures had been taken to keep the lines of communication intact.

The Railway Minister disclosed that the team of experts sent out by the World Bank to study conditions on Indian railways on the spot had submitted its report to the World Bank. A mission, including two members of the Railway Board, was proceeding to Washington immediately to finalise the loan negotiations.

The Minister also disclosed that the Ministry of Railways had decided to take over the procurement of the specialised railway items of steel requirements, and a mission was being sent out to Europe and other countries to expedite the procurement of rails, sleepers, etc., the shortage of which was seriously hampering the implementation of the railway plan.

CAREW AND COMPANY PASSES OVER DIVIDEND

RESULTS OF SHRI AMBICA MILLS BETTER

Carew and Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Gladstone Lyall & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 30th June 1956.

The working profit for the year amounts to Rs. 6,47,309 (Rs. 2,63,548) to which must be added the balance brought forward of Rs. 12,445 (Rs. 61,723) and, unclaimed dividends written off Rs. 2,240 (*nil*) making a total of Rs. 6,61,994 (Rs. 3,25,271).

Provision for taxation in respect of previous years absorb Rs. 2,66,990, in respect of the current year absorb Rs. 3,22,000 (Rs. 1,30,826) and taxes deducted at source of income from investments Rs. 288 (*nil*) leaving a balance of Rs. 72,716 (Rs. 1,94,445). This amount the directors propose to dispose of as follows:—

In paying a dividend of 6½ per cent. without deduction of income-tax, on preference shares, for the year ended 30th June 1956 absorbing Rs. 52,000 (Rs. 52,000) and in carrying forward Rs. 20,716 (Rs. 12,445 after paying a dividend of As. 4 per ordinary share absorbing Rs. 80,000 and transferring Rs. 50,000 to debenture redemption reserve).

Both sugar factories crushed heavy quantities of cane—Rosa crushing 35,00,585 (26,85,315.75) maunds with a recovery of 9.41 (9.44) per cent. and Darsana crushing 50,75,082 (46,08,158) maunds with an overall recovery of 8.12 (8.46) per cent. The figures recorded constitute a record for both factories but the Rosa recovery shows a decrease of 0.03 per cent. compared with the previous year, whilst at Darsana the drop in recovery was 0.34 per cent. Darsana's low recovery was attributable to many causes, principal amongst which was the fact that the season was extended to the 20th June with a very low recovery during the latter part of the season. Considerable difficulty was experienced with the railway authorities in regard to the hauling of cane from the various cane centres to the factory and as a result lengthy delays were experienced with a consequent rapid deterioration in the quality of the cane. This matter has been the subject of repeated representations to the Government of Pakistan and to the railway authorities, but a paucity of rolling stock and other operating difficulties has prevented any appreciable improvement in the situation. Geographically situated as it is, Darsana is at a disadvantage with other mills in East Pakistan in that cane has to be hauled to the factory over fairly long distances and although considerable progress has been made in the development of cane areas in the vicinity of the factory, we are compelled for the time being to continue taking cane from centres which are situated many miles from the factory. This position has arisen since Partition and the development of new areas is of necessity a long-term project. Added to these difficulties is the fact that Government, at successive Annual Sugar Conferences convened for the purpose of fixing the ex-mill sugar prices, has adopted a formula which arrives at an anticipated recovery based upon an average recovery from all mills over preceding years. The directors are pleased to report that at the Sugar Conference held in Dacca in November 1956 a more favourable approach was made by Government in assessing Darsana's anticipated recovery which should have a salutary effect upon the factory's future operations. Furthermore, whilst in respect of the year under review the ex-mill price fixed by Government for Darsana was unsatisfactory an improved price has been allowed by Government for the current season's operations.

The directors regret to report that defalcations were discovered in the Darsana Cane Department. Thorough investigations followed and remedial steps were taken immediately so as to prevent a recurrence.

The loss in maintaining the Darsana Estates dropped from Rs. 1,74,822 recorded in the accounts for the financial year ended 30th June 1955 to a nominal Rs. 120 in the financial year under review. This was mainly due to an increase in the cane price. The directors have taken steps to close down certain farms which have now proved uneconomical in present-day circumstances and it is the directors' intention to maintain only those estates from which a profitable working can be reasonably expected.

The directors report a small profit from the Darsana Pharmaceutical Division as against losses which have been sustained in previous years. Unfortunately, however, Government has not yet taken adequate steps to enable certain indigenous products to compete with the imported product, although it is understood that the Tariff Commission has recommended protective measures to Government in this regard. The matter has been rigorously pursued with Government and it is felt that ultimately the Pharmaceutical Division will be in a much more favourable position than it has been in the past.

As was mentioned in the directors' report dealing with the accounts for the year ended 30th June 1955, the ban imposed by the West Bengal Government on the importation of spirit into West Bengal from outside States has affected the sale of rectified spirit produced by Rosa Distillery which is the main reason for the drop in profits of Rs. 1,00,856 compared with the previous year. Sales of foreign liquor were more than maintained during the year and with the recently imposed restriction on the importation of liquor the directors are confident that the distilleries will show improved trading figures in the current year.

The quantity of cane which Rosa will crush in the current season will be much the same as that crushed in the year under review, but at Darsana the crush is considerably lower due to the fact that heavy flooding has been experienced resulting in extensive damage to crops, and also to the diversion of cane for the manufacture of *gur* by reason of the high price of *gur* which has prevailed during the season.

The Company was permitted in August 1956 to remit to India profits earned in Pakistan amounting to Rs. 7,33,276. There are further remittances due and negotiations are proceeding with the State Bank of Pakistan, Karachi.

The Company has appealed against tax assessments in Pakistan in respect of the disallowance of bank overdraft interest charged in the Pakistan accounts and the assessment of an alleged profit on the valuation of the Company's assets in Pakistan at the time of the devaluation of the Indian rupee. These assessments are referred to in the note on the accounts under contingent liabilities. The result of these appeals is awaited.

Appeals have recently been heard in regard to the charging of a proportion of the bank overdraft interest to the Pakistan accounts and the case has been remanded by the Appellate Assistant Commissioner to the Income-tax Officer. In regard to the alleged profit arising from the devaluation of the Indian rupee the directors are awaiting the decision of the Appellate Commissioner, but it is thought that the assessment cannot be maintained since, if it is, the Company has a counter claim in respect of a loss consequent upon the devaluation of the Pakistan rupee.

In respect of pending income-tax assessments it appears that the Company will be entitled to a smaller relief under the Double Taxation Avoidance Agreement due to allowance in the Indian assessments of agricultural losses arising in Pakistan. This has resulted in an under-provision for tax which the directors have considered it necessary to make provision for in this year's accounts.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	45,12,826
Debentures ...	23,50,000	Stock-in-trade	1,14,97,858
Reserves ...	27,44,458	Stores and loose tools	41,19,606
Provision for taxation ...	8,66,742	Debts, deposits and advances ...	37,62,663
Liabilities ...	1,41,58,498	Investments	21,898
Profit and loss account ...	20,716	Cash ...	2,25,563
	Rs. 2,41,40,414		Rs. 2,41,40,414

Shri Ambica Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Harivallabhdas Kalidas & Co., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December 1956.

After providing a sum of Rs. 11,06,569 (Rs. 18,50,000) for depreciation, a sum of Rs. 5,00,000 (*nil*), for rehabilitation and a sum of Rs. 49,00,000 (Rs. 29,00,000) for estimated taxation, the working of the year showed a profit of Rs. 33,34,927 (Rs. 33,41,721). To this amount was added the balance of profit from the previous year of Rs. 3,23,289 (Rs. 2,52,570) making a total of Rs. 36,58,226 (Rs. 35,94,291). Out of this sum the directors have transferred to gratuity reserve Rs. 3,00,000 (Rs. 1,15,000) and to general reserve Rs. 1,30,000 (*nil*) leaving a balance of Rs. 20,58,226 (Rs. 19,44,291 after placing Rs. 3,00,000 to dividend equalisation fund; Rs. 4,00,000 to machinery renewal fund and Rs. 8,00,000 to investment reserve fund) from which the following dividends were paid:—

Dividend on 5,600 first cumulative preference shares of Rs. 100 each at Rs. 5 per share free of income-tax for the year ended 31st December 1956 Rs. 28,000 (Rs. 28,000), dividend on 7,000 second cumulative preference shares of Rs. 100 each at Rs. 4 per share free of income-tax for the year ended 31st December 1956 Rs. 28,000 (Rs. 28,000), and dividend on 57,963 ordinary shares of Rs. 100 (Rs. 50) each at Rs. 25 (Rs. 25) plus Rs. 5 (Rs. 2) as bonus per share free of income-tax for the year ended 31st December 1956 Rs. 17,38,890 (Rs. 15,65,001) leaving to be carried forward Rs. 2,63,336 (Rs. 3,23,289).

With regard to the Lal Mills, the directors state that as already stated in the previous report the working of the mills is continued under the control of the provisional liquidator appointed by the District Court at Ahmedabad. During the latter part of the year 1956, the opponents in the matter filed an application to the High Court at Bombay for transfer of the entire proceedings to Bombay. The High Court has now passed necessary orders for transfer of the proceedings to Bombay and it is expected that further hearing of the Company's petition will be taken up at Bombay in due course.

There are 94,128 spindles and 1,733 looms in the mills. As a result of replacements and re-arrangement of machinery at No. 3 Mills, the directors think of making an addition of 56 looms to the existing 408 looms already installed.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	76,96,300	Block ...	87,23,284
Reserves ...	2,75,84,105	Stock-in-trade	1,51,73,093
Provision for taxation ...	36,99,488	Stores and spare parts, etc. ...	12,99,685
Liabilities ...	69,68,971	Stock-in-process ...	13,16,994
Profit and loss account ...	2,63,336	Debts, deposits and advances ...	92,54,069
		Investments ...	48,18,046
		Cash ...	56,27,029
	Rs. 4,62,12,200		Rs. 4,62,12,200

Nutan Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Jagabhai Bhogilal Nanavaty & Co., Ltd., Ahmedabad) present the audited accounts of the Company for the year ending 31st December 1956.

The profit of the Company after providing Rs. 4,40,799 (Rs. 2,80,000) for depreciation and development and rehabilitation and Rs. 7,40,000 (Rs. 5,90,000) for tax provision, amounts to Rs. 7,48,739 (Rs 6,14,055). Adding the balance brought forward from the previous year's account of Rs. 16,658 (Rs. 17,214) there is a total of Rs. 7,65,397 (Rs. 6,31,269). From this amount the directors have transferred to reserve fund Rs. 2,27,000 (Rs. 59,267), to dividend equalisation fund Rs. 1,00,000 (Rs. 1,91,000) and to contingency fund Rs. 1,00,000 (Rs. 50,000) leaving an available balance of Rs. 3,38,397 (Rs 2,33,252 after providing Rs. 97,750 for machinery renewal fund). The directors recommend the payment of dividends as follows:

To the payment of a dividend of Rs. 20 (Rs. 20) per share income-tax free on 15,000 (10,000) ordinary shares for the year ended 31st December 1956 Rs. 3,00,000 (Rs. 2,00,000), to the payment of a dividend on 5,000 4½ per cent. cumulative preference shares for the year ended 31st December 1956 (after deducting income-tax) Rs. 16,594 (Rs. 16,594) and to carry forward to next year's account Rs. 21,803 (Rs. 16,658).

Further progress was made on the mills' reorganisation and renovation programme during the year. A sum of about Rs. 6,94,000 was spent on extension of buildings and installation of new machinery and equipment. The main items covered by this expenditure include one Monfort's Stenter; 3 washing machines and one set of Chemic and Sour Cistern.

By a special resolution passed at the general meeting of the Company held on the 28th September 1956, a sum of Rs. 5,00,000 being the part of the undivided profits of the Company standing to the credit of the reserve fund was capitalised and 5,000 ordinary shares of Rs. 100 each were issued, which were entitled to dividend from the 1st January 1956, and which ranked *pari passu* in all other respects with the then existing 10,000 ordinary shares of Rs. 100 each. And therefore, the directors have recommended the said dividend for the year in respect of the above new shares also.

The installed capacity of the mills is 24,840 ring spindles, 720 doubling spindles and 572 looms.

By operation of law, the office of the managing agents, Messrs. Jagabhai Bhogilal Nanavaty & Co., Ltd., was due to expire on 15th January 1957. By special resolution passed at the general meeting of the Company held on 28th September 1956, they were re-appointed as managing agents for a further period of ten years from 15th January 1957, subject to the approval of the Central Government. The approval of the Government was received in the second week of January 1957, and accordingly they have been so re-appointed.

The shareholders will note that the form of balance-sheet and profit and loss account has been revised to conform with the provisions of the new Act. The directors have reviewed the amount as it stood at the end of the previous year at the credit of the depreciation fund and after providing a fair amount under this head at normal rates of Income-tax Act, the balance which represented extra provision of Rs. 7,83,972 made for depreciation for the previous years has been transferred to a reserve to be named development and rehabilitation reserve and the amount of Rs. 16,00,000 standing to the credit of Machinery Renewal Fund, the amount of Rs. 62,000 standing to the credit of insurance fund and the amount of Rs. 11,000 standing to the credit of the workmen welfare fund totalling Rs. 16,73,000 have been transferred to reserve fund.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	25,28,529
Reserves ...	67,78,770	Stock-in-trade	37,43,461
Provision for taxation ...	13,33,521	Stores ...	6,65,511
Liabilities ...	18,43,813	Other assets	58,932
Profit and loss account ...	21,803	Debts, deposits and advances ...	34,89,038
		Investments	2,35,992
		Cash ...	12,56,444
	Rs. 1,19,77,907		Rs. 1,19,77,907

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

BANK RATE RAISED

(From Our Own Correspondent)

BOMBAY, 15*th May*

The most important development of the week under review, so far as the money market is concerned, was the Reserve Bank of India's announcement this evening that, with effect from the 16th inst., the Bank rate would stand raised from 3½ per cent. to 4 per cent., which was the *de facto* Bank rate hitherto. This means that the basic rate at which the Reserve Bank lends to Scheduled banks against usance bills will be on par with the lending rate against Government securities. There is, however, at present, a stamp duty of ½ per cent. on usance bills, so that the effective rate of borrowing against usance bills will be 4½ per cent., as against 4 per cent. in the case of borrowing against Government securities It remains to be seen whether the stamp duty will be abolished, so that the two lending rates will be brought on par with each other. If the stamp duty is not abolished and if the lending rate against Government securities is raised to 4½ per cent. as it should be, if there were to be no excessive borrowings against Government securities, the cost of bank credit will go up further and the general market rates will harden. In such an event, the present disparity between the traditional Bank rate and the effective rates at which the Reserve Bank lends to the banking system will continue.

Meanwhile, the short-term money market continued to experience stringent conditions during the week under review, with the demand for bank credit on a larger scale, for financing holding of stocks of various commodities and consumer goods, due to budget uncertainties in the face of an acute shortage of supplies. Banks had frequently to seek accommodation from the Reserve Bank, with the result that interest rates were firmly held. Interbank call money was keenly bid at 3½ per cent. House money at call was in demand at 4¼ per cent. and short-term deposits at 4⅛ to 4¼ per cent. for one to six months.

A further expansion of Rs. 18.25 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 10th May 1957. Notes held in the Banking Department are also up by Rs. 83 lakhs, so that the increase in total notes issued is of the order of Rs. 19.08 crores. With this rise, the total note issue has crossed the Rs 1,600-crore-mark to stand at Rs. 1,605.23 crores. This increase is covered on the assets side by a rise of Rs. 20 crores in rupee securities and a contraction of Rs. 92 lakhs in rupee coin. In the Banking Department, deposits of the Central Government have gone up by Rs. 3.11 crores, while those of other Governments are lower by Rs. 2.15 crores. Bank's deposits have also declined by Rs. 4.40 crores. On the assets side, the downward trend in balances held abroad continues with a further drop of Rs. 9.84 crores during the week. Loans and advances to Governments are up by Rs. 3.51 crores and other loans and advances by Rs. 8.40 crores. Investments have dropped by Rs. 1.24 crores.

The Scheduled Banks' statement for the week ended 3rd May 1957 discloses that demand deposits have further declined by Rs. 9.63 crores, while the upward trend in time deposits persists with a further rise of Rs. 1.62 crores. Inter-bank borrowings are also up by Rs. 2.85 crores. Borrowings from the Reserve Bank show a rise of Rs. 8.66 crores and those from the State Bank Rs. 2.74 crores. Advances have shot up by Rs. 14.58 lakhs and bills purchased and discounted by Rs. 1.08 crores. Investments and cash balances show no notable variations.

The Gilt-edged market ruled quiet during the week under review, with a slight marking down in values in a few counters. The continued stringency in the money market and the pre-budget uncertainties restricted activity. The announcement regarding the rise in Bank rate came late in the evening after the market was closed. However, in private trading the sentiment was hesitant, in view of the uncertainty about the stamp duty on usance bills.

3 per cent. 1986 Conversion Loan was on offer and declined by 15 nP to Rs. 74.20. 3 per cent. 1970-75 was stagnant at Rs. 87.20. 3 per cent. 1966-68 at Rs. 92.05 and 3 per cent. 1964 at Rs. 94.45, while 3 per cent. 1963-65 shed 5 nP to Rs. 94.10. 3½ per cent. 1961 was featureless at Rs. 99.50. 3¼ per cent. 1964 at Rs. 98.25 and 3¼ per cent. 1965 at Rs. 96.25. 3½ per cent. 1967 was marked down by 5 nP to Rs. 98.45. Among State loans, 4 per cent. Madras and Andhra loans were the worse affected. Madras 1968 declined by 18 nP to Rs. 97, 1967 by 25 nP to Rs. 97.10, 1964 by 5 nP to Rs. 98.45 and 1963 by 10 nP to Rs. 98.40. Andhra 1967 dropped 25 nP to Rs. 97.25 and 1968 10 nP to Rs. 97. U.P. 4 per cent. 1968 were lower by 25 nP at Rs. 97.65.

The rupee ruled weak during the week under review in terms of the U.S. dollar. Banks' selling rate of ready dollar rose from Rs. 479.25 to Rs. 479.75 per $100 and their buying rate from Rs. 475.75 to Rs. 476.25 per $100. This is in consonance with the easy trend displayed by sterling abroad. In New York, spot sterling fell from $2.79½-2.79⅝ to $2.78-15/16-2.79-1/16 and three months' forward from $2.78⅜-2.78½ to $2.77⅞-2.78. Transferable sterling declined from 277.65-277.75 cents to 277.35-277.45 cents.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 13*th May*

The Madras kip market ruled steady during the week under review. Arrivals were moderate: shippers were active, and stocks, which had accumulated during the *Ramzan* holidays, were cleared at unchanged prices. U.K. enquiries were good, but prices were lower which shippers did not follow, in view of the higher levels in the local market. It is, however, likely that current prices might weaken during the next fortnight, as shipments to the U.K. have been heavy during the first half of the month. There was no change in the buff calf and cow calf section.

Improved tone continued in the skins section. due to good Continental enquiries. Tanned goat skins of all descriptions and tanned sheep were keenly sought for. Sellers were reserved awaiting the results of the London public sales, or were quoting 6*d.* over their last booking, with a view to gaining time.

In the London tanned skins (May) auctions, prices of goat skins improved by 6*d.* to 9*d.* due to good Continental bidding. Sales of sheep skins will be taken up today.

MARGIN IN BULLION

(From Our Own Correspondent)

BOMBAY, 15*th May*

Trading in bullion during the week under review was marked by a sharp rise in prices of both gold and silver in the maturing contract and the widening of the backwardation charges, which resulted in the enforcement of margin both in gold and silver. A margin of Rs. 7 per tola was imposed on all outstanding purchases of gold in the May settlement, as the carry forward charges in favour of buyers crossed As. 12 on the 9th inst. Despite the imposition of this margin, the backwardation charges widened to Re. 1-6 at the close of the settlement on Monday, as against As. 10 at the close of the previous week.

In silver, the backwardation charges widened from Re. 1-4 to Rs. 2-8 yesterday, when a margin of Rs. 500 per bar was levied on all outstanding purchases in the May settlement. The imposition of margin in silver was only of academic interest as it was done on the maturing day.

The market ruled strong during the week, on good demand for silver from upcountry centres and the decline in influx of Tibetan coins. This led to a depletion of floating stocks, resulting in a widening of the premium for ready over the June settlement from Rs. 2-8 to Rs. 3-6 yesterday. Today, however, it declined to Rs. 2-14 at the close. Gold also rose sharply to touch new high levels in recent weeks on buying induced by brisk offtake and bear covering. Towards the close, however, there was profit-taking on fears that the Budget would contain some measures which would affect the precious metal.

Silver for forward delivery (14th May settlement) advanced from Rs. 183 to Rs. 185-10 before the settlement ran out at Rs. 184-12. The June settlement appreciated from Rs. 181-14 to Rs. 183-10, but reacted to close at Rs. 182-6.

Ready silver hardened from Rs. 184-6 to Rs. 186-2, but shaded off to Rs. 185-4. The floating stocks of silver are estimated at 500 to 600 bars. The daily average offtake was about 30 bars.

Forward gold (13th May settlement) rose from Rs. 106 to Rs. 108-7 before the settlement ran out at Rs. 107-14. The June settlement moved up from Rs. 105-6 to Rs. 107-4, but the subsequent profit-taking brought it down to Rs. 105-15 at the close today.

Ready gold jumped up from Rs. 106-12 to Rs. 109, but gave way at the close to Rs. 107-13. The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals were 3,000 tolas while the offtake was 3,500 tolas on an average.

In New York, silver was unchanged at 91⅛c. In London, however, it was marked down from 75½d. to 79¼d. for spot and from 79¼d. to 79½d. for forward. But gold rose from 250*s.* 1½*d.* to 250*s.* 3½*d.* on account of the easiness of sterling.

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

	15-5-1957	Highest	Lowest	8-5-1957
	Rs. a.	Rs. .	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	107 13	109 0	107 12	106 12
Forward*	105 15	107 4	105 9	106 0
Sovereign	70 4	70 4	69 4	69 12
SILVER				
Ready (.996 fine Mint) ..	185 4	186 2	184 10	184 6
Forward†	182 6	183 10	182 8	183 0
London Silver Ready ..	79¼d.	79¼d.	79¼d.	79¼d.
London Forward	79¼d.	79½d.	79¼d.	79¼d.
London Gold	250*s.* 3½*d.*	250*s.* 4*d.*	250*s.* 2½*d.*	250*s.* 1½*d.*
New York Silver	91⅛c.	—	—	91⅛c.

* 12th June settlement.
† 13th June settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

METALS QUIET

(From Our Own Correspondent)

CALCUTTA, 14*th May*

After being steady in the previous two weeks, the metal market turned quiet during the week under review. Support from consumers being confined to meeting day-to-day requirements, prices were naturally marked down. Electrolytic copper declined from Rs. 182 to Rs. 180. Fire-refined copper ingots at Rs. 180 were at par with the electrolytic material. The quantity that changed hands was little. Overseas advices showed that the price trend had an element of uncertainty. On the London Metal Exchange, there was a sharp decline in the price of electrolytic zinc following the news that the United States Commodity Credit Corporation would no longer barter farm produce for foreign zinc. It was reported that this was only a temporary measure of the Corporation. In the local market, electrolytic zinc dipped to Rs. 77 from Rs. 81, despite the tightness in the ready supply position. Tin changed hands at Rs. 520, as against Rs. 521 earlier. Interest was confined to small quantities. Virgin lead, at Rs. 79.80, was lower by one point.

COTTON FUTURES DEPRESSED

(From Our Own Correspondent)

BOMBAY, 15*th May*

The cotton futures market put on a depressed appearance during the week under review. This is hardly surprising in view of the continued operation of the stringent margins on Jarilla May at the rate of Rs. 200 per bale when the price rises above Rs. 700 and the well-known attitude of the Forward Markets Commission to curb forthwith any rise in prices. Sentiment was also adversely affected by the prospect of getting large quantities of U.S. cotton under the Indo-U.S. Aid Agreement. Further, there was also the fear that the new budget proposals might contain fresh excise duties on textiles. The combined effect of all these factors was sharp decline of futures values.

Jarilla May opened the week at Rs. 720, as against the previous close of Rs. 718, and after hovering round about that level for the next two days, succumbed to heavy pre-budget liquidation from bull quarters yesterday, falling sharply to Rs. 712. Opening at Rs. 709 today, the contract again met with selling and closed lower at Rs. 689. The net loss over the week was Rs. 29.

M.G. Vijay June delivery, after having commenced the week's trading Rs. 2 higher than the previous day's closing, faced heavy selling and dropped to Rs. 839 yesterday. The contract picked up some strength today, rising to Rs. 842 before closing at Rs. 834. The net loss over the week was Rs. 16.50.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

		15-5-57	*High*	*Low*	8-5-57
Jarilla (May)	...	689	720	688	718
Vijay (June)	...	834	852½	833	850½

Trading in the futures market is devoid of all interest and the volume of business has fallen to a trickle. The interest is now mainly centred on the prospect of commencing trading in new crop contracts. As has been pointed out in our previous issue, the special Sub-Committee appointed by the E.I.C.A. has recommended, among other things, a single contract for the coming season with Fine Moglai 25/32″ as the basis. The proposals are still under the consideration of the E.I.C.A. and no decision has yet been taken. It is fairly widely held that no matter how perfect the new hedge contract may be, it cannot command confidence as a proper hedging medium unless it is allowed to function freely. It is contended that so long as prices move within the prescribed floors and ceilings there is no need for interference on the part of the authorities.

The spot section continued to rule firm, owing to scarcity of quality cotton. Sustained mill demand was evident for all popular varieties, particularly Vijay, Laxmi, Jayadhar, 197/3, Co.2, etc. The prolonged ban on exports has induced slackness on the export front. A section of shippers is understood to have determined to press for the lifting of the ban at the forthcoming meeting of the Export Advisory Council.

In the foreign section, there was a revival of mill demand for American growths. Interest was particularly noted in Californian G.M. 1-3/32″ and Elpaso 1-3/16″ and higher. The Joint Chief Controller of Imports, Bombay, has announced that inter-mill sales of imported cotton will not be allowed except with the permission of the Central Government. Applications for such permission should, in the first instance, be submitted to the Textile Commissioner with the following information: The quantity desired to be sold, type of cotton licence, number and date under which the cotton was imported, name of the mill buyer, price at which the cotton was imported and the price at which it is desired to be sold; and confirmation from the mill buyer who wants to purchase the cotton.

Taking advantage of the import quotas for East African and Sudanese cotton, mills have made considerable volume of purchase and hence the scramble for foreign cotton has subsided. Quota for these two varieties is reported to have been almost exhausted and fresh business is now possible only in Egyptian cotton against the import quota for 20,000 bales of staple length 1-3/16″ and above. But mills are not enthusiastic about this cotton as it is not considered very attractive price-wise. Moreover, there is also expectation of a further fall in Egyptian cotton prices.

The International Co-operation Administration has already announced a procurement authorisation favouring India with $13.59 million for purchasing cotton. The contracting period is from 7th May to 31st October for shipment from 1st August till 31st December. This authorisation will, at current prices, cover about 70,000 bales (500 lbs.). It is believed that the present authorisation is in addition to the public Law 480 agreement between the U.S. and India under which India can still import about 350,000 bales in the next two sessions. The trade is awaiting a parallel announcement by the Government of India. A section of the trade holds that in view of the shortage of better quality Indian cotton, the Government should permit import of comparable U.S. varieties. It is pointed out in support of this contention that the Cotton Advisory Committee, at its meeting of 9th April, had recommended import of American cotton of stapling 13/16″ and above instead of 1-1/16″ and above. The authorities would be well advised to consider the feasibility of this suggestion.

The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 720; Berar Jarilla 820; Khandesh 820; Oomra Deshi 930; Vijay 1010; Hubli Laxmi 990; Jayadhar 890.

Easy conditions prevailed in the Karachi cotton futures market during the week under review. This was due to the selling pressure induced by reports of higher U.S. fortnightly sales. Weak advices from the spot market was another discouraging factor.

However, some strength was imparted to the market by a fair volume of speculative buying following the reduction in freight rates announced by the steamer companies. The bullish result of the survey of May tenders was another helpful factor, which induced some buying in N.T.R.G. July which, as a result, improved slightly. N.T.R.G. May declined by As. 11 to Rs. 77-11 while the July position put on As. 2 to Rs. 80-7. The spot section also ruled easy. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 88-8; Punjab *Deshi* 83-4; 4F Punjab R.G. 80-7; S.G. 84-3; L.S.S. Punjab R.G. 82-3; S.G. 86-3; N.T.R.G. 82-3; S.G. 88-11; 289F Punjab R.G. 85-3; S.G. 88-11.

Alexandria cotton futures ruled easy during the week with the long-staple Karnak registering a sizable decline. The easiness was aided by the bearish implications of the news that the Bill permitting the withdrawal of 50,000 bales of long-staple cotton from the U.S. stockpile to be offered for commercial sale has been passed by the House of Representatives (Lower House of the Congress) and forwarded to the Senate. According to the U.S. authorities, the release was necessitated by the domestic demand for such cotton which should otherwise be met by imports. This, it was thought, would result in reduced demand for longer staple Egyptian cotton, especially, Karnak. A wave of speculative selling was touched off in Karnak contracts which declined as a consequence. The medium-staple Ashmouni also moved down in sympathy. The latest available rates—in tallaries per lbs.—from Alexandria are given below, the figures in brackets being last week's closing quotation.

Karnak: May 108.40 (110.75); July 108.50 (111.20). *Ashmouni*: June 75.25 (75.70); August 75.25 (75.55).

Cotton values recorded handsome gains in the Liverpool market on Commission House buying and good support from spinner interests. Encouraging spot advice was another helpful factor. Both the American and American type contracts improved, although the Sudan contracts declined on selling. However, uncertainty, regarding U.S. cotton policy continued to restrict business. In the spot section, inquiries for both ready and shipment cotton especially higher grades of U.S. cotton, widened. The latest available quotations—in pence per lb.—from Liverpool are as under:

American one Inch staple contract: May-June 26.60; July-August 26.49; October-November 26.33; December January 26.33. *American cotton mixed growth contract*: May-June 26.75; July-August 26.63; October-November 26.45; December-January 26.42.

Despite continued adverse weather in the Texas region and reports that soil preparation and cotton planting were several weeks late in some of the major cotton-growing regions, the New York cotton futures market continued to rule easy during the week. The passing of the Bill by the House of Representatives permitting release of 50,000 bales of long-staple cotton from the stockpiles to meet the domestic demand would appear to have been partly responsible for the weakness of the market. However, some scattered demand was evident later which prevented a further fall in prices. New Orleans interests also were buyers.

Increasing support is evident in U.S. cotton circles for the principle of abandoning the high price support and acreage control schemes in favour of a freer production and marketing on a single-price system. But the ultimate from any new legislation may take is anybody's guess.

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

(In cents per lb.)

	14-5-57	7-5-57	29-4-57
Spot	35.35	35.35	35.35
May	—	35.31	35.26
July	34.97	35.09	34.81
October	33.90	33.86	33.62

• • • •

U.S. Secretary of Agriculture, Ezra Taft Benson, told American cotton shippers the other day at New Orleans that under existing Federal legislation, "it is difficult to foresee the time when total acreage allotments for cotton would exceed the 1957 level." He added that 1959 cotton acreage could be in the neighbourhood of 14 million acres. This would be a drop of 3.6 million acres from the 1957 and 1958 minimum acreage allotment. Despite these rigid cotton acreage controls, Benson said that cotton production remained high due to the increase in production per acre. In the last 15 years, he pointed out, farmers have raised cotton output per acre by 65 per cent. He called for a basic re-examination of cotton production controls to protect American growers from what he termed "their abundant capacity to produce." The Secretary of Agriculture said it was now time to "consider the desirability of moving in the direction of being more competitive, price-wise," and he urged measures to increase free world consumption of cotton. He warned that the basic solution to the production of surplus cotton will not be solved by the "visible signs of improvement" now evident in cotton reserve surplus programmes. He foresaw increasing pressure to raise acreage allotments as U.S. reserves dwindled. Among the factors which have contributed to piling up large reserves are expanded use of synthetic fabrics and the doubling of foreign cotton production since 1932, "when American cotton growers began to hold the price umbrella for foreign cotton producers." Benson also noted that the overproduction or undersale of cotton was a problem of concern to the general U.S. public, which is paying the cost of U.S. cotton export sales programme, under which U.S. cotton reserves are being sold abroad at world market prices in an orderly fashion. The Secretary pointed out that American taxpayers are bearing the brunt of the sale abroad of cotton at six to seven cents below the domestic price. He put the loss in the past 15 months at $535 million. He said the cotton industry in the future should concentrate on merchandising and realistic pricing. He also urged a review of U.S. cotton legislation to prevent huge surpluses in the future.

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 15*th May*

Dull conditions prevailed in the yarn market during the week under review. Owing to uncertainties about the Central Budget, transactions put through were limited with prices moving narrowly. Even the expectation of large arrivals of imported rayon yarns, following resumption of traffic through the Suez Canal, and rumours of a cut in prices by Continental manufacturers failed to have any effect on the market. Staple fibre yarns ruled easy, thanks to reports of accumulation of stocks in the local markets, as well as in important consuming centres, and pressure of deliveries from mills which had made forward sales in the last few months. Cotton yarn lacked support and finer counts even encountered some selling.

Snia Rayon yarn (120 dull cones) for June delivery met with special buying support and improved by Rs. 7 to Rs. 806. Spot 120 Japan remained dull at Rs. 4.05, as also 120 Italy at Rs. 4. 150 Italy and 150 Japan gathered two nP each to Rs. 3.69 and Rs. 4.11, respectively. Among indigenous yarns, National Rayons 120 bright cones first grade gained 4 nP to Rs. 3.73. 150 bright cones first grade moved up by 13 nP to Rs. 3.47.

Staple fibre yarns (40×2) for June delivery were quoted at Rs. 604, as against Rs. 603. Spot 40×2 Kohinoors were a shade lower at Rs. 3.31. Centurys were quiet at Rs. 3.22. Citys, however, rose by 4 nP to Rs. 3.20 and New Greats by 5 nP to Rs. 3.16. Among foreign yarns (80×2) Fujis lost 3 nP to Rs. 5.22. Paramounts were dull at Rs. 5.34.

In the cotton yarn section, ten counts Moderns were unchanged at Rs. 14.87, but Podars put on 6 nP to Rs. 14.56. Twentys were neglected, Gokaks being quoted at Rs. 18.62, Moderns at Rs. 18.75 and Maduras at Rs. 19. Thirty counts Edwards declined by 25 nP to Rs. 21.25. Indus receded by 19 nP to Rs. 21.56. Among forty counts, Minaxis dropped 31 nP to Rs. 27.31. Moderns, however, advanced by 37 nP to Rs. 28.12. Sixty counts Moderns declined by 25 nP to Rs. 61. Finlays were neglected at Rs. 61 and Raghuvamshis at Rs. 57.75. Among eighty counts, Mahendras changed hands at Rs. 71.50, same as last week. Moderns were neglected at Rs. 76. Finlays were on offer at Rs. 81.50.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those seven days before:

	15-5-1957	8-5-1957
	Rs.	Rs.
***Art silk* yarn (per case of 200 lbs.)—**		
120 dull Cones Snia June	806.00	799.00
120 Japan (per lb.)	4.05	4.05
150 Japan (per lb.)	4.11	4.09
120 Italy (per lb.)	4.00	4.00
150 Italy (per lb.)	3.69	3.67
***Staple fibre* yarn (per case of 200 lbs.)—**		
40×2 June	604.00	603.00
40 ×2 New Great (per lb.)	3.16	3.11
40 ×2 Century (per lb.)	3.22	3.22
40 ×2 City (per lb.)	3.20	3.16
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14.56	14.50
20s Madura	19.00	19.00
30s Edward	21.25	21.50
40s Gokak	..	..
60s Raghuvamshi	57.75	57.75
80s Modern	76.00	76.00

CASTORSEED MOVES UP

(From Our Own Correspondent)

BOMBAY, 15*th May*

In an otherwise almost featureless trading in the oilseeds market during the week under review, the castorseed section registered moderate gains, while cottonseed suffered a slight setback. In the earlier sessions, castorseed prices touched new high levels, following reports of some export business in castor oil with the UK. and enquiries from the U.S. Subsequently, however, there was a slight reaction, thanks to selling induced by fears of increased excise surcharge on oils. The section again picked up some strength towards the close, following absence of any increase in surcharge in the Budget. The groundnut and linseed sections which sagged in the middle of the week due to Budget uncertainties staged a recovery in the later sessions, the closing rates today being almost the same as at the close of last week. The cottonseed section ruled easy on reports of subdued activity in the cotton market.

Groundnut May contract opened the week firm at Rs. 176.37 and declined to Rs. 174.75 on the 13th instant. In the following sessions, it recovered slowly to touch Rs. 177.12 today. Over the week, it increased by 52 nP. August contract commenced at Rs 182.25. After receding to Rs. 179.75 on the 14th instant, it rose to Rs. 181.37 at the close today, representing a nominal gain of 12 nP over the week. Spot Bold F.A.Q. put on 25 nP. Groundnut oil ex-mill was maintained at Rs. 20.12.

Castorseed May contract commenced steady at Rs. 186.00 and increased to Rs. 186.75 the following day. At higher levels, profit-taking set in and the quotation went down to Rs. 183.75 today. As the budget was announced, the contract moved up to Rs. 187.50 at the close. Over the week, the contract gained Rs 5. September contract opened at Rs. 192.00 and declined to Rs 188.25, at the commencement today. It closed, however, higher at Rs. 192.00, the net rise over the week being Rs. 3.75. Spot Madras quality gathered 12 nP to Rs. 36.62. B.S.S. advanced by 63 nP to Rs. 23.00.

Linseed May contract opened at Rs. 31.37 and on reports of inquiries from shippers, rose to Rs. 31.50 the next day. After narrow fluctuation during the rest of the week, it closed today at Rs. 31.19. September contract opened at Rs. 32.62 and after similar fluctuation closed at Rs. 32.31, same as last week. Spot Bold ready was nominally lower at Rs. 30.87. Linseed oil ready improved by 13 nP to Rs. 17.00.

Cottonseed May contract commenced the week at Rs. 113.50, and September at Rs. 118.20. They steadily declined to Rs 111.75 and Rs. 115.50, respectively, representing a decline of Rs. 1.75 and Rs. 2.75. Among others, *kardi* bold put on 12 nP to Rs. 22.25. *Niger* seed Madras was done at Rs. 28.75 as against Rs. 28.50.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	15-5-1957	8-5-1957	30-4-1957
	Rs.	Rs.	Rs.
Groundnuts—			
May 1957 ..	177.12	176.60	170.25
Rhanbeh Quality Ready (per cwt.)	36.50	36.37	35.00
June-July	35.62	35 94	35.06
Linseed—			
May 1957	31.19	31.06	30-31
Bold Ready (per cwt.) ..	30.87	30.94	30-44
June-July	31.44	31 37	31-06
Castorseeds—			
May 1957	187.50	182.50	180.50
Madras (per cwt.) ..	36.62	36.50	36.00
Cottonseed—			
May 1957	..	113.50	..
Groundnut oil—			
Ex-mill Ready (per quarter) ..	20.12	20.12	19.87
Castor oil—			
Commercial (per quarter) ..	21.50	21.12	20.87
Linseed oil—			
Ready	17.00	16.87	16.75

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 14*th May*

In the earlier part of the week, Malabar Black pepper showed an improving tendency in sympathy with New York, where spot was raised to $0.28, following enquiries from the dealers and the grinders. Restricted offerings from all the origins proved a supporting factor. Alleppey remained steady at Rs. 600. Judging from the working of the markets at all the primary centres, it appears that the growers will remain rather free sellers at round about the level of Rs. 600. Garbled at Cochin were done at Rs. 103¾, while the future delivery was quoted at Rs. 105. Calicut moved around Rs. 650.

Singapore showed firm undertone in the wake of short covering and New York buying. Sarawak black (special) was done at $73 (Singapore dollars). The market is reported to be fully steady, for want of pressure of arrivals and consequent reserved selling by the packers. Though arrivals in Singapore from Sarawak is on the upgrade, the quantity involved is reported to be not so heavy. Foreign buyers as well as exporters at Singapore are expecting pressure of arrivals in the very near future. But prices being unattractive, they are unwilling to go short. Any further hardening of prices is sure to encourage expansion in arrivals from Sarawak where holders are reported holding up shipments whenever prices are down.

After touching $0.26½ May and June shipments at present are moving round about $0.26. July-August-September is quoted at the same price nominally. Business in general is very much restricted as both buyers and sellers are awaiting new developments. Small buyings are enough to push up prices in the circumstances. Subsequently, New York, after paying $0.26¼ for the shipment by the named steamers having withdrawn, the market turned quiet but remained fully steady for want of pressure from the sellers.

In the delivery section, at the beginning of the week, prices improved owing to speculative buyings in the belief that the possible reduction in the surcharge on the freight from India to Europe and U.S.A., following the settlement of the Suez may lead to higher prices locally. After the expiry of May delivery, however, June and July deliveries were somewhat lower but steady. Reduction of 10 per cent. in the surcharge of 17 per cent. levied during the Suez troubles was announced. Following are today's nominal quotations: Ready delivery Rs. 85 per Bengal maund; June Rs. 592-597 and July Rs. 602-607 per candy of 5¼ Cwts.

TEA IN LESS DEMAND

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 9*th May*

Approximately 750,000 lbs. were on offer in Dust Sale 'J' which was held on Tuesday, 7th May. There was rather less demand and buyers only showed interest at much lower rates. With the exception of a few selected types, prices were irregularly 15 to 25 nP easier all round. High grown dusts again met with less enquiry and were occasionally difficult of sale.

The average price realised in Dust Sale 'J' was Re 1·62 per lb., as against Re. 1.76 per lb. in the previous sale and Re. 1.73 per lb. in the corresponding sale of 1956.

London Market.—Sale of 6th May 1957.—Better tendency. Generally half to one penny dearer with prices for the better types hardening as the sale progressed.

Sale of 7th May 1957.—Fully firm.

Colombo Market.—Sale of 7th May 1957.—Low-grown firm 5c. to 8c. lower for medium brokens unless coloury. Also plain liquoring Uvas and thin liquoring highgrowns better. Dimbula dickoya sorts 30c. to 50c. dearer. Medium and highgrown fannings generally dearer. Offgrades good demand about 5c. easier all descriptions.

Calcutta Market.—Export.— No sale this week.

Internal.—26,000 dust. Fair general demand which weakened as sale progressed. Market opened 4 nP to 6 nP easier, closed 10 nP to 12 nP easier rates. 6,000 leaf. Active enquiry at irregular rates.

Export Quota.—There has been an easier tendency and there are now sellers of Special Rights at 16 nP. 1957-58 Quota is quoted at 23 nP sellers.

Forthcoming Auctions.—Dust Sale 'K' will be held on Thursday, 23rd May.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale* 10.—Approximately 2,000,000 lbs. Good general demand, but weakening as sale progressed. Black leaf brokens and good mediums often dearer. All fannings and common and stalky brokens sold at lower rates. Whole leaf fully firm to dearer."

TEA DUSTS GIVE WAY

(From Our Own Correspondent)

CALCUTTA, 14*th May*

Prices gave way during last week's tea sales for domestic consumption. Dusts on offer amounted to 20,715 chests. Even when the sales opened, prices were lower, which attracted good demand. However, as sales progressed demand petered out and this affected prices further. The decline for the different lots varied from 4 nP to 12 nP per lb. Commons and Dooars were fully easy, the decline sometimes extending up to 12 nP per lb. Assam teas represented a decline in quality. Orthodox Assams closed 10 nP lower, while the opening rate was 4 nP lower. C.T.C. Assams were also easier. The quotations were: Medium Assam C.T.C. Re. 1.65 to Re. 1.70, medium Assam grainy dust Re. 1.60 to Re. 1.65, medium Dooars Re. 1.70, and best Assam C.T.C., not quoted.

Leaf grades offered amounted to 1,186 chests. Demand was good.

Export rights for new season's teas were offered at 25 nP, as against 28 nP in the previous week. Buyers offered 22 nP, as against 27 nP. No business was, however, done. Special rights changed hands at 15 nP, as against 23 nP. In a similar way, buyers offered to pay 13 nP for shipping licence, as against 21 nP; however, sellers demanded 18 nP, as against 23 nP.

It was reported that tea stocks in the United Kingdom as on 3rd May were 153 million lbs. which represented as heavy a decline as of 38 million lbs. This should have been the main cause for the evidence of a good general demand in the Mincing Lane auctions held last week. Fanning grades, black leaf teas and broken orange pekoes were all in keen demand. There was also strong demand in the sales held in Colombo on 7th May. Good brokens and mediums rose on strong support from South Africa.

On Tuesday last, a small sale was held in Chittagong and was the last sale of the 1956-57 season. Demand was poor and prices declined. Dusts on offer aggregated 1,509 chests with plain Sylhets being quoted at Re. 1-12. Leaf offered were 2,400 chests which included 188 chests green tea. Prices fell by As. 10 to As. 12, the rates being: O.F. Rs. 2-0, O.P. Re. 1-15, B.O.P. Re. 1-14-6, P.F. Re. 1-14, and B.P. Re. 1-12. The 1957-58 season's first sales will be held on 12th June.

Industry circles have noted with extreme regret the plea of Dr. B. C. Roy, the West Bengal Chief Minister, to reduce dividends to shareholders of tea companies to 6 or 7 per cent. He was addressing the first annual meeting of the Tea Association of India held here on 5th May. Dr. Roy had said that some tea companies had paid as much as 40 to 50 per cent. dividend to the shareholders. However, it should be noted that in 1955-56 the variable dividend of yield of plantations was only 9.99 per cent.

From Dr. Roy's other remarks, it was clear that the West Bengal Government had no intention whatsoever to abolish the entry tax, which, Mr. Kanoi in his presidential address to the meeting represented, had made the price of Indian teas passing through Calcutta unfavourable compared to teas directly exported for participation in the Mincing Lane auctions.

The new season's first export sale was held yesterday. The teas on offer were 7,555 chests new Darjeelings, the quality of which invited less attention. All the same, there were a few lots possessing useful flavour. There was fair demand, and prices with the superior lots rose above valuations. Although the balance of the teas on offer also received fair attention, prices were below valuations. By the close, prices of all teas fell below valuations as demand weakened. Buyers for internal consumption were interested in the lower priced brokens and smaller fannings grades. Old season's special export licence changed hands at 19 nP. The price subsequently gave way to 16 nP. New season's quota was offered at 28 nP with buyers at 26 nP.

JUTE GOODS HARDEN FURTHER

(From Our Own Correspondent)

CALCUTTA, 14*th May*

Prices of jute goods recorded gains during the week under review following more interest shown by foreign buyers. Raw jute also moved up, in view of the delay in sowing operations. Jute-growing districts of Bengal and Assam are yet to have rains for completion of sowing. There were indeed light rains here and there. As expected, stocks of finished goods with mills as at the end of April have shown an increase of 7,300 tons, at 105,000 tons, as against 97,700 tons at the end of March. Sacking goods increased by 2,300 tons to 58,800 tons, and hessian by 5,600 tons to 35,400 tons. On the other hand, miscellaneous constructions, at 10,800 tons, registered a small decrease. The net increase of 7,300 tons should not be surprising if figures relating to shipments in April are examined. For, sacking goods shipped during April aggregated 27,500 tons only, as against 45,500 tons in the previous month, and hessian shipments, at 25,400 tons, were as low as 10,000 tons. These figures included coastal shipments. It was noted that the fall in shipments of sacking and hessian alone was 28,000 tons. Considering this, the increase in stocks was not a disappointment to market circles. At the same time, market circles correctly assumed that purchases for consumption in and around Calcutta and for despatch to upcountry centres by surface routes were higher.

The higher stocks did not affect sentiment in the market as it was a normal feature during this part of the year. There was also fair business done with shippers. Support from the Argentine was fair, and Burma showed interest for a further quantity of heavy goods. The improvement in raw jute prices was also a factor which pushed up the prices of goods. The uptrend in New York prices was encouragingly noted, and contributed its share to steadiness here. It was reported that American stocks of burlap needed replenishment at an early date, as in the past few months purchases were against daily requirements only. This has naturally led to shortage in the United States and is reflected in spot and afloat stocks.

Labour troubles in the jute industry have naturally received the attention of the West Bengal Government. During recent years, wages bills have tremendously increased, and raw jute prices have also gone up. Several mills have modernised their plants and machinery, in order to bring down costs of production and be in a position to compete in foreign markets. However, rationalisation plans have not reduced costs of production inasmuch as there has not been noticeable reduction in labour strength. The Labour Department of the West Bengal Government, being desirous of having a clearer picture of the present employment position in the industry as opposed to the position after rationalisation, has asked the Indian Jute Mills Association to submit to it full particulars of plans of modernisation. Information as to the effect rationalisation would have on employment has also been requested. It is thought that these details would enable the Government to have a practical examination of the labour problem. If the jute industry is to be saved from a crisis and more mills are to be avoided self-effacement, cost of production should be reduced. This can be brought about by a reduction in wage bills as well as a decline in raw material prices.

Raw jute prices have firmed up, and the anticipated delay in arrivals of new crop has enabled the stockists to realise higher prices. It is believed that there is plenty of jute within the country, and mills can operate satisfactorily even if the new crop is delayed. However, stockists are determined to get higher prices, and during the week under review, prices registered a further rise. Indian northern bottoms improved from Rs. 30 to Rs. 31, and local daissee bottoms from Rs. 32.50 to Rs. 33.

The goods market opened steady, on overseas buying interest. Hessian 40" 10 oz. was firm at Rs. 42.55 and ready B. twills at Rs. 115.75 on Tuesday last. At this stage, the higher stock figures as at the end of April were announced, and the immediate reaction in the market was a decline in prices. Ready B. twills gave way to Rs. 114.70 and hessian 40" 10 oz. to Rs. 42.20. It was soon realised, however, that the decline in stocks was only by 7,300 tons, as against 10,000 tons earlier anticipated. A recovery followed, lifting B. twills to Rs. 115.70 and hessian 40" 10 oz. to Rs. 42.45 on Thursday. The rise in raw jute prices provided sufficient support to the market. Consequently, by the week-end, B. twills rose to Rs. 116.95 and hessian 40" 10 oz. to Rs. 42.95. Yesterday, prices eased fractionally with B. twills quoting at Rs. 116.87 and hessian 40" 10 oz. at Rs. 42.75.

FOODGRAINS DECLINE AT CLOSE

(From Our Own Correspondent)

HAPUR, 13*th May*

Foodgrain prices, after ruling steady to firm during most part of the week, recorded a downward trend towards the close, following increase in daily arrivals of new grains in the markets and the Government's announcement to keep prices at reasonable levels. The Government's import programme was reported adequate not only to meet the current requirements but also to build up sizable stocks. It was stated that import of wheat and rice in the country amounted to 1.3 million tons in the first four months of this year, as against 1.42 million tons in the whole of 1956. Another 1.4 million tons of wheat and rice would be imported by the end of September.

In order to prevent scarcity conditions developing in certain areas, precautions are being taken to avoid cross country movements of foodgrains and it has been decided to keep Calcutta and Bombay cities 'cordoned off,' as their whole requirements would be met by imported wheat. The Central Government has assured all help to the deficit areas and is releasing 15,000 tons of wheat per month to U.P. for the next four months, 20,000 tons per month to Bihar for the next three months and 25,000 tons per month to mofussil areas of Bombay for the next five months.

Wheat prices, after touching the highest at Rs. 15.25 per maund for average *dara* quality and Rs. 16.50 for farm produce, declined in the week-end to Rs. 14.75 and Rs. 16.25 per maund, respectively. Daily local arrivals of wheat have gone up and are placed today at 4,000 maunds and local wheat stock has swelled to 10 *khaties*. Total arrivals from the beginning of the current season were put at 40,000 maunds, corresponding figure last year being 30,000 maunds when stock here was estimated at 13 *khaties*. Buying enquiry continues to be fairly good from Bihar and east U.P., but loading facilities are still far from adequate. Unconfirmed reports states that the inter-State movement of wheat would be restricted as a result of which prices in the surplus and producing areas were expected to decline. Demand of rice was good during the week under review and prices appreciated slightly to—*basmati* Rs. 24 to Rs. 28.50, Mainpuri Rs. 24.50, coarse Rs. 18.25 per maund.

Gram prices also, after early gains, declined slightly at the week-end on Punjab advices. Barley and *bejhar* prices were well held, due to good consumers demand in the face of none-too-heavy arrivals amounting to an average of 200 maunds daily. *Bejhar* stock is now estimated at 6 *khaties*. *Jowar* prices continued steady, due to falling stocks and prices at the close of the week were:—Gram Rs. 11.62 to Rs. 12, barley Rs. 10.87, *bejhar* Rs. 10.75, *jowar* white Rs. 15, brown Rs. 13 and *guwar* white Rs. 12.6 per maund.

Continued good buying enquiry from east U.P. and Bihar, despite restricted loading facilities, accounted for steady conditions in peas, prices of which for *dara* green quality were quoted at Rs. 11.37 and for white quality at Rs. 12.50 per maund. Arrivals have gone up to an average of 4,000 maunds, including some quantity brought here in trucks from nearby centres for storing purposes and local stock has swelled to 45 *khaties*, besides the quantity held up in *kothas* for early despatch. Total arrivals from the beginning of the season amounted to 80,000 maunds, the corresponding figure last year being 50,000 maunds, when local stock was only 14 *khaties* as loading facilities were adequate. *Arhar* arrivals have also gone up to about 2,000 maunds daily and local stock is put at 10 *khaties*. Prices ruled steady. Closing prices for the week were: Peas *dara* green Rs. 11.37, white Rs. 12.50, *arhar* Rs. 12.37, *urd* Rs. 19 to Rs. 21.50, *moong* Rs. 15 to Rs. 17 and *masoor* Rs. 15.37 to Rs. 17 per maund.

After early spurt on bull support, pulses futures eased at the week-end on profit-taking sales. Fluctuations during the week were:

	Opening 6-5-1957	*Highest*	*Lowest*	*Closing* 13-5-1957
	Rs.	Rs.	Rs.	Rs.
Peas *Jeth* ...	10.87	11.48	10.84	11.22
Arhar *jeth* ...	11.87	12.65	11.87	12.33
Urd *Baisakh*	19.12	19.31	19.12	19.19

SUGAR IMPROVES

(From Our Own Correspondent)

HAPUR, 13*th May*

Despite the Government's announcement to release a further quantity of about 1.64 lakh tons of sugar for free sale, sugar prices recorded gains during the week, due to good outside buying enquiry and expectations of further exports. Rumours of increase in excise duty in the budget proposals also accounted for bullish trend, as some of the factories preferred not to sell sugar in the market before the budget announcement. Production and despatches of indigenous sugar amounted to 18.22 lakh tons and 10.35 lakh tons, respectively, up to 30th April 1957 in the current season, as against 16.53 lakh tons and 8.06 lakh tons, respectively, in the corresponding period last year and the stocks with the factories on this date stood at 13.14 lakh tons, as against 12.58 lakh tons last year. In U.P. alone, which has half of the total number of factories in the country sugar production in the current season is estimated at 10.4 lakh tons. The prevailing mill delivery prices are: Jaswant Rs. 29.12, Simbhauli Rs. 29.25, Daurala Rs. 29.75 to Rs. 30.75, Amroha Rs. 28.37, Bijnore Rs. 28.25, Mansoorpur Rs. 29 to Rs. 30.25 and Rampur Rs. 31, and retail Rs. 31 per maund.

The *khandsari* prices also improved during the week in line with the crystal section and prices were: Rs. 22 to Rs. 27 per maund according to quality.

Ready *gur* prices continued steady at almost unchanged price levels during the week. Local arrivals were small at about 100 maunds daily and stock is put at 96,000 maunds. Prevailing prices are: Rs. 11.50 to Rs. 12 per maund. *Gur* futures moved both ways in heavy turnover during the week and the latest quotations are: *Gur asar* Rs. 11.68 and *fagun* Rs. 11.53, as against Rs. 11.77 and Rs. 11.31, respectively, quoted a week ago.

EXCISE ON SUGAR RAISED

(From Our Own Correspondent)

BOMBAY, 16*th May*

The sharp increase in excise duty on sugar from Rs. 5.52 to Rs. 11.24 per cwt., announced by the Union Finance Minister yesterday, has created utter confusion in the sugar market. The sugar factories have put up the ex-mill rates by about Rs. 3 per maund, in addition to the enhancement of Re. 1 they had effected before in anticipation of the rise in excise duty. The currently ruling prices in the sugar market are, therefore, substantially higher than those at the end of last week.

Small grain sugar has jumped up by Rs. 10 to Rs. 98 per bag, inclusive of sales tax. Medium grain has advanced from Rs. 89-Rs. 91 to Rs. 99-Rs. 100, and large grain from Rs. 93-Rs. 97 to Rs. 101-Rs. 107.

Vaisakh delivery contract for 'C' grade sugar was squared up to Rs. 92-8, as against Rs. 91-14 a week before. *Shravan* delivery which stood at Rs. 94¼-Rs. 95 before the presentation of the Budget spurted to Rs. 99 on receipt of news regarding upward revision in excise duty.

Arrivals of sugar into the market during the week were considerably large, being 25,700 bags, as against 12,000 bags in the previous week.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	4½	5
Austria	17th Nov., 1955	5	5½
Belgium	4th Dec., 1956	3	3½
Bolivia	30th Sept., 1956	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1953	4	4½
Colombia	18th July, 1923	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1955	3½	4
Italy	4th April, 1950	4½	4
Japan	8th May, 1957	7.665	8.304
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1956	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	13th May, 1954	3	3½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	4	5
Switzerland	26th Nov., 1936	4	1½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	6	4
U.S.A.	23rd Aug., 1954	2½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 3rd May, 1957 Number of Cheques	Amount Rs.	Week ended 26th April, 1957 Number of Cheques	Amount Rs.
Bombay	2,75,189	64,59,81,000	3,47,710	85,08,21,000
Calcutta	1,52,612	55,08,78,674	1,66,924	59,28,31,509
Madras	..	..	86,188	10,53,63,457
All Centres—1955-56*	..	..	2,100,000	6,650,200,000
1956-57*	..	..	3,334,000	7,269,000,000
Feb., 1957	..	..	3,220,000	7,32,92,00,000
Mar.,	..	..	3,503,000	8,33,05,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 10th May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		54,02,36,000
(2) Other Governments		2,10,59,000
(b) Banks		50,66,01,000
(c) Others		54,70,04,000
Bills Payable		16,03,93,000
Other Liabilities		120,43,98,000
	Rupees	363,86,61,000

ASSETS	Rs.	Rs.
Notes		9,87,34,000
Rupee Coin		3,94,000
Subsidiary Coin		6,64,000
Bills Purchased and Discounted—		
(a) Internal	....	....
(b) External	....	....
(c) Government Treasury Bills		7,29,67,000
Balances held abroad*		74,06,54,000
Loans and Advances to Governments		19,23,46,000
Other Loans and Advances		113,71,44,000
Investments		125,90,92,000
Other Assets		13,07,36,000
	Rupees	363,86,61,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 59,98,44,000/-advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1957 is Rs. 208,24,55,000/-.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,87,34,000	
Notes in circulation	1595,36,03,000	
Total Notes issued		1605,23,37,000
Total Liabilities	....	1605,23,37,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		125,08,12,000
Government of India Rupee Securities		949,87,31,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1605,23,37,000

Scheduled Banks*

Statement of Affairs for the week ended 3rd May, 1957

	Rs.	Rs.
1. Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		10,96,33,000
(ii) Other demand liabilities		710,82,71,000
2. Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank †		3,04,00,000
(ii) Other time liabilities		501,99,36,000
3. Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		10,60,73,000
(ii) Time liabilities		....
4. Cash in India		38,95,54,000
5. Balances with the Reserve Bank in India		64,65,23,000
6. Balances with other banks in current account in India		10,00,21,000
7. Money at call and short notice in India		18,02,23,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		344,47,26,000
9. Advances in India		739,00,28,000
10. Inland Bills purchased and discounted in India		126,21,82,000
11. Foreign Bills purchased and discounted in India		58,38,91,000

* *Notes.*—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	14th May, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6⅜	1-6⅜
Bombay on New York—		
Sellers T.T. D.D. Rs.	479½	479.00
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.79	2 791-2.79⅜
London on Paris Frs.	987	986½
London on Berne Sw. Frs.	12.25⅜	12.27
New York on London $	2.79☆	2.791-2.79⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of per rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	79.22	..	1,921	243
Burma	1954	19.24	Kyats 3,905	1390	204
Ceylon	1954	8.28	..	470	560
Japan	1955	88.90	Y. 6,575,000	8,698	978
Philippines	1955	21.85	Ps. 7,800	1,857	350
New Zealand	1956	2.13	£(N.Z.) 846	1,128	5,296
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1955	50.97	£ 16,854	22,175	4,351
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.60	$ 20,733	10,166	6,516
France	1955	45.27	Fr. 12,440,000	17,190	3,931
W. Germany	1955	49.99	Dm. 110,200	14,460	2,590
Italy	1954	47.90	Lr. 9,718,000	7,430	1,560
Norway	1955	3.43	Kr. 19,751	3,290	9,056
Sweden	1954	7.21	Kr. 32,630	5,544	4,912
Netherlands	1955	10.75	Grs. 22,500	2,850	2,650
Denmark	1954	4.41	Kr. 22,574	1,610	5,554
Switzerland	1954	4.93	Sw. Fr. 32,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 3rd May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	51,00,13,000
(b) Provincial Governments	7,05,000
(c) Banks	14,87,96,000
(d) Others	9,27,55,000
Bills Payable	7,09,000
Other Liabilities	12,19,63,000
Rupees	93,50,07,000

ASSETS	Rs.
Notes	7,70,28,000
Rupee Coin	14,000
Subsidiary Coin	12,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,64,000
Loans and Advances to Governments	3,16,00,000
Provincial Governments' Debtor Balances	12,71,66,000
Other Loans and Advances	5,92,53,000
Investments	52,43,16,000
Other Assets	11,54,54,000
Rupees	93,50,07,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,70,28,000	
Notes in circulation	333,34,64,000	
Total Notes issued	....	341,04,92,000
Total Liabilities	....	341,04,92,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,38,41,000	
Silver Bullion	....	
Approved Foreign Exchange	104,38,03,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	158,73,74,000
B. Rupee Coin	4,81,94,000	
Government of Pakistan Securities	171,59,18,000	
Internal bills of exchange and other commercial paper	....	176,14,12,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	341,04,92,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.19 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	3rd May 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1577.11	1561.91	1,563.75	1518.51
Notes held in Banking Department	35.05	9.04	20.57	7.88	7.18
Foreign Securities	59.50	412.52	412.52	412.52	681.45
Rupee Securities	37.39	929.87	924.90	914.97	608.69
Banking Department					
Deposits of:					
Government of India	14.89	51.81	52.83	60.59	55.85
Other Governments		4.26	6.38	7.90	18.12
Balances held abroad	10.08	83.90	92.39	112.82	40.05
SCHEDULED BANKS					
Demand Liabilities	134.36	721.79	720.00	725.89	637.89
		505.03	502.90	480.31	429.60
Time Liabilities	102.24	(3.04)†	(2.52)†	(7.80)†	(7.00)†
				(2.09)‡	(2.86)†
Borrowings from Reserve Bank	..	81.38	72.71	81.96	62.68
		(59.98)‡	(53.24)‡	(58.32)‡	(42.65)‡
Borrowings from State Bank	..	10.61	7.86	10.79	10.55
Cash in India	6.70	38.96	37.97	39.44	36.91
Balances with Reserve Bank	25.17	64.65	65.86	62.12	49.18
Excess over statutory limits	15.52	18.47	19.35	16.22	8.70
Balances with other banks in current account in India	..	10.00	10.17	11.33	10.17
Money at call and short notice in India	..	18.02	17.10	12.05	8.38
Investments (at book value)	105.09	344.47	344.51	347.23	355.34
Advances and bills		923.61	907.94	898.50	763.17
STATE BANK					
Deposits	87.76	296.95	299.14	301.47	226.08
Investments	51.99	105.36	105.52	105.42	104.51
Advances	30.35	187.92	183.37	182.91	139.34
Cash	14.69	24.07	28.88	24.40	14.32

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1956	January, 1957	Ten months, April to Jan., 1955-56	Ten months, April to Jan., 1956-57
Import Duties:				
Revenue	10.51	12.69	95.96	105.67
Protective	0.8+	1.27	8.44	10.50
Ch. surplus disposals	—	—	0.08	0.04
Total import duties	11.35	13.96	104.48	116.21
Export Duties	2.63	2.96	30.93	25.16
Land Customs	0.20	0.21	1.15	2.03
Miscellaneous	0.05	0.10	0.59	0.94
Gross total customs	14.23	17.23	137.15	144.33
Refunds and drawbacks	0.21	0.25	2.12	2.09
Net Customs	14.02	16.98	135.03	142.24
Gross excise	18.51	17.96	123.06	155.81
Refunds	0.13	0.25	3.60	1.75
Net Excise	13.38	17.71	119.46	154.06
Net total of customs and excise†	27.40	34.69	254.49	296.30

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 10th May, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,87,50,000
Borrowings from Other Banking Companies, Agents, etc.		300,32,10,000
Bills Payable		3,39,00,000
Bills for Collection being Bills Receivable as per contra		6,11,63,000
Acceptances, Endorsements and Other Obligations per contra		68,85,000
Other Liabilities (including Inter-Office Adjustments)		4,94,000
Total .. Rs.		326,38,53,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		16,96,99,000
Balances with other Banks		3,20,30,000
Money at Call and Short Notice		1,46,66,000
INVESTMENTS:		
Government and other Trustee Securities	94,12,44,000	
Other Authorised Investments	11,30,33,000	105,42,77,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	164,71,92,000	
Bills Discounted and Purchased	28,38,49,000	193,10,41,000
Bills Receivable being Bills for Collection as per contra		68,85,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		4,94,000
Premises less Depreciation		1,21,00,000
Furniture and Fixtures less Depreciation		65,36,000
Other Assets (including Inter-Office Adjustments)		3,61,25,000
Total .. Rs.		326,38,53,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates											
	5-Year		7-Year		12-Year		Post Office Savings Bank Deposits	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.82	65	2.26	23.66	84.17	1,13.35	98.82	— 21.07	7.55	25.64	9.86	16.57	44	95
1955-56	3.76	1.96	5.48	27.19	1,44.36	1,69.15	1,67.26	— 28.87	4.79	41.38				
1956-57	..	..	..	..	..	..	..	..	3.91	44.28	..	..	..	..
January 1956	3.91	14	5.24	2.02	1,40.78	12 16	1,54.14	— 28.55	33	40.61	24	14.73	2	91
February ,,	3.82	16	5.29	2.33	1,42.37	13.87	1,56.19	— 28.86	39	40.95	23	15.57	2	93
March ,,	3.76	23	5.43	2.83	1,44.36	23.84	1,67.26	— 28.87	36	40.98	23	16.37	2	95
April ,,	3.69	24	5.54	3.19	1,45.55	14.54	1,71.08	— 28.96	34	41.51	22	17.12	2	98
May ,,	3.61	21	5.54	2.48	1,47.58	14.77	1,78.05	— 29.05	33	41.82	25	17.91	2	1.00
June ,,	3.54	23	5.55	2.70	1,49.48	15.54	1,74.09	— 29.15	33	42.11	22	18.76	4	1.04
July ,,	3.48	43	5.81	2.78	1,51.33	14.61	1,80.05	— 29.24	33	42.42	1.01	19.68	4	1.07
August ,,	3.40	29	5.83	2.55	1,53.14	14.19	1,83.21	— 29.35	36	42.72	93	20.58	6	1.11
September ,,	3.34	17	5.71	2.66	1,55.14	13.97	1,54.52	— 29.17	34	43.00	85	21.34	3	1.12
October ,,	3.23	16	5.59	2.38	1,56.51	13.00	1,85.99	— 29.26	35	43.29	82	22.06	4	1.17
November ,,	3.28	18	5.64	2.30	1,57.62	12.70	1,89.89	— 29.35	25	43.39	77	22.78	3	1.19
December ,,	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 29.43	26	43.58	70	23.32	3	1.22
January 1957	3.12	21	5.80	2.76	1,59.02	13.46	1,88.10	— 29.84	36	43.89	88	24.07	6	1.27
February ,,	3.07	17	5.82	2.34	1,61.00	12.90	1,88.83	— 29.91	30	44.14	73	24.70	4	1.30
March ,,	..	..	..	..	..	..	..	..	22	44.28	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include these from the pre-partition holdings of Indian investors.

● Progressive net repayments at the end of period from 15th August 1947.

†† Relating to nine months from July, 1954.

§ From July, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SEQURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 27th April, 1957	20th April, 1957	30th Mar., 1957	28th April, 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.0	90.0	90.0	91.8
1. Government of India	89.7	89.7	89.7	90.8
2. Indian States	95.4	96.4	96.4	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.0	99.0	98.9	100.9
1. Electricity	99.0	99.0	98.8	102.2
2. Jute	97.0	97.0	97.0	97.6
3. Plantations	98.4	98.4	98.4	99.2
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.0	100.0	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.1	100.1	100.1	101.1
PREFERENCE SHARES	78.5	78.4	78.3	88.4
1. Electricity	86.7	86.8	87.5	93.6
2. Cotton	78.1	78.0	78.9	81.7
3. Jute	70.8	71.0	73.2	83.3
4. Coal	81.8	81.8	82.0	89.0
5. Iron and Steel	81.6	80.7	81.5	87.7
6. Sugar	78.1	79.4	79.6	84.5
7. Paper	78.8	78.8	79.6	82.1
8. Plantations	97.7	97.8	98.6	101.6
9. Miscellaneous	74.8	74.7	74.9	80.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	106.4	107.0	109.2	122.2
(a) Financial	89.8	90.1	91.3	87.8
1. Banks	91.3	92.4	92.4	86.0
2. Insurance	82.3	82.4	82.2	84.7
3. Investment Trust	75.6	75.6	78.2	93.1
(b) Public Utilities	101.3	101.2	103.2	112.2
1. Electricity	106.7	106.9	108.1	115.5
2. Shipping and other Transport	113.7	116.9	120.9	111.4
3. Railways	76.4	76.5	76.9	88.2
(c) Manufacturing Industries	112.0	112.6	114.8	130.3
1. Cotton, Woollen and Silk	117.7	118.7	121.6	130.1
2. Jute	54.6	54.6	57.6	75.0
3. Iron and Steel	121.9	122.8	120.9	147.3
4. Paper	223.2	223.2	237.6	286.6
5. Cement	148.8	148.5	150.6	173.5
6. General Engineering	162.5	163.0	163.8	191.5
7. Sugar and Breweries	95.5	95.9	98.9	103.4
8. Chemicals	133.5	134.2	134.3	143.3
(d) Non-Manufacturing Industries	131.4	132.4	134.8	168.9
1. Coal	69.4	69.8	69.6	81.4
2. Mining and Oil	178.1	180.3	179.0	262.0
3. Plantations	149.2	150.0	155.5	182.4
(e) Miscellaneous	82.8	83.7	86.9	100.8
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.3	89.3	89.3	90.4
2. Calcutta	89.9	89.9	89.9	90.9
3. Madras	90.2	90.2	90.2	91.2
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99.0	100.0
2. Calcutta	98.3	98.3	98.6	101.6
3. Madras	99.5	99.5	99.5	100.2
PREFERENCE SHARES:				
1. Bombay	83.3	82.7	83.4	89.3
2. Calcutta	72.3	72.5	73.4	80.2
3. Madras	92.8	92.9	93.8	97.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	116.9	117.6	119.1	127.2
2. Calcutta	92.7	93.5	95.8	111.1
3. Madras	119.2	119.6	122.5	127.0
4. Delhi	115.6	115.7	115.2	130.4

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,923
1952	958	809 242	3,826,961
1953	772	466,807	3,382,608
1954	840	477,135	3,272,630
1955	1,166	537,767	5,697,848
1956	1,258	722,334	7,095,960
January 1955†	95	49,038	332,507
February ,, ,,	91	38,370	144,302
March ,, ,,	112	70,042	334,698
April ,, ,,	105	35,451	313,375
May ,, ,,	120	68,441	961,776
June ,, ,,	152	91,269	1,144,011
July ,, ,,	111	55,260	660,492
August ,, ,,	236	90,218	835,999
September ,, ,,	251	92,619	580,081
October ,, ,,	194	47,609	214,314
November ,, ,,	99	48,609	178,112
December ,, ,,	129	45,277	239,550
January* 1956†	107	61,755	362,000
February* ,, ,,	122	70,155	751,706
March* ,, ,,	146	133,188	673,718
April* ,, ,,	140	83,524	569,037
May ,, ,,	127	65,037	549,332
June ,, ,,	153	71,047	484,439
July* ,, ,,	150	100,335	529,151
August* ,, ,,	138	64,767	492,173
Sept.* ,, ,,	134	130,667	922,685
Oct.* ,, ,,	150	113 404	819,914
November ,, ,,	133	59,451	499,636
December ,, ,,	145	65,851	407,166
January 1957 ,,	121	52,262(a)	280,329(b)

† Figures are provisional.

(a) Not known in 3 cases.

(b) Not known in 4 cases.

* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,184.2
1955-56	648	6,876.8	5,677.7
1954-55	636	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
Jan., to Dec. 1955	724	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,630.7	7,892.0
October 1955	716	720.7	591.9
November ,, ,,	721	735.6	597.0
December ,, ,,	734	785.7	648.0
January 1956	731	757.2	621.8
February ,, ,,	739	749.9	623.0
March ,, ,,	715	800.0	651.0
April ,, ,,	701	780.8	643.5
May ,, ,,	701	825.8	669.1
June ,, ,,	710	798.5	656.5
July ,, ,,	724	790.0	650.3
August ,, ,,	725	793.7	650.0
September ,, ,,	737	812.7	666.4
October ,, ,,	753	824.1	670.1
November ,, ,,	756	810.5	668 1
December ,, ,,	757	881.5	715.0

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

§ At the end of period.

Source:—Central Water and Power Commission.]

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	27th April, 1957	20th April 1957	28th April, 1956	March, 1957	March, 1956	Percentage of Increase (+) or decrease (—) in Mar., 1957 as compared with Mar., 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	411.6	411.1R	356.8	402.5	351.6	+ 14.5	388.5	312.2
Cereals	59	539*	529*	416	528	439	+20.3	499	372
Pulses	8	407	412	345	440	378	+16.0	397	289
Others	33	233	261	227	242	233	+ 3.9	247	235
Industrial Raw Materials	(18)	514.0	516.4	471.5	518.1R	475.6	+ 8.9	501.9	419.8
Fibres	53	507	509*	457	505	471	+ 7.2	483	429
Oil seeds	30	557	556	532	559R	511	+ 9.4	558	398
Minerals	10	503	520	440	552	453	+21.9	508	427
Others	7	415	415*	392*	414R	406	+ 2.0	421	431
Semi-Manufactures	(17)	401.4	400.4	381.1	403.3	368.8	+ 9.1	402.3	338.2
Leather	5	408	401	406	410	408	+ 0.5	409	378
Mineral oils	13	211	211	208	210	208	+ 1.0	209	207
Vegetable oils	16	576	573	546	577	459	+18.0	532	389
Cotton yarn	15	482	482*	464	452	445	+ 7.1	487	422
Metals	13	328	328*	281	328	282	+16.3	318	264
Oil cakes	5	404	403*	420	419	379	+10.6	447	353
Others	5	374	375	361	365	364	+ 5.8	366	336
Manufactured Articles	(30)	384.6	384.1	375.6	384.1	374.8	+ 2.5	384.6	372.9
Textiles	64	410*	409*	409	410	408	+ 0.5	416	408
Jute	11	418	—	397	412	410	+ 0.5	416	418
Cotton	45	412*	412*	408*	414*	408*	+ 2.7	410*	403*
Rayon and Silk	6	..	..	502*	442R	509*	—12.0	455*	458*
Woollen	3	266	266	264	286	278	— 4.3	265	284
Metal products	17	392	392	371	392	371	+ 5.7	386	353
Others	19	305	305	286	302	285	+ 6.0	294	336
Miscellaneous	(9)	570.6	568.5	499.6	569.6R	508.1	+12.1	559.3	546.4
All Commodities	(100)	423.5	423.3R	390.4	421.2	387.4	+ 8.7	414.6	380.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COM

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop		Forecast	Area (In thousand acres) 1955-56	Area 1954-55	Yield (In thousand tons) 1955-56	Yield 1954-55
Cereals—						
Rice	.. ..	2nd	72,512†	71,886††	23,900†	23,515††
Wheat	.. ..	final	32,225	27,517	8,348	8,778
Jowar	.. ..	2nd	39,839†	41,174††	4,519†	4,312††
Bajra	.. ..	final	27,025	27,983	3,400	3,421
Barley	.. ..	final	8,145	8,309	2,721	2,870
Maize	.. ..	final	8,909	9,311	2,519	2,939
Ragi	.. ..	final	5,674†	5,693††	1,914†	1,820††
Small millets	..	final	13,095	13,799	2,103	2,456
Total cereals	..	final	211,000	212,025	53,349	55,784
Pulses—						
Gram	.. ..	final	22,092	22,047	4,865	5,393
Tur	.. ..	2nd	5,581†	5,725††	1,603†	1,705††
Other Kharif pulses §	..	final	16,562	16,719	1,650	1,830
Rabi pulses†	..	final	10,579	10,590	1,858	1,959
Total pulses	..	final	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	..	final	13,101†	12,692††	4,086†	3,862††
Castorseed	..	final	1,403†	1,408††	129†	124††
Sesamum	..	3rd	4,996†	5,423††	417†	434††
Rape and Mustard	..	final	3,302	3,025	832	1,018
Linseed	.. ..	final	3,424	3 354	376	382
Total oilseeds	..	final	29,471	30,823	5,596	6,242
Fibres—						
Cotton*	.. ..	3rd	18,084†	17,953††	4,084†	3,382††
Jute A.	.. ..	final	1,888†	1,739††	4,221†	4,197†††
Mesta A.	.. ..	final	738†	572††	1,474†	1,159††
Other crops—						
Potato	.. ..	final	668	658	1,889	1,736††
Sugarcane	.. ..	2nd	4,532†	3,945††	58,914†	50,455††
Ginger (Dry)	..	final	37	35	15	14
Pepper (Black)	..	final	214	208	27	26
Chillies (Dry)	..	final	1,493	1,523	340	363
Tobacco	.. ..	final	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity (In 000 tons)
	JUTE MANUFACTURES	
Production	During March, 1957 ..	84.7
	Corresponding month, 1956 ..	99.3
	Nine months ended Mar., 1957 ..	771.0
	Corresponding period, 1956 ..	800.5
Stocks	At the end of April, 1957 ..	105.0
	Corresponding month, 1956 ..	107.9
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 9th March, 1957 ..	N.A.
	Corresponding week, 1956 ..	14,855
	From 1st Jan., to 9th March, 1957 ..	N.A.
	Corresponding period, 1956 ..	75,703
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 9th March, 1957 ..	N.A.
	Corresponding week, 1956 ..	49,600
	From 1st Jan., to 9th March, 1957	N.A.
	Corresponding period, 1956 ..	253 071
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	March, 1957 ..	4.91
	Corresponding month, 1956 ..	5.76
	Nine months ended Mar., 1957 ..	44.93
	Corresponding period, 1956 ..	46.62

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1954..	11,54,000	10,70,300	7,80,000
Do. 31st March, 1955..	11,54,400	1,58,17,54,000	7,81,200
Do. 31st March, 1956..	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957..	11,55,500	10,73,600	7,97,500
October 1955	91,700	83,800	64,800
Nov. "	91,900	86,200	63,400
Dec. "	103,900	97,500	72,800
January 1956	103,900	96,300	71,500
February "	97,500	89,500	67,700
March "	103,300	96,200	69,900
Oct. "	96,700	91,100	71,800
Nov. "	94,700	88,800	65,100
Dec. "	101,500	93,300	66,900
January 1957	97,400	94,800	70,500
February "	90,000	81,500	63,400
March "	95,100	93,200	73,800
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	6,36,710	4,81,460	3,12,946
Do. 31st March, 1954..	5,80,020	3,49 980	2,92,440
Do. 31st March, 1955..	7,15,949	5,38,240	4,59,093
Do. 31st March, 1956..	7,06,986	5,31,508	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
" " " Sept., 1954.	1,80,018	1,39,741	1,15,861
" " " Dec., 1954.	1,88,058	1,36,801	1,20,416
" " " Mar., 1955.	1,85,108	1,43,825	1,18,138
" " " June, 1955.	1,88,505	1,34,353	1,16,881
" " " Sept. 1955.	1,76,181	1,30,330	1,06,714
" " " Dec., 1955.	1,80,750	1,24,696	1,05,752
" " " Mar., 1956.	1,84,450	1,41,846	1,19,860
" " " June, 1956.	1,86,308	1,17,710	1,02,509
" " " Sept., 1956.	1,74,447	1,32,325	1,13,958
" " " Dec., 1956.	1,88,546	1,41,456	1,14,703

FOREIGN TRADE OF INDIA

Particulars	December, 1955	December, 1956	Nine months April to Dec., 1955	Nine months April to Dec., 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	2,97	3,72	40 47	27,11
Raw materials	15,07	22,55	134,70	139,99
Manufactures	40,49	40,90	304,77	428,20
Other items	34	52	2,32	3,55
Total* ..	58,87	67,69	482,26	597,55
By land	3,17	1 69	19,85	14,62
Total Imports ..	62,04	69,38	502,11	612,17
Exports :				
By sea and air—				
Foodstuffs	14.79	19,10	117.64	153,85
Raw materials	15,51	13,02	125,79	89,91
Manufactures	21,06	22,27	189 60	182,89
Other items	25	42	3,15	3,53
By land .. .. Tota	51,71	54,81	436,18	430,18
Total Exports ..	43	60	3,96	5,10
Total Re-exports ..				
Balance of trade in merchandise ..	— 8,97	— 13,04	— 57,18	—172,15
Balance of transactions in private treasure ..	— 2	+ 1	— 6	— 15
Total visible balance of trade..	— 8.99	— 13,03	— 57,19	—172,30
Imports : ‡				
Total C'wealth countries ..	21,67	24,15	210,47	233,79
Total Foreign countries ..	37,20	43,54	271,79	363,76
Exports : ‡				
Total C'wealth countries ..	25,19	27,38	218,40	223,81
Total Foreign countries ..	26,52	27,43	217,78	206,37

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1954-55	11,782	2,709	886	184	98	62	184	13	209	399	25	231	47	158
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
January 1956	10,396	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February "	11,538	2,532	885	191	98	62	131	27	439	374	38	297	45	136
March "	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April "	1,135	237	82	23	12	6	13	2	64	34	2	31	2	10
May "	2,227	470	166	44	25	11	26	3	115	70	5	60	5	21
June "	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July "	4,810	959	344	71	38	19	44	6	168	139	10	118	14	50
August "	5,400	1,222	453	87	42	23	58	8	184	173	13	150	19	65
September "	6,420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October "	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98
November "	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114
December "	9,850	2,194	745	153	71	42	147	18	347	314	22	281	45	129
January 1957	11,100	2,450	837	178	84	47	172	20	432	351	25	317	50	144
February "	12,280	2,684	929	197	96	52	190	22	520	388		350	51	159

Notes.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 9th May, 1957 ..	52,387(J)
	Corresponding week, 1956 ..	38,877(J)
	1st Sept. 1956 to 9th May, 1957	1,375,820*
	Corresponding period, 1955-56 ..	1,448,574*
Cotton Exports‡ ..	Week ended 9th May, 1957 ..	4,212
	Corresponding week, 1956 ..	—
	1st Sept. 1956 to 9th May, 1957	194,216A
	Corresponding period, 1955-56 ..	486,299A
Mill Consumption .. (Estimated)	1st Sept. 1956 to 9th May, 1957	923,163
	Corresponding period, 1955-56 ..	880,619
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 9th May, 1957	616,535
	Corresponding date, 1956.. ..	648,108
Cotton Exports from Bombay (by sea)	During Jan., 1957	42,391§
	During Jan., 1956	35,978
	1st Sept., '56 to 31st Jan., 1957	168,622
	1st Sept., '55 to 31st Jan., 1956..	383,052
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 18th April 1957	1,123,075
	Corresponding period, 1955-56 ..	1,239,170
Exports	1st Sept., 1956 to 18th April 1957	584,496
	Corresponding period, 1955-56 ..	659,280

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc. "A"—Adjusted.

Particulars	From 1st Sept. 1956 to 6th May, 1957 Bales	From 1st Sept. 1955 to 6th May, 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	19,913	63,351
Continent	19,611	89,626
Hongkong	29,856	36,890
China	3,437	54,599
Japan	119,704	261,711
U.S.A.	2,334	3,837
Other Countries ..	717	2,926
Total to all foreign countries ..	195,572	512,940
Coastal Ports ..	7,360	77,674
Total	202,932§	590,614§

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	February, 1957	383,121
Foreign		43,662
Indian	Six months ended Feb., 1957	2,324,414
Foreign		292,297
Indian	Same Period 1956	2,221,013
Foreign		287,444
Stocks (Mills and Elsewhere)—		
Indian	As on 28th February 1957 ..	1,151,853
Foreign		182,316
Indian	As on 28th February, 1956 ..	1,137,936
Foreign		174,625
Cotton Pressed in India† (In running bales) ..	Week ended 26th Apr., 1957 ..	4,546
	Corresponding week, 1956 ..	131,082
	1st Sept., 1956 to 26th Apr., 1957	1,271,509
	Corresponding period, 1955-56	2,772,408

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1950-70	100.80
3 % Loan	1938-39	1 16,17,46,000	1968-65	94.15
2½ % Loan	1950	52,33,10,000	1964	74.40
3 % Fg. Loan	1948	1,10,11,78,000	1966-68	92.10
3 % V. Loan	1944	23,54,89,000	1957	99.75
3 % Loan	1945	1,15,05,88,000	1970-75	87.20
3 % 2nd V.Loan	1945	1,13,45,54,000	1959-61	97.75
2½ % Loan	1951	80,25,68,000	1958	99.60
2½ % Loan	1946	45,95,57,000	1960	96.45
2½ % Loan	1946	57,00,69,000	1961	93.50
2½ % Loan	1946	14,77,48,000	1976	83.10
2½ % Loan	1947	75,86,72,000	1962	93.95
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99.50
2½ % N.P. Bonds	1954	1,58,17,54,000	1964	98.25
2½ % N.P. Bonds (2nd Series)	1955	1,03,07,92,000	1965	98.25
2½ %	1956	57,27,00,000	1962	97.80
2½ % N.P. Bonds	1956	83,32,00,000	1967	98.50
2½ %	1956	66,64,00,000	1974	98.50
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,83,35,000	At option of Government after three months notice. On September, 1898 or later at option of Government after three months' notice.	73.00
3 % Loan	1946	2,48,91,47,000		74.20
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958-48***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97.10
4 % Andhra	1954	6,00,00,000	3rd Sept. 1958	97.90
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98.85
3 % Bombay	1945	5,53,56,000	1st Aug. 1962	94.10
3 % Bombay	1949	2,87,85,000	31st July 1960	96.25
2½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98.00
4 % Bombay	1953	5,42,28,000	15th July 1963	100.00
4 % Bombay	1952	2,55,57,000	1st Aug. 1964	99.40
4 % Bombay	1956	19,02,21,000	1st Sept. 1967	99.35
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
3 % Cochin	1945	1,00,00,000	16th Dec. 1958-68	98.00
3 % Cochin	1950	70,09 000	1st June 1958-61	98.75
2½ % Howrah Bridge (New)	1936-37	1,96,96,700	1956-66	95.25
4 % Hyderabad	1955	3,12,45,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	98.85
3 % Madras	1939	1,22,95,500	21st June 1959	96.55
3 % Madras	1944	1,07,35,000	15th Aug. 1958	98.55
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96.25
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93.10
2½ % Madras	1950	4,58,25,400	31st July 1960	96.25
2½ % Madras	1951	3,01,49,200	17th Sept. 1962	97.62
4 % Madras	1953	10,23,63,000	15th July 1963	98.45
4 % Madras	1952	5,34,81,200	1st Aug. 1964	98.45
4 % Madras	1956	7,00,00,000	1st Sept. 1967	97.05
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	96.90
4 % Mysore(J)	1953	2,95,85,200	1st Dec. 1953-63	100.30
4 % Mysore(J)	1956	5,99,72,900	30th Apr. 1956-61	98.85
2 % Mysore	1947	5,08,08,700	25th Jan. 1958	98.60
4 % Mysore	1953	3,83,47,000	15th July 1963	98.55
4 % Mysore	1954	4,54,94,000	15th Sept. 1967	97.05
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97.25
2 % M.P.	1944	62,69,800	15th Aug. 1958	98.50
2 % M.P.	1945	2,02,25,800	15th Sept. 1958	98.00
2 % M.P.	1950	1,01,44,700	31st July 1960	95.50
2½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	2,10,18,000	15th July 1963	98.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % M.P.	1955	2,61,66,000	1st Sept. 1967	97.85
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4½ % Trav. Cochin	1953	2,00,00,000	15th July 1963	98.25
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	97.50
2½ % U.P.Z.A.	1952	40,60,66,5462		40.25
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90.85
3 % U.P.	1946	2,97,11,000	15th Aug. 1958	98.55
4 % U.P.	1945	2,17,89,700	14th Sept. 1960	96.00
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	93.05
4 % U.P.	1951	1 91,02,000	17th Sept. 1962	97.85
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1953	5,65,15,500	15th July 1963	98.85
4 % U.P.	1955	9,58,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.65
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.86
4 % Orissa	1956	5,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July, 1963	98.75
4 % M Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
26,50,000	4	1904	1954	
25,00,000	4	1905	1955	
15,00,000	4	1906	1957	
44,00,000	4	1907	1958	
78,00,000	4	1908	1968	98·00N
10,00,000	4	1909	1970	
56,00,000	4	1910	1971	
76,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,878	4	1912*	1960	D
80,00,000	4	1913	1974	98·00N
1,00,00,000	4	1914	1975	98·00N
10,00,000	4	1915*	1975	
55,00,000	4	1915*	1975	
61,61,800	4	1922*	1960	
11,61,800	4	1924*	1960	
10,35,000	3½	1925*	1960	
35,00,000	3½	1925*	1959	
12,50,000	3	1920*	1959	D
12,50,000	3	1921*	1961	
13,50,000	3	1922*	1962	
24,58,800	3½	1925*	1965	
15,00,000	3½	1926*	1966	
46,04,000	3½	1926*	1966	
10,00,000	3½	1927*	1967	
7,00,000	3½	1941	1971	

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
CALCUTTA				Rs.
90,24,300	4	1914	1974	99·00
78,90,100	4	1915	1975	99·00
1,50,00,000C	2½†	1921	1981	82.00
68,02,300C	6	1921	1981	144.00N
1,49,30,000	5	1927	1957-87	101.50
1,49,30,000	5	1928	1958-88	102.00
80,00,000	4½	1931	1961	95.00
1,00,00,000	2½	1925	1965	97.50
25,00,000A	3	1950	1965-68	90.00
50,00,000	3	1945	1965	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	1976	83.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1979	87.00
1,00,00,000	3	1949	1949	97.00
50,00,000A	3	1950	1960	92.00
1,00,00,000	3	1950	1980	95.00
1,00,00,000	3	1950	1960	95.62
50,00,000	3½	1951	1981	91.75
1,50,00,000	3½	1951	1981	93.12
50,00,000	4	1952	1962	100.00
50,00,000	4	1952	1982	98.56
50,00,000	4	1953	1983	98.00
90,00,000	4	1955	1985	97.75
77,00,000C	4	1956	1986	97.75
78,00,800C	4	1956	1986	97.75

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
STERLING LOANS				Rs.
£392,600	5	1922	1953-58	£79.25
£901,000	5	1924	1954-64	£79.25
£535,100	5½	1932	1962	£91.25
MADRAS				Rs.
$1,47,169	3½	1947	1977	
9,88,000F	3	1947	1977	
5,00,000F	3	1949	1979	A
45,00,000£	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
50,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
50,00,000	4	1915	1975	N
40,00,000	5	1919	1957-79	118.90N
65,00,000	6	1920	1958-80	
25,00,000	6	1926	1956-86	115.00N
25,00,000	4	1927	1961-79	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,500		1909	1969	95.50N
£838,000		1910	1970	£95.50N
CALCUTTA				Rs.
25,00,000	5½	1929	1959	106.00
50,00,000	5	1934	1954	99.75
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1955	91.00
20,00,000	3	1938	1962-68	90.00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1966	99.00

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
20,60,000	4	1913-15	1974	98.00
10,00,000	5	1920	1980	113.00N
55,00,000	5	1921	1981	
55,00,000	5	1922	1954-59	102.00
26,21,500	5	1929	1959	
2,50,00,000	3½	1947	1977	86.25
2,50,00,000	3½	1947	1979	86.25
4,00,00,000	3½	1950	1965	92.25
2,50,00,000	4	1952	1964	97.25
5,00,00,000	4	1951	1966	97.00
1,50,00,000	4	1952	1968	98.25
1,00,00,000†	4	1953	1963	99.00
1,00,00,000	4	1954	1964	99.00
2,50,00,000	4	1955	1967	98.00
1,50,00,000	4	1956	1968	98.00
CALCUTTA				Rs.
36,00,000	5	1928	1958	102.00
25,00,000	5	1929	1957	101 50
25,00,000	5	1929	1958	102.00
10,00,000	5½	1932	1962	104.00
23,91,000	3	1935	1965	94.00
60,00,000	3	1936	1966	90.00
17,64,400	3½	1946	1976	90.50
21,10,000	3½	1947	1977	90.00
15,49,000	3½	1951	1960	97.00
15,83,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
MADRAS				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1951	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
2½ % W. Bengal	1951	1,75,00,000	17th Sept. 1963	98.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.75
4 % W. Bengal	1953	5,60,23,000	15th July 1963	99.75
4 % W. Bengal	1955	7,85,72,000	1st Sept. 1967	99.50
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99.00

N—Nominal.
ABBREVIATIONS.
A.—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. *** Repos Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 6 per cent. with effect from 1st April, 1955. §—Interest free to first 12 years †—Interest free for first 7 years
‡‡ Rate of Interest reduced from 6 to 4 per cent. with effect from 1st April, 1955. §—Ex four instalments but inclusive of accrued interest.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	107.00	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70.00	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	98.00	100
Dawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	110.00	100
Deccan Sugar & Abkhar,'A'	7,00,000	1920	7	July Apr.	6.12	5
East India Distilleries ..	£200,000	1897	7	Jan. July	16.15	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	62.00xd	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	62.00x

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and Dece respectively. Reserves include general and other reserves and all other funds, which a company may h excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual co land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and st for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where qu for portion of a year they represent the proportionate dividend for that period. In the case of those compi which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,738	90,10,670	43,05,378	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2.48	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,85,57,007	72,25,055	—6,97,129	M.	51,634	1,021	B. R. Cotton Mills	30.00	100	Nil	Nil	Nil		3	Y.P.P
2,50,98,000	3,12,58,951	5,98,22,946	3,51,00,992	2,41,366	Nowrosjee Wadia & Sons, Ltd.	2,23,552	3,994	Bombay Dyeing & Mfg. ..	531.00	250	22 8*	20 0	25 0*	25 0	12	Y.
10,00,000	28,74,892	58,81,886	53,57,495	91,711	Ramnarain Sons Private Ltd.	1,26,752	2,762	Century Spg. & Mfg. ..	211.25	50	100 0†	75 0*	12 8	20 0	3	Y.
1,00,42,800	2,25,31,209	6,06,65,076	2,32,01,693	7,61,731	Birla Brothers Private Ltd.				444.00	100	22 0	22 0	22 0	22 0	12	Y.
49,00,000	85,42,826	1,19,99,766	65,07,035	—33 08,097	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill ..	62.50	100	Nil	Nil	Nil		12	Y.
						24,848	..	Coorla Spg. & Wvg. ..	131.00	100	7 8	7 8	7 8		6,12	Y.
26,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,844	680	Dawn Mills	97.50XR	50	6 0	6 0	15 0		12	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons Private Ltd.	40,992	928	Edward Textiles	255.00	200	15 0	15 0	18 0		12	Y.P.
24,00,000	40,06,435	76,75,257	56,21,788	2,83,643	Purannal Bubna Sons ..	48,718	886	Elphinstone Spg. & Wvg. ..	62.50	50	Nil	Nil	5 0		12	Y.
99,98,050	11,51,233	1,09,78,649	80,74,224	1,81,854	M.	41,300	886	Finlay Mills	276.50	100	16 0	16 0	20 0	20 0	12	Y.
50,00,000	67,54,875	1,41,78,009	82,93,207	79,257	James Finlay & Co., Ltd. ..	40,640	1,020	Gold Mohur Mills Ltd. ..	210.00	100	12 8	12 8	15 0	15 0	12	
50,00,000	48,98,022	90,86,646	59,17,387	1,67,789	James Finlay & Co., Ltd. ..				5,525.00	1,000	225 0*	225 0	300 0	325 0	3	Y.P.
11 84,000	75,14,589	1,52,34,660	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	992.50	250	56 4*	56 4	75 0	81 4		Y.P
15,000									9.95	0 100	0 10	Nil	0 15	0 10	12	Y.
8,99,00,000	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,44,800	6,278	India United Mills	1.58	0 1D.	0 1	Nil	0 8	0 11		
54,00,000 D									5,215.00	1,000	225 0*	225 0	300 0	300 0	3	Y.P
9,55,000	72,74,043	1,41,26,890	1,00,89,000	4,886	M.	47,984	1,122	Indian Mfg.	—	500	112 8*	112 8	150 0	150 0	3	Y.
35,000									170.00	100	10 0	8 0	10 0	10 0	6	Y.
59,85,000	55,07,851	1,23,79,670	2,08,22,188	26,228	Khatau Makanji & Co. ..	92,852	1,489	Khatau Makanji Spg. & Wvg.	316.50	100	20 0	15 0	18 0	18 0	12	Y.P.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Kilachand Mills	1,20,504	1,846	Kohinoor Mills	70.00XR	50	5 0	5 0	8 0*	8 0*	10	Y.P.
22,13,050	43,06,720	1,22,08,423	64,68,440	55,109	Kilachand Mills	49,000	644	Modern Mills	212.50	100	12 0	14 0	14 0	16 0	6	Y.P.
51,75,000	37,05,298	2,35,58,547	1,76,19,539	1,41,489	Piramal Sons Private Ltd. ..	1,71,652	3,652	Morarjee Goculdas Spg. & Wvg.	222.50	100	9 0	10 0	12 0	14 0*	12	Y.P.
1,60,74,400	1,10,15,319	2,46,21,101	2,65,00,000	5,52,034	Chinai & Co. Private Ltd. ..			National Kayon Corporation ..	222.50	100	9 0	10 0	12 0	14 0*	12	Y.
24,00,000	29,50,456	78,05,743	48,70,077	63,192	W. H. Brady & Co., Ltd. ..	45,044	432	New City of Bombay Mfg. ..	135.75	100	10 0	10 0	10 0	10 0	12	Y.
20,00,000	22,01,492	95,52,784	63,37,035	245	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	225.00	100	10 0	7 8	10 0	10 0	12	
45,00,000	30,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons Private Ltd.	69,208	1,190	Phoenix Mills	142.50	100	10 0	10 0	12 0*	12 0*	12	Y.P.
40,00,000	45,64,554	48,69,967	24,25,000	4,72,683	Podar Sons Private Ltd. ..	32,500	930	Podar Mills	165.00	100	10 0	10 0	12 0*	12 0*	12	Y.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..			Sassoon & Alliance Silk Mill	9.80	10	0 12	0 8			12	Y.
57,70,000	82,80,508	1,28,63,251	1,59,71,824	54,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg. ..	36.50xd	10	1 4	1 12	2 0		12	Y.P
80,00,000	47,70,061	90,20,958	45,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	34,840	1,276	Shree Niwas Cotton Mills ..	175.50	100	14 0	14 0	12 0		12	
42,00,000	33,02,179	98,78 809	78,58,782	96,017	Forbes, Forbes Campbell & Co., Ltd.	97,588	2,409	Simplex Mills	168.50	50	15 0	11 0	10 0	12 0	3	Y.
87,50,000	2,50,32,705	2,77,88,979	1,62,68,915	2,93,059	Mafatlal Gagaibhai & Sons ..	97,588	2,409	Standard Mills	415.00xd	100	20 0	20 0	20 0	22 8*	12	Y.P.
1,00,00,000	98,08,485	2,51,02,981	1,33,02,735	29,124	Tata Industries Private Ltd. ..	39,328	552	Swadeshi Mills	221.25	100	16 0	8 0	12 0	14 0*	12	Y.P.
35,00,000	65,13,465	1,37,20,469	92,02,715	1,01,175	Tata Industries Private Ltd. ..	65,448	1,800	Swan Mills	370.00	100	20 0	20 0	25 0	25 0	12	Y.P.
85,57,875	56,74,500	2,01,67,222	80,31,256	17,925	Tata Industries Private Ltd. ..	45,508	1,308	Tata Mills	47.00	25	1 8	2 8	3 0	3 8*	12	Y.
12,00,000	61,05,709	27,61,228	90,20,000	4,524	M.			Western India Spg. & Mfg. ..	5,200.00	1,000	225 0*	225 0	300 0	300 0	3	Y.

AHMEDABAD

60,00,000	21,50,000	1,43,76,526	69,76,244	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	151.25	100	10 0*	5 0	7 0	12 0	6	Y.P.
10,00,000	24,58,068	94,37,398	76,10,154	27,288	P. M. Hutheesing & Co., Ltd. ..	42,788	912	Aruna Mills	1,000.00	100	25 0	20 0	30 0		12	Y.P.
40,00,000	2,97,83,861	1,95,82,179	97,29,203	15,272	Narotam Lalbhai & Co. ..	66,412	1,216	Arvind Mills	1,000.00	100	25 0	25 0	35 0*	35 0*	12	Y.P.
30,00,000	81,76,000	99,34,394	72,25,000	2,46,389	Mangaldas & Bros. Ltd. ..	37,368	892	Aryodaya Ginning & Mfg. ..	477.50	100	15 0	15 0	25 0*		12	
12,00,000	1,42,97,756	95,70,783	63,81,739	17,257	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	970.00	100	20 0	22 0	30 0	30 0	12	Y.
1,87,50,000	3,55,76,228	4,61,25,852	2,38,58,544	2,81,712	Karamchand Premchand Ltd.	39,120	1,072	Calico	526.00	125	18 0	18 0	....	80 0‡	3	Y.
22,87,000	24,58,000	1,31,06,943	89,25,000	2,760	Tricumlal Bhoglial & Co., Ltd.	45,836	866	New Commercial Mills ..	1,615.00	1,000	70 0	70 0	80 0		12	
22,87,000	72,52,488	1,32,00,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	872.00	125	35 0	35 0	35 0		12	
15,00,000	67 78,770	57,78,441	32,49,912	21,803	Jagabhai Bhoglial Nanavaty & Co., Ltd. ..	25,560	572	Nutan Mills	396.25	100	20 0*	20 0	20 0	20 0	12	Y.P.
20,00,000	1,10,62,006	99,61,103	62,28,955	1,77,073	Lalbhai Dalpatbhai & Co. ..	32,828	636	Raipur Mfg.	845.00	100	25 0	25 0	35 0*	35 0*	12	Y.P.
82,50,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Lallubhai Gordhandas Ltd. ..	33,158	648	Shri Ambica Mills	160.00	100	9 0	9 0	....		12	
57,96,300	2,75,84,105	1,92,47,853	1,05,54,509	2,63,156	Hartvallabhdas Kalidas & Co.	94,128	1,733	Shri Ambica Mills	544.00	50	18 0	20 0	27 0*	30 0*	12	
19,82,500	63,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg. ..	588.00	100	20 0	25 0*	25 0		12	Y.
80,00,000	90,84,191	1,09,66,008	78,35,891	84,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	690.00	480	45 0*	35 0*	35 0*		12	Y.

WEST BENGAL

18,00,000	1,42,500	24,92,029	21,32,520	61,576	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills ..	5.31	10	0 4	0 8	0 8		12	Y.P.
7,98,060	9,10,617	78,14,085	58,69,911	69,290	Bengal Textile & Agency, Ltd.	33,292	925	Bengal Luxmi Cotton Mills ..	40.00N	40	Nil	4 0	4 0	4 0	12	Y.
8,00,000	25,77,414	89,08,143	51,49,000	—23,47,573	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills ..	118.00	100	Nil	Nil	Nil		6,12	H.
19,00,000	20,17,571	1,04,88,558	70,76,877	1,27,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	176.00	100	Nil	Nil	2 8		6,12	Y.P.
50,08,000	....	60,03,107	15,03,197	2,032	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd. ..	13.57	10	Nil	Nil	Nil	0 6	12	Y.
1,80,00,000	2,20,48,320	3,76,19,203	1,31,26,223	1,36,973	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills ..	18.50N	10	0 8	0 10	1 0	1 0	3	Y.
19,47,7500	7,45,000	47,06,298	48,852	1,094	Hazaramull Heeralal ..	28,036	795	Rampoorla Cotton Mills ..	2-75N	1D	Nil	Nil	0-5 11/25		6	Y
5,80,000D																

SOUTH INDIA AND OTHER CENTRES

11,98,800	5,57,596	31,36,764	15,54,243	3,566	Setna & Co.	24,300	..	Asher Textiles Ltd	217.00	100	4 0	Nil	12 8	15 0	6	Y.
71,94,000	25,91,264	1,54,91,580	50,78,582	1,36,043	Industrial Trust Fund ..	36,136	716	Azam Jahi Mills	79.00	100	6 0	Nil	3 8	5(e)	9	Y.
40,50,000	2,50,15,867	3,39,77,494	2,00,70,021	2,82,947	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	173.0xdxr	100	25 0	30 0	30 0	30 0	12	Y.P.
											0 4					H.P.P
87,00,800	15,50,000	77,25,162	53,72,192	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills ..	7-50	10	Nil	Nil 1			6,12	
35,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	29,986	1,088	Birla Cotton Spg. & Wvg., Delhi	28-00N	10	3 0	3 0	3 0		12	Y.P.
1,78,47,800	27,72,212	6,69,41,316	3,97,01,813	2,28,220	Binny & Co. (Madras), Ltd...	1,20,288	2,762	Buckingham & Carnatic ..	172.00xd	100	10 0	10 0	10 0	10 0	12	Y.
20,00,000	20,00,000	42,33,530	23,09,012	58,334	Heirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	13.00cd	10	0 12	Nil	0 8	0 8	12	Y.
15,00,000	1,11,500	48,85,929	24,63,361	8,994	K. Damodaran, Esq.	20,600	..	Cannanore Spg. & Wvg. ..	165-00	100	12 0	20 0	12 0	15 0	6	
50,00,000	29,51,420	69,40,829	61,73,376	36,767	Begg, Sutherland & Co. Private Ltd.	27,016	591	Cawnpore Textiles	5.75	5	0 8	Nil	0 8	0 4	3	Y.P.
9,37,470	2,00,000	50,87,526	18,02,162	10,889	Begg, Sutherland & Co. (Chairman)	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11-37	10	Nil	Nil	0 10	0 12	3	
12,00,000	19,01,000	41,97,634	20,65,709	14,823	R. Bheems Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	326.00	100	20 0	25 0	25 0	25 0	12	Y.P.
20,00,000	19,95,000	26,59,430	24,25,221	14,823	T. E. N. Naidu & Co. ..	26,936	100	Coimbatore Pioneer Mills ..	226.00	100	15 0	20 0	20 0		12	Y.
20,76,900	5,076	1,13,00,585	85,85,242	31,992	G. V. Naidu & Co.	27,228	407	Coimbatore Spg. & Wvg. ..	87.50	50	8 0	6 0	8 0		6	
45,37,500	46,12,622	2,50,58,371	1,60,84,854	19,215	Tata Industries Private Ltd. ..	67,228	1,620	Central India	111.00	100	5 0	2 0	3 0	Nil		
3,38,56,225	3,06,82,110	11,16,21,472	5,81,67,227	1,33,712	B. E. Charat Ram & Co. Private Ltd.	1,41,180	2,852	Delhi Cloth & General Mills ..	35.40	100	1 12	2 0	2 8	2 8	3	Y.P.T
1,00,563										5	2 0	2 0	2 8	3 0	12	Y.
84,34,800	22,25,000	46,71,855	46,12,585	....	M. N. Chettiar & Sons	38,052	201	Dhanalakshmi Mills	545.00	100	20 0	30 0	30 0	25 0	12	Y.
63,00,000	93 47,056	1,54,57,568	1,35,57,542	78,754	Begg, Sutherland & Co. ..	78,754	1,196	Elgin Mills	19.00	10	1 0	1 0	1 0	1 4	12	Y.P.
48,81,000	37,59,771	1,06,45,241	73,45,088	6,155	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	182.50	100	17 8	15 0	16 0	18 0	12	Y.
2,50,00,000	2,25,000	2,41,27,181	....	1,06,74,790	Birla Gwalior Private Ltd. ..	....	....	Gwalior Rayon	12-25	10	Nil	Nil	Nil	Nil	12	Y.
50,00,000	5,16,447	1,23,91,953	1,12,28,576	9,551	K. L. Sekseria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	138.00	100	6 0	6 0	6 0	5 0	12	
8,90,000	10,65,683	21,06,660	18,48,125	8,079	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardhana Mills	92.00	50	4 8	5 0	10 0		6	
15,54,000	18,24,703	45,22,234	33,86,098	7,013	Mr. Bhaisuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,505.00	1,000	Nil	20 0	50 0	60 0	6	Y.
						41,040	300	Kothari Textiles	10.00	10	0 8	1 0	1 0	1 0	12	Y.
32,42,535	19,25,000	82,32,480	52,49,160	41,492	Kothari & Sons	50,452	1,219	Lakshmi Cotton Mfg. ..	650.00	250	37 8	33 12	42 8	42 8	3	
32,00,000	67,91,510	1,69,61,585	1,26,19,465	20,376	M.				138.00	50	8 0	10 0	12 8	12 8	3	Y.
84,54,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	185.00	100	15 0	15 0	15 0	15 0	12	Y.
17,82,050									41.40	25	3 0	3 0	3 0	2 10	3	Y.
1,75,02,480	4,24,40,278	5,83,51,924	3,77,47,982	32,44,120	A. & F. Harvey Ltd. ..	4,53,000	..	Madura Mills	109.00	200	8 0	8 0	8 0		12	Y.
13,00,000	4,17,563	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Brothers.	22,502	100	Malabar Spg. & Wvg. ..	109.00	100	8 0	8 0	8 0		12	Y.
60,00,000	69,00,000	68,79,627	43,29,784	48,535	W. A. Beardsell & Co. Ltd. ..	25,656	608	Meetar Industries Ltd... ..	306.00	100	12 8	12 8*	15 0	15 0	12	Y.
80,00,000	19,61,581	68,75,246	49,94,788	18,588	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	84.00	100	7 0	7 0	8 0		12	Y.
94,81,850	21,56,146	1,71,94,769	78,81,523	8,488	M.	52,408	952	Model Mills (Nagpur)	178.75	250	7 8	5 0(e)	7 8(e)	7 8	3	Y.
30,00,000	52,19,800	1,53,39,372	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	58,540	1,884	Moir Mills	73.50N	100	Nil	Nil	Nil		12	Y.
24,82,500	50,84,085	1,10,93,743	67,14,107	1,01,487	N. Sirur & Co. Private Ltd.	50,480	500	Mysore Spg. & Mfg. ..	101.25	50	10 0*	8*	6 0(e)	8 0*	3	
13,51,780	6,600	39,25,252	15,12,761	—1,50,653	R. Surveyanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8.70	10	Nil	Nil	Nil	Nil	3	Y.
22,50,3250	25,62,533	1,04,27,203	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	70,072	1,338	New Victoria Mills	1.75	O. 24	Nil	Nil			3	Y.P.
5,97,094D									—	D. 1	Nil	Nil			6,12	
87,19,600	55,48,220	1,69,99,989	61,91,561	74,722	Industrial Trust Fund ..	87,788	902	Osmanabahi Mills	58.00	100	12 0	Nil	2 8	5(e)	9	Y.P.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	41,200	..	Palani Andavar Mills	147.00	50A	12 0	13 0	18 0		12	
6,00,000B									212.00	75B	18 0	18 0	18 0			
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,597	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	70.00	100	Nil	Nil	4 0(e)		12	Y.
16,81,200A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	300	Radhakrishna Mills	275.00	100A	8 0	16 0	20 0		12	Y.P.
8,40,600B									139.50	50B	4 0	8 0	10 0		6	
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	33,896	..	Rajalakshmi Mills	137.00	50	7 8	10 0	10 0		3	
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd. ..	24,996	..	Rajapalayam Mills	149.00	100	4 4	6 0	10 0	10 0	12	Y.
22,81,750	12,40,000	40,54,422	21,20,815	32,012	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	135.00	100	6 0	9 0	10 0	10 0	12	Y.
60,00,000	62,41,548	1,00,25,425	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	34,532	600	Raza Textiles	6.25N	10	Nil	Nil			3	Y.P.
15,90,900	1,60,55,917	8,18,49,081	2,05,07,227	—1,65,20,798	Morarka & Co.	95,232	2,224	Sholapoor Spg. & Wvg. ..	1,225.00	1,000	Nil	Nil	Nil	Nil	3	Y.
10,000									—	50	4 0*	4 8	5 0	7 0	3	Y.
56,69,700	17,10,000	81,44,272	65,63,818	1,09,148	H. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills ..	104.00	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,18,906	17,78,000	—2,46,727	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	90.00N	100	Nil	Nil			12	Y.
15,00,000	3,43,30,180	99,92,153	79,53,780	80,50,553	Birla Brothers Private Ltd. ..	66,212	1,244	Sutlej Cotton Mills	90.00N	10	4 0	5 0	6 0	6 0	3	Y.P.
17,50,0000	2,30,00,000	4,54,40,847	1,70,63,159	1,09,029	Jalpuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur)	11.75N	100	0 8	0 12	0 12		3	Y.P.
7,50,000PO									112.00N	10P.O.	0-14 2/5	1-8 2/5	1-8 2/5	1-12 2/5	3	Y.
1,00,00,000	80,14,788	3,80,55,817	1,27,16,775	2,63,771	Emcete & Sons (Travancore), Ltd...	....	....	Travancore Rayons	13.50cd	10	0 8	0 10	0 12		12	Y.
13,98,870	9,50,000	17,49,881	12,41,858	62,837	Mooiji Ramjee & Sons	18,000	..	Trichinopoly Mills	12.20	10	0-11 1/6	0-14 2/5	0-14 2/5	1 2	12	Y.
21,00,000	38,50,000	80,72,634	47,22,510	14,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	289.00	100	12 0	15 0	20 0	20 0	12	Y.
85,00,000	31,39,009	1,74,27,020	1,17,94,360	16,922	M.	47,240	1,355	Vishnu Cotton	122.00	100	4 0	4 0	8 0	8 0	12	Y.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (h) For six months ended 31st December 1953

† The dividends are on the origina lshares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953;

‡ Galico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
19,92,000	25,43,500	1,12,43,027	57,39,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	7.75	5	Nil	Nil	0	0 12	5	Y.P.
16,20,630	28,75,014	24,38,961	19,23,423	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6.12	5	0 8	0 8	0 9	0 9	8	Y.
£549,950	£1,140,466	£1,757,923	£341,807	£59,449	Parry's Holdings Private Ltd. ..	East India Distilleries and Sugar ..	26.87	A. 1eah.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 3	9	Y.P
							—	B. £1	Sh. 4	Sh. 3	Sh. 4			
6,00,000	9 60,000	15,96,636	15,96,629	4,879	Vittal Mallya, Esq., (Chairman) ..	United Breweries	166.00	75	15 0	15 0	15 0	15 0	3	Y.

CEMENT

51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45 00,000	26,71,841	2,02,57,919	1,49,39,919	3,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	85.00N	25	1 9	3 2	4 11		6,12	H.P.T
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ††	21.19	10	12 0	14 0	16 6 ‡ ‡	(11 11/5[	3,9	H.
25 00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	15.85	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,14,71,721	4,58,61,778	1,07,78,682	2,16,435	Birla Brothers Private Ltd... ..	Orient Paper	27.70	10	1 8	1 8	1 4	0 10	3,9	H.P.T.
1,25,49,070	67,82,768	1,55,90,914	98,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	14.25	10	1 8	1 8	1 4	0 10[	6,12	H.P.T.
20 00,000	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	9 62	O. 10	0 12	0 12	1 4	}	3,9	H.P.T.
16 00 000'A.} 2,18,55,240	49,18 060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	9.62	A. 10	0 12	0 12	1 4	}	6	Y.P.
							33 37	A. 10	2 0*	1 8	2 0*	1 8*[	3,9	H.P.
84 04,800A.} 4,87,5602P.O.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	33.37	B. 10	2 0*	1 8	2 0*	1 8*[		
							4 00	P.O. 24	0 4	0 4	0 4	0 24*[		
PRESSING														
5,00,000	3,26,572	13,912	11,912	20,934	*Andrew Yule & Co.]	Calcutta Hydraulic]	90.00N	100	3 0	4 0	Nil	Nil	6	Y.
5,00,000	2,47,133	10,91,809	9,20,374	26,389	*Andrew Yule & Co.	Central Hydraulic	125.00	100	4 0	5 0	5 0	6 0	6	Y.
PROPERTY AND LAND														
6,00,7800.} 2,00,000D.	6,93,332	43,52,570	28,63,378	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13·50N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
							2·75N	D. 1	0 2/5	0 2/5	0 2 3/5			
60,00,000	14,00,051	83,91,859	15,91,500	....	M.	Port Canning Land	6·25	100	1 8	1 8	Nil	Nil	4	Y.
94,00 000	56,70,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	21.00	100	1 8	4 0	3 0	Nil	4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	23,05,545	31,61,533	10,73,883	—8,14,587	Bird & Co. Private Ltd.	Assam Saw Mills	3·03	3	Nil	Nil	Nil	Nil	9	Y.
50,00 000} 42,00,000	4,18,54,888	3,98,84,871	1,71,93,141	9,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	548·00	Old 125	15 0	20 0	37 8	40 0}	5	Y.
							210 00	New 50	6 0	8 0	15 0	16 0}		
6,00 000	....	7,25,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25·00N	100	Nil	Nil	Nil		6	Y.P
60,00 000	21,15 487	19,00,295	14,35,560	2,76 619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	39.37	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,871	Begg, Sutherland & Co. Private Ltd.	Balrampur Sugar	6·50	5	Nil	0 12	0 1	Nil	6	Y
13,00 000A.} 5,00,000B.	29,80,260	55,40,881	36,82,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	130·00N	A. 100	10 0	10 0	10 0	10 0	4	Y.T.
							14·00N	B. 10	1 0	1 0	1 0	1 0		
10,49,050	8,25,000	33,76,107	25,31,569	78,488	Bangur Bros., Ltd.	Belsund Sugar	11.00	7½	0 12	0 12	1 0	0 12	9	Y.
15,00,000	13,51,513	18,12,168	12,47,941	2,330	Cotton Agents Private Ltd.	Bharat Sugar	16·25N	10	1 8	1 8	1 8	1 8	6	Y.P.
32,00,000	27,44,459	1,40,84,581	95,71,755	20,716	Gladstone Lyall & Co., Ltd.	Carew & Co.	7.31	10	Nil	0 12	0 4	Nil	6	Y.P.T.
30,00,000	65 63,722	1,63,27,398	86,27,232	91,991	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	16.25	10	2 0	0 12	0 12	0 12	10	Y.
18,00,000	29,72,880	81,58,085	56,16,244	29,598	Begg, Sutherland & Co. Private Ltd.	Champaran Sugar	19·12	10	1 0	1 0	1 8	1 0	8	Y.
5,99,453	6,18,562	24,55,320	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10.00N	10	1 0	0 12			8	Y.T.
50,00,000A.} 10,00,0000.	44,95,000	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd. ..	Hindustan Sugar Mills	276·00	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
							100·00	O. 100	15 0*	15 0*	15 0*	15 0		
12 00,000	8,61,001	75,81,309	43,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	65.00	80	Nil	Nil	4 8		7	Y.P.
7,89,100	22,35,852	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd.	New India Sugar Mills	46·25	40	Nil	Nil	2 4		6	Y.P.T
11,00 000	4,45,000	46,39,636	27,41,223	10,796	K. C. Thapar & Bros. Private Ltd. ..	New Savan	5.75	10	0 4	0 6	0 8	0 6	6	Y.
12,98,000}	48,01,854	71,25,052	24,33,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	225·00N	100	20 0	20 0	20 0	20 0}	6	Y.
61,375							60·00	25	5 0	5 0	5 0	5 0}		
77,45,850	55,05,699	2,04,78,468	1,05,50,006	20,563	Cotton Agents Private Ltd.	Oudh Sugar	125·00N	100	11 0	11 0	11 0	11 0	7	Y.P.
13,00 000	12,69,874	21,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd. ..	Punjab Sugar	100.00	100	10 0	10 0	6 0	10 0	10	Y.
9,00,000	10,54,817	43,96,385	31,54,725	20,705	Begg, Sutherland & Co. Private Ltd.	Purtalpore Co.	16.50	10	1 0	0 12	0 12	0 12	10	Y.P.
5,00,000	6,10,793	28,74,028	22,66,790	13,204	M.	Ryam Sugar	20.00	10	1 0	0 12	Nil	1 12	6	Y.P.
11,99,000	19,28,520	45,20,102	24,13,129	2,554	Begg, Sutherland & Co. Private Ltd.	Samastipur Central Sugar ..	11.50	10	0 8	0 8	Nil	Nil	6	Y.
20,70,825	22,85,850	1,40,84,561	68,35,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.00	10	1 8	1 8	1 12	1 0	8	Y.P.T
9,99,950	26,825	28,20,774	13,51,547	—4,25,477	H. K. Ghosh, Esq., and R. N. Dasta, Esq. (Managing Directors)	Sitalpore Sugar	4.75	10	Nil	Nil	Nil	Nil	6	Y.
7,95,462	18,88,940	21,60,735	17,68,068	1,06,287	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	18.06	10	2 0*	1 0*			8	Y.T.
9,15,0000} 4,40,000D.	46,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	1.00N	O. 10	Nil	Nil	Nil		10	Y.P.T
							0·25N	D. 24	Nil	Nil	Nil			
9,00,000	29,24,348	1,15,70,815	68,03,754	32,829	Cotton Agents Private Ltd.	Upper Ganges Sugar	70·00N	10	2 8	2 8	2 8	3 0	6	Y.P.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	M.	United Provinces Sugar	13.50	10	0 8	1 4	1 8		9	Y.
Other Centres														
90,00,000	3,00,000	48,07,804	14,69,228	1,80,837	Rangaroo & Co.	Andhra Sugars Ltd.	18.75	10	Nil	Nil	0 9 3/5	1 0	9	Y.
70,49,850	96,66,087	1,48,40,824	1,08,91,576	59,911	K. H. Brady & Co., Ltd.	Belapur Company	220.00	50	16 0	16 0	16 0	16 02	9	Y.
17,50 000	8,86,885	25,66,598	22,70,609	23,699	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	17.90	10	0 10	1 0	1 0	1 8	9	Y.P.
15,00,000	37,08,185	32,89,314	3,24,398	33,344	A. H. Bhiwandiwalla & Co. ..	Shree Changdeo Sugar	20.75	12 8	3 0	1 0	2 0	3 0	9	Y.
15,93,900	3,01,357	40,15,887	21,45,193	—1,996	Mr. J. P. Srivastava & Brothers (M.B.) Ltd.	Simbhaoli Sugar	70·00xd	100	Nil	Nil	Nil	Nil	9	Y.
47,94 920	14,00,000	30,84,997	18,71,128	5,22,813	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	15.50	10	2 8	1 12	1 6 2/5		9	Y.P.
20,62,858	12,13,785	46,84,173	11,11,966	23,849	K. S. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	13.50	10	1 0	1 0	1 0	0 9-3/5	6	Y.P.
23,57,425	43,61,386	48,51,337	21,96,227	18,446	Gwan Bros., Kampur), Ltd.	Baland Sugar	14.50N	10	1 8	1 8	1 8	1 8	10	Y.
10,52,2000.	79,50,000	1,79,03,447	85,20,265	26,868	Y. Ramakrishna, Sons (Private) Ltd...	K. C. P. Ltd.	7·35	7	7	7	7	7 8	6	Y.P.
2,87,190D.							135.00	O.100	7 8	10 0	10 0	10 0		
81,79,285	86,24,815	1,39,89,143	82,81,782	2,68,167	S. Muthuanjappa, Esq., (Mg. Director)	Mysore Sugar	145.00	D. 10	10 0	10 0	10 0	10 0	9	Y.
50,00,000	53,00,540	1,00,70,621	63,55,454	93,981	Mafatlal, Apte and Kasttlal Ltd. ..	Phaltan Sugar	37.25	10	2 0	2 0	2 0	2 0	9	Y.
16,59,320	25,50,330	56,11,940	29,77,341	20,949	Anderson Wright Ltd.‡	Ramnagger, Cane and Sugar ..	133.50	50	6 0	8 0	8 0	8 0	9	Y.
20,00 000C.} 4,00,000D.	35,02,395	95,61,317	56,00,576	67,511	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	25.18	10	2 0	2 0	2 0	2 0	9	Y.P.T
							125.00N	O. 50	Nil	Nil	0 1 1/5	12 0		
19,99 800	47,05,324	46,85,312	32,94,824	44,168	Govan Bros. (Rampur), Ltd.	Raza Sugar	7.00N	D. 10	Nil	Nil	Nil	7%	9	Y.P.
20,00,000	9,10,000	49,87,302	23,10,844	43,998	Parry Co., Ltd.	Travancore Sugars	15.60N	10	1 0	0 12	1 0	1 0	10	Y.
1,01,00,000	1,08,46,263	2,28,80,653	99,17,710	1,75,780	Walchand & Co. Private Ltd. ..	Travancore Sugar Industries ..	10.75	10	1 0	1 0	1 0	1 0	7	Y.P.
							249.00	100	14 0	16 0	18 0	21 0		Y.P.T
TRANSPORT														
80,00,000	1,00,59,622	1,24 00,702	15,54,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	180.00	100	10 0	7 8	7 1		10	Y.P.
1,80,00,000	15,37,619	4,41,56,864	1,65,09,818	1,54,925	Shalimar (Private) Ltd.	Bharat Line	80.00N	100	5 0	5 0	5 0		12	Y.
60,00,000	31,60,611	3,31,00,904	99,95,702	53,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	18.50	10	1 0	1 0	Nil	1 8	6	Y.P.
£655 580	£1,088,198	£5,614,160	£3,397,531	£33,683	Kilburn & Co., Private Ltd.	Indian General Navigation & Rly.Co.	64.50	£10	Sh. 10	Sh. 10	Sh. 10		12	Y.P.
2,25,00,000	89,90,222	9 64,47,544	2,22,99,146	85,920	Lions Edwards Ltd.	India Steamship Co.	10·10	10	0 8	Nil	Nil	1 0	3	Y.P.
9,99,98,060	9,00,12,101	22,64,99,894	4,85,66,102	5,62,020	M.	Scindia Steam Navigation Co ..	18.25	20	0 12	0 8	0 8	1 0	6	Y.P.
5,40,8000.} 10,300P.O.	19,68,266	11,55,433	7,29,969	1,34,493	R. R. Aiyer, Esq., (Manager)	Walford Transport Ltd.	2·12	O. 1	as. 1 2/5	1 2/5	as 4 6/25		12	Y.
							1·75	P.O. 1	as. 10/25	1 10/25	as.1 25/25			
UNCLASSIFIED (Bombay)														
2,49,000	71,000	5,68,921	4,22,562	330	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530·00	200	32 0	32 0	32 0	30 0	9	Y.
15,98,560	2,04,178	3,25,474	90,000	1,99,881	M.	Bombay-Uganda	60·00N	20	5 0	4 0	Nil		12	Y.
25,00,000	20,00,000	22,87,314††	....	225	M.	Devkaran Ranji Investment Co.	11·50	25	0 12	0 12	0 12	0 18	3	Y.
5,57,00,000	1,03,98,754	4,55,59,017	1,03,65,562	94,16,788	A. J. C. Hoskyns-Abrahall (Chairman).	Hindustan Lever	19·00	10	....	....	....	1 4	12	Y.
80,17,900	13,63,886	90,22,333	56,54,857	33,602	Birla Brothers Private Ltd.	Hind Cycles	131.00	100	8 0	10 0	10 0		12	Y.P.T
14 98,540	8,43,585	33,00,500	17,75,000	4,110	Chemmalai Mudali Ltd.	Ratnala Batteries	37.75	50	Nil	2 8	3 0	3 0	6	Y.P.
99,99,250	20,12,980	1,22,60,062††	....	8,23,875	Premchand Roychand & Sons ..	Industrial Investment Trust ..	75 50	100	4 8	4 8	4 8	5 0	12	Y.
99,99,975	85,08,251	1,05,57,822	8,04,251	4,449	K. G. Khosla, Esq. (Mg. Director)	Kilburn Engineering Ltd.	161.50	100	10 0	11 0	11 0	11 0	6	Y.
2,20,18,775 A.O.	39,14,585	3,99,59,981	1,49 95,326	6,05,443	Acro Auto Private Ltd.	Premier Automobiles	90·00	100	Nil	Nil	Nil	6 0	6	Y.
10,21,200	5,05,419	8,09,102	5,79,614	7,356	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	28.00	20	2 0	2 0	2 0	2 0	12	Y.
2,75,00,000	1,35,45,829	3,14,34,161	1,59,08,376	5,02,238	Mr. J. Eyderi & Mr. S. Gothberg	Western India Match Co., Ltd.	157.50xd	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	62,53,290	7,44,904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	159·00	100	20 0	20 0	20 0	22 8	12	Y.
Other Centres														
47,50,000	1,94,82,556	3,73,51,606	73,16,849	1,16,199	T.K. Industries (Private) Ltd....	Aluminium Corporation of India Ltd.	9·43	O. 10	Nil	Nil	Nil	9 8/5	3	Y.P.T
2,50,000}							2·50N	D. ½				Nil}		
40,00,000	28,25,000	50,26,345	21,56,600	64,587	Seshasayee Bros. (Travancore) Ltd...	Aluminium Industries Ltd.	1 4	1 4	1 4	1 4*	1 4	1 4	3	Y.
30 00,000	26,18,873	34,21,252	22,94,852	2,25,874	Turner Morrison & Co., Private Ltd.	Angelo Bros., Ltd.	17·94	10	1 4	1 4	2 0*	2 0*	8	Y.
20,00,000	15,70,000	39,52,721	21,20,441	1,72,873	Mr. A. Hyderi & Mr. E. Gothberg	Assam Match Co., Ltd.	17.00	10	1 4*	1 4*	1 4*	1 4*	12	Y.
30,00,000	32,47,885	1,09,58,021	85,87,330	2,44,123	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	7·50N	10	0 3 1/5	0 3 1/5	0 4 2/5	1 3-1/5	3	Y.P.T.
20,01,400	1,16,55,000	67,47,111	32,97,111	5,08,139	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	145.00	100	20 0*	13 0‡	12 8		12	Y.
13,00,000	9,10,000	31,87,443	24,06,443	76,839	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	31.00	10	1 8	2 0	2 4	1 81	6,12	Y.P.
20,00,000	7,98,430	62,87 994††	....	1,15,767	Lovelock & Lewis	Birds Investment Ltd.	13·56	10	1 4	1 4	1 4	....	9	Y.P.T.
45,97,020	36,11,814	1,10,56,424	22,87,829	1,79,277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	12.81	10	0 8	1 0	1 0	1 0	3	Y.P.T.
8,25,00,000	1,11,18,806	2,82,72,806	2,32,14,167	—37,56,540	Mr. Robert Tata	British India Corporation Ltd. ..	6·30	5	0 0	0 0	Nil	0 0	12	Y.P.
1,25,80,000	17,34,264	2,03,37,382††	....	12,76,082	Andrew Yule & Co., Ltd.	Clive Row Investment	9·62	10	0 4 1/5	0 3 1/5	0 9	1 6	3	Y.
1,60,00,000	3,40,86,174	5,55,01,895	2,48,71,167	13,24,595	John Luckham, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	24.00	10	1 8	1 8	1 8	1 8	12	Y.P.T.
51,24,000	54,10,813	1,78,17,267††	....	1,37,916	Bird & Co. Private Ltd.	Eastern Investments Ltd.	107·00	100	9 0	9 0	9 0	9 0	12	Y.P.
14,00,000	10,02,000	38,81,772	18,89,772	37,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	120·00	100	20 0	15 0	15 0		3	H.
65,00,000	53,17,300	19,78,012	9,18,962	39,541	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	11·00	10	7 8	7 8	1 6 2/5	1 9 3/5	3	Y.P.
30,00,000	14,67,854	81,29,620	35,68,982	7,458	B. P. E. Syndicate	Great Eastern Hotel	226·00N	250	15 0	6 4	6 4	15 0	3	Y.
4,98,05,700	....	3,94,18,142	1,31,88,841	6,19,962	Birla Brothers Private Ltd.	Hindustan Motors	7.15	10	Nil	Nil	Nil	Nil	3	Y.
2,01,10,000	56,56,643	4,80,45,268	1,90,84,149	7,97,410	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co. Ltd. ..	12.87	10	Nil	Nil	0 8	1 0	12	Y.P.
1,52,80,220	1,37,00,000	1,99,85,789	71,50,911	33,24,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	23.81	10	1 0*	1 0*	1 4*	1 8*	3	Y.P.T.
3,27,970	6,03,000	16,74,908	9,50,306	62,782	G. S. Monilon & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	26.25	10	0 12	0 8	0 8	0 10	3	Y.P.
15,15,00,000	7,80,03,402	4,19,59,461	1,62,35,877	54,94,274	Mr. G. H. J. Clarke (Chairman ..	Imperial Tobacco Co. of India Ltd.	13.75	10	Nil	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
2,00,00,000	57,29,566	87,66,656	11,08,842	5,11,852	G. M. Mandlay, Esq.	Jardine Henderson	64.50	100	7 8	7 8	7 8	7 8	3	Y.P.
40,00,0000.} 8,00,000D.	60,86,909	26,18 92‡	8,73,670	2,57,234	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	210·00	O.100	10 0	17 0	2- 8		12	Y.P.
							0 8	D.0.10	1 8	1 8 1/5	1 12			
1 43,96,500	81,82,796	24,06,298	13,34,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	23.12	10	1 6*	1 6	1 12	2*	9	Y.P.
1,18,00,000	85,50,000	1,88,37,973	73,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	27.25	10	1 0	1 0	1 4	1 10	3	Y.P.
6,25,555	3,15,250	7,85,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works	3·72	10	Nil	Nil	Nil		3	Y.
6,56,250	9,18,996	11,18,541	5,51,038	440	Mr. J. D. Tata (Controller)	Mysore Lamp Works	15·62	10	1 0	1 0	1 0	0 14 2/5	3	Y.
20,00,000	2,18,500	15,44,005	9,41,427	44,512	M. H. Parthasarathy Esq. (Chairman).	Mysore Tobacco	13·75	10	1 0	1 4	1 0	1 8	3	Y.
40,00,000	74,71,172	69,80,914	41,52,961	1,44,443	Associated Industrial Development Co., (Private) Ltd.	National Insulated Cable Co. ..	19.25	10	1 9	1 0	1 8*	2 0*	3	Y.P.
40,00,000	15,00,000	98,19,395	21,17 403	75,726	Do	National Rolling & Steel Ropes	9·87	10	0 9	0 9½	0 9½	0 9½	6	Y.P.
79,97,000	....	1,17,82,767	67,19,268	8,99,582	B. N. Elias & Co., Ltd.	National Tobacco Co.	9·81	10	Nil	0 8	0 12 4/5		12	Y.P.
2,25,00,000	8,71,248	1,45,28,418	44,23,274	—44,12,928	M. P. Pappatti, Esq.	Rallis (India) Ltd.	32.00	100	Nil	Nil	Nil		3	Y.P.T.
1,72,24,400	1,31,20,208	7,66,34,689	3,47,94,970	4,01,624	Sahu Jain Ltd.	Rohtas Industries	17.56	10	1 4	1 8	1 8		10	Y.P.T.
40,00,000	57,06,558	1,21,67,804	73,09,227	6,32,212	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16.75	10	1 8	1 8	1 8	1 8	6	Y.P.
75,00,000	54,18,860	....	17,49,816‡	5,53,285	K. R. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	11.19	10	1 0	1 4	1 0		12	Y.P.
9,86,250	....	14,99,289	3,84,580	....	Ogale Bros., Ltd.	Travancore Ogale Glass	8·30	10	Nil	Nil	Nil		12	Y.

M.—Managed by Board of Directors. †† Investments at cost. * Includes bonus. ‡ On old capital. ‡ Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each ,which subsequently were divided into shares of Rs.10 each.

Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,48,700	8,70,619	11,34,864	5,35,169	....	McLeod & Co., Ltd.	825	Amluckie	27.00	10	25 0	72 0	19 0		13	Y.P.
3,50,000	8,43,250	10,59,902	2,42,089	77,477	R. K. Kanoria, Esq.	439	Ananda (Assam) Tea	36.00	10	1 4	7 81			13	Y.
3,50,000	8,93,250	11,21,676	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	23.00	10	1 8	5 0*	1 0		13	Y.
3,50,000	11,21,541	11,21,676	2,83,926	39,051	McLeod & Co., Ltd.	513	Baghmari	20.50	10	Nil	3 8	1 0		13	Y.
4,10,000	9,10,000	12,25,583	4,59,309	66,725	Andrew Yule & Co., Ltd.	378	Banmatia	31.12	10	2 8	3 0	1 8		13	Y.
3,30,800	4,65,000	11,68,776	7,13,760	50,208	National Tea Corporation	612	Batiali	27.00	5	2 0	4 0	2 0		13	Y.
3,30,000	9,40,000	10,57,063	3,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING ; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,02,380	31,236	23,236	Planting Agencies Ltd. ..	Balmadies Plantations ..	8·35	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,188	21,11,164	49,25,853	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar ..	7·75	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	56,15,155	7,15,068	1,57,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	25·25	10	0 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,57,750	1,16,06,380	25,13,535	1,13,313	R. C. Paterson, Esq. ..	Consolidated Coffee ..	22·37	10	1 8½	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,666	7,58,759	1,09,009	46,543	Associated Planters Ltd. ..	Cottanad Plantations ..	17·25	10	1 8	1 8	1 12*	1 8	3	Y.
18,00,000	9,30,549	25,79,990	4,04,158	4,389	A. V. Thomas & Co., Ltd.	Highland Produce ..	14·25	10	1 4	2 8	2 0	0 10½	12	Y.P.
4,00,000	10,98,899	13,32,825	2,31,241	4,389	A. V. Thomas & Co., Ltd.	Kalpetta Estates ..	24·00	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber ..	29·00	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,34,890	1,07,940	A. V. Thomas & Co., Ltd.	Midland Rubber ..	17·00	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Nenmeny Rubber ..	20·25cd	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	16·50	10	1 0	1 0	1 6		12	Y.P.T.
19,45,980	21,29,616	43,87,395	14,23,983	*Nil*	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	4·00	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	12	Y.P.T.
18,50,000	9,90,000	42,15,515	5,72,137	8,082	A. V. Thomas & Co., Ltd.	Rajagiri Rubber ..	18·40	10	1 12*	1 12*	2 0	2 8	6	Y.P.
3,66,780	3,50,000	7,77,412	78,478	71,342	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd. ..	20·75cd	10	1 8	2 8	2 0	1 8	11	Y.P.T.
10,00,000	3,09,900	22,34,273	1,49,071	8,472	Mast Indis Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	8·06	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	8	Y.P.T.
2,50,000	3,09,900	5,37,767	90,934	14,887	A. V. George & Co., Ltd.	Thamarapally Rubber ..	27·00cd	10	3 0	3 0	3 0		12	Y.P.
9,15,300	4,00,000	20,99,924	96,217	27,055	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	4·83	1	0 4½	0 13/5	0 2	0 2	9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Rapen Thomas, Esq. (Mg. Director)	Travancore Rubbers ..	18·75cd	10	2 0	2 0	2 0		12	Y.P.
41,00,000	13,61,221	81,07,229	12,04,246	3,46,523	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	9·05cd	10	1 0	1 8	1 4	0 12	12	Y.P.T.
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	30·25cd	10	2 0	2 0	2 0		12	Y.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd.	Valkumdam (Travancore) Rubber	20·00cd	10	1 8	1 8	2 0	1 8½	12	Y.
6,76,010	97,359	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9·50	10	1 0	1 8	2 0	0 3	Nil	6,12	H.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	29,690	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	8·00	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6,00,000	10,25,000	53,46,550	47,37,102	2,45,707	McLeod & Co., Ltd. ..	446	Alexandra	135·00xd	100	2 8	7 8	10 0	5 01	6,12	H.P.T.
80,00,000	6,25,000	1,17,61,827	98,76,009	23,103	McLeod & Co., Ltd. ..	1,264	Alliance	68·00	100	5 0	12 0	6 0	0	6,12	H.P.
49,20,700	69,00,000	2,95,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Private Ltd.	2,561	Angus-India	140·00	100	12 8	12 8	12 8	2 8	3,9	H.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co. Private Ltd. ..	810	Auckland	77·50	100	4 0	3 8	10 0	1 0t	3,9	H.P.T.
20,00,000	23,80,918	96,91,416	65,65,094	65,802	Jardine Henderson & Co. ..	959	Bally	141·00	100	4 0	*Nil*	3 8	*Nil*	3,9	H.P.
£375,000	£667,405	£1,477,480	£987,176	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	90·00	£5	£1 0	sh. 15	sh. 15	*Nil*	3	H.P.
28,00,000	25,00,623	93,75,705	90,70,231	2,525	Andrew Yule & Co., Ltd.	820	Belvedere	95·00	100	15 0	10 0	7 8	*Nil*	6,12	H.P.
45,00,000	88,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull ..	600	Bengal	14·37	10	1 4	1 2	1 2	6		Y.P.T.
91,26,000	2,17,48,383	2,34,10,402	1,46,32,661	4,37,393	Birla Brothers Private Ltd.	1,373	Birla	14·62	10	1 0	1 0	1 0	1 0	3	Y.P.
36,00,000	21,31,425	1,17,90,047	72,95,920	1,336	Andrew Yule & Co., Ltd.	991	Budge-Budge	90·00	100	10 0	9 0	7 0	*Nil*	4,10	H.P.
7,47,380	3,09,540	42,13,704	31,62,683	—8,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	8·50	10	*Nil*	0 12	8	*Nil*	6,12	H.
18,00,000	26,46,234	37,35,841	48,34,068	1,328	Andrew Yule & Co., Ltd.	816	Caledonian	102·00	100	12 0	9 0	8 8	*Nil*	5,11	H.
50,16,400	95,49,288	2,23,38,769	1,11,59,502	24,207	Andrew Yule & Co., Ltd.	600	Champdany	112·00	100	6 0	8 0	10 0	2 0t	3,9	H.
15 95,000	19,83,032	89,12,211	57,10,175	1,387	Andrew Yule & Co., Ltd.	530	Chevlot	126·00	100	12 0	14 0	10 0	*Nil*	5,11	H.P.
30,15,000	32,00,000	66,63,762	48,43,666	1,01,027	McLeod & Co., Ltd. ..	500	Chitavalah	12·25	10	1 12	1 2	1 6	0 10t	6,12	H.P.T.
24,00,000	9,60,000	1,01,35,335	67,13,337	25,035	Shaw Wallace Investment Co., Ltd.	969	Clive	13·00	10	*Nil*	*Nil*	1 4s	0 8	3	Y.P.
21 49 200	49,65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co. Private Ltd. ..	766	Dalhousie	74·00	100	4 0	2 8	4 0	*Nil*	3,9	H.P.T.
28,00,000	40,71,579	78,67,478	47,30,110	2 564	Andrew Yule & Co., Ltd.	779	Delta	125·50	100	20 0	12 0	10 0	*Nil*	5,11	H.
24,00,000	24,50,000	60,35,104	60,35,960	76,491	McLeod & Co., Ltd. ..	500	Empire	14·00	10	1 0	1 4	1 0	0 8t	3,12	H.P.T.
21,00,000	60,60,960	2,70,89,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	290·00 N	100	*Nil*	5 0	15 0	7½t	3,9	H.P.T.
21,00,000	13,00,000	97,88,074	54,63,692	1,84,822	Bangur Bros., Ltd. ..	1,014	Fort William	116·00	100	5 0	20 0	20 0	0 12½	3,9	H.P.
64,32,100	....	2,11,07,724	1,33,88,825	—2,67,462	Macneill & Barry Ltd. ..	1,709	Gauzee Mfg.	49·00	100	*Nil*	0 8	2 8	*Nil*	3,9	H.P.
28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	680·00	500	15 0	*Nil*			12	Y.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd. ..	1,304	Gourepore	239·00	100	8 12	10 0	15 0	2 8t	3,9	H.P.
40,00,000	41,65,223	1,14,85,745	50,72,180	2,40,243	Bangur Bros., Ltd. ..	1,078	Hastings	82·25 N	100	10 0	10 0	11 8	5 0	3	Y.P.
16,80,000	18,61,969	66,47,731	47,70,916	—2,95,258	Baijnath Bajoria	720	Hooghly	18·50	10	1 4	0 8	1 4	*Nil*	3	Y.P.
65,62,500	49,64,372	1,82,66,485	1,10,62,708	57,034	Jardine Henderson Ltd. ..	1,940	Howrah	15·06	10	1 8	1 4	0 14	0 4t	3,9	H.P.T.
52,50,000	27,85,153	2,85,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas ..	2,273	Hukumchand	22·00	74	3 8	2 8	2 8	3 8	3	Y.P.T.
87,00,000 } 80,000 }	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,078	India	127·00 { O. 125 D. 1	6 4 0 4/5	3 2 0 2/5	4 11 0 3/5	4 11½ 3¾ f	3,9	H.
1,57 500 } 24,00,000 } 19,20,000 'B' } 10 00 000 }	18,75,846	1,85,39,772	1,15,01,808	....	Jardine Henderson Ltd. ..	1,797	Kamarhatty	96·00 { 'B' 90·50 59·50	100 100 100	9 0 7 8	9 0 6 8	8 8 1 0	*Nil* *Nil*	6,12 6,12	H.P. H.P.
24,00,000'B' }	9,81,472	1,74,14,802	87,61,781	—9,24,216	Jardine Henderson Ltd. ..	1,527	Kankanarah	59·50 { 'B'	100	7 8	6 8	1 0	*Nil*	6,12	H.P.
21,00,000	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd. ..	703	Kelvin	161·00	100	15 0	20 0	17 8	5 0t	6,12	H.P.
54,00,000	23,83,375	1,72,56,983	1,18,60,127	56,928	Anderson Wright Ltd. ..	1,530	Khardah	125·00	100	17 8	12 8	11 0	4 0t	3,9	H.
48,00,000	1,08,90,860	2,44,37,944	1,15,66,122	41,637	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	140·00	100	9 0	7 0	13 0	6 0t	3,9	H.P.T.
24,48,000	29,51,564	1,11,82,345	47,99,245	—8,12,719	Bird & Co. Private Ltd. ..	931	Lanadowne	80·00	100	7 0	2 0	7 0	*Nil*	3,9	H.P.
48,00,000	55,75,192	1,16,29,380	64,57,897	8,793	Bird & Co. Private Ltd. ..	840	Lawrence	84·00	100	5 0	6 0	6 0	*Nil*	3,9	H.P.
81,55,200	25,36,045	2,54,13,349	1,36,97,309	1,64,942	M.	1,283	Megna	79·50	100	5 0	2 8	8 12	3 12t	3,9	H.
20,98,900	38,40,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. Private Ltd.	815	Naihati	53·00	100	*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
20,00,000	15,55,000	29,01,583	18,21,709	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	13·75	10	0 8	1 2	0 10½		4,10	H.T.
35,00,000	27,00,000	41,94,325	30,32,401	1,929	Andrew Yule & Co., Ltd.	852	National	19·35	10	2 0	2 0	1 12	0 6	4,10	H.P.
26,25,000	27,00,000	28,31,475	20,72,256	1,20,411	McLeod & Co., Ltd. ..	316	Nellimarla Jute ..	11·56xd	10	1 12	1 8	1 0	0 8t	6,12	H.P.T.
85,50,000	2,71,44,342	4,29,15,837	98,96,548	8,71,199	Sahu Jain Ltd. ..	1,765	New Central† ..	12·12	10	0 8	17 0	1 8	0 12t	12	Y.P.
16,79,880	40,70,164	1,27,80,887	51,63,018	70,116	Bird & Co. Private Ltd. ..	567	Northbrook	20·31	10	1 2	1 4	1 8	1 8t	3,9	H.P.
66,79,500	22,24,961	2 18,55,164	1,39,46,811	17,000	Macneill & Barry Ltd. ..	1,092	Nuddea	32·25	50	0 8	0 8	1 0	*Nil* †	3,9	H.
24,92,250	23,78,792	79,97,655	50,95,600	....	Andrew Yule & Co., Ltd. ..	601	Orient	101·00	100	12 0	10 0	9 0	1 0t	5,11	H.P.
30,00,000	6,58,400	80,68,437	55,32,161	51,595	Macleod & Co.	400	Presidency	4·00xd	5	0 2	0 3			6,12	H.T.
20,00,000	2,49,781	26,97,878	8,39,130	—9,18,218	Birla Brothers Private Ltd.	205	Rameshwara ..	5·12	10	*Nil*	*Nil*	*Nil*	*Nil* †	3	H.P.
49,50,000	5,82,465	1,23,83,629	59,15,596	—11,78,341	Jardine Henderson Ltd. ..	1,278	Reliance	7·00	10	0 8	*Nil*	*Nil*	*Nil* †	3,9	H.T.P.
4,00,000	41,093,713	81,245,244	....	858,994	Thomas Duff & Co. (India) Ltd.	2,018	Samnuggur	10·25	£1	10%	10%	3%£1		3,9	Y.P.
30,00,000	13,14,910	1,15,50,877	79,96,145	7,972	Bagaria More & Co., Ltd. ..	911	Shree Ambica ..	14·00	10	0 8	1 0	0 8		3,9	H.
14,00,000	11,25,000	66,11,794	38,79,294	5,168	Hindustan Investment Corporation	440	Soorah	19·00	10	1 0	1 8	1 4		12	Y.P.
35,19,500	43,72,183	1,27,83,246	54,33,489	—4,87,127	Bird & Co. Private Ltd. ..	650	Standard	62·50	100	2 0	2 0	1 0	*Nil*	3,9	H.P.T.
£600,000	£925,119	£1,137,666	....	£88,548	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	10·25	£1	10%	10%	3%£1		12	Y.P.
35,98,500	88,06,723	2,00,00,808	84 28,958	18,354	Bird & Co. Private Ltd. ..	1,336	Union	112·00	100	5 0	6 0	10 0	1 0t	3,9	H.P.T.
£400,000	£688,035	£1,12,4,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,831	Victoria	10·00	£1	10%	10%	3%£1		12	Y.P.
2,50,000	6,35,000	56,01,062	40,73,991	11,327	McLeod & Co., Ltd. ..	457	Waverley	3·12	1	0 1	0 8	0 3	*Nil*	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs	Reserves (rec) Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	28,610	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	16·00	10	1 0	1 5	1 6	0 8f	3,9	H.
12,00,000	8,77,542	37,37,084	34,90,182	45,399	Jardine Henderson Ltd. ..	Bararee Coke ..	16·25	10	1 3 1/5	1 7 1/5	1 7 1/5	0 9 8/5f	3,9	H.
4,49,350	1,05,000	9,25,911	5,64,876	4,078	Kalyanji Mavji & Co. ..	Bengal-Bhatdee ..	5·50 N	10	0 4	0 4	1 10	1 10f	6,12	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,77,27,866	7,31,648	Andrew Yule & Co., Ltd. ..	Bengal Coal	214·00	100	32 8*	30 0*	35 0*		4,10	H.P.
2,25,000	5,30,053	24,81,797	22,23,534	1,07,984	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	14·00	10	*Nil*	*Nil*	*Nil*		6,12	H.P.
15 97,000	4,73,168	41,59,255	22,98,365	—2,42,192	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	4·75	10	0 8	*Nil*	*Nil*		9	H.
40,00,000	8,00,000	1,39,06,563	71,05,158	27,483	Sahu Jain Ltd. ..	Bharat Collieries ..	5·62	10	0 12	0 10	0 10		6	Y.P.
7,15,000	16,11,980	52,62,538	37,33,450	—1,87,446	F. W. Heilgers & Co. Private Ltd.	Bhulanbaraee ..	13·00 N	10	*Nil*	*Nil*	*Nil*		6,12	H.P.
16,00,000	16,17,926	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur ..	11·00 N	10					6,12	H.
7,50,000	24,29,026	42,39,903	26,68,408	84,207	F. W. Heilgers & Co. Private Ltd.	Borrea	18·75	10	3 12	2 0	2 0	0 8t	6,12	H.P.
90,92,480	1,79,05,968	4,22,86,647	1,90,15,884	38,152	Bird & Co. Private Ltd. ..	Burrach	21·75	10	2 12	2 0	3 0	0 8t	6,12	H.P.
49,97 750	....	42,39,430	7,80,000	9,937	Hindustan Investment Corpn., Ltd.	Central India ..	6·00	10	0 4	0 4	0 4	0 8	3	Y.
8,00,000	13,30,500	49,11,827	33,03,469	69,009	M.	Central Kurkend ..	12·00 N	10	0 12	0 4			12	H.
6,00,000	1,65,576	7,29,435(k)	....	8,119	F. W. Heilgers & Co. Private Ltd.	Churia	1·37	4	0 3	0 3	0 1f		6,12	H.
16,00,000	....	53,81,704	29,81,876	—1,88,318	Macneill & Barry Ltd. ..	Dhemo Main ..	5·62	10	*Nil*	*Nil*	*Nil*		6,12	H.
£840,000	£380,558	£970,698	£751,570	£58,922	Jardine Mendarson, Ltd. ..	East India	24·75	£1	2 8	2 8	3 0	2 8	4	H.P.
39,63,760	35,55,049	4,04,51,377	2,09,35,665	23,279	Macneill & Barry Ltd. ..	Equitable	24·50	10	1 8	1 8	1 8		6,12	H.
10,00,000	1,40,999	13,81,144	4,28,857	28,853	Bhatter's Agency Ltd. ..	Ghusick and Muslia	13·50 N	10	0 8	0 8	0 4		3	Y.
12,00,000	1,22,000	41,35,247	28,49,143	1,144	Killick Industries Ltd. ..	Hingir-Rampur ..	30·75	50	3 0	*Nil*	2 4	2 4	6	H.
8,00,000	7,35,000	25,07,181	11,68,841	45,885	Macneill & Barry Ltd. ..	Harrilladih	21·00	10	1 8	1 12	2 8		6,12	H.
22,00,000	5,25,060	24,74,413	6,18,546	—8,57,293	Bajpaie Trust Ltd. ..	Jogta Coal	1·50	10	*Nil*	*Nil*			12	Y.P.
3,50,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalapahari	20·00	10	2 12	*Nil*	*Nil*		2,8	H.
20,00,000	1,77,178	28,89,688	4,66,140	6,065	Bird & Co. Private Ltd. ..	Karanpura Collieries	88·50	100	*Nil*	*Nil*	2 8	5 0	2	H.
5,00,000	10,60,000	46,77,843	30,47,985	1,38,474	Andrew Yule & Co., Ltd. ..	Katras Jherlah ..	55·00	10	4 0	4 0	3 8		1,7	H.P.
1,88,400	5,72,960	12,85,941	5,72,960	—2,60,226	Beriwala & Co.	Khas Kajora ..	2·50 N	10	*Nil*	*Nil*			6,12	H.
11,00,240	64,814	16,80,329	10,68,899	10,611	H. V. Low & Co. (Private) Ltd. ..	Kuardi	2·50 N	10	*Nil*	*Nil*	0 2		4	Y.
3,00,000	11,11,152	28,38,749	22,36,193	4,705	H. V. Low & Co. (Private) Ltd. ..	Lakurka	5·00 N	10	0 8	0 4	0 2		4	Y.
7,48,240	2,00,000	13,12,308	9,66,219	31,201	Tantia Brothers Ltd.	Nazira	6·75	10	0 8	0 8	0 8		12	Y.
7,00,000	26,617	10,83,740	5,20,295	4,550	Amritlal Ojha & Co., Ltd. ..	New Banadeopur	9·00 N	10	0 12	1 4			3,9	H.
17 75,250	30,01,783	1,19,79,883	58,63,066	84,848	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	14·50	10	1 0	1 12	1 0		4,10	H.
6,00,000	75,000	33,00,471	21,20,197	70,222	Octavius Steel & Co., Ltd.	New Manbhoom ..	9·00	10	*Nil*	*Nil*	*Nil*		3,9	H.
1,15,000 } 1,57 500 }	3,55,193	19,07,219	8,64,731	16,950	Andrew Yule & Co., Ltd. ..	North West	19·25 16,50	10 10	0 4 0 8	*Nil* *Nil*	1 6 1 0	0 12f 0 9f	3,9	H.
7,50,000	12,21,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	14·50 N	10	2 0	1 0	1 0		6,12	H.P.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal ..	8·00 N	10	0 6	0 8	1 0		12	H.
5,34,000	10,000	19,36,766	8,09,957	61,937	Deepchand Kishenlal	Parasea	10·00 N	10	0 4	0 12	1 0		6,12	H.
15,75 000	16,50,000	49,91,252	30,61,252	58,734	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	14·75	10	1 10	1 10	1 8	0 11 1/2f	3,9	H.
22 99,500	20,17,105	1,24,35,588	87,36,164	28,188	B. N. Elias & Co. Private Ltd.	Raneegunge ..	10·25	10	*Nil*	0 8	0 10	0 6	3,9	H.
12,50,000	10,45,115	28,50,365	20,71,364	15,613	Shaw Wallace & Co., Ltd. ..	Rawa	19·50	10	2 0	1 6	0 14	0 12f	6,12	H.
20,00,000	3,90,000	44,28,585	18,72,118	2,39,175	Jalpuria Sons Ltd.	Samla Collieries ..	11·00 N	10	0 8	0 12	1 0		6,12	H.
2,50,000	1,95,802	13,78,480	12,21,287	21,070	M.	Searsole	5·00 N	21	0 10	0 10	0 12		1	H.
2,50,000	8,36,593	29,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd. ..	Seshpore	26·50	7	1 12	2 0	2 8		6,12	H.
8,00,000	5,31,289	52,491	38,987	7,508	F. W. Heilgers & Co. Private Ltd.	Sendra	8·00 N	10	*Nil*	0 2	0 4		6,12	H.
53,31,440	23,77,474	4,72,97,817	3,17,80,286	7,810	Industrial Trust Fund (Government of Hyderabad) ..	Singareni	10·50	10	*Nil*	0 11 1/5	0 12		12	Y.P.
12,50,000	10,89,693	38,95,664	16,16,434	10,407	Bird & Co. Private Ltd. ..	South Karanpura ..	8·12	10	0 4	0 2	0 2	0 5 3/5	2,8	H.
8,00,000	14 01,063	1,09 57,570	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	Standard	18·75	10	2 0	1 8	1 0	1 0	12	Y.
10,00,000	12 950	31,30,413	15,43,502	—370,421	Villiers (Private) Ltd. ..	Talcher	1·62	2½	*Nil*	*Nil*	*Nil*		9	H.
2,50,000	2,50,000	20,47,944	13,26,944	9,659	Williamson Magor & Co., Ltd.	Union	15·00	10	1 12	0 12	*Nil*		6,12	H.
49,98,000	67 984	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal ..	5·34	10	0 6	0 6	0 8	0 8	5	H.
7,00,000	81,569	56,46,871	23,81,698	—1,46,550	Macneill & Barry Ltd. ..	West Jamuria ..	7·50	10	*Nil*	*Nil*	*Nil*		6,12	H.

M—Managed by the Board of Directors. † Less income-tax. s) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments. (f) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (e) For seven months ended 31st March 1956. ‡New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. ‡—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

MARKET GOSSIP

(*Concluded from page 979*)

quotas, they would have been in a better position to adopt long-range policies. Further, the Corporation, it is alleged, has not been able to do anything in spheres in which it may legitimately be expected to be of assistance. Thus, it is neither lifting low-grade ores nor opening up reserved areas. Nor has the Corporation rendered any assistance to the mining industry. Private exporters, on the other hand, claim that they are the backbone of the mining industry in that they help finance the large number of small miners.

Far from playing a really helpful role in developing the mining industry or

ECONOMIC CONDITIONS IN INDIA

(*Continued from page 987*)

"On the capital account, the estimates presented in March last provided for an outgo of Rs. 772.21 crores for capital expenditure and loans to State Governments and others. As stated earlier, an addition of Rs. 6.97 crores is now required for loans to the *Khadi* and Village Industries Commission for the Ambar Charkha programme.

Refinance Corporation

" A provision of Rs. 15 crores is being made for loans to the Refinance Corporation which is proposed to be constituted shortly. The agricultural commodities agreement between the Government of India and the U.S. under American Public Law 480 provided, among other things, that a sum of about Rs. 26 crores would be reserved for relending to private enterprise in India through established banking facilities. As a result of subsequent discussions with the U.S. authorities, a scheme has been evolved for channelling these funds through a Refinance Corporation, which will provide re-lending facilities against loans given by Indian banks. The Corporation is proposed to be constituted as a joint-stock company under the Companies Act, 1956, initially with an ordinary share capital of Rs. 12.5 crores to be subscribed by the Reserve Bank of India, the State Bank of India, the Life Insurance Corporation of India and about 14 from amongst the larger scheduled banks in India. It is anticipated that the Corporation will require loans from the Government of India out of the earmarked funds relating to the P.L. 480 Agreement to the extent of about Rs. 15 crores during the current financial year.

Export Risk Insurance

"Another provision of Rs. 50 lakhs is being made for investment in the share capital of the Export Risk Insurance Corporation. The Corporation will be registered under the Indian Companies Act as a private limited company with an authorised capital of Rs. 2.5 crores and paid-up capital of Rs. 50 lakhs. The maximum risks which the Corporation should carry will be 10 times the subscribed capital and the reserves built by it. In setting up the Corporation to introduce a scheme of export risk insurance in India, the Government of India has been actuated by the desire to place the Indian exporter on even terms with exporters of other countries, who are aided by similar schemes in their countries.

"These three items on capital account will aggregate Rs. 22.47 crores. Against this, capital receipts are now expected to improve by Rs. 25.83 crores. Of this increase, Rs. 9.56 crores represent the additional contribution to the Railway Development Fund which has been announced in the Railway Budget presented on 14th May 1957, and Rs. 1.27 crores the additional contribution (inclusive of interest) to the Posts and Telegraphs renewals reserve fund mentioned earlier. The balance of Rs. 15 crores is on account of assistance under the agricultural commodities agreement with the U.S.A. which is now estimated at Rs. 65 crores, as against the credit of Rs. 50 crores assumed earlier, the total foreign aid thus amounting to Rs. 150 crores. In the result, there will be a net receipt of Rs. 3.36 crores on capital account. Taking the revenue and capital accounts together, the overall deficit of Rs. 365 crores estimated earlier will now increase by Rs. 2.89 crores to Rs. 367.89 crores.

"The review of economic conditions and of the financial position as it emerges for the budget year shows clearly that, while more resources are required for meeting the increasing demands of the investment programme, both public and private, the economy is not generating the necessary savings. Budgetary deficits, rapid expansion of bank credit, continued pressure on prices and a large balance of payments deficit—these taken together —connote a deficiency of voluntary savings relatively to the size of the investments being undertaken.

Demands on Economy

"Further, the emerging pressures have to be judged in relation to the requirements over the entire Plan period. Expenditure on the Plan has inevitably to be stepped up year by year, and the strain on the country's resources will grow in the period that must elapse before the investments being made come to fruition. These demands on the economy can be met successfully only by sustained effort at increasing productivity and mobilising savings on a national scale. Simultaneously, it is essential that the pace of investment, both in the public and private sectors, is kept in reasonable relationship to the progress made in enlarging domestic savings and securing an inflow of external finance adequate to meet the foreign exchange requirements of the programmes in hand. This is the setting against which the policies and proposals that I propose to place before the House have to be judged.

"The first item of policy I wish to consider is credit policy. I referred earlier to the expansion of bank credit that has taken place over the last twelve months and the consequent strain this has imposed on the liquidity of the banking system. In the last few years, the tempo of investment activity in the private sector has been steadily rising, and more recently, there is evidence of a marked quickening of this tempo. This has entailed larger demands on the banking system by trade and industry. The credit advanced by Scheduled banks rose during the year 1956 by Rs. 153 crores to a record level of Rs. 788 crores, and, in the first four months of this year, it has risen by another Rs. 119 crores. The deposit resources of banks have not gone up to a corresponding extent. As a result, there has been an acute stringency of funds in the money market and an appreciable increase in the call money rate and the lending and deposit rates of banks. Considering the overall trends in the economy, the remedy for a situation of this nature is not an outright increase in the supply of money and credit to the extent of the demand, but a cautious and orderly expansion to meet genuine needs, accompanied by measures to prevent an excessive diversion of credit to less essential uses.

Credit Policy

"Against this background, the Reserve Bank has been pursuing a policy designed to moderate the inflationary possibilities of a large credit increase through general and selective credit restraint —without, at the same time, denying credit to essential lines of activity. This policy of judicious restraint took the form of an increase in the Bank's lending rates; the rate on advances under the bill market scheme was raised in two stages in March and November 1956, from 3 to 3½ per cent. and in February this year by an enhancement of the stamp duty on usance bills which increased the effective rate of borrowing by banks to 4 per cent. Simultaneously, the Bank increased its rate on advances against Government securities to 4 per cent. In addition, as it appeared that speculative trading, particularly in essential commodities in short supply like foodgrains, absorbed some portion of bank credit, the Reserve Bank issued directives with a view to regulating advances against such commodities.

"These measures have generally been effective. In the busy season now coming to a close, credit extended has been of a somewhat smaller order than in the last busy season. The technique of selective control has had some effect on the level of bank credit; it has restrained the rise in prices in the sectors to which it was directed and has helped in channelling resources to more desirable outlets. It must be emphasised that the Reserve Bank's policy has not been one of mere restriction of overall credit; in fact, it has been one of ensuring controlled expansion—a process which has been helped in particular by the liberalisation of the Bank's credit facilities under the Bill market scheme and also through its open market policy.

"The expanded facilities under the bill market scheme could be availed of by banks on a larger scale by a greater accretion to their deposit resources. Some progress has been achieved in this respect, but, I feel that a greater effort on the part of the banks to attract resources, especially by reaching classes which have not yet developed the banking habit, is called for.

"In view of the increasing tempo of developmental activity programmes for the current year and in the succeeding years, I am convinced that credit policy should continue to be directed towards moderating the pressure of demand for funds without at the same time hampering essential lines of productive activity. It is in this context that the Reserve Bank has been continuously keeping its Bank rate under review.

Bank Rate Raised

"Earlier today, the Bank announced an increase in the Bank rate from 3½ to 4 per cent. As the effective lending rate of the Reserve Bank to Scheduled banks has been 4 per cent. for some months now and the markets have had sufficient time to adjust themselves to this rate, this seems an opportune moment for rationalising the lending rate structure of the Reserve Bank by raising the Bank rate itself. There are other considerations also which indicate the desirability of making this adjustment in the Bank rate at this stage. I am not unaware of the limitations of the Bank rate as an effective weapon in a developing economy. Nevertheless, an increase in the Bank rate should assist the Reserve Bank in its task of moderating the pressure of demand for credit. While the Bank's latest decision might appear to be only a formal recognition of a *de facto* situation, it is an action in keeping with the analysis of the economic situation I have presented today, to curb the inflationary potential in the economy.

"In view of the increase in the Bank rate, there is no longer the need to keep the stamp duty on usance bills at existing levels, and I am, therefore, reducing it with immediate effect to 50 naye paise per Rs. 1,000 for three months.

"I may mention once again, in this context, the steps we are taking to set up a Refinance Corporation to cater to medium-term needs of industry. This Corporation will in time, I hope, fill a lacuna in our existing system of industrial financing. This is an instance of the positive aspects of the policy of controlled expansion which I have mentioned a little while ago.

Small Savings

"This brings me to my next point, which relates to small savings. In the ultimate analysis, the limit to expansion in the economy is set by the availability of savings, and in a country like ours where the banking habit is undeveloped, small savings have a special role to fill. Taking the first Plan period as a whole, the progress of the small savings movement has been encouraging. The target for the second Plan requires a substantial stepping up of collections year by year and I am anxious to ensure a sufficient incentive for the investor in small savings in all forms.

"The small savings movement is to my mind more than a way of collecting money; it is a scheme for spreading the habit of thrift and of encouraging participation by the common man in the Plan effort. I wish to take this opportunity to appeal to every family, whether in the urban or in the rural areas, to save more and make the small savings movement a success.

"While the campaign for small savings has to be intensified, I propose also to increase the rate of interest on small savings investments with effect from 1st June 1957. Briefly, I have decided to increase the rate of interest on post office savings bank accounts by ½ per cent. and to have a new series of 12 years certificates, to be called National Plan Savings Certificates in replacement of the present National Savings Certificates and National Plan Certificates. The interest on savings bank accounts will now be 2½ per cent. on balances up to Rs. 10,000 and 2 per cent. on balances in excess up to Rs. 15,000 in the case of individuals and 2 per cent. on balances in the public accounts.

"There will be only two types of savings certificates hereafter: (1) the National Plan Savings Certificate with a maturity of 12 years and (2) the Treasury Savings Deposit Certificate with a maturity of ten years. The yield on both these will be increased; for the former to 4.25 per cent. compound interest, at the end of 12 years and for the latter to four per cent. at the end of 10 years. Both these certificates will be tax-exempt. For people who hold these certificates for periods less than 12 years, the yield will be suitably adjusted. For example, Rs. 100 invested in a National Plan Savings Certificate will become Rs. 127 at the end of seven years, Rs. 148 at the end of 10 years and Rs. 165 at the end of 12 years. In the case of the Treasury Savings Deposit Certificates interest at the rate mentioned is paid every year, but an adjustment is made in the event of the holder deciding to encash it before maturity. In the case of National Plan Savings Certificates the period of non-cashability will be fixed at 12 months. The further issue of National Plan Certificates and Seven Years National Savings Certificates will be discontinued.

Fiscal Policy

"Fiscal and monetary policy at this juncture has to be designed in a way that will make it clear beyond doubt that we, on our part, are determined to do our best to implement the Plan as fully as possible. We have to make the fullest effort to raise the domestic resources required and I shall come presently to my tax proposals —which reflect this determination. It is clear, however, that the problem is not merely one of raising more domestic resources, but also of finding ways and means, first, to conserve and, secondly, to augment our foreign exchange resources in keeping with the large requirements of the Plan.

"The steps we are taking in the field of domestic economic policy will, it is hoped, react beneficially on our foreign exchange position as well, but the latter is, admittedly, a more difficult problem. What we can earn by way of foreign exchange on our exports is not a matter entirely in our hands, it depends on the trend of world prices and demands. Similarly, the prices we have to pay for our imports are beyond our control and all that we can do is to limit the volume of our imports.

"Here again, there are problems. The cuts we impose on imports become effective only after a time lag. Moreover, a developing economy needs increasing imports and there is danger, in a restrictive import policy, of impeding the flow of imports needed for the very purpose of development.

Foreign Exchange Policy

"The foreign exchange policy is thus a matter of delicate balancing and it is a balancing, if I may say so, in which a favourable turn of the wind could make a material difference. In the March White Paper, the various measures taken to save and conserve foreign exchange have been listed. The import programme for the first half of this year involved considerable cuts in imports, and the process will, I am afraid, have to be carried considerably farther in the import programme for the second half of the year.

"The Government has already announced its policy in regard to licensing of capital goods imports. Private investors are being encouraged to seek medium-term credits from abroad and to invite foreign enterprise to associate itself increasingly with Indian enterprise. We have in front of us a rather difficult period and we will have to exercise the utmost caution and vigilance in the matter of imports while taking every possible step to increase our export earnings. The fact that in the last 12 months the level of imports has been exceptionally high warrants the presumption that the economy can put up with sizable import cuts for some time to come without serious dislocation. At any rate, I wish to reiterate the Government's determination to restore a position of better balance in external account as early as possible.

"An underdeveloped economy which launches upon a programme of industrialisation suffers from the inevitable handicap of having to import from abroad, all or practically all, of the equipment and capital goods that it needs to make the right start. Nevertheless, a start has to be made in the process, risks have to be undertaken. In the nature of things, it is not possible to chalk out the course of policy and action in the field of foreign exchange with the same precision or detail as in the case of domestic policy. The second Five-year Plan involves heavy foreign exchange expenditure and the estimated gap in the balance of payments has widened partly because in some respects the initial estimates were on the low side and partly because of the rise in prices abroad. This gap is by no means easy to fill.

"We shall have to make our best efforts along the lines I have mentioned. At the same time, we must recognise that external resources on a considerable scale will be necessary in order to enable us to see through the developmental tasks we have taken in hand. Given reasonable effort all along the line on our part, we shall, I am confident, get over the transitional difficulties that are confronting us at present.

"The estimates of required outlay have gone up since the Plan was formulated. The fulfilment of the Plan to schedule postulates, *inter alia*, the availability of external resources on a considerable scale, and the need for these resources is the greatest in the earlier part of the Plan. Evidently, shortfalls in this respect cannot be made good by a draft on domestic resources. We have this aspect of the problem under continuous review. It is not possible to say at this stage to what extent the progress of the Plan will be affected because of foreign exchange shortage.

(*To be continued*)

COMMERCE

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

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FURTHER THOUGHTS ON THE BUDGET

WHILE giving expression to our first thoughts on the Central budget for 1957-58, as presented to Parliament on the 15th inst., we stated in these columns last week that the numerous taxation proposals would do more harm than good to the country. On further thought, we are convinced that that observation is no exaggeration; if anything, it is an understatement. Unless modified on the lines which we shall presently indicate, the budget will prove definitely inimical to sound and safe economic development of the country, and detrimental to its moral fabric. While it is bound to make the rich poorer, except, of course, those persons who successfully resort to ingenious methods of avoiding taxation, one is not certain that it will make the poor richer. The chances are that the poor may become poorer. Indeed, this has been the outcome of developmental expenditure in the first year of the second Plan. With an increase of 14 per cent. in the cost of living in that year, the real income of the people, in general, has perceptibly gone down. The richer classes, too, are less rich, thanks to a fall in their earnings and a heavy capital depreciation in their investments. The same applies, perhaps to a greater degree, to almost all the strata of the middle class. If there is any section that has not suffered to a perceptible extent it is the industrial workers who constitute but a negligible fraction of about 1 per cent. of India's total population. Many of the new taxation proposals are so ill-conceived that they threaten to aggravate this depressing outcome witnessed in the first year of the second Plan.

Taxes to the right, taxes to the left, taxes in the front and taxes at the back. This is the theme of the final budget for 1957-58 and it needs a little explanation, lest it should be dismissed as mere rhetoric. If one works hard and earns more, one has to pay more tax. If one does not work and prefers to live on past savings, one is called upon to pay even more taxes. If one spends more, the excess expenditure is subject to tax, in addition to the high rates of sales tax that already obtain. If one saves in order to avoid the expenditure tax and sales tax, then the savings attract more tax in various ways. Thus, one is cornered from all sides. The only effort that does not attract more taxation pertains to matrimony and procreation. Really speaking, activities in this direction are sought to be encouraged through a slightly higher tax-free allowance for a married person and a more liberal treatment to persons with children in respect of expenditure tax. Can the aforesaid state of affairs be honestly described as conducive to (*a*) better and bigger production, (*b*) larger savings and their direction to productive channels, (*c*) honesty and integrity among taxpayers and tax collectors alike, and (*d*) an inflow of foreign capital and technical know-how from countries where the freedom of man is highly prized? The authors of the budget assert that it is, *vide* the Finance Minister's budget speech and his observations at the Press Conference last Sunday. But we have our own serious misgivings on this point.

To the credit of the Finance Minister and his Ministry, it must be said that, on middle class incomes ranging between Rs. 4,200 and Rs. 35,000 per annum, a slight relief in income taxation has been given in respect of both earned and unearned incomes. Those who fall within this group also get some concessions in regard to their investments in life insurance, provident fund and national savings certificates. They do not have to pay any expenditure tax, which begins to operate only on (annual) incomes of Rs. 60,000 and over. They are not subject to wealth tax, assuming that their total wealth does not exceed Rs. 2 lakhs. But, if they have any investments in shares of joint-stock companies other than banks and insurance, they do pay wealth tax, albeit indirectly, as these companies are subject to this tax. These gains are, however, illusory. The relief given to a person with an income of Rs. 400 per month, for instance, is Rs. 34 per annum, or a little less than Rs. 3 per month, in respect of earned income. It is Rs. 52 per annum, or Rs. 4.33 per month, to one having a monthly income of Rs. 625. It is somewhat greater in respect of unearned incomes falling within these brackets, but not many salary earners in this range have any sizable unearned incomes. As against such minor reliefs in income-tax, people belonging to the middle class have already suffered much more by way of increased cost of living and, consequently, a fall in their capacity to save. On top of this, they are faced with a strong prospect of a further increase in cost of living. Even persons with an income of Rs. 2,500 per month, who get a relief of Rs. 600 per annum or Rs. 50 per month in income taxation, will be no better off for the reasons just mentioned. The rise in the price of petrol alone will more than wipe out the advantage if they possess even a small car.

The reduction made in the incidence of tax applicable to the top income groups is also an eye-wash, as aptly described by Mr. A. D. Shroff in his critical analysis of the budget proposals before a public audience on Wednesday last. The effects of increases in other taxes and introduction of wealth and expenditure taxes more than nullify the benefit given in income and super taxes. Indeed, this relief is unreal, because most of the persons who are supposed to benefit by it will sooner or later be paying more than one rupee by way of direct taxes for every rupee earned by them. This is not what even Prof. Kaldor, the mentor of the Finance Ministry for this year, wanted to happen. Given the option, we have no doubt that the top income group will prefer the continuance of the *status quo* to what the Finance Minister has now imposed on them. In other words, the wealth tax and the expenditure tax may be dropped and so also the reliefs to the upper income group. Similarly, the middle class would not mind giving up the illusory saving in income-tax, if the increases in some of the indirect taxes on the necessities of life, as, for instance, cloth, matches, sugar, tea and coffee, were withdrawn or substantially reduced. By accepting these two suggestions, the Finance Minister will be able to repair the enormous harm he has done to people's confidence in the future. His failure to do so will have serious repercussions on the pace and momentum of economic growth of the country for two reasons. First, the capacity of the private sector to fulfil the role assigned to it in the Plan will be seriously handicapped and, secondly, the public sector, by its very nature, is unsuited to fill the resultant gap.

The imposition of wealth tax, which is a capital levy of a continuous character, is patently unjust and unnecessary, in view of the existence of both estate duty and capital gains tax. It is doubly unjust to apply it to joint-stock corporations which constitute only another but a more efficient form of co-operatives. Wealth tax on companies means double taxation and even triple taxation, when applied to subsidiaries of a company. Coupled with the penal taxation on the issue of bonus shares, wealth tax on corporations is wholly unjustified. The fact that the tax is payable even by new companies as soon as they are formed and irrespective of their making a profit or a loss will seriously retard the development and growth of corporate enterprise. It is, indeed, strange that the Finance Minister of a democratic country should have at all imposed this tax on corporations, because there can be no genuine democracy, if there is no free enterprise and free institutions. It is obvious that the scope for free institutions will be greatly limited, if the development and growth of the joint-stock company system is checked.

There are some who argue that wealth tax should be modified, so that new companies may be exempted from the levy for some years, that is, until they are able to earn a net profit sufficient to pay a reasonable return on the capital invested. This suggestion obviously springs from the realisation that the demand for the abolition of wealth tax on corporations will not be acceptable to the Government. But a modification of the tax on these lines is a poor substitute for its abolition. If a concession is shown to a new company, the same must also be extended to established companies which are undertaking expansion and modernisation of their factories. Since, in actual practice, it will be difficult to work out a satisfactory scheme for exemptions and since, in any case, a capital levy of this nature is introduced only to arrest economic growth, which is the reverse of what this country is after, the wealth tax must be scrapped.

On grounds of principle, as well as of difficulties involved in collection, the unprecedented and novel expenditure tax, too, should go. This tax may seem innocuous now, but, in practice, it will prove to be a first-class weapon of oppression in the hands of the party-in-power. There is no limit to the extent to which this tax, as also the wealth tax, can be utilised to harass the people. It will infringe the freedom of people and lead to a police State. In combination with the increases in the existing forms of direct taxation, these two new taxes will induce people to devise ways and means of evading as much tax as possible and to corrupt the tax collectors. They will also arrest the inflow of foreign capital, besides accelerating the exodus of such capital that has been going on for some years now. Such a development at a time when the country's balance of payments position is steadily worsening will be a real tragedy.

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Some contend that the Government's object in taxing the country to the hilt is to prove to foreign lenders, including the World Bank and the I.M.F., that it has taken all possible measures to raise domestic resources for financing the second Plan, and that it is now their turn to come to the rescue of India. We think that this is a delusion. The foreign lenders are not such simpletons as to be carried away by this argument. They have enough diligence to analyse for themselves the merits and demerits of the country's economic policies and projects. They will soon realise, if they have not already done so, that this country is groaning under unduly heavy and inequitable taxation. It is common knowledge now that the consensus of opinion in foreign countries about the second Plan is that it is over-ambitious and beyond the readily available resources of India. After studying the Plan, the World Bank and the I.M.F. had urged the Government of India to attempt a modest plan. They had also advised the Government to give more scope for, and freedom to, the private sector. Almost all the direct and some of the indirect taxes that have now been imposed, as well as the continued but unconvincing insistence that the Plan cannot be altered in terms of either its size or its period, tantamount to a total disregard on the part of the Government of the well-meant advice of India's best friends. In view of all this, the chances of India being able to attract foreign capital are dim, if not bleak.

From what has been stated thus far, it will be realised that the system of direct taxation has been so revamped as to reduce the scope for and the freedom of the private sector and to discourage even the present little flow of foreign capital into India. Some of the indirect taxes, too, as, for instance, the unconscionably heavy increase in the cost of steel and cement, as well as the further addition to the excise duty on petrol, will act as a brake to the growth of industries in the private sector and add to their capital cost. Indian industries are already suffering from an initial handicap in capital cost of anything between 30 and 40 per cent., owing to the high prices paid for imported plant and machinery. The increase in the prices of steel and cement will only add to this handicap. On top of this, there is the threatened cut in the imports of various items of industrial stores and raw materials which will hit the private sector more than the public sector. It will be at least some consolation, if the public sector puts to economic and efficient use the resources—financial and material—now sought to be diverted from the private sector and shows quick results. Unfortunately, all available evidence is to the contrary. There is no certainty that this diversion of resources will bring satisfactory and timely return to the society in terms of real wealth. There is bound to be considerable wastage, delay and unproductive expenditure. To give only one instance. A sum of Rs. 10 crores is being earmarked for investment on 75,000 Ambar Charkas. If the same amount is invested in the mill sector, it will be sufficient to finance at least eight spinning mills, each with 75,000 modern spindles, the economic advantages of which are only too well known to our readers to require an exposition.

INDUSTRIAL RELATIONS

THE importance of peaceful industrial relations for the success of the second Five-year Plan has now received widespread recognition. Surely, industrial peace is far too vital a consideration to be sacrificed at the altar of ideological warfare. The Government and the employers, however, may well congratulate themselves on the fact that the recent record of labour disputes in India compares favourably with that in many an industrially advanced country. The credit for this must go as much to the employers as to the workers, to the former for their realistic recognition of the fact that, in the new order, they must be willing to recognise workers' rights and to at least a few sections of the latter for their willingness to see that excessive demands may culminate in the drying up of the source from which they derive their livelihood.

It is true that there have been quite a few deplorable disturbances to the generally satisfactory industrial relations. But, by and large, the recent record in the sphere of these relations has been encouraging, especially when India is compared with several other countries. But the important questions are: What are the chances that this record will be maintained or even improved? And, if the outlook is not bright, what should be done to improve it? These are by no means academic questions, for on the right answer to them will depend industrial progress, at least in the next few years. The future course of industrial relations will be determined by the degree of success with which the Government is able to hold the price levels. In the context of the inflationary forces which are already developing in this country, it would be a difficult task indeed for the Government to prevent these levels from going up. And, if they go up, demands for higher wages will become too insistent for the Government and the employers to disregard. Unfortunately, the room for manœuvre in production costs is strictly limited, what with the increased fiscal burdens and the strange device of compelling the establishments to keep a part of their own finances as deposits with the Government. The abolition of the appellate tribunal, the difficult foreign exchange position, the omnibus official restrictions on further expansion in production in certain sectors are other factors which are bound to reduce employment opportunities in the country and employers' ability to meet demands for higher wages as and when they are put forth.

Clearly, the task of maintaining industrial peace, which is by no means easy even in normal circumstances, may be rendered particularly difficult at a time of inflation and high taxation which may well be ahead of this country. It is, therefore, vital that unnecessary jolts should be guarded against and both sections of industry prepared for a realistic appraisal of all the intricate issues involved in the sphere of industrial relations. The participation of workers in management is one such issue, for such participation ensures the creation of an atmosphere which facilitates what the Director-General's Report to the International Labour Congress in 1955 called "collective thinking." Some industrial managements in this country have already instituted welcome schemes designed to secure participation of workers in management. But, in the context of the present position of uneducated workers and politically dominated unions, it may become necessary to hasten slowly in this direction. In any case, as Mr. G. D. Somani said, in the course of his presidential address at the annual conference of the All-India Organisation of Industrial Employers, held this week at New Delhi, it would be dangerous to introduce such new schemes by legislation.

The two other important issues are wages and labour legislation. The abolition of the appellate tribunal has given an additional significance to the question of wages. The absence of an authority which will resolve wage disputes from the wider national angle leaves a certain vacuum. When the proposal for wage boards for different industries is implemented, it may be possible to fill the vacuum created by the disappearance of the appellate tribunal. If wage boards are to be really effective, they must be so constituted and their terms of reference must be so drawn up that they take a broad, rather than a partisan, view of the wages question. From this point of view, it is certainly to be welcomed that the terms of reference of the Wage Board which has already been constituted for the cotton textile industry are well conceived. For, as Mr. Somani pointed out, the terms of reference of the Board lay down that, in evolving a wage structure, the Board should, in addition to the considerations relating to fair wages, also take into account the needs of the industry in a developing economy.

The second issue, to which we referred at the outset, is labour legislation. The Factories Act, the Mines Act, and the Industrial Disputes Act have all been amended almost beyond recognition, while several pieces of new legislation like the Employees' State Insurance Scheme and the Provident Funds Scheme have been enacted. In recent years, one piece of labour legislation has followed another in quick succession and all these pieces of legislation put together have altered the traditional role of industrial managements, so that they are now genuine agents of the Welfare State. It may be that all this was necessary in its own way. For labour is worthy of its hire and is not a mere commodity in the market. Even so, it is time that the Government took stock of the labour laws. Mr. Somani, on his part, made two valuable suggestions. He said that the Government should now examine whether the administrative machinery was adequate enough for enforcing these labour laws. Secondly, he suggested that the different pieces of social legislation, such as provident fund and medical benefit, should "be viewed and reviewed in a co-ordinated way."

In this connection, it is noteworthy that Mr. G. L. Nanda, the Union Minister for Labour, who inaugurated the session, expressed the opinion that, as far as he was concerned, he would not like to have new labour bills passed. Instead, he would concentrate his efforts at securing a proper and efficient enforcement of the existing laws. It is to be hoped that he will be able to carry his colleagues in the Cabinet as well as his party over the question of a reasonable period of respite from major labour legislation. Mr. Nanda revealed that he was thinking of setting up a study group to examine the questions relating to social security and wage policy. It would, perhaps, be useful, if he also set up a study group for reviewing the working of the entire legislation in the sphere of labour, in order to determine to what extent the workers derive the benefits the existing legislation confers upon them. If such a study reveals that the administrative machinery and regulations have to be tightened up, he should not hesitate to adopt the appropriate measures. In the sphere of labour, as in all spheres of human activity, it is better to have a few laws that are ably administered than a plethora of enactments which are insufficiently observed in actual practice.

PROHIBITION

BY her forthright attack on the Central and State Governments' Prohibition policy, Rajkumari Amrit Kaur, the former Union Minister for Health, has voiced the widespread feeling among informed sections of the people that a dogmatic approach to the question of prohibition has thrown up quite a few problems which could well have been avoided had the policy-makers shown a little more realism in handling an issue on which unanimity of opinion was conspicuous by its absence. In a trenchant criticism of the Finance Minister's new taxation proposals, during the course of a debate on the General Budget in the Rajya Sabha, the former Health Minister put in a strong plea for scrapping prohibition and vigorously urged the re-imposition of the salt duty, the policy governing both being informed more by false sentiments than by rational considerations. "Could any one of those running the Congress Government in States and the Centre," she candidly asked, "lay their hands on their heart and affirm that prohibition policy had been a success?" She then supplied the answer by saying: "I say it has been a failure and will continue to be so. Turkey tried it and failed; the United States of America also tried it and failed. Whatever be the condition in India very few people drink. The number of addicts is less than one per cent. and those who touched drink are less than one per cent. But what is happening is that the money which should go to the Exchequer is being taken by the bootleggers and they are the biggest protagonists of prohibition. If Gandhiji were alive today," she went on, "he would say, 'abolish prohibition and try other means.'" It would be interesting to know the reaction to this statement of those in authority who very often find in Gandhiji's name a convenient cover for reactionary policies.

Prohibition, it is common knowledge, constitutes a direct loss to the national exchequer to the extent of not less than Rs. 50 crores, whereas the indirect loss by way of cost of the vast hierarchy of prohibition staff is not an inconsiderable drain on the public purse. Obviously, this is too big a price for a measure which has brought only doubtful benefits to the people. At a time when the country is struggling hard under the weight of an over-ambitious Plan and the Finance Minister is at his wit's end to seat the Plan elephant on the small stool of the national economy, the Government may do well to rethink its policy in respect of prohibition and see how far it can be made to conform to the realities of the situation. There need not be any moral qualms about this. For, if prohibition is sought to be justified on moral grounds, it is cutting the ground under the official stand. The Constitution envisaged it only as a health measure not as a moral elevator. It is extremely doubtful if even the health objective has been achieved in those regions where it has been enforced. Illicit liquor, often prepared under unhygienic conditions, adversely affects the health of the drinkers. So far as the moral value of prohibition is concerned, the less said about it the better. It has bred widespread defiance of law, if not also contempt for it. In many places, illicit distillation has developed into a virtual cottage industry and the market has been flooded with pernicious products of extreme danger to public health. Further, the wisdom of assigning prohibition priority over such items as food, clothing, shelter and medical relief, has been repeatedly questioned by many witnesses testifying before the various Prohibition Enquiry Committees. Opposition to prohibition on financial grounds is no less formidable. According to very conservative estimates, as much as Rs. 50 crores could be obtained through excise and customs if prohibition were scrapped.

SIGNIFICANCE OF LIFE CORPORATION'S SUPPORT TO EQUITIES

SMALL INVESTORS—MR. MAHINDRA ON BUDGET

THURSDAY, 5 P.M.

AFTER staging a sharp fall, equities on all the Stock Exchanges seem to have steadied up a bit at levels a shade higher than the lowest points touched in the immediate post-budget session. But they are still far below the levels at which they were standing a fortnight ago. And many are not sure whether even those prices will be seen again in the near future, because there is hardly any buying enquiry from either investors or speculators. The hopes of the Finance Minister making any alterations in his taxation proposals in favour of investors are not bright. Protests against the new burdens and pleas for reliefs have gone forth from the Stock Exchanges and Shareholders' Associations. There is also a move on the part of the leading business men in Bombay to make a strong but well-reasoned representation to the Finance Minister. It is, however, a moot point whether he will pay any heed to the pleas and persuasions of even his friends, let alone his critics.

MARKET GOSSIP

There are several reasons for taking this view. In the first place, the Prime Minister has given his solid support to the taxation proposals and publicly complimented the Finance Minister on his courageous performance. Secondly, there is hardly any worthwhile opposition from the Members of Parliament to those taxes that adversely affect the fortunes of investors. Thirdly, the business community, too, is hopelessly divided on the issue of critically examining the taxation proposals and making a joint protest against them.

An influential section of business men is out to offer complete co-operation to the Government even to the extent of not making a verbal protest against any of the new taxes. It thinks that such protests will be futile and will only bring further hardships on business men. It is prepared to be content with whatever that is left for the private sector, in the hope that better days will come. The influence of this section over the Federation of Indian Chambers of Commerce and Industry is obvious from the tame and humble representation made by this organisation to the Government on the budget. To note the difference in the approach between the two sections of business community, one has only to compare that representation with the speech of Mr. A. D. Shroff at a public meeting held under the auspices of the Commerce Graduates Association in this city yesterday. This meeting, incidentally, was well attended and the Walchand Hirachand Memorial Hall of the Indian Merchants' Chamber, where it was held, was packed to capacity. Mr. Shroff did not mince matters. He analysed the significance of the various taxation proposals to the country's economy in a forthright and telling manner.

Be that as it may, the lack of unity among business men even on issues which vitally affect all of them and the future of democracy adds to the strength of the Finance Minister and enables him to take the country to the Congress Party's avowed but undefined goal of socialistic (or is it communistic?) pattern of society with ease and comfort.

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The Finance Minister has struck at the private sector so forcefully that it seems to have been numbed into silence and apathy. Many a business man has reconciled himself to the new imposts. He is not in a mood to fight. The business community is, of course, sullen, but it seems willing to accept all the imposts, except the wealth tax on companies. It is hoping and praying that the Government will be good enough to exempt at least the public companies from this levy. In his reply to the general debate on the budget in the Rajya Sabha, the Finance Minister has given no indication of his willingness to respond to this prayer. It remains to be seen whether he will change his mind and spare the investors of this onerous burden at least when he goes to the Lok Sabha. If he is merciful then, he will save thousands of small investors who have, as patriotic citizens, put their hard-earned savings in shares of first class industrial concerns and thereby contributed their mite to the industrial advance of India. Failure on his part to do so will put them to heavy losses which in turn will deprive the private sector of an important source of capital. In this connection, the Finance Minister will do well to bear in mind that, unlike the big operators, the small investors in equities have no financial resources to average their cost by buying at lower levels. Also, since his intention is not to subject the smaller fry to wealth tax, he ought to exempt the companies also from such tax to be in keeping with this intention. If his object in applying this tax to companies was to prevent groups of rich people from trying to escape the wealth tax, he should have tried other methods, without penalising small investors.

Again, if a set of conditions is created, under which small investors fight shy of investing in equities, it will run counter to one of the fundamental objectives of the new Company Law, namely, that the ownership of companies should be diffused over as large a number of persons as possible. In other words, if in framing tax policies and measures, no regard is had for persons of small means, who participate in the industrial development of the country by putting their savings in shares of joint-stock companies, the Government may as well bid goodbye to its equally avowed objective of preventing concentration of ownership of companies in a few hands. Times out of number, Mr. T. T. Krishnamachari has declared from house tops that he is the champion of small investors and industrial democracy. It is to be hoped that second thoughts will persuade him to withdraw the wealth tax on companies and thereby stand up to his own past profession.

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The fractional recovery in equities during the past few days is due partly to bear covering and partly to the excellent support extended by the Life Insurance Corporation to such first class shares as Tata Ordinary, Indian Irons, A.C.C., Bombay Dyeings and Wimcos. According to knowledgeable sources, the Corporation has bought fairly large blocks of these scrips and thereby added to the floating supply of funds, a development with which the banks appear to be pleased. The floating stocks of shares also must have shrunk to some extent and may do so further after the next settlement.

Why is the Life Insurance Corporation buying these shares at current levels? Does it believe that the worst is over? Or does it also belong to those vast majority of investors who are unable to comprehend the tops and bottoms for equities?

Uncharitable critics of the Finance Ministry say that the Corporation's support to the equities has been inspired by the Finance Minister, in order to abate the possible opposition in Parliament to his new tax proposals and that it may disappear once the debate on the budget is over. This explanation is farfetched, for the budget is going to be before the House for a fairly long time. Further, the Government's position in Parliament is so strong and the Finance Minister's prestige with the Congress Party so high that it is not necessary for it to resort to such stunts as the one now alleged in order to win support for the new tax proposals.

It is, however, likely that the Corporation has been asked to step in, in order to preserve the morale of the market, and to avert a bear raid and the consequent tumbling down of equity values. Another reason may be the fact that first class shares can be had for a song. After all, the Corporation has to show a good profit and a sizable surplus at the time of valuation, in order to make the nationalisation of private life insurance a success in the eyes of the public. Purchases of sound equities at relatively attractive levels of yield may be one way of achieving this goal.

It is also permissible to surmise that slumps in share markets such as the current one provide a golden opportunity for the State to occupy the strategic heights in the field of industry and mount the guns against the private sector without paying too high a price. This objective, it will be recalled, was one of the chief arguments advanced by the Prime Minister and the Finance Minister in favour of nationalisation of life insurance. Ever since the commencement of depression in equities in August last, the Life Insurance Corporation must have acquired a sizable share-holding in all the leading industrial concerns, thereby enabling the Government to keep a watch over their working. This development need not necessarily be regarded as an unmixed evil. It may sometimes prove quite beneficial to investors. If, for instance, the Life Insurance Corporation is a large-scale holder of the shares of Indian Iron, the Government may be favourably inclined to permit an increase in the Company's dividend.

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A rough estimate of the effects of the various new burdens imposed by the Finance Minister on some of the leading companies suggests that most of the companies will be able to maintain the dividend at the previous year's levels, though only by straining their past reserves to some extent, if the profit-margin is found insufficient. The A.C.C., for instance, may have to pay Rs. 67.36 lakhs more by way of new taxes, of which the wealth tax alone accounts for about Rs. 16 lakhs. The additional burden on the Tata Iron and Steel is placed at Rs. 70 lakhs, of which the share of wealth tax is said to be Rs. 17 lakhs. The corresponding figures for Indian Irons are Rs. 35 lakhs and Rs. 10 lakhs, for Bombay Dyeings Rs. 13.20 lakhs and Rs. 2.83 lakhs and for Dunlop Rubber Rs. 6.30 lakhs and Rs. 2.90 lakhs, respectively.

The profits of cement, steel and rubber goods industries are controlled by the Government with the help of the Tariff Commission. The latter has fixed the profits of these industries after going into their cost of production and the incidence of various imposts. Now that there has been a sizable increase in their production costs owing to factors beyond their control, their profit-margin may be well below the levels fixed by the Commission as being reasonable. They will, therefore, be justified in requesting the Government to order a fresh enquiry into their costs of production, as well as tax burdens, and to award an increase in their retention prices to compensate for the increase in their costs and the taxes payable by them. It is to be hoped that all the companies concerned will move in this matter without any avoidable delay.

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By a pure coincidence, on the day the *de jure* Bank rate in India was raised from 3½ to 4 per cent., Switzerland, too, put up its Bank rate from 1½ per cent. to 2½ per cent. This is the first change to be carried out by the Swiss National Bank in the last 21 years, since 26th November 1936, to be precise. The Bank stated that this step demonstrated its resolve to maintain the purchasing power of the Swiss franc. The economy, it added, is at present exposed to great tension, with exports, building activity, retail trade turnover, bank credits and employment all at record levels. Note circulation, too, has increased in recent months to a level never before reached in peace-time. The Swiss Government is also envisaging steps aimed at slowing down the boom trend. It will again reduce building orders for the current year and consider a reduction in the limits for Government export risk guarantees. The Government has appealed to cantons, municipalities and private enterprises to support its measures by more restraint on investments, price increases and wage demands.

It may be interesting to note, in this connection, that an important factor which enabled Switzerland to enjoy the fruits of an extremely cheap money for 21 long years was the large flow of capital from several parts of the world seeking refuge there. Although there has been very little change in the influx of refugee capital, the demand for money has gone up substantially, what with the issue of foreign loans, in addition to the causes mentioned above.

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No one can claim that the ghost of inflation has been laid in this country. In many parts of the world, inflation may have spent itself out, thanks to the rapid increase in production won through strenuous efforts. But, in India, which has set before itself high targets of industrial expansion and finds that resources are not large enough to match the magnitude of its ambitious plans, there is yet a very real danger of inflation. Obviously, a great deal of effort will be needed to hold it in check, even if it cannot be altogether eliminated. Some notable observations on the impact of inflation and heavy taxation on Indian economy were made by Mr. K. C. Mahindra, Chairman of Mahindra and Mahindra Ltd., in the course of his speech at the annual meeting of the Company, held this week in Bombay. He called attention to the inflationary pressures which had begun to weigh rather heavily on an economy. He, therefore, welcomed the Government's affirmation of the consideration that "sustained increased productivity and savings are the only true key to progress."

Mr. Mahindra rightly said that an important sphere of inflationary pressure which had not come within the broad sweep of Mr. Krishnamachari's measures was the positive influence of raising public expenditure. This is an aspect of anti-inflationary campaign that has suffered much from neglect. It seems somehow to be tacitly assumed that Governmental expenditure is inevitable and that those who call for economies in such expenditure are inveterate enemies of a Welfare State. The argument usually is that, in a Welfare State, public expenditure must necessarily grow and the taxpayer has to be prepared to pay for the services which the State renders. It seldom occurs to people to ask whether the high level of public expenditure is necessary or whether a large part of it is not wasted on the unproductive item of maintaining a far-flung and ever expanding bureaucracy. The fact is that a large level of public expenditure, which does not add to the productive capacity of the nation, is itself a powerful inflationary force. Again, as Mr. Mahindra pointed out, no amount of restraint on consumption or on credit would be of avail, if the magnitude and the pace of Governmental spending were not diminished. He added: "The volatile spenders, both State and Central, need to be kept in check under a strong leash, if the delicate balance of stability is to be achieved." Appropriately enough, he quoted the distinguished Governor of the Bank of England who stated not long ago that "the economic machine could not be driven with one foot on the accelerator of public expenditure and the other on the brake of credit restriction."

Criticising the "certain ambivalence" in economic thinking, to which the Finance Minister himself had often drawn attention, Mr. Mahindra averred that the increase in corporation taxes, compulsory deposits and tax on wealth are positive disincentives to capital formation. After citing the results of the survey conducted by the Indian Institute of Public Opinion, which showed that there was no significant rise in the rate of capital formation between the years 1952-53 and 1955-56, he went on to examine the impact of wealth tax on the economy. He contended that it was unrealistic to place heavy burdens on the source and instrument of capital formation. He added: "Assuming that a tax on wealth was demanded by the political judgment of the majority of the people and that wealth was being concentrated in a few hands, surely, tax on the assets of a productive instrument is not the best method of divesting individuals of a portion of their holdings, for you are thereby hurting the most the very organs which should stand four square in the battle for fighting inflation."

Clearly, whichever way the tax burdens are looked at, it seems difficult to escape the conclusion that they might affect adversely capital formation and thereby lead to a slowing down of activity in the private sector. In this connection, Mr. Mahindra called attention to the Finance Minister's observation that "these measures are not intended to curtail genuine investment in the private sector, though it could not be unreasonable to assume that a slight slowing down for a short period will not, in present circumstances, be undesirable." Mr. Mahindra was certainly not uncharitable to the Government when he commented: "If disincentives are really what are being aimed at, business men should frankly be told to go slow, but we should not be asked to accept the sort of Alice-in-Wonderland economy in which the more the Government spends and the higher the taxes went, the more would be left for investment and spending!"

It is a pity that the Government has not recognised that disincentives are the fuel to the inflationary fire which is now perhaps a mere flame but may well turn out to be something more sinister.

EQUITIES RULE STEADY

DOWNWARD TREND ARRESTED

(From Our Own Correspondents)

BOMBAY, 23*rd May*

THE share market ruled steady during the week under review. Though the trend was indecisive, a small recovery in prices was recorded on balance. This does not mean that the market got over the panic created by the Budget proposals and was stabilising itself at lower levels. On the other hand, there was a sense of frustration among investors and speculators alike and this was duly reflected in the telegraphic memoranda submitted by the Bombay Stock Exchange and the Committee of the Bombay Shareholders' Association on the tax proposals, particularly those on joint-stock companies.

The withdrawal of the increased import duty on kerosene and newsprint did not give rise to hopes of further concessions in tax proposals, as the chances of such a prospect were completely ruled out by the Finance Minister in a statement at a Press Conference held subsequently. The attitude of the Finance Minister in not giving in to representations gave rise to apprehensions. Fears about settlement difficulties by a leading operator of Calcutta also chilled enthusiasm. If, however, there was no further depression in prices during the week, it was due to the support given by the Life Insurance Corporation, which was said to have purchased some blue chips.

In the steel section, Tata Ordinaries reacted from Rs. 153.50 to Rs. 150.75, but recovered to close at Rs. 154. Tata Steels (New) shed on balance Re. 1.50 to Rs. 107.50. Indian Irons staged an improvement early in the week from Rs. 17.20 to Rs. 18.05. Subsequently, they receded to Rs. 17.40 and closed at Rs. 17.60.

The textile section displayed a slightly better tone. Bombay Dyeings improved from Rs. 509 to Rs. 522 before closing at Rs. 520. Centurys advanced from Rs. 406 to Rs. 413.50 before being placed at Rs. 396 *ex-div.* yesterday. After giving way to Rs. 391.50, they closed today at Rs. 395. Kohinoors were marked down from Rs. 305 to Rs. 292.50, but improved to Rs. 296. Central Indias shed Rs. 2 to Rs. 102. Finlays were better by a rupee at Rs. 266. Indore Malwas rose by Rs. 7 to Rs. 139. Shree Niwas were unchanged at Rs. 165. Simplex moved between Rs. 160.50 and Rs. 166 before finishing at Rs. 161.50. Standards lost Rs. 5 to Rs. 380. Svadeshis were done at Rs. 186 *ex-div.*, as against Rs. 203.50 *cum-div.* a week ago, and Tata Mills at Rs. 41.75 *ex-div.*, as against Rs. 45.50 *cum-div.*

The miscellaneous section disclosed small gains in select counters. In the sugar group, Belapurs rallied from Rs. 210 to Rs. 219, but shed a part of the gain when they closed at Rs. 217.50. Phaltan Sugars rose from Rs. 127 to Rs. 129.50 and Walchandnagar Industries from Rs. 239 to Rs. 245. Bhopals were done 35 nP higher at Rs. 18.25. Among cement shares, Associated Cements came up from Rs. 146 to Rs. 151.75 and closed at Rs. 151.50. A.C.C. coupons were, however, done Rs. 2 lower at Rs. 56. Digvijays were marked down by Rs. 8.25 to Rs. 137, despite the slight increase of 50 nP to Rs. 9 per share in the dividend for the year 1956. In the engineering and mining group, Alcocks advanced by Rs. 3.75 to Rs. 246.25. Tata Locomotives dropped from Rs. 144.50 to Rs. 139.50, but staged a come-back to Rs. 143. Premier Constructions shed Rs. 2 on balance to Rs. 142. Shivrajpurs improved by Re. 1.50 to Rs. 77.50. Indian Coppers looked up to Rs. 3.36.

In the shipping and automobile group, Scindias were erratic, moving between Rs. 17.55 and Rs. 16.90 and at the close they stood 10 nP higher at Rs. 17.30. Great Easterns gained 65 nP to Rs. 18.65. Premier Automobiles were Re. 1 lower at Rs. 87 and Hindustan Motors 35 nP lower at Rs. 6.65. Among miscellaneous industrials, Bombay Burmahs came up to Rs. 515 from last week's closing of Rs. 506, but finished lower at Rs. 513.50. National Rayons provided a feature with a rise of Rs. 10 to Rs. 213. Tata Chemicals stood 25 nP higher at Rs. 16.25 and Tata Oils 50 nP higher at Rs. 43. Wimcos were a shade better at Rs. 158.

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Calcutta Stock Exchange

CALCUTTA, 22*nd May*

The Calcutta Stock Exchange, in common with other share markets in the country, were in the doldrums during the week. The Budget, presented to Parliament on Wednesday last, envisaged to raise such a colossal sum of Rs. 77.85 crores in the rest of the current financial year from new taxes and/or changes in the existing taxation. Proposals for new taxes were not a surprise entirely, and the market had earlier anticipated new measures which might raise an additional sum of Rs. 50 crores a year. Incidentally, the Finance Minister had often indicated that every year he would aim at increasing revenues by Rs. 50 crores by new taxes and/or changes in taxes. With such a background, fresh proposals of the magnitude as announced shook the market from head to foot, and operators and investors demonstrated their complete lack of confidence in the future by almost staying away from the market.

Of the additional sum proposed to be raised for the Exchequer, a good portion is an increase in the direct burden on industry. The increase in the excise duty on various items in daily use by the community would lead to increased cost of living. On this score, employers entertained fears of labour unrest which, together with the increase in the direct burdens and the upward revision in the steel price, would contribute to higher costs of production. The tax on the wealth of companies would affect depreciation allowances. Market circles also thought that the expenditure tax would, in course of time, eliminate a section of the rich, whose contribution to share market activity was invaluable. The addition to the bonus share tax would lead to less interest in investments. Consumer resistance to higher prices, it was feared, would force industries to share the increased excise duty with the buying public. This would, in sum, reduce profitability. The increases in company's income-tax and corporate tax would also have a similar effect. All these thoughts were sufficient to keep away interest from the market. The increase in the Bank rate to 4 per cent. from 3½ per cent., although in the nature of things, also had its reaction on the market. As though all these deterrents were not sufficient, the Finance Minister added to the chillness when he subsequently declared that there was no possibility to his accepting any major changes in his taxation proposals.

It should be said, in fairness to Mr. T. T. Krishnamachari, that his surprises were fairly well distributed to all sections of the industry. Proposed changes to excise duty on tea would yield an additional sum of Rs. 2.45 crores. Inevitably, the price of tea would have to be put up. This would weaken the competitive strength of Indian tea in foreign markets. It was also believed that a decrease in internal consumption would result. These fears were reflected in the tea section. Hantaparas were forced down to Rs. 158 from Rs. 160 and Brooke Bonds declined to Rs. 16.81 from Rs. 18.00.

Little interest was envinced in the jute section. New Centrals were fractionally lower at Rs. 12. Anglo-Indias, at Rs. 136, were lower by three points.

Among engineering shares, Indian Irons slumped to a low of Rs. 16.21, as against the pre-budget rate of Rs. 19.57. There was a recovery on Monday this week to Rs. 17.96, but it was short-lived and a recession to Rs. 17.42 was recorded in yesterday's trading. Jessop & Cos. were quiet at Rs. 24.75, as were Texmacos at Rs. 17.35.

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Madras Stock Exchange

MADRAS, 21*st May*

The Madras Stock Exchange put on a distinctly bearish appearance during the week under review, thanks to the heavy tax imposts announced by the Union Finance Minister on Wednesday last. Although possibilities of fresh tax proposals were anticipated, no one had thought that they would be so harsh and rigorous. The imposition of tax on wealth and expenditure, the steep increase in direct and indirect levies, and the upward revision in railway freight and postal rates all sapped the morale of investors. There were fears that the additional tax imposts would lead to an all-round increase in wages, which, together with the reduction in the exemption limit for income-tax, would, it was felt, bring about a reduction in funds for stock market activities. It was further apprehended that the increase in income-tax on companies and corporation tax would adversely affect the financial position of several industries, while the enhancement of tax on bonus issue would retard schemes of expansion. Simultaneously with these tax proposals came the announcement of a rise in Bank rate. It was not surprising, therefore, that the market was in the grip of bears and equity values staged a retreat.

Textile shares came in for heavy selling. Bangalore Woollens dropped Rs. 5 to Rs. 168. Buckinghams fell by Rs. 4 to Rs. 168. Coimbatore Cottons slumped by Rs. 7 to Rs. 165. Dhanalakshmis slipped down by Rs. 5 to Rs. 340. Janardanas declined by Rs. 2 to Rs. 90 and Ranga Vilas by Re. 1.50 to Rs. 85.50.

Among tea shares in the planting section, Blue Mountains declined by 15 nP to Rs. 3.45. Chembras receded by 16 nP to Rs. 3.77. Devasholas were quoted 38 nP lower at Rs. 19.87. Highlands shed 25 nP to Rs. 14. Ouchterlonys and Nilgiri Teas lost 10 nP each to Rs. 4.80 and Rs. 8.75, respectively. Twyfords dropped 75 nP to Rs. 16.50. Peermades retreated by 50 nP to Rs. 25.25. Parksides declined by 40 nP to Rs. 15.60. Neelamalais decreased by 15 nP to Rs. 5.80. Waterfalls eased by 5 nP to Rs. 4.15. Among coffee shares, Consolidated Coffees receded by 27 nP to Rs. 22.10, and Coffee Lands by 25 nP to Rs. 25. Sheveroys were a shade lower at Rs. 2. In the rubber group, Rajagiris dropped 40 nP to Rs. 18. Malankaras declined by 25 nP to Rs. 28.75. Cochin Malabars shed 8 nP to Rs. 7.65.

NEW INDIA ASSURANCE CO., LTD.

The Directors of the New India Assurance Company, Ltd., have recommended a dividend of Rs. 3 per share of Rs. 15 for the year ended 31st December 1956, as against Rs. 2-8 per share paid for the previous two years.

NEW TAX PROPOSALS*

INTERESTS OF COMMON MAN IGNORED

By A. D. Shroff

ONE Finance Minister in the old days said that, if the monsoon was good, the Central budget came out successful. But if not, it went wrong. It was a gamble in rains. The Central budget presented last week is a gamble in planning. The whole basis and justification for the new and additional taxation proposals, which are revolutionary in character, are to be found in an attempt to implement the second Five-year Plan.

The Finance Minister has estimated a total deficit of about Rs. 33 crores on current account for the year 1957-58 and an overall deficit of Rs. 365 crores, including capital account. Considering the fact that, under planned development, some amount of deficit financing is unavoidable, I think there is some justification on the basis of sound budgeting that proposals for new taxation should have been evolved to cover the deficit on current account and this, in my judgment, could have been achieved without causing any serious shock to the general economy of the country.

Coming to the actual proposals which cover a range of indirect and direct taxation, the total incidence of the new and additional taxes proposed comes to Rs. 93 crores for the whole year, of which excise duties form a little over Rs. 63 crores. In the proposals for new taxes, the Finance Minister has enunciated four objectives: First, these taxes must produce a sizable addition to public revenues. Secondly, they should provide incentives for larger earnings and more savings. Thirdly, they must restrain consumption over a fairly wide field so as to keep in check domestic inflationary pressures and to release the resources for investments. Fourthly, they must initiate such changes in the tax structure as would make tax yields progressively more responsive to increased incomes and facilitate an orderly development of the economy, with due regard to the social objectives they have adopted. I propose to analyse the tax proposals with a view to seeing to what extent these objectives are fulfilled, conceding at once that the first objective of producing a sizable addition to revenues at least in the near future will be fulfilled. There is a wide range of both consumer and capital goods which have been covered by the proposals for increasing excise duties.

Tax on Consumer Goods

I shall first deal with consumer goods. Reading the budget, I have been impressed with the fact that, irrespective of all other considerations which particularly affect different rates in different commodities, the only objective the Finance Minister had before him in involving the new proposals was to collect as much as possible. For example, the increase in excise duties has no relevancy at all to the peculiar situation which is prevailing in the tea industry. Last year, we made a record export of tea, and knowledgeable people in the tea trade believe that, perhaps, it would be very difficult to maintain that record in the coming year. We exported last year as much as two-thirds of our production and every effort is being made to sell more tea in the domestic market. At a time like this when the tea trade faces the peculiar difficulty of marketing its crop, when the world situation in tea definitely indicates overproduction, when Indian tea is facing more effective competition from newcomers like East Africa, and when the tea trade is making special effort to augment indigenous consumption of tea, the excise duty on tea cannot but have negative effect on this effort and augment the difficulties of the tea trade.

Going through the list of excise duties, one is struck by the fact that the much-talked-about common man appears to have been completely forgotten in most of the new proposals. An increased excise on matches and sugar and the very onerous duties on cloth which are continued are bound to reflect in the cost of living of the average man with the income of Rs. 26 per month. It has been boastfully stated that the excise duties on cloth, which was substantially raised last year, have produced the necessary effect of checking a further rise in the price of cloth, and this very well illustrates the capacity of the average person in this country to buy the necessities of life beyond a certain price level.

(Continued on page 1076)

**Based on the speech delivered at a meeting held under the auspices of the Commerce Graduates' Association in Bombay on Wednesday this week.*

NEWS IN BRIEF

THE approximate amount to be spent for each of the 20 small Industrial Estates proposed to be set up at the Community Development block headquarters is Rs. 2 to Rs. 3 lakhs.

Consequent on the enhancement of the Central excise duty on coffee from 18.75 nP to 35 nP per pound, the minimum release prices of coffee from the pool have also been increased by a like amount.

The Government of India has increased uniformly the prices of various controlled categories of steel by Rs. 70 per ton. The increase has been necessitated by the upward revision in excise duty on steel ingots.

A proposal to set up a fourth ratings trainings establishment at Cochin is under consideration. Details regarding the number of trainees to be admitted at a time and the course of training to be given at the institution are being worked out.

The excise duty on cement has been increased from Rs. 5 to Rs. 20 per ton. In pursuance of this, the Government of India has increased, with immediate effect, the selling prices of cement of all types by an equal amount in each case. The Cement Control Order 1956 has been suitably amended.

The U.S. Agriculture Department has announced issuance of a public authorisation to India to buy 50,000 bales of U.S. upland cotton worth $8,666,000, including ocean transport costs. The sales contracts may be made during the period 24th May 1957-31st May 1958, with deliveries on 24th May 1957 and 31st July 1958. India has not yet designated buyers for the cotton.

Three German oil experts conducted preliminary geological investigations and collected fossils from Travancore coast, Madras coast, Tiruchirapalli and Godavari basin. The experts arrived in India towards the middle of January 1957 and visited different locations which are of interest from the point of view of all exploration. Their final report is awaited.

The all-India final estimate of *kharif* pulses other than *tur* for 1956-57 puts the current year's area and production at 16,166,000 acres and 1,664,000 tons as against the partially revised estimate of 15,567,000 acres and 1,632,000 tons, respectively, for 1955-56. This shows an increase of 599,000 acres or 3.8 per cent. in area and 32,000 tons or 2.0 per cent. in production over last year.

The World Bank, in participation with other investors, has made a loan of $15 million to the Financial Corporation for National Reconstruction (Herstel Bank) of the Netherlands. The loan will provide the Herstel Bank additional capital for lending industrial transport and commercial enterprises.

The work on the establishment of a cement factory at Ghorapatti in Eastern Doon will start shortly by a private firm which has been granted a licence by the Uttar Pradesh Government. The survey conducted in this area has revealed that the gypsum deposits are sufficient to produce 750 to 1,000 tons of cement per day for about 50 years. The belt of gypsum and limestone extends up to Mahipur in Saklana Patti of Tehri Garhwal district.

Five Indian firms have undertaken the manufacture of railway coach underframes, planned under the 1957-58 Purchase Programme. Global tenders were invited for the supply of these underframes, but, before placing orders with foreign suppliers, the Railway Board convened a meeting of indigenous firms. Five firms which offered to undertake the job have been asked to supply 500 broad-gauge, 791 metre-gauge and 60 narrow-gauge bogie underframes.

With a view to regulating the supply of chemical fertilisers of prescribed standard to cultivators at fair prices, the Government of India has promulgated the Fertilisers (Control) Order, 1957. The order which came into force on the 15th inst. empowers the Government to fix the maximum prices or rates at which any fertiliser may be sold by a manufacturer or a dealer in a particular area and for a special class of consumers, having regard to the local conditions and other circumstances prevalent in that area.

The Government of India has approved of the establishment of a Central Institute of Management or a Central Management Organisation. The proposed organisation will be a joint and co-operative enterprise of the Government of India and commerce and industry of the country. For enlisting the co-operation of industry and commerce in the enterprise, it is proposed to hold discussions as soon as possible with the regional management organisations formed by the representatives of commerce and industry in the different parts of the country.

The review of the progress so far made with regard to the construction of the Bombay-Kanya Kumari Road as given by Mr. Raj Bahadur, Minister for Shipping, in the Lok Sabha the other day, reveals that nine miles have been constructed and five miles along a by-pass are under construction. The mileage improved is 79 and that under improvement is 284. Ten bridges have been constructed and 15 are under construction. Work on the bridge at Kariyan Kodi was suspended for some time for revising the design of the bridge so as to overcome some foundation difficulties which have come to light during execution. The work has since been resumed.

There was a fivefold increase in the purchases of *khadi* by the Indian railways during 1955-56 as compared with the previous year. The railways purchased *khadi* cloth worth about Rs. 34.5 lakhs, as against Rs. 6.95 lakhs. Following instructions issued by the Railway Board in 1954, the railways have been trying to obtain *khadi* substitutes for as large a variety of mill-made items as possible. The Railway Board recently decided that, in future, mill-made cloth at present being used should be substituted by suitable *pugree* cloth made of *khadi*. The current requirements of this type of cloth are estimated at 800,000 to 900,000 yards per year, estimated to cost between Rs. 10 lakhs and Rs. 12 lakhs per annum.

The State Governments are taking all possible steps to extend supply of electricity in rural areas and small towns all over the country, according to the Union Minister for Irrigation and Power. In accordance with the provision under the second Five-year Plan, a total amount of Rs. 75 crores has been earmarked for schemes for distribution of electricity. The bulk of these schemes relates to electricity supply in rural and small town areas. It is expected that, in the Plan period, about 10,000 new villages having a population of less than 10,000 and about 500 small towns with a population between 10,000 and 20,000 will be electrified. During the first year of the Plan, about 2,179 areas were electrified.

For the development of wool industry in the districts of Almora, Naini Tal, Garhwal and Tehri in Uttar Pradesh, the Industries Department has taken several measures. Training-*cum*-production centres have been functioning at hill district headquarters under expert supervision. These centres impart training to the unemployed, thereby enabling them to earn or supplement their livelihood through the introduction of improved appliances, new designs and standardisation of wool. The Industries Department proposes to establish a design museum which will not only be a collection of various textile designs but also serve as a central pool of ideas —old and new textile designs. The Department has also decided to expand the activities of the wool research stations during the second Plan period. The State Government sanctioned Rs. 2,18,900 for the expansion of the hill wool scheme last year.

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From Abroad

Following the reopening of the Suez Canal to British tankers, the emergency surcharge on petrol prices has been removed by some oil companies.

With a net addition of two vessels and a tonnage increase of 34,930 gross tons, the Swedish merchant navy exceeded in April the figure of three million gross tons.

The suggestion for subsidising newsprint in order to offset the "threat" to the stability and existence of newspapers in Britain has been rejected as undesirable by the U.K. Government.

Talks are in progress between West German banks and the Federal Association of German Industries to raise £30 million to £40 million special fund for the long-term financing of exports.

The Egyptian Government has raised the export duty on Karnak and Menoufi cotton from 8.25 to 12.25 tallaris per cantar and that on other varieties from 2.15 to 6.15 tallaris per cantar with effect from 1st September 1957.

A Swedish goodwill drive in the United States, aimed at stimulating Swedish exports to the U.S., furthering American tourism in Sweden and strengthening the cultural ties between the two countries, is to be planned by a four-man committee appointed by the Swedish Minister of Trade.

The Federal Government of Rhodesia and Nyasaland has approved of a ten-year agreement with the British Overseas Airways Corporation, under which the latter will provide long-range aircraft on charter terms for operating the Central African Airways Corporation services between the Federation and the U.K.

The area sown to wheat in Australia in the 1956-57 season is estimated at 7.79 million acres, according to the Commonwealth Bureau of Census and Statistics. The harvest is estimated at 134.7 million bushels, an average of 17.3 bushels per acre. The estimates exceed the December forecast by 5,000 acres and 8.1 million bushels.

The U.S. Tariff Commission has ruled that there is no reason to change the present U.S. tariff on imported jute fabrics, as they are not being imported into the U.S. in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The quarterly estimate of the Dominion Bureau of Statistics, Ottawa, puts Canada's population as on 1st March last at 16,420,000. This is an increase of 112,000 from the previous quarterly estimate of 16,308,000 on 1st December last year and compares with a gain of 79,000 for the corresponding quarter of 1955-56.

The British Government is not prepared to consider provision of funds for Commonwealth investment at a lower rate of interest than that prevailing at present in the U.K., according to Mr. Enoch Powell, Financial Secretary to the Treasury. The Government feels that grant of loans at lower rates will involve a direct or indirect subsidy.

PERSONAL

MR. Russi Mody has been appointed Deputy Agent of the Tata Iron and Steel Co., Ltd., and will be in charge of the Agents' office in Calcutta.

Mr. Kenneth Miller, who is at present serving on the Calcutta staff of the British India (B.I.) shipping line, has been appointed Commodore Chief Engineer Officer of the B.I. fleet.

Mr. Ellsworth Bunker, U.S. Ambassador in India, left New Delhi on Friday last for the U.S.A. He will confer with U.S. Government officials during his week's stay in Washington and will return to Delhi early in June.

Prof. M. S. Thacker has been appointed Secretary, Department of Scientific Research and Technical Education, Ministry of Education and Scientific Research, Government of India, in addition to his duties as Director, Council of Scientific and Industrial Research.

Mr. R. S. Bhatt, Managing Director of the Bombay State Financial Corporation, has been appointed a member of the Tariff Commission, in the vacancy caused by Mr. B. N. Adarkar's appointment as India's Executive Director of the International Monetary Fund.

"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 28*th May*

The Jute Trade

In common with almost every other industry the jute trade is, as everyone knows, passing through a serious crisis of intense depression. There has, during the past 18 months, been no outstanding feature in the manufacturing side of the industry in Bengal, in which jute is a monopoly. In spite of the curtailment of output by the closing down of 15 per cent. of looms and the continuance of working 40 hours per week only and a substantial reduction at the end of the past year in the stock of manufactured goods, there has been little response from consuming countries. A short crop of the raw commodity last year did not bring in any improvement in price and the outlook is particularly gloomy at present in view of dissensions within the industry itself. While the members of the Jute Mills Association, comprising the majority of the mills, are abiding by their decision of closing down 15 per cent. of their looms and working 40 hours every week, mills outside of the Association—their number is three only—are working 108 hours with the full employment of their looms. Negotiations had been proceeding between the belligerents for several weeks past with little result, until week before last, when His Excellency the Governor of Bengal was impelled, by urgent representations made to him by certain commercial interests, to intervene. His Excellency invited the parties concerned together with representatives of certain important commercial organisations to a free and frank discussion at Government House in his immediate presence. The result of this conference was a compromise which has not yet been ratified by the parties to the controversy.

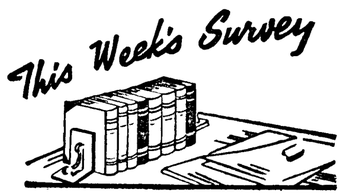
Pakistan's Finance Minister is expected to leave for Washington shortly to negotiate with the U.S. Government officials further economic aid for Pakistan in the next financial year commencing on 1st July. He is also expected to finalise a deal for the supply of three million tons of foodgrains by the U.S.A., to be delivered at the rate of one million tons a year in the next three years.

The output of tinplate in the U.K. is rising sharply and the total production this year is expected to be higher by over 20 per cent., as compared with 1956. Exports in the first quarter of 1956 increased by 30 per cent., although domestic demand for tinplate increased less than had been expected. If these rates were to continue, the total exports are expected to reach 400,000 tons this year.

The Australian Government has extended the licensing period for imports from three to four months with effect from 1st April 1957. It has considered the question of lengthening the period by a further two months. It, however, considers that such an extension is not feasible at this stage, for it feels that, by minimising the periodic flexibility in administration, it will be impossible to keep commitments and licences within the precise limits which the Cabinet considers necessary.

The U.S. programme for bartering agricultural surpluses for non-ferrous metals and other strategic materials from abroad is going to be resumed, but on a restricted scale. This is indicated by the Department of Agriculture which is carrying out a revision of the programme designed to ensure that it really increases exports. The Department wants to provide safeguards that disposal will not take the place of commercial sales of U.S. agricultural commodities.

The International Federation of Cotton and Allied Textile Industries has been granted consultative status with the Economic and Social Council of the United Nations. Through this relationship, permanent liaison and consultation is arranged between the Council and its subordinate bodies and the Federation regarding international economic affairs which are of interest to the cotton and allied textile industries.



LIFE INSURANCE

PRIOR to 1956, when nationalisation of life insurance was effected, one of the grounds on which private insurers used to oppose nationalisation of their business was that they had succeeded largely in stepping up the new business from year to year. Indeed, their argument was, by and large, correct, for from a mere Rs. 168 crores in 1953, new business moved up to Rs. 247 crores in the following year and still further to Rs. 268 crores in 1955. If this trend had not been interrupted life insurance business may well have expanded to some Rs. 290-300 crores last year. But new life business in 1956 under the nationalised set-up was not only lower than what it might have been but also lower than what it actually was in the previous year. Thus, such business in 1956 was only Rs. 200 crores.

In the course of a statement on the position of life insurance business in India, laid on the table of the Lok Sabha, last week, the Deputy Minister for Finance, Mr. B. R. Bhagat, gave some reasons to explain the fall of life business in 1956. He stated that, between January and August last year, when life insurance companies were under the management of custodians, life business aggregated Rs. 145.51 crores, somewhat higher than in the corresponding period of 1955. It would, however, appear that between September 1956, when the Corporation had taken charge of life insurance, and December of that year, new life business aggregated only Rs. 54.76 crores. The Minister attributed this fall to the dislocation caused by the changes of staff and other measures necessitated by the alteration in the set-up of life insurance. Further, he averred, in effect, that any comparison of the 1956 figures with the previous year's figures was not valid, inasmuch as certain favourable factors which operated in 1954 and 1955 were not present in 1956. Thus, there was a rush for estate duty policies which accounted for Rs. 7½ crores in each of the years 1954 and 1955. Further, there was a reduction in premium rates in 1954 which gave a stimulus for replacement of old policies by the new, accounting for some Rs. 36 crores in each of the years 1954 and 1955. Again, staff insurance schemes at favourable rates were introduced in 1954—it was prohibited some time in 1955—and produced Rs. 10 crores worth of new business in 1954 and Rs. 18 crores in 1955.

All this explanation does not entirely explain the fall in life business in 1956. For one thing, the performance in 1956 should not be compared with that in 1955 but with what it might reasonably have been in that year on the basis of recent trends in life insurance. Secondly, even if allowance were made for the favourable factors prevalent in 1955 and absent in 1956, the overall new life business is low. Thirdly, if it is argued that the reduction in premium rates effected in 1954 led to some spurious new business in that year and in the following year, too, it might also be argued that the general one-rupee reduction in premium rates announced soon after the nationalisation of life insurance might have resulted in similar business.

Be that as it may, it is not necessary to look for, or give a far-fetched and intricate explanation for the fall in 1956 new business. The plain fact is that nationalisation gave such a rude shock to insurance men that there was inevitably some decline in new business activity. It is, however, gratifying to note that efforts are now being made to cost the insurance net wider, in order to draw additional groups of uninsured population within the net. The group insurance scheme, the superannuation plans and the Janata policy are all measures conceived in the right direction. The relaxation of restrictions on assurances of female lives and of army and navy personnel is also a well conceived measure. The raising of the tax-free limit for life insurance premia and contributions to provident fund from one-fifth to one-fourth of the income, subject to a maximum of Rs. 8 000, is also designed to make the task of the Life Insurance Corporation in getting new business easier. It is to be hoped that all these steps will lead to a significant increase in the new life business of the Corporation, though there will continue to be honest differences of opinion on the purely academic question whether insurance would not have progressed better under the auspices of private insurers.

TEXTILE INDUSTRY

The outlook for cotton textile industry is tending to become somewhat bleak. Among the many handicaps with which the industry is faced, the burden of taxation is perhaps the heaviest. Appropriately enough, it was to this aspect of the industry's plight that Mr. N. H. Tata referred when he spoke as the Chairman of the Swadeshi Mills Company, Ltd., at the annual meeting of the Company held at Bombay this week. Anyone who has cared to observe the trends in India's textile trade in the past decade will fully agree with Mr. Tata when he declares that the textile industry is reeling under the impact of heavy and crushing burden of excise duty, increase in employers' contribution to State Insurance Scheme, award of gratuity to workers, higher interest charges and a formidable list of other burdens. Indeed, the industry has today turned out to be a high-cost, over-taxed industry.

When such is the position, it is deplorable that the Union Finance Minister has now come forward with compulsory deposits and fresh tax proposals—levy of an annual tax on wealth, substantial increase in corporation tax and tax on bonus shares. These measures are bound to affect the cotton industry most adversely. In particular, the mills will have to bear the wealth tax irrespective of whether they earn a profit or not, and even a new unit will have to pay the tax before it earns any profit. As Mr. Tata averred, at a time when financing of industrial enterprises is already a nightmare for the managing agents, the climate created for industrialists in the private sector can hardly be said to be in keeping with the reassuring statements repeatedly made by the national leaders in support of the growth and development of non-Governmental enterprises. There is certainly no exaggeration whatever in his statement that a stage will soon be reached when the law of diminishing returns is bound to operate, and, then, "it would be slaughter of the proverbial goose that laid the golden egg."

As it is, quite a few textile mills have suspended manufacturing activity, thanks to the fact that they have found it uneconomic to engage themselves in production. It is true that concern is expressed in official circles over the closure of mills but this concern is purely over the unemployment of labour involved. Surely, it will, as Mr. Tata rightly observed, be an interesting and thought-provoking investigation for the Government to find out how far such units are unfortunate victims of an economic crisis caused by sudden dislocations in cloth and money markets. Significantly enough, he remarked:

"After all, it would be sheer folly on the part of any manufacturing unit today, with burdens of heavy standing charges in the form of heavy interest charges, insurance and salaries, to seek relief through the expedient of a closure, involving under our labour laws staggering statutory liabilities in the shape of retrenchment compensation or benefits for involuntary unemployment of its labour force. Consequently, it is as much suicide for the employer as calamity for the worker. To ignore the plight of the industrialist and the vast body of investors while searching for relief measures for the unemployed worker is to underestimate and ignore the operation of certain economic forces responsible for the closure of such units."

There is considerable force in these observations of Mr. Tata, as also in his statement that much damage would be done to cotton industry and to the national economy by hurriedly conceived actions, ill-timed and executed without taking the industry into confidence. "An abrupt announcement of executive decisions without prior consultations," to quote him, "has a tendency to make Government remedial measures worse than the disease they intend to cure. Far from achieving this objective, such measures hurt the economy of the country in an endeavour to punish the alleged offenders." These measures may be necessary in exceptional circumstances, but they are highly unjustified so far as the textile industry is concerned. Considering that this industry is well organised, represented by a number of millowners' associations in several States, the Government, as Mr. Tata aptly urged, can readily establish an effective machinery for communication and consultation without impairing the effectiveness of impending legislation.



NEYVELI LIGNITE PROJECT

The inauguration of the earth-moving operations of the first mine cut of lignite reserve at Neyveli, in South Arcot, this week by the Prime Minister, represented a major step in the speedy economic development of South India. The function marked the completion of the exploration stage of the project and the initiation of the first important move for the extraction of lignite for use in power production. The Neyveli project is not a source of power alone; for it is a multi-purpose one, intended to harness the lignite reserves for providing much needed electricity for industrial development in the South, for manufacture of fertilisers in the interests of agricultural development and for production of briquettes for use as domestic and industrial fuel.

The acute shortage of fuel in South India has been retarding the development of industry and agriculture in that part of the country. It is common knowledge that the existing power supply is got from hydro-electric grid and the monsoon often plays the truant, with the result that power shortages are common and have a deleterious effect on industrial production, particularly the output of such essential commodities as cement and cloth. Further, agriculturists do not get the power supply at a time when they need it most. The power that is to be generated from the thermal plant to be set up at the site of the lignite project will be fed into the Madras hydro-electric grid.

The first serious step taken towards solving this acute problem was in 1947, when a special officer was deputed to investigate the lignite deposits in and around Neyveli. The work done during the subsequent ten years culminating in the inauguration of the earth-moving operations of the first mine cut this week provides an example of how much can be done by a determined few. The multi-purpose project, estimated to cost Rs. 68.9 crores, was given a high degree of priority in view of the acute shortage of fuel in South India. The total estimated reserve of lignite in the area is 2,000 million tons. However, only an area with a reserve of 200 million tons has been selected for exploitation under the project. This will suffice a mine life of about 57 years at an average mine output of 3.5 million tons per annum. Investigations have revealed that about 2½ tons of raw lignite are equivalent in thermal value to a ton of good coal, the former has moisture content of 50 per cent. and an ash content of 3 per cent. The annual output of 3.5 million tons of lignite will, therefore, be equivalent to a little over 1.25 million tons of good coal. It is proposed to make the most economic utilisation of this lignite by using it as fuel in boilers close to the mine itself and thereby generate electric power. The installed capacity of the thermal station, consisting of two units, will be about 200,000 kw. and its cost is estimated at Rs. 20 crores. The first of the two units is expected to be commissioned by the middle of 1960 and the second by the end of that year.

The second aspect of the multi-purpose project is the production of nitrogenous fertilisers which would help step up agricultural production. The cost of fertiliser plant, capable of producing 70,000 tons per annum, is estimated at Rs. 21 crores. It is expected to go into production by the end of 1960, the time by which lignite mining in commercial quantities is scheduled to start. The fertiliser factory will add to the manurial resources of the area.

The balance of lignite, after meeting the requirements of the power house and fertiliser plant, will be utilised for producing briquettes, which will be the third aspect of the project. It is proposed to set up a plant for the production of 714,000 tons of raw lignite briquettes, which, on carbonaton, will yield 380,000 tons of carbonised briquettes and by-products. Under the aid from T.C.M., a pilot plant for the briquetting and carbonising equipment is expected to be received and erected by the end of October this year. The operation of the plant, estimated to cost Rs. 10 crores, on a commercial scale is expected to commence by about October 1961. The carbonised briquettes will serve to replace the very expensive charcoal and the very valuable cow-dung. It is a smokeless fuel and is ideal for domestic use. This will release the large quantity of cow-dung now burnt as fuel for use as a valuable manure. The briquettes can also be used as a substitute for coal which has to be transported over long distances at great expense, thus providing relief to the railway transport system.

The task of mining, which is by no means an easy one, is being rendered more difficult by the presence of artesian springs. A prerequisite to the mining operations is the ground water control at a pumpage of 27,000 to 28,000 gallons per minute. The mining is also in the nature of a large-scale open-cast operation which has not been attempted in India before. It was, therefore, decided to engage the services of expert consultants and an agreement was signed two weeks ago with a London firm for expert consultancy services in respect of the mining scheme.

There are other possibilities of the use of lignite. Several industries can be based on lignite, utilising the experience of other countries in the field. In short, the lignite project opens up an era of development and prosperity for the South. It must, however, be noted that the prospect depends on so many other factors, particularly the provision of adequate transport facilities.

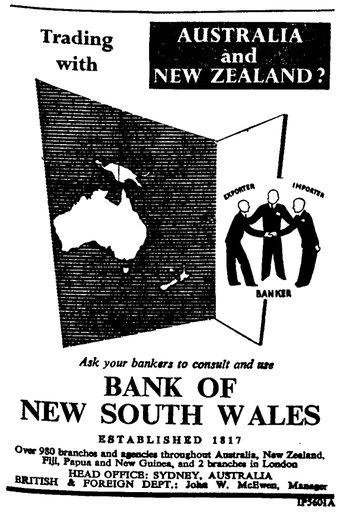
BAGHDAD PACT ECONOMIC COMMITTEE

After deliberating for three days, the six-nation Baghdad Pact Economic Committee concluded its third session at Karachi on Saturday last. The highlight of the session was the offer of large-scale economic assistance by the U.K. and the U.S. to the other members of the Pact—Pakistan, Persia, Iraq and Turkey. The British delegate announced a fourfold increase in aid for technical assistance, the sum already earmarked being £1 million, to be spent over five years. This is in addition to the grant of a lump sum of £1 million for the improvement of communications in the Baghdad Pact area. The leader of the U.S. delegation conveyed his Government's intention to commit $12.57 million for services and capital development phases of several regional projects stemming from the Pact. On behalf of Pakistan, the Prime Minister announced a contribution of Rs. 5 lakhs to render technical assistance to other partners, besides offering training facilities and expert services.

The Karachi session was notable for the adoption of a number of resolutions aimed at greater economic co-operation and collaboration among the member-countries, special stress being laid on the need for bringing atomic energy training to the area, improving communications, widening agricultural co-operation and expanding trade relations. The Committee decided to set up at Baghdad an atomic training centre, with its non-recurring expenditure to be met by Britain and the recurring expenditure by the four West Asian members. In its resolution on agricultural planning and food reserves, the Committee provided for a working paper to be issued on the possibility of establishing fertiliser factories and approved of a plan, whereby consultants would investigate the possibilities of opennig study centres for agricultural machinery and water and soil conservation. The other resolutions covered pest control, animal diseases and institution of research fellowships in Britain and the U.S.

Incidentally, the Committee constituted a Working Party to examine proposals for establishing a Pact Energy Service to provide relief in such disasters as floods and drought. It also decided to examine, on a priority basis, a project for the building of a coastal highway along the Persian Gulf to link Karachi with Basra via Bandar Abbas and another for providing a rail link between Karachi and Teheran. The Baghdad Pact Secretariat is expected to arrange shortly a preliminary survey work on the projects which, it is understood, will be implemented with U.S. financial assistance. Further, the Committee recommended priority for a network of land and tele-communications, linking the capitals of the Pact regions.

While the desire of the Baghdad Pact countries to improve their economies thus is to be appreciated, serious doubts will arise as to whether the desire will, in fact, be fulfilled fully especially as the Baghdad Pact is essentially a military alliance. Surely, the functioning of separate economic blocs under military pacts must be deplored, inasmuch as they are incongruous in the present context of the need for thinking in terms of international economic co-operation.



CEMENT AND STEEL

Commending the increases in excise duties in general to the acceptance of Parliament, the Union Finance Minister, Mr. T. T. Krishnamachari, said they were conceived with the double objective of restraining consumption and of giving a fillip to exports. The increase in excise duties on cement and steel cannot be wholly justified on this ground, for they are not export commodities, though it might restrain their consumption to a considerable extent. The excise duty on cement has been raised from Rs. 5 per ton to Rs. 20 per ton, and that on steel from Rs. 4 per ton to Rs. 40 per ton; the former is estimated to yield Rs. 6.7 crores and the latter Rs. 5.7 crores. The Finance Minister himself admitted that the increases were "large" but he justified them by affirming that they were warranted by the rapid increase in the demand for the two commodities and the "situation of growing shortage and the consequent increase in retail prices which we are facing." The incidence of the duty has already been passed on to consumers. Thus, the price of cement has been increased by Rs. 15 per ton and that of all controlled categories of steel by Rs. 70 uniformly.

It is not clear what the Finance Minister meant when he said that the Government faced an "increase in retail prices." Presumably, he was referring to the prices which steel and cement fetch in the black market. But the blame for this state of affairs must rest with the control authorities. In any case, the remedy does not lie in increasing the excise duty on the commodities. If the demand for the commodities has outstripped supply, the right remedy is to augment supplies through imports, in the short run, and vigorous efforts at increasing production, in the long run. Since imports are not feasible owing to shortage of foreign exchange, the only choice left is to adjust the demand to the available supply by a rearrangement of priorities. In the recent past, the Government was not demonstrably successful in the matter of augmenting supplies of cement through imports, though it achieved relatively greater success in respect of steel imports. The State Trading Corporation was entrusted with the task of importing cement to the tune of one million tons. Actual imports were, however, a mere 90,000 tons. This fact makes the present increase in excise duty particularly irksome. For, it may be recalled, the price of cement was stepped up in order to create a pool price for both domestic and imported cement. The cost of Indian cement (including packaging and transport) works out to about Rs. 90 per ton, whereas imported cement cost Rs. 140 per ton; the pool price was fixed at Rs. 102-8 per ton, so that imports could be subsidised by domestic production. Thus, while the pool price was pegged at an artificially high level, the imports of cement, which provided the only justification for the high pool price, have been a mere trickle. In effect, this means that, while the consumer has not benefited through large supplies, the Corporation reaps the rich harvest of increased cement prices. When imports could not be had, what should normally have been done was to lower the pool price. Not only has this not been done but the price to the consumer has been enhanced to the full extent of the increase in excise duty.

There are quite a few other important issues involved in the raising of excise duty on steel and cement. Assuming that the demand for these commodities far exceeds the supply, why should the Government not tighten up the control regulations and rearrange the priority list for cement and steel permits, rather than increase the excise duty? This would mean that the essential consumers enjoying a high priority under the Plan will get their quota of cement and steel at reasonable prices, while the overall consumption level would be curbed. It stands to reason that the cost of basic raw materials should be kept as low as possible so that the competitive capacity of industries might not be handicapped and the cost of production of their finished goods would not be unduly inflated. Again, so far as cement is concerned, there is obviously no justification for both a high pool price and an increased excise duty.

The first consignment of 900 tons of oil-drilling equipment ordered by the Government of India from the Soviet Union arrived in Bombay on the 18th inst. This is part of the agreement signed recently between India and the U.S.S.R., under which the Soviet Government will supply accessory oil-drilling equipment worth about Rs. 37.24 lakhs within six months. The freighter also carried 5,000 tons of steel for India. Its arrival marks the resumption of the direct shipping services between the Soviet Black Sea ports and India which were suspended during the Suez crisis.

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L. G. MARATHE *Bombay Branch Agent.*
C. V. JOAG *Manager.*

SOME IMPRESSIONS OF THE BUDGET

WHY IS T.T.K. SWEARING BY THE SECOND PLAN?

From Our Own Correspondent

NEW DELHI, 21*st May*

DELHI LETTER

PRIME Minister Nehru's choice of a strong man for the Finance portfolio was vindicated on Wednesday last, when Mr. T. T. Krishnamachari grimly presented to a crowded Lok Sabha his regular Budget for 1957-58. The new members of Parliament, representatives of the Press and a considerable section of the business community alike were completely taken by surprise (or storm?). Some of the Congress members themselves were unable to appreciate the need for a series of draconian measures of additional taxation, and one of them naturally felt dizzy, while another felt relieved that there was no tax on intelligence. Perhaps, the bitterest comment came from a former Congressman, Mr. Shibbanlal Saksena, of Uttar Pradesh, who said: "If they had brought this budget a few months earlier, they would not have been here back in power." As for the Delhi Press, in particular, and the Indian Press, in general, their representatives (who had not been given an opportunity to say that the drastic budget proposals were not unexpected) mustered strong at a Press Conference convened by the Finance Minister on Saturday last. That Mr. Krishnamachari was subjected to a barrage of questions for an hour and a half was a measure of the consternation and anxiety of the Fourth Estate which is one of the foremost watch-dogs of public weal in a parliamentary democracy. But the reactions of the business community had not clearly emerged last week-end. Anything like a lead to Indian business would be given by the Committee of the Federation of Indian Chambers of Commerce and Industry before this week-end.

In point of importance, the Finance Minister's Press Conference was next only to his budget presentation. Throughout the conference, Mr. Krishnamachari gave extempore replies some of which were not wholly convincing but some of which were revealing. These latter replies merit critical examination, if only because they provide some clue to the Finance Minister's plans for implementing the second Five-year Plan. At the outset, the question of excise duties possibly adding to the general cost of living figured prominently at the conference, and the Finance Minister asserted that their effect on the common man would be very marginal and the traders' present margin of profit would absorb much of the increase. It was his—or rather his Ministry's—estimate that last year's additional taxation would raise the family budget of a rural dweller by 1.62 per cent. and that of an urban dweller by 3 per cent. As a result of the proposals made by him now, they would go up to 2.34 per cent. and 4.38 per cent., respectively. He, however, cautioned, in the same breath, that these figures were statistical exercises, and thus he did not appear to attach much credence to them, possibly because they did not reveal the full extent of the impact on large sections of the people whose annual *per capita* incomes are less than the national average. While he conceded that the initial price increases might be disproportionate to the new excise levies, he foresaw the possibility of their coming down in the wake of Government publicity of "fair" prices, as in the case of the last cloth excise levy. (Incidentally, it has been estimated that the burden of this levy is being borne 50-50 by the textile industry and the consumer.)

Here, the Finance Minister appeared to imply that a certain amount of consumer resistance (usually operating in respect of cloth purchases which could be easily postponed up to a point) would also operate in the case of even the more vital necessities of the kitchen like matches, vegetable oils, tea, coffee and sugar (which, of course, can be substituted by *gur* to some extent). This assumption would simply not materialise, for the simple reason that their purchases cannot be postponed in point of time or easily curtailed, except, to some extent, in the case of sugar. As effective demand (demand backed by purchasing power) would not, in the circumstances, fall appreciably and as the retail prices alone (which usually rise out of all proportion to the commodity tax-levies) matter as far as the ordinary consumer is concerned, there is here no question of mopping up "surplus" purchasing power in his hands but only of committing a larger portion of his relatively limited purchasing power to these essential items of daily consumption, the demand for which is patently inelastic. The inevitable result would be that less cloth and, perhaps, less sugar would be purchased, and this would, sooner or later, arrest the expansion or restrict the production of textile and sugar industries. This situation might only be aggravated by possible higher prices for essential bus and lorry transport services and for tobacco (which is a vital necessity to all those who are habituated to its use in one form or another), following the additional excise levies on motor spirit, diesel oil and unmanufactured tobacco. As all the additional excise levies would net in something like Rs. 60 crores, besides Rs. 14 crores from the tax on essential railway travel, in a full year, and as the larger part of this huge amount of about Rs. 75 crores would come out of the relatively modest incomes of the middle classes and the classes lower still, either their consumption of cloth and sugar would be reduced to that extent or, if by any chance their consumption should continue to be at the same level as now, even the meagre savings of these classes would become impossible, and this would mean less money for the Government itself from the small savings and life insurance drives.

Mr. Krishnamachari is too shrewd not to have known these implications, for he was certainly more frank in his budget speech than at the Press Conference. Here one has only to recall his reference to the "objective of restraining consumption" while outlining his proposals for the new excise levies. If still he rediculed the idea of "inflation" and described it as a loose expression at the Press Conference, he could not have seriously meant what he said. For here was a clear case of price inflation which would have the effect of restraining consumption in some important lines and thus of restricting the production of such universally consumed goods as cloth and sugar at a time when their increased production alone could counter the inflationary pressures. The Finance Ministry certainly appears to welcome price inflation, because it is a stealthy way of promoting heavy industries at the expense of light or consumer goods industries. Its resolution of the conflict between the two sets of industries through commodity taxation and price inflation provides, incidentally, a clue to what Mr. Krishnamachari has in mind with regard to the second Plan, which has run up against difficulties of a kind not foreseen by the planners. Your correspondent left the Press Conference with some clear impressions which are put down below for what they are worth.

The first impression is that the Finance Ministry is anxious to convey to the World Bank and to friendly foreign countries that it has done its best (or worst?) in the matter of tapping internal resources and of subjecting every class of the population to a regime of austerity and that it is their duty now to do their part in the matter of providing the required foreign exchange for the Plan's core which is steel, coal, transport and ancillary power and which has the highest priority.

The second impression is that, as deficit financing is to be restricted to a maximum of Rs. 800-900 crores in the second Plan period, more taxation is contemplated in the next one or two years more or less on the lines of the Kaldor Report. This impression is borne out by the fact that the Finance Minister has already taken three major leaves out of Dr. Kaldor's book in respect of capital gains, wealth and expenditure taxes.

The third impression is that Mr. Krishnamachari is publicly swearing by the present size of the second Plan only in deference to the psycho-political sensibilities of Prime Minister Nehru and the Congress President Dhebar but that he is determined, in his own quiet and unobstrusive way, to rephase the Plan by reordering priorities in respect of schemes and projects outside the "core" of the Plan. That this could be done by allowing a shortfall in actual expenditure to take place in the budget year (besides the pruning to the tune of about Rs. 300 crores to Rs. 400 crores, he had effected, according to his own admission at the Press Conference, in the expenditure items of the departments before finalising the budget), was indirectly evident from some of his replies. Mr. Krishnamachari, who set so much store by his steel projects, was thus coming out as the 'steel' (strong) man of the Cabinet for pruning the Plan to a more realistic and manageable size. The second Plan's future is no longer in the hands of the Planning Commission; it is in the hands of the Finance Minister.

MR. KRISHNAMACHARI SEEN FROM THE CITY

From Our Own Correspondent

LONDON, 18*th May*

LONDON LETTER

INDIA'S budget has created much more than the usual interest in London this year. First, because it is an interesting budget in itself, and, secondly because of its relationship to the requirements of India for overseas capital. Of course, the two aspects are related: the Minister of Finance obviously wishes to attract capital to India from this country and other sources. The chosen method appears to be that of obtaining increased credit facilities and the potential lenders, knowing that their credits are going into the Five-year Plan, weigh up the prospects of that Plan.

India will not be at all surprised to find that it will be easier to get credit if the Plan is extended in time so that less investment is looked for in each year. This is the result of the scepticism of the Western world towards the potentialities of capital development east of the Elbe and east of Suez! Says the West, "Steady unspectacular progress is sound progress" and it is probably true that, if the Five-year Plan were publicly announced to be spread over a longer period, India's prospects of obtaining increased overseas credits would be improved. But the City is not so naive as not to see the obvious political difficulties in such a course of action, even if the Minister of Finance should really wish to take it—about which the City can only surmise.

So the practical view taken here is: if India wants more capital and if the proposed investment of this capital looks, on the face of it, sound, then what is India doing to make investment more attractive?

As the City sees it, Mr. Krishnamachari has appeared to take some inspiration from Mr. Thorneycroft who produced his budget a month ago. Both wanted to increase incentives and saving—both find critics to say they have failed. The impression in the City is that the general trend of Indian tax policy is to "soak the rich" and investors have a fear that, as a *genus*, they are always classed with the rich, however poor they may feel; so, although there are tax concessions in the new budget, the concensus of opinion is that these are outweighed by the tax increases. The Minister of Finance has been a great deal bolder and more ingenious in his propositions than was Mr. Thorneycroft and a great deal bolder and more ingenious than any British Socialist Chancellor of the Exchequer has ever seemed likely to be when in office. But expenditure taxes clearly designed to encourage saving have to be looked at in the context of what happens to what is saved. When capital is taxed and unearned income is taxed more steeply, the foreign investor may be excused from feeling that he is going to be squeezed both ways if he undertakes direct investment through a subsidiary.

But one cannot help feeling that much of the criticism against the budget here is more applicable to the position of the Indian investor than to the position of the foreigner advancing credits. Nevertheless, to the extent that capital from overseas is going to be encouraged to reach India via private enterprise, the criticisms may be valid. They would only fail to have as much significance were the Indian Government to raise funds for direct investment by itself and this brings us right back to the question of foreign confidence in India's Five-year Plan. So the Minister of Finance will have to go on balancing his internal politics against his external requirements and no doubt trim his sails to the way he finds the wind blowing.—*All Rights Reserved.*

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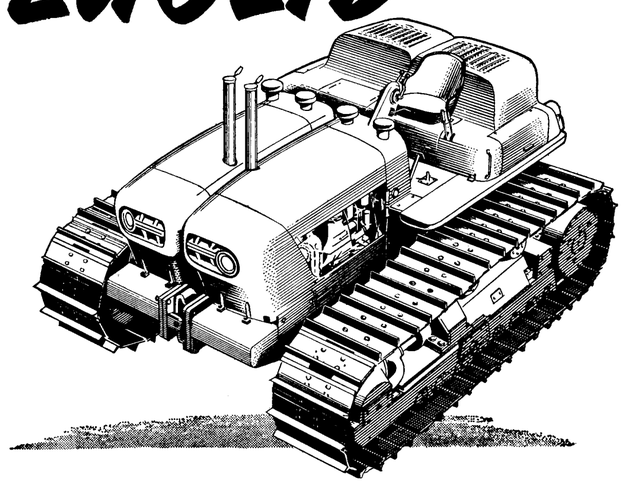

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STATE BANK OF HYDERABAD

FUNCTIONS ENLARGED UNDER NEW STATUS

THE latest audited accounts of the State Bank of Hyderabad (Managing Director: Mr. Balwant Singh, Hyderabad) have been drawn up for the fifteen months ended 31st December 1956, thus changing the financial year-end of the Bank from 30th September to 31st December. An event of much significance which took place during this period was the change in the Constitution of the Bank under the State Bank of Hyderabad Act 1956 and its name from the Hyderabad State Bank to its present name, as from 22nd October 1956. At the same time, the paid-up capital of the Bank was also reduced from O.S. Rs. 75 lakhs—I.G. Rs. 64.29 lakhs (as on 21st October 1956) to I.G. Rs. 50 lakhs in terms of the statutory provisions. The entire share capital of the Bank is now held by the Reserve Bank.

The profit of the Bank for the fifteen months under review amounts to Rs. 6.53 lakhs, thus recording a marked fall from Rs. 10.93 lakhs earned in the previous twelve months. This profit is made up of Rs. 4.45 lakhs earned prior to complete nationalisation, that is during the period 1st October 1955 to 21st October 1956, and of Rs. 2.08 lakhs earned from 22nd October to 31st December 1956. It must, however, be noted that the profit has been arrived at after making due provision for bad and doubtful debts and fall in the value of investments which were revalued at market rates.

After making a provision of Rs. 2.10 lakhs for taxation, the Directors have set aside Rs. 1.35 lakhs to the reserve fund, Rs. 75,000 to the pension fund Rs. 25,000 to the gratuity fund, Rs. 1.62 lakhs to the contingency fund and Rs. 1.35 lakhs for bonus to staff.

The reserve fund of the Bank was recast on 31st December 1956 in terms of section 27 of the State Bank of Hyderabad Act, 1956, and, including the amount transferred from the profits of the period under review, it now stands at Rs. 22.06 lakhs, as against Rs. 65.14 lakhs on 30th September 1955. Due provision has been made for the "bad and doubtful debts" of the Hyderabad State Bank. The total deposits of the Bank as at 31st December 1956 stand at Rs. 14.60 crores, as against Rs. 15.21 crores 15 months ago. During the year 1956, deposits to the extent of Rs. 65 lakhs were repaid to the State Government in terms of an arrangement with the erstwhile Government of Hyderabad. As compared with the net deposits position as at 31st December 1955, the deposits remain at the same level, in spite of the repayment of Government deposits.

There has been a fall in advances which stand at Rs. 9.72 crores, forming 70 per cent. of net deposits as on 31st December 1956, as against 79.7 per cent. on 31st December 1955, in distinct contrast to the general trend of Scheduled banks. During the slack season, the advances are said to have declined by 28.3 per cent., which compares very favourably with the decline recorded in other Scheduled banks and is a clear indication of the high liquidity of the credits given by the Bank. There has been an increase in investments from Rs. 2.10 crores as on 31st December 1955 to Rs. 3.03 crores as on 31st December 1956. The total of cash and bank balances also increased during the year from Rs. 2.33 crores to Rs. 2.40 crores, that is, from 16.8 per cent. to 17.3 per cent. of the net deposits.

After 30th October 1956, the Bank ceased to manage the public debt of the erstwhile Hyderabad State and that work was transferred to the Reserve Bank of India from 1st November 1956.

Facilities were afforded by the Bank up to 31st December 1956 for the conversion of O.S. currency into I.G. currency and the work of the disposal of O.S. currency has been progressing satisfactorily.

Under section 24 of the State Bank of Hyderabad Act, the Bank is required to carry on any business entrusted to it by the Reserve Bank of India. The Bank may also accept any subsidies offered by the Reserve Bank of India to meet any approved programme of development. The Bank has now been appointed as the Statutory Agent of the Reserve Bank of India at places where the Hyderabad State Bank was acting as the Agent of the Reserve Bank of India.

Under section 42 of the Reserve Bank of India Act, the Bank is a 'notified bank' and the borrowings of Scheduled banks from the Bank, with effect from 1st February 1957, are excluded for the purposes of calculating demand and time liabilities for cash reserves to be maintained with the Reserve Bank of India. Also, under section 24(2) of the Banking Companies Act, 1949 the balance maintained by a banking company with the Bank is deemed as cash for purposes of compliance with the provisions of section 24(1) of the Banking Companies Act, in terms of which every banking company is required to maintain in cash, gold or unencumbered approved securities, an amount which shall not, at the close of business on any day, be less than 20 per cent. of the total of its time and demand liabilities.

BANK OF MADURA

In consonance with the general trend, there was an expansion in business and profit of the Bank of Madura Ltd. (Secretary: Mr. P. S. Viswanathan, Madurai) during the year ended 31st December 1956. The profit for the year amounted to Rs. 1.81 lakhs, a fresh record in the history of the Bank, exceeding the previous high of Rs. 1.62 lakhs earned in 1955. The Directors have provided a sum of Rs. 80,000 for taxation, as against *nil* in the previous year. The allocation to the reserve fund has, however, been pruned from Rs. 1 lakh to Rs. 50,000. The investment reserve, which had received Rs. 10,000 in the previous year, has not been strengthened further. The dividend has been maintained at 4½ per cent., at which level the distribution was resumed last year after a break of four years.

The Bank's reserves as at the close of the year under review stand at Rs. 4.22 lakhs, as against a paid-up capital of Rs. 11.25 lakhs. Deposits have risen from Rs. 255.91 lakhs to Rs. 262.47 lakhs. These are supplemented by borrowings from other banks amounting to Rs. 29.50 lakhs. Advances have gone up from Rs. 119.93 lakhs to Rs. 168.93 lakhs, of which loans, cash credits and overdrafts show a rise from Rs. 109.92 lakhs to Rs. 155.24 lakhs and bills purchased and discounted from Rs. 10 lakhs to Rs. 13.67 lakhs. The relatively greater increase in advances, as compared with that in deposits, has resulted in a shrinkage in investments from Rs. 103.42 lakhs to Rs. 95.10 lakhs and cash balances from Rs. 46.21 lakhs to Rs. 44.03 lakhs.

As a result of the talks held in Sydney and Melbourne among leading banking officials of India, Pakistan, Ceylon, Australia and New Zealand, Colombo Plan countries are to be invited to nominate candidates for a course in training in central-bank administration which will open in Sydney in September. The general aim of the course will be to assist in the development and training of officers for higher central-bank executive positions, and also to build up knowledge of central banking, with particular reference to conditions in South-East Asia and South Pacific.

The World Bank has rejected Pakistan's request for a loan to finance the setting up of a steel plant. The Bank is reported to be of the view that foreign exchange savings made through the establishment of the proposed steel plant will not be large enough to justify the loan.

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BOMBAY STATE FINANCIAL CORPORATION

LENDABLE RESOURCES SLENDER

THE annual report of the Bombay State Financial Corporation (Managing Director: Mr. R. S. Bhatt, Bombay) for the year ended 31st March 1957 is the first one of the Corporation, reconstituted by the amalgamation of the former Financial Corporations of the States of Bombay and Saurashtra on 1st November 1956, following the reorganisation of the States. The performance of the reconstituted Corporation during the year under review does not, therefore, bear comparison with that of either of the old units in the previous year. A comparison with the combined performance of the two units in 1955-56, however, shows that its turnover, as indicated by the loans sanctioned, has declined sizably, while the profit is slightly better.

The profit for the year under review amounts to Rs. 7.38 lakhs, as compared with Rs. 3.55 lakhs earned by the old Bombay unit and Rs. 3.23 lakhs by the Saurashtra Corporation in 1955-56. After providing Rs. 3.04 lakhs for taxation and setting aside Rs. 37,500 each to the statutory reserve fund and reserve for doubtful debts, the balance available for distribution of dividend is Rs. 3.59 lakhs. As this is not sufficient to cover the guaranteed minimum dividend of 3½ per cent. per annum on the increased capital of Rs. 2 crores, the Government of Bomba has been requested to give a subvention o Rs. 3.41 lakhs to make up the deficiency. This brings the total contingent liability on account of subventions availed of (including the one in respect of 1956-57) to Rs. 13.35 lakhs.

During the year under review, the Corporation received 97 applications for loans aggregating Rs. 301.31 lakhs, of which 45 were new, and 16 for additional accommodation from concerns which had already received financial assistance from the Corporation, while 36 applications for Rs. 1.39 crores were brought forward from the previous year. Of these, 37 loans for Rs. 72.47 lakhs were sanctioned, as against 39 loans for Rs. 79.86 lakhs granted by the old Bombay Corporation and 11 for Rs. 28.05 lakhs sanctioned by the Saurashtra unit. Twelve applications for Rs. 34.67 lakhs pere rejected, 31 for Rs. 94.86 lakhs otherwise disposed of and 17 for Rs. 68.79 lakhs were kept pending. These bring the total loans sanctioned up to the end of 1956-57 to 129 in number for an aggregate sum of Rs. 264.15 lakhs.

An industry-wise analysis of the loans sanctioned during the year shows that general engineering industry accounts for the largest sum, at Rs. 33.3 lakhs covering 14 applications. Four applicants from the textile industry were granted Rs. 14.50 lakhs, 4 from the metal industry Rs. 9.40 lakhs, 5 from the pharmaceutical and chemical industry Rs. 3.72 lakhs, 3 each from electric supply concerns and miscellaneous group for Rs. 4.45 lakhs and Rs. 1.25 lakhs, respectively, and 2 each from ceramics and oils for Rs. 3.25 lakhs and Rs. 2.60 lakhs, respectively.

Of the 129 loans for Rs. 264.15 lakhs sanctioned so far, small-scale concerns account for 53 loans for Rs. 40.92 lakhs and medium-scale concerns for 76 loans for Rs. 223.23 lakhs. In addition to the foregoing, the amount subscribed to debenture capital of one industrial concern aggregates Rs. 3.75 lakhs. Out of the aggregate loan of Rs. 267.90 lakhs, the amount disbursed so far is Rs. 161.70 lakhs. Of this amount, Rs. 10.67 lakhs have been repaid, leaving the total outstandings at the end of March 1957 at Rs. 151.02 lakhs.

In terms of the Bombay State Financial Corporation Order 1956, the authorised capital of the reconstituted Corporation has been raised from Rs. 2 crores to Rs. 4 crores, divided into shares of Rs. 100 each, the issued and paid-up capital from Rs. 1 crore to Rs. 2 crores. The reserves as at the end of the year under review stand at no more than Rs. 2.69 lakhs. As already mentioned, the outstanding loans and advances amount to Rs. 151.02 lakhs. Investments (all in Government securities) at cost aggregate Rs. 29.91 lakhs, the market value of the same being Rs. 29.83 lakhs. The depreciation in investments is thus negligible, as against which the investment reserve amounts to Rs. 1.05 lakhs. Cash balances aggregate Rs. 24.65 lakhs.

It will be seen from the above particulars that the lendable resources of the Corporation are slender. The Directors are keenly aware of this situation. For they observe in their report that, as the total amount of loans sanctioned by the Corporation as reconstituted has exceeded its paid-up capital, the question of raising additional resources as early as possible is receiving the Board's active consideration.

THE COOCH BEHAR STATE BANK LIMITED

BALANCE SHEET AS AT 31st DECEMBER, 1956

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 4,00,000 Shares of Rs. 10 each		40,00,000 0 0
ISSUED CAPITAL— 2,00,000 Shares of Rs. 10 each		20,00,000 0 0
SUBSCRIBED CAPITAL— 1,08,837 Shares of Rs. 10 each		10,88,370 0 0
AMOUNT CALLED UP— At 1,08,837 Shares of Rs. 5 per share		5,44,185 0 0
2. Reserve Fund and Other Reserves		60,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	25,316 0 0	
Savings Bank Deposits	31,939 6 8	
Current Accounts, Contingency Accounts, etc.	2,54,346 6 9	
		3,11,601 13 5
4. Borrowing from Other Banking Companies, Agents, etc.—		
(i) In India	Nil	
(ii) Outside India	Nil	
		Nil
5. Bills Payable		213 5 0
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	14,470 8 6	
(ii) Payable outside India	Nil	
		14,470 8 6
7. Other Liabilities—		
Unclaimed Dividend	13,383 9 0	
Staff Security Deposit invested as per contra	9,320 0 0	
		22,703 9 0
8. Acceptances, Endorsements and Other Obligations per contra		Nil
9. Profit and Loss—		
Profit as per last Balance Sheet	31,644 15 4	
LESS—Appropriations— Rs. a. p.		
To Reserve Fund 10,000 0 0		
,, Provision for Taxation 6,000 0 0		
,, Provision for Bad and Doubtful Debts 500 0 0		
,, Dividend 13,604 10 0		
	30,104 10 0	
	1,540 5 4	
ADD—Profit for the year (subject to Taxation)	22,110 2 1	
	23,650 7 5	
LESS—Balance of Income-tax paid for the accounting years 1952 and 1953	9,741 4 0	
		13,909 8 5
10. Contingent Liabilities— In respect of Guarantee issued to Government Departments	9,530 11 6	
Total .. Rs.		9,67,083 7 4

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and State Bank		71,066 8 0
2. Balances with Other Banks (On Current Account)—		
(i) In India	1,23,387 1 5	
(ii) Outside India	Nil	
		1,23,387 1 5
3. Money at Call and Short Notice		1,75,000 0 0
4. Investments (At Cost)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (Market Value Rs. 63,995)	64,043 12 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments (to be classified under proper heads)	Nil	
(v) Gold	Nil	
		64,043 12 0
5. Advances— (Other than the Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc. Rs. a. p.		
(i) In India 4,33,514 12 0		
(ii) Outside India Nil	4,33,514 12 0	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 57,800 0 0		
(ii) Payable outside India Nil	57,800 0 0	
		4,91,314 12 0
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the banking company is fully secured	4,34,748 5 0	
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	23,096 13 0	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	33,469 10 0	
(iv) Debts considered doubtful or bad not provided for	Nil	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	24,731 7 0	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	5,000 0 0	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	24,731 7 0	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	10,000 0 0	
(ix) Due from banking companies	Nil	
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	14,470 8 6	
(ii) Payable outside India	Nil	
		14,470 8 6
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligation per contra		Nil
8. Premises Less Depreciation		Nil
9. Furniture and Fixtures Less Depreciation—		
Cost as per last Balance Sheet	9,778 13 0	
Additions Rs. a. p. 24 7 9		
LESS—Deductions during the year 11 5 0		
	13 2 9	
	9,791 15 9	
LESS—Depreciation written off to-date	3,921 5 3	
		5,870 10 6
10. Other Assets, including Silver—		
Staff Security Deposits Investments in National Savings Certificates and in Savings Bank Account with State Bank of India	9,320 0 0	
Security Deposit with Central Excise	2,000 0 0	
Accrued Interest on Investments	1,233 12 0	
Accrued Interest on Deposits	1,535 1 6	
Stamps and Stationery	2,265 9 5	
Income-tax paid in advance	5,577 12 0	
		21,930 2 11
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
12. Profit and Loss		Nil
Total .. Rs.		9,67,083 7 4

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956

EXPENDITURE	Rs. a. p.
1. Interest Paid on Deposits	1,756 11 10
2. Salaries and Allowances and Provident Fund (including Salary and Allowances to Manager Rs. 7,549-11-0)	20,344 0 3
3. Directors' and Committee Members' Fees and Allowance	1,000 0 0
4. Rent, Taxes, Insurance, Lighting, etc.	1,141 2 0
5. Law Charges	1,320 3 0
6. Postage, Telegrams and Stamps	100 2 6
7. Auditors' Fees	600 0 0
8. Depreciation on and Repairs to the Banking Company's Property	560 13 9
9. Stationery, Printing and Advertisements	1,563 0 0
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure	695 3 0
12. Balance of Profit (subject to Taxation)	22,110 2 1
Total .. Rs.	51,191 6 5

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	42,662 0 1
2. Commission, Exchange and Brokerage	6,408 9 9
3. Rents	1,541 3 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	579 9 7
8. Loss	Nil
Total .. Rs.	51,191 6 5

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of The Cooch Behar State Bank, Limited, as at 31st December, 1956, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date.

In accordance with the provisions of section 29 of the Banking Companies Act, 1949, read with the provisions to sub-sections (1) and (2) of section 211 and sub-section (5) of section 211 and section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank.
(c) In our opinion, proper books of accounts as required by law have been kept by the Bank so far as appears from our examination of those books.
(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
(e) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1956, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.
(f) The Bank granted unsecured advances under the head "Bills Purchased" to a firm in which a Director of the Bank is a partner. The amount outstanding as on 31st December, 1956, was Rs. 5,000. The maximum balance during the year was Rs. 10,000. The said advances have contravened Section 20 of the Banking Companies Act, 1949.

33, Netaji Subhas Road, Calcutta,
The 9th February, 1957.

(Sd.) K. N. GUTGUTIA & CO., Chartered Accountants, } Auditors.

Office of the Cooch Behar State Bank Ltd.,
"Ananda Asram,"

(Sd.) K. P. SEN, Chairman.

Raj Rajendra Narayan Road, Cooch Behar.
Dated 2nd February, 1957.

(Sd.) S. C. ROY CHOWDHURY,
(Sd.) T. P. MUKHERJEE,
(Sd.) A. DASGUPTA,
(Sd.) L. C. BAID
(Sd.) GIRIDHARIMAL BAID, } Directors.

(Sd.) G. C. BISWAS, Manager.

UPWARD TREND IN MILL TEXTILE OUTPUT

STOCKS LYING UNSOLD QUITE LARGE

IT must be said to the credit of cotton mills that they have endeavoured to maintain as high a level of output as possible, notwithstanding the several unhelpful official measures. The aggregate quantity of cloth that came off the looms of mills during the first four months of the current calendar year amounted to 1,836 million yards, which compares very favourably with 1,679 million yards in the corresponding period of 1956. On this basis and assuming that the trend will be maintained in the rest of the year as well, the total output for the whole of 1957 may be estimated at more than 5,500 million yards, an all-time record in the history of the textile industry; the previous peak was 5,307 million yards, touched last year.

The rise in mill cloth production has followed a marked increase in the output of yarn which during the first four months aggregated about 601.42 million lbs., representing an improvement of 71.71 million yards as compared with the same period a year before. On this basis, the output for the whole year may be estimated at nearly 1,803 million lbs., as against 1,671 million lbs. in 1956.

Trend of Production

The following table indicates the trend of mill production of cloth and yarn during January-April 1957, as compared with the same period in 1956:

(Cloth in million yards ; yarn in million lbs.)

	Cloth		Yarn	
	1957	1956	1957	1956
January	483.70 (94,098)	413.78 (94,098)	156.42	132.51
February	430.00 (103,000)	425.49 (95,980)	143.00	133.63
March	463.00 (111,693)	418.76 (92,949)	150.00	132.56
April	453.00 (107,481)	420.82 (93,203)	152.00	131.01
Total ..	1,835.70 (416,242)	1,678.85 (376,199)	601.42	529.71

Figures in brackets relate to quantities expressed in lbs.

The maintenance of a high level of output, as noted above, is in contrast to the continued shrinkage in the weaving capacity of mills. This trend reflects the gradual modernisation of machinery that has been taking place in the industry for some time now. The industry's performance would have been far greater had it been allowed to grow in size through introduction of automatic looms.

The number of looms installed as at the end of August 1956 was lower at 206,580, as against 207,347 and 207,763 a year and two years before, respectively. The decline in loomage reflects the scrapping of looms worn out without being replaced by an equal number, thanks to the Government of India's unhelpful policy in regard to the expansion in the mills' weaving capacity. The continued decline in loomage is in evidence at a time when the demand for cloth is tending to rise. Naturally, the mills have been forced to take recourse to the more intensive utilisation of the existing capacity. Thus, the daily average number of looms worked during January 1957—the latest month for which statistics are available—was higher at 417,014, as against 409,863 six months before (July 1956). The rise in second shift was particularly marked, having been 2,996 looms (the number of looms actually run in January 1957 was 177,210), followed by the first and the third shifts, with a rise of 2,377 looms (to 186,083 looms) and 1,778 looms (to 53,721 looms).

Spinning Capacity Expands

In contrast to the reduction in loomage, the spinning capacity of mills has continued to expand. The number of new spindles installed during the cotton year ended August 1956 was 307,261, which compares favourably with 180,379. As at 31st August 1956, there were 12,375,805 spindles, as against 12,068,544 a year before. Side by side with expansion in installed capacity, the cotton mills have endeavoured to make more intensive utilisation of capacity. The daily average number of spindles—rings and mules—worked in January 1957 was higher at 26,863,669, as against 26,227,187 a year before, a rise of more than half a million spindles. The improvement was accounted for largely by the first shift, the daily average number of spindles actually worked in this shift being 11,040,037, or a rise of 333,129 as compared with July 1956. The number worked in second and third shifts was also higher by 266,403 and 36,950 at 10,636,848 and 5,186,784, respectively.

The expansion in the capacity of cotton mills actually utilised in recent months has been rendered possible by the improvement in the availability of cotton textile machinery and equipment, as a result of liberal imports and rise in indigenous production. During 1956, India imported cotton machinery worth Rs. 13.18 crores, as against Rs. 7.35 crores in 1955. The rise was accounted for chiefly by spinning machinery, the imports of which aggregated Rs. 7.77 crores, as against Rs. 2.85 crores. The bulk of this consisted of spinning machinery other than spinning ring frames and spindles. The imports of the different kinds of cotton machinery during the years 1955 and 1956 are indicated below:

(In crores of rupees)

	1956	1955
Bleaching and dyeing machinery ..	0.17	0.13
Printing machinery	0.32	0.15
Spinning ring frames	2.21	} 2.85
Spindles	0.02	
Other spinning machinery	5.54	
Plain and automatic looms	0.11	} 1.43
Other kinds of looms	0.93	
Other sorts	3.88	2.79
Total	13.18	7.35

The efforts of the mills to maximise output are, indeed, commendable, considering that they are passing through a critical stage at present. Raw cotton prices have been continuously moving up, the all-India average wholesale price index of this commodity (base: year ended August 1939=100) during March 1957 stood at 487, as against 463 in December 1956 and 478 in March 1956. Besides the higher cost of cotton, the wage bill of mills has also gone up, consequent on the rise in cost of living following the increase in commodity prices, especially of foodgrains. The average amount of money per worker distributed as dearness allowance by mills in Bombay and Ahmedabad during January 1957 was Rs. 70-12 and Rs. 72-4-9, as against Rs. 61-6 and Rs. 60-0, respectively, in January 1956.

Stocks Accumulate

Apart from the rise in cotton prices and the higher wage bill, the mills are at present confronted with the most pressing problem of heavy accumulation of stocks. The total quantity of cloth lying unsold with mills at the end of March last amounted to 450 million yards, as against 218 million yards a year before. The stocks of yarn unsold were also higher at 18 million lbs., as against 13 million lbs. These heavy stocks must be attributed to poor offtake —domestic and overseas—which indicates strong consumer resistance to the heavy incidence of tax. The burden of excise duty and sales tax on several varieties of coarse and medium cloth works out to as much as 25 per cent. of the total sale price. In fact, consumer resistance has been so much that many mills have been compelled to bear a substantial part of the tax burden themselves without passing it on to consumers. If, in spite of this, the mill production of cotton manufactures has registered a rise, it is, perhaps, largely because of the consideration that, by maintaining the production at maximum level, the unit cost of production could be kept lower.

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HANDLOOM CLOTH EXPORTS

There was a rise of 3.96 million yards in the exports of handloom cloth from India during 1956 as compared with the previous year, the quantity actually shipped in that year being 59.79 million yards, as against 55.83 million yards in 1955 and 58.57 million yards in 1954. In terms of value, the exports aggregated Rs. 8.66 crores, as against Rs. 7.77 crores. The principal buyers of Indian handloom fabrics were Ceylon, Malaya, Aden, Sudan, Singapore, Kenya, Tanganyka and Kuwait. The U.S. bought only 835,000 yards; this quantity, however, was much larger than that purchased in 1955 and 1954 when it amounted to 219,000 yards and 76,000 yards, respectively. The market for Indian handloom goods in the U.S. is expected to expand greatly in the coming years. It will be recalled here that a team of American fabrics experts toured India sometime ago in order to assess the possibilities of augmenting exports of Indian goods to this country and to obtain advice on measures to ensure the production of cloth acceptable to American consumers. The report of this team is being examined by the Government. In the report, the experts are reported to have stated that the U.S. is a large potential market of quality handloom fabrics.

The improvement in exports of Indian handloom cloth during 1956 must be attributed to the special measures taken by the Government. An external marketing scheme to promote exports, for instance, has been in operation for some time. Marketing officers have already been posted at Singapore and Baghdad and provision is made for appointing similar officers at Colombo and Rangoon. Further, handloom fabrics emporia have been opened at Aden, Bangkok, Colombo and Singapore. The fabrics are also included in the scheme of goods available for export from India in the trade agreements with a number of foreign countries. It is contemplated to set up an Export Promotion Committee to advise the Handloom Board on the measures for raising exports of handloom piecegoods.

STANDARDS FOR HANDLOOM WOOLLEN FABRICS

The Indian Standards Institution has published eight Indian standard specifications for woollen and worsted handloom fabrics. The woollen sector of the handloom industry plays an important part in the economy of the country. Most of the wool produced in India is of coarse type and is classed as "carpet wool." This wool is generally used by the cottage industry in manufacturing blankets, floor rugs, carpets, etc. Part of the carpet wool is also exported. Nearly half of the wool produced in India is used in the manufacture of blankets which find a ready market in the country. The present standards have been formulated with a view to helping the producers of handloom woollen cloth in manufacturing goods of defined and uniform quality. The standards prescribe the general requirements for the manufacture of fabrics such as quality of wool, particulars of yarn and freedom from defects in the cloth, etc., and specific requirements, ends per inch, picks per inch, weight, breaking strength, width, length, and fastness of colour, shrinkage. Methods of tests for the determination of these characteristics have also been indicated. The standards prescribe weights and measures in the foot-pound system. However, in view of the decision of the Government of India to introduce throughout the country a uniform system of weights and measures based on the metric system, factors for converting values to that system have also been included in the standards. By the time the standards come up for revision, it is expected the industry would have adopted the new system making it possible to specify values in it.

MANUFACTURE OF "SARIS"

The Textile Commissioner to the Government of India has drawn the attention of cotton mills to the restrictions on the manufacture of *saris* as envisaged in his notification dated 26th August 1954. The circular issued in this connection says:

"Mills may manufacture, without applying for prior permission of this office, *saris* with a border or borders of more than 3" but not exceeding 5½" in width, containing coloured yarn in this border or borders having a heading or headings not less than 3" but not more than 9" in width, provided such *saris* do not exceed 5½ yards in length. Mills which desire to manufacture *saris* of the said description exceeding 5½ yards in length should apply to this office for prior permission, and no production should be undertaken without getting the written aproval of this office."

TEXTILE TALKS WITH PAKISTAN PROVE UNSUCCESSFUL

SHIPMENTS OF MACHINERY RECEDE

From A Special Correspondent

MANCHESTER, 14*th May*

LITTLE surprise has been expressed in Lancashire at the abortive discussions between the British trade mission and the Pakistan textile leaders. The general opinion among traders here was that it would be very difficult to persuade the representatives of Eastern nations, which had only recently established textile industries, to make voluntary restrictions on their exports. The position of India was regarded in a very different category, as the old-established trades recognised that, as Lancashire was at one time supreme in her position as the leading exporter of cotton goods to the world, so their present dominance could gradually be undermined by the growth of rivals in other countries. It is felt that the declaration of the Hong Kong Cotton Spinners' Association that the industry there could take no part in any pact to restrict shipments had a considerable bearing on the negotiations.

MANCHESTER LETTER

On its return, the British mission faces a critical situation. Imports from abroad have been growing steadily and, under pressure for supplies during the current trade revival, merchants have not been slow to supplement their stocks with goods from other countries. The producing sections are certain to call for a new approach to the Government for aid in countering foreign inroads into the home market.

The facts presented to the Board of Trade at the end of 1955 have not altered in their material particulars. The Government then admitted that the industry had a strong case, but said that no action could be taken at that time. Now 18 months have elapsed; the trade has lately regained some of its former buoyancy, but the threat from overseas cloth imports at highly competitive prices is still a thorn in the side of local spinners and manufacturers.

Machine Activity

Output of cotton and rayon goods in March barely maintained the progress made in Lancashire in the early months of the year, although the average weekly production was still in excess of the levels ruling in the same month of 1956. Single cotton yarn production was exactly one million lbs. a week higher than in March last year, although the weekly average of 12,860,000 lbs. was 600,000 lbs. below the February figure. Cotton waste yarns showed a slight improvement at 2,160,000 lbs., but output of spun rayon and mixture yarns declined fractionally to 3,140,000 lbs. per week.

The amount of cloth produced from all sources during March was 48,390,000 linear yards a week, as against 48,300,000 yards in the previous month and 46,400,000 yards in the same month a year ago. Output of cotton fabric was solely responsible for this improvement, as the volume of goods from man-made fibres and mixtures was 400,000 yards a week lower than in 1956.

The significant fact remains that the number of operatives on the books of employers is still about 8,000 lower than 12 months ago. At the end of March, available manpower in spinning, waste spinning and doubling was 128,130, a reduction of nearly 1,000 as compared with March 1956. The drift of labour from weaving mills has been much more pronounced, as the numbers now ready for employment amount to 117,350, as against 124,200 last year. The weaving trade has, in fact, failed to maintain the slight gains secured in the labour force during February.

Practically no change occurred in machine activity in March as compared with the previous month. The number of mule equivalent spindles running was unaltered at 21,700,000, representing 77 per cent. of those in running mills. In weaving, the number of looms at work was 236,500, as against 237,000 in February and 242,000 in March last year.

Plant Exports Lower

A marked reduction in all the main types of textile machinery shipped abroad from this country occurred during the first three months of the year as compared with the same period of 1956. Total exports amounted to 376,731 cwt. valued at £11,311,042, whereas last year's comparable figures were 467,048 cwt. worth £12,632,664. Plant for preparatory processes was over 20,000 cwt. lower at 41,239 cwt. and there was a drop of 10,000 cwt. in shipments of spinning machinery to 29,071 cwt. Exports of looms and other weaving machines were below 60,000 cwt., as against nearly 90,000 cwt., and textile finishing plant accounted for 25,000 cwt., as against 34,000 cwt.

Still heading the list of destinations is India, which has already absorbed over 90,000 cwt., but, in the same period last year, 115,572 cwt. were taken. One of the few cases where increased shipments have been recorded was for Pakistan where 32,688 cwt. of plant have been despatched, as against 14,396 cwt.

New Pay Claim

The committee set up by leaders of the nine textile trade unions to consider a new wage application on behalf of 245,000 Lancashire mill workers and a compensation scheme for redundant operatives met in Manchester last week to finalise its recommendations. These will be submitted to a meeting of the joint executives of the textile unions in Manchester on the 24th inst. A spokesman said that, until then, details of their decision could not be disclosed.

It is expected that the meeting on the 24th inst. will decide whether or not a new pay claim for mill workers should be submitted in the immediate future.

A talking-point in many quarters during the past week has been the more encouraging tone of the latest textile company results received. Already, it seems, the expansion in turnover which occurred last autumn has been reflected in the accounts of certain firms now being published, especially those concentrating on the spinning section.

Although the reports do not show uniformly higher earnings, the general level of profits is in excess of last year's comparisons. For instance, the Bee Hive Spinning Company at Bolton records a net profit of nearly £40,000, as against £28,000, and an increase in the dividend from 8 to 10 per cent. The Willow Bank Mill at Oldham shows a substantial improvement, with profits of nearly £22,000, as against £7,000, the dividend being maintained at 50 per cent.

From Rochdale's Eclipse Mill comes news of higher earnings at £26,000, as against £15,000 and a dividend maintained at 16⅔ per cent. Another Bolton firm with better results is Swan Lane Spinning, whose half-yearly profit figures show an increase from £30,000 to over £52,000 and an unchanged dividend of 7½ per cent.

Royton Mill Groups

Two Royton mill groups which have lately been experiencing adverse conditions have also reported better progress. Shiloh Spinners Ltd. has restored its net profit to the level of two years ago and the current earnings of £73,000 compare with £48,000 last year, while the dividend, too, regains its former level of 10 per cent., as against 8 per cent. Royton Textile Corporation has turned a small deficit of £2,690 last year into a net profit of £6,192 and the dividend is maintained at 10 per cent.

A sharp recovery in earnings was recorded by Crosses and Heatons Ltd., the Bolton Spinning combine. Net profits this year were £16,500, as against a loss of £29,000 in the previous 12 months. This improvement has enabled the directors to restore the annual dividend to 10 per cent. On the other hand, there are those concerns whose figures have failed to come up to the level of 12 months ago. The loss of £22,000 incurred by William Pickles & Co. last year has been increased still further to a loss of £43,000 and the dividend has again been passed.

A net deficit of £7,500 has also been recorded by the now solely merchanting business of Balstone Cooke and Rayonese Ltd., but last year's loss was far more severe, amounting to £172,000. The Preston firm of Hartley Fabrics has announced a net profit of £7,000, as against £13,500 a year ago, and a reduction in the dividend from 12½ to 7½ per cent.

So far as interim dividends can provide any guide to future results, directors are being canny. Unchanged interims have been reported by the Belgrave Mills, Oldham, the Falcon Mill, Bolton, the Goyt Mill, Marple, and the big spinning and weaving group of Joshua Hoyle and Sons. Irwell Bank Spinning Company, however, has raised its yearly distribution from 15 to 17½ per cent. and Coldhurst is paying an interim of 3¾d. per share, tax-free, as against 2d. per share tax free.—*All Rights Reserved.*

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COTTON CONSUMPTION IN FREE WORLD

DISAPPEARANCE EXPECTED TO MATCH PRODUCTION

DESPITE the fact that consumption of cotton in the U.S., which accounts for more than 30 per cent. of the free world consumption and nearly one quarter of the entire world figure, is currently running at a substantially lower rate, as compared with the 1955-56 season, aggregate free world consumption is expected to set a new record this season. This is because of the marked improvement in the offtake of raw cotton witnessed in many of the Continental countries, Japan and India. Consumption in the United States is expected to be down by about 500,000 bales (of 478 lbs.) but the fall is likely to be more than counterbalanced by the increase in the former countries. According to the estimates of the International Cotton Advisory Committee, Washington, the aggregate free world cotton consumption in the current season may exceed 29 million bales, as against 28.5 million bales in the previous season. This figure, when juxtaposed with the estimated production for the season of 29 million bales, shows that, for the first time since 1950-51, consumption may equal or even slightly exceed output.

The following table gives the latest available figures of cotton consumption in some of the major consuming countries of the free world:

Cotton Consumption in Selected Countries

(In bales of 478 lbs.)

	From 1st August till the end of month shown		
Country—	Month	1955-56	1956-57
United States	Feb.	5,541(a)	5,175(a)
Canada	Feb.	235	230
United Kingdom	Nov.	547(a)	526(a)
France	Dec.	489	547
W. Germany	Dec.	537	577
Italy	Dec.	287	329
Netherlands	Dec.	141	139
Belgium	Dec.	181	189
Spain	Jan.	241	264
India (Mill)	Dec.	1,730	1,759
Pakistan (Mill)	Nov.	258	271
Japan	Dec.	848	1,137
Hong Kong	Jan.	104	109

(a) Adjusted to calendar months.

Consumption in the U.S., during the first seven months of the current season, that is, August to February, is expected to have aggregated 5,175,000 bales, as against 5,541,000 bales during the corresponding period of the previous season, representing a decline of about 7 per cent. The main reason for this fall was that textile business continued to be poor. Informed sources now predict that mill offtake of cotton will continue at the present reduced rate for the rest of the season. Accordingly, consumption in the U.S., is expected to be lower by 500,000 bales. But the anticipated increase in consumption in the rest of the free world is of the order of one million bales.

Cotton consumption in Canada, after declining more than seasonally in December last, rose significantly in the new year, but for the first seven months of the season was slightly lower than the comparable 1955-56 period. Consumption in the United Kingdom till the end of December is estimated to have declined by some 25,000 bales. Cotton yarn production in January, however, increased slightly, as compared with January 1955, and more recently seems to have stabilised at this level. On the Continent, offtake in most countries continues to run ahead of last season and, for the first six months of the season, is estimated to have increased by roughly 200,000 bales as compared with the same period in 1955-56. The main increase in consumption has occurred in France, Western Germany, Italy, and Spain. The improvement in textile production is very noticeable in France, where consumption has been consistently higher this season and for the first five months showed an increase of 58,000 bales or 12 per cent. Orders booked in December were the highest for the last two years and the consumption outlook for the rest of the season, according to the Committee, appears to be generally favourable. There has been a marked improvement in cotton consumption in Italy also this season. Consumption declined steeply in December, but was still higher than in the comparable period in 1955-56 and for the first five months was up by 43,000 bales or 14 per cent. Consumption in Western Germany also declined sharply in December and was actually under the December 1955 level. For the August-December period, however, it still showed a gain of nearly 40,000 bales.

Consumption in India, as is well known, rose to new records in January and February. In Japan, it increased by 244,000 bales during the first four months of the season. Subsequently, yarn production during December set a new record for the post-war period but then declined much more than seasonally in January. It is estimated, however, that consumption in the first half of the present season increased by some 300,000 bales as compared with the same period in 1955-56. Cotton piecegoods exports from Japan in January were the lowest for several months but demand continues strong. Export contracts booked in February are reported to have been around 150 million square yards. Domestic demand has fallen off, influenced by the bearish trend in cotton textile prices arising out of the increase in mill stocks in recent months.

TECHNOLOGICAL LABORATORY

Dr. R. L. N. Iyengar, D.Sc., has been appointed Director of the Technological Laboratory of the Indian Central Cotton Committee at Matunga, Bombay. This Laboratory has an international reputation having been, until recently, the only one of its kind in the East and the researches carried out therein forming a very significant portion of knowledge in cotton technology. The Laboratory has on hand a scheme for modernisation and expansion, for which the Government of India has contributed Rs. 15 lakhs—Rs. 5 lakhs for building and Rs. 10 lakhs for machinery and equipment.

Dr. Iyengar, who has devoted 30 years of his life to cotton research, was selected as a research scholar in textile physics by the Indian Central Cotton Committee in 1927 and worked under the eminent textile technologist, Dr. A. J. Turner, the founder-Director of the Technological Laboratory. After successfully completing the research problems assigned to him at the Laboratory, Dr. Iyengar was posted to the Agricultural Research Institute, Coimbatore, where he not only helped in the evolution of the famous Madras Cambodia Uganda varieties of cotton, but carried out extensive researches on the effect of various botanical and agronomical factors on the physical properties of the cotton fibres and made the important discovery that the large amount of variation present in cotton fibres is primarily due to the large variation that exists in the single seed itself, so that if any improvement in this respect is to be achieved it should be tackled at the source, namely, the single seed. Among the research problems which Dr. Iyengar has investigated after his return to the Laboratory as Research Officer, mention must be made of the maturity coefficient of Indian cottons, standard method of determination of halo length of cotton, quick method of determining the fineness of fibres, strength of attachment of fibres to the cotton seed, and moisture relations of cotton. He was also in charge of the ginning section of the Laboratory and was responsible for completing a number of investigations for the improvement of cotton ginning in India, which to this day has been sadly neglected. He also conducted an economic and technical survey of the existing gins in India which has yielded very valuable information. Dr. Iyengar has designed and perfected a number of testing and scientific instruments, such as Photo-electric Diameter Tester for finding rapidly the fineness of fibres, filaments, etc., a strength tester and a ballistic tester for determining the force and work respectively required to pull a cotton fibre from the seed, discs for the measurement of halo length of cotton, and a Ginning Percentage Balance for the rapid determination of the ginning percentage of cotton, the last of which has been patented.



ANNUAL MEETING OF MAHINDRA AND MAHINDRA LTD.

CHAIRMAN, MR. K. C. MAHINDRA'S ANALYSIS OF NEW TAX MEASURES

CALL FOR RATIONAL POLICY TO AUGMENT RESOURCES

ADDRESSING the shareholders of Mahindra and Mahindra Ltd., at their Eleventh Annual General Meeting held in Bombay on 22nd May 1957, Mr. K. C. Mahindra, Chairman of the Company, expressed the view that the effects of the proposed taxation measures would be "far-reaching in respect of disincentives, in respect of capital formation, in respect of savings, apart from the incongruous and unjustifiable levy of multiple taxation on the same quantum of income and now on wealth." He added that the most important aspect of a rational policy of taxation was to create incentives and add to the national income, so that resources available for taxation were continuously being augmented.

The following are extracts from Mr. Mahindra's speech:

"This is the first occasion on which the Chairman of your Company is addressing the shareholders. It is a matter of satisfaction and a little pride that the report which has been presented to the shareholders reflects the conclusion of an exceedingly successful year of operations for the Company. It has been a year when high levels of sales and earnings have been reached. This achievement was possible principally because of your organisation keeping pace with the demands of an expanding economy. Illustratively, for instance, the Government put through a programme of heavy purchasing of steel from abroad. As one of the principal importers of steel, your Company was in a position to service this demand for additional steel and thereby continue to occupy a dominating position in imports. It should be mentioned that, under the very rigid regulations governing steel business, the profit margins are extremely low and importers and dealers usually depend upon large volume in order to meet the substantial expenditures of such an operation.

"The turnover in jeeps and allied vehicles was about 20 per cent. more than the previous year, but a very satisfactory improvement was made by the spare parts division. Tractors achieved a remarkable advance in sales, almost tripling the record of the previous year. With the commissioning of your new trailer factory at Pimpri the Company is now in a position to embark on the manufacture of heavy trailers, and several steps are at present being taken to improve upon the techniques of production, and equip ourselves to service the demands for heavy trailers in the country.

Manufacture of Jeep Components

"The problem of manufacture of jeep components has been our foremost concern, and while the progress so far made is in accordance with the progressive phases of manufacture presented to the Government in 1955, it is early to say whether the restrictions now enforced in respect of import of capital goods and tooling would seriously disturb the schedule of timing. Every effort is being made to overcome the difficulties of foreign exchange, and I have hopes that no serious setback will be experienced during the current year in maintaining our progress.

"Shareholders will appreciate that, although it was the original design to build gradually and concentrate the jeep operations at Pimpri, a major decision in this respect became inevitable last year when, owing to scarcity of steel and cement, it was found that the requisite building operations would not be completed within the time available to us. Accordingly, decision was taken to re-locate the jeep programme. For this purpose, we were fortunate in acquiring certain built-up factory areas in Worli and in Ghatkopar and, accordingly, the manufacturing operations did not suffer too much of a lag in time.

"I will not be doing my duty to the shareholders if I were to gloss over the great difficulties which the manufacturing organisation is facing today: difficulties principally in the matter of foreign exchange but also connected with scarcity of steel and cement, shortages of appropriate raw materials of industry and the continuously rising costs. Problems of this nature will surely retard, if not bring to a halt, our expansion programmes.

"There is, besides, the great problem of financing the operations, which are now at a high level. You will have noticed in the Directors' report a reference to the line of credit of approximately one million dollars which the Willys Overland Export Corporation extended to the Company. This credit is in itself an evidence of faith and confidence which our principals have shown in your organisation, and I should like to place on record on your behalf our appreciation of this gesture from the Kaiser interests, who now own the Willys organisation.

Tariff Commission's Report

"During the year, the Tariff Commission rendered a great service to the automobile industry by presenting a very able report to the Government, and it is encouraging to know that the industry has now been placed in the category of protected industries eligible for receiving the favours and the bounties attached to such developments. Nevertheless, the industry, in order to become strong and self-sustaining, must proceed to develop on sound and healthy lines. It is imperative that during the ten years' period recommended by the Tariff Commission and accepted by the Government, the ten years of protectiveness, the industry should shape its course in a manner that it relieves the country and the consumers of such burdens as will naturally be suffered during the protection stage. I do not see this happy consummation being reached, unless a considerable degree of common exploration and research is carried out in order that we develop an automotive vehicle which will suit not merely the conditions of locomotion and transport in the country but the pockets of the millions of this land where purchasing power is so low and where the roads are scanty and undeveloped. Your Company is engaged in developing a vehicle ideally suited to the road conditions of India, but I must confess it does not qualify as a peoples' car because of its high cost today. Cost can only be brought down by sheer weight of volume turnover. There is no other way in the automobile industry. It is incumbent upon the operators of the automobile business in India to explore the operational uses of a vehicle like the jeep, to develop and build on its functional structure and evolve the multitypes suitable for what people need, suitable for the roads and available within the purchasing power of an ever-increasing number of users.

"The Tariff Commission also laid considerable stress on the necessity for common production programmes for auxiliary components like forgings, castings, chassis members, etc. No one need quarrel with the general proposition. It is, however, doubtful whether such an object will be achieved when the types and models of vehicles being produced are so disparate in characteristic and so few in number.

Fiscal Measures

"In another place I called attention to the inflationary pressures which have begun to weigh rather oppressively on our economy. The Finance Minister has devised some bold measures to curb the inflationary potential and to keep down domestic consumption through a series of heavy excise duties. In the Budget presented last week to the Lok Sabha an unequivocal affirmation has been made that sustained increased productivity and savings are the only true key to progress. This statement will be welcomed, particularly in the light of the heavy sacrifices he has called for from the organised business section of the country. I draw attention, however, to a serious omission —the continual inflation of wage demands aided and abetted by industrial tribunals and ordinances has not received the rebuke it deserves, for be it not ignored that the wage leverage upwards is the most potent and powerful threat to the success of any disinflationary measures. A wage freeze, a moratorium for five years on wholesale increases in wage demands, would be amply justified under the existing competitive urges when prohibitive restraints are being imposed on payments to shareholders and wealth, *qua* wealth, is being taxed to satisfy socio-economic purposes. The promise to hold prices in the agricultural sector will require a reorientation of transport operations and methods, for it is my belief that maldistribution of foodgrains stock is mainly responsible for the scarcity conditions which have developed in various odd spots in the country.

Government Spending

"One important sphere of inflationary pressure has not come within the broad sweep of Mr. T. T. Krishnamachari's measures—the positive influence of rising public expenditure. No amount of restraint on consumption or on credit would be of avail if the magnitude and the pace of Governmental spending is not diminished. The volatile spenders, both State and Central, need to be kept in check under a strong leash if the delicate balance of stability is to be achieved. The distinguished Governor of the Bank of England stated recently that 'the economic machine could not be driven with one foot on the accelerator of public expenditure and the other on the brake of credit restriction.' Mr. Cobbold went on to add that it was not for the Bank to suggest where public expenditure should be cut. That was a political judgment, but it was his prime duty to 'sound warning bells when Government and near-Government spending is putting too heavy a burden on the country's resources.' How true it is of our present economy. We look to the Finance Minister to exercise enough persuasion with his colleagues, so that political judgments conform to dire economic necessity of the moment.

"For the success of our ambitious plan of development the co-operation and enthusiasm of the people must be marshalled; a feeling of commonness of responsibility must be generated; likewise, a sense of sacrifice must filter down to the people. From this angle, a deliberate increase in costs of living may provide the feeling and the background of obligations and responsibility. Our able Finance Minister is a realist; he should have risen above the historical emotions respecting salt, as also the moralising sanctions respecting prohibiton. Rajkumari Amrit Kaur, a devoted follower of Gandhiji, and erstwhile Minister of Health, has urged the abandonment of symbolic attachment to salt and has also advocated the scrapping of prohibition laws: these two can provide him immediately with substantial revenues and at the same time incite a large number of the low income category of our population to participate in the grand venture.

"Another aspect of the economics of disinflation which has not engaged the attention of our Finance Minister is the imperative need for providing incentives for greater production all round. Mrs. Joan Robinson, the eminent Cambridge economist, who has studied deeply the Indian plans and made several visits to India for the purpose, stated a few months ago that 'to support any large scheme of investment with a long gestation period there must be an appropriate amount of quick-yielding investment to get the consumption sector (including food production) into the posture to meet the demand that will fall on it—if the threat of inflation hangs over the Plan, it must surely mean, not that the Plan is too large, but that the balance is wrong.'

Corporate Taxes

"When I come, however, to the tax measures affecting joint-stock companies, I cannot but help regard the new burdens as indicative of the 'certain ambivalence' in economic thinking to which the Finance Minister has himself drawn attention. The increase in corporation taxes, compulsory deposits and tax on wealth are positive disincentives to capital formation, which by itself has not presented a promising picture over the last five years. A recent survey by the Indian Institute of Public Opinion arrived at the depressing conclusion that 'there was no significant rise in the rate of capital formation between the years 1952-53 and 1955-56. The second Five-year Plan assumed that the rate of saving in the economy would be stepped up from 7 per cent. to between 10 and 11 per cent., and this assumption was made in the belief that the capital formation in the last years of the first Plan was undergoing some change in an upward direction, possibly of the order of 1 to 2 per cent. a year. It now appears that, so far as 1956-56 is concerned, there is no justification for this assumption and that it may be that capital formation in 1956-57 has even fallen back below 7 per cent.'

"External dis-savings are huge and consumption expenditure is steadily mounting up.

(*Continued on page* 1062)

"GUR" AND "KHANDSARI" INDUSTRIES

DEVELOPMENT ON SCIENTIFIC LINES URGED

A DISTRESSING feature of developments in India's sugar economy is that, while the white sugar sector has established itself fairly well, the *gur* and *khandsari* sectors have not registered any progress. In fact, the conditions now obtaining in these sectors continue to be none too happy. The methods of manufacture, for instance, are crude and wasteful; in all areas, the industries are unorganised; and modern facilities for stocking and transport are non-existent. This is certainly unfortunate, considering that the *gur* and *khandsari* industries play a vital role in the economy of the country. They consume the major portions of sugarcane grown in the country; the present annual rate of consumption is of the order of 30 million tons, that is, about 55 per cent. of the aggregate cane output. This is expected to be substantially higher at 40 million tons at the end of the second Plan period, when cane production will be about 77 million tons. The two industries together provide employment to no less than 2.1 million persons on a seasonal basis and to 70,000 persons all round the year. The total investment in the industries is about Rs. 40 crores, the aggregate value of output being estimated at Rs. 100 crores, if not more.

In view of the importance of *gur* and *khandsari* to both sugarcane growers and consumers of these products, it is imperative that energetic steps should be taken to set the two industries on a sound and secure footing. Dr. Panjabrao S. Deshmukh, Union Minister of State for Co-operation, did well, therefore, to urge, when he inaugurated the Seminar on Open Pan Crystal Sugar Manufacture on Small Scale, that, if the *gur* and *khandsari* industries were to take their rightful place in the agri-industrial renaissance of India, they should "forge ahead on modern scientific lines." Dr. Deshmukh stated that, in a predominantly agricultural country like India, these industries constituted a very important enterprise in the cottage sector and, as such, had not only come to stay, in spite of the startling progress made by the white sugar industry, but also needed to be fostered and developed.

Cane Disposal

There is no doubt that, for a long time to come, both the industries would continue to remain an ever-increasing means of disposal of sugarcane grown in the country. Out of an area of 14.5 million acres under cane in the whole world, approximately 4.0 million acres, constituting about 28 per cent. of the total, are accounted for by India. This country is thus the largest cane producer in the world. India's acreage under sugarcane has varied a great deal and, at times, reached 4.8 million acres, as in 1951-52. The white sugar factories consume only about 30 per cent. of the total cane crop, while as much as 55 per cent. is used for making *gur* and *khandsari*. The State of Uttar Pradesh has the largest area under cane and also the highest number of crystal sugar factories. The production of *gur* in this State, too, is the highest; and about 90 per cent. of the total output of *khandsari*—100,000 tons—is also produced here. It is but appropriate that this State should take a leading part in developing the *khandsari* industry and help in establishing it on a sound footing in a much more expanded form.

In the course of his speech Dr. Deshmukh drew special attention to the conditions under which the *gur* and *khandsari* industries are currently operating. His analysis clearly shows that the industries operate mostly in the non-mill areas and the technique adopted in most cases happens to be extremely crude. There is at present a marked disparity between the income obtained by cane growers in the mill and non-mill areas. Hardly any intensive cane development work is undertaken in the latter areas, as a result of which the yield of cane per acre is comparatively low. Viewed thus, the latest move of the U.P. Government to launch a large-scale project of cane development in the non-mill areas must be welcomed.

The Minister made a pointed reference to the fact that the *khandsari* industry was concentrated almost wholly in the Rohilkhand tract of Uttar Pradesh. In his opinion, the industry is holding its own only because of its institutional setting and for the reason that it is a means of raising working capital by the former. In its present form, it can hardly be regarded as a sound business proposition, from the point of view of both technical efficiency and interest of cane growers. If, however, technological developments were introduced in the industry, it should be possible, according to Dr. Deshmukh, for cane growers to realise not less than 75 per cent. of the value of cane supplied to vacuum pan sugar factories, as compared with the present 60 per cent.

Research Scheme

In this connection, the Minister referred to the *gur* and *khandsari* research scheme, financed and administered by the Government of India, which now forms part of the Indian Institute of Sugarcane Research, Lucknow. He revealed that a large volume of useful data had emerged from the researches carried out under this scheme for effecting improvements in the manufacture of *gur* and *khandsari*. The sulphitation process evolved under the scheme, it is claimed, enables production of *khandsari* sugar which very much resembles mill sugar. It is also claimed that *khandsari* produced by this method gives a much higher recovery than that derived under the indigenous method. Surely, this alone, as Dr. Deshmukh rightly observed, is a great step forward in the development of the industry. Further, due to the quality being better, the product will have ready sale and be preferred by many who have developed a taste for crystal sugar. What is more, the sulphitation process of improved *khandsari* manufacture is said to offer a large employment potential in villages. Dr. Deshmukh calculated that, against an investment of about Rs. 1 lakh per unit, employment could be provided to no less than 100 persons for five months in a year.

In conclusion, the Minister congratulated the Planning Research and Action Institute on having adopted the improved process in their pilot project for manufacturing *khandsari* in non-factory areas. The organisational pattern adopted by this Institute, we are told, is more or less the same as that recommended for the marketing and processing societies in the All-India Rural Credit Survey Report. About 900 cane growers have contributed 50 per cent. of the capital of the pilot project units at Ghose in the district of Azamgarh (Uttar Pradesh). Characterising this as a "healthy sign," Dr. Deshmukh hoped that these pilot units would provide means of solving the problem of rural credit and better economic utilisation of the sugarcane crop in areas far remote from vacuum pan factories. He also visualised the possibilities of these units being developed into multi-purpose production centres for catering to the needs of villages.

Although the importance of the vital role which the *gur* and *khandsari* industries play in the country's economy has been repeatedly emphasised ere now, the State Governments have not so far given any effective steps to improve their conditions. The spokesmen of these Government's talk often about developing the decentralised industries, especially as a means of solving the problem of unemployment in the rural areas. But it is highly regrettable that the Governments themselves do precious little to implement the reforms and measures by which they swear. In other words, they talk a lot, but do very little. The continued plight of the *gur* and *khandsari* industries is a typical instance of their inherent weakness. Since these industries are heavily concentrated in Uttar Pradesh, one naturally expects that the Government of this State ought to have launched long back a vigorous programme of development for this sector, a programme that will provide for improvement in manufacturing processes, adoption of better techniques of storage and transport, and provision of cheap credit facilities for those engaged in the industries. In view of the importance of these industries, the U.P. Government can even set up a separate department, under the care of a Deputy Minister, and make it responsible for developing the *gur* and *khandsari* industries on modern scientific lines.

SUGAR PRODUCTION AND STOCKS

Sugar production during the month of April 1957 was 277,000 tons, bringing the total production upto 30th April to 1,822,368 tons. The corresponding figures during the last season were 251,000 tons and 1,653,000 tons, respectively.

The offtake of sugar from factories during the month was 198,000 tons, as against 125,000 tons in the corresponding period last season. The total offtake of indiginous sugar during the first six months of the current season comes to 1,035,000 tons, as against 805,000 tons.

Stock of sugar with factories as on 30th April 1957 was 1,314,000 tons, as against 1,258,000 tons on the same date last season.

COAL-BEARING AREAS

LOK SABHA APPROVES BILL TO TAKE OVER LEASES

IN less than four days after its introduction, the official Bill to establish greater public control over the coal-mining industry (a reference to which was made in this journal last week) was approved by the Lok Sabha on the 17th inst. The clause-by-clause consideration of the Bill will be taken up this week. The Bill empowers the Government to acquire, for the purpose of development of the industry, unworked coal-bearing areas held by private lessees on payment of reasonable compensation.

Moving the Bill for consideration, Mr. Swaran Singh, Minister for Steel, Fuel and Mines, explained the object of the Bill and said that the Government had to acquire unworked coal-bearing areas in order that the public sector might be able to achieve the targeted additional annual production of 10 million tons set for it under the second Plan. The Land Acquisition Act and Mines and Mineral Concession Rules did not, he added, confer adequate power on the Government to achieve this object and hence the present Bill. The Minister expressed the Government's anxiety to hit the target, in spite of the fact that it was "ambitious". He urged the House to treat the Bill as urgent as the first year of the Plan was already over and as the target had to be reached in the remaining four years. He disclosed that the National Coal Development Corporation had already imported machinery worth Rs. 1 crore. The Government could go ahead with the work only if the present Bill was passed.

The Bill provides for payment of compensation equivalent to "the actual legitimate expenditure incurred by the lease holder, *plus* a sum, in the nature of interest, calculated on the expenditure incurred and not exceeding 50 per cent. of such expenditure." Speaking on this provision, Mr. Swaran Singh said that the compensation rules contained in the Bill were in accord with the principles followed by the Government in similar cases. The Bill also provides for a tribunal to resolve disputes regarding compensation and power of appeal to the High Court against the tribunal's decision.

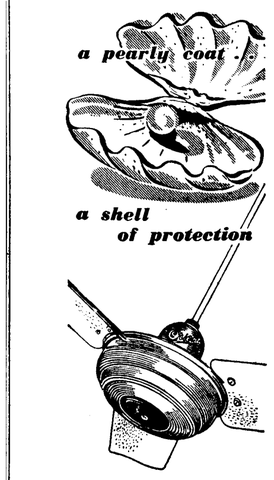
A Tame Affair

The debate on the Bill proved to be a tame affair; only a few members participated in it. Some of them, however, criticised the provisions particularly those relating to compensation. As is only to be expected, these criticisms regarding compensation came from leftist members who considered the terms to be somewhat liberal. It is, however, some consolation that they did not suggest expropriation of the leases or rights to coal mines. One of the Communist members from Andhra, welcoming the measure, said that the compensation should be paid only to lessees of the properly worked coal-bearing areas and that there should be no provision for appeal against the decisions of the tribunal over compensation. The Socialist member from Bombay, Mr. Naushir Bharucha, criticised the provisions of the Bill and said that the compensation proposed should be in line with the objective of a socialistic society. He thought that neither the scheme of the Bill nor the clauses relating to payment of compensation were satisfactory. If the Government wanted to take over a certain coal-bearing area, it should do so by paying direct compensation and not become a sub-tenant of the State Government concerned. A Congress member from Andhra suggested that the Bill should be referred to a Select Committee to report within a week. He felt that the principle of compensation on the basis of market price *plus* something else might lead to complications in the future. There should also be no provision for payment of *salami*, which was illegal in many States.

Pandit Thakurdas Bhargava, Congress member from Punjab, said that the principles laid down in the Constitution regarding acquisition of private property and compensation should be fully adhered to. Private property should be acquired only when it was absolutely necessary and on payment of just and adequate compensation. He felt that the compensation provision in the Bill was fair and wanted it to be further liberalised, if necessary.

One of the Congress members from Bihar suggested that, before any area was acquired, the Government should satisfy itself whether or not it was liable to pay compensation for it.

(*Continued on page* 1062)



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CHANGING SOCIALIST PATTERN AND NATIONALISATION

NEED FOR RETHINKING BY INDIAN LEADERS

By Prof. C. L. Gheevala

SOCIALISTS today are faced with a dilemma as to the means to be adopted for the achievement of the general objectives which commonly characterise all socialist aspirations. Socialism is basically a moral and emotional protest against conditions of material poverty and physical squalor. It, therefore, believes in creating conditions of equality of opportunity for the large mass of people, so that they may have the maximum scope for their self-expression and development. There have been various schools of thought, with profound variations in their choice of means—Owenites, Marxists, Fabians, Christian Socialists, Syndicalists and Guild Socialists—all of which claim to be "Socialists." The true ends which should inspire the Socialist faith are being forgotten and the doctrinaires among the socialists are deifying the means into the ends themselves. They seek to identify socialism with increasing public enterprises, nationalisation, central planning and bureaucratisation irrespective of the consequences. It is not realised that socialism which is basically a way of life representing certain ethical values and behaviour cannot be imposed from above by dictates of the Government or by merely nationalising industries and abolishing the system of private enterprise. That way lies the road to State capitalism and eventually to a monolithic State.

Socialism, which stands for social justice, equality of opportunity, liberty of the individual and fraternity, cannot be ushered in by mere institutional changes. The problem is more fundamental; it is one of creating a new moral leaven in favour of socialist values, instilling new ideals; in short, it is one of re-fashioning the individual out of an acquisitive society. While institutional changes may be necessary, and even desirable, emphasis must always remain on changing the individual from within, on working for a revolution in the minds of men.

At no stage, confusion has been more profound regarding the choice of means, than at present. As propounded by Karl Marx and still upheld by his doctrinaire followers, socialism has been defined as "nationalisation of the means of production, distribution and exchange." It is significant to note that the Marxist prophesy of the collapse of capitalism has proved untrue. He wrote at a time when most of the Governments in Europe were despotic. He could hardly foresee the coming of the Welfare State in the wake of the spread of democratic ideals and representative institutions in various parts of the world. Instead of growing pauperisation, the living standards have gradually risen and poverty and insecurity are in the process of disappearing. It is no longer true to maintain that the pattern of ownership of the means of production determines the character of the whole society and that collective ownership through nationalisation is the only necessary condition of realising the socialist objectives. The recent experience of the working of the Welfare State runs counter to the doctrinaire approach which equates socialism not only with nationalisation of industry, but with centralised planning and redistribution through State Collectivism.

An Outmoded Doctrine

As pointed out by Keynes, " It is not the ownership of instruments of production which it is important for the State to assume. If the State is able to determine the aggregate amount of resources devoted to augmenting the instruments and the basic reward to those who own them, it will have accomplished all that is necessary." The modern State, under the dynamic influence of democratic ideals, has revealed a new awareness of social justice and equality. *Laissez faire* is an outmoded and a discredited doctrine. Today, the State already wields considerable power in the social and economic spheres and has subjected a large segment of economic field to what may be described as strategically decisive political control. With the vast complex of physical, legislative, monetary and fiscal powers, the State seeks consciously to regulate the level of employment, the distribution of income, the rate of accumulation and the balance of payments. The policies effectively influence the size of industries, the pattern of output and the direction of investment decisions. The vast amount of labour legislation regulates the relations between the employers and the employees and safeguards the rights of the workers. The State has thus emerged as the final arbiter of economic life and the era of unregulated and unfettered market economy is over. Besides, with the growth of the managerial joint-stock corporation, the function of decision-making has already shifted to non-owning classes of executives from the capitalist class of *entrepreneurs*. In this context, therefore, the cataclysmic view of the growing pauperisation of the masses, the consequent class struggle, the dictatorship of the proletariat and the ownership of the means of production by the State which constituted the central core of Marxian thesis have become irrelevant as means of achieving the socialist objective.

No Socialism

It is against this background that the present socialist dilemma regarding means and ends has to be viewed. It is now increasingly realised that mere change of ownership is no guarantee for ensuring that the economy would be run on socialist lines. On the contrary, the socialists in some of the leading democracies have been struggling to reorientate their approach to the problem of nationalisation since it has created fresh problems arising from undue concentration of economic power in the political hands, on the one hand, and the growth of vast bureaucratic corporations, on the other. Even trade unions which at one stage supported the nationalisation of industries have started re-examining their stand since expanding public enterprise has meant serious curtailment of their rights.

Our Prime Minister has correctly enunciated the problem facing all those who want to plan on a democratic basis. He said: "We want to produce material goods of the world and to have a high standard of living, but not at the expense of the spirit of man, not at the expense of his adventurous spirit, not at the expense of all those fine things of life which have ennobled man throughout the ages." In its Election Manifesto, the Congress party has attempted to clarify its attitude towards nationalisation and private enterprise thus: "It is not intended to nationalise the existing private industries, except where such is considered necessary in terms of 'planning' or where they occupy a 'strategic' position in the economy of the country. Private Enterprise will be encouraged, but always in the context of planning." This statement has to be viewed in the context of the Industrial Policy Statement of April 1956, where a substantial segment of our industrial life is to be progressively developed under the public sector. However, in a scheme of comprehensive central planning, there is need to guard against the danger of ideological considerations exercising undue influence over the planners engaged in formulation of programmes and policies.

Vague Terms

As pointed out by John Jewkes, a remarkable consequence of the growth of planning ideas is the extensive use of vague and obscure terms, which frequently represent a mere substitute for thought itself. In the absence of any precise definition and a clear-cut demarcation, the terms 'basic,' 'strategic' and 'planning' are vague and elusive, since, at some stage of a crisis developing in the economy, the planners might fail to distinguish between industries which are essential and those which are non-essential from the point of view of strategic controls over the economy. It is, therefore, essential that the policy of nationalisation must accept certain fundamental limitations and must define the sphere of its operation in very clear, precise and unambiguous terms if the democratic values of socialism have to be preserved and fostered.

Role of Profit

The planning argument is advanced on the presumption that the profit motive and the national interest are mutually conflicting. The other underlying presumption appears to be a sort of a belief that profit motive is ethically wrong and that the same could be eliminated only by nationalisation. This view stems from a basically unsound approach to the problem. Behind this lies an inadequate appreciation of the economic role of profit and a great deal of confused thinking which mistakes profit for 'profiteering' and equates profits with 'exploitation' as enunciated by the Marxian dogma of "surplus value." If appropriation of the "surplus value" is exploitation, no country in the world is a greater sinner than Soviet Russia which has extracted maximum "surplus value" from its workers not only for the upkeep of its vast military and bureaucratic machine but also for enforcing a rate of investment far in excess of the one achieved in the so-called capitalist countries. They have even resorted to most ruthless methods of repression and caused widespread suffering to the people in achieving this objective.

What the socialist needs today is a more balanced and correct approach to the problem of the role of profit in a dynamic economy. Whether it be public or private industry, capital formation must be the prime motive of economic activity and this makes it indispensable that the level of total saving must be maintained at a high level. In fact, it is a condition precedent to rapid economic growth. In this context, it is immaterial whether the means of production are owned by the State as in nationalised industries or by industries in the private sector; it is incumbent on both to set aside some part of current production for re-investment and ploughing back for the expansion of existing units or the starting of new industries. It is only a static society which consumes in current enjoyment its entire output of goods. This only leads to stagnation, and stagnation, as has been aptly said, means death.

A growing dynamic society cannot think in these terms nor can any socialist object to profit in principle. What can legitimately be objected to is profiteering which is anti-social, and the maldistribution of resources resulting in concentration of wealth in the hands of the few. The State today is fully equipped in its armoury of varied monetary and fiscal measures to meet such a situation. To seek, therefore, to eliminate profit through a policy of nationalisation will be nothing short of an act of suicide. There is no guarantee that the bureaucracy in a State-owned economy or nationalised sector will promote higher rate of investment and not misuse or fritter away the resources as is feared in the private sector. Except in the case of provision for social services which cannot be governed by profits, there can be no excuse for not applying to the State or the nationalised sector the principle of profit or a higher rate of return.

Role of Private Sector

It is significant to note that the post-war experience of nationalisation has proved that public ownership or nationalisation does not necessarily guarantee the realisation of the objectives of planning. As affirmed by some of the leading socialists, reality has proved rather different from the blue-print. "Some of the anticipated advantages did not materialise; while certain unexpected disadvantages emerged." It is in this context that socialists, more particularly in India, who have grown under the inspiring legacy of Gandhian thought and undertaken the task of evolving a new pattern in conformity with the basic democratic values and ideals, require a new reorientation in their approach to private sector or what is chosen to be described as free enterprise in contradistinction to State capitalism.

It would be mere distortion of historical facts, or a grotesque caricature to seek to equate present-day free enterprise with *laissez faire*. Free enterprise is as far away from nineteenth century capitalism, as democratic socialism from Marxian socialism nursed under a totalitarian system. It will hardly profit the socialists to compare the aberrations of the early *laissez faire* capitalist system and the consequent suffering of the people, with the cold-blooded, calculated brutalities of the totalitarian economies, with their liquidation of millions of people and the atmosphere of ubiquitous and omnipresent terror, perpetrated in the name of socialism. Free Enterprise, today, in contrast to authoritarian bureaucratised economic system, stands for voluntary effort expressed through people's initiative and enterprise. No responsible exponent of the system has asked for the revival of exploitative capitalism. It fully accepts its social obligations in a scheme of planned economic development. Under a system of democratic planning, regulated private enterprise has a positive role to play; and it is essential that the same is duly recognised. It is not something in the shape of a relic of a dying system to be just tolerated for a short while or to be suffered on grounds of political expediency. It is a living and dynamic system, which is both fundamental and indispensable for ensuring democratic processes. It must be accepted as an integral part of the system of true democratic socialism which is based on the recognition of the intrinsic moral worth and dignity of the individual. "The reason why socialistic economy requires private sector is because socialists place a value on individual freedom."

Congress Party's View

In this connection, it is relevant to point out that the socialist pattern, as enunciated through the Congress resolutions, emphasises that "the democratic process is to be ensured though enabling the private sector to play its proper role. The two sectors, private and public, should be viewed as parts of a single plant if the economic growth of the country should be both democratic and peaceful." State Enterprise and Free Enterprise must, therefore, function simultaneously in the economy, complementing each other in the interest of achieving the common objective. What is essential is a balance of a "mixed economy" in which, in the words of the Prime Minister, "it is desirable to have a competitive private sector," not only for ensuring the proper functioning of the public sector, but also for keeping it up to the mark to some extent. As emphasised by the Socialist Union in their publication, *Twentieth Century Socialism*, "as long as an independent sector remains, it can act as a perpetual and very effective check on the State's activities. If there continue to be private employers and independent trade unions, and bargaining between them produces good results, there will be no escaping the insistence of the unions on similar conditions from public employers. If public enterprise is less efficient than private, if it gives less satisfactory service to the consumer, the comparison will be there for all to see and public opinion will not acquiesce for long. At every point, the nature and efficacy of State activity can be directly challenged."

Nationalisation is not Socialisation

Government in some of the leading democracies of the world today has moved away from the *laissez faire* policy and is wielding a wide variety of fiscal, physical and monetary powers, to enable it to achieve the objectives of planned economic development by means of overall regulation and direction. It has been found by experience that adequate control over the public sector is difficult to exercise, and it has been equally more difficult to make the nationalised sector amenable to public accountability in reality. In the United Kingdom, where the Labour Government experimented with nationalisation, it was a common saying that the Government had less power over Lord Citrine than over the Imperial Chemical Industries! This only illustrates how difficult the task of governmental co-ordination becomes in an expanding public sector. While appreciable progress is made, after initial teething troubles, in the working of the State enterprises in India such as Sindri Fertilisers, Chittaranjan Locomotives Factory, the Integral Coach Factory, the Indian Telephone Factory, a great deal more yet remains to be done. We are still following the outmoded system of running State enterprises, entailing serious complaints, irregularities and delays. To cite only one instance out of many, it took Government three years to obtain possession of the site for a factory and this delay, as the report points out, caused the Exchequer "an increase of about 400 per cent. in the cost of land, 80 per cent. in the cost of plant and machinery, 40 per cent. in the cost of steel and 100 per cent. in the cost of fabrication." Reports of the Parliamentary Estimates Committee are replete with instances of "bureaucratic mishandling of public enterprises, lack of co-ordination, inefficiency and waste of public resources."

Central Planning

To one who is familiar with the operation of economic forces, it becomes clear that the best of planners cannot foresee the issues arising out of central planning. The present crisis in our foreign exchange resources with all the repercussions on the pace of planning is an instance in point. We who are pledged to democratic planning must guard against developing a strange hypersensitiveness to public criticism, which, as is amply illustrated by the experience of planning in countries like Russia and its satellites Poland and Hungary and China among the totalitarian States and even to some extent during the days of the Labour Government in the U.K. among the democracies, inevitably results in either hunting for scapegoats or threatening to resort to more desperate and drastic remedies of placing the whole economy on a "war-time basis" as a national emergency! It may be that, in a totalitarian regime, to a politician, a public confession of failure is tantamount to political suicide. But surely, in a democracy, the logic of planning need not, like a blind fury, threaten to drive us from one crisis to another!

The planning argument in favour of nationalisation has thus fallen into disrepute. It is sometimes forgotten that monopoly, even where it is public, suffers from serious drawbacks. It not only results in seriously curtailing the freedom of the individual citizen, inasmuch as it denies him his right and privilege to start industries and produce goods of his choice, but by removing the conditions of competition, it smothers all initiative, enterprise and venturesomeness which are the basic requirements for efficient working of the economic system. The nationalised sector, in the absence of competitive conditions, equally fails in safeguarding the interests of the consumer which can only be promoted by a free choice of goods and competitive suppliers. In short, experiment in nationalisation in countries like the United Kingdom has only led to the creation of vast bureaucratic organisations which suffer from all the dangers of overcentralisation, endangering the very existence of a democratic society.

Progress Will Be Checked

It has been admitted that nationalisation has not provided the right answer to problems of development. As pointed out by Frank Beskrick, "Centralised control might well damp down the rate of development. There is no evidence that increased technical efficiency would necessarily follow from State ownership." As further affirmed by C. A. R. Crossland, the leading British socialist, "A higher working class standard of living, more efficient joint consultation, better labour relations, a proper utilisation of economic resources, a wide diffusion of power, a greater degree of co-operation and more social and economic equality—none of these now primarily require a large-scale change in the ownership for their fulfilment." Except those who are wedded to the Marxist-Leninist dogma, none subscribes to the belief that the ownership of the means of production, distribution and exchange is a *sine qua non* of a socialist order of society. It has become clear that the mere act of nationalisation does not automatically change industrial and social relations in the direction we desire. The recognition of these new problems is aptly expressed in the new slogan "Nationalisation is not Socialisation."

This is, however, not to suggest that, in a backward economy, the State should not undertake development of certain industries either of a basic or a strategic character deemed essential for bringing about rapid industrialisation of the country. In fact, there are quite a few industries, which the State is already either managing or controlling and there are quite a few, which are beyond the capacity of the private sector to develop and which the State can conveniently undertake to develop in the larger interest of the national economy. What is essential is to emphasise that there is no *a priori* case in favour of nationalisation as a panacea for all our economic ills.

Every act of nationalisation, therefore, must be justified on sound pragmatic grounds. It is not enough to state, as was asserted by the then Finance Minister, in respect of nationalisation of life assurance, that, "there is no need for making out a case that private enterprise has failed in order to effect nationalisation. Nationalisation can be justified on grounds of ideology and philosophy." Any proposal in favour of nationalisation will have to convincingly demonstrate—whether it be of the air transport undertaking, life assurance or the Kolar gold mines—that the same will result in economic improvement where the existing industry has manifestly failed and that other physical or fiscal controls have proved incapable of improving the situation. The approach, therefore, will have to be selective, cautious and empirical. In case where an industry is sought to be nationalised on grounds of alleged inefficiency, it will have to be proved that the same is impervious to other treatment except that of public ownership. Nationalisation must be an exception, made under extraordinary circumstances, and not a rule to be followed in deference to certain ideological pursuits. A mere snap political judgment in disregard of economic implications may lead to disastrous consequences.

The best *via media* that has been suggested in this context has been that of "competitive public enterprise approach." Government need not take over any of the existing units, but should try to set up, if conditions warrant, new Government-owned plants to compete with the existing private units. This approach not only saves the community from the dangers of overcentralisation and bureaucratisation, but provides the necessary milieu for a healthy functioning of the public sector since it will have to justify itself on grounds of performance and efficiency. It is essential that the competition between units in the public and the private sectors should be just and fair, free from any discriminatory treatment in the allocation of resources, raw materials or labour. "Competitive performance must be the sole test—if the public companies cannot compete on equal terms, they do not deserve to be set up. They must be subject to the same test and standards and must function under the same normal commercial conditions." In the name of "common good" or "public service," the State sector cannot claim a "right divine" to go wrong, to work inefficiently or to fritter away national resources.

Shorn of its ideological trappings, the State cannot *ipso facto* assert any superior moral claim over the private or the people's sector, except in terms of its actual performance of the functions it is expected to fulfil. The public and the private sectors must, in the last analysis, be judged by the contribution each makes to the realisation of the objectives of planning, e.g., expanding economy, fair shares and economic security. In their organisational set-up, the nationalised units must be so constituted as to be able to show greater *entrepreneurial* initiative and maximum degree of freedom and independence in their day-to-day affairs. Similarly, the private units in the sector which have a vital and important role to perform must not be hamstrung by a network of administrative restrictions of an unfair or an arbitrary character. In this sense alone, the false dichotomy of the public and private sectors can be done away with and both these segments can be called the limbs of the national sector, which must unceasingly work for the rapid industrialisation of the country, providing expanding employment opportunities and raising the standard of living of the people and seeking to bring about a reduction of the present inequalities in income and wealth.

Dangers of Centralisation

Democratic Socialism must equally address itself to the wider and more fundamental question of dangers of centralisation and bureaucratisation to individual freedom and initiative. It can ignore these vital issues at its own peril. The serious consequence of a policy of nationalisation and the public sector, which is to expand both absolutely and relatively, would be the setting up of vast bureaucratic corporations with large accretions of power. Such bureaucratic organisations can only be remotely responsible to Parliament and in reality will constitute a veritable threat to the freedom of the individual. As pointed out in *Twentieth Century Socialism*, "In such a system, there is no freedom to experiment with ideas which have not won State approval. The man who wishes to risk or dare is a misfit or worse. *To eliminate all private capital is to open the road to totalitarianism.*" (Italics ours.) Instead of realising the objectives of a socialist order—"a society of free and equal"—it will create problems arising out of undue concentration of economic power in the political hands and the bureaucracy. R. H. Crossman, the British Labour M.P., as a result of the socialist experiment in the U.K. which sought to subject the economy to public control in the name of freedom and democracy, candidly posed the dilemma: "Yet the State Bureaucracy itself is one of these concentrations of power which threaten our freedom. If we increase its authority, still further, shall we not be endangering the liberties we are trying to defend?"

It has been aptly observed that "the modern planning movement sets out with goodwill and noble intentions, to control things and invariably ends up by controlling men." It is true that we are pledged to democratic planning and that our Constitution guarantees certain fundamental rights. Yet, while accepting freedom and democracy in theory, in actual practice the socialist pattern runs the risk of being increasingly identified with an all-powerful State. It is seriously maintained by some that the recent trends in Government policy, set in motion with the amendment of Article 31 of the Constitution and the drastic changes in the Company Law, while intended to check some of the abuses, will unmistakably result in inhibiting private initiative and enterprise to a considerable extent. Besides, the State Trading Corporation, with its inroads into cement distribution, canalised imports, export of manganese and iron ores and a host of other items which are to be brought within its ambit ostensibly with the purpose of mobilising and diverting large profits for meeting part of the investment programme of the Government, justify the doubts and misgivings

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ROADS AND NATIONAL HIGHWAYS

SPEEDIER EXECUTION OF PLANS URGED BY ESTIMATES COMMITTEE

THE implementation of a national road policy is of the utmost importance to the country's economy, considering how largely and how intimately the success of the economic programmes is bound up with an extensive and well maintained network of roads. Naturally enough, the subject of Indian roads has attracted considerable attention and study in recent years, thanks to the efforts of the transport and engineering departments of the Central and State Governments, the Indian Roads Congress and certain non-official organisations such as the Indian Roads and Transport Development Association. It is gratifying to note that the Estimates Committee of Parliament has made yet another welcome attempt at the study of the problem in its report entitled "Ministry of Transport (National Highways and Roads)" wherein the Committee has described and commented on the evolution of India's road policy and offered valuable suggestions for the speedier implementation of road programmes.

The relative backwardness of India's road mileage will become evident when it is remembered that the average road mileage per lakh of population is 69.1 in India, as against 365.4 in the U.K., 641.2 in Switzerland, 449.0 in Belgium, 1,221.0 in France and 2,143.7 in the U.S. The average road mileage per square mile of area is 0.2 in India, 2.0 in the U.K., 1.9 in Switzerland, 3.3 in Belgium, 2.4 in France and 1.1 in the U.S. Realising the importance of roads and with a view to preparing a road development plan for India, the Central Government convened a Conference of the Chief Engineers of Provinces and States at Nagpur from 15th to 18th December 1943. This Conference took a 20-year view and proposed that, at the end of that period, no village in a well developed agricultural area should remain more than five miles away from the main road. It recommended that (1) roads should be divided into four classes, namely, national highways, provincial or State highways, district roads and village roads; national highways were defined as highways running through the length and breadth of India connecting major ports, foreign highways and capitals of provinces and of large States and including roads required for strategic movements for the defence of India. It also recommended that the Centre should assume financial responsibility for the construction, development and maintenance of national highways. After holding consultations with the State Governments, the Central Government assumed full financial responsibility for national highways with effect from 1st April 1947.

Nagpur Plan

The Nagpur Plan laid down a 400,000-mile target, to be reached in 20 years, consisting of: national highways 22,000 miles, national trails 3,000 miles, provincial highways 65,000 miles; district roads—major 60,000 miles, other 100,000 miles—and village roads 150,000 miles. These figures had to be revised in the context of partition which followed later. The reduced figures for post-partition India are: national highways 16,600 miles, national trails 4,150 miles, provincial highways 53,950 miles, district and village roads 256,300 miles. At the beginning of the first Plan, India had 98,000 miles of hard surfaced roads and about 149,000 miles of low type roads. At the end of the first Plan, the length of metalled roads rose to 121,000 miles and that of unmetalled roads to 195,000, as against the Nagpur Plan targets of 123,000 miles and 208,000 miles respectively. At the end of the second Plan period, the mileage of metalled roads is expected to rise to 143,000 and that for unmetalled roads to 235,000.

The question is whether the contemplated targets are adequate in the context of the economic development now envisaged under the Five-year Plans. On this question, it is noteworthy that Mr. E. A. Nadirshah, ex-President of the Indian Roads and Transport Development Association, made some important observations in his evidence before the Estimates Committee. He informed the Committee that road mileage in 1943 was about 220,000 miles (88,000 miles of hard surfaced and 132,000 miles of earth roads). The Nagpur Plan proposed to raise it to about 208,000 miles of earth roads, that is, an increase of about 111,000 miles of roads (35,000 of hard surfaced and 76,000 of earth roads). Therefore, the increased mileage proposed was roughly 50 per cent. of the 1943 figure. The Nagpur Plan was prepared on the anticipated traffic requirements of the country by 1963. Since the inception of the first Plan the tempo of the economic development had changed. The increase in production in the first Five-year Plan was about 30 per cent. over the pre-Plan period, i.e., 1950-51, and in the second Plan it was estimated at about 100 per cent. over that in the year 1950-51 and it will be about 150 per cent. over that of 1943. Therefore, the country's requirements of roads by 1961 should logically be about 2½ times those of 1943, when the Nagpur Plan was formulated. Mr. Nadirshah further added that the Nagpur Plan was drafted, taking into consideration certain conditions that would be prevalent after 20 years. The conditions were absolutely different after independence and the experts who drafted the Plan could not have thought of all these things at that time. The Nagpur Plan was, therefore, deficient in that respect as sufficient data was not available at that time on roads that existed in different princely States.

Ministry's Views

The Ministry informed the Committee that so far as the basic principles laid down in the Nagpur Plan were concerned, these needed no change. The mileages of roads required on these principles were worked out satisfactorily while preparing the Nagpur Plan. As, in some areas, roads are required closer together than the average assumed at the time of the Nagpur Plan, the overall mileage figures worked out in the Nagpur Plan may not suffice for attaining the basic targets laid down. No detailed study had been made after the preparation of the Nagpur Plan for determining the maps the mileages that will be actually required for attaining the basic targets. The representative of the Ministry further informed the Committee that at present there was no plan for revising the Nagpur Plan but that had to be taken up. The Nagpur Plan envisaged that in developed areas the villages should not be more than five miles away from a *pucca* road and in non-developed areas not more than 20 miles away from a *pucca* road. This stipulation was not considered adequate now. The representative further added that the time had definitely come to take up that question. Commenting on these views, the Committee considers that it is necessary to have a perspective plan just like the Nagpur Plan which will meet the requirements of the next 25-30 years. It, therefore, recommends that in view of the integration of the princely States and change in the political map of the country after the Nagpur Plan was formulated and in view of the industrialisation that is taking place, the Ministry should devise a plan as early as possible based on existing conditions.

State roads are important for the reason that they are linked with the national highways and along with them constitute a single road system. The programme for State roads is determined by the States themselves though the road organisation at the Centre is consulted. Construction of roads is financed from State revenues which are supplemented by the allocations and grants from the Central Road Fund. Under the first Five-year Plan of the State Governments, the schemes envisaged an increase in the mileage of metalled roads from 10,007 in 1950-51 to 12,453 by 1955-56 in Part 'A' States and from 7,588 to 8,129 in Part 'B' States. During the same period, the mileage of unmetalled roads was expected to be reduced from 2,199 to 757 in Part 'A' States and from 526 to 206 in Part 'B' States. The road development plans for Part 'C' States were framed with a view to providing for the construction of as many new roads as possible and for opening up areas which are at present inaccessible while improvement and reorientation of the existing roads to meet the changed administrative requirements and the economic development of the areas is also being given due emphasis. The total provision for road development in the plans of the States was Rs. 93 crores. The States' sector of the second Plan has a total provision of Rs. 164 crores for road construction in the States, the Union territories and the North East Frontier Agency. About 18,000 miles of surfaced roads are expected to be constructed under this programme during the second Plan period. The programme takes into account the special needs of backward areas which could not be given adequate attention in the first Plan. Some provision has also to be made for the improvement of low grade or earth roads constructed during the first Plan as part of the rural development programme.

As regards rural communications, the Nagpur Plan, as already stated, provided that every village in a well developed agricultural area should be within five miles from a main road and in a non-agricultural area within 20 miles from a main road. The Transport Ministry informed the Committee that, at present, there were 121,000 miles of *pucca* roads but it could not be said that no village was within five miles away from a *pucca* road. The Ministry also stated that a study of the whole subject would be undertaken shortly. Mr. Nadirshah observed that village roads would be successful if earth roads were constructed properly in the beginning and the soil was stabilised. Every section should be provided with a mechanical grader to level up the earth roads as the roads would get cut up with the passage of wheels. After traffic had developed *macadam* surface could be put on the roads. This would be cheaper and economical. He further added that the present practice of constructing roads in rural areas which consisted of no more than shaping the earth to required grades and levels was hardly meeting the barest minimum of engineering requirements. The only scope whereby expense could be saved was by utilising scientific methods of soil evaluation now practised which sometimes resulted in failure and the original money spent was more or less wasted. The Committee has recommended that the method of construction of rural roads as suggested by Mr. Nadirshah should be considered by the special officer who is to be appointed to undertake a broad study of development of rural communications and he should lay down definite standards for the construction of better rural roads at a cheaper cost.

National Highways

Now to a closer examination of the position of national highways. The Government of India, as already stated, assumed full financial liability for the development of national highways with effect from 1st April 1957. In view of the limited funds available, it was decided that first priority should be given to the construction of the missing links and bridges on the more important routes. Between 1947-48 and 1950-51, a total expenditure of Rs. 6.2 crores was incurred on the development of national highways; about 110 miles of missing links and three large bridges were constructed and 1,000 miles of existing roads improved. Again, during the period, the mileage of national highways improved from 12,200 to 12,310. The Committee regrets to note that the performance in these years was "extremely poor in the matter of new construction." During the period of the first Plan, 636 miles of missing links and a large number of culverts and bridges, including 30 major bridges, were constructed, about 4,000 miles of existing sections improved and about 400 miles of the improved sections made fit for two-lane traffic. Again, during this period, the mileage of national highways increased from 12,310 to 12,946.

A provision of Rs. 55 crores has been included in the second Five-year Plan for the development of national highways. In terms of physical achievements, about 1,200 miles of missing links and new diversions (including 614 miles in progress at the end of the first Plan period) are proposed to be taken in hand under the second Plan. Out of these 1,200 miles, about 900 miles are expected to be constructed during the second Plan period. The balance of work will be carried over to the third Plan period. With the construction of 900 miles of new lengths in the national highways system, the actual length of national highways will rise from 12,900 miles at the end of the first Plan period to 13,800 miles by the end of the second Plan period. That is to say, all missing road links in the national highway system are expected to be constructed by the end of the second Plan period. Besides the construction of the missing links, it is proposed to take in hand during the second Plan period the construction of 116 major bridges (including 42 bridges in progress at the end of the first Plan), the improvement and asphalting of 4,700 miles of existing sections (including 3,000 miles in progress at the end of the first Plan) and the widening of 3,300 miles (including 300 miles in progress at the end of

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NEW PRODUCTS AND PROCESSES

Finding Underground Ore Deposits

SCIENTISTS at the California Institute of Technology have developed a new and remarkable method of discovering underground deposits of ores and precious metals. According to Robert P. Sharp, chairman of the Institute's geology division, it may some day be rated as one of the most significant contributions to ore prospecting in this century. Numerous rock samples were collected and tested in a laboratory. The tests showed that the amount of oxygen elements of differing atomic weights (oxygen isotopes) in the rocks varied directly with the sample's distance from an ore deposit. Further studies showed that these variations were caused by the extent to which the rocks had been heated and permeated about 250,000,000 years ago by hot fluids which boiled up from the interior of the earth and broke through the earth's crust. When the hot fluids reached the earth's surface, they heated surface rock formations such as limestone and dolomite. This heating caused certain chemical changes in the rock, and these changes can be detected today by scientific analysis such as that used by the California scientists. Geologists already knew that the fluids from inside of the earth, which were hot enough to melt rocks, carried rich minerals with them to the surface of the earth. When the fluids cooled, they formed the surface and underground mineral deposits of today. The California scientists have now discovered how to locate areas, either on the surface or underground, where such mineral deposits are located. Study of rock formations to determine their content of oxygen isotopes will make this possible. Previously, the discovery of underground ores has been largely a matter of luck.

Synthetic Diamonds

A man-made material that is just as hard as diamonds, if not harder, has been produced in the United States by the General Electric Company. Called borazon, a compound of boron and nitrogen the new material is said to be the hardest substance ever made by man. It is created by the use of tremendous pressure and heat. It can scratch a diamond and is able to stand heat that will burn up a diamond. If borazon can be produced in adequate quantities at a reasonable cost, it may take the place of diamonds as a cutting material in industrial processes. Diamonds are limited in quantity, expensive ($6,000 a pound), and virtually all of them are found in Africa. Dr. Robert H. Wentorf, a 30-year old physical chemist, is credited with the discovery of borazon. A member of the General Electric research team which produced tiny man-made diamonds and garnets two years ago, Dr. Wentorf used a similar method to produce borazon crystals the size of grains of sand.

Type Script Duplicator

A new machine was on display at the British Industries Fair recently held at Birmingham, which not only reproduces typescript at the rate of 100 sheets a minute, but can also take photographic stencils made by another machine and so provide rapidly copies of drawings, etchings, plans, prints—virtually anything that can be put on paper. Electrically powered, the duplicator is made by a British firm. It works by itself and, according to the number of copies required as set on a dial, stops itself on arriving at the appropriate figure. In addition, thanks to a special device known as cyclovane control, ordinary thin paper can be used without smudging; or, for the reproduction of hotel menus and the like, card can be fed into the machine with equally good results. The firm had its beginnings 80 years ago in a tiny workshop started by David Gestetner in the City of London. Today it has a worldwide business in duplicating-machines, and its factory occupies some 500,000 sq. ft. on the outskirts of London.

Computer System for Railways

An electronic computer control system has been developed to help oversee the distribution of empty box cars to shippers along the lines of the Southern Pacific Railway. The system which has been developed jointly by Southern Pacific and the Stanford Research Institute will control operations in 11 of the railway's geographical divisions covering 8,000 miles of track from Portland, Oregon, to El Paso, Texas. The operation of the electronic computer system will commence on 1st July this year. It will involve the daily sifting and analysis of 70,000 individual car records and the evaluation of the car handling efficiency achieved, the forecasting of traffic trends and the advising of the railway's officer in charge of car distribution where to move empties to maintain optimum box car supply. The data processing computer which is to be used to operate the system will be located at San Francisco, California.

Machine Parts Counter

A high-speed counter, capable of tallying as many as five million manufactured parts per hour with a maximum error of only 0.1 per cent., is being introduced for use by small parts manufacturers in the United States. It is expected to provide economies in many plants which now ship bulk orders of small parts on the basis of weight, instead of time-consuming count, and usually ship extras to avoid any risk of shortages. From a hopper with ten cubic feet capacity, the machine feeds the parts to a row of eight conveyors where they are counted by phototransistor eyes and sped on their way down a chute into the shipping container.

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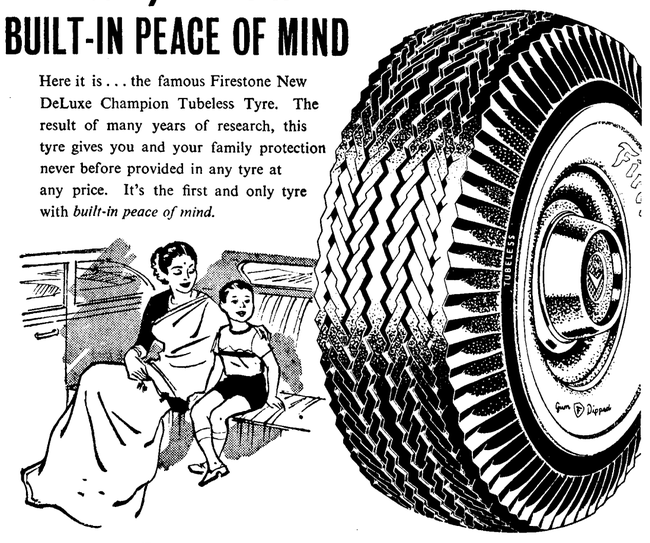

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FOR YOUR RECORD

NEW TAXATION PROPOSALS

FINANCE MINISTER'S ELUCIDATION

THE following is a continuation of the Union Finance Minister, Mr. T. T. Krishnamachari's budget speech, made in Parliament on 15th May 1957. The earlier part of the speech was published in our last issue.

"The core of the Plan is steel, coal, transport and ancillary power. With the external assistance that has been already promised and with further support from the International Bank and other sources, we shall, I think, be able to carry through the projects in this 'core.' This group of programmes has the highest priority, in view of its bearing on further development. But, in regard to other projects, especially those for which no external resources are specifically forthcoming, and which are not otherwise of high priority, it would be prudent for us not to make fresh commitments for some time until the outlook becomes clearer and we have more assurance of our being able to find the foreign exchange resources needed for them.

"Some rephasing of the Plan is thus inevitable, but, if, as I hope, the balance of payments situation takes a turn for the better before long and, if we succeed in securing adequate external resources, the achievement on the Plan should not fall much behind schedule. Even if the Plan did not encounter difficulties in certain sectors—which it does—a rephasing of it might be necessary in certain parts. The rapid development of the country in the last few years has made it incumbent on our part to give closer attention to the socio-economic objectives of the Plan. The Plan has set to itself the objective of increasing national income progressively over a period of 15 to 20 years.

Urgency of Development

"The urgency of development is related to the need for raising living standards all round and for creating an environment in which democratic values and ways of life take root and gather strength. To those who regard the Plan as too ambitious, I would respectfully submit that they should take a good look at the living conditions of the bulk of our people. If they would only do this, I am sure they will, along with me, be able to see the several directions in which the Plan is inadequate.

"In the last few years, there has been some visible improvement in the standards of nutrition and, probably, of clothing. The housing conditions and environmental hygiene in urban and rural areas of the low-income groups are deplorable; the slums in our cities are a disgrace to any society which claims to be considered civilised. I am deeply anxious to see that the Plan is strengthened in this respect.

"Let us not forget that the very fact that a measure of success has been achieved already in raising living standards makes it all the more urgent that the process be carried forward with vigour and determination. The millions in India have woken up to new desires and new wants for the first time in many generations. With knowledge that a better future for all be possible has come the aspiration that the desired improvements should take place without delay. Whether it is the demand of industrial labour for higher wages and better housing conditions, or of low-paid teachers and Government employees for a fair deal and greater security—all these are but manifestations of the new awakening and of the new striving for an economic future which is consistent with the dignity of the citizens of a free society.

Claims of People

"One cannot merely shrug one's shoulders in the midst of such a situation and say that all these things must wait till somehow or other the financial situation in the country improves. Whatever the difficulties of the moment, the demands of the people—especially of the low-income groups—must be assessed carefully and met to the maximum possible extent. Admittedly, there has to be some order of priorities in dealing with the legitimate but innumerable claims of the people. Even among the less fortunate sections of the society, there are at present wide disparities in income and it is essential that the needs of some should take precedence over those of others. The employees of State Governments and local bodies, for example, who are also doing great national service, enjoy conditions of service which are less favourable than those for Central Government employees.

"I would humbly venture the claim that the Central Government has taken a lead recently in bettering the conditions of these people; but in view of the somewhat strained finances of many States, we have not been able to make much headway. The point remains that, in attempting to improve the living conditions of the people, every care has to be taken to make a beginning where it is most needed. I am also aware that the claims of investment should not go overboard in attempting a speedy improvement in the living conditions. But, when all the concessions to reality are made, the fact remains that to pronounce that our present Plan is too ambitious would be a declaration of defeat in advance. The tasks we have in hand are worthwhile. Their successful completion will make a significant contribution to further development. There should be no stinting of effort or sacrifice in the furtherance of these tasks.

"The Plan is the main theme and the dominant concern of all our thinking and policy-formulation. It could not be otherwise in a country which accepts development as its topmost priority. The Plan has run into difficulties, but I see no warrant for alarm or panic. What is required is preparedness to make the necessary sacrifices, and courage and resourcefulness in handling the problems that arise in the course of its implementation.

Taxation Policy

"This brings me to the most crucial aspect of economic policy, namely, taxation. I should like first to enumerate briefly the objectives of our taxation policy before I come to taxation proposals for the year. Taxation policy and proposals at this juncture have to be shaped in the light of the following criteria:

"(*a*) They must produce a sizable addition to public revenues;

"(*b*) They must provide incentives for larger earnings and more savings;

"(*c*) They must restrain consumption over a fairly wide field so as to keep in check domestic inflationary pressures and to release the resources required for investment; and

"(*d*) They must initiate such changes in the tax structure as would make tax yields progressively more responsive to increased incomes and facilitate an orderly development of the economy with due regard to the social objectives we have adopted.

"As I stated in my budget speech in March last, the overall budgetary deficit of Rs. 365 crores which I left uncovered then is too large in the context of the present economic situation. The changes which I am now incorporating in this budget leave this initial deficit practically unchanged, and I think it is vital for us to find ways and means of bringing down this deficit significantly. The other criteria of policy which I have just mentioned need hardly be elaborated, but their application, I hope, will be clear as I proceed with the elucidation of my tax proposals for the year.

Indirect Taxation

"I might begin first with my proposals in the field of indirect taxation. Taking customs first, it will be appreciated that the scope for raising additional revenues from them is limited. Hon'ble members are aware of the severe restrictions we have imposed on imports in order to curtail our foreign exchange expenditure. Moreover, import duties on most of the so-called luxury articles are already fairly high and the duties on capital goods and industrial raw materials have necessarily to be kept as low as possible. The proposals I have made envisage the raising of the rates of duty by small amounts on about 90 items. I have also taken this opportunity to rationalise the rates in the Customs Tariff which run into several hundred items. There is considerable diversity in these rates which is of no real significance and is, in fact, administratively cumbrous. I have tried to give the tariff rates a simpler form and, in this process, the surcharges have been merged into the basic rates. I have also availed myself of this opportunity to convert the rates of duty both in the import and the export tariff in terms of decimal coinage. No other change is being made in in the export duties. Altogether my proposals in respect of import duties will yield a revenue of about Rs. 6 crores spread over a large number of items, too numerous to mention here.

"*Excise Duties*: I now come to Union excise duties. I may say at once that I have fairly substantial proposals under this head, and in doing so, I have in mind the double objective of restraining consumption and of giving a fillip to exports. I propose the following increases:

"*Motor Spirit*: The existing excise duty which works out at 98 nP per imperial gallon, inclusive of surcharge be raised to 125 nP per imperial gallon. This will yield an additional revenue of Rs. 6.65 crores in a full year.

"*Refined Diesel Oil*: The existing duty of 25 nP per I.G. be raised to 40 nP per I.G. This is estimated to yield Rs. 1.90 crores in a full year.

"*Diesel Oil, not otherwise specified*: The duty be raised from Rs. 30 per ton to Rs. 40 per ton, the additional yield from which over a year is estimated at Rs. 35 lakhs.

"*Kerosene*: The existing duty of 18.75 nP per I.G. be increased fractionally to 20 nP per I.G. This will yield Rs. 20 lakhs in a full year.

"*Cement*: The existing duty of Rs. 5 per ton be raised to Rs. 20 per ton, the estimated annual yield being Rs. 6.7 crores.

"*Steel ingots*: The existing duty of Rs. 4 per ton be raised to Rs. 40 per ton, yielding on an annual basis Rs. 5.7 crores.

"*Sugar*: The existing duty of Rs. 5.62 per cwt. be raised to Rs. 11.25 per cwt. This will yield Rs. 18.55 crores in a full year.

"*Vegetable Non-essential Oils*: The duty of Rs. 70 per ton be raised to Rs. 112 per ton. This will mean an increase from about 3 nP to 5 nP per lb. The estimated yield on this account is Rs. 3.15 crores in a year.

"*Tea*: The duty be raised as follows:

"Loose tea—from 6.25 nP per lb. to 10 nP per lb.

"Package tea converted from duty-paid loose tea—from 18.75 nP per lb. to 35 nP per lb.

"Package tea—from 25 nP per lb. to 45 nP per lb.

"This will yield an additional revenue of Rs. 2.45 crores in a year.

"*Coffee*: The existing duty be raised from 18.75 nP per lb. to 35 nP per lb., the estimated additional yield being Rs. 80 lakhs.

"*Unmanufactured Tobacco*: The duty be raised as under:

"If other than flue-cured and used for the manufacture of cigarettes or smoking mixtures for pipes and cigarettes—from 56 nP per lb. to 75 nP per lb.

"If not flue-cured and not actually used for the manufacture of cigarettes or smoking mixtures for pipes and cigarettes, and such tobacco cured in whole leaf form and packed or tied in bundles, hanks or bunches or in the form of twists or coils—from 37 nP per lb. to 50 nP per lb.

"If other than flue-cured and not otherwise specified—from 87 nP per lb. to 100 nP per lb.

"The additional yield from these increases aggregates Rs. 6.15 crores in a full year.

"*Matches*: The existing duties be raised so as to permit of sale of match boxes at 6 nP and 4 nP per match box of 60's and 40's, respectively. The gain to revenues in a full year by these increases is estimated at Rs. 6.2 crores.

"*Paper*: My proposals involve an increase in the existing duty on various types of paper, the aggregate additional yield being estimated at Rs. 2 crores on an annual basis.

"These proposals in respect of Central excise duties are estimated to yield Rs. 60.80 crores in a full year. For the remaining part of the current year, their yield is estimated at Rs. 53.20 crores, out of which the share of the States will be about Rs 4.2 crores in respect of tobacco and matches.

"In recommending these increases, I have kept in mind the need for a balanced increase among the various items I have listed. The increases proposed in respect of cement and steel are large, but they are warranted by the rapid increase in the demand for them within the economy and the situation of growing shortage and the consequent increase in retail prices which we are facing. The increase in the duty on sugar has the same objective as the increase we made last year in the excise duty on cloth, namely, to restrain domestic consumption in the interest of larger exports. In the case of matches, the existing duties were fixed with a view to ensuring sale at 3 pice per match box of 60's and 2 pice per match box of 40's. Under the decimal coinage system, the equivalent of these prices comes to 4.7 nP and 3.1 nP respectively, and this would have meant in effect a retail price of 5 nP and 3 nP, respectively. With the increase in the excise duty now proposed, the retail price will be 6 nP and 4 nP, respectively.

"As regards tobacco, it is known that a Tobacco Expert Committee was appointed in January 1956 under the chairmanship of Mr. Raghuramiah, M.P., to review the procedure adopted in applying the criterion for assessment of unmanufactured tobacco. The Committee, after careful consideration of the problem, has recommended that the criterion of 'capability' of use for manufacture of *bidis* should be revised by the criterion of 'physical form' of tobacco other than flue-cured for purposes of assessment. Accordingly, such tobacco is proposed to be reclassified on the basis suggested by the Committee. For revenue purposes, the rates of duties on such tobacco are also being somewhat enhanced. With the proposed increase in the rate of duty on these two types of tobacco, the rate of excise duty on unmanufactured tobacco for use in the manufacture of cigarettes is also being proportionately raised.

"The tariff relating to paper has been rearranged with a view to greater rationalisation and to absorb the higher profit margins now developing in the retail trade and the rates of excise duty which had been kept deliberately low in the initial stages are being enhanced.

"Finally, following the increases in the rates of excise duty on vegetable non-essential oils and strawboards and millboards, the existing slab exemption in favour of small producers of these commodities are being suitably revised by executive notifications.

Direct Taxation

"I turn now to direct taxation. First, I propose to make certain adjustments in personal income-tax and super-tax rates. Till now, these changes have followed a standard pattern which, I think, needs a fundamental change. It is necessary to recognise that the basic rates should apply to the person who earns his income, that is, sweats and toils for it, and that others who derive their income from property and investments, that is, without making any direct effort, should be made to pay more by a surcharge. Under the present system, there is no provision for earned income allowance for super-tax. For income-tax, there is an allowance of 20 per cent., subject to a maximum of Rs. 4,000 for earned incomes not exceeding Rs. 25,000. For incomes in excess of this amount, the allowance of Rs. 4,000 is reduced at the rate of 20 per cent. of the excess over Rs. 25,000, so that, for an earned income of Rs. 45,000, the allowance is reduced to nil. I now propose to change this system altogether, applying a standard schedule of rates to all earned incomes and imposing a higher surcharge on unearned incomes. I have come to the conclusion that our existing rates of direct tax at top levels deprive the tax structure of all flexibility. It is said that they tend to diminish the incentive for work, but I am aware that they encourage large-scale evasion. It is now recognised that the very high rates of direct taxation in the top income brackets in many countries of the world are, in practice, tolerated or tolerable only because of considerable evasion that takes place. In other words, the high rates tend to be applied to a corroded tax base.

"I now propose a revised schedule of these rates and introduce a new scheme of surcharge levy which will mean that the total of the income-tax, super-tax and surcharge for the highest slab will be brought down from the existing level of 91.8 per cent. to 84 per cent. for unearned and 77 per cent. for earned incomes. The surcharge will be 5 per cent. on the tax computed at the standard schedule rates for earned incomes up to Rs. 1 lakh and 10 per cent. on incomes in excess of that sum. For unearned incomes, there will be a uniform surcharge of 20 per cent. over the standard schedule rates. When a person's income is partly earned and partly unearned, the unearned income will be considered to belong to the slab in which the earned income ends and to higher slabs where necessary. The rates for the lower slabs have been adjusted in keeping with this change in respect of top slabs. To provide relief to the middle classes, I propose that no surcharge on unearned income be levied where the total income does not exceed Rs. 7,500. The reduction in the rates of direct taxation will cost the Exchequer Rs. 7½ crores. This reduction should, however, be judged in the light of the other changes in direct taxation which I mention later.

"I propose also to widen the present income-tax base by reducing the taxable minimum from Rs. 4,200 to Rs. 3,000. The minimum limit had been raised over the past few years mainly for administrative reasons. An income of Rs. 4,200, modest though it is in absolute terms, is quite a large multiple of the average level of incomes in the country. It is reasonable to expect that those with an income over Rs. 3,000 should also make their contribution, however small, to the public exchequer, and should come within the range of direct taxation. As development proceeds, there will, I expect, be a large and progressive increase in the number of incomes within this range and I think it is essential, if the Exchequer is to benefit proportionately from the expansion of incomes consequent on development, that these incomes are brought within the income-tax range. I therefore, propose to place the exemption limit now at Rs. 3,000 for individuals and Rs. 6,000 for Hindu undivided families. I propose, however, to couple this with an increased allowance for married people. The extra tax-free slab of Rs. 1,000, which at present applies to married people, will now be raised to Rs. 2,000. The wider coverage of income-tax consequent on this set of proposals will bring in about Rs. 5 crores this year.

Tax On Companies

"My next proposal relates to the taxation of companies. I propose to raise the income-tax payable by companies from the present level of 4 annas in the rupee to 30 per cent. and the corporation tax from the present level of 2 annas 9 pies in the rupee to 20 per cent. As hon'ble members are aware, shareholders of companies are entitled to credit of income-tax paid on their behalf by the company. The net effect of the proposal to increase income-tax on companies will, therefore, not be very significant. It will to some extent help us to check tax evasion.

"The need for corporate savings is as great as ever. In view, however, of the increase proposed by me in the rate of corporation tax, I propose to reduce the excess dividends tax—to 10 per cent. on distribution of dividends between 6 per cent. and 10 per cent. of the paid-up capital; to 20 per cent. on distribution between 10 per cent. and 18 per cent. of the paid-up capital; and to 30 per cent. on the balance.

"During the debate on the Finance (No. 3) Bill introduced by me last December, reference was made by certain members to the stimulus that my proposals were likely to give to bonus share issues. I was aware then that, with the increase in the rates of excess dividends tax and the introduction of the capital gains tax, there should be some change in the rates of tax on bonus issues. I have considered this matter and propose to raise the tax thereon from the present level of 12½ per cent. to 30 per cent.

"At present, rates of super-tax for inter-corporate dividends are about 17 per cent. for Indian companies and 20 per cent. for foreign companies. With the increase in the basic rates of corporation tax, these rates require adjustment. I propose, accordingly, to reduce the rate of inter-corporate super-tax to 10 per cent. for both Indian and foreign companies on dividends received from Indian subsidiaries. The effect of this will be that, so far as foreign companies working through subsidiaries are concerned, the total tax payable by them will remain practically unaltered. Similarly, for foreign companies operating through branches and earning other incomes, the rate of corporation tax will be reduced from 36 per cent. to 30 per cent. I expect that, with these changes, there will be some encouragement to the investment of foreign capital in India.

"My next proposal with regard to companies relates to the tax on undistributed profits of companies in which the public are not substantially interested. This tax has frequently been the subject matter of considerable argument. The principle on which the tax is based is unexceptionable, namely, that individuals having income in the higher brackets should not be allowed to avoid payment of super-tax by forming close corporations and not distributing their profits in such corporations. However, in the context of our development plans, we have to balance against the need to prevent super-tax avoidance the needs of companies for funds required for expanding industrial activities. I propose to reduce to 45 per cent. the minimum percentage of available profits which an industrial company of the above type should distribute in order to avoid the penal consequences of inadequate distribution; for non-industrial companies, the percentage will continue to be retained at 60 per cent. For a company which derives profits partly from industrial activities and partly from other activities, the minimum distribution required will be 45 per cent. of available industrial profits and 60 per cent. of other available profits. Investment companies will be required to distribute 100 per cent. as usual. In cases where the accumulated profits and reserves are not less than the paid-up capital or the value of the fixed assets, the minimum percentage required to be distributed is at present 100 per cent. for all companies. I propose to reduce the percentage to 45 for the industrial companies and 90 for others. With these reductions in the minimum amount required to be distributed, it will be unnecessary to continue the present scheme of adjudication by the Commissioner of Income-tax and the Board of Referees on the business needs of companies seeking total or partial exemption from the operation of the provisions relating to minimum distribution.

"There are certain other minor changes proposed upon which I do not wish to dilate here. These relate to exemption from income-tax of employer's contribution on a recognised provident fund, increase in the percentage of the income that will qualify for rebate of income-tax if saved in the provident fund or insurance, limitation on the carry-forward of losses, etc. I have also taken the opportunity of redrafting the provision relating to deposits to be made by companies of a portion of their undistributed profits and development rebate and depreciation allowances so as to bring out the Government's intention more clearly.

SUMMARY OF FINAL ESTIMATES

(In lakhs of Rupees)

REVENUE	Budget 1957-58	Revised 1956-57	Budget 1956-57
Customs	162,00 +6,00*	171,00	150,00
Union excise duties	209,43 +49,00*	188,73	170,35
Corporation tax	50,50 +4,25*	48,24	48,24
Taxes on Income other than corporation tax	85,96 +2,75*	82,61	86,35
Estate duty	9	11	18
Taxes on wealth	15,00*		
Opium	2,50	2,24	2,10
Interest	4,90	5,24	5,49
Civil administration	43,21	15,49	11,06
Currency and mint	30,02	24,48	23,67
Civil works	2,95	2,70	2,39
Other sources of revenue	27,65	19,32	19,39
Posts and Telegraphs—net contribution to general revenues	3,09 +35*	5,30	1,60
Railways—net contribution to general revenues	6,67	6,03	6,57
TOTAL REVENUE	634,97 +77,35*	571,49	527,39
EXPENDITURE			
Direct demands on revenue	41,80	37,92	37,15
Irrigation	10	8	5
Debt services	35,00	38,21	35,50
Civil administration	191,02	133,64	135,91
Currency and mint	6,72	5,02	3,78
Civil works and miscellaneous public improvements	15,93	14,54	15,90
Pensions	9,17	8,98	8,84
Miscellaneous:			
Expenditure on displaced persons	22,50	21,86	21,42
Other expenditure	44,05	28,32	30,23
Grants to States, etc.	25,23	29,60	38,00
Extraordinary items	38,86	12,43	14,70
Defence services (net)	252,71	202,95	203,97
TOTAL EXPENDITURE	668,09	533,55	545,43
Surplus (+) Deficit (—)	(—) 33,12 (+) 77,35*	(+) 37,94	(—) 18,04

* Effect of budget proposals.

"Altogether, the changes I propose in the taxation of companies will bring in additional receipts amounting to Rs. 7½ crores.

Wealth Tax

"I come now to two new tax measures designed to alter the tax structure in a way that will ensure a more effective and at the same time a more equitable basis for taxation. My first proposal is to levy a tax on wealth. It is recognised that income, as defined by existing Income-tax laws and practice, is not a sufficient measure of tax-paying capacity and that the system of taxation on incomes has to be supplemented by taxation based on wealth. This is more equitable and it also promises, over a period, to reduce the possibilities of tax evasion. I mentioned earlier the reliefs in income-tax at top levels of income which I am introducing this year. These reliefs are meant as an encouragement to larger effort and greater initiative on the basis of which alone a healthy and progressive economy can be built up. It is necessary, at the same time, to adopt other measures which are egalitarian in intent but which do not have a disincentive effect. The tax on wealth that I am now proposing is one such measure. This tax will be payable by individuals, Hindu undivided families and companies. In the case of Individuals, values upto Rs. 2 lakhs and in the case of Hindu undivided families values upto Rs. 3 lakhs will be exempted. In respect of wealth exceeding that amount, the rate will be ½ per cent. for the first Rs. 10 lakhs, 1 per cent. for the next 10 lakhs and 1½ per cent. on the balance. This will thus be a progressive tax which, together with the surcharges I have recommended in respect of income-tax on unearned incomes, will contribute towards a more effective taxation of the richer classes without diminishing incentives to earn in the process.

"In the case of companies, there will be no tax on assets up to a value of Rs. 5 lakhs; on values beyond that the rate will be ½ per cent. The wealth tax is intended primarily as a measure of personal taxation, but, in the peculiar economic structure of India, I consider it advisable not to exclude companies from the purview of this tax. However, the rate of tax has to be low. This is why I have proposed a flat rate of only ½ per cent. on assets above the exemption limit I have just mentioned.

"Certain properties will be exempted from this tax. Some of these are agricultural properties; properties belonging to charitable or religious trusts; works of art; archæological collections not intended for sale; balances in recognised provident funds and insurance policies; personal effects including furniture, cars, jewellery, etc., up to a maximum of Rs. 25,000; and books and publications not intended for sale. With a view to achieving simplicity in the procedure for evaluating the various kinds of assets which form part of a business undertaking, it is proposed, as far as possible, to treat the business undertaking as a whole as a single unit for valuation. Other assets will be taken at their market value. The yield from this tax is estimated at about Rs. 15 crores. The imposition of this tax, as also the other measures now proposed, should help in checking evasion. I am taking credit of Rs. 5 crores on this account.

"Broadly speaking, the administrative set-up and the procedure for assessment and appeal will be the same as for income-tax. With regard to valuation of immovable non-agricultural property, the assessee will be given a right of reference to an arbitration committee against the decision of the first appellate authority. This committee will consist of a valuer appointed under the Estate Duty Act and another non-official member drawn from a panel of persons familiar with local property values.

Tax on Expenditure

"The other proposal I make is the introduction of a tax on expenditure. This is a form of taxation which has no backing as yet of historical experience. It is, however, a tax which, given effective administrative arrangements, can be a potent instrument for restraining ostentatious expenditure and for promoting savings. In the present circumstances, I think all we can do is to make a small beginning. I propose to levy this tax only on individuals and Hindu undivided families whose income for income-tax purposes is not less than Rs. 60,000. The tax will be imposed on all expenditure incurred, from whatever source it may be, in excess of certain sums which will vary with the size of the family. The amounts excluded are a basic amount of Rs. 24,000 for an assessee and his wife and Rs. 5,000 for each dependent child.

"The rate of tax will be based on a slab system, the rate for each slab increasing progressively with the increase in the level of expenditure. Thus, for excess expenditure up to Rs. 10,000, the rate will be 10 per cent. and, for higher slabs, the rate will increase progressively. As in the case of wealth tax, the administrative set-up and the assessment and appellate procedure will be the same as for income tax. I propose to make this tax applicable from the financial year 1958-59 and, therefore, take no credit for any receipts in 1957-58.

Railway Passenger Fares

"I propose to levy a tax on railway passenger fares. The rate of tax will be 5 per cent. for distances up to 30 miles, 15 per cent. for distances between 31 miles and 500 miles and 10 per cent. for longer distances. No tax will be levied on season tickets. The yield of this tax is expected to be Rs. 14 crores in a whole year. In the current year, the yield will be about Rs. 8 crores. The proceeds of it less the amount attributable to Union Territories will have to be distributed entirely to the States. The States need more resources and railway travellers, like consumers of other commodities, should, under present conditions, make a contribution. I propose to seek the advice of the Finance Commission before I bring forward proposals before Parliament in regard to the actual distribution of the proceeds of this tax.

Changes in Postal Rates

"The postal and telegraph branches of the Posts and Telegraphs Department are working at a loss. Except for unregistered letters and inland letter cards, practically all items of postal traffic are carried at a loss. On a number of items like post cards, money orders and registered newspapers, the rates charged have, for many years, been substantially less than the cost of providing the service. For example, it has been estimated that the average cost of carrying a post card is 7.24 naye paise, as against the present postage of 5 naye paise. This results in an annual loss of over Rs. 155 lakhs. Every increase in traffic in these items—and traffic has been increasing—results in an increase in the losses. With the progressively increasing expenditure on construction of staff quarters and the provision of other amenities for the staff, the existing postal rates are bound to prove even more uneconomic. The opening of unremunerative post offices and telegraph offices as part of the Department's expansion schemes under the first and second Five-year Plans has contributed to the loss in the postal and telegraph branches. The Department has also been building up its capital assets at a fairly rapid rate, the total capital outlay at present being about three times what it was before independence.

"The annual provision, from revenue, for depreciation and replacement of these assets, as I have said before, is at present only Rs. 1.25 crores, and it has been decided to increase this provision to Rs. 2.50 crores during the current year in anticipation of a detailed examination of the whole question. In response to a demand which had been widely and persistently voiced by the book trade, both in and out of Parliament, Government had appointed a committee to examine the question of charging a concessional rate of postage on *bona fide* books as compared with other items chargeable as packets, so that the cost of sending books to rural areas which could be reached only through post offices might not be unduly increased. After considering the Book Committee's report, it has been decided to allow a concessional rate of postage on books. All these measures, however, inevitably result in reducing the surplus earnings of the Department and of increasing the losses of the postal and telegraph branches.

"To ensure the financial stability of the Department, it has become necessary to raise some rates. On post cards, the existing rates of 5 naye paise for single and 10 naye paise for the reply post cards will be raised to 6 naye paise and 12 naye paise, respectively. Postage on local post cards will be raised similarly from 3 naye paise for single and 6 naye paise for reply post cards to 4 naye paise and 8 naye paise, respectively. For packets containing *bona fide* books only, the postage on the initial weight slab of 5 tolas will be reduced from the existing rate of 6 naye paise to 5 naye paise, but, on other packets, the existing rate of 6 naye paise will be raised to 8 naye paise. The postage on additional weight slabs, in both these cases, will remain unchanged. In spite of these adjustments in the book, sample and pattern packet rates, the traffic in this category of articles will continue to result in a loss of over Rs. 8 lakhs per annum. The rates on parcels will be increased from the existing level of 50 naye paise fos every 40 tolas or fraction thereof to 60 naye paise for the first 40 tolas or fraction thereof and 50 naye paise for every additional 40 tolas or fraction thereof. On inland telegrams, the charge for every additional word over the minimum of eight words will be raised from 7 naye paise to 8 naye paise for ordinary and 14 naye paise to 16 naye paise for express telegrams. The additional revenue expected in the current year from these increases is Rs. 85 lakhs.

Recapitulation

" I must now recapitulate briefly the proposals I have made so far. First, my proposals involve small increases of import duties on a number of articles, the additional yield from which during the year is estimated at about Rs. 6 crores. Secondly, the proposals I have made in respect of excise duties involve an enhancement of the rates of duty on various items such as motor spirit, refined diesel oils and vaporising oil, diesel oil not otherwise specified, steel ingots, cement, sugar, matches, unmanufactured tobacco other than flue-cured, vegetable non-essential oils, and paper. The additional revenues on this account are estimated at Rs. 53.20 crores for the remaining portion of the current financial year but Rs. 4.2 crores will be payable to the States as their share of the additional duties on tobacco and matches. Thirdly, the proposals I have made in regard to personal income-tax and super-tax are estimated to bring in Rs. 25 crores in the current year of which the share of the States on account of income-tax will come to Rs. 3 crores. The reduction in income-tax and super-tax rates involve a loss of Rs. 7.5 crores. The lowering of the exemption limit is estimated to yield Rs. 5 crores. The adjustments in company taxation will yield about Rs. 7.5 crores. The tax on wealth is estimated to yield Rs. 15 crores, and to this I add Rs. 5 crores by way of better collections of income-tax reflecting a reduction of tax evasion. The changes I have suggested in direct taxation do not make a big addition to public revenues this year, but I expect that they will make an increasing contribution to the Exchequer, as we get more experience with the new forms of taxation I have proposed and as the machinery for assessment and collection gets geared to its new tasks. Fourthly, I have proposed a tax on fares payable by passengers travelling by railway. This will yield Rs. 8 crores which will be distributed entirely to the States. Fifthly, I have proposed changes in postal and telegram rates which are expected to yield a revenue of Rs. 85 lakhs. Sixthly, I have proposed an expenditure tax which will be effective from 1958-59 but will apply to expenditures incurred in 1957-58.

"The net accretion to the Central revenues as a result of these proposals will amount to Rs. 77.85 crores and the revenue budget will now show a surplus of Rs. 44.73 crores. Ordinarily, the overall deficit would, as a consequence, amount to Rs. 290 crores, if the additional revenue of Rs. 15 crores which would be passed on to the States as a result of these proposals is not taken into account. As hon'ble members will observe from the White Paper, Central assistance to the States for financing the Plan during 1957-58 has been placed at Rs. 278 crores. As a result of the additional revenue accruing to the States, there will therefore be a corresponding reduction in this figure, the reduction being taken in the provision for loans to State Governments. The overall deficit will thus amount to Rs. 275 crores and will be met by expansion of Treasury Bills.

Taxation and Development

"I would like to say a few words about the import of these proposals. We are pledged to move in the direction of a socialist society. This means that we wish to develop an efficient system of production and an equitable pattern of income and wealth which will ensure well-balanced progress. Such a system requires a strengthening of incentives to work and to save. This is the rationale of my tax concessions on earned incomes. A standard rate of tax on earned incomes and a differential rate for taxation of unearned incomes, coupled with a tax on wealth and a tax on expenditure, will give us a better basis for assessment of tax liability, especially in respect of higher income ranges, and will help us to close progressively the loopholes for tax evasion and corrosion of the tax base. If I have brought down the exemption limit for tax liability, it is, first, because the present limit is too high in relation to the average level of incomes in the country, and secondly, because I am of the view that the ground must be prepared, from now on for bringing into the tax net the increases in incomes which will take place in these ranges in the coming years. All my proposals in the field of direct taxation form an inter-related whole and should, I suggest, be judged as such.

Incentives

"My proposals in respect of company taxation are designed not merely to increase revenues but also on balance to encourage the ploughing back of profits through a check on dividend distribution. These measures are not intended to curtail genuine investment in the private sector, though it would not be unreasonable to assume that a slight slowing down for a short period will not, in present circumstances, be undesirable. There are, however, other devices to regulate private investment. I wish, therefore, to retain the bias in the tax structure in favour of corporate investment. It is for this reason that I have left untouched the existing liberal depreciation allowances and the system of development rebates, which it is recognised on all hands, are a powerful incentive for investment. I have also, as I mentioned earlier, readjusted the tax rates to encourage foreign investment. I recognise that the shareholder or the investor expects to get a reasonable return on his capital, but I also think that, under modern conditions, there is even greater need for providing incentives for those who work and manage concerns and thus fall within the category of earned income earners.

"My proposals involve a raising of burdens on the near necessities of the common man. This is inevitable in the present circumstances. These burdens, large as they may look in the aggregate, have a low average incidence. A process of development in a country where most incomes are low cannot be financed without calling for sacrifices from all sections of the community, and there are special reasons at this juncture for applying some restraint on consumption in order to check inflationary pressures and to stimulate exports. I recognise, at the same time, the need in particular sectors may well be from time to time to assist in maintaining consumption at a reasonable level in terms of the minimum nutritional standards and, to this end, it may be necessary to subsidise food. My intention, therefore, is to build up from out of the additional receipts of taxation a food subsidy fund of the order of Rs. 25 crores. This fund will be used to keep down food prices, particularly for the more vulnerable areas.

Still Leaves Deficit

"The proposals that I have made will still leave the overall deficit for the year at a level somewhat higher than I would consider safe; but it is not unwise in my judgment to run a measure of risk, especially if, by doing so, the expansionary impulse in the economy can be maintained at a reasonably high level. A budgetary deficit involves creation of fresh purchasing power. It implies that, on balance, Government puts more purchasing power into the hands of the public than it withdraws from it. The stresses and strains that have developed in the economy are a warning against unrestricted deficit financing. I am not against deficit financing; I recognise it can play a role in promoting development. But, it is a medicine to be taken in small doses; it is not food that would sustain the system. On the whole, I doubt if we shall be able over the Plan period to undertake deficit financing of the order indicated in the Plan, and this means we have to raise more resources by taxation, loans and small savings. Considering the needs not only of the current year but also of the next few years in terms of the second Five-year Plan, I am convinced that the measures I have placed before the House today are essential and salutary.

"Indeed, I feel confident that, over a period, they will help us in getting out of the stagnancy of public revenue relatively to national income, which is a bottleneck from the point of view of further developmental planning. The ratio of public revenues to taxation in India is low, even by the standards of relatively underdeveloped countries. The way to raise it is to initiate structural changes in the tax system so as to make it more progressive in terms of returns. The emphasis of my proposals is on this aspect of the tax problem. The propriety of the changes I have suggested should be judged in this light rather than in terms of their immediate yield. I have, in effect, outlined the tax structure for the Plan period. There will undoubtedly have to be some adjustments in this structure from year to year, but I expect that these adjustments will be relatively small. For the rest of the Plan period, our aim will be to watch how the changes I have initiated this year work in practice and how the system can be improved upon—to the benefit of the taxpayer no less than in the interest of the tax-receiver. Within this broad framework, I believe, all concerned can proceed with their plans with confidence and assurance of sympathetic consideration by Government of any genuine difficulties.

Conclusion

"This brings me to the end of my story. I am aware that the policies and proposals I have placed before you add up to a varied and somewhat formidable bill of fare. But the exigencies of the situtation demand nothing less. There are moments in the history of every nation when it must advance on a great many fronts at the same time. The task before us is not merely one of raising resources for the immediate needs of the Plan. We have also to attempt, at the same time, a rationalisation of the tax structure, so that it can sustain a mounting crescendo of developmental effort in the years to come. I am one of those who also believe that the greatest advances towards economic quality and positive social improvement are made in difficult times when the conscience and the solidarity of a people are raised to the highest pitch . This, I believe, is one of the chief lessons of the Second World War. Sacrifice on a nation-wide scale and injustice or excessive inequality go ill together. And that is why I have endeavoured in the present budget to snatch from the needs of the moment an opportunity for imparting a new turn to our tax structure towards greater efficiency and equity. A heavy responsibility rests on us all at this juncture, and I have presented to the House an approach in terms of policies and of proposals which is to the best of my judgment appropriate to this responsibility. I hope, when the time comes for someone to judge whether we rose to the occasion or not, we shall have to our credit a record worthy of this House and of the nation."

• • • •

Excise on Kerosene and Newsprint

Subsequent to the above announcement, the Finance Minister announced restoration of old rates of excise duty on kerosene and newsprint. The following is the statement made by him, in this connection in the Lok Sabha on the 20th inst:

"In the Finance No. (2) Bill, 1957, introduced by me on 15th May 1957, certain increases were proposed on the customs duty on newsprint and customs and excise duties on kerosene. According to the declaration made under the provisions of the Provisional Collection of Taxes Act, 1931, these duties came into force with immediate effect.

"In the case of the customs duty on newsprint as contained in the Finance Bill, which has the effect of raising the duty, this was an error. In the final compilation of the customs duties and their incorporation in the Finance Bill, the error seems to have arisen from the fact of my having stated expressly that customs duty on newsprint should not be raised but the emphasis seems to have been lost. I have rectified this error by a notification issued under Section 23 of the Sea Customs Act on 18th May 1957.

"In the case of the excise duty on kerosene, as the House will be aware, the duty was raised from 18.75 nP per Imperial gallon to 20 nP per Imperial gallon. The effect of this fractional increase should not have gone towards increase in the retail selling price of kerosene, as this additional duty adds only one-fifth of a nP or thereabouts to a bottle of kerosene oil. However, the prices seem to have been raised and what was, in effect, a fractional increase to round up a figure was being utilised for the purpose of making the retail prices go up. The consequences of such increase in the retail prices would, I am afraid, have mal-effects over a very wide field. I have, therefore, taken the liberty of restoring the *status quo* in regard to the duty on kerosene."

As a direct result of the recent visit of the Australian trade mission to India and Ceylon, its exports to these countries are expected to rise by £A3 million in 1958-59. This is the actual amount of business written by the mission and the visit is expected to make a permanent addition of £A2 million to exports to India in subsequent years. India, according to the Director of Trade Promotion, will remain a good market for Australian heavy equipment and machinery for many years. Greater capacity in Australian combing mills will enable an expansion of Indian wool-tops market.

World consumption of tin is expected to rise by over 8,000 tons this year. Japan is one of the countries which is taking more from the world supply and its offtake from Malaya is expected to be around 8,500 tons during 1957, as against just over 6,500 tons last year. Estimates of the year's production in Indonesia and Bolivia show that both the countries may not turn out as much this year as they did last year, and the extra supplies may have to be drawn from either Russia or Brazil. Russia, however, is holding back large quantities for stockpiling.

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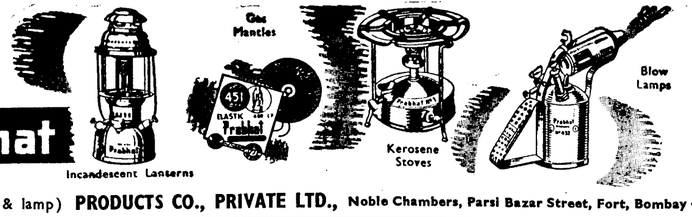

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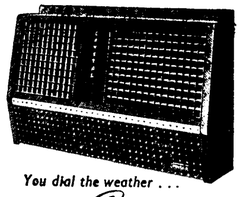

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Balance sheet of the State Bank of Hyderabad as at 31st December 1956

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
Authorised Capital	1,00,00,000 0 0	
Issued Capital (pursuant to Section 10 (1) (a) of the State Bank of Hyderabad Act, 1956)		50,00,000 0 0
2. Reserve Fund and Other Reserves—		
As per last Balance Sheet	65,14,285 11 5	
ADD—Amount transferred pursuant to Section 10 (1) (b) of the State Bank of Hyderabad Act, 1956	14,28,571 6 10	
	79,42,857 2 3	
LESS—Amount transferred pursuant to Section 27 (2) of the State Bank of Hyderabad Act, 1956	58,71,857 2 3	
	20,71,000 0 0	
ADD—Amounts transferred from the profits for the period of fifteen months	1,35,000 0 0	
		22,06,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	6,37,99,252 13 1	
Savings Bank Deposits	1,25,64,405 5 4	
Current Accounts, Contingency Accounts, etc.	6,96,15,434 3 0	
		14,59,79,092 5 5
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	18,00,000 0 0	
(ii) Outside India	....	
		18,00,000 0 0
PARTICULARS—		
(i) Secured by part of Bank's investments as per contra	18,00,000 0 0	
(ii) Unsecured	....	
5. Bills Payable		46,10,092 12 4
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	56,20,821 2 4	
(ii) Payable outside India	2,23,771 7 6	
		58,44,592 9 10
7. Other Liabilities—		
Rebate on Bills Discounted	22,080 1 0	22,080 1 0
8. Acceptances, Endorsements and Other Obligations per contra		46,38,248 2 6
9. Profit and Loss—		
Balance of Profit as per last Balance Sheet as at 30th September, 1955	4,10,918 5 10	
LESS—Appropriation thereof—		
Dividend at 5 per cent. declared free of tax to the shareholders of the Hyderabad State Bank for the year ended 30th September, 1955 (viz., O.S. Rs. 3,75,000)	3,21,428 9 1	
	89,489 12 9	
Profit for the period from 1st October, 1955 to 21st October, 1956	4,44,904 2 1	
	5,34,393 14 10	
LESS—Appropriations thereof— Rs. a. p.		
Amount transferred to Reserve Fund — 90,000 0 0		
Amount transferred to Pension Fund — 50,000 0 0		
Amount transferred to Contingency Fund — 1,34,393 14 10		
Amount set aside for taxation — 1,25,000 0 0		
Bonus to Staff — 1,35,000 0 0	5,34,393 14 10	
Balance brought forward	....	
Profit for the period from 22nd October, 1956 to 31st December, 1956	2,08,058 8 4	
LESS—Appropriations thereof— Rs. a. p.		
Amount transferred to Reserve Fund — 45,000 0 0		
Amount transferred to Pension Fund — 25,000 0 0		
Amount transferred to Gratuity Fund — 25,000 0 0		
Amount transferred to Contingency Fund — 28,058 8 4		
Amount set aside for taxation — 85,000 0 0		
Surplus balance transferred to Reserve Bank of India —	2,08,058 8 4	....
10. Contingent Liabilities—		
Claims against the Bank not acknowledged as debts	5,800 0 0	
Bills of Exchange re-discounted (The liability has fully run off as at the 28th February, 1957)	6,89,273 5 0	
Outstanding Forward Exchange Contracts	63,08,203 15 9	
Guarantees given on behalf of Directors or Employees of the Bank	....	
Guarantees given on behalf of others	3,70,752 12 0	
Total .. Rs.		17,01,00,106 15 1

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)		2,40,18,450 8 10
2. Balances with Other Banks—	Current Account	
(i) In India	1,34,304 7 9	
(ii) Outside India	4,00,268 11 5	
		5,34,573 3 2
3. Money at Call and Short Notice		3,00,000 0 0
***4. Investments—**		
(i) (a) Securities of the Central and State Governments (at market value)	2,88,87,011 5 5	
(b) Other Trustee Securities—		
(1) Municipal Loans (at market value)	3,73,593 12 0	
(2) Corporation Shares (at cost—for which there are no market quotations)	9,00,000 0 0	
(ii) Shares (at cost—of State Bank of Pakistan)	50,000 0 0	
(iii) Debentures or Bonds (at cost—for which there are no market quotations)	1,00,000 0 0	
(iv) Other Investments	....	
(v) Gold	....	
		3,03,10,605 1 5
*(Of which investments of the face value of I.G. Rs. 99,86,000 and [O.S. Rs. 90,00,000] I.G. Rs. 77,14,285-11-5 are pledged against the borrowings from other Banking Companies, Agents, etc., as per contra)		
5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors)—		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India — 7,83,57,656 5 4		
(ii) Outside India —		
	7,83,57,656 5 4	
(ii) Bills Discounted and Purchased—		
(i) Payable in India — 1,81,74,636 9 3		
(ii) Payable outside India — 6,26,204 8 3		
	1,88,00,841 1 6	
Particulars of Advances: See separate statement appended.		9,71,58,497 6 10
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	56,20,821 2 4	
(ii) Payable outside India	2,23,771 7 6	
		58,44,592 9 10
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		46,38,248 2 6
8. Premises Less Depreciation—		
Total cost upto 30th September, 1955	22,23,599 4 9	
Additions during the period from 1st October, 1955 to 21st December, 1956	6,42,820 5 11	
	28,66,419 10 8	
LESS—Sales during the above period	47 8 0	
Total Depreciation written off upto 31st December, 1956	28,66,372 2 8 1,27,338 7 9	
		27,39,033 10 11
9. Furniture and Fixtures Less Depreciation—		
Total cost upto 30th September, 1955	21,93,332 10 6	
Additions during the period from 1st October, 1955 to 21st December, 1956	2,71,080 0 5	
	24,64,412 10 11	
LESS—Sales during the above period	19,146 14 4	
Total Depreciation written off upto 31st December, 1956	24,45,265 12 7 11,03,024 13 7	
		13,42,240 15 0
10. Other Assets including Silver—		
Silver	4,98,172 13 2	
Adjusting Account of Interest, Commission, etc.	7,93,645 0 6	
Stationery, Stamps and Suspense	5,83,521 8 8	
Advance Payment of Income-tax	13,38,525 14 3	
		32,13,865 4 7
11. Non-Banking Assets Acquired in Satisfaction of Claims		....
Total .. Rs.		17,01,00,106 15 1

Particulars of Advances

PARTICULARS	Rs. a. p.	PARTICULARS	Rs. a. p.
(i) Debts considered good in respect of which the Bank is fully secured	7,28,57,581 2 8	(v) Debts due by Directors or Officers of the Bank or any of them either severally or jointly with any other persons	1,14,507 14 5
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	67,06,922 4 4	(vi) Debts due by Companies or Firms in which the Directors of the Bank are interested as Directors, partners or managing agents or, in the case of Private Companies, as Members	3,44,15,559 12 6
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,75,93,993 15 10	(vii) Maximum total amount of advances, including temporary advances made to Directors or Managers or Officers of the Bank or any of them either severally or jointly with any other persons at any time—	
(iv) Debts considered doubtful or bad, not provided for	....	(a) during the period from 1st October, 1955 to 21st October, 1956 and	3,68,556 10 7
		(b) during the period from 22nd October, 1956 to 31st December, 1956	1,25,582 12 4
		(viii) Maximum total amount of advances, including temporary advances granted to the Companies or Firms in which the Directors of the Bank are interested as Directors, partners or managing agents or, in the case of Private Companies, as members—	
		(a) during the period from 1st October, 1955 to 21st October, 1956 and	5,25,52,796 14 4*
		(b) during the period from 22nd October, 1956 to 31st December, 1956	3,64,80,980 10 7
		* Including Rs. 4,62,52,993-5-1 on account of advances made to Companies in which the Directors are interested only as Government nominees.	
		(ix) Due from Banking Companies	3,68,960 8 11
Total .. Rs.	9,71,58,497 6 10		

(Continued on next page)

INCREASED AMENITIES FOR RAILWAY EMPLOYEES

TRAINING SCHEME MAKES SUBSTANTIAL PROGRESS

INDIAN railways, which constitute the single largest nationalised undertaking, employing over a million persons, have a dual role to play. Being a public utility concern of vital economic importance it has to ensure a high degree of efficiency. It is also under an obligation, as the principal component of the public sector of the economy, to be a model employer. The former can be achieved by recruiting the right type of men to the railway services and giving them proper training and inculcating in them a sense of discipline and service and the latter by ensuring just and humane conditions of work and wages. The extent to which the railways succeed in achieving these two objectives will be the measure of the success attained by this largest national concern.

The vast network of Indian railways is administered as a department of the Union Government. With the application of the recommendations of the Central Pay Commission which reported in 1947, the idea of a uniform wage policy for all employees of the Government of India has been established. Therefore, any general improvement in the scales of pay for railwaymen can only form part of the general policy applicable to employees of the Government of India. A decision in such matters is, therefore, generally based on financial and other considerations, viewed in the background of the general economy of the country and not on the financial position of railways by itself, although minor adjustments peculiar to the wage structure of railway employees are made. However, in the field of welfare measures, there is considerable scope for improving the lot of railwaymen.

Better Housing

It is heartening to see that Mr. Jagjivan Ram, the Union Minister for Railways, in his speech on the Railway Budget introduced in the Lok Sabha on 14th May, has stressed the need for providing better amenities to the men and women who keep the wheels of railway transport moving. The million and above employees of the railways, together with their families, constitute almost five million people in all, forming a substantial portion of the country's population. Almost one out of every seventy inhabitants of the country derives a direct benefit from the railways. The following table gives the number and cost of staff employed by the railways:

	(On 31st March)	
	1955	1956
No. of Staff—		
Open Line—		
Classes I and II	2,570	2,921
Classes III and IV	977,918	1,020,197
Total	980,488	1,023,118
Lines under Construction—		
Classes I and II	58	93
Classes III and IV	2,665	3,947
Total	2,723	4,040
Cost of Staff (in rupees)—		
Classes I and II	3,24,64,762	3,36,84,403
Classes III and IV	1,37,36,61,928	1,45,17,79,123
Total	1,40,61,26,690	1,48,54,63,526

The question of improved housing and other amenities for the railway staff has been in the forefront both in the first and second Five-year Plans. In 1947, after Partition, the number of quarters available for housing railwaymen was about 270,000. On the conclusion of the first Plan, in March 1956, the number had risen to 336,168 of which 41,000 were built during the Plan period. About 15,000 quarters were built last year, 15,000 quarters more are programmed for the current year and it is anticipated that at the end of the second Five-year Plan 64,500 new quarters will have been added to the number at the commencement of the Plan. The policy is to provide quarters not only for essential staff, who are liable to be called out for duty at any time of the day or night and, therefore, are required to live near the places of their work, but also to other staff in areas where housing is difficult. In addition to building new quarters, improvements to existing quarters have been undertaken on a large scale, such as substitution of better types of quarters for the old, and provision of amenities like sanitation and electrification.

Though education is the responsibility of State Governments, Railway Administrations have, in the interest of the children of staff at stations where educational facilities were inadequate, opened a number of schools which are being maintained entirely from railway revenues. The number of schools maintained by the Railway Administrations as at the end of 1955-56 were 155. The necessity for the expansion of these facilities has formed the subject of discussion between the National Federation of Indian Railwaymen and the Railway Board, and a survey has just been completed for the purpose of estimating the additional number of primary schools that should be opened to cater for the needs of the children of railway employees. Negotiations with local bodies and State Governments are at present being conducted to settle the terms on which the primary schools which are required will be opened. Provision is also being made to meet the educational needs of the children of railway employees posted at outstations.

An officer had been appointed in the Railway Board's Office to review the existing medical arrangements on railways and to plan for future expansion. This review has now been completed and the plans for future expansion of medical facilities on railways have been drawn up. To enable incipient T.B. infections to be detected and treated in the initial stages of the disease, it has been planned to set up 80 chest clinics, and of these 33 are already in operation. For the treatment of advanced T.B. patients in sanatoria, 646 beds have been reserved for railway employees in different sanatoria. It has also been decided to convert existing dispensaries into health units and to build new ones. The necessity for devoting whole-time attention at the senior officers' level to health work has been recognised by the creation of a post of District Medical Officer of Health at the headquarters of each railway.

Staff Training

The problem of the recruitment and training of the large numbers of extra staff of all categories necessary for the detailed planning and execution of the works included in the second Five-year Plan as well as for coping with the large increase of traffic anticipated during the Plan period has been receiving constant attention. The capacity of the Railway Staff Training College, Baroda, for the training of officers, was increased by April 1956 to 30 officers at a time, and arrangements have subsequently been made to increase this further to 110 officers at a time. Considerable progress has been made in the expansion of training facilities on the railways for subordinate staff.

In order to meet any possible shortage of skilled technical personnel for the Civil Engineering Department, three centres have been set up, each with a planned capacity for 150 to 200 trainees at a time, one at Mhow in Madhya Pradesh, another at Shahjahanpur in Uttar Pradesh and a third at Madhopur in Bihar. One of the recommendations of the Estimates Committee was that there should be at least one basic training centre on each railway like those at Kanchrapara, Lilooah, Jamalpur and Kharagpur workshops. Instructions have been issued to railways to provide facilities in the various railway workshops and running sheds for the training of technical staff of different categories, including a basic training shed in all major workshops and basic training centres for giving lectures to trainees. Some railways already have basic training centres and proposals have been framed for setting up new centres and for expansion of existing ones where necessary.

State Bank of Hyderabad—*Continued.*

PROFIT AND LOSS ACCOUNT FOR THE PERIOD OF FIFTEEN MONTHS FROM 1st OCTOBER, 1955, TO 31st DECEMBER, 1956.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		28,61,477 12 3
2. Salaries and Allowances, and Pension and Provident Funds (including Salary and Leave Salary of the ex-Managing Director Rs. 13,181-0-7* and Salary and Allowances of the present Managing Director Rs. 36,920-15-6)		33,92,543 3 1
3. Directors' Fees		16,616 5 9
4. Rent, Taxes, Insurance, Lighting, etc.		3,12,867 7 6
5. Law Charges		14,300 10 11
6. Postage, Telegrams and Stamps		1,90,485 9 7
7. Auditors' Fees		4,000 0 0
8. Depreciation on and Repairs and Other Charges to the Bank's Property		3,49,623 5 8
9. Stationery, Printing, Advertisement, etc.		1,96,035 14 6
10. Loss from Sale of or Dealing with Non-Banking Assets		2,60,054 3 3
11. Other Expenditure		
12. Balance of Profit (subject to Taxation)— Rs. a. p.		
For the period from 1st October, 1955 to 21st October, 1956 — 4,44,904 2 1		
For the period from 22nd October, 1956 to 31st December, 1956 — 2,08,058 8 4		6,52,962 10 5
Total .. Rs.		82,51,967 2 11

* In addition Bonus amounting to Rs. 2,750 has been paid to the ex-Managing Director.

INCOME (Less Provision made during the period of fifteen months for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	60,35,031 13 1
2. Commission, Exchange and Brokerage	21,72,779 8 2
3. Rents	29,665 7 10
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	11,022 7 8
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	....
7. Other Receipts	3,467 14 2
8. Loss (if any)	....
Total .. Rs.	82,51,967 2 11

NOTE:—Osmania Sicca Currency has been converted into Indian Government Currency at the Government standard rate (O.S. Rs. 116-10-8=I.G. Rs. 100).

REPORT OF THE AUDITORS

TO THE RESERVE BANK OF INDIA.

We, the undersigned Auditors of the State Bank of Hyderabad, appointed under Section 30 (1) of the State Bank of Hyderabad Act, 1956, report on the Balance Sheet and Accounts of the Bank as at the 31st December, 1956.

We have examined the above Balance Sheet of the State Bank of Hyderabad as at the 31st December, 1956, and the Profit and Loss Account for the period from the 1st October, 1955, to the 31st December, 1956, with the Accounts and Vouchers relating thereto of Head Office and with the Returns submitted and certified by the Branch Managers, which Returns have been incorporated in the above Balance Sheet and Accounts, and report:

(i) that, in our opinion the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) that, where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory;

(iii) that, the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(iv) that, the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit;

(v) that, the Profit and Loss Account shows a true balance of profit for the period covered by such Account;

(vi) that, in our opinion the Balance Sheet and the Profit and Loss Account are drawn up in conformity with the law and

(vii) that, in our opinion Books of Account have been kept by the Bank as required by law.

S. B. BALLIMORIA & CO.,
Chartered Accountants.

HYDERABAD-DECCAN,
Dated, 26th March 1957.

M. B. BHIDE, Chairman.

M. H. LATIF,
Chief Accountant.

N. D. NANGIA,
P. B. PITTI,
T. M. JAGTIANI,
M. S. RAGHAVAN. } Directors.

BALWANT SINGH,
Managing Director.

SOVIET TRADE OFFERS
ARE THEY FREE FROM HAZARDS?

By John Cardwell

THE Soviet claim that no strings are attached to its offers of trade and aid to the Middle East and Asia is one of those half-truths that are realised only after bitter experience; and it is then often too late. It is doubtless correct that no political conditions are written into the trade agreements, but they are not so altruistic as the Communists suggest. They are all carefully drawn up primarily to strengthen the Soviet Union, politically and materially, and to weaken the position of the free world.

While there is no reason to assume that the Soviet Union wishes to abandon the concept of economic self-sufficiency, this policy is clearly intended to end Western predominance in certain selected markets and to extend the Soviet Union's political influence. This development is presented as part of the aim of peaceful co-existence, but the Soviet leaders have no doubt about its ultimate aim.

Most of the countries selected for this Soviet drive have certain features in common, and are usually heavily dependent on one or two agricultural crops, such as cotton or rice, or on industrial raw materials such as rubber. As a result, their economies are highly vulnerable to variations in yield and fluctuations in price. At times, some of them have been unable to dispose of exportable surpluses in the world markets and consequently to import the machinery needed for their industrial programmes. Hence Soviet offers to purchase these surplus primary products in exchange for urgently needed industrial equipment have generally fallen on fertile ground.

Egypt, in a bid for arms, was glad to barter substantial quantities of high grade cotton for Soviet aircraft and Czechoslovak arms. Burma was eager to barter rice for cement and other commodities. Moreover, the Communists generally make the most of their opportunities on these occasions by extending the terms as long as possible and thereby strengthening their hold on their trade partners. Many of the barter deals are from three to five years and cannot be easily revoked.

Again, while Communist State trading makes it possible for the Soviet bloc to adjust export prices according to political requirements the new trading partners have not the same facilities. On the contrary, they have suffered from the Communist manipulation of prices and practices, whereby some of the bartered produce is resold to a third party at cut prices. Burma, Egypt and Indonesia all complained of this Soviet trading practice, but they were powerless to stop it.

Another Hazard

Another obvious difficulty for those countries trading with the Soviet bloc is that they have little control over what is supplied in exchange. They often find that the goods are highly priced, of poor quality and are delivered at the wrong time. For instance, large quantities of cement arrived in Burma in the monsoon season and were ruined by damp. That is why the Prime Minister of Burma, U Nu, said afterwards that "a man who takes barter when he can get cash must be out of his mind." He added that the Government envisaged a reduction and eventual cessation of barter deals.

But barter is only one of the hazards of trading with the Soviet bloc. Another method adopted by the Communists is to make payment in inconvertible currency tied rigidly to spending inside the Soviet bloc. For example, one condition of the Soviet-Burmese trade agreement of 1955 stipulates that 20 per cent. of the total value of Burmese rice bought by Russia will be paid for in sterling, but this must be kept in the Soviet Union to meet the expenses of the Burmese Embassy, students, and official missions in Moscow. Other countries have also discovered that this currency control and insistence on spending in the Soviet bloc can sometimes be most embarrassing. The goods available may not be suitable, they may be poor in quality or over-priced by world standards, but the buyer can do nothing about it. The Russians are clearly in a strong position to dictate terms, both political and economic. And the greater the volume of trading, the tighter the Soviet stranglehold becomes.

Deals With Egypt

Soviet penetration in the Egyptian market has also been extensive. In 1955, Egypt exported to the Soviet Union cotton, cotton-seed and rice worth £7,018,418 and imported only £2,300,000 worth of produce; the difference of nearly £4½ million presumably went towards arms shipments. By the following year, according to Moscow radio, Egyptian exports to the Soviet bloc were double those of 1954 and exceeded 34 per cent. of Egypt's total foreign trade. Moreover, if China, which has lately developed trade with Egypt is included, the Communist share in trade with Egypt last year was 38 per cent.

Hungary, Poland, Eastern Germany and Roumania have also done extensive business in the Nile Valley and there is every prospect of more to follow. At a meeting in Cairo in January, the Soviet Deputy Foreign Trade Minister, Bolshakov, said the U.S.S.R. could provide Egypt with all she needed in foodstuffs, raw materials and machinery (no mention of arms) and was ready to buy Egypt's agricultural surpluses. While in Cairo, Bolshakov, concluded a provisional agreement with Egypt "aimed at doubling trade exchanges between the two countries," and a Cairo Press report of 5th February said

(*Continued on page* 1062)

The Mirrlees Watson Company, Limited

AND

Mirrlees' **BLAIRS LIMITED** BLAIRS

GLASGOW — SCOTLAND

The above companies intimate that as from 1st April 1957 their offices in Calcutta have been closed and they will be represented for the sale of their Specialities as follows :—

IN SOUTHERN AND WESTERN INDIA—

BINNY & COMPANY (MADRAS) LIMITED

Engineering Department, 7, Armenian Street, Madras-1. **Post Box No. 66.**

IN THE NORTHERN PART OF INDIA—

PORT ENGINEERING WORKS LIMITED

8, Clive Row, Calcutta-1. **Post Box No. 150.**

SPECIALITIES—Following are some specialities of the two Glasgow Companies—

Sugar Machinery —
Complete Cane Sugar Factories, Remodelling and Extension of Existing Factories.
Vacuum Salt Making Plants.
Chemical and Alcohol Distilling Plants.
Steam Ejector Air Pumps and Vacuum Equipments for Various Industries.

Automatic Stokers for all Heating Purposes.
Sugar Refining Plants.
Evaporators and Vacuum Pans for Industrial Purposes.
Water Distilling Plants.
Steam Condensing Plants with Auxiliaries.
Centrifugal and Axial Flow Pumps.
Steam Turbines 4 to 800 B.H.P.
IMO Screw Pumps.

MANUFACTURE IN INDIA — Under licence from the Government of India

BINNY'S ENGINEERING WORKS (PRIVATE) LIMITED

will manufacture sugar machinery to the designs of Mirrlees and Blairs, while **PORT ENGINEERING WORKS LIMITED** will work in close collaboration.

THE ELPHINSTONE SPINNING & WEAVING MILLS CO., LTD.

DIRECTORS :

SHRI B. L. JALAN.
SHRI N. K. JALAN.
SHRI KAILASHPAT SINGHANIA.
SHRI MULRAJ KERSONDAS.
SHRI DAMODARLAL JAIPURIA.
SHRI SANWALRAM MORE.
SHRI SATYANARAYAN SEKSARIA.

SOLICITORS :—MESSRS. AMARCHAND AND MANGALDAS.

AUDITORS :—MESSRS. S. B. BILLIMORIA & CO.

REGISTERED OFFICE OF THE COMPANY :

KAMANI CHAMBERS, 32, NICOL ROAD, BALLARD ESTATE, BOMBAY.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

1955 Rs.		Rs.	Rs.	1955 Rs.		Rs.
	To Stock on 1st January, 1956—			1,86,81,794	By Sale Proceeds of Cloth, Yarn and Waste	1,79,72,704
	Cloth	35,89,925		....	„ Process Work done for Outside Parties	33,048
	Yarn	2,21,042		3,852	„ Interest	3,767
	Waste	72,264		10,665	„ Rent	12,572
	Process Stock	6,96,428	45,79,659	1,958	„ Transfer and Split Fees	1,324
50,59,114	„ Raw Materials (Cotton and Yarn)—	Rs.	Rs.	1,15,277	„ Miscellaneous Receipts	18,679
	Stock on 1st January, 1956	13,77,462			„ Stock on 31st December, 1956—	Rs.
	Purchases during the year	96,34,745	1,10,12,197		Cloth	46,00,809
	LESS—Sales during the year	2,40,142			Yarn	3,01,040
	Stock on 31st December, 1956	17,20,673	19,60,815		Waste	54,005
80,35,102			90,51,382		Process Stock	5,94,601
18,83,565	„ Consumption of Stores and Spare Parts (including Rs. 11,511 for obsolete spare parts written off)		15,87,623	45,79,659		55,50,455
5,38,841	„ Power and Fuel		5,67,321			
61,911	„ Other Manufacturing Expenses		72,767			
	„ Repairs—	Rs.				
	Building	1,02,100				
	Machinery	1,22,561	2,24,661			
2,06,460			51,49,871			
51,37,036	„ Salaries and Wages		2,55,568			
2,44,328	„ Contribution to Provident Fund		95,223			
68,937	„ Welfare Expenses		31,624			
26,987	„ Rent		53,560			
93,755	„ Rates and Taxes		1,37,007			
1,34,758	„ Insurance		2,39,821			
1,98,554	„ Miscellaneous Expenses		92,094			
85,449	„ Commission on Cloth and Yarn		80,672			
....	„ Excise Duty on Cloth		1,900			
2,000	„ Directors' Fees		92,908			
77,865	„ Interest		1,88,376			
5,00,000	„ Depreciation		5,50,000			
5,00,000	„ Provision for Taxation		....			
4,250	„ Bad Debts		5,39,238			
5,73,363	„ Balance, being Profit carried down		....			
2,33,03,205	Total .. Rs.		2,35,92,544	2,33,03,205	Total .. Rs.	2,35,92,544

APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

1955 Rs.		Rs.	1955 Rs.		Rs.
....	To Development Reserve	1,00,000	32,796	By Balance Brought Forward from 1955	1,31,354
	„ Provision for Proposed Dividends—		5,73,363	„ Balance from Profit and Loss Account	5,39,238
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each (subject to Income-tax) for the year 1956	1,75,000			
1,75,000	59,961 Ordinary Shares of Rs. 50 each (free of Income-tax)	2,99,805			
1,49,903		....			
1,49,902	„ Interim Dividend on 59,961 Ordinary Shares (free of Income-tax)	95,787			
1,31,354	„ Balance carried to Balance Sheet	....			
6,06,159	Total .. Rs.	6,70,592	6,06,159	Total .. Rs.	6,70,592

BALANCE SHEET AS AT 31st DECEMBER, 1956.

1955 Rs.	LIABILITIES	Rs.	Rs.	1955 Rs.	ASSETS	Rs.	Rs.
	Share Capital—				**Fixed Assets**—		
	AUTHORISED—				As per schedule attached to and forming part of this Balance Sheet		42,74,450
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each	25,00,000		20,11,104			
	60,000 Ordinary Shares of Rs. 50 each	30,00,000			**Investments**—		
	90,000 Unclassified Shares of Rs. 50 each	45,00,000	1,00,00,000		In Government Securities at cost (lodged as Deposit with Central		
1,00,00,000				9,845	Excise—Market Value Rs. 7,306)		9,845
	SUBSCRIBED—			64	INTEREST ACCRUED ON INVESTMENTS		64
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each fully paid up		25,00,000		TRADE INVESTMENT AT COST (unquoted)—		
25,00,000				40,000	400 Ordinary Shares of National Machinery Manufacturers Ltd. at par		40,000
29,98,050	59,961 Ordinary Shares of Rs. 50 each fully paid up		29,98,050				
	Of the above Shares—						
	(1) 25,000 Preference and 30,000 Ordinary Shares allotted as fully paid up pursuant to contracts without payments being received in cash.			13,96,385	**Employees' Provident Fund Investment** (at cost)— In Central Government Securities		....
	(2) 9,961 Ordinary Shares allotted as fully paid up by way of Bonus Shares.				**Current Assets**—		
	(3) 20,000 Ordinary Shares allotted as fully paid up in cash.				STORES AND SPARE PARTS—		
	ADD—CAPITAL SUSPENSE—				As per Inventories valued and certified by an Official of the Company		12,18,733
	39 Ordinary Shares of Rs. 50 each which remain to be allotted against 195 fractional certificates issued but not yet submitted for conversion		1,950	11,61,805	STOCK-IN-TRADE—		
1,950					Raw Materials	17,20,673	
55,00,000			55,00,000		Finished Goods	49,55,854	
	Reserve and Surplus—				Process Stock	5,94,601	
10,00,000	GENERAL RESERVE		10,00,000	59,57,111			72,71,128
1,31,233	SURPLUS REALISED ON ACQUISITION OF LAND		1,31,233		(As per inventories valued and certified by an official of the Company; Raw Materials (cotton and yarn purchased) at cost or Market rate whichever is lower; cloth and yarn sold at contract rate, unsold at cost or market rate whichever is lower; Waste saleable at contract rate, mixable at cost; Process stock at or below cost).		
	DEPRECIATION RESERVE—			5,52,237	COTTON IN TRANSIT		....
	As per last Balance Sheet	80,74,224		3,45,315	SUNDRY DEBTORS (Unsecured, considered good)		3,28,630
	LESS—Transferred to various Assets	76,34,224					
	Transferred to Development Reserve	4,40,000	....		**Loans and Advances** (Unsecured, considered good)—		
....					ADVANCE AGAINST COTTON, MACHINERY, STORES AND SPARE PARTS		6,04,652
	DEVELOPMENT RESERVE—	4,40,000		2,47,105			
	Transferred from Depreciation Reserve	1,00,000			PREPAID RATES, TAXES, SUBSCRIPTIONS, INSURANCE PREMIA, ETC.		30,426
	Appropriation from Profit of the year		5,40,000	36,295			3,11,094
			95,787	2,78,160	ADVANCE PAYMENT OF INCOME-TAX		23,014
1,31,354	PROFIT AND LOSS ACCOUNT		....	25,050	DEPOSITS WITH PUBLIC BODIES AND OTHERS		1,32,649
				55,060	SUNDRY DEBTORS DUE FOR MORE THAN 8 MONTHS		
67,62,587			72,67,020	1,56,054	OTHER ADVANCES (including Rs. 34,720 for purchase of land from Bombay Municipality)		4,35,563
	Secured Loans—				Maximum amount due by an officer at any time during the year is Rs. 600.		
	Cash Credit from State Bank of India by hypothecation of the whole of the Company's Stock-in-Trade, Stores and Spare Parts		26,38,031				
11,61,953					**Cash and Bank Balances**—		
	Unsecured Loans—		6,730	61,651	WITH BANKS ON CURRENT ACCOUNTS		45,282
8,580	TRADE DEPOSITS		8,400	5,434	CASH IN HAND		11,316
8,210	SUNDRY DEPOSITS						
	Current Liabilities and Provisions—		11,15,527				
	SUNDRY CREDITORS		593				
11,63,735	INTEREST ACCRUED ON UNSECURED LOANS		19,81,427				
500	PROVISION FOR TAXATION		4,74,805				
13,02,368	PROVISION FOR PROPOSED DIVIDENDS		1,27,101				
3,24,903	UNCLAIMED DIVIDENDS		11,25,312				
1,72,048	OTHER LIABILITIES (including Gratuity)		....				
9,60,251	EMPLOYEES' PROVIDENT FUND						
13,73,530							
	Contingent Liability not provided for—						
	Under the proposed Town Planning Scheme, Bombay City, No. IV (Mahim Area) the Company is called upon to pay a sum of about Rs. 6,00,000 in respect of the alleged notional appreciation in the value of the Company's properties as a result of the implementation of the said scheme. The said claim was disputed by the Company and referred to Arbitration. The Award is awaited.						
1,32,38,665	Total .. Rs.		1,47,45,846	1,32,38,665	Total .. Rs.		1,47,45,846

AUDITORS' REPORT.

We have audited the attached Balance Sheet as at 31st December, 1956, of the Elphinstone Spinning and Weaving Mills Co., Ltd., and the Profit and Loss Account of the Company annexed thereto, for the year ended on that date and report as under :

(1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
(2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
(3) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
(4) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view—
(i) in the case of Balance Sheet of the state of the Company's affairs as on 31st December, 1956, and
(ii) in the case of the Profit and Loss Account of the Profit for the year ended 31st December, 1956.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, 29th April, 1957.

The above Balance Sheet to the best of our belief contains a true account of the Capital and Liabilities and of the Property and Assets of the Company.

B. L. JALAN,
N. K. JALAN,
KAILASHPAT SINGHANIA,
MULRAJ KERSONDAS,
DAMODARLAL JAIPURIA,
SANWALRAM MORE,
SATYANARAYAN SEKSARIA.
} Directors.

C. N. SHAH,
Secretary.

BOMBAY, 29th April, 1957.

NEW PUBLICATIONS

Village Panchayats in India. By Mr. H. D. Malaviya. Published by Mr. N. Balakrishnan for the All India Congress Committee, 7 Jantar Mantar Road, New Delhi. Pages 843. Price: Rs. 12.

THE *raison d'etre* for the establishment of self-governing *panchayats* in villages in India lies in the fact that democracy remains superficial and tenuous unless its spirit permeates, takes its roots in, and its fruits reach out to, the thousands of villages that constitute India. Though this fact was realised long back —strong evidence of which was provided by the bitter fight waged for the incorporation of *panchayats* in the Directive Principles of the Constitution—the question of their formation occupied a relatively less important place in the minds of the leaders. In recent years, and especially in recent months, when it is known that *panchayats* in the Community Development Blocks have been playing a notable role, attention has been focussed on this problem. The recent Development Commissioners' Conference has, in fact, called for the enhancement of the powers of *panchayats* and emphasised the need for uniformity in the *panchayat* laws prevailing in the States. On a vital aspect like this—it may be noted that village *panchayats* have been established in over 3 lakh villages so far—however, literature has been meagre. The present book, therefore, fulfils a long and acutely felt need.

It was a great day when village *panchayats* found a place in the Constitution of India. But that is not enough. It is not enough if the villagers are asked to exercise their franchise once every few years. They must have adequate powers to improve their state of affairs without having to wait on the sweet will of the authorities for years. No wonder, Gandhiji so often emphasised, as quoted by the author, "Democracy requires that every one, man or woman, realise his or her own responsibility." This, according to Gandhiji, was true *Panchayat Raj*. In fact, as Dr. Radha Kumud Mookerji has very rightly observed in his "proem" to the book, the more backward an area or community, the greater is its need for self-government as the most potent force of its uplift. Therefore, the objection of the people of the late Dr. Ambedkar's way of thinking to villages being allowed self-government because they are "a stink of localism, and a den of ignorance, narrow-mindedness and communalism," makes no sense. Arguments in favour of self-governing *panchayats*, in fact, can be multiplied endlessly. For instance, the sense of responsibility that goes with self-government raises the moral stature, confidence and pride of the people, besides providing valuable exercises in self-government which "develop in them the social tissues which sustain the civic life." Further, it facilitates decentralisation of authority which is so essential for rapid economic development. For there is a great deal to be said in favour of keeping the competent and highly skilled administrators free from unnecessary burdens. Besides, does it not avoid the evil of making a few men indispensable to democracy?

The material provided in the book under review is so vast and illuminating that one can easily see the vital role that *panchayats* have to play in a democratic India. In this voluminous book of 48 chapters running into 843 pages, the author starts with the village communities in human history, and, after running through an interesting account of the state of agriculture and village communities in India, from ancient times to A.D. 1800, comes to a highly instructive comparative study of the conditions of slavery, feudalism and village communities in India and the Western countries. The following chapter, namely, "The Great Destruction" gives a hair-raising account of the plight of the peasantry during the East India Company's and the British rule. In the chapter entitled "The Great Challenge," an interesting description of the state of the Indian peasantry since the appearance of Gandhiji on the Indian scene, the trends of thought, and the impact of Marxism-Leninism on them, in relation to peasant conditions and movements are discussed at considerable length. In this wider context, the importance that was given to village *panchayats* in the national movement is discussed in the next chapter. This is followed by two valuable chapters, one devoted to explaining clearly Gandhiji's views on *panchayats* and the other to "*Panchayats* after Independence." In the latter chapter are given chiefly, the comprehensive recommendations of the Congress Village *Panchayat* Committee, decisions taken by the *Panchayat* Committee of the Local Self-Government Ministers' Conference held at Simla in 1954, and the learned views of Acharya Vinoba Bhave on *panchayats*. The chapters comprising Book II provide an exhaustive account of the progress of the *Panchayat* Movement in various States in India.

Book III is once again a comprehensive and highly instructive study of the problems of village *panchayats*. These relate to the conflicts in the villages and the finances and administration of the *panchayats*. The state of affairs which the author has so painstakingly and yet so clearly portrayed only goes to show how much more has yet to be done to improve the conditions of villages and to make them the foci of social progress. On the basis of the analysis, the author has made out a strong case for drastic reforms including land reforms in the villages. The book is an original contribution to the literature on the subject and should serve as a useful reference to those connected with or interested in rural affairs.

Asia Commercial Directory, 1956-57. Published by Pan-Eastern Publishing Company, 49, Queen's Road, Hong Kong.

As trade relations between the countries of Asia are increasing rapidly, manufacturers and traders of each country may naturally be interested in commercial conditions and trade practices prevailing in others. In this respect, the publication under review is of considerable value. Primarily meant for the business man, the Directory gives useful information regarding the economic background, trade regulations, weights and measures, currencies and coinage of every country in the region, besides listing leading trade organisations, commercial houses and trading firms. The book will prove a valuable reference volume for traders, bankers, commission agents and shippers.

Canada, 1956. Published by the Information Services Division, Dominion Bureau of Statistics, Ottawa. Price: 75 cents.

This attractively got-up handbook is a fairly good snapshot of the Canadian economic, political and cultural scene in 1956. It gives a succinct and well-documented account of the recent many-sided development of the Canadian economy. The publication also attempts to high-light the rich and varied natural resources of Canada, the skill and enterprise of its business and industrial community, the far-flung network of transport and communication facilities which, indeed, form the basis of all economic progress. A welcome feature of the handbook is that the text is supplemented by a large number of tables, maps, and excellent illustrations.

HARNESSING BACTERIA FOR SULPHUR PRODUCTION

LARGE-SCALE TRIALS IN BRITAIN

By Sylvia Laverton

SINCE sulphur is one of the essential raw materials of modern industry, every country which has developed, or wishes to develop, great industries has an interest in its production. This is especially the case with those which, like the United Kingdom, have to import most of what they need from countries with natural deposits or suitable ores.

In 1950, Britain was faced with a critical shortage of sulphur because of a sudden decline in exports from the United States. The matter was so serious that scientists at the official Department of Scientific and Industrial Research began work on a process which would harness bacteria for sulphur production. They were aware that there was nothing fundamentally unsound in the idea of setting bacteria to work on a large scale, since isotope studies have proved that the vast sulphur deposits in Texas and Louisiana, U.S.A., were actually formed long ago by bacterial action.

The scientists, therefore, isolated suitable bacteria, selecting strains that worked rapidly; and, by utilising sulphate-enriched sewage sludge, developed a process which has proved successful in a small-scale plant. Trials in a large plant will be made later this year, but even at this stage it is obvious that the process is well on the way to becoming a commercial possibility.

Notable Achievement

It is also a notable achievement, for microbiological methods have never been applied before to the production of heavy chemicals such as sulphur. A good deal was already known about the sulphate-reducing bacteria, the family name of which is *Desulphovibrio de sulphuricans*. They have a considerable nuisance value. Growing readily in stagnant, polluted water, they produce the unmistakable stench of hydrogen sulphide, the smelly gas that makes rotten eggs so obnoxious. They also cause serious corrosion in metal pipes running through clay soils.

The problems involved in putting these bacteria to work on an industrial scale were twofold. Raw materials had to be found which were plentiful and cheap, and a supply had to be built up of vigorous bacteria which were able to work fast enough to operate at a high output rate. Sulphates, the key material, presented no difficulty. Gypsum or anhydrite from natural deposits, or waste sulphate from fertiliser manufacture, are all suitable.

A careful study then revealed that sewage sludge filled the remaining requirements admirably. It provides nutrients on which the bacteria can live, and by its reducing action helps them to convert sulphate to sulphide, in a form easily turned into elemental sulphur by chemical means. Sewage sludge is available cheaply on the large scale necessary if the process is to make an appreciable contribution to Britain's sulphur needs.

Process Modified

Experiments in the laboratory showed that the semi-continuous fermentation process used at a number of sewage works to obtain methane from sludge could be modified quite easily to produce sulphide if sulphate were added to the sludge. The original bacteria came from one of London's sewage works at Beckton. They worked lamentably slowly. In the laboratory at Teddington, they took six months to produce one per cent. sulphide (calculated as sulphur) from a mixture of sewage and six per cent. of gypsum. By frequently transferring the bacteria to fresh sludge when sulphide production was most active, the scientists at Teddington were able to step up the rate of production no less than 40 times, until it took only five days to produce one per cent. of sulphide sulphur.

In the pilot plant at Beckton, the same satisfactory yields were obtained, and the process ran easily. The sulphide gas was swept out of the fermentation tank by gas from a normal fermentation unit, the two running in series. The final product was a gas containing between five and 10 per cent. hydrogen sulphide, 60 to 65 per cent. methane, and 30 per cent. carbon dioxide, from which it is not difficult to obtain pure sulphur. A large plant is now being installed with a fermentation tank holding 100,000 gallons of sulphate-enriched sludge, and a sulphur recovery unit. It will provide more information about the economics of the process.

(Continued in previous column)

(Concluded from next column)

Use of Hydrogen

Laboratory work has also been carried out at Teddington with pure cultures of sulphate-reducing bacteria using hydrogen gas as a reducing agent instead of sewage sludge, in a fully continuous fermentation process.

Bacteria growing normally reach a maximum growth rate, and hence maximum sulphide production, and then slow down. Using a modified form of the continuous-culture technique developed for other organisms at the Ministry of Supply's Microbiological Establishment near Salisbury, Wiltshire, the bacteria were kept growing at their maximum rate and activity by steadily feeding in fresh nutrient material with hydrogen gas, and allowing the exhausted material to flow away, keeping the total volume of fermenting liquid constant. For economical working, this process depends on a plentiful supply of cheap hydrogen, which is not yet available in the United Kingdom.

At present there is no world shortage of sulphur, either as such or in the form of ores suitable for chemical processing. But consumption is rising in Britain, because it is geared to the steadily expanding chemical industry, for which it is a basic raw material. If the 1950 crisis were to recur, sulphur bacteria could help to alleviate the shortage. A conservative estimate is that at least 100,000 tons could be made without difficulty, by converting existing sewage works in the larger cities. This huge tonnage would be made from waste material with the aid of microbes so small that they can only be seen under the microscope.

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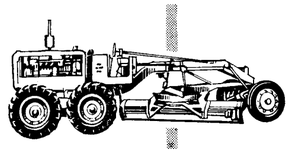
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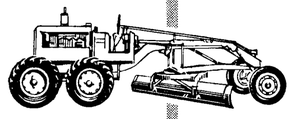
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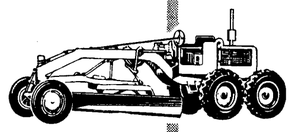
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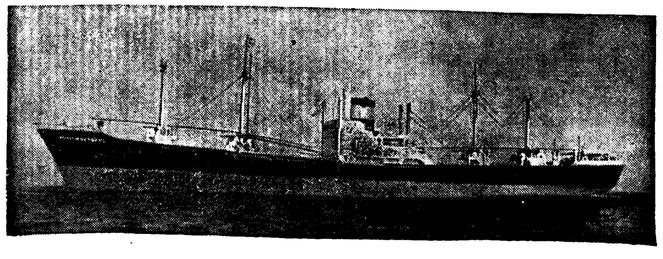

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TRADERS' VIEWS ON EXPORT PROMOTION—II

GREATER EXPORT-MINDEDNESS NECESSARY

A FORCEFUL plea has been made by the Indian Merchants' Chamber (I.M.C.), in its comprehensive memorandum submitted to the Export Promotion Committee, for the creation of a greater degree of export-consciousness amongst all sections of the public, because the only solution to the foreign exchange problem in the present context lies almost entirely in export promotion. The Chamber holds the view that there is nothing unreasonable in earmarking a certain portion of the country's production of as many items as possible for the export markets, notwithstanding the fact that it calls for a certain measure of sacrifice on the part of the domestic consumers. This view is endorsed by the Bombay Chamber of Commerce and Industry also in its memorandum to the Export Promotion Committee. Thus, it has pointed out that, in the interest of maintaining continuity of supplies to overseas markets, risking occasional internal shortage is necessary. The I.M.C. has also made out a strong case for the diversification of exports both country-wise and commodity-wise. This is imperative, because of the fact that the possibilities of increasing exports in the three staple commodities, namely, cotton piecegoods, jute manufactures and tea, which at present account for more than half of the country's export earnings, are limited, owing to the increasing competition for them from foreign products. The views expressed by the I.M.C. and the Bombay Chamber generally fall in line with those of the two Associations already presented in these columns last week.

Special emphasis has been laid by the I.M.C. on the fact that export promotion is a joint responsibility of the Government on the one hand and trade and industry on the other. The Government can, and should, help promote exports by following appropriate policies. It should, says the I.M.C., provide fiscal incentives and facilitate reduction in costs and replacement of old and worn-out machinery and equipment by modern up-to-date ones. The manufacturers, on their part, should undertake the responsibility of expanding the exports of the items already figuring in the trade by raising the quality of goods and their packing and by effecting economies in costs of production. They should try to push into export trade new items by exploring markets for them. In this respect, the exporters have a major role to play. The I.M.C. strongly favours the establishment of an Export Promotion Cell with a Deputy Minister at its head and comprising the representatives of trade and industry. This Council should be entrusted with the task of preparing and carrying out a comprehensive plan of export promotion.

Suggestions for Export Promotion

Among the various suggestions for export promotion put forward by the I.M.C. for the consideration of the Committee, mention must be made of (1) simplification of the procedures laid down in regard to drawback of import duties and to rebate of excise duties; (2) grant of rebate of direct taxes on profits made on export; (3) market surveys of the various export markets and study of consumers preferences in the importing countries; (4) intensification of propaganda on export items in foreign markets through the media of trade journals, and by participation in international fairs, etc., preferably through the Export Promotion Councils, where they are existing, or by trade associations; and (5) rationalisation of machinery and equipment of the exporting industries. In this context, the I.M.C. has made a special reference to cotton textile industry. It has stressed that efforts must be made to assist the industry as a whole to renovate and replace their obsolete plants and machinery by providing financial and technical assistance so that they may be in a position to manufacture those qualities of cloth which are in demand abroad. Referring to the tea industry, it has emphasised the need for better organisation of the industry, intensification of propaganda and planned market studies. In addition to the foregoing, the Bombay Chamber of Commerce has focussed attention on (1) removal of export restrictions, (2) better inland transport facilities for exportable goods, (3) rationalisation of administrative and documentation work at ports, and (4) improvements in contracts with overseas buyers. Besides, it has also felt that a country aiming at boosting exports cannot afford to have low internal prices and high export prices.

The two chambers have also discussed at considerable length the difficulties experienced by Indian exporters in foreign markets. According to the I.M.C., these arise chiefly because of (*a*) the earlier start made by certain foreign countries in the overseas markets and opening by some companies of their factories in certain markets, (*b*) high import tariffs, (*c*) the high competitive position of certain foreign products occasioned by the provision of subsidies by their Governments, as in the case of jute goods, or by the prevalence of low wages, as in regard to cotton textiles from Japan, and (*d*) difficulties caused to Indian firms in opening branches in overseas countries. The Bombay Chamber holds the view that two of the main difficulties encountered by Indian exports in foreign markets are, first, the unfavourable opinion the foreign importers have in regard to the quality of the Indian exports, and, secondly, lack of guarantee of continuity of supplies, coupled with the fear that the price once agreed upon may suddenly be enhanced through an increase in the export duty.

Export Policy and Procedure

Alluding to export policy and procedure, the I.M.C. has conceded that the adoption of quota system is justified for two reasons, namely, limited exportable surplus and inadequate transport facilities. It is, however, strongly of opinion that the quotas should be given sufficiently in advance. Further, according to the Chamber, quotas should be released, in certain cases, even if, strictly speaking, no exportable surplus exists because of the need for maintaining the continuity of exports to the traditional markets. It feels that there is no justification at present for the continuance of export duty on cotton waste at the present high level, in view of its large export surplus in the country. This view is shared by the Bombay Chamber which has drawn pointed attention to the fact that the U.S. Government is actually subsidising the export of various kinds of cotton waste, thereby making it difficult for the Indian cotton waste to compete with them. The Chamber has also referred, in this connection, to the export of manganese ore through the State Trading Corporation and has expressed the belief that the Movement Quota is working to the detriment of the merchants engaged in this trade. It, therefore, argues that State trading in this commodity should be abolished immediately. It is further of the view that the export duty levied at present on manganese ore should be abolished, as "it acts as a hidden subsidy to other exporting countries."

On the question of assistance to exports, the I.M.C. has advanced certain specific suggestions. Among fiscal incentives, subsidies for exports figure prominently. Examples are cited, in this connection, of the policies pursued by Australia, Belgium, Canada and Germany. Other methods followed by various countries include remission of direct taxation, refund of social welfare charges, advances to exporters on favourable terms, schemes of currency retention, import entitlement and preferential rates for the conversion of export earnings into domestic currency. Both the I.M.C. and the Bombay Chamber hold views identical to those advanced by the two earlier Associations on such subjects as drawback of import duty, refund of excise duty, transport and shipping facilities, and invisible exports. Special mention may be made here of the Chambers' plea for better attention to tourism which provides wide possibilities for augmenting foreign exchange resource. It is emphasised, in this regard, that the present facilities available to tourists for travelling, accommodation and sightseeing are totally inadequate, and the present attitude of the officials who directly come in contact with the tourists leaves much to be desired.

Export-Import Bank

On export financing, both the I.M.C. and the Bombay Chamber feel that the establishment of an institution on the lines of the Export-Import Bank of the U.S.A. or Japan may be considered. They, however, differ on the question of exports on consignment basis. The I.M.C. believes that it is not a very desirable system of export, for the exporter is not sure of the price he will get. The Bombay Chamber, however, opines that wherever exports on consignment basis are feasible, they should be encouraged. But both of them are emphatically opposed to the idea of a scheme for exporting commodities through a single agency. The I.M.C. believes that the system of export credit guarantee can play an important part in stimulating exports.

A special responsibility rests on the Export Promotion Councils. According to the I.M.C., they should undertake surveys of the various export markets and study the exact requirements of these markets. They should also send periodically trade delegations abroad to make a comprehensive study of the market conditions. The Councils should also participate, the Chamber says, in international exhibitions and fairs. The Bombay Chamber is of the opinion that Export Promotion Councils are useful only to a limited degree and that, if they are to be more productive in their efforts, they should be decentralised commodity-wise at major ports for particular commodities. This Chamber has also stressed that the statistics and information furnished by the Director-General of Commercial Intelligence and Statistics and the Trade Representatives abroad should be up-to-date.

On the subject of the State Trading Corporation, both the I.M.C. and the Bombay Chamber have no two opinions. They are firmly against the S.T.C. participating in the export field. They argue that the Corporation is not conducive to the development of export trade, for the State is not a suitable agency to undertake trading operations, which require special skill and technique and, what is more, instantaneous decisions, which the State is not capable of. The creation of S.T.C., the I.M.C. asserts, has dampened the enthusiasm of the private channels. The Bombay Chamber points out that, if the S.T.C. is to be allowed into the export field, it should be done in competition with private exporters and should be run on a purely commercial basis.

(*Concluded*)

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AB-15

MAIZE PRODUCTION

The production of maize is reported to have touched a record level in 1956-57. The current year's estimated area under the crop at 9,244,000 acres and production of 3,020,000 tons, represents an increase of 128,000 acres or 1.4 per cent. in area, and 466,000 tons or 18.2 per cent. in production, respectively, as compared with 1955-56.

The increase in area during the current year has been reported mainly by Uttar Pradesh, Bihar and Jammu and Kashmir. This increase has, however, been offset to some extent by the decreases reported mainly by Rajasthan and Bombay. The significant increase in production has been shared by all the maize-producing States except Rajasthan, Bombay and Madhya Pradesh. Notable increases in production have been reported by Uttar Pradesh, Punjab and Bihar. The increase in production has been attributed partly to increase in area and partly to favourable climatic conditions during the growing period of the crop.

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G. DODDS, Manager.

THE BANK OF INDORE LIMITED
INDORE
(Incorporated in Indore 1920)
Authorised Capital .. .. Rs. 50,00,000
Subscribed Capital .. .. ,, 30,60,750
Paid-up Fund .. .. ,, 15,30,375
Reserve Fund .. .. ,, 27,00,000
Head Office: Prince Yeshwant Road, Indore City
Bombay Offices: 44, Hamam Street and Jai Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).
Branches: Anjar, Dhar, Khargone, Mhow, Ratlam, Sanawad, Tarana and Ujjain.
Pay Offices: Sendhwa and Jaora (Madhya Bharat).
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Chairman: L. N. GUPTA Esq., I.A.S., General Manager: H. D. MEHTA Esq.
Branches: BOMBAY, MADRAS.

ATUL PRODUCTS MAKE FURTHER HEADWAY

PROSPECTS ENCOURAGING

YET one more year of record achievement, both in regard to sales effected and profits made, is disclosed by the audited accounts of Atul Products Ltd. (Managing Agents: Messrs. Lalbhai Sons & Co., Ahmedabad) for the year ended 31st December 1956. The satisfactory results are proof of the good reputation that the Company has earned for its products, particularly its dyes, in the market, and due no less to the wide and dependable sales organisation which it was able to establish in the preceding year. That the Company's profits have been well set on a steady upward trend is evident from its gross profit which has increased from Rs. 12.44 lakhs for 1954 to Rs. 20.61 lakhs for 1955 and further up to Rs. 30.95 lakhs for the year under review, representing a rise of Rs. 10.34 lakhs over the year. As compared with Rs. 1.22 lakhs earned for 1953, which incidentally was the first full year of working, the appreciation in gross profit by Rs. 29.73 lakhs during a period of only three years is, indeed, a good achievement for a chemical concern. It would, however, appear that, having regard to the large size of the capital employed and the need for providing full depreciation, the profit-margin is not remunerative. It is significant, in this connection, that the auditors have remarked that "the provision for depreciation on fixed assets is inadequate."

Out of the gross profit for 1956, the Directors have provided Rs. 12.68 lakhs as normal depreciation for the year and also set aside a sum of Rs. 6.92 lakhs towards arrears of depreciation. The amount allocated to the depreciation fund in the previous year was Rs. 12 lakhs. The reserve fund has not been provided with anything this year also. On the other hand, the Directors have proposed to raise the dividend from 5¼ per cent. paid for the previous year to 6 per cent.

The following table brings out some of the salient features of the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sales	1,83.42	1,29.24	1,15.80*	75.30*
Closing stocks of finished goods and goods in process	25.13	41.59	34.24	27.57
Other income	4.16	3.19	1.84	1.75
Raw materials consumed	93.78	84.93	82.99	60.14
Expenses	46.38	34.23	22.20	15.78
Gross profit	30.95	20.61	12.44	1.22
Managing Agents' commission	..	..	..	..
Depreciation	19.60	12.00	13.59	..
Taxation	..	..	..	..
Net profit (+) or loss (—)	+18.27	+8.61	—1.15	+1.22
Income-tax paid in 1951 adjusted	..	..	..	0.11
To dividend	11.36 (6%)	8.36 (5½%)	..	..
Carry forward	0.24	0.25	..	1.15

* Net sales.

It will be seen that the Company's sale proceeds of dyes, chemicals and pharmaceuticals for the year have increased by Rs. 54.18 lakhs over those made a year ago. This is reflected in the closing stock of finished goods which stands lower at Rs. 15.33 lakhs as against Rs. 37.50 lakhs at the end of 1955. Raw materials consumed have increased from Rs. 84.93 lakhs to Rs. 93.78 lakhs, as also expenses from Rs. 34.23 lakhs to Rs. 46.38 lakhs.

The Directors state that, due to some small bottlenecks, the Company has not been able to take out full production from the Azo plant but they hope that the production of Azo dyes will increase during the year 1957. Similarly, although the production of sulphur black increased during the year, the expanded plant came into operation only recently, and the full effects of this additional outlay will be realised in the year 1957. The naphthol plant, cibagenes and cibanogenes plant, coramine and vioform plant and the vat jade green plant of Atic Industries Private Ltd. got into operation towards the end of the year 1956 and are now in proper working condition. The sodium thiosulphate plant has now been redesigned and it is expected that it will yield a much larger production during the current year.

Following the granting of a licence by the Government of India to Atic Industries Private Ltd., for the manufacture of several other vat dyes, the capital of this Company has now been increased to Rs. 2 crores. Its subscribed capital has been increased from Rs. 50 lakhs to Rs. 120 lakhs and the present holding of Atul Products Ltd. in the capital of Atic Industries is Rs. 60 lakhs. The work of implementing this new scheme of extension is now in hand. Correspondingly with this and other schemes of expansion, the present set-up of basic services like steam, power, etc., will also require substantial modifications and these are being carried out. Out of the loan of Rs. 3 crores from the Government of India, the Company applied for a further instalment of Rs. 57 lakhs towards the end of the year 1956, in addition to the Rs. 75 lakhs taken previously. This amount has now been received by the Company.

The Company's paid-up capital of Rs. 189 lakhs is all in ordinary shares of Rs. 100 each. It has no reserves except the meagre surplus of Rs. 24,255 carried forward from the year's profits. Loans from the Government of India secured by mortgage of fixed assets and investments account for Rs. 75 lakhs and current liabilities amount to Rs. 145.38 lakhs. The gross block of Rs. 261.13 lakhs, including additions during the year of Rs. 43.43 lakhs, has been written down to Rs. 215.93 lakhs. The auditors have pointed out, as already mentioned, that the provision for depreciation on the fixed assets appears to be inadequate. The current assets aggregate Rs. 193.69 lakhs and include, among other things, investments in national savings certificates and shares of companies Rs. 62.42 lakhs, stores, building materials and uninstalled machinery Rs. 20.65 lakhs, stock-in-trade Rs. 63.26 lakhs and debts, deposits and advances Rs. 33.06 lakhs. The current assets cover the current liabilities by a fair margin of Rs. 48.31 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are a popular counter on the Ahmedabad Stock Exchange and are currently quoted at Rs. 153.50 *cum-div.* On an *ex-div.* basis, the latest dividend works out to a yield of 4 per cent. per annum.

The Company is engaged in an industry the prospects for which are bright. Given reasonable encouragement, it can be counted upon to make a solid contribution to the economic progress of India, as it is in capable hands and has established valuable connections with foreign manufacturers for getting their know-how.

(Concluded from next column)

plant including the buildings, may cost about Rs. 60 lakhs. The Directors expect the plant to be in operation before the end of 1958.

The Company's financial position is very satisfactory. The paid-up capital of Rs. 66.25 lakhs includes 40,000 ordinary shares of Rs. 100 each and the balance in various categories of cumulative preference shares of Rs. 100 each. As already mentioned, the paid-up capital was increased during the year by issuing 13,750 ordinary shares of Rs. 100 each by capitalising a part of the reserve fund. Even after this transfer, the reserves and surplus aggregate Rs. 297.99 lakhs of which the general reserve fund alone accounts for Rs. 190 lakhs. The current liabilities amount to Rs. 46.77 lakhs, and provision for taxation Rs. 41.25 lakhs. The gross block of Rs. 195.82 lakhs has been written down to Rs. 98.53 lakhs. Additions during the year were of the order of Rs. 30.44 lakhs. The current assets aggregate Rs. 353.74 lakhs of which investments in Government securities and shares of companies, together with interest accrued, account for Rs. 103.67 lakhs, stock-in-trade for Rs. 66.74 lakhs, debts, deposits and advances for Rs. 58.01 lakhs and cash and bank balances for Rs. 107.68 lakhs. The major portion of investments is in the equities of a large number of first class industrial concerns under various managements, so that the Company can justly claim to have utilised its resources profitably not only for expanding and modernising its mills but also for helping other industrial concerns to do likewise. It is gratifying to note that, as at the close of 1956, the aggregate market value of the Company's quoted investments at Rs. 110.91 lakhs exceeded the cost price by well over Rs. 9 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted on the Ahmedabad Stock Exchange at Rs. 995 *cum-div.* (final dividend Rs. 27-8). On an *ex-div.* basis, the yield works out to 3.6 per cent. per annum. The low yield reflects the popularity of the shares consequent upon its strong financial position and the confidence of investors in the future of the Company.

ARVIND MILLS' RESULTS ENCOURAGING

DIVIDEND UNCHANGED

THE good demand for cloth in the first three quarters of the previous year, that is, until 1st September, from which date the additional excise duty was imposed on cloth, has enabled the Arvind Mills Ltd. (Managing Agents: Messrs. Narottam Lalbhai & Co., Ahmedabad) to substantially increase its earnings for the year ended 31st December 1956 and strengthen its reserves. The gross profit has advanced by Rs. 27.53 lakhs to Rs. 97.44 lakhs, after having fallen from Rs. 71.02 lakhs for 1953 to Rs. 66.95 lakhs for 1954. The net profit, after making slightly smaller provisions for Managing Agents' commission and depreciation but a substantially higher allocation for taxation, stands higher at Rs. 38.74 lakhs, as compared with Rs. 25.19 lakhs in the previous year. The tax provision has been nearly doubled from Rs. 19.50 lakhs to Rs. 37 lakhs.

Although the profit is higher, the return to shareholders has only been maintained at the previous year's level of 35 per cent., consisting of a dividend of 25 per cent. and a cash bonus of 10 per cent. This total distribution includes an *ad-interim* dividend of Rs. 7-8 per share paid earlier in the year. The dividend for the year under review, however, is on a higher capital raised by the capitalisation of a sum of Rs. 13.75 lakhs, standing to the credit of the reserve fund, during the year. It may be mentioned, in this context, that the distribution was stepped up in the previous year from 25 per cent. paid for 1954 by introducing the bonus element. The same rate of dividend on increased capital has taken up a large sum, Rs. 14 lakhs, as against Rs. 9.19 lakhs in 1955.

The major part of the increase in profit has, however, been utilised to strengthen the reserves of the Company. Thus, the Directors have transferred a sum of Rs. 24.42 lakhs to the reserves, as against only Rs. 14.50 lakhs in the previous year. A breakdown of the total shows that a sum of Rs. 6.06 lakhs has been transferred to reserve fund, Rs. 5 lakhs to dividend equalisation fund, Rs. 1 lakh to contingency fund and Rs. 12.36 lakhs for development and rehabilitation. In view of the high tax on dividends, the Directors could not have adopted any other policy. Indeed, it is remarkable that they decided to pay as much as 35 per cent. in all, for such attracts penal dividend tax at 30 per cent. (it was actually 37½ per cent. at the time the Directors took a decision on the dividend).

The following comparative table will give an idea of the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sales of cloth, yarn and waste	3,48.30	3,48.92	3,16.81†	3,12.88†
Stock of cloth, yarn, stock-in-process and waste	48.29	49.93	N.A.	N.A.
Other income	15.21	13.17	14.69	9.34
Raw materials consumed	1,23.20	1,35.04	1,33.84	1,30.18
Expenses	1,41.23	1,38.66	1,30.71	1,21.05
Gross profit	97.44	69.91	66.95	71.02
Managing Agents' commission	9.61	11.70	10.19	9.80
Provision for—				
Depreciation	12.09	13.52	13.97	13.64
Taxation	37.00	19.50	19.00	19.00
Net profit	38.74	25.19	23.79	28.58
Transfer to Dividend Account	..	0.35	..	..
To reserves	24.42	14.50	16.00	21.63
Dividend—				
Preference	0.89	0.89	1.24	1.24
Ordinary	14.00* (D. 25% †It. 10%)	9.19 (D. 25% †It. 10%)	6.56‡ (D. 25%)	5.25 (D. 25%)
Carry forward	0.15	0.73	0.47	0.47

* On the increased capital of Rs. 40 lakhs raised by capitalising Rs. 13.75 lakhs.
† Net sales.
‡ On the increased capital of Rs. 26.25 lakhs raised by capitalising Rs. 5.25 lakhs.
N.A.—Not available.

The Company's sale proceeds of cloth, yarn and waste during the year at Rs. 348.30 lakhs are a shade lower than Rs. 348.92 lakhs for the previous year. The cost of raw materials consumed has fallen by Rs. 11.84 lakhs. This together with the further progress made in the mill's reorganisation and renovation programme during the year, has been responsible for the better profits for the period under review. The Company had spent a sum of about Rs. 29.77 lakhs in 1956 on extension of buildings and installation of new machinery and equipment. Permission was received from the Office of the Textile Commissioner, Bombay, for installation of 15,000-spindle plant for manufacture of yarn from staple fibre. Necessary orders for the purchase of machinery have been placed. It is estimated that the said

(Continued in previous column)

ELPHINSTONE MILLS' PROFIT LOWER

DIVIDEND, HOWEVER, MAINTAINED

THE results of the Elphinstone Spinning and Weaving Mills Company, Ltd., Bombay, for the year ended 31st December 1956, provide yet one more example of a textile mill which, along with several other units of its category, has suffered from adverse trading conditions occasioned by the additional levy of excise duty on cloth. The gross profit, which had gone up from Rs. 6.30 lakhs for 1954 to Rs. 15.73 lakhs for 1955, that is, by Rs. 9.43 lakhs, or by about 150 per cent., has fallen by Rs. 2.96 lakhs to Rs. 12.77 lakhs for the year under review. Although the gross profit has thus declined, it still constitutes the second best for the past five years, being appreciably higher than Rs. 8.65 lakhs earned for 1952.

After raising the provision for taxation from Rs. 5 lakhs to Rs. 5.50 lakhs and lowering that for depreciation from Rs. 5 lakhs to a mere Rs. 1.88 lakhs, the net profit stands lower at Rs. 5.39 lakhs, as against Rs. 5.73 lakhs in the previous year. One welcome feature is that, while no allocation had been made to the reserves for the past six years in succession, an amount of Rs. 1 lakh has been credited to the development reserve out of the year's profit. The dividend has been maintained at 10 per cent. to which level it had been stepped up a year ago from 6 per cent. paid for 1954, after a break of one year in 1953 when no dividend was paid.

The following comparative table presents the Company's progress during the past four years:

(In lakhs of rupees).

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	179.73	186.82	177.81	155.45
Closing Stocks	55.50	45.80	63.21	57.45
Expenses	177.35	167.61	171.88†	155.68†
Gross profit	12.77	15.73	6.30	0.51
Agents Commission	..	..	..	..
Depreciation	1.88	5.00	1.75	..
Taxation	5.50	5.00	0.85	..
Net profit	5.39	5.73	3.70	0.51
Transfer from reserves	..	..	..	1.00
Transfer to reserves	1.00	..	..	..
Dividends—				
7 per cent. preference	1.75	1.75	1.75	1.75
Ordinary	3.00 (10%)	3.00 (10%)	1.80 (6%)	..
Carry forward	0.36	1.31	0.33	0.18

† Only approximate.

The year's expenses which have risen from Rs. 167.61 lakhs to Rs. 177.35 lakhs are inclusive of a sum of Rs. 3.50 lakhs as gratuity to workers which became payable for the first time during the year as a result of an award given by the Industrial Court in November 1956. The award was given retrospective effect from 22nd November 1954. The dearness allowance payable to the operatives and staff for the year was also higher, as compared with the previous year, owing to higher cost of living.

The Directors state in their report that a major portion of the machinery ordered by the Company for renovation has arrived and that a part of it has been put into commission. It is to be hoped that these additions will enable the Company to show better results in future, assuming, of course, that trading conditions are normal.

The balance-sheet as at 31st December 1956 shows that the reserves and surplus aggregate Rs. 17.67 lakhs, as against a paid-up capital of Rs. 55 lakhs, of which Rs. 25,00,000 are in seven per cent. cumulative preference shares of Rs. 100 each and the balance in ordinary shares of Rs. 50 each. The development reserve has been strengthened by the addition of Rs. 4.40 lakhs, being the surplus left over in the depreciation reserve after providing for normal depreciation to the various fixed assets. The provision for taxation stands at Rs. 19.81 lakhs and current liabilities amount to Rs. 54.98 lakhs. The gross block of the value of Rs. 120.97 lakhs (additions during the year Rs. 11.36 lakhs) stands written down to Rs. 42.74 lakhs. The current assets aggregate Rs. 104.72 lakhs and cover the current liabilities and the provision for taxation by a margin of Rs. 29.93 lakhs.

The Rs. 50 fully paid-up shares of the Company are being currently quoted at Rs. 62.50 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 8.8 per cent. per annum, free of income-tax.

Points From The Chair

The Pound Sterling

"THIS country can never recover its proud position and prestige of the past until basic issues are settled, ensuring reasonable stability in the purchasing power of the pound sterling and in wage earnings. The loyalty to their country of the great body of workers is sound, and they know, as we all know, that we sink or swim together. They are able to take care of the few who, for ideological or baser reasons, would cripple the nation's progress towards recovery, but they need to be aroused to an awareness of the country's plight. I believe that Mr. Macmillan's Government is working towards this end, and he has this policy steadily in view, that the pound, if it is humanly possible, will be made worth more and the purchasing power of the money in the hands of the worker will become sufficiently attractive for him to go all out for increased personal output and earnings. But no Prime Minister could have faced his debut at a worse crisis in the affairs of the nation, and he needs all the lifetime of this Government to apply the necessary remedies. The country should wish him well and give him their confidence in his onward course towards better living standards for all."

SIR THOMAS EADES,
Automatic Telephone & Electric Co., Ltd.

Energy Requirements

"The problem was essentially one of transportation, the available tanker tonnage being insufficient to maintain on the long voyage around the Cape the normal rate of supplies from the Middle East. In consequence, liftings from short-haul sources in the West increased and production in the Middle East, where so much of our interests lie, declined to a monthly average of just over 10 million tons for the four months, November 1956/February 1957, compared with nearly 15½ million tons monthly for the preceding four months. The early months of 1957 have, in such circumstances, been a difficult period in which we have experienced a reduction in our trade, and the growth of consumption in the European area, where we have a large marketing interest, has, for the present, slowed down. But the basic facts of the world's growing forward energy requirements, and the increasing contribution to be made by oil, remain unchanged, and we can look forward to an expanding business, granted the stable conditions requisite for the progressive development of Middle East oil production on which the economic future of the producing countries in that area so largely depends."

N. A. GASS, C.B.E., M.C.,
British Petroleum Co., Ltd.

Inflation

"My own personal view is that the most urgent problem which the Government and the whole country, both employers and employees, must face up to is the necessity of arriving at stability, both of our currency and of our costs. If we are still to be faced with this inflationary trend with increased costs, wages, materials and, of course, replacement of ships, and indeed of equipment of all business throughout the country, we can never emerge from the troubles and difficulties that have confronted us year by year since the end of the last war. If we can win this fight against inflation, and prices and wages can be stabilised, then many of our prospective troubles will quickly diminish and ultimately disappear. Taking the shipping industry alone, most companies now have a large portion of their ships acquired at heavy capital cost in recent years but, if costs could be stabilised, even at the present high level, there would be reasonable prospects of accumulating depreciation allowances which, with the increased investment allowances, would go far to meeting replacement cost later on. Indeed, the gap which at present is so serious would ultimately be closed."

WALTER C. WARWICK,
Royal Mail Lines, Ltd.

Britain's Exports

"Owing to the almost unique economic position of this country, with our need to import such a large proportion of our food and nearly all the raw materials required for our manufactures, it is inescapably true that our very lives depend on exports. In effect, all we have to sell is our labour of brain and brawn. Yet, with an expanding world trade, our share has been steadily diminishing, while that of some other countries, particularly Germany, has increased steadily. In part, I believe, this to be due to a loss of confidence by many of our overseas customers in the future of Great Britain. What goes on in this country is watched with keen interest abroad. High taxation has tended to restrain ambition, particularly in the younger generation, while the so-called welfare state has given an impression of a decrease in that self-reliance and initiative which, in earlier days, characterised the adventurous Britisher. In the period of 'over-full employment' Britain has been openly criticised—and rightly criticised—for allowing in so many cases one man's work to be done by three or four. Strikes, many of them arising from squabbles between two unions rather than from any genuine industrial dispute, have made an unfortunate, if exaggerated, impression on our overseas customers. And all this has been exploited by the communists and other trouble-makers for their own subversive ends. Unless the responsible trade unions leaders will make a determined effort to eliminate the communist elements in their midst, the trade unions may well be destroyed from within."

HALFORD REDDISH,
Trussed Concrete Steel Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

ATUL PRODUCTS LTD. Annual General Meeting, Ahmedabad, 27th May 1957. Dividend: Rs. 6.00 per share, payable on 16th July 1957. Transfer books remain closed from 5th to 28th May 1957, both days inclusive.

GUEST, KEEN WILLIAMS, LTD. Annual General Meeting, Calcutta, 29th May 1957. Dividend: Re. 1.50 per share (final). Transfer books remain closed from 8th to 29th May 1957, both days inclusive.

JAY SHREE TEXTILES LTD. Annual General Meeting, Rishra, Dist. Hooghly, West Bengal, 30th May 1957. Dividend: Re. 0.37 (As. 6 per share) per share. Transfer books remain closed from 17th to 30th May 1957, both days inclusive.

CAREW AND CO., LTD. Annual General Meeting, Calcutta, 31st May 1957. Dividend: *Nil.* Transfer books remain closed from 13th to 31st May 1957, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Pathirapally, 6th June 1957. Dividend: Re. 0.75 per share. Transfer books remain closed from 20th May to 7th June 1957, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. **Annual General Meeting, Calcutta, 7th June 1957. Dividend: Re. 0.75 per share (final), payable on or** after 25th June 1957. Transfer books remain closed from 18th May to 7th June 1957, both days inclusive.

ELPHINSTONE SPG. AND WVG. MILLS CO., LTD. Annual General Meeting, Bombay, 10th June 1957. Dividend: Rs. 5.00 per share, payable on and after 17th June 1957. Transfer books remain closed from 13th May to 10th June 1957, both days inclusive.

COONOOR TEA ESTATES CO., LTD. Annual General Meeting, Coonoor (Nilgiris), 10th June 1957. Dividend: Re. 1.75 (17½ per cent.) per share. Transfer books will remain closed from 1st to 15th June 1957, both days inclusive.

LUCKY VALLEY (NILGIRI HILLS) TEA ESTATES LTD. Annual General Meeting, Coonoor (Nilgiris), 10th June 1957. Dividend: Re. 1.00 (10 per cent.) per share. Transfer books will remain closed from 1st to 15th June 1957, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Madras, 10th June 1957. Dividend: Re. 1.12 (11¼ per cent.) per share, payable on and after 17th June 1957. Transfer books remain closed from 22nd May to 10th June 1957 both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 10th June 1957. Dividend: Re. 1.00 per share (final). Transfer books will remain closed from 27th May to 10th June 1957, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Bombay, 10th June 1957. Dividend: Rs. 6.00 per share (final), payable on and after 20th June 1957. Transfer books will remain closed from 27th May to 8th June 1957, both days inclusive.

BOMBAY GAS CO., LTD. Annual General Meeting, Bombay, 11th June 1957. Transfer books will remain closed from 4th to 11th June 1957, both days inclusive.

TRAVANCORE OCALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Alwaye; Kerala State, 12th June 1957. Dividend: *Nil.* Transfer books will remain closed from 3rd to 12th June 1957, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Annual General Meeting, Bombay, 13th June 1957. Dividend: **Rs. 14.00 per share (includes bonus of Rs. 2.00 per share),** payable on 14th June 1957. Transfer books remain closed from 20th May to 13th June 1957, both days inclusive.

PALANPUR VEGETABLE PRODUCTS LTD. Annual General Meeting, Bombay, 14th June 1957. Transfer books will remain closed from 1st to 14th June 1957, both days inclusive.

SIRSILK LTD. Annual General Meeting, Somajiguda, Hyderabad-Deccan, 17th June 1957. Dividend: *Nil.* Transfer books will remain closed from 3rd to 17th June 1957, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 17th June 1957. Dividend: Rs. 6.00 per share, payable on and after 24th June 1957. Transfer books remain closed from 13th May to 8th June 1957, both days inclusive.

BANGALORE PRINTING AND PUBLISHING CO., LTD. Dividend of Rs. 10.00 (includes bonus of Rs. 2.00 per share) per share, for the year ended 31st December 1956. Transfer books will remain closed from 7th to 15th June 1957, both days inclusive.

MYSORE COFFEE ESTATES LTD. Interim dividend of 7½ per cent. for the year ended 31st March 1957. Transfer books will remain closed from 1st to 7th June 1957, both days inclusive.

VIJAYALAKSHMI MILLS LTD. Dividend of Rs. 10.00 (10 per cent.) per share, free of tax, for the year ended 31st December 1956. Transfer books will remain closed from 30th May to 12th June 1957, both days inclusive.

COMPANY REGISTRATIONS

EAST AND WEST PAPER IMPEX PRIVATE LTD. (Managing Director: Mr. Taru Jethmal Lalvani.) Business: Printing and Publishing. Authorised capital: Rs. 25,00,000. Private company. Address: Advani Chambers, 4th Floor, Sir Phirozeshah Mehta Road, Fort, Bombay.

SHRI AMBAJI TRADERS PRIVATE LTD. (First Director: Mr. Rameshchandra J. Trivedi.) Business: Purchasing and selling coal, etc. Authorised capital: Rs. 10,00,000. Private company. Registered office of the company will be situated in the State of Bombay.

TRANSMISSIONS PRIVATE LTD. (First Director: Mr. Ramchandra Bhikaji Sathe.) Business: Importers, exporters and commission agents. Authorised capital: Rs. 5,00,000. Private company. Address: 104-14, Frere Road, Sugar Market, Bombay.

JAY SHREE TEXTILES PAYS MAIDEN DIVIDEND

PROFIT OF TRAVANCORE RUBBER AND TEA SHRINKS

Jay Shree Textiles Ltd.

THE directors of the above Company (Managing Agents: Messrs. Birla Bros. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1956.

The profit and loss account after providing Rs. 5,67,169 (Rs. 22,192) for depreciation, making sundry adjustments and providing Rs. 32,412 for doubtful debts, shows a profit of Rs. 4,69,630 (Rs. 2,85,035). From this has been deducted last year's debit balance of Rs. 2,82,610 (Rs. 5,67,645) leaving a balance for disposal of Rs. 1,87,020 (debit of Rs. 2,82,610). The directors recommend a payment of dividend on 4,91,700 equity shares of Rs. 10 each at As. 6 (*nil*) per share which will absorb Rs. 1,84,388 (*nil*) leaving a balance to be carried forward to next year's account Rs. 2,632 (debit of Rs. 2,82,610).

Unabsorbed depreciation.—An approximate amount of Rs. 40,70,000 is outstanding as unabsorbed depreciation allowance on 31st December 1956. This includes initial depreciation, extra depreciation, extra shift allowance and also the development rebate as worked out by the Company according to the provisions of the Indian Income-tax Act, 1922.

Workings and future programme.—As indicated in last year's report, the directors are pleased to state that the working of the Company has shown considerable improvements during the year under review. It is hoped that this improvement will be maintained. Sales (including processing charges) during the year have increased from Rs. 54.21 lakhs in 1955 to Rs. 62.30 lakhs during the year under review.

The Company's main items of manufacture are—Flax hosepipes for fire-fighting; linen threads and twines; flax canvas and paulins; staple yarn and fabrics; hair belting yarn; and knitting wool, etc. The Company's products have become very popular —specially hosepipes, threads, twines and belting yarn. In the past the country used to import these essential items from foreign manufacturers, but now the Company is able to meet almost the entire demand of the country, cutting down imports to the minimum possible and thus effecting a saving of vital foreign exchange.

Some of the departments of the Company have been expanded, by adding new machineries, during the year under review. Plans are being finalised to make further expansions to meet rising demand for the Company's goods. The directors are glad to report that the Company has also been given permission to work 152 of its existing looms on cotton canvas. Some of the looms have already been started for the production of this item.

The Company has received permission from the Government of India for establishing a new staple fibre spinning plant. The directors are now giving the necessary consideration to the scheme.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,08,000	Block ...	54,00,000
Debentures ...	13,71,000	Stock-in-trade	20,73,856
Provision for taxation ...	1,451	Stores and spare parts	5,35,007
Liabilities ...	28,99,142	Raw materials in transit ...	2,54,521
Profit and loss account ...	2,632	Debts, deposits and advances ...	9,30,200
		Investments	6,016
		Cash ...	82,625
Rs.	92,82,225	Rs.	92,82,225

Travancore Rubber and Tea Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Aspinwall & Co., (Travancore) Ltd., Pathirapally, Kerala State] submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts are being presented this year in a new form to comply with the Companies Act 1956. The net profit for the year is Rs. 3,77,430 (Rs. 7,43,417) after making provision for income-tax and agricultural income-tax amounting to Rs. 3,08,050 (Rs. 5,37,773) depreciation Rs. 1,21,084 (Rs. 1,06,986), and also provision for rubber replanting, amounting to Rs. 70,412 (*nil*), which in previous years has been dealt with as an appropriation from profit and loss account. A true comparison with the previous three years is given below:—

	Rs.	a.	p.	Dividend paid
1953	6,78,476	9	11	10 per cent.
1954	8,92,756	5	2	15 per cent.
1955	8,01,203	5	7	12½ per cent.
	Rs.	a.	p.	
1956 ..	3,77,429	9	2	Dividend recommended
	70,412	0	0	7½ per cent.
	4,47,841	9	2	

The decrease in earnings in 1956 is mainly due to the poor tea crop resulting from unprecedented drought, though increased expenditure in payments to labour is a contributory factor to the decreased profit.

Rubber.—Against an estimate of 10,35,000 lbs. the crop harvested was 10,32,428 lbs. A portion of the rubber crop was sold on the Estates as liquid latex with advantage. Expenditure and average sale prices are compared below:

	Crop	Estate expenditure	Average sale price
	Lbs.	Cts. per lb.	Cts. per lb.
1953	9,89,722	64·91	129·27
1954	10,03,214	64·10	129·40
1955	10,35,280	70·88	144·64
1956	10,32,428	77·78	145·72

A small area of young budded rubber comes into tapping for the first time in 1957, and it is conservatively estimated that a crop of 10,75,000 lbs. of rubber will be collected during the year.

Tea.—The crop harvested, 8,89,643 lbs., is the lowest since 1949. The shortfall was entirely due to severe drought conditions experienced at the beginning of the year, and again from mid-November onwards. Comparative figures of tea crops, cost and revenue for the year under review and the three previous years are given below:

	Crop	Estate expenditure	Average sale price
	Lbs.	Cts. per lb.	Cts. per lb.
1953	11,50,696	122·75	188·22
1954	11,58,752	125·68	241·23
1955	11,65,729	134·87	204·06
1956	8,89,643	183·13	210·90

Rain came during February 1957, and showers have fallen at intervals since. Drought for a second successive year has thus been halted, but the group managers have, rightly, been conservative in their crop estimates for the coming year, which is put down at 10,50,000 lbs. tea, at an estate expenditure of 150.26 cts. per lb.

General.—Labour relations in the two groups during 1956 have on the whole been good, but labour costs have, as stated, been substantially higher, and further increases are to be feared.

The Employees Provident Fund Act came into force on 31st July 1956 in respect of Estate Factory Labour only, but from 1st May 1957 Field Labour will be included. A preliminary estimate of cost to the Company in respect of the entire labour force is Rs. 1 lakh per annum.

Bonus to labour for 1955 and 1956 is still under dispute in the State, and no useful estimate can yet be made of the incidence of final settlement on the profit and loss account of the current year.

World tea prices have fluctuated sharply during the year, and they continue to do so, making any sort of accuracy in forecast of profit impossible. The standard of tea manufacture has been well maintained, and prices secured have compared most satisfactorily with neighbours. The controlled price of rubber remained unchanged throughout the year under review.

The total amount available for distribution is Rs. 7,51,051 (Rs. 11,30,189), after reserving Rs. 70,412 for rubber replanting. From this figure of Rs. 7,51,051 must be deducted Rs. 96,000 (Rs. 96,000) representing the 6 per cent. dividend paid on the preference shares, and Rs. 1,028 (*nil*) transfer to capital reserve; and the Board now recommend payment of a first and final dividend on the ordinary shares of 7½ (12½) per cent., amounting to Rs. 3,07,500 (Rs. 4,12,500); leaving the sum of Rs. 3,46,523 (Rs. 3,71,083 after placing Rs. 30,000 to non-executive retirement fund; Rs. 70,606 to rubber replanting reserve and Rs. 50,000 to dividend equalisation fund) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	57,00,000	Block ...	68,42,976
Reserves ...	13,61,221	Stock-in-trade	6,28,661
Provision for taxation ...	3,49,893	Stores, loose tools, nursery etc. ...	2,50,588
Liabilities ...	9,11,522	Debts, deposits and advances ...	2,10,807
Profit and loss account ...	3,46,523	Investments	4,82,360
		Cash ...	2,53,767
Rs.	86,69,159	Rs.	86,69,159

Asoka Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Lalbhai Dalpatbhai & Co., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December 1956.

The profit for the year after providing Rs. 5,96,726 (Rs. 3,10,000 for depreciation only) for depreciation and development and rehabilitation and Rs. 14,00,000 (Rs. 12,25,000) for tax provision, amounted to Rs. 16,04,359 (Rs. 14,16,485). After adding the balance brought forward from the previous year's account of Rs. 69,806 (Rs. 55,359), there is a total of Rs. 16,74,165 (Rs. 14,71,844). From this sum the directors have transferred to reserve fund Rs. 3,54,870 (Rs. 3,50,000), to dividend eqoalisation fund Rs. 3,00,000 (Rs. 1,50,000) and to contingency fund Rs. 1,00,000 (Rs. 2,00,000) leaving a balance of Rs. 4,19,295 (Rs. 4,71,844 after placing Rs. 3,00,000 to machinery renewal fund). The directors recommend the payment of dividends as follows:—

To the payment of a dividend on 6,000 5 per cent. cumulative preference shares for the year ending on 31st December 1956 (less. income-tax) Rs. 22,125 (Rs. 22,125), to the payment of a dividend on 6,000 4½ per cent. redeemable cumulative preference shares for the year ending on 31st December 1956 (less income-tax) Rs. 19,913 (Rs. 19,913), to the payment of a dividend of Rs. 30 (Rs. 30) per share, income-tax free, on 12,000 ordinary shares for the year ending on 31st December 1956 Rs. 3,60,000 (Rs. 3,60,000) and to carry forward to next year's account Rs. 17,257 (Rs. 69,806).

A sum of about Rs. 10,94,191 was spent on extension of buildings and installation of new machinery and equipment in the year under reference. The installed capacity of the mills is 37,368 ring spindles and 914 looms with complete dyeing and bleaching plants.

The directors have reviewed the amount as it stood at the end of the previous year at the credit of the depreciation fund and after providing a fair amount under this head at normal rates of Income-tax Act, the balance which represented extra provision of Rs. 8,34,718 made for depreciation for the previous years has been transferred to a reserve to be named development and rehabilitation reserve, and the amount of Rs. 37,00,000 standing to the credit of machinery renewal fund, and the amount of Rs. 27,000 standing to the credit of workmen welfare fund totalling Rs. 37,27,000 have been transferred to reserve fund.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,00,000	Block ...	31,89,044
Reserves ...	1,43,05,808	Stock-in-trade	46,59,828
Provision for taxation ...	31,47,742	Stores ...	7,94,648
Liabilities ...	25,10,238	Debts, deposits and advances ...	60,45,019
Profit and loss account ...	17,257	Investments	25,91,031
		Cash ...	51,01,475
Rs.	2,23,81,045	Rs.	2,23,81,045

Raipur Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Lalbhai Dalpatbhai & Co., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December 1956.

The profit for the year after providing Rs. 5,38,607 (Rs. 4,75,000 for depreciation only) for depreciation and development and rehabilitation and Rs. 14,32,275 (Rs. 6,65,015) for tax provision amounted to Rs. 9,10,261 (Rs. 8,37,281). The adinterim dividend of Rs. 7-8 (Rs. 7-8) per share for the first-half of the year 1956 absorbed Rs. 1,50,000 (Rs. 93,750), leaving an available balance of Rs. 7,60,261 (Rs. 7,43,531). The directors disposed of this amount as follows:—

To the payment of a dividend of Rs. 17-8 (Rs. 17-8) plus Rs. 10 (Rs. 10) as bonus per ordinary share, income-tax free, on 20,000 (12,500) ordinary shares for the second half of the year ended 31st December 1956, Rs. 5,50,000 (Rs. 3,43,750) to the payment of a dividend on 5,000 4½ per cent. cumulative preference shares for the year ended 31st December 1956 (less income-tax) Rs. 16,594 (Rs. 16,594), to the payment of a dividend on 5,000 4½ per cent. 'B' class redeemable cumulative preference shares for the year ended 31st December 1956 (less income-tax) Rs. 16,594 (Rs. 16,594) and to carry forward to next year's account Rs. 1,77,073 (*nil* after placing Rs. 3,50,000 to capital redemption fund and paying Rs. 16,594 for dividend on 5,000—4½ per cent. 'A' class redeemable preference shares, which were redeemed in 1956).

Further progress was made on the mill's reorganisation and renovation programme during the year. A sum of about Rs. 13,69,000 was spent on extension of buildings and installation of new machinery and equipment. The main items covered by this expenditure include a new building for canteen, drawing, slubbing and intermediate frames, one barber-colman winding and warping unit, one hot-air stenter, one singeing machine and one electrically driven sprinkler pump.

By a special resolution passed at the general meeting of the Company held on the 30th March 1956, a sum of Rs. 7,50,000 being the part of the undivided profits of the Company standing to the credit of the reserve fund was capitalised and 7,500 ordinary shares of Rs. 100 each were issued, which were entitled to dividend from 1st January 1956, and which ranked *pari passu* in all other respects with the then existing 12,500 ordinary shares of Rs. 100 each. And therefore, the directors have distributed the said dividend for the year in respect of the said shares also.

The installed capacity of the Mills is 31,120 ring spindles, 1,708 doubling spindles and 636 looms with complete dyeing and bleaching plants.

The directors have reviewed the amount as it stood at the end of the previous year at the credit of the depreciation fund and after providing a fair amount under this head at normal rates of Income-tax Act, the balance which represented extra provision of Rs. 2,10,089 made for depreciation for the previous years has been transferred to the reserve to be named development and rehabilitation reserve, and the amount of Rs. 35,00,000 standing to the credit of machinery renewal fund, the amount of Rs. 47,500 standing to the credit of workmen welfare fund and the amount of Rs. 35,000 standing to the credit of fund for erecting chawl totalling Rs. 35,82,500 have been transferred to reserve fund.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	37,32,143
Reserves ...	1,10,62,006	Stock-in-trade	55,62,552
Provision for taxation ...	21,62,785	Stores, etc. ...	6,55,656
Liabilities ...	20,63,360	Debts, deposits and advances ...	31,60,964
Profit and loss account ...	1,77,073	Investments	43,48,132
		Cash ...	10,05,772
Rs.	1,84,65,224	Rs.	1,84,65,224

Anglo French Textiles Ltd.

The directors of the above Company [Managing Agents: Messrs. Best & Co. (Pondicherry) Private Ltd., Pondicherry] submitted the audited accounts of the Company for the year ended 31st December 1956.

The year's trading has resulted in a loss of Rs. 1,46,331 (profit of Rs. 1,00,890 after provision for taxation). A sum of Rs. 30,000 at the credit of the reserve fund, and the balance of Rs. 11,779 (Rs. 18,889) to the credit of profit and loss account brought forward from the previous year have been adjusted against this loss of Rs. 1,46,331, leaving a debit balance of Rs. 1,04,551 (credit of Rs. 11,779 after paying a dividend of 6 per cent. on preference shares absorbing Rs. 1,08,000) in the profit and loss account to be carried forward to next year.

During the year, the Mill produced 7.217 million lbs. of yarn of an average count of 16.65, and 12.721 million yards of cloth. These compare with the corresponding figures for the previous year, 1955, of 6.74 million lbs. of yarn of an average count of 17.27 and 14.13 million yards of cloth.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,00,000	Block ...	34,27,179
Superannuation and employees' provident funds	3,51,677	Stock-in-trade	52,69,369
Liabilities ...	76,19,465	Cotton on order ...	16,93,630
		Stores and spare parts	13,47,285
		Debts, deposits and advances ...	5,70,142
		Investments	28,742
		Preliminary expenses	1,40,632
		Cash ...	1,89,612
		Profit and loss account ...	1,04,551
Rs.	1,27,71,142	Rs.	1,27,71,142

Alliance Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June 1956.

The loss for the half-year, after taking into account the sums of Rs. 85,000 for provision to write down jute stock and in transit to estimated realisable value, and Rs. 65,000 for depreciation, amounts to Rs. 65,330 deducting from this the credit balance brought forward from the previous half-year of Rs. 23,103, amount overprovided in liability in respect of previous period written back Rs. 21,343, unclaimed dividends forfeited Rs. 1,529 and amount transferred from general reserve account Rs. 1,00,000, there remains a credit balance of Rs. 80,645. West Bengal sales-tax amounted to Rs. 1,028 and amount shortprovided in liability in respect of previous period Rs. 215, leaving an available balance of Rs. 79,402. This amount the directors recommend should be distributed as follows:—

To dividend on 15,000 preference shares at Rs. 3 per share for the half year ended 30th June 1956 Rs. 45,000, leaving to be carried forward Rs. 34,402.

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June 1956, have been valued at market price.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed until 8th January 1956. This figure was reduced to 10 per cent. from 9th January 1956 and to 5 per cent. from 20th February 1956. Since the close of the period the Industry sealed 2½ per cent. of the total looms from 16th July 1956 and a further 5 per cent. on 17th September 1956, again making a total of 12½ per cent. of the total looms sealed.

Trading conditions throughout the half-year continued to be difficult, and with the increase in production due to unsealing of looms prices fell rapidly and at no time was it possible to transact business simultaneously in raw jute and goods at a profit.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	23,20,758
Reserves ...	5,25,000	Stock-in-trade	53,02,149
Provision for taxation ...	5,000	Stores ...	11,61,854
Liabilities ...	53,98,204	Debts, deposits and advances ...	12,87,199
Profit and loss account ...	34,402	Investments	2,10,000
		Cash ...	1,80,646
Rs.	1,04,62,606	Rs.	1,04,62,606

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

QUESTION HOUR IN PARLIAMENT

Expenditure on Development Projects

THE Government has constituted three teams with officials and non-officials to inspect the expenditure on development projects at the Centre and the States. The High Power Committee constituted to inquire into the question of public expenditure has not yet submitted its report.

* * * *

Re-finance Corporation

Banks have been asked to express their views on the proposal to set up a re-finance corporation to provide medium-term loans in the private sector. The details of the scheme are being worked out and will be announced shortly. Tentative quotas of capital to be subscribed by the Reserve Bank, the State Bank, the Life Insurance Corporation and other private banks to the Re-finance Corporation have been fixed, but the whole matter is still under discussion.

—*T. T. Krishnamachari*

Decimal Coinage

An analysis of the reactions of the public and of the State Governments to the introduction of decimal coinage in the country has shown that the more important difficulties experienced by people are in relation to the adjustment in postal rates, State transport fares and increase in the price of small units of certain goods sold by shopkeepers. The Director-General of Posts and Telegraphs and the West Bengal Government have already taken action to meet these complaints at Calcutta. The P. and T. Department will soon have only new denomination postage stamps and stationery on sale and this will remove the difficulty experienced. The complaint about increased prices charged by private parties is not related directly to coinage reform. It is expected that the ordinary processes of demand and supply will soon ensure better balance in prices. The three Government of India mints are working to full capacity to produce coins of the new donominations and the Government is confident that, as soon as the supply of these becomes plentiful, the complaints which are already dying down will disappear altogether.

* * * *

Capital Goods Import

The question of guarantees to be given by Scheduled banks in respect of imports of capital goods on long-term credit basis is under examination by the Government. Importers of capital goods have been asked to try to obtain goods on deferred payment terms and negotiations are going on. The price difference between goods obtained by immediate payment and on long-term credit is a matter of detail to be worked out and I cannot give any definite answer on the subject now. The question whether it is a fact that manufacturers are quoting 15 per cent. extra and also demanding interest of seven per cent., which will push up the cost of the machinery, is a matter of opinion. I am not in a position either to confirm or to deny it.

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U.N. Technical Aid

An amount of 2,344,500 dollars has been allotted to India under the U.N. Expanded Technical Assistance Programme. The assistance will be in the shape of services of experts; equipment ancillary to the services of experts; and training facilities in foreign countries. The services of experts will be available to the private sector also to some extent.

—*B. R. Bhagat*

Liberty Ships

The Government of India has approached the U.S. Government for the purchase of "Liberty" ships and negotiations are still being carried on.

* * * *

Madras Port

The optimum handling capacity of the Port of Madras is of the order of 1.75 million tons per year, but the Port has been required to handle as much as 2 to 2½ million tons per year ever since 1950. Though the Port has been working on three shifts to handle this additional cargo beyond its capacity, a certain amount of delay to ships is inevitable. A project for increasing the number of quay berths from nine to 17 has been sanctioned. The construction of two of these berths is in progress.

* * * *

Development of Ports in Kerala

The second Five-year Plan includes schemes for the development of the ports of Alleppey, Quilon, Vizhinjam Kozhikode, Badagara, Tellicherry, Cannanore, Azhikhal and Ponnani in Kerala State. The total estimated cost of these schemes is Rs. 47.85 lakhs. The works cover improvement of landing facilities, navigational aids, modernisation of cranes, etc. The development of minor ports is primarily the responsibility of the State Governments. The Central Government gives financial assistance for the schemes included in the Five-year Plan.

* * * *

Second Shipyard

A team of British experts is expected to visit India by the middle of September this year to draw up a preliminary project report for a second shipyard in the country.

—*Raj Bahadur*

Salem-Bangalore Rail Line

The survey work on the Salem-Bangalore railway line is expected to be completed by the end of this month. There is, however, not much likelihood of the line being constructed during the second Five-year Plan.

—*Shah Nawaz Khan*

National Construction Corporation

The National Construction Corporation has been set up for the execution of such projects or project works as are entrusted to it by the State Governments. The question of preparing a blueprint of its programme in advance does not arise. The Corporation has taken up construction of two aqueducts at estimated rates plus 15 per cent. for overheads and excavation of seven miles of canal at schedule of rates within the Rajasthan territory and excavation of five miles of canal at the schedule of rates within Madhya Pradesh territory on the Chambal project canal system. The Corporation is working on the same conditions as are applicable to other contractors on the Chambal project.

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Canal Water Dues

The total amounts of canal water dues outstanding till now from Pakistan under the "disputed" and "undisputed" heads are Rs. 87.93 lakhs and Rs. 78.41 lakhs, respectively. No final settlement of the Indo-Pakistan canal water dispute has yet been reached. At the instance of the World Bank, the two Governments have agreed to an extension of the co-operative work with the participation of the Bank for a further period of six months.

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Power for Rajasthan

Power from Bhakra-Nangal is expected to be supplied to Rajasthan within the course of one year from now.

—*S. K. Patil*

Indian Airlines

The present plans of the Government envisages replacement of the Indian Airlines Viking services by Viscount aircraft, but there is no proposal just now to replace the Dakota services. Five Viscount aircraft are expected to be put into operation during 1957. It is proposed to set up a maintenance centre for the Viscounts at Palam in Delhi. As a result of the introduction of Viscounts on the Indian Airlines routes, increase in air traffic is expected, although I cannot estimate by what percentage. The whole question of routes will also be reconsidered with the introduction of Viscounts. Any suggestions in this regard from members will also be welcome.

—*Humayun Kabir*

Import of Wheat and Rice

The cost of wheat and rice purchased from abroad in 1956 amounted to about Rs. 40 crores, besides the wheat obtained from the U.S.A. with aid funds. Food imports are arranged on a calendar year basis. The quantity of wheat imported from the U.S.A. during January-April 1957 amounted to six lakh tons. The import programme is reviewed from time to time in the light of requirements and availability of shipping. The present intention is to import about 2½ lakh tons of wheat every month.—

—*M. V. Krishnappa*

Co-operative Farming

The total area brought under co-operative farming in the various States amounts to 144,000 acres. The U.P. Government as such has not expressed any opinion on co-operative farming, but none of the ministers there have expressed doubts about it.

—*Ajit Prasad Jain*

Fair Price for Jute

The Food and Agriculture Ministry is of the view that the jute grower should be assured of a fair price. It will not be possible for me to enumerate now the various steps taken by the Government to achieve this object. It is not a fact that prices of raw jute in Bihar had been very low during February, March, and April this year. The price in these months compared favourably with the price in the previous year.

—*Dr. Panjabrao Deshmukh*

Iron Ore Export

The question of canalising export of iron ore through the State Trading Corporation is under active consideration. The services of the Corporation have been appreciated by the Importers.

—*Nityanand Kanungo*

Labour Participation

The question of labour participation in the management of industrial and commercial undertakings will be discussed at the next Indian Labour Conference. It may be possible to evolve concrete recommendations in this respect with the agreement of all the parties concerned.

* * * *

Employment Figures

The Government has asked the States to furnish information about employment in important projects and also about the general unemployment position. The States have also been asked to give this information in their annual reports regularly. Some States have already furnished the information, while replies from others will come in due course. Since May 1955, the National Sample Survey has been collecting information regarding employment and unemployment. An assessment of the employment situation from time to time is also contemplated through the employment market information programmes. The Planning Commission has also made arrangements for collecting information on the subject.

—*Abid Ali*

Notices

THE DUNBAR MILLS LTD.

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office, No. 21. Strand Road, Calcutta-1, on Tuesday the 25th June, 1957, at 3 p.m., for the following purposes:—

1. To receive the Report of the Directors and to pass the Audited Accounts for the year ended 31st December, 1956.
2. To declare a Dividend.
3. To elect a Director in the place of Shri P. D. Bangur who retires by rotation as also under Section 261 of the Companies Act, 1956, being an Associate of Messrs. Kettlewell Bullen & Co., Ltd., the Managing Agents of the Company, and to consider and if thought fit, to pass the following resolution as a Special Resolution, in respect of which special notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement is annexed hereto:—

   "RESOLVED that pursuant to Section 261 of the Companies Act, 1956, Shri P. D. Bangur, an Associate of Messrs. Kettlewell Bullen & Co., Ltd., the Managing Agents of the Company, be and is hereby re-elected a Director of the Company."
4. To elect Auditors for the current year and to fix their remuneration.
5. To transact any other ordinary business of the Annual General Meeting.

The Share Transfer Books of the Company will be closed from the 17th June to 25th June, 1957, both days inclusive.

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

CALCUTTA, 30*th April*, 1957.

N.B.—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

Explanatory Statement under Section 173 of the Companies Act, 1956, in regard to item No. 3

The Company has received a Special Notice. as required by Section 261 of the Companies Act, 1956, of intention to propose the resolution set out under this item as a special resolution for the reason that Shri P. D. Bangur, a Director of the Company, who retires by rotation at this Annual General Meeting, is also a Director and Member of Messrs. Kettlewell Bullen & Co., Ltd., the Managing Agents of the Company, and as such "an associate of the Managing Agents" and hence he can only be appointed a Director of the Company by a special resolution of the Company under the said section 261 of the said Act and that it is in the interest of the Company that it should continue to avail of the benefit of the valuable advice and guidance of the said Shri P. D. Bangur by appointing him as a Director of the Company.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Monday the 24th June to Saturday the 20th July 1957, both days inclusive.

The dividends for the year ending 31st March 1957, when sanctioned, will be made payable to those shareholders whose names stand on the Share Registers of the Company on Saturday the 20th July 1957.

By Order of the Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, 17*th May* 1957.

INDUSTRIAL FINANCE CORPORATION OF INDIA

PARLIAMENT STREET, NEW DELHI

NOTIFICATION

IT IS HEREBY NOTIFIED THAT THE SHARE Register of the Corporation will be closed and the registration of transfers suspended from the 16th June 1957 to the 30th June 1957 (both days inclusive).

By Order of the Board,
H. V. VENKATASUBBIAH,
General Manager.

Dated 16th May, 1957.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS

(Railway Board)

TENDER NOTICE

Sub:—**Technical collaboration in the design and execution of Railway Electrification Projects on the Single Phase A.C. Traction System.**

THE MINISTRY OF RAILWAYS (RAILWAY Board) invite tenders from Technical Associates with previous experience in the design and execution of Railway Electrification Projects on the Single Phase A.C. Traction System, for Technical Collaboration.

The prospective Technical Associates should advise the undersigned of their intention to make an offer in the form of a sealed letter so as to reach the undernoted address on or before 31st May 1957. The detailed proposals for Technical Collaboration should reach the undernoted address on or before 29th June 1957.

The particulars of tender and terms of reference can be obtained from the undersigned on payment of Rs. 2 per copy in cash or by money order.

P. N. MURTI,
Electrical Adviser,
Railway Board.

NEW DELHI, 13*th May* 1957.

SOVIET TRADE OFFERS

(*Concluded from page* 1052)

the agreement would increase trade from 30 million to 60 million dollars.

The Czechoslovak Deputy Foreign Minister, who was in Cairo at the same time, also announced that his country would buy more from Egypt this year, and in return Czechoslovakia would build a number of factories for which Egyptian engineers and workers would be trained—and presumably indoctrinated—in Czechoslovakia.

Syria presents a similar if slightly less complete picture. Again cotton is the principal export to the Soviet bloc and even China has taken a substantial quantity in recent months.

Soviet, Czechoslovak and East German trade experts have all been in the capital of the Yemen in recent months, and it was subsequently announced that the Yemen had purchased 9 million dollars' worth of Czech arms to be paid for over 15 years. Later it was learned that the arms had been delivered and the Yemeni army was being trained in their use, presumably against the Aden Protectorate.

The unusually long-term payment, however, is an indication of the lengths to which the Soviet bloc will go, when barter and currency strings are not available, to get a foothold in new territory, especially when it offers a threat to a vital centre of the free world.

COAL

(*Concluded from page* 1040)

There would be instances, he said, where it would not be necessary to pay compensation. The area might be lying unworked due to the negligence of the lessee.

Replying to the debate, the Minister for Steel, Fuel and Mines said that there was no assumption that the Government would pay undue compensation. If the provisions for compensation were analysed, he added, it would be seen that the Government was in no way liberal. It was trying to be just and fair. It was fair that, if the Government stepped into the shoes of the lessees, it should pay compensation for the expenditure on obtaining the licence or lease. It would also have to pay the cost of maps, charts and other documents relating to the coal-bearing area concerned. Answering the criticism of Mr. Bharucha on the Government's intention to be a sub-tenant of the State Governments, Mr. Swaran Singh said that it had always been the intention of the Government not to take any unilateral decision by which the revenues of State Governments might be affected. With this object in view, the Government had undertaken the responsibility of paying the State Governments moneys which they might have realised from the coal mines in the States had they not been acquired. He assured the House that there were ample safeguards against excessive payment of compensation. The Minister also added, in reply to the suggestion of the Congress member from Bihar, that the Government would, in the first instance, satisfy itself whether a particular area was profitable. This is a reassuring statement.

MAHINDRA AND MAHINDRA LTD.

(*Concluded from page* 1039)

Yet in addition to heavier corporation taxes, a fresh tax on the 'wealth' of a company has been imposed, because of 'the peculiar economic structure' in India. The Finance Minister has said that 'companies were being brought within the wealth tax, because in India a very large number of companies were owned by a group of individuals, that company shares were not broadbased.' Surely, it is not only being unrealistic but a little disingenuous to place heavy burdens on the source and the instrument of capital formation—a role which hardly fits the credentials and the personality of Mr. Krishnamachari. The egalitarian crucible appears to have consumed the promising yeast of change which the Finance Minister wishes to introduce in the fundamental bases of tax policies of the country. Assuming that a tax on wealth was demanded by the political judgment of the majority of the people, and that wealth was being concentrated in few hands, surely tax on the assets of a productive instrument is not the best method of divesting individuals of a portion of their holdings, for you are thereby hurting the most the very organs which should stand four square in the battle for fighting inflation, for sustaining stability and for furthering industrial growth. On the contrary, the effects of the proposed taxation measures will be far-reaching in respect of disincentives, in respect of capital formation, in respect of savings apart from the incongruous and unjustifiable levy of multiple taxation on the same quantum of income and now wealth. Perhaps the Finance Minister is of the opinion that such disincentives are demanded by the existing strains in the economy. But one should have thought that the most important aspect of a rational policy of taxation is to create incentives and add to the national income so that resources available for taxation are continuously being augmented.

"While Mr. Kaldar recommended a tax on personal expenditure, tax on gifts and a tax on *annual* wealth, he simultaneously recommended a reduction in rates of income and super tax to 45 per cent.—all to form a harmonious basis of taxation, a self-checking system which will provide incentives for savings and discourage evasion. This portrait of a new taxing system is missing from the proposed measures. Delhi perhaps has not learned that policy cannot be processed from haphazardly collected and oddly assorted recommendations. The complex difficulties of administering the new taxation measures in an equitable manner have not been fully realised, nor serious note taken of the inevitable harassment and corruption which will be entailed in evaluating personal expenditure and wealth.

Alice-in-Wonderland Economy

"Perhaps it is the view of the Finance Minister that a halt should be called to development and expansion particularly in the private sector. The most significant sentence in his Budget speech is a sentence of five negatives: 'These measures are not intended to curtail genuine investment in the private sector, though it would not be unreasonable to assume that a slight slowing down for a short period will not, in present circumstances, be undesirable.' If disincentives are really what are being aimed at, businessmen should frankly be told to go slow, but we should not be asked to accept the sort of Alice-in-Wonderland economy in which the more the Government spends and the higher the taxes went, the more would be left for investment and spending!

"In conclusion, I should like to express on behalf of the shareholders their appreciation of the commendable efforts of the staff and the workers of the Company in achieving such remarkable results in the past year, which give promise of a good future for the organisation."

GILT-EDGED BETTER AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 22*nd May*

The short-term money market continued to rule stringent during the week under review. While funds remained in short supply, the demand for bank credit was unabated, with the result that banks had to seek accommodation from the Reserve Bank. There was, however, no further rise in interest rates and the volume of business was small. Inter-bank call money continued to be bid at 3½ per cent. House-money at call was placed at 4½ per cent. and short-term deposits were offered 4⅜ to 4½ per cent. for one to six months.

A small shrinkage of Rs. 5.13 crores is disclosed by the Reserve Bank of India statement for the week ended 17th May, 1957, in contrast to the sharp expansion noted in the previous two weeks. Notes held in the Banking Department are up by Rs. 5.30 crores. The fractional increase in total notes issued is covered by a similar rise in rupee coin. In the Banking Department, deposits of the Central Government have shrunk by Rs. 5.05 crores, while those of the other Governments and banks have gone up by Rs. 97 lakhs and Rs. 2.89 crores, respectively. There has been a further decline of Rs. 8.99 crores in balances held abroad. Loans and advances to Governments show a rise of Rs. 1.46 crores and other loans and advances Rs. 6.02 crores. Of the latter, outstanding advances to Scheduled banks against usance bills account for an increase of Rs. 1.04 crores. The running total of these advances since 1st January 1957 has not been published for the second week in succession, with the result that it is not possible to have an idea of fresh borrowings against usance bills during the week. Investments have increased by Rs. 1.40 crores, while Government Treasury bills purchased have declined by Rs. 4.98 crores.

The Scheduled banks' statement for the week ended 10th May 1957 discloses a further fall of Rs. 3.17 crores in demand deposits of banks and a sharp increase of Rs. 12.06 crores in their time deposits. With this increase, time deposits have successively maintained an upward trend for the seventh week, the cumulative expansion during this period being Rs. 49.38 crores. Borrowings from other banks are up by Rs. 1.03 crores and those from the Reserve Bank by Rs. 8.27 crores. There has been a sharp rise of Rs. 11.10 crores in advances and of Rs. 1.18 crores in bills purchased and discounted. Cash balances have shrunk by Rs. 4.11 crores, while money at call and short notice is higher by Rs. 1.13 crores.

The gilt-edged market ruled easy during the major part of the week under review, following the increase in Bank rate from 3½ per cent. to 4 per cent. Most of the securities were on offer and buyers were scarce, with the result that prices were marked down. Towards the close, however, sentiment took a turn for the better and many securities found buyers. The sudden change was said to be due to the Reserve Bank's limited support to the market. The support is limited in the sense that the Bank does not buy of its own accord, but takes up some when offered. Presumably, this is the first step towards grooming the market for the new loan issue. There was a slight recovery in prices in the last two days, but on balance almost the entire list showed a moderate fall.

3 per cent. 1986 Conversion Loan declined from Rs. 74.20 to Rs. 73, at which level the Reserve Bank was a buyer. There was a recovery to Rs. 73.50 with buyers at that level. 3 per cent. 1970-75 was marked down from Rs. 87.20 to Rs. 86.85 before gaining partially to Rs. 87. 3 per cent. 1966-68 was on offer and it fell from Rs. 92.05 to Rs. 91.90. 3 per cent. 1964 also found sellers and shed 45 nP to Rs. 94 and 3 per cent. 1963-65 was marked down by 10 nP to Rs. 94. 3 per cent. 1959-61 was, however, unchanged at Rs. 97.75. 3½ per cent. 1962, 3½ per cent. 1961 and 3½ per cent. 1964 were offered support by the Reserve Bank at market rates. 3½ per cent. 1962, after receding from Rs. 97.80 to Rs. 97.50, looked up to Rs. 97.60. 3½ per cent. 1961 dropped by 25 nP to Rs. 99.25, but regained the loss at the close. 3½ per cent. 1964 and 1965 fell by 25 nP to Rs. 98, before improving to Rs. 98.15. 3½ per cent. 1967 had buyers at Rs. 98.45, after declining to Rs. 98.35. 3½ per cent. 1974 shed 5 nP to Rs. 98.45, at which level there were buyers.

There were no sellers in State loans, except in 4 per cent. 1967 and 1968 Madras and Andhra issues. Madras 1967 fell by 20 nP to Rs. 96.90 and 1968 by 25 nP to Rs. 96.75. Andhra 1967 recorded a drop of 45 nP to Rs. 96.80 and 1968 40 nP to Rs. 96.60.

The rupee ruled a shade easy in terms of the dollar in the earlier part of the week, but recouped towards the close. Banks' selling rate of ready dollars rose from Rs. 479.75 to Rs. 480, but again declined to Rs. 479.75 per $100. The buying rate was, however, unchanged at Rs. 476.50 per $100. In New York, sterling was a bit erratic, but, on balance, stood better. Spot sterling fell from $2.78-15/16—2.79-1/16 to $2.78-13/16—2.78-15/16, before recouping to $2.79—2.79⅛. Three months' forward improved from $2.77⅛—2.78⅛ to $2.78—2.78⅛ and transferable sterling from 277.35—277.45 to 277.40—277.50 cents.

SUGAR ADVANCES

(*From Our Own Correspondent*)

HAPUR, 20*th May*

The increase in excise duty on sugar from Rs. 5.52 to Rs. 11.24 per cwt. accounted for a spurt in crystal sugar prices, but trading came almost to a standstill. Prices had already recorded a firm trend for some time past in anticipation of a rise in excise duty, but, as soon as the increase was announced, prices advanced by Rs. 3-Rs. 3.50 per maund. Mill delivery rates for practically all the factories were not quoted and trading was dormant, as the trade had not yet fully assessed the full implication of the enhanced duty.

The *khandsari* market also advanced in line with the crystal section. Prices ranged between Rs. 26 and Rs. 29 per maund, according to quality.

Ready *gur* ruled quietly steady, due to slack demand from consuming centres. The local stock was unchanged at 96,000 maunds, the corresponding figure last year being 64,000 maunds. Daily arrivals were scanty, the average being 75 maunds. Dry superior quality was quoted at Rs. 12.25, while *kotha* mixed dry and wet were done at Rs. 11.25 per maund.

Future *gur*, which had recorded sharp gains, following the increase in excise duty on sugar, declined later on heavy Mozafarnager selling. *Gur asar* opened at Rs. 11.65 and finished at Rs. 11.75. *Fagun* opened at Rs. 11.53 and closed at Rs. 11.94.

BULLION BUOYANT

(*From Our Own Correspondent*)

BOMBAY, 22*nd May*

Conditions akin to a boom prevailed in the bullion market during the week under review, with both the metals scaling new high levels for recent years, on strong speculative support. The buying spree in bullion particularly in gold, touched off by the new tax proposals was unabated, during the week. There was a brisk demand for ready delivery, too, in almost all centres, which resulted in a shrinkage of floating stocks and a widening of the premium for the ready metal over the forward. The fall in the arrival of Tibetan coins, the usual seasonal demand and baseless fears about devaluation of currency gave impetus to the rise in prices.

Ready gold touched a high of Rs. 112-8, the highest level seen since the first week of September 1951. It was only Rs. 6-4 short of the all-time record level of Rs. 118-12 touched in April 1951. Forward gold reached a high of Rs. 111-5 during the week. Ready silver climbed up to Rs. 191, the best level touched since the middle of February 1952, and forward silver Rs. 187.

The higher levels, however, attracted profit-taking and the closing prices were dull below the best levels. Fears of larger inflow of Tibetan coins on account of the wide disparity between domestic and Tibetan prices and of larger smuggling of gold for the same reason also induced caution.

Forward silver (June settlement) advanced from Rs. 182-6 to Rs. 187 before shading off to Rs. 185-13 at the close. The July settlement moved up from Rs. 181-1 to Rs. 185-4, before dropping to Rs. 184-3 at the close.

Ready silver rallied from Rs. 185-4 to Rs. 191, but reacted to close at Rs. 188-13. The premium for ready over the current settlement widened from Rs. 2-14 to Rs. 4, but at the close narrowed down to Rs. 3. The daily average arrivals of silver are reported to be 400 to 500 bars only. The daily average offtake was 15 bars.

Forward gold (June settlement) shot up from Rs. 105-15 to Rs. 109-3 before reacting to Rs. 108-12 at the close. The July settlement moved up from Rs. 106-12 to Rs. 108-7, but finished lower at Rs. 108.

Ready gold appreciated from Rs. 107-13 to Rs. 112-8 and wound-up at Rs. 111-10. The ready premium widened from Re. 1-14 to Rs. 2-14. The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals were 4,500 tolas, while the offtake was of the order of 5,000 tolas.

In New York, silver was again unchanged at 91⅜c. In London, spot silver was maintained at 79½*d.* but the premium of spot widened from ⅛*d.* to ¼*d.*, following the decline in forward from 79⅛*d.* to 79*d.* Gold hardened from 250*s.* 3½*d.* to 250*s.* 5¾*d.*, but closed lower at 250*s.* 4½*d.*

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

	22-5-1957	Highest	Lowest	15-5-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	111 10	112 8	109 6	107 13
Forward*	108 12	109 3	107 1	105 15
Sovereign	72 8	72 8	71 0	70 4
SILVER				
Ready (.996 fine Mint) ..	188 13	191 0	185 2	185 4
Forward†	185 13	187 0	182 4	182 6
London Silver Ready ..	79¼*d.*	..	..	79¼*d.*
London Forward	79*d.*	..	..	79¼*d.*
London Gold	250*s.* 4¼*d.*	250*s.* 5¾*d.*	250*s.* 4*d.*	250*s.* 5¼*d.*
New York Silver	91⅜*c.*	..	..	91⅜*c.*

* 12th June settlement.
† 13th June settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

HIDES QUIET

(*From Our Own Correspondent*)

KANPUR, 19*th May*

During the week under review, the hides and skins market ruled quiet. New arrivals from mofussil areas were considerable, and the local areas did not figure as a prominent source of supply. The main purchasers were the local tanners and the Madras dealers.

The latest available quotations are: Wet salted cow, 1st grade Rs. 240, 2nd grade Rs. 200 to Rs. 230 and 3rd grade Rs. 125 per score; wet salted buff, 1st grade 2 lb. 1 oz. and 2nd grade 2 lbs. 3 ozs. per rupee; goat, 1st grade Rs. 350 and 2nd grade Rs. 300 per 100 pieces; sheep, 1st grade Rs. 350 and 2nd grade Rs. 250 per 100 pieces.

COTTON FUTURES STEADY AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 22*nd May*

A steady trend was depicted by the cotton futures market during the first three days of the week under review. But in subsequent sessions it staged a sharp decline. The earlier steadiness was induced by the absence of any enhancement of excise duty on cloth and import duty on cotton. Strong spot advice was another helpful factor. But on Monday the market staged a sharp decline. Before commencement of business on that day the East India Cotton Association, Bombay, under instructions from the Forward Markets Commission, notified the trade that with effect from 1st June the rates of margin deposits on Vijay June contract will be Rs. 400 per candy (Rs. 200 per bale) in respect of all purchases at or above Rs. 824 per candy. It was also notified that in respect of Jarilla May contract, all outstanding business will be squared up at the closing rate on 23rd inst. Thus, the tussle between the law of supply and demand and the Commission's firm determination to hold cotton prices at a level which it considers reasonable has been worked up to a new pitch. A wave of selling followed which resulted in a sharp break in values. Sentiment was further adversely affected by the improved prospects of getting Egyptian and U.S. cotton and the weakness in other markets. Selling pressure, however, abated yesterday and prices tended to look up. Both the contracts opened today lower than yesterday's finishing rate, improved slightly, and closed steady at the day's best levels.

M.G. Jarilla (May delivery) opened the week at Rs. 694 as against the previous closing of Rs. 689 and improved, on good support, to Rs. 710 on Saturday. On heavy selling, following the raising of margin deposits in Vijay June, the contract reacted downwards, touching a low of Rs. 692 on the 20th inst. It again improved to Rs. 705 yesterday. Opening at Rs. 690 today, the contract met with some support which pushed it up to Rs. 695 at which rate it closed.

M.G. Vijay (June delivery) opened the week at Rs. 834, and after hovering round that level declined sharply on consistent panicky selling induced by the enhancement of margin rates, to Rs. 811 on Monday. After firming up to Rs. 819½ yesterday the contract again eased to Rs. 810 today although it closed higher at Rs. 816½. The following table gives the trend of prices of the two contracts during the week under review:

(In rupees per candy of 784 lbs.)

	22-5-57	*High*	*Low*	15-5-57
Jarilla (May)	695	710	685	689
Vijay (June)	816½	837	810	834

The E.I.C.A. Board, at its meeting on Friday last, is reported to have fixed Moglai 25/32" as the basis of the new cotton contract. It was also decided that the room rates should be fixed at a level which should not be more than 50 per cent. of the difference between the spot and the futures price. Maximum trading limit for the forward business was fixed at a level which was Rs. 30 below the spot ceiling level. Regarding the margin, it was decided to levy Rs. 2,500 per 100 bales on the net position if the contract closed at or above Rs. 750. It is generally believed that the necessary formalities regarding this new contract will be finalised by the end of this month.

All attention is now focussed on next season's cotton policy. Changes in floor and ceiling prices are generally expected. The Cotton Advisory Board's recommendation for enhancement of the floor prices by Rs. 50 is understood to have been accepted by the Government. There is also considerable support for the view that there should be an upward revision of the ceiling prices. Mill interests are, however, averse to such a proposal on the ground that it will restrict consumption. An announcement of the Government's view in this respect is awaited with considerable interest.

In the spot section, mill demand, after slackening a little immediately after the presentation of the budget, again improved. Values continued to rule firm and mills were virtually combing the market for lots of quality cotton, especially Vijay, 0394, Laxmi, Co2, etc.

In the foreign section, enquiries were noted for higher grades of U.S. cotton. Official announcement by the Government of India regarding the procedure for import of U.S. cotton is eagerly awaited. With the downward trend in prices in Alexandria there is every possibility that Indian mills will increasingly go in for Egyptian cotton.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—for a few varieties of Indian cotton prevailing at Sewri:

Bengal *Deshi* 775; Kandesh 820; Oomra *Deshi* 775; Vijay 1,020; Hubli Laxmi 1,000; Jayadhar 890.

The easy trend noted last week in the Karachi cotton futures market gathered momentum on speculative selling following weak advices from the spot section in the week under review. Although the supply position of cotton is somewhat tight, it failed to induce an upturn in values. This was due, partly, to the fear that continued large C.C.C. sales would affect the export demand for Pakistan cotton. N.T.R.G. May which had closed at Rs. 77-11 dropped Re. 1-6 to Rs. 76-5 and the July position declined from Rs. 80-7 to Rs. 78-12. The spot section also ruled easy. Most of the current season's crop has been marketed and only about 170,000 bales are left unsold of which 70 per cent. are inferior grades. Pakistani mills are expected to consume about one million bales this season, about two-thirds of the crop. The following are the latest quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 86-6; Punjab *Deshi* 82-8; 4F Roller 91; Punjab Roller 80-9; S.G. 84-9; 289F Punjab Roller 83-9.

The Egyptian Government's decision to increase the export tax on cotton by 4 tallaris per cantar caused an immediate withdrawal of buyers from the Alexandria cotton futures market which, as a consequence, ruled easy. However, the market picked up some strength later owing to some trade buying in near deliveries induced by the expectation that as the enhanced tax comes into force on 1st September some export demand would be forthcoming in the interim period to take advantage of the lower rate prevailing till then. Long-staple Karnak May and medium staple Ashmouni June deliveries slightly improved as a result, while the distant deliveries declined on liquidation. The Egyptian Government has given permission for new crop future trading to commence on 18th inst. Announcing the cotton policy for the coming season, the Government said that it would guarantee minimum price for cotton at the following rates (in tallaris per cantar) in the new season:

Karnak Good and Fully Good 69; Menoufi 64; Giza 30 Good 59; Ashmouni 55. The latest available quotations—in tallaris per lb.—from Alexandria are as follows:

Karnak: May 110.15; July 107.50; November 95.80; *Ashmouni*: June 75.05; August 74.50; October 70.05.

The decision of the Egyptian Government to raise the export duty is indeed ingeniously conceived in that it appears to be designed to offer an additional inducement to foreign customers to make their purchases before the coming into force of the new duty on 1st September 1957. Whether this will help Egypt to reduce the balance of its crop left unsold remains to be seen. The current rate of duty is 8.25 tallaris per cantar for Karnak and Menoufi and 2.15 tallaris per cantar for other varieties. The proposed rate is 12.25 tallaris per cantar for Karnak and Menoufi and 6.15 tallaris for other varieties.

Egypt is determined to leave no stone unturned in an effort to boost up exports of its cotton, the steep drop in which in the current season has been a constant source of anxiety to the Egyptian Government because of the fact that cotton is Egypt's staple export product accounting for the major portion of its foreign exchange earnings. Ways and means of accelerating exports to traditional markets are being explored. New openings are also being sought and China is considered a good prospective buyer. The Government has also authorised barter sales with the U.S. to the extent of 25 per cent. of exports.

Mr. Abu Nosseir, Egyptian Minister for Trade, has announced that his Government has decided, as a provisional measure, to grant a 10 per cent. premium on export sales for hard currencies effected during the months of September and October. The 10 per cent. premium is applicable to cotton sold for free Swiss francs and free U.S. dollars. Meanwhile, it is reported that a tripartite agreement between Ceylon, Japan and Egypt involving about 10,000 bales of Egyptian cotton is in the offing. Under this arrangement, Japan will import 10,000 bales of Egyptian cotton through Ceylon.

Limited turnover with narrow price movements characterised trading in the Liverpool cotton futures market during the week under review. The undertone was generally easy. There were considerable spot house offerings which were absorbed to a limited extent only by Commission House buying. Mill fixation in near months resulted in an improvement in May-June delivery quotation while the more distant months eased due to absence of support. The announcement of the U.S. Department of Agriculture that the C.C.C. would take over the four million bales of 1956 loan cotton on 1st July also imparted additional weakness as it was thought that this would make available more cotton for export sales to overseas buyers. But it produced no pronounced bearish effect because many were inclined to think that this would not result in any sharp decline in Liverpool price as there was some leeway to be made up between the latter and the present C.C.C. offers. The reopening of the Suez Canal for British ships and the prospects of a resumption of Anglo-Egyptian trade brought about a sharp decline in the prices of Sudan cotton contracts at Liverpool. The following are the latest available quotation from Liverpool:

American Cotton One Inch Staple Contract: May-June 26.60; July-August 26.39; October-November 26.29; December-January 26.39. *American Cotton Mixed Growth Contract*: May-June 26.75; July-August 26.56; October-November 26.41; December-January 26.39. *Sudan Lambert Seed Contract* (figures in brackets last week's closing rates): May-June 40.75 (41.35); July-August 39.25 (40.20); September-October 38.40 (39.45).

Values in the New York cotton futures market recorded handsome gains, on persistent buying in near deliveries by New Orleans interests and Commission House support which found offerings limited. Late start of the crop in the central and western belts and reports of adverse weather in Texas region induced a measure of caution among sellers. The spot section also ruled firm.

The U.S. Department of Agriculture has announced that it will purchase from U.S. producers on 31st July next all 1956 crop cotton—upland and extra long-staple—on which loans had been made by the C.C.C. and which would be unredeemed by that time. Till 3rd May last, a total of 4,816,842 bales of 1956 crop cotton had been pledged for loans but 814,854 bales had been redeemed, leaving loans outstanding on that date at 4,001,988 bales.

Agreement on a cotton programme has been reached by the American Cotton Producer Associates who met at Memphis recently. The programme later won complete approval by representatives of other sections of the industry. The plan, in essence, provides for a domestic subsidy which would be paid to the shipper rather than to the producer. Acreage allotments would be established first on the basis of estimated domestic consumption and there would be a supplementary allotment on the basis of estimated exports. A loan level would be established for cotton grown on the land allotted for domestic consumption but there would be no loan on cotton destined for export. The effect of the programme would be to reduce the price both to domestic mills and foreign buyers and permit greater production of cotton on U.S. farms.

The U.S. Agriculture Department announced on the 20th inst. issuance of a public authorisation to India. Under it, India would buy for rupees, 50,000 bales of United States upland cotton worth 8.6 million dollars, including ocean transport costs. The Department said sales contracts might be made on 24th May 1957—31st May 1958, with deliveries on 24th May 1957 and 31st July 1958. The Department said that India had not yet designated buyers for the cotton.

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

(In cents per lb.)

	21-5-57	14-5-57	7-5-57
Spot	35.55	35.35	35.35
May	—	—	35.31
July	35.28	34.97	35.09
October	34.19	33.90	33.86
December	34.22	—	—

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 22*nd May*

The yarn market depicted an easy trend during the week under review. Despite absence of any tax proposals on raw cotton and cotton yarn manufactures, buying enquiries were at a low ebb, thanks to stringency in money conditions and upward revision in Bank rate. Reports from consuming centres were also not encouraging. Consequently, deals put through in yarns were greatly restricted, with values moving generally downwards.

Snia rayon yarn (120 dull cones) for June delivery encountered heavy selling and dropped Rs. 10 to Rs. 796. Spot 120 Japan and 150 Japan lost 2 nP each to Rs. 4.03 and Rs. 4.09, respectively. 150 Italy were neglected at Rs. 3.69. 120 Italy, however, elicited some support and gathered 5 nP to Rs. 4.05. Among indigenous yarns, National Rayons 120 bright cones first grade shed 6 nP to Rs. 3.67. 150 bright cones first grade eased by 4 nP to Rs. 3.43.

Staple fibre yarns (40x2) for June delivery were hammered down by Rs. 19 to Rs. 585. Spot 40x2 Citys declined by 8 nP to Rs. 3.12. Centurys receded by 6 nP to Rs. 3.16. New Greats declined by 4 nP to Rs. 3.12. Kohinoors were quoted 3 nP lower at Rs. 3.28. Among foreign yarns (80x2), Paramounts softened by 3 nP to Rs. 5.31. Fujis, however, gathered 3 nP to Rs. 5.25.

In the cotton yarn section 10 counts Moderns declined by 6 nP to Rs. 14.81, while Podars met with special support and advanced by 19 nP to Rs. 14.75. Among 20 counts, Gokaks were dull at Rs. 18.62, as also Maduras at Rs. 19. Moderns, however, improved by 12 nP to Rs. 18.87. Thirty counts Edwards dropped 25 nP to Rs. 21, but Indus moved up by 19 nP to Rs. 21.75. Among 40 counts, Moderns fell by 37 nP to Rs. 27.75. Minaxis, on the other hand, put on 6 nP to Rs. 27.37. Sixty counts Raghuvamshis and Moderns were unchanged, the former at Rs. 57.75 and the latter at Rs. 61. Finlays, however, advanced by a rupee to Rs. 62. Among 80 counts, Mahendras declined by 50 nP to Rs. 71. Moderns changed hands at Rs. 76, same as last week. Finlays were on offer at Rs. 81.50.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	22-5-1957	15-5-1957
	Rs.	Rs.
***Art silk yarn* (per case of 200 lbs.)—**		
120 dull Cones Snia June	796.00	806.00
120 Japan (per lb.)	4.03	4.05
150 Japan (per lb.)	4.09	4.11
120 Italy (per lb.)	4.05	4.00
150 Italy (per lb.)	3.69	3.69
***Staple fibre yarn* (per case of 200 lbs.)—**		
40×2 June	585.00	604.00
40×2 New Great (per lb.)	3.12	3.16
40×2 Century (per lb.)	3.16	3.22
40×2 City (per lb.)	3.12	3.20
***Cotton yarn* (per bundle of 10 lbs.)—**		
10s Podar	14.75	14.56
20s Madura	19.00	19.00
30s Edward	21.00	21.25
40s Gokak		
60s Raghuvamshi	57.75	57.75
80s Modern	76.00	76.00

CASTORS FIRM

(From Our Own Correspondent)

BOMBAY, 22*nd May*

With the exception of linseed which remained almost featureless, trading in the local oilseeds market during the week under review was characterised by hectic buying in the face of scarcity of stocks. Prices in the castors section, in which this tendency was particularly in evidence, consequently touched new highs. The enhancement of the excise duty on vegetable non-essential oils from Rs. 70 to Rs. 112 per ton did not affect sentiment much, as it was felt that, in view of the tight supply position, the increased burden could be easily transferred to the consumers. With the apprehensions regarding increased export duties having been completely set at rest, the castor section commenced the week with renewed vigour under pressure of demand from shippers. Reports of enquiries from foreign sources, and news of actual business having been done, coupled with the fall in war risk insurance premiums and rumours about devaluation of the rupee gave further momentum to the upward trend in the following sessions. Towards the close, however, profit-taking set in at higher levels, following the arrival of new stocks in the market. Groundnut, too, evoked by persistent demand from spot houses and *vanaspati* manufacturers against a tight supply position, forged ahead, in the spot section in particular. The gains would have been much more pronounced had it not been for the fear that the margin requirements may be doubled by the Forward Markets Commission. While the linseed section lacked support from shippers, cottonseed improved slightly in sympathy with the castor and cotton market.

Groundnut May contract opened the week steady at Rs. 176.75 and retreated to Rs. 175.00 on the following day. Subsequently, however, it steadily improved, having touched today the high of Rs. 179.50, before finishing a shade lower at Rs. 178.37. It thus gained Rs. 1.25 over the week. August contract moved down from its opening level of Rs. 181.62 to Rs. 179.50 on 17th, but rose to Rs. 184.50 today. It closed at Rs. 183.37, which represented a gain of Rs. 2. Spot Bold F.A.Q. put on 75 nP to Rs. 36.50. Groundnut oil ex-mill was quoted higher at Rs. 21.25, as against Rs. 20.12.

Business in castorseed May commenced at Rs. 187.00, which receded to Rs. 186.00, on 18th following arrivals of stocks. Persistent demand from shippers in the following days pushed up the prices to Rs. 195.75 yesterday. Consequent on arrivals of fresh stocks, however, it was quoted at Rs. 193.00 at the close today. The contract improved by Rs. 5.50 over the week. September contract, too, moved from its opening quotation of Rs. 191.50 to Rs. 200.25, yesterday, though it finished slightly lower at Rs. 198.25 today, having thus gained no less than Rs. 6.25 over the week. Spot Madras quality crept up by Rs. 1.37 to Rs. 38.25 while oil B.S.S. gained a similar amount at Rs. 24.37.

Linseed May contract, after opening at Rs. 31.25, moved narrowly during the week between Rs. 31.00 and Rs. 31.44 before finishing at Rs. 31.19, the same as last week. September contract drifted lower from its opening high of Rs. 32.50 to Rs. 32.12 at the close, which was nominally lower than a week ago. Bold ready, in the spot section, declined by 25 nP to Rs. 30.62. Linseed oil ready, too, receded to Rs. 16.87 from Rs. 17.00.

Cottonseed May opened the week at Rs. 112.50 and steadily improved to Rs. 114.75 on 20th, but eased subsequently and closed today at Rs. 113.50. September contract moved in a similar way between Rs. 116.00 on opening and Rs. 118.25 on 20th inst. It closed at Rs. 117.00.

Among others, kardiseed bold ready moved up by 25 nP to Rs. 22.50, while nigerseed Madras was maintained at Rs. 28.75.

With the enhancement of excise duty on vegetable non-essential oils in the budget, presented last week, the amount of rebate of excise duty payable to the exporters has been fixed at five-sevenths of the duty actually paid. The new rate of rebate came into effect as from 16th May.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	22-5-1957	15-5-1957	8-5-1957
	Rs.	Rs.	Rs.
Groundnuts—			
May 1957	178.37	177.12	176.60
Khandesh Quality Ready (per cwt.)	37.25	36.50	36.37
June-July	36.31	35.62	35.94
Linseed—			
May 1957	31.39	31.19	31.06
Bold Ready (per cwt.)	30.62	30.37	30.94
June-July	31.25	31.44	31.37
Castorseeds—			
May 1957	193.00	187.50	182.50
Madras (per cwt.)	38.25	36.62	36.50
Cottonseed—			
May 1957	113.50	..	113.50
Groundnut oil—			
Ex-mill Ready (per quarter) ..	21.25	20.12	20.12
Castor oil—			
Commercial (per quarter) ..	22.81	21.50	21.12
Linseed oil—			
Ready	16.87	17.00	16.87

SUGAR RISES

(From Our Own Correspondent)

BOMBAY, 22*nd May*

The confusion in the sugar trade noted last week-end following the sharp increase in excise duty on sugar still persists. All the pending ex-mill delivery transactions are reported to have been cancelled. The factories, it appears, are not quoting ex-mill rates. Sugar merchants do not, therefore, know the extent to which the factories will bear the enhanced excise duty. In view of this uncertainty, buying enquiries for sugar in the market are restricted, although prices have tended to advance, thanks to reduction in arrivals. Sugar arrivals during the week aggregated 17,125 bags, as against 25,700 bags in the previous week. The undertone of the market is firm.

Over the week, small grain sugar has spurted from Rs. 98 to Rs. 99-Rs. 99½ per bag, inclusive of sales tax. Medium grain has risen by Re. 1-8 to Rs. 100½-Rs. 101½. Large grain is firm at Rs. 103-Rs. 106.

Shravan delivery contract for 'C' grade sugar has put on As. 12 to Rs. 99-12.

PEPPER STEADY

(Messrs. Parekh and Co.)

BOMBAY, 22*nd May*

Despite higher advices from New York and Singapore, Malabar black pepper remained steady during the week, with prices moving up though slowly. Turnover in Asta was meagre for want of new buyings and short interest. In the delivery section, business was comparatively better but of sporadic nature.

Alleppey moved up from Rs. 600 to Rs. 612½. Cochin also showed an improved tone and prices for the future delivery moved to Rs. 111.

The future of the market now depends upon Sarawak where prices are held rather tightly in view of comparative small arrivals from Sarawak and buying by Indo-China. Indo-China is reported to have bought some quantity on Asta terms from Singapore, possibly for re-export to New York for obtaining foreign exchange.

May-June shipments are quoted at $0.27, while June delivery is changing hands at Rs. 606.

Following are today's nominal quotations: Ready delivery Rs. 87 per Bengal maund; June delivery Rs. 606-611 and July delivery Rs. 616-621 per candy of 5¾ cwts.

DEMAND WEAKENS IN TEA

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 16*th May*

A little over 2 million lbs. were on offer in sale No. 10, which was held on Tuesday, 14th May. The sale opened to a good general demand which weakened towards the close. Clean black leaf brokens of low medium and medium growth were often 10 nP to 15 nP dearer, but stalky types only found buyers at lower rates. Most fannings grades were slightly easier, although high-grown fannings were in some demand. There was a selective enquiry for high-grown teas and prices were generally slightly easier following quality. Whole leaf teas met a strong demand and must be quoted dearer. The following are the quotations:—

	1957 Rs.	1956 Rs.
Plain B.P.	1.45 to 1.50	1.71
Low medium B.O.P.	1.60 to 1.65	2.06
Medium B.O.P.	1.70	2.19
Good B.O.P.	1.95 to 2.05	2.87
Well made black leaf O.P.	2.30	2.44

The average price realised in sale No. 10 was Re. 1.74 per lb., the same as in the previous sale and Rs. 2.36 per lb. in the corresponding sale of 1956.

London Market.—Sale of 13th May 1957.—Strong demand. Any change in sellers' favour.

Sale of 14th May 1957.—Firm to dearer.

Colombo Market.—Thin liquoring and stalky teas, also plain UVAS, easier. Otherwise active demand for better medium and high-grown brokens. Useful Dimbula Dickoya types advanced 20c to 30c. All medium and high-grown fannings dearer; Middle East types dearer; other low-growns firm. Off-grades black leaf and best liquoring fannings firm to dearer; other sorts declined 5c to 10c.

Calcutta Market—Export.—Darjeeling sale A, consisting of 7,566 chests, started with keen general demand at rates often above brokers' valuations, but interest declined as sale progressed with fair amount of withdrawals at close.

Internal.—19,900 packages dust. Good general demand at irregular rates and generally easier. Best C.T.C. Assams weakest feature 10 nP to 20 nP easier. Middle East types well supported at lower rates. 1,400 packages leaf. Fair demand at easier rates.

Export Quota.—With an active market, special licence is quoted at 17 nP and 1957-58 export quota at 24 nP.

Forthcoming Auctions.—Sale No. 11 will be held on Tuesday, 21st May, and sale No. 12 on Tuesday, 28th May.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 11.—1,175,000 lbs. Strong general demand, mainly from internal buyers. Black leaf brokens 5 nP to 10 nP dearer; others about steady. Fannings slightly easier; whole leaf stronger and dearer."

REACTIONS TO RISE IN TEA EXCISE

(From Our Own Correspondent)

CALCUTTA, 21*st May*

The budget proposals presented to Parliament on Wednesday last contained shocks for each and every section of the community, and the share of the tea trade in this regard was the increase in excise duty on tea: Loose tea—from 6·25 nP to 10 nP per lb.; package tea (converted from duty-paid loose tea) from 18.75 nP to 35 nP per lb.; package tea from 25 nP to 45 nP per lb. These changes are expected to contribute to the exchequer an additional revenue of Rs. 2.45 crores.

Assuming that the increase in the excise duty is shared by consumers, on the one hand, and the industry and trade, on the other, tea prices would rise. Indian tea is already facing stiff competition in foreign markets from producing countries, production cost of which is lower than that in India. East Africa, which has the benefit of cheap labour, has been increasing its acreage under tea in recent years. This has been reflected by more East African tea being exported to London. Tea trade circles strongly feel that the increased excise duty will weaken Indian tea in foreign markets. It is also pointed out that the industry's expectation for an increase in the domestic consumption of common teas will be difficult of realisation.

Although a definite idea of the size of the North Indian tea crop can be had only by the end of August, there are sufficient indications that the world crop during this season will be similar in size as that of last year. In point of fact, it will be correct to say that the world crop will register an increase. For it is widely known that East Africa has increased its acreage and Ceylonese production has so far registered a significant increase. In such a context, stiff competition in the export market will again present a problem this year also.

The tea industry is at present worried and is making efforts to draw Government's attention to the need for formulating even now the ways for tackling a possible slump in the export as well as internal markets. The trade has been for long demanding the abolition of the present slab system for determining the export duty on tea based on ruling prices in London in the previous month. On the other hand, if the slab system is related to prices at Calcutta and Cochin, it will be realistic. Alternatively, the average of the London and Indian quotations can also be taken as the base. That there was the need for a change in the present system was amply indicated last year when the duty on rains tea was levied on the basis of London prices for the best second flush teas. Efforts should also be made to increase internal consumption. How this can be achieved when other beverages such as cold drinks are cheaper than tea is difficult to say. Tea gardens must produce more quality teas than commons, if last year's experience of a slump in the inferior varieties is any lesson. Lastly, the revival of the international Tea Agreement which will take stock of the world demand and fix each country's export share must be explored, although it is known that it is not due to lack of seriousness on the part of New Delhi that so far no progress has been made in this regard.

In the internal sales held last week, dusts on offer amounted to 19,902 chests. General demand was fair, but prices eased. Quality of most teas on offer represented a decline. Fair support was in evidence to the black exportable leafy teas at falling prices. Dooars and commons, with the exception of a few bright liquoring kinds, shared in the general decline. The best C.T.C. Assams gave way by 10 nP to 20 nP per lb. Assam teas of orthodox manufacture also fell. The quotations were: Best Assam C.T.C. Re. 1.60 to Re. 1.65, medium Assam grainy dust Re. 1.60, and medium Dooars Re. 1.55. Best C.T.C. Assams were not quoted.

Leaf grades on offer were a meagre quantity of 43 chests, which met with an easier market.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 20*th May*

U.K. trading in kips remained difficult, thanks to continued firmness of the local market and importers' reluctance to pay the prices ruling during the first half of this month. Arrivals were of the usual volume, and shippers were actively clearing them at unchanged prices. Demand for tanned buff calf top marks was good, but supplies were short, while market types were not easy of sale. Tanned buff hides and cow calf were unchanged.

There was patchy trading with the Continent and the U.K. in superior tannages of goat skins and higher prices were obtained 15s. 3*d.* for 8/9 lbs. Run. Tanners were not eager to make sales, in view of the sudden rise in the raw skins market. Tanned sheep skins market was steady to firm.

In the May tanned skins public sales, prices of sheep skins generally recorded an advance of 3*d.* to 9*d.* per lb. (on March levels) except on semi-prime fifths and inferiors which declined by 6*d.* to 12*d.*

As shippers had imposed limits on parcels, 180,000 skins goat and over 200,000 sheep remained unsold.

JUTE GOODS ADVANCE

(From Our Own Correspondent)

CALCUTTA, 21*st May*

The fair business done for export imparted firmness to the jute goods market during the week under review. Raw jute also firmed up. Before the presentation of the budget, there were rumours of a possible levy of excise duty on jute goods; the fact that these had proved baseless shows that there is a correct appreciation in New Delhi of the difficulties facing the jute mills industry. It is, however, noted that the increase in freight rates will lead to a rise in costs of production, as movement of raw jute by rail will now cost more. Jute goods for consumption after movement by rail will also cost more. It is unlikely that the industry will be able to bear the increased costs of production on this score. As such, the increase will be passed on to the consumer. To that extent, the competitive position of Indian jute goods in foreign markets will weaken.

Normally, the announcement of higher output figures for the month of April would have caused nervousness in the market. But significant notice was not taken of this increase, as there had been a welcome improvement in the rate of exports during the current month. Naturally, a reduction in stocks of goods with mills as at the end of May was anticipated. Output in April was 86,800 tons, an increase of 2,100 tons as compared with March. Hessian and miscellaneous constructions rose by 200 tons each to 36,200 tons and 5,800 tons, respectively, while the balance of the increase occurred in sacking goods at 44,800 tons. Of the total production in the month, hessian was 41.7 per cent. and sacking 51.6 per cent., as compared with 42.5 and 50.9 per cent., respectively, in the previous month. Traders presumed that this higher percentage for sacking production showed that the profit margin for heavy goods was becoming comparable to that of hessian. It will be remembered that the increase in stocks of goods last year was followed by the transfer of a portion of sacking looms to hessian, as the production of the latter was more economic than the former.

It is noted that the total availability of jute goods last month was 86,800 tons production *plus* 97,700 tons being the stocks at the end of March, or a total of 184,500 tons. If the stock as at the end of April, that is, 105,000 tons, is deducted, the demand is of the order of 79,500 tons, which is considerably less than the production for the month. This is due to the heavy decline in exports. However, in the current month, exports have been gradually rising. During the ten days ended 10th May, hessian shipped was 13,400 tons and sacking 14,200 tons, as against 8,500 tons and 6,900 tons, respectively, a year before. These were the figures which eclipsed the report that consumption of burlap in the United States in April was 5 million yards lower at 68 million yards. During the week, speculators showed keen interest for cornsacks in anticipation of orders from Australia.

Mills did fair business for forward deliveries. On Tuesday, prices were a shade lower, following bearish pressure. Earlier, mills were active sellers and this also affected prices. Thus, ready B. twills fell from Rs. 116.95 to Rs. 115.60 and hessian 40" 10 oz. from Rs. 42.85 to Rs. 42.46. Speculators began buying at lower levels, and this was a sufficient reason for a recovery in prices. B. twills thus picked up to Rs. 116.60 and hessian 40" 10 oz. to Rs. 42.70. This was on Wednesday last. On the following day, prices rose further, as earlier fears of an excise duty on jute goods were found baseless. Bullish pressure pushed up B. twills to Rs. 117.40 and hessian 40" 10 oz. to Rs. 42.72. These levels were maintained despite profit-taking. Conditions were steady on Friday, despite selling by bears and absence of genuine buying. B. twills were priced at Rs. 117.00 and hessian 40" 10 oz. at Rs. 42.80. However, on Saturday, the quotations for these representative constructions declined to Rs. 116.40 and Rs. 42.75 on continued bear-selling. During trading yesterday, hessian 40" 10 oz. was maintained at Rs. 42.75, while B. twills receded fractionally to Rs. 116.00. The 8 oz. hessian was quoted at Rs. 34.50.

Raw jute prices firmed up further. Dry and hot weather continued and sellers were reserved. The latest quotations for the balance of 1956-57 crop May-June delivery are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	40.50	37.50
Northern	40.00	37.00
Indian:		
Northern	34.00	31.50
Assam Upper	34.00	31.50
Assam Lower	34.00	31.50
Orissa	36.50	24.00
Western	33.00	30.50
Murshidabad	31.50	29.00
Jungli	30.50	28.00
Dassee	36.00	33.50
Uttar Pradesh	30.50	28.00
Daissee Mesta	30.00	27.50
Bimli f.a.q.	Rs. 26.00	

Pucca bales 1st marks ready: Rs. 195.00 per bale.

BASE METALS DECLINE

(From Our Own Correspondent)

CALCUTTA, 21*st May*

Base metals recorded a sharp decline in prices during the week under review. This followed weak advices from the London, New York and the Far Eastern markets. After the increase of Rs. 36 per ton in excise duty on steel ingots, as proposed by the Finance Minister in the Budget presented to Parliament on Wednesday last, the announcement of the rise of Rs. 70 per ton, the price of steel towards the week-end, was not unexpected.

During the week, electrolytic copper dropped Rs. 4 to Rs. 176. A similar fall was recorded in the fire-refined material at Rs. 176 per cwt. Stocks in the bazaar were adequate and, in view of the uncertain trend, consumers' interest was confined to meeting immediate requirements only. Indian requirements of copper have gradually increased, the imports in the four months ended April last being 14,600 tons, representing an increase of 100 per cent. as compared with the imports in the corresponding period last year. Virgin lead declined from Rs. 79 to Rs. 74. Overseas advices entertained the fear of a general price cut in the United States and, as a result, there was a sharp reaction on the London Metal Exchange. In accordance with the general weakness, electrolytic zinc at Rs. 74 was lower by Rs. 3. But for the difficult supply position, the price would have gone down further. For, in the U.S.A., a cut in price was announced and the price in London was affected noticeably. Tin fell from Rs. 519 to Rs. 518.

LINSEED QUIET

(Messrs. A. Bradley and Co.)

CALCUTTA, 20*th May*

Slightly quieter conditions prevailed in the linseed market during the week. Trading was very poor, as sellers were reserved, owing to scarcity of goods and buyers were disinclined to commit themselves for large quantities until the oil market improved. Very little activity was recorded in the oil section, on account of lower advices from overseas. Shippers were out of the market and local buyers were reserved.

The latest available quotations are: May-June Rs. 22-8, June-July Rs. 22-12 and July-August Rs. 23-4 per maund.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1955	4	4½
Colombia	18th July, 1955	5	6
Costa Rica	1st April, 1954	4	5
Denmark	May, 1956	5	5½
Ecuador	18th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	8th May, 1957	7.665	8.304
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	4
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th Jan., 1944	3	4
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	4	7
Turkey	6th June, 1956	5½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	5	4
U.S.A.	23rd Aug., 1956	3½	4
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 17th May, 1957		Week ended 10th May, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	329,948	77,14,48,000	2,92,223	64,99,77,000
Calcutta	—	—	1,86,954	58,78,47,419
Madras	81,838	10,18,76,584	92,167	10,62,80,353
All Centres—				
1955-56*	..	..	2,100,000	6,630,200,000
1956-57*	..	..	3,334,000	7,269,900,000
Feb., 1957	..	..	2,220,000	7,32,02,00,000
Mar.,	..	..	2,503,000	8,33,05,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 17th May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		49,86,90,000
(2) Other Governments		3,07,81,000
(b) Banks		62,54,99,000
(c) Others		85,29,74,000
Bills Payable		15,46,02,000
Other Liabilities		121,84,32,000
	Rupees	364,10,27,000

ASSETS	Rs.	Rs.
Notes		15,17,23,000
Rupee Coin		8,52,000
Subsidiary Coin		6,87,000
Bills Purchased and Discounted—		
(a) Internal	....	....
(b) External	....	....
(c) Government Treasury Bills		2,32,06,000
Balances held abroad*		65,07,22,000
Loans and Advances to Governments		20,99,46,000
Other Loans and Advances		119,73,17,000
Investments		127,30,19,000
Other Assets		13,95,55,000
	Rupees	364,10,27,000

* Includes Cash and Short-term Securities.

The item "Other Loans and Advances" includes Rs. 63,28,50,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,17,23,000	
Notes in circulation	1590,23,03,000	
Total Notes issued		1605,40,26,000
Total Liabilities	....	1605,40,26,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,09,000	
(b) Held outside India	....	
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		125,25,01,000
Government of India Rupee Securities		949,87,31,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1605,40,26,000

Scheduled Banks*

Statement of Affairs for the week ended 10th May, 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	11,85,58,000
(ii) Other demand liabilities	707,65,58,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	3,18,00,000
(ii) Other time liabilities	514,05,63,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10,93,28,000
(ii) Time liabilities	....
4. Cash in India	38,10,27,000
5. Balances with the Reserve Bank in India	61,39,89,000
6. Balances with other banks in current account in India	10,48,80,000
7. Money at call and short notice in India	19,15,45,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	344,05,56,000
9. Advances in India	750,10,02,000
10. Inland Bills purchased and discounted in India	127,36,42,000
11. Foreign Bills purchased and discounted in India	58,42,38,000

* Notes.—Figures are provisional since complete returns have not been received from some banks.

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	21st May, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	480.00	479.00
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.79-2.79½	2.79
London on Paris Fcs.	987	987
London on Berne Sw. Fcs.	12.27	12.25½
New York on London $	2.79-2.79½	2.79½-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	Nationa Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	79.33	..	1,931	243
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.58	..	470	550
Japan	1955	88.90	Y. 6,575,000	8,698	978
Philippines	1955	21.85	Ps. 7,800	1,857	850
New Zealand	1955	2.11	£(N.Z.) 845	1,128	5,296
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1955	50.97	£ 16,634	22,178	4,351
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.60	$ 20,788	10,166	6,516
France	1955	43.27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm. 150,100	14,460	2,890
Ita.y	1954	47.86	Lr. 9,718,000	7,480	1,560
Norway	1955	3.48	Kr. 19,764	1,320	3,050
Sweden	1954	7.81	Kr. 35,630	3,544	4,913
Nether'ands	1955	10.75	Grs. 22,500	2,850	2,650
Denmark	1954	4.41	Kr. 22,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation's Monthly Bulletin of Statistics, September, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 10th May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		51,96,05,000
(b) Provincial Governments		....
(c) Banks		14,51,97,000
(d) Others		9,08,21,000
Bills Payable		51,86,000
Other Liabilities		13,42,67,000
	Rupees	95,50,76,000

ASSETS	Rs.	Rs.
Notes		8,40,16,000
Rupee Coin		14,000
Subsidiary Coin		16,000
Bills Purchased and Discounted:—		
(a) Internal	....	....
(b) External	....	....
(c) Government Treasury Bills		10,36,000
Loans and Advances to Governments		3,16,00,000
Provincial Governments' Debtor Balances		12,61,65,000
Other Loans and Advances		6,87,00,000
Investments		53 29,74,000
Other Assets		11,05,55,000
	Rupees	95,50,76,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,40,16,000	
Notes in circulation	332,53,38,000	
Total Notes issued	....	340,93,54,000
Total Liabilities	....	340,93,54,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	....	
Approved Foreign Exchange	104,38,03,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	158,73,74,000
B. Rupee Coin	4,70,56,000	
Government of Pakistan Securities	171,59,18,000	
Internal bills of exchange and other commercial paper	....	176,29,74,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	340,93,54,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.20 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	10th May, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1595.36	1577.11	1574.42	1,525.88
Notes held in Banking Department	35.05	0.87	9.04	6.62	8.78
Foreign Securities	59.50	412.52	412.52	412.52	681.45
Rupee Securities	37.39	949.87	929.87	924.90	703.69
Banking Department					
Deposits of:					
Government of India	14.89	54.92	51.81	53.60	65.38
Other Governments	..	2.11	4.26	1.54	6.67
Balances held abroad	10.08	74.07	83.90	104.20	36.54
SCHEDULED BANKS					
Demand Liabilities	134.36	719.51	721.79	725.86	632.37
		(11.86)†	(10.96)†	(7.07)†	(7.57)†
Time Liabilities	102.24	517.24	505.03	487.69	431.87
		(3.18)‡	(3.04)†	(2.30)†	(2.71)†
Borrowings from Reserve Bank	..	89.64	81.38	80.94	73.46
		(62.24)‡	(69.98)‡	(69.16)‡	(62.08)‡
Borrowings from State Bank	..	10.93	10.61	8.71	10.56
Cash in India	6.70	38.10	38.96	38.78	36.04
Balances with Reserve Bank	25.17	61.40	64.65	64.06	48.58
Excess over statutory limits	15.52	15.09	18.47	18.02	8.32
Balances with other banks in current account in India	..	10.48	10.00	10.66	10.24
Money at call and short notice in India	..	19.15	18.02	12.56	8.99
Investments (at book value)	105.09	344.06	344.47	346.01	355.20
		935.89	923.61	902.27	769.20
STATE BANK					
Deposits	87.76	300.82	296.95	300.08	223.39
Investments	51.99	105.43	105.36	105.31	103.79
Advances	30.35	193.10	187.92	182.08	140.61
Cash	14.69	20.17	24.07	32.66	17.77

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February,		Eleven months, April to Feb.,	
	1956	1957	1955-56	1956-57
Import Duties:				
Revenue	10.95	10.41	106.89	116.08
Protective	0.99	0.99	9.45	11.49
On surplus disposals	—	0.07	0.09	0.11
Total import duties	11.94	11.47	116.43	127.68
Export Duties	2.63	2.67	33.85	28.14
Land Customs	0.09	0.25	1.24	2.27
Miscellaneous	0.05	0.09	0.64	1.04
Gross total customs	14.71	14.48	152.16	159.13
Refunds and drawbacks	0.32	0.65	2.44	2.74
Net Customs	14.39	13.83	149.72	156.39
Gross excise	15.04	15.04	136.89	171.14
Refunds	0.09	0.34	3.09	2.09
Net Excise	14.40	15.30	133.20	169.05
Net total of customs and excise†	28.43	29.13	282.92	325.44

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 17th May, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,87,50,000
Borrowings from Other Banking Companies, Agents, etc.		301,58,29,000
Bills Payable		3,39,00,000
Bills for Collection being Bills Receivable as per contra		5,99,20,000
Acceptances, Endorsements and Other Obligations per contra		70,77,000
Other Liabilities (including Inter-Office Adjustments)		7,06,000
		3,63,57,000
Total ..	Rs.	327,37,89,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,81,74,000
Balances with other Banks		2,90,43,000
Money at Call and Short Notice		1,40,00,000
INVESTMENTS:		
Government and other Trustee Securities	94,11,94,000	
Other Authorised Investments	11,50,87,000	105,62,81,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	161,90,01,000	
Bills Discounted and Purchased	29,00,73,000	190,90,74,000
Bills Receivable being Bills for Collection as per contra		70,77,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,06,000
Premises less Depreciation		1,21,01,000
Furniture and Fixtures less Depreciation		64,61,000
Other Assets (including Inter-Office Adjustments)		4,08,72,000
Total ..	Rs.	327,37,89,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates 5-Year Outstandings*	5-Year Receipts	7-Year Outstandings*	7-Year Receipts	12-Year Outstandings*	12-Year Receipts	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings*	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●	2½% Ten-year Treasury Savings Deposit Certificates Receipts	2½% Ten-year Treasury Savings Deposit Certificates Outstandings	10-Year National Plan Certificates‡ Receipts	10-Year National Plan Certificates‡ Outstandings*	15-Year Annuity Certificates ‡ Receipts	15-Year Annuity Certificates ‡ Outstandings*
1952-53	6.82	65	3.28	22.66	84.17	1,12.85	92.03	— 21.07	7.55	25.54					
1953-54	5.76	1.92	5.48	27.19	1,44.36	1,55.15	1,67.58	— 33.87	4.79	41.25	9.56	16.37	45	95	
1956-57	..	..	..	..	..	..	..	..	3.91	44.28	..	..	..	..	
January 1956	3.91	14	5.24	3.02	1,40.78	12 16	1,54.14	— 33.55	23	40.51	84	14.73	3	91	
February ,,	3.83	16	5.29	3.33	1,42.27	13.87	1,56.19	— 33.66	29	40.80	84	15.57	3	94	
March ,,	3.76	15	5.45	3.21	1,44.26	12.54	1,57.36	— 33.37	26	41.25	88	16.37	3	98	
April ,,	3.69	24	5.54	3.19	1,45.85	14.54	1,71.08	— 33.96	34	41.51	83	16.37	3	98	
May ,,	3.61	21	5.54	2.49	1,47.58	14.77	1,73.06	— 33.05	28	41.82	85	17.13	3	98	
June ,,	3.54	23	5.54	2.70	1,49.48	15.34	1,76.09	— 33.18	28	42.11	92	17.91	3	1,00	
July ,,	3.45	43	5.51	2.78	1,51.53	14.61	1,80.05	— 33.24	28	42.42	92	18.75	4	1,04	
August ,,	3.40	20	5.52	2.53	1,53.14	14.10	1,82.21	— 33.35	24	42.78	1,01	19.68	4	1,07	
September ,,	3.34	17	5.71	2.85	1,55.14	13.97	1,84.33	— 33.17	24	43.00	96	20.56	5	1,11	
October ,,	3.26	16	5.69	2.33	1,56.51	13.00	1,85.99	— 33.32	25	43.29	85	21.34	3	1,13	
November ,,	3.23	18	5 66	2.30	1,57.62	12.70	1,86 80	— 33.35	25	43.29	82	22.06	4	1,17	
December ,,	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 33.43	26	43.58	77	22.73	3	1,19	
January 1957	3.12	21	5.80	2.76	1,59.92	13.46	1,88.10	— 33.54	26	43.89	70	23.33	3	1,22	
February ,,	3.07	17	5.82	2.34	1,61.00	12.96	1,88.88	— 33.91	30	44.14	86	24.07	6	1,27	
March ,,	..	..	..	..	..	..	..	..	20	44.28	73	24.70	4	1,30	

* At the end of period.

‡ Issued from 16th May, 1954.

§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

‡‡ Relating to nine months from July, 1954.

● Progressive net repayments at the end of period from 16th August 1947.

† From July, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 4th May, 1957	27th April, 1957	6th April, 1957	5th May, 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.0	90.0	90.0	91.0
1. Government of India	89.7	89.7	89.7	90.9
2. Indian States	96.4	96.4	96.4	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.4	89.5
DEBENTURES OF INDUSTRIAL CONCERNS	99.1	99.0	98.9	100.9
1. Electricity	99.0	99.0	98.8	102.2
2. Jute	97.0	97.0	97.0	97.6
3. Plantations	98.6	98.4	98.4	99.2
4. Coal	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.0	100.0	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.6	100.1	100.1	101.1
PREFERENCE SHARES	78.6	78.5	78.9	85.3
1. Electricity	86.7	86.7	87.3	93.4
2. Cotton	78.1	78.1	78.8	81.6
3. Jute	70.8	70.8	72.8	82.8
4. Coal	81.8	81.8	81.8	89.9
5. Iron and Steel	82.2	81.6	80.8	87.6
6. Sugar	78.0	78.1	79.6	84.5
7. Paper	78.8	78.8	79.4	82.1
8. Plantations	90.8	97.7	99.2	101.6
9. Miscellaneous	75.2	74.8	74.7	81.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	105.7	106.4	107.5	122.4
(a) Financial	89.7	89.9	90.5	88.1
1. Banks	91.6	91.8	92.4	88.4
2. Insurance	82.0	82.0	82.0	84.5
3. Investment Trust	75.4	75.6	77.2	92.8
(b) Public Utilities	108.3	108.3	107.5	112.2
1. Electricity	106.8	106.7	107.3	116.2
2. Shipping and other Transport	113.6	113.7	116.5	111.8
3. Railways	76.4	76.4	77.3	87.8
(c) Manufacturing Industries	111.6	112.0	112.6	136.4
1. Cotton, Woollen and Silk	117.1	117.7	119.5	130.2
2. Jute	54.4	54.6	56.2	74.4
3. Iron and Steel	122.1	121.9	118.5	148.7
4. Paper	227.3	228.2	225.2	264.0
5. Cement	148.5	148.8	146.1	173.8
6. General Engineering	160.6	162.5	160.2	190.9
7. Sugar and Breweries	94.7	95.5	97.3	104.0
8. Chemicals	133.9	133.5	133.1	143.2
(d) Non-Manufacturing Industries	127.1	131.4	134.3	168.9
1. Coal	69.7	69.4	70.3	80.9
2. Mining and Oil	178.5	178.1	180.9	261.8
3. Plantations	140.3	149.2	153.3	183.2
(e) Miscellaneous	83.1	83.8	84.8	101.3
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.3	89.3	89.3	90.5
2. Calcutta	89.8	89.9	89.9	91.0
3. Madras	90.2	90.2	90.2	91.3
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99.0	100.0
2. Calcutta	98.8	98.8	98.6	101.6
3. Madras	99.8	99.5	99.5	100.2
PREFERENCE SHARES:				
1. Bombay	83.7	83.3	82 9	89.2
2. Calcutta	72.5	72.3	73.2	80 2
3. Madras	92.6	92.8	93.4	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	116.8	116.9	116.5	127.9
2. Calcutta	91.9	92.7	94.8	110 9
3. Madras	117.5	119.2	120 1	128 0
4. Delhi	115.9	115.6	114.1	130.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809 242	3,336,961
1953	772	466,607	2,362,508
1954	840	477,138	3,372,630
1955	1,166	527,767	5,697,548
1956	1,258	722,234	7,095,960
January 1955†	95	49,026	322,307
February ,,	91	28,370	144,303
March ,,	112	70,042	334,696
April ,,	108	32,423	335,375
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,402
August ,,	236	90,218	535,999
September ,,	251	92,519	580,081
October ,,	184	47,600	214,314
November ,,	99	48,609	178,118
December ,,	139	45,277	220,550
January* 1956†	107	61,755	362,000
February* ,,	123	70,155	781,706
March* ,,	146	133,188	678,716
April* ,,	140	83,524	599,037
May ,,	140	58,057	549,082
June ,,	153	71,047	484,439
July* ,,	150	100,335	529,151
August* ,,	138	64,767	492,173
Sept.* ,,	184	130,697	922,585
Oct.* ,,	184	95,037	819,619
November ,,	150	113 404	990,336
December ,,	138	59,451	499,036
January 1957 ,,	145	85,551	407,166
,,	121	52,362(a)	280,329(b)

† Figures are provisional.

* Revised.

(a) Not known in 3 cases.

(b) Not known in 4 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,124.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.3
1955-56	718	8,363.8	6,755.2
Jan., to Dec. 1955	724	8,494.6	6,926.3
Jan., to Dec. 1956	757	9,630.7	7,892.0
October 1955	716	780.7	591.9
November ,,	721	725.5	597.0
December ,,	754	785.7	648.0
January 1956	731	767.3	631.8
February ,,	733	747.0	633.0
March ,,	715	800.0	651.0
April ,,	701	780.8	645.5
May ,,	701	835.5	699.1
June ,,	710	796.5	658.5
July ,,	724	796.0	656.3
August ,,	735	798.7	650.0
September ,,	737	812.7	666.4
October ,,	754	824.1	670.1
November ,,	756	810.5	663.1
December ,,	757	881.5	715.0

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

Source:—Central Water and Power Commission.]

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	4th May, 1957	27th April, 1957	5th May, 1956	March, 1957	March, 1956	Percentage of Increase (+) or decrease (—) in Mar., 1957 as compared with Mar., 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	399.6	411.6	353.5	402.5	351.6	+14.5	388.5	313.2
Cereals	59	532*	539*	452	528	439	+20.3	499	372
Pulses	8	399	407	346	440	373	+18.0	397	290
Others	33	240	255	220	242	233	+ 3.9	247	235
Industrial Raw Materials	(18)	525.0	514.0	469.6	518.1R	475.6	+ 8.9	501.9	419.8
Fibres	52	522	507	449	505	471	+ 7.2	483	429
Oil seeds	20	569	557	538	559R	511	+ 9.4	558	398
Minerals	10	503*	503	445	552	453	+21.9	508	427
Others	7	415	415	396	414R	408	+ 2.0	421	431
Semi-Manufactures	(17)	401.8	401.4	381.4	403.3	369.8	+ 9.1	402.3	338.2
Leather	3	414	403	403	410	408	+ 0.5	409	378
Mineral oils	13	211	211	208	210	208	+ 1.0	209	207
Vegetable oils	25	580	576	551	577	489	+18.0	583	329
Cotton yarn	25	479	482	467	484	452	+ 7.1	487	422
Metals	18	327	328	280	328	282	+16.3	318	264
Oil cakes	7	418	404	401	419	379	+10.6	447	338
Others	5	374	374	361	385	364	+ 5.8	366	335
Manufactured Articles	(30)	386.2	384.7R	375.1	384.1	374.8	+ 2.5	384.6	372.9
Textiles	64	410	410	408	410	408	+ 0.5	416	408
Jute	11	424	418	392	412	410	+ 0.5	416	418
Cotton	44	412*	412*	408*	414*	403*	+ 2.7	409*	409*
Rayon and Silk	6	424*	442*R	502*	442*R	502*	—12.0	455*	495*
Woollen	2	266	266	264	266	278	— 4.3	265	284
Metal products	17	292	292	271	292	271	+ 5.7	305	278
Others	19	305	305	286	302	285	+ 6.0	294	285
Miscellaneous	(8)	573.6*	567.8R	499.7	569.6R	508.1	+12.1	559.3	546.6
All Commodities	(100)	421.3	423.4R	389.0	421.2	387.4	+ 8.7	414.6	380.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | Jowar | Bajra | Gram | Tea |

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1955-56	1954-55	(In thousand tons) 1955-56	1954-55
Cereals—					
Rice	2nd	72,512†	71,886††	23,900†	23,515††
Wheat	final	29,225	27,517	8,348	8,778
Jowar	2nd	39,539†	41,174††	4,516†	4,312††
Bajra	final	27,025	27,983	3,400	3,421
Barley	final	3,145	3,309	2,721	2,870
Maize	final	8,909	9,311	2,519	2,939
Ragi	final	5,674†	5,693††	1,914†	1,820††
Small millets	final	13,095	13,799	2,103	2,466
Total cereals	final	211,000	212,025	53,349	55,734
Pulses—					
Gram	final	22,992	22,047	4,855	5,393
Tur	2nd	5,381†	5,725††	1,603†	1,705††
Other Kharif pulses §	final	15,362	16,719	1,650	1,830
Rabi pulses‡	final	10,579	10,590	1,858	1,959
Total pulses	final	55,100	55,300	10,187	10,870
Oilseeds—					
Groundnut	final	13,101†	12,692††	4,080†	3,862††
Castorseed	final	1,403†	1,468††	129†	124††
Sesamum	3rd	4,996†	5,423††	417†	434††
Rape and Mustard	final	6,262	6,025	832	1,019
Linseed	final	3,424	3,954	376	382
Total oilseeds	final	29,471	30,822	5,596	6,242
Fibres—					
Cotton*	3rd	18,084†	17,553††	4,084†	3,382††
Jute A.	final	1,883†	1,739††	4,221†	4,197††
Mesta A.	final	738†	572††	1,474†	1,159††
Other crops—					
Potato	final	693	658	1,839	1,736††
Sugarcane	2nd	4,532†	3,945††	58,914†	50,455††
Ginger (Dry)	final	37	35	15	14
Pepper (Black)	final	214	208	27	26
Chillies (Dry)	final	1,402	1,523	340	363
Tobacco	final	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1957	86.8
	Corresponding month, 1956	93.9
	Ten months ended April, 1957	857.8
	Corresponding period, 1956	864.4
Stocks	At the end of April, 1957	105.1
	Corresponding month, 1956	107.9
		(In 000 bags)
Exports (Jute Bags)	Week ended 16th March, 1957	N.A.
	Corresponding week, 1956	3,118
	From 1st Jan., to 16th March, 1957	N.A.
	Corresponding period, 1956	78,823
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 16th March, 1957	N.A.
	Corresponding week, 1956	5,106
	From 1st Jan., to 16th March, 1957	N.A.
	Corresponding period, 1956	258,177
	RAW JUTE	(In lakh bales)
Consumption by Mills†	April, 1957	5.03
	Corresponding month, 1956	5.44
	Ten months ended April, 1957	49.96
	Corresponding period, 1956	52.06

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957	11,55,500	10,73,600	7,97,500
October 1955	91,700	83,800	64,800
Nov. "	91,900	86,200	63,400
Dec. "	103,900	97,500	72,300
January 1956	103,000	96,800	71,600
February "	97,500	89,500	67,700
March "	103,300	96,200	69,900
Oct. "	96,700	91,100	71,800
Nov. "	94,700	85,800	63,100
Dec. "	101,500	93,300	66,900
January 1957	97,400	94,300	70,500
February "	90,000	81,300	63,400
March "	95,100	93,200	73,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,093
Do. 31st March, 1956	7,06,986	5,31,605	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
" " " Sept., 1954	1,80,018	1,29,741	1,12,861
" " " Dec., 1954	1,88,053	1,36,801	1,20,616
" " " Mar., 1955	1,65,108	1,43,822	1,18,136
" " " June, 1955	1,59,605	1,34,233	1,07,281
" " " Sept., 1955	1,76,181	1,30,630	1,08,714
" " " Dec., 1955	1,60,750	1,24,696	1,05,762
" " " Mar., 1956	1,54,450	1,41,846	1,19,860
" " " June, 1956	1,45,806	1,17,710	1,02,503
" " " Sept., 1956	1,74,447	1,33,325	1,18,953
" " " Dec., 1956	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	December, 1955 (Rs. lakhs)	1956 (Rs. lakhs)	Nine months April to Dec. 1955 (Rs. lakhs)	1956 (Rs. lakhs)
Imports :				
By sea and air—				
Foodstuffs	2,97	3,72	40 47	27,11
Raw materials	15,07	22,55	134,70	138,99
Manufactures	40,49	40,90	304,77	428,20
Other items	34	52	2,32	3,55
Total*	58,87	67,69	482,26	597,55
By land	8,17	1 69	19,85	14,62
Total Imports	67,04	69,38	502,11	612,17
Exports :				
By sea and air—				
Foodstuffs	14,79	19,10	117,64	153,85
Raw materials	15,51	13,02	125,79	89,91
Manufactures	21,06	22,27	189,60	182,89
Other items	35	42	3,15	3,53
Total	51,71	54,81	436,18	430,18
By land				
Total Exports	43	60	3,96	5,10
Total Re-exports				
Balance of trade in merchandise	— 8,07	— 13,04	— 57,13	—172,15
Balance of transactions in private treasure	— 2	+ 1	— 6	— 15
Total visible balance of trade	— 8,09	— 13,03	— 57,19	—172,30
Imports :				
Total Cwealth countries	21,67	24,15	210,47	233,79
Total Foreign countries	37,20	43,54	271,79	363,76
Exports :				
Total Cwealth countries	25,19	27,88	218,40	223,81
Total Foreign countries	26,52	27,43	217,78	206,37

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	940	171	108	61	188	21	169	297	25	260	46	156
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
January 1956	10,396	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February "	11,538	2 532	885	191	98	62	131	27	439	374	38	297	45	136
March "	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	146
April "	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May "	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June "	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July "	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August "	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September "	6,420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October "	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98
November "	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114
December "	9,850	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	144
February "	12,280	2,684	929	197	96	52	190	22	520	388		356	51	159

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 16th May, 1957	52,290(J)
	Corresponding week, 1956	57,044(J)
	1st Sept. 1956 to 16th May, 1957	1,430,500†
	Corresponding period, 1955-56	1,507,118*
Cotton Exports‡	Week ended 16th May, 1957	5 455
	Corresponding week, 1956	4,135
	1st Sept. 1956 to 16th May, 1957	199,071
	Corresponding period, 1955-56	490,434
Mill Consumption (Estimated)	1st Sept. 1956 to 16th May, 1957	943,288A
	Corresponding period, 1955-56	904,979
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 16th May, 1957	635,535
	Corresponding date, 1956	662,547
Cotton Exports from Bombay (by sea)	During Feb., 1957	40,458§
	During Feb., 1956	58,302
	1st Sept., '56 to 28th Feb., 1957	148,480
	1st Sept., '55 to 28th Feb., 1956	421,354
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 2nd May, 1957	1,142,733
	Corresponding period, 1955-56	1,254,474
Exports	1st Sept., 1956 to 30th April 1957	610,165
	Corresponding period, 1955-56	692,447

Particulars	From 1st Sept. 1956 to 13th May, 1957 Bales	From 1st Sept. 1955 to 13th May, 1956 Bales
From Bombay		
Cotton Shipments to—United Kingdom	20,401	59,299
Continent	19,831	84,473
Hongkong	31,299	32,736
China	8,437	54,990
Japan	124,322	247,062
U.S.A.	2,324	3,076
Other Countries	717	2,926
Total to all foreign countries	202,331	484,562
Coastal Ports	7,360	90,548
Total	209,691§	575,1
	Period	Qu (B 400 lbs.)
Consumption of Cotton—Indian: March, 1957		399,609
Foreign		40,428
Indian: Seven months ended Mar., 1957		2,724,023
Foreign		338,,25
Indian: Same Period 1956		2,568,772
Foreign		339,395
Stocks (Mills and Elsewhere)—Indian: As on 31st March, 1957		1,221,857
Foreign		200,043
Indian: As on 31st March, 1956		1,350,857
Foreign		211 500
Cotton Pressed in India† (In running bales)	Week ended 3rd May, 1957	5,898
	Corresponding week, 1956	132,536
	1st Sept., 1956 to 3rd May, 1957	1,351,051
	Corresponding period, 1955-56	2,904,944

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc. "A"—Adjusted.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100-80
3 % Loan	1938-39	1,16,17,46,000	1963-65	93.90
2½ % Loan	1950	80,33,10,000	1964	94.40
3 % Fg. Loan	1943	1,10,1,78,000	1965-68	92.10
3 % V. Loan	1944	33,54,89,000	1957	99.75
3 % Loan	1945	1,15,05,88,000	1970-75	86.05
3 % 2nd V.Loan	1945	1,13,65,54,000	1959-61	97.75
3 % Loan	1951	50,35,63,000	1958	99.60
2½ % Loan	1946	45,50,37,000	1960	98.45
2½ % Loan	1946	57,99,99,000	1961	93.50
2½ % Loan	1946	14,77,48,000	1976	83.10
2½ % Loan	1947	75,86,72,000	1962	93.95
3 % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99.50
3½ % N.P. Loan	1954	1,53,17,34,000	1964	98.10
3½ % N.P. Bonds (2nd Series)	1955	1,03,57,82,000	1965	98.15
3½ %	1956	57,27,00,000	1962	97.50
3½ % N.P. Bonds	1956	83,82,00,000	1967	98.40
3½ %	1956	66,64,00,000	1974	98.40
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,85,000	At option of Government after three months notice. On September, 1986 or later at option of Government after three months' notice.	73.00
5 % Loan	1940	2,48,91,47,000		73.50
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958-48***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,0,000	1st Sept. 1967	96.80
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	96.60
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98.85
3 % Bombay	1949	5,53,5,000	1st Sept. 1962	98.10
3 % Bombay	1950	2,87,82,000	31st July 1960	96.25
3½% Bombay	1951	2,95,25,000	17th Sept. 1962	98.00
3½ % Bombay	1953	5,42,28,000	15th July 1963	100.00
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100.00
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99.60
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
3 % Bombin	1945	1,00,00,000	15th Dec. 1955-58	98.00
3½% Cochin	1936	70,09 000	1st June 1956-61	98.75
3½% Howrah Bridge (New)	1936-37	1,95 98,700	1956-66	95.25
4 % Hyderabad	1955	2.12.42,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	98.85
3 % Madras	1939	1,23,95,800	1st June 1959	96.50
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98.56
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96.25
3½ % Madras	1946	3,81,77,200	1st Sept. 1961	93.12
3 % Madras	1950	4,38,25,200	31st July 1960	96.12
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97.62
4 % Madras	1953	10,33,63,000	15th July 1963	99.25
4 % Maras	1952	5,24,81,200	1st Aug. 1964	98.25
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99.90
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	99.50
3 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	100.30
3 % Mysore(J)	1936	5,99,72,900	30th Apr. 1956-61	98.87
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98.60
3 % Mysore	1953	8,33,47,600	15th July 1963	98.55
4 % Mysore	1955	8,54,94,000	1st Sept. 1967	97.60
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	96.90
3 % M.P.	1944	52,59,800	15th Aug. 1958	98.50
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93.90
3 % M.P.	1950	1,01,44,700	31st July 1960	95.50
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	98.75
4 % M.P.	1955	2,63,12,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4 % Trav. Cochin	1953	5,05,15,500	15th July 1963	98.25
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	96.90
2½ % U.P.Z.A.	1952	40,60,66,545‡		40.25
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	98.85
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98.55
3 % U.P.	1946	2,17,89,700	14th Sept. 1960	98.00
3 % U.P.	1949	2,20,93,800	1st Sept. 1962	98.05
3½ % U.P.	1951	1 91,02,000	17th Sept. 1962	97.85
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1955	5,65,15,500	15th July 1963	98.85
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.65
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	98·00N
40,00,000	4	1909	1970	
40,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
1,00,00,000	4½(a)	1913	1980	D
80,00,000	4	1913	1974	98·00N
80,25,000	4	1914	1975	98·00N
40,00,000	5	1915*	1975	
66,00,000	5	1915*	1975	
25,00,000	5	1922*	1960	
25,00,000	4	1924*	1967	
10,25,000	3½	1928*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3	1935*	1975	
15,00,000	3	1936*	1966	
15,00,000	3	1937*	1968	
10,00,000	3	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
25,00,000	5½	1929	1959	106.00
50,00,000	4	1934	1964	99.75
35,00,000	3½	1935	1965	94.00
50,00,000	3	1936	1966	90.00
50,00,000	3	1937	1968	90.00
20,00,000	3	1938	1968-68	90.00
50,00,000	3	1952	1962	99.75
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,50,000	4	1918-15	1974	98.00
50,00,000	4	1919	1960	113.00N
25,00,000	5	1928	1968	102.00
8,45,500	5	1929	1954-59	102.00
26,21,500	5	1929	1959-61	102.00
8 25,00,000	3½	1947	1977	86.00
2 50,00,000	3½	1949	1979	86.00
1 50,00,000	3½	1950	1965	92.25
2,50,00,000	4	1952	1966	91.25
2,00,00,000	3½	1951	1966	97.00
1,00,00,000	4	1952	1968	98.25
1,00,00,000†	4	1952	1968	99.00
1,00,00,000†	4	1954	1968	99.00
2,50,00,000	4	1955	1967	98.00
1,50,00,000	4	1956	1968	98.00
CALCUTTA				
26,00,000	5	1928	1958	102.00
25,00,000	5	1929	1957	101 50
25,00,000	5	1929	1959	102.00
10,00,000	5½	1932	1962	108.00
50,00,000	3½	1935	1965	94.00
47,50,000	3	1938	1968	90.00
15,56,800	4	1940	1957	99.50
17,64,400	3½	1942	1959	96.50
21,10,000	3½	1942	1962	96.50
15 49 000	3½	1951	1960	97.00
16,33,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1978	100.00
MADRAS				
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
30,00,000	4	1906	1966	N
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
18,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
50,00,000	4	1916	1976	N
40,00,000	5	1919	1967-79	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,500		1909	1959	95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				Rs.
50,00,000	4	1929	1959	106.00
50,00,000	4	1934	1964	99.75
35,00,000	3½	1935	1965	94.00
50,00,000	3	1936	1966	90.00
50,00,000	3	1937	1968	90.00
20,00,000	3	1938	1968-68	90.00
50,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99.00

GALCUTTA

Rs.				Rs.
90,24,800	4	1914	1974	99.00
76,90,100	4	1915	1976	99.00
1,50,00,000C	3½†	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
1,49,40,500B	5	1927	1957-87	101.75
1,49,30,000	5	1928	1958-88	102.50
1,49,31,000	4‡	1931	1991	95.00
25,00,000	4	1935	1965	97.50
25,00,000	3	1938	1968-68	90.00
20,00,000	3	2005	74.00	
50,00,000	3	1875	85.00	
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2‡	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1979	97.00
1,00,00,000	3	1949	1999	97.00
50,00,000C	3	1950	1980	82.00
1,00,00,000C	3	1950	1960	95.62
1,00,00,000	3	1950	1960	95.62
50,00,000	3	1951	1981	87.75
50,00,000	3‡	1951	1981	98.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	98.56
90,00,000	4	1955	1985	98.00
77,00,000C	4	1956	1986	97.75
78,00,000C	4	1956	1986	97.75

STERLING LOANS

£832,600	5	1923	1953-88	£80.00
£961,000	5	1924	1954-84	£80.00
£885,100	5½	1932	1962	£91.00

MADRAS

Rs.				Rs.
31,01,189	3½	1947	1977	
9,88,000†	3	1947	1977	
8,00,000†	3	1949	1979	A
45,00,000†	4‡	1954	1984	

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000		
4 % W. Bengal	1952	2,00,00,000	17th Sept. 1962	98.25
4 % W. Bengal	1953	2,60,23,000	1st Aug. 1964	99.75
4 % W. Bengal	1955	2,58,72,000	15th July 1963	99.75
4 % W. Bengal	1956	7,00,00,000	1st Sept. 1967	99.50
			3rd Sept. 1968	99.00

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees.
† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6 to 4 per cent. with effect from 1st April, 1952. N—Nominal.
*** Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	107.00	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70.00	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	98.00	100
Dawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	110.00	100
Deccan Sugar & Abkhar, 'A'	7,00,000	1920	7	July Apr.	6.12	6
†East India Distilleries	£200,000	1897	7	Jan. July	16.15	£1
Gwalior Sugar	6,75,000(e)	1940	7(a)	Dec.	62.00xd	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	62.00xd	100
Puritabpore Co.	6,00,000	1922	10	Oct.	14.00xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug.	100.00	100
Savaigaon Sugar	20,00,000	1945	5½	Oct. Apr.	80.00	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	20.00	100
Travancore	15,00,000	1946	5(c)	Dec.	7.95	10
Upper Ganges	15,00,000	1922	5	Dec.	90.00N	100
Do.	15,00,000	1946	5(a)	Dec.	70.00N	100
COAL						
Bengal-Nagpur	1,12,580	1905	7	Jan. July	99.00	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	100.00	100
Burakur (1st)	22,00,000	1901-19	7	Apr. Oct.	112.00	100
Do. (2nd)	4,50,000	1946	6(a)		7.50	10
Equitable	4,00,000	1895	6	Mar. Sept.	99.00	100‡
Karanpura Collieries	5,

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
80,00,000	5,62,788	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2.36	2	0 4(c)	0 2(c)	0 2		12	Y.
40,00,000	2,40,00,000	1,39,57,007	72,25,655	—6,97,129	M.	51,834	1,021	B. B. Cotton Mills	36.00	100	Nil	Nil	Nil		3	Y.P.T
2,50,98,000	3,12,58,951	5,98,22,946	3,51,00,992	2,41,366	Nowrosjee Wadia & Sons, Ltd.	2,23,552	3,944	Bombay Dyeing & Mfg.	517.50	100	25 0*	25 0*	25 0*		12	Y.
10,08,000	28,74,302	48,81,886	63,57,495	91,711	Hamam Sons Private Ltd.	44,784	860	Bradbury Mills	197.00	50	10 0†	75 0†	12 8	20 0	3	Y.P.
1,04,42,800	2,35,31,299	6,06,68,308	2,70,14,353	7,61,731	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	393.00xd	100	22 0	22 0	22 0	22 0	12	Y.
49,00,000	35,42,326	1,19,99,766	65,07,085	—33,08,097	V. J. Plani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	62.50	100	Nil	Nil	Nil		12	Y.
26,00,000	13,03,880	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	..	Coorla Spg. & Wvg.	131.00	100	7 8	7 8	7 8		3	Y.
14,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons Private Ltd.	40,992	686	Dawn Mills	97.50xXR	50	6 0	6 0	15 0	10 0	12	Y.
24,00,000	40,06,435	76,75,267	56,21,788	2,33,543	Puranmal Bubna Sons	42,124	928	Edward Textiles	247.50	100	15 0	15 0	18 0		12	Y.
29,98,650	16,71,233	1,20,97,050	78,22,600	95,787	M.	49,528	886	Elphinstone Spg. & Wvg.	58.50	50	Nil	3 0	5 0	5 0	12	Y.P.
50,00,000	67,54,575	1,41,78,009	82,93,207	7w,257	James Finlay & Co., Ltd.	49,528	784	Finlay Mills	210.00	100	12 8	12 8	15 0	15 0	12	Y.
50,00,000	48,98,022	90,86,646	59,17,387	1,67,789	James Finlay & Co., Ltd.	41,040	1,020	Gold Mohur Mills Ltd.	210.00	100	20 0xd	20 0	25 0	25 0	12	Y.
11 84,000 } 16,000 }	75,14,589	1,52,24,660	1,07,26,500	608	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,625.00 / 992.50	1,000 / 250	225 0* / 56 4*	225 0* / 56 4	300 0 / 75 0	325 0 / 81 4	3	Y.
9,00,00,000 } 50,00,000 }	62,59,899	4,68,15,552	3,39,00,000	1,88,112	Agarwal & Co.	2,44,300	6,278	India United Mills	13.55 / 1.54	0 100. / 0 1D.	0 10 / 0 1	Nil / Nil	0 15 / 0 3	0 101 / 0 11	12	Y.
2,55,000 } 35,000 }	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	47,984	1,122	Indian Mfg.	5,216.00 / —	1,000 / 500	225 0* / 112 8*	225 0* / 112 8	300 0 / 150 0	300 0 / 150 0	3	
59,85,000	55,07,831	2,73,78,670	2,08,22,188	26,228	Khatau Makanji & Co.,	92,852	1,489	Khatau Makanji Spg. & Wvg.	169.00	100	10 0	8 0	10 0	10 0	6	
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Kilachand Industries Ltd.	1,20,504	1,846	Kohinoor Mills	206.50	100	20 0*	18 0	18 0	18 0	12	
22,13,050	43,06,720	1,22,98,423	64,68,440	55,109	N. Sirur & Co. Private Ltd.	49,000	1,644	Modern Mills	70.00xXR	50	6 0	6 0	8 0	8 0*	31	
21,75,000	37,05,899	87,05,896	2,35,58,547	1,76,19,589	Piramal Sons Private Ltd.	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	212.50	100	12 0	14 0	14 0	15 0	12	
1,60,74,400	1,10,15,319	9,46,21,101	2,65,00,000	5,52,034	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	211.00	100	9 0	10 0	12 0	14 0*	3	
24,00,000	29,50,456	78,05,743	48,70,077	63,192	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	185.75	100	10 0	10 0	10 0	10 0	3	
20,00,000	22,01,493	95,52,784	63,37,035	248	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	218.00	100	10 0	7 8	10 0	10 0	3	
20,00,000	30,10,989	1,34,29,558	84,72,256	2,40,352	Ramnarain Sons Private Ltd.	69,208	1,190	Phoenix Mills	144.50	100	8 0	8 0	10 0	10 0	12	Y.P.
40,00,000	45,64,554	48,69,967	24,25,000	4,72,683	Podar Sons Private Ltd.	32,500	930	Podar Mills	165.00	100	10 0	10 0	12 0*	12 0*	12	Y.
5,00,000	9,15,999	51,21,521	19,01,540	—1,72,154	David Sassoon & Co., Ltd.	..	..	Sassoon & Alliance Silk Mill	9.80	10	0 12	0 8	10 0		12	Y.
87,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	40.00	10	1 4	1 12	2 0		12	Y.P
80,00,000	47,70,061	90,20,958	55,27,926	1,47,427	Marwar Textiles (Agency) Ltd.	69,070	1,540	Shree Newa Cotton Mills	100.00	100	14 0	14 0	12 0		12	
42,00,000	33,02,179	98,78,308	78,88,752	96,017	Pirtumal, Forbes Campbell & Co., Ltd.	54,840	1,276	Simplex Mills	162.00	50	15 0	11 0	10 0	12 0	3	
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Gagalbhai & Sons (Ahmedabad), Ltd.	97,588	2,409	Standard Mills	379.00	100	20 0	20 0	20 0	22 8*	12	
88,00,000	90,34,191	1,09,66,008	78,35,291	24,644	Haridas, Ashratlal & Co., Ltd.	57,600	1,308	Sundesh Mills	187.00	100	15 0	8 8	12 0	14 0*	12	
						26,176	780	Swan Mills	370.00	100	20 0	20 0	25 0	25 0	12	
								Tata Mills	45.00	25	1 8	2 8	4 0	3 8*	12	Y.T.
								Western India Spg. & Mfg.	5,200.00	1,000	225 0*	25 0	300 0	300 0	3	Y.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
40,00,000	21,50,000	1,43,76,568	69,76,244	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	145.00	100	10 0*	5 0	7 0	12 0	6	Y.P.
12,00,000	94,58,068	94,37,398	76,10,164	27,288	P. M. Hutheesing & Co., Ltd.	42,758	912	Aruna Mills	560.00	100	20 0	20 0	30 0		12	Y.P.
40,00,000	2,97,83,361	1,95,82,179	97,29,203	15,274	Narottam Lalbhai & Co., Ltd.	49,824	1,216	Arvind Mills	560.00	100	25 0	25 0	35 0*	35 0*	12	Y.P.
20,00,000	81,79,889	99,34,884	72,25,000	2,46,388	Mangaldas & Bros. Ltd.	55,884	892	Aryodaya Ginning & Mfg.	477.50	100	25 0	25 0	25 0*		12	Y.P.
12,00,000	1,43,05,808	95,70,783	63,81,739	17,257	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	930.00	100	22 0	22 0	30 0	30 0	12	Y.P.
1,37,50,000	4,85,76,233	4,61,25,852	2,36,86,344	2,81,712	Karamchand Premchand Ltd.	1,35,120	2,372	Bharat Mills	1,260.00	100	12 0	18 0		80 0†	12	Y.P.
22,87,000	24,58,000	1,21,06,848	89,25,000	2,760	Tricumlal Bhoglal & Co., Ltd.	45,836	866	New Commercial Mills	1,615 00	1,000	70 0	70 0	80 0		12	Y.P.
39,00,000	72,52,436	1,32,09,232	96,26,963	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	872.00	125	35 0	35 0	35 0		12	Y.
15,00,000	67 78,770	57,78,441	32,49,912	21,803	Jagabhai Bhoglal Nanavaty & Co., Ltd.	25,560	572	Kutan Mills	306.25	100	30 0*	30 0*	20 0	20 0	12	Y.P.
20,00,000	1,10,62,006	99,61,103	62,28,055	1,77,073	Lalbhai Dalpatbhai & Co.	32,828	648	Rajpur Mfg.	545.00	100	25 0	25 0	35 0*	35 0*	12	Y.P.
57,96,300	2,75,84,105	1,92,47,853	1,05,24,569	2,63,336	Harivallabhbhai Kalidas & Co.	94,128	1,733	Shri Ambica Mills	518.00	50	18 0	20 0	27 0*	30 0*	12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	26,648	720	Shorrock Spg. & Mfg.	577.50	100	20 0	25 0*	25 0		12	Y.
88,00,000	90,34,191	1,09,66,008	78,35,291	24,644	Haridas, Ashratlal & Co., Ltd.	26,176	780	Vijaya Mills	690.00	400	25 0*	25 0*	25 0*		12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
15,00,000	2,82,800	35,86,098	22,89,703	60,222	Calcutta Agency Private Ltd.	15,044	356	Bazanti Cotton Mills	5.31	10	0 4	0 8	0 8	0 9 3/5	12	Y.P.T.
7,98,000	9,10,617	73 14 055	52,99,911	59,390	Bengal Textile Agency, Ltd.	33,292	925	Bengal Luxmi Cotton Mills	40.00N	40	Nil	4 0	4 0	4 0	3	Y.P.
5,00,000	22,72,414	89,08,145	51,49,000	—23,47,377	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	112.00	100	Nil	Nil	Nil		6,12	H.P
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	176.00	100	Nil	Nil	Nil	0 6	12	Y.T.
50,03,000	....	69,03,197	15,03,197	2,632	Birla Brothers Private Ltd.	4,852	206	Jaya Shree Textiles Ltd.	5.43	10	Nil	Nil	Nil		6	
1,80,00,000	2,29,43,220	3,76,19,438	1,31,56,688	1,86,973	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills	13.37	10	1 12	0 14	1 0	1 0	3	Y.P.
19,47,780 } 8,80,000 }	7,45,000	47,06,298	43,352	1,094	Hazaremull Heeralall	23,036	795	Rampooria Cotton Mills	16.00N / 2.75N	10 / 10	Nil / Nil	Nil / Nil	0-5 11/25		6	Y

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
41,25,600	3,57,596	31,36,764	15,64,248	3,566	Setna & Co.	..	..	Asher Textiles Ltd	217.00	100	4 0	Nil	12 8	15 0	6	Y.
71,94,000	25,91 264	1,84,91,530	80,78 582	1,35,043	Industrial Trust Fund	46,126	716	Azam Jahi Mills	79.00	100	6 0	Nil	3 8(c)		9	Y.
40,50,000	2,50,15,667	3,39,77,494	2,60,70,021	3,82,947	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	168.00	100	25 0	30 0	30 0	30 0	12	Y.P.
27,00,000	16,50,000	77,25,162	58,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	7.31	10	0 4	Nil t			6,12	H.P.T
35,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	28.00N	10	3 0	3 0	3 0		12	
1,78 47,800	2,77,73,212	6,69,41,316	3,97,01,813	2,28,220	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	168.00	100	10 0	10 0	10 0	10 0	12	Y.P.
20,00,000	20,00,000	42,33,535	23,90,012	58,534	Pelree, Leslie & Co., Ltd.	37,636	4	Cambodia Mills	12.25xd	10	0 12	Nil	0 8	0 8	12	Y.
15,00,000	8,11,500	48,38,929	24,53,361	8,994	K. Damodaran, Esq.	20,600	..	Cannanore Spg. & Wvg.	167.00	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,420	69,40,829	61,72,876	38,767	Cawapore Textiles	27,016	591	Cawapore Textiles	11.60	5	0 9	0 8	Nil	0 12	3	Y.
9,37,470	2,00,000	50,87,636	18,02,165	58,708	Begg, Sutherland & Co. (Chairman)	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11-87	10	Nil	Nil	0 10	0 12	3	Y.P.
19,01,006	19,01,006	41,97,734	30,65,709	10,889	G. S. Srinivasan, Esq. (Chairman)	28,864	..	Coimbatore Cotton Mills	165.00XR	100	20 0	25 0	25 0	25 0	12	
20,00,000	19,95,000	36,59,430	24,25,921	14,823	R. Bheema Naidu & Co.	28,864	..	Coimbatore Textiles	268.00	100	15 0	15 0	20 0		6	Y.
20,76,900	5,076	1,13,00,888	85,58,548	91,980	T. R. N. Naidu & Co.	37,226	407	Coimbatore Spg. & Wvg.	86.50	50	3 0	6 0	8 0		12	Y.
49,87,500	46,19,822	2,50,83,371	1,62,81,864	19,215	G. S. Naidu & Co., Ltd.	67,228	1,620	Coimbatore Cotton Mills	102.00	100	5 0	5 0	8 0	Nil	6	Y.P
3,88,86,225 } 1,00,563 }	3 06,82,110	11,16,31,472	5,81,67,327	1,28,712	India Textiles Private Ltd.	1,41,180	2,352	Delhi Cloth & General Mills	35.00	10 / 24	1 12 / 0 2 4/5	2 0 / 0 3 8/5	2 8 / 0 4		3	Y.P.T.
84,34,000	22,25,000	46,71,865	46,12,585	....	M. N. Chettiar & Sons	38,052	201	Dhanalakshmi Mills	340.00	100	20 0	30 0	30 0	25 0	12	Y.
63,00,000	93 47,056	1,54,57,568	1,35,57,542	78,754	Begg, Sutherland & Co. Ltd.	48,452	1,198	Ellaman Mills	176.00	100	10 0	10 0	10 0	10 0	3	Y.
48,81,000	37,59,771	1,06,45,241	73,46,088	5,155	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	176.50	100	17 0	15 0	15 0	18 0	3	Y.
2,50,00,000	2,25,000	3,41,27,134	....	1,08,74,790	Birla Gwalior Private Ltd.	51,180	1,420	Gwalior Rayon	12-25	10	Nil	Nil	Nil	Nil	3	Y.P.
50,00,000	6,16,447	1,33,91,058	1,12,28,576	9,551	Indore Malwa United	40,000	1,000	Indore Malwa United	60.00	100	6 0	6 0	8 0	8 0	12	Y.
8,00,000	10,55,833	31,40,455	10,97,427	....	K. L. Sekaaria, Esq. (Chairman)	23,784	..	Janardhana Mills	90.00	50	4 8	5 0	10 0	10 0	12	Y.
18,04,000	18,24,703	45,22,284	33,88,095	7,012	G. Y. Naidu & Co., Ltd.											
					Mr. Bhairoratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,505-00	1,000	Nil	20 0	50 0	60 0	6	Y.
32,42,535	19,25,000	92,32,480	52,49,160	41,492	Kothari & Sons	41,040	800	Kothari Textiles	14.10	10	0 8	0 8	1 0	1 0	6	Y.P.
32,06,000	67,91,510	1,69,61,583	1,26,19,465	3,65,057	....	50,452	1,219	Lakshmi Cotton Mfg.	650.00	250	37 8	32 12	42 8	42 8	12	Y.P.
35,64,100 } 17,82,050 }	66,55,960	1,61,18,090	95,51,437	6,51,554	G. K. Naidu & Co.	92,160	201	Lakshmi Mills	70.00 / 41.00	50 / 25	5 0 / 2 8	10 0 / 5 0	12 0 / 6 4	13 0 / 6 4	3	Y
1,75,07,440	4,22,27,778	5,83,51,924	3,77,47,982	32,44,130	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	41.00	10	2 8	3 0	3 0	2 10	12	Y.
12,00,000	4,17,363	27,72,881	16,02,069	....	A. L. A. R. S. Chettiar and Sothers.	22,592	100	Mahabir Spg. & Wvg.	109.00	200	8 0	8 0	10 0		12	Y.
60,00,000	69,00,000	68,79,627	43,29,784	45,835	W. A. Beardsell & Co., Ltd.	25,656	608	Mettur Industries Ltd.	396.00	100	12 8	22 8*	35 0	42 8	3	Y.
29,80,884	19,58,081	92,42,488	53,37,735	19,062	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	84.00	100	7 8	8 0(c)	8 0	6 0	12	Y.
94,91,850	21,86,146	1,71,94,769	78,31,528	1,86,098	M.	52,408	952	Model Mills (Nagpur)	175.00	250	7 0	8 0(c)	7 8(c)	7 8	12	Y.P.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,840	1,824	Muir Mills	73.50N	100	..	..	..	..	12	Y.P.
24,53,500	50,54,085	1,10,93,742	87,14,107	19,041	David Sassoon & Co., Ltd.	50,480	500	Mysore Spg. & Mfg.	101.25	50	10 0*	8* 0	0 0(c)	0 0*	2	Y.P.
13,61,780	8,000	29,35,252	15,12,761	—1,50,653	N. Sirur & Co. Private Ltd.											
					R. Surveyanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	8.25	10	Nil	Nil	Nil	Nil	3	Y
22,59,8810 } 3,07,096D }	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	37,788	802	New Victoria Mills	1.63 / —	O. 2½ / Nil	Nil / Nil	Nil / Nil			9	Y.
27,00,000	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	41,200	..	Palani Andavar Mills	70,072 / 512.00	1,333 / 75	Nil / Nil	Nil / Nil			12	Y.P
4,00,000A } 6,00,000B }	6,50,000	39,12,542	23,46,016	14,609	Bhaghyalakshmi & Co.	27,980	..	Pankaja Mills Ltd.	58.50 / 70.00	100 / 100	Nil / Nil	4 0(c) / 4 0(c)			12	Y
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	55,664	360	Radhakrishna Mills	275.00 / 130.50	100A / 50B	5 0 / 3 8	16 8 / 8 0	20 0 / 10 0		12	Y.
16,81,200A } 8,40,600B }	22,75,000	33,60,150	49,86,177	4,852	A. G. Gurusamy Naidu & Co.	33,896	..	Rajalakshmi Mills	186.50	50	7 8	10 0	10 0		12	Y.P.
2,50,00,000	30,00,000	48,74,198	25,94,337	11,081	R. R. Naidu & Sons	24,996	..	Rajapalayam Mills	139.00	100	4 0	6 0	10 0	10 0	3	Y.P.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	14,800	..	Rayalaseema Mills	135.00	100	6 0	8 0	10 0	10 0	12	Y.
22,81,750	12,40,000	43,64,423	21,20,815	82,012	Rayalaseema Development Co.	24,332	600	Raza Textiles	6.25N	10	Nil	Nil			12	Y.P.
60,00,000	62,41,568	1,00,25,425	55,44,914	—17,16,728	J. P. Srivastava & Sons (Rampur).	..	..	Shalapoor Spg. & Wvg.	1,225-00	1,000	Nil	Nil	Nil	Nil	3	Y.P.
15,99,900 } 10,99,200 }	1,66,45,917	3,18,49,081	2,05,07,227	—1,66,20,798	Morarka & Co	..	..	Sri Krishnarajendra Mills	104.00	50	4 0*	4 8	5 0	7 0	3	Y.
28,49,796	17,10,000	81,44,272	65,63,318	1,09,148	H. N. Pallegar, Esq.	37,180	440	Shree Sajjan Mills	80.00N	100	Nil	Nil			3	Y.
26,14,800	2,00,246	35,18,906	17,78,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	644	Sutlej Cotton Mills	90.00N	10	4 0	5 0	6 0	6 0	3	Y.
15,00,000	3,45,80,155	99,92,158	79,85,780	80,80,553	Birla Brothers Private Ltd.	46,212	1,244	Swadeshi Cotton (Kanpur)	11.75N / 12.00N	100 / 10P.O.	0 8 / 0-14 2/5	0 12 / 1-2 2/5	Nil / 1-2 2/5		6	
17,50,000Q } 6,50 000FQ }	2,80,00,000	4,84,44,247	1,70,63,159	1,09,029	Jalpuria Brothers	1,12,216	2,061	Travancore Rayons	13.40cd	10	0 8	0 10	0 12		12	Y.P.T.
1,00,00,000	20,14,788	3,80,55,317	1,37,16,775	2,63,771	Emcete & Sons (Travancore), Ltd.	18,000	..	Trichinopoly Mills	12.20	10	0-11 1/5	0-14 2/5	0-14 2/5	1 2	12	
13,98,870	9,50,000	17,49 841	12,41,858	62,837	Moolji Ramjee & Sons	44,424	270	Vasanta Mills	289.00	100	12 0	15 0	20 0	20 0	12	Y.P.
21,00,000	38,50,000	80,72,634	47,22,519	44,000	R. K. Chetty & Brothers	47,240	1,355	Vishnu Cotton	122.00	100	4 0	4 0	4 0	8 0	12	Y.P.
58,00,000	31,89,409	1,74,27,020	1,17,94,860	10,922	M.	..	..								12	Y.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (8) For six months ended 31st December 1958.

† The dividends are on the origina lshares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

§ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
19,22,000	25,43,500	1,12,43,027	57,39,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari	7.65	5	Nil	Nil	0	0 12	5	Y.P.
16,20,630	26.75,014	29,38,961	16,23,423	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries	16.06 / 26.75	5 / 5	0 8 / 0 9	0 8 / 0 9	0 9 /	0 9 /	3	Y.
£549,950	£1,149,466	£1,757,928	£341,807	£59,449	Parry's Holdings Private Ltd.	East India Distilleries and Sugar		A. 16sh. B. 5l.	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	Sh. 3	9	Y.P
6,00,000	9 60,000	15,93 638	15,96,029	4,679	Vital Maliya, Esq., (Chairman)	United Breweries	166.00	75	15 0	15 0	15 0	15 0	3	Y.
CEMENT														
51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	12.85	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,6000 4,70,9760 }	13,13,132	1,44,65 702	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	6.25 / 0.93	O. 10 / D. 1	Nil / Nil	Nil / Nil			3	Y.P.T.
4 2 71,67,253	8,46,99,450	27,75,38,013	9,84,43,675	2,93,908	Cement Agencies (Private) Ltd.	Associated Cement Companies	140 50	100	9 8	8 8	10 0	10 0	7	Y.T.
20,50,0000 } 8,00,0000 }	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	11.75 / 2.00	O. 10 / O. 2½	1 0 / 0 4	1 0 / 0 5	1 4 /		12	Y.P.
62,45,7500 } 7,50,0000 }

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	85·00N	25	1 9	3 2	4 11		6,12	H.P.T
83,90,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp †‡	29·75	10	12 0	14 0	1 6 y.a.	0 11 1/5†	3,9	H.
25,00,000	20,12,500	1,42,51,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	15·85	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,32,590	2,14,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd. ..	Orient Paper	26·25	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,49,070	67,82,768	1,55,90,914	96,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	14·94	10	1 8	1 8	1 4	0 10†	6,12	H.P.T.
28,00,000	6,50,000	95,83,644	61,01,026	13,705	Bajoria & Co.	Star Paper Mills	{ 10·12	O. 10	0 12	0 12	1 4	}	3,9	H.P.T.
19,00,000 'A'.							{ 10·12	A. 10	0 12	0 12	1 4	}		
2,18,55,240	49,18,060	3,75,66,254	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	8·50	10	Nil	Nil	5 0‡	0 8	6	Y.P.
54,00,000A.							{ 33·12	A. 10	2 0*	1 8	2 0*	1 8‡*		
54,54,800B.	3,41,23,015	5,94,12,293	3,28,93,943	1,22,816	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	33·12	B. 10	2 0*	1 8	2 0*	1 8‡*	3,9	H.P.
4,37,590P.O.							4·00	P.O. 24	0 4	0 4	0 4	0 8‡*		
PRESSING														
3,60,000	3,28,572	13,012	11,012	20,234	Andrew Yule & Co.	Calcutta Hydraulic†	90·00N	100	3 0	4 0	*Nil*	*Nil*	4	Y.
3,60,000	2,47,132	10,91,809	9,30,374	26,288	Andrew Yule & Co.	Central Hydraulic	125·00	100	4 0	5 0	5 0	6 0	4	Y.
PROPERTY AND LAND														
9,90,780O.	6,93,332	45,52,570	12,68,270	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 13·50N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,60,060D.							{ 2·75N	D. 1	0 4/5	*Nil*	0 9 3/5			
60,00,000	14,00,051	83,91,859	15,91,500	.....	M.	Port Canning Land	6·25	100	1 8	1 8	*Nil*	*Nil*	4	Y.
84,00 000	36,70,109	98,05,154	95,982	—11,43,865	Andrew Yule & Co.	Midnapore Zamindary	21·00	100	1 8	4 0	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,583	10,73,883	—5,14,537	Bird &Co. Private Ltd.	Assam Saw Mills	3·03	3	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000							{ 511·00	Old25	15 0	20 0	37 8	40 0		
4,15,00,000	4,18,54,888	8,98,84,871	1,71,93,141	89,546	Wallace & Co.	Bombay-Burmah Trading Corps. ..	190·00	New50	6 0	8 0	16 0	16 0	5	Y.
6,00 000	.....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25·00N	100	*Nil*	*Nil*			6	Y.P
90,00 000	21,15 487	19,00,295	14,85,566	2,76-619	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	37·00	10	2 8	2 12	3 0	1 01	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,33,202	42,04,482	29,87,402	—48,871	Begg, Sutherland & Co. Private Ltd.	Balrampur Sugar	6·50	5	*Nil*	0 12	0 1	*Nil*	6	Y
12,00,000A.	29,80,250	55,40,821	36,32,425	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	{ 130·00N	A. 100	10 0	10 0	10 0	10 0	4	Y.T.
2,00,000B.							{ 14·00N	B. 10	1 0	1 0	1 0	1 0		
19,40,050	8,25,000	33,76,107	25,31,569	78,488	Baagrur Bros., Ltd.	Belsund Sugar	10·62	74	0 12	0 12	0 12	1 0	9	Y.
15,00,000	13,51,513	18,12,168	12,47,841	2,320	Cotton Agents Private Ltd. ..	Bharat Sugar	15·25N	10	1 8	1 8	1 8	1 8	6	Y.
32,00,000	27,44,469	1,40,84,581	95,71,755	20,716	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7·31	10	*Nil*	0 12	0 4	*Nil*	6	Y.P.T.
20,00,000	65,83,722	1,69,17,988	56,37,533	91,991	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	15·25	10	2 0	0 12	0 12	0 12	10	Y.P.
12,00,000	29,72,280	81,58,085	45,46,244	29,826	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	17·50	10	1 0	1 0	1 8	1 0	6	Y.
5,99,455	6,18,562	24,58,830	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10·00N	10	1 0	0 12			8	Y.T.
45,97,050	30,11,814	1,10,56,484	33,37,539	1,79,977	K. Jalan Sect., Esq. (Mg. Director)	Hindustan Sugar Mills ..	{ 275·00	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
3,25,00,000	1,19,11,805	3,82,08,905	2,32,14,167	—37,36,584	Sir Robert Menzies	British India Corporation Ltd.	6·65	5	0 8	0 8	0 8	0 8	12	Y.P.
1,58,80,000	17,34,264	2,03,37,282‡‡		18,76,082	Andrew Yule & Co., Ltd. ..	Clive Row Investment ..	9·50	10	0 4 1/5	0 8 1/5	0 9	1 0	3	Y.
1,60,00,000	8,40,66,174	5,55,01,695	2,48,71,167	12,24,595	John Lockhart, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	23·81	10	1 8	1 8	1 8	1 8	12	Y.P.T.
51,26,000	54,10,811	1,72,17,367‡§	.....	3,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	107·75	100	7 8	9 0	9 0	9 0	12	Y.P.
14,00,000	10,02,000	33,31,772	18,89,772	37,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd. ..	120·00	100	20 0	15 0	15 0		8	H.
65,00,000	53,17,300	19,73,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11·00	10	7 8	7 8	1 6 2/5	1 9 3/5	3	Y.P.
30,00,000	14,67,354	81,39,620	33,58,982	7,458	E. P. R. Syndicate	Great Eastern Hotel	226·00N	250	15 0	6 4	6 4	15 0	3	Y.
4,96,05,700	.....	3,94,18,142	1,31,85,541	6,19,062	Birla Brothers Private Ltd. ..	Hindustan Motors	6·75	10	*Nil*	*Nil*	*Nil*		3	Y.
2,01,10,000	56,56,543	4,60,40,288	1,96,84,142	7,97,410	E. S. Greenwood (Mg. Director)	Indian Aluminium Co. Ltd. ..	12·81	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
1,53,89,220	1,37,00,000	1,99,85,789	71,50,911	32,04,314	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	23·06	10	1 0*	1 0*	1 4*	1 8*	3	Y.P.
2,37,970	4,00,000	16,74,908	9,60,906	68,728	G. S. Monico & Co. (India) Ltd.	Indian Rubber Manufacturers ..	23·81	10	0 12	0 8	0 8	0 12	3	Y.P.
15,16,00,000	7,89,05,602	4,15,98,402	1,53,28,177	24,84,274	Mr. G. N. J. Clarke (Chairman	Imperial Tobacco Co. of India Ltd.	14·00	10		0 9 3/5	0 9 3/5	0 12 4/5	3	Y.P.
2,00,00,000	57,39,566	37,46,566	11,09,843	5,11,883	G.M. Mackinlay, Esq.	Jardine Henderson	74·00	100	7 8	7 8	7 8	7 8	3	Y.P.
62,60,700O.	99,98,909	26,16,023	8,78,470	2,57,284	A. T. Dolg. Esq. (Mg. Director)	McLeod & Co.	{ 210·00	O. 100	10 0	17 0	2/- 8		12	Y.P.
1,03,96,500							{ —	D. 10	0 8	1 3 3/5	1 12			
4,00,00,000	81,82,796	24,06,298	12,34,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22·69	10	1 0*	1 6	1 12	2*	3	Y.P.
4,00,00,000	58,50,000	1,82,37,973	78,00,772	16,24,249	H. Chalwell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	27·25	10	1 0	1 0	1 4	1 10	3	Y.P.
6,56,585	1,85,256	6,40,45,581	3,46,97,997	—2,58,581	Shankar Rao, Ogale, Esq. ..	Mysore Glass and Enamel Works	3·75	10	*Nil*	*Nil*	*Nil*		3	Y.P.
6,56,250	9,18,096	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15·62	10	1 0	1 0	0 12	0 14 2/5	3	Y.P.
10,00,000	8,18,500	15,34,206	9,41,437	44,518	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	13·87	10	1 0	1 4	1 0	1 8	3	Y.P.
2,00,00,000	78,15,605	1,52,98,492	50,50,605	21,19,762	J. N. Gaitonde, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	28·44xd	10	1 0	1 0	3 4	1 8	12	Y.P.
40,00,000	74,71,173	63,80,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	19·25	10	1 0	1 0	1 0	1 8*	3	Y.P.
40,00,000	15,00,000	28,19,208	21,17,408	75,726	Do	National Rolling & Steel Ropes	9·37	10	0 9	0 9	0 9	1 12‡	3	Y.P.
79,97,000	.....	1,17,52,757	57,19,268	8,90,822	B. N. Elias & Co., Ltd. ..	National Tobacco Co.	9·75	10	*Nil*	0 8	0 12 4/5		3	Y.P.
2,25,00,000	8,71,243	1,45,23,415	44,22,274	—44,12,983	M. P. A. Pasputi, Esq. ..	Rallis (India) Ltd.	84·00	100	*Nil*	*Nil*	*Nil*	8	3	Y.P.
1,72,24,400	1,81,20,206	7,56,34,980	3,47,94,970	4,91,934	Kothari Ltd.	Rohtas Industries Ltd.	19·00	10	1 4	1 8	1 8	1 8	3	Y.P.
40,00,000	37,05,558	1,21,07,804	72,09,227	6,22,212	Spencer & Co., Ltd.	O. W. Stephenson, Esq. ..	16·65	10	1 8	1 8	1 8	1 8	4	Y.P.
75,00,000	54,19,860	17,49,516§	5,58,635	2,66,280	Shaw Wallace & Co.	S. M. Smith, Esq. (Mg. Director)	11·44	10	1 0	1 4	1 0		12	Y.
9,98,380	.....	14,51,909	4,58,782	—47,988	Spencer & Co., Ltd.	Travancore Ogale Glass	3·40	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
47,50,000	1,94,82,556	2,72,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	{ 8·81	O. 10	*Nil*	*Nil*	*Nil*	0 8‡	3	Y.P.T
2,50,000							{ 8·50N	D. 24				*Nil*		
40,00,000	22,35,000	56,26,345	21,56,606	64,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd. ..	18·30	10	1 4	1 4	1 4*	1 4	3	Y.
50,00,000	26,15,878	54,37,252	22,94,353	2,35,077	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	17·88	10	1 4	1 4	1 0*	1 0	3	Y.
30,00,000	16,70,000	39,82,721	21,20,441	1,72,678	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17·00	10	1 4*	1 4*	1 4*	1 4*	3	Y.
30,00,000	32,47,888	1,03,58,021	36,37,880	2,45,182	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	7·50N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	3	Y.P.T.
20,61,400	1,16,53,000	47,47,111	33,97,111	5,03,139	A. F. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	145·00	100	20 0*	13 0‡	12 8	13 0	12	Y.
12,00,000	9,10,000	31,57,446	24,05,448	76,830	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	25·37	10	1 8	2 8	2 4	1 81	6,12	Y.
20,00,000	8,05,715	62,28,492‡§		37,612	Lovelock & Lewis	Birds Investment Ltd.	18·56	10	1 4	1 4	1 4	1 0	9	Y.P.
45,97,050	30,11,814	1,10,56,484	33,37,539	1,79,977	K. Jalan Sect., Esq. (Mg. Director)	Britannia Biscuits	18·06	10	1 0	1 0	1 0	1 0	3	Y.P.T.
3,25,00,000	1,19,11,805	3,82,08,905	2,32,14,167	—37,36,584	Sir Robert Menzies	British India Corporation Ltd.	6·65	5	0 8	0 8	0 8	0 8	12	Y.P.
1,58,80,000	17,34,264	2,03,37,282‡§		18,76,082	Andrew Yule & Co., Ltd. ..	Clive Row Investment	9·50	10	0 4 1/5	0 8 1/5	0 9	1 0	3	Y.
1,60,00,000	8,40,66,174	5,55,01,695	2,48,71,167	12,24,595	John Lockhart, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	23·81	10	1 8	1 8	1 8	1 8	12	Y.P.T.
51,26,000	54,10,811	1,72,17,367‡§	.....	3,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	107·75	100	7 8	9 0	9 0	9 0	12	Y.P.
14,00,000	10,02,000	33,31,772	18,89,772	37,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd. ..	120·00	100	20 0	15 0	15 0		8	H.
65,00,000	53,17,300	19,73,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11·00	10	7 8	7 8	1 6 2/5	1 9 3/5	3	Y.P.
30,00,000	14,67,354	81,39,620	33,58,982	7,458	E. P. R. Syndicate	Great Eastern Hotel	226·00N	250	15 0	6 4	6 4	15 0	3	Y.
4,96,05,700	.....	3,94,18,142	1,31,85,541	6,19,062	Birla Brothers Private Ltd. ..	Hindustan Motors	6·75	10	*Nil*	*Nil*	*Nil*		3	Y.
2,01,10,000	56,56,543	4,60,40,288	1,96,84,142	7,97,410	E. S. Greenwood (Mg. Director)	Indian Aluminium Co. Ltd. ..	12·81	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
1,53,89,220	1,37,00,000	1,99,85,789	71,50,911	32,04,314	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	23·06	10	1 0*	1 0*	1 4*	1 8*	3	Y.P.
2,37,970	4,00,000	16,74,908	9,60,906	68,728	G. S. Monico & Co. (India) Ltd.	Indian Rubber Manufacturers ..	23·81	10	0 12	0 8	0 8	0 12	3	Y.P.
15,16,00,000	7,89,05,602	4,15,98,402	1,53,28,177	24,84,274	Mr. G. N. J. Clarke (Chairman	Imperial Tobacco Co. of India Ltd.	14·00	10		0 9 3/5	0 9 3/5	0 12 4/5	3	Y.P.
2,00,00,000	57,39,566	37,46,566	11,09,843	5,11,883	G.M. Mackinlay, Esq.	Jardine Henderson	74·00	100	7 8	7 8	7 8	7 8	3	Y.P.
62,60,700O.	99,98,909	26,16,023	8,78,470	2,57,284	A. T. Dolg. Esq. (Mg. Director)	McLeod & Co.	{ 210·00	O. 100	10 0	17 0	2/- 8		12	Y.P.
1,03,96,500							{ —	D.O.10	0 8	1 3 3/5	1 12			
4,00,00,000	81,82,796	24,06,298	12,34,790	2,70,207	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22·69	10	1 0*	1 6	1 12	2*	3	Y.P.
4,00,00,000	58,50,000	1,82,37,973	78,00,772	16,24,249	H. Chalwell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	27·25	10	1 0	1 0	1 4	1 10	3	Y.P.
6,56,585	1,85,256	6,40,45,581	3,46,97,997	—2,58,581	Shankar Rao, Ogale, Esq. ..	Mysore Glass and Enamel Works	3·75	10	*Nil*	*Nil*	*Nil*		3	Y.P.
6,56,250	9,18,096	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15·62	10	1 0	1 0	0 12	0 14 2/5	3	Y.P.
10,00,000	8,18,500	15,34,206	9,41,437	44,518	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	13·87	10	1 0	1 4	1 0	1 8	3	Y.P.
2,00,00,000	78,15,605	1,52,98,492	50,50,605	21,19,762	J. N. Gaitonde, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	28·44xd	10	1 0	1 0	3 4	1 8	12	Y.P.
40,00,000	74,71,173	63,80,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	19·25	10	1 0	1 0	1 0	1 8*	3	Y.P.
40,00,000	15,00,000	28,19,208	21,17,408	75,726	Do	National Rolling & Steel Ropes	9·37	10	0 9	0 9	0 9	1 12‡	3	Y.P.
79,97,000	.....	1,17,52,757	57,19,268	8,90,822	B. N. Elias & Co., Ltd. ..	National Tobacco Co.	9·75	10	*Nil*	0 8	0 12 4/5		3	Y.P.
2,25,00,000	8,71,243	1,45,23,415	44,22,274	—44,12,983	M. P. A. Pasputi, Esq. ..	Rallis (India) Ltd.	84·00	100	*Nil*	*Nil*	*Nil*	8	3	Y.P.
1,72,24,400	1,81,20,206	7,56,34,980	3,47,94,970	4,91,934	Kothari Ltd.	Rohtas Industries Ltd.	19·00	10	1 4	1 8	1 8	1 8	3	Y.P.
40,00,000	37,05,558	1,21,07,804	72,09,227	6,22,212	Spencer & Co., Ltd.	O. W. Stephenson, Esq. ..	16·65	10	1 8	1 8	1 8	1 8	4	Y.P.
75,00,000	54,19,860	17,49,516§	5,58,635	2,66,280	Shaw Wallace & Co.	S. M. Smith, Esq. (Mg. Director)	11·44	10	1 0	1 4	1 0		12	Y.
9,98,380	.....	14,51,909	4,58,782	—47,988	Spencer & Co., Ltd.	Travancore Ogale Glass	3·40	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

†† India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each ,which subsequently were divided into shares of Rs.10 each.

x—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,48,720	3,70,619	11,34,864	5,38,169	.....	McLeod & Co., Ltd.	825	Amluckie	27·00	10	25 0	72 0	19 0		12	Y.P.
3,50,000	5,43,350	10,69,803	2,83,023	77,477	R. K. Kanoria, Esq.	439	Ananda (Assam) Tea	36·00	10	1 4	7 31			12	Y.
3,50,000	8,93,350	11,31,676	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	23·00	10	2 0	5 0*	1 0		12	Y.
5,50,000	11,31,541	17,58,485	7,08,457	56,051	McLeod & Co., Ltd.	513	Baghmari	20·50	10	*Nil*	3 0	1 0		12	Y.
3,10,000	9,10,000	12,25,522	4,99,309	66,795	Andrew Yule & Co., Ltd. ..	375	Baamatia	31·12	10	2 0	3 0	2 0		12	Y.
2,30,800	4,65,000	11,68,777	7,13,759	80,298	National Tea Corporation ..	570	Batell	27·00	5	2 0	3 0	2 0		12	Y.
2,30,000	9,40,000	11,68,777	7,13,759	80,298	Gillanders Arbuthnot & Co., Ltd.	570	Bellan	22·50	10	2 0	10 0*	2 0		12	Y.
14,50,000	25,00,000	10,57,063	2,08,235	66,155	Gillanders Arbuthnot & Co., Ltd.	4,002	Bishnauth	19·00	10	2 8	5 0	3 0		12	Y.
6,00,000	50,00,000	58,38,102	26,30,052	1,49,259	Jardine Henderson Ltd.	1,400	Bokahat	16·25	10	*Nil*	1 8	*Nil*		12	Y.
7,80,000	2,50,000	10,97,819	2,26,063	29,656	Octavius Steel & Co., Ltd. ..	485	Bormah Jan Tea ..	17·81	10	0 12	3 0	1 8		12	Y.P.W.
24,00,000	7,87,550	9,58,117	2,05,788	15,456	McLeod & Co., Ltd.	450	Brooke Bond	17·06	10	0 8	1 4	4 12	1 4	6	Y.P.
1,80,000	11,75,000	79,82,184	27,45,256	5,16,711		282	Deloo Valley	50·00	10	1 0	3 0	2 0		12	Y.
6,00,000	4,35,138	9,44,809	3,17,579	42,144	McLeod & Co., Ltd.	288	Desai & Furbettia ..	238·00	100	30 0	30 0	10 0		12	Y.
17,82,440	9,76,000	27,66,094	17,67,782	46,610	Jardine Henderson Ltd.	661	Dhalaikat	21·50	10	1 8	2 8	2 8		12	Y.
4,44,440	9,57,982	24,59,777	9,10,550	42,756	James Warren & Co., Ltd. ..	646	Dhansiri	15·00	10	1 0	3 0	1 0		12	Y.
4,68,270	2,95,000	9,18,589	3,93,339	3,101	M.	446	Dibrugarh	22·50	10	1 8	3 0	1 8		12	Y.P.
4,50,000	7,25,200	14,15,911	6,45,201	96,951	McLeod & Co., Ltd.	623	Dimakusi	25·50	10	1 8	3 0	2 0		12	Y.P.
3,24,700	6,11,700	11,36,307	5,04,707	96,331	Williamson Magor & Co., Ltd.	615	Duffla ghur	32·50	10	1 8	3 0	4 0		12	Y.P.
8,50,500	4,99,000	20,33,332	8,43,287	1,26,640	Williamson Magor & Co., Ltd.	1,151	East India Tea ..	23·81	10	1 0	3 0	1 0		12	Y.
5,00,000	5,80,000	24,74,426	10,10,256	66,711	Williamson Magor & Co., Ltd.	497	Gilapukri	31·12	10	1 12	3 0	2 0		12	Y.
3,25,000	3,40,000	9,87,125	4,56,826	58,215	L. G. Kanoi, Esq.	346	Gohpur	20·87	10	1 0	3 0	2 0		12	Y.
7,41,840	6,26,000	17,33,166	8,10,276	87,096	Williamson Magor & Co., Ltd.			22·75	10	1 0	3 0	2 0		12	Y.
P.L. 3,41,840	17,28,810	24,58,576	7,39,116	24,588	Octavius Steel & Co., Ltd. ..	1,910	Grob	{ 14·00	A. 10	1 8	3 0	2 0		12	Y.
P.O. 3,41,120								{ 14·00	B. 5	1 8	3 0	1 4			
8,00,000	5,75,000	8,35,391	3,05,660	1,849	Andrew Yule & Co., Ltd. ..	476	Heegrajuli	28·00 N	10	2 0	3 0	0 8		12	Y.
5,70,000	13,17,716	20,46,353	11,66,555	73,287	Andrew Yule & Co., Ltd. ..	1,210	Hoolungorge	235·00	100	13 8	15 0	7 8		12	Y.
58,50,000	45,17,050	1,44,33,016	36,30,605	98,818	Williamson Magor & Co., Ltd.	4,900	Jay Shree Tea Gardens	10·00	10	*Nil*	1 0	1 0		12	Y.P.
7,40,000	7,40,000	.....	.....	7,668	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	21·37	10	*Nil*	3 8	*Nil*		12	Y.
8,40,000	11,30,500	14,83,327	3,91,046	6,265	M.	1,156	Kingsley-Golaghat (Assam)	178·00 N	100	*Nil*	25 0	25 0		12	P.Y.
1,80,000	.....	11,39,500	12,75,845	6,72,848	Dunsan Bros. & Co. Private Ltd.	1,256	Kotamallai Tea ..	24·50	5	.....	*Nil*	*Nil*		12	Y.P.T.
2,50,000	8,45,585	19,29,084	91,729	14,211	Dunsan Bros. & Co. Private Ltd.	626	Lede	21·00	10	2 0	3 12	1 0		12	Y.
5,00,000	4,50,000	10,08,997	13,55,152	1,760	Octavius Steel & Co., Ltd. ..	615	Methoni	19·37	10	1 0	4 8	1 12		12	Y.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING ; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,02,380	31,236	22,236	Planting Agencies Ltd.	Balmadies Plantations	3-35	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,136	21,11,164	49,25,353	4,71,882	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	7-65	10	0 12	0 8	0 7 1/5	0 12	2	Y.P.
18,00,000	21,60,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	25-00	10	0 4/5	0 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,380	25,13,635	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	22-10	10	1 8¼	1 12	2 4	2 0	6	Y.P.T.
4,60,000	6,47,666	7,58,759	40,378	1,009	Associated Planters Ltd. ..	Cottanad Plantations	17-25	10	1 8	1 8	1 12*	1 8	3	Y.P.
12,00,000	9,80,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	14-00	10	1 4	1 8	2 0	0 10½	12	Y.P.
4,00,000	10,02,999	13,33,825	2,27,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24-00	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	5,17,955	8,88,920	2,80,348	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber	28-75	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,840	A. V. Thomas & Co., Ltd. ..	Midland Rubber	16-95	10	1 8	1 4	1 8	1 8	12	Y.P.
3,35,000	3,31,500	14,16,774	1,67,177	16,787	A. V. George & Co., Ltd. ..	Nenmeny Rubber	20-25cd	10	0 12	1 8	1 8	2 0	3	Y.P.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co.	16-50	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	21,29,615	43,67,395	14,23,968	*Nil*	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4-80	10	0 3½	0 9 3/6	0 6 2/5	0 3 1/5	6,12	Y.P.
12,50,000	9,80,000	42,15,515	5,42,127	8,088	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	18-00	10	1 12*	1 12*	2 0	2 8	6	Y.P.
3,66,780	3,50,000	7,77,412	78,478	12,342	Peirce, Leslie & Co., Ltd. ..	Savumalai Estates Ltd.	19-25	10	0 9	2 8	1 0	1 8	11	Y.P.
10,00,000	3,09,600	22,34,978	1,49,071	8,472	Nast India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	8-06	10	0 4	0 8	0 12	....	12	Y.
2,50,000	2,87,500	5,37,767	30,934	14,867	A. V. George & Co., Ltd. ..	Thamarapally Rubber	27-00cd	10	3 0	3 0	3 0	....	12	Y.
9,15,300	4,00,000	20,99,924	90,217	37,055	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1-82	1	0 4½	0 13/5	0 2	0 2	9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Rapen Thomas, Esq.(Mg. Director)	Travancore Rubbers	16-75xd	10	2 0	2 0	3 0	....	12	Y.
41,00,000	13,61,221	81,07,222	12,64,246	3,46,523	Aspinwall & Co. (Travancore)Ltd.	Travancore Rubber & Tea Co., Ltd.	8-90cd	10	1 0	1 8	1 4	0 12	12	Y.P.
20,00,000	....	27,70,782	6,45,986	7,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	30-25cd	25	3 0	3 0	4 0	....	12	Y.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	29-40cd	10	2 0	2 0	2 8	1 8½	12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9-50	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,664	29,960	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	8.25	10	1 0	1 10	0 10	6 4	3,9	H.T.P.
6,00,000	10,25,000	69,46,050	37,72,100	2,45,707	McLeod & Co., Ltd.	440	Alexandra	135.00xd	100	2 8	7 8	10 0	5 01	6,12	H.P.T.
30,00,000	5,25,000	1,17,61,827	94,41,069	34,402	McLeod & Co., Ltd.	1,264	Alliance	68.00	100	5 0	12 0	6 0	*N d*	6,12	H.
40,00,000	43,17,051	1,74,37,979	92,01,844	11,277	Ahd & Co. Private Ltd.	2,561	Anglo-India	35.00	100	13 0	9 0	5 8	3 8	5,11	H.
20,00,000	23,80,918	99,91,416	65,66,094	65,302	Jardine Henderson & Co. ..	810	Auckland	75.00	100	4 0	4 8	10 0	1 0f	3,9	H.P.T.
£375,000	£667,408	£1,477,480	£987,176	....	Sir John H. Burder (Chairman)	959	Bally	141.00	100	4 0	*Nil*	5 8	*Nil*	3,9	H.P.
25,00,000	25,00,923	99,78,708	50,70,231	2,525	Andrew Yule & Co., Ltd. ..	1,889	Barnagore	90.00	£1	£1 10	15 0	£h. 15	*Nil*	3	Y.P.
45,00,000	38,45,000	57,03,172	21,28,574	2,46,100	Scoraljmull Nagarmull	820	Belvedere	95.00	100	15 0	10 0	7 8	*Nil*	6,12	H.P.
21,26,000	2,17,48,383	2,34,10,402	1,46,32,661	4,37,393	F. W. Heligers & Co. Private Ltd.	600	Bengal	14.37	10	1 4	1 2	1 2	....	6	Y.P.
35,00,000	21,81,426	1,17,90,047	72,95,980	1,326	Jagnath Industries (Coal) Co.	1,373	Birla	14.62	10	3 0	1 4	1 0	1 0	3	H.
7,47,380	3,09,540	42,18,704	31,63,682	—8,31,470	Dayaram & Sons	991	Budge-Budge	90.00	100	10 0	9 0	7 8	*Nil*	4,10	H.P.
18,00,000	26,46,234	87,35,841	43,24,058	1,328	Andrew Yule & Co., Ltd. ..	502	Calcutta Jute Mfg.	8.50	10	*Nil*	0 12	*Nil*	....	6,12	H.P.T.
99,15,400	95,49,238	2,23,00,759	1,11,49,803	19,010	James Finlay & Co., Ltd. ..	600	Caledonian	102.00	100	12 0	9 0	6 8	*Nil t*	5,11	H.
15,95,000	19,33,082	88,12,211	57,10,175	1,857	Andrew Yule & Co., Ltd. ..	600	Champdany	112.00	100	6 0	3 0	10 0	2 0f	3,9	H.
30,15,000	32,00,000	66,68,762	48,43,666	1,01,027	McLeod & Co., Ltd.	530	Cheviot	120.00	100	12 0	14 0	10 0	*Nil t*	5,11	H.P.
24,00,000	9,00,000	51,36,335	37,13,317	53,935	Shree Krishna Investment Co.,Ltd.	600	Chitavalsah	11.75	10	1 12	1 2	1 6	0 10f	6,12	H.P.
21,49 200	46,65,252	1,17,35,464	46,04,775	—2,30,845	Bird & Co. Private Ltd.	969	Clive	13.00	10	*Nil*	*Nil*	1 6	4s 0 8	3	Y.P.
38,00,000	40,71,679	76,67,475	47,80,110	2 564	Andrew Yule & Co., Ltd. ..	766	Dalhousie	74.00	100	4 0	2 8	4 0	*Nil*	3,9	H.P.
15,00,000	34,50,000	83,93,104	60,35,660	76,491	McLeod & Co., Ltd.	779	Delta	125.50	100	20 0	12 0	10 0	*Nil*	5,11	H.P.
21,00,000	60,60,960	2,70,39,034	1,90,10,198	1,80,416	Kettlewell Bullen & Co., Ltd. ..	1,884	Empire	14.00	10	1 0	1 4	1 4	0 8l	6,12	H.P.
21,00,000	13,00,000	97,88,074	54,63,992	1,54,822	Bangur Bros., Ltd.	1,414	Fort Gloster	290.00 N	100	5 0	6 0	15 0	7½t	3,9	H.P.
84,32,100	....	2,11,97,254	1,32,38,252	—2,67,452	Macneill & Barry Ltd.	1,709	Fort William	10	5 0	20 0	20 0	0 12¼	3,9	H.P.	
10,80,000	28,00,000	71,52,963	48,43,693	—74,093	Hillanders Arbuthnot & Co., Ltd.	607	Ganges Mfg.	47.00	100	*Nil*	0 8	2 8	*Nil t*	3,9	H.P.
24,00,000	29,82,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd.	607	Gondalpara	680.00	200	15 0	*Nil*	....	....	12	H.
40,00,000	64,68,333	1,14,00,348	56,72,180	2,40,348	Bangur Bros., Ltd.	1,394	Goumpore	220.00	100	30 0	20 0	15 0	2 8f	3,9	H.P.
16,80,000	18,61,969	66,47,731	47,70,918	—2,95,258	Baijnath Baljoria	1,078	Hastings	82.25 N	100	10 0	10 0	11 8	5 0	3	Y.P.
25,62,500	49,64,372	1,52,66,485	1,10,52,708	57,084	Jardine Henderson Ltd.	720	Hooghly	18.50	10	1 4	0 8	1 4	*Nil*	3	H.
42,50,000	27,85,153	2,86,51,559	1,56,51,859	1,18,935	Ramduti Ramkissendas	2,272	Howrah	14.75	10	1 8	1 0	0 14	0 4f	3,9	H.P.T.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	Hukumchand	20.00	7½	3 0	3 0	4 0	2 0	3	Y.P.T.
80,000							India	{127.00	O. 125	6 4	3 2	4 11	4 11f	3,9	H.
24,00,000	18,75,346	1,85,39,772	1,15,01,808	....	Jardine Henderson Ltd.	1,797	Kamarhaity		D. 1	0 6/5	0 4	0 3 2/5	3⅝ 1/5		
19,20,000'B'								88.00	100	9 0	8 0	2 8	*Nil t*	6,12	H.P.
80,00,000								85.00	'B' 100	9 0	8 0	2 8			
24,00,000'B'	9,81,472	1,74,14,302	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kanknarrah	59.50	100	7 8	6 8	1 0	*Nil*	6,12	H.P.
21,00,000	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd.			59.50	'B' 100	7 8	6 8	1 0			
54,00,000	23,88,375	1,72,56,983	1,18,00,127	56,228	Anderson Wright Ltd.	708	Kelvin	161.00	100	15 0	20 0	17 8	5 0l	6,12	H.P.
48,00,000	1,08,90,850	2,44,37,944	1,16,66,122	41,637	F. W. Heligers & Co. Private Ltd.	1,530	Khardah	155.00	100	17 0	13 0	11 8	6 8f	3,9	H.P.
24,48,000	39,51,564	1,11,32,246	47,99,245	—2,13,719	Bird & Co. Private Ltd.	1,250	Kinnison	139.00	100	9 0	7 0	13 0	6 0f	3,9	H.P.
48,00,000	55,75,192	1,16,29,280	64,57,897	3,708	Bird & Co. Private Ltd.	931	Lansdowne	80.00	100	7 0	3 0	7 0	*Nil t*	3,9	H.
21,65,200	28,85,045	2,64,13,849	1,56,97,809	1,64,942	M.	940	Lawrence	83.00	100	5 0	6 0	6 0	*Nil t*	3,9	H.
27,98,900	38,40,147	1,54,91,466	1,01,37,572	—3,09,111	F. W. Heligers & Co. Private Ltd.	1,283	Magna	79.50	100	5 0	2 8	3 12	3 12f	3,9	H.
20,00,000	15,55,000	29,01,568	18,21,709	17,816	Howrah Trading Co., Ltd. ..	815	Maihati	53.00	100	*Nil*	*Nil*	*Nil*	*Nil t*	3,9	H.
15,00,000	11,54,026	30,25,401	9,82,816	1,929	Andrew Yule & Co., Ltd. ..	476	Mankarpara	13.75	10	0 5	1 2	0 10½	....	4,10	H.P.
26,25,000	27,00,000	28,31,475	20,72,256	1,29,411	McLeod & Co., Ltd.	852	National	19.60	10	2 0	2 0	1 12	0 6	4,10	H.P.
85,50,000	2,71,44,343	4,29,16,037	99,20,548	3,71,393	Sahu Jain Ltd.	816	Nellimarla Jute	16.75	10	1 12	1 8	1 0	0 8l	6,12	H.P.T.
16,79,880	49,70,164	1,18,50,857	51,68,018	79,116	Bird & Co. Private Ltd.	1,705	New Centralt	12.12	10	2 4	1 7	1 8	0 12l	12	H.P.
66,79,000	82,54,995	2 18 55,164	1,39,45,811	17,000	Macneill & Barry Ltd.	567	Northbrook	20.81	10	1 2	1 4	1 8	1 8l	3,9	H.P.
24,92,250	23,78,790	75,07,658	50,85,590	....	....	1,002	Nuddea	32.00	50	1 0	0 8	1 0	*Nil t*	3,9	H.
25,00,000	6,28,490	80,36,437	65,32,156	51,895	Andrew Yule & Co., Ltd.	601	Orient	102.00	100	12 0	10 0	9 0	1 0f	5,11	H.P.
30,00,000	9,80,000	26,97,878	8,93,180	—1,28,218	Birla Brothers Private Ltd. ..	400	Presidency	4.00xd	5	0 2	0 8	....	....	6,12	H.P.
49,50,000	5,82,465	1,23,53,529	59,15,596	—11,72,851	Peirce, Leslie & Co., Ltd. ..	806	Rameshwara	5.12	10	*Nil*	*Nil*	*Nil*	*Nil t*	3	H.P.
£600,000	£1,098,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd. ..	1,376	Rishra	6.94	10	*Nil*	*Nil*	*Nil*	*Nil t*	3,9	H.P.T.
30,00,000	13,14,919	1,15,50,877	70,99,145	1,972	Bagaria More & Co., Ltd.	2,013	Samnuggur	10.25	£1	10%	10%	8%£1	....	12	H.P.
14,00,000	11,25,000	66,11,794	48,79,294	5,116	Peirce, Leslie & Co., Ltd. ..	911	Shree Ambica	14.00	10	0 8	1 0	0 8	....	8,5	H.
26,19,600	43,72,182	1,27,38,346	59,32,439	—4,87,127	Bird & Co. Private Ltd.	401	Soorah	13.00	10	1 8	2 0	1 8	....	12	H.P.
42,00,000	£995,757	£1,187,660	....	£58,548	Thomas Duff & Co. (India), Ltd. ..	880	Standard	62.50	100	8 0	8 0	1 0	*Nil*	3,9	H.P.
35,35,600	33,05,723	2,00,00,808	84,32,985	18,284	Bird & Co. Private Ltd.	1,794	Titaghur	41.50	£1	10%	10%	8%£1	....	12	Y.P.
£460,000	£688,035	£1,154,819	....	£50,501	Thomas Duff & Co. (India) Ltd. ..	1,336	Union	112.00	100	8 0	6 0	10 0	1 0f	3,9	H.P.
2,50,000	6,35,000	56,01,062	40,73,991	11,327	McLeod & Co., Ltd.	1,231	Victoria	10.00	£1	10%	10%	8%£1	....	12	Y.P.
						457	Waverley	3.12	1	0 1	0 3	0 3	*Nil*	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	25,510	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	16.00	10	1 0	1 5	1 6	0 8f	3,9	H.
15,00,000	8,77,543	37,27,084	24,90,182	45,899	Jardine Henderson Ltd.	Bararee Coke	16.25	10	1 6 2/5	1 7 1/5	1 7 1/5	0 9 3/5t	3,9	H.
4,40,350	3,05,000	9,25,011	5,04,376	4,000	Kalyanji Mavji & Co.	Bengal Bhaidee	13.50 N	10	0 4	0 4	0 10	0 10f	6,12	H.
1,90,00,000	1,40,49,223	5,91,93,614	3,95,77,226	7,21,543	Andrew Yule & Co., Ltd.	Bengal Coal	217.00	100	23 8*	30 0*	25 0*	....	4,10	H.P.
2,25,000	6,30,653	24,81,788	22,23,824	1,07,984	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14.00	10	*Nil*	*Nil*	*Nil*	....	12	Y.P.
15,97,000	4,78,158	99,78,708	50,70,231	2,525	V. Y. Low & Co. (Private) Ltd. ..	Bolgora	4.75	10	0 8	*Nil*	*Nil*	....	9	Y.
40,00,000	8,00,000	1,39,06,562	71,06,188	27,488	Sahu Jain Ltd.	Bharat Collieries	5.62	10	0 12	0 10	0 10	....	6	Y.P.T.
7,15,000	16,11,080	53,62,538	37,38,560	—1,57,446	F. W. Heligers & Co. Private Ltd.	Bhulanbararee	13.00 N	10	*Nil*	*Nil*	*Nil*	....	6,12	H.P.
16,00,000	15,17,933	53,14,586	28,99,151	—78,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	11.00 N	10	....	....	....	....	6,12	H.P.
7,50,000	24,29,026	42,29,803	26,58,408	84,207	F. W. Heligers & Co. Private Ltd.	Borera	16.81	10	2 12	2 0	2 0	....	6,12	H.P.
49,97,750	1,79,05,968	4,22,96,647	1,90,14,824	36,168	Bird & Co. Private Ltd.	Burrakur	22.00	10	0 12	0 9	0 10	0 8l	6,12	H.P.T.
8,00,000	....	42,33,480	7,80,986	9,627	Hindustan Investment Corpn., Ltd.	Central India	5.84	10	0 4	0 4	0 4	0 3	3	Y.
6,00,000	13,30,590	49,11,827	33,03,469	69,009	M.	Central Kurkend	12.00 N	10	0 12	0 4	....	....	12	Y.
16,00,000	1,43,676	7,25 458(k)	....	2,199	F. W. Heligers & Co. Private Ltd.	Charria	1.87	4	0 2	0 2	0 1f	....	6,12	H.
£340,000	£250,558	£1,51,704	£91,518	—1,82,212	Macneill & Barry Ltd.	Dhemo Main	5.62	10	*Nil*	*Nil*	*Nil*	....	6,12	H.T.
£2,63,760	£2,35,249	4,04,51,577	2,89,25,665	£58,923	Jardine Henderson, Ltd.	East Indian	24.75	£1	2 8	2 0	2 0	2 0	4	Y.
10,00,000	1,60,000	13,51,144	4,38,167	82,353	Macneill & Barry Ltd.	Equitable	24.50	10	1 8	1 8	1 8	....	6,12	H.P.T.
12,00,000	1,32,000	41,35,247	25,48,143	1,144	Bhatter's Agency Ltd.	Ghusick and Musia	18.50 N	10	0 8	0 8	0 4	....	3	Y.
8,00,000	7,25,350	52,07,121	18,89,341	45,985	Killick Industries Ltd.	Hingir-Rampur	30.75	10	0 0	*Nil*	0 6	2 4	6	H.
22,00,000	1,12,000	24,74,412	6,18,548	5,950	Macneill & Barry Ltd.	Hurriladih	21.00	10	1 6	1 12	2 8	....	6,12	H.
3,50,000	2,65,379	12,54,857	7,32,658	—5,57,298	Bajpaie Trust Ltd.	Jogta Coal	1.50	10	*Nil*	*Nil*	....	....	12	Y.P.
20,00,000	1,77,175	58,59,683	4,45,140	6,965	Andrew Yule & Co., Ltd.	Kalapahari	20.00	10	2 12	*Nil*	*Nil*	....	3,9	H.
5,00,000	16,60,000	46,77,588	26,47,985	1,82,474	Andrew Yule & Co., Ltd.	Karanpura Collieries	88.50	100	*Nil*	*Nil*	2 8	5 0	2	H.
1,38,400	5,72,960	13,88,941	5,72,960	—2,66,240	Berila & Co.	Katras Jheriah	55.00	10	4 0	4 0	5 8	....	1,7	H.
11,00,240	54,814	16,80,329	10,68,899	10,611	H. V. Low & Co. (Private) Ltd. ..	Khas Kajora	2.50 N	10	*Nil*	*Nil*	....	....	6,12	H.P.
9,00,000	11'11,093	28,38,749	22,36,193	4,708	H. V. Low & Co. (Private) Ltd. ..	Kusardi	2.50 N	10	*Nil*	*Nil*	0 2	....	3	Y.
7,48,240	2,00,000	12,13,206	5,66,219	81,391	Kanik Brothers Ltd.	Lakurka	9.00 N	10	0 8	0 4	0 2	....	4	Y.
7,00,000	25,617	10,82,740	5,30,288	4,560	Amrital Oha & Co., Ltd.	Mahabir	6.75	10	0 8	0 6	0 8	....	12	H.
17,76,220	20,01,768	1,19,76,853	68,69,966	94,228	Andrew Yule & Co., Ltd.	New Banadeopur	9.00 N	10	0 12	1 4	....	....	3,9	H.P.
6,00,000	76,000	83,00,471	81,30,197	79,233	Octavius Steel & Co., Ltd. ..	New Beerbhoom	14.37	10	1 0	1 2	1 0	....	4,10	H.
1,15,000						New Manbhoom	9.00	10	*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
1,87,500	2,85,193	18,07,219	8,64,731	15,960	Andrew Yule & Co., Ltd.	North West	{19.25	10	0 4	*Nil*	1 6	0 12f	3,9	H.
7,50,000	12,21,853	5,17,666	2,97,666	56,646	F. W. Heligers & Co. Private Ltd.	Ondal	16.50	7½	0 8	*Nil*	1 0½	0 9l		
10,00,000	1,10,000	41,24,516	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	8.00 N	10	0 6	0 8	0 4	....	6,12	H.
8,54,000	13,50,000	10,56,792	8,09,957	91,987	Deepchand Kishenlal	Parasea	18.00 N	10	0 4	0 12	1 0	....	6,12	H.P.
16,75,000	16,50,000	49,91,252	29,61,253	23,784	Shaw Wallace & Co., Ltd.	Pench Valley	14.50	10	1 10	1 10	1 0	0 11 1/8f	3,9	H.
33,99,500	20,17,108	1,34,35,588	87,86,164	52,188	B. N. Elias & Co. Private Ltd. ..	Raneegunge	10.25	10	*Nil*	0 8	0 10	0 6	3,9	H.
12,50,000	10,40,000	58,50,265	39,71,364	15,614	Shaw Wallace & Co., Ltd.	Rewa	19.50	10	2 0	1 6	0 14	0 12f	6,12	H.
30,00,000	9,00,000	44,33,558	18,73,118	2,36,176	Jalpuria Sons Ltd.	Samla Collieries	11.00 N	10	0 8	0 12	1 0	....	12	Y.
2,50,000	1,95,802	12,78,480	12,31,227	21,070	M.	Searsole	5.00 N	2½	0 10	0 10	0 12	....	12	Y.
2,50,000	3,35,598	29,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd.	Seebpore	26.50	7	1 12	2 0	2 8	....	6,12	H.P.
8,00,000	3,31,239	53,491	53,491	7,958	F. W. Heligers & Co. Private Ltd.	Sendra	8.00 N	10	*Nil*	0 2	0 4	....	6,12	H.T.
68,21,450	29,77,474	4,72,97,817	3,17,50,386	7,810	Industrial Trust Fund (Govern-ment of Hyderabad)										
17,50,000	10,89,693	38,95,664	16,16,434	10,407	Bird & Co. Private Ltd.	Singareni	10.50	10	*Nil*	0 11 1/8	0 12	....	12	Y.P.
8,00,000	14 01,053	1,66,57,570	27,510	17,411	F. W. Heligers & Co. Private Ltd.	South Karanpura	8.12	10	0 4	0 8	0 8	0 5 3/5	3,9	Y.
10,00,000	13 950	31,30,415	15,45,502	—370,421	Villiers (Private) Ltd.	Standard	18.75	10	2 0	1 8	1 0	1 0	12	Y.
5,50,000	2,80,000	20,47,944	15,95,944	—9,556	Williamson Magor & Co., Ltd. ..	Talcher	1.62	2½	*Nil*	*Nil*	*Nil*	....	9	Y.
49,96,000	67 064	56,66,550	22,00,000	7,288	Hindustan Investment Corpn., Ltd.	Union	15.00	10	1 12	0 12	*Nil*	....	6,12	H.
7,00,000	21,559	56,46,571	23,31,696	—1,46,650	Macneill & Barry Ltd.	Western Bengal	5.30	10	0 6	*Nil*	0 8	0 8	3	Y.
						West Jamuria	7.50	10	*Nil*	*Nil*	*Nil*	....	6,12	H.

M—Managed by the Board of Directors. † Less income-tax. z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(i) Made up of an interim dividend of Rs. 1-13 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,80,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub

NEW TAX PROPOSALS

(*Concluded from page* 1028)

Let me give a little illustration. I was recently at a village near Baroda and went around a free primary school. The total number of people in the village was about 900 and the number of children of school-going age was 98. When I inquired, I found that only 58 children attended the school and I asked why the other 40 were not brought to the school. I was told that the parents were hesitating to bring them, because they had no clothes to put on. Well, if this is achieving a higher standard of living for the masses under our schemes of planned development, I would leave it to the authors of planned development to get whatever satisfaction they derive from this reality in Indian life. What I wish to emphasise is that, in a country like ours where the overwhelming majority of the people live on the bare subsistence, the objective of restraining consumption, particularly of the daily necessities of life, can only be described as the achievement of a still lower standard of living.

The four objectives which I have stated are to control inflationary forces and reduce consumption of some of the essential commodities. I think that anybody who has a nodding acquaintance with the economy of the country would appreciate that, with the amount of money that is being pumped into circulation day in and day out (we spent last year Rs. 710 crores and, in 1957-58, it is proposed to spend another Rs. 900 crores for the so-called planned development) and with the cloth excise duty which has been placed on a vast range of commodities, it is inevitable that the inflationary pressures, instead of being checked, will be accelerated in the coming months, with the consequence that the money income of the people, which we are told is going up in terms of prices, really reflect no real improvement. As a matter of fact, even official statisticians have recently prepared estimates and have shown that, particularly in recent years, the gain in real income in India is a minus figure. There is an admitted increase of 13 per cent. in the level of prices last year. The trend of rising prices is continuous.

There is widespread concern over the food situation. There are complaints, which we read in papers from numerous parts of the country, of both shortage of food and high prices, even in spite of the fact that fair price shops have been opened all over the country. In a situation like this, to talk of controlling inflationary forces by new excise duties on consumer goods is nothing short of a phantasmagoric hallucination.

Tax on Capital Goods

The two essential capital goods are cement and steel which are both controlled commodities and essential commodities for the purpose of development. These have been still scarce. The excise duty on cement has been raised from Rs. 5 to Rs. 20 per ton and on steel ingots from Rs. 4 to Rs. 40 per ton. Higher prices for both have been announced, as they are controlled commodities. Industries in India are already suffering from an initial handicap in capital cost of anything between 30 and 40 per cent. in the shape of higher prices for imported plant and machinery, technical services and royalties. The capital costs of putting up factories will, therefore, be further enhanced by steel costing Rs. 70 more per ton and cement costing Rs. 15 more per ton from now. At a time when the private sector is expected to make its biggest contribution to the development of the economy and when capital is none too freely available, a substantial increase in the cost of these essential capital goods must result in higher capital costs and, because of the scarcity of capital available, must certainly discourage private enterprise in the country.

Apart from this, I would like to draw the attention of the public to profiteering by the Government. Last year, the State Trading Corporation took over the entire distribution of cement in the country and fixed a price of Rs. 102-8 per ton on the ostensible plea that, as the country was short of cement, high-priced cement would have to be imported in order to make available adequate supplies to meet the growing consumption in the country. The Government announced that there would be an import of half a million tons of cement from abroad and, as imported cement costs more than locally made cement, the Government felt that the local retail price of cement should be at Rs. 102-8 per ton. I have made enquiries and I am told that the Government have so far imported less than 100,000 tons of cement and they have no intention whatsoever of importing any more because of the foreign exchange situation. Coming to the cost at which indigenous cement is made available to the State Trading Corporation, there is an illegitimate profit of Rs. 12 per ton made by the Corporation which penalises the consumer of an essential commodity like cement. The public are entitled to call for an explanation from Government as to why they should indulge in profiteering of this character in an essential commodity like cement when times without number one of the charges hurled at private enterprise is profiteering. The private sector has always been told that, whenever the commodity is scarce, the private sector benefits and profits out of it. Here you find that daylight robbery of Rs. 12 per ton is made by the State Trading Corporation on an essential commodity like cement.

The excise duty on ingot steel has been raised from Rs. 4 to Rs. 40 per ton. Five tons of ingot steel gives you four tons of finished steel, and, therefore, the real increase in price which should have been brought about as a result of excise duty would be about Rs. 48. It is difficult to understand why the Government have put up the price of Rs. 70 per ton. This is another fine illustration of profiteering indulged in by the Government. Although Tatas may be producing one million tons of steel, as it is a controlled commodity, they cannot sell one pound of steel on their own. It is all sold through the Government.

Then there is the increased levy on petrol. Anybody who has cared to study the economic conditions of the country in the last year or two must have been struck by the fact that, perhaps one of the troublesome bottlenecks in the development of the country is lack of adequate transport. It has been recently realised by the railways that they alone cannot carry all the load that is required to feed our development projects and, therefore, it is imperative that road transport should be encouraged. At this time, there is an increase of four annas per gallon in the price of petrol which will further hamper the development of our country.

(To be continued)

COAL DUMPS

The Committee on Transportation, set up by the Coal Council of India, with the Member for Transportation in the Railway Board as convenor and five other members, has addressed a circular to all chambers of commerce and trade associations to ascertain their views on a proposal to set up coal dumps at important industrial and consuming centres and transhipment points. These bodies have been asked whether they or their representatives would undertake to run such dumps and to take advantage of available transport during the period when the railways will have more wagons to offer.

The proposal, according to the Committee, has potential advantages to the overall economy of the country. The main advantages are: the utilisation of railway transport capacity during the slack season to build up stocks of high grade coal upcountry for industries, as well as low grade coals at various consuming centres, the reduction of pithead accumulations and better utilisation of metre-gauge wagons by having dumps at break of gauge points. The functions of such dumps will be to distribute equitably coal to various competing consumers belonging to the same industry or trade without giving any undue preference.

Notice

STATE BANK OF INDIA

NOTICE IS HEREBY GIVEN THAT A LOCAL Meeting of the Shareholders of the State Bank of India on the Branch Register of Shareholders kept at the Bombay Local Head Office of the Bank will be held at the Bombay Local Head Office, Apollo Street, Bombay, on Wednesday, the 26th day of June 1957, at 4-00 p.m. (Standard Time), for the purpose of—

(1) electing two persons to be Directors of the Central Board in pursuance of section 19(1) (c) of the State Bank of India Act, 1955, to fill the vacancies which will arise on the 1st July 1957 through the retirement of Sarvashri Neville Ness Wadia and Pratapsinh Mathuradas, two Directors of the Central Board, and

(2) electing one person to be a member of the Local Board at Bombay in pursuance of Regulation 48 of the State Bank of India General Regulations, 1955, in place of Shri M. H. Hasham Premji, a member of the Local Board, whose term of office will expire on the 30th June 1957.

P. C. BHATTACHARYYA,
Chairman.

BOMBAY, 22*nd May* 1957.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd May 1957.

	Closing quotations 16-5-1957	High	Low	Closing quotations 22-5-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	151.25	151.25	145.00	145.00
Apollo (2)	2.40	2.38	2.32	2.34
Bombay Dyeing (250)	509.00	522.00	506.00	520.00
Bradbury (50)	211.25	211.25	197.00	197.00
Central India (100)	104.00	105.00	101.00	102.00
Century Mills (100)	406.00	413.50	390.50xd	395.00xd
Colaba (100)	65.00	—	—	65.00
Edward Textile (200)	255.00	255.00	247.50	247.50
Elphinstone (50)	60.00	60.00	58.00	58.50
Finlay (100)	264.00	270.50	265.00	265.00
Gokak (100)	176.00	179.00	176.00	176.00
Ind. Untd. Defd. (1)	1.52	1.56	1.50	1.52
Ind. Untd. Ord. (10)	9.60	9.60	9.45	9.50
Indore Malwa (100)	132.00	140.50	136.00	139.00
Khatau (100)	170.00	169.00	168.00	169.00
Kohinoor (100)	305.00	307.00	292.50	296.00
Lakshmi (250)	680.00	—	—	680.00
Minerva Mills (100)	84.00	—	—	84.00
Model Nagpur (250)	178.57	180.00	178.75	180.00
Morarji (100)	212.50	—	—	212.50
Mysore (50)	101.25	—	—	101.25
National Rayons (100)	203.50	213.00	204.00	213.00
New City (100)	135.75	—	—	135.75
New Great (100)	218.00	220.00	218.00	218.00
Phœnix (100)	142.30	—	—	142.30
Podar Mills (100)	165.00	—	—	165.00
Sassoon Silk (10)	9.80	—	—	9.80
Sassoon Spg. (10)	36.50xd	—	—	36.50
Sholapur (1,000)	1,225.00	—	—	1,225.00
Shrinivas (100)	165.00	170.00	165.00	165.00
Simplex (50)	162.50	164.00	156.00	161.50
Standard (100)	385.00xd	392.00	377.00	380.00
Svadeshi (100)	192.50	204.50	185.00xd	186.00xd
Swan (100)	370.00	—	—	370.00
Tata Mill (25)	45.50	46.00	41.75xd	41.75xd
Vishnu (100)	122.00	—	—	122.00
Western India (1,000)	5,180.00	—	—	5,180.00
BANKS				
Bank of India (50)	133.25	134.00	133.00	134.00
Do. (New) (50)	138.00	—	—	138.00
Bank of Baroda (50)	102.00	102.75	101.75	101.75
Central (25)	50.25	51.50	50.50	51.00
Central 'A' (25)	55.00	54.00	53.75	54.00
Dena Bank (50)	38.50	—	—	38.50
Punjab National (25)	52.50	—	—	52.50
Union Bank (5)	7.20	7.25	7.20	7.25
United Com. (50)	53.50	54.50	53.50	54.50
ELECTRIC COS.				
Ahmedabad (100)	92.50	93.00	92.00	93.00
Amalgamated (10)	10.35	10.40	10.35	10.40
Andhra Valley (1,000)	1,208.75	1,200.00	1,190.00	1,200.00
Bom. Sub-El. (100)	106.00	105.50	105.00	105.00
Surat (100)	108.00	108.00	105.50	106.25
Tata Hydro (100)	118.00	119.50	118.00	119.50
Tata Power (1,000)	1,222.50	1,220.00	1,200.00	1,215.00
INSURANCE COS.				
British India (10)	13.25	—	—	13.25
Empire of India (100)	350.00	—	—	350.00
Ind. Mercantile (20)	41.25	—	—	41.25
Jupiter (15)	7.00	—	—	7.00
New India (15)	40.50	40.75	39.50	40.25
Oriental (200)	3,775.00	—	—	3,775.00
Universal (10)	13.00	—	—	13.00
Vulcan (10)	15.60	—	—	15.60
STEEL COS.				
Ind. Iron (10)	17.20	18.05	17.40	17.60
Tata Steel Ord. (75)	153.50	154.50	150.75	154.00
SUGAR COS.				
Belapur (50)	210.00	219.00	215.00	217.50
Bhopal (10)	17.90	18.25	17.90	18.25
Phaltan (50)	127.00	130.00	128.00	129.50
Walchand Ind. (100)	239.00	245.00	230.00	245.00
CEMENT COS.				
Associated Cts. (100)	146.00	151.75	145.00	151.50
Digvijay (100)	145.25	145.25	136.00	137.00
MISCELLANEOUS				
Alcock Ashdown (100)	242.50	246.25	243.75	246.25
Bom. Burmah (125)	506.00	515.00	501.00	513.50
Do. (New) (50)	210.00	210.00	185.00	190.00
Br. Petrol (4 sh.)	2.40	2.48	2.40	2.40
Br. I. Corpn. (5)	6.00	6.65	6.00	6.45
C. P. Rly. (100)	69.50	—	—	69.50
Indian Copper (2 sh.)	3.28	3.50	3.32	3.36
Ind. Inv. Tr. (100)	75.50	75.50	70.25xd	70.25xd
Kamp (200)	197.50	—	—	197.50
Killicks (100)	161.50	161.50	159.00	159.00
Polson (100)	163.75	—	—	163.75
Port Canning (100)	6.25	—	—	6.25
Pra. Automobiles (100)	88.00	88.00	86.25	87.00
Premier Con. (30)	144.00xd	143.50	140.00	142.00
Scindia (20)	17.20	17.55	16.90	17.30
G. E. Shipping (10)	18.00	18.70	18.00	18.55
Shivrajpur (10)	76.00	78.00	75.50	77.50
Tata Chemicals (10)	16.00	16.25	15.75	16.25
Tata Locomotive (100)	144.50	145.00	139.50	143.00
Tata Oil (25)	42.50	43.50	42.00	43.50
W. I. Match (100)	157.50xd	159.50	158.00	158.00

GOVERNMENT SECURITIES	17-5-1957	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	23-5-1957
	Rs.			Rs.
2½% 1961	98.50	—	4.18	98.50
2½% 1960	98.45	—	3.90	98.50
2½% 1962	93.95	—	3.95	93.95
2½% 1976	88.10	—	4.03	88.10
3 % 1957	99.75	—	3.38	99.75
3 % 1958	99.60	—	3.26	99.60
3 % 1959-61	97.75	3.95	3.52	97.75
3 % 1964	94.40	—	3.92	94.40
3 % 1963-65	94.15	4.10	3.85	94.15
3 % 1966-68	92.10	4.05	3.90	92.00
3 % 1970-75	87.20	4.29	4.02	87.00
3 % 1986 Con. Loan	73.75	—	4.09*	73.50
4 % 1960-70	100.80	3.75	3.92	100.80
4½% 1958-68**	101.75	2.95	4.30	101.75
2½% 1961 N.P. Bonds	99.50	—	3.63	99.50
3½% 1964 N.P. Loan	98.20	—	3.80	98.15
3½% 1965 N.P. Loan	98.20	—	3.77	98.15
2½% 1962	97.80	—	3.80	97.60
3½% 1967 N.P. Bonds	98.50	—	3.69	98.40
5½% 1974	98.50	—	3.87	98.45

BRITISH GOVERNMENT SECURITIES

	Closing quotations 10-5-1957 £			Closing quotations 17-5-1957 £
2½% Brit. Consols	52⅛	—	—	51⅞
3 % Savings Bonds 1965-75	75⅜	—	—	73⅛
3% War Loan 1955-59	96⅜	—	—	97⅛
3½% War Loan	70⅛	—	—	70⅜
4% Victory Bonds 1976	94⅜	—	—	94⅛
4% Funding 1960-90	89⅛	—	—	89⅛

* Current Income x.d.—Ex-dividend. ** Rupee Counterparts.
x.r.— Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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REVISE THE PLAN

IT is becoming increasingly clearer that those who thought that the second Five-year Plan had been drawn up in an over-ambitious spirit were right after all. Both from expected and unexpected quarters the criticism has continued to be made that the Plan must be revised, in order to make the implied burdens less heavy for the people. Indeed, a somewhat apt variation of the old question—whether the Sabbath was made for man or man for the Sabbath—has been asked in reference to the Plan itself. That astute politician and tried administrator, Mr. C. Rajagopalachari, has described the Plan as a "veritable monolithic cast to our public affairs" which has been imprisoned within the stone walls of the Plan and has been robbed of necessary flexibility. Both in Parliament and at the closed meetings of the Congress members of Parliament, a great deal of justifiable misgivings, if not also indignation, has been expressed over the heavy taxation necessitated by the Plan. And the one question which is being repeatedly asked is whether the Plan cost could not be cut to suit the size of the resources cloth.

In the face of all this public criticism, the Government's persistence in sticking to the size and period of the Plan carries little conviction to the people. For its "no-change-in-Plan" attitude, the Government has so far given two reasons—one political and the other economic. The political reason is the less convincing of the two, though the Government apparently attaches greater importance to it. The political argument against changing the Plan is that the Government has been voted into power because of the Plan and is, therefore, committed to it. This argument overlooks the basic facts of the Indian political structure. In a country where the overwhelming majority of the people are ignorant of the fundamental issues relating to the Plan, or even what the Plan is all about, it is wrong to contend that the Plan has been an election issue. Indeed, the Indian public has shown itself to be more disturbed by linguistic or regional issues than by Plan considerations. Perhaps, more seats have been lost to the Congress through linguistic differences than gained by its adherence to planned economy. The fact is that the prestige of the Congress is high, thanks to its eminent leaders and their past sacrifices, and this prestige has little to do with the Plan. By modifying the economic programmes which form part of the Plan, the Party will not suffer any diminution in its political status. On the contrary, there is a certain danger in its persistence in sticking to an over-ambitious Plan, in that the Plan may induce in the people a feeling of revulsion, a sullen and contrarious mood expressing itself in a demand for being saved from the Plan. In a totalitarian country, people may be made to suffer for their good. But, in a democratic country, the authorities have to carry the people with them and can go only so far as they are allowed to go. While, in the former case, the pace of progress may be quick, in the latter, whatever progress is achieved is likely to be more enduring. Thus, for purely political reasons, the Government need not persist in its "no-change" attitude towards the Plan.

The economic argument against modifying the Plan has not been clearly stated so far. In the course of what has presumably meant to be an answer to those who urge such modifications, the Union Finance Minister, Mr. T. T. Krishnamachari, observed, in the Rajya Sabha last week, that the Plan was not a piece of India rubber to be enlarged at will. In a sense, this is true. But it is also true that the Plan is not a Procrustean bed to which people must be fitted somehow. The fact is that both the people and the Plan have to change. Since it is easier to change the Plan than the people—at least in the short-term—it is perhaps wiser to alter the Plan to a size that the people will "take" rather than stick to the Plan in a spirit of "come-what-may." Both resources and Plan have to change; the former should be stretched as far as the people will allow them to be stretched and the latter modified in the light of available resources. From this point of view, the Finance Minister did some audible thinking when he spoke on the subject in the course of his budget speech. He stated, in effect, that the core of the Plan—steel, coal, transport and ancillary power—must be carried through. He observed that, "even if the Plan did not encounter difficulties in certain sectors—which it does—a re-phasing of it might be necessary in certain parts" and went on to explain the need for this re-phasing in the light of the socio-economic objectives of the Plan. Again, although he admitted that the Plan had "run into difficulties," he felt that "to pronounce that our Plan is too ambitious would be a declaration of defeat in advance." It is a pity that the Government should be obsessed with ideas of "success" and "defeat" in relation to the Plan and it should not attempt at a more realistic appraisal of what it can achieve within the given set-up of available resources and the size of the resources it can reasonably hope to raise.

There are several considerations which make it imperative that the Government should take both a close and a long look at the Plan. There is first the "resources" aspect of the Plan. The Planning Commission has bloated the size of the Plan after it was first formulated. To this has to be added the rise in the cost of the Plan, necessitated by the increase in prices. Some light on the overall gap in internal resources for carrying out the Plan was thrown by Mr. Krishnamachari, in the course of a recent Press conference. The original Plan was for Rs. 4,800 crores. In this, there was a taxation gap of Rs. 450 crores. Another gap of Rs. 400 crores was to be covered later on, presumably by taxation, making a total of Rs. 850 crores. They had intended to cover Rs. 1,200 crores by deficit financing. This brings the gap to Rs. 2,050 crores. Mr. Krishnamachari estimated that, if the Plan was to be carried out more or less intact, it would need Rs. 400 crores more; this would widen the gap to Rs. 2,450 crores. He said that he had set the target for deficit financing at Rs. 800 crores. The recent budget proposals—namely, those made in March, September and December last year and the present proposals—will cover Rs. 800 crores. He also allowed for a progressive increase in revenue to

the tune of Rs. 100 crores. The States were expected to raise Rs. 225 crores, as against which they have already raised Rs. 75 crores; this leaves a balance of Rs. 150 crores to be raised by them. All this would still leave a gap of Rs. 525 crores. This is a large gap, especially when one takes into account that even this estimate is based on certain large assumptions. In fact, it may even be more, as the expenditure on defence is steadily rising. Estimates of outlay and available resources have varied in the past. They might vary still. How then can the Government argue that the Plan cannot be revised?

Other considerations which indicate the need for prompt revision of the Plan are the human element in fiscal policy, the foreign exchange consideration and the lack of administrative personnel. The recent manifestation of popular indignation against the tax proposals must make the Government realise what to expect in future. The Government must recognise that even what is fiscally correct or reasonable need not necessarily be popular. Again, if the first instalment of tax proposals for the second Plan is itself greeted by such opposition, how much greater will be the opposition when further tax proposals are made? Secondly, the foreign exchange position, on the Government's own admission, presents a difficult problem. Indeed, this is the most intractable of the country's problems, for it is the one that cannot be solved entirely by what can be done in the domestic sphere. On the contrary, what is being done in the domestic sphere is aggravating the problem. Thirdly, there is the shortage of administrative and technical personnel. This shortage is likely to be intensified in the next few years.

These and other considerations indicate the need for significant alterations in the Plan, whether in its size or its period or both. There is no reason why the Government should not look the facts squarely in the face and take appropriate decisions. The unpalatable facts include the slow pace in State-sponsored enterprises. It would appear that the Rourkela steel unit is not proceeding satisfactorily and that Bhilai is lagging behind schedule. It is doubtful whether all the State-sponsored projects will be completed in time. If they are not completed and resources are raised on the assumption they will be, it might well lead to wastage or misdirection of funds. For the temptation will then be to spend the money raised on less essential enterprises. Again, it is not as if the Plan is incapable of revision, for in it are included programmes and blue-prints of projects which admit of modification, reduction or even elimination.

The Government is doing an injustice to its critics if it charges them with being ignorant of the importance of the "core" of the Plan. Actually, no one has suggested that the "core" should be given up, or even abridged. But the critics too, on their part, have failed to indicate what parts of the Plan could be safely held over. What is clearly needed is that a careful review of the Plan should be made by practical-minded people, in order to find out how precisely the Plan could be modified without endangering its core to which the Government rightly attaches considerable importance. Such modification, when it is completed, besides being intrinsically desirable, will lessen the popular tension in the country over fiscal proposals and also lead to a livelier appreciation abroad of the Government's sense of realism. "Our Plan—right or wrong" could be a wrong, and even dangerous policy, whether in the domestic or in the international sphere.

BUDGET AND FREE ENTERPRISE

IN an understandable anxiety to get the burden of new taxes reduced, most of the critics of the budget seem to have missed the disturbing implications of the philosophy behind the budget to free enterprise without which the country's unity and the democratic way of life will be exposed to serious danger. It is true that these implications are only of long-term import, but that is precisely the reason why they should be seriously considered even now. To ignore them at present is to ask for a *fait accompli* later.

A careful study of the various post-budget speeches of the Finance Minister and the Prime Minister will clearly bring out the philosophy and the type of socialist pattern of society they have in view. The philosophy seems to be that it is immoral to possess wealth and to have private property. From this philosophy flows the pattern that the State shall always be spelt with a capital S; the people will exist for the State and not the State for the people. In almost every one of the tax proposals of 15th May 1957 this theme is reflected. It will, indeed, be no exaggeration to say that, in framing the taxation proposals, it is not only the financial needs of the Plan that have weighed with the Government but also its ideological predilections. The new proposals will assuredly reduce the freedom of free enterprise and greatly increase its dependence on the State.

An important outcome of raising the incidence of both direct and indirect taxes will be a fall in the savings that are usually available to free enterprise, as a good portion of the earnings of the urban public will be diverted to the State. Another outcome is the drop in the market value of equities and fixed-yield securities of companies belonging to the private sector. These companies, as also others, will, therefore, have to turn to the Government whenever they need more finance. No industrialist or a new *entrepreneur* will be able to establish a new industry or to expand the existing ones, unless the Government comes to his rescue even for finding the initial capital. This dependence will reduce, if it has not already done so, the chances of having free institutions uninfluenced by the Government. True lovers of freedom will not, we are sure, welcome this trend, as it will lead to a monolithic State, sooner or later. Even now, the vast majority of business men are afraid of criticising the Government, though they realise that what the Government does is wrong in several important respects.

There is already acute stringency in the short-term as well as the long-term capital markets. Despite the creation of several institutional credit agencies, the industrial units are not able to get all the capital they want. The Government has a very large say in the policies, functions and the administration of these bodies. One more organisation—the Re-finance Corporation—will shortly be brought into existence with the backing of the Government. Borrowings or raising of equity capital from or through these organisations will be no easy matter, unless those who seek their assistance have the blessings of the Government. In effect, the Government becomes the biggest Managing Agent of the industries in the private sector, though it waxed eloquent against the Managing Agency system when the Company Law Bill was on the anvil.

The plight of capital market is essentially the result of the Government's economic policies. Apart from the fact that heavy taxation all round has shattered the confidence of investors, there has been a marked fall in the savings that usually flow into the money market. This is due to the policies and programmes of the Government which have failed to make any significant addition to the national income and have enhanced the purchasing power in the hands of people with large consumption propensity and hardly any saving habit. We have particularly in mind here the schemes for development of cottage industries and community development projects, as well as the lack of a co-ordinated policy for keeping the prices of raw materials, stores and foodgrains at reasonable levels, and in parity with those of manufactured goods. While the flow of savings into the capital market has thus been adversely affected, the pressure on it has increased at the same time, because the high level of taxes and the fall in the profit margin of industries, thanks to the higher cost of production, have reduced the savings in the corporate sector and their capacity to self-finance. Some of the indirect taxes under the latest budget, as, for instance, the excise duty on sugar and matches and the tax on transport, strengthens the bias in favour of cottage industries, while the increase in direct taxes, as well as the introduction of taxes on wealth and expenditure, will tell on the savings of the corporate sector.

The swiftness with which the opposition to wealth tax and expenditure tax has softened is amazing. Even the quarters that will have to bear the brunt of these taxes have toned down the rigour of their opposition and seem to be prepared to be content with such minor modifications as would mitigate the hardship of double taxation. They probably realise that it is futile to keep on demanding the withdrawal of these two taxes of glaring inequity, as it would amount to knocking against a hard rock, and that a practical course would be to concentrate on securing a few concessions here and there. But those who think on these lines forget that a compromise on fundamental principles invariably undermines their very existence and that, though the rates are only small now, they may later on be stepped up, as has happened with sales tax, excise duties, the selling prices of steel and cement, and the State Trading Corporation. In adding to his fiscal armoury these two new weapons, the Finance Minister has only introduced the thin end of the wedge. They may be wielded more forcefully and used to cover a wider range of the field in order to accelerate the pace of socialist pattern. If these fears are to be set at rest, the Government should give an assurance that, apart from making such changes as are necessary to do away with the iniquity of double taxation, the incidence of wealth tax and expenditure tax will not be raised in the coming years and that they will be abolished after the second Plan is completed.

If the incidence of tax proposals is calculated, it will be seen that the Finance Minister has placed a virtual ceiling on incomes, for which there was so much agitation from a large section of the Congress Party and from all the leftist politicians, and also planned for a gradual diminution of past savings. One wonders whether all those who agitated for a ceiling on incomes and capital levies of the sort now introduced fully realised the implications of their demand. A cumulative result of wealth tax, capital gains tax, estate duty, tax on bonus shares, dividend tax, etc., will be a perceptible fall in the number of genuine *entrepreneurs* in the very near future. Indeed, it will not be surprising, if, after some years, there are no new *entrepreneurs* at all who can plan and execute large industrial projects. The worst sufferers of such a situation will be the people themselves, for they will have to depend increasingly on the State for employment opportunities, in which case they will have hardly any freedom, especially if the Government of the day happens to be more authoritarian than the present one, as it may well be. It will thus be foolish on the part of the people in general to feel happy at the fleecing of even the moderately rich people and *entrepreneurs*.

There is also another point to be borne in mind, in this connection. The critics of capitalism argue that the budget has not adversely affected the millionaires to any perceptible extent, and that they will continue to exist for a much longer period than expected by the Finance Minister. Even assuming that there is some truth in this contention, the consequences of the budget to the common man will be quite unpleasant in the years to come. To the extent the enhanced direct taxation arrests the expansion of *entrepreneurs*, it will tend to restrict the number of employers and widen, at the same time, the number of businesses the existing millionaires own and control. This, in turn, will strengthen the forces that are opposed to capitalism and free enterprise. Thus, the budget runs, unwittingly perhaps, contrary to the cherished goals of the Congress Party itself.

So far as the immediate future is concerned, the large additions to indirect taxation promise to create illwill between the business community and the masses. The Government has launched, through the medium of the daily Press, a country-wide campaign of what it considers to be fair prices of articles subjected to enhanced excise duties. The theme of this campaign—which incidentally has brought a windfall to a section of the newspaper world—is that the incidence of new taxes on price levels is only negligible. But the actual increase in prices is much more and the public has started blaming the business community for all its present predicament. It may be that some traders are indulging in profiteering, but who created the climate for such practices? Surely, not the traders nor the industrialists. If the blame is to be laid at anybody's doors, it must be at the doors of those who have been following dubious socio-economic policies. Since, however, the vast majority of the public are so ignorant as not to understand the intricacies of these policies, the worst sufferer of the price spiral will be the cause of free enterprise. It is a pity that several of the leading lights in the private sector never realised the dangers involved in supporting such an over-ambitious and ill-balanced plan as the second Five-year Plan. We wonder whether they realise it even now.

RECOVERY IN SHARES WELL SUSTAINED

EXPENDITURE TAX—I.F.C.—DUNLOP ISSUE NATIONALISATION—SUGAR EXPORTS

THURSDAY, 5 P.M.

THE modest recovery staged by the share markets last week from the immediate post-budget low levels has been well maintained. In fact, a fairly large number of well-known scrips has registered further, albeit small, gains. It can accordingly be stated that a steadier trend has come to prevail, though it is too early yet to say whether the markets have turned the corner. A good part of the improvement must be attributed to the continued support received by the blue chips from the Life Insurance Corporation. There has also been some bargain-hunting by several investors. The yield on quite a large number of first class shares has risen to attractive levels. And the scrips belonging to "growth industries" which are not yet dividend-payers or have been paying only modest dividends are standing at either substantial discounts or a little above par. The present is, perhaps, an opportune time for investors to make judicious buying or switch over, with the help of good brokers. It is not suggested that there are no risks at all. But the current levels of equities offer a fairly adequate margin to cover such risks. Further, however socialistic may be the budget, equities will not cease to be a good hedge against the fall in the purchasing power of the currency so long as ownership of private property is allowed. The hazard of inflation in India is not unreal, what with the deficit financing of Rs. 275 crores contemplated in the budget.

MARKET GOSSIP

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Well-informed circles in the market seem to be confident that the Finance Minister will make suitable adjustments in the Wealth Tax on companies in order to avoid double taxation. Incidentally, we are informed that quite a few countries in Europe and one or two in South America have a small tax on total wealth of companies and as such it is not right to contend that India is the only country to subject both individuals and joint-stock companies to Wealth Tax. That may be true, but the point is that, in these countries, the system of taxation is different from that followed in India and as such they are not comparable precedents. Again, these are small countries with a population which is tiny as compared with that of India.

If there is Wealth Tax in some of the European countries, there are several compensating features. The Finance Minister quoted last week the instance of West Germany and remarked that, if this European country could have a wealth tax on companies, there was nothing wrong in India imprising a similar tax. But he seems to have conveniently forgotten the sizable tax concessions of various nature which the different industries in West Germany enjoyed till very recently, as incentives to bringing about a rapid recovery of their country's economy. There is also another fact to be borne in mind; the West German Government has faith in the virtues of free enterprise which the Government of India does not have and the Wealth Tax in W. Germany has not the same social objective as that attributed to it by our Finance Minister.

The consensus of opinion among business men is that the Wealth Tax at least on companies should be removed, inasmuch as this tax is also to be levied on those who hold the shares of companies. The Finance Minister, however, does not seem to be willing to concede this demand. The least he can do is that suggested by the Millowners' Association of Bombay. The Association says:

"To avoid double taxation, companies be enabled to issue to shareholders wealth tax payment certificates, so that shareholders will be entitled to credit of wealth tax paid on their behalf by companies. Shareholders not liable to wealth tax be given refunds and those liable to tax be given necessary credit."

If the Finance Minister is really keen on helping free enterprise to have the freedom and incentive it requires to survive, he can go a little further and include investments in shares and also debentures of joint-stock companies in the list of assets to be exempt from Wealth Tax.

If the Wealth Tax is modified on some such lines as those indicated above, the equities may gain in value a little further. In any case, the incidence of Wealth Tax turns out to be substantial only in the case of very big companies the assets of which exceed Rs. 1 crore. It may be noted that a company with assets worth Rs. 50 lakhs will have to pay only Rs. 22,500 a year. Similarly, companies having assets valued at Rs. 1 crore are liable to pay Rs. 47,500 per annum. Accordingly, shares of small- and medium-sized companies will not be very materially affected by Wealth Tax.

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The levy of expenditure tax is not by itself a bearish point so far as the share markets are concerned. On the contrary, to the extent it encourages savings, it enhances the chances of share markets receiving a greater flow of funds than otherwise. How exactly the expenditure tax will operate will be clear from the following official exposition of this new tax:

"Liberal allowances have been made for personal expenditure. Thus, a person with a wife and two children does not have to pay any tax so long as his expenditure on personal consumption does not exceed Rs. 34,000 a year. Similarly, a Hindu undivided family consisting of two brothers, each with two children, does not have to pay tax if its expenditure on personal consumption does not exceed Rs. 54,000.

"The rates of tax have been carefully graduated. Thus, a person with a wife and two children, who spends Rs. 50,000 a year on personal consumption, pays a tax of Rs. 2,200 and, if this expenditure is, say, Rs. 80,000 he pays Rs. 17,800. It will be conceded that, for a family of this size, an expenditure of Rs. 80,000 indicates very high and perhaps ostentatious living, and it is only reasonable that he should be subjected to high taxation.

"Expenditure tax should help to check ostentatious consumption. It will provide another means of checking income-tax evasion. Together with Wealth Tax, it should be a powerful instrument to rope in tax-evaders. After all, a person who has concealed his income must either save it or spend it. It is almost impossible for a person to work out a system by which his immediate gain by understatement of his taxable quantum will not, sooner or later, be wiped out by the consequentially increased liability on another account."

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It is understood that the draft rules pertaining to compulsory deposits by joint-stock companies, published a few weeks ago, have been finalised and will be made public very soon. As a result of several concessions given by the Government, the amount due to be deposited by all the companies that will be affected by the finalised rules aggregate, according to reliable estimates, more than Rs. 2.5 crores, as against Rs. 14 crores originally expected by the officials. If this estimate is correct, the amount involved is not so large as to accentuate the stringency in the short-term money market.

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The President of the International Finance Corporation, Mr. Robert L. Garner, has been touring the Continent for the past few days. In a statement to the Press in W. Germany, he is reported to have named Australia, South Africa, Mexico and Peru as overseas countries best suited for I.F.C. credits, since they were least threatened by inflation. If he has been correctly quoted, the omission of India from this brief list is very significant and, perhaps, not unjustified.

Mr. Garner is said to have remarked that German exporters might find lucrative opportunities by co-operating with I.F.C. in the countries named by him. Explaining how the I.F.C. proposed to operate, he said that it was mainly interested in medium-sized industrial companies in the $0.5 million-$2 million range. The duration for which financial aid would be given was seven to twelve years. A direct participation of upto one-third of capital was envisaged, in which case, the I.F.C. would, he added, insist on a share in profits. Such participation, however, would be temporary, since the I.F.C. aimed at a quick revolving of its lending funds.

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Close on the heels of the success of the Indian Iron's rights issue has come an attractive rights issue by the Dunlop Rubber Company (India) Ltd., Calcutta; the terms of this long-awaited offer were announced last week-end. According to these terms, the Company proposes to issue 1,400,000 new ordinary shares of Rs. 10 each at Rs. 15 per share, that is, at a premium of Rs. 5 per share. The shares will be offered to the existing ordinary shareholders as on 11th June in the ratio of seven shares for every eight shares held by them on that date. The Company's present paid-up ordinary capital is Rs. 1.60 crores and, on the basis of the above terms the Company will get additional funds to the tune of 2.10 crores, including the premium amount of Rs. 70 lakhs. The paid-up ordinary capital will, therefore, stand raised at Rs. 3 crores, when all the shares are taken up, as they doubtless will be. The object of the issue is to provide finance for the Company's new tyre factory to be set up in Madras. The capacity of the South Indian factory, together with the further expansion proposed in the Sahaganj factory, is expected to provide the Company with sufficient overall capacity to meet the demands for the Company's products for some time to come.

Judged from the performance of the Company during 1956, when it earned a gross profit of Rs. 1.33 crores on a sales turnover of Rs. 17 crores, as against Rs. 1.19 crores on a turnover of Rs. 15.12 crores in 1955, the profit can be expected to be maintained at this level in the current year. In the past six years, the Company has paid a steady dividend at 15 per cent. per annum on the present paid-up capital absorbing Rs. 24 lakhs per annum. The Directors expect to maintain this dividend on the increased capital also, which for a whole year would require Rs. 45 lakhs. The dividend for 1956 was more than twice covered by the net profit. There will, therefore, be no difficulty in maintaining the 15 per cent. dividend on the higher capital, if the profit level is maintained.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 23.37, at which rate and on the basis of the dividend for 1956, the yield works out to 6.4 per cent. per annum. At the issue price, the yield comes to 10 per cent. per annum. If, however, an investor were to purchase the shares at the current market value and take up the rights, his cost per share will come to Rs. 19.46, at which the yield works out to 7.7 per cent. If he were to get additional shares in addition to what he is entitled to in the normal course, the yield will be still higher. Although the issue has come at a time when the investors' confidence has been shaken by the budget and acute stringency prevails in the short-term money market, it looks as though investors will have no cause for regret later, if they go in for this issue, in view of the attractive yield and good prospects for the Company.

It is learned from knowledgeable circles that the issue will be fully subscribed, if not oversubscribed. It would appear that the major portion of the Company's shares is held by the parent company in London. Besides this, the Life Insurance Corporation also must be holding a sizable block. Consequently, the balance to be absorbed by the investors will not be appreciable. It may be interesting to note, in this connection, that, according to the Tariff Commission's report, dated 25th June 1955, on fair prices of rubber tyres and tubes, 75.01 per cent. of the Company's ordinary share capital was held by the parent company, 15.75 per cent. by institutional investors, 8.37 per cent. by Indian individuals and 0.87 per cent. by non-Indians. If there is no change in this order of holdings, the new issue will bring in well over Rs. 157 lakhs by way of much-needed foreign capital.

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The Bombay State Financial Corporation, according to its Chairman, Mr. Purushottam Kanji, will shortly approach the market for purposes of raising additional resources. Being the premier financial institution of its kind, serving a highly industrialised State, now enlarged by the addition of Saurashtra and parts of the Hyderabad and Madhya Pradesh States, the Bombay State Financial Corporation has felt the need for additional resources. Addressing the first meeting of the reconstituted Corporation—it had to be reconstituted following the merger of the original Corporation and the Saurashtra Industrial Financial Corporation—the Chairman, Mr. Purushottam Kanji, stated that the Corporation had sanctioned loans aggregating Rs. 2.68 crores, of which there was a firm commitment to the tune of Rs. 2.03 crores, and a further pending commitment of Rs. 30.70 lakhs, which far exceeds the capital resources of the Corporation; the authorised capital of the Corporation is Rs. 4 crores, while the issued and paid-up capital is Rs. 2 crores. The Chairman revealed that the question of raising additional funds had been receiving the active consideration of the Board. He expressed the hope that, when they approached the market for funds, the commercial banks, the Life Insurance Corporation and other financial institutions, together with individual investors, would lend their support to the Corporation. We have no doubt that the Corporation's efforts at raising additional resources will meet with the success it deserves.

In this connection, it is encouraging to note that the Corporation, despite the fact that two bodies have been merged in it, is being very economically managed. Of the amalgamated Corporation's total income, namely, Rs. 9.27 lakhs, taxation accounts for 33 per cent., reserves for 8 per cent., expenditure on office staff for 13 per cent., operational expenses for 7 per cent., leaving 39 per cent. available for distribution as dividend. This year, however, the Corporation found it necessary to approach the Government of Bombay for a subvention of Rs. 3.41 lakhs in order to make up the amount of Rs. 7 lakhs needed for paying the guaranteed 3½ per cent. dividend.

Perhaps it is not as generally appreciated as it should be that State financial corporations render a real, if somewhat unostentatious, service to national economy. By reason of close association with the medium- and small-scale units, they have now acquired a knowledge of their working and problems which may well serve as a basis for formulating a more coherent policy designed to assist and encourage those units. From this point of view, some of the general observations which Mr. Kanji made on the working of the Corporation deserve notice. He said that, during the brief experience of the working of the Corporation, the authorities, had found that there was considerable scope for expansion and development of small- and medium-scale units in several groups of industries, and particularly where the lines of manufacture were suited to small-scale manufacture. It would appear that there is "a fairly good margin of profit for these units." Nevertheless, the efforts of some producers, according to Mr. Kanji, are frustrated by "market resistance to indigenous products, lack of marketing facilities, delay in realising fresh debts or lack of adequate finance, etc." In some cases, he said, they were themselves responsible for their difficulties, in that their undertakings were inefficiently managed or they failed to employ qualified personnel or use efficient means of production or turn out standardised goods. Sometimes they failed because they did not carry out adequate market research before embarking upon their production schemes. Obviously, these faults and imperfections deserve to be brought home to the producers in the interests of the success of the Government's schemes designed to aid them. The Chairman, on his part, has certainly done well to advise the small-scale producers to avail themselves of the services offered by the Department of Industries, of the technical facilities given by the Small Industries Service Institutes, and the hire purchase system for acquiring machinery instituted by the National Small Industries Service Institute and the National Small Industries Corporation.

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We have repeatedly emphasised the point that there has, of late, been much fresh thinking even in the leftist ranks in the West on the question of nationalisation of industries. No longer do they now swear by the supreme efficacy of State ownership of industries and services for curing all economic ills. A fresh evidence of this is forthcoming from the reported statement of Sir Hartley Shawcross, former Labour Attorney General and now M.P. in Britain, that the nationalisation of great firms like I.C.I. and Unilever would lead the country to "disaster." He emphasised that, where an industry was doing really well, it was best for the State to leave it well alone. He felt that Britain was not making the industrial

(*Continued on next page*)

EQUITIES RECORD SMALL GAINS

PROFIT-TAKING AT HIGHER LEVELS

(From Our Own Correspondents)

BOMBAY, 30*th May*

A TWO-SIDED movement in equity prices was noted on the Stock Exchange during the week under review. There was a sizable recovery during the earlier part of the week on fresh support and bear covering, lifting prices on Monday to the highest levels in the post-budget period, thanks to the sustained support from the Life Insurance Corporation. There was a favourable response to the Finance Minister's reply to the budget debate in the Rajya Sabha, in which he promised to "give consideration to any changes required which are of a marginal character" in the wealth and expenditure taxes when these two new measures were referred to the Select Committee. The Finance Minister also promised to give some allowances in income-tax to people with children. He, however, expressed his opposition to dropping the wealth tax on companies and to raising upwards the proposed taxable limit of Rs. 3,000. He added that, if companies were to be excluded from the purview of the wealth tax, he would have to drop the wealth tax itself. This means that the Finance Minister relies to a large extent on companies for his estimated income from this tax. However, the expectation that the rigours of the wealth tax might be minimised when the Bill went to the Select Committee and that the Life Insurance Corporation might take delivery of the shares in tomorrow's settlement which would help reduce the *budla* charges, also induced a better feeling.

In the latter part of the week, however, the recovery was not sustained. On the other hand, there was a mild setback on profit-taking and abatement of buying by the Corporation towards the close. On balance, equities disclosed small gains over the week.

Tata Ordinaries came up from Rs. 154 to Rs. 158.50 before retreating to Rs. 154.75 yesterday. Today, however, there was a mild recovery to Rs. 155.75. Tata Steels (new) advanced over the week by Rs. 1.50 to Rs. 109. Indian Irons hardened from Rs. 17.60 to Rs. 18.50 and, after a drop to Rs. 18.15, closed at Rs. 18.35.

Textile shares also displayed some strength in the earlier part of the week, but a large part of the gains was wiped out in the subsequent recession. Bombay Dyeings, for instance, moved up from Rs. 520 to Rs. 528.50, but receded to a low of Rs. 517. At the close, they improved to no more than Rs. 523.50. Centurys advanced from Rs. 395 to Rs. 408.50. After a dip to Rs. 396, they regained to Rs. 400. Kohinoors finished with a loss of Rs. 4 at Rs. 292, after an early rise from Rs. 296 to Rs. 300. Central Indias were maintained at Rs. 102. Finlays, however, gained Re. 1 to Rs. 267. Gokaks stood Re. 1 lower on balance at Rs. 175. Indu Ordinaries gained a fraction to Rs. 9.55 and Indore Malwas to Rs. 139.50. New Greats changed hands Rs. 2 higher at Rs. 220, while New City Mills dropped Rs. 2 to Rs. 133.75. Khataus improved from Rs. 169 to Rs. 172.50. Osmanshahis retreated from Rs. 58.50 to Rs. 55, but gained to Rs. 58 at the close. Simplex rallied from Rs. 161.50 to Rs. 165, but gave way again to Rs. 162.50. Standards were done up to Rs. 393, as against the previous week's closing of Rs. 380. In the subsequent reaction they came down to Rs. 388. Swadeshis rose from Rs. 186 to Rs. 189.75 before finishing lower at Rs. 185.50. Tata Mills closed at Rs. 41.60, a loss of 15 nP over the week.

Business in bank shares was far from lively, though the undertone remained fairly steady. Barodas were unchanged on balance at Rs. 101.75. Centrals gained Re. 1 to Rs. 52, as also their new shares to Rs. 55. Bank of Indias were maintained at Rs. 134, United Commercials at Rs. 54.50 and Union Banks at Rs. 7.25.

In the insurance section, New Indias provided a feature with a rise of Rs. 4.75 to Rs. 45. Vulcans changed hands 25 nP higher at Rs. 15.75.

Electricity shares attracted investment support and prices were marked up in most cases. Ahmedabad Electrics gathered Re. 1 over the week to Rs. 94 and Bombay Suburbans Re. 1.25 to Rs. 106.25. Surat Electricity advanced by Rs. 3.75 to Rs. 110 and Tata Hydros by Rs. 4.50 to Rs. 124, while Tata Powers were unchanged at Rs. 1.215. Andhra Valleys gained a fraction to Rs. 1.201.25.

In the miscellaneous section, sugar shares ruled steady with an all-round rise in prices. Belapurs recovered from Rs. 217.50 to Rs. 224. Though they came down to Rs. 219.50, the gain over the week was Rs. 2. Phaltans rose by Rs. 2.50 to Rs. 132 and Walchandnagars Re. 1 to Rs. 246. Cement shares too displayed a hardening tendency, despite the profit-taking at higher levels. Associated Cements rallied from Rs. 151.50 to Rs. 155.75, but the gain was pruned a little and the closing was done at Rs. 154.25. A.C.C. coupons were unchanged at Rs. 56. Digvijays appreciated from Rs. 137 to Rs. 141.50. Dalmia Cements gained 30 nP to Rs. 11.70 and Orissa Cements 5 nP to Rs. 13.05, while Jaipur Udyogs provided an exception with a drop of 25 nP to Rs. 11.80.

Engineering and mining shares also attracted attention, but the gains were not marked in most counters. Alcocks, however, provided a feature with a rise of Rs. 16.25 to Rs. 262.50. Tata Locomotives moved in a narrow groove and finished with a fractional loss at Rs. 142.25. Premier Constructions showed no change over the week at Rs. 142. Larsen and Toubros were marked up by 30 nP to Rs. 15.30. Mahindra and Mahindras were done at Rs. 15 *ex-div.* (div. Rs. 1.25), as against Rs. 16 *cum-div.* a week ago. Shivrajpurs improved by Rs. 1.25 to Rs. 78.75. Indian Coppers were steady at Rs. 3.38 and B.B. Petrols at Rs. 2.44.

Among shipping and automobile shares, Scindias firmed up from Rs. 17.30 to Rs. 18.40, before reacting to Rs. 17.85. Great Eastern Shippings were in demand and gained 50 nP to Rs. 19.15. Hindustan Motors were up by 20 nP at Rs. 6.85, while Premier Automobiles shed 25 nP to Rs. 86.75. In the other miscellaneous group, Bombay Burmahs (old) staged a sharp rise from Rs. 513.50 to Rs. 543, but came down to Rs. 530 at the close. British India Corporations were done 20 nP lower at Rs. 6.25. National Rayons closed at Rs. 215, after being done up to Rs. 219. Tata Chemicals were a fraction better at Rs. 16.30 and Tata Oils gathered 50 nP to Rs. 43.50. Wimcos shed Rs. 2 to Rs. 156. Hindustan Levers had business 50 nP higher at Rs. 19.65.

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Calcutta Stock Exchange

CALCUTTA, 29*th May*

After remaining dull earlier in the week under review, the Calcutta Stock Exchange recorded a slight improvement subsequently, following expectations of some modifications in the Budget proposals which are considered detrimental to the growth of private industry. Although the Finance Minister gave the public to understand that his policy was not to introduce proposals aiming at far greater additional revenue than was actually needed and withdraw some measures as a gesture, yet market circles believed that Mr. T. T. Krishnamachari had retained a margin to be used to gain goodwill and support for the majority of his proposals. It was this belief coupled with the decision to refer to a select committee of the proposed expenditure and wealth taxes that abated the dullness and revived buying interest.

It should be noted that the volume of business remained pitiably low and that the improvement in evidence was fractional. However, the change in sentiment impressed the authorities of the Calcutta Stock Exchange who withdrew the emergency measure which was introduced immediately following the Budget proposals and which called upon sellers to deposit a margin of Rs. 3 per share before selling Indian Irons. The introduction of two new official Bills in the Lok Sabha proposing measures for the extension of medium-term credit facilities for industry was noted with satisfaction. Second thoughts over the Budget proposals made investors take a better view of the small concessions in the exacting tax measures.

Jutes were featureless with Gourepores being unchanged at Rs. 229. Nationals were steady at Rs. 19.70, but Ganges gave way to Rs. 47 from Rs. 49.

A small recovery was in evidence in the engineering section. Indian Irons, after being lower at Rs. 17.63, closed at Rs. 18.30. The recovery followed the news of success of the recent rights issue.

Among other engineering shares, Texmacos were fractionally better at Rs. 17.50 and Guest Keens attracted attention at Rs. 26.87. Jessop & Cos., after being fractionally better at Rs. 24.62, sagged to Rs. 24.37.

News of interest to investors during the week under review was the announcement by Dunlop Rubbers of the proposal to issue rights shares in the proportion of seven shares for every eight shares at present held. The issue price is Rs. 15 per share, that is at a premium of Rs. 5 per share. An interim dividend of 7.5 per cent. has also been announced simultaneously, and the Company expects to maintain the dividend for the year at 15 per cent. even after the addition to capital. Fifteen per cent. on the issue price of Rs. 15 per share works out to a rate of 10 per cent. which is more than satisfactory. The additional capital is required for expansion of manufacturing capacity. The scrip was quoted at Rs. 22.87, as against Rs. 23.69 earlier in the week. Indian Coppers were better at Rs. 3.35, but Indian Cables were fractionally lower at Rs. 22.87. Clive Row Investments had buyers at the slightly improved rate of Rs. 10.00. Orient Papers changing hands at Rs. 26, as against Rs. 25.69 earlier.

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Madras Stock Exchange

MADRAS, 28*th May*

Easy conditions prevailed on the Madras Stock Exchange during the week under review. Although the market ruled steady on the opening day of the week, following encouraging advices from Bombay, it staged a setback subsequently which persisted till the close today. The hopes of any modifications in tax proposals in favour of investors became very slender. Replying to the debate on the budget in the Rajya Sabha on Thursday this week, the Union Finance Minister clearly indicated that there was no possibility of any substantial variation in tax measures. He particularly defended the wealth tax, the expnditure tax and the tax on bonus shares. Plantation shares were subjected to selling, thanks to apprehensions of a rise in the rates of agricultural income-tax in the States of Madras and Kerala. The textile section ruled distinctly subdued on reports of heavy accumulations of stocks with mills. Sugar and miscellaneous industrials were neglected, buying enquiries being poor.

Among tea shares in the planting section, Haileyburias were pushed down by Rs. 2.50 to Rs. 20. Peermades and Twyfords declined by 25 nP each to Rs. 25, and Rs. 16.25 respectively. Kalasas and Parksides receded by 20 nP each, the former to Rs. 14 and the latter to Rs. 15.40. Blue Mountains were quoted 25 nP lower at Rs. 3.20. Balanoors decreased by 12 nP to Rs. 18.75. Chandramalais eased by 5 nP to Rs. 3.95. Waterfalls shed 15 nP to Rs. 4. Among coffee shares, Coffee Lands declined by 40 nP to Rs. 24.60. Kumergodes lost 5 nP to Rs. 6.20 and Sheveroys 3 nP to Rs. 1.97. Rajendras were neglected at Rs. 11.37. In the rubber group, Cochin Malabars declined by 15 nP to Rs. 7.50. Kailas receded by 20 nP to Rs. 4.70. Midlands were marked down by 55 nP to Rs. 16.40. Peninsulars retreated by 50 nP to Rs. 27. Rajagiris lost a like amount to Rs. 17.50. Thirumbadis shed 9 nP to Rs. 1.73, Nelliampathys decreased by 15 nP to Rs. 2.85. Pullangodes eased by 2 nP to Rs. 2.38.

In the textile section, Coimbatore Cottons fell by Rs. 7 to Rs. 158. Metturs dropped Rs. 4 to Rs. 392. A similar loss was suffered by Radhakrishnas which were sold at Rs. 271. Lakshmis slipped by Rs. 2 to Rs. 139. Vijayakumars declined by Rs. 1.50 to Rs. 134. Janardanas shed a rupee to Rs. 89. Coimbatore Spinnings and Rajalakshmis lost 50 nP each, to Rs. 86 and Rs. 136, respectively. Kotharis were 35 nP lower at Rs. 13.75.

In the miscellaneous section, India Cements declined by 25 nP to Rs. 26. Aluminium Industries shed 5 nP to Rs. 13.25. Mysore Lamps receded by 12 nP to Rs. 15.50. A.C.Ts eased by 5 nP to Rs. 5.60. Rallis, however, improved by 25 nP to Rs. 34.50. Indian Aluminiums gathered 6 nP to Rs. 12.81.

Sugar shares lacked support. Deccans were quoted 30 nP lower at Rs. 7.35. Travancores lost 10 nP to Rs. 10.50. E.I.Ds were quiet at Rs. 26.75, and also Kirlampudis at Rs. 38. Jeypores, however, met with special buying support and advanced by 25 nP to Rs. 13.75. Likewise, Mysores were favoured 13 nP higher at Rs. 37.50.

INDIAN IRON'S RIGHTS ALLOTMENT

At a meeting held in Calcutta on Wednesday last, the Board of Directors of the Indian Iron and Steel Company, Ltd., allotted to the shareholders or their nominees 5,183,708 fully paid ordinary shares of Rs. 10 each, which it offered to the ordinary shareholders on 12th March at a price of Rs. 13.50 per share.

It is stated that, while the number of additional shares applied for was of the order of 278,993, the offer was oversubscribed by 123,050 shares only. This means that not all the shareholders exercised the right for new shares and that of those who had applied—their number is put down at 97 per cent. of the total—some had asked for additional shares. Requests for additional shares were met on the following basis: Applicants for not more than 150 shares each received their allotment in full; applicants for more than 150 shares received allotment on the basis of an allocation of 150 shares in each case plus 20 per cent. of excess of shares applied for over the 150 shares. Allotment on such a basis has been subject, in each individual case, to a limit of 20 times the existing holding of the applicant.

MARKET GOSSIP

(Concluded from previous page)

progress it should. But the reasons he gave for this state of affairs might as well have been given by a member of the rightist group. He attributed Britain's failure to make the progress it should to three factors: (1) The taxation policy pursued by the Government discouraged investment and modernisation of plant; (2) in some industries and firms, managements had been backward in promoting efficient and competitive production; and (3) there had been not simply too many industrial disputes but too great a lack of real interest in the welfare of their own industry by the workers engaged in it. He added; "It is natural that the workers and trade unions should be concerned with their own welfare. But it is essential that they should realise that their welfare depends upon the welfare of the industry in which they are engaged." Surely, these observations deserve a wider audience than the one to which they were addressed.

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The quota of 200,000 tons of sugar fixed for export is reported to have almost been exhausted, although the quantity actually shipped is very much less, being no more than 50,000 tons. The aggregate value of 200,000 tons sold so far comes to over Rs. 16 crores. Among the principal buyers of Indian sugar are China, Iraq, Aden and other West Asian countries. Lately, Singapore, Malaya, Ceylon and Burma have also purchased some quantities of sugar. The last transaction put through was with Aden at £68 (Rs. 906.67) per ton c. & f. and with Basra at £68 10s. (Rs. 913.34) c. & f.

The export business in sugar is directly handled by the Indian Sugar Mills' Association. The entire profits retained by the Association from exports are being pooled in a special fund. The object is to subsidise sugar exports, if and when the world sugar prices fall and the Indian product becomes uncompetitive. The estimated profit accruing to the fund on exports of 200,000 tons of sugar is Rs. 71 lakhs.

NEWS IN BRIEF

WITH a view to augmenting salt production, the Government has decided to issue more licences to private manufacturers.

The Government of India has decided in principle to set up a currency paper mill. The detailed scheme is being worked out.

The Government of Italy has offered three scholarships to Indian nationals for post-graduate study or research in fine arts in that country during 1957-58. The value of each scholarship is 50,000 lire (Rs. 380 approximately) per month, with exemption from tuition fees. The cost of tourist second class sea passage to and from Italy will also be provided.

A delegation of ten Chinese Government officers, which arrived in India on 14th May 1957, to study the technique of the salt industry in this country, are now on a 14-day tour of the salt-producing centres in Bombay State; the tour commenced on 24th May. After visiting Kharaghoda, Jamnagar, Mithapur, Bhuj, Kandla and Bhavnagar, the delegation will reach Bombay on the 5th inst. It will leave for Madras on the 7th inst.

India bought from Britain during April 1957 goods worth £14,822,764, as against £13,171,931 in the same month last year, bringing the total purchases for the first four months of 1957 to £62,703,812, as compared with £55,297,413 in the corresponding period of 1956. Although purchases of British machinery (other than electrical) declined slightly from £3,982,498 to £3,370,341, India purchased over £1,000,000 worth more of road and rail vehicles, the aggregate value being £2,172,819, as compared with £1,183,112 a year before.

The Government of Switzerland has offered two scholarships to Indian nationals for post-graduate study or research in any branch of science, technology or engineering during the year 1957-58 at any Swiss university or the Federal School of Technology, Zurich. The value of each scholarship, which is tenable for one year, is 500 to 700 Swiss francs (equivalent to Rs. 540 to Rs. 760) per month, with exemption from tuition fee. Cost of tourist/second class sea passage to and from Switzerland will also be provided.

The Integral Coach Factory at Perambur has taken up the additional work of furnishing the coaches turned out by it on a modest scale for the present and has now almost completed furnishing a first batch of ten. This work is now being done in the premises of the Factory itself. Administrative sanction has been given for putting up a separate factory or furnishing the coaches on the southern side of the housing colony. Acquisition proceedings for the purpose have already commenced. Pending the completion of the *pucca* factory, a big shed is being erected to take up the furnishing work on an enlarged basis. Work on this shed is nearing completion.

The all-India final estimate of black pepper for 1956-57 puts the area and production at 233,600 acres and 31,600 tons, as against the partially revised estimate of 232,500 acres and 32,100 tons, respectively, for 1955-56. This shows an increase of 1,100 acres or 0.5 per cent. in area and a decline of 500 tons or 1.6 per cent. in production over last year. The increase in area has been reported mainly by the Kerala State. Despite an increase in area, there has been an overall decline in the production of black pepper. The decrease has occurred in Kerala and Mysore States and is attributed generally to the unfavourable weather conditions during the flowering and growing periods of the crop.

Sea passage fares on the India-United Kingdom route, which were increased when ships used the Cape route during the Near East crisis, have now been partly reduced with the reopening of the Suez Canal. The reduced fares, however, are slightly higher than those prevailing before Suez Canal crisis and diversion of ships *via* the Cape. The Bombay Office of the P. and O. Steam Navigation Company has stated that, with the reopening of the international waterway, some of the Company's vessels will now use the Suez Canal. The surcharge on freight shipped by vessels belonging to the lines of the outward and homeward U.K. and Continental shipping conference has been reduced from 17½ per cent. to 10 per cent. from 14th May.

The Electrical Manufacturing Company of Calcutta has set up a modern non-ferrous casting plant for manufacturing complete range of conductor accessories and insulator hardware required on transmision and distribution lines. Overhead equipment for railway electrification is also licensed to be manufactured by the Company. This is being made from various alloy metals in technical collaboration with French experts. The non-ferrous foundry employs most up-to-date techniques like gravity die casting and pressure die casting. The foundry has also arrangements for making tools and dies. Some spare capacity is available at present for the Indian electrical industry to indent against specific requirements.

Details of commodities received by India up to 30th April 1957 under the Indo-U.S. Agricultural Commodities Agreement during 1956 were given in the Lok Sabha the other day by the Union Minister for Food and Agriculture. The commodities received were: Wheat 741,000 tons (Rs. 30.79 crores c. & f.); rice 133,000 tons (Rs. 10.88 crores) and cotton 88,149 bales of 480 lbs. each (Rs. 7.44 crores). A grant of $54 million and a loan of $234.1 million will be given to India out of the rupee proceeds of the commodities to be received under the Agreement, namely, wheat, rice, cotton, tobacco and dairy products, after the loan agreement has been signed and the projects on which it is to be utilised are mutually agreed upon by the Governments of India and the U.S.

The Union Ministry of Railways has taken over from the Ministry of Commerce and Industry the work relating to the procurement of the more important categories of steel requirements for the Indian railways with effect from 1st April. This has been done to enable the Indian railways to take urgent measures for the procurement of their steel requirements, the supplies of which are at present in heavy arrears. The supplies with which the Ministry of Railways will be concerned are rails, steel, sleepers, fishplates and bearing plates. A small steel procurement unit has been set up for this purpose in the Railway Board Office in New Delhi. The Government of India has also decided to send a small steel purchase mission to Europe to negotiate the supply of steel and conclude contracts on the spot, without having to refer matters back to New Delhi. The mission is expected to visit Canada too. It is also proposed to depute an officer to Japan to explore the possibility of obtaining steel from that country.

The Railway Board has taken a major step towards self-sufficiency in railway equipment by developing capacity with firms in India for the manufacture of the entire requirements of coaching underframes planned under the 1957-58 purchase programme. The indigenous capacity for the manufacture of underframes has so far been insignificant and initial efforts by the Railway Board development cell to encourage manufacturers in India to enter the field bore no results. Global tenders were consequently invited for supply from foreign sources. Before placing orders with foreign suppliers, the Railway Board convened a meeting of indigenous firms and as a result thereof it was possible to locate capacity for the manufacture of underframes in the country. Five firms came forward to manufacture the entire pending requirements of underframes. The manufacturing capacities of these firms have, therefore, been booked for a supply of 500 broad-gauge, 791 metre-gauge and 60 narrow-gauge bogie coaching underframes. This, it is stated, has saved the country several crores of rupees in foreign exchange.

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From Abroad

The Trans World Airlines is inaugurating today a daily scheduled service on international and U.S. routes with its new Jetstream aircraft, claimed to be the largest and the longest range airliner.

An open market for South-East Asia on the lines of the European common market has been suggested by Mr. Assomull, President of the Indian Chambers of Commerce in Singapore.

A Japanese atomic energy mission headed by Koichi Uda, Minister for Atomic energy, will arrive in Britain on the 13th inst. to discuss details of the Japanese order for an atomic power station of the Calder Hall type, having a generating power of 140,000 kw.

A scheme enabling the U.K. university undergraduates to visit Canada during the long vacation has been put into operation by the Commonwealth Migration Council. Under the scheme, second and third-year undergraduates pay their own fares and are provided in Canada with remunerative jobs with Canadian concerns under arrangements made by the Council.

American frozen food production increased by about 60 per cent. in 1955 as compared with 1954, according to the Department of Agriculture. In 1955, about 178 frozen food items were available to U.S. housewives, ranging from appetisers to desserts. Foreign foods, as well as American regional specialities, were offered. Potato products led all other frozen food items, with approximately 160 million pounds being sold. About 91 million pounds each of meat and poultry items and 69 million pounds of bakery products were sold.

Russia has become one of the four biggest buyers of untreated South African wool. Direct shipments to the U.S.S.R. in the current season have already exceeded the total quantity sent during either of the two previous seasons. According to the Wool Board, 19,879,660 lbs. of wool worth about £5 million were sent to Rsssia in the first nine months of this season. During the same period, Britain took 43,775,229 lbs., France 36,787,587 lbs. and Germany 35,717,229 lbs.

Ghanna, which achieved its independence recently, has become a member of the International Labour Organisation. Pledging his country's acceptance of the I.L.O.'s Constitution, Prime Minister Nkrumah, in a communication to the I.L.O. Director-General, has said that his Government recognises, and will continue to be bound by the obligations entered into on behalf of the Gold Coast by the United Kingdom in respect of the ten I.L.O. Conventions. These Conventions include those on forced labour and protection of young workers. With the admission of Ghanna, the I.L.O. has now 79 member-States.

About 800,000 automobile workers in the U.S. got pay rises at the end of April 1957 under "Annual Improvement Factors." The Annual Improvement Factor is designed to provide employees with a share in the country's technological progress and, in this way, improve their standard of living. For hourly workers, the increases are six cents an hour or 2½ per cent., whichever is greater. Salaried workers get boosts roughly comparable to those received by the hourly workers. The Chrysler Corporation, for instance, will raise the pay of its 25,000 salaried employees by $10.98 a month, or 3 per cent. of base pay, whichever is greater. The wage boosts are awarded for greater worker efficiency and are determined by the increase in output per man-hour.

A European school at Luxembourg will be officially recognised as a result of the agreement signed by the representatives of the six countries of the European Coal and Steel Community. If the agreement were approved by the member-States, it would give official status to a school which came into existence in 1953 as a result of the needs of the children of officials working for the Community. An agreement on a secondary school-leaving certificate to be recognised by the education authorities of all the six Community countries is also expected to be reached shortly. This certificate will be the first of its kind to cut across national educational frontiers. It will give to the pupils in the school belonging to the six member-countries a qualification equivalent in all respects to that given in their schools at home.

The special committee, appointed by the Japanese Ministry of Trade in March last to devise measures for countering any impact of the European common market scheme on the economy of Japan, is working on a plan for establishing an Asian trade area which may take advantage of the Development Loan Fund proposed by President Eisenhower. A spokesman of the committee said at Tokyo recently that the Fund might be used to help the Asian nations to create an Asian development fund designed to stabilise the prices of the primary products which they produce. It is believed that Mr. Kishi, Japanese Prime Minister will discuss this question with the U.S. officials when he visits Washington shortly. The special committee consists of persons representing leading Japanese bankers, industrialists and traders as well as the Government.

The fortieth session of the International Labour Conference will open at Geneva on the 5th inst. The new subjects to be discussed are discrimination in the field of employment and occupation in both Government and private establishments and conditions of employment of plantation workers. The subjects which were considered at the previous session of the Conference and which will be discussed again at the forthcoming session relate to forced labour, weekly rest in commercial establishments and offices, and protection and integration of indigenous and other tribal and semi-tribal populations in independent countries. Besides, the Conference will discuss reports from member-States on the application of conventions and recommendations of the I.L.O. It will also consider the report of the Director-General, as well as financial and budgetary questions.

The B.O.A.C. announces that, after much consideration of its aircraft requirements for the Asian, Australian and African services from the mid-1960's onwards and following a study of a number of alternative types, it has concluded that its needs will best be met by a new advanced project offered by Vickers-Armstrong Aircraft Limited. This aircraft, at present designated the VC-10, is to be a medium to long-range fast turbo-jet, powered by four Rolls-Royce Conway engines and the Corporation's version will have seats for up to 120 passengers. The B.O.A.C. and Vickers-Armstrong are now jointly engaged in the preparatory work required to draw up the detailed specification and conditions of contract and the Corporation has indicated to the Company that, when this task has been completed to their mutual satisfaction, it intends to place an order for 35 VC-10 airliners for delivery beginning in 1963. The value of the order will be about £68 million (over Rs. 90 crores) including the cost of initial spares.

PERSONAL

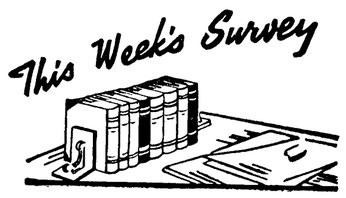
MR. Nicolas V. Gleboff, a United Nations Secretariat staff member since 1946, has been appointed deputy resident representative of the U.N. Technical Assistance Board in India.

Mr. K. P. Mushran, Member of the Railway Board and leader of the four-man Indian steel delegation, left Bombay for London on Tuesday this week. The delegation will try to obtain supplies of steel from the U.K. and the Continent.

Mr. J. B. Bowman has taken over charge as the Motor Transport Controller and Vice-Chairman of the Bombay State Road Transport Corporation from Mr. S. G. Barve, who has been appointed Secretary, Public Works Department, Government of Bombay.

Mr. V. V. Giri has been appointed Governor of Uttar Pradesh, Dr. Zakir Hussain Governor of Bihar and Mr. H. V. Pataskar Governor of Madhya Pradesh. Mr. Giri and Mr. Pataskar will assume charge in the first week of June and Dr. Zakir Hussain in the first week of July.

Mr. Amar Nath Vidyalankar, Minister for Education and Labour, Punjab, will lead the Indian delegation to the fortieth session of the International Labour Conference to be held at Geneva from the 5th to 27th inst. Mr. K. V. Padmanabham and Dr. S. T. Merani of the Consulate-General of India, Geneva, will be the advisers. The other members of the delegation are: Employers' group: Messrs. Naval H. Tata, R. V. Deshmukh, M. M. Verghese, Tanubhai D. Desai and S. P. Sen; workers' group: Messrs. G. D. Ambekar, Kali Mukherjee, M. N. Sarmah, K. Karunakaran and M. B. Joshi.



MR. PANT'S ADVICE

THE Union Home Minister, Mr. Gobind Ballabh Pant, in the course of his speech at a meeting of the Secretaries of the Central Ministries, held at New Delhi, is reported to have spoken vehemently against corruption in administration, delay in the disposal of cases, general lack of enthusiasm for work among officers and their attitude of superiority towards the common man. Urging that the guilty should be punished and deprecating "go-slow" tactics in Government departments, he stressed that all officials should carry out their functions allotted to them in an energetic, enthusiastic and responsible way. Those who are employed on behalf of the State, he is further reported to have said, should consider it a privilege to do all they can for the people. Finally, Mr. Pant expressed the opinion that there was appreciable room for economy in administration and the taxpayer should get more out of the money he was paying. He emphasised that, if they all realised that public money should yield interest in the same way as one's own money, they would seldom take liberty with public funds.

In commending this well-meant advice to the attention of all public servants, both at the Centre and in the States, we would like to emphasise that not all Government employees are guilty of the charges which are so often indiscriminately levelled against them. The fact is that the entire administration has shown great flexibility of outlook in adjusting itself to new conditions. Further, in assessing its success and failure, one must take into account the new situations they have had to face. How many, how rapid and how varied have been the changes? First came the Second World War, with all its emphasis on a whole host of controls. Next came the Partition. This was followed by integration of Indian States with the Indian Union. As soon as this was completed there began the linguistic reorganisation of the States. Each of these changes, it must be remembered, affected large areas and large masses of population.

As if these developments were not enough, the Government has chosen to add to the work of its employees new burdens in the shape of State-sponsored new industries and nationalisation of existing industries and services. It is hardly surprising that the administration shows signs of strain, to which the Public Accounts Committees and Audit reports has drawn repeated attention. Some New Delhi reports aver that a few of the State-sponsored enterprises are not able to keep to their schedule. In some segments, administration is weak, in others it is even faulty. Personnel, chosen and trained for a different purpose, are being asked to handle tasks of which they have no knowledge and for which they have neither training nor experience. If the appearance of the signs of weakness, which can now no longer be concealed from the public gaze, induces the authorities to review their economic programme and policy with a view to discovering how far they could go, consistent with the need for maintaining efficiency, it will not have come in vain. On the other hand, if the Government persists in sacrificing the country's larger good, in general, and industrial efficiency, in particular, at the altar of ideological values, it will be inviting tragic failures, thereby paving the way for public misery.

CO-OPERATIVE FARMING

The spirit of co-operation—or co-operative principles—is not something that can be administered to people in the shape of a pill. Inculcation and encouragement of right social attitudes among the people are an essential prerequisite for the progress of co-operation. It is a pity that, in envisaging that a considerable proportion of the land under cultivation should be brought under co-operative farming in the next 10 years, the Planning Commission has obviously missed this point. The basic question is whether the villagers are ripe for accepting co-operative farming and making it a success. The answer is found in the evaluation report published by an Officer of the E.P.O. on the working of 22 co-operative farming societies.

The findings of this officer further strengthen the views already expressed by the Indian Co-operative Union a few months ago on this question. If certain societies have achieved a fair measure of success, it is primarily because of the better awareness of the people there of the virtues of the co-operative way and enlightened leadership, of the growth of new attitudes, out of which develops the spirit of adaptability shown by the people. Examples of societies, where the mismanagement or fraud by a secretary or the selfishness of the members of the managing committee has marred their progress have been cited. It will be recalled that the Indian Co-operative Union itself had stated in unmistakable terms that factions among the members, disputes about relative intensity of work by different members, and mistrust of the management regarding the use of funds were some of the chief stumbling blocks in the way of progress of the societies.

This is only half the truth. It cannot be gainsaid that there is a hard core of co-operative spirit in every individual. In between the core and the surface, however, there are so many influences and counter-influences that very often stifle the spirit of co-operation. Thus, the chief stumbling block to the success of co-operative farming is the people's attachment to property. The fact that this sense is so very deeply embedded in the psychology of the farmer only reflects the social prestige that is attached to property. There are cases where the hope that the farmers will be given ownership rights over property which they are asked to cultivate, has acted as a stimulant for co-operation and better results. This is the case generally in the new settlement areas. Conversely, the fear of having to surrender these rights has also acted as a deterrent. This factor, added to the common village rivalries and factions, constitutes the most difficult obstacle to the success of co-operative farming. There is also the problem of fragmentation of holdings which is the direct outcome of oppressive pressure on land. The fear that alternative employment cannot be secured if co-operative farming is introduced is another serious hindrance which can be overcome only as the employment opportunities in the villages increase.

The present approach to co-operative farming smacks of the proverbial method of putting the cart before the horse. There are many other things which could and should be done in the co-operative field before people can be asked to pool their land. These are co-operative credit, marketing, clubs and other village activities. As progress is made on these lines and in expanding employment opportunities and as their benefits are understood by the people, new ideas and new social attitudes may be expected to develop in the minds of the people. The first task of the Central and State Governments is, therefore, to create the necessary climate for making co-operation successful.

FAMILY PLANNING

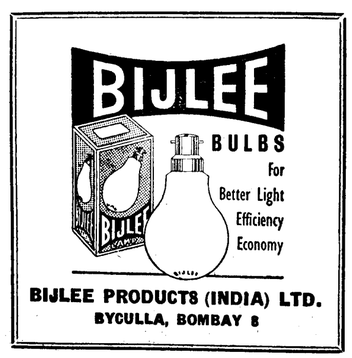
Population control through family planning can no longer be dismissed as a silly nostrum popular among proponents of capitalism who, unfortunately, are suspected of having some personal axe to grind in the matter. The economic and demographic facts, particularly in the underdeveloped countries, are proving, if they have not already proved, that the problem of population is not an imaginary bogey conjured up by interested parties to further their own ends but a real and concrete problem of considerable economic and social consequences. Even Communist countries which formerly considered family planning as an anathema—as, for instance, China—are gradually realising that even a sizable increase in the rate of economic progress may fail to produce any perceptible effect on the standard of living if population is continuously rising at a rapid rate. None would seriously contend, not the least the advocates of family planning, that a rapid increase in population is bad in itself. It is also not suggested that the rate of increase of population in underdeveloped countries of Asia and Africa is excessive, as compared with that of developed countries. There may be some truth in the statement that once the underdeveloped economies become industrialised and dynamic, an increase in the number of people may turn out to be a positive advantage. But it cannot be denied that, at the present moment, when most of the region's population is predominantly peasant and a difficult and expensive process of economic change is under way, a smaller net annual addition to the already large population might ease some of their problems. According to the *Demographic Year Book*, 1956, prepared by the Statistical Office of the U.N., the biggest absolute increase in population is taking place in Asia. Every year, the Asian population is increasing by 24 million. Every minute 170 new babies come into the world and about 90 people die, leaving 80 additional mouths to feed. This ratio between the global death and birth rates indicates that the world's population of 2,700 million is increasing by about 120,000 every day. If the growth were to continue at this rate, the U.N. experts estimate there would be by the end of this century twice as many people in this planet as there are at present.

The challenge of the population problem, as Mr. D. P. Karmarkar, Union Minister for Health, rightly pointed out, seriously threatens plans of building up a new India. Addressing the second meeting of the Family Planning Board held on 25th May in New Delhi, the Minister said that, at the rate the population is increasing now and with the death rate declining, as a result of better doctoring and sanitation, the number of inhabitants in this country may well double itself in another 30 years. This, he pointed out, is an alarming situation, inasmuch as an increase in population would throw out of gear all efforts to improve the standard of living of the people. It is, therefore, of utmost importance that serious consideration should be given to this problem and ways and means devised to keep the growth of population within the economic resources of the country. The Family Planning Board has thus a great responsibility and a vital role to play in the implementation of the second Plan.

Fortunately for India, vast numbers of people in this country would welcome family planning and population control. The Government of India has, therefore, wisely adopted family planning as an instrument of social betterment. A comprehensive plan has been drawn up to make family planning not merely a temporary expedient but a way of life designed to ensure the welfare of the family. Although there is a general recognition of the necessity and urgency of family limitation, there is still indifference in some quarters and resistance in others towards family planning. Unless these are overcome, the programmes cannot be speedily implemented.

It is heartening to see that a fourfold action programme, based on the available knowledge, has already started. It envisages service through clinics in rural and urban areas, training, education and research. Since it is doubtful whether family planning clinics alone can disseminate knowledge on birth control, a proposal is under consideration for providing a family planning clinic in each teaching institution for doctors, nurses, health visitors and midwives and to incorporate family planning in their courses of study. This appears to be a sound suggestion and is well worth pursuing.

The success of the scheme will depend considerably on peoples' faith, support and initiative. The Family Planning Association of India and some of its State branches have made notable contributions. The Minister said that, if a network of State, district and local branches of the Association were formed, it would considerably help the family planning programme. A special pattern of financial assistance for them could also be worked out to strengthen their activities. The Family Planning Board, at its first meeting, had recommended the appointment of Family Planning Officers in each State. But so far only Madras State has appointed a whole-time Family Planning Officer.



A point that deserves special attention is medical research. The success of the programme in the rural areas, where the need for family limitation is felt most, depends on the extent to which modern medical science succeeds in evolving a cheap, effective and simple contraceptive. No less important is research in demographic problems. Scientific investigation into human fertility, methods of regulating it, social and economic factors affecting the reduction of birth rate, etc., should be vigorously undertaken.

FREE TRADE AREA

The misgivings expressed by many in the Commonwealth countries over the possible adverse repercussions on their economies in the event of Britain joining the European free trade area can be said to have been dispelled by the categorical declaration by Sir David Eccles, President of the Board of Trade, that "there is no question of joining Europe on any terms which would in any way injure Commonwealth relations." Inaugurating the Congress of Commonwealth and British Empire Chambers of Commerce in London on Monday this week, Sir David sought to emphasise the fact that the free trade area would be in the interest of not only Britain but the entire Commonwealth. The area, he pointed out, would expand Britain's home base, enable it to be richer and, with other countries of Europe, to have a larger supply of capital for investment outside Europe. "That," to quote him, "is the basic economic reason for going into the European market." Otherwise, he warned that West Germany would run the show in the common market; no other country out of the six—France, West Germany, Italy, Belgium, the Netherlands and Luxembourg—had the willpower, the technical skill and the industrious labour that West Germany had.

In the opinion of Sir David, there is a political reason which should weigh more heavily still. Explaining this, he observed:

"Twice in my lifetime, the Commonwealth had some thousands of miles across the ocean to fight the war in Europe. These were the last two attempts of the West European nations, or one of them, to dominate others and form a hostile bloc across the channel which would threaten the very life of the United Kingdom. Throughout history, we have had to face up arms against any such threat from the Continent of Europe. Now, although it is not military or hostile in its intent, six countries of Europe have signed a treaty to do exactly what, for hundred years, we have always said we could not see with safety to our own country."

Sir David made it clear that it would not be in the interests of the Commonwealth if this move were to succeed with Britain left outside. He thought that, if Britain could join on terms not harmful to Commonwealth relations in any way, a great political risk would be averted. This statement is, indeed, reassuring. It is rather difficult to say with any degree of certainty as to how far and to what extent the European common market and the free trade area will affect the trade of Commonwealth countries which account for a quarter of the world's population and one-third of the world's trade. Being the leader of the Commonwealth, the United Kingdom should naturally assume the responsibility for safeguarding the economic interests of every one of these countries from the repercussions of its participation in the free trade area.

PLYWOOD AND TEA-CHESTS

A perusal of the speech of Mr. K. R. Damle, I.C.S., Chairman, Tariff Commission, at the public enquiry into the question of continuing protection to the plywood and tea-chests industry, held in Bombay the other day, will clearly reveal that the industry can legitimately feel proud of its achievements in recent years. Not only have the quantity and quality of production registered a marked improvement but the prices charged are said to be quite reasonable having regard to the cost of manufacture. It is certainly encouraging to find that the industry is at present utilising as much as 82 per cent. of its installed capacity, as against just 42 per cent. in 1953. Indeed, Mr. Damle said that India could claim to be self-sufficient in the matter of plywood tea-chests.

The total installed capacity of the industry (on a single-shift basis) at present is estimated at 211 million sq. ft. or about 11.93 million sets, which compares very favourably with 145 million sq. ft. or 8.20 million sets in 1953. Between 1953 and 1956, the production of plywood tea-chests and commercial plywood has more than doubled itself, from 61.20 million sq. ft. to 124.16 million sq. ft. The increase has been shared by both tea-chests and commercial plywood, the figures for 1956 being 98.33 million sq. ft. (5.56 million sets) and 25.83 million sq. ft., as against 49.79 million sq. ft. (2.82 million sets) and 11.41 million sq. ft., respectively, in 1953. The amount of capital invested is estimated at Rs. 3.5 crores and the number of persons directly employed at 6,425 per day; the corresponding figures for 1953 were Rs. 2.77 crores and 5,653 workers.

The current rate of tea-chests production, namely, 5.56 million sets, is just sufficient to meet the domestic demand. So far as future demand is concerned, estimates differ. Thus, whereas the Development Wing of the Union Ministry of Commerce and Industry expects the future demand to be steady at the present level of 5.5 million sets, the Tea Board expects it to rise to 6.55 million sets by 1960. As regards commercial plywood, the estimates range from 20 million sq. ft. to 30 million sq. ft. The Planning Commission puts the total requirements to be 30—50 million sq. ft. at the end of 1960. Since demand is the primary basis on which the future expansion and development of the industry have to be determined, it is of the utmost importance that a fairly reasonable estimate of the current as well as future demand for tea-chests and commercial plywood should be arrived at.

While assessing the demand for commercial plywood, due consideration must be paid to the possibilities of substitution of this material by other products. It is stated, for instance, that panels made of delignified bamboo may become a powerful competitor. Further, hard-boards like masonite made out of bagasse or other raw materials, it is said, have considerable potentialities for replacing, at least partially, commercial plywood in certain consumer industries. As these trends in the use of substitute materials are likely to become increasingly evident, the commercial plywood manufacturers should take energetic measures to popularise the use of plywood through educational advertising or salesmanship. More important, of course, is the need for producing quality product at competitive rates. The need is all the greater in the case of tea-chests. As Mr. Damle rightly emphasised, exports of tea are a valuable source of foreign exchange to the country and, since packed tea has to travel long distances both within and outside the country, great importance attaches to the quality of the chests. Although the Tea Board has stated that, generally speaking, the quality of Indian tea-chests is found to be in no respect inferior to foreign tea-chests, the Tariff Commission, we are told, has received complaints in regard to indifferent bonding, use of several pieces, instead of one whole piece in the inside veneer, and use of unsuitable and unseasoned timber.

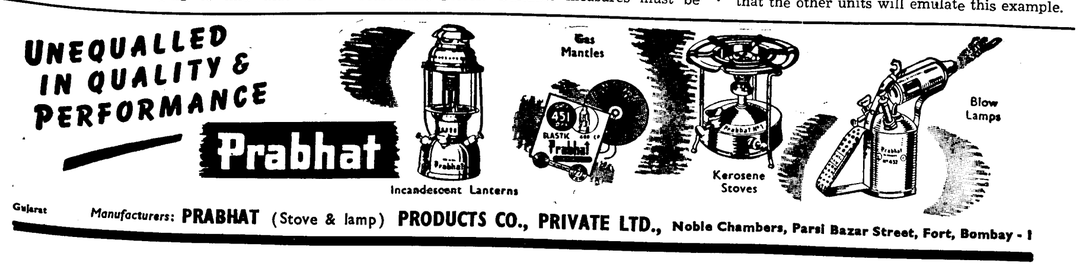
The ability of the plywood and tea-chests industry to maximise output of quality product at an economic price will depend on the extent to which some of the hardships confronting it are removed. The industry is said to be finding it hard to obtain adequate supplies of timber, an important raw material, at a reasonable price. The Tariff Commission will do well to recommend to the Government suitable measures for removing the handicap. The tea-chest producers are also experiencing difficulties in securing adequate supplies of planks and tin-plate at reasonable prices. Suitable measures must be suggested for overcoming this difficulty too. Another important raw material is glue. The industry has almost entirely switched over from casein glue to synthetic glue. At present, the entire requirements of glue are met by imports, mostly from the U.K. and West Germany. It is understood that schemes for the production of synthetic adhesives have already been licensed and research on them is in progress at the Department of Chemical Technology, Bombay, and the Forest Research Institute, Dehra Dun.

SMALL INDUSTRIES

The recent move of the Central Government to secure collaboration between large and small industries, so that the two sectors can develop as complementary to each other rather than being competitive, is certainly to be welcomed. In a communication addressed to about 3,000 large industrial units licensed under the Industries (Development and Regulation) Act, the Union Ministry of Commerce and Industry has called upon them to consider the extent to which it is possible for each unit to "farm out" manufacturing of components to small-scale industries. Suggestions in this regard are required to be sent to the Development Commissioner for Small-Scale Industries, the National Small Industries Corporation, the Director of the Regional Small Industries Service Institutes or the Directors of Industries in the States who are already said to be working on this programme.

In a way, the above move marks a departure from the existing official policy governing development of small-scale industries. This policy, as readers are aware, has been extended in several spheres to such an extent that economic considerations have been relegated to the background, their place being taken over by highly ideological considerations. How else can one explain the Government's policy of imposing restrictions and tax burdens on large-scale industries with a view to helping the small units? Small-scale industries no doubt play an important role in the country's economy. But, in determining the exact place of these industries in the economic set-up of the country, it is imperative that the economic importance of large-scale industrial sector should receive adequate recognition. Further, in imposing new burdens on the large-scale sector, the authorities should also take into account the price which the consumer will ultimately be called upon to pay for his requirements of goods and commodities. Needless to say that the development of small industries must be ensured purely on its merits and not at the cost of the more efficient large-scale sector.

The real, most effective way of achieving an orderly and secure development of small industries lies not in palliatives or short-cut remedies but in enabling them to grow up as auxiliaries to large factories, as in Japan, where the heavy industries restrict their manufacture only to the parts requiring high precision, while other parts, comparatively easier to manufacture, are obtained from small industries. The large industries in Japan retain to themselves the task of inspection and designing in regard to the parts obtained from small units. The bigger units are thus saved the need to make heavy investments and block capital on machinery and equipment, while the small industries have a ready market for their products. In view of these advantages, the Government of India has, indeed, done well to recognise, albeit belatedly, the importance of a pattern of development based on the inter-dependence of heavy and small industries. It is reassuring that several large units have already accepted the scheme in principle, thanks to the efforts made by the National Small Industries Corporation and other Government agencies working for the development of small industries. In fact, some units are reported to have already entered into arrangements with the small-scale units for the supply of different small components. It is to be hoped that the other units will emulate this example.



FOOD PROBLEM IN PROPER PERSPECTIVE

REMEDY LIES IN GREEN MANURE AND MINOR IRRIGATION

From Our Own Correspondent

NEW DELHI, *28th May*

DELHI LETTER

IT is one of the unfortunate facts of the economic scene in India that food, like land reform, has come to have strong political undertones. The politics of it all is so much in the background that politicians, whether inside or outside the Government, are unable to size up the situation in strictly economic terms or in terms of an honest statistical appraisal of agricultural growth and performance since the agriculture-oriented first Plan started. In any case, the political view has to be severely discounted, for food has too often belied the breezy optimism of politicians and vaunted agrarian reformers who have generally, as a non-official specialist in agricultural problems has put it, no practical experience of husbandry. This despatch on food presents, therefore, a strictly non-political approach to the problem.

It is no mere platitude that food continues to be the Achilles heel of India's planned economy. But it is surprising that the Union Food and Agriculture Ministry, while rightly swearing by its crop estimates which have reached a higher level of precision than ever before, does not appear to have a whole view of the situation as it is affected, for good or ill, by other factors. Among these other factors the most relevant are: land reform (talked about or implemented); consumption of foodgrains by producers and marketable surpluses released by them, prices, supplies and effective demand by different income groups in the monetised sector; balance or lack of balance between foodgrain crops and commercial crops; and consumer hoards, if any, and partial holding back of marketable surpluses by producers at a time of rising foodgrain prices. These factors are interrelated and they determine relative scarcity or otherwise from time to time in the monetised sector. But the Food and Agriculture Ministry does not appear to have worked out a systematic statistical measure of the relationships between these factors.

Nothing Fresh

The Government's most considered view to date, as seen from the Finance Minister's Budget speech, is that "statistically, it does seem that, if at all there is an overall shortage, it is of a marginal character." This is no fresh contribution to the debate, for there has always been a marginal scarcity in this country in the matter of food. If this marginal scarcity is presented as a continuing phenomenon in spite of a more or less high annual level of production of foodgrains excluding pulses since 1953-54 (when it was 58.3 million tons as against 55.7 million tons, 55.4 million tons and 57.5 million tons, respectively, in 1954-55, 1955-56 and 1956-57), it strikes one as an unwitting admission that the production increase almost entirely attributed to the Plan is questionable. Here the non-official specialist referred to earlier has estimated that nearly half of the *real increase* in 1953-56 (over that of 1951-52 or 1952-53) in output on irrigated lands and a sixth of the increase in output from unirrigated lands (which account for just under two-thirds of the total production from all lands) can alone be attributed to the irrigation, manuring and development schemes of the first Plan.

Again, the sudden 'expansion' in production of foodgrains excluding pulses from 42.9 million tons in 1951-52 to 49.2 million tons in 1952-53 and to 58.3 million tons in 1953-54 is intriguing. As there is absolutely no reason to believe that crop estimates since 1953-54 are overestimates, some valid explanation has to be found for the far lower crop estimates in the first two years of the first Plan, especially because it is well known that agriculture all the world over has always registered and continues to register only a slow rate of growth. The conclusion is, therefore, hazarded that the *annawari* crop estimates throughout the country in the years of control and intensive procurement (upto 1952-53) should have been under estimates, for it was common knowledge in those days that the *patwaris* (village accountants) were influenced by producers in several ways to under estimate yields in order to reduce their obligations under the grain procurement schemes. In other words, a part (anything from a fifth to a fourth) of the production of those years was concealed from the paper estimates; under conditions of decontrol since 1952-53, crop estimates (made largely now on the basis of sample crop cutting surveys) have again become fairly reliable with an inevitable small margin of error.

Magnitude of Deficit

Considered in this background, the estimated production of foodgrains other than pulses in 1956-57 works out to 326 lbs. *per capita* per annum, as against nearly 335 lbs. *per capita* per annum in 1951-52 on the basis of the latter year's real production (paper estimate plus concealed production); the decline reflects the simple fact that population has increased by about 29 million since 1951. This would mean that there is this year an overall deficit of around 1.5 million tons in the country as a whole on the production basis of the 1951-52 level of *per capita* production. This, however, does not ignore the fact that the deficit this year is much larger in terms of the pre-war level of *per capita* production or the fact that there was a deficit in 1951-52 itself in terms of the pre-war level). Perhaps, the overall deficit may be even 2 million tons. This can be more than fully covered by the Government's programme to import foodgrains this year under the commodity loan agreement with the U.S. Commodity Credit Corporation.

This overall deficit of 1.5 or 2.0 million tons is, however, not so trivial as it looks, for its effects in terms of supplies and prices in the non-producing sector of the country can easily be out of proportion to what the deficit warrants. It is here that the studies contemplated by the Economic and Statistical Research Division of the Union Food and Agriculture Ministry in respect of income-price-demand relationships may provide sound guidance for official policy regarding prices which alone will determine the magnitude of relative scarcity or of relative plenty in the monetised sector. All this, however, is only of significance for the immediate future. The chronic overall production deficit would get increased to about 10 million tons for the present population, if *per capita* consumption of foodgrains were to be at 17.5 oz. per day, for lack of other ingredients in adequate quantities of a balanced diet.

The real overall deficit of the magnitude of 10 million tons is, however, not a problem of immediate significance. It may well be solved in the short-term (say, three years from now) if agricultural productivity schemes of a kind involving very small capital inputs and quicker results in terms of output are assigned the highest priority. Distribution of chemical fertilisers on a far larger scale may easily suggest itself to some as the most efficacious way of increasing output in the short run. But this has its well-nigh insuperable practical difficulties. For, if it is a question of indigenous production of fertilisers, it cannot be stepped up to the required extent in a year or two without a large investment outlay; if they are to be imported, it is a question of foreign exchange which simply cannot be had; even if the requisite quantity of fertilisers can be had, it is a question of their subsidised sale to small agriculturists or of an estimated outlay of Rs. 100 crores to Rs. 150 crores on distribution as fertiliser loans to agriculturists.

The only other feasible alternatives are compost and green manure schemes and minor irrigation. Green manure, in particular, has greater potentialities than any other manurial scheme, for enough green manure seeds can easily be produced on 3 or 4 per cent. of all lands this year so as to cover in the next two years half of the total net sown area (about 320 million acres) in the entire country. This is the least expensive because an acre of land would require not more than four annas of seeds and the most productive because the yield will be increased by at least a fifth. Small irrigation by small tube-wells and filter-points, renovation of rain-fed tanks, open wells, etc., generally involves a capital outlay of less than Rs. 50 per acre, and if this also has a priority in the next two or three years, the overall deficit of 10 million tons (for a *per capita* consumption of 17.5 oz. per day) can be more than made good by the end of 1959-60. If Prime Minister Nehru gives a rigorous lead in respect of green manure and minor irrigation as he does in the case of night-soil manuring and co-operative farming, the short-term solution may well be in sight.

The all-India final estimate of *khariff* pulses other than *tur* for 1956-57 puts the current year's area and production at 16,166,000 acres and 1,664,000 tons, as against the partially revised estimate of 15,567,000 acres and 1,632,000 tons, respectively, for 1955-56. This shows an increase of 599,000 acres or 3.8 per cent. in area and 32,000 tons or 2.0 per cent. in production over last year. Some of the pulses included in this estimate are also grown during the *rabi* season in some States. *Khariff* pulses reported in this estimate, however, cover about 62 per cent. of the total area under pulses other than gram and *tur*.

GOVERNMENT OF INDIA

4 PER CENT TEN-YEAR TREASURY SAVINGS DEPOSIT CERTIFICATES

(FREE OF INCOME-TAX)

Interest at the rate of 4 per cent will be payable free of income-tax annually from the date of deposit and will not be taken into account in calculating the total income of the Depositor for the purpose of income-tax.

The maximum amount that may be held in these deposits including the amount invested in 3½ per cent Ten-Year Treasury Savings Deposits in terms of Government of India, Ministry of Finance Notification No. 7(1)-B/51 dated 22nd January 1951, will be—

For an individual	**Rs. 25,000**
For an individual jointly with another	**Rs. 50,000**
For Charitable Institutions	**Rs. 1,00,000**
For other Institutions	**Rs. 50,000**

Deposits in cash/cheque will be received from the 1st June 1957, and until further notice in multiples of Rs. 100.

Deposits will be refundable at any time after expiry of one year from the date of deposit at certain discount.

Applications will be received at the offices of the Reserve Bank of India, Bombay, Calcutta, New Delhi, Madras and Bangalore, branches of the State Bank of India, State Bank of Hyderabad and Bank of Mysore Ltd. conducting Government treasury business and treasuries and sub-treasuries in India at places where there is no such office of Reserve Bank of India or branch of State Bank of India, State Bank of Hyderabad or Bank of Mysore Ltd.

Deposit Certificates will be accepted for safe custody by Public Debt Offices and interest remitted to holders, if so desired.

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

AMERICAN LETTER

BATTLE OF BUDGET CONTINUES

FURTHER INCREASE IN MONEY RATES UNLIKELY

From Our Special Correspondent

NEW YORK, *22nd May*

PRESIDENT Eisenhower has taken his legislative programme, now before Congress, to the people of the United States in a series of radio and television programmes. He defended the Budget and explained the necessity of high preparedness spending for defence. He said that foreign aid is imperative and intimated, in effect, there was no room for any cuts in expenditures.

The President was not successful in getting his points across. The battle of the Budget continues, perhaps not to the same extent as before his speeches. The storm continues just the same. The Budget is not universally accepted and any law not supported by a majority of the people is likely to be a bad law, at least psychologically, even though the hard facts of life may prove the President to be right later.

The dissenters proposed to reduce the Federal Budget of $71,800 million by $2,000 million. The *New York Times* points out that $2,000 million, more or less, really makes little difference and not sufficiently so to enable the Government to reduce taxes. It is fairly obvious to me that much of the uproar is politically, rather factually, inspired. The opposition party in Congress would like to take credit for economy measures in order to get ready for the next election.

Taxes

The fact remains, however, that taxes under the Eisenhower Administration have been larger than under the preceding ones and the proposed Budget is at a record for times of peace. A substantial part of this increase is due to higher prices and inflation.

Despite the budgetary surplus, inflation continues. Blame for that must be placed on wage increases. According to many labour contracts, wage boosts are now more or less automatic and it cannot be disputed that productivity has not yet caught up with the rise of industrial expenses. Such a lag happens every once in a while and it has been apparent in many periods of the past. If it continues, inflation is inevitable.

Current statistics are cheerful, indeed. The stock market hit new highs for 1957 in the second half of May. Retail sales for the first four months aggregated $61,200 million, a new record. In the third week in May, stocks prices advanced $2,200 million. Judged by Standard and Poor's 500-stock index, the list is a mere $11,400 million below its previous high of 2nd August, last. A good deal of the strength is based on technical considerations.

Retail Sales

The gain in retail sales is nationwide. Total sales in the first four months were 5.1 per cent. above the figure of the first third of 1956. About 3.5 to 4 per cent, perhaps, is attributable to price increases so that the net boost is relatively small. Automotive sales were $12,609 million as against $11,809 million last year. It represented the greatest rise in any retail category. In this area, too, price increases played an important part, but a pick-up in spring buying was also a factor. The figures include domestic new and used cars as well as foreign automobiles which enjoy greater popularity in the U.S. every year.

Optimism about the overall economic picture is increasing. A group of top industrial officials and Government spokesmen, after a lengthy meeting at Washington, predicted that business will fare better in 1957 than it did in 1956. They expressed concern, however, over creeping inflation.

Secretary of Labour, Mr. James P. Mitchell, predicted a rise in employment this summer to a record high of 68 million. The authoritative trade magazine *Steel* pointed out that scrap steel prices are higher. Scrap is considered a barometer for steel production. Last December, scrap prices moved downward, three months ahead of the actual decline in steel output.

The automobile industry seems to be doing a better job in gearing its production to sales by dealers. Auto stocks were 735,000 cars on 1st May, as compared with 902,000 units 12 months previously.

Farm Income

Visibility over the farm belt of the U.S. also was improving. Farm prices are firm and Secretary of Agriculture, Mr. Ezra Taft Benson, predicted a 5 per cent. gain in 1957 farm income over 1956. Seven out of 10 farmers in the U.S. have no mortgage debt. Housing starts rose seasonally in April, but they were at the lowest level for that month since 1949. Work began on 92,000 public and private dwelling units. It resented the first upturn in the seasonally adjusted rate since last October.

The spending for consumer goods and services reached an annual rate of $427,100 million in the first quarter, a new high. This figure is not adjusted for price increases.

On the same basis, personal income also is at a new high. The Commerce Department reported that personal income reached a record annual rate of $339,000 million in April. This is $1,200 million higher than the rate in March and nearly $18,000 million above the level of April 1956.

Earnings reports for business so far this year have been fairly stable. The ultimate showing for 1957 will depend on how much profits will be cut by rising costs.

Unless inflationary forces turn out to be stronger than they are at the present time, it is quite unlikely that money rates will go up further. There is certainly no point in boosting the prime lending rate. It cannot be denied that there is pressure on borrowers who need money Most of the banks in the major money centres in the U.S. are "loaned up." Companies which do not have long established accounts, have difficulty in obtaining loans.

Bank Money

Commercial bank money is, of course, part and parcel of the entire capital markets' structure. There is hunger for every type of money. Evidence of that may be found, for example, in the offering by the International Business Machines Corporation of more than $200 million worth of equity securities in the form of 1,050,223 common shares to stock-holders.

The post-war economic growth, plus greater and costlier automation in a period of rising prices, has accelerated the trend toward large stock offerings by leading industrial corporations. The demand for capital in all forms this year is likely to be as great as it was in 1956. If savings hold up, there should be little difficulty, except temporarily, perhaps, in satisfying this demand.—*All Rights Reserved.*

BRITISH EXPORTS OF AIRCRAFT

During the last five years, British aircraft and aero engines manufactured abroad under licence have earned for the United Kingdom almost £25,000,000. Figures of royalty payments to Britain for the manufacture of aircraft and aero engines abroad (including lump-sum fees for the granting of licences) show that such payments rose from £2,562,000 in 1952 to £7,007,000 last year. Of the 14 types of British aero engines for which manufacturing licences have been granted in nine countries, the Armstrong-Siddeley Sapphire is a leading money-spinner. Between 8,000 and 9,000 of these engines have been built so far in the United States, where 4,000 to 5,000 Rolls-Royce Nenes and Tays have also been made. Of the eight types of British aircraft built in eight oversea countries, the Canberra figures prominently. More than 350 have been built in the United States as the B-57, and a further number in Australia. Licence agreements signed in recent months covering the manufacture of Gnats in India and Finland and of Bristol engines in the United States are expected to do much to ensure that the high annual royalty income level is maintained.



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MEDIUM-TERM FINANCE FOR INDUSTRY

RESERVE BANK AND STATE BANK ACTS AMENDED

THE Reserve Bank of India (Amendment) Bill and the State Bank of India (Amendment) Bill, introduced in Parliament by the Finance Minister on 20th May, were passed by Parliament on the 27th. The main purpose of the Bill is to facilitate the two institutions to participate in the share capital of financial institutions that may be set up for providing medium-term finance for industries in the private sector. The former Bill also provides for the extinguishment of the liability of the issue department of the Reserve Bank in respect of the unencashed high denomination notes demonetised in terms of the High Denomination Bank Notes (Demonetisation) Ordinance, 1946.

The need for amending the above Acts arose in view of the fact that the existing bodies like the Industrial Finance Corporation, the State Finance Corporations and the Industrial Credit and Investment Corporation could not meet the needs of medium-term finance of industries, thereby necessitating the establishment of separate financial institutions for the purpose. The immediate aim of the Bills is to enable the two Banks to participate in the share capital of the Re-finance Corporation, proposed to be established with a share capital of Rs. 12.5 crores. It has been decided that the Reserve Bank of India should subscribe Rs. 5 crores to the capital of the Corporation, the State Bank of India Rs. 2.5 crores, the Life Insurance Corporation of India Rs. 2.5 crores and the other banks Rs. 2.5 crores. Besides the share capital, the funds of the Corporation will include Rs. 26 crores of American counterpart funds which will be placed at the disposal of the Corporation by the Government of India as an interest-bearing loan for 30 years. It is noteworthy, therefore, that the American "Counterpart funds," which have played such a pivotal role in the economic rehabilitation of a number of Western European countries, particularly of France, Germany, Belgium, Austria and Italy, by being channelled in the shape of long-term and medium-term funds for industries through public and semi-public corporations are being put to a similar use in India.

Expanding Needs

It will be noted that the decision to establish a separate financial institution for the above-named purpose has not come a bit too soon. The expanding needs of industry for medium-term credit have created an enormous pressure on the limited financial reserves of the commercial banks which, as a matter of sound financial policy do not lend for periods exceeding six months generally. Many banks, however, find themselves periodically renewing those short-term loans, turning them virtually into medium-term loans. This is so primarily because the borrowers are unable to raise either fixed interest-bearing capital or equity capital from the market on account of inadequate supply of savings. The banks are reluctant to lend on a medium-term basis, as their deposits are of a call or short-term nature. Of the Scheduled banks, deposits that are repayable on demand constitute about 60 per cent. and those repayable within three to six months 30 per cent. The balance of 10 per cent. represents one year deposits. Quite apart from the considerations of soundness, there is the fact that banks are not in a position to lend more even if they wish to do so, for their existing resources are being fully utilised. The ratio of advances to deposits has been well over 70 per cent. for several weeks now and has been in the neighbourhood of this level for a long time even before.

In the case of the State Bank of India, there are statutory restrictions to grant loans and advances for periods in excess of six months and against the primary security of immovable property. The present amendments to the State Bank of India Act are aimed at removing these disabilities and enabling the State Bank to participate more effectively in the industrial development of the country contemplated under the second Plan.

Speaking on the Bills, the Finance Minister stated that he had been thinking about the need for an institution which could serve the purposes that were being served by discount houses or issue houses in certain countries abroad. These discount houses provide, as readers are aware, equity capital to new industries which cannot obtain the same in the capital market, until they go into production. Obviously, the establishment of an institution to serve this purpose will fill a void in the credit structure of the country.

Complaints have been made time and again that there have been nepotism and favouritism by the new institutional lenders in granting loans. In order to prevent such criticisms in the case of the proposed Re-finance Corporation, it has been decided by the Government that business interests should not be associated with it. According to the Finance Minister, only practical bankers will be associated with it. He expressed the hope that the new institution will help industrialisation of the country in the channels desired by the Government.

PUNJAB FINANCIAL CORPORATION

The audited accounts of the Punjab Financial Corporation (Managing Director: Mr. H. L. Bahl, Jullundur) for the year ended 31st March 1957 disclose a fall in the loans sanctioned during the year, both in number and amount, while the actual amount of loans disbursed and the profit have recorded an increase over the year. The number of applications received agregated 49 for a sum of Rs. 56.49 lakhs, as against 56 for Rs. 70.17 lakhs in 1955-56. The applications sanctioned amounted to 28 for Rs. 26.35 lakhs, having fallen from 33 for Rs. 39.57 lakhs. Applications numbering 21 for Rs. 40.38 lakhs, as against 17 for Rs. 30.25 lakhs, were under consideration at the end of the year, the rest having been rejected and lapsed or withdrawn. It is noteworthy that the number of applications rejected have declined from 12 for Rs. 6.65 lakhs to six for Rs. 2.55 lakhs. This is attributed to the fact that more loan proposals received during the year were well-conceived and practical schemes. The actual amount of loans disbursed during the year aggregated Rs. 21.53 lakhs, having risen from Rs. 19.33 lakhs in 1955-56.

The profit of the Corporation for the year under review amounted to Rs. 3.70 lakhs, as compared with Rs. 3.07 lakhs earned in the previous year and Rs. 2.39 lakhs in 1954-55. After setting aside a sum of Rs. 1.70 lakhs as provision for taxation, as against Rs. 1.30 lakhs a year ago, the Directors have transferred Rs. 3,000 to the reserve fund, which had received Rs. 20,000 in the previous year. A sum of Rs. 27,000 (as against *nil*) has been provided for investment to cover the overall depreciation in the value of Government securities held by the Corporation. These appropriations leave a balance of only Rs. 1.70 lakhs, which is not sufficient to meet the guaranteed dividend of 3 per cent. The shortfall is, however, being met with a subvention of Rs. 1.30 lakhs from the State Government. Thanks to the steady improvement in earnings during the last three years, the amount of subvention received has declined from Rs. 2.09 lakhs in respect of the year 1953-54 to Rs. 1.30 lakhs for the year under review. The contingent liability on account of subventions received so far amounts to Rs. 6.42 lakhs.

The total number of loan applications received up to the end of the year 1956-57 aggregated 244 for a sum of Rs. 288.92 lakhs. Of this sum, the loans sanctioned accounted for Rs. 115.21 lakhs covering 107 applications and the actual amount disbursed for Rs. 64.91 lakhs covering 63 applications.

The paid-up capital of the Corporation is Rs. 1 crore and is supplemented by reserves aggregating Rs. 38,000. The loans and advances outstanding as at the close of the year amounted to Rs. 56.78 lakhs. Investments (at cost) aggregated Rs. 35.90 lakhs (the market value being Rs. 35.64 lakhs) and cash balances Rs. 10.44 lakhs.

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CORRESPONDENTS ALL OVER THE WORLD

FOREIGN CAPITAL FOR ITALY

Following the publication of regulations by the Italian Government in July last under the new law on foreign investments brought into force, foreign investments in the country have risen steadily. Under the new law, foreign investments for the "establishment or expansion" of "productive enterprises" enjoy privileged treatment. These enterprises are those which engage in the production of goods and services, as well as those which require for the conduct of their business land reclamation or improvement projects, the installation of factories, yards, power generating sets and the like. A special feature of the rules is that no limitations in time or the quantity concerning the transfer abroad of profits or of the capital itself are placed on such investment. Investments in other enterprises, however, are entitled to the transfer abroad of annual profits up to 8 per cent. Two years must elapse before the capital itself may be transferred abroad. It may be interesting to note here that, in 1956, an amount of the equivalent of £34.7 million was invested in Italy, as against £24 million in 1955. Of the 100 applications received by the Treasury from foreign investors for recognition as "productive enterprises," only two were rejected. It is especially noteworthy that the Inspectorate for Foreign Financial Relations of the Italian Treasury has adopted a speedy and elastic procedure—under which an official reply is assured to the investor within 30 days of his submitting application—for treating applications. This is reported to have greatly encouraged potential foreign investors to sound the prospects of investment in Italy.

Of the new investments, a vast majority is reported to be of U.S. dollars and Swiss francs. A large portion of investments went to petroleum, chemical and engineering industries, that is, in those fields which form the basis of modern industrialisation.

COOCH BEHAR STATE BANK

The dull business conditions in Cooch Behar during 1956, particularly in jute and tobacco, the main cash crop of the State, and the acute stringency in the money market were mainly responsible for the slight decline in the turnover and profit of the Cooch Behar State Bank Ltd. for the year ended 31st December 1956. The profit has been marked down from Rs. 31,330 to Rs. 22,110. With the surplus of Rs. 1,540 brought forward from 1955, the amount available for appropriation is Rs. 23,650. Out of this sum, the arrears of income-tax due in respect of the years 1952 and 1953 have taken up Rs. 9,741. A provision of Rs. 9,400 has been made for taxation, as against Rs. 6,000 set aside last year. The reserve fund, which had received Rs. 10,000 in the previous year, has been strengthened further by the addition of Rs. 4,509, leaving no balance for further appropriation, with the result that the Directors have had to skip over the dividend which was paid for 1955 at As. 2 per share of Rs. 5.

The setback in business is duly reflected in the fall in the Bank's deposits as at the end of the year from Rs. 3.21 lakhs to Rs. 3.12 lakhs and in advances from Rs. 6.67 lakhs to Rs. 4.91 lakhs. The investments have gone up from Rs. 50,000 to Rs. 64,044 and cash balances from Rs. 2.09 lakhs to Rs. 3.69 lakhs.

The Bank was incorporated in 1949, having been sponsored by the then Ruler of the Cooch Behar State. Following the merger of the State with West Bengal, the major part of the shareholding of the Ruler was transferred to the Governor of West Bengal and the Bank is now a State-owned company. Negotiations for taking over the Bank by the State Bank of India have now been completed. On the appointed day to be fixed by negotiation, and, on approval of the same by the Central Government, the assets and liabilities of the Bank will be taken over by the State Bank of India.

STATE BANK OF INDIA

In answer to a question in the Lok Sabha whether there are restrictions on withdrawals from current accounts in the State Bank of India, if the drawee puts his signature in Hindi, Mr. T. T. Krishnamachari, Union Finance Minister said:

"The State Bank accepts cheques and endorsements in Hindi without restriction as to the amount at its branches located in Hindi-speaking areas and adjacent areas where Hindi can be easily understood. At other places, the local agent has the discretion to specify a limit as regards the amounts for which cheques can be signed in vernacular. Alternatively, the Bank may require the accountholder to sign cheques in the presence of a supervising official; but this requirement is waived at the discretion of the local head office of the State Bank when circumstances appear to make such insistence on this requirement undesirable. The restriction obtaining in areas where Hindi is not the regional language or where Hindi is not easily understood is considered necessary in the interests both of the Bank and the public. This can be appreciated if one keeps in view the fact that quite a number of constituents signing in vernacular have not yet acquired fluency and fully developed handwriting therein. There are also possibilities of signatures being forged if they are drawn in a language with which the supervisory staff of the bank are not fullf familiar."

PROVISION OF FARM LOANS IN U.S.

COMMERCIAL BANKS PLAY IMPORTANT ROLE

IN sharp contrast to the dismal picture obtaining in India, the insured commercial banks in the U.S. provide no less than 27.6 per cent. of the total agricultural credit requirements of the country. The total farm debt, as at the middle of 1956 (exclusive of Commodity Credit Corporation's price support advances), stood at $18.5 billion, of which loans given by insured commercial banks accounted for $5 billion, while those by individuals, merchants and the like for about $7.7 billion, or 41.6 per cent., and financing organisations and other banks for $5.7 billion or 30.8 per cent. Thus financing organisations and all kinds of banks together supply no less than 58.4 per cent. of the finance needed for farm operations. Further, the total amount of loans from commercial banks was somewhat over twice the level in 1947, as a result, partly of an increase of over 75 per cent. on an average in the farm investment in land and other assets. Such, in brief, is the structure of farm credit in the U.S., as disclosed by the Agricultural Loan Survey, conducted by the Research and Statistics Division of the Federal Reserve Board in the middle of 1956. A series of four articles on the role of commercial banks in rural credit has appeared in the recent issues of the *Federal Reserve Bulletin*.

A noteworthy feature revealed by the Survey is that about 2·3 million or nearly one half of the operating farmers have borrowed from the insured commercial banks as at the middle of 1956. Although the banks covered nearly half the number of farmers, in terms of value their share of agricultural credit was as much as $5 billion, or 27.6 per cent. of the total. This percentage is very much higher than the comparable figure for India, where commercial banks satisfied less than one per cent., while all kinds of moneylenders including relatives and landlords accounted for about 91 per cent., of the total credit needs—which stood at Rs. 750 crores—of the agriculturists in 1953. In the U.S., banks are the major institutions that supply credit to finance operating and intermediate credit needs of the farmers, providing about three-fourths of such institutional credit, and one-sixth of all farm mortagage credit.

Distinguishing Features

The Survey reveals certain other interesting characteristics which, juxtaposed with the corresponding position prevailing in India, highlight certain distinguishing features of the American farm credit system. A purpose-wise classification of the farm loans, for example, reveals that those for seasonal operations, that is, for payment of current operating and family living expenses and purchase of feeder-livestock, accounted for 38 per cent. of the dollar amount of all the loans from the commercial banks. Though bank credit to agriculture is insignificant in India, a similar classification of borrowings of cultivating families from all sources attempted by the All India Rural Credit Survey reveals that no less than 57 per cent. of the total borrowings is for family expenditure (47 per cent.) and current farm expenditure (10 per cent). It may be noted that this does not include expenditure for the purchase of livestock. In view of the comparatively high *per capita* income in the U.S., it can be construed—since figures to that effect are not given—that family expenditure accounts for only a relatively minor proportion of the total current expenditure on agriculture in the U.S.

Purchase of Land

Loans to finance intermediate-term investment—purchase of other livestock, machinery, etc., in the U.S. accounted for 33 per cent., those to buy farmland 18 per cent., of the total borrowings. In India, on the other hand, capital expenditure which includes purchase of land, livestock and machinery account for 32 per cent., while the loans for all other purposes for 11 per cent. which includes non-farm business expenditure and for the payment of old debts. It should be noted here that, though purchase of land is one of the important elements of capital expenditure in India, the average expenditure reported per cultivating family on purchase of land was in most districts less than Rs. 100 in 1953. Of the amount so invested, however, only 65 per cent. came from borrowings.

The U.S. Agricultural Loan Survey throws interesting light on the relationship between the levels of debt and the net worth of the borrowers. The average size of the bank debt per farm borrower was $2,227. But the average outstanding debt varied in accordance with the net worth of the borrowers. For example, those with a net worth of less than $3,000, constituting 13 per cent. of the borrowers from the banks, had an average outstanding bank debt of $535; those with a net worth of $3,000 to $9,999, forming 32 per cent. of the total, had an average debt of $1,147. The corresponding figures for those pertaining to the three higher net worth groups, namely, $10,000 to $24,999, $25,000 to $99,999, and over $100,000, who formed 30 per cent., 17 per cent., and 2 per cent., of the total borrowers were $2,068, $4,234, and $16,575. Though it is possible that these debts of the borrowers were not identical to their total borrowings, nevertheless, these figures reveal one fundamental feature, namely, that the extent of debt increases with the net worth of the borrowers. Another feature disclosed by these figures is that total farmers' borrowings formed only a small proportion of their net worth.

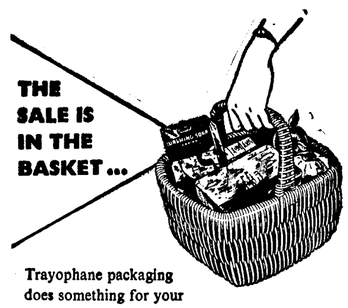
Position in India

A comparison of these farm loans figures of the commercial banks in the U.S. with those of all the agencies in India will obviously suffer from many limitations. Subject to this, however, it can be said that the position in respect of the relationship between the outstanding debt and the cultivated holding of the cultivator is markedly different. In India, cultivated holding is by far the most important element among the assets of the cultivating family and as such determines its creditworthiness. These holdings, together with buildings, form 85 per cent. of the total value of the assets of the cultivating families in the country. Accordingly, it can be regarded as a rough indicator of the size of the business of the cultivator, and, consequently, his creditworthiness, though it may not be identical with his total assets. Thus, on a classification of the cultivators into ten deciles on the basis of the size of their cultivating holdings, and on a study of the data of debt per acre of the different deciles, it has been found by the All-India Rural Credit Survey Committee that, broadly, the burden of per acre debt on lower deciles was very much higher than that on the higher deciles, and even as between the middle and lower deciles, the burden of debt in the lower deciles was comparatively high. Thus, unlike in the U.S., the burden of debt per acre in India (which we have taken to indicate roughly the size of business of the cultivator) increased, as a rule, as the number of acres cultivated by a family decreased. It is significant, however, that the position in the U.S. of the level of the total burden of farm debt in relation to the total farm assets bears close resemblance with the corresponding position in India. In the former, the total farm debt averaged about 10 per cent. of the value of the total farm assets in the country. In India, the data of the Rural Credit Survey show that the corresponding figure is about 6 per cent. of the total assets of the cultivators for the country as a whole, and that it is less than about 25 per cent. in every region of the country among both the upper and lower strata of cultivators.

Classification of Borrowers

Among the borrowers from the commercial banks in the U.S., 69 per cent. were owner-operators, 25 per cent. were tenants and 6 per cent. were landlords. Also noteworthy is the fact that the average bank debt of the tenants was $1,347, as compared with $2,522 for owner-operators. A particularly distinguishing feature is that part-time farmers, constituting 13 per cent. of the farm borrowers, accounted for about 11 per cent. of farm loans outstanding at the banks. The Survey also reveals that chartered mortgages (or conditional sales contracts) were the most common form of security for farm loans by the banks. They constituted no less than 40 per cent. of the dollar amount of farm loans. This type of security, it is stated, was most frequent in respect of loans raised for buying machinery and durable goods. However, in the case of loans for purchasing land, or improving land or buildings, all the farm loans—accounting for 70 per cent. of the total at the banks—were secured by farm mortgages. This kind of security was also frequent in the case of loans for repaying debts. Further, between 1947 and 1956, loans secured by farm real estate for all districts covered by the Survey rose from 2,185 to 3,110. At the same time, the average size of the loan increased steadily from $680 to $1,181, while their percentage to the total loans went up from 42 to 74. During the same period, the number of loans secured by farm real estate mortgage declined from 418 to 265 and so also their average size from $3,297 to $2,726. Their proportion to the total also fell from 58 to 21.

The maturity of farm loans made by commercial banks varied considerably with the purpose of the loan. Loans for current expenses were largely short-term, two-thirds of their dollar volume being payable in six months. This kind of loans was not uncommon among intermediate-term loans. About one-third of this category of loans were of more than one year maturity. One-third of the loans taken to buy farm real estate carried maturity of six to ten years, while one-eighth had terms in excess of 10 years. As regards interest rates, it is noteworthy that the average interest on farm loans not secured by real estate was 6.4 per cent. only. This approximates to the rate at which co-operative banks in most States and the Government of India issue loans to agriculturists. A feature of farm credit in the U.S. is that, for all types of loans, there was a steady decline in the interest rate as the size of the loan increased. The average rate was 7.4 per cent. on loans under $250 and 5.3 per cent. on loans of $25,000 or more. This is, of course, a normal feature of all commercial loans.



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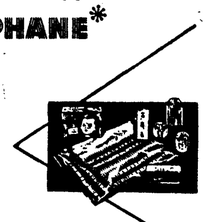

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TEXTILE INDUSTRY IN WESTERN COUNTRIES

PROSPECTS FAIRLY ENCOURAGING

AS a leading exporter of cotton textiles, India has to keep its eyes wide open in regard to the developments that take place in the textile trade of all its competitors, big and small. It meets with competition not only from Japan and the U.K. but also from the European Continental countries. Accordingly, the interesting analysis of the present pattern of and outlook for the textile industry of the U.K., Western Europe and the U.S., as contained in a recent issue of the *Index*, the monthly economic review of the Svenska Handelsbanken (Sweden), must be said to be quite timely and useful to the cotton mills in this country.

According to the review, the textile industry in Western countries which had been in the doldrums for many years is beginning to recover. The first and the most marked signs of a new upswing became evident in Continental Europe just over a year ago. The U.K. and the U.S. lagged behind and it was only a few months ago that their conditions, too, started improving. In Sweden, also, the development is of recent origin, the pick-up in demand being noticeable only during the latter half of 1956. The review, of course, finds it difficult to say whether the recovery is the beginning of a new age of prosperity for the textile industry or a mere spluttering that will die out, to be succeeded by new difficulties. But it has endeavoured to give an indication of the prospects by examining the earlier developments, particularly the reasons for the difficulties with which the textile industry has had to contend.

Textile Output

The review notes that the volume of production in the textile industry of Western countries during the last few decades has risen at a slower rate than that in other industries. In Western Europe, for instance, the rise in textile output since before the Second World War is no more than 27 per cent., while the total industrial production has gone up by as much as 80 per cent. Similarly, in the U.S., the production of textiles has barely doubled, whereas overall industrial output has trebled. The exports of textile goods from Western countries to the less industrialised nations have declined appreciably in the past two or three decades. The decline is attributed chiefly to the increasing efforts on the part of the latter countries to protect, with a view to achieving self-sufficiency in cloth supplies, their domestic textile industry by high tariff and import restrictions. Indeed, in the opinion of the *Index*, the centre of textile industry has been transferred from the industrial countries of Western Europe to the cotton-growing countries.

Incidentally, it may be noted that the recovery in textile production of West Germany has been particularly pronounced. The production index (base: 1938=100) which had receded to less than 50 in 1958 stood at 175 in 1956. The figures for the U.K., Sweden and the U.S. was more or less unchanged at about 100, 130 and 200, respectively. As compared with 1955, the production of textiles during 1956 was higher (expressed in percentage) by more than 6 in West Germany and France, 6 in Belgium, 5.5 in Norway, over 4 in Holland and Austria and 2.5 in Italy and Sweden. It was, however, lower by 5 in Denmark and about one in the U.K. and the U.S.

The loss of overseas markets is said to have severely hit the British and French textile industries. Exports of cotton cloth from the U.K. during 1955 aggregated 560 million yards, as against about 7,000 million yards before the First World War, representing a drop of 92 per cent. The other West European exporters have no doubt fared better, but the consequences have been drastic. In this connection, the review observes: "The drying-up of the export markets has resulted in surplus capacity in the West European cotton industry and the emergence of very keen competition. The situation has been further worsened by the successful entry into the West European market of such new producing countries as Japan and India. This invasion has been aided by what are, on European standards, very low labour costs. A Japanese textile worker earns about 1 shilling an hour and an Indian barely half as much."

As regards the wool industry, the trend, it is said, has not been so unfavourable for W. Europe. The review admits that the industry, too, has been subject to marketing difficulties occasioned mainly by sharp variations in the elastic demand for textile products, but claims that Belgium, France, Italy and the U.K. are still enjoying their pre-war share of about one-third of the total world production of woollen goods. These countries have raised their share of world exports from a pre-war half to about two-thirds.

Artificial Fibres

The review then refers to the impact of the rapid development of artificial fibres—rayon, nylon, etc.—which has been felt to some extent by the traditional trade in cotton and wool. The production of these fibres now account for 20 per cent. of the total output of all fibres, as against just 1 per cent. thirty years ago, and enjoys a larger share than wool. Reckoned on a *per capita* basis, the consumption of artificial fibres has more than doubled since pre-war days, while that of cotton and wool is largely unchanged. The review, however, declares that the increased use of artificial fibres has not resulted in any disadvantages for the textile trade as a whole. Elucidating this view, it says:

"The production of these new fibres, which requires a technically advanced chemical industry and large capital investments, has been largely concentrated in the highly industrialised countries of Western Europe and the U.S.A. As far as Western Europe is concerned, exports of rayon goods have partially compensated the losses due to reduced cotton goods export. Exports of rayon goods from Western Europe have risen several hundred per cent. since before the war. It is interesting to note that the United States is a net importer of rayon and that Japan is the only non-European country exporting more rayon goods than she imports."

The review also alludes to two other factors affecting textile trade. First, textile consumption has not shown any marked change in a number of W. European countries during the 1950's. Expenditure on textiles, we are told, has by no means expanded at the same rate as that on products like motor cars and TV sets. Secondly, the East European countries, in an effort to augment their holdings of West European exchange, have at times attempted to export their products at prices that did not even cover the cost of raw materials in world market prices.

Will the aforesaid "depressive" factors be apparent in the future also and, if so, to what extent? Answering this poser, the *Index* makes the following interesting remarks:

"As far as the textile industry in Western Europe is concerned, some optimism seems warranted, since the structural factors that played such a dominating role during the past few decades are now largely spent forces. Exports of textiles from Western Europe to the underdeveloped countries have sunk so low—to 13 per cent. of the total production of textiles in Western Europe—that any further large decline is impossible. Besides this, a continued decrease in the exports of cotton goods will probably be compensated—if not wholly then at least partially—by improved exports of artificial products.

"Furthermore, the demand for textiles will probably expand. Population is on the increase in most parts of the world and the general level of income is rising. However, it must be admitted that higher incomes have only been used to a minor extent for increased purchases of textiles and that such commodities as motor cars and TV sets have been more attractive to the general public. On the other hand, it is reasonable to expect that the market for these products will become more saturated in the not too distant future. Without disregarding the possibility of new products being introduced, it is possible that we now stand on the threshold of an era during which the public will display a greater interest in the purchase of clothes. It is probable that the demand for textiles in such countries as Japan and certain less industrialised countries will increase and that, as a result, textile manufacturers in these countries will be less inclined to seek foreign markets for their wares."

In conclusion, the *Index* warns that, "even if the prospects for the textile industry appear to be fairly encouraging, one must not be lulled into thinking that the danger of setbacks has been eliminated. On the contrary, there is, it says, every reason to believe that the industry will continue to be extremely sensitive to cyclical fluctuations. Nevertheless, it feels that the process of adaptation necessitated by the structural changes in the world textile market is largely complete. It accordingly expects that, in the future, the European textile industry will be able to overcome its difficulties easier than hitherto.

METRIC SYSTEM IN THE TEXTILE INDUSTRY

INTRODUCTION FROM APRIL NEXT

IF all goes well and no new hitch arises, in exactly 10 months from now—on 1st April 1958, to be precise—the metric system of weights and measures will be introduced in the cotton textile industry. A decision to this effect was taken at a meeting of the representatives of millowners and textile machinery manufacturers held in Bombay last week under the chairmanship of Mr. V. Nanjappa, I.C.S., Textile Commissioner. With effect from the aforesaid date, all purchases of raw cotton by mills will be in kilograms, instead of in lbs. as at present, while the cloth manufactured will be marked in both metres and yards. The metre will, however, be regarded as a primary unit and folding of cloth will be with reference to metres. Cloth will be sold by mills to wholesalers in metres, quantity, prices, etc., being expressed in terms of metres as far as possible. In the case of both raw cotton and cloth, the present units of lb. and yard will be permitted for some time. The meeting accepted the Central Statistical Organisation's recommendations regarding adoption of metric system in statistics. All aggregate and summary figures will be presented in metric units, as well as in the units now prevailing.

The proposed introduction of the metric system in the cotton textile industry is in accordance with the provisions of the Standards of Weights and Measures Act, under which the weights and measures now prevailing in the industry are to be replaced within 10 years by the metric system. The introduction of the metric system in the textile industry is a step in the right direction, inasmuch as it will do away with the present multiplicity of local and regional systems of weights and measures and substitute in their place a uniform system which should be easy to learn and use, unequivocal and common throughout the country. Further, it will greatly simplify calculations of diverse kinds.

May Add to Handicaps

It is, however, possible that the switch-over to the new system may add to the several handicaps that are already being faced in the drive for more exports, unless special arrangements are made for retaining the present system in so far as exports are concerned. Most of the countries to which India is now exporting cloth are following the present system of yards and lbs., and there are no signs that they will fall in line with India in the foreseeable future. Since there is keen competition in the international trade in cloth, India has to respect the wishes of its overseas customers, if it is to maintain its export trade in this manufactured item. There is no question of its reforms in weights and measures being imposed on these buyers. This question has, therefore, to be carefully examined by the authorities concerned.

While the members at the meeting were unanimous in their views on the importance of introducing the metric system, the representatives of the millowners drew attention to certain practical difficulties in the transitional period and some even favoured postponement. The spokesman of the Madhya Pradesh Millowners' Association, for instance, stated that the change-over should be very gradual and not come into force before 1st April 1960. For he said that, while it would not be difficult for the organised mills to introduce the new system, as they had the required technical personnel for the purpose, the main difficulty would be for traders and customers. In his opinion, the metric system should be introduced only after the decimal coinage was stabilised. Alluding to this point, Mr. Nanjappa observed that the adoption of decimal currency was complete and successful and, although the old coins were in circulation, they represented values in *naye paise*. The postponement of the scheme was also supported by the Nagpur Textile Mills' Association representative who said: "It is, perhaps, possible to convert measurement but not weights in the initial stages. The length of cloth can be marked by both metres and yards. The question of introducing weights in the new system may wait till sufficient experience has been gained in the conversion of the measurement side. Folding machines will continue marking in yards and, after one or two years of experience, the change-over may take place to the new system. Regarding the buying of raw materials, the change-over has to come from the supplier side."

Speaking on behalf of the Millowners' Association, Bombay, Mr. D. S. Bakhale, Deputy

(Continued on page 1123)

"PLAN FOR COTTON" BEING FINALISED

MOVE TO SET UP A COMMISSION TO REGULATE IMPORTS OF CLOTH

From A Special Correspondent

MANCHESTER, 21*st May*

MANCHESTER LETTER

THE news that the talks between the Lancashire textile mission and Pakistan cotton trade leaders had broken down was received without much surprise here. Few among the rank and file traders in cotton textile goods had expected the delegation to achieve success in dealing with Eastern countries, which are only now turning their surplus production into export channels.

The earlier mission to India in January was able to secure a tentative agreement with Indian mill chiefs, mainly because India is already exporting about 130,000,000 yards of cloth annually to Britain and wants to keep that trade. In Hong Kong, where exports have been rising over the past two or three years, the mission found the local millowners unresponsive. Only last week, the Hong Kong Cotton Spinners Association made it clear, in a declaration, that it would take no part in any pact to restrict exports to the United Kingdom.

Indian participation in any scheme was dependent on a similar arrangement being made with other Eastern competitors. When Hong Kong rejected the British plan, the Indian trade leaders quickly announced their refusal to join in a one-sided agreement which would obviously benefit their rivals.

On their return, the Lancashire team, led by Sir Cuthbert Clegg, a Vice-President of the Cotton Spinners and Manufacturers Association, reported on the talks to Sir David Eccles, President of the Board of Trade, and to the Cotton Board. It was then decided to make the present trip to Pakistan to put trade leaders in that country in the picture.

Lancashire's case for a restriction of imports rests on the disrupting effect on prices of goods for home distribution in the face of competition from low-wage areas in the East. Already in the first three months of this year, arrivals of foreign cloth have exceeded 100,000,000 yards for the first time in any quarter.

Build-up of Supplies

One of the results of the international crisis over the Suez Canal six months ago was to focus attention on the relatively small stocks of cotton then available for distribution in this country. Supplies had been running at low levels throughout most of last year and in April were down to 140,000 bales. Realisation that transport difficulties might hamper the free flow of cotton from a number of ports, coupled with the volume of cheaper American cotton then coming on the market, brought a sharp revival in purchases towards the end of 1956.

This buying has been reflected in the figures showing cotton in visible supply in Liverpool and Manchester this year. The volume of cotton in stock and afloat for this country is now 325,000 bales, recent levels being around the highest for two years back. This includes 210,000 bales held in Liverpool, 42,000 bales in Manchester and 73,000 bales still at sea. More than half these supplies consist of American cotton, at present amounting to 186,000 bales, while the Sudan has provided 37,000 bales, Turkey 19,000 and the Argentine 12,000.

Arrivals of raw cotton into Great Britain this season are unlikely to be much in excess of the quantity imported in the previous 12 months, despite the phenomenal increase in the amount of American cotton shipped across the Atlantic. To mid-May, the volume of arrivals at 1,371,699 bales was about 200,000 bales below the imports during the whole of the 1955-56 season.

America Sends More

Supplies taken from the United States have already reached nearly 810,000 bales, as against less than 200,000 bales throughout last season and, as a result, purchases from other sources have shown a uniform decline. Only in the case of Turkey and the Argentine have bigger shipments occurred and, in some instances, there have been sharp reductions in the quantity bought.

The same trend has been reflected in forwardings of cotton to spinners in Britain. The movement of supplies to mills this season seems likely to be smaller than a year ago, in spite of the increased activity recorded over recent months. The latest forwardings total is practically 1,300,000 bales, as against more than 1,700,000 bales in the whole of last season. Supplies of American cotton have accounted for 728,400 bales, as against 218,663 bales in the 1955-56 season and the use of Mexican cotton has been halved at 107,000 bales.

European Competition

Fears that Continental competitors will find loopholes in safeguards written into a European Free Trade Agreement was expressed by Mr. Lionel F. Cockcroft, Chairman of the Ticking Group of the Manchester Chamber of Commerce, whose member firms manufacture bed coverings. Many organisations had pointed the need for safeguards in the final agreement, such as harmonisation of wage rates and working conditions, said Mr. Cockcroft.

"Other people's ideas of rules give a lot of scope for benefit to competitors and trouble for us," he told the meeting. "I feel that, if the utmost care is taken to seal up all the known and anticipated loopholes, new ones will be found or made. The active minds of our Continental competitors will exploit them to the full, to their advantage and our detriment."

Leaders of the Lancashire textile unions met Mr. Harold Wilson, M.P., in Manchester this week, to finalise details of the 30,000-word document "Plan for Cotton," which outlines the trade union conception of the Lancashire textile industry of the future. Mr. Wilson said after the meeting that he would now make one or two minor amendments which had been suggested and the document would be returned to Lancashire within a few days. It will then be sent on to individual unions for their approval.

Mr. Wilson said that "Plan for Cotton" contained 18 recommendations. These are understood to include proposals for a return to centralised buying of raw cotton and the setting up of a commission to regulate imports of cheap foreign cloth which are affecting Lancashire order books.

Cotton Needs Technologists

The Lancashire cotton industry needs better management, better planning, more brains and less drawn, according to the annual report of the Textile Officials' Association, Manchester. On capital investment in new plant, the report says: "Obviously, new plant should give better results, but, in a desparate economic situation as that in which the industry finds itself, we must look further ahead and view the industry as a whole."

Mill Firm to Merge

After trading for over 130 years, a big Manchester textile merchanting group is being forced to seek a merger with stronger units because of recent heavy losses. Mr. E. G. Turner, Chairman of Balstone, Cooke and Rayonese Ltd., announced this week that negotiations have been proceeding with several organisations, one of which had shown considerable interest in an amalgamation. "Discussions are still going on," he said, in his annual report, "but it may be some months before a decision can be taken. I see little chance of the company being able to make sufficient profit to restore the position within a measurable period of time and it has become increasingly clear that a merger with a stronger unit is highly desirable."

The value of the £1 preference share was in the region of 15s., Mr. Turner added, but the ordinary share capital had been lost and these 5s. shares had no real value. He hoped that a token offer of at least 6*d.* a share could be obtained in the event of a merger, but nothing better than that could be anticipated. "The last few years have played havoc in the cotton trade and the effect on this company, as on many others, has been disastrous, especially to the ordinary shareholders."

Balston Cooke & Co., was founded about 1824 as manufacturers of velvet cloths, merchants and exporters. An amalgamation with Rayonese Ltd. took place in 1935 and, 10 years ago, further business extensions were made, the company acquiring Barraclough Milner & Co., Ltd., textile manufacturers, owning the Rookes Mill, near Halifax and Thomas Mellodew & Co., Ltd., velvet manufacturers, owning the Parkfield and Moorside Mill, Oldham.

In 1955, the Oldham Mills were closed following an investigation into the affairs of the company and the machinery was sold piecemeal early last year. During the past 12 months, a group loss of £7,584 was incurred, following a loss of £172,093 in the previous year. Arrears of preference dividends date from the end of 1953.

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REDUCED AVAILABILITY OF COTTON OUTSIDE U.S.

FACTOR RESPONSIBLE FOR LARGE EXPORTS FROM AMERICA

AN important development of recent months, so far as the world cotton situation is concerned, has been the resumption of heavy export sales in the U.S. The U.S. Commodity Credit Corporation took over on 1st January last six million bales of the 1955 crop cotton to be sold for export in the 1957-58 season on a competitive bid basis. Bids under this scheme were opened on 19th March and are still being received, while actual exports of cotton covered by these bids will commence after 15th August 1957. Under the 1956-57 programme, still in operation, over 7 million bales have already been sold for export. As a result of heavy purchases earlier in the season and the limited quantity then available for export, sales under this programme had tapered off after the turn of the year. Till 8th March last, sales were nearly 6.4 million bales and on this basis official and trade sources were estimating exports for the full season at a little over 6.5 million bales. There has, however, been an upward revision of the estimate of the probable level of exports this season since the publication of the sales made on bids received on 19th March. On that date, the C.C.C. received bids for cotton under both the 1956-57 and 1957-58 export programmes. Under the former, bids were accepted for 582,360 bales at an average price of 27.42 cents per lb. This cotton must be shipped, unless the shippers are willing to suffer penalties, before 15th August. At the first sales under the new programme, on that date, 140,506 bales were disposed of. From all this, it appears that actual exports during the 1956-57 season ending in July next might be more than what was anticipated earlier and may well aggregate 7.5 million bales.

The resumption of extremely heavy export sales in the U.S., according to the International Cotton Advisory Committee, Washington, has important implications. It may be construed as meaning, observes the Committee, that foreign buyers do not anticipate a fall in cotton prices below their present level at least in the immediate future. It may also be an indication that importing countries are building up stocks this season. In most instances, imports have exceeded consumption in recent months. If there is any sizable build-up in stocks in the net importing countries, which at present seems likely, total free world exports this season may rise to 14 million bales, as compared with 11.6 million bales in the previous season. Of this, the share of the U.S. will be about 7.5 million bales, as compared with a mere 2.2 million bales last season, and that of the free world countries outside the U.S. between 6 and 6.5 million bales, as compared with 9.4 million bales in the 1955-56 season. Exports from many countries have been lower this season, the most serious contraction in shipments being in Egypt, although there are signs of some likely improvement during the rest of the season.

Concern had been expressed in some quarters over the effects the U.S. export programme are thought to be having on exports from other countries and on the overall trade situation of cotton. The fact that the U.S. has been able to export as much as it had done so far without disrupting world markets, however, shows that the fears of those who opposed the programme were unfounded. The absorption of U.S. exports was possible because of the reduced availabilities in countries outside the U.S. on account of the very low carryover stocks and lower production. Opening stocks at the beginning of the season outside the U.S. were only 7.5 million bales, as compared with 9.4 million bales at the beginning of the 1955-56 season.

Free world production this season is expected to aggregate 29 million bales, as compared with 30.9 million bales harvested in 1955-56. Of this, the U.S. share will be 13.2 million bales and that of other countries 15.8 million bales. The March ginning report in the United States puts the 1956-57 crop at 13,150,313 bales, as compared with 14,542,040 bales in 1955-56. The average yield per acre for the entire country declined slightly, but the final figures show that, in some States, reduced acreage was more than offset by much higher yields, with the result that production there actually increased as compared with 1955. In Uganda, production estimates have been reduced slightly on reports of wet weather in the eastern and northern provinces, but the crop will still be about equal to last season's 304,000 bales. Recent information from South America would seem to confirm a probable decline in total production, mainly because of the smaller crop in Brazil this season. Production in the State of Sao Paulo is now thought to be around 700,000 bales which, together with other areas and North Brazil, would give a total crop of less than 1.5 million bales as compared with 1.7 million bales in 1955-56. Favourable weather has improved the crop outlook in Peru and production is presently expected to be fully equal to last season's 450,000 bales. In Argentina, the eastern areas were affected by drought in February. Drought has caused premature opening of some cotton and the staple length of early ginnings is on the short side.

In Egypt, production has declined this season, but the reduction in supply is mainly attributed to much lower stocks. In Brazil, supply has been affected both by reduced stocks and lower production. In each of these countries, supply is down by nearly 400,000 bales as compared with 1955-56. In Pakistan, stocks were down by 100,000 bales and production by an equal amount. Supply is also significantly lower in Peru and the Central American countries.

Very low carryover stocks and reduced production, as pointed out earlier, have resulted in a marked reduction in free world supply outside the United States this season. Stocks in other net exporting countries on 1st August 1956 aggregated only 2.5 million bales as compared with 3.7 millions a year earlier. The following table gives an idea of the supply position of cotton in some selected countries.

Supply of Cotton in Selected Countries
(In thousand bales of 478 lbs.)

Country	Supply 1955-56	Supply 1956-57		
		Stocks as on 31st Aug.	Production	Total
U.S.	25,885	14,529	13,150	27,679
Mexico	2,510	60	1,770	1,830
Central America	496	62	340	402
Brazil	2,525	650	1,500	2,150
Peru	715	135	470	605
Argentina	924	410	550	960
Egypt	2,156	305	1,470	1,775
Sudan	725	155	545	700
Uganda	344	50	310	360
Belgian Congo	295	30	250	280
Turkey	735	165	575	740
Syria	430	10	400	410
Iraq	283	25	275	300
Pakistan	1,685	165	1,320	1,485
India	6,300	1,980	4,200	6,180

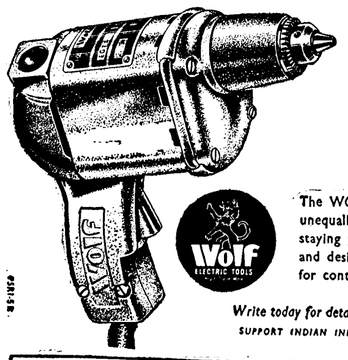
As will be seen from the above table, the main reduction in supply has been in Mexico, Brazil, Egypt, Pakistan and Peru.

A point that deserves special mention, in this connection, is that, although the availability of cotton outside the U.S. has registered a decline, the overall supply position in the free world remains more or less unchanged. Total supply of cotton in the free world is estimated at 51 million bales (as against 51.5 million bales in the 1955-56 season) comprising 27.7 million bales (production plus stocks) in the U.S. and 23.3 million bales (production plus stocks) in other countries. As against this, in the previous season, of the total supply of 51.5 million bales, the U.S. accounted for 25.9 million bales, while the share of other free world countries aggregated 25.6 million bales.

The expected increase in the U.S. exports, observes the Committee, may not mean a corresponding deterioration in trade prospects in other countries. True, exports from many countries have been lower this season, but, in relation to reduced availability in the latter, the trade situation, says the Committee, is "far from discouraging." However, any significant build-up in stocks in net importing countries this season would, according to the Committee, tend to reduce total exports during the next season. The U.S., for instance, expects a marked fall in shipments in the coming season.

IMPORT OF U.S. COTTON

A striking feature of India's import trade in cotton this season is the large share which U.S. growths occupy in the total figure. This is evident from the fact that, of the total 442,972 bales (392 lbs. net) of foreign cotton imported during the period 1st September 1956 to 11th May 1957, 283,051 bales were accounted for by U.S. cotton. During the corresponding period of the previous season, import of American cotton aggregated only 12,051 bales. Arrivals of U.S. cotton during the rest of the season are expected to increase further. The Government of India announced on 22nd May that import of a further 160,000 bales of U.S. cotton would be permitted. Out of this, 100,000 bales would be under the Development Assistance Programme and the balance of 60,000 under Public Law 480. This announcement is a sequel to the issuance of a purchase authorisation by the U.S. Department of Agriculture favouring India for 50,000 bales (of 500 lbs.) of U.S. Upland cotton valued at $8.6 millions. This is part of the balance quantity (about 350,000 bales) which India is still to receive under the Indo-U.S. Trade Agreement signed in August 1956. It may also be mentioned, in this connection, that, in April last, the International Co-operation Administration made an authorisation for 83,000 bales (of 500 lbs.) of U.S. cotton for India which is presumed to be in addition to the quantity allocated under the Indo-U.S. Trade Agreement.



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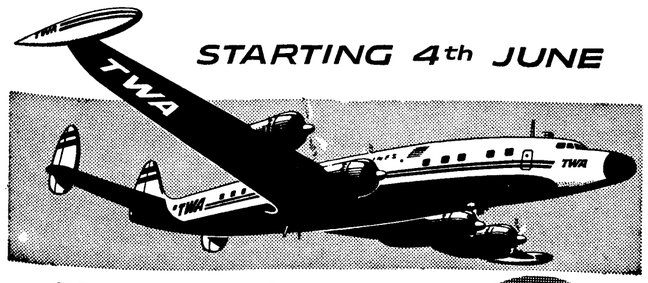

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BUILDING UP EXPORT TRADE IN SUGAR

DEFECTS IN QUALITY, PACKING AND DELIVERY MUST BE REMOVED

IT is now clear that India is anxious to develop an expanding export trade in sugar. A fortnight ago, the Union Food and Agriculture Minister declared in the Lok Sabha that the Government wanted to export as much sugar as possible, in order to earn foreign exchange. The original quota of 50,000 tons, he said, had first been stepped up to 100,000 tons and the Government wanted to increase this figure too. Close on the heels of this pronouncement came the Finance Minister's statement that his proposal for steeply enhancing the excise duty on sugar (from Rs. 5.62 to Rs. 11.25 per cwt.) aimed at restraining domestic consumption, so that more sugar might be available for export.

Considering the critical foreign exchange position confronting the country today, as also the current level of sugar supplies which is more than necessary for meeting internal consumption, the need for building up an export trade in sugar cannot, indeed, be questioned. On every ton of sugar sent out, the country can earn foreign exchange of about Rs. 800. There is said to be good demand for Indian sugar in several countries, especially Ceylon, Burma, Malaya, East Africa, China and West Asian countries. Since India is very favourably situated and friendly with these countries and its quality of sugar is second to none, it can expect to find regular markets in these countries. Much, of course, will depend on the cost of manufacture and the efforts of the merchants engaged in export business to earn a good reputation for Indian sugar. The latter aspect requires to be specially stressed, for there are already complaints such as defective packing and short weight from some countries about the sugar supplied to them. The Indian Sugar Mills' Association (I.S.M.A.), to which the export business has been entrusted, has accordingly done well in taking steps to meet such complaints. It has, for instance, employed, at considerable expense, an internationally reputed group of surveyors who exercise a strict control on the packing and quality of all sugar meant for export both at the mills and at the ports of shipment.

Complaints Still Persist

Notwithstanding the aforesaid move of the I.S.M.A., complaints from overseas markets still persist. An idea of what these complaints are and how they could be met can be had from an interesting letter which Mr. H. Kraus of Messrs. M. Golodetz, a leading firm of sugar traders in London, has recently written to the I.S.M.A. after his visit to India in April last. This letter deals with Indian sugar exports to Malaya.

In his letter, Mr. Kraus has drawn attention to the impurities visible in the sugar shipped by India. He says: "Generally speaking, type samples are meant to represent not the incidence of impurities but rather the grain and colour of the sugar. In that respect, we have seen some of the sugar which has arrived in Malaya and those samples, which admittedly may not be representative of large tonnages, appeared to the writer to be undoubtedly well below the coloured standard laid down by the type samples, much more irregular in grain than either the original or the substitute type samples which we have received from you, and with some admixture of foreign matter (black specks)." He no doubt admits that the question of attaining a uniform product from numerous mills is a very complicated one, but suggests limiting of sugar export to such mills as have shown consistently good and uniform outturn both within India and in export markets. This suggestion is quite pertinent and merits the serious consideration of the industry and the Government alike.

Another important defect to which Mr. Kraus has drawn attention relates to the "sorry state" of packing. He even claims to have actually seen one empty bag, where there ought to have been a full one. According to him, there are numerous markings, mostly illegible, on the bags, which are clearly unsuited for ocean transport. Consequently, it has proved impossible to distinguish at times between sugar for different consignees and, as a result, some buyers of C29 have received D20 sugar and *vice versa*.

Adverse comments have also been made on the quality of sugar by several recipients of Indian sugar, more particularly Burma. Citing the example of Iraq, Mr. Kraus observes: "In Iraq, where we have sold for years substantial quantities of every type of sugar which that country bought, our clients are averse to entertaining offers of Indian sugar even at parities more than £4 below S.W.C. We ourselves have booked no business in Indian sugar for Iraq, but we are given to understand by our customers there that there has been a certain amount of disappointment over those shipments which have already reached that country." In this connection, Mr. Kraus has urged the importance of establishing uniform standards of sugar and packing which will make the product as acceptable and welcome in all markets as sugar from Taiwan or Java. To quote him: "As sugar is normally sold on description and marked in reliance on uniform colour and grain, and absence of impurities, we think that, as your export trade gets into its proper stride, you will be able to establish set, unvarying standards. This, we are certain, will stand you in very good stead and it is, in fact, a prerequisite to making your sugar popular in its own right and irrespective of the price or freight advantages which you may have to offer. In line with this standardisation, we suggest there should also go a more uniform weight of the bags which, we find is at times very considerably above the 226 lbs. stipulated. Bearing in mind that buyers count on a given quantity of sugar and frequently sell it not per maund or catty, but per bag, a uniform weight is a very desirable factor. So is, of course, the resale value of the empty bag."

Shipping Documents

Special attention has been drawn to the extremely slow arrival of shipping documents. It is pointed out that, in times when the sugar market is less firm, late receipt of documents may lead to a refusal by the ultimate buyer to take them, because the documents are stale. This is an important consideration, seeing that, on a weak or rapidly falling market, many buyers will be unscrupulous in trying to exploit any shortcoming in the fulfilment of contracts in order to escape from a commitment which may turn out to be onerous.

Another valuable point which Mr. Kraus has made refers to the appointment of international supervisors to certify the quantity and packing of sugar. His comments on this issue are as follows:

"Sugar has not in post-war years been exported from India and, as a result, there is not available within your country any laboratory which, with its own instruments and staff, is equipped to certify all the requirements under the contract. It is also not impossible that recipients of the sugar, to whom shipments failed to give satisfaction, may argue that the supervisors being appointed by yourselves without consultation or option by the buyers act, strictly speaking, as your servants. We have no intention to cast any aspersions on the zeal and care which the present supervisors are endeavouring to use in respect of your shipments, and we mention this point only for the twofold reason that, first, you asked us for details and frank comments, and, secondly, because of your understandable desire to set the highest possible standards on the reputation of your sugar and your marketing organisation, and we feel it possible that the buyers of your sugar may not necessarily share the view that, because a shipment has been passed by a reputable organisation of surveyors, it will, in fact, prove to be in exact conformity with the contracts, reputation and prestige being matters of goodwill and respect, rather than of legal rights and positions."

The foregoing account serves to emphasise that, unless the sugar industry and trade take some energetic measures to remove the kind of defects mentioned above, there is a danger of the country losing even the few sugar markets which it has won now, let alone their development and expansion. The Indian Sugar Mills' Association will also do well to keep itself fully in touch with the developments taking place in world sugar trade. The overseas buyers must be assured of sugar supplies according to the specifications and samples shown and shipments must be prompt. Sugar mills should scrupulously observe the specifications laid down for packing sugar and supply it as contracted, that is, with consistency in quality, finish and delivery.

COAL-BEARING AREAS

ACQUISITION TO COST ABOUT RS. 1 CRORE

THE Lok Sabha passed last week the Coal-bearing Areas (Acquisition and Development) Bill, after a clause-to-clause discussion on the same. As already stated in these columns earlier, the Bill seeks to establish public control over the coal-mining industry and its development by acquisition of unworked land containing or likely to contain coal deposits or of rights in or over such land. It also seeks to provide the Government with powers for the extinguishment or modification of such rights accruing by virtue of any agreement, lease, licence or otherwise. Many amendments were moved, but all of them were rejected by the House and the Bill was passed *in toto*.

An amendment to the clause relating to acquisition of unworked land in coal-bearing areas was moved by Pandit Thakurdas Bhargava, urging the Government to exclude from the scope of the Bill existing collieries and immediately contiguous areas necessary for the efficient exploitation and expansion of the collieries. The Bill at present excludes that portion of any land where coal-mining operations are actually being carried on in conformity with provisions of any enactment, etc. The amendment was opposed by the Minister for Mines and Fuel, Mr. K. D. Malaviya, on the ground that it would create many problems. He made it clear that it was not the Government's intention to deny facilities to the private sector so far as existing collieries were concerned, nor did it propose to stop men from expanding for the sake of better efficiency when the right movement for such expansion came. A target had been set for the private sector, the Minister added, and the Government did not wish to hamper the legitimate progress of collieries.

In the course of discussion on the clause relating to the power of the Central Government to direct vesting of land or rights in a Government company, Pandit Thakurdas Bhargava suggested, through an amendment, the liberalisation of the provisions of this clause so as to enable the Government to acquire land from both private and Government companies. This, according to him, would help the private sector. This amendment also was rejected by the Minister, as he considered it out of place, because the Government did not wish to create private companies under Government ægis. The object of the Bill, the Minister explained, was to create conditions under which the Government could take control of coalfields for exploitation. The amendment did not confer on the Government powers to create private companies. The Government, the Minister added, wanted both the public and private sectors to flourish.

The clause relating to payment of compensation produced some discussion and a large number of amendments were moved, but were thrown out. The speeches of some members revealed their anxiety to water down the compensation amount as much as possible. The Government spokesman, however, stood firm on the point and refused to accept any suggestion for lowering the compensation that would be available on the basis of the Bill's provisions. Mr. T. B. Vittal Rao, Communist Member from Andhra, moved an amendment suggesting that compensation need not be paid to the owner for expenditure incurred on prospecting. Interest on expenditure incurred by a lessee should also not form part of compensation. Mr. H. C. Dasappa, Congress member from Mysore, desired that the compensation amount should not exceed the total evaluation of various items of expenditure. Mr. Naushir Bharucha, P.S.P. member from Bombay, also moved certain amendments, the object of which was to prevent the Government from frittering away public money. This could be secured by limiting the quantum of compensation. He suggested that the compensation for acquisition of maps, charts and other documents should not exceed Rs. 2,000. The licensees should not be paid more than one-tenth of the expenditure incurred on prospecting. No compensation should be paid for payment of deal rent or royalty for the period in which there was no coal production.

Rejecting the amendments, Mr. Malaviya explained the underlying policy of the Government behind payment of compensation. He said that, whenever coal-bearing land was acquired or rights thereon were taken up, "reasonable and fair compensation" would be paid. The Government could not go back on this policy. He declared: "We do not want to pay

(*Continued on page* 1123)

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LABOUR CONDITIONS IN JUTE MILLS

EMPLOYMENT OPPORTUNITY SHRINKS

A GRADUAL shrinkage of employment opportunities in jute mills in West Bengal following the implementation of the policy of rationalisation in the industry is one of the main findings of the West Bengal Government's enquiry into the labour conditions in jute mills in the State. The enquiry reveals that there has been a reduction of permanent hands, an increase in the number of *badli* workers and a sharp drop in the number of women employees.

The enquiry was made at the instance of Mr. Jawaharlal Nehru, Prime Minister, following a memorandum submitted to him by some Communist members of the State Legislative Assembly during one of his visits to the State in 1956. The State Government's findings are based on replies received by it from 88 mills (out of 101 mills in the State) to a detailed questionnaire issued by the Labour Directorate in December, 1956 eliciting detailed information about different aspects of employment conditions in jute mills. The enquiry has received additional significance now on account of the recent closure of some mills and its possible repercussions on the State's general economic position. Though the lockout in the Kinnison Jute Mills in Titagarh, 24 Parganas, was ended on Thursday last week, after lasting for 15 days, and all the workers, numbering about 4,800, resumed work, the overall economic position of the industry as a whole is far from encouraging, what with the threat of drought to the jute crop of 1957-58 and the consequent higher cost of raw jute to mills. Any decision taken on the findings of the State Government's latest enquiry into the employment position should, therefore, take into consideration the present situation, as well as the frequent and wide fluctuations in the fortunes of the industry.

The period chosen for the enquiry covers the years from 1951 to 1956. The enquiry reveals that, during this period, the number of permanent hands has fallen by about 19,000, that is, from 214,000 in 1951 to 195,700 in 1956, while, at the same time, the number of *badli* workers has risen by 9,800 from 32,400 to 42,200. Since 1955, there has been a substantial drop in employment as a result of what is termed in industrial circles as "natural wastage" and retirement with retrenchment benefit, following modernisation in some of the jute mills. It has also been found that the number of women workers, who constituted a substantial part of the total labour force in the industry in the past, has gradually diminished from 30,400 to 19,569. This is probably the outcome of the measure of economy adopted by the industry in not recruiting fresh women employees, who, under the present labour legislations, are entitled to certain special amenities and benefits. The minimum wage fixed for the industry in October 1955 was Rs. 67-2-9, as against Rs. 63-6 in 1951 and Rs. 58-8 in 1948. In addition, women workers are entitled to maternity and other benefits, the obligation for payment of which decreases with the reduction in the number of women employees. While there has been a general fall in employment, the wage bill of the industry has gone up from Rs. 19.65 crores in 1951 to Rs. 24.57 crores in 1956.

Most of the 88 mills, the conditions in which has been studied by the State Government on the basis of the replies submitted by them, are stated to have complied with labour legislation offering benefits to workers. The enquiry has, however, revealed an unsatisfactory position in respect of housing of the jute mill labour, despite the offer of help by the Union Government in the shape of loan and/or subsidy to build houses for industrial workers. Out of about 196,000 workers in the mills, only 86,000 workers are said to have been provided with accommodation in about 48,000 tenements, and of these not all are provided with kitchens or water taps.

One of the reasons for the inadequate provision of accommodation is that workers are not willing to take up the full accommodation offered. This is because of the high rent fixed under the industrial housing scheme. Reluctant to pay the high rent, the workers, in groups of four or five, or even more, hire a room in a *bustee* at a very low rent and share the cost among themselves.

The State Government is reported to be considering a proposal to appoint an expert committee to go into the position of the whole industry with special reference to the employment position and suggest remedies. The effect of modernisation, the possibilities of internal and external markets for jute and jute goods, the question of improving the quality of the finished goods and setting up of a subsidiary industry to utilise the by-products of the jute industry, are among the problems to be studied by the committee. The proposed committee is also expected to consider how best the industry can be expanded, so that a large number of people might be employed. The standing Labour Advisory Committee, which had held only two sittings since 1947, may also be revived. Meanwhile, it is stated that the State Government has requested jute millowners to inform the Labour Directorate beforehand about the closure of any particular unit which might further affect the employment opportunity of the workers.

JUTE SUPPLIES

It is feared that, should the present drought conditions in jute-growing areas continue for another two weeks or so, India's jute crop for 1957-58 will be seriously affected. The growth of plants in the parched fields in the Eastern States has already been hampered by the absence of rain or its insufficiency, giving rise to apprehension about the crop prospects. The prospects after sowing appeared to be good and the 1957-58 crop was then estimated at 5.7 million bales, as against the country's total requirements of 6.2 million bales. On the basis of this estimate, India's dependence on Pakistan for supply of raw jute was only to the extent of 500,000 bales. Whether the position will be worse than this expectation will be known in a few weeks' time.

The arrivals of jute and mesta in Calcutta and at mills' stations during April 1957 amounted to 375,500 bales, as compared with 477,500 bales in the corresponding month of 1956. Of this quantity, Indian jute and mesta accounted for 340,900 bales and Pakistan jute for 34,600 bales, as compared with 383,500 bales and 94,000 bales, respectively, in April 1956. The total arrivals for the first ten months of the 1956-57 season amounted to 5,484,300 bales, as against 5,701,900 bales in the corresponding period of 1955-56. This quantity is made up of 4,925,600 bales of Indian varieties and 558,700 bales of Pakistan arrivals, the corresponding break-up figures for the first ten months of 1955-56 being 4,327,700 bales and 1,374,200 bales, respectively.

An analysis of the figures pertaining to monthly arrivals of Indian jute during the last four months shows that, while supplies were substantially higher in January than in the corresponding month of 1956, and well above the requirements of mills, they considerably slackened in the subsequent months, with the result that, in April 1957, they were well below those in April 1956 and even fell very much short of the mills' consumption. Nevertheless, the present stocks with mills, together with their purchases already made, will enable them to carry on till the end of July. It is also estimated that the unsold stocks in Cossipore and the upcountry centres, if made available to mills, will sustain their production up to the middle of September, by which time the new crop, if drought conditions do not prolong, will be available in fairly large quantities.

PRIVATE JUTE TRADING IN EAST PAKISTAN

Private trading in raw jute in the border belt of East Pakistan has ended, with the promulgation of an order, on 25th May 1957, by the Government of Pakistan to the effect that no jute shall be exported in *kutcha* bales except by the East Pakistan Jute Marketing Corporation. The Corporation, which is a semi-Government organisation, was recently formed, with a view to stabilising raw jute market in the interest of jute growers, and checking smuggling across the border.

The Corporation will have its own agents who will be granted dealers' licence in the border belt where every cultivator will be made accountable for disposal of jute grown and harvested by him. The defaulting cultivator will lose the grower's licence. The cultivators will have to sell initially through the Corporation to the latter's agents at *ad hoc* prices which the Government will indicate to the Corporation.

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any, to the planters will not exceed the amount as on the date of agreement. The agreement also provides that all claims raised by either workers or their representatives relating to wages of the above categories of workers pending on the date of the agreement will be deemed to have been withdrawn.

RUBBER OUTPUT AND CONSUMPTION RISE

The production of rubber in April 1957 amounted to 2,072 tons, having gone up from 1,220 tons in the previous month, and 1,826 tons in the corresponding month of 1956. This brings the total output in the first four months of 1957 to 6,647 tons, as against 6,164 tons in January-April 1956. The consumption by manufacturers during the month under review aggregated 2,907 tons, which compares with 2,586 tons in the previous month and 2,402 tons in April 1956. The aggregate consumption in the period January-April shows a rise from 9,630 tons to 10,665 tons. The stocks with estates and dealers as at the end of the month amounted to 3,657 tons and those with manufacturers 2,532 tons, as against 2,516 tons and 2,342 tons, respectively, a year ago.

PLANTATION WAGES IN MYSORE

THREE-YEAR AGREEMENT SIGNED

THE recent events in respect of plantation labour wages in South India have confirmed that nothing is more conducive to the preservation of healthy employer-employee relationship than settlement of disputes through negotiations. References to tribunals, appeals to courts, etc., have all proved to be a long-drawn-out affair, with the result that, when awards are given, the retrospective nature of them casts a heavy burden on the employers and often they are implemented grudgingly. The efficacy of settlement by negotiations has, on the other hand, never been doubted, because of the element of human touch in it.

An important instance of this trend is provided by the recent settlement between the U.P.A.S.I. and the plantation workers in Madras State. This out-of-court agreement was arrived at at the instance of the then State Minister for Industries and Labour after the Tribunal had given an award, which was too onerous for the plantations to bear, and when an appeal against the award was pending with the Supreme Court. The latest instance of this welcome trend is provided by the three-year industrial truce signed between the representatives of labour and management of coffee, tea, and rubber plantations in the area covered by the old Mysore State and Coorg on 26th May, in the presence of the State Labour Commissioner. The truce was signed after negotiations lasting six weeks between the various labour unions, planters, the Labour Commissioner and the Labour Minister. It is noteworthy that the agreement, which seeks to raise the wage level of plantation workers, was arrived at not after the dispute was dragged to a tribunal, as in the case of Madras State, and that too within a short period of no more than six weeks.

Under the agreement, nearly 120,000 workers in various plantations will get an increase of 40 per cent. in wages with effect from 1st April 1957. They will also be entitled to provident fund benefits with effect from 1st May 1957. Male workers, for instance, who were getting a daily wage of Re. 1 in the old Mysore State before 1st April 1957 will now get Re. 1.40. The wage of a male worker in Coorg has been raised from Re. 1-2-9 to Re. 1.50 per day. A corresponding increase in wages of women and children has also been made.

For the purpose of the award the estates have been classified into two, depending on their size. Workers in coffee estates with a planted area of 50 acres and above will get slightly higher wages than those in estates below 50 acres. Tea estates with planted area over 600 acres will have to pay slightly more than those with a planted area less than 600 acres.

The following are the daily rates of wages arrived at under the agreement:

	Mysore Rs.	*Coorg* Rs.
COFFEE		
50 acres and above		
Men	1.40	1.50
Women	1.06	1.12
Adolescents	0.88	0.95
Children	—	0.75
Below 50 acres		
Men	1.35	1.35
Women	1.05	1.05
Adolescents	0.85	0.85
Children	0.70	0.70
TEA		
600 acres and over		
Men	1.50	1.50
Women	1.16	1.16
Adolescents	0.97	0.97
Children	0.78	0.78
Below 600 acres		
Men	1.40	1.50
Women	1.06	1.12
Adolescents	0.88	0.95
Children	—	0.75

Rubber plantations have to pay the same rates of wages as in coffee plantations in the respective areas of old Mysore and Coorg. In respect of tappers, however, the question will be settled by further negotiations between the parties.

The wages arrived at under the agreement are consolidated agreed wages, inclusive of dearness allowance and are deemed to include payment for the weekly day of rest. The agreement is without prejudice to the existing benefits available or provided under any statute, custom or practice. It has also been agreed that the supply of foodgrains to workers at the existing scales regarding quantity either at cost or on subsidy basis will be continued as at present in estates where this practice has been in vogue, subject to the condition that monetary loss, if

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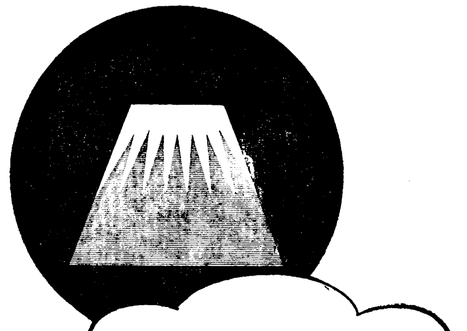
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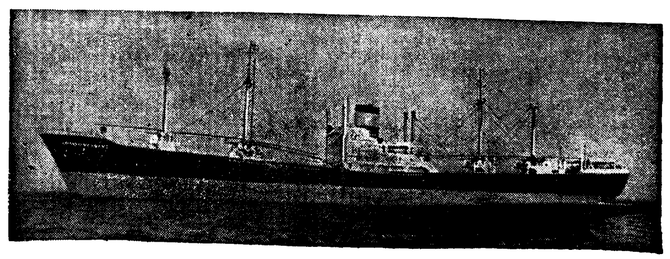
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MR. JAGJIVAN RAM'S SPIRITED DEFENCE

IT was on the whole a very lively debate which took place in the Lok Sabha which considered the Railway Budget. Critics were vehement in their protest against what they termed the administration's extravagance in the construction of large buildings. Track electrification schemes also came in for criticism on the ground that they were not so urgent. Similarly, the members opposed the tax on railway fares. Defending the Railway Administration, the Union Minister for Railways, Mr. Jagjivan Ram, promised that every effort would be made to economise expenditure on buildings. He also assured the members that he would convey to the Union Finance Minister the suggestion for exempting from tax railway fares for some short distances. But he frankly admitted that he could not do much in the matter of overcrowding in trains.

In the course of the debate, members criticised the new practice by which the increase in railway passenger fares was effected by the Finance Minister. This, it was pointed out, was an undesirable practice. It may be mentioned here that the Union Finance Minister made a passing reference to this question in the course of the reply to the debate on the General Budget in the Rajya Sabha. He then indicated that the Constitution envisaged the levy of such a tax by the Centre. The States, he said, were expected to gain Rs. 225 crores; they might not be able to do so. He felt that, if they could not do so, the Centre would have to accept responsibility and find money and not sit back and say it was not the responsibility of the Centre. Be that as it may, the Railway Minister was content with assuring the members that their suggestion for relief from tax on passenger fares for short distances would be passed on to the Union Finance Minister. Referring to overcrowding in trains, he said: "However much I would like to lessen overcrowding, I know that, placed as we are, with shortage of fuels and materials, it will not be possible, in the course of the second Five-year Plan, to reduce overcrowding to any appreciable extent." All that could be attempted, he said, was to "equalise overcrowding" on the various sections. Even if that could be done, it would be an achievement. He then went on to add: "If I can persuade the Planning Commission to sanction funds and if the resources of the country can afford it, the railways can increase the capacity and reduce overcrowding. But I attach greater importance to the transport of goods traffic than passenger traffic because on the movement of goods hinges the success of the second Five-year Plan."

Buildings

Replying to the complaints of extravagance in the construction of buildings, Mr. Jagivan Ram revealed that, in view of the need for conserving every ounce of cement and steel, he had stopped the constructions of all "prestige buildings." Appropriately enough, this announcement was greeted with cheers from all sections of the House. As an instance of his prompt action in the matter of stoppage of fresh construction, he said: "The other day, I read in the newspapers about the foundation-stone being laid at Gorakhpur by the Chief Minister for the construction of the office of the general manager; the building was to be an expensive one. I have already directed the Railway Board to inform the general manager that that building is not to be constructed. A modest building will do." It is to be hoped that the entire building programme will be reviewed and similar prompt action taken in the interests of conservation of building materials and their diversion to more essential uses.

Some members made a fervent plea to the Railway Administration to give up the track electrification schemes, since it would save several crores of rupees and also enable the railways to give relief from fresh burdens on passengers and other users of the railways. It may be mentioned here that, in the second Five-year Plan, there is a provision of Rs. 80 crores for electrification of 800 miles of Indian railways, the scheme included in the Plan being the Calcutta suburban area, the Burdwan-Gomoh, the Igatpuri-Busaval and the Tambaram-Villupuram sections. The authorities are contemplating extension of electrification to cover another 500 miles track which would include Gomoh-Moghalsarai, Assansol-Rourkela and Rajkharswan-Barajamda sections. Justifying the track electrification programme, Mr. Jagjivan Ram argued that the congestion in the areas where the track was now sought to be electrified, affected not only that particular region but the entire country. Electrification in such areas, he said, was not a luxury but a sheer necessity. In this connection, he announced that the railways would send a small delegation to European countries to study the performance of A.C. (alternating current) traction. The tentative decision which had been taken earlier in favour of D.C. (direct current) traction was being reviewed. It would appear that the Railway Board was considering the utilisation of D.C. equipment and rolling stock ordered for the Calcutta area on some other D.C. systems such as those in Bombay and Madras.

Purchase of Stores

Finally, Mr. Jagjivan Ram announced that, in order to save on dealers' commission on equipment ordered from abroad, he proposed to rely more and more on the State Trading Corporation. He said: "I think, in the years to come, all our purchases will be directed or channelled through that Corporation and we will save a lot of commission." This announcement is somewhat disturbing, for it indicates a certain departure from the established practice in the railways. It is not clear how the State Trading Corporation which has no special knowledge or experience in supplying the stores and equipment the railways need, can deliver the goods more promptly or quote lower prices than private traders competing among themselves. There can, of course, be nothing wrong in calling for tenders, both from the private traders and the State Trading Corporation, and choosing the lowest bid. But it would be an unjustifiable policy to give the monopoly in the supply of stores to the State Trading Corporation without subjecting it to a competitive test. The railways are expected to purchase about Rs. 1,000 crores worth of stores and equipment in the course of the second Five-year Plan. Any hasty modification of the existing practice or creation of a monolithic monopoly supply organisation is fraught with serious consequences to the success of the Railway Plan.

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porters to take advantage of protection in the fullest manner possible. On the one hand, manufacturers, he said, were required to maintain the highest standards of quality in their products, diversify production and thereby cater to the needs of larger sections of the community, maintain adequate supplies and lower prices, as and when possible. On the other hand, consumers were expected to give the fairest trial to indigenous products in the interests of the development of the national economy, while importers were expected to rearrange their programmes in such a manner as to serve the interests of consumers and the country within the resources and quotas made available to them. He stressed that the case of the diesel fuel injection equipment industry called for the united efforts of all the three sectors of the community for its onward progress.

STORAGE BATTERIES

The Indian Standards Institution has granted a licence to the manufacturers of the popular Silver Exide battery, Messrs. Associated Battery Makers (Eastern) Private Limited, Exide Works, Shamnagar, for the use of the standard certification mark of the I.S.I. on lead-acid storage batteries (dry separators) for motor vehicles, conforming to IS:395-1952. This is the first licence issued to a manufacturer of lead-acid storage batteries. The standard mark, consisting of the monogram of the Indian Standards Institution and the number designation of the Indian standard being inscribed in the top side of the monogram, will certify that the lead-acid storage batteries conform to all the requirements given in the relevant Indian standard, namely, IS:395-1952. Silver Exide motor vehicle batteries carrying the ISI Mark will convey an added assurance to the purchaser that they have been manufactured under controlled conditions and are of the quality laid down in the relevant Indian Standard. The production of motor car batteries in India is continuously increasing and the presence of the certification mark on the batteries will be of considerable assistance to the consumer in choosing batteries of ensured quality.

A new "Thermostart" aid for starting Diesel engines at low ambient temperatures was shown by a London firm at this year's British Industries Fair in Birmingham. Electrically operated, it uses standard Diesel fuel. On starting, a small quantity of fuel is allowed to flow over a heated element, which vaporizes it; on operating the engine starter, the vapour is ignited and burns in the manifold, heating the ingoing air.

DIESEL EQUIPMENT INDUSTRY

CASE FOR PROTECTION

THE view that the diesel fuel injection equipment industry was of vital importance to the development of the automobile industry as a whole, and that, as an auxiliary to the automobile and other diesel engine manufacturing industries in the country, its importance to the national economy could not be over-emphasised, was expressed by Mr. C. Ramasubban, Member, Tariff Commission, in the course of his speech at the time of the public inquiry into the question of continuance of protection to the industry, held recently in Bombay. Mr. Ramasubban felt that the demand for automobiles and other diesel engines was bound to increase during the second Plan period, so that the demand for the products of diesel fuel injection equipment industry was also bound to grow progressively.

Reviewing the history of the industry's case for protection, Mr. Ramasubban recalled that the inquiry into the industry's claim for protection was conducted by the Tariff Commission in 1954. In its report, submitted to the Government in March 1955, the Commission recommended protection to the industry upto 31st December 1956, by levying a protective *ad valorem* duty of 60 per cent. on imports. Accepting the recommendation, the Government granted protection to the industry with effect from 7th September 1955; the date of expiry was subsequently extended from 31st December 1956 to 31st December 1957. At present, protection is restricted to (*a*) single-cylinder fuel injection pumps for stationary diesel engines, and component parts of such pumps but excluding elements and delivery valves and component parts thereof, and (*b*) nozzle-holders with a clamping capacity up to 1" clamping diameter for nozzles (atomisers) for use on stationary or automobile diesel engines, and component parts (excluding nozzles) thereof. It would appear that the Development Wing has suggested that the scope of the industry may be widened so as to cover nozzles. Referring to this suggestion, Mr. Ramasubban said: "We shall examine this and see whether there is any need to include nozzles within the scope of our inquiry."

At the last inquiry, the Commission estimated the domestic demand for single-cylinder pumps at 17,000 and for nozzle-holders at 50,000. In connection with the present inquiry, the Development Wing and the Motor Industries Company, Ltd. (M.I.CO.) Bangalore, have furnished varying estimates of demand. The Development Wing has suggested that the demand for multi-cylinder pumps may also be assessed this time as it would be of help in planning the development of the industry. The estimates furnished by the Development Wing and the Motor Industries Company, Ltd., are:

	Development Wing	*M.I.CO.*
	Nos.	Nos.
Single-cylinder pumps ...	18,600	14,000
Multi-cylinder pumps ...	24,350	—
Nozzle-holders	161,700	73,800
Nozzles	446,000	240,000

As regards production, in 1954, there were three units which had been licensed for the manufacture of diesel fuel injection equipment of all types and their components, namely, the Motor Industries Company, Ltd., Bangalore, the Fuel Injections Ltd., Bombay and the Kulko Engineering Works Ltd., Kolhapur. Of these, only the M.I.CO. was then producing fuel injection equipment on a commercial scale. Its present annual capacity, on single-shift basis, is 12,000 for single-cylinder pumps, 6,600 for multi-cylinder pumps, 48,000 for nozzle-holders, 66,000 each for elements and delivery valves and 75,000 for nozzles. The capacity of Fuel Injections Ltd. is stated to be 10,000 for elements and 30,000 for nozzles. In 1956, the M.I.CO. produced 12,408 single-cylinder pumps, 34,291 nozzle-holders, 31,795 elements, 27,638 delivery valves and 1,017 nozzles. During January-March 1957, the Fuel Injections Ltd. produced 670 nozzles. It would appear that the quality of the M.I.CO.'s products is satisfactory, although one or two parties have expressed the view that there is scope for improvement.

In conclusion, Mr. Ramasubban rightly emphasised that while any scheme of protection adumbrated by Government for a particular industry only provided the necessary favourable climate for its development, its healthy onward progress depended largely on the combined efforts of manufacturers, consumers and im-

(Continued in previous column)

NEW PRODUCTS AND PROCESSES

Aligning Automobile Wheels

OWING to their independent suspensions and high speeds modern automobiles are highly sensitive to correct tracking of the wheels, so that it is desirable for every car to be regularly aligned and, if necessary, adjusted. A commercial engineering firm of the Netherlands has designed and put on the market an alignment apparatus of simple design which any mechanic can manipulate and use for taking rapid measurements. The apparatus consists of a metal frame with two parallel longitudinal bars on which the front wheels are placed, and two cross ties in the middle of which is placed a graduated rod system for each front wheel. This rod system can be adjusted to the track-width of the car. A cross-bar having a pointer and adapted to rotate hingeably about the end of the rod system is laid against the front wheel rim and indicates the position of the wheel on the graduated scale. With this device it is possible to check the toe-in, the camber, the angle of inclination of the caster and the radius of turning in a bend. A patent in respect of this device has been applied for or granted in several countries.

New Steel Furnace Process

The scaling and oxidation of steel when heated for rolling and forging is estimated to cause the loss in the U.K. alone of at least 450,000 tons of steel per annum. Only a part of this material is reclaimed as mill scale which is fed back to the steel melting furnaces, and it has been estimated that the total loss to the steel industry is probably between £13 million and £14 million per annum. A new series of processes which will, it is claimed, not only eliminate scale entirely in heating processes but in many cases will save fuel as well has recently been developed in the U.K. Some of the processes use oxygen for combustion, relying on the low cost of tonnage oxygen for their economy. Where only liquid oxygen is available, then oxygen mixed with air is used for burning the fuel gas. The operation of the process depends on the fact that the main or high temperature combustion which is only partial, envelopes the steel with a blanket of non-oxidising gas to prevent it from scaling, and the partially burnt gas is then re-used to give the steel its initial pre-heat and also to pre-heat the air for combustion.

Magnetic Inks for Typewriters

Development work on a range of new high-performance magnetic inks is being carried out in the U.K. The inks will be suitable for use in both printing processes and in the manufacture of typewriter ribbons. Work so far carried out with the new inks indicates that the production of efficient magnetic ink typewriter ribbon is fully feasible and that the typewritten characters produced will be clearly readable with modern magnetic character reading devices. One important application of the new inks is expected to be in the field of electronic banking, where the ability to use typewriters and similar ribbon-inked printing equipment to cheques and other transferable documents, as well as to record sheets, should greatly facilitate the development of fully automatic cheque clearance systems. Indeed, the lack of efficient magnetic inks of this type has been a major factor in delaying the development of such systems. Although the new magnetic inks are still at the experimental and development stage, it is expected that they will become available for commercial use within the next few years.

Plastic Lubricants

The use of plastics as lubricants seems likely to be of considerable future industrial importance. One new development in this field is the production of a new series of polyethylene based lubricants for use in lubricating synthetic and natural rubbers during processing. In this case very small quantities of the lubricants, which are about to be made available commercially, are added to the mix during the manufacture of the natural rubber, nitrile rubbers, neoprene, or butadiene-styrene copolymer compound during their processing. The result, as demonstrated in a series of comprehensive experimental tests, is said to be not only a reduction of sticking when the rubber compounds are milled and moulded but also a marked increase in calendering and extrusion speeds and a reduction in the shrinkage of milled stocks. At the same time the addition of the small quantities of lubricant required does not cause, the scientists responsible for developing the lubricants claim, any reduction in product quality. A considerable number of other new plastic lubricants are currently being developed in both Europe and the U.S.

Sheet-working Tool

An automatic, electronically controlled machine developed by a British firm for drilling, marking-out, plotting, draughting and spotting operations on sheet material of any kind made its debut last month at the Instruments, Electronics and Automation Exhibition in London. It is believed to be the first fully engineered equipment of its kind in Europe. Although developed originally for particular applications in the electronics industry, the machine can be used with considerable savings in time and costs in any industry where precision work on sheet materials is practised, the manufacturers say. The machine consists of a work-table, tool carriage and gantry, and the electronic control circuits. Operation is extremely simple, and may be carried out by unskilled personnel. An important feature is the provision for control by punched card or programme tape.

WORLD DEMOGRAPHIC SITUATION

REMARKABLE FALL IN DEATH RATE—POPULATION EXPECTED TO DOUBLE IN 40 YEARS

EVERY hour an average of almost 5,000 persons are added to the world population of some 2,700,000,000, according to the United Nations *Demographic Yearbook*, published this week. This large increase of about 120,000 per day, or 43 million per year, is due primarily to a very marked reduction in the death rate all over the world, while the birth rate has remained almost unchanged.

The experts of the United Nations estimate the world birth rate, on the basis of data relating to 1956, to be in the neighbourhood of 34 births per 1,000 persons each year, while the death rate is now about 18. This leaves a net gain of 1.6 per cent. per year—an increase calculated to double the world's population by the end of the century. These statistics are presented in the United Nations *Demographic Yearbook* for 1956, which has been prepared in the Statistical Office from official Government statistics.

The 1956 *Yearbook* contains some 750 pages of text and tables, describing the demographic situation of the world today. It includes census results covering almost 200 separate areas of the world, where some 2,325 million persons live. This issue, together with the corresponding 1955 volume, constitutes a reference volume for population-census data for all countries and territories of the world, except the U.S.S.R., which is the only large sovereign area in which a census has not been taken within the past decade.

Some demographic statistics, however, have been released by the U.S.S.R. during the past year—notably an estimate of population which places the U.S.S.R. in the position of third largest country in the world. Crude birth and death rates, 1951-55, have also been published, and these—not hitherto available—indicate a stable birth rate in the neighbourhood of 26 per 1,000 and a death rate which declined from 9.6 to 8.4 during the period.

Information now available for six other countries in Eastern Europe for which demographic data were not previously available, reveals crude birth rates ranging from 16 to 29 and death rates of 8 to 12 which are roughly comparable to those of the rest of Europe, the United States, Canada, Australia and New Zealand. However, the infant-mortality rates for Eastern European countries are markedly higher than those in the West. In Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Yugoslavia, infant deaths (deaths of infants before their first birthdays) range from 34 to 113 per 1,000 live births. These rates indicate that, on the average, about 7.7 per cent. of the babies born in 1955 died before they were one year old, while in 13 other countries of Europe, the average rate was 4.2 per cent.

In countries of Central and South America, where information is available for six countries in each region, the rates are 8.3 per cent. and 9.8 per cent., respectively. In the United States and Canada, the average infant-mortality rate is 2.7 per cent. and in Australia and New Zealand, it is only a little over 2 per cent.

Latin America Growing Fastest

One-tenth of the world's annual increase in population occurs in Latin America. This region is increasing at the rate of 2.6 per cent. or 4.4 million persons per year. Africa, South-West Asia, and Oceania are growing almost as rapidly, with rates of some 2 per cent., though part of the increase in Oceania must be credited to immigration. North America and the U.S.S.R. are growing at the same rate, namely 1.7 per cent. per year—just above the world's average —while Europe is growing least of all, with rates varying from 0.6 to 1 per cent.

Besides increasing at a fast rate, Asia can also lay claim to more than one half the population of the world. This area also accounts for the largest absolute addition to the world's population—an increase of some 24 million persons per year. Asia's distinction is also indicative of the fact that countries with high rates of population increase are experiencing an acceleration of their growth. The *Yearbook* demonstrates by means of a graph that among 60 countries with fairly good statistics, more had higher rates of increase in the period 1950-54 than in 1945-49; those with relatively low rates of increase in the earlier period more or less maintained that level in recent years; but, more important, those with relatively high rates in the earlier period had still higher rates in 1950-54.

These observations indicate a need for urgent consideration of how programmes for economic and social development can keep pace with expanding population trends, caused by birth rates varying between a high of 45 per 1,000 in Africa, Middle America, and South-East Asia (India) and a low of 18 to 21 for Europe, coupled with falling death rates.

Almost without exception, the study shows that death rates for 1950-54 were lower than those for 1945-49, and countries with the highest rates in the earliest period (Africa and Asia) experienced the greatest reduction. This phenomenal decline in mortality is the most significant demographic event of the last decade, according to U.N. statisticians, and its impact is only now beginning to be felt and its implications for the future understood.

The decline may be attributed in the main to advancements in environmental sanitation and disease control through the application of medical and public health techniques. The introduction of antibiotics in the late 30's made control of maternal mortality a possibility, as well as materially decreasing risk of death from pneumonia, tuberculosis, and other diseases susceptible to this type of treatment. With the spread during and after World War II of anti-malarial campaigns using DDT and the introduction of sanitary controls such as new water-supply systems, etc., death rates from some infectious diseases declined sharply. All of these decreases have been reflected in markedly lower current death rates which have initiated far-reaching changes in the pattern of mortality and its influence on population growth.

Life Expectancy

The revolutionary decline in mortality over the last decade has also been reflected in increased life expectancy at birth. Comparing current life-table values given in the *Yearbook* with data published in earlier years, it may be seen that, in the United States, for example, between 1945 and 1954, an increase of three years in the expectation of life at birth for white males was recorded. The increase for non-white males was five years. For females, the corresponding increases were four years for white population and six for non-white. Similarly, Hungary records large increases of 10 years for males and 11 for females, between 1941 and 1955. Chile's records show expectation of life at birth in 1952, 12 years longer for males and 14 years longer for females than it was in 1940. Portugal recorded increases of seven years for males and eight for females in the 10 years 1942-52.

The country which now records one of the lowest crude death rates, the Netherlands, records also the highest average expectation of life at birth for males and females, namely, 71 and 73 years, respectively. Females, however, can be expected to live just as long in England and Wales, where life expectancy in 1954 was 73 years. The shortest average life expectancy in a major country is found in India, where the records show 32 years for males and females, based on the censuses of 1941 and 1951.

An interesting sex differential is shown in the life expectancy values. According to the figures, males born now may expect to live an average of 70 years or more in only one country, the Netherlands, while 12 countries are able to record such high values for females, either among the total population or the largest segment of it. These figures bear out the well-established differences in the death rates for males and females, the male risk of dying being greater at almost every age after childhood.

Age of World's Population

On the basis of information from 142 countries and territories, it is estimated that, on an average, 34 per cent. of the world's population is under 15 years of age, 58 per cent. age 15-59, and 8 per cent. over 60 years of age.

By far the largest proportion of the populations in Africa, Middle America, and South-East Asia are children. In these areas, more than 40

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AN INSURANCE SCHEME FOR THE COMMON MAN

CORPORATION INTRODUCES JANATA POLICY

WITH the object of carrying the benefit of life insurance to a wider section of the people by bringing it within the easy reach of the industrial and rural working population of the country, the Life Insurance Corporation of India has introduced a new insurance scheme—the Janata Policy—which was inaugurated on the 26th May, at Bombay, by Mr. Morarji Desai, Union Minister for Commerce and Industries. Speaking at the function, Mr. Desai observed that as insurance was not hitherto within the reach of the rural and industrial workers, the present scheme was striking evidence of the fruits of nationalisation in so far as no individual company could have undertaken such a gigantic scheme. Urging the people to take advantage of the scheme, Mr. G. R. Kamet, Deputy Chairman of the Life Insurance Corporation, observed that the scheme was introduced at present as a pilot project in Bombay, Ahmedabad and Sholapur in the Western Zone. It is estimated that about five million people would avail themselves of the new benefit within a short time. The Corporation has already received about 1,000 applications for Janata Policy. A number of Communist and Praja Socialist trade union leaders, who were also invited to participate in the function, assured their complete co-operation in making the scheme a success.

Step in Right Direction

By evolving the new simple Janata Policy which is tailored to the needs and capacities of the common man, the Corporation has taken a step in the right direction in popularising insurance and making it seep into the lower strata of society. According to the census of 1951, the population of India was 36.1 crores of which nearly 10.5 crores, or roughly 29 per cent., were self-supporting and 4 crores, or 11 per cent., earning dependents. Of the 10.5 crores of self-supporting persons, 7.1 crores were agriculturists and 3.4 crores non-agriculturists. The total number of insured persons at present is estimated at 0.45 crore. This shows that the ratio of insured persons to the total number requiring life insurance protection for their own benefit in old age and for the benefit of their dependents in case of early death is very low. On a conservative estimate, the potential is at least 20 times the present number of insured persons. This fact underlines the wide scope that exists for life insurance business in the country. The extent to which the Corporation succeeds in reaching out to the small peasant and industrial worker for harnessing their small savings providing, at the same time, insurance protection to them, will be a measure of the success of its activities.

Since the Janata Policy is primarily designed for the rural and industrial working population, the machinery for canvassing the business through life insurance agents, periodical collection of premiums, etc., have been considerably simplied. In order to provide unimpeachable security to the insuring public, the sums assured by all policies issued by the Corporation are guaranteed as to payment in cash by the Government of India.

Benefits Under the Scheme

Under this scheme, only Endowment Assurance Policies with or without profits will be issued. The maximum age at entry is limited to 45. The term of the policy will be 10, 15, 20 or 25 years subject, however, to maturity age not exceeding 60. The minimum sum assured under any policy is Rs. 250. No reduction in premium will be allowed for yearly, half-yearly, or quarterly mode of payment of premiums, nor will any addition be made for monthly mode of payment. The total sum assured on any one life under the scheme will not exceed Rs. 1,000 and if the life assured has any other policies under any of the non-medical schemes, the total sum assured will not exceed Rs. 3,000, taking into account all such policies and the policy to be effected under the present scheme. The following table shows the sum assured payable at the end of a specified term of years, or at death if it should occur sooner, for a premium of Rs. 12 per annum payable for the specified term as shown.

Endowment Assurance (Without Profits)

Age nearer birthday	10 years	15 years	20 years	25 years
	Rs.	Rs.	Rs.	Rs.
18—20 years	115	178	245	312
21—25 ,, ...	115	178	243	308
26—30 ,, ...	115	177	240	301
31—35 ,, ...	114	175	235	290
36—40 ,, ...	113	171	225	..
41—45 ,, ...	111	164	..	..

Endowment Assurance (With Profits)

Age nearer birthday	10 years	15 years	20 years	25 years
	Rs.	Rs.	Rs.	Rs.
18—20 years	108	162	217	271
21—25 ,, ...	108	162	215	268
26—30 ,, ...	107	161	213	263
31—35 ,, ...	107	159	209	253
36—40 ,, ...	106	156	201	..
41—45 ,, ...	104	150	..	..

Under the scheme, no medical examination is required in respect of persons aged 35 years or less at the time of entry. A brief medical report will, however, be required in the case of those above this limit. The risk will be covered in all cases for the full amount from the outset. As regards female lives, the usual restrictive clauses, if any, apply. In the case of under-average lives where an extra premium is necessary on account of personal or family history, etc., the sum assured will be proportionately reduced in lieu of the extra premium. Any occupational extra premium is payable on yearly basis.

Premiums

Premiums may be collected in stamps or in cash through agents. In the first case, the premiums may be paid in yearly, half-yearly or quarterly instalments but not in monthly instalments. The first premium shall be paid in cash at the branch office of the Corporation. On receipt of the first premium, a premium collection book will be issued to the policyholder. Subsequent premiums may be paid only by affixing stamps in the book in the manner specified therein. The stamps may be purchased from any office of the Corporation or from authorised agents. The stamps may be bought and affixed according to the convenience of the policyholder, but the date on which the stamps are defaced at an office of the Corporation and the receipt thereof entered in the book at the appropriate place will be deemed to be the date of receipt of the premium by the Corporation. The stamps will be in denominations of Re. 1, Rs. 2 and Rs. 5.

In the second case the premiums may be paid in yearly, half-yearly, quarterly, or monthly instalments. The first premium shall be paid in cash at a branch office of the Corporation. On receipt of the premium, a premium collection book will be issued to the policyholder which will contain space for recording receipt of subsequent premiums by an authorised agent of the Corporation. The premiums may be paid at a branch office or only to such of the agents of the Corporation as have been specially authorised in this behalf. The premiums should be paid in such amounts as to cover one or more instalments due under the policy. The collecting agent shall enter receipt of the premium in the book. In their own interest, policyholders should see that the receipt of premiums is acknowledged in the premium collection book by the branch office or an authorised agent of the Corporation for the amounts of premium paid.

Policy Conditions

In the case of policies issued subject to collection of premiums in stamps, the receipt of the premium shall be acknowledged at a branch office of the Corporation by the defacement and removal of stamps equal to at least a quarterly premium and entering acknowledgment thereof in the premium collection book. This may be done at any time within six months from the due date of the premium. In the case of policies issued subject to collection of premiums in cash, the premium must be paid in cash to any branch office or authorised agents within six months from the due date of unpaid premium and receipt of the premium entered in the book; provided, however, that in the case of policies issued subject to monthly mode of payment of premiums, the premium must be paid within three months from the due date and the receipt of the premium entered in the premium collection book. No notice of premium will be sent to the policyholders, nor any receipt issued except the acknowledgment referred to above.

If the receipt of premium is not acknowledged in the above manner and within the period mentioned above, the policy will lapse. A lapsed policy may be revived during the lifetime of the life assured but before the expiry of a period of three years from the due date of the unpaid premium, on payment of the premiums in arrears with interest at 6 per cent. per annum compounded half-yearly, reckoning from the due date of each premium paid late subject to a minimum charge of a quarter rupee on account of interest. Provided premiums under a policy have been paid for two years and any subsequent premium is not paid within the days of grace as mentioned above, the policy shall be automatically converted into a paid-up policy for a sum bearing the same proportion to the original sum assured as the number of premiums paid thereunder bears to the number payable, subject to such sum being not less than Rs. 50 inclusive of any attached bonus.

Surrender Value

The policy can be surrendered for cash after the premiums have been paid for at least two years. The surrender value allowable under the policy is equal to 40 per cent. of the total amount of the premiums paid thereunder excluding the premiums for the first year and all extra premiums that may have been paid. If the policy be on the with-profit scale the cash value of any existing vested bonus additions will also be allowed. A nomination in terms of section 39 of the Insurance Act, 1938, shall have to be stated on the policy. This may be altered during the currency of the policy on payment of the prescribed fee. The policy will be free from all restrictions as to travel, residence and occupation. No loan will be granted on these policies nor other benefits such as disability and double accident.

A word about publicity. It is true that door-to-door collection of premium by authorised agents or through sale of stamps, as envisaged under the scheme, will involve fairly high cost of collection but it is not too high a price if the objective of making the common man insurance-minded could be achieved. If the efforts in this direction prove successful, it will yield rich dividends in the form of large volume of business. For this what is actually needed is effective publicity and a propaganda machinery fully geared for the purpose. It would be well if the services of postmen, post offices and village school teachers were utilised in carrying the message of insurance to the villagers. The former will be only too willing to act as agents for that will be an additional means of supplementing their meagre salary.

INVESTMENT OF INSURANCE FUNDS

Mr. T. T. Krishnamachari, Union Finance Minister, disclosed the other day in the Lok Sabha that he was in favour of setting up a statutory body to look after the investments of the Life Insurance Corporation. The Minister, who was speaking on the Bill introduced in the Lok Sabha empowering Government to alter remuneration and terms and conditions of service of insurance employees, observed that investment of the funds of the Corporation as it was now managed did not seem to be "eminently satisfactory" and, therefore, he was of the opinion that it should be entrusted to a separate body statutorily devised, leaving the Corporation full time to devote itself to the main business of expanding life insurance. He said that he would place his proposals in this regard before the House in July. The Minister felt that "some alterations—perhaps even some of a radical character"—were necessary in the administration of the Corporation in the interest of efficiency. He wanted, for instance, that in due course the branch offices of the Corporation should handle everything in relation to policyholders and agents and the central offices should be made a policy-making, accounting and actuarial centre.

The Bill introduced in the Lok Sabha on 24th May replaces an Ordinance which, as readers are aware, was promulgated to validate the order that had been passed by the Corporation altering the terms and conditions of service of the employees. The Ordinance had been necessitated by the judgment of the Bombay High Court holding that the order was bad in law. Defending the Ordinance, Mr. Krishnamachari contended that if it had not been issued confusion would have ensued and the business of the Corporation would have suffered. It was not possible for an organisation like the Corporation, he said, to continue the old conditions of service because they varied from company to company not only in respect of pay scales, provident fund and retirement and leave benefits but even in such matters as retirement age, amenities and hours of work, etc. He added that the latest revision of pay scales, although it resulted in swelling the wage bill by Rs. 50 lakhs a year, was designed to elicit the enthusiastic support of the employees, as a contented staff was a precondition for the success of life insurance business.

SIGNIFICANCE OF NEW TAX PROPOSALS

PRICE FOR THE PRIVILEGE OF EARNING AN INCOME DEAR

By A. D. Shroff

[*The following is the second instalment of Mr. A. D. Shroff's speech delivered at a public meeting held under the auspices of the Commerce Graduates' Association in Bombay on 22nd May last; the first instalment of the speech was published in our last issue,* vide *page* 1028.—Ed.]

DIRECT taxation covers a very comprehensive range. It is a very clever scheme and pattern of taxation. To start with, the taxable minimum income has been reduced from Rs. 4,200 to Rs. 3,000. This is a very, very harsh step. At this time when the real value of money in terms of purchasing power suffers such a diminution, for this class of people to pay an income-tax on Rs. 250 per month will, of course, have serious repercussions on the general economy and it will set up an endless trend of demands for increased wages and dearness allowances. It will put up the cost of running businesses and industries. When the costs go up, the vicious circles start moving about and wages and salaries have again to be adjusted on a higher level.

There has been a general reduction in the rate of income-tax and super-tax at various slabs and the reduction of the maximum scales from 91.87 per cent. to 77 per cent. on earned and 84 per cent. on unearned income which would bring some relief. At first sight, it might appear that the Finance Minister has given considerable relief to those in the higher income brackets. This is a complete eye-wash. Against this relief, new taxes have been brought in, particularly the wealth tax and the expenditure tax, and, if you analyse the whole position, a fairly substantial number of people in the higher income brackets will be paying in the future more than their annual income. That will be a price for the privilege we enjoy of earning an income in India.

There has also been an increase in income-tax and corporation tax for companies. The bonus tax which was levied last year at 12½ per cent. has now been raised to 30 per cent. No prudent business management will in future issue bonus shares at this prohibitive price. There has been a little reduction in the tax on dividends which was levied last year.

Wealth Tax

It is proposed to levy wealth tax on individuals, joint Hindu families and companies. In respect of individuals, it is proposed that anyone who has wealth, as defined in the Bill, exceeding Rs. 2 lakhs shall be subject to this tax. From Rs. 2 lakhs to another Rs. 10 lakhs, it is half per cent. of the total, on the next slab of Rs. 10 lakhs one per cent. and, over that, there is to be an overall tax of 1½ per cent. On the basis of income-tax, similar adjustments have been made in the case of joint Hindu families. All joint-stock companies registered in India with the exempted limit of Rs. 5 lakhs will also be subject to wealth tax on the basis of ½ per cent. of the total wealth of the company. Wealth has been defined in the Bill and certain exemptions are granted. These should be excluded from the computation of the wealth. Some of the items excluded are motor cars, house furniture, jewellery upto an amount of Rs. 25,000, life insurance policies which have not yet been paid in cash, and art collections which are not for sale. Short of these, everything will be computed by Government. Although the items of wealth one will be called upon to declare under the Bill may be defined, the value will have to be computed on each item like this. It will call for extraordinary administrative machinery to make a proper assessment of the items of wealth of what is indicated as 26,000 individuals in this country. They will be subject to this wealth tax. If this tax is going to be administered effectively and efficiently, it could be done only under a police *raj*. As soon as the tax goes into operation, I have not the least doubt in my mind that it will set up a procedure calling upon every assessee to declare items of wealth and to have values of these items assessed by an army of officers to be appointed for administration of this wealth tax.

A tax of this character, as pointed out by a shrewd and experienced administrator like Rajaji, would go against the fundamentals of the privacy of life. So far as the incidence is concerned, in a number of cases, it is bound to be very arbitrary. But when you consider wealth tax on individuals in conjunction with wealth tax on companies, it becomes doubly inequitable. In the first place, it is a matter of serious doubt as to the basis on which the wealth of a company will be assessed. There is a clause in the Bill which indicates the form and basis on which the valuation has to be arrived. On reading it a number of times, I find that it had been left to the arbitrary decision of the assessing officer. In any case, wealth tax on companies would certainly mean double taxation, if not treble taxation in some cases, particularly in the case of holding companies. The wealth of companies is owned by shareholders, the shares of which are the property of individuals which are also subject to wealth tax. Then you have submitted the same wealth to a double tax. It has not been found unusual that, when new taxes of this character are brought, all the implications are not properly understood. It should, therefore, be the duty of the public of this country to represent effectively to the authorities concerned the implications of this tax.

Expenditure Tax

The expenditure tax is a very novel and unprecedented tax. So far as I know, it has not been tried out in any country in the world. The proposal is that anyone who has an assessable income of Rs. 60,000 per year shall be subject to this tax. A joint income of husband and wife which is exempt is Rs. 24,000 a year and, for every dependent child, there is an additional exemption of Rs. 5,000. For the first Rs. 10,000 you spend in excess of this exempted limit, you are subjected to a taxation of 10 per cent. and the slabs rise rapidly, with the result that, for an expenditure of Rs. 50,000, you pay one rupee as tax on an expenditure of every rupee. Perhaps on a proper scrutiny, this tax may be found unconstitutional. On the face of it, it is wrong and inequitable in that, while assessees having an annual income of Rs. 60,000 are made subject to this tax, any person who has an assessable income of Rs. 59,999 is not subjected to this tax and he can spend any amount. It works out to be a sort of discrimination. In any case, this is also another tax which opens out unlimited opportunity for corruption among the officials and incentives for evasion of tax. The Finance Minister has stated that, with this kind of taxation, the evasion of taxes will be checked and that the Government will be able to get five crores of rupees more on the ordinary income-tax and super-tax. It is a matter of common human experience that, when taxes go high, ingenuity of the taxpayer more than matches that of the tax collector. The Tax Inquiry Commission appointed a few years ago has clearly pointed out that one important feature of large-scale evasion of income-tax in this country is the onerous nature of taxes. Ingenious people will apply their minds and find out ingenious methods of evading taxes.

One important reason for monetary stringency which has been found particularly acute during the last six or eight months is due to the increasing tendency to settle transactions on cash basis and not through banks. Friends in the bullion market tell me that, since the announcement of the budget proposals, the most active market in India is the bullion market. Our tax collectors believe that, under the provisions of this Bill, they will be able to get at a large number of people declaring their holdings of gold and jewellery. I think they will be disillusioned.

Tax Evasion

A large number of people like us have been advocating adoption of a higher code of conduct. It becomes increasingly difficult, human nature being what it is, to persuade people to resist the temptation to resort to practices like evasion of tax when the burden of taxes becomes almost absurd and impossible. If you push the taxes to a stage where the overall burden is to absorb not only the entire annual income, but also to liquidate a part of your capital, that is, your savings accumulated during a period of several years, then human nature will certainly assert itself and ingenious methods of evasion will be adopted.

Apart from this aspect, if one examines the impact of all these proposals on the economic development of the country, one feels sad. I am often accused of using harsh language. I feel that it will not be unjust, if I say that the new taxes constitute a deliberate design to destroy the private sector. The private sector is sought to be crippled at every possible stage. The proposals bring in a burden of tax which, instead of providing scope for savings, a crude and conservative way of financing, seeks to deprive you day in and day out of your hard-earned income. Therefore, the only effect will be that the private sector, under these conditions, can only have a limited life of its own in this country. I am sorry to retract the welcome I accorded to the Prime Minister's statement some time ago. The Prime Minister said, at the A.M.I.O. meeting in New Delhi, that the private sector shall have an assured and respected place in the life of the country. In the light of the new budget proposals, I am sorry to say that these assurances have no meaning at all.

I started by saying that the budget is a gamble in planning. All the taxation proposals have been designed to find additional resources for the implementation of the second Five-year Plan. Even the Finance Minister, who is the biggest leading champion of the second Five-year Plan, has admitted that the Government are meeting with serious difficulties in working out the Plan. He admits that, apart from what is called the core of the Plan, the steel project and increase of coal production, the second Five-year Plan will have to be reshaped and he is unable to find the other resources. The second Five-year Plan, in the circumstances prevailing today, is a bottomless bucket. These additional resources which were sought to be raised from these proposals, in my judgment, will be found soon to be too inadequate for the purpose of carrying through the Plan.

Foreign Exchange

One matter in which, although the Finance Minister has been frank enough to take the country into confidence, he has not referred to with sufficient emphasis is the position of our foreign exchange. It was estimated under the second Five-year Plan that, in pulling through the Plan, our foreign balance may be reduced by Rs. 200 crores. At a time when we embarked on our second Five-year Plan, our foreign balance was a little over Rs. 710 crores. Under our currency arrangements, we have to maintain a minimum balance of the equivalent of Rs. 400 crores in sterling as a cover against our paper issue, although, recently, the Government have taken powers under the Reserve Bank of India Act that, in a case of emergency, even that minimum balance can be lowered to Rs. 300 crores. As a result of indiscriminate issue of import licences last year, this foreign balance has consistently dwindled since 1st April 1956, and a real crisis was reached at the beginning of this year when the foreign balance dropped to round about Rs. 500 crores.

We are a member of the International Monetary Fund and our membership entitles us to certain temporary assistance from it. Our Government is entitled to a loan of $200 million, of which about $127 million have been drawn during the last few months. Today our balance stands lower after using up about $127 million than when we started. When we drew the amount from the International Monetary Fund, our balance was $506 million. After using up $127 crores, our balance last week was $490 million.

What the country is not fully aware of is the startling fact that nobody today is yet aware of the outstanding commitments of this country on foreign account. The indiscriminate issue of import licences last year have today left the country in a difficult and helpless position for meeting our entire foreign commitments. There is a balance of $72 million to draw from the International Monetary Fund. One would have expected to receive, in a situation like this, continued assistance from abroad in the shape of foreign currency to import machinery and essential raw material which is badly needed for carrying through our development project. In a situation like this, one would have expected that a budget would be produced which should inspire sufficient confidence in the potential lenders of the world. I am sorry when I learn that, in the last few days, the value of the rupee is definitely going down in the international market. We are surely in a delicate situation in the foreign market. A budget of this character is bound to cause in the world serious reaction

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IMPLICATIONS OF WEALTH TAX

APPLICATION OF THIS TAX TO COMPANIES IS MISCONCEIVED

By Premjus Roy

IN the new Budget proposals, the annual tax on wealth is a new tax for this country. Discussing the proposal of a tax on total wealth, the Taxation Enquiry Commission observed that such a tax would create a better balance in the incidence of taxation among individuals than through taxation of income alone, but decided to drop the proposal for the time being for reasons of administrative difficulties. Thereafter, in the middle of 1956, Prof. Nicholas Kaldor, in his Report on Income-tax Reform, recommended the levy of wealth tax, in addition to income-tax, expenditure tax, gifts tax, capital gains tax, etc. Since the publication of Prof. Kaldor's Report, the wealth tax, like his other proposals, has been under much discussion. The Government of India has now made up its mind to introduce wealth tax. A separate Bill, known as the Wealth Tax Bill, has been framed for this purpose, because the basis of taxation on wealth is altogether different from the basis of taxation on income.

The salient features of the scheme of wealth tax may now be discussed. The tax is payable "in respect of the net wealth on the valuation date of every individual, Hindu undivided family and company at the rate or rates specified in the schedule." It is thus payable on the entire wealth of a person, whether movable or immovable. The tax is an annual tax, like income-tax, with the fundamental difference that, while income-tax is levied on annual income, wealth tax will be levied on the total assets owned by a person. The Act will come into force from 1st April 1957 and, therefore, the first assessment of wealth tax will be made for the assessment year 1957-58 on the basis of the previous year ended 31st March 1957 or an earlier date for which the accounts were closed. Three classes of persons are made chargeable to the wealth tax—individuals, Hindu undivided families and companies. The companies include both public and private companies. Other units such as firms, association of persons, local authorities, co-operative societies, etc., which form separate units for taxation of income, will not as such be liable to wealth tax. Among the companies, it is proposed to exclude banking companies, insurance companies and certain companies for financing private industrial enterprises in India, from the purview of the Act.

Assets Chargeable

The wealth tax is chargeable on the net wealth, that is, all property owned by the assessee after deducting the debts which he owes to others. All property, whether movable or immovable, will be included in the net wealth of a person, except agricultural lands. Chargeable property would include not only the assets owned by the assessee himself but also assets transferred by him to his wife or minor child (except when the transfer is made for full monetary consideration) and also any property which will have been transferred by an assessee to another person or persons under a revocable transfer.

In the case of an Indian resident, all assets of the assessee, whether within India or outside, will be included in the property chargeable to wealth tax. For instance, if any Indian national holds any property in Pakistan or Burma, the value of such property will also be included in the total property for the purpose of the charge. It is, however, further provided that, where the foreign country, in which the Indian national holds property, places any restriction on remittance of funds from that country to India, the wealth tax in respect of such foreign property will not be actually recovered by the authorities until restriction on such remittance is removed by the foreign country.

In the case of foreign individuals or companies, that is, those which are not resident in India, only their property in India would be subjected to the wealth tax, and not the property which they own outside India.

Further, the Bill prescribes certain items of property on which wealth tax will not be chargeable. These include property held under trust, interest in coparcenary property, works of art, pension or annuity from an employer, furniture, household utensils, wearing apparel, jewellery, etc., life insurance policies, professional tools, certain Government securities such as Treasury Savings Deposit Certificates, Provident Fund balances, and gallantry award. In the case of furniture, household utensils, wearing apparel, jewellery etc., intended for the personal or household use of the assessee, the exemption from wealth tax is subject to a maximum of Rs. 25,000 in value, and household effects of the value of more than Rs. 25,000 would be chargeable to the tax.

In the case of the exempted items as mentioned above, the value thereof would be included in the net wealth, but a proportionate relief from the tax would be allowed. For instance, if the total wealth of any individual is Rs. 5 lakhs, and the wealth tax thereon is Rs. 1,500, then if the value of the exempted property is Rs. 1 lakh, the tax chargeable would be Rs. 4 lakhs (unexempted portion of net wealth) divided by Rs. 5 lakhs (total wealth, including the exempted portion) Rs. 1,500 (tax on total wealth), that is, Rs. 1,200.

The valuation of the property will be made as on the date to which the accounts of the assessee are made up, and in other cases as on 31st March every year. Thus, in the case of an individual doing business, whose accounts are made up to 31st December, the property would have to be valued for the assessment year 1957-58 on the basis of the valuation date being 31st December 1956. In other cases, the valuation will be made as on 31st March 1957. The general basis of valuation is the estimated price which, in the opinion of the Wealth Tax Officer, the property would fetch if sold in the open market on the valuation date. Thus, if the valuation date is 31st March 1957, the value of a certain immovable property owned by an assessee would be the price which the Wealth Tax Officer estimates the property would fetch if sold in the open market on 31st March 1957. In the case of shares which are quoted in the market, the quotations of those shares on the Stock Exchange as on the date of the valuation would be the value to be included in the net wealth for assessment.

Running Business

In the case of a running business for which accounts are regularly maintained by the assessee, it is, however, provided that, instead of determining the value of each asset separately, the Wealth Tax Officer may determine the net value of the assets of the business as a whole, and the Wealth Tax Officer may consider the value of the assets as shown in the balance-sheet of the business, but he will be entitled to make such adjustments as he thinks proper. For instance, if in the balance-sheet of a company, factory land is valued at Rs. 5 lakhs, but the Wealth Tax Officer evaluates the land as presently worth Rs. 20 lakhs, he will be entitled to add the difference of Rs. 15 lakhs to the net value of the business as disclosed by the balance-sheet.

The valuation of assets could thus clearly give rise to enormous difficulties in the case of immovable properties, such as are not encountered for income-tax. The Wealth Tax Bill has therefore introduced a new feature in regard to this matter. It is provided that, if the valuation of any immovable property is objected to by an assessee in the second appeal, that is, an appeal before the Appellate Tribunal, the Tribunal shall refer the question of disputed value to a committee of arbitration, which will consist of two persons—one a valuer from amongst those appointed under the Estate Duty Act and another an adviser who will be apponted from amongst a list of persons familiar with property values in particular areas. Similar provision for reference to a committee of arbitration is made also in case the Commissioner of Wealth Tax enhances the value of any property in the case of an assessee from what was estimated by the Wealth Tax Officer. In both cases, the estimate of value to be made by the committee of arbitration would be binding on both the parties.

Rates of Tax

The rates of wealth tax are prescribed in the schedule to the Wealth Tax Bill. In the case of an individual, the first 2 lakhs of rupees are exempt, the next 10 lakhs of wealth is liable to tax at ½ per cent., the next Rs. 10 lakhs (i.e., the wealth falling between Rs. 12 and 22 lakhs) is taxable at 1 per cent. and the balance of the wealth (i.e., in excess of Rs. 22 lakhs) is liable to tax at 1½ per cent. In the case of Hindu undivided family, the limit of exemption is Rs. 3 lakhs, instead of Rs. 2 lakhs as in the case of an individual, but the slabs of wealth in excess of Rs. 3 lakhs are liable to the same rate of tax.

In the case of a company, the first 5 lakhs of rupees are exempt, and on the balance of net wealth, that is, all net wealth in excess of the first 5 lakhs, the rate of tax is uniformly ½ per cent. Thus, in the case of a company having net wealth, that is, the value of assets *minus* the debts, aggregating Rs. 1 crore, tax will be payable on Rs. 95 lakhs at ½ per cent., which comes to Rs. 47,500. An individual having total wealth of Rs. 5 lakhs pays wealth tax amounting to 1,500; on total wealth of Rs. 10 lakhs, he pays Rs. 4,000, and, on total wealth of Rs. 20 lakhs, he pays Rs. 13,000. In the case of a Hindu undivided family on Rs. 5 lakhs total wealth the tax is Rs. 1,000, on Rs. 10 lakhs, Rs. 3,500, and on Rs. 20 lakhs Rs. 12,000. In the case of a company, the tax on total wealth on Rs. 10 lakhs is Rs. 2,500 and on total wealth of Rs. 20 lakhs, it is Rs. 7,500.

Administrative Procedure

The administrative procedure, that is, for assessment, recovery, appeals, etc., prescribed under the Wealth Tax Bill, closely follows the procedure given in the Income-tax Act. In fact, many of the provisions of the Wealth Tax Bill are exact copies, *mutatis mutandis*, of the Income-tax Act. Two points are, however, specially worthy of note. The first is that, under the Wealth Tax Bill, any person, who is liable to wealth tax, is required to submit his return of wealth to the Wealth Tax Officer having jurisdiction in his case by the 30th June of every year. The Wealth Tax Officer will be the Income-tax Officer having jurisdiction in his case, and the assessment under the Wealth Tax Bill will be made by no other than the Income-tax Officer acting in the capacity of the Wealth Tax Officer. For assessment year 1957-58, that is, assessment to be made in the current year in respect of the previous year's wealth, the Bill allows the assessee time to submit the return upto 31st December 1957. If any person does not himself submit his return of wealth, and the Wealth Tax Officer considers that he would be liable to wealth tax, the Wealth Tax Officer may serve a notice upon such person requiring him to furnish his return of wealth. The second point of note is that the Bill prescribes that no document, which purports to transfer or assign any interest in property valued at more than Rs. 1 lakh, would be registered by the registration authorities until the production of a certificate from the Wealth Tax Officer that the person concerned has either paid or made satisfactory provision for payment of wealth tax.

Having given above the salient features of the scheme of wealth tax, it will be helpful now to discuss some of the implications of this tax. The Finance Minister, claimed in his Budget speech that this tax would "contribute towards the more effective taxation of the richer classes without diminishing incentives to earn." Prof. Nicholas Kaldor claimed that, while income-tax provides tax exemption for the socially unproductive hoarding of wealth in the form of gold, jewellery, etc., the wealth tax would make these a less attractive form of holding wealth. The advocates of the wealth tax claimed that, having regard to the basic fact that the Government needs a lot of money to finance the second Five-year Plan, it was much better to raise more taxes from the people for the purpose, instead of resorting to the device of substantial deficit financing. Granting this, in their view, the wealth tax is very appropriate, in that it touches only the wealthier classes, that is, those who have net property worth more than Rs. 2 lakhs. As the Budget proposals include lower rates of income-tax, particularly in the lower slabs of income, the additional liability for wealth tax in marginal cases is justified by the saving on income-tax in the lower reaches of income. The protagonists of the tax further argue that the second Five-year Plan and the subsequent Five-year Plans would generate such vast upsurge of industrial and commercial activity that the additional tax like the wealth tax would be like mere flea-bites. Another important argument advanced in favour of the wealth tax by this section is that this tax, alongside of income-tax, would result in checking tax evasion. Prof. Nicholas Kaldor had argued in his report that property incomes have always some tangible assets behind them, and, therefore, if taxes were assessed both on income and on property, by the same taxation authority, the administrative efficiency of the system is bound to be improved in consequence. The Finance Minister has, in fact, taken credit for Rs. 5 crores in his Budget proposals on account of extra tax on concealed incomes which would come to light as a result of introduction of the wealth tax, apart from his estimated income of Rs. 15 crores from wealth tax in the year.

The Other Side

This, however, is only one side of the picture. The additional tax has after all to come from the pockets of the people, and, as such, the wealth tax would result as disincentive to savings and capital formation, and dampening of enterprise. Thus, those who have substantial property but whose current income after meeting their current expenses and liabilities is not enough to pay wealth tax, will have no option but to sell their properties to be in funds to pay the tax. In fact, Mr. T. T. Krishnamachari, at his Press Conference after the introduction of the Budget, loudly claimed that, as a result of the wealth tax, holders of substantial blocks of property, such as property worth 20 or 30 lakhs of rupees or more, will have no option but to sell off a part of their properties at intervals of two or three years in order to meet the liability of the wealth tax, and he further asked: "If this is not a step towards Socialism, what else is it?" Apart from this breaking up of bigger estates, there is no doubt that the wealth tax would discourage forms of property or investments which either give no yield or give comparatively poor yield, such as bullion, jewellery, etc. The immediate effect of the introduction of the Wealth Tax Bill has, however, been quite the reverse, as it has led to many people buying bullion at higher prices, perhaps with a view to treating it as undeclared wealth.

The most objectionable feature of the Wealth Tax Bill, however, is its extension to companies. Even Prof. Kaldor contemplated wealth tax as leviable only on individuals, and not on companies. The tax on companies obviously leads to double taxation, because the company's property is truly the collective wealth of the shareholders, in whose hands the value of their shares in the company would in any case be treated as part of the chargeable property. The company is required to pay tax since its very inception, although it may earn no profits for many years. If a company makes a loss, it will still be liable to pay the wealth tax. The wealth tax on companies involves tax on the assets of a productive investment, and will make more shy investment, particularly, in enterprises which require a fair period of waiting before being profitable, such, for instance, as mining. The tax on companies thus constitutes a tax on capital formation and industrial expansion. While there can be arguments against big holdings of individuals, which the wealth tax is intended gradually to destroy, there can be no reasonable argument against big corporations, which alone are in a position to bring about industrial development and expansion and arrest inflation through increased production. It would thus appear that the wealth tax on companies is misconceived and can only retard industrial progress. If the Government is unwilling to withdraw the Wealth Tax Bill altogether, it is to be hoped that it will at least see the inequity and harm of imposing a wealth tax on companies.

The first cargo of refined products from the Caltex Oil Refinery has left Visakhapatnam for Calcutta by the *Caltex Gothenburg*. The shipment consists of 6,000 tons of superior kerosene and high speed diesel for the Calcutta supply area. During the current month, approximately 8,000 tons of furnace oil and high speed diesel will be supplied by the Caltex Refinery to the Visakhapatnam area as part of its distribution programme. In full operation, the refinery will manufacture petrol, diesel oil, fuel oil and kerosene to replace imported refined products. From the refinery, approximately 311,000 tons of refined products will move by rail and 282,000 tons by sea to various consuming centres all over India every year.

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PROVISIONS OF WEALTH TAX BILL

SALIENT FEATURES ANALYSED

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

THE Finance Minister, Mr. T. T. Krishnamachari, has introduced the Wealth Tax Bill 1957 in the Lok Sabha the object of which is to impose an annual tax on the wealth of individuals, Hindu undivided families and companies, other than banks and insurance. The proposed tax is an important constituent of an integrated tax structure which the Government have been aiming at for some time. With income-tax, Estate Duty and a tax on capital gains already in existence and with addition of the wealth tax and a tax on large personal expenditure (separately being proposed), the direct taxes will form a composite system made up of complementary elements. The Finance Minister claims that, apart from the fact that a composite system of this type helps to satisfy the criterion of the ability to pay, it is consistent with the avowed goal of the attainment of a socialistic pattern of society.

On What is Wealth Tax Charged?

Wealth tax will be charged for each financial year commencing on and from 1st April 1957, in respect of the net wealth on the corresponding valuation date of every individual, Hindu undivided family and company at the rates specified in the schedule.

Valuation date has been defined as the last day of the previous year as defined in section 2(11) of the Income-Tax Act. Where in case of an assessee there are different previous years for different sources, the valuation date shall be the last day of the previous year immediately preceding the year for which the assessment is based.

Assets include property of any description, movable or immovable, but does not include:

(i) agricultural land and growing crops, grass or standing trees on such land;

(ii) any building owned or occupied by a cultivator or receiver of rent out of agricultural land, provided it is in the immediate vicinity of the land and which the cultivator requires as a dwelling house or a storehouse or outhouse;

(iii) live-stock, tools and implements needed for agricultural purposes;

(iv) right to any annuity or any interest in property available to an assessee for a period not exceeding five years.

How is Net Wealth to be Computed?

In computing net wealth of an individual, there shall be included:

(a) the value of assets which on the valuation date are held—

(i) by his wife to whom such assets have been transferred by the individual, directly or indirectly, otherwise than for adequate consideration or in connection with an agreement to live separately

(ii) by a minor child not being a married daughter to whom such assets have been transferred by the individual otherwise than for adequate consideration

(iii) by a person or association of persons to whom such assets have been transferred by the individual otherwise than for adequate consideration for the benefit of the individual or his wife or minor child or

(iv) by a person or association of persons to whom such assets have been transferred by the individual otherwise than under an irrevocable transfer.

(b) Where the assessee is a partner of a firm or a member of an association of individuals, the value of his interests in the assets of the firm or association determined in the prescribed manner.

Where the value of the assets is to be included in the net wealth as above, there shall be deducted from such value any debts owing on the valuation date by the transferee so far as such debts are referrable to the assets.

Are There Any Exemptions in Respect of Any Assets?

Yes. Wealth tax is not payable in respect of:

(i) any property held under trust or legal obligation for religious or charitable purposes within India;

(ii) interest in the coparcenery property of any Hindu undivided family of which he is a member;

(iii) any works of art, achæological, scientific or art collections, books, manuscripts, heirlooms not intended for sale;

(iv) the right of an assessee to receive a pension or other life annuity in respect of past service of an employer;

(v) the rights of any patent or copyright belonging to the assessee, provided they are not held as assets of business or profession and no income or benefit accrues therefrom;

(vi) domestic animals, and furniture, household utensils, wearing apparel, jewellery, provisions and other articles intended for personal use of the assessee, subject to a maximum of Rs. 25,000 in value;

(vii) right or interest in any policy of insurance before the moneys covered by the policies actually become due and payable.

(viii) tools and instruments of profession or vocation subject to a maximum of Rs. 2,500;

(ix) 10 years' Treasury Savings Deposits certificates, 15 years' annuity certificates, deposits in post office savings bank, post office certificates and post office national savings certificates;

(x) any deposit made by the assessee with the Government or in any security of the Government or of a local authority which the Government notification has exempted from wealth tax, provided the value of any deposit or security so exempted shall be included in computing the net wealth of the assessee;

(xi) amount standing to the credit of a salaried employee in a provident fund maintained by the employer to which the Provident Fund Act 1925 applies or which is a recognised provident fund by the Income-tax Act; and

(xii) the property received by an assessee from the Government in pursuance of any gallantry award approved by the Central Government.

How do you Compute the Wealth of an Individual who is not a Citizen of India?

In computing the net wealth of an individual who is not a citizen of India on the valuation date or of a Hindu undivided family or a company not resident in India, the valuation of assets and debts located outside India shall not be taken into account.

The residence and non-residence status of a Hindu undivided family or a company will be determined in accordance with the principles of control and management, the same as laid down in the Income-tax Act.

How is the Value of Assets to be Determined, is it Cost; or is it Market Value?

The value of any asset other than cash shall be estimated to be the price which, in the opinion of the Wealth Tax Officer, it would fetch if sold in the open market on the valuation date.

However, where the assessee is carrying on business, accounts of which are maintained by him regularly, the Wealth Tax Officer, instead of determining separately the value of each asset held in such business, will determine the net value of the assets of the business as a whole, having regard to the balance-sheet of such business, as on the valuation date, and making such adjustments therein as the circumstances of the case may require.

Further, where the assessee carrying on business is a company non-resident in India and a computation in accordance with a balance-sheet cannot be made by reason of the absence of any separate balance-sheets drawn from the affairs of such business in India, the Wealth Tax Officer may take the net value of the assets of the business in India to be the proportion of the net value of the assets of the business as a whole wherever carried on determined as aforesaid as the income arising from business in India bears to the aggregate income from business wherever arising during that year.

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What Authority Will Collect The Tax?

With regard to wealth tax authorities, it is provided as follows:

Every Income-tax Officer having a jurisdiction in respect of an individual, Hindu undivided family or company shall perform the function of a Wealth Tax Officer in respect of such individual, Hindu undivided family or company.

The Board may empower persons to function as Appellate Assistant Commissioner of Wealth Tax, so also persons to function as Commissioner of Wealth Tax in certain areas. The Commissioner of Wealth Tax may appoint persons to function as Inspecting Assistant Commissioner of Wealth Tax.

The Wealth Tax Officer will be subordinate to the Commissioner of Wealth Tax and the Inspecting Assistant Commissioner of Wealth Tax, within whose jurisdiction he performs his function.

The assessment procedure laid down is analogous to the procedure laid down in the Income-tax Act.

Before 30th June of the corresponding assessment year, every person liable to wealth tax, shall furnish to the Wealth Tax Officer a return in the prescribed form setting out his net wealth as on the valuation date. The first return, however, may be made at any time before December 1957.

If the Wealth Tax Officer is satisfied that the net wealth of any person is of such an amount as to render him liable, he may serve a notice requiring him to furnish, within not less than 30 days a return of net wealth as on the valuation date.

The Wealth Tax Officer may extend time for the return. An amended return may be furnished by the assessee at any time before assessment if he discovers any omission or wrong statement.

If the Wealth Tax Officer is satisfied that the return made is complete without requiring the presence of the assessee, he may determine the tax payable.

If he is not satisfied, he will serve a notice on the assessee to attend in person and produce or cause to be produced on that date any evidence on which the assessee may rely in support of his return. After hearing such evidence and such further evidence as he may require, by an order in writing the Wealth Tax Officer will assesss the net wealth of the assessee and determine the tax payable. The Wealth Tax Officer is empowered to call upon any person for making an assessment by a notice, whether he has made a return or not, to produce accounts, records and other documents as he may require. If he fails, the Wealth Tax Officer can make a best judgment assessment and determine the amount payable.

There is provision for wealth escaping assessment. If it does, by reason of omission or failure on the part of the assessee to make a return or to disclose truly and fully all material facts, action can be taken at any time without any time limitation. In other cases, the limitation is fixed at any time within six years of the end of the assessment year.

Like the Income-tax Act, this Bill also provides for penalty for concealment which is one and half times the amount of tax. Penalty can be imposed by the Wealth Tax Officer only with the previous approval of the Inspecting Assistant Commissioner of Wealth Tax.

Like the Income-tax Act, the Wealth Tax Bill also provides for liabilities in special cases like tax of deceased person payable by his legal representative, assessment of Hindu undivided family after partition, assessments when assets are held by courts of wards, administrators, etc., assessments of persons not resident in India through agents.

What are the Provisions for Appeals and Revision?

Provision for appeals, revision and references are analogous to appeals, revision and reference under the Income-tax Act.

An appeal against the order of the Wealth Tax Officer lies before the Appellate Assistant Commissioner, in the first instance, then to the Appellate Tribunal, then to the High Court on question of law. The period within which appeal is to be filed before the Appellate Assistant Commissioner is 30 days, before the Tribunal 60 days, and before the High Court within 90 days. An appeal lies also before the Supreme Court.

Provision for payment and recovery of tax are also analogous to income-tax, for there will be a notice of demand providing for recovery of tax and penalties; the mode of recovery is also set out; where properties are held by transferees, recovery may be made from such persons on whose name the asset stands of the tax in the portion of the assets value held by him.

Registration of transfers of immovable property is prohibited, unless the Wealth Tax Officer certifies that the person has paid all existing or anticipated liability under the Act.

Provision for rectification and prosecution and taking evidence on oath are on the lines of the Income-tax Act. So also the provision for service of notice, prohibition of disclosure by Wealth Tax Officer, barring of jurisdiction of Civil Court, appearance before Wealth Tax Officer by authorised representatives and power to make rules.

The power to make rules specifically provides for the manner in which the market value of any assets may be determined where it is not easily ascertainable.

What are the Rates at Which Wealth is to be Taxed?

(a) In case of individuals:

		Per cent.
(i)	On the first Rs. 2,00,000 net wealth	*Nil*
(ii)	On the next Rs. 10,00,000 net wealth	½
(iii)	On the next Rs. 10,00,000 net wealth	1
(iv)	On the balance of net wealth ...	1½

(b) In case of Hindu undivided family:

		Per cent.
(i)	On the first Rs. 3,00,000 net wealth	*Nil*
(ii)	On the next Rs. 10,00,000 net wealth	½
(iii)	On the next Rs. 10,00,000 net wealth	1
(iv)	On the balance of net wealth ...	1½

(c) In case of every company:

		Per cent.
(i)	On the first Rs. 5,00,000 net wealth	*Nil*
(ii)	On the balance net wealth	½

Where net wealth includes the value of any asset on which wealth tax is not payable, the amount of tax payable shall be an amount bearing to the total amount of wealth tax which would have been payable on the wealth if no property had been exempt, the same proportion as the unexempted portion bears to the net wealth.

Where the net wealth of an assessee, not being a company, includes any shares of any private company defined under the Companies Act 1956, the wealth tax payable by the assessee on his net wealth for that assessment year, computed in accordance with the rates specified above, shall be reduced by the amount, if any, by which the sum of the following, namely:—

(a) that portion of wealth tax payable by the assessee computed as above bears as to the whole amount of tax, the same proportion as the value of shares included in the net wealth bears to his net wealth,

(b) that portion of wealth tax paid by the Company in respect of the same assessment year, as bears to the whole amount of the said tax, the same proportion as the paid-up value of shares included in the assessment of the assessee bears to the aggregate paid-up value of the share capital of the Company as on the relevant date,

exceeds the amount calculated at the rate of 1.5 per cent. on the value of the shares included in his net wealth.

The Meaning of It

Stripped of legal jargon, the above provision comes to this:—

(1) Find out the proportionate wealth tax on the shares of private companies on the basis of the individual rates.

(2) Find out also the proportionate wealth tax payable by the company on the basis of the portion that your shareholding bears to the total paid-up capital of such private company.

Total (1) and (2) and deduct therefrom 1.5 per cent. on the value of shares included in your wealth statement.

The excess (if any) is the amount of relief available to you.

In other words, so far as the wealth tax on shares of private limited companies is concerned, the law provides that it shall not exceed the maximum rate, namely, 1.5 per cent. This is done with a view to avoiding taxing both a company and its shareholders on the same wealth, resulting in aggregate rate being much higher than the maximum rate.

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ROLE OF STATE TRADING CORPORATION IN EXPORT PROMOTION

EXTENSION OF ACTIVITIES WILL BE HARMFUL

WITH the question of export promotion brought under the expert examination of a committee appointed for the purpose, considerable attention has been focussed on the role which the State Trading Corporation can further play in this field. The Corporation has no doubt achieved some success since its establishment about a year ago in expanding exports and in diversifying the pattern of trade with foreign countries. Nevertheless, what must be examined dispassionately in the present context are whether (1) the activities of the Corporation can be expanded without detriment to those of private channels which have demonstrated their efficiency beyond doubt, (2) the entrance of the Corporation into more "glamorous" fields, will not shut out the enterprising firms from the more onerous fields as well, and (3) the net gain, if any, following such expansion will be adequate enough to warrant the confusion and frustration that will be engendered in trade circles with their inevitable consequences on the future of export trade.

A close scrutiny of the views expressed by various business associations on this subject indicate that they are totally opposed to any idea of extending the jurisdiction of the S.T.C. on the export front. Their views, to say the least, are not based on *a priori* considerations or expediency, but are based on sound logic and on solid ground of many years of experience. Though the functions of the S.T.C. have never been defined clearly, it will be recalled that, when the S.T.C. entered the manganese and iron ore trade nearly a year ago, it was stated that the chief objectives were, first, to check malpractices in trade and the high margin of profits enjoyed by middlemen and producers, secondly, to ensure better utilisation of transport facilities, especially in the supply of wagons, and lastly, to put Indian trade in a more advantageous position *vis-a-vis* the centrally planned economies on the question of prices. Though these measures were largely true, except that it is not totally correct to say that the manganese ore trade suffered from malpractices and excessive profiteering, nevertheless, they did not at all justify the intrusion of the Government into the trade of these ores, for they could as well have been remedied through other means the Government was capable of. It looks as though, in entering this trade, the Government has chosen a remedy which may prove to be worse than the disease.

Special Position of S.T.C.

Having thus occupied an already existing market in iron and manganese ores, the S.T.C., aided by the better transport facilities which it has been able to command because of its status as a Government-owned Corporation, has been able to achieve considerable success. In a report issued last week it has been stated, for instance, that till 1st May 1957, since its inception, the export contracts of the S.T.C. amounted to Rs. 24.48 crores of which manganese and iron ores alone accounted for over Rs. 20 crores (the quantities involved being 366,000 tons and 2,530,000 tons, respectively). Of these, the exports to Communist countries aggregated nearly Rs. 7 crores. It is stated again that of the import contracts of the Corporation valued at Rs. 12.35 crores, Communist countries accounted for Rs. 5 crores. Though these are welcome features, the fact cannot be denied that if better wagon, port and credit facilities had been provided, and if the Government had chosen to assist them in all possible ways, the private agencies could have done equally well or even better. In this connection, it should not be ignored that the export of manganese ores effected by the export trade during the year 1953-54 was of the order of 1,600,000 tons. The exports of iron ore which were no less impressive amounted to 1,300,000 tons in 1953-54, and to an equal quantity in 1955-56. Of the various non-Communist countries to which exports of these two ores were effected by the S.T.C., mention may be made of Italy, Japan, Holland, the U.S.A., England, France, and Norway. Thus, the conclusion is inescapable, and the charge of the private agencies is justified, that the S.T.C. is trying to ship ores to India's traditional markets by ousting exporters from the trade. This also proves that the S.T.C. has not succeeded to any large extent in exploring new markets.

Claim Disputed

Further, the claim of the Corporation that it has been able to fulfil the contracts with other countries fully has also been disputed by the spokesmen of the mining trade. They contend that the Corporation has failed to carry out its contracts with the U.S.A., France and Japan in the year 1956. To the extent it has been able to fulfil them, it may be underlined here, it is because of the fact—admitted by the Corporation itself—that it has been able to get over the transport bottleneck because of its close association with the Government. This, surely, is something for which the S.T.C. cannot legitimately claim any credit, for, so long as there is no appreciable improvement in the transport facilities in the country, wherever, and to whatever extent the S.T.C. is shown preference, it is at the expense of the private trader. All this means that there has been no net improvement to the country, in respect of exports, as a result of the S.T.C.'s appearance in the field. In fact, the complaint is often heard from business men that the system of movement and export quotas in manganese ore has completely failed to assist the trade; indeed, the movement quota is said to be working against the interests of the private trade. Then, is it a false claim to say that, if preferential transport facilities were given, if quotas, which are fixed with reference to wagon facilities available were relaxed and if the Government were to announce a long-term policy for the export of ores to enable the trade to enter into long-term export commitments, the private agencies would have disproved some of the serious charges of the Government?

Low-grade Ores

It is also pointed out by the traders that the S.T.C. is neither lifting low-grade ores nor opening up reserved areas. Under these conditions, to say that the Corporation has a special role to play, or that it has been playing the role of a good "samaritan," does not square with the facts. The spreading of the S.T.C.'s tentacles in the export field is pregnant with numerous harmful consequences which, in the ultimate analysis, seriously undermine the export capacity of the country. In the first place, the question to be asked is: Is the S.T.C. technically and organisationally competent to deal with export matters? The answer, as things stand, is definitely in the negative. For not all Government officials possess that degree and quality of business acumen, skill and ability that are needed in this field. Besides, it is not always easy for the States to keep a close watch on the stock position in the various markets, daily arrivals and offtake, moves and counter-moves of fellow operators and changes in price trends. A further prerequisite for success in trade is the ability to take quick, on-the-spot decisions which a State-owned Corporation, bound by set rules and regulations, is not capable of.

Another important consideration is that, while losses arising from bad management and irresponsibility in the private sector are borne by the traders themselves, similar losses in State trading are transferred to the nation as a whole. It can be argued by the pro-State-trading school that profits of State trading are also transferred to the national exchequer. But experience shows that the chances of losses in State trading are far grosser than in private trading and as such the nation may be a net sufferer. Again, it should not be forgotten that a part of the profit of the S.T.C. will only represent the taxes paid by the private trade on its earnings.

Many Varieties of Commodities

Yet another weighty point to be borne in mind while defining the future role of the S.T.C. with reference to exports is that there are so many varieties of export commodities, some of which are traditional items, and the problems of expanding markets for the old ones or creating markets for the new commodities are so stupendous and formidable that they cannot be conceivably solved by the State Trading Corporation alone. Again, some of the exports involve such limited quantities or limited markets, and certain others such larger quantities and markets, and exploring new markets needs such specialised knowledge, that there is much to be said in favour of leaving them to be handled by the individual firms and exporters who have the requisite specialised knowledge, skill, training and initiative. Nothing can be achieved by the State; on the contrary, much damage can be done to the economy, by leaving in the hands of private exporters only those exports which call for great risk, initial labours and losses, and by the State taking over all other exports where risk and labour are comparatively less and profits are easy. Such a course would discourage the private channels. Furthermore, where the State is so acutely in need of experienced administrators for developmental projects why should it starve the latter by entering fields which are being efficiently managed without the aid of the State?

I.C.I.'S NEW BUTANOLS PLANT

Imperial Chemical Industries Ltd., has started up a second large-scale carbonylation plant at Billingham, County Durham, England. This plant will be used for the production of butanols, a range of important raw materials used by many industries. The biggest consumer is the paint and lacquer industry, which uses butanols (either as such or in the form of esters) mainly as solvents or plasticisers. Other users include manufacturers of pharmaceuticals, printing inks and hydraulic brake fluids.

The raw material for the new carbonylation plant, propylene, will come by pipeline under the River Tees from the oil crackers operated by the Billingham Division at I.C.I.'s Wilton Works, in North Yorkshire. At Wilton, I.C.I. has the largest centre of petroleum chemicals production outside the U.S.A., with two oil crackers in production, and another scheduled to come into operation at the beginning of 1959.

With No. 2 carbonylation plant in full production, I.C.I.'s output of butanols is increased sevenfold. Nowhere else in the world is the carbonylation process, sometimes known as the Oxo process, carried out on such a large scale as at Billingham. Since 1952 the process has been used to produce butanols, but the demand for these alcohols has consistently been in excess of indigenous production. With the new capacity available, the need for imports will be eliminated: these imports have been coming from the U.S.A., Germany and Sweden.

The advent of No. 2 carbonylation plant will have the further beneficial effect of leaving No. 1 plant entirely for the production of iso-octanol, "Alphanol" and Nonanol. These alcohols, which are made by the same process as butanols but from different raw materials, are used in increasing tonnages for the manufacture of phthalates and other esters, which in turn are used as plasticisers for polyvinyl chloride (p.v.c.), a plastic which is in great demand for the manufacture of upholstery materials, curtains, flooring, electric flex and other commodities.

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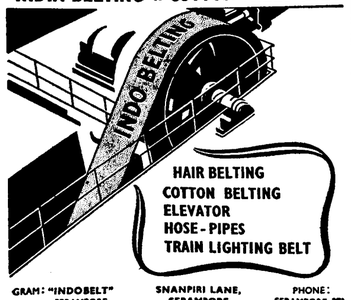

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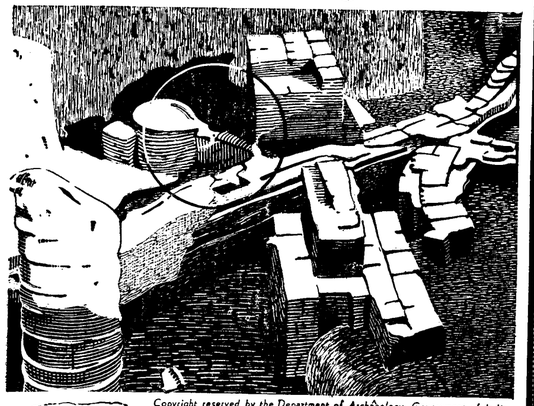

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Brahmanabad

Inside a house excavated at Brahmanabad in Sind, has been found an interesting piece of earthenware tubing. A basin like altar which probably served as the seat for bathing some household deity, is connected by this tubing to a covered drain. This tubing unlike other pipework found at various sites of the Indus Civilisation, has a corrugated outer surface, obviously as a safety measure against breakage.

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INDIA SUGARS AND REFINERIES' PROFIT MAINTAINED

FACTORY EXPANSION COMPLETED

A RECORD in the quantity of cane crushed, resulting in a record output of sugar, is the outstanding feature of the working of the India Sugars and Refineries Ltd. (Managing Agents: The India Sugar Agencies Private Ltd., Madras), during the year ended 30th September 1956. This welcome development has, however, not been followed by a commensurate increase in earnings. The gross profit for the year under review, for instance, at Rs. 13.26 lakhs, is only a shade better than Rs. 13.21 lakhs earned for the previous year, to which level it had risen from Rs. 12.17 lakhs for 1953-54. Although a very meagre improvement has been recorded to justify the contention that the gross profit has increased for the third year in succession, it will be more appropriate to say that the gross profit has been only fully maintained at the previous year's level. The net profit, which had gone up from Rs. 5.18 lakhs to Rs. 5.39 lakhs in the previous year, has staged a further modest rise to Rs. 5.98 lakhs for the year under review. The negligible increase in profit, as compared with the encouraging performance in production, seems to be due to fairly heavy stocks of sugar and lower price realisation on the sugar sold. Thus, it is seen from the profit and loss account that sale proceeds were down by Rs. 1.65 lakhs and that stocks of finished goods were up by Rs. 10.04 lakhs. The position would have been definitely worse had there not been a saving of Rs. 9.57 lakhs in expenses.

A dividend of 11¼ per cent. on 319,492 shares and a *pro-rata* dividend at the same rate on the 320,000 new shares has been recommended by the Directors for the year under review, as against 14 per cent. paid for 1954-55. While thus the dividend has been lowered, it must be remembered that the latest dividend is on an increased capital of Rs. 55.95 lakhs brought about by the issue of 320,000 new ordinary shares of Rs. 10 each and 4,714 bonus shares out of the 4,968 which were lying unissued. The new ordinary shares rank for dividend as from 1st July 1956 in the proportion to the capital for the time being paid-up thereon. It may be mentioned here that the previous dividend of 14 per cent. was itself on a higher capital of Rs. 31.48 lakhs raised by the issue of shares of the value of Rs. 2.80 lakhs out of the bonus shares suspense amounting to Rs. 3.29 lakhs.

The following comparative table brings out the progress of the Company during the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1956	1955	1954	1953
Sales	97.72	99.37	90.24	1,07.28
Closing stock of finished goods..	28.21	18.17	13.06	7.77
Other income	3.06	2.81	4.82	2.07
Expenses	97.57	1,07.14	82.89	99.53
Gross profit	13.26	13.21	12.17	10.42
Managing Agents' remuneration	1.26	1.36	1.11	0.72
Depreciation	0.67	0.46	0.38	4.00
Provision for taxation and contingencies	5.35	6.00	5.50	3.75
Net profit	5.98	5.39	5.18	1.95
Refund of sales tax	0.04	..	..	..
Previous year's administrative expenses written off ..	0.10	..	..	..
Dividends—				
7½ per cent. preference ..	0.33	0.09	0.09	0.09
Ordinary	4.04	4.41	3.11	3.25
	(11¼%)	(14%)	(17½%)	(25%)
Carry forward	6.77	5.22	4.30	2.32
Cane crushed (in tons) ..	133,142	127,609	97,155	89,609
Sugar produced (in tons) ..	13,565	13,067	9,985	9,425

During the year under report, the Company's factory crushed 133,142 tons of sugarcane and produced 13,565 tons of sugar, as compared with 127,609 tons of cane crushed, producing 13,067 tons of sugar. The quantity of cane crushed has thus exceeded the record crushing of 1951-52 at 132,634 tons. Likewise, the output of sugar also is a new record high, in that it has exceeded the last year's record by 498 tons. Denatured spirit manufactured at the Company's distillery is finding increased sale in overseas markets, particularly in Ceylon.

The expansion of the Company's factory at Hospet has been completed in record time with minimum cost and the factory has commenced production with increased capacity. The Directors, however, state that, since the expansion could not be carried out in time for the current season, it may not be possible during this season either to make any significant increase in output or achieve economies in production such as would be reflected in increased profits. They have taken a rather cautious view of the current year's prospects and this is reflected in their decision to carry forward a large surplus of Rs. 6.77 lakhs to the next year's accounts.

The Salar Jung Sugar Mills Ltd. and Manjula Confectionery Private Ltd. became subsidiaries of the Company during the year. Steps have been taken to improve the working of these Companies and it is hoped that the results would be gratifying. Similarly, the expansion of the Salar Jung Sugar Mills' factory at Munirabad has also been completed and the factory is now working efficiently and economically. The Directors expect that, within the next two seasons, its operations would be stabilised so as to be a significant source of financial return.

As already stated, the paid-up capital of the Company has been increased from Rs. 32.71 lakhs to Rs. 54.34 lakhs, by the additional issue of 4,771 7½ per cent. taxable cumulative preference shares of Rs. 100 each at par and by a new issue of 320,000 ordinary shares of Rs. 10 each at a premium of As. 8 per share. The present paid-up capital is thus made up of 6,000 (7½ per cent.) cumulative preference shares of Rs. 100 each and 639,492 ordinary shares of Rs. 10 each. Of the above ordinary shares, 159,746 shares represent capitalisation of reserves in July 1954. The Company's reserves and surplus aggregate Rs. 21.67 lakhs. Besides this, there is a provision for taxation and contingencies amounting to Rs. 18.12 lakhs. The current liabilities aggregate Rs. 61.16 lakhs and include secured loans from banks for Rs. 28.56 lakhs. The gross block of the value of Rs. 33.71 lakhs has been written down to Rs. 14.46 lakhs. The current assets at Rs. 140.83 lakhs exceed the current liabilities and provision for taxation and contingencies by a margin of Rs. 61.55 lakhs. An analysis of current assets shows that loans and advances alone account for Rs. 68.65 lakhs, of which debts due from subsidiaries form Rs. 19.37 lakhs. Stocks and stores amount to Rs. 34.87 lakhs, while cash balances are at an extremely low level of Rs. 4.84 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 15.50 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 8 per cent. per annum, free of income-tax.

NATIONAL CARBON'S RESULTS ENCOURAGING

The hope expressed in these columns last year that the National Carbon Company (India) Ltd. (Chairman and Managing Director: Mr. J. R. Galloway, Calcutta) would play a decisive part in the economic and industrial growth of the country, when the Company's schemes of expansion are put through, seems to have been more than justified by its excellent performance during the year ended 25th December 1956 and by the substantial progress in its schemes of expansion.

The Company's factories at both Calcutta and Madras reached a high level of production during the year and the number of cells manufactured by these units exceeded all previous records. There was a marked improvement in sales of both consumer and industrial products and this is reflected in the sale proceeds which have shot up from Rs. 451.77 lakhs to Rs. 518.94 lakhs, representing an increase of as much as Rs. 67.17 lakhs over the year. The gross profit shows a rise of Rs. 5.04 lakhs, having advanced from Rs. 94.51 lakhs in 1954-55 to Rs. 99.55 lakhs in the year under review. The net profit, after providing for depreciation and taxation, however, stands lower at Rs. 46.80 lakhs, as compared with Rs. 50.16 lakhs.

The Directors have raised the provision for depreciation from Rs. 7.69 lakhs to Rs. 9.12 lakhs and that for taxation from Rs. 36.66 lakhs to Rs. 39.18 lakhs. In addition to this, they have made a new provision of Rs. 4.45 lakhs for super-tax on dividends, in view of the Company's distribution of dividend in excess of 6 per cent. A dividend of 15 per cent. is proposed to be paid for the year, of which an *ad-interim* dividend of 7½ per cent. has already been paid. As against this, in the previous year, an interim dividend at 20 per cent. was declared before the Company was converted on 23rd December 1955 into a public organisation, followed by a second interim distribution at 12½ per cent. The second interim dividend, in effect, represented the final distribution. It must, however, be noted that the dividend of 15 per cent. for 1955-56 is on the increased capital of Rs. 2 crores, raised by the issue of fresh capital to the tune of Rs. 40 lakhs to the Indian public at the time of conversion into a public company in December 1955, while the interim distribution for 1954-55 was on a lower capital before it was raised partly through the issue of bonus shares and partly through the new issue for cash in the third quarter of 1955, and the final one was on Rs. 1.60 crores raised through these issues. The total distribution for 1954-55 represents over 20 per cent. on the present capital of Rs. 2 crores, so that the dividend for 1955-56 is a cut of 5 per cent. from that paid for the previous year. The interim and final dividends for the year under review together absorb Rs. 30 lakhs, as against Rs. 40.25 lakhs in the previous year, leaving a balance of Rs. 21.20 lakhs to be carried forward, as against Rs. 16.46 lakhs brought in.

During the year under review, several new batteries were introduced and the Company is now able to offer a complete line of "Eveready" batteries for all types of radio receivers and for various other classes of electronic equipment now in use. A matter of particular importance is the development, in collaboration with the Indian Meteorological Department, of the "Eveready" "Mini-Max" X-830 battery. This battery, it is reported, was used with outstanding success by the Indian delegation at the International Comparison of Radio Sondes held in Switzerland in 1956, and functioned perfectly at altitudes up to 18 miles. The zinc rolling mill of Metals and Ores Company, which is a division of N.C.I., was completed at Alipore, Calcutta, and inaugurated on 23rd August 1956. During the four months of its operation, 245 tons of zinc were processed and, by the end of the year, production had reached rated output. The mill is operating satisfactorily and the Directors expect that rated output will be maintained throughout the current year.

Commenting on the progress made in the Company's expansion programme, the Directors in their latest report observe:

"Substantial progress has been achieved in the expansion programme which was outlined in the report of our Directors for 1955. In addition to the zinc rolling mill of Metals and Ores Company which came into operation in 1956, construction of the flashlight case factory, which is to be located at Lucknow, Uttar Pradesh, is proceeding rapidly. An excellent site has been acquired for this unit and early delivery is expected of all equipment needed for the production of flashlight cases, in a volume sufficient to supply the growing requirements of the Indian market. Plans call for production to commence during the second half of 1957. A site for a chemicals plant to produce organic solvents, ethylene dichloride and polyethylene has been acquired on Trombay Island, Bombay, and construction is expected to commence shortly. The design of plant and equipment for this unit is being carried out by your Company's technical consultants, Union Carbide Corporation, U.S.A. They are being assisted by a group of your Company's engineers who are presently in the U.S.A. in this connection. It is anticipated this unit will come into operation in 1958."

The paid-up capital of the Company as at the end of the year of review stands increased from Rs. 160 lakhs to Rs. 200 lakhs by the issue of 400,000 shares of Rs. 10 each, at a premium of Rs. 9-8 per share, making a total of 2,000,000 ordinary shares of Rs. 10 each. This is supplemented by reserves and surplus, aggregating Rs. 99.35 lakhs. The provision for taxation amounts to Rs. 16.78 lakhs and current liabilities aggregate Rs. 63.04 lakhs. The goodwill is shown at cost at Rs. 30 lakhs. The gross block of Rs. 150.98 lakhs has been written down to Rs. 100.38 lakhs. Additions during the year were of the order of Rs. 83.75 lakhs. The current assets aggregate Rs. 248.80 lakhs. These include stores and spare parts Rs. 10.29 lakhs, raw materials at cost Rs. 96.22 lakhs, work-in-progress Rs. 19.79 lakhs, finished goods Rs. 42.57 lakhs, debts, deposits and advances Rs. 64.66 lakhs, and cash balances Rs. 14.78 lakhs. The current assets cover the current liabilities and provision for taxation by a very wide margin.

The capital expenditure for the construction of new production facilities and expansion and modernisation of existing facilities during the year amounted to Rs. 44.35 lakhs. The Directors expect that capital expenditure for the current year will be appreciably higher than in 1956, due primarily to the cost of constructing the flashlight case factory and the chemicals plant.

The Rs. 10 fully paid-up shares of the Company are presently quoted on the Calcutta Stock Exchange at Rs. 23.75 *ex-div.* On this basis, the shares provide a yield of 6.3 per cent. per annum free of income-tax.

DUNLOP RUBBER'S RIGHTS OFFER

The long-awaited new issue of the Dunlop Rubber Company (India) Ltd. has been announced. The new issue, which is underwritten, consists of 1,400,000 shares of Rs. 10 each and is offered to the existing shareholders at a premium of Rs. 5 each in the proportion of 7 for 8 shares held. This offer, it is expected, will meet with a warm response in view of the promising outlook for the Company's business.

The Company proposes to utilise the proceeds of this issue which will bring in Rs. 2.10 crores—Rs. 1.40 crores by way of capital and Rs. 70 lakhs by way of premium—for building a new tyre factory in Madras. The new undertaking, as well as the expansion which is taking place in its existing factory, will, it is expected, substantially improve the Company's earnings. Meanwhile, the Directors have decided to pay an interim dividend of 7½ per cent. which will come in handy to the shareholders for subscribing to the new shares.

DUNLOP MADRAS

The trading results of the Dunlop Rubber Company, Ltd., London, for the year 1956 show that the net profit (after taxation) has suffered a setback from £2,857,531 to £1,943,591. The transfer to the general reserve has been pruned from £850,000 to £380,000 and dividend on ordinary shares has been cut from 14 per cent. (of which 4 per cent. represents interim distribution made in December 1955) to 10 per cent. (including 2½ per cent. interim paid in December last). The preference dividends absorb £451,447, leaving a surplus of £1,501,980 to be carried forward, as against £1,498,490 brought in.

INDORE MALWA MILLS' PROFIT SHRINKS

DIVIDEND, HOWEVER, RAISED

THE introduction of the additional excise duty on cloth in September 1956 has generally affected textile mill profits for the year ended 31st December 1956 and the Indore Malwa United Mills Ltd. (Chairman, Board of Directors: Mr. K. L. Seksaria, Bombay) has proved to be no exception. The gross profit of the Company, which had shot up from Rs. 6.78 lakhs for 1954 to Rs. 27.93 lakhs in the following year, thus setting a record since 1945, has receded by Rs. 3.91 lakhs to Rs. 24.02 lakhs in the year under review. After making provision for Managing Agents' commission, depreciation and taxation, the net profit amounts to Rs. 8.89 lakhs, as compared with Rs. 7.53 lakhs for 1955.

The higher net profit, in spite of the decline in the gross profit, is due to the lower provisions made for all the three counts, namely, agents' commission, depreciation and taxation. Thus, the provision for depreciation has been lowered from Rs. 9.78 lakhs to Rs. 6.59 lakhs, consequent on the benefit of development rebate to the tune of Rs. 3.58 lakhs, and that for taxation from Rs. 8 lakhs to Rs. 7.20 lakhs. A new development reserve account has been created out of the estimated amount of development rebate in respect of the years 1954 and 1955 which was formerly credited to depreciation on plant and machinery account. This reserve has been further strengthened by the addition of Rs. 3.58 lakhs out of the year's profit, being the development rebate for 1956. The dividend equalisation fund, which had received Rs. 3 lakhs in the previous year, has not been added with anything further. The dividend is proposed to be raised to 11 per cent. from 9 per cent. for the previous year, to which level it had been stepped up from 6 per cent. paid for the previous three years. This distribution includes an *ad-interim* dividend of Rs. 5 per share paid earlier during the year. It is not known what induced the Directors to step up the dividend when the gross profit has, if anything, only declined. The Directors' recommendation to pay a higher dividend was made at a time when the dividend tax was 25 per cent. on the dividend slab 10 per cent. to 18 per cent. of the paid-up capital. The latest changes in fiscal measures has, however, proved beneficial to the Company in so far as dividend tax is concerned. It has also, to some extent, reduced the incidence of the new wealth tax on the Company.

The following comparative table provides an idea of the Company's progress since 1953:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sales of cloth, yarn and waste..	2,57.26	2,95.22	2,49.13	2,49.62
Closing stock of cloth, yarn, cotton and waste	78.89	60.77	84.20	85.81
Cotton, stores, etc., consumed..	1,56.69	1,34.41	1,58.93	1,37.67
Other expenses	1,05.51	1,02.05	96.68	99.50
Gross profit	24.02	27.93	6.78	16.82
Agents' commission	1.34	2.62	0.68	1.71
Depreciation	6.59	9.78	3.16	12.01
Provision for taxation	7.20	8.00	..	..
Net profit	8.89	7.53	2.94	3.10
Transfer from bonus provision..	0.16	..	..	..
To reserves	3.58	3.00	..	..
Dividend	5.50	4.50	3.00	3.00
	(11%)	(9%)	(6%)	(6%)
Carry forward	0.07	0.09	0.06	0.12

It will be seen from the above table that while sale proceeds of cloth, yarn and waste have declined by Rs. 37.96 lakhs, the cost of cotton, stores, etc., consumed has sharply increased by Rs. 22.28 lakhs and other expenses by Rs. 3.46 lakhs. This includes a sum of Rs. 1.40 lakhs provided as bonus for the year 1956 in accordance with the five-year bonus agreement entered into by the Company with the Indore Mill Mazdoor Sangh. The increase in the closing stocks from Rs. 60.77 lakhs to Rs. 78.89 lakhs reflects the serious nature of the impact of excise duty on the offtake of cloth.

The Company's reserves and surplus, as at the end of the year under review, aggregate Rs. 21.34 lakhs, as against a paid-up capital of Rs. 50 lakhs, all in ordinary shares of Rs. 100 each. This includes a sum of Rs. 30 lakhs issued as bonus shares by capitalising reserves in September 1948. The current liabilities amount to Rs. 109.82 lakhs and provision for taxation Rs. 31.56 lakhs. The gross block of Rs. 148.10 lakhs, along with additions during the year amounting to Rs. 17.26 lakhs, has been written down to a book value of Rs. 31.30 lakhs. The current assets amount to Rs. 181.42 lakhs and cover the current liabilities and provision for taxation by a substantial margin of Rs. 40.04 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 139.50 *cum-div.* (final dividend: Rs. 6). On an *ex-div.* basis, the dividend for the year under review gives a yield of 8.2 per cent. per annum, free of income-tax.

COMPANY MEETINGS AND DIVIDENDS

ASHOK LEYLAND LTD. Annual General Meeting, Ennore, Madras, 6th June 1957. Dividend: 6 per cent. Transfer books remain closed from 22nd May to 7th June 1957, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. Annual General Meeting, Calcutta, 7th June 1957. Dividend: Re. 0.75 per share (final), payable on or after 25th June 1957. Transfer books remain closed from 18th May to 7th June 1957, both days inclusive.

ELPHINSTONE SPG. AND WVG. MILLS CO., LTD. Annual General Meeting, Bombay, 10th June 1957. Dividend: Rs. 5.00 per share, payable on and after 17th June 1957. Transfer books remain closed from 13th May to 10th June 1957, both days inclusive.

COONOOR TEA ESTATES CO., LTD. Annual General Meeting, Coonoor (Nilgiris), 10th June 1957. Dividend: Re. 1.75 (17½ per cent.) per share. Transfer books remain closed from 1st to 15th June 1957, both days inclusive.

LUCKY VALLEY (NILGIRI HILLS) TEA ESTATES LTD. Annual General Meeting, Coonoor (Nilgiris), 10th June 1957. Dividend: Re. 1.00 (10 per cent.) per share. Transfer books remain closed from 1st to 15th June 1957, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Madras, 10th June 1957. Dividend: Re. 1.12 (11¼ per cent.) per share, payable on and after 17th June 1957. Transfer books remain closed from 22nd May to 10th June 1957, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 10th June 1957. Dividend: Re. 1.00 per share (final). Transfer books will remain closed from 27th May to 10th June 1957, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Bombay, 10th June 1957. Dividend: Rs. 6.00 per share (final), payable on and after 20th June 1957. Transfer books remain closed from 27th May to 8th June 1957, both days inclusive.

MOON MILLS LTD. Annual General Meeting, Bombay, 11th June 1957. Transfer books remain closed from 22nd May to 11th June 1957, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Alwaye, Kerala State, 12th June 1957. Dividend: *Nil*. Transfer books will remain closed from 3rd to 12th June 1957, both days inclusive.

ASSAM SAW MILLS AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 14th June 1957. Dividend: *Nil*. Transfer books remain closed from 31st May to 14th June 1957, both days inclusive.

SIRSILK LTD. Annual General Meeting, Somajiguda, Hyderabad-Deccan, 17th June 1957. Dividend: *Nil*. Transfer books will remain closed from 3rd to 17th June 1957, both days inclusive.

ANDHRA CEMENT CO., LTD. Annual General Meeting, Madras, 20th June 1957.

VICTORIA MILLS LTD. Annual General Meeting, Bombay, 25th June 1957. Transfer books will remain closed from 12th to 25th June 1957, both days inclusive.

DUNBAR MILLS LTD. Annual General Meeting, Calcutta, 25th June 1957. Dividend: Rs. 6.00 per share. Transfer books will remain closed from 17th to 25th June 1957, both days inclusive.

COIMBATORE MURUGAN MILLS LTD. Annual General Meeting, Coimbatore, 26th June 1957. Transfer books will remain closed from 12th to 26th June 1957, both days inclusive.

RAJA BAHADUR MOTILAL POONA MILLS LTD. Annual General Meeting, Bombay, 27th June 1957. Transfer books will remain closed from 17th June to 13th July 1957, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 8th July 1957. Dividend: Rs. 12.00 per share, payable on or after 8th July 1957. Transfer books will remain closed from 10th June to 8th July 1957, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Annual General Meeting, Sikka, 11th July, 1957. Dividend: Rs. 9.00 per share, payable on and after 11th July 1957. Transfer books will remain closed from 24th June to 6th July 1957, both days inclusive.

ASPINWALL AND CO., LTD. Final dividend of Re. 1.00 (10 per cent.) per share for the year ended 31st December 1956. Transfer books remain closed from 1st to 16th June 1957, both days inclusive.

DHUNSERI TEA CO., LTD. Interim dividend of 10 per cent. on ordinary shares for the year ended 31st December 1956. Transfer books will remain closed from 11th to 21st June 1957, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Second interim dividend of £3 per cent. net (tax applicable at 8*s.* 6*d.* in the £) for 15 months ended 31st March 1957, payable on 28th June 1957.

Notices

BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Ordinary General Meeting of the Bengal Potteries Limited will be held at the Registered Office of the Company, 45, Tangra Road, Calcutta, on Tuesday the 18th June, 1957, at 4-0 p.m., to transact the following items of business:—

1. To receive and adopt the Directors' Report, the Audited Balance Sheet and the Profit and Loss Account for the year ended 31st December, 1956.
2. To declare Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To consider, and if thought fit, pass the following resolution as a Special Resolution:—

   "Resolved that the Company may receive moneys from Messrs. Madan Mohan Lall Shri Ram & Co. Private Ltd., Partners of the Managing Agents, Messrs. Bharat Ram Bhagat & Co., or from associates of the said Managing Agents, by way of deposits, loans or advances, and pay interest thereon at such rates as may be agreed upon between the lender and the Board of Directors of the Company, so however that the rate of interest shall not be higher than what the Company will pay to the Industrial Finance Corporation on the additional loan of Rs. 20 lakhs, terms and conditions of which have already been accepted by the Company."

   "Further resolved that payment of interest on loans outstanding on 1st April, 1956, or made thereafter be and is hereby approved."

The Share Transfer Register of the Company will be closed from 7th June, 1957, to 1st July, 1957, both days inclusive.

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

By Order of the Board of Directors,
BHARAT RAM BHAGAT & COMPANY,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA, 15*th May*, 1957.

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

THE DIRECTORS OF THE DUNLOP RUBBER Company (India) Limited, announce the following decisions:—

1. A Rights offer of 14,00,000 new Ordinary Shares of Rs. 10 each at a premium of Rs. 5 per share for cash payable in full on application will be made to the members whose names appear on the Register of Members in respect of the existing Ordinary Shares on 11th June 1957, in the proportion of seven new Ordinary Shares for every eight Ordinary Shares then held.
2. An interim dividend at the rate of 7½ per cent. free of tax for the year ending 31st December 1957, will be paid on 19th June 1957, to the members whose names appear on the Register of Members in respect of the existing Ordinary Shares On 11th June, 1957.

For the foregoing purposes notice is hereby given that the Share Transfer Books and Register of Members holdng Ordinary Shares in the captal of the Company will be closed from 4th June, 1957, to 11th June, 1957, both days inclusive.

Holders of Ordinary Shares under blank transfers are particularly reminded that it is necessary to register the transfers prior to 4th June 1957, in order to be entitled to the Rights offer. Legal representatives of deceased shareholders should get their legal representations immediately registered with the Company to enable them to receive and deal with the Letters of Rights on behalf of the estate of the deceased.

By Order of the Board,
J. LUCKHAM,
Managing Director.

CALCUTTA, 22*nd May* 1957.

Notices

THE NEW INDIA ASSURANCE COMPANY, LIMITED.

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE THIRTY-EIGHTH ANNUAL GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company, New India Assurance Building, Mahatma Gandhi Road, Fort, Bombay, on Wednesday, the 26th June, 1957, at 4-30 p.m. (S.T.).

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1956.
2. To declare a Dividend.
3. To elect two Directors in place of Mr. A. D. Shroff and Mr. J. R. D. Tata who retire by rotation but are eligible for re-election and offer themselves accordingly.
4. To elect a Director in place of Mr. Ambalal Sarabhai who retires by rotation and to consider and if thought fit to pass the following ordinary resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that Mr. Ambalal Sarabhai who has completed the age of 67 years and who retires by rotation be and is hereby re-elected a Director of the Company and that the age limit, prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

5. To elect Mr. Jayantilal R. Mehta and Mr. N. K. Petigara who were appointed additional Directors of the Company on 23rd May, 1957, as Directors of the Company and to consider and if thought fit to pass the following resolutions as ordinary resolutions:

   (i) "RESOLVED that pursuant to the relevant provisions of the Companies Act, 1956, including Sections 257 and 258, Mr. Jayantilal R. Mehta, be and is hereby elected and appointed a Director of the Company."

   (ii) "RESOLVED that pursuant to the relevant provisions of the Companies Act, 1956, including Sections 257 and 258, Mr. N. K. Petigara be and is hereby elected and appointed a Director of the Company."

6. To elect Sir Vithal N. Chandavarkar, Kt., as Director of the Company and if thought fit to pass the following ordinary resolution, of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that pursuant to the relevant provisions of the Companies Act, 1956, including Sections 257 and 258, Sir Vithal N. Chandavarkar, Kt., who has completed the age of 69 years be and is hereby elected and appointed a Director of the Company and that the age limit prescribed under Section 280 shall not apply to him."

7. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will remain closed from the 27th day of May, 1957, to the 25th day of June, 1957, (both days inclusive).

A member entitled to attend and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a member of the Company.

By Order of the Board,
B. K. SHAH,
Managing Director.

BOMBAY, 24*th May*, 1957.

N.B.—The Dividend when sanctioned at the General Meeting will be payable to those Shareholders whose names stand registered on the Company's Registers on the 25th May, 1957. It will be payable at the Central Bank of India, Limited, Bombay, for six months on and after the 1st July, 1957, and thereafter at the Registered Office of the Company.

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956.

Item 4:—Mr. Ambalal Sarabhai, who retires by rotation and is eligible for re-election, has attained the age of 67 years. The Company has received special notice from some members in accordance with the requirements of Section 281 of the Companies Act, 1956. Mr. Ambalal Sarabhai has been on the Board of the Company since 1927 and with his wide and varied experience as a business man and an industrialist has rendered valuable services to the Company. It is in the interest of the Company that it should continue to receive the benefit of his services and the resolution of which notice is given to the members is commended for acceptance.

Items 5 *and* 6:—Mr. Jayantilal R. Mehta, Mr. N. K. Petigara and Sir Vithal N. Chandavarkar, Kt., who were Life Policyholders' Directors of the Company, resigned from their office as Life Policyholders' Directors. Mr. Jayantilal R. Mehta and Mr. N. K. Petigara were appointed additional Directors by the Board on 23rd May, 1957. Section 260 of the Companies Act, 1956, and Article 88 of the Company's Articles of Association provide that an additional Director shall hold office only upto the date of the next Annual General Meeting of the Company. As such, Mr. Jayantilal R. Mehta and Mr. N. K. Petigara hold their office as Directors only upto the date of the Thirty-eighth Annual General Meeting of the Company, namely, 26th June, 1957. Notices regarding the above two ordinary resolutions proposing Mr. Jayantilal R. Mehta and Mr. N. K. Petigara for appointment to the office of Director at the 38th Annual General Meeting have been received by the Company as provided by Section 257 of the Companies Act, 1956.

Sir Vithal N. Chandavarkar, Kt., who has completed the age of 69 years, can only be appointed as Director of the Company by a resolution passed by the Company at the General Meeting. A notice under Section 257 and a Special Notice pursuant to Section 281 of the Companies Act, 1956, to propose Sir Vithal N. Chandavarkar, Kt., as a candidate for the office of Director, have been duly received by the Company.

Mr. Jayantilal R. Mehta, Mr. N. K. Petigara and Sir Vithal N. Chandavarkar, Kt., have been the Life Policyholders' Directors of the Company for more than fifteen years. With their wide experience in varied fields of business and industry they have rendered valuable services to the Company. It is in the interest of the Company that it should continue to receive the benefit of their services and the resolutions to elect them as Directors, of which, notice has been given to the shareholders, are commended for acceptance.

THE RAMNUGGER CANE AND SUGAR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twentieth Ordinary General Meeting of the Shareholders of the Ramnugger Cane and Sugar Company, Ltd., will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta, on Thursday, the 4th July 1957, at 12 noon, to transact the following business:—

1. To receive the Directors' Report and pass the Audited Accounts for the year ended 31st August 1956.
2. To declare a Dividend on Preference Shares.
3. To declare a Dividend on Ordinary Shares.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other business which may properly be brought before the Meeting.

NOTICE is also given that the Share Transfer Registers will be closed from the 15th June to 4th July 1957, both days inclusive.

By Order of the Board,
ANDERSON WRIGHT LTD.,
Managing Agents.

CALCUTTA, 22*nd May* 1957.

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

THE BOMBAY FIRE AND GENERAL INSURANCE COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Ordinary General Meeting of the above Company will be held at the Registered Office of the Company, Henley House, Graham Road, Ballard Estate, Bombay, on Thursday the 20th June 1957, at 3 p.m. (S.T.), to transact the following business:

(1) To receive and adopt the Directors' Report and Audited Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account and Balance Sheet for the year ended 31st December 1956.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of Mr. M. A. Fazalbhoy and Mr. F. H. Kemple who retire under Article 95 of the Articles of Association of the Company and being eligible, offer themselves for re-election.

(4) To elect Mr. Bhagwandas Goenka, Mr. Surajratan Damani and Mr. S. Ramanathan, who were appointed as Additional Directors of the Company on 12th October 1956, 25th October 1956, and 8th December 1956, respectively, as Directors of the Company.

(5) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company are closed from the 31st May 1957, to the 20th June 1957 (both days inclusive).

A member entitled and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a member of the Company.

By Order of the Board,
K. K. DASTUR,
Manager.

BOMBAY, 20*th May* 1957.

N.B.—The Dividend when sanctioned at the General Meeting will be paid on or after 24th June 1957 to those Shareholders whose names stand on the Company's Registers on the 20th June 1957.

EXPLANATORY STATEMENT

Mr. Bhagwandas Goenka, Mr. Surajratan Damani and Mr. S. Ramanathan, were appointed Additional Directors on the 12th October 1956, 25th October 1956 and 8th December 1956, respectively, by the Board of Directors of the Company. Section 260 of the Companies Act, 1956, provides that additional Directors shall hold office only up to the date of the next Annual General Meeting of the Company. As such Mr. Bhagwandas Goenka, Mr. Surajratan Damani and Mr. S. Ramanathan, hold their offices as Directors only up to the date of the Twenty-second Annual General Meeting of the Company. Mr. M. A. Fazalbhoy has given written notice signifying his intention to propose Mr. Bhagwandas Goenka and Mr. Pallonji Shapoorji Mistry has given written notice signifying his intention to propose Mr. Surajratan Damani and Mr. S. Ramanathan as candidates for the offices of Directors. Mr. Bhagwandas Goenka, Mr. Surajratan Damani and Mr. S. Ramanathan have also given to the Company their consent in writing required to be filed with the Registrar of Companies.

JENSON AND NICHOLSON (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of Members of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Thursday, 20th June 1957, at 11 a.m., for the following purposes:—

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the year ended 31st December, 1956, and the Balance Sheet as at that date.
2. To declare Dividends.
3. To elect a Director in place of Mr. B. J. Nicholson, who retires by rotation and is eligible for re-election, by passing the following resolution of which special notice as required by Section 281 of the Companies Act, 1956 has been received by the Company.

   "Resolved that Mr. B. J. Nicholson who has attained the age of 68 years, and who retires by rotation be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956 shall not apply to him."

4. To appoint Auditors and fix their remuneration.
5. *As Special Business.*—To pass, if thought fit, the undernoted resolutions:—

   (i) (*As an Ordinary Resolution.*) "That Mr. H. S. Challis be appointed an Alternate Director of the Company to act for Mr. B. J. Nicholson during his absence from West Bengal."

   (ii) (*As a Special Resolution.*) "That the consent of the Company be accorded to the holding by Mr. H. S. Challis of the office or place of profit of Secretary and Accountant of the Company notwithstanding that he be a Director of the same."

The Share Transfer Books of the Company will be closed from the 13th to 20th June 1957, days inclusive.

By Order of the Board,
H. S. CHALLIS,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, 8*th May* 1957.

Note.—A member entitled to attend and vote at the above Meeting may appoint a proxy to attend and vote instead of him. A proxy need not also be a Member of the Company.

EXPLANATORY STATEMENT

The Resolution set out under item 3 is required as Mr. B. J. Nicholson has attained the age of 68 years and hence cannot be re-appointed a Director except by a resolution in respect of which special notice has been given in accordance with Sections 190 and 281 of the Companies Act, 1956. Notice has been duly received that this Resolution will be proposed.

Mr. B. J. Nicholson will be away from India for more than three months and the Board of Directors recommend that Mr. H. S. Challis be appointed to act as his Alternate; accordingly the Ordinary Resolution under item 5 (i) has been proposed.

The Special Resolution under item 5 (ii) is necessitated by the facts therein specified and the operation thereon of Section 314 of the Companies Act, 1956.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting (being the One Hundred and Twenty-Third Ordinary General Meeting of the Company) will be held at its Registered Office, 21, Netaji Subhas Road, Calcutta, on Wednesday the 19th June, 1957, at 12 noon, to consider the Profit and Loss Account for the year ended 31st December, 1956, and the Balance Sheet as at that date, the Report of the Auditors thereon, the Report of the Board of Directors, to declare a dividend, and to transact other ordinary general business of the Company.

Notice is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 3rd June, 1957, to 19th June, 1957, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 22*nd May*, 1957.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

QUESTION HOUR IN PARLIAMENT

Gold Prices

THE disparity in the prices of gold as quoted in the market and as fixed by the International Monetary Fund is one of the main difficulties in the way of Government proceeding with the proposal for buying gold from the people for financing the Plan. The Government is bound by the gold price of the rupee fixed by the I.M.F. The value will only be Rs. 62.50 per tola, whereas the market price is considerably in excess and is going up and down. It can also be said that the market price of gold reflects the real value of the rupee, as the price is a fluctuating price dependent on speculation. Therefore, we are up against this bottleneck and we cannot proceed further.

* * * *

Sterling Balances

India's sterling balances up to the first week of May 1957 was to the tune of Rs. 496.42 crores. The statutory minimum for currency reserve is Rs. 400 crores. The balance on 30th March 1956 was Rs. 746 crores. The present balance includes the sum of Rs. 60 crores transferred from the I.M.F. to the sterling balances account. The bulk of the drawing on the account has been to meet trade deficits.

* * * *

Housing Policy

An integrated housing policy may emerge in a few months. Very possibly, the rural areas might get a subsequent sum out of this. Actually, the Rs. 120 crores are very oddly placed and spread over a very wide area. We are thinking of integrating this whole thing. The matter is now being discussed by the Ministry of Works, Housing and Supply with other concerned Ministries.

—*T. T. Krishnamachari*

Closure of Cotton Mills

The question of ordering an investigation under section 15 of the Industries (Development and Regulation) Act in respect of three textile mills which have closed down during recent months is under the consideration of the Government of India. Seven mills have issued notices of closure during recent months, and, out of these, three have actually closed, affecting 3,732 workers. Two mills withdrew the notice of closure, while one has postponed its closure by one month. The remaining mills have served notice of closure from 30th May. If the two mills are also to close down, the number of workers affected will be 3,110.

—*Morarji Desai*

Heavy Machinery Plant

The Russian experts have recommended that a site near Ranchi is the best available for locating the heavy machinery plant. The Government has not yet considered the question of location.

* * * *

Printing Machinery

The Government of India has decided not to set up any plant for the manufacture of printing machinery as such in the immediate future. The Government has come to this conclusion after making a full survey of the position, but the capacity, which will be created for making industrial machinery, should be able to branch into this field as and when necessary. In the private sector, there are three firms already engaged in the manufacture of printing machinery and some others are also showing interest.

* * * *

Orders for Textile Mill With Russia

Orders for a textile mill of 12,000 spindles will be placed with the Soviet Union on a deferred payment basis. General discussions have been taking place between the Government of India and the representatives of the U.S.S.R. regarding supply of capital goods to India on deferred payments. Agreement on this matter has not been reached so far and discussions are continuing. While there has been no discussion on a country-to-country basis with any other country, the Government's proposals in this regard have been circulated to all chambers of commerce and industry stating the terms which will be very rigidly enforced. The orders for textile mill arose from the contract with the Soviet Union for the supply of shoes. For trial purposes, India is placing an order for 12,000 spindles to begin with.

* * * *

Cement Shortage

Shortage of cement is being experienced throughout the country. The Government is taking steps to increase the production of cement and also import some more quantities. Looking to the present foreign exchange position, the imports can only be of a very limited quantity.

—*M. M. Shah*

Egyptian Cotton

There is no real shortage in the country of indigenous cotton as such. Certain varieties of cotton are, however, reported to be in short supply. The overall supply position of Indian and foreign cotton in the country during the current season is quite satisfactory. India is a traditional buyer of Egyptian cotton. It is proposed to buy a little more cotton from Egypt this year than last year.

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Cashewnut Industry

No request for any special assistance to the cashewnut industry has come from the Kerala State Government.

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Jute Futures Market

A futures market for jute goods is soon to be organised by the East India Jute and Hessian Exchange, Calcutta, after its reconstitution is approved by the Forward Markets Commission. It will conduct trading in all varieties of raw jute and jute goods through the medium of futures contracts and transferable specific delivery contracts. The market will be regulated under the provisions of the Forward Contracts (Regulation) Act 1952 and controlled through the Forward Markets Commission.

—*Nityanand Kanungo*

Power Supply

There are no river valley projects in India where power generated is surplus to the demand. There are, however, a number of projects where demand for power is in excess of available supply. These are: Sivasamudram, Simsha, Jog Hydro-electric Power Stations in Mysore; Pykara, Moyar, Mettur and Papanasam supplemented by steam power stations and Samayanallur in Madras; eight hydro-electric power stations on the Ganga canal supplemented by the steam stations at Harduaganj and Chandausi in the U.P.; Nangal hydro-electric power system served by the Ganguwal and Kotla power stations on the Nangal canal in the Punjab and the Damodar Valley Corporation. As electricity is a concurrent subject, the initiative in matters of power rests with the States. However, the Central Water and Power Commission keeps a close watch on the power supply position in all the States in the country and renders every possible assistance in co-ordinating the schemes for power generation with the demands for power in the various States.

* * * *

Rural Electrification

The utilisation of power supplied by the Damodar Valley Corporation for rural electrification is a matter which solely concerns the State Governments of West Bengal and Bihar. The D.V.C. will supply power to these two States. It is up to them to make distribution arrangements.

—*S. K. Patil*

Diesel Electric Locomotives

Before the order for 100 diesel electric locomotives with the Alco Products Incorporated, of New York, costing Rs. 10.67 crores was placed, inquiries had been addressed to all firms of repute having experience in the manufacture and maintenance of diesel locomotives. Eighteen firms from ten different countries had offered tenders. But there was no other suitable competitive offer which was more acceptable from the point of view of price and delivery.

—*Jagjivan Ram*

Dhanushkodi Pier

The Government is still examining the report of the Committee of Experts which has recommended the shifting of the Dhanushkodi pier to a safer place near Rameshwaram.

—*Shah Nawaz Khan*

Newsprint Factory

The proposed newsprint factory to be established in Andhra is roughly estimated to cost about Rs. 5.5 crores at present. The working capacity of the plant will be 2,000 tons per annum. Negotiations are in progress for securing suitable terms of collaboration in the establishment of the factory.

—*Satish Chandra*

Indian Business Men in Burma

The Burma Government has not yet sent a final reply to India's "approach" to it on the hardship caused to Indian business men as a result of the Registration (Importers and Exporters) Order of the Government of Burma, which came into force on 1st October 1954. Under this Order, no foreign firm can be registered unless it is registered under the Burma Companies Act and it had imported or exported any goods into or out of Burma before 1st January 1948. Under the same Order, no firm shall be registered or continue to be registered unless at least 50 per cent. of its staff whose monthly emoluments are less than kyats 500 are citizens of the Union of Burma. Many foreign firms or individuals, including Indians, doing business in Burma who are not qualified for registration under the Burma Companies Act are likely to suffer under the new regulation.

—*Mrs. Lakshmi Menon*

Sea Island Cotton

The Government of India has sanctioned a co-ordinated Sea Island cotton scheme in the States of Kerala, Mysore and Assam for a period of five years beginning from May this year to the tune of Rs. 6 lakhs. The objects of the scheme are to survey areas suitable for cultivation of Sea Island cotton in the three States and to cultivate Sea Island variety "Andrews." It is expected that cotton worth Rs. 13.38 crores will be grown under this scheme and foreign exchange to that extent can be saved by the Government. There is no need to give any subsidy, because the variety will fetch between Rs. 400 and Rs. 500 per acre.

—*A. P. Jain*

Thorium Deposits

The Indian Atomic Energy Department has located deposits of thorium and other radio-active minerals in the north-eastern parts of India. It is not considered desirable in the public interest to give out the analysis of the thorium ore and the concentration of radio-active minerals in the find. Detailed survey and prospecting work of the area is in progress with a view to assessing the nature, quality and extent of the minerals available from the deposit. The plans for the mining and processing of the ores will depend upon the final results of the investigations.

—*Jawaharlal Nehru*

ASHOK LEYLAND RESUMES DIVIDEND

PROFIT OF COONOOR TEA SLIGHTLY LOWER

Ashok Leyland Ltd.

THE directors of the above Company (Chairman: Sir A. Ramaswami Mudaliar, Ennore, Madras) submit the audited accounts of the Company for the year ended 31st December 1956.

During the year under review, the sale of Leyland chassis has increased satisfactorily and the total sales for 1956 were nearly double those for 1955. The Company's turnover amounted to Rs. 2,86,25,473 as compared to the previous year's figure of Rs. 1,49,93,712.

The net profit for the year was Rs. 8,55,690 (Rs. 1,79,519); and the amount available for appropriation Rs. 11,34,034 (Rs. 4,19,795). The difference between these two sums is due to additions to and subtractions from net profit as shown below:—Net profit for the year is Rs. 8,55,690 (Rs. 1,79,519). The balance brought forward from 1955 is Rs. 61,965 (Rs. 2,74,800). Amount provided in previous years against a claim which is not required Rs. 61,365 (*nil*) and refund due to adjustment of income-tax Rs. 2,50,200 (*nil*) making a total of Rs. 12,29,220 (Rs. 4,54,319). Deducting the amount required for excess income-tax in 1955 of Rs. 95,186 (Rs. 34,524) there is a net available balance of Rs. 11,34,034 (Rs. 4,19,795). The directors propose the following appropriation of the above balance:—

To provision for taxation Rs. 1,60,000 (Rs. 85,000), dividend at the rate of 6 (*nil*) per cent. per annum free of income-tax for the year ended 31st December 1956 Rs. 3,96,580 (*nil*), to provision of bonus to employees Rs. 30,000 (*nil*), transfer to general reserve Rs. 1,50,000 (*nil*) and amount to be carried forward to next year's account Rs. 3,97,454 (Rs. 61,965 after paying Rs. 2,72,830 as dividend at the rate of 5 per cent. for the year 1954).

The value of Austin spares has been reduced by Rs. 1,78,419. This represents the actual value of spares which have become unfit for sale due to obsolescence or to oxidisation arising from their retention in stock since 1949.

The progress of the phased manufacturing programme, implementation of which commenced in the latter part of 1955, has been satisfactorily maintained. At the end of 1956 components representing approximately 15 per cent. of the c.i.f. value of a complete chassis were being manufactured at the Ennore Factory. This represents excess over the progress scheduled in the manufacturing programme. Progress will continue during 1957 and it is expected that actual production will continue to be ahead of that given in the programme.

The Commercial Tax Officer and the High Court of Madras having decided in the Company's favour some of the issues on appeal the contingent liabilities of Rs. 8,79,492 with regard to Madras Sales-tax has been reduced to the figure of Rs. 4,77,014 and the position as at present is that in respect of a sum of Rs. 1,38,397 the matter is being taken up on appeal before the Supreme Court of India for which Special Leave has been granted by the High Court of Madras. In respect of the balance of Rs. 3,38,617, appeals are pending before the Madras Sales-tax Appellate Tribunal.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	85,66,800	Block ...	46,94,617
Reserves ...	3,00,000	Stock-in-trade	57,78,449
Provision for taxation ...	1,60,000	Spare parts	48,07,484
Liabilities ...	1,35,00,206	Stores ...	1,19,589
Profit and loss account ...	3,97,454	Goods-in-transit ...	34,01,985
		Debts, deposits and advances ...	36,51,430
		Investments	500
		Cash ...	4,70,406
	Rs. 2,29,24,460		Rs. 2,29,24,460

Coonoor Tea Estates Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Matheson, Bosanquet & Co. Private Ltd., Belmont, Coonoor) submit the audited accounts of the Company for the year ended 30th September 1956.

Tea Crop	1956	1955
	Lbs.	Lbs.
Coonoor	2,26,077	2,70,403
Adar	65,602	50,898
Bought Leaf	30,270	1,01,076
Total	3,21,949	4,22,377

It will be noted that the intake of bought leaf was approximately 70,000 lbs. below the previous year and this is accounted for by the fact that green leaf contracts were terminated by the end of February 1956. The shortfall on Coonoor is attributable to the very poor rainfall over the 7 months January-July. During the period only 17.76" of rain fell as compared with 25.90" in the previous season.

The cost of production was 165.56 cents per lb. against the estimate of 146.04 cents per lb. and the increase was mainly due to shortage in crop. The crop was sold at a net average of 223.31 cents compared with 210.01 cents per lb. obtained in the previous season.

Capital Expenditure: A sum of Rs. 92,514 was spent under this head which has exceeded the original estimate by Rs. 6,714 and this is accounted for to a great extent by the increased cost of materials such as steel and cement. The major work undertaken during the year was the construction of an additional withering loft to the Factory so that leaf from the Company's three estates may be manufactured in the Company's own Factory after the termination of the contract with the Guernsey Factory. The existing facilities in the Factory are sufficient to cope with a crop of approximately 4,00,000 lbs. of made tea per annum but when funds are available it will be desirable to purchase a new drier and to replace at least two of the old rollers. A great deal of attention is being paid to the process of manufacture and with a good standard of leaf coming into the Factory, attractive teas are being turned out.

The profit for the year after providing for depreciation, taxation, etc., was Rs. 80,468 (Rs. 90,358) to which is to be added the balance brought forward from last year of Rs. 1,107 (Rs. 77,214) making a total of Rs. 81,575 (Rs. 1,67,572). Preference dividend of 6 per cent. less income-tax absorbed Rs. 8,055 (Rs. 9,000) and interim dividend on ordinary shares at 10 (10) per cent. free of income-tax Rs. 37,782 (Rs. 24,986) leaving a balance of Rs. 35,738 (Rs. 1,33,586). The directors recommend a final ordinary dividend of 7½ (15) per cent. free of income-tax on 37,782 (24,986) shares which will absorb Rs. 28,337 (Rs. 37,479) and bonus to staff for season 1954-55 paid in excess of provision Rs. 420 (*nil*) leaving a balance of Rs. 6,981 (Rs. 1,107 after transferring Rs. 95,000 to general reserve) to be carried forward.

Estimates 1956-57:—A crop of 3,40,000 lbs. is estimated. Cost of production is estimated at 133.42 cents including 17.28 cents for manuring.

Factors contributing to the lower profit are he crop shortage, which was due to adverse climatic conditions and to some extent due to labour unrest. Strikes occurred on many Estates in South India and a general "go slow" policy was adopted which delayed plucking rounds and contributed in no small measure to the lower crop harvested.

It is the policy of the board of directors to concentrate on producing only the highest quality teas; and there can be no doubt that this policy has proved a wise one as is evident from the prices realised since the manufacture of leaf from the Company's Estates was re-started in May after certain modifications had been carried out in the Adar Factory. Coonoor Teas have been in great demand at the Cochin Auctions during recent months and have on several occasions fetched the highest price of any teas on offer.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,27,820	Block ...	19,68,101
Reserves ...	12,40,946	Stock-in-trade	1,46,852
Provision for taxation ...	11,740	Stores and spare parts	59,637
Liabilities ...	4,59,543	Export quota	5,385
Profit and loss account ...	6,981	Debts, deposits and advances ...	44,780
		Investments	2,500
		Cash ...	19,775
	Rs. 22,47,030		Rs. 22,47,030

Lucky Valley (Nilgiri Hills) Tea Estates Ltd.

The directors of the above Company (Secretaries: Messrs. Matheson, Bosanquet & Co. Private Ltd., Belmont, Coonoor) submit the second audited accounts of the Company for the year ended 31st December 1956.

Crop: A crop of 1,93,554 (2,18,124) lbs. of tea was secured against an estimate of 2,10,000 lbs. The cost of production was 159.66 (160.27) cents per pound which was sold at an average of 262.33 (242.16) cents per pound. Although the crop harvested this season is approximately 25,000 pounds less than in 1955, the average price per pound realised is 20 cents higher than in the previous year which has resulted in a slightly higher net profit. Adverse weather conditions were mainly responsible for the decrease in crop and the rainfall during the year was 58.62" as compared with 70.41" in the previous year. Moreover, rainfall distribution was not favourable. A coffee crop of 27½ bushels dry cherry was also secured during the year.

The profit for the year after providing for depreciation and for Central income-tax and Madras State Agricultural income-tax was Rs. 86,010 (Rs. 84,429) to which is added the undistributed profit brought forward from the previous year of Rs. 14,429, making a total of Rs. 1,00,439 (Rs. 84,429). The directors propose to transfer to general reserve Rs. 25,000 (Rs. 20,000) and pay a dividend of 10 (10) per cent. free of Indian income-tax absorbing Rs. 50,000 (Rs. 50,000) leaving a balance of Rs. 25,439 (Rs. 14,429) to be carried forward.

Estimates for 1957:—A crop of 2,10,000 lbs. is estimated to cost 138.07 cents including 16.45 cents for manuring.

The crop harvested for the first four months of the current season is 96,512 lbs. as against 67,620 lbs. for the same period last year.

Award of the Special Industrial Tribunal for Plantations: This award which was published on the 24th October 1956, imposed very heavy burdens on the Plantation Industry in South India and as shareholders have already been notified, an appeal was made to the Supreme Court and a stay order granted. In recent months the Minister of Labour for the State of Madras has endeavoured to arrive at a settlement between the Employers and the Labour Unions and it is through his good offices that a negotiated settlement has been arrived at, with several of the Unions, at a wage considerably below that awarded by the Tribunal. It is anticipated that the additional wage and other amenities to labour will increase the cost of production by approximately 15 cents per lb. but if prices can be maintained at their present level there should still be a reasonable margin of profit for distribution to shareholders.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	8,23,510
Reserves ...	45,000	Stock-in-trade	1,30,613
Provision for taxation ...	43,178	Stores and spare parts	22,572
Liabilities ...	3,97,705	Debts, deposits and advances ...	23,989
Profit and loss account ...	25,439	Cash	2,197
		Preliminary expenses not written off	8,441
	Rs. 10,11,322		Rs. 10,11,322

Calcutta Gas Co. (Proprietary) Ltd.

The directors of the above Company (Secretaries: Messrs. Soorajmull Nagarmull, Calcutta) submit the audited accounts of the Company for the year ended 30th September 1956.

The accounts show a profit of Rs. 8,07,991 (Rs. 6,87,704) which together with a sum of Rs. 22,189 (Rs. 76,172) being the amount brought forward from the last year makes a total of Rs. 8,30,180 (Rs. 7,63,876). A sum of Rs. 6,85,601 (Rs. 5,87,658) being dividend paid to the Company for the year ending 30th June, 1955 (free of tax) on the holding of the Company in the subsidiary Company, has been duly taken credit of in the accounts of the Company. A sum of Rs. 2,25,000 (Rs. 1,80,000) has already been provided in the accounts for taxation, leaving a profit of Rs. 6,05,180 (Rs. 5,83,875) which the directors recommend to be disposed of as follows:

To payment of a dividend on 30,000 5½ per cent. (taxable) redeemable preference shares for the year ended 30th September 1956 Rs. 1,21,688 (Rs. 1,21,688), to payment of a dividend at 6 (6) per cent. on 6,50,000 "A" and "B" ordinary shares for the year ended 30th September 1956 (free of tax) Rs. 3,90,000 (Rs. 3,90,000), to write off miscellaneous expenses and losses Rs. 60,062 (Rs. 50,000) and to carry forward Rs. 33,430 (Rs. 22,189).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	95,00,000	Block ...	406
Debentures ...	30,00,000	Debts, deposits and advances ...	27,53,085
Reserves ...	1,00,000	Investments	1,16,15,599
Provision for taxation ...	4,07,190	Cash ...	3,17,208
Liabilities ...	12,33,990	Preliminary expenses	1,60,062
Profit and loss account ...	6,05,180		
	Rs. 1,48,46,360		Rs. 1,48,46,360

Travancore Ogale Glass Mfg. Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Ogale Bros. (Private) Ltd., Alwaye) submit the audited accounts of the Company for the year ended 31st December 1956.

The Company has turned the corner and gone into profit of Rs. 32,104 (loss of Rs. 24,042) after providing Rs. 69,202 (Rs. 44,134) for depreciation on the fixed assets of the Company. The interest and repayment instalments of the loan taken from the Industrial Finance Corporation of India have been paid up to date. Sales during the year showed further improvement and are the highest so far. The market conditions continue to be good and are expected to remain so for some time to come, judged by the growing demand for our products.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,98,380	Block ...	9,98,127
Liabilities ...	3,90,305	Stock-in-trade	5,500
		Raw materials	35,361
		Fuel, refractories and stores, etc.	91,336
		Debts, deposits and advances ...	99,451
		Cash ...	1,10,922
		Profit and loss account ...	47,988
	Rs. 13,88,685		Rs. 13,88,685

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

SECURITIES DULL AGAIN

(From Our Own Correspondent)

BOMBAY, *29th May*

Persistent demand for bank credit, in the face of paucity of funds, continued to keep the conditions in the short-term money market stringent for yet another week. All available funds were keenly bid and banks' requirements had often to be met by borrowings from the Reserve Bank, with the result that interest rates were firmly held. Inter-bank call money was done at 3½ per cent. among the large banks, while the rate among the smaller banks was a shade higher at 3½ to 3¾ per cent. There was keen bidding for house money at call and short-term deposits, but the rates were unchanged at 4½ per cent. and 4½-4¼ per cent. for one to six months, respectively.

The Reserve Bank of India's statement for the week ended 24th May 1957 shows a contraction of Rs. 11.83 crores in notes in circulation and an increase of Rs. 12.41 crores in total notes held in the Banking Department. While foreign securities continue to be unchanged, the decline in foreign balances in the Banking Department is unabated, with a further fall of Rs. 8.16 crores in the week under review. Deposits of the Central Government have gone up by Rs. 4.35 crores and those of other deposits by Rs. 2.58 crores. Deposits of banks show no notable variation. Loans and advances to Governments are lower by Rs. 80 lakhs and other loans and advances by Rs. 8.46 crores, of which outstanding borrowings by banks against usance bills account for Rs. 3.63 crores. Investments have risen by Rs. 9.74 crores.

A further decline of Rs. 2.13 crores in demand deposits of banks is disclosed by the Scheduled banks' statement for the week ended 17th May 1957, while time deposits are almost unchanged. Inter-bank borrowings are lower by Rs. 66 lakhs, while borrowings from the Reserve Bank have gone up by Rs. 5.64 crores and those from the State Bank by Rs. 1.01 crores. A fall of Rs. 2.83 crores is noted in advances, and an increase of Rs. 3.67 crores in bill purchased and discounted. Cash balances have shrunk by Rs. 58 lakhs, balances with other banks in current account by Rs. 34 lakhs and money at call and short notice by Rs. 63 lakhs.

The Gilt-edged market ruled dull during the week under review, with enquiries confined to a few scrips. The slight upward tendency in prices noted in the previous week proved to be a short-lived affair and prices in select counters were slightly lower. The explanation offered for the change in sentiment is that the official support noted in the previous week was on account of some sinking and other funds and that the buying in that behalf has come to an end. 3 per cent. 1986 Conversion Loan attracted sellers 10 nP lower at Rs. 73.40. 3 per cent. 1970-75 was on offer at Rs. 87 and 3 per cent.-1966-68 had sellers 20 nP lower at Rs. 91.70. 3 per cent. 1964 continued to be on offer at Rs. 94. 3 per cent. 1963-65 shed 10 nP to Rs. 93.90, at which level it was in demand due to proximity of interest payment. 3 per cent. 1959-61 was a shade quiet at Rs. 97.72. 3½ per cent. 1962 had sellers at Rs. 97.60, while 3½ per cent. 1961 had enquiries at Rs. 99.50 due to proximity of voucher. 3½ per cent. 1964 was on offer at Rs. 98.15. Shortage of scrips kept 3½ per cent. 1965 steady at Rs. 98.15. 3½ per cent. 1967 and 3¾ per cent. 1974 had sellers at Rs. 98.45. State loans continued to be featureless, while some of the 4 per cent. issues were marked down. Thus, Madras 1968 shed 15 nP to Rs. 96.50, Mysore 1967 dropped Re. 1 to Rs. 97 and 1968, 60 nP to Rs. 96.95. Travancore-Cochin 1968 moved down from Rs. 98 to Rs. 96.90.

There was a slight hardening of the rupee in terms of the dollar during the week, in sympathy with a similar tendency displayed by sterling abroad. Banks' selling rate of ready dollar declined from Rs. 479.75 to Rs. 479.50 per $100 and their buying rate from Rs. 476.50 to Rs. 476 per $100. In New York, spot sterling weakened earlier in the week from $2.79-2.79⅛ to $2.78-15/16-2.79-1/16, but soon gathered strength to $2.79⅛-2.79¼. Three months' forward was unchanged on balance at $2.78-2.78⅛. Transferable sterling improved from 277.40-277.50 cents to 277.80-277.90 cents.

COW HIDES RECEDE

(From Our Own Correspondent)

KANPUR, *25th May*

During the week under review, prices of the main categories of wet salted cow tended to move down. While supplies were large demand was not keen. Enquiries for buff, however, were fairly good, particularly for the higher grade. The Madras dealers were keen buyers of sheep. The main purchasers were the local tanners.

The latest available quotations are: wet salted cow 1st grade Rs. 240, 2nd grade Rs. 200, 3rd grade Rs. 100 per score; wet salted buff 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 3 ozs. per rupee; goat 1st grade Rs. 300 and 2nd grade Rs. 225 per 100 pieces; sheep 1st grade Rs. 350 and 2nd grade Rs. 250 per 100 pieces.

LINSEED QUIET

(Messrs. A. Bradley and Co.)

CALCUTTA, *27th May*

Conditions in the linseed market remain more or less unchanged. Both buyers and sellers are reserved. The weekly turnover is very poor. The oil section is inactive and buyers have shown very little interest, owing to lack of overseas enquiries and smaller local demand.

The latest available quotations are: May-June Rs. 22-8, June-July Rs. 22-12 and July-August Rs. 23-4 per maund.

SHARP REACTION IN BULLION

(From Our Own Correspondent)

BOMBAY, *29th May*

A reactionary trend was in evidence in the bullion market during the week under review, the downward movement noted towards the close of the previous week having gathered momentum. The keen demand for bullion which came in the wake of the new tax proposals, petered out during the week. There were also heavy arrivals of Tibetan coins, estimated to be of the order of 300,000 to 400,000 during the week. The inflow of gold, too, turned out to be large, as the high prices would appear to have encouraged upcountry centres to unload a part of their earlier purchases. At the same time, the seasonal demand tended to wane. All these factors constituted a strong damper to the white and yellow metals alike and generated a perceptible downward trend.

Thus, silver (ready) was marked down today to a low of Rs. 183-5 from the peak of Rs. 191 touched on the 21st inst., and forward from Rs. 187 to Rs. 181-9. Likewise, ready gold slumped from Rs. 112-8 (touched on the 20th inst.) to Rs. 108-5 and forward from Rs. 109-3 to Rs. 106-13. The waning demand in the ready section and larger arrivals were reflected in the narrowing of the ready premium from Rs. 4 touched at one time to Rs. 1-12 today in silver and from Rs. 3-6 to Re. 1-8 in gold.

Forward silver (June settlement) reacted from Rs. 185-13 to Rs. 181-9 during the week before closing at Rs. 181-15. The July settlement dropped from Rs. 184-3 to Rs. 181.

Ready silver declined from Rs. 188-13 to Rs. 183-5, but finished a fraction better at Rs. 183-11. The floating stocks of silver are placed at 600 bars. The daily average offtake was 15 bars.

Gold for forward delivery (June settlement) receded from Rs. 108-12 to Rs. 106-13, but gained a little to close at Rs. 107-2. The July settlement was marked down from Rs. 108 to Rs. 106-6. As the *budla* in favour of bulls stood at As. 12 at the close, a margin of Rs. 7 per tola was imposed on all outstanding purchases in gold.

Ready gold moved down from Rs. 111-10 to Rs. 108-10. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals of gold were of the order of 3,500 tolas, while the offtake was less, at 2,500 tolas on average.

For the first time after a lapse of nearly 7½ months, the New York silver price was reduced yesterday to 90⅞c. from 91⅛c., to which level it had been raised, on the 16th October 1956, from 91c. There was, however, no change in London, where spot silver was maintained at 79½d. and forward at 79*d*. Gold was a little erratic, moving between 250*s*. 5*d*. and 250*s*. 4*d*. before closing at the latter level.

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

	29-5-1957	Highest	Lowest	22-5-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	108 10	111 9	108 5	111 10
Forward*	107 2	108 13	106 13	108 12
Sovereign	71 14	72 4	71 14	72 8
SILVER				
Ready (.996 fine Mint) ..	183 11	189 7	183 5	188 13
Forward†	181 15	186 7	181 9	185 13
London Silver Ready ..	79½d.	..	..	79½d.
London Forward	79d.	..	..	79d.
London Gold	250*s.* 4*d.*	250*s.* 5*d.*	250*s.* 4*d.*	250*s.* 4½*d.*
New York Silver	90½c.	91⅛c.	90½c.	91⅛c.

* 12th June settlement.
† 13th June settlement.

***N.B.*—Foreign bullion prices shown in the above table relate to the previous day.**

METALS IMPROVE

(From Our Own Correspondent)

CALCUTTA, *28th May*

Despite weaker advices from overseas markets, prices of base metals in the local market during the week under review recorded a slightly upward trend. This was so because of greater support from consumers and also due to the belief that the stock position of the principal base metals was likely to cause anxiety in the near future, if fresh arrivals were not received in the meantime. Consumption was rising, in view of the greater impetus industrial development was receiving. The budget proposals and the increased bank rate were also factors which strengthened the bullish sentiment. From Rs. 174.50, electrolytic copper improved to Rs. 178 with the fire-refined material also being quoted at Rs. 178. Electrolytic zinc was in good demand. There were a good number of commercial and Government enquiries, and the price was steady at Rs. 73.50. Ready supplies were not plentiful. Lead was also firm at Rs. 73.50. From Rs. 518, tin rose to Rs. 521 and closed at Rs. 519. Even at the lower level the ruling quotation was higher than the replacement cost.

HIDES OFFTAKE GOOD

(From Our Own Correspondent)

MADRAS, *27th May*

There was no change in the pattern of trading in the hides and skins market or in the U.K. Arrivals of tanned cow hides were moderate and offtake by shippers was good at unchanged levels. U.K. buying was selective and demand for lower grades was small, while sellers were anxious to couple lower grades with top selections when making offers. There was a gap of 1*d*. to 2*d*. in the prices of inferior fifths cow hides between Madras and U.K. ideas of prices.

In the skins section, there was good call for tanned goat and sheep skins (market qualities), but, as importers were offering 3*d*. less than the prices at origin, business did not result.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, *29th May*

Trading in the cotton futures market was confined to Vijay June contract only, as the Jarilla May contract went off the board on the 23rd inst., although the due date for expiry was the 25th. The closure of business in the Jarilla contract two days earlier was effected by the East India Cotton Association (E.I.C.A.) in accordance with the directive of the Forward Markets Commission. In a letter addressed to the Chairman of the E.I.C.A. Board, the Commission stated that continuation of trading in Jarilla May contract would be detrimental to the public interest. The final rate at which the contract was deemed to have gone off the board was a matter of controversy. A meeting of the E.I.C.A. Board which was held yesterday to consider fixation of closing rate could not reach any decision acceptable to all parties and the Board was reported to have instructed its solicitors to request the F.M.C. to take up the issue. Total tenders against the Jarilla May contract aggregated 2,900 bales.

Business in Vijay June was a tame affair, the speculative deals being at a low ebb. The ruling rate was much lower than the sub-ceiling of Rs. 824 at which the enhanced rigorous margin of Rs. 200 per bale becomes operative at the commencement of the delivery period, that is, 1st June. The sentiment of operators was adversely affected by the Government of India's announcement that import of 160,000 bales of U.S. cotton would be permitted. Although the announcement did not contain any reference to the type of cotton that would be imported, it was believed that it might include varieties comparable to India's long-staple cotton, the supplies of which are scarce. The bearish interpretation of this announcement, coupled with the declaration by the F.M.C. that continuation of option business hereafter would be seriously dealt with, imparted weakness to the market. Even the firmness of the spot section failed to have any effect.

M.G. Jarilla May opened the week at Rs. 680 as against the previous close of Rs. 695. After wide and violent fluctuations on alternate bouts of buying and selling, the contract was hovering round Rs. 680-Rs. 700 on the 23rd inst. when transactions were terminated. The closing rate, as pointed out earlier, has not yet been fixed.

M.G. Vijay June commenced at Rs. 813 and declined to Rs. 809 yesterday. After recovering to Rs. 814½ early today the contract closed fractionally lower at Rs. 814. The net loss over the week was Rs. 2-8.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	29-5-57	*High*	*Low*	22-5-57
Jarilla (May) ...	680-700*	700	670	695
Vijay (June) ...	814	818	809	816½

* 23rd May 1957.

The details of the new crop contract have been finalised and the Board of the E.I.C.A. which met today gave its formal approval to the contract. No further information is available at the time of writing. The details of the contract are expected to be submitted to the Forward Markets Commission before the end of this month. Meantime, the E.I.C.A. is reported to be considering some amendments to the Delivery contract for the next season. These include the following:—Trading in contracts should be in units of 50 bales; any forward delivery contract other than that with a textile mill be treated as transferable specific delivery contract. No 'ON' allowance be allowed for cotton tendered which is more than the basic staple length; cotton which is below the basic staple be rejected in tender. Standards for staple and grade be similar to those of hedge contract. In case of contracts, the existing provisions in By-law 69 be suitably amended to conform strictly to the definition laid down. Provisions be also made in the by-laws to ensure that such contracts are not transferred. Contracts entered with mills be considered as non-transferable specific delivery contracts. No purchase on description be allowed. In case of failure to tender, the buyer be given the option to invoice back the cotton on spot rate on due date with a penalty of Rs. 50. Trading in contracts of this kind be permitted in respect of all varieties including Bengal and Wagad.

The upward trend of spot cotton continued, thanks to sustained mill demand for available lots of quality cotton, particularly Laxmi, Jaydhar and Surti. The Government of India's permission for import of 160,000 bales of U.S. cotton did not lead to any scramble for this cotton which is at present the cheapest. For the mills were said to have already met their requirements of such cotton and they were, therefore, not enthusiastic over getting U.S. cotton. The recent fall in Egyptian cotton prices induced Indian mills to augment purchases of Egyptian cotton. It was reported that the Textile Commissioner had so far received applications for the issue of import licences for 6,400 bales of Egyptian cotton.

The following are the latest available spot rates —in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 725; Berar Jarilla 820; Khandesh 870; Oomra *Deshi* 775; Vijay 1,025; Hubli Laxmi 1,020; Jayadhar 940.

Dull conditions prevailed in the Karachi cotton futures market during the week under review, prices of both the contracts registering a decline. Fears of competitions from U.S. cotton continued to persist. This brought out some speculative selling and values dropped as a consequence. The fall would have been more sharp but for some strength imparted to the market by better export enquiries and smaller crop arrivals. N.T.R.G. May went off the board on 25th May, the last known quotations for it being Rs. 76.15. N.T.R.G. July which had closed

at Rs. 78-12 shed Rs. 1-15 to Rs. 76-13. The January delivery closed lower at Rs. 78-13. The spot section also ruled easy but some varieties, especially *Deshi* styles were on demand. The following are the latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 87-8; Punjab *Deshi* 82; 4F Punjab Roller 77-5; S.G. 80-13, L.S.S. Punjab Roller 79-5; S.G. 83-5; N.T.R.G. 79-13; S.G. 86-13; 289F Punjab R.G. 81-13; S.G. 90-5.

In contrast to the depressed trend noted last week, Alexandria cotton futures market put on a cheerful appearance during the week under review. Following the raising of the export duty on cotton by four tallaris per cantar with effect from 1st September, there was a revival in export demand to take advantage of the reduced duty prevailing till that date. Heavy buying was noted in both the long and medium-staple contracts. The new crop contract came at the board on 18th May, the long-staple position November at 94.90 tallaris and the medium staple October at 68.85 tallaris.

Export sales of Egyptian cotton from the commencement of the season till the end of March aggregated 548,861 bales (of 730 lbs.), as compared with 844,096 bales during the corresponding period of the previous season. Shipments from 1st September till 8th May amounted to 426,961 bales as against 718,242 bales in the corresponding period of the previous season.

The latest available rates—in tallaris per lb.—from Alexandria are given below: *Karnak*: July 109.90; November 102.75. *Ashmouni*: June 76.00; August 76.25; October 73.85.

Values in the Liverpool market recorded sizable gains on a fair volume of trade fixing against yarn sales. Better spot advices was another helpful factor. Switchings from the near to the distant positions resulted in a better tone in the latter. Sudan cotton contracts continued to be neglected, following the improvement in the prospects for resumption of normal commercial relations between Egypt and Britain. The following are the latest available quotations—in pence per lb.—from Liverpool:

American 1" staple contract: May-June 26.58; July-August 26.44; October-November 26.31; December-January 26.32. *American cotton mixed growth contract*: May-June 26.75; July-August 26.61; October-November 26.49; December-January 26.47. *Sudan*: May-June 40.70; July-August 39.20; September-October 38.35.

The New York cotton futures market ruled steady. There was speculative buying based on fears that the next season's crop would be affected by prolonged rains in certain leading cotton tracts. Soil preparation was also reported to be late. The higher price realised at the recent C.C.C. sales was interpreted as indicating, better export demand. This also affected market sentiment favourably. But rates were held in check by some liquidations which was prompted by the fear in some quarters that the drive for a shift in farm legislation away from the present mandatory price supports to freer markets is gaining momentum. Spot values, however, declined.

The Commodity Credit Corporation sold under the old export programme a further quantity of 82,006 bales raising the total sold to about 7,688,082 bales. The average price accepted for basis middling 1" at average location was 27.66 cents per lb., 5 points above that of the previous sales. Under the new export programme, the C.C.C. sold a further quantity of 387,505 bales making the aggregate sold under that programme to 2,936,018 bales. The average price accepted for basis Middling 1" at average location was 27.37 cents per lb., only one point above that of the previous sale. The balance of the owned stocks of the Commodity Credit Corporation still available for sale are understood to be about 2.2 million bales.

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

(In cents per lb.)

	28-5-57	21-5-57	14-5-57
Spot	35.45	35.55	35.35
July	35.29	35.28	34.97
October	34.44	34.19	33.90
December	34.40	34.22	—

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 29*th May*

The changes in sales tax proposed by the Government of Bombay created utter confusion in the yarn market during the week under review. In particular, the proposed changes affected the commission agents in that they made them impossible to continue purchases of yarns on behalf of their clients in upcountry centres. As a mark of protest, they refrained from doing any business. Transactions were, therefore, considerably small. Rayon yarns lacked support, despite rumours of further restrictions on imports in the ensuing half-yearly licensing period. Staple fibre yarns were subjected to selling on reports of large stocks accumulating in the market, thanks to continued slackness in demand from consuming area. Cotton yarns staged a retreat, following downward revision in prices by some mills with a view to reducing their stocks and poor enquiries from handlooms and powerlooms. The undertone of the market was distinctly easy.

Snia rayon yarn (100 dull cones) for June delivery came in for heavy selling and dropped Rs. 8 to Rs. 788. August delivery was today quoted at Rs. 801, as against Rs. 806 on Friday. Spot 150 Japan declined by 12 nP to Rs. 3.97. 120 Japan was neglected at Rs. 4.03, 120 Italy receded by 11 nP to Rs. 3.94, as also 150 Italy at Rs. 3.69. Among indigenous yarns, National Rayons 150 bright cones first grade was dull at Rs. 3.42. 120 bright cones first grade, however, evoked some support and improved by 6 nP to Rs. 3.73.

Staple fibre yarns (40×2) for June delivery were hammered down by Rs. 11 to Rs. 574. August delivery, which was quoted at Rs. 588 on the 24th inst., fell to Rs. 582 today. Spot 40×2 New Greats declined by 3 nP to Rs. 3.09. Centurys lost 4 nP to Rs. 3.12. Citys were quiet at Rs. 3.12 and Kohinoors at Rs. 3.28. Among foreign yarns, (80×2) Fujis slipped by 11 nP to Rs. 5.14. Paramounts eased by a naya paisa to Rs. 5.30.

In the cotton yarn section, 10 counts Podars and Moderns were both dull, the former at Rs. 14.75 and the latter at Rs. 14.81. Among 20 counts, Moderns declined by 12 nP to Rs. 18.75. Gokaks were unchanged at Rs. 18.62 and Maduras at Rs. 19. Among 30 counts, Edwards were quiet at Rs. 21 and Indus at Rs. 21.75. Forty counts Minaxis shed 6 nP to Rs. 27.31. But moderns improved by 25 nP to Rs. 28 on special buying enquiries. Sixty counts were well favoured. Finlays advanced by a rupee to Rs. 63. Moderns put on 50 nP to Rs. 61.50. Raghuvamshis gained 25 nP to Rs. 58. Among 80 counts, Finlays changed hands at Rs. 81.50, same as last week. Moderns were on offer at Rs. 76. Mahendras, on the other hand, gathered 25 nP to Rs. 71.25.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	29-5-1957	22-5-1957
	Rs.	Rs.
***Art silk yarn* (per case of 200 lbs.)—**		
120 dull Cones Snia June	788·00	799·00
August	801·00	—
150 Japan (per lb.)	4·03	4·03
150 Japan (per lb.)	3·97	4·09
120 Italy (per lb.)	3·94	4·05
150 Italy (per lb.)	3·69	3·69
***Staple fibre yarn* (per case of 200 lbs.)—**		
40×2 June	574·00	585·00
August	582·00	—
40 ×2 New Great (per lb.)	3·09	3·12
40 ×2 Century (per lb.)	3·12	3·16
40 ×2 City (per lb.)	3·12	3·12
***Cotton yarn* (per bundle of 10 lbs.)—**		
10s Podar	14·75	14·75
20s Madura	19·00	19·00
30s Edward	21·00	21·00
40s Gokak	—	—
60s Raghuvamshi	58·00	57·75
80s Modern	76·00	76·00

SUGAR JUMPS UP

(From Our Own Correspondent)

BOMBAY, 29*th May*

The firmness noted in the sugar market last week gathered considerable momentum during the week under review and prices jumped up to touch new high levels. This was due to reports that the sugar mills were asking dealers to pay not only the full additional excise duty but even a premium of As. 4 per maund over the pre-budget ex-mill price which was itself higher than the normal price, on account of rumours of an increase in the excise duty. The marked fall in arrivals of sugar into the market also imparted strength to bullish trend; the arrivals during the week aggregated no more than 7,400 bags, as against 17,125 bags in the previous week and 25,700 bags two weeks before. These factors, coupled with the delay in the monthly release of sugar for sale in the free market, induced good buying support and sugar prices staged an impressive rally.

Small grain sugar spurted from Rs. 99 to Rs. 99½ to Rs. 102-103 per bag, inclusive of sales tax. Large grain advanced by Rs. 3 to Rs. 106-109. Medium grain was transacted at Rs. 103-105, as against Rs. 100½-101½.

Shravan delivery contracts for 'C' grade sugar registered a rise of Rs. 3-12 to Rs. 13-4; today, it was quoted lower at Rs. 102-6.

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 29*th May*

The oilseeds market ruled distinctly bearish during the week under review. The castorseed section, suffered the heaviest loss during the week under review. It witnessed a technical setback on corrective realising pressure in the earlier sessions of the week, following heavy arrivals of stocks in the latter part of last week. The downward trend gained further momentum during the rest of the week under review, as a result of discouraging advices from overseas markets, heavy liquidation by the bull operators induced by reported prospects of timely rains and weakness of the spot section. Further, all through the week the groundnut, linseeed and cottonseed sections lacked support and moved in sympathy with castor, though, towards the end of the week, linseed encountered enquiries from the shippers, which were only short-lived.

Groundnut May contract opened the week at Rs. 178.50 and, after narrow fluctuations, during which it touched the peak of the week at Rs. 179.25 on 27th, it closed today at Rs. 175.87, having thus lost Rs. 2.50 over the week. August contract opened the week at Rs. 183.50 and displayed similar variations before it closed at Rs. 178.87, which represented a loss of no less than Rs. 4.50. Spot B.F.Q. was quoted 50 nP less at Rs. 36.00. Groundnut oil ex-mill was done at Rs. 20.37, as against Rs. 21.25 last week.

Trading in the castorseed section commenced at Rs. 194.75 which retreated steadily, with variations confined to narrow limits, to Rs. 177.25, before closing a shade higher at Rs. 180.00. Over the week, it lost no less than Rs. 7.00. September contract, too, after opening at Rs. 198.00, drifted steadily to Rs. 182.75 today, before finishing at Rs. 185.50, thus forfeiting an amount of Rs. 12.75, over the week. Spot Madras quality climbed down by Rs. 2.63 to Rs. 35.62. Oil B.S.S. withdrew from Rs. 24.37 last week to Rs. 22.50 at the close today.

Linseed May contract opened the week at Rs. 30.94 and moved between that level and Rs. 30.25, touched on 25th, before finishing yesterday at Rs. 30.56. Today, however, no business was transacted in this contract. September contract, which opened the week at Rs. 31.37, crept up to Rs. 32.06 the same day. Subsequently, it slided down to touch a level of Rs. 30.06 at the close today. Over the week, the contract lost Rs. 1.06. Spot bold was quoted 50 nP lower at Rs. 30.12. Linseed oil ready was done at Rs. 17.37, as against Rs. 16.87 last week.

Business in the two cottonseed contracts was also dull during the week. May contract moved down from its opening level of Rs. 113.00 to Rs. 112 at the close today. Similarly, September drifted from Rs. 117 to Rs. 113.00. While the former lost Rs. 1.50, the latter declined by Rs. 4.00.

Among others, *kardi* seed bold was done at Rs. 22.00 and *niger* seed Madras at Rs. 28.25, as against Rs. 22.50 and Rs. 28.75 last week.

The Bombay Oilseeds and Oils Exchange Ltd., in a communication to the Finance Ministry, has expressed the view that the enhancement of excise duty on vegetable oils will raise the cost of living of the common man, and that the increase in duty on castor oil will make castor oil dearer for export purposes, because of the fact that the present rate of refund of excise duty will be too small. The Board has strongly urged the Government not to increase the excise duty on vegetable oils. It has also suggested that in the event of imposing excise duty on castor oil, the refund should be six-sevenths, instead of five-sevenths.

The following table shows the prices of oilseeds and oils at close as compared with those at the close of the previous two weeks:

	29-5-1957	22-5-1957	15-5-1957
	Rs.	Rs.	Rs.
Groundnuts—			
May 1957	175.87	178.37	177.12
Khandesh Quality Ready (per cwt.)	36.75	37.25	36.50
June-July	35 37	36.31	35.62
Linseed—			
May 1957	31.19	31·30	31.19
Bold Ready (per cwt.)	30.12	30·62	30.87
June-July	30·31	31·25	31.44
Castorseeds—			
May 1957	180.00	193.00	187.50
Madras (per cwt.)	35.62	38.25	36.62
Cottonseed—			
May 1957	112.00	113.50	..
Groundnut oil—			
Ex-mill Ready (per quarter) ..	20.37	21.25	20.12
Castor oil—			
Commercial (per quarter) ..	21.37	22.81	21.50
Linseed oil—			
Ready	16.37	16.87	17.00

PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, 28*th May*

Malabar black pepper, after showing some firmness, turned quiet for want of inland demand, following the strike by the commission houses as a protest against the new laws for submitting certain forms of sales tax by the State. New York remained selective buyer in spite of limited stock at the port. Dealers and grinders there refused to follow advance at the origins. Spot at New York established a new high level of $0.29½.

Alleppey ruled steady at Rs. 600. Futures at Cochin were listed at Rs. 104½ and Rs. 105 for July and August respectively. Singapore, after touching the highest at $75, is reported quiet round about $71 (Singapore dollars) owing to increased arrivals. Demand at Singapore from Europe and U.S.A. too was patchy. Dealers in all the consuming markets wanted concessions which origins refused to give as growers and holders were still sellers.

Recent rain in the pepper-growing belt in the Malabar coast was said to be one of the reasons for the present softness in Malabar pepper, as growers expected better crop next year, though it is too early to base any definite opinion on such early showers.

In Asta, June was done upto $0.25¾ while there were sellers for July-August-September at $0.25¾. In the delivery section, prices were down owing to accumulation of stock which is estimated to be about 15,000 bags.

Following are today's nominal quotations: Ready Rs. 84 per Bengal maund; and June Rs. 582-587 and July Rs. 592-597 per candy of 5¼ cwts.

TEA MARKED DOWN

COCHIN, 23*rd May*

[*Messrs. Forbes, Ewart & Figgis (Private) Ltd.*]

Slightly over 1,175,000 lbs. were on offer in Sale No. 11 which was held on Tuesday, 21st May. The sale opened to a strong general demand which emanated mainly from internal buyers. Black leaf brokens from low medium and medium elevations were 5 to 10 nP dearer, whilst other types were about steady. Fannings again attracted less enquiry than broken grades and must be quoted slightly easier. Best liquoring teas were irregular with buyers following quality closely. Whole leaf grades met with keen competition and prices advanced by 10 to 15 nP. The following are the quotations:—

	1957	1956
	Rs.	Rs.
Plain B.P.	1.50 to 1.55	1.62
Low medium B.O.P.	1.65	1.81
Medium B.O.P. ...	1.75	1.94
Good B.O.P.	1.90 to 2.00	2.37 to 2.55
Well made black leaf O.P.	2.35	2.22

The average price realised in Sale No. 11 was Rs. 1.72 per lb., as against Rs. 1.74 per lb. in the previous sale and Rs. 2.30 per lb. in the corresponding sale of 1956.

London Market: Sale of 20th May 1957.—Best dearer; others, particularly plainest, 1*d.* to 2*d.* easier.

Sale of 21st May 1957.—Weak demand; often 1*d.* to 3*d.* lower.

Colombo Market: Sale of 20th May 1957.—Except for best colourey highgrowns and Persian Gulf types, market easier.

Sale of 21st May 1957.—Few best fannings strong, broken mixeds down 20c. to 30c. Dusts 10c. to 15c.

Calcutta Market: Export.—No sale this week.

Internal.—Dust grades met with fair demand at 10 to 20 nP below valuation. Strongest feature very few lines best C.T.C. which were dearer.

Export Quota.—As the validity of special licence draws to a close, the market has been active. Business has been done in special licence at 17 nP and 1957-58 export quota has changed hands at 24 to 25 nP.

Forthcoming Auctions.—Sale No. 12 will be held on Tuesday 28th May.

Dust Sale 'K'.—Almost one million pounds were on offer in Dust Sale 'K' which was held on Thursday, 23rd May. The sale opened to a fairly good general demand, but at rather lower rates. Medium dusts and best liquoring types were 10 to 15 nP easier, but others were irregularly 20 nP lower. Milled dusts were the weakest feature and these types were often difficult to sell.

The average price realised in Dust Sale 'K' was Re. 1.55 per lb., as against Re. 1.62 per lb. in the previous sale and Re. 1.81 per lb. in the corresponding sale of 1956.

Export Quota.—Business is still being done in special licence at 17 to 18 nP and in 1957-58 export quota at 24 to 25 nP.

Forthcoming Auctions.—Dust Sale 'L' will be held on Thursday, 6th June.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 28*th May*

Steady conditions were in evidence in the jute goods market during the week under review, following shipper interest and bullish enthusiasm. Lack of rains continued to give strength to the raw jute market, and it was becoming clear that the new crop would be delayed by about a month. However, raw jute prices did not move up, as mills were believed to possess sufficient stocks. It would not matter much for mills even if the new crop was available only at the beginning of September. It was estimated that about 800,000 bales of the 1956-57 crop still remained to be marketed. In view of the heavy arrivals at the beginning of the season, it was only expected that imports from upcountry centres would register a fall. In view of this expectation, the lower arrivals in the last three months did not cause any surprise. Indian jute that reached mills' stations in April amounted to 340,900 bales, as against 440,700 in March and 525,200 bales in February, which were lower by 42,600 bales, 44,400 bales and 8,000 bales, respectively, as compared with the receipts in the corresponding months of 1956. Another reason for the fall had been the expectation of higher prices at the end of the jute season. On the other hand, Indian jute that reached mills in January last was higher at 681,800 bales, as against 532,000 bales only in January 1956.

It was noted that preliminary steps having been completed, the East Pakistan Jute Marketing Corporation would commence operations from 1st July. The Corporation would be the sole purchaser of jute in East Pakistan in the border areas. This measure is designed to prevent smuggling of jute into India. The Corporation would watch the price-trend in other parts of the country, and might extend support in order to keep prices on an even keel. Another news item of interest was that the East India Jute and Hessian Exchange, Calcutta, had almost completed the drafting of its articles of association and by-laws, in accordance with the requirements suggested by the Forward Markets Commission. There would be no delay in the approval of the articles of association and by-laws by the Commission. The Exchange is expected to commence operations as from the 1st July, i.e., the beginning of the jute year.

During the week, work was resumed in the Kinnison Jute Mills, which had declared a lockout on 7th May following labour troubles caused by the disinclination of a section of the workers to agree to reallocation of work. In Chittagong, the Amin Jute Mills which had remained closed following labour troubles on the dismissal of a worker resumed operations on Tuesday last week. It is common knowledge that in mills in India the cost of production has gone abnormally high, a considerable share of which is accounted for by the wages bill. This is amply indicated in the findings of the West Bengal Government's enquiry into the jute mill industry. The wages bill of 88 mills in 1956 aggregated Rs. 24.57 crores, as against Rs. 19.65 crores in 1951. It should be noted that this increase is, despite rationalisation in several of the reporting mills.

During the week, moderate business was done with shippers. Woolpacks were bought for being exported to New Zealand, while there were a good number of enquiries for cornsacks on Australian account. Speculators demonstrated keen interest and they noted with jubilation that shipments of hessian and sacking goods from 1st to 20th May were higher at 15,000 and 17,300 tons, as against 11,000 and 14,600 tons, respectively, in the first 20 days of last month. Early in the week, a bout of speculative enthusiasm raised ready B. twills to Rs. 117.25 and hessian 40" 10 oz. to Rs. 49.95. Bearish pressure soon followed, and on Wednesday the above two constructions sagged to Rs. 116.10 and Rs. 42.75, respectively. On the following day, good business was done and, despite profit-taking, B. twills recorded a partial recovery to Rs. 116.40 and hessian 40" 10 oz. to Rs. 42.80. At this stage, bulls turned out to be keen buyers to push up the prices to Rs. 117.10 and Rs. 43.20, respectively, on Friday. Over the week-end, hessian 40" 10 oz. was maintained at Rs. 43.20 but B. twills eased slightly to Rs. 116.90. Prices were lower yesterday at Rs. 43 and Rs. 116.25, respectively.

Paucity of rains continued to be a factor imparting steadiness to raw jute. In the low-lying areas, the young plants badly require rain. The view that India is gradually becoming less dependent on Pakistani jute becomes clear if import figures are examined. In the 10 months to April, Pakistani jute imported to India was 558,700 bales or a little less than half of what was imported in the corresponding period of 1955-56 season. In the same period, Indian jute received by mills rose to 4,925,600 bales from 4,327,000 bales. Mills showed little interest during the week. Sellers, however, anticipated that prices would improve further in the coming weeks. The latest quotations for the 1956-57 crop, May-June delivery, are:

	Middles	*Bottoms*
Pakistani:	Rs.	Rs.
District	40.50	37.50
Northern	40.00	37.00
Indian:		
Northern	34.00	31.50
Assam Upper	34.00	31.50
Assam Lower	34.00	31.50
Orissa	33.00	30.50
Western	33.00	30.50
Murshidabad	31.00	28.50
Jungli	30.50	28.00
Daissee	36.00	33.50
Uttar Pradesh ...	30.50	28.00
Daissee mesta ...	30.00	27.50
Bimli f.a.q.	26.00	

Pucca bales 1st marks ready ... Rs. 195 per bale.

TEA PRICES RECEDE

(From Our Own Correspondent)

CALCUTTA, 28*th May*

The increase in freight rates and excise duty on tea affected sentiment during last week's sales for domestic consumption and prices declined. The proposed rise in the excise duty has caused considerable anxiety to the tea industry. The Tea Association of India has appealed to New Delhi to reconsider its decision. The Association has pointed out that, production being higher than demand, it is necessary to increase exports as well as internal consumption. Only cheaper tea can realise these objectives. Cost of production is already high, on account of the existing levies both by the Central Government and the States, as also of the higher labour charges.

The Vice-Chairman of the Central Tea Board, Mr. B. C. Ghose, who is also a member of the Executive Committee of the Indian Tea Planters' Association, thinks that the increased excise duties on tea and sugar would tend to restrict the internal demand for tea and that if the duties are not lowered the problem of finding markets for the surplus quantity out of a total annual production of 650 to 675 million lbs. would be difficult of solution.

Tea gardens in the Dooars and the Darjeeling districts have encouragingly noted that the West Bengal Provincial Co-operative Bank has set apart, during this year, a sum of Rs. 50 lakhs to be given as loans to these gardens. Applications for grant of loans will be considered by a sub-committee which will be appointed by the Bank and which will consist of members with special knowledge of the problems of tea gardens. The Industrial Finance Corporation, the State Bank of India and other banks usually grant loans to tea gardens, and the entry, in this sphere, of the co-operative bank is a new feature which will be widely welcomed as an additional source of financing.

It was noted that tea production in Ceylon during the month of April amounted to 37.15 million lbs., which was lower by 12.66 million lbs. as compared to production in April 1956. However, production during the three months to March 1957 was higher, at 106 million lbs., as against 84.4 million lbs. for the corresponding previous period. In the same period, South Indian production at 27 million lbs. was higher by 4.2 million lbs., as compared with the first three months of 1956. Such increases during this year in both Ceylon and South India were attributed to the even spreading of rains. However, it is very unlikely that production would continue to record increases, because, in view of the poor price tea is fetching, it is thought that the industry would necessarily resort to increased finer plucking.

Dusts on offer during last week's internal consumption sales amounted to 20,421 chests. Prices declined by 10 nP to 20 nP per lb. However, demand was fair. Medium Assams possessing good liquors gave way by 12 nP. Commons and Dooars lost by 20 nP. Darjeelings met with an irregular market, the few flavoury lots realising prices above valuation. Prices in respect of the few very best C.T.C. types were also better. The quotations were: medium Assam C.T.C. Re. 1.50 to Re. 1.55, medium Assam grainy dust Re. 1.45 to Re. 1.50, and medium Dooars Re. 1.35 to Re. 1.45. As usual best Assam C.T.Cs. were not quoted.

Buyers offered 18 nP for shipping licence, while sellers demanded 20 nP. New season's rights were on offer at 28 nP, while buyers bid them up to 24 nP only. Transferable export rights were done at 20 nP.

Most of the 9,400 packages on offer during yesterday's export sales "B" was much below standard of Sale "A" and comprised only ordinary description. Keen competition was offered to a few invoices which possessed attractive flavour and which, therefore, rose above brokers' valuations. On the other hand, other kinds eased by as much as 50 nP per lb. There were frequent withdrawals from the brokens and fannings on offer. At lower level, well made whole leaf grades met with good demand from exporters.

New season's quota changed hands at 24 nP, transferable export rights had buyers at 13 nP, and in non-transferable export rights business was done at 16 nP.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 27*th May*

Quietly steady conditions prevailed in the foodgrain market during the week. The Union Food and Agriculture Minister has claimed that prices of wheat and gram are definitely going down, while the prices of rice which had gone up are now more or less steady. About 22,000 fair-price shops are still reported to be engaged in distributing wheat all over the country and brisk imports are being arranged to back these sales. The Government is reported to be taking some measures to keep the price rise in check, especially to prevent hoarding. Pressure of new crop arrivals and various statements on Government behalf have checked the rising trend of prices.

Wheat ruled quietly steady at Rs. 14.75 per maund for average quality, while farm quality, being in better demand from Assam and Bihar side, was quoted slightly higher at Rs. 16.75 per maund. Daily arrivals here averaged 2,500 to 3,000 maunds and local stock was put at 24 *khaties*. Total arrivals of new wheat were estimated at 64,000 maunds, as against 54,000 maunds a year before, when average wheat was quoted at Rs. 13.62 and farm quality at Rs. 15.25 per maund. Rice recorded modest gains during the week on firm advices from the producing areas. The prevailing prices are: *Basmati* Rs. 27 to Rs. 29; *sela Mainpuri* Rs. 24; coarse quality Rs. 18.25 per maund.

Despite an increase in the overall production of gram during the year 1956-57, which, according to all-India second estimate, is put at 5,350,000 tons which is an increase of 5.4 per cent. over last year, gram prices at Hapur as well as in other centres continued to rule steady on Punjab advices. Local stock swelled to 25 *khaties*, the corresponding figure last year being 13 *khaties*. Barley and *bejhar* also continued to rule steady and some purchases of barley were made in the local market on Government behalf at Rs. 11 per maund. *Jowar* attracted good demand at unchanged price levels, while *guwar* improved due to better demand for seeds in the face of poor stocks. Week-end prices (in rupees per maund) were: Gram 11.75 to 12.12; barley 11; *bejhar* 10.87; *jowar* white 14.75 and brown 12.87 and *guwar* 12.50.

Despite heavy offtake aggregating 40 wagonsloads of peas to east U.P., Bihar and Assam side, thanks to easy loading facilities during the week, peas maintained a steady trend, as outside buying enquiry was fairly good. Local arrivals went down to an average of 1,500 maunds, as against 3,000 maunds last week-end, and local stock, after heavy offtake during the week, was put at 54 *khaties* of 800 maunds each. *Arhar* was also steady in line with peas, although local stock was increasing daily, due to daily arrivals at an average of 2,000 maunds from nearby centres and was now put at 57 *khaties*. Other pulses too, were steady. Peas *dara* green was quoted at Rs. 11.12 and white at Rs. 12.25, *arhar* at Rs. 12.6, *urd* at Rs. 19.75 to Rs. 21.50, *moong* at Rs. 15 to Rs. 17 and *masoor* at Rs. 15.25 to Rs. 16.25 per maund.

Pulses futures moved quietly both ways during the week and were now quoted near the opening level of the week: Peas: *jeth* Rs. 11.5 and *bhadon* Rs. 11.40; *arhar*: *jeth* Rs. 12.3 and *bhadon* Rs. 12.43.

SUGAR DULL

(From Our Own Correspondent)

HAPUR, 27*th May*

Dull conditions still persist in the sugar market, as business at increased prices is very slow. There are persistent rumours that after reconsideration, the Government may agree to reduce the excise duty a little. Traders, therefore, prefer to wait and watch and are unwilling to enter into long commitments. Some of the factories, it appears, are still not quoting ex-mill delivery rates. The total production of sugar upto 30th April was 1,822,368 tons, the corresponding figure last year being 1,653,000 tons, and stocks with factories on this date was put at 1,314,000 tons, as against 1,258,000 tons a year before. In order to enable the factories in the U.P. to continue crushing for some time more without any loss due to a fall in sugar percentage from cane due to hot weather, the Government of India has reduced the price of cane to be supplied to factories after 8th May.

The latest prevailing mill-delivery prices of sugar per maund are: Daurala Rs. 33.50 to Rs. 33.75; Amroha Rs. 32.62; Bijnore Rs. 32.50; Mansoorpur Rs. 33.50 to Rs. 34.75; Rampur Rs. 34.50; retail Rs. 36.25.

The *khandsari* market continues to rule steady at Rs. 26 to Rs. 30.25 per maund. The production of *khandsari* is still being carried out in some centres.

Ready *gur* rules quiet during the week, although outside buying enquiry from consuming centres is slack. Local arrivals of stocks retained by producers in expectations of better prices at the end of the season are put at 100 maunds daily and local stock is 88,000 maunds.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	5	4½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	2
Ceylon	11th June, 1954	3	3½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1938	5	4
Costa Rica	1st April, 1954	5	5
Denmark	May, 1955	5	5½
Ecuador	15th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	5
Japan	8th May, 1957	7.665	8.304
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	4½
New Zealand	19th Oct., 1956	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1956	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	4	5
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug. 1956	3½	4
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 24th May, 1957		Week ended 17th May, 1957	
	Number of Cheques	Amount	Number of Cheques	Amount
		Rs.		Rs.
Bombay	3,04,509	72,34,43,000	329,948	77,14,48,000
Calcutta	1,79,635	56,36,58,464	1,81,690	57,79,08,957
Madras	78,285	9,64,52,587	81,838	10,18,76,584
All Centres—				
1955-56*	..	..	3,100,000	6,680,200,000
1956-57*	..	..	3,384,000	7,269,900,000
Feb., 1957	..	..	3,220,000	7,32,02,00,000
Mar.,	..	..	3,503,000	8,33,05,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 24th May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		54,21,94,000
(2) Other Governments		5,65,59,000
(b) Banks		62,36,47,000
(c) Others		85,42,79,000
Bills Payable		14,35,92,000
Other Liabilities		129,36,97,000
	Rupees	368,99,68,000

ASSETS	Rs.
Notes	27,58,44,000
Rupee Coin	8,37,000
Subsidiary Coin	6,55,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,55,27,000
Balances held abroad*	56,00,92,000
Loans and Advances to Governments	19,89,46,000
Other Loans and Advances	111,26,58,000
Investments	137,03,82,000
Other Assets	13,60,27,000
Rupees	368,99,68,000

* Includes Cash and Short-term Securities.
The item "Other Loans and Advances" includes Rs. 50,65,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	27,58,44,000	
Notes in circulation	1578,39,66,000	
Total Notes issued		1605,98,10,000
Total Liabilities		1605,98,10,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,08,000	
(b) Held outside India	....	
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		125,82,85,000
Government of India Rupee Securities		949,87,31,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1605,98,10,000

Scheduled Banks*

Statement of Affairs for the week ended 17th May, 1957

	Rs.	Rs.
1. Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		11,36,07,000
(ii) Other demand liabilities		705,52,66,000
2. Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		3,01,00,000
(ii) Other time liabilities		514,02,52,000
3. Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		11,94,04,000
(ii) Time liabilities		....
4. Cash in India		40,27,99,000
5. Balances with the Reserve Bank in India		58,64,77,000
6. Balances with other banks in current account in India		10,15,03,000
7. Money at call and short notice in India		18,52,39,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		....
9. Advances in India		343,99,13,000
10. Inland Bills purchased and discounted in India		747,26,80,000
11. Foreign Bills purchased and discounted in India		131,11,79,000
		58,33,94,000

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

EXCHANGE RATES

	28th May, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months s.	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	479.50	480.00
Buyers T.T. .. Rs.	473.75	473.75
London on New York .. $	2.79½-2.79¼	2.79-2.79¼
London on Paris Fcs.	987	987
London on Berne Sw. Fcs.	12.23⅛-12.23⅜	12.22
New York on London .. $	2.79⅛-2.79¼	2.79-2.79¼

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)		In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	..	10,170	269
Pakistan	'55-'54	79.25	..	..	1,931	243
Burma	1954	19.24	Kyats	3,905	890	304
Ceylon	1954	8.58	..	..	470	550
Japan	1954	88.90	Y.	6,575,000	8,698	978
Philippines	1955	21.85	Ps.	7,800	1,587	850
New Zealand	1955	2.13	£(N.Z.)	246	1,128	5,296
Australia	1954	8.99	£(A)	3,957	4,228	4,694
U.K.	1955	50.97	£	16,584	22,176	4,351
U.S.A.	1955	165.27	$	324,000	155,520	9,410
Canada	1955	15.50	$	20,782	10,186	6,516
France	1955	43.27	F.Fr.	12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm.	156,200	14,460	2,690
Italy	1954	47.80	Lr.	9,718,000	7,480	1,560
Norway	1955	3.43	Kr.	19,764	1,350	5,050
Sweden	1954	7.21	Kr.	25,650	3,544	4,912
Netherlands	1955	10.75	Grs.	32,500	2,850	2,650
Denmark	1954	4.41	Kr.	16,374	1,510	3,564
Switzerland	1954	4.98	Sw. Fr.	23,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation's Monthly Bulletin of Statistics, September, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 17th May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		54,91,31,000
(b) Provincial Governments		3,23,26,000
(c) Banks		13,73,23,000
(d) Others		8,98,65,000
Bills Payable		46,30,000
Other Liabilities		13,22,35,000
	Rupees	1,00,55,70,000

ASSETS	Rs.	Rs.
Notes		11,75,69,000
Rupee Coin		19,000
Subsidiary Coin		9,000
Bills Purchased and Discounted:—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills	10,16,000	
Loans and Advances to Governments	26,00,000	
Provincial Governments' Debtor Balances	9,35,42,000	
Other Loans and Advances	5,45,45,000	
Investments	63,33,59,000	
Other Assets	10,05,81,000	
Rupees	1,00,55,70,000	

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,75,69,000	
Notes in circulation	329,46,78,000	
Total Notes issued	....	341,22,47,000
Total Liabilities		341,22,47,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,28,41,000	
Silver Bullion		
Approved Foreign Exchange	104,38,08,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	4,99,49,000	158,78,74,000
Government of Pakistan Securities	171,59,18,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		176,58,67,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,64,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		341,22,47,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 48.16 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	17th May, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1590.23	1595.36	1569.11	1,516.28
Notes held in Banking Department	35.05	15.17	9.87	12.38	18.50
Foreign Securities	59.50	412.52	412.52	412.52	681.45
Rupee Securities	37.39	949.87	949.87	924.90	703.69
Banking Department					
Deposits of:					
Government of India	14.89	49.87	54.92	51.41	67.84
Balances held abroad	10.08	65.07	74.07	99.83	35.46
SCHEDULED BANKS					
Demand Liabilities	134.36	716.90	719.51	732.08	637.98
		(11.37)†	(11.86)†	(9.85)†	(7.00)†
Time Liabilities	102.24	517.04	517.24	495.66	433.72
		(3.01)†	(3.18)†	(2.13)†	(3.11)†
Borrowings from Reserve Bank	..	95.28	89.64	75.57	67.59
		(63.28)‡	(62.24)‡	(57.28)‡	(46.11)‡
Borrowings from State Bank	..	11.95	10.93	7.20	9.64
Cash in India	6.70	40.27	38.10	38.28	38.57
Balances with Reserve Bank	25.17	58.65	61.40	69.84	48.23
Excess over statutory limits	15.52	12.47	15.09	23.33	7.66
Balances with other banks in current account in India	..	10.15	10.48	10.76	10.30
Money at call and short notice in India	..	18.52	19.15	15.82	9.06
Investments (at book value)	..	343.99	344.06	345.03	353.55
Advances and bills	105.09	936.72	935.89	901.31	768.08
STATE BANK					
Deposits	87.76	301.58	300.82	304.48	225.86
Investments	51.99	105.63	105.43	105.53	102.20
Advances	30.35	190.91	193.10	180.98	139.47
Cash	14.69	22.72	20.17	34.90	17.48

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February,		Eleven months, April to Feb.,	
	1956	1957	1955-56	1956-57
Import Duties:				
Revenue	10.95	10.41	106.89	116.08
Protective	0.99	0.99	9.45	11.49
On surplus disposals	..	0.07	0.09	0.11
Total import duties	11.94	11.47	116.43	127.68
Export Duties	2.63	2.67	33.85	28.14
Land Customs	0.09	0.25	1.24	2.27
Miscellaneous	0.05	0.09	0.64	1.04
Gross total customs	14.71	14.48	152.16	159.13
Refunds and drawbacks	0.32	0.65	2.44	2.74
Net Customs	14.39	13.83	149.72	156.39
Gross excise	14.13	15.64	136.89	171.14
Net Excise	0.09	0.34	3.69	2.09
Net total of customs and excise†	14.40	15.30	133.20	169.05
	28.43	29.13	282.92	325.44

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 24th May, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,37,50,000
Deposits and Other Accounts		304,08,80,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		6,06,37,000
Bills for Collection being Bills Receivable as per contra		67,39,000
Acceptances, Endorsements and Other Obligations per contra		13,92,000
Other Liabilities (including Inter-Office Adjustments)		3,78,64,000
Total ..	Rs.	326,75,32,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,65,40,000
Balances with other Banks		3,02,40,000
Money at Call and Short Notice		1,93,33,000
INVESTMENTS:		
Government and other Trustee Securities	94,09,99,000	
Other Authorised Investments	11,51,15,000	105,61,14,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	159,85,02,000	
Bills Discounted and Purchased	29,31,15,000	189,17,07,000
Bills Receivable being Bills for Collection as per contra		67,39,000
Customers' Liabilities for Acceptances, Endorsements and Other Obligations per contra		13,92,000
Premises less Depreciation		1,21,02,000
Furniture and Fixtures less Depreciation		65,27,000
Other Assets (including Inter-Office Adjustments)		3,68,39,000
Total ..	Rs.	326,75,32,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defense Savings Bank Deposits Outstandings @	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.82	65	3.26	22.66	84.17	1,12.35	92.03	— 21.07	7.55	25.64					
1953-54	3.76	1.93	5.48	37.19	1,44.36	1,56.15	1,67.56	— 28.27	4.79	41.25	9.86	16.57	25	95	
1956-57	..	..	..	..	..	..	..	..	3.91	44.28	..	..	..	..	
January 1956	3.91	14	5.24	3.03	1,40.78	12.16	1,54.14	— 33.55	33	40.61	84	14.78	3	91	
February	3.83	16	5.29	3.23	1,43.37	13.87	1,56.19	— 33.66	39	40.96	85	15.57	3	92	
March	3.76	22	5.48	3.53	1,44.96	22.64	1,67.26	— 33.87	36	41.25	88	16.37	3	93	
April	3.69	24	5.54	3.19	1,45.35	14.54	1,71.08	— 33.96	34	41.51	83	17.13	3	95	
May	3.61	21	5.54	2.49	1,47.58	14.77	1,78.06	— 34.05	33	41.82	85	17.91	3	1.00	
June	3.54	23	5.56	2.70	1,49.48	15.34	1,76.09	— 39.15	33	42.11	92	18.75	4	1.04	
July	3.46	43	5.81	2.78	1,51.53	14.61	1,80.25	— 39.24	33	42.42	1.01	19.68	4	1.07	
August	3.40	29	5.82	2.53	1,53.14	14.10	1,82.21	— 39.35	36	42.72	98	20.56	5	1.11	
September	3.34	17	5.71	2.65	1,55.14	13.27	1,84.88	— 39.17	34	43.00	95	21.34	5	1.18	
October	3.28	16	5.69	2.28	1,56.51	13.00	1,85.99	— 39.26	35	43.29	82	22.06	4	1.17	
November	3.23	13	5.66	2.30	1,57.62	13.70	1,86.89	— 39.35	25	43.39	77	22.75	3	1.19	
December	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 39.43	26	43.58	70	23.32	3	1.22	
January 1957	3.12	21	5.80	2.76	1,59.92	13.46	1,88.10	— 39.84	36	43.89	86	24.07	6	1.27	
February	3.07	17	5.82	2.84	1,61.00	12.96	1,88.88	— 39.91	30	44.14	73	24.70	4	1.30	
March	..	..	..	..	..	..	..	..	22	44.28	..	..	..	..	

* At the end of period.
‡ Issued from 10th May, 1954.
‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
@ Progressive net repayments at the end of period from 15th August 1947.
‡ Relating to nine months from July, 1954.
§ From July, 1954.
R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 18th May, 1957	11th May, 1957	20th April, 1957	19th May, 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.9	90.0	90.0	91.2
1. Government of India	89.6	89.7	89.7	91.0
2. Indian States	96.4	96.4	96.4	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.1	99.1	99.0	100.8
1. Electricity	99.0	99.0	99.0	102.2
2. Jute	96.9	97.0	97.0	97.6
3. Plantations	98.4	98.4	98.4	99.2
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100 0	100.0	100.0	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.6	100.6	100.1	101.1
PREFERENCE SHARES	78.5	78.6	78.4	85.0
1. Electricity	86.6	86.6	86.8	93.3
2. Cotton	78.4	78.1	78.0	81.1
3. Jute	70.8	70.8	71.0	81.5
4. Coal	81.8	81.8	81.8	87.7
5. Coal and Steel	82.3	82.3	80.7	87.5
6. Sugar	77.7	77.9	79.4	84.5
7. Paper	78 0	78 6	78 8	82.1
8. Plantations	95.2	95.2	97.8	101.9
9. Miscellaneous	74.6	75.1	74.7	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	103.7	105.5	107 0	124-3
(a) Financial	89 6	89 9	90.1	89 8
1. Banks	91.5	91.8	92.1	90.3
2. Insurance	82.0	82.0	82.4	85.7
3. Investment Trust	75.3	75.4	75.6	92.4
(b) Public Utilities	105.4	106.4	107.3	111.1
1. Electricity	106.5	107.0	106.9	113.1
2. Shipping and other Transport	110.8	113.4	116.9	113.1
3. Railways	76.5	76.4	76.5	86.9
(c) Manufacturing Industries	108.8	111.4	112.6	133.7
1. Cotton, Woollen and Silk	114.4	116.6	118.7	133.1
2. Jute	54.0	54.8	54.6	75 2
3. Iron and Steel	113.6	122.2	122 8	157.0
4. Paper	226.8	227.5	228 2	266.9
5. Cement	141.8	143.1	148 2	179.8
6. General Engineering	157.7	160.5	163 0	194.1
7. Sugar and Breweries	92 6	93.9	95.9	104.5
8. Chemicals	130.0	135.3	134.2	143.6
(d) Non-Manufacturing Industries	126 0	127.0	132.4	170.2
1. Coal	69.4	69.5	69.8	81.5
2. Mining and Oil	175.7	178.4	180.3	263.5
3. Plantations	139.4	140.1	160.0	185.0
(e) Miscellaneous	81.0	82.0	83.7	101.4
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.2	89.3	89·3	90.7
2. Calcutta	89.8	89.8	89 9	91.1
3. Madras	90.8	90.2	90.2	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99.0	100.0
2. Calcutta	98.8	98.8	98.8	101.5
3. Madras	99.7	99.7	99.5	100.2
PREFERENCE SHARES:				
1. Bombay	83.9	83.8	82·7	89.1
2. Calcutta	72.2	72.4	72.5	79.8
3. Madras	91.8	91.8	92.9	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	112.5	116.6	117·6	130.8
2. Calcutta	91.4	91.9	93.5	111.3
3. Madras	113.3	113.4	119.6	131.3
4. Delhi	109.6	113.9	115.7	136.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	..	..	..
1952	1,071	691,321	3,818,928
1953	963	809,242	3,336,961
1954	772	466,607	3,382,708
1955	840	477,186	3,372,630
1956	1,166	527,767	5,697,848
	1,268	722,334	7,095,060
April 1955	105	32,452	233,375
May "	120	68,441	961,776
June "	152	91,269	1,144,011
July "	111	55,260	660,492
August "	236	90,213	533,999
September "	251	92,619	580,081
October "	134	47,600	214,514
November "	99	48,609	178,112
December "	129	45,277	239,550
January 1956	107	61,755	362,000
February "	122	70,155	781,706
March "	146	133,188	678,716
April "	140	88,524	569,037
May "	137	65,037	549,982
June "	153	71,047	434,239
July "	150	100,335	529,151
August "	138	84,767	492,173
Sept. "	134	130,667	922,695
Oct. "	150	113,404	819,619
November "	138	59,451	499,636
December "	145	65,351	407,166
January 1957†	150	126,995	390,952
February "	114	82,320(a)	205,196(b)

† Figures are provisional. (a) Not known in 3 cases.
(b) Not known in 5 cases. ‡ current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,801.4	5,124.3
1953-54	648	6,876.8	5,573.7
1954-55	686	7,760.9	6,319.2
1955-56	718	8,805.9	7,185.8
Jan., to Dec., 1955	724	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,630.7	7,892.0
October 1955	716	780.7	591.9
November "	731	725.5	597.0
December "	734	785.7	648.0
January 1956	731	757.2	621.3
February "	736	740.9	622.0
March "	715	800.0	651.0
April "	701	780.8	643.3
May "	701	825.8	669.1
June "	710	796.5	658.5
July "	734	798 0	656 3
August "	725	793 7	650 0
September "	737	812 7	666 4
October "	753	824 1	670 1
November "	756	810 9	668.1
December "	757	841 5	715 0

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ including purchases from non-electric utilities.
§ At the end of period. *Source:*—Central Water and Power Commission.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	11th May, 1957	4th May, 1957	12th May, 1956	March, 1957	March, 1956	Percentage of Increase (+) or decrease (—) in Mar., 1957 as compared with Mar., 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	419.2	401.4 R	350.1	402.5	351.6	+14.5	388.5	313.2
Cereals	20	550*	530* R	445	533	439	+20.3	499	372
Pulses	3	420	390	363	440	373	+18.0	397	289
Others	23	257	240	227	242	233	+ 3.9	247	235
Industrial Raw Materials	(18)	534.4	531.0 R	475.2	518.1R	475.6	+ 8.9	501.9	419 8
Fibres	53	523	522	456	505	471	+ 7.2	483	429
Oil seeds	20	581	569	547	559R	511	+ 9.4	558	398
Minerals	10	564	564 R	437	552	453	+21.9	508	427
Others	7	409	415	397	414R	406	+ 2.0	421	431
Semi-Manufactures	(17)	401.8	401.9	383.2	403.3	369.8	+ 9.1	402.3	338.2
Leather	8	414	414	406	410	408	+ 0.5	409	378
Mineral oils	13	207	211	208	210	208	+ 1.0	209	207
Vegetable oils	16	587	580	559	577	499	+15.6	582	389
Cotton yarn	35	479*	479	471	484	452	+ 7.1	487	422
Metals	18	327	327	280	328	282	+16.3	318	264
Oilcakes	5	423	418	397	419	379	+10.6	447	338
Others	5	374	374	360	385	364	+ 5.8	366	336
Manufactured Articles	(30)	384.6	384.2	378.2	384.1	374.8	+ 2.5	384.6	372.9
Textiles	64	410	410	413	410	408	+ 0.5	416	408
Jute	11	427	424	391	412	410	+ 0.5	416	418
Cotton	45	412*	412*	416*	414*	403*	+ 2.7	420*	403*
Rayon and Silk	6	424*	424*	502*	442*R	502*	—12.0	455*	485*
Woollen	2	266	266	264	266	278	— 4.3	265	284
Metal products	17	392	392	371	392	371	+ 5.7	386	359
Others	19	305	305	286	302	285	+ 6.0	294	285
Miscellaneous	(9)	570.7*	573.6*	498.00	589.6R	508.1	+12.1	559.3	546.4
All Commodities	(100)	428.9	422.7 R	389.8	421.2	387.4	+ 8.7	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
January 1956	449	529	181	240	265	340	678	268

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop		(In thousand acres)		(In thousand tons)	
	Forecast	1955–56	1954–55	1955–56	1954–55
Cereals—					
Rice	2nd	72,512†	71,886††	23,900†	23,515††
Wheat	final	29,225	27,517	8,348	8,778
Jowar	2nd	39,839†	41,174††	4,516†	4,312††
Bajra	final	27,025	27,983	3,400	3,421
Barley	final	8,145	8,309	2,721	2,870
Maize	final	8,909	9,311	2,519	2,939
Ragi	final	5,674†	5,693††	1,914†	1,829††
Small millets ..	final	13,095	13,799	2,103	2,466
Total cereals ..	final	211,000	212,025	53,349	55,734
Pulses—					
Gram	2nd	23,354†	22,333††	5,350†	4,636††
Tur	2nd	5,581†	5,725††	1,603†	1,705††
Other Kharif pulses § ..	final	16,166†	15,567††	1,664†	1,632††
Rabi pulses‡ ..	final	10,579	10,590	1,858	1,969
Total pulses ..	final	55,100	55,300	10,187	10,870
Oilseeds—					
Groundnut ..	final	13,101†	12,692††	4,086†	3,862††
Castorseed ..	final	1,403†	1,408††	129†	124††
Sesamum ..	3rd	4,996†	5,423††	417†	434††
Rape and Mustard	final	6,262	6,025	832	1,019
Linseed	final	3,424	3 354	376	332
Total oilseeds .	final	29,471	30,822	5,596	6,242
Fibres—					
Cotton*	3rd	18,084†	17,553††	4,084†	3,382††
Jute A.	final	1,883†	1,739††	4,221†	4,197††
Mesta A.	final	738†	572††	1,474†	1,159††
Other crops—					
Potato	final	693	658	1,839	1,736††
Sugarcane ..	2nd	4,532†	3,945††	58,914†	50,455††
Ginger (Dry) ..	final	40†	40††	15†	15††
Pepper (Black) ..	final	234†	233††	32†	32††
Chillies (Dry) ..	final	1,492	1,523	340	363
Tobacco	final	921	846	259	244 ·

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † For 1956-57. †† For 1955-56

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During April, 1957	86.8
	Corresponding month, 1956 ..	93.9
	Ten months ended April, 1957 ..	857.5
	Corresponding period, 1956 ..	864.4
Stocks	At the end of April, 1957 ..	105.0
	Corresponding month, 1956 ..	107.9
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 23rd March, 1957 ..	N.A.
	Corresponding week, 1956 ..	8,000
	From 1st Jan., to 23rd March, 1957	N.A.
	Corresponding period, 1956 ..	87,421
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 23rd March, 1957 ..	N.A.
	Corresponding week, 1956 ..	4,715
	From 1st Jan., to 23rd March, 1957	N.A.
	Corresponding period, 1956 ..	262,892
	RAW JUTE	(Inlakh bales)
Consumption by Mills†	April, 1957 ..	5.03
	Ten months ended April, 1957 ..	49.96
	Corresponding period, 1956 ..	52.06

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1954..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955..	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956..	11,55,000	10,62,100	7,97,800
Do. 31st March, 1957..	11,55,500	10,73,900	7,97,500
October 1955	91,700	83,800	64,800
Nov. "	91,900	86,200	63,400
Dec. "	103,900	97,500	72,800
January 1956	1,03,900	96,800	71,600
February "	97,500	89,500	67,200
March "	1,03,300	96,200	69,900
Oct. "	96,700	91,100	71,800
Nov. "	94,700	85,800	65,100
Dec. "	101,500	93,300	66,900
January 1957	97,400	94,300	70,500
February "	90,000	81,300	63,400
March "	95,100	93,200	73,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954..	5,80,020	5,49,920	2,92,440
Do. 31st March, 1955..	7,15,949	5,28,240	4,59,993
Do. 31st March, 1956..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
" " " Sept., 1954.	1,80,018	1,29,741	1,12,661
" " " Dec., 1954.	1,88,053	1,36,801	1,20,616
" " " Mar., 1955.	1,65,108	1,43,828	1,18,136
" " " June, 1955.	1,76,181	1,54,333	1,15,701
" " " Sept. 1955.	1,76,181	1,30,630	1,08,714
" " " Dec., 1955.	1,60,750	1,24,696	1,05,752
" " " Mar. 1956.	1,84,450	1,41,846	1,19,860
" " " June, 1956.	1,45,306	1,17,710	92,609
" " " Sept., 1956.	1,74,447	1,32,325	1,13,023
" " " Dec., 1956.	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	December,		Nine months April to Dec.	
	1955	1956	1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs ..	2,97	3,72	40 47	27,11
Raw materials ..	15,07	22,55	134,70	138,69
Manufactures ..	40,40	40,90	304,77	428,20
Other items ..	34	52	2,32	3,55
Total* ..	58,87	67,69	482,26	597,55
By land	8,17	1 69	19,86	14,62
Total Imports ..	67,04	69,38	502,11	612,17
Exports:				
By sea and air—				
Foodstuffs ..	14,79	19,10	117,64	153,85
Raw materials ..	15,51	13,02	125,79	89,91
Manufactures ..	21,08	22,27	189,60	182,89
Other Items ..	35	42	3,15	3,53
Tota ..	51,71	54,81	436,18	430,18
By land	92	85	4,81	4,49
Total Exports ..	52,63	55,66	440,99	434,67
Total Re-exports ..	43	60	3,96	5,10
Balance of trade in merchandise	— 8,07	— 13,04	— 57,13	—172,15
Balance of transactions in private treasure	— 2	+ 1	— 6	— 15
Total visible balance of trade.	— 8 09	— 13,03	— 57,19	—172,30
Imports : ‡				
Total C'wealth countries ..	21,67	24,15	210,47	233 79
Total Foreign countries ..	37,20	43,54	271,79	363,76
Exports : ‡				
Total C'wealth countries ..	25,19	27,38	218,40	223,81
Total Foreign countries ..	26,52	27,43	217,78	206,37

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
January 1956	10,396	2,311	809	172	87	56	114	24	346	339	34	267	42	129
February "	11,538	2,532	885	191	98	62	131	27	439	374	38	297	45	136
March "	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April "	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May "	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June "	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July "	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August "	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September "	6,420	1,446	505	97	46	28	73	10	199	207	15	179	26	81
October "	7,494	1,703	579	110	50	32	96	12	216	242	18	212	33	98
November "	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114
December "	9,850	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957	11,109	2,450	837	178	84	47	172	20	432	351	25	317	56	144
February "	12,280	2,684	929	197	96	52	190	22	520	388		350	51	159

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.–2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 23rd May, 1957 ..	63,622
	Corresponding week, 1956 ..	42,087
	1st Sept. 1956 to 23rd May, 1957	1,495,232
	Corresponding period, 1955-56 ..	1,552,605
Cotton Exports‡ ..	Week ended 23rd May, 1957 ..	3,672
	Corresponding week, 1956 ..	1,079
	1st Sept. 1956 to 23rd May, 1957	203,313
	Corresponding period, 1955-56 ..	491,513
Mill Consumption .. (Estimated)	1st Sept. 1956 to 23rd May, 1957	972,718
	Corresponding period, 1955-56 ..	929,339
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 23rd May, 1957	662,080
	Corresponding date, 1956.. ..	665,573
Cotton Exports from Bombay (by sea)	During Feb., 1957	40,458§
	During Feb., 1956	58,302
	1st Sept., '56 to 28th Feb., 1957	148,189
	1st Sept., '55 to 28th Feb., 1956 .	421,354
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 2nd May, 1957 .	1,142,733
	Corresponding period, 1955-56 ..	1,254,474
Exports	1st Sept., 1956 to 30th April 1957	610,165
	Corresponding period, 1955-56 ..	692,447

Particulars	From 1st Sept. 1956 to 20th May, 1957 Bales	From 1st Sept. 1955 to 20th May, 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	20,926	59,299
Continent	20,374	84,473
Hongkong	31,449	32,736
China	3,437	54,390
Japan	124,488	251,187
U.S.A.	2,224	3,676
Other Countries ..	737	2,926
Total to all foreign countries ..	203,735	488,687
Coastal Ports ..	7,360	91,679
Total	211,095§	580,366§
	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	March, 1957	399,609
Foreign		46,428
Indian	Seven months ended Mar., 1957	2,724,023
Foreign		338,125
Indian	Same Period 1956	2,568,772
Foreign		339,395
Stocks (Mills and Elsewhere)—		
Indian	As on 31st March, 1957 ..	1,221,857
Foreign		200,043
Indian	As on 31st March, 1956 ..	1,359,857
Foreign		211,500
Cotton Pressed in India† (in running bales) ..	Week ended 10th May, 1957 ..	109,771
	Corresponding week, 1956 ..	1,492,680
	1st Sept., 1956 to 10th May, 1957.	3,014,715
	Corresponding period, 1955-56 .	

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc "A"—Adjusted.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 ½ Bond	1926–33	63,30,26,000	1960–70	100.85
3 ½ Loan	1938–39	1,15,17,46,900	1965–85	93.90
3 ½ Loan	1950	80,33,10,000	1964	94.10
3 ½ Fg. Loan	1943	1,10,11,78,000	1966–68	91.90
3 ½ Fg. Loan	1944	33,54,89,000	1967	92.75
3 ½ Loan	1945	1,15,05,88,000	1970–75	87.00
3 ½ Znd V.Loan	1945	1,13,85,64,000	1959–61	97.75
3 ½ Loan	1951	50,35,63,000	1958	99.60
2½ Loan	1946	45,80,37,000	1969	96.45
2½ Loan	1946	57,00,69,000	1961	93.50
2½ Loan	1947	1,77,48,000	1967	83.10
2½ Loan	1947	75,86,72,000	1962	93.95
3½ Loan (N.P. Bonds)	1953	75,29,00,000	1961	99.50
3½ N.P. Loan	1954	1,58,17,24,000	1964	98.15
3½ N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98.15
3½	1956	57,27,00,000	1962	97.50
3½ N.P. Bonds	1956	33,82,00,000	1967	98.40
3½	1956	66,54,00,000	1974	98.45
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,98,35,000	At option o Government after three months notice. On September, 1986 or later at option of Government after three months' notice.	73.00
3 % Loan	1946	2,48,91,47,000		73.50
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958–68***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	96.80
4 % Andhra	1953	6,00,00,000	3rd Sept. 1958	98.35
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98.25
3 % Bombay	1949	6,55,56,000	1st Aug. 1962	94.10
3 % Bombay	1950	2,87,82,000	31st July 1960	96.25‡
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98.00
4 % Bombay	1952	5,42,28,000	15th July 1963	100.00
4 % Bombay	1953	3,55,87,000	1st Aug. 1964	100.00
4 % Bombay	1954	10,02,15,000	3rd Sept. 1963	99.50
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1951	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	8,00,00,000	3rd Sept. 1958	97.70
3 % Cochin	1945	1,00,00,000	16th Dec. 1955–58	98.00
3½ % Cochin	1936	70,09 000	1st June 1956-61	98.75
Bridge (New)	1936-37	1,95 96,700	1956–66	95.25
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1958	98.85
3 % Madras	1939	1,23,95,600	21st June 1959	96.55
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98.55
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96.25
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93.12
3 % Madras	1950	4,38,25,400	31st July 1960	96.12
4 % Madras	1951	8,01,62,000	17th Sept. 1962	97.62
4 % Madras	1953	10,38,62,000	15th July 1963	98.25
4 % Marras	1952	5,24,81,200	1st Aug. 1964	98.45
4 % Madras	1954	7,00,00,000	1st Sept. 1967	98.95
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98.40
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953–63	100.30
4 % Mysore(f)	1936	5,99,72,900	30th Apr. 1956–61	98.87
4 % Mysore	1947	5,08,05,700	25th Jan. 1958	98.60
4 % Mysore	1953	3,33,47,000	15th July 1963	98.53
4 % Mysore	1954	1,54,94,000	1st Sept. 1967	97.00
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	96.10
3 % M.P.	1944	62,69,800	15th Aug. 1958	98.50
3 % M.P.	1945	2,03,28,900	15th Sept. 1964	93.00
3 % M.P.	1950	1,01,44,700	31st July 1960	95.50
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
3 % M.P.	1953	1,10,12,500	15th July 1963	98.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % Saurashtra	1955	2,61,66,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4½ % Trav. Cochin	1953	3,00,00,000	15th July 1963	98.25
4½ % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98.90
2½ % U.P.Z.A.	1952	40,60,66,545‡		99.87
3 % U.P.	1936	1,57,14,000	15th Sept. 1961–66	90.85
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98.55
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96.00
2½ % U.P.	1946	2,20,93,800	1st Sept. 1961	93.06
3 % U.P.	1951	1,91,02,000	17th Sept. 1962	97.85
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1953	5,65,15,500	15th July 1963	98.85
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.65
3 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
85,50,000	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	98·00N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
66,00,000	4	1910	1971	
1,14,77,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
75,00,000	4	1913	1974	98.00N
88,25,000	4	1914	1975	98.00N
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
12,25,000	4	1925*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
48,50,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
1,50,00,000	3½†	1921	1981	82.00
68,02,800	6½	1921	1981	144.00M
1,49,40,500	5	1927	1957–87	101.50
1,49,30,000	5	1928	1958–88	102.50
80,00,000	5	1934	1965	95.00
80,00,000	3½	1935	1965	97.50
50,00,000	3	1938	1963–68	90.00
50,00,000	3	1944	1974	95.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	1966	90.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1979	87.00
1,00,00,000	3	1949	1969	97.00
50,00,000‡	3	1950	1980	82.00
1,00,00,000	3	1950	1970	95.62
1,00,00,000	3	1950	1960	95.62
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1951	1971	98.50
50,00,000	4	1953	1983	100.00
50,00,000	4	1953	1983	98.56
90,00,000	4	1955	1985	98.00
77,00,000‡	4	1956	1986	97.75
78,00,000‡	4	1956	1956	97.75
STERLING LOANS				
£892,600	5	1923	1953–88	£80.00
£901,000	5	1924	1954–84	£80.25
£885,106	5½	1933	1963	£91.00
MADRAS				
Rs.				Rs.
$1,47,169	3½	1947	1977	
9,88,000‡	3	1947	1977	
8,00,000‡	3	1949	1979	A
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				
50,00,000	4	1899	1959	100.00
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
80,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957–79	118.90N
66,00,000	5	1920	1958–80	
25,00,000	5	1928	1956–86	115.00N
40,00,000	4	1927	1961–70	98.00N
10,00,000‡	3½	1936	1966	
STERLING LOANS				
£566,600		1909	1969	95.50N
£338,000		1910	1970	£95.50N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	106.00
50,00,000	4	1934	1964	99.75
50,00,000	3½	1935	1965	94.00
30,00,000	3	1938	1966	90.00
50,00,000	3	1937	1962	91.00
50,00,000	3	1938	1963–68	90.00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
£0 60,000	4	1913–15	1974	98.00
10,00,000	5	1920	1980	113.00N
25,00,000	5	1928	1958	102.00
45,00,000	5	1954–59	1979	102.00
26,21,500	5	1929	1959	102.00
8 25,00,000	3½	1947	1977	86.00
2 50,00,000	3½	1947	1979	86.00
4,00,00,000	3½	1950	1965	92.25
2,50,00,000	4	1952	1964	98.25
1,00,00,000†	4	1953	1963	98.25
1,30,00,000	4	1953	1963	98.25
1,00,00,000†	4	1954	1964	99.00
1,00,00,000	4	1954	1964	99.00
2,50,00,000	4	1955	1967	98.00
1,50,00,000	4	1956	1968	98.00
Rs.		**CALCUTTA**		Rs.
26,00,000	5	1928	1958	102.00
25,00,000	5	1929	1957	101.50
25,00,000	5	1928	1958	102.00
10,00,000	5	1928	1958	102.00
33,91,000	3½	1935	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
15,56,800	4	1940	1957	99.50
17,64,400	3½	1942	1962	96.50
21,10,000	3½	1943	1963	97.00
19 49 000	3½	1951	1980	97.00
16,33,300	3½	1951	1981	97.50
87,88,000	3½	1951	1981	97.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.75
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.75
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.30
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99.10

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. N—Nominal.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944. *** Repss Counterparts.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1956. §—Rs four instalments but inclusive of accrued interest. ‖—Interest free to first 18 years †—Interest free for first 7 years

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank‖	₹15,00,000	1901	6	Mar. Sep.	108.50	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5½	Dec. ..	70.00	100
Carew & Co.	8,00,000(b)	1876	6‡	Mar. Sep.	94.00xd	100
Cawnpore Sugar Works ..	10,00,000	1935–36	6	Feb. Aug.	110.00xd	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6.12	5
That India Distilleries ..	£200,000	1897	7	Jan. July	16.15	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	62.00	100
Furtabpore Co.	6,00,000	1923	10	Oct. ..	14.00	10
Ramnagger Cane	4,00,000	1933–36	6

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.= Preferred Ordinary shares. Y.= Accounts published yearly. H.= Accounts published half-yearly. P.= Company has Preference shares. T.= Company has Debentures. N.= Nominal quotations. x.d.= Ex. Dividend. c.d.= Cum. Dividend. i= Interim Dividend. f= Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
80,00,000	5,62,728	90,10,676	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	896	Apollo Mills	2.36	2	0 4(c)	0 2½(c)	0 8		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	51,864	1,021	E. D. Cotton Mills	36.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,12,58,951	5,98,22,946	3,51,00,902	2,41,366	Nowrosjee Wadia & Sons, Ltd.	2,25,552	3,284	Bombay Dyeing & Mfg.	524.00	250	22 8*	20 0	25 0*	25 0	12	Y.
10,00,000	22,74,892	53,51,856	33,57,495	91,711	Ramnarain Sons Private Ltd.	44,784	660	Bradbury Mills	197.00	50	10 0	7½ 0†	12 8	20 0	3	Y.
1,09,42,500	2,85,31,209	6,06,66,976	2,32,01,093	7,61,731	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	402.50	100	22 0	22 0	22 0	22 0	12	Y
40,00,000	25,42,226	1,19,99,766	65,07,055	—32,92,997	V. J. Pilani (Chairman and Managing Director)	40,668	668	Colaba Land & Mill	65.00	100	*Nil*	*Nil*	*Nil*		12	Y.
24,80,000	12,06,380	90,16,987	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	...	Coorla Spg. & Wvg.	131.00	100	7 8	7 8	7 8	12 8*	3	Y.
14,00,000	24,86,896	99,10,861	54,66,941	2,17,976	Ramnarain Sons Private Ltd.	40,992	680	Dawn Mills	97.50XR	50	6 0	6 0	15 0		12	Y.
24,80,000	40,06,435	74,75,267	56,21,788	2,33,643	Parammal Rubna Sons	40,718	925	Edward Textiles	60.00	50	*Nil*	3 0	5 0	5 0	12	Y.P.
29,98,050	16,71,233	1,20,97,050	78,22,600	95,787	M.	42,124	886	Elphinstone Spg. & Wvg.	60.00	100	16 0	16 0	20 0	20 0	12	Y.
50,00,000	67,54,876	1,41,78,609	82,92,207	79,257	James Finlay & Co., Ltd.	49,528	784	Finlay Mills	182.50	100	12 8	12 8	15 0	15 0	12	Y.
50,00,000	48,98,022	90,86,046	59,17,357	1,57,789	James Finlay & Co., Ltd.	40,640	1,020	Gold Mohur Mills Ltd.	5,525.00	1,000	225 0*	225 0	300 0	225 0	3	Y.P.
11,84,000	...	...	...	...	...	...	...	...	992.50	250	56 4*	56 4	75 0	81 4		
16,000	78,14,589	1,52,34,660	1,07,26,500	508	M.	45,080	1,128	Hindoostan Spg. & Wvg. Mills	9.55	0 10D.	0 10	*Nil*	0 15	0 10½	12	Y.
8,00,00,000G									1.55	0 1D.	0 1	*Nil*	0 2	0 1½		
80,96,000D	62,50,395	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,44,800	6,278	India United Mills	5,250.00	1,000	225 0*	225 0	300 0	300 0	3	Y.P
5,55,000									—	500	112 8*	112 8	150 0	150 0		
32,000	72,74,043	1,41,26,890	1,00,89,000	4,386	M.	47,984	1,122	Indian Mfg.	70.00XR	50	5 0	5 0	8 0*	8 0*	10	Y.T.
59,35,000	55,07,861	2,73,73,676	2,05,22,133	26,223	Khatau Makanji & Co.,	92,852	1,489	Khatau Makanji Spg. & Wvg.	172.50	100	10 0	10 0	10 0	10 0	6	Y.P.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Killick Industries Ltd.	1,20,504	1,546	Kohinoor Mills ...	293.00	100	20 0*	18 0	18 0	18 0	12	Y.
22,12,050	43,05,720	1,23,08,423	64,68,440	85,109	M. Sirar & Co.	49,000	944	Modern Mills	70.00XR	50	5 0	5 0	8 0*	8 0*	10	Y.T.
51,76,000	37,05,393	2,53,58,597	1,76,19,559	1,41,485	Piramal Sons Private Ltd.	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	212.50	100	12 0	14 0	14 0	14 0	6	Y.P.
1,50,74,400	1,19,15,319	9,46,21,101	2,65,00,000	5,52,034	Chinai & Co. Private Ltd.	...	...	National Rayon Corporation	215.00	100	10 0	10 0	12 0	14 0*	12	Y.P.
24,00,000	29,80,484	78,06,743	48,70,677	58,192	W. H. Brady & Co., Ltd.	49,012	1,018	New City of Bombay Mfg.	183 75	100	10 0	10 0	10 0	10 0	12	Y.P.
30,00,000	22,01,492	98,82,754	63,37,035	245	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	220.00	100	10 0	7 8	10 0	10 0	12	Y.
48,00,000	30,19,989	1,34,29,555	84,72,255	2,40,252	Ramnarain Sons Private Ltd.	69,208	1,180	Phoenix Mills ...	142.50	100	10 0	8 0	10 0	10 0	12	Y.
40,00,000	45,64,554	48,69,967	24,25,000	4,72,685	Podar Sons Private Ltd.	32,600	930	Poddar Mills ...	165 00	100	10 0	10 0	12 0*	12 0*	12	Y.P.
5,00,000	3,19,999	19,01,840	11,21,521	—1,78,184	David Sassoon & Co., Ltd.	...	...	Sassoon & Alliance Silk Mill	9.80	10	0 12	0 8	...	...	12	Y.
37,70,000	82,80,605	1,92,65,251	1,59,71,424	24,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	30.50XR	10	1 4	1 12	2 0	...	12	Y.P
80,00,000	47,70,081	90,20,966	55,27,926	1,47,422	Marwar Textiles (Agency) Ltd.	54,840	1,276	Shree Niwas Cotton Mills	167.00	100	14 0	14 0	12 0	12 0	3	Y.
42,00,000	78,02,178	98,78,809	78,68,753	98,017	Forbes, Forbes Campbell & Co., Ltd.	54,840	1,276	Simplex Mills ...	163.00	50	15 0	11 0	10 0	12 0	3	Y.
37,80,000	2,50,82,705	2,77,88,979	1,62,08,915	2,93,059	Mafatlal Gagalbhai & Sons ...	97,528	2,409	Standard Mills ...	380.00	100	20 0	20 0	20 0	22 8*	12	Y.P.
1,00,00,000	98,03,485	2,51,02,081	1,33,02,735	29,124	Tata Industries Private Ltd.	89,328	552	Swadeshi Mills ...	187.00	100	8 0	8 0	12 0	14 0*	12	Y.P.
24,00,000	65,13,455	1,37,20,479	92,02,715	1,01,175	James Finlay & Co., Ltd.	41,560	1,000	Swan Mills ...	370.00	100	20 0	20 0	25 0	25 0	12	Y.
65,57,875	56,74,500	2,01,67,222	80,31,256	17,925	Tata Industries Private Ltd.	65,648	1,308	Tata Mills ...	41.50	25	1 8	2 8	4 0	3 8*	12	Y.P.
12,00,000	61,06,709	27,41,223	99,30,000	4,524	M.	45,608	1,308	Western India Spg. & Mfg.	5,200.00	1,000	225 0*	25 0	300 0	300 0	3	Y.

AHMEDABAD

46,80,000	21,60,000	1,45,76,546	69,76,344	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	145.00	100	10 0*	5 0	7 0	12 9	6	Y.P.
10,00,000	94,58,068	94,87,398	76,19,164	87,288	P. M. Muthesang & Co., Ltd.	42,776	919	Arvind Mills ...	560.00	100	20 0*	20 0	25 0*	35 0*	12	Y.P.
40,00,000	40,06,435	1,95,32,179	97,20,203	55,534	Harotam Lalbhai & Co., Ltd.	66,412	1,216	Arvind Mills ...	960.00	100	25 0	25 0	35 0*	...	12	Y.P.
20,00,000	81,75,000	99,34,384	72,25,000	3,46,389	Mangaldas & Bros. Ltd.	35,584	592	Aryodaya Ginning & Mfg.	955.00	100	22 0*	22 0	30 0	30 0	12	Y.P.
12,00,000	1,43,05,808	95,70,783	63,81,739	7,257	Lalbhai Dalpatbhai & Co.	37,168	914	Calico Mills ...	650.50	125	18 0	18 0	...	80 0†	12	Y.P.
1,37,50,000	1,35,78,233	4,51,25,325	2,25,48,344	2,31,712	Kasturbhai Lalbhai Ltd.	1,39,120	2,272	Calico ...	1,815.00	1,000	70 0	70 0	80 0*	...	3	Y.P.
62,87,000	24,58,000	1,21,08,843	89,25,000	2,760	Trikamlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	387.00	125	25 0	25 0	25 0	...	12	Y.
39,00,000	72,62,436	1,52,09,232	96,26,962	19,281	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	...	...	...	...	...	...	...	...
15,00,000	67,78,770	57,78,441	32,49,912	21,803	Jagabhai Bhogilal Nanavaty & Co., Ltd.	25,560	572	Nutan Mills ...	896.25	100	30 0*	30 0*	20 0	20 0	12	Y.P.
20,00,000	1,10,62,006	99,61,103	62,28,055	1,77,073	Lalbhai Dalpatbhai & Co.	32,828	626	Raipur Mfg. ...	845.00	100	25 0	25 0	35 0*	35 0*	12	Y.P.
32,50,000	14,78,307	1,07,01,469	71,42,808	17,34,749	Lallubhai Gordhandas Ltd.	52,156	648	Rohit Mills ...	166.25	100	9 0	9 0	*Nil*	...	12	Y.P.
57,96,800	2,75,84,105	1,92,47,853	1,05,24,569	2,63,336	Harivallabhdas Kalidas & Co.	94,128	1,733	Shri Ambica Mills ...	535.00	50	18 0	20 0	27 0*	30 0*	12	Y.
19,82,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	...	...	...	...	...	...	...	...	...	...	...
32,00,000	90,34,191	1,09,66,008	78,35,891	34,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Shorrock Spg. & Mfg. ...	577.50	100	20 0	25 0*	25 0	...	12	Y.
								Vijaya Mills ...	651.25	400	24 0*	35 0*	35 0*	...	12	Y.

WEST BENGAL

15,00,000	2,82,800	35,86,093	22,89,703	60,222	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills ...	5.31	10	0 4	0 8	0 8	0 3/5	12	Y.P.T.
7,98,066	9,10,617	78,14,055	52,69,911	59,990	Bengal Textile Agency, Ltd.	32,292	925	Bengal Luxmi Cotton Mills ...	40.00N	*Nil*	*Nil*	4 0	4 0	4 0	6 12	H.P
1,00,00,000	22,78,414	89,08,142	31,49,000	—28,47,378	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills ...	112.00	100	*Nil*	*Nil*	2 8	6 0	3	Y.
19,00,000	35,17,431	1,15,16,740	74,87,979	9,50,335	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills ...	176.00	100	*Nil*	*Nil*	6 0	6 0	12	Y.
50,08,000	...	69,03,197	15,03,197	2,632	Birla Brothers Private Ltd.	4,862	206	Jay Shree Textiles Ltd.	5.62	10	1 12	0 14	0 14	1 0	3	Y.P.
1,50,00,000	2,89,43,320	3,76,19,823	1,51,26,823	1,86,672	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills ...	13.31	10	0 8	0 10	1 0	...	6	Y
15,47,780‡	7,45,000	47,06,298	*48,852	1,094	Hazaremull Heeralall	23,086	796	Rampooria Cotton, Mills‡	16.00N	10	0 *Nil*	*Nil*	0 5 11/25‡		6	Y
5,00,000D									2·75N	1D						

SOUTH INDIA AND OTHER CENTRES

11,88,600	5,87,596	21,36,784	15,64,243	3,566	Selna & Co.	24,800	...	Asher Textiles Ltd	217.00	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,800	35,91,264	1,84,91,580	50,78 582	1,86,043	Industrial Trust Fund ...	36,126	716	Azam Jahi Mills	79.00	100	6 0	*Nil*	8 8(e)		9	Y.
40,50,000	2,50,15,867	3,39,77,494	2,50,70,021	2,52,947	Binny & Co. (Madras), Ltd...	40,068	1,157	Buckingham & Carnatic Mills	168.00	100	25 0	30 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	58,72,122	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ...	7.37	10	0 4	*Nil*	*Nil*		6,12	H.P.T
35,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd. ...	29,996	1,068	Birla Cotton Spg. & Wvg., Delhi	28·00N	10	5 0	5 0	5 0	...	3	Y.
1,78,47,800	2,77,78,212	6,69,41,316	3,97,01,813	2,28,220	Binny & Co. (Madras), Ltd...	1,20,288	2,762	Buckingham & Carnatic ...	168.00	100	10 12	10 0	10 0	10 0	12	Y.T.
20,00,000	40,06,435	42,33,535	29,99,013	55,534	Pelroe, Leslie & Co., Ltd. ...	27,536	4	Cambridge Mills	12.00xd	10	0 12	*Nil*	0 8	0 8	12	Y.
15,00,000	5,11,500	48,88,929	24,68,361	8,994	K. Dandekar, Esq.	20,600	...	Cannanore Spg. & Wvg. ...	167.00	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,430	69,40,820	61,72,376	26,767	Begg, Sutherland & Co. Private Ltd.	27,016	591	Cawapore Textiles	5.81	5	0 9	0 8	*Nil*	0 4	3	Y.
9,37,470	2,00,000	50,87,836	18,05,163	58,796	C. R. Srinivasan, Esq. (Chairman).	24,800	...	Century Spg. & Wvg. Mills Ltd.	11·37	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.
12,00,000	19,01,046	41,97,624	30,45,709	10,589	R. Rheena Naidu & Co. ...	25,864	...	Coimbatore Cotton Mills ...	158.00XR	100	20 0	25 0	25 0	25 0	12	Y.
20,00,000	19,95,000	36,59,480	24,26,921	14,822	T. R. N. Naidu & Co. ...	27,228	...	Coimbatore Pioneer Mills ...	274.00	100	15 0	20 0	20 0	...	6	
30,75,000	5,078	1,19,00,884	85,66,243	81,920	R. G. S. Naidu & Co. ...	72,188	407	Coimbatore Spg. & Wvg. ...	86.00	50	5 0	6 0	8 0	...	6	
46,87,560	46,12,622	2,50,83,371	1,63,61,884	13,215	Tata Industries Private Ltd.	67,228	1,620	Central India	102.00	100	5 0	2 0	3 0	*Nil*	6	Y.P
2,88,86,125	3,06,82,110	11,16,21,472	5,81,67,227	1,98,712	B. K. Charat Ram & Co. Private Ltd.	1,41,180	2,852	Delhi Cloth & General Mills ...	35.00	25	2 4/5	0 12	3 8/5	2 8	3	Y.P.T.
1,00,662										100	20 0	20 0	20 0	25 0		
24,84,800	22,25,000	66,71,865	46,12,585	...	M. M. Chettiar & Sons ...	38,052	201	Dhanalakshmi Mills ...	340.00	100	16 0	16 0	20 0	20 0	12	Y.
63,00,000	93 47,056	1,54,57,568	1,25,57,642	78,754	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	175.00	100	17 0	13 0	15 0	15 0	12	Y.P.
48,81,000	87,59,771	1,06,45,241	73,46,088	8,155	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gwalior Mills	12·25	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
2,50,00,000	2,25,000	4,41,27,351	...	1,06,74,790	B. Rheena Naidu & Co. ...	140.00	100	Gwalior Rayon	140.00	100	15 0	20 0	20 0	...	6	
50,00,000	21,27,574	1,48,10,139	1,16,80,184	6,716	K. L. Seksaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United ...	89.00	50	4 0	5 0	10 0	11 0	12	Y.
8,00,000	10,55,983	31,40,455	19,97,477	...	G. V. Naidu & Co., Ltd. ...	23,784	...	Janardhana Mills	19.50	10	1 *Nil*	*Nil*	0 8	0 11	12	Y.
15,94,000	18,34,703	48,22,284	33,86,095	7,012	Mr. Bhairoortan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji ...	1,605·00	1,000	*Nil*	20 0	50 0	60 0	6	Y.
22,42,525	19,25,000	93,82,680	52,49,160	41,402	Kothari & Sons	41,040	900	Kothari Textiles	13.75	10	0 8	0 8	1 0	1 0	6	Y.P.
32,00,000	87,91,515	1,59,61,585	1,26,19 455	20,376	M.	50,452	1,219	Lakhshmi Cotton Mfg. ...	630.00	250	87 8	32 12	42 8	42 8	12	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,81,654	G. K. Naidu & Co.	93,160	301	Lakshmi Mills	70.00	25	2 8	3 0	4 0	6 4	3	Y
1,75,02,480	4,84,40,278	8,83,51,924	2,77,47,982	32,44,180	A. &F. Harvey Ltd.	4,53,000	...	Madura Mills	41.00	15	3 0	3 0	3 0	2 10	12	Y.
12,00,000	4,17,363	27,72,881	16,02,069	...	A. L. A. R. S. Chettiar and Kothers.	22,592	100	Malabar Spg. & Wvg. ...	109.00cd	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
60,00,000	69,00,000	68,79,827	43,29,734	45,335	W. A. Beardsell & Co., Ltd.	29,656	603	Mattur Industries Ltd...	392.00	100	12 8*	25 0	42 8	42 8	12	Y.
20,80,884	19,58,081	92,42,488	53,37,735	19,052	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	84.00	100	7 0	5 0(e)	6 0	6 0	12	Y.
24,91,884	21,58,146	1,71,94,789	78,31,528	1,88,008	M.	92,408	952	Model Mills (Nagpur) ...	130.00	100	7 0	5 0(e)	7 8	6 0	12	Y.
30,00,000	53,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	58,540	1,254	Model Spg. & Wvg. Mills ...	73·50N	100	...	...	...	...	...	...
24,32,500	80,54,325	1,10,98,715	87,14,107	19,041	N. Sirur & Co. Private Ltd.	50,480	500	Mysore Spg. & Mfg.	101.25	50	10 0*	8* 0	6 0(e)	2 0*	2	Y.P.
15,61,788	6,980	59,25,252	15,12,761	—1,50,653	R. Surveyanarayana Rao, Esq. Manager	6,000	...	Mysore Sugar Mill Mills ...	8.00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y
22,89,881D	25,62,533	1,04,27,293	58,90,719	—43,58,037	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills	1.76	D. 1	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P
3,07,000D									55.00	100	4 0	*Nil*	2 8(e)		9	Y.
37,19,600	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund ...	37,788	902	Osmanshahi Mills	147·00cd	50A	12 0	12 0	12 0		12	Y.P
4,80,000A								Palani Andavar Mills	212.00cd	75B	12 0	12 0	15 0			
6,60,000B	6,80,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ...	41,200	...	Pankaja Mills Ltd.	70.00	100	*Nil*	*Nil*	6 0(e)		12	Y.
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ...	27,980	...	Radhakrishna Mills	271 00	100A	8 0	16 8	20 0*		12	Y.
16,81,200A	22,78,000	83,80,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	880	Rajalakshmi Mills	135 00	50B	4 0	8 0	10 0			
5,40,600B								Rajapalayam Mills	140.00	100	7 0	10 0	10 0		12	Y.P.
15,00,000	36,08,000	48,74,198	25,94,337	11,031	B. R. Naidu & Sons	23,296	...	Rayalaseema Mills	140.00	100	4 0	8 0	10 0		12	Y.P.
13,14,280	13,00,000	32,92,216	17,41,454	10,510	Ramco Agencies Ltd. ...	24,904	...	Rayalaseema Mills	135.00	100	6 0	8 0	10 0	10 0	12	Y.P.
22,81,750	12,40,000	49,64,423	21,20,815	32,012	Rayalaseema Development Co.	14,800	400	Rayalaseema Mills	140.00	100	9 0	9 0	10 0	10 0	12	Y.P.
69,00,000	62,41,868	1,00,25,428	35,44,914	—17,16,728	J. P. Srivastava & Sons (Kanpur).	24,532	600	Sholapoor Spg. & Wvg. ...	1,225·00	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
19,98,000	1,60,85,017	9,19,49,081	2,05,07,227	—1,68,20,798	Morarka & Co.	95,232	2,224	Sri Krishnarajendra Mills ...	104.00	500	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
26,49,780	17,10,000	31,44,372	25,63,818	1,09,148	H. N. Pallegar, Esq. ...	30,744	392	Shree Sajjan Mills	80·00N	100	*Nil*	*Nil*	5 0	7 0	3	Y.
28,14,800	3,00,245	38,18,906	...	17,78,000	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Sutlej Cotton Mills	90·00N	10	4 0	5 0	6 0	6 0	3	Y.
15,00,000	48,80,185	99,02,153	79,83,780	80,60,553	Birla Brothers Private, Ltd.	36,212	1,244		11·50N	100	0 8	0 12	0 12			
17,50,000D	2,80,00,000	4,54,40,847	1,70,63,160	1,09,029	Jaipuria Brothers	1,12,216	2,061	Swadeshi Cotton (Kanpur)	11·90N	10P.O.	0–14 2/5	1–2 2/5	1–2 2/5	1–2 2/5	12	Y.P.
7,49,800FQ									13·25cd	10	0 8	0 10	0 12			
1,00,00,000	80,14,788	2,80,55,317	1,27,16,775	2,63,771	Ernesto & Sons (Travancore), Ltd...	...	...	Travancore Rayons	15·30	10	0–11 1/5	0–14 2/5	0–14 2/5	...	12	Y.P.
12,98,670	9,50,000	17,49,881	12,41,558	62,837	Moolji Ramjee & Sons ...	18,000	...	Vasanta Mills	289.00	100	12 0	16 0	20 0	20 0	12	Y.P.
21,00,000	38,50,000	80,72,624	47,22,519	44,000	R. K. Chetty & Brothers ...	44,424	1,355	Vishnu Cotton	122.00	100	4 0	4 0	8 0	8 0	12	Y.
32,00,000	31,89,009	1,74,27,020	1,17,94,860	16,922	M.	47,240										

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (h) For six months ended 31st December 1958.

† The dividends are on the origina lshares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						BREWERIES AND DISTILLERIES								
19,92,000	25,43,500	1,12,48,027	57,89,029	1,23,240	Parry & Co., Ltd.!	Deccan Sugar & Abkhari ...	7.35	5	*Nil*	*Nil*	0	0 12	5	Y.P.
16,20,830	26,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna ...	Dyer Meakin Breweries ...	6.06	5	0 8	0 8	0 9	0 9	3	Y.
2549,950	$1 149,466	$1,757,923	$341,307	$59,449	Parry's Holdings Private Ltd.	East India Distilleries and Sugar ...	20.75	A. 16sh.	8h. 1 3/5	8h. 1 3/5	8h. 1 3/5	8h. 1 3/5	3	Y.P.
6,00,000	9/30,/00	15,96636	15,96,629	4,679	Vital Malt's Sq...(Chairman)	United Breweries	166.00	B. 51	Sh. 4	Sh. 5	Sh. 4	Sh. 4	3	Y.
						CEMENT								
51,27,660	13,05,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	12.80	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
4,70,976D	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd. ...	Assam Bengal Cement ...	6.25	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	85.00N	25	1 0	3 2	4 11	0 11 1/5‡	5,12	H.P.T
60,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	15.85	10	1 0*	0 12*	0 12*	1 0*	5	Y.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	26.15	10	2 0	0 16	1 2	0 10	3,9	H.P.T.
1,46,32,500	2,14,71,731	4,58,61,776	1,07,79,583	2,12,485	Birla Brothers Private Ltd...	Orient Paper	15.00	10	1 8	1 8	1 4	0 10‡	6,12	H.P.T.
1,25,49,070	67,32,768	1,55,90,914	96,51,993	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills								
30,00,000	6,50,000	95,33,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10.12	O. 10	0 12	0 12	1 4		3,9	H.P.T.
30,00 000'A.'	49,18 050	3,78,66,264	57,92,879	17,313	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	10.12	A. 10	0 12	0 12	1 4			H.P.
2,18,55,240							8.33	D. 10	Nil	Nil	5 01	0 8	6	Y.P.
66,00,000A.							33.37	A. 10	2 0*	1 8	2 0*	1 2*‡	3,9	H.P.
66,00,000B.	3,41,28,015	5,04,12,298	2,28,93,945	1,22,815	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	33.37	B. 10	2 0*	1 8	2 0*	1 2*‡		
4,87,1667.O.							4.00	P.O. 24	0 4	0 4	0 4	0 2*‡		
PRESSING														
5,60,000	3,20,572	12,912	11,912	20,234	Andrew Yule & Co.	Calcutta Hydraulic	90.00N	100	3 0	4 0	Nil	Nil	6	Y.
5,60,000	2,47,192	10,91,809	9,30,374	1,26,259	Andrew Yule & Co.	Central Hydraulic	125.00	100	4 0	5 0	5 0	5 0	4	Y.
PROPERTY AND LAND														
6,00,7800.	6,83,832	43,52,570	22,63,279	35,000	S. A. Bash, Esq., & others (Directors)	Humayun Properties	18·50N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D.							2·75N	D. 1	0 4/5	Nil	0 9 3/5			
80,00,000	14,00,051	83,91,859	15,91,800	....	M.	Port Canning Land	4·25	100	1 8	4 0	3 0	Nil	4	Y.
94,00 000	36,70,109	98,08,154	95,898	—11,43,555	Andrew Yule & Co.	Midnapore Zamindary	21.00	100	1 8	4 0	3 0	Nil	4	Y.P.
SAW MILLS AND TIMBER														
						Assam Saw Mills	3·00	5	Nil	Nil	Nil	Nil	9	Y.
13,99,998	22,83,439	32,33,742	11,96,031	....	Bird & Co. (Private) Ltd.		533·00	Ord125	15 0	20 0	27 5	40 10 0	5	Y.S
60,00,000	4,18,54,383	3,93,84,871	1,71,93,141	89,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	200·00	New50	6 0	8 0	15 0	16 0		
45,00,000							25·00N	100	Nil	Nil			6	Y.P.
6,00,000	....	7,38,569	7,36,267	—4,69,967	Jardine Henderson Ltd.	Bengal Timber Trading	38·75	10	2 8	2 12	3 0	11 01	9	Y.
99,00,000	21,15 487	19,00,295	14,35,566	3,76-619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products								
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,871	Begg, Sutherland & Co. Private Ltd.	Balrampur Sugar	6·50	5	Nil	0 12	0 1	Nil	6	Y
15,00,000A.	29,80,250	55,40,831	36,32,435	12,12,900	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	180·00N	A. 100	10 0	10 0	10 0	10 0	4	Y.S
3,00,000B.							14·00N	B. 10	1 0	1 0	1 0	1 0		
19,49,050	8,25,000	33,76,107	25,31,569	78,488	Bagpur Bros., Ltd.	Belsund Sugar	10.62	7½	0 12	0 12	1 0	1 0	9	Y.
19,00,000	13,51,513	18,12,183	12,47,841	2,330	Cotton Agents Private Ltd.	Bharat Sugar	16·25N	10	1 8	1 8	1 8	1 8	6	Y.P.
32,00,000	27,44,459	1,40,84,581	95,71,755	20,716	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7·25	10	1 0	0 12	0 4	Nil	6	Y.P.
30,00,000	65,68,732	1,63,37,998	86,37,332	91,991	Begg, Sutherland & Co. Private Ltd.	Champarnn Sugar	14·62	10	2 0	0 12	0 12	0 12	10	Y.P.
12,00,000	89,72,250	81,56,085	46,46,344	29,508	Begg, Sutherland & Co. Private Ltd.	Deoria Sugar	17·00	10	1 0	1 0	1 8	1 0	6	Y.P.
5,99,458	6,18,562	24,58,880	19,33,747	48,204	Karamchand Thapar & Bros.		17·00N	10	1 0	1 0			6	Y.
60,00,000A.	44,95,008	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	275·00	A. 100	15 0*	15 0*	15 0*	15 0		
10,00,000C.							100·00	O. 100	15 0*	15 0*	15 0*	15 0	6	Y.P.
							65·00	10	Nil	Nil	4 8			
12 00,000	8,61,001	75,31,309	43,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	46·25	40	Nil	Nil	2 4		7	Y.P.
					Cotton Agents Private Ltd.	New India Sugar Mills	28·00N	10	2 8	2 8	2 8	2 8	6	Y.P.T
7,89,100	22,35,852	44,49,878	22,31,723	3,730	K. C. Thapar & Bros. Private Ltd.	New Savan	5·75	10	0 8	0 4	0 4	0 4	6	Y.
11,00,000	4,45,000	46,39,636	27,41,293	10,706			225·00N	100	20 0	20 0	20 0	20 0		
12,35,000						New Swadeshi Sugar Mill ..	60.00	25	5 0	5 0	5 0	5 0	5	Y.
81,375	48,01,854	71,25,062	24,33,984	9,769	Cotton Agents Private Ltd.		60.00	100	11 0	11 0	11 0	11 0	7	Y.P.
77,45,250	55,05,699	2,04,73,468	1,05,50,000	20,562	Cuoh Sugar	Cotton Agents Private Ltd.	100.00	100	10 0	10 0	6 0		10	Y.
12,00,000	12,89,374	21,95,494	21,49,459	24,962	Narang Bros. & Co. Private Ltd.	Punjab Sugar	16.50	10	1 0	0 12	0 12	0 12	10	Y.P.
9,00,000	19,54,317	43,99,385	21,54,233	20,705	Begg, Sutherland & Co. Private Ltd.	Pratabpore Co.	20.00	10	0 8	0 8	Nil	1 12	6	Y.P.
5,00,000	6,10,793	28,74,028	22,66,796	13,204	M.	Ryam Sugar	11.25	10	1 0	0 8	Nil	Nil	6	Y.
11,99,000	19,36,520	45,20,102	24,15,139	3,554	Begg, Sutherland & Co. Private Ltd.	Samastipur Central Sugar ..	10.25	10	1 8	1 8	1 12	1 0	8	Y.P.
99,70,525	22,66,560	1,40,84,561	99,35,007	16,581	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar								
9,99,950		28,220	28,220,774	13,51,847	—4,35,477	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4.75	10	Nil	Nil	Nil	Nil	6	Y.
						Shri Sitaram Sugar	15.06	10	2 0*	1 8*			6	Y.
7,95,462	18,83,940	31,60,785	17,63,963	1,06,327	Karamchand Thapar & Bros. ..		1·00N	O. 10	Nil	Nil	Nil	Nil		
9,15,0000						South Behar Sugar	0·25N	D. 2½	Nil	Nil			10	Y.P.T.
4,40,000D.	46,462	29,66,860	11,46,770	—16,27,907	M.	Upper Ganges Sugar	70·00N	10	2 8	2 8	2 8	3 0	6	Y.P.
5,00,000	29,24,348	1,15,70,815	68,08,754	32,329	Cotton Agents Private Ltd.	United Provinces Sugar	13.50	10	0 8	1 4	1 8		9	Y.
16,00,000	7,66,589	32,69,951	26,66,926	28,564	M.									
Other Centres														
80,00,000	8,00,000	48,07,304	14,63,328	1,80,837	Rangarao & Co.	Andhra Sugars Ltd.	18.75	10	Nil	Nil	0 9 3/5	1 0	9	Y.
76,49,850	95,62,087	1,48,40,324	1,06,91,570	92,911	W. H. Brady & Co., Ltd. ..	Bihar Sugar Company	222.00	50	16 0	16 0	16 0	16 0Z	9	Y.
17,50,000	8,86,885	25,86,598	22,70,509	3,42,039	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	18.25	10	0 10	1 0	1 0	1 0	9	Y.
15,00,000	3,45,788	34,36,998	23,39,184	32,344	A. H. Bhiwandiwalla & Co. ..	Shree Chamdeo Sugar	25.00	12 8	Nil	Nil	1 0	2 0	6	Y.
15,98,900	2,45,785	40,16,887	21,85,892	—1,596	Sir J. P. Srivastava & Sons (M.D.) Ltd.	Unalur Sugar	70.00xd	100	Nil	Nil	Nil	Nil	6	Y.
55,94,920	14,89,827	33,70,627	19,25,046	6,76,986	India Sugar Agencies Private Ltd.	Indla Sugar and Refineries ..	16.50cd	10	1 0	1 0	1 0		6	Y.
20,62,555	12,12,783	40,34,173	11,11,508	32,569	R. S. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	13.75	10	1 0	1 0	1 0	0 9-8/5	6	Y.
23,57,650	45 51,080	43,51,337	21,95,337	13,645	Govan Bros. (Rampur), Ltd.	Kesar Sugar	14.50N	10	1 8	1 8	1 8	1 8	10	Y.
10,52,2000.	79,50,000	1,79,08,447	85,20,265	26,868	V. Ramakrishna, Sons (Private) Ltd...	Mysore Sugar	135.00	O.100	7 8	7 8	7 8	7 8	6	Y.P.
2,57,100D.						Private Sugar	146.00	D. 10	10 0	10 0	10 0	10 0		
21,79,280	86,24,818	1,29,89,143	88,31,728	2,68,107	S. Muniasajappa, Esq. (Mg. Director)	Ramnagar Sugar	133.50	50	6 0	8 0	8 0	8 0	6	Y.
50,00,000	53,00,540	1,09,70,631	63,38,454	93,981	Kaslial, Jain and Kaslial Ltd. ..	Bamnugger, Cane and Sugar ..	25.00	10	2 0	1 8	2 0	1 8	6	Y.
16,50,000	35,00,580	56,11,940	39,77,351	39,249	Anderson Wright Ltd.		1325·00N	O. 50	2 0	2 0	2 0	2 0		
80,00,00000.						Ravalgaon Sugar Farm ..	7·00N	D. 10	Nil	Nil	0 11 1/5	7%	9	
4,00,000D.	35 02,895	95,61,317	56,00,976	67,511	Walchand & Co. Private Ltd. ..		15.50N	10	1 0	0 12	1 0			
19,99,500	47,65,284	46,85,313	23,94,524	44,168	Govan Bros. (Rampur), Ltd. ..	Travancore Sugars	10·50	10	Nil	Nil	0 12	1 0	10	
20,00,000	9,10,000	59,87,262	22,10,844	45,098	Farry Co., Ltd.	Walchandnagar Industries ..	248.00	100	14 0	16 0	18 0	21 0	7	
1,01,00,000	1,08,46,263	2,28,80,653	99,17,710	1,75,780	Walchand & Co. Private Ltd. ..								9	
TRANSPORT														
20,00,000	,00,69,622	1,34 00,703	15,54,557	55,326	Andrew Yule & Co.	Bengal-Assam Steamship Co ..	180.00	100	10 0	7 8	7 4		10	
1,00,00,000	15,57,019	4,41,65,864	1,55,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	80.00N	100	5 0	5 0	5 0		15	
60,00,000	81,80,611	3,31,00,904	59,55,703	58,315	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	19.10	10	1 0	1 0	Nil	Nil 0	6	
					Kilburn & Co., Private Ltd. ..	India General Navigation & Rly. Co.	66.00	410	Nil	Nil	Nil	Nil	6	
6656,580	51,066,198	55,614,160	52,397,581	632,063	Lloyds' Register of Shipping ..	India Steamship Co.	10.05	10	0 8	Nil	Sh. 10	Sh. 10		
2,25,00,000	80,00,785	9,64,47,544	2,22,99,149	25,999	Lloyds' Register of Shipping ..	Scindia Steam Navigation Co ..	18.00	20	0 12	0 8	0 8	1 0	6	
9,39,98,060	9,00,12,101	23,94,99,394	4,85,46,308	5,62,020	M.		2.15	O. 1	as. 1 3/25	1 2/8	as 2 6/25	as 2 6/25		
4,40,80000.	1,19,68 266	11,55,483	(7,29,9667)	1,34,493	R. R. Aiyar, Esq., (Manager) ..	Walford Transport Ltd.	1.75	P.O. 1	as. 10/25	1 10/25	as. 12/25		12	
10,200F.O.														
UNCLASSIFIED (Bombay)§														
2,40,000	71,000	5,68,321	4,22,842	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530·00	200	32 0	32 0	32 0	30 0	9	
15,00,000	2,04,172	2,26,474	90,000	1,99,551	M.	Bombay-Uganda	60·00N	80	5 0	4 8	Nil		12	
1,00,00,000	1,00,000	23,57,814		1,99,551	M.	Devkaran Nanji Investment Co.	11·50	25	0 12	0 12	0 12	0 12	3	
5,57,00,000	1,03,93,754	4,55,59,017	1,03,65,568	94,16,788	A. J. C. Hoskyns-Abrahall (Chairman)	Hindustan Lever	19·55	10	....	....	....	0 13	12	
36,17,900	18,88,886	86,99,283	59,94,587	38,602	Birla Brothers Private Ltd.	Hind Cycles	136.00	100	8 0	10 0	10 0	1 4	12	
14,88,440	3,89,215	20,22,500	17,76,000	4,110	Dhanrajl Nanjlal Ltd.	Estrels Batteries	87.75	50	Nil	3 0	3 0		12	
99,99,250	20,12,980	1,22,60,062		3,28,875	Premchand Roychand & Sons ..	Industrial Investment Trust ..	70 00xd	100	4 8	4 8	4 8	5 0	12	
99,99,975	35,08,351	35,47,826	3,04,321	4,589	K. G. Milne, Esq. (Mg. Director)	Kirloskar Industries	156.00xd	100	10 0	11 0	11 0	11 0	6	
3,30,13,775 A.O.	1,39,14,265	3 00,59,581	1,49,85,532	6,00,448	Asso-Asia Private Ltd.	Premier Automobiles	86.50	100	Nil	Nil	Nil	11 0	6	
19,21,300	5,05,419	8,09,102	5,79,614	7,256	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	28.00	20	Nf 0	2 0	2 0	2 0	12	
2,75,00,000	1,35,45,829	3,14,84,161	1,59,08,376	5,02,288	Mr. A. Hydari & Mr. S. Goldberg	Western India Match Co., Ltd.	156.50	100	11 0*	11 0*	11 0*	11 0*	12	
44,00,000	62,52,390	7,44,904	5,09,715	60,077	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350·00	150	20 0	20 0	20 0	22 8	12	
Other Centres														
47,50,000	1,94,82,556	3,73,51,606	72,16,809	1,16,199	J.K. (Industries) Private Ltd. ..	Aluminium Corporation of India Ltd.	8.87	O. 10	Nil	Nil	Nil	0 8		
2,50,000							2.50N	D. 25				Nil	3	
40,00,000	28,25,000	56,26,245	21,56,809	64,587	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd. ..	18.25	10	1 4	1 4	1 4*	1 4*	3	
30,00,000	36,18,873	84,21,252	22,94,883	2,35,874	Turner Morrison & Co., Private Ltd.	Angelo Bros., Ltd.	17.75	10	1 4	1 4	1 4*	2 0*	3	
30,00,000	15,70,000	39,82,721	21,20,441	1,72,873	Mr. A. Hydari & Mr. S. Goldberg	Assam Match Co., Ltd.	17.00	10	1 4*	1 4*	1 4*	1 4*	12	
10,00,000	22,47,883	1,05,58,021	94,57,859	2,40,000	Oriental Hotels (India) Private Ltd.	Associated Hotels of India ..	7·50N	10	0 3 1/5		0 6 3/5	1 3-1/5	12	
30,01,400	1,16,63,000	67,47,111	33,97,111	5,59,139	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	145.75	100	20 0*	12 0‡	12 8		3	
15,00,000	9,10,000	31,37,448	24,05,448	76,838	Balmer Lawrie & Co., Ltd.	Bengal Fiour Mills Co., Ltd. ..	25.12	10	1 8	1 8	1 8	1 8	6,12	
99,00,000	8,05,715	62,23,500		37,612	Lavalekar & Lewis	Birds Investment Ltd.	13.87	10	1 8	1 8	1 4	1 21	6	
45,97,050	80,11,814	1,10,56,424	33,87,339	1,79,277	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	18.50	10	0 8	1 0	1 0	1 0	3	
2,55,00,000	1,16,11,926	2,62,08,905	2,22,14,167	—27,95,584	Sir Robert Menzies	British India Corporation Ltd.	6.25	5	0 8	1 0	Nil		12	
1,50,00,000	17,34,364	2,03,27,525‡‡		19,76,063	Andrew Yule & Co. Ltd.	Clive Row Investment	10.00	10	0 4 1/5		Nil		12	
1,00,00,000	3,40,86,174	5,55,01,696	2,48,71,167	19,24,595	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	10.00	10	1 8	1 8	1 8	1 8	12	
51,26,000	54,10,811	1,72,17,867‡‡	....	2,37,916	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	10.00	100	9 0	9 0	9 0	9 0	12	
14,00,000	10,02,000	33,51,772	18,89,772	27,194	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	107·50	100	20 0	15 0	15 0		3	
65,00,000	58,17,300	19,78,012	9,15,963	89,541	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11·00	10	7 8	7 8	1 6 3/5	1 9 3/5	3	
50,00,000	14,67,554	81,39,680	32,63,923	7,488	B. F. E. Bradlee	Great Eastern Hotel	226·00N	250	15 0	6 4	8 4	16 0	3	
4,86,65,700		3,94,18,422	1,31,25,541	6,16,063	Birla Brothers Private Ltd. ..	Hindustan Motors	6.70	10	Nil	Nil	Nil	Nil	6	
2,01,10,000	56,56,543	4,50,45,265	1,96,84,142	7,97,410	E. S. Greenwood (Mg. Director)	Hindustan Shipbuilding Co. Ltd.	12.94	10	Nil	Nil	0 0	1 0	12	
1,66,29,250	1,37,00,000	1,99,58,281	71,56,911	34,26,414	M. J. Woodley, Esq. (Mg. Director)	Indian Cables	22.87	10	1 0*	1 0*	1 4*	1 8*	3	
5,37,970	6,03,000	10,74,908	9,56,866	69,728	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	26.25	10	0 12	0 8	0 8	0 10	12	
15,16,00,000	7,89,03,692	4,16,59,461	1,62,32,877	24,94,274	Mr. G. H. J. Clarke (Chairman	Imperial Tobacco Co. of India Ltd.	14.12	10	....	0 9 2/5	0 12 4/5	0 12 4/5	3	
5,80,00,000	7,22,03,...	97,46,256	11,08,843	5,11,563	G. M. Mackinlay, Esq.	Jardine Henderson	75.00	100	7 ..	7 8	7 8	7 8	3	
48,00,00000.							210.00	O.100	10 0	17 0	2 8‡			
5,00,200D.	80,96,000	84,18,022	8,78,870	2,57,284	A. T. Dalg, Esq. (Mg. Director)	McLeod & Co.		D.O.10	9 8	1 3 1/5	1 12		12	
1 45,00,500	51,82,706	84,06,293	19,84,790	2,70,307	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22.50	10	1 0	1 0	1 12	2 2*	9	
1,15,00,000	55,50,000	1,83,87,197	79,00,577	16,94,249	H. Chlawell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	27.75	10	1 0	1 0	1 4	1 10	3	
6,15,135	1,55,250	7,33,566	2,50,987	—2,38,681	Shankar Das P. Ogale, Esq. ..	Mysore Glass and Enamel Works	15·50	10	Nil	Nil	Nil		12	
6,66,250	9,18,996	11,18,541	5,61,025	440	Mr. J. W. Cotton (Controller) ..	Mysore Lamp Works	14·00	10	1 0	1 0	0 12	0 14 2/5	3	
10,00,000	2,18,500	15,54,000	9,41,437	44,518	M. H. Parthasarathy Esq. (Chairman)	Mysore Tobacco	28.62	10	1 8	1 8	1 8	1 8	12	
2,00,00,000	78 15,505	1,50,98,462	50,60,695	21,19,752	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.			3 0	4 0	3 4	1 8		
48,00,000	74,71,178	68,80,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd. ..	National Insulated Cable Co. ..	19.25	10	1 0	1 0	1 0*	2 0*	3	
						National Rolling & Steel Ropes	9.37	10	0 8	0 8	0 8	0 8	6	
45,00,000	15,00,000	98,19,895	21,17,403	75,726	Do	National Tobacco Co.	9.37	10	Nil	0 8	0 9½	0 9½	6	
79,87,000	....	1,17,52,787	37,19,568	8,98,182	B. N. Elliss & Co., Ltd.	Rallis (India) Ltd.	34.25	100	Nil	0 8	0 12 4/5		12	
2,25,00,000	8,71,248	1,46,29,415	44,22,274	—44,12,285	M. P. A. Paspatti, Esq.	Rohtas Industries	17.37	10	Nil	Nil	Nil	Nil	12	
1,73,24,400	1,31,20,208	7,56,34,689	2,47,94,970	4,91,624	Sahu Jain Ltd.	Spencer & Co., Ltd.	16.66cd	10	1 4	1 8	1 8		12	
40,00,000	57,06,555	1,21,07,804	78,09,227	6,82,212	C. W. Stevenson, Esq.	Shaw Wallace & Co., Ltd. ..	11.25	10	1 0	1 8	1 8	1 8	6	
75,00,000	54,12,560	17,49,5163	5,52,885	2,05,280	S. C. Smith, Esq. (Mg. Director)	Travancore Ogale Glass	3·80	10	Nil	Nil	Nil	Nil	12	
9,98,380	....	14,51,909	4,53,782	—47,988	Ogale Bros. (Private) Ltd.									

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

Σ—In the case of Behar Sugar Co., the proportionate dividend on new bonus shares amount to Rs. 3/8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,48,700	8,70,619	11,34,864	5,38,169	....	McLeod & Co., Ltd.	825	Amluckie	27.00	10	25 0	72 0	19 0		13	Y.P.
2,50,000	3,43,250	10,59,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea ..	36.00	10	1 4	7 81			13	Y.
3,80,000	8,93,250	11,21,676	2,83,926	80,826	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	23.00	10	2 8	3 0*	1 0		13	Y.
5,10,000	11,21,541	17,56,455	7,08,437	98,051	McLeod & Co., Ltd.	513	Bachimari	20.50	10	Nil	3 8	1 0		13	Y.
2,80,600	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd. ..	378	Basmatia	31.12	10	2 8	3 0	1 0		13	Y.
4,65,000	9,40,000	11,93,776	4,53,034	60,860	Duncan Bros. & Co. Private Ltd.	570	Bateli	27.00	5	2 0	4 0	2 8		13	Y.
3,20,000	9,40,000	11,68,776	7,13,759	50,398	National Tea Corporation ..	612	Beltola	25.50	10	2 0	4 0	2 8		13	Y.
16,80,000	28,00,000	10,37,063	3,08,225	96,156	Gillanders Arbuthnot & Co., Ltd.	4,002	Bishnauth	18.50	10	2 8	3 0	1 0		13	Y.
6,00,000	2,50,000	10,97,919	3,26,083	29,686	Octavius Steel & Co., Ltd. ..	485	Bokakhat	16.25

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING ; PRODUCE AND RUBBER									
5,00,000	1,50,000	3,92,880	31,236	28,236	Planting Agencies Ltd.	Baimadies Plantations	3·40	2	0 4	0 4	0 4 4/5	0 8 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	7 50	5	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	24,00,000	36,13,155	7,13,068	1,87,191	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	24 00	10	0 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,880	25,18,685	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	22·20	10	1 8 4	1 12	2 4	2 0	6	Y.P.
4,00,000	6,47,666	7,58,759	40,878	1,009	Associated Planters Ltd.	Cottanad Plantations	17 25	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	14 00cd	10	1 4	2 8	2 0	0 10‡	12	Y.P.
4,00,000	10,92,899	18,33,825	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24 00	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	28·75	10	1 8	2 4	2 4	3 4	3	Y.P.
27,00,000	29,11,022	77,71,161	5,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	16 40	10	1 8	1 12*	2 8	2 0	3	Y.P.T.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nennemy Rubber	20·25cd	10	0 12	1 8	1 8	....	12	Y.P.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	16·50	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	21,29,615	43,87,395	14,23,068	*Nil*	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4·72	5	0 3½	0 9 3/5	0 6 2/5	0 8 1/5	10	Y.P.
13,50,000	9,90,000	42,16,515	5,42,127	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	17 50	10	1 12*	1 12*	2 0	2 8	6	Y.P.
5,66,780	3,50,000	7,77,412	78,478	71,342	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	19·25	10	0 8	1 0	1 0	1 8	11	Y.P.T.
10,00,000	3,99,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	8·06	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	12	Y.P.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	27 00cd	10	3 0	3 0	3 0	....	12	Y.P.
9,15,300	4,00,000	20,99,924	96,217	27,055	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1·73	1	0 4‡	0 10 3/5	0 2	0 2	12	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Rajen Thomas, Esq. (Mg. Director)	Travancore Rubbers	16 00	10	2 0	2 0	3 0	....	12	Y.
41,00,000	13,61,221	31,07,222	12,64,246	3,46,523	Aspinwall & Co. (Travancore)Ltd.	Travancore Rubber & Tea Co., Ltd.	8 85cd	10	1 0	1 8	1 4	0 12	12	Y.P.
20,00,000	....	27,70,782	6,45,980	27,927	P. F. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	30·25cd	25	1 0	1 8	1 8	....	12	Y.
6,25,580	5,49,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	29·40	10	2 0	2 4	2 8	1 8‡	12	Y.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9·50	10	1 0	1 8	2 0	1 4	3	Y.P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,844	56,37,664	29,690	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	7·87	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6,00,000	10,25,000	53,46,050	37,72,102	2,45,707	McLeod & Co., Ltd.	446	Alexandra	68 00	100	2 8	2 8	10 0	5 0‡	6,12	H.P.
30,00,000	5,25,000	1,17,61,327	94,41,069	34,402	McLeod & Co., Ltd.	1,262	Alliance	138 00	100	12 8	7 8	8 8	8 8	3,9	H.P.
49,20,750	69,00,000	2,90,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Private Ltd.	2,561	Anglo-India	78 00	100	4 0	8 0	10 0	1 0‡	3,9	H.P.T.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co. Private Ltd.	810	Auckland	147 00	100	4 0	*Nil*	8 8	*Nil*	3,9	H.
20,00,000	23,30,918	96,91,416	65,65,094	65,302	Jardine Henderson & Co.	959	Bally	87 00	£5	0 sh. 15	sh. 15	*Nil*	3	3,9	Y.P.
£275,000	£667,405	£1,477,480	£987,176	....	Sir John B. Barder (Chairman) ..	1,889	Barnagore	92 00	100	15 0	10 0	7 8	*Nil*	6,12	H.P.
28,00,000	28,00,623	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd.	820	Belvedere	14 37	10	1 4	1 2	1 2	....	3	Y.P.T.
45,00,000	38,45,000	57,03,172	21,28,574	2,66,100	Soorajmull Nagarmull	600	Bengal	13 50	10	1 0	1 0	1 0	1 0	6	Y.P.
91,26,000	3,17,45,383	3,34,10,403	1,45,32,651	4,37,395	Birla Brothers Private Ltd. ..	1,373	Birla	90 00	100	10 0	0 0	7 0	*Nil*	3	Y.P.
36,00,000	21,81,426	1,17,90,047	77,96,930	1,336	Andrew Yule & Co., Ltd.	991	Budge-Budge	8 50	10	*Nil*	0 12	*Nil*	*Nil*	4,10	H.P.
7,47,380	5,09,640	42,13,704	31,62,583	—8,31,470	Dayaram & Sons	616	Caledonian	102 00	100	12 0	9 0	6 8	*Nil* ‡	6,12	H.P.
18,00,000	26,46,234	57,85,841	43,24,068	1,322	Andrew Yule & Co., Ltd.	600	Champdany	112 00	100	6 0	8 0	10 0	2 0‡	3,9	H.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd.	2,550	Cheviot	126 00	100	12 0	14 0	10 0	*Nil* ‡	5,11	H.P.
15,95,000	19,83,082	82,12,211	57,10,175	1,337	Andrew Yule & Co., Ltd.	500	Chitavalsah	12 00	10	1 12	1 2	1 6	0 10‡	6,12	H.P.T.
30,15,000	32,00,000	66,68,702	45,43,666	1,01,027	McLeod & Co., Ltd.	969	Clive	13 75	10	*Nil*	*Nil*	1 4‡	0 8	3	Y.P.
24,00,000	9 00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	766	Dalhousie	78 00	100	4 0	2 8	4 0	*Nil*	3,9	H.P.T.
31,49 200	46,65,252	1,17,35,454	48,04,776	—2,32,345	Bird & Co. Private Ltd.	779	Delta	123 50	100	20 0	12 0	10 0	*Nil*	5,11	H.P.
28,00,000	40,71,979	76,87,478	47,30,110	2,564	Andrew Yule & Co., Ltd.	500	Empire	14 25	10	1 0	1 4	1 4	0 8‡	6,12	H.T.P.
15,00,000	34,50,000	83,93,104	60,85,560	76,491	McLeod & Co., Ltd.	1,884	Fort Gloster	290 00 N	100	*Nil*	5 0	15 0	7 0‡	6,12	H.P.
21,00,000	60,60,960	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,014	Fort William	16·25	10	5 0	20 0	20 0	0 12‡	3,9	H.T.P.
21,00,000	13,60,000	97,88,074	54,58,692	1,34,822	Bangur Bros., Ltd.	1,709	Ganges Mfg.	47 00	100	*Nil*	0 0	2 8	*Nil* ‡	3,9	H.P.
54,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	Macneill & Barry Ltd.	607	Gondalpara	700·00	800	15 0	*Nil*			12	H.P.
24,00,000	26,00,000	71,52,963	48,48,698	25,195	Gillanders Arbuthnot & Co., Ltd.	1,394	Gouripore	231 00	100	8 12	10 0	15 0	2 8‡	3,9	H.P.
24,00,000	29,32,827	2,19,00,513	1,61,25,422	2,40,348	Macneill & Barry Ltd.	1,078	Hastings	109·00 N	100	10 0	10 0	11 0	5 0	3	Y.P.
40,00,000	64 68,233	1,14,86,848	56,78,180	—2,13,719	Bajnath Bajoria	720	Hoogbly	15 10	10	1 4	0 8	1 4	*Nil*	3	H.
16,80,000	16,81,969	66,47,781	47,70,916	—2,95,258	Jardine Henderson Ltd.	1,940	Howrah	14 06	10	1 8	1 4	0 14	0 4‡	3,9	H.P.T.
65,62,500	49,64,373	1,82,66,488	1,10,52,703	57,034	Ramdutt Ramkissendas	2,272	Hukumchand	20·00	74	2 0	2 0	1 0	2 0	3	Y.P.T.
52,50,000	27,85,153	2,86,51,559	1,56,51,559	1,18,935	....	1,076	India	127·00 O.	125	6 4	8 2	4 11	4 11‡	3,9	H.
87,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.			D.	1	0 4/5	0 2/5	0 3/5	3% ‡		
30,000								90·00	100	9 0	8 0	8 8	*Nil* ‡	3,9	H.
24,00,000	18,75,346	1,85,39,772	1,15,01,308	....	Jardine Henderson Ltd.	1,797	Kamarhatty	85 00	'B' 100	9 0	8 0	8 8	*Nil* ‡	6,12	H.P.
19,20,000'B'								60·00	100	7 8	6 8	1 0			
80,00,000	9,81,472	1,74,14,302	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankanarrah	55 00	'B' 100	7 8	6 8	1 0	*Nil*	6,12	H.P.
24,00,000'B'								170·00	100	15 0	20 0	17 8	5 0‡	6,12	H.P.
21,00,000	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd.	708	Kelvin	117·00	100	17 8	12 0	11 8	5 0‡	3,9	H.P.
84,00,000	22,83,375	1,72,56,983	1,16,90,127	41,637	Bird & Co. Private Ltd.	1,530	Kharagh	135 00	100	9 0	7 0	13 0	6 0‡	3,9	H.P.T.
48,00,000	1,08,90,860	2,44,97,944	1,11,66,122	—2,12,719	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	99·00	100	7 0	2 0	7 0	*Nil* ‡	3,9	H.
24,48,000	39,51,804	1,11,82,545	47,99,245	—2,13,719	Bird & Co. Private Ltd.	931	Lansdowne	90·00	100	7 0	2 0	7 0	*Nil* ‡	3,9	H.
48,00,000	55,75,192	1,16,29,880	64,57,897	3,797	Bird & Co. Private Ltd.	840	Lawrence	85·00	100	6 0	6 0	6 0	*Nil* ‡	3,9	H.
61,65,200	26,36,045	2,54,13,549	1,39,97,909	1,64,942	M.	1,283	Megna	77·00	100	5 0	2 8	3 12	3 12‡	3,9	H.
29,98,800	33,40,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. Private Ltd.	815	Naihati	55·00	100	*Nil*	*Nil*	*Nil*	*Nil* ‡	3,9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	13·75	10	0 5	1 2	0 10‡		4,10	H.P.
30,00,000	41,54,326	80,28,401	9,32,814	1,929	Andrew Yule & Co., Ltd.	852	National	19·70	10	2 0	2 0	1 12	0 6	4,10	H.P.
25,25,000	27,00,000	28,31,475	20,72,256	1,29,411	McLeod & Co., Ltd.	816	Nellimarla Jute	10·75	10	1 12	1 8	1 0	0 8‡	6,12	H.P.T.
85,50,000	2,71,44,342	4,29,15,627	90,25,548	1,18,80,847	Saha Jain Ltd.	1,765	New Central†	11·25	10	2 0	17 0	1 8	0 12‡	12	Y.P.
15,79,850	49,70,164	1,18,80,847	51,48,018	70,116	Bird & Co. Private Ltd.	567	Northbrook	20·31	10	1 8	1 4	1 8	1 8‡	3,9	H.P.T.
66,79,500	22,24,961	2 18 55,164	1,30,46,311	17,000	Macneill & Barry Ltd.	1,092	Nuddea	32·75	50	0 8	0 8	1 0	*Nil* ‡	3,9	H.
24,98,250	28,73,799	79,07,658	50,86,690	847	Andrew Yule & Co., Ltd.	601	Ludlow	85·00	100	13 0	10 0	10 0	1 0‡	5,11	H.P.
18,00,000	2,29,490	80,56,487	45,22,166	51,505	McLeod & Co., Ltd.	400	Presidency	3·62	5	0 3	0 3	....		3,9	H.P.
20,00,000	2 49,781	26,97,878	8,39,130	—9,18,218	Birla Brothers Private Ltd. ..	305	Rameshwara	5·06	10	*Nil*	*Nil*	*Nil*	*Nil* ‡	3	H.P.
49,50 000	5,83,465	1,23,88,939	59,15,996	—11,74,241	Jardine Henderson Ltd.	1,276	Reliance	6·94	10	0 4	*Nil*	*Nil*	*Nil* ‡	3,9	H.P.T.
6,60,000	61,093,713	41,249,244	458,994	Thomas Duff & Co. (India) Ltd. ..	2,018	Samnuggur	9·25	41	10%	10%	8% 21		12	Y.P.
2,50,000	13,14 910	1,15,80,877	76,96,148	7,972	Bagaria More & Co., Ltd.	911	Shree Ambica	14·00	10	0 8	1 0	0 8		3,9	H.
14,00,000	11,25,000	56,11,794	38,79,248	2,156	Hindustan Investment Corporation	401	Soorah	14·00	10	0 8	1 0	1 0	0 2	3,9	Y.P.T.
33,19,600	48,72,193	1,97,38,546	53,23,439	—4,87,127	Bird & Co. Private Ltd.	650	Standard	56·50	100	2 0	2 0	1 0	*Nil*	3,9	H.P.T.
£600,000	£925,119	£1,137,660	....	£88,548	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	9·28	41	10%	10%	8% 21		12	Y.P.
25,93 600	28,06,722	2,00,00,808	84,23,988	18,334	Bird & Co. Private Ltd.	1,326	Union	14·00	10	0 8	0 8	10 0	1 0‡	3,9	H.P.T.
£400,000	£688,038	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	9·25	41	10%	10%	8% 21		12	Y.P.
2,50,000	6,35,000	56,01,062	40,73,991	11,327	McLeod & Co., Ltd.	457	Waverley	3·12	1	0 1	0 8	*Nil*	*Nil*	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	25,610	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	16·00	10	1 0	1 5	1 6	0 8‡	3,9	H.
12,00,000	8,77,542	37,37,034	24,90,182	45,299	Jardine Henderson Ltd.	Bararee Coke	16·25	10	1 6 2/5	1 7 1/5	0 9 3/5	3,9	H.	
4,49,350	1,05,000	9,25,011	5,64,876	4,078	Kalyanji Mavji & Co.	Bengal-Bhatdee	7·50 N	10	0 10	0 4	0 10	0 10‡	6,12	H.
1,40,00,000	1,40,00,000	5,91,92,614	3,95,77,326	7,81,288	Andrew Yule & Co., Ltd.	Bengal Coal	212·00	100	32 8*	30 0*	30 0*	....	6,12	H.P.
2,25,000	5,30,653	24,81,732	22,23,534	1,07,984	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14·00	10	*Nil*	*Nil*	*Nil*	....	4,12	Y.P.
15,97,000	4,73,158	41,59,255	22,98,365	—2,42,192	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	4·75	10	0 8	*Nil*	*Nil*	....	9	Y.
42,00,000	5,00,000	1,39,56,963	71,04,184	87,213	Jardine Henderson Ltd.	Bhowrah Collieries	5·94	10	0 12	0 10	0 10	....	6	Y.P.T.
7,15,000	15,11,080	52,62,588	37,38,500	—1,87,446	F. W. Heilgers & Co. Private Ltd.	Bhulanbarasee	13·00 N	10	*Nil*	*Nil*	*Nil*	....	6,12	H.T.
16,00,000	16,17,936	68,14,856	39,99,541	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	11·00 N	10					6,12	H.P.
7,50,000	84,29,245	1,03,95,963	86,51,408	64,557	F. W. Heilgers & Co. Private Ltd.	Borea	16 81	10	2 12	2 0	2 0	....	6,12	H.
90,92,480	1,79,05,988	4,22,86,647	1,90,16,824	36,186	Bird & Co. Private Ltd.	Burrakur	22 00	10	0 12	0 9	0 10	0 8‡	6,12	H.P.T.
49,97 750	....	42,38,480	7,80,000	9,927	Hindustan Investment Corpn., Ltd.	Central India	5·91	10	0 4	0 4	0 4	0 8	3	Y.
8,00,000	13,30,590	49,11,527	33,03,000	69,000	M.	Central Kurkend	11·00 N	10	0 12	0 8			12	H.
6,00,000	1,43,676	7,28 438(k)	2,129	F. W. Heilgers & Co. Private Ltd.	Churia	1·87	4	0 2	0 2	0 1‡		6,12	H.	
16,00,000	....	52,81,704	29,81,276	—1,22,218	Macneill & Barry Ltd.	Dhemo Main	5·62	10	*Nil*	*Nil*	*Nil*	....	6,12	H.T.
£240,000	£290,558	£971,595	£731,579	£58,922	Jardine Henderson Ltd.	East Indian	24 00	£1	2 8	2 8	2 0	2 8	4	Y.
89,68,760	53,55,049	4,04,51,877	2,89,25,665	32 279	Macneill & Barry Ltd.	Equitable	23·40	10	1 8	1 8	1 8	....	6,12	H.P.T.
10,00,000	1,40,999	13,81,144	4,28,557	23,253	Bhatter's Arcsey Ltd.	Ghusick and Mualia	13·50 N	10	0 8	0 8	0 4		3	Y.
13,00,000	1,22,000	41,35,347	23,45,448	1,744	Kettlewell Bullen & Co., Ltd. ..	Hingir-Rampur	30·75	10	2 0	*Nil*	2 8	2 4	6	Y.P.
8,00,000	7,25,000	22,07,121	12,89,241	45,985	Macneill & Barry Ltd.	Hurriladih	21·00	10	1 6	1 12	2 8	....	6,12	H.
12,00,000	1,12,060	24,74,412	6,18,546	—6,57,293	Rajpale Trust Ltd.	Jogta Coal	1·50	10	*Nil*	*Nil*	*Nil*	....	12	Y.P.
8,50,000	5,45,579	18,54,857	7,23,684	....	Andrew Yule & Co., Ltd.	Kajora	20·00	10	2 12	*Nil*	*Nil*	....	2,8	H.
20,00,000	1,77,175	28,89,588	4,65,140	6,965	Bird & Co. Private Ltd.	Karanpura Collieries	88·50	100	*Nil*	2 8	5 0	2 8	3	Y.P.
5,00,000	16,60,000	46,77,583	26,47,985	1,83,474	Andrew Yule & Co., Ltd.	Katras Jheriah	55·00	10	4 0	4 0	5 8		1,7	H.
1,58,400	2,51,960	12,85,941	5 72,966	—2,80,236	Barlowia & Co.	Khas Kajora	2·50 N	10	*Nil*	*Nil*			6,12	H.P.
11,00,240	64,314	16,80,329	10,68,899	10,611	H. V. Low & Co. (Private) Ltd. ..	Kurdi	2·50 N	10	*Nil*	*Nil*	0 2		3	Y.
9,00,000	11'11,026	28,38,749	22,36,193	4,708	H. V. Low & Co. (Private) Ltd. ..	Lakurka	7·50 N	10	0 8	0 4	0 2		4	Y.
1,48,240	5,00,000	13,13,800	9,66,219	31,201	Shaw Brothers Ltd.	Nasira	6·75	10	0 8	0 8	0 8		12	Y.
7,00,000	26,617	10 33,740	5 20,295	4,560	Amritlal Ojha & Co., Ltd.	New Banadeopur	9·00 N	10	0 12	1 4			12	H.
17 75 000	20,01,763	1,19,78,853	88,63,066	94,383	Andrew Yule & Co., Ltd.	New Beerbhoom	14·44	10	1 0	1 2	1 0		4,10	H.P.
6,00,000	78,000	38,00,471	21,30,197	78,222	Tinsavia Steel & Co., Ltd.	New Manbhoom	9·00	10	*Nil*	*Nil*	*Nil*	3,9	H.	
1,15,000							19·25	10	0 4	*Nil*	1 6	0 12‡		
1,57 500	2,85,193	18,07,219	5,54,731	15,950	Andrew Yule & Co., Ltd.	North West	16·50	7½	0 3	*Nil*	1 0½	0 9‡	3,9	H.
7,80 000	13,31,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	14·50 N	10	2 0	1 0	1 0		6,12	H.P.
10,00,000	1,17,000	41,24,518	19 78,271	25,420	H. C. Thakur & Bros. Private Ltd.	Oriental Coal	8·00 N	10	0 6	0 8	0 8		3,9	Y.
8,34,000	10,050	19,86,786	8,59,957	61,987	Deepchand Kishenlal	Parasea	13·00 N	10	0 4	0 12	1 0		6,12	H.P.
18,75 000	16,50,000	49,91,252	26,61,252	33,734	Shaw Wallace & Co., Ltd.	Pench Valley	14·50	10	1 10	1 10	1 8	0 11 1/2‡	3,9	H.
23 99 500	20,17,108	1,34,25,565	87,86,164	23,186	F. N. Elias & Co. Private Ltd. ..	Ramagunge	10·25	10	*Nil*	*Nil*	*Nil*	6	3,9	H.
12,50 000	10,45 118	28 59,265	29,71,364	15,614	Shaw Wallace & Co., Ltd.	Rewa	19·50	10	2 0	1 6	0 14	0 12‡	6,12	H.
20,00,000	5,90,000	44,28,585	18,73,118	2,20,175	Jaipuria Sons Ltd.	Samla Collieries	11·00 N	10	0 8	0 12	1 0		12	Y.
2 50,000	1,95,809	18,78,456	18,21,287	21,079	M.	Searsole	6·00 N	31	0 10	0 10	0 12		3	Y.
2,80,000	5,86,598	29,99,490	19 07,296	49 299	Andrew Yule & Co., Ltd.	Seebpore	26·50	7	1 12	2 0	2 8		6,12	H.P.
2,00,000	5,21,289	52,491	28,367	7,808	F. W. Heilgers & Co. Private Ltd.	Sendra	7·50 N	10	*Nil*	0 2	0 4		6,12	H.T.
68,31,440	23,77,474	4,78,37,077	2,17,50,236	7,810	Inland Tynas Fund (Governa- ment of Hyderabad)	Singareni	10·50	10	*Nil*	0 11 1/8	0 12		12	Y.T.
17,50,000	10,80,603	88,95,664	16,16,434	10,407	Bird & Co. Private Ltd.	South Karanpura	8·25	10	0 4	0 2	0 2	0 5 3/5	2,8	H.
5 00,000	14 01,063	1,96 57,570	87,510	17,411	F. W. Heilgers & Co. Private Ltd.	Standard	19·75	10	2 0	1 4	1 0	1 0	12	Y.
10 00 000	12 950	31,30,415	15,45,502	—370,421	Villiers (Private) Ltd.	Talcher	1·56	2½	*Nil*	*Nil*	*Nil*		12	Y.T.
2,50,000	2,80,000	20,47,944	15,86,944	—9,659	Williamson Magor & Co., Ltd. ..	Union	15·25	10	1 12	0 12	*Nil*		6,12	H.
49 98,000	57 984	58,66,880	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	5·18	10	0 6	0 6	0 12	0 8	3	Y.
7,00,000	21,559	56,46,871	23,81,698	—1,46,650	Macneill & Barry Ltd.	West Jamuria	7·50	10	*Nil*	*Nil*	*Nil*		6,12	H

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000	1,08,00,000	12,42,652	Allahabad Bank	360.00 / 180.00 / 115.75	100 / 50 / 100	18 0‡ / 9 0‡ / 6 8	18 0‡ / 9 0‡ / 7 8	18 0 / 9 0 / 6 8	9 0‡ / 9 0‡ / 8 8	12 / 6,12	Y.P. / H.
85,58,600	16,63,000	11,996	Andhra Bank	99.00	70	3 4	3 12	4 8‡	5 0‡		
1,00,00,000	1,28,00,000	4,75,752	Bank of Baroda	102.00	50	6 0‡	6 0‡	6 0	7 0	12	Y.
60,00,000	22,50,000	2,796	Bank of Bikaner	23.00	25	0 12	0 12	0 14	1 2	12	Y.
2,50,00,000 / 80,00,000 'A'	3,10,00,000	16,54,924	Bank of India	134.00 / 138.00	50 / 50'A'	7 0	7 0	8 0	8 0	6, 12	R.L.Y.
15,30,375	27,00,000	67,486	Bank of Indore	52.00N	25	1 8	3 0	3 8	4 0	12	Y.
50,00,000	22,25,000	23,734	Bank of Jaipur	37.00	50	16 0‡	2 0	2 0	2 8	12	Y.
50,00,000	84,00,000	5,91,911	Bank of Mysore	246.50	100	2 8	16 0‡	16 0‡	16 0‡	12	Y.
61,51,700	58,73,013	10,059	Bombay State Co-operative Bank.	57.00N	50	4 8	2 8	2 0	3 8	6	Y.E.
15,00,000	82,00,000	88,502	Canara Bank Ltd.	86.00	50	5 0‡	4 8	5 0	5 0	12	P.Y.
7,50,000	12,75,000	8,992	Canara Banking Corporation Ltd.	80.00	50	3 0	5 0	5 8‡	5 0‡	12	Y.P.
5,72,220 'A' / 23,787 'C'	18,00,000	16,676	Canara Ind. & Bkg. Syndicate Ltd.	177.50 / 1.86	100 'A' / 1 'C'	9 0	12 8	12 8	15 0 / 9%	12 / 12½%	Y.
2,62,11,875				52.00	25	3 0	3 0	3 0	3 8		
52,42,875	4,02,77,123	18,23,048	Central Bank of India Ltd.	55.00	25	3 0	4 0	3 0	3 8	12	R.L.Y.
50,00,000	34,50,000	2,13,141	Devkaran Nanjee Banking Co.	38.50	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,45,911	Habib Bank (P)	72.00N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,61,946	Hind Bank	32.50	50	Nil	1 8	3 0	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9.75	50	Nil	Nil	Nil		12	Y.
90,00,000	1,67,00,000	2,771	Hindustan Mercantile Bank	12.00	50	5 0	Nil	Nil		12	Y.
44,00,000 / 21,00,000	90,50,200	8,13,491	Indian Bank	184.00 / 142.00	100 / 75	10 3‡ / 6 0	12 0 / 7 3‡	12 0 / 10 3‡	13 0 / 12‡	6, 12	R.L.H.
49,20,875	36,00,000	2,52,386	Indian Overseas Bank	138.00	100	Nil	6 0	7 8	10 0	12	Y.
10,00,000	10,25,000	28,384	Pandyan Bank Ltd.	38.12	25	1 6	1 9	1 14	1 14	12	Y.
87,50,000	1,25,00,000	6,20,272	Punjab National Bank	52.50	25	0 10	1 8	1 8	4 0	12	Y.
1,00,00,000	26,20,000	45,060	Travancore Bank	15.40	25	0 5‡	0 12	1 0	1 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7.25	5	2 0	0 5‡	0 6	0 7	12	Y.
2,00,00,000	1,15,00,000	29,420	United Commercial Bank	54.00	50	2 0	2 8	2 12	3 8	12	H.
PRINCIPAL EXCHANGE BANKS						**Dividend (per cent.)**					
£3,500,000	£5,000,000	£409,308	Chartered Bank	£1-16-4‡	£1	14†	15†	15†	15†	12	R.L.Y
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6‡	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $11,039,578	Hongkong and Shanghai Banking Corporation	$95‡	H.K. $125	5*	5*	5*	5*	12	Y.
£18,565,070	£17,500,000	£712,060	Lloyds Bank	£2-8-6	£5 A	14†	15†	12†	13†	12	R.L.Y.
£375,000 'A' / £375,000 'B' / £720,000 'C'	£2,000,000	£224,521	Mercantile Bank of India	£4-7-0 / £4-7-0 / —	A £2½ / B £2½ / C £1	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†	12	R.L.Y.
£2,851,563	£3,104,687	£354,046	National Bank of India	£1-1-9	sh. 12½	16†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	99.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	94.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102.00	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91.00	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101.00	1st April .. 1956-61
£5,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
COAL						
£0,00,000	4½	30th April and 31st October	Bharat Collieries	1944	94.00	30th June .. 1956
£0,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	90.00	30th June .. 1967 (a)
£0,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	99.25	14th December .. 1968 (a)‡
COTTON						
£,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1927	105.00	15th November .. 1956 (b)
78,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	102.50	1st March .. 1972 (a)
18,68,000	5½		Jaykhree Textiles	1949	90.00N	1st January .. 1956-59
£0,90,000	5	1st June	Tata Mills	1951	98.50	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	97.00	31st March .. 1965 (a
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100.00	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97.75	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co. Ltd.	1949	94.00	31st December .. 1964 (a)
2,32,89,400	5½	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.50	31st December .. 1970
13,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	96.00	30th June .. 1970 (a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97.50	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94.00	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94.50	30th September .. 1953-63
5,00,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94.00	1st July .. 1956-61
47,73,000	5	1st April and 1st October	South Madras Electric Supply	1940	103.00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		85.10	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.00	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99.00	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100.50	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.25	1st October .. 1960-65
40,00,000		31st December	Textile Machinery Corporation Ltd.	1950	99.50	31st December .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	88.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93.75	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	95.00	30th June .. 1966
£0,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96.00	31st March .. 1969 (a)
5,26,000	5	15th January and 15th July	Empire	1951	94.50	15th July .. 1966 (a)
£5,00,000	3½	1st January and 1st July	Hukumchand	1947	92.50	30th June .. 1957
£0,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	97.50	31st March .. 1970
£0,00,000	5½	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96.50	31st December .. 1964 (a)
£5,00,000	5½	30th June and 31st December	Naihati	1952	95.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93.00	14th May .. 1959
£0,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88.00	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93.00	30th June .. 1958
£5,00,000	5	31st March and 30th September	Ralliance Jute Mills Co., Ltd.	1950	98.00	5th September .. 1965 (a)
5,00,000	4½	14th March and 14th September	Soorah Jute	1937	96.00	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	96.50	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverly	1925	87.50	31st July .. 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	80.00N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.25N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,863	5	1st April and 1st October		1938	£77.62N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85.62N	Any time on six months' notice (a)
4,33,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1932	102.50	1st July 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April 1958-63
1,56,500	5½	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd	1948	95.00	31st December .. 1965
£6,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86.00	31st December .. 1962
4,00,000	4½	30th June and 31st December	Bengal Paper Mills	1937	95.00	30th June .. 1957
5,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	98.25	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.50	1st October .. 1970
£1,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92.00	1st February .. 1954
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	85.00	1st July .. 1956
£0,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87.75	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	88.00	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	98.50	1st January .. 1971(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
15,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95.00	 1966
£8,00,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	£20.00	30th September .. 1976 (a)
£8,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	£70.00 (per note)	31st December .. 1972 (a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	88.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93.00	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	99.50	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1964 but before 1-3-1967 and 1 per cent. premium on or after 1-3-1957. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-6-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 90 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. ††Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th May 1957.

	Closing quotations 23-5-1957	High	Low	Closing quotations 30-5-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	145.00	150.00	145.00	145.00
Apollo (2)	2.34	2.38	2.34	2.36
Bombay Dyeing (250)	520.00	528.50	517.00	523.50
Bradbury (50)	197.00	—	—	197.00
Central India (100)	102.00	104.50	101.50	102.00
Century Mills (100)	395.00xd	408.50	396.00	400.00
Colaba (100)	65.00	—	—	65.00
Edward Textile (200)	247.50	255.00	247.50	255.00
Elphinstone (50)	58.50	61.00	58.50	60.00
Finlay (100)	265.00	270.00	267.00	267.00
Gokak (100)	176.00	178.00	174.50	175.00
Ind. Untd. Deld. (1)	1.52	1.60	1.54	1.56
Ind. Untd. Ord. (10)	9.50	9.75	9.50	9.55
Indore Malwa (100)	139.00	140.00	139.00	139.50
Khatau (100)	169.00	172.50	169.00	172.50
Kohinoor (100)	296.00	300.50	290.50	292.00
Lakshmi (250)	630.00	630.00	630.00	630.00
Minerva Mills (100)	84.00	—	—	84.00
Model Nagpur (250)	180.00	—	—	180.00
Morarji (100)	212.50	—	—	212.50
Mysore (50)	101.25	—	—	101.25
National Rayons (100)	213.00	219.00	212.50	215.00
New City (100)	135.75	135.75	133.75	133.75
New Great (100)	218.00	220.00	218.00	220.00
Phoenix (100)	165.00	—	—	142.50
Podar Mills (100)	165.00	—	—	165.00
Sassoon Silk (10)	9.80	—	—	9.80
Sassoon Spg. (10)	36.50	—	—	36.50
Sholapur (1,000)	1,225.00	—	—	1,225.00
Shrinivas (100)	165.00	167.00	165.00	167.00
Simplex (50)	161.50	165.00	161.50	163.50
Standard (100)	380.00	393.00	380.00	388.00
Svadeshi (100)	186.00xd	190.00	185.50	185.50
Swan (100)	370.00	—	—	370.00
Tata Mill (25)	41.75xd	42.50	41.50	41.50
Vishnu (100)	122.00	—	—	122.00
Western India (1,000)	5,180.00	—	—	5,180.00
BANKS				
Bank of India (50)	134.00	134.25	134.00	134.00
Do. (New) (50)	138.00	—	—	138.00
Bank of Baroda (50)	101.75	102.50	101.75	102.00
Central (25)	51.00	52.00	51.25	52.00
Central 'A' (25)	54.00	55.50	55.00	55.00
Dena Bank (50)	38.50	—	—	38.50
Punjab National (25)	52.50	52.50	52.25	52.50
Union Bank (5)	7.25	7.25	7.20	7.25
United Com. (50)	54.50	54.75	54.00	54.50
ELECTRIC COS.				
Ahmedabad (100)	93.00	94.00	93.00	94.00
Amalgamated (10)	10.40	—	—	10.40
Andhra Valley (1,000)	1,200.00	1,205.00	1,200.00	1,201.25
Bom. Sub-El. (100)	105.00	106.00	105.00	106.25
Surat (100)	106.25	110.00	106.25	110.00
Tata Hydro (100)	119.50	124.00	119.50	124.00
Tata Power (1,000)	1,215.00	1,217.50	1,211.25	1,216.00
INSURANCE COS.				
British India (10)	13.25	13.50	13.25	13.25
Empire of India (100)	350.00	—	—	350.00
Ind. Mercantile (20)	41.25	—	—	41.25
Jupiter (15)	7.00	7.25	7.00	7.25
New India (15)	40.25	45.00	42.75	45.00
Oriental (200)	2,775.00	—	—	2,775.00
Universal (10)	13.00	—	—	13.00
Vulcan (10)	15.60	15.75	15.50	15.75
STEEL COS.				
Ind. Iron (10)	17.60	18.55	17.70	18.35
Tata Steel Ord. (75)	154.00	158.50	154.75	155.75
SUGAR COS.				
Belapur (50)	217.50	224.00	219.00	219.50
Bhopal (10)	18.25	—	—	18.25
Phaltan (50)	129.50	134.00	132.00	132.00
Walchand Ind. (100)	245.00	248.00	246.00	246.00
CEMENT COS.				
Associated Cts. (100)	151.50	156.00	152.00	154.25
Dalmia (100)	137.00	141.50	137.00	141.50
MISCELLANEOUS				
Alcock Ashdown (100)	246.25	262.50	245.00	262.50
Bom. Burmah (125)	513.50	543.00	516.00	530.00
Do. (New) (50)	190.00	200.00	190.00	200.00
Br. B. Petrol (4 sh.)	2.40	2.50	2.40	2.44
Br. I. Corpn. (5)	6.45	6.45	6.25	6.25
G. F. Rly. (100)	69.50	—	—	69.00
Indian Copper (2 sh.)	3.86	3.42	3.34	3.38
Ind. Inv. Tr. (100)	70.25xd	—	—	71.25
Kenny (200)	197.50	—	—	197.50
Killicks (100)	159.00	—	—	159.50
Polson (100)	163.75	—	—	163.75
Port Canning (100)	6.25	—	—	6.25
Pre. Automobiles (100)	87.00	87.50	86.50	86.50
Premier Con. (30)	142.00	146.50	141.00	142.00
Scindia (20)	17.38	18.40	17.25	17.85
G. E. Shipping (10)	18.65	19.15	19.00	19.15
Shivrajpur (10)	77.50	79.75	78.50	78.75
Tata Chemicals (10)	16.25	16.55	16.25	16.50
Tata Locomotive (100)	143.00	144.75	141.50	142.25
Tata Oil (25)	43.50	44.25	43.00	43.50
W. I. Match (100)	158.00	158.00	155.50	156.00

GOVERNMENT SECURITIES	24-5-1957 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	30-5-1957 Rs.
2½% 1961	98.80	—	4.18	98.80
2½% 1960	96.50	—	3.90	96.45
2½% 1962	93.95	—	3.95	93.90
2½% 1972	88.10	—	4.03	88.10
3% 1957	99.75	—	3.38	99.75
3% 1958	99.60	—	3.26	99.60
3% 1959-61	97.75	3.95	3.52	97.75
3% 1954	94.10	—	3.94	94.10
3% 1963-65	93.90	4.16	3.90	93.90
3% 1966-68	92.00	3.94	3.91	91.90
3% 1970-75	87.00	4.32	4.02	87.20
3% 1986 Con. Loan	73.50	—	4.09*	73.40
4% 1960-70	100.80	3.75	3.92	100.80
4½% 1958-68**	101.75	2.95	4.30	101.75
3½% 1961 N.P. Bonds	99.50	—	3.63	99.50
3½% 1964 N.P. Loan	98.15	—	3.80	98.20
3½% 1965 N.P. Loan	98.15	—	3.77	98.20
3½% 1962	97.50	—	3.80	97.90
3½% 1967 N.P. Bonds	98.50	—	3.80	98.50
3½% 1974	98.45	—	3.87	98.50

BRITISH GOVERNMENT SECURITIES

	Closing quotations 23-5-1957 £			Closing quotations 29-5-1957 £
2½% Brit. Consols	51	—	—	51‡
3 % Savings Bonds 1965-75	73‡	—	—	72‡
3% War Loan 1955-59	96⅜	—	—	96‡
3½% War Loan	69⅜	—	—	70‡
4% Victory Bonds 1976	93‡	—	—	93
4% Funding 1960-90	80‡	—	—	88‡

* Current Income x.d.—Ex-dividend. ** Rupee Counterparts x.r.— Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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MORE ON TAX PROPOSALS

THE bargaining spirit has crept into the Union Finance Ministry also, at least in the matter of taxing the people. For some years now, the taxation proposals have been subjected to modifications in the light of criticisms by members of Parliament. It would appear that, in expectation of strong opposition to the new tax burdens, the Finance Ministers have got into the habit of first pitching their demands rather high and then showing some concessions in order to create the impression of having responded to the wishes of the House. This practice is similar to the trick said to be adopted by camel drivers in West Asia in order to make the obstinate animal carry a heavy burden without evoking stubborn resistance. Mr. T. T. Krishnamachari, too, has adopted this trick in a goodly measure. Shortly after he became the Finance Minister, nay, even before he put his foot into the Finance Ministry, he imposed a burden of Rs. 30 crores per annum on the people by enhancing the excise duty on cloth. This was done on 31st August 1956. Three months later, on 30th November 1956, he supplemented it by adding new taxes calculated to yield Rs. 16 crores per annum. Five and a half months thereafter, on 15th May 1957, he levied further taxation designed to net in Rs. 93 crores, all this in addition to the enhancement of railway freights and fares. Thus, in less than nine months, he introduced additional taxation to the tune of Rs. 140 crores.

It is not surprising, therefore, that he drew strong protests from all parts of the country when he presented his last budget proposals. The clever man that he is, he must have realised in advance that, even if he were to propose additional taxes of the order of only Rs. 50 crores, he would evoke opposition and agitation. He must have, therefore, said to himself: "Let me place the burden at Rs. 100 crores, so that, by yielding a little later, I may get at least Rs. 90 crores." That is precisely what he has done. He calculated that his new taxes would yield Rs. 93 crores per annum. He has now given a few concessions which he thinks will cost Rs. 5.78 crores, so that he is still assured of an additional revenue of Rs. 87.22 crores. The amount he has agreed to forgo is equal to only 6 per cent. of what he wanted to take from the public. He has thus won a strategic victory at a very small cost, and thereby saved not only the core of his budget but also something more. Both Houses of Parliament seem to be pleased with the gesture of response made by him to their criticisms.

There is nothing to be gained by debating over the issue whether this practice of first imposing heavy taxes and then modifying them is a good or bad one. From the practical point of view at least, there is nothing bad about it. The Finance Minister is after all a human being. He cannot weigh in great detail the pros and cons of every one of his tax proposals, before making them public. For doing so, he will have to consult a larger circle of his financial experts and technical advisers. But such a procedure carries with it the risk of leakage of budget secrets, more especially when the proposals are so numerous as those announced by him on 15th May 1957. It, therefore, looks as though the practice of post-announcement modifications has something in its favour. It at least provides an opportunity for the Government to rectify any grave injustices that may be inherent in some of the tax proposals. Even as a device to get the consent of the public for the budget, the practice may appear unobjectionable to those who contend that a politician, especially in an underdeveloped country like India, has a right to adopt appropriate tactics to carry public opinion with him.

If the last mentioned explanation is the cause for imposing some of the taxes which the Finance Minister has now withdrawn, one cannot quarrel with him. Even so, a Finance Minister who does not wish to tarnish his reputation for political and economic judgment will exercise great care in choosing the commodities and the persons for being subjected to additional taxation. There is every reason to believe that Mr. Krishnamachari did not pay much thought to this aspect while framing his tax proposals of mid-May last.

To take, for instance, the excise

in charge of that portfolio. I envy my Hon'ble colleague that coffee has spurted up. Even in tea, it is mentioned that the supply is slightly above normal. Therefore, Government have decided to withdraw entirely the increases proposed in the rates of excise duty on coffee and tea and I hope Hon'ble Members and their friends will not pay anything more for their cups of coffee and tea."

Two things are obvious from the aforesaid explanation. One is that the Finance Minister had under-estimated the public reaction to loading the tax on beverages which have become a habitual necessity in urban areas. If he were a shrewd politician, he would not have made this mistake. Be that as it may, his experience should serve as a warning to those State Governments which may be contemplating to increase their taxation on plantations, particularly tea and coffee. The other thing is that the Finance Minister was not fully aware of the state of tea and coffee markets. It is, however, hard to believe that he was ignorant of the facts that the coffee industry is faced with the problem of marketing large stocks brought about by a bumper production of over 40,000 tons and a fall in exports, that the main problem before the industry is to promote domestic consumption as well as exports, that, only a year before, the tea industry had to slow down production in order to prevent unhealthy accumulation of stocks, that world production of tea is going up, that India has to contend with steadily growing new competitors in tea, as, for instance, East Africa, that it is necessary to stimulate home consumption of tea and that heavy excise duty on packed tea, coupled with a mild duty on loose tea, leads to adulteration by unscrupulous dealers—a development injurious to the long-range interests of tea. All these aspects of tea and coffee industries were there even when Mr. Krishnamachari was the Minister for Commerce and Industry. And yet he lightly chose to subject these mild beverages, two of the heavily taxed commodities even before, to a higher dose of excise duties. It looks as though the main factor that made him give up these additional excises was the fear that the political opponents of the Congress Party would make capital out of them. Whatever the cause, there is, however, no doubt that he did well to remove the new burden on coffee and tea.

Sugar

Excepting for some minor changes in the excise duty payable by small producers of matches and in that on tobacco, the Finance Minister has firmly refused to yield ground in regard to other excise duties. He vigorously defended the doubling of the excise duty on sugar and said that he definitely wanted people to eat less sugar, so that more of it would be available for export. He was of the view that sugar consumption was going up rather too fast and required to be checked. This journal would readily concede that heavens would not fall if domestic consumers were subjected to a penal rate of excise duty, with a view to enabling the Government to get more revenue for financing the Plan or to find more sugar for export. But it is necessary to bring to the notice of the public three important points. In the first place, if consumption of white sugar has gone up, it is chiefly because of the increase in the population of the country, in general, and that in urban areas, in particular, where white sugar finds a more ready market than in rural areas. Secondly, any attempt at inhibiting consumption of white sugar by raising its cost to the consumer will have the undesirable effect of encouraging production of *gur* which is a colossal national waste. It is common knowledge to those who know anything about the economics of Indian sugar industry that extraction of sucrose from the sugarcane is much less in *gur* industry than in white sugar industry and that nobody gains by this wasteful process. Even the *Sarvodaya* school of thought had the good sense to concede this point and did not favour any impediment to white sugar manufacture in the form of a penal excise duty.

The third point we wish to make, in this connection, is that, while it is necessary to develop export markets in sugar, the method chosen by the Finance Minister is not the right one. It is the method of the complacent, short-sighted administrator and not that of the energetic and far-sighted. The right way of stimulating exports of sugar is to take steps for increasing domestic production for which there is still good scope; the country has both capacity and the raw material. It is only a question of some adjustment in the sowing of cane and in the variety of cane grown. Again, the method of general pressure on the industry to find export outlets does not necessarily lead to desirable results, for the simple reason that it will provide an inducement to export only to those inefficient manufacturers who are finding it difficult to sell their goods in the domestic market. It is needless to add that, if India is to build a sustained export market in sugar, its best sugar mills should be tempted to enter the world trade. This would happen only if a positive, instead of the present negative, incentive were given to manufacturers. It would pay the Finance Minister to study carefully whether the best managed sugar mills are participating in exports of sugar at present and if not, why not. What is happening is that, when the second class sugar mills sell for export, they indirectly make it easier for the first class mills to sell their manufactures in the domestic market. Yet, from the long-range point of view, it would be in the interests of the country if the first class mills entered the export trade.

We are afraid that Mr. Krishnamachari has blindly applied his experiment in cotton textiles—the success of which is still dubious—to sugar, forgetting that, whereas, in cotton goods, the question was one of sustaining the export markets already built up by years of hard work mainly by well-established and soundly managed mills, in the case of sugar, India has just made a beginning in export trade and that too because of certain fortuitous circumstances such as the Suez incident and its aftermath. Even now, it is not too late for the Finance Minister to retrace the step he has taken and to devise a healthy method of achieving his objective of increased exports and larger revenue for the Exchequer.

The Finance Minister had to yield to political pressure even in respect of those taxes for which there is sound economic justification. Thus, he had to give up the proposed increase in the price of post-cards, as well as parcels, and modify the tax on passenger fares by giving exemption from the tax for the first 15 miles. While the latter is only a gesture, the former is something more than that. He has, of course, given the concession to users of post-cards only at the expense of those who use envelopes. The bulk of this burden will be borne by commercial establishments. But will this bring any net addition to the revenues of the Government? While the postal revenue may go up, the income by way of direct taxation of corporations may fall to a corresponding extent, inasmuch as the rise in the expenditure of commercial establishments on postage account will bring down their taxable profits.

Direct Taxes

The opposition to lowering the exemption limit for income-tax from Rs. 4,200 per annum to Rs. 3,000 per annum can be justified only on political grounds. The reasons advanced by the Finance Minister for roping into the taxation net persons falling within the range of this income were sound. After all, it is only fair that every one must pay one's mite to meet the cost of economic development. But the Finance Minister has made the task of collecting the tax from these people somewhat complicated by providing for an allowance of Rs. 300 per child, subject to a maximum of Rs. 600. It also means that the revenue from this source will be less than anticipated. Incidentally, the fixation of a maximum limit to children allowance is in conformity with the Government's drive for family planning. It is, however, gratifying that Government did not succumb to the pressure for restoring the exemption limit to Rs. 4,200. But the Finance Minister seems to have bought peace on this front by sacrificing, once again, the interests of the intelligentsia and the hard-working section of the middle class. We have in mind here the persons with incomes above Rs. 20,000 per annum. He had already penalised them by watering down the earned income relief and stepping up the tax on their incomes from their investments made out of past savings. There was, however, some consolation for them, in that he had introduced a marriage allowance of Rs. 2,000 and exempted from tax the employers' contribution to provident fund. But now he has not only denied them the children allowance but actually withdrawn the marriage allowance. This step runs counter to the principles he himself enunciated on 15th May last. Those who are affected by this step, however, need not mind making this sacrifice, if it brings any mental consolation to their brethren with smaller incomes who have now been brought within the taxable range.

It is rather sad to find that all the sound arguments advanced against wealth tax and expenditure tax have fallen on deaf ears. It is true that all these arguments were voiced mostly outside the Houses of Parliament and that, as such, the Government is not bound to pay any heed to them. Nevertheless, those who criticised these novel taxes are not irresponsible persons and deserved to be heard. If they do not have any representation in Parliament, it is partly because they have been supporting the Congress Party all along, despite serious differences of opinion over the economic policies and actions pursued by it, and partly because of the adult franchise in a nation with a literacy of about 15 per cent. and a low *per capita* income of about Rs. 270 per annum. Further, whenever the ruling party accepted the advice of this competent minority, it has always been able to show excellent achievements to the public. This experience alone is sufficient ground for the Government to have listened to the critics of wealth and expenditure taxes.

Concessions Inadequate

While flatly rejecting the suggestions for dropping these two taxes, the Finance Minister has agreed to give a holiday of five years for genuine new companies from wealth tax and to exempt from it inter-company investments in the hands of investing company. These concessions do not go far enough; nor has the injustice of double taxation been undone. The five-year holiday for new companies is quite insufficient. There are several industrial units of great national importance which are not yet able to afford a decent return on their capital, though they have been in existence for double or treble this period. And, in many cases, their inability to do so is due, to a large extent, to the defective economic policies of the Government itself. The automobile industry is an instance in point. It is, however, to be hoped that, when the Select Committee scrutinises these tax measures, it will take a more sympathetic view of the interests of investors and also bear in mind the country's need for foreign capital.

Speaking of automobile industry, the Finance Minister's refusal to give up the increase in the excise duties on petrol and diesel oil is a typical contradiction between means and ends which abounds in the Government's economic policies. The country needs more road transport in order to move the increasing industrial and agricultural production. Yet, further tax burdens are imposed on this vital means of transport. Even before this increase, taxation of motor vehicles in India, it may be noted, constituted the heaviest in the world. It is obvious that, unless road transport expands quickly, the automobile industry cannot thrive. And, unless the automobile industry grows vigorously, the defence of the country will be at the mercy of foreign powers. Further, there is no better heavy industry than automobiles for broadening the employment opportunity in the country. Indeed, when one comes to think of the various ways in which the Government makes a mess of this vital industry, one gets overwhelmed by a sense of exasperation. The inadequate attention paid to road development is one of them. This is a deficiency in the efforts of the public sector which often makes one wonder whether there is any real planning at all in this country.

ARE THE TWO NOVEL TAXES GOOD FOR EQUITIES?

MOVE TO STABILISE COPPER PRICES

THURSDAY, 5 P.M.

THE share markets have managed to be on the right side of investors for another week. Steel and cement scrips, in particular, have scored further gains. Several miscellaneous and engineering counters also have moved up a little. Textiles, however, are not so much favoured, because the cloth market is sticky and may remain dull during the monsoon months. The Life Insurance Corporation has not yet withdrawn its support, though it is to be wondered as to how long and to what extent it can keep up this performance in view of the forthcoming new borrowing programmes of the Central and State Governments. Its purchases, however, have so far been sizable, sufficient to make a perceptible effect on the floating stock of popular scrips. This was one of the main reasons why the *badli* rates in the last settlement were low, despite the continued stringency in the short-term money market. Indeed, in the case of some shares, the bulls were able to carry forward their outstandings without paying anything to the seller. This state of affairs, coupled with the fact that the settlement rates were in favour of the bulls for the first time after a long time, has helped sustain the steady trend of the market.

MARKET GOSSIP

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With the Stock Exchanges in a better mood and the bears on the defensive, there is an inclination in market circles to lay stress on the brighter aspects of the picture. Some have even begun to contend that Mr. T. T. Krishnamachari's tax proposals are in a way bullish to equities. Messrs. Place, Siddons and Gough, Calcutta, for instance, point out that, though Mr. T. T. Krishnamachari has damaged the prospects for shares somewhat, he has shown some compensating considerations. One of these, according to them, is what they call "substantial tax relief" granted to personal income recipients. They observe, in their latest fortnightly *Share Market Report*, that the relief given to higher incomes is substantial enough as not to be wiped out by the increase in cost of living. Giving a few concrete illustrations, they add:

"A person earning Rs. 40,000 a year will get a tax reduction of about Rs. 1,000 a year. At Rs. 45,000 a year, the relief amounts to about Rs. 1,300, at Rs. 75,000 a year to about Rs. 2,100, at Rs. 1,00,000 a year to about Rs. 3,600 and at Rs. 2,00,000 a year to about Rs. 16,200 a year. These concessions cannot be dismissed as trivial and, taken by themselves, do provide basis for Mr. Krishnamachari's claim that he wished to provide incentives to work and save."

Since the above calculations were made, the Finance Minister has withdrawn the marriage allowance of Rs. 2,000 for incomes over Rs. 20,000. That apart, although there is great force in the conclusion quoted above, it must be borne in mind that the tax on unearned incomes has gone up and that most of the assessees belonging to the groups of income taken into consideration by them will be having sizable unearned incomes.

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In the wealth and expenditure taxes, too, Messrs. Place, Siddons and Gough see something favourable to equities. They thus argue: "The avowed purpose of the expenditure tax is to curb consumption, in other words, to promote saving. There is, of course, the possibility that, instead of saving the part of income which would be spent on extravagant consumption, the effect of the expenditure tax may be to discourage the earning of that much income. The tax will then act as a disincentive to work, not as an incentive to save. To what extent this effect will appear can only be known from experience of the working of the tax in practice. As India is the first country in the world to introduce this novel tax, there is no previous experience on which we can draw. The effect of the tax on earning, spending and saving depends largely on how far people in the income-groups, to which the expenditure tax will apply, are able to vary their income through increasing or decreasing their effort. It is likely that, in a large number of cases, the connection will be found to be extremely tenuous. In such cases, the possibility of people trying to escape liability to the expenditure tax by earning less may be ruled out and the choice will then be between spending and saving. If this is so, the stimulus to saving is likely to be powerful. Expenditure on what will, in all probability, be conspicuous consumption may satisfy deep-rooted psychological urges, but, when such expenditure attracts expenditure taxation at rates which may rise to 100 per cent., the deterrent effect is extremely strong. It is, of course, true that, if the income is saved and invested, it will make the owner liable to the wealth tax, but this tax cannot be more than 1¼ per cent., which will certainly be preferred to what may be a 100 per cent. tax on that amount, if it is spent. There is a strong presumption, therefore, that the expenditure tax will, in reality, work as Dr. Kaldor and Mr. Krishnamachari wish to work. It will curb undesirable consumption, stimulate saving and, in conjunction with the wealth tax, canalise the saving into profitable investment."

Commenting on the merits of wealth tax on individuals, they remark:

"Since the wealth tax is assessed on capital value and not on income, an asset having the same capital value as another, will be assessed to the same amount of wealth tax, irrespective of the income received. To take an example. Suppose, three persons have wealth to the value of Rs. 10 lakhs each. One of them holds it in bullion yielding no income, a second holds his wealth in Gilt-edged securities yielding 3 per cent., or Rs. 30,000 a year as income, while the third holds it in industrial shares, yielding 10 per cent. return, that is, an income of Rs. 1 lakh a year. All of them would pay the same amount as wealth tax. The effect is, therefore, likely to be a powerful urge to shift the wealth out of non-income yielding bullion or low income yielding Gilt-edged into the highest possible income yielding industrial equities. In this respect, the wealth tax is superior to the income-tax, which has the disadvantage that it penalises risk bearing by subjecting the high return from venture capital to high rates of tax and rewards safe investment like Gilt-edged with low tax rates. It would be a good thing for the economy and for the stock market, if it tended to coax capital out of hoards and fixed-interest bearing securities into more risky enterprises."

Proceeding, this leading Calcutta firm of share-brokers agree with the general criticism that wealth tax on companies will have a deleterious effect on joint-stock enterprise. Thus, they say:

"Apart from giving rise to flagrant double taxation, this may discourage healthy investment. It is obviously inequitable, as well as inexpedient, to require that companies should be assessed to the wealth tax on the basis of net assets, even if they have just commenced operations and have not begun to earn income, or if they have had a bad spell in which income has shrunk or vanished. The wealth tax could, perhaps, be carried by a company earning normal profits in a normal year. But, in a bad year or, worse still, a succession of bad years, it could amount to an intolerable burden which might force companies into liquidation, when, in the absence of such an impost, they may have been able to survive and eventually win through to prosperity. A system of rewards and punishments plays an important role in a competitive economy, but the trouble about heavy taxation of industries is that the rewards of success are substantially reduced, while the penalties of failure remain as great as ever. With the scales tilted in this way, it is inevitable that many potential investors will decide that the game is not worth the candle."

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Messrs. Place, Siddons and Gough have a feeling that the heavy tax on bonus shares may encourage company managements to distribute higher dividends whenever profits permit such a course. "For investors," they add, "this is not an unpleasant prospect. They may look forward to a more generous distribution policy on the part of companies than in the past. One wonders whether this is the sort of trend the Finance Minister wishes to encourage, but it does look as if that is where his policy will lead."

In conclusion, they refer to the attraction of equities as a hedge against inflation and comment thus:

"Already the dear money policy has brought about a decline in Gilt-edged prices and in those of debentures and preference share. For the moment, no doubt, equities are also in pretty bad shape and have lost something like 25 per cent. of their capital value since September 1956—a period which coincides with the tenure of the Finance Ministry by Mr. Krishnamachari. But despite the worst that he has done or may do, the expanding developing economy will continue to increase the profitability of industrial investment."

While it is pleasing to see a leading firm of share brokers taking an optimistic view of the future and while we should like to hope that their interpretation of the effects of wealth tax and expenditure tax on investment markets will be borne out by events, there are some snags in their assumptions. It is just possible, for instance, that those who are liable to wealth tax may prefer to hoard their savings rather than invest them in productive assets and pay the tax. Those, who are a little above the wealth tax line, may invest more in small savings certificates than go in for equities. The same is the case with those liable to expenditure tax. A more serious snag is the possibility of a progressive increase in the incidence of wealth tax and expenditure tax alike.

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There have been two notable developments of import to the Indian copper market this week. They are: (1) Agreement between the Anglo-American Corporation and the Rhodesian Section Trust (R.S.T.) over a joint pricing policy for copper; and (2) production setback of 10 per cent. (or about 18,000 tons) in the R.S.T. group Roan Antelope and Mufulira copper mines with effect from the 1st inst. These moves signify the determination of copper producers to prevent a further sharp break in prices. Copper prices, it will be recalled, have been moving down continuously since the past fourteen months. This metal is now quoted in the London market at about £235-5 per ton, as against the peak of £437 in March 1956 and £300 at the beginning of 1957. The quotation for copper at New York is around 30 cents per lb., as against 46 cents a year before and 35 cents at the end of 1956.

In line with the trend of the world copper market, prices in India, too, have suffered a break. Electrolytic copper which stood at as high as Rs. 295 per ton in March last year has gone down now to Rs. 180. The setback in prices must be attributed to the substantial improvement in supplies, thanks to a rise in domestic output and enlarged imports. The total quantity of copper (virgin metal) actually produced during 1956, for instance, amounted to 7,628 tons, an increase of 346 tons, as compared with 1955. Imports of foreign copper aggregated 31,275 tons, valued at Rs. 15.16 crores, the figure for the previous year being only 18,457 tons, valued at Rs. 7.81 crores.

The continued weakness in world copper prices has been the result of larger production. The current level of world output, estimated at 1.80 million tons annually, is much in excess of the total consumption by 150,000 tons, notwithstanding cut-backs in production amounting to 54,600 tons per annum already made by the three large U.S. producers—Phelps Dodge, Anaconda and Miami—and closing down of two smaller highcost U.S. mines. The basic cause of the over-supply is that output is continuing to expand at a time when demand in the main consuming countries is either falling below the peak or not keeping up with the growth in productive capacity. It is in view of this and with a view to imparting stability to copper prices that the Anglo-American Corporation and the R.S.T. have agreed upon a joint pricing policy for copper.

Details of the agreement are not available. It is, however, gathered that a "Rhodesian price" for copper will be established which will change less frequently than the daily movements in the London Metal Exchange prices, although it will be related to the latter over a period. Incidentally, a reasonable price for copper is considered to be £240 per ton in the U.K. and £250 (32 cents per lb.) in the U.S. Some metal circles in London are, however, doubtful whether these prices could be held on the strength of consumer demand alone. To quote a report: "Since copper is in plentiful supplies and consumers are not purchasing on a large-scale, the only alternative to a renewed fall in prices is action by the producers. Agreements between them about prices which are not backed by cuts may give a greater stability to prices in the short run. But, in the long run, nothing will keep the price up so long as supply continues to outstrip demand."

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As one of the key members of the Commonwealth and the sterling area, India will naturally note with more than ordinary interest the British Government's decision to join the European free trade area. Although the official spokesmen of the U.K. have assured the members of the Commonwealth that the participation of their country in the area would not in any way injure Commonwealth relations, there are serious doubts in some quarters as to whether the U.K., in its anxiety to expand trade with Europe, will recognise the need for expanding Commonwealth trade. These doubts have now been set at rest, at least to some extent, by the British Government's latest gesture to give New Zealand "greater bargaining strength" in an attempt to dispose of its dairy products. Under an agreement signed in London between the Governments of the two countries, the U.K. has undertaken to admit unrestricted imports of New Zealand dairy products for a period of ten years. Further, it has given an unqualified assurance that eggs, poultry, butter, cheese and other milk products will continue to enjoy duty-free entry into the U.K. It has also expressed its willingness to consider sympathetically adoption of appropriate measures, should the New Zealand meat trade be threatened with serious injury. The agreement forms part of the Ottawa Trade Pact and will continue to remain valid till the latter is in force.

This gesture of Britain, though it has been welcomed by New Zealand, is still said to meet the latter's request only to a very much limited extent. In the course of the negotiations, Mr. K. J. Holyoake, New Zealand Deputy Prime Minister and Minister for Agricultre, pointed out that the balance of advantage of the Ottawa Pact had moved against his country. According to him, the Ottawa meat quotas had lost their effectiveness and New Zealand's preferences in the U.K.—expressed in terms of specific duties—had lost much of this value since 1932. He, therefore, requested that only a limitation on foreign supplies to the U.K. could en-

(Continued on page 1128)

THIS ISSUE

The fortnight-old influenza epidemic in Bombay City has adversely affected production in most of its numerous factories and offices. "Commerce" has been no exception to it. The vast majority of its staff and the workers belonging to its printers have been incapacitated for work. It has not, therefore, been possible for us to include in this issue all our regular features. It is to be hoped that our subscribers will bear with us for any inconvenience caused to them as a result of this unforeseen development. Indeed, if we have been able to bring out even this attenuated issue, it is due to the whole-hearted co-operation of workers in our press and the office who were unaffected by the pestilence. To them are due our sincere thanks.—EDITOR

SHARE MARKET STEADIER

TEXTILES, HOWEVER, RECEDE

(From Our Own Correspondents)

BOMBAY, *6th June*

THE mild setback in values noted on the Stock Exchange towards the closing sessions of last week proved short-lived and a steadier trend once again came to prevail during the week under review. The chief impetus to the market was provided by the sizable support extended by the Life Insurance Corporation to some of the leading scrips. The concessions in wealth tax announced by the Finance Minister in his reply to the budget debate in the Lok Sabha on Friday, though they were of a minor character, also helped to impart a better sentiment. The concessions are: (1) Genuine new companies will be granted a wealth tax holiday for the first five years of their existence on the value of their assets; (2) investments of one company in another company will not be included for the purpose of wealth tax in the hands of the investing company. This "gesture" of the Finance Minister, coupled with the expectation of further modifications in taxes on wealth and expenditure taxes in the Select Committee stage, induced bear-covering and selective enquiries, leading to a rising tendency in prices. Textiles, however, proved an exception, in that they encountered selling, thanks to discouraging advices from piecegoods markets and fear of lower output in mills on account of absenteeism caused by the influenza epidemic.

Tata Ordinaries opened the week at Rs. 154.75, as against Rs. 155.75 last week-end, and moved up on good buying support to Rs. 159.75 on Tuesday. At higher levels, there was some profit-taking and the rate receded to Rs. 158 yesterday. They, however, recovered today to Rs. 160.50 before finishing at Rs. 159.50. The net gain over the week was Rs. 3.75. Indian Irons opened at Rs. 18.30 and, after rising to Rs. 19 today, wound up at Rs. 18.85. The net gain was half a rupee.

The textile section, as already stated, experienced selling which brought down the quotations of quite a number of shares. Kohinoors were particularly depressed, the closing rate today being Rs. 283.50, a drop of Rs. 8.50 over the week. Centurys fell by Rs. 8 to Rs. 392. Standards receded by Rs. 7 to Rs. 381. Bombay Dyeings, which had gone up from Rs. 518 on Friday to Rs. 530.50 on Monday, fell to Rs. 522.50 yesterday. After recovering to Rs. 529.50 today, they again sagged to Rs. 525 at the close. Svadeshis declined by Rs. 4 to Rs. 150 and Simplex by Rs. 2.50 to Rs. 160. New Greats and Osmanshahis lost Rs. 2 each to Rs. 218 and Rs. 56, respectively. Gokaks shed Re. 1.50 to Rs. 173.50. Indores eased by a rupee to Rs. 138.50. Tata Mills slipped back by 25 nP to Rs. 41.25, India Uniteds by 10 nP to Rs. 9.45 and Apollos by 4 nP to Rs. 2.32. Central Indias, however, evoked some investment support and hardened by a rupee to Rs. 103.

Bank shares ruled fairly steady. Bank of Indias had a few enquiries and advanced by Rs. 4.50 to Rs. 138.50. Union Banks gathered 5 nP to Rs. 7.30. Barodas were fully maintained at the last week's level of Rs. 102. Central Banks, on the other hand, were a shade easy at Rs. 51.75.

Electricity shares tended to look down, owing to lack of follow-up support. Tata Powers dropped Rs. 7.50 to Rs. 1,207.50 and Hydros were dull at Rs. 124. Bombay Suburbans declined by Re. 1.25 to Rs. 105. Ahmedabad Electrics lost 25 nP to Rs. 93.75.

In the miscellaneous section, cement shares attracted some attention at the hands of investors. Associated Cements spurted by Rs. 3 to Rs. 157.25. Dalmia Cements put on 30 nP to Rs. 12. Digvijays were firm at Rs. 141.50. Orissa Cements changed hands at Rs. 13, as against Rs. 13.05 lakhs week-end. Among sugar shares, Phaltans spurted by a rupee to Rs. 133. Walchandnagars were fully steady at Rs. 246. Belapurs opened the week a rupee lower at Rs. 218.50. After moving up to Rs. 22 on Monday, they relapsed to Rs. 216 today before finishing higher at Rs. 217. The net loss over the week was Rs. 2.50.

A spurt of Rs. 5 to Rs. 267.50 in Alcock Ashdowns was the feature of trading in the engineering and mining shares. Premier Constructions gathered a rupee to Rs. 143, but fell to Rs. 141 at the close today, due to lack of sustained support. Indian Coppers improved by 4 nP to Rs. 3.42. B.B. Petrols gained 2 nP to Rs. 2.46. Larsen and Toubros were firm at Rs. 15.30, as also Mahindra and Mahindras at Rs. 15 *ex-div*. Tata Locomotives encountered scattered selling and dropped Rs. 3 to Rs. 140.50. Shivrajpurs lost Rs. 1.25 to Rs. 77.50.

Among shipping shares, Great Easterns put on 5 nP to Rs. 19.20 and Scindias were firm at Rs. 17.85. Among automobile shares, Premier Automobiles picked up Re. 1.25 to Rs. 87. Hindustan Motors strengthened by 15 nP to Rs. 7. In the other miscellaneous group, Bombay Burmahs (old) opened the week at Rs. 526.50 and, induced by withdrawal of the increase in the excise duty on tea, advanced to Rs. 546 on the 3rd inst. After declining on profit-taking to Rs. 535.50 yesterday, they recovered to Rs. 543 today, but came down to Rs. 533, owing to fear of the Madras Government increasing the rate of agricultural income-tax. Over the week, however, the shares were higher by Rs. 3. National Rayons increased by Re. 1.25 to Rs. 216.25. Tata Chemicals rose by 20 nP to Rs. 16.50. Wimcos were neglected at Rs. 156. Tata Oils, however, declined by half a rupee to Rs. 430. British India Corporations receded by 40 nP to Rs. 5.85. Hindustan Levers eased by 20 nP to Rs. 19.45. Gwalior Rayons were weak at Rs. 11.40 nP.

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Calcutta Stock Exchange

CALCUTTA, *5th June*

The modifications of Budget proposals, announced by the Finance Minister on Friday last, fell considerably short of market expectations, for which reason the Calcutta Stock Exchange continued to breathe an air of dullness. At lower levels, there was demand for first class equities, on account of bear-covering. The Life Insurance Corporation accorded support, which was interpreted in the market as a clever move on the part of the Union Finance Ministry to drive away dullness from stock markets and to create the impression that the Budget proposals for increased taxation had not, after all, affected market sentiment. Selected shares attracted investment inquiry, mainly because of low levels.

Apart from the wealth tax holiday for five years for new companies and the expectation that further concessions were likely when the Bill for the expenditure and wealth taxes reached the stage of select committee, other concessions that met with marked appreciation included cancellation of excise duty changes relating to coffee and tea and income-tax relief to persons having children. Support from the middle class people is no mean contribution to the market at any stage, and as such any incentive for this class to earn more and invest more is welcome to the market which, since the last few years, has been seeing less of the once-powerful *zemindars* and the princely order. The good speech made by Mr. H. M. L. Williams at the annual general meeting of Guest Keen Williams Ltd. on Thursday last was another event noted with satisfaction. Deliberations of the coal prices investigation committee were keenly awaited and the expectation was that the increased cost of production should lead to fixation of higher prices. Also, the coal industry required to make more profits to be used for expansion.

A marked downward trend was in evidence in cotton textiles. Dunbars were knocked down to as low a rate as of Rs. 167, as against Rs. 176.00 previously. Cawnpores declined from Rs. 5.61 to Rs. 5.50.

Coals changed hands at lower levels, as the absence of any brightening development for this industry scared buyers. Eurrakurs lost 25 nP to Rs. 22.12. Bengals fell by Rs. 2 to Rs. 213. Although the dividend for Bengal Coal Co., Ltd. for the year ended October last was 17.5 per cent. (face-value of the share Rs. 100 each), which was the same as that for the previous year, the working results compared unfavourably in view of production having declined from 2,559,083 tons to 2,320,350 tons. It was felt that the Directors' report on the prospect of the Company was the consensus of opinion as regards the future of the entire industry. For the Directors hoped that the coal industry would be placed on a sound footing so as to be able to discharge its responsibilities under the second Five-year Plan, and they awaited the work of the coal prices committee. The Supreme Court verdict on the industry's appeal was also awaited.

The strong trend in raw jute market in the face of a decline in the prices of jute goods restricted turnover in the jute section. As news of extreme interest during the week under review, it should be noted that the Singhanias have now become the managing agents for the Ganges Jute Co. Until recently, the managing agents were Macneill and Barry Ltd. Anglo-Indias were forced down from Rs. 138.00 to Rs. 133.50, and Belvederes realised Rs. 80, as against Rs. 94.00 previously.

The complete absence of buying support in the tea section even in spite of the withdrawal of the changes made in excise duty was due to the extreme general dullness. Hasimaras sagged from Rs. 22.00 to Rs. 20.50. Bishnauths were quiet at Rs. 18.50.

Among engineerings, Guest Keens occupied the pride of place, in view of the bright prospects for this firm. From Rs. 27, the shares put on strength to gain to Rs. 28. Jessop and Cos. earlier gave way from Rs. 24.31 to Rs. 23.69, but closed at Rs. 24. Indian Irons hovered around Rs. 18.45.

A note of recovery was in evidence in selected miscellaneous industrials. Indian Coppers regained to Rs. 3.39 from Rs. 3.36, and Rohtas Industries to Rs. 17.81 from Rs. 17.62. Niccos were better at Rs. 20.25, while B.I. Corporations, following a preponderance of sellers over buyers, weakened to Rs. 6.00.

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Madras Stock Exchange

MADRAS *5th June*

The easy conditions which prevailed on the Madras Stock Exchange last week gathered considerable momentum during the week under review. In fact, the market ruled distinctly bearish. The Union Finance Minister's refusal to revise his tax proposals relating to Corporate sector and fears of imposition of higher taxation on plantations, especially coffee and tea, by State Governments utterly disappointed operators. The sentiment was further shaken by discouraging reports from piecegoods market. Selling was, therefore, widespread and equity values tumbled down. Even the concessions in wealth tax, namely, exemption of genuine new companies for the first five years of their existence and exclusion of investments of one company in another for purposes of wealth tax levy, failed to enthuse operators. The withdrawal of additional excise duties on tea and coffee, too, did not have any favourable effects.

Among tea shares in the planting section, Chembras dropped 70 nP to Rs. 3.10. Blue Mountains shed 10 nP to Rs. 3.10. Chandramalais receded by 20 nP to Rs. 3.75. Devasholas declined by 37 nP to Rs. 19.50. Highlands lost 20 nP to Rs. 13.80. Kil Kotagiris eased by 8 nP to Rs. 5.85. Neelamalais retreated by 35 nP to Rs. 5.35. Ouchterlonys were quoted 12 nP lower at Rs. 4.60. Periakaramalais decreased by 10 nP to Rs. 7.15. Waterfalls fell by 55 nP to Rs. 3.45. Peermades, however, improved by 85 nP to Rs. 25.85, on reports of a final dividend of 27½ per cent., making a total of 37½ per cent. for the year ended 31st December, 1956 as against 35 per cent. for the previous year. Among coffee shares, Sheveroys declined by 17 nP to Rs. 1.80. In the rubber group, Cochin Malabars dropped 75 nP to Rs. 6.75. Kailas slipped by 40 nP to Rs. 4.30. Midlands climbed down by 90 nP to Rs. 15.50. T.R. & T.s depreciated by 30 nP Rs. 8.55. Pullangodes eased by 8 nP to Rs. 2.30. Rajagiris fell by Rs. 1.50 to Rs. 16. Thirumbadis were 18 nP lower at Rs. 1.55.

In the textile section, Metturs were hammered down by Rs. 74 to Rs. 318, on selling pressure induced by lower dividend of 20 per cent. for the year ended 31st March 1956 as against 42½ per cent. for the previous year. Rajalakshmis fell by Rs. 16 to Rs. 120. Dhanalakshmis slumped by Rs. 20 to Rs. 320. Coimbatore Cottons dropped Rs. 10 to Rs. 148. Lakshmis receded by Rs. 5 to Rs. 134. Buckinghams decreased by Rs. 2 to Rs. 166. Coimbatore Spinnings eased by a rupee to Rs. 85. Janardanas lost a like amount to Rs. 88. Maduras shed 50 nP to Rs. 40.50. Ranga Vilas came down by Rs. 2 to Rs. 84. Travancore Rayons shed 10 nP to Rs. 13.15. Loyals declined by a rupee to Rs. 47.75. Kotharis receded by Rs. 1.50 to Rs. 12.25. Palani Andavars were neglected at Rs. 147, as also Radhakrishnas at Rs. 271.

In the miscellaneous section, Indian Steel Rollings declined by 25 nP to Rs. 11. Metfur Chemicals receded by 30 nP to Rs. 9.30. Andhra Cements eased by 5 nP to Rs. 12.75. F.A.C.Ts, however, gathered 10 nP to Rs. 5.70. Spencers gained a like amount to Rs. 16.70.

In the sugar group, Travancores declined by 25 nP to Rs. 10.25. Deccans decreased by 10 nP to Rs. 7.25. E.I.Ds were quiet at Rs. 26.75, Indias at Rs. 15.50 and Mysores at Rs. 37.50.

AWARD OF INDUSTRIAL TRIBUNAL ON COLLIERY DISPUTES

The period of operation of the Award of the All-India Industrial Tribunal (Colliery Disputes), Calcutta, which granted a wage increase to workers in coal mines, has been extended up to 26th May 1958, according to a notification published today in a *Gazette of India Extraordinary*. The All-India Industrial Tribunal (Colliery Disputes), Calcutta, was set up by the Government of India in February 1954 to adjudicate on industrial disputes concerning coal mines. These related to wages of all categories of colliery workers, inclusion of pay for lend and/or lift for calculating bonus and provident fund, etc., house rent, paid festival holidays and continuance of foodgrains concessions to workers. The Tribunal's Award, which covered about 960 coal mines located in eight different States, was published in May 1956.

MARKET GOSSIP

(*Concluded from page* 1127)

sure a stable market for New Zealand's products in the U.K. This suggestion, however, did not find favour with the U.K. Government which made it clear that its policy and its international commitments precluded either import restrictions or upward revision in preferences in order to protect New Zealand's interest.

New Zealand would appear to fear that it might be excluded from its present markets in the Messina countries (of the European common market) and that, in fact, agricultural production in these countries might rise to a level where substantial surpluses for export might become available. This is not the only country which is having such a fear; several other countries, including India, have it as well. Australia, for instance, has already accepted a policy of reducing the preferences given to Britain. If the U.K. should prove unable to absorb at remunerative prices the increasing production in the Commonwealth countries, the latter may have to seek access to other markets. Speaking on behalf of his own country, Mr. Holyoake said at London the other day that, "to this end and also to assure New Zealand of a competitive price structure, New Zealand might wish in the future to proceed to a downward adjustment of the preferences granted to the U.K. Commenting on this development, the *Financial Times* remarks that the Ottawa system of Imperial Preferences is "in a period of twilight."

NEWS IN BRIEF

THE Government of India does not contemplate the appointment of a second experts committee to decide the location of the proposed oil refinery in Assam.

A sulphur manufacturing plant at an estimated cost of Rs. 1 crore is expected to be set up at Sahabad in South Bihar by the National Industrial Development Corporation.

The Bihar Government is examining a scheme for establishing a factory either at Amjor or at Dehri-On-Sone for manufacturing sulphuric acid based on pyrite deposits.

The Trans World Airlines' super G constellations linking India with Ceylon and the U.S. and other major international capitals of the world commenced operations with effect from the 4th inst.

Australia is supplying to India 2,000 railway wagons as part of its Colombo Plan contributions. The wagons will be included in India's programme of rehabilitation and development of the railway system. Delivery of more than 400 wagons would be completed by the end of this month.

The Kashmir Government proposes to set up an Industrial Finance Corporation to help the development of industries in the State. The proposed Corporation will have a share capital of Rs. 50 lakhs and a paid-up capital of Rs. 25 lakhs. Out of the paid-up capital, Rs. 19 lakhs will be subscribed by the State Government, while the rest will be open to public subscription. The Government is now working out details of the Corporation.

A post-graduate diploma course in pulp and paper technology, the first of its kind to be approved by the Government of India, will commence at the Indian Forest Research Institute, Dehra Dun, from 5th August next. The course will impart thorough practical and theoretical training to students for key technical posts in pulp and paper mills. The diploma holders will also be able to carry on technological research in the subject. The minimum qualification for admission to this course is a degree in chemical engineering of a recognised university.

The Customs Reorganisation Committee recently appointed by the Government of India to review the working of the Customs administration in this country, has issued its questionnaire. Copies are being supplied to the various chambers of commerce, trade associations, firms, etc., who had furnished the Committee with material for the framing of the questionnaire. The Committee now invites all other interests concerned to obtain their requirements of the copies of the questionnaire from the Secretary, Customs Reorganisation Committee, Central Revenues Building, near Hardinge Bridge, Mathura Road, New Delhi.

The Government of India has restricted the issue of import licences for twenty different items of steel. These include tinplate waste, waste-culls circles, strips, cuttings, tinplate taggers waste and waste terniplate primes, spring steel sile, wire spring steel, wire rope, wire galvanised telegraph, steel strips and tapes. Only actual users will, in future, be issued licences for the import of steel. In the first instance, these licensees will be issued licences only to cover the requirements of the applicants for the certified three months. The import licences will normally be restricted to those categories which are not produced within the country, the only exception being in the case of those users who had hitherto not been receiving supplies from indigenous production and had been depending on imported steel. Licensees are allowed to import steel themselves or through any of the established importers.

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From Abroad

The Malayan delegation which will attend the International Rubber Study Group Conference to be held at Djakarta this month is expected to oppose a move by the French delegation for a scheme to stabilise the price of natural rubber.

The three Benelux countries, Belgium, the Netherlands and Luxemburg have agreed on the text of a draft treaty which is designed to weld their economies into a closely knit block of some 20 million people.

Prospects of extending Ceylon's tea trade to the Soviet Union are bright, according to Mr. Senanayake, Ceylonese Minister for Trade. He believes that Russia will be able to buy substantial quantities of tea and other primary products such as rubber and coconuts. At present, Ceylon has no direct trade with the Soviet Union.

The British Ambassador in Paris, Sir Gladwyn Jebb, told the French Foreign Minister, M. Pineau, recently that Britain attached the greatest importance to the speedy ratification of the common market and Euratom treaties. He added that the British Government hoped that the common market would be completed by the setting up of a free exchange zone in which Britain could associate itself in European co-operation.

The Boards of the Guardian Assurance and the Caledonian Insurance have agreed in principle to merge the interests of the two companies. The Guardian will issue to Caledonian shareholders seven ordinary 5s. shares for ten ordinary 5s. units of Caledonian. The offer is based on 90 per cent. acceptance or such lesser percentage as may be agreed and also on the Guardian shareholders' consent to the necessary increase in capital.

Under the impact of steady immigration, Australia's population is rising rapidly towards the 10,000,000 mark. In 25 years, the Australian Department of Immigration predicts 20,000,000 people will live in that island continent which is 32 times the size of the United Kingdom. About 1,150,000 immigrants have landed in Australia since World War II, roughly half of them from Britain and two-thirds of the remainder from Italy, the Netherlands, Poland, Germany and Greece.

Japan has offered to contribute about Rs. 20 lakhs to the capital of the proposed Pakistan Industrial Credit and Investment Company to finance industrial concerns in the country. It may be recalled that Mr. Amjad Ali, Pakistan's Finance Minister, announced in February last that the Government intended to set up such a Company with an authorised capital outlay of Rs. 15 crores. His proposal was that the Company would start with a paid-up capital of Rs. 2 crores, 40 per cent. of which could be made up by foreign contributions, the rest to be invested by indigenous financiers. The Japanese offer is reported to be the first response that Pakistan has received from foreign countries to this proposal. Pakistan is understood to have approached Britain, France and the U.S.A. also in this regard.

PERSONAL

DR. Jagan Nath Khosla, at present Minister-*Charge d' Affaires* in the Embassy of India, Prague, has been appointed Indian Ambassador to Czechoslovakia.

Mr. W. A. B. Lliff, Vice-President of the World Bank, arrived in New Delhi on the 7th inst. from Washington. His visit is in connection with the talks on the Indo-Pakistan canal water dispute.

Mr. T. G. Carter, Chairman of the Australian Wool Bureau, has been re-elected Chairman of the Executive of the International Wool Secretariat, and Mr. H. K. P. Wood has been elected Chairman of the International Wool Secretariat.

Mr. R. K. Sidhwa, President of the Federation of All-India Local Authorities, will lead the Indian delegation to the World Congress of the International Union of Local Authorities to be held at The Hague on the 12th inst.

Mr. G. Rajagopalan has been appointed Parliamentary Secretary to the Minister for Information and Broadcasting, Messrs. Sadath Ali Khan and Jogendra Nath Hazarika to the Minister for External Affairs, Mr. Purnendu Sekhar Naskar to the Minister for Rehabilitation and Minority Affairs, and Mr. Lalit Narayan Mishra to the Minister for Planning.

Announcing the opening of the

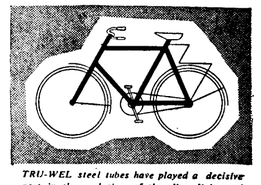
TUBE PRODUCTS OF INDIA LTD.

factory at Avadi, Madras

Production has begun of the world famous

TRU-WEL Electric Resistance Welded steel tubes

Promoted as a joint venture between Messrs Murugappa and Sons, Madras, and Tube Investments Limited, Birmingham, U.K. (through their subsidiary, Tube Products Limited, Oldbury, Birmingham), Tube Products of India's factory marks an important milestone in the progressive industrialisation of our country.



TRU-WEL steel tubes have played a decisive part in the evolution of the slim, light and immensely strong cycle of today.

Planned and developed as a specialised unit to produce ERW steel tubes, Tube Products of India Limited have commenced production of the world famous TRU-WEL Electric Resistance Welded steel tubes.

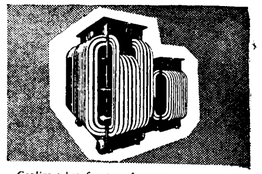
TRU-WEL—a familiar name: TRU-WEL is a familiar name in India. For nearly thirty years Tube Products Limited, Oldbury, our associates, have been the principal suppliers of ERW steel tubes to India. TRU-WEL tubes therefore, enjoy an established reputation for high quality and unrivalled service.

A versatile tube: TRU-WEL tubes combine great strength with exceptional lightness. By skilful manipulation TRU-WEL steel tubes can be made to serve a variety of our developing needs in the home and in industry. The bicycle industry is entirely dependent on it. Motor cars, locomotive boilers and transformers are some of the highly specialised industries which require ERW steel tubes in large quantities.

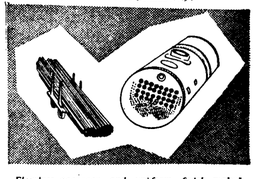
Tubular seat frames, handrails, struts, support and guard rails, which are in extensive use in body-building and interior furnishings in buses, trains and ships, are other familiar uses. Its use in home and office furniture is becoming increasingly popular.

We are happy that Tube Products of India Ltd. will play a complementary role in Indian industry in that it will serve many of our existing engineering industries and also help to promote many more in the years to come.

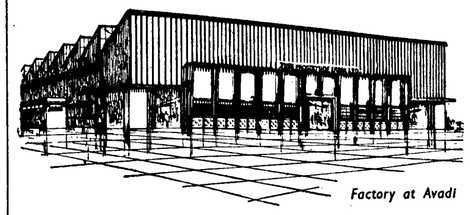
Board of Directors: Sir A. Ramaswamy Mudaliar is the Chairman. The other directors include: Sir Ivan A. R. Stedeford, K.B.E., Chairman of Tube Investments Limited, Birmingham, Mr. A. M. M. Murugappa Chettiar, and Mr. A. M. M. Arunachalam, Partners. Murugappa & Sons, F. W. Martin, Managing Director, Tube Products Limited, Oldbury, Birmingham and Hon'ble Mr. G. R. Macdonald, Director of T. I. (Export) Limited.



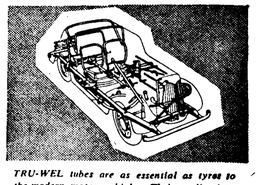
Cooling tubes for transformers - an example of electrical equipment to which TRU-WEL tubes provide a foundation of dependability.



Flawless accuracy and uniform finish make TRU-WEL tubes ideal for locomotive boilers.



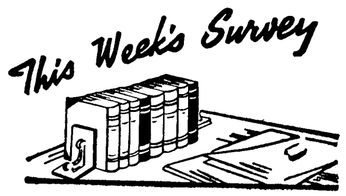
Factory at Avadi



TRU-WEL tubes are as essential as tyres to the modern motor vehicle. Their applications range from small tubes for radiator overflow pipes to outsize tubes for rear axle casings.

Tube Products of India Limited, "Swastik House", 106, Armenian Street, Madras-1

TP. 93



REQUISITIONING FOOD STOCKS

THE last act of the first session of the newly elected Parliament was the passing of the Essential Commodities (Amendment) Bill which invests the Government with special powers to check the rise in prices of foodgrains. Accordingly, the Government is now empowered to requisition food stocks on payment of the average market price prevailing in a notified area over a period of three months preceding the date of issue of notification under this new power. Hitherto, it will be recalled, the Government had the power to requisition stocks but only at the ruling market price. In the context of the high level of prices at present, this provision was considered to be inadequate to discourage hoarding and to prevent undue profiteering by traders.

While the object underlying the measure is laudable, it has, it must be said, come too late, owing to persistent complacency on the part of the authorities. Ever since May 1955, the foodgrains prices have been moving up almost continuously; the index number of wholesale prices (base: Year ended August 1939=100) of food articles which stood at 276.1 in that month reached the all-time peak of 419.2 for the week ended 11th May 1957, or a rise of over 50 per cent. The increase has been particularly marked in the past four months (that is, since the beginning of this year), being as much as 37 points or nearly 10 per cent.

Despite the deep concern over the foodgrains situation expressed by many, not excluding the Union Finance Minister, the Food Minister, his deputy and the other officials of the Ministry were all inclined to underrate the gravity of the situation. Statements were made to the effect that there was absolutely no cause for alarm about the food situation in any part of the country and that the position was, on the other hand, hopeful. But by coming out with his amendment to the Essential Commodities Act, on the ground that there was an emergency and that all formalities of procedure should be waived, the Food Minister was only censuring himself. Surely, the Minister, as Mr. N. H. Kunzru, rightly remarked during the debate on the Bill in the Rajya Sabha, ought to have known that, thanks to the policy of deficit financing, the food prices would go up. But the Food Ministry did not have the foresight to take the necessary action in advance. It was also well known, as he said, that considerable quantities of foodgrains were being smuggled across to Pakistan, but no measures were adopted to prevent it. When prices were low two years ago, the Government should have procured foodgrains at reasonable prices by actively entering the market itself or in partnership with dealers. It, however, did not do so. It, of course, entered the market in some places, but its purchases were small, halting and uncoordinated. Again, the world markets in wheat, and to some extent even in price, were quite favourable to buyers and India could have stockpiled large quantities of these grains by special arrangement with the U.S., Canada and Australia. But the Food Ministry missed the bus, apparently because it thought that the food problem had been solved. Having thus bungled, how can it now, to quote Mr. Kunzru, "bring down prices even by using the powers under the Bill?"

This is, indeed, the crucial question for an answer to which one has to wait for some time. Lest he should be accused later of not energetically exercising the special powers now vested in the Government by the amending legislation, the Food Minister stated in the Rajya Sabha that, in the present state of affairs which had led to a rise in food prices, the measure was comparatively a moderate one. He then went on to say: "The Government is determined to see that the upward tendency of prices is arrested and, if it becomes necessary and if we find we have to take more powers, I may have to come before the House for vesting Government with greater powers. ... We have many more things on which we are working and I hope that, as a result of the cumulative effect of the action we propose to have, undue rise in prices will be arrested." The Food Minister, however, made it clear that he did not have food rationing in mind. Indeed, he hastened to add that he was completely opposed to rationing and would resist it with all the strength at his command.

There was an interesting debate on the aforesaid Bill in the Lok Sabha. While both the Congress and the opposition members generally supported the Bill, special stress was laid on the need for fixing the price payable to stockists in a manner which would be most advantageous to the consumer. The Food Minister did well to assure the public through the House that the prices would be equitable to the consumer and the stockist alike, such being not questionable in a court of law. Some members criticised that the average market rate prevailing in the area over a period of three months to be payable for requisitioning stocks was too high and would tantamount to subsidising the hoarders. The Government, according to one member, would be paying 40 to 50 points more as compared with the proper price. There is some force in this contention. The average price of foodgrains over a period of the past three months are appreciably high. The Food Minister would have done well, if he had, instead of fixing this rate, merely said that the stocks of foodgrains held by hoarders would be requisitioned at a reasonable price. Apart from this defect, no criteria has been laid down in the Bill as to judge whether the stocks are held legitimately or whether they constitute hoarding.

In conclusion, it must be said that the Government should adopt a more rigorous policy for tackling the food problem. The real solution to the problem lies not in measures such as requisitions of stocks at a certain price but in augmenting production. It is gratifying to be told by the Food Minister that all the efforts of the Government were being concentrated on producing more. Reassuring also is his statement that the Government proposed shortly to announce certain "very fundamental and important measures" to give incentives for the producer to produce more and more. Let us wait and see as to what these are.

TROMBAY POWER PROJECT

At long-term loan of $9.8 million has been sanctioned by the World Bank to the Tata Hydro-Electric group of companies to finance the expansion of their thermal electrical power plant at Trombay. This is the second loan to be sanctioned by the World Bank to the Tata group for the same purpose; the first loan for $16.2 million, sanctioned in 1954, assisted the group in constructing a plant with two generating sets, having a combined maximum capacity of 125,000 kw. The present loan of $9.8 million will help the group to meet the foreign exchange cost of a third unit, with a maximum capacity of 62,500 kw. The total cost of the plant is estimated at $14 million, of which $4.2 million represents expenditure in rupees. This sum will be found by the companies from their own resources. The World Bank's loan of $9.8 million will be utilised to finance the import of boiler plant, turbine generator and condensing equipment, accessory electrical equipment and transmission extension, coal handling, coal crushing and ash disposal equipment.

The loan is repayable over a period of 18 years, the first instalment falling due on 15th April, 1960. It bears interest at 5½ per cent., including the 1 per cent. commission which goes to the Bank's special reserve. It is guaranteed by the Government of India.

The thermal power station at Trombay owes its existence to the foresight of free enterprise. It is common knowledge now how the Bombay Government—the public sector—was first strongly opposed to the establishment of this station, and how it took several years for Tatas and other power interests to convince the State Government about the imperative necessity for having this new generating station. The Bombay Government did not relent, until the experts of World Bank came to India, studied the power needs of the State and endorsed the views of the private sector. Even then, it yielded only grudgingly and agreed to the creation of only two power plants. All this niggardly approach was the result of failure on the part of Bombay Ministers to look ahead clearly and anticipate correctly the power needs of industries in Bombay-Poona region. It was also due to their over-optimism about the period within which the Koyna project could be completed. If only the Government had listened to the private sector when the project was first mooted, Bombay city and other parts of Bombay-Poona region would be having more power now and that, perhaps, at a slightly cheaper cost. It must, however, be said to the credit of the Bombay Government that, when it realised its mistake and found that the Koyna Power Project would take a much longer time than had been anticipated, it did not hesitate to ask the Tata Hydro-electric group to expand the Trombay power project by having a third set. If, instead of doing so, it had allowed prestige to stand in the way, the prospects for industrial development in Bombay region would have become very bleak.

In Trombay, power is now generated by using the by-products from the adjacent Stanvac refinery as fuel. The new unit, which is scheduled to be completed in April, 1960, will use coal from central India for fuel and will be equipped with coal crushing and handling machinery. It will also be equipped to burn fuel oil, as well as by-products, from the refinery.

The power produced in Trombay, together with that from a small plant belonging to the State Government, is being fed into the Tata system which furnishes wholesale power in the Bombay region. Even at the time of World Bank's first loan for this project, a forecast of the power demand showed that, even after completion of the first two units at the Trombay plant, there would have to be some restrictions on power use in the Bombay area, pending completion of a hydro-electric plant which the Bombay State Government had planned to build at Koyna, about 140 miles south of Bombay. The shortage of power, in the opinion of World Bank's experts, now seems likely to be even more severe than had been forecast because of the rapid growth of industry. The new or expanding industries in the area include engineering and chemical plants, a rayon plant, a fertiliser plant, further electrification of railways, port facilities and an atomic energy laboratory. Even with the addition of the third unit at Trombay, there will be, we are told, a shortage of power in the area until the Koyna plant comes into operation. The present expansion at Trombay will produce power at an earlier date than could be obtained from any alternative source and will also provide a desirable hydro-electric-thermal balance in the Tata system. It has thus a double advantage.

OUTLOOK FOR HOUSING

The rise in prices of steel and cement, as a consequence of the increased imposts on these commodities in this year's budget, is bound to affect adversely construction activity in the country. A somewhat unforeseen, and particularly undesirable, development is that, with the rise in prices of cement and steel, the prices of other building materials are also reported to have risen. Clearly, the all-round increase in prices of building materials must be a matter for grave concern to industrial establishments and private builders alike. Any slowing down of construction activity will mean reduced opportunities of employment in a sphere which, as is well known, provides jobs for a large number of relatively unskilled workers. Perhaps, it is not as widely appreciated as it should be that, while in the short run at least, the industrial and other programmes included in the Plan will give employment only to the few directly concerned with these programmes, a country-wide diffusion of construction activity is one of the potent means of solving the problem of mass unemployment and underemployment.

Further, it will be generally deplored that the rise in prices of building materials has come at a time when the shortage in housing continues to be an intractable problem. The significance of this problem was recently highlighted by the U.N.'s report to the Economic and Social Council. The report pointed out that the shortage of housing in India was so great that, by 1961, in urban areas alone, the shortage may be about 5.3 million units or a shortage of twice as many units as in 1951. This is the position, despite the fact that, during the period of India's first Five-year Plan, about 1.5 million houses were built. It is, however, not known as to how many of these represent new houses and how many replacement of old houses. The second Plan provides for an estimated total of additional 2.1 million units from all sources. It remains to be seen whether even this target, which in itself is far below the country's requirements, will be reached in the context of all-round rise in prices of building materials. The U.N.'s report, on its part, has rightly observed that few people in India can afford to build houses of their own. Maintaining that the cost of a minimum dwelling unit in India was equivalent to $1,000, the report observes: "For India, the indications are that perhaps only 5 per cent. of the rural householders and 12 per cent. of the urban population would be able to pay this amount."

So much for the prospect for building activity connected with houses built by and for individuals. As regards the no less important, though statistically less significant, industrial housing, there are really two aspects of the problem. In the first place, industrial establishments—whether new units or existing units contemplating expansion—have necessarily to engage themselves in construction for purposes of housing plant and machinery. The capital costs involved in such construction are bound to go up. Secondly, there are housing projects for industrial employees. Surely, industrial employers, already sorely pressed by increased tax burdens, including expenditure and wealth tax, cannot possibly be induced to take a lively interest in housing schemes for workers. Already there is a feeling that the response to the Government's subsidised industrial housing and the low-income group schemes is less encouraging than one might expect. Some light is thrown on the progress of these schemes by the latest report of the Ministry of Works, Housing and Supply for the year 1956-57. Under the industrial housing scheme, loans and subsidies are given by the Central Government to State Governments, statutory housing boards, workers' co-operative societies and industrial employees. During 1956-57, loans and subsidies aggregating Rs. 3.2 crores were sanctioned for construction of 12,167 tenements. The cumulative total of the aid sanctioned under the scheme since its introduction in September 1952 works out to Rs. 25.3 crores (consisting of Rs. 13.0 crores by way of loan and Rs. 12.3 crores as subsidy), covering about 89,400 tenements. Till the end of February 1957, the number of tenements completed was 51,300. Again, till the end of March 1957, actual disbursement, which is related to progress of construction, was Rs. 16.6 crores—Rs. 10.4 crores as loan and Rs. 6.2 crores as subsidy. Projects involving construction of another 20,000 tenements, estimated to cost Rs. 6 crores, are at present under consideration.

The low-income group housing scheme, which was introduced in November 1954, envisages grant of loans to State Governments for being passed on to individual and co-operative societies of individuals whose annual income does not exceed Rs. 6,000, to enable them to build and own houses. The loan bears interest of 4½ per cent. per annum, plus administration charges of State Governments which do not normally exceed 1 per cent., and is repayable in 30 annual instalments. The quantum of assistance is limited to 80 per cent. of the cost of the house, including the cost of land, subject to a maximum of Rs. 8,000. During the period of the first Five-year Plan, against the Centre's allocations aggregating Rs. 21.5 crores, the State Governments sanctioned loans to the tune of Rs. 16.3 crores to third parties, and actually drew from the Centre Rs. 11.1 crores. The number of houses to be built with the aid sanctioned aggregated 41,000.

All this touches only the fringe of the problem of housing the millions in the country. The fact is that housing activity cannot be stimulated without some impetus, wisely conceived and efficiently executed. The shortage of building materials must, of course, be first met. But, this is a long-term solution. In the short term, it is certainly not wise to render the problem for prospective builders particularly difficult through heavy imposts on basic building materials. The better solution would be to allocate the available supply of these materials on the basis of a carefully prepared scheme of priority.

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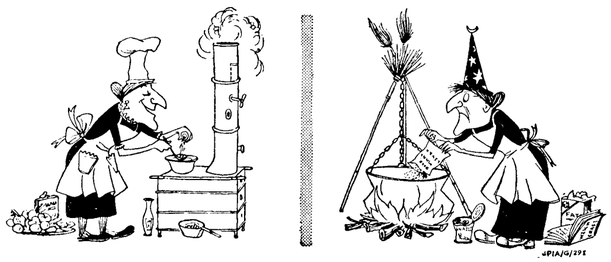

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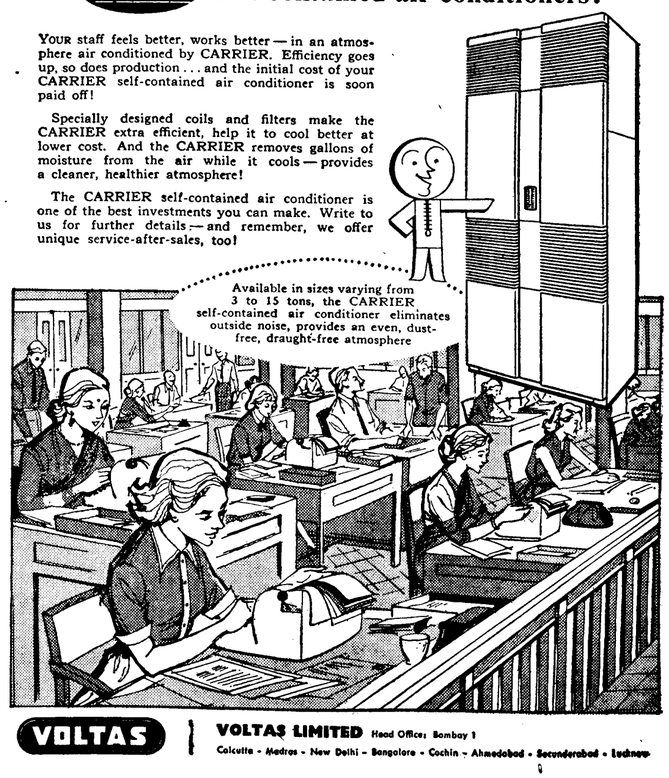

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ECONOMIC ANALYSIS OF UNION BUDGET

PRIVATE SECTOR'S SHARE IN COMMUNITY'S SAVINGS PROGRESSIVELY REDUCED

From Our Own Correspondent

NEW DELHI, *4th June*

DELHI LETTER

THE Union Finance Ministry has recently circulated to the members of Parliament a new document—"An Economic Classification of the Central Government Budget for 1957-58"—in addition to the usual budget papers. This valuable document, which is described as a beginning in the direction of linking up the transfers of the Central and State Governments with the economic budget for the nation as a whole, has not received the attention it deserves, in spite of the fact that it brings out more or less clearly the economic implications of the Government's budgetary transactions. Being confined to the Central Budget, the present classification is, of course, only a partial assessment of the impact of that budget on the rest of the economy by way of Government's consumption expenditure and capital formation. Even as a partial assessment, it is worth having for the present, for it will take some time before this type of analysis is extended to the budgets of State Governments, to the accounts of industrial and commercial undertakings owned and operated by the Governments and to the accounts for important sectors of the rest of the economy. The Finance Ministry is, however, not unaware of the limitations of the kind of classification it has presented. And it is recognised that "the impact of Governmental activity on the rest of the economy is felt in a variety of ways—through its regulatory and other measures, through the indirect effects of taxation on incentives and in many other ways. No system of economic classification by itself can unravel these diverse ramifications of Governmental activity."

The present economic classification pertaining to the Central Budget for 1957-58 is in the form of six accounts. The first three accounts deal with transactions in commodities and services, and transfers; here the first one gives the current account of Government administration, the second one the current account of departmental commercial undertakings and the third one the capital account of Government administration and departmental commercial undertakings (combined). Accounts 4 and 5 deal with changes in financial assets and changes in financial liabilities, respectively, under the capital account of Government administration and departmental commercial undertakings. And account 6 gives the cash and capital reconciliation account of Government administration and departmental commercial undertakings.

Account 1 shows that the direct consumption expenditures of the Central Government are Rs. 190.8 crores in 1957-58 (Budget), as against Rs. 157.5 crores in 1955-56 (Accounts) on account of wages and salaries and Rs. 213.1 crores in 1967-58, as against Rs. 127.7 crores in 1955-56 on account of commodities and services. Apart from these direct expenditures, there are current transfer payments to the rest of the economy by way of interest, grants to States and to others, subsidies, pensions, reliefs, etc. These transfer payments amount to Rs. 259.9 crores in 1957-58, as against Rs. 173.9 crores in 1955-56. On the revenue side, taxes on income and wealth bring in Rs. 159.1 crores as against Rs. 114.1 crores in 1955-56 and taxes on commodities and transactions Rs. 413.7 crores in 1957-58, as against Rs. 297.3 crores in 1955-56; income from property and enterprise (composed of profits transferred by departmental commercial undertakings, profits of the Reserve Bank, trading profit, interest receipts from State and others, and other income from property) comes to Rs. 110.8 crores in 1957-58, as against Rs. 57.4 crores in 1955-56 and fees and miscellaneous receipts account for Rs. 41.6 crores in 1957-58, as against Rs. 46.0 crores in 1955-56. The total of revenue comes to Rs. 725.2 crores and Rs. 514.8 crores, respectively, in the two years, whereas the total of consumption expenditure and transfer payments comes to Rs. 663.8 crores and Rs. 459.1 crores in the corresponding years. In the result, the balance of revenue representing the saving of Government administration available for capital formation is only Rs. 61.4 crores in 1957-58, as against Rs. 55.7 crores in 1955-56. That the expected saving on current account in 1957-58 is thus virtually the same as in 1955-56 in spite of the tremendous increase in tax and non-tax revenues, can only lead to the significant (and distressing) conclusion that the increasing tax burdens are meant mostly to cover the increasing consumption expenditure of Government administration. This conclusion is at once a refutation of the contention that increased taxation is intended as a contribution to capital formation in the public sector.

Account 2 shows that the estimated gross sale proceeds of departmental commercial undertakings (like railways, posts and telegraphs and others) in 1957-58 amount to Rs. 446.7 crores, as against Rs. 376.3 crores in 1955-56. On the expenditure side, wages and salaries and commodities and services (including those on account of repairs and maintenance) absorb Rs. 302.0 crores and Rs. 262.9 crores respectively, in the two years, whereas pension payments are Rs. 2.7 crores and Rs. 2.5 crores, respectively. Interest and depreciation account for Rs. 87.7 crores and Rs. 79.5 crores, and profits transferred to the current account of Government administration are Rs. 11.5 crores and Rs. 10.8 crores, respectively, in the two years concerned. On the other hand, the retained profits of departmental undertakings have increased from Rs. 20.6 crores in 1955-56 to Rs. 42.8 crores in 1957-58. This disproportionate increase in the retained profits and the maintenance of the profits transferred to the Government's current revenues at more or less the same level raise the doubt whether it is all meant to justify, in part, the need for additional taxation.

Account 3 dealing with the Capital Transactions of Government administration and departmental commercial undertakings shows that gross savings (composed of saving on current account of administration and retained profits and depreciation provision of departmental undertakings) total up to Rs. 151.9 crores in 1957-58, as against Rs. 122.9 crores in 1955-56 and capital transfers (composed of foreign grants and receipts from steel equalisation fund) account for Rs. 49.9 crores and Rs. 44.7 crores, respectively, in the two years, while the deficit on all transactions in commodities and services and transfers comes to Rs. 313.0 crores in 1957-58, as against Rs. 45.1 crores in 1955-56. On the disbursements side, gross fixed capital formation (through buildings and other construction and machinery and equipment including renewals and replacements) comes to Rs. 387.5 crores in 1957-58 and Rs. 176.7 crores in 1955-56. Grants for capital formation to States, non-departmental commercial undertakings and others total up to Rs. 33.4 crores and Rs. 32.9 crores, respectively, in the two years. Increase in inventories, compensation to displaced persons, etc., account for Rs. 93.4 crores and Rs. 3.1 crores in the two years concerned.

The major findings of the above three accounts and Account 4 are brought together as follows:—

	(Rs. crores)
1. Government consumption expenditure	404
2. Gross Capital formation by Government	464
3. Current transfers to other sectors	260
4. Capital transfers to other sectors	51
5. Financial investments, and loans and advances to other sectors	344
Total	1,523

This total expenditure of Rs. 1,523 crores by the Central Government in 1957-58 excludes the operating expenses of departmental commercial undertakings. The first two expenditure items amounting to Rs. 868 crores represent the total draft by the Central Government on the real resources of the community. Besides the gross Capital formation of Rs. 464 crores directly by the Central Government, there is financial provision (in the other three items of expenditure) for promoting capital formation in the other sectors of the economy through outright grants of Rs. 33 crores, contribution to share capital of companies to the tune of Rs. 79 crores and loans for capital formation of the order of Rs. 295 crores to States. In the result, a total sum of Rs. 871 crores (representing 57 per cent. of the total expenditure of Rs. 1,523 crores) is budgeted for capital formation both directly and indirectly by the Central Government in 1957-58.

(*Continued on page 1168*)

THE CHANNEL TUNNEL

SUEZ LINK WITH EUROPE

From Our Own Correspondent

LONDON, *25th May*

LONDON LETTER

AT the bottom of the stock market list has sat for three-quarters of a century the shares of a little company with which stock market gamblers like to have fun. It was called the Channel Tunnel Company: its shares meant nothing in terms of dividend or capital appreciation in the normal sense of the word and they were simply one of Throgmorton Street's toys. A few gold and diamond mining shares and, before the war, a couple of South American railways, among others, kept these shares company as the sort of buy which people got it into their heads to make from time to time and as quickly unloaded when the inevitable rise came. Now the share has acquired a new interest and its prospects of capital appreciation have approached the borders of reality with the intervention of the Suez Canal Company. The latter expropriated from Egypt and looking about for something to do became attracted to the idea of a channel tunnel to link up London and Paris by rail and "talks" have been held between the two Companies.

The Channel Tunnel Company was formed in the early 1870's and, in 1881, the local British Railway Company began to bore a pilot tunnel out to sea from near Dover and the corresponding French Railway Company did the same on its side. Both pilot tunnels were several miles long—they have to start well back from the coast to give a gradual enough slope under the bed of the Channel—and though they have been sealed they are still there. The project was abandoned not for technical reasons but solely for strategic reasons. France in those days was still emerging from the position of Britain's traditional Continental enemy and neither Government liked the idea of a railway line down which the other could hustle a troop train before the alarm could be sounded.

But, with France a firm ally of Britain, the advantages of being able to move troop trains are more apparent than disadvantageous and it is admitted that there is no strategic danger, since there will be plenty of time to thwart a Continental invader either by blocking up the tunnel mouths or by blowing it up if he tried to get through. Since the steamship services are run by the same people who would operate the railway lines, the question of competition does not arise except from the point of view of the air companies, since a through train service would represent an intermediate transit time between the present surface route and the air route. But, of course, the practical advantage of a direct railway link from the point of view of merchandise is enormous and no supporters of a European Common Market can afford not to be enthusiastic about a Franco-British railway line.

There is already a group of Members in Parliament pledged to the idea of a tunnel and the present Prime Minister declared two years ago that he could see nothing against it. The Government might even actively support the project and that thought added to the support of the Suez Canal Company and, it is said, American funds, account for the interest shown in the old Channel Tunnel Company.

It would not be surprising indeed to find the pilot tunnels reopened and a new attempt made to determine the feasibility of the project. This exploratory stage would take about two years and the project itself is thought to be of the order of £100 million. It is one of the anomalies of the London Stock Exchange that the thought of such vast sums can be linked up with the original sponsors of the idea who, in fact, control only the pilot workings themselves. The project could not, of course, be undertaken by the original company which would be lucky to be allowed to become a partner in a new consortium of the interests today concerned. But, on traditional grounds, the Company will no doubt be given a part to play.

The next bull point for the tunnel would be a concrete development on disarmament between America and Russia since that will set more funds free in search of a new job and it is in an atmosphere of international *detente* that such international schemes as this will flourish.

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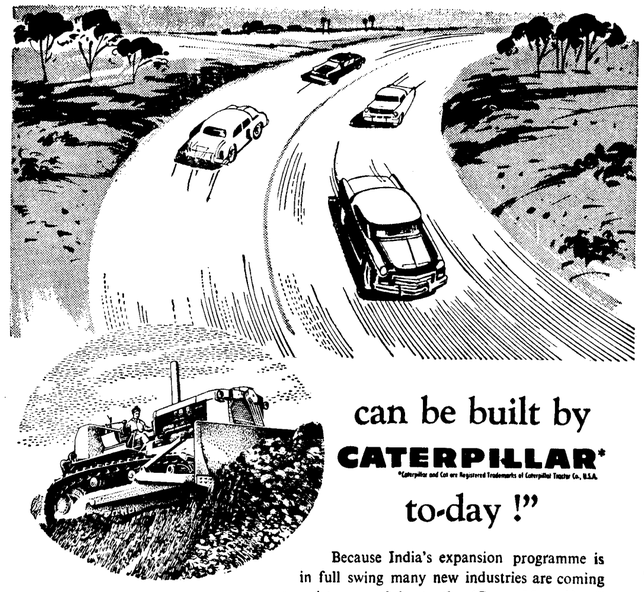

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HOW THE U.S. GOVERNMENT AIDS SMALL BUSINESSES

CREDITS PROVIDED THROUGH BANKS

By Arthur Hachten

DIRECTOR OF INFORMATION SMALL BUSINESS ADMINISTRATION, UNITED STATES GOVERNMENT

CONTRARY to popular belief abroad, the United States is not a nation of "big business." While it is true the nation's large corporations are strong, dynamic, and world-famous for their production and distribution techniques, the fact is that these large concerns are relatively few in number since more than 95 per cent. of all the business establishments in the United States are small.

There are today more than 4 million of these small companies, and the U.S. Government is vitally interested in seeing to it that small business remains strong and healthy. Small business has always been the backbone of the American free enterprise system, since it keeps open the door of opportunity for free people of vision and courage, people who want to go into business for themselves.

The U.S. Government recognised that, in this era of unprecedented expansion and industrial change, small business has problems for which the Federal Government should help provide solutions. That is why, in recent years, the U.S. Government has set up specific programmes in its various Departments and Agencies to assist small business.

More recently, under President Eisenhower, there has been created a special Cabinet Committee on Small Business comprised of seven officials of Cabinet level rank headed by the Chairman of the President's Council of Economic Advisers. This Committee constantly studies the problems of small business and makes recommendations directly to the President of measures that should be undertaken either by the Legislative or the Executive Branches of the Government to help small businesses get started and grow.

Typical of the recommendations that the Committee has made, and which the President already has put into motion, are those dealing with taxes, reduced paper work, competition, financial assistance, help in obtaining Government purchases of goods and services, technical management aids, and others.

An Independent Agency

The most significant action taken for helping small business, however, was the establishment by Congress, upon recommendation by President Eisenhower, of the Small Business Administration (S.B.A.). This is the first comprehensive peace-time agency devoted wholly to small-business problems and is an independent agency under the general direction and supervision of the President.

When the Congress established the Agency by enacting the Small Business Act of 1953, it had this to say:

"The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition are basic not only to the economic well-being but to the security of this nation. Such security and well-being cannot be realised, unless the actual and potential capacity of small business is encouraged and developed.

"It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as it is possible, the interests of small-business concerns, in order to preserve free competitive enterprises, to insure that a fair proportion of the total purchases and contracts for supplies and services for the Government be placed with small-business enterprises, and to maintain and strengthen the overall economy of the Nation."

A more recent indication of the present Administration's interest in the welfare of small business is contained in the following quotation from one of President Eisenhower's message to Congress:

" ... An integral part of efforts to foster a strong and expanding free economy is keeping the door of opportunity open to new and small enterprises, checking monopoly, and preserving a competitive environment.

"In the past year, the steady improvement in the economic health of business has reinforced the vitality of our competitive economy. We shall continue to help small business concerns to obtain access to adequate financing and to competent counsel on management, production and marketing problems.

"Through measures already taken, opportunities for small-business participation in Government procurement programmes, including military procurement, are greatly improved. The effectiveness of these measures will become increasingly apparent. We shall continue to make certain that small business has a fair opportunity to compete and has an economic environment in which it may prosper."

Besides the S.B.A., numerous other committees, departments, and agencies are concerned with problems of small business and are actively helping small businesses in many ways. These include the various committees of Congress, the Departments of Commerce, Labour, Justice, Defence, and Treasury, and such independent Federal agencies as the Housing and Home Finance Agency, the Securities and Exchange Commission, and the Federal Trade Commission.

Types of Assistance

The Small Business Administration has four principal types of assistance available to small firms:

1. Counseling with credit problems and helping them to obtain adequate financing and reasonable rates;
2. Providing them advice and assistance in solving management and production problems;
3. Providing financial assistance at low interest rates to owners of homes and businesses damaged by tornadoes, floods, hurricanes and other natural catastropes, and
4. Helping small concerns to get a larger share of the Government's purchases of goods and services.

In making business loans to small firms, the S.B.A. works closely with local banks, and this type of co-operation has been most successful. Through 1956 it had approved more than 5,000 loans to aid small firms.

Two-thirds of these loans have been made in co-operation with private banks. These are called "bank-participation" loans—the bank puts up part of the funds, and the Government puts up part.

The objective is not merely to help the proprietor of a small firm get a single loan that he needs, although that is important, but also to help these proprietors to establish a line of permanent credit in their home towns. That is why so much stress is put on bank-participation loans.

Recently, the Small Business Administration announced a new loan plan tailored to the term financing needs of the small retailer, wholesale distributor, and service establishment.

These concerns usually have limited tangible collateral which they can pledge for a loan. On the other hand, they may have a good earnings record, competent management and a reputation with local banks for meeting obligations satisfactorily.

Under this new plan, five-year loans can be made to very small establishments which need additional funds for expansion, modernisation, acquiring new fixtures, acquiring parking facilities, adding a second location, purchasing adequate inventory, or other purposes.

Educational Courses

The Small Business Administration's second major activity is assistance with management and production problems of small-business concerns. The programme in this field is largely an educational one designed to help a business man fill in the gaps in his knowledge and experience, and acquire a better grasp of overall business administration—in short, to become a more capable executive. As one part of this programme, the S.B.A. is sponsoring small-business administrative management courses in co-operation with leading educational institutions in all parts of the country.

In addition to these courses, the S.B.A. provides small firms, with four series of publications dealing with important management technical, production, and marketing subjects. These are practical, clearly written publications prepared largely by management consultants, university teachers, and other recognised experts in private industry.

The four series cover a wide range of subjects, such as market analysis; budgeting; business insurance; employee selection and placement; building sales volume; reducing operating costs; effective advertising; appeal procedure for income tax cases; record management; and sales forecasting.

The Small Business Administration also has trained specialists in its field offices to assist small firms with particular management or technical production problems. If its specialists cannot supply the answer to a business man's problems from their own training and experience, they seek the answer from other sources—Government agencies, universities, and industrial research groups.

Another and new S.B.A. service has already proved its worth, and holds an even greater promise for the future. It is the Products Assistance Programme. The purpose here is to help small firms develop improved products and develop and market new products. What the Small Business Administration seeks to do in the Products Assistance Programme is to help small firms overcome the great advantages in research enjoyed by larger companies, and to improve the techniques of introducing any new products on the market.

As part of this programme, the S.B.A. is helping small firms draw upon the vast wealth of non-confidential research information which is available from Government agencies, research institutions, trade associations and private industry. Through a Products List Circular, the agency calls the attention of small firms to new ideas, new and improved products, that individuals and business men have developed and would like to have put on the market.

Rehabilitation Loans

The Small Business Administration also makes loans to assist in the rehabilitation of businesses and homes which have been damaged or destroyed by natural disasters, such as storms and floods. This humanitarian function is a very important part of the work of the agency. When natural catastropes occur, the agency quickly opens temporary loan offices in the stricken areas and offer 3 per cent. loans to help in the rebuilding of homes and businesses.

The Small Business Administration's fourth major programme is assistance to small firms in obtaining a fair share of the U.S. Government's orders and contracts for supplies and services. The most important activity in this area is what is called the "joint determination" programme with other Government agencies. Under this programme, the Small Business Administration has assigned representatives to the principal Government purchasing centres in all parts of the country to review their proposed purchases and to determine which orders should be set aside entirely or in part for award to small business. To make it easy for small firms to take advantage of the agency's advice and assistance, the Small Business Administration established 40 field offices to serve small businesses in their own localities.

In order to obtain unbiased opinions and recommendations for continuing to aid small firms, the Small Business Administration has two advisory groups composed of professional and business men from all parts of the country. The two groups—the National Council of Consultants and the National Board of Field Advisers—enable the Small Business Administration to draw upon the advice of owners and representatives of small businesses in every part of the country. Thus, in shaping its programmes, the Small Business Administration has the active assistance and guidance of the very persons whom the programmes are intended to serve. The advisers are appointed by the Administrator of the agency and serve without compensation.

And, finally, the U.S. Government also is serving small business by fostering continued expansion of the national economy, by creating an economic climate which is favourable to the increased growth and prosperity of all business.

The Securities and Exchange Commission of the U.S. reports that the net working capital of American corporations at the end of 1956 reached a record level of $108,000 million, an increase of more than $5,000 million over the end of 1955. The Commission's report did not, however, include banks or insurance companies. The American corporations invested a record of $29,800 million in new plant and equipment last year. This investment has been one of the major factors in keeping the national economy at its high level.

Fifty-nine American universities are helping technical aid programmes in the underdeveloped areas, according to the International Co-operation Administration. The programmes range from the training of Government employees (in the Philippines) to the establishments of a national education system (in Nepal).

A WORLD OF CHANGE MIRRORED IN STATISTICS

REVELATIONS BY U.N. YEARBOOK

THROUGHOUT history, man has measured his fortune, or his misfortune, in relation to the world around him—in relation to the possessions, ability and strength of his neighbour. Today, this relationship, almost everywhere and practically in all fields, is measured by a universal yardstick—in the precise figures of statistics. In fact, much of modern life is guided, if not ruled, by statistics. Before a wage increase is granted, before fresh fields are ploughed, before new merchandise is put on the production line, before a multilateral trade agreement is concluded, the latest statistical tables are consulted.

The present state of the world—economically and socially—is clearly reflected in the *Statistical Yearbook 1956*, prepared by the Statistical Office of the United Nations, in co-operation with the statistical authorities of 151 countries and territories, the specialised agencies of the United Nations and other inter-governmental bodies. The 646 pages of closely printed figures, columns and tables represent the innumerable ingredients which make up our present society. In this volume, the complex relationship between man and his achievements is broken down into hard facts. At a glance it can be determined how long the average person lives, what he eats, reads or learns, what he produces and what he consumes, what resources he has at his disposal, how he travels and where he goes, how he lives and how much it costs him, what produce he harvests and how many trees he fells, whom he trades with, and how his Government balances its budget. It tells him how many people keep their nose to the grindstone—are economically active in statistical terminology—or how many are out of work. To find out whether the average man is better or worse off than before, whether he is producing more or less steel, building more or fewer ships or listening to the radio more than he used to, all he has to do is to look into this or previous editions of the *Statistical Yearbook*. Seven earlier volumes have been produced by the United Nations.

Record Heights

In comparing the trend, the eighth edition of the *Statistical Yearbook* shows that world economic activity in general reached record heights in 1955, higher than in any preceding post-war year and far above the pre-war levels. In that year, the factories and mines of the world, excluding those in the U.S.S.R., Eastern Europe and on the mainland of China, produced about twice as much as in any pre-war year; the railways hauled more than twice as much freight, the ships carried about two-thirds more cargo, and there were over twice as many motor vehicles on the roads as in 1938. Mining and manufacturing were 10 per cent. higher than in 1954. The volume of world exports was about 8 per cent. greater than in 1954 and nearly 60 per cent. more than in 1937. The average world trade prices in 1955 remained substantially the same as in 1954, or rather more than twice as high as those prevailing in 1937. As a result of the rise in prices and in the volume of exports, the value of world exports in 1955, measured in U.S. dollars, was about three and a half times as great as in 1937.

Meanwhile, there are also more people to contribute to the upward cycle of economic activity, and to benefit from it. In 1955, according to the *Yearbook* estimates, the world population was about one-third higher than in 1930 and about one-fifth higher than in 1940.

Moreover, the average man is finding that he is living longer and, in many ways, better than he used to. The *Statistical Yearbook* shows what he produces and eats; how much space he has to live in; how many books he publishes and how many newspapers he reads; whether he is likely to have a radio set and whether his children can enjoy television; and whether he has far to go to find a doctor.

The current issue is more comprehensive than previous volumes. For the first time in recent years, the statistical authorities of Bulgaria, Hungary and Poland have made available data covering a wide range of subjects, and much additional information was furnished by the Central Statistical Office of the U.S.S.R. The number of tables contained in the 1956 edition—187—is the largest ever.

The *Yearbook*, as usual, is bilingual—in English and French. But the language it speaks is universal. In terms of facts and figures, it shows how the world is progressing as a whole, and how regions and nations are doing in relation to each other. Here are some of the highlights and examples of this picture.

Population

Two thousand, six hundred and ninety-one million people. That is the total estimated population of the world according to the latest issue of the United Nations *Statistical Yearbook*. Or rather, that was the estimate for the middle of 1955. It is certainly more by now, because the world population is increasing steadily. In 1920, it was 1,810 million, in 1930 2,013 million, in 1940 2,246 million, and by 1955 it had climbed to a new record—2,691 million people.

Most of the people of the world, in fact more than half of the total, or 1,481 million, live in Asia, excluding the U.S.S.R. However, Europe is the most densely populated, with 83 inhabitants per square kilometre and a total population of 409 million. This is more than four times the average for the whole world, which is 20 inhabitants per square kilometre. Asia comes next in density with 55 persons per square kilometre. Oceania has by far the smallest population—14.6 million—and also the most elbow room, as every person has half a square kilometre to himself. The figures for the other continents are: Africa, 223 million with seven persons per square kilometre, and North and South America, with a total of 366 million inhabitants and a population of nine to the square kilometre.

Agriculture and Livestock

The increase in the population of pigs, sheep and cattle, since before the war, is just about keeping up with the increase in the human population—about 20 per cent. The pigs have made the most headway, having advanced by 32 per cent. Cattle has increased by 24 per cent. Next come sheep and asses, by 16 per cent. On the other hand, horses and mules are lonelier. The horse population has fallen by 19 per cent. This reduction reflects the rapid "industrialisation" of agriculture—the widespread replacement of draught animals by motor vehicles and tractors.

If you cannot sleep and want to count sheep, go to Australia where there are more of them than anywhere else—15 per cent. of the world total, and 18 per cent. more than before the war. The U.S.S.R. is also a good place to count sheep, with 14 per cent. of the world total. There are more sheep in the world than any of the other domesticated animals listed—a total of 884,000,000 in 1954-55.

But the cattle population is not far behind—with 855,000,000 head, most of them, relatively in the United States. When it comes to breeding cattle, the U.S.S.R. and the Chinese mainland share the second place, with 8 per cent. each.

The largest population of pigs, by far—87,920,000—is to be found on the Chinese mainland. The U.S.S.R. appears to come second, and the United States a close third, but this is not quite clear, because the Soviet census was taken before slaughter, and the United States figures were compiled after slaughter time.

The horses were less lonesome in the U.S.S.R. than anywhere else. Twenty-one per cent. of them were to be found there in 1953-54. In Brazil, which came next, they were not too hard up for company either.

And here are some examples of the rate of change in various countries and regions. The livestock population in the Soviet Union has increased considerably since 1941. The cattle stock went up by 23 per cent., pigs by 90 per cent., sheep by 56 per cent. Some of these increases may be due to a change in reporting dates. On the Chinese mainland, there were 17 per cent. more cattle and buffaloes in 1955 than in 1952 and 36 per cent. more sheep and goats, but 2 per cent. fewer pigs. Of the European countries listed, about half had more cattle than before the war, and nearly all had more pigs but fewer sheep. The United States increased its head of cattle by 46 per cent. since 1939, whereas the population of horses fell by 72 per cent., sheep by 39 per cent. and the number of pigs by one per cent.

The world—not counting the U.S.S.R.—produced more wheat in 1955 than in any post-war year, except 1952 and 1953, and 28.1 million metric tons more than on the average in the immediate pre-war years. Four countries—Canada, the United States, France and Turkey—accounted for more than 60 per cent. of the increase since before the war. Canadian wheat crops since 1951 have been about twice as large as the pre-war average crop, except in 1954. The 1955 United States wheat crop was smaller than in any preceding post-war year. Nevertheless, it was about one-third greater than the pre-war average. Turkey is now producing about twice as much wheat as before the war, but the post-war wheat crops of Argentina have generally been around or even below the pre-war average.

The world maize—or corn—crop, again excluding the U.S.S.R., was some 36.2 million metric tons above the pre-war level, in 1955. The United States, where the 1955 crop was more than half as large again as before the war, accounted for just over 80 per cent. of the total world increase. On the other hand, Argentina's post-war maize crops have been running around one half of the pre-war average, as a result of which Brazil has now replaced the Argentine as the second largest producer of maize. Yugoslavia, Europe's largest pre-war producer, reaped 17 per cent. less maize in 1955 than before the war, while Hungary harvested 26 per cent. more.

Rice production has been stepped up appreciably in recent years, and in 1955 exceeded the pre-war average level by 32 per cent. or 48.8 million metric tons. Most of this increase is attributable to larger crops on the mainland of China, but smaller increases were also registered in India, Thailand, Japan, Pakistan and Brazil. In Burma, Cambodia, Laos, Viet-Nam and South Korea, the 1955 rice crop failed to reach the pre-war level.

The potato crop throughout the world—excluding the U.S.S.R.—was small in 1955, 9 per cent. less than the post-war record in 1954, and about 1½ per cent. less than the average 1934-38 crop.

Milk Production

Milk is one of the most important of all commodities, and, for 1955, the world production of all milk—from cows, goats, buffaloes and sheep—is estimated at nearly 260 million tons, as against 220.5 million tons before the war, an increase of 18 per cent. This does not include the U.S.S.R. Of the 1955 total, cow's milk accounted for nearly 90 per cent., and of this, in turn, the United States produced almost one quarter.

As compared with the 1934-38 average, the production of cow's milk in 1955 was up 30 per cent. in the United Kingdom, 23 per cent. in France, 18 per cent. in the United States, 15 per cent. in Canada, 14 per cent. in the Netherlands and 8 per cent. in Switzerland, but it was 10 per cent. below the pre-war level in Sweden and 3 per cent. lower in Denmark. Japan's small production of milk in 1955 was nearly 3½ times higher than before the war. Italy raised her milk production by almost one half between 1937 and 1954. In 1955, West Germany produced 14 per cent. more cow's milk than in 1938, and East Germany 3 per cent. more. But Poland produced 4 per cent. less, and Czechoslovakia's output of cow's milk in 1955 was about 20 per cent. lower than in 1936.

The Wool Clip

With more sheep to shear, there is also more wool on the world market. The 1955-56 clip, excluding the U.S.S.R., amounted to about 1,925,000 metric tons of wool—more than in any of the preceding 20 years, and around 17 per cent., more than in the year 1938-39. Australia—by far the world's largest wool producer—had a record clip, 42 per cent. more than before the war. The U.S.S.R., which is not included in the world total, was the second largest wool producer in 1955-56, with 252,000 metric tons. Among the other large producers, Uruguay raised its output by 60 per cent. between 1938-39 and 1955-56, New Zealand by 41 per cent. and the Union of South Africa by 17 per cent. The United States was the world's second largest wool producer before the war, but its production has since drastically declined. Although there has been some recovery since 1951, the United States clip last year was 32 per cent.

(*Continued on page* 1167)

WORLD WOOL SITUATION

CONSUMPTION OF CARPET WOOL IN U.K. FALLS

A STRIKING feature of the world wool situation during the calendar year 1956 was the setback in the pace of rising trend of carpet wool consumption, in contrast to the increase in consumption of apparel wools almost everywhere. This is attributed principally to the recession in the United Kingdom carpet industry, thanks to the simultaneous contraction of domestic and overseas markets. The deliveries of British wool carpets and rugs during the 12 months ended November 1956 aggregated only 40.5 million square yards, as against 45.0 million square yards in the previous year, representing a fall of 10 per cent. Exports were severely curtailed, owing to import restrictions in Australia and New Zealand, the chief overseas outlets, while the domestic market was affected by more stringent hire-purchase regulations and competition from cheap imported carpets. Consequently, the intake of wool by spinners of woollen carpet yarns in the U.K. was as low as 49.0 million lbs. (clean basis), a drop of 15 per cent. over the figure of 57.8 million lbs. for 1955.

The reduction in British consumption of carpet wool has largely offset the effect of expanding activity in the other main carpet manufacturing countries. The production of woollen and mixture carpets in the U.S. rose to nearly 64 million square yards, the highest figure since 1953 and 8 per cent. above the 1955 output. A corresponding increase was recorded in carpet wool consumption which reached 143.7 million lbs. (scoured basis), as compared with 132.6 million lbs. There was a further improvement in carpet production in France, where the record output of 4.7 million square yards was 9 per cent. higher than the 1955 figure. The Belgian carpet industry also reported increased activity. It must, however, be noted here that the high usage of cotton in Belgian carpets makes it difficult to relate its intake to wool requirements.

Rise in Supplies Small

The net effect of the aforesaid changes was only a small increase in carpet wool consumption in 1956. The rise in the available supplies of carpet wool was also very small. Although the world production of non-apparel wools is said to have risen by 21 million lbs. to 1,057 million lbs. (greasy) in 1955-56, very little of this represents an addition to carpet wool supplies. The bulk of this increase occurred in the communist group of countries which together account for nearly a third of the entire non-apparel wool output, and hardly any of their wool comes into world trade. Of the remainder, some quantity is used in the producing countries for wool textile manufacture, despite its coarse character, and some quantity is too tender to be suitable for carpets, leaving only a small proportion of the total non-apparel wool available to Western carpet manufacturers. As in recent years, their principal raw materials in 1956 were crossbreds and low wools from Argentina, East Indian wools, U.K. hill wools, and a variety of wools from the Middle East and North Africa, supplemented by substantial quantities of New Zealand crossbreds.

Wool in India

The production of wool—consisting mainly of carpet qualities—in India during 1955-56 is estimated by the Commonwealth Economic Committee at 72 million lbs., same as in the previous season, although some trade sources say that supplies were larger than in 1954-55. The Government of India felt that the quantity available was more than had originally been expected and, therefore, raised the export quota for the second licensing period of 1956. Incidentally, the quota system is designed to safeguard supplies for the domestic wool textile industry by limiting exports to the quantity by which production is expected to exceed the industry's requirements. For the April-September 1956 period, shipments by established exporters were restricted to 35 per cent. of their best half-year's exports since 1951, instead of the 45 per cent. allowed in the previous licensing period. The cut in quota evoked protests from traders who complained that the stocks were in excess of the permitted quota. As a sequel to these complaints, the Government restored, for the October 1956-March 1957 period, the quota to 45 per cent., with an additional provision for new exporters to enter the trade. Exports of Indian wool during 1956 aggregated 35.06 million lbs. (actual weight of washed wool, representing nearly 49 million lbs. greasy), as against 28.18 million lbs. in 1955. There were larger shipments to both the principal destinations, the U.K. and the U.S. Russia, which was not a significant purchaser of Indian wool formerly, also bought more.

The re-exports of imported wool from India during the nine months ended September 1956 amounted to only 2.6 million lbs., as against 3.8 million lbs. in the corresponding period of 1955. Of this, 1.6 million lbs. went to the East European countries. No shipments were made to the U.K., normally the leading buyer. The fall in re-exports was due to the smaller supplies of "East India" wools. Receipts of Tibetan wool at Kalimpong were less, and it is said that a large portion of last year's clip was taken up by China. Of the Tibetan wool actually reaching India, little appears to have gone to the usual destinations; the Communist countries were the leading buyers of Tibetan wool, while the Indian blanket mills were the main buyers of greys.

Wool production in Pakistan in the past season is estimated at 32 million lbs. (greasy), which is the same as in the previous season. Exports during the first nine months of 1956 were lower at 17.1 million lbs. (actual weight of washed wool, equivalent to roughly 25 million lbs. greasy), as against 20.3 million lbs. in the same period of 1955. The decline was largely the result of reduced offtake by the U.K.

In West Asia

Carpet wool supplies in West Asian countries during 1956 are estimated to have been slightly larger. Production in Iran is placed higher by 2 million lbs. at 41 million lbs. and in Iraq by 1 million lbs. at 34 million lbs. The output consists mostly of coarse wools. It is, however, not known whether the rise in production was followed by any additional exports.

As the increase in the aggregate supplies of traditional carpet wools in recent years was only small, not being in keeping with the rise in the demand for such wool, substantial quantities of New Zealand crossbreds have come to be used in carpet manufacture. Some of the cheaper types such as locks has long been regarded as carpet material, but, in recent years, appreciable use has been made of wools normally considered as apparel types. The growing use of New Zealand wool in carpets is clearly indicated by figures relating to duty-free imports into the U.S. During the first three quarters of 1956, these imports aggregated 14.2 million lbs., more than double the imports for the comparable period of 1955. Another indication of the extent to which apparel wools are used in carpets is provided by the quality analysis of wool consumed by the British spinners of woollen carpet yarns. In 1956, no less than 31 per cent. was of qualities 46s and finer, notwithstanding decline in carpet yarn production.

The carpet wool markets ruled fairly quiet during the year 1956, in contrast to the "animated competition" and sharply rising prices noted in the apparel wool markets. It is stated that the price movements at Liverpool auctions might have been more marked but for the high prices which prevented a notable fall during the spring sales. In contrast to the practice adopted at most wool auctions, it is stated to be usual for sellers at Liverpool to set reserves very close to prices they wish to receive, with the result that a weakening of demand leads to withdrawals of lots which fail to reach these limits rather than result in sales at lower prices. Withdrawals were particularly heavy at the March auction in 1956 and, at each sale, only a small proportion of the offering was sold. Turnover was, therefore, very much restricted, being a little over 16,000 bales, two-thirds of the figure for 1955.

MANUFACTURE OF "SARIS"

In the small news item pertaining to the Textile Commissioner's circular on restrictions on the manufacture of *saris*, published in our issue of 25th May 1957 (*vide* page 1036), a mistake had crept in. It was stated there that the mills might manufacture, without applying for prior permission of the Textile Commissioner's Office, *saris* with a border or borders of more than 3" but not exceeding 5½" in width. This is wrong. The correct position is that the mills can manufacture *saris* with a border or borders of more than ¾" but not exceeding 2½" in width.

ARTIFICIAL TEXTILES IN FRANCE

PRODUCTION AND EXPORTS RISE

AMONG the numerous sectors of French economy which have registered notable expansion of late, the artificial and synthetic textile industry stands out prominently. The industry has taken a solid upswing in the last few years, despite the many difficulties besetting it. In 1955, France produced 112,769 tons of artificial textiles, as against 106,734 tons in the preceding year (representing an increase of nearly 6 per cent.), 93,000 tons in 1953 and 77,000 tons in 1952. Of this output, fibranne (twisted thread textiles) accounted for 55,839 tons and rayonne (filament thread textiles) for 56,930 tons. The increase in fibranne output during 1955 over 1954 was 8 per cent., while that in rayonne production was only 3 per cent. and applied mainly to high-strength thread. Stocks of twisted thread and filament textiles were larger at the end of 1955 than twelve months previously.

In general, sales increased to the same extent as production. The French domestic market absorbed 38,053 tons of fibranne and 38,920 tons of rayonne during 1955. The total of fibranne sales (acetate or viscose thread) rose by 3 per cent. as compared with 1954. These sales are distributed among the various types of artificial tertiles in approximately the same proportions during the last two years. The greatest increase took place in the wool industry (12,385 tons in 1955, as against 11,401 tons in 1954, or an increase of 984 tons), whereas the sales of schappes decreased appreciably from 1,055 tons in 1954 to 209 tons in 1955. Deliveries of rayonne increased by 1,168 tons, from 37,752 tons to 38,920 tons. For the whole of the traditional textile industry, the sales of filament thread increased by only 493 tons, whereas those of dry-process rayonne alone were higher by 675 tons at 13,106 tons, as against 12,431 tons in the preceding year.

The export markets on the whole have been favourable to French artificial textiles, although detailed figures show weakness at some points. Direct exports of rayonne were 14,612 tons in 1955 which compare favourably with 13,860 tons in 1954, or a rise of 5 per cent. Of this total, Asia took 7,541 tons, as against 5,490 tons, and Africa and Australia 2,567 tons, as against 2,196 tons. Sales to European and American countries and the French overseas territories, however, decreased; Europe from 3,745 tons to 2,927 tons, America from 694 tons to 310 tons, and the French overseas territories from 1,735 tons to 1,266 tons. Exports of fibranne were distributed more evenly and increased much more substantially. During 1955, shipments amounted to 15,453 tons, as against 12,917 tons only in 1954, which represent a rise of 20 per cent. Africa and Australia quadrupled their purchases (851 tons in 1955 and 201 tons in 1954). American countries bought 50 per cent. more, the quantity involved being 11,927 tons as against 8,095 tons in 1954. The United States alone imported 11,275 tons of French fibranne, as against 7,047 tons, representing a rise of as much as 60 per cent. The overseas territories also raised their orders from 688 tons to 781 tons. Exports of artificial fibres to European countries, however, dropped from 3,199 tons to 1,473 tons. To these exports should be added foreign sales of artificial threads and yarns which amounted to more than 16,000 tons.

The expansion of the synthetic textile industry continues, as will be seen from the figures given below:

	In tons
1950	1,880
1951	2,900
1952	3,300
1953	5,630
1954	7,635
1955	11,800

The modernisation and enlargement of factories producing Rilsan, Crylor, Tergal, Nylon, Rhovyl, etc., have permitted an increase of 46.5 per cent. in production during 1955 as compared with 1954.

In the domestic market, French producers delivered 10,489 tons, comprising 6,930 tons of filament thread and 3,576 tons of twisted thread; in 1954, domestic sales of synthetic textiles amounted to only 6,417 tons. Export markets also showed their favour for French synthetic textiles. Export tonnage rose from 4,799 tons valued at 6,277 million francs in 1954 to 5,447 tons valued at 9,151 million francs in 1955. The increase was 24 per cent. in the case of quantity and 45 per cent. in the case of value. The exports of millinery fabrics and articles have more than doubled; thread filaments and fibres have gained 70 per cent.

CONCERN OVER CONDITIONS IN COTTON INDUSTRY

POOR PROSPECTS FOR SMALL WEAVERS

From A Special Correspondent

MANCHESTER LETTER

MANCHESTER, 28th May

ONLY the unlikely event of a sudden switch in Government policy towards imports seems capable of averting the prospects of arrivals of foreign cloth into Britain outstripping the quantity of Lancashire textiles shipped abroad. Last month, less than 1,000,000 square yards separated the totals. The quantity of cotton cloth despatched abroad was 37,633,000 square yards, while the volume of imports was 36,694,000 square yards. Overseas trade as a whole in April showed little variation as compared with recent returns and, during the first four months of the year, shipments of piecegoods at 157,889,000 square yards are within 300,000 square yards of last year's total. Nor is there any significant change in the destinations, with Australia still the largest consumer at 22,979,000 square yards and South Africa a close second at 20,739,000 square yards.

Some improvement has lately been recorded in yarn exports, the quantity of cotton yarn being 450,000 lbs. higher this year, at 13,308,525 lbs. Australia has been mainly responsible for this recovery, taking 600,000 lbs. more than a year ago.

More impressive has been the expansion in shipments of rayon and synthetic fibre yarns. To the end of April, the shipments aggregated 16,180,273 lbs., the corresponding exports during the past three years being around 11,000,000 lbs. Australia has increased her takings by nearly 700,000 lbs., but the chief expansion has been in trade with India, which has more than doubled at 3,453,000 lbs.

Export sales in rayon and synthetic fibre cloth, however, have not followed the trend of yarn shipments. In the four months, overseas trade declined by 3,500,000 square yards as compared with last year, at 38,267,000 square yards.

Rising Imports

Arrivals of foreign cotton cloth continued to increase and to the end of April reached nearly 140,000,000 yards, as against barely 100,000,000 square yards in the same period last year. So far, India has supplied 63,460,000 square yards of cotton grey cloth, as against 46,279,000 square yards, and Japan's share has increased from 11,480,000 square yards to 18,677,000 square yards.

The anticipated expansion in shipments from Hong Kong has not materialised and arrivals for the four months at 17,568,000 square yards are only slightly higher than in 1956. Imports from unspecified sources, however, have already exceeded 20,000,000 square yards against only 7,500,000 square yards 12 months ago.

After The Mission

Sir David Eccles, President of the Board of Trade, is to be asked to receive "as soon as possible" the Lancashire cotton delegation which last week returned from Pakistan. This was decided in Manchester after the seven members of the delegation, which was led by Sir Cuthbert Clegg, had reported for nearly two hours to the Cotton Board Joint Consultative Committee. It was stated that official comment on the visit will be withheld until after the meeting with the President, but a member of the committee said: "The position is grave. Only political action can now save the industry."

Sir David will hear a first-hand report on the outcome of talks with Pakistan cotton leaders which Lancashire hoped would pave the way to voluntary limitation of cloth exports to this country by Pakistan and also by India and Hong Kong, which were visited by the same delegation in January.

According to the reports from Karachi the Pakistan representatives said that they could not agree to limit cloth exports to this country, because of balance of payments and other difficulties. Hong Kong has also refused.

Cotton Pay Claim

A demand for higher pay for 245,000 Lancashire cotton spinning and weaving workers was submitted to the employers' organisations this week. The executives of the nine unions involved in the application took only half an hour to decide on the amount of the claim at a meeting in Manchester. They had before them the report of a six-man committee set up to recommend on pay policy and the advisability of seeking compensation for mill workers who become redundant through mills closing down.

Sir Alfred Roberts, General Secretary of the Cardroom Amalgamation, said after the meeting that it would not be courtesy to disclose the amount the unions were seeking until the application reached the employers. It was later disclosed that the unions had applied for an advance of 7½ per cent. on current earnings. He announced that it had been decided not to pursue, at this stage, the more complex issue of redundancy compensation. "The wage application must have priority," he said.

The last wage increase for cotton workers was in May last year when they were awarded 1*s.* in the £ by the Industrial Disputes Tribunal, after the employers had turned down a demand for 2*s.* in the £ more. Present average weekly earnings in spinning are £10 5*s.* 3*d.* for men and £6 6*s.* 11*d.* for women, and in weaving £10 6*s.* 8*d.* for men and £6 13*s.* 3*d.* for women.

Weavers' Views

Outspoken comment on current conditions in the Lancashire cotton industry is contained in the annual report of the Amalgamated Weavers' Association, the largest trade union representing cotton trade workers. "The structure and outlook of cotton capital will have to undergo radical changes, if we are to maintain, much less improve, our existing position," the report states. "There are in Lancashire many good examples to follow and the need to do so is imperative. That Lancashire has it in her to succeed is beyond doubt. She has suffered grevious blows over the past few decades, but, if the industry is to fight back, it must do so with other weapons than mere words."

Since the 1952 recession and the sharp contraction in the size of the textile industry in this country, several prominent traders have freely forecast an even sharper decline in productive capacity. This has been called the day and age of large combines with the small man struggling to avoid absorption. The Weavers' Amalgamation report is forthright in its belief that more small family units must disappear in the long run.

It has been proved over the years, the report declares that the best of Lancashire's spinning and weaving mills compare favourably with the best in any other part of the world. Citing the reasons for the efficiency displayed in some weaving plants, the report stresses the need for a sound financial structure, with much of the profits ploughed back during prosperous years. It should also be recognised that technical re-equipment is a continuing process and that high machine efficiency is essential. Close contact should be maintained with the customer, plus a willingness to find out precisely what is wanted. The other assets to be cultivated are more market research, attention to design, accurate delivery dates and sound worker-management relationships.

Small Weaving Firms' Future

"It might be argued that all these requisites can be undertaken only by the larger firms with substantial capital reserves," adds the report. "If this be so, then the day of the very small weaving shed is passing. Indeed, if the smaller weaving shed cannot meet modern needs, the sooner they let more efficient firms take over their commitments the better."

An indication of the way in which the bigger combines can finance mill modernisation schemes has been provided by Crosses and Heatons Ltd., the Bolton spinning group. Colonel B. W. Heaton, the Chairman, has stated that, in the past 11 years, about £2,000,000 have been spent on new machinery and re-equipment of existing plant. A further £1,000,000 have been expended on general maintenance of fixed assets and revenue reserves have increased from £184,000 soon after the war to over £1,000,000.

The weavers' survey covers the year to the end of March during which time a marked improvement in trading took place. Three-shift working has been adopted in 12 more weaving firms operating automatic looms and a further six firms using ordinary looms have been given permission to operate a double day-shift system.

Several interesting points are mentioned in the report, including the fact that 1,020 school-leavers in the North-West entered the cotton industry over the Christmas holidays, representing 11.2 per cent. of the total. This compared with 871 or 9.5 per cent. 12 months previously. Another reminder of current events is that the union's membership has shrunk to barely 66,000—lower than at any time since 1892, including the war years.—*All Rights Reserved.*

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TRENDS IN WHITE SUGAR SECTOR

CURRENT SEASON'S OUTPUT ESTIMATED AT TWO MILLION TONS

A FAIRLY detailed account of the recent trends in the white sugar sector of the Indian sugar economy is contained in the latest annual report of the Union Food and Agriculture Ministry (Department of Food). The review covers not only developments on the sugar front in the past season—that is, 1955-56—but also an assessment of the outlook for the current season (1956-57). The review has been prepared with a reference to the present official sugar policy. Under this policy, it will be recalled, there is no control on the prices, movement and distribution of sugar, though regulation of releases from factories is being continued. The minimum price of sugarcane crushed in the mills is fixed at Re. 1-7 per maund for gate delivery and Re. 1-5 for deliveries at rail centres.

The aggregate sugar production during the 1955-56 season touched an all-time record of 1.86 million tons, exceeding the previous season's peak output of 1.59 million tons by nearly 300,000 tons. This phenomenal increase in production was rendered possible by the availability of plentiful supplies of sugarcane to the factories, thanks to improvement in cane output and diversion of cane to mills, owing to relatively low price of *gur*. The expansion in sugar output was accompanied by a rise in domestic consumption which in 1955-56 amounted to 1,942,000 tons, as compared with 1,723,000 tons during 1954-55. In view of the sizable increase in sugar production, further purchases of sugar from abroad were stopped. Against contracts entered into during 1954, a quantity of 65,000 tons was imported from foreign countries during the period 1st November 1955 to 31st March 1956.

The Balance-sheet

The sugar balance-sheet for the 1955-56 season is compared below with that for 1954-55:

(In thousand tons)

	1955-56	1954-55
Opening stocks with factories and Government on 1st November	545	113
Production during the season	1,862	1,590
Imports	65	903
Quantity refined from raw sugar	3	62
Total available supply	2,475	2,368
Total offtake during the season	1,942	1,723
Closing stocks with factories and Government on 31st October	533	545

The above figures reveal that the total availability of sugar in 1955-56 was higher by over 200,000 tons as compared with 1954-55. The closing stock with the factories and the Government at the end of the season was more or less maintained at the previous year's level.

The prospects for sugar production in the current season are held out to be bright. The output is estimated at about 2 million tons. This estimate is quite justified, considering the distinctly upward trend in production that has been maintained since the beginning of the season. The total quantity of sugar actually produced in the season upto the end of April 1957 is put at 1,822,368 tons, as against 1,653,000 tons in the corresponding period of 1955-56. Incidentally, it may be noted that the preliminary estimates of the area under sugarcane show an increase of about 16 per cent. over last year.

In the light of good prospects for higher sugar production during the 1956-57 season and in view of the sizable carryover (533,000 tons) from the previous season, the Government of India has permitted exports of sugar. Up to the end of March 1957, over 100,000 tons were sold for export, earning thereby foreign exchange to the tune of Rs. 10 crores. Subsequently, a further quantity of 100,000 tons has been sold, bringing the total to 200,000 tons.

The Food and Agriculture Ministry's report has also indicated the extent to which the expansion scheme for the sugar industry has been implemented. During 1956, 36 applications for the establishment of new sugar mills and 39 applications for substantial expansions in existing units were received. Licences were granted for the setting up of 21 new units, including 14 co-operative mills, and for raising the capacity of 13 existing ones. The additional capacity so far recommended or licensed since the coming into force of the Industries (Development and Regulation) Act 1951 comes to one million tons, of which 638,000 tons are on account of 56 new sugar factories which include 38 co-operative mills. The balance of 362,000 tons, has been licensed for expansion in 67 existing units. Out of the additional capacity licensed since 1953, a further capacity of 250,000 tons is expected to materialise during 1956-57, besides about 100,000 tons which came into production in the previous season. During 1956, the technical officers of the Government visited a number of sugar factories, in order to ensure that no unauthorised expansions were made and to prepare correct estimates of the existing production capacity of the industry.

During the quarter ended 31st March 1957, five applications for new units—all co-operatives—were received and licences granted. The number of applications for expansion received was 12. The total additional capacity licensed in the quarter was 93,000 tons per annum.

Five idle sugar mills applied in 1956 for grant of licences for registration for carrying on the business of existing undertakings. Grant of licences has, however, been recommended only for three of them, and the two other applications are under consideration. One licensee applied for change of location for expanding the new factory; the proposal has been agreed to by the Government.

Central Control

A brief reference may be made to the Central control over the management of some sugar mills. It will be recalled that, in 1955, the working of six mills in U.P. was controlled under section 15 of the Industries (Development and Regulation) Act 1951. The management of five mills was taken over by the Central Government under section 18A of the Act, while directions under section 16 were issued to the sixth one with a view to ensuring smooth working and avoidance of production loss. During 1956, the working of these units was reviewed and Central control over four of them, including one to which directions were issued, is being continued in the current season. Besides, the affairs of another sugar factory in the U.P. were investigated and control over its management was also taken over. The supervisory control under the Essential Commodities Act 1955 has been maintained on a factory in Sugauli (Behar) and another in Bijnore (U.P.).

Referring to the quality control of sugar, the report says that about 726 samples of sugar were analysed during 1956 for grading in terms of Indian sugar standards. Attention of factories concerned was drawn to the incorrect grading done by them, as well as to cases of any shortage in the weight of sugar filled in the bags. The frequent checking, it is claimed, had a salutary effect. This is borne out by the fact that, out of 726 samples, only 11 were found to have been wrongly graded in 1956, as against 98 out of a total of 884 in 1955.

Development Council

The Development Council for sugar industry met twice during 1956. The problems considered by the Council related to introduction of a uniform standard of chemical control and reporting of technical data, export of surplus stocks of sugar, development programme for the sugar industry in the second Five-year Plan, and financial assistance to five research schemes. Six meetings of the various sub-committees were also held for examining the specific problems of the industry. The standard contract form for the sale and purchase of sugar, which had been the source of controversy between the industry and the trade for the past 15 years, has been finalised by the Council. A scheme for making payment for sugarcane on the basis of quality has been devised and this is being tried on an experimental basis in nine factories during the current season. The Council has made recommendations for short-course training at the Indian Institute of Sugar Technology, Kanpur, for unqualified staff employed in the mills and refresher course for the benefit of the qualified staff.

While the review of the trends in the white sugar sector is thus quite comprehensive, the Annual Report of the Food and Agriculture Ministry does not give any details with regard to the *gur-khandsari* sector. All that it says is this: "No control was exercised on price and distribution of *gur-khandsari* during 1955-56,

(*Continued on page* 1155)



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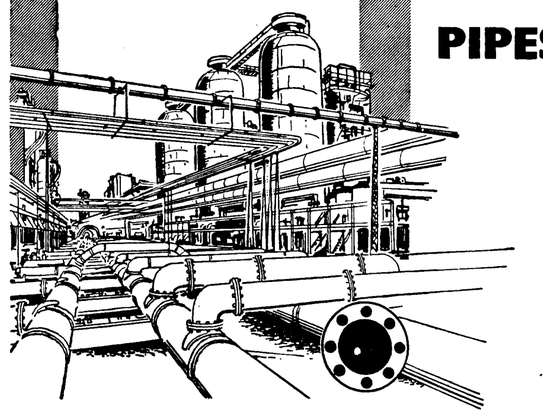

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HX 49

OUTLOOK FOR NATURAL RUBBER

NEXT 50 YEARS EXPECTED TO BE PROSPEROUS

FOR the first time in the history of the rubber industry, the total world consumption of rubber exceeded 3 million tons in 1956. Of this quantity, the share of natural rubber was 1·9 million tons, as in the previous year, and there was no notable surplus of natural rubber. This was due to the fact that the demand for the natural product was so much that consumers were prepared to pay the price necessary to attract the output of the marginal producer. It must be noted, in this connection, that this demand was made at a time when there was a substantial surplus production of synthetic rubber. A closer analysis of the demand consumerwise, however, shows that the demand from communist countries increased by almost 100 per cent., while that from non-communist countries declined. In fact, had it not been for the substantially larger increase in demand from communist countries, it is likely that the natural rubber producers would not have obtained such a good price for their product.

Although there was a fall in consumption of natural rubber by non-communist countries, there was a marked increase in the use of synthetic rubber by these countries, which confirms the impression that, so long as the price of natural rubber stands above that of synthetic, there is an inducement to the manufacturer to use the substitute material. The future of natural rubber, therefore, depends on adequate supply of it at competitive price, which means that the cost of production should be lowered and the output should be increased. The main way of reducing the cost is to increase the yield, which can only be done by more replanting and new replanting of better varieties of rubber trees.

Blessing in Disguise

There are, however, some who, impressed by the rapid advance made by the synthetic rubber, are of the view that the days of natural rubber are numbered. The Chairman of the Rubber Growers' Association, London, Mr. H. T. Karsten, is not one of those who share this pessimistic view. He is, on the other hand, of the opinion that, if the rubber growers show the same enterprise as those who started this industry 50 years ago, a period of great prosperity lies ahead of them. He feels that the advances in synthetic rubber should spur the natural rubber producers to greater efforts on their part. In fact, he considers that the progress of the synthetic rubber is a blessing in disguise to natural rubber. Thus, he says:

"Improvements will, undoubtedly, be made in the quality of synthetic rubber, but it has to be made from raw materials, so that there is a minimum below which its price cannot fall. Many of the cards may be stacked in favour of synthetic rubber, but I believe that we natural rubber producers have got the ace of trumps—we should be able to beat synthetic in price. I believe, also, when I consider the recent decision of rubber manufacturers who are also synthetic rubber producers, to enter the plantation rubber industry, that I am not alone in this view. Of course, we will have our problems. The transition from the present, low-yielding areas to the high-yielding plantations we want will take time. However, as I have indicated, the very existence of our synthetic competitors will benefit us, in that there will be a floor price set for our product. In other words, synthetic rubber will serve to stabilise the price of natural, and there should be a ready market for all that those normally engaged in the plantation industry can produce. There is, in fact, no longer any need to consider artificial measures for stabilising natural rubber prices."

There have, however, been some developments in producing countries, particularly in South-East Asian territories, which make the outlook for natural rubber seem less promising. They are: (1) take-over bids by a few financiers who are not quite experienced in the line, (2) none-too-favourable treatment of foreign capital by Governments of producing countries, many of which have attained self-government in recent years, (3) political unrest which threatens the economy of the countries concerned, (4) talks of nationalisation, and (5) shortage of labour in some countries.

Those who are taking over well established estates are doing so with the object of making a quick profit, with complete disregard for the well-being either of Britain or of the producing countries. They are doing all they can to undermine a great industry, so that they can benefit from liquidating what others have created. The take-over bids are fortunately being strongly opposed on all sides, including labour unions.

So far as treatment of foreign capital is concerned, the Chief Minister of Malaya, the largest rubber-producing country, has given the assurance that there need not be any fear in the minds of those who have invested and those who contemplate investing in Malaya of any Government measure which might endanger their capital. Indonesia, one of the richest rubber-producing countries in the world, has, however, been having political difficulties. Once these political problems are solved, the country's economy will prosper, helped by its rich rubber estates. The threat of nationalisation in Ceylon has, for the time being, been stayed. It is believed that it will be a long time, if ever it happens, before private enterprise in Ceylon is replaced by Government. Borneo suffers from shortage of labour and, until this problem is solved, the replanting programme will continue to be severely handicapped.

Rubber in W. Africa

One encouraging development is the growing interest in cultivation of rubber in West Africa. It is said that the soil and climate are very suitable and the Governments of the various territories are also giving encouragement to companies to carry on planting operations. According to Mr. Karsten, the natural rubber producing industry may well prove as great a benefit to these territories as it has to those in South-East Asia.

Mr. Karsten is of the view that the ultimate success of natural rubber depends, to a large extent, on the joint effort of producers, Governments and labour. So far as the Governments' part is concerned, the Rubber Growers' Association Chairman wants them to take steps, first of all, to ensure peaceful conditions within the territories concerned, so as to ensure the smooth development of the industry. Secondly, they must so align their fiscal policies that excessive taxation by way of export duties or otherwise does not so add to costs of production as to make natural rubber uncompetitive in price with the synthetic and does not hinder the increased rate of replanting and new planting. Mr. Karsten firmly believes that, if all three parties concerned co-operate fully, not only have the natural rubber producers nothing to fear from synthetic rubber competition, but the next 50 years will bring more prosperity for the industry.

The Government of India has restored with effect from the 1st inst., the *status quo ante* in respect of excise duties on tea and coffee. These duties had recently been enhanced through the Finance (2) Bill. The procedure introduced by the Government on 15th May in regard to export of tea not otherwise specified and package tea by manufacturers and exporters other than manufacturers has been cancelled, and the procedure for the export of tea which existed before are now again in force.

The price of tea for the purpose of determining the export duty has been fixed at Rs. 2.47 per lb., as against Rs. 2.41 per lb. in force from 1st May 1957. There is no change in the existing rate of duty of 25 nP per lb.

The Government of Pakistan has made an export allotment of 30 million lbs. (avoirdupois) of tea for the year 1st April 1957 to 31st March 1958.

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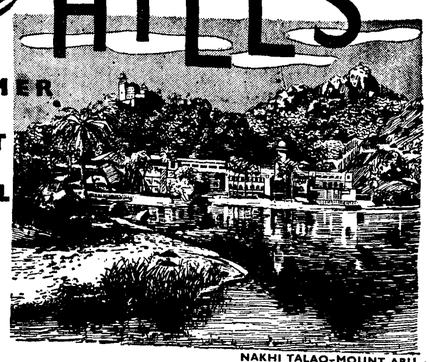

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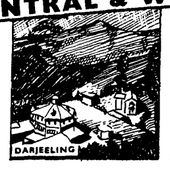

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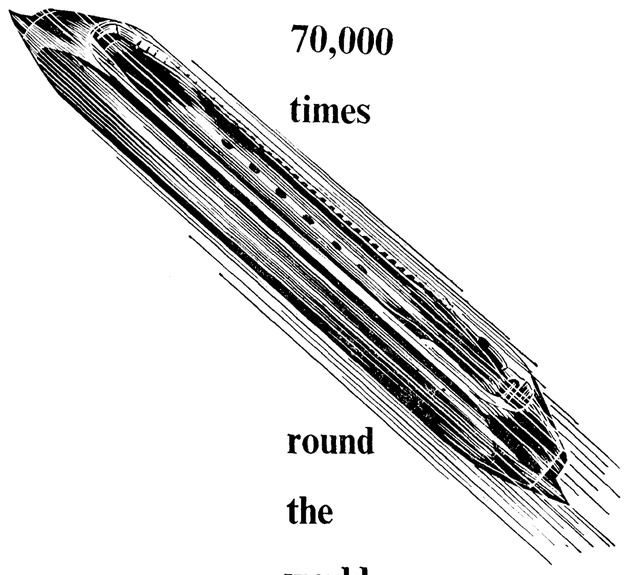

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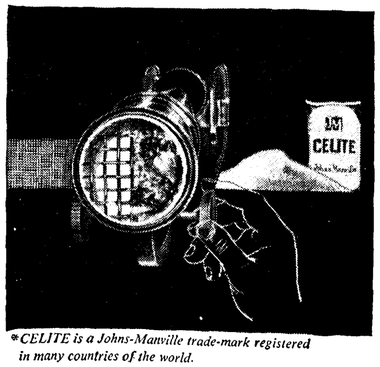

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FINANCING DEVELOPMENT SCHEMES OF INDIA'S MAJOR PORTS

INTERNAL RESOURCES NOT QUITE ADEQUATE

By M. A. Master

PORTS are the gateways of trade and commerce. They are vital for the security of the country. They strengthen our strategic position. They enable us to broaden our international contacts and to discharge our international obligations. A national Ports Policy, providing all-round efficient facilities such as deep approach channels, adequate jetties and berthing facilities, longer, wider and bigger transit sheds and warehouses, bigger space for dumping cargoes, an efficient flotilla for the handling and manœuvring of vessels and modern equipments to handle cargoes, etc., is essential for the quick turnround of modern ships with greater lengths, wider beams, deeper drafts and faster speed. Moreover, the location and the development of ports should precede the expected requirements of the trades and their handling capacity should always be far ahead of the total quantity of cargoes expected to move through them. The question of the execution of the development schemes of our major ports and the finance necessary for that purpose should be considered and decided from these broad viewpoints for our national reconstruction.

At the instance of the National Harbour Board, the Planning Commission examined and sanctioned the development schemes of our major ports, estimated to cost about Rs. 62 crores, during the first Plan period. They were all, however, not unfortunately executed by 1956. Several new schemes of development have been found quite essential for meeting the needs of the growing trades and for bringing our ports to modern standards of efficiency. The programme for the development of major ports in the second Five-year Plan is estimated by the Planning Commission to cost Rs. 76.4 crores. This includes the cost of the schemes carried forward from the first to the second Plan. The estimated cost of the schemes approved by the Planning Commission has, however, according to reliable information now available from the Port Authorities, substantially gone up since the Plan was published. The figures given below will show the cost, as mentioned in the Plan, and the cost as it is estimated now:

(In crores of rupees)

Port	Figures given in the Plan	Latest estimated figures of the cost	Difference between columns (3) and (2)
Calcutta	19.90	21.60	1.70
Visakhapatnam	Nil	2.72	2.72
Madras	9.20	13.18	3.98
Cochin	4.00	4.02	0.02
Bombay	29.30	37.32	8.02
Kandla	*14.00	*14.00	..
Total ..	76.40	92.84	16.44

* This does not include the cost of constructing two new berths, which was recently sanctioned by the Government.

It will thus be noted that there is a rise of nearly Rs. 16.44 crores, or say 21 per cent. in the estimated cost of the development schemes since the Plan was published.

Crucial Question

The crucial question to be decided is whether it is essential to spend such a colossal sum as Rs. 92 crores during the second Plan period for the expansion and modernisation of our major ports. "A provision of Rs. 40 crores has been included in the Plan for the entire programme relating to major ports" in the second Five-year Plan. The Estimates Committee have, however, pointed out in their Forty-eighth Report that the estimated cost of the major ports development will come to Rs. 81 crores, as against the planned allotment of Rs. 40 crores. The Committee have added that they are given "to understand that Rs. 20 crores will become available from the Port Trust funds, leaving a gap of Rs. 21 crores in respect of development of major ports, which is to be bridged up."

It is understood that, out of the estimated cost for the schemes of the Bombay Port of Rs. 37.32 crores, the expenditure of Rs. 11.30 crores will be incurred in the third Plan. Taking, therefore, the figure of Rs. 81 crores, as indicated by the Estimates Committee, the sum of Rs. 41 crores will have to be found by the ports themselves. Before we examine that vital problem, let us consider whether the execution of the development schemes, as sanctioned, is essential or not, for the growing needs of our trades, for developing an adequate handling capacity of our Ports, and for bringing the ports upto modern standards both in the interest of shipping as well as for promoting national economy.

According to the statistics maintained by the six major ports, the total quantity of cargo handled by them in 1955-56 came to 24 million tons. In addition to this normal trade, the Estimates Committee have pointed out that they were informed by the Ministries concerned that the additional dry cargoes to be carried would come to about six million tons by the year 1958. Further, the expansion of trade in dry cargoes on the coast will come to about three million tons by the end of the second Plan, and the movement of wet cargoes will witness a further rise of about 750,000 tons by 1958. As the movement of cargoes on the coast has to provide handling capacity both at the port of loading, as well as at the port of discharge, the total handling capacity that will be needed will come to about 37.5 million tons. As observed by Mr. Lal Bahadur Shastri, when he was Minister for Transport and Railways, in September 1956, "with the addition of these physical facilities, our port capacity will be increased by nearly 6.75 million tons."

Effect of Piece-rate System

When the piece-rate system is introduced at the six major ports, the handling capacity is expected to go up by 15 per cent. The piece-rate system will obviously be not applicable to the handling of wet cargoes. It will, therefore, be apparent that, with the execution of all the development schemes during the second Plan, and with the increased output of labour, as a result of the piece-rate system, the total handling capacity might reach about 34 million tons. One cannot be dogmatic about this estimate. The handling capacity may be affected by the manner in which the ships arrive at the port. It will also be affected by the manner in which the clearance of cargoes keeps pace with the speed at which the same is discharged. According to the estimates prepared by the Government spokesmen themselves, the handling capacity is not likely to go beyond about 34 million tons as against the handling capacity that would be needed, as shown above, to the extent of about 37.5 million tons. The Estimates Committee have made the following observation, in this connection, in their Forty-eighth Report:

"The Committee are, however, not quite so sure that the anticipated increased facilities at Indian ports will be adequate to meet fully the requirements of increased imports and exports traffic during the second Plan."

The conclusion, therefore, is inescapable that all the development schemes mentioned in the second Plan, must be executed during the second Plan period so that our major ports may be able to handle effectively the cargoes that are expected to move through them to the largest extent possible.

It is of supreme importance that the arrival of ships carrying boat-loads of Government cargoes should be so phased, consistent with the timely and economic carriage of such cargoes to different regions, where they are required, as may avoid congestion of ships at ports, such as we are at present experiencing at Bombay, secure the fullest use of their handling capacity and ensure the quick turnround of ships. A comprehensive and integrated policy of directing —at any rate—chartered ships to call at certain ports for discharge or in case of necessity to divert them to other ports will have to be evolved for making the most economic and efficient use of the available handling capacity of our six major ports. We understand that the Government have appointed a committee to do so. We would strongly urge the association of non-official representatives of shipping interests with this Committee. It is difficult, and perhaps not practical, to bring within the orbit of this policy, the ports of call of the ships of the liner companies. While the impact, therefore, of the movements of such ships on the fullest utilisation of the handling capacity of all ports cannot be fully avoided, we do think that the working of such an integrated policy will make an appreciable contribution for ensuring the maximum possible use of the handling capacity of our six major ports.

Let us now examine the question of finance. As stated above, out of the total expenditure of Rs. 81 crores, mentioned in the Report of the Estimates Committee, Rs. 40 crores will be advanced as loans by the Government and Rs. 41 crores will have to be found by the Port Authorities. It will be interesting to note here as to how the development schemes were financed during the first Plan period. It has been stated by the Planning Commission that "the programme for the development of ports undertaken during the first Plan period is estimated to cost Rs. 62 crores. The details of the programme were finalised late in the Plan period and an expenditure of Rs. 31 crores has so far been incurred against the provision of Rs. 45 crores." It is unfortunate that the figures that were given to the National Harbour Board do not tally with the figures mentioned in the second Five-year Plan. We have, however, based the following figures on the particulars given in the Report of the Estimates Committee and on the information received from the ports:

(In crores of rupees)

Name of the port	Estimated cost of the schemes during the first Plan	Amount actually spent	Amount financed from loans given by the Government	Amount provided by the port
Calcutta	12.07	3.48	3.47	0.01
Vizagapatam	0.88	Not available	*	....
Madras	9.37	1.40	0.60	0.80
Cochin	3.13	0.58	0.58†	Nil
Bombay:				
(a) Marine Oil Terminal	9.86	7.95	7.95	Nil
(b) Other development schemes ..	12.43	2.56	Nil	2.56
Kandla	13.76	Not available	‡	....

* The working of the Vizagapatam Port is entrusted to the Ministry of Transport.
† The port of Cochin is directly administered by the Central Government through an Administrative Officer.
‡ The creation and the development of the Kandla Port is the responsibility of the Central Government.

It will thus be realised that, out of the sum of Rs. 15.29 crores spent by the ports of Calcutta, Madras and Bombay, which are not directly controlled by the Central Government, but are managed by the statutorily created Port Trusts, the sum of Rs. 12.02 crores was financed from the loans received from the Central Government. Bombay alone has financed the development schemes, other than that of the Marine Oil Terminal, from its own resources. It is a fairly good amount that they have spent, which came to Rs. 2.56 crores. The particulars given above will give some indication of the ability of the ports to finance the development schemes in the second Plan from their own resources.

Internal Resources

The Estimates Committee have stated in their Forty-eighth Report that they "are given to understand that Rs. 20 crores will become available from the Port Trust funds, leaving a gap of Rs. 21 crores in respect of development of major ports, which is to be bridged up." They have further added that "the major Port Authorities have been requested to explore the possibility of raising additional funds through their own resources by adjustment of port charges to the extent possible." To find capital expenditure out of revenues, the ports must have substantial surpluses as the result of their working year after year. As a result of the study of the Administration Reports of the five major ports for the years 1950-51 to 1954-55, we find that the total surplus accruing to each of these five ports was as under:—

Name of the Port	Surplus Rs.	Deficit Rs.
Calcutta	..	49,66,297
Vizagapatam	27,31,004	..
Madras	19,91,501	..
Cochin	43,78,563	..
Bombay	3,92,36,145	..
	Rs. 4,83,37,213	49,66,297

The above particulars reveal that the total surpluses of the five major ports came to Rs. 4,33,70,916 during a period of five years from 1950-51 to 1954-55. As Cochin and Vizagapatam are under the control of the Central Government, the policy in regard to the raising of the finance necessary for the development schemes of those ports will be the responsibility of the Government of India. So far as the other three ports—Calcutta, Madras and Bombay—are concerned, they are managed by statutorily created Port Trusts. They had an aggregate surplus of Rs. 3,62,61,349. From what we have stated above, it will be noted that the estimated cost of the development schemes of the three ports of Calcutta, Madras and Bombay will come to Rs. 72.10 crores during the second Plan period. Of this, the amount of Rs. 11.30 crores will be spent by Bombay during the third Plan period. The balance, therefore, of Rs. 60.80 crores will have to be spent by the three ports during the second Plan period. We understand that the Government have tentatively agreed to grant a loan of Rs. 3.60 crores to Madras and Rs. 8.00 crores to Calcutta during the second Plan period. So far as Bombay is concerned, no decision has yet been taken as to how the Government are going to help that port to finance its schemes. As the Government will have to spend Rs. 20 crores for financing the development schemes of the three major ports under their control, the balance left would come to only Rs. 20 crores. It will, therefore, be obvious that the three major ports of Calcutta, Madras and Bombay will have to raise the sum of Rs. 40 crores out of their own resources during the second Plan period. The total surplus of these three ports, as mentioned above, came to only Rs. 3.62 crores during the period 1950-51 to 1954-55. It will, therefore, be next to impossible for them to raise a surplus of Rs. 40 crores during the second Plan period.

No Loans To Be Raised?

It should not be forgotten that the Port Trusts are not commercial organisations. They are not working for profit. As stated by the Estimates Committee, the "policy of the Government is to administer the ports on a self-supporting and a non-profit-making basis. The Port Authorities generally balance their budget by adjusting the dues of vessels and charges for goods." They have to provide economic and efficient services to shipping and trade. That is the fundamental policy which governs the working of major ports in foreign countries. The Port Trusts in India have raised loans in the past to finance capital expenditure. We reliably understand that the Government will not now allow the Port Trusts to raise loans in the market for financing their development schemes. Is it, however, possible for the three ports of Calcutta, Madras and Bombay to raise the sum of Rs. 40 crores, as mentioned above, out of their own resources, to finance their development schemes during the years 1956-57 to 1960-61?

It has been often contended that the present generation must not impose uncalled for burdens on the next generation by spending large sums of money by way of capital expenditure met by creating new debts. Not only is the present generation not imposing any such burdens; on the contrary, it has actually been bearing larger burdens today than could be legitimately imposed on it at present. For example, a careful study of the accounts of the Bombay Port Trust will show that, during the period of the first Plan, that is, from 1st April 1951 to 31st March 1956, the surpluses resulting from the working of the Bombay Port came to Rs. 6,31,05,589. This surplus has been arrived at after debiting the sum of Rs. 4,49,16,758 by way of interest charges, provision for sinking funds and repayment of debts, or provision for the repayment of debts, and the sum of Rs. 2,13,17,010 provided for depreciation and credited to the renewal and replacement fund. It will thus be noted that the present generation is not only repaying the amounts of the loans raised with interest, but it is also providing an amount equivalent to the cost of the asset during the life of that asset. The extent of the sacrifice, so far as the Bombay Port is concerned, will be visualised from the fact that, in addition to the above provisions, the Bombay Port Trust spent a sum of Rs. 4.06 crores from its own revenues to meet the cost of the development schemes and other capital works during the first Plan period. To ask, therefore, the ports to raise their surpluses more than eleven times is a task impossible to fulfil.

Moreover, ports cannot continue to raise their charges on shipping and goods. The serious repercussions of such increasing charges on the ability of the country to sell their goods in the international markets will have to be carefully weighed. While we would, therefore, endorse the suggestion made by the Estimates Committee that "as the major ports require large amounts for development purpose, the Committee would like the Ministry to examine whether it would be practicable for Port Authorities to levy charges in such a manner as to enable them to build up sufficient reserves," we would earnestly urge that the viewpoints mentioned above should be carefully weighed by the Ministry in arriving at the final decision on the subject.

National Harbour Board

It has now been universally recognised that, unless India develops rapidly adequate transport capacity for movement of goods by rail, by road, and by sea, the success of the second Plan cannot and will not be achieved. It is a matter for satisfaction that the Railway Ministry have been making great efforts to increase their transport capacity by raising extra funds by increasing the rates of freight on the goods carried by them. They are also negotiating with the World Bank for securing a substantial amount to meet the needs of the foreign exchange they require. The major ports do not seem to be as fortunate as the railways. They are not able today to handle all the imports and exports as rapidly and as economically as we all would desire. Moreover, no final decision has been taken, so far as we reliably understand, by the Government in determining the question of finance required for the execution of the development schemes sanctioned by the Planning Commission. The first year of the second Plan is over. Two more months of the second year are coming to an end. The problem of finance has not even been examined by the National Harbour Board. That body has been specially constituted for evolving a National Port Policy and for promoting co-ordination and integration between all the ports of the country. It is now more than 18 months since the last meeting of the National Harbour Board was held. One cannot understand why the meetings of such special organisations are not called at regular intervals. We would, therefore, strongly endorse the suggestion of the Estimates Committee that the decision of the National Harbour Board, at its very first meeting, that "the Board shall meet ordinarily once in six months" should be implemented.

Loans From World Bank

The real problem today is that the Planning Commission has agreed to allot Rs. 40 crores towards the cost of the execution of the development schemes of major ports. As pointed out above, it will be next to impossible for the Port Trusts of the three major ports, Calcutta, Madras and Bombay, to raise the sum of Rs. 40 crores from their own internal resources during the second Plan. The crucial question, therefore, is how to find the finance to the extent of Rs. 41 crores for the satisfactory execution of these schemes. They have to be executed. Otherwise, the required handling capacity will not be secured. That will be a tragedy at a time when the tempo of industrial production has been increasing and when the movement of the goods passing through our ports has been rapidly advancing. We do not know what representations have been made by the Transport Ministry to the World Bank, for securing assistance from it for meeting the cost of the development schemes. The answer, however, which was given only a few days ago in the Lok Sabha, that the World Bank has selected for early consideration four projects in India for rendering assistance and that they include the schemes for the development of ports and shipping, inspires the hope that a serious beginning has been made for securing the necessary finance for the development of major ports. We would, therefore, strongly appeal to the Ministry of Transport that they should immediately call a meeting of the National Harbour Board and examine carefully what immediate steps could be taken for finding finance for executing the schemes already sanctioned, and what integrated policy could be adopted for co-ordinating the efforts of the major ports for handling the rapidly increasing quantity of goods moving to and from India, so that the second Plan may not fail.

(*Concluded from next column*)

COVERED ALUMINIUM CONDUCTORS

MANUFACTURE UNDERTAKEN BY "ALINDA"

A PIONEERING effort in the sphere of transmission of electricity is the acting up of a plant for manufacturing covered aluminium conductors which has been installed by the Aluminium Industries Ltd., Kundara (Kerala). The plant went into production on 26th April 1957. The Company, as is well known, is a major manufacturer of aluminium conductors and accessories. Its capacity to meet the growing demand for these conductors will be augmented when its new project at Hirakud, designed to add to its facilities for the manufacture of rods and cables, is completed. Meanwhile, the Company has set up a plant for producing covered aluminium conductors for house service overhead system and indoor wiring purpose.

The manufacture of covered aluminium conductors marks yet another stage in the entry of aluminium into the electrical field dominated so far by copper. The use of aluminium as a conductor of electricity, as such, is not new, but the use of this metal as an insulated conductor is a relatively new development. The Aluminium Industries Ltd. has now undertaken to pioneer this new line of advance made by aluminium. Its excellent electrical conductivity (61 per cent. of copper), relative abundance and reasonable price, it is stated, justify the use of aluminium in insulated conductors. So far as India is concerned, the country is deficient in the supplies of copper, whereas it is fortunately endowed with large natural resources in aluminium ore. This factor makes it imperative that aluminium should be increasingly pressed into service for replacing copper, wherever such replacement could be effected without endangering the ultimate utility to the consumer. The new plant, which was inaugurated at Kundara, is the first of its kind in India, in the sense that, for the first time, aluminium conductors are insulated with a plastic material for use in the tropics. This conductor is expected to replace to a larger and larger extent the rubber insulated copper cables. The plastic material used for insulation is "Polythylene" or "Polythene," a tough, flexible, plastic material, marketed by Imperial Chemical Industries under the trade name "Alkathene."

The covered aluminium conductors plant, now operated by the Company, consists of (1) a wire drawing machine and high speed stranders for making the conductor core from aluminium rods; (2) extruders for insulating with polythene and applying the poly-vinyl-chloride sheathing; (3) testing equipment for continuous testing of the insulated core and a patching equipment for effecting repairs; (4) a taping machine and cotton braiding machines; (5) a compounding equipment for impregnation; (6) an automatic coiling machine; and (7) all the auxiliary and ancillary equipment for handling the cable at various stages and for preparing any reclaimed plastic for reuse. The plant is at present equipped for an annual output of approximately 3 to 5 million yards of covered aluminium cable (in terms of single core output). Aluminium wire received from the cable mill is redrawn to the finer sizes required and annealed to the correct temper. The wire is later stranded into seven strand and multi-strand cable. Polythene insulation is then applied on an extruder and the covered wire cooled off in water. It is then tested on a spark tester where a voltage ranging from 600v. to 10,000v. (depending upon size) is applied. Any weakness in insulation is indicated on the controls, and the machine stops automatically. The precise point of vault is thus located.

The use of aluminium in transmission of electricity is expected to lead to considerable saving in expenditure. In this connection, some interesting calculations were made by Mr. H. K. Ramaswami, Deputy Chief Engineer, the South Madras Electric Corporation Ltd. In the second Five-year Plan, he said, the outlay on electrical expansion would be of the order of Rs. 500 crores. Of this amount, the cost of distribution and services would be about Rs. 200 crores. On a conservative estimate, the portion that would be accounted for by insulated cables, according to him, would be about Rs. 20 crores. The users of electricity would have to spend on internal wiring at least Rs. 40 crores. Thus, the total outlay on insulated cables might be of the order of Rs. 60 crores. Now, on overhead transmission lines, the saving effected by aluminium conductors was of the order of 30 per cent. Assuming that the same percentage held good on covered conductors also, the national saving that could result from the use of aluminium, instead of copper, would be some Rs. 18 crores. Mr. Ramaswami added: "The figures given are rough and I think definitely an underestimate." But this calculation brings out, clearly enough, the importance of the new line of manufacture, undertaken by the Aluminium Industries Ltd., to national economy.

(*Continued in previous column*)

IMPLICATIONS OF EXPENDITURE TAX

CONSIDERABLE MODIFICATIONS WILL BE NECESSARY TO MAKE IT ACCEPTABLE

By Premjus Roy

EXPENDITURE Tax is a new tax included in the Budget proposals recently announced by the Finance Minister of the Government of India. Prof. Nicholas Kaldor first advocated it for England in place of the present tax on income, because in his view expenditure was a better base for taxation than income. The Government in England, however, did not accept Prof. Kaldor's suggestion. Tax on expenditure has not so far been tried in any country in the world, and India is the first country to introduce it.

The Expenditure Tax has not been included in the Income-tax Act, but 'a separate Bill, known as the Expenditure Tax Bill, has been framed for the purpose, because the Expenditure Tax adopts expenditure as the basis of tax, unlike the Income-tax Act which adopts income as the basis for taxation. The proposed Expenditure Tax will supplement, and not replace, income-tax.

The salient features of the Expenditure Tax may now be stated. The tax is chargeable "at the rate or rates specified in the Schedule in respect of the expenditure incurred by any individual or Hindu undivided family in the previous year." An important condition, however, is that no Expenditure Tax is payable by any person in respect of any assessment year if his total income assessable to income-tax under the Income-tax Act during the previous year does not exceed Rs. 60,000. Thus, whatever may be the total expenditure incurred by a person in a particular year, if his income assessable to income-tax in that year does not exceed Rs. 60,000, he will not be liable to any Expenditure Tax. Also, if a person has an income assessable to income-tax of over Rs. 60,000 in a particular year, he will be liable to Expenditure Tax in respect of that year, but, if, in a subsequent year, his income assessable to income-tax falls below Rs. 60,000, he will not be liable to Expenditure Tax in respect of such year.

Assessment Year

The Expenditure Tax Bill is made to commence from 1st April 1958, and the first year of assessment will, therefore, be the assessment year 1958-59, based upon the previous year, namely, the one ending 31st March 1958, or any other date to which the accounts of the assessee will have been made up. If an assessee keeps regular accounts and his previous year for the purpose of his income-tax assessment is taken to be the year ending 31st December, then for Expenditure Tax the chargeable year would also be the year ending 31st December. If, on the other hand, an assessee has different previous years for different sources of income for the purpose of his income-tax assessment, then the previous year with reference to which the expenditure tax would be charged would be the year which expired last before the commencement of the assessment year. For instance, if an assessee adopts the year ending 31st December for his business income, and the year ending 31st March for his interest income, the chargeable year for the Expenditure Tax would be the year ending 31st March.

Only individuals and Hindu undivided families are made liable to the Expenditure Tax, and no other entities such as companies, firms, associations of persons, etc., which form separate units of assessment under the Income-tax Act are made chargeable to expenditure tax. In the case of an Indian citizen, all expenditure, whether incurred in India or outside, would be considered for Expenditure Tax, but, in the case of a person who is not a citizen of India, any expenditure incurred outside India from any funds outside India, would not be considered for the purpose of assessment to Expenditure Tax in India.

The basis of taxation to Expenditure Tax is expenditure, in excess of certain prescribed allowances, incurred by a person during the previous year for which the tax is chargeable. "Expenditure" has been defined as the aggregate of all sums in money or money's worth spent or disbursed by an assessee, and includes certain amounts which, though not incurred by the assessee himself, are required to be included in taxable expenditure. Clause 4 of the Expenditure Tax Bill, which is a very important clause, runs as under:—

"In computing the expenditure liable to tax under this Act, the following amounts shall be included, namely, any expenditure incurred, whether directly or indirectly, by a person other than the assessee in respect of any obligation or personal requirement of the assessee or any of his dependants which, but for the expenditure having been incurred by that other person, would have been incurred by the assessee."

To take an illustration, if the hotel bills or the washerman's bills of the assessee are paid by his employer or some friend, the amounts so paid would be treated as part of the taxable expenditure of the assessee, because the assessee would have had to incur such expenditure if the payment had not been made by the employer or the friend.

Items to be Deducted

There are, however, certain items which are to be deducted from chargeable expenditure. These include business expenses (but not personal expenses) of the assessee, expenditure on immovable property, investment in deposits, loans, shares and securities, capital contribution to a firm in consideration of a share of profits, repayment of borrowed money, gift or donation for the benefit of any other, life insurance premiums paid, and contributions to provident fund or pension fund. Apart from these exemptions, there are also certain other exemptions which include duties and taxes paid to Government or a local authority (subject to certain exceptions) and expenditure on the marriage of any dependant of the assessee upto Rs. 5,000.

Capital expenditure on purchase of jewellery, ornaments, furniture, and other household goods, motor cars and other conveyances or any other article for the personal use of the assessee or any dependant, is spread over a period of five years, and only one-fifth thereof is included in the chargeable expenditure in the year in which it is incurred.

Basic Allowance

Apart from these exemptions, a basic allowance is given which is Rs. 24,000 for the assessee and an allowance of Rs. 5,000 in respect of each dependant. "Dependant" is meant to include in the case of an individual assessee, his son or daughter wholly or mainly dependant on the assessee for support and maintenance, and, where the assessee is a Hindu undivided family, it means every coparcener other than the Karta, and any other member of the family who is entitled to maintenance from the joint-family property. Thus, if an individual assessee has a wife and three children he will be entitled to the basic allowance of Rs. 24,000 in respect of himself and of Rs. 15,000 for the three children at Rs. 5,000 each, and no separate allowance will be given to him for his wife.

This basic allowance is, however, made subject to two conditions. In the case of a dependant who has any separate income, the basic allowance would be reduced by the amount of such separate income. For instance, if the assessee's son has an income of Rs. 2,000 of his own, the allowance in respect of him would be reduced to Rs. 3,000, instead of Rs. 5,000. The second condition is that, if the basic allowance in respect of a dependant will have been allowed to an individual assessee as a deduction from his taxable expenditure, the allowance in respect of the same dependant in the assessment of a Hindu undivided family of which he is a coparcener shall be limited to Rs. 2,000. As an instance, if for a particular child his father has received an allowance of Rs. 5,000 in his individual assessment to Expenditure Tax, then for the assessment of a Hindu undivided family of which that child is a member, the allowance in respect of the child in the case of the H.U.F. will not be Rs. 5,000, but only Rs. 2,000.

The rates of Expenditure Tax prescribed under the Bill are as under:—

"In the case of every individual and Hindu undivided family, on that portion of the taxable expenditure—

	Per cent.
(i) which does not exceed Rs. 10,000..	10
(ii) which exceeds Rs. 10,000, but does not exceed Rs. 20,000	20
(iii) which exceeds Rs. 20,000 but does not exceed Rs. 30,000	40
(iv) which exceeds Rs. 30,000 but does not exceed Rs. 40,000	60
(v) which exceeds Rs. 40,000 but does not exceed Rs. 50,000	80
(vi) which exceeds Rs. 50,000	100"

How It Works

To take an instance, if an individual has two children, and his chargeable expenditure amounts to Rs. 80,000 for the year, then the basic allowance in respect of him would be Rs. 24,000 for himself and Rs. 10,000 for the two children, or Rs. 34,000. His expenditure over the basic allowance of Rs. 34,000 would become liable as under:

	Rs.
First Rs. 34,000	Nil
Expenditure from Rs. 34,000 to Rs. 44,000 at 10%	1,000
Expenditure from Rs. 44,000 to Rs. 54,000 at 20%	2,000
Expenditure from Rs. 54,000 to Rs. 64,000 at 40%	4,000
Expenditure from Rs. 64,000 to Rs. 74,000 at 60%	6,000
Expenditure from Rs. 74,000 to Rs. 80,000 at 80%	4,800
Total Expenditure-tax payable ..	17,800

It will be seen that, if the chargeable expenditure exceeds the basic allowance available to the assessee having regard to the number of his dependants, it does not matter from which source or how the chargeable expenditure was met by the assessee. The assessee may have incurred the expenditure from his capital or from tax-free income, but this will be absolutely irrelevant for purposes of the Expenditure Tax. If the expenditure exceeds the prescribed minimum, it will be taxable, although the expenditure was met, not from income left after payment of income-tax, but from funds belonging to the assessee in India or from funds held by him outside India, or from agricultural income or interest on tax-free securities which are not liable to income-tax.

So far as the method of assessment to Expenditure Tax is concerned, the assessment will be made by the Income-tax Officers along with income-tax assessments. All persons liable to the Expenditure Tax are required to file their returns of expenditure for the purpose of the charge before the end of June every year, and in the case of those who do not file the returns themselves, the Expenditure Tax Officer will be entitled to serve notices for filing the returns, as for income-tax. The Expenditure Tax returns will be checked by the Income-tax Officers in the usual way. For other administrative procedure, i.e., for assessment, recovery, appeals, etc., the provisions under the Expenditure Tax Bill closely follow those of the Income-tax Act. In fact, many of the provisions of the Expenditure Tax Bill are exact copies *mutatis mutandis* of the Income-tax Act.

Having outlined the salient features of the Scheme of Expenditure Tax, let us now consider the more important implications thereof. Prof. Nicholas Kaldor, in his report, had stated that "tax on expenditure is a most potent weapon for inducing economies in personal spending among the well-to-do classes... Luxury consumption is in fact the only part of the national expenditure that could be compressed for the sake of releasing resources for a higher rate of capital accumulation; and a graduated progressive tax on personal consumption is undoubtedly the ideal instrument for attaining this end." The Finance Minister in his Budget speech acclaimed the tax as "a potent instrument for restraining ostentatious expenditure and for promoting savings." In the "Statement of Objects and Reasons" appended to the Expenditure Tax Bill, it is stated that "such a tax, in addition to being a deterrent to excessive personal expenditure and an incentive for savings, also forms a significant part of an integrated tax structure." It is also considered that this tax, like the Wealth Tax, would be a check on evasion of tax, such as is possible under the system of tax on income alone.

Shift in Tax Burden

There is no doubt that the introduction of the Expenditure Tax would result in a considerable shift in the tax burden as between relatively high spending and relatively high saving taxpayers. The tax would certainly have the effect of reducing consumption among the well-to-do classes. It will, however, be difficult to assert that this will give a fillip to the economic growth of the country. Economic growth is tantamount to increased production, and, if there is increased production, there must also be increased consumption, for, otherwise, there will merely be an increased accumulation of the goods produced. The Finance Minister claimed that the Expenditure Tax would not affect the incentive to work and to save, but that the reduced tax on income, coupled with the Expenditure Tax, would encourage more work and saving. The critics of the measure, however, claimed even with greater conviction that the tax would act as a strong disincentive to work. It would appear that the deleterious effects of the tax would not be removed by merely shifting the tax base from a tax on income to the tax on expenditure. The Expenditure Tax supplements, and does not supplant income-tax, and the Government would get very much more money from Expenditure Tax than the little it would lose by a slight reduction of tax on income. The taxpayer would look at all direct taxes from one angle only, namely, how much he has to pay by way of these direct taxes, whether it is by way of tax on income, tax on expenditure, tax on wealth, tax on capital gains or any other tax, and it is not of much consequence for him on what base the tax is levied.

Details of Expenses

One special difficulty about the Expenditure Tax is that people would resent having to give details of their expenses. Generally, people are negligent about, and resent being lectured upon, the necessity of keeping accounts of their expenses. As, Dr. A. R. Prest of Cambridge said, "there is the political problem of whether it is reasonable for the State to require such a degree of information as would be needed from the taxpayer about his activities." Prof. Kaldor realised this objection against the Expenditure Tax, but he suggested that the taxpayer would not be asked to give a direct account of his personal expenses, and the amount chargeable for the Expenditure Tax would be arrived at as a residual after deduction of various items from the receipts. There is, however, no doubt that the Expenditure Tax Officer has the power to ask for details concerning particular items of expenditure, for, without such power, the Tax Officer will not be in a position to check the accuracy of the computed figure of expenditure as shown by the assessee.

The Expenditure Tax would be regarded by the foreigners in India as particularly irksome. Apart from the complete unfamiliarity with the tax, they would resent having to give details of their expenditure to the Tax Officer. Many foreign experts, who would otherwise have agreed to serve in India and assist in the development of the second Five-year Plan, would perhaps be disinclined to do so by reason of the Wealth Tax and the Expenditure Tax. Apart from this, as Dr. Prest of Cambridge observed, difficulties would arise as the Expenditure Tax would operate in India but not in other countries. For instance, people might save heavily for a number of years and then emigrate in order to avoid taxation on their dis-saving.

Social Necessities

Another difficulty which would arise is with regard to agricultural income, which is not taxable under the Income-tax Act. Even agricultural income, if expended above the limit of the basic allowance, would become liable to Expenditure Tax. It is not certain that such levy on agricultural income would be legal or constitutional, but even if it is, the propriety of it is open to question. Yet another difficulty which the Expenditure Tax Bill creates is with regard to certain ceremonial expenses which are regarded as socially necessary or inevitable. Only marriage expenses upto Rs. 5,000 for a dependant of the assessee is exempted under the Bill. The limit of Rs. 5,000 for a marriage is placed too low, particularly having regard to the fact that the class of persons who are likely to be affected by the Expenditure Tax are accustomed and even expected, having regard to their social status, to spend much more on such occasions. Further, marriage is not the only social necessity, and there are other occasions which are deemed equally necessary in the society in which the assessee finds himself, such as birth and death ceremonies, sacred thread ceremonies, annual *pujas*, etc., for which no allowance is given under the Bill. It is conceivable that the effect of the Expenditure Tax would be to bring about a certain change in the spending habits of the well-to-do classes, but spending on ceremonials does not involve personal spending and may be regarded as an act of social benefit. The Expenditure Tax makes an inroad on several social customs and social ceremonies, and it is doubtful how far a taxation measure is justified in attempting such invasion. It appears that the Select Committee will have to make considerable modifications in the Expenditure Tax Bill before it could be treated as reasonably acceptable.—*All Rights Reserved.*

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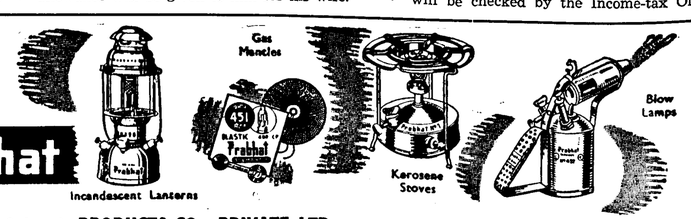

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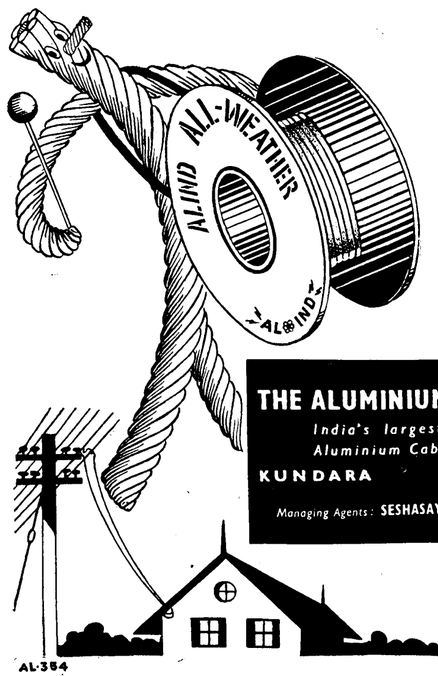

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PROVISIONS OF EXPENDITURE TAX BILL

MAIN FEATURES OUTLINED

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

ALONG with "Wealth Tax," the Government has introduced also the much discussed and debated Expenditure Tax. The object of the Expenditure Tax Bill is to impose an annual tax on personal expenditure, above a prescribed level, of individuals and Hindu undivided families. Such a tax, claims the Government, besides being a deterrent to excessive personal expenditure and an incentive for savings, also forms a significant part of an integrated tax structure.

Expenditure Tax shall be charged for every financial year commencing on and from 1st April 1958, at the rates specified in the Schedule in respect of expenditure incurred by any individual or Hindu undivided family in the previous year.

There is a provision, however, that no Expenditure Tax shall be payable by an assessee in respect of any assessment year if his total income under the Income-tax Act during the previous year does not exceed Rs. 60,000.

The term "previous year" means previous year as defined in section 2 (11) of the Income-tax Act. Where in case of an assessee there are different previous years for different sources of income, the previous year shall be the previous year that expired last before the commencement of the assessment year.

In computing the expenditure liable to tax, the following amounts will be included, namely, expenditure incurred, whether directly or indirectly, by a person other than the assessee in respect of any obligation or personal requirement of the assessee or any of his dependants which, but for the expenditure having been incurred by that other person, would have been incurred by the assessee.

Dependants

'Dependants' means: (i) where the assessee is an individual, a son or daughter wholly or mainly dependant on the assessee for support and maintenance.

(ii) where the assessee is a Hindu undivided family

(*a*) every coparcener other than a *karta*, and

(*b*) any other member of the family who under any law or order or decree is entitled to maintenance from the joint property.

Exemptions

No Expenditure Tax is payable in respect of—

(*a*) Any expenditure, current or capital, incurred wholly or exclusively for purpose of business, not including personal expenditure.

(*b*) Any expenditure incurred in the acquisition or construction of immovable property.

(*c*) Any expenditure incurred by way of investment in current and fixed deposits, loans, shares and securities.

(*d*) Any expenditure incurred by way of contribution as capital to a firm or association in consideration of a share in the firm or association.

(*e*) Any expenditure by way of repayment of any loan or other borrowing.

(*f*) Any expenditure incurred in respect of gift and donation or settlement on trust or otherwise for the benefit of any other person.

(*g*) Any expenditure incurred for paying premium in respect of any policies of insurance on the life of the assessee or any of his dependants in respect of any health, accident or disability policies of insurance.

(*h*) Any expenditure by way of contribution to a provident, thrift or superannuation fund.

(*i*) Any expenditure incurred by an assessee, who is not a citizen of India, outside India, from any income or capital accrued or realised outside India.

Where any expenditure is not wholly and exclusively incurred for purposes specified as above, it shall apply in respect of so much of that expenditure as is reasonably attributable to any such purpose.

Allowances

In computing the taxable expenditure, the following allowances shall be made—

(*a*) Any taxes including Expenditure Tax, cesses or fees paid to Government, but not including fees in respect of any conveyance or movable asset intended for personal use, customs duty on imported articles for personal use, and any fine or penalty in respect of any offence relating to the levy of taxes, duty, etc.

(*b*) Any marriage expenditure of any dependant to the extent of Rs. 5,000 for each dependant.

(*c*) Four-fifths of any expenditure incurred by way of capital expenditure on the purchase of jewellery, ornaments, works of art, furniture and other household goods, motor cars and other conveyances for personal use of the assessee and his dependants.

Where a deduction as aforesaid is made one-fifth of the said capital expenditure shall be deemed to be incurred in each of the four years succeeding and no deduction shall be made in the assessment for any succeeding year in respect of expenditure so deemed to have been incurred in any earlier years.

(*d*) A basic allowance of Rs. 24,000 and a further allowance, if claimed, of Rs. 5,000 in respect of each dependant. If the dependant has a separate income, the allowance shall be reduced by the separate income of the dependant, but not so as to exceed Rs. 5,000 in any case.

Further, where any expenditure is claimed by any individual as having been incurred in respect of any of his dependants and has been allowed as a deduction from his taxable expenditure, the allowance permissible to Hindu undivided family of which the dependant is a coparcener should be Rs. 2,000.

Administration

Expenditure Tax will be administered by the Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any individual or Hindu undivided family.

The Central Board of Revenue may empower persons to exercise powers of the Appellate Assistant Commissioner of Expenditure Tax and on being so empowered they will function as Appellate Assistant Commissioners for such areas and such class as the Board may direct.

The Board may empower persons to function as Commissioners of Expenditure Tax and on being so empowered, they shall function as Commissioners of Expenditure Tax for such areas and such class of persons as the Board may direct.

The Commissioner of Expenditure Tax may empower persons to act as Inspecting Assistant Commissioners of Expenditure Tax and on their being so empowered they shall function as such.

All Expenditure Tax Officers shall be subordinate to the Commissioner of Expenditure Tax and Inspecting Assistant Commissioner in whose jurisdiction they function.

All officers employed in the execution of the Act shall observe and follow orders, instructions and directions of the Board. No orders, however, will be given to the Appellate Assistant Commissioner so as to interfere with his discretion in the exercise of his appellate functions.

Assessment Procedure

Assessment procedure is analogous to income-tax procedure under the Income-tax Act.

Every person, whose expenditure for the previous year was of an amount rendering him liable to Expenditure Tax, shall, before 30th June of each year, furnish to the Expenditure Tax Officer a return in the prescribed form and verified in the prescribed manner, setting forth the expenditure for the previous year. If the Expenditure Tax Officer is satisfied that the expenditure of any person for a year is such an amount as will render him liable to Expenditure Tax, he may serve a notice on such person to make a return within a period, not less than 30 days, setting forth particulars of expenditure as required in the notice of the previous year.

The Expenditure Tax Officer may, if he thinks fit, extend the date for delivery of the return.

If a person does not furnish a return within the time allowed or furnishes a return in which he discovers any omission or a wrong statement, he may furnish a return or a revision return at any time before assessment is made.

If the Expenditure Tax Officer is satisfied, without requiring the presence of the assessee or production of any evidence, that a return made is correct and complete, he shall assess the taxable expenditure and determine the amount payable as Expenditure Tax.

If he is not satisfied, he shall serve a notice on him, requiring him to attend in person at his office on a date specified or produce evidence on which he relies in support of his return. After hearing such evidence as is produced or requesting such further evidence as he may require, the Expenditure Tax Officer will assess and determine the amount payable as Expenditure Tax by an order in writing.

Whether a person has or has not made a return, the Expenditure Tax Officer may serve a notice on him, requiring him to produce accounts, records or other documents as he may require. If a person fails to comply with the terms of the notice, the Expenditure Tax Officer shall make the assessment to the best of his judgment and determine the amount payable as Expenditure Tax on the basis of such assessment.

There is provision for taxing expenditure escaping assessment. If the Expenditure Tax Officer has reason to believe that, by reason of the omission or failure on the part of the assessee to make a return of his expenditure or to disclose fully and truly all material facts, the expenditure chargeable to tax has escaped assessment, he may take proceedings at any time without any time limitation. If in consequence of any information in his possession, although there is no omission or failure as referred to above, that the expenditure chargeable to tax has escaped assessment for any assessment year, he may take proceedings at any time within six years of the end of the assessment year and assess or re-assess such expenditure.

Penalty for concealment is one and a half times the amount of such tax. Penalty can be levied only with the prior approval of the Inspecting Assistant Commissioner, but the assessee must be given an opportunity of being heard before the penalty is imposed.

Liability in Special Cases

There are provisions, as in the case of income-tax, for liability, in special cases, such as tax of the deceased person, which is payable by legal representative, and assessment of Hindu undivided family after partition.

Appeals, Revisions and References

Appeals, revisions and references are also on the lines of the Income-tax Act. Thus, first appeal will lie before the Appellate Assistant Commissioner within 30 days of the receipt of notice of demand. Then, an appeal to the Appellate Tribunal will lie within 60 days of the date on which the order is served. On any question of law, an appeal can be made to the High Court within 90 days of a reference. Provision for appeal to the Supreme Court is also provided.

Miscellaneous

At any time within four years of the order by the Expenditure Tax Officer, Commissioner of Expenditure Tax, Appellate Assistant Commissioner, Appellate Tribunal, any mistake apparent on the record may be rectified, either on his own motion or at the instance of the assessee.

There is a provision for prosecution for false return. The Commissioner of Income-tax has, however, been given power to compound an offence before or after institution of proceedings.

The Expenditure Tax Officer and other authorities under the Act have been vested with power to take evidence on oath.

Provisions relating to information in return, effect of transfer of authority on pending proceedings, computation of periods of limitation, service of notice, prohibition of disclosure by Expenditure Tax Officer, barring of jurisdiction of Civil Court, appearance before Expenditure Tax Officer, authorities and power to make rules are the same as under the Income-tax Act.

Finally, the Schedule fixes the rate of Expenditure Tax as below.

In case of every individual and Hindu undivided family on that portion of taxable expenditure:

		Per cent.
(i)	which does not exceed Rs. 10,000 ...	10
(ii)	which exceeds Rs. 10,000 and not Rs. 20,000	20
(iii)	which exceeds Rs. 20,000 and not Rs. 30,000	40
(iv)	which exceeds Rs. 30,000 and not Rs. 40,000	60
(v)	which exceeds Rs. 40,000 and not Rs. 50,000	80
(vi)	which exceeds Rs. 50,000	100

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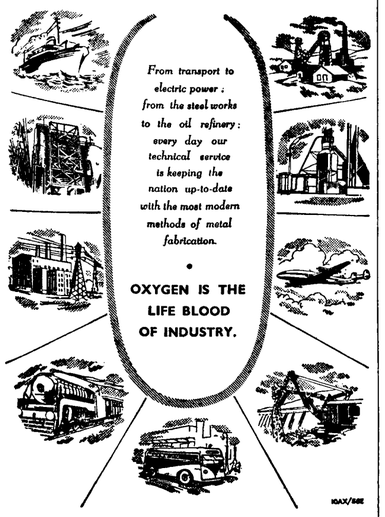

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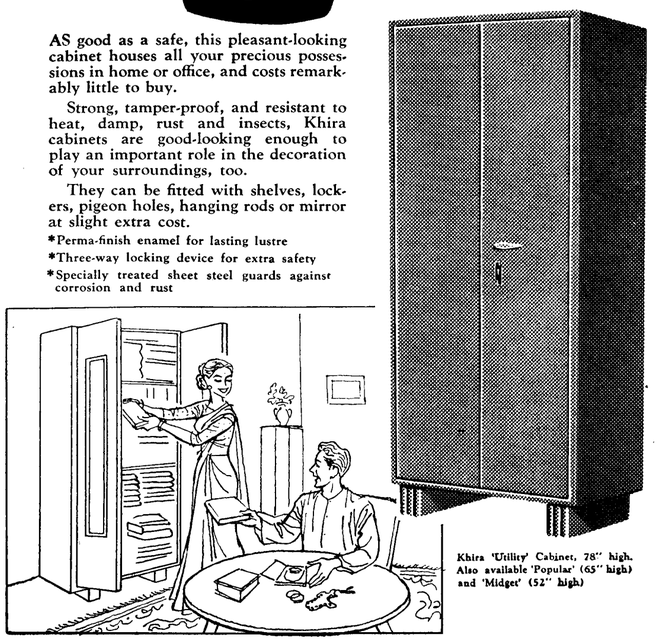

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TITANIUM DIOXIDE INDUSTRY

CONTINUANCE OF PROTECTION UNDER EXAMINATION

THE Tariff Commission has taken up for consideration the question of extending protection for five years to the titanium dioxide industry. Protection was first granted to this industry for one year from 1953, when the existing revenue duty was converted into protective duty. Under the Finance Act of 1954, a surcharge amounting to one-fourth of the prevailing duty was introduced as a revenue measure, raising the effective duty from 35.2 per cent. *ad valorem* standard and 25.2 per cent. *ad valorem* preferential to 31.5 per cent. *ad valorem* and 44.0 per cent. *ad valorem*, respectively. An *ad hoc* extension of protection was subsequently granted upto 31st December 1955. This was followed by another inquiry by the Tariff Commission, on the recommendation of which protection was continued upto the end of the current calendar year. The rate of duty was also raised to 44 per cent. *ad valorem* standard and 34 per cent. *ad valorem* preferential.

The demand for titanium dioxide—an important pigment—has been increasing very fast since the last enquiry. The actual sales of the domestic product plus imports during the last three years were 910 tons in 1954, 1,428 tons in 1955 and 1,859 tons in 1956. These supplies were still short of the demand for the product. Estimates of current demand vary widely. As against 1,100 tons of demand, comprising 900 tons of anatase and 200 tons of rutile, estimated by the Commission at the time of the last enquiry, the current demand is placed by the Travancore Titanium Products Ltd. at 2,400 tons. The Development Wing of the Government and Messrs. T. T. Krishnamachari & Co.—who are the sole distributors of the product—have, on the other hand, put the current demand at 2,600 tons and 2,000 tons, respectively.

As against this estimated demand, the Travancore Titanium Products Ltd., which continues to be the sole manufacturer of titanium dioxide in the country, produced during the three years since 1954, 1,369 tons, 1,808 tons and 1,700 tons, respectively. During January-April 1957, however, the production was only 409 tons, or annual rate of 1,236 tons. The company's production has been confined to the anatase variety only. The present capacity of the company is 1,800 tons a year and it has plans on hand to raise the capacity to 3,600 tons a year, half of which is for the production of rutile and the other half for anatase. The expansion plan also includes a plant for the production of sulphuric acid with a capacity of 50 tons a day.

Quality Improved

During the period of protection, the quality of the anatase pigment produced by the Travancore Titanium Products Ltd. has improved considerably, and the consumers continued to show satisfaction on that score. Besides, it is also stated that the special grades of the pigment required by the vitreous enamelware and rayon industries could be met by the industry. In respect of the colour and texture of the product, however, it is found that there is yet much to be done to bring the quality of the product in line with the imported product.

As regards imports of titanium dioxide, licences were being given since 1955 only to actual users on an *ad hoc* basis. Actual imports declined from a level of 285.70 tons, valued at Rs. 7.8 lakhs in 1955, to 239.20 tons of the value of Rs. 7.75 lakhs in 1956. In the months of January and February 1957 imports stood at 30.55 tons, valued at about a lakh of rupees. On the other hand, exports of titanium dioxide amounted to 437 tons in 1954, 663 tons in 1955 and 131 tons in 1956.

It will be recalled that the consideration which weighed with the Tariff Commission in granting protection to the industry in 1953, was the bright future the industry had before it. Consequently, the Commission did not hesitate to recommend even the grant of a subsidy. Since then, the industry has witnessed considerable expansion. The increasing demand for the pigment in various industries, such as paint, rubber, vitreous enamelware, printing ink, rayon, linoleum, soap and textiles has been expanding rapidly and it may even outstrip the contemplated expansion in the capacity. In view of the large deposits of ilmenite in the country—it will be noted that as many as 283,000 tons of ilmenite were exported in 1956, as against a domestic consumption of only 4,000 tons—the future holds bright prospects for the industry. The only manufacturer engaged in this industry, as mentioned above, has prayed for an extension of production for five years.

INDUSTRIAL PRODUCTION

Industrial production in India during 1956 was higher at 7 to 8 per cent. above the level registered in 1955. This rate of expansion is the same as that witnessed in the closing years of the first Five-year Plan. A noteworthy feature was that the increase was shared by most of the major industries.

Among the various industries that witnessed substantial increase in their output, mention must be made of cement (8.9 per cent.) and steel (6.3 per cent.). Another feature was the brisk activity in the engineering industries as a whole, thanks to the growing volume of demand and the increased availability of steel. Many engineering firms, it may be noted here, worked on a multiple shift basis. A large number of applications under the Industries (Development and Regulation) Act was received during the year either for expanding the existing industries or for setting up new undertakings.

A number of other industries also registered notable increase in their output. Chief among them were: automobiles, tyres, diesel engines, electric motor, sulphuric acid, bleaching powder, and liquid chlorine. A matter of special significance in this connection is that certain items like some important dyes and drugs, and certain types of tools were produced for the first time.

The production of cloth by both mills and handlooms increased further during 1956. The monthly average of cloth produced increased from 424.5 million yards in 1955 to 442 million yards. The production of jute textiles, however, was only maintained at the 1955 level. A development worthy of special mention in this connection is that the Government has begun to operate a scheme for the grant of financial assistance to jute and cotton mills for the purpose of modernising their equipment through the National Industrial Development Corporation.

The production of tea, coffee and rubber was also satisfactory; tea production during the year increased slightly from 612.4 million lbs. in 1955 to 664 million lbs. in 1956. Coffee output shot up from 24.948 tons in 1955 to 34,946 tons in 1956.

A noteworthy feature of the industrial progress during the year was that a great deal of attention was given to the new projects envisaged for development in the Plan period. In the case of a number of industrial projects in the public sector, significant progress was noted. In respect of certain others, the National Industrial Development Corporation was used as the agency to make the preliminary technical and economic studies which must precede the execution of the project.

Further, project studies were initiated, and more or less completed, during the year for the following: (*a*) heavy castings and heavy forgings; (*b*) heavy machine building; (*c*) heavy structural works; (*d*) heavy plate and vessel works; (*e*) heavy machine tools; (*f*) alloy and special steels, (*g*) aluminimum; (*h*) synthetic rubber; (*i*) newsprint; (*j*) intermediates for drugs and dyestuffs; and (*k*) cinema and X-ray film.

In the development of small-scale industries the Central Government's responsibility is mainly to define the lines of development, to provide a technical service agency for these industries and to give financial assistance to State Governments for the implementation of the schemes framed. During the year, 14 Industrial Estates were sanctioned, bringing the total to 25. Twenty small Industrial Estates are also being started in consultation with the Ministry of Community Development. Special welfare schemes primarily designed to enable womenfolk of the lower income group to supplement their incomes are being taken up. It is interesting to note that the programme of technical assistance through Small Industries Service Institute and Industrial Extention Centres was continued during the year. Technical training abroad through the assistance of the Ford Foundation will also be given to persons actually working in small-scale units.

The National Small Industries Corporation, set up in February 1955, continued to do useful work and has expanded its activities. Its scheme of hire purchase of machinery has been very popular. It maintains liaison with Government departments and has procured orders for small units in certain items. It is also interested in finding an export market for the products of small-scale industries.

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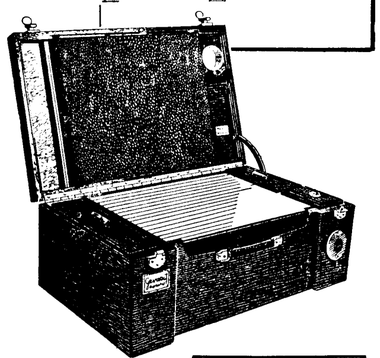

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ESTIMATES OF NATIONAL INCOME

"PER CAPITA" INCOME HIGHER

THE national income of India at 1948-49 prices was Rs. 10,420 crores in 1955-56 and Rs. 10,280 crores in 1954-55, as compared to Rs. 10,030 crores in 1953-54, says a Press note issued by the Government. The *per capita* income at 1948-49 prices correspondingly rose from Rs. 268.7 in 1953-54 to Rs. 271.9 in 1954-55 and Rs. 272.1 in 1955-56. This is revealed by the fourth issue of the annual paper on national income just released by the Central Statistical Organisation. The estimates for 1954-55 included in this paper are based on the detailed method of estimation followed for the earlier years and show an upward revision over the preliminary estimates published last year. The estimates for 1955-56 are, however, based on partial material and are subject to revision.

The table below indicates the trend of national income (or net national output) at 1948-49 prices since 1948-49:

Year	Net national output at 1948-49 prices	*Per capita* net output at 1948-49 prices
	(Rs. crores)	(Rs.)
1948-49	8,650	246.9
1949-50	8,820	248.6
1950-51	8,850	246.3
1951-52	9,100	250.1
1952-53	9,460	256.6
1953-54	10,030	268.7
1954-55	10,280	271.9
1955-56 (preliminary)	10,420	272.1

On the whole, during the first Five-year Plan period (1951-52 to 1955-56), the national income in real terms increased by 17.7 per cent., as against the original Plan target of 11 per cent. The corresponding rise in the *per capita* income was 10.5 per cent.

The absence of any pronounced rise in 1955-56 over 1954-55 was mainly due to the fall in agricultural production revealed by the latest available crop figures. The total contribution to national income at 1948-49 prices by 'agriculture' showed a decline of Rs. 50 crores in 1955-56 over 1954-55, as compared with a rise of similar magnitude in 1954-55 over 1953-54. There was no appreciable change in the yearly increase in the overall contribution by other sectors.

Expressed at current prices, the national income stood at Rs. 9,650 crores in 1955-56 and Rs. 9,620 crores in 1954-55, or Rs. 830 crores and Rs. 860 crores lower than the 1953-54 level. The *per capita* income at current prices correspondingly declined from Rs. 280.7 in 1953-54 to Rs. 254.4 in 1954-55 and Rs. 252.0 in 1955-56. The fall in the national income at current prices in 1955-56 and 1954-55 was entirely due to price changes, the national income in real terms having shown a rise in both the years. The level of agricultural prices, in particular, was considerably lower in 1955-56 and 1954-55, as compared with 1953-54 and this also accounted for the sharp decline in the income at current prices originating in the agricultural sector.

As the estimates are presented in the paper in terms of rupees abja (100 crores) corrected upto one decimal place, changes smaller than rupees five crores are ignored. Though there was some progress during 1955-56 in small sectors like 'mining', 'organised banking and insurance', etc., it was not large enough to be disclosed by the figures presented in this paper.

MONTHLY STATISTICS OF FOREIGN TRADE

Several important changes in the foreign trade statistics of India have been made from January 1957 by the Department of Commercial Intelligence and Statistics, Calcutta. In the place of the monthly bulletin entitled *Accounts Relating to the Foreign Trade and Navigation of India*, the new publication entitled *Monthly Statistics of the Foreign Trade of India*, is being issued. The trade classification in use prior to January 1957, provided for the separate specification of only 1,717 items in the foreign trade statistics. The new classification, called "Indian Trade Classification," which provides for the specification of 4,850 articles, is based on the Standard International classification. The basic statistical year is also changed from that of the financial year to calendar year. Further, owing to the change in the classification, the practice of publishing figures for the corresponding periods of the previous two years has had to be given up. Another important change is that, instead of separate statistics for the land, sea and air-borne trade, combined figures for all the three forms of trade are given. It is to be hoped that this welcome change will not result in any undue delay in the publication of the data. Some of the tables, such as those pertaining to overall balance of trade, index numbers of volume and average unit of declared values of exports and imports and summary tables of a number of items, have been omitted. It is likely that these tables may form part of a separate publication. This will be a change for the better, if it means that the public will get this information earlier than it does now.

INDIA-CHINA TRADE AGREEMENT RENEWED

The Trade Agreement between India and the People's Republic of China was renewed on 26th May, following the exchange of letters between the representatives of the two Governments.

The Indo-Chinese Agreement, which was originally signed on 14th October 1954, was valid for a period of two years. Negotiations have been going on for some time past between representatives of the two Governments for the renewal of the Agreement. It has now been decided that with certain modifications the trade relations between India and China should continue to be governed by the provisions of the original Agreement.

These modifications mainly relate to payment procedures and arrangements for conversion of rupees into sterling being effected only through the account maintained by the People's Bank of China with the Reserve Bank of India. These new payment arrangements will come into force with effect from 1st July 1957. The renewed agreement will be valid up to 31st December 1958. Letters were also exchanged for encouraging closer contact and co-operation between Chinese trading organisations and those of India.

INDIA'S BEST TOBACCO CUSTOMER

The first estimate for Indian tobacco acreage for 1956-57 is 826,000 acres—17,000 acres more than the corresponding adjusted estimate for the previous season. The Commonwealth Economic Committee, which gives this figure in its quarterly *Tobacco Intelligence*, says that in Andhra Pradesh alone, which accounts for nearly all the flue-cured output, the area under tobacco has increased from 312,000 to 323,000 acres.

Heavy shipments in the third quarter of 1956 brought the total of exports by sea of manufactured Indian tobacco in April-November 1956 to 80,300,000 lbs.—9,200,000 lbs. more than in the same period of the previous year. Consignments to the United Kingdom, at 29,200,000 lbs., were 5,100,000 lbs., more than a year earlier. Britain, in fact, remained India's best tobacco customer, China being second. In the first quarter of 1957, India bought 42,000 lbs. of cigarettes from Britain—a jump of 15,000 lbs. over the corresponding quarter of 1956.

LIGHTWEIGHT CARS

A leading British manufacturing company (Villiers Engineering Co.) has completed tests on a new two-stroke 250°cc. twin-cylinder engine developed for lightweight three- and four-wheeled cars. This gives the "go-ahead" signal to several all-British miniature car makers who had been held up for lack of a suitable engine, the manufacturers say. Described as one of the most advanced engines of its kind, it incorporates a four-speed gearbox, an electric starter-generator, and a turbo-blower cooling system with twin fans, one on each side of the engine. These blow through an aluminium-alloy cowling which envelops the cylinder and directs a constant blast of cool air to the hottest parts of the engine. Road tests have shown the engine to possess an extremely lively performance, with top speeds of 60 to 65 m.p.h. and cruising speeds of 50 to 55 m.p.h., the manufacturers say. They also claim that the twin silencers completely eliminate the familiar harsh two-stroke exhaust note without detracting from the performance of the unit.

ELECTRO-MAGNETIC PUMPS

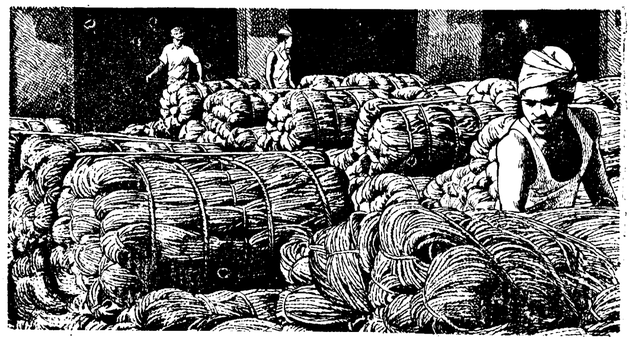
Forty-eight electro-magnetic pumps have been installed to handle the liquid sodium that will extract the heat from Britain's "fast breeder" nuclear reactor at Dounreay, in the north of Scotland. These pumps, operating on the principle of the three-phase induction motor, produce a pumping force wholly by electro-magnetic means. They have no moving parts and no glands. When the liquid metal in the reactor core becomes radioactive, the heat is transferred to secondary liquid-metal circuits—in which the liquid metal is not radioactive—by means of heat exchangers. The primary circuits are heavily shielded. The complete pump operates within a steel tank provided with a vertical access column. Slotted stators carrying a three-phase electrical winding can be lowered down this column and clamped on to the flat pump-tube (which forms part of the liquid-metal circuit) by remote means. This enables them to be replaced without disturbing the hydraulic circuit.

India, with purchases totalling £701,728, was the second largest buyer of British aircraft and æronautical equipment during April. Britain's total sales for the month—valued at £8,474,779—were the fifth highest ever recorded in a single month and almost £750,000 up on April 1956. The largest buyer was Sweden.

British exports of æronautical equipment in the first four months of this year aggregated nearly £33,000,000, of which æro-engines accounted for over a third.

PC-438

How banking serves the COIR INDUSTRY



INDIA is the world's chief producer of coir and coir products, her yearly output being around 130,000 tons. More than half this output is exported, earning about ten crores of rupees in foreign exchange. The coir industry, which is exclusively South Indian, is concentrated in Malabar and Travancore-Cochin, and employs over six lakhs of workers.

Banking has greatly helped in the rapid growth of this industry. The facilities and guidance of a good bank, such as the availability of ready funds when needed, and the collection of dues in any part of the country, are an essential part of good organisation in the coir industry.

We at Palai are proud that so many leading coir goods manufacturers of South India employ the complete banking service we offer.

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* * *

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A LEADING BANK IN SOUTH INDIA

BENGAL COAL'S GROSS PROFIT LOWER

FINANCIAL POSITION SOUND

A SUBSTANTIAL decline in production of coal, accompanied by a steep fall in despatches, labour unrest and last but not least, the Award of the All-India Industrial Tribunal for colliery disputes which came into effect at the end of May 1956, all these have cumulatively contributed to a sizable decline in the earnings of the Bengal Coal Company Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) for the year ended 31st October 1956. The gross profit, which had advanced by Rs. 27.53 lakhs, that is, from Rs. 67.80 lakhs for 1953-54 to a high of Rs. 95.33 lakhs for 1954-55, after having fallen from Rs. 73.37 lakhs for 1952-53, has receded by Rs. 10.64 lakhs to Rs. 84.69 lakhs during the year under review. In fact, the fall would have been much greater but for a marked increase in "other incomes" which have nothing to do with the trading for the year.

The lower profit has meant smaller savings for the Company and lower income for the Government. Thus, the provision for depreciation stands lower at Rs. 25 lakhs, having been lowered from Rs. 26.27 lakhs a year ago. Similarly, the provision for taxation and cesses which had been very nearly doubled from Rs. 17.19 lakhs to Rs. 31.45 lakhs in the previous year has been substantially pruned to Rs. 21.37 lakhs. In view of these lower allocations, the net profit is a shade higher at Rs. 33.99 lakhs, as compared with Rs. 32.82 lakhs in the preceding year, and is the best to be seen during the past four years. The maintenance of the net profit at a slightly better level, though not due to satisfactory trading conditions, has enabled the Directors to sustain the transfers to reserves and the dividend account. Accordingly, the reserves, which had received Rs. 13.23 lakhs in the previous year, have been strengthened further by the addition of Rs. 13.69 lakhs. A breakdown of this total shows that general reserve gets Rs. 2 lakhs, reserve against reduction in valuation of stores and coal stocks Rs. 8 lakhs and provision for royalties Rs. 3.69 lakhs. The distribution to shareholders has been maintained at 17½ per cent., to which level it had been stepped up in the previous year from 15 per cent. for 1953-54, by raising the bonus part of the distribution by 2½ per cent. While the return for shareholders has been maintained, it differs in one respect from that for the previous year, in that the bonus part has been merged with the dividend. Thus, the entire return of 17½ per cent. is in the form of dividend. Usually such a change means that the Directors are confident of maintaining the return at the current rate in the years that fall within the foreseeable future. But, in this case, such an inference does not seem to be justified, as trading conditions are not conducive to profitable results. It looks as though the Directors have maintained the dividend more in the hope of better conditions in future than by any rational analysis based on the facts of the situation.

The following comparative table indicates the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 31st October			
	1956	1955	1954	1953
Sale proceeds	5,88.33	6,61.77	6,04.15	6,37.82
Other income	44.45	13.69	9.27	16.56
Stocks	13.92	8.63	9.62	19.24
Coal purchases	30.88	46.17	44.20	45.60
Freight, shipping charges, etc.	1,52.39	2,24.26	1,83.53	2,18.13
Mining, establishment and other expenses	3,48.74	3,09.30	3,07.68	3,21.63
Gross profit	84.69	95.33	67.80	73.37
Managing Agents' remuneration	4.33	4.79	3.04	3.61
Provision for—				
Depreciation	25.00	26.27	24.21	23.86
Taxation and cesses	21.37	31.45	17.19	21.05
Net profit	33.99	32.82	23.36	25.35
To reserves	13.69	13.23	7.76	10.00
Dividends—				
4½ per cent. preference	0.66	0.66	0.66	0.66
Ordinary	17.50 (D. 17½%)	17.50 (D. 10% +B. 7½%)	15.00 (D. 10% +B. 5%)	16.25 (D. 10% +B. 6½%)
Directors' commission	..	0.13	0.18	0.17
Carry forward	9.45	7.32	6.07	6.29
	Tons	Tons	Tons	Tons
Raisings	2,320,350	2,509,787	2,341,030	2,353,700
Despatches (including purchased coal)	2,559,083	2,809,167	2,672,529	2,625,340

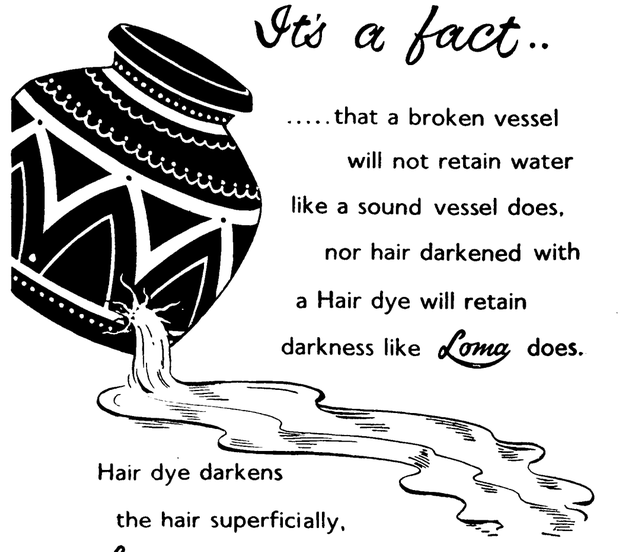
The total of 17½ per cent., it may be noted here, consists of an interim of 7½ per cent. and a final of 10 per cent. The interim dividend was at the rate of Rs. 15 per share of Rs. 200 each. This was paid in October last. Since the close of the year—in February 1957, to be precise—the face value of the share has been reduced from Rs. 200 to Rs. 100 by splitting one share of Rs. 200 each into two shares of Rs. 100 each. The final dividend is, therefore, at the rate of Rs. 10 per share of Rs. 100 each.

The above table reveals that raisings of coal during the year declined by 189,437 tons from that for the previous year; so also, the despatches by no less than 250,084 tons. It will also be seen that the raisings as well as the despatches for the year are the lowest for the four-year period under report. With regard to the first, namely, raisings, the Directors say that production would have been substantially higher but for a strike which affected the Company's collieries in West Bengal for a period of about four weeks from the middle of September 1956. This brought about a serious dislocation in the production of coal. The position became worse when the award of the Industrial Tribunal came into effect at the end of May last, resulting in a substantial increase in the cost of production. This, however, was not followed by any interim increase in the statutory selling price of coal until the beginning of July 1956. Consequently, the Company had to bear the full impact of the Award, without any increase in the selling prices for a period of about five weeks. The fall in despatches of coal, together with an unremunerative selling price, has brought down the proceeds from sale by as much as Rs. 78.44 lakhs. This is also reflected in the stocks which have risen from Rs. 8.63 lakhs to Rs. 13.92 lakhs. Mining, establishment and other expenses are higher by Rs. 39.44 lakhs and this is partly accounted for by the rise in wages of colliery workers, consequent on the award of the All-India Industrial Tribunal for Colliery Disputes. The only welcome feature is the rise in "other income" from Rs. 13.69 lakhs to Rs. 44.45 lakhs. This, the Directors explain, is due to certain credits taken into the profit and loss account "which are unrelated to the trading for the year." They add further that it is only due to these credits that they have, after careful deliberation, recommended payment of the final dividends as mentioned above.

On the outlook for coal industry, the Directors have expressed the hope that, once the issues arising from the decision of the Labour Appellate Tribunal are settled by the Supreme Court and the Committee recently constituted by the Government to revise coal prices complete its work, the industry would be placed on a sounder footing.

The Company's financial position as on 31st October 1956 is strong. Its reserves and surplus aggregate Rs. 169.73 lakhs, as against a paid-up capital of Rs. 120 lakhs, made up of Rs. 20,00,000 in 4½ per cent. (taxable) cumulative preference shares of Rs. 100 each and Rs. 100,00,000 in ordinary shares of Rs. 100 each. The provision for taxation stands at Rs. 19.14 lakhs and that for cesses at Rs. 9.42 lakhs. The current liabilities amount to Rs. 151.99 lakhs. There has been an addition of Rs. 21.01 lakhs to the gross block during the year bringing its total value to Rs. 610.17 lakhs. This has been written down to Rs. 190.43 lakhs. The current assets aggregate Rs. 279.86 lakhs, made up of stores and spare parts Rs. 101.72 lakhs, stocks of coal Rs. 13.92 lakhs, debts, deposits and advances Rs. 136.98 lakhs and cash balances Rs. 14.13 lakhs. The excess of current assets over current liabilities and provision for taxation and cesses is as much as Rs. 99.30 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 213 *cum-div.* (final dividend Rs. 10). On an *ex-div.* basis, the shares provide a yield of 8.6 per cent. per annum, free of income-tax. Such a high level of yield on the shares of the best coal company reflects partly the lack of confidence amongst investors in equities, in general, and partly the highly uncertain outlook for coal industry, in particular, thanks to the dog-in-the-manger policy of the Government of India.



MINERVA MAINTAINS DIVIDEND

SMALL IMPROVEMENT IN EARNINGS

ONE encouraging feature of the results of the Minerva Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay) for the year ended 31st December 1956 is that, despite unfavourable trading conditions in the cloth and yarn business, the Company's turnover has made a fairly substantial improvement of Rs. 7.67 lakhs over that in the previous year. Again, it is gratifying that, this improvement is even better than the corresponding rise of Rs. 6.43 lakhs registered in the previous year, when trading conditions were far more satisfactory. The result has been a modest rise in the gross profit from Rs. 6.80 lakhs for the previous year to Rs. 7.13 lakhs for the year under review, in refreshing contrast to the loss of Rs. 1.55 lakhs suffered two years ago.

The net profit at Rs. 2.93 lakhs is, however, slightly lower, as compared with Rs. 3.03 lakhs a year earlier. This is due to the higher provision for depreciation at Rs. 3.59 lakhs, as against Rs. 3.18 lakhs, and a small rise in the commission for Managing Agents from Rs. 59,471 to Rs. 61,208. No provision for taxation has been made as in the past two years. A sum of Rs. 1.12 lakhs has been allocated towards provision for gratuity, as against Rs. 1.05 lakhs. The reserve fund, which had received in the previous year a modest contribution of Rs. 13,678, after a lapse of five years, has again been neglected. But the Directors have transferred a sum of Rs. 49,915 from the labour colony fund to reserve fund; this sum represents the expenditure on construction of quarters for labour during the year under report. The dividend has been maintained at 6 per cent. to which level it had been stepped up in the previous year from 5 per cent. for 1954. But it is still below the 7 per cent. distributed in 1953, the only difference being that the return for that year included a cash bonus of one per cent.

The following comparative table shows the progress of the Company during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sales of yarn, cloth and waste	1,39.33	1,31.76	1,25.33	1,43.90
Stocks of yarn, cloth and waste	40.96	32.82	32.04	24.79
Cotton, stores, etc., consumed	97.37	83.51	87.30	85.65
Wages and other expenses	43.56	42.94	50.03	42.56
Gross profit (+) or loss (—)	+7.13	+6.80	—1.55	+6.39
Managing Agents' commission	0.61	0.59	..	0.66
Depreciation	3.59	3.18	2.41	3.54
Taxation	..	..	..	0.28
Net profit (+) or loss (—)	+2.93	+3.03	—3.96	+1.93
To provision for bad and doubtful debts	..	..	0.04	..
To reserves	..	0.14	..	..
To provision for gratuity	1.12	1.05	..	..
Transfer from reserves and provisions written back	..	..	5.45	..
Dividend	1.77 (D. 6%)	1.77 (D. 6%)	1.48 (D. 5%)	2.07 (D. 6% +B.1%)
Carry forward	0.20	0.17	0.09	0.12

As stated at the outset, and as will be seen from the above table, the Company's sale proceeds for the year have advanced from Rs. 131.76 lakhs to Rs. 139.33 lakhs. Wages and other expenses have only made a modest increase from Rs. 42.94 lakhs to Rs. 43.56 lakhs, but the rise of Rs. 13.86 lakhs in the cost of cotton, stores, etc., consumed is, indeed, sharp. Naturally, this must have been responsible for the modest rise in gross profit which is not proportionate to the fairly substantial improvement in turnover. To what extent the excise duty has affected the offtake of cloth, etc., can be gauged from the closing stocks which have mounted up by Rs. 8.14 lakhs over the year.

Commenting on the conditions of trading in cloth during the year under review, the Directors in their latest report observe thus:

"Trading conditions during the early part of the year were satisfactory, but with the increase in excise duty on cloth from 1st March 1956, the demand for cloth slackened. The position became worse when there was a further steep and sudden increase in the excise duty which was made effective from 1st September 1956. To facilitate clearances, the mills had to bear half the increase in duty against pending contracts which adversely affected the realisations. Conditions since then have deteriorated to such an extent that profit margins have been practically wiped off and sales in bulk of some of the qualities even at below cost have become very difficult."

The Company's reserves and surplus as on 31st December 1956 amount to Rs. 19.78 lakhs, as against a paid-up capital of Rs. 29.81 lakhs, in shares of Rs. 100 each. The current liabilities aggregate Rs. 85.52 lakhs and provision for taxation Rs. 91,158. The gross block of Rs. 92.42 lakhs, which includes an addition of Rs. 2.85 lakhs during the year, stands reduced at Rs. 39.05 lakhs. The current assets amount to Rs. 96.97 lakhs, having been increased from Rs. 84.20 lakhs a year ago; the increase is mainly accounted for by the rise in stocks of cotton, cloth, yarn, etc., from Rs. 46.07 lakhs to Rs. 58.94 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 84 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 7.7 per cent. per annum.

Points From The Chair

Government Spending

"ONE important sphere of inflationary pressure has not come within the broad sweep of Mr. T. T. Krishnamachari's measures—the positive influence of rising public expenditure. No amount of restraint on consumption or on credit would be of avail if the magnitude and the pace of Governmental spending is not diminished. The volatile spenders, both State and Central, need to be kept in check under a strong leash if the delicate balance of stability is to be achieved. The distinguished Governor of the Bank of England stated recently that 'the economic machine could not be driven with one foot on the accelerator of public expenditure and the other on the brake of credit restriction.' Mr. Cobbold went on to add that it was not for the Bank to suggest where public expenditure should be cut. That was a political judgment, but it was his prime duty to 'sound warning bells when Government and near-Government spending is putting too heavy a burden on the country's resources.' How true it is of our present economy. We look to the Finance Minister to exercise enough persuasion with his colleagues, so that political judgments conform to dire economic necessity of the moment."

K. C. MAHINDRA,
Mahindra and Mahindra Ltd.

Private Enterprise in India

"Last year and the year before I referred to the difficulty we were finding in determining the place of private enterprise in India's 'socialist pattern of society,' because verbal encouragement was not being matched and, indeed was being contradicted by legislative and executive measures. There were further instances of such measures last year, for example: the seventh amendment to the constitution legalised the setting up of State Trading Corporations to compete with normal private enterprise. The resolution on Industrial Policy, to which I have already referred, deprives private enterprise of the opportunity to develop the country's natural resources except as an instrument of Government. The Finance (No. 3) Act of 1956 contains provisions under which a company cannot qualify for the benefits of depreciation allowances for income-tax purposes unless it deposits a substantial part of its current and accumulated profits and reserves, not represented by fixed assets, with the Reserve Bank of India. Any release of the deposits requires the approval of Government. Each of these measures could directly and adversely affect our business and their cumulative effect is such that it must be taken into account whenever we have to consider investing further capital in India."

SIR KENNETH B. HARPER,
Burmah Oil Co., Ltd.

Gold

"There are important considerations to be borne in mind when investment in gold-mining is weighed against possible alternative forms of investment. Gold is a universally acceptable commodity, the indispensable residual element in the settlement of the balance of payments between countries, and it enjoys an unlimited market at guaranteed prices. International monetary arrangements are today more firmly based on gold than they have been since the Great Depression of the 'thirties. The trials through which the world has passed in the last two decades have given gold a significance it did not possess in less arduous times. A feature of every post-war international crisis to date has been the purchase of gold as a hedge against currency depreciation, and as a means of holding liquid funds in a form less vulnerable to the hazards of war, or possible war, than paper money or bank balances. The period of international tension that has prevailed during the past year as a result of events centering round the Middle East has been no exception. Governments and individuals alike look to gold, when they distrust the strength of their own currencies and the perils of international tension. The gold-mining industry greatly gains from the existence of this unlimited market for its product, but the extent of that gain is affected by one circumstance which is a part of existing monetary arrangements—the fact that the dollar price of gold has remained unchanged since 1934. In the case of other commodities, prevailing monetary conditions, whatever they may be, affect both the selling price of the product and the cost of production. In the case of gold alone, costs of production are free to change, whilst the sale price has remained fixed for over two decades—a period that has witnessed a price revolution. Even though all the gold produced can be sold without difficulty, the fact that the sale price is rigid, places an unfair limitation on the profits derived from gold mining."

SIR ERNEST OPPENHEIMER,
Orange Free State Investment Trust Ltd.

COMPANY MEETINGS AND DIVIDENDS

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 10th June 1957. Dividend: Re. 1.00 per share (final). Transfer books remain closed from 27th May to 10th June 1957, both days inclusive.

BENGAL POTTERIES LTD. Annual General Meeting, Calcutta, 18th June 1957. Transfer books remain closed from 7th June to 1st July 1957, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Annual General Meeting, Calcutta, 19th June 1957. Dividend: Rs. 2.50 per share (includes interim dividend of Re. 1.12 per share). Transfer books remain closed from 3rd to 19th June 1957, both days inclusive.

TIDE WATER OIL CO. (INDIA) LTD. Annual General Meeting, Calcutta, 19th June 1957. Dividend: Re. 1·25 per share (includes interim dividend of Re. 0.50 per share). Transfer books will remain closed from 10th to 19th June 1957, both days inclusive.

BENGAL COAL CO., LTD. Annual General Meeting, Calcutta, 20th June 1957. Dividend: Rs. 25.00 per share (includes interim dividend of Rs. 15.00 per share). Transfer books remain closed from 6th to 20th June 1957, both days inclusive.

MONOGRAM MILLS CO., LTD. Annual General Meeting, Ahmedabad, 22nd June 1957. Dividend: Rs. 14.00 per share (includes bonus of Rs. 2.00 per share). Transfer books remain closed from 1st to 22nd June 1957, both days inclusive.

VICTORIA MILLS LTD. Annual General Meeting, Bombay, 25th June 1957. Dividend: Rs. 20.00 per share inclusive of bonus. Transfer books will remain closed from 12th to 25th June 1957, both days inclusive.

DUNBAR MILLS LTD. Annual General Meeting, Calcutta, 25th June 1957. Dividend: Rs. 6.00 per share. Transfer books will remain closed from 17th to 25th June 1957, both days inclusive.

COIMBATORE MURUGAN MILLS LTD. Annual General Meeting, Coimbatore, 26th June 1957. Dividend: Rs. 12.00 (12 per cent.) per share. Transfer books will remain closed from 12th to 26th June 1957, both days inclusive.

RAJA BAHADUR MOTILAL POONA MILLS LTD. Annual General Meeting, Bombay, 27th June 1957. Dividend. Rs. 6.00 per share. Transfer books will remain closed from 17th June to 13th July 1957, both days inclusive.

BHARTIA ELECTRIC STEEL CO., LTD. Annual General Meeting, Calcutta, 28th June 1957. Transfer books will remain closed from 14th to 28th June 1957, both days inclusive.

DARJEELING PROPERTIES LTD. Annual General Meeting, Calcutta, 28th June 1957. Transfer books will remain closed from 14th to 28th June 1957, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Pathirappally (Kerala State), 28th June 1957. Transfer books will remain closed from 15th June to 1st July 1957, both days inclusive.

HARINAGAR SUGAR MILLS LTD. Annual General Meeting, Bombay, 29th June 1957. Transfer books will remain closed from 22nd June to 6th July 1957, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 4th July 1957. Transfer books will remain closed from 15th June to 15th July 1957, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 8th July 1957. Dividend: Rs. 12.00 per share, payable on or after 8th July 1957. Transfer books will remain closed from 10th June to 8th July 1957, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Annual General Meeting, Sikka, 11th July, 1957. Dividend: Rs. 9.00 per share, payable on and after 11th July 1957. Transfer books will remain closed from 24th June to 6th July 1957, both days inclusive.

SRI VENKATESA MILLS LTD. Dividend of Rs. 12.50 (25 per cent.) per share, for the year ended 31st December 1956. Transfer books will remain closed from 13th to 29th June 1957, both days inclusive.

MALABAR SPINNING AND WEAVING CO., LTD. A tax-free dividend of Rs. 8.00 per share (4 per cent.), for the year ended 31st December 1956. Transfer books remain closed from 1st to 14th June 1957, both days inclusive.

HIGHLAND PRODUCE CO., LTD. A final dividend of Re. 1.37 per share (making a total of Rs. 2.00 for the year) for the year ended 31st December 1956. Transfer books will remain closed from 2nd to 8th July 1957, both days inclusive.

COMPANY REGISTRATIONS

REPETITION PARTS PRIVATE LTD. (First Director: Mr. Kuljasraj Bhatia.) Business: Importers and Exporters. Authorised capital: Rs. 5,00,000. private company. Address: 104-14, Frere Road, Sugar Market, Bombay.

SHAH MINING CO. PRIVATE LTD. (Managing Director: Mr. Amritlal J. Shah.) Business: General mining. Authorised capital: Rs. 5,00,000. Private company. Registered office of the company will be situated in the State of Bombay.

RESULTS OF BENGAL FLOUR QUITE ENCOURAGING

TIDE WATER RAISES DIVIDEND

Bengal Flour Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1956.

These accounts have been prepared for the financial year 1956, in accordance with the provisions of Article 86 of the Articles of Association of the Company which, by a special resolution passed on 23rd October 1956, replaced the Original Articles 86 and 87. The accounts have been drawn up in conformity with the provisions of the Companies Act, 1956.

The profit for the year (including items relating to previous years) after providing for taxation and depreciation, was Rs. 5,13,605 (Rs. 3,54,494) to which is added provision for taxation in excess of ascertained liability Rs. 1,46,444 (*nil*) and balance brought forward from 1955 Rs. 76,830 (Rs. 92,336) making a total of Rs. 7,36,879 (Rs. 5,46,830 which includes Rs. 1,00,000 transferred from dividend equalisation fund). Out of this total, the Board paid an interim dividend of 11¼ (15) per cent. on 22nd October 1956, amounting to Rs. 1,35,000 (Rs. 1,80,000). The Board has transferred Rs. 1,46,000 (*nil*) to tax contingency reserve and Rs. 2,00,000 (Rs. 2,00,000) to general reserve, leaving a balance of Rs. 2,55,879 (Rs. 1,66,830) available for distribution, which it is recommended be dealt with as follows:—

To final dividend of 13¾ (7½) per cent. absorbing Rs. 1,65,000 (Rs. 90,000) and leaving a balance to be carried forward of Rs. 90,879 (Rs. 76,830).

The tax contingency reserve has been strengthened to increase the provision for the future tax liability which will arise as a result of the special depreciation allowances on new plant.

From September 1956 onwards, Mills in Calcutta were not permitted to use indigenous wheat and were solely dependent on allocations of imported wheat by Government.

Towards the end of the year measures of restricted flour milling were introduced to overcome the scarcity and high price of residual *atta* in the Calcutta market. In an endeavour to assist the West Bengal Government the Company increased substantially the extraction of residual *atta* resulting in an almost equal reduction of flour. This action contributed greatly towards making *atta* available to the public at reasonable prices.

Considerable new milling plant was installed during the year which has not only improved the quality of the finished products and increased the overall capacity of the Mills, but has enabled the mills to run much more economically and with greater flexibility.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	7,59,000
Reserves ...	12,56,000	Stock ...	4,80,073
Provision for taxation ...	2,44,370	Stores & spare parts ...	3,08,408
Liabilities ...	11,62,251	Goods-in-transit ...	10,158
Profit and loss account ...	90,879	Debts, deposits and advances ...	23,18,099
		Investments	34,649
		Cash ...	43,113
Rs.	39,53,500	Rs.	39,53,500

Monogram Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Marsden Bakubhai & Sons Private Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December 1956.

After debiting managing agents' commission Rs. 5,85,995 (Rs. 5,40,887), depreciation Rs. 1,71,952 (*nil*) and providing Rs. 4,50,000 (*nil*) for taxation, the Company has made a profit of Rs. 7,79,503 (Rs. 15,07,628). Adding thereto, the balance of Rs. 19,131 (Rs. 18,517) brought forward from the last year's account, the total profit amounts to Rs. 7,98,634 (Rs. 15,26,145). Out of this amount the directors have made the following appropriations:—

To development and rehabilitation reserve account Rs. 50,000 (*nil*), to gratuity account Rs. 50,000 (Rs. 50,000), to general reserve account Rs. 5,00,000 (Rs. 4,25,000) and to Uttejak fund account Rs. 5,000 (*nil*). The above appropriations leave an available balance of Rs. 1,93,634 (Rs. 2,01,145 after providing Rs. 5,00,000 for taxation) which the directors recommend to dispose of as follows:—

To payment of a dividend at Rs. 12 (Rs. 12) per share and bonus at Rs. 2 (Rs. 2) per share on 13,001 ordinary shares absorbing Rs. 1,82,014 (Rs. 1,82,014) leaving to be carried forward to next year's account Rs. 11,620 (Rs. 19,131).

It was the practice of the Company to value the stocks at below cost while making up annual accounts. However, it was considered advisable to value the stocks at cost or market value whichever would be lower. Accordingly, necessary adjustment was also made in the opening stock as on 1st January 1956. The effect of the revaluation in the opening stock, amounting to Rs. 17,20,778 has been credited to reserve fund of the Company. The directors have also transferred Rs. 6,21,248 from the reserve fund of the Company to the building and machinery depreciation fund account to meet the deficit of the fund. They have also transferred Rs. 2,58,526 from the reserve fund to the development and rehabilitation reserve account, which has been newly created.

During the last quarter of the year under report, a bearish trend prevailed in the cloth market and has particularly affected the prices of cloth manufactured from medium counts. However, the directors believe that inspite of the adverse times, the results of the Company are satisfactory.

The mercerising and singeing machines, which were ordered during the year under report have arrived and have been installed and new varieties of cloth are being manufactured and there are every hopes of taking the best advantage of the said machines. The Mills have 26,228 ring spindles, 1,232 doubling spindles, 528 looms and complete dyeing and bleaching plants.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,00,200	Block ...	23,41,936
Reserves ...	33,13,526	Stock-in-trade ...	73,03,267
Provision for taxation ...	10,48,584	Stores and spare parts etc., ...	8,50,310
Liabilities ...	66,60,331	Debts, deposits and advances ...	28,10,629
Profit and loss account ...	11,620	Investments	75,000
		Cash ...	2,53,119
Rs.	1,36,34,261	Rs.	1,36,34,261

Tide Water Oil Co. (India) Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1956.

The accounts show a profit, after charging all expenses, of Rs. 1,84,154. Provision for taxation after deducting excess provision for taxation in previous years, now written back of Rs. 50,000, amounts to Rs. 23,000 leaving a balance of Rs. 1,61,154. The balance brought forward from last year was Rs. 28,582 making a total available for appropriation of Rs. 1,89,736. The directors have transferred to general reserve Rs. 57,100 and paid an interim dividend of As. 8 (As. 8) per share on 14th August 1956 absorbing Rs. 30,000 (Rs. 30,000). They now recommend a final dividend of 75 (50) Naye Paise [12 (8) annas] per share absorbing Rs. 45,000 (Rs. 30,000) leaving a balance to be carried forward of Rs. 57,636.

While gross sales show an appreciable increase over the previous year, this improvement has been largely offset by the higher prices paid for imported lubricants, consequent on increases in world prices and ocean freight rates.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	62,833
Reserves ...	9,53,000	Goodwill ...	2,00,000
Provision for taxation ...	82,452	Stock-in-trade	24,75,169
Liabilities ...	26,73,324	Debts, deposits and advances	
Profit and loss account ...	57,636	Cash ...	13,56,676
			2,71,734
Rs.	43,66,412	Rs.	43,66,412

Ahmedabad New Cotton Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Narottam Chandulal & Co., Ltd., Ahmedabad) present the audited accounts of the Company for the year ended 31st December 1956.

The profit for the year is Rs. 3,45,600 (Rs. 5,07,315). After providing Rs. 6,34,778 (Rs. 5,00,000 for depreciation), for depreciation and development and rehabilitation and Rs. 4,50,000 (Rs. 3,85,000) for tax provision, and including the last year's balance brought forward of Rs. 11,921 (Rs. 744) making a total of Rs. 3,57,521 (Rs. 5,08,059). From this sum the directors have transferred to reserve fund Rs 25,344 (*nil*) and to dividend equalisation fund Rs. 75,000 (Rs. 1,80,000) leaving an available balance of Rs. 2,57,177 (Rs. 2,28,059 after placing Rs. 1,00,000 to contingency fund). From this the directors recommend the payment of dividends as follows:—

To dividend at Rs. 5-8 (less income-tax) per share on 4,000 5½ per cent. cumulative preference shares for the year ended 31st December 1956 Rs. 16,225 (Rs. 16,225), to dividend at Rs. 4-8 (less income-tax) per share on 6,000 4½ per cent. redeemable cumulative preference shares for the year ended 31st December 1956 Rs 19,912 (Rs. 19,913), to income-tax free dividend of Rs. 20 (Rs. 30) per share on 10,000 (6,000) ordinary shares for the year ended 31st December 1956 (Rs. 2,00,000 (Rs. 1,80,000) and to carry forward to next year's account Rs. 21,040 (Rs. 11,921).

Further progress was made on mills' reorganisation and renovation programme during the year. A sum of about Rs. 8,78,000 was spent on extension of buildings and installation of new machinery and equipment. The main items covered by this expenditure include two *Schlafhorst Super Speed Cone* and *Cheese Winding Machines*, six *Carding Engines*, one *Rapid Extractor Drier Machine*, one *Stentering Machine*, one *Warp Tying Machine*, extension of the existing dyeing department and new office building During the year, an application was made to the Ministry of Heavy Industries, Government of India for installing additional automatic looms for the manufacture of cotton cloth for export and the licence for installing 96 automatic looms has been granted to us under terms and conditions as laid down in the said licence. The directors hope to finalise orders for the said number of automatic looms, one *Sizing Machine*, 4 *Pirn Winding Machines* and building to house the machineries at an aggregate cost of about Rs. 15 lakhs.

By a special resolution passed at the general meeting of the Company held on the 29th September 1956, a sum of Rs. 4,00,000 being the part of the undivided profits of the Company standing to the credit of the reserve fund was capitalised and 4,000 ordinary shares of Rs. 100 each were issued, which were entitled to dividend from the 1st January 1956, and which ranked *pari passu* in all other respects with the then existing 6,000 ordinary shares of Rs. 100 each. And therefore, the directors have recommended the said dividend for the year in respect of the said shares also.

The installed capacity of the mills is 22,516 ring spindles, 840 doubling spindles and 488 looms with complete dyeing and bleaching plants.

By operation of law, the office of the Managing Agents, Messrs. Narottam Chandulal & Co., Ltd. was due to expire on 15th January 1957. By special resolution passed at the general meeting of the Company held on 29th September 1956, they were reappointed as managing agents for a further period of ten years from 15th January 1957, subject to the approval of the Central Government. The approval of the Government was received by the second week of January 1957, and accordingly they have been so reappointed.

The directors have reviewed the amount as it stood at the end of the previous year at the credit of the depreciation fund and after providing a fair amount under this head at normal rates of Income-tax Act, the balance which represented extra provision of Rs. 5,34,286 made for depreciation for the previous years has been transferred to a reserve to be named development and rehabilitation reserve and the amount of Rs. 15,50,000 standing to the credit of machinery renewal fund has been transferred to reserve fund.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	38,44,923
Reserves ...	47,52,634	Stock-in-trade	27,89,520
Provision for taxation ...	4,92,987	Stores and fuel ...	8,80,741
Liabilities ...	36,52,450	Debts, deposits and advances ...	30,88,505
Profit and loss account ...	21,040	Investments	98,303
		Cash ...	2,17,119
Rs.	1,09,19,111	Rs.	1,09,19,111

Assam Saw Mills and Timber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd.) submit the audited accounts of the Company for the year ended 30th September 1956.

The profit and loss account after providing for all charges and making provision of Rs. 1,55,239 (Rs. 1,78,488) for depreciation shows a profit of Rs. 19,015 (loss of Rs. 97,045). From this amount is deducted the debit balance brought forward from the previous year of Rs. 5,14,537 (Rs. 4,17,492) leaving a debit balance of Rs. 4,95,522 (Rs. 5,14,537) to be carried forward.

Despite the somewhat better results which show a small profit after depreciation in place of the substantial losses of recent past years, the directors regret to report that there are no signs of an increased demand for the Company's product.

During the year under review although production increased to 513,964 sets of panels which enabled the better results to be achieved, sales declined from 493,483 sets to 448,173 sets resulting in a substantial carry forward of stock into the current year in which, as already stated, no improved demand for sets of panels has been noticed.

The directors report that both the North-Eastern Frontier Agency and Government of Assam have been most helpful in trying to deal with the transport problem and construction of a road on a new alignment has been authorised.

As the directors have reported on many occasions, indigenous capacity remains heavily in excess of demand and with unapproved panels still finding a market, they cannot view immediate future prospects with any optimism.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,99,998	Block ...	20,37,711
Reserves* ...	22,83,439	Stock-in-trade ...	5,37,911
Liabilities ...	13,31,840	Stores, spare parts, etc.	12,04,793
		Other assets	51,786
		Debts, deposits and advances ...	11,10,624
		Investments	66
		Cash ...	72,364
Rs.	50,15,277	Rs.	50,15,277

*Reserves are shown after adjusting the loss of Rs. 4,95,522 in the profit and loss account.

Saraspur Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Lalbhai Dalpatbhai Sons & Co., Ahmedabad) present the audited accounts of the Company for the year ended 31st December 1956.

The profit for the year after providing Rs. 5,41,825 (Rs. 4,10,000 depreciation only) for depreciation and development and rehabilitation and Rs. 11,00,000 (Rs. 9,35,000) for tax provision amounts to Rs. 9,19,166 (Rs. 10,96,276). Adding to this the balance brought forward from the previous year's account of Rs. 22,532 (Rs. 6,169), there is a total of Rs. 9,41,698 (Rs. 11,02,445). From this amount the directors have transferred to reserve fund Rs. 2,95,411 (Rs. 2,00,000), to dividend equalisation fund Rs. 1,50,000 (Rs. 1,50,000), to contingency fund Rs. 50,000 (Rs. 2,00,000) leaving an available balance of Rs. 4,46,287 (Rs. 4,02,445 after placing Rs. 1,50,000 to machinery and building renewal fund). From this the directors recommend payment of a dividend on 6,000 4½ per cent. cumulative preference shares for the year ended on 31st December 1956 (less income-tax) Rs. 19,913 (Rs. 19,913) and payment of a dividend of Rs. 20 (Rs. 30) per share income-tax free, on 20,000 (12,000) ordinary shares for the year ended on 31st December 1956 Rs. 4,00,000 (Rs. 3,60,000) leaving to be carried forward to next year's account Rs. 26,374 (Rs. 22,532).

By a special resolution passed at the general meeting of the Company held on the 29th September 1956, a sum of Rs. 8,00,000 being the part of the undivided profits of the Company standing to the credit of the reserve fund was capitalised and 8,000 ordinary shares of Rs. 100 each were issued, which were entitled to dividend from 1st January 1956 and which ranked *pari passu* in all other respects with the then existing 12,000 ordinary shares of Rs. 100 each. And therefore, the directors have recommended the said dividend for the year, in respect of the said shares also.

The installed capacity of the mills is 36,044 ring spindles and 846 looms.

By operation of law, the office of the managing agents, Messrs. Lalbhai Dalpatbhai Sons & Co., was due to expire on 15th January 1957. By special resolution passed at the general meeting of the Company held on 29th September 1956, they were reappointed as managing agents for a further period of ten years from 15th January 1957, subject to the approval of the Central Government. The approval of the Central Government was received in the last week of December 1956, and accordingly they have been so reappointed.

The directors have reviewed the amount as it stood at the end of the previous year at the credit of the depreciation fund and after providing a fair amount under this head at normal rates of Income-tax Act, the balance which represented extra provision of Rs. 12,47,692 made for depreciation for the previous years has been transferred to a reserve to be named development and rehabilitation reserve, and the amount of Rs. 23,00,000 standing to the credit of machinery renewal fund, the amount of Rs. 2,25,000 standing to the credit of insurance fund, the amount of Rs. 50,000 standing to the credit of bad debts reserve, and the amount of Rs. 2,000 standing to the credit of workmen welfare fund totalling Rs. 25,77,000 have been transferred to reserve fund.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,00,000	Block ...	32,59,261
Reserves ...	94,96,663	Stock-in-trade	42,78,527
Provision for taxation ...	19,66,587	Stores and fuel ...	5,95,974
Liabilities ...	25,09,717	Debts, deposits and advances ...	68,99,348
Profit and loss account ...	26,374	Investments	4,16,366
		Cash ...	11,49,865
Rs.	1,65,99,341	Rs.	1,65,99,341

Blackwoods India Ltd.

The directors of the above Company (Managing Director: Mr G. V. Raman, Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1955.

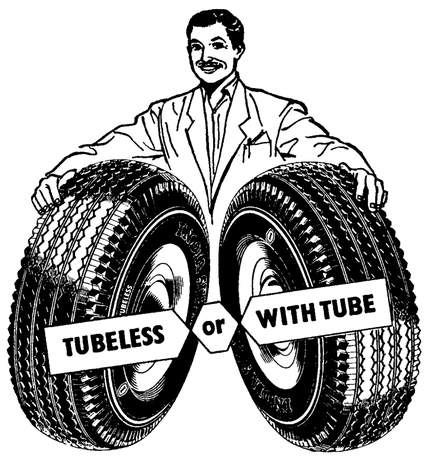
After providing an amount of Rs. 1,10,835, the usual depreciation, the working of the year has shown a loss of Rs. 2,02,670. The year under review was one of difficult trading periods similar to the previous year and in spite of the directors' having taken timely precautions in reducing expenses, the competition was acute resulting in considerable narrowing of profit margins, besides, to a great extent the turnover was also affected on account of import restrictions.

The manufacturing arrangements in respect of partial or wholly manufactured goods and complete assembly of some of the products have to a great extent helped to contribute to the present turnover especially in the Paragon Department where the turnover has been stepped up by over 20 per cent. The steps already taken by the directors in reducing expenses in two of the major items, viz., distribution and export expenses and establishment charges have together contributed to a reduction of over Rs. 6,70,000. By these and other means, the directors are taking every possible step to enable the Company to adjust itself to the new conditions especially the unavoidable setback generally caused by the conversion of a trading Company into a manufacturing Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,87,500	Block ...	13,11,730
Reserves ...	9,84,508	Stock-in-hand	12,14,892
Provision for taxation ...	9,839	Goods-in-transit	71,048
Liabilities ...	29,02,660	Stores ...	7,84,751
		Work-in-progress ...	1,10,264
		Debts, deposits and advances ...	14,53,236
		Investments	35,315
		Cash ...	89,827
		Profit and loss account ...	5,13,444
Rs.	55,84,507	Rs.	55,84,507

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



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THE ATUL PRODUCTS LTD.

CHAIRMAN'S REVIEW OF EXPANSION PLANS

PRESIDING over the Ninth Annual General Meeting of the shareholders of the Atul Products Ltd., held at Ahmedabad on 27th May 1957, Mr. Kasturbhai Lalbhai, Chairman, observed as follows:

"GENTLEMEN,

"The Directors' report, the statement of accounts and the other papers relating to the working of the Company during the year 1956 have been circulated to you, and have been in your hands for some time. So, if you will kindly agree, we will take them as read.

"It will be seen from the statement of accounts that the Company has maintained its progress. Sales this year have increased by Rs. 54,17,924 over those of the last year, and profits also have a corresponding increase of Rs. 10,34,024. It is unfortunate that the various schemes we had in hand, namely, Naphthols, Cibagenes, Sulfur Black, Coramine and Vioform could not contribute to the working of this year. But these plants are now in operation, and will augment our sales and profits for the year 1957. I should, perhaps, also draw your attention to the fact that, owing to various reasons, we have still not reached that position which will result in the maximum utilisation of the existing plants. But, as the results indicate, we are aware of this problem, and are improving our conditions of working progressively.

"The profits for the year, before making provision for depreciation, have been Rs. 30,95,549. The depreciation that we have to provide for the normal wear and tear of the assets during the year amounts to Rs. 12,68,490. But, as you are aware, we have large arrears of depreciation. Therefore, your Directors have thought it advisable to provide a larger sum of Rs. 19,60,486 for depreciation, leaving the distributable profits at Rs. 11,60,595. I may mention that, on account of the arrears of depreciation just referred to, the Company will not be called upon to pay income-tax on these profits.

Progress Satisfactory

"I hope you will find the progress that the Company has been making and the results of this year as satisfactory. Perhaps, we might have done better. But, personally, I am satisfied with what we have so far achieved, and am confident that the future of your Company is bright. In the speech of a previous year, I had referred to the fact, that sufficient data about the annual consumption of dyes in the country was not available, and, therefore, we could not easily decide on our production targets. Recently, however, the Development Wing of the Ministry of Commerce and Industry has made the following estimates for the consumption of various types of dyes in the country and also agreed that we—Atul and Atic—may plan jointly to attain levels of production shown under their names.

Group of dyes	Consumption as per Ministry of Commerce and Industry	Atul-Atic
	Tons	Tons
Azo dyes	3,000	1,725
Basic dyes	750	500
Naphthols	1,250	400
Bases	1,250	400
Vat dyes	1,200	600
Sulfur Black	2,150	1,350
Other Sulfur dyes	225	225
Organic pigments	..	200
Acid Anthraquinone dyes	..	25
Alcian dyes	..	165

"You will be glad to know that your Directors have agreed to accept this suggestion and, accordingly, will soon undertake the necessary expansion of the various plants. I hope you will approve of this decision of your Directors.

New Plans

"In an earlier speech I had also referred to an imperative need for our going into the manufacture of intermediates. That need is all the greater now. The Ministry of Commerce and Industry also has now been able to come to a conclusion regarding the ways in which this sector of the industry should develop. The plan, in brief, is that the State will have a centrally State-owned plant to deal with some chemicals which are basic and of a more general nature. Dyes manufacturers, including overselves, will have to make arrangements to look after the subsequent processing of these chemicals, and also to undertake the manufacture of others which may not be included in the Government's scheme. Accordingly, here also Atul and Atic have submitted to the Government a plan of manufacture which is both ambitious and extensive. Naturally, this development will have to be spread over a number of years; your Directors will, however, make every effort to see that this period is as short as possible. Your Directors are also confident that, when this development is completed, your Company will have a well-established position in the chemical industry.

"Obviously, this is not something which we can do alone or only with our own resources. This can be well appreciated from the fact that the schemes of such manufacture would cover more than a hundred products, and would require very large investment. As you are aware, your Company and the I.C.I. have been gradually trying to get nearer each other. One of the reasons behind this step was the realisation that a project of this magnitude could be more effectively organised only by a suitable combination of resources. Your Directors are happy to report that they are hopeful of an early and successful termination of these negotiations. They believe that they will be able to submit complete detalis, in a short time, for your approval."

PROCION DYESTUFFS

The one-year old I.C.I. Dyestuffs Division's range of Procion dyestuffs "is proving a vigorous child indeed. The initial three Procions (Yellow R, Brilliant Red 2B, Blue 3G), supplemented two months ago by Procion Brilliant Orange G, now leaps to ten, with the introduction of a bright greenish-yellow, a new brilliant red, a reddish blue, a bright turquoise blue, and two brilliant greens. The six new Procions, like the earlier four, are characterised by their outstanding brightness of shade, excellent fastness properties and great simplicity of application. As with the earlier Procions, their principal value will be in the dyeing and printing of cellulosic fibres, with which they actually combine chemically, and in which respect they remain unique. Subsidiary but still very important uses are found in the printing of chlorinated wool and silk and in the dyeing of silk and nylon.

The expanded Procion series, covering as it does an extremely wide tinctorial range, now enables textile printers to produce all-Procion styles by all conventional application techniques, and is equally suitable for designs of the traditional types and for the vivid but technically exacting designs now in such vogue. The benefits in terms of simplification and shortening of processes and in the wider tinctorial range available, will be obvious to the practical printer. The Procions are not dischargeable, but lend themselves readily to resist styles by simple recipes. For the printing of silk and chlorinated wool, Procions are likely to prove invaluable for the production of novel effects hitherto unobtainable. In printing behaviour, the new Procions are very similar to the earlier brands, and the same flexibility and amenability to control characterise the whole range. They may all be fixed either by steaming or non-steaming processes and are adaptable to the needs of the small screen printer and big-scale printer alike.

Three of the new Procions—the two greens and the Brilliant Red H3BS—are not for the time being recommended for dyeing applications, but this scarcely affects the very wide shade range obtainable from the remaining seven. All the seven, with the exception of Procion Brilliant Blue H7G, for which a hot batch-dyeing process is required, are applicable by the established processes—pad-bicarbonate-dry, pad-steam, and cold batchwise methods and are compatible with each other, making possible a very wide range of intermediate and mixture shades.

NEW INDIA'S RESULTS ENCOURAGING

DIVIDEND RAISED

WHEN life insurance was nationalised last year, the shareholders of the New India Assurance Co., Ltd. (Managing Director: Mr. B. K. Shah, Bombay), which was then a composite office, were somewhat perturbed, for they wondered whether the Company would be able to maintain its dividend after the loss of its life portfolio. It was, therefore, with no small satisfaction that they learnt from the management that the dividend level was not likely to be affected adversely. The management was as good as its word. For the year 1955, the dividend was maintained at Rs. 2-8 per share. It is even more encouraging to note that, for the year ended December 1956, covered by the latest directors' report and statement of accounts of the Company and which represent almost the first full year of the Company's working without life portfolio, the management has been able to raise the dividend to Rs. 3 per share. It is noteworthy that this has been done without entailing the overall allocation to reserves which, at Rs. 19.10 lakhs, is higher than the Rs. 18.46 lakhs they accrued in 1955.

By far the most encouraging feature of the working of this leading composite office during 1956 is that the premium income, crossed the Rs. 5-crore mark to stand at Rs. 5.63 crores, as against Rs. 4.97 crores in 1955. The impressive rate at which the Company has progressed in the last decade will be evident from the fact that, in 1946, the premium income of the Company stood at no more than Rs. 1.38 crores. The increase in premium income is particularly encouraging, in view of the downward revision in premium rates which was effected in 1955 and 1956. Further, the increase in premium increase has been shared by all the three departments. The following table brings out the salient features of the working of the Company during the three years ended 31st December 1956:

(In lakhs of rupees)

	1956	1955	1954	1953
Premium Income:				
Fire Department	289.7	274.1	250.3	233.3
Marine Department	130.0	114.5	100.7	84.0
Miscellaneous Department ..	144.1	108.9	85.5	72.3
Total of all Departments ..	563.8	497.5	436.5	389.6
Funds:				
Fire Department	188.0	181.0	168.0	159.0
Marine Department	165.0	156.0	141.8	125.0
Miscellaneous Department ..	92.0	74.0	62.0	55.0
Total of all Departments ..	445.0	411.0	371.8	339.0
Free Reserves:				
General Reserve	100.0	100.0	85.0	75.0
Premium on Shares	36.2	36.2	36.2	36.2
Dividend Equalisation Reserve	22.0	20.0	20.0	17.0
Exchange Reserve	5.0	5.0	9.9	11.1
Investment Reserve	22.0	9.0	9.0	..
Total	185.2	170.2	160.1	139.3

As on 31st December, 1956, besides the free reserves of Rs. 175 lakhs, additional reserves held in the underwriting departments amounted to Rs. 137 lakhs.

There has been no significant variation in the commission and expenses ratio. It was 44.8 per cent., as against 43.0 per cent. in 1955 in the fire department, 24.2 per cent., as against 22.3 per cent., in the marine department and 33.3 per cent., as compared with 35.3 per cent., in the miscellaneous department. The claims ratio remained practically unaltered at 37.6 per cent., in the fire department. It was, however, somewhat higher in both marine and miscellaneous departments, the ratio being 76.7 per cent., as against 75.6 per cent., in the former and 53.0 per cent., as compared with 49.6 per cent., in the latter. The reserve for unexpired risks has been maintained at 41.7 per cent. level in the fire department, at 40.0 per cent. level in miscellaneous department and at 100 per cent. level in the marine department. Besides these reserves, additional reserves are being maintained in all the three departments.

The fire department has continued to make the largest contribution to the earnings of the Company. During the year under review, the department's profits have moved up from Rs. 43.1 lakhs to Rs. 47.7 lakhs. After strengthening the additional reserve by Rs. 1.6 lakhs, the balance of Rs. 46.1 lakhs has been transferred to the profit and loss account. In the marine department, the need for maintenance of the reserve for unexpired risks at 100 per cent. of the premium income has resulted in a deposit of Rs. 5.28 lakhs, after transferring Rs. 6.4 lakhs from additional reserve. The deficit, however, is less than what it was in 1955 when it amounted to Rs. 7.92 lakhs. The profits of the miscellaneous department have been

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(Concluded from next column)

maintained at Rs. 8.0 lakhs. After strengthening additional reserves in the department by Rs. 4.1 lakhs, a sum of Rs. 4.1 lakhs has been transferred to the profit and loss account.

Departmental profits aggregate Rs. 44.83 lakhs and, after providing for other income and outgo, a sum of Rs. 40.85 lakhs has been transferred to profit and loss appropriation account which, together with Rs. 1.03 lakhs brought in from previous year, makes in all Rs. 41.88 lakhs. The Directors have transferred Rs. 35,000 to reserve for doubtful debts, Rs. 13 lakhs to investment reserve, Rs. 3.75 lakhs to reserve for taxation and Rs. 2 lakhs to dividend equalisation reserve. The payment of a dividend of Rs. 3 per share absorbs Rs. 21.36 lakhs, leaving Rs. 1.42 lakhs to be carried forward.

The excellent financial position of the Company is fully reflected in its capital and reserves position. Besides a capital of Rs. 1.07 crore, the Company has reserves and funds aggregating Rs. 6.30 crores, inclusive of fire fund of Rs. 92 lakhs, miscellaneous fund of Rs. 1.65 crore and marine fund of Rs. one crore.

QUESTION HOUR IN PARLIAMENT

Compulsory Deposits

THE interest payable on company reserves under the scheme of compulsory deposits will be regulated by reference to the prevailing Bank rate. It is not contemplated that any loan will be given to companies against the reserves deposited by them.

—*T. T. Krishnamachari*

Gold Smuggling

Of late, there has been some increase in the smuggling of gold across the Indo-Pakistan border. The latest information available with the Government has indicated this. Apart from the loss of revenue, the general effect of large-scale smuggling of gold will be to impose additional strain on the foreign exchange reserves of the country and hamper, through hoarding or other unproductive use, capital formation for productive purposes. Various and progressively intensive steps are being continuously taken by the Government to combat this smuggling across the border.

* * * *

Insurers' Bonus

Investigations are in progress about the non-earning capacity of various insurers. In the light of these investigations, the question of classification for policies under section 49(2) of the Life Insurance Corporation Act for the purpose of differential bonuses will be taken up.

—*B. R. Bhagat*

Automobiles

The number of motor vehicles assembled or manufactured in India during 1956 was 32,138, as against 23,084 in 1955, 14,462 in 1954 and 13,926 in 1953. The Government has agreed to a further increase in the price of the Hindustan Landmaster car and the enhanced price is likely to come into effect. This car is being sold at a loss, according to the report of the Tariff Commission. The increase is sanctioned to remove the loss totally.

—*Morarji Desai*

No More Jute Mills

There is no question of expansion of jute mills, because the country has much more surplus capacity than the jute produced. The Government of India has not received any request from the Bihar Government for setting up a jute mill to utilise the jute produced in North Bihar.

—*Nityanand Kanungo*

Synthetic Rubber and Aluminium Plants

The proposed synthetic rubber plant and the aluminium plant costing about Rs. 40 crores will be set up in Uttar Pradesh during the second Plan period. The project reports of the two plants are ready.

* * * *

Russian Credit

The Government proposes to utilise the Russian credit of 500 million roubles for a heavy machine building project, a mining machinery project, development of the Korba coalfields, a power plant for the Neyveli lignite project, an optical glass plant, and equipment for balancing and reconditioning the methanol plant at Sindri.

—*M. M. Shah*

Oil Drilling

Oil drilling operations in well No. 2 of Moran (Assam) have now been completed and commercial production can start when transport facilities become available. The possible daily output from the well has not yet been assessed.

* * * *

Mineral Royalties

The Government has increased the royalty on the mines in all States, with the object of bringing the royalty rates in line with the general rise in the level of prices, rentals and wages.

* * * *

Remittances Abroad By Oil Companies

The gross remittances made abroad during 1956 by oil companies and refineries operating in India are: Burma Shell Rs. 32.58 lakhs; Assam Oil Company Rs. 55 lakhs; Standard Vacuum Oil Company Rs. 10.74 lakhs; Caltex (India) Ltd. Rs. 5.72 lakhs; Stanvac Refinery Rs. 9.46 lakhs. These figures, however, are not complete, as particulars are not available for certain months in the case of some companies.

* * * *

Oil Survey

The team of Canadian oil experts which carried out an aero-magnetic survey of certain areas in the country has just submitted a report to the Government. The report is now being studied. The areas surveyed by the team were the Indo-Gangetic basin, part of Rajasthan and a very small portion of the Punjab. The survey will give an assessment of the depth of earth from what is known as 'mother rock' up to the surface of earth. The survey will be of help in drawing up oil prospecting programmes. Indian technicians were associated with the survey.

—*K. D. Malaviya*

Purchase of Windmills

No windmills have been purchased by the Government of India from Australia. 160 windmill pumping sets are, however, being procured through the India Supply Mission, Washington, for the National Water Supply and Sanitation Programme of the Ministry of Health. The Programme is being financed by the U.S. Government under the International Co-operation Administration Programme. A contract for the supply of these sets has been entered into with a firm in Australia. One windmill head mechanism was purchased in 1956 by the Council of Scientific Research for experimental purposes.

* * * *

Navigation Facilities in River Valley Projects

There is no provision which requires that navigation facilities should be provided in all river valley projects in India. Navigation facilities have, however, been provided in some of the canals of the Damodar Valley and Tungabhadra projects. The Damodar Valley project has provided 22 locks in the navigation canal from Durgapur barrage to the Hoogly, a distance of 85 miles. There is no other navigation canal with provision for locks in the new river valley projects.

* * * *

Flood Committee

The selection of one or two American experts for appointment on the high-level Flood Committee is still under the consideration of the Government. The Committee will examine the overall question of flood control in the country.

—*S. K. Patil*

Lignite for Iron Manufacture

The Government is examining the prospects of utilising lignite for the manufacture of iron in India. The experiments, however, are still in a very rudimentary stage.

—*Sardar Swaran Singh*

Visakhapatnam Port

As a part of the second Five-year Plan, it is proposed to provide additional berths and mechanical equipment for handling of ores at Visakhapatnam Port. Some equipment has already arrived and dredging work for additional berths is about to commence. At present, the Port has four quay berths for ores and general cargo, three jetty berths for bunkering, four mooring berths, and two quay berths for oil tankers.

* * * *

National Highways

During the current year, 150 miles of missing links in the existing system of National Highways are proposed to be constructed, about 800 miles of existing sections improved and about 300 miles of improved sections widened to two-lane carriageway.

—*Raj Bahadur*

Works and Orientation Centres

The object of the scheme of work and orientation centre is to assist educated unemployed persons to equip themselves to take advantage of the avenues of employment other than white-collar jobs. The orientation and instruction provided at the centre at Pusa in New Delhi is designed to increase their employability and capacity for self-employment. Physical training and manual work form part of the daily routine at the centre. The trades in which instruction is imparted include light mechanics, wood work, house-wiring, maintenance and servicing of household appliances, and building construction. Instruction is given in both the theory and practice of trades. Another work and orientation centre has been opened at Kalamasseri in Kerala and third centre is proposed to be opened in West Bengal. At each centre, 250 persons will receive orientation at the same time. The opening of more centres will depend on the success achieved at the existing work and orientation centres, which have been started on a pilot basis.

—*Abid Ali*

SUGAR

(*Concluded from page* 1138)

and the same policy is being continued in 1956-57. Export of sugar has been freely allowed since January 1955. A quantity of 21,096 tons of *gur* was exported during 1956, as against 24,545 tons in 1955." Such a brief reference is certainly unfortunate, considering that the *gur-khandsari* sector plays a vital role in the country's economy. It consumes the major portion —as much as 55 per cent.—of the cane grown in the country, produces Rs. 100 crores worth of *gur* and *khandsari*, and provides employment to no less than 2.1 million persons on a reasonable basis and to 70,000 tons all round the year. In view of the importance thus, the Food and Agriculture Ministry will do well to review, in its future annual reports, the progress registered in this field, as a result of the policies and programmes implemented by it.



more food for more people

As mechanized farming brings more land under crops . . . as powerful bulldozers and other equipment labour day and night to build dams to water the thirsting earth . . . as roads and rails reach farther to bring food to the market place . . . so the need for oil—fuels and lubricants—grows. Caltex is irrevocably linked with the plans contributing to the well-being of India's millions. At Visakhapatnam the new Caltex Refinery is nearing completion—a tribute to free enterprise. Soon, from here, will flow Caltex quality petroleum products to accelerate India's progress.

OIL is the Lifestream of Progress

CALTEX

CALTEX PETROLEUM PRODUCTS

LENDERS STILL SCARCE

(From Our Own Correspondent)

BOMBAY, *5th June*

There has been no improvement in the state of the short-term money market from the borrowers' point of view. The demand for money is still there, although the traditional busy season is practically over. Repayment of trade advances is very slow and what little comes in gets absorbed by the market. Consequently, lenders are scarce and the short-term interest rates continue to rule firm. Inter-bank call is nominally quoted at 3½ per cent. House money fetches anything between 4 and 4½ per cent., the bigger the amount the higher being the rate. One to three months' money also earns 4¼ to 4½ per cent. Some of the big Indian banks are not keen on having six months' deposits but Exchange banks prefer to have them to House money or one to three months' deposits.

The latest Reserve Bank's Statement relates to the week-ended 31st May 1957. As compared with that for the preceding week, it shows a drop of Rs. 8.39 crores in notes in circulation and of Rs. 1.59 crores in notes held in the Banking Department, so that the total note issue is down by Rs. 9.98 crores at Rs. 1,596 crores. This recession is only temporary and a usual feature in the last week of almost all months. The drop has been balanced on the assets side of the Issue Department by a cut of Rs. 10 crores in rupee securities offset by a rise of Rs. 1.69 lakhs in rupee coin.

Although there is no change in the foreign assets held by the Issue Department, balances held abroad under the Banking Department have once again receded by as much as Rs. 14.34 crores, thereby bringing down India's total foreign currency reserves to Rs. 455.07 crores. This level compares with Rs. 504.90 crores a month before, Rs. 526.82 crores two months before and Rs. 705.34 crores a year before.

The Central Government's cash balance has gone down by Rs. 57 lakhs to Rs. 53.64 crores, but those of other Governments are a little better by Rs. 1.17 crores at Rs. 6.83 crores. Bankers' balances have spurted by Rs. 5.87 crores and yet the money market shows no break in the stringency that has characterised it for several months now. There has also been a fall in "other loans and advances," most of which represent those given to banks, from Rs. 111.26 crores to Rs. 106.55 crores, a drop of Rs. 4.71 crores. Of these, the advances against usance bills to Scheduled banks amount to Rs. 58.16 crores; a week before, they were higher at Rs. 59.65 crores.

There is a surprisingly large increase of Rs. 27.34 crores in the investments of the Banking Department of the Reserve Bank. A part of it could be due to purchases of the existing loans of the Government of India from the open market.

The Scheduled banks' statement for the week ended 24th May 1957 shows, over that for the previous week, a rise of Rs. 11.04 crores in demand deposits, and of Rs. 2.71 crores in time deposits. Advances have declined by Rs. 3.84 crores, while bills purchased and discounted are up by Rs. 6.98 crores, so that there has been a net rise of Rs. 3.14 crores in the credit accommodation provided by banks. But because of the rise in deposits, the banks have found it possible to reduce their loans from the Reserve Bank by Rs. 9 crores and those from the State Bank by Rs. 2.35 crores. The total cash balances of all the Scheduled banks have shrunk by Rs. 4.32 crores, apparently because of the large repayments made to the central banking institution.

The Gilt-edged market is extremely dull, with very little business passing. The trend is distinctly quiet, with the medium and long-dated loans of the Central Government having lost over the week 5 to 10 Naye Paise. The Conversion Loan has actually lost 20nP. There has scarcely been any business in State loans.

In the foreign exchange section, the rupee is a shade lower in terms of U.S. dollars, with banks selling rate for T.T. and O.D. standing higher at Rs. 479.75 per $100, as against Rs. 479.75 a week ago. Similarly, the banks' buying rate too has moved by 0.25 rupee to Rs. 476.25. Thus, the spread between the buying and the selling rate has remained unchanged at Rs. 3.50. Rupee has weakened in terms of Canadian dollars also by Re. 0.50, in that a buyer of this currency has to pay Rs. 504.75 per 100 Canadian dollars, whereas a week ago he got them for Rs. 504.25. The rupee remains practically unchanged in relation to other currencies.

The fractional weakness of the rupee *vis-a-vis* dollars is the result of a corresponding fall in the value of sterling. Thus, in New York, spot sterling was quoted yesterday at $2.79-2.79½, as compared with $2.79½-2.79¼ a week before. Three months' forward sterling was standing 1/16 cent lower at $2.78 1/16-2.78 3/16. Transferable sterling also was down at 277.45-277.55 cents, as against 277.80-277.90 cents on 28th May 1957.

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, *3rd June*

Quieter conditions prevailed in the linseed market during the week. Crushers were reserved, despite lower offerings from sellers. Trading was very poor and many of the local mills were reported to have stopped crushing linseed, owing to the disparity between seeds and oil prices and continued lack of buyers for linseed oil, both local as well as overseas.

The latest available quotations are: Ready-June Rs. 22-2, June-July Rs. 22-6 and July-August Rs. 22-12 per maund.

MIXED TREND IN BULLION

(From Our Own Correspondent)

BOMBAY, *5th June*

The bullion market displayed a mixed trend. Over the week, silver shows a rise of about Re. 1-12, but gold is down by about Re. 1-10. Again, the trend was irregular in both the sections. Although both the metals finished well above the lowest levels of the week, gold tended to be quiet but silver ruled distinctly firm.

Generally speaking, the feeling that seasonal demand would soon be over dominated the minds of operators in both the sections. But this was not uniformly reflected in the behaviour of white and yellow metals. The reason for this is the fact that, with the floating stocks of silver being extremely limited, the bulls could easily manœuvre the price of white metal whenever they like. After the shake-out witnessed last week, the bulls in silver lay low for a while but began to squeeze the market again a little. This gave a push to silver prices.

In the case of gold, the reiteration by the Finance Minister that the rupee would not be devalued chilled the enthusiasm of the bulls and encouraged some of the bears to wag their tail. The demand for spot gold was also slack, while there was a slight expansion in the flow of smuggled gold. Towards the close, however, ready demand improved somewhat following enquiries from South India and this enabled the metal to stand at well above the lowest levels for the week.

The Jeth settlement silver began the week firm at Rs. 182-2, as against the previous close of Rs. 181-13. On the next day, it fell to Rs. 181-12, only to rise gradually in the succeeding days and finish at Rs. 183-10. Ashad silver opened As. 6 higher at Rs. 181-4, touched a low of Rs. 181-0 on Friday 31st May 1957 and, after moving within a narrow range of about a rupee and touching a still lower level of Rs. 180-10 on Monday, closed today at Rs. 181-12. Spot silver was in the neighbourhood of Rs. 184 throughout the week till yesterday, whereafter it began to rise and wound up the week at Rs. 185-4.

The highest levels for gold were seen on the first day of the week at Rs. 107-11-6 for Jeth, Rs. 106-12-6 for Ashad and Rs. 109-1-6 for spot. The trend thereafter was downward until yesterday afternoon, when the lowest levels for the week were seen at Rs. 105-4, Rs. 105-0 and Rs. 105-10, respectively. The revival of buying in the spot section yesterday evening and today brought about some improvement and enabled Jeth to finish at Rs. 106-4, Ashad at Rs. 105-12 and ready at Rs. 106-12.

There was no change in the New York and London silver markets. Only, gold in London was a shade higher at 250s. 6½*d.*, as against 250s. 4*d.* a week before.

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

	5-6-1957	Highest	Lowest	29-5-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	106 12	109 12	105 10	108 10
Forward*	106 4	107 12	105 4	107 2
Sovereign	71 8	—	..	71 14
SILVER				
Ready (.996 fine Mint) ..	185 4	184 14	183 14	183 11
Forward†	183 10	182 12	181 0	181 15
London Silver Ready ..	78½	..	..	79½d.
London Forward	78½	..	..	79d.
London Gold	250s. 6½d.	250s. 6½d.	250s. 4d.	250s. 4d.
New York Silver	90½c.	..	..	90½c.

* 12th June settlement.
† 13th June settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

BASE METALS RALLY

(From Our Own Correspondent)

CALCUTTA, *4th June*

Prices of base metals showed a marked improvement during the week under review, under the influence of strong overseas advices. The impetus followed the American announcement which called for offers of lead and zinc to meet stockpiling needs. In trade circles, opinion was reserved as to whether the Government's forthcoming import policy would restrict fresh arrivals of base metals, in view of the country's difficult foreign exchange position. It is well-known that India is dependent on imports for meeting a good portion of its requirements of base metals, non-ferrous, in particular. The country is equipped to produce only fire-refined copper, and as such the entire requirements of the electrolytic material are imported. Without imports, therefore, industrial development, in general, and electricity development, in particular, would be impeded. In view of this situation, it is felt that the new policy would not restrict imports of base metals.

During the week, electrolytic copper rose from Rs. 178 to Rs. 180. Increased activity was shown by consumers who thought that the uptrend was likely to continue for some time. Support from official quarters was sizable. Tin scored a gain of Rs. 9 to Rs. 528. The rate was considerably higher than the replacement cost and, the supply position being what it was, a reversal of the trend was not anticipated for some time to come. Fresh arrivals continued to be readily booked. Virgin lead was better by half a point at Rs. 74 and electrolytic zinc rose from Rs. 74.50 to Rs. 75.50.

COTTON FUTURES DULL

(From Our Own Correspondent)

BOMBAY, *5th June*

Limited turnover with prices showing a sagging tendency characterised trading in the cotton futures market during the week under review. As there was no fresh development of import to the market, operators evinced very little interest in fresh business. The introduction of the heavy margin of Rs. 400 per candy on transaction at or above Rs. 824 with effect from the 1st inst., also acted as a damper. On top of these, there was the disappointment over the frequent intervention in cotton trade by the Government. Transactions put through were, as already stated, limited. The undertone of the market was easy.

Vijay June contract—the only contract currently running—ruled distinctly easy during the first two days of the week and, after experiencing violent fluctuation in prices on Monday, remained dull in the subsequent sessions. The earlier weakness was due to the heavy margin of Rs. 400 per candy which became effective from the 1st inst. The bulls were naturally averse to paying such prohibitive margin and were, therefore, hesitant to push up prices. On Saturday, the first notice day, tenders for about 1,500 bales were issued which were considered fairly large and this led to heavy bull liquidation, resulting in a break in values. The sentiment was also adversely affected by the fact that the expectation that the meeting of the Forward Markets Commission's Chairman with the East India Cotton Association Board held on Friday would lead to some relaxation of Government control did not materialise. Discouraging advice from oilseeds market was an additional damper. On Monday, however, the contract staged an impressive recovery, induced by frantic bear covering, thanks to the small volume of tenders on Monday, the second notice day. The contract slipped back again yesterday due to renewed selling pressure, but tended to improve slightly today.

M. G. Vijay June opened the week at Rs. 813, and touched a low of Rs. 800½ on the 1st inst. After recovering to Rs. 820 on Monday, it again eased to Rs. 808 yesterday. Opening today at Rs. 810, the contract firmed up to Rs. 815 before closing lower at Rs. 813. The following is the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	5-6-57	*High*	*Low*	29-5-57
Vijay (June) ...	813	820	800½	814

At the meeting of the E.I.C.A. Board on Friday which was attended by Mr. W. R. Natu, Chairman of the F.M.C., the Board was reported to have appraised Mr. Natu of its view that, as a result of the frequent official interference in the day-to-day working of the market, the traders had lost faith in the futures market and that the volume of business was dwindling rapidly as a consequence. Mr. Natu, however, was understood to have justified the official intervention of the Government on the ground that forward business in cotton as conducted at present prevented the healthy functioning of the ready market. At the aforesaid meeting the E.I.C.A. Board decided to determine the rates of the non-transferable delivery contracts of the coming season not absolutely but in relation to the new hedge contract, on the basis of 'on' calls.

Mr. Nityanand Kanungo, Minister for Commerce, stated in the Lok Sabha the other day that an announcement regarding the floor and ceiling prices for cotton during the coming season would be made shortly. Cotton traders are eagerly awaiting this announcement. It is generally expected that the floor prices will be revised upwards by Rs. 50 per candy, as recommended by the Cotton Advisory Committee in April last.

Despite the absence of a number of traders presumably due to the 'flu epidemic, brisk activity continued in the spot section. There was sustained mill demand for all popular varieties the prices of which were well maintained. Enquiries were particularly noted for Vijay, Wagad, Kala Kalyan, Jayadhar and Laxmi even at advancing prices. In the foreign section, Southern mills were interested in Egyptian styles. The possibility of large-scale purchases in such cotton was, however, ruled out as Indian mills were fairly well supplied at present with Sudan, American and East African cotton. The expectation of a further fall in Egyptian cotton prices at Alexandria also discouraged the mills from going in for larger quantities of Egyptian cotton.

At the forthcoming meeting of the Export Advisory Council, the trade representatives are expected to acquaint the Government with the difficulties which the shippers have had to face in the current season in respect of export of cotton. It is understood that they would urge the release of the export quota for the coming season only after the crop prospects became clearer with a special plea that once such quota is released it should under no circumstances be cancelled.

The latest available spot rates—in rupees per candy of 784 lbs.—from Sewree are as follows: Bengal *Deshi* 725; Berar Jarilla 820; Khandesh 870; Oomra *Deshi* 780; Vijay 1,025; Hubli Laxmi 1,020; Jayadhar 960.

The Karachi cotton futures market put on a depressed appearance during the week under review, notwithstanding reports of smaller crop arrivals. There was heavy speculative selling, induced by expectations of good crop in the current season and continued fears of competition from U.S. cotton. Consequently, cotton values suffered a sharp fall. N.T.R.G. July dropped Rs. 4-6 to Rs. 72-7. January position fell by Rs. 3-10 to Rs. 75-3. Spot values of cotton, especially Punjab *deshi* styles, also declined considerably. *Desi deshi* and Sind *deshi* which were quoted at Rs. 87-8 and Rs. 82 respectively last week-end declined to Rs. 84 and Rs. 79-4, respectively. The following are the latest available rates—in Pakistani rupees per 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi: 4F roller 72-15; S.G. 76-15; Punjab Roller 76-7; S.G. 79-7; 289F N.T. Roller 76-7; 289F N.T. Sind S.G. 83-7; 289F Punjab Roller 80-7; 289F Punjab S.G. 85.

The fourth official estimate of cotton crop in Pakistan in the current season puts the area and production at 3,569,000 acres and 1,708,000 bales (of 392 lbs.) respectively, as against 3,537,000 acres and 1,670,000 bales reported in the corresponding estimate of the previous season. The increase in production is attributed to favourable weather during the period of growth of plant.

The Alexandria cotton futures market ruled easy during the week under review. There were apprehensions among traders that the recent upward revision in the export tax on long staple cotton by 1½ tallari per cantar and that on medium staple cotton by ¾ tallari would affect overseas business. The reports that the cotton crop was progressing satisfactorily also adversely affected the sentiment of operators. Some selling was, therefore, in evidence and prices tended to move down. The following are the latest available rates—in tallari per lb.—from Alexandria:

Karnak: July 107.85; November 98.50.
Ashmouni: June 75.00; August 75.00; October 72.25.

The Sudan Gezira Board has discontinued with effect from 28th May 1957 selling cotton by tender and reverted to auction sales.

An easy trend was depicted by the Liverpool cotton futures market during the week under review. The volume of business in both the American and the American type contract was very small, as no immediate material change in the C.C.C. selling price was expected and prices moved narrowly. The Liverpool Sudan contract evoked heavy selling and staged a retreat. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton 1" staple contract: July-August 26.40; October-November 26.28; December-January 26.28; March-April 26.28.

American cotton mixed growth contract: July-August 26.60; October-November 26.50; December-January 26.47; March-April 26.46.

Sudan: July-August 39.20; September-October 38.35; November-December 38.25.

Steady conditions prevailed in the New York cotton futures market. The commission House liquidation and hedge selling prompted by uncertainties regarding the farm policy met with trade buying based on hopes that any major change in farm legislation in the current session of the Congress was unlikely. Adverse weather conditions in certain leading cotton tracts also imparted strength. There was, of course, some switching from near to distant months which resulted in a slight fall in value in the near July delivery contract. Spot values, however, declined.

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

(In cents per lb.)

	4-6-57	28-5-57	21-5-57
Spot	35.40	35.45	35.55
July	35.25	35.29	35.28
October	34.50	34.44	34.19
December	34.48	34.40	34.22

YARNS FIRM

(From Our Own Correspondent)

BOMBAY, *5th June*

A firm trend was in evidence in the yarn market during the week under review. The firmness was aided by the amicable settlement of the issue relating to payment of sales tax by commission agents. Rayon yarns met with good buying support, induced by fears of scarcity of supplies in the coming months; the fears were based on expectations of further restrictions on imports of foreign yarns in the ensuing half-yearly licensing period. Staple fibre yarns were also well favoured, notwithstanding slow demand from consuming centres where there was accumulation of stocks and reduction in offtake of 2/40 grey bright yarns on account of switchover of purchases to 20 bright yarns. The buying fervour in this section was fanned by the latest decision of the Central Government to allow free exports of staple fibre yarn within a ceiling of 1.5 million lbs., during the current half-year. Cotton yarns ruled fully steady. The expectation of the restoration of cut in electric supply to mills in Salem and Coimbatore districts (which means increase in the production of yarn) would appear to have had no effect on the market.

Snia rayon yarn (120 dull cones) for August delivery encountered excellent buying support and climbed up by Rs. 19 to Rs. 820. June delivery advanced by Rs. 14 to Rs. 802. Spot 120 Japan moved up by 6 nP to Rs. 4.09. 120 Italy gathered 3 nP to Rs. 3.97. 150 Italy was firm at Rs. 3.69. 150 Japan, however, declined by 3 nP to Rs. 3.94. Among indigenous yarns, National Rayons 120 bright cones first grade was firm at Rs. 3.73. 150 bright cones first grade put on 3 nP to Rs. 3.45.

Staple fibre yarns (40×2) for June delivery rallied by Rs. 11 to Rs. 585. August delivery hardened by Rs. 7 to Rs. 589. Spot (40×2) New Greats improved by 2 nP to Rs. 3.11. Citys rose by 3 nP to Rs. 3.15. Centurys were fully maintained at Rs. 3.12. Kohinoors, however, were a shade lower at Rs. 3.27. Among foreign yarns, (80 x 2) Paramounts were firm at Rs. 5.31 Fujis were quoted at Rs. 5.13.

In the cotton yarn section, ten counts Moderns were fully steady at Rs. 14.81, as also Podars at Rs. 14.75. Among twenty counts, Maduras were firm at Rs. 19, Moderns at Rs. 18.75 and Gokaks at Rs. 18.62. Thirty counts Edwards were quiet at Rs. 21 and Indus at Rs. 21.75. Forty counts Moderns were firm at Rs 28, while Minaxis declined by 21 nP to Rs. 27.10. Among sixty counts, Finlays advanced by a rupee to Rs. 64. Moderns improved by 50 nP to Rs. 62. Raghuvamshis were firm at Rs. 58. Eighty counts Mahendras changed hands at Rs. 71.25, same as last week. Finlays were bought at Rs. 81.50. Moderns, however, eased by 25 nP to Rs. 75.75.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	5-6-1957	29-5-1957
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 dull Cones Snia June	802.00	788.00
August	820.00	801.00
120 Japan (per lb.)	4.09	4.03
150 Japan (per lb.)	3.94	3.97
120 Italy (per lb.)	3.97	3.94
150 Italy (per lb.)	3.69	3.69
Staple fibre yarn (per case of 200 lbs.)—		
40×2 June	585.00	574.00
August	589.00	582.00
40 ×2 New Great (per lb.)	3.11	3.09
40 ×2 Century (per lb.)	3.12	3.12
40 ×2 City (per lb.)	3.15	3.12
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14.75	14.75
20s Madura	19.00	19.00
30s Edward	21.00	21.00
40s Gokak	—	—
60s Raghuvamshi	58.00	58.00
80s Modern	75.75	76.00

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, *5th June*

The firmness noted in the sugar market during the past fortnight abated somewhat in the week under review. In fact, the market ruled easy, thanks to the release of 165,000 tons of sugar for sale in free market, announced on Wednesday last. Even the reports that the sugar mills had further raised the premium over the pre-budget ex-mill price from As. 4 to As. 8 per maund had no effect; the mills were said to have succeeded in holding on to their prices, on account of good demand from way-side stations in the interior. For traders were unwilling to enter into any fresh transaction at the high levels, apprehending a sizable fall in prices in the monsoon months. The continued drop in arrivals of sugar into the market also failed to impart strength. The arrivals during the week aggregated just 3,600 bags, as against 7,400 bags in the previous week and 17,125 bags two weeks before.

Medium grain sugar receded by a rupee to Rs. 103 from Rs. 104 per bag, inclusive of sales tax. Large grain lost a like amount to Rs. 105-Rs. 109. Small grains was unchanged at Rs. 102.

Shravan delivery contract for 'C' grade sugar declined from Rs. 102-6 to Rs. 101-10; today, however, it was quoted higher at Rs. 103-2.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, *5th June*

Following a further release of 165,000 tons of sugar for sale in free market, the sugar market, which had recorded a firm trend since the imposition of increased excise duty on 15th May, ruled quiet during the week under review. Buyers were not as anxious as they appeared to be before the release was ordered. Trading was slack and some of the ex-mill delivery prices were not yet quoted. A fractional fall was recorded in the ex-mill delivery prices of some of the factories towards the week-end.

Ready *gur* ruled steady during the week, as despatches were responsible for diminishing the local stocks. The week's offtake aggregated 12 wagonloads and local stock was put at 77,500 maunds, as against 47,000 maunds on this date last year. Arrivals slightly increased to an average of 150 maunds, as most of the producers were not in a position to retain their stocks in the coming rainy season and were bringing their produce to the market. The prevailing prices were Rs. 11.50 to Rs. 12.37, *kotha* dry and wet Rs. 11.25 per maund.

Future *gur* declined during the week on bear pressure. *Gur asar* was done at Rs. 11.27 and *fagun* at Rs. 11.72.

OILSEEDS WEAK

(From Our Own Correspondent)

BOMBAY, *5th June*

The bearish trend noted in the oilseeds market last week gathered further momentum during the week under review. There were apprehensions of Government taking drastic measures to check the rising tendency in commodity prices; the fears were induced by the assumption of special powers by the Government under the Essential Commodities (Amendment) Bill to requisition food stocks at the average market price over the past three months instead of the ruling market price. On top of this, the castorseed section was depressed, thanks to reports of a drop in castor oil prices in the U.S., the U.K. and the Continent and fear of growing competition from Brazil, where the castorseed crop is expected to be a bumper one this season. These factors induced heavy unloading by bulls and fresh short-sales. Consequently, prices suffered a sharp fall. The recession would have been steeper still but for the subsequent news of communist countries having purchased a fair quantity of Indian castor oil and some American enquiries for commercial quality oil around 18.75 cents per lb.

The groundnut section experienced selling pressure, following heavy offers by upcountry interests in the wake of slack demand from vanaspati manufacturers. The linseed section, too, ruled bearish, despite reports of linseed oil export deals with communist countries. In sympathy with the general trend, cottonseeds and other seeds suffered a break in values.

Castorseeds September (1957) delivery contract which stood at Rs. 185.50 last week-end was subjected to a continuous wave of selling and moved down to Rs. 172.50 on Saturday. After recovering to Rs. 180 on Monday, following news of Russia being in the market for substantial quantities of castor oil, it again relapsed to Rs. 175.50 before finishing at Rs. 180. The net loss over the week was Rs. 5.50. Spot Madras quality declined from Rs. 35.62 to Rs. 34.75. Ready Kanpur lost a rupee to Rs. 33.50. Oil commercial quality fell by 62 nP to Rs. 20.75. Oil B.S.S. was done today lower at Rs. 22.12, as against Rs. 22.50.

Groundnut September opened easy at Rs. 177, as against Rs. 178.87 and moved down to as low as Rs. 172.12 yesterday. It, however, recovered to Rs. 176.75 today before finishing at Rs. 176.62. Spot bold F.A.Q. eased by half a rupee to Rs. 35.50. Coromandel quality shed a similar sum to Rs. 37.25. Groundnut oil ex-mill was unchanged at Rs. 20.37.

Linseed September contract encountered selling and went down from Rs. 31.06 on Wednesday last to Rs. 30.19 on the 1st inst. After recovering to Rs. 30.69, it closed lower at Rs. 30.56. Spot bold receded from Rs. 30.12 to Rs. 29.62. Linseed oil was subjected to speculative sales and fell from Rs. 16.37 last week-end to Rs. 14.57 yesterday. It, however, evoked considerable buying support at the lower level and staged an impressive rally, today's closing rate being Rs. 16.75.

Cottonseed September contract which stood at Rs. 113 at the close of last week fell to Rs. 110 on Saturday. After recovering to Rs. 111.50 today, it wound up lower at Rs. 111.25.

Among others, *kardi* seed bold ready declined by half a rupee to Rs. 21.50. *Niger* seed Madras was done at Rs. 27.75, as against Rs. 28.25.

The following table shows the closing prices of oilseeds and oils today as compared with those at the close of the previous two weeks:

	5-6-1957	29-5-1957	22-5-1957
	Rs.	Rs.	Rs.
Groundnut—			
September, 1957	176.62	178.87	183.37
Bold ready (per cwt.)	35.50	36.00	36.50
Coromandel	37.25	37.75	37.50
Linseed—			
September, 1957	30.56	31.06	32.12
Bold ready (per cwt.)	29.50	30.12	30.62
June-July	29.62	30.31	31.25
Castorseed—			
September, 1957	180.00	185.50	198.25
Madras (per cwt.)	34.75	35.62	38.25
Cottonseed—			
September, 1957	111.25	113.00	117.00
Groundnut oil—			
Ex-mill Ready (per quarter) ..	20.37	20.37	21.25
Castor oil—			
Commercial (per quarter) ..	20.75	21.37	22.81
Linseed oil—			
Ready	16.75	16.37	16.87

GOOD CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, *3rd June*

Trading in the kip market was reasonably good during the week. Arrivals of cow hides were moderate which found active clearance at the hands of exporters as steamers were readily available for shipments. Demand was mostly for light and medium weights; and top marks were in good request. Inquiries for buff calf and cow calf were patchy. Inferior cow hides were in good demand for local trade and U.K. buying was also in evidence to a small extent.

There was good call for superior tannages in sheep skins and prices hardened. Demand for goatskins from the Continent was slow, because shippers were quoting unworkable prices.

Shipments during May were: 3,957 cow hides, 486 cow calf, 22 buffs, 657 buff calf, 1,256 goat, 624 sheep to U.K. ports; 6 cow hides, 5 cow calf, 40 buff calf, 708 goat, 198 sheep to the Continent; 72 buffs, 101 buff calf, 112 goat to the U.S.; 5 goat and 305 sheep to Japan.

JUTE GOODS GIVE WAY AT CLOSE

(From Our Own Correspondent)

CALCUTTA, *4th June*

The good news of the week under review was the heavy showers experienced in this part of the country on Friday last. Cultivators of jute had been delaying sowing operations in the highlands for lack of rains and, although stocks of raw jute in the bazaar, with the jute mills, and with the cultivators themselves were estimated at levels to maintain the current rate of production well up to the end of September, lack of rains so far had given a sound cause to those interested in creating artificial scarcity conditions. Prices of both raw jute and jute goods had touched high levels. The occurrence of rains was noted with satisfaction and, although raw jute prices were maintained, it was believed that the uptrend had abated. Jute goods, on the other hand, commenced a slow recession. These rains did not, of course, alter the earlier estimates of new crop arriving late by about a month. It was realised by mills that the industry would have to depend on the old crop till September. But the rains affected the market psychology and this was an indication of the availability of fair quantities of fibre.

In view of the widespread belief in rural areas that jute prices would further move up—the cue for cultivators for believing so has been reports of scarcity conditions, artificial though they are, and

(Continued on page 1160)

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1945	..	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	2½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	8th May, 1957	7.665	8.304
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1956	3½	4
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 31st May, 1957		Week ended 24th May, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,86,466	66,72,77,000	5,04,509	72,34,43,000
Calcutta	—	—	1,79,635	56,36,58,464
Madras	72,539	9,30,61,765	78,285	9,61,52,587
All Centres—				
1955-56*	..	..	3,100,000	6,620,200,000
1956-57*	..	..	3,334,000	7,293,900,000
Mar., 1957	..	..	3,503,000	8,33,05,00,000
April ,,	..	..	3,631,000	7,93,90,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 31st May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,64,53,000
(2) Other Governments	6,82,69,000
(b) Banks	65,33,56,000
(c) Others	86,17,35,000
Bills Payable	13,51,36,000
Other Liabilities	120,15,86,000
Rupees	374,55,35,000

ASSETS	Rs.
Notes	25,99,82,000
Rupee Coin	8,17,000
Subsidiary Coin	6,44,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,27,14,000
Balances held abroad*	42,55,15,000
Loans and Advances to Governments	179,09,16,000
Other Loans and Advances	106,55,09,000
Investments	164,28,64,000
Other Assets	13,54,44,000
Rupees	374,55,35,000

* Includes Cash and Short-term Securities.
The item "Other Loans and Advances" includes Rs. 58,16,50,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	25,99,82,000	
Notes in circulation	1569,99,97,000	
Total Notes issued		1595,99,79,000
Total Liabilities	....	1595,99,79,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		125,84,54,000
Government of India Rupee Securities		939,87,31,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1595,99,79,000

Scheduled Banks*

Statement of Affairs for the week ended 24th May, 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	11,30,57,000
(ii) Other demand liabilities	716,96,43,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,07,00,000
(ii) Other time liabilities	516,73,98,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,59,22,000
(ii) Time liabilities	....
4. Cash in India	39,35,94,000
5. Balances with the Reserve Bank in India	84,75,55,000
6. Balances with other banks in current account in India	10,32,33,000
7. Money at call and short notice in India	20,88,40,000
8. Investments (at book value) in India in Central and in Government securities including Treasury Bills and Treasury Deposit Receipts	343,34,08,000
9. Advances in India	743,43,03,000
10. Inland Bills purchased and discounted in India	131,10,44,000
11. Foreign Bills purchased and discounted in India	65,33,59,000

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

EXCHANGE RATES

	4th June, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	479.50	479.50
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.79-2.79⅛	2.79¼-2.79½
London on Paris Frs.	987	987
London on Berne Sw. Frs.	12.23¼-12.24½	12.23¾-12.23¾
New York on London $	2.78⅛-2.79⅛	2.79¼-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	79.33	..	1,931	243
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	470	560
Japan	1955	88.90	Y. 6,575,000	8,698	978
Philippines	1955	21.85	Ps. 7,800	1,857	850
New Zealand	1955	2.13	£(N.Z.) 846	1,128	5,296
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1955	50.97	£ 16,634	22,178	4,351
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.60	$ 20,738	10,166	6,516
France	1955	43.27	F.Fr. 12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm. 129,200	14,460	2,890
Italy	1954	47.80	Lr. 9,718,000	7,480	1,560
Norway	1955	3.43	Kr. 19,764	1,320	3,050
Sweden	1954	7.21	Kr. 38,630	2,544	3,513
Netherlands	1955	10.75	Grs. 22,500	2,850	2,650
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation's Monthly Bulletin of Statistics, September, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 17th May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
On surplus disposals	0.11
Total import duties	127.68
Export Duties	28.14
Land Customs	2.27
Miscellaneous	1.04
Gross total customs	159.13
Refunds and drawbacks	2.74
Net Customs	156.39
Gross excise	171.14
Refunds	2.09
Net Excise	169.05
Net total of customs and excise†	325.44

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 31st May, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		306,90,27,000
Bills Payable		5,92,92,000
Bills for Collection being Bills Receivable as per contra		73,45,000
Acceptances, Endorsements and Other Obligations per contra		13,84,000
Other Liabilities (including Inter-Office Adjustments)		5,07,09,000
Total ..	Rs.	331,67,57,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,34,01,000
Balances with other Banks		3,21,74,000
Money at Call and Short Notices		2,33,33,000
INVESTMENTS:		
Government and other Trustee Securities	94,09,03,000	
Other Authorised Investments	11,51,15,000	105,60,18,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	159,68,91,000	
Bills Discounted and Purchased	29,49,60,000	
Bills Receivable being Bills for Collection as per contra		189,18,51,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		73,45,000
Premises less Depreciation		13,84,000
Furniture and Fixtures less Depreciation		1,21,62,000
Other Assets (including Inter-Office Adjustments)		65,54,000
Total ..	Rs.	4,25,95,000
		331,67,57,000

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	24th May, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1578.40	1590.23	1561.91	1,506.13
Notes held in Banking Department	35.05	27.58	15.17	20.57	18.98
Foreign Securities	59.50	412.52	412.52	412.52	681.45
Total	37.39	949.87	949.87	924.90	698.75
Banking Department					
Deposits of:					
Government of India	14.89	54.92	49.87	52.83	56.69
Other Governments	..	2.11	3.08	6.38	9.13
Balances held abroad	10.08	74.07	65.07	92.39	30.69
SCHEDULED BANKS					
Demand Liabilities	134.36	727.87	716.90	729.09	645.08
		(11.31)†	(11.37)†	(8.63)†	(7.31)†
Time Liabilities	102.24	519.81	517.04	502.90	435.56
		(3.07)†	(3.01)†	(2.52)†	(3.21)†
Borrowings from Reserve Bank	..	86.27	95.28	72.71	63.95
		(59.65)‡	(63.28)‡	(53.24)‡	(44.22)‡
Borrowings from State Bank	..	9.59	11.95	7.86	9.88
Cash in India	6.70	39.86	40.27	37.97	39.50
Balances with Reserve Bank	25.17	54.74	58.65	65.86	48.76
Excess over statutory limits	15.52	7.96	12.47	19.35	8.65
Balances with other banks in current account in India	..	10.32	10.15	10.17	10.43
Money at call and short notice in India	..	20.88	18.52	17.10	9.94
Investments (at book value)	..	343.34	343.99	344.51	352.79
Advances and bills	105.09	939.87	936.72	907.94	769.03
STATE BANK					
Deposits	87.76	304.09	301.58	299.14	227.81
Investments	51.99	105.61	105.63	105.52	101.52
Advances	30.35	189.17	190.91	183.37	140.20
Cash	14.69	23.68	22.72	28.38	17.60

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February, 1956	February, 1957	Eleven months, April to Feb., 1955-56	Eleven months, April to Feb., 1956-57
Import Duties:				
Revenue	10.95	10.41	106.89	116.08
Protective	0.99	0.99	9.45	11.49
On surplus disposals	—	0.07	0.00	0.11
Total import duties	11.04	11.47	116.43	127.68
Export Duties	2.63	2.67	33.82	28.14
Land Customs	0.09	0.25	1.24	2.27
Miscellaneous	0.05	0.09	0.64	1.04
Gross total customs	14.71	14.48	152.16	159.13
Refunds and drawbacks	0.32	0.65	2.44	2.74
Net Customs	14.39	13.83	149.72	156.39
Gross excise	14.13	15.54	136.89	171.14
Refunds	0.09	0.34	3.69	2.09
Net Excise	14.40	15.30	133.20	169.05
Net total of customs and excise†	28.43	29.13	282.92	325.44

† Net Customs plus net Excise.

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates 6-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.83	65	3.26	23.66	84.17	1,13.35	92.03	— 31.07	7.55	25.64	..	..	..	45	95
1955-56	2.76	1.98	5.48	27.19	1,44.36	1,68.15	1,67.86	— 28.87	4.79	41.25	9.86	16.37	45	3	93
1956-57	3.00	2.89	6.04	31.54	1,63.66	1,70.95	1,93.90	— 40.00	3.91	44.28	10.07	25.35	43	1	1,32
March 1956	2.76	23	5.48	2.32	1,44.36	23.64	1,67.86	— 28.87	36	41.25	88	16.37	3	2	93
April ,,	2.69	24	5.54	2.19	1,45.85	14.54	1,71.08	— 29.06	14	41.51	82	17.18	3	1	93
May ,,	2.61	21	5.54	2.49	1,47.58	14.77	1,73.05	— 29.05	38	41.82	85	17.91	3	1	1,00
June ,,	2.54	23	5.58	2.70	1,49.48	15.24	1,76.09	— 29.15	38	42.11	92	18.75	4	1	1,04
July ,,	2.48	43	5.61	2.78	1,51.53	14.61	1,80.05	— 29.24	38	42.12	1.01	19.68	4	1	1,07
August ,,	2.40	29	5.82	2.53	1,53.14	14.10	1,83.21	— 29.35	36	42.72	98	20.58	5	1	1,11
September ,,	2.34	17	5.71	2.65	1,55.14	13.27	1,84.83	— 29.17	34	43.00	85	21.34	3	1	1,13
October ,,	2.28	16	5.69	2.38	1,56.51	13.00	1,85.99	— 29.26	35	43.29	82	22.06	4	1	1,17
November ,,	2.23	13	5.66	2.30	1,57.62	12.70	1,86.89	— 29.35	25	43.39	77	22.73	3	1	1,19
December ,,	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 29.43	26	43.58	70	23.32	3	1	1,22
January 1957	3.12	21	5.80	2.76	1,59.92	13.46	1,88.10	— 29.84	36	43.89	86	24.07	6	1	1,27
February ,,	3.07	17	5.82	2.34	1,61.00	12.96	1,88.33	— 29.91	30	44.14	72	24.70	4	1	1,30
March ,,	3.07	37	6.04	3.95	1,63.66	17.53	1,93.90	— 40.00	22	44.28	76	25.35	3	1	1,32
April ,,	..	..	..	..	..	..	..	..	24	44.39	..	..	..	..	..

* At the end of period.
† Issued from 10th May, 1954.
‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
@ Progressive net repayments at the end of period from 15th August 1947.
‡ From July, 1954.
§ Relating to nine months from July, 1954.
E Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 18th May, 1957	11th May, 1957	20th April, 1957	19th May, 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.9	90.0	90.0	91.2
1. Government of India	89.6	89.7	89.7	91.0
2. Indian States	96.4	96.4	96.4	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.1	99.1	99.0	100.8
1. Electricity	99.0	99.0	99.0	102.2
2. Jute	96.9	97.0	97.0	97.6
3. Plantations	98.4	98.4	98.4	99.2
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.0	100.0	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.6	100.6	100.1	101.1
PREFERENCE SHARES	78.5	78.6	78.4	85.0
1. Electricity	86.6	86.6	86.8	93.3
2. Cotton	78.4	78.1	78.0	81.1
3. Jute	70.8	70.8	71.0	81.9
4. Tea	81.8	81.8	81.8	87.7
5. Iron and Steel	82.3	82.3	80.7	87.5
6. Sugar	77.7	77.9	79.4	85.3
7. Paper	78.3	78.3	78.8	82.1
8. Plantations	95.2	95.2	97.8	101.9
9. Miscellaneous	74.6	75.1	74.7	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	103.7	105.5	107.0	124.3
(a) Financial	89.6	89.9	90.1	99.8
1. Banks	91.1	91.6	92.1	99.3
2. Insurance	82.9	83.0	82.4	85.7
3. Investment Trust	75.3	75.4	75.6	92.4
(b) Public Utilities	106.4	107.3	107.3	111.1
1. Electricity	106.5	107.0	106.9	113.1
2. Shipping and other Transport	110.8	113.4	110.9	113.1
3. Railways	76.5	76.4	76.5	86.9
(c) Manufacturing industries	108.6	111.4	112.6	133.7
1. Cotton, Woollen and Silk	114.4	116.6	118.7	133.1
2. Jute	54.9	54.8	54.6	75.2
3. Iron and Steel	113.6	122.2	122.8	157.0
4. Paper	226.6	227.5	223.2	286.9
5. Cement	141.8	148.1	148.5	179.8
6. General Engineering	157.7	160.6	163.0	194.1
7. Sugar and Breweries	92.6	93.9	95.9	104.5
8. Chemicals	135.0	135.3	134.2	143.6
(d) Non-Manufacturing industries	126.0	127.0	132.4	170.2
1. Coal	69.4	69.5	69.8	81.5
2. Mining and Oil	175.7	178.4	180.3	263.5
3. Plantations	139.4	140.1	150.0	185.0
(e) Miscellaneous	81.0	82.0	83.7	101.4
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.2	89.3	89.3	90.7
2. Calcutta	89.8	89.8	89.9	94.5
3. Madras	90.2	90.2	90.2	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99.0	100.0
2. Calcutta	98.8	98.8	98.8	101.5
3. Madras	99.7	99.7	99.5	100.2
PREFERENCE SHARES:				
1. Bombay	83.9	83.8	82.7	89.1
2. Calcutta	72.2	72.4	72.5	79.8
3. Madras	91.8	91.8	92.9	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	112.5	116.6	117.6	130.8
2. Calcutta	91.4	91.9	93.5	111.3
3. Madras	113.3	118.4	119.6	131.3
4. Delhi	109.6	113.9	115.7	136.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	778	466,507	3,382,608
1954	840	477,138	3,372,630
1955	1,166	627,767	5,697,848
1956	1,258	722,334	7,095,960
April 1955	105	82,432	333,375
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	833,999
September ,,	251	92,619	580,031
October ,,	134	47,600	214,214
November ,,	99	48,609	178,112
December ,,	129	45,277	239,550
January 1956	107	61,755	362,000
February ,,	122	70,155	781,708
March ,,	146	133,188	676,716
April ,,	140	83,524	569,087
May ,,	137	65,037	649,382
June ,,	153	71,047	434,439
July ,,	150	100,335	529,151
August ,,	138	64,767	492,173
Sept. ,,	134	130,667	922,635
Oct. ,,	150	113,404	819,619
November ,,	138	59,451	499,639
December ,,	145	65,851	407,166
January 1957†	150	128,995	390,852
February ,,	114	82,320(a)	205,196(b)

† Figures are provisional. (a) Not known in 3 cases.
(b) Not known in 5 cases. ‡ current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1954-55	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.3
1955-56	715	8,805.3	7,135.8
Jan., to Dec., 1955	757	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,630.7	7,892.0
December 1955	734	765.7	648.0
January 1956	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	800.0	651.0
April ,,	701	790.3	643.8
May ,,	701	825.8	669.1
June ,,	710	796.5	655.5
July ,,	724	798.0	656.2
August ,,	725	798.7	650.0
September ,,	737	812.7	666.4
October ,,	753	834.1	670.1
November ,,	756	810.5	668.1
December ,,	757	881.5	715.0
January 1957	765	868.7	711.7

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	11th May, 1957	4th May, 1957	12th May, 1956	April, 1957	April, 1956	Percentage of Increase (+) or decrease (—) in April, 1957 as compared with April, 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	419.2	401.4 R	350.1	408.3	360.9	+13.1	388.5	313.2
Cereals	59	550*	536* R	445	536*	461	+16.3	499	372
Pulses	8	420	399	363	418	357	+17.1	397	289
Others	33	257	240	227	249	234	+ 6.4	247	235
Industrial Raw Materials	(18)	534.4	531.0 R	475.2	514.7	472.8	+ 8.9	501.9	419.8
Fibres	53	523	522	456	508	459	+10.7	483	429
Oil seeds	30	581	569	547	555	529	+ 4.9	558	398
Minerals	10	563	564 R	437	512	446	+14.8	508	427
Others	7	409	415	397	416	391*	+ 5.6	421	431
Semi-Manufactures	(17)	401.8	401.9	383.2	400.0	377.4	+ 6.0	402.3	338.2
Leather	8	414	414	406	398	409	— 2.7	387	378
Mineral oils	13	207	211	208	211	208	+ 1.4	209	207
Vegetable oils	16	587	580	559	567	528	+ 7.4	582	389
Cotton yarn	35	479*	479	471	483	457	+ 5.7	487	429
Metals	13	327	327	280	328	282	+16.3	318	264
Oil cakes	5	423	418	397	409	419	— 2.4	447	338
Others	5	374	374	360	375	362	+ 3.6	366	336
Manufactured Articles	(30)	384.6	384.2	378.2	384.3	375.8	+ 2.3	384.6	372.9
Textiles	64	410	410	413	410*	409	+ 0.2	416	403
Jute	11	427	424	391	427	398	+ 4.5	416	403
Cotton	45	412*	412*	419*	412*	408*	+ 1.0	420*	403*
Rayon and Silk	6	424*	424*	502*	442	502*	+12.0	459*	435*
Woollen	3	266	266	264	264	264	+ 0.8	265	234
Metal products	17	392	392	371	392	371	+ 5.7	386	359
Others	19	305	305	286	305	286	+ 6.6	294	285
Miscellaneous	(9)	570.7*	573.6*	498.00	567.1R	496.7	+14.2	559.3	546.4
All Commodities	(100)	428.9	422.7 R	389.8	422.1R	391.3	+ 7.9	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and Steel
January 1956	449	529	181	240	265	340	678	268	181	691†	455	432	485	451†	362	420	408	319
February ,,	471	526	193	224	277	325	669†	266	170	669†	467	457	521	460	362	417	408	319
March ,,	504	546	215	208	297	335	645	265	173	617†	478	445	570	492	362	410	408	319
April ,,	547	501†	235	248	293†	343	620†	261	181†	567†	471	427	590	455	362	398	408	319
May ,,	559†	475	230	230	287†	205†	624	261	173†	570	482	409	624	471	362	390	414	319
June ,,	552†	506	258	253	285†	338†	631†	269	177	621	486	412	594	435	362	387	418	325
July ,,	568	528	266	255	308	389†	644†	269	187	764	493	435	579	426	427	387	430	329
August ,,	598	533	266	319	320	445†	626†	271	194	764	492	437	616	454	430	395	431	329
Sept. ,,	600	534	266	324	327	407	626†	269	194	770	493	450	622	459	430	427	430	329
Oct. ,,	593	535	287	357	308	445	621	262	177†	848	481	459	589

MARKET REPORTS

(*Concluded from page 1157*)

prevalence of steady conditions in raw jute since the past two months—it was expected here that the current sowing would be fairly heavy. Thus the forthcoming crop would be higher, provided no abnormal floods intervened. The efforts made by the Agriculture Departments of the Governments of the jute-growing States should also be reflected by a further improvement in quality.

Figures relating to shipments of jute goods continued to cause satisfaction. These figures were made up to date up to 25th May. During the period, hessian shipped was higher by 8,000 tons at 20,000 tons and sacking goods by 5,000 tons at 22,000 tons. On Tuesday last, prices of goods improved, following fair business done for export. Australia was the principal buyer of heavy goods. Ready B. twills moved to Rs. 116.50 on Tuesday last from Rs. 116.00 in the previous day and ready hessian 40" 10 oz. to Rs. 43.05 from Rs. 43.00. At this stage, speculators evinced keen interest and, on Wednesday, the above two constructions were pushed up to Rs. 116.65 and Rs. 43.06, respectively. On Thursday, the market could not operate, in view of the general *hartal* to protest at the taxation proposals, since modified. On re-opening on Friday, prices were fully steady, despite heavy selling pressure on account of *Fatka* operations for due date settlements. Ready B. twills at Rs. 116.70 recorded a further rise, and a similar trend was in evidence in ready 40" 10 oz. hessian at Rs. 43.10. Prices, however, sagged yesterday when these two constructions were quoted at Rs. 115.50 and Rs. 43.00, respectively. The 8 oz. hessian was quoted at Rs. 34.75.

Raw jute prices were steady. Sellers were reserved and mills were disinclined to support higher prices. The latest quotations for the 1956-57 crop, June-July delivery, are:

	Middles Rs.	*Bottoms* Rs.
Pakistan:		
District	40.50	37.50
Northern	40.00	37.00
Indian:		
Northern	34.00	31.50
Assam Upper	34.00	31.50
Assam Lower	34.00	31.50
Murshidabad	29.00	28.50
Jungli	30.50	28.00
Daissee	36.00	33.50
Uttar Pradesh	30.50	28.00
Daissee *mesta*	30.00	27.50
Bimli f.a.q.	Rs. 26.00	

Pucca bales 1st marks ready: Rs. 195.00 per bale.

CLEAN LEAF TEAS FIRM

(From Our Own Correspondent)

CALCUTTA, 4*th June*

The most outstanding event of importance to the tea market this week was the Finance Minister's announcement of the withdrawal of the changes in excise duties on tea proposed in the Budget and expected to accrue an additional revenue of Rs. 2.45 crores. The duties now revert to the old rates, that is, loose tea 6.25 nP per lb.; package tea (converted from duty-paid loose tea) 18.75 nP per lb.; and package tea 25 nP per lb.

The Assam Tea Planters' Association in Calcutta has expressed profuse satisfaction for this decision of New Delhi, and gives vent to the consensus of opinion among the industry when it states that the entire industry feels relief. No doubt, it will not be before some time retailers will restore to consumers the prices prevalent prior to the announcement of the Budget proposals. If Government were to attempt to "rope" in the increased illegal profits made by unscrupulous stockists and retailers, that would be an ideal step towards stemming inflation and lessening the strain on the country to the extent of the sum that could be released to the Plan. Such a measure is, of course, easily said, but is very difficult to be implemented.

A notification issued in New Delhi contains no change in the export duty on tea for the month of June, which is 25 nP per lb. The price of tea for determining the export duty is fixed at Rs. 2.47 per lb., as against Rs. 2.41 for the last month. The price is fixing taking into consideration the London rates for the previous month. In the Mincing Lane auctions held last month, prices were unexpectedly better, and that accounts for the increase in price for determining the export duty, although, in Calcutta auctions during May, prices were easy. The trade and industry have often pointed out to the unfairness of this system.

Conditions in the internal sale held on Tuesday last week were better and the dusts on offer aggregating 19,769 chests recorded slightly higher prices, as the auction developed. Medium C.T.C. Assams possessing useful liquors were occasionally sought at higher rates, while the best C.T.C. Assams met with less support. All clean leaf teas were about firm, although buying for the Middle East was restricted. An irregular tendency was recorded in the dullish teas, representing end-of-season character. The quotations were: Medium Assam C.T.C. Re. 1.55 to 1.65, medium Assam grainy dust Re. 1.50 to 1.55 and medium Doors Re. 1.40 to 1.45, the C.T.C. best Assams being unquotable.

Prices of the leaf grades on offer amounting to 325 chests were easy.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 3*rd June*

Quiet conditions were witnessed in the foodgrains market during the week under review. Requisitioning of food stocks at the average prices for the last three months instead of at the current price has been decided by the Government and, for this purpose, the Government has armed itself with necessary legislation. The possibility of tightening the credit squeeze to make it difficult for traders to earn undue profits is under the examination by the Ministry of Food and Agriculture in consultation with the Finance Ministry and the Reserve Bank of India. As traders view these moves with serious apprehensions on account of their far-reaching implications, they are now unwilling to enter into large commitments.

Wheat at Hapur was mostly unchanged during the week. Average *dara* quality was quoted at Rs. 14.50 per maund and farm quality at Rs. 16.50. Daily arrivals were at an average of 2,000 maunds and local stock under *khaties* was put at 31 *khaties* of 800 maunds each, besides some quantity stored outside for early despatch. Some despatches were made during the week to Gujerat and total arrivals of wheat here from the beginning of the season were 80,000 maunds, the corresponding figure last year being 68,000 maunds when local stock was estimated at 53 *khaties*.

Rice continued to rule steady. There were reports that the Government apprehended that substantial stocks of rice had passed out of the producers' hands to those of traders and that rice would be the first grain to be requisitioned. The prevailing prices of rice are: *Basmati* Rs. 27 to Rs. 29, *Mainpuri sela* Rs. 24 and coarse quality Rs. 18.25 per maund.

Despite a fall in gram prices in the most producing areas of Punjab, gram at Hapur continued to be steady, due to loading restrictions from Punjab. Local stock was put at 30 *khaties*, as against 12 *khaties* a year before. Barley recorded modest gains during the week, thanks to paucity of local stocks, while *bejhar* fractionally eased, as stocks had gone up to 11 *khaties*. Jowar was mostly unchanged, while some gains were recorded in the price of *guwar*, due to increasing demand. The latest prevailing prices were: Gram Rs. 11.50 to Rs. 12; barley Rs. 11.6; *bejhar* Rs. 10.37; *jowar* white Rs. 14.75 and brown Rs. 12.87; *guwar* Rs. 12.62.

Peas continued to be steady, due to continued good buying enquiry from the main consuming areas of Assam and Bihar and, as local daily arrivals were at an average of 1,000 maunds daily, local stock ran down by 3 *khaties* during the week to 51 *khaties*. *Arhar* was, however, depressed, as outside demand was slack and stocks were daily increasing, due to arrivals at an average of 1,000 maunds. Other pulses were quoted at almost unchanged prices. The prevailing prices (in rupees per maund) were: Peas *dara* green 11.25 and white 12.50; *arhar* 11.87; *urd* 18.75 to 21.50; *moong* 15 to 17; *masoor* 15 to 16.

Pulses futures ruled quiet during the week. Peas *bhadon* was quoted at Rs. 11.47 and *arhar bhadon* at Rs. 12.20, as against the week's opening level of Rs. 11.39 and Rs. 12.46, respectively.

The Japanese Finance Ministry officials have issued a warning that Japan's textile industry is now facing a crisis. In a Survey published by the Ministry, the officials say that the Japanese economy is showing several danger spots, with the textile industry in the most serious position. Overproduction, power shortage and transportation difficulties are cited as the major handicaps. The recent increase in interest rates by the Bank of Japan is not considered to be the cause for the current economic troubles of the textile industry, though it is maintained that higher money rates will soon show their effects on the entire Japanese economy.

An increase in the amount of money to be spent on research, especially in the further development of improved qualities of wool textiles, and worldwide intensification of all promotional activities, were among the decisions reached at the annual meeting of the Executive of the International Wool Secretariat, just concluded in London. The meeting also agreed to an extension of the joint promotion campaigns with wool industry and wool trade of the world, and consolidation of the work of the 13 branches of the International Wool Secretariat and the Wool Bureau, Inc., of U.S.A.

MISCELLANEOUS STATISTICAL DATA—*Continued.*

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33,	63,80,26,000	1960–70	100.80
3 % Loan	1938–39	1 16,17,46,000	1963–65	93.90
3 % Loan	1950	80,33,10,000	1964	94.10
3 % Fg. Loan	1943	1,10,51,78,000	1956–68	91.80
3 % V. Loan	1944	33,54,89,000	1957	99.75
3 % N. Loan	1945	1,15,05,88,000	1970–75	86.90
3 % 2nd V.Loan	1945	1,13,55,64,000	1959–61	97.75
3 % Loan	1951	50,35,63,000	1958	99.60
2½ % Loan	1946	45,60,37,000	1960	98.50
2½ % Loan	1946	57,00,69,000	1961	93.50
2½ % Loan	1946	14,77,48,000	1976	88.10
2½ % Loan	1947	75,86,72,000	1962	93.95
3½ % Loan (N.P. Bonds)	1955	75,29,00,000	1961	99.45
3½ % N. Loan	1954	1,58,17,34,000	1964	98.10
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98.10
3½ % N.P. Bonds	1956	57,27,00,000	1962	97.50
3½ %	1956	33,32,00,000	1967	98.40
3½ %	1956	66,64,00,000	1974	98.40
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option o. Government after three months notice.	73.00
3 % Loan	1946	2,48,91,47,000	On September, 1986 or later at option of Government after three months' notice.	73.20
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,73,000	1958–68***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	96.80
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	96.00
3 % Bombay	1944	3,66,66,000	15th Aug. 1958	98.85
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94.10
3 % Bombay	1950	8,87,82,000	31st July 1960	98.25
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98.00
4 % Bombay	1953	5,42,38,000	15th July 1963	100.00
4 % Bombay	1953	8,55,57,000	1st Aug. 1963	100.00
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99.50
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
3 % Cochin	1945	1,00,00,000	16th Dec. 1955–58	98.00
3½ % Madhya Bridge (New)	1956–57	70,09,000	1st June 1956–61	98.75
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	98.85
3 % Madras	1939	1,23,95,600	21st June 1959	96.50
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98.55
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96.15
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93.10
3 % Madras	1950	4,38,25,400	31st July 1960	96.15
4½ % Madras	1951	3,01,49,300	17th Sept. 1962	97.60
4 % Madras	1952	10,83,65,000	15th July 1963	98.25
4 % Madras	1955	2,34,81,000	1st Aug. 1964	98.45
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99.00
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	96.60
3 % Mysore(f)	1933	2,95,85,200	1st Dec. 1958-63	100.30
3 % Mysore(f)	1936	5,99,72,900	30th Apr. 1956-61	98.90
3 % Mysore	1947	5,06,05,700	25th Jan. 1958	98.80
4 % Mysore	1953	3,33,47,000	15th July 1963	98.60
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.00
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	96.50
3 % M.P.	1944	52,89,800	15th Aug. 1958	98.50
3 % M.P.	1945	3,03,89,900	15th Sept. 1964	93.00
3 % M.P.	1950	1,01,44,700	31st July 1960	98.50
4 % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	98.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.75
4 % Maharashtra	1955	1,61,66,000	1st Sept. 1967	99.85
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	96.50
4½ % Trav. Cochin	1953	3,00,00,000	15th July 1963	98.25
4½ % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	96.90
2½ % U.P.Z.A.	1952	40,60,66,545Z		39.75
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90.85
3 % U.P.	1945	2,87,11,000	15th Aug. 1958	98.55
3 % U.P.	1946	2,17,89,700	14th Sept. 1960	98.00
2½ % U.P.	1946	2,20,93,500	1st Sept. 1961	93.05
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	97.85
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1953	5,65,15,500	15th July 1963	98.85
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.65
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1956	1,00,00,000	15th July. 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
55,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	98·00N
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,975	4	1913	1974	D
80,00,000	4	1913	1974	98·00N
88,25,000	4	1914	1975	98·00N
10,00,000	4	1915	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
25,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1963	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99·00
76,00,100	4	1916	1975	99.00
1,50,00,000C	3½†	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
149,40,500B	5	1927	1957-87	101.50
1,49,30,000	5	1928	1958–88	102.50
80,00,000	4½	1931	1991	95.00
80,00,000	3½	1935	1965	97.50
50,00,000	3	1938	1963–68	90.00
50,00,000	3	1945	1965	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	1966	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	2	1949	1979	97.00
1,00,00,000	3	1949	1959	97.00
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	95.62
1,00,00,000	3	1950	1960	95.62
50,00,000	3	1951	1981	81.75
1,50,00,000	3	1951	1961	98.50
50,00,000	4	1953	1983	100.00
50,00,000	4	1953	1983	98.56
90,00,000	4	1953	1983	98.00
77,00,000C	4	1956	1986	97.75
78,00,000C	4	1956	1986	97.75
STERLING LOANS				
£892,500	5	1928	1953–83	£80.00
£901,000	5	1924	1954–84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
81,47,169	3½	1947	1977	
9,88,000f	3	1947	1977	
8,00,000f	3	1940	1979	A
45,00,000f	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100·00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
25,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	115.00N
35,00,000	5	1926	1961–76	98.00N
10,00,000	5	1936	1966	
STERLING LOANS				
£566,600		1909	1969	95.50N
£388,000		1910	1979	95.50N
CALCUTTA				
25,00,000	5½	1929	1959	99·75
50,00,000	4	1934	1964	99·00
35,00,000	5½	1935	1965	99.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1963	90.00
20,00,000	3	1938	1963–68	99.50
80,00,000	4	1952	1962	99.00
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs	Bombay			Rs.
20,60,000	4	1913–15	1974	93.00
10,00,000	5	1920	1980	112.00N
25,00,000	5	1928	1958	105.00
1,00,00,000	3	1934–59	1959–79	115.00N
26,21,500	5	1929	1959	99.00
8 25,00,000	3½	1947	1977	86.00
2 50,00,000	3	1947	1979	86.00
4,00,00,000	3½	1950	1965	93.25
2,50,00,000	4	1952	1964	97.00
1,00,00,000†	4	1952	1964	99.00
2,50,00,000	4	1955	1967	99.00
1,50,00,000	4	1956	1968	98.00
	Calcutta			Rs.
36,00,000	5	1928	1958	105.00
25,00,000	5	1929	1957	105.00
25,00,000	5	1929	1958	105.00
10,00,000	5½	1932	1962	94.00
33,91,000	5	1935	1965	99.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
25,00,000	4	1947	1977	96.50
17,64,400	3½	1942	1989	98.00
21,10,000	3½	1945	1973	97.50
15,49,000	3½	1951	1961	97.50
16,38,000	3½	1951	1961	97.75
66,88,000	3½	1951	1961	97.75
97,61,000	4	1952	1962	100.00
72,50,000	4½	1954	1979	
	Madras			Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.00

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	96.75
4 % W. Bengal	1952	3,00,00,000	1st Aug. 1964	99.10
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.30
4 % W. Bengal	1956	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	97.75

ABBREVIATIONS.

A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ***See Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest free to first 12 years §—Interest free for 25
£.—Ex four instalment but inclusive of accrued interest. N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank‖	15,00,000	1901	6	Mar. Sep.	108.50	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70.00	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	94.00xd	100
Cawnpore Sugar Works ...	10,00,000	1905–24	8	Feb. Aug.	110.00xd	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	9.12	5
¶East India Distilleries ...	8200,000	1927	7	Jan. July	16.15cd	£1
Gwalior Sugar	5,75,000(c)	1940	7(a)	Dec. ..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	62.00	100
Puritabpore Co.	8,00,000	1923	10	Oct. ..	14.00	10
Ramnugger Cane	4,00,000	1933–36	6	Aug. ..	100.00	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	80.00	100
South Behar Sugar	5,00,000	1936	5(a)	Oct. ..	20.00	100
Travancore	15,00,000	1946	5(c)	Dec. ..	7.95	10
Upper Ganges	12,00,000	1942	5	Dec. ..	90.00N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70.00N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99.00	100
Sorrea	4,00,000	1896–97	6½	Oct. Apr.	99.50	100
Burrakur (1st)	22,99,800	1901–19	6	Apr. Oct.	112.00	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7.00	10
Equitable	4,00,000	1895	6	Mar. Sept.	99.00	100‡
Karanpura Collieries	9,87,500	1946	5½(a)	.. ..	54.00	75(p)
††Khas Kajora	1,93,000	1931	7	Mar. Sept.	2.50N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	11.00	10
Oudal	2,00,000	1898–99	6½	Apr. Oct.	104.00£	100
COTTON						
Ahmedabad Advance... ...	10,00,000	1939	5	Apr. Oct.	101.00	100
Bangalore	6,00,000	1884	6	Jan. July	123.50	100
Banaini Cotton	5,00,000	1938	6½	Nov. ..	7.75	10
Bengal-Nagpur	5,00,000	1896	8	Apr. Oct.	90.00	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	125.00	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	60.00	100
Bradbury	14,75,000	1919	7	June Dec.	65.00	50
Buckingham & Carnatic ...	21,30,200	1920	7½	Jan. July	143.50	100
Cambodias	1,00,000	1928	7	Apr. ..	115.00	100
Central India	50,00,000	1913	5	Apr. Oct.	422.50	495
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	104.75	100
Elgin	1,00,000	1913	8	May. Nov.	114.00	100
Do. 'B' Pref.	11,00,000	1913	5	July Jan.	7.25	10
Elphinstone	4,20,000	1948	7(a)	May Nov.	87.00	100
Kanoram	25,00,000	1919	7	June Dec.	110.00	100
Khatau Makanji (Ind) ...	20,00,000	1919	7	Nov. ..	75.00	100
Kothari	28,28,500	1947	6	Nov. ..	9.25	10
Kothari 'B' (Pref.)	18,00,000	1937	6	.. ..	9.00	5
Lakshmi Cotton (Bombay) ...	6,00,000	1896	5(a)	.. ..	188.75	250
Morarjee Goculdas Spg. & Wvg.	18,00,000	1947	4½	Jan. ..	85.00	100
Muir Mill	17,25,000	1900	6	Jan. July	83.00N	100
Mysore Spg.	80,00,000	1944	4½	.. ..	80.00	50
National Rayon	7,45,080	1947	5(a)	.. ..	76.00	100
New Great	1,74,64,700	1947	5(a)	.. ..	76.00	100
New Victoria	8,00,000	1913	6½(a)	Mar. ..	180.00	200
Podar Mills	26,05,500	1920	6	Apr. Oct.	4.45	5
Rajalakshmi	2,00,000	1948	4	Feb. ..	80.00	100
Shree Niwas Cotton	4,80,000	1932	6½	Apr. ..	81.00	100
Sholapoor	22,00,000	1944	4	.. ..	78.25	100
Svadeshi	15,00,000	1943	5(c)	.. ..	8.00	10
Svadeshi (Kanpur)	25,00,000	1935	5	Apr. Oct.	103.00	100
Travancore Rayon	50,00,000	1927	6	June ..	92.00N	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	108.00	100
Do. (2nd)	1,50,000	1918	7	.. ..	95.00	100
Vishaa	15,66,500	1908	7(a)	Apr. ..	525.00	500
ELECTRICS						
Andhra Valley Power Supply	49,54,000	1917	7(a)	May Nov.	1,087.50	1,000
Amalgamated Electric ...	24,15 000	..	5½	.. ..	93.00	100
Calcutta Electric	£1,900 000	1909–11	5½	June Dec.	9.15	£1
Poona Electric	4,00,000	1935	7(a)	June Dec.	103.00	100
South Arcot	2,00,000	1933	6	Jan. July	98.00	100
South Madras (1st)	2,00,000	1940	5½	July Nov	{ 10.00	10
Do. (2nd)	8,00,000	1940	5½		10.12	10
Surat Electric Co.	5,00 000	1939	6½	Apr. ..	115.00	100
Tata Hydro Electric Power ...	1,50,00,000	1907	7(a)	May Nov.	107.00	100
Tata Power	86,97,000	1918	7½(a)	May Nov.	1,112.50	1,000
Vellore*	1,25,000	1923	6	Mar. Sept.	3.08	10
ENGINEERING						
Arthur Butler (Mussafforpore),	1,20 000	1919	7	Mar. ..	8.00	10
Burn & Co. Ltd. (1st)... ...	13,00,000	1895–98	7	Feb. Aug.	128.00	100
Do. (2nd)	15,00,000	1903	6	Feb. Aug.	110.00	101
Indian Iron and Steel Co., Ltd.	2,99,19,965	1940	5	Dec. ..	100.00	100
Indian Standard Wagon ...	19,66,500	1918	7	June ..	127.50	100
Jessop	20,00,000	1941	5	May Nov.	89.00	100
††Kirkaldhubi Engineering ...	12,50,000	1946	5	June Dec.	98.00	100
Larsen and Toubro Ltd. ...	13,00,000	1946–47–51	£	.. ..	89.00	100
McKenzies (1st)	5,50,000	1907	5½	.. ..	80.00	100
Premier Construction (1st) ...	15,00,000	..	6½(a)	.. ..	90.00	100
Do. (2nd)	15,00,000	1936	6½(a)	.. ..	86.00	100
Do. (3rd)	56,25,000	1947	4½(a)	.. ..	6.37	10
Tata Iron and Steel (1st) ...	75,00,000	1908	7½(a)	May ..	155.00	100
Do. do. (2nd) ...	6,93,81,900	1908	7½

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.= Preferred Ordinary shares. Y= Accounts published yearly. H.= Accounts published half-yearly. P.= Company has Preference shares. T.= Company has Debentures. N.= Nominal quotations. x.d.= Ex. Dividend. c.d.= Cum. Dividend. i= Interim Dividend. f= Dividend for first half of year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	5,03,728	99,19,670	43,05,373	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2.34	2	0 4(c)	0 3(c)	0 3		12	Y.
40,00,000	84,56,998	1,50,27,050	76,05,051	—6,97,179	M.	36,000	1,021	E. D. Cotton Mills ..	36.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,00,000	2,12,58,951	5,98,22,948	3,51,00,992	2,41,366	Nowrosjee Wadia & Sons, Ltd. ..	2,23,552	3,984	Bombay Dyeing & Mfg. ..	526.50	250	22 8*	20 0	25 0*	25 0	12	Y.
10,00,000	28,74,393	58,81,886	28,57,495	91,711	Rasmarain Sons Private Ltd. ..	44,784	956	Bradbury Mills	197.00	50	100 0†	75 0†	12 8	20 0	3	
1,00,12,500	2,85,31,203	6,06,65,976	2,32,91,693	7,61,731	Birla Brothers Private Ltd. ..	1,24,752	2,752	Century Spg. & Mfg. ..	395.50	100	25 0*	22 0	22 8	22 0	12	Y
40,00,000	25,43,226	1,19,99,764	45,07,085	—33,08,097	V. J. Pilani (Chairman and Managing Director) ..	40,668	698	Colaba Land & Mill	65.00	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000	12,95,288	60,15,997	57,80,041	17,916	Cowasji Jahangir & Co., Ltd. ..	24,848	....	Coorla Spg. & Wvg. ..	131.00	100	7 8	7 8	7 8	12 8*	3	Y.
10,00,000	24,56,596	69,10,561	54,66,041	2,17,076	Ramnarain Sons Private Ltd. ..	40,902	686	Dawn Mills	97.50XR	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,435	76,75,267	56,31,788	2,33,942	Puranmal Bubna Sons	48,718	928	Edward Textiles	255.00	200	15 0	15 0	18 0		12	Y.
29,98,050	10,71,225	1,50,57,050	78,22,600	95,787	M.	45,124	856	Elphinstone Spg. & Wvg. ..	268.50	100	15 0	15 0	15 0	5 0	12	Y.P.
50,00,000	67,54,875	1,41,78,009	82,93,207	79,257	James Finlay & Co., Ltd. ..	49,528	784	Finlay Mills	268.50	100	16 0	16 0	20 0	20 0	12	Y.
50,00,000	48,98,022	90,86,646	59,17,887	1,57,789	James Finlay & Co., Ltd. ..	40,840	1,020	Gold Mohur Mills Ltd. ..	182.50	100	12 8	12 8	15 0	15 0	12	Y.
11,84,000 / 15,000	75,14,589	1,52,34,660	1,07,26,508	508	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,925.00 / 992.50	1,000 / 250	225 0* / 56 4*	225 0 / 56 4	300 0 / 75 0	325 0 / 81 4	3	Y.P.
6,00,00,000 / 50,84,960	62,58,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills ..	9.45 / 1.12	0 100 / 0 10	0 10 / *Nil*	0 15 / 0 3	0 10	0 10½	12	Y.
5,45,000 / 25,000	72,74,043	1,41,26,590	1,00,89,060	4,386	M.	47,984	1,122	Indian Mfg.	5,215.00	1,000	225 0*	225 0	300 0	300 0	3	Y.P.
49,85,000	55,07,881	2,72,78,670	2,03,32,128	26,222	Khatau Makanji & Co. ..	92,852	1,489	Khatau Makanji Spg. & Wvg.	170.00	500	113 8*	113 8	150 0	150 0	6	Y.P.
1,00,00,000	1,23,00,000	3,59,04,591	2,78,94,101	1,62,802	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	285.50	100	20 0*	18 0	18 0	18 0	6	Y.
22,13,080	43,06,720	1,22,06,423	64,68,440	56,109	N. Sirur & Co. Private Ltd. ..	49,000	644	Modern Mills	70.00XR	50	5 0	5 0	8 0*	8 0*	10	Y.P.
51,75,000	37,08,298	2,35,38,597	1,76,19,649	1,41,469	Piramal Sons Private Ltd. ..	71,662	1,052	Morarjee Goculdas Spg. & Wvg.	210.00	100	12 0	14 0	14 0	16 0	6	Y.P.
1,50,74,400	1,19,15,319	9,46,21,101	2,65,00,000	5,52,034	Chinai & Co. Private Ltd. ..	5,52,034	....	National Rayon Corporation ..	216.50	100	9 0	10 0	12 0	14 0*	12	Y.P.
24,00,000	29,50,456	78,08,743	48,70,977	53,192	W. H. Brady & Co., Ltd. ..	45,544	452	New City of Bombay Mfg. ..	132.75	100	10 0	10 0	10 0	10 0	12	Y.
30,00,000	23,01,492	95,52,754	63,37,033	245	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	220.00	100	10 0	10 0	10 0	10 0	12	Y.
48,80,000	30,19,989	1,84,29,555	84,72,255	2,40,352	Ramnarain Sons Private Ltd. ..	69,208	1,190	Phoenix Mills	142.50	100	8 0	8 0	10 0		12	Y.
40,00,000	45,64,554	48,69,987	24,25,000	42,753	Podar Sons Private Ltd. ..	32,600	930	Podar Mills	166.00	100	10 0	10 0	12 0*	12 0*	12	Y.P.
5,00,000	2,15,999	81,21,531	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	....	....	Sassoon & Alliance Silk Mill	9.80	10	0 12	0 8			12	Y.
27,70,000	82,80,505	1,92,83,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg. ..	36.50Xd	10	1 4	1 12	2 0		12	Y.
80,00,000	47,70,041	90,20,958	56,37,958	1,47,472	Marwar Textiles (Agency) Ltd.	69,070	1,640	Shree Niwas Cotton Mills ..	167.00	100	14 0	14 0	12 0		12	Y.
43,80,000	28,09,179	98,78,309	78,86,753	98,017	Forbes, Forbes Campbell & Co., Ltd.	54,840	1,276	Simplex Mills	162.00	50	15 0	15 0	10 0	12 0	3	Y.
87,80,000	2,50,82,705	2,77,88,979	1,62,08,915	2,93,059	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	379.00	100	20 0	20 0	20 0	12	12	Y.P.
1,00,00,000	98,08,485	2,51,02,081	1,33,02,735	29,124	Tata Industries Private Ltd. ..	72,236	2,000	Svadeshi Mills	182.00	100	16 0	8 8	12 0	14 0*	12	Y.P.
25,00,000	65,15,456	1,37,20,479	92,02,715	1,01,175	James Finlay & Co., Ltd. ..	59,328	852	Swan Mills	370.00	100	20 0	20 0	25 0	25 0	3	Y.
45,57,375	56,74,500	2,01,67,222	80,31,256	17,925	Tata Industries Private Ltd. ..	65,448	1,800	Tata Mills	41.25	25	1 8	2 8	4 0	3 8*	12	Y.P.
12,00,000	61,05,709	27,41,228	90,80,000	4,624	M.	46,508	1,308	Western India Spg. & Mfg. ..	5,200.00	1,000	225 0*	25 0	300 0	300 0	3	Y.
AHMEDABAD																
40,00,000	21,50,000	1,45,75,546	69,76,344	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	145.00	100	10 0*	5 0	7 0	12 0	6	Y.P.
10,00,000	94,58,068	94,37,995	76,10,164	27,288	P. M. Ruthecisg & Co., Ltd. ..	42,768	912	Aruna Mills	560.00	100	20 0*	20 0	30 0		12	Y.P.
40,00,000	2,97,33,381	1,95,82,179	97,29,205	1,27,274	Arvind Mafatlal & Co.	66,412	1,216	Arvind Mills	1,045.00	100	25 0	25 0	35 0*	35 0*	12	Y.P.
50,00,000	81,75,000	99,84,284	72,25,000	2,46,389	Mangaldas & Bros. Ltd.	35,584	952	Arvindaya Ginning & Mfg. ..	477.50	100	15 0	15 0	15 0		12	Y.P.
12,00,000	1,43,05,808	95,70,783	68,81,739	17,257	Lalbhai Dalpatbhai & Co. ..	37,308	914	Asoka Mills	950.00	100	22 0*	22 0	30 0	30 0	12	Y.P.
1,27,50,000	4,35,76,233	4,61,25,352	2,25,56,344	2,31,712	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	868.00	125	18 0	18 0		90 0‡	3	Y.P.
62,57,000	24,58,000	1,21,06,844	59,25,000	2,760	Tricumlal Bhogilal & Co., Ltd. ..	45,336	866	New Commercial Mills	1,615.00	1,000	70 0	70 0	80 0		12	Y.P.
39,00,000	78,54,436	1,52,09,232	90,26,968	19,231	Mafatlal Chandulal & Co., Ltd. ..	61,100	907	New Shorrock Spg. & Wvg. ..	867.00	125	25 0	25 0	25 0		12	Y.
15,60,000	67 78,770	57,78,441	32,49,012	21,803	Jagabhai Bhogilal Nanavaty & Co., Ltd. ..	25,560	572	Nutan Mills	896.25	100	20 0*	20 0*	20 0	20 0	12	Y.P.
20,00,000	1,10,82,006	99,61,103	62,28,955	1,77,073	Lalbhai Dalpatbhai & Co. ..	32,828	636	Raipur Mfg.	822.50	100	25 0	25 0*	25 0*	25 0*	12	Y.P.
32,50,000	14,78,307	1,07,01,469	71,42,808	17,84,749	Lallubhai Gordhandas Ltd. ..	33,158	648	Rohit Mills	167.50	100	8 0	8 0	*Nil*		12	Y.P.
57,96,800	2,75,84,105	1,92,47,853	1,05,24,569	2,63,336	Harivallabhdas Kalidas & Co. ..	94,128	1,733	Shri Ambica Mills	636.00	50	15 0	20 0	27 0*	30 0*	12	Y.P.
19,82,500	62,31,253	78,08,018	46,54,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,642	730	Shorrock Spg. & Mfg.	550.00	100	20 0	25 0*	25 0		12	Y.
20,00,000	90,34,191	1,09,66,008	78,35,291	34,644	Haridas Ashraibai & Co., Ltd. ..	36,176	786	Vijaya Mills	651.25	400	25 0*	25 0*	25 0*		12	Y.P.
WEST BENGAL																
15,00,000	2,82,800	85,86,098	22,89,703	60,222	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	5.31	10	0 4	0 8	0 8	0 9 3/5	12	Y.P.T.
7,98,000	9,10,617	72,14,035	53,00,911	56,390	Bengal Textile Agency, Ltd. ..	33,292	925	Bengal Laxmi Cotton Mills ..	40.00N	40	*Nil*	4 0	4 0	4 0	6	Y.P.
2,0,000	22,78,414	39,06,142	31,49,000	—22,47,373	Kettlewell Bullen & Co., Ltd. ..	42,960	841	Bowreah Cotton Mills	112.00	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	26,17,431	1,15,16,740	74,67,579	5,50,353	Kettlewell Bullen & Co., Ltd. ..	42,944	816	Dalhousie Jute	167.00	100	*Nil*	*Nil*	2 8	6 0	12	Y.
50,00,000	....	99,03,197	15,08,197	4,582	Birla Brothers Private Ltd. ..	4,852	206	Jay Shree Textiles Ltd. ..	5.70	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
1,50,00,000	2,85,45,320	3,76,19,833	1,31,26,233	1,86,671	Birla Brothers Private Ltd. ..	74,672	1,992	Keseram Cotton Mills	13 00	10	1 12	0 14	0 14		3	Y.
19,47,750 / 5,00,000	7,45,000	47,06,298	42,858	1,994	Hazaramull Hoorsiall ..	23,036	786	Rampooria Cotton Mills	16.00N / 2·75N	10 / 1D	0 8 / *Nil*	0 10 / *Nil*	1 0 / 0 6(1/2s)		6	Y
SOUTH INDIA AND OTHER CENTRES																
41,92,500	3,57,556	31,36,764	15,64,543	2,566	Sutna & Co.	24,800	..	Asher Textiles Ltd	217.00	100	4 0	*Nil*	12 8	15 0	6	Y.
71,94,800	28,81,264	1,84,91,530	80,78,125	1,88,043	Industrial Trust Fund	58,128	716	Asian Jahl Mills	79.00	100	6 0	*Nil*	8 8	8 0	3	Y.
40,50,000	2,50,15,567	3,39,77,494	2,60,70,021	2,82,947	Binny & Co. (Madras), Ltd...	49,063	1,157	Bangalore Woollen, Cotton and Silk Mills	170.00	100	25 0	30 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	58,72,182	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills .	7.37	10	0 / *Nil*	*Nil*			6,12	H.P.T
25,00,000	1,09,43,351	1,19,14,492	67,78,992	4,28,221	Birla Brothers Private Ltd. ..	29,896	1,052	Birla Cotton Spg. & Wvg. Delhi	20·00N	10	3 0	3 0	3 0		12	Y.
1,75,47,800	2,77,72,318	6,00,41,316	2,97,01,313	2,25,220	Binny & Co. (Madras), Ltd...	1,20,294	2,762	Buckingham & Carnatic ..	166.00	100	10 0	10 0	10 0		12	Y.
20,00,000	20,00,000	42,33,535	23,99,012	58,534	Feirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	12·00	10	12	*Nil*	0 8		12	Y.
15,00,000	5,11,500	48,38,929	24,63,361	8,984	K. Damodaran, Esq.	20,000	....	Canara Spg. & Wvg.	167.00	100	12 0	20 0	12 0	16 0	3	Y.
29,98,050	10,71,225	1,50,57,050	78,22,600	95,787	M.	45,124	856	Elphinstone Spg. & Wvg. ..	268.50	100	15 0	15 0	15 0	5 0	12	Y.P.
2,37,470	2,00,136	50,87,556	18,08,163	56,798	C. S. Srinivasan, Esq. (Chairman)	24,800	....	Cauvery Spg. & Wvg. Mills Ltd.	11 37	10	*Nil*	*Nil*	0 4	0 4	3	Y.
12,00,000	19,01,064	41,97,634	20,45,709	10,689	R. Bheema Naidu & Co. ..	28,864	....	Coimbatore Cotton Mills ..	150·00XR	100	20 0	25 0	25 0	25 0	12	Y.P.
30,00,000	19,06,356	56,59,259	24,33,291	1,8328	T. E. N. Naidu & Co.	27,216	....	Coimbatore Spinning Mills ..	275·00	100	15 0	20 0	20 0		12	Y.
20,76,900	5,076	1,12,00,858	85,68,343	21,920	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	85·00	100	8 0	8 0	8 0		12	Y.
45,37,500	46,12,622	2,50,33,371	1,92,61,884	19,215	Tata Industries Private Ltd. ..	67,228	1,696	Central India	102·00	100	10 0	10 0	10 0		12	Y.P.
1,00,00,000 / 1,00,542	3,06,82,110	11,16,21,472	5,81,67,827	1,28,712	T. B. Charat Ram & Co. Private Ltd.	1,41,180	2,852	Delhi Cloth & General Mills ..	35·00	100 / 25	1 12 / 2 0	2 4 / 3 0	3 4 / 4 0	2 8 / 3 0	3	Y.P.T.
24,84,800	22,25,000	56,71,865	46,12,585	....	M. N. Chettiar & Sons ..	38,052	201	Dhanalakshmi Mills	840 00	100	20 0	30 0	30 0	25 0	12	Y.
60,00,000	93 47,189	1,54,57,943	1,04,57,943	98,767	Begg, Sutherland & Co. Private Ltd.	48,452	1,193	Elgin Mills	18·50	10	1 0	1 0	1 0	1 4	3	Y.P.
43,81,000	37,59,771	1,06,45,241	78,45,088	8,155	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	173 00	100	17 8	15 0	15 0	15 0	3	Y.P.
2,50 00,000	2,28,000	3,41,27,131	....	1,06,74,780	Birla Gwalior Private Ltd. ..	....	....	Gwalior Rayon	11 60	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
50,00,000	21,27,574	1,48,10,139	1,16,80,184	6,716	K. L. Saksaria, Esq. (Chairman)	51,180	1,420	Jadavo Madhva United	138·50	100	6 0	6 0	6 0	6 0	12	Y.
8,90,000	10,65,633	31,40,455	19,97,477	....	G. V. Naidu & Co., Ltd. ..	23,784	....	Janardhana Mills	89·00	50	4 8	5 0	10 0	10 0	12	Y.
15,54,000	18,24,703	45,22,234	33,88,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,605·00	1,000	*Nil*	20 0	50 0	60 0	6	Y.P.
32,42,525	19,25,000	92,32,480	52,49,100	41,492	Kothari & Sons	41,040	800	Kothari Textiles	12 25	10	0 8	1 0	1 0	1 8	6	Y.P.
32,00,000	67,91,510	1,59,61,585	1,26,19,466	20,376	M.	50,452	1,319	Lakshmi Cotton Mfg.	630·00	250	37 8	32 12	43 8	42 8	3	Y.
33,54,100	66,55,940	1,61,18,090	96,51,437	6,51,654	G. K. Naidu & Co.	98,160	201	Lakshmi Mills	135 00 / 60 00	50 / 5	5 0 / 5 0	10 0 / 5 0	12 8 / 5 0	12 8 / 5 0	3	Y
1,75,02,480	4,24,40,278	5,82,51,924	3,77,47,982	32,44,130	A. & F. Harvey Ltd.	4,83,000	....	Madura Mills	40 62	15	3 8	3 0	4 8	4 8	12	Y.
12,00,000	4,17,363	27,72,881	16,02,069	....	A. L. A. R. S. Chettiar and Sothers.	22,592	100	Malaiyar Syg. & Wvg.	109·00cd	100	8 0	*Nil*	6 0	2 10	12	Y.
60,00,000	69,00,000	64,79,627	43,29,734	45,885	W. A. Beardsell & Co., Ltd. ..	25,656	603	Mettur Industries Ltd.	318·00cd	200	15 0	8 0	8 0		12	Y.
29,80,884	19,58,081	92,42,488	53,37,735	19,662	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	84 00	100	7 0	6 0(c)	6 0	6 0	12	Y.
94,91,884	21,56,146	1,71,94,769	78,81,823	1,88,008	M.	52,408	952	Model Mills (Nagpur)	180.00	250	7 8	5 0(c)	7 8(c)	7 8	6	Y.
50,00,000	83,19,000	1,52,39,272	1,06,21,651	—7,77,290	Indian Textile Syndicate Ltd. ..	58,640	1,834	Muir Mills	73 50N	100					12	Y.P.
24,53,500	50,84,035	1,10,93,742	87,14,107	19,041	N. Sirur & Co. Private Ltd. ..	50,480	500	Mysore Spg. & Mfg.	101 25	50	10 0*	8*	8 0(c)	8 0*	3	Y.
18,61,780	6,000	29,25,252	16,12,761	—1,50,653	R. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	7.80	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y
22,39,5320 / 2,97,096D	23,62,883	1,04,37,293	58,90,719	—42,58,037	J. P. Srivastava & Co., Ltd. ..	70,072	1,333	New Victoria Mills	1 76 / O. 2i / D. 1	O. 2i / *Nil* / *Nil*	*Nil* / *Nil* / *Nil*	*Nil* / *Nil* / *Nil*			6	Y.P.
87,18,600	58,48,220	1,89,99,089	61,91,561	74,722	Industrial Trust Fund	37,788	902	Osmanshahi Mills	53 00	100	4 0	*Nil*	2 8(c)		6	Y.P.
4,00,000A / 6,00,000B	6,50,000	39,12,849	23,46,016	14,609	Bhaghyalakshmi & Co.	41,200	....	Palani Andavar Mills	494 12 / 212·00cd	100 / 75B	12 8 / 18 0	12 8 / 18 0	4 0(c) / 18 0		12	Y.
15,00,000	1,68,000	84,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	27,980	....	Pankaja Mills Ltd.	70 00	100	*Nil*	*Nil*	*Nil*		12	Y.
16,81,200A / 8,40,000B	22,75,000	83,90,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	380	Radhakrishna Mills	271 00 / 135 00	100 / 50B	8 0 / 4 0	16 0 / 8 0	20 0(c) / 10 0(c)		12	Y.P.
10,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	33,896	....	Rajalakshmi Mills	124 00cd	50	7 8	10 0	10 0		12	Y.P.
16 14,500	18,00,000	32,92,216	17,41,454	10,510	Ramco Agencies Ltd.	24,996	....	Rajapalayam Mills	149 00	100	14 0	14 0	14 0		12	Y.
22,91,750	12 40,000	49,64,422	21,20,815	32,012	Rayalaseema Development Co. ..	14,800	....	Rayalaseema Mills	130 00	100	6 0	9 0	10 0	10 0	12	Y.P.
60 00,000	93,41,588	1,00,25,428	35,44,914	—17,16,728	J. P. Srivastava & Sons (Rampur).	34,832	600	Sastra Textiles	5 75N	10	*Nil*	*Nil*			3	Y.
18,90,000 / 10,000	1,60,58,917	3,18,49,081	2,05,07,227	—1,65,20,798	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	1,225·00	1,000 / 500	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
26,49,780	17,10,000	51,44,272	26,62,318	1,06,148	H. N. Palfevar, Esq.	30,744	292	Sri Krishnarayandra Mills ..	103 00	50	4 0*	4 8	5 0	7 0	3	Y.
28 14,500	2,00,346	35,18,906	17,78,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd. ..	17,880	440	Shree Sajjan Mills	80 00N	100	*Nil*	*Nil*			12	Y.
15,00,000	3,48,80,155	99,02,153	79,53,780	30,60,553	Birla Brothers Private Ltd. ..	46,212	1,244	Sutlej Cotton Mills	90·00N / 11 50N	10 / 100	4 0 / 0 8	5 0 / 0 12	6 0 / 0 12	6 0	3	Y.P.
17,50,0000 / 7,50 000Fg	2,80,00 000	4,84,40,847	1,70,63,150	1,09,029	Jaipuria Brothers	1,12,216	2,081	Swadeshi Cotton (Kanpur) ..	11 50N / 10F.0.	10F.0.	0-14 2/5	1-2 2/5	1-2 2/5		12	Y.P.
1,80,00,000	30,14,788	3,80,55,317	1,27,16,775	2,63,771	Emcete & Sons (Travancore), Ltd...	....	....	Travancore Rayons	13 15cd	10	0 8	0 10	0 12		12	Y.P.
12,95,570	9,50,000	17,49,841	12,41,858	62,837	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	12 30	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.
21,00,000	38,50,000	80,72,634	47,25,219	44,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	289·00	100	12 0	15 0	20 0	20 0	12	Y.P.
31,00,000	31,89,009	1,74 27,020	1,17,94,860	16,922	M.	47,240	1,355	Vishnu Cotton	122·00	100	4 0	1 0	8 0	8 0	12	Y.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (h) For six months ended 31st December 1955.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1955

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	25,48,500	1,12,43,027	57,89,029	1,23,340	Parry & Co., Ltd.	Deccan Sugar & Abkhari	7.35	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,830	26,75,014	29,38,961	16,23,422	8,735	Mr. K. G. Khanna	Dyer Meakin Breweries	6.06	10	0 8	0 8	0 9	0 8	3	Y.
£549,950	£1,149,466	£1,757,923	£341,807	£59,449	Parry's Holdings Private Ltd.	East India Distilleries and Sugar	27.00	A. 10sh. B. £1	Sh. 1 9/5 Sh. 4	Sh. 1 9/5 Sh. 3	Sh. 1 9/5 Sh. 3	Sh. 3 Sh. 4	9	Y.P
6,00,000	9 60,000	15,96636	15,96,629	4,679	Vital Maliya, Haq. (Chairman)	United Breweries	166.00	75	15 0	15 0	15 0	15 0	3	Y.
CEMENT														
51,27,660	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						PAPER								
45 00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	85·00N	25	1 9	3 2	4 11		6,12	H.P.F.
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp †‡	20·75	10	12 0	14 0	1 6 0	0 11 1/5†	3,9	H.
25 00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	15·85	10	1 0	0 12*	0 12*	1 0*	3,9	T.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd. ..	Orient Paper	25·60	10	2 0	0 15	1 2	0 10	3,9	H.P.F.
1,25,49,070	67,82,768	1,55,90,914	96,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	14·75	10	1 8	1 8	1 4	0 10†	6,12	H.P.F.
20 00,000 } 10 00 000'A' }	6 50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10 12 10 12	O. 10 A. 10	0 12 0 12	0 12 0 12	1 4 1 4	}	3,9	H.P.F.
2,18,55,240	49 18 000	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	8·31	Nil	Nil	Nil	5 0‡ 0	8	6	Y.F.
56 00,000A. 56 04,800B. 4,37,500P.O.	3,41,28,015	5,94,12,293	3,25,93,943	1,22,815	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	33·50 33·50 4·00	A. 10 B. 10 P.O. 2½	2 0* 2 0*	1 8 1 8	2 0* 2 0*	1 2½* 1 2½*	3,9	H.P.
						PRESSING								
5,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule & Co.	Calcutta Hydraulic	90·00N	100	3 0	4 0	*Nil*	*Nil*	6	Y.
5,00,000	2,47,132	10,91,809	9,80,574	26,289	Andrew Yule & Co.	Central Hydraulic	125·00	100	4 0	5 0	5 0	6 0	6	Y.
						PROPERTY AND LAND								
2,00,7800. 5,00,900D.	6,93,332	48,52,570	22,63,270	46,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	18·50N 2·75N	O. 10 D. 1	0 11½ 0 9/8	0 9 3/5 *Nil*	0 9 3/5 *Nil*		9	Y.P.
60,00,000	14,00,051	83,91,859	16,91,500	.....	M.	Fort Canning Land	6·25	100	1 8	1s 8	*Nil*	*Nil*	4	Y.
94,00 000	36,70,109	98,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	21·00	100	1 8	4 0	3 0	*Nil*	4	Y.P.
						SAW MILLS AND TIMBER								
13,99,998	22,83,439	32,33,742	11,96,031	.....	Bird & Co. (Private) Ltd.	Assam Saw Mills	2·25	2	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
50,00 000 } 42,00,000 }	4,18,54,388	3,98,84,871	1,71,98,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	540·50 200·00	Old125 New50	15 0 6 0	20 0 8 0	37 8 15 0	40 0 16 0	6	Y.
6,00 000	.....	7,88,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25·00N	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P
60,00 000	21,15 487	19,00,295	14,35,560	2,76 619	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	37·75	10	2 8	2 12	3 0	1 01	6	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	12,38,302	42,04,482	29,87,602	—48,371	Begg, Sutherland & Co. Private Ltd.	Balrampur Sugar	6·50	5	*Nil*	0 12	0 1	*Nil*	6	Y.
12,00 000A. 3,00 000B.	29,80,260	55,40,831	36,35,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	180·00N 14·00N	A. 100 B. 10	10 0 1 0	10 0 1 0	10 0 1 0	10 0 1 0	4	Y.P.
19 40,850	8,25,000	33,76,107	25,31,589	73,488	Bangur Bros., Ltd.	Belsund Sugar	10·62	7½	0 12	0 12	0 12	1 0	9	Y.
15,00,000	13,51,518	18,12,168	12,47,841	2,330	Cotton Agents Private Ltd. ..	Bharat Sugar	15·25N	10	1 8	1 8	1 8	1 8	6	Y.
32,00,000	27,44,459	1,40,84,681	95,71,755	20,716	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7·25	10	*Nil*	0 12	0 4	*Nil*	6	Y.P.F.
30,00,000	65,63,722	1,63,27,398	86,27,338	91,991	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	14 12	10	2 0	0 12	0 12	0 12	10	Y.F.
18,00,000	39,72,850	81,68,085	55,45,244	29,503	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	16·75	10	1 0	1 0	1 8	1 0	10	Y.
5,99,452	6,18,562	24,58,330	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10·00N	10	1 0	0 12			6	Y.F.
50,00,000A. 10,00,000C.	44,95,000	1,02,71,005	67,56,074	33,122	Baabhraj & Co. Private Ltd.	Hindustan Sugar Mills	275·00 100·00	A. 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0	}	7	Y.P.
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	65·00 46·50	80 40	*Nil* *Nil*	*Nil* *Nil*	4 4		7	Y.P.
7 80,100	22,35,852	44,42,878	22,81,722	3,736	Cotton Agents Private Ltd. ..	New India Sugar Mills	25·00N	10	2 8	2 8	2 8	2 8	6	Y.P.F.
11,00 000	4,45,000	46,39,036	27,41,292	10,796	K. C. Thapar & Bros. Private Ltd. ..	New Savan	5·75	10	0 4	0 8	0 8	0 8	6	Y.
12,98,900 } 61,375 }	48,01,854	71,25,062	24,38,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill ..	225·00N 25·00	100 25	20 0 5 0	20 0 5 0	20 0 5 0	20 0 5 0	6	Y.
77,45,350	55,05,699	2,04,78,468	1,05,59,809	30,568	Cotton Agents Private Ltd.	Oudh Sugar	140·00	100	11 0	11 0	11 0	11 0	7	Y.P.
12,80 000	15,80,374	31,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd. ..	Punjab Sugar	100·50	100	10 0	10 0	6 0		10	Y.P.
9,00 000	19,64,817	43,99,385	31,54,223	20,705	Begg, Sutherland & Co. Private Ltd.	Puraitapore Co.	14·50	10	1 0	0 12	0 12	0 12	10	Y.
8,00,000	6,10,793	28,74,028	22,66,790	13,204	M.	Ryam Sugar	20·00	10	0 8	0 8	*Nil*	1 12	6	Y.F.
11,90,000	19,88,529	45,80,107	24,19,195	3,154	Begg, Sutherland & Co. Private Ltd.	Samastipur Central Sugar ..	11·25	10	0 8	0 8	*Nil*	*Nil*	6	Y.
39,70,525	22,68,560	1,40,84,861	66,84,007	16,381	Shree Krishna Gyanoday Sugar	Shree Krishna Gyanoday Sugar	9·87	10	1 8	1 8	1 12	1 0	6	Y.P.F.
9,99,950	26,825	28,20,774	13,51,547	—4,26,477	H. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4·75	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
7,95,462	18,82,940	31,60,735	17,68,068	1,06,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	18·00	10	2 0*	1 8*	*Nil*	*Nil*	6	Y.
9,15,000 } 4,40,000D. }	46,462	29 66,860	11,46,770	—16,37,907	M.	South Behar Sugar	1·00N 0·25N	O. 10 D. 2½	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		10	Y.P.F.
5,00,000	29,24,848	1,15,70,815	68,08,754	32,820	Cotton Agents Private Ltd.	Upper Ganges Sugar	16·50	10	1 8	2 4	2 8	3 0	6	Y.
16,00,000	7,66,589	32,69,951	26,68,926	26,564	M.	United Provinces Sugar	13·50	10	0 8	1 0	1 8		6	Y.
						Other Centres								
80,00,000	8,00,000	48,07,304	14,63,225	1,90,887	Rangarao & Co.	Andhra Sugars Ltd.	18·75	10	*Nil*	*Nil*	6	9 3/5	9	Y.
70,49,650	95,62,027	1,48,40,824	1,08 91,570	52 911	W. H. Brady & Co., Ltd. ..	Belapur Company	217·00	50	15 0	16 0	16 0	15 0	9	Y.
17,50 000	8,86,885	25,66,598	22 70,609	33,609	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	18·25	10	0 10	1 0	1 0	1 0	9	Y.P.
15,00,000	37 08,165	82,89,314	3,24,398	32,544	A. H. Bhiwandiwalla & Co. ..	Shree Changdeo Sugar	25·00	10	2 0	1 0	2 8	2 8	9	Y.
15,93 000	12,23,506	40,77,111	23,56,506	14,790	A. F. Ferguson & Sons (M.B.) Ltd.	Gwalior Sugar	70·00xd	100	*Nil*	*Nil*	*Nil*	6 0	6	Y.
55,94,920	14,89,827	33,70,627	19,25,045	6,76,986	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	15·50xd	10	2 8	1 12	1 6 2/5	1 2	6	Y.P.
20,62,558	12,13,785	46,34,172	11,11,606	32,569	R. S. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	13·75	10	1 0	1 0	1 0	0 9-8/5	6	Y.P.
33,57,625	45 51,082	48,51,327	31,95,327	18,545	Govan Bros. (Kanpur), Ltd. ..	Sulanki Sugar	14·50N	10	1 0	1 0	1 0	1 0	10	Y.
10,52,2000. 2,87,100D.	79,50,000	1,79,03,447	85,20,265	26,868	V. Ramakrishna, Sons (Private) Ltd. ..	K. C. P. Ltd.	135·00 145·00	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0	7 8 10 0	6	Y.P.
81,79,880	86,24,818	1,39,89,143	82,31,722	2,62,107	S. Muniasanjappa, Esq. (Mg. Director)	Mysore Sugar	87·50	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	53,00,540	1,09,70,681	62,35,454	92,981	Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	133·00	50	6 0	3 0	3 0	3 0	6	Y.
16,59 820	35,50,850	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	25·00	10	2 0	1 8	2 0	2 0	6	Y.
20,00,000O. 4,00,000D.	35,02,395	95,61,317	56,00,576	67,511	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	125·00N 7·00N	O. 50 D. 10	9 0 *Nil*	9 0 *Nil*	9 0 0 1 1/5	12 0 7%	9	Y.P.F.
19,99 600	47,65,824	46,85,213	32,98,954	44,168	Govan Bros. (Rampur) Ltd. ..	Rasa Sugar	16·50N	10	1 0	0 12	1 0	1 0	10	Y.
30,00,000	21,05,000	59,87,263	32,10,544	48,096	Parry Co., Ltd.	Travancore Sugars	16·50	10	1 0	1 0	1 0	1 0	7	Y.
1,01,00,000	1,08,46,263	2,28,80,653	99,17,710	1,75,780	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	244·00	100	14 0	16 0	18 0	21 0	9	Y.P.F.
						TRANSPORT								
80,00 000	00,69,622	1,24 00,708	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	180·00	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,87,619	4,41,65,564	1,85,09,519	1,54,925	Dimbaw (Private) Ltd.	Bharat Line	52·00N	100	5 0	5 0	5 0		12	Y.
80,00,000	31,60,611	3,31,00,904	59,35,706	38,315	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	19·30	10	1 0	1 0	*Nil*	1 0	6	Y.
£655,580	£1,098,198	£5,614,160	£3,397,581	£82,868	Kilburn & Co., Private Ltd. ..	India General Navigation & Rly Co.	65·25	£10	*Nil*	Sh. 1 0	5s. 10		11	Y.P.
2,25 00,000	89,99,282	9 64,47,644	2,22,99,146	25,920	Lions' Edwards Ltd.	India Steamship Co.	10·00	10	0 8	*Nil*	*Nil*	1 0	6	Y.P.
9,39 98,060	9,00,12,101	22,64,99,594	4,85,66,208	8,62,020	M.	Scindia Steam Navigation Co ..	17·00	20	0 12	0 8	0 8	1 0	6	Y.P.
6,40,800O. 10,300P.O. }	19,68,266	11,58,488	7,39,009	1,34,493	R. B. Aiyer, Esq., (Manager) ..	Walford Transport Ltd.	2·12 1·75	O. 1 P.O. 1	as. 1 9/25 as. 19/25	1 25/8 1 19/25	as 2 6/25 as.1 23/25		12	Y
						UNCLASSIFIED (Bombay)								
2,40,000	71,000	5,66,321	4,23,363	230	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530·00	200	32 0	32 0	32 0	30 0	9	Y.
15,98,800	2,04,172	2 26,474	90,000	1,99,851	M.	Bombay Upkeep	90·00N	50	5 0	4 0	*Nil*		12	Y.
25,00,000	1,00 000	22,87 814‡‡		225	M.	Devkaran Nanji Investment Co.	11·50	25	0 12	0 12	*Nil*		6	Y.
5,57,00,000	1,03,93,754	4,55,59,017	1,03,00,563	94,16,788	A. J. C. Hoskyns-Abrahall (Chairman).	Hindustan Lever	19·45	10			0 12	0 13	12	Y.P.F.
30,17,900	13,88,886	86,39,333	59,24,587	38,602	Birla Brothers Private Ltd. ..	Indian Cycles	8·00	10	1 0	10 0	10 0	1 4	12	Y.
14 98,840	3,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	37·75	50	*Nil*	2 0	2 0		12	Y.
99,99,250	20,12,980	1,22,60,062‡‡		3,23,876	Premchand Roychand & Sons ..	Industrial Investment Trust ..	70·00	100	4 8	4 8	4 8	5 0	12	Y.
99,99,975	85,05,351	35,47,882	8,04,331	4,499	K. G. Mitra, Esq. (Mg. Director)	Killick Industries	150·00	100	10 0	11 0	11 0	11 0	6	Y.
2,20,18,775 A.O.	39,14,265	3 06,59,581	1,49 96,326	6,05,448	Aero-Auto Private Ltd.	Premier Automobiles	87·25	100	*Nil*	*Nil*	*Nil*	6 0	6	Y.
10,21,200	5,05,419	8,09,102	5,79,614	7,254	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	28·00	20	2 0	2 0	2 0	2 0	12	Y.
2,75,00,000	1,35,45,829	3,14,84,161	1,59,08,376	5,07,238	Mr. A. Bydawi & Mr. S. Goldberg	Western India Match Co., Ltd.	156·00	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	62,52,390	7,44,904	5,09,715	90,677	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350·00	150	20 0	20 0	20 0	22 8	12	
						Other Centres								
47,80,000 } 3,80,000 }	1,94,82,556	3,78,51,606	73,16,869	1,16,199	J. K. Industries Private Ltd	Aluminium Corporation of India Ltd.	8·87 2·50N	O. 10 D. 2½	*Nil*	*Nil*	*Nil*	0 8	3	Y.P.F.
40,00 000	28 25,000	56,26,845	21,56,600	44,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	13·25	10	1 4	1 4	1 4	1 4*	3	Y.
30 00,000	26,18,873	84,21,252	22,94,853	3,35,874	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	17·62	10	1 4	1 4	2 0*	2 0*	3	Y.
30,00,000	15,70,000	39,92,721	21,20,441	1,72,873	Mr. A. Bydawi & Mr. S. Goldberg	Assam Match Co., Ltd.	17·50	10	1 4*	1 4*	1 4*	1 4*	12	Y.P.F.
20,00,000	32,47,883	1,02,58,021	56,87,830	2,45,122	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	7·50N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 8-1/5	6	Y.
80,01,400	1,16,83,000	67 47 111	23 97 111	5,08,129	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	145·12	100	20 0*	13 0‡	12 8		6	Y.
12,00,000	12,56,000	33,30,380	25,71,386	90,879	Balmer Lawrie & Co., Ltd.	Benaras Flour Mills Co., Ltd. ..	25·12	10	1 8	2 8	2 4	2 8	12	
20,00,000	8,05,715	62,28,492‡‡		37,612	Lovelock & Lewis	Birds Investment Ltd.	13·87	10	1 4	1 4	1 4	1 0	9	
45,97,020	30,11,814	1,10 66 424	33,87,889	1,79,277	K. Jullan Scott, Esq. (Mg. Director).	Britannia Biscuits	13·12	10	0 8	0 12	1 0	1 0	12	
2,25,00,000	1,16,11,805	2,82,29,005	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	5·00	5	0 8	0 3	*Nil*		3	
1,88,80,000	17,84,264	2,03,27 282‡‡		12,76,052	Andrew Yule & Co., Ltd.	Clive Investment	9 00	10	0 4 1/5	0 3 1/5	0 0 9	1 6	12	
1,60,00,000	3,40,86,174	5,55,01,695	2,48,71,107	13,24,595	John Luckham, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	18·00xdxr	10	1 8	1 4	1 8	1 8	12	
51,25,000	54,10,851	1,72,17,775‡‡	.....	3,57,916	Bird & Co. Private Ltd.	Eastern Investments Ltd.	105·00	100	9 0	9 0	9 0	9 0	12	
14,00,000	10,08,000	33,31,777	18,89,272	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co. Ltd.	107·50	100	20 0	15 0	15 0		6	
65,00,000	53,17,300	19,73,012	9,19,068	39,541	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	11·00	10	7 8	7 8	1 6 2/5	1 9 3/5	3	
30,00,000	14,67,354	81,29,620	33,68,992	7,458	B. P. R. Syndicate	Great Eastern Hotel	226·00N	100	15 0	6 4	6 8	15 0	3	
4,98,05,700	....	3,94,18,142	1,31,88,541	6,16,062	Birla Brothers Private Ltd.	Hindustan Motors	7·00	10	*Nil*	*Nil*	*Nil*	*Nil*	12	
2,01,10,000	56,56,543	4,80,45,205	1,96,84,143	7,87,451	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co. Ltd. ..	12·87	10	*Nil*	*Nil*	9 0	1 0	12	
1,58,89,220	1,37,00,000	1,99,38,789	71,50,911	35,04,214	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	22·87	10	1 4*	1 0*	1 8	1 8*	3	
3,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Monilon & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	21·25	10	0 12	0 8	0 8	0 10	3	
15,12,00,000	7,89,02,692	4,16,59,461	1,63,22,877	24,94,274	Mr. G. H. J. Clarke (Chairman ..	Imperial Tobacco Co. of India Ltd.	14 12	10	..	0 9 3/5	0 12 4/5	0 12 4/5	3	
2,00,00,000	57,29,556	87,46,656	11,05,843	5,11,882	G. M. Mackinlay, Esq.	Jardine Henderson	75·00	100	7 8	7 8	7 8	7 8	3	
5,00,00,000D.	80,86,909	26,18 922	8,78,670	2,57,284	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	210·00 —	O.100 D.O.10	10 0 0 8	17 0 1 3 1/5	2 8 1 12		12	
1 43,96,500	81,82,796	24,06,298	13,34,790	2,70,307	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	22·25	10	1 6*	1 0	1 12*	2 2*	3	
1,15,00,000	55,50,000	1,88,87,978	73,00,772	16,24,349	H. Chiswell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	24·00	10	1 0	1 0	1 4	1 10	3	
6,35,585	1,55,250	7,83,598	2,80,987	—2,38,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works	8·75	10	*Nil*	*Nil*	*Nil*		12	
6,56,250	9,18,696	11,19,541	5,51,088	440	Mr. J. L. D'Sa (Controller	Mysore Lamp Works	15·50	10	1 0	1 0	0 12	0 14 2/5	3	
10,00,000	2,19,500	15,84,005	9,41,427	44,512	M. H. Parthasarathi Esq. (Chairman)	Wrenger Glass	14·50	10	1 0	1 4	1 8	1 8	3	
2,00,00,000	78 15,505	1,50,98,462	50,60,695	21,19,752	J. R. Galloway, Esq. (Mg. Director).	National Carbon Co. (India) Ltd.	23·56xd	10	3 0	4 0	3 4	1 8	12	
40,00,000	74,71,173	68,80,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	20·12	10	1 0	1 0	1 8*	2 0*	6	
40,00,000	15,00,000	98,10,295	21,17,403	75,726	Do	National Rolling & Steel Ropes	9·37	10	0 9	0 9½	0 9½	0 9½	6	
79,97,000	....	1,17,52,757	57,19,268	8,99,582	B. N. Elias & Co., Ltd.	National Tobacco Co.	9·87	10	*Nil*	*Nil*	0 12 4/5		12	
2,25,00,000	3,71,245	1,45 28,418	44,22,274	—44,12,925	M. P. A. Pazpatti, Esq.	Nellis (Inc) Ltd.	34·50	100	*Nil*	*Nil*	*Nil*		10	
1,72,24,408	1,31,20,208	7,56,34,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	17·81	10	1 4	1 8	1 8		10	
40,00,000	37,06,558	1,21,67,804	75,00,927	6,32,212	O. W. Stephenson, Esq.	Spencer & Co., Ltd.	16·70xd	10	1 8	1 8	1 8	1 8	12	
75,00,000	54,13,860	17,49,8161	5,58,685	8,66,580	S. M. Smith, Esq. (Mg. Director) ..	Shaw Wallace & Co., Ltd. ..	11·31	10	1 0	1 4	1 8		12	
9,98,380	.....	14,51,909	4,58,782	—47,988	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	8·50	10	*Nil*	*Nil*	*Nil*	*Nil*	12	

M.—Managed by Board of Directors. †† Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each ,which subsequently were divided into shares of Rs .10 each.

Z—In the case of Belapur Co. the proportionate dividend[on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	8,70,619	11,34,864	5,35,169	....	McLeod & Co., Ltd.	825	Amluckie	27.00	10	25 0	72 0	19 0		12	Y.P.
3,50,000	8,43,250	10,69,903	2,42,089	77,477	R. K. Kanoria, Esq.	439	Ananda (Assam) Tea ..	36.00	10	1 4	7 81			12	Y.
3,50,000	8,93,250	11,21,676	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd.	437	Ananda Bag	23.00	10	2 8	5 0*	1 0		12	Y.
3,50,000	11,21,541	17,56,485	7,08,437	28,051	McLeod & Co., Ltd.	513	Baghmari	20.50	10	*Nil*	2 8	1 0		12	Y.
5,10,000	9,10,000	12,35,583	4,59,309	66,725	Andrew Yule & Co., Ltd. ..	578	Bamuttia	31.12	10	2 8	3 0	1 0		12	Y.
3,20,880	4,65,000	11,68,776	7,13,769	50,298	National Tea Corporation ..	570	Batiel	27.00	5	2 0	4 0	2 0		12	Y.
2,20,000	9,40,000	10,37,063	3,05,925	66,155	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	25.50	10	2 0	10 0*	2 0		12	Y.
16,50,000

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING ; PRODUCE AND RUBBER														
3,00,000	1,50,000	3,92,380	81,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3-35	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,853	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	7.15	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Consolidated Coffee	22·10	10	1 8	1 12	2 4	2 0	6	Y.P.
71,55,000	45,87,750	1,19,65,380	25,13,636	1,12,312	R. C. Paterson, Esq.	Cottanad Plantations	17·25	10	1 8	1 8	1 12*	1 8	3	Y.P.
4,00,000	6,47,666	7,58,759	40,878	1,009	Associated Planters Ltd.	Highland Produce	14 00xd	10	1 4	2 8	2 0	0 10‡	12	Y.P.T.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24·00	10	2 0	2 0	2 12	2 0	4	Y.
4,00,000	10,92,599	18,33,925	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Maiankara Rubber	28·75	10	5 8	2 4	2 4	3 4	3	Y.
9,00,000	8,17,955	5,85,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Midland Rubber	16·15	10	1 8	1 12*	2 8	2 0	3	Y.P.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Neameny Rubber	20·25xd	10	0 12	1 8	1 8	....	4	Y.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nilambur Rubber Co.	16.25	10	1 0	1 0	1 8	....	12	Y.P.
2,00,000	2,88,500	7,91,436	50,977	5,110	Associated Planters Ltd.	Ouchterlony Valley Estates ..	4·65	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
19,45,980	21,29,615	43,87,395	14,23,968	Nil	Peirce, Leslie & Co., Ltd. ..	Rajagiri Rubber	17·00	10	1 0	1 12*	2 8	2 0	12	Y.
13,50,000	9,90,000	42,15,515	5,42,127	8,087	A. V. Thomas & Co., Ltd. ..	Sayamalai Estates Ltd.	19·25	10	3 0	2 8	1 0	1 8	11	Y.
3,66,780	3,50,000	7,77,412	78,473	71,342	Peirce, Leslie & Co., Ltd. ..	Tevkoy Rubber (India) Ltd. ..	8·00	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
10,00,000	3,09,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Thamarapally Rubber	27·00xd	10	3 0	3 0	3 0	....	12	Y.P.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1·60	1	0 4½	0 1 3/5	0 2	....	9	Y.
9,15,300	4,00,000	20,99,924	96,217	27,055	Peirce Leslie & Co., Ltd. ..	Travancore Rubbers	16.00	10	2 0	2 0	3 0	0 2	9	Y.T.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Hendas, Esq. (Mg. Director)	Travancore Tea Co., Ltd. ..	8·72	10	1 0	1 0	1 4	0 12	12	Y.P.
41,00,000	13,61,221	81,07,222	12,64,246	3,46,523	Aspinwall & Co. (Travancore) Ltd.	Tropical Plantations Co.	30·25xd	25	3 0	5 0	4 0	....	12	Y.
20,00,000	....	27,70,782	6,45,980	27,027	P. T. Thomas, Esq. (Mg. Director)	Vallumdam (Travancore) Rubber ..	29·40	10	2 0	2 4	2 8	1 8‡	12	Y.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd. ..	Woodland Estates	9·50	10	1 0	1 8	2 0	1 4	3	Y.P.T.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)									

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60 00 000	47,00,000	1,06,27,544	56,37,664	29,690	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	7.87	10	1 0	1 10	0 10	0 4	3.9	H.T.P.
6 00 000	10 25,000	53,46,050	37,72 102	2 45,707	McLeod & Co., Ltd.	446	Alexandra	135·00xd	100	2 8	7 8	10 0	5 0‡	6.12	H.T.P.
30,00,000	5,25,000	1,17,01,827	94,41,069	34,402	McLeod & Co., Ltd.	1,264	Alliance	69·00	100	5 0	12 0	6 0	N. A.	6.12	H.P.
49,20,700	69,00,000	2,95,90,382	1,93,15,000	2,80,192	Duncan Bros. & Co., Private Ltd.	2,561	Anglo-India	133·50	100	12 0	7 8	8 8	9 8	3.9	H.P.
20,00,000	23,80,918	1,78,37,979	92,01,344	11,377	Bird & Co. Private Ltd.	810	Auckland	78.00	100	4 0	3 8	10 0	1 0‡	3.9	H.P.T.
£275,000	£667,405	£1,477,480	£987,176	....	Jardine Henderson & Co.	959	Bally	137·00	100	4 0	Nil	3 8	Nil†	3.9	H.P.
28,00 000	28,00,823	57,03,172	31,28,574	2,585	Sir John H. Burder (Chairman) ..	1,889	Barnagore	83·00	£5	£1 0	sh. 15	sh. 15	Nil	3.9	Y.P.
45,00,000	38,45 000	57,03,172	31,28,574	2,585	Andrew Yule & Co., Ltd.	820	Belvedere	80.00	100	15 0	10 0	7 8	Nil †	6.12	Y.P.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,051	2,65,100	Soorajmull Nagarmull	600	Bengal	14.37	10	1 4	1 2	1 2	....	6	Y.P.T.
36,00,000	21,81,426	1,17,90,047	72,95,930	1,336	Birla Brothers Private Ltd. ..	1,373	Birla	13.50	10	3 0	1 0	1 0	1 0	3	Y.P.
7,47,380	3,09 640	42,13,704	31,62,683	—6,31,470	Andrew Yule & Co., Ltd.	991	Budge-Budge	90.00	100	10 0	9 0	7 8	Nil	6.12	H.P.
15,00,000	26,46,234	87,35,841	43,24,064	1,332	Dayaram & Sons	502	Calcutta Jute Mfg.	8·50	10	Nil	0 12	Nil	....	6.12	H.P.T.
59,16,400	95,49,238	1,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd.	616	Caledonian	102·00	100	12 0	9 0	6 8	Nil †	5.11	H.
15 95,000	19,38,032	82,12,211	57,10,175	1,387	Andrew Yule & Co., Ltd.	600	Champdany	112.00	100	6 0	8 0	10 0	2 0‡	3.9	H.
30,15,000	32,00,000	66,68,762	48,43,666	1,01,027	McLeod & Co., Ltd.	530	Cheviot	126·00	100	12 0	14 0	10 0	Nil †	5.11	H.P.
24,00,000	9 00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	969	Chhatrakali	11.87	10	1 12	1 2	1 6	0 10‡	6.12	H.P.T.
81,49 200	46,65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co. Private Ltd.	766	Clive	13.75	10	Nil	Nil	1 6	0 3	6.12	Y.P.
28,00,000	40,71,679	76,67,475	47,30,110	2,564	Andrew Yule & Co., Ltd.	779	Delta	78.00	100	4 0	2 8	4 0	Nil	3.9	H.P.T.
21,00,000	34,30,000	83,93,104	60,35,660	76,491	McLeod & Co., Ltd.	500	Empire	78.00	100	20 0	12 0	10 0	Nil	5.11	H.P.
21,00,000	60,60,990	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	14.25	10	1 0	1 0	1 4	0 8‡	6.12	H.T.P.
84,32,100	97,95,274	1,34,63,693	1,34,822	—2,67,452	Jardine Henderson Ltd.	1,014	Fort William	290·00 N	100	Nil	5 0	15 0	7‡	6.12	H.P.T.
10,80,000	25,00,000	2,11,07,224	1,32,88,525	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	16·25	10	0 12	1 4	20 0	0 12‡	3.9	H.T.P.
24,00,000	29,32,827	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	807	Gondalpara	47.00	100	Nil	0 8	2 8	Nil †	3.9	H.
40,00,000	2,19,06,813	1,61,28,425	25,195	Nil	Macneill & Barry Ltd.	1,394	Gouripore	700·00	300	15 0	Nil	....	....	12	Y.
16,80,000	18,61,989	66,47,731	47,70,916	—2,95,258	Bangur Bros., Ltd.	1,078	Hastings	224·00	100	8 12	10 0	15 0	2 8‡	3.9	H.
25,65 500	27,00,000	49,54,372	1,82,485	57,034	Jardine Henderson Ltd.	816	Hooghly	109·00 N	100	10 0	10 0	11 8	5 0	3	H.P.
52,50,000	27,86,153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	15.00	10	1 4	0 8	1 4	Nil	3	H.T.P.
67,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	20·00	10	3 8	3 0	2 0	2 0	3.9	H.P.T.
24,00,000								127.00	Q. 125	6 4	3 2	4 11	4 11‡	3,9	H.
19,20,000 B	18,75,346	1,85,39,772	1,15,01,808	....	Jardine Henderson Ltd.	1,797	Kamarhatty	—	D. 74	0 4/5	0 2/5	0 3/5	3%		
30,00,000								90.00	100	9 0	8 0	2 8	Nil †	6,12	H.P.
24,00,000 B	9,81,473	1,74,14,302	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankanarah	76.00	'B' 100	9 0	8 0	2 8			
								60.00	100	7 0	6 0	1 0	Nil †	6,12	H.P.
21,00,000	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd.	703	Kelvin	49·50	'B' 100	7 8	6 8	1 0			
54,00 000	28,83,375	1,72,56,983	1,18,60,127	56,928	Anderson Wright Ltd.	1,530	Khardah	170.00	100	15 0	20 0	17 8	5 0‡	6.12	H.P.
1,08,00,860	1,08,00,860	2,44,37,944	1,15,65,122	21,637	F. W. Heilgers & Co., Private Ltd.	1,950	Khinison	117.00	100	17 0	12 0	12 8	6 0‡	3.9	H.P.T.
24,48,000	39,51,564	1,11,32,345	47,99,244	—2,12,719	Bird & Co. Private Ltd.	931	Lansdowne	135.00	100	9 0	7 0	13 0	6 0‡	3.9	H.P.T.
28,00,000	65,75,102	1,16,29,380	64,57,897	2,793	Bird & Co. Private Ltd.	840	Lawrence	90.00	100	7 0	2 0	7 0	Nil †	3.9	H.P.
81,65,200	26,36,145	2,64,13,349	1,26,97,309	1,94,942	M.	1,283	Megna	91.00	100	6 0	4 0	6 0	Nil †	3.9	H.P.
29,98,900	38,40,147	1,94,91,466	1,01,97,573	—3,09,111	F. W. Heilgers & Co. Private Ltd.	816	Nalhati	65.50	100	5 0	2 8	3 12	3 12‡	3.9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	49.00	100	Nil	Nil	Nil	Nil	3.9	H.
35,00,000	41,54,326	80,25,401	52,92,914	1,929	Andrew Yule & Co., Ltd.	858	National	19·50xd	10	2 0	1 8	2 0	1 0‡	4.10	H.T.
26,25,000	27,00,000	58,31,476	20,72,256	1,29,411	McLeod & Co., Ltd.	816	Nellimarla Jute	10.75	10	2 0	1 8	1 12	0 6	4.10	H.P.
85,50,000	2,71,44,342	4,29,15,627	96,26,548	8,71,293	Sahu Jain Ltd.	1,765	New Central†	11.62	10	1 8	1 8	1 0	0 8‡	6.12	Y.P.
19,79,880	49,75,198	1,18,50,847	51,83,018	70,117	Bird & Co. Private Ltd.	567	Norddrook	20.31	10	1 2	1 4	1 8	1 0‡	12	Y.P.T.
66,79,500	22,24,361	2 18,55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	1,092	Ottakhar	22·37	50	1 8	1 4	1 8	1 8‡	3.9	H.P.T.
24,93,250	23,73,799	75,07,658	50,85,690	837	Andrew Yule & Co., Ltd.	601	Orient	107·00	100	9 8	10 0	8 0	Nil †	3.9	H.
24,00,000	5,25,000	80,98,487	65,22,168	51,595	McLeod & Co., Ltd.	400	Presidency	3.62	5	0 2	0 3	....	....	5.11	H.P.
20,00,000	2,49,731	20,97,278	8,39,130	—9,18,218	Birla Brothers Private Ltd. ..	305	Rameshwara	4·62	10	Nil	Nil	Nil	Nil	6.12	H.T.
49,50 000	5,82,465	1,23,83,629	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance	7.00	10	0 3	Nil	Nil	Nil †	3	H.P.
8,600 000	61,062,718	41,245,244	....	458,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	9·25	£1	10%	10%	8%	8%‡	3.9	H.P.T.
80,00,000	18,14 910	1,15,50,877	79,99,145	7,972	Bagaria More & Co., Ltd.	911	Shree Ambica	14.00	10	0 8	1 0	0 8	0 8	3.9	Y.P.
14,00,000	11,25,000	66,11,794	36,79,294	3,158	Hindustan Investment Corporation	401	Soorah	14.00	10	0 8	1 0	0 8	0 8	3.9	H.P.
35,10 800	48,75,198	1,27,36,246	58,25,439	—4,87,157	Bird & Co. Private Ltd.	550	Standard	59.00	100	6 0	6 0	6 0	Nil	6.12	Y.P.T.
£600,000	£925,119	£1,137,660	....	£88,548	Thomas Duff & Co. (India), Ltd. ..	1,704	Titaghur	9·25	£1	10%	10%	8%	8%‡	3.9	H.P.T.
85,98 800	88,06,723	2,00,00,806	84,38,958	18,334	Bird & Co. Private Ltd.	1,326	Union	100·00	100	6 0	8 0	10 0	1 0‡	12	Y.P.
£400 000	£680,035	£1,124,819	....	£80,561	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	9.25	£1	10%	10%	8%	1 0‡	3.9	H.P.T.
2,50,000	6,35,000	56,01,062	40,73,921	11,327	McLeod & Co., Ltd.	457	Waverley	3.12	1	0 1	0 8	0 8	Nil	6.12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs	Reserves Rs	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	28,010	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	16.00	10	1 0	1 5	1 6	0 8‡	3.9	H.
12,00,000	8,77,642	37,37,084	34,90,182	45,399	Jardine Henderson Ltd.	Bararee Coke	16.25	10	1 0 2/5	1 7 1/5	1 7 1/5	0 9 3/5‡	3.9	H.
4,49,350	1,05,000	9,25,911	5,64,876	4,078	Kalyanji Mavji & Co.	Bengal-Bhatdee	5.50 N	10	0 4	0 4	0 4	0 10‡	3.9	H.
1,00,00,000	1,60,25,785	6,10,10,840	4,19,73,935	9,44,153	Andrew Yule & Co., Ltd.	Bengal Coal	213.00	100	82 8*	30 0*	£35 0*	0 10‡	6.12	Y.P.
2,25,000	5,30,653	24,81,732	22,33,534	1,07,984	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14.00	10	Nil	Nil	Nil	17 8	12	Y.P.
15,97,000	8,73,158	41,59,255	22,98,365	—2,42,192	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	4.75	10	0 8	Nil	Nil	....	12	Y.
40,00,000	8,00,000	1,39,06,662	71,05,188	87,433	Sahu Jain Ltd.	Bharat Collieries	5.04	10	0 12	0 10	0 10	....	9	Y.
7,15,000	16,11,080	52,62,588	37,38,500	—1,87,446	F. W. Heilgers & Co. Private Ltd.	Bhuiandarrare	13.00 N	10	Nil	Nil	Nil	....	3	Y.P.T.
34,29,026	34,29,026	42,39,603	26,58,408	84,207	F. W. Heilgers & Co. Private Ltd.	Borrea	16.81	10	2 12	2 0	2 0	....	6.12	H.Z.
90,92,480	1,79,05,998	4,22,86,047	1,90,16,824	84,158	Bird & Co. Private Ltd.	Burrakur	22.12	10	2 0	2 0	2 0	....	6.12	H.P.
49,27 750	....	42,33,430	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central India	5.94	10	0 9	0 10	0 8‡	....	6.12	H.P.T.
6,00,000	13,39,690	49,11,827	33,03,469	69,009	M.	Central Kurkend	11.00 N	10	0 4	0 4	0 4	0 8	3	Y.
6,00,000	1,43,576	7,28,436(k)	....	2,109	F. W. Heilgers & Co. Private Ltd.	Churia	1.87	10	0 12	0 4	....	....	12	Y.
2,40,000	£390,553	£970,695	58,31,704	—1,88,818	Macneill & Barry Ltd.	Dhemo Main	5.62	10	0 2	0 1	0 1‡	....	6.12	H.
29,63,780	38,55,049	4,04,51,377	1,89,25,964	82,193	Jardine Henderson, Ltd.	East Indian	24.00	10	Nil	Nil	Nil	....	6.12	Y.
10,00,000	1,40,999	13,81,144	4,38,557	23,358	Macneill & Barry Ltd.	Equitable	23.00	£1	2 8	3 0	....	....	4	H.P.T.
12,00,000	1,32,000	41,36,247	23,43,143	1,144	Bhatter's Agency Ltd.	Ghusick and Musiia	13.50 N	10	1 8	1 8	2 8	0 4‡	6.12	H.P.T.
3,00,000	7,25,000	22,07,121	15,89,841	45,186	Macneill & Barry Ltd.	Hingir-Rampur	30.75	10	0 8	0 8	0 4	....	3	Y.
22,00,000	1,12,000	24,74,413	6,18,546	—5,57,298	Balpaia Trust Ltd.	Hurriladih	21.00	50	Nil	Nil	2 4	2 4	3	Y.P.
3,50,000	3,42,000	18,54,857	7,23,068	....	Andrew Yule & Co., Ltd.	Jogta Coal	1.50	10	1 8	1 12	2 8	....	6.12	H.
20,00,000	1,77,175	38,89,583	4,05,140	6,965	Andrew Yule & Co., Ltd.	Kalapahari	20.00	10	Nil	Nil	....	....	12	Y.P.
5,00,000	16,60,000	46,77,583	36,47,985	1,33,474	Andrew Yule & Co., Ltd.	Karanpura Collieries ..	88.50	100	2 12	Nil	Nil	....	3	H.
1,38,400	5,72,960	12,85,941	6 72,960	—2,60,236	Beriwala & Co.	Katras Jherlah	55.00	10	Nil	Nil	2 8	5 0	3	Y.P.
11,00,240	64,314	16,80,329	10,66,899	10,611	H. V. Low & Co. (Private) Ltd. ..	Khas Kajora	4 0	10	4 0	4 0	5 8	....	1.7	H.
9,00,000	11'11,926	28,38,749	22,36,193	4,708	H. V. Low & Co. (Private) Ltd. ..	Kuardi	2.50 N	10	Nil	Nil	....	....	6.12	Y.
7,46,240	2,00,000	13,13,208	9,66,219	81,201	Tantia Brothers Ltd.	Lakurka	7.50 N	10	Nil	Nil	Nil	....	3	Y.
7,00,000	26,617	10,33,740	5 20,295	4,583	Amrital Oiha & Co., Ltd.	Nasira	6.75	10	0 8	0 4	0 2	....	4	Y.
17 76,280	20,01,763	1,19,78,853	88,63,066	94,382	Andrew Yule & Co., Ltd.	New Bansdeopur	9.00 N	10	0 8	0 8	0 8	....	12	H.
5,00,000	75,000	33,00,471	21,30,197	79,222	Octavius Steel & Co., Ltd.	New Manbhoom	14.44	10	0 12	1 4	....	....	6.12	H.
1,15,000							1 0	10	1 0	1 2	1 0	....	4,10	H.
1,57 500	2,85 193	13,07,219	8,64,731	18,950	Andrew Yule & Co., Ltd.	North West	9.00	10	Nil	Nil	Nil	Nil	3.9	H.
7,50 000							19.25	10	0 4	Nil	1 6	0 12‡	3,9	H.
10,00,000	12,21,853	5,17,666	2,97,866	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	18.50	7½	0 8	Nil	1 0½	0 9‡	3.9	H.
8,34,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	8.00 N	10	2 0	1 0	1 0	....	6,12	H.P.
18,75 000	10,050	19,86,766	8,59,957	61,987	Deepchand Kishenlal	Parasea	13.00 N	10	0 8	0 8	0 4	....	12	H.P.
23 99,500	16,50,000	49,91,252	36,61,252	35,734	Shaw Wallace & Co. Ltd.	Pench Valley	19.50	10	0 4	0 12	1 0	....	6,12	H.
18,50 000	20,17,100	1,24,35,583	87,86,164	28,188	B. N. Elias & Co. Private Ltd. ..	Raneegunge	14.50	10	1 10	1 10	1 8	0 11 1/5‡	3,9	H.
20,00,000	10,45 115	38 50,365	29,71,364	15,911	Shaw Wallace & Co., Ltd.	Rewa	10.25	10	Nil	0 8	0 10	0 6	3,9	H.
3,50,000	3,00,000	44,28,585	18,73,118	3,20,175	Jaipuria Sons Ltd.	Samla Collieries	19.50	10	2 0	1 6	0 14	0 12‡	6,12	Y.
2,80,000	1,95,802	19,78,480	12,21,237	21,070	M.	Searsole	11.00 N	10	0 8	0 12	1 0	....	12	Y.
5,00,000	5,81,286	29,99,490	19,07,996	49,299	Andrew Yule & Co., Ltd.	Seebpore	6.00 N	24	0 10	0 10	0 12	....	12	H.
68,51,450	23,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Government of Hyderabad)	Sendra	26.50	7	1 12	2 0	2 8	....	6,12	H.
							7.50 N	10	Nil	0 2	0 4	....	6,12	H.
17,50,000	10,89,693	38,95,664	16,16,434	10,407	Bird & Co. Private Ltd.	Singareni	10.50	10	Nil	0 11 1/5	0 12	....	12	Y.T.
5,00,000	14 01,063	1,89 57,579	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	South Karanpura	8.25	10	0 4	0 8	0 8	0 5 3/5	3.9	Y.
10,00,000	12 950	31,30,415	15,43,502	—370,421	Villiers (Private) Ltd.	Standard	18.75	10	2 0	1 8	1 0	1 0	12	Y.
2,50,000	2,80,000	20,47,944	15,85,944	—9,859	Williamson Magor & Co., Ltd. ..	Talcher	1.55	2½	Nil	Nil	Nil	....	3	Y.
49,98,000	67 084	56,56,350	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	15.25	10	1 12	0 12	Nil	....	6,12	H.
7,00,000	21,569	56,46,871	23,31,698	—1,46,550	Macneill & Barry Ltd.	Western Bengal	5.12	10	0 6	0 6	0 3	0 8	6,12	Y.
						Western Jamuria	7.50	10	Nil	Nil	Nil	....	6,12	H.

M—Managed by the Board of Directors. † Less income-tax. s) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
‡—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P.—Bengal Coal Co. Dividend from 1953 to 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each.

Notice

SWADESHI COTTON MILLS COMPANY LIMITED
KANPUR

NO

FOR YOUR RECORD

TAX PROPOSALS MODIFIED

THE Finance Minister, Mr. T. T. Krishnamachari, announced in the Lok Sabha on Friday last, a number of changes in the budget proposals made by him on 15th May 1957. The changes are as follows:

Excise Duties: The increases proposed in the rates of excise duty on tea and coffee have been withdrawn. With regard to matches, it is proposed to give adequate protection to small producers. The question of relief in respect of excise duty on tobacco is being examined and the difficulties that have been pointed out and found to be genuine will be remedied by administrative action.

Postal Rates: The increases in the rates of post cards, including local cards and on parcels, have been dropped. It is now proposed that the initial slab of weight for inland letters, including business reply envelopes, should be raised from one tola to 1½ tolas and the rates for such inland letters should be raised from 13 nP to 15 nP. The additional weights will also be computed in 1½ tolas, instead of 1 tola as at present, and the rate will be increased from 6 nP to 10 nP.

Railway Fares: Exemption is proposed to be granted from the tax on passenger fares for the first 15 miles. But there will be a tax of 5 per cent. on journeys above 15 miles and upto and inclusive of 30 miles. The other slabs will remain as proposed in the Finance Bill.

Income-tax: While the minimum taxable limit will remain at Rs. 3,000, it is proposed to make a further addition to the marriage allowance already provided for. There will be an allowance of Rs. 300 per child subject to a maximum of Rs. 600. But this allowance will not be admissible to persons with incomes above Rs. 20,000. In these cases, the marriage allowance of Rs. 2,000 provided for in the budget proposals will be withdrawn.

Wealth Tax: A wealth tax holiday is proposed for the first five years from the date of incorporation on the value of the assets pertaining to an industrial undertaking of a new company. However, such an undertaking should not be formed by the splitting up or the reconstruction of business already in existence or by transfer to a new business of buildings, machinery and plants already used in an existing business. It is also proposed that investments of one company in another company should not be included for the purpose of wealth tax in the hands of investing company.

DELHI LETTER

(*Concluded from page 1132*)

If the Government's expenditure in 1957-58 out of the year's estimated national income of about Rs. 11,870 crores constitutes 12.3 per cent., Government's contribution to the national product (through wages and salaries on the administration side, net output of departmental commercial undertakings and wage and salary component of Government outlay on construction) constitutes 4.5 per cent. As capital formation directly and indirectly by the Central Government constitutes 7.3 per cent. of the national income, such capital formation which is overwhelmingly in the public sector may be said to absorb at least three-fourths of the savings of the community as a whole if the rate of savings in 1957-58 is liberally assumed at 9.5 per cent. of the year's estimated national income. The lesson is obvious: the private sector is having less and less of the community's savings to draw upon for its expansion. How, in the circumstances, the private sector could reach its investment targets under the second Plan is anybody's guess. If the direct impact of the Central Budget on the economy is of this serious magnitude, one may well infer what the indirect effects of taxation on incentives would be.

Twenty-two Government intermediate colleges in Uttar Pradesh will be converted into multipurpose colleges from the next academic session, according to a plan which is being finalised by the State Education Department. Metal crafts of higher technological type, overseers course, textile technology, and commercial and industrial education will be introduced in the proposed multipurpose colleges.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
15,00,000	1,08,00,000	12,42,652	Allahabad Bank	360.00	100	18 0‡	18 0‡	18 0	9 0‡	12	Y.P.
14,50,000				180.00	50	9 0‡	9 0‡	18 0	9 0‡		
1,01,000	16,63,000	11,996	Andhra Bank	115.75	100	6 8	7 8	6 8	8 0	6,12	H.
33,58,500				99.00	70	3 4	3 12	4 8‡	5 9 3/5		
1,00,00,000	1,28,00,000	4,75,752	Bank of Baroda	102.00	50	6 0‡	6 0‡	6 0	7 0	12	Y.
50,00,000	22,50,000	2,706	Bank of Bikaner	23.00	25	0 12	0 12	0 14	1 2	12	Y.
2,50,00,000	3,10,00,000	15,54,924	Bank of India	138.50	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
50,00,000 'A'				138.00	50'A'	...	...	...	...		
15,30,375	27,00,000	67,486	Bank of Indore	52.00N	25	1 8	3 0	3 8	4 0	12	Y.
50,00,000	22,25,000	23,734	Bank of Jaipur	31.75xd	50	16 0‡	2 0	2 0	2 8	12	Y.
50,00,000	84,00,000	5,91,911	Bank of Mysore	246.50	100	2 8	16 0‡	16 0‡	16 0‡	12	Y.
61,21,700	58,75,013	10,069	Bombay State Co-operative Bank	57.00N	50	4 8	2 8	2 0	...	6	Y.P.
15,00,000	82,00,000	88,502	Canara Bank Ltd.	86.00	50	5 0‡	4 8	5 0	5 0	12	Y.P.
7,50,000	12,75,000	3,992	Canara Banking Corporation Ltd.	80.00	50	3 0	5 0	5 8‡	5 0‡	12	
5,72,220 'A'	18,00,000	16,676	Canara Ind. & Bkg. Syndicate Ltd.	177.50	100 'A'	9 0	12 8	12 8	15 0	12	Y.
23,787 'C'				1.86	1 'C'	9%	12½%	12½%	15%		
2,62,11,875	4,02,77,123	18,23,048	Central Bank of India Ltd.	52.00	25	3 0	3 0	3 0	3 8	12	R.L.Y.
52,42,375				54.50	25	2 0	4 0	3 0	3 8		
50,00,000	84,50,000	2,13,141	Devkaran Nanjee Banking Co.	88.50	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,46,911	Habib Bank (P)	72.00N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	32,75,000	1,51,946	Hind Bank	32.00	50	Nil	1 8	3 0	3 0	12	Y.
1,25,00,000	15,48,000	16,919	Hindustan Commercial Bank	9.75	50	Nil	Nil	Nil		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	12.00	50	5 0	Nil	Nil		12	Y.
44,00,000	90,50,200	8,13,491	Indian Bank	185.00	100	10 3‡	12 0‡	12 0	13 0	6,12	R.L.H.
21,00,000					95	7 3‡	10 3‡	10 12‡			
				145.00	75	6 0	7 3‡	7 12‡	9 12		
49,20,375	36,00,000	2,52,286	Indian Overseas Bank	133.00	100	Nil	6 0	8 0	10 0	12	Y.
10,00,000	10,25,000	23,384	Pandyan Bank Ltd.	38.12	25	1 4	1 9	1 14	1 14	12	Y.
57,50,000	1,25,00,000	6,20,272	Punjab National Bank	54.50	25	0 10	1 8	3 8	4 0	12	Y.
1,00,00,000	26,20,000	45,060	Travancore Bank	15.00	25	0 5‡	0 12	1 0	1 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7.30	5	2 0	0 5‡	0 6	0 7	12	H.
2,00,00,000	1,15,00,000	29,420	United Commercial Bank	53.50	50	2 0	2 8	2 12	3 8	12	

PRINCIPAL EXCHANGE BANKS — Dividend (per cent.)

£3,500,000	£5,000,000	£409,308	Chartered Bank	£1-15-7½	£1	14†	15†	15†	15†	12	R.L.Y
£1,000,000	£1,250,000	£69,017	Eastern Bank	£6‡	£5	8†	8†	8†		12	R.L.Y.
H.K.$25,000,000	H.K.$128,000,000	H.K.$11,039,578	Hongkong and Shanghai Banking Corporation	$95‡	H.K. $125	5*	5*	5*	5*	12	Y.
$18,365,070	£17,500,000	£712,060	Lloyds Bank	£2-5-3	£5 A	14†	15†	12†	18†	12	R.L.Y.
£375,000 'A'				A £2‡	A £2‡	14†	14†	14†	14†		
£375,000 'B'	£2,000,000	£224,521	Mercantile Bank of India	£4-7-6	B £2‡	14†	14†	14†	14†	12	R.L.Y.
£720,000 'C'				C £1	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£354,046	National Bank of India	£1-1-3	sh. 12‡	16†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1923	99.00	1st June — 1965
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	94.00	28th February — 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102.00	27th December — 1955-65
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91.00	1st November — 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101.00	1st April — 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November — 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	94.00	30th June — 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	90.00	30th June — 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	99.25	14th December — 1968 (a)
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April — 1956
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	95.00	15th November — 1955 (b)
75,00,000	4	1st April and 1st October	Buckingham and Carnatic	1952	102.50	1st March — 1975 (a)
13,68,000	5½		Jaykhee Textiles	1949	90.00N	1st January — 1956-71
39,90,000	5	1st June	Tata Mills	1951	98.50	...
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	97.00	31st March — 1966 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100.00	14th June — 1962
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97.75	1st October — 1962
12,30,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94.00	31st December — 1964 (a)
2,22,89,400	5½	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.50	1st January — 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.50	31st December — 1970
13,00,000	5	1st January and 1st July	Sijua (Dhanbad) Electric Supply Co., Ltd.	1951	96.00	30th June — 1975 (a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97.50	15th July — 1961-66
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94.00	1st October — 1956-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94.50	30th September — 1956-61
5,00,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94.00	1st July — 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103.00	1st July — 1970
2,50,00,000	4	1st April and 1st October	Tata Power		85.10	15th September — 1966-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.00	31st December — 1966
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1925	99.00	30th June — 1956
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100.84	1st July — 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87.00	31st May — 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.25	1st October — 1966-85
40,00,000		31st December	Textile Machinary Corporation Ltd.	1950	99.5	31st December — 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97.50	31st March — 1966
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June — 1964
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	88.00	31st December — 1960
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93.75	30th June — 1959
9,00,000	5	31st January and 31st July	Calcutta	1940	90.00	31st July — 1960
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96.00	31st December — 1966 (a)
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	95.00	31st March — 1966 (a)
8,95,000	5	15th January and 15th July	Employ	1951	94.50	15th July — 1967
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92.50	30th June — 1962 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1956	97.50	31st March — 1966 (a)
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96.50	31st December — 1967 (a)
25,00,000	5½	30th June and 31st December	Naihati	1953	96.00	31st March — 1966
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93.00	14th May — 1964
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88.00	31st December — 1964
8,00,000	4	30th June and 31st December	Presidency	1948	93.00	30th June — 1963 (a)
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	98.00	5th September — 1957
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96.00	14th September — 1957
12,00,000	4½	30th June and 31st December	Union	1937	96.50	30th June — 1966
10,00,000	3½	31st January and 31st July	Waverly	1925	87.50	31st July —
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	80.00N	1st July — 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.25N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,863	5	1st April and 1st October		1933	£77.62N	1st October — 1956 (a)
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December — 1956
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85.62N	Any time on six months' notice (a) — 1965
4,33,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st September —
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1932	102.50	1st July — 1956-65
12,50,000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April — 1956-57
1,50,500	5½	31st March and 30th September	Teekoy	1944	100.00	31st March —
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd	1948	95.00	31st December — 1965
£6,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86.00	31st December — 1963
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	95.00	30th June — 1956-66
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	98.25	1st September — 1959-64
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.50	1st October — 1960
£1,00,000	5½	1st February and 1st August	Chowrinchee Properties	1915	92.00	1st February — 1960
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	85.00	1st July — 1960
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87.75	15th September — 1960
1,00,00,000	4	31st March and 30th September	Daimia Cement Bharat Ltd.	1946	88.00	— 1971 (a)
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.		98.50	1st January — 1967 (a)
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June — 1966 (a)
18,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95.00	— 1966 (a)
38,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	520.00	30th September — 1975 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470.00 (per note)	31st December —
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	88.00N	1st April — 1965-76
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.50	30th June — 1967 (a)
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93.00	31st March — 1967 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1940	91.00	31st December — 1966 (a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	99.50	1st May —

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. * With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,00,00,000 debentures issued to be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs to be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. ††Option to repay at par on 6 months' notice after 1st January 1961.

COMMERCE

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

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KERALA'S FIRST COMMUNIST BUDGET

THE accession of the Communist Party to power in the Kerala State two months ago came as a shock to the protagonists of democracy in India and elsewhere in the world. It was, however, noted that the Communists captured power through constitutional means and that, however much one disliked the basic creed of communism, it would go against the grain of democracy to try to dislodge them from power through unconstitutional methods. The Congress Party is fully aware of this principle and the fact that it readily allowed the Communists to form a Government in the Kerala State despite their slender majority is proof of its respect for this principle. The view has often been expressed that the Communists in Kerala will soon lose their hold on Government by their own excesses. This may prove to be mere wishful thinking, for the principles, the policies and the practices of the Congress Party itself can be very conveniently used by the Communists not only to retain the power they have already secured but also to expand their influence over the masses. Indeed, there is even a strong possibility of their ideals gaining ground within the Congress Party itself, much the same way as those of the Socialist Party has done in the past few years.

The Communists in Kerala have made a good beginning in beating the Congress Party with its own stick. Thus, in the State budget for 1957-58, they have shown themselves to be braver than the Congress at the Centre in wielding the weapon of confiscatory taxation. They have also boldly announced that they will soon have a separate State Trading Corporation through which will be channelled the exports of commercial crops from Kerala. They have stated that the object of this Corporation is "to ensure reasonable prices for the agricultural products exported from the State." But there is no certainty that they will not use this Corporation later for enhancing the revenues of the State and for strengthening their influence over the masses and the traders as well. Just as the Congress Party has succeeded in retaining the support of the mercantile community through its system of checks and controls, there is every possibility of the Communists also trying to do the same thing. State trading, it may be noted here, is a convenient instrument for both conferring and curtailing favours and privileges. When Mr. T. T. Krishnamachari first established the State Trading Corporation, he sought to silence his critics by saying that it was necessary to prevent the spread of communism into the country, through India's trade contacts with Russia, China and Eastern Europe. The S.T.C.'s main function has, however, been to take over the business from the hands of established traders without paying a single pie by way of compensation. There is no doubt that the Communists in Kerala will also use their State Trading Corporation for similar purposes.

The present Finance Minister is the principal architect of the Congress Party's latest formula of getting control over commercial undertakings without nationalising them, which requires payment of compensation. It was he who propounded the idea that social control is superior to social ownership. Thwarted in their attempts at nationalising plantation estates held by foreigners, the Communists seem to be copying the methods adopted by Mr. Krishnamachari, in order to realise their objectives, so that the Centre can raise no legitimate objections. They would appear to have stuck to constitutional propriety in the new taxes they have proposed as well as in deciding to have a separate State Trading Corporation for regulating the external trade of the State in commercial crops. Indeed, they claim that they are entitled to approbation for having more than adequately covered a revenue deficit of Rs. 225.24 lakhs in their 1957-58 budget and producing an actual surplus of Rs. 7.33 lakhs, a performance which no other State Government has so far done. After all, did not the Prime Minister chide the State Governments at the last meeting of the National Development Council for presenting deficit budgets and depending upon the Centre more and more for additional funds? Naturally, in imposing additional taxation on the people, the Kerala Communists can proudly claim that they have only carried out the behests of the Prime Minister and that, too, in the same pattern as that adopted by the Centre itself this year. If, therefore, the Centre feels embarrassed by what the Communists have decided to do in Kerala, it has only itself to blame.

The tax proposals of Kerala are in close parallel to those of the Centre for 1957-58. The Centre introduced a wealth tax on non-agricultural properties and investments. The Communists in Kerala have applied this tax to agricultural properties and investments; thereby they hope to get Rs. 16 lakhs a year. The Centre increased the tax on corporations in a number of ways. Kerala has sought to do the same thing to companies with agricultural incomes; thus, it has decided to impose an additional super-tax ranging from one anna to four annas on companes with agricultural incomes between Rs. 25,000 and Rs. 10 lakhs or over. This measure is expected to bring in Rs. 65 lakhs per year. These imposts are on top of a burden of Rs. 98.61 lakhs arising from the unification of the land revenue system in Travancore-Cochin and Malabar and the extension of the basic land tax and agricultural income-tax to Malabar also. Thus, out of new taxation estimated to yield Rs. 232.57 lakhs, the share of agriculture alone is Rs. 179.61 lakhs. In addition, agriculture is called upon to pay, along with other professions, a special surcharge for covering the mounting expenditure on education. This surcharge is 5 per cent. on agricultural income-tax and super-tax, and 2½ per cent. on sales tax payable by traders with a turnover of Rs. 30,000 or over, as well as on profession tax of those with an income of Rs. 250 or over per month. As against this, the education cess of three annas per rupee on land revenue prevalent in the Malabar area is to be abolished. This educational surcharge is expected to fetch Rs. 12.96 lakhs. Unification of sales tax in the two integrating units (T.-C. and Malabar) and the extension of the tax on travellers and parcels in buses prevalent in Malabar to Travancore-Cochin area are expected to yield Rs. 20 lakhs each. In effect, therefore, integration of Malabar with Travancore-Cochin has provided the rulers of the integrated State a convenient method of finding additional revenue of the order of Rs. 140 lakhs. Well, since the Keralites asked for a linguistic State, they cannot complain about the extra tax they are now asked to pay.

That, however, is only an incidental comment. The more serious issue is the effect of the new tax proposals on the economy of the country as a whole. Agricultural companies in Kerala—and almost all of them belong to the plantation group—have already been paying an agricultural income-tax of As. 4 plus a super-tax of As. 2. Henceforth, they will have to pay as much as As. 10½ in the rupee, if their income is Rs. 10 lakhs or more. In the case of companies with lower income, it will be between a little over As. 7 and As. 10½, depending upon the level of income. These rates compare with the recently enhanced maximum of a little over As. 8 payable by companies with non-agricultural income. In the case of a large number of plantation companies, the rate of taxation will be higher than that payable by their industrial counterparts. Thus, the Communist Government in Kerala has gone a step ahead of the recommendation of the Taxation Enquiry Commission which only wanted the tax on agricultural incomes to be brought on par with that on non-agricultural incomes. It should not be forgotten, in this connection, that, in addition to the enhanced taxation of agricultural incomes, the plantation companies will have to pay a wealth tax as well.

Considering that agricultural incomes are a gamble on the monsoon—this is particularly so in regard to such rain-fed plantation crops as tea, coffee, rubber, and cashewnuts—there is very good reason why the taxation of such incomes should be on a somewhat lower scale than that applied to fixed incomes and incomes from manufacturing activities. This is an aspect which the Taxation Enquiry Commission had ignored, but it does not cease to be worthy of consideration just because the Commission did not recognise it. In view of the widely fluctuating character of agricultural incomes, it is only but just that the recipients of such income should be enabled to set aside a sizable part of their profits during the prosperous years to meet the lean years and to provide for replanting. Another consideration to be borne in mind in taxing plantation companies is that it takes several years for the plants to yield an income and, after a particular period of active life, they cease to yield a return. This is particularly true of rubber and pepper.

By ignoring all these important considerations, the Kerala Government has made investments in plantation industries an unattractive proposition. It is well to remember, in this context, that the cost of production of all plantation crops has gone up considerably, owing to several labour welfare measures, amenities, higher wages and bigger bonuses, as well as to increased prices of fertilisers, stores, machinery, etc. The various taxes payable by them have also gone up in recent years. The new imposts may, therefore, serve as the proverbial last straw on the camel's back. Accordingly, the new taxes,

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coupled with the threat of State Trading in commercial crops, will adversely affect the flow of savings into plantation industries, in general, and those in Kerala, in particular. This, in turn, will endanger, in course of time, India's export trade to which Kerala's commercial crops make a substantial contribution. Another adverse repercussion will be on the foreign exchange resources of the country, in that the action of Kerala Government will provide a strong impetus to repatriation of foreign capital invested in plantation industries not only in Kerala but also elsewhere in South India. Further, it constitutes one more deterrent to the inflow of foreign capital. Thus, the Communists in Kerala are indirectly achieving one of their cherished objectives, namely, to force the exit of foreign private capital already invested in this country and to prevent any fresh inflow of such capital from the free world. It is needless to add that this is part of their grand design to get India drawn into the communist orbit, by cutting off its connections with the free world. The tragedy of it is that the Congress Party itself has shown the way to the Communists as to how they could bring about this result through constitutional means.

Apart from their proposal to take over the export trade in cash crops, the gross annual value of which is put at Rs. 122.30 crores, the Communists' hostility to free enterprise is evident from their attitude towards road transport and taxation of middle class. The Finance Minister of Kerala has declared that he will not allow private road operators to pass on the incidence of tax on travellers and parcels to passengers and the owners of parcels. This means that the bus-owners must reduce their profit-margin and, where they cannot do so, they are welcome to close their business. Referring to the middle class, he is reported to have said that a monthly income of Rs. 250 could not be regarded as a middle-class income. Apparently, in his opinion, even those who draw a salary of Rs. 250 per month in Travancore-Cochin State are rich people and should be taxed as such. The only inference that one can draw from this statement is that it is an invitaton to all the talented and ambitious young persons of Kerala to quit their State in search of opportunities elsewhere. It is amusing to hear after all this that the Kerala Government seriously expects private enterprise to take an active part in the industrialisation of the State.

STATE TRADING

EXPERIENCE in all free countries shows that State trading, which may show some glittering results in the beginning, almost always ends in considerable loss to the public exchequer and destroys that "foreign" confidence on which a country's export and import trade ultimately rests. It would be surprising if the experiment in State trading, now being carried on in this country, turns out to be a successful model of this kind. It is true that the State Trading Corporation, the body formed by the Union Government to undertake State trading, has confined its activities only to a few commodities. Even so, the range of its activities is expanding. And what is, perhaps, particularly deplorable, there is no knowing what trade it will not enter nor what trade it will not monopolise for itself. India's business community has to live in perpetual dread of being dispossessed of its means of living. This is, in itself, a serious development. But what makes it even more reprehensible is that the Corporation's ambitious expansion plans may prove detrimental to the country's export trade.

We had occasion recently (*vide Commerce* dated 25th May) to point to the failure of the State Trading Corporation in the matter of arranging for imports of cement, though it has merrily continued to profit by the margin loaded into the retail price of cement based on considerations of high-priced imports of this commodity. On the export front, the Corporation has shown a special fascination for ores—iron and manganese ores. After a brief experiment in State trading in these ores, the results of which have not been the subject of any impartial inquiry, the Government has decided to change the pattern of trading in these commodities in a way that suits the Corporation's interests best. For iron ore, the Corporation will be the sole agency for export. An official Press note avers that the Government has come to the conclusion that, "if the exports of iron ore are to be maximised, it will be necessary to canalise its exports through a single agency to be nominated by the Government." This procedure, it is claimed, would "prevent fragmentation of quotas, facilitate bulk movements, help co-ordination of rail movement with shipping programmes and, above all, make it possible for the development of mining to be synchronised with the availability of transport." This is a laboured *apologia* for State trading in iron ore which is hardly likely to be convincing. Indeed, if truth is to be told, the Government wants to take over trading in iron ore, presumably because it feels that it is a profitable line of business, and is now at some pains to advance some specious arguments in justification of its new policy. All this is a strange, if not also crude, method of laying down policies for State trading.

Be that as it may, the Government has decided to entrust the responsibility for canalising the exports of iron ore to the Corporation with effect from 1st July 1957. The Corporation is, however, expected to ensure that "every established shipper and mine-owner is given an opportunity to participate in the business relative to his performance during the four-year period ended December 1956 and that the interests of mine-owners who are not shippers are duly safeguarded." In this connection, the Government, it is stated, is keen "to ensure that established trading and mining interests participate fully in the business." Actually, this is making a virtue of necessity. For, as is well known, the Corporation does not possess any organisation which can effectively displace established trade channels without which it cannot carry on the functions assigned to it.

As regards manganese ore, the Government has announced that, during the period July 1957 to June 1958, exporters and mine-owners will receive quotas on the basis of 60 per cent. of their exports made in 1955 or 1956. Quota-holders will be required to utilise at least 60 per cent. of the quota issued to them for the export of the ore containing 42 per cent. manganese and below. This restriction will, however, not apply to mine-owners who establish to the satisfaction of the export trade controllers that their mines do not produce manganese ore containing less than 42 per cent. manganese and to those shippers and mine-owners who have outstanding commitments for higher grades. The State Trading Corporation, it is stated, will be allotted an adequate quota to enable it to maximise the exports of manganese ore. Announcing this procedure, the official Press note adds: "The Corporation is being advised to seek the co-operation of established trading and mining interests to make this effort a success. In particular, the Corporation will be expected to encourage co-operative mine-owners to participate in the export of their produce." Export of low grade manganese ore from Garividi-Srikakulam, Bobbili, Salem and Raigad areas will continue to be licensed freely on production of foreign sale contracts.

It is thus clear that, while the Corporation will be the sole agency for channelling exports of iron ore, it is being groomed for an increasingly important role in respect of exports of manganese ore. Apparently, the Government has not stopped to inquire whether private traders have failed to maximise exports, and, if they have failed, whether the position could be improved only by giving the Corporation monopoly facilities in respect of ore exports. These are vital questions. And the Government ought not to ignore them.

Naturally enough, the trading community has been sorely exercised over the recent decisions of the Government in the sphere of export trade in ores. It would appear that the Western India Minerals Association has withdrawn its representative on the Liaison Committee appointed by the Ministry of Commerce and Industry. While we appreciate the Association's sense of righteous indignation—it is stated that its representative's views have not been "properly listened to or respected"—we wonder whether the situation warrants the extreme step of non-co-operation taken by the Association. It is to be hoped that the Government and the business community will be drawn closer together and the Liaison Committee will, as its name implies, function really as a liaison body, serving as an effective link between the Government and the public.

Meanwhile, the Government will do well to clarify its policy in relation to State trading. So far, this policy has been shaped, rather misshaped, by *ad hoc* decisions taken in respect of commodities selected at random. The business community has a right to know where it stands in relation to the Corporation. This is not an entirely domestic matter either, for it affects India's trade relations with foreign countries. Generally speaking, the Corporation can play a constructive role in taking upon itself the responsibility for trading with countries with centralised economies. At the recent meeting of the Export Advisory Council, the Union Minister for Commerce and Industry, Mr. Morarji Desai, said: "I have been gratified to see that the effort put in by the State Trading Corporation to build up a mutually invigorating partnership with the trading community is slowly bearing fruit. The Corporation has in the first year of its existence succeeded with the co-operation of the business community in helping to diversify the country's foreign trade, to maximise the export of some difficult items, and to enlarge the scope for bulk deals in mineral ores." Clearly, this sentiment is not shared by the business community, as witness the recent withdrawal of the Western India Minerals Association of its representative on the Liaison Committee and the general fears about State trading voiced by some members of the Council. At the meeting of this Council, the fear was expressed that great harm might be done to the country, if the Corporation entered export fields indiscriminately. This is a genuine fear. And the Government cannot allay it by continuing to arm the Corporation with monopoly powers and assigning to it special responsibilities for which it has no technical competence and which can be more efficiently discharged by the mercantile community, given the necessary facilities in the matter of transport. In the long run, it will be found that the country has had to pay heavily for ideological changes in the sphere of foreign trade.

GAS PRICE

ECONOMICALLY speaking, the Bombay Gas Company's case for an increase in the price of its gas is so strong that it is somewhat surprising that the Government of Bombay should continue to dodge the issue. For one thing, the pent-up demand for gas in the city is already great. Secondly, this demand, if anything, is likely to grow, thanks to the altered status of the city as the capital of a larger bilingual State and the steady improvement in the living standards of its citizens. Thirdly, gas plays so vital a role in kitchen cleanliness, and in the educational, medical and scientific spheres that any measure designed to increase its output should be welcomed as a measure of social welfare. These considerations should certainly induce the Government to facilitate the improvement of gas output by the Company.

The Chairman of the Company, Mr. B. L. Jalan, in the course of his speech at the annual meeting of the Company, held this week, returned to this now familiar theme of increase in gas price. He adduced further weighty arguments—that is, in addition to those advanced in the past—in support of an increase in gas price. Mr. Jalan could point to a commendable increase in the output of gas by the Company; in 1956 it was 1,529 million c.ft., as against 1,511 million c.ft. in 1955 and 1,115 million c.ft. in 1946. But all this effort avails the Company little. For it continues to face increase in production costs necessitated by the Rs. 3-increase in the price of coal with effect from 1st July 1956, surcharge on coal freight and the increased wage bill. A further increase in coal price is in prospect and, when this materialises, the Company's costs are bound to go up even higher.

It would appear that the Government of Bombay has at last agreed to appoint a committee to go into the question of gas price. But the question has been complicated by the Government's insistence that the Company should finalise the issue relating to the price of sludge gas it must buy from the Municipal Corporation for purposes of mixing with its own gas. Mr. Jalan does not naturally want these two issues to be mixed up, for the Company's production costs started going up long before the sludge gas issue came up. It is to be hoped that a satisfactory solution to this problem will be found. In any case, the larger question of an equitable price for gas deserves early and sympathetic consideration in the light of the Company's valid case for such an increase and the growing demand for gas. A sign of this demand is to be found in the fact that the public is prepared to pay Rs. 3.78 per therm of oil refinery gas, as against the Rs. 0.905 charged for its gas by the Company. Surely, the investors in the Company who have served to save in the past ten years over Rs. 94 lakhs in foreign exchange, which would have been lost if the Company had continued to be foreign-owned, deserve a better deal than the one they have got.

EQUITIES TEND TO SAG AGAIN

STERLING—INTEREST RATES—INSURANCE OILSEEDS—COTTON

THURSDAY, 5 P.M.

AFTER presenting a steady to firm trend for three weeks in succession, the share markets all over the country have begun to sag again. Almost all the leading scrips in Bombay have wound up the week with losses in varying degree. Textiles have been the worst sufferers. Movement of cloth and yarn is not as good as it ought to be at this time of the year. Stocks with the mills are accumulating. While cost of production has gone up, mills' selling prices have not, so that their margin of profit has been progressively shrinking in the past few months. Tata Steels are quiet, because of reports from influential quarters that the dividend for 1956-57, due to be announced next month, will be no more than Rs. 8 per share; some feel that it may be only Rs. 7-8. Indian Irons have retreated in sympathy from the higher level touched earlier. There have been some speculative selling in A.C.Cs. Values in the Bombay market would have actually suffered more but for the consistent support extended by the Life Insurance Corporation to steels, cements and a few selected miscellaneous counters.

MARKET GOSSIP

The first budget of the Communist Government in Kerala, coupled with its move to have a say on exports of commercial crops from the Kerala State by establishing its own State Trading Corporation, has given a fresh jolt to investors. Bombay Burmahs in the local market were badly shaken by this development, though its tea estates are in Madras State. Apparently, operators decided to play for safety, lest the Madras Government, too, should follow the example of its confrere in Kerala. The fear of the Bombay Government introducing a stiff rate of agricultural income-tax in its forthcoming budget has led to some selling in Deccan sugar shares, such as Belapurs, Phaltans and Walchandnagars.

The Madras Stock Exchange has fixed minimum prices for all the plantation shares in order to avoid a severe slump. There are serious apprehensions that the Madras and Mysore Governments may follow the example of Kerala and subject agricultural incomes to higher taxes and agricultural assets to Wealth Tax. It is to be hoped that they will desist from doing so. The Centre and Kerala together have done enough damage to investors' confidence. If, on top of this, they too were to impose additional taxation, the plight of investors, most of whom are middle-class people, would become very serious. There might even be a collapse of investment markets, in which case neither the State Governments nor the Central Government would be in a position to put through their borrowing programme successfully. Even as it is, the prospects for their proposed loans are not quite bright; they would become worse, if they depressed the equities further by imposing fresh taxes. They will do well to follow the example of West Bengal, Assam and Orissa which have left their revenue deficits uncovered and propose to reduce the gap by tightening the loopholes in the collection of existing taxes.

The Wealth Tax and the Expenditure Tax may or may not have a bullish import to equities in the long run. But, in the shortrun, they are, according to many leading share brokers, bound to have a bearish effect, because those who are liable to these taxes will have to sell a part of their investments in order to meet their liability. Even assuming that only one-third of Rs. 15 crores which the Finance Minister hopes to collect this year by way of Wealth Tax represents the share of individuals, the share markets should be in a position to absorb Rs. 5 crores of disinvestment, and that on top of such new rights issues as may be offered by some of the existing companies, as, for instance, the Dunlop issue, and the proposed offer of "Telco" which has already depressed the market value of this scrip from Rs. 143 to Rs. 137 in less than 10 days. It is contended by these circles that the markets will not be able to absorb this load without a further marking down of value, unless, of course, the Life Insurance Corporation comes to their rescue. It remains to be seen whether the Corporation will readily oblige them. But a rumour claims that the Government has given directions to the Corporation to keep a close watch over the trend of equities and pick up good scrips whenever they happen to be offered at attractive levels. There are indications sufficient to infer that the Central Government is not in favour of any further fall in equity values.

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The pound sterling has again tended to weaken against the American dollar, the latest available spot rate (New York on London) being $2.78.13/16-2.78.15/16, as against $2.79¼-2.79¼ a fortnight ago. This is not surprising, considering the disappointing position of the sterling area gold and dollar reserves as revealed by the latest official monthly statement released in London. The total reserves during the month of May rose by a very negligible sum of $25 million to $2,345 million, which increase compares very unfavourably with $111 million and $62 million in the previous two months, respectively. Even this improvement was brought about solely by an increase of as much as $34 million in receipts from the European Payments Union and of $1 million in aid and special payments or credits. But for these increases, the reserves at the end of May would, indeed, have been lower by $10 million, that is, the loss in direct dollar balance.

Despite the prospect of a "tailing off" in expenditure of dollars on oil in the coming months, the gold and dollar reserves of the sterling area are expected to show a downtrend. This expectation is based on the likelihood of pressures on sterling exercised by (*a*) the overvaluation of the French franc, (*b*) the continued inflationary trend in the U.K., thanks to excessive wage increases and widening gap in balance of payments, and (*c*) the persistent investment demands of other members of the sterling area, particularly of India.

Nevertheless, the position is not considered to be serious or grave. That there is no exaggeration in this view is in a way evident from the relaxation in restrictions on British travel to the dollar area announced by the U.K. Government the other day. The basic travel allowance of £100 a year per person will be available in future for travel to the dollar area also, in the same manner as for travel in the transferable account area. This concession is expected to be soon followed by an upward revision in the business allowances for the dollar area from £14-10 to £18 per day. The concessions, however, do not involve any heavy "real" drain on the sterling area's dollar reserves, inasmuch as the loss of dollars will be outweighed by the benefit to the U.K. of better relations and trade with the U.S. and the Commonwealth.

While it is difficult to forecast with any degree of certainty as to how far and to what extent the pound sterling will be subjected to pressure in future, this much can be said, namely, that prospects of an early return to currency convertibility are very dim. The British Government is reported to feel that it will not be possible to contemplate formal convertibility for the pound until the early 1960s "at the earliest." Even Western Germany, which has gold and dollar reserves aggregating about 50 per cent. more than that of the central pool of sterling area countries, is believed to be still holding back. This is attributed to the fear that "any European country that goes alone for convertibility may find its trade and payments suffering, because the other countries will thereafter use its currency **for the purpose of acquiring** dollars from it rather than for buying its goods."

Considering the dim prospects of early currency convertibility thus, it may sound somewhat surprising to hear that Mr. E. M. Bernstein, Director of the Research Department, International Monetary Fund, had told the International Chamber of Commerce recently that "notable progress" had been made over the past few years towards convertibility "in the formal sense." But there is considerable force in this contention. For, as Mr. Bernstein rightly observed, while only ten members of the Fund—all in the dollar area—have as yet made their currencies convertible in accordance with the Fund's Articles of Agreement, most of the great trading nations have now acquired a high degree of *de facto* convertibility. For a considerable time now, the transferability of sterling has been extended practically to all non-dollar countries, while other important European countries have given their currencies equal or nearly equal transferability. At the same time, these currencies have been steadily approaching official parity rates in the free exchange markets. Notable progress is also said to have been made in the direction of abandoning discrimination against dollar goods imported into the U.K. and some West European nations and, in most of the sterling countries, a substantial proportion of imports are now made on a competitive price basis rather than on a currency area basis.

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The Bank for International Settlements, in its latest report, covering 1956 and the first few months of 1957, has emphasised the need for resolute action by European countries for countering inflation and tackling the balance of payments difficulties, which threaten the considerable progress made so far towards the achievement of general currency convertibility and the liberalisation of trade. An indication of the degree of disturbance caused to the economies by these two features is given by the fact that, during the period covered by the report, as many as twelve European Central banks changed their official discount rates. Outside Europe, too, similar changes were witnessed, as, for instance, in the U.S., Canada and India.

In all these countries, except in the U.K. and West Germany, where a reduction was effected in recent months, the revision of discount rates was in an upward direction. It is noteworthy, however, that the number of changes in discount rates, as well as the number of important commercial countries that restored to them, was smaller during the period under review, as compared with 1955. The reduction in the number of countries using this weapon was found, at the same time, to have been accompanied by an increase in countries which revised the minimum reserve requirements to be observed by the credit institutions. This shift in emphasis was perhaps due to the insufficient success in the use of discount rate weapon in controlling the inflationary pressures. Thus, though volume of money supply was controlled through dear money policy, prices continued to increase due to the increased velocity of circulation of money. Apparently, it was for arresting this trend that a resort was made to increasing use of the weapon of minimum reserve requirements.

These developments thus bring into bold relief the increasing realisation on the part of the Governments of two aspects of the problem. First, there is the need for the budgetary policy and monetary policy to go hand in hand. Explaining this point, the report observes: "Indeed, even if a budget deficit is financed by recourse not to the banks but to the public, it may make monetary policy more difficult since it absorbs funds which would otherwise have been available for the financing of private investment, so that a tighter monetary policy is required in order to keep saving in line with investment. And even a balanced budget, if the level of public expenditure is very high, may have the same effect."

The second aspect is the widespread loss of faith in the efficacy of dear money as a disinflationary weapon. This is so, according to certain competent London financial circles, chiefly because the real rate of interest which the borrowers have to pay tends to be lower in real terms than what it appears to be on the face of it. This is so "because of the tendency for the value of money to fall so persistently that a borrower often finds that he has to pay back less in real terms than he gained when he took up the advance even after allowing for interest charges."

In this connection, an examination of the movements in the real rates of interest made by the B.I.S. report will be of interest. The report analyses, for this purpose, the effect of the fall in the value of money on the position of investors in fixed interest securities. The analysis reveals that, in the U.S., during the last decade, the annual rate of depreciation of money amounted to 3.7 per cent., whereas the annual yield on U.S. long-term Government bonds was only 2.2 per cent. This feature is not confined to the U.S. alone.

The B.I.S. report, however, points out that the rise in interest rates which took place everywhere in 1955-56 and the measures taken to hold inflation under check justify the hope that not only the nominal rate but also the real rate of interest will be positive in future. This, obviously, depends on the success achieved in controlling inflation over a wide front in the world.

Another noteworthy feature of the B.I.S. report is that, as a result of different degrees of inflationary pressures and balance of payments difficulties the countries covered by the report experienced, the uneven distribution of gold and foreign exchange reserves became even more uneven during the period under review. A notable example of this is provided by West Germany, which witnessed the biggest increase—of the order of $953 million—in its gold and dollar holdings last year. This amount was more than the combined loss of the Continental European countries. France alone, among these countries, lost no less than $451 million.

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One of the best inducements that can be provided for stimulating savings is to assure the saver that what little he conserves through abstinence from current consumption will be left intact for his future enjoyment. The subtleties of the modern monetary economies are such that they can, by the ingenious device of inflation, take away much of the real value of savings, leaving their monetary value unchanged. Savers in every country will, therefore, greatly welcome an assurance to the effect that their savings will not be eroded by the advancing tide of price inflation. Some of the Continental European countries have been trying to do so. And, what is more important, the idea is spreading to other countries also. Thus, in Israel nine local insurance companies have put forward a plan for issuing life insurance policies linked in value either to the official cost-of-living index or to the official rate of exchange of the Israel pound to the dollar. The project is designed, it is needless to say, to encourage savings by guaranteeing the value of the premiums paid. It is in full consonance with the policy adopted by the Israel Government in issuing debentures linked either to the cost-of-living index or to the dollar. The 'linked' policies will be issued, in amounts ranging from I£1,000 to I£10,000, at 85 per cent. of face value valid for 10 years, for a single payment. At the end of the 10-year period, the insured person will receive the value of his premium pegged to the dollar or cost-of-living index. In case of death of the insured, the heirs will be entitled to get the amount. Most of the funds raised in this way are to be reinvested by the insurance companies in the Palestine Electric Corporation. The foreign insurance companies operating in Israel are, however, reported to be averse to such a scheme, as these are opposed to the linking principle.

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The weakness of the world vegetable oil markets continues practically unabated. Groundnut oil is now quoted in the U.K. at about £125 per ton, as against £149 a year before, or a drop of £24. Soyabean oil and linseed oil are quoted at £121, as against £142-£143. The persistent weakness in recent days has been due to the marked expansion in supplies, following the continuously rising trend of output. The aggregate world production of oils and fats during 1957 is estimated by Mr. J. C. A. Faure of Messrs. Unilever Ltd. at 29.2 million metric tons, which represents an increase of 1.85 million tons as compared with the output of 27.35 million tons in 1956. Production in 1955 was 26.66 million tons and in 1954 about 25.86 million tons. The anticipated output of 29.2 million tons is, it is said, in excess of actual consumption by 500,000 tons. The expanding output, however, may not exercise too much pressure on prices in the coming months, because consumption is also rising. It may be noted here that, while the world production of vegetable oils in the past seven years has gone up by 20 per cent., the world trade in these oils has increased by 35 per cent. There is thus no possibility of appearance of any burdensome surplus of vegetable oils in the world.

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Delegates and observers from 52 countries were in conclave recently at Istanbul to deliberate upon world cotton problems. The occasion was the sixteenth Plenary Session of the International Cotton Advisory Committee, Washington. The Session happily coincided with a time when the international cotton economy showed visible signs of health.

(*Continued on page 1216*)

SHARE MARKET TURNS EASY AGAIN

SIZABLE FALL IN TEXTILES

(From Our Own Correspondents)

BOMBAY, *13th June*

THE Stock Exchange turned distinctly easy during the week under review, in contrast to the steady trend witnessed in the previous week. In particular, textiles were very much depressed, thanks to apprehensions of reduced earnings of mills in the past year, following the continued slump in the piecegoods markets ever since the enhancement of excise duty on cloth with effect from 1st September 1956. As if to prove that these apprehensions were well founded, the Directors of the Simplex Mills Co., Ltd., announced a cut in dividend to Rs. 8.50 per share for the year ended March 1957, from Rs. 12 distributed last year. Further, the Chairman of the Indore Malwa United Mills, in his speech at the annual meeting, struck a note of pessimism with regard to the outlook for cotton mills in 1957. Steel shares ruled easy, as advices from Calcutta were not encouraging. Cement, sugar, engineering and other miscellaneous industrials also staged a retreat, on account of selling pressure and poor buying enquiries.

Tata Ordinaries opened the week on a subdued note at Rs. 153.75, as against the previous day's closing of Rs. 159.50. They came in for persistent selling and moved down to Rs. 155.25 on Tuesday. At lower levels, some support was forthcoming and the scrip steadily recovered to Rs. 158.25 today. Towards the close, however, it was again subjected to selling and receded to Rs. 157 before closing at Rs. 157.50. The net loss over the week was two rupees. Indian Irons opened 5 nP lower at Rs. 18.80 and, after declining to Rs. 18.05 on the 11th inst., recovered to Rs. 18.50 yesterday, but relapsed again to Rs. 18.30 today. The net loss was 55 nP.

There was a sharp fall in prices in the textile section. Centurys were the worst sufferer, the quotation having come down by Rs. 15.50 to Rs. 376.50. Bombay Dyeings fell by Rs. 12.50 to Rs. 512.50 and Kohinoors by Rs. 12.25 to Rs. 271.25. Khataus dropped Rs. 10 to Rs. 160. Svadeshis and Finlays declined by Rs. 8.50 each to Rs. 173 and Rs. 260, respectively. New Greats slipped back by Rs. 7 to Rs. 211. Shree Niwas suffered a similar loss to Rs. 160. Simplex were on offer Rs. 6 lower at Rs. 156. Elphinstones went down by Rs. 5.25 to Rs. 54.75. Central Indias and Indore Malwas decreased by Rs. 3.50 each, the former to Rs. 99.50 and the latter to Rs. 133. Gokaks eased by Rs. 3 to Rs. 170.50. Standards lost a like amount to Rs. 373. Tata Mills declined by 75 nP to Rs. 40.50 and India United Ordinaries by 30 nP to Rs. 9.15.

Activity in the banking section was subdued. Bank of Indias receded by Re. 1.50 to Rs. 137. Central Bank new shares lost 50 nP to Rs. 54. Union Banks eased by 10 nP to Rs. 7.20. Punjab Nationals were unaltered at Rs. 54.50, as also Barodas at Rs. 102. Central Banks, however, evoked some special support and rose by Re. 1.50 to Rs. 53.25. United Commercials were favoured 25 nP higher at Rs. 53.75.

Electricity shares were dull, with prices tending to look down. Andhra Electrics dropped Rs. 3.75 to Rs. 1,197.50. Tata Hydros moved down by Rs. 2 to Rs. 122. Bombay Suburbans fell by a rupee to Rs. 104. Ahmedabad Electrics receded by 50 nP to Rs. 93.25. Tata Powers were quiet at Rs. 1,207.50.

In the miscellaneous section, cement shares lacked support and suffered losses. Associated Cements dropped Rs. 3.25 to Rs. 154. Dalmia Cements declined by 30 nP to Rs. 11.70. Orissa Cements were dull at Rs. 13.05. Digvijays, however, met with special buying enquiries and hardened by a rupee to Rs. 142.50. Sugar shares came in for selling and prices staged a retreat. Walchandnagars went down by Rs. 7 to Rs. 239. Belapurs and Phaltans shed Rs. 4 each to 213 and Rs. 129, respectively.

There was heavy selling in the engineering and mining section. Alcock Ashdowns were depressed at Rs. 262.50, as against Rs. 257.50 last week-end. Tata Locomotives fell by Rs. 3.50 to Rs. 137. Shivrajpurs receded by a rupee to Rs. 76.50. B.P. Petrols shed 16 nP to Rs. 2.30. Indian Coppers declined by 12 nP to Rs. 3.30. Larsen and Toubros were quiet at Rs. 15.30, as also Mahindra and Mahindras at Rs. 15.

Automobile shares staged a retreat. Premier Automobiles dropped Rs. 3 to Rs. 84. Hindustan Motors declined by 35 nP to Rs. 6.65, despite reports that the Company was entering into an agreement with General Motors for the manufacture of a variety of General Motors products in India. Transactions put through in shipping shares were very much restricted, with values moving narrowly. Scindias eased by 45 nP to Rs. 17.40, while Great Easterns were dealt 5 nP higher at Rs. 18.40.

Among other miscellaneous industrials, Bombay Burmah Olds encountered pressure of selling induced by fears of enhanced levy of agricultural tax and slumped from Rs. 533 last week-end to Rs. 509 on Tuesday. After recovering to Rs. 527 yesterday, they again relapsed to Rs. 518 today, but improved to Rs. 530 before finishing lower at Rs. 525.50. The net loss over the week was Rs. 7.50. National Rayons were on offer Rs. 4.75 lower at Rs. 211.50. Wimcos fell by Rs. 3 to Rs. 153. Tata Oils declined by Re. 1.50 to Rs. 41.50 and Tata Chemicals decreased by 35 nP to Rs. 16.15. Port Cannings retreated by Re. 1.91 to Rs. 4.34. India Investment Trusts slipped back by Re. 1.25 to Rs. 69 and Killicks by Re. 1 to Rs. 155. Hindustan Levers shed 55 nP to Rs. 19. British India Corporations lost 25 nP to Rs. 5.60.

Calcutta Stock Exchange

CALCUTTA, *12th June*

In the absence of any new development providing incentive to investors, the drift in equity prices continued on the Calcutta Stock Exchange during the week under review. The speech of the Union Commerce and Industry Minister at the Import Advisory Council meeting left no doubt of the import cuts in store, and it was feared that further restrictions on cash imports of new equipment, replacements and spare parts would affect industrial working. The prospects in this regard affected sentiment. The introduction in Parliament of the Retrenchment Compensation Bill was another factor which chilled the enthusiasm of investors. It was stated that most closures of industrial and trading concerns followed heavy losses; it was said that to force a concern closing down under the pressure of losses to pay retrenchment compensation to workers was a cruel measure. In West Bengal, of the recent closure of four jute mills, two had taken this recourse for economic causes. This was stated in the Assembly by the Labour Minister, Mr. Abdus Sathar. The least that investors expected of Government was inclusion of a provision in the Bill to protect the interests of shareholders in case of closure for economic reasons. If, in such cases, the concerns affected were asked to pay compensation to workers, shareholders feared, the share capital would be affected.

Very few transactions were recorded in the jute section. The increase in hessian stocks held by mills and the strong trend in raw jute prices scared buyers. Howrahs were quiet at Rs. 13.75. Northbrooks declined from Rs. 20.31 to Rs. 19.37. Anglo-India's were marked down to Rs. 132, from Rs. 134.50. Agarparas realised Rs. 7.37, as against Rs. 7.87 previously.

Coals closely followed the heels of jutes and occupied a quiet corner of the market. In the meantime, operators noted the New Delhi report that the Coal Prices Inquiry Committee would go into the question of the cost of production of coal taking into account the awards. The Committee was expected to submit its report within two months. Bengals at Rs. 204 were lower by several points. New Beerbhooms were pushed down to Rs. 13.56, from Rs. 14.37.

Among engineerings, Indian Irons received support from the Life Insurance Corporation. On this account, the share price had improved to Rs. 19.03, before moving down to Rs. 18.24 on profit-taking. A reverse trend took down Jessop and Cos. to Rs. 19.75, from Rs. 22.87, while Guest Keens were maintained fully steady at Rs. 28.

Teas were deserted counters. From Rs. 22.62, Jayabirparas moved down to Rs. 22.12, with Bishnaths encountering support at the unchanged rate of Rs. 18.56.

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Madras Stock Exchange

MADRAS, *11th June*

The outstanding event of the week under review was the fixation of minimum prices for all the ordinary shares of planting companies by the Management Council of the Madras Stock Exchange, the minimum being the rates that prevailed at the commencement of business on Monday. This decision was a sequel to the heavy decline in prices that had occurred in the last few weeks and the situation arising from the steep increase in taxes proposed in the Kerala Government budget for 1957-58, presented to the State Assembly on the 8th inst. The tax on agricultural wealth and the new graded surtax on agricultural incomes ranging between Rs. 25,000 and Rs. 10 lakhs or over sapped the morale of the market. The proposals were interpreted to mean a great blow to capital formation and investment in corporate enterprises. The dampening effect of these proposals was so severe that operators were busy liquidating their stocks and getting out of the market, while buyers were extremely scarce. Equity values, as a consequence, tumbled down on Monday. It was in view of this and with a view to arresting a further sharp break in values that the Stock Exchange authorities fixed, as already stated, minimum prices for plantation shares. Even at very low rates, there were no buyers at all. In sympathy with plantings and thanks to reports of sluggish conditions in piecegoods markets, textiles also came in for heavy selling and suffered large losses. The sugar and miscellaneous industries were neglected.

Rubber shares were depressed under the impact of panicky bull liquidation and considerable bear pressure. But for minimum prices, there would have been a precipitous drop in values today. Malankaras fell by Re. 1.75 to Rs. 27. Rajagiris climbed down by Re. 1.50 to Rs. 15.50. Travancore Rubbers receded by a rupee to Rs. 15. Cochin Malabars and Kailas declined by 50 nP to Rs. 6.55 *cum-div.* and Rs. 3.95, respectively. Thirumbadis lost 20 nP to Re. 1.40 and Pullangodes 12 nP to Rs. 2.20.

Among tea shares, Parksides dropped Re. 1.50 to Rs. 13.50. Peermades receded by Re. 1.10 to Rs. 24.75 *cum-div.* (final). United Nilgiris shed a rupee to Rs. 16. Kalaas fell by 65 nP to Rs. 13.25, Nonsuch Teas by 62 nP to Rs. 20.50, Twyfords by 50 nP to Rs. 15.75, Periakaramalais by 38 nP to Rs. 6.90 and Devasholas by 37 nP to Rs. 19.50. Chandramalais declined by 30 nP to Rs. 3.55. Neelamalais eased by a like amount to Rs. 5.20. Nilgiri Teas decreased by 28 nP to Rs. 8.60, Kil Kotagiris by 27 nP to Rs. 5.65. Blue Mountains by 25 nP to Rs. 2.87 and Highlands by 20 nP to Rs. 13.80 *cum-div.* (final).

Deals were put through in coffee shares at reduced prices. Consolidated Coffees fell by 40 nP to Rs. 21.90. Coffee Lands slipped by 20 nP to Rs. 24.60. Puthutottams lost 15 nP to Rs. 3.05. Sheveroys eased by 12 nP to Re. 1.70.

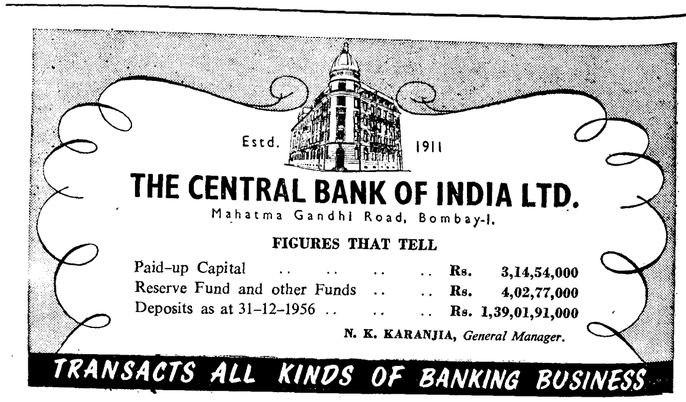
In the textile section, Dhanalakshmis were subjected to panicky selling and slumped by Rs. 30 to Rs. 200. Rajalakshmis climbed down by Rs. 12 to Rs. 112 *cum-div.* on heavy selling induced by cut in dividend from 20 per cent. for the year 1955 to 15 per cent. for 1955. Rajapalayams and Janardhanas dropped Rs. 9 each to Rs. 140 and Rs. 80, respectively. Coimbatore Cottons fell by Rs. 8 to Rs. 142. Pankajas and Premiers finished Rs. 5 lower, the former at Rs. 65 and the latter at Rs. 180. Coimbatore Pioneers receded by a similar sum to Rs. 27. Bangalore Woollens retreated from Rs. 170 to Rs. 166. Saradas and Lakshmis declined by Rs. 3 each to Rs. 90 and Rs. 132, respectively.

Among miscellaneous industrials, Aluminium Industries dropped 55 nP to Rs. 12.60. India Cements slipped down by 30 nP to Rs. 5.40. Spencers shed a like amount to Rs. 16.40 *cum-div.* (final). Mysore Chromes eased by 25 nP to Rs. 4.50.

A BANK MERGER

The Chartered Bank is to absorb the Eastern Bank Ltd., according to a decision arrived at by the Directors of both the Banks this week. The Chartered Bank proposes to make an offer to acquire the whole of the issued share capital of the Eastern Bank Ltd. on the basis of £9 fully paid stock of the Chartered Bank for every two shares of £10 each (£5 paid) of the Eastern Bank Ltd. Full particulars relating to the offer will be set out in a circular letter from the Chartered Bank to the shareholders of the Eastern Bank Ltd., which will be sent to them not later than 22nd June 1957 under cover of a circular letter from the Chairman of the latter bank. The offer will be expressed to be conditional upon, *inter alia*, its acceptance by the holders of 90 per cent. of the issued shares of the Eastern Bank Ltd., or of such smaller percentage as the Chartered Bank may agree to accept.

The main advantages expected to result from the proposed merger of the two Banks are improved opportunities of expansion and the establishment of a combined organisation to operate throughout the Middle East and the Far East. The Directors of the two Banks particularly desire to emphasise that the proposed merger will in no way adversely affect the conditions of service (including pension rights) of their staffs and is not expected to involve any redundancy.



NEWS IN BRIEF

CONTRACTS for a total of 260 buses worth more than £500,000 have been placed with Leyland Motors of Britain by three Indian transport concerns. Of this, 60 buses have been ordered for the State of Bombay. Calcutta is to have 25 double-deckers and 75 single-deckers, to be operated by the West Bengal State Transport.

The Hindustan Machine Tools Factory surpassed all previous production records by turning out a record number of 36 machine tools during May. With this record, it has not only achieved but also far surpassed the annual production target of 400 machine tools fixed for 1960-61 under the original programme four years ahead of schedule.

A consignment of 20 diesel locomotives is expected to leave New York next month for India. These locomotives will be utilised on the Dhanbad-Gaya and Gaya-Moghalsarai sections of the Eastern Railway. Eight more diesel locomotives will be received by India and these will be utilised by the South-Eastern Railway on the new Phusro-Muri line which is under construction, as also on a number of existing sections.

At a meeting of the representatives of various associations of textile machinery manufacturers and merchants dealing in textile machinery held with the Textile Commissioner last week, it was decided to organise an exhibition of textile machinery, indigenous as well as imported, in Bombay during November this year. The object of this exhibition is to spotlight new items of textile machinery and mill stores and to popularise machinery manufactured in India.

The Coal Price Revision Committee, which was constituted last month by the Government of India under the chairmanship of Mr. S. Bhoothalingam, Secretary to the Union Ministry of Steel, Mines and Fuel, to investigate the prices of coal, began its fact-finding mission on the 10th inst., with a two-day visit to a number of collieries in West Bengal and Bihar. The Committee met the representatives of the Colliery Owners' Associations and labour unions in Calcutta.

The Rs. 1.6-crore steel tube mill—the joint venture of Indian and British *entrepreneurs*—was declared open at Avadi on the 7th inst., by the Governor of Mysore. The mill is designed to manufacture annually 12 million feet of electric resistance-welded steel tubes primarily for the cycle industry, but later on for tubular furniture, transformers, boilers and buses as well. The tubes are now made of imported Sheffield steel, but the factory is expected to make use of Tata steel soon when a suitable variety becomes available.

The Kashmir Government will shortly set up a cement manufacturing plant near Srinagar at an estimated cost of Rs. 15 lakhs. The cement factory, which will manufacture between 30 and 60 tons of cement per day, forms part of the State's second Five-year Plan. The Planning Commission approved of the schemes submitted by the State for the establishment of cement, pottery, brick and tiles factories. The Commission has also approved of the expansion and renovation of some of the existing industries, such as silk and woollen textiles, and increase in the local production of raw materials required for these factories.

The Government of India has increased the prices of wire and wire products by approximately Rs. 84 per ton with effect from 25th May 1957. The increase has been necessitated by the uniform increase in the price of various controlled categories of prime steel by Rs. 70 from 16th May 1957. Wire and wire products are made from prime steel. The difference in the prices of prime steel and wire and wire products is attributable to the wastage in the manufacturing process of wire and wire products. The revision in prices, however, does not affect the schedule of extras, and the general and special conditions of sale remain the same as before.

Immediate seismic survey for mineral oil in areas outside those leased to the foreign oil company in Assam is being undertaken by the Oil and Natural Gas Commission. The Director of Geophysics is proceeding to Assam with a team of officers to start work. It has also been decided to depute a team of officers of the Commission to make an on-the-spot study in West Bengal basin, where drilling for mineral oil is being carried out by the Indo-Stanvac project. The Commission finalised the survey programme for the Ganga Valley and is awaiting Government's sanction. Aero-magnetic survey of the area was conducted last year by a team of Canadian experts under the Colombo Plan.

Systematic geological mapping of over 6,000 sq. miles was completed by the Geological Survey of India during 1955-56. The areas included parts of Andhra Pradesh, Assam, Bihar, Bombay, Madhya Pradesh, Madras, Orissa, U.P. and West Bengal. According to the annual review of the activities of the Department, detailed mapping was undertaken in important mineralised areas in Bihar, Madhya Pradesh, Mysore and Rajasthan. Among the detailed investigations carried out by the Department was the drilling in South Karanpura and North Karanpura coalfields for the establishment of State collieries under the second Five-year Plan. In South Karanpura, 107 holes were drilled and eight in North Karanpura. The total depth was about 40,800 feet.

The Government of India is likely to institute shortly a zonal system of food distribution and give farmers a general assurance that grain prices will be maintained at a reasonable level. The proposed measures are in addition to the threefold policy of building stocks, maintaining fair price shops and regulating bank credit for dealing with the food problems. The zones tentatively contemplated at present for restricting foodgrains movements are: Madras, Mysore and Andhra Pradesh; Bombay, Madhya Pradesh and Rajasthan; Uttar Pradesh, Punjab and P.E.P.S.U. Kerala and Bihar are not being considered for inclusion in the zonal system, since they are highly deficit States and are to be fed by imports. Similar considerations may weigh in keeping Assam, West Bengal and Orissa out of the regional scheme.

* * * *

From Abroad

Turkey produced 24,763 tons of copper in 1956, as against 23,800 tons in 1955. Export rose from 15,848 tons in 1955 to 17,995 tons in 1956.

The U.S. Export-Import Bank has announced a $23-million loan to Iran to strengthen economy and help maintain adequate defence forces. The loan is part of a general agreement which also includes an outright grant of $13.6 million.

An agreement has been signed between Pakistan and Saudi Arabia for minting the Saudi Arabian coins in the Pakistan mint at Lahore. Saudi Arabia is the third Arab country for which Pakistan is minting coins, the other two being Syria and Sudan.

A. U.S. Senate Appropriations Sub-committee voted on the 6th inst. the proposal to keep alive the Soil Bank programme beyond this crop year, as requested by the Administration. The Senate, however, voted to place a $500-million limitation on the amount of contracts.

Under a new Japanese-Swedish one-year trade agreement just concluded, Sweden will adopt a trade liberalisation policy towards Japan's exports. In return, Japan will give imports from Sweden non-differential treatment similar to that given to imports from the sterling area.

Most of Japan's textile industries are planning to curtail their operations, because prices are falling with increasing rapidity in many markets. Production cuts in rayon, rayon staple, cotton and wool spinning are likely to cause unemployment in many sections of the industry.

Increased production facilities, including the construction of a number of blast furnaces, are expected to result in the production of 25 million tons of steel in West Germany this year. This would mean an increase of 1.8 million tons of steel over the 1956 production and 3 million tons over that in 1955.

The Egyptian Finance Ministry has announced an immediate issue of import licences for £6 million worth of sterling goods which were ordered before Egypt's sterling balances were frozen in July last. This follows Britain's undertaking to release from the blocked balances a corresponding amount.

The London banking firm of Messrs. Baring Bros. & Co., Ltd., is trustee of a loan to India of nearly $10 million which has been advanced by the World Bank for the expansion of a thermal electric power plant at Trombay, near Bombay. The loan is guaranteed by the Indian Government and is secured by a trust deed.

More than 65 million passenger cars, trucks and buses were registered in the United States in 1956. The figure indicates a four per cent. increase—or 2,518,691 vehicles—over those registered in 1955. Included in last year's total were 54,332,295 passenger cars, 10,625,536 trucks and 254,679 buses. The West Coast State of California has the highest registration of motor vehicles, aggregating 6,534,982.

In order to stimulate foreign oil companies' interest in Turkey, the Turkish National Assembly has modified the oil law to allow foreign concerns both to buy pipelines through the country and to construct refineries. The revised law will enable explorers to purchase land leased to them for their operations. It also stipulates that the State's share, including taxes, shall not exceed 50 per cent. of the foreign licensees' net income and profits.

The Government of Pakistan has established a Standards Institution to prepare and to promote general adoptions of standards on a national and international basis relating to materials, commodities, processes, practices, etc. The work of the Institution will be distributed among various Divisional Councils. There will be five such Councils, to start with, of which one, namely, the Textile Divisional Council has already been set up under the chairmanship of the Textile Commissioner.

The final draft of the Benelux Economic Union Treaty will be signed this month or early in July. The Treaty embodies the principle of a free exchange of goods, services and capital, as well as a co-ordinated, economic, financial and social policy between the signatories. It stipulates a target of high employment and high standard of living with due regard to monetary stability. The Treaty will be in force for 50 years with a possiblity of renewal.

A new trunk pipeline capable of transporting 70 million tons of crude oil a year from the West Asian producing areas to the Mediterranean seaboard is being considered by international oil companies, including British, American, French and Dutch concerns. The aim of the scheme is to improve the operating efficiency and flexibility of oil transportation from West Asia. Several committees are now considering the possible routes and capacities of the pipeline, engineering and construction problems, and financial and legal questions.

PERSONAL

SIR Richard Aliwihare, the new High Commissioner for Ceylon in India, has arrived in India.

Mr. T. N. Singh, M.P., has been appointed Chairman of the Committee on Public Accounts for 1957-58.

Dr. Wilhelm Melchers, Ambassador-designate of West Germany to India, arrived in New Delhi last week. He succeeds Dr. E. W. Meyer.

Mr. K. Krishna Rao has taken over charge as Financial Adviser to the *Khadi* and Village Industries Commission.

Mr. Balvantray Gopaljee Mehta, M.P., has been appointed Chairman of the Committee on Estimates for the period 1st June 1957 to 30th April 1958.

Mr. Hansraj Hariram, a leading sugar merchant of Bombay and member of the Bombay Sugar Merchants' Association, has been appointed a member of the Development Council for Sugar Industry.

Mr. Maneklal Ujamshi, Mr. Chunilal Manekchand and Mr. Jhamandas Thakurdas Talreja have been elected President, Vice-President and Honorary Secretary, respectively, of the Bombay Sugar Merchants' Association Ltd. for the current year.

Mr. Y. N. Sukthankar, I.C.S., Secretary to the Central Cabinet and the Planning Commission, has been appointed Governor of Orissa *vice* Mr. Bhimsen Sachar who will succeed Mr. Chandulal Trivedi as the Governor of Andhra Pradesh. Mr. Trivedi is likely to be appointed member of the Planning Commission.

"COMMERCE" 1932

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *18th June*

India's Tariff Policy

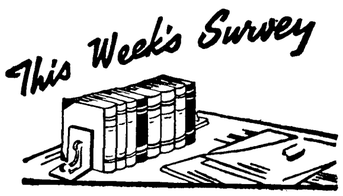
The Government of India's policy hitherto has been based on a single-decker tariff, consisting mainly of purely revenue duties but containing certain duties imposed in pursuance of the policy of discriminating protection for Indian industries. In the case of two classes of imports, namely, articles manufactured from steel and cotton piecegoods, differential rates of duty are at present in force upon goods of British and those not of British manufacture. These differential rates of duty were, it may be stated, incorporated in the tariff in the interests of the consumer in India. All commercial treaties and trade agreements into which India has entered with foreign countries are, in the matter of tariffs, confined to the reciprocal grant of most-favoured-nation treatment, that is to say, India undertakes in them to grant to the other party treatment in respect of imports and exports not less favourable than that given to any other foreign country. No treaty or trade agreement has hitherto been entered into on a bargaining basis, by which is meant the grant of a preferential rate of import duty in India in return for the grant of reciprocal benefits by the other party to the agreement.

The U.S. Government has announced $95 million worth of economic aid to Poland. An agreement to this effect was signed in Washington after 3½ months' negotiations. About $48.5 million of this aid, covering surplus farm commodities and mining machinery, will be extended immediately; of this, $30 million will be in the form of a line of credit to be administered by the U.S. Government's Export-Import Bank. About $19 million have been provided for the sale of cotton, fats and oils.

The Japanese Government has announced its 13th shipbuilding programme, the largest since the war. It provides for 46 ships, including 26 cargo liners, 14 large tampers, three of them ore-carriers, and eight medium tampers and four oil tankers—a total of 414,000 gross tons, as against 307,000 gross tons last year. Because of this greatly expanded programme, the proportion of the Japan Development Bank's deferred interest loans in the total cost of the ships has been reduced.

The U.N. and seven of its specialised agencies carried out last year the biggest technical assistance programme since operations were begun in 1950, according to the annual report of the Technical Assistance Board. Records were set in the level of contributions from 77 countries and in the number of experts provided. Aid was given to 103 countries and territories and a total of $25.3 million was spent on direct field operations, about $4 million more than in 1955. Assistance provided included services of 2,346 experts and grant of 2,128 fellowships, including study grants.

The P. and O. Line, which pioneered passenger services to India, Ceylon, the Far East and Australia, is to enter the North American market in spring next year, when the 28,000-ton liner *Himalaya* will make a "test voyage" from Sydney to San Francisco and Vancouver, and back. The vessel's voyage will be integrated into the sailings of the P. & O.'s sister company, the Orient Line, which two years ago extended its services across the Pacific from Australia. Ultimately, the service will be joined by fast big ships which each line has on order.



EXPANDING GAP

AGAINST the background of a constantly growing foreign exchange gap, the reconstituted Import Advisory Council and the Export Advisory Council met last week in Delhi to examine the possible ways of closing it. With the prospects of pruning the Plan to suit the readily available financial resources having become dim, the problem of foreign exchange is, obviously, amenable to attack only from two angles, namely, the cutting down of imports, and promoting exports. How far these two methods can prove successful time alone can determine. For, in the present nature of things, even these have their own limitations.

The impact of developmental expenditure on the economy is such that, while imports have been expanding at a fast pace, exports have tended to remain static, or even decline. The average monthly value of imports, for instance, rose from about Rs. 54 crores in 1955 to more than Rs. 67 crores in 1956. On the other hand, the corresponding value of exports declined during the same period from around Rs. 50.50 crores to Rs. 49.80 crores. Consequently, the average monthly adverse balance of trade in merchandise steeply rose from Rs. 3.43 crores in 1955 to Rs. 17.55 crores in 1956. For the whole year 1956, the adverse balance of trade at Rs. 210 crores was over double the level in 1955. This is reflected in the precipitous fall in sterling balances of as much as Rs. 269 crores over a period of 17 months beginning from January 1956.

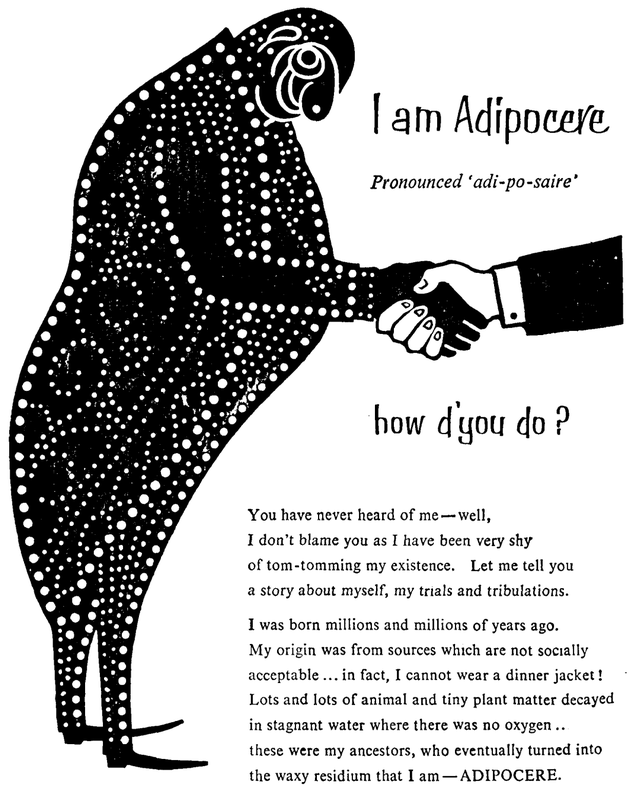
This has admittedly given rise to a situation in which, as Mr. Morarji Desai has very aptly pointed out in the course of his address to the Export Advisory Council, "speeches and resolutions are of no value unless they are followed by concrete action." The two aspects of the situation on a close examination seem to be capable of varying degrees of change. On the import front, for example, imports of machinery, steel and metals—which, in 1956, were of the order of Rs. 150 crores, Rs. 123 crores and Rs. 35 crores, respectively—are so important for the fulfilment of projects on hand and those envisaged that little scope is left for any modification. If there can be any, it should be in the direction of liberalising the import licensing system in regard to imports of capital goods. For, as is well known, the terms of deferred payments that the intending importers are required to fulfil are practically too rigid to enable expansion of business on a large scale. A somewhat helpful sign, however, is the fact that shorter period of repayment of the loan is allowed in certain types of projects, which will start earning foreign exchange within the specified period. But the fact cannot be ignored that this system of deferred payments has been coming in the way of expansion of industries, such as cotton textiles, whose products readily find their way into export markets. Viewed in this light, it is somewhat encouraging that, though Mr. Morarji Desai has discountenanced the idea of any general relaxation of these terms, he has agreed to consider favourably the requirements of those industries which have already installed a good proportion of plant and machinery they need and whose product is of special importance to the country. Despite these concessions, the chances of making much headway with the deferred payment scheme are bleak, unless some institutional arrangements to provide certain guarantees in support of the scheme are evolved. It is gratifying to note, therefore, that this question is under the active consideration of the Government.

Even so, the scope for a further reduction in imports of raw materials and intermediates required by industries, without occasioning a depression and unemployment in the industries affected, is very narrow. Curtailment of imports, however, can be effected in some items—such as pharmaceuticals—which are hitherto regarded as essential. But, in the final analysis, these do not seem to be capable of making appreciable difference to the overall level of imports, especially because of the almost unavoidable need for import of foodgrains of sizable quantities in the years ahead.

On the export front, on the other hand, some progress could be had provided constant efforts of the right type are made. But it is an uphill task. The fact that not only exports have not increased in 1956, but have actually declined, particularly in the context of expanding export trade in the world, has given rise to the need for a thorough examination of the question. It is noteworthy that manufactures, ores and tea have fared well in 1956, together accounting for an increase of Rs. 25 crores in exports. This improvement, however, was more than offset by the decline in the exports of agricultural commodities. The yield from cotton and cotton waste, for example, has fallen, as compared with 1955, by Rs. 9.5 crores. The corresponding declines in pulses and grains, and groundnuts are Rs. 6 crores, and Rs. 18.5 crores, respectively. As Mr. Morarji Desai has pointed out, the reasons for this fall were fall in domestic production in the face of an increase in consumption, and the consequent high internal prices. This underlines the need for taking more effective measures than hitherto for raising production to levels adequate to meet export demands without creating a marked scarcity at home.

Apart from this, the need for making more intensive efforts in the direction of expanding the exports of Indian manufactures, especially those of steel, leather, engineering, and electrical and of pharmaceuticals, is paramount. This is closely allied to the direction of export trade. In this sphere, however, progress has not been very impressive, though exports with certain countries such as the U.K., Russia, Japan, Italy and Egypt have expanded in 1956. This is brought out by the fact that not only there has been a disconcerting decline in India's exports to certain European countries and the U.S., but also no significant advance has been made in developing the export trade with India's neighbours in West and East Asia.

In this context, it will be interesting to see what steps are advocated by the Export Promotion Committee. Essentially, the solution will depend upon the speed and the extent to which the Government will move in the direction of (1) simplification of export regulations, (2) removal or reduction of export duties, (3) supply of raw materials to export industries, and (4) provision of better transport and port facilities. It will also depend in no small degree on business men's initiative in regard to improving the quality of export goods, and exploring new markets by systematic study and research. Meanwhile, some of the developments referred to by Mr. Morarji Desai in the course of his address will, it is to be hoped, have a salutary effect on this problem. In the first place, a State-owned corporation, with the object of insuring exporters against the risk of export business, is being set up. Secondly, substantial improvements have been effected in the working of commercial publicity organisations, and Trade Commissioners' services abroad. Again, efforts are being made to simplify export procedures, and, lastly, a Foreign Trade Board, composed of Joint Secretaries concerned with foreign trade, is being set up in order to assist the trade in utilising different service organisations to the best advantage of the country. It is to be hoped that the deliberations at the meetings of the two Advisory Councils will soon show concrete results and arrest the downward trend in India's foreign exchange reserves.



I am Adipocere

Pronounced 'adi-po-saire'

how d'you do?

You have never heard of me—well,
I don't blame you as I have been very shy
of tom-tomming my existence. Let me tell you
a story about myself, my trials and tribulations.

I was born millions and millions of years ago.
My origin was from sources which are not socially
acceptable ... in fact, I cannot wear a dinner jacket!
Lots and lots of animal and tiny plant matter decayed
in stagnant water where there was no oxygen ..
these were my ancestors, who eventually turned into
the waxy residium that I am—ADIPOCERE.
I have no ancestral wealth, and I could never own a
castle—but I am fabulously rich in fatty acids,
and I don't think you could do without me.
I am flabby, shapeless and ungainly—
all the same I am quite happy.

That's me—ADIPOCERE, the ancestor
of that Prime Mover—Oil.

STANVAC—*the name that stands for progress*

STANDARD-VACUUM OIL COMPANY INCORPORATED IN THE U.S.A., WITH LIMITED LIABILITY

PSSVOC. 43/57

THE N.I.D.C.

Although more than 2½ years have elapsed since the National Industrial Development Corporation (N.I.D.C.) was set up—it was registered on 20th October 1954—the progress made so far would appear to be not very satisfactory. It was only recently that the Corporation completed, with the help of some foreign technical teams, the preparation of preliminary project reports for a few industries, including heavy foundry and forge unit, production of newsprint from bagasse, manufacture of intermediates for dyestuffs, synthetic rubber, alloy and tool steels, etc., and establishment of a new unit for producing aluminium. Only now it is said to be engaged in the task of taking steps for the execution of such of those schemes as may be approved by the Government of India; negotiations between the Corporation and many foreign firms for their collaboration in the execution of the major projects, it is said, have reached an advanced stage.

Even with regard to the grant of rehabilitation assistance to the jute and cotton textile industries, the progress has not been appreciable. The loan given to the jute industry, for instance, is not more than Rs. 55 lakhs, the number of mills receiving it being only two; applications from 14 other mills are still under scrutiny. In the case of cotton textile industry, it was only at the meeting of the Corporation held at New Delhi on Wednesday last week that loans aggregating nearly Rs. 1.95 crore were approved for six mills; 30 more units have applied for loans and enquiries are under way. By the way, the loans given by the N.I.D.C. bear interest at the rate of 4½ per cent. and are repayable in 15 annual instalments.

It is stated that the N.I.D.C. has received detailed project reports from four firms—one each from the U.K. and Czechoslovakia and two from West Germany—for the manufacture of heavy castings and forgings required for heavy machinery production. It has also received preliminary reports from firms in Czechoslovakia, France, Italy and the U.K. for a project to produce special alloy and stainless steels required for the manufacture of industrial plant and machinery. Discussions are now in progress regarding the size of the project and the method of its implementation. The N.I.D.C. is carrying on negotiations with a number of important manufacturing groups on the setting up of a 10,000-ton aluminium plant and a 20,000-ton synthetic rubber plant (at Bareilly in Uttar Pradesh), the technical and economic aspects of which have been examined by some well-known American firms. There are four other projects on which the N.I.D.C. is carrying on negotiations with foreign firms. These are (1) manufacture of cinema films, X-ray films and photographic paper; (2) establishment of a 30,000-ton plant at Shakarnagar in Andhra Pradesh for producing newsprint out of bagasse; (3) production of tungsten carbide which is used in the manufacture of cutting and mining tools; and (4) manufacture of the more important intermediates, including primary intermediates, required for the organic chemical industries like drugs, dyestuffs and plastics.

From the foregoing review of the activities of the N.I.D.C. so far, it will be seen that the Corporation is paying greater attention to the establishment of new industries than to rehabilitation and modernisation of existing ones.

BRITISH WAGE POLICY

The British Chancellor of the Exchequer and the Minister of Labour had a series of discussions recently with representatives of employers, trade unions and nationalised industries with the principal object of deciding whether an independent body might help to throw light on the different aspects of price stability and on the need for greater productivity which is highly essential for ensuring higher standard of living. The inspiration for the move would appear to have been the recent recommendation of the Jack Court of Enquiry—the body that adjudicated on the dispute between the workers and management in the engineering and shipbuilding industry—that a body should be set up to look into the wider problems of wage policy in the setting of an inflationary economy. Official quarters, however, point out that, even before the Jack Court was appointed, Government thinking was running on these lines and that it in fact had given some thought to the best methods of bringing home to the country, in as detached a manner as possible, the economic facts which have to be faced and which should condition wage and price policy. Of course, the Jack Court's suggestion pinpointing the importance of establishing an authoritative body for examining the whole question in a comprehensive manner would seem to have provided an immediate stimulus to speedy action in this regard.

The reaction of British labour unions, to this proposal, judging from the pronouncements of individual union leaders, appears to be one of hostility. The very fact that the employers are inclined to consider the proposition favourably has bred suspicion in the minds of labour leaders. Whether the inclusion of prices, profits, dividends as well as wages in the terms of reference of the proposed body would allay the fears of labour leaders nobody can say at present. Opinion is divided among the unions themselves. One section, the Post Office Workers and the Shop Workers unions, for instance, favour some degree of wage planning as part of a generally planned economy, while the other, represented by the Transport and General Workers, stands for what is termed in some quarters as "Unrestricted free enterprise for wages but for nothing else." It would appear that the employers are generally of the view that the experiment is one worth trying; whether the employees can be made to co-operate with it, remains to be seen. Commenting on this, the *Financial Times* observes editorially: "It is indeed difficult to see how any form of wage planning can be effective without a considerably strengthening the powers of the Trade Union Congress over member-unions—as in Sweden and in the Netherlands. But this involves a voluntary surrender of sovereignty which few of the major unions are prepared to make at this stage." The paper further points out that the resolution carried unanimously by the T.U.C. at last year's Congress opposing any form of wage restraint makes it difficult for union leaders to offer any co-operation with the proposed "wages court." The intensity of feeling with which any form of wage restraint is looked upon by the majority of unions is evident from the fact that the recent action of the Amalgamated Engineering Union in accepting a wage increase with what is termed as "strings"—especially a 12-month wage standstill—has been violently criticised by some of the leading trade union leaders as conniving at a "wage freeze."

FISHING HARBOURS

An interim report on the development of fish harbours in India, now being prepared by the two F.A.O. fishing harbour specialists, Mr. Carl Gustov Bjuke and Mr. C. Ragnar Bjuke of Gothenburg (Sweden), who recently left India after a stay of 18 months, is expected to be sub-

(*Continued on page 1215*)



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Without coal there could be no steel. Consequently coal plays an equally important part in world progress.

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E6/49

INCOMES AND OUTPUT

PRODUCTION TREND ENCOURAGING

From Our Own Correspondent

LONDON, 1st *June*

LONDON LETTER

AT last, the stagnation in British industrial production is being broken as the wreckage of Suez and the oil shortages is swept away and forgotten. Against a first quarter production index for 1955 of 135 and for 1956 of 137, the index for the current year shows 137 and for April 136½ (April 1955 and 1953 both 136). Where is the progress? Simply that, in both March and April this year, strikes in the engineering and shipbuilding industries cost over six million working days and the production indices could not have held their own, if there had not been a substantial rise in output in industry generally. With strikes settled and pay increases general, the weather seems set fair for a resumption of the upward production curve which was so rudely interrupted last summer.

The reduced output in 1956 is now seen to have been responsible for a rise in unit costs in industry of some 10 per cent., according to the British Treasury's latest *Bulletin for Industry*. This follows a 3 per cent. rise in 1955, following a stable period in 1953 and 1954. In both these latter years, output per man-year rose by 6 per cent., keeping pace with annual earnings per employee. In 1955, output per man-year fell very slightly, but wage increases pushed up annual earnings somewhat. Annual earnings continued to rise in 1956, but output fell dramatically (against the normal steady rise of 5 to 6 per cent., it dropped to 2 per cent. below the previous year's level). The reason? Simply that firms hit by the credit squeeze and by Suez held on to their labour as far as possible to be ready for the turn in the tide. Indeed, it is reckoned that 90 per cent. of last year's inflationary rise in prices was due simply to this increased unit cost.

Independent data shows that gross output rose by only 1½ per cent. in 1956, while wages and salaries rose by 9 per cent. and even gross profits rose by 4 per cent. That was inflation with a vengeance and it is against that background that the evidence of a rise in output in the first four months of this year makes encouraging reading.

But it is really not very illuminating of the Treasury to assure its *Bulletin* readers that the course of 1957 prices will depend upon the relation between incomes and output. That is only too painfully obvious. What is in question is what the trend of these two factors will be, and, so far, wage increases must have given a greater fillip to total money incomes than anything has given to production. The Government is, however, determined to increase the financial incentives to greater production. But whether this policy will succeed in reducing unit costs and so end the inflationary spiral is still the undecided question of 1957.—*All Rights Reserved.*

* * * *

NO SUPREME COURT OF WAGES

LONDON, *8th June*

The idea of a special body to work out a wages policy has been carried much further this week but has undergone substantial transformation. A week ago, the Prime Minister announced that the Chancellor of the Exchequer and the Minister of Labour were both to consult the representatives from both sides of industry about the setting up of an independent body to examine all the factors influencing price stability and higher productivity. The reaction of the labour unions was not at all favourable to the original proposal and the Prime Minister's statement left everyone still guessing as to just what he had in mind.

The country was still left in the dark after meetings with the Employers' Federations and with the Chairmen of the Nationalised Industries. It was clear that the Government wanted no report to get abroad of their proposals until they knew the reactions of the Trade Unions. The manner in which the Government has been approaching the interested parties is a clear enough indication of the ticklish nature of their subject.

But at the end of the week, after meeting the representatives of the Trade Union Congress, the Government at last let details of their proposals slip out. The first thing that is clear is that any idea the Government might have had, following on the recent disputes in the ship-building and engineering industries, to set up a body to make recommendations about stabilising wages or establishing an agreed wages policy, have been abandoned. There is no thought in what is now proposed of a Supreme Court of Wages with which it was rightly feared that the Unions would have nothing to do. Instead, there is to be a continuous review with periodic reports which will be made public of the levels of prices, wages, profits and of their affect on costs, investment and productivity. This continuous review would be carried out by a small permanent committee independent of the Government and industry, and no doubt nominated by both sides (or the three sides if one takes into account the Nationalised Industries) of industry and approved by the Government.

The Court of Enquiry into the engineering and ship-building disputes had reported that the body to be set up should give direct guidance on wages policy, but the Government have wisely concluded that their aspirations would be better advanced if the permanent committee were to assemble and present in their proper relationship all the facts bearing on productivity. Let the facts be published clearly, say, once a quarter, and when wage disputes arise at least the findings of this impartial body should be acceptable to both sides on the *facts* of whether conditions in industry in general, and in the industry in dispute in particular, would support a wages claim. It is hoped that this impartial body would avoid the argument that goes on at present enquiries as to exactly what the industrial picture is showing. This is undoubtedly a wise move, because it would be extremely difficult both to make a representative body, however impartial it might try to be, make an unanimous recommendation and also to get any such unanimous recommendation unanimously accepted by both sides of industry.

And it is of course all to the good from the point of view of public knowledge of the economic facts behind industrial disputes that there should be an authoritative survey of dividends and profits (our information on these topics at present is derived from only two private sources) as well as all the more easily ascertained figures on wages and prices. However, while the British employers and the Nationalised Industries are fully supporting the Government's proposals, the Trade Unions are to give careful consideration *to them in the course of the month*; so it will still be a little while before the body can be actually set up with precise terms of reference.—*All Rights Reserved.*

PAYMENT BY EGYPT FOR BRITISH EXPORTS

While the Anglo-Egyptian financial talks in Rome stand interrupted to enable the heads of the two delegations to consult their Governments, reports from Cairo have spoken of an "agreement" by the United Kingdom to release some £6,000,000 from Egypt's No. 1 (Current) Account with the Bank of England so as to enable Egypt to pay for British exports to Egypt contracted for before Egypt's seizure of the Suez Canal Company. It is pointed out in London that it is inaccurate to say that the U.K. has undertaken to permit such a release from Egypt's No. 1 Account for this purpose. The facts are that there has been an agreement in principle that Egypt should pay for these contracts, subject to verification of their validity, out of her No. 1 Account.

The Cairo reports have also said that Egypt has agreed to resume payment of pensions to British subjects. It is stated in London that this was one of many points discussed during the Anglo-Egyptian exploratory talks held in Basle, Switzerland, on 6th and 7th May prior to the Rome talks. It has not yet been taken any further.

HOLIDAY THIS SUMMER IN



Kashmir

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Central Rly. Stations.		Western Rly. Stations.	
		General Offices Booking office, Churchgate, Bombay.	
Bombay V. T.	Begampet	Bombay Central	Jaipur
Byculla	Hyderabad (Dn)	Surat	Rajkot
Dadar	Kacheguda	Baroda	Jamnagar
Poona	Gwalior	Ahmedabad	Ajmer
Nagpur	Bhopal	Bhavnagar Terminus	Agra Fort
Jubbulpore	Sholapur	Indore	Mhow
Agra Cantt.	Saugor		
Raja-ki-mandi	Kurnool Town		
Agra City	Secunderabad		

Tickets will be issued till October 31, 1957, valid for 3 months from the date of commencement of the journey.

Children—Half fares for Rail journey and full return fares for road journey and half fares for Air journey.

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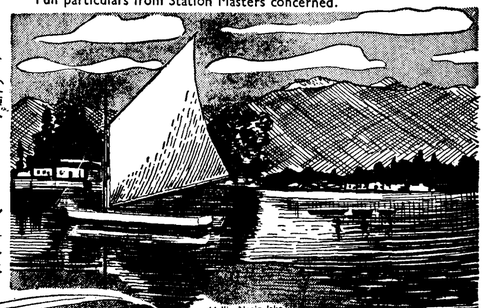

CENTRAL AND WESTERN RAILWAYS

AMERICAN LETTER

DISARMAMENT TALKS NOT DISCOURAGING

SEESAW OF ECONOMIC FORCES

From Our Special Correspondent

NEW YORK, *5th June*

POLITICAL news dominated the thinking of the financial and business community in recent weeks. All of it has deep economic implications, at least potentially. The disarmament talks at London have not been discouraging. Mr. Harold Stassen handled the negotiations for the United States. After Mr. Stassen's big mistake in denouncing Vice-President Nixon shortly before the last election, he is re-emerging with new stature because of his skill which was evident at London. Some real steps toward disarmament would, of course, be a real boon to all people. The defence portion of national Budgets would shrink and taxes could be reduced.

In an unprecedented radio interview from the Kremlin, Soviet Prime Minister Khrushchev took a similar position. The very fact that such an interview of newspaper correspondents was permitted to take place with simultaneous telecasting of the event over networks here, must be interpreted as a somewhat radical departure from previous Soviet attitudes.

Russian consent to a plan whereby mutual aerial inspection of military installations may be permitted would also speak for the assumption that the Moscow Government has taken a more liberal view. This is still being disputed by hotheads, but such steps as the Kremlin has taken recently certainly can no longer be compared with measures of the Stalin regime.

If American public opinion may be summed up about the appearance of the Soviet head of State on television screens here, it is that he may have made many friends if alone for the novelty of a broadcast from the Kremlin. It is equally certain that Mr. Khrushchev very skilfully avoided to answer questions and certain contradictions in his statements about peace and war were also evident.

Atomic Power

Another hot subject is that of the development of atomic energy for whatever purpose, internationally, the question of control and tests. The tests, particularly, have become a ticklish subject. In the tests in the Pacific, international shipping and air traffic is involved. Considerable atomic fallout has been measured in the United States hundreds of miles from the testing grounds. There is not very much which can be done about it.

The development of atomic power has already found useful peace-time application and tests presumably are necessary to find virtues and defects in the various processes. As more and more nations are making use of the atoms, another big problem to be faced is the disposal of atomic waste. If too much of it is allowed to go into the oceans or into the atmosphere, harm to life may be great, indeed.

The attack by Formosan nationalists on United States diplomatic property and personnel came as a deep shock to many people here, as John Foster Dulles, Secretary of State, admitted. An even worse blow was dealt by British extension of trade with Communist China which is bitterly opposed by Washington.

Battle of Budget

In U.S. home affairs, the Battle of the Budget continues. President Eisenhower's two personal television pleas to approve the proposed Budget have had some results in the Chief Executive's favour. The House of Representatives voted for a cut in military spending, not quite as large as contemplated at first, but large enough to make the President "not happy." The decisive roll call vote was 242 for, including many Republicans, against 151. Pending Senate action, the military bill for the ensuing fiscal year stands at $33,500 million.

What the repercussions of the resignation of Treasury Secretary George Humphrey will be, is difficult to say at this time. He has been one of the President's closest advisors. The 67-year old Secretary will presumably return to his previous coal, ore and steel interests in Cleveland and Canada.

Mr. Humphrey's successor, Robert Bernerd Anderson, has been a very successful man and he was chosen presumably to continue Humphrey's policies. Financial and business circles feel that this remains to be seen. Mr. Humphrey came to Washington from Ohio. He gave up an annual income of $300,000 to take the Cabinet post which then paid $22,500 a year and has since been raised to $25,000.

Mr. Anderson, originally a Texas Democrat for Eisenhower, served as Secretary of the Navy and then became Deputy Secretary of Defence. He left the Government in 1955 and became President of Ventures Ltd., Toronto, a mining properties' holding company. He is a resident of New York now and has changed his party registration to Republican.

Boom and Gloom

The seesaw of the economic forces continues in the U.S. Boom and gloom, justified or otherwise, are riding side by side. The Stock Exchange, which is supposed to be the barometer of hopes, wishes and despair, reached a level at the end of May which was quite near the highs for 1957. Oil stocks, particularly, have been in good demand recently. They have led the list of the most active stocks for weeks.

Building and construction are having a rough time. One authoritative report speaks of a drop of 20 per cent. in non-residential construction awards. Such highly specialised reports, however, do not tell the whole story. A full-fledged modernisation boom is under way at the same time. It is an offset to the decline in housing starts which cannot be fully measured in figures since much home modernisation is in the do-it-yourself area.

Qualified sources say, for example, that the 1957 market for additions, remodelling and repairs in the residential field alone will reach $10,000 million. This would be about 10 per cent. above the $9,000 million chalked up in this field last year. Modernisation activities are said to *enjoy the best year ever recorded.*

Automobile sales are not holding up, but savings are. People saved more money in 1956 than in any year of the post-war period, about $14,600 million. This compares with $7,600 million in 1955 and with $12,900 million in 1952, the previous peak. Reports from the depressed textile field are that customers' inventories are believed to have been pared to the point where sustained demand may be expected in July and August. Home appliance sales also seem to be snapping out of their previous slump, at least temporarily.—*All Rights Reserved.*

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INTERNATIONAL MONETARY FUND

FUNCTIONS AND ACHIEVEMENTS REVIEWED

By Ivar Rooth

[The International Monetary Fund is sometimes criticised for its lack of activity. That this criticism is unjustified is well brought out by Mr. Ivar Rooth, who was Managing Director of the Fund till recently, in the course of an interesting article contributed to the latest quarterly review of the Skandinaviska Banken. The analysis of Mr. Rooth is not only comprehensive but also lucid. Besides giving a description of the history and set-up of the I.M.F., he has examined its functions and achievements in a dispassionate manner. Since the review is by one who was connected with the I.M.F. for a fairly long period and who, in his capacity as its Managing Director, has greatly contributed to its progress, we are reproducing the article on this page. We have no doubt that readers will be interested to know the reflections of this retired Managing Director of the Fund. The article is also of some topical value, in view of the fact that the annual meeting of the Fund is due to be held at Washington in a couple of months from now.—ED.]

AFTER lengthy preparations, representatives from 44 countries met at Bretton Woods N. H. in July 1944, about a year before the end of the Second World War. The Danish Minister in Washington had been invited to take part in the deliberations. This conference drew up the Articles of Agreement of the International Monetary Fund and the Agreement for the International Bank for Reconstruction and Development (often called the World Bank). The inaugural meeting was held in Savannah, Ga., in 1946.

The aim of the Fund was to bring about permanent co-operation on international monetary problems. It was hoped, through stabilisation of currencies, to promote international trade, to contribute towards a high level of employment, improved living conditions, multilateral payments and a successive abolition of exchange restrictions, and to prevent competitive depreciation. The World Bank should assist with the post-war reconstruction and with investments mainly in underdeveloped countries.

Russia took part in the Bretton Woods conference, but did not join the organisations. Poland and Czechoslovakia were not communist countries when they joined the Fund and the Bank. They have since left both organisations. Yugoslavia is still a member of the Fund and the Bank. At present, 60 countries are members of the organisations, including most of the countries in Europe. Exceptions, besides the East European States, are Ireland, Portugal, Switzerland and Spain. All the countries in North, Central and South America, Australia and most of the African and Asian States are members. New Zealand remains outside.

When a State joins the Fund, it is allotted a certain quota, expressed in dollars. The countries must pay 25 per cent. of the quota in gold and 75 per cent. in their own currencies. A reduction of the gold payment can be made under certain circumstances. The sum of the quotas is about 9,000 million dollars. At the end of October 1956, the Fund had at its disposal almost 1,900 million dollars in gold and more than 1,900 million in U.S. and Canadian dollars.

Voting Rights

Voting rights at the annual meeting and on the Executive Board stand in a certain relation to the quotas. Only the representatives of the member States are entitled to vote. The Managing Director, who is Chairman of the Executive Board, has no vote. Besides him, the Board consists of 17 persons, each with an Alternate appointed by the ordinary member. The five States with the largest quotas, U.S.A., Great Britain, China (Formosa), France and India are each entitled to appoint one director. The Latin American countries elect three members between them. The other countries elect nine members. At present, besides the five permanent members, the Board consists of representatives from Argentina, Brazil, Salvador, Australia, Belgium, Canada, Denmark, Egypt, Germany, Italy, Japan and the Netherlands. Each of the elected Board members—except the Canadian and the German ones—represents one or several other countries; for example, the Danish member represents Finland, Iceland, Norway and Sweden.

The first Managing Director of the Fund was Camille Gutt, formerly Belgian Minister of Finance. He was succeeded by the author of this article. The present chief is Dr. Per Jacobsson, who was for 25 years Economic Adviser to the Bank for International Settlements at Basle. The present Deputy Managing Director is H. M. Cochran, a former American ambassador.

The Fund has a certain jurisdiction over exchange rates and payments transactions of member States. Import restrictions, customs duties and similar trade barriers do not come within the Fund's jurisdiction, but in that of the General Agreement on Tariffs and Trade (G.A.T.T.). There is a close co-operation between G.A.T.T. and the Fund. Members must come to an agreement with the Fund on a par value for their currency. Certain countries, as, for example, Greece, Italy, Indonesia and Uruguay, have been permitted a respite before introducing a par value. The Fund's consent is required, if a country wants to change its exchange rate by more than 10 per cent. of the original par value. Member States are supposed to maintain stable exchange rates. Their spot rates should not fluctuate more than 1 per cent. above or below par. There are no regulations for forward rates.

Three countries, Canada, Peru and Bolivia, have informed the Fund that, temporarily, their exchange rates cannot be kept within the stipulated limits, and the Fund has raised no opposition to this. Mexico had a fluctuating exchange rate in 1948-49, before re-establishing a fixed rate. The reason for the Canadian application was a huge inflow of American capital. Peru had previously abolished her currency restrictions and it seemed that their reintroduction could be avoided only if the exchange rate was permitted to fluctuate, if needed.

Some countries have a system of multiple exchange rates, as Germany had in the 1930s. In these cases the rate at which "free market" transactions can be made is usually a fluctuating one. Countries with multiple exchange rates must obtain the Fund's consent before any one of them is changed, before a new rate is introduced and before there is any change in the regulations as to which rate is to apply for different kinds of payments.

Freezing Exchange Rates

The Fund is sometimes criticised for "freezing" exchange rates and thus causing an excessive rigidity in the economic system. This is not correct. The primary aim is to attempt to prevent competitive exchange depreciations such as took place during the 1930s and caused serious difficulties for international trade. Instead, when this is necessary in order to correct a fundamental disequilibrium, the Fund tries to persuade the country to make an orderly change from one rate to another. We had a typical example of this in September 1949, when sterling was devalued and a large number of countries altered their exchange rates simultaneously.

The Fund's consent is also required, if a country wishes to introduce new exchange restrictions for current payments. Members may, however, decide on restrictions for capital payments without seeking the Fund's approval.

When the Fund began its activity in May 1946, most countries had imposed exchange restrictions in an attempt to deal with their foreign payments problems. According to the Fund Agreement, these restrictions should be successively abolished. Since 1951, the Fund has had to hold yearly consultations with the countries that have exchange restrictions. Then is discussed i.a. to what extent it will be possible to abolish exchange restrictions and discriminatory regulations, e.g., those concerning payments to dollar countries. In these matters, as well as in trying to persuade countries to get rid of their bilateral trade agreements, the Fund works along the same lines as the Organisation for European Economic Co-operation (O.E.E.C.). The final aim is convertibility for current payments.

Delayed Payments

It sometimes happens that, in a country where an importer has obtained permission to buy goods abroad, he later finds himself unable to buy currency at the official rate. These delayed payments, known as arrears, are a serious type of exchange restrictions. In such cases, the Fund discusses the problem with the member country and tries to persuade it to move gradually towards the establishment of a prompt remittance system.

In order to help countries to achieve these aims the Fund grants short-term credits. Only members can borrow from the Fund, and only if they need foreign currency for current payments, that is, to cover a temporary deficit in the balance of payments. A member can also get assistance to maintain or reintroduce convertibility. Most loans have been made in dollars. Transactions in pounds sterling, German marks and Belgian francs have also taken place.

Grant of Loan

A loan from the Fund is made in the following way. The member buys one or several foreign currencies and pays the corresponding value in its own currency. For instance, if Sweden were to buy dollars from the Fund, the Fund's account at the Riksbank would be credited with the corresponding amount in kronor. Repayment, which must take place within three to five years, is made in gold or dollars to the Fund's account at the Federal Reserve Bank of New York. Then the Fund's account at the Riksbank is debited with the corresponding amount in kronor. If at the end of the Fund's accounting year, the 30th April, the Fund's holding of a country's currency has increased and if the country's holding of gold and convertible currencies has increased, the member is obliged to repurchase part thereof.

When a country buys a foreign currency from the Fund, a service charge of ½ per cent. of the amount is made. If the Fund's holding of the country's currency exceeds its quota, interest is normally paid. The interest rate increases the longer the period for which the loan is outstanding and the greater the proportion of the quota that has been borrowed.

The following rules also apply to borrowing. A country may borrow the amount that it has paid in in gold. Sweden, for instance, has a quota of 100 million dollars and can thus borrow 25 million dollars. The Fund is on principle favourably inclined, if a member wishes to draw another 25 per cent. of its quota. According to the statute, a member may not draw more than 25 per cent. of its quota during a period of twelve months. This rule has, however, often been waived in recent years. A country may not borrow more than 100 per cent. above its quota. Exceptions can be permitted, but, so far, no such request has been made.

Some countries were initially allotted rather low quotas, in some cases lower than they had asked for. Every fifth year, the size of the quotas is reconsidered. Some countries with small quotas have had them raised. Countries with larger quotas could at present probably not expect an increase.

Stand-by Credits

In some cases, the countries are not interested in a loan, but want to be certain that, if necessary, they will be able immediately to dispose of a certain amount, for instance, because it is feared that an exceptional demand for foreign currency may arise during the coming year. If they get a guarantee that, if necessary, the money will be immediately available, they may either avoid introducing new exchange restrictions or limit them to a minimum. The Fund has, therefore, developed a system of "stand-by" credits. These are granted for a period of 6-12 months but can be extended. Even in cases where it was not necessary to make use of them, they have been of great importance in creating confidence in the country's currency. Such "stand-by" credits have been granted, for example, to Peru, Mexico, France, Great Britain and India. When the Fund opened the stand-by credits to Peru and Mexico, the United States also granted them stabilisation credits. Sometimes, one or several American banks have at the same time opened similar credits.

The Fund began its lending activity in March 1947. Since then, up to the end of 1956, more than 1,900 million dollars have been lent to thirty different countries. Of this, more than 1,060 has been paid back. The lending activity has fluctuated considerably. In 1947-48, it amounted to 675 million dollars. No loans were made in 1950, but, in 1956, over 690 million dollars were drawn. Up to the end of 1956, stand-by credits had been granted to eleven countries, amounting to almost 1,200 million dollars, the largest sums towards the end of 1956.

In order to be able to carry out its duties, the Fund must continuously follow the developments in member countries. Each country submits regular reports to the Fund and maintains an intimate contact with it not only at the yearly discussions but also in between. At least once a year, the Fund writes a report on the economic situation in every member country.

Decisions about loans, sales and new restrictions must be made quickly, usually within three days. Generally the Fund has had previous discussions with the member concerned. In order to have an opportunity of studying the actual situation in more detail than would be possible in a couple of days, the Fund has requested the countries to inform the Managing Director confidentially about their plans some time before making an official application for a loan or a change in the rate of exchange or in their currency regulations.

The Fund issues a number of publications, including, on the occasion of each annual meeting, a report on the world economy and the payments situation in the various countries. This, of course, contains an account of the Fund's activity during the year. A year-book on exchange restrictions is also issued, with a fairly detailed account of the situation in the various countries. The Fund publishes monthly its valuable *International Financial Statistics*, which gives current information on the monetary situation, international trade, prices, Government expenditures, etc., for most countries. The Fund continues the publication of the balance of payments in different countries that was started by the League of Nations. It is issued in loose leaves as soon as the figures are received. The Fund also collects and edits the information on various countries' exports and imports that is found in the *Direction of International Trade*, published by the United Nations in co-operation with the Fund and the World Bank. The weekly publication, *International Financial News*, is supplied without charge to persons interested. The Fund's other publications can be subscribed to.

Monetary Policy

In its dealings with the economic problems of its members, the Fund tries to convince them to introduce a more effective financial and monetary policy. A very important part of its work, therefore, consists of giving technical advice. If necessary, the Fund sends a group of experts to study the situation. Upon request, one or more of these officials is placed at the disposal of the Government or central bank as an adviser. Not infrequently, these officials co-operate with representatives from the World Bank or experts sent out by the United Nations.

The Fund organises annual courses for about 20 officials from central banks or Governments of member countries. Most of them come from underdeveloped countries. They study chiefly monetary, statistical and balance of payments problems. Over and above the Board members and their Alternates, the Fund had at the end of 1956 about 420 employees from more than 40 different countries. The Fund has only one branch office, which is in Paris. Its job is to maintain a close contact with O.E.E.C. and its various departments, above all the European Payments Union (E.P.U.), and with other international organisations in Europe.

One seldom hears anything about the Fund. This is because its effectiveness is greater if it carries on its work in confidential negotiations with its members. Premature publicity can lead to speculation and cause serious damage. Most of the investigations that are made—and they amount to a considerable number each year—are for this reason not published but sent only to the members for confidential information. Some are, however, published in the *Staff Papers*.

Criticisms Unjustified

The Fund has sometimes been criticised for its lack of activity. Such critics have usually forgotten the following facts. The world in which we live after the Second World War is not the world that was hoped for at Bretton Woods. There have been wars in Korea, Indo-China and the Middle East, and, besides these, we have had the cold war with all its undesirable political and economic effects.

Shortly after the war, it became clear that the countries needed not only short-term credits from the Fund but also loans for a longer period and of a magnitude that was beyond the resources of the World Bank. Then there came first the large American and Canadian loans to Great Britain and in 1948 the Marshall Aid. This has been followed by American aid in various forms to countries in different parts of the world. All this has, of course, considerably diminished the demand for assistance from the Fund and the World Bank.

The currency situation in most countries has improved in recent years, mainly as a consequence of the increased world trade and American aid. The members have been able both to enlarge their currency reserves and to pay back most of what they had previously borrowed from the Fund. After the Suez crisis at the end of 1956, a new situation has arisen, characterised, *inter alia*, by the abovementioned stand-by credits to France and Great Britain, totalling 1,000 million dollars. Besides this, Great Britain has bought over 560 million dollars. Requests for financial aid from other countries have also increased.

Stabilisation Measures

The Fund has—often in co-operation with O.E.E.C.—contributed towards a gradual reduction of exchange restrictions and bilateral agreements, diminished discrimination in payments and increased transferability of many currencies. As already mentioned, it has assisted in important stabilisation measures, not only in the Latin American countries and Asia but also in Europe.

One reason why the European members have not made more use of the Fund than they have done until the last quarter of 1956 is that they have preferred to use their automatic credit in the European Payments Union. Whereas repayment to the Fund must be made in gold and dollars, any surplus of a member's currency automatically diminishes its debt to E.P.U. It has often been easier for a country to earn, by its exports, a surplus of pounds than of dollars. Now, however, this may change since of the deficits in E.P.U. 75 per cent. have to be paid in gold or dollars—as compared with 50 per cent. previously—and as diminished credit possibilities and increased dollar payments have reduced the relative advantage of a credit from E.P.U.

Also, some countries have entertained fears that a purchase of currency from the Fund would be regarded as a proof of a serious crisis and could thus set off a wave of speculation. Such fears would become less frequent, if the members used the Fund more regularly when a country's currency reserves are sinking. At present, the tendency seems to be in this direction.

It is an obvious fact, but one that is frequently overlooked, that the Fund cannot abolish currency restrictions or carry through stabilisation measures. This depends entirely on whether the country's own authorities are willing to pursue such economic and monetary policies as would make these measures possible. The Fund can only analyse the situation, make clear what has to be done to bring about internal and external balance, try to convince the persons concerned of the necessity of taking these measures, and place foreign currency at their disposal to bridge over temporary payments difficulties. Sometimes, it is only after repeated discussions that the country is willing to take one or another step in the right direction. In such cases, monetary measures such as raising the rate of interest or restricting credit in one way or another are as a rule not sufficient. The budget deficits of Governmental and local authorities may, as a rule, have to be cut, sometimes by an increase in income and, in most cases, by a reduction of expenditure. It is also necessary to refrain from financing these budget deficits or part thereof except for short periods through the central bank. Wage increases exceeding the rise in production should be avoided. If consumption has risen too rapidly, the increase in consumption may have to be slowed down. In some countries, expenditure on social services has risen more than economic resources permitted. In order to be able to maintain a reasonably stable value of the currency, it is—until a better balance has been restored by increased production—essential that new expenditure of governmental and local authorities should be avoided except where absolutely necessary. The possibility of postponing some of the expenditure that have already been decided on should also be studied.



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GOVERNMENT TO ALLOW MORE SPINDLES

ADDITIONAL YARN OUTPUT, HOWEVER, WILL BE EARMARKED FOR EXPORT

A NOTABLE pronouncement made by Mr. Morarji Desai, Union Minister for Commerce and Industry, at the Export Advisory Council meeting held at New Delhi on Friday last week, was that the Government of India was considering the question of putting up more spindles for increasing yarn output. The additional production, he added, would be earmarked for export. Mr. Desai revealed, in this connection, that the Government would soon issue orders for liberalising export of yarn, with a view to helping mills having accumulated stocks. Immediately following this statement, the Government announced that the exportable yarn quota of a mill remaining unutilised in a quarter would be assessed in the next quarter and freely licensed to exporters on a first-come-first served basis in the following quarter. It said: "Cotton textile mills are at present allotted quarterly yarn export quotas from their production in excess of their output in 1955. Quotas thus allotted under the present procedure are to be exported by the mills themselves or through their nominees. It has been noticed that some of the yarn export quotas remain unutilised and are not utilised, because the mills are not interested in export, the internal prices being sufficiently attractive."

The move of the Central Government to allow installation of more spindles in the mills deserves to be widely welcomed, though the proposed condition, namely, that the additional production should be earmarked for export is irrational. While drawing up the development programme for the cotton textile industry in the second Five-year Plan, the Planning Commission assumed that the actual installation of 1.4 million spindles, out of the 1.8 million licensed but unutilised at the end of the first Plan, together with the 170,000 spindles representing normal expansions and modernisation schemes, would be sufficient to achieve the targetted output of yarn—1,950 million lbs. Following the revision in textile policy of the Government in June 1956, however, it was decided to raise the spinning capacity of mills by 2.1 million spindles which, it was said, would be adequate to produce an additional 1,400 million yards of cloth. Subsequently, this figure was revised upwards to 2.3 million spindles.

Capacity Needed is More

Even the aforesaid revised spinning capacity must be said to be a conservative one, inasmuch as it is fixed on the basis of incorrect estimates of the additional requirements of cloth from the three sectors—the mills, the handlooms and the powerlooms. The additional requirements of cloth at the end of the Plan are estimated at only 1,700 million yards, including 300 million yards earmarked for production from Ambar Charka yarn. This quantity is said to be sufficient to give a *per capita* consumption of 18.5 yards, after allowing 1,000 million yards for export. The estimated *per capita* consumption of 18.5 million yards is, in the opinion of experts, on the low side and compares adversely with 22 million yards assumed by the millowners in their calculations. Taking the rise in *per capita* consumption from 18.5 yards to 22 yards and export demand at 1,000 million yards, the overall additional requirements of cloth at the end of the Plan will work out to 3,400 million yards, double the figure now assumed. On the basis of 5½ ozs. of yarn of average count of 20s per spindle-shift and of two shifts working for 300 days in a year, the additional spindleage required would be of the order of 5.6 million spindles, that is, 1.3 million spindles more than those now licensed to be installed. This will be higher still, if the Government really wants to establish a permanent export trade in yarn.

It will thus be seen that the proposed decision of the Government to stipulate that the additional production of yarn out of the installation of new spindles that will be allowed will be earmarked for export is, as already stated, illogical. It will, of course, take some time for these new spindles to be installed and put into production. Who can say at this stage as to what will be the conditions in yarn export markets then? The question will naturally arise as to what would happen to the additional production of yarn, if the export markets were to slump and Indian yarn became unsaleable. Will the Government levy, as it has decided in the case of exports of cloth produced from automatic looms, a penal excise duty on the production utilised either for weaving cloth in the mills or for being released for use by handlooms, powerlooms, etc.?

Moreover, the history of cotton textile industry all over the world shows that it is a risky business to expand the spinning side of a mill on the assumption that export markets will provide an outlet for the yarn. With every country planning to have cotton textile industry on vertical lines, the scope for yarn exports will become more difficult than that for cloth. It is common knowledge that the neighbouring countries in Asia where there are handlooms and powerlooms are also trying to become self-sufficient in yarn by expanding their own spindleage. Again, if it is not right for a country with heavy unemployment to export raw materials which it can easily convert into finished goods, how is it right to export such materials in a semi-finished form? In saying all this, we do not mean that we are opposed to the Government's decision. Indeed, we welcome it, despite its defects, because it will add to the spinning capacity and this, in turn, will compel the authorities to allow an expansion in the weaving capacity of the mills later, if and when their calculations about exports of yarn go awry. A wise Government, however, will recognise that economic forces cannot always be shaped to its needs and try to tackle them in a straightforward and positive manner, instead of through *ad hoc* decisions and devious ways.

Yarn Supply Position

To revert to the position as it is today, the Government's decision to liberalise the policy governing cotton yarn exports, is, it is said, designed to help the mills not only to liquidate their stocks of yarn but also to produce more yarn for the handloom industry. Thanks to the restricted export policy hitherto followed, exports of yarn have gone down considerably, the actual shipments during the year 1956 being not more than 13 million lbs., as against 21 million lbs. in 1955. Consequently, of late, heavy stocks of yarn have accumulated with the mills, several of which have taken recourse to "distress sales." The total quantity of yarn lying unsold with the mills at the end of April 1957 amounted to as much as 20 million lbs., as against 4 million lbs. in August 1956 and 12 million lbs. in April 1955. The following table indicates the supply position of yarn during the years 1955 and 1956:

(In million lbs.)

	1956	1955
Production at spindle point	1,671	1,630
Consumption—		
In composite mills for weaving cloth	1,192	1,154
For manufacturing hosiery and other articles ..	13	12
Delivered for—		
Export	13	21
Civil consumption and other purposes	412	434
Yarn available for consumption by handlooms, power looms, etc.	453	443

The supply position in respect of yarn at present is more comfortable than what it was last year. The production of yarn has registered a marked expansion. During the first four months of the current calendar year, for instance, more than 601 million lbs. of yarn came off the spindles of mills, as against 530 million lbs. in the corresponding period of 1956. On this basis and assuming that the trend is maintained in the coming months also, the aggregate output of yarn for the whole of 1957 may be estimated at 1,803 million lbs., which compares very favourably with 1,671 million lbs. in 1956 and 1,621 million lbs. in 1955. The improvement in production would appear to have not been accompanied by a similar rise in offtake by handlooms and powerlooms, so much so that stocks have, as stated already, accumulated with mills.

It is gratifying that the Government has allowed traders also to participate in the yarn export trade. The policy of allowing only the mills to export cotton yarn had evoked a bitter protest at the hands of the trade. Such a policy, it had been pointed out, was highly detrimental to the export trade in general. With the liberalisation of the policy now announced, the traders feel that they can have a wide choice in purchasing yarn from mills at competitive rates, thus enabling them to conclude larger business in the foreign countries. Although the overseas demand for Indian cotton yarn is at the moment subdued, the position may improve in the coming months. It is, however, necessary to emphasise that, if India is to succeed in building up a sizable export market in cotton yarn, it must be in a position to provide an uninterrupted supply of the goods. Importing countries will have little incentive to buy Indian yarn, if they have an impression that, after some months, the Government of India may, once again, place restrictions on exports thereof, in order to conserve supplies for domestic consumers. Nor will the exporters of this country have any heart to enter this trade, if they are not sure of its continuity. The Government must, therefore, make up its mind now and tell the traders here and abroad that it will always allow a reasonable quantity of yarn to be exported.

U.S. WOOL TEXTILE IMPORTS

President Eisenhower has announced that imports of woollen textiles into the U.S. in excess of 14 lbs.—or 5 per cent. of the average domestic production—during the current calendar year will be subjected to the imposition of the full 45 per cent. *ad-valorem* duty permitted by the Geneva reservation. This decision is a sequel to the representation made by the indigenous woollen textile manufacturers who had complained of threat of imported woollens and worsteds.

One of the countries most adversely affected by the decision is the U.K. The British Government's disappointment at the decision has recently been conveyed to the American Ambassador to the U.K. by Mr. Selwyn Lloyd, Britain's Foreign Minister. Mr. Lloyd has clearly pointed out that the U.S. move will produce uncertainty and dislocation in the British textile industry. It is pointed out that, in view of the U.K.'s need to earn dollars in order to finance its large purchases in the U.S., the quota could have been more in line with the actual performance in 1956, that is, about 6.5 per cent. of the average domestic production in the U.S., instead of 5 per cent. The American Ambassador has promised to report the British Government's viewpoints to the U.S. Government.

TEXTILE INDUSTRY IN YUGOSLAVIA

A fairly ambitious scheme of expansion and modernisation has been launched by the textile industry of Yugoslavia. The scheme envisages an annual increase of 10 per cent. in output over the next five-year period, thus exceeding the 1955 level by 50 per cent. at the end of 1961. The targets of production fixed are 261 million square metres (0.914 square metre=one square yard) for cotton fabrics, 18 million square metres for woollen fabrics, 45 million square metres for ready-made clothing, underwear, etc., and over 45 million pairs for stocking. In order to ensure the fuller utilisation of the existing capacities, special attention is paid to the reconstruction and modernisation of factories the machine plant of which is obsolete and run down. This primarily refers to mills erected in Serbia, Slovenia and Croatia before the Second World War. Many mills built in the inter-war period also need reconditioning. According to some estimates, the scheme entails an investment of about 29 million dinars. Only 5 billion dinars will be spent on the construction of new capacities.

EXPORT OF SILK WASTE

The Central Government has released for export a quota of 284,000 lbs. of Madras-Mysore silk waste for the current half-year, the actual shipment being allowed up to the end of September next. The quota will be licensed in the following manner:

A portion of the quota will be allowed for export by the Director of Sericulture in Mysore, Bangalore, or his nominee.

Established shippers will, on application, be granted allotments up to 21 per cent. of their established basic exports, subject to a minimum allotment of 3,000 lbs. per shipper.

The balance will be distributed among newcomers and internal dealers who were granted quotas against the release of 300,000 lbs. for the year 1955; their quotas will be in proportion to the actual shipments by each of them up to the end of December 1955, subject to a minimum of 3,000 lbs. per shipper.

In exercise of the powers conferred by section 15 of the Industries (Development and Regulation) Act 1951, the Central Government has ordered an investigation into the affairs of three textile mills, namely, the Huthising Manufacturing Company, Ltd., Ahmedabad, the Shri Sayajee Jubilee Cotton and Jute Mills Company, Ltd., Sidhpur, Bombay State, and the Gopal Mills Company, Ltd., Broach, Bombay State. The investigating body is presided over by Mr. Arvind Mafatlal and consists of Messrs. Indravadan Oza, M.L.A., H. L. Daulatzada and K. R. Aravamuthan (member-Secretary).

The Government of India has decided that loans sanctioned to apex weavers' co-operative societies as working capital for marketing of handloom cloth should be repayable in nine (instead of five) equal annual instalments, the first instalment becoming due on the second anniversary of the date of drawal of the loan by the State Government.

FRESH EFFORTS TO MEET LABOUR SHORTAGE IN MILLS

OUTPUT OF MAN-MADE FIBRES FALLS

From A Special Correspondent

MANCHESTER, 4*th June*

SIR David Eccles, President of the Board of Trade, has agreed to meet members of the Lancashire textile mission which recently returned from Pakistan in London today (Tuesday). The meeting had been asked for by the Cotton Board.

MANCHESTER LETTER

The Lancashire mission, which earlier this year also visited India and Hong Kong, flew to the Far East to urge voluntary limitation of the large-scale exports of cheap cotton cloth to the United Kingdom. It has been reported from Karachi that Pakistan millowners declined to enter into a "gentleman's agreement" along these lines, because of balance of payments and other difficulties.

For the first time for nearly three months adjustments were made this week in prices of yarns spun from American type cotton. Irregular movements occurred in selling rates, spinners charging more for the finer counts, with advances ranging up to about ½d. per lb. Reductions in the lower numbers resulted in cuts in quotations of up to ¾d. per lb. in some instances. Recent sharp reductions in the price of Egyptian type cotton yarn, amounting in some cases to over 5d. per lb., were announced last week and, in the circumstances, users have been hesitant about committing themselves far ahead. Many spinning firms in Lancashire retain extensive order lists, but the flow of fresh business over the past few weeks has not been on as large a scale as early in the year.

Partnership Pays

Labour is a scarce commodity in Lancashire, despite, or perhaps because of, the difficult times experienced in recent years when employment has been far from continuous. Many are the methods now being adopted by managements to secure workers for an industry whose spinning and weaving manpower has declined from a peak of 320,000 barely five years ago to the present total of 245,000.

Individual employers have their own views on how this problem should be tackled. Mr. W. A. Grierson, Chairman of Hayeshaw Ltd., the spinning group which employs some 2,000 operatives, make a modern approach on the lines of co-partnership. To bring the firms workers into the picture, they each receive a simple explanation of the annual accounts showing the money earned and how it is spent. "We believe that a successful business today must be a partnership of management, workpeople and shareholders," declares Mr. Grierson. "Ways are being sought of enlisting greater co-operation in the raising of productivity. Until the economic 'facts of life' of a business or industry are more widely made known to workpeople, it is unlikely that the harmful inflationary trend can be retarded and real purchasing power increased."

In the mills of the combine, progress has been persistent during the past decade. Mr. Grierson quotes figures showing that, in 1948, it required 24.84 operative-hours to produce 100 lbs. of yarn working old ring spinning machinery on traditional methods. Now new ring spinning machinery, coupled with work-study processes, needs only 10.55 operative-hours per 100 lbs. of production. This, he points out, compares with the last reported average performance in good United States mills of 11.49 operative-hours.

Many mills in Lancashire would be happy to echo the experience of Hayeshaw Ltd. in recruiting 124 juveniles during the past year, while only 25 workers retired on pension. The ability to secure young labour to take the place of older operatives is a vital factor in the battle ahead.

Fibre Deliveries

Output of man-made fibres, after reaching the highest level for 12 months past in March, showed a decline in April, mainly because of the shorter working month. Production of staple fibre in March, however, was at a new record level of 24,400,000 lbs., while continuous filament yarn aggregated 20,600,000 lbs. April output was 2 per cent. higher than in the same month a year ago, the increase in staple fibre production so far this year being 3 per cent. above the 1956 level, but this has been offset by a reduction in filament yarn.

Deliveries to home users during the first quarter of the year showed a sharp advance in consumption compared with the same period in 1956 and recent quarterly averages. Deliveries for home and export distribution amounted to 72,393,000 lbs., as against 66,519,000 lbs. in the first quarter last year and the quarterly average of 62,222,000 lbs. in 1956.

More staple fibre was absorbed by all the various spinning industries, with the exception of flax, the main expansion being in the cotton and woollen trades, where takings of 26,922,000 lbs. and 16,145,000 lbs., respectively, were recorded. Exports of staple, however, showed a marked reduction, being 6,665,000 lbs. in the first quarter this year, as compared with 10,422,000 lbs. in the same three months of 1956.

Deliveries of continuous filament yarns so far this year were very similar to those recorded in the early months of 1956, but the total to the end of March of 61,853,000 lbs. compared with a quarterly average last year of 55,430,000 lbs. Little change has occurred in the quantities absorbed by the various types of consumer in the home market, but exports of yarn showed a further increase to 9,853,000 lbs., as compared with 7,898,000 lbs. in the final quarter last year and 6,226,000 lbs. in the first three months of 1956.

Further wage increases are being sought for employees in different sections of the cotton textile industry in Lancashire. Higher earnings are being claimed by supervisory staffs, following the adoption of a resolution by the delegate conference of the Textile Officials' Association. This called for the submission of a claim for extensive advances to the Master Cotton Spinners' Federation. Under the terms of the resolution, the increases demanded should "level up differentials which have been in existence for many years but have now been narrowed." In some cases, the Association claims the differentials have ceased to exist.

Quickly following the general application for a wage advance already submitted by representatives by the 245,000 spinning and weaving operatives has come a similar application for enginemen, firemen, mechanics and electrical workers. The unions concerned have lodged a demand for "a substantial increase" in wages with the Master Spinners' Federation and the Cotton Manufacturers' Association. Some 4,000 workers are involved in this demand.

Fine Cotton Supplies

Perhaps, it is not entirely a coincidence that the first direct communications from Egypt for six months should be received at the same time as announcements are made relating to the next Egyptian cotton crop. The rivalry among the leading growers of long-staple cotton is clearly coming to a head and it is interesting to compare the tactics being pursued by the participants in the struggle. Higher export taxes are to be imposed on the new Egyptian crop possibly as a move to encourage interest in current supplies which are not affected by the proposals. The higher duty will add an extra 5½ tallaries per cantar to long-staple cotton and 4¾ tallaries for medium varieties.

Advices from Alexandria admit that sales abroad have not so far been as large as in the previous season and the carry-over is expected to be higher than twelve months ago. To the end of the first week in May, exports from Egypt had aggregated 428,478 bales, as compared with 724,946 bales in the previous season.

The attitude of the authorities in Egypt towards foreign trade still remains a mixture of threats and pleadings. "There would seem to be a real need to be filled in long-staple cotton in America and also elsewhere in spinning centres which is a healthy sign," states one market review. "On the other hand," it adds, "our authorities are on the alert to counteract whatever adverse circumstances which may happen to endanger the stability of our market. Already, there are many measurs and activities—bilateral agreements, special discounts for hard currencies, business missions, etc.—which are being constantly devised to protect the growers and the economy of the country. Others are on file to be used if and when necessary."

Conditions in the Sudan are far from stable. Raw cotton supplies at the beginning of the current season were offered by auction, with basic prices to protect the farmers. Because of the restricted demand, sales by private tender were reintroduced, but this venture has proved no more successful and auctions have restarted, with reserve prices about 9*d.* per lb. lower than the former level.

In view of these various conflicting developments, it is small wonder that users of long-staple cotton, not only in this country but in other consuming areas, are disinclined to anticipate their needs far ahead. Stability in prices and some prospect of continuity of supplies are essential features of confidence and, without such trust, it is unlikely that business will broaden in the near future.—*All Rights Reserved.*

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REGULATION OF DELIVERY CONTRACTS

OUTLINE OF A NEW SCHEME

THE Board of the East India Cotton Association, Bombay, has been having under consideration for some time now the question of regulation of Delivery Contracts. This subject has been examined by the Sub-Committee appointed to go into the question of changes, if any, to be effected in the Hedge Contract for the next season and also by the Board at its various meetings. After elaborate discussion, the Board has formulated a scheme in the form of an outline providing for non-transferable specific Delivery Contracts. The scheme is only a tentative one and final shape will be given to it only after considering the various suggestions that might be put forward by the different interests concerned. The scheme that might be finally adopted will then be submitted to the Forward Markets Commission for approval as early as possible, as the Commission desires to have definite proposals for regulating Delivery Contracts before granting permission for trading in the new crop contracts. The following is the outline of the new scheme, as officially circulated by the Association:

Under the scheme trading in the following types of Delivery Contracts only will be permitted:—(a) Sales and purchases between members or between a member and a non-member on private types or sealed samples or on stamped bales either on 'on call' or 'fixed price' basis in respect of all varieties tenderable under the Hedge Contract and/or included in the Textile Commissioner's Schedule. There will be no settlement clearings in respect of these types of business. (b) Sales or purchases between members or between a member and a non-member on description in respect of the varieties tenderable under the Hedge Contract which may be permitted by the Board, either on 'on call' or 'fixed price' basis. Payment of differences through the Clearing House as envisaged hereunder, shall not apply to such transactions in which one of the parties is a mill but the transactions should not be cancelled.

Delivery Orders

Delivery orders should not be passed on from party to party. Delivery should be taken by the buyer from his immediate seller and then given to the mill or the next party. Transactions on description shall be for the particular staple stipulation as may be permitted by the Board from time to time. Such transactions, however, may be settled if the parties mutually agree. No havalas are to be allowed. No purchase or sale in Delivery Contracts other than on the abovementioned terms and conditions, shall be allowed under the by-laws of the Association. There shall, however, be no restriction of business in respect of cotton having a staple more than 1" as well as those which are not included in any of the abovementioned two Schedules. Transactions in respect of Bengal, Assam Comilla, Oomra Deshi, Mathia, and Mungari and other varieties not included in the Hedge Schedule or in the Textile Commissioner's Schedule may be on 'fixed price.'

Daily rates on 'on call' and 'fixed price' basis shall be fixed by the Daily Rates Committee for the varieties permitted by the Board to be traded in Delivery Contracts on descriptions, subject to a right of appeal to the Board. The right of making the call shall be at the option of the buyer, unless otherwise stipulated in the contract. The person entitled to demand fixation of the price may do so during hours when trading is open in the Trading Ring or give a valid havala of the Hedge Contract, if demanded. When the buyer is entitled to fix the price and the seller intimates to him that he is buying a Hedge Contract against fixation, and when the seller is entitled to fix the price and the buyer intimates to him that he is selling a Hedge Contract against fixation, the price at which the cotton called, against which such hedge is bought or sold, shall be fixed on the price of such hedge so bought or sold. The call price shall be fixed within a fortnight before the commencement of the delivery period of the contract or within a fortnight before the commencement of the delivery month of the Hedge Contract, whichever is earlier. However, if the price in the Hedge Contract added to the rate of 'on call' touches the ceiling rate fixed by the Textile Commissioner for that particular description, then the call price shall be deemed to be automatically fixed at the ceiling rate on the date of such occurrence at that rate by mutual consent or the buyer should give a Hedge Contract at the rate referred to above and the seller shall be bound to accept the same.

Delivery Contracts between a merchant and a mill shall not be subject to settlement clearing. Delivery Contracts between members or between a member and a non-member on private types, or sealed samples or on stamped bales shall also be not subject to settlement clearing. Settlement clearings in respect of other Delivery Contracts shall not be on weekly clearings basis, but they shall be as under:—

In respect of 'on call' transactions on description if the 'on call' rate fixed by the Daily Rates Committee on any day for a particular description is more or less than the 'on call' rate fixed by the Committee for the first time for that description or more or less than the previous settlement rate for a particular description by Rs. 25 per candy, then the parties shall pay or receive the differences accordingly through the Clearing House for that particular description at the immediately following weekly settlement clearing.

Fixed Price Transactions

In respect of transactions on description at fixed prices and in respect of 'on call' transactions for which the call price has been fixed, if the rate fixed by the Daily Rates Committee for a particular description on any day is more or less than the rate fixed by the Committee for the first time for that description or more or less than the previous settlement rate for a particular description by Rs. 25 per candy, then the parties shall pay or receive the difference in respect of such transactions for that particular description, through the Clearing House at the immediately following weekly settlement clearing. The differences arising out of final settlement shall also be paid or received through the Clearing House at the immediately following settlement clearing. The rates shall be based on the rates fixed by the Daily Rates Committee subject to a right of appeal to the Board. The balance-sheet in respect of settlement clearing for Delivery Contracts as above shall be submitted separately and not included in the balance-sheet in respect of Hedge Contracts. However, the amount due to be paid or received under either balance-sheet shall be permitted to be set off.

The due date in respect of Delivery Contract on description, between members or between a member and a non-member other than transactions between a member and a mill shall be 25th of the month and in respect of transactions between a member and a mill or between a non-member and a mill shall be the last day of the month. Due date for the transaction of Delivery Contracts on stamped bales, private types or sealed samples will be according to the stipulations of the contract. No 'on' allowance for class or staple shall be allowed. Cotton tendered upto one grade 'off' to be allowed. Cotton tendered which may be below the basic staple or more than a grade 'off' in class shall be rejected.

Delivery of Cotton

It shall be obligatory on the seller to deliver the cotton or face consequence of failure to tender. It shall not be in order for him to ask the buyer to buy on his account in case of his inability to deliver cotton according to his contract. Having sold cotton under a Delivery Contract on specific types or sealed samples or stamped bales or on description, it is obligatory on the seller to give delivery of actual cotton. If the cotton tendered is rejected in arbitration it shall be invoiced back at the spot rate of the cotton contracted for, fixed for the day following the date of the final award together with a penalty at the discretion of the Board not exceeding Rs. 25 per candy. In the case of failure to tender the cotton shall be similarly invoiced back at the spot rate of the cotton contracted for, fixed for the due date together with a fixed penalty of Rs. 25 per candy. Application for fixing invoicing back price in both the above cases to be made under By-law 34A. The right of buyer to buy on account to remain as at present in both cases.

It is felt that the above regulations in respect of Delivery Contracts can be effectively enforced, only if these regulations are made uniformly applicable to all transactions in Delivery Contracts whether either of the parties thereto is a member of the Association or not. It will, therefore, be necessary for Government to apply the provisions of Chapters III and IV of the Forward Contracts (Regulation) Act 1952 throughout the Indian Union to transactions in non-transferable specific delivery contracts also in order to regulate and control such transactions.

EXPORT OF COTTON

Figures relating to export of cotton from the beginning of the current season till the 18th of May show that the export performance of Indian cotton during the period has been very poor. Exports to different destinations during the period aggregated 215,799 bales (of 392 lbs.) as against 524,801 bales during the corresponding period of the previous season. This reduced shipment was due partly to the fact that the quantity allowed for export—4 lakh bales—was comparatively small, thanks to the tight supply position of cotton and partly to the closure of the Suez Canal. Further, the sudden ban on export of cotton imposed on 26th March forbade further sale of cotton against the quota already announced. The following table gives the destinational break-down of cotton shipped from India during the period under reference:

(In bales of 392 lbs.)

	1st September to 18th May	
	1956-57	1955-56
Japan	130,961	266,512
Hong Kong	31,583	34,174
Continent	25,174	100,071
U. K.	21,076	62,752
China	3,427	54,200
U.S.A.	2,359	3,776
Others	759	2,026
Total ..	215,799	524,801

As will be seen from the table, Japan accounted for the major portion of cotton shipped by India, followed by Hong Kong, the continent of Europe and the U.K. A striking feature of this season's export trade is the sharp drop in the offtake of Indian cotton by continental countries and Britain. The former purchased only 25,174 bales during the period under review, as against 100,071 bales during the same period last year. Similarly, the share of U.K. dropped from 62,752 to 21,076 bales. The main obstacle to trade with these countries, it is needless to say, was the break-down of traffic through the Suez Canal.

EGYPTIAN COTTON

Despite the fact that the Indo-Egyptian trade agreement signed in April last provides for import by India of 20,000 bales of Egyptian cotton under a special payments procedure, the offtake of Egyptian cotton by India has not been up to expectations. This is attributed to the fact that the mills which, apart from being more or less well supplied with East African and Sudan cotton, have developed a "wait-and-watch" attitude as they anticipate a further fall in Egyptian prices which have of late been showing a declining trend.

Offers in the Bombay spot market for Karnak T. 154 variety ranges between 54½d. and 55d. per lb. Though this is more or less in line with the price ideas of Indian mills as indicated earlier, the latter are not much enthusiastic about putting through deals at this rate. This lack of interest in Egyptian cotton is also due to the relative cheapness of comparable Sudan cotton. Further, Egyptian cotton is used for the production of fine and superfine cloth, and the trade in these varieties does not show signs of any immediate improvement. This is another reason for the lack of enthusiasm among mills for acquiring Egyptian cotton.

Meanwhile an idea of the current supply position of Egyptian cotton can be had from the following table:

Supply Position of Egyptian Cotton

(In bales of 720 lbs.)

Variety	Carry over on 31-8-1956	Crop	Total supply	Exports and consumption till 22-5-1957	Stocks on 22-5-1957
Karnak ..	36,022	292,003	329,015	206,580	122,435
Menoufi ..	7,918	113,586	121,504	74,480	47,024
Giza 30 ..	29,401	180,540	209,941	110,018	99,923
Ashmouni ..	31,144	381,029	412,173	239,640	172,533
Others ..	22,350	23,201	45,551	34,724	10,827
Total ..	127,735	990,449	1,118,184	665,442	452,742

LONG-STAPLE COTTON

Since India has been importing long-staple cotton of the value of about Rs. 40 to Rs. 50 crores yearly, any attempt at increasing the production of long-staple cotton within the country is to be greatly welcomed. It is happy tidings, therefore, to cotton people to know that the Government of Bombay, in co-operation with the Indian Central Cotton Committee, will shortly embark upon a scheme, costing Rs. 1 lakh, for the establishment of a pilot research station to grow long-staple American and Egyptian cotton near Talod in Sabarkantha district of Bombay State. In the neighbouring district of Mehsana, experiments conducted in the hybridisation of Sea Island cotton and the C.O. 2 variety has yielded encouraging results.

At Talod, agricultural experts, assisted by local cultivators, will study climatic and agronomic factors conditioning the growth of long-staple cotton. The Director of Agriculture and other experts of the Government of Bombay recently visited Talod for an on-the-spot investigation of the possibilities of implementing the scheme. The cost of the pilot scheme will, it is understood, be jointly borne by the Government of Bombay and the Indian Central Cotton Committee on a 50-50 basis.

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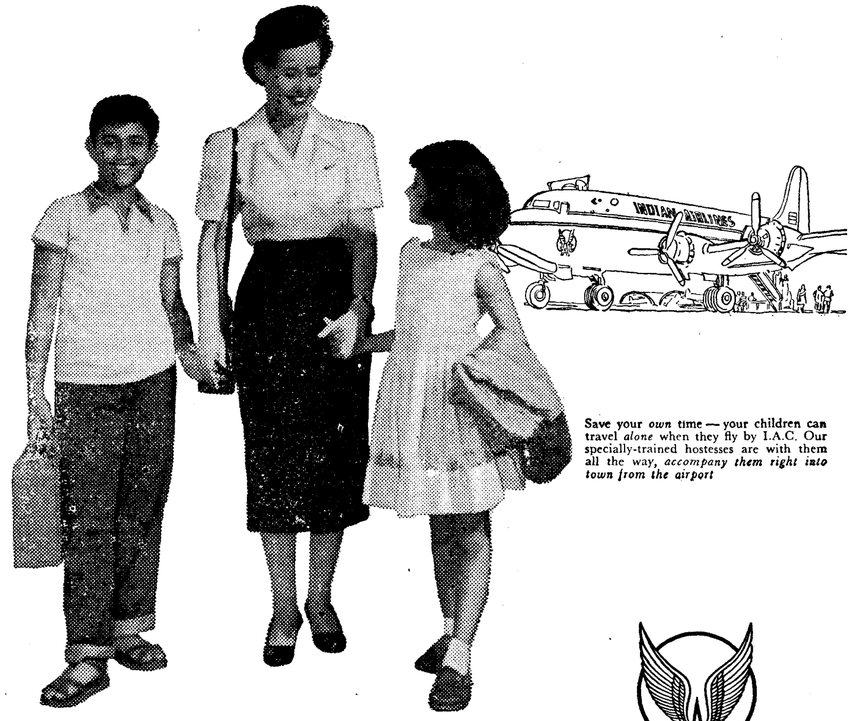

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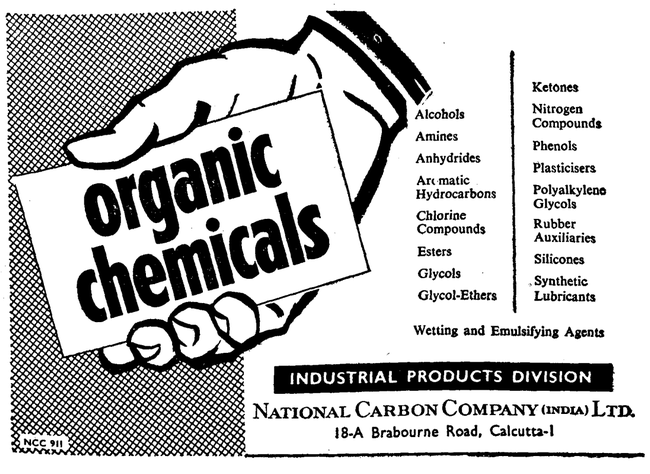

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FIRE — MARINE — ACCIDENT

ACTIVITIES OF COAL BOARD

STOWING RECEIVES SPECIAL ATTENTION

ALTHOUGH the latest Annual Report of the Coal Board (Chairman: P. M. Nayak, I.C.S.) —that for 1955-56—relates to a period which is more than 14 months old, it is nevertheless of some importance, inasmuch as it gives a fairly detailed account of the working of the Board, with particular reference to the steps taken by the Board for improving the conditions on the coal front. Thus the report covers developments in practically all aspects of coal industry—production, stowing, washing, opening and re-opening of coal mines and seams in working collieries, depillaring and grading.

As in the previous years, so also during the year ended March 1956, the raisings of coking coals of selected A and B grades as well as grades 1 and 2 continued to be restricted by fixation of a ceiling on output of individual collieries. The original objective of a progressive reduction in output, however, was given up, in view of the increased requirements anticipated in the country's expansion plans for the metallurgical industry; instead, a policy of regulated and phased increase in production was forecast by fixing the production ceilings for 1955 at levels slightly higher than in 1954. The ceilings were 7.32 million tons for selected A and B grades, 3.95 million tons for grade 1 and 3.05 million tons for grade 2, or a total of 14.32 million tons. While fixing the output ceilings of individual collieries, no reduction was effected from the 1954 ceilings, except in cases where the actual output in 1954 was well below the permitted ceiling. But, subsequently, increases were granted on the merits of each case, until, finally, the aggregate of individual ceilings for 1955 rose from 14,227,000 tons (initial) to 14,385,000 tons, as against 14,377,000 tons for 1954. The actual output in 1955 was, however lower at 13,355,000 tons.

Ceilings and Actual Output

The following table shows the ceilings (initial and revised) and the actual output of the different grades of coal during 1955:

(In thousand tons)

	Ceiling		
	Initial	*Revised*	*Production*
Selected A and B. grades ...	7,294	7,378	6,994
Grade 1 ...	3,890	3,952	3,699
Grade 2 ...	3,043	3,055	2,662
Total ...	14,227	14,385	13,355

In accordance with the decision taken earlier that stowing should be adopted or enforced, if necessary, for depillaring the seams where the ordinary method of pillar extraction was not likely to yield a reasonable percentage of recovery or where such a method of extraction was likely to damage overlying or underlying coal seams, the Coal Board directed eight collieries to take immediate steps to introduce stowing. This brought the total number of collieries under orders for stowing as on 31st March 1956 to 15.

Except in two or three cases, the collieries were either undecided about their plans for stowing, or very slow in working out the plans and following them up with the earnestness and urgency which the conditions of the mines demanded. The Board had, therefore, to take stock of the position and, in doing so, it decided that the continuance of depillaring without stowing was a definite contravention of the Board's orders defeating the objects of conservation. Such depillaring should, therefore, be prohibited and the production ceiling of the collieries concerned should be reduced to the extent of the rate of output from the depillaring areas. It was, however, considered that each case should be examined in detail before depillaring was stopped or production ceiling was cut down, as such a step was likely to have a vital effect on the economy of the colliery concerned and might also cause some displacement of labour. A detailed review of each individual case was, therefore, taken up, and continuance of depillaring without stowing was allowed only when the Board was satisfied that further extension of time should be given to the collieries to make arrangements for stowing, and that any step to stop depillaring in the circumstances would create fresh difficulties for the collieries and retard the prospects of stowing. Action to stop depillaring was taken only in one case, namely, in the case of Geslitan Colliery.

The Coal Board continued investigations into the feasibility of a combined sand supply scheme for the collieries in the central Jharia field, but gave up the idea of a single ropeway to connect all the collieries. It also gave renewed attention to the question of stowing in the Jambad and Kajora seams. As the supply of sand requires considerable outlay which neither the Board nor the collieries were willing to undertake, the problem of extraction of the seams remained unsolved. The Board reviewed the progress of stowing in the Jharia field and found that it was not very satisfactory. It decided to give full encouragement to the collieries which proposed to install their own plants and also to the preparation of schemes for the supply of stowing materials to collieries which could not themselves install the plants, such supply being made to central dumps situated near chosen groups of collieries. Further, it felt that it might be necessary for the Board to acquire all sand rights for this purpose without in any way disturbing the existing sand supply installations, and that a quick survey should be made of the availability of sand.

Two Other Measures

The two other important measures taken up by the Board for the encouragement of stowing are:

(1) Decision to grant an increased rate of monetary assistance effective from 1st April 1955 for stowing for conservation in certain cases at the rate of 85 per cent. of the actual checked-up cost, subject to a maximum of Re. 1-8 per ton of material stowed, as against 75 per cent., or a maximum of Re. 1-5 in the case of stowing for safety.

(2) Sanction of the cost of removing over-burden in quarrying coal (where the over-burden so removed was also used for stowing in underground working elsewhere in the same colliery) as part of stowing cost eligible for assistance in cases where the depth of the over-burden was beyond the normal economic limits of open-cast mining.

During 1955-56, financial assistance amounting to over Rs. 61.41 lakhs was given for voluntary stowing in 80 collieries. The number of collieries which actually carried out stowing was, however, only 61, consuming a total quantity of 5,261,790 tons of stowing materials. Of these, 30 collieries producing coking coal stowed 2,483,678 tons and 22 collieries producing non-coking coal stowed 2,778,112 tons.

Washing

A notable suggestion which the Coal Board made to the Government of India during the year under review was that relating to washing. All coking coals, it was suggested, should be washed within the next few years either in private washeries for which necessary assistance and encouragement should be given or in washeries to be set up by the Board or any other central authority. The Government of India accepted this suggestion, but decided that it should be achieved in stages after considering the practical problems and actual needs that might arise from time to time. As for the immediate requirements of coking coal for the projected steel plants, the Government proposed to meet part of the demand from Bokero-Kargoli washery, and the balance from washeries that might be set up by collieries in the private sector. An assessment was, therefore, made by both the Coal Board and the newly set up Ministry of Iron and Steel of the possibility, if any, of collieries setting up washing plants for the supply of washed coal in time for the steel works. The prospect did not seem to be very reassuring; and the question of the Government setting up washeries to meet the requirements of metallurgical coal for the steel plants in the second Five-year Plan period was under study.

In the private sector, the washing plant at Lodna Colliery went into operation, bringing the total number of washeries in India to three. It was understood that some of the owners of collieries were also seriously examining plans for setting up washing plants at their collieries, but no definite proposals were received, except one from the Kharkharee Colliery and another from the Dhori Colliery, which were under the consideration of the Board. The Board also considered and approved during the year a proposal for the establishment of a multi-type group washery of 100 tons per hour capacity at Nowrozabad (Vindya Pradesh) for washing the non-coking coal of Nowrozabad and Kotma Collieries for the cement works of the Associated Cement Companies, Limited.

During the year under review—with effect from July 1955, to be precise—the Coal Board was empowered to exercise control over the opening and re-opening of coal mines and seams in working collieries; formerly this was one of the functions of the Coal Commissioner. The number of pending applications and new applications received by the Board was 58, of which 44 were considered. In many cases, the Board had to postpone decision, pending a final decision of the Government on the production target for the private sector of the coal industry. Permission was granted only subject to two conditions. First, the opening or re-opening of a seam in a working colliery was required for the maintenance of output. Secondly, the opening of the seam was acceptable considering the requirements of safety and conservation.

With regard to depillaring without stowing or splitting pillars as a final mining operation, the Coal Board adopted as a general rule the principle that a seam which was more than 15 feet thick could not be extracted without waste unless stowing was adopted. Where the pillars were weak and there was a chance of spontaneous combustion but stowing was impracticable due to non-availability of material, etc., it insisted on construction of proper non-combustible barriers before depillaring. A proper sequence of depillaring in panels was also suggested in other cases. Where the loss due to depillaring was likely to be heavy or the upper schemes were likely to be damaged, the Board withheld permission to depillar and asked the collieries to make arrangements for stowing. The number of cases dealt with during 1955-56 was 33.

Grading of Coal

The grading of coal, which had been done since 1945 by the Coal Commissioner, was transferred to the Board in July 1955. The Board laid down rules and procedure for the submission of applications for grading, drawing of coal samples and analysis of samples, submissions of cases to the Board and prescribed standard forms of application. It was decided not to charge any fee for the initial grading of coal. But in cases where samples were to be drawn to review a grade at the request of a colliery, the levy of a fee was justified in order to meet the cost of analysing samples; the fee to be deposited with each application for upgrading was fixed at Rs. 120.

The Coal Board examined in some detail the system of grading and the alterations proposed by the Fuel Research Institute, the Fuel Economy Enquiry Committee and the Coal Washeries Committee. In this connection, it considered the need for grading coals of the coalfields of Assam, Madhya Pradesh, Orissa, Hyderabad, Vindya Pradesh, etc. The system of grading, though it followed an empirical basis, did not appear, on careful study, to be irrational and, as a matter of fact, it seemed to be the nearest approach to a very scientific basis. The Board, therefore, came to the conclusion that no revisions of the basis of grading was called for, except to provide for some special grades of coal which might be produced by washing. It also thought that the coals of the outlying fields must be graded according to the specifications for the Bengal and Bihar fields.

The report under review reveals the interesting information that the Committee appointed by the Board to review and standardise the methods of investigation in the coal reserves and re-estimate the actual reserves of coal in the country could not make any progress, as the Government decided to reconstitute the Committee on broader basis by including more experts from scientific institutions and the coal industry. It would appear that the Government has taken no further action in this connection and that, as a result, the whole issue is pending.

COAL WASHERY AT KARGALI

The coal washery to be set up at Kargali at an estimated cost of Rs. 2.5 crores is expected to produce 550 tons of coal per hour. The washery will wash the entire annual output of nearly 2.2 million tons of coal in the Bokaro and Kargali collieries. The coal washed at Kargali will meet the major portion of coal requirements of Rourkela and Bhilai steel plants. A contract of the value of nearly Rs. 1.73 crores was placed with a firm for the supply, installation and commissioning of the washery by January 1958. One-fourth of the plant and equipment has so far been received at the site and the remaining portion is expected to be received within the next few months. Fifty per cent. of the structural work has also been completed at the site. Japanese engineers and technicians have arrived at Kargali to supervise the work.

CANE PRICES IN U.P. AND BIHAR

NO REDUCTION ALLOWED

RECENTLY some Press reports from Uttar Pradesh and Bihar suggested that the authorities had allowed the sugar mills to pay for their cane purchases a price lower than the minimum fixed by the Central Government, namely, Re. 1-5 per maund for cane delivered at railway centres or Re. 1-7 for cane supplied at the factory gates. These reports are, however, quite incorrect. Replying to a question in the last session of Parliament, the Deputy Minister for Food, Mr. M. V. Krishnappa, emphatically declared that no reduction in cane price had been allowed in Bihar; last year, however, due to the fall in recovery, a reduction of As. 3 per maund in the minimum price of cane was allowed with effect from May 1956. In the case of U.P., he said, the price of cane had been linked to sugar recovery with effect from 8th May 1957, as was done last year.

The Government's move to link cane prices to sugar recovery in the U.P. State, though it applies to a very short period in the current season, must be welcomed. It is common knowledge that sugar recovery begins to fall from the beginning of May, due to inversion of sucrose-content in cane on account of heat. If the recovery falls below a certain limit, the sugar factories naturally find it uneconomic to continue crushing. They, therefore, refuse to work, unless a necessary reduction in the price of cane is made. Mr. Krishnappa did well to draw attention to this point and to remind the House, at the same time, that the Government had no power to compel the sugar factories to work at a loss. According to him, the basic limit for sugar factories in U.P., where cane surpluses generally occur, is taken as 9.6 per cent. When the recovery falls below this limit, "it becomes unavoidable in the interest of growers to link the price of cane with recovery." This is done on the basis of a prescribed schedule. It may be noted here that the average price of cane paid by the factories in U.P. was nearly Re. 1-3 per maund in May 1956 and Re. 1-1-9 in the following month.

The area under sugarcane in U.P. during the current (1956-57) season is reported to be higher by 19 per cent., as compared with the 1955-56 season. It will be recalled that, in order to avoid the possibility of factories having to continue to crush late in June-July, as was the case last year, steps were taken to persuade the mills to commence crushing early. Thus, all mills which started crushing operations by 4th November 1956 were given a concession at the rate of As. 5 per maund of cane crushed by them up to 12th November; of this concession, As. 2 was met by the Central Government, As. 2 by the State Government and one anna by the cane grower in the form of a cut in the minimum price. As a result of this concession, 16 factories started crushing by 4th November, as against one a year before. Further, in view of the fact that some factories in West U.P. had to continue crushing both in June and even in July 1956, the cultivators were warned in the beginning of the season itself that they should make necessary arrangements for utilising their surplus cane for *gur* manufacture.

Alluding to the early start of crushing operations by mills, the Deputy Food Minister rightly pointed out that it was not economical to commence crushing earlier than the first week of November. For the sugar recovery in the second fortnight of October does not generally average more than 7 per cent. It is about 8 to 9 per cent. in November, as against 11 per cent. in the peak months of January and February and 9.5 to 10 per cent. for the season as a whole. The recovery in May is on the whole higher than that up to the middle of November.

In the course of his statement, the Minister reviewed the position with regard to the working of sugar industry in the U.P. and Bihar States. The review reveals that, up to 7th May, the sugar mills in U.P. crushed 10.13 million tons of cane, as against 8.71 million tons in the corresponding period of the previous season. About

(*Continued on page* 1193)

YOU SHOULD KNOW

HOW THE RECENT INCREASES IN EXCISE DUTIES AFFECT YOU

When you buy SUGAR, remember that the increase in duty is 5 nP per lb. or 10 nP per seer.

VEGETABLE OILS produced by ghanis or by small producers are exempt from duty and should not, therefore, cost more. Even for vegetable oils from large mills the increase in duty is only 2 nP per lb. This small increase may very well be absorbed by the trade in view of the 10 to 20 nP per lb. rise in price during the last year.

If you smoke, please note that you need not pay more on any brand of cigarettes other than those manufactured exclusively from Indian TOBACCO such as "Char Minar" or "Shah-i-Deccan." On these the effect of the rise is between $\frac{1}{2}$ to 1 nP per packet of 10. 100 biris will cost only 1 nP more. The price of hukka tobacco should not in any case increase by more than 13 nP per lb.

For your MATCHES, do not pay more than 4 nP per box of 40 sticks and 6 nP per box of 60 sticks. This includes reasonable profit for trade as well as increase in duty.

A quire of Ordinary Writing PAPER (8 lbs.) should, if at all, cost only $1\frac{1}{2}$ nP more.

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DA—57/50

TAXATION POLICY NOT CONDUCIVE TO SAVING AND INVESTMENT

MR. B. L. JALAN'S SPEECH AT BOMBAY GAS COMPANY ANNUAL MEETING

THE Annual General Meeting of the Bombay Gas Company, Ltd., was held in Bombay on 11th June, 1957, with Mr. B. L. Jalan, Chairman, presiding. In his address to the shareholders, Mr. Jalan made a critical analysis of the new taxation policy of the Government of India. He was of the opinion that the new taxes were not conducive to saving and investment and would not serve the basic objective of the country's economy as one object offset the other. He maintained that the reduction in the highest rate of income-tax and super-tax from 92 per cent. to 84 per cent. was only illusory as such reduction had been offset in other ways. Mr. Jalan also made a pointed reference to the gas pricing policy of the Bombay Government which completely ignored the need for an economic return on the capital invested. He pointed out how, despite a sharp increase in the cost of production of gas, the State Government was prevaricating over the management's demand for a suitable increase in the selling price of gas.

The following is an extract from the interesting speech of Mr. Jalan:

"Since we assembled here last, the international relations have witnessed many convulsions. The nationalisation of the Suez Canal once threatened a large-scale conflagration. Thanks to the efforts of our Prime Minister and President Eisenhower, a reassuring calm has returned. The Middle East, however, continues to be in turmoil at one centre or another. The world tension has also increased with renewed activity in the development of nuclear weapons. A race for ever new achievements is under way, one power trying to outstrip the other. But let us hope that, in the not very distant future, more lasting peace will be established.

"Nearer home, the Kashmir question was revived. The Jarring Commission Report, which also referred to 'the changed context,' is yet to be debated by the Security Council. Meanwhile, it has brought about further deterioration in the relations with our neighbour and also affected our economic relations with that country. The visa problem between the two countries has worsened beyond recognition. Notwithstanding a lack of full realisation, it has been demonstrated once more that good-neighbourly relations are absolutely essential for mutual benefit.

"In the midst of these none-too-happy developments abroad, India has crossed another milestone in her advance towards more effective democracy by completing the second General Elections.

"The progress of industrial programmes during the last few years has been fairly encouraging. It is contemplated that the production of several important industries will be increased manifold during the second Plan.

Economic Situation

"The fulfilment of the ambitious industrial programmes requires both economic stability and favourable investment climate. You will recall that, commenting on the second Plan, I had observed, in my last address to you, that I was afraid 'the investment potentialities and needs of the country have been exaggerated; the outlay in the public sector is far too excessive; and some real risks involved in the heavy doses of deficit financing have been ignored.' The first year of the Plan was out only last month and it appears that the new strains developed by the economy have not belied my fears.

"The Economic Adviser's general index of wholesale prices stood at 421.3 for the week ended 4th May 1957. This represents an increase of about 8 per cent. over the level a year ago. The rise has not been spread over uniformly on all groups of commodities, so that new imbalances have been created, all of which are, unfortunately, unfavourable to the industrial sector. Between March 1956 and March 1957, the prices of raw materials increased by about 9 per cent. and of food articles by 14.5 per cent. but the index of manufactured goods advanced only by 2.5 per cent. In other words, the cost of industry have increased, without a corresponding increase in the revenues of industry.

"A very serious deterioration in the balance of payments position has been a still more disquieting feature during the first year of the second Plan. Our external payments suffered a deficit of Rs. 300 crores. India's sterling balances have already touched a level which has to be maintained as minimum currency reserve. We have also drawn a credit of Rs. 60 crores from the International Monetary Fund and the solution to the problem is not yet in sight.

"The money market appears to be passing through a drought of capital and the stock market through a crisis of confidence.

"There is one stream of national income and savings from which both the sectors have to draw their funds. Having planned for an extremely bold programme with undue emphasis on the State sector, very meagre resources have been left at the disposal of the private industry. The sources of revenues of the State are rigid and claim the first priority. Whether one likes or not, taxes have to be paid. The private industry, however, has to draw on the residue of resources, and the means which it can employ are definitely voluntary. The entire brunt, therefore, of the inadequacy of resources to fulfill a given plan has to be borne by private industry.

Twofold Evil

"Heavy taxation is a twofold evil. It dries up the capital fund available to industry. It also creates disincentive for investment. The situation becomes worse if, as in the present case, taxation is levied beyond the taxable capacity of different sections of the people and the form of taxes is biassed against savings and investments.

"In the name of the Plan, the last few budgets imposed several new and enhanced taxes. Some taxes were justified on grounds of restraining consumption, others on fighting inflation, reducing inequalities of incomes or foreign exchange deficits, and still others on raising adequate revenues for the Plan. The piecemeal approach to different items of taxation has not served the basic objectives of our economy as the one object offsets the other.

"Since the publication of the reports of the Taxation Enquiry Commission and Prof. Kaldor, the Government have found an easy pretext for several new taxes. In an attempt at comprehensive tax reform, the two expert reports naturally suggested such untapped resources but they made it unequivocally clear that these suggestions formed an integral part of their new taxation pattern and any tax suggested by them lost all its vitality if a system of reliefs and concessions recommended by them was not adopted. Whereas the Government have found it convenient to swear by these expert opinions, the second integral part of reliefs and concessions has been completely ignored.

"I do not wish to dwell at length on individual budget proposals, but I must observe that the wealth and expenditure taxes do not serve the interests of our planned economy. They are likely to increase the harassment of the assessees and jeopardise the basis and privacy of our family life. The wealth tax will, of course, liquidate existing capital and act as disincentive to the formation of fresh capital, but even the expenditure tax will militate against the objective of increased savings and investments. The ultimate object of incomes is expenditure and if the taxpayer is effectively restrained from expenditure even in future, he will as well not save at all.

Reduction Only Illusory

"Those who still believe that some of the proposals of the budget will promote capital formation—as the highest rate of income-tax—super-tax has been reduced from 92 per cent. to 84 per cent. must be squarely told that, at certain levels of income, the assessees will pay more than 100 per cent. tax of their incomes, by whatever name we may call it, income-tax, super-tax, expenditure tax, or wealth tax. One cannot understand how we can promote savings and investments if we must tell the assessee that, if he earns 100 units of income, we will take away, say, 105 units or even more. From this practical point of view, one can easily follow how reduction in the income-tax—super-tax rates is only illusory.

"The direct effect of expenditure tax will be that a car purchased at, say, Rs. 20,000 will cost the assessee Rs. 40,000 (taxes of Rs. 20,000 being payable in five years) if his spending exceeds a certain specified income, which is not very high either. This will also seriously distort the relationship between 'cost to producer' and 'price to consumer' and inter-commodity price relationship within the economy. Thus a radio priced at Rs. 500 will cost Rs. 500 to one, Rs. 600 or Rs. 700 or even Rs. 1,000 to others.

"But this is only one side of the picture. It was contended that more reliance will be placed on institutional and corporate savings than on individual savings in future. But the burden of taxes on companies has been increasing at no mean a pace. Thus, the corporation and income-taxes have been increased, section 23A has been retained, excess dividend tax and bonus taxes have been imposed and wealth tax on companies has been introduced.

Compulsory Savings

"In this connection, may I suggest that the deposits of profits and depreciation should be constituted as a current fund for industry. The surplus funds should be lent to industry irrespective of the quantum of such deposits of individual units for legitimate industrial needs, medium and short term. This will at least check the loss of capital resources in a tight money market by this new scheme of deposits.

"I will also suggest that the Government can introduce compulsory loans. Thus, the amount payable by the assessees in respect of expenditure tax and wealth tax may as well be collected in the form of loans. The basis of computation and collection will remain the same. That is, the assessees (including companies in case of wealth tax) will declare their expenditures and wealth and compute the tax payable on them. But they will pay this amount as loan subscribed to the Government against appropriate securities and not as tax.

"This will have a tremendous psychological effect on the investment climate in the country. It will also give an opportunity to the taxpayers to borrow further capital against these securities and thus they will not be handicapped for lack of funds which is so essential for the fulfilment of the second Plan.

Company's Results

"As you will have seen, the working results of the Company show that the steady improvement in production, which has been the keynote ever since this Company came to the present management, has been maintained during the year under review. It has been raised to 1,529.2 million cubic ft. from 1,511.8 million cubic ft. in 1955 or an increase of 1.15 per cent. The year's production was 37 per cent. higher than what it was in 1946. In order to refresh your memory, I would like to quote the yearly production statistics for 1946 and the recent years:

Year	*Total gas production* (Cu. ft.)	*Percentage increase over* 1946
1946	1,115,949,000	..
1955	1,511,849,000	35.5
1956	1,529,221,000	37.0

"Last year, I had told you that the scheme for the expansion of the retort house had been taken in hand. I am now glad to report that this expansion has been completed within the scheduled period. Gas making on the new retort beds started in last December. With this increase in the capacity, the production will reach a figure equal to about 60 per cent. higher than the production in 1946 after the new gas connections have been fully installed.

"The Government were advised that the Company was in a position to provide gas connections to additional 2,500 consumers. We have so far received sanction from the Government to give 960 connections as at 31st May 1957.

"In spite of this improvement in the working of the Company, I am sorry to say that the financial results are rather disappointing. The surplus shown by the revenue account of the Company has dropped to Rs. 1,16,227 from Rs. 10,98,667 in 1955. The main reasons for this steep fall in profits are not far to seek. The price of coal was raised by Rs. 3 per ton from 1st July 1956, which alone accounts for an increase in the expenditure by Rs. 1,04,481 in six months. Another sum of Rs. 1,06,302 is accounted for by the increase in the surcharge in freight at Re. 1-6 per ton of coal from April 1956, higher terminal tax at twelve annas per ton of coal from 15th October 1956, and change in the rate of provident fund contribution under the Act passed by the

(*Continued on page* 1202)

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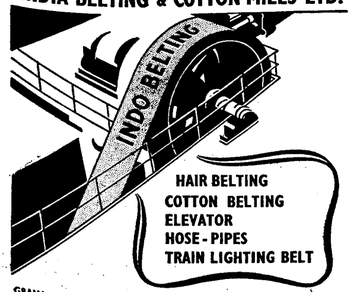

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POWER RESEARCH AND OUTPUT GO HAND IN HAND

HOW DOUNREAY FITS INTO U.K.'S ATOMIC SCHEME

By A. W. Haslett

THE United Kingdom Atomic Energy Authority's station at Dounreay in Northern Scotland was conceived primarily as an engineering research station, and the fast-breeder power reactor, which is its most impressive installation, is itself a tool for research. In both respects, Dounreay differs from both of the two most widely known sites of the Authority—Harwell, where research is on earlier stages of development, and Calder Hall, whose reactors are primarily producers of plutonium, and also have served as prototypes for the further development of gas-cooled power reactors.

In order to view the Dounreay experiment in perspective, it is necessary to consider the probable long-term development of the British power programme. As is now generally known, it is a characteristic of reactors developed from the Calder Hall type that they use natural uranium fuel, while as a by-product of their operation, plutonium for future use is accumulated. This plutonium may be used in part for recycling, and in part in future reactor types that require enriched fuel. But if full nuclear value is to be obtained from uranium, and a base laid for an expanding programme of nuclear power generation, it will be necessary to use part at least of this plutonium in fast-breeder reactors.

Plutonium is, however, a difficult element for the metallurgist, while the problems of the fast-breeder power reactor are themselves formidable. Hence these two aspects are being tackled separately in the first place. On the one hand, there is research into the metallurgy of plutonium and its alloys, initiated at Harwell. On the other, experience of the problems of the fast-breeder type as such will be gained with a reactor—the one at Dounreay—in which the fuel elements will, in the first instance, be formed from highly enriched uranium.

The reactor has, however, been designed to be as flexible as possible in experiment. It will be feasible to try out experimental plutonium fuel elements, while still using enriched uranium as the main fuel; and when satisfactory plutonium fuel elements have been arrived at, it will be possible to change entirely to this fuel.

Self-contained Unit

A further general point is that Dounreay is a self-contained station, equipped to do other work for the Authority. Thus, it has its own materials testing reactor, of which the shell and casing are already complete and the core in course of assembly. This is similar to Harwell's Pluto reactor. It will be used in initial tests of fast reactor materials. But it will also do materials testing for all reactors which are direct commitments of the Industrial Group of the Authority.

Mechanical laboratories are already in use. They are making the fuel elements for the two Dounreay reactors, and will do the same job for certain overseas reactors. There are also chemical laboratories, research and development laboratories, and a chemical separation plant. The site as a whole is thus a large one—some 3 kilometres long by 2 kilometres deep, facing the northern ocean.

A fast-breeder reactor consists essentially of a small central core containing fissile material, in which fission by unmoderated neutrons is self-sustaining, and a surrounding blanket containing fertile material—uranium 238 or thorium—from which more fissile material is bred than is consumed.

In the Dounreay reactor, the overall shape of the core is a hexagonal prism, some 53 centimetres high and the same across. It is made up of several hundred fuel elements, which are of annular shape and form a close packed vertical array.

Each element contains at either end a length of natural uranium which provides the upper and lower sections of the surrounding blanket. The blanket is completed by surrounding the central portion with some 2,000 natural uranium rods, 2.4 metres long and about 3.1 centimetres in diameter.

In a fast-breeder power reactor, the two most difficult problems are the control of the reactor and the removal of heat from the core at the high heat rating. At Dounreay, 60 megawatts of heat will be generated. This corresponds with an average rate of heat transfer from the fuel elements of two-thirds of a kilowatt per square centimetre. So high a heat rating imposes severe restrictions both on the cooling system and the material used for canning. Cooling is by liquid sodium-potassium alloy.

Requirements for the canning material are that it should have good thermal conductivity, that it should not interact chemically with molten sodium and potassium, and that it should retain its shape against distortion of the fuel material by the formation of fission products. The choice for the initial fuel elements has fallen on niobium—an element new to engineering.

Control, the other main problem, is effected by moving one or more groups of fuel elements out of the core. In their operating position, these control groups are supported electromagnetically, so that an interruption of supply automatically shuts down the reactor.

Because of the high heat rating, the system by which the sodium-potassium alloy is circulated is of prime importance, and many precautions have been taken in its design.

Failure A Near-Impossibility

The first is that heat removal is shared between twelve independent units. Circulation is by electromagnetic pumps, and each unit has its own electrical supply, so that any general failure is close to impossible. In addition, there is a thermal system of heat removal to take care of the residual generation of heat which takes place even when the reactor is shut down.

Because the liquid metal circulated through the core is likely to be contaminated with fission products it must be contained within the cylindrical concrete shield which provides protection for workers on the plant. Its heat is, therefore, transferred through primary heat exchangers to a secondary liquid metal system. Each of the twelve heat-removing units comprises two primary circuits and one secondary circuit, a steam-raising plant and a dump condenser for the absorption of heat when steam is not being raised.

The heat exchangers which transfer heat from the primary to the secondary metal circuits are of tube and annulus design. In the steam-raising heat exchangers there is the special requirement that leaks between the sodium-potassium and the water circuits would lead to violent chemical reaction. For this reason the stainless steel tubes carrying the two circuits are bonded in a common copper matrix. While providing good transfer of heat, this allows a leak from either system to escape into the atmosphere.

Spectacular Feature

The most spectacular feature of the reactor is the great sphere, some 40 metres in diameter, by which it is surrounded. Made of mild steel plate varying in thickness between 2.5 and 4.8 centimetres, this is one of the largest pressure vessels yet built.

It serves two purposes. One is to localise any release of fission products. The other is to provide a precaution against the consequences of a liquid metal fire. The shell has been so designed as to withstand the extra pressure which would build up should an accident in the operation of the reactor lead to a fire of this kind. Access to the reactor is by a lift, and entry by an air-lock door which communicates with a gallery, level with the top of the upper shielding above the reactor and the primary heat exchangers.

The secondary heat exchangers and turbines, rated at 15 megawatts output, are outside the protective shell. Arrangements have been made for the output to be fed into the National Grid system. Regarded as a power station, however, Dounreay will be primarily a prototype, operated as an instrument of research, and a steady generation of electricity is not intended. It is due to begin operation during the first half of 1958. With a fast-breeder reactor frequent removal and processing of the fuel elements is necessary, while the breeder elements require also to be treated.

Fuel elements are moved vertically in or out of the reactor by a charge machine. This is heavily shielded, and is provided with a cooling system. There is a gas-tight door at its base, and the machine as a whole is transported by a rotary crane to a canning station at the side of the reactor vault. Fuel elements are removed to the chemical processing plant in stainless steel containers. They are there mechanically stripped, dissolved in nitric acid, and passed separated by solvent extraction into uranyl nitrate, plutonium nitrate, and fission products waste. Highly active waste is concentrated by evaporation and stored in stainless steel tanks. There is provision for the installation, at a later stage, of a plant for the recovery of caesium 137 and strontium 90, which have medical and industrial uses. Low active effluent will be discharged, first into holding pits, and thence to sea. Because of the difficult sea bed and strong tides, the pipeline for this sea discharge will be carried in a tunnel which is now being built.

BRITAIN'S LEAD

The Secretary-General of the United Nations, in his report to the Economic and Social Council due to meet in Geneva on 2nd July 1957, has complimented Britain on its achievements in the field of nuclear power. He says that Britain leads the world in the economical production of electricity from the atom with its cost roughly competitive with coal-produced power. In the introduction to this report, it is stated that, though in the long run, atomic energy is likely to bring about important changes, its economic impact in the near future will necessarily be limited. But the report adds that "little doubt exists, that, with further technological development, nuclear power will become commercially feasible—that is competitive on a widespread basis. Nuclear power cannot be disregarded even now in planning economic development. In the future, power supply programmes both for developed and underdeveloped areas may be expected to turn increasingly to the use of nuclear energy."

Fully conscious of the importance of nuclear power, several countries are trying to equip themselves with the necessary plant and material. Since Britain is ahead of all other countries in the world in the peaceful application of atomic power, they are invariably turning to that country for the supply of equipment and know-how. A few weeks ago, a report from Tokyo claimed that Japan proposed to buy from Britain a Calder Hall type reactor in order to make a beginning in producing electricity from atom. This decision is said to have been taken despite the advice that the reactor which the Americans are designing is superior to the British in many ways.

Apparently, the Japanese have been impressed by the fact that, whereas Britain has a full-scale power reactor in operation, the Americans are still experimenting with it. It is, however, possible that, as soon as the Americans succeed in establishing, on a commercial scale, a workable reactor, they will offer stiff competition to Britain; because they are in a better position to give financial assistance to the countries that wish to buy atomic reactors.

Another instance of a country wishing to buy British assistance and equipment for putting up nuclear power reactors is Italy. A State-controlled Italian Oil Corporation—Eni-Agip—is reported to be conducting negotiations with Britain to secure licences for building in Italy British-type nuclear power reactors. This group has already established a subsidiary, called the Agip Nucleare, for the production of nuclear power. Italy's ambition is not confined to producing electricity from nuclear power but also includes manufacture of small reactors for export. It is, therefore, planning purchases of British-made reactors and also formation of a partnership with British manufacturers for making nuclear power equipment.

NEW MACHINE FOR ANALYSING COMMERCIAL DATA

A revolutionary, high-speed machine for processing, recording, and printing information from round holes punched in accounting-machine cards has been developed in Britain. Its speed is so great, it is claimed, that it can complete most tasks in far less time than would be taken by even the greatest number of human operators who could be economically employed. It can feed, for instance, the cards at 300 per minute and accept therefrom over 50,000 digits, if necessary, for adding or subtracting. The recording unit can print up to 140 characters in one line, at the rate of 300 lines a minute. This works out at 700 characters a second.

The machine continuously checks its own calculations, and is incapable of giving a result which is incorrect in relation to the information fed into it. These enormous speeds, combined with the machine's accuracy and versatility, mean that it can produce for trade and industry figures and analyses which could not otherwise be attempted. These are produced at a speed which makes them immediately usable, so they can be instantly referred to and do not merely serve as a historical record.

In order to achieve these very high speeds, the designers had to abandon the conventional methods of printing by means of type and employ a new method. The machine "writes" the characters by means of a stylus which reciprocates, at the enormous speed of 305 strokes per second, to produce each character as a pattern of dots. As to versatility, the machine is adjusted to operate in European languages with 26-letter alphabets, but with a simple modification it can write equally well in Swedish, which has 29 characters.

The first export order has gone to the Berlin Electricity Company, where a machine is already in operation for billing purposes. Another will be delivered to Swedish railways, and further orders are in hand for a number of oversea countries.

NEW PRODUCTS AND PROCESSES

Heat Exchange in Diesel Engine

BOTH the temperature of the cooling water and of the lubricating oil are important in ensuring efficient operation of a diesel or a petrol engine. If the temperature of the lubricating oil is too high its viscosity becomes too low and its lubricating value decreases. Too low a temperature of the lubricating oil may increase its viscosity too greatly, and the oil will not be able to spread adequately over the surfaces to be lubricated. Moreover, too low a temperature may cause water of condensation to form and hence emulsification of the lubricating oil. A radiator factory at Amsterdam, the Netherlands, has developed a device in which the lubricating oil is brought to and maintained at a favourable temperature by the hot cooling water. The cooling water coming from the engine is conveyed through the device via either the by-pass (when the thermostat is closed) or the radiator (when the thermostat is open), passing through a bundle of tubes around which runs the lubricating oil which is heated or cooled. The use of this device improves the running of the engine and thus leads to lower maintenance costs and a longer life. Since the oil and water connections are different for almost every type of engine the manufacture of these devices is only practicable if about twenty are ordered of one given type.

Reducing Factory Noise

New techniques for reducing industrial noise in factories and in individual machine tools, conveyors and other types of plant are being developed in both Europe and the U.S.

One feature of the new noise reduction techniques is the use of a number of newly developed types of sound-absorbing materials and the development of a number of novel types of specially designed and lined partial enclosures for plastic and metal cutting machines and scrap metal conveyors.

Experiments recently carried out in the U.S. have shown, for example, that considerable improvements in production efficiency can be obtained by placing specially designed noise shields between noisy machines and their operators.

Two additional features of the noise reduction research in which rapid advances are also being made are the redesign of the machines themselves with a view to noise elimination, and the production of new types of improved efficiency selective ear plugs. Some of these latter ear plugs can now be made so that they will cut out all painful, or obnoxious, noise while at the same time passing through to the ear speech of normal speaking volume.

Butyl Rubber Tyres

A manufacturing firm of Melbourne, Australia, claims that a tyre and valve it makes of butyl synthetic rubber has most of the advantages of a tubeless tyre. Because butyl rubber will hold full pressure for a considerable time, it is not necessary to have "bleeder" grooves round the valve. The valve has a rubber sealing washer which beds down on the rim. In fitting one of the new tubes it is necessary to bleed air from between the tube and tyre, then screw down the valve-sealing washer. Because the valve is an airtight seal against the rim, air is held within the tyre even if it is punctured. Butyl tubes and valves are produced for Mircorp, Safety Wheel Manufacturers, of 138 Burnley Street, Richmond, Melbourne.

Measuring Cable Height

Post office engineers are currently testing out new instruments for measuring the aboveground height of power wires. The new instruments are basically optical height measuring devices by which the engineer can, whilst standing beneath a power wire, ascertain its precise height above the ground. Their development is due to the fact that when erecting a new telephone line which crosses the route of an existing power line engineers have to assess the height of the existing wires in order to ensure proper clearance. Recently a fatal accident occurred, due to a measuring tape, which was being misused, touching a power line. Experiments with prototype instruments have been so successful that it is hoped to adopt one of them for general use.

Drilling Holes in Concrete

A tool factory, The Netherlands Tool Manufacturing Company, has designed and put on the market a vibrator attachment for drilling holes in concrete; it can be clamped into a normal electric drilling machine with a 13-mm. (½-inch) chuck. The 12 hardened and wear-resistant teeth in the vibrator attachment cause about 9,000 vibrations per minute which are transmitted to the revolving hard-metal drill. The tool is capable of drilling holes of from 4 to 25 mm. at a high speed in any type of concrete. A special design enables the vital parts of the tool to be easily replaced should it become worn by prolonged and intensive use.

Titanium Sandwich

Titanium forms the basis of a new type of fireproof sandwich which has been developed for use in aircraft. The sandwich structure, which is being used for the construction of firewalls in helicopters manufactured by the Bell Helicopter Corporation of the U.S., involves the bonding of titanium and fibre glass skins to an aluminium honeycomb structure. This will be, it is claimed, the first full-scale application of a bonded titanium component for any kind to a commercial product.

Advantages claimed for the new type of firewall for use in aircraft include light-weight, resistance to high temperatures and an efficient fire-resistant behaviour.



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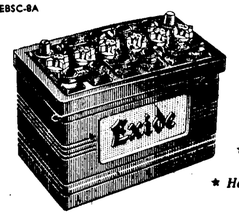

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WORKER PARTICIPATION IN MANAGEMENT

STUDY GROUP FAVOURS PERMISSIVE LEGISLATION

THE pragmatic turn which the entire philosophy of industrial relation has taken since the dawn of the present century has enabled labour to be seen in its true perspective. It is now fairly widely recognised that labour is not merely a factor of production the exchange value of which—wage—is subject to determination by the free play of the forces of supply and demand but a human factor, meriting a human consideration. This recognition has thrown open a long vista of labour-management co-operation in that collective enterprise called production. The Philadelphia Declaration reaffirmed the principle that labour is not a commodity and asserted the primacy of the social objective in international policy, the objective being defined as the attainment of conditions in which all human beings have the right to pursue both their material well-being and spiritual development in conditions of freedom and dignity. One of the specific objectives listed by the Philadelphia Declaration was the co-operation of management and labour in the continuous improvement of productive efficiency and the collaboration of workers and employers in social and economic measures.

Explaining the basic philosophy of industrial relations envisaged for the country, the second Five-year Plan observes: "A socialist society is built up not solely on monetary incentives but on ideas of service to society and the willingness of the latter to recognise such service. It is necessary that the worker should be made to feel that, in his own way, he is helping to build a progressive State. The creation of industrial democracy therefore is a prerequisite for the establishment of a socialist society. For the successful implementation of the Plan, increased association of labour with management is felt to be necessary. The latter will promote increased productivity, better understanding of the workers' role in the working of the industry and the process of production. It will also satisfy the workers' urge for self-expression, thus leading to industrial peace, better relations and increased co-operation."

Industrial Relations Under the Plan

The aforesaid objective could be achieved, according to the authors of the second Plan, by providing for councils of management consisting of representatives of management, technicians and workers. The policy is quite sound, but the subject is a complex one and requires most careful handling when it is sought to be translated into actual practice. The Government of India, be it said to its credit, it fully aware of it. This is obvious from the fact that in order to get a first-hand idea of the many problems of detail which might arise while giving practical shape to the above policy, it deputed a ten-member Study Group, consisting of representatives of employees and employers and Government officials, to study the working of the machinery of workers' participation in management in certain European countries. The Study Group reached Paris in October 1956 and held a series of conferences with employers, representatives of trade unions and Government officials. The Group also visited London, Brussels, Stockholm, Bonn, Belgrade, Geneva, etc., and its report, entitled *Report of the Study Group on Worker Participation in Management*, has now been published. The report consists of three main parts. The first one gives a bird's-eye view of the existing systems for workers' participation in management in vogue in the United Kingdom, France, Sweden, Belgium, Federal Republic of Germany and Yugoslavia. The second part, by far the most important part of the report, deals with an evaluation and appraisal of the systems in these countries; in this section, the authors have concentrated on features which provide lessons which can with advantage be adopted in India and those that would better be avoided. In the third part, some general conclusions are drawn from the evaluation and an attempt is also made to answer some of the questions facing India in this respect.

The method of workers' participation in management in the different countries which the Study Group visited differed widely in respect of the range of subjects handled by the participation machinery, in the degree of authority exercised with regard to these subjects and in the method of selection of workers' representatives. In France, for instance, though the functions of the Works Committees are generally advisory, as in the United Kingdom, welfare schemes are usually administered by them. Workers' representatives are often selected by the general body of workers by secret ballot, but in some countries the election is limited to the list of candidates drawn up by the Union. It would thus be interesting to note, in some detail, the various practices current in some of the European countries.

British System

Workers' participation is practised in the United Kingdom through joint consultative committees set up for this purpose both in the private and the public sectors of the industry. The formation of these consultative bodies is based on agreements between the management and the trade unions but their structure varies widely. The majority of firms have a single committee which may be having sub-committees. The committees consist normally of representatives of management and employees, the employees' representatives being elected by secret ballot and the management representatives appointed by the chief executive. The functions of the joint consultative committees generally include the following:

(1) The safety, health and welfare of employees.

(2) Questions of training, education, works rules, codes of discipline and other personal problems.

(3) Improvement of the methods of production, efficient use of the maximum number of production hours, economy in the use of material.

(4) Encouragement of suggestions for improvements within the factory.

The Study Group claims that there is a growing practice on the part of managements in the U.K. to consult these bodies on the financial policy, production programmes, distribution of profits, etc. But questions relating to wages, conditions of employment and other matters which are normally the subject of negotiation and collective bargaining are excluded from the competence of these committees. An examination of British practice has convinced the Study Group that, for workers' participation to be successful, there should be flexibility in the formal arrangements for participation; there should be extensive, preferably joint, efforts for education and training; joint consultation should embrace all levels; organisations for joint consultation should be developed by joint consultation.

French System

In France, joint consultation was given the sanction of law in 1945 which prescribed that all non-State organisations must have Works Committees if 50 or more workers are employed and workers' delegates if 10 or more workers are employed. In the public sector, most of the nationalised industries have workers' representatives on their management boards and there is provision also in the majority of cases for Works Committees and workers' delegates.

French Works Committees have advisory as well as administrative functions. In the former sphere, their functions include co-operation with the management in the improvement of conditions of work and living, examination of suggestions for increasing production and improvement in output. The Works Committees are also consulted on questions concerning the organisation, management and general running of the undertaking and are entitled to give opinion on price increases. Supply of information to the Works Committee concerning profits made by the undertaking is compulsory and the Committee may make suggestions in respect of their utilisation. Administrative functions of French Works Committees include powers in respect of social, provident and mutual aid schemes, consumers' co-operatives, housing allotments, medical services, etc.

The principle of workers' participation has been carried a step further in the French public sector. The boards of directors of nationalised institutions of an industrial or commercial character are composed of representatives of the State, representatives of the staff nominated by the most representative trade unions and representatives of the general interest of the country chosen, in most cases, by trade union federations, large-scale family associations or groups of consumers and users.

The Group's impression of the French system of workers' participation is that it is rather formal and rigid. There is indifference and even hostility on the part of many employers which has yet to be got over and it is pointed out that, over the whole field hangs the cloud of division in the ranks of workers. However, there are features in the French system, which, in the opinion of the Study Group, are worthy of emulation. They include: (1) provision made for welfare and general success which has been achieved in its joint administration; (2) the work done by trade union organisations in preparing members for effective participation.

German System

In Germany, workers' participation is known as co-determination which has three distinct aspects, namely, economic co-determination, personal co-determination and social co-determination. The first and the most important aspect of economic co-determination relates to management policy, the second relates to personnel policy including recruitment, transfer, discharge, etc., and the third relates to determination of piece rates, working hours, vacation, accident prevention, etc. There are legal provisions to cover all the three aspects. Germany, observes the Report, is evolving a new form of industrial relations somewhere between the traditional relations under a system of private property and those under complete socialisation. This has involved a change in trade union attitudes. The organisations and the attitudes evolved are very much the result of German conditions and are not necessarily suitable to another milieu. A number of features which are peculiar to Germany has made the system work. Although there is no concrete proof that it has led to better productivity, it has at least provided, according to the Study Group, satisfaction to workers.

Auto-management

The Yugoslav system has been described as auto-management. Here the workers themselves constitute the management and there is no question of consultation or sharing of powers with representatives of private capital. The law conferring these rights on the workers proclaims that the factories, mines, communications, transport, trade, agriculture, forestry, municipal and State economic enterprises as national property. They are to be managed by the workers' collectives in the name of the community within the scope of the State economic plan. The workers' collectives manage these enterprises through the workers' councils and management boards.

In Yugoslavia, according to the Study Group, the experiment is as unique as are the

(*Continued on page* 1215)

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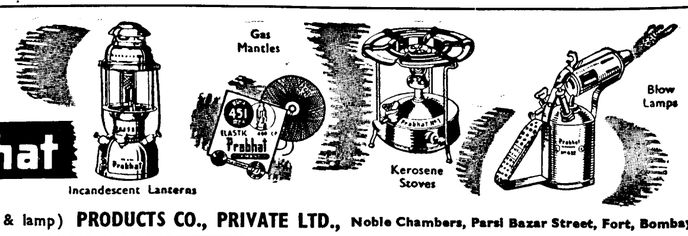

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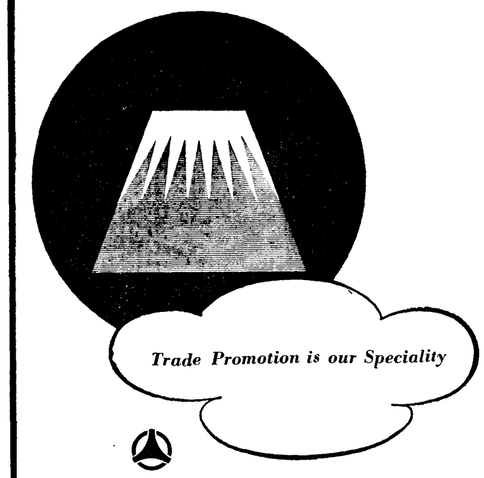

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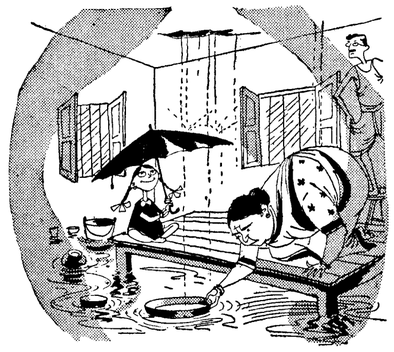

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WEALTH TAX AND EXPENDITURE TAX

A CRITICAL ANALYSIS

By Dr. Rustom C. Cooper, M.Com., Ph.D. (Econ.), F.C.A., F.S.A.A. (Hons.)

THE object of the Wealth Tax Bill 1957 is to impose an annual tax on the net wealth of individual, Hindu undivided families and companies. The proposed tax, according to Mr. T. T. Krishnamachari, is an important constituent of an integrated tax structure. As a result of this tax, the direct taxes, it is claimed, will form a composite system of complementary elements and will satisfy the criterion of ability to pay. It is also regarded as being consistent with the socialistic pattern of society.

In introducing the Wealth Tax and the Expenditure Tax, the Finance Minister has clearly put the cart before the horse. He has relied, to a very great extent, on the Kaldor Report but only when it suited him to do so. The Kaldor Report is in itself an integrated scheme for direct taxation. One cannot pick and choose individual items from it, without doing considerable harm to the country's economy as a whole. The proposals outlined in Kaldor Report aim at broadening the tax base through the introduction of an annual tax on wealth and a personal expenditure tax (the last in partial substitution of the present super-tax on income). Unfortunately, the Finance Minister forgot to read the words in brackets, or having read them, for reasons best known to himself, decided to ignore these words. The Kaldor Report's most important pre-requisite to introduction of Wealth Tax and Expenditure Tax, namely, that the maximum rate of tax on income should not exceed 45 per cent., as against the present 92 per cent. appears to have completely escaped the attention of the Finance Minister. This is the most important single feature of the present budget proposals which robs them completely of all merit.

While suggesting the maximum rate of tax on income at 45 per cent. instead of 92 per cent. as hitherto, Mr. Kaldor observes: "When the marginal rate of income-tax is 90 per cent., the net profit to the taxpayer on any particular concealment is 900 per cent. of the post-tax income. From every point of view, it is far better to have a fool-proof system of taxation with a moderate rate schedule." Kaldor has suggested that Wealth Tax be levied on agricultural properties also, by amending the Constitution, if necessary. Kaldor wants Wealth Tax to be a comprehensive measure. This was suggested to ensure a broad-based structure of taxation. It is not understood why the Finance Minister should have roped in companies in the private sector in the Wealth Tax but, at the same time, not implementing this part of Kaldor's proposal. It may be that this was done from a purely political angle.

Arguments for and Against Wealth Tax

The Wealth Tax is sought to be justified in many quarters on the grounds of equity, revenue, earning capacity and administrative efficiency of the tax. I would venture to submit that the tax as a whole has to be considered in the context of all its pros and cons. If this is done, it will be observed that there are more arguments against the imposition of Wealth Tax at the present juncture than in its favour. To my mind the following are the main arguments against imposition of Wealth Tax:

(a) The Wealth Tax makes no distinction between productive and unproductive wealth. Not all properties yield an income and, therefore, they cannot all be taxed on a uniform basis and at the same rate.

(b) Wealth Tax on business will be payable even when there are losses.

(c) Wealth Tax would be a discouragement to saving and productive enterprise. Business would be starved of working capital.

(d) In case of Wealth Tax on business and companies, the incidence of tax may sometimes be shifted on to the consumer, according to the competitive capacity of the business.

(e) There are various administrative difficulties involved, namely, (i) difficulty of discovering true owners of property; (ii) difficulties of valuation; and (iii) considerable scope for corruption.

(f) Assets cannot be sold without violent disturbances in markets. Wealth Tax would compel such forced sales to the detriment of the property market.

Wealth Tax is Premature

I have already stated before that, in imposing Wealth Tax, the Government is trying to put the cart before the horse. I feel it is so for the following reasons:

(a) The maximum tax on income has not been brought down to an equitable level of 45 per cent.

(b) The present municipal records of urban property are admittedly defective and incomplete, ownership is difficult to ascertain.

(c) The extensive Indian practice of buying and selling of shares on blank transfers would make evasion easy. This system does not exist either in the United Kingdom or in the U.S.A.

(d) In case of Government securities also the present system is equally defective from the point of view of Wealth Tax.

(e) In case of other properties the problem of *binami* holdings would be formidable.

Some Important Statistics

The Hon'ble Finance Minister observed, in the course of his statement on 23rd May 1957: "Again India is not alone in imposing the Wealth Tax on companies. In West Germany, it is levied on domestic companies at the rate of 3/4 per cent., Norway 3/5 per cent., Sweden 3/4 per cent. and Finland 3/4 per cent. Property Tax is also levied on investments and companies in many States in the U.S.A."

With due respects to the Finance Minister, I would like to point out that his statement does not convey a correct idea of the true position.

Since the Finance Minister has referred to Wealth Tax in Sweden, I would like to point out that he might as well have told us that, in Sweden, the top marginal rate of income-tax is only 66 per cent., as against 92 per cent. in India. In Sweden, there is complete exemption for realised capital gains from assets held for more than five years. In Sweden, Wealth Tax on business is linked up with the net profit on capital employed and certain basic net profit of, I think, 3.3 per cent. on the capital employed is taken as the minimum necessary. I further understand that, in Sweden, domestic companies have been exempted from Wealth Tax which is applicable only to foreign companies.

The Finance Minister has also told us that, in Norway, the rate of Wealth Tax is 3/5 per cent., i.e., 0.6 per cent. Once again subject to correction, I would say that my enquiries reveal that, in Norway, the rate of Wealth Tax is only 0.2 per cent. and not 0.6 per cent., as stated by the Finance Minister. Further, Mr. Krishnamachari would have done well to tell us that, in Holland, Wealth Tax is not applicable to companies.

Position in the United Kingdom

Some time in 1919 Great Britain considered, for the first time, the idea of introducing some sort of Wealth Tax, but only to drop it. At that time, the British Labour Party was constrained to admit that a graduated levy on estates from £5,000 to £1,000,000 would involve not less than 2½ years of work on valuation alone. It was also realised that the expected yield would be trifling, as compared with the expenditure on collection and valuation, administrative difficulties and adverse economic repercussions.

Again, in 1951, the idea of Wealth Tax cropped up in the U.K. at the initiative of a brilliant Civil Servant, Mr. S. P. Chambers. However, it was again dropped on Mr. Chambers' coming to the conclusion that the tax which cannot be collected until 1955, was not much good for financing the expenditure of 1951. I would submit that this is a very relevant consideration in the context of the financial requirements of our second Five-year Plan. What use would be the Wealth Tax if the levy for 1957 cannot be fully collected till much after the end of the second Plan?

Wealth Tax on Companies

The Finance Minister has been ill-advised to impose Wealth Tax on companies for the following reasons:

(a) Mr. Kaldor has clearly suggested in his report that Wealth Tax be imposed on individual taxpayers only. He has nowhere suggested this levy on companies.

(b) Wealth Tax on companies leads to double taxation in all cases and sometimes even three or four times where there are subsidiary companies. The company would have to pay Wealth Tax on its own wealth, while the shareholder will pay Wealth Tax in his holdings of shares in the company.
(*Note*: Since this note was prepared, the Finance Minister has announced certain concessions to prevent triple tax in case of subsidiary companies.)

(c) This tax is most unjust for new companies, as it will have to be paid irrespective of profits.
(*Note*: Since this note was prepared, the Finance Minister has announced concessions in respect of new companies for the first five years.)

(d) It will deplete further the capital resources of companies, coming as it does on top of such other measures as compulsory deposits, increase in rates of Income-tax and Corporation Tax on companies, increase in Bonus Tax from 12½ per cent. to 20 per cent. and the Excess Distribution Tax. To this extent it may be regarded as a deliberate attempt to handicap the progress of the private sector in the second Five-year Plan.

(e) The Finance Minister has time and again recognised that the need for corporate savings is as great as ever. Yet, he thinks that Wealth Tax on companies is necessary in the peculiar economic structure of India. This is a curious paradox.

Even today, the Government of India do not have adequate statistics of the rate and quantum of capital formation and corporate savings. The Finance Minister, therefore, has no idea of the corrosion which is taking place in corporate capital as a result of these proposals. I would venture to suggest that, in effect, the Wealth Tax on companies is nothing else but a tax on capital formation and industrial expansion.

Cost of Collection

We are informed that, at the present juncture, Wealth Tax is to be administered by the Income Tax Department. It will be necessary to expand adequately the staff at various levels of the Departmental cadres. The estimated additional cost including payment of remuneration to valuers will be Rs. 40 lakhs per annum. However, we are told that this figure does not take into account additional capital expenditure of construction of office and residental accommodation of officers.

Expected Yield

The Finance Minister has taken credit for Rs. 15 crores as additional revenue from this source for the current year. He has, however, not stated whether this Rs. 15 crores will have to be collected by the time the second Five-year Plan ends or even later. If our experience of Estate Duty is a criterion, there will be formidable delays in completion of assessments and collection of revenues. Nearly 26,000 individual assessees, 4,000 Hindu undivided families and 6,000 companies are estimated to be liable to this tax. This would mean that there will be about 36,000 Wealth Tax assessments to be completed every year.

Date of Commencement

The Wealth Tax Act is deemed to have come into force from 1st April 1957 and will apply to previous year's wealth. This means that it would be leviable in respect of the assessment year 1957-58 on the basis of the previous year which ends at any time between 1st April 1956 and 31st March 1957.

Property not Liable to Wealth Tax

For the purposes of Wealth Tax, property of every description is included, both movable and immovable, except the following:

(a) Agricultural lands, growing crops, grass or standing trees on such land.

(b) Building owned or occupied by a cultivator or receiver of rent or revenue out of agricultural land, provided it is used as a dwelling house, store-house or out-house.

(c) Livestock, tools and implements for raising agricultural produce.

(d) The right to any annuity or any interest in property where such annuity or interest is available to an assessee for a period not exceeding five years. In case of annuities receivable for more than 5 years, the Wealth Tax Officer will have a right to estimate its capital value, probably according to an actuarial valuation. Therefore, it will be liable to Wealth Tax and the annuity will also be liable to Income-tax.

What is net Wealth?

The Wealth Tax is payable on the net wealth. It means the amount by which the aggregate value (computed in accordance with the Act) of all the assets is in excess of the aggregate value of all debts owed by the assessee (other than certain debts prescribed under section 6). I strongly feel that, if a Wealth Tax is at all to be imposed, it should not be made payable by a company, unless it earns a net profit of at least 5 per cent. on capital employed.

What is the Valuation Date?

The assessment of Wealth Tax is to be made on the wealth owned on what is called the valuation date. The valuation date means the last day of the assessee's previous year for income-tax purposes. Where, however, the assessee has different previous years under the Income-tax Act for different sources of income, the valuation date for the purposes of Wealth Tax will be the last day of the previous year immediately preceding the year for which the assessment is to be made. Thus, where there are more than one previous years, the last day of the previous year which ends last will be the effective date.

Mode of Valuation for Wealth Tax

All assets, except cash, are to be valued by the Wealth Tax Officer at the price it would fetch if sold in the open market on the valuation date. In case of businesses for which accounts are properly maintained, however, the Wealth Tax Officer, instead of valuing each asset separately, may value the business as a whole, having regard to the balance-sheet on the valuation date, after making such adjustments as may be necessary.

The question of valuation of assets for Wealth Tax purposes raises several fundamental issues:

(a) For instance, in case of business, the Wealth Tax Officer is given power to make such adjustments as he considers necessary.

(b) The Wealth Tax Officer may enhance the values of business assets where they are understated for the purposes of secret reserves —properties, book debts, etc.

(c) In his report, Prof. Kaldor has suggested that "*the best method to follow is according to the normal accounting rules, i.e., to value each particular item of property at its 'book value' until it is sold.*" This would mean that, in case of business, the Wealth Tax Officer need not disturb the book values until absolutely essential. This appears to be a sound suggestion.

Goodwill

(d) Another difficulty would arise about valuation of goodwill. The Bill is silent on this point. But the following considerations will have to be borne in mind:

(i) In many balance sheets, goodwill does not appear at all.

(ii) Where it does, it may not provide any indication of its correct value, e.g., where heavy losses are made by the company.

(iii) It will not be proper to include goodwill only when it figures in the balance-sheet.

(iv) In case of professional firms like lawyers, doctors, accountants, etc., goodwill is purely personal—attached to individual.

(v) In view of these uncertainties, the Government would be well advised to provide under the Act or the Rules that for Wealth Tax purposes, goodwill will not be taken into account till actually realised.

(e) In case of valuation of immovable properties in the hands of individuals and Hindu undivided families, who are not entitled to depreciation for income-tax purposes, I would suggest that they may be annually allowed to deduct depreciation at prescribed rates at least for Wealth Tax purposes. This would considerably facilitate valuation procedure and avoid the necessity for annual valuations resulting in corresponding disputes.

Where the assessee carrying on the business is a company not resident in India and a computation in accordance with (a) above cannot be made by reason of the absence of any separate balance-sheet of Indian assets, the Wealth Tax Officer may take the net value of the Indian assets to be that proportion of the net value of the assets of the business as a whole in the same proportion as the Indian income bears to the aggregate income of the business.

Wealth Tax Return

Every person liable to Wealth Tax on the valuation date shall before 30th June of the corresponding assessment year, furnish to the Wealth Tax Officer a return in the prescribed form. For the assessment year 1957-58 return may be submitted at any time before 31st December 1957. The Wealth Tax Officer may call upon a person to furnish such return within a period of not less than 30 days. Section 16(5) provides for best judgment assessment where a person fails to make a return.

Liability of Non-Residents

Under section 22, where a person liable to Wealth Tax is not resident in India, the tax may be levied upon and recovered from his agent. This is equivalent to section 43 of the Income Tax Act.

Exemptions

Regarding exemptions under section 5, it is very important to note that rule 1 of the Schedule of Rates, provides as under:

"Where the net wealth of an assessee includes the value of any assets on which Wealth Tax is not payable, the amount of tax payable by the assessee shall be an amount bearing to the total amount of Wealth Tax which would have been payable on the net wealth had no property been exempt the same proportion as the unexempted portion of the net wealth bears to the net wealth."

This, however, will not apply to items mentioned in section 2(f) which appear to be completely out of computation of net assets, viz., agricultural property, livestock and right to annuities not exceeding five years. The position regarding items mentioned in section 5 is not quite clear. Under section 5, only one item is to be taken for rate purposes and not all. There appears to be some conflict between the section and the schedule which may be clarified by the Government.

Shareholders of Private Companies

The schedule also provides rule 2. This refers to the assurance of the Finance Minister to owners of large interests in section 23A companies that the Wealth Tax would be so levied that its total incidence on their estates did not exceed 1½ per cent. In short, this provision appears to protect shareholders of private companies from double taxation from Wealth Tax. It is not understood why this partiality on the part of the Finance Minister towards shareholders of private companies. It would be interesting to point out that the words used in rule 2 are "private companies" under section 3 of the Companies Act, 1956. Thus, it does not include all section 23A companies.

I would like to ask the Finance Minister as to how a 51 per cent. holder in a private company is worse off than a 51 per cent. shareholder in a public company as far as double taxation under Wealth Tax is concerned.

Expenditure Tax

The object of the Expenditure Tax Bill 1957 is to impose an annual tax on personal expenditure, above a prescribed level, of individuals and Hindu undivided families. Such a tax, in addition to being a deterrent to excessive personal expenditure and incentive for savings also forms a significant part of an integrated tax structure.

According to the Kaldor Report, the suggestion was merely to replace the higher rates of super-tax on personal income with a super-tax on personal expenditure. However, the Finance Minister has decided to retain the higher personal super-tax rate and also levy a high rate of tax on personal expenditure. Although the fact that this tax does not exist in any other part of the world by itself, could not be an argument for not levying it, one feels that this is certainly not the right time to try such an experiment without properly preparing the ground for it.

The annual Wealth Tax and Expenditure Tax as propounded by Dr. Kaldor are complementary and self-checking in character. The concealment or understatement of items in order to minimise the liability of one tax may involve an added liability with regard to the other, once the total income is determined for income-tax purposes. Yet, human ingenuity being what it is, and on account of extreme native intelligence of our peoples in the sphere of tax evasion, the possibilities of evasion are still present.

I am opposed to the imposition of Expenditure Tax, especially at the present juncture, for the following reasons:

(i) There will be considerable scope of tax evasion through a strong simultaneous circulation of cash currency and cash transactions which will mean loss of revenue to the Centre and the States in shape of avoidance of all taxes, including the Sales Tax, Income Tax, Wealth Tax, Expenditure Tax and Estate Duty.

(ii) As Mr. Kaldor rightly observes in his report, "in the particular context of India, it would not be practicable to impose an expenditure tax on the top of the present taxes on income, since this would make taxation altogether too severe."

(iii) The Expenditure Tax would be administratively more difficult to handle than Income Tax.

(iv) As expenditure met out of agricultural income would have to be exempted from taxation, it would encourage people to debit the maximum part of their expenditure against their agricultural income.

(v) The Expenditure Tax in its present form would contain a major loophole since gifts are completely exempt from Expenditure Tax as per the Finance Minister's proposal. Attempts will be made to avoid Expenditure Tax by making gifts to persons of low-income groups in return for such persons meeting a part of the taxpayer's expenses or debiting a substantial part of personal expenses to business accounts.

(vi) The weapon of Expenditure Tax in the hands of unscrupulous and corrupt officials may mean considerable harassment and encroachment on personal and private affairs of the assessee. Details concerning the mode of living, number of servants, number of rooms occupied, travelling, motor cars, furniture and so on may enable the Tax Officer at times to dictate his own terms at the expense of both the assessee and the revenue.

Some Necessary Reliefs from Expenditure Tax

I feel that the Finance Minister ought to incorporate in the Expenditure Tax Bill the following exemptions from tax, so that the measure may fall less harshly on the assessees than it does as at present proposed:

(i) Funeral and birth expenses; (ii) medical expenses; (iii) expenses on account of severe physical disabilities; (iv) fines imposed by Courts of Law; (v) expenses due to fire, burglary, theft, flood damage, etc.; (vi) unavoidable legal expenses.

I may add that many of these reliefs were proposed by Mr. Kaldor himself in his report.

Another very important suggestion which Mr. Kaldor had made and which is particularly important in the context of the large size of families in India is the need for taking into account differences in the size of the family which the taxpayer has to support. Whereas, Mr. Kaldor clearly refers to all dependants (old father, mother, unmarried sisters, etc.) with reference to a taxpayer, Mr. T. T. Krishnamachari has defined a dependant as only a son or daughter and no one else.

Cost of Administration

The Expenditure Tax will be administered by the present Income Tax Department. The additional expenses of administration are calculated to be approximately Rs. 8 lakhs per annum. The estimated number of total assessments is 6,000—being 4,500 for individuals and 1,500 for Hindu undivided families.

It may be observed that, whereas the Wealth Tax is made applicable to the whole of India, the Expenditure Tax is made applicable to the whole of India, except the State of Jammu and Kashmir. This is obviously a mistake. Either both the taxes would apply to the whole of India, or excluding Jammu and Kashmir.

No Expenditure Tax will be payable where in respect of any assessment year the total income under the Income Tax Act during the previous year does not exceed Rs. 60,000. However, where the income is above Rs. 60,000, the Expenditure Tax will be payable *not only in respect of expenditure out of such income but all expenditure* during the year, i.e., even out of capital. There may, therefore, be a certain amount of tax evasion where persons are so able to manage their affairs as to earn in one year and incur expenses in shape of withdrawals in cash from bank account in another year.

SUGAR

(*Concluded from page* 1185)

930,000 tons of cane remained to be crushed on that date, the figure for the same date last year being 1,240,000 tons. With a view to ensuring the utilisation of the entire outstanding cane as early as possible, the State Government took all possible steps to divert cane supplies from surplus areas to factories closing early. As a result, the number of factories expected to continue crushing in the current month is 26 and three or 4 in the next month, as against 32 and 15, respectively, in the same month of last year. In Bihar, the total quantity of cane crushed up to 7th May 1957 was 3.25 million tons, a rise of 92,000 tons, as compared with the same period last year. Only a quantity of about 60,000 tons (or 1.2 per cent. of the total) remained to be crushed, as against 75,000 tons. Out of 28 mills working in Bihar, 25 have closed. Of the remaining three, two completed crushing all the cane available in their zones by the end of May and the third continued for one or two days in June.

THE INDORE MALWA UNITED MILLS LIMITED

MR. KUDILAL GOVINDRAM, CHAIRMAN, FERVENTLY SUPPORTS NEW TAXES

OUTLOOK FOR MILLS CONSIDERED PROMISING

THE following is the full text of the speech delivered by the Chairman, Mr. Kudilal Govindram Seksaria, at the Fiftieth Ordinary Annual General Meeting of the Company held on Monday, 10th June 1957, at Seksaria Chambers, 139, Medows Street, Fort, Bombay:

"GENTLEMEN,

"I really consider it my privilege to welcome you all here today to the fiftieth annual general meeting of the Company, which is an auspicious occasion of the Golden Jubilee of your Company. The Directors' report and the annual accounts of the Company for the year ended 31st December, 1956 have been in your hands for some time and, with your permission, I take them as read.

"You are fully aware of the dynamic changes that your Company has undergone during all these years, and especially after my father, late Seth Govindram Seksaria, took up the Managing Agency of the Company. From year to year, your Company has gained strength, so much so that I would humbly venture to claim that its rich potentialities today make it not only a premier textile unit of Indore or Madhya Pradesh, but the whole of India.

Plan and the Budget

"Since we met last, much water has flown under the bridge and, though it is not my intention to enumerate the events at home or abroad, I must comment upon some of the worst jolts that we all experienced in the pulse of the world economics. The temporary blockade of Suez not only created a political chaos but it disrupted the economy of various countries, especially the Asian ones, including ours, which are so vitally linked with its passage. This paralysis of the Canal passage has spelt an unprecedented additional cost to our second Five-year Plan and made the problem of foreign exchange unfortunately more acute. But thanks, however, to our Prime Minister, by virtue of whose instrument of Panchshila, the boiled waters have calmed down.

"At home, hardly a month back, the new Union Budget, probably the most controversial one since independence, has been presented, whose guiding star has been obviously to find out the resources for the implementation of the second Five-year Plan, and as a result of which the popular impression has gained ground that the Kaldor Report has become the Bible of the Union Finance Ministry. The Honourable Finance Minister Shri T. T. Krishnamachari, has been metaphorically called a fisherman casting his net far and wide and in presenting his bold and imaginative measures he has been frequently accused of 'killing the goose that lays the golden egg.' But, with such a Herculean task before him, I sincerely believe none-else would have fared better.

"The critics have termed the new Plan to be too ambitious and have expressed their doubts about its success. It is feared to involve many a danger and risk, but, in this connection, I entirely agree with our worthy Prime Minister Nehru that all these have to be faced in the process of revitalising the country. He seems to have well said, 'It is only the dead that carry no risks.'

Not Overambitious

"Both from expected and unexpected quarters the criticism has continued to be made that the Plan has been drawn up in an overambitious spirit and that it must be revised in order to make the implied burdens less heavy for the people. The one question which is being repeatedly asked is whether the Plan cost could not be cut to suit the size of the resources cloth. Without indulging into economic and political reasons, I feel that the real crux of the problem is that our people are not fully Plan-conscious today. True it is that we face today certain fundamental problems, which dishearten us and present a very dark picture of our dreams, but the world itself is passing through a crisis and India is no exception. Food problem causes the most alarming situation. The imbalance of foreign exchange is another big hurdle. Absence of personnel for the management of the public sector is also a great handicap. All these evidently persist to shatter our faith in the implementation of the second Five-year Plan, but, surely, that is no reason why we should not march ahead. We have already gone half-way on the road to economic progress and there is no return without ruin.

"The industrial core of the Plan, involving heavy burdens of steel, coal, transport and ancillary power, should not be confused with arguments about the economy in Government expenditure or avoiding waste and the like. I agree that economies should be effected and probable waste avoided. Talking of waste which is apprehended to be a maximum of 10 to 15 per cent. in the new plan, I may submit that it is not only rampant in the public sector, but it is equally found in the private sector also. You, I and all others in the private sector are fully aware of it. And even if a great drive was made, a few crores of rupees might be saved. But it would not touch the basic question very much. The basic problem is that 'big sums' have to be spent on the steel plant and other industrial undertakings. For this, we require money and it can come only through taxes or savings. Everyone in the country has to share burdens and make sacrifices, and I, on my part, shall always be happy to accept my share and perform my duties with no regrets or complaints.

"Though I was born a capitalist, I have always thought in terms of a socialist. Somehow or other, I am also naturally inclined to be optimistic in my views and, even with dark clouds over our heads today, I have an undaunted faith in India's future. We have been rendered materially poor in the process of centuries of slavery, but, I still consider India to be rich in the great potentialities of its vast natural resources and gigantic manpower. Their exploitation is capable to overcome any hurdles that might come in its path of the socialistic goal of the society. I have myself pledged to this goal and, at any cost or sacrifice, shall continue to make my humble contribution in the achievement of the goal.

Moving with the Times

"Coming to the affairs of your Company, I wish to speak a few words about the revolutionary changes that your Company has undergone last year. You are aware that, after the resignation of your Managing Agents, the Board delegated its power of management to a committee of whole-time Directors. I cannot, however, on this occasion of the Golden Jubilee of the Company, miss the opportunity to pay my glowing tributes to your late Managing Agents, Messrs. Govindram Seksaria, whose invaluable services and contributions have rejuvenated the very life of your Company. It is due to them that our enterprise today occupies a premier position on the map of the Indian textile world. However, in deference to the views of the Government, your Company abolished the managing agency system and appointed this committee of whole-time Directors for which the Central Government has been duly moved to accord its formal approval. You will appreciate that this has meant a substantial saving to your Company in remunerations as compared to that paid to the Managing Agents.

"A second step which all of you will most welcome is in your Directors deciding to take up a Labour Director and Technical Director on the Board of Directors, for which I am happy to inform you that necessary permission has already been obtained from the Central Government to increase the maximum number of Directors from seven to nine. I hope to have as my colleague a Labour Director and a Technical Director in the near future. This was also a step marching along with the changing times and you will be proud that your Company has not lagged behind.

"As usual, our relations with the labour have been very cordial last year also, there being no strikes or stoppages of work. The ties between the labour and management are bound to be further strengthened after their participation is available even in the management of your Company.

Results Satisfactory

"Turning to the profit and loss accounts, you will observe that, despite the adverse factors, which I shall presently mention, the gross profits of your Company have been well maintained last year. Although the gross profits had shot up to their peak heights in 1955, a record set up since 1945, they have very nominally receded last year. The figures rose from Rs. 6.78 lakhs in 1954 to Rs. 27.93 lakhs in the following year and Rs. 24.02 lakhs last year. The year 1956 started with a cheerful and healthy atmosphere and there was also almost a boom in the textile industry during the first six months, so much so that, looking to the all-round features of your mills and steadiness of the textile industry, your Directors were induced to raise the *ad-interim* dividend to 5 per cent., as compared with that of last year's 3 per cent., thus making the total dividend up to 11 per cent., as compared with 9 per cent. of the previous year. Had it not been for the additional excise levied with effect from 1st September 1956, I am sure, the results would have been far better than even in the previous year and a new record in profits would have inevitably been set up. I hope, this explanation and the enthusiasm on the occasion of the Golden Jubilee of the Company will amply justify the increase in the dividend. By virtue of the timely distribution of the dividend, the latest changes in the fiscal measures have coincidently proved beneficial to the Company in so far as the dividend factor is concerned. It has, also to some extent, reduced the incidence of new wealth tax on your Company.

Effect of Enhanced Excise Duty

"A glance at the audited accounts for the year 1956 will show that the Company has made a net profit of Rs. 12,50,744-13-2, after providing sufficiently for depreciation and development rebate. As I have stated before, though the gross profits last year have receded from Rs. 27.93 lakhs in 1955 to Rs. 24.02 lakhs in comparison with the last year, the net profit is higher than that for the previous year. After making provision for remuneration to whole-time directors and selling agency commission, depreciation and taxation the net profit amounted to Rs. 8.89 lakhs, as compared with Rs. 7.53 lakhs for 1955. The higher net profit, inspite of decline in the gross profit, is due to the lower provision made on all the three counts, namely, agents' commission, depreciation, and taxation, the details of which are given in the Directors' report and the accounts. The stocks of cloth bales with your mills have considerably increased which would be quite evident from the balance-sheet as at 31st December 1956 showing them at about Rs. 58½ lakhs from about Rs. 31 lakhs as at 31st December 1955. It was due to the upward revision in excise duty with effect from 1st September, 1956 that the cloth market became weak and this factor, coupled with acute stringency in the money market, resulted in the poor offtake of cloth and, consequently, the mills had to carry larger stocks.

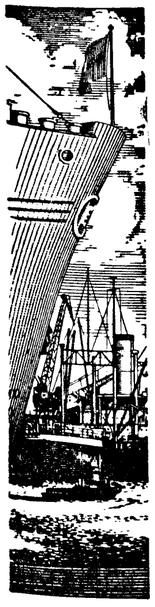
"You are aware that your mills are mostly manufacturing coarse and medium qualities, the excise duties on which have been increased from one anna per sq. yard to an anna and a half and from one anna to two annas, respectively. As a result of this, your Company had to pay over Rs. 4.5 lakhs during the months of September to December 1956. It is feared that, unless the demand and offtake of cloth—both improve substantially thus restoring the shattered confidence of the textile world—this burden of excise duty and the high prices of raw cotton may tell heavily upon the result of the Company for this year.

"The Directors' report has already dealt with all the detailed particulars of the accounts and they will give you a sufficiently clear picture of the financial position of your Company.

Freight Advantage

"Despite the disadvantages of an upcountry mill, a salient feature which particularly your mill enjoys, is the saving in freight charges, which issue is becoming of growing importance to your country as it exerts a considerable influence on your competitive position in the market. The mill consumes roughly 40,000 bales of cotton in a year and almost all of it is available locally, thus saving a lot of freight charges. The transport difficulty is another serious bottleneck these days in our national economy and the cost

(*Continued on page* 1215)



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PROTECTION TO ANTIMONY INDUSTRY

EXTENSION GRANTED FOR ONE YEAR AT ENHANCED RATE

FOLLOWING the Government's acceptance of the recommendation of the Tariff Commission, which submitted its report in November last, the tariff protection to the antimony industry has been extended for one year, that is, till the end of December 1958, and that at an enhanced rate. Thus, the protective duty on antimony, other than crude antimony, has been raised to 60 per cent. *ad valorem* with effect from 1st June. On crude antimony, however, the Government has not accepted the Commission's recommendation. The Commission had expressed the view that the protective duty on crude antimony should be retained at 21 per cent. *ad valorem*, and that even this duty should be removed if it was found to act as a hindrance to crude antimony being imported as raw material for production of antimony. But, actually, the duty on crude antimony has been rounded off to 25 per cent. *ad valorem* under the Finance (No. 2) Bill 1957. The Government's view on this recommendation is that a reduction or abolition of this duty will be considered if and when the circumstances warrant such a step. The Government, however, has not been able to accept, for financial, administrative and other considerations, the recommendation made by the Commission as an alternative to extending protection to the industry by way of customs duty. This recommendation says:

"The imports of antimony should be canalised through the State Trading Corporation which should set the targets for production and imports according to circumstances from time to time. The Corporation should also endeavour to secure imports of ore or crude antimony from foreign sources at economic prices. This arrangement may be reviewed when supplies of ore are available locally or from the traditional sources at competitive prices."

Among the other suggestions of the Commission which the Government has taken note of, and is expected to bear in mind at the time of formulating import policies, two may be mentioned. First, imports of antimony should be licensed liberally so as to ensure adequacy of supplies. Secondly, antimony should no longer be subject to import control in its present form, except to the extent necessary for balance of payments reasons. It is noteworthy that the Commission has also stressed the need for making more vigorous efforts to locate deposits of antimony ore within the country. The Government has agreed to take suitable action in this direction as early as possible.

Genesis of Protection

Tariff protection to the antimony industry was granted, in the first instance, for a period of two years, in March 1947, by converting the then existing revenue duty of 30 per cent. *ad valorem* on antimony into a protective duty at the same rate. Simultaneously, a protective duty of 20 per cent. *ad valorem* was imposed on crude antimony. Since 1949, protection has been extended from time to time, the last extension in the series, which is to expire by the end of December 1957, being in 1956. The rates of duty hitherto were 31½ per cent. and 21 per cent. *ad valorem* on antimony and crude antimony, respectively.

The estimates of current and future domestic demands for antimony in the country made by various parties varied widely. The Tariff Commission, for example, calculated in 1954 that the domestic demand during the three following years for various purposes would be of the order of 550 tons per annum. Further, estimates of current demand ranged from 550 tons to 1,000 tons. Actual consumption during the three years from 1953 to 1955, however, was 202.7 tons, 578.6 tons and 551.8 tons, respectively. In the case of demand during the next three years, while the Development Wing of the Ministry of Commerce and Industry placed it at 700 tons per annum, the Indian Non-Ferrous Metal Manufacturers' Association put it at 1,200 tons per annum. After a careful examination of all the relevant data, the Commission has, however, come to the conclusion that the domestic demand for virgin antimony is in the neighbourhood of 700 tons at present and that it is likely to increase to about 1,000 tons per annum in the course of the next three years.

As against this, the rated capacity of the Star Metal Refinery, the sole producer, is estimated at 1,000 tons a year on a triple-shift basis. The actual production of antimony, however, was 130.2 tons in 1953, 539.1 tons in 1954, 504 tons in 1955 and 403.7 tons in the period January-September 1956. The fall in production in the last two years was occasioned by the closure of the plant towards the end of 1955 and disturbances in docks which affected clearances of shipments.

Supplies of Ore

The Indian antimony industry is at a serious disadvantage as compared with foreign producers like the U.K. and Belgium, on the question of supplies of antimony ore. Hitherto, India has been importing ore from Latin American countries at as high a price as Rs. 1,339 per ton. Recently, however, new sources of ore have been found in Turkey at somewhat less price. But, what is of importance is the fact that other countries have been able to get their supplies at much cheaper prices from places like South Africa and Belgian Congo. Prices of ore in China and Russia also are said to be very low. But efforts to obtain ore from these sources have been in vain. These disparities in the prices of antimony from different sources are, according to the Commission, due to the fact that certain important markets are insulated from world competition by agreements or other special arrangements. In this connection, the Commission has expressed the view that, in the present unstable international situation in the prices of antimony ore, every effort should be made to secure supplies of antimony ore from China or Russia. It has also stressed the need for building up adequate stocks of antimony metal in the present advantageous circumstances. In both these cases, the Commission is further of the view that the State Trading Corporation can play a useful role. In addition, it has also stressed that the present duty of 21 per cent. *ad valorem* on imports of crude antimony should be done away with, if it proves to be a hindrance to importing cheap antimony from China.

The Commission has also examined the present import policy relating to the imports of antimony ore. It has found that the existing system of rigid import control, according to which no licences are granted to actual users unless they satisfy the Development Wing that their requirements cannot be satisfied from domestic sources, cannot be regarded as necessary. The fact that there is only one unit in the industry, and that the interests of the consumers depend on the decisions taken by it in regard to purchases of ore, render, according to the Commission, a review of the import policy necessary, to safeguard the interests of the consumers. Consequently, the Commission has recommended that in the present circumstances, the policy of relying almost exclusively on a single unit to meet the entire domestic demand for antimony should be discontinued and that antimony should no longer be subject to import control in its present form except for balance of payments reasons.

Measure of Protection

For ascertaining the measure of protection that will be necessary to the indigenous industry, the Commission has calculated that the fair selling price of indigenous antimony works out to Rs. 166.00 per cwt., as against the landed cost, ex-duty, of Chinese antimony of Rs. 105.81 per cwt., the difference between the two being as much as Rs. 60.19 or 57.2 per cent. The Commission has taken Chinese antimony for comparison, because adoption of Belgian antimony prices would be unrealistic so long as the Chinese metal is so much cheaper. As against the difference indicated above, namely, 57.2 per cent., the present rate of duty is only 31.5 per cent. In recommending that the rate of duty should be raised to 60 per cent. *ad valorem*, the Commission has certain considerations in mind. It has conceded that a protective duty of 60 per cent. *ad valorem* will impose on the consumer a burden of Rs. 69 per cwt. of which the value added by manufacture, which might be taken to represent the gain to the economy, comes to Rs. 30; while the balance is represented by the excess of cost of materials, power and fuel over the price of imported metal. The Commission is of the view that the net burden on the consumer will continue to increase as the output expands in this industry, as long as the cost of materials, power and fuel is higher than the c.i.f. price of the imported metal.

Notwithstanding this feature, there are three factors, according to the Commission, which tend to bring down the cost of materials. In the first place, the present instability of relationship in the international prices between the metal and ore is likely to give place to a normal relationship in due course. Secondly, the Star Metal Refinery is making efforts to obtain ore at cheaper prices. Lastly, the Geological Survey may succeed before long in locating deposits of ore in the country and it is necessary, meanwhile, to keep the industry in existence. Further, the Commission is emphatic that an important industry like this which has been built up with so much effort and sacrifice should not be allowed to suffer losses merely on account of certain external factors which may not last long. These considerations, therefore, would justify according to the Commission, a measure of protection to the industry which will only enable the Company to maintain its output at reasonable level but not to expand the industry.

Dual Objective

To attain the dual objective of maintaining the industry's output at a reasonable level and of importing the balance of the requirements from the cheapest source, the Commission has found that the State Trading Corporation provides the best solution. According to the Commission, the S.T.C. is definitely superior to import control, because it will lead to more definite results. Secondly, it is preferable to a high protective duty, because it would ensure adequate supplies without resulting in higher import costs. It is also more flexible than import controls. Besides, more than 50 per cent. of the total supply is consumed by the Government, and a large part of the business handled by the S.T.C. will, therefore, be directly on Government account. Again, purchase by a single organisation of antimony ore will give it strength to influence the cost of the ore. The S.T.C. will also have, according to the Commission, greater bargaining capacity in purchasing abroad metal and ore alike.

For these reasons the Commission has strongly recommended that the imports should be channelled through the State Trading Corporation. But, at the same time, it stated that if the Government found this solution impracticable, the protective duty should be raised from 31.5 per cent. *ad valorem* to 60 per cent. *ad valorem*. Surprisingly enough, the Government preferred the latter to the former on the ground that it was not in a position to ask the S.T.C. to undertake the function for financial, administrative and other considerations.

ENRICHMENT OF LOW-GRADE GRAPHITES

A process for the enrichment of low-grade graphite to nearly 97 per cent. purity has been developed at the College of Engineering and Technology, Jadavpure University, West Bengal. Although deposits of mineral graphite are found in various places in India, indigenous production is small, because the bulk of graphite ores are low grade and have to be demineralised as a preliminary to industrial use. Owing to difficulties in demineralisation, most of the known deposits have not been worked.

Graphite in its pure form is employed in the production of crucibles, muffles, pouring nozzles, designed to withstand high temperatures, in the manufacture of electrodes and as a pigment in paints. Apart from import of pencils, crucibles and lubricants, 500 to 1,000 tons of purified graphite are imported into India every year, mainly for use as a pigment for paints.

The new process has several advantages. Besides enrichment of graphite, it has also been found applicable to the demineralisation of coals, beneficiation of pyritic minerals and dehydration of oil-based pigments.

MINERAL EXPORT LARGER IN 1956

It is noteworthy that India earned nearly Rs. 7 crores more on exports of minerals during 1956, as compared with the preceding year. The total value of mineral exports during the year was Rs. 38.7 crores, as against Rs. 31.9 crores during 1955. Further, mineral exports which fetched foreign exchange worth nearly Rs. 200 crores during the first Plan period showed a significant improvement in 1956.

The improvement in the export position was brought about by a larger export of iron ore which accounted for an increase of Rs. 3.5 crores in the total foreign exchange earnings through mineral exports. The amount of iron ore exported during 1956 was 1,692,626 tons, as compared with 1,198,458 tons in 1955. The increase in foreign demand for iron ore is mostly attributable to the larger output and higher prices of steel in producing countries.

The quantum of manganese ore exported, on the other hand, decreased by 140,000 tons to 700,000 tons, but the value of exports increased by Rs. 1.2 crores, in 1956, as compared with the preceding year. The shipment of mica was higher in 1956, contributing an increase of Rs. 80 lakhs to the value of exports. Exports of ilmenite registered an all-time record of 283,000 tons consistent with the peak production of 334,000 tons during the year.

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MODERATE TERMS.

ALEX. IZAT,
General Manager.

AB-16

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RESERVE FUND .. .. Rs. 3,10,00,000
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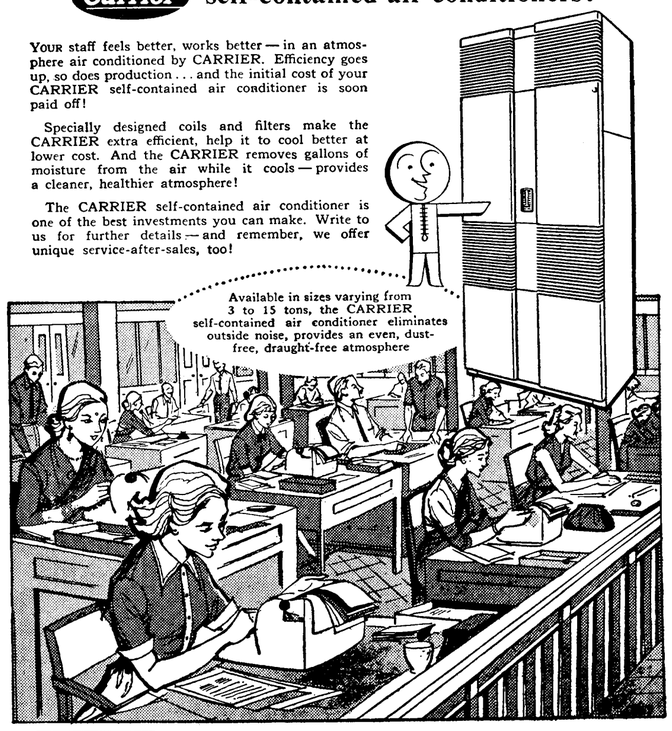

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P. N. B.
WORKING RESULTS AT A GLANCE
STATEMENT OF ACCOUNTS AS ON 31-12-1956

LIABILITIES

i.	Paid up capital	Rs.	87,50,000
ii.	Reserve Fund and other Reserves	Rs.	1,25,00,000
iii.	Deposits	Rs.	1,06,38,58,201
iv.	Other Liabilities (including contra items such as Bills for collection and acceptances, endorsements and other obligations)	Rs.	32,52,11,363
	Total ..	Rs.	1,41,03,19,564

ASSETS

i.	Cash and balances with Bankers		Rs.	12,39,23,611
ii.	Investments			
	(a) Investment in G. P. Notes, Municipal Loans and shares guaranteed by the Central and State Govts.	46,89,66,671		
	(b) Other investments	1,40,42,990		48,30,09,661
iii.	Loans and advances			54,86,00,526
iv.	Other assets (including contra items such as Bills Receivable being Bills for collection and constituent liabilities for acceptances, endorsements and other obligations)			25,47,85,766
	Total ..		Rs.	1,41,03,19,564

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Shri S. P. Jain
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Head Office : Delhi
A. M. Walker—General Manager

METTUR INDUSTRIES' PROFITS DOWN

DIVIDEND LOWERED—FINANCES SOUND

THE sharp fall in the quotation for the shares of Mettur Industries Ltd. (Managing Agents: Messrs. W. A. Beardsell & Co. (Private) Ltd., Madras) soon after the announcement of its dividend for the year ended 31st March 1957, is indicative of the serious disappointment of investors. The quotation was practically unchanged at Rs. 392 during the last week of May, but, on the 30th ultimo, when news came that the dividend had been more than halved, they came down by Rs. 12 to Rs. 380; later they fell further to as low a level as Rs. 318. The Company has declared a dividend of only 20 per cent., as against 42½ per cent. for the previous year, the highest distribution made so far. This drastic reduction in the distribution was quite unexpected and the reaction is seen in the low quotations to which its shares have tumbled.

The proposed dividend of 20 per cent. has been influenced by the marked fall in earnings for the year under review, consequent on the power cut, increased taxes, higher bonus for workers and rise in cost of raw cotton. The gross profit for the previous year at Rs. 60.75 lakhs, the highest earned by the Company since 1948-49, has fallen by Rs. 13.91 lakhs to Rs. 46.84 lakhs for the year under review and is only slightly better than that for 1954-55 at Rs. 45.64 lakhs. With this fall, the upward trend noted in the gross profit during the past three years has been reversed. Although the gross profit has thus declined, the provision for taxation has gone up from Rs. 21.77 lakhs to Rs. 23.50 lakhs. It is stated that this provision includes Rs. 3 lakhs relating to the previous year. Apparently, such an adjustment has become necessary because of the changes made in the taxation policy of the Government.

The net profit also has come down from Rs. 31.68 lakhs for 1955-56 to Rs. 17.52 lakhs for 1956-57, a drop of Rs. 14.16 lakhs. It may be interesting to note here that the present fall in net profit has immediately followed the peak for the past two decades seen in the preceding year. After setting aside a sum of Rs. 5.94 lakhs for payment of bonus to staff, the sum available for distribution, including the surplus of Rs. 45,835 brought in from the previous year, is Rs. 12.05 lakhs. The Directors have declared a lower dividend of 20 per cent. free of income-tax, absorbing Rs. 12 lakhs, as compared with 42½ per cent. for the previous year, to which level the distribution had been stepped up from 35 per cent. for 1954-55 and 22½ per cent. (made up of a dividend of 12½ per cent. and a bonus of 10 per cent.) for 1953-54.

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

(In lakhs of rupees)

	For the year ended 31st March			
	1957	1956	1955	1954
Sale proceeds	1,51.27	1,56.19	1,53.99	1,32.93
Closing stock of process and finished goods	1.74	1.87	1.80	1.55
Cotton consumed	55.30	50.98	63.92	54.16
Other expenses	52.31	47.28	47.00	44.39
Gross profit	46.84	60.75	45.64	37.26
Managing Agents' commission ..	3.91	5.42	4.22	3.92
Provision for—				
Depreciation	1.91	1.88	1.92	1.66
Taxation	23.50	21.77	13.50	9.20
Net profit	17.52	31.68	26.00	22.48
Refund of E.P.T. (net) ..	..	..	..	6.81
To reserves	..	..	..	6.50
„ bonus	5.94	7.15	4.07	9.57†
„ dividend	12.00 (D. 20%)	25.50 (D. 42½%)	21.00 (D. 35%)	13.50 (D. 12½% +B. 10%)
Carry forward	0.05	0.46	1.43	0.50

† Includes Rs. 2.53 lakhs being compensation paid for involuntary unemployment due to power cut in 1952-53.

The Company's sale proceeds of cloth, yarn and waste have dropped by Rs. 4.92 lakhs. The cost of cotton consumed is higher by Rs. 4.32 lakhs, in view of the increase in raw cotton prices during the year. Despite this increase, the Directors deemed it desirable in the interests of the public to maintain the Company's selling prices at the previous year's levels. This policy proved successful and there was no accumulation of stocks at any time. This is reflected in the closing stocks which are lower at Rs. 1.74 lakhs, as compared with Rs. 1.87 lakhs in the previous year. The mills' products, we are told, continued to be popular and the organisation for distribution maintained its usual efficiency. Administration and other expenses increased from Rs. 47.28 lakhs to Rs. 52.31 lakhs and this is mainly on account of salaries, wages and bonus which rose from Rs. 25.51 lakhs to Rs. 28.13 lakhs.

The Company's financial position, as disclosed by its balance-sheet as at 31st March 1957, is quite sound. Of its paid-up capital of Rs. 60 lakhs, all in ordinary shares of Rs. 100 each, as much as Rs. 30 lakhs or 50 per cent. is represented by the amount capitalised out of a part of the reserves in February 1951. Even after capitalising such a large amount and, in spite of the fact that no additions have been made to the reserves in the past three years, the reserves and surplus aggregate Rs. 69.19 lakhs. Of these, the general reserve accounts for Rs. 38 lakhs, raw material fluctuation reserve Rs. 10 lakhs, fixed assets replacement reserve Rs. 11 lakhs and dividend equalisation reserve Rs. 10 lakhs. The provision for taxation stands at Rs. 20.52 lakhs. The current liabilities amount to Rs. 28.72 lakhs. The gross block of Rs. 65.94 lakhs—there were no major additions to fixed assets during the year—has been well written down to Rs. 20.05 lakhs. The current assets amount to Rs. 158.38 lakhs and are equal to more than three times the current liabilities and provision for taxation. Of the current assets, investments in Government securities alone account for Rs. 57.65 lakhs, stores and spare parts for Rs. 16.24 lakhs, stock-in-trade at cost for Rs. 40.38 lakhs, debts, deposits and advances for Rs. 29.14 lakhs and cash balances for Rs. 14.20 lakhs.

The Rs. 100 fully paid up shares are being currently quoted at Rs. 310 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 6.9 per cent. per annum, free of income-tax.

DUNBAR MILLS LTD.

The audited accounts of the Dunbar Mills Ltd. (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) for the year ended 31st December 1956, show that the Company's gross profit has fallen to Rs. 9.14 lakhs from Rs. 16.85 lakhs for the previous year, registering thereby a drop of Rs. 7.71 lakhs. In view of the fact that the Company was not faring well in the past few years, the earnings, though lower, should be taken as not discouraging. In tune with the gross profit, the net profit, too, after providing for Managing Agents' remuneration and depreciation, stands lower at Rs. 3.26 lakhs, as against Rs. 12.13 lakhs for the previous year.

The amount provided for depreciation is higher at Rs. 4.27 lakhs, as against Rs. 1 lakh, but the remuneration to Managing Agents has been lowered to Rs. 1.61 lakhs from Rs. 3.72 lakhs. No provision has been made for taxation as in the past two years. The net profit for the year 1955 was utilised to wipe out the loss incurred in previous years, the amount thus remaining to be written off being Rs. 9.27 lakhs. This left a credit balance of Rs. 2.85 lakhs to be carried forward to the current year's accounts. The net profit for 1956, together with the surplus from the preceding year, has enabled the Directors to transfer a sum of Rs. 1 lakh to the reserves and also declare a dividend. Thus, a dividend of 6 per cent., requiring Rs. 1.14 lakhs, has been proposed for the year under review, as against a modest distribution of 2½ per cent. for the half-year ended 31st December 1955. The latter, which absorbed Rs. 47,500, was evidently paid out of the unallocated surplus of 1955. It may be of interest to know that the last dividend prior to those mentioned above was for the half-year ended June 1951, when a dividend of 14 per cent. per annum was paid.

The Company's sale proceeds from woven goods, yarn and cotton waste improved from Rs. 152.95 lakhs to Rs. 160.87 lakhs and, so also, other income from Rs. 1.46 lakhs to Rs. 10.81 lakhs. Against these, the expenses rose by only Rs. 5.26 lakhs, that is, from Rs. 57.12 lakhs to Rs. 62.38 lakhs. The diminution in gross profit, in spite of the favourable trends, must, therefore, be due to the large stocks of cotton purchased during the year and lying unused as at the close of the year to the tune of Rs. 36.59 lakhs, as against a stock of Rs. 21.47 lakhs in the preceding year.

The Company's paid-up capital of Rs. 19 lakhs, in ordinary shares of Rs. 100 each, is strengthened by reserves and surplus aggregating Rs. 29.68 lakhs. The provision for taxation stands at Rs. 28,581 and current liabilities amount to Rs. 100.99 lakhs. The gross block of Rs. 115.17 lakhs stands written down to Rs. 40.49 lakhs. The current assets aggregate Rs. 109.47 lakhs and cover the current liabilities and provision for taxation by a comfortable margin.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 162 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 3.84 per cent. per annum.

SCINDIA STEAM NAVIGATION CO., LTD.

An extraordinary general meeting of the Scindia Steam Navigation Company Ltd. will be held in Bombay on the 26th inst. to consider the issue of bonus shares. The Board of Directors of the Company, it will be recalled, have recommended the capitalisation of Rs. 1,87,99,620 out of the sum of Rs. 1,98,37,585 standing to the credit of the share premium account by issuing bonus shares at the rate of one fully paid-up share for every five shares held. The number of new shares of Rs. 20 each to be issued is 934,881. These shares will rank *pari passu* with the existing shares as regards dividends and in all other respects.

INDO-BURMA EARNS LESS

DISTRIBUTION HALVED

A LOWER trading profit, despite an increase in sale proceeds of petroleum products, is the result of working of the Indo-Burma Petroleum Company, Ltd. (Managing Agents: Messrs. Steel Brothers & Co., Ltd., Calcutta), during the year ended 31st December 1956. Indeed, the profit has been so low that even to pay a dividend of 20 per cent. as against 40 per cent. in the preceding year, the Directors have found it necessary to draw upon the general reserve.

At Rs. 55.56 lakhs, the gross profit for 1956, compares unfavourably with Rs. 60.61 lakhs for 1955 and Rs. 56.25 lakhs for 1954. The profit for 1955, it may be noted, was a record high since 1949. After providing for Managing Agents' remuneration, depreciation and taxation, the net profit, too, stands substantially lower at Rs. 17.89 lakhs, as compared with Rs. 24.14 lakhs a year ago and Rs. 24.10 lakhs two years earlier.

The provision for depreciation has been lowered from Rs. 4.82 lakhs to Rs. 3.91 lakhs, while that for taxation has been maintained at Rs. 28.92 lakhs (Rs. 28.90 lakhs for 1955). The remuneration to Managing Agents has increased from Rs. 2.75 lakhs to Rs. 4.84 lakhs.

A sum of Rs. 5 lakhs has been withdrawn from general reserve to strengthen the sum available for disposal. The dividend at 20 per cent. for the year under review absorbs Rs. 20 lakhs, leaving about Rs. 68,000 to be carried forward. This dividend includes an interim of 10 per cent. paid earlier. It will be interesting to note that the total distribution of 20 per cent. for 1956 compares with 40 per cent. for 1955 to which level it had been raised in four successive years from 10 per cent. for 1951. The distribution for 1955 was in the nature of a dividend of 30 per cent. and a cash bonus of 10 per cent. With the year's dividend at 20 per cent., the return to shareholders is back again at the 1953 level.

The Company's sale proceeds and commission have increased from Rs. 224.02 lakhs to Rs. 235.36 lakhs, followed by a rise in "other income" from Rs. 113.88 lakhs to Rs. 117.54 lakhs. But this has been more than offset by the expenses which have recorded an increase of Rs. 20.05 lakhs, having sharply gone up from Rs. 277.29 lakhs to Rs. 297.34 lakhs. Of this, cost of products handled and direct charges thereon account for a rise of Rs. 16.25 lakhs and salaries, wages and bonus for Rs. 2.04 lakhs.

During the year, with the consent of the Government, the Company entered into a joint venture with Messrs. Steel Brothers & Co., Ltd., in prospecting for oil in England. Two wells were drilled in Lancashire but they failed to prove oil or gas in commercial quantities and were abandoned. The Company's share of expenditure on this account was Rs. 5.93 lakhs. Preparations are now on hand to test another structure which is considered to have reasonable prospects.

The paid-up capital of the Company is unchanged at Rs. 150 lakhs, divided into 1,000,000 ordinary shares of Rs. 10 each and 50,000 seven per cent. taxable cumulative preference shares of Rs. 100 each. This is supplemented by reserves and surplus aggregating Rs. 144.34 lakhs. The provision for taxation stands at Rs. 43.13 lakhs and current liabilities amount to Rs. 250.60 lakhs. The gross block of the value of Rs. 79.77 lakhs, including an addition of Rs. 14.41 lakhs made during the year, stands at the written-down value of Rs. 32.74 lakhs. Investments (at book value), together with interest accrued, aggregate Rs. 262.81 lakhs and other current assets Rs. 192.51 lakhs. Of the latter, cash balances account for Rs. 84.13 lakhs.

A great bulk of the investments are in equities. The Company holds 20,800 ordinary shares of Balmer Lawrie & Co., Ltd. These were acquired at Rs. 62.33 lakhs, but their market value on 31st December 1956 was only Rs. 31.20 lakhs. Another equity investment is in Burma Oil Company. The amount involved here is Rs. 72.36 lakhs, the shares being not quoted. Investments in British Government securities amount to Rs. 103.34 lakhs, the market value of which in December last was Rs. 90.30 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 26.50 *ex-div.* On this basis, the year's dividend works out a yield of 7.54 per cent. per annum.

Points From The Chair

Plan-consciousness

"THE critics have termed the new Plan to be too ambitious and have expressed their doubts about its success. It is feared to involve many a danger and risk, but, in this connection, I entirely agree with our worthy Prime Minister Nehru that all these have to be faced in the process of revitalising the country. He seems to have well said: 'It is only the dead that carry no risks.' Both from expected and unexpected quarters, the criticism has continued to be made that the Plan has been drawn up in an overambitious spirit and that it must be revised in order to make the implied burdens less heavy for the people. The one question which is being repeatedly asked is whether the Plan cost could not be cut to suit the size of the resources cloth. Without indulging into economic and political reasons, I feel that the real crux of the problem is that our people are not fully Plan-conscious today. True it is that we face today certain fundamental problems, which dishearten us and present a very dark picture of our dreams, but the world itself is passing through a crisis and India is no exception. Food problem causes the most alarming situation. The imbalance of foreign exchange is another big hurdle. Absence of personnel for the management of the public sector is also a great handicap. All these evidently persist to shatter our faith in the implementation of the second Five-year Plan, but, surely, that is no reason why we should not march ahead. We have already gone half-way on the road to economic progress and there is no return without ruin."

KUDILAL GOVINDRAM SEKSARIA,
Indore Malwa United Mills Ltd.

Lead and Zinc Markets

"As regards the markets for lead and zinc, . . during the past year, the operations of the U.S. stockpile have dominated both markets. The setback in zinc consumption in the U.S.A. due to the mid-summer steel strike and the falling off in automobile production, coupled with a sharp downturn in U.K. car production, caused deliveries to the stockpile to reach very large tonnages. We have, therefore, constantly before us the problem that would emerge, if there should be a change in U.S. official policy. There is little doubt that current production, particularly of zinc, would be more than industry could immediately absorb, even if a return to the 1955 rate of consumption were to take place. We believe, however, that, whilst the underlying tendency of world inflation continues and determined efforts are being pursued to raise the living standards of undeveloped countries, the position should, in due course, again be in balance. There may, however, be a period when this lack of balance will adversely affect metal prices and we must be prepared for the consequences."

L. B. ROBINSON,
New Broken Hill Consolidated Ltd.

World Tea Output

"The world output of tea in 1956 was a little higher than in 1955, despite the fact that plucking in North India was stopped on 20th November, ten days to three weeks earlier than usual. It is still generally believed that production is running ahead of demand, though the estimates of excess production are now more modest than the 90 million lbs. per annum which was being mentioned a year ago. The latest combined figure of stock in London and about to be landed at 171.73 million lbs. is higher than a year ago by 54.84 million lbs., but is 2.53 million lbs. less than the figure at the corresponding date in 1955. It may further be remarked that, despite the longer Cape route by which the teas are now arriving, the weight of tea afloat is actually 6.21 million lbs. lower than at the beginning of May 1956. Even if a marked excess does not already exist, it is quite certain that, with much young tea coming into bearing in the various producing areas, annual outturns will increase steadily and a world surplus of tea will inevitably materialise, if consumption does not increase to a similar extent. While we all hope for a steady expansion of consumption throughout the world, the industry's long-term salvation really lies within the boundaries of India, the biggest producer. With its vast population of potential tea drinkers, the increased consumption of a few ounces of tea per head per annum would ensure a healthy market and I earnestly hope that the Indian Tea Board will succeed in intensifying and improving its propaganda. Another essential safeguard for the industry as a whole is the renewal of the International Tea Agreement in respect of which unfortunately no headway has been made during the past year."

SIR JAMES JONES, C.I.E.,
Consolidated Tea and Lands Co., Ltd.

Outlook for Textiles

"While the general outlook for textiles remains uncertain, I hope the results for this year will show a small but steady improvement, as the most energetic steps continue to be taken to reduce costs and improve efficiency, without impairing quality. As regards the three mills for which we act as agents in India, the results have been very good. The Finlay and Gold Mohur Mills improved on the previous year's working, although the Swan Mill's profit was rather lower. Immediate prospects for 1957 are not quite so bright, as prices of imported raw cotton have remained at uneconomical levels, although there are now indications of a downward trend. I am of the opinion that the tendency towards an improvement in the standard of living in India as a result of the Five-year Plans should create an increased market for the superfine cloths which are the main products of these mills. There is no doubt that the output of superfine cloth in India has been considerably reduced recently and, taking a long view, I am optimistic that trading conditions will improve."

SIR JAMES JONES, C.I.E.,
James Finlay & Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

MALABAR SPINNING AND WEAVING CO., LTD. Annual General Meeting, Kallai, Kozhikode, 14th June 1957. Dividend: Rs. 8.00 (4 per cent.) per share. Transfer books remain closed from 1st to 14th June 1957, both days inclusive.

SWADESHI COTTON MILLS CO., LTD. (KANPUR). Annual General Meeting, Kanpur, 24th June 1957. Transfer books will remain closed from 17th to 24th June 1957, both days inclusive.

JAGATJIT COTTON TEXTILE MILLS LTD. Annual General Meeting, Calcutta, 26th June 1957. Transfer books remain closed from 14th to 26th June 1957, both days inclusive.

METTUR INDUSTRIES LTD. Annual General Meeting, Madras, 26th June 1957. Dividend: Rs. 20.00 per share. Transfer books remain closed from 10th to 26th June 1957, both days inclusive.

MAHABOOB SHAHI KULBURGA MILLS CO., LTD. Annual General Meeting, Bombay, 26th June 1957. Transfer books remain closed from 13th to 26th June 1957, both days inclusive.

TRAVANCORE RAYONS LTD. Annual General Meeting, Rayonpuram, Kerala State, 27th June 1957. Dividend: Re. 1.00 per share. Transfer books will remain closed from 20th June to 3rd July 1957, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Annual General Meeting, Calcutta, 27th June 1957. Dividend: 37 nP per share (final). Transfer books remain closed from 13th to 27th June 1957, both days inclusive.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. Annual General Meeting, Quilon (Kerala State), 27th June 1957. Dividend: Rs. 2.00 per share (final). Transfer books will remain closed from 24th to 27th June 1957, both days inclusive.

RAMPOORIA COTTON MILLS LTD. Annual General Meeting, Calcutta, 28th June 1957. Transfer books remain closed from 15th to 28th June 1957, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Pathirappally (Kerala State), 28th June 1957. Dividend: Rs. 2.75 per share (final). Transfer books remain closed from 15th June to 1st July 1957, both days inclusive.

DEORIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 28th June 1957. Transfer books will remain closed from 19th to 28th June 1957, both days inclusive.

SRI VENKATESA MILLS LTD. Annual General Meeting, Udamalpet, 29th June 1957. Dividend: Rs. 12.50 (25 per cent.) per share. Transfer books remain closed from 13th to 29th June 1957, both days inclusive.

COCHIN MALABAR ESTATES LTD. Annual General Meeting, Kozhikode, 29th June 1957. Dividend: 15 per cent. Transfer books will remain closed from 20th to 29th June 1957, both days inclusive.

PALANI ANDAVAR MILLS LTD. Annual General Meeting, Udamalpet, 3rd July 1957. Transfer books will remain closed from 20th June to 3rd July 1957, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 8th July 1957. Dividend: Rs. 12.00 per share, payable on or after 8th July 1957. Transfer books remain closed from 10th June to 8th July 1957, both days inclusive.

INVESTA MACHINE TOOLS AND ENGINEERING CO., LTD. Annual General Meeting, Bombay, 12th July 1957. Transfer books will remain closed from 1st to 12th July 1957, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Annual General Meeting, Madras, 13th July 1957. Dividend: Re. 1.75 per share. Transfer books will remain closed from 8th to 13th July 1957, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Annual General Meeting, Madras, 13th July 1957. Dividend: Re. 1.75 per share. Transfer books will remain closed from 8th to 13th July 1957, both days inclusive.

MANAR ESTATES LTD. Dividend of 9 per cent. for the year ended 31st March 1957. Transfer books will remain closed from 27th June to 7th July 1957, both days inclusive.

RAJALAKSHMI MILLS LTD. Dividend of Rs. 7.50 (15 per cent.) per ordinary share for the year ended 31st December 1956. Transfer books remain closed from 13th to 26th June 1957, both days inclusive.

ALCOCK ASHDOWN & CO., LTD. Dividend of Rs. 15.00 per share, for the year ended 31st December 1956. Transfer books will remain closed from 18th June to 1st July 1957, both days inclusive.

ALEMBIC CHEMICAL WORKS CO., LTD. Dividend of Rs. 10.00 per share, for the year ended 31st December 1956. Transfer books will remain closed from 5th to 25th July 1957, both days inclusive.

THE TRAVANCORE CEMENTS LTD.

OUTPUT AT RECORD HIGH LEVEL

THE Tenth Ordinary General Meeting of the Travancore Cements Limited was held at 4 p.m. on Monday 27th May 1957, at the registered office of the Company, Nattakam, Kottayam. Addressing the meeting, Mr. C. S. Loganathan, Chairman of the Company, observed as follows:

"GENTLEMEN,

"It is my privilege to extend to you a cordial welcome to the tenth annual general meeting of the Company. The Directors' report and audited accounts for the year 1956 have been in your hands for some time, and with your permission, I will take them as read.

"You will recall that, in my speech last year, reference was made to our representations to the Government of India regarding full restoration of our selling price, to the level that was prevailing prior to November 1955. I am pleased to inform you that the Central Government sanctioned an increase of Rs. 4 per ton in our selling price from 22nd September 1956. Even though the increase granted fell short of our expectations, it is gratifying to note that the Government do appreciate the special features in the set-up of this factory. Again, in response to our representations to restore the original price, we have been informed that the question of cement prices has been referred to the Tariff Commission, and I have no doubt that the Commission will take into consideration the special factors relating to this factory in making their recommendations.

"The year 1956 has been a record one to your Company, in both production and sales. We have produced 53,560 tons of cement and sold 55,209 tons. Out of this, 34,365 tons have been supplied to Government and quasi-Government departments and 20,844 tons to the private sector.

Efficiency of Operation

"The constant efforts of the Company to improve the efficiency of operation are being offset by the rise in prices of essential materials like coal, spare parts, etc. During the past year, we have had to meet with a steep rise in the price of coal, by Rs. 3-8 per ton, and an increase in freight of Re. 1-9 per ton. It must, therefore, be a matter of satisfaction to you that, in spite of these handicaps, the Company has been able to show a reasonable profit.

"In my speech year before last, I had mentioned to you of our proposal for the manufacture of white cement. I am glad to inform you that the requisite machinery has now been shipped and is expected to arrive at our site some time in July this year. It is hoped that production of white cement will commence by the end of the year or early next year.

"Under the State Trading Scheme in cement introduced by the Government of India with effect from 1st July 1956, your Company has been allowed a fixed price of Rs. 73 per ton from 22nd September 1956, excluding packing charges. The production of the Company is being marketed by the S.T.C., and as their selling agents, we are getting a remuneration of Re. 1-8 per ton.

"The net profit for the year, after providing for depreciation, is Rs. 4,71,299 and, after taking into account the balance brought forward from the previous year, the amount available for disposal is Rs. 10,08,101. The Directors recommend a dividend of 6 per cent. free of income-tax, leaving a balance of Rs. 7,08,101 to be carried forward.

"During the year under review, our relationship with labour and staff has been cordial. I should like to express, on your behalf and mine, our appreciation of the services rendered by them."

Note:—This does not purport to be a record of the proceedings of the annual general meeting.

RESULTS OF PEERMADE TEA SATISFACTORY

MALABAR SPINNING RESUMES DIVIDEND

Peermade Tea Co., Ltd.

THE directors of the above Company (Secretaries: Messrs. Aspinwall & Co. (Travancore) Ltd., Pathirapally, Kerala State) submit the audited accounts of the Company for the year ended 31st December 1956.

The accounts are being presented this year in a new form to comply with the provisions of the Companies Act 1956. The net profit is Rs. 5,84,517, compared with Rs. 4,87,543 in 1955. The usual provisions for depreciation on buildings and machinery have been made. Provision for taxation covers taxation on dividends in excess of 6 per cent. in respect of dividend payments during the year under review.

Crop:—Crop harvested was 18,87,956 (18,54,907) lbs., which is 33,049 lbs. more than the 1955 crop, though below crops secured in the two earlier years. For 1957 the Manager has estimated for a crop of 19,00,000 lbs. at an Estate Expenditure of 136.56 cents per lb. a figure which, under todays circumstances, can only be regarded as provisional.

The year's working has resulted in a net profit of Rs. 1,11,629 (net loss of Rs. 14,343) after writing off depreciation of Rs. 99,125 (Rs. 1,05,312) and after paying a sum of Rs. 25,616 (*nil*) as gratuity to workers and another sum of Rs. 22,677 as lay-off compensation to workers in respect of the years 1952-53. The directors propose to transfer Rs. 50,000 from the general reserve fund to the profit and loss account. Deducting the debit balance of Rs. 1,13,415 brought forward from last year a sum of Rs. 48,213 is available, which the directors propose to deal with as follows:—

To pay to the shareholders a dividend at 4 (*nil*) per cent. (free of income-tax) Rs. 48,000 (*nil*) and to carry forward to the next year Rs. 213 (debit of Rs. 1,13,415).

For three months in the year there was restriction on use of electric power hampering the Company's production considerably. A number of old workers have been superannuated during the year by payment of gratuity under an agreement.

Cotton and yarn prices were steady during the year, but the prices of stores and electric power increased considerably during the year.

The weaving department worked fairly well during the year. But due to the steep increase in Central excise duty from 1st September 1956 cloth stocks have continued to accumulate since then and the directors had to give considerable concessions to the buyers and make reduction on prices, which have affected the profits. In spite of this there was a large accumulation of stocks at the end of the year and these conditions still obtain.

The Company's secretaries, treasurers and agents ceased to hold office with effect from 15th January 1957 as per provisions of the Companies Act, 1956 and an application has been made to the Central Government to get their approval for the appointment of managing agents for the Company and the application is pending.

The Company has applied to the National Industrial Development Corporation for financial assistance for the purpose of rehabilitation and modernisation of machinery. This application is under consideration of the above Corporation. The directors wish to state that modernisation and rehabilitation of the plant is necessary to meet the increasing competition from new units and improve the earning capacity of the mills.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	10,26,652
Reserves ...	3,67,363	Stock-in-trade	12,13,063
Liabilities ...	9,28,108	Stores and spare parts	80,633
Profit and loss account ...	213	Debts, deposits and advances ...	1,12,908
		Investments	59,700
		Cash ...	2,728
Rs.	24,95,684	Rs.	24,95,684

Statement Showing Results of the Company's Working for the Past 15 Years

Year	Crop lbs.	Yield per acre	Sale price of tea (net)	Capital issued: Ordy.	Capital issued: Pref.	Net profits	Dividends: Ordy.	Dividends: Pref.
			Rs. a. p.	Rs.	Rs.	Rs. a. p.	%	%
1942	13,24,000	850	0 11 6	8,50,000	1,50,000	4,00,141 15 2	45	6
1943	13,22,500	843	0 14 2	8,50,000	1,50,000	3,99,942 7 0	45	6
1944	12,41,200	797	0 15 5	8,50,000	1,50,000	2,67,447 14 4	27½	6
1945	15,00,100	964	1 0 6	8,50,000	1,50,000	4,87,871 2 1	50	6
1946	14,67,278	942	1 1 5	8,50,000	1,50,000	2,90,573 13 6	32	6
1947	10,72,320	689	1 9 8	8,50,000	1,50,000	5,12,483 10 7	47	6
1948	15,60,822	996	1 7 8	8,50,000	1,50,000	5,86,264 1 1	50	6
1949	16,03,853	1,030	1 11 6	8,50,000	1,50,000	5,21,244 7 9	52	6
1950	17,47,388	1,123	1 14 7	8,50,000	1,50,000	9,47,784 6 5	75	6
1951	19,34,298	1,243	2 2 4	12,75,000	1,50,000	9,84,919 9 9	52½	6
1952	18,24,487	1,172	1 9 0	12,75,000	1,50,000	3,12,093 0 8	25	6
1953	19,06,803	1,224	1 14 5	17,00,000	1,50,000	9,44,823 9 9	37½	6
1954	19,39,534	1,246	2 5 9	17,00,000	1,50,000	12,34,897 0 1	55	6
1955	18,54,907	1,192	1 13 7	17,00,000	1,50,000	4,87,542 14 5	35	6
1956	18,87,956	1,212	2 0 4	17,00,000	1,50,000	5,84,516 8 3	37½	6

This year's crop of 18,87,956 lbs. represents an overall yield of 1,212 lbs. per acre. The usual comparison statement of yields per acre is given below:—

Estate	1954	1955	1956
Pirmed	1,152	1,158	1,177
Lone Tree ...	1,339	1,225	1,246
Company ...	1,246	1,192	1,212

Electric power is expected to be available in the near future, and partial electrification of Pirmed factory machinery is now in progress. Electrification of Lone Tree factory will be considered by the Board after experience has been acquired in the working electrically in Pirmed factory.

Cost of labour has been higher, and further increases are to be apprehended. The Employees' Provident Fund Act came into force on 31st July 1956 in respect of Estate factory labour only, but from 1st May 1957 field labour will be included. Bonus to labour for 1955 and 1956 is still under dispute in the State. Shareholders will also be aware that an as yet unsettled dispute as to labour wages in the State of Madras exists, and repercussions in Kerala State are to be regarded as inevitable.

Apart from these incalculable additional expenses, world tea prices, which have fluctuated sharply during the year, continue to do so, making any sort of accuracy in forecast of profit impossible.

The total amount available for distribution is Rs. 8,05,523 (Rs. 8,41,463), from which is to be deducted Rs. 9,000 (Rs. 9,000) and Rs. 1,70,000 (Rs. 2,12,500) representing respectively 6 per cent. dividend paid on the preference shares and interim dividend of 10 (12½) per cent. on the ordinary shares, and Rs. 772 (*nil*) transfer to capital reserve. The sum of Rs. 2,900 (Rs. 20,000) is being contributed to non-executive staff retirement fund, and the Board now recommend payment of a final dividend of 27½ (22½) per cent. on the ordinary shares, absorbing Rs. 4,67,500 (Rs. 3,82,500) leaving the sum of Rs. 1,55,351 (Rs. 2,17,463) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,50,000	Block ...	22,00,171
Reserves ...	9,79,347	Stock-in-trade	10,51,240
Provision for taxation ...	7,76,016	Stores and spare parts	1,34,164
Liabilities ...	10,69,370	Nursery stock	5,265
Profit and loss account ...	1,55,351	Debts, deposits and advances ...	2,41,234
		Investments	10,64,818
		Cash ...	1,33,192
Rs.	48,30,084	Rs.	48,30,084

Malabar Spinning and Weaving Co., Ltd.

The directors of the above Company (Chairman: Mr. V. K. Eradi, Kallai, Kozhikode) submit the audited accounts of the Company for the year ended 31st December 1956.

As regards the Company's "white cement scheme," the entire machinery will arrive by June this year, and it is expected that the factory would go into production of "white cement" before the end of this year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	60,48,398
Liabilities ...	33,93,927	Stock of cement	2,12,559
Profit and loss account ...	7,08,101	Stock of raw materials	66,488
		Stores and loose tools	17,16,789
		Debts, deposits and advances ...	7,35,150
		Cash ...	3,22,644
Rs.	91,02,028	Rs.	91,02,028

New Beerbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1956.

The accounts show a profit, after charging all expenses, of Rs. 2,22,544 of which taxation provision requires Rs. 1,17,000. The balance brought forward from last year was Rs. 94,383, making a total available for appropriation of Rs. 1,99,927. The following interim dividends were paid on 4th October 1956: 3½ per cent. on preference shares Rs. 7,000 and As. 6 per share on ordinary shares Rs. 66,609. The directors now recommend a final dividend of 3½ per cent. on preference shares absorbing Rs. 7,000 and 37 naye paise per share on ordinary shares absorbing Rs. 65,720 leaving a balance of Rs. 53,598 to be carried forward.

Raisings for the year ended 31st October 1956, totalled 4,48,242 tons as compared with 4,79,087 tons in the previous year and 4,44,569 tons in the year ended 31st October 1954. Despatches, which included purchased coal, totalled 4,55,573 tons as compared with 4,81,599 tons in the previous year and 4,64,951 tons in the year ended 31st October 1954. Raisings would have been substantially higher but for a strike which affected all the Company's collieries for a period of about four weeks from the middle of September, 1956. The Award of the All India Industrial Tribunal (Colliery Disputes) came into effect on the 26th May, 1956, and, whilst appeals from this Award were pending before the Labour Appellate Tribunal, this unwarranted and unnecessary strike was launched causing coal production to be seriously dislocated.

Although the Award mentioned above came into effect at the end of May resulting in a substantial increase in the cost of production, an interim increase in the statutory selling prices of coal was not put into effect until the beginning of July, 1956. The Company consequently had to bear the full impact of the Award without any increase in selling prices for a period of about five weeks.

The Labour Appellate Tribunal has since given its decision and the issues are now before the Supreme Court. It is hoped that once these issues are settled and the Committee recently constituted by Government to revise coal prices complete their work, the coal industry will be placed on a sounder footing so as to be able to discharge its responsibilities under the second Five-year Plan.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,76,230	Block ...	32,76,824
Reserves ...	19,51,814	Stock of coal	1,31,046
Provision for taxation ...	4,91,130	Stores and spare parts	9,25,548
Liabilities ...	28,05,276	Debts, deposits and advances ...	23,48,978
Profit and loss account ...	53,598	Investments	4,447
		Cash ...	5,91,205
Rs.	72,78,048	Rs.	72,78,048

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

Notice

THE SENDRA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 31st May 1957, a Dividend of 2½ per cent. per annum was recommended to be paid for the year ended 31st December, 1956, without any deduction for Income-tax payable by the Company.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

Travancore Cements Ltd.

The directors of the above Company (Managing Agents: Essel (Private) Ltd., Kottayam) submitted the audited accounts of the Company for the year ended 31st December 1956.

The accounts showed a profit of Rs. 4,71,299 (Rs. 5,62,144) for the year 1956, to which was added the amount brought forward from 1955 of Rs. 5,36,802 (Rs. 5,88,054) making a total of Rs. 10,08,101 (Rs. 11,50,198). The directors paid a dividend at 6 (6½) per cent. per annum (free of income-tax) for the year 1956, which absorbed Rs. 3,00,000 (Rs. 6,13,396 which includes Rs. 3,12,500 being 6½ per cent. dividend for the year 1954) leaving to be carried forward to the next year Rs. 7,08,101 (Rs. 5,36,802).

Mention was made in the last year's report, that representations had been made to the Government of India regarding reduction in the controlled selling price of cement produced by the Company's factory. The directors are glad to be able to inform that the Government of India have been pleased to

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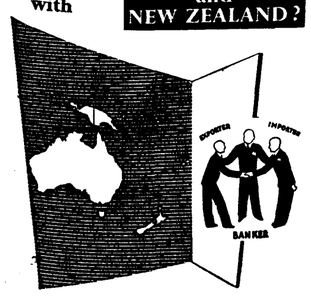

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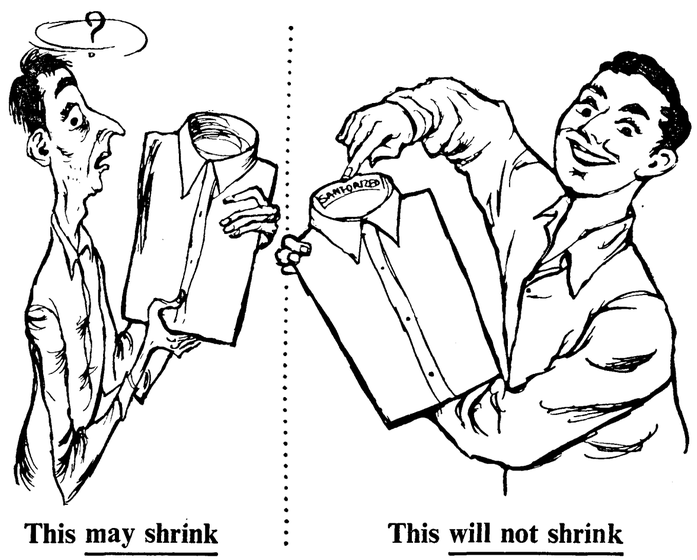

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(*Concluded from page 1186*)

Central Government from 8¼ per cent. on basic salary to 6¼ per cent. on basic salary and D.A. from October 1956. Moreover, the Company had to pay during 1956 bonus for the years 1952 to 1955 and this took away another big slice of Rs. 5,92,331.

"A major portion of the increase in the expenditure during 1956 is of recurring nature and its full impact will be reflected only in the accounts for the current year. It has been estimated that the full effect of the additional burden on the yearly accounts when compared with the actuals in 1955 would amount to an approximate sum of Rs. 9,32,000.

"Besides there would be additional expenditure on coal freight, diesel fuel, cement and sales tax on imports, estimated at about Rs. 1,80,000 annually, as a result of the budget proposals this year. A further increase in the price of coal at the rate of Rs. 2 per ton is under active consideration on account of the impact of additional expenditure resulting from the Labour Appellate Tribunal's decision. The situation will, therefore, be all the more bleak for the current year, unless relief is granted to the Company by a corresponding increase in the price of gas.

Revision of Price

"We made an application to Government on the 12th September 1956 for the appointment of a Gas Advisory Committee to revise the price in accordance with the recommendations of the First Gas Advisory Committee and, in spite of our best endeavours, it was not until the first week of May this year that we could get an assurance of the Government, in the course of personal discussions at the highest State level, that instructions had been issued to appoint the Committee and the names of the personnel had been finalised. After about three weeks, a complication has been brought in by making it a condition that the price at which we are prepared to accept the sludge gas from the Municipal Corporation should be finalised. The question of sludge gas has been under consideration and negotiation for a long time. The sludge gas in the form in which it is proposed to be supplied to us will have to be reformed, so that it can be mixed with the existing gas supply of the Company. The capital investment involved is about 29 lakhs of rupees and this gas will be available to us partly before September 1958 and fully not before December, 1960.

"Gentlemen, the price of gas after the utilisation of sludge gas and the price of gas as produced today are two different issues and cannot be mixed up at this stage as the sludge gas will not be available to us until late next year. While the price for sludge gas is under negotiation, I am unable to see the correlation between the two, as our costs actually started going up about a year back. The appointment of the Committee on our specific application against increase in costs, which cannot be disputed, ought to be a matter of routine, but it has already taken nine months. The Committee itself has not yet been constituted and it may take a lot of time for such Committee, when appointed, to consider the issues before it and make recommendations. This complication will further delay the whole matter for quite a considerable time and, in the meantime, the Company will continue to lose heavily—a loss which will not be compensated in any way, as the gas price, when and if revised, cannot possibly be put into effect retrospectively. We are continuing our efforts to make the Government agree to appoint the Committee, with instructions to recommend an interim increase in the price which is now overdue by about a year.

Issue Dealt With Too Lightly

"In the course of a meeting with the Minister in charge last year in February 1956, we had been advised that the Company should undertake expansion and then the question of revision of price of gas would be considered. Apart from the fact that its costs have since increased tremendously through no fault of ours, we have also carried out the advice given to us last year. The revision of price, however, is still an issue and the matter is apparently being dealt with too lightly, without consideration to the reasonable demands of the Company and the effect on its finance resulting from their non-acceptance. This is evident from the fact that even the demand to appoint the Gas Advisory Committee to consider revision of price is not readily acceptable to the Government, without attaching to it conditions which have no immediate relevance to the application of the Company for revision of price of gas on the increased costs which are already being incurred for a year. I am really unable to understand the reasons for this. By having secured the control of the Company, the Indian management has caused no harm to anybody; on the contrary, it has saved an amount of Rs. 94,49,373 which was remitted during the ten years immediately prior to the transfer of control to India and which, in fact, would have now amounted to a much higher figure.

"The oil refineries in Bombay are now producing Burshane gas at an approximate price of Rs. 3.78 per therm, as against Rs. 0.905 per therm which is the price of our gas. Thus, while, on the one hand, the Government of Bombay are so cautious and in fact extremely reluctant to revise our price in relation to the actual costs, on the other, they appear to have no objection to allow others to sell the gas at practically four times the prices allowed to us which in its tune is today lower than the price in 1926. Besides, the marketing of Burshane is being allowed in spite of tremendous foreign exchange cost of cylinders, at a time when foreign exchange is so scarce that it is not being made available even for the urgent needs of capital equipment for various industries.

"I sincerely hope that the Government would take all these factors into account and now appoint the Gas Advisory Committee and revise the price in relation to costs so as to save this Company from serious financial losses, which would retard its further development."

Note:—This does not purport to be a record of the proceedings of the annual general meeting which will be sent separately to shareholders.

Notices

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, on Thursday, the 4th July 1957, at 10-30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1956, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 20th June to the 4th July 1957, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 31*st May*, 1957.

Note: (*a*) A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The dividend, if declared, will be paid on or after 11th July 1957, to those Shareholders so entitled whose names appear in the Company's books on the 4th July 1957, or to their mandatees. No application for Dividend Warrants will be necessary.

THE ONDAL COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 31st May, 1957, the following Dividends were recommended to be paid for the year ended 31st December, 1956, without any deduction for Income-tax payable by the Company.

On Preference Shares	...	6½% per annum
On Ordinary Shares	...	7½% per annum

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

SHREE GOPAL PAPER MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE next Ordinary General Meeting of the Shareholders of Shree Gopal Paper Mills Ltd. will be held at its registered office at 5, India Exchange Place, Calcutta, on Friday, the 28th June, 1957, at 10-30 a.m., for the purpose of passing and adopting the audited Accounts of the Company, together with the Directors' Report for the half-year ended 31st December, 1956, declaring dividend, electing Directors, appointing Auditors and transacting any other business that may be brought forward with the permission of the Chairman.

The Share Transfer Books of the Company will be closed from 15th June to 28th June, 1957, both days inclusive.

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy, who need not be a member, to attend and vote instead of himself.

By Order of the Board,
KARAMCHAND THAPAR & BROS. PRIVATE LTD.,
Managing Agents.

CALCUTTA, 4*th June* 1957.

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, on Thursday, the 4th July 1957, at 10-50 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1956, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from the 20th June to the 4th July, 1957, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 31*st May*, 1957.

Note:—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The dividend, if declared, will be paid on or after 11th July, 1957, to those Shareholders so entitled whose names appear in the Company's books on the 4th July, 1957, or to their mandatees. No application for Dividend Warrants will be necessary.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Preference Register of Members of the Company will be closed from the 24th June 1957 to 1st July 1957, both days inclusive, for the purpose of payment of the dividend for the half-year ending 30th June 1957 on 2nd July 1957.

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

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA, 10*th June*, 1957.

MONEY UNCHANGED

(From Our Own Correspondent)

BOMBAY, 12*th June*

There has been no perceptible change in the state of the short-term money market as described in these columns last week. The position is still one of stringency. It cannot even be said that there has been some easing of the situation. It is true that trade advances of a seasonal nature are being slowly repaid. But this has made no marked difference to the supply of funds at any given time, because the demand for accommodation from manufacturing concerns has been insatiable. The banks find that whatever money they receive by way of repayment of trade advances soon gets absorbed in industrial advances.

In view of this state of affairs, there is little change in the rates of interest. Inter-bank call money is quoted at 3½ per cent. The rate is only nominal as hardly any business of worthwhile size is reported. House money has been changing hands at 4 to 4½ per cent. The same rate is offered for one to three months deposits also.

According to the statement of affairs of the Reserve Bank for the week-ended 7th June 1957, notes in circulation have jumped up by Rs. 17.94 crores, in marked contrast to the decline of Rs. 8.39 crores in the previous week and Rs. 11.83 crores in the week before that. This increase is not surprising, because a sizable expansion in note circulation is a common occurrence in the first two weeks of every month on account of payment of bills, wages and salaries. It may be recalled, in this connection, that, in the fortnight ended 10th May 1957, the note circulation went up by Rs. 33.45 crores.

Despite the sharp increase in notes in circulation during the week under review, the total notes issued show only a modest rise of Rs. 8.24 crores because of a fall of Rs. 9.70 crores in notes held in the Banking Department. The addition to the total notes issued has been balanced by an increase of Rs. 9.94 crores in rupee securities as against which there has been a fall of Rs. 1.70 crores in rupee coin. Since the recession in the last mentioned item represents an outflow, the total currency in circulation, that is notes and coins, has gone up by as much as Rs. 19.64 crores during the week under review.

On the liabilities side of the Banking Department of the Reserve Bank, only minor changes are seen. Thus, the deposits of the Central Government are up by Rs. 1 crore, while those of other Governments have gone down by Rs. 5.42 crores. Bankers' balances are higher by only Rs. 38 lakhs and so also deposits of others by Rs. 1 crore.

On the assets side of the Banking Department, loans and advances to Government show a rise of Rs. 5.3 crores and so also other loans and advances by Rs. 2.56 crores. Investments also are up by Rs. 6.11 crores. But balances held abroad have declined again by Rs. 8.60 crores. With this decline, the total of India's foreign exchange reserves stand at no more than Rs. 446.47 crores.

An increase of Rs. 5.44 crores is disclosed by the consolidated statement of the Scheduled banks for the week ended 31st May 1957. Most of this increase seems to have been utilised to strengthen their cash position which is better by Rs. 4.45 crores. Advances of these banks are slightly lower by Rs. 73.31 lakhs. Foreign bills purchased and discounted in India are also lower, but by as much as Rs. 7.36 crores. Inland bills purchased and discounted, however, are a little higher by Rs. 65 lakhs. Investments have gone down by Rs. 2.71 crores. The banks would appear to have utilised a good part of these inflows (that is, reduction in advances, foreign bills and investments) to repay their borrowings from the Reserve Bank. Thus, this item shows a fall of Rs. 5.48 crores. Borrowings from the State Bank of India are also down by Rs. 54 lakhs. A small part of the inflows has been utilised by lending at call, as witnessed by a rise of Rs. 1.52 crores in money at call and short notice.

The trend of the Gilt-edged market continues to be quiet, with turnover being greatly restricted. Sellers once again dominated the market, the only big buyer being the Reserve Bank. Conversion Loan has dropped another 25 nP to stand at Rs. 72.95. It is stated that the Reserve Bank still supports this loan at Rs. 73. But since its purchases are confined only to institutional sellers, the market rate has gone below the Bank's support price. Among the dated loans, there is no change in the short-dateds. Among the medium-dateds, both 3 per cent. 1963-65 and 1966-68 have gone down by 15 nP and 5 nP to Rs. 93.80 and Rs. 91.70, respectively. There has been a drop of as much as 25 nP in 3 per cent. 1970-75 (closing quotation Rs. 86.75) and 20 nP in 3½ per cent. 1964 (Rs. 97.90) as also in 3½ per cent. 1965 (Rs. 97.90). A drop of 15 nP is noted in 3½ per cent. 1967 which closed at Rs. 93.35. Among the State Loans, there were sizable offerings in the Madras and Andhra 4 per cent. loans issued last year. Thus, 4 per cent. 1968 Madras closed at Rs. 96.25, as against Rs. 96.60 last week. Similarly, 4 per cent. 1968 Andhra came down by 15 nP to Rs. 95.75. There was scarcely any business in other State loans.

In the foreign exchange market, there has been a further slight recession in the value of rupee in terms of U.S. dollars. Thus, the banks' selling rate for T.T. and O.D. has gone up by 25 nP to Rs. 480 per 100 dollars. The banks' buying rate, too, has gone up by that extent to Rs. 476.50. In fact, earlier in the week, the rupee had weakened by as much as 50 nP. Naturally, the Canadian dollars, also have become costlier by As. 8, the banks' selling and buying rates being Rs. 505.25 and Rs. 498.50, respectively.

This weakness of the rupee in terms of the aforesaid hard currencies only reflects the deterioration in the exchange rate for sterling. In New York, the spot sterling gradually declined from $2.79-2.79¼ in the beginning of the week to a low of $2.78.1/16-2.78.13/16 on the 8th inst. Thereafter, there was a slight recovery to $2.78.13/16-2.78.15/16. After falling to $2.77.13/16-2.77.15/16, three months' forward sterling closed at $2.78-2.78¼ which is about 1/16 of a cent less than that a week before. Transferable sterling, however, firmly held its position at 277.45-277.55 cents.

BULLION RETREATS

(From Our Own Correspondent)

BOMBAY, 12*th June*

A distinctly downward trend prevailed in the bullion market during the week under review, with both silver and gold registering a loss. Silver, of course, suffered more than gold, because of heavy bull liquidation. Fall in spot demand, coupled with heavy arrivals and prospects of still heavier arrivals in the coming weeks, was the main reason for the drop of nearly Rs. 2 in both forward and ready silver. Some of the big bulls in Calcutta who had been manipulating the market in recent weeks are said to have liquidated a good part of their purchases. The *budli* rate for carrying forward the outstandings from the maturing forward settlement to the next one widened to as much as Rs. 3 this week. It is stated that the Calcutta bulls left their hold on the market only after taking this heavy *budli*.

As compared with silver, the downward trend in gold was more gradual, the net loss over the week being about As. 14 in ready gold and about Re. 1-6-0 in the *Ashad* (2nd) settlement. This recession is attributed partly to the setback in silver and partly to the fear that the impending relaxation of the economic sanctions against Goa might lead to an increase in the flow of smuggled gold into the Bombay market. Demand for ready gold, however, was quite good and the entire lot of Mysore gold meant for the week under review was quickly absorbed even in the initial days of the week.

A feature of the week's trading in this market was the imposition of special margins on the outstanding purchases in both gold and silver on account of a broadening of the *budli* rates beyond the limits specified under the by-laws of the Bullion Exchange.

The scarcity of floating stocks of both silver and gold continues. In the Bombay market, there are said to be no more than 300 bars of silver and 10,000 tolas of gold. The gold arrivals were of the order of 7,000 tolas a day and were more than matched by an offtake of equal magnitude. The daily offtake of silver is estimated at 20 to 25 bars, while arrivals were about 30 to 35 bars.

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

	12-6-1957	Highest	Lowest	5-6-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	105 5	106 12	105 5	106 12
Forward*	104 4	106 13	104 3	106 4
Sovereign	71 0	—	—	71 8
SILVER				
Ready (.996 fine Mint) ..	182-12	185-3	179 8	185 4
Forward†	179-8	183-15	179 6	183 10
London Silver Ready ..	78⅛	..	..	78⅛
London Forward	78⅛	..	..	78⅛
London Gold	250s. 11d.	251s 2½d.	250s. 9d.	250s. 6½d.
New York Silver	90¼c	90¼c	90¼c.	90¼c

* 12th June settlement.
† 13th June settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

BASE METALS RECEDE

(From Our Own Correspondent)

CALCUTTA, 11*th June*

Prices of base metals gave way during the week under review, following weaker advices from foreign markets. Advices from New York suggested that the earlier report that the Commodity Credit Corporation would resume buying of lead and zinc was baseless. Actually there was no knowing as to when the Corporation would commence buying, it was stated. There was, however, a subsequent report that the United States would accept barter deals for foreign lead and zinc. It was also known that the Rhodesian mines of Roan Antelope and Mufulira had announced a cut in production of copper by 10 per cent. as from the 1st inst., in order to strengthen copper prices.

In Calcutta, electrolytic copper eased from Rs. 179 to Rs. 176. There were no fresh arrivals and importers stated that, due to paucity of shipping space, prospects of new arrivals in the near future was not bright. Virgin lead declined by a rupee to Rs. 73. A fair quantity changed hands. Tin at Rs. 523 was lower by Rs. 5. Offtake by consumers was good. Fresh arrivals even while they were on the high seas continued to be booked. Electrolytic zinc was unchanged at Rs. 75.

HIDES EASY

(From Our Own Correspondent)

KANPUR, 2*nd June*

The hides and skins market ruled easy during the week under review. Supplies of the main categories of goods were ample. The chief purchasers were the local tanners led by Messrs. Cooper Allens. The country tanners were interested only in inferior cow, whereas the Madras dealers effected a number of transactions in goat and sheep.

The latest available quotations are: Wet salted cow, 1st grade Rs. 240 and 2nd grade Rs. 220 per score; wet salted buff, 1st grade 2 lbs. 1 oz. and 2nd grade 2 lbs. 3 ozs. per rupee; goat, 1st grade Rs. 225 to Rs. 300 and 2nd grade Rs. 200 to Rs. 250 per 100 pieces; sheep, 1st grade Rs. 350 and 2nd grade Rs. 250 per 100 pieces.

COTTON FUTURES FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 12*th June*

The cotton futures market presented a dull appearance during the first three days of the week, but picked up strength on Monday which persisted till the close today. The earlier dullness was due to absence of any fresh development and continued uncertainty with regard to the closing rate of the expired Jarilla May contract. The Forward Markets Commission which had been requested by the East India Cotton Association to decide the closing rate of the contract is now understood to have directed the E.I.C.A. to settle the question itself. On Monday, the market, as already stated, picked up strength, thanks to small volume of tenders (about 850 bales) issued and rumours of an export quota for Bengal *Deshi*. These factors touched off a wave of fresh buying which led to an improvement in prices. The undertone of the market was fully steady.

M.G. Vijay June opened the week at Rs. 810, as against the previous close of Rs. 813. After rising to Rs. 813 on Friday, it again eased to Rs. 812, at which rate it stood till the close on Saturday. The contract met with good buying support on Monday and advanced to Rs. 820. After declining by Rs. 3 to Rs. 817, it again recovered to Rs. 819 before closing at Rs. 818. The net gain over the week was Rs. 5. Total tenders issued till Monday amounted to 3,300 bales, comprising 850 bales Punjab American, 50 bales Jayadhar A, 1,200 bales Jayadhar B, 1,150 bales Laxmi A and 50 bales Cambodia.

The following is the trend of prices of the contract during the week.

(In rupees per candy of 784 lbs.)

	12-6-57	*High*	*Low*	5-6-57
Vijay (June) ...	818	820	810	813

Cotton traders are eagerly awaiting the announcement of official permission for commencement of trading in new crop cotton contract. The E.I.C.A. has finalised the new contract and submitted it for the approval of the F.M.C. The F.M.C. is reported to have told the E.I.C.A. that it desires to have definite proposals regarding regulation of delivery contracts before granting permission for trading in the new crop contract. The E.I.C.A. has circulated for eluciting the views of the various interest concerned a new scheme for regulation of delivery contracts; details of this scheme are given elsewhere in this issue. Meanwhile, attempts are being made to persuade the F.M.C. to give permission for trading in the new contract before the expiry of the current contract. Market circles are expecting the new contract (based on Fine Moglai 25/32") to open at Rs. 710 to Rs. 715.

The Government of India has decided that the floor and ceiling prices of Indian cotton during the 1957-58 season should be maintained at the same level as for the 1956-57 season. Floor and ceiling prices for Jarilla with stapling 25/32 inches are Rs. 495 and Rs. 820 per candy and those for Vijay with stapling 25/32 inches Rs. 565 and Rs. 925 per candy.

The spot section continued to rule firm, with sustained mill demand evident even at advancing prices. Jayadhar, Laxmi, Surti, Kalyan, etc., were particularly sought after. Following rumours of an export quota for 25,000 bales of Bengal *Deshi*, there was revival of interest in exportable styles. By the way, at the meeting of the Export Advisory Council held at New Delhi on the 7th inst., Mr. Morarji Desai, Union Minister for Commerce and Industry, turned down a request for revalidating export quotas recently cancelled by the Government. He said that he would give, if necessary, new quotas to others. The Minister also made it clear that he wanted to stop the sale of quotas and licences and to fix a ceiling on the quota of established shippers. He wanted the newcomers who are fully conversant with cotton to enter the export trade.

Interest in Egyptian cotton is expected to revive, following a further fall in Egyptian cotton prices. Karnak T154 variety is now being offered at prices ranging between 54½d. and 55d. per lb. The quantity applied so far under the Indo-Egyptian Agreement is estimated at 9,500 bales. The licensing procedure for import of American cotton has not yet been announced, although the decision was made known more than three weeks ago.

The latest available spot rates—in rupees per candy of 784 lbs.—from Sewri are given below. Bengal *Deshi* 730; Berar Jarilla 820; Khandesh 870; Oomra *Deshi* 785; Vijay 1,025; Hubli Laxmi 1,020; Jayadhar 950.

The Karachi cotton futures market presented an easy trend during the week under review, despite smaller arrivals. Export demand was not bright; advices from Tokyo were particularly unhelpful. There were also reports of unsold stocks. Ready demand, too, was poor. N.T.R.G. July declined by As. 7 to Rs. 72. January position, however, evoked some support and improved by As. 4 to Rs. 75-7. In the ready section, barring *deshi* styles, which evoked good buying enquiries and registered a rise in prices, the other varieties staged a retreat.

The following are the latest available rates—in Pakistani rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 84-12; Punjab *Deshi* 80-8; 4F Punjab R.G. 72-8; S.G. 74-8; L.S.S. Punjab R.G. 76; S.G. 79; N.T.R.G. 76; S.G. 83; 289F Punjab R.G. 80; S.G. 85.

An irregular trend was depicted by the Alexandria cotton futures market during the week. While the near-month long-staple Karnak contract ruled easy on selling induced by lack of overseas demand and favourable weather reports, the distant delivery attracted some buying presumably on expectations of a revival in demand from Egypt's traditional customers consequent on the resumption of normal commercial traffic through the Suez Canal. Sentiment was also favourably affected by reports that Japanese spinners had proposed to make bulk purchases of Egyptian cotton for distribution among themselves on the basis of their individual require-

ments. Near month Ashmouni elicited some support, while the distant delivery was neglected. The latest available forward quotations—in tallaris per lb.—from Alexandria are given below:

Karnak: July 107.05; November 100.15. *Ashmouni*: June 75.10; August 75.15; October 73.05.

A fair volume of hedge selling against shipment purchases of American cotton imparted easiness to the American type contracts, in the Liverpool cotton futures market this week. Marked growth contracts, however, staged an improvement on trade buying and professional support. Since prospects of an early reduction in the C.C.C. sales price was considered unlikely, the possibility of any sizable fall in cotton prices in Liverpool was generally held to be remote. This also helped to aid market sentiment. Liverpool Sudan contracts were neglected. In the spot section, inquiries were mainly confined to better quality U.S. growths. Despite reduced shipment offers of Pakistan cotton, these qualities continued to remain uncompetitive with medium quality U.S. cotton, the local stocks of which are sufficiently large. The latest available quotation—in pence per lb.—from Liverpool are as follows:

American 1" Staple Contract: July-August 26.05; October-November 26.05; December-January 26.21 and March-April 26.30. *American Cotton Mixed Growth Contract*: July-August 26.60; October-November 26.50; December-January 26.53; March-April 26.57. *Sudan*: July-August 38.50; September-October 37.05; November-December 37.55.

The steady trend noted in the New York cotton futures market last week gathered fresh momentum during the week under review. This was due to persistent buying orders prompted by reports of delay in completion of planting in the South-west and parts of the Central belt, following further unfavourable rains. The belief entertained in some quarters that there would not be any major change in farm legislation in the current session of the Congress was another favourable factor.

At the C.C.C. sales held on 26th May, 35,930 bales of 1954 crop Government-owned cotton, as well as 295,321 bales of 1955 crop cotton, were sold for export. The 1954 crop sales were made at an average price of 27.73 cents per lb. basis middling one inch cotton while the average price of the 1955 crop cotton was 27.33 cents. The total sold of 1954 crop cotton under the 1956-57 disposal programme so far amounts to 7,703,177 bales. This cotton must be exported before 15th August 1957. The amount sold so far of 1955-crop cotton under the 1957-58 disposal programme amounts to 3,203,287 bales. This cotton cannot be exported until 15th August next.

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

(In cents per lb.)

	11-6-57	4-6-57	28-5-57
Spot	34.45	35.40	35.45
July	35.31	35.25	35.29
October	34.52	34.50	34.44
December	34.50	34.48	34.40

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 12*th June*

The Central Government's decision to make available to shippers the unutilised cotton yarn export quotas of mills, announced this week, failed to have any effect on the yarn market. In fact, cotton yarns ruled very dull and prices of finer counts even tended to look down. For overseas demand for Indian yarns was subdued. Traders felt that export business on any large scale would be difficult, thanks to keen competition from other countries, particularly Pakistan. Staple fibre yarns were also sluggish, notwithstanding the recent decision of the Government to allow free exports within a ceiling of 1.5 million lbs. in the current half-year. Prospects of sizable exports were considered to be not bright, unless there was the necessary incentive in the form of refund of excise duty on raw staple fibre as well as yarn, grant of drawback of import duty on fibre used in the production of yarn meant for export, and extension of the shipping period. Rayon yarns, however, were well supported on fears of cut in imports in the next half-yearly licensing period. There would, indeed, have been a marked improvement in values but for unhelpful advices from the rayon piecegoods markets.

Snia rayon yarn (120 dull cones) for June delivery picked up Rs. 3 to Rs. 805. August delivery hardened by Rs. 2 to Rs. 822. Spot 150 Japan rallied 18 nP to Rs. 4.12. 120 Italy rose by 6 nP to Rs. 4.03 and 120 Japan by 5 nP to Rs. 4.14. 150 Italy gathered 3 nP to Rs. 3.72. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade strengthened by 8 nP to Rs. 3.81. 150 Bt. cones 1st grade were fully maintained at Rs. 3.45.

Staple fibre yarn (40x2) for August delivery was subjected to heavy selling and dropped Rs. 9 to Rs. 580. June position fell by Rs. 6 to Rs. 579. Spot Kohinoors lost a naya paisa to Rs. 3.26. New Greats were quiet at Rs. 3.11, as also New Citys at Rs. 3.15 and Centurys at Rs. 3-12. Among foreign yarns (80x2), Fujis receded from Rs. 5.13 to Rs. 5.12, while Paramounts encountered some support and put on 5 nP to Rs. 5.36.

In the cotton yarn section, forty counts came in for selling and staged a retreat. Minaxis declined by 27 nP to Rs. 26.87. Moderns eased by 25 nP to Rs. 27.75. Deals in sixty counts Raghuvamshis were put through 25 nP lower at Rs. 57.75. Moderns were quiet at Rs. 62. Finlays, however, had buyers and improved by 50 nP to Rs. 64.00. Among 80s, Mahendras shed 25 nP to Rs. 71. Moderns were unchanged at Rs. 75.75, but Finlays gathered 50 nP to Rs. 82. Thirty counts were unchanged, Edwards being quoted at Rs. 21.00 and Indus at Rs. 21.75. Among 20s, Gokaks receded by 12 nP to Rs. 18.50. Moderns were dull at Rs. 18.75. Ten counts Podars lost a naya paisa to Rs. 5.12. Podars were quoted at Rs. 14.75, same as last week.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	12-6-1957	5-6-1957
	Rs.	Rs.
Art silk yarn **(per case of 200 lbs.)—**		
120 dull Cones Snia June	805 00	803 00
... ... August	822 00	820 00
120 Japan (per lb.)	4 14	4 09
150 Japan (per lb.)	4 12	3 94
120 Italy (per lb.)	4 03	3 97
150 Italy (per lb.)	3.72	3.69
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 June	579 00	585 00
40 x 2 August	580 00	589 00
40 x 2 New Great (per lb.) ...	3 11	3 11
40 x 2 Century (per lb.) ...	3 12	3 12
40 x 2 City (per lb.)	3.15	3.15
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Peter	14 75	14 75
20s Gokak	18 50	18 62
30s Edward	21 00	21 00
40s Minaxi	26 87	27 10
60s Raghuvamshi	57 75	58 00
80s Modern	75.75	75.75

CASTORS MOVE DOWN FURTHER

(From Our Own Correspondent)

BOMBAY, 12*th June*

The weakness of the oilseeds market noted in the past fortnight continued unabated during the week under review, barring groundnuts which ruled steady, thanks to good demand from *vanaspati* manufacturers. Castorseeds were subjected to heavy selling pressure, induced by slack enquiries from abroad. This trend was accentuated towards the close of the week by reports of fair weather conditions in upcountry centres. The extension of the free export licensing period of castor oil till the end of December had no effect on the market, since it was in line with market expectation, in view of tight foreign exchange position. Despite some foreign demand, linseed remained slightly easy. Cottonseed, too, was weak.

Castorseed September contract opened at Rs. 177.50 and slided down to Rs. 172.25 on the following day. After climbing up next day to Rs. 179.75, on reports of demand from the U.K., it was again subjected to heavy selling pressure and fell to Rs. 169.50. The net loss over the week was no less than Rs. 10.50. Spot Madras declined by 88 nP to Rs. 33.87. Oil B.S.S. receded by 62 nP to Rs. 21.50.

Groundnut August contract commenced the week at Rs. 176.75 and crept up, following demand from crushers, to Rs. 180.57 on the 10th inst. At this level, profit-taking set in and the rate receded to Rs. 176.62 today. Spot Coromandel was quoted 25 nP higher at Rs. 35.50. Groundnut oil ex-mill improved by a like amount to Rs. 20.75.

Linseed September contract opened the week at Rs. 30.56, and fluctuated during the week between Rs. 30.69 and Rs. 30.06, before finishing today at Rs. 30.44. Over the week, it was thus lower by 12 nP. Spot Bold ready was maintained at Rs. 29.50. Oil ready, however, was a shade higher at Rs. 16.87.

Cottonseed September contract eased from its opening level of Rs. 112 to Rs. 111 on Friday, but recovered on demand to Rs. 113.50 on the 11th inst., before finishing today at Rs. 111.50. Over the week it lost 25 nP.

Among others, *kardi* seed bold maintained the last week's level of Rs. 21.50. *Niger* seed Madras, however, encountered support, and improved by 75 nP to Rs. 28.50.

The Government of India has abolished, with effect from today, the export duty on cottonseed oilcake, both decorticated and undecorticated.

The following table shows the closing prices of oilseeds and oils today as compared with those at the close of the previous two weeks:

	12-6-1957	5-6-1957	29-5-1957
	Rs.	Rs.	Rs.
Groundnut—			
September, 1957	176.62	176.62	178.87
Bold ready (per cwt.) ..	36.25	35.50	36.00
Coromandel	37.50	37.25	37.75
Linseed—			
September, 1957	30.44	30.56	31.06
Bold ready (per cwt.) ..	20.50	29.50	30.12
June-July	—	29.62	30.31
Castorseed—			
September, 1957	169.50	180.00	185.50
Madras (per cwt.) ..	33.87	34.75	35.62
Cottonseed—			
September, 1957	111.50	111.25	113.00
Groundnut oil—			
Ex-mill Ready (per quarter) ..	20.75	20.37	20.37
Castor oil—			
Commercial (per quarter) ..	20.25	20.75	21.37
Linseed oil—			
Ready	16.87	16.75	16.37

SUGAR ADVANCES

(From Our Own Correspondent)

BOMBAY, 12*th June*

The sugar market ruled distinctly firm during the week under review. There was a rise in the wholesale prices of sugar in the terminal markets, following a further rise of As. 4 to As. 12 per maund in the premium over the pre-budget ex-mill prices. It is reported that the mills have been holding on to their stocks, with a view to taking advantage of the low stocks with merchants. Arrivals of sugar into the market have, as a consequence, continued to be low; they aggregated 7,000 bags during the week under review. This is no doubt higher than the arrival of 3,600 bags in the previous week, but is appreciably below the usual quantity.

Spot medium grain sugar advanced by Rs. 2 to Rs. 104-Rs. 105 per bag, inclusive of sales tax. Small grain put on a rupee to Rs. 102-Rs. 103. Large grain was quoted at Rs. 106-Rs. 108, as against Rs. 105-Rs. 109 last week.

The upward trend in sugar prices, sugar circles contend, indicates that not only has the full burden of the additional excise duty been passed on to the consumer but, in fact, a sizably greater burden is being imposed on them. Attention is drawn to the Finance Minister's statement in the Lok Sabha on 30th May that the mills had on 6th May a balance of "free stocks" amounting to about 60,000 tons, which, together with the release of 163,000 tons on the same day, brings the total to 225,000 tons; free stocks with mills as on 15th May were 127,005 tons and only this quantity will bear the increased excise duty. In other words, about 96,000 tons moved out of the mills between 6th and 15th May without the impost of the additional excise. Sugar Circles, therefore, point out that the sugar mills are "reaping a rich harvest" by sitting tight on their stocks and bargaining for higher prices by starving the terminal markets. These circles are believed to have drawn the attention of the authorities to the "unconscionably high retail prices of sugar" in the interior and urged them to step up supplies into the market, so that "the normal factors of demand and supply may freely operate."

BLACK PEPPER SPURTS

(Messrs. Parekh and Co.)

BOMBAY, 12*th June*

After a period of stonewalling for more than a fortnight, Malabar black pepper spurted in sympathy with New York, where spot was raised to $0.30½, in view of shortage of ready stock and on reports that Sarawak crop this year would be very much reduced. Some brokers, after their return from the yearly Convention, circulated reports that Sarawak crop for the year 1957 would be not more than 10,000 tons. New York did considerable buying, accepting all offers from India from $0.29½ to $0.28 for ready, afloat and for shipment by named steamers. After this buying, however, New York withdrew and was now reported asking for some concessions.

Singapore went up from $73 to $80 under pressure of buying from both Europe and the U.S.A. where dealers did not buy in anticipation of lower prices on the movement of Sarawak crop.

Alleppey improved from Rs. 600 to Rs. 637½, while Garbled at Cochin changed hands from Rs. 106 to Rs. 116 for July-August delivery.

In A.S.T.A. section, business in June and July-August-September was done upto $0.28. Today, however, nominal quotations were down by half a cent.

The future of the market depends upon the final size of Sarawak crop. If the crop really turns out to be smaller as is now rumoured in New York, there are chances of further improvement, in view of approaching consuming season in the U.S.A. and Europe and comparative shortage of supply in both India and Singapore. Much, of course, depends upon the buying policy of New York. Any aggressive demand is sure to push up the prices.

In the delivery section, there was a lot of short-covering and prices improved by Rs. 24 per candy of 5¼ cwts.

Today's nominal quotations are: Ready delivery Rs. 85 per Bengal maund, June delivery Rs. 594-Rs. 599 and July delivery Rs. 604-Rs. 609 per candy of 5¼ cwts.

DEMAND FOR TEAS STRONG

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 7*th June*

Just under one million pounds were on offer in sale No. 13 which was held on Tuesday, the 4th inst. Quality showed little change, with the exception of high-grown teas which were rather plain. The sale opened to a strong general demand which was, once more, mainly from internal buyers. Black leaf brokens and fannings were in keen demand and prices advanced by 5 to 10 nP. Low medium brokens were irregularly dearer and similar fannings were 10 nP dearer. High-grown teas were generally easier, with high-grown fannings attracting more support than brokens. Whole leaf teas again met keen competition and must be quoted 10 to 15 nP dearer. The following are the quotations:

	1957	1956
	Rs.	Rs.
Plain B.P.	1.55	1.50
Low medium B.O.P.	1.60	1.66
Medium B.O.P.	1.70	1.75
Good B.O.P.	1.90	2.19
Well made black leaf O.P.	to 2.00	to 2.31
	... 2.50	2.12

London Market—Sale of 3rd June 1957.—Better demand, particularly good liquors. Plain sorts hardened, as sale progressed.

Sale of 4th June 1957.—Best about steady. Others very irregular. 2d. to 4d. lower.

Colombo Market—Sale of 3rd June 1957.—Dimbula Dickoya brokens were lower by 20 to 40 cents. Quality mediums encountered strong demand and were five to ten cents dearer. Low-growns declined by five cents. High and medium fannings, except plainest active, 15 to 20 cents dearer.

Sale of 4th June 1957.—Strong demand. Firm to dearer, especially better liquoring sorts.

Calcutta Market.—There was no export sale this week. As regards internal sale, 20,300 packages of dust fair tea were offered. General demand strengthened, as sale progressed. Medium Assams

C.T.C. strongest feature upto 10 nP dearer. Orthodox Assams steady. Remainder generally easier. Middle East types weakest feature.

The Government of India has announced that the 'price of tea' for the purpose of determining export duty for the month of June is given as Rs. 2.47, as against Rs. 2.41 for the previous month. The duty thus remains unchanged at 25 nP. In respect of the recent increases in excise duty made in the Budget, the Government has restored with effect from the 1st inst. the *status quo* in respect of the excise duty on tea and coffee.

The export quota market has been a little quieter and there are small buyers at 23 nP.

Offerings in dust sale L held on Thursday the 6th inst. aggregated 850,000 lbs. There was very good general demand and prices were often dearer. Milled dusts were generally lower, but medium grown fine dusts met with keen competition. There was improved enquiry for high-grown dusts.

Sale No. 14 will be held on Tuesday the 11th inst. Dust sale M is scheduled for Thursday the 20th inst.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"*Sale No.* 14.—950,000 lbs. offered. Good general demand. Stalky and lower grades easier. Medium and good medium brokens fully firm to dearer, but fannings somewhat lower. Whole leaf very strong and dearer."

MEDIUM ASSAM TEAS FIRM

(From Our Own Correspondent)

CALCUTTA, 11*th June*

During last week's internal sale, tea dusts on offer amounted to 20,394 packages. There was fair demand. The strongest feature was provided by medium C.T.C. Assams which rose by 10 nP per lb. Orthodox teas from Assam, the offerings of which were limited but which possessed clean black leaf and bright liquors, closed firm, after opening easy. All other teas were featureless, clean black leaf teas hardly gathered attention. The quotations were: Medium Assam C.T.C. Re. 1.60 to Re. 1.70, medium Assam grainy dust Re. 1.50 to Re. 1.55, and medium Dooars Re. 1.40 to Re. 1.45, while best Assam C.T.C.'s were unquotable.

No leaf sale was held.

The report from Chittagong that the tea trade there expected poor times for the industry did not cause any surprise here. For production in Pakistan was running at a higher level. Unless output was restricted and efforts were made to improve quality, it was not seen as to how a crisis could be avoided. Last year, the Pakistani tea industry had recorded satisfactory results. Tea exported amounted to as much as 8 million lbs. and the higher figure was obtained following the inclination of foreign buyers to increase their offtake on apprehension of troubles in the Suez Canal area.

It was noted that, in the London sales held last week, conditions were better, following fair demand. An improvement in the statistical position and the current break in the auctions due to the Whitsun holiday—the next auctions are scheduled to be held on 17th inst. only—were factors which aided sentiment. During the internal dusts sale held in Cochin on Thursday last, general demand was good. High-grown dusts were in constant inquiry, with keen competition being offered to medium grown fine dusts. The next sale in Cochin is scheduled to take place on the 20th inst.

During yesterday's export sale, exporters hardly accorded support and most of the buying was done on account of internal buying. Offerings amounted to 27,390 chests. Buyers paid fair attention to whole leaf grades and stylish B.P.Ss. Among Darjeelings, the flavouury lots met with ready buyers, but the ordinary kinds were paid less attention. Firm prices were realised by teas representing early quality. Among teas without quality and in fanning grades, withdrawals were heavy. The only quotation that was available was that of plain B.P. at Re. 1.75.

Export quota changed hands at 21 nP. Subsequently, however, buyers offered only 20 nP.

JUTE STEADY

(From Our Own Correspondent)

CALCUTTA, 11*th June*

Steady conditions were in evidence in both the raw jute and the jute goods markets during the week under review. There had been recurrence of rains, which, however, did not affect raw jute prices. In jute goods, fair interest was shown by shippers and internal buying was also brisk. It was this increased activity which prevented a fall in prices of jute goods over the week-end, when details of the increased stocks at the end of May were released by the Indian Jute Mills Association. In line with market expectations, hessian stocks at 40,400 tons recorded a substantial increase of 5,300 tons. On the other hand, the huge business done in sacking goods last month is reflected by a decrease of 600 tons to 57,700 tons. Miscellaneous constructions were lower by 200 tons at 10,600 tons. The increase overall was 4,500 tons at 108,700 tons. Exports last month were higher as compared with April, but were considerably lower than those in March. Hessian shipped in May was 26,600 tons, as against 25,400 and 35,400 tons in April and March, respectively, the figures for sacking goods being 30,200 tons, 27,500 and 45,500 tons, respectively.

In view of the increase in hessian stocks, it was considered possible that mills would transfer some hessian looms to heavy goods. Reports from New York had an encouraging effect, since these suggested that inventories were light, following recent limited purchases. It was thus considered possible that American interest would broaden in the near future. In the meantime, small quantities of hessian were lifted. In sacking goods, a Government tender for 15,000 tons for June delivery was reported. Further, there was business done with the Governments of Ghana and Burma. Sudanese and Indonesian buyers also showed interest and, in addition, domestic buying was believed to be fair.

The jute goods market opened fully steady on Tuesday last on reports of fair business done in heavy goods. Ready B. twills scored from Rs. 115.60 to Rs. 116.10. In sympathy, hessian 40" 10 oz. was fractionally better at Rs. 43.00. Export inquiries in heavy goods continued to be received, and the Government invited tenders for B. twills. B. twills improved further to Rs. 116.50 on Wednesday and hessian 40" 10 oz. to Rs. 43.06. At this stage, there was keen speculative buying, which pushed up B. twills to Rs. 116.85. On the other hand, ready hessian 40" 10 oz. gave way to Rs. 43. Mills continued to sell heavy goods at the higher rates, but, on Friday, buyers resisted the rise. Speculators began to unload. The combined effect on ready B. twills was a fall to Rs. 116.40 on Friday. Over the week-end, the price hovered around Rs. 116.35, with hessian 40" 10 oz. being steady at Rs. 43.10. Yesterday, the steadiness in raw jute pushed up goods prices further. Ready B. twills touched Rs. 117.00, with the 10 oz. hessian being quoted at Rs. 43.50 and the eight oz. at Rs. 35.12

Despite more rains, raw jute prices were maintained at higher levels. This was due to the reserve attitude displayed by stockists. At the same time, mills did not show interest. The latest quotations for the 1956-57 crop, June-July delivery, are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	40.50	37.50
Northern	40.00	37.00
Indian:		
Northern	34.00	31.50
Assam Upper	34.00	31.50
Assam Lower	34.00	31.50
Orissa	36.50	34.00
Western	33.50	31.00
Murshidabad	31.50	29.00
Jungli	30.50	28.00
Daissee	36.00	33.50
Uttar Pradesh	30.50	28.00
Daissee mesta	30.50	28.00
Bimli f.a.q.		Rs. 27.00

Pucca bales 1st marks ready Rs. 195.00 per bale.

WHEAT RISES SLIGHTLY

(From Our Own Correspondent)

HAPUR, 10*th June*

Steadier conditions were witnessed in the foodgrains markets during the week under review. At its last meeting, the National Development Council agreed to the fixation of minimum prices of foodgrains, with a view to giving an incentive to producers. The Union Government is likely to announce shortly minimum prices for ensuing *kharif* crops. Mr. A. P. Jain, Union Food Minister, has announced that there will be no return to food controls and, in order to bring down the prices of foodgrains, the Government has framed a four-point programme. The measures contemplated are: zonal restrictions on movement of foodgrains, limitations of advances by banks, the recent Government notification empowering State Governments to require any stockist to sell his stocks at average price for the past three months, and maintenance of stocks of imported rice and opening of fair price shops. Out of these, the Reserve Bank has already issued a directive to banks to bring down substantially their present advances against foodgrains.

Union Bank of India Limited.
(ESTD: 1919)
HEAD OFFICE: FORT, BOMBAY 1.
OUR CUMULATIVE DEPOSIT SCHEME
helps you accumulate savings in easy monthly instalments, earning 4% compound interest.
Call and Fixed Deposits accepted at attractive rates.
F. K. F. NARIMAN,
General Manager.

Wheat registered small gains during the week, following purchases by the Government-initiated purchase and sale co-operative society. Daily arrivals were at an average of 2,000 maunds and local stock was put at 33 *khaties*, the corresponding figure last year being 66 *khaties*. Total arrivals from the beginning of the season were put at 90,000 maunds. The food situation in the eastern districts of Uttar Pradesh is bad enough and, on a representation by the State Government, the Centre has agreed to the opening of another 500 fair price shops, besides 1,100 already working, in nine eastern districts of the State. The Central commitment is accordingly being increased by 50 per cent. to 22,500 tons. The provisions of the new amendment to the Essential Commodities Act through which the Government can ask stockists to sell their stocks at average price for three months has been extended to 12 States, including the U.P.

Rice ruled quiet, thanks to better supply position in the face of good consumers demands. The prevailing prices towards the week-end were: Wheat *dara* Rs. 14.50, farm quality upto Rs. 16.75, rice *basmati* Rs. 26 to Rs. 29.25, *sela Mainpuri* Rs. 23.75 and *sela Etwah* Rs. 25 per maund.

Although the western districts of U.P. are deficient in gram and most of the local stocks put at 33 *khaties* are from Punjab, the State Government has thought it advisable to purchase gram here at Rs. 12 per maund, instead of purchasing it from the neighbouring surplus State of Punjab. Purchases on behalf of the State Government are also taking place for barley and bejhar and this has accounted for a hardening trend in the prices of coarse-grains here. *Jowar* and *guwar* scored some gains, due to falling stocks in the face of good demand. The prevailing prices towards the week-end were: *Gram* Rs. 11.62 to Rs. 12.12, barley Rs. 11, *bejhar* Rs. 10.75, *jowar* Rs. 13 to Rs. 15.25 and *guwar* Rs. 13 per maund.

Pulses recorded an easy trend during the week, due to slack outside demand at higher rates and increasing local stocks. Arrivals of peas and *arhar* went down to an average of 800 maunds daily. Peas and *arhar* receded by about 25 nP per maund. Peas stock was put at 51 *khaties* and *arhar* stocks at 81 *khaties* of about 800 maunds each. Other pulses were mostly quiet and were now quoted at (in rupees and nP per maund): Peas *dara* 11 and white 12.12; *arhar* 11.37; *urd* 19.75 to 21.50; *moong* 15 to 17; and *massoor* 15 to 16.

Pulses futures declined steeply during the week on bear pressure influenced by an appreciable fall in ready sections. The latest quotations were near the lowest levels of the week. Peas *bhadon* was quoted at Rs. 11.8 and *arhar bhadon* at Rs. 11.73.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 10*th June*

The sugar market ruled quiet during the week, because of lack of buying support, though there was demand for small quantities. The undertone was still subdued and the supply position was reported to be easy following releases of 165,000 tons of sugar for sale in free market by the Government last week. The production of crystal sugar is now expected to touch new heights (above 2.0 million tons). Up to 15th May, it amounted to 1,913,000 tons. Despite increased production from last year, the stocks with the factories on 15th May were put at 1,270,000 tons as against 1,261,000 last year, as consumption of sugar in the country has increased and 100,000 tons had been exported.

Ready *gur* eased by 50 nP per maund during the week, due to poor outside buying enquiry. Most of the outside purchases were now from Muzaffarnager and Agra-Muttra side where prices were comparatively low. Local stock was put at 77,000 maunds, the corresponding figure last year being 43,000 maunds. The standing new cane crop is reported to be very adversely affected by Salai pest. The prevailing prices are: Dry Rs. 10.50 to Rs. 11.25 and *kotha* dry wet Rs. 10.62.

Future *gur* also declined appreciably in line with ready prices. *Asar* was quoted at Rs. 10.65 and *fagun* Rs. 11.42, as against the week's opening of Rs. 11.25 and Rs. 11.87, respectively.

The Pakistan Government and the Pakistani Sun Oil Company, a subsidiary of the Sun Oil Company of Philadelphia, have signed an agreement allowing the Company to undertake a survey for oil over a 10,000-square mile area in the south and south-western portions of West Pakistan. Under the contract, the Pakistani Government will share with the Company the initial exploratory and development expenses on a 25-75 per cent. of the oil found and the agreement provides for a 50-50 distribution of the profits of the Company. Already, several foreign oil companies are working on a similar basis, exploring the Indus River Valley and parts of East Pakistan.

Machinery is now being installed in a new £65,000 tea factory at Ragati (Kenya), which will produce tea grown by Africans of the Kikuyu and Embu tribes. The factory is the first to be built in Kenya solely for African-grown tea. Designed to process the product of over 2,000 acres of tea, its maximum output will be worth about £320,000 a year. By September this year, the Kikuyu tea-growing areas and the Kerugoya area of the Embu district will have 210 acres of tea in partial bearing, with another 240 acres planted. The targets for these areas is about 2,000 acres, but whether this will be achieved depends on the progress of the land consolidation schemes now going ahead in Kikuyuland. Eventually, each grower will have about one acre of tea. This will bring in at least £80 per acre, making it a valuable addition to the district's list of cash crops.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	20th Sept., 1950	5	6
Burma	28th Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1956	4	4½
Colombia	18th July, 1952	5	4
Costa Rica	1st April, 1954	4	5
Denmark	5th May, 1956	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	11th April, 1957	3	4
Greece	1st May, 1946	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	8th May, 1957	7.665	8.304
Mexico	4th June, 1942	4	3
Netherlands	Oct., 1956	3½	4½
New Zealand	16th Oct., 1956	6	7
Norway	14th Feb., 1955	3½	4
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	1st May, 1950	1	1½
Portugal	13th Jan., 1944	3	3½
South Africa	29th Sept., 1955	4	4½
Spain	8th Sept., 1955	3½	4
Sweden	22nd Nov., 1956	3½	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	3
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1954	3½	3
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 7th June, 1957		Week ended 31st May, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,10,656	46 35,75,000	2,86,466	66,73,77,000
Calcutta	1,62,903	68,86,41,533	1,29,512	48,08,45,653
Madras	..	..	72,539	9,30,61,765
All Centres—				
1955-56*	..	..	3,100,000	6,630,200,000
1956-57*	..	..	3,334,000	7,269,900,000
Mar., 1957	..	..	3,503,000	8,33,05,00,000
April, ,,	..	..	3,631,000	7,33,90,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 7th June, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		54,65,45,000
(2) Other Governments		1,40,57,000
(b) Banks		68,61,65,000
(c) Others		87,17,51,000
Bills Payable		13,30,14,000
Other Liabilities		121,30,55,000
	Rupees	372,45,87,000

ASSETS	Rs.	Rs.
Notes		16,29,58,000
Rupee Coin		2,26,000
Subsidiary Coin		3,30,000
Bills Purchased and Discounted—		
(a) Internal	..	....
(b) External	..	....
(c) Government Treasury Bills		4,64,16,000
Balances held abroad		33,95,10,000
Loans and Advances to Governments		24,30,45,000
Other Loans and Advances		109,11,15,000
Investments		170,49,26,000
Other Assets		13,35,07,000
	Rupees	372,45,87,000

* Includes Cash and Short-term Securities.
The item "Other Loans and Advances" includes Rs. 58,42,03,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,29,58,000	
Notes in circulation	1587,93,94,000	
Total Notes issued		1604,23,52,000
Total Liabilities		1604,23,52,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,08,000	
(b) Held outside India	..	
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		124,14,52,000
Government of India Rupee Securities		949,81,06,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1604,23,52,000

Scheduled Banks*

Statement of Affairs for the week ended 31st May, 1957

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	11,82,26,000
(ii) Other demand liabilities	719,01,03,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	3,33,00,000
(ii) Other time liabilities	519,70,41,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,05,41,000
(ii) Time liabilities	..
4. Cash in India	39,40,82,000
5. Balances with the Reserve Bank in India	59,63,45,000
6. Balances with other banks in current account in India	10,09,61,000
7. Money at call and short notices in India	22,40,84,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	340,62,05,000
9. Advances in India	742,69,72,000
10. Inland Bills purchased and discounted in India	131,75,91,000
11. Foreign Bills purchased and discounted in India	57,97,77,000

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

EXCHANGE RATES

	11th June, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	479.50	479.50
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.78⅛-2.78¼	2.78⅛-2.79⅛
London on Paris Fcs.	987	987
London on Berne Sw. Fcs.	12.23¼-12.24½	12.23¼-12.24½
New York on London $	2.78⅛-2.78¼	2.78⅛-2.79⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	379.07	..		10,170	269
Pakistan	'55-'56	79.22	..		1,921	242
Burma	1954	19.24	Kyats	3,905	390	204
Ceylon	1954	8.58	..		470	550
Japan	1955	88.80	Y.	6,575,000	8,695	978
Philippines	1955	21.85	Ps.	7,800	1,857	850
New Zealand	1955	2.13	£(N.Z.)	346	1,128	5,296
Australia	1955	9.49	£(A)	3,957	4,930	5,194
U.K.	1955	50.97	£	16,584	22,178	4,351
U.S.A.	1955	165.27	$	324,900	195,520	9,410
Canada	1955	15.40	$	30,782	19,166	8,516
France	1955	43.27	F.Fr.	13,440,000	17,010	3,931
W. Germany	1955	49.99	Dm.	186,380	14,460	2,890
Italy	1955	47.36	Lr.	9,715,000	7,450	1,573
Norway	1955	3.43	Kr.	19,764	1,320	3,056
Sweden	1954	7.31	Kr.	25,820	2,544	4,912
Netherlands	1954	10.76	Grs.	22,500	2,350	2,580
Denmark	1954	4.41	Kr.	23,574	1,610	3,654
Switzerland	1954	4.98	Sw. Fr.	22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation's Monthly Bulletin of Statistics, September, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 31st May, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	58,48,44,000
(b) Provincial Governments	3,20,52,000
(c) Banks	14,80,25,000
(d) Others	9,57,93,000
Bills Payable	67,79,000
Other Liabilities	13,05,02,000
Rupees	105,49,95,000

ASSETS	Rs.
Notes	13,55,56,000
Rupee Coin	18,000
Subsidiary Coin	13,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,46,000
Gross excise	....
Refunds and drawbacks	....
Net Customs	70,31,000
Gross excise	....
Refunds	....
Net Excises	13,67,000
Total of customs and excise†	5,14,15,000
Balances held abroad	5,43,70,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	11,83,65,000
Investments	68,97,31,000
Other Assets	11,02,66,000
Rupees	105,49,95,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,55,56,000	
Notes in circulation	325,01,87,000	
Total Notes issued		338,57,43,000
Total Liabilities		338,57,43,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,83,41,000	
Silver Bullion	....	
Approved Foreign Exchange	103,78,58,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,34,44,000	158,14,29,000
Government of Pakistan Securities	169,18,64,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		174,53,08,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	338,57,43,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 45.36 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	31st May, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1570.00	1578.40	1577.11	1,501.84
Notes held in Banking Department	25.05	26.00	27.58	9.04	23.44
Foreign Securities	59.50	412.52	412.52	412.52	676.48
Rupee Securities	37.39	939.87	949.87	929.87	703.72
Banking Department					
Deposits of:					
Government of India	14.89	53.65	54.92	51.81	54.48
Other Governments	..	6.83	2.11	4.26	10.26
Balances held abroad	10.08	42.55	74.07	83.99	28.86
SCHEDULED BANKS					
Demand Liabilities	134.36	730.86 (11.82)†	727.87 (11.31)†	721.79 (10.96)†	638.58 (7.37)†
Time Liabilities	102.24	523.03 (3.33)†	519.81 (3.07)†	505.03 (3.04)†	441.22 (3.21)†
Borrowings from Reserve Bank	..	80.79 (68.17)‡	86.27 (59.65)‡	81.38 (59.98)‡	65.76 (45.50)‡
Borrowings from State Bank	..	9.05	9.59	10.61	8.66
Cash in India	6.70	39.41	39.86	38.96	37.31
Balances with Reserve Bank	25.17	59.63	54.74	64.65	50.07
Excess over statutory limits	15.52	12.63	7.96	18.47	9.75
Balances with other banks in current account in India	..	10.10	10.32	10.00	10.60
Money at call and short notice in India	..	22.41	20.88	18.02	9.65
Investments (at book value)	..	340.63	343.34	344.47	340.68
Advances and bills	105.09	932.43	939.87	923.61	763.15
STATE BANK					
Deposits	87.76	306.90	304.09	296.95	226.55
Investments	51.99	195.60	195.61	195.36	101.01
Advances	30.35	189.19	189.17	187.92	138.66
Cash	..	14.69	27.56	23.68	24.07	16.78

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February,		Eleven months, April to Feb.,	
	1956	1957	1955-56	1956-57
Import Duties:				
Revenue	10.95	10.41	106.89	116.08
Protective	0.99	0.99	9.45	11.49
On surplus disposals	..	—	0.07	0.09	0.11
Total import duties	11.94	11.47	116.43	127.68
Export Duties	2.63	2.67	33.85	23.14
Land Customs	0.09	0.25	1.24	2.27
Miscellaneous	0.05	0.09	0.64	1.04
Gross total customs	14.71	14.48	152.16	159.13
Refunds and drawbacks	0.32	0.65	2.44	2.74
Net Customs	14.39	13.83	149.72	156.39
Gross excise	14.13	15.64	136.89	171.14
Refunds	0.09	0.34	2.69	2.09
Net Excises	14.40	15.30	133.20	169.05
Total of customs and excise†	28.43	29.13	282.92	325.44

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 7th June, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,37,50,000
Deposits and Other Accounts		306,38,63,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		5,43,70,000
Bills for Collection being Bills Receivable as per contra		70,31,000
Acceptances, Endorsements and Other Obligations per contra		13,67,000
Other Liabilities (including Inter-Office Adjustments)		5,14,15,000
Total	Rs.	329,80,46,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,40,14,000
Balances with other Banks		3,23,13,000
Money at Call and Short Notice		1,40,00,000
INVESTMENTS:		
Government and other Trustee Securities	94,08,87,000	
Other Authorised Investments	11,41,94,000	105,50,81,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	158,80,60,000	
Bills Discounted and Purchased	29,31,58,000	188,12,18,000
Bills Receivable being Bills for Collection as per contra		70,31,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		13,67,000
Premises less Depreciation		1,21,03,000
Furniture and Fixtures less Depreciation		66,99,000
Other Assets (including Inter-Office Adjustments)		4,42,20,000
Total	Rs.	329,80,46,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates†		15-Year Annuity Certificates †	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts		Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts
1953-54	6.83	65	3.26	23.66	84.17	1,13.35	92.03	— 21.07	7.55	25.64	..	9.86	16.37	15	95
1955-56	3.76	1.98	5.48	27.19	1,44.36	1,58.15	1,87.56	— 28.37	4.79	41.25	9.86	12.37	26.13	43	1,32
1956-57	3.00	2.89	6.04	31.54	1,63.66	1,70.95	1,93.90	— 40.00	3.91	44.28	10.07	25.35	..		
March 1956	3.76	32	5.48	2.32	1,44.36	23.64	1,67.86	— 38.37	26	41.25	88	16.37	2	92	
April ,,	3.49	24	5.54	2.19	1,45.85	14.84	1,71.08	— 38.05	24	41.51	82	17.13	2	93	
May ,,	3.61	21	5.54	2.49	1,47.88	14.77	1,73.05	— 39.05	38	41.38	85	17.81	2	1.00	
June ,,	3.54	28	5.55	2.70	1,49.48	15.24	1,75.09	— 39.15	38	42.11	92	18.75	4	1.04	
July ,,	3.48	43	5.91	2.78	1,51.53	14.61	1,80.05	— 39.24	38	42.42	1.01	19.68	4	1.07	
August ,,	3.40	39	5.82	2.53	1,53.14	14.10	1,83.21	— 39.35	36	42.72	98	20.58	5	1.11	
September ,,	3.34	17	5.71	2.05	1,54.14	13.27	1,84.83	— 39.17	24	43.00	85	21.34	3	1.18	
October ,,	3.23	16	5.69	2.38	1,56.51	13.00	1,85.99	— 39.26	35	43.29	82	22.06	4	1.17	
November ,,	3.23	13	5.66	2.30	1,57.62	12.70	1,86.89	— 39.35	25	43.39	77	22.78	2	1.19	
December ,,	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 39.43	26	43.58	70	23.32	3	1.22	
January 1957	3.12	21	5.80	2.76	1,59.92	13.46	1,88.10	— 39.84	36	43.89	86	24.07	6	1.27	
February ,,	3.07	17	5.82	2.34	1,61.00	12.96	1,88.33	— 39.91	30	44.14	73	24.70	4	1.30	
March ,,	3.07	37	6.04	3.05	1,63.66	17.53	1,93.90	— 40.00	22	44.28	76	25.35	3	1.32	
April ,,	..	..	..	..	..	..	..	..	24	44.39	..	..	..	..	..

* At the end of period.
‡ Issued from 10th May, 1954.
‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
@ Progressive net repayments at the end of period from 15th August 1947.
† Relating to nine months from July, 1954.
§ From July 1954.
E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 18th May, 1957	11th May, 1957	20th April, 1957	19th May, 1956
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.9	89.9	90.0	91.2
1. Government of India	89.6	89.7	89.7	91.0
2. Indian States	90.4	90.4	90.4	90.7
3. Municipal Port Trust, etc.	90.4	90.4	90.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.1	99.1	99.0	100.8
1. Electricity	99.0	99.0	99.0	102.2
2. Jute	96.9	97.0	97.0	97.6
3. Plantations	98.4	98.4	98.4	99.2
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100 0	100.0	100.0	102.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.1	100.6	100.1	101.1
PREFERENCE SHARES	78.5	78.6	78.4	85.0
1. Electricity	86.6	86.6	86.8	93.3
2. Jute	78.4	78.1	78.0	81.1
3. Cotton	70.8	70.8	71.0	81.6
4. Coal	81.8	81.8	81.8	87.7
5. Iron and Steel	82.3	82.3	80.7	87.5
6. Sugar	77.7	77.9	79.4	84.5
7. Paper	78.0	78.0	78.8	82.1
8. Plantations	95.2	95.2	97.8	101.9
9. Miscellaneous	74.6	75.1	74.7	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	103.7	105.5	107.0	124.3
(a) Financial	89.6	89.9	90.1	89.8
1. Banks	91.5	91.8	92.1	93.3
2. Insurance	82.9	83.0	82.4	85.7
3. Investment Trust	75.3	75.4	75.6	92.4
(b) Public Utilities	105.4	106.4	107.3	111.1
1. Electricity	106.5	107.0	106.9	113.1
2. Shipping and other Transport	110.8	113.4	116.9	113.1
3. Railways	76.5	76.4	76.5	86.9
(c) Manufacturing Industries	108.8	111.4	112.6	133.7
1. Cotton, Woollen and Silk	114.4	116.6	118.7	133.1
2. Jute	54.9	54.8	54.6	75.2
3. Iron and Steel	113.6	122.2	122.8	159.0
4. Paper	226.8	227.5	228.2	236.9
5. Cement	141.8	148.1	148.5	179.8
6. General Engineering	157.7	160.5	163 0	194.1
7. Sugar and Breweries	92.6	93.0	95.9	104.5
8. Chemicals	135.0	135.3	134.2	143.6
(d) Non-Manufacturing Industries	126.0	127.0	132.4	170.2
1. Coal	69.4	69.6	69.8	81.5
2. Mining and Oil	175.7	178.4	180.3	263.5
3. Plantations	139.4	140.1	150.0	185.0
(e) Miscellaneous	81.0	82.0	83.7	101.4
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.2	89.3	89-3	90.7
2. Calcutta	89.8	89.8	89.9	91.1
3. Madras	90.8	90.8	90.2	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99-0	100.0
2. Calcutta	98.9	98.8	98.8	101.5
3. Madras	99.7	99.7	99.5	100.2
PREFERENCE SHARES:				
1. Bombay	83.9	83.8	82.7	89.1
2. Calcutta	72.2	72.4	72.5	79.8
3. Madras	91.8	91.8	92.9	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	112.5	116.6	117.6	130.8
2. Calcutta	91.4	91.9	93.5	111.3
3. Madras	118.3	118.4	119.6	131.3
4. Delhi	109.6	113.9	115.7	136.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	903	809,242	3,336,961
1953	772	466,607	2,328,638
1954	840	477,134	2,372,630
1955	1,106	527,767	5,697,848
1956	1,258	722,334	7,095,990
April 1955	105	82,432	353,375
May ,,	120	68,441	961,776
June ,,	152	91,259	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,213	852,999
September ,,	251	92,619	880,031
October ,,	134	47,600	514,214
November ,,	99	48,609	178,112
December ,,	129	45,277	229,550
January 1956	107	61,755	362,000
February ,,	138	70,155	781,706
March ,,	146	133,188	878,015
April ,,	140	83,524	569,087
May ,,	137	65,037	549,852
June ,,	153	71,047	484,439
July ,,	150	100,335	529,151
August ,,	138	64,767	492,173
September ,,	134	130,667	922,685
October ,,	160	113,404	819,619
November ,,	138	59,451	499,956
December ,,	145	65,851	407,166
January 1957†	150	126,995	890,852
February ,,	114	82,320(a)	205,196(b)

† Figures are provisional. (a) Not known in 3 cases.
(b) Not known in 5 cases. ‡ current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,976.8	5,672.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.3	7,185.8
Jan., to Dec., 1955	724	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,630.7	7,892.0
December 1955	724	785.7	648.0
January 1956	731	757.3	621.5
February ,,	739	749.9	623.0
March ,,	715	800.0	651.0
April ,,	701	780.8	649.8
May ,,	701	835.8	669.1
June ,,	710	796.5	658.5
July ,,	724	798.0	656.8
August ,,	725	793.7	650.0
September ,,	737	812.7	666.4
October ,,	753	824.1	670.1
November ,,	756	810.5	668.1
December ,,	757	881.5	715.0
January 1957	765	868.7	711.7

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	25th May, 1957	18th May, 1957	26th May, 1956	April, 1957	April, 1956	Percentage of Increase (+) or decrease (—) in April, 1957 as compared with April, 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	430.9	423.7	348.2	408.3	360.9	+13.1	388.5	312.2
Cereals	59	555*	555*	453	536*	461	+16.3	499	372
Pulses	8	408	408	355	418	357	+17.1	397	289
Others	23	278*	263*	216	249	234	+ 6.4	247	235
Industrial Raw Materials	(18)	539.2	540.6	484.3	514.7	472.8	+ 8.9	501.9	419.8
Fibres	8	533	535	459	508	459	+10.7	483	429
Oil seeds	3	582	579	558	555	529	+ 4.9	558	398
Minerals	10	559	568	460	512	446	+14.8	508	427
Others	7	403	406	431	416	394*	+ 5.6	421	431
Semi-Manufactures	(17)	412.3	410.0	386.9	400.0	377.4	+ 6.0	402.3	338.2
Leather	2	414	414	404	398	409	— 2.7	404	378
Mineral oils	1	230	218	208	211	208	+ 1.4	209	207
Vegetable oils	8	600	597	559	567	528	+ 7.4	582	389
Cotton yarn	4	477*	478	480*	483	457	+ 5.7	487	422
Metals	2	348	346	279	328	282	+16.3	318	254
Oil cakes	1	415*	428	424	409	419	— 2.4	447	338
Others	5	374	374	361	375	362	+ 3.6	366	336
Manufactured Articles	(26)	390.7	390.4 R	377.0	384.3	375.8	+ 2.3	384.6	372.9
Textiles	14	412	411	411	410*	409	+ 0.2	416	408
Jute	4	422*	412*	410*	412*	408	+ 1.0	420*	403*
Cotton	4	422*	424*	485*	442	502*	+12.0	455*	485*
Rayon and Silk	1	264	264	266	264	266	— 0.8	265	284
Woollen	2	281	281 R	392	371	392	— 5.7	386	359
Metal products	1	407	407	371	392	371	+ 5.6	394	285
Others	19	316	316	286	305	286	+ 6.6	294	285
Miscellaneous	(9)	571.6*	572.9*	508.2	567.1R	496.7	+14.2	559.3	548.4
All Commodities	(100)	437.3	434.7 R	391.1	422.1R	391.3	+ 7.9	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shewn without brackets. R—Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugar† | Gur | Tobacco | Raw Cotton | Raw Jute† | Groundnut | Linseed | Coal† |

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	Area (In thousand acres) 1956-57	Area 1955-56	Yield (In thousand tons) 1956-57	Yield 1955-56
Cereals—					
Rice	final	78,174	76,864	28,142	26,846
Wheat	final	..	29,225	..	9,348
Jowar	2nd	39,839	41,174	4,516	4,312
Bajra	final	..	27,025	..	5,400
Barley	final	..	8,145	..	2,721
Maize	final	9,244	9,116	3,020	3,554
Ragi	final	5,674	5,693	1,914	1,820
Small millets	2nd	11,527	11,535	1,728	1,601
Total cereals	final	..	211,000	..	53,849
Pulses—					
Gram	2nd	23,354	22,333	5,350	4,636
Tur	2nd	5,581	5,725	1,603	1,705
Other Kharif pulses §	final	16,166	15,567	1,664	1,632
Rabi pulses‡	final	..	10,579	..	1,858
Total pulses	final	..	55,100	..	10,187
Oilseeds—					
Groundnut	final	13,101	12,692	4,086	3,862
Castorseed	final	1,403	1,405	129	124
Sesamum	3rd	4,996	5,423	417	434
Rape and Mustard	final	..	6,992	..	832
Linseed	final	..	3,424	..	379
Total oilseeds	final	..	29,471	..	5,596
Fibres—					
Cotton*	3rd	18,084	17,553	4,084	3,332
Jute A.	final	1,883	1,739	4,221	4,197
Mesta A.	final	738	572	1,474	1,159
Other crops—					
Potato	final	..	693	..	1,839
Sugarcane	2nd	4,532	3,945	58,914	50,455
Ginger (Dry)	final	40	40	15	15
Pepper (Black)	final	234	233	32	32
Chillies (Dry)	final	..	1,492	..	340
Tobacco	final	..	921	..	259

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1957 ..	86.8
	Corresponding month, 1956 ..	93.9
	Ten months ended April, 1957 ..	857.8
	Corresponding period, 1955-56 ..	864.4
Stocks ..	At the end of May, 1957 ..	108.7
	Corresponding month, 1956 ..	103.7
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 6th April, 1957 ..	N.A.
	Corresponding week, 1956 ..	13,529
	From 1st Jan., to 6th April, 1957 ..	N.A.
	Corresponding period, 1956 ..	114,735
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 6th April, 1957 ..	N.A.
	Corresponding week, 1956 ..	16,299
	From 1st Jan., to 6th April, 1957 ..	N.A.
	Corresponding period, 1956 ..	300,707
	RAW JUTE	(Inlakh bales)
Consumption by Mills† ..	April, 1957 ..	5.03
	Corresponding month, 1956 ..	5.44
	Ten months ended April, 1957 ..	49.96
	Corresponding period, 1956 ..	52.06

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955 ..	11,34,400	10,42,900	7,81,206
Do. 31st March, 1956 ..	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957 ..	11,55,500	10,73,600	7,97,500
January 1956	1,03,900	96,800	71,600
February	97,500	89,500	67,700
March	1,03,300	96,200	69,900
April	1,00,000	87,200	64,500
May	96,000	89,400	66,300
January 1957	97,400	94,800	70,500
February	90,000	81,300	63,400
March	95,100	93,200	73,600
April	92,300	89,300	62,000
May	91,300	86,600	65,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	4,49,930	2,92,400
Do. 31st March, 1955 ..	7,15,949	5,28,240	4,59,093
Do. 31st March, 1956 ..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
" " " Sept., 1954.	1,80,018	1,29,741	1,12,861
" " " Dec., 1954.	1,88,038	1,36,801	1,20,616
" " " Mar., 1955.	1,65,108	1,43,828	1,18,126
" " " June, 1955.	1,85,605	1,34,333	1,20,192
" " " Sept. 1955.	1,76,181	1,30,630	1,08,714
" " " Dec., 1955.	1,60,750	1,24,696	1,05,752
" " " Mar., 1956.	1,84,450	1,41,846	1,19,860
" " " June, 1956.	1,48,806	1,17,710	92,599
" " " Sept., 1956.	1,74,447	1,33,325	1,13,953
" " " Dec., 1956.	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	December, 1955	December, 1956	Nine months April to Dec., 1955	Nine months April to Dec., 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	2,97	3,72	40,47	27,11
Raw materials ..	15,07	22,55	134,70	138,69
Manufactures ..	40,49	40,90	304,77	428,29
Other items ..	34	52	2,32	3,55
total*	58,87	67,69	482,26	597,55
By land ..	3,17	1,69	19,85	14,62
Total Imports ..	62,04	69,38	502,11	612,17
Exports :				
By sea and air—				
Foodstuffs ..	14,79	19,10	117,64	153,85
Raw materials ..	15,51	18,02	125,79	89,91
Manufactures ..	21,06	22,27	189,60	182,89
Other Items ..	35	42	3,15	3,53
Tota	51,71	54,81	436,18	430,18
By land ..	92	85	4,81	4,49
Total Exports ..	52,63	55,66	440,99	434,67
Total Re-exports ..	43	60	3,96	5,10
Balance of trade in merchandise ..	— 8,97	— 13,04	— 57,13	— 172,15
Balance of transactions in private treasure ..	— 2	+ 1	— 6	— 15
Total visible balance of trade.	— 8 99	— 13,03	— 57,19	— 172,30
Imports : ‡				
Total C'wealth countries ..	21,67	24,15	210,47	233,79
Total Foreign countries ..	37,20	43,54	271,79	363,76
Exports : ‡				
Total C'wealth countries ..	25,19	27,38	218,40	223,81
Total Foreign countries ..	26,52	27,43	217,78	206,37

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	166
1955-56	12,751	2,763	974	213	111	67	140	23	517	412	41	330	48	148
1956-57	13,585	2,953	1,022	219	108	58	207	24	610	427	30	388	52	180
February	11,538	2,532	885	191	98	62	131	27	439	374	38	297	45	126
March "	12,751	2,773	974	213	111	67	149	29	517	412	41	330	48	148
April "	1,185	237	82	23	12	5	13	2	64	34	2	31	2	10
May "	2,227	470	156	44	25	11	25	3	115	70	5	60	5	21
June "	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July "	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August "	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September "	6,420	1,446	505	97	46	28	73	10	199	207	15	179	25	81
October "	7,494	1,703	579	110	50	33	95	12	216	242	18	212	33	96
November "	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114
December "	9,850	2,194	745	153	71	42	147	18	347	314	22	281	46	139
January 1957	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	146
February	12,280	2,684	929	197	96	52	190	22	529	388	27	350	51	169
March "	13,585	2,953	1,022	219	108	58	207	24	610	427	30	388	52	180

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 30th May, 1957 ..	35,802(J)
	Corresponding week, 1956 ..	31,410(J)
	1st Sept. 1956 to 30th May, 1957 ..	1,533,334*
	Corresponding period, 1955-56 ..	1,588,520*
Cotton Exports‡ ..	Week ended 30th May, 1957 ..	4,833
	Corresponding week, 1956 ..	4,039
	1st Sept. 1956 to 30th May, 1957 ..	295,226
	Corresponding period, 1955-56 ..	495,552
Mill Consumption (Estimated) ..	1st Sept. 1956 to 30th May, 1957 ..	997,148
	Corresponding period, 1955-56 ..	932,866
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 30th May, 1957 ..	647,338
	Corresponding date, 1956 ..	687,882
Cotton Exports from Bombay (by sea)	During Feb., 1957	40,458‡
	During Feb., 1956	58,302
	1st Sept., '56 to 28th Feb., 1957 ..	148,480
	1st Sept., '55 to 28th Feb., 1956 ..	421,354
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 16th May, 1957 ..	1,153,650
	Corresponding period, 1955-56 ..	1,271,439
Exports	1st Sept., 1956 to 16th April 1957	648,761
	Corresponding period, 1955-56 ..	714,727

J By Railand Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc
" " = Adjusted.

Particulars	From 1st Sept. 1956 to 3rd June, 1957 Bales	From 1st Sept. 1955 to 3rd June 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	21,613	59,299
Continent	20,979	84,631
Hongkong	32,927	35,736
China	3,437	54,337
Japan	131,489	259,027
U.S.A.	2,324	3,676
Other Countries	737	2,926
Total to all foreign countries ..	213,466	497,532
Coastal Ports ..	7,360	95,220
Total	220,706‡	592,752‡
	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	March, 1957	399,609
Foreign		46,428
Indian	Seven months ended Mar., 1957	2,724,023
Foreign		338,725
Indian	Same Period 1956	2,668,772
Foreign		339,895
Stocks (Mills and Elsewhere)—		
Indian		1,221,857
Foreign	As on 31st March, 1957 ..	200,048
Indian		1,359,857
Foreign	As on 31st March, 1956 ..	211,500
	Week ended 24th May, 1957 ..	288
Cotton Pressed in India† (in running bales) ..	Corresponding week, 1956 ..	95,081
	1st Sept., 1956 to 24th May, 1957.	1,915,347
	Corresponding period, 1955-56 ..	3,162,648

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,80,25,000	1960-70	100.75
3 % Loan	1938-39	1,16,17,46,000	1963-65	93.85
2½ % Loan	1950	80,33,10,000	1964	94.10
3 % Fg. Loan	1943	1,10,11,78,000	1965-68	93.75
3 % V. Loan	1944	33,54,89,000	1967	99.75
3 % Loan	1945	1,16,05,88,000	1970-75	86.80
3 % Ind V.Loan	1945	1,13,45,54,000	1970-91	97.75
3 % Loan	1951	50,35,63,000	1958	99.60
2½% Loan	1946	45,60,37,000	1960	96.45
2½% Loan	1947	57,60,89,000	1961	93.50
2½% Loan	1948	14,77,48,000	1976	83.10
2½% Loan	1947	75,86,72,000	1962	93.80
3½% Loan (N.P. Bonds)	1953	75,29,00,000	1961	99.40
3½% N.P. Loan	1954	1,58,17,84,000	1964	98.00
3½% N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98.00
3½%	1956	57,27,00,000	1962	97.50
3½% N.P. Bonds	1956	53,32,00,000	1967	98.35
3½%	1956	66,64,00,000	1974	98.40
NON-TERMINABLE LOANS				
2 % Loan	1896-97	8,93,85,000	At option o. Government after three months notice. On September, 1986 or later at option of Government after three months' notice.	73.00
3 % Loan	1946	2,48,91,47,000		73.00
REPATRIATE STERLING LOANS				
4½% Loan	1929	5,85,73,000	1958-68**	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	96.00
4 % Andhra	1956	5,00,00,000	15th Aug. 1968	96.00
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98.85
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94.10
3 % Bombay	1950	2,37,82,000	31st July 1960	96.25
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98.00
4 % Bombay	1953	5,42,28,000	15th July 1963	100.00
4 % Bombay	1953	3,55,37,000	1st Aug. 1964	100.00
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99.00
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	1st Sept. 1968	97.70
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98.00
3½% Cochin	1936	70,09 000	1st June 1956-61	98.75
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	95.25
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,50,00,000	3rd Sept. 1968	99.00
3 % Madras	1939	1,23,95,600	21st June 1959	96.50
3 % Madras	1944	1,07,95,500	15th Aug. 1958	98.50
3 % Madras	1945	2,78,44,000	15th Aug. 1958	96.25
3½ % Madras	1946	3,81,77,200	1st Sept. 1961	93.12
3 % Madras	1950	4,38,25,400	31st July 1960	96.25
3½ % Madras	1951	3,01,49,800	17th Sept. 1962	97.25
4 % Madras	1953	10,33,63,000	15th July 1963	98.25
4 % Maras	1952	3,34,81,200	1st Aug. 1964	98.35
4 % Madras	1953	7,00,00,000	1st Sept. 1967	96.50
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	96.25
4 % Mysore(J)	1933	2,95,85,200	1st Dec. 1958-63	100.15
4 % Mysore(J)	1953	5,97,72,900	30th Apr. 1958-61	98.87
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98.00
3 % Mysore	1953	3,33,47,000	15th July 1963	96.00
4 % Mysore	1954	6,44,94,000	1st Sept. 1967	98.50
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	98.00
3 % M.P.	1944	52,69,800	15th Aug. 1958	98.25
3 % M.P.	1949	2,03,32,800	15th Sept. 1954	98.00
3 % M.P.	1950	1,01,44,700	31st July 1960	96.50
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
3½ % M.P.	1951	1,10,18,000	16th July 1962	98.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	98.00
4 % Saurashtra	1953	261,66,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4% Trav. Cochin	1953	5,00,00,000	15th July 1963	98.25
4 % Trav. Cochin	1956	10,00,00,000	3rd Sept. 1968	96.90
2½ % U.P.Z.A.	1952	40,60,66,5452	1952	99.70
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90.87
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98.50
3 % U.P.	1945	3,17,89,700	14th Sept. 1960	96.00
2½% U.P.	1946	2,20,93,800	1st Sept. 1961	93.15
2½ % U.P.	1951	1,91,02,000	17th Sept. 1962	97.87
3 % U.P.	1953	5,11,45,200	1st Aug. 1964	98.00
3 % U.P.	1953	5,65,15,500	15th July 1963	98.75
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.94
4 % U.P.	1956	5,00,00,000	3rd Sept. 1968	97.75
4 % Rajasthan	1956	2,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July 1963	98.75
4 % W Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest Per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
35,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,50,000	4	1907	1968	97.00N
75,00,000	4	1908	1968	
40,00,000	4	1909	1979	
55,00,000	4	1910	1971	D
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,000	4	1913	1960	D
80,00,000	4	1913	1974	97.00N
88,25,000	4	1914	1975	97.00N
40,00,000	4	1915*	1975	
65,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
10,00,000	4	1923*	1960	
10,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
15,00,000	3½	1933*	1963	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	9 9 .00
78,90,100	4	1915	1975	99.00
1,00,00,000	4	1921	1981	82.00
68,02,3000	4½	1921	1981	144.00N
1,49,40,5000	5	1927	1957-87	101.50
1,49,30,000	5	1928	1958-88	102.50
80,00,000	4½	1931	1991	95.00
80,00,000	3½	1935	1965	97.50
80,00,000	3	1938	1968-68	90.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1949	1979	83.75
50,00,000	3	1949	1959	97.00
1,00,00,000	3	1949	1959	97.00
1,00,00,000	3	1950	1980	82.00
1,00,00,000	3	1950	1990	95.62
1,00,00,000	3	1950	1960	95.62
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1951	1991	98.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	98.56
90,00,000	4	1955	1985	98.00
77,00,0000	4	1956	1986	97.75
78,00,0000	4	1956	1986	97.75
STERLING LOANS				
£892,600	5	1922	1953-53	£80.00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
$1,47,169	3½	1947	1977	
9,88,000	3	1947	1977	▲
8,00,000	3	1949	1979	
45,00,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest Per cent.	Year of Issue	Repayable	Market quotation
Rs.			**BOMBAY**	Rs.
50,00,000	4	1889	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
40,00,000	4	1904	1964	
80,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	N
40,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	4	1919	1957-78	118.00N
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	5	1927	1957-70	98.00N
10,00,000	3	1934	1964	
STERLING LOANS				
£566,600		1909	1959	95.50N
£338,000		1910	1970	£95.50N
Rs.			**CALCUTTA**	Rs.
25,00,000	5½	1929	1959	104.25
50,00,000	4	1934	1964	99.75
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	90.00
50,00,000	3	1938	1968-68	90.00
80,00,000	4	1952	1962	99.75
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs			**BOMBAY**	Rs.
20,60,000	4	1913-15	1974	98.00
10,00,000	5	1920	1980	113.00N
25,00,000	5	1928	1958	102.00
25,00,000	3½	1929	1954-59	102.00
26,21,500	5	1929	1959	102.00
8 25,00,000	3½	1947	1977	86.00
3 40,00,000	3½	1949	1979	86.00
4,00,00,000	3½	1950	1965	92.25
2,50,00,000	4	1952	1964	97.00
1,00,00,000	4½	1951	1966	97.00
1,30,00,000	4	1953	1963	98.25
1,00,00,000†	4	1952	1964	99.00
1,00,00,000	4	1954	1966	98.00
2,50,00,000	4	1955	1967	98.00
1,50,00,000	4	1956	1968	98.00
Rs.			**CALCUTTA**	Rs.
36,00,000	5	1922	1958	102.00
25,00,000	5	1929	1957	101 50
25,00,000	5	1929	1958	102.00
10,00,000	3½	1933	1963	102.00
35,00,000	3½	1938	1965	94.00
60,00,000	3	1938	1968	90.00
50,00,000	3	1939	1969	90.00
15,46,800	3	1940	1957	99.50
17,64,400	3½	1942	1969	97.50
31,10,000	3½	1945	1972	92.00
15,49,000	3½	1951	1960	97.50
16,33,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	99.75
87,25,000	4	1952	1962	99.00
72,50,000	4½	1954	1979	100.00
Rs.			**MADRAS**	Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

Continued.

ABBEVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(J) Income-tax free. * Loans held entirely by the Trustees. ** Rupee Counterparts
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1945. ‡—Interest free to first 18 years §—Interest free for first 5 years

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank‖	15,00,000	1901	6	Mar. Sep.	108 50	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70.00	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	94.00xd	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	110.00xd	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6 12	5
‡East India Distilleries ..	£200,000	1897	7	Jan. July	16.15cd	£1
Gwalior Sugar	75,00,000(c)	1940	7(a)	Dec. ..	62.00	100
Do. (Non-redeem.) ..	5,00,000	1940	7(a)	Dec. ..	14.00	10
Puritabpore Co.	6,00,000	1933-86	10	Oct. ..	100.00	100
Ramnuggar Cane	4,00,000	1943	6	Aug. ..	80.00	100
Ravalgaon Sugar	20,00,000	1943	6½	Oct. Apr.	20.00	100
South Behar Sugar	5,00,000	1936	7(a)	Dec. ..	7.95	10
Travancore	15,00,000	1946	5(c)	Dec. ..	90 00N	100
Upper Ganges	12,00,000	1932	5	Dec. ..	70.00N	100
Do.	15,00,000	1946	5(a)	Dec. ..		
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99.00	100
Borsora	4,00,000	1896-97	6½	Oct. Apr.	99.50	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	112.00	100
Do. (2nd)	4,50,000	1946	6(a)		7.00	10
Equitable	4,00,000	1905	6	Mar. Sept.	99.00	100‡
Kesarpara Collieries	5,87,500	1946	5

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1954	1955	1956	1957	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
90,00,000	5,62,738	90,10,670	43,05,273	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	893	Apollo Mills	2.32	2	0 N(e)	0 3			12	Y.
40,00,000	24,00,000	1,83,55,007	72,55,057	—5,97,129	M.	36,000	1,021	B. E. Cotton Mills	36.00	100	Nil	Nil			12	Y.P.T.
2,50,98,000	3,15,58,951	5,98,22,946	3,51,00,992	2,41,366	Nowrosjee Wadia & Sons, Ltd.	2,23,552	2,984	Bombay Dyeing & Mfg.	512.50	250	20 0	25 0*	25 0		12	Y.
10,00,000	28,74,392	88,81,886	53,57,495	91,711	Ramnarain Sons Private Ltd.	1,26,762	2,752	Bradbury Mills	197.00	50	75 0†	12 8	20 0		8	Y.P.
1,09,42,800	2,88,31,209	6,06,66,978	2,22,91,693	7,63,731	Birla Brothers Private Ltd. (Chairman and			Century Spg. & Mfg.	377.25	100	22 0	22 0	22 0		12	Y.
49,00,000	85,45,226	1,19,99,766	65,07,035	—23 08,097	V. J. Pilani (Managing Director)	40,668	698	Colaba Land & Mill	63.00	100	Nil	Nil			12	Y.
26,00,000	13,08,330	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,844	..	Coorla Spg. & Wvg.	131.90	100	7 8	7 8	12 8*		12	Y.
16,00,000	24,68,435	69,10,861	54,66,041	2,17,076	Ramnarain Sons Private Ltd.	95.75	50	Dawn Mills	95.75	50	6 0	15 0			12	Y.
24,00,000	40,06,435	76,75,267	56,21,788	2,33,643	Puranmal Bubna Sons ..	40,992	680	Edward Textiles	255.00	200	15 0	18 0			12	Y.P.
29,98,050	16,71,233	1,20,97,050	78,22,600	95,787	M.	48,718	928	Elphinstone Spg. & Wvg.	60.00	100	3 0	5 0	5 0		12	Y.
50,00,000	67,54,275	1,41,78,009	80,59,709	79,257	James Finlay & Co., Ltd. ..	42,124	886	Finlay Mills	260.00	100	16 0	20 0	20 0		12	Y.
50,00,000	48,98,022	90,86,646	59,17,387	1 57,789	James Finlay & Co., Ltd. ..	49,528	784	Gold Mohur Mills Ltd.	181.25	100	12 8	15 0	15 0		12	Y.
11 84,000	75,14,589	1,58,24,660	1,07,26,500	808	M.	40,640	1,020	Hindoostan Spg. & Wvg. Mills	5,625.00	1,000	225 0	300 0	325 0		3	Y.P.
14,000						2 44,300	6,278	India United Mills ..	5,625.00	1,000	55 0	75 0	81 4		12	Y.
3,00,00,000	62,50,899	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.				992.50	250						
50,00,000D									9.20	0 100.	Nil	0 15	0 101			
5,55,000	72,74,043	1,41,26,890	1,00,89,000	4,886	M.	47,984	1,122	Indian Mfg.	1.56	0 10.	Nil	0 3	0 11		6	Y.P.
35,000									5,215.00	1,000	225 0	300 0	300 0		12	Y.
99,85,900	85,07,631	2,78,78,670	2,03,22,128	26,228	Khatau Makanji & Co., ..	92,552	1,489	Khatau Makanji Spg. & Wvg.	150.00	100	8 0	10 0	10 0		6	Y.P.
1,00,00,000	1,23,50,008	1,59,04,591	1,02,93,251	1,62,802	Kohinoor Mills	1,20,504	1,545	Kohinoor Mills	272.00	100	18 0	1 12	20 0		12	Y.
22,13,050	43,06,720	1 22,08,423	64,68,440	55,109	Killick Industries Ltd. ..	49,000	644	Modern Mills	70.00XR	50	5 0	8 0*	8 0*		10	Y.T.
51,75,000	37,05,398	2,35,58,597	1,76,19,589	1,41,489	N. Sirar & Co. Private Ltd. ..	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	210.00	100	14 0	14 0	15 0		12	Y.P.
1,50,74,400	1,19,15,819	9,46,21,101	6,65,00,000	5,52,034	National Rayon Corporation ..	211.00	100	10 0	12 0	14 0*	15 0*			12	Y.
24,00,000	29,80,456	78,05,743	48,70,077	83,192	Chinai & Co. Private Ltd. ..	132.50	100	10 0	10 0	10 0	10 0			12	Y.
20,00,000	22,01,492	95,52,754	63,37,035	245	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg.	209.00	100	7 8	10 0	10 0		12	Y.
45,00,000	30,10,989	1,34,29,555	84,72,255	2,40,352	W. H. Brady & Co., Ltd. ..	49,012	1,190	Phoenix Mills	139.00	100	8 0	10 0			12	Y.P.
40,00,000	45,64,554	48,69,967	24,25,000	4,72,683	Ramnarain Sons Private Ltd. ..	32,600	930	Podar Mills	165.00	100	10 0	12 0*	12 0*		12	Y.
5,00,000	3,16,992	21,21,521	19,03,340	—1,72,154	Podar Sons Private Ltd. ..			Sassoon & Alliance Silk Mill	9.80	10	0 8				12	Y.
87,70,000	83,80,668	1,59,03,251	1,59,71,824	34,320	David Sassoon & Co., Ltd. ..	94,884	2,127	Sassoon Spg. & Wvg. ..	36.50	10	1 12	2 0	2 0		12	Y.
80,00,000	47,70,061	90,20,958	55,27,986	1,47,422	M. G. Investment Corporation, Ltd.	69,070	1,640	Shree Niwas Cotton Mills ..	162.00	100	14 0	12 0			12	Y.P.
42,00,000	33,02,175	98,78 809	66,17,777	96,017	Murwai Textiles (Agency) Ltd.	34,840	1,276	Simplex Mills	155.50	50	11 0	10 0	12 0		12	Y.
87,50,000	2,50,92,705	2,77,88,979	1,62,08,915	2,93,059	Forbes, Forbes Campbell & Co., Ltd.	37,800	2,409	Standard Mills	377.00	100	20 0	20 0	22 8*		12	Y.P.
1,00,00,000	98,08,485	2,51,02,081	1,33,05,785	29,124	Mafatlal Gagalbhai & Sons ..	173.50	100	8 0	12 0	14 0*				12	Y.P.
35,00,000	65,13,465	1,37,20,460	92,02,715	1,01,175	Tata Industries Private Ltd.	370.00	100	20 0	25 0	25 0				12	Y.
50,58,000	56,74,500	2,01,67,222	80,31,255	17,925	James Finlay & Co., Ltd. ..	66,540	25	25 0	4 0	3 0*				3	Y.
13,00,000	61,05,709	87,41,225	90,80,000	4,524	M.	45,608	1,808	Western India Spg. & Mfg.	5,200.00	1,000	25 0	300 0	300 0		12	Y.
AHMEDABAD																
90,00,000	21,50,000	1,45,76,526	69,76,544	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	145.00	100	5 0	7 0	12 0		6	Y.P.
10,00,000	24,58,068	94,37,998	76,10,184	27,288	P. M. Hutheesing & Co., Ltd.	42,776	915	Arvind Mills	1,043.00	100	25 0	25 0*	35 0*		12	Y.P.
40,00,000	2,97,88,861	1,95,82,179	97,29,203	15,274	Narottam Lalbhai & Co.,	66,412	1,216	Aryodaya Ginning & Mfg.	1,077.00	100	25 0	25 0*			12	Y.P.
80,00,000	81,75,000	90,34,864	72,25,000	2,46,880	Mangaldas & Bros. Ltd. ..	35,884	592	Bihari Mills	946.00	100	22 0	30 0	30 0		12	Y.P.
12,00,000	1,45,05,808	95,70,783	63,81,739	17,257	Lalbhai Dalpatbhai & Co.	37,366	914	Calico	567.50	125	18 0	....	30 0‡		3	Y.P.
1,37,50,000	2,35,76,233	4,61,26,352	2,85,85,544	2,31,712	Karamsi Purshotamdas Ltd.	1,39,120	2,572	Cotton Textiles	1,015.00	1,000	70 0	80 0			12	Y.
62,87,000	94,56,000	1,20,06,548	99,25,000	2,760	Tricumlal Bhoglal & Co. Ltd.	45,886	866	New Commercial Mills ..	1,038.00	100	20 0	25 0			12	Y.
99,00,000	78,52,486	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	860.00	125	35 0	35 0			12	Y.
15,00,000	67 78,770	57,78,441	32,49,912	21,803	Jagabhai Bhoglal Nanavaty & Co., Ltd.	25,560	572	Nutan Mills	896.25	100	30 0*	30 0	20 0		12	Y.P.
						32,328	636	Rajpur Mfg.	845.00	100	25 0	35 0*	35 0*		12	Y.P.
20,00,000	1,10,62,006	99,61,103	62,28,955	1,77,073	Lalbhai Dalpatbhai & Co.	33,158	648	Rohit Mills	167.50	100	9 0	Nil			12	Y.P.
22,50,000	14,78,207	1,07,01,459	71,42,808	17,84,749	Lalbhai Gordhandas Ltd.	24,996	..	Saraspur Mills	528.00	50	20 0	27 0*	30 0*		12	Y.P.
57,96,300	2,75,84,105	1,05,27,853	1,05,27,853	2,53,336	Harivallabhdas Kalidas & Co.	94,128	1,733	Shri Ambica Mills ..								
19,82,500	63,10,741	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg. ..	550.00	100	25 0*	25 0			12	Y.
						36,176	780	Vijaya Mills	651.25	400	35 0*	35 0*			12	Y.
85,00,000	90,34,191	1,09,66,008	78,35,291	24,544	Haridas, Ashratlal & Co., Ltd.											
WEST BENGAL																
15,00,000	2,82,800	35,86,098	22,89,703	60,222	Calcutta Agency Private Ltd.	18,044	356	Basanti Cotton Mills ..	5.25	10	0 8	0 8	0 9 3/5		12	Y.P.T.
7,98,060	9,10,617	78,14 055	52,69,911	59,390	Bengal Textile Agency, Ltd.	32,292	925	Bengal Lakshmi Cotton Mills	40.00N	40	4 0	4 0	4 0		12	Y.P.
8,0,000	22,72,414	89,08,142	51,49,000	—28,47,373	Kettlewell Bullen & Co., Ltd.	42,944	518	Bowreah Cotton Mills ..	107.00	100	Nil	Nil			9,12	H.P.
10,00,000	25,17,481	1,16,17,740	74,87,579	3,50,335	Kettlewell Bullen & Co., Ltd.	4,952	205	Dunbar Mills	151.00xd	100	Nil	Nil			12	Y.T.
50,58,000		69,03,197	15,03,197	2,582	Birla Brothers Private Ltd.	74,672	1,992	Jay Shree Textiles Ltd.	5.81	10	Nil	Nil			6	Y.
1,60,00,000	2,89,43,320	3,76,19,823	1,31,26,883	1,86,672	Birla Brothers Private Ltd.			Kesoram Cotton Mills ..	13 00	10	0 14	0 14	1 0		3	Y.P.
19,47,7500	7,45,000	47,06,298	*68,852	1,094	Hasareesmal Heeralall	23,036	795	Rampooria Cotton Mills)	10 00	10	0 10	1 0			6	Y
5,90,000D									2-75N	1D	Nil	0 1/11/25)				
SOUTH INDIA AND OTHER CENTRES																
11,88,500	5,57,596	31,36,764	15,64,243	3,566	Setna & Co.	24,800	..	Asher Textiles Ltd	217.00	100	Nil	12 8	15 0		6	Y.
71,94,000	25,91,264	1,84,91,580	50,78,582	1,86,048	Industrial Trust Fund	86,126	716	Asiatic Jubil Mills ..	79.00	100	5 0	8 0			9	Y.
40,50,000	2,50,15,667	3,89,77,494	2,60,70,021	2,62,947	Binny & Co. (Madras),Ltd..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	166.00	100	30 0	30 0	30 0		12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	7.37	10	Nil				6,12	H.P.T
35,00,000	88,48,588	1,25,01,101	96,69,001	2,76,036	Birla Brothers Private Ltd. ..	29,896	1,088	Birla Cotton Spg. & Wvg., Delhi	28.00N	10	3 0	3 0	1 8		3	Y.
1,78 47,800	2,77,73,212	6,69,41,316	3,97,01,812	2,28 220	Binny & Co. (Madras), Ltd...	1,20,288	2,762	Cunningham & Carnaile ..	164.00	100	10 0	10 0	10 0		12	Y.P.
20,00,000	20,00,000	42,33,535	23,99,012	5,934	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	11.50	10	Nil	0 8	0 8		3	Y.
15,00,000	5,11,560	48,88,929	34,63,361	24,591	K. Damodaran, Esq.	20,600	..	Cannanore Spg. & Wvg.	163.00	100	20 0	12 0	15 0		3	Y.
80,00,000	29,51,420	69,40,829	61,78,376	36,767	Begg, Sutherland & Co. Private Ltd.	57,016	591	Carnatic Textiles	5 00	5	Nil		0 4		3	Y.
9,37,470	2,00,000	50,87,536	18,02,163	58,798	O. R. Ittiavira, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11-20	10	Nil	0 10	0 12		3	Y.P.
15,00,000	19,01,000	41,97,654	30,59,709	10,989	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	142.00	100	25 0	25 0	25 0		12	Y.
80,00,000	19,95,000	96,59,480	24,25,921	14,533	T. R. N. Naidu & Co. ..	27,228	..	Coimbatore Pioneer Mills ..	220.00	100	20 0	20 0			12	Y.
20,76,900	5,076	1,13,00,858	88,66,242	21,293	R. G. S. Naidu & Co. ..	72,188	407	Coimbatore Spg. & Wvg. ..	84.00	50	6 0	8 0	6 0		6	Y.P.
46,87,500	46,12,622	2,56,88,871	1,68,61,844	18,215	Tata Industries Private Ltd.	67,228	1,620	Central India	100.00	100	2 0	3 0	Nil			
3,38,36,225	3,06,82,110	11,16,81,472	5,81,67,287	1,28,712	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,262	Delhi Cloth & General Mills ..	35.50	25	0 3/5	0 3 2/5	0 2 8		12	Y.P.
1,00,563										10	0 3	0 4	0 5			
24,34,800	22,25,000	86,71,865	46,12,585	78,754	M. N. Chettiar & Sons ..	38,052	201	Dhanalakshmi Mills ..	300.00	100	30 0	30 0	25 0		12	Y.
63,00,000	93 47,056	1,10 17,568	1,35,57,642	8,155	Begg, Sutherland & Co., Ltd.	48,452	1,180	Elgin Mills	17.50	10	1 0	1 0	1 4		3	Y.
48,81,000	37,59,771	1,06,45,241	78,45,088	1,06,74,790	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	172.00	100	13 0	15 0	13 0		3	Y.
2,50,00,000	2,25,000	2,41,37,131			Birla Gwalior Private Ltd. ..			Gwalior Rayon	11-20	10	Nil	Nil	Nil		3	Y.
20,00,000	21,27,574	1,48,10,179	1,16,80,184	6,716	Indore Malwa United ..	53,180	1,420	Indore Malwa United ..	135.00	100	8 0	9 0	11 0		12	Y.
8,00,000	10,65,683	31,40,455	19,97,477		K. L. Saksaria, Esq. (Chairman)	23,784	..	Jaisardhana Mills	80.00	50	6 0	10 0	10 0		12	Y.
15,54,000	18,24,703	45,22,234	33,88,095	7,012	M.											
					Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji ..	1,505·00	1,000	20 0	50 0	60 0		6	Y.P.
32,42,525	19,25,000	93,32,480	32,49,160	41,492	Kothari & Sons	41,040	300	Kothari Textiles	12 25	10	0 8	1 0	1 0		12	Y.P.
33,00,000	67,91,510	1,69,61,585	1,02,93,251	20,975	M.	50,452	1,219	Lakshmi Cotton Mfg. ..	630 00	250	33 12	42 8	42 8		12	Y.
35,54,100	66,55,960	1,61,18,090	98,51,437	6,51,654	G. K. Naidu & Co.	93,160	201	Lakshmi Mills	1732 00	50	10 0	12 8	12 8		6	Y.
17,83,050									67.00	25	3 0	4 0	4 0		12	Y.
1,76,02,480	4,24,40,278	5,83,51,024	3,77,47,982	22,44,130	A. & F. Harvey Ltd.	4,58,000	..	Madura Mills	40.00	15	2 0	3 0	2 10		12	Y.
12,00,000	3,67,035	20,03,352	15,77,765	213	V. K. Eradi (Chairman) ..	22,592	100	Malabar Spg. & Wvg. ..	109·00cd	100	Nil	Nil	8 0		12	Y.
60,00,000	69,14,000	65,94,131	45,89,145	5,157	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Meltur Industries Ltd..	316·00cd	100	25 0*	25 0	42 8	20 00	12	Y.
29,80 884	19,58,081	92,42,488	53,37,735	19,662	N. Sirar & Co. Private Ltd. ..	39,896	704	Minerva Mills	84.00	100	5 0(e)	6 0	6 0		12	Y.
84,91,850	21,56,146	1,71,24,769	78,81,522	1,56,008	M.	52,408	952	Model Mills (Nagpur) ..	180.00	250	5 0(e)	7 8(e)	7 8		12	Y.
30,00,000	52,19,500	1,58,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	98,540	1,234	Muir Mills	73 00N	100	Nil				12	Y.P.
24,83,500	50,84,085	1,10,93,742	67,14,107	19,041	M. G. Textiles (Agency) Ltd.	50,480	500	Mysore Spg. & Mfg. ..	101.25	50	8*	6 0(e)	8 0*		3	Y.
15,61,780	6,600	29,35,252	18,12,761	—1,50,652	R. Surveyanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	7.70	10	Nil	Nil	Nil			
22,89,8820	25,02,582	1,04,27,228	58,90,719	—48,58,037	J. P. Srivastava & Co., Ltd.	70,072	1,333	New Victoria Mills ..	1.65	0. 2½	Nil				3	Y.
5,07,0960									53.00	100	Nil	2 8(e)			9	Y.
67,19,800	55,48,220	1,89,99,089	61,91,861	74,722	Industrial Trust Fund ..	37,788	902	Osmanshahi Mills ..	147·00cd	50A	12 0	12 0			12	Y.
4,00,000A	6,50,000	89,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	41,200	..	Palani Andavar Mills ..	212·00cd	75B	18 0	18 0				
6,00,000B									65.00	100	Nil	4 0(e)			12	Y.
15,00,000	1,68,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	271 00	100A	16 8	20 0			12	Y.
16,81,200A	22,76,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	300	Radhakrishna Mills ..	135 00	50B	8 0	10 0				
8,40,600B									112·00cd	50	10 0	10 0			12	Y.
15,00,000	30,00,000	48,74,198	25,94,327	11,081	B. R. Naidu & Sons ..	33,896	..	Rajalakshmi Mills ..	140 00	100	6 0	10 0			12	Y.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd. ..	24,996	..	Rajapalayam Mills ..	130.00	100	9 0	10 0	10 0		12	Y.
22,81,750	12 40,000	49,84,422	21,20,815	32,012	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills ..	5.75N	10	Nil				12	Y.P.
60,00,000	63,41,588	1,00,25,428	35,44,914	—17,16,728	J. P. Srivastava & Sons (Rampur).	34,582	600	Raza Textiles	1,222·00	1,000	Nil	Nil	Nil		3	Y.
15,00,000	1,60,48,917	3,18,49,081	2,05,07,227	—1,56,20,798	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..		500					3	Y.
14,00,0									103.00	50	4 8	5 0	7 0		3	Y.
84,68,700	17,10,000	91,44,272	65,63,818	1,09,148	H. N. Pallegar, Esq. ..	30,744	292	Sri Krishnarajendra Mills ..	80.00N	100	Nil				3	Y.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	60.00N	10	5 0	6 0	6 0		3	Y.
16,00,000	8,48,80,185	99,62,153	79,83,780	80,60,558	Birla Brothers Private Ltd..	96,312	1,244	Sutlej Cotton Mills	11·50N	100	0 12	0 12			12	Y.P.
17,50,000	2,80,00,000	4,54,40,847	1,70,63,169	1,09,029	Jalpuria Brothers	1,12,216	2,061	Swadeshi Cotton (Kanpur)	11·90N	10P.O.	1-8 2/5	1-8 2/5			12	Y.P.
7,50,000FO									12 60cd	10	0 10	0 12			12	Y.P.
1,80,00 000	80,14,788	2,80,55,317	1,37,16,775	2,63,771	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	12.30	10	0-14 2/5	0-16 2/5	1 2		12	Y.
18,98,870	9,50,000	17,49,881	12,41,858	62,837	Moolji Ramjee & Sons ..	18,000	..	Trichinopoly Mills	289.00	100	15 0	20 0	20 0		12	Y.
21,00,000	33 50,000	80,72,634	47,22,519	44,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	117.50	100	4 0	8 0	8 0		12	Y.
33,00,000	31,89,009	1,74,27,020	1,17,94,860	16,922	M.	47,240	1,355	Vishnu Cotton								

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (e) Paid out of reserves. (5) For six months ended 31st December 1953.

† The dividends are on the origina lshares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	25,48,500	1,12,48,027	57,89,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	7.00	5	Nil	Nil	0 8	0 12	5	Y.P.
16,20,630	26,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6.06	5	0 8	0 8	0 9	0 9	8	Y.
2549,950	£1 149,466	£1,757,928	£341,807	£59,449	Parry's Holdings Private Ltd. ..	East India Distilleries and Sugar ..	A. 16sh.	B. £1	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 3	9	Y.P
6,00,000	19,60,000	15,96,636	15,96,629	4,679	Vital Maliya, Esq., (Chairman) ..	United Breweries	166.00	75	15 0	15 0	15 0	15 0	3	Y.
CEMENT														
21,27,660						Andhra Cement Co.	12.75	B. 10	1 0*	1 0	1 0*		12	Y.P.Y.
14,15,000	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Assam Bengal Cement	5.25	O. 10	Nil	Nil	Nil		3	Y.P.Y.
4,70,9781							1 00	D. 1						
2,71,47,253	13,13,132	1,44,55,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Associated Cement Companies Co.	153.50	100	9 8	8 8	10 0	10 0	7	Y.T.
20,00,0000.	8,46,99,450	27,75,38,613	9,34,43,675	2,93,958	Cement Agencies (Private) Ltd. ..		11.80	O. 10	1 0	1 0	1 4			
20,00,0000.						Dalmia Cement (Bharat)	2.90	O. 2½	0 4	0 4	0 5		12	Y.P.
3,50,0000.	60,02,261	96,09,838	34,70,080	2,87,995	Hari Brothers Ltd.		3.00	D. 1	0 1-3/5	0-1 3/5	0 2			
3,50,000D.							26 00	O. 25	Nil	1	1 14	2 1	3	Y.P.
12 45,7500.						India Cements Ltd.	5.20	D. 5	Nil	Nil	0 6	0 6 3/5		
7,50,0000.	19,00,000	1,61,41,804	54,02 378	2,97,128	Hasen Private Ltd.	Orissa Cement Ltd.	13 00	10	0 12	1 4			12	Y.P.
97,86,500	31,41,985	1,83

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	75.00N	25	1 9	3 2	4 11		6,12	H.P.T
68,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	20.62	10	12 0	14 0	1 6 ‡‡	0 11 1/5‡	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,980	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	15.65	10	1 0*	0 12*	0 12*	1 0*	3	H.P.T.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd... ..	Orient Paper	23.75	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,49,070	67,82,768	1,55,90,914	96,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	15.00	10	1 8	1 8	1 4	0 10	6,12	H.P.T.
20,00,000	6 50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10.00	O. 10	0 12	0 12	1 4		3,9	Y.P.
18,00 000 A. }							10.00	A. 10	0 12	0 12	1 4			
2,18,55,240	49 18 060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd.	Sirpur Paper Mills	8.31	Nil	Nil	5 0‡	0 8	6	6	
56 00,000A. }							33.25	A. 10	2 0*	1 8	2 0*	1 2‡*	3,9	H.P.
56,04,800B. }	3,41,28,215	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	33.25	B. 10	2 0*	1 8	2 0*	1 2‡*		
4,87,500P.O. }							4.00	P.O. 24	0 4	0 4	0 4	0 2‡*		
						PRESSING								
5,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule & Co.	Calcutta Hydraulic	90.00N	100	3 0	4 0	*Nil*	*Nil*	6	Y
5,80,000	2,47,132	10,91,809	9,80,374	26,289	Andrew Yule & Co.	Central Hydraulic	110.00	100	4 0	5 0	5 0	6 0	6	Y.
						PROPERTY AND LAND								
10,00,780O. }	6,93,333	48,52,570	22,65,279	35,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	18·50N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
8,00,000D. }							2·75N	D. 1	0 4/5	*Nil*	0 9 3/5			
60,00,000	14,00,051	83,91,859	15,91,500	.....	M.	Port Canning Land	4.34	100	1 8	1 8	*Nil*	*Nil*	4	Y.P.
94,00 000	36,70,109	98,05,154	95,892	—11,45,555	Andrew Yule & Co.	Midnapore Zamindary	21.00	100	1 8	4 0	3 0	*Nil*	4	
						SAW MILLS AND TIMBER								
13,99,998	22,83,439	32,33,742	11,96,031	.....	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.25	3	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
50,00 000 }	4,18,54,388	8,98,84,871	1,71,93,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	520.50	Old125	15 0	20 0	37 8	40 0	5	Y.
43,00,000 J							191.50	New50	6 0	8 0	15 0	16 0		
4,00 000	.....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25·00N	100	*Nil*	*Nil*			6	Y.P.
20,00 000	21,15 487	19,00,295	14,35,560	2,76·619	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products..	38.50	10	2 8	2 12	3 0	1 01		Y.
						SUGAR (U.P. and Bihar)								
						Balrampur Sugar	5-50	5	*Nil*	0 12	0 1	*Nil*	6	Y
14,00,000	12,23,202	42,04,482	29,87,602	—48,871	Begg, Sutherland & Co. Private Ltd.		128·00N	A. 100	10 0	10 0	10 0	10 0		
12,00 000A. }	29,80,260	55,40,881	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	14·00N	B. 10	1 0	1 0	1 0	1 0	4	Y.P.
3,00,000B. }							10·50	7½	0 12	0 12	1 0	1 0	9	Y.
19,49,050	8,25,000	33,76,107	25,31,569	73,488	Bangur Bros., Ltd.	Belsund Sugar	13·50N	10	1 8	1 8	1 8	1 8	6	Y.P.
18,00,000	13,51,513	18,12,168	12,47,841	2,330	Cotton Agents Private Ltd.	Bharat Sugar	7.31	10	*Nil*	0 12	0 4	*Nil*	6	Y.P.T.
32,00,000	27,44,459	1,40,84,581	95,71,755	20,716	Gladstone Lyall & Co., Ltd.	Carew & Co.	14·12	10	2 0	0 12	0 12	0 12	10	Y.P.
30,00,000	65 63,722	1,63,27,398	58,27,332	21,091	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	16·75	10	1 0	1 0	1 8	1 0	6	Y.
18,00,000	39,72,380	81,58,085	45,40,344	29,508	Karamchand Thapar & Bros.	Deoria Sugar	10·00N	10	1 0	0 12			8	Y.T.
5,99,452	6,18,562	24,58,580	15,33,747	48,204		Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	275·00	A. 100	15 0*	15 0*	15 0*	6	Y.P.
26,00,000A. }	44,95,000	1,02,71,005	67,56,074	33,123			100.00	O. 100	15 0*	15 0*	15 0*	15 0		
10,00,000O. }							65.00		*Nil*	*Nil*	4 8		6	Y.P.
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kiladand Devchand & Co.	Kesar Sugar	46.25	40	*Nil*	*Nil*	2 4		7	Y.P.T
7,89,100	22,35,852	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd.	New India Sugar Mills	28.00N	10	2 8	2 8	2 8	2 8	6	Y.
11,00,000	4,45,000	46,39,636	27,41,295	10,796	K. C. Thapar & Bros. Private Ltd.	New Savan	5.56	10	0 4	0 4	0 4	0 6	6	
12,98,000 }	48,01,854	71,25,062	24,33,994	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar[Mill	225·00N	100	20 0	20 0	20 0	20 0	6	Y.
61,575							60.00	25	5 0	5 0	5 0	5 0		
77,45,350	55,05,609	2,04,73,468	1,05,59,800	20,563	Cotton Agents Private Ltd.	Oudh Sugar	140.00	100	11 0	11 0	11 0	11 0	7	Y.
12,00 000	12,59,874	31,96,484	21,49,459	24,563	Narang Bros. & Co. Private Ltd.	Punjab Sugar	100.00	100	10 0	10 0	10 0		10	Y.P.
3,00,000	10,04,817	48,99,385	31,54,228	20,705	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	15·50	10	1 0	0 12	0 12	0 12	6	Y.
5,00,000	6,10,793	28,74,028	22,66,790	13,204	M.	Sriram Sugar	20.00	10	0 8	*Nil*	*Nil*	1 12	6	Y.P.
11,99,000	19,88,589	49,20,172	24,12,139	3,554	Begg, Sutherland & Co. Private Ltd.	Samastipur Central Sugar ..	10·50	10	0 8	0 8	*Nil*	*Nil*	6	Y.
99,70,525	22,58,560	1,40,84,561	66,35,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.00	10	1 8	1 8	1 12	1 0	8	Y.P.T.
9,99,950	26,825	28,20,774	13,51,647	—4,25,477	H. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors) ..									
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros. ..		4.75	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
9,15,000O }	46,462	29 66,860	11,46,770	—16,37,907	M.	Shri Sitaram Sugar	15.00	10	2 0*	1 8*			6	Y.T.
4,40,000D. }							1.00N	O. 10	*Nil*	*Nil*	*Nil*		10	Y.P.T.
8,00,000	29,24,348	1,15,70,815	68,03,754	32,329	Cotton Agents Private Ltd.	South Behar Sugar	0·25N	D. 2½	*Nil*	*Nil*	*Nil*			
16,00,000	7,66,589	32,69,951	26,68,926	20,564	M.	Upper Ganges Sugar	70·00N	10	2 8	2 8	2 8	3 0	6	Y.P.
						United Provinces Sugar	13.50	10	0 8	1 4	1 8		9	Y
						Other Centres								
50,00,000	8,00,000	48,07,304	14,68,228	1,90,857	Rangasoo & Co.	Andhra Sugars Ltd.	18.75	18	*Nil*	*Nil*	0 9 3/5	1 0	9	Y.
70,49,850	95,52,027	1,48,40,884	1,08,91,576	99,911	W. H. Brady & Co., Ltd.	Belapur Company	214·00	56	16 0	16 0	16 0	16 0‡	9	Y.
15,00,000	5,56,888	35,56,556	22,76,609	33,609	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	18.00	10	0 10	1 0	1 0	1 8	9	Y.P.
15,00,000	37 08,165	32,89,814	5,24,398	23,844	A. H. Bhiwandiwalla & Co.	Shree Changdeo Sugar	25.00	10	2 0	1 0	2 0	2 0	6	Y.
15,93,900	12,63,978	40,71,311	23,64,596	14,709	A. F. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	70.00xd	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
14,94,920	14,99,827	33,70,027	19,25,045	6,76,986	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	14.37xd	10	2 8	1 12	1 6 2/5	1 2	9	Y.P.
20,62,558	12,13,785	46,84,173	11,11,505	32,569	R. S. Ind. Corpn. Private Ltd. ..	Jaypore Sugar	13.75	10	1 0	1 0	1 0	0 9-3/5	6	Y.P.
23,57,620	45 51,080	42,51,227	21,95,827	15,443	Sriram Bros. (Sugpur), Ltd. ..	Sugpur Sugar	14.50N	10	*Nil*	*Nil*	1 8		6	Y.P.
10,52,200O. }	79,50,000	1,79,03,447	85,20,265	25,868	V. Ramakrishna, Sons (Private) Ltd...	K. C. P. Ltd.	135.00	O.100	7 8	7 8	7 8	7 8	6	Y.P.
2,57,190D. }							145.00	D. 10	10 0	10 0	10 0	10 0		
81,79,350	36,24,818	1,29,80,143	68,31,722	2,49,107	S. Muninaajappa, Esq. (Mg. Director)	Mysore Sugar	175.00	50	8 0	8 0	8 0	8 0	6	Y.
4,50,000	53,00,540	1,79,70,881	63,56,454	92,981	Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	127.50	50	6 0	8 0	8 0	9 0	6	
16,50 820	85,50,880	56,11,940	29,77,241	20,849	Anderson Wright Ltd.	Ramnagger, Cane and Sugar ..	25.87	10	2 0	1 8	2 0		6	Y.P.T.
20,00,000O. }	35,02,395	95,61,317	58,00,576	67,511	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	125·00N	O. 90	2 8	2 8	2 8	12 0	9	Y.P.T.
2,00,000D. }							7.00N	D. 10	*Nil*	*Nil*	0 1 1/5	7%		
12,99 500	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd.	Raza Sugar	15.50N	10	1 0	0 12	1 0	1 0	10	Y.
80,00,000	9,10,000	59,87,253	22,10,844	45,998	Tarayy Co., Ltd.	Travancore Sugars	10.25	10	*Nil*	*Nil*	0 12	1 0	6	Y.P.
1,01,00,000	1,08,46,253	2,25,80,653	99,17,710	1,75,780	Walchand & Co. Private Ltd. ..	Walchandnagar Industries	239.00	100	14 0	16‡ 0	18‡ 0	21 0	7	Y.P.T
						TRANSPORT								
20,00,000	1,00,69,622	1,24,09,186	18,29,251	1,10,020	Andrew Yule & Co.	Bengal-Assam Steamship Co	118.00	100	10 0	7 8	7 8	7 8	10	Y.P.
1,60,00,000	16,37,619	4,41,65,864	1,85,09,519	1,54,925	Hilsahaw (Private) Ltd.	Bharat Line	80.00N	100	5 0	5 0	5 0		13	Y.
60,00,000	31,60,613	1,21,00,904	59,55,708	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.									
						Great Eastern Shipping Co.	19.15	10	1 0	1 0	*Nil*	1 0	6	Y.P.
5855,580	81,098,198	45,514,160	45,397,581	632,063	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co...	65.00	£10	*Nil*	Sh. 1 0	Sh. 10		12	Y.P.
2,25,00,000	56,20,333	9,64,47,644	2,32,98,146	25,926	Lions' Edwards Ltd.	India Steamship Co.	9·85	10	0 8	*Nil*	*Nil*	1 0	3	Y.P.
2,25,00,000	9,00,12,101	22,64,99,894	4,85,66,262	5,62,020	M.	Scindia Steam Navigation Co ..	17.25	10	0 12	0 8	0 8	1 0	6	Y.P.
6,40,8000. }	19,68,266	11,55,488	7,39,069	1,34,498	R. R. Aiyer, Esq., (Manager)	Walford Transport Ltd.	2.12	O. 1	as. 1 3/5	1 2/3	as 2 0/25		12	Y
16,300P.O. }							1.75	P.O. 1	as. 19/25	1 19/25	as.1 23/25			
						UNCLASSIFIED (Bombay)								
2,40,000	71,000	5,66,521	4,32,562	330	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530·00	200	32 0	32 0	32 0	30 0	9	Y.
15,98,860	2,64,173	2,95,474	90,000	1,99,551	M.	Bombay-Uganda	60·00N	80	5 0	4 8	*Nil*		12	Y.
25,00,000	2,04,178	22,87,314‡‡		225	M.	Devkaran Nanji Investment Co.	11·50	25	0 12	0 12	0 12	0 18	3	Y.
5,57,00,000	1,03,98,754	4,55,59,017	1,08,65,568	94,16,788	A. J. C. Hoskyns-Abrahall (Chairman)	Hindustan Lever	19.00	10				1 4	12	Y.P.
80,17,900	13,68,586	98,39,333	38,24,587	39,602	Birla Brothers Private Ltd.	Hind Cycles	125.00	100	5 0	10 0	10 0		12	Y.P.
14,98,540	9,45,255	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	37.75	50	*Nil*	3 0	2 0		3	
99,99,250	20,12,980	1,22,60,062‡‡		5,23,576	Premchand Roychand & Sons	Industrial Investment Trust ..	70.00	100	0 8	1 0	4 8	5 0	12	
99,99,975	35,05,351	35,47,320	4,559	4,559	K. G. Miles, Esq. (Mg. Director)	Killick Industries Corporation ..	156.00	100	10 0	11 0	11 0	11 0	6	Y.P.
3,28,15,775 A.O.	39,14,255	3,06,99,581	1,49,06,326	4,05,448	Aero-Auto Private Ltd.	Premier Automobiles	84.50	100	*Nil*	*Nil*	*Nil*		6	Y.P.
10,31,200	5,05,419	8,09,102	5,79,614	7,356	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	20.00	10	2 0	2 0	2 0	2 0	12	Y.
2,75,00,000	1,35,45,829	3,14,34,161	1,59,05,976	5,02,238	Sir Joseph Kay, K.B.E. (Mg. Director)	Western India Match Co., Ltd.	153.00	100	11 0*	11 0*	11 0*	11 0	12	Y.
45,00,000	62,58,290	7,44,904	5,09,715	60,677		Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350·00	150	20 0	20 0	20 0	22 8	12	Y.
						Other Centres								
47,50,000 }	1,94,82,556	3,78,51,606	75,16,569	1,16,199	J.K. Industries Private Ltd	Aluminium Corporation of India Ltd..	8·69	O. 10	*Nil*	*Nil*	*Nil*	0 8‡	3	Y.P.T
2,50,000 J							3·50N	D. ¼						
40,00,000	28,25,000	56,26,345	21,56,000	64,537	Seshasayee Bros. (Travancore) Ltd...	Aluminium Industries Ltd.	12.60	10	1 4	1 4	1 4*	1 4	3	Y.
30 00,000	36,18,878	84,21,252	22,94,853	2,35,874	Turner Morrison & Co. Private Ltd. ..	Angelo Bros., Ltd.	17.06	10	1 4	1 4	2 0*	2 0*	6	Y.
30,00,000	15,70,000	89,32,721	21,20,441	1,72,873	Mr. A. Hyderi & Mr. S. Gothberg	Assam Match Co., Ltd.	15.25	10	1 4*	1 4	1 4*	1 4*	12	
30,00,000	15,00,000	39,82,721	21,20,441	2,45,122	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India	7·50N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	3	Y.P.T.
18,00,000	13,51,513	1,02,58,021	36,57,880	14,60,000	Gladstone Lyall & Co., Ltd.	Balmer Lawrie & Co., Ltd.	142.00	100	20 0*	13 0‡	12 8	12	12	Y.
32,01,400	1,16 63,000	67 47,111	23,97,111	5,03,129	O. T. Jenkins, Esq. (Director) ..	Bengal Flour Mills Co., Ltd. ..	25.12	10	1 8	2 0	2 4	2 8	9	Y.
12,00,000	12,56,000	33,30,386	25,71,386	90,379	Balmer Lawrie & Co., Ltd.	Birds Investment Ltd.	13.87	10	1 4	1 4	1 4	1 0	9	
90,00,000	32,06,715	62,25,495 ‡‡		27,612	Lovelock & Lewis	Britannia Biscuits	18.00	10	1 0	1 0	1 0	1 0	8	
45,97,020	30,11,814	1,10,56,424	23,87,289	1,79,277	K. Julius Scott, Esq. (Mg. Director)	British India Corporation Ltd. ..	5.55	5	0 8	0 8	*Nil*		12	
2,25,00,000	1,16,11,806	2,82,08,905	2,22,14,167	—27,56,884	Mr Robert Menzies	Clive Row Investment	9.81	10	0 4 1/5	0 3 1/5	0 9	1 6	3	
1,25,50,000	17,34,254	2,08,22,225‡‡		12,76,952	Andrew Yule & Co., Ltd.	Dunlop Rubber (India) Ltd.	17.31	10	1 8	1 8	1 8	1 8	12	
1,60,00,000	3,40,86,174	5,55,01,695	2,48,71,167	12,04,100	John Luckham, Esq. (Mg. Director) ..	Eastern Investments Ltd.	104·00	100	9 0	9 0	9 0	9 0	12	
81,26,000	54,10,811	1,72,17,867‡‡	.....	3,27,916	Bird & Co. Private Ltd.									
14,00,000	10,02,000	38,81,772	16,89,772	27,194	MacNeill & Barry Ltd....	Ganges Rope Co. Ltd.	107·00	100	20 0	15 0	15 0		8	
65,00,000	58,17,300	19,78,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	11·31	10	7 8	7 8	1 6 2/5	1 9 2/5	3	Y.
80,00,000	14,67,354	81,29,620	33,55,923	7,453	H. E. Rythatieate	Great Eastern Hotel	226·00N	250	15 0	6 4	6 0	15 0	3	
4,98,05,700	.....	.....	.....	6,16,062	Birla Brothers Private Ltd.	Hindustan Motors	6.75	10	*Nil*	*Nil*	*Nil*	*Nil*	3	
2,01,10,000	56,56 543	4,80,45,268	1,96,84,142	7,97,410	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co. Ltd.	12·94	10	*Nil*	*Nil*	0 8	1 0	3	
1,58,39,320	1,87,00,000	1,99,85,789	71,50,911	22,04,314	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	22.50	10	1 0*	1 0*	1 0*	1 0*	3	
8,37,970	10,74,908	2,80,806	62,722	23,306	G. S. Moulton & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	26.00	10	0 12	0 8	0 8	0 10	3	
18,16,00,000	7,89,02,692	4,15,59,461	1,63,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman ..	Imperial Tobacco Co. of India Ltd...	75.00	100	7 8	7 8	0 9 3/5	0 12 4/5	7	
5,00,00,000	57,29,566	37,46,656	11,08,843	2,57,224	G. M. Mackinlay, Esq.	Jardine Henderson	210.00	O.100	10 0	17 0	2 8	5‡	8	
60,00,000O. }	80,86,906	86,18,922	8,78,679	2,57,224	A. T. Dolg. Esq. (Mg. Director) ..	McLeod & Co.	23.00	D.O.10	0 8	1 3 1/5	1 12		12	
5,00,000D. }							23.00	10	0 8	1 8	1 12	2 2*	9	
1 43,96,500	31,82,798	24,06,298	18,34,790	—4,70,907	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	12.38	10	1 0	1 0	0 12 4/5	1 0	9	
1,15,00,000	53,50,000	1,58,96,978	78,06,772	—2,38,681	H. Chiswell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd.	24.37	10	1 0	1 0	1 4	1 10	3	
6,55,550	1,55,250	7,85,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works	3·50	10	*Nil*	*Nil*	*Nil*		3	
6,55,250	9,18,000	11,18,541	5,51,088	440	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15·25	10	1 0	1 0	0 12	0 14 2/5	3	
10,00,000	2,12,500	15,54,005	9,41,427	44,818	M. F. Parthasarathy Esq. (Chairman)	Mysore Tobacco	14·10	10	1 0	1 4	1 0	1 8	3	
2,00,00,000	78 15,505	1,50,98,402	50,60,695	21,19,752	J. R. Galloway, Esq. (Mg. Director), Associated Industrial Development Co. (Private) Ltd.	National Carbon Co. (India) Ltd.	23.19	10	3 0	4 0	3 4	1 8	12	
40,00,000	74,71,172	68,80,914	41,52,961	1,44,443		National Insulated Cable Co. ..	20.00	10	1 0	1 0	1 0		3	
40,00,000	15,00,000	98,19,995	21,17,403	75,726		National Rolling & Steel Ropes	9.37	10	0 8	0 8	0 9‡	0 9‡	6	
79,97,500		1,17,52,787	57,19,588	8,99,583	B. N. Elias & Co., Ltd.	National Tobacco Co.	9.93	10	*Nil*	0 8	0 12 4/5		12	
2,25,00,000	3,71,248	1,46 22,415	44,22,774	—44,12,985	M. F. A. Pramanik, Esq.	Rallis (India) Ltd.	34.25	100	*Nil*	*Nil*	*Nil*	*Nil*	3	
1,72,24,400	1,31,20,208	7,56,84,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	16.62	10	1 4	1 8	1 8		12	
60,00,000	97,00,558	1,21,67,804	73,80,227	6,32,218	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16.40xd	10	1 0	1 0	1 0	1 8	12	
75,00,000	54,12,860	17,49,3166	5,58,685	5,65,290	R. M. Smith, Esq. (Mg. Director) ..	Shaw Wallace & Co., Ltd.	11.31	10	1 0	1 4	1 0		12	
9,98,280	.....	14,51,909	4,58,782	—47,988	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	3·30	10	*Nil*	*Nil*	*Nil*	*Nil*	12	

M.—Managed by Board of Directors. ‡‡ Investments at cost. ° Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each ,which subsequently were divided into shares of Rs.10 each.

Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Account's Closed	Reference
							ASSAM								
4,45,700	8,70,619	11,34,864	5,38,169	.....	McLeod & Co., Ltd.	825	Amluckie	25.00xd	10	25 0	72 0	19 0	3 0‡	12	Y.P.
2,50,000	8,43,250	10,69,902	2,42,989	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea ..	24.00	10	1 4	7 8‡			12	Y.
3,60,000	8,92,250	11,21,675	2,83,926	50,526	Gillanders Arbuthnot & Co., Ltd...	437	Ananda Bag	20.00	10	2 8	8 0*	1 0		12	Y.
5,80,000	11,21,541	17,56,465	7,08,427	56,725	Andrew Yule & Co., Lt

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,880	31,236	23 236	Planting Agencies Ltd.	Baimadies Plantations	3·35	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,184	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	6 65cd	5	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons Coffee Estates (Secretaries)	Coffee Lands and Industries ..	24 00	10	0 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,380	25,13,535	1,12,512	R. C. Paterson, Esq.	Consolidated Coffee	21·90	10	1 8 4	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,666	7,58,759	40,878	1 009	Associated Planters Ltd.	Cottanad Plantations	17·25	10	1 8	1 8	1 12*	1 8	3	Y.P.
15,00,000	9,45,543	25,86,730	5,31,442	37,115	A. V. Thomas & Co., Ltd. ..	Highland Produce	13·50cd	10	1 4	2 8	2 0	2 0	12	Y.P.
4,00,000	10,92,999	18,33,825	2,21,241	4,869	A. V. Thomas & Co., Ltd. ..	Kaipetta Estates	24·00	10	2 0	2 0	2 12	2 0	4	Y.
9,00,000	8,17,955	5,46,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	27·00	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	16·15	10	1 8	1 12*	2 8	2 0	3	Y.P.T.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	20 25cd	10	0 12	1 8	1 8	....	12	Y.P.T.
2,00,000	2,88,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	16 25	10	1 0	1 0	1 8	....	12	Y.P.
19,45,980	21,29,615	43,87,395	14,23,063	Nil	Peirce, Leslie & Co., Ltd. ..	Ouchterlaney Valley Estates ..	4 40	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
13,50,000	9,90,000	42,15,515	5,42,147	8,082	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	15·50	10	1 12*	1 12*	2 0	2 8	6	Y.
3,66,780	3,50,000	7,77,412	78,478	71,342	Peirce, Leslie & Co., Ltd. ..	Savumalai Estates Ltd.	19 25	10	3 0	2 8	1 0	1 8	11	Y.
10,00,000	3,09,800	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	8 06	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,37,767	80,934	14 887	A. V. George & Co., Ltd. ..	Thamaraiyally Rubber	24·00cd	10	3 0	3 0	3 0	....	12	Y.P.
9,15,300	4,00,000	20,99,924	96,217	27,055	Peirce Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1·40	1	0 4½	0 13/5	0 2	0 2	9	Y.T.
6,00,000	75,491	9,79,479	3,23,517	8 745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	15·00	10	2 0	2 0	3 0	....	12	Y.
41,00,000	13,61,221	81,07,222	12,94,246	3,46,523	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7·65cd	10	1 0	1 0	1 4	0 12	12	Y.
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	27·00	25	3 0	5 0	4 0	....	12	Y.
6,28,580	5,40,670	8,51,488	16,128	40 780	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	29 40cd	10	2 0	2 4	2 8	1 8i	12	Y.
6,76,010	67,259	18,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9·50	10	1 0	1 8	2 0	1 4	3	Y-P.T.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60 00 000	47,00,000	1,06,27,544	56,37,664	29,690	B. N. Elias & Co. Private Ltd. ..	879	Azarpara	7·37	10	1 0	1 10	0 10	0 4	3,9	H.T.P.
6 00 000	10 25,000	53 46,050	37,72 102	2 45,707	McLeod & Co., Ltd.	446	Alexandra	135·00	100	2 8	7 8	10 0	5 0	6,12	H.P.T.
30,00,000	5,25,000	1,17,61,827	94,41,060	34,402	McLeod & Co., Ltd.	1,264	Alliance	70·00	100	5 0	12 0	6 0	N il	6,12	H.P.
90,20,700	60,00,000	2,9 0,30,382	1,93,16,000	3,36,192	Duncan Bros. & Co., Private Ltd.	2,561	Anglo-India	102·00	100	12 8	7 8	8 8	3 8	3,9	H.P.
40,00,000	43,17,951	1,78 37,979	92,01,344	11,377	Bird & Co. Private Ltd.	810	Auckland	75·00	100	4 0	3 8	10 0	1 0i	3,9	H.P.T.
20,00,000	23,80,918	96,91 416	65,65,094	65,302	Jardine Henderson & Co.	959	Bally	137·00	100	4 0	Nil	5 8	Nil	3,9	H.P.
£275,000	£467,405	£1,47,77,480	£987,176	....	Sir John B. Burder (Chairman) ..	1,889	Barnagore	79·00	25	£1 0	sh. 15	sh. 15	Nil	3	Y.P.
38,00 000	38,00,623	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd.	820	Belvedere	92·00	100	15 0	10 0	7 0	Nil	3	H.P.
45 00,000	38,45 000	57 03,172	21 28,574	2,65,100	Soorajmull Nagarmull	500	Bengal	14 50	10	1 4	1 2	1 2	6	6,12	Y.P.T.
91,28,000	2,17,48,393	3,34 10 402	1,45 32 651	4,87,593	Birla Brothers Private Ltd. ..	1,373	Birla	13 50	10	1 0	1 0	1 0	3	3	Y.P.
36,00,000	21,00,926	1,17,00,893	72,35,319	4,154	Andrew Yule & Co., Ltd.	991	Budge-Budge	90·00	100	10 0	7 8	7 8	Nil	10	Y.P.
7,47,380	3,09 640	42,13,704	31,62,683	—3,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	8·50	10	Nil	0 12	Nil	....	6,12	H.P.T.
18,00,000	25,46,234	87,25,841	43,24,058	1,328	Andrew Yule & Co., Ltd.	816	Caledonian	102·00	100	12 0	9 0	6 8	Nil	5,11	H.
59,16,400	95,49,238	2 25,08,760	1,11,69,802	19,010	James Finlay & Co., Ltd.	600	Champdany	104 00	100	6 0	5 8	12 0	2 0i	3,9	H.
15 95,000	19,83 082	88,12 211	57,10,175	1,887	Andrew Yule & Co., Ltd.	530	Cheviot	116 50	100	12 0	14 0	10 0	Nil	5,11	H.P.
30,15,000	32,00,000	66,65,782	45,03,666	1,01,027	McLeod & Co., Ltd.	500	Chitavalsah	12·50	10	1 12	1 2	1 6	0 10i	6,12	H.P.T.
24,00,000	9 00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	969	Clive	13·75	10	Nil	Nil	1 0	0 8	3	Y.P.
31,49 200	46,65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co. Private Ltd.	766	Dalhousie	78·00	100	4 0	2 8	4 0	Nil	3,9	H.P.T.
28,00,000	40 71 679	76,57,475	47 30,110	3,154	Andrew Yule & Co., Ltd.	779	Delta	123·50	100	20 0	12 0	10 0	Nil	5,11	H.P.
15,00,000	34,50,000	83,83,104	60,85,660	76,491	McLeod & Co., Ltd.	500	Empire	14·25	10	1 0	1 4	1 8	0 8i	6,12	H.P.T.
21,00 000	60,60,980	2,70 39 034	1 89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	290·00 N	100	Nil	5 0	15 0	7 8i	3,9	H.P.T.
21,00,000	13,00,000	97,86,074	54,63,695	1,34,852	Rangur Bros., Ltd	1,014	Fort William	16·25	10	5 0	20 0	20 0	0 12 K	3,9	H.T.P.
54,32,100	....	3,17,37,224	1,32,68,835	—2,67,452	M.	1,709	Ganges Mfg.	47·00	100	Nil	Nil	Nil	Nil i	6,12	H.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	700·00	300	15 0	Nil	....	....	12	Y.
24,00,000	29,32,287	1,19,00,811	1,01,84,423	25,195	Macneill & Barry Ltd.	1,394	Gourepore	234·00	100	8 12	10 0	15 0	2 8i	3,9	H.P.
14,00,000	64,68,223	1,14,85,848	56,72,186	2,40,848	Inchape Bros., Ltd.	1,078	Hastings	109·00 N	100	10 0	10 0	11 8	5 0	3	Y.P.
16,80,000	18,61,969	66,47,731	47,70,916	—2,95,253	Rajpath Bajoria	720	Hooghly	15·00	10	1 4	0 8	1 4	Nil	3	Y.P.
25,62 500	49 84,272	1,82,66,485	1,10,52,708	57,034	Jardine Henderson Ltd.	1,940	Howrah	13·87	10	1 8	1 4	0 14	0 4i	3,9	H.P.T.
52,50,000	37,35,153	2,86,51,659	1,56,51,659	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	71·00	74	3 0	3 0	3 0	3 0	3	Y.P.T.
{97,00 000	17,20,650	1,27,01,696	80,28,076	2,57,387	M.	1,076	India	{127.00	O. 125	6 4	3 2	4 11	4 11i	3,9	H.
80,000 }									D. 1	0 4/5	0 2/5	0 3/5	3%		
24,00,000	18,75,346	1,85,39,772	1,15,01,308	....	Jardine Henderson Ltd.	1,797	Kamarhatty	{85.00	100	0 8	0 8	0 8	Nil	{6,12	H.P.
90 00 000	9,81,473	1,74,14,302	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankanrah	{76.00	'B' 100	9 0	8 0	8 0	Nil		
84,00 000 B'								{57.00	100	7 8	6 8	1 0	Nil	{6,12	H.P.
21,00,000	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd.	703	Kelvin	{50.00	'B' 100	7 8	6 8	1 0	Nil		
54,00,000	23,83,378	1,72,56,983	1,18,00,127	56,928	Anderson Wright Ltd.	1,530	Khardah	170·00	100	15 0	20 0	17 0	5 0i	6,12	H.P.
24,00,000	14,00,000	2,44 37 944	1,15,66,128	1,83,837	F. W. Heilgers & Co. Private Ltd.	1,250	Khuloon	117·00	100	17 8	12 8	11 0	5 8i	3,9	H.P.
24,48,000	29,51,564	1,11,32,845	47,99,245	—2,13,719	Bird & Co. Private Ltd.	931	Lansdowne	135·00	100	9 0	7 0	13 0	6 0i	3,9	H.P.
48,00,000	55,75,192	1,16,29,880	64,57,897	3,793	B rd & Co. Private Ltd.	840	Lawrence	90·00	100	7 0	5 0	7 0	Nil	3,9	H.P.
51,55,200	26,56,645	2,64,13,349	1,26,97,309	1,54,042	M.	1,293	Megna	68·50	100	5 0	6 0	6 0	Nil	3,9	H.
20,98 900	38,40,147	1,84,91,466	1,01 37,572	—3,09,111	F. W. Heilgers & Co. Private Ltd.	815	Naihati	55·00	100	5 0	2 8	3 12	3 12i	3,9	H.
20 00,000	15 55 000	29 01,542	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	13·75	10	Nil	Nil	Nil	Nil	4,10	H.T.
35,00 000	41,29,226	31,71,346	10,66,470	17,330	Andrew Yule & Co., Ltd.	858	Nellimarla	19·50	10	0 5	1 2	0 10i	....	3	Y.P.
26,25 000	2 ,00,000	28,31,475	20,72,256	1,29,411	McLeod & Co., Ltd.	816	Nellimarla Jute	11·25	10	2 0	2 0	1 12	0 12	10	Y.P.
85,50,000	2,71 44,342	4,29,16,627	96 26,543	8,71,293	Sahu Jain Ltd.	1,765	New Central	31·19	10	1 12	1 8	1 8	0 8i	6,12	H.P.T.
16,79,850	49,75,160	1,18,50,587	51,43,018	70,116	Andrew Yule & Co., Ltd.	667	Northbrook	78·75	10	1 4	1 4	1 8	1 8i	3,9	Y.P.
66,79,500	22,24 961	2 18 56,164	1,39,46,911	17,000	Macneill & Barry Ltd.	1,092	Nuddea	82·25	50	0 8	1 8	1 8	1 8i	3,9	H.
24 93,250	23,73,799	76 07 658	50 85,690	537	Andrew Yule & Co., Ltd.	601	Orient	10·00	100	12 0	10 0	9 0	1 0i	5,11	H.P.
33,00,000	6,98,490	80,80,437	45,22,164	51,595	McLeod & Co., Ltd.	400	Presidency	3·62	5	0 2	0 3	Nil	....	6,12	H.
20,00,000	2 49,781	26,97,878	8,39,130	—9,18,218	Birla Brothers Private Ltd. ..	305	Rameshwara	4·50	10	Nil	Nil	Nil	Nil i	3	H.P.
49 50 000	5,82,465	1,23,85,629	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance	6·37	10	0 8	Nil	Nil	Nil i	3,9	H.P.T.
4,00,000	61,063,713	41,245,244	....	458,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Sannuggur	9·12	41	10%	10%	3% 11	....	3,9	Y.P.
30,00,000	13,14 910	1,15,50,877	79 96,145	7,972	Begaria More & Co., Ltd.	911	Shree Ambica	14·00	10	1 12	1 8	0 8	0 8	3,9	H.P.
14,00,000	11,25,000	66,11,794	38,79,294	3,146	Hindustan Investment Corporation	401	Soorah	14·00	10	0 8	1 0	1 8	1 8	3,9	Y.P.T.
35 19 600	42,72,193	1,37,88,246	88,23,439	—4,87,127	Bird & Co. Private Ltd.	650	Standard	60·00	100	2 0	2 0	1 0	Nil	3,9	H.P.T.
£600,000	£925 119	£1,137,660	....	£33,548	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	9 12	£1	10%	10%	3% 11	....	3,9	Y.P.
25,98 600	88,06,723	2,00,00,806	84 29,958	18,324	Bird & Co. Private Ltd.	1,326	Union	101 00	100	5 0	6 0	10 0	1 0i	3,9	H.P.T.
£400 000	£666 035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	9·12	£1	10%	10%	3% 11	....	3,9	Y.P.
2,50,000	6,35,000	56,01,062	40,73,921	11,327	McLeod & Co., Ltd.	457	Waverley	3·12	1	0 1	0 8	0 3	Nil	6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	28,610	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	16.00	10	1 0	1 5	1 6	0 8f	3,9	H.
12 00 000	8,77,542	37,87,034	34,90,182	45,399	Jardine Henderson Ltd.	Bararee Coke	16 00	10	1 2/5	1 7 1/5	1 7 1/5	0 9 3/5f	3,9	H.
4,49,350	1,05,000	9,25,911	5,64,876	4,078	Kalyanji Mavji & Co.	Bengal-Bhatdee	5 50 N	10	0 4	0 4	0 10	0 10f	6,12	H.
1,00,00,000	1,60,28,785	6,10,10,849	4,19,72,935	9,44,657	Andrew Yule & Co., Ltd.	Bengal Coal	204·00cd	100	32 8*	30 0*	£35 0*p	17 8	10	Y.P.
2,25,000	5,30,653	24,81,782	22,33,554	1,07,984	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14·00	10	Nil	Nil	Nil	....	12	Y.P.
15 97,000	4,78,158	41,59,255	22,98,365	—2,42,192	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	4·56	10	0 8	Nil	Nil	....	9	Y.
60,00,000	8,00,000	1,39,46,665	71,05,188	87,433	Sahu Jain Ltd.	Bharat Collieries	5·37	10	0 12	0 10	0 10	....	6	Y.P.T.
7,15,000	15,11,080	52,62,538	37,38,580	—1,87,446	F. W. Heilgers & Co. Private Ltd.	Bhulanbararee	13.50 N	10	Nil	Nil	Nil	....	6,12	H.T.
7,50,000	24 29,026	42 39,603	35,53,408	84,207	F. W. Heilgers & Co. Private Ltd.	Borrea	16.81	10	2 12	2 0	2 0	....	6,12	H.
30,92,480	1,79,05,958	4,22,86,647	1,90,19,894	56,168	Bird & Co. Private Ltd.	Burrakur	22.19	10	0 12	0 8	0 10	0 8i	6,12	H.P.T.
49,97 750	....	42,33,430	7,80,000	9,927	Hindustan Investment Corpn., Ltd.	Central India	5.87	10	0 4	0 4	0 4	0 8	6,12	H.
8,00,000	13,30,590	49,11,827	33,03,469	69,009	M.	Central Kurkend	11.00 N	10	0 12	0 4	....	....	3	Y.
6,00,000	1,43,676	7,28,434(k)	....	2,139	F. W. Heilgers & Co. Private Ltd.	Charlia	1.87	4	0 2	0 2	0 1f	....	12	H.
16,00,000	....	53,81,704	29,81,276	—1,33,318	Macneill & Barry Ltd.	Dhemo Main	5.62	10	Nil	Nil	Nil	....	6,12	H.T.
£340,000	£360,553	£970,695	£781,579	£58,922	Jardine Henderson Ltd.	East Indian	23.75	£1	2 8	2 8	2 0	2 8	6,12	Y.
89,53,760	88,55,049	4,04,81,877	2,89,25,668	82,379	Macneill & Barry Ltd.	Equitable	23.00	10	1 8	1 8	1 8	....	3	H.P.T.
10 00 000	1,60,899	13,81,144	4,26,657	22,262	Bhatter's Areney Ltd.	Ghusick and Mualia	13.50 N	10	0 8	0 12	0 4	....	6,12	Y.
12,00,000	1,22,000	41,35,247	23,43,143	1 144	Killick Industries Ltd.	Hingir-Rampur	30.75	50	3 0	Nil	2 4	....	3	Y.P.
8,00,000	7,25,000	22,07,121	13,89,341	45,983	Macneill & Barry Ltd.	Hurriladih	21.00	10	1 8	1 12	2 8	2 4	6,12	H.
22,00,000	1,15,950	24,74,412	6,18,244	—5,57,293	Raipur Trust Ltd.	Jogta Coal	1.50	10	Nil	Nil	....	....	6,12	Y.P.
3,50,000	3,45,579	13,54,857	7,23,668	....	Andrew Yule & Co., Ltd.	Kalapahari	20.00	10	2 12	Nil	Nil	....	12	H.
20,00,000	1,77,176	28,89,682	4,46,140	6,966	Bird & Co. Private Ltd.	Karanpura Collieries ..	90.00	100	Nil	Nil	2 8	5 0	2,8	Y.P.
5,00,000	16,60,000	30,77,533	20,47,998	1,33,474	Andrew Yule & Co., Ltd.	Katras Jherfah	53.75	10	4 0	4 0	5 8	....	2	H.
1,38,406	5,72,960	12,85,941	5 72,960	—2,50,236	Beriwala & Co.	Khas Kajora	2.50 N	10	Nil	Nil	Nil	....	1,7	H.
11,00,240	64,814	16,80,329	10,68,899	10,611	H. V. Low & Co. (Private) Ltd. ..	Kuardi	2.50 N	10	Nil	Nil	0 2	....	6,12	Y.
9,00,000	11,11,926	29,38,749	22,36,193	4,708	H. V. Low & Co. (Private) Ltd. ..	Lakurka	3.50 N	10	0 8	0 4	0 2	....	6	Y.
7,48,240	3,00,000	13,13,208	9,66,219	81,201	Tantia Brothers Ltd.	Nasira	6.75	10	0 8	0 6	0 4	....	4	Y.
7,20,000	26,617	10 23,740	5 20,295	4,569	Amritlal Ojha & Co., Ltd.	New Bandeopur	9.00 N	10	0 12	1 4	1 8	....	12	H.
17,76,230	19,51,576	1,24,49,315	91,72,491	63,589	Andrew Yule & Co., Ltd.	New Chirkbhoom	13.56cd	10	1 0	1 8	1 4	....	3,9	H.
6,00,000	78,000	23,00,471	21,40,197	79,222	Octavius Steel & Co., Ltd.	New Manbhoom	9.00	10	Nil	Nil	Nil	0 12	10	H.
1,15,000 }	2,86 193	18,07,219	8,64,731	15,980	Andrew Yule & Co., Ltd.	North West	{19.25	10	0 4	Nil	1 6	0 12f	3,9	H.
1 57 000 }							{16.50	7½	0 3	Nil	1 0½	0 9i		
7 50 000	12,21,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. Private Ltd.	Ondal	14.50 N	10	2 0	1 0	1 0	....	6,12	H.P.
10,00 000	1,10,000	41,24,518	19 79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	8.00 N	10	0 6	0 8	0 4	12	6,12	Y.P.
8,34,000	10,050	19,86,766	8,69,957	61,987	Deepchand Kishenlal	Parasea	13.00 N	10	0 4	0 12	1 0	....	6,12	H.
16,50,000	16,50,000	49,91,352	26,61,253	31,784	Shaw Wallace & Co., Ltd.	Pench Valley	14.50	10	1 10	1 10	1 10	0 11 1/5f	3,9	H.
28 99 500	20,17,105	1,24,35,588	87,36,164	23,188	B. N. Elias & Co. Private Ltd. ..	Raneegunge	10.25	10	Nil	0 8	0 10	0 6	3,9	H.
13,50 000	10,45 116	28 59,365	29,71,364	15,614	Shaw Wallace & Co., Ltd.	Rewa	19.50	10	2 0	1 6	0 14	0 12f	6,12	Y.
2,90,000	3,90,000	44,28,585	18,78,118	2,30,175	Jaipuria Sons Ltd.	Samla Collieries	11.00 N	10	0 8	0 12	1 0	....	12	Y.
2,50,000	1,95,802	18 78,480	12,21,237	21,070	M.	Searsole	5 00 N	2½	0 10	0 10	0 12	....	3	H.P.
2,50,000	8,36,598	29,99,490	19 07,206	49,299	Andrew Yule & Co., Ltd.	Seebpore	26.50	7	1 12	2 0	2 8	....	6,12	H.T.
8,00,000	5,31,239	52,491	28,957	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	7.50 N	10	Nil	0 2	0 4	....	6,12	Y.P.
68,21,480	23,77,474	4,72,97,817	3,17,80,284	7,310	Industrial Trust Fund (Govern-ment of Hyderabad)									
17,50,000	10,89,693	38,95,664	16 16,434	10,407	Bird & Co. Private Ltd.	Singareni	10.50	10	Nil	0 11 1/5	0 12	....	12	H.
8,00,000	14 01,053	1,69 57,570	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	South Karanpura	8.25	10	0 4	0 2	0 2	0 5 3/5	2,8	Y.
10,00,000	1,92,000	31,30,415	15,43,502	—370,421	Standard	Standard	13.75	10	2 0	1 8	1 0	1 0	12	Y.T.
2,50,000	2,80,000	20,47,944	15 95,944	—9,558	Villiers (Private) Ltd.	Talcher	1·56	2½	Nil	Nil	Nil	....	9	H.
49 98,000	67 084	55,56,550	22,00,000	7,262	Williamson Magor & Co., Ltd. ..	Union	21.25	10	1 12	0 12	Nil	....	6,12	Y.
7,00,000	21,569	66,46,871	23,81,096	—1,46,650	Hindustan Investment Corpn., Ltd.	Western Bengal	5.24	10	0 6	0 6	0 8	0 8	3	H.
					Macneill & Barry Ltd.	West Jamuria	7.50	10	Nil	Nil	Nil	....	6,12	

M—Managed by the Board of Directors. ‡ Less Income-tax. s) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k, Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—

MARKET GOSSIP

(Concluded from page 1171)

This was echoed in a "Statement on the World Cotton Situation" issued by the Committee which particularly stressed the improvement that has occurred in the statistical position of cotton this season. The imbalance between production and disappearance, which has been a constant source of headache to the cotton trade in recent years, is likely to be corrected in the season fast coming to a close. After successive years of excess production since the 1950-51 season, disappearance, including cotton shipped to countries behind the Iron Curtain and the amounts not necessarily consumed, may exceed production by one million bales during the current (1956-57) season. This is the combined result of a decline from 30.8 million bales (of 478 lbs. each) to 28.8 million bales in the free world's production of cotton as well as an increase of about 500,000 bales in consumption amounting to roughly 28.95 million bales. It has long been recognised that one of the prerequisites for resolving the world cotton surplus problem is to restrict production. Major significance, therefore, attaches to the marked reduction in cotton production during the present season. Holding virtually the entire surplus and responsible for nearly half the total free world production, the United States was expected to show the major adjustment in production. This expectation would appear to have materialised. With the smallest acreage planted to cotton since as far back as 1389 and despite the maintenance of near-record yields, production in that country has declined by 1.5 million bales, as compared with the 1955-56 season. Unfavourable weather has aided the downward trend in free world production, but the acreage restriction, especially in the U.S., has been the most decisive factor. Control of acreage in that country has been, and is likely to continue to be, fundamental to the eventual restoration of equilibrium between cotton supply and demand.

Nevertheless, despite the improvement in the statistical picture of cotton, stocks are still high and expected to aggregate 21.1 million bales on 1st August next. Barring the U.S., where the Commodity Credit Corporation's policy of selling cotton for export at prices lower than the domestic price has brought about a reduction in stocks by over 3 million bales, stocks in other net exporting countries are expected to be higher by 500,000 bales and those in net importing countries by about 1.5 million bales on 1st August 1957.

The delegates to the Conference at Istanbul could not reach any agreement regarding control of the international production of cotton. Most delegates were, however, in favour of pressing the U.S. to stop exports of excess stocks for the time being. Should this prove impracticable, it was suggested that excess stocks should be disposed of in an orderly manner by spreading sales over a long period of time. The consensus of opinion was that it was desirable that world cotton prices should be maintained at the present level. In view of the many undesirable aspects of the dual pricing system now in force in the U.S., most delegates favoured the reintroduction of a single-price system in the near future. It was generally agreed by the delegates that only a progressive increase in consumption, coupled with restriction of production, could provide a real and lasting solution to the international cotton problem.

* * * * *

The time-table for ministerial negotiations on the European free trade area project has been put back. The Organisation for European Economic Co-operation (O.E.E.C.) has announced postponement of the Council's meeting originally scheduled to be held next month until "as early a date as is practicable in the autumn." The postponement has been necessitated by two factors. First, since the subject is one of great complexity and is closely connected with arrangements for a common market provided for in the Rome treaty, which has not yet been ratified by all the signatories, it is felt that some time must elapse before definite proposals will be available for consideration by Governments. Secondly, some of the Continental negotiators desire to see the common market treaty signed first.

Notice

RAMPOORIA COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fourteenth Annual Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, 147, Cotton Street, Calcutta, on Friday the 28th June 1957, at 2 p.m.

(a) To receive and pass the Directors' Report and Audited Accounts for the year ended 30th June 1956,

(b) To declare Dividend on Ordinary Shares and Deferred Shares,

(c) To elect Directors,

(d) To appoint Auditors of the Company and to fix their remuneration,

And

(e) To transact any other business that may be brought forward.

The Share Transfer Register will be closed from 15th June to 28th June 1957, both days inclusive.

By Order of the Board of Directors,
NATHMULL RAMPURIA,
Director.

147, COTTON STREET,
CALCUTTA, 5th *June* 1957.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,42,652	Allahabad Bank	360.00	100	18 0	18 0	18 0	9 0	12	Y.P.
14,40,000				180.00	50	9 0	9 0	18 0	9 0		
1,01,000	16,63,000	11,996	Andhra Bank	115.75	100	6 8	7 8	6 8	8 0	6,12	H.
				99.00	70	3 4	3 12	4 8	5 93/5		
33,58,600	1,28,00,000	4,75,752	Bank of Baroda	102.00	50	6 0	6 0	6 0	7 0	12	Y.
1,00,00,000			Bank of Bikaner	23.00	25	0 12	0 12	0 14	1 2	12	Y.
50,00,000	22,50,000	2,796		137.00	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
2,50,00,000	3,10,00,000	15,54,924	Bank of India	138.00	50'A'	..	..	..	..		
50,00,000 'A'				52.00N	25	1 8	3 0	3 8	4 0	12	Y.
18,80,375	27,00,000	67,486	Bank of Indore	37.00	50	16 0	2 0	2 0	2 8	12	Y.
80,00,000	22,25,000	23,734	Bank of Jaipur	246.50	100	2 8	16 0	16 0	16 0	12	Y.
50,00,000	84,00,000	5,91,911	Bank of Mysore	57.00N	50	4 8	2 8	2 0	..	6	Y.P.
61,31,700	58,73,013	10,069	Bombay State Co-operative Bank	86.00	50	5 0	4 8	5 0	5 0	12	Y.P.
15,00,000	82,00,000	58,502	Canara Bank Ltd.	80.00	50	3 0	5 0	5 8	6 0	12	
7,80,000	12,75,000	3,992	Canara Banking Corporation Ltd.	177.50	100'A'	9 0	12 8	12 8	15 0	12	Y.
5,72,220 'A'	18,00,000	16,676	Canara Ind. & Bkg. Syndicate Ltd.	1.86	1 'C'	9%	12½%	12½%	15%	12	
23,787 'C'				53.25	25	3 0	3 0	3 0	3 8	12	R.L.Y.
2,02,11,875	4,02,77,123	18,23,048	Central Bank of India Ltd.	54.00	25	2 0	4 0	3 0	3 8		
53,43,875				38.00	50	4 0	2 0	2 8	3 0	12	Y.
50,00,000	34,50,000	2,13,141	Devkaran Nanjee Banking Co.	72.00N	20	1 8	4 0	4 0	2 0	12	Y.
20,00,000	7,50,000	1,46,911	Habib Bank (F)	32.00	50	Nil	1 8	3 0	3 0	12	Y.
50,00,000	29,75,000	1,61,946	Hind Bank	9.75	50	Nil	Nil	Nil	..	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	18.00	50	5 0	Nil	Nil	..	12	Y.
80,00,000	1,67,00,000	2,771	Hindustan Mercantile Bank	185.00	100	10 31½	12 0	12 0	13 0	12	
44,00,000	90,50,200	8,13,491	Indian Bank	—	95	7 3½	10 3½	10 12½	..	6,12	R.L.H.
21,00,000				147.00	75	6 0	7 3½	7 12½	9 12		
49,20,875	36,00,000	2,52,286	Indian Overseas Bank	137.00	NU	6 0	7 8	10 0	..	12	Y.
10,00,000	10,25,000	23,384	Pandyan Bank Ltd.	38.12	25	1 4	1 9	1 14	1 14	12	Y.
87,50,000	1,25,00,000	6,20,272	Punjab National Bank	54.50	25	0 10	3 0	3 8	4 0	12	Y.
1,00,00,000	26,20,000	45,060	Travancore Bank	15.00	25	0 5½	0 12	1 0	1 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7.20	5	2 0	2 0	2 0	2 0	12	Y.
2,00,00,000	1,15,00,000	29,420	United Commercial Bank	54.00	50	2 0	2 8	2 12	3 8	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£409,308	Chartered Bank	£1-15-7½	£1	14†	15†	15†	15†	12	R.L.†
£1,000,000	£1,250,000	£69,917	Eastern Bank	£6½	£5	8†	8†	8†	..	12	R.L.†
H.K. $25,000,000	H.K. $128,000,000	H.K. $11,039,578	Hongkong and Shanghai Banking Corporation	£95½	H.K. $125	5*	5*	5*	5*	12	Y.
£18,565,070	£17,500,000	£712,069	Lloyds Bank	£2-5-3	£5 A	14†	15†	12†	13†	12	R.L.Y.
£375,000 'A'	£2,000,000	£224,521	Mercantile Bank of India	£4-7-6	A £2½	14†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4-7-6	B £2½	14†	14†	14†	14†		
£720,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,087	£354,046	National Bank of India	£1-1-3	sh. 12½	10†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	97.00	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	92.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00	27th December .. 1958-68
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October	Bharat Collieries	1944	92.00	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	88.00	30th June .. 1967 (c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	98.00	14th December .. 1968 (d)
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964 (b)
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	90.00	15th November .. 1958 (b)
78,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	90.00	1st March .. 1972 (c)
13,71,000	5½		Jaykhee Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	98.00	15th November .. 1966
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	94.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	99.00	14th June .. 1960
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	₹6.75	1st October .. 1959
12,20,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94.00	31st December .. 1970 (a)
2,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.25	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.50	31st December .. 1970 (a)
12,80,000	5	1st January and 1st July	Sijua (Dherran) Electric Supply Co., Ltd.	1951	96.00	30th June .. 1961 (a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97.50	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94.00	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94.50	30th September .. 1965-69
47,73,000	5	1st April and 1st October	Tata Power	..	101.00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	..	85.50	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.00	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99.00	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Borrer)	1942	100.00	1st July .. 1957-62
10,00,000	6	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	85.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	97.50	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99.00	31st December .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	96.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June .. 1968
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90.00	31st December .. 1968
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93.00	30th June .. 1969
9,00,000	5	31st January and 31st July	Calcutta	1949	90.00	31st July .. 1969
10,60,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	93.00	30th June .. 1968
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	93.00	31st March .. 1968 (a)
8,86,000	5	15th January and 15th July	Empire	1951	93.50	15th July .. 1968 (a)
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92.50	30th June .. 1967
80,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	96.00	31st March .. 1970 (a)
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	95.00	31st December .. 1968 (a)
25,00,000	5½	30th June and 31st December	Kelhati	1952	92.00	31st March .. 1969
5,00,000	4½	14th November and 14th May	Kellimarla Jute Mills Co., Ltd.	1939	90.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86.00	31st December .. 1968
20,00,000	4	30th June and 31st December	Presidency	1948	90.00	30th June .. 1968 (a)
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	88.00	5th September .. 1968 (a)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	92.00	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1947	90.00	30th June .. 1967
10,00,000	5½	31st January and 31st July	Waverly	1925	86.00	31st July .. 1965
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1939	80.00N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.25N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77.10N	1st October .. 1974
6,50,000	8½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December .. 1960 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85.62N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st Septembe .. 1969
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1932	102.50	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1957-61
1,56,500	5½	31st March and 30th September	Teokoy	1944	100.00	31st March .. 1965-69
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd	1948	94.00	31st December .. 1965
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86.00	31st December .. 1967
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	93.00	30th June .. 1964-68
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	98.00	1st September .. 1970
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.50	1st October .. 1966
21,00,000	8½	1st February and 1st August	Chowringhee Properties	1915	88.00	1st February .. 1966
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	80.00	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	85.00	15th September .. 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	87.00	.. 1971-(c)(f)
1,30,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	99.00	1st January .. 1967-(c)(f)
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.00	30th June .. 1969
13,71,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95.00	.. 1976 (c)
12,07,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	520.00	30th September .. 1978 (c)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470.00	31st December ..
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 88.00N	1st April .. 1972-79
1,50,00,000	5½	30th June and 31st December	National Rayon	1945	99.50	30th June .. 1962 (c)
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	90.00	31st March .. 1968
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	90.00	31st December .. 1966-(a)(c)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	99.75	1st May ..

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeemed at Rs 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. (c) Option to repay on 3 months' notice at ¼ per cent. premium be redeemed at par annually by drawing from 1-9-1965. † Rs. 1,60,00,000 debentures will Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. ††Option to repay at par on 6 months' notice, on or after 1st January 1961.

COMMERCE

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

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FEAR IS ALL THE INCENTIVE PRIVATE SECTOR HAS

IT is good to see the spokesmen of the Government stressing the importance of co-operation by business men with the Government for the successful implementation of the second Plan. In all the speeches delivered by Mr. Morarji Desai, Minister for Commerce and Industry, at Bombay and Bangalore this week, the need for such co-operation was the main theme. Mr. T. T. Krishnamachari, Minister for Finance, is also reported to have made this point in the course of a meeting at Calcutta with leading business men. These appeals for co-operation imply that both the Ministers at least recognise that business men have something to contribute to the economic development of the country. We have no doubt that every business man in India will readily respond to this call. All of them are alive to the fact that their existence depends on a free economy and that their prosperity is closely bound up with that of the nation as a whole. In fact, there is no evidence of business men not co-operating or not wanting to co-operate with the Government. It is common knowledge that almost all of them gave liberal support, monetary and otherwise, to the Congress Party at the last General Elections. Again, it is in a spirit of co-operation that the leading industrialists and traders sought an interview with the Finance Minister at Calcutta, in order to explain to him, once again, their views on the new tax proposals. It is true that some business men do criticise the policies and practices of the Government. But, surely, in a democratic society, such criticisms cannot be regarded as amounting to non-co-operation. These criticisms are made with the best of intentions and to help the Government realise the drawbacks in its decisions and actions. Mr. Morarji Desai himself admitted, in his speech at Bangalore early this week, that the Government was liable to make mistakes. That being the case, he should be the last person to resent well-intentioned and valid criticisms.

One, however, wonders whether, while asking for the co-operation of business men, the Government spokesmen are fully conscious that true co-operation cannot be one-sided and that those who seek the co-operation of others must be willing to accommodate the standpoints of those whose co-operation is sought. To ignore this principle and to impose on them burdens after burdens and restrictions after restrictions with the help of Parliamentary majority is tantamount to using coercion. In making this statement, one is not so naive as to fail to realise that taxation and controls cannot always be had with the consent of the people concerned. But is it right to legislate for confiscatory types of taxation and restrictive controls, the effect of both of which is to put the private sector in a strait jacket and in a distinctly disadvantageous position, and then ask that sector willingly and quietly to submit itself to such a situation? The post-budget appeals of the Government and the leaders of the Congress Party to business men to co-operate with them, without offering any worthwhile relief in the tax burdens and/or the restrictions imposed earlier, therefore, sound hollow and unconvincing.

Mr. Morarji Desai may contend that business men had accepted the socialist pattern of society earlier and as such they have no cause for grouse at the recent steps taken by the Government in pursuance of that policy. This argument has no force in it, because the Congress Party never precisely defined its conception of socialism, except in very, very broad terms. In any case, the socialist pattern which the business men thought the Congress Party had in mind was different from the one now being forced on the public. What the business men supported was a Socialist Welfare State through a mixed economy in which free enterprise would be given great scope, freedom and incentive for raising the economic strength of the nation. It is, therefore, incorrect to say that they accepted a socialist pattern of society in which the first place is given to measures designed to achieve the object of greatly narrowing down, if not completely wiping out, inequalities in income and wealth, instead of to steps which would lead to increased production. Expropriatory taxation and confiscation of the wealth of the rich through an annual capital levy may appease the have-nots and strengthen the political popularity of the ruling party in a highly illiterate democracy with adult franchise. But it threatens the existence of free institutions, impairs the incentive for hard work and thrift, and accentuates the difficulty in getting foreign capital from the free world, all of which will retard economic development on sound lines. In retrospect, it appears that commercial bodies such as the Federation of Indian Chambers of Commerce and Industry which blindly extended their support to the vague type of socialism will be well advised to reconsider their stand on this subject and disassociate themselves with the type of socialist pattern now being put into force by the Congress Party.

In his meeting with business men at Calcutta, Mr. Krishnamachari is reported to have reiterated once again that there was nothing in the new tax proposals which should discourage the initiative to invest. He is also said to have added that the Government's policy towards the private sector had not changed during the past one year or eighteen months. Since this version remains uncorrected, we take it that it represents a correct account of his observations. Are these claims borne out by actual developments? We feel that they are not. Let us take the reactions of Mr. G. D. Birla, one of the staunchest supporters of the Congress Party and the Government in the business community. Even in his mild, indeed very mild, criticisms of the budget, he was constrained to remark that the Wealth Tax on companies would inhibit productive wealth. He appeared to share the apprehensions of a large number of people that this tax, together with the Expenditure Tax, would lead to harassment of people by officials. He was of the view that valuation of assets would lead to a lot of difficulties and favoured the exemption of certain items like personal effects, etc., from the Wealth Tax. He was also of the opinion that the tax on expenditure would have to be modified in favour of assessees if it were to be acceptable to them.

To take the views of another equally staunch supporter of the ruling party, Mr. Kasturbhai Lalbhai. In his speech to the shareholders of the National Rayon Corporation last week, Mr. Kasturbhai made the following point:

"It is a recognised fact that, for some years past, industrial enterprise in India has been handicapped by lack of adequate capital, and whatever expansion has taken place in recent years has been made possible by prudent and conservative ploughing back of the annual profits. The increased Income-tax and Corporation Tax, the imposition of Wealth Tax on companies and the substantial addition to the tax on bonus issues will have the cumulative effect of causing a heavy drain, year by year, on the resources of companies. I take this opportunity of earnestly appealing to Government that, in order to maintain the tempo of industrial development in the country, they should reconsider these proposals, with a view to ensuring adequate financial resources for companies and to stimulating further fresh investments in industry."

Here are the reactions of two prominent business men of India both of whom are the personal friends of the Finance Minister and loyal supporters of the Congress Party. Both of them are convinced that the new tax proposals of the Government will hamper the economic development of the country. In other words, Mr. Krishnamachari has not carried conviction even to his own friends in the business world, let alone his critics.

In the new tax proposals, there is, of course, no incentive for hard work and investment in productive assets. The taxation on corporations has been stepped up from a little over 43 per cent. to 51.5 per cent. In the case of those good companies which are in a position to pay a dividend of over 18 per cent. because they were prudent and thrifty in the past, the incidence of taxation goes up to well above 80 per cent. Then there is the obnoxious Wealth Tax. The relief given to individuals in the income group between Rs. 30,000 and Rs. 1,00,000 is negligible, after taking into account the effect of new taxes on cost of living and on their past savings. It should not be forgotten, in this connection, that most of the persons in this group are likely to be having a total wealth exceeding Rs. 2 lakhs and as such will be victims of tax on wealth.

In one sense, however, the Finance Minister is right in claiming that there is incentive to progress in his budget proposals as well as in the Government's economic policy. And that is the fear element, the fear of outright elimination of the private sector, if the business community withheld co-operation, and the fear that, unless one worked hard, saved more and invested more, one would not be able to get even the little in-

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come that one manages to earn now. The feeling that something is always better than nothing and that nothing should be done which will result in the loss of even that "something" is all the incentive that the private sector now has in this country. The incentive value of this fear complex is heightened by the fact that communism has begun to thrive in China and threatens to spread to most of the neighbouring lands. But fear as an incentive has limited value. It cannot produce sustained results. Further, fear has the nasty habit of invariably coming true.

Again, while fear may work with domestic investors, it will not with foreign investors. Apart from deterring the inflow of foreign capital, it will induce such foreign capital as is already invested to move out of the country. Now, even the Finance Minister and the Prime Minister have admitted the need and the value of foreign capital for rapid economic development, but their policies and actions are definitely unhelpful for this purpose. They may say that what they want is mainly loans from foreign Governments. But, even for this purpose, the climate has been fouled by the step-motherly treatment given to free enterprise and by the foreign policy of non-alignment with either of the two power blocs. The fear that, unless the present Government of India is enabled to succeed with its economic development programmes, democracy will fail in India is the chief factor that has evoked help from the U.S., the U.K. and other Western countries all along. The potentiality of this factor is still there, though it has, of late, begun to weaken for the same two reasons just mentioned. The way in which free enterprise is being constantly mauled and maimed by the Government and the support given to the communist countries and to their friends in the recent international controversies have raised serious doubts in the Western world about the future of democracy in India. The Communist Party's success in Kerala has only helped to strengthen these doubts.

The other claim of Mr. Krishnamachari that the Government's policy towards the private sector has not changed in the past one year or so is also correct in a way, because it had been decided long ago by the powers-that-be that the public sector shall progressively expand its activity in the economic sphere, so that it may hold a dominating position. The budget proposals are only in keeping with this basic policy and so also the Finance Minister's observation in one of his speeches that it "would not be unreasonable to assume that a slight slowing down for a short period in the private sector will not, in the present circumstances, be undesirable." The public sector must have priority over the private sector and the latter must always eat out of the hands of the former. It will not be difficult to understand the meaning of the various tax proposals, including the latest policy of most favourable treatment of savings invested in the public sector, if they are viewed against this fundamental objective of the Government. It does not seem to have been widely realised that, besides raising the rate of interest on National Plan Savings Certificates which has always been tax-free, the Government has exempted investment in these certificates from Wealth Tax also. The Government has also taken power to exempt from this tax any of its other loans or those of local authorities. This most-favoured treatment to Gilt-edged securities, if liberally followed, will place the private sector at a great disadvantage as compared with the public sector in raising finance from the capital market.

MR. U NU'S CANDOUR

WITH a refreshing candour, which people in this country have learnt to associate only with Gandhiji, the Burmese Premier, Mr. U Nu, admitted, early this month, his "terrible mistakes" in the past, claiming that he himself was the "principal offender." Addressing a meeting of Government officials and political workers, Mr. U Nu frankly averred that he did not like the idea that the Government should have its finger "in all sorts of economic pies." In effect, he dismissed as unrealistic the grandiose vision of a State trying to usurp every function that properly belonged to the private sector, neglecting its own function as the guardian of law and order and of those responsibilities which have, for a long time, been universally regarded as the traditional sphere of the State. His speech, which is like some welcome confession of a new convert in a romantic fiction, indicates what is perhaps the first authoritative swing to the right in South East Asia. It is the more significant, because it comes from the head of a country which has been rocked by extremist political ideas for well over a decade. And it is perhaps good for human affairs that economic and political weather is not an unalterable phenomenon. Burma's turn to the right closely fits in with the recent trends even in some of the more well-organised centrally planned economies, including Russia itself, where the authorities have discovered anew that the assumption of all responsibility for economic progress by the State is not the best way of ensuring such progress.

To turn now to Mr. U Nu's speech. The Burmese Premier felt that the two chief mistakes which had been committed by the authorities were: (1) Planning had been undertaken before law and order had been established and (2) there was inadequate planning and hasty action; due to lack of managerial skill, losses and wastages had occurred and "accounts were more or less in a mess." In these circumstances, the Government was determined to concentrate on restoration of law and order. It would not attempt any new activities in the economic and social fields. After emphasising that they could not "unduly hasten" their Plan, he said that only those projects which were indispensable would be allowed to proceed; all others would be suspended and measures taken to remedy the defects in existing projects. Indian readers will not fail to notice the similarity in this approach to the principle of adherence to the "hard core" of the Plan to which India's Finance Minister referred. But the difference lies in the fact that, while the Burmese Premier has already initiated action along these lines, the authorities in this country have, for all practical purposes, stuck to the "whole Plan or nothing" attitude.

Explaining the Government's industrial programme, Mr. U Nu stated that the Japanese war reparations payments, amounting to Kyats 10 crores per year, and the money to be made available from Japanese business men for investment in Burma, to the tune of Kyats 2½ crores, would be spent on a hydro-electric project now under construction and on railway bridges. Adequate supply of consumer goods would be ensured. The surplus money out of the reparations payments would go towards the establishment of cottage and medium industries. Before the end of this month, the officials and Ministers are expected to draw up a new four-year plan on the lines the Premier has indicated.

Of particular interest is Mr. U Nu's attitude towards private enterprise and foreign capital. Mr. U Nu stated that, except for certain key projects, the rest of the economic field should be entrusted to private enterprise. Many industrial and mining enterprises, he said, would be opened up to those with "profit motive." He welcomed the arrangement under which the Government was a sleeping partner in the Burma Corporation, in which actual management was under experienced foreigners. The Government, he said, would work mines only on such a basis. Otherwise, the working of the mines would be transferred to indigenous private investors. In the absence of suitable private investors, the working of the mines, he said, would be suspended. Referring to foreign capital more specifically, Mr. U Nu stressed that foreign business men would be given opportunity to invest in Burma "both for their own and the country's benefit." He added: "For a variety of reasons, it is impossible to deny economic rights to these foreigners. If it is possible to do so, I will be the first person to exclude them from the economic field. But such action has more demerits than merits." In his attitude towards private enterprise and foreign capital, the Burmese Premier has thus shown a sense of realism which deserves to be more widely emulated by governments in all parts of Asia in the interests of orderly economic development of this ancient continent.

AUTOMATION

ALTHOUGH the introduction of automation in most countries has not assumed the size and significance that raise its social and economic implications to political levels, increasing attention is being paid to its impact on the employment situation and the general pattern of industrial development. Automation is only one form of technological change. Enlightened opinion everywhere would agree that, in studying its implications, especially those relating to labour, automation must be viewed in its true perspective as one of the many developments gradually altering the nature and structure of industry and commerce. The tendency in some quarters to over-dramatise recent automation developments into an imminent and total robot revolution betrays lack of a scientific perspective.

Underdeveloped countries, eager to catch up with changes taking place in the advanced West, are naturally interested in developments in this field. The earnest plea put in by Mr. S. Thondaman, President of the Ceylon Workers' Congress, to the Fortieth I.L.O. meeting held recently at Geneva, for a special effort to study problems arising out of automation and atomic energy in less developed regions, although not a reflection on the preparedness or otherwise of underdeveloped countries to welcome automation, bears witness to the new-found interest of the latter in automation and its implications. He urged the I.L.O. to undertake a thorough investigation of all the vast and complex problems emerging from the effort to usher in an age of plenty through atomic energy and automation. Before any underdeveloped country could be persuaded to take to automation, he further added, it must be shown that it was the best way of liquidating the unemployment problem. This, according to Mr. Thondaman, can be established only by study and experience and pilot schemes in particular areas which might be useful to illustrate, in practice, the advantages of advanced technology.

None would dispute the importance of a thorough study of the different economic and social consequences of automation, but Mr. Thondaman's stand, which might find many supporters elsewhere also, that, in order to welcome automation, it must be shown that it is the "best way of liquidating the unemployment problem" is difficult to comprehend. For it is useless to look forward to automation as the immediate panacea for the intractable problem of unemployment in underdeveloped regions. As the report prepared by Mr. David A. Morse, Director-General of the I.L.O., on the social and labour implications of automation and atomic energy, pointed out, the latter and other related technological developments make it possible to produce many goods and do many things which could not have been produced or done before. They offer great promise for the development of the industrially backward countries. They create new employment opportunities and new skill requirements. But, like all technological innovations, automation causes labour redistribution within the undertaking and also from one industry, occupation and undertaking to another and sometimes from one place to another. It will also involve considerable savings in labour cost.

At the same time, automation will result in higher output, shorter hours of work and some temporary unemployment or a combination of the three. The problem is to arrive at a satisfactory combination of the first two and to minimise, as far as possible, the third. For many countries, as Mr. Morse pointed out, the main cause of unemployment may arise not from too rapid but from too slow progress in automation and other developments. There is no need to regard industrial disturbance and social unrest as inevitable consequences of technological changeovers. Careful advance planning on the part of management, with adequate consideration of the human problems of the change-over, full prior consultation with the workers and their representatives, efforts to develop and take advantage of opportunities for transfer of the displaced labour to other jobs, provision for re-training facilities, etc., all these can make introduction of automation, or for that matter any other technological innovation, a smooth and beneficial affair.

Japan, an over-populated country like India, seems to have adopted the right policy in regard to automation. In Japan, automation is still in its initial stages and has not developed its characteristic snowball effect. It is gradually being adopted not only in such industrial processes as oil refining and chemicals but also in such basic industries as automobiles, food, tele-communication and electric power as well as in finance and other clerical sectors. Simultaneously, steps are being taken to cope with short-term effects of automation such as "frictional" unemployment, and changes in the organisational structure of industries. Mr. Shutaro Matsuura, Japanese Minister for Labour, told the aforesaid meeting of the I.L.O that, with these factors in mind, his Government had formulated a five-year overall economic plan, created a standing employment policy council and a labour welfare project corporation to help smoothen the introduction of automation. Countries interested in higher productivity and rapid industrialisation may do well to learn from Japan.

REASONS FOR SPURT IN EQUITIES

TAXES IN FUTURE—PUBLIC BORROWING

COMMONWEALTH CONFERENCE

THURSDAY, 5 P.M.

MARKET GOSSIP

THE downward trend witnessed in shares last week has proved to be a short-lived affair. The fortnightly settlement clearly showed that the market was short of floating stocks and that the bears had not fully covered their sales. The carry-forward charges in the case of leading counters were either nominal or against the bears. This state of affairs at a time when the money market was extremely stringent and when even demand deposits were fetching all over four per cent. is a striking commentary on the extent to which the markets had become oversold. When the healthy nature of the technical position of the market thus became evident, the bulls bucked up some courage and made a modest entry into the ring. The bears, too, began to cover part of their outstandings. The markets thus began to look up again.

Another factor that cheered the markets was the continued buying of good shares by the Life Insurance Corporation. The latter's purchases were broad-based by including a few more counters and by extending greater support to Calcutta than in recent days. Rumours are afloat that the Corporation will keep on buying for some more time and that it has earmarked no less than Rs. 10 crores for buying up the equities. No one, of course, knows at what levels the Corporation will withdraw from the market. If values move up too quickly due to speculative activity, it may stay its hands. It is, however, stated on reliable authority that the forthcoming new loans of the Central and State Governments would not stand in the way of the Corporation supporting the equities, as it has sufficient funds for both the purposes.

Yet another factor responsible for the revival in the upward trend in equities is the optimistic feeling that the new direct taxes might be modified in favour of investors. The talks between the Finance Minister and the industrialists at Calcutta on Tuesday on this subject are said to have gone well. The Finance Minister is reported to have assured the spokesmen of industries that their hardships would be looked into and that some minor reliefs would be given in respect of wealth and expenditure taxes.

It is even suggested in certain quarters that there would be no further increase in direct taxation and that there might even be a relief in the tax on dividends in the next budget. It is not advisable to set much store by these reports. They may be mere wishful thinking or nebulous assumptions on the basis of some vague hints dropped by the Finance Minister in the course of his informal conversations with some of the business men. It will be worthwhile recalling the fact that these very quarters were entertaining optimistic hopes in the eve of the budget which later turned out to be just wishful thinking. In fairness to the Finance Minister, it must be mentioned that he is reported to have plainly told the industrialists who saw him at Calcutta that the broad structure of new taxation would remain. This means that he would not give up the wealth tax on companies, as has been unanimously demanded by all sections of business men. Some, however, say that this tax would be so modified as to make it innocuous. It is to be hoped that they will not be disproved by events in a few weeks' time.

* * * *

At the Calcutta meeting of business men with the Finance Minister, Mr. G. D. Birla, one of the participants, is stated to have observed that better publicity should be given to the following remark of T.T.K. in the course of his last budget speech on 15th May 1957:

"I have in effect outlined the tax structure of the Plan period. There will, undoubtedly, have to be some adjustments in this structure from year to year, but I expect that these adjustments will be relatively small. For the rest of the Plan period, our aim will be to watch how the changes we have initiated this year work in practice and how the system can be improved upon—to the benefit of the taxpayer no less than in the interest of the tax-receiver. Within this broad framework, I believe, all concerned can proceed with their plans with confidence and assurance of sympathetic consideration by Government of any genuine difficulties."

Why did Mr. Birla make this specific point? Was it because he felt sure that, in future, there would be nothing more than minor changes in taxation? Or was it because he wanted to pin down T.T.K. more firmly to that observation?

But, while wishing to draw the attention of the public to a comfortable part of T.T.K.'s speech, Mr. Birla seems to have overlooked the fact that, at a Press conference held three days after the presentation of the budget, the Finance Minister had almost taken back the said statement. He then said that there would be an "unfilled gap of Rs. 525 crores in the resources needed for the second Plan" which would have to be "bridged up by fresh taxation or loans." In any case, even the portion quoted by Mr. Birla, almost with a sense of relief, it would seem, is full of loopholes through which T.T.K. or his successor can easily wriggle out. It would be interesting to know from the Finance Minister or Mr. Birla whether he would regard increases in the rates of Wealth Tax or Expenditure Tax in the next budget as a major or minor change. Further, how many of such vague assurances to private enterprise as the one of T.T.K. quoted above have been faithfully fulfilled by the Government in recent years?

Despite all these doubts, however, the fact remains that Mr. Birla's pointed reference to the supposedly unnoticed comforting statement of T.T.K. on the future of taxation has had a bullish effect on the market. It seems to have induced some operators at least to take a hopeful view of the outlook for equities.

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Three more developments during the week have helped the revival of the bullish fervour. One, contrary to the fear born of the Kerala budget, the Mysore Government has not imposed any fresh taxes and has kept the taxes on agricultural income unchanged. This has given rise to hopes that Madras too may not enhance the agricultural income-tax and that the Bombay Government may, once again, postpone this impost. Consequently, Bombay-Burmah and Deccan sugar shares have registered handsome gains over the week.

Second, the Government has extended the time for making compulsory deposits by companies out of their undistributed current profits from 30th June to 31st August 1957, or any date within six months of the relevant accounting year whichever is later. Now that the Government has taken so long a time as nearly seven months to work out the details of only one part of the proposed scheme and none has suffered any adverse consequence as a result of this delay, will it be sporting enough to drop the entire scheme? Many advantages will accrue to the country if the Government follows this advice, the most important of them being the restoration of confidence among foreign investors.

The third development is the willingness of the Finance Minister to take effective measures for easing the stringency in the money market. This has given rise to hope that he will increase the money supply in the coming weeks. It remains to be seen how he will bring about this result, now that he proposes to borrow from the capital market anything up to Rs. 150 crores to Rs. 200 crores in the second or third week of next month.

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Meanwhile, the supply of funds in the short-term money market is improving, thanks to the return of trade advances from upcountry centres at a good pace. The restrictions placed on advances against foodgrains last week have also helped the inflow of funds to gather some momentum. Most of the big banks have already prepared themselves for taking up their share of new loans. In this, they were generously helped by the Reserve Bank which took over from them large parcels of the existing loans for cash. The Insurance Corporation also is ready to make its contribution to the success of the borrowing programme. There are also large sums on account of depreciation and provident fund accounts. All in all, the Centre may be in a position to rope in a gross subscription of Rs. 100 crores. The terms of the issue will, however, have to be in line with current yields, that is, the rate of interest may be 3¾ per cent. for a 12-to 14-year loan with the issue price at a slight discount, so that the yield may be 4 per cent., or the rate of interest may straightaway be fixed at 4 per cent. with the issue price at par.

The impression in market circles is that a loan of Rs. 150 crores, including conversion facilities for the maturing loan, will be rather difficult, unless the Reserve Bank takes up a very big block.

The proposed State loans, said to be of the magnitude of Rs. 50 crores to Rs. 60 crores, are going to be the biggest headache for the capital market. It will be interesting to see what final decisions are taken at the conference of State Finance Ministers with the Union Finance Minister and the officials of the Reserve Bank scheduled to be held in Bombay this week-end. The issues to be decided at the conference are the following:

(1) The amount to be raised;

(2) the rate of interest to be offered;

(3) should the States borrow separately their individual requirements or allow the Centre to raise the funds on their behalf and distribute the amount thus raised on a previously agreed basis?

If the loans are to succeed, the yield on them must be not less than 4.25 per cent. It would, however, appear that some of the States are ready to pay even 4.50 per cent. It will be a great relief to institutional investors, if the Centre undertakes to borrow on behalf of all the States, for they will then be free from the pressure of the various State Governments which, as past experience has shown, is an embarrassing business.

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Although the Commonwealth Premiers' Conference, scheduled to meet in London next week, threatens to have a somewhat thin attendance, thanks to the abstention of representatives from two or three member-countries, there is no doubt that its deliberations will be watched with special interest in this country. In some ways, the Conference is of crucial significance to India, in that it is taking place at a time when the country is passing through a period of extreme economic difficulties, not to say a virtual economic crisis. Hopes are entertained that something may come out of the Conference, that some way may eventually be found out of the woods of capital shortage and balance of payments difficulties. Whether these hopes will materialise or not remains to be seen. But, if the Conference succeeds in creating a climate in which this country's problems will come to be viewed with more genuine interest leading to concrete manifestation of Commonwealth co-operation, it will have made a distinct contribution to winning the battle for economic survival of the 370 and odd million people of this country.

It will, however, be idle to deny that the odds against India are heavy. They are both political and economic. Apart from the recent differences of opinion between India and the U.K. over political issues, which it would be unrealistic to overlook and easy to exaggerate, there is the stark reality of the communist regime in Kerala which has not concealed its hostility to foreign investors. Leaving political differences alone, there are quite a few economic obstacles. In the first place, the view is widely held in British economic circles that this country's difficulties are, at least partly, of its own making in that it has refused to cut down its ambitious Plan to more manageable proportions. Secondly, and in part arising out of the first, this country is drawing upon its sterling balances at a much faster rate than they can be replenished; these balances are now drawn down, even after availing a credit of about Rs. 100 crores from the I.M.F., to a perilously low level of Rs. 474 crores, as against Rs. 695 crores a year ago. Thirdly, India's economic policy is not quite favourable to attracting foreign capital from free countries. This policy is too restrictive to the freedom-loving private capital in the western part of the world. The taxation is too heavy and the return available on investments in India compares unfavourably with what can be had in the rest of the free world which is equally in need of foreign capital. Fourthly, Britain itself is engaged in a struggle for freeing its economy from the ill-effects of inflation and the Suez crisis. Fifthly, there are too many claimants for the savings that are available in Britain for export and naturally capital flows into those countries where the climate is congenial and foreign capital is welcomed by offering attractive returns. And, sixthly, suggestions in India that it should leave the Commonwealth and the inability or unwillingness on the part of the Ministers totally to disassociate themselves with them have adversely affected the prospects of India raising a loan in the London market.

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Despite these difficulties, reports from London continue to emphasise that India may make strenuous efforts to get Britain better interested in this country's economic affairs. Thus, according to one report, India will sound Britain and the U.S. about borrowing up to 600 million dollars to save its second Five-year Plan. Indian and Western diplomats, it is stated, aver that India has little or no prospect of raising anything like that sum in the tight British money market. According to them, Mr. Nehru's best hope seems to lie in Washington, where both the World Bank and the U.S. Government itself may be in a position to help. The report says that India's feelers in London and Washington, and perhaps other capitals too, have coincided with the withdrawal of a final 72-million-dollar instalment of a 200-million-dollar credit recently given by the International Monetary Fund.

Besides the attempt to get a loan, India is said to be making a bid for long-term credits. It would appear that long-term credit is being negotiated in London for specific projects that have been already processed partially and also possibly for some that might come up in future; the former category of projects includes heavy plate and vessel works for the heavy machine building industry and the heavy electrical plant in Bhopal. It remains to be seen how far India's efforts in this direction will succeed.

It may be recalled that this question figured prominently in the discussions which Sir Norman Kippling of the Federation of British Industries had with Indian interests when he was here recently. He then remarked that there was little likelihood of India succeeding in getting credits spread over a period of seven years for import of capital goods. He, however, expressed the hope that India could look forward to getting British credit for executing several projects which would be able to pay for themselves and save and earn foreign exchange in the course of the next few years. There is, however, one development which may possibly induce British exporters of capital goods to take a more favourable view of India's case for long-term credit. It lies in the fact that the premier industrial finance body in this country, the Industrial Finance Corporation, is reported to have decided to underwrite such credits. It must, however, be added that this can only be of limited value, because the whole issue depends upon the confidence which foreign lenders have in India's ability to service such credits and repay the principal on the due dates. At the moment, because of the depletion in India's foreign currency reserves and the large commitments which India has already undertaken, this confidence is at a low ebb. An effective solution to the problem can, therefore, be found only if the Governments of the U.K. and the U.S. come to India's rescue and sanction a big credit of the magnitude indicated earlier.

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It is not unreasonable to expect that, at the Commonwealth Premiers' Conference, the issues relating to the setting up of the Commonwealth Bank and Britain's participation in the European Free Trade Area will be discussed. The British Government, it may be recalled, has already contacted the Commonwealth countries about the suggestion for a Commonwealth Bank. It would, however, appear that the first reactions of the countries to the proposal have not been favourable. Thus, according to Mr. Cuthbert Alport, Under-Secretary for Commonwealth Relations, in reply to a question in the House of Commons, stated that the countries were doubtful of the value of an

(Continued on next page)

SHARE MARKET RULES BUOYANT

IMPRESSIVE RISE IN VALUES

(From Our Own Correspondents)

BOMBAY, 20*th June*

BUOYANT conditions prevailed on the Bombay Stock Exchange during the week under review. The buoyancy was due chiefly to the continued excellent investment buying by the Life Insurance Corporation of India. The technical position of the market was also conducive to a rise. The bulls were inclined to be active on hopes of a favourable revision in wealth and expenditure tax proposals. These hopes were based on the Union Finance Minister's indication at this week's Calcutta meeting of business men and industrialists that the Select Committee would sympathetically consider the plea for adjustments in the aforesaid two taxes. At the meeting, the Finance Minister is reported to have hinted at the possibility of a progressive reduction in dividend tax. These reports, coupled with the Finance Minister's assurance that the Reserve Bank and the State Bank would continue to take steps to ease the monetary stringency, helped the market to recover its poise and induced some of the bears to cut their sales. In fact, today's closing quotations for some of the scrips were higher than those prevailing before the announcement of the new tax proposals on 15th May last. The undertone of the market was distinctly bullish.

Steel shares encountered good enquiries and registered a rise in values. Tata Ordinaries opened the week firm at Rs. 158.25, as against Rs. 157.50 last week-end, and steadily moved up to touch Rs. 164 today before finishing at Rs. 163.75. The net gain over the week was Rs. 6.25. Indian Irons opened firm at Rs. 18.35 and advanced to close at Rs. 19.55 today, the net rise over the week being Re. 1.25.

Sizable purchases by bulls and some bear-covering characterised the trading in the textile section. Centurys were particularly sought after and the quotation spiralled up by Rs. 30.50 to Rs. 407. Bombay Dyeings were also favoured well. They opened the week Rs. 2.50 higher at Rs. 514 and advanced to Rs. 537.50 today before closing at Rs. 535. Over the week, they were thus higher by Rs. 22.50. Standards rallied Rs. 23 to Rs. 401. Shreenivas spurted by Rs. 14 to Rs. 174, Finlays by Rs. 13 to Rs. 273, Kohinoors by Rs. 12.25 to Rs. 283.50 and Svadeshis by Rs. 10.50 to Rs. 183.50. New Greats strengthened by Rs. 9 to Rs. 220. Khataus picked up Rs. 7.50 to Rs. 167.50. Indores were done at Rs. 135 *ex-div.*, as against Rs. 135 *cum-div.* last week. Gokaks hardened by Rs. 4.50 to Rs. 175. Simplex gathered Rs. 4 to Rs. 160. Central Indias improved by Rs. 3 to Rs. 102.50. Tata Mills put on Rs. 2 to Rs. 42.50. Models were firm at Rs. 180 and Morarjis at Rs. 210.

The banking section continued to present a quietly steady trend. United Commercials rose by 25 nP to Rs. 54. Bank of Barodas were fully maintained at Rs. 102, as also Central Bank new shares at Rs. 54, while old shares receded by 50 nP to Rs. 52.75. Bank of Indias eased by 25 nP to Rs. 137.75. Union Banks shed 20 nP to Rs. 7.

Selling was in evidence in electricity shares and there was a further fall in values. Andhra Electrics dropped Rs. 7.50 to Rs. 1,190. Tata Powers declined by Rs. 2.50 to Rs. 1,205 and Hydros slipped back by Rs. 2 to Rs. 120. Bombay Suburbans lost 50 nP to Rs. 103.50. Ahmedabad Electrics, however, met with some support and gathered 50 nP to Rs. 93.75.

Cement and sugar shares in the miscellaneous section elicited good attention and recorded a handsome improvement. Among the former, Associated Cements commenced the week at Rs. 154.50, as against the previous close of Rs. 154, and advanced to Rs. 158.75 today before finishing at Rs. 158.25. The net gain over the week was Rs. 4.25. Digvijays rose by Rs. 2.50 to Rs. 145. Dalmia Cements increased by 30 nP to Rs. 12. Among sugar shares, Belapurs were in the limelight. They opened the week Rs. 2 higher at Rs. 215 and climbed up to Rs. 221 today, representing thus a gain of Rs. 8 over the week. Phaltans spurted by Rs. 6 to Rs. 135. Walchandnagars were bought at Rs. 244.50, as against Rs. 238.70. Bhopals, however, eased by 30 nP to Rs. 17.70.

The engineering and mining section experienced good buying enquiries which lifted up prices, Alcock Ashdowns rallied Rs. 10 to Rs. 272.50. Tata Locomotives advanced by a like amount to Rs. 147. Premier Constructions evoked sustained investment support and climbed up by Rs. 9.50 to Rs. 151.50. Shivrajpurs were bought Rs. 3 higher at Rs. 79.50. Indian Coppers hardened by 30 nP to Rs. 3.60. B.B. Petrols firmed up by 18 nP to Rs. 2.48. Larsen and Toubros were fully maintained at Rs. 15.30. Mahindras and Mahindras, however, were done lower at Rs. 14.25, as against Rs. 15 last week-end.

In contrast to the sagging tendency last week, automobile shares were in demand and recorded a rise in prices. Premier Automobiles scored a gain of Rs. 2.50 to Rs. 86.50. Hindustan Motors hardened by 45 nP to Rs. 7.05. Shipping shares were also in demand. Scindia Steamships strengthened by Re. 1.10 to Rs. 18.50. India Steamships put on 15 nP to Rs. 10. Great Easterns gathered 10 nP to Rs. 19.35.

A sharp rise of Rs. 31 to Rs. 556.50 in the quotation for Bombay Burmah olds was the feature of trading in miscellaneous industrials. National Rayons were keenly bid at Rs. 217 *ex-div.*, as against Rs. 211.50 *cum-div.* The net advance over the week was as much as Rs. 19.50. Alembic Chemicals spurted by Rs. 6.25 to Rs. 131.25. Tata Oils increased by Re. 1.25 to Rs. 42.75 and Tata Chemicals by Re. 1.20 to Rs. 17.35. Killick Industries improved by a rupee to Rs. 156 *ex-div.* British India Corporations rose by 45 nP to Rs. 6.05. Hindustan Levers strengthened by 30 nP to Rs. 19.30. Wimcos were fully maintained at Rs. 153, as also Industrial Investments at Rs. 69 *ex-div.* and Port Cannings at Rs. 4.34.

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Calcutta Stock Exchange

CALCUTTA, 19*th June*

Till Friday last, the Calcutta Stock Exchange treaded on a dull and dreary path, but, since Monday, conditions changed for the better, as, in most sections, especially in industrials and engineerings, support was forthcomnig mainly because of the attractive lower levels touched in continued dullness. The discussions which the Union Finance Minister had with industrialists and business men at Calcutta yesterday on the new taxation proposals, which Parliament was expected to consider in the next session, imparted a ray of hope, inasmuch as Mr. Krishnamachari now possessed the considered views of the commercial community on the subject. Further modifications in the proposed wealth and expenditure taxes were considered a possibility.

The closing down of the Waverley Jute Mills for financial reasons, the uptrend in fibre prices, the continued drought postponing sowing of jute, and the announcement of discouraging results for the Andrew Yule group of jute mills for the half-year ended November last scared buyers from the jute section, although business in jute goods for export was fair. In teas, however, there was a note of broadening of activity, following reports of lower production in May, 1957, the total output up to the end of that month being 45.68 million lbs., or a fall of 9.08 million lbs. as compared with the corresponding period in 1956. Earlier in the week, on rumours of payment difficulties, shares in the Mundhra group were hammered down, but, subsequently, a recovery set in on fulfilment of payment.

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Madras Stock Exchange

MADRAS, 18*th June*

Immediately after the fixation of minimum prices for plantation shares by the Management Council of the Madras Stock Exchange with effect from Tuesday last week, business in the planting section almost came to a standstill. In the subsequent sessions of the week, however, the sentiment of operators improved somewhat, thanks to absence of any tax proposals in the Mysore Government budget for 1957-58. Although there were still apprehensions of additional taxation in the Madras budget, some in the market thought that the State's Finance Minister might follow the lead given by the West Bengal, Assam and Mysore Finance Ministers. There were also expectations of some favourable revision in the new tax proposals, following the Union Finance Minister's discussions with industrialists and business men, which are now being held at Calcutta as these lines are written. All these factors induced some support to planting shares, although the rise in values was very modest. Textile shares continued to rule dull, with prices drifting lower. There was no buying support, thanks to reports of continued slackness in piecegoods markets. The sugar and miscellaneous sections were neglected.

Among tea shares in the planting section, Blue Mountains improved by 13 nP to Rs. 3. Chembras advanced by 15 nP to Rs. 3.75. Neelamalais increased by 10 nP to Rs. 5.30. Ouchterlonys gathered a like amount to Rs. 4.50. Talayar Teas remained firm at Rs. 10.55. Among coffee shares, Balmadies were unchanged at Rs. 3.35. In the rubber group, Pullangodes hardened by 10 nP to Rs. 2.30. Thirumbadis went up by 17 nP to Rs. 1.57. Midlands were steady at Rs. 14.75, Rajagiris at Rs. 15.50, Travancore Rubbers at Rs. 15 and Vaikundams at Rs. 29.40.

In the Textile section, Premiers slumped by Rs. 10 to Rs. 170. Vasantas receded by Rs. 4 to Rs. 285. Bangalore Woollens decreased by Rs. 3 to Rs. 163. Buckinghams lost Rs. 2 to Rs. 162. Coimbatore Spinnings shed a rupee to Rs. 83. Rajalakshmis eased by a like amount to Rs. 111. Metturs retreated by Rs. 3 to Rs. 313. Kotharis and Cambodias finished each 25 nP lower, the former to Rs. 12 and the latter to Rs. 11.25.

More than 20,000 of the 27,000 employees of the E.S.S.O. Standard Oil Company in the U.S. are stockholders in the parent Company, the Standard Oil Co. The average holding of each employee-stockholder is 95 shares, having a cash value of approximately $6,000 and an annual dividend return of about $200. During 1956, the number of employee-stockholders in E.S.S.O. increased by nearly 50 per cent.

MARKET GOSSIP

(Concluded from previous page)

associated Commonwealth Bank to which Commonwealth Governments would contribute and which would invest in development schemes. He added: "A considerable contribution to the economic development of some Commonwealth countries has already been made by others, but, having regard in particular to the fact that the U.K. is the only Commonwealth country which is a net overseas investor, most Governments point out that a Commonwealth development agency and a bank would not in themselves increase the availability of capital for investment in the Commonwealth. It is our intention, however, to continue to seek, in consultation with the Commonwealth Governments, other practical means of furthering our common objectives in the field of Commonwealth economic development." It remains to be seen whether the Commonwealth Bank proposal will be allowed to rest here, or further consultations will take place at the Conference over the question.

As regards the other issue, namely, the impact of Britain's participation in the proposed European free trade scheme on Commonwealth economy, it is reassuring to know that the British Government is unwilling to sacrifice Commonwealth preference system for the sake of such participation. Asked in the House of Commons whether the acceptance of the proposed European free trade area agreement permitted Britain to continue to grant preferential concessions on Commonwealth produce, Mr. Nigel Birch, Economic Secretary to the Treasury, stated that Britain wanted to retain preferences for the Commonwealth and it was because of this consideration that they had said they could not enter into agreement unless agriculture was excluded from its purview.

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It is, perhaps, natural for Commonwealth countries to look to Britain for lending a helping hand in their economic progress. Britain has been the traditional exporter of capital. In 1913, British overseas investment (private) was estimated at £3,763 million (about £15,000 million at present-day times). Practically all this money had been lent for development purposes. The Commonwealth countries were an important, though not the major, beneficiary of this investment. The two world wars, however, made it necessary for the U.K. to realise a good part of its foreign investment (£850 million in 1914-18 and £1,000 million in 1939-49) and to incur foreign debts in order to pay for its war effort. Estimates of British overseas investment in post-war years vary. But, according to a recent study of A. R. Canan, quoted by Mr. Andrew Shonfield in an article in the London *Financial Times*, British investment in the sterling Commonwealth during the period 1946-55 was a total of £1,650 million, out of which South Africa received £500 million, Australia £350 million, the Colonies £450 million, Rhodesia £250 million and India £100 million. The figures relating to India, it must be mentioned here, give an exaggerated picture, as they do not take into account the large repatriation of capital that has taken place during this period.

The average net long-term investment, according to another estimate, has been of the order of £160 million. This compares with a figure for the U.S. of £250 million last year. But, if one takes into account the fact that the U.S's national income is much larger than the British, the latter's effort would seem to be more massive than the U.S's. In any case, Britain's overseas investment is a continuous process. Through the International Bank, through special credits to Middle Eastern countries and through contributions like the construction of steel works in India, the investment will both continue and increase.

It is difficult to assess correctly the level of British investment in this country at present. An official estimate placed the level of such investment, as at the end of 1953, at Rs. 78.4 crores (direct investment), in addition to Rs. 39.17 crores being the value of shares of companies held by Britons. Since then, there has been both disinvestment and fresh investment. Since investments are bound to vary from time to time, no particular estimate can have any great validity for more than a limited period of time. Be that as it may, some indication of the level of British investment in this country is available from a recent study of India's liability on investment income account made by the Reserve Bank. India's total liability on this account, according to the study, was Rs. 28.66 crores in 1952 and Rs. 38.58 crores in 1953. Country-wise, the main beneficiary was the U.K. with aggregate receipts of Rs. 19.54 crores for 1952 and Rs. 28.43 crores for 1953; the U.S's share was Rs. 5.07 crores and Rs. 6.29 crores, respectively. Incidentally and contrary to the belief in certain politically prejudiced quarters, these figures show that the so-called drain on account of foreign investments in this country is a mere trickle, as compared with India's total foreign trade.

These figures also show—even after making allowance for more recent flow of foreign capital—that India can afford to take in more foreign capital for productive purposes, in the sense that it will not find serious difficulties in repaying the interest on such investment. But it is necessary for India to offer attractive facilities in order to induce foreign investors to invest their funds in this country. Such facilities, if they are to yield results, should be more favourable than those offered by other rival claimants for foreign investment. Also, India should be more realistic on what it can achieve in the economic sphere, consistent with available resources. After all, a foreign investor is interested in the economic solvency of the country in which he invests. He cannot be expected to make his savings available to a country which seems all but determined to wreck its economy on the rocks of an over-ambitious Plan.

NEWS IN BRIEF

THE balance of standby credit to India, amounting to $72.5 million, out of a total of $200 million granted by the International Monetary Fund in February 1957, was availed of on the 12th inst.

Coal production in the Singareni collieries has increased by about 100,000 tons in the last six months, as compared with the corresponding period last year. Production up to the end of May this year was 750,000 tons, as against 656,000 tons a year before. During May, the collieries produced 148,796 tons, as against 110,638 tons in May 1956.

It is proposed to construct during the second Plan period 100 lighthouses, 15 radio stations, three harbour control radars, eight decca navigator stations, 100 lightbuoys, ten life-boats and a 1,500-ton new lighthouse tender. During the first Plan period, 30 lighthouses, three radio stations, 22 lightbuoys and five beacons were set up.

The Geological Survey of India has recommended geo-chemical prospecting in order to assess the copper mineral content in the Khoh-Dairba area of Alwar district in Rajasthan. The Department investigated the area during the last two field seasons for determining the nature and extent of mineralisation and to prepare a scheme for exploration.

A four-member U.S. machine tool industry advisory group arrived in Delhi on Friday last week to make a two-month study of the Indian machine tool industry's development plans. The group is headed by Mr. George E. Merryweather, of the Motch and Merryweather Machine Company of Cleveland, Ohio. The survey is sponsored jointly by the Governments of India and the U.S.A.

The production of gold in Kolar gold mines has gone down from 16,272 fine ounces in April 1956 to 14,330 fine ounces in April 1957. The causes for the fall in production were the marked fall in the grade of ores in all mines, a rapid depletion of reserve ore in the Mysore mines, a serious fire in the Champion Reef mine, resulting in the sealing of its south zone, and a four-day strike in January last.

Tea estate workers in Assam will receive a total of approximately Rs. 1½ crores to Rs. 2 crores as bonus for 1955 and rice-cut compensation. The rice-cut compensation covers the period 1952 to February 1954. The maximum bonus share for each adult worker is fixed at Rs. 67 and the rice-cut compensation at Rs. 39. A minimum of 240 days for a male worker and 175 days for a female worker during the year will entitle them to get the bonus.

The Industrial Finance Corporation of India, which is now advancing loans to both old and new industrial concerns for the purchase of machinery and other equipment, proposes to give in future guarantee to foreign firms agreeing to supply machinery on a deferred payment basis. A Bill to amend the Industrial Finance Corporation Act with a view to empowering the Corporation to give such guarantees has already been prepared and is expected to be introduced in the next session of Parliament commencing on 15th July next.

India produced 430,000 tons of manganese ore during the first quarter of 1957. This quantity represents an increase over the output of the previous quarter, namely, October-December 1956. As compared with the corresponding quarter of last year, the production is lower by 69,000 tons. The opening stocks in January 1957 were 1,309,000 tons, as against 1,034,000 tons in January 1956. Orissa accounted for a production of 108,000 tons, Bombay for 88,000 tons, Madhya Pradesh for 85,000 tons and Andhra Pradesh and Mysore for 65,000 tons each.

The Government of India has decided to allow export of cotton yarn up to 78 counts freely within a ceiling of 5,000 bales on "first-come-first-served" basis to all permissible destinations, except the Portuguese possessions in India. Licensing will be done on shipping bills, which will be valid for a period not exceeding 15 days from the date of passing or till 30th September 1957, whichever is earlier. Exporters have been warned not to enter into long-term commitments, as licensing will be stopped as soon as the ceiling is reached.

A conference of business men has been convened by the President of the Federation of Indian Chambers of Commerce and Industry, Mr. Babubhai M. Chinai, to help the business community to "concretise" their suggestions in respect of rationalising the sales tax structure and administration. The President of the Indian National Congress, Mr. U. N. Dhebar, is being approached to inaugurate the conference which is to be held sometime in the third week of next month. The various State Governments have been invited to nominate their representatives to participate in the conference.

Under the arrangements which have been agreed upon by the Governments of India and Afghanistan, transit facilities have been provided for Indo-Afghan trade. Subject to a ceiling of Rs. 3.35 crores for the first year, facilities will be afforded to the registered traders in Afghanistan and approved parties in India, who have participated in Indo-Afghan trade during the four years ended 30th June 1956, to supply fruits (both dry and fresh) and asafœtida to India. These supplies will be paid for in Indian rupees. The Government of Afghanistan will, on its part, afford facilities for the import from India of goods such as cotton textiles, green and black tea, *bidi* and tobacco manufactures, spices, jute manufactures, art silk piecegoods and woollen manufactures, leather and leather goods, including footwear, films, machinery and building materials, chemicals, rubber goods, bicycles and motor cycles, paper and stationery, aluminium goods, iron and steel products, and sugar.

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From Abroad

Fifteen more foreign insurance companies have been granted a maximum of five years to comply with the Egyptianisation Law.

The U.S. Export-Import Bank has earmarked $25 million for a loan to the South Viet Nam Republic to help its 1957 economic development programme.

The technical and economic problems of atomic propulsion of merchant ships is to be studied by a new foundation floated in Amsterdam. Among the founders are the leading Netherlands shipbuilders.

An Egyptian economic mission, headed by Mr. Abu Nosseir, Minister for Commerce, will shortly visit Italy, Yugoslavia, Spain and Portugal for exploring the possibilities of increasing trade with these countries.

Ceylon is contemplating legislation for establishing State Corporations to administer projects for the manufacture of salt, sugar, cotton yarn and cloth, cement, fertilisers, etc. A study of iron ore resources with a view to setting up an iron and steel industry is also planned.

Representatives of four giant West German industrial concerns are currently on a visit to Israel to discuss the possibilities of investment of German capital in Israel as well as the utilisation of German patents by Israeli concerns.

The Australian wool clip in 1956-57 is estimated at 1,530 million lbs., according to a survey issued by the Australian Primary Industry Department. This compares with the previous year's record of 1,410 million lbs.

The Dutch Government has decided to adopt the embargo on trade with China, Northern Korea, and North Viet Nam to the control system prevailing for trade with some East European countries. The Belgian Government will also revise its trade restrictions on strategic goods exports to China, in order to bring them in line with the control over trade with countries of Eastern Europe.

Ceylon has cut the price of all grades of sheet rubber by ten cents per lb., with effect from the 18th inst. The current price is Re. 1.15 per lb. The cut follows the general decline in rubber prices in world markets and the consequent revision of prices paid to Ceylon by China under the long-term agreement between the two countries. This is the second price reduction made this year. Earlier, rubber price was brought down to Re. 1.25 from Re. 1.40.

An Egyptian company, with a capital of ££500,000, has been constituted at Cairo to undertake all reinsurance for Egyptian concerns which hitherto depended on foreign companies for such services. The capital of the concern has been subscribed by 17 Egyptian insurance companies and Government bodies concerned with provident and saving funds. It is estimated that the company will enable Egypt to save foreign exchange to the tune of ££500,000 a year in foreign currencies, principally sterling.

Work at the Senkora gold mines in Tibet, till recently exploited by private owners, has been stopped by the Chinese Government. The owners of the gold mines were exploiting the mines on payment of a royalty to the Dalai Lama. The Chinese Government thought that the mines were being "wastefully and unscientifically" worked. The Chinese mining experts are at present conducting a survey of gold deposits in the areas around the gold field.

Japan and Germany have emerged as the serious challengers to the supremacy of the U.K. as shipbuilders, according to *Lloyds Register of Shipping*. Of the increase of 1¼ million tons gross in launchings, the largest annual increase in the post-war period, four-fifths was due to Japan, and the remainder was accounted for by Germany, Italy, the Netherlands, Norway, Spain and Yugoslavia. Of the traditional shipbuilding countries, only the U.K. and Sweden show a falling off.

Research, mechanisation and sound business policies have increased the productive efficiency of the U.S. coal industry. Output per miner has increased to 17 tons a day, as against 11 tons last year and 3-4 tons 10 years ago, and about 1¼ ton a day in Europe. Price of coal at the mine is $5.00 per ton, same as in 1948, although costs have increased and wage rate is $21.45 per day—an increase of 50 per cent. since 1948. Proportion of labour costs to average mine prices is 50 per cent., as compared with 70 per cent. in the 1930's.

The U.S. Department of Agriculture has launched two projects designed to make cotton a more attractive textile for the world's consumers. One of the projects calls for the development of softer, smoother and more lustrous fabrics which would permit the use of heretofore rather stiff cotton in such items as jacket and coat linings, undergarments and soft-draped dresses. The other seeks to perfect methods of applying crease-retaining qualities to cottons with standard dry cleaning equipment. Both projects are already under way. They are being developed under department contracts with private organisations.

The American economic aid to Pakistan for 1957 has been reduced by over $20 million, as compared with $106 million given last year. Pakistan will get this year $64 million as commodity aid and about $20 million as project assistance. An important item added to the commodity aid list is special machinery aid programme for which $10 million have been provided. This sum is expected to be utilised for establishing new industries. It is for the first time that any reduction has been effected in the U.S. aid to Pakistan since it started in 1952. The reduction, however, is expected to be more than made up by economic assistance through the Eisenhower Doctrine for West Asia and the Baghdad Pact economic programme.

The shipping lines operating between Britain, Europe and the East have withdrawn the 5 per cent. freight surcharge on all shipments already on board or about to be loaded at individual ports. Surcharge previously applied will, however, remain on shipments made already at previous loading ports. This applies to the lines constituting the outward U.K. and Continental Conferences to India, Pakistan and Colombo and Homeward trades to Britain and Europe from India and Pakistan. Others to remove the 5 per cent. surcharge are the East African Conference Lines (outwards and homewards) and the Conference Lines loading outwards to Port Sudan. The U.K.-Aden Conference and the members of the Continental Aden Rates Agreement have also announced the withdrawal of the surcharge in trade from the U.K. and the Continent to Aden and a similar announcement is made by the British Lines serving the Red Sea ports.

A leading U.S. oil executive, Mr. Augustins C. Long, Chairman of the Texas Oil Company, has predicted that the oil industry in the free world will invest $60,000 million during the next five years to meet the rising demand for petroleum. According to Mr. Long, about $30,000 million of the total figure may be invested in countries other than the United States. Foreign oil production, principally that of West Asia, will be the primary source. The estimated enormous commitment of capital to expand oil output cannot, however, be made unless the political and financial climate both in the U.S. and abroad is conducive to overseas investment of such substantial funds. The countries the records of which are stained by broken contracts and instances of bad faith, Mr. Long declares, are not good business risks; developing countries, if they wish to improve their living standards, should realise that potential investors—whether in the petroleum industry or any other industry—can do business only with those Governments which are absolutely reliable with regard to the fulfilment of their commitments.

PERSONAL

MR. Chester A. Ronning, High Commissioner-designate for Canada in India, arrived in Bombay on Thursday last to take up his new assignment in Delhi. He succeeds Mr. Escott Reid.

Mr. Hansraj Hariram has been elected as the fourth representative of the Development Council for Sugar Industry on the Sugar Industry Sectional Committee of the Indian Standards Institution.

Mr. P. N. Talukdar, Managing Director, Hindusthan General Insurance Society Ltd., has been elected President of the Bengal National Chamber of Commerce and Industry, Calcutta, for 1957-58.

Mr. L. N. Mishra, Parliamentary Secretary to the Union Minister for Planning, has been appointed Parliamentary Secretary to the Union Minister for Labour and Employment. Mr. Gulzarilal Nanda is both Planning Minister and Minister for Labour and Employment.

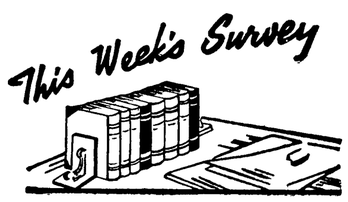
Mr. Jawaharlal Nehru, India's Prime Minister, left New Delhi on 14th June for Damascus on the first lap of his four-week tour which will take him to the Scandinavian countries and to London where he will participate in the Commonwealth Prime Ministers' Conference.

Mr. Gopaldas Aggarwal has been elected President and Mr. Abheraj Hirachand Baldota, Senior Vice-President of the Bombay Metal Exchange Ltd. for the ensuing year. Mr. Raj Kumar Bagri has been elected Vice-President of the Exchange.

Mr. T. C. Kapur, a Member of the Export Promotion Committee, left Bombay for London on Thursday last week. He has been deputed by the Government of India to attend a meeting of the Berne Union, an association of export risks insurance organisations, now being held at Edinburgh.

Mr. A. K. Mitra, an Assistant Commercial Superintendent of the South Eastern Railway, has taken over as the Railways' Public Relations Officer from Mr. S. K. Khanna. Mr. Mitra had previously worked for a long time in the Calcutta Railways' Public Relations Organisation.

Dr. B. Mukerji, Director, Central Drug Research Institute, left Lucknow for Delhi last week *en route* to Geneva to attend the meeting of the Food Additives' Committee, jointly sponsored by W.H.O. and F.A.O. of the United Nations. He is also expected to visit important centres of drug research and industry in France, Switzerland and England.



RATIONALISATION AND RETRENCHMENT

EVEN in Western countries, which have a long tradition of collective bargaining, the problems arising out of modernisation and rationalisation in industrial establishments have not been solved satisfactorily. Workers have always viewed with suspicion any attempt to streamline productive processes. And wherever modernisation, or its more recent form, automation, has been attempted, it has always evoked the workers' protest and led to serious strikes. Against this background, it is hardly to be wondered at that, in India, rationalisation should be regarded with genuine fears by the workers. Both in India and abroad—though rather more in India than in the West—the workers' fear has been that technological changes would result in large-scale retrenchment and heavier workloads. But what is generally ignored is that rationalisation and modernisation are necessary in the interests of industrial expansion, higher productivity and creation of wider markets for goods through reduction, in production costs.

From this point of view, the attempt made by the Government of India at evolving a model agreement on rationalisation is to be welcomed. The draft agreement which is to be placed before the next session of the Indian Labour Conference, scheduled to meet in New Delhi on 11th and 12th July next, recognises the need for mutual consultation and co-operation between management and labour to facilitate operation of schemes of rationalisation. The agreement provides that, before introducing any technological change, which may result in a diminution of the total number of employees, the management shall give reasonable notice, ranging from three weeks to three months, to the workers' union of its intention to effect the change. The notice shall contain full information regarding the nature of the proposed change, the date from which the change is to be introduced, proposed duties of workers covered and expected earnings. The representatives of both mangement and labour will thereafter meet and discuss the proposal. If there is agreement between the parties, the employer may introduce the change on the date agreed upon by them. If, as a result of the introduction of the technological change, some employees are likely to be rendered surplus, the draft agreement provides that steps should be taken to expand, if possible, the activities of the plant or the unit of production so as to absorb these persons. No employee shall be retrenched if other jobs are available in the same plant or under the same employer which carry a comparable pay, subject to the fitness of the employee for the alternative job. Differences between the parties on any matter covered by the agreement shall be referred to arbitration. For this purpose, the agreement provides that a panel of arbitrators acceptable to both parties should be maintained by the employer.

While the draft agreement will be welcomed in so far as it breaks some new ground in what is obviously very difficult terrain, it may be wondered whether it offers anything like an enduring solution to the problem of rationalisation. If the draft agreement is examined carefully, it will be seen that it does not state clearly as to what will happen in the event of the failure of the two parties to reach an agreement over rationalisation. After all, all modernisation involves heavy capital expenditure. And no management will undertake such expenditure, unless it feels that it can retrench surplus labour or reorganise the workloads in the interests of lower production costs. If a labour union takes up the position that not a single worker should be retrenched or that no reorganisation of workloads should be attempted, it will create a situation in which rationalisation cannot be carried through. The question is whether labour unions should be allowed to enjoy the power of veto over all attempts at modernisation. As it now stands, the model agreement does not seem to show a way out of a difficult situation that may well be created by a recalcitrant, obstructionist, short-sighted labour union.

It is not as if the entire issue is of mere academic significance. Many, if not nearly all, of India's industries are miles and miles behind their Western counterpart in the matter of technological efficiency. This divergence in technological levels is bound to react adversely on the fortunes of our industries, particularly on those of our export industries like jute and textiles. Already, rationalisation has been a live issue for some time past in these industries. Some units have had to close down due to uneconomic working. Perhaps, if an inquiry were held into these units, it would reveal that the situation might have been retrieved through prompt introduction of modernisation schemes. In any case, the Government must ensure that rationalisation is not altogether blocked by intransigent unions. It is better to face limited unemployment that may result from modernisation of industrial units than to condemn them to slow death and final extinction which must come from technological backwardness. The least that the Government should do is to stand firm in respect of rationalisation wherever the management contemplating it can show that it can carry it through without much tears.

FOOD PROBLEM

After a fairly long spell of persistent complacency, the authorities have now acknowledged the gravity of the situation on the food front. A clear testimony to this acknowledgment is borne out by the haste and speed with which the Union Food and Agriculture Minister got the Essential Commodities (Amendment) Bill passed in both Houses of Parliament at their recent session. Close on the heels of the passing of the Bill came the directive by the Reserve Bank of India to the banks to bring down substantially their advances against foodgrains. The salient features of the directives are maintenance of a margin of 40 per cent. of the value of foodgrains; fixation of the aggregate level of credit at 66⅔ per cent. of the level obtaining a year before for paddy and rice and 75 per cent. for other foodgrains; and limitation of fresh credit to any party up to only Rs. 50,000. Four days after the directive was issued, the Government of India announced imposition of inter-zonal restriction on the movement of wheat and wheat products. The details of the scheme are given below:

Three wheat zones have been created—(1) the Punjab, Himachal Pradesh and Delhi, (2) Uttar Pradesh, and (3) Rajasthan, Madhya Pradesh and Bombay (excluding the City of Bombay). Exports from and imports into the zones are prohibited except under permits issued by the State Governments concerned, while movement of wheat and wheat products within a zone will be free and unrestricted. The cordon around Delhi has been withdrawn and wheat from Punjab is allowed into Delhi without restriction. Cordons around the cities of Bombay and Calcutta, however, will continue. The existing restrictions on movement of wheat from and to these cities also remain unaffected, as the Union Government will continue to meet the entire requirements of these cities from imports. The demand of Bihar for wheat does not now operate on the markets of the wheat-producing States of the Punjab, Uttar Pradesh, Madhya Pradesh, and Rajasthan. The Centre has accepted full responsibility for feeding this State from imported stocks. Steps, it is said, have already been taken to accelerate movement of wheat to Bihar from port towns.

As regards the rice-consuming areas, the Union Food Ministry is still considering the question of creating zones. The Government of Madras has suggested the creation of a zone, consisting of Andhra Pradesh, Madras and Mysore. It has also represented that the food requirements of Kerala should be met by the Centre. The Union Food Ministry is, however, reported to be of the view that such an arrangement is beset with some difficulties. It seems to favour the formation of a zone, including Kerala also, provision being made for meeting any shortfall in the food supply of the zone from the Central stocks. Final decision on this question is expected to be taken at the joint conference of the Ministers of the southern States and the Central Food Ministry scheduled to be held at New Delhi sometime next week.

The zonal arrangements for foodgrains, though they are welcome in the present context of high prices, cannot in themselves solve the real problem, that of shortage. At best, they may be expected to arrest a further steep rise in prices through avoidance of speculative and wasteful movement of foodgrains from one part to another and assistance in assessing the regional food balances so that easy and free disposal of stocks can be made whenever there is a tendency towards an increase in prices.

In less than a week after the restrictions on bank credit and creation of wheat zones were announced, Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, declared at New Delhi that the food situation was showing distinct signs of improvement, and the prices of wheat and rice had shown a downward trend in important cities like Calcutta and Bombay. This claim may no doubt be justified to some extent but cannot be accepted fully. If at all the series of measures announced by the Government have brought down the prices of foodgrains, it is due more to the psychological effect of these measures than to any real and lasting improvement in the food situation as such.

It is too premature to say whether the downward trend in foodgrain prices will persist in the coming months. For much depends on the question whether the authorities will be in a position to ensure adequate and regular supplies of foodgrains in all parts of the country. Efforts must be made to expedite receipt of wheat from the U.S. Under the agreement signed with this country, India is to get 3.5 million tons of wheat on a long-term credit basis from the U.S. farm surplus; of this quantity, about one million tons had actually arrived up to the end of May last. It is, indeed, gratifying to be told by Mr. Jain that the Government of India is negotiating with the U.S. Government for further supplies of foodgrains from its farm surplus on a long-term credit basis.

The real solution to the food problem, of course, lies, as this journal has stressed ere now, in augmenting production. It may be recalled that, in his reply to the debate on the Essential Commodities (Amendment) Bill in Parliament, the Food Minister had revealed that the Government proposed shortly to announce certain "very fundamental and important measures to give incentives for the producer to produce more and more." The announcement has still not been made. All that the Government has said subsequent to the aforesaid statement of Mr. Jain is that it will not allow prices of foodgrains and other agricultural commodities to fall below "economic levels" and will take suitable steps from time to time towards this end. This assurance is, to say the least, only of academic importance, considering that there is absolutely no possibility of any substantial fall in the prices of foodgrains, what with the impact of huge development outlay and the continuously rising trend of population. Further, whatever value this assurance may have is neutralised by the use of the vague expression "economic levels."

EDUCATING THE CONSUMER

An eminent writer once said that, where a man could give a better sermon, or build a better house, than his neighbour, the world would make a beaten path to his door. This reflects human nature. The fact, however, remains that the world should know where it can get a better sermon, or the builder of a better house. It is precisely this knowledge which advertising seeks to bring to the people today. If there were no media through which people can acquire knowledge of the existence and availabilty of the numerous things produced by the industries, it would be as if such things were not produced at all. Thus, advertising and publicity in the modern world—which must be distinguished from propaganda because of the "poisoning" effect it has on people's minds—constitute an essential part of production itself; and the investment in it is as important as that in any other branch of production.

Under the spur of scientific and technological advancements, of ever-increasing number of products of industries and, what is more, of the constantly widening markets, the methods of advertisement and publicity have grown enormously. In essense, a perennial "advertisement-war," if it can be so termed, goes on among the producers to educate the consumers about the quality of their products, to expand the markets and, thereby, to reduce the cost of production. This is illustrated by the fact that, as much as £300 million, that is, nearly 2 per cent. of the national income, in the U.K., and around 2½ per cent. of the national income, or 9 billion dollars (in 1956) in the U.S., is being spent on advertisement alone every year.

It is, therefore, a matter for considerable gratification to note from the presidential address of Mr. Dharamsey M. Khatau at the fifth annual meeting of the Indian Society of Advertisers that Indian manufacturers are becoming more and more conscious of the need for publicising their goods. With the advent, however, of a large number of advertisers into the field, there is every likelihood of the art being used to the detriment of the consumers' interests, and without regard to the magnitude of the costs. It is heartening to note that the advertisers themselves, through the Society, the aim of which is to promote, maintain and uphold sound economic principles of advertising, have been endeavouring to establish scientific standards and practices in the field. It is also noteworthy that, realising the hold which the various media of advertisement have on the people, the Society has set very high ethical standards.

Advertising and publicity have a special role to play in promoting exports. Very often, trade missions sent out to survey foreign markets have blandly confessed that many Indian manufactures are comparatively unknown in many foreign countries. Hitherto, as Mr. Khatau has stated, while a large part of India's foreign trade has been confined to a couple of countries, only three commodities, namely, tea, textiles and jute manufactures have dominated the exports. Consequently, there is need for diversification of exports, both country-wise and commodity-wise. The extent of success that can be achieved in this direction, therefore, depends, besides the quality of goods, on the efficiency with which foreign markets and the different tastes of the consumers are surveyed and publicity is conducted in the most appropriate manner. Two considerations, as Mr. Khatau stated, have to be borne in mind, namely, the need for continuity in advertisement, and the need to regard advertisement as an essential investment. Advertising which does not have these two requisites is wasteful.

In this connection, two suggestions advanced by Mr. Khatau deserve consideration. Firstly, the establishment of a research body on the lines of the British Export Trade Research Association or its associate body, the British Export Trade Advertising Corporation. Secondly, giving the Society adequate representation in export promotion councils. It is to be hoped that the Government, in recognition of the role of advertising, will also consider favourably the scheme for commercial broadcasting which the Society proposes to submit shortly.

DECISION ON DU PONT'S CASE

The verdict of the U.S. Supreme Court on the case the U.S. State *vs.* du Pont, delivered about a fortnight ago, created a stir in business circles of the country. The judgment, which reversed the earlier decision of a Chicago judge, was the result of an anti-trust suit filed against du Pont by the U.S. Government in 1949 under the Clayton Act of 1914. According to this Act, no corporation can acquire stock in another corporation where the effect "may be" to restrain trade "or tend to create a monopoly of any line of commerce." The complaint of the Government was that the holding by du Pont, a giant company producing chemicals, paints and fabrics, of 23 per cent. of the stock of General Motors, which again, is a colossus in the automobile field, constituted a violation of the provisions of the aforesaid Act. The fact that du Pont acquired 23 per cent. of latter's stock, the market value of which today is no less than $2.7 billion, as far back as 1917 did not affect the case, which was that such holding was intended to make G.M. a substantial consumer of du Pont's products in preference to the products of du Pont's competitors.

The Chicago Judge had ruled earlier that the Government had failed to prove its charge. The Government came in appeal to the Supreme Court. The majority of four judges, which included Chief Justice Earl Warren, were satisfied, on the evidence of records, that the bulk of du Pont's production had always gone to meet the largest part of the requirements of the one customer in the automobile industry connected to du Pont by a stock interest. They found that du Pont's commanding position was promoted by its stock interest and was not gained solely on competitive merit, even though other consideration were not overlooked by either of them.

A point emerging from the decision is that the Clayton Act applies at any time after the acquisition of the interest, if such stock interest appears likely to result in restraint of trade. Another far-reaching outcome is that the Act applies to "vertical" as well as "horizontal" acquisition.

The two dissenting judges, on the other hand, observed that there was no evidence to show that General Motors purchased only du Pont's products, nor that the latter succeeded in its efforts to sell a wide range of other products to the former. They also pointed out that there was nothing to support the contention that the Clayton Act was applicable to vertical acquisition.

Two considerations, however, seem to have mitigated the dramatic effect of the decision on business circles. In the first place, some months will elapse before the "equitable relief necessary" in this case is determined. And, secondly, the fact that only four judges of the six present wrote the majority decision holds out the hope that, when the full bench of nine presides over another similar case, the decision may be different.

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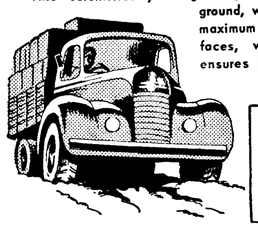

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CO-OPERATIVE VS. INDIVIDUAL FARMING

SOME REVEALING FACTS OF PRACTICES IN CHINA AND JAPAN

From Our Own Correspondent

NEW DELHI, 18*th June*

HOW to achieve a continuous increase in agricultural and industrial productivity and in real standard of living is one of the most crucial problems of any economic system, be it socialist or non-socialist. The statement of the problem in this manner is suggested by one of the full reports, released in recent weeks by the Government of India, namely, that of the Patil Delegation which studied co-operative and individual farming techniques in China and Japan and the Sarabhai Delegation which studied the productivity movement in Japan. As far as India is concerned, the problem logically leads to the poser: Will the experiences of Communist China or those of Democratic Japan weigh decisively with the Planning Commission and ultimately influence the course of agriculture and industry in this country? Any answer to this can only be in the nature of a prognostication, which, however, is not attempted here.

DELHI LETTER

What may be of immediate interest to readers of *Commerce* is an objective narration (and, where necessary, interpretation) of the most relevant factual findings of the two delegations. These findings in respect of Japan (which is far more of an open book than China) are found in Chapters VIII and IX of the Patil Report and Chapters 7 and 8 of the Sarabhai Report. Only the findings of the Patil Report are considered here, for the theme of the dispatch is Co-operative farming. The Patil Report records that about three-fourths of the peasant households in Japan cultivate less than 2.5 acres each; the average holding of a farm family is 2.17 acres (as of 1952); Japan has the highest average yield (2,400 lbs.) of rice per acre in Asia; and the *per capita* annual income of those engaged in agriculture is Rs. 883 (as of 1953).

The Japanese now concentrate their attention on improved seeds and fertilisers for increasing productivity, as more than 90 per cent. of the area under paddy has come to have a good system of drainage and irrigation. These improved strains of paddy generally require 800 lbs. of fertiliser per average acre. Five million tons of fertilisers are used in Japan, as against 0.8 million tons and 1.8 million tons, respectively, in India and China, where cultivated area is 15 to 20 times larger. Large quantities of compost, green manure and night soil are also used in Japan.

Cultivators in Japan are increasingly using electric or diesel motors, threshing machines and power hulling machines. Between 1935 and 1953, the number of electric and diesel motors in that country has increased by 17.2 times and 6.7 times, respectively, and the number of power hulling machines and threshing machines by 13.8 times and 5.2 times, respectively. Mechanical ploughing by small tractors is also tending to become popular, their number having increased from about 15,000 in 1951 to about 35,000 in 1953.

These facts and figures concerning the small-holder agricultural economy of Japan should be sufficient to convince anybody that co-operative joint or collective farming is not necessary for the supposed purpose of increasing productivity or even for mechanisation. What is true of Japan today can well be true of India tomorrow, for ours too is a predominantly small-holder agricultural economy, which, again, is a largely rice economy like Japan's. Still, the Patil Delegation, its majority, to be precise, wonders why co-operative farming has not been seriously attempted in Japan, even though the size of holdings is so small. And the Report further records that the present atmosphere in Japan is not conducive to the growth of producers' co-operatives. If the contention that "co-operative cultivation will not only protect the interests of small farmers but also raise the productivity" is true, surely nothing can stand in the way of Japanese farmers taking spontaneously to such joint cultivation. Japanese farmers are no strangers to co-operation, for the fact remains, as the Patil Report itself records, that Japan has a highly developed co-operative structure in the field of credit, marketing and supply. If they still display no enthusiasm for co-operative farming, it must be because, as practical farmers, they have the realism and shrewdness to appreciate that intensive cultivation (which requires individual attention and interest) *plus* co-operative credit, marketing and supply can and do mean greater productivity and better returns for the farmer than any system involving pooling of land and joint cultivation.

Incidentally, the remarkable progress of the service co-operatives in Japan (which has the distinction of having no co-operative farming society) brings out clearly how robust pragmatism is any day superior to impractical idealism or doctrinaire radicalism. Facts and figures gleaned from the Patil Report itself tell their own story. Thus, more than 95 per cent. of the total farm households are members of co-operative primary societies which supply 39 per cent. of the total agricultural finance and hold 65 per cent. of the total savings of the farm households; and 96 per cent. of the surplus rice and 25 per cent. of the surplus wheat and barley are marketed through co-operatives. Nearly 40 per cent. of all the primary co-operative societies are multi-purpose societies. Cultivating farmers are enrolled as full members and non-cultivating farmers as auxiliary members, and the former constitute nine-tenths of the total membership of multi-purpose societies.

The average primary society has a membership of 600; the average paid-up capital per member is Rs. 45; and an average primary society usually transacts a business of Rs. 3 lakhs per annum on account of loans and has 11 whole-time employees. The primary co-operatives hold very large sums in the shape of deposits. Figures available for 12,000 (out of the total 35,000) societies show that they hold (as of 1955) as much as Rs. 390 crores, of which just under half is in fixed deposits and the total loans due to these societies represent just under 60 per cent. of the value of their deposits. The operations of the credit structure are also closely integrated with the system of marketing (of surplus farm produce) and supplies (to farmers of other commodities and requisites). The co-operatives market foodgrains and other farm produce worth nearly Rs. 500 crores (as of 1954-55), and this is possible because almost all the primary societies have their own warehouses, with a total storage capacity of 4.2 million tons. On the supplies side, primary societies now supply 71 per cent. and 44 per cent., res-

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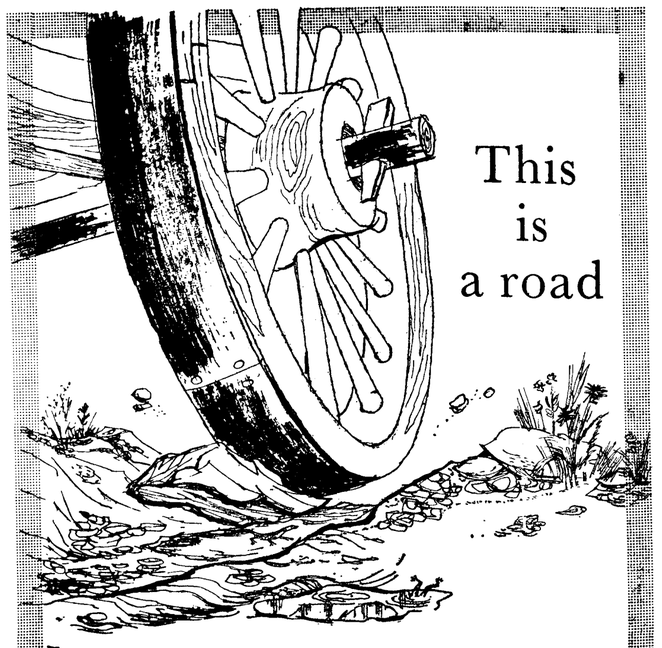

Call it what you will—a kutcha track, a cattle-path. It is a *road*. It leads somewhere. It is a vital line of communication. Perhaps, where you live, roads stretch out straight and firm on every hand. Perhaps you take roads for granted. But it is not so everywhere. Over large tracts of India, there is a crying need for more roads, safer roads, faster roads. Roads are the arteries of civilised life. Without roads, the modern world couldn't tick. And without *bitumen* the road engineer of to-day would lose a tough ally. *Bitumen*, a petroleum product, is of immense value in road-making. It provides a smooth but tremendously durable surface. Water rolls off it. Scorching sun and biting cold have little effect on it. Under the increasing loads and speeds of modern vehicles, *bitumen* flexes invisibly and recovers itself time after time after time. It is one of the world's most economical and practical construction materials. We make available many tons of *bitumen* each year to P.W.D. authorities and contractors up and down the country. We also make available the skill and experience of our *bitumen* engineers. Wherever you travel in India, you are pretty sure to be travelling at some time or other on *bitumen* supplied by Burmah-Shell.

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PLANTATIONS IN KERALA STATE

IMPACT OF NEW TAX PROPOSALS HEAVY

By S. Narayanaswamy

THE Communist Government of Kerala have presented a balanced budget. They have thus carried out the edict of the Prime Minister of India that improvidence at State levels was intolerable and that resource-raising must be done at top gear, if Central sympathies were to be retained. Is it not praiseworthy that, while Congress Governments, as in West Bengal, have ignored the Delhi admonition, the sole non-Congress State Government in India should have afforded such substantial co-operation in the implementing of the Plan? But, obviously, the Union Finance Ministry, in its deadly sophistication, sees more in this balanced Kerala budget than an effort to obtain the Prime Minister's pat on the back.

Almost the first act of the Kerala Communist Ministry on assuming office was to declare their intention to nationalise "foreign-owned" plantations. The members of the Politburo outside Kerala were no less vociferous about this programme. When Delhi chose to receive this proposal with marked frigidity and expressed its strong disapproval of a step that meant deploying precious plan project funds, dissipation of our limited foreign exchange resources and loss of goodwill of those countries, from which we expect aid, or at any rate long-term credits for plant and machinery supplies, the Kerala Ministry must have in its pique decided on an alternative programme.

It is difficult not to believe that the Ministry, having been baulked of its pet project, decided on a crushing tax burden on plantations in Kerala. The levy on plantations heretofore at the State level was an income-tax of 4 annas and a supertax of 2 annas. An aggregate of 6 annas in the rupee was a heavy enough burden. The recent budget has added a further supertax ranging from 1 to 4 annas according as profits exceed Rs. 25,000 and Rs. 10 lakhs. There are intermediate slabs between these rates, details of which have not been made available in the budget. There is, besides this impost, a surcharge on income and supertaxes of 5 per cent. The aggregate agricultural tax impost will thus be 66 per cent. of the profits of a company with profits exceeding Rs. 10 lakhs. In the case of a rubber company the profits of which are not subject to Central taxation, the residue of profits available for allocation and distribution would be 34 per cent. In the case of a tea company which attracts Central income-tax on 40 per cent. of its profits, the tax will be 66 per cent. on 60 per cent. of the profits and 53 per cent. on the residual 40 per cent. of its profits, taking account of the latest enhancements in Central company taxes.

Idea Incorrect

The idea that the bulk of the plantations of Kerala are "foreign-owned" is incorrect. It is true that there are a few sterling companies the shares of which are owned by well-known British groups. They have latterly become fewer, as, in the last 10 years large European-owned estates, corporate as well as proprietary, have been bought by enterprising Indian planters on a fairly heavily capitalised basis. These estates have become the property of rupee companies whose shares are, by and large, owned by middle class and small income group Indian investors. An examination of the pattern of shareholding will demonstrate conclusively to Government two things, namely, (1) the large number of small shareholders holding below Rs. 5,000 face value shares, and (2) the overwhelmingly Indian nationality of the shareholding. Another impression that seems to persist is that, merely because the managing agency houses of several rupee plantation companies are European, the estates or companies are "European-owned." In fact, very large formerly-European owned blocks of shares have changed ownership and Indian stake in plantations under European managing agency has enlarged very considerably over the last 10 years.

For some eight years now, shareholders' associations, chambers of commerce and stock exchanges have been bringing home to the Central Government, by an analysis of the registers of members of representative public companies all over India, the simple fact that the middle-class and the small income groups constitute between 85 and 90 per cent. of the shareholders in the companies and that every time an effort was made to increase company imposts or curtail dividends, the income of the small man was reduced. The Government of India are now fully aware of the pattern of shareholding in public companies, though some of their recent efforts to soak the rich, inflict vicarious punishment on the middle class shareholder also.

Ideological Animosity

The Kerala Government, in cultivating an ideological animosity to "European-owned" plantations, are forgetful of some basic and inescapable historical facts, which it is quite unlike the Communists to do, because they are nothing if they are not diligent students of history. Onwards of a hundred years ago, pioneering bands of hardy and bold Europeans braved malaria-infested jungles in the high and middle ranges of Indian hills, particularly in the south-west and north-east of India. They cleared the woods, mobilised labour, planted tea, coffee and rubber, braved a general hostile climate and waited for seven or eight years to get results. There were no roads, no electricity, no telephones, no post offices, in fact, none of the amenities that are so facilely taken for granted by those that visit a modern plantation, with its spacious bungalows, hospitals, water-supply, grain stores and labour lines. The plantation industry is exclusively of European origin in India. No Indian agriculturist accustomed to cash in on quarterly and half-yearly harvests was prepared to invest large sums and wait seven or eight years for results. The plantation industry is still the largest single employer of labour in India, labour to which free housing and several other free amenities are afforded—which several of the more progressive urban industries have not yet found possible to do. Tea has become the single largest earner of foreign exchange for India since we devalued the rupee in 1949—even jute taking a second place. India is the world's largest tea producer. These gains in employment, in large wealth-creating units of economic activity and in export markets we owe to that pioneering band of European planters. Wherefore this effort to punish men who have created these assets for us and this war-whoop about their being exploiters?

Stake of Indian Investor

To come back to the impact of the new tax on plantations, the stake of the non-Kerala Indian investor in Kerala plantation shares is considerable. Today the investor in planting shares is in a bad way. The depreciation in his holdings between September 1956 and mid-June 1957 is 60 per cent. This is in great part due to causes extraneous to Kerala. However, the investor has to face the grim prospect of a sharply reduced dividend income from Kerala planting companies consequent on the new tax impost. The announcement of the Kerala taxes was the signal for the Stock Exchange in Madras to fix minimum prices for planting shares. This is a measure of the demoralised condition of the stock market obtaining at the time of the announcement and of the need to arrest further price declines, if the investor is not to be wiped out.

There is little effort to dispute the crippling effect of the tax on distributed profits of companies, particularly when the tax comes on top of increases in Central income-tax. The shrinkage in dividend income and the inevitable fall in capital values represent a double injustice to the middle class investor. Kerala has asked for a large allotment of Central funds for her plan projects. Kerala has also invited outside capital and enterprise to come and establish industries in Kerala. If the taxation policy of the State should give so rude a shock to existing investment in Kerala companies, what are the chances of their being able to coax more non-Kerala capital to come into Kerala? The new tax has created a feeling of basic insecurity among investors. Will the Kerala Government re-examine the tax from the viewpoint of the large number of helpless middle-class Indian investors who today bear the cross of depreciation and reduced dividend income?

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JUTE INDUSTRY IN DUNDEE

The post-war modernisation programme of the Dundee jute manufacturing industry has been implemented very successfully. The total sum spent by the industry on re-equipment since 1945 comes to £9.6 million—£7.8 million on machinery and equipment and the balance on buildings—according to the latest annual statistical survey carried out by the British Jute Trade Federal Council. This amount, it is claimed, represents a substantial part of the capital invested in relation to the size of the industry and reflects the determined drive for productive efficiency. During 1956, capital expenditure was a record for the post-war period; spinning mills spent over £1.4 million and weaving factories more than £500,000.

As a result of the modernisation programme, the old type machinery is said to have virtually disappeared and is now only 3 per cent. of the total. Consequently, the productivity of labour has gone up by 42 per cent. since 1949. In the weaving sector, the number of automatic looms is steadily rising and now accounts for one-third of the total looms in operation. Five concerns have special weaving sections equipped with circular looms. Simultaneously with improvement in productivity, the basic wages of workers have registered a notable rise, the actual extent of the increase since 1945 being 116 per cent. for women and 98 per cent. for men.

DELHI LETTER

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pectively, of the total fertiliser and insecticide requirements of the Japanese farmers.

By all accounts, therefore, Japan (which, in spite of a high level of industrialisation, has 50 per cent. of its population dependent on agriculture) has organised the system of agricultural production in a better way than China, where, too, the availability of cultivated land per agricultural household is about the same as in Japan. Incidentally, the fact that the availability of cultivated land per agricultural family in India is about thrice that in China or Japan strengthens the view that individual farming supported by service co-operatives can well be as prosperous in this country as in Japan. In the context of conditions prevailing in Japan, the Patil Delegation's defence of Co-operative farming in China turns out to be a laboured *apologia*.

The vague impression of the Patil Delegation that a fair part of the increase in production in 1955 in China is due to the co-operative form of cultivation does not stand close scrutiny. For one thing, the 13 per cent. increase in 1955 of food crops over 1953 can only be attributed to three (combined) factors, namely, a 2 per cent. increase in the net cultivated area, a 12 per cent. increase in irrigated area and a 5 per cent. increase in area cropped more than once. Even this increase in production has not been reflected in a corresponding increase in per-acre productivity, because the increase in yield of food crops in 1955 is only 7.5 per cent. over 1952. In the circumstance, no part of this increase in productivity can be attributed to Co-operative farming societies (of the elementary type which covered two-thirds of all agricultural households by the end of 1955). This interpretation is also confirmed by the finding of the earlier Krishnappa Delegation to China on Agricultural Planning and Techniques that the average yields in China (on co-operative or collective farms) are still lower than the figures for normal pre-war years.

If Co-operative or Collective farming, by itself, cannot bring about an increase in productivity, what else can be a good enough justification for such a revolutionary reorganisation of agriculture? Can it be that the ease with which anything from 20 to 25 per cent. of the gross produce can be squeezed out of the farmers by the State (as in China) provides that justification? As the Patil Delegation has not sought to justify the need for Co-operative farming on this ground but has only recommended the organisation of 10,000 demonstration co-operatives in India in the next four years on a purely voluntary basis and with freedom for a member to opt out, the case for Co-operative farming on the Chinese model is virtually given away, whatever be the protestations of Prime Minister Nehru. And this is good in so far as it goes.

DISPENSATION OF RURAL CREDIT—I

CO-OPERATIVES THE MOST SUITABLE MEDIUM

By A Student of Co-operation

BEFORE the last session of Parliament was prorogued, the Finance Minister, Mr. T. T. Krishnamachari, exploded a bombshell in the Lok Sabha, when he declared that he proposed to transfer to the State Bank of India some of the present functions of the Reserve Bank which were in the nature of "pure commercial or co-operative banking." The object of this proposed change, in the words of the Minister, is "that the Reserve Bank should remain a bankers' bank, that it should be the eyes and ears of the Government of India, that it should be the topmost financial institution in the country controlling practically every movement in finance and that it might be divested of day-to-day banking work." "It is my intention," he added, "to make the Reserve Bank the supreme adviser in all matters of money, credit and banking."

The above statement confirms the rumours that have been afloat to this effect for some time past. The rumours had caused understandable anxiety among those both actively and passively associated with the development of co-operative activities, in general, and of rural credit, in particular, because of the keen awareness on their part of the implications of the far-reaching change contemplated by the Finance Minister. That such a change should have been envisaged hardly before two complete years have elapsed after the acceptance by the Government, Parliament, and the Co-operative Movement, after prolonged deliberations, of the main recommendations of the Rural Credit Survey Committee, and just at a time when the implementation of the integrated scheme, which has been hampered considerably till recently owing to States reorganisation, is proceeding apace, is all the more disturbing. Furthermore, to those who are anxious to help raise agricultural output so that it may be in a position to meet the expanding needs of the country, by providing timely credit and marketing facilities to the farmer, the proposed change is nothing short of a bolt from the blue, inasmuch as it is bound to upset the rural credit schemes under implementation. In fact, having realised that the rumours were not unfounded, the conference of State Co-operative Banks of India held at Delhi on 10th and 11th May had expressed, in unequivocal terms, the view that, if the proposed change were put through, "it would cut at the very root of rural credit which has been the kingpin of rural development programme launched by the State."

"Supreme Adviser"

It is appropriate, therefore, to examine carefully the Finance Minister's statement in all its aspects. It is not quite clear, in the first place, what he had in mind when he stated that the Reserve Bank should be the "supreme adviser" to and the "eyes and ears" of the Government. Obviously, it is not possible to make the advice of the Reserve Bank, which is already the supreme financial institution, statutorily binding on the Government. Then, if his objective is to increase the control of the Bank over credit, money and banking in the country, the question to be asked is whether the proposed change in the functions of the Reserve Bank is conducive to its attainment. Indeed, is it not more probable that, in a predominantly agricultural country like India, the suggested change will render the institution less useful and weaker than it can be? Secondly, does the provision of agricultural credit by the Reserve Bank through the co-operative banks constitute a departure from the central banking principle of being a banker's bank? Again, does such a function impair the efficiency of the Bank? And lastly, is the State Bank of India qualified, functionally, structurally and by tradition to take over this function? The answers to these questions can be found in the nature of the role that has been assigned to the central bank of this country in the field of rural credit. This role itself has to be examined in the context of (1) the nature, extent and criteria of agricultural credit, and (2) the type of the agency best suited for dispensing it.

Certain distinguishing features of agricultural credit in India, as in the case of other underdeveloped countries, impose almost inescapable limitations of economic and practical nature on the activities of commercial banks and the State in this field. The sharpness of these features is highlighted by the fact that, whereas in an advanced country like the U.S. all kinds of commercial banks and financial institutions together provide about 54 per cent. of farm credit every year, in India, commercial banks including the State Bank have been able to provide less than one per cent. and the State about 3 per cent. of the total borrowings. By its very nature, agricultural credit is rural, and, therefore, usually the least institutional and the most dispersed of all types of finance. The conditions in which the agricultural production takes place are such that the cultivator finds it impracticable to make use of credit to the same degree of efficiency as industry generally.

Diverse Conditions

These conditions are as diverse as the uneconomic size of the holdings, vagaries of the seasons, perishable nature of certain agricultural products and long duration of agricultural operations. For example, of the total number of cultivators of over 54 million, as much as 70 per cent. cultivate about 42 per cent. or about 328 million acres under crops, while the remaining 30 per cent. cultivate 58 per cent. of land. Fragmentation of large holdings has received a fresh impetus as a result of the land reform policies that are being pursued by the State Governments. The *per capita* area under cultivation is only 84 cents. Consequently, cultivators of small and medium size holdings hold the key to agricultural improvement. Another handicap the farmer suffers from is that he does not fix the prices of his produce, as is the case in industry. Consequently, he suffers losses more often than he gets profits. This gives rise to the need for granting loans at low rate, as compared with those to trade. In addition to these, the standard of living of the farmer is very low; and he has to borrow large amounts to meet his current consumption expenditure.

Thus, in the agricultural sector, there are too many small farmers, their borrowings involving too small individual sums, with too inadequate creditworthiness from commercial banking standards, and with too uncertain returns, to attract the attention of commercial banks in India. The State, too, has neither the money nor the necessary administrative machinery to deal with so large a number of small farmers. This position is very precisely described by Mr. Maurice Zinkin when he says, in his book, *Development for Free Asia*, "The imagination boggles at the organisation the State would require... to lend hundreds of millions of pounds to tens of millions of peasants, at a few pounds per peasant, a few shillings per occasion of lending." Moneylenders, however, have provided the money—they had provided no less than 70 per cent. of total borrowings in 1953—but certainly not the right type of credit at the right price and for the right purpose. The moneylender is not concerned with the purpose of the borrowing, nor is there any supervision. As. Mr. Maurice Zinkin has aptly observed in the aforesaid book, "A man with a starving baby or a daughter to marry will pay any rate of interest. A man borrowing for a productive purpose will calculate his risks." This is illustrated by the fact that, of the 57 per cent. of the total borrowings of cultivating families in 1953 for current expenses, as much as 47 per cent. was for current consumption alone, almost all of which was provided by the moneylending class.

Criteria for Credit

It will be appropriate now to examine the extent of agricultural credit requirements, and the sound criteria for such credit. The needs of farm credit are, obviously, governed by such factors as the rate of interest on the loan, the use to which the loan is intended to be put, the nature of crop that is proposed to be raised, and not the least important, the expected rate of return. In 1953 alone, the total actual borrowings were of the order of Rs. 750 crores, though only about 6.5 per cent. of it was provided by co-operatives and the State together at rates averaging the "co-operative rates." The rest of the loans were obtained at much higher rates from moneylenders. For example, 70 per cent. of loans given by private agencies in Orissa were at rates higher than 25 per cent. The corresponding percentage in some of the other States was 40 per cent. in West Bengal, 29 in U.P. and 27 in Bihar. Obviously, if loans are made available at reasonable rates of interest and for productive purposes—which is essential because of the fact that larger agricultural production is the aim of national policy—the requirements of agricultural credit will expand fast in future.

Besides, a sound system of agricultural credit requires that (1) it should be granted for a period commensurate with the length of the operation which it is intended to facilitate; (2) the rate of interest should be low; (3) the type of security should not be necessarily material, but should be based on the farmer's integrity and efficiency; (4) it should be related to the average yield on the farm, (5) it should be accompanied by supervision as to its productive use; and, lastly, it must form an integral part of the programme for making the agriculturist creditworthy by encouraging him to use better techniques of production, improved implements, seeds and fertilisers, in order to raise the productivity of the land.

Advantages of Co-operation

In fine, the nature, extent and requirements of agricultural credit are such that all the three agencies mentioned above, namely, the commercial banks, the private agencies, and the Governments are excluded from playing a purposeful role individually to any significant extent in this field. These obvious considerations necessarily point to the need for an institutional type of credit system closely associated with the policies of the State. Such a system need not be an entire substitute for the existing agencies, but could be an effective alternative to them. The institutional base which can fulfil these objectives is found to exist in the association of cultivators on co-operative basis, which, because of the success it has achieved wherever it has been worked efficiently, both in India and elsewhere, has come to be regarded as the only hope of the small farmer. The co-operative society, if worked properly, solves all the problems of lending to the small cultivators. It gives them credit and creditworthiness, which they do not possess individually. It has the advantages of a moneylender but not his disadvantages. Being an association of borrowers, the society knows the personal standing of each of them. This ensures effective supervision over their expenditure. Consequently, it can lend in small amounts, at all odd times and can recover the same in similar amounts, however numerous. There is no profit motive and the overhead charges are small, unlike in the case of a commercial bank, and, therefore, it can lend at low interest rates. This is also facilitated by the fact that it can borrow at low rates of interest large sums from the central co-operative banks depending on its owned funds and/or on the value of the property of its members. Moreover, the principles of the society are such that extravagance is discouraged while savings are encouraged.

Because of the overwhelming advantages of co-operation, various authorities have accepted in various contexts that co-operatives constitute the most suitable form of institutional system to subserve the needs of agricultural credit.

In practice, however, co-operative societies have not made any uniformly impressive headway during the last 50 years of their existence. This is mainly due to the fact that co-operation has had to function in predominantly 'urban' attitudes and environment. Added to this setting was the chronic and oppressive indebtedness of the cultivator, which always played him into the hands of the moneylender-*cum*-trader, in the absence of (1) "creditworthiness" even from the existing co-operative standards and (2) co-operative marketing facilities to complete the aim of co-operative credit. A second important reason was that agricultural credit was not co-ordinated either with a general programme of agricultural reorganisation or other economic activities like marketing and processing. Further, the pyramid of co-operative credit organisation, from the village society to the apex bank, was structurally weak for want of adequate capital resources, organisationally feeble due to the uneconomic size of the societies and banks and inadequacy of trained personnel, both for the purpose of management and supervision, ideologically static for want of dynamism in the leadership. Added to this inherent weakness was the fact that the whole movement was

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ECONOMIC TRENDS IN WESTERN EUROPE

INDUSTRIAL EXPANSION RECEIVES A CHECK

HOW the political crisis in West Asia has hit the economic development of Western Europe is vividly described by the Economic Commission for Europe (E.C.E.) in its latest annual *Economic Survey of Europe*, namely, that covering the calendar year 1956. The year witnessed, for instance, a slowing down, albeit slight, of industrial expansion, a small increase in industrial costs, some restrictions on household consumption of liquid fuel, and a lowering of motor car purchases. The year also witnessed various shifts in balance of payments, tending to weaken the position of countries already facing difficult problems and to worsen the dollar balance of Western Europe as a whole. Nevertheless, the economic outlook, it is said, has not suffered any marked setback. Emphasising this aspect, the E.C.E. points to the comparative stability of raw material prices, the continuance of earlier encouraging employment trends, and the steadiness of second-hand car prices. It observes:

"Except in the United Kingdom, where the pressure on the pound sterling caused anxiety for a few weeks, the predominant view has been that the present crisis is of a transitory nature, entailing no necessity for fundamental changes in policies. While some important decisions by business enterprises may have been postponed until less uncertain political conditions are restored, there would appear, on the whole, to have been no change in the earlier place. Thus, the indirect repercussions of the crisis remain limited."

The rate of industrial expansion in Western Europe slowed down during 1956, the overall rise in production being only 5 per cent., as against 10 per cent. in both the preceding two years. This was due largely to the slackening in the manufacturing operations of metal industries and partly also to a fall in the output of chemicals in the earlier months. Textile production, however, which had been stagnating since the middle of 1954, staged a definite recovery in the second quarter of 1956.

Danger Signal

The upward drift of prices in the earlier part of the year was mainly the result of the pressure of domestic demand on already fully employed resources and only to a very slight extent due to the external influence of import prices. This, together with balance-of-payments difficulties in some countries, was taken by most Governments as a danger signal leading them to reinforce existing measures, or to take new steps, to restrain the growth of demand. Of the countries where deflationary policies had been in force longest, the United Kingdom experienced a levelling off and, recently, an absolute decline in industrial production.

Among the countries where rapid expansion continued, it was only in France, Switzerland, the Netherlands and Belgium that further growth was reported to be coming up against physical obstacles. Although no specific bottlenecks developed in other countries, the rate of growth, which was rendered possible in the past though the existence of manpower reserves and underutilised capacities, could no longer be maintained, once a phase of full employment had been entered. Most countries applied restrictive policies, in order to reduce the pressure of demand on resources. Information about the utilisation of physical productive capacity is non-existent for most countries and too inadequate for the remainder to provide a clear picture. In some areas, capacities may have been less fully utilised at the end of 1956 than a year ago, because, on the one hand, the high level of investment in recent years had added to existing capacities and, on the other, the pressure of demand on the investment goods sector—where capacity limits had frequently been reached—has eased in many countries.

As regards the supply of basic materials, little further progress was made in West Europe's coal production during 1956, thanks to difficulties in attracting mining labour or even retaining it in some countries. Most of the major producing countries, excepting W. Germany which reported an improvement, barely succeeded in maintaining output at the 1955 level. The trend of prices was upward in both the producing and the importing countries, while, in the international market, the tendency among the European exporters to align their prices on the landed cost of American coal in each importing country continued. Output of steel in W. Europe continued to increase in 1956, albeit at a reduced rate. There might have been a distinct improvement but for the limit of capacity having been reached and shortage of scrap and coke. Commenting on the latter aspect, the E.C.E. observes:

"Short supplies of scrap may retard the longer-run growth of steel output in the countries of the European Coal and Steel Community, but the position will be eased by larger imports from the United States. The Highest Authority of the E.C.S.C. is apparently of the opinion that a lasting solution to the scrap problem can be found only by substituting pig iron to some extent. An agreement on a new organisation of the market for scrap, which would stimulate the transformation, has recently been reached. The lower rate of expansion in steel output in 1956 coincided with a slowing down of expansion in important steel-consuming industries, so that steel supplies do not seem in general to have constituted a bottleneck to industrial progress in Western Europe in 1956. The reduced rate of increase in automobile production has made the position for steel sheets much easier. The shipbuilding boom, on the other hand, intensified by the closure of the Suez Canal, has caused a severe shortage of ship-plates."

Investment expenditure showed a considerable expansion over the 1955 level in W. Germany, France, the Netherlands and Switzerland. The pattern of investments varied greatly from country to country.

Housing

In a number of countries where economic policies aimed at slowing down overall expansion, housing was selected for particular action so as to release resources from dwellings to industrial construction and thus to avoid an excessive impact on long term industrial expansion. In addition to the effect of overall credit restrictions in many countries, reduction in housing subsidies and direct restrictions on building credits have limited the construction of dwellings in Denmark, Norway and the United Kingdom. Difficulties of obtaining finance and high building costs have slowed down house building in Finland, and the lack of skilled workers, as well as high building costs, have been the difficulty in Austria.

The rise in money earnings was accelerated in 1956, as compared with 1955, in practically all the countries, thanks to an excess demand for labour, adjustment to rises in the cost of living and autonomous wage increases due to the strong bargaining position of trade unions. The rise was steepest in Belgium and Finland. Since cost of living increases also speeded up in the first half of 1956, the rise in the average level of real earnings of industrial workers between 1955 and 1956 was smaller than in the previous year, except in Belgium, the Netherlands, France and W. Germany. The volume of total private consumption moved, on the whole, in the same direction as the industrial wage bill, and the rise slowed down in all countries, with the exception of the Netherlands, Switzerland, Western Germany and probably Belgium, but, in view of the incompleteness of income data, divergencies in the scale of change in the two series must, of course, be expected in all countries. Moreover, these divergencies differ from country to country, depending on the relative importance of other incomes, particularly agricultural incomes.

Reflecting the slowing down of industrial expansion in many countries of Western Europe, the upward trend in the imports into this region persisted during 1956, though at a reduced rate. This was true of all countries, barring the U.K. and Ireland, where imports dropped below their 1955 level. Increases were particularly sharp in France, the Netherlands and Finland, where the pressure of demand on resources continued to be intense. The impact of the slower rate of growth of imports varied between different exporting areas. Imports from overseas, which had risen much more slowly than intra-European trade or industrial production until about the middle of 1955, then speeded up considerably, as spare capacities in W. Europe became more fully utilised. But, during 1956, the levelling off of domestic expansion reduced the rate of growth, both of imports from overseas and of intra-European trade. Imports from the U.S. rose most rapidly between 1955 and 1956, but the rise was not so great as that recorded between 1954 and 1955 (almost 40 per cent.). The increase in 1956 was mainly accounted for by coal imports, and petroleum imports were also an important factor. There was also a sustained high rate of growth in imports from the predominantly mineral-producing countries overseas.

The volume of W. Europe's exports during the first nine months of 1956, as compared with the same period in 1955, was higher by 9 per cent. The rise was in marked evidence in the case of shipments to the U.S. All the major exporting countries, barring France, shared in the improvement. In particular, exports of machinery and transport equipment registered a sharp expansion, the actual extent of expansion for the 10 major countries being about $400 million for each of the two groups.

The rapid upswing in 1955 had brought only a small deterioration in W. Europe's balance of trade with overseas countries and 1956 showed little further change in the overall net result. Before the Suez crisis, foreign exchange reserves of W. Europe as a whole increased, but, if the large additions to West German exchange reserves are excluded from the total, the loss of reserves by other countries in 1956 exceeded their gains in 1955.

Developments in the dollar balance of W. Europe have been rather favourable. During the first nine months of 1956, gold and dollar reserves of W. European countries increased by about $900 million or by about as much as in the same period of 1955. This increase occurred in spite of a sharp decline in U.S. non-military grants and loans to W. Europe and an increase in the trade deficit. Only a small part of this deterioration was offset by an increase in the U.S. military expenditure and by receipts on services account, and the more important change was a sharp rise in the outflow of U.S. private capital to W. Europe, which more than trebled between the first nine months of 1955 and the same months of 1956. The upward trend in private capital movements started by about the end of 1955 and was stimulated by the high interest rates prevailing in most W. European countries, and possibly also by the confidence created by the continued economic expansion in W. Europe.

Economic Policies

Economic policies in 1956 were determined by the concern of Governments at the effect of excess demand on balance of payments and also of continued price and wage increases, considered both as a danger in themselves and, indirectly, also as a threat to balances of payments.

As a result of the various manifestations of inflationary pressures reflected in the balance of payments position and in rising levels of costs and prices, restrictive policies are now being applied in almost all the industrial countries of W. Europe. It would appear that, at first, reliance was placed mainly on monetary and credit policies in most countries.

Central Bank discount rates were raised in all countries which had embarked on a restrictive course, with the exception of France—in some instances several times—but, since it had become common experience that variations in the cost of credit by themselves do not greatly influence investment decisions in industry during a period of continued upswing, this measure was supplemented by a series of others aiming to reduce liquidity. Greater use was made of open market operations. Bank liquidity and, therefore, the possibility of making advances were further influenced by increases in minimum reserve requirements or liquidity ratios and by restrictions on re-discounting facilities.

Prospects for 1957

Commenting on the prospects for 1957, the *Economic Survey of Europe* expects a sharpening of the dilemma in which most W. European countries now find themselves. Whether to embark on a continued expansion of their economies, together with the acceptance of some price increases and possibly a weakening of their balance of payments or to curb domestic demands which will check price increases but at the cost of some slowing-down of expansion. Although the present difficulties are experienced by all European countries, their importance varies considerably from country to country. The gains which the Scandinavian countries and the Netherlands will obtain in their external transactions will represent a positive advantage that may outweigh such disadvantages as would result from higher import prices. West Germany seems to be the least affected of all countries, and its position contrasts with that of France and the U.K.

In conclusion, the *Survey* points to the Governmental delay in policy changes, thanks to uncertainty regarding the final impact and duration of political crisis in West Asia. The cautious attitude adopted by them prevents them from relaxing deflationary measures even where inflationary pressures seem to be easing. The *Survey* accordingly expects that, in some countries, production may for a time lag behind a level which it would otherwise have been possible to achieve.

INTERNATIONAL FIBRE SITUATION

IMPORTANCE OF RAYON AND MAN-MADE FIBRES RAPIDLY GROWING

THERE is no exaggeration whatever in the statement of the International Cotton Advisory Committee (I.C.A.C.) that, in the free world, the competition among fibres for textile markets is more intense than ever before. The importance of man-made fibres has been rapidly increasing and production capacity is being stepped up daily. Although the share of cotton is still predominant, being nearly twice as large as that of rayon and wool combined, it has been continuously on the decline. Expressed in percentage, the drop in cotton's share has been from 77 in 1937-38 to 71 in 1948 and 65 in 1956, while the share of man-made fibres has expanded from 10 to 15 and 24, respectively. All kinds of man-made fibres have participated in the trend towards increased production, but the largest gains in the last two years have been in staple fibre, with a substantial rise also in the newer synthetics.

The following table indicates the trend of consumption of man-made fibres, wool and cotton (production of man-made fibres is taken as equivalent to consumption) in the free world during 1956, as compared with 1955, 1954 and 1949:

(In million bales of 478 lbs. each)

	1956	1955	1954	1949	Percentage rise from 1949 to 1956
Man-made fibres—					
Rayon and acetate yarn ..	4.2	4.4	3.9	3.3	27
Rayon and acetate fibre ..	5.1	4.6	4.1	1.8	183
Total ..	9.3	9.0	8.0	5.1	82
Other fibres	1.5	1.2	0.9	0.2	650
Total ..	10.8	10.2	8.9	5.3	104
Wool	4.9	4.5	4.3	4.5	9
Cotton	28.8	27.8	27.3	22.2	30
Grand Total ..	44.5	42.5	40.5	32.0	39

The foregoing table shows that, since 1949, the aggregate world consumption of the major textile fibres—cotton, wool and man-made fibres—has gone up by 12.5 million bales or 39 per cent. This improvement is much greater than the rise in population, thereby indicating an increase in the *per capita* consumption of textiles. Nevertheless, the fibre consumption has lagged behind the gain of 54 per cent. in the United Nations index of industrial production. In other words, this means that the fibre and textile industries have not been as successful as some of the others in capturing the increase in purchasing power in the free world in recent years. The bulk of the rise in fibre consumption since 1949 is accounted for by cotton, the actual extent of the rise being 6.6 million bales or 30 per cent. Man-made fibres accounted for a rise of 5.5 million bales (104 per cent.) and wool for 400,000 bales (9 per cent.). From 1954 to 1956, however, consumption of man-made fibres rose more than that of cotton, being 1.9 million bales, as against 1.5 million bales of cotton.

Projected Expansion

The construction of additional plants for producing man-made fibres is expected to raise the aggregate capacity from 13.0 million bales in March 1956 to 14.6 million bales by December next, as the figures given below show:

(In million bales of 478 lbs. each)

	March, 1956	December, 1957	Increase
Rayon and acetate yarn	5.3	5.6	0.3
Rayon and acetate fibre	6.0	6.9	0.9
Others	1.7	2.1	0.4
Total ..	13.0	14.6	1.6

Most of the projected expansion in capacity is for staple fibre and is concentrated in three countries, namely, Japan, the United Kingdom and the United States. The newer man-made fibres, including Nylon, Dacron, Terylene, Orlon, Vinylon and a number of others are now at a stage where they are becoming important quantitatively. In fact, if the present trend were to continue, they would account for most of the expansion in the production of man-made fibres in future. The production of these newer fibres is at present concentrated mainly in the U.S., but capacity is being stepped up rapidly in the other major industrial countries.

The reduction in cotton prices in the last two years has gone a long way towards eliminating the price advantage previously enjoyed by rayon staple fibre. Although this development should enhance the competitive position of cotton, there is not yet much in the way of statistical proof for it. Lower cotton prices have been accompanied by smaller reductions in prices of rayon staple in a number of countries, including the U.S., Italy and Japan. At present, U.S. Middling 1" cotton delivered at mills in the U.S. sells for 36.2 cents per lb., as compared with 29.0 cents for viscose rayon staple. The corresponding prices in the U.K. are 26.9*d.* and 24*d.* and, in Japan, they are 30.8 cents and 24.7 cents. Rayon thus has still a definite advantage in cost per pound, particularly considering the differences in waste factors.

Prices of rayon yarns in the U.K. were raised by 10 per cent. in January last for the first time since 1951, following rising costs. For the same reason, prices were raised in the U.S. during December 1956. The prices of other man-made fibres have generally remained unchanged in the past year and a half, except for small increases in the U.S. and a reduction in Japan. There has, however, been a general cut in the price of nylon yarn. All these fibres continued to be priced much higher than cotton or rayon, and it is generally believed that the profit margin in producing them is much greater than for rayon. The man-made fibre industry continues to devote great resources to research and development work, with a view to improving existing products and augmenting their adaptability to end-uses.

More Intense Competition

The competition among fibres for textile markets, as stated at the outset, is more intense than ever before. Elucidating this view, the International Cotton Advisory Committee points out that, in the U.S., the rayon industry attempted to increase the price of rayon fine yarn early in 1956, but was forced not only to retract the increase but actually to reduce the price to below the original level, thanks to the fall in the price of nylon. According to the Committee, the price reduction, combined with reduced sales, particularly of fine yarn, led to a very substantial decline in the profits in industry. All indications are that the cost of producing rayon staple fibre is increasing, but the growing competition from imports, new domestic plants, and possibly cotton forced a price reduction from 31-32 cents to 29 cents a pound in March 1957. Currently, profit margins (per pound) for producing rayon staple in the U.S. are considered to be the lowest for many years. Meanwhile, consumption of rayon textile yarn in the U.S. has declined by 40 per cent. from its peak in 1951, because of intensified competition from the newer synthetics and cotton.

In the opinion of the Committee, consumption of man-made fibres, is of the greatest relative importance in the industrialised areas of North America, Western Europe, and Japan, and it is here that most of the gain in consumption of man-made fibres has taken place in recent years. In Japan, although cotton consumption has gained 1.8 million bales since 1949, consumption of man-made fibres has gained by the same amount and now comprises 40 per cent. of the consumption of the major textile fibres, the largest for any of the important textile countries. In the U.K., cotton consumption has declined by half a million bales since 1949, while the man-made fibres have gained 300,000 bales. In Italy, textile consumption has shown little change in recent years, but cotton's share has declined, while rayon's has increased. In France, consumption of all major fibres was at a peak in 1956, but, here again, rayon's share increased at the expense of cotton. In the U.S., consumption of man-made fibres is 1.3 million bales larger than in 1948-50, while that of cotton is at the same level. An exception is the Federal Republic of Germany where, although consumption of man-made fibres has increased in recent years, the gain in cotton consumption has been greater.

In Underdeveloped Countries

The underdeveloped countries of Asia, Africa and Latin America account for a "very substantial part" of the increased consumption of cotton in the last few years. The consumption of man-made fibres in these areas is no doubt rising, but the rise has not been as much of a competitive factor as in the industrialised countries. Such a trend is attributed to 2 factors, namely, (1) the end-use requirements for textiles; and (2) the greater difficulty of raising capital and providing technology and raw materials for man-made fibre plants, not to speak of cotton being a basic agricultural crop in many countries. In India, for instance, cotton consumption has increased by nearly 800,000 bales since 1949, as against less than 150,000 bales in that of rayon. The percentage share of cotton in the market for the major textile fibres is currently put at 93, the figure for rayon and wool being 6 and 1, respectively. The climatic conditions in Asia, particularly India, constitute a favourable factor for cotton.

The synthetic fibres are not ideally suited for making clothing material required in tropical and semi-tropical countries for day-to-day wear. Another factor in favour of cotton is the low level of national incomes which permits the use of synthetic textiles by the vast majority of population only as a luxury. In India, the price of cotton is pegged at well below the world levels, while staple fibre and other synthetic fibres are relatively more expensive on account of heavy import duties, restrictions on imports and the high cost of production of domestic manufactures. This factor also places cotton fabrics at an advantageous position *vis-a-vis* the synthetic fabrics. It would, however, appear that industrial uses offer unlimited possibilities for synthetic fibres in India, especially for the newer types which are superior in strength to cotton.

AMBAR CHARKHAS

The Government of India has decided that 180,000 more Ambar Charkhas should be manufactured and brought into production during 1957-58. Out of these, 150,000 Charkhas will be distributed to trained spinners for commercial production of yarn, the balance being utilised for training more spinners. These 180,000 Charkhas will be in addition to the 75,000 Charkhas put into operation under the 1956-57 programme.

A target of 65 million yards of cloth to be woven out of Ambar yarn has been fixed for 1957-58. Under the second Plan, it may be recalled, 300 million yards of cloth have been earmarked for production from Ambar yarn out of the total additional production of 1,700 million yards.

A total provision of a little over Rs. 10 crores has been made in the budget for the current year for implementing part of the programme. Out of this, the Government has released immediately Rs. 2 crores—Rs. 1.5 crores as a loan and Rs. 50 lakhs as a grant—to the *Khadi* and Village Industries Commission for going ahead with the programme. The programme for the current year has been approved after a review of the progress made in executing the programme in 1956-57, the first year of the Ambar Charkha scheme.

It is claimed that the progress made in the execution of the scheme during the first year was steady. As against the target of 75,000 Charkhas, the actual number manufactured was 76,784. Of these, nearly 46,000 Charkhas were distributed to trained spinners for yarn production. The quantity of yarn produced was over 700,000 lbs., as against the target of 600,000 lbs. The production of Ambar cloth during the year amounted to over 1.53 million yards; the target for this was 2.25 million yards. Commercial production was organised in 258 production centres. The progress made in building up the organisation required for implementing the Ambar Charkha programme was more marked. As against the target of 50 workshops for manufacturing the Charkhas, 77 had actually been set up by the end of 1956-57. Twenty-eight training institutions had been started, as against the target of 30, and 303 training-*cum*-production centres were in existence, as against the target of 300. Over 2,500 instructors to train spinners in operating the Charkhas had been trained, as against the target of 2,400. Carpenters trained in the production of the Charkhas numbered 753—153 more than the programme envisaged. The number of spinners trained was nearly 49,000, as against the target of 70,000.

RAYON INDUSTRY

Addressing the members of the Silk and Art Silk Mills' Association at Bombay last week, Mr. Manubhai Shah, Union Minister for Industry, revealed that the Government of India might soon make an *ad hoc* announcement on drawback of export and excise duty. Mr. Shah did not indicate the industries which would benefit from such a drawback but only declared that the Government would bear in mind the difficulties of the rayon weaving industry. He congratulated the industry for having achieved a "phenomenal growth." Certainly, the industry deserves the congratulation. The number of looms installed which was just 278 in 1934 has gone up to as many as 40,000 today. The production of fabrics has registered remarkable expansion. Beginning with a modest figure of about 5,000 yards, the output steadily rose to 113 million yards in 1950 and to 193 million yards in 1956.

In the course of his welcome speech, Mr. M. S. Kapadia, Vice-Chairman of the Association, urged the Government to evolve a "constructive import policy," so that the industry could get sufficient yarn supplies. Replying to this plea, the Minister revealed that India imported about Rs. 18 crores worth of rayon yarn last year. He recalled the Planning Commission's recommendation that, in view of the wide disparity between the yarn requirements of the industry and indigenous produc-

(*Continued on next page*)

TEXTILE MISSION'S REPORT UNDER GOVERNMENT CONSIDERATION

SOME TOP-LEVEL HELP TO MEET COMPETITION EXPECTED

From A Special Correspondent

MANCHESTER, 11*th June*

THE "inquest" on the fruitless visit to the Far East by the Lancashire textile mission in search of an agreement with India, Pakistan and Hong Kong on the limitation of cloth shipments to Britain, far from being over, is really just beginning. The mission, led by Sir Cuthbert Clegg, has made a detailed report to the President of the Board of Trade, Sir David Eccles, on the negotiations with textile leaders in the three countries and, in a written reply in the House of Commons, Sir David admitted that the report "gave rise to many important points." These, he said, were being considered along with his colleagues. This announcement, in itself, seems to offer no more hope of Government action to curb imports than the admission by the President's predecessor, Mr. Thorneycroft, that repeated Lancashire delegations to Whitehall on the same issue had made out a good case. But the very fact that the Government is prepared to re-examine the situation in Lancashire resulting from cloth imports creates hopes of some sort of top level help.

MANCHESTER LETTER

A call to the Government to wake up before it is too late and the bulk of Lancashire's cotton industry has been lost to the inroads of Eastern competition was made by Mr. Joseph Hollas, Chairman of Hollas Textile Holdings Ltd., the large weaving group. "A century of technical development in the production of fabrics is being frittered away," he declared in his annual report. Average imports of cotton grey cloth from India, Hong Kong and Japan over the past three years was 254,000,000 yards per annum, representing production of about 25,000 looms. In Lancashire, an average of over 30,000 looms had closed down in each of the last two years, and weaving capacity was shrinking at the rate of 8½ per cent. annually. "These are only figures to many people," said Mr. Hollas, "but they are almost heart-breaking to many engaged in the trade. Because the industry is not being given a fair chance it is not attracting sufficient young people."

Yarn Profit Margins

One of the first industries which is scheduled for investigation under the Restrictive Trade Practices Act is that engaged in the production of cotton yarn. The agreement, which has operated for some ten years to regulate profit margins for spinners, has been the subject of criticism in other sections of the trade and the Government has included it in the first series of inquiries to be held before the Restrictive Practices Court.

Before he relinquished his office as President of the Yarn Spinners' Association in favour of Colonel J. B. Whitehead, Managing Director of the Lancashire Cotton Corporation, Mr. John Lindley gave some details of the action taken to deal with the agreement before its registration under the Act. The whole terms of the agreement were examined to ensure that any non-essential matters which might conflict with the provisions of the Act were excluded or amended, he said. The Association is preparing its case to defend the price regulation scheme and the contention of the spinners is that they have a sound case to argue before the Court.

"We shall use every means in our power, every source of evidence available from recent and historical records and the most competent legal minds to justify our activities," Mr. Lindley told the annual meeting of the Association.

Revisions Pending?

In the meantime, consideration is being given to a revision of the basis for operating costs marginal rates. The present margins, according to Mr. Lindley, reflect the cost experience in 1953, adjusted only by the actual wage awards made to operatives and increased fuel charges imposed in 1955. Costs of mill stores, rates, transport and many other expenses have materially increased since 1953 and only a comprehensive cost investigation can determine whether increased efficiency in the industry has enabled these increases to be absorbed.

Another matter which the Association has had under discussion is the possibility of improving the method of assessing cotton prices to provide the basis for its symbol on which yarn selling rates are established. Representatives of the Liverpool Cotton Association have collaborated with the spinners in these talks. Under current conditions, however, the Association is not ready to relinquish control of the basic symbol price, but a pledge has been given that, in the event of a change in the situation providing an accurate reflection of day-to-day trends in actual cotton buying prices, the Committee will not hesitate to take suitable action.

Union Supports Millowners

Support for the principles of the Yarn Spinners' scheme of minimum profit-margins was expressed by Mr. Charles Schofield, General Secretary of the Operative Spinners' Amalgamation, one of the three largest cotton unions. "Whatever the outcome of the inquiry, it must be made abundantly clear that a return to the conditions which will allow the re-institution of bad spinning on anything approaching the scale of the 1920's and 30's will be contested with the utmost vigour," said Mr. Schofield in a report to members.

The scheme fixes a margin of profit on spun yarn below which spinners must not charge. It arose, said Mr. Schofield, from the experiences of the late 1920's and early 30's when vast sums of money were virtually given away in the scramble to secure the limited amount of business available. Selling of yarns below cost was rampant, mills continued to cut each others prices until closure faced the owners, mills became scrap and—the most tragic part of the sorry business—large numbers of workers were consigned to the unemployment lists. Mr. Schofield said later: "We should be very concerned if the Court ruled that the scheme must go. It prevents cut-throat competition and people are entitled to a fair return for their efforts."—*All Rights Reserved.*

TEXTILES

(*Concluded from previous page*)

tion, additional plants should be set up and the existing ones expanded. He disclosed that the licences issued to the industry were for 68 million lbs. and hoped that, in the next two or three years, the country would be able to produce about 10 million lbs. more yarn, including certain fine denier counts.

CONFIDENCE IN WOOL

Growing world consumption of textile products should be strong enough to maintain the demand for wool. This is the opinion expressed by Mr. W. L. Heywood, Secretary of the National Association of Unions in the Textile Trade, in the annual report presented at the Association's meeting held at Bradford on the 1st inst. According to Mr. Heywood, while there is some concern about the rising production of artificial fibres, some of the pronouncements appear to spring more from instinctive apprehension than from a reasonable assessment of the possibilities. Consumption of apparel fibres is increasing faster than world population. The percentage consumption of man-made fibres per person has risen, but the actual consumption of natural fibres has not decreased in the same period. Eight per cent. of the raw material used by the wool textile industry at present is man-made fibre. It seems reasonable to expect that the growing world consumption of textile products would be strong enough to maintain the demand for wool. Nobody supposes that we shall witness a revolution in wool textiles akin to what has twice happened in women's hosiery. Women abandoned wool stockings for stockings made of rayon, and from rayon they went to nylon. Happily, the wool textile industry does not face a prospect of that kind.

NYLON NETS FOR FISHING

The excellent catches made by Indian fishermen using a mechanised boat and nylon nets, demonstrated to them by the experts of the Food and Agriculture Organisation, it is claimed, is creating a strong demand for modern fishing boats and gear. According to Mr. G. S. Illugason, an Icelandic master fisherman who is on an assignment for F.A.O. in Madras State, the Fisheries Department of the Madras Government hired out last month the F.A.O. 22-ft. Danish motor boat and 14 nylon gillnets to some fishermen in Kilakarai. They landed 7,628 lbs. of fish, valued at Rs. 1,089-15-3, in 12 days' fishing. They have been so impressed by the results obtained that they have written a letter to the Fisheries Department of the Madras Government urging it immediately to make available such boats and nets. The second F.A.O. Danish boat in India with 14 nylon nets was similarly hired out to fishermen at Pamban. They landed 8,067 lbs. of fish after 18 days of fishing. Their catch fetched Rs. 1,209-0-6.

Nylon gillnets, we are told, can also be used in fishing from local log-rafts and small sail or rowing boats. There are thousands of such craft in India, which offers a very good chance of quickly increasing the Indian fish catch, if nylon nets can be widely introduced.

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OUTLOOK FOR WORLD COTTON

CONTINUED PRESSURE ON PRICES LIKELY

THE sixteenth plenary meeting of the International Cotton Advisory Committee (I.C.A.C.), Washington, held at Istanbul recently and briefly referred to in our last issue, has provided a welcome opportunity for cotton experts the world over to review the global situation of the fibre and to discuss some of the problems facing it. To coincide with this meeting, the I.C.A.C. published an Annual Survey of the world cotton situation in its latest monthly review. The Survey provides an analysis of the supply and distribution position of cotton in the current season (1956-57) which is about to come to a close. Although it is too early to make any assessment of the prospects for the next season beginning on 1st August, an attempt is also made to piece together whatever information is available at present as a guide to what the situation is likely to be in the various segments of the cotton economy in that season.

Total free world production of cotton in the current season is expected to aggregate 28.8 million bales (of 478 lbs. each), representing a decline of 2 million bales over the last season's figure. According to the Survey, a major significance must be attached to the marked reduction in cotton production during the current season, because it has long been recognised that one of the prerequisites for resolving the world cotton surplus problem is to restrict production. Holding virtually the entire surplus and responsible for nearly half the total free world production, the U.S. was expected to show the major adjustment in production. This expectation would appear to have materialised. With the smallest acreage planted to cotton since as far back as 1882 and despite the maintenance of near record yields, production in the U.S. declined by 1.6 million bales to 13.1 million bales this season. Control of acreage in that country has been and will continue to be fundamental to the eventual restoration of equilibrium between cotton supply and demand. Of equal significance has been the decline in aggregate acreage and production in other countries also. After a period of continuous expansion, which previously had offset, to some extent, acreage controls in the U.S., cotton acreage in the free world outside the U.S. has declined by roughly one million acres to 46.3 million acres and production by 500,000 bales to 15.7 million bales in 1956-57, as compared with the previous season. The factors responsible for this fall in production were: (1) conscious, direct Governmental action especially in Egypt and Mexico, (2) anticipation of a fall in price, and (3) fortuitous factors like weather. The effect on supply of the marked reduction in production was offset, to a large extent, by the increase of almost 1.5 million bales in the opening carry-over, so that the supply during the season was lower by only some 600,000 bales. The carry-over stock at the beginning of the season was 22.1 million bales which, together with production estimated at 28.8 million bales, made a total visible supply of 50.9 million bales, as compared with 51.5 million bales in the previous season. The following table gives the free world supply and distribution position in the past three seasons:

Supply and Distribution

(In million bales)

	1954-55	1955-56	1956-57
Stocks (1st August)	19.1	20.7	22.1
Production	29.6	30.8	28.8
Total supply	48.7	51.5	50.9
Consumption	27.6	28.5	29.0
Net export to communist countries	0.2	0.7	0.6
Destroyed	0.2	0.2	0.2
Total disappearance	28.0	29.4	29.8
Stocks (31st July)	20.7	22.1	21.1

The pattern of distribution of stocks as on 1st August 1956 has been an important factor influencing the flow and direction of international trade in cotton. The existence of a carry-over of 14.5 million bales in the U.S. explains that country's efforts at recapturing a larger slice of the world market. Minimum stocks elsewhere has been one factor in the marked increase in imports in net importing countries, as well as the main reason, along with lower production, for the much smaller exports from outside the U.S. this season.

Consumption

Of even greater significance is the continued increase in consumption. Although consumption in the U.S. has declined by about 500,000 bales to 8.7 million bales, aggregate free world consumption is expected to exceed the 1955-56 figure by about 500,000 bales and set a record of about 29 million bales. Cotton consumption in Western Europe is expected to touch a new high. This is attributed to stable cotton prices at lower levels and the impetus to textile production following the Suez crisis. Japan, India and other Far East cotton consuming countries all registered sizable increases in consumption.

Rising consumption in Western Europe and the Far East, coupled with stock replacement, has resulted in a marked expansion in the volume of international trade this season. Total free world exports may well amount to 14 million bales, as compared with 11.6 million bales in 1955-56. This, according to the Survey, is tangible proof of the importance of price stability in achieving a high level of world trade and consumption. The mandate under the special export programme to make U.S. cotton competitive, the continued financial assistance accorded by the U.S. Government and the decline in export availabilities in other cotton exporting countries have all contributed to the huge increase in exports from the U.S. this season which is expected to be of the order of 7.5 million bales, as compared with a mere 2.2 million bales during the previous season. Assuming total free world exports of around 14 million bales, exports from countries other than the U.S. would aggregate about 6.5 million bales or at least 3 million bales less than in 1955-56. A marked decline in exports in these countries was inevitable because of reduced export availabilities. For instance, lower production, reduced carry-over and rising consumption in nearly all countries reduced the export availability to under 7.5 million bales, as compared with 9.5 million last season. These considerations, according to the Survey, appear to warrant the conclusion that the volume of trade has not been seriously affecetd by heavy exports from the U.S., though the reduction in prices has cut deeply into cotton earnings.

Prospects for Next Season

As disappearance is likely to exceed production, the end-season stocks, after several years of heavy accumulation, will decline, may be, by as much as one million bales to 21.1 million bales, as against 22.1 million bales at the beginning of the current season. This is, indeed, encouraging, for in it lies the hope that production adjustments and rising consumption can eventually eliminate the present surplus problem. As regards production prospects in the coming season, the Survey points out that, in the U.S., the acreage allotment for 1957-58 has been increased slightly to 17.6 million acres; but, out of this, about 3 million acres would be temporarily taken out of production under the Soil Bank Programme. Therefore, unless there is a substantial improvement in average yield, there would be a further significant fall in production. Rain has improved the outlook for cotton production in Mexico. Preliminary reports point to a slight increase in overall acreage and a possible increase in production. Egypt will apparently continue to restrict cotton acreage next season.

In the free world outside the U.S., there are many factors which would seem to indicate the maintenance of a high level of production in most countries and there appears, according to the Survey, to be little or no grounds in most countries for supposing that there will be any significant reduction in cotton acreage next season. But, on the other hand, uncertainties as to future trade and prices may temper any expansionary tendencies. Lower free world stocks and a smaller crop in the United States should result in a further reduction in total free world supply next season.

As regards consumption, observers in the United States hope for some improvement in the textile outlook which may be reflected in higher offtake of cotton. In Western Europe, as the Suez crisis was one of the factors sustaining a higher level of textile production this season, there might be some readjustment of production schedules in the coming season. Also, rayon and the synthetics continue to forge ahead. Lower cotton prices and increased promotion and research, however, are expected to enhance cotton's competitive position in the future. After a period of dynamic growth, policy in Japan is geared more to stability of cotton textile production while putting greater emphasis on rayon and synthetic fibres. Although cotton consumption, therefore, may not yet have reached the optimum, it seems that any future increase would be more limited. In India, plans under the second Five-year Plan, as is well known, are for a continued expansion of cotton textile production, but whether this will result in increased cotton consumption in 1957-58 remains to be seen. Outside these main areas, consumption in the aggregate is still expanding but at a slower rate than previously.

Trade

International trade is very largely a function of consumption and stock policy in net importing countries and, on both these scores, prospects at the moment, says the Survey, seem to be for some reduction in cotton exports next season. It is unlikely that total free world exports will reach such record levels as in 1956-57 and, if purchases were to be only for current consumption, there would be a significant decline. In these circumstances, continued heavy exports from the United States might be more prejudicial to other countries' interests, particularly if there is any increase in export availabilities. One thing, asserts the Survey, is certain. As long as present surpluses persist, cotton trade will continue to be highly competitive.

The price policy adopted by the United States will, once again, exert a major influence on the world price structure. The two-price system in the U.S. will persist. Sales under the new export programme for delivery after 15th August are being made at approximately the same price as under the old but at over a cent per pound higher than at the beginning of the present season. No commitment, however, has been made as to future policy. In the face of heavy export sales in the United States, other exporting countries will be compelled to remain competitive, and the short-term outlook, according to the survey, is for continued pressure on cotton prices. But, at the time of writing, the new crop positions in the New York cotton market are ruling quite firm, due to reports that the crop in the 1957-58 season would be much lower than earlier expectations on account of adverse weather conditions, especially in Texas.

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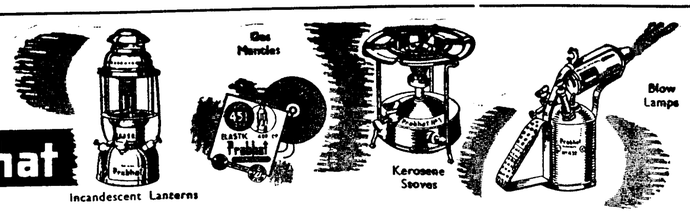

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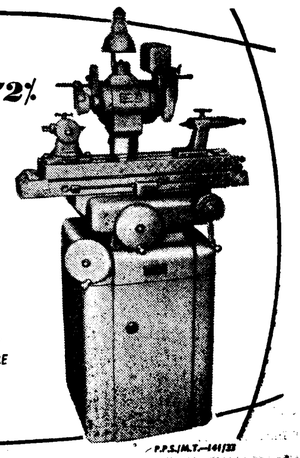

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SUGAR OUTPUT THIS SEASON PUT AT 2.02 MILLION TONS

DROP IN SUGAR RECOVERY FROM CANE

REVIEWING the recent trends in the white sugar sector in these columns two weeks ago —*vide* page 1138—we observed that the production estimate of two million tons for the current season (1956-57) was quite justified. This statement is more than amply borne out by the final official estimate of sugar output directly from cane in vacuum pan factories for the season. A little over 2.02 million tons of sugar are expected to come off the crushing plants of mills, as against 1.86 million tons actually produced during 1955-56, representing an increase of 159,000 tons or 8.5 per cent. This is an all-time record in the history of the Indian sugar industry. The number of factories reported to be working in the season was 149, as against 143 in 1955-56. Except two factories—one in Bombay and the other in Rajasthan—all other factories which were in operation during 1955-56 were also working in the current season. In addition to these, eight new units—five in Bombay and three in the Punjab—came into production.

The marked improvement in output must be attributed to the availability of plentiful supplies of sugarcane to the factories, thanks partly to improvement in cane output and partly to diversion of cane supplies to mills, owing to the relatively low price of *gur*. The total quantity of cane crushed in mills is estimated at about 26.7 million tons, which compares very favourably with 18.9 million tons. The rise in sugar production would have been higher still but for the setback, albeit slight, in the recovery of sugar in cane which for 1956-57 is put at 9.76 per cent., as against 9.83 per cent. for 1955-56.

Sugar Production in States

The salient features of the trends in sugar industry during the last two seasons are given in the statement at the foot of the page. It will be seen from the table that the rise in production during 1956-57 has been shared by all the States with the exception of Mysore, Bihar, Andhra and West Bengal. The rise is particularly substantial in the States of Uttar Pradesh and Bombay, the actual increase being of the order of 77,900 tons and 50,600 tons, respectively. Sugar production is estimated higher by 33,400 tons in the Punjab and by 10,600 tons in Madhya Pradesh. The anticipated rise in sugar output in the aforesaid four States is put at 12,000 tons, 11,000 tons. 1,100 tons and 1,000 tons, respectively. The U.P. accounts for more than 52.8 per cent. of the country's total output, followed by Bihar and Bombay; the percentage of the former is 15.2 and of the latter 12.1.

Following larger supplies of cane, the duration of the crushing season was quite long, the average number of working days being 143, as against 144; this figure is much higher than that for 1954-55, namely, 129 days. A State-wise analysis shows that the actual duration of the season in the U.P. was higher by six days at 153 days. In Bombay and Andhra, on the other hand, the actual duration was shorter by 16 days, being 126 and 149, respectively. It was also lower at 130 in Bihar, as against 134.

The frequency distribution of factories according to the number of days of actual crushing shows that, in 1956-57, the duration of the season ranged from 150 to 220 days and over in the case of 71 factories, as against 63 factories in 1955-56. Again, the number of factories which worked for less than 100 days was only 11 in 1956-57, as against 26 in the previous season. The duration of the season ranged from 100-149 days in respect of 67 units, the figure for 1955-56 being 58.

The crushing season started on 5th October 1956, although two units had commenced working earlier, and continued till the end of June; some mills in West U.P. were reported to be working even in the beginning of this month.

The percentage of recovery of sugar from cane during 1956-57, as already stated, suffered a setback; the all-India average amounted to 9.76, as against 9.83 in 1955-56. The recovery of sugar fell in all the States barring Madras, the Punjab and Madhya Pradesh which reported some improvement. The decline was very steep in West Bengal and Orissa—from 10.46 and 9.05 to 9.00 and 8.00, respectively. Bombay accounted for the highest percentage recovery, the average being 11.41, followed by Mysore with 9.99, Uttar Pradesh with 9.67, Bihar with 9.58 and Madhya Pradesh with 9.57.

SALES TAX ON SUGAR IN MADRAS

A disquieting trend in the sugar trade in Madras State is the unsocial practice of a section of traders to import sugar from outside the State in fictitious names and then to sell the bulk of it without bills, thereby avoiding payment of sales tax. This practice, it is said, has not only resulted in the loss of revenue to the Government—the loss is estimated at not less than Rs. 27 lakhs per annum—but also proved detrimental to the interests of genuine merchants. Attention to this tendency has been drawn in the course of a joint memorandum submitted to the Finance Minister of Madras by the South Indian Sugar Mills Association, the Tamilnad Foodgrains Merchants Association, Madurai, and important sugar dealers in the city. The memorandum says:

"As it is, only sugar factories in this State collect on every bag sold the single-point and first stage multi-point tax and remit it to Government. These factories find it most difficult to compete and oust these tax evaders, because the difference is about Rs. 6 per bag which the factories can hardly afford to lose. For instance, sugar is today sold in Madras City without bills at Rs. 102 per bag. For a factory to sell at the same price, it should quote Rs. 96.42 plus sales tax which comes to Rs. 5.58 per bag. The tendency, in these conditions, is for sugar manufactured in Madras State to be exported to places outside the State to avoid the incidence of the heavy rate of sales tax here. The sugar imported from outside rarely pays any sales tax. Thus, Government lose revenue both on local and outside sugar. In this manner, the initiative in the sugar trade has passed into unscrupulous hands."

The memorandum has urged the Madras Finance Minister to curb such a tendency. It commends the adoption of the sales tax system followed by the Government of West Bengal. The salient features of the system are as follows:

Every sugar dealer must get himself registered with the sales tax authority. When a dealer receives a rail receipt or a bill of lading either through a bank or direct from the mills, a form has to be filled in triplicate mentioning the sales tax registration number and submitted to the Sales Tax Officer concerned for issue of a permit for the release of the goods from the railway station or from the harbour. A specimen of the form is attached. The Sales Tax Officer who maintains records of all sugar transactions of the registered dealers retains one copy of Form IV in his office and returns the other two copies to the dealer endorsing them by his office stamp and signature and mentioning the permit number. The dealer then surrenders a copy of the permit to the sales tax authority posted at the delivery point before taking delivery of the consignment from the railway station or the port. The third copy of the permit is kept by the dealer for his record. On the basis of the transactions recorded during the month, sales tax due to the Government is deposited with the Reserve Bank of India and the receipted challan submitted by the party to the Sales Tax Officer along with the monthly return.

States	Number of factories working		Average number of working days		Sugarcane crushed (1,000 tons)		Sugar produced (1,000 tons)		Recovery per cent.	
	1955-56	1956-57	1955-56	1956-57	1955-56	1956-57	1955-56	1956-57	1955-56	1956-57
Uttar Pradesh	68	68	147	153	10,187	11,037	989	1,067	9.71	9.67
Bihar	28	28	134	130	3,269	3,218	319	308	9.76	9.58
Bombay	15	19	142	126	1,673	2,155	195	246	11.67	11.41
Andhra	9	9	165	149	1,457	1,473	138	137	9.47	9.35
Punjab	4	7	121	112	426	775	38	71	8.88	9.18
Madhya Pradesh ..	5	5	119	148	381	489	36	47	9.50	9.57
Mysore	4	4	176	136	566	451	57	45	10.17	9.99
Madras	4	4	164	182	608	656	54	79	8.86	8.97
Rajasthan	3	2	127	149	145	165	14	16	9.44	9.38
Kerala	1	1	136	175	87	134	8	12	9.07	8.87
Orissa	1	1	153	100	44	45	4	4	9.05	8.00
West Bengal	1	1	140	145	96	103	10	9	10.46	9.00
All India	143	149	144	143	18,939	20,701	1,862	2,021	9.83	9.76

COAL IN THE U.K.

OUTPUT AND OFFTAKE MOVE UP

COAL miners in Britain are working more efficiently now than ever before, thanks to better conditions and higher pay for workers, according to the latest Annual Report of the National Coal Board which covers 1956. The aggregate output of coal during the past calendar year amounted to 222.1 million tons, which represents a rise of half a million tons over the previous year. As compared with 1947, the first year of nationalisation, the production in 1956 was higher by 26.3 million tons, or an increase of nearly 13 per cent.

The improvement in coal output is attributed to mechanisation and adoption of new techniques. Mechanisation at the coal-face, it is claimed, has increased the total tonnage of power-loaded coal from about 4 million tons in 1946 to more than 36 million tons in 1956. By the end of last year, 400 miles of tunnels were in existence and plans were under way for 3,000 miles of tunnelling in the next 15 years. New and safer mining techniques introduced included blasting of coal under water pressure, and experiments on breaking coal by high-pressure blasting were in progress. A new central engineering establishment was virtually completed in 1956. Many new techniques were being introduced in the management side, too.

Thanks to mechanisation and new techniques, the *per capita* man-shift output of a coal-face worker has gone up, the figure for 1956 being 3.3 tons, as against 2.8 tons 10 years before. The industry's tonnage per man-year is also higher at 298, as against 262. The average weekly earnings of all adult males in the coal industry has doubled in the past 10 years, from £8 16s. to over £16. As a result of mechanisation of coal-mining, manpower has decreased slightly, although it tended to rise again and stood at 703,000 at the end of 1956. Indeed, recruitment to the mines during 1956 was the highest since 1952 and, with fewer men leaving the industry, there was a net rise of 3,500 in manpower, in contrast with a fall of 5,200 in 1955. Nevertheless, at the end of 1956, the coal industry still had immediate vacancies for 9,000 men, mainly in South Yorkshire, the Midlands and South Wales.

Working Conditions

Incidentally, the coal industry has endeavoured to improve working conditions through provision of better welfare facilities, much greater safety and more medical attention. During 1956, for instance, £16 million had been spent on new pithead bath facilities, making them available to 90 per cent. of the miners, while the older bath installations were being modernised. The yearly total of men killed and injured in accidents had been reduced.

Coal output in the U.K., as already stated, went up in 1956 to 222½ million tons, half a million tons more than in 1955. Higher opencast production accounted for the increase; deep-mined output fell slightly, there being on the average rather fewer men at the pits during 1956, with output per man-year remaining virtually unchanged. Losses caused by disputes—1.8 million tons—although the second highest since the war, were 900,000 tons lower than a year ago, but this is more than accounted for by the fact that there was a strike in Yorkshire in May 1955 which cost nearly one million tons. Gains in comparison with 1955 from lower losses by disputes and from greater output per man-shift were counterbalanced by lower Saturday output and higher absenteeism.

The expansion in coal production noted last year was accompanied by a similar rise in domestic consumption which aggregated 218.2 million tons, as against 215.0 million tons. Despite the check caused by the crisis in West Asia, there was, however, the continued shift from coal to oil. There was also a continuation of the trend from primary fuels to coke, gas and electricity. To be more precise, inland coal consumption rose by 3 million tons in 1956. Power stations and coke ovens together used 5 million tons more coal than in 1955, while industry and the collieries used nearly 2 million tons less. There was little other change in consumption in spite of the colder weather. Exports of coke were higher than in 1955. Deducting coke exported and put to stock, inland consumption of coal was only one million tons higher in 1956. Stocks were maintained at a high level. Imports were reduced by over 6 million tons and exports (including ships bunkers) by 4 million tons.

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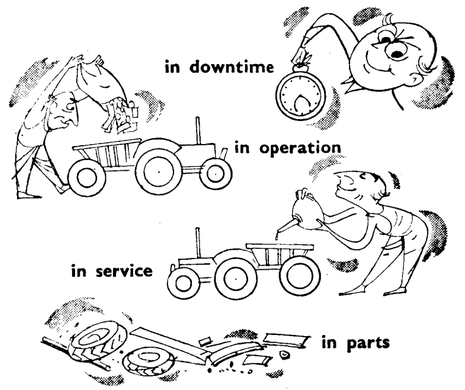

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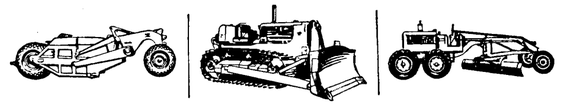
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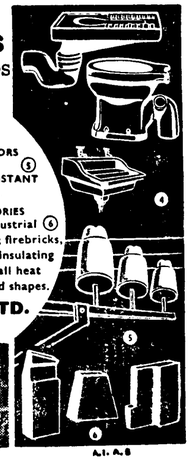
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NO IMPROVEMENT IN JUTE INDUSTRY

PRODUCTION HIGHER—STOCKS MOUNT UP

IF there is any industry in India which is in a state of depression, it is the jute industry. Despite all the economic expansion that has taken place in India and elsewhere, this industry has been unable to regain its vitality. And there are no signs of it doing so in the near future. So depressed is this industry now that even a slight increase in its output and/or stocks causes concern among those engaged in it. Indeed, as things are today, this industry can hardly make any significant addition to the national income of the country. What is more depressing is that a feeling of defeatism seems to have set in even among the Ministers, at any rate of the Central Government. Not long ago, Mr. T. T. Krishnamachari, for instance, declared that, in future, he cannot count upon the jute industry for providing any sizable addition to India's foreign exchange earnings. Yet the Government has been largely responsible, through its fiscal and labour policy, for the present sad plight of this industry. By keeping up the export duties on jute goods at fantastically high levels in the past, the Government of India enabled Pakistan, Japan and several other countries in the West and the East to establish jute mills successfully. When it realised its mistake, it was too late to undo the harm it had inflicted on the domestic industry.

It may be argued that all this is old history. But it is necessary to recall this development in order to remind the authorities that they continue to make similar mistakes in other fields of economic activity also. At the last meeting of the Export Advisory Council, Mr. Morarji Desai, Minister for Commerce and Industry, however, stated that the Government had made up its mind not to repeat the aforesaid mistake again. While this remark is reassuring, it is not borne out by facts. The Government's labour policy as applied to the jute industry, to give an instance, is still the same and it is greatly impeding the progress of modernisation schemes. This policy is also standing in the way of eliminating the uneconomic units in the industry. The Industrial Disputes (Amendment) Ordinance, recently promulgated by the Central Government, has actually made the position worse. And yet there is no doubt that, unless the industry is rid of the old and uneconomic units and is reinforced by improving and modernising the well-managed economic units, its future will continue to be bleak. It should not be forgotten, in this connection, that the cost of production does not depend on the price of raw material alone but also on the efficiency of men and machines alike. The jute millowners, who never tire of pleading for bringing about a reduction in the price of raw jute, do not seem to realise that this is more easily said than done. Their arguments are doubtless sound, but, if they are realists, they will quickly see that this solution will take a long, long time to yield satisfactory results and that they should, therefore, think of other ways in which the costs could be brought down within a reasonably short period.

Rationalisation of production and modernisation of jute mills require not only a readjustment of labour policy but also investment of large capital. Unfortunately, the tax policy of the Government is a stumbling block in this direction. Its policy of heavy taxation has led to a flight of considerable foreign capital from the jute industry and a changeover in the ownership of mills to hands not all of which are efficient and/or capable of attracting fresh capital from investors. The depressed trading conditions in jute goods constitute yet another factor that discourages the flow of fresh capital into this industry. The National Industries Development Corporation, which was asked to render financial assistance to the industry, has so far lent only Rs. 55 lakhs, the number of mills which have received this amount being just two. The fault for this slow progress may not be entirely that of the Corporation and may be due to the reluctance of the mills themselves to avail of the facility. If that be the case, the mills cannot be blamed for it, because their reluctance to get into debt when the future for the industry is uncertain is quite understandable.

The jute industry is thus caught in a vicious circle from which it cannot be rescued without the active help of the Government. In view of the fact that the Government is largely responsible for the present hardship of the industry, it has a moral obligation to this industry. Further, the economic health of the overpopulated and the refugee-plagued West Bengal will deteriorate further, if the jute industry is not rescued and strengthened. Certain bold measures such as provision of liberal credit facilities and special tax concessions are, therefore, called for. But we realise that, to ask for these from a socialist Government with a pronounced bias against capital, is like crying for the moon. Accordingly, the jute industry seems to be destined to suffer a slow and painful shrinkage. It is true that domestic market for jute goods is gradually expanding. But it could grow faster and better if only the industry is enabled to reduce its cost of production.

The production of jute goods which had gone up from 84,700 tons in March 1957 to 86,800 tons in April, was higher again at 87,300 tons in May 1957. It is, of course, much less than the 101,700 tons produced in May 1956, but this is due to the restoration of the cut in September 1956, in the number of looms in work which had been taken off in two stages early last year in expectation of Russia placing large orders for Indian jute goods. This expectation did not fully materialise. The following table shows the trend of production under the principal varieties:

(In tons)

	May, 1957	April, 1957	March, 1957	May, 1956
Hessian	35,600	36,200	36,000	35,800
Sacking	45,000	44,800	43,100	59,600
Others ..	6,700	5,800	5,600	6,300
Total ..	87,300	86,800	84,700	101,700

It will be seen from the table above that there has been a fall in hessian output, that the rise in sackings is small and that it is only in 'others' there has been an increase of 900 tons. At 6,700 tons, production of 'other' jute goods is higher than that even in May 1956 when production of all jute goods was better by 14,400 tons. This reflects a gradual shift in the type of jute

(Continued on page 1267)



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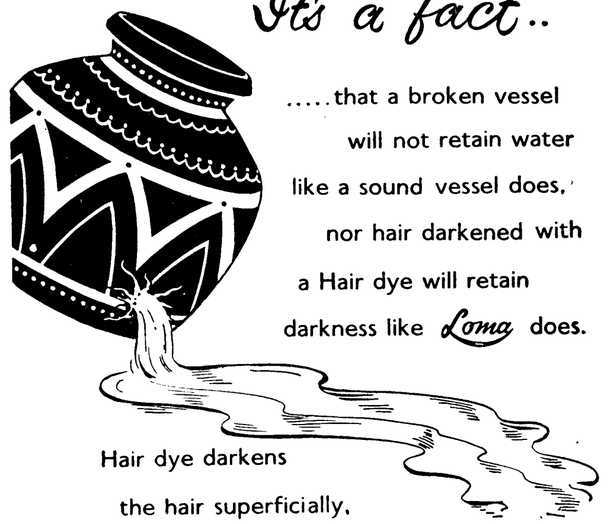

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DEVELOPING INLAND WATERWAYS

ESTIMATES COMMITTEE'S SUGGESTIONS REVIEWED

ALTHOUGH India possesses large inland waterways, it is somewhat deplorable that no systematic attempt should have been made to develop them for purposes of transport. This is in strange contrast with the position in the West, particularly in Europe, where the rivers Rhine, Seine, Volga, Danube and Don are extensively used for navigation. Normally, one would expect India to be keen on developing the navigational uses of its rivers. For one thing, its road and rail transport are inadequate so that rivers could be a useful adjunct to its means of transport. Secondly, river transport is less costly than road or rail transport in that the water transport vehicle costs less than road transport vehicle or railway transport and the cost involved in the maintenance of riverways is not as heavy as the upkeep of roads and rail track. Thirdly, India is more fortunate than Europe in being blessed by a river system that does not freeze in winter. These considerations would lead one to expect a more systematic exploitation of India's rivers for navigational purposes. And yet so little has been done in this sphere. Appropriately enough, the Estimates Committee, in its report entitled "Inland Water Report," has spotlighted the importance of inland waterways to national economy and has made a number of useful suggestions which deserve early implementation.

The following table gives the extent of the use of rail, road and waterways in India and some overseas countries:

Forms of Transport

(In miles)

	Rail	Road	Waterways
Austria	3,753	19,068	230
Belgium	3,108	57,500	970
France	25,888	450,000	8,268
W. Germany	19,091	155,000	2,662
India	34,705	239,801	5,500
Ireland	2,566	50,399	456
Italy	10,298	122,188	1,498
Netherlands	1,991	8,622	4,324
Sweden	9,431	85,355	758
Switzerland	1,978	28,976	13
U.K.	19,334	187,348	2,396
Yugoslavia	7,288	57,788	1,271

The history of the Government's interest in waterways dates back to 1828 when one H. T. Prinsep, the then Secretary of the East India Company, submitted a note on the introduction of steam navigation in India's rivers. In 1872, Sir Arthur Cotton, the great architect of the Cauveri and the Godavari canal works, in his evidence before a Parliamentary Committee, emphasised the need for canals for irrigation and navigation. The Indian Industrial Commission, in its report submitted in 1916, laid emphasis on the desirability of the improvement of the then existing waterways. The Commission said that it could not help thinking that, in the absence of a representative specially charged with the interests of the waterways, "the vested interests of railways have prevented waterways in India from receiving the attention that has been given to them in other large countries with such satisfactory results."

As regards the existing position of inland water transport, it is mainly confined to Assam, W. Bengal, Bihar, Uttar Pradesh, Orissa, Andhra, Madras and Kerala. The estimates of the length of navigable rivers in India vary. But all estimates show that the length is not inconsiderable. Mr. J. J. Surie, the U.N. inland water expert, who visited India in 1952, estimates the length of navigable waters in India at 5,144 miles. The Ministry of Transport has estimated the length at 5,500 miles. The Central Water and Power Commission places the length at 5,760 miles, consisting of (1) rivers navigable by steamers, 1,537 miles; (2) rivers navigable by large country boats, 1,475 miles and (3) canals and backwater navigable by country boats 2,748 miles. Summing up the position, the Estimates Committee remarks that India's waterways have "deteriorated much owing to the neglect of water transport since the introduction of railways and need considerable improvement as well as extension."

Conference in Delhi

The Government has not altogether been oblivious of the need for improving water transport. In August 1949 the Ministry of Transport convened a conference in Delhi attended by the representatives of U.P., Bihar, W. Bengal and other concerned Ministries of the Government of India. Different matters relating to use of waters in rivers for navigational purposes were discussed. Another inland water transport conference was held in 1951 with Mr. K. Santhanam, Minister of State for Transport and Railways, in the chair. The Chairman remarked that, in the past three years, members of Parliament had expressed dissatisfaction with the slow development of water transport. He said he himself thought that these criticisms were not without basis. An outcome of the conference was that the Government decided to constitute a Ganga-Brahmaputra Board.

During the period of the first Plan, an important programme which was taken up for implementation was the Ganga-Brahmaputra Water Transport Board which was set up in 1952. It was agreed that the Central Government and the State Governments concerned, namely, those of U.P., Bihar, W. Bengal and Assam should finance the scheme which was mainly designed to tackle problems relating to navigation on the Ganga, the Brahmaputra and their tributaries. A provision for payment of Rs. 10 lakhs was, therefore, made in the first Plan for payment of contribution to the Board. In the second Plan, a provision for Rs. 3.4 crores has been made for the development of inland water transport. The contemplated programmes include: equipment required for Assam ferry and river projects Rs. 12 lakhs; contribution to the Ganga-Brahmaputra Water Transport Board Rs. 20 lakhs, capital expenditure on the development of works on the Ganga-Brahmaputra region Rs. 90 lakhs, development of inland port facilities Rs. 49.5 lakhs, development of Buckingham Canal Rs. 115 lakhs and development of West Coast canals Rs. 43 lakhs. The Committee has remarked that the provision of only Rs. 43 lakhs for the development of West Coast canals "appears to be inadequate" and that the "feasibility of increasing this provision may be examined."

Specific Suggestions

The Committee has made certain specific suggestions for the improvement of inland water transport. Thus, it has called attention to the importance of improving the Buckingham Canal within the period of the second Plan and of linking it with the harbour. In 1938-39, the canal carried Rs. 134 lakhs worth of goods, mostly foodgrains, fish, salt, firewood and building materials; in 1951-52, the value had increased to Rs. 20.73 crores. Again, the Committee has suggested that the scheme of navigation on the Mahanadi should be pursued. It would appear that this subject was studied by a French mission which submitted a valuable report. At the instance of this mission, investigations were taken in hand. But later, they were discontinued under instructions of the Central Board of the Hirakud Project. The Committee has recommended that these investigations should be pursued as originally contemplated as early as possible. Two other suggestions made by the Committee are: (1) The feasibility of connecting the Kurnool-Cuddapah canal of the Tungabhadra project with some commercial and industrial centres should be examined; (2) The possibility of navigation on the canal constructed by the Damodar Valley Corporation should be examined. Among other specific suggestions made by the Committee are:

(i) Schemes should be drawn up with a view to studying the navigation potentialities of the various rivers and canals throughout India; the carrying out of improvements and extensions thereto should be taken in hand without further delay and the work completed within a period of, say, two/three years. (ii) Special efforts should be made to obtain expeditiously the craft and other equipment required for the Upper Ganga pilot project, and the project put into operation as early as possible in order that the results of its working may be available for guidance in other places. (iii) The problem of channel conservancy measures required at various places should be carefully examined and provision of funds obtained for non-recurring and recurring expenditure on this account. (iv) The requirements of dredgers and other machinery required for deepening the canals and rivers which have silted up through neglect during the last many years and of suitable craft and equipment required for service thereon should be estimated sufficiently in advance to enable adequate funds being obtained during the third Five-year Plan period. (v) The requirements of various facilities such as beacons, radio-telephone communications, jetties, equipment for the berthing of vessels and mechanical handling of cargo floating or shore outposts with residential and office accommodation, etc., should similarly be estimated well in advance so as to be included in the third Five-year Plan. (vi) Arrangements should be taken in hand for the training of crew and other personnel required for inland water transport. (vii) Future construction of canals in the country should be designed with due regard to the provision of navigational facilities side by side, wherever the same are feasible and required in the wider interest of the country. (viii) The West Coast should be explored early for providing river navigation facilities as in the case of north-east, east and soth.

Master Plan

The Committee has expressed the hope that detailed investigations on the Master Plan for navigation schemes, drawn up by the Ministry of Irrigation and Power, will be "pursued with vigour." The Plan, it may be noted here, envisages five schemes:

Scheme I: Linking the Ganga river system with the west flowing rivers to provide a continuous waterway from West Coast (Arabian Sea) to East Coast (Bay of Bengal). The scheme would provide a continuous waterway from Western India to Northern and North-east India via Central India. The C.W. & P.C. has already studied this scheme from the topo-sheets and from the information received from States, and has prepared four proposals for preliminary investigation. These proposals are: (a) Connecting the Narbada with Sone (a tributary of the Ganga) via the Johilla (a tributary of the Sone). (b) Connecting the Narbada with the Sone (a tributary of the Ganga) via the Hiran and the Katni Nai (tributaries of the Narbada and the Sone respectively). (c) Connecting the Narbada with the Chambal (a tributary of the Yamuna) via the Karam (tributary of the Narbada). (d) Connecting the Narbada with the Yamuna via the Bearma and the Ken (tributaries of the Ken and the Yamuna).

Scheme II: Connecting the Narbada with the Godavari river system.

This would provide a continuous waterway from the West Coast to the East Coast through the hinterlands of Bombay, Madhya Pradesh and Andhra. The C.W. & P.C. has already studied this scheme from the topo-sheets and proposed for the preliminary investigations of the same.

Scheme III: Linking the Tapti with the Godavari system via the Wardha, a tributary of the Godavari. This will provide an alternative waterway connecting the West Coast with the East Coast.

Scheme IV: Linking the Ganga river with the Mahanadi via the Sone and the Rihand (tributaries of the Ganga and the Sone respectively) and the Hasdo (the tributary of the Mahanadi). This will provide a continuous waterway between Northern and North-East India, and Orissa via Raipur district of Madhya Pradesh.

Scheme V: Inland coastal waterway connecting Calcutta with Madras via Cuttack along the East Coast connecting up to the existing canals and backwaters of Travancore-Cochin (Kerala) and to Mangalore via backwaters and new canals.

If a line of water communication, as mentioned above, could be achieved it will provide a chain of waterways along the whole length of the East Coast of India and for about 435 miles of the West Coast and this will connect all the rivers of Orissa, Andhra and Madras flowing into the Bay of Bengal. This will link all the waterways proposed to be developed in Schemes I-IV and will afford a continuous waterway grid passing through all the important regions of the country.

Among the investigations undertaken in recent years into the problem of inland water navigation, mention must be made of the study of the problem by Mr. J. J. Surie of Holland whose services were made available to India by the U.N. Technical Assistance Administration. Mr. Surie recommended two projects, namely, a project for the development of shallow draught navigation with smaller craft on the feeder rivers of the Brahmaputra and of a diesel-operated ferry vessel on the Brahmaputra. These are estimated to cost Rs. 8 lakhs and Rs. 4 lakhs respectively and have been included in the scheme of financial assistance agreed to by the Planning Commission during the second Five-year Plan period. Surveys are now in progress for drawing up specifications of the craft required for the Assam feeder river project and the specifications for the diesel ferry vessel across the Brahmaputra are being finalised. The Committee regretfully observes that although nearly four years have elapsed since Mr. Surie submitted his report, the crafts recommended by him for the Ganga, the Gogra and the Brahmaputra rivers have not yet been received and put into operation and that surveys are still in progress for drawing up specifications for the diesel ferry vessel across the Brahmaputra. The Committee feels that the need for operating modern craft on the shallow waterways of India is very urgent and that no time should be lost in carrying out necessary investigations and surveys, obtaining the craft and placing the same in service.

Gokhale Committee

Apparently, the whole subject of inland water transport continues to be the subject of study. The Ministry of Transport informed the Committee that, although it has convened regional conferences from time to time and initiated certain measures for the development of inland water transport, there has been no comprehensive enquiry so far, on the results of which a detailed Plan for the future can be

(*Continued on page 1267*)

NEW PRODUCTS AND PROCESSES

Mineral Wool

A PROCESS for the production of mineral wool has been developed at the Shri Ram Institute for Industrial Research, Delhi. The process is based particularly on press mud from carbonation sugar factories, a waste material, whose disposal entails considerable expense to sugar manufacturers. While press mud from sulphitation sugar factories is used as a fertiliser, mud obtained from carbonation factories does not find any use worth the name. A sugar factory crushing 1,000 tons of cane, discards 10 tons of press mud daily and accumulates 1,200 tons in a working season of 120 days; this accumulation can form the raw material for production of mineral wool. The process of manufacture of 'Mineral Wool' basically consists in mixing the press mud with river sand in requisite proportions together with a fluxing agent. The mixture is melted in specially designed high temperature furnace. The molten mass which comes out at about 1000°C. is atomised using high pressure steam or air into tiny globules which travel with high velocities and attenuate themselves into fine fibres. These fibres are collected in a chamber and taken out continuously over a belt conveyor. Mineral wool obtained by the above process consists of fine resilient mineral fibres which are fire proof, rot proof, and vermin proof. It is perfectly safe to handle and easy to install. One ton of wool can cover 25,000 sq. ft. surface one inch thick. Mineral wool is an excellent sound proofing material for exhaust silencers of engines, studios, cinemas and concert halls. It has sound absorption of 90 per cent. for frequency range of 250—8,000 cycles per second for 2" thick pad of mineral wool. Substantial quantities of mineral wool from press mud have been prepared at the pilot plant, and supplied to user industries. Know-how for the production of loose mineral wool on a large scale has been perfected. Such loose wool being flexible can be used as a filler between partition wall cavities, and can be given desired shape according to requirements. Mineral wool can also be bonded into boards, half-round pipe sections and other shapes using special synthetic resins and adhesives. Investigations are in hand to work out the know-how for the bonding of mineral wool to the required shapes. Parties desirous of undertaking the commercial development of the process are invited to correspond with The Secretary, National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi.

New Photographic Machines

A firm at The Hague, the Netherlands, exporting photographic laboratory and dark-room appliances has put on the market a new rotary glazing and drying machine. These machines can be supplied in two models which mainly differ in the size of the glazing cylinder. The diameter of both models is 43 cm., the length of the cylinder is 34 cm. and 68 cm. respectively. The machines are suitable for both deep-gloss finishing and matt-finishing all sizes of prints. The seamless brass cylinder has a highly-polished chromium finish. The driving rollers and the rubber feed roll run on ball bearings. The machine is electrically driven and the glazing and drying cylinder is also electrically heated. The heating for the small type of cylinder has three positions: 500, 1,000 and 1,500 watts, that for the large type of cylinder has six positions: 500, 1,000, 1,250, 1,500, 1,750 and 2,000 watts. Pilot lamps indicate which combinations of elements are switched on. The small model can glaze and dry 900 and the large model 1,800 prints per hour of ordinary amateur photographs.

A New Type of Battery

A type of battery that can remain inert in storage for ten or more years and then be brought to full power within one-tenth of a second will soon go into production here and will be available for industrial trial early in 1958. The battery is activated by ammonia vapour shot in by a trigger-ing device under pressure. It is said to operate efficiently at temperatures ranging from zero to 165 degrees F. Meanwhile, an electronic device that checks conventional automotive storage batteries during assembly before any activating acid is added has been perfected. Previously, dry-charge batteries could not be readily tested until acid was added by the serviceman at the time of sale and there could be no assurance that such production errors as reversed cells, shorted plates and defective separators were entirely eliminated until a battery was installed. The new inspection device permits complete check of a dry-charged battery as it rolls off the assembly line without adding acid and is said to be equally reliable in checking batteries being assembled for shipment with the acid already added.

Fully-automatic Record Player

Philips N.V. of Holland has produced a new fully-automatic 45 r.p.m. record player. All one has to do is to slip the record into a slot. This pushes away a pin and the mechanism is started up: the motor starts and a centring pin rises and holds the record centrally. The pick-up element then drops so that the sapphire stylus enters the starting groove, the stylus pressure being governed by a spring. Music then begins to play without a single button having been touched. When the record is finished and the stylus has reached the last groove, the mechanism is reversed by means of a cam. The pick-up element is raised, the pick-up arm springs back to its original position, the centring pin falls and the record is pushed out just far enough to be removed with ease. The motor then stops and the record player is ready for the next record.

INCREASE IN PREMIUM INCOME OF UNION INSURANCE SOCIETY

THE HON. C. BLAKER'S STATEMENT

THE Annual General Meeting of the Union Insurance Society of Canton Ltd. was held in Hong Kong on 24th May 1957. In the course of his statement, accompanying the report and accounts of the Society, the Hon. C. Blaker, M.C., E.D., reviewed the progress of the Society in its various departments. He referred to the fact that there was a further satisfactory expansion in premium income. But the year under review, he said, was generally one of more than usual difficulty. The results reflected in the Society's revenue accounts, according to the Chairman, were less satisfactory than those they had become accustomed to expect.

The following is the full text of Mr. Blaker's statement together with the Directors' report:

"The year under review was generally one of more than usual difficulty. Although our overall premium shows a healthy increase which testifies to the keenness of those concerned throughout our organisation, the results reflected in our revenue accounts are less satisfactory than those we have become accustomed to expect.

"The sequestration of British insurance companies' properties by the Egyptian authorities had little effect on our business.

"In the marine department, premium written increased by £172,782 to £3,585,944, while claims paid during the year accounted for 77 per cent. of the premium, as against 68 per cent. during 1955.

"The year brought its quota of marine casualities notable amongst which was the loss of the s.s. *Andrea Doria* but the bulk of our increased claims payments was accounted for by the incidence of partial losses.

"In particular, claims for hull repairs, because of the increased cost of labour and materials, continue to rise and this is a feature inseparable from hull business in years when inflation is general. Following liquidation of certain oldstanding claim liabilities, the marine fund, at 156 per cent. of the year's premium, is considered adequate to meet all outstanding liabilities and £140,000 has been transferred to the profit and loss account.

"The fire department results, though profitable, have been adversely affected by those of Canada and the United States of America. Although there were no catastrophes in these countries of the proportions of the previous years, fire damage was higher; other contributory factors were increased acquisition costs and intensive competition.

"The premium income shows further satisfactory expansion.

"The income in the accident department at £4,548,214 is £953,095 higher than in 1955. One of the attendant problems of this large increase in premium income is the financing of the requisite higher reserve for the liability for unexpired risks. The sum involved in this respect is £383,580. Consequent upon this provision for unexpired risks and a higher claims ratio, the operations for the year resulted in a loss of £189,442.

"Attention has been drawn on many occasions in the past to the unprofitable results in the motor section of the accident account. In order to provide complete insurance service it is necessary to accept from our constituents all the business which they have to offer including motor car business and our endeavour must be to view accounts in the broader perspective of their value in relation to the whole field of underwriting in the various departments.

"Although our motor income in Canada showed little variation on that of the previous year, the claims experience has deteriorated. In 1957 we should see some amelioration of the position as higher premiums are now in force in Canada but whether the new rates will be sufficient to meet the present shortfall between profit and loss remains to be seen.

"Our income from Europe also produced an unprofitable balance but steps have been taken to remedy this.

"Last year, in my statement to the shareholders, I reported that despite the depreciation which had taken place in many stock exchange securities, there continued to be a substantial margin between the market values of our stock exchange investments and the values at which they stood in the balance-sheets.

"During the past year there has been a further depreciation in many securities of all classes and it is therefore very gratifying for me to be able to report that the valuation made at the end of the year showed that the market value of our assets was still well in excess of the figures at which they stand in the balance-sheets.

"Your Directors have decided to recommend that the existing capital structure of the Society should be altered from 200,000 shares of £10 each to 2,000,000 shares of £1 each and you will be asked to pass a resolution to this effect at the annual general meeting.

"At the present time, our shares are one of the most expensive Insurance shares in the world and it is felt that a split of each £10 share into ten £1 shares will enhance the popularity of the Society and widen its list of shareholders.

"Useful liaison has been maintained between head office and branches by visits by head office executives. In January of this year the General Manager Mr. L. B. Stone, conferred in Sydney, Melbourne and Auckland with our managers of the Australian and New Zealand branches, and with the General Manager for Australasia, Mr. C. R. Kingsland. Mr. Stone also visited our London branch during his home leave last year.

"I wish to acknowledge the loyal services of our staff and agents throughout the world and the valuable assistance afforded to us by our Advisory Councils and Committees and the Boards of Directors of our affiliated companies."

Directors' Report

The Directors submit to shareholders the report, accounts and balance-sheets of the Society for the year 1956, including therein the transactions of the subsidiary companies, the British Traders' Insurance Company, Ltd., the North Pacific Insurance Company, Ltd., the Beaver Insurance Company and the British Oak Insurance Company, Ltd.

The net premiums for the year amounted to £3,585,944. After releasing £140,000 to profit and loss account the marine fund stands at £5,628,849.

The net premiums for the year amounted to £3,955,085. £153,019 has been transferred to profit and loss account. The fire fund stands at £2,197,667.

The net premiums for the year amounted to £4,548,214. £189,442 has been transferred from profit and loss account. The accident and general fund stands at £2,072,872.

Dividends

An interim dividend of £1 per share was paid on 20th November 1956. The Directors now recommend the payment of a final dividend of £1-2-6 per share, payable on 24th May 1957.

Interest and dividends amounted to £548,431 and transfers from underwriting accounts to £293,019. After charging outgoings not brought into account elsewhere, transferring £189,442 to the accident and general account, making provision for taxation, and allowing for the minority interests of the outside shareholders of a subsidiary company, the profit for the year appertaining to the Society is £354,727. After deducting profit retained in subsidiary companies £11,757, there remains a distributable profit of £342,970. To this has been added the balance brought forward from the previous year of £363,164. After providing for the dividends and transferring £24,000 to exchange and investment fluctuation account, there remains a balance of £363,384 to be carried forward.

It is considered that outstanding taxation at 31st December 1956 is fully covered by the provision of £489,439 included in the consolidated balance-sheet under provisions for taxation and contingencies £608,664.

Messrs. Lowe, Bingham and Matthews, Chartered Accountants, and Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants, retire, but offer themselves for re-election.

Directors

Since the last annual general meeting, Mr. G. T. Tagg resigned from the Board in November 1956.

In accordance with the Articles of Association, Mr. G. M. Goldsack and Mr. H. Owen Hughes retire, but offer themselves for re-election.

LIFE INSURANCE BUSINESS IN 1955
NO PERCEPTIBLE EXPANSION ACHIEVED

THE report of the Controller of Insurance, Government of India, on insurance business written in 1955, contained in the *Indian Insurance Year Book*, 1956, is of more than usual interest because 1955 was the last complete year in which life business was carried on by private insurers. The following year saw a momentous development affecting Indian insurance, namely, nationalisation of life insurance business in India. From 1st September 1956 all Indian insurers and provident societies excepting two composite insurers under Administrators ceased to transact life business anywhere, while all foreign insurers ceased to carry on life insurance business in India. The volume of life insurance business which existed on that date—the entire business of Indian insurers and provident fund societies and Indian business of foreign insurers—was vested in the statutorily constituted Life Insurance Corporation of India which was entrusted with the exclusive right of carrying on life business in future.

An analysis of the figures presented in the *Year Book* reveals that, as compared with 1954, the volume of new business done during which year registered spectacular rise over the previous year, new business done in 1955 showed only a slight improvement. Total new business done by all insurers in 1955 aggregated Rs. 238.3 crores, as against Rs. 236.3 crores in 1954. In sharp contrast to the previous year, foreign insurers accounted almost wholly for the increase in life business in 1955. Thus, while new business of Indian insurers increased only fractionally from Rs. 220.1 crores to Rs. 220.9 crores, that of foreign insurers rose from Rs. 16.2 crores to Rs. 17.4 crores. The following table gives the trend of new life business for the decade ended 1955.

New Business

(In crores of rupees)

Year	Indian insurers	Non-Indian insurers	Total
1946	140.9	12.9	153.8
1947	126.5	13.1	139.6
1948	121.7	12.9	134.6
1949	130.0	12.2	142.2
1950	125.8	13.7	139.5
1951	131.4	16.5	147.9
1952	130.3	16.4	146.7
1953	138.2	17.0	155.2
1954	220.1	16.2	236.3
1955	220.9*	17.4*	238.3*

* These figures are incomplete.

From the above table it would appear that the volume of new business underwritten during 1955 was practically the same as that during 1954. The figures for 1955, it must be borne in mind, do not include the returns of some insurers. The Controller, however, observes that if the returns of some of the insurers which were not received in time for inclusion of their figures in the *Year Book* had been included, the new business of 1955 would have shown a noticeable increase over that of 1954. It should also be remembered, in this connection, the Controller further points out, that staff schemes, under which several insurers actively wrote business, were discontinued towards the middle of 1955.

The amount of total business in the books of Indian insurers at the end of 1954 was Rs. 949 crores, as against Rs. 833 crores at the end of 1953, so that the net increase in 1954 was of the order of Rs. 116 crores. At the end of 1955, the total business stood at Rs. 984 crores. The net increase in that year was therefore Rs. 35 crores. The following table gives the total business figures at the end of each year of the past ten years ended 1955:

Total Business

(In crores of rupees)

Year	Indian insurers	Non-Indian insurers	Total
1946	550	101	651
1947	603	103	706
1948	621	103	724
1949	662	103	765
1950	671	109	780
1951	755	118	873
1952	796	126	922
1953	833	133	966
1954	949	137	1,086
1955	984*	139*	1,123*

* These figures are incomplete.

A noteworthy feature revealed by the above table is the progressive fall in the rate of net increase in the business of foreign insurers. From Rs. 6 crores in 1950, the pace gathered momentum, for a while, to Rs. 9 crores in 1951, but thereafter it gradually fell to Rs. 8 crores in 1952, Rs. 7 crores in 1953 and Rs. 4 crores in 1954. The decline was marked during the year under review, the increase in net business being no more than Rs. 2 crores. This shows that the share of Indian companies in the expanding volume of insurance had been progressively increasing. The main reason for this, apart from political considerations, has been the fact that the activities of foreign insurers have been confined to big cities where there are foreigners in large numbers, whereas Indian insurers are steadily expanding their business in the interior where the money incomes are expanding.

Lapses

The combined experience of Indian insurers showed that lapses continued to be heavy. It was thought that the lapses occurring in any particular year would be a useful indication of the economic condition of the country in that year. For this purpose, a ratio for Indian insurers of the total amount of lapses in 1955 to the mean gross direct business in force (sum insured) during the year was calculated. The ratio works out to 9.0 per cent., as against 8.5 per cent. for 1954. However, this ratio, which depends upon the distribution of the business in force according to duration, is not a very reliable index but it is not entirely without statistical significance.

Foreign Business

Foreign business of Indian insurers continued to be an important item of invisible exports in 1955 also. The net amount of life insurance business effected outside India by Indian insurers during the year under review amounted to Rs. 20.33 crores, representing an increase of Rs. 2.68 crores over 1954, the total amount of business in force at the end of 1955 aggregating Rs. 92.04 crores, as compared with Rs. 86.23 crores at the close of the previous year.

The net rate of interest realised on mean life insurance funds of all Indian insurers has been progressively increasing in recent years and the trend continued in the year under review also. From 3.33 per cent. in 1951, it steadily rose to 3.52 in 1954 and further to 3.56 in 1955. If the climate for the interest rates was thus favourable to Indian insurers, the overall expense ratio continued to show a marked upward trend. The total expenses of management of Indian insurers, expressed as a percentage of their premium income, was 33.4 in 1955, as compared with 29.4 in 1954, 27.4 in 1953 and 27.2 in 1952 and 1951. Thus, the year 1955 witnessed a marked jump in the expense ratio of Indian insurers. But if half a dozen insurers having the largest premium income are excluded, the corresponding ratio for the remaining insurers would be higher at 33.5 per cent. in 1955, as compared with 29.9 per cent. in 1954 and 28.3 per cent. in 1955. The renewal expense ratio for the year 1955 for all Indian insurers combined, calculated on the basis of Rule 25 (*b*) of the Insurance Rules, 1939 was 17.3 per cent. as against 14.7 per cent. for the previous year. The corresponding ratio for the half a dozen insurers having the largest premium income was 15.6 per cent., while that for the remaining was 19.8 per cent. as against 12.7 per cent. and 17.2 per cent. respectively for the previous year.

In contrast, the year 1955 was a good one for non-Indian insurers as their expense ratio registered a decline while the rate of interest realised showed a remarkable improvement. The expense ratio of non-Indian insurers—that is their total expenses of management expressed as a percentage of their premium income—was 21.3 during the year under review as compared with 21.4 in 1954 and 20.7 in 1953. The net rate of interest realised in India on mean life insurance funds of all non-Indian insurers showed a significant improvement to 3.21 per cent., as compared with only 3.06 per cent. in 1954. The net rate of interest realised on mean life insurance funds in the year 1955 by Indian insurers, non-Indian insurers in respect of business in India and provident societies combined, was 3.51 per cent. In respect of life insurance business, the total expenses of management of Indian insurers, non-Indian insurers in respect of business in India and provident societies combined for the year 1955 was 31.82 per cent. of the premium income.

Income and Outgo

Income of Indian insurers during 1955 aggregated Rs. 64.07 crores, inclusive of a premium income of Rs. 50.52 crores and income from interest, dividends and rents of Rs. 10.01 crores, the corresponding figures for non-Indian insurers were Rs. 9.94 crores, Rs. 7.75 crores and Rs. 1.61 crores, respectively. The outgo of Indian and non-Indian insurers aggregated Rs. 36.94 crores and Rs. 7.63 crores respectively. The various items of outgo for Indian insurers, the figures in brackets referring to those for non-Indian insurers, were (in crores of rupees): Claims by death 4.38 (0.82); claims by maturity 10.78 (2.59); annuities 0.19 (0.10); surrender values 2.53 (1.46); expenses of management 16.86 (1.65); depreciation and transfers to investment reserves, etc., 1.60 (0.08); miscellaneous 0.22 (0.87); transfers to shareholders' reserve and dividends 0.38 (0.06). The excess of income over outgo, representing increase in life fund, was Rs. 27.13 crores for Indian and Rs. 2.31 crores for non-Indian insurers.

The total assets of Indian insurers, as on 31st December 1955, aggregated Rs. 366.89 crores of which Rs. 325.75 crores were assets of life business and Rs. 41.14 crores assets of non-life business. The total assets in India of non-Indian insurers as on 31st December 1955 aggregated Rs. 62.55 crores consisting of Rs. 54.98 crores, being assets of life or composite companies and Rs. 7.57 crores, being the assets of purely non-life companies. The following table gives the distribution of the assets of Indian insurers at the end of 1954 and 1955:

Assets of Indian Insurers

(In crores of rupees)

Particulars	1954 Amount	1954 %	1955 Amount	1955 %
Central Government securities ..	134.30	38.6	137.29	37.4
Securities of Part A States	20.35	5.8	25.46	6.0
Securities of Part B States	4.38	1.2	5.13	1.4
British, Colonial and Foreign Government securities	5.87	1.7	7.42	2.0
Municipal, Port Trust and Improvement securities	18.42	5.3	20.99	5.7
Mortgages on property	15.66	4.5	15.08	4.1
Loans on policies	27.46	7.9	27.98	7.7
Loans on stocks and shares ..	0.16	..	0.15	..
Other loans	2.04	0.6	2.32	0.6
Debentures of Indian companies, etc.	20.79	6.0	20.21	5.5
Preference shares of Indian companies, etc.	12.16	3.5	13.98	3.8
Ordinary shares of Indian companies, etc.	23.15	6.7	25.33	6.9
Land and house property	18.73	5.4	17.49	4.8
Agents' balances, outstanding premiums, interest, etc.	16.50	4.7	18.55	5.1
Deposit, cash and stamps	20.94	6.0	20.53	5.6
Miscellaneous	7.20	2.1	8.98	2.5
Total ..	348.11*	100.0	366.89*	100.0

* These figures do not include accrued interest, preliminary and organisation expenses and contra items.

It will be seen from the above table that insurers' investment in Government and semi-Government securities constitute about 52.5 per cent. of the total assets, while those in debentures, preference shares and ordinary shares work out to 16.2 per cent. The rest of the assets is held mainly in the form of mortgages on property, loans on policies, land and house property, agents' balances and deposits.

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The outstanding feature of the working of the Union Insurance Society of Canton Ltd. (Chairman: Hon. C. Blaker, M.C., E.D., Hong Kong) during the year ended 31st December 1956 is a sizable increase in the net premium income which improved from £10.76 million to £12.09 million. It is also noteworthy that all the departments participated in this increase in premium income. Thus, the net premium income in the marine department increased from £3.41 million to £3.59 million, while that in the fire and accident departments moved up from £3.75 million and £3.60 million in 1955 to £3.96 million and £4.55 million, respectively, in 1956. The return to the shareholders has been maintained at £2 2½s. per share of £10 each.

Although the year thus brought with it higher premium incomes, it was, as the Chairman points out in his statement, "one of more than usual difficulty." The underwriting profit in the marine as well as the fire department was reduced to £140,000 and £153,019 from £205,000 and £256,742, respectively, in 1955. The working of the accident department in 1956 resulted in a loss of £189,442, as compared with a profit of £198,932 earned in the previous year. These results, as the Chairman said, are "less satisfactory" than those they had become accustomed to expect. A convincing account of the reasons for the less satisfactory results was given by the Chairman himself. It would appear that in the marine department the year had its quota of marine casualties, notable among which was the loss of the s.s. *Andrea Doria*. Besides, there was a heavy incidence of partial losses. Further, claims for hull repairs are proving costlier than formerly, thanks to the increased cost of labour and materials.

In the fire department, the underwriting results have been adversely affected by experience in Canada and the U.S., though there have been no catastrophes of the kind which occurred in previous years. In the accident department, claims experience continues to be unfavourable in the motor section. Experience of general insurers in this country, so far as motor insurance is concerned, is not very different in this respect. They will, therefore, be interested in the Chairman's reference to this

(*Continued on page 1267*)

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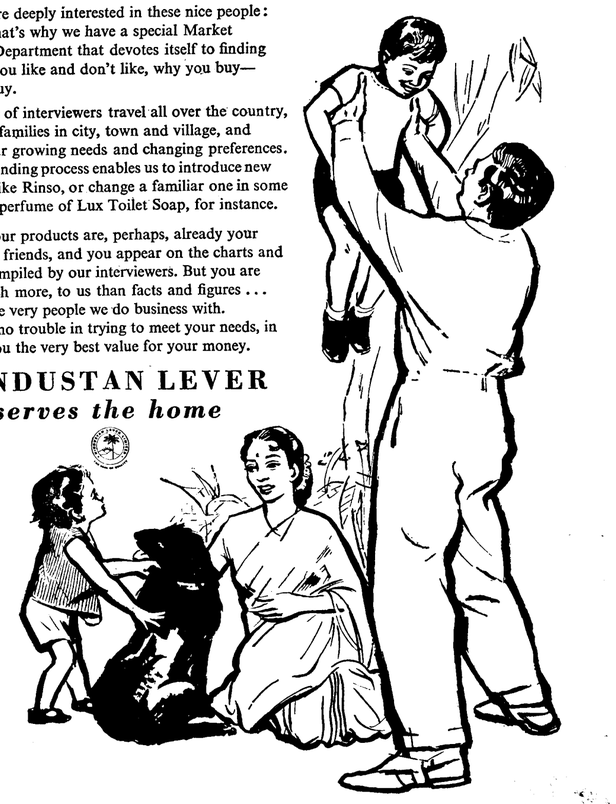

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NATIONAL RAYON CORPORATION LIMITED

MR. KASTURBHAI LALBHAI'S ADDRESS AT ANNUAL MEETING

RECONSIDERATION OF NEW TAX PROPOSALS URGED

A CLEAR warning that the increased income-tax and corporation tax, the imposition of wealth tax on companies, and the substantial addition to tax on business issues would have the cumulative effect of causing a heavy drain, year by year, on the resources of companies was given by Mr. Kasturbhai Lalbhai, Chairman, National Rayon Corporation, Ltd., when he addressed the Tenth Annual General Meeting of the Company held at Bombay on Thursday, 13th June 1957. It was a recognised fact, he declared, that, for some years past, industrial enterprise in India had been handicapped by lack of adequate capital, and whatever expansion that had taken place in recent years had been made possible by prudent and conservative ploughing back of the annual profit. He, therefore, earnestly appealed to the Government to reconsider the new tax proposals, with a view to ensuring adequate financial resources for companies and to stimulate further fresh investments in industry.

The following is the full text of Mr. Kasturbhai Lalbhai's speech at the Annual Meeting:

"GENTLEMEN,

"I have great pleasure to welcome you here this afternoon and to present to you for adoption the tenth annual report and the audited statement of accounts of your Company. The report and the statement of accounts for the year ended the 31st December 1956 have been in your hands for over a month now, and so I hope, with your permission, I can take them as read. The report covers fairly fully, all the salient points with regard to the working of the Company during the year under review, and I do not, therefore, propose to traverse the same ground again. I would, however, like to make a few observations on some items in the statement of accounts.

Balance-sheet

"You must have noticed from the balance-sheet that the net block has increased by Rs. 201.50 lakhs to Rs. 681.21 lakhs. This increase is accounted for, in the main, by the further expansion of the main plant and the putting up of the caustic soda plant. The sales effected by your Company during the year of report were of the order of Rs. 422.38 lakhs, while the gross profits amounted to Rs. 144.94 lakhs, as against Rs. 342.50 lakhs and Rs. 108.29 lakhs, respectively, in the preceding year.

"The amount of excise duty of Rs. 80,221 shown in the profit and loss account needs explaining. It represents the difference between the excise duty paid to the Government for the month of December 1956 and that recovered from the customers. The amount of Rs. 1,32,529 shown in the profit and loss account under the head of 'miscellaneous income in respect of previous years' is the refund of insurance premium which became due to the Company, following the fixing up of these rates by the Fire Insurance Association, with retrospective effect.

Compulsory Deposits

"Since the publication of the report, the Government of India have published draft rules with regard to the new provision made in the Income-tax Act for deposits with the Reserve Bank of India of a portion of the Company's reserves not represented by assets and undistributed profits. Certain provisions thereof need still further clarifications, but, as far as we can make out of the proposed rules and amendment of the relevant section of the Income-tax Act, your Company may not, in fact, be required to deposit any amount with the Reserve Bank of India this year. You must also have noted that the Government have proposed to increase the rates of income-tax and corporation tax. I believe, the provision made in the accounts for payment of taxes is adequate to take care of this increase in incidence. However, the proposed increase will affect your preference shareholders, inasmuch as it will reduce the net amount of dividend payable on the taxable preference shares of the Company. This would necessitate a slight change in some items of appropriations. I am, accordingly, amending suitably, the usual resolution for the adoption of the report and the statement of accounts.

"The new taxation proposals announced on the 15th May last have evoked considerable criticism throughout the country. I will only refer to those proposals which affect our Company along with other industries. It is a recognised fact that, for some years past, industrial enterprise in India has been handicapped by lack of adequate capital, and whatever expansion has taken place in recent years has been made possible by prudent and conservative ploughing back of the annual profits. The increased income-tax and corporation tax, the imposition of wealth tax on companies and the substantial addition to the tax on bonus issues, will have the cumulative effect of causing a heavy drain, year by year, on the resources of companies. I take this opportunity of earnestly appealing to Government that, in order to maintain the tempo of industrial development in the country, they should reconsider these proposals, with a view to ensuring adequate financial resources for companies and to stimulate further fresh investments in industry.

Rayon Tyre Cord Plant

"You might have noticed in the report that it is proposed to install a rayon tyre cord plant with an annual capacity of four million lbs. In this connection, I am happy to inform you that one of your Directors, Mr. R. J. Chinai, is already in the States, exploring possibilities of obtaining credit, of course, within the framework of the Government's new policy of deferred payments, as also acquiring the equally important 'know-how.' His negotiations, both in the States and on the Continent, indicate that it is difficult to obtain credit for a period of seven years.

"Our application for additional capital to partly finance the new project by the issue of equity shares, in the proportion of one for every two of such shares held by the shareholders, is pending with the Controller of Capital Issues, New Delhi.

"On account of the closure of the Suez Canal for steamer traffic for about six months since October last year, many of the shipments were delayed, thereby upsetting, to some extent, the installation work and the production schedule of our expansion programmes. As a result of the Suez episode, the freight bill on capital goods and on imported raw materials went up.

Imports of Yarn

"It is evident that there has been an increase in the quantity of foreign yarn imported. During the nine months, April to December, the imports of rayon yarn amounted to 47.62 million lbs. If the flow of imports continues at the same rate during the remaining three months of the financial year, the total imports, together with the indigenous production of 30 million lbs., would raise the quantum of available supplies to about 93 million lbs. which is considerably in excess of the normal requirements of the weaving industry in the country, now estimated at around 45-50 million lbs. The landed cost in the case of 150 deniers, on the basis of the present quotations of foreign manufacturers, comes to Rs. 3-11-0, as against the price for N.R.C., namely, Rs. 3-6-0 per lb. The Indian units, which have been concentrating on the production of the most popular deniers of 150 and 120, are in a position to meet the entire demand in these deniers estimated at over 50 per cent. of the total requirements of the weaving industry.

"As hitherto, the coal position continues to be unsatisfactory, and wagons for transport from the coal pits are still not being made available in sufficient numbers. The authorities, both at Calcutta and at Bombay, are being constantly requested to make satisfactory arrangements in this connection.

"The increased requirements of electric power for our expansions were met when the Trombay Plant went into commission. We are now not drawing any electric energy from the Power Pool at the higher rate. Our additional requirements, consequent upon the launching of further frames and caustic soda plant, have already been applied for, and it is hoped, they would be met by the power companies in full.

Designing and Engineering

"It will interest you to know that the considerable experience gained in the working of our plant has enabled the management to open a special designing and engineering department, which has been responsible for the entire designing and engineering of the new expansions. In the result, we have been able to get quite a few items locally fabricated, thereby effecting considerable saving on the total equipment, using our own materials, training our own engineers in the process, and, lastly, conserving some valuable foreign exchange. Recently, we have broadened the activities of this department, and have obtained a licence from the Central Government for the manufacture of machinery for rayon, sulphuric acid, carbon-disulphide and caustic soda, as well as water filtration and softening plants and auxiliary equipments. We have already made a beginning with the sulphuric acid plant, and are in a position to offer a complete contact process unit on a turn-key-job basis.

"You will agree with me that, in an organisation of our type, it is necessary to have a well-equipped research department to keep in line with the changing techniques. This department will be mainly concerned with manufacture of viscose yarn and rayon tyre cord on a pilot plant scale. Again, as our caustic soda plant, which will go into operation shortly, will release a fairly large quantity of chlorine, research work is proceeding apace, with a view to its practical use, and this may lead to the production of such chlorine compounds as can be readily and profitably marketed. Laboratory experiments carried on in this respect are quite successful, and pilot plants are being put up to carry on further research in this direction also.

Labour

"The Employees' State Insurance Act, as you may be aware, confers on workers, among other benefits, medical and maternity benefits, and these are proposed to be made available to the members of workers' families. The Government propose to meet the additional cost by increasing the rate of employer's contribution from 1¼ to 3½ per cent. While higher and higher charges are levied from industrial concerns, as far as workers are concerned, they do not get the services which companies like ours have been rendering to them. Efforts, legislative and otherwise, towards the creation of sound industrial relations and a due recognition of the human factor in industry are, no doubt, welcome.

"Before I conclude, may I express my sincere appreciation of the very good work put in by the workers and staff, technical and non-technical alike, but for whose efficiency, loyalty and co-operation, it would not have been possible to make the progress that we have already achieved."

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NEW SYSTEM OF DIRECT TAXATION X-RAYED—I

SOME CONSTRUCTIVE SUGGESTIONS FOR MAKING IT EQUITABLE

By Russi Jal Taraporevala, B.Com., M.B.A. (California), M.Sc. (Econ.) (London)

AS a result of the proposals contained in the recent budget of the Government of India presented by the Finance Minister, India has now got the so-called 'integrated' system of direct taxation. It is, therefore, necessary to discuss the rationale of this new system of personal taxation and to assess carefully the effect of the new and novel taxes on the economy.

The aim of tax policy is determined by the moral, social and political views of a nation or the Government in power. A commonly accepted goal of taxation these days is the reduction of inequalities of wealth and income as between persons. With this aim in view India and most Western countries had a system of progressive personal taxation based on income. It is now claimed that this system of taxation has failed to achieve its goal of a substantial redistribution of wealth and income. Thus, the Kaldor Report points out that, "in the United Kingdom, though the combined income and surtax rates for the last 15 years have exceeded 90 per cent. in the top brackets, and estate duties reached a maximum of 80 per cent., vast new fortunes are still being made, and the degree of concentration in the ownership of wealth... has not been reduced." A similar state of affairs prevails in the U.S.A. and many other European countries.

The reasons for the failure of progressive taxation of income to attain its objectives are many. First, income, as defined for tax purposes, excludes a number of important accruals like capital gains and, therefore, provides a number of loopholes for tax avoidance. Second, the income-tax returns or forms only require the disclosure of a fraction of the data concerning an individual's overall financial position and so facilitate tax avoidance. Third, income taxation ignores the fact that the ownership of wealth confers a benefit on the owner over and above the income derived from such wealth. The lack of taxes on capital or net wealth facilitates the continuation and growth in the concentration of the ownership of wealth. Finally, various provisions of the income-tax laws, such as the provisions for the free allowance of business expenses and business losses and the recognition of various types of transfers of property, provide convenient loopholes for lightening the load of income taxation.

The Alternative

The recognition of the failure of income taxation to reduce the inequalities of wealth and income has led to the advocacy of an integrated system of personal taxation, in order to attain this goal. An integrated system of taxation can include income-tax, a tax on wealth, a tax on capital gains, a personal expenditure tax and a *gifts tax*. With the exception of the gifts tax, all these taxes have now been introduced in India.

An integrated system of taxation, by bringing within its orbit all types of gains and wealth, can remove the inconsistencies and discriminations which are to be found in the system of pure income taxation. Thus, as a system of personal taxation, the integrated tax set-up can be good and beneficial, provided it conforms to certain other requirements. The most important requirement is that the burden of taxation under the integrated set-up should provide sufficient incentives for work, initiative, enterprise and saving. Thus, the rates of the various taxes are of paramount importance and should be carefully adjusted to take into account the total tax burden imposed on individuals, as also the timing of the imposition of such tax burdens. As will be pointed out later, the Finance Minister's proposals unfortunately do not meet this requirement—and this is their worst failing. The second requirement for the success of the integrated system of taxation is that it should be administratively efficient. It is against this background that the various taxes imposed by the budget has to be evaluated. A comparison between the Finance Minister's proposals and the recommendations of the Kaldor Report will also be made, because the Finance Minister has adopted many of Mr. Kaldor's suggestions and has justified his tax proposals by many of the arguments contained in the Kaldor Report.

Note.—The author of this article is a former Flood Foundation Fellow in Business Administration at the University of California (Berkeley) and a Lecturer in Finance at San Francisco for some time.

Income-tax and Super-tax

If a system of integrated taxation is introduced, the rates of income-tax and super-tax (applicable to personal taxation) must be substantially lowered, in order to compensate, at least partially, for the increased tax burdens on account of the annual tax on wealth, the capital gains tax and the personal expenditure tax. Indeed, the adoption of the integrated system of taxation flows from the recognition that "it is useless to push the marginal rates of income taxation to levels at which the tax can only be endured, because it can be so largely evaded or avoided," as pointed out by the Kaldor Report. The fundamental idea of an integrated system of taxation is to introduce taxes at lower rates but on a considerably broadened tax base as compared with the income-tax levied on the narrow tax base at a high rate.

The Finance Minister was fully aware of these considerations. In his budget speech he said: "I have come to the conclusion that our existing rates of direct tax at top levels deprive the tax structure of all flexibility... They tend to diminish the incentive for work but I am aware that they encourage large-scale evasion. It is now recognised that very high rates of direct taxation in the top income brackets in many countries of the world are in practice tolerated or tolerable only because of considerable evasion that takes place. In other words, the high rates tend to be applied to a corroded tax base."

"Unfortunately, the budget proposals contain only a small reduction in the rates of income taxation, a reduction which is negligible as compared with the additional burdens imposed by the annual tax on wealth, the capital gains tax and the personal expenditure tax. Table A on this page shows the burden of income-tax and super-tax under the budget proposals for personal taxation as compared with the burden of these taxes as in the previous year.

Misleading Claim

The Finance Minister made much of the point that, under his proposals, "basic rates... apply to the person who earns his income, that is, sweats and toils for it, and that others who derive their income from property and investments, that is, without making any direct effort, ... pay more by a surcharge." Yet, the relief given by the budget in income-tax and super-tax on even earned incomes as shown in the table is so insignificant that it should be construed more as a political gesture to salary earners rather than a real relief to them. The relief in income-tax and super-tax on earned incomes varies from 0.5 per cent. to 3.5 per cent. of the gross income and is hardly likely to give cause for rejoicing amongst salary earners living in an economy in which the cost of living is expected to rise (partly due to the additional excise duties levied by the budget). On the other hand, the income-tax and super-tax on persons with unearned incomes between Rs. 40,000 and Rs. 1,00,000 have actually been increased as compared with last year. And yet these same persons are those who will be most affected by the annual tax on wealth and the personal expenditure tax on a recurring basis.

The reduction in the marginal rates of income-tax and super-tax on incomes above Rs. 1,00,000 is so small that even to consider the proposition that it will provide some relief to compensate for the burdens of the other direct taxes would be superfluous. Indeed, as is clearly shown in Table B on the next page, persons with incomes above Rs. 1,00,000 (i.e., owning more than Rs. 16,00,000 net wealth) have overnight been saddled with a fantastically high tax burden which is quite out of all reasonable proportion to the taxes which they were previously paying. Thus, the Finance Minister has ignored the fundamental requirement of a system of integrated personal taxation to maintain sufficient incentives for work and saving by not reducing the rates of income taxation to sufficiently low levels to offset at least partially the burden of his other imposts in the field of direct taxation.

By keeping the rates of income taxation at high levels and introducing the annual tax on wealth, the Finance Minister has imposed a scheme of taxation which amounts to a recurring confiscation of private capital (as is shown later). The Kaldor Report recommended that "assuming a comprehensive tax-base, the marginal rate of income-tax ought never to exceed ... something of the order of 40-50 per cent. for income that is both earned and saved." The entire Kaldor Report is based on the recommendation that the maximum rate of income-tax (including super-tax) should be 45 per cent. Whilst imposing most of the additional direct taxes recommended by the Kaldor Report the Finance Minister has conveniently overlooked the assumption behind them that the maximum rate of income taxation would be 45 per cent.

Annual Tax on Wealth

The Finance Minister proposes to introduce an annual tax on wealth on persons on the lines and at rates similar to those recommended by the Kaldor Report. The arguments in favour of this tax can be considered. First, it can be contended that income is an inadequate yardstick of the taxable capacity of individuals. If the tax structure is to be progressive in relation to the taxable capacity (or the means or spending power) of persons, it should take into account the possession of wealth which confers additional taxable capacity or spending power on its owners. Second, Mr. Kaldor has claimed that "the great advantage of taxes assessed on property value as against taxes assessed on income is that a property tax does not discriminate against the risky employments of capital in the same way as an income-tax." Since the tax on wealth would fall equally on productive and non-productive assets or property, there would be an incentive to invest capital in productive assets (so as to offset, partially at least, the burdens of this tax). Finally, it can be argued that the annual tax on wealth, by requiring a detailed declaration of the various aspects of the financial position of assessees to be made to the tax authorities, would make tax evasion more difficult.

The most important argument against the annual tax on wealth relates to the gigantic task of administration which it involves. Various countries including Great Britain have refrained from imposing this tax after realising the tremendous difficulties involved in its administration. These difficulties will be discussed later.

The theoretical concept of the annual tax on wealth on persons may not be a bad one. But if such a tax is to maintain the incentives to work and save, it should be a tax on the accrual from capital and should not be tax on the capital itself. The annual tax on wealth should be considered as a partial substitute for income-tax.

The Finance Minister has proposed an annual tax on wealth on a progressive scale—the rates rising from ½ per cent. to 1½ per cent. of net wealth. The proposed rates are comparable with the rates suggested by the Kaldor Report which ranged from ½ per cent. to 1½ per cent. Thus, on the initial Rs. 22 lakhs of net wealth of individuals, the Kaldor Report suggests a net wealth tax amounting to Rs. 20,250, as compared with Rs. 15,000 under the budget proposals. Beyond the initial Rs. 22 lakhs of net wealth, the rate of tax recommended by the Kaldor Report and the rate proposed by the Finance Minister are identical—1½ per cent. of net wealth.

Kaldor Excelled

For the sake of convenience, it is assumed that the rates of the annual tax on wealth as introduced by the budget proposals are identical with those recommended by the Kaldor Report and are, therefore, used in the calculations in Table B. Table B shows the burden of income-tax and super-tax of the previous year's budget (1956-57) as compared with the burden of income-tax, super-tax and the annual tax on wealth under the recent budget proposals and with the burden of these taxes at the rates recommended in the Kaldor Report. The annual gross income has been calculated at the assumed rate of a 6 per cent. yield on net wealth. Earned income is not taken into consideration (but an adjustment in the table for it can be made by individual assessees). The table shows the net residual amounts left in the hands of individual assessees after the payment of income-tax, super-tax and the annual tax on wealth out of their gross income (derived from capital). The rates for unearned incomes of income-tax and super-tax of the last year's budget (1956-57) and the recent Union budget (1957-58) are used. The income-tax and super-tax rates under the Kaldor Report are taken as identical with the rates proposed by the recent budget for incomes upto Rs. 25,000 per annum after which a flat maximum rate of 45 per cent. as recommended by Mr. Kaldor is used in the calculations.

The table brings out the crushing burden of taxation which the recent budget proposals imply as compared with the tax burden prevailing previously. Under the budget proposals, an individual possessing about Rs. 15,00,000 net wealth retains the maximum amount from his gross unearned income after paying these taxes. Thereafter, the net amount retained by an individual after these taxes have been paid, diminishes rapidly with the increase in net wealth and is a fraction of the net amount retained under the last year's taxation. Indeed, a point is reached (around Rs. 80,00,000 net wealth) where the individual has absolutely nothing left out of his unearned gross income after paying income-tax, super-tax and the annual tax on wealth as proposed by the Finance Minister. Beyond this point, the individual presumably has to pay increasing amounts out of this capital in order to meet these taxes! Compare this position with the burden of the previous year's budget as shown in the table and the conclusion becomes apparent—overnight the budget has crushed persons with wealth in excess of Rs. 15,00,000 or gross unearned incomes in excess of Rs. 90,000 per annum.

Confiscation of Private Capital

Such a position was never envisaged by Mr. Kaldor. Under the rates of taxation proposed by him, the net amounts retained by individuals out of their gross incomes after paying income-tax, super-tax and the annual tax on wealth rise continuously with the increase in wealth possessed. The Kaldor Report had clearly stressed that the annual tax on wealth should be "well within the total accrual from property" and should "take into account the other taxes on accruals, in particular, the income-tax." This the recent budget proposals have failed to achieve.

These budget proposals, because of their confiscatory nature, are likely to have a most serious and damaging effect on the incentives of the investing classes to work and to take risks. The sheer suddenness with which the new tax burdens have been imposed is likely to shatter the confidence of the investing classes. It is difficult to understand how the Finance Minister can expect *entrepreneurs* to shoulder risks boldly, when their maximum net return on capital, after paying the income-tax, super-tax and the annual tax on wealth appears between Rs. 30,000 and Rs. 35,000 and when the net return declines rapidly with an increase in their net wealth. In effect, these budget proposals imply a steady confiscation of private capital through taxation by the Government with all the dangerous implications inherent in the slow disappearance of private wealth and the private sector in the Indian economy. It is, therefore, strongly urged that either the proposed income-tax and super-tax rates or the rates of the annual tax on wealth on individuals should be substantially reduced, so that the combined effect of these taxes is not an immediate and recurring confiscation of private capital by the Government.

Agricultural Property

Certain important aspects of the Wealth Tax Bill (1957) may now be discussed. Agricultural property is excluded from the scope of the Bill, presumably because of the Constitutional provisions which put the taxation of agricultural properties within the jurisdiction of various State governments. However, this is likely to cause a certain amount of confusion and discrimination, as it will tempt some States to impose a wealth tax on agricultural property (as has been done in Kerala), whereas other State governments may refrain from imposing this tax. Such a pattern may lead to important regional disparities in taxation as between various States and this will have direct influence upon the location of economic activity within the country. The exclusion of agricultural property from the annual tax on wealth amounts to a discrimination in its favour and against other types of property like industrial assets and urban buildings. The Kaldor Report had recommended that, "for the sake of equity, as well as administrative efficiency, it is necessary that the tax should be comprehensive—i.e., extending to all forms of property. The inclusion of agricultural property in this connection may require a Constitutional amendment..." This recommendation should be implemented.

Wealth tax is not payable by an assessee under the Bill in respect of "domestic animals and furniture, household utensils, wearing apparel, jewellery, provisions and other articles intended for the personal or household use of the assessee, subject to a maximum of twenty-five thousand rupees in value." Presumably, the Government considers that these articles above the Rs. 25,000 value limit constitute capital assets or net wealth and are not consumption goods—hence the wealth tax is levied on them. Yet, as a direct contradiction, expenditure on such assets is not exempt for the purposes of personal expenditure tax. Hence, for the purposes of the Expenditure Tax Bill, these assets are treated as consumption goods. Here is a glaring contradiction which may be deliberate, in order to impose double taxation on the expenditure devoted to such articles. It is suggested that such articles should be completely exempted from the wealth tax, irrespective of their total value (especially if they are not exempted from the expenditure tax). This will also simplify the administration of the wealth tax and will remove the fear of harassment and of violation of personal privacy which today is shared by many assessees.

Private Sector

Wealth tax is not payable under the Bill by an assessee in respect of "the right or interest of the assessee in any policy of insurance" (which may be of any value) and "ten-year treasury saving deposit certificates, fifteen-year annuity certificates, deposits in post office savings banks, post office cash certificates and post office national savings certificates held by the assessee." The tax is also not payable in respect of "any security of the Government or of a local authority... which the Central Government may, by notification in the official *Gazette*, exempt from the wealth tax." There is and can be no justification for these exemptions. These exemptions smack of gross discrimination against the private sector. They imply a deliberate intention of attracting savings into the public sector and away from the private sector by giving undue tax advantages. These provisions of the Bill may have serious adverse effects on the capital market and the flow of savings into the private sector may gradually dry up due to the diversion of such savings into the public sector. These exemptions should be reconsidered and either removed or be made conditional.

Valuation

The greatest difficulties are likely to be encountered in respect of the administration of the wealth tax. Barring, the exempted property or assets, a complete valuation will have to be made of all movable and immovable assets. The Wealth Tax Bill takes the market value on a particular date as the basis of valuation. This means that every year the entire process of a complete valuation of all assets or property will have to be repeated. It has been said that the valuation of assets is an art and not a science. There are no mathematically precise rules about valuation. A large measure of personal opinion or bias of the valuer is inherent in the process of valuation. The Wealth Tax Bill has entrusted this process of valuation almost exclusively to the tax officials who have thus been endowed with tremendous discretionary powers which could easily be used to harass assessees. Surprisingly, the role of independent valuers as provided in the Wealth Tax Bill is of a very minor character and is confined to the valuation of immovable property. It is difficult to understand why this has been done or the reason for entrusting the valuation of all movable property or assets exclusively to the tax officials.

It can be argued that even the process of initially discovering the real ownership of and valuing of all assets or property may be an

(*Continued on page 1287*)

TABLE A

TABLE SHOWING THE PROPOSED RATES OF INCOME-TAX AND SUPER-TAX AT A GLANCE AS COMPARED WITH LAST YEAR'S TAXATION

Gross income	Total tax for 1956-57 if the income is earned.	Total tax for 1956-57 if the income is unearned.	Total tax for 1957-58 if the income is earned.	Total tax for 1957-58 if the income is unearned.	Difference with last year in the tax on earned income.	Difference with last year in the tax on unearned income.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,200	Nil	Nil	18	18	+ 18	+ 18
4,500	75	117	27	27	— 48	— 90
4,800	86	131	36	36	— 50	— 95
5,000	94	141	42	42	— 52	— 99
6,000	131	250	102	102	— 29	— 148
7,000	206	359	162	162	— 44	— 197
8,000	308	509	249	284	— 59	— 225
9,000	400	655	343	392	— 57	— 263
10,000	509	804	438	500	— 71	— 304
15,000	1,230	1,870	1,094	1,250	— 136	— 620
20,000	2,133	3,183	2,039	2,330	— 94	— 853
25,000	3,773	4,823	3,696	4,224	— 77	— 599
30,000	6,333	7,122	5,796	6,624	— 537	— 498
35,000	8,892	9,417	8,159	9,324	— 733	— 93
40,000	11,452	11,714	10,521	12,024	— 931	+ 310
45,000	14,667	14,667	13,409	15,324	— 1,258	+ 657
50,000	17,620	17,620	16,296	18,624	— 1,324	+ 1,004
60,000	24,183	24,183	22,596	25,824	— 1,587	+ 1,641
70,000	31,402	31,402	29,421	33,624	— 1,981	+ 2,222
80,000	38,948	38,948	36,771	42,024	— 2,177	+ 3,076
90,000	46,823	46,823	44,121	50,424	— 2,702	+ 3,601
1,00,000	55,026	55,026	51,471	58,824	— 3,555	+ 3,798

Note.—This table applies to married individual assessees with more than one child. I am indebted to Mr. V. G. Mehta for the above table which was specially prepared by him.

TABLE B

TABLE SHOWING THE NET RESIDUAL AMOUNTS RETAINED BY INDIVIDUAL ASSESSEES OUT OF THEIR GROSS INCOMES (CALCULATED AT 6% OF NET WEALTH PER ANNUM) AFTER PAYING INCOME-TAX, SUPER-TAX AND THE ANNUAL TAX ON WEALTH

Net wealth of an individual.	Net residue after paying income-tax and super-tax as per last year's (1956-57) budget.	Net residue after paying income-tax, super-tax and the annual tax on wealth as per the recent (1957-58) budget.	Net residue after paying income-tax and super-tax at the rates recommended in the Kaldor Report and the annual tax on wealth.
Rs.	Rs.	Rs.	Rs.
5,00,000	22,878	21,876	22,026
10,00,000	35,817	30,176	36,026
15,00,000	43,177	31,576	48,526
20,00,000	47,911	29,376	60,026
30,00,000	53,770	26,976	79,026
40,00,000	58,645	21,576	97,026
50,00,000	63,520	16,176	1,15,026
60,00,000	68,395	10,776	1,33,026
70,00,000	73,270	5,376	1,51,026
80,00,000	78,145	— 24	1,69,026
90,00,000	83,022	— 5,424	1,87,026
1,00,00,000	87,900	— 10,824	2,05,026
2,00,00,000	1,36,680	— 64,824	3,85,026

Note.—The figures given above are slightly different from those published in my article in the *Times of India* of 2nd June 1957, as they take into account certain marginal adjustments in the rates of tax introduced recently by the Finance Minister.

AMENDING THE NEW COMPANIES ACT

SOME DEFICIENCIES FROM LEGAL POINT OF VIEW INDICATED

By F. R. Ginwalla, B.A., LL.B.

THE Companies Act, 1956 is the largest piece of legislation in India and is more ambitious in its object and purpose than any other corresponding legislation in any other part of the world. It is composed of 658 sections, 12 schedules and numerous forms and is intended to help the development of the companies in India on healthy lines and to put down the abuses which were noticed in the working of the retiring Act of 1913. It is one of the Acts passed by the Government whose policy is an adjustment of the society to a socialistic pattern and to ensure that particular pattern is maintained.

There are many defects, deficiencies and imperfections in the Act, when looked at from the point of view of business men, company promoters, directors, shareholders, auditors, managing agents, secretaries and treasurers, but, what is more important from the legal point of view, is the unsatisfactory drafting of the Act which bristles with complexity of formulation, intricacy of detail and extensiveness of purpose. It is this aspect of the Act that I venture to analyse by pointing out its provisions which suffer from want of clarity and need adjustment in the light of legal experience and judicial pronouncements. It is necessary to bear in mind the exact conception of the aim, scope and object of the Act while analysing its provisions with a view to suggesting amendments as may be found essential for removing the defects or deficiencies as may have been experienced by the lawyers while advising their clients on the various aspects of the Act.

I may preface my analysis with some brief general observations. They are as follows:—

(1) It is the province of the statesman and not of the lawyer, to discuss and determine what is best for the public good, and of the legislature to provide for it by proper enactments.

(2) It is the cardinal rule to give an Act of Parliament the ordinary and natural meaning of its words, when there is nothing in the relevant provisions to modify, alter or qualify that meaning.

(3) The rule of true construction is not to leave the intention of the legislature to be gathered by any doubtful inference. It must be manifest with reasonable clearness.

(4) It cannot be said that the legislature always foresees every possible result that may ensue from unguarded use of some words.

(5) In construing the present Act, it is permissible to take into consideration the judicial decisions on provisions of the repealed enactment of 1913 if they are reproduced in substantially identical terms. This rule is not applicable when it appears that, in the process of consolidation and amendment, there has been some dislocation and change.

(6) The distinction between a strict construction and a more free one has, in modern times, almost disappeared (*vide* CRAIES, 5th Ed., p. 502).

(7) Modern rules of construction do not favour any great importance being attached to the distinction sometimes drawn between a saving clause or an exception and a proviso in a statute. Even in case of a saving clause, both the enacting clause and the saving clause should be read together to ascertain the intention of the legislature.

(8) It is the rule that exposition must be *ex visceribus actus;* that, in construing the terms of a provision in a statute, consideration should always be given to any other part of the same provision and the whole portion of it should be read as a consistent enactment.

(9) The relevant provisions of the Indian Companies Act, 1956 and the English Companies Act, 1948 are not strictly in *pari materia.* They differ in their scope. The word "par" in this context should not be confounded with the word "*similis.*"

(10) Text books do not make the law. They show more or less whether a principle or construction has been accepted by the courts. Text books on English Company Law must be read as applicable strictly in the context and sphere in which they are expressed, though, by themselves, they are very useful sources of information and guidance.

(11) The courts are more to be trusted as interpreters of the law, but, in India, to the extent to which the Constitution of India leaves the power of judicial review to the courts, the courts may in effect be legislating and not merely interpreting the law.

In the context of the foregoing observations, I shall venture to analyse some of the important provisions of the Act as under:

Section 2(11) read with Section 10 and Section 622

Section 2(11) defines the Court while section 10 deals with the jurisdiction of the courts. There is no reference to the court of a Presidency Magistrate or of a First Class Magistrate in the foregoing sections. Section 622 provides that no court inferior to that of a Presidency Magistrate or a Magistrate of the First Class shall try any offence against the Companies Act, 1956. Section 2(11) should, therefore, be suitably amended so as to include the court of a Presidency Magistrate or of a First Class Magistrate for the purpose of section 622.

Section 2(7), Section 3 also Section 4

Section 2(7) states that "body corporate" or corporation includes a company incorporated outside India but does not include a corporation sole. Section 3 defines "company," "existing company," "private company" and "public company." Section 4 indicates the meaning of "holding company" and "subsidiary." Reading the foregoing sections together, a question may arise as to whether the expression "a private company which is a subsidiary of a public company" occurring in the various sections of the Act means a private company which is a subsidiary of an Indian public company or whether the said expression includes a private company which is a subsidiary of a "body corporate" which by reason of section 2(7) includes a company incorporated outside India. A considered legal opinion is in favour of the view that the said expression does not include a private company which is a subsidiary of a body corporate. The reasons in support of this view are that the provisions of section 3 only mean the companies formed and registered under the Act or under the previous company laws of India and that they do not include a company incorporated outside the Union of India. If this is a correct view, a private company which is subsidiary of a public foreign corporation incorporated outside India will not be affected by the various provisions of the new Act. If in the expression "a private company which is a subsidiary of a public company" the words "or a foreign corporation" had been added, then a private company incorporated in India which is a subsidiary of a foreign corporation would have been governed by the various sections of the Act on the same footing as a public company.

Section 6 : Definition of a "Relative"

A relative is defined by section 6 of the Act and it indicates four groups of relatives besides the husband and the wife. The first group comprises the statutory relatives of the husband. The second group comprises the statutory relatives of the wife. The third group comprises the statutory relatives of the "other" and the fourth group comprises the statutory relatives of the spouses of the "other." These four groups cover a wide range of possible relationships numbering from 65 to 89. This section should be so amended as to include a limited range of relatives within the meaning of this definition after giving due consideration to the principle which the legislature had in mind while enacting this section.

Section 24

Section 24 empowers the Registrar to make necessary alterations in the certificate of incorporation in the case of a change of name of a company which was a private company or limited company immediately before the commencement of the Act. The foregoing section does not empower the Registrar to amend the certificate of incorporation if there is any change in the name after the commencement of the Act. Section 24 should, therefore, be suitably amended to give such a power to the Registrar.

Section 33

This is a procedural section, in respect of the registration of the memorandum of the company, its articles, and the agreement, if any, for the appointment of managing agent or secretaries and treasurers. Sub-section (3) empowers the Registrar to retain and register the articles, memorandum and the agreement, if any, if he is satisfied that all the requirements of sub-sections (1) and (2) are satisfied. Section 33 does not empower the Registrar to refuse to retain and register the documents set out in sub-section (1) if they are contrary to the provisions of the Act. Section 9 merely states that the provisions of the memorandum or the articles are void to the extent to which they are repugnant to the provisions of the Act. Section 9, therefore, only indicates the consequences which may arise if the provisions in the memorandum or the articles are contrary to the Act. The Registrar has no power to check those companies who make ingenious attempts to escape the rigour of the law. Though the legislature while enacting section 33 may not have thought advisable to confer such powers on the Registrar in view of section 9, it is submitted that the consequences resulting from the absence of such powers in section 33 should be properly considered in the light of experience gained after the Act came into force.

Section 49

This section is with regard to the investment of company to be held in its own name. The term "investment" should have been defined for the purpose of this section.

Section 49, Sub-section (4)

Sub-section 4 of section 49 exempts investments of companies whose principal business is the buying and selling of shares or securities (*vide* sub-section 5 also). It is debatable whether this exception contained in sub-section (4) is consistent with the language of the section as a whole.

Section 61

Section 61 of the Companies Act provides that the terms of a contract referred to in the prospectus cannot be varied except with the approval of, or on authority given by the company in general meeting. A question may arise whether the consent of the company in general meeting is necessary when the rights of holders of any special class of shares are proposed to be altered. Can it be said that, when the rights are so altered, there is a variation in the terms of a contract referred to in the prospectus?

The rights of the holders of each special class of shares are defined in the memorandum and articles of association of the company, and though, under section 36 of the Act, the articles may be said to constitute a contract between each member and the company, it is open to doubt whether such a contract can be deemed to be a contract referred to in the prospectus as provided in section 61.

Though it is doubtful whether section 61 can be held to apply, the consent of the company in general meeting would nevertheless appear to be necessary as an alteration of the rights of any special class of shares would, *ipso facto*, involve an amendment of the relative regulation contained in the articles of association.

In any case, there appears to be some room for ambiguity and the position should, therefore, be clarified.

Section 76

It is necessary to consider whether any previous agreement between a company and a person entitled to receive any payment as commission in consideration of his subscribing or procuring subscription of shares of the company is void to the extent it is repugnant to the provisions of section 76. The section should clearly indicate in plain words the exact intention of the legislature. If such an agreement is repugnant to the provisions of section 76 the intention of the legislature would be more comprehensive by deleting the words "capital moneys" occurring in sub-section (2) and substituting the foregoing words by the words "moneys capital or otherwise."

Section 88

Section 88 of the Companies Act prohibits the issue of shares with disproportionate rights. It states that, after the commencement of the Act, no company shall issue shares which carry voting rights or *rights in the company* as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares.

A question may arise whether, if a company has issued a class of equity shares guaranteed as to dividend or capital by a bank or by an investment corporation or by any other agency, it is competent to the company to issue subsequently shares of the same class similar in all respects except in the matter of guarantee. In other words, the point is that, if the new issue proposed to be made does not carry the guarantee as to dividend or capital available to the original issue, can it be said that there is a disproportion in the rights attaching to the new issue?

It may be noted that the reference in the section is to "*rights in the company* as to dividend, capital or otherwise." If a guarantee is given by a bank or by an investment corporation, does that amount to a right in the company? If it is to be so construed, it would follow that any further issue of capital of the same class must also be similarly guaranteed. This would make it difficult for companies to increase their capital even when they are well-established, because each issue would have to be guaranteed even when such guarantee is of little value.

In any case, the section is of doubtful meaning and the ambiguity must, therefore, be clarified.

Section 106

Section 106 of the Companies Act prescribes the procedure to be followed for altering the rights of holders of special classes of shares. There are two alternatives. Under clause (*a*) of sub-section (1), the rights attached to any class of shares may be varied with "the consent of the holders of any specified proportion, not being less than three-fourths, of the issued shares of that class." Under clause (*b*), the variation may be made subject to "the sanction of a resolution passed at a separate meeting of the holders of those shares, and supported by the votes of the holders of any specified proportion, not being less than three-fourths of those shares."

A doubt may arise as to how the words "supported by the votes of the holders of any specified proportion, not being less than three-fourths, of those shares" occurring in clause (*b*) are to be construed —whether they mean not less than three-fourths of the issued shares of the class whose rights are proposed to be altered or three-fourths of the shareholders of that class present in the meeting.

In this connection, the following points may be observed:—

(1) First, the words in question do not occur in the corresponding section 66A of the old Companies Act. As the preceding portion of clause (*a*) of section 106(1) of the new Act has been reproduced *verbatim* from section 66A of the old Act, the addition that has been made must be with some purpose.

(2) Secondly, the language of clause (*a*) differs from that of clause (*b*). Clause (*a*) speaks in terms of "*the issued shares*" of the class whose rights are proposed to be altered, whereas clause (*b*) refers to a "specified proportion, not being less than three-fourths, *of those shares.*" If the intention underlying clause (*b*) is that holders of at least three-fourths *of the issued* shares of the class concerned must support the resolution, it may well be asked why the language of clause (*a*) has not been repeated in clause (*b*).

(3) Thirdly, some indication of the intention underlying clause (*b*) of section 106(1) may be gathered from Regulation 3(1) of model Table A contained in Schedule I to the Act. This regulation provides that the rights attached to any class may, subject to the provisions of sections 106 and 107, "be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class." The first alternative is in accordance with clause (*a*) of section 106(1). The second alternative provides for a special resolution and under sub-section (2) of section 89, a resolution is deemed to be a special resolution when the votes cast in favour "are not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting." In other words, if Regulation 3(1) of Table A is read with section 189, clause (*b*) of sub-section (1) of section 106 appears to provide that variation of the rights attached to any class of shares may be made subject to the sanction of a resolution supported by the votes of not less than three-fourths of the holders of those shares present in the meeting.

The foregoing points are, however, not conclusive. As a matter of fact, opinion is sharply divided on the two possible interpretations and it would, therefore, be advisable to amend clause (*b*) of section 106(1) so as to clarify the underlying meaning with reasonable clearness.

Section 111 : Power to Refuse Registration

Articles generally give a direction to the Board of Directors to refuse to register a transfer of any share or interest thereon or of any debenture of the Company. This right of the Board of Directors is recognised by section 111 of the Act. The aggrieved party has a right of appeal to the Central Government if the Board of Directors refuse registration pursuant to powers conferred upon it by the articles. The peculiarity of this section is that, in the absence of the provisions in the articles relating to powers of directors to refuse registration, no remedy is available by way of appeal to the Central Government if the directors refuse registration.

Section 111 does not indicate as to what would be the consequences if the company refuses registration even when an order is made by the Central Government in appeal.

Again, section 111 appears to be only an enabling section and not an obligatory one. It is presumed that recourse to a court of law for redress by the aggrieved party is not ruled out. A question may arise whether the aggrieved party may simultaneously apply to the Central Government and also to the court of law. If answer to this question is in the affirmative, it may well be further asked as to what would happen in the event of the Central Government and the court giving different findings. Section 111 does not indicate any answer to this query.

Sections 138 and 139 : Satisfaction of Charges

Sub-section (5) of section 138 provides for recording of satisfaction of charges when the Registrar is satisfied from sources other than the mortgagee company that the charge has been satisfied in whole or in part. A question may well be asked whether the Registrar is competent to refuse to record satisfaction of the charge on the report of the mortgagee company. In other words, whether a refusal on the part of the Registrar to exercise the discretion conferred upon him under sections 138(5) and 139 is justified in law? The answer to this question is not free from doubt as the report of satisfaction of charge by the mortgagee is not specifically covered either by section 138 or the Return in Form No. 17.

Section 147

Section 147 provides for the publication of its name by a company as mentioned in clause (*c*) of sub-section (1). It is usual for business or manufacturing concerns to advertise their goods or products by their trade names without mentioning the names of their companies. Technically speaking, such an advertisement to push sales may fall under clause (*c*) of sub-section (1) and, if a company fails to mention its name in such an advertisement, it becomes liable for an offence punishable under sub-section (3). Obviously, this does not seem to be the intention of the legislature. Thus, clause (*c*) of this section seems to suffer from want of clarity.

Section 205 : Dividends and Depreciation

Section 205 provides that a company shall pay dividend only out of profits. The Act does not define the expression "profits." It even does not say as to what is included in the connotation of the expression "profits." Section 349, however, indicates as to how the "net profits" of a company in any financial year should be computed for the purpose of section 348 which limits the remuneration of a managing agent to 10 per cent. of net profits. It is suggested that it is desirable to state clearly as to what is meant by the expression "profits" in this section.

The expression "profits" raises another controversial question, namely, whether it is open to directors, if they so think fit, to declare a dividend without providing for any depreciation. In the absence of any specific provision in the Act as to the amount and the basis of depreciation to be provided and adjusted in the accounts before the declaration of dividend, it is difficult to answer this question and it must await judicial consideration.

Section 262 : Casual Vacancies Among Directors

Under sub-section 1 of section 262, appointment of the person to fill in the casual vacancy among the directors is subject to the provisions in the articles. Most of the companies provide in the articles for the retirement of the person so appointed to fill in casual vacancy at the time of the annual general meeting. But, under sub-section 2 of this section, the person appointed to fill in casual vacancy has to retire at a time the director in whose place he is appointed would have in natural course ceased to have been a director. This inconsistency between the two sub-sections should be carefully considered.

Section 295 : Loans to Directors

Loans to directors, etc., granted before 1st April, 1956 are required to be recovered by section 295 within a specified period, "notwithstanding any agreement to the contrary." This may raise a question as to who is to pay the penalty for breach of agreement?

Section 293 : Temporary Loans

Section 293(1)(*d*) provides that temporary loans obtained from the Company's bankers in the ordinary course of business are to be excluded while calculating the borrowings of the company. Section 293 does not state what are deemed to be "temporary loans" obtained by the company from its bankers in ordinary course of business. It may be observed that bank advances are generally repayable on demand and they are not "temporary advances." "Temporary advances" cannot be said to be "temporary loans."

Section 293(1)(e)

The language of clause (*e*) of sub-section 1 of section 293 also suffers from want of lucidity. It should clearly indicate the causes for which the board of directors of a public company and a private company which is a subsidiary of a public company can contribute to funds. It should, for instance, say whether the directors can donate funds for helping any national cause, encouraging sports or for constructing works of general public utility.* The intention of the legislature cannot be allowed to be gathered from doubtful inference. It must be manifest with reasonable clearness.

Section 314

The stricter provisions of section 314 should be relaxed so as to exclude (1) relatives holding posts of small remuneration, not exceeding Rs. 150 in basic pay, (2) a private company not being a subsidiary of a public company and (3) non-profit-making company.

Section 299(3) : Disclosure of Interests by Director

Under section 299, every director is required to disclose his interest as a director or member of a specified body corporate or a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may be entered into with that body corporate or firm. A director is really interested in a contract with a body corporate of which he is a director or a firm of which he is a partner. But, generally, he is not interested in a body corporate of which he is merely a shareholder except that for receiving dividend. In many cases, directors purchase the shares and sell the same and it may become rather inconvenient to intimate the company whenever they purchase or sell the shares. This sub-section should be amended so as to include only body corporates of which he is a director or a firm of which he is a partner.

It is likely that a relative of the director might be employed under the company or its subsidiary. If a director is common in both the holding and subsidiary companies and a relative is employed only in a subsidiary company, a special resolution of a subsidiary company would be necessary, but it does not stand to reason as to why a special resolution of the holding company would be necessary when the relative of that director is not the employee of the holding company. Accordingly, section 314 should be suitably amended to remove this ambiguity.

The Position of an Auditor

It is a debatable issue as to whether a director would be affected by the provisions of the section 314 if he happens to be the relative of the auditor. The auditors are appointed by the company in general meeting and not by the directors and, therefore, it is doubtful whether the director incurs disqualification merely because he happens to be a relative of a director within the meaning of section 6 of the Act.

Section 348

Section 348, which specifies the remuneration of managing agents (at 10 per cent. of net profits), contains the words "or in any other capacity." Let us consider what would be the effect on this section if the foregoing words are dropped from it. The section with the aforesaid words dropped would be capable of two different interpretations. The first interpretation is that the absence of the aforesaid words from section 348 would make no difference to the meaning of that section. This interpretation is based upon the assumption that the legislature used the aforesaid words by way of abundant caution. The second interpretation is that it would make a substantial difference to the meaning of section 348. It is in this sense that the 10 per cent. remunerations mentioned in section 348 would then be limited and confined to the services rendered by the managing agents as such and not otherwise. If the second interpretation is presumed to be correct, the result is that the absence of the said words in section 309 dealing with the overall remuneration payable to managing agents, director, manager, etc., produces an effect which may be contrary to or inconsistent with the view of the Bombay High Court in a special case under section 90 of the Code of Civil Procedure (*Ramaben* vs. *Jyoti Limited and others*, 1956, Bom. L.R., p. 67).

Section 359

Sub-section 2 of section 359 provides that every contract and all particulars relating thereto shall be entered in a separate register maintained by the company for the purpose but it does not say what are the particulars to be entered in the register. The sub-section (2) should be more specific regarding particulars.

*Re: *Indian Iron and Steel Co., Ltd.*, A.I.R. 1937 Calcutta, 234.

Sections 356 to 360

The question whether it is an offence not to maintain the registers specified in sections 356 to 360 is not free from doubt. But the offence is punishable under section 163 if the inspection demanded by a member is refused.

Section 362

Section 362 which provides for the inspection of the documents specified in sections 356 to 360 does not indicate the penalty in case the requisite registers are not maintained or their inspection refused. Section 614, which gives power to the Registrar to enforce the duty of company to make returns, etc., does not apply to this case. One must look to the language of section 362 itself. Section 362 provides that the registers referred to in sections 356 to 360 shall be open for inspection and extracts may be taken therefrom and copies thereof may be required by any member in the same manner and to the same extent and on payment of the same fees, as in the case of register of members. Now the register of members is open to inspection under the provisions of section 163. It, therefore, follows that refusal of inspection of these documents may amount to an offence punishable under section 163. A sub-section should, therefore, be added to section 362 indicating penalty as mentioned in sub-section 5 of section 163.

Section 370

Section 370 regulates loans to companies under common management but it does not provide for similar loans already made before the commencement of the Act.

Section 417

Section 417 requires employees' securities to be deposited in a Scheduled bank. A question may well be asked whether this section permits the employing company to retain the moneys or securities with itself in a special account if such employing company is itself a Scheduled bank. The opinion is divided. One view is that the retention of the moneys or securities by the bank with itself in a special account opened for the purpose is a sufficient compliance with section 417. The other view is that it is not. The later view seems to be reasonable and also consistent with the plain language of the section.

Section 418

The amount of provident fund contributions is required by section 418 to be deposited in a post-office savings bank account or invested in trust securities, referred to in clauses (*a*) to (*c*) of section 20 of the Indian Trust Act, 1882. The legislature, while enacting this section, seems to have overlooked the fact that post-office savings bank accounts are of restrictible nature.

Section 599

Section 599 imposes a civil disability on a foreign company if it fails to comply with the provisions of Part XII of the Act. This is entirely a new section and suffers from want of lucidity. It raises a question whether the compliance with the provisions of Part XI of the Act by a foreign company is a condition precedent to bringing any suit, claiming any set-off, making any counter-claim or instituting any legal proceeding in respect of any contract, dealing or transaction. Legal opinion is divided. One view is that the compliance with the provisions of Part XI is a condition precedent. The other is that it is not. But, having regard to the language of the section, the former view, however strict and unreasonable it may be, seems to be correct.

"Remuneration of Directors"

The phrase "remuneration of directors" is not defined in the Act. The meaning of this phrase has to be gathered from the Act itself or from other sources. Such a definition should have been inserted in the Act.

Further, the pivotal provisions of the Act as regards managerial remuneration and prohibition against granting of sole selling or buying agencies to managing agents, are contained in two groups of independent provisions. They are likely to create difficulties in interpretation and understanding.

Forms

The multiplicity of forms which are required to be filed by the companies and their directors in the course of day-to-day administration of corporate finance should be reasonably reduced both from the view of number as well as expenditure of company's funds. The reduction, however, should not be to such an extent as to encourage ingenious attempts to escape the rigour of the law.

Penal Provisions

The present Act provides for a large number of offences arising out of contravention of its mandatory and other provisions. They may be conveniently divided into five groups, namely,

(1) offences punishable with fine for every day the default continues;

(2) offences punishable with fine only;

(3) offences punishable with imprisonment;

(4) offences punishable with fine and imprisonment; and

(5) offences punishable with fine or imprisonment or both.

The foregoing groups cover about 164 different kinds of offences and out of these there are about 43 continuing offences. The present Act is intended to be intelligently and sympathetically administered

(*Continued on page 1257*)

Notice

BENGAL JUTE MILL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 26th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 8, Dalhousie Square East, Calcutta, on Monday the 8th July 1957, at 4-30 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts, declaring the Dividend recommended by the Directors for the year ended 30th June 1956, electing Directors in place of the retiring Directors, appointing Auditors and for transacting any other business of the Company that may be transacted thereat.

1. To appoint and/or approve the appointment of Sri M. L. Jalan pursuant to Section 261 of the Companies Act, 1956, who was appointed a Director at the Board Meeting held on 17th December 1940 and if thought fit to pass the following resolution as Special Resolution. The relative Explanatory Statement concerning which as required by Section 173 of the said Act is annexed hereto.

"Resolved that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, the appointment of Sri M. L. Jalan a Director of the Company, who is also a partner of Messrs. Soorajmull Nagarmull the Managing Agents of the Company, be and is hereby made and/or approved as required by the provisions of the said Section."

2. To appoint and/or approve the appointment of Sri N. K. Jalan pursuant to Section 261 of the Companies Act, 1956, who was appointed a Director at a Meeting held on 10th May 1954 and if thought fit to pass the following resolution as Special Resolution. The relative Explanatory Statement concerning which as required by Section 173 of the said Act is annexed hereto.

"Resolved that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, the appointment of Sri N. K. Jalan a Director of the Company, who is also a partner of Messrs. Soorajmull Nagarmull the Managing Agents of the Company, be and is hereby made and/or approved as required by the provisions of the said Section."

3. To appoint and/or approve the appointment of Sri B. L. Jalan pursuant to Section 261 of the Companies Act, 1956, who was appointed a Director at a Meeting held on 20th April 1955 and if thought fit to pass the following resolution as Special Resolution. The relative Explanatory Statement concerning which as required by Section 173 of the said Act is annexed hereto.

"Resolved that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, the appointment of Sri B. L. Jalan a Director of the Company, who is also a partner of Messrs. Soorajmull Nagarmull the Managing Agents of the Company, be and is hereby made and/or approved as required by the provisions of the said Section."

4. To consider and if thought fit to pass the following resolution as a Special Resolution, the relative Explanatory Statement in respect of which as required by Section 173 of the Companies Act, 1956, is annexed hereto:

"Resolved that the provisions of the Memorandum of Association of the Company with respect to the objects of the Company be altered in the manner following:—

(i) That the existing sub-clause (25) of clause (3) of the said Memorandum be deleted and the following sub-clause be added after the existing sub-clause (25) of clause (3) of the said Memorandum as sub-clause (25) and (25A)—

(25) To provide for the welfare of Directors or employees or ex-employees of the Company or its predecessors in business and the wives, widows and families or the dependents or connection of such persons by building or contributing to the building of houses or dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profits-sharing bonuses, or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, profits-sharing or other schemes, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.

(25A) To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any institutions, objects or purposes or for any exhibitions.

5. To consider and if thought fit to pass with or without modification the following resolutions and the relative Explanatory Statements concerning which are annexed hereto as required by Section 173 of the said Act:—

(i) *As an Ordinary Resolution*:

"Resolved that consent of the Company be and is hereby given to the Board of Directors with effect from the date of commencement of the Companies Act, 1956, to contribute and/or subscribe from time to time to any national, political, charitable, benevolent, public or general and other funds not directly relating to the business of the Company or the Welfare of its employees, such amounts as may be considered proper by it notwithstanding that such amounts in any financial year may exceed Rs. 25,000 or 5 per cent. of the Company's average net profits, as determined in accordance with the provisions of the Companies Act, 1956, during the three financial years immediately preceding whichever is greater."

(ii) *As an Ordinary Resolution*:

"Resolved that pursuant to sub-section (I) (b) of Section 293 of the Companies Act, 1956, the Company hereby consents with effect from the commencement of the Companies Act, 1956, to the Board of Directors of the Company borrowing moneys for the purpose of the Company from time to time notwithstanding that the moneys so to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans, if any, obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

6. Any other business that may be brought forward.

EXPLANATORY NOTE

Item No. (2) of the Notice, Section 261 (1) (f) of the Companies Act, 1956, read with sub-section 7 (4) of the same section of the Companies Act, 1956, requires the re-appointment of any Director retiring by rotation who is an associate of the Managing Agents to be made by a Special Resolution.

And since it is desirable for the benefit of the Company to avail of the valuable advices of Mr. M. L. Jalan, at present a Director of the Company, who is an associate of the Managing Agents, by retaining him as a member of the Board of Directors of your Company, it will be desirable that the above proposed Special Resolution, Special Notice of which has been received by the Company, be passed.

In respect of Item No. (2) of the Notice, Section 261 (1) (f) read with sub-section (4) of the same section of the Companies Act, 1956, requires the appointment of any Director who is an associate of the Managing Agents to be made by Special Resolution.

And since it is desirable for the benefit of the Company to avail of the valuable advices of Mr. N. K. Jalan, at present a Director of the Company, who is an associate of the Managing Agents, by retaining him as a member of the Board of Directors of your Company, it will be desirable that the above proposed Special Resolution, Special Notice of which has been received by the Company, be passed.

In respect of Item No. (3) of the Notice, Section 261 (I) (f) read with sub-section (4) of the sub-section of the Companies Act, 1956, requires the appointment of any Director who is an associate of the Managing Agents to be made by Special Resolution.

And since it is desirable for the benefit of the Company to avail of the valuable advices of Mr. B. L. Jalan, at present a Director of the Company, who is an associate of the Managing Agents, by retaining him as a member of the Board of Directors of your Company, it will be desirable that the above proposed Special Resolutions, Special Notice of which has been received by the Company, be passed.

In respect of Items Nos. 4 and 5 of the Notice, sub-clause (25) of Clause 3 of the Memorandum of Association of the Company runs as follows:—

To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition for any public, general or useful objects.

This sub-clause deals with two different classes of objects to which the Company may contribute funds; one to charitable and public objects and institutions of benefit to the Company, and the other relates to the grant of pensions and benefits to employees and their relatives. As these are two distinct objects, it is desirable that they should be set out separately. It is also felt that the clause, in so far as it relates to support of and subscriptions to charitable, public and beneficial objects and institutions is stated in a form which is rather restricted not to suit modern conditions. The industrial policy of Government under conditions today is of vital importance to most industries, and particularly to a key industry like the Jute industry. It is, therefore, in the interests of the Company to be able to contribute to the funds of political parties also which in the Company's opinion will serve the interests of industry in general and of the Jute industry in particular.

Section 293 (I) (e) of the Companies Act, 1956, clearly recognises the right of a Company to contribute to funds not directly relating to its business or the welfare of its employees by providing that the contribution of the company in such cases shall not exceed 5 per cent. of its average net profits or Rs. 25,000 whichever is the higher. In the discussion in the Lok Sabha on this subject it was recognised that this provision covered contributions to political funds and purposes.

It is believed that the existing clause in the Memorandum might enable the Company to make contributions to a political fund, but it is desirable to eliminate any doubt on the subject by a specific provision in the Memorandum of Association enabling the Company to contribute to such political objects and purposes.

It is, therefore, proposed, in place of the present sub-clause (25), to provide two sub-clauses, one for the grant of benefits to employees and their families, and another for subscription or contribution to charitable and other objects (including political objects).

In respect of Item No. 5 (ii), the Company has occasionally to borrow money from Banks which may on occasions, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes; under Section 293 of the Companies Act, 1956, the Board of Directors of a Public Company cannot, except with the consent of the Shareholders in General Meeting, borrow moneys after the commencement of the Act, where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Although the Directors of the Company are of the opinion that the borrowings of the Company fall within the category of temporary loans which do not require the consent of the Company in General Meeting, they are advised that it would be better for the Company to place the matter beyond reasonable doubt and to secure the consent of the Shareholders of the Company for the borrowing of moneys in excess of the aggregate of the paid-up capital of the Company and its free reserves.

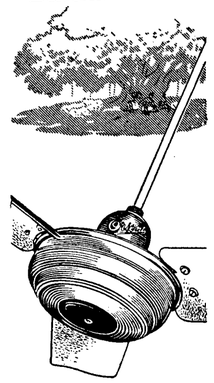
The Share Transfer Registers of the Company will remain closed from the 1st July 1957 to the 8th July 1957, both days inclusive.

By Order of the Board,
For & on behalf of
BENGAL JUTE MILL CO., LTD.,
SOORAJMULL NAGARMULL,
Managing Agents.

8, DALHOUSIE SQUARE EAST,
CALCUTTA, *Dated the 4th June*, 1957.

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

Like a wide-spread Banian tree



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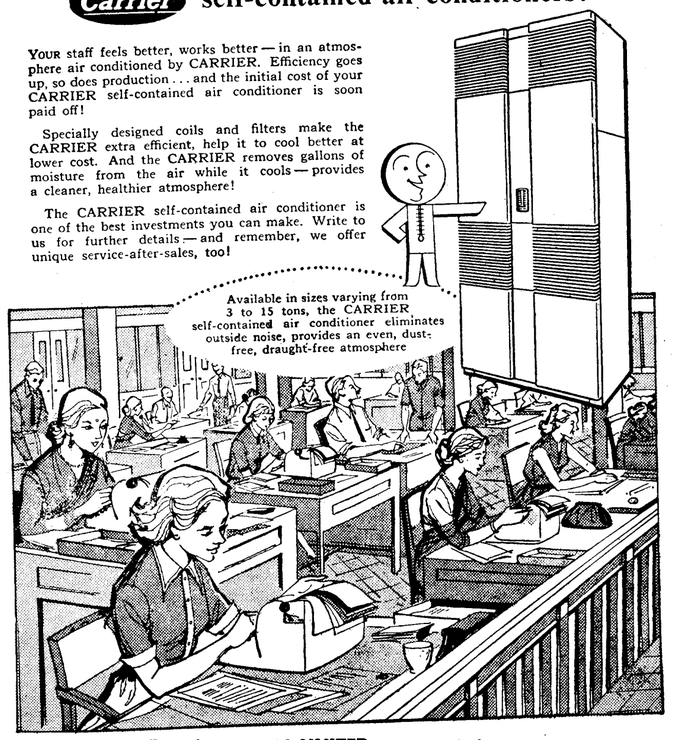

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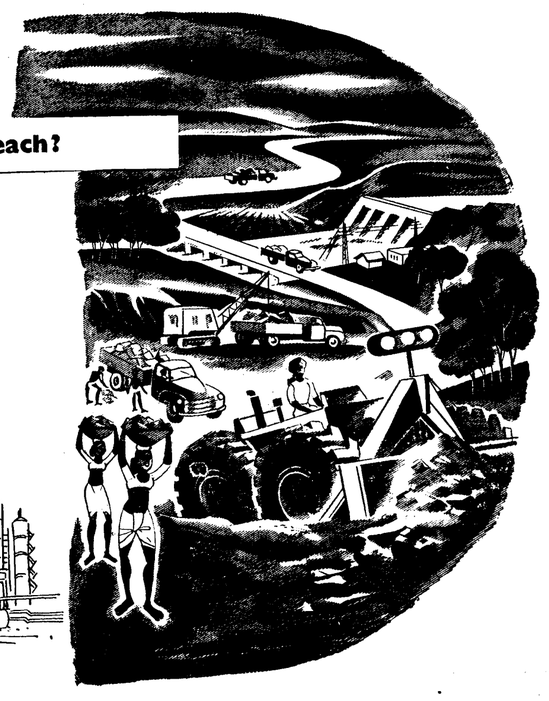

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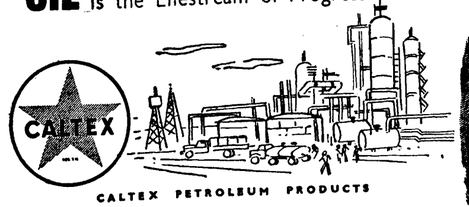

CALTEX PETROLEUM PRODUCTS

TREND OF INDIA'S TRADE WITH SELECT COUNTRIES—I

OUTLOOK FOR EXPORTS TO WEST ENCOURAGING

INDIA'S adverse balance of trade in merchandise during 1956 was over double the level of Rs. 105 crores witnessed in 1955. This was due, as is now well known, primarily to the expanding imports of machinery, steel and metals, for the execution of development projects. The average monthly value of imports steeply rose from Rs. 54 crores in 1955 to over Rs. 67 crores in 1956. At the same time, the corresponding value of exports declined during the same period from around Rs. 50.50 crores to Rs. 49.80 crores. This fall in exports was attributable to a myriad causes, such as fall in the production of export commodities in India, competition from foreign products to Indian exports, fall in world prices of certain commodities, increasing use of synthetics and, not the least important, inability of Indian exporters to meet foreign demand due to inadequate transport, both rail and shipping, and port facilities at home. Nevertheless, according to the reports submitted by various Commercial Attaches to our Embassies abroad, export prospects for the current year are generally encouraging. This is primarily so, because of the fairly rapid expansion in economic activity that is in evidence in various countries. The reviews of the Commercial Attaches have been brought together in a supplement to the latest issue of the Commerce and Industry Ministry's official publication, entitled the *Journal of Industry and Trade*. In this and the succeeding two articles, it is proposed to bring out the essence of these reviews. The trade with Britain, the U.S. and Canada will form the subject matter of this article.

A characteristic feature of India's trade with the U.K. in 1956 was that its imports of British goods increased substantially from £130.2 million in 1955 to £167.8 million, while its exports to it decreased from £159 million to £141.5 million. Consequently, India had an adverse trade balance of £26.4 million with the U.K., as compared with a favourable trade balance of the order of £28.8 million in the preceding year. It is noteworthy that, in 1956, the post-war trend of decline in India's imports of consumer goods from the U.K. continued. This was in sharp contrast with the higher rate of imports of machinery, steel, chemicals and other capital items. At the end of 1956, India ranked as the biggest market for British machinery, other than electric, with Australia and South Africa as second and third, respectively. Thus, its imports of these items were valued at £45.3 million in the year under review, as against £32.5 million in 1955.

Drop in Exports

The drop in the value of India's exports to the U.K. was accounted for by price lag in tea, reduced export earnings from items like jute manufactures, leather, grey cloth and manganese ore. To take one example, the quantity of tea exported in the year increased by 16.2 million lbs. to 299.7 million lbs.; its value, however, declined by £6.6 million to £68.9 million, as compared with 1955. Increased earnings were, however, recorded from certain items, chiefly tobacco, linseed oil, cotton yarn and fabrics other than grey cloth. Linseed oil exports, for example, receded from 968,814 cwts. in 1955 to 801,291 cwts. in 1956, but their value rose from £4.7 million to £5.1 million during the same period. In this field, according to the authors of the report, the prospects for 1957 seem to be bright, what with the expected fall in the linseed output in Argentina in 1957 and the continued demand in the U.K. The latest overseas advices, however, point to a fall in linseed prices due to liquidation of stocks by the U.S. Commodity Credit Corporation and to prospects of a bigger linseed crop in Canada where the acreage for the current season is higher at 3.48 million, as against 3.09 million in the previous season.

To revert to India's exports to Britain in 1956. The U.K.'s imports of Indian-made cotton yarn, too, increased moderately, though grey cloth exports reflected a slight decline owing to competition from Hong Kong. India's exports of tobacco also increased by 3.6 million lbs. to nearly 40 million lbs. in 1956. Consequently, its earnings were higher by £1.0 million at £8.2 million. Viewed against the background of reduced tobacco imports into the U.K., this performance during the year can be termed fairly good. Rhodesian exports of this commodity for the current year are said to be bright. In the case of manganese ore, on the other hand, though exports to the U.K. declined substantially in 1956, British importers are stated to be prepared to take all the ore India is prepared to supply. India's ability to do so, however, depends on better transport facilities.

Trade With U.S.

India's trade with the U.S. followed a similar pattern as that with the U.K. Though general boom conditions and expanding business activity prevailed during the year in the U.S., its imports from India declined significantly, while its exports to India registered a sizable increase. Thus, while India's exports, in terms of rupees, fell from Rs. 91.06 crores in 1955 to Rs. 84.78 crores in 1956, its imports rose from Rs. 89.81 crores to Rs. 94.24 crores in the same period. During the first ten months of the year 1956 alone, India had an unfavourable trade balance of $18.1 million, as against a favourable trade balance of $34.4 million for the whole of 1955. The major declines in exports from India to the U.S. occurred in tea—by 2.7 million lbs. to 94.2 million lbs. in the first 11 months of 1956—and manganese ore, from 4,427 million lbs. in 1955 to 3,050 million lbs. in the first nine months of 1956. The fall in respect of tea was due to quality differentials and fluctuations in the price. In the case of manganese, it is stated that high price quotations and lack of promptness in deliveries were responsible for the fall in demand.

Again, though the volume of pepper exports at 15.3 million lbs. in the first three quarters of 1956 was larger and constituted no less than 55 per cent. of the U.S. total imports of this item, as compared with 47.4 per cent. for the whole of 1955, the dollar value declined considerably, because of a sharp fall in pepper prices during that period. In the case of cashew nuts, on the other hand, imports declined in volume from 62.75 million lbs. in 1955 to 42.2 million lbs. for the first 10 months of 1956, but this decline was more than offset by a rise in prices. It is also noteworthy that the year witnessed an increase in Indian exports to the U.S. of unmanufactured wool, jute and jute manufactures, and also saw the beginnings of the flow of shrimp. Further, shellac did not fare well partly because of competition from Thailand and partly because the U.S. importers began to prefer increasingly seed lac and stick lac. Mica was another important item. Its imports into the U.S. amounted, in the first 10 months of 1956, to 19.3 million lbs. valued at $5.6 million. Though this quantity accounted for nearly 86 per cent. of the total imports of mica into the U.S., its dollar value was only 56 per cent. One of the reasons for this was that as much as 60 per cent. of India's exports consisted of waste which was priced very low.

Export prospects for mica, especially for high quality material, are stated to be very bright. The demand for jute goods, in view of the Federal Road Building Programme, for manganese, in view of the major expansion taken in hand in the steel industry, and that for cashew nuts are expected to be quite good during the current year.

Canada

Canada is another country the trade of which during 1956 expanded substantially, but the imports of which from India declined markedly. Imports from India valued at $35.1 million in 1955, declined to an estimated level of $30.6 million in 1956. Despite this steep fall, Canada's imports of tea from India, which is the chief supplier of this item, fell slightly from 19.5 million lbs. in 1955 to an estimated level of 19.3 million lbs. But, due to price decreases, the value of such imports had fallen more steeply by about $3 million to $9.8 million in the year. Ceylonese tea, however, is said to have fetched better prices because of better quality. Coffee is another competitor to tea. Another reason for a fall in the Canadian imports of tea is stated to be the continued fall in inventories. The value of jute imports from India also declined by about $1 million to an estimated level of $9.4 million in 1956. This fall, despite the increasing demand for packing material, was attributed to the increasing use of substitutes like paper for packing purposes. In order to raise the exports of jute goods to Canada, the report from the Indian Embassy calls for the formation of a promotional organisation in that country.

Canada's imports of cotton textiles from India, however, increased both in value

(*Continued on page* 1251)

INDO-AUSTRALIAN TRADE

PROSPECTS EXAMINED

THE view that, as a result of the Australian Trade Mission's recent visit to India and Ceylon, Australia's trade with these countries would "conservatively increase by a continuing £2 million a year" was expressed by Mr. John G. Hurley in the course of an article to a recent issue of the Sydney *Financial Review*. An important proviso to the fulfilment of this hope, however, was the maintenance of export availability in items like steel and wool. Two of the most important prerequisites for expanding Australian exports to India and Ceylon, according to him, are greater publicity and regular and reliable shipping service. Incidentally, Mr. Hurley expressed satisfaction that the mission had achieved outstanding success in correcting the lack of awareness in these countries of Australia as a source of supply for the many items they now needed. He was also glad that the fleet of three shipping companies of Australia would be expanded shortly.

Referring to the significance of the composition of the mission, Mr. Hurley said that its thirty-seven members represented more than 300 Australian manufacturers, exporting and importing agencies, a majority of whom were offering for sale a wide range of manufactured goods entirely distinct from the traditional items. Among such items, mention must be made of air-conditioning, telecommunication, refrigeration, and radio equipment; plastics, motor vehicles, automotive spare parts, heavy engineering and construction, machine tools, cement-making equipment, wool tops, and dairy products. The character of the mission demonstrated very clearly, according to the leader of the delegation, "the increasing confidence and the growing awareness on the part of more and more Australian firms that the difficulties confronting the building up of a greater export trade with a type of product hitherto confined to local use are not insurmountable and, with effort and on-the-spot investigation, can be overcome." This fact, he felt, was more important than the solid achievement of the mission in writing an estimated £3 million worth of on-the-spot business, with a fair expectation of consolidated orders of £2 million a year in future.

Another important success of the mission pointed out by the leader was the extension of its activities to exporting capital. He recognised that one of the major needs of both India and Ceylon was for new capital investment—a need which was more pressing than in Australia. He pointed out, however, that Australia's ability to export capital was conditioned by its own needs. Despite these limitations, he thought that there were distinct possibilities of three organised ventures extending their activities to India. These, according to him, are an automotive spare parts factory, a plant for the manufacture of road-making equipment and a series of small cement-making plants. The cement plants, he explained, were intended to decentralise industry, with the objectives of bringing more employment opportunities to the thickly populated rural sections of India and of easing the heavy pressure on the rolling stock.

Alluding, in this connection, to the balance-of-payments problems facing Australia, he remarked that its problems in this respect had never been a tenth as serious as those against which India was currently struggling. India, he added, had to import enormous quantities of equipment to execute the developmental programmes. Deliveries, which were delayed due to world-wide shortages earlier, flooded into the ports in a short period, resulting in a rapid depletion of foreign exchange reserves. This state of affairs gave rise to the use of the device of deferred payment scheme, and a feeling among some European countries that "they had India on the hip." Further, this scheme had the effect of making the final cost of plant and machinery prohibitive—as much as 45 per cent. higher at the time of final payment, than at the time of agreement. From the point of view of Australian foreign trade, the balance of payments situation was not as alarming as might seem at first, according to Mr. Hurley. He expressed the belief that the difficulties arising from its foreign trade could be ironed out in the near future when, with the establishment of the Export Credit Guarantee Scheme, Australian exporters would find themselves on a par with those in other democratic countries.

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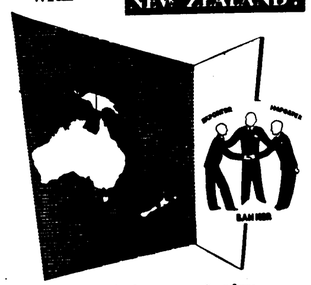

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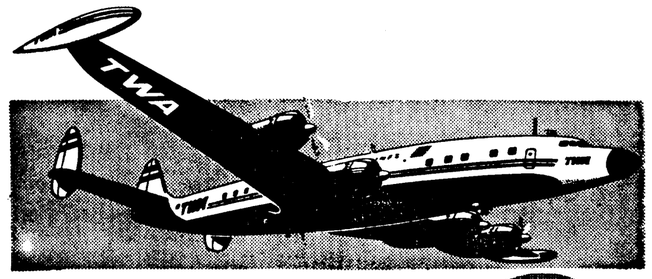

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COCHIN MALABAR'S PROFIT LOWER

BOTH GOVERNMENT AND SHAREHOLDERS GET LESS

A STEEP fall in the crop of rubber harvested, followed by higher costs of production, resulting in a sharp rise in expenses, has been responsible for a sizable reduction in the earnings of the Cochin Malabar Estates Ltd. (Managing Agents: Messrs. Peirce, Leslie & Co., Ltd., Kozhikode, Kerala) for the year ended 28th February 1957. The fall in earnings has brought in its wake a lower dividend which, at the proposed rate of 15 per cent. represents a cut from 25 per cent. declared for the previous year. The Directors are fully justified in taking this step, since the gross profit of the Company for the year under review has fallen to Rs. 11.52 lakhs from Rs. 13.92 lakhs earned in the previous year. The net profit, at Rs. 5.81 lakhs, is Rs. 1.35 lakhs lower than that for the previous year. Lower trading profit has naturally meant lower provision for taxation which at Rs. 3.70 lakhs is Rs. 1.50 lakhs less than the previous year's provision of Rs. 5.20 lakhs. The transfer to depreciation has been enhanced from Rs. 1.13 lakhs to Rs. 1.18 lakhs. The Directors have also set aside a higher sum of Rs. 3.50 lakhs to the general reserve, which had received Rs. 3 lakhs in the previous year.

The dividend on ordinary shares, as already stated, has once again been lowered to 15 per cent. from 25 per cent., to which level it had been stepped up from 15 per cent. for 1954-55. It may be of interest to note that even the dividend for the latter year at 15 per cent. represented a cut from 25 per cent. per annum paid consecutively for 1953-54 and 1952-53. In other words, the Company's dividend level has been pushed back to that which obtained for 1954-55.

The Company's progress during the past four years is fully reflected in the following comparative table:

(In rupees)

	For the year ended February			
	1957	1956	1955	1954
Sale proceeds	37,70,066	24,88,425	19,09,888	18,11,231
Closing stocks	5,93,259	8,61,692	2,79,060	4,20,658
Other income	63,065	58,941	67,963	28,111
Expenses	24,12,770	17,37,486	13,58,351	13,00,307
Gross profit	11,51,928	13,92,512	8,98,560	8,99,693
Managing Agents' remuneration	82,698	42,679	40,704	40,757
Depreciation	1,18,199	1,13,183	89,955	75,649
Taxation	3,70,000	5,20,130	2,73,423	37,436
Net profit	5,81,031	7,16,520	4,94,478	7,45,851
Refund of agricultural income-tax, etc. ..	38,112	..	..	..
To reserves	3,50,000	3,00,000	2,00,000	3,00,694
Dividends—				
7 per cent. preference ..	7,931	7,931	7,931	7,931
Ordinary	2,69,128 (15%)	4,48,547 (25%)	2,69,128 (15%)	4,48,547 (25%)
Carry forward	71,795	79,711	1,19,669	1,02,250
Crop harvested (in lbs.) ..	1,764,786	1,853,088	1,510,886	1,605,848
Cost of production per lb. ..	Cents 115.5	Cents 92.5	As. 14.24	As. 13.00
Average price realised per lb.	174.6	164.3	23.18	22.17

Attention may be drawn to two noteworthy features disclosed by the aforesaid table. The first relates to the appropriation policy of the Government. It is significant that, despite the new taxation policy of the Government which clearly seeks to penalise conservation of profits by way of high taxation of bonus shares and tax on total wealth, the Directors' enthusiasm for strengthening the reserves of the Company has not received any setback. On the contrary, they have actually set aside a larger proportion of the profit for this purpose. The second feature relates to the Government's share in the Company's income. This share, as already mentioned, has gone down. It is obvious that, if, for any reason, the profit margin of industries goes down, it is not the shareholders alone who suffer but also the Treasury. In its enthusiasm to heap more burdens on employers, the Ministers often seem to forget this aspect.

Both Dame Nature and Labour behaved in a manner unfavourable to the interests of the Company. The lower production was the result of severe drought, pest damage and labour unrest. The last cause was most evident during the highest yielding months, namely, October-December, 1956. The cost of production, too, was higher, which, on a lower output, meant relatively more per unit of rubber. The f.o.b. Cochin cost was 115.5 cents per lb., as against 92.5 cents in the preceding year. The impact of these adverse developments on the Company's profit would have been more marked but for a higher realisation on the rubber sold. Thus, the average price realised (sales *plus* valuation of stocks on 28th February, 1957) was higher by more than 10 points, 174.6 cents per lb., as compared with 164.3 cents in the previous year.

The Company's estate consists of 9,130.08 acres, of which the area under mature rubber is 5,540.62 acres and that under immature rubber 1,414.13 acres. The area replanted during the year was 55.20 acres, bringing the total immature replanted area in budded variety to 763.65 acres, or 11 per cent. of the planted area. It may be noted here that, in the area under mature rubber, budded variety accounts for 1,532.98 acres.

The financial position of the Company has become quite sound, thanks to the judicious policy adopted by the Directors of ploughing back a sizable part of the Company's profit year after year. Thus, even after the capitalisation of Rs. 7.18 lakhs in March 1952, the reserves and surplus, as at the end of the year of review, stand at Rs. 25.22 lakhs, as against a paid-up capital of Rs. 19.07 lakhs, divided into 2,266 seven per cent. tax-free cumulative preference shares of Rs. 50 each and 598,062 ordinary shares of Rs. 3 each. There has been an addition of Rs. 3.63 lakhs to the gross block during the year. Of this, the expenditure incurred on staff and labour quarters, including improvements to the factories, accounts for Rs. 1.39 lakhs, additions to machinery for Rs. 78,392 and development and maintenance of immature new clearings for Rs. 86,200. With this addition, the gross block amounts to Rs. 52.61 lakhs and the net block Rs. 47.01 lakhs. The current assets amount to Rs. 13.28 lakhs, while the current liabilities including the proposed dividends(Rs. 11.22 lakhs), and the provision for taxation (Rs. 4.77 lakhs) together aggregate Rs. 15.99 lakhs.

The crop for the current year is estimated at 2,000,000 lbs. at an f.o.b. cost of 113 cents per lb. The Company's visiting agent reports that the estate have been maintained in good order and that the development programme is being well executed.

The Rs. 3 fully paid-up ordinary shares of the Company are being quoted on the Madras Stock Exchange at Rs. 6.65 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 7.25 per cent. per annum.

COMPANY LAW ADVISORY COMMISSION

From 1st March 1956 to 31st May 1957, 1,727 applications relating to appointments of managing directors and managing agents, variations in managing agency agreements, changes in constitution of managing agents, etc., were referred by the Central Government to the Company Law Advisory Commission. Of these, the Commission disposed of 1,712 cases. Of the remaining 15 cases, five have since been disposed of, two are pending because of the investigations into the affairs of the companies by inspectors appointed by the Central Government, five are still under consideration of the Commission and the remaining three are awaiting further information asked for from the companies concerned.

The Commission meets, on an average, once a month when all important cases are discussed and disposed of, cases not presenting any complicated questions being meanwhile disposed of by circulation of papers. The average time taken by the Commission in disposing of such references is three to four days per case.

The table below shows the month-wise disposal of applications by the Commission from March 1956 to May 1957:

Month and year	Total number of applications received from Government	Total number of applications disposed of	Total number of applications pending
1956			
March	88	88	Nil
April	78	78	,,
May	67	67	,,
June	77	77	,,
July	61	61	,,
August	140	140	,,
September	141	141	,,
October	136	136	,,
November	144	144	,,
December	160	160	,,
1957			
January	123	122	1
February	122	120	2
March	123	122	1
April	124	122	2
May	143	134	9
Total ..	1,727	1,712	15

The Department of Company Law Administration has clarified the position in regard to trusts or trustees described as such and entered in the share registers of some companies as members. According to this clarification, shares in a company, being the property of a trust, can be held in the names of its trustees, being individuals, corporations, companies or societies registered under the Societies Registration Act, 1860, without the addition of the statement that they are trustees. Such shares, however, cannot be held in the name of the trust as such, unless it is a separate legal entity such as a registered society. Companies are, therefore, requested that, wherever necessary, their share registers should be rectified so as to comply with the law as explained above.

B.I.C. FARES BETTER

SMALL DIVIDEND ANNOUNCED

AFTER two years of unfavourable working conditions, of which the previous year proved to be the more adverse, the working results of the British India Corporation Ltd. (Managing Director: Mr. W. H. J. Christie, Kanpur) for the year ended 31st December 1956 seem to indicate that the Company has turned the corner and that its prospects have been switched on, once again, to an era of better earnings. The Company has earned a gross profit of Rs. 28.58 lakhs, in refreshing contrast to the gross loss of Rs. 15.24 lakhs suffered in the previous year for the first time after many years, and the very modest profit of Rs. 5.20 lakhs made for 1954. In fact, the previous year's working proved to be so unfavourable that the Company had to hold in arrears even the dividend on its preference shares for the first time since the early thirties. When that was the fate of the preference shares, it is quite obvious that the dividend on the ordinary shares had to be skipped over. The year's profit, together with the amounts written back from certain provisions no longer required and income from other sources, has enabled the Company to pay off the arrears, as well as the current dividend on its preference shares and also declare a small, almost token, dividend of 2 per cent. on its ordinary shares.

The net profit, after setting aside Rs. 11.52 lakhs for depreciation, as against Rs. 15 lakhs for 1955, amounts to Rs. 17.06 lakhs, and compares well with the net losses of Rs. 30.24 lakhs for the previous year and Rs. 4.80 lakhs for 1954. This favourable trend, after two years of successive losses, coupled with the assurance of the Directors that "they will continue to spare no efforts to bring about a further improvement," should infuse confidence among the Company's shareholders about the future.

The sum written back from provisions no longer required amounts to Rs. 52.84 lakhs and the profit on realisation of investments and surplus on revaluation of stores, etc., and sale of machinery accounts for Rs. 14.65 lakhs. After writing off the debit balance on the profit and loss account brought forward from last year, amounting to Rs. 27.37 lakhs, a sum of Rs. 35.85 lakhs has been transferred to the reserves. A breakdown of this transfer shows that the reserve for future taxation takes up Rs. 20 lakhs, investments reserve Rs. 5.85 lakhs (the full amount of the profit on realisation of investments), reserve for bad and doubtful debts Rs. 5 lakhs and rehabilitation reserve Rs. 5 lakhs. The dividend at 2 per cent. or 10 naye Paise per ordinary share of Rs. 5 absorbs Rs. 6.50 lakhs, leaving a balance of Rs. 1.22 lakhs to be carried forward.

The salient features of the working results of the Company for the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	7,61.45	6,15.54	6,93.29	7,19.55
Other income	21.06	21.19	21.70	
Stocks	3,99.77	4,62.69	3,48.24	3,56.68
Raw materials and manufacturing charges	3,31.16	5,17.02	4,29.19	4,58.49
Other expenses	3,58.93	2,49.38	2,72.26	2,73.12
Gross profit (+) or loss (—) ..	+28.58	—15.24	+5.20	+72.08
Provision for—				
Depreciation	11.52	15.00	10.00	6.50
Taxation				25.00
Net profit (+) or loss (—) ..	+17.06	—30.24	—4.80	+47.08
Provisions no longer required ..	52.84	..	14.00	..
Other income	14.65	15.35	6.39	..
Expenses relating to previous years written off	0.65	..	..	..
To reserves	35.85	15.29	5.83	..
Dividends—				
8 per cent. preference ..	12.96*	..	6.48	6.48
Ordinary	6.50 (2%)	..	4.06 (1¼%)	32.50 (10%)
Carry forward	1.22	—27.37	2.81	3.59

* For 1955 and 1956.

The Corporation's sale proceeds for the year show a substantial improvement of Rs. 145.91 lakhs over those for the previous year. This was due to the traditionally high quality of Lalimli and Dhariwal woollen goods which was maintained and improved upon wherever possible, and their continued favourable reception by the market. Other expenses increased by Rs. 109.55 lakhs but this was offset, to a great extent, by the raw materials and manufacturing charges which have fallen by Rs. 185.86 lakhs.

The efforts made by the Corporation's staff to improve the working of the Cawnpore Cotton Mills achieved some measure of success by the end of August 1956. But, the additional excise duty on cotton cloth with effect from September, led to a deterioration in offtake and unsold stocks steadily mounted up, despite reductions in selling prices to unremunerative levels. Rationalisation continued to be prevented, and the locking up of money in unsold stocks aggravated the Company's shortage of working capital and restricted its ability to finance the purchase and installation of new machinery. The Directors state that the trading results of the branch for the year were unsatisfactory.

The Corporation's leather and footwear branches also had to cope with great difficulties during the year. Excise duty on footwear, from which cottage and small-scale industries are exempt, continued at the rate of 10 per cent. and fell mainly on the producer. The quality of hides continued to deteriorate. However, the Corporation's efforts to reduce the cost of production and also to maintain and improve the quality and range of its products offered for sale, continues unhindered. A welcome development during the year was the receipt of orders for a substantial quantity of footwear for export. This, however, came too late in the year and, hence, could not offset the effect of other unfavourable factors of trading for the year. The Directors hope that this will help increase exports during the current and future years with corresponding improvement in working results of the leather and footwear branches.

The Company has a paid-up capital of Rs. 406 lakhs, divided into 81,000 preference shares of Rs. 100 each and 6,500,000 ordinary shares of Rs. 5 each. This is supplemented by reserves and surplus aggregating Rs. 156.78 lakhs. Loans from banks, secured against stores, stocks and investments amount to Rs. 340.76 lakhs. The provision for taxation stands at Rs. 2.28 lakhs and other current liabilities amount to Rs. 118.68 lakhs. There has been an addition of Rs. 23.52 lakhs to the gross block during the year, bringing its total value to Rs. 300.58 lakhs. This stands well written down to Rs. 73.18 lakhs. This is inclusive of expenditure on buildings and machinery in course of construction and installation amounting to Rs. 6.41 lakhs. Investments in Government securities and shares of companies account for Rs. 180.08 lakhs and other investments for Rs. 2.44 lakhs. The current assets aggregate Rs. 768.79 lakhs and include, among other things, stores and spare parts at Rs. 92.50 lakhs, stock-in-trade at Rs. 399.77 lakhs, sundry debtors at Rs. 109.09 lakhs, loans and advances at Rs. 125.41 lakhs, and cash balances at Rs. 36.05 lakhs.

The Directors report that the capital expenditure programme for the modernisation of the Company's plant and machinery continues to be executed as quickly as resources permit. Shortage of working capital affected the activities of the Company throughout the year but this is receiving the serious attention of the Directors at present.

HIGHLAND PRODUCE MAINTAINS DIVIDEND

The statement of accounts of the Highland Produce Company Ltd. (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey), for the year ended 31st December 1956, discloses a minor improvement in gross profit from Rs. 7.26 lakhs for the previous year to Rs. 7.83 lakhs. This profit is, however, substantially lower than Rs. 13.04 lakhs earned in 1954, to which level the profit had sharply increased from Rs. 5.98 lakhs for 1953. Despite this, the year's results should be considered encouraging, since any improvement is better than a decline. After making slightly higher provisions for Managing Agents' remuneration, depreciation and taxation, the net profit is a shade lower at Rs. 3.69 lakhs, as compared with Rs. 3.71 lakhs for 1955.

The provision for taxation has been increased from Rs. 2.40 lakhs to Rs. 2.89 lakhs and that for depreciation from Rs. 47,166 to Rs. 51,794. In view of the fact that the earnings for 1956 and 1955 have been lower than those for 1954, the Directors have not found it possible to allocate any amount to the reserves for these years, which had been credited with Rs. 2 lakhs from the earnings in 1954. The dividend has been maintained at 20 per cent., to which level it had been lowered in the previous year from 25 per cent. paid for 1954, after having been doubled from 12½ per cent. for 1953. The dividend on the ordinary shares absorbs Rs. 3.60 lakhs which very nearly equals the net profit of Rs. 3.69 lakhs. Thus, the distribution on the ordinary and preference shares has been made possible only by the small surplus carried into the year's accounts from the previous year's profit. The dividend consists of an interim of 6¼ per cent. already paid, and a final of 13¾ per cent.

The Company's sale proceeds of tea, cardamom and minor produce for the year amounts to Rs. 21.04 lakhs, as compared with Rs. 21.15 lakhs for 1955. The closing stocks have risen from Rs. 2.44 lakhs to Rs. 3.39 lakhs, as also expenses from Rs. 13.95 lakhs to Rs. 14.66 lakhs.

The Company's estates consist of 2,047 acres, of which tea in bearing accounts for 885.75 acres, new clearings for 37.74 acres, coffee interplanted with pepper for 15 acres and cardamom for 160 acres. A total tea crop of 1,049,800 lbs. was harvested during the year, as against 1,018,000 lbs. in the previous year. The total crop harvested was 124,800 lbs. more than the estimated quantity and 31,800 lbs. above that secured in 1955. The all-in cost was Re. 1-12-5 per lb. as against Re. 1-10-7 in the previous year, the net average price realised being Re. 1-15 as against Re. 1-13-11. The quantity of cardamom harvested during the year amounted to 10,050 lbs. as against 15,100 lbs. The average sale price realised was Rs. 9-9 per lb. as against Rs. 8 per lb. for 1955.

On the future outlook for the Company, the Directors sound a rather pessimistic note, in view of the higher costs of production resulting from increased amenities to labour and the imposition of new taxes. They say that these additional imposts will adversely affect the future profits of the Company.

The paid-up capital of the Company as at 31st December 1956 shows no change at Rs. 21 lakhs and is divided into 180,000 ordinary shares of Rs. 10 each and 30,000 six per cent. tax-free cumulative preference shares of Rs. 10 each. As against this, the reserves and surplus aggregate Rs. 10.33 lakhs. The provision for taxation stands at Rs. 2.98 lakhs and current liabilities amount to Rs. 6.18 lakhs. The gross block of Rs. 25.87 lakhs stands depreciated at Rs. 20.55 lakhs. The current assets aggregate Rs. 19.94 lakhs and are equal to more than twice the current liabilities and provision for taxation.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 13.80 *cum-div.* (final dividend Re. 1.37). On an *ex-div.* basis, the shares provide a yield of 16 per cent. per annum.

Points From The Chair

New Tax Proposals

"THE new taxation proposals announced on the 15th May last have evoked considerable criticism throughout the country. I will only refer to those proposals which affect our Company along with other industries. It is a recognised fact that for some years past industrial enterprise in India has been handicapped by lack of adequate capital, and whatever expansion has taken place in recent years has been made possible by prudent and conservative ploughing back of the annual profits. The increased income-tax and corporation tax, the imposition of wealth tax on companies and the substantial addition to the tax on bonus issues will have the cumulative effect of causing a heavy drain, year by year, on the resources of companies. I take this opportunity of earnestly appealing to Government that in order to maintain the tempo of industrial development in the country, they should reconsider these proposals with a view to ensuring adequate financial resources for companies and to stimulate further fresh investments in industry."

KASTURBHAI LALBHAI,
National Rayon Corporation Ltd.

Private Industry

"There is one stream of national income and savings from which both the sectors have to draw their funds. Having planned for an extremely bold programme with undue emphasis on the State sector, very meagre resources have been left at the disposal of the private industry. The sources of revenues of the State are rigid and claim the first priority. Whether one likes or not, taxes have to be paid. The private industry, however, has to draw on the residue of resources, and the means which it can employ are definitely voluntary. The entire brunt, therefore, of the inadequacy of resources to fulfil a given plan has to be borne by private industry. Heavy taxation is a twofold evil. It dries up the capital fund available to industry. It also creates disincentive for investment. The situation becomes worse if, as in the present case, taxation is levied beyond the taxable capacity of different sections of the people and the form of taxes is biassed against savings and investments. In the name of the Plans, the last few budgets imposed several new enhanced taxes. Some taxes were justified on grounds of restraining consumption, others on fighting inflation, reducing inequalities of incomes or foreign exchange deficits, and still others on raising adequate revenues for the Plan. The piece-meal approach to different items of taxation has not served the basic objectives of our economy as the one object offsets the other."

B. L. JALAN,
Bombay Gas Co., Ltd.

Outlook for I.C.I. Products

"I should like to say a little about the current year's trading. So far, turnover has been on a higher level than in 1956. In the middle of last year, there was some noticeable hesitation in those parts of our business serving industries making durable consumer goods, such as motor cars and household appliances. The marked recovery made this year by the motor car industry, in particular, is helping us to overcome the setback experienced last year in those sections of our organisation. The current year is, of course, bringing its own problems. Fortunately, the general level of activity is high, and in most cases new plants coming into production are immediately and fully occupied. The demand for 'Terylene,' in particular, is most active. So far this year, exports have been of the same order as last year, but, if costs of production in the United Kingdom continue to rise at a rate greater than those of our principal competitors, it will become more difficult to place our exports. Your Company is greatly dependent upon the export business—not only its own direct exports, but also indirectly through the exports of its customers in the United Kingdom. Unless the nation's competitive position in world markets can be strengthened, some of the great opportunities will be missed and the country will fail to achieve its long-term objective of a healthy and expanding economy."

SIR ALEXANDER FLECK,
Imperial Chemical Industries Ltd.

COMPANY MEETINGS AND DIVIDENDS

SHREE GOPAL PAPER MILLS LTD. Annual General Meeting, Calcutta, 28th June 1957. Transfer books remain closed from 15th to 28th June 1957, both days inclusive.

EAGLE ROLLING MILLS LTD. Annual General Meeting, Calcutta, 28th June 1957. Transfer books will remain closed from 24th to 28th June 1957, both days inclusive.

BARAREE COKE CO., LTD. Annual General Meeting, Calcutta, 28th June 1957. Dividend: 50 nP per share. Transfer books remain closed from 15th to 28th June 1957, both days inclusive.

PUNJAB MINERALS CO., LTD. Annual General Meeting, Calcutta, 28th June 1957. Dividend: *Nil.* Transfer books remain closed from 13th to 28th June 1957, both days inclusive.

KAMANI ENGINEERING CORPORATION LTD. Annual General Meeting, Bombay, 25th June 1957. Dividend: *Nil.* Transfer books remain closed from 10th to 25th June 1957, both days inclusive.

BUDGE-BUDGE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 2nd July 1957. Dividend: *Nil.* Transfer books remain closed from 19th June to 2nd July 1957, both days inclusive.

NATIONAL CO., LTD. Annual General Meeting, Calcutta, 2nd July 1957. Dividend: Re. 0.37 per share. Transfer books remain closed from 19th June to 2nd July 1957, both days inclusive.

SENDRA COAL CO., LTD. Annual General Meeting, Calcutta, 4th July 1957. Dividend: Re. 0.25 per share, payable on and after 11th July 1957. Transfer books remain closed from 20th June to 4th July 1957, both days inclusive.

CHURULIA COAL CO., LTD. Annual General Meeting, Calcutta, 4th July 1957. Dividend: 6 nP per share, payable on or after 11th July 1957. Transfer books remain closed from 20th June to 4th July 1957, both days inclusive.

ONDAL COAL CO., LTD. Annual General Meeting, Calcutta, 4th July 1957. Dividend: 75 nP per share, payable on or after 11th July 1957. Transfer books remain closed from 20th June to 4th July 1957, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, Kerala State, 8th July 1957. Dividend: Rs. 2.00 per share (includes interim dividend of 65 nP per share). Transfer books will remain closed from 2nd to 8th July 1957, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 10th July 1957. Transfer books will remain closed from 26th June to 10th July 1957, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Annual General Meeting, Sikka, 11th July 1957. Dividend: Rs. 9.00 per ordinary share, payable on and after 11th July 1957. Transfer books will remain closed from 24th June to 6th July 1957, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Annual General Meeting, Madras, 13th July 1957. Dividend: Re. 1.75 per share. Transfer books will remain closed from 8th to 13th July 1957, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 18th July 1957. Dividend: Re. 1.12 (11¼ per cent.) per share, final, tax-free. Profit for the year is Rs. 66,04,570 as against Rs. 62,82,608 in the previous year.

COMMERCE AND INDUSTRY

(*Concluded from page* 1248)

and quantity in 1956, as compared with 1955. The estimated increase in such value was of the order of $240,000 to $2.6 million. Scope for further increase in these exports is stated to be bright. The need for providing better quality goods is underlined in this connection. Smart increases were also witnessed in the imports of manganese and mica ores from India. The value of the former rose from $1.8 million to an estimated level of $2.4 million. This was attributed to increased compliance by Indian exporters of the specifications of the importers. Among other items which made substantial headway, mention must be made of cashew nuts, canvas shoes, carpets, and coir products.

Certain other general causes for the decline in the imports into Canada from India are said to be the tight money policy that was in force in the country during the period, and the insistence of Indian exporters on letter of credit payment basis, which meant that importers should lock up their capital for long periods. Further, the international situation and the paucity of shipping facilities had also their share of impact. The general outlook for India's trade with Canada in 1957 is, however, found to be very optimistic, in view of the strong demand for goods and services arising from the boom conditions in the country.

PALANI ANDAVAR RAISES DIVIDEND

RESULTS OF BHARTIA STEEL SATISFACTORY

Palani Andavar Mills, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Baghyalakshmi & Co., Udamalpet) submit the audited accounts of the Company for the year ended 31st December 1956.

After deducting all working expenses and interest and providing Rs. 2,16,653 (Rs. 1,56,954) for depreciation, the year's working has resulted in a net profit of Rs. 12,00,275 (Rs. 5,62,943). From this sum Rs. 1,72,501 (Rs. 1,34,518), Rs. 6,825 (Rs. 3,456) and Rs. 15,028 have been expended for bonus for 1955, charity and donations, and income-tax, respectively. With Rs. 14,609 (Rs. 9,122), the balance brought forward from 1955, there is a sum of Rs. 10,22,530 (Rs. 5,68,609) to the credit of the profit and loss account, and the directors recommend to dispose of the same as follows:

Transfer to machinery replacement reserve Rs. 1,50,000 (*nil*), to dividend equalisation reserve Rs. 2,00,000 (*nil*), to contingency reserve Rs. 1,50,000 (Rs. 50,000), to provision for taxes Rs. 2,60,000 (Rs. 2,50,000), to pay a tax-free dividend of 7 per cent. to preference shareholders Rs. 14,000 (Rs. 14,000) and to pay a tax-free dividend of 30 (24) per cent. to ordinary shareholders Rs. 3,00,000 (Rs. 2,40,000) leaving to be carried forward to next year Rs. 8,530 (Rs. 14,609).

In the year of account, 12,000 spindles were brought into use thus bringing the total spindleage to 41,200. In 1957, 3,600 additional spindles are in the course of erection and are expected to go into production in the second half of the year. Further, 2,400 spindles are expected shortly. Combers and air-conditioning plant are in the course of erection.

The increase in the profits of the year of account is mainly due to the good margin of profit in the sale of 60's yarn.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	40,10,332
Reserves ...	13,00,000	Stock-in-trade	23,89,990
Provision for taxation ...	2,00,000	Stores and spare parts	1,82,167
Liabilities ...	45,64,100	Debts, deposits and advances ...	6,46,546
Profit and loss account ...	8,530	Investments ...	1,000
		Cash ...	42,595
	Rs. 72,72,630		Rs. 72,72,630

Bhartia Electric Steel Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bhartia Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1956.

After providing Rs. 15 (Rs. 7) lakhs as depreciation and Rs. 10 (Rs. 3.5) lakhs for taxes in respect of the year under review, there is a balance of Rs. 3,26,885 (Rs. 1,17,212) to which is added the sum of Rs. 3,95,940 (Rs. 2,03,728) brought forward from previous year, making a total of Rs. 7,22,825 (Rs. 3,20,940) available for distribution. Out of this amount, the directors recommend payment of a dividend of Rs. 1.25 (Rs. 1.25) per share absorbing Rs. 6,25,000 (Rs. 6,25,000) leaving a balance of Rs. 97,825 (Rs. 2,03,728) to be carried forward.

The working of the Company during the year has been satisfactory and has shown considerable improvement over the performance of the year 1955 as would be evident from the following figures of production:

	1955 Tons	1956 Tons
Steel	14,580	15,851
Steel castings	4,264	5,412
Rods and bars	17,505	19,890

On and from 8th July, 1956 the re-rolling mill work at the Ballygunge Works was completely stopped and all re-rolling mill work since then is being done only at Khardah. The plant installation work at Khardah Works was continued during the year and as at the time of writing this, most part of this installation work has been completed. Some ancillary equipment still on order remains to be received and the directors expect that a major part of this equipment will have been received and installed during the year 1957. In their opinion, the rolling mills plant, when fully installed, will compare favourably with the best rolling mill plants working in the country.

The supply of billets during the year 1956 had somewhat improved which is reflected in the higher production of rods and bars during the year 1956 as indicated above, but has declined this year due to various causes particularly due to foreign exchange shortage and admission of about 50 additional re-rollers to rolling from billets at a time when billet supplies were already declining and prospects for next few years are none too bright.

A committee under the chairmanship of Shri B. B. Saksena was appointed in 1956 by the Government of India to examine the present and the future position of re-rolling mills, steel foundries and electric furnaces. It is understood that this committee has now completed its work and its report will be submitted to the Government shortly. One of the directors, Shri R. L. Bhartia, was associated with the activities of this Committee in the matter of re-rolling mills. The directors hope that the decisions of the Government on the findings, and the recommendations of the Saksena Committee will pave the way for a healthy and well-regulated development of the industries examined by the Committee.

The retention prices for rods and bars and electric furnace billets produced by the Company are statutorily controlled by the Iron and Steel Controller. After examination by the Tariff Commission retention prices were fixed by the Government in 1953 and these prices with suitable adjustments to provide for fluctuations in the prices of raw materials, were effective upto 31st December 1956. On and from 1st January 1957, retention prices will be fixed anew and the Tariff Commission is expected to commence its enquiry in the very near future. The directors hope that the Tariff Commission will consider the requirements of the industry sympathetically and fair prices will be fixed.

The work at the Ballygunge Works, where the Company's electric furnaces and the steel foundry are located was also satisfactory during the year. Compared with 1955, the production from the electric furnaces recorded a rise of 8.7 per cent. and that of steel castings recorded a rise of 26.9 per cent. in moulded output. There was a very considerable improvement in quality also. Some of the latest foundry techniques have been introduced in the works and the directors are looking to the future with hope and confidence.

The increased operations at both of the factories have considerably strained the available financial resources and, but for the great help which the managing agents and their associates gave to the Company by providing large loans on current account, it would not have been possible to achieve such good results. As at 31st December 1956, the Company's indebtedness to the managing agents and their associates and friends amounted to Rs. 22,25,000 and, as on date, this amounts to Rs. 27,83,500.

Accounts in brief are as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	43,10,718
Reserves ...	16,00,000	Stock ...	25,27,400
Provision for taxation ...	11,52,170	Stores and spare parts	18,06,998
Liabilities ...	46,30,948	Work-in-progress ...	14,95,823
Profit and loss account ...	7,22,825	Debts, deposits and advances ...	27,62,639
		Investments ...	36,055
		Cash ...	1,66,310
	Rs. 1,31,05,943		Rs. 1,31,05,943

Kamani Engineering Corporation Ltd.

The directors of the above Company (Managing Agents: Messrs. Kamani Brothers Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1956.

During the year the Company made a profit of Rs. 4,43,119 (Rs. 5,42,179). The directors have transferred to depreciation fund Rs. 2,89,962 (Rs. 3,21,296), to reserve for doubtful debts Rs. 10,000 (Rs. 10,000) and to gratuity reserve Rs. 40,000 (Rs. 40,000) leaving a balance of Rs. 1,03,157 (Rs. 1,70,883). This amount together with the surplus of Rs. 16,007 (Rs. 10,124) brought forward from the last year makes a total of Rs. 1,19,164 (Rs. 1,81,007) which the directors recommend to be utilised as follows:—

To payment of dividend on 5½ per cent. (less income-tax) cumulative preference shares of Rs. 100 each for the year ending 30th September 1955 (for two years 1953 and 1954) at Rs. 5-8 per share absorbing Rs. 82,500 (Rs. 1,65,000) leaving a balance to be carried forward to next year's account Rs. 36,664 (Rs. 16,007).

Manufacture and galvanisation of steel transmission line towers.—Upto the last year, the Company had to face many difficulties in securing orders for towers and other structures at very much reduced rates due to keen competition from foreign firms. During the year under review the Company secured orders for structures and towers aggregating to 4,295 tons which include important orders for steel structures for Bhilai Project and transmission line towers for Utran Baroda. During the current year the Company has secured further orders for transmission line towers for Koyna, Korba-Bhilai, Chambal and Rihand Hydel Schemes aggregating to 12,880 tons. The directors hope that this encouraging factor would ensure the Company's prospects for development and bring satisfactory results. The contracts for erection of transmission line towers as secured by the Company along with some of the above orders cover about 388 miles route.

Wagon assembly plant at Okha.—The Company assembled and supplied 4,574 wagons to the railways within ten months during the period under review. The balance which now remains to be delivered is very small and will be completed within a month. Thereafter continuation of this plant will be dependent upon the Government of India's import policy for wagons.

Manufacture of road rollers.—The production is being maintained which is at average of six *road-rollers* per month. About three *road-rollers* have been exported outside India. Efforts are concentrated to exploit export market for the same.

Agency business.—The Engineering Sales Division of the Company has done well in securing substantial orders from private enterprises as well as from the Government to be placed on its principals for various types of heavy electrical and mechanical equipments including locomotives and rolling stock. The volume of business is likely to sustain and increase provided the Company can suitably arrange with its principals to supply equipments on deferred payments as per policy of the Government of India due to shortage of foreign exchange.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,93,125	Block ...	36,63,990
Reserves ...	2,57,559	Stock-in-trade	32,21,685
Provision for taxation ...	12,950	Stores and tools, etc.	5,50,860
Liabilities ...	91,64,887	Debts, deposits and advances ...	67,62,685
Profit and loss account ...	36,664	Investments ...	50,601
		Cash ...	3,88,159
		Lahore assets	8,32,805
	Rs. 1,54,70,185		Rs. 1,54,70,185

Tungabhadra Industries Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1956.

The profit and loss account shows a profit of Rs. 2,03,098 (Rs. 5,04,206), subject to provision for depreciation, and it has been adjusted against the debit balance brought forward from the last year. It is regretted that depreciation could not be provided for during the year under reference due to inadequate profits.

In view of the financial position of the Company, the directors have requested the managing agents for waiving their claim to the commission as well as the remuneration payable to them for the year under report.

The directors regret to report that due to imposition of excise duty on manufacture of groundnut oil, the working of the oil mill was uneconomic. The shortage of raw material and lower realisations as a consequence of keen competition in the market, were mainly responsible for unfavourable results. The factory had to remain closed for two months due to shortage of raw materials at the tag end of the season. The production of *vanaspati* and *refined oil* during the year was about 13,200 tons as against about 14,300 tons in the previous year. About 2,950 tons of *hydrogenated* and *salad oils* were exported as against 3,300 tons during the previous year. However, efforts are being made to improve the working results during the current year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,58,950	Block ...	64,34,539
Debentures ...	15,03,000	Stock-in-trade	9,06,638
Liabilities ...	57,73,096	Stores and spare parts	10,32,070
		Debts, deposits and advances ...	10,69,486
		Investments ...	25,451
		Cash ...	1,45,888
		Profit and loss account ...	7,20,974
	Rs. 1,03,35,046		Rs. 1,03,35,046

Bengal Assam Steamship Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1956.

The accounts showed a profit, after charging all expenses, of Rs. 5,25,194 (Rs. 10,17,127) of which the provision for taxation requires Rs. 3,00,000 (Rs. 8,90,000) leaving a balance of Rs. 2,25,194 (Rs. 1,27,127). The balance brought forward from last year was Rs. 55,826 (Rs. 99,699) making a total available for appropriation of Rs. 2,81,020 (Rs. 2,26,826). From this amount the directors recommend the following dividends:— On preference shares at 7 (7) per cent. per annum Rs. 21,000 (Rs. 21,000), and on ordinary shares at Rs. 7.50 (Rs. 7.50) per share Rs. 1,50,000 (Rs. 1,50,000) leaving a balance to be carried forward of Rs. 1,10,020 (Rs. 55,826).

Freight earnings were less than in the previous year but, having regard to the conditions of trade by inland water transport between India and East Pakistan, were not unsatisfactory. 14,98,547 maunds of jute were carried to India as compared with 14,33,089 maunds in 1955, but coal carried to East Pakistan was less than in the previous year.

Since the closing of the accounts jute exports to India have been disappointing and show little sign of future improvement. The level of coal exports by water to East Pakistan is being maintained, but freight on coal carried to Pakistan without return cargoes of jute is not itself sufficient to maintain and utilise fully the Company's fleet. The possibility of extending the Company's services elsewhere is under consideration.

The greater part of the Company's earnings are at present received in East Pakistan and a remittance of part of the freight earned was made during the year. Since the closing of the accounts a further remittance in respect of hire charges due for craft under charter to The Pakbay Co., Ltd., has been received.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,00,000	Block ...	1,05,79,935
Reserves ...	1,00,69,622	Stores ...	12,545
Provision for taxation ...	3,79,733	Debts, deposits and advances ...	1,80,421
Liabilities ...	8,88,374	Investments ...	2,55,000
Profit and loss account ...	1,10,020	Cash ...	27,19,848
	Rs. 1,37,47,749		Rs. 1,37,47,749

Budge-Budge Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta, submit the audited accounts of the Company for the half-year ended 31st October 1956.

The accounts, after charging all expenses and writing back provisions no longer required for anticipated losses on Jute, show a profit of Rs. 10,979. After making provision for taxation of Rs. 27,000 and provision against West Bengal sales-tax in respect of previous years of Rs. 21,161 there is a net loss of Rs. 37,182. The directors have transferred from general reserve Rs. 40,000 and from dividend equalisation reserve Rs. 31,500. With the balance brought forward from the last half-year of Rs. 1,336 there is a total available sum of Rs. 35,654. The directors recommend a dividend on preference shares at Rs. 3.50 per share absorbing Rs. 31,500 leaving a balance to be carried forward of Rs. 4,154.

In accordance with the working time agreement of the Indian Jute Mills Association the mill worked 48 hours per week with 5 per cent. of the total looms sealed until 15th July, 1956. But in view of the highly unsatisfactory stock position an additional 2½ per cent. of the total looms were sealed with effect from 16th July, 1956, and a further 5 per cent. from the 17th September, 1956. Trading during the period continued to be very difficult owing to the disparity between the prices of raw jute and those of manufactured goods.

Hitherto half-yearly accounts have been issued by this Company to its shareholders, but in the opinion of the Board of directors this is no longer practicable in view of the provisions of the Companies Act, 1956, regarding annual general meetings and the accounts to be presented at such meetings. Accordingly yearly accounts will be issued in future, commencing with those for the year ending 31st October, 1957. This will not preclude the payment of half-yearly dividends, subject to the Company's results permitting, as the Company's Articles authorise the payment of interim dividends. It is therefore the Board's intention to consider the payment of interim dividends in the light of the Company's results upto 30th April each year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	44,65,574
Reserves ...	21,09,926	Stock ...	30,68,412
Provision for taxation ...	6,168	Stores, spare parts and loose tools	8,67,816
Liabilities ...	23,99,642	Work-in-progress ...	3,34,396
Profit and loss account ...	4,154	Debts, deposits and advances ...	2,00,913
		Investments ...	77,297
		Cash ...	5,482
	Rs. 90,19,890		Rs. 90,19,890

National Pipes and Tubes Co., Ltd.

The directors of the above Company (Managing Agents: The Associated Industrial Development Co., (Private) Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th September 1956.

After providing Rs. 1,65,679 (Rs. 1,78,110) for depreciation in the manufacturing account and Rs. 4,372 in the profit and loss account, Rs. 49,630 (Rs. 18,750) as interest on the Company's debentures, bank overdrafts and other loans, the account for the year showed a profit of Rs. 12,10,904 (Rs. 8,66,885). To this was added Rs. 35,405 (Rs. 1,020) being carried forward from last year, thus making a total of Rs. 12,46,309 (Rs. 8,67,905) which was disposed of as under:—

Taxation reserve Rs. 5,05,000 (Rs. 4,15,000), transfer to general reserve Rs. 3,50,000 (Rs. 1,00,000), payment of dividend on cumulative preference shares at 5½ per cent. per annum, free of income-tax Rs. 55,000 (Rs. 55,000), payment of dividend on ordinary shares at Rs. 2 (Re. 1-12) per share, free of income-tax Rs. 3,00,000 (Rs. 2,62,500) and balance carried forward Rs. 36,309 (Rs. 35,405).

The working result for the year under review has been satisfactory. Demand for the Company's products continued to be good during the period. This helped the Company to secure orders for substantial quantities. Production during the year also increased. The Company produced different types of intricate sections to rigid specifications and have been meeting the increasing demand of the country for such sections.

The metal market has had wide fluctuation during the period under review which has been a disturbing factor in the planning of production. However, with the helpful import licencing policy of the Government of India and with increased demand arising out of the second Five-year Plan, the Company could reasonably look forward to future with confidence. The prospects for the current year are considered to be good.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	21,08,895
Debentures ...	5,00,000	Stocks-in-hand	20,53,844
Reserves ...	8,50,000	Materials-in-process ...	3,60,581
Provision for taxation ...	10,00,000	Stores, spares and loose tools, etc.	3,82,797
Liabilities ...	14,41,694	Debts, deposits and advances ...	18,48,123
Profit and loss account ...	7,41,308	Investments ...	2,55,906
		Cash ...	22,856
	Rs. 70,33,002		Rs. 70,33,002

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

Notices

HERCULES INSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SECOND ANNUAL GENERAL MEETING of the Hercules Insurance Company, Limited, will be held at the Registered Office, 16, Hare Street, Calcutta, on Tuesday the 16th July 1957, at 3-30 p.m., for the purpose of:

1. Considering the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors for the year ended 31st December 1956.
2. Declaring a Dividend.
3. Appointing Directors in the place of those retiring.
4. Appointing Auditors and fixing their remuneration.

As Special Business

5. Sanctioning the payment of Rs. 31,644 to the Directors as their fees for services rendered during the year ended 31st December 1956.

The Share Transfer Books will be closed from the 1st to the 16th July 1957, inclusive.

By Order of the Board,
G. RAMABADRAN,
Secretary.

CALCUTTA, *14th June*, 1957.

Note.—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. The dividend when declared will be paid only to those shareholders whose names appear on the Company's Register as on the 16th July 1957.

Explanatory Statement Regarding Item 5

Under Section 309(1) of the Companies Act, 1956, shareholders' sanction is necessary for payment of fees to the Directors. The sum of Rs. 31,644 is computed on the same scale as in previous years, namely:

	Rs.
At Rs. 200 p.m. per Director for 12 Directors of whom for part of December 1956, only for Mr. Indradaman Amritlal Shah ...	26,536
Extra for the Chairman and Deputy Chairman at Rs. 2,000 each per annum	4,000
Extra for Investment Committee constituted by the Chairman, Deputy Chairman and Rai Bahadur M. L. Tapuriah upto 20th March 1956 and thereafter by the Chairman and Deputy Chairman at Rs. 500 each per annum	1,108
Total	Rs. 31,644

THE GOUREPORE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the abovenamed Company will be held at the Registered Office, 2, Fairlie Place, Calcutta, on Wednesday, the 10th day of July, 1957, at 11-00 a.m., to consider and if thought fit, to pass, with or without modification, the following Resolution:—

(*As a Special Resolution.*) "That Article 114 of the Articles of Association of the Company be deleted and the following new Article be substituted therefor:—

114. With effect from the 1st April, 1957, each Director or his alternate shall be paid out of the funds of the Company by way of remuneration for his services in attending meetings of the Directors a fee of Rs. 200 for each meeting of the Board attended by him."

By Order of the Board,
MACNEILL & BARRY LTD.,
J. H. G. WHITFIELD,
Acting Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA-1, *12th June*, 1957.

Note.—A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf. A proxy need not also be a member of the Company.

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE posts of Research Officers in the Bank's Department of Research and Statistics at Bombay.

Scale of Pay: Rs. 375-55-815 E.B. 55-925-60-1,045. In addition to pay, the selected candidates will be eligible to draw Local Pay, House Rent Allowance and Dearness Allowance at the rates prescribed by the Bank from time to time.

Candidates possessing exceptionally good qualifications and experience of value to the Bank may be given a higher starting pay in the prescribed scale.

Appointments to the above posts will be made on a temporary basis in the first instance but are likely to be made permanent.

Candidates should not ordinarily be over 30 years of age as on 1st June 1957. The age limit may be extended upto 35 years in the case of candidates with exceptionally good qualifications and/or research experience of value to the Bank.

Qualifications: First or high second class Master's degree in Economics or Commerce of an Indian or Foreign University or a Doctorate degree in Economics of an Indian or Foreign University, **and** a period of research work in one or more of the following subjects: (*a*) Monetary Economics, (*b*) Banking theory and practice, (*c*) International Finance and (*d*) Agricultural Economics. A period of practical banking training will be an additional qualification in respect of applicants with specialisation in (*a*) and (*b*) above.

Applications should be in a special form obtainable from any office of the Reserve Bank of India. All the applications should be accompanied by copies of certificates regarding age and educational qualifications and two testimonials (originals should not be sent, the Bank does *NOT* accept responsibility for returning the originals if sent through oversight) and should be forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay, so as to reach him on or before Saturday the 13th July 1957. *Candidates already in service must submit their applications through their employers.* Candidates belonging to the Scheduled Castes/Scheduled Tribes should mention this fact prominently on their applications and also enclose a copy of certificate to that effect from a competent authority.

Applicants must remit along with their applications an application fee of Rs. 7.50 (Rs. 1.75 in the case of Scheduled Castes'/Scheduled Tribes' Candidates) by Postal Order, *Cheque or Bank Draft on a Scheduled Bank payable at Bombay.* The application fee is in no case refundable. *Bonafide unemployed* Refugee candidates applying through any of the Government Employment Exchanges are exempted from payment of the application fee.

Appointments will be subject to candidates being found medically fit for service in the Bank by the Bank's Medical Officer.

Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into any correspondence with them.

Canvassing in any form will be regarded as a disqualification.

MINERVA MILLS, LIMITED

NOTICE OF 22nd DIVIDEND

NOTICE IS HEREBY GIVEN THAT A Dividend of Rs. 6 per share of Rs. 100 for the year ended 31st December 1956 sanctioned by the Shareholders at the Thirty-seventh Annual General Meeting held on the 17th June 1957 is made payable at the State Bank of India, Bombay, on and after Monday the 24th June 1957 to those shareholders whose names stood on the Register of Members on the 13th May 1957 and who have paid all dues to the Company whether in respect of calls on their shares, interest thereon or otherwise.

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

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET,
FORT, BOMBAY, *17th June* 1957.

Notices

ALEMBIC CHEMICAL WORKS COMPANY, LIMITED, BARODA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Annual General Meeting of the Shareholders of the Alembic Chemical Works Company, Limited, will be held at the Office of the Company at Baroda (Alembic Road, Industrial Area) on Thursday the 25th July 1957, at 4 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ending 31st December 1956.
2. To declare Dividends.
3. To appoint Auditors for the current year and to fix their remuneration.
4. To appoint a Director in place of Dr. K. T. Gajjar who has attained the age of 65 years and who retires from office by rotation. Dr. K. T. Gajjar offers himself for re-election. For his re-election the passing of the following resolution as a Special Resolution will be also necessary of which special notice under Section 281 of the Companies Act 1956 has been received by the Company:

   "RESOLVED that pursuant to the provisions of Section 281 and other relevant provisions, if any, of the Companies Act 1956, Dr. K. T. Gajjar who has attained the age of 65 years and who retires from office by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed for Directors under Section 280 of the said Act shall not apply to him."

   Explanatory Note (from the Company):—Dr. K. T. Gajjar, who has attained the age of 65 years, retires by rotation but is eligible for re-appointment and he offers himself for re-election. A special notice under Section 281 of the Companies Act 1956 has been received by the Company from a shareholder of his intention to move the above resolution as a Special Resolution.
5. To elect a Director in place of Dr. Mangaldas J. Shah who retires from office by rotation but is eligible for re-election.
6. To consider and if thought fit to pass the following resolution as Ordinary Resolution:

   "RESOLVED that the Registers, books and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act 1956 and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 159, 161, 163, 193, 196, 301 to 304, 307, 356 to 360, 362 and 372 and Schedule VIII of the said Act, be kept open for such inspection by the persons entitled thereto to the extent and in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the Registered Office of the Company between the hours of 11-30 a.m. and 1-30 p.m. on any working day except when the Registers and books are closed under the provisions of the said Act or the Articles of Association of the Company. Provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection of the members and by holders of debentures, if any, of the Company, as aforesaid between the hours above mentioned during the period prescribed by subsection 5 (a) of Section 307 of the Act."

   Note:—Under the various sections of the Companies Act 1956, it has been provided that as regards inspection of the Registers, books and documents to be maintained under the said sections by the persons entitled thereto, the Company in General Meeting may impose reasonable restrictions so that such Registers, books and documents shall be open for inspection for not less than two hours in each day, during business hours. The restrictions sought to be imposed by the said resolution are reasonable and desirable from the administrative point of view.
7. To pass the following resolution as a Special Resolution with or without modification:

   "RESOLVED that out of the shareholdings of the Company in the Alembic Glass Industries Ltd., the sale of 1,800 shares of Rs. 100 each sold to various persons at Rs. 100 per share including 1,570 shares sold to the Associates of the Managing Agents of the Company be and are hereby confirmed, as also the retention by them of the supplementary dividend declared thereon on the 27th December 1956."

   Explanatory Note:—The Company has sold 1,800 shares of Rs. 100 each out of the shareholdings of the Company in the Alembic Glass Industries Ltd., at Rs. 100 per share. Out of these 1,570 shares were sold to the Associates of the Managing Agents; such a sale, the Company is now advised, requires the approval of the General Meeting as provided by Section 360 of the Companies Act 1956. The Alembic Glass Industries Ltd., to avoid the penal provision of Section 23A of the Income Tax Act, made a supplementary distribution of dividend on 27th December 1956, to which the purchasers became entitled. The resolution seeks to confirm the sale as also the retention of dividend declared after the sale.

Note:—Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

The Transfer Books of the Company will remain closed from Friday the 5th July 1957 to Thursday the 25th July 1957, both days inclusive.

By Order of the Board,
For BHAILAL AMIN & SONS (PRIVATE) LTD.,
Managing Agents,
RAMAN B. AMIN,
Director.

BARODA, *4th June* 1957.

Note:—The Dividends when sanctioned will be made payable at the Office of the Company at Baroda, on or after the 1st August 1957 to those shareholders whose names stand on the Register of the Company on the 25th July 1957 and to whom the Dividend Warrants will be posted.

Shareholders are requested to notify, at once, any change of address.

THE EQUITABLE COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE payment of Interest for the period from 1st January to 30th June 1957, on the 5½ per cent. Registered Debenture Stock 1963/68 of the Company will be made to those stockholders whose names appear on the Company's Register on the 30th June 1957, or in accordance with their instructions.

For THE EQUITABLE COAL CO., LTD.,
MACNEILL & BARRY LTD.,
J. H. G. WHITFIELD,
Acting Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA-1, *10th June*, 1957.

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of the dividend on 6 per cent. and 7 per cent. Preference Shares of the Company for the half-year ending 30th June 1957. Payment will be made on or after the 10th July 1957, to those shareholders whose names appear on the Company's Registers on the 30th June 1957, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *15th June* 1957.

STATE BANK OF INDIA

NOTICE

WITH REFERENCE TO THE NOTICE OF THE 22nd May 1957, issued in terms of Regulation 29(2) of the State Bank of India General Regulations regarding the holding of a Local Meeting of the shareholders of the State Bank of India on the Branch Register of shareholders at the Bombay Local Head Office of the Bank for the purpose of:

(1) electing two persons to be Directors of the Central Board in pursuance of section 19(1)(c) of the State Bank of India Act, 1955, to fill the vacancies which will arise on the 1st July, 1957, through the retirement of Sarvashri Neville Ness Wadia and Pratapsinh Mathuradas, two Directors of the Central Board, and

(2) electing one person to be a Member of the Local Board at Bombay in pursuance of Regulation 48 of the State Bank of India General Regulations, 1955, in place of Shri M. H. Hasham Premji, a Member of the Local Board, whose term of office will expire on the 30th June 1957.

NOTICE is hereby given that I have accepted as valid the nominations proposing the names of Sarvashri J. D. Choksi of Bombay House, Bruce Street, Bombay, and Pratapsinh Mathuradas of 9, Wallace Street, Fort, Bombay, as candidates for election as Directors of the Central Board of the State Bank of India.

I have also accepted as valid the nomination of Shri M. H. Hasham Premji of 5, Ghoga Street, Fort, Bombay as a candidate for election as a Member of the Local Board of the Bank at Bombay.

The said nominations being the only valid nominations received, Sarvashri J. D. Choksi and Pratapsinh Mathuradas shall be deemed to be elected Directors of the Central Board of the Bank and Shri M. H. Hasham Premji shall be deemed to be elected a Member of the Local Board of the Bank at the said Local Meeting of the shareholders proposed to be held on the 26th June 1957, which Meeting in terms of Regulation 40(1) of the said General Regulations now stands cancelled.

P. A. ENGINEER,
Secretary & Treasurer,
State Bank of India,
Bombay.

12th June 1957.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Shares Transfer Books will be closed from the 17th to 30th June, 1957 (both days inclusive) for the preparation of Dividend Warrants in respect of the Interim Dividend of 2½ per cent., less Income-tax, payable on the 29th June 1957, on account of the profits for the year ending 31st December 1957.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P-4 MISSION ROW EXTENSION,
CALCUTTA-1, *4th June*, 1957.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th June 1957 to the registered holders as at that date half-yearly interest due on Preference Shares at the rate of 6 per cent. per annum.

Preference Share Transfer books will be closed from 26th June to 30th June 1957, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) LTD.,
Managing Agents.

PATHIRAPPALLY,
10th June 1957.

MONEY SHADE BETTER

(From Our Own Correspondent)

BOMBAY, *19th June*

There has been a slight improvement in the short-term money market from the point of view of borrowers. The supply of funds has been somewhat better, while there has been no increase in the pressure of demand for bank credit. The return of trade advances, especially from Calcutta and Kanpur sides, has been at a slightly higher pace. Many banks are ready lenders in the inter-bank call section. But this has not brought about any fall in the inter-bank call money rate which stays put at 3½ per cent. House money also continues to be quoted at 4 to 4¼ per cent. But it has been rather difficult, especially during the last two days, to find borrowers at the higher rate. Actually, some business was done today for higher amounts at 4¼ per cent.; a week ago, the same money would have easily fetched no less than 4¼ per cent. There is no change in the rate for one to three months' deposits which is 4 to 4¼ per cent.

After the sharp increase of Rs. 17.94 crores in notes in circulation in the first week of the current month, there has been a decline of Rs. 7.38 crores during the week ended 14th June 1957. Instead of cancelling this inflow, the Reserve Bank has merely added it to the notes held in the Banking Department, the exact increase here being Rs. 7.63 crores. There has been an inflow of Rs. 25.32 lakhs in rupee coin which accounts for the increase in notes held in the Banking Department, being higher than the fall in notes in circulation. There has been no change in rupee securities and also in foreign securities. Balances held abroad have, however, gone up by Rs. 27.24 crores. This is evidently due to the withdrawal from the International Monetary Fund of the balance of the standby credit which India obtained from that body in February 1957. It will be recalled that, out of a total credit of 200 million dollars, India had used up $127.5 million before the close of March last. This had left a balance of $72.5 million which has now been availed of.

The deposits of the Central Government with the Reserve Bank have gone down by Rs. 2.20 crores and so also those of other Governments and banks by Rs. 22 lakhs and Rs. 3.79 crores, respectively. Deposits of others have gone up by as much as Rs. 33.32 crores. This increase reflects the rupee credit given to the I.M.F. against the withdrawal of dollar credit as mentioned above. There has been a perceptible fall of Rs. 11.05 crores in other loans and advances. This seems to be due to repayment of the loans taken by banks. Investments are higher by Rs. 8.16 crores. The explanation for this is to be found in the fact that the Reserve Bank has been buying Government securities in order to ease the stringency in the money market.

The latest available Scheduled banks' statement relates to the week ended 7th June 1957. As compared with that for the previous week, this statement shows a decline of Rs. 18 crores in demand deposits and a rise of Rs. 15.80 crores in time deposits. Inter-bank borrowings of both demand and time nature have declined by Rs. 1.17 crores and Rs. 73 lakhs, respectively. A small rise of Rs. 1.49 crores is disclosed in borrowings from the Reserve Bank. The State Bank's demand loans to the banking system have also gone up by Rs. 72 lakhs to Rs. 9.77 crores. Advances in India and inland bills purchased and discounted have both gone up by about Rs. 4 crores in the aggregate, but foreign bills purchased and discounted have gone down by Rs. 93 lakhs. Investments are slightly lower by Rs. 41 lakhs. Money at call and short notice is also lower, but by as much as Rs. 2.74 crores. As a result of all these changes, the total cash position of the banks is better by Rs. 4.43 crores.

The Gilt-edged market is weak, in expectation of an increase in the rates of interest on the new loans contemplated by the Central and the State Governments. The main sufferers have been the long-medium and long-dated loans. A big drop of 70 nP has occurred in 3 per cent. 1966-68 and 3 per cent. 1970-75 which closed at Rs. 91 and Rs. 86.05, respectively. 4½ per cent. 1958-68 has lost As. 8 and 3½ per cent. 1967 As. 4. A decline of 15 nP has been registered by 3½ per cent. 1964 as well as 1965. 3 per cent. 1963-65 also has suffered a similar fall and 3 per ent. 1964 has actually gone down by 20 nP. A loss of 10 nP has been suffered by 3½ per cent. 1961, 3½ per cent. 1974 and 4 per cent. 1960-70. 3 per cent. Conversion Loan is still being supported by the Reserve Bank, but only in sums of Rs. 2 lakhs and over. As there are, however, several small sellers, the market rate is 5 nP below the Reserve Bank's support price of Rs. 73.

The market for State loans has been extremely narrow, with hardly any transactions, except in the Madras loan issued last year which has gone down further by 10 nP to stand at Rs. 96.15.

In the foreign exchange market, the rupee is a shade better in terms of U.S. dollars, thanks to an improvement in sterling in the New York market. The banks' selling rate for dollars has come down from Rs. 480 to Rs. 479.25 per 100 dollars and so also the buying rate from Rs. 476.50 to Rs. 475.75. There has been a corresponding adjustment in the value of rupee *vis-a-vis* Canadian dollars. The banks' selling and buying rates for this currency is now Rs. 504.50 and Rs. 496.75, as against Rs. 505.25 and Rs. 498.50, respectively, a week ago.

As already stated, in the New York market, spot sterling has gone up from $2.78⅜-2.79 to $2.79⅛-2.79⅜. There has been an improvement of 5/16c. in the three months forward rate which stands at $2.78-5/16-2.78.7/16 at the time of writing. Surprisingly enough, transferable sterling, however, has lost 0.20c., the rate available at the time of writing being 277.25-277.35 cents.

BULLION LOOKS UP

(From Our Own Correspondent)

BOMBAY, *19th June*

The downward trend in bullion witnessed during the previous week seems to have been halted. If anything, the position of the market is slightly better and the closing rates for the week show a slight gain in gold and silver alike. There has been a perceptible improvement in the offtake of gold and, generally speaking, the absorption of both gold and silver has been greater than the inflow.

The market, however, presented a colourless picture, as the speculative elements were somewhat quiet. This is not surprising, because, in the initial days of a new contract, both bulls and bears invariably prefer to go slow.

Between the two sections, gold was more active than silver during the major part of the week under review. In fact, on many an occasion, silver could sustain its strength merely because of the firmness of gold. The brighter tone in gold was chiefly due to good demand in the face of limited floating stock and lower arrivals. On an average, daily arrivals of gold were no more than 3,500 tolas, but the offtake ranged in the neighbourhood of 4,500 tolas. As a result of this better demand, there has been a widening of the spot premium from about 14 annas in the beginning of the week to as much as Re. 1-12-0 at the time of writing. The gain over the week is Re. 1-2-0 in spot gold and As. 10 in forward.

Initially, the silver section tended to be rather quiet on fears of heavy arrivals of China coins in the near future. Later, however, it looked up in sympathy with gold. Arrivals tended to diminish progressively while the offtake was on the upgrade. Thus, from 30 bars on Thursday, the daily arrivals declined to 10 bars by Monday, though it was a shade higher at 15 bars on Tuesday. As against this, the offtake, which was reported to be 30 bars on the first day of the week and 12 bars on the second day of the week, increased to 20 bars and then to 25 bars. It fell again to 6 bars on Tuesday, but it was better at 16 bars today. On an average, while the offtake was a little over 16 bars a day, the arrivals were only about 14 bars.

In view of this and as in gold, the premium for ready silver also improved from Rs. 2-8-0 to Rs. 2-12-0. The change in silver over the week works out to a loss of As. 7 in the case of spot silver and a gain of As. 3 in the case of forward. The trend of the market at the time of writing is distinctly firm, the prevailing rates being well above the closing levels.

Transactions in *Jeth* settlement in silver came to a close on Thursday, the 13th inst., at Rs. 182-1-0 and dealings in *Shravan* settlement began on Friday at Rs. 178-5-0. Today's closing rate for *Shravan* at Rs. 178-3-0 shows a fractional loss of 2 annas. The turnover in this new settlement has been quite light. With the exit of the *Jeth* settlement, *Ashad* represents the first settlement. It began the week at Rs. 179-10-0 and, after a momentary fall to Rs. 179-1-0 on the initial day, gradually moved forward to close at Rs. 179-11-0. It had, however, suffered a setback on Tuesday, when it dropped to a low of Rs. 178-10-0. The improvement of forward on the last day of the week was due to the firmness of the ready section.

In gold, *Jeth* went off the board on the last day of the previous week at Rs. 104-14-0. Its place was taken up by *Ashad* at the commencement of the week at Rs. 104-9-0, as against the previous closing of Rs. 104-4. During the first two days, the settlement ruled firm, with the rate rising up to Rs. 105-7-0. Thereafter, a mild recession set in and the lowest level of Rs. 104-4-0 was seen early yesterday. Fresh support was forthcoming at this level, in view of the continued good demand for spot gold; and this pushed up the rate to Rs. 104-14-0. No dealings have yet commenced in *Shravan* settlement.

Among the foreign bullion markets, spot silver in New York was marked down from 90½c to 90¼c early in the week, but, subsequently, there was a fractional improvement to 90½c. In London forward silver dropped from 78½d. to 77⅞d. during mid-week, but finished better at 78d. Spot declined from 78½d. to 78¼d. but, unlike forward, closed at the lower level. Spot gold in London moved in sympathy with the sterling-dollar cross rate. As spot sterling gained about ⅜ cents, ready gold declined from 250s. 10½d. to 250s. 6¾d., after seeing a high of 250s. 11½d. early in the week.

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

	19-6-1957	Highest	Lowest	12-6-1957
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	106 7	106 13	104 13	105 5
Forward*	104 14	105 7	104 1	104 4
Sovereign	70 4	71 0	70 0	71 0
SILVER				
Ready (.996 fine Mint) ..	182 5	182 8	181 9	182 12
Forward†	179 11	179 11	178 6	179 8
London Silver Ready ..	78¼d	78¼d	78¼d.	78¼
London Forward	78d	78¼d	77⅞d.	78¼
London Gold	250s. 6¾d.	250s. 11½d.	250s. 6¾d.	250s. 11d.
New York Silver	90¼c	90¼c	90¼c	90¼c

* 11th July settlement.
† 12th July settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

FUTURES TRADING IN NEW CROP COTTON

(From Our Own Correspondent)

BOMBAY, *19th June*

Cotton traders are anxiously awaiting official permission for the commencement of trading in new crop contracts. It is understood that the Board of the East India Cotton Association (E.I.C.A.) has fixed, subject to the approval of the Forward Markets Commission (F.M.C.), 22nd June as the day for starting business in I.C.C. Moglai, March 1958, the new Hedge Contract. The *moorat* trading is expected to be performed at 9 a.m. that day. Although the F.M.C. has yet to give its formal approval to the new contract, its assent is more or less taken for granted. Regarding the prospects of the new contract, the general feeling is that it will have a smooth running provided the authorities desist from any undue interference so long as the price moves within the official floor and ceiling.

Meanwhile, trading in the maturing Vijay June contract continued to be devoid of all interest during the week under review also. The volume of business dwindled to a mere trickle, the daily turnover, on an average, being no more than 500 bales. But the price trend was fully steady. The main reason for this was the tight supply position of cotton and the sustained firmness of the spot market. Traders were, however, reluctant to push up rates because on all transactions put through at or above Rs. 824 per candy they were required to deposit a heavy margin at the rate of Rs. 400 per candy. The quotations for the contract, therefore, ruled one to two points below this sub-ceiling, reflecting the reluctance of traders to pay the high margins.

M.G. Vijay June commenced the week at Rs. 817, one rupee higher than the previous close, and improved to Rs. 818. After ruling at that rate the following day also it climbed up to Rs. 823 on Monday. The market remained officially closed yesterday on account of the death of a member. Opening at Rs. 823 today, the contract eased to Rs. 822 and closed at that rate. The net gain over the week was Rs. 4.

The following is the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	19-6-57	*High*	*Low*	12-6-57
Vijay (June) ...	822	823	818	818

The three-week-old controversy over the closing rate of the expired Jarilla May contract was resolved by the E.I.C.A. on the 14th inst., by declaring Rs. 715 per candy as the closing rate of the contract on 23rd May, the date of expiry. At this rate, the outstanding contracts in respect of the Jarilla May contract are deemed to have been closed out.

The spot section, though quiet, continued to rule steady. Mill demand slightly slackened as most of the mills seemed to have covered their more immediate requirements. The scarcity of quality cotton was felt throughout and hence prices were well maintained. As a result of the rumour that an export quota for Bengal *Deshi* was likely, shippers' interest was noted in Bengals, Oomra *Deshi*, C.P. I and C.P. II.

In the foreign section, following reduced offers for Egyptian cotton, mill demand for Egyptian styles tended to revive. Karnak T154 variety is now offered at 53½ to 54 cents per lb., as against one cent higher earlier. Some Ahmedabad and Bombay mills were interested in Egyptian cotton. Although it is about a month since the announcement permitting import of 160,000 bales of U.S. cotton under Public Law 480 and the Development Assistance Programme was made the Government has not yet issued the relevant trade notice detailing the licensing procedure, contracting and shipping periods. The notice is eagerly awaited.

There was considerable disappointment in trade circles over the Government's decision to maintain the *status quo* in regard to the floor and ceiling prices of cotton in the new season. It was generally expected that the Government would accept the Cotton Advisory Board's recommendation that the floor be raised by Rs. 50. The main consideration which weighed with the authorities in keeping the floor and ceiling unchanged appears to have been the fear that if cotton prices were raised it might result in a shifting of acreage from under food crops to cotton. Such a development, at a time when the food problem is sufficiently acute, is considered undesirable.

The latest available spot rates—in rupees per candy of 784 lbs.—from Sewri are as follows: the figures in brackets being last week's closing rates.

Bengal *Deshi* 730 (730); Berar Jarilla 820 (820); Khandesh 870 (870); Oomra *Deshi* 785 (780); Vijay 1,025 (1,025); Hubli Laxmi 1,020 (1,020); Jaydhar 950 (950).

In contrast to the easy trend noted last week, the Karachi cotton futures market presented a firm trend during the week under review. The firmness was induced by active mill buying and purchases by East Pakistan shippers. Better cable advices from New York imparted further strength to the market. N.T.R.G. July which had closed at Rs. 72 firmed up, on good support, to Rs. 73-5. The January position put on Re. 1-6 to Rs. 76-13. The spot section also was active. Barring *Deshi* styles, the rates for which were maintained, quotations for most varieties registered an improvement. The following are the latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 84-12; Punjab *Deshi* 80-8, 4F Punjab R.G. 73-6; S.G. 76-14; L.S.S. Punjab R.G. 77-6; S.G. 80-6; N.T.R.G. 77-6; S.G. 84-6; 289F Punjab R.G. 81-14; S.G. 86-14.

Cotton futures values fluctuated within a narrow range in the Alexandria cotton market

during the week under review. While quotations for long-staple Karnak contracts were maintained those of Ashmouni registered a decline. Although the expectation that with the opening of the Suez Canal, there would be a revival of demand from Egypt's traditional customers in Western Europe persisted, prolonged lack of overseas demand and reports of favourable weather adversely affected the sentiment of traders. The following are the latest available quotations—in tallaries per lb.—from Alexandria: *Karnak*: July 107.15 ; November 100.05. *Ashmouni*: June. 75.05; August 73.95; October 72.05.

In a further effort to boost its cotton export, Egypt is reported to have worked out plans for associating Germany, in a larger measure, with the export trade of the former. The earlier preference of Egypt for East European customers would appear to be gradually dying out. Egyptian authorities, in association with their counterparts in Germany, are presumed to have finalised arrangements with the following provisions: (1) Egypt will supply cotton to Germany at competitive prices, (2) supplies to Russia and its satellites will be elimited to quantities which the latter can use themselves and (3) Germany will assume the role of re-exporters of Egyptian cotton to markets of the West.

While the near deliveries of American cotton contracts ruled easy in the Liverpool market during the week, those of the mixed growth contracts were steady. The distant deliveries of both contracts, however, showed some improvement, due to firmness of cotton prices in New York. The Sudan contract declined as a result of a considerable volume of spot house selling. The following are the latest available quotations—in pence per lb. from Liverpool:

American cotton 1" *staple contract*: July-August 26.01; October-November 26.03; December-January 26.20; March-April 26.32. *American cotton mixed growth contract*: July-August 26.60; October-November 26.50; December-January 26.60; March-April 26.65. *Sudan*: *July-August* 38.25; September-October 37.25; November-December 37.30.

A firm trend was depicted by the New York cotton futures market during the week under review. Distant months were particularly firm due to strong buying support prompted by the growing conviction that the full Soil Bank Programme would apply in the new season. Near deliveries also moved up in sympathy. The apprehension that adverse weather in leading cotton tracts might affect the crop in respect of both size and quality was another bullish factor.

As regards crop conditions, excessive rainfall in almost every section of the belt is considered generally unfavourable. It has delayed planting and field work and given a late start to the crop. Continuation of clear warm weather over the entire belt is necessary. More fertiliser has been used this year. Weevil has made its appearance earlier than normal in southern parts of the Eastern belt—Georgia, Alabama and South Carolina. The season is about a week late in the Far Western Belt, about two to three weeks late in the Western and Central Belt, but a little more advanced in Atlantic coastal States of the Eastern Belt.

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

(In cents per lb.)

	18-6-57	11-6-57	4-6-57
Spot	35.45	34.45	35.40
July	35.33	35.31	35.25
October	34.65	34.52	34.50
December	34.63	34.50	34.48

STAPLE FIBRE YARN STRONG

(From Our Own Correspondent)

BOMBAY, 19*th June*

The rayon and staple fibre yarn sections presented a distinctly firm trend during the week under review, while cotton yarns ruled easy. The firmness in rayon yarns was aided by fears of a drastic cut in the import quota for the July-December licensing period and rumours of the continued imposition of ban on rayon textile imports. Staple fibre yarns were very strong, on expectations of lower indigenous production and hopes of export business with foreign countries. The cotton yarn section, however, ruled easy, thanks to subdued demand from both within the country and overseas markets. Even the Government of India's decision to allow exports of cotton yarns up to 78 counts freely, within a ceiling of 5,000 bales, failed to have any effect on the market.

In the spot rayon yarn section, 120 Italy advanced by 13 nP to Rs. 4.16. 120 Japan rose by 9 nP to Rs. 4.23. 150 Japan put on 7 nP to Rs. 4.19. 150 Italy gathered 3 nP to Rs. 3.75. Among indigenous yarns, National Rayons 120 Bt. cones 1st gradie spurted by 17 nP to Rs. 3.98. 150 Bt. cones 1st grade were quoted 3 nP higher at Rs. 3.48. Snia rayon yarn (120 dull cones) for June delivery hardened by a rupee to Rs. 806 yesterday, but receded to Rs. 804. August delivery improved from Rs. 822 to Rs. 823. Today, however, it was lower at Rs. 821.

Staple fibre yarn (40 x 2) for August delivery evoked good buying enquiries and climbed up by Rs. 14 to Rs. 594. June delivery spurted by Rs. 11 to Rs. 590. Spot New Greats gathered a naya paisa to Rs. 3.12. Citys, Kohinoors and Centurys picked up 2 nP each to Rs. 3.17, Rs. 3.28 and Rs. 3.14, respectively. Among foreign yarns (80 x 2), Fujis put on 3 nP to Rs. 5.15. Paramounts were better by 2 nP at Rs. 5.38.

In the cotton yarn section, ten counts came in for selling. Moderns declined by 6 nP to Rs. 14.75. Podars receded by 13 nP to Rs. 14.62. Twenty counts Gokaks retreated by 13 nP to Rs. 18.37. Moderns were neglected at Rs. 18.75. Maduras were quoted at Rs. 19.12. Among thirty counts, Indus were unchanged at Rs. 21.75 and Edwards at Rs. 21. Forty counts Minaxis decreased by 12 nP to Rs. 26.75, but Moderns improved on special buying support by 25 nP to Rs. 28. Among sixty counts, Raghuvamshis dropped 50 nP to Rs. 57.25. Moderns were dull at Rs. 62. Finlays, however, moved up by 50 nP to Rs. 65. Eighty counts Finlays changed hands at Rs. 82, same as last week. Mahendras were on offer at Rs. 71, but Moderns rose by 25 nP to Rs. 76.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	19-6-1957	12-6-1957
	Rs.	Rs.
Art silk yarn **(per case of 200 lbs.)—**		
120 dull Cones Snia June	804.00	805.00
August	821.00	822.00
120 Japan (per lb.)	4.23	4.14
150 Japan (per lb.)	4.19	4.12
120 Italy (per lb.)	4.16	4.03
150 Italy (per lb.)	3.75	3.72
Staple fibre yarn **(per case of 200 lbs.)—**		
40×2 June	590.00	579.00
40×2 August	594.00	580.00
40×2 New Great (per lb.)	3.12	3.11
40×2 Century (per lb.)	3.14	3.12
40×2 City (per lb.)	3.17	3.15
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	14.62	14.75
20s Gokak	18.37	18.50
30s Edward	21.00	21.00
40s Minaxi	26.75	26.87
60s Raghuvamshi	57.25	57.75
80s Modern	76.00	75.75

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 19*th June*

Prices in the local oilseeds market continued to rule bearish during the week under review. A noteworthy feature of the trends in the market was that the groundnut section which was an exception to the general weakness in the market last week, became a victim to it this week, despite considerable demand from vanaspati manufacturers. This was due to reports of favourable weather conditions in the producing areas. Other sections of the market were equally affected by these reports. In the case of the castorseed section, however, the combined impact of these reports and absence of encouraging overseas advices was particularly pronounced. Cottonseed and linseed lacked support.

Reports from London for the week ended 12th inst. also suggest that overseas markets were not encouraging. The Commodity Credit Corporation of the U.S. is reported to have disposed of 770,000 bushels of linseed oil recently at prices that were 5 cents lower than the bids rejected by the Corporation in May. This was stated to be due to increased acreage of linseed in the Prairie Provincess of Canada which was estimated at 3.5 million in this season as against 3.1 million last year. Groundnut oil and castor oil also lacked support; in the case of the latter it was reported to be chiefly due to the talk of substitutes.

Groundnut August contract opened the week at Rs. 175.62 and moved erratically between Rs. 176.12 and Rs. 172.62, before closing today at Rs. 175.00. This represents a loss of Rs. 1.37. Spot Bold was quoted 25 nP lower at Rs. 36.00. Groundnut oil railway receipt, too, was nominally lower at Rs. 20.50.

Business in castorseed September contract commenced at Rs. 168.25. On bear covering, the price rose the same day to Rs. 170.00. Subsequently, however, prices witnessed wide fluctuations, during which the low of Rs. 161.50 was touched. It closed today at Rs. 164.75, which was Rs. 4.75 lower than a week ago. Spot Madras, too, retreated by Rs. 1.37 to Rs. 32.50; and Oil B.S.S. was 63 nP lower at Rs. 20.87.

Linseed September contract, which opened the week at Rs. 30.50, moved during the week between Rs. 30.81 and Rs. 30.25, before finishing today at Rs. 30.37. This was somewhat lower than last week. Spot Bold ready was maintained at Rs. 29.50. Oil ready, too, was done 37 nP lower at Rs. 16.50.

Cottonseed September contract steadily moved down, with variations confined to narrow limits, from its opening high of Rs. 111.50 to Rs. 109.25 at the close. It lost, thereby, no less than Rs. 2.25, over the week.

Among others, Kardiseed bold was on demand at Rs. 22.00, that is 50 nP higher. Nigerseed Madras was maintained at Rs. 28.50.

The following table shows the closing prices of oilseeds and oils today as compared with those at the close of the previous two weeks:

	19-6-1957	12-6-1957	5-6-1957
	Rs.	Rs.	Rs.
Groundnut—			
September, 1957	175.00	176.62	176.62
Bold ready (per cwt.)	36.00	36.25	35.50
Coromandel	37.25	37.50	37.25
Linseed—			
September, 1957	30.37	30.44	30.56
Bold ready (per cwt.)	29.50	29.50	29.50
June-July	—	—	29.62
Castorseed—			
September, 1957	164.75	169.50	180.00
Madras (per cwt.)	32.50	33.87	34.75
Cottonseed—			
September, 1957	109.25	111.50	111.25
Groundnut oil—			
Ex-mill Ready (per quarter) ..	20.75	20.75	20.87
Castor oil—			
Commercial (per quarter) ..	19.75	20.25	20.75
Linseed oil—			
Ready	16.50	16.87	16.75

SUGAR RALLIES FURTHER

(From Our Own Correspondent)

BOMBAY, 19*th June*

The firmness of the sugar market noted last week continues unabated, despite discouraging spot offtake and consumer resistance at higher prices. This state of affairs must be attributed to the fact that the latest official figures relating to sugar offtake have tended to remove all fears of huge carry-over expressed by mill interests early in the season. The total despatches of sugar from mills up to the end of May last amounted to 1,227,000 tons, as against 954,000 tons in the corresponding period of the previous season, and the closing stocks with the mills as on 31st May aggregated 1,271,000 tons, as against 1,245,000 tons. Incidentally, the total output in the period is put at 1,975,000 tons, a rise of 189,000 tons as compared with the same period last year. Influenced by the very encouraging domestic offtake and also by bright export prospects, the sugar mills would seem to be in no mood to part with stocks below the currently prevailing price. In fact, the ex-mill quotations have been raised further by As. 8 per bag.

Spot large grain sugar rallied from Rs. 106-Rs. 108 to Rs. 108-Rs. 109½ per bag, inclusive of sales tax. Medium grain advanced by Rs. 2 to Rs. 105-Rs. 107. Small grain spurted by a rupee to Rs. 103-Rs. 104.

Arrivals of sugar into the market during the week aggregated about 7,300 bags, those for the previous week being 7,000 bags.

SUGAR FIRM, "GUR" WEAK

(From Our Own Correspondent)

HAPUR, 17*th June*

The sugar markets in Northern India continued to record a firm trend and, due to good bull support from consuming areas, mill delivery prices recorded a rise of 12 nP to 50 nP per maund. Demand from Gujerat and Saurashtra was reported to be heavy and, as the inter-State sales tax was to come into force from 1st July, the dealers were anxious to get their supplies before that date.

Production and despatches of sugar up to 31st May amounted to 1,975,000 tons and 1,227,000 tons, as against 1,786,000 tons and 9,540,000 tons, respectively, in the corresponding period last year. Stocks with factories on this date stood at 1,271,000 tons, as compared with 1,241,000 tons a year before. Out of the total production, over one million tons have been produced in the State of U.P. alone, and some of the factories are still working, although the season is practically closed.

Ready *gur* was depressed during the week, although daily arrivals were considerably less, the average being 75 maunds. Outside demand was very slack and local stocks, mostly in *kothas*, was put at 75,000 maunds, the corresponding figure last year being 35,000 maunds. Outside buying enquiry was being met from Agra side where prices were more favourable for the purchasers. Prices at Hapur are: Dry Rs. 10.50 to Rs. 11.50 and *kotha* dry wet Rs. 10.50 per maund.

The standing cane crop has been very much adversely affected by Salai pest and is now in need of rains.

Future *gur* moved both ways during the week on speculative bouts of buying and selling. The week-end prices were near the opening level of the week. *Gur asar* was quoted at Rs. 10.69 and *fagun* at Rs. 11.47.

BLACK PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, 18*th June*

Malabar black pepper ruled quiet during the week under review in the absence of any notable foreign demand. New York, after buying a fair quantity last week, withdrew and was bidding ½ to 1 cent lower than the asked level.

There are conflicting reports from Singapore as to the size of the Sarawak new crop. The majority of traders are treating the estimate given out by New York brokers with reserve. They, however, agree that the crop this year is late and that the pressure of arrivals may not be felt before 15th July. If it is so, there are chances of good demand developing for Malabar black by the end of June or the beginning of July, as the New York dealers will have to replenish their stock which is already low for their autumn requirements.

Singapore is quietly steady round about $77. There are reports that the Lampong crop this year will be larger in size and will be harvested earlier.

June and July-August-September was nominally quoted at $0.26½. July delivery was listed at Rs. 593.

Alleppey moved narrowly between Rs. 610 and Rs. 600. Garbled for July-August delivery in the forward ring at Cochin changed hands at about Rs. 110.

Today's nominal quotations are: Ready Rs. 85 per Bengal maund; July Rs. 594-Rs. 599 and August Rs. 604-Rs. 609 per candy of 5½ cwts.

TEAS EVOKE GOOD DEMAND

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 13*th June*

Almost one million pounds were on offer in sale No. 14 which was held on Tuesday, the 11th inst. The recent changes in excise duy have caused considerable confusion as a result of which buyers discounted teas which had paid 10 nP excise duty, no information having been received with regard to a refund being made of the amount of additional duty paid. Despite this, there was good general demand. While low and stalky types were easier, medium and good medium brokens were firm to dearer. Fannings grades tended lower than last sale. High-grown teas were irregular but any with quality were about steady. Whole leaf teas were again stronger and dearer.

The following are the quotations:

	Rs.	Rs.
Plain B.P.	1.48	1.50
Low medium B.O.P. ...	1.50 to 1.55	1.62
Medium B.O.P.	1.65 to 1.70	1.72
Good B.O.P.	1.90 to 2.00	2.12 to 2.25
Well made black leaf O.P. ...	2.55	2.12

London Market.—There were no sales this week, due to holidays.

Colombo Market—Sale of 9th June 1957.—Active demand. Prices of all descriptions generally about 10 to 15 cents dearer.

Sale of 10th June 1957.—Strong general demand. All descriptions five to 10 cents dearer.

Calcutta Market—Export.—First sale new season started very disappointingly, with poor demand. Whole leaf grades were the strongest feature. Nearly 40 per cent. withdrawn, mostly fannings.

Internal.—19,800 packages dust, of which 6,100 packages of new season's met with fair general demand. Old season's generally easier. Limited number of new season's Darjeelings and best C.T.C. dearer. Remainder below valuation. Some withdrawals.

Export Quota.—The market has again been easier and there are sellers at 20 nP with buyers at 19 nP.

Forthcoming Auctions.—Sale No. 15 will be held on Tuesday, the 18th inst.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire as follows:

"*Sale* 15.—900,000 lbs. offered. Good general demand. Steady at the bottom. Low medium and medium easier by 5 nP to 10 nP. Black leaf fully firm. Best liquoring and whole leaf stronger and dearer."

TEA SALES FEATURELESS

(From Our Own Correspondent)

CALCUTTA, 18*th June*

Tea sales continued to be featureless. Prospect of overproduction haunted the market, with the result that prices realised were below brokers' valuations. Heavy withdrawals could not, therefore, be avoided. There were fears that, world supplies being in excess of demand, prices in export markets would be depressed, thereby acting as a great discouragement to stockists.

Last year, North Indian production was kept down by voluntary restriction of output on the part of gardens. It was felt in the market that, in the current year also, conditions were leading towards the same direction. There is at present no international tea agreement regulating exports from producing countries, and, if India alone restricts production and consequently exports, too, it will not have any effect on the international markets, since the ground lost by India can be gained by other countries where production is higher and increasing exports is aimed at.

During last week's internal sale here, dusts offered amounted to 19,782 chests, which included 6,116 chests of new season's teas. Conditions were weak and prices realised were below brokers' valuations. The old season's teas were of ordinary description. The only interesting feature was that fair prices were realised for the limited number of new season's Darjeelings and the best C.T.C. Assams. All other offerings were featureless, medium Dooars being nominally quoted at Re. 1.45 to Re. 1.50.

Leaf grades offered comprised 141 chests of the new season's tea and 87 chests of the old season's. Prices were easy.

It should be noted that, in contrast to the trend in Calcutta, last week's sales in both Colombo and Chittagong registered a dearer tendency. In the Chittagong sale held on the 10th June, prices advanced on strong demand from North America and Great Britain. In Chittagong, the sale held on the 12th June was the first in the new season. The quantity of leaf teas on offer was a meagre quantity of 2,888 chests, in view of slow arrivals. Prices improved by As. 4 to As. 6. Dusts on offer were 347 chests, which were, however, sold at below valuations.

Mixed conditions were in evidence during the export sales held yesterday. Most of the support came from internal buyers, export buyers operating in a restricted way. There was better demand when the sales opened, but, as sales progressed, a weakening tendency set in. Offerings aggregated 15,614 chests, of which the flavoury Darjeelings and bright liquoring teas were keenly sought by internal buyers. Plain Dooars B.P.s gained 5 nP per lb. on good demand. The strongest feature was provided by stylish well-made leaf grades, gaining 20 nP per lb. Tippy teas were steady, while there was a decline in prices of P.Fs, and withdrawals in this category were heavy. The quotations were: Plain fannings Re. 1.60 to Re. 1.65, clean black pekoe Rs. 2.30 to Rs. 2.40, and plain B.P. Re. 1.75 to Re. 1.80. The absence of representative teas restricted the types for which nominal quotations have been given.

Export quota changed hands at 18 nP per lb., with sellers demanding 19 nP.

JUTE GOODS RECOVER AT CLOSE

(From Our Own Correspondent)

CALCUTTA, 18*th June*

Fully steady conditions prevailed in both the raw jute and the finished products markets during the week under review. Contrary to earlier expectations and weather forecasts, the monsoon has not yet set in in this part of the country. After a few showers a week ago, the weather has again gone hot and dry, and is as gruesome and sticky as ever. In the area already sown with jute, the young plants badly require rain and, because of the continued drought, the fear that outturn in the area already sown would be affected was entertained. The new crop would definitely, be late, but the view that there is sufficient jute in India to enable mills to carry on until the arrival of the new crop in September is as strong as ever. According to some quarters, it is too early to say whether following continued drought, the crop will be lower.

During the week, production figures for the month of May was announced. The total output was 87,300 tons, being higher by 500 tons as compared with April. Actually, hessian at 35,600 tons declined by 600 tons, but sacking at 45,000 tons increased by 200 tons and miscellaneous constructions at 6,700 tons by 900 tons. The number of working hours was the same as in April, that is, 209. However, absenteeism was higher in May, on account of the influenza epidemic and the unusually hot and dry weather last month. Stocks of finished goods at the end of April were 104,200 tons. These, together with the production of 87,300 tons in May, brought the total availability to 191,500 tons. The stocks at the end of May being 108,700 tons, market circles noted that the demand during May was of the order of 82,800 tons which was lower than production for the month. This was a factor which made speculators unusually active and contributed its share to the steady trend, in view of expectations of more business.

From the 16th inst., the Waverley Jute Mills belonging to McLeod & Co. and situated in Shamnagar ceased working for financial reasons. The operatives and other employees, numbering 1,600, have been transferred to another mill belonging to the same Managing Agents. The Waverley is the fifth mill to be closed down in recent months. Of the five mills now closed down, the self-effacement of three was attributed to continued heavy losses in trading and the other two were subjected to mismanagement prior to closure. Recent closures of mills have been naturally causing anxiety to the West Bengal Government which has told the Indian Jute Mills' Association that rationalisation is permissible only to the extent that it does not lead to unemployment. The increased wage bills and the high cost of the fibre have put up the output costs of the jute mills industry during recent years, and rationalisation has been thought of as a possible solution to the production of better goods with less labour cost. If the policy of rationalisation is to be implemented without reducing the labour force, modernisation will not serve any purpose, inasmuch as labour costs will not go down. If such a policy is insisted upon, more closures for economic reasons in the future will not be a surprise to the industry and the market.

On Tuesday last, the jute goods market opened fully firm. Considerable business was put through for forward delivery positions and, in this, speculators were keen buyers. At the rise, mills sold fairly large quantities and booked profits. Ready B. twills advanced from Rs. 116.75 to Rs. 117.20 and 40" 10 oz. hessian from Rs. 43.40 to Rs. 43.70. Support from shippers was also forthcoming on Wednesday and the announcement of lower output of hessian in May made speculators keenly look out for hessian, the 40" 10 oz. of which scored to Rs. 44.10. B. twills were also better at Rs. 117.50. On Thursday, the uptrend continued, with B. twills at Rs. 118.00, touching the highest level for the week, and ready 40" 10 oz. hessian at Rs. 44.40, being fully steady. Speculators made sizable additions to their stocks, but, on Friday, the profit-taking tendency set in to lower B. twills to Rs. 117.70 and hessian 40" 10 oz. to Rs. 44.25. Towards the week-end, the rates were further down at Rs. 117.40 and Rs. 44.12, respectively. Yesterday, however, there was a recovery which pushed up B. twills to Rs. 117.87 and hessian 40" 10 oz. to Rs. 44.44.

With sellers being reserved, raw jute was fully steady. The latest quotations for the 1956-57 crop, June-July delivery, are as follows:

	Middles	*Bottoms*
Pakistani:	Rs.	Rs.
District	40.50	37.50
Northern	40.00	37.00
Indian:		
Northern	35.00	32.50
Assam Upper	35.00	32.50
Assam Lower	35.00	32.50
Orissa	37.50	35.00
Western	34.50	32.00
Murshidabad	32.50	30.00
Jungli	31.50	29.00
Daissee	36.50	34.00
Uttar Pradesh	31.50	29.00
Daissee mesta	32.00	29.50
Bimli f.a.q.		Rs. 28.50
Pucca bales 1st marks ready	...	Rs. 200

BASE METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 18*th June*

Prices of base metals were steady during the week under review, although the London Metal Exchange continued to despatch poor advices. The interesting news this week was the announcement that the U.S. Department of Agriculture would consider barter deals in farm surpluses for strategic materials from abroad. Such deals, however, will only be entertained in cases where sales for dollars are not displaced. The listing of strategic materials included lead, aluminium, zinc, copper and antimony. The fact that the barter deals would be put through in a restricted scale, inasmuch as these deals should indicate to the American Government that trades of cotton, wheat and foodgrains would result in a net gain in exports rather than substituting for sales that could be negotiated in any way, was the cause for quietness on the London Metal Exchange.

In Calcutta, electrolytic copper closed better at Rs. 178, after opening at Rs. 176. The firmness was due to consumers lifting a higher quantity. All fresh arrivals were absorbed in no time. Virgin lead was unchanged at Rs. 73. Electrolytic zinc opened at Rs. 83 and closed lower at Rs. 78. There was fair demand, but, the supply position being comfortable, the price gave way. Tin at Rs. 524 continued to be higher than the replacement cost. The supply position was tight.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 17*th June*

Quietly steady conditions were witnessed in the foodgrains market during the week under review. The Union Food Minister declared the other day that the food situation in the country was showing distinct signs of improvement as a result of the number of measures taken by the Government, and prices of wheat and rice had shown a downward trend in important cities like Bombay and Calcutta. The measures taken by the Government included the formation of wheat zones, amendment of the Essential Commodities Act and restriction by banks on credit against foodgrain stocks. The formation of three wheat zones has been officially announced. They are: the Punjab, Himachal Pradesh and Delhi; Uttar Pradesh; and Rajasthan, Madhya Pradesh and Bombay (excluding the City of Bombay). The movement of wheat and its products will be free and unrestricted within a zone, but exports from and imports into the zone will not be permissible except under a permit. The Government is still considering the question of creating zones for the rice-consuming areas.

Wheat at Hapur ruled steady during the week. Average *dara* quality was quoted at Rs. 14.50 per maund, while farm quality was transacted up to Rs. 16.75. The Government-sponsored Marketing Co-operative Society has purchased some wheat and, before the formation of wheat zones on the 14th inst., about eight wagons of wheat were despatched to Bihar. The U.P. State's reaction to the formation of wheat zone is that it has come too late, as U.P. had pressed for the zonal scheme some months ago and a substantial quantity of wheat had already gone out of the State. Local arrivals of wheat averaged 1,500 maunds daily and local wheat stock was put at only 37 *khaties*, the corresponding figure last year being 80 *khaties*. Total arrivals into Hapur from the beginning of the season were put at 98,000 maunds, as against 88,000 maunds a year before. Rice continued to be steady and was quoted at: *Basmati* Rs. 27 to Rs. 30; *sela Mainpuri* Rs. 24; Etawah Rs. 23 per maund.

Gram continued to rule steady, thanks to the State Government's purchases, and most of the quantity offered to the Government was brought here from the Punjab. Local gram stock was put at 38 *khaties*, including the quantity owned by the State Government. The Government is also purchasing barley and *bejhar* and this has accounted for the steady trend in all coarse grains here. The week-end prices—in rupees per maund—were: Gram 11.81 to 12.6; barley 11; *bejhar* 10.75; *jowar* 13 to 15; *guwar* 13.12.

Peas prices declined during the week, as outside buying enquiry was practically dormant and local stock was put at 50 *khaties*. Arrivals averaged 1,000 maunds daily, the total since the beginning of the season being 120,000 maunds.

AMENDING THE NEW COMPANIES ACT

(*Concluded from page* 1245)

and followed. It is therefore suggested that the penal provisions of the Act should be regrouped under appropriate but limited number of sections. The regrouping of the penal provisions will reduce the size of the Act and make it more intelligible to those who are daily connected with company management and administration.

The foregoing is not an exhaustive analysis from the legal aspect of the numerous complex and intricate provisions of the Companies Act, 1956. The Act impinges on company executives, company managers, shareholders and auditors in different ways. I have deliberately refrained from indicating their viewpoints and practical difficulties, as my object is to give an overall picture of the legal aspect of the Act. We all recognise that the Act is not without its blemishes. As we go along in the light of legal experience and judicial pronouncements, we must continually improve on the present Act by amending its provisions. This, indeed, has been the experience of many countries, which have undertaken legislation similar to ours. The Act has as its background the cautions experimentation of Parliament. It is with this purpose in mind that the Central Government has appointed an *ad hoc* committee to consider amendments to the present Act. It is the duty of every one concerned to assist the Committee in its formidable task.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	20th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	2	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	5th May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	6	6½
France	11th April, 1957	3	4
Greece	9th May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	8th May, 1957	7.665	8.304
Mexico	4th June, 1942	4	4½
Netherlands	Oct., 1956	3½	4½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1947	5	6
Philippines	Mar., 1954	3	1½
Portugal	12th June, 1947	3	4
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	4½	4
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1957	5½	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug. 1954	3½	4
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 14th June, 1957		Week ended 7th June, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,50,686	50,77,71,000	2,10,656	46 35,75,000
Calcutta	1,64,297	55,77,99,665	1,62,903	68,66,41,533
Madras	77,913	8,68,24,849	76,061	9,11,30,835
All Centres—				
1955-56*	..	..	3,100,000	6,630,200,000
1956-57*	..	..	3,334,000	7,269,000,000
Mar., 1957	..	..	3,503,000	8,33,05,00,000
April ,,	..	..	3,631,000	7,93,90,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 14th June, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:	
(a) Government—	
(1) Central Government	52,45,65,000
(2) Other Governments	1,18,66,000
(b) Banks	64,82,23,000
(c) Others	120,99,82,000
Bills Payable	20,76,50,000
Other Liabilities	120,83,15,000
Rupees	407,06,01,000

ASSETS	Rs.
Notes	23,92,82,000
Rupee Coin	8,77,000
Subsidiary Coin	6,05,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,88,09,000
Balances held abroad*	61,19,16,000
Loans and Advances to Governments	25,38,40,000
Other Loans and Advances	98,06,00,000
Investments	178,65,40,000
Other Assets	13,20,20,000
Rupees	407,06,01,000

* Includes Cash and Short-term Securities.
The item "Other Loans and Advances" includes Rs. 54,75,21,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	23,92,82,000	
Notes in circulation	1580,56,02,000	
Total Notes issued		1604,48,84,000
Total Liabilities		1604,48,84,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,08,000	
(b) Held outside India		
Foreign Securities	412,51,01,000	
Total of A		530,27,94,000
B. Rupee Coin		124,39,84,000
Government of India Rupee Securities		949,81,06,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1604,48,84,000

Scheduled Banks*

Statement of Affairs for the week ended 7th June, 1957

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	10,64,96,000
(ii) Other demand liabilities	701,03,72,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	2,60,00,000
(ii) Other time liabilities	535,50,90,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,77,43,000
(ii) Time liabilities	
Borrowing in India from the Reserve Bank of India	82,23,38,000 (58,42,03,000)
Cash in India	39,74,16,000
Balances with the Reserve Bank in India	63,72,75,000
Balances with other banks in current account in India	9,92,53,000
Money at call and short notice in India	19,66,49,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	340,22,04,000
Advances in India	746,00,26,000
Inland Bills purchased and discounted in India	182,43,25,000
Foreign Bills purchased and discounted in India	57,04,74,000

* Provisional.
† Excludes borrowings from the Reserve Bank also.
Figures within bracket represent borrowings against usance bills.

EXCHANGE RATES

	18th June, 1957	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot s.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months s.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months s.	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	480	479.50
Buyers T.T. Rs.	473.75	473.75
London on New York $	2.79½-2.79⅝	2.78⅝-2.78⅝
London on Paris Fcs.	987	987
London on Berne Sw. Fcs.	12.21¼-12.21⅝	12.23-12.24⅛
New York on London $	2.79½-2.79⅝	2.78⅛-2.78⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	79.33	..	1,951	243
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.58	..	470	560
Japan	1955	88.90	¥. 6,575,000	5,698	978
Philippines	1955	21.35	Ps. 7,800	1,857	870
New Zealand	1955	2.12	£(N.Z.) 846	1,152	5,296
Australia	1954	8.99	£(A) 2,957	4,520	4,694
U.K.	1955	50.97	£ 16,554	22,175	4,351
U.S.A.	1955	166.27	$ 334,080	155,220	9,410
Canada	1955	15.69	$ 20,738	10,166	6,616
France	1955	43.27	F.Frs. 12,440,000	17,010	3,931
W. Germany	1955	49.99	Dm. 136,200	14,470	2,590
Italy	1954	47.80	Lr. 9,718,000	7,480	1,560
Norway	1955	3.43	Kr. 19,764	1,520	3,056
Sweden	1954	7.17	Kr. 58,580	8,544	4,915
Netherlands	1955	10.75	Grs. 22,500	2,550	2,650
Denmark	1954	4.41	Kr. 32,574	1,610	3,654
Switzerland	1954	4.93	Sw. Fr. 25,010	2,410	4,884

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation's Monthly Bulletin of Statistics, September, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 7th June, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	59,80,36,000
(b) Provincial Governments	2,41,45,000
(c) Banks	13,36,51,000
(d) Others	9,14,08,000
Bills Payable	16,73,000
Other Liabilities	12,63,67,000
Rupees	105,12,78,000

ASSETS	Rs.
Notes	10,33,49,000
Rupee Coin	18,000
Subsidiary Coin	13,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	12,25,000
Loans and Advances to Governments	24,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	10,43,80,000
Investments	73,78,71,000
Other Assets	10,20,22,000
Rupees	105,12,78,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,33,49,000	
Notes in circulation	328,04,50,000	
Total Notes issued		338,37,99,000
Total Liabilities		338,37,99,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	....	
Approved Foreign Exchange	98,14,58,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,15,00,000	152,50,29,000
Government of Pakistan Securities	174,82,64,000	
Internal bills of exchange and other commercial paper	....	179,97,64,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,99,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	338,37,99,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 46.73 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	7th June, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1587.94	1570.00	1595.36	1,514.82
Notes held in Banking Department	35.05	16.30	26.00	9.87	9.45
Foreign Securities	59.50	412.52	412.52	412.52	666.54
Rupee Securities	87.80	949.81	939.87	949.87	713.66
Banking Department					
Deposits of:					
Government of India	14.89	54.65	53.65	54.92	52.47
Other Governments	..	1.41	6.83	2.11	4.03
Balances held abroad	10.08	33.05	42.55	74.07	33.10
SCHEDULED BANKS					
Demand Liabilities	134.86	711.69 (10.65)†	730.86 (11.82)†	719.51 (11.86)†	636.36 (8.71)†
Time Liabilities	102.24	538.11 (2.60)†	523.03 (3.33)†	517.24 (3.18)†	444.21 (2.91)†
Borrowings from Reserve Bank	..	82.28 (58.42)‡	80.79 (58.17)‡	89.64 (62.24)‡	60.42 (42.92)‡
Borrowings from State Bank	..	9.77	9.05	10.93	8.03
Cash in India	6.70	39.74	39.41	38.10	37.41
Balances with Reserve Bank	25.17	63.73	59.63	61.40	49.42
Excess over statutory limits	15.52	17.39	12.63	15.09	8.72
Balances with other banks in current account in India	..	9.93	10.10	10.48	10.37
Money at call and short notice in India	..	19.66	22.41	19.15	10.81
Investments (at book value)	105.09	340.22	340.63	344.06	349.00
Advances and bills	..	935.48	932.43	935.89	769.03
STATE BANK					
Deposits	37.76	306.39	306.90	300.82	224.63
Investments	51.99	106.51	105.60	105.43	100.84
Advances	30.35	188.12	189.19	193.10	139.43
Cash	14.69	27.63	27.56	20.17	16.64

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February,		Eleven months, April to Feb.,	
	1956	1957	1955-56	1956-57
Import Duties:				
Revenue	10.95	10.41	106.89	116.08
Protective	0.99	0.99	9.45	11.49
Countervailing duty on surplus disposals	..	0.07	0.00	0.11
Total import duties	11.94	11.47	116.43	127.68
Export Duties	2.63	2.67	33.85	28.14
Land Customs	0.09	0.25	1.24	2.27
Miscellaneous	0.05	0.09	0.64	1.04
Gross total customs	14.71	14.48	152.16	159.13
Refunds and drawbacks	0.32	0.65	2.44	2.74
Net Customs	14.39	13.83	149.72	156.39
Gross excise	14.13	15.64	136.89	171.14
Refunds	0.09	0.34	3.69	2.00
Net Excise	14.40	15.30	133.20	169.05
Net total of customs and excise†	28.43	29.13	282.92	325.44

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 14th June, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 20,00,00 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts	..	27,50,00,000
Borrowings from Other Banking Companies, Agents, etc.	..	306,53,05,000
Bills Payable	..	5,43,55,000
Bills for Collection being Bills Receivable as per contra	..	78,23,000
Acceptances, Endorsements and Other Obligations per contra	..	25,79,000
Other Liabilities (including Inter-Office Adjustments)	..	4,34,18,000
Total .. Rs.		329,34,80,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	22,01,04,000
Balances with other Banks	..	3,27,60,000
Money at Call and Short Notice	..	1,40,00,000
INVESTMENTS:		
Government and other Trustee Securities	94,09,71,000	
Other Authorised Investments	11,41,94,000	105,51,65,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	157,60,98,000	
Bills Discounted and Purchased	28,77,79,000	186,38,77,000
Bills Receivable being Bills for Collection as per contra		78,23,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		25,79,000
Premises less Depreciation		1,51,02,000
Furniture and Fixtures less Depreciation		66,89,000
Other Assets (including Inter-Office Adjustments)		7,83,81,000
Total .. Rs.		329,34,80,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡											
	National Savings Certificates						Post Office Savings Bank Deposits	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates‡	
	5-Year		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.82	65	2.26	23.66	54.17	1,13.25	92.03	— 31.07	7.55	25.64	..	..	..	..
1953-54	3.76	1.86	5.48	37.19	1,44.86	1,53.15	1,67.86	— 28.87	4.79	41.25	9.36	16.37	45	86
1954-55	3.00	2.89	6.04	31.54	1,63.66	1,70.05	1,93.90	— 40.00	3.91	44.28	10.07	25.35	43	1,33
March 1956	3.76	33	5.48	2.83	1,44.36	15.64	1,67.86	— 38.87	36	41.25	88	16.37	3	93
April ,,	3.69	24	5.54	3.19	1,45.35	14.54	1,71.08	— 38.96	34	41.51	83	17.13	3	96
May ,,	3.61	21	5.54	3.49	1,47.68	14.77	1,73.06	— 39.05	38	41.82	85	17.91	3	1,00
June ,,	3.54	28	5.48	3.79	1,49.48	15.54	1,74.09	— 39.15	32	42.10	91	18.75	4	1,04
July ,,	3.48	43	5.31	2.78	1,51.53	14.61	1,80.05	— 39.24	33	42.43	1,01	19.68	4	1,07
August ,,	3.40	39	5.22	2.53	1,53.14	14.10	1,82.31	— 39.35	36	42.72	98	20.58	5	1,11
September ,,	3.34	17	5.71	2.55	1,55.14	18.27	1,84.83	— 39.17	34	43.00	88	21.34	5	1,15
October ,,	3.28	16	5.59	2.35	1,56.51	13.00	1,85.99	— 39.26	35	43.29	82	22.06	4	1,17
November ,,	3.23	13	5.66	2.50	1,57.62	12.70	1,88.89	— 39.25	35	43.39	77	22.73	3	1,19
December ,,	3.17	23	5.78	2.47	1,58.90	14.77	1,87.93	— 39.43	26	43.58	70	23.32	3	1,22
January 1957	3.12	21	5.80	2.76	1,59.92	13.46	1,88.10	— 39.84	36	43.89	86	24.07	6	1,27
February ,,	3.07	17	5.82	2.34	1,61.00	12.96	1,88.83	— 39.91	30	44.14	73	24.70	4	1,30
March ,,	3.07	37	6.04	3.95	1,63.66	17.53	1,93.90	— 40.00	22	44.23	76	25.35	3	1,33
April ,,	..	..	..	..	..	..	..	..	24	44.39	..	..	..	..

* At the end of period.
† Issued from 10th May, 1954.
‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
‡‡ Relating to nine months from July, 1954.
● Progressive net repayments at the end of period from 15th August 1947.
‡ From July, 1954.
R—Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 1st† June, 1957	25th May, 1957	4th May, 1957	2nd June 1957
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.7	89.6	90.0	91.2
1. Government of India	89.4	89.4	89.7	91.1
2. Indian States	96.4	96.4	96.4	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.0	99.0	99.1	100.8
1. Electricity	98.8	98.9	99.0	101.7
2. Jute	97.0	96.9	97.0	97.5
3. Plantations	98.4	98.4	98.6	99.2
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.0	100.0	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.6	100.6	100.6	101.0
PREFERENCE SHARES	77.8	78.0	78.6	85.1
1. Electricity	86.6	86.8	86.7	90.7
2. Cotton	78.4	78.5	78.1	80.9
3. Jute	70.8	70.8	70.8	81.8
4. Coal	81.7	81.8	81.8	86.1
5. Iron and Steel	82.0	82.6	82.2	87.9
6. Tea	77.7	77.7	78.0	84.7
7. Paper	78.0	78.0	78.3	82.1
8. Plantations	94.1	94.9	96.8	102.5
9. Miscellaneous	71.0	72.5	75.2	81.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	103.4	103.2	105.7	124.3
(a) Financial	90.3	90.1	89.7	90.1
1. Banks	92.0	91.8	91.5	90.5
2. Insurance	82.4	82.4	82.4	86.8
3. Investment Trust	74.6	74.7	75.4	92.6
(b) Public Utilities	105.4	104.9	106.3	113.4
1. Electricity	105.9	105.7	106.8	113.1
2. Shipping and other Transport	112.1	110.4	113.6	117.5
3. Railways	78.4	77.0	76.4	87.4
(c) Manufacturing Industries	108.0	107.5	111.6	134.0
1. Cotton, Woollen and Silk	112.8	132.2	117.1	131.9
2. Jute	54.4	54.7	54.4	77.5
3. Iron and Steel	113.9	110.8	122.1	158.8
4. Paper	229.7	226.9	227.3	286.9
5. Cement	143.8	141.7	143.5	179.7
6. General Engineering	157.5	157.3	160.6	195.6
7. Sugar and Breweries	92.3	92.4	94.7	104.3
8. Chemicals	135.3	135.0	133.9	143.8
(d) Non-Manufacturing Industries	125.0	125.7	127.1	166.3
1. Tea	69.4	69.4	69.7	78.9
2. Mining and Oil	176.0	175.4	178.5	259.1
3. Plantations	137.2	138.9	140.3	180.5
(e) Miscellaneous	81.1	80.9	83.1	101.9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.1	89.1	89.3	90.7
2. Calcutta	89.6	89.5	89.8	91.2
3. Madras	89.9	89.8	90.2	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99.0	100.0
2. Calcutta	98.6	98.6	98.8	101.1
3. Madras	99.7	99.7	99.8	100.2
PREFERENCE SHARES:				
1. Bombay	84.4	84.1	83.7	88.8
2. Calcutta	70.6	71.3	72.5	79.9
3. Madras	91.6	91.6	92.6	97.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	112.8	111.6	116.8	131.1
2. Calcutta	91.2	91.2	91.9	111.4
3. Madras	116.7	117.5	117.5	132.7
4. Delhi	109.8	108.4	115.9	138.3

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,925
1952	962	809,242	3,236,961
1953	772	456,607	2,368,638
1954	840	477,184	2,672,680
1955	1,166	527,767	5,697,848
1956	1,258	722,334	7,095,960
April 1956	105	22,452	233,275
May ,,	120	68,441	961,776
June ,,	152	91,209	1,144,011
July ,,	111	55,260	552,999
August ,,	226	92,519	580,081
September ,,	251	47,606	514,814
October ,,	134	48,809	178,118
November ,,	99	45,277	239,550
December ,,	139	..	..
January 1956	107	61,755	362,000
February ,,	122	70,155	781,706
March ,,	146	133,188	678,716
April ,,	140	83,524	549,987
May ,,	127	56,037	549,932
June ,,	153	71,047	484,439
July ,,	150	100,335	529,151
August ,,	138	54,767	422,172
Sept. ,,	184	130,067	922,685
Oct. ,,	138	113,404	819,014
November ,,	150	59,451	499,036
December ,,	145	65,561	407,166
January 1957†	150	126,995	390,852
February ,,	114	22,320(a)	205,196(b)

(a) Not known in 3 cases.
(b) Not known in 5 cases. ‡ current at any time during the month.
† Figures are provisional.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	514	5,801.4	5,184.8
1953-54	548	6,578.8	5,573.7
1954-55	686	7,760.9	6,819.2
1955-56	715	8,805.8	7,785.6
Jan., to Dec., 1955	724	8,494.6	7,498.0
Jan., to Dec., 1956	757	9,680.7	8,926.2
December 1955	734	785.7	683.8
January 1956	731	757.2	672.0
February ,,	729	747.5	651.0
March ,,	715	800.0	648.8
April ,,	701	780.8	669.1
May ,,	710	796.5	688.5
June ,,	724	798.0	656.3
July ,,	725	798.7	650.0
August ,,	737	812.7	666.4
September ,,	753	824.1	670.1
October ,,	756	810.5	668.1
November ,,	757	831.5	715.0
December ,,	765	868.7	711.7
January 1957	..	..	..

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	1st June, 1957	25th May, 1957	2nd June, 1956	April, 1957	April, 1956	Percentage of Increase (+) or decrease (—) in April, 1957 as compared with April, 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(31)	438.0	433.6 R	353.6	408.3	360.9	+13.1	388.5	313.2
Cereals	59	566*	555*	459	536*	461	+16.3	499	378
Pulses	8	402	408	355	418	357	+17.1	397	239
Others	33	233	238* R	221	249	234	+ 6.4	247	235
Industrial Raw Materials	(18)	541.4	539.2	477.7	514.7	472.8	+ 8.9	501.9	419.8
Fibres	53	533	533	458	503	459	+10.7	483	429
Oil seeds	20	581	582	539	555	529	+ 4.9	558	398
Minerals	10	586	559	447	512	446	+14.8	508	427
Others	7	401	403	430	415	394*	+ 5.6	421	431
Semi-Manufactures	(17)	413.3	412.3	385.4	400.0	377.4	+ 6.0	402.3	338.2
Leather	2	414	414	402	398	409	— 2.7	409	378
Mineral oils	12	230	230	208	211	208	+ 1.4	209	207
Vegetable oils	16	599	600	559	567	538	+ 7.4	553	399
Cotton yarn	15	480	477*	479*	483	457	+ 5.7	487	422
Metals	12	347	348	278	328	282	+16.3	318	264
Oil cakes	5	423*	415*	411	409	419	— 2.4	447	335
Others	5	374	374	301	375	362	+ 3.6	356	336
Manufactured Articles	(30)	390.7	390.4 R	376.8	384.3	375.8	+ 2.3	384.6	372.9
Textiles	24	412	412	411	410*	409	+ 0.2	416	408
Jute	11	433	433	388	416	398	+ 4.5	418	418
Cotton	45	412*	422*	416*	412*	408*	+ 1.0	420*	403*
Rayon and Silk	4	424*	424*	473*	442	508*	+12.0	455*	485*
Woollen	3	281	281	264	266	264	+ 0.8	265	284
Metal products	17	407	406 R	371	392	371	+ 5.7	398	359
Others	19	316	316	286	303	286	+ 6.6	294	285
Miscellaneous	(0)	570.7	571.6*	506.0	567.1R	496.7	+14.2	559.3	548.4
All Commodities	(100)	440.0	438.0 R	391.6	422.1R	381.3	+ 7.9	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R—Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and Steel
January 1956	449	329	181	240	265	240	478	266	181	661†	485	433	435	451†	362	439	408	319
February	471	296	198	224	277	235	446*	266	170	660†	467	457	531	460	362	417

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Fore-cast	(In thousand acres) 1956-57	(In thousand acres) 1955-56	(In thousand tons) 1956-57	(In thousand tons) 1955-56
Cereals—					
Rice	final	78,174	76,864	28,142	26,846
Wheat	final	..	29,225	..	8,348
Jowar	2nd	39,339	41,174	4,516	4,312
Bajra	final	..	27,025	..	3,400
Barley	final	..	3,145	..	2,721
Maize	final	9,244	9,116	3,020	2,554
Ragi	final	5,674	5,693	1,914	1,820
Small millets ..	2nd	11,527	11,535	1,728	1,601
Total cereals ..	final	..	211,000	..	53,340
Pulses—					
Gram	2nd	23,354	22,333	5,350	4,636
Tur	2nd	5,581	5,725	1,603	1,705
Other Kharif pulses § ..	final	16,166	15,567	1,664	1,632
Rabi pulses† ..	final	..	10,579	..	1,858
Total pulses ..	final	..	55,100	..	10,187
Oilseeds—					
Groundnut ..	final	13,101	12,692	4,086	3,862
Cluster seed ..	final	1,403	1,405	129	124
Sesamum ..	3rd	4,996	5,423	417	444
Rape and Mustard	final	..	6,262	..	832
Linseed	final	..	3,424	..	376
Total oilseeds ..	final	..	29,471	..	5,596
Fibres—					
Cotton*	3rd	18,084	17,553	4,084	3,382
Jute A.	final	1,883	1,789	4,221	4,197
Mesta A.	final	738	572	1,474	1,159
Other crops—					
Potato	final	..	693	..	1,839
Sugarcane ..	2nd	4,532	3,945	58,914	50,455
Ginger (Dry) ..	final	40	40	15	15
Pepper (Black) ..	final	234	233	32	32
Chillies (Dry) ..	final	..	1,492	..	340
Tobacco	final	..	921	..	259

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. †Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During May, 1957	87.3
	Corresponding month, 1956 ..	101.7
	Eleven months ended May, 1957 ..	945.1
	Corresponding period, 1956 ..	966.1
Stocks	At the end of May, 1957 ..	108.7
	Corresponding month, 1956 ..	119.7
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 13th April, 1957 ..	N.A.
	Corresponding week, 1956 ..	8,185
	From 1st Jan., to 13th April, 1957 ..	N.A.
	Corresponding period, 1956 ..	122,920
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 13th April, 1957 ..	N.A.
	Corresponding week, 1956 ..	16,272
	From 1st Jan., to 13th April, 1957	N.A.
	Corresponding period, 1956 ..	316,979
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	May, 1957	5.06
	Corresponding month, 1956 ..	5.90
	Eleven months ended May, 1957 ..	55.02
	Corresponding period, 1956 ..	57.95

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1954..	11,54,008	10,70,200	7,80,000
Do. 31st March, 1955..	11,34,400	10,42,900	7,80,300
Do. 31st March, 1956..	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957..	11,55,500	10,73,600	7,97,500
January 1956	1,03,900	96,800	71,800
Febuary	97,500	89,500	67,700
March	1,03,300	96,200	69,900
April	1,00,000	87,200	64,300
May	89,600	89,400	66,300
January 1957	97,400	94,300	70,500
February	90,000	81,300	63,400
March	95,100	93,200	73,600
April	92,300	89,300	62,500
May	91,300	86,600	65,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March,1953 ..	6,26,710	4,81,460	3,12,940
Do. 31st March,1954 ..	5,80,020	3,49,930	2,92,440
Do. 31st March,1955 ..	7,15,949	5,25,240	4,06,960
Do. 31st March,1956 ..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
" " " Sept., 1954.	1,80,018	1,29,741	1,12,861
" " " Dec., 1954.	1,88,053	1,36,801	1,20,616
" " " Mar., 1955.	1,65,108	1,43,828	1,18,186
" " " June, 1955.	1,85,605	1,34,333	1,11,231
" " " Sept. 1955.	1,76,181	1,30,630	1,08,714
" " " Dec., 1955.	1,60,750	1,24,696	1,05,752
" " " Mar., 1956.	1,84,450	1,41,846	1,19,860
" " " June, 1956.	1,48,306	1,17,713	1,2,609
" " " Sept., 1956.	1,74,447	1,33,825	1,13,953
" " " Dec., 1956.	1,88,546	1,41,450	1,14,703

FOREIGN TRADE OF INDIA

Particulars	December, 1955 Rs. (lakhs)	December, 1956 Rs. (lakhs)	Nine months April to Dec. 1955 Rs. (lakhs)	Nine months April to Dec. 1956 Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	2,97	3,72	40 47	27,11
Raw materials ..	15,07	22,55	134,70	138,69
Manufactures ..	40,49	40,90	304,27	428,20
Other items ..	24	42	2,32	3,05
Total	58,87	67,69	482,26	597,55
By land	3,17	1 69	19,85	14,62
Total Imports ..	62,04	69,38	502,11	612,17
Exports :				
By sea and air—				
Foodstuffs	14,79	19,10	117,64	153,85
Raw materials ..	15,51	13,02	125,79	89,91
Manufactures ..	21,06	22,27	159,60	182,89
Other items	35	42	3,15	3,53
Tota ..	51,71	54,81	436,18	430,18
By land	92	55	4,81	4,49
Total Exports ..	52,63	55,56	440,99	434,67
Total Re-exports ..	43	60	3,96	5,10
Balance of trade in merchandise	— 8,97	— 13,04	— 57,13	— 172,15
Balance of transactions in private treasure	— 2	+ 1	— 6	— 15
Total visible balance of trade.	— 8 99	— 13,03	— 57,19	— 172,30
Imports : †				
Total O'seaith countries ..	21,67	24,15	210,47	233 79
Total Foreign countries ..	37,20	43,54	271,79	363,76
Exports : †				
Total O'seaith countries ..	25,19	27,88	218,40	223,81
Total Foreign countries ..	26,52	27,43	217,78	206,37

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
† Monthly figures are provisional.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1955-56	12,751	2,763	974	213	111	67	149	29	517	412	41	330	48	148
1956-57	13,585	2,953	1,022	219	108	58	207	24	610	427	30	388	52	180
February	11,538	2,532	885	191	98	62	121	27	439	374	38	297	45	126
March	12,751	2,773	974	213	111	67	149	29	517	412	41	330	48	148
April	1,185	237	82	23	12	5	13	2	64	34	2	31	2	10
May	2,227	470	165	44	25	11	25	5	115	70	5	60	5	21
June	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September	6,420	1,446	505	97	46	26	73	10	199	207	15	179	26	81
October	7,494	1,703	579	110	50	33	96	12	215	242	18	212	33	96
November	8,619	1,950	659	129	59	37	121	15	257	276	20	246	39	114
December	9,850	2,194	745	153	71	42	147	18	347	314	22	281	46	129
January 1957	11,109	2,450	837	178	84	47	172	20	432	351	25	317	50	144
February	12,220	2,684	929	197	96	52	190	22	520	388	27	350	51	159
March	13,585	2,953	1,022	219	108	58	207	24	610	427	30	388	52	180

Note.—The figures relate to broad and metre gauges of Class I Railways. The montly figures are progressive from April, equated to M. G. Wagons (1 B.G.–2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 13th June, 1957 ..	40,070(J)
	Corresponding week, 1956 ..	29,849(J)
	1st Sept. 1956 to 13th June, 1957	1,618,862*
	Corresponding period, 1955-56 ..	1,677,416*
Cotton Exports‡ ..	Week ended 13th June, 1957 ..	55,561
	Corresponding week, 1956 ..	3,157
	1st Sept. 1956 to 13th June, 1957	216,066
	Corresponding period, 1955-56 ..	502,066
Mill Consumption .. (Estimated)	1st Sept. 1956 to 13th June, 1957	1,049,453
	Corresponding period, 1955-56 ..	978,366
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 13th June, 1957	651,491
	Corresponding date, 1956.. ..	705,709
Cotton Exports from Bombay (by sea)	During March, 1957	29,377§
	During March, 1956	138,746
	1st Sept.,'56 to 28th Mar., 1957 .	177,897
	1st Sept.,'55 to 28th Mar., 1956 .	560,100
Karachi (Pakistan)—		
Receipts	1st Sept., 1956 to 30th May, 1957 .	1,156,252
	Corresponding period, 1955-56 ..	1,285,181
Exports	1st Sept., 1956 to 30th April 1957	675,904
	Corresponding period, 1955-56 ..	778,913

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc

Particulars	From 1st Sept. 1956 to 17th June, 1957 Bales	From 1st Sept. 1955 to 17th June, 1956 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	22,122	59,450
Continent ..	21,354	84,631
Hongkong ..	33,721	33,909
China	3,437	54,337
Japan	137,795	270,538
U.S.A.	2,324	2,851
Other Countries ..	337	2,926
Total to all foreign countries ..	221,500	509,472
Coastal Ports ..	7,360	95,420
Total	228,950§	592,752§

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	March, 1957	399,609
Foreign		46,428
Indian	Seven months ended Mar., 1957	2,724,023
Foreign		338,725
Indian	Same Period 1956	2,568,772
Foreign		339,395

Stocks (Mills and Elsewhere)—		Rs.	Rs.
Indian	As on 31st March, 1957 ..	1,221,857	
Foreign		200,048	
Indian	As on 31st March, 1956 ..	1,359,867	
Foreign		211 500	
Cotton Pressed in India† (In running bales) ..	Week ended 7th June, 1957 ..	6,089	
	Corresponding week, 1956 ..	100,088	
	1st Sept., 1956 to 7th June, 1957.	2,121,587	
	Correspoanding period, 1955-56 ..	3,436,029	

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	33,30,36,000	1950—70	100.75
3 % Loan	1938-39	1 16,17,46,000	1963—65	93.70
3 % Loan	1950	30,33,10,000	1964	94.00
2½ % Fr. Loan	1943	1,10,11,78,000	1965—66	91.70
3 % V. Loan	1944	83,54,89,000	1957	99.75
3 % Loan	1945	1,15,05,88,000	1970—75	86.10
2½ % Nd V. Loan	1945	1,15,55,64,000	1960—61	97.75
3 % Loan	1951	50,25,63,000	1958	99.60
2½ % Loan	1946	45,50,37,000	1960	96.45
2½ % Loan	1946	67,00,69,000	1961	93.50
2½ % Loan	1946	14,77,48,000	1976	88.10
2½ % Loan	1947	75,86,72,000	1962	93.80
3 % Loan (N.P. Bonds)	1958	75,29,00,000	1961	99.40
3½% N.P. Loan	1954	1,58,17,84,000	1964	97.85
3½% N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	97.85
3½%	1956	57,27,00,000	1963	97.50
3½% N.P. Bonds	1956	85,32,00,000	1967	98.15
3½%	1956	66,64,00,000	1974	98.30
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option o. Government after three months notice.	73.00
3 % Loan	1946	2,48,91,47,000‡	On September, 1986 or later at option of Government after three months' notice.	72.95
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,73,000	1958—68***	101.75
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	95.85
4 % Andhra	1956	6,00,00,000	1st Sept. 1969	93.75
3 % Bombay	1943	3,06,66,000	15th Aug. 1958	98.85
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94.10
3 % Bombay	1950	2,57,92,000	31st July 1960	96.25
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98.00
4 % Bombay	1953	5,42,28,000	15th July 1963	100.00
4 % Bombay	1954	3,55,57,000	1st Aug. 1964	100.00
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	99.50
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99.40
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	97.70
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	97.70
3 % Cochin	1945	1,00,00,000	16th Dec. 1955—58	98.00
3½% Cochin	1936	70,09 000	1st June 1955-61	98.75
3 % Howrah Bridge (New)	1936-37	1,95,96,700	1956—66	95.25
4 % Hyderabad	1955	2,12,50,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	98.85
3 % Madras	1939	1,23,95,600	21st June 1959	96.50
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98.55
3 % Madras	1945	2,75,44,000	14th Sept. 1960	96.15
2½% Madras	1946	3,81,77,200	1st Sept. 1961	93.10
3 % Madras	1950	4,38,25,400	31st July 1960	96.15
3½ % Madras	1951	5,01,49,200	17th Sept. 1962	97.60
4 % Madras	1953	10,33,63,000	15th July 1963	98.25
4 % Mysore	1952	5,24,81,200	1st Aug. 1964	98.45
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98.50
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	96.15
4 % Mysore(J)	1943	2,95,85,200	1st Dec. 1952-53	100.15
4 % Mysore(J)	1946	5,90,72,900	30th Apr. 1956-61	98.40
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98.80
4 % Mysore	1953	3,33,47,000	15th July 1963	98.60
4 % Mysore	1955	3,54,45,000	1st Sept. 1967	98.60
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	96.00
3 % M.P.	1944	52,69,800	15th Aug. 1958	98.50
3 % M.P.	1948	2,03,32,800	15th Sept. 1954	98.00
3 % M.P.	1950	1,01,44,700	31st July 1960	95.50
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,12,000	15th July 1963	98.70
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.85
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97.85
4 % Saurashtra	1955	2,51,66,000	1st Sept. 1967	99.35
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99.25
4 % Trav. Cochin	1953	3,00,00,000	15th July 1963	98.25
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98.00
3½ % U.P.Z.A.	1952	40,60,66,545‡		99.50
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90.85
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98.50
4 % U.P.	1946	2,17,58,750	1st Sept. 1960	96.00
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	93.15
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	97.85
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	98.85
4 % U.P.	1955	5,65,15,500	15th July 1963	98.75
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97.05
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97.85
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97.75
4 % M. Bharat	1953	1,00,00,000	15th July 1963	98.75
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 35,50,000	4	1904	1964	Rs.
55,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00N
40,00,000	4	1909	1970	
40,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,575	3½	1912	1960	D
80,00,000	4	1913	1974	97.00N
88,25,000	4	1914	1975	97.00N
10,00,000	4	1915	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1923*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1965	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,800	4	1914	1974	99 .00
1,50,00,000	4	1915	1975	99.00
1,50,00,000	3††	1921	1981	82.00
68,02,200	6½	1921	1981	144.00N
1,50,40,000	5	1927	1957-87	101.50
1,49,30,000	5	1928	1958-88	102.50
80,00,000	4½	1931	1991	95.00
80,00,000	3½	1936	1966	97.50
50,00,000	3½	1938	1953—68	90.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2‡	1947	1977	79.50
50,00,000	3	1948	1978	98.50
50,00,000	3	1949	1959	97.00
1,00,00,000	3	1949	1969	97.00
50,00,000	3	1950	1960	95.62
50,00,000	3	1950	1980	95.62
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1951	1961	98.50
50,00,000	4	1955	1968	100.00
75,00,000	4	1956	1968	97.75

STERLING LOANS

£892,600	5	1923	1953—58	£80.00
£901,000	5	1924	1954—84	£80.25
£885,100	5½	1932	1962	£91.00

MADRAS

Rs.				Rs.
$1,47,169	3½	1947	1977	
9,88,000‡	3	1947	1977	
8,00,000‡	3	1949	1979	A
45,00,000‡	4½	1954	1984	

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.75
4 % W. Bengal	1953	3,50,25,000	15th July 1963	99.75
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99 30
4 % W. Bengal	1956	7,00,00 000	3rd Sept. 1968	99 00

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repay-able	Market quotation
STERLING LOANS				
£566,500		1909	1969	95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs. 25,00,000	5†	1929	1959	Rs. 104.25
50,00,000	4	1934	1964	99.75
35,00,000	5†	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	91.00
80,00,000	3	1938	1963—68	90.00
80,00,000	4	1952	1968	99.75
1,02,00,000	4	1956	1968	99.00

MUNICIPAL LOANS

Rs.				Rs.
20,60,000	4	1913-15	1974	98.00
10,00,000	5	1920	1980	113.00N
25,00,000	5	1928	1958	102.00
5,45,000	5	1929	1959	102.00
26,21,500	5	1929	1959	102.00
8 25,00,000	3½	1947	1977	86.00
2 50,00,000	3½	1947	1977	86.00
4,00,00,000	3½	1950	1965	92.25
3,00,00,000	4	1952	1964	98.25
2,00,00,000	4	1953	1968	97.00
1,30,00,000	4	1954	1968	98.25
1,00,00,000†	4	1952	1964	99.00
1,00,00,000†	4	1954	1968	99.00
2,50,00,000	4	1955	1967	98.00
1,50,00,000	4	1956	1968	98.00

Rs.				Rs.
35,00,000	5	1928	1958	102.00
25,00,000	5	1929	1967	101 50
25,00,000	5	1929	1958	102.00
21,10,000	3½	1948	1978	92.00
33,91,000	3½	1935	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
15,56,800	4	1940	1957	99.50
17,64,400	3½	1942	1969	96.50
15,49,000	3½	1942	1972	92.00
15,49,000	3½	1951	1960	97.00
16,35,000	3½	1951	1961	97.00
66,58,000	3½	1951	1966	97.50
87,85,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00

Rs.				Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡—Interest free to first 12 years §—Interest free for first 5
§—Rs 999 issued and Rs 1 inoperative not operated interest.

N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	$15,00,000	1901	6	Mar. Sep.	108.50	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70.00	100
Garew & Co.	8,00,000(b)	1875	6½	Mar. Sep.	94.00xd	100
Gawnpore Sugar Works ..	10,00,000	1920	8	Feb. Aug.	110.00xd	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6.12	5
†East India Distilleries ..	£200,000	1897	7	Jan. July	16.15ed	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	62.00	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	14.00	10
Rammugger Cane	6,00,000	1933-36	6	Aug ..	100.00	100
Savalgaon Sugar	4,00,000	1943	6½	Oct. Apr.	80.00	100
South Behar Sugar	20,00,000	1936	7(a)	Dec. ..	20.00	100
Travancore	5,00,000	1946	5(c)	Dec. ..	7.25	10
Upper Ganges	15,00,000	1932	5	Dec. ..	90.00N	10(
Do.	15,00,000	1946	5(a)	Dec. ..	70.00N	10(
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	99.00	100
Bengal-Nagpur	4,00,000	1896-97	6½	Oct. Apr.	99.50	100
Borea	$2,99,800	1901-19	7	Apr. Oct.	112.00	100
Burrakur (1st)	4,50,000	1946	6(a)	.. ..	7.00	10
Do. (2nd)	4,50,000	1895	6	Mar. Sept.	99.00	100‡
Equitable	4,00,000	1946	5½(a)	.. ..	54.00	75(p)
Karanpura Collieries ..	9,87,500	1946	5	Mar. Sept.	2.50N	10
††Khas Kajora	1,93,000	1920	7	Jan. July	11.00	10
New Beerbhoom	2,00,000	1946	6	Apr. Oct.	104.00	100
Oadal	2,00,000	1895-99	6½	Apr. Oct.	104.00	100

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1954	1955	1956	1957	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
20,00,000	5,62,738	20,10,670	12,05,572	26,989	Rajputana Textiles (Agencies) Ltd.	56,468	898	Apollo Mills	2.36	2	0.12(e)	0.12			12	Y.
40,00,000	24,00,000	1,85,52,007	72,25,655	—6,97,193	M.	51,564	1,021	B. K. Cotton Mills	98.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,50,98,000	3,12,58,951	5,98,22,946	3,51,00,992	2,41,866	Nowrojee Wadia & Sons, Ltd.	2,23,552	3,984	Bombay Dyeing & Mfg. ..	528.00	250	20.00	25.00*	25.00		12	Y.
10,00,000	28,74,892	58,81,886	58,57,495	91,711	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	195.00	50	75.00†	12.50	20.00		3	Y.
1,00,42,800	2,55,21,709	6,06,66,076	2,32,91,693	7,61,731	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg. ..	398.00	100	22.00	22.00	22.00		12	Y.
49,98,980	25,42,326	1,19,99,765	65,07,285	—33 02,907	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill ..	63.00	100	*Nil*	*Nil*			12	Y.
26,00,000	13,08,380	20,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	..	Coocia Spg. & Wvg. ..	131.25	100	7.50	7.50	12.50*		3	Y.
16,00,000	24,86,890	60,10,561	54,66,041	2,17,076	Ramnarain Sons Private Ltd.	40,992	680	Dawn Mills	96.75	50	6.00	15.00	..		12	Y.
24,00,000	40,06,435	76,75,367	56,21,782	2,33,643	Puranmal Bubna Sons ..	48,718	928	Edward Textiles ..	255.00	200	15.00	18.00	..		12	Y.P.
20,98,050	16,71,233	1,20,97,050	78,22,600	95,787	M.	42,124	886	Elphinstone Spg. & Wvg. ..	50.00	50	3.00	5.00	5.00		12	Y.
50 00,000	67,64,375	1,41,78,009	82,92,207	74,257	James Finlay & Co., Ltd. ..	49,528	784	Finlay Mills	265.00	100	16.00	20.00	20.00		12	Y.
50,00,000	48,98,022	90,86,646	59,17,887	1,57,789	James Finlay & Co., Ltd. ..	40,640	1,020	Gold Mohur Mills Ltd. ..	179.00	100	12.50	15.00	15.00		12	Y.
11,84,000																
16 000	75,14,589	1,52,84,660	1,07,26,500	408	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	5,625.00	1,000	225.00	300.00	325.00		3	Y.P.
									992.50	250	56.25	75.00	81.00			
2,00,00,000	62,50,899	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,44,800	6,278	India United Mills ..	9.25	0 100	*Nil*	0.94	0.621		12	Y.
5,00,000									1.60	0 1D.	*Nil*	0.19	0.06			
5,65,000	72,74,043	1,41,26,890	1,00,89,060	4,386	M.	47,984	1,123	Indian Mfg.	5,215.00	1,000	225.00	300.00	300.00		3	Y.P.
25,000									—	500	112.50	150.00	150.00			
80,35,000	55,07,861	2,73,73,670	2,03,23,128	26,228	Khatau Makanji & Co., ..	92,852	1,489	Khatau Makanji Spg. & Wvg.	167.50	100	8.00	12.00	14.25		6	Y.P.
1,00,00,000	1,25,00,000	3,50,04,591	1,75,94,101	1,62,872	Killick Industries Ltd. ..	1,20,504	1,845	Kohinoor Mills	277.00	100	15.00	18.00	18.00		12	Y.
22,18,080	43,06,720	1,22,06,423	64,48,440	55,109	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	70.00XR	50	5.00	8.00*	8.00*		12	Y.P.
51,75,000	37,05,398	2,35,48,597	1,76,19,589	1,41,489	Piramal Sons Private Ltd. ..	71,652	1,652	Morarjee Goculdas Spg. & Wvg.	210.00	100	14.00	14.00	15.00		6	Y.P.
1,60,74,400	1,19,15,319	9,46,21,101	2,65,00,000	5,52,034	Chinai & Co. Private Ltd. ..	..	..	National Rayon Corporation ..	211.50	100	10.00	12.00	14.00*		12	Y.
24,00,000	29,50,456	78,05,743	45,70,977	53,192	W. H. Brady & Co., Ltd. ..	45,944	428	New City of Bombay Mfg. ..	132.50	100	10.00	10.00	10.00		12	Y.
80,00,000	22,01,492	95,52,784	63,37,035	245	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	222.00	100	7.50	10.00	10.00		12	Y.
48,00,000	80,10,989	1,84,29,555	84,72,255	2,40,352	Ramnarain Sons Private Ltd.	69,208	1,190	Phoenix Mills	127.50	100	8.00	10.00	..		12	Y.
40,00,000	45,54,554	48,69,967	24,25,000	4,72,683	Podar Sons Private Ltd. ..	32,600	930	Podar Mills	165.00	100	10.00	12.00*	12.00*		12	Y.P.
5,00,000	8 16,999	81,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	..	..	Sassoon & Alliance Silk Mill	8.50	10	0.50	0.50	..		12	Y.
37,70,000	1,20,21,000	1,98,85,000	1,20,29,000	11,566	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg. ..	26.50	10	1.75	2.00	2.00		12	Y.
80,00,000	48,20,061	1,12,05,790	61,47,202	6,90,705	Marwar Textiles (Agency) Ltd.	69,070	1,540	Shree Niwas Cotton Mills ..	164.00	100	14.00	12.00	12.00		12	Y.
42,00,000	33,02 179	98,78 309	78,68,752	99,017	Forbes, Forbes Campbell & Co., Ltd.	54,840	1,276	Simplex Mills	168.00	50	11.00	10.00	12.00		3	Y.P.
87,50,000	2,50,83,705	2,77,88,979	1,62,08,915	2,93,059	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	889.00	100	20.00	20.00	22.50*		12	Y.P.
1,00,00,000	98,08,485	2,51,02,081	1,33,02,735	29,124	Tata Industries Private Ltd. ..	72,236	2,000	Svadeshi Mills	182.00	100	8.00	12.00	14.00*		12	Y.P.
36,00,000	65,15,465	1,37,20,469	92,02,715	1,01,175	James Finlay & Co., Ltd. ..	39 328	552	Swan Mills	355.00	100	20.00	25.00	25.00		12	Y.P.
65,37,875	58,74,500	2,01,67,223	1,17,92,256	17,925	Tata Industries Private Ltd.	65,445	1,505	Tata Mills	41.00	25	2.50	4.00	3.50*		3	Y.P.
15,80,800	61,05,799	27,41,325	90,80,000	4,524	M.	45,508	1,308	Western India Spg. & Mfg.	4,520.00	1,000	225.00	300.00	300.00		3	Y.
AHMEDABAD																
60,00,000	21,59,000	1,43,76,525	69,76,544	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	145.00	100	5.00	7.00	12 00		6	Y.P.
10,00,000	94,58,068	94,37,898	76,10,164	27,288	P. M. Huthessing & Co., Ltd.	42,768	912	Aruna Mills	630.00	100	20.00	30.00	..		12	Y.P.
40,00,000	2,97,88,861	1,95,82,179	97,29,203	15,274	Narotam Lalbhai & Co. ..	66,412	1,216	Arvind Mills	1,062.00	100	25.00	35.00*	35.00*		12	Y.P.
30,00,000	1,71,000	94,34,584	72,25,000	2,33,389	Mangaldas Girdhar & Bros. Ltd.	39,584	692	Mangaldas Ginning & Mfg.	47.50	50	3.00	4.00	4.00		12	Y.
12,00,000	1,43,05,808	95,70,783	63,81,739	17,257	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	915.00XD	100	22.00	30.00	30.00		12	Y.
1,37,50,000	4,85,76,238	4,61,25,352	2,38,68,344	2,21,712	Karamchand Premchand Ltd.	1,39,120	2,272	Calico	574.00	125	18.00	..	30.00‡		3	Y.
68,37,000	84,58,000	1,80,06,548	99,55,000	2,760	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills ..	1,616.00	1,000	70.00	85.00	..		12	Y.
30,00,000	72,52,436	1,82,09,232	96,26,963	19,221	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	837.00	125	35.00	35.00	..		12	Y.P.
15,00,000	67 78 770	57,78,441	32,49,912	21,803	Jagabhai Bhoglial Nanavaty & Co., Ltd.	25,560	572	Rutan Mills	873.75xd	100	30.00*	20.00	20.00		12	Y.
20,00,000	1,10,62,006	99,61,103	62,28,955	1,77,073	Lalbhai Dalpatbhai & Co. ..	32,828	686	Raipur Mfg.	845.00	100	25.00	35.00*	35.00*		12	Y.P.
25,40,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Lalubhai Gordhandas Ltd.	33,168	648	Rohit Mills	165.00	100	9.00	*Nil*			12	Y.
57,50,000	2,75,14,105	1,92,47,563	1,05,24,569	2,83,336	Harivallabhdas Kalidas & Co.	94,128	1,733	Shri Ambica Mills	538.50	50	20.00	27.00*	30.00*		12	Y.
19,85,500	62,31,263	78,08,018	66,84,791	16,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	730	Shorrock Spg. & Mfg. ..	550.00	100	25.00*	25.00	..		12	Y.
38,00,000	90,34,191	1,09,66,008	78,35,291	34,644	Haridas Ashratlal & Co., Ltd.	36,176	758	Vijaya Mills	667.50	400	35.00*	35.00*	..		12	Y.
WEST BENGAL																
15,00,000	2,82,800	35,86,098	22,89,703	60,222	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills ..	5.31	10	0.50	0.50	0.60		12	Y.P.
7,98,060	9,10,617	78,14 065	52,69,911	59,290	Bengal Textile Agency, Ltd.	33,292	925	Bengal Luxmi Cotton Mills	40.00X	40	4.00	4.00	4.00		3	Y.P.
8,0,000	22,78,414	89,08,142	51,49,000	—23,47,873	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills ..	107.00	100	*Nil*	*Nil*			6,12	
19,00,000	36,12,481	1,15,16,740	74,87,579	3,50,885	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	151.00xd	100	*Nil*	2.50	6.00		12	Y.
56,38,000	....	69,03,197	15,09,197	2,632	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	5.87	10	*Nil*	*Nil*	0.37		12	Y.P.
1,40,00,000	2,82,45,820	3,76,19,825	1,81,36,833	1,86,673	Birla Brothers Private Ltd.	74,672	1,992	Kesoram Cotton Mills ..	12.50	10	0.87	0.87	1.00		3	Y.
19,47,750	7,45,000	47,06,298	48,352	1,094	Hazaremull Heeralall ..	23,036	795	Hazaremull Cotton Mills	16.00X	10	0.62	1.00	1.001		6	Y.
5,00,000									2·75N	10	*Nil*	0.34	0.201			
SOUTH INDIA AND OTHER CENTRES																
11,25,000	5,87,596	31,36,764	15,54,243	3,566	Setna & Co.	24,800	..	Ashar Textiles Ltd	217.00	100	*Nil*	12.50	15.00		6	Y.
71,94,800	28,91,264	1,84,91,530	80,78,552	1,36,048	Industrial Trust Fund ..	56,126	716	Azam Jahi Mills	79.00	100	*Nil*	3.50(c)	..		6	Y.
40,50,000	2,50,15,667	3,39,77,494	2,60,70 621	2,82,947	Binny & Co. (Madras),Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	163.00	100	30.00	30.00	30.00		12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,128	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	7.87	10	*Nil*	..	..		6,12	H.P.Y
35,00,000	88,48,588	1,25,01,101	96,69,901	1,76,936	Birla Brothers Private Ltd.	39,896	1,068	Birla Cotton Spg. & Wvg., Delhi	30.00N	10	3.00	3.00	1.50		3	Y.
1,78,47,800	2,77,73,212	6,69,41,316	3,97,01,812	2,28,220	Binny & Co. (Madras), Ltd...	1,20,288	2,762	Buckingham & Carnatic ..	162.00	100	10.00	10.00	10.00		12	Y.P.
20,00,000	20,00,000	42,38,585	23,99,012	58,584	Peirce, Leslie & Co., Ltd. ..	37,586	4	Cambodia Mills	11.25	10	*Nil*	0.50	0.50		6,12	H.P.Y.
18,00,000	8,11,000	40,38,249	25,65,281	8,094	K. Damaraju & Co. ..	20,000	..	Cananasee Spg. & Wvg. ..	163.00	100	20.00	12.00	15.00		3	Y.
20,00,000	29,51,420	69,40,829	61,72,376	26,767	Begg, Sutherland & Co. Private Ltd.	37,016	591	Cawnpore Textiles	5.00	10	*Nil*	2.50	0.25		3	Y.
9,37,470	2,00,000	50,87,536	18,02,163	58,798	G. R. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	11-20	10	*Nil*	*Nil*	0.62	0.75	6,12	
12,00,000	10,01,006	41,07,284	30,65,709	10,889	K. Ithesma Naidu & Co. ..	23,864	..	Coimbatore Cotton Mills ..	142.00	100	25.00	25.00	25.00		6	Y.
30,00,000	19,95,000	86,59,430	34,25,921	14,822	T. R. V. Naidu & Co. ..	37,220	..	Coimbatore Pioneer Mills ..	179.00	100	20.00	20.00	..		6	Y.
20,76,000	5,076	1,18,00,858	85,58,242	21,920	R. G. S. Naidu & Co. ..	72,188	407	Coimbatore Spg. & Wvg. ..	83.00	50	6.00	8.00	..		12	Y.P.
46,57,500	46,12,662	2,50,88,377	1,63,51,844	18,315	Tata Industries Private Ltd.	67,288	1,030	Cantral India	101.00	100	2.00	3.00	*Nil*		12	Y.
3,38,56,235	3,06,82,110	11,16,81,472	5,81,57,827	1,98,712	B. E. Charat Ram & Co. Private Ltd.	1,41,180	2,262	Delhi Cloth & General Mills ..	35.45	25	2.00	2.50	2.50		3	Y.P.
										25	0.28	0.22	0.25			
84,84,000	22,25,000	66,71,865	45,12,585	....	M. N. Chettiar & Sons ..	38,052	901	Dhanalakshmi Mills	300.00	100	30.00	30.00	25.00		12	Y.
63,00,000	93 47,056	1,54,57,568	1,25,57,843	....	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	10	10	1.00	1.00	1.25		3	Y.
45,81,000	37,59,771	1,06,45,241	73,48,088	8,185	Forbes, Forbes Campbell & Co., Ltd.	72,904	5	Gokak Mills	173.00	100	15.00	18.00	18.00		12	Y.P.
2,50 00,000	2,25,000	9,41,27,151	....	1,06,74,790	Birla Gwalior Private Ltd. ..	....	..	Gwalior Rayon	11-20	10	*Nil*	*Nil*	*Nil*		3	Y.
50,00,000	21,27,574	1,48,10,139	1,16,80,184	9,716	K. L. Sakaria, Esq. (Chairman)	51,180	1,430	Indore Malwa United ..	137.50	100	6.00	9.00	11.00		12	Y.
8,00,000	10,65,683	31,40,455	19,97,477	....	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardhana Mills	82.00	50	5.00	10.00	10.00		12	Y.
18,54,000	18,24,703	45,22,284	33,86,095	7,012	Mr. Bhairuratan Damani (Mg. Director)	20,212	512	Jam Shri Ranjitsinghji	1,505·00	1,000	20.00	50.00	60.00		6	Y.
22,42,525	19,25,000	92,32,480	52,49,160	41,492	Kothari & Sons	41,040	200	Kothari Textiles	12.00	10	0.50	1.00	1.00		6	Y.
32,00,000	67,91,510	1,69,61,585	1,26,19,465	20,876	M.	50,452	1,219	Lakshmi Cotton Mfg. ..	630.00	250	33.75	42.50	42.50		12	Y.
35,54,100									140.00	50	10.00	12.50	12.50			
17,32,050	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	28,160	801	Lakshmi Mills	67.00	25	5.00	8.25	8.25		3	Y.
1,74,02,480	4,24,40,278	5,83,51,924	2 77,47,982	32,44,130	A. & F. Harvey Ltd. ..	4,58,000	..	Madura Mills	40.00	15	3.00	3.00	2.62		12	
12,00,000	3,67,03,583	29,68,352	16,76,700	213	V. K. Ezhil (Chairman).	12,592	100	Malabar Spg. & Wvg. ..	109.00xd	100	*Nil*	*Nil*	8.00		12	
60,00,000	69,14,000	65,94,131	45,89,145	5,157	W. A. Beardsell & Co. (Private) Ltd.	25,656	608	Mettur Industries Ltd. ..	813.00xd	100	22.50*	35.00	42.00		12	
29,80,884	19,58,081	92,42,488	58,37,735	19,562	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	84.00	100	5.00(c)	6.00	6.00		12	
24,91,580	21,54,146	1,71,94,769	75,31,885	1,88,008	M.	52,408	952	Model Mills (Nagpur) ..	100.00	100	5.00(c)	6.00(c)	7.50		6	
24,32,500	50,84,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co. Private Ltd.	50,480	500	Mysore Spg. & Mfg. ..	100.00	56	8.00*	6.00(c)	0 00*		3	
19,81,780	6,000	29,25,252	15,12,761	—1,50,655	R. Seriverasarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	7.70	10	*Nil*	*Nil*	*Nil*		3	
37,19,600	55,48,220	1,69,99,989	61,01,561	74,722	Industrial Trust Fund ..	37,788	902	Osmanshahi Mills	55.00	100	*Nil*	2.50(e)			9	
4,00,000 A	13,00,000	65,46,779	25,36,447	8,530	Bhaghyalakshmi & Co. ..	41,200	..	Palani Andavar Mills] ..	147·00xd	50A	12.00	12.00	15.00		12	
6,00,000 B									147·00xd	75B	18.00	18.00	22.50			
15,08,000	1,65,000	34,16,017	17,49,676	—14,98,997	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	65.00	100	*Nil*	4.00(c)	..		12	
16,81,200 A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	55,664	800	Radhasriahna Mills	271.00	100A	16.00	20.00	..		12	
8,40,600 B									135.50	50B	8.00	10.00	..			
15,00,000	30,00,000	48,74,196	25,94,337	11,081	B. R. Naidu & Sons ..	33,896	..	Rajalakshmi Mills	111.00xd	50	10.00	10.00	..		12	
16,14,500	12,00,000	32,92,216	17,41,454	10,510	Ramco Agencies Ltd. ..	24,996	..	Rajapalayam Mills	140.00	100	6.00	10.00	10.00		12	
22,31,750	12,40,000	49,64,422	21,20,515	32,012	Rayalaseema Development Co.	14,500	..	Rayalaseema Mills	150.00	100	9.00	10.00	10.00		12	
15,98,900	1,60,55,917	3,18,49,081	2,06,07,227	—1,65,20,798	Morarka & Co.	95,222	2,234	Sholapoor Spg. & Wvg. ..	1,225.00	1,000	*Nil*	*Nil*	*Nil*		3	
10,000									—	500	*Nil*	*Nil*	*Nil*			
36,49,700	17,18,000	81,44,272	65,28,218	1,09,148	H. N. Pallegar, Esq. ..	30,744	292	Sri Krishnarajendra Mills	99.00	50	4.50	5.00	7.00		3	
15,00,000	3,43,80,155	99,62,132	39,62,753	30,65,553	Birla Brothers Private[Ltd. ..	30,212	1,244	Sutlej Cotton Mills	90.00N	10	5.00	6.00	6.00		3	
21,80,000 O	2,30,00,000	4,54,40,847	1,70,63,159	1,09,029	Jaipuria Brothers	1,12,216	2,061	Swadeshi Cotton (Kanpur)	11·50N	100	0.75	0.75			3	Y.P.
1,48,200 P									11·00N	10P.O.	1.15	1.15	..			
1,80,00,000	30,14,788	3,80,55,317	1,27,16,775	2,68,771	Emcecte & Sons (Travancore), Ltd...	....	..	Travancore Rayons	12·50xd	10	0.62	0.75	..		12	Y.P.F.
12,98,670	9,50,000	17,49,881	12,41,858	62,857	Moolji Ramjee & Sons ..	18,000	..	Trichinopoly Mills	12.30	10	0.89	0.89	1.12		12	Y.P.
21,00,000	38,50,000	80,72,834	47,52,519	44,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	235.00	100	15.00	20.00	20.00		12	Y.
83,86,000	31,89,009	1,74,27,020	1,17,94,860	15,922	M.	47,240	1,355	Vishnu Cotton	113.75	100	4.00	8.00	8.00		12	Y.

● Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of Reserved.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
						Deccan Sugar & Abkhari ..	6.90	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
19,92,000	25,48,500	1,12,48,027	57,39,029	1,23,240	Parry & Co., Ltd.	Dyer Meakin Breweries ..	6.06	5	0 8	0 8	0 8	0 8	3	Y.
16,20,630	26,75,014	29,38,961	16,23,422	3,726	Mr. K. G. Khanna	East India Distilleries and Sugar ..	26.30	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P
							—	B. £1	Sh. 4	Sh. 3	Sh. 3	Sh. 4		
£549,950	£1 149,466	£1,757,923	£341,807	£59,449	Parry's Holdings Private)Ltd. ..	United Breweries	166.00	75	15 0	15 0	15 0	15 0	3	Y.
6,00,000	9,60,000	15,96,636	15,96,629	4,679	Vital Maliya, Esq., (Chairman)									
CEMENT														
51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	12.55	B. 10	1 0*	1 0	1 0*		12	Y.P.H.
43,14,600 O.							5.25	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.H.
4,70,976 D.	13,13,132	1,44,65,792	53,48,079	4,59,342	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	1 00	D. 1						
12,71,67,253	3,46,89,450	27,75,38,013	9,84,43,675	2,93,958	Cement Agencies (Private) Ltd.	Associated Cement Companies	156.00	100	9 8	9 8	10 0	10* 0	7	Y.T.
60,00,000 O.							11 50	O. 10	1 0	1 0	1 0			
26,50,000 D.	60,02,251	96,09,838	34,70,080	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat) ..	2.75	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,000 D.							3.00	D. 1	0 1-3/5	0-1 3/5	0 2			
62,45,750 O.	19,00,000	1,61,41,804	54,02 378	2,97,128	Hasen Private Ltd.	India Cements Ltd.	25.70	O. 25	*Nil*	1 4	1 14	2 1	3	Y.P.
1,50,000 D.							5.15	D. 5	*Nil*	*Nil*	0 6	0 6 3/5		
67,86,500	31,41,985	1,83,18,049	89,73,404	2,78,525	Dalmia Agencies Private Ltd. ..	Orissa Cement Ltd.	12.85	10	0 12	1 4	1 8		12	Y.P.
88,03,275	44,50,000	2,04,30,192	86,59,068	41,941	Shree Laxmi Agents Ltd. ..	Shree Digvijay Cement	141.00	100	6 0	8 0	8 0		12	Y.
75,00,000	23,45,000	1,91,72,337	1,45,45,476	50,722	M.	Sone Valley Portland Cement..	5.60	5

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45 00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	75.00N	25	1 9	3 2	4 11		6,12	H.P.T
65,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp	20 00	10	12 0	14 0	16 ex \	11 1/5‡	3,9	H.
25 00,000	20,12,500	1,43,61,701	67,07,880	47,166	T. Shanmuna, Esq. (Chairman) ..	Mysore Paper Mills	15 00	10	1 0*	0 12*	0 12*	1 0*	3	V.
1,46,82,500	2,15,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd...	Orient Paper	23.50	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,49,070	67,82,768	1,55,90,914	96,51,893	1,17,735	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	14.25	10	1 8	1 8	1 4	0 10‡	6,12	H.P.T.
20 00,000 }	6 50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	{ 10 00 O. 10		0 12	0 12	1 4	}	3,9	H.P.T.
10 00 000 A. }							{ 10 00 A. 10		0 12	0 12	1 4	}		
2,18,55,340	49,18 060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	{ 31.56 A. 10		2 0*	1 8	2 0*	1 2‡*	6	Y.P.
56 00,000A. }							{ 31.56 B. 10		2 0*	1 8	2 0*	1 2‡*	3,9	H.P.
56 04,800B.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	4.00 P.O. 24		0 4	0 4	0 4	0 2‡*		
4,87,800P.O. }														
PRESSING														
5,00,000	3,26,572	13,912	11,912	20,934	Andrew Yule & Co.	Calcutta Hydraulic	90.00N	100	3 0	4 0	*Nil*	*Nil*	6	Y
5,00,000	2,47,132	10,91,809	9,30,374	26,289	Andrew Yule & Co.	Central Hydraulic	110.00	100	4 0	5 0	5 0	6 0	6	Y
PROPERTY AND LAND														
10,00,780O. }	6,93,332	43,52,570	22,63,279	86,000	S. A. Basil, Esq. & others (Directors)	Humayun Properties	{ 18·50N O. 10		0 11½	0 9 3/5	0 9 3/5		9	Y.P.
3,00,000D. }							{ 2·75N D. 1		0 4/5	*Nil*	0 9 3/5			
60,00,000	14,00,051	83,91,859	16,91,500	....	M.	Port Canning Land	4.34	100	1 8	1 8	*Nil*	*Nil*	4	Y.
94,00 000	86,79,109	93,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	21.00	100	1 8	4 0	3 0	*Nil*	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	22,83,439	32,33,742	11,96,031	....	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	2.25	3	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
50,00 000 }	4,18,54,388	3,98,84,871	1,71,93,141	89,548	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 545.00 Old 25		15 0	20 0	37 8	40 0	6	Y
42,00,000 }							{ 200.00 New 50		6 0	8 0	15 0	16 0		
6,00 000	....	7,28,560	7,26,527	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	25.00N	100	*Nil*	*Nil*			6	Y.P
90,00 000	21,15 487	19,00,295	14,85,560	2,76 619	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	38.50	10	2 8	2 12	3 9	1 0‡	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	12,32,202	42,04,482	29,87,602	—48,371	Begg, Sutherland & Co. Private Ltd.	Balrampur Sugar	5·50	5	*Nil*	0 12	0 1	*Nil*	6	Y.
12,00 000A. }	29,80,260	55,40,881	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd. ..		{ 128·00N A. 100		10 0	10 0	10 0	10 0	4	Y.T.
3,00,000B. }							{ 14·00N B. 10		1 0	1 0	1 0	1 0		
19,49,050	8,25,000	33,76,107	25,31,569	73,488	Bangur Bros., Ltd.	Belsund Sugar	10·00 74		0 12	0 12	0 12	1 0	9	Y.
15,00,000	13,51,513	18,12,168	12,47,841	2,330	Cotton Agents Private Ltd.	Bharat Sugar	13·50N	10	1 8	1 8	1 8	1 8	6	Y.P.
22,00,000	27,44,459	1,40,84,581	95,71,755	20,716	Gladstone Lyall & Co., Ltd.	Carew & Co.	7.00	10	*Nil*	0 12	0 4	*Nil*	6	Y.P.T.
80,00,000	65 63,722	1,63,27,398	86,27,882	91,991	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	14 12	10	2 8	0 12	0 12	0 12	10	Y.P.
18,00,000	89,72,380	81,58,085	55,45,344	89,508	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	20·75	10	1 0	1 0	1 8	1 0	6	Y.
5,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10·00N	10	1 0	0 12			8	Y.T.
90,00,000A. }	44,95,009	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	{ 276·00 A. 100		15 0*	15 0*	15 0*	15 0	6	Y.P.
10,00,0000. }							{ 100·00 O. 100		15 0*	15 0*	15 0*	15 0		
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	65·00	80	*Nil*	*Nil*	4 8		7	Y.P.
							46 25	50	*Nil*	*Nil*	2 4			
7,89,100	22,35,852	44,42,878	22,31,723	3,730	Cotton Agents Private Ltd.	New India Sugar Mills	28·00N	10	2 8	2 8	2 8	2 8	6	Y.P.T
11,00 000	4,45,000	46,39,636	27,41,293	10,796	K. C. Thapar & Bros. Private Ltd. ..	New Savan	4·25	10	0 4	0 4	0 4	0 6	5	Y.
12,98,000 }	48,01,854	71,28,062	24,33,984	9,769	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	{ 225·00N	100	20 0	20 0	20 0	20 0	6	Y.
51,37 }							{ 60.00	25	5 0	5 0	5 0	5 0		
77,45,350	55,05,699	2,04,73,468	1,05,50,000	20,562	Cotton Agents Private Ltd.	Oudh Sugar	140.00	100	11 0	11 0	11 0	11 0	7	Y.P.
12,00 000	12,69,374	31,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd. ..	Punjab Sugar	100·00	100	10 0	10 0	6 0		10	Y.
9,00,000	10,64,317	43,90,345	31,54,228	20,705	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	15·50	10	1 0	0 12	0 12	0 12	10	Y.P.
8,00,000	6,10,793	28,74,028	22,66,790	13,204	M.	Ryam Sugar	20·00	10	0 8	0 8	*Nil*	1 12	6	Y.P.
11,99,000	19,38,520	45,20,102	24,12,129	3,554	Begg, Sutherland & Co. Private Ltd.	Samastipur Central Sugar	10·50	10	0 8	0 8	*Nil*	*Nil*	6	Y.
39,70,525	22,68,560	1,40,84,561	66,35,007	16,381	Saha Jain Ltd.	Shree Krishna Gyanoday Sugar ..	9·50	10	1 8	1 8	1 12	1 0	8	Y.P.T.
9,99,950	26,825	29,30,774	13,51,547	—4,25,477	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4·75	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
						Shri Sitaram Sugar	15.06	10	2 0*	1 8*			8	Y.T.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros. ..									
9,15,000O. }	46,462	29,66,360	13,46,770	—16,37,907	M.	South Bihar Sugar	{ 1·00N O. 10		*Nil*	*Nil*	*Nil*		} 10	Y.P.T.
4,40,000D. }							{ 0·25N D. 24		*Nil*	*Nil*	*Nil*			
8,00,000	29,24,348	1,15,70,815	66,03,754	32,829	Cotton Agents Private Ltd.	Upper Ganges Sugar	60·00N	100	2 8	2 8	2 8	3 0	6	Y.P.
16,00,000	7,66,589	82,09,951	26,68,928	20,564	M.	United Provinces Sugar	13.50	10	0 8	1 4	1 8		6	Y
Other Centres														
80,00,000	8,00,000	48,07,30a	14,63,228	1,90,837	Rangarao & Co.	Andhra Sugars Ltd.	18.75	10	*Nil*	*Nil*	0 9 3/5	1 0	9	Y.
70,49,650	56,92,027	1,48,40,350	1,06,91,570	52,011	W. H. Brady & Co., Ltd.	Belapur Company	220.00	50	16 0	16 0	16 0	16 0‡	9	Y.
17,50 000	8,86,885	25,66,598	22,76,609	33,609	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	17.80	10	0 10	1 0	1 0	1 8	6	Y.P.
15,00,000	37,08,185	32,89,314	8,24,898	33,344	A. H. Bhiwandiwalla & Co.	Shree Changdeo Sugar	8·00	10	1 0	0 8	1 0	1 0	6	Y.
15,93 900	12,63,211	40,73,141	23,64,595	14,709	Sir J. P. Srivastava & Sons (M.B.) Ltd.	India Sugar Agencies Private Ltd.	13·50xd	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
55,94,920	14,89,827	33,70,627	19,25,045	6,76,986	India Sugar and Refineries	Jeypore Sugar	12·75	10	1 0	1 0	1 0	0 9-3/5	6	Y.P.
20,62,558	12,18 785	46,34,173	11,11,505	22,569	E. S. Ind. Corpn. Private Ltd. ..	Rithand Sugar	14·50N	10	1 0	1 0	1 0		6	Y.P.
33,57,526	45 51,080	42,61,227	21,95,927	15,645	Govan Bros. (Rampur), Ltd.		{ 135.00 O.100		7 8	7 8	7 8	7 8‡	10	
10,52,200O. }	79,50,000	1,79,03,447	85,20,365	26,868	V. Ramakrishna, Sons (Private) Ltd...	K. C. P. Ltd.	{ 145·00 D. 10		10 0	2 0	10 0	10 0‡	6	Y.P.
2,87,190D. }									10 0	2 0	10 0	10 0‡		
21,79,280	86,24,818	1,39,89,149	82,81,728	2,68 107	S. Muttunanjappa, Esq. (Mg. Director)	Mysore Sugar	37.50	10	2 0	2 0	2 0	2 0	6	Y.
60,00,000	53,00,440	1,90,70,631	83,65,454	92,981	Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	130·25	50	6 0	8 0	8 0	9 0	6	Y.
16,59,820	41,20,000	58,54,984	31,76,680	1,25,739	Anderson Wright Ltd.‡	Ramnugger, Cane and Sugar ..	37·50	10	2 0	1 8	3 0	2 0	6	Y.P.T.
90,00,000O. }	35,02,395	95,61,317	56,00,576	67,511	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	{ 125.00N O. 50		*Nil*	2 8	0 12	1 0	9	Y.P.T.
4,00,000D. }							{ 7.00N D. 10		*Nil*	*Nil*	0 1 1/5	7%		
19,99 500	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd.	Raza Sugar	15·50N	10	1 0	0 12	1 0		10	Y.
30,00,000	9,10,000	2,33,80,253	99,17,710	1,75,780	Parry Co., Ltd.	Rohtas Industries	10.00	10	*Nil*	0 12	1 0	1 0	9	Y.P.
1,01,00,000	1,08,46 253				Walchand & Co. Private Ltd. ..	Walchandnagar Industries	242.00	100	{ 4/5 O	16 0	18 0	21 0	9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69,622	1,24,09,186	18,29,251	1,10,020	Andrew Yule & Co.	Bengal-Assam Steam ship Co ..	118.00	100	10 0	7 8	7 8	7 8	10	Y.P.
1,60,00,000	15,37,515	4,41,85,884	1,65,99,519	1,54,925	Birla Line Ltd.	Bharat Line	80.00N	100	5 0	5 0	5 0		12	Y.
60,00,000	81,00,611	3,31,00,904	69,55,708	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	19.30	10	1 0	1 0	*Nil*	1 0	6	Y.
						India General Navigation & Rly. Co.	65.00	510	*Nil*	Sh. 1 0	Sh. 10		12	Y.P.
£555 580	£1,098,198	£5,614,160	£3,397,531	£32,068	Kilburn & Co., Private Ltd.	India Steamship Co.	10·20	10	0 8	*Nil*	*Nil*	1 0	12	Y.P.
$25,00,000	$9,99,232	$64,47,644	$22,99,146	25,920	Lione Edwards Ltd.	Scindia Steam Navigation Co ..	18·20	20	0 12	0 8	0 8	1 0	6	Y.P.
£39,98,060	£9,00,12,101	£2,64,99,394	£,85,66,202	5,62,020	M.		{ 2.00 O.		as. 1/8/25	1 2 5/8	as 2 6/25			
£,40,800O. }	19,68,266	11,55,483	17,39,969	1,34,493	B. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	1.75	P.O. 1	as. 19/25	1 19/25	as.122/25		} 12	Y.
10,200P.O. }														
UNCLASSIFIED (Bombay)														
2,40,000	71,000	5,66,321	4,22,864	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	580·00	200	32 0	32 0	32 0	30 0	9	Y.
15,98,860	2,04,174	2,54,474	90,000	1,99,881	M.	Bombay-Uganda	60·00N	80	5 0	4 0	*Nil*		12	Y.
35,00,000	1,00 000	22,87 314§§	....	225	M.	Devkaran Nanji Investment Co.	11·50	25	0 12	0 12	0 12	0 13	3	Y.
5,57,00,000	1,03,93,754	4,55,59,017	1,03,65,562	94,16,728	A. J. C. Hoskyns-Abrahall (Chairman).	Hindustan Lever	19·25	10	..	..	..	1 4	12	Y.T.
80,17,900	13,83,886	66,39,283	39,24,587	38,602	Birla Brothers Private Ltd.	Ill Cycles	115.00	100	8 ..	10 ..	10 ..		12	Y.P.
14,98,840	4,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	87.75	50	*Nil*	3 0	2 0		3	Y.P.
99,99,250	20,12,980	1,22,60,062§§	....	3,23,876	Premchand Roychand & Sons ..	Industrial Investment Trust ..	69.00	100	4 8	4 8	4 8	5 0	12	Y.
99,99,972	85,08,853	1,85,47,226	8,04,331	4,589	K. G. Milne, Esq. (Mg. Director)	Industrial Automobiles	156.00	100	10 0	11 0	11 0	11 0	6	Y.
2,20,18,775 A.O.	89,14,255	3 06,59,681	1,49 05,326	6,05,448	Aero-Auto Private Ltd.	Premier Automobiles	85.25	100	*Nil*	*Nil*	*Nil*	6 0	6	Y.T.
10,21,200	5,05,419	8,09,102	5,79,614	7,356	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	28.00	20	2 0	2 0	2 0	2 0	12	Y.
2,75,00,000	1,35,45,829	3,14,34,161	1,59,08,276	5,02,238	Mr. A. Eydari & Mr. S. Gothberg ..	Western India Match Co., Ltd.	162.50	100	10 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	62,53,390	7,44 904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg. Dirce or).	W. H. Brady & Co., Ltd.	850·00	150	20 0	20 0	20 0	22 8	12	Y.
Other Centres														
47,50,000	.94,82,558	8,73,51,606	72,16,869	1,16,199	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	{ 8.50 O. 10		*Nil*	*Nil*	*Nil*	0 8	3	Y.P.S
2,50,000 }							{ 3.50N D. 24					*Nil*		
40,00,000	28,20,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd...	Aluminium Industries Ltd.	12.60	10	1 4	1 4	1 4*	1 4*	3	Y.
30 00,000	36,18,873	84,21,252	22,94,853	2,36,874	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	16·87	10	1 4	1 4	2 0*	2 0*	6	Y.
30,00,000	15,70,000	39,30,721	21,20,441	1,72,675	M. A. Hydari & Mr. S. Gothberg ..	Assam Match Co., Ltd.	15.25	10	1 4*	1 4*	1 4*	1 4*	12	Y.
20,00,000	22,47,883	1,02,58,021	36,87,880	2,45,122	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India	7·50N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 3-1/5	3	Y.P.T.
20 01,400	1,16 53,000	67 47 111	23,97 111	5,03,129	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd.	142·00	100	20 0*	12 0‡	12 8		12	Y.
12,00,000	12,56,000	33,30,386	25,71,386	60,879	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	25.12	10	1 8	2 0	2 8	2 8	12	Y.
20,00,000	8,05,715	62,28,492§§	....	37,612	Lovelock & Lewis	Birds Investment Ltd.	13.87	10	1 4	1 4	1 4	1 0	3	Y.P.
45,97,020	30,11,814	1 10 56,424	23,87,889	1,79,277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	13.00	10	0 8	1 0	1 0	1 0	3	Y.
3,25,00,000	1,55,55,571	3,06,08,577	2,33,80,121	1,29,521	W. H. Christie, Esq. (Mg. Director)	British Lion Corporation Ltd. ..	6.00	5	0 8	0 12	*Nil*	2½	3	Y.
1,88,80,000	17,34,764	2,03,27,285§§	....	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	9·84	10	0 4 1/5	0 8 1/5	0 9	1 6	3	
1,60,00 000	3,40,86,174	5,55,01,695	2,48,71,167	13,24,595	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	17.62	10	1 8	1 8	1 8	1 8	12	Y.
51,26,000	54,10,811	1,72,17,867§§	....	5,27,916	Bird & Co. Private Ltd.	Empire Industries	104·00	100	9 0	9 0	9 0	9 0	12	Y.
14,00,000	10,02,000	88,31,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	107·00	100	20 0	15 0	15 0	8	6	Y.
65,00,000	58,17,300	19,73,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	11·31	10	7 8	7 8	1 6 2/5	1 0 3/5	3	Y.P.
80,00,000	14,67,354	81,29,620	24,08,938	7,65,018	B. P. K. Syndicate	Great Eastern Hotel	226·00N	250	15 0	6 4	6 4	16 0	3	Y.
4,98,05,700		3,94,18,142	1,81,88,541	6,16,062	Birla Brothers Private Ltd.	Hindustan Motors	6·85	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
2,01,10,000	56,56 543	4,80,45,265	1 96,84,142	7,87,410	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co. Ltd.	12.69	10	*Nil*	*Nil*	0 0	1 0	12	Y.P.
1,58,89,230	1,87,20,000	1,99,86,793	71,50,911	82,04,274	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	21.56	10	1 0*	1 0*	1 4*	1 6	3	Y.P.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	26.00	10	0 12	0 8	0 10	0 10	3	Y.
16,16 00,000	7,89,02,692	4,15,59,461	1,63,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman ..	Imperial Tobacco Co. of India Ltd.	13 75	10	..	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
2,00,00,000	57,39,585	87,46,656	11,08,843	5,11,853	G. M. Mackinlay, Esq.	Jardine Henderson	70·00	100	7 8	7 8	7 8	7 8	3	Y.P.
40,00,0000. }	80,86,909	86,18 972	8,73,670	2,57,234	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co	{ 210.00 O.100		10 0	17 0	2- 8‡		12	Y.P.
5,00,000D. }							{ D.O.10		0 0	0 8 1/5	1 12			
1 45 96,500	81,82,796	24,06,298	13,34,790	2,70,207	T. Leslie Marti , Esq. (Mg. Director).	Martin Burn Ltd.	22.56	10	1 6*	1 6	1 12	2 2*	9	Y.P.
1,15,00,000	55,50,000	1,88,37,978	76,00,772	16,23,949	H. Chiswell Jones, Esq. (Chairman) .	Metal Box Co. of India, Ltd. ..	24·37	10	1 0	1 0	1 4	1 10	3	Y.P.
6,35,585	1,55,250	7,83,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works	9·37	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
6,56,250	9,18,996	11,18,541	5,51,088	440	Mr. J. L. D'Sa (Controller)	Mysore Sheep Breeding Farms ..	15·00	10	1 0	1 0	0 12	0 14 2/5	3	Y.
10,00,000	2,18,500	15,54,005	4,41,213	1,46,615	H. L. Parthasarathy Esq. (Chairman).	Mysore Tobacco	14·10	10	1 0	1 4	1 0	1 8	3	Y.
2,00,00,000	78 15,505	1,50,98,462	50,60,695	21,19,752	J. R. Galloway, Esq. (Mg. Director).	National Carbon Co. (India) Ltd.	23.12	10	3 0	4 0	3 4	1 8	12	
40,00,000	74,71,172	63,80,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	20.75	10	1 0	1 0	1 8*	2 0*	3	Y.P.
						National Rolling & Steel Ropes	9·37	10	0 9	0 9½	0 9½	0 9½	6	Y.P.
40,00,000	15,00,000	98,19,295	21,17 403	75,726	Do	National Tobacco Co.	10 00	10	*Nil*	0 8	0 12 4/5		12	Y.P.
79 97,000		1,17,52,787	57,19,288	8,99,582	B. N. Elliss & Co., Ltd.	Rallis (India) Ltd.	30.75	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
2,25,00,000	8,71,248	1,45 28,415	44,23,272	—6,12,983	M. P. A. Pestonji, Esq.	Rohtas Industries	16.62	10	1 4	1 8	1 8		10	Y.P.T.
1,72,24,400	1,31,20,208	7,56,84,680	3,47,94,970	4,91,624	Sahu Jain Ltd.	Spencer & Co., Ltd.	15·00	10	1 8	1 8	1 8	1 8	6	Y.
40,00 000	87,06,558	1,21,67,804	72,00,327	6,32,212	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	11·19	10	1 0	1 4	1 0	*Nil*	12	Y.
75,00,000	54,13,860	17,49,816§	5,53,635	2,85,280	S. M. Smith, Esq. (Mg. Director) ..	Travancore Ogale Glass	8·30	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
9,98,380	....	14,51,909	4,53,782	—47,988	Ogale Bros. (Private) Ltd.									

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent shares in the firm of Shaw Wallace & Co

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 106 each which subsequently were divided into shares of Rs .10 each.

Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,48,700	8,70,619	11,24,864	5,36,169	....	McLeod & Co., Ltd.	825	Amluckie	25.00xd	10	25 0	72 0	19 0	3 0‡	12	Y.P.
3,60,000	8,43,250	10,69,902	2,43,089	50,526	Gillanders Arbuthnot & Co., Ltd.	429	Ananda (Assam) Tea	34.00	10	1 4	7 8‡			12	Y.
3,80,000	8,98,350	11,31,675	2,65,936	26,051	McLeod & Co., Ltd.	437	Ananda Bag	20.00	10	2 8	8 0*	1 0		12	Y.
5,80,000	11,21,541

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,80,000	1,60,000	3,02,380	81,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3·35	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	24,50,000	52,81,468	5,60,577	71,735	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	6·65cd	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,60,000	36,13,155	7,13,068	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	24·69	10	0 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	45,87,750	1,16,65,880	25,18,535	1,12,312	R. C. Paterson, Esq.	Consolidated Coffee	21·90	10	1 8	1 12	2 4	3 0	6	Y.P.T.
4,00,000	6,47,665	7,58,759	40,878	1,009	Associated Planters Ltd. ..	Cottanad Plantations	17·25	10	1 8	1 8	1 12*	1 8	3	Y.P.
18,00,000	9,00,543	25,86,790	5,31,442	37,145	A. V. Thomas & Co., Ltd. ..	Highland Produce	13·80cd	10	1 4	2 8	2 0	2 0	12	Y.P.
4,00,000	10,92,899	18,33,826	2,21,241	4,859	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24·00	10	2 0	2 0	2 12	3 0	4	Y.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kaithanar, Esq. ..	Malankara Rubber	27·00	10	5 8	2 4	2 4	3 4	3	Y.
57,00,000	29,11,092	77,71,161	8,84,890	1,07,840	A. V. Thomas & Co., Ltd. ..	Midland Rubber	14·75	10	1 8	1 12*	2 8	2 0	5	Y.P.T.
2,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nilambur Rubber Co.	16·25	10	1 0	1 0	1 8	....	12	Y.P.
2,00,000	2,68,500	7,81,498	50,977	5,110	Associated Planters Ltd. ..	Ouchterloney Valley Estates ..	4·50	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10	Y.P.T.
19,45,980	21,29,615	43,87,395	14,23,968	Nil	Peirce, Leslie & Co., Ltd. ..	Rajagiri Rubber	15·50	10	1 12*	1 12*	2 0	2 8	6	Y.
13,50,000	...,90,000	42,15,515	...,2,127	8,082	A. V. Thomas & Co., Ltd. ..	Savamalai Estates Ltd.	19·25	10	3 0	2 8	1 0	1 8	11	Y.
3,66,780	3,50,000	7,77,412	78,578	71,342	Peirce, Leslie & Co., Ltd. ..	Teekoy Rubber (India) Ltd. ..	8·05	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3	Y.P.T.
10,00,000	3,09,600	22,34,273	1,49,071	8,472	East India Agencies Private Ltd.	Thamaraipally Rubber	24·00xd	10	3 0	3 0	3 0	....	12	Y.P.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1·57	1	0 4½	0 13/5	0 2	0 2	9	Y.T.
9,15,300	4,00,000	20,99,924	99,217	27,055	Peirce, Leslie & Co., Ltd. ..	Travancore Rubbers	15·00	10	2 0	2 0	3 0	....	12	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber & Tea Co., Ltd. ..	7·65	10	1 0	1 8	1 4	0 12	12	Y.P.
41,00,000	13,61,221	81,07,222	12,04,245	3,46,523	Aspinwall & Co. (Travancore) Ltd.	Tropical Plantations Co.	27·00	25	3 0	5 0	4 0	....	12	Y.
20,00,000	....	27,70,782	6,45,989	27,927	P. T. Thomas, Esq. (Mg. Director)	Vaikundam (Travancore) Rubber ..	29·40cd	10	2 0	2 4	2 8	1 8½	12	Y.
6,25,880	5,40,670	8,61,488	1,16,123	40,780	Harrisons & Crosfield Ltd. ..	Woodland Estates	9·50	10	1 0	1 8	2 0	1 4	3	Y.P.T.
6,76,010	97,259	13,34,568	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)									

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	47,00,000	1,06,27,544	56,37,564	29,690	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	7.00	10	1 0	1 10	0 10	6 4	3.9	H.T.P.
6,00,000	10,25,000	53,46,050	37,72,102	2,45,707	McLeod & Co., Ltd.	446	Alexandra	135·00	100	2 8	7 8	10 0	5 0	6,12	H.P.
30,00,000	5,25,000	1,17,61,827	54,41,069	24,402	McLeod & Co., Ltd.	1,264	Alliance	70·00	100	5 0	12 0	6 0	Nil	6,12	H.P.
49,20,700	69,00,000	2,90,90,382	1,93,15,000	2,30,192	Duncan Bros. & Co., Private Ltd.	2,561	Anglo-India	132.00	100	12 8	7 8	8 8	3 8	3.9	H.P.T.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co. Private Ltd.	810	Auckland	75.00	100	4 0	3 8	10 0	1 0	3.9	H.P.
20,00,000	23,80,918	96,91,416	55,58,094	65,802	Jardine Henderson & Co. ..	959	Bally	197.00	100	4 0	Nil	3 8	Nil	3.9	Y.P.
£275,000	£667,405	£1,477,480	£987,176	....	Sir John H. Burder (Chairman)	1,889	Barnagore	75.00	£5	£1 0	sh. 15	sh. 15	Nil	3	H.P.
28,00,000	28,00,623	93,78,705	50,70,231	2,525	Andrew Yule & Co., Ltd. ..	820	Belvedere	72.00	100	15 0	10 0	7 8	Nil	6,12	Y.P.T.
45,00,000	88,45,000	57,03,172	21,25,574	2,65,100	Scoraimull Nagarmull	600	Bengal	14.50	10	1 4	1 2	1 2	....	6	Y.P.
91,25,000	2,17,45,383	3,34,10,402	1,45,32,851	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla	12.04	10	3 0	1 0	1 0	1 0	3	Y.
36,00,000	21,09,926	1,17,00,893	72,35,319	4,154	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	90.00	100	10 0	9 0	7 8	Nil	10	Y.P.
7,47,380	3,09,940	42,13,704	31,62,083	—2,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	8.50	10	Nil	0 12	Nil	Nil	6,12	H.P.T.
18,00,000	20,46,234	57,43,998	45,04,053	20,580	Andrew Yule & Co., Ltd. ..	616	Caledonian	102.00	100	12 0	9 0	6 8	Nil	11	Y.P.
59,16,400	95,49,238	2,23,08,769	1,11,59,802	19,010	James Finlay & Co., Ltd. ..	600	Champdany	104.00	100	6 0	8 0	10 0	2 0	3.9	H.
15,95,000	19,33,032	82,73,766	57,70,175	8,565	Andrew Yule & Co., Ltd. ..	530	Cheviot	116.00	100	12 0	14 0	10 0	2 0	11	Y.P.
30,15,000	32,40,000	66,68,762	48,43,666	1,01,027	McLeod & Co., Ltd.	800	Chitavalsah	12.00	10	1 12	1 2	1 6	0 10½	6,12	H.T.
24,00,000	9 00,000	81,05,335	67,18,337	25,935	Andrew Yule & Co., Ltd. ..	969	Clive	13.75	10	Nil	Nil	1 4±	0 8	3	Y.P.
81,49 200	46,85,252	1,17,35,454	46,04,776	—2,20,845	Bird & Co. Private Ltd.	766	Dalhousie	78.00	100	4 0	2 8	4 0	Nil	3.9	H.P.T
28,00,000	40,51,079	77,35,342	47,66,110	4,547	Andrew Yule & Co., Ltd. ..	779	Delta	123.50	100	20 0	12 0	10 0	5 0	11	Y.P.
15,00,000	34,50,000	83,93,104	60,85,660	76,491	McLeod & Co., Ltd.	500	Empire	14.25	10	1 0	1 4	1 4	0 8½	6,12	H.T.P.
21,00,000	60,60,960	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	290.00	N	Nil	0 0	15 0	7½	3.9	H.P.T.
21,00,000	13,00,000	97,38,074	54,03,693	1,34,822	Bangur Bros., Ltd	1,014	Fort William	16.25	10	0 0	0 12K	20 0	0 12K	3.9	H.T.P.
64,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	47.00	100	Nil	0 8	2 8	Nil	3,9	H.P.
10,80,000	25,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	700.00	100	15 0	Nil	....	Nil	12	Y.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd.	1,394	Gouripore	283.00	100	8 12	10 0	15 0	2 8	3.9	H.P.
40,00,000	64,68,233	1,14,80,848	56,72,180	3,40,348	Bangur Bros., Ltd.	1,078	Hastings	196.00	100	10 0	10 0	11 8	5 0	....	Y.P.
16,80,000	18,61,969	66,47,731	47,70,916	—2,95,253	Baijnath Bajoria	720	Hooghly	16.00	10	1 8	0 8	1 4	Nil	3	H.P.T.
65,62,500	49,64,372	1,82,66,485	1,10,52,708	57,084	Jardine Henderson Ltd.	1,940	Howrah	15.00	10	1 8	1 4	1 0	0 12½	3,9	H.P.T.
52,50,000	87,85,153	2,86,13,559	1,56,13,559	1,18,695	Ramdutt Ramkissendas	2,272	Hukumchand	18.00	7½	3 0	1 0	2 0	2 0	3	Y.P.
87,00,000	17,20,850	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	127.00	D. 125	0 4/5	0 2/5	0 3/5	3%	3.9	H.
30,000								85.00	100	9 0	8 0	2 8	Nil	6,12	H.P.
24,00,000	18,75,346	1,85,39,772	1,15,01,808	....	Jardine Henderson Ltd.	1,797	Kamarhatty	76.00	'B' 100	9 0	8 0	2 8	Nil		
19,20,000 'B'								52.00	100	9 0	8 0	2 8	Nil	6,12	
80,00,000	9,81,473	1,74,14,802	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,527	Kankinarrah	50.00	'B' 100	7 8	6 8	1 0	Nil	6,12	H.P.
21,00,000	53,00,000	1,35,18,975	86,26,121	91,333	McLeod & Co., Ltd.	703	Kelvin	170.00	100	15 0	10 0	17 8	5 0	6,12	H.P.
54,00,000	23,33,375	1,72,56,983	1,18,60,127	56,928	Andersons Wright Ltd.	1,330	Khardah	117.00	100	17 0	12 0	11 8	4 0 12½	3,9	H.P.T.
44,00,000	1,08,98,860	2,44,37,244	1,15,66,128	—2,12,192	Bird & Heilgers & Co. Private Ltd.	1,250	Kinnison	135.00	100	9 0	7 0	13 0	6 0	3.9	H.P.
24,48,000	89,51,564	1,11,32,345	47,99,245	—3,12,719	Bird & Co. Private Ltd.	931	Lansdowne	90.00	100	7 0	8 0	7 0	Nil	3.9	H.P.
28,00,000	55,75,193	1,16,29,880	64,57,897	8,793	Bird & Co. Private Ltd.	840	Lawrence	79.50	100	8 0	6 0	6 0	Nil	3.9	H.
61,55,200	26,56,045	2,64,13,349	1,26,97,309	1,54,942	M.	1,283	Magna	66.50	100	5 0	2 8	3 12	3 12½	3.9	H.
20,98 900	88,40,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. Private Ltd.	815	Naihati	49.50	100	Nil	Nil	Nil	Nil	3.9	Y.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	13.75	10	0 8	1 0	1 2	0 10½	4,10	Y.P.
35,00,000	41,25,326	31,71,346	10,66,470	17,332	Andrew Yule & Co., Ltd. ..	852	National	19.60	10	2 0	2 0	1 12	0 12	10	H.P.T.
26,25,000	2,00,000	28,31,476	20,72,256	1,29,411	McLeod & Co., Ltd.	816	Nellimarla Jute ..	11.25	10	1 12	1 8	1 0	0 8	6,12	H.P.
85,50,000	2,71 44,542	4,29,15,627	96,28,548	5,71,293	Sahu Jain Ltd.	1,765	New Central†	11.19	10	2± 0	1 0	17 0	1 12½	3.9	H.P.T.
16,79,880	49,70,164	1,19,50,887	51,83,016	70,116	Bird & Co. Private Ltd.	567	Northbrook	18.75	10	1 8	1 4	1 8	1 8	3.9	H.P.
66 79,500	22 24 961	2 18 55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	1,092	Nuddea	31.00	50	0 8	0 8	1 0	Nil†	3.9	H.
24,91,000	23,76,049	75,85,910	51,45,690	11,000	Andrew Yule & Co., Ltd. ..	501	Orient	92.00	100	13 0	10 0	9 0	2 0	11	Y.P.
10 00,000	6 25 490	80,56,437	62,22,166	51,695	McLeod & Co., Ltd.	400	Presidency	3.37	5	0 2	0 3	....	....	6,12	H.
20,00,000	2 49,781	26,97,878	8,39,136	—9,18,218	Birla Brothers Private Ltd. ..	305	Rameshwara	4.50	10	Nil	Nil	Nil	Nil†	3	H.P.T.
49 50 000	5,82,465	1,23,85,629	59,15,596	—11,78,411	Jardine Henderson Ltd.	1,276	Reliance	6.37	10	0 8	Nil	Nil	Nil†	3,9	H.P.
£,000 000	£1,093,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnugur	9.12	£1	10%	10%	3%£1	....	12	Y.P.
30,00,000	13,14 910	1,15,50,877	79,96,145	7,972	Bazaria More & Co., Ltd.	911	Shree Ambica	14.00	10	0 8	1 0	0 8	....	3.9	H.P.
14,00,000	11,25,000	66,11,794	33,79,294	2,156	Hindusthan Investment Corporation	401	Soorah	14.00	10	0 8	1 0	1 8	....	12	H.P.
25 19 800	42 72,183	1,27,38,346	53,33,439	—4,87,127	Bird & Co. Private Ltd.	650	Standard	61.00	100	2 0	2 0	1 0	Nil	3,9	H.P.
£600,000	£925,119	£1,137,660	....	£88,548	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	9.12	£1	10%	10%	3%£1	....	12	Y.P.
25,98 600	88,06,723	2,00,00,808	84,28,958	—9,65,858	Bird & Co. Private Ltd.	1,326	Union	101.00	100	15 0	Nil	10 0	1 0	3,9	H.P.
£400,000	£588,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	9.12	£1	10%	10%	3%£1	....	12	Y.P.
2,50,000	6,35,000	56,01,062	40,73,921	11,327	McLeod & Co., Ltd.	457	Waverley	3.12	1	0 1	0 8	0 8	Nil	6,12	H.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	25,05,000	91,54,011	64,41,011	28,810	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	16.00	10	1 0	1 5	1 6	0 8†	3.9	H.
12,00,000	8,49,890	37,37,034	35,08,182	90,370	Jardine Henderson Ltd.	Bararee Coke	16.00	10	1 6 2/5	1 7 1/5	1 7 1/5	1 1 3/5	3,9	H.
4,49,350	1,05,000	9,25,911	5,64,876	4,078	Kalyanji Mavji & Co.	Bengal-Bhatdee	5.50 N	10	Nil	1 4	0 10	0 10†	6,12	Y.P.
1,00,00,000	1,60,28,788	6,10,16,849	4,19,73,935	9,44,657	Andrew Yule & Co., Ltd.	Bengal Coal	265.00xd	100	32 8*	30 0*	35 0*	17 8	10	Y.P.
2,25,000	5,30,653	24,81,732	22,33,534	1,07,984	Andrew Yule & Co. Ltd.	Bengal-Nagpur	14.00	10	Nil	Nil	Nil	....	12	
15 97,000	4,73,158	41,59,255	22,98,365	—2,42,192	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	4.56	10	0 8	Nil	Nil	Nil	9	Y.
40,00,000	8,00,000	1,39,06,603	71,06,188	87,483	Sahu Jain Ltd.	Bharat Collieries	5.87	10	0 12	0 10	0 10	....	6,12	Y.P.
7,15,000	15,11,080	52,62,538	37,38,500	—1,87,446	F. W. Heilgers & Co. Private Ltd.	Bhulanbararee	13.50 N	10	Nil	Nil	Nil	....	6,12	H.
7,50,000	24,29,026	42,39,603	26,53,408	84,397	F. W. Heilgers & Co. Private Ltd.	Borea	16.81	10	1 12	2 0	2 0	....	6,12	H.P.T.
90,92,480	1,70,55,908	4,22,06,647	1,90,13,824	26,168	Bird & Co. Private Ltd.	Burrakur	21.81	10	0 12	0 0	0 11	0 5†	6,12	H.P.T.
49,97 750	....	42,33,430	7,80,000	9,927	Hindustan Investment Corpn., Ltd.	Central India	5.87	10	0 4	0 4	0 4	0 3	3	Y.
8 00,000	13,30,590	49,11,827	33,03,469	69,000	M.	Central Kurkend	11.00 N	10	0 12	0 4	....	....	12	Y.
6,00,000	1,43,986	7,30,010(R)	....	4,240	F. W. Heilgers & Co. Private Ltd.	Churila	1.87	4	0 2	0 2	0 1	0 1	12	H.T.
16,00,000	....	58,81,704	29,81,876	—1,83,218	Macneill & Barry Ltd.	Dhemo Main	5.62	10	Nil	Nil	Nil	....	6,12	Y.
£240,000	£380,553	£970,096	£781,579	£58,922	Jardine Henderson, Ltd.	East Indilias	20.25	£1	2 8	2 8	3 0	2 8	6,12	H.P.T.
19,53,750	33,55,049	4,04,51,377	3,39,25,665	22,379	Macneill & Barry Ltd.	Equitable	20.25	10	1 8	1 8	1 8	....	6,12	H.
10,00,000	1,40,999	13,81,144	4,38,557	23,353	Bhatter's Azency Ltd.	Ghusick and Muslia	13.50 N	10	0 8	0 8	0 4	....	3	Y.P.
12,00,000	1,22,000	41,35,347	23,43,143	1 144	Killick Industries Ltd.	Hingir-Rampur	30.75	50	2 0	Nil	2 4	....	6	Y.P.
5,00,000	7,25,000	22,07,121	15,89,341	45,995	Macneill & Barry Ltd.	Hurrulkhi	21.00	10	1 8	1 12	2 8	....	6,12	H.T.
22,00,000	1,12,060	24,74,413	6,18,548	—5,57,295	Balpale Trust Ltd.	Jogta Coal	1.50	10	Nil	Nil	....	....	12	Y.
3,50,000	3,45,579	13,54,857	7,23,668	....	Andrew Yule & Co., Ltd.	Kalapahar	20.00	10	2 12	Nil	Nil	....	2,8	H.
30,00,000	1,77,178	25,99,888	14,65,140	6,965	Bird & Co. Private Ltd.	Karanpura Collieries ..	90.00	100	Nil	Nil	2 8	5 0	7	H.
5,00,000	16,60,000	46,77,533	36,47,985	1,33,474	Andrew Yule & Co., Ltd.	Katras Jheriah	53.75	10	4 0	4 0	5 8	....	1,7	H.P.
1,88,400	5,72,960	12,85,941	8 72,980	—2,60,236	Beriwala & Co.	Khas Kajora	2.50 N	10	Nil	Nil	....	....	6,12	Y.
11,00,240	64,314	16,80,329	10,66,899	10,651	H. V. Low & Co. (Private) Ltd.	Kuardi	2.50 N	10	Nil	Nil	0 2	....	6	Y.
9,00,000	11'11,926	28,38,749	22,36,193	4,708	H. V. Low & Co. (Private) Ltd.	Lakurka	7.50 N	10	0 8	0 4	0 2	....	6	Y.
7,48,240	2,00,000	18,13,208	9,66,219	31,201	Tantia Brothers Ltd.	Naxira	6.75	10	0 8	0 8	0 8	....	12	Y.
7,00,000	58,617	10 38,749	8,20,295	4,849	Amritlal Ojha & Co., Ltd. ..	New Bansdeopur	10.00 N	10	1 12	1 4	....	....	3,9	H.
17,76,230	19,51,814	1,24,49,315	91,72,491	53,598	Andrew Yule & Co., Ltd.	New Beerbhoom	13.56xd	10	1 0	1 2	1 0	....	10	Y.
9,00,000	75,000	33,00,471	21,20,197	79,222	Octavius Steel & Co., Ltd. ..	New Manbhoom	9.00	10	Nil	Nil	Nil	....	3,9	H.
1,15,000	2,85 193	13,07 219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	19.25	10	0 4	Nil	1 0	0 12†	3,9	H.
1 57 500							16.50	7½	0 3	Nil	1 0±	0 9†		
7,50,000	15,69,447	3,97,666	2,77,666	37,244	F. W. Heilgers & Co. Private Ltd.	Ondal	14.50 N	10	2 0	1 0	1 0	0 12	12	Y.
10,30,000	1,10,000	41,24,518	16,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	8.00 N	10	0 6	0 8	0 4	....	12	H.
8,34,000	10,050	19,56,766	8,69,957	61,937	Deepchand Kishenlal	Parasea	18.00 N	10	0 4	0 12	1 0	....	6,12	H.
15,75 000	16,50,000	49,91,252	36,61,252	23,784	Shaw Wallace & Co., Ltd. ..	Pench Valley	14.50	10	1 10	1 10	1 8	0 11	3,9	H.
33 99 500	20,17,106	1,24,25,588	87,86,164	23,188	B. N. Elias & Co. Private Ltd.	Raneegunge	19.25	10	Nil	0 8	0 10	0 6†	3,9	H.
12,50,000	10,45,116	38,90,365	29,71,364	15,614	Shaw Wallace & Co., Ltd. ..	Rowe	19.50	10	2 0	1 6	0 14	0 12†	4,12	H.
20,00,000	3,90,300	44,28,585	18,73,118	2,20,175	Jaipuria Sons Ltd.	Samla Collieries ..	11.00 N	10	0 8	0 12	1 0	....	12	Y.
2,50,000	1,95,802	19,78,480	12,21,237	21,070	M.	Searsole	5.00 N	10	0 10	0 10	0 12	....	1	H.P.
2,50,000	2,35,598	39,99,490	19,07,296	49,399	Andrew Yule & Co., Ltd.	Seebpore	26.50	7	1 12	2 0	2 8	....	6,12	Y.P.
8,00,000	5,31,289	52,491	28,867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	7.50 N	10	Nil	0 2	0 4	....	6,12	
62,31,460	23,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Govern-ment of Hyderabad)									Y.T.
17,50,000	10,89,693	38,95,664	16,16,434	10,407	Bird & Co. Private Ltd.	Singareni	10.50	10	Nil	0 11 1/5	0 12	....	12	H.
8 00,000	14 01,053	1,60 57,570	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	South Karanpura ..	8.25	10	0 4	0 2	0 2	0 5 3/5	2,8	Y.
10,00,000	12 952	31,30,415	15,43,502	—270,421	Villiers (Private) Ltd.	Standard	19.50	10	2 0	1 8	1 0	1 0	12	Y.T.
2,40,000	2,80,000	20,47,944	15,85,944	—9,659	Williamson Magor & Co., Ltd. ..	Talcher	1·56	2½	Nil	Nil	Nil	....	9	H.
49,98,000	67 084	58,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Union	23.80	10	1 12	0 12	Nil	....	6,12	Y.
7,00,000	21,569	86,46,871	23,81,698	—1,46,650	Macneill & Barry Ltd.	Western Bengal	5.00	10	0 6	0 6	0 8	0 8	3	H.
						West Jamuria	7.50	10	Nil	Nil	Nil	....	6,12	

M—Managed by the Board of Directors. ‡ Less income-tax. x) Clive Mills have paid dividend at Rs. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments, (i) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 1954. † New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. ‡—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P.—Bengal Coal Co. Dividend from 1953 to 1955 are on shares of Rs. 200 each Nil 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 } 14,50,000 } 1,01,000	1,08,00,000	12,42,652	Allahabad Bank	{360.00 180.00 115.75	100 50 100	18 0 9 0 6 8	18 0 9 0 7 8	18 0 9 0 6 8	9 0 4 8	12 6,12	Y.P.
1,01,000	16,63,000	11,996	Andhra Bank	99.00	70	3 4	3 12	4 8	5 0	3/5	H.
33,58,800				102.00	50	6 0	6 0	6 0	7 0	12	Y.
1,00,00,000	1,25,00,000	4,75,752	Bank of Baroda	23.00	25	0 12	0 12	0 14	1 2	12	Y.
50,00,000	25,50,000	2,795	Bank of Bikaner	{137.50	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
2,50,00,000 } 50,00,000 'A'	3,10,00,000	15,54,924	Bank of India	138.00	50'A'						
15,30,375	27,00,000	67,486	Bank of Indore	52.00N	25	1 8	3 0	3 8	4 0	12	Y.
40,00,000	22,25,000	23,734	Bank of Jaipur	37.50	50	16 0	2 0	2 0	2 0	12	Y.
50,00,000	54,00,000	5,91,911	Bank of Mysore	246.50	100	2 8	16 0	16 0	12 0	12	Y.
61,21,700	33,75,013	10,059	Bombay State Co-operative Bank	57.00N	50	4 8	2 8	2 0		6	Y.T.
15,00,000	32,00,000	38,502	Canara Bank Ltd.	86.00	50	5 0	4 8	5 0	5 0	12	P.Y.
7,60,000	12,75,000	3,992	Canara Banking Corporation Ltd.	80.00	50	3 0	5 0	5 8	5 0	12	Y.P.
5,72,220 'A'	18,00,000	16,676	Canara Ind. & Bkg. Syndicate Ltd.	{177.50	100 'A'	9 0	12 8	12 8	16 0	12	Y.
				1.86	1 'C'	9%	12½%	12½%	15%		
23,787 'C'	"			52.75	25	2 0	3 0	3 0	3 8	12	R.L.Y.
2,62,11,875	4,03,77,123	18,23,048	Central Bank of India Ltd.	53.75	25	2 0	4 0	3 0	3 8		
52,43,875				38.50	50	4 0	2 0	2 8	3 0	12	Y.
50,00,000	24,50,000	2,13,141	Devkaran Nanjee Banking Co.	18.00	20	1 8	4 0	4 0	2 0	12	Y.
30,00,000	7,50,000	1,45,911	Habib Bank (P)	78.00N	50	Nil	1 8	5 0	4 0	12	Y.
50,00,000	29,75,000	1,61,946	Hind Bank	32.00	50	Nil	Nil	Nil	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9.75	40	Nil	Nil	Nil		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	12.00	50	Nil	Nil	Nil		12	Y.
44,00,000 } 21,00,000	90,50,200	8,13,491	Indian Bank	{185.00 147.00	100 75	10 3½ 6 0	12 0 7 3½	12 0 7 12½	13 0 9 12	6,12	R.L.H.
49,20,375	35,00,000	2,52,386	Indian Overseas Bank	186.00	100	Nil	6 0	7 8	10 0	12	Y.
10,00,000	10,25,000	22,854	Pandyan Bank Ltd.	38.12	25	1 4	1 9	1 14	1 14	12	Y.
57,50,000	1,25,00,000	6,20,272	Punjab National Bank	54.50	25	0 10	3 0	3 8	4 0	12	Y.
1,00,00,000	26,20,000	45,060	Travancore Bank	15.10	25	0 5½	0 12	1 0	1 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7.00	5	2 0	0 5½	0 6	0 7	12	Y.
2,00,00,000	1,15,00,000	29,420	United Commercial Bank	54.00	50	2 0	2 8	2 12	3 8	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£409,306	Chartered Bank	£1-10-7½	£1	14†	15†	15†	15†	12	R.L.Y
£1,000,000	£1,250,000	£60,917	Eastern Bank	£6¾	£5	8†	8†	8†		12	R.L.Y.
H.K.$25,000,000	H.K.$125,000,000	H.K.$11,039,878	Hongkong and Shanghai Banking Corporation	$26¼	H.K. $125	5*	5*	5*	5*	12	Y.
£18,855,070	£17,500,000	£712,060	Lloyds Bank	£2-5-9	£5 A	14†	15†	12†	13†	12	R.L.Y.
£375,000 'A'				£4-10-6	A £2½	14†	14†	14†	14†		
£375,000 'B'	£2,000,000	£224,521	Mercantile Bank of India	£4-10-6	B £2½	14†	14†	14†	14†	12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£354,046	National Bank of India	£1-0-6	sh. 12½	16†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1932	97.00	1st June .. 1958
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	92.00	15th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	92.00	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	88.00	30th June .. 1957 (a)
50,00,000	4½	15th June and 15th December	Equitable Coal Co.	1953	93.00	14th December .. 1963 (a)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	90.00	15th November .. 1956 (b)
78,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100.50	1st March .. 1972 (a)
15,71,000	5½		Jaykrishe Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	98.00	15th November .. 1966
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	94.00	31st March .. 1965 (a)
1,50,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1940	99.00	14th June .. 1960
66,25,000	4½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	96.75	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co. Ltd.	1949	94.00	31st December .. 1964 (a)
2,88,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.25	1st January .. 1970 (a)
25,00,000	5	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1946	85.50	31st December .. 1970
18,80,000	5	1st January and 1st July	Jijna (Dharilah) Electric Supply Co., Ltd.	1951	96.00	30th June .. 1976 (a)
1,00,00,000	5½	15th January and 15th July	Sonarpur Electric Supply	1949	97.50	15th July .. 1957-61
4,95,000	4½	31st March and 30th September	South Madras Electric Supply	1940	94.00	1st October .. 1960-64
2,00,000	4½	31st March and 30th September	South Madras Electric Supply	1940	94.50	30th September .. 1960-63
1,00,000	5	3rd April and 3rd October	Tata Power	1940	101.00	1st July .. 1970
47,78,000	5	1st April and 1st October	Tata Power		95.50	15th September .. 1966-70
2,50,00,000	4	1st April and 1st October				
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.00	31st December .. 1969
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1938	99.00	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1945	100.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1945	95.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	97.50	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99.00	31st December .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	96.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Bengal Jute Mill Co., Ltd.	1945	90.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1950	93.00	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	93.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	93.50	15th July .. 1966 (a)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	92.50	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	96.00	31st March .. 1970
24,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	95.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1939	92.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	90.00	14th May .. 1959
30,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1944	86.00	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1945	90.00	30th June .. 1958
25,00,000	5	31st March and 30th September	Ramnee Jute Mills Co., Ltd.	1950	98.00	30th September .. 1965 (a)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	92.00	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	90.00	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1925	86.00	31st July .. 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	80.00N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	456.25N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,868	5	1st April and 1st October		1923	£77.10N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December .. 1974
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85.62N	Any time on six months' notice (c)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1932	102.50	1st July .. 1957-62
15,50,000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April .. 1958-63
1,56,500	5½	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd	1948	94.00	31st December .. 1965
88,50,000	4½	1st January and 1st July	Associated Hotels of India	1948	86.00	31st December .. 1962
4,90,500	5	30th June and 31st December	Bengal Paper Mills	1937	93.00	30th June .. 1957
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	98.00	1st September .. 1957
2,50,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	98.50	1st October .. 1964-69(a)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	88.00	1st February .. 1970
15,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1935	80.00	1st July .. 1964
30,00,000	4	15th March and 15th September	Dalhousie Properties	1936	85.00	15th September .. 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	87.00	1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	99.00	1950
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.00	1st January .. 1971(a)††
18,75,000	5	15th March and 15th September	Metlur Chemical Industries	1949	95.00	30th June .. 1969 (a)‡
12,07 000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	520.00	1966
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470.00	30th September .. 1976 (a)
					(per note)	31st December .. 1972 (a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	88.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	90.00	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	90.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	99.75	1st May .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. † With option to redeemed at Rs 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. ‡ Rs. 1,60,00,000 debentures be redeemed at par annually by drawing from 1-6-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡‡ Rs. 60 lakhs be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1968, on six months' notice. ††Option to repay at par on 6 months' notice. after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 20th June, 1957.

	Closing quotations 13-6-1957	High	Low	Closing quotations 20-6-1957
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	145.00	—	—	145.00
Apollo ($)	2.32	2.40	2.28	2.40
Bombay Dyeing (250)	512.50	537.50	513.00	535.00
Bradbury (50)	197.00	197.00	195.00	195.50
Central India (100)	99.50	104.00	99.25	102.50
Century Mills (100)	376.50	408.50	376.50	407.00
Colaba (100)	63.00	63.00	60.00	60.00
Edward Textile (200)	255.00	—	—	255.00
Elphinstone (50)	54.75	54.75	50.00xd	50.00
Finlay (100)	260.00	273.00	260.00	273.00
Gokak (100)	170.50	176.00	170.00	175.00
Ind. Untd. Defd. (1)	1.52	1.66	1.54	1.66
Ind. Untd. Ord. (10)	9.15	9.50	9.05	9.40
Indore Malwa (100)	135.00	138.50	133.00	135.00xd
Khatau (100)	160.00	167.50	162.50	167.50
Kohinoor (100)	271.25	285.50	269.50	283.50
Lakshmi (250)	630.00	—	—	630.00
Minerva Mills (100)	54.00	—	—	54.00
Model Nagpur (250)	180.00	180.00	173.75	180.00
Morarji (100)	210.00	—	—	210.00
Myrore (40)	100.00	—	—	100.00
National Rayons (100)	211.50	211.50	197.00	211.50xd
New City (100)	132.50	133.50	132.50	132.50
New Great (100)	211.00	220.00	212.00	220.00
Phoenix (100)	130.00	131.25	127.50	127.50
Podar Mills (100)	166.00	—	—	165.00
Sanoco Silk (10)	8.50	—	—	8.50
Sanoco Spg. (10)	36.50	—	—	36.50
Shahjapur (1,000)	1,225.00	—	—	1,225.00
Shrikrishna (100)	180.00	174.00	150.00	174.00
Simplex (50)	156.00	160.00	155.50	160.00
Standard (100)	378.00	403.00	377.00	401.00
Swadeshi (100)	173.00	185.00	173.00	183.50
Swan (100)	370.00	370.00	353.75	355.00
Tata Mill (25)	40.50	42.75	40.00	42.50
Vishnu (100)	117.50	115.00	112.50	113.75
Western India (1,000)	5,150.00	5,180.00	4,520.00	4,920.00
BANKS				
Bank of India (50)	137.00	137.75	137.00	137.75
Do. (New) (50)	138.00	—	—	138.00
Bank of Baroda (50)	102.00	102.00	101.75	103.00
Central (25)	53.25	53.00	52.50	52.75
Central 'A' (25)	54.00	54.50	53.00	53.75
Dena Bank (50)	38.50	—	—	38.50
Punjab National (25)	54.50	—	—	54.50
Union Bank (5)	7.20	7.20	—	7.00
United Com. (50)	53.75	54.50	53.50	54.00
ELECTRIC COS.				
Ahmedabad (100)	93.25	94.00	92.50	93.75
Amalgamated (10)	10.30	10.30	10.25	10.25
Andhra Valley (1,000)	1,197.50	1,197.50	1,185.00	1,190.00
Bom. Edn. Bl. (100)	104.00	104.50	102.50	103.50
Surat (100)	107.25	—	—	107.25
Tata Hydro (100)	122.00	120.75	119.00	120.00
Tata Power (1,000)	1,207.50	1,205.00	1,196.25	1,205.00
INSURANCE COS.				
British India (10)	13.25	—	—	13.00
Empire of India (100)	350.00	—	—	350.00
Ind. Mercantile (50)	42.25	—	—	41.00
Jupiter (15)	7.25	—	—	7.00
New India (15)	43.75	43.75	42.75	42.75
Oriental (200)	3,775.00	—	—	3,775.00
Universal (10)	13.00	—	—	13.00
Vulcan (10)	15.75	—	—	15.00
STEEL COS.				
Ind. Iron (10)	18.30	19.55	18.30	19.55
Tata Steel Ord. (75)	167.50	164.00	158.00	163.75
SUGAR COS.				
Belapur (50)	213.00	221.00	215.00	221.00
Bhopal (10)	18.00	17.80	17.70	17.70
Phaltan (50)	129.00	135.00	128.00	135.00
Walchand Ind. (100)	239.00	244.50	240.00	244.50
CEMENT COS.				
Associated Cts. (100)	154.00	158.25	153.50	158.25
Digvijay (100)	142.50	145.00	141.00	145.00
MISCELLANEOUS				
Alcock Ashdown (100)	262.50	273.75	262.50	272.50
Bom. Burmah (125)	525.00	556.50	510.00	556.50
Do. (New) (50)	191.50	204.00	196.25	204.00
Br. B. Petrol (4 sh.)	2.30	2.48	2.24	2.48
Br. I. Corpn. (5)	5.60	6.10	5.65	6.00
C. P. Rly. (100)	69.50	—	—	69.50
Indian Copper (Rsh.)	8.30	8.66	8.28	8.60
Ind. Inv. Tr. (100)	69.00	—	—	69.50
Kamp (400)	176.25	—	—	176.25
Killicks (100)	155.00	156.50	155.00	156.00
Polson (100)	163.75	163.75	157.50	157.50
Port Canning (100)	4.37	—	—	4.25
Pre. Automobiles (100)	84.00	86.50	84.00	86.00
Premier Con. (50)	142.00	151.50	140.50	151.50
Saindia (50)	17.40	18.65	17.25	18.50
G. H. Shipping (10)	19.25	19.38	19.25	19.25
Shivrajpur (10)	76.50	80.00	76.00	79.50
Tata Chemicals (10)	16.15	17.50	16.00	17.50
Tata Colmanisive (100)	137.00	143.50	137.00	141.00
Tata Oil (25)	41.50	43.25	41.50	42.75
W. I. Match (100)	153.00	158.00	152.00	153.00

GOVERNMENT SECURITIES	14-6-1957	Gross Yield Earlier Redemption	Later Redemption	20-6-1957
	Rs.			Rs.
2½% 1951	98.50	—	4.21	98.50
2½% 1952	96.45	—	4.02	96.45
2½% 1962	93.80	—	4.02	93.80
3% 1976	82.10	—	4.08	82.10
3% 1977	99.75	—	4.27	99.75
2½% 1948	99.69	—	3.38	99.69
2½% 1950-61	97.75	4.10	3.58	97.75
2½% 1954	94.00	—	3.90	94.00
2½% 1962-65	88.80	4.18	3.92	88.80
2½% 1966-68	91.75	4.10	3.94	91.75
3% 1970-75	86.30	4.40	4.10	86.30
3½% 1985 Con. Loan	78.00	—	4.12*	78.00
4% 1960-70	100.75	3.75	3.98	101.75
4½% 1958-68**	101.75	2.71	4.50	99.75
2½% 1961 N.P. Bonds	99.40	—	3.67	99.40
2½% 1964 N.P. Loan	97.90	—	3.83	97.90
2½% 1965 N.P. Loan	97.90	—	3.83	97.90
2½% 1963	97.50	—	3.80	98.30
2½% 1967 N.P. Bonds	98.30	—	3.73	98.30
2½% 1974	98.40	—	3.90	98.40

BRITISH GOVERNMENT SECURITIES

	Closing quotations 13-6-1957 £			Closing quotations 20-6-1957 £
2½% Brit. Consols	50½	—	—	51
3% Savings Bonds 1965-75	75½	—	—	73
3% War Loan 1955-59	96½	—	—	96½
3½% War Loan	69⅝	—	—	70⅛
4% Victory Bonds 1976	93¼	—	—	93
4% Funding 1960-90	89½	—	—	89⅝

* Current Income x.d.—Ex-dividend. ** Rupee Counterpart x.r.— Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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MONEY AND DEMOCRACY

IT is of the utmost importance that a young democracy like India should be particularly interested in the continued preservation of democratic values. Because democracy in the West has spread by slow degrees, it has had time to strike deep roots in national traditions. The love of freedom was first imbibed by the upper classes who were dissatisfied with the tyranny of the kings and, in course of time, the middle and, still later, the poorer classes imbibed it. Franchise was only gradually extended, women coming at the end of a long queue of those who were enfranchised. Indian democracy has jumped straight from comparative serfdom into full-fledged freedom without passing through the intermediate stages which, in other free countries, marked the people's battle for the vote. An insidious threat to a young democracy may come from the power of the purse to influence political opinion. This danger has not so far manifested itself in this country, because the richer classes, having aligned themselves wholeheartedly with the fight for political freedom, have been among the best supporters of the democratic system of government. Even so, a situation may well arise in the future when the problem will be how best to prevent votes being bought.

Appropriately enough, the issues relating to the influence of money on political life were briefly discussed last week, by the Chief Justice, Mr. M. C. Chagla, and Mr. Justice Desai of the Bombay High Court, in the course of their judgment upholding the decision of Mr. Justice Tendolkar in allowing the Tata Iron and Steel Company, Ltd., to change its memorandum of association so as to enable it to contribute to the funds of political parties. Dismissing the appeal preferred by three shareholders of the Company from the decision of Mr. Justice Tendolkar, their Lordships held that the Company could contribute to funds of political parties, if, in its opinion, such parties served the industry, in general, and, in particular, the industry of the Company. Their Lordships, however, directed the Company to publish at the end of each financial year a complete statement of all the contributions and donations made by it to any political party or institution.

Dealing with the proposal of the Company, their Lordships said that the lower court had applied its mind to the various factors of the case and had come to the conclusion that, in law, it was bound to confirm the alteration sought by the Company. In support of the plea of alteration of the memorandum, the Company had urged that it would enable the Company to carry out its object of earning profits and running the Company more economically and more efficiently. The Company had felt that its safety, security, future expansion and profits were all linked up with the continuance of the Congress Government at the helm of affairs, and that the Company should, therefore, see to it that that Government continued in power. Hence arose the necessity for the Company to contribute to political funds. Their Lordships saw nothing unlawful in the Company making contributions to political funds just as individuals could do. Their Lordships also observed that, if they were to refuse confirmation of the proposed alteration of the memorandum, there was nothing to prevent the Company from reconstructing itself and having a new memorandum empowering itself to have the power to make contribution to political parties, as had been done in the case of several newly-formed companies.

In the course of their judgment, their Lordships made some notable general observations. Thus, their Lordships said that it was their duty to draw the attention of Parliament to the great danger inherent in permitting companies to make contributions to the funds of political parties. They added that it was a danger which might grow apace and which might ultimately overwhelm and even throttle democracy in this country. Democracy would be vitiated, their Lordships said, if results were to be arrived at not on merits but because money played a part in bringing about the decision. The history of democracy had proved that, in other countries, democracy had been smothered by big business and money bags playing an important part in the working and influencing of the democratic institutions. Their Lordships, therefore, felt that it was the duty not only of the politicians and citiz

restrictions on internal production, etc., or (3) special financial assistance in the form of loans either from its own funds or from such institutions as the industrial finance corporations sponsored and backed by the State, it must necessarily contribute to the funds of the ruling party. For any official support the enterprise gets on these lines should be viewed as a matter of right, a recognition of its role in the economic development of the country and its ability to ensure the well-being of the people rather than a favour which should evoke grateful acknowledgment and contribution to party funds. Indeed, it may even be embarrassing for joint-stock companies, as distinguished from individual business men, to tie themselves to any political party, for the political complexion of the Government is bound to be changing in a democratic country.

It may be asked, for instance, as to what is the way out of a situation where extremist political parties, which are determined to destroy the free enterprise system, capture power in a State or two and come forward to support the private sector for purely strategic reasons. If such a party were to extend help to the companies in the private sector on lines similar to those followed by the Congress Governments, would it not be entitled to expect and receive monetary contributions from these companies for fighting elections? And would the companies be right in subscribing to the funds of such parties, which, though they may be friendly towards them for the moment, are wedded to a political and social philosophy totally opposed to democracy? The solution lies in educating the electorate, in convincing it that free enterprise is an essential prerequisite of democracy and that private initiative can deliver the goods, and in building up a political party in which people who believe in free enterprise can willingly join. So long as all elements in the national life are prepared to abide by the rules of the democratic game, there should be no insuperable bar in the way of free enterprise convincing people of the intimate relationship between the things it stands for and democratic values. From this point of view, the real danger to democracy in this country, to which the learned Judges referred, may come not from the right, but from the left. The real danger to democracy will come from those who advocate policies calculated to undermine the sense of national discipline and the authority of free institutions and who decry the institution of private property which gives the citizen the security and the freedom to criticise the Government freely and fearlessly.

CONTROL OVER RESERVES—WHY NOT DROP IT?

IN an informal chat with the Press in Bombay on Sunday last, Mr. T. T. Krishnamachari, the Union Finance Minister, is reported to have elucidated the Government's main objective in introducing the system of strict controls over the reserves of joint-stock companies. The chief objects of this measure, according to him, are to ensure that managements of companies with plenty of reserves do not use them (the reserves) for acquiring other companies and to put down certain other evils. "The spirit of acquisition," to quote him, "goes on and they want to expand their empire." In other words, what the Government wishes to do is to prevent inter-company investments of what appears to it to be of an undesirable nature, as also snatching of controlling interests of well-managed companies by "money bags" without either the requisite knowledge of management or business integrity or both. Another objective of the Government is to see that the funds of companies are not invested in projects unconnected with the plan for the economic progress of the country. The Finance Minister also gave the reassuring undertaking that the scheme of compulsory deposits would be so implemented as not to interfere with the development progress or the day-to-day working of companies. Further, the Finance Minister sought to justify this scheme of control by referring to what other countries have been doing in this direction "These measures," he said, "are not new-fangled ideas, nor does the Government want to stifle private enterprise. They have not done anything like what the U.S. has done in respect of certain monopoly organisations. They are just *ad hoc* remedies, and they may be altered, changed, modified or given up." In thus referring to the U.S., he seems to have had particularly in mind the Anti-Trust Act and the recent verdict of the Supreme Court on du Pont's control over General Motors.

The Finance Minister's assurance that the measure is not intended to stifle the private sector, and that it would be administered in such a way as not to cause any hardship to companies genuinely working on desired lines is really welcome. There is enough evidence that he is quite sincere about it. The delay in enforcing the particular section of the Income-tax Act is due more to his anxiety to implement the scheme without hardship to companies than to the inability on the part of his Department. It may be noted that the draft rules have been framed only in respect of one part of the scheme, namely, that relating to the control over the provisions from current profits; even these have not yet been finalised. The second part of the scheme, namely, control over the reserves accumulated in the past is yet to be worked out in detail and the rules framed. If the Finance Minister's intention was to stifle private enterprise, he could have easily carried it out by enforcing the powers he has assumed. His difficulty is one of having the cake and eating it. Unkind critics may, therefore, say that he is trying to make a virtue out of necessity, for he knows full well that, if he were to force the scheme blindly on the private sector, he would only cause a slow down in production, aggravate the stringency in the money market and give a fresh impetus to price inflation.

Any way, the truth is that even the partial implementation of the scheme, which was to have come into force on 30th June 1957, has been postponed to 31st August 1957. And it is a fruitless effort to enquire whether this deferment is due to a desire to render the scheme workable without any adverse effect on companies or to make the forthcoming borrowing programme of the Central Government a success. What is more important is whether the scheme is at all necessary. Despite all that Government spokesmen have stated so far, we still maintain that it is not necessary and that the Government's stature in both India and the Free World will go up if it drops the scheme. The Government has not produced any data, beyond making vague charges, to substantiate that the evil of acquiring, with the help of the reserves of companies, control of other companies has been widespread. Nor has it shown that, wherever there have been such acquisitions, they are of an undesirable nature, leading to monopolies, oligopolies and cartels. If the Government expects the public and the Press to accept such claims and support the step taken, it must take them into confidence and give full information.

Even assuming, for argument's sake, that the evil exists in a serious form, the Government should try to remedy it through other methods, which will not put the honest companies to any inconvenience. With the nationalisation of life insurance, whatever scope there was for getting control of other companies has been greatly minimised. Again, no company management will be in a position to take control of other companies without the help of bank credit. Fortunately, the Reserve Bank has now enough powers to prevent bank credit being used for such purposes. And we understand that the Bank has been keeping a close watch over the advances of its member banks against shares. Incidentally, the Reserve Bank was vested with the necessary authority long before the control on company reserves was proposed by the Finance Minister. Then, there is the new comprehensive Companies Act, in which there are special provisions for regulating inter-company investments and change of hands in the controlling interests of companies. When the new Act was on the anvil, considerable attention was paid to this question and several safeguards were introduced. The Act is going to be amended again and, if these safeguards require to be strengthened, it could be done then. Or, if the Government feels that the situation cannot brook any delay, it has enough emergency powers to amend the Company Law through an Ordinance.

From such information as is available it appears to us, the evil of business men acquiring other companies with the help of reserves of companies already under their management is not so widespread as to merit a drastic measure of control over the reserves of all companies. In recent years, there have no doubt been some changes, especially in the ownership of companies established and managed by foreigners. But these were mostly with the help of bank finance which has now come under the strict control of the Reserve Bank. Nevertheless, a question that is quite pertinent, in this connection, is: Why were the foreigners anxious to repatriate their investments in this country? Was it not due largely to the economic and social policies of the Government? It will be interesting to note here that, in the case of a large majority of foreign concerns which changed hands in the past three or four years, the transfer took place with the consent of foreigners. If there was any cornering of the shares of concerns under foreign management on the Stock Exchanges, it was with the connivance of such management. Be that as it may, most of the horses have already bolted and the few that are still in the stable are there because they seem to like staying here. There is, accordingly, no need to place any fetters on the reserves of companies. Indeed, to do so would be to tempt the few foreign investors who are still in this country to move out and to deter the coming in of fresh foreign investors.

The Finance Minister's comparison of the control on reserves with the legislation against monopolies in the U.S. is not on all fours. There may be a similarity in so far as the objective is concerned, but there is a world of difference in the method chosen to achieve it. In the U.S., the Congress passed the legislation, leaving it to the judiciary, completely independent of the administration, to enforce the law. The U.S. Government has, of course, been on the look out for offenders under the Act, but it does not punish them. It takes them to the Court and leaves the case to be judged by the highest independent tribunal in the land. Thus, the U.S. method for preventing monopolies and business-vampires is democratic, whereas that adopted by India is absolutely authoritarian. The Indian method, as explained by the Finance Minister, the judiciary will not be called upon to decide the issue; it is the administration that will pronounce the verdict.

If the main aim of compelling companies to deposit a good part of their current allocations to reserves and the major part of their past reserves with the Reserve Bank, subject to the condition that they cannot be utilised except with the consent of the Government, is to prevent monopolies and concentration of economic power in a few hands, as the Finance Minister says it is, why not initiate an anti-monopoly and anti-restrictive practices legislation? That is what the U.S. and the U.K. have done. If India, too, were to do so, the objective could be achieved without upsetting the confidence of foreign, as well as domestic, investors and penalising the vast majority for the sins of a few.

There has already been a waste of precious man-power and money in the preparation of the scheme and of the ways and means of enforcing it. Again, in the application of this negative control, there will be a further recurrent waste of these scarce resources not only in the Government but also in business concerns. Some of the senior officials, who can very well be utilised for implementing the various productive projects which the public sector has undertaken, will have to be devoted to the successful and smooth operation of this unproductive control. Similarly, the companies affected will also have to employ their senior executives to comply with this control on their side. And both will be wasting maunds, if not tons, of paper which can be used either for export or for printing text books so badly needed by the children of this land. The postal and telegraph offices will have to perform additional duties in carrying and delivering the correspondence involved. The Indian Airlines Corporation's aircraft will, perhaps, wear out sooner than otherwise in carrying company executives to New Delhi and back to their places of work, who will find it necessary to make these trips in order to get the Government's prompt consent for exemptions or withdrawal of deposits. Likewise, some of the Government officials may find it necessary to visit the important business centres of India to iron out difficulties. This line of argument can be extended further. But sufficient has been said, we hope, to show how unnecessary and wasteful this control is.

All is said and done, how much money does the Government hope to net in through the application of this control? At one time, it was believed that the amount would be about Rs. 15 crores. But now it is expected to be no more than Rs. 2 crores, after all the exemptions now contemplated are given effect to. Is the game then worth the candle, having regard to the immense damage it has done to the confidence of investors and the heart-burning it has caused amongst the members of private sector? It is now proclaimed from the house-tops that the Government is keen on effecting economy in expenditure. Abolition of this control will doubtless be one of the best ways of doing so. And the sooner it is done, the better.

SHARE MARKETS STILL BUOYANT

MR. MUNDHRA IN L.I.C.—KEYNES' ADVICE RECALLED—CANADIAN WHEAT

THURSDAY, 5 P.M.

MARKET GOSSIP

THE reported statements of the Finance Minister on the implications of his new tax proposals and on the intentions of the Government so far as the private sector is concerned have had a tonic effect on the share markets all over India. It would appear that the operators have been taken in by his statement both to the Press and to the representatives of business men who met him in two separate delegations that the tax on dividends and the control on reserves of companies are only temporary measures and that they may be altered or withdrawn. They are also optimistic that the Finance Minister will effect some substantial modifications in the Wealth Tax and the Expenditure Tax before they are finally presented to the Lok Sabha sometime next month.

An impression has come to prevail in market circles that the Finance Minister was quite receptive and sympathetic to the various suggestions put forward by the spokesmen of business men. From that flows the conjecture that the worst is over in so far as taxation is concerned.

The Finance Minister is also reported to have said that he was not out to kill the private sector or to place any impediments in its way, that he was anxious to help the private sector, that he valued and needed its co-operation for the economic development of the country, that the pattern of taxation for the Plan period had been evolved and settled, and that, in future, the Government would have to think in terms of providing incentives for more production and savings.

All these are only reported statements, but, since they have not been contradicted by the Finance Minister, they may be taken to be correct. Further, he made more or less similar statements at an "informal" Press conference held on Sunday last at his suite in the Taj Mahal Hotel. He, however, dropped a hint to the Press men that it would be an erroneous impression if one were to jump to the conclusion that, soon after his return to New Delhi, he would withdraw either the dividend tax or the controls on companies' reserves or give any substantial tax relief.

• • • •

Our reading of the situation is that no material change will occur in the tax proposals, unless the Prime Minister is convinced of the need for it. We do not think that the Finance Minister, having initiated all the new taxes, will care to plead with the Prime Minister the case of the business community. It must be an embarrassing job for him. He may, however, effect some refinements in the Expenditure Tax. He seems to be reluctant to do anything about the Wealth Tax on companies, except some minor adjustments. It remains to be seen to what extent the Select Committee can be persuaded by the business community to listen to its views. At the moment, business men are busy preparing memoranda for submission to the Select Committee. There is also a possibility of some of them either personally appearing before the Committee or seeking interviews with the other senior members of the Central Cabinet.

From some of his statements in Scandinavia and London, it is apparent that the Prime Minister is quite alive to the fact that the success of the second Plan depends, to a very large extent, on the availability of foreign capital. It would appear that the question of economic aid to India would figure in the conference of Commonwealth Prime Ministers and in private talks which the Prime Minister and his advisers are sure to have with their British counterparts. There are good reasons to believe that the economic experts in Whitehall and the Bank of England share the view that taxation in India is too heavy to permit a smooth development of the economy. And it is likely that they may tactfully convey their impressions about India's latest fiscal policy to the Prime Minister and his advisers. There is thus some chance of the Prime Minister returning to India in a mood that may be favourable to the private sector.

The Prime Minister's visit to London may also improve the chances of India getting foreign economic help. It seems that, unlike in the past, he is in a mood to make a definite request to Britain and the U.S. for financial assistance. Despite the differences of opinion between him and the Governments of these two great countries in the free world on certain international issues, he still commands their respect and affection. His requests to them are, therefore, unlikely to go unresponded. India is still a good risk both politically and economically. It is also a big country which cannot be lightly let down for strategic reasons. It would be most unfortunate for the cause of democracy in Asia, if Britain, Canada, and the U.S. failed to come to the rescue of India at this crucial hour and leave the situation to be exploited by the Russian leaders.

• • • •

To return to the Finance Minister's statements in Bombay early this week. One will do well not to nurse any optimistic hopes, if disappointments in future are to be avoided. There are no indications that the Government will prune the Plan to a realistic size. There is still an uncovered gap of about Rs. 900 crores to Rs. 1,000 crores. We do not, therefore, see how the Finance Minister can refrain from taxing the people more, let alone give any relief in the taxes he has already imposed. He is only sugar-coating the pill when he says that the dividend tax is only a temporary feature of the fiscal policy, so that the people may swallow the pill without offering too much resistance. It would be interesting to know what he means by the word "temporary". It would not be surprising, if he were to say that it means the second Plan period. Since the second Plan is to be followed by the third Plan and the latter by a fourth Plan, each of which may exceed its predecessor in size, it would be nothing but moonshine to talk of relief in taxation or to hope that the worst is over in regard to the tax burden. One should also not forget Mr. Krishnamachari's statement at the last A.I.C.C. meeting that they (he and his colleagues) would establish socialism in India in their lifetime.

• • • •

An important function which the Finance Minister carried out during his visit to this City last week-end was to decide the borrowing programmes of both the Centre and the States. It would appear that he has succeeded in persuading the State Governments to accept the Reserve Bank's advice to them to drop the idea of borrowing from the open market this year, in view of paucity of funds in the organised money market. All State Finance Ministers, who met the Union Finance Minister at a conference with the Reserve Bank Governor and the Deputy Governors, have returned to their headquarters convinced, so it seems, that it is better to abide by Mr. Krishnamachari's suggestion that they should try to find their requirements of capital by concentrating on small savings, which have now been made more attractive by an increase in the rate of interest and by exempting them from Wealth Tax. The latter is a valuable concession to rich people. By stressing this advantage alone, the State Governments should be able to gather large sums from the well-to-do citizens in the urban and rural areas alike.

The Central Government proposes to raise Rs. 100 crores, of which Rs. 38 crores will represent conversion of the maturing loan. It is still somewhat early to anticipate the terms of the new issue, as the Government is unlikely to approach the capital market before the last week of July or the first week of August, by which time conditions in the money market are expected to improve further in favour of borrowers.

The supply of funds in the short-term money market is steadily rising. Money advanced to sugar, cotton, cloth, hardware and foodgrain trades is returning at a good pace. The substantial support given by the Life Insurance Corporation to the share markets has also injected more cash into the market. The marked rise in equity values is, in a way a good augury for the success of the Central Government's forthcoming new loan.

• • • •

Since Monday onwards, the Life Insurance Corporation has been out of the share markets. This may be due to two reasons. First, the rise in equity values since the post-budget depression has been so substantial that it is but natural that the Corporation should leave the market to stabilise itself. Secondly, the Corporation has, it is reliably learned, taken over a large block of shares from Mr. H. D. Mundhra. This investment is said to consist of shares of almost all the companies the control of which he acquired in recent years from British investors. The exact amount involved in this straight deal is not known, but reliable sources place it at between Rs. 1.25 crores and Rs. 1.50 crores. Nor are details of the names of shares and the purchase prices of scrips known. It is, however, common knowledge that the Mundhra group of companies include the following well-known companies: The B.I. Corporation, Jessop & Co., Richardson and Cruddas, Alcock Ashdown, Brahmaputra Tea and Osler & Co.

It is obvious that, before investing in the shares of these concerns as large an amount as that mentioned above, the authorities of the Life Corporation must have made satisfactory arrangements in regard to the administration and the working of these concerns.

The news of this deal has had a bullish effect on the market value of the shares of the aforesaid concerns. B.I. Corporations, for instance, which had gone down to as low a level as Rs. 4.95 on 10th June, are now quoted at Rs. 6.80, after going up to Rs. 7. The following comparative table will give an idea of the recovery in the scrips of the Mundhra group:

	Latest	*Lowest after budget* 16-5-57	*About a year before* 12-7-56
	Rs.	Rs.	Rs.
B.I.C.	6.80	4.93*	11.12
Jessop	25.50	22.25	36.25
Richardson and Cruddas ...	14.50	15.25	25.87
Alcock Ashdown	276.25	240.00	348.75
Brahmaputra Tea	6.12	5.87	9.00
Oslers	5.25	3.00	4.69

*On 10th June 1957.

Opinion in market circles on the Life Corporation's deal with Mr. Mundhra is sharply divided. Some are highly critical, while others think that the Corporation has done a good thing, in that it has saved the capital market from a serious crisis which was in the offing.

All credit institutions are conservative in their investment policies and insurance companies the world over are particularly cautious in investing their funds. This is only to be expected, considering that insurance offices have to look upon their role as investors mainly as the trustees of policyholders' money. Apparently, even conservatism, as Mr. Kenneth Moore of a British life office, namely, the National Mutual Life Assurance Society, pointed out, in effect, in the course of his speech at the last annual meeting of the Society, held in London, could be carried too far. Mr. Kenneth Moore looked back over past history and recalled references to the investments made in the 1920's by the Society's Chairman, the late Lord Keynes, one of the brilliant economists the world has produced. Mr. Moore pointed out that Lord Keynes then argued the case for investment in ordinary shares "within the due bounds of prudence." He went on to add that the Society's progressive lead at that time was materially divergent from the practice of other life offices, but, 30 years later, what was regarded as a distinctly unorthodox development of investment policy had now become common practice. This, Mr. Moore said, had operated in the national interest, and, for policyholders, as a most valuable hedge against the evils of inflation; it had particularly benefited the holders of with-profits policies and was partly responsible for the handsome bonuses which had accrued to them.

The brief reference made by Mr. Moore to the late Lord Keynes' views on investment has induced "Candidus" of the London *Investors Chronicle* to review, at some length, the great economist's observations on investment by insurance offices, made as far back as in 1928. Lord Keynes advanced two reasons for favouring ordinary shares. Arguing the case for investment in ordinary shares, Lord Keynes said that one reason why he favoured it lay in the "advantage of spreading the fund between assets such as bonds expressed in terms of money values and assets representing real values." He dismissed real estate as unsuitable for insurance offices. But he thought that the "public joint-stock company has taken a tremendous leap forward and now offers a field for the investment of funds which simply did not exist even 20 years ago." These companies, he said, "represent the live large-scale business and investment world of today, and any investment institution which ignores or is not equipped for handling their shares is living in a backwater."

At the time Lord Keynes made these observations, and for several decades prior to that, insurers regarded only the railways and public utilities as respectable equity investments. Lord Keynes was convinced, even as early as in 1928, that industrial and commodity companies had far outstripped in size the investment favourites of the insurers of the day. He said: "The centre of gravity of business and, therefore, of investment is not where it was. A 'conservative' investment policy is apt to mean in practice backing the enterprises which were in the van 50 years ago, instead of backing the new ones which are characteristic of the best business brains of today." Yet another reason why Lord Keynes favoured business shares was that they were "undoubtedly undervalued relatively to bonds after making all due allowance for risk and other relevant considerations." He stressed the point that the policy of ploughing back part of a company's profits each year "introduces a cumulative, compound interest element which is often overlooked."

So much for the great economist's views on investment by insurance offices. In this, as in many other things he wrote, Lord Keynes has been proved correct by events. Insurers the world over have shaken off some of their former disinclination to invest their funds in equities. Indeed, they are constantly on the look out for good ordinary shares. In India, too, the trend, till the time of nationalisation of life insurance, had been towards an increasing investment in ordinary shares. And, if the insurers could not do more for ordinary shares than they actually did, it was at least partly due to the severe statutory restrictions on investment by life offices. The precise trends in investment during the period following the nationalisation of insurance have not been published. But it is well known that the Life Insurance Corporation has not lost its interest in equities. Indeed, it has been an active supporter of these in recent weeks, more especially after the Central Budget on 15th May 1957, which heavily depressed the Stock Exchanges.

From the point of view of the capital market and joint-stock companies, there are, of course, two vital differences, between investment in equities by the former life offices and the present Corporation. In the first place, joint-stock companies could always get a better deal in a situation where investing life offices competed among themselves for buying really good equities than in a context in which there was only one powerful buyer, the Life Insurance Corporation. Secondly, there is always the fear that the Government, working through the Corporation, may try to influence the policies of joint-stock companies, the shares of which the Corporation buys. But it must be said to the credit of the Government and the Corporation that, so far, they have shown that such a fear is baseless. If, however, the political complexion of the Government changes and a party which is more to the left than the Congress comes into power, or if the Congress party itself becomes more leftist than it is now, it may well be that the Corporation may turn out to be a busy body in the affairs of joint-stock companies, the shares of which it acquires. It may then pave the way for nationalisation of industries by the back door—a threat which the protagonists of privately-owned life insurance have always seen in nationalisation of this important business.

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The success of the Progressive Conservative Party, led by Mr. Diefenbaker, in the recent general elections in Canada is a development of some significance to this country. In the context of the

(*Continued in next page*)

EQUITIES MOVE UP FURTHER

SPURT IN SUGARS

(From Our Own Correspondents)

BOMBAY, *27th June*

THE Bombay Stock Exchange continued to depict a firm trend during the week under review, though there was a slight setback today on account of heavy profit-taking. The buying support lent by the Life Insurance Corporation was quite sustained till mid-week, which, in turn, led to extensive bear-covering. Good investment buying was also in evidence, thanks to favourable interpretation of statements made by the Union Finance Minister in the course of his discussions with the industrial and business community held in the city early this week. In particular, three statements of the Minister were noted with satisfaction. First, the measures like excess dividend tax and compulsory deposit scheme are temporary expedients, liable to change in the light of changing circumstances. Secondly, the viewpoints of the business community on the wealth and expenditure taxes would be sympathetically considered by the Select Committee of Parliament. Thirdly, the Government has no desire to stifle private enterprise; on the contrary, it will do all it can to encourage productive enterprise.

The aforesaid assurances of Mr. Krishnamachari, together with the absence of any fresh tax proposals in the Bombay Government budget for 1957-58 presented this week, and firm advices from Calcutta, imparted much strength to the market and values of shares continued to maintain their upward march. Today, however, the market, as already stated, staged a slight setback, following heavy profit-taking. Consequently, a part of the earlier gains was erased. Nevertheless, the closing rates were markedly higher than those at the end of last week.

Tata Ordinaries in the steel section opened the week firm at Rs. 164, as against Rs. 163.75. They were keenly sought after, despite uncertainty regarding dividend, and taken up to Rs. 174.75 yesterday. At this level, profit-taking set in and the scrip receded today to Rs. 170. The net gain over the week was Rs. 6.25. Pending the announcement of dividend by the Company, the Stock Exchange authorities have directed that, for settlement purposes, a provisional deduction of Rs. 10.50 per share be made for dividend on shares. Indian Irons opened at Rs. 19.50 and rose on good enquiries to Rs. 20.50 yesterday, but declined to Rs. 19.90 today before recovering to Rs. 20.05 at the close.

As in the previous week so also during the week under review, trading in the textile section was characterised by strong bull support and bear covering, the cumulative effect of which was further handsome gains in prices. Edward Textiles jumped up by Rs. 35 to Rs. 290. Centurys rallied Rs. 19 to Rs. 426. Bombay Dyeings opened at Rs. 534 and advanced to Rs. 560 before finishing today lower at Rs. 550.50, the net rise over the week being Rs. 15.50. New Greats spurted by Rs. 15 to Rs. 235, Standards by Rs. 13 to Rs. 414, Central Indias by Rs. 9.50 to Rs. 112, Gokaks by Rs. 7.25 to Rs. 182.25 and Swans by Rs. 6.75 to Rs. 361.25. Simplex hardened by Rs. 6 to Rs. 166, notwithstanding a cut in dividend for the year ended March 1957, following reduced profit. Morarjis put on Rs. 5 to Rs. 215. Elphinstones and Shreenivas rose by Rs. 4 each to Rs. 54 and Rs. 178 respectively. Indores strengthened by Rs. 3.50 to Rs. 138.50. Swadeshis gained a like amount to Rs. 87. Kohinoors were done Rs. 2.50 higher at Rs. 286. Tata Mills gathered Rs. 1.50 to Rs. 44 and Finlays Re. 1 to Rs. 274.

Bank shares attracted good attention and recorded an improvement in prices. Central Bank new shares moved up by Rs. 2 to Rs. 56 and old shares increased by 75 nP to Rs. 53.50. Bank of Indias hardened by Rs. 1.25 to Rs. 139. Barodas and United Commercials rose by 50 nP each, the former to Rs. 102.50 and the latter to Rs. 54.50. Union Banks gathered 30 nP to Rs. 7.30.

Electricity shares were well supported. Tata Powers picked up Rs. 11.25 to Rs. 1,216.25 and Hydros Rs. 2.50 to Rs. 122.50, a reflection of the satisfaction over the final dividend paid for the year ended March 1957. Andhra Electrics advanced by Rs. 5 to Rs. 1,195. Bombay Suburbans put on a rupee to Rs. 104.50. Ahmedabad Electrics were fully steady at Rs. 93.75.

Sugar shares in the miscellaneous section elicited considerable buying support induced by the absence of a levy on agricultural income in the Bombay budget. Belapurs were specially sought after and their value forged ahead by Rs. 17 to Rs. 238; at one time yesterday, it had even touched Rs. 242. Walchandnagars climbed up by Rs. 14.25 to Rs. 258.75. Phaltans increased by Rs. 8 to Rs. 143. Bhopals were better by 55 nP at Rs. 18.25. Cement shares, however, ruled somewhat dull. Associated Cements opened at Rs. 158.75 and, after rising to Rs. 160.75 yesterday, slipped back to Rs. 157.75 today before finishing at Rs. 158. Digvijays registered a gain of Re. 1.25 to Rs. 146.25. Dalmia Cements were fully maintained at Rs. 12.

The firmness of engineering and mining shares noted last week continued unabated and there was a further improvement in values. Premier Constructions rallied Rs. 9.50 to Rs. 161. Tata Locomotives picked up Rs. 5.50 to Rs. 152.50. Alcock Ashdowns spurted by Rs. 3.75 to Rs. 276.25. Shivrajpurs increased by Rs. 3 to Rs. 82.50. Mahindra and Mahindras gathered 25 nP to Rs. 14.50. B.B. Petrols were better by 14 nP at Rs. 2.62. Indian Coppers, however, dropped 18 nP to Rs. 3.42, owing to selling pressure induced by a 10 per cent. cut in the dividend for 1956 to 20 per cent. (on the enhanced capital), from 45 per cent. (including a bonus of 25 per cent.) for 1955.

Among automobile shares, Premier Automobiles improved by Rs. 2.50 to Rs. 89. Hindusthan Motors were firm at Rs. 7.05, same as last week. Deals in shipping shares were put through at higher prices. Scindia Steamships advanced by 70 nP to Rs. 19.20. Great Easterns increased by 35 nP to Rs. 19.70. India Steamships were better by 15 nP at Rs. 10.15.

Among miscellaneous industrials, Bombay Burmah Olds encountered persistent enquiry from professional circles. They opened at Rs. 551.50 and moved up to Rs. 582 yesterday before finishing at Rs. 570 today, the net rise over the week being Rs. 31.50. National Rayons spurted by Rs. 7 to Rs. 224 on good buying support induced by persistent rumours of a cut in imports of foreign yarns during the July-December licensing period and hopes of higher prices. British India Corporations firmed up by 75 nP to Rs. 6.80. Wimcos were bid at Rs. 157, as against Rs. 153. British India Corporations firmed up by 75 nP to Rs. 6.80. Tata Oils hardened by a similar sum to Rs. 43.50. Tata Chemicals rose by 20 nP to Rs. 17.55. Killick Industries, however, came in for some selling and declined by a rupee to Rs. 155. Hindustan Levers were a shade easy at Rs. 19.25.

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Calcutta Stock Exchange

CALCUTTA, *26th June*

Following increased activity, share values recorded a good measure of recovery during the week under review. The Union Finance Minister's readiness to examine difficulties in the application of his taxation proposals contributed to better sentiment. The support by the Life Insurance Corporation was also a helpful factor. The Corporation's support was considered to be part of the Government's integrated plan to ease money market conditions. Encouragement was further derived from Mr. Krishnamachari's assurance to a deputation of Bombay business men that the Government did not desire to stifle private enterprise and that it would do all in its power to encourage productive enterprise. His statement that the Government did not want to develop the public sector at the expense of the private sector was particularly welcomed.

In accord with the general trend, coals recorded a slight improvement. Operators felt that the Coal Prices Inquiry Committee, taking the cost structure, could not but recommend increased prices. Burrakurs were fractionally better at Rs. 21.87, with Equitables recovering from Rs. 20.12 to Rs. 21.62. At Rs. 22.12, East Indians put on Re. 1.87.

It was not expected that raw jute prices would decline in the next one or two months, irrespective of the trend in the jute goods market. On the other hand, buyers were not prepared to support higher prices for jute goods. That being so, the current accounting period for mills was not expected to produce encouraging results. Naturally, jute shares sagged. Nationals eased from Rs. 19.70 to Rs. 19.60. Deltas were hammered down to Rs. 109, from Rs. 123.50.

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Madras Stock Exchange

MADRAS, *25th June*

The Madras Stock Exchange put on a cheerful appearance during the week under review. The chief impetus to the market was provided by the Union Finance Minister's reassuring observations at the meetings held with business men at Calcutta and Bombay. His statements that the compulsory deposit scheme and excess dividends tax were only temporary expedients, liable to change in the light of changing circumstances, and that the Government did not intend to develop the public sector by stifling private enterprise were bullishly interpreted. Some buying enquiries shown by the Life Insurance Corporation also helped to enliven sentiment. Equity values, as a consequence, tended to look up. The undertone of the market was firm.

Among tea shares in the planting section, Periakaramalais improved by 35 nP to Rs. 7.45. Kil Kotagiris advanced by 30 nP to Rs. 5.95. Chandramalais increased by 20 nP to Rs. 3.75. Devasholas were firm at Rs. 19.50, Nilgiri Teas at Rs. 8.60 and Talayar Teas at Rs. 10.55. Among rubber shares, T.R. & T's were quoted 35 nP higher at Rs. 9. Pullangodes hardened by 5 nP to Rs. 2.85. Rajagiris were fully steady at Rs. 15.50, Thirumbadis at Rs. 1.57, Travancore Rubbers at Rs. 15, Woodlands at Rs. 9.50 and Woodcotes at Rs. 1.70.

In the textile section, Coimbatore Cottons were pushed up by Rs. 18 to Rs. 160. Metturs improved by Rs. 7 to Rs. 320 *cum-div.* Ranga Vilas rose by a like amount to Rs. 89. Coimbatore Spinnings put on Rs. 4 to Rs. 87. Buckinghams spurted by Rs. 3 to Rs. 165. Lakshmis and Rajalakshmis rose by Rs. 2.50 each to Rs 142.50 *cum-div.* and Rs. 113.50 *cum-div.* respectively. Bangalore Woollens and Radhakrishnas gained Rs. 2 each, the former to Rs. 165 and the latter to Rs. 273. Loyals went up by Re. 1.50 to Rs. 49.

MARKET GOSSIP

(Concluded from previous page)

shortage of food supplies in this country, which is now being made good by imports, it will be generally welcomed that, in Canada, which has a large surplus of wheat, there is now a political party in power which is pledged to promotion of Common-wealth trade. It may be recalled that one of Mr. Diefenbaker's campaign pledges was that, if elected, one of his first acts would be to call a Commonwealth trade conference. Canada, with its surplus wheat which must be exported, has not generally looked with favour on the U.S.'s surplus disposal programme, more particularly its special efforts designed to "give away" wheat and to sell wheat for local currencies on long-term credit arrangements. Not having been able to persuade the U.S. to make a significant alteration in surplus disposal policy, Canada, it is stated, is itself prepared to follow the American example in the matter of disposing of its own surplus wheat. Some of Mr. Diefenbaker's colleagues are, in fact, known to favour giving or selling Canada's surplus grain to Commonwealth countries like India, Pakistan and Ceylon which are in need of it.

Although Canada was able to increase its exports at the time of the Suez crisis, its exports are said to have fallen off in more recent months. Stocks have accumulated. And there is some pressure by farmers on the Government. It may, however, be doubted whether Canada will be able to adopt entirely American methods of surplus disposal, considering that Canadian economy is less strong and less varied than the American. But it will not be averse to following a modest variation of the American programme. Alternatively, or along with some modified version of the American methods of surplus disposal, Canada may adopt a more flexible price policy which will help speed up exports. But the chief danger involved in any reduction in wheat prices is that it may further depress world wheat prices.

It is, perhaps, fortunate for wheat-importing countries that not only freight rates but wheat prices have declined in recent months. Thus, Chicago wheat July is currently quoted at 205½c., as against 283⅜c., early this year and Liverpool wheat futures (July) is quoted at £26 4s., as compared with the quotation of £29 15s. for March futures early in January last. Among the factors which have brought about a general decline in foodgrain prices, mention must be made of the U.S. concessional sales. Total U.S. shipments of wheat this season are expected to reach 11 million tons. The fact is that the U.S., despite the implementation of the Soil Bank programme, continues to face a situation in which large wheat surpluses will remain, thereby creating problems for export trade. The estimated supply for the 1957 marketing year is placed at 1,825 million bushels, 56 per cent. above the amount needed to satisfy normal demand. Despite the fact that a little more than one-fifth of the national allotment of 55 million acres was withdrawn from the Soil Bank, the prospective yield is placed at 971 million bushels, or only 2.7 per cent. less than the 997 million bushels harvested in 1956. Weather conditions have been favourable, so that the winter crop this year is estimated to yield 735.7 million bushels, as compared with 734.9 million bushels last year; the estimates of per-acre yields are, respectively, 23.6 bushels and 20.6 bushels. The spring wheat crop is placed at 234.8 million bushels, as compared with 262.2 million bushels last year.

In an effort to prevent further accumulation of surpluses, the U.S. Department of Agriculture has agreed to pay farmers some $231 million for withdrawing about 12 million acres allotted to them for growing wheat. Based on the supply estimate for the 1957 year which is only 26 million bushels below last year's, the cost to the Government, it is computed, will come to about $9 per bushel of wheat held off the market through the Soil Bank. This shows how costly is the operation of the Soil Bank programme, though it must be admitted that, in the absence of this programme, the crop might have been much larger than last year.

So far as India is concerned, the chief problem is not availability of wheat in world markets but the foreign exchange needed to buy it. Last year, India imported food to the tune of 1.42 million tons and, this year, imports are likely to be of the order of 1.76 million tons, though a large proportion of these imports has already arrived. If these imports have not had any significant adverse effect on the foreign exchange position, it is because they are largely coming in under the U.S. aid agreement. India will get 3.5 million tons of wheat from the U.S. under this agreement, of which one million tons have already arrived and another two million tons will be received before May next.

Surely, a similar arrangement with Canada is bound to prove beneficial to this country's economy. Nor need any such arrangement be confined only to wheat. For Canada is in a position to offer a fairly wide range of several other raw materials and finished goods which India needs. It may, therefore, be useful to explore possibilities of entering into a long-term credit arrangement, in the light of India's needs and Canada's resources.

NEWS IN BRIEF

THE all-India final estimate of dry chillies for 1956-57 puts the current year's area and production at 1,450,000 acres and 354,000 tons, as against the partially revised estimate of 1,490,000 acres and 355,000 tons, respectively, for 1955-56.

An amendment to Section 27 of the Hyderabad Agricultural Income-tax Act, 1950 proposes to extend the period of four years to five years within which the Agricultural Income-tax Officer can serve notices and proceed to assess or reassess suppressed agricultural incomes for the years 1952-53 and 1953-54.

The Government of India has agreed to provide facilities to six officers of the Burma Railway Accounts Department for training in railway accounts procedure on the Indian Government railways. The six officers will come in rotation for a period of three months each. The first of these officers has already arrived in India and has commenced his training at Calcutta.

An amendment to the Central Provinces and Berar Sales Tax Act, 1947, proposes to limit the operation of the provisions regarding suits and prosecutions against Government servants only. Section 26(2) of the Act prescribes three months as the period of limitation within which a suit or prosecution can be instituted against any person in respect of anything done or intended to be done under the Act.

The total number of automobiles produced during 1956 was 32,138, as against 23,084 in 1955. The break-up of the production was: Cars 12,989, station wagons 677, jeeps and similar vehicles 4,328, and trucks 14,144. As against 13,813 automobiles sold in 1954, 26,065 vehicles were sold in 1955. The sales in 1956 went up to 31,486. By 1960-61, the demand for cars and trucks is expected to rise to 65,000 per year.

The Government of India has authorised the Assam Oil Company to conduct a physical survey for the construction of an 800-mile pipeline for transporting crude oil from Assam to Calcutta. The Pipeline Construction Company of the U.S. will undertake the survey which will be completed towards the close of this year. The proposed pipeline will stretch across 850 to 920 miles from Nahorkatiya and Moran oilfields to Calcutta.

The Rajasthan Government has appointed a nine-man Sales Tax Advisory Committee, with the Commissioner for Industries as Chairman, to maintain proper liaison with trade and industry. It will suggest measures for the smooth and efficient administration of sales tax laws and rules, advise on matters relating to genuine grievances of traders in the administration of tax, and examine and advise on any matter relating to sales tax referred to it by the Government.

The Government of India has raised the rate of interest on all post office savings bank accounts by half per cent. with effect from the 1st inst. The revised interest on deposits up to Rs. 10,000 in individual accounts (up to Rs. 20,000 in joint accounts) is 2½ per cent. and, on balances in excess thereof, as also on public accounts, 2 per cent. The other savings bank accounts will also have a similar increase of ½ per cent. over the rate of interest admissible to them prior to 1st June 1957.

With a view to ensuring better conservation and exploitation of mineral wealth, the Government of India has decided to fix a ceiling on the area for which a prospecting licence in respect of any mineral or any prescribed group of minerals can be granted to private parties. This ceiling is likely to be 50 square miles. At present, there is no maximum limit prescribed for the grant of prospecting licences. A Bill embodying the ceiling is expected to be brought before Parliament at the ensuing session. The Government also proposes to assume powers to reduce or enhance the maximum area of ten square miles which can be held on a mining lease, if the step is finally found to be advisable in the interest of the mineral development of any State.

An advance team of shipyard experts from Britain will arrive in New Delhi within the next few weeks to carry out a preliminary survey in regard to the establishment of a second shipyard in India. This team will be followed by another in September. Both the teams are being sent by the British Government under the Colombo Plan. The teams will visit various probable sites for the location of the yard and have talks with officials of the Government of India on the type of ships to be built in the proposed yard. Among the sites proposed are Bhatkal (Mysore), Cochin (Kerala), Paradip (Orissa), and a site near Calcutta (West Bengal). The Government of India intends to build tankers and ships of more than 10,000 tons in the second yard.

In order to allow sufficient time to the State Governments to amend, where necessary, their sales tax laws to accord with the new provision of Section 15 of the Central Sales Tax Act, 1956, the Government of India has postponed the date of enforcement of the section to 1st October 1957. The new provision seeks to restrict the powers of the State Governments to levy tax on declared goods of special importance to inter-State trade or commerce only at the stage of last sale or purchase in a State and at a rate not exceeding 2 per cent. of the sale or purchase price thereof. It also provides that no tax under the State Law shall be levied on such goods, if they are intended for despatch to another State. The postponement now effected, however, will not in any way alter the enforcement of the levy of tax under the Act with effect from 1st July next.

The Government of India has set up a committee, with Mr. Asoka Mehta as Chairman, to investigate the rise in foodgrains prices. The other members of the Committee are Mr. Thirumala Rao, a former Central Deputy Food Minister, Mr. S. F. B. Tyabji, M.P., Raja Surendra Singh, a former P.E.P.S.U. Minister, Mr. V. N. Tivary, ex-M.P., Dr. B. K. Madan, Economic Adviser to the Reserve Bank, and Dr. S. R. Sen, Economic and Statistical Adviser to the Union Food and Agriculture Ministry. The terms of reference of the Committee include a review of the present food situation and examination of the rising trend of prices since the middle of 1955. In the light of this analysis, the Committee will recommend measures to ensure a level of prices which would provide the necessary incentive to the producer with due regard to the interests of the consumer and maintenance of a reasonable cost structure in the economy. While assessing the likely trend in demand and availability of foodgrains over the next few years, the Committee has been asked to take into account the impact of growing development expenditure and increase in population and urbanisation, as well as the availability of foodgrains from abroad.

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From Abroad

The U.S. Government estimates that American travellers will spend more than $1,800 million abroad this year. Last year, Americans spent $473 million in Europe and the Mediterranean area.

The U.S. Agricultural Department's Crop Reporting Board has forecast a wheat crop this year of some 971 million bushels, about three per cent. below last year and some 14 per cent. below average.

A jury in the U.S. District Court has acquitted three companies—Vanadium Corporation of America, Union Carbide and Carbon Corporation, and its subsidiary Electro Metallurgical Sales Corporation—on a charge of conspiring to monopolise and fix prices on vanadium between 1933 and 1946.

The Colonial Development Corporation in the U.K. has agreed to lend £1.17 million to Malaya's Land Development Authority. An agreement will be signed shortly. The terms have not yet been finalised, but they are expected to be liberal and repayments will be spread over a number of years.

The American Export Lines has applied to the Federal Maritime Board of the U.S. for permission to increase its subsidised service to India an to include calls in the Persian Gulf. Citing the relatively low participation by American-flag vessels on this route, the Company has sought additional subsidy to permit it to increase its frequency of service to between 34 and 50 per year.

PERSONAL

DR. Julinsz Suchy has been appointed Ambassador Extraordinary and Plenipotentiary of Poland to India.

Mr. Khatau G. Dayal has been elected President of the Bombay Small-scale Industries Management Association for the current year. Mr. J. T. Jani is the Vice-President of the Association.

Mr. P. N. Thapar, I.C.S., Secretary to the Union Ministry of Food and Agriculture, has been appointed Chairman of the Economy Committee set up in the Ministry to review the methods of work and suggest economies in expenditure.

The United States led the world during 1956 in total gross tonnage of shipping under its flag, according to *Lloyd's Register of Shipping*. The U.S. had 22.47 per cent. of the world flag distribution of shipping, exclusive of shipping on the Great Lakes. Great Britain was second with 18.58 per cent., followed by Norway which accounted for 7.64 per cent.

A Ministerial Committee, headed by the Director of the Economic Division of the Israeli Foreign Office, has been appointed by the Government of Israel to study the effects of the European Common Market and Free Trade Area on Israel's economy. In view of geographical proximity and the fact that a substantial part of Israel's exports go to the Common Market Countries, considerable importance is attached to the move.

Shift working round the clock has been advocated as the most efficient way, to lower prices by Mr. Lancelot Spicer, Chairman of Messrs. Spicers, Paper Merchants of Manchester. According to him, the lighter industries of the country should introduce the practice. It is an economic necessity for machines to work longer hours, as capital expenditure on plant is so heavy. In light industries machines often work only 40 hours a week out of a possible 168 hours.

Employment statistics for May in the U.S. have confirmed that the U.S. economy was suffering what was generally described in economist circles as a mild recession in manufacturing. But Commerce and Labour Department figures show that non-farm employment was at a record for the month and that the total unemployment remained unchanged at a relatively low figure of 2,715,000. The manufacturing recession, however, was revealed by the fifth successive monthly decline in the number of factory jobs and another decline in average hours worked in factories to the lowest level since September 1954.

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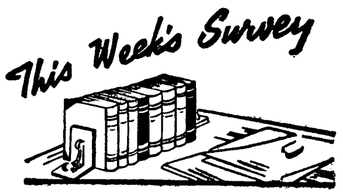

INDUSTRIAL HOUSING

IT is becoming clearer with every passing day that housing shortage in urban areas is becoming more, rather than less, acute. Nor is it as if the authorities are unaware of this problem. For the Planning Commission, on the basis of the trends in the growth of population and the current rates of increase in housing, has itself estimated that, in the absence of effective measures and carefully formulated programmes of urban development, the shortage in housing by 1961 may be twice as much as it was in 1951. It is true that, since 1951, some progress has been made in construction of new tenements, thanks to private and co-operative efforts and the Government's subsidised housing schemes for industrial workers and low-income group. Even so, it is to be feared that the position has not greatly improved. Small wonder, then, that the State Governments which have to find some means for solving the housing problem facing the citizens are often compelled to resort to drastic remedies. One such remedy is to compel industrial employers to divert the available resources to providing houses for their employees.

In Bombay, this remedy has had a long and interesting history. About seven years ago, the Government of Bombay announced that it had decided to make it compulsory for industrialists to provide housing facilities for at least 25 per cent. of the labour they employ in their new undertakings. Subsequently, it was decided to apply this policy in the entire State, and not to Greater Bombay only. In 1951, it decided that industrial concerns in Bombay City alone were required to provide for the housing of 60 per cent. of additional labour employed. Two years later, the Government reduced the percentages of labour for which housing should be provided from 60 to 40. At that time, it was generally understood that these conditions applied only to factories situated within city limits. But, later, the Government seems to have decided that the restriction should be applied to Greater Bombay area and that building permits for extension of existing factories or for the establishment of new units would not be given unless the employers agreed to provide residential accommodation for at least 40 per cent. of the workers or additional labour to be employed, provided the number of such workers exceeded 20.

Apparently, the Government is not satisfied with the pace of implementation of the industrial housing programme. The new State Minister for Housing, Mr. S. G. Kazi, stated in the Legislative Council, last week, that the Government not having received "much co-operation" from the new industrial managements in the matter of housing for workers, had decided to compel promoters of new industries to construct houses for their workers within two years of starting their units. The Minister said that, if this also did not have any effect on these industrialists, the Government would consider the question of adopting more stringent measures in order to compel the employers to build tenements for their employees. He further revealed that the Government was also examining the question of taking action against established industrialists who had not yet provided their workers with houses. "If industrialists can keep their iron and steel in air-conditioned rooms," he declared, "I find no reason why they should not provide shelter to their workers, who are after all human beings and are partners in production and equal in the eyes of the law."

While the Minister's indignation is understandable, in that it stems from a well-meant desire for promoting social welfare, it is perhaps well to recognise certain fundamental considerations. In the first place, it is an oversimplification of the problem of housing shortage to suggest that the provision of houses for industrial workers will solve it. Secondly, the proposition that industrial employers must necessarily provide workers with houses is not accepted in all countries. The fact is that, generally speaking, the Government should not transfer the responsibility for constructing houses to the employers, any more than it can be called upon at all times to provide houses for its servants. It is the business of industrialists to start industries. And when it is difficult to find the capital requirements for this purpose, it will add to the difficulties of *entrepreneurs* if they are also asked to find the additional capital necessary for industrial housing. In this connection, it must be remembered that the investment on housing does not yield an adequate return so that a certain investment-loss is necessarily involved in such construction. In the absence of specific fiscal and other incentives, it is idle to expect that employers can undertake the entire, or even a significant part of the responsibility for industrial housing. Nevertheless, it must be said to the credit of industrial employers in this country that they have not abdicated this responsibility; in fact, some of them have constructed houses which are a model of their kind in any country. But any general or rigorous insistence on such conditions will retard industrial progress and thereby affect adversely employment opportunities in the State. Indeed, industrial housing is best treated as an all-India subject.

Fourthly, if the Government's intention in insisting upon industrial housing is, as it may well be, to bring about dispersal of industries, the objective can be better realised through wider provision of power and other resources which determine industrial location. Finally, the Government cannot be unaware of the fact that even if industrial employers are both willing and able to undertake extensive housing programmes, there will still be the problem of finding building materials. Not only are they, especially cement and steel, costly and even artificially costly, but they are also not easily available. If the State Governments protested vigorously against the Centre's policy of maintaining the prices of these materials at artificially higher levels and succeeded in reversing the Centre's policy, they will have done a real service to all sections of the population, to industrial employers as well as prospective house-owners.

BOMBAY'S FINANCES

Two considerations would appear to have weighed with the Finance Minister of Bombay, Dr. Jivraj N. Mehta, in deciding not to announce any fresh taxes in his budget statement for 1967-58 which he presented to the State Legislative Assembly on Tuesday this week. First, the tax load on the public is already very heavy and any further addition to it will only act as the last straw on the camel's back. As the Finance Minister himself admits, the Government has not only fulfilled its target of taxation fixed in the first Plan but has actually exceeded it, and the public of Bombay State has also to bear a large share of the additional taxation recently proposed by the Centre which, measured by collections in the State, would come to 40 per cent. Secondly, the Finance Minister expects more liberal assistance—loans and grants— from the Centre, as a result of the final recommendations of the Finance Commission. Dr. Jivraj Mehta alludes, for instance, to his Government's plea for larger distribution of income-tax, central excise duty and estate duty and also for an annual grant of Rs. 3.25 crores to meet the deficit of some of the component units of the State, the growing Plan expenditure of all the areas of the new State, and the increased expenditure arising from problems of integration such as uniform pay scales.

The budget estimates for the current year disclose an uncovered revenue deficit of Rs. 3.17 crores, which represents a rise of Rs. 80 lakhs, as compared with the deficit shown in the budget presented in March last. The increase in deficit has occurred, despite the improvement in revenue receipts which are now placed at Rs. 109.44 crores, as against Rs. 106.32 crores. But the improvement has been more than neutralised by a marked rise of Rs. 3.92 crores in expenditure, from Rs. 108.69 crores anticipated earlier to Rs. 112.61 crores now estimated. The deficit of Rs. 3.17 crores is in striking contrast to the surplus of Rs. 24 lakhs shown in the 1956-57 budget of the State before reorganisation. This is due to the fact that, though the revenue receipts of the bigger Bombay State are estimated higher by Rs. 31.34 crores, the expenditure is expected to go up even higher, by Rs. 34.75 crores to be precise.

The budget statement of Dr. Jivraj Mehta does not contain any indication of the overall deficit—both revenue and capital accounts together—for 1957-58. This is only to be expected, considering the several uncertain factors which the Finance Minister has not been able to assess at present. Special mention may be made of the uncertainty regarding the Government of India agreeing to give further grants in respect of plan schemes, as urged by the State, and the Finance Commission's award. Nevertheless, Dr. Jivraj Mehta has expressed his confidence that the overall deficit "will be met without difficulty from our resources, though we have to face many transitional difficult problems involving large financial commitments on account of the formation of the new State."

The total capital expenditure of the Bombay Government for 1957-58 is expected to be of the order of Rs. 46.51 crores. The estimate is inclusive of amounts provided by means of supplementary demands but excludes expenditure on State trading. Of this amount, irrigation accounts for Rs. 17.30 crores, roads and buildings for Rs. 11.95 crores and the Koyna project for Rs. 6.86 crores. The Finance Minister's reference as to how the capital expenditure of Rs. 46.51 crores will be met is rather vague, as will be seen from the following extract of his speech:

"It is proposed to meet the capital expenditure from loans and grants totalling Rs. 15.94 crores (Rs. 14.57 crores loans and Rs. 1.37 crores grants) from the Government of India, from our share in small savings, by withdrawal of Rs. 2 crores from the fund for development schemes, and from Rs. 4.24 crores from the balances in the State road fund, milk fund, sugarcane cess fund, ports development fund, etc. Attempt will be made to meet the balance of requirements by open market borrowing in consultation with the Government of India."

Although the above extract does not indicate what the State's share in small savings will be, the Finance Minister stated earlier in his speech that, "if the recommendation of the National Development Council is implemented, the State's share in small savings in Bombay State based on the net collections of last year, namely, Rs. 16.5 crores, will, in 1957-58, increase from Rs. 6.5 crores to Rs. 11 crores." Taking this sum into account, it is seen that he has found, or hopes to find, resources of the order of Rs. 33.18 crores, as against the estimated total capital expenditure of Rs. 46.51 crores, leaving a gap of Rs. 13.33 crores. Does this mean that he proposes to cover the whole of this balance by open market borrowings? An answer to this question will be known in a few days.

MR. N. H. TATA ON AUTOMATION

Last week, we had occasion to comment upon automation and similar technological changes in the context of underdeveloped countries. It was pointed out in that connection that, in examining the implications of automation, it was necessary to view it in its true perspective as one of the many developments gradually altering the organisational nature and technological structure of industries. The importance of studying the human and economic problems of the change-over was also stressed. A scientific appraisal demands that its effects should be assessed from different angles with a view to ascertaining whether, in the ultimate analysis, it is beneficial or baneful to the economy adopting it.

This aspect was particularly stressed by Mr. N. H. Tata, Indian Employers delegate to the Fortieth International Labour Conference held in Geneva, in the course of his remarks on the Director-General's report on automation and atomic energy. Mr. Tata rightly maintained that any commentary on this vital subject would be incomplete so long as it arose from looking at it only from one angle, ignoring the other aspects of the problem. Those who focus their attention on the problem of unemployment through automation, overlooking, at the same time, all the benefits likely to accrue to the consumer and to the national economy, as also those who approach the problem from a purely regional angle in their belief that automation would spell suicide for economically underdeveloped regions, cannot be expected to pronounce an impartial verdict. Such a dogmatic attitude, Mr. Tata said, "emanates from the mind which, having fixed its gaze on an imaginary target, refuses to take any notice of the surrounding terrain. Such concepts, confined to predetermined conclusions, do a lot of injustice to our deliberations."

Mr. Tata believes that, in a country like India, which can neither be termed as exclusively agricultural nor as industrially advanced, the question as to whether automation is advantageous or disadvantageous cannot have an over-simplified solution with a "yes" or "no" answer. There is no denying the fact that India is confronted with a serious problem of overpopulation and unemployment. With the advent of the atomic age and introduction of automation, there may be repercussions involving unemployment in the initial stages. But even then, it would not justify a blindfolded, instinctive "no" to introduction of automation. Such an unimaginative move, Mr. Tata remarked, would put India at a disadvantage, as compared with other industrial countries through denial of benefits likely to result from automation in promoting a healthy export trade. While the immediately right capital cost involved in the introduction of automation would always act as a deterrent for economically backward countries, it would be suicidal for India, said he, to keep completely out of the picture by over-emphasising its dangers and underestimating the benefits. The best policy for India in the circumstances, according to him, is, therefore, to embark on an experiment by establishing an industry *ab initio* well suited for the adoption of progressive methods of automation and to study, in a practical manner, its merits and demerits under Indian conditions rather than condemn the system untried. A bold experiment with a completely new unit would give the best available data to the Government and the industry concerned. It would also enable one to evaluate as to how far automation is an inevitable development and unavoidable in the larger interest of the country.

As regards the plea for the reduction of hours of work, Mr. Tata said that, in so far as underdeveloped countries were concerned, the time was not opportune for considering the problem. But, unfortunately, the employer's resistance to such a proposal was often misunderstood and stigmatised as prompted by selfish motives of personal profit. He reminded those who pressed the demand that the national economy was not compounded of only two elements, the worker and the employer, and that the consumer and the society at large were equally concerned in the matter. The Government of the country, as custodians of the national economy and the consumer, could not ignore a country-wide move for a reduction in working hours, without securing a proportionate increase in productivity or a decrease in wages. Any step of this kind is bound to throw out of gear the price index of consumer goods and commodities, as also the wage structure of agricultural, and plantation workers. It will deny the Asian economy the opportunity for achieving a higher standard of life, although it might benefit a small minority of workers. What is more serious, in a country like India where the plans of developments are in full gear, a reduction in working hours, by curtailing output and thereby raising the per unit cost, would upset all cost calculations and render the Plan difficult of fulfilment.

Mr. Tata said that, while a healthy spirit of collective bargaining prevailed at the various committee meetings of the Conference, it was not reflected on the national level and many countries had yet to learn to rely on collective bargaining to maintain healthy industrial relations. He deprecated the tendency for dictating labour laws through legislative decrees and ordinances, particularly when elaborate tripartite machinery existed in many countries. It is a pity, Mr. Tata said, that the inclination to promote industrial relations through legislative fiats seems to grow more and more through "a feeling of guardianship" towards the workers. Associating himself with the observation of the veteran Canadian trade union leader, Mr. Jodoin, that "free collective bargaining, unhampered by compulsory Government arbitration, is the best guarantee for the creation of a climate of opinion in which industrial peace can prevail," Mr. Tata rightly observed that no legislative measure could extend protection of the type the laws lay down, unless it was a product of mutual agreement through collective bargaining.

MACHINE SCREW INDUSTRY

It must, indeed, be said to the credit of the machine screw industry that it has endeavoured its best to fulfil the obligations of a protected industry. Since the grant of tariff protection in 1951, more especially since 1954, the industry has achieved remarkable progress, both quantitatively and qualitatively. The figures cited by Mr. K. R. Damle, I.C.S., Chairman, Tariff Commission, while opening the public inquiry into the question of continuing protection to the machine screw industry beyond December next, held in the City last week, reveal, for instance, that the aggregate production of the industry has gone up from a bare 224,000 gross in 1954 to 1,036,000 gross in 1956, representing a rise of as much as 362 per cent. Alongside of augmenting output, the industry has also taken special care to improve the quality of the product through the introduction of quality control and installation of better and additional machinery. There seems to be, according to Mr. Damle, general satisfaction with the quality of the domestic product.

The substantial increase in the production of machine screws in recent years has been rendered possible by a marked expansion in the installed capacity of the industry. The capacity (on single-shift basis) in 1956 aggregated 1,383,000 gross, as against 379,000 gross in 1954, or an increase of nearly 270 per cent. There are at present nine units engaged in the manufacture of machine screws and four new units, which have already been licensed, are expected to commence production in the coming years. With the completion of the new projects and the expansion of the Universal Screw Factory at Chheharta, the total annual installed capacity of the industry (on single-shift basis) is expected to expand to 2,461,000 gross. It is rather difficult to say whether this capacity will be sufficient fully to meet the consumption requirements, because the estimates of these requirements vary very widely. The estimates range from 1.3 million gross to 5 million gross for 1960-61; the Development Wing expects the demand to increase to 4-5 million gross per annum by 1960-61, as against the current estimated demand of about 2 million gross.

The machine screw industry, as stated earlier, has succeeded in producing screws of satisfactory quality. An important consumer, however, has stated that the quality leaves much to be desired. He has pointed out that, in one recent supply, the rejections were as high as 75 per cent., due to the diameter of the screw being different from what was intended. Quoting this instance, Mr. Damle did well to emphasise that the quality of machine screws was of vital importance from the standpoint of the serviceability of the machines and other apparatus in which they were fitted. The extent of the improvement in the quality of machine screws, it is needless to mention, depends, in turn, on the quality of mild steel annealed wire (14 SWG to 5 SWG), the principal raw material. The domestic supply position of the wire of required quality, it is said, continues to be difficult.

While the progress achieved by the machine screw industry is thus noteworthy, there is still considerable scope for further progress, what with the growing large demand for screws arising from the accelerated pace of development of the engineering industries, not to speak of export prospects. In view of this, as also considering that the industry should stabilise itself and improve the quality of its products further, the question of extending protection for a further reasonable period may be sympathetically considered. The actual degree of protection is, of course, a matter which should be examined in the light of the disparity between the imported cost of foreign machine screws and the cost of the indigenous product. There is, however, no justification for the plea, put forward by a leading manufacturer, for a blanket ban on imports of all varieties of machine screws. For such a ban will, by ensuring a fully protected market for the industry, kill all incentive on the part of the industry to produce quality machine screws at an economic cost, besides placing the consumer at its mercy.

INLAND WATERWAYS

Problems relating to the transport on inland waterways were discussed at a conference, held recently at Calcutta. The Union Minister of State for Transport, Mr. Humayun Kabir, is said to have initiated the discussions at the Conference at which representatives of trade, shipping companies and railways were present. The discussion, it is stated, centred on difficulties experienced by operators of inland vessels in the matter of getting coal and trained crews and the absence of repair facilities for the vessels. A representative of a steamer company is understood to have pointed out that several Pakistani nationals were employed as crew in the vessels and that a strict enforcement of the Foreigners Act would cause the loss of trained personnel. It was also pointed out that inland shipping companies generally found their trade on the Calcutta-Bihar route unremunerative. Another complaint was that no facilities were available in Calcutta for repair of the vessels and that the berthing and jetty facilities for inland steamers in Calcutta port were inadequate. The need for financial assistance to inland transport companies, it is stated, was stressed by some of those who participated in the discussions.

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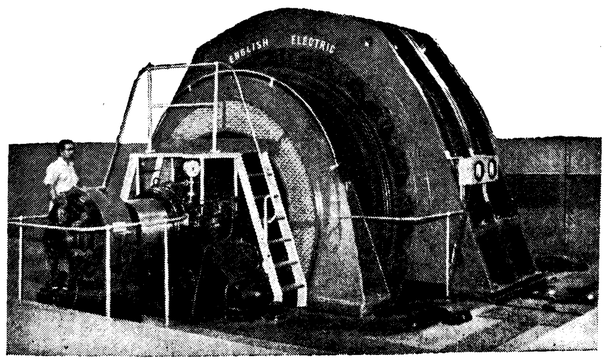

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EEC-61

NATIONAL INCOME DATA ANALYSED

C.S.O. SHOULD TAKE UP STUDY OF CAPITAL FORMATION IN PRIVATE SECTOR

From Our Own Correspondent

NEW DELHI, *25th June*

THE Central Statistical Organisation of the Cabinet Secretariat has issued a brief statistical paper (without any interpretative comments), giving estimates of India's national income during the period 1948-49 to 1955-56. The estimates for 1955-56, though preliminary, complete the statistical picture for eight years which can be taken as the first Plan period, in view of the fact that, though the Plan began formally on 1st April 1951, most of the bigger projects forming part of it had been under actual implementation during the previous three years as part of the post-war development programmes of the Central and State Governments and, with the help of revenue reserve funds built up in war-time. As it is a misnomer to describe the first Plan as a Five-year Plan (while, in fact, it was largely an eight-year plan) and as it would, therefore, be misleading to split up the period into the so-called pre-Plan and Plan periods and make comparisons on that basis, the actual growth of national income from 1948-49 to 1955-56 may have to be taken as a reasonably reliable measure of the economic progress registered under that Plan. This is the approach of this despatch.

DELHI LETTER

At the outset, a broad idea of the economic progress in real terms since 1948-49 may be had from the following figures of net national output at factor cost (that is, national income) at constant (1948-49) prices:

(In Rs. 100 crores)

	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
1. Agriculture, animal husbandry, forestry, fishery, etc.	42.5	43.6	43.4	44.4	46.0	49.8	50.3	49.8
2. Mining, manufacturing and small enterprises	14.8	14.6	14.8	15.2	15.8	16.5	17.0	17.5
3. Commerce, transport and communications	16.0	16.4	16.6	17.3	17.9	18.3	19.1	19.7
4. Other services	13.4	13.8	13.9	14.3	15.0	15.7	16.4	17.2
5. Net domestic product at factor cost	86.7	88.4	88.7	91.2	94.7	100.3	102.8	104.2
6. Net earned income from abroad	—0.2	—0.2	—0.2	—0.2	—0.1	0.0	0.0	0.0
7. Net national output at factor cost = national income	86.5	88.2	88.5	91.0	94.6	100.3	102.8	104.2

The above figures show that real national income has registered in 1955-56 (the last year of the first Plan) an increase of 20.4 per cent. over 1948-49. In other words, the growth of real national income in the eight-year period has been at an average annual rate of about 2.5 per cent. If, on the other hand, the figures for the formal Five-year Plan period (1951-52 to 1955-56) are separately considered, it is seen that the rate of growth has been at an annual average of about 3 per cent. Again, according to the figures, the 1955-56 income from the primary sector represents an increase of 17.2 per cent. over that of 1948-49, that from the mining and manufacturing sector 18.2 per cent., that from the commerce and transport sector 23.1 per cent. and that from other services 28.4 per cent. The plausible conclusion that can be drawn from these figures is that the rates of growth in agriculture and industry have been about the same in the first Plan period.

This conclusion, unfortunately, is contrary to experience all the world over, for it is known from the U.N. and F.A.O. statistical publications that the rate of agricultural growth generally tends to be far lower than the rate of industrial growth. This is borne out by the fact that, in the last decade, world agriculture has registered an increase of only 20 per cent. over the 1934-38 level of production, whereas, in the same period, world industrial production has increased by about 75 per cent. over the pre-war level. In the light of this evidence, one would have to take it that the estimates of primary sector income in India in the years 1948-49 to 1952-53 are under-estimates. Here may be recalled a few relevant sentences from this correspondent's despatch on food (*vide Commerce of* 1st June 1957): " . . . the *annavari* crop estimates throughout the country in the years of control and intensive procurement (upto 1952-53) should have been under-estimates, for it was common knowledge in those days that the *patwaris* (village accountants) were influenced by producers in several ways to under-estimate yields in order to reduce their obligations under the grain procurement schemes. In other words, a part (anything from a fifth to a fourth) of the production of those years was concealed from the paper estimates . . . ". As the estimates of primary sector income are based on the official crop estimates (as they were announced in the years of control and intensive procurement since 1948-49), it should be clear that those estimates would have to be revised so as to take into account the concealed production of those years in respect of rice and wheat in particular.

Such possible revised estimates of primary sector income may well be Rs. 4,500 crores for 1948-49, Rs. 4,600 crores each for 1949-50 and 1950-51, Rs. 4,700 crores for 1951-52 and Rs. 4,800 crores for 1952-53. With this revision, the figures of real national income for the corresponding five years would become Rs. 8,900 crores, Rs. 9,060 crores, Rs. 9,110 crores, Rs. 9,360 crores and Rs. 9,660 crores, respectively. This would mean that the 1955-56 income from the primary sector represents only 10.7 per cent. over that of 1948-49, while the growth of real national income in the eight-year period has been at an annual average rate of about 2.0 per cent. It would, therefore, appear that this figure of 2.0 per cent. alone—not 2.5 per cent.—can be taken as a more reliable measure of the performance of the Indian economy in the period from 1948-49 to 1955-56. When the national income figures are revised (as indicated above) it also turns out that *per capita* net output at 1948-49 prices was Rs. 252 in the base year (1948-49), while it was Rs. 272 in the final year (1955-56). This would mean that *per capita* real income in the final year of the first Plan represents a net increase of 7.9 per cent. (not 10.2 per cent. as worked out in the C.S.O.'s paper) for the whole eight-year period; this, again, would mean that *per capita* income has increased at an annual average of just 1 per cent. in the entire eight-year period.

As it now looks reasonably certain that the investment outlay (both in the public and the private sectors) in the five-year period of the second Plan will actually fall considerably short of the targets, he should be a rash prophet who would say that the rate of growth of national income (at 1948-49 prices) will be at an annual average of 5 per cent. in the second Plan period. If anything, it may not be more than 3.5 per cent. to 3.75 per cent.; in the same way, the average annual rate of increase in *per capita* income may not exceed 1.5 to 1.8 per cent. The official (and, in some cases, unofficial) tendency to exaggerate the expansionist trends in the Indian economy may thus be known for what it is.

The C.S.O.'s paper is also somewhat revealing in its figures pertaining to the Government share in generation of net domestic product, Government share in national expenditure and Government draft on private income. Taking Government share in generation of net domestic product first, one finds that the net output of Government enterprises (at current prices) is 3.7 per cent. (of net domestic product) in 1954-55 and the net output of Government administration 5.4 per cent., while the net output of the private sector is 90.9 per cent. in the year concerned. As for Government share in net national expenditure (being Rs. 10,240 crores at market price in 1954-55), it is found that the current expenditure of Government administration on commodities and services represents 6.5 per cent. of national expenditure in 1954-55 and the Government capital formation 4.2 per cent.

As for Government draft on private income (being Rs. 9,740 crores at current prices in 1954-55), it is seen that direct taxes account for 2.5 per cent., indirect taxes 5.3 per cent. and miscellaneous fees 1.1 per cent. of private income in the year concerned. It may be noted here that taxes and fees, in absolute terms, have increased from Rs. 690 crores in 1948-49 to Rs. 870 crores in 1954-55; this represents an increase of about 26 per cent. At the same time, Government capital formation has increased from Rs. 210 crores in 1948-49 to Rs. 430 crores in 1954-55; this represents an increase of about 105 per cent. In the same period, net domestic product has increased by 15.5 per cent. Whether the rate of increase in taxation and the rate of increase in Government capital formation can be so much more than the rate of increase in domestic product without drastically curtailing, in the process, the domestic savings available for capital formation in the private sector, is a question to be seriously pondered and examined. It is, indeed, regrettable that the magnitude of capital formation in the private sector has not been estimated by the Central Statistical Organisation.

SHEET GLASS INDUSTRY

Following the claim made by the sheet glass industry for continuance of protection beyond 31st December 1957, when the present protection is due to expire, the Tariff Commission has taken up the public inquiry into the industry. It may be recalled that the industry was first granted protection for two years in 1950 when the existing revenue duty of 45 per cent. *ad valorem* was converted into an equivalent protective duty. Subsequently, the protection was extended from time to time, the last extension having taken place in January 1955 for a period of three years at an enhanced rate of 70 per cent. *ad valorem*.

During the period of protection, the industry has made satisfactory progress. The number of units in the industry today is four, as against two at the time of the first inquiry in 1949. Further, the installed capacity of the industry has increased from 86.60 million sq. ft. in 1953 to 111.60 million sq. ft. in 1957. At the same time, production of sheet glass rose steeply from 22.78 million sq. ft. in 1953 to 46.86 million sq. ft. in 1956. In other words, the industry has utilised 63 per cent. of its installed capacity in 1956, as against only 35 per cent. in 1953. The corresponding proportion for 1957 is said to be as high as 75 per cent.

The estimates of current and future demand for sheet glass made by various agencies, however, vary widely. Those of current demand vary from 35 million sq. ft. to 50 million sq. ft. and those for 1960 range from 40 million sq. ft. to 75 million sq. ft. Moreover, on the basis of the trend of past imports and production of sheet glass in the country, the Development Wing of the Ministry of Commerce and Industry has placed the current demand and that for 1960 at 50 million sq. ft. and 75 million sq. ft., respectively. Thus, an important task before the Commission now is to arrive at a fairly accurate estimate of current and future demand for the product in the country.

The problems facing the industry are chiefly in regard to raw materials. The quality of the sand supplied to the industry is said to be poor, while the price of heavy soda ash is high. The most serious difficulty, however, arises from irregular supplies of coal due to shortage of wagons. It is stated that a factory had to be closed down due to shortage of supplies of coal. Thus, the industry faces certain disadvantages *vis-a-vis* its foreign competitors.

As regards quality, the consensus of opinion seems to be that there has been an improvement and that the indigenous sheet glass compares favourably with the imported product. Complaints are not lacking, however, that some of the defects the indigenous product suffers from relate to waviness, uneven thickness, bubbles and unsatisfactory packing, which were pointed out by the Commission in 1954. In this connection, it is noteworthy that the Indian Standards Institution has recently evolved a draft standard for sheet glass and that it has decided to cover for the time being only one grade suitable for glazing and framing purposes. A sub-committee of the Institution is also said to be investigating the desirability of incorporating durability, breaking strength and thermal shock tests in the draft.

Notice

THE INDIA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the India United Mills, Limited, will be closed from Monday the 22nd July, 1957, to Wednesday the 14th August, 1957, both days inclusive.

By Order of the Board,

AGARWAL & CO.,

Agents.

BOMBAY, *23rd June*, 1957.

AMERICAN LETTER

CONCERN OVER PRESIDENT'S HEALTH

SOIL BANK SCHEME PROVING COSTLY

From Our Special Correspondent

NEW YORK, *19th June*

PRESIDENT Eisenhower's indisposition, earlier in June, had a severe repercussion in the stock markets. Prices fell as much as 10 points in the first hour after the announcement was made. Recovery followed soon and since that time all losses have been more than eradicated. If this incident proved, or showed anything, it is this. After two serious setbacks in the President's health during his terms of office, the slightest suggestion that all is not well at the White House conjures up fears for the worst.

That apprehension is so great, a good many people, rightly or wrongly, do not expect the President to outlive his last term. Behind this feeling, coupled with the volatility of the American mass temperament, there is a widespread dislike of Vice-President Nixon who would automatically become President in the event of Mr. Eisenhower's death.

There is no ready explanation for these popular attitudes. Mr. Nixon has represented the United States well, indeed, all over the world and he certainly has made few *faux-pas* than other Cabinet members, such as John Foster Dulles and Secretary of Defence Wilson.

Some of Mr. Wilson's public statements have been laughable and quite undiplomatic, even though they may have been well meaning and sincere. Mr. Dulles's personality never did elicit any favourable popular response.

Foreign Policy

Even more so, U.S. foreign policy has come under increasing public criticism. This is especially the case, so far as the Middle East is concerned. It all started with U.S. refusal to have anything to do with the building of the Aswan Dam. It antagonised President Nasser of Egypt and set off the chain reaction which led to the closing of the Suez Canal. Meanwhile, about one million Arab refugees have been leading a subsistence vegetation in camps, mostly in Jordan, for the better part of nine years.

Virtually nothing has been done about it and, as long as that sore spot remains, peace in the Middle East can hardly be expected. As the chief Administration exponent of Washington policy, Mr. Dulles bears a part of the blame for this fiasco.

The question is frequently asked why President Eisenhower has not done anything about it. The answer probably is the great loyalty Mr. Eisenhower feels for all those around him whom he has chosen himself. It is part of his life-long Army training and background.

He did not have to cope with civilian politics in the past and, at first, he was hurt by and impatient with the unpleasantries to which he was exposed in his present position. He has overcome this handicap a good deal since and his temper is no longer as short as it used to be.

So far as internal politics are concerned, the biggest criticism levelled against present policies concerns the height of the proposed Budget. A recent public opinion poll shows that, as a result, the President had lost about 17 per cent. of his previous popularity.

Interest Rates

Interest rates are still creeping up. Rates for commercial paper and bankers' acceptance rose fractionally in recent weeks. The Federal National Mortgage Association was obliged to put a 4½ per cent. coupon on a $100 million debenture issue. It was the highest rate paid by that Federal agency in its existence.

Business and industrial spending for improvements and expansion remains high. Such outlays are projected at the annual rate of $37,900 million in the third quarter, as compared with $37,300 million in the second quarter and £35,900 million in the first quarter. It may be noted, however, that about half of the increase is no real boost in volume, but merely reflects price increases.

However, the spending for new plant and equipment is substantial and a main prop under the economy. Only one broad group of business spent less than last year, the commercial one. It embraces banks, stores and restaurants. This year's outlays may reach the record $37,400 million projected earlier in the year which would be 6.5 per cent. above 1956 expenditures for the same purpose.

Employment

Fluctuations in employment have been relatively minor. Civilian employment gained 900,000 from mid-April to mid-May. The change was about normal. Factory employment, however, fell to 12,831,000, off 200,000 for the year. It was the fifth consecutive monthly decline in this area and it reflects the spottiness in the business situation.

Steel capacity which is still about 87 per cent. of capacity is expected to drop to about 70 per cent. this summer as a result of mass vacations and retooling. While the sales of foreign cars in the U.S. has doubled, sales of U.S. cars are still lagging behind expectations.

Agriculture

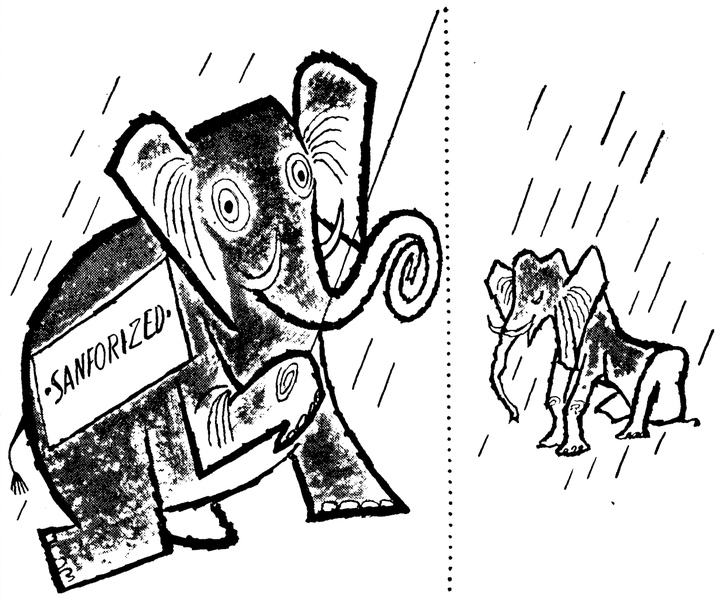
In the field of agriculture, the much heralded soil bank has proved to be a very expensive experiment. It was supposed to stem overproduction. The Department of Agriculture forecast the 1957 wheat crop at 970,533,000 bushels. This would be about 21 million bushels more than estimated market demand.

Reserve stocks now total nearly 960 million bushels. Original hopes were that the crop would drop by 100 million bushels. It is, of course, possible that, despite all human planning and particularly after so many years of good harvests, the weather may turn out to be unfavourable and reduce the crop. Despite the present experience of accomplishing little, the U.S. Senate voted the other day a $3,700 million farm bill which would continue the soil bank plan for another fiscal year.

The House of Representatives voted previously to kill the bill. The views of the lower and upper legislature will now have to be reconciled. As the *New York Times* put it editorially, "Government agencies on 1st April had $89,100 million in unspent appropriations. This may furnish some ammunition for the Budget cutters in Congress. Unused appropriations would be down to $69,800 million by 30th June," the end of the fiscal year.—*All Rights Reserved.*

PORTABLE ATOM PLANT

A 100-ton nuclear power plant that could be flown to its intended site in eight or fewer airplane loads was described at a meeting of the American Nuclear Society at Pittsburg recently. The plant is being developed by the Reactor Division of the Martin Company of Baltimore. Tests of the planned reactor will be made early this autumn under an Atomic Energy Commission contract. A company engineer told the scientific group that a complete unit could be built by 1959 or 1960. The reactor, using uranium-235, could operate a year and a half without refuelling.



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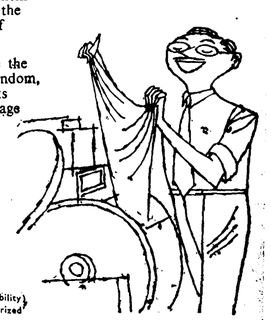

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DISPENSATION OF RURAL CREDIT—II

RESERVE BANK BEST SUITED TO PROMOTE CO-OPERATIVES

By A Student of Co-operation

VIEWED against the background of what has been stated in the previous article, it becomes clear why the role assigned to the Reserve Bank, as the Central bank of the country, under the Integrated Credit Scheme, is of paramount importance. The primary considerations that weighed with the authors of the Scheme in assigning such crucial role to the same, as one sees them, are, among other things, the need for (1) the creation of a "climate" in which co-operative institutions will effectively function in the interests of rural production and for the benefit of the rural producer; (2) actively assisting the reorganisation of the co-operative credit structure on the basis of State-partnership in the capital structure of the institutions at various levels; (3) meeting the fast expanding needs of rural credit at concessional rates of interest; and (4) imparting sound advice to States on problems of agricultural indebtedness and co-operative movement generally, and to ensure that its advice is heeded, and that the planned programmes in regard to reorganisation of co-operative credit institutions are implemented expeditiously. The need, for effectively co-ordinating the supply of credit with the developmental policies in regard to agricultural credit of the Central and State Governments, on the one hand, and with the programmes for the development of rural economic activities on a co-operative basis, and of warehousing and storage of agricultural commodities, on the other; and for making arrangements on a long-term basis for the provision of increasing number of trained personnel, is no less important.

Obviously, the only institution that can fulfil all these considerations is the Reserve Bank of India. It is common knowledge that co-operative banking and commercial banking widely differ in principles, aims and practices, that they serve, very inadequately at present, two distinct but equally important sectors of the economy, each of which is on the threshold of stupendous expansion the limits of which are not known, and that they are complementary to each other in the larger context of the national economy. If this point is conceded, it is easy to see why the Reserve Bank, as the Central bank of this country, as a non-profit seeking institution, as one "neutral" between the commercial banking and co-operative banking, and as one directly responsible for the execution of the Government's financial and credit policies, should take upon itself the task of positively assisting the development of both of them, according to well-conceived plans in the interests of the national economy. It is this feature of the Reserve Bank which enables it to have an equally intimate relationship with, and to be the focal point of, both the sectors of banking. Besides enormously strengthening the Bank by enabling it to acquire its "full personality," under Indian conditions, it is this position of the Central bank that creates the "climate" in which co-operative credit, in particular, and other co-operative activities, in general, can thrive. For, it is in a climate such as this that not only co-operatives receive protection from the competition of commercial banks and those agencies that derive strength from them, but also obtain positive assistance for their development through a well-designed and co-ordinated expansion of commercial banking. Furthermore, it is in this environment that success can be ensured to the co-operative economic activities, so closely integrated with credit, because of the strength it imparts to them *vis-a-vis* trading interests which now dominate the field, drawing their support from the commercial banks.

Assisting States

Under the Integrated Scheme, the Reserve Bank has been called upon actively to assist the State Governments, who are primarily responsible for the implementation of planned programmes of rural credit development, in drawing up and implementing the plans for reorganisation of co-operative credit institutions at the primary, central and apex levels, on the basis of major State-partnership. To enable the States to participate in the capital structure of these institutions, the Bank gives long-term loans from the National Agricultural Credit (Long-term Operations) Fund, created for the purpose. This task of assisting reorganisation of co-operative credit institutions cannot be divorced from the central banking institution, without doing irreparable damage to co-operation itself, inasmuch as the larger aim of creating a favourable climate for the development of co-operation itself depends, to a greater extent than is apparent on the surface, on this function being performed by the Reserve Bank alone. As a Central bank and, consequently, as a banker and adviser to the States, and as one possessing all those qualifications, including its direct concern for the development of both the types of banking, which combine to make its position supreme, it is only the Reserve Bank that has the potentialities to induce the State Governments to invest huge sums of their moneys in the capital structure of enormous number of existing institutions, including primary societies, central banks and apex banks, and of those that are yet to be established, under the reorganisation programmes, and to persuade the States to carry through such programmes expeditiously. What is more important is the profound impact such direct concern of the Bank will have on the co-operative movement itself, which, left to itself, is wholly incapable of improving itself.

Logical Development

Furthermore, the task entrusted to the Bank in this respect is only a logical development of its activities in the past, in the field. Though, as far back as 1937, the Statutory Report of the Bank observed that "all that the Reserve Bank can do is to help the provincial co-operative banks to tide over a temporary shortage of funds," nevertheless, under the pressure both of public opinion and of the changed context of political and economic conditions, remarkable change has come about, especially after independence, in the attitude of the Bank towards rural finance. Thus, by 1953 itself, the Bank had witnessed a number of procedural changes, amendments to the Act, evolution of dynamic approach and, above all, the mobilisation of resources in men and money. Consequently, by 1953, the Bank was enabled to treat the state co-operative banks on a par with the scheduled banks in regard to purchase, sale, or rediscount of bills of exchange and promissory notes arising out of *bona fide* trade and commercial transactions; to provide accommodation for the seasonal "agricultural operations" which include activities ancillary to agriculture, for a period of 15 months; to finance, through the state co-operative banks and state financial corporations, the production and marketing activities of cottage and small-scale industries, subject to guarantee by State Government, and, lastly, to give medium-term accommodation for agriculture (subject again to guarantee by the State Government) up to a maximum of Rs. 5 crores. As a result of the numerous changes, procedural and otherwise, the financial accommodation obtained by the state co-operative banks increased from a mere Rs. 1.25 lakhs in 1945-46 to as much as Rs. 1,190.37 lakhs as at the end of June 1953.

Meanwhile, the Bank had also evolved certain standards with regard to different aspects of co-operative banking and its administration, including the pattern of its structure, system of supervision, inspection, etc., and had been assisting co-operatives to adopt sound principles and practices. Moreover, a Standing Advisory Committee on Agricultural Credit consisting of officials and non-officials was brought into existence in 1951 to advise the Bank on matters pertaining to Agricultural Finance. Thus, the Bank was well equipped, both technically and "psychologically," by 1953 itself, to undertake the function envisaged under the Scheme; and, through its activities, in co-ordination with other departments such as the Department of Banking Development, the Agricultural Credit Department of the Bank had become an important organ of the Bank.

It is equally important to note, in this connection, that the functions envisaged in this regard for the Bank are such that they not only agree with its responsibilities as a Central bank, but also that, in discharging them, it actively promotes the main principles and purposes underlying the pyramidal structure of co-operative rural credit. In other words, its role is largely a logical projection to an all-India level of the main principles of the pyramidal structure. This structure, for each State consists of the thousands of primary societies in direct contact with hundreds of thousands of borrowers at the base, and a number of central banks at the intermediate level, and one apex at the State level, the institutions at each of the levels performing certain distinctive functions. The institutions at each one of the three levels are so absolutely interconnected with and dependent on those of the other two, the dependence being for finance, leadership and supervision from the bottom upwards and for strength from the top downwards, that the structure should either flourish or perish as a whole. The interdependence is illustrated by the fact that, as at the end of 1955-56, of the Rs. 79 crores of working capital of as many as 160,000 primary credit societies, as much as Rs. 43 crores came by way of borrowings, chiefly from the central banks. Further, the latter, numbering 478, had no less than 60 per cent. of their working capital of Rs. 92.7 crores in the shape of deposits. The 24 apex banks, on their part, collected 58 per cent. of their working capital of Rs. 63.3 crores through deposits. This was the picture when the reorganisation scheme had hardly begun. Moreover, the organisational interdependence is also organic, the institutions at each of the three levels deriving their strength from the members—forming the level immediately below them—affiliated to them.

Backbone of Rural Credit

It goes without saying, therefore, that the existing co-operative credit structure is the backbone not only of institutional rural credit but also, in its larger context, of co-operation itself. If this is to be promoted, the best way conceivable in the circumstances is to continue to allow the apex banks to have direct access to the "lender in the last resort" of the country, only under whose protective wings they can flourish. This protection has become essential, because they are not, as already stated, commercial banks in any sense of the term. For, any other way—as the one suggested by the Finance Minister now—which involves introduction of an agency extraneous to the co-operative field in between the co-operative apex banks and the Reserve Bank will result in two things: first, cutting off the co-operative credit structure, and so the movement, from its life source; second, raising the cost at which credit can be made available to the farmer. Further, in order to obviate the latter in such an eventuality, it is not unlikely that attempts will be made to bypass the pyramidal structure, which will prove fatal to the whole movement.

This brings us to the question of adequacy of rural credit and such credit being supplied at rates that are low, as compared with those applicable to other fields. As pointed out in our first article, the total rural credit requirements, which stood at Rs. 750 crores in 1953, are fast expanding. The co-operatives and the Government together were able to supply only a fraction of these requirements in 1953. By 1960-61, however, as much as Rs. 150 crores of short-term credit, Rs. 50 crores of medium-term credit and Rs. 25 crores of long-term credit, as against Rs. 30 crores, Rs. 10 crores and Rs. 3 crores, supplied, respectively, in 1955-56, are planned to be provided to the rural sector through the co-operatives to help raise agricultural production and develop cottage and small-scale industries. Consequently, the programmes of reorganisation of the co-operative institutions now under way will raise considerably the credit limits of the institutions, resulting in a heavy pressure for funds on the Reserve Bank. The outstandings of the State co-operative banks with the Bank, which were as high as Rs. 23.27 crores in February 1957—as against Rs. 5.38 crores in 1950-51—will rise further in the second Plan period. The fact that the Reserve Bank is the custodian of national credit and currency, banker to the banks and to the Governments, and the lender in the last resort, points to the inescapable conclusion that it is the only institution competent enough to cope with the increasing pressure for funds.

What is still more important is the need for keeping the interest rate low, which the Reserve Bank alone can accomplish, as it has been doing, by providing loans at concessional rates and by directly dealing with the state co-operative banks and, thereby, strengthening the cheap and efficient pyramidal co-operative credit structure in the States. Inseparable from its role in the credit field is the one of providing cheap remittance facilities for the development of co-operative banking in the rural areas through a well-conceived programme of extension of branches of commercial banks through the agency of the State Bank of India. No less important are its functions under the Scheme as the principal participant in drawing up the programmes for the development of rural economic activities, such as marketing and processing, in association with the National Co-operative Development and Warehousing Board, and in those for training of co-operative personnel under the Central Committee for Co-operative Training. These two activities, once again, cannot be divorced from the Bank's strategic role in the field of co-operative credit. Another important function of the Bank in this regard is in connection with studies of the problems relating to rural indebtedness and the co-operative movement and tendering of expert advice thereon to State Governments. These functions of the Bank under the Integrated Scheme together combine to make its role crucial, which no other institution in the country has the requisite stature to fulfil.

It may be appropriate now to examine the methods followed by the Reserve Bank for financing the co-operative credit system. It deals only with the state co-operative banks—which number about 24 now—as against a much larger number of commercial banks—for financing current rural economic activities and insists, where necessary, on Government's guarantee as to principal and interest. The security for these loans is the promissory notes of co-operative societies endorsed by their apex banks and drawn for financing the production and/or marketing of crops. Loans can also be obtained against Government securities on the same basis. Safeguard has been provided against the vagaries of the seasons through the National Agricultural Credit (Stabilisation) Fund, out of which the apex banks can obtain loans for periods extending from 15 months to five years, to enable them to pay in time the dues of the Reserve Bank arising in connection with crop loans. Moreover, for financing cottage and small-scale industries the state co-operative banks have the facility of rediscounting approved bills of exchange and promissory notes with the Reserve Bank, provided the period of maturity is not in excess of one year. These banks can also borrow against trustee investments, bills of exchange, promissory notes, etc., guaranteed as to principal and interest by the State Government. Bills of exchange and promissory notes arising out of *bona fide* commercial transactions are also eligible to be rediscounted by the apex banks, provided they bear two or more signatures, including the one of the apex bank, and mature within 90 days from the date of rediscount. In addition, the Reserve Bank can grant loans to warehousing corporations established under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, for not more than 90 days against Government securities and upto a limit of Rs. 3 crores, in the case of the Central Warehousing Corporation, and against Government securities, bonds and debentures of the Corporation, and for 18 months, in the case of State Warehousing Corporations.

Long-term Loans

The other aspect of the Bank's credit policy is that of extending long-term loans to the State Governments from the National Agricultural Credit (Long-term Operations) Fund, in order to enable them to participate in the capital structure of the institutions. The sate co-operative banks also can get loans from the Fund for intermediate periods against certain approved securities for certain purposes. Again, the central land mortgage banks are eligible for loans from the Fund for a period of 20 years, against Government guarantee and the Reserve Bank can buy their debentures when the principal and interest are guaranteed by the State Governments. These activities prove beyond doubt that the Bank, in discharging its function as the supplier of finance for current agricultural operations or otherwise, is neither departing from the principle of being a banker's and Government's bank, nor from sound central banking practices. In fact, in performing these functions, it is right on its way to being what a Central bank of this country ought to be.

If, however, some of the functions it has to shoulder under the present arrangements are not strictly those of a Central bank, according to orthodox and Western standards, it is no reason why the central banking institution of a predominantly agricultural country like ours, with peculiar problems and conditions of its own, should not perform them. Indeed, in doing so, the Reserve Bank has the sanction of expert opinion. As far back as 1940, for instance, the Report on Rural Marketing and Finance by the National Planning Committee (published in 1947), complaining against the Reserve Bank's insistence on certain conditions being fulfilled by the co-operative banks before they could be eligible for obtaining accommodation from the former, observed: "In short, it (the Bank) has been asking for a complete rehabilitation of the Co-operative Movement as a condition for any such accommodation. It is inclined to overlook the vital consideration that it can itself lend a helping hand in bringing about the rehabilitation which it demands. . . The Reserve Bank, as the ultimate custodian of the country's credit policy, has not only the right to lay down the lines along which the Movement would be reorganised, it has also the responsibility to do all that is within its power to bring about the necessary reorganisation. To wait till the Movement has reorganised itself through its own efforts, would be to wait too long."

No Guidance from West

Opinion in this direction gathered momentum from time to time. The Central Board of Directors of the Reserve Bank itself stated in its Report for 1952: "In no other sphere perhaps as in that of rural finance is it of so little use, in Indian conditions, to turn for guidance to the Central banking practices evolved in the highly industrialised countries of Western Europe." The keen disappointment that the Central bank of a country was not playing its due role in agricultural finance was not confined to India alone. Not long ago, addressing the International Conference on Agricultural and Co-operative Credit held at Berkeley, California, in 1952, Dr. De Vries of the World Bank expressed himself thus:

"... So agricultural-development institutions (such as co-operatives) have to apply to the financial superstructure and often have to say demurely, 'Please, may we have some money for our agricultural development?' Central banks too often are not readily inclined to make capital available for agricultural development. I believe that there are many central banks who live so completely upstairs in their superstructure that they don't go down to earth to see how agriculture really is financed in their country. . . . The commercial banks are in a very close relation with the Central bank. Brokers, traders, middlemen, owners of processing industries get much of their working capital from commercial banks. And I have found no country where the Central bank or the commercial bank thinks this inappropriate. Rather, it is very easy for an ordinary middleman in a village to get through his bank, and that small bank again from higher up, a lot of working capital to buy paddy and mill the rice, or buy the coconuts and prepare the copra, or the cocoa beans and prepare the cocoa . . ., whereas for agricultural institutions, it takes a lot of argument to get only 10 per cent. of these aggregate sums to finance the farmer directly."

The fact that, in increasingly participating in agricultural finance, India's Central bank has been moving in the right direction is illustrated by the testimony given by a foreign expert in his memorandum to the Planning Commission a few years ago, when he said that the Reserve Bank had been giving new life and potent leadership to the co-operative credit movement in recent years. "Probably, no other Central bank in the world," he remarked, "is doing as much to help develop and finance co-operative rural credit institutions."

In so doing, the Reserve Bank is performing no more than what the overall objectives of the country's economic policy dictate. If the Central banks in the West have kept themselves aloof from this field, it is because conditions there were entirely different; and commercial banks themselves, as was pointed out in the previous article, have been able to satisfy a large proportion of the needs of agricultural credit, leaving for the Central banks the function of meeting only marginal needs. There is thus something of a lack of realism and logic in the view that India's Central bank should not undertake any more functions than what others are doing elsewhere. Institutions do not exist in vacuum, much less the principles that govern their activities. When a dynamic approach to economic development has been adopted by the Government, it is logical that the institutions through which we seek to attain that goal should also be progressive and dynamic. What is wrong, then, in rendering the Bank more progressive-minded?

Such adaptation of the principles of the Bank to the changed needs is all the more essential, especially when it makes the institution stronger and much more useful. That the Reserve Bank has been able to participate in the field of rural finance increasingly without in any way impairing its position as the monetary authority of this country responsible for the custody of national credit and currency has been demonstrated by its performance since independence, and more particularly since 1950. Furthermore, the direct connection with the fast expanding rural sector, and, consequently, the direct control over, and the firsthand knowledge of, credit conditions in the agricultural sector will certainly increase the status and usefulness of the Reserve Bank. In fine, the discussion in this article leads to the irresistible conclusion that the Reserve Bank alone is the most suitable agency to undertake the function of reorganisation of co-operatives and supplying rural finance; and that, even from a narrower angle, the few state co-operative banks, as compared with numerous commercial banks, have as much right as any other to approach direct the Central bank of the country for funds. How the State Bank of India is not suitable to take over these functions and the repercussions that will follow from such a change will form the subject matter of the next, that is, the last article in this series.

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EXPORT TRADE IN COTTON TEXTILES

REASONS FOR SHRINKAGE—SUGGESTIONS FOR IMPROVEMENT

COTTON textiles constitute one of the staple earners of foreign exchange for India. The total value of exports of these during the calendar years 1955 and 1956 was Rs. 63 crores and Rs. 61 crores, respectively. This is expected to be substantially higher in the second Plan period, the annual average being Rs. 75 crores. or Rs. 375 crores for five years. In view of the importance of cotton textiles as the earner of exchange thus, one can expect that they will be one of the items which will elicit the special attention of the Export Promotion Committee. The task of the Committee in so far as the examination of the issues relating to cotton textile exports is concerned has been rendered very easy by the replies of the Millowners' Association, Bombay, to its questionnaire. The replies are not only comprehensive in their approach but also contain some interesting constructive suggestions for augmenting exports. It is proposed to refer in these columns to the general observations of the Association, leaving for consideration in the next issue its views on export policy and assistance to exports.

At the very outset the Association emphasises that the problem of promoting exports of cotton textiles—piecegoods and yarn—should be considered from both the short- and the long-term points of view. The short-term objective, according to it, is the recapture of markets lost to India, while the long-term aspect must be how to gear the textile exports and thereby augment foreign exchange resources which are so essential for the successful implementation of the second and successive five-year plans. It has made special mention of the setback to India's export trade in textiles in recent years. The setback is attributed chiefly to four important factors. First, the volume of international trade has itself shrunk, mostly due to the emergence of indigenous industry in countries which were formerly importing cloth from outside. Secondly, there is the unsettled state of affairs, including unsatisfactory living conditions, in some of the South-East Asian countries which could otherwise absorb good quantities of cloth. Thirdly, the communist countries have re-emerged as suppliers of cloth to countries which were normally drawing supplies from the free world. Finally, cheap rayon goods manufactured in Japan and other countries are offering competition to cotton textiles in countries which were formerly using cotton textiles.

Formidable Competition

An analysis of the distribution of India's export trade in textiles *vis-a-vis* that of the U.K. and Japan in the past few years will reveal that India's main outlets for cotton piecegoods lies in the countries bordering on the Indian Ocean, namely, Asia and Africa. It is precisely in these markets that the Indian textile industry has to meet the most formidable competition from Japan, and, of late, China and Pakistan also have stepped in. In Africa, competition comes from both the United Kingdom and Japan, the latter particularly in East Africa.

Apart from the factors that have been affecting the world trade, in general, India's export trade in cotton textiles has also been adversely affected by tariffs and other measures such as quotas taken by individual overseas countries. Particular reference is made to (1) the withdrawal of preferential or privileged treatment hitherto enjoyed by India in certain territories; (2) the barter arrangements entered into by some of these territories with other countries whereby the latter are assured of fixed quotas which have worked to the detriment of India; and (3) the upward revision in import duties on goods of Indian origin in certain territories.

The Millowners' Association has given the instances of five countries—Sudan, Iran, Burma, Afghanistan and the Federation of Rhodesia and Nyasaland—to show how the aforesaid factors have adversely affected exports of cotton textiles from India. The review reveals that Sudan has been one of India's traditional markets for cotton textiles in the post-war years. Till the end of 1954, India enjoyed more than half the share of this market, due to existence of a ban imposed by that country on the import of Japanese textiles. The ban was lifted in December 1954, which made it possible for Japan to re-enter the Sudanese market where it enjoyed a pre-eminent position before the Second World War. Further, with the independence of Sudan and its closer association with Egypt, Egyptian textiles are being allowed into Sudan free of duty. On goods of other origin, a 10 per cent. duty is charged. That apart, the Egyptian Government is also reported to have recently started subsidising exports to Sudan by a rebate to the extent of 5*d.* per yard on exports exceeding 100,000 yards. These two concessions have resulted in more Egyptian goods finding their way to Sudan. India buys Sudan cotton, while Egypt does not. Further, increased supplies of prints have been reported from Russia and Poland.

The decline in exports of Indian textiles to Iran is due, among others, to Italy securing an import quota for cotton thread and fabrics and mixed fabrics under the Italo-Iranian trade agreement of September 1954. Further, the Iranian Government which was charging import duty at 40 per cent. *ad valorem* on all imported textiles recently changed over to duty based on the weight of cloth. In the case of coarse and medium cloth which forms the bulk of India's exports to Iran, the revised duty works out at 70 to 80 per cent. of the value of goods, and has thus rendered Indian prices most uneconomic. Of all the exporting countries, India is the worst sufferer, as the bulk of Indian exports to Iran consists of coarse and medium goods. The change-over in the basis of duty on the part of Iran is reported to have been prompted by its desire to give protection to the local industry which concentrates on the production of coarse and medium fabrics.

Exports to Burma

Up to July 1954, India was the largest supplier of cotton textiles to Burma. In that month, India was displaced from first place by Japan, due to abolition by Burma of the preferential rates of duty which Indian exports hitherto enjoyed in that market. Under the Indo-Burma Trade Agreement of 1941, Indian textiles were assessed at 10 per cent., and Japanese textiles at 50 per cent. As a result of tariff revision in July 1954, a flat rate of 30 per cent. was imposed on all imports of cotton piecegoods, irrespective of their origin, which meant an increase of 20 per cent. duty on Indian textiles and a reduction of 20 per cent. in the case of Japanese goods. A further setback was received by Indian piecegoods in Burma by the abolition of the Burmese O.G.L. which thus brought textiles under licensing. Of late, the Burma Government seems to be desirous of reducing, and ultimately abolishing, imports of piecegoods by developing within the country cotton mills of sufficient capacity to produce its internal requirements. Two mills are already in existence, with a capacity of 30,000 spindles and 400 looms, producing mostly coarse goods, and it is reported that an understanding had already been reached by Burma with certain Japanese parties to put up two mills, Japan investing at the rate of 5 million American dollars per year in the next 10 years and interesting itself in the technical management. The Burmese Government intends to set up another four to six mills with a capacity of 40,000 spindles each for the production of medium goods.

Afghanistan was for many years drawing the bulk of its supplies of textiles from India. In fact, India was contributing as much as 70 per cent. of its requirements of cotton textiles. This was possible on account of the age-old trade accord between the two countries and the large intake by India of Afghan products like dry fruits. This position, however, is reported to have changed in 1954, following a trade agreement between Afghanistan and the U.S.S.R. under which trade between these two countries came to be carried on on a Government-to-Government basis, and large quantities of textiles are imported from the U.S.S.R. under this agreement.

Despite all these developments, the Millowners' Association feels that exports of cotton textiles from India can be stepped up to the target of 1,000 million yards laid down in the Plan. It, however, stresses that, in view of internal and international situation, special efforts are called for, efforts which necessitate certain incentives at Government hands. There is considerable force in the observation of the Association that the key to the export problem lies in price and, unless the competitive ability of the cotton textile industry is improved and stabilised, none of the efforts which are at present being made—establishment of Export Promotion Council, pre-export inspection and reduction or abolition of export duties—can produce satisfactory and sustained results. For the textile industry, the Association points out, and rightly so, is suffering from "compulsory cost inflation" due, among others, to the low efficiency of equipment, most of which is old and out-moded, as well as direct and indirect labour costs.

Modernisation

If Indian textiles are to compete more effectively in the world markets, it is essential that the industry should be rationalised and modernised, in order to increase and cheapen its products. This aspect has been forcefully emphasised by the Association. Referring to the plan for installation of automatic looms, the Association alludes to the conditions attached to the policy and points out that these conditions are so onerous that even the mills which have been regularly exporting huge quantities have not been able to benefit from the scheme. "International market in cotton textiles," to quote it, "is governed by so many uncertain factors over which Indian mills have no control, and it is futile to pin down mills to the condition of maintaining 87½ per cent. of their exports in any of the preceding three years, besides exporting the full production of automatic looms." In view of the neck-to-neck competition in world markets from countries which have considerable advantage in the shape of technical efficiency of production, the Association has done well to drive home the fact that what the Indian industry at present needs, on account of its cost disability, is a positive export incentive, besides relaxation of the above condition. It has suggested grant of a subsidy —at an anna per yard—to mills in respect of any increase in exports over that of any one of the three preceding years. The subsidy is estimated to cost the exchequer about Rs. 2 crores to boost exports to 1,000 million yards "which is not too high a price to pay for earning valuable foreign exchange."

With regard to automatic looms, the Association has also put forward two other suggestions. They are: (1) It will be more desirable to install automatic looms at those centres which have considerable export business, rather than to attempt an equitable allotment of such looms at centres spread all over India. (2) Permission should be freely given for import and installation of special types of looms and machinery such as wide-width automatic looms, drop-box looms, better finishing and processing machinery which are calculated to improve the quality of production; it may facilitate matters, if manufacturers of textiles are allotted, say, 10 per cent. of the value of goods sold by them for export to import machinery and raw materials.

Other Suggestions

The Millowners' Association emphasises next the need for ensuring adequate and regular supplies of raw cotton to mills. It is doubtful of the fulfilment of the productive target for cotton, namely, 6.5 million bales, and urges the adoption of a flexible import policy so as to allow large imports of cotton of the required staple lengths. In this connection, it pleads for a suitable rebate of excise duty in respect of cloth produced out of that cotton for sale in India, so that an equivalent quantity of cloth produced from indigenous cotton may be utilised for export. The Association has also suggested that the possibility of large-scale utilisation of cotton waste within the country, particularly for production of finished products for export, should be explored, and suitable inducements must be offered for installation of waste plants to convert waste into finished products for export.

The Millowners' Association has some interesting suggestions to make regarding the variety-wise exports of textiles. Since the bulk of exports is accounted for by medium counts, it observes that efforts should be made to diversify exports so as to raise sales of fine and superfine categories; as there is severe overseas competition in this field, higher incentives for promoting their exports are called for. In the opinion of the Association, if more cloth in the coloured, printed and dyed category is exported, exchange resources can be enlarged. This also calls for certain incentives. Mention is made here of the need for making special arrangements for agreements to be concluded with countries like British West Africa, permitting exports of processed goods.

DECLINE IN YARN AND CLOTH OUTPUT

CURB ON FLOW OF IMPORTS URGED

From A Special Correspondent

MANCHESTER, 18*th June*

ONLY a few hours after the members of the recent Lancashire trade mission to the East had reported on their discussions to the President of the Board of Trade, one of their members, Mr. J. S. T. Hawke, gave his views on what should be done to break the deadlock which exists on the imported cloth problem. Mr. Hawke, as Chairman of the Cotton and Rayon Merchants' Association, told the annual meeting that a definite programme for curbing the flow of foreign cloth into Britain for use in the home market should be drawn up. He emphasised that any such proposal would cover only cloth scheduled for consumption in the home trade and suggested that the Government should impose a total quota at about the present level of imports from Commonwealth sources, within which India, Pakistan and Hong Kong could compete for their share of the business, just as they are already doing.

MANCHESTER LETTER

This recognition by the chief spokesman for the merchanting community of the need for a restrictive policy on imports is in contrast to some of the views expressed by his colleagues in the past. In fact, Mr. Hawke jokingly reminded his audience that the meeting they were attending did consist of merchants and not of spinners or manufacturers.

A Warning

After all, distributors in the long run must rely on producers for their supplies and, if the productive capacity of Lancashire continues to contract as it has done over the past few years, the merchants will suffer, if not perhaps in ratio, at least to an appreciable extent. Nor is it possible to forecast what may happen in the textile industries of rival nations.

Mr. Hawke pointed out that Pakistan had no real exportable surplus at the moment and Hong Kong needed November-December delivery. "If India with her teeming millions were to open the taps in her home market by cutting her harsh duties, the position could well change and, in two or three years at the present rate of erosion in Lancashire, there would not be enough cloth to go round," he warned.

Production Lower

Cotton cloth and yarn production by the Lancashire textile industry fell sharply in April, according to the Cotton Board's output figures. Weekly output of cotton, man-made and mixture cloths from the mills averaged 44,860,000 yards, as compared with 48,390,000 yards in the previous month and 46,440,000 yards in April 1956. Production of cotton and mixture yarns averaged 16,590,000 lbs. weekly, as compared with 18,160,000 lbs. the month before and around 17,000,000 lbs. in the corresponding month a year ago.

Manpower in the spinning and weaving sections of the industry fell by just over 400 during the month to 245,070.

Whether sufficient has been done to modernise Lancashire's mills in order to face increasing competition from abroad has been a matter of controversy for many years. The latest defence to be submitted on behalf of British traders has come from Sir Ralph Lacey, Vice-Chairman of the Fine Spinners and Doublers Ltd., and the former Chairman of the Raw Cotton Commission. In a contribution to an American journal, he has pointed out that the difficult trading conditions encountered in the last few years not only emphasises the importance of searching for every possible economy but discourages all but the most optimistic from entering into heavy forward capital commitments. "In the British cotton industry since the war there has been heavy expenditure on new capital equipment," he declares. "The replacement of mules by modern ring spindles, development of larger packages and high drafting techniques, mechanical transport, high speed winding and beaming, automatic sizing control and installation of automatic looms designed for particular uses have all received vigorous attention."

Expenditure on New Plant

Figures recently given by the President of the Board of Trade show that expenditure on new plant last year was, in fact, lower than at any time since the 1952 recession. Manufacturers' deliveries of machinery for processing cotton or staple fibre yarn to the home market were valued at £5,200,000 for spinning and preparatory processes and £2,000,000 for weaving plant. This compared with £6,100,000 for spinning machinery and £2,400,000 for weaving in 1955.

Sir Ralph Lacey has reminded Lancashire's detractors that modernisation and re-equipment in a long-established industry raise problems which do not apply to a new expanding trade. Existing buildings which have many years of useful life before them may not be ideally suited to house modern equipment. Although shift working should accompany efforts to take the fullest advantage of new equipment, it can, as he says, be wasteful to pursue such an objective with a limited labour force up to a point where still useful assets have to be abandoned.

"There has during recent years been an unobtrusive but significant revolution in approaches to work study and labour deployment," adds Sir Ralph. "With the intelligent and co-operative assistance of the trade unions, work study has become a common form. When time and motion study are first applied where they have not been used before, improvements can be spectacular—as much as 40 per cent. saving."

One of the biggest sensations—and a still unexplained mystery—in the textile trade for some time has been the decision announced on behalf of Mr. A. V. Symons to relinquish the post of Chairman of Tootal Ltd., the big Lancashire group which has a capital of some £10,000,000. Mr. Symons issued the statement indicating that he would not seek re-election at the next annual meeting, usually held in September, and will then resign not only as Chairman but also as a Director of the group.

At the headquarters of the combine in Manchester, no further information was available and the future leadership of the group remains undisclosed. Mr. Symons has been in charge of one of the most famous names of the Lancashire textile industry for the past five years, leading a company with world-wide customers. He was 49 when he followed Sir Kenneth Lee as Chairman in 1952 and had then taken a leading part as a pioneer of new-style dress fabrics.

Staying in Business

Mr. E. G. Turner, Chairman of Balstone, Cooke and Rayonese, the Manchester textile merchanting group, told the annual meeting that, because of the recent announcement that it was seeking a merger, there was a feeling in the trade that the group was thinking of going out of business. "That is not so. The position at the moment is by no means discouraging," he stated. The reference to a merger was intended to indicate that the rate of improvement might take a long time and a merger might therefore be desirable.

Negotiations had been going on for some time, but the credit squeeze had affected their completion. Nevertheless, this was only a postponement and a decision was expected in September or October.

Mr. Turner told the ordinary shareholders in the Company, which last year reported a group loss of £7,584 after a loss of £172,093 in the previous year, that they must consider their capital lost, and there was no hope of anything more than a token payment of about 6*d.* per share. A "small comfort" for ordinary shareholders was, perhaps, the fact that Mr. A. N. de Thier, the former Chairman, had recently developed a fabric with special characteristics and a small company had been formed to protect the name given to the fabric. There were hopes that this development might prove to be a profitable one and, if this were so, it was hoped that ordinary shareholders in the group would be given shares in the Company on a *pro rata* basis.—*All Rights Reserved.*

WORLD WOOL CONSUMPTION

Total consumption of raw wool in the free world during 1956 is estimated to have been an all-time record and about 7½ per cent. greater than in the previous year, according to Mr. D. Hamilton-Russell. World production of tops last year appeared to have been nearly 12 per cent. larger than in 1955, while yarn output rose by 6 per cent. Production of woven tissues was estimated to have risen some 5 per cent. The country showing the greatest proportionate increase in activity was Japan, whose consumption of raw wool was around 40 per cent. greater than in 1955. Substantial improvements were also recorded by Belgium, France and Italy, but, in the United States and Western Germany, there was a slowing down in the rate of increase. Consumption in the United Kingdom, contrary to the general trend, remained at almost exactly the same total as in the previous year.

The rise in wool consumption in 1956 was accompanied by a further growth in the industry's usage of other raw materials, particularly man-made fibres, but the proportion of raw wool to other materials used was rather higher in 1956 than in either of the two previous years. The volume of international trade in raw wool and wool goods continued to expand in generally satisfactory manner during 1956.

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NEW COTTON HEDGE CONTRACT

MAIN FEATURES OUTLINED

THE Forward Markets Commission has approved of the revised hedge contract as formulated by the East India Cotton Association (E.I.C.A.) for the 1957-58 crop cotton and transactions in the new settlement were permitted with effect from Saturday the 22nd inst. The *moorat* trading was held on Sunday 23rd June, at 10-15 a.m., that day being declared a trading day with business hours limited to one hour commencing from 10-15 a.m. For the new season, according to the amendments effected to the By-laws of the E.I.C.A., there is only one hedge contract, called the Indian Cotton Contract. The basis of the contract is Fine M. G. Moglai Jarilla 25/32" staple. Delivery months are March, May and August. Trading in the new crop hedge contract shall be subject to the amendments made to the By-laws of the Association and shall be within the floor and ceiling prices fixed by the Government for the 1957-58 season, i.e., Rs. 495 and Rs. 820 for Fine Jarilla 25/32" staple, the same as in the previous season.

The return to an omnibus contract, after one year of unsuccessful experimentation with the double-contract system, would appear to have been prompted by the marked fall in production of cotton in the current season and the expectation of a continuation of the trend in the new season also. At the beginning of the 1956-57 season, it was expected that a commercial crop of about 5.4 million bales would be harvested. This estimate was progressively revised downwards subsequently, and recent estimates place the crop at no more than 4.7 million bales. Since the anticipation of a larger crop this season has not materialised, the Forward Markets Commission requested the East India Cotton Association to formulate proposals for the revision of the hedge contract for the 1957-58 season in the light of the changes that have taken place in the statistical position of cotton. The Board of the E.I.C.A., accordingly, appointed a sub-committee to examine the question and to suggest suitable modifications. Basing its proposals mainly on the recommendation of the Sub-Committee, and after extensive discussion and consultation with the various interests concerned, the Board suggested a number of amendments to the By-laws of the E.I.C.A. These amendments have now been approved by the Forward Markets Commission. The main features of the hedge contract are:

For the purpose of hedging, there shall be a single hedge contract, styled "The Indian Cotton Contract." The basis of the contract is Fine M.G. Moglai Jarilla 25/32" staple, as per standard to be prepared from Jarilla cotton grown in former Hyderabad State tenderable upto two classes 'on' and upto "Good to Fully Good" and upto 2/32" 'on' and 1/32" 'off' for staple. Months of delivery are March, May and August. Trading in hedge contract is not permitted above Rs. 30 below the ceiling price fixed by the Textile Commissioner for basic cotton, except for liquidation of outstanding transactions or jobbing business during the delivery period. No fresh business is permitted during delivery period, but liquidation of outstanding business and jobbing business, provided the position at the close of the day is not altered thereby and no such transaction is carried forward for the next day, are permissible.

There shall be no margin payable but the Forward Markets Commission has power to introduce margin, if it considers it necessary to do so. A deposit on the following scale shall be payable on outstanding purchases as under:—(i) If the price rises above Rs. 70 below the ceiling price before the delivery period, the rate shall be Rs. 25 per bale on net outstanding purchases shown in the statement; (ii) If the price rises above Rs. 70 below the ceiling price on or after the first day of the delivery month, the rate shall be Rs. 200 per bale on all the outstanding purchases on the day of such occurrence; (iii) If the price rise referred to above shall have taken place before the delivery month and is continued on or after the first day of the delivery month, then the deposit on all open outstanding purchases on the first day of the delivery month, shall be at the rate of Rs. 200 per bale, after adjustment of the deposit lying with the Clearing House. The deposit so paid can be adjusted as and when purchases are liquidated or reduced before or during delivery period against any further deposits to be paid subsequently or if no such adjustment is required it shall be refunded to that extent in the clearing immediately following such reduction or liquidation of long position. There shall be no weightage.

Tendering differences, that is, premia or discounts shall be fixed on the basis of the prices at which the basic and other descriptions of cotton tenderable are sold in the Bombay spot market taking into account the spot prices of the respective descriptions of cotton in the interior markets with power at the discretion of the Special Committee and the Board to adjust such premia or discount by adding to the premium or reducing the discount to the extent of 50 per cent. of the difference between the hedge contract rate and the spot rate of basic cotton. The invoicing back cotton rejected in survey under By-law 61 shall be on the basis of the spot rate of basic cotton together with the penalty of Rs. 3 per candy. If at any time the price of the basic cotton rules above the price of any Jarilla growth, then the spot price for basic cotton shall be fixed at a rate not above the ruling spot price of Madhya Bharat Jarilla.

The standards shall be renewed every year as hitherto. The standards shall be prepared by the surveyors and passed by the Standards Committee subject to a right of appeal against the same to the Standards Appeal Committee. Provision has been made for a super-appeal against the award of the Panel of Surveyors to a Super-Appeal Committee consisting of five persons from the trade, one of whom shall be the Chairman of the Board. The Super-Appeal Committee will be constituted of three members out of the five members. The fee for super-appeal shall be Rs. 250 and if the appeal is successful a sum of Rs. 125 shall be refunded.

Cotton tendered against the hedge contract for the first time may be certified according to the final award in arbitration. The seller shall specify in the Delivery Order Forms 5 to 6 in respect of cotton tendered against hedge contract, the particulars regarding press marks, press running numbers and any other marks on the bales. A controller appointed by the Association shall be selected for drawing of samples and for submission for survey. The controller shall draw samples in the presence of the representatives of the seller and the buyer. His name shall be intimated to the parties while forwarding the delivery order to the buyer and while intimating the name of the last buyer to the seller. The cotton so tendered shall be certified according to the final award in arbitration under by-laws 36 and 37 and the controller shall verify the press marks, press running numbers and other marks on the bales at the time of weighment by the buyer and affix a stamp on each bale showing the number of the certificate.

(*Continued on page* 1305)

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THE NATURE OF THE COMMONWEALTH

VOLUNTARY PARTNERSHIP OF LIKE-MINDED NATIONS

By Christine Comber

[The Conference of Commonwealth Prime Ministers which began in London on 26th June 1957 is the eighth post-war meeting. With Ghana joining the ranks of the Commonwealth this year, the membership of the Commonwealth has risen to nine. Mr. Harold Macmillan as Prime Minister of the host country, presided over the present meeting. It was attended by the Prime Ministers of India, Australia, Canada, Pakistan and Ghana. The Prime Minister of the Federation of Rhodesia and Nyasaland also participated in the Conference as usual, by special invitation. New Zealand's Prime Minister could not attend for reasons of health, while the South African Prime Minister has chosen to abstain. Ceylon was represented by one of its Ministers, as the Prime Minister of that country was said to be preoccupied with certain urgent national problems. In view of this Conference, the article on the nature of the Commonwealth appearing on this page is of considerable topical value. Its author is a specialist on Commonwealth affairs. It is followed by a synopsis of the economic importance of each country represented at the Conference.—ED.]

THE informality of the Prime Ministers' Conference reflects the adaptable nature of the Commonwealth association—so simple to its members but so difficult to analyse and explain. The facts are plain enough. The Commonwealth is a free association of nine sovereign, independent States—the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan, Ceylon and Ghana, together with their dependencies. The Prime Minister of the Federation of Rhodesia and Nyasaland, set up in 1953, also attends the Commonwealth Prime Ministers' meetings. This had already been the position in the case of Southern Rhodesia for many years before the Federation came into being.

The Commonwealth as a whole, including the dependent territories, covers, roughly speaking, a quarter of the world's land surface and contains about a quarter of its population.

Varying widely in history, size, geographical position, race, language, religion, composition of population, industrial development, and international importance, each of the Commonwealth nations has developed along its own lines. Canada, for example, has economic and defence ties with the United States; Australia and New Zealand are linked with Pakistan and the United Kingdom in the South-East Asia Collective Defence Treaty (S.E.A.T.O.) and with the United States in the Pacific Security Treaty (A.N.Z.U.S.); the United Kingdom has obligations to Western European neighbours under the Brussels Treaty and, with Canada, to the North Atlantic community through N.A.T.O.

Asian Members

The Commonwealth membership of the three Asian nations has been a valuable addition to the strength and importance of the Commonwealth and today they act as valuable interpreters between Asia and the West. Australia, too, as a country which is of the West but not in it, in the East but not of it, is also a valuable interpreter between the two. Similarly, by virtue of its geographical position, Canada can act as an interpreter between the United States and the Commonwealth.

Every member of the Commonwealth enjoys unfettered control over its own affairs, and none can dictate to another in any matter whatsoever; neither is any Commonwealth nation under any obligation to underwrite the responsibilities undertaken by any other Commonwealth nation. The meaning of the Commonwealth status was very aptly described by Mr. Peter Fraser when he was Prime Minister of New Zealand as "independence with something added and not with something taken away."

Thus, each Commonwealth country determines its own foreign and domestic policies, defines its own citizenship and immigration regulations, makes treaties with other nations, maintaining its own diplomatic service and deciding for itself the issues of peace and war.

World War II provided a striking example of this. In 1939, Australia, New Zealand, Canada and South Africa each made its own declaration of war, the last only after a proposal of neutrality had been debated and defeated in a free vote of its own Parliament. Eire, then a member of the Commonwealth, decided to remain neutral, and continued to maintain diplomatic relations with Germany, Italy and Japan, with which the rest of the Commonwealth was at war, and that decision was accepted by the rest of the Commonwealth.

Freedom of Choice

Members are free to join international organisations or not, irrespective of the actions of the other members. Thus, while all are members of the United Nations, only the United Kingdom and Canada belong to N.A.T.O.; the United Kingdom and Pakistan belong to the Baghdad Pact; all, except New Zealand (and at present Ghana), are members of the International Bank for Reconstruction and Development and of the International Monetary Fund; and all, again except Ghana but including the Federation of Rhodesia and Nyasaland, are contracting parties to G.A.T.T. (the General Agreement on Tariffs and Trade).

The Commonwealth has no central government, defence force or judiciary and no rigid rules and commitments. Like the United Kingdom, it has no written constitution, but all its members are united by a common sense of values and ideals, and all have certain constitutional features in common. In spite of the wide diversities of race and tradition, they all have a broadly similar pattern of legislative, executive or judicial institutions.

Relationship with the Crown

Seven of the Commonwealth members are monarchies; two—India and Pakistan—are republics within the Commonwealth, and Ceylon has announced its intention of following suit. Since the Prime Ministers' Conference held in London in April, 1949, to consider constitutional issues arising from India's decision to become a republic while desiring to continue full membership of the Commonwealth, the Sovereign has been accepted by all as the symbol of their free association "and as such the Head of the Commonwealth." The Queen has, therefore, in the case of countries accepting her as their monarch, a relationship with the individuals comprising each country and also a relationship with the nation as a collective entity. In the case of the two republics, she has only the latter relationship.

The Queen is a constitutional sovereign—that is to say, a reigning, not a ruling monarch; she provides the element of continuity in the administration of her countries, and the importance of her influence and example would be hard to overestimate. She is represented in each of the member countries—except India and Pakistan—by a Governor-General, appointed on the recommendation of the Government of the country concerned. Nowadays he is more often than not a citizen of that country. Throughout his term of office he is wholly independent of the Government of the United Kingdom, acting solely on the advice of the Government of the country in which he holds office.

Every nation in the Commonwealth association is there entirely of its own choice. In 1947 Burma decided to become a republic outside the Commonwealth. In 1949, Eire chose the same path, and became the Irish Republic.

But the members of the Commonwealth do not for the most part think in terms of the right to secede. If it were not a basic assumption that the Commonwealth is not only a voluntary and friendly but also a lasting partnership, long-term planning would be meaningless.

Mr. Nehru, speaking at a banquet held in New Delhi on 27th December 1950, in honour of the Australian Prime Minister, said: "While member nations of this Commonwealth sometimes disagree, sometimes have interests conflicting with each other, sometimes pull in different directions, nevertheless, the basic fact remains that they meet as friends; try to understand each other, try to accommodate each other, and try, as far as possible, to find a common way of working.... That friendly approach, that sympathetic approach, that attempt to understand, that attempt, in so far as one can, to go in step, and at the same time enjoy the complete knowledge that one can take any step—a combination of these two factors had led, I suppose, to the success of this rather remarkable experiment."

* * * *

COUNTRIES REPRESENTED AT THE CONFERENCE

The United Kingdom is one of the most highly industrialised countries in the world. With a population of 51,000,000 to its area of 94,000 square miles, it is also the fourth most densely populated (after Japan, Belgium and the Netherlands). It is the world's second largest trading country, accounting for about 10 per cent. of total international trade and one-fifth of world exports of manufactured goods. Main exports are machinery and electrical equipment; road vehicles; aircraft and ships; chemicals; iron and steel; textiles; metal manufactures; petroleum products. The United Kingdom is the banker for the sterling area. The pound sterling is used in the finance of nearly half the world's international transactions.

Canada, with an area of nearly 4,000,000 square miles, is the largest country in the Commonwealth and the second largest (after the U.S.S.R.) in the world. It harvests the world's largest wheat crop, produces over 90 per cent. of the free world's nickel, half the platinum, two-thirds of the asbestos, and more than half of the newsprint. It is the second largest producer of gold and zinc, the third of silver and the fourth of copper. Canada was constituted a federation in 1867. There are ten provinces and two Territories. The capital is Ottawa, and both English and French are official languages.

Australia, the smallest continent and the largest island in the world, has an area of roughly 3,000,000 square miles. Its prosperity depends mainly on its primary products—wool, of which it accounts for one-quarter of world exports; wheat and barley, meat, dairy produce, fruit, gold and base metals. Large hydro-electric projects have been developed since the war, notably that on the snowy River. Constituted in 1900, the Commonwealth of Australia is a federation of six States and two Territories. The federal capital is Canberra.

New Zealand lies almost at the Antipodes of the United Kingdom. Its capital is Wellington. Chief primary industries are sheep and dairy farming; chief exports meat, dairy produce, wool, hides and skins. The United Kingdom takes 70 per cent. of the exports and supplies nearly half the imports. New Zealand was the first Commonwealth country to introduce a comprehensive Social Security Act (1938); it has a very low infant mortality rate and the longest expectation of life in the world.

The Union of South Africa has a single Government uniting its four provinces. Cape Town is the legislative and Pretoria the administrative capital. South Africa is the world's largest producer of gold, and many of the finest diamonds ever mined have been found there. Uranium is produced from gold tailings under the auspices of the South African Atomic Energy Board. Afrikaans and English are both official languages.

India, which became an independent State in 1947 and a republic in 1950, has a federal government with its capital at New Delhi. All adult citizens enjoy the franchise. With an area of more than 1,250,000 square miles, India is more than half the size of Europe without the U.S.S.R.; population is roughly 377,000,000. Principal exports are tea, jute and cotton manufactures, and a steel industry (which now produces over 1,000,000 tons a year) dates from before World War I. But agriculture still employs about three-quarters of the working population and contributes half the national income. India's second Five-year Plan of economic development, launched in 1956, involves extensive hydro-electric, irrigation, steel and industrial development.

Pakistan came into existence as a separate State in 1947, with Karachi as its capital. It is divided into two parts—East and West Pakistan—separated by Indian territory. It became a republic in 1956. About 80 per cent. of its economically active population is engaged in agriculture. It supplies about 90 per cent. of the world's jute and is the largest exporter of raw cotton in the Commonwealth. The Government's aim is to diversify the economy by fostering industrialisation, at the same time strengthening agriculture by irrigation, land reclamation and other measures.

Ceylon became an independent member of the Commonwealth in 1948. Its capital is Colombo. Two-thirds of the cultivated land are taken up by tea, rubber and coconut, which provide a living—in production or allied manufactures—for two-thirds of the population, and account for 90 per cent. (by value) of the island's exports.

Ghana became an independent member of the Commonwealth on 6th March this year. It is the first tropical African country to achieve this status. Formerly known as the Gold Coast, Ghana has an area of just over 90,000 square miles and a population of about 5,000,000. Ghana produces over a third of the world's cocoa, which accounts for over two-thirds of its exports. It has also valuable timber resources, and gold, manganese, diamonds and bauxite.

The Federation of Rhodesia and Nyasaland, created in 1953, is fully self-governing in internal affairs. It is constitutionally unique, in that it is a federation of one self-governing territory (Southern Rhodesia) with two protectorates (Northern Rhodesia and Nyasaland). The federal capital is Salisbury. Minerals constitute the main wealth. Northern Rhodesia is the largest source of copper in the Commonwealth and the second in the world. Southern Rhodesia's most valuable minerals are asbestos and gold. The principal cash crop is tobacco, of which about two-thirds comes from Southern Rhodesia, and cotton and tea, both mainly from Nyasaland.

SUGARCANE RESEARCH IN U. P. STATE

VIGOROUS DRIVE TO INTENSIFY IT

PRESS reports from Uttar Pradesh aver that the Agricultural Department of the State Government has launched a vigorous drive for intensifying sugarcane research. This move is certainly commendable, considering that U.P. is the biggest cane and sugar (white and brown) producing State in India. Thus, out of the total area of 4.53 million acres (second estimate) sown to sugarcane during the current season (1956-57), this State alone accounts for over 2.70 million acres, or as much as 59.7 per cent. The share of this State in the aggregate production of cane, *gur* (brown sugar) and sugar (white) comes to 51 per cent., 50 per cent. and 53 per cent., respectively. The following table gives the estimates of cane, *gur* and sugar output in U.P. during 1956-57, as compared with those for the whole of India:

(In million tons)

	All-India	*U.P.*	*Percentage share*
Sugarcane	58.91	30.10	51
Gur	3.24	1.61	50
Sugar	2.02	1.07	53

The importance of sugarcane to the economy of Uttar Pradesh is thus obvious. It is but natural, therefore, that cane should have been one of the earliest crops to receive systematic attention so far as research work is concerned. The foundation of cane research in this State was laid as far back as 1912, when, at Shahjehanpur, Mr. George Clarke, the then Agricultural Chemist, did a good deal of work on the testing and acclimatisation of cane varieties and cultural methods, especially green manuring. Despite this long period of research work, the progress actually obtained in sugarcane cultivation has been very poor. In fact, the conditions today are none too happy. The average per-acre yield of cane grown in U.P. is a bare 11.1 tons, as against the all-India average of 12.99 tons, 27.39 tons in Bombay, 29.18 tons in Andhra and 26.01 tons in Madras. Similarly, the percentage of recovery of sugar in cane is very low, being 9.67, which compares unfavourably with the all-India average of 9.76, 11.41 in Bombay and 9.99 in Mysore.

Diversity of Climate and Soil

The continued none-too-happy conditions in cane cultivation in U.P. must be attributed to the diversity of climate and soil. unlike the peninsular South where soil and climatic conditions have permitted the use of a single variety such as Co 419 to be cultivated with success for many years. An idea of this diversity of climate and soil can be had from the following extract culled from an article published in the *Pioneer*, Lucknow:

"From east to west, the sugarcane cultivation belt extends to about 600 miles and has a width of over 200 miles. In the western part of the State, the soils are generally richer, rainfall is moderate, and ample supply of irrigation water is available. The eastern part of the State, on the other hand, possesses poorer soils, little resources of irrigation and is beset with floods during the rainy season. Besides, there are other large pockets having soil and climatic condition of their own. Thus, for instance, parts of Faizabad, Bahraich and Gonda are heavily waterlogged and present difficult problems of red rot and other diseases and need varieties not only suitable for waterlogged conditions but also resistant to red rot and capable of producing high yield and good recovery. Similarly, the area of Naini Tal Tarai, constituting a large sugarcane tract, has a perpetual problem of low sugar recovery, which, in the past, resulted even in the shifting of a factory to a more suitable location in Bulandshahr district. Part of Saharanpur, Muzaffarnagar and Dehra Dun present the problem of frost attack quite frequently. Then there are tracts of saline or alkaline and sandy areas subject to frequent floods. All these widely varying conditions under which sugarcane is cultivated in the State make it necessary to lay greater emphasis on the need for special research work in the problem areas themselves."

The present research organisation in the State consists of the main Sugarcane Research Station at Shahjehanpur and two full-fledged sub-stations at Gorakhpur and Muzaffarnagar. With a view to evolving varieties suitable for the waterlogged areas of Faizabad, Bahraich, Gonda, etc., a small research centre was started at Ghagraghat (Bahraich) in 1956. Another research centre was established at Phoolbagh in Naini Tal Tarai to tackle the problems of insect pest disease, weeds and low recovery of the area. For the *gur* and *khandsari* belt of the State, two small sub-stations have been opened at Etawah and Banaras. There are said to be in all 50 zonal research centres and 64 ten-acre blocks spread over the State. At these centres, replicated trials are laid out in the cultivators' fields or factory farms, in order to test the superiority of varieties selected at the main Research Station or sub-stations and the manurial and cultural treatments evolved at the Research Station. Subsequently, well-established results are passed on to the Cane Development Department which carries out hundreds of field demonstrations for the agriculturist, so that he can see and adopt the improved methods and practices in his own fields and thereby augment his profits.

Research Work

A brief reference to the research work now in progress in the various sections at the main Sugarcane Research Station of Shahjehanpur may now be made. The Agronomy Section is engaged in the task of selecting high-yielding and high-standard sugared varieties of cane out of the hybrids received from Coimbatore. Some varieties are also received from Bihar, the Punjab and other States. These are multiplied and tested in large numbers, against the standard early and late varieties. Experiments are also in progress to study the responses to the different reasons of plantings, growing of leguminous and other crops, along with cane. Further manurial trials in plant and ratoon canes are carried out. The Botany Section is conducting studies on the control of weeds and exploring the possibilities of raising sugar recovery, while the Chemistry Section assesses the juice quality of cane varieties in different varietal trials and the effect on the yield, juice, quality and soil composition when nitrogen is supplied from different sources. The Physiology and Mycology Sections are also doing good work. The former is equipped with standard meteorological instruments and a crop weather scheme is in progress. The object of the Mycology Section is to evolve methods of protecting cane crop against the common diseases; the resistance of varieties selected is tested against smut and red rot, the two most important diseases. The Entomology Section studies the biology and ecology of insect pests of cane, as well as their control methods, including cultural, mechanical and chemical. The Soil Science Section is responsible for conducting soil survey and soil analysis work in the different factory zones, in order that suitable manurial schedules for the different factory areas may be recommended. Soil survey work has already been completed in 20 factory zones and work is in progress in Saharanpur, Maholi and Jarwal Road.

Agronomy (*Gur*)

The Shahjehanpur Sugarcane Research Station is also doing useful work, so far as the decentralised sector of the sugar industry is concerned. A scheme of research work in the *gur* and *khandsari* areas of U.P., consisting of 17 non-factory districts in the Southern belt, was initiated in 1956. For this work, two sub-stations have been set up at Etawah and Varanasi. Incidentally, it may be noted that the *gur* and *khandsari* areas differ from factory areas both climatically and from the point of view of soil types. Again, while sugarcane varieties which are suitable for *gur*-making will be acceptable to sugar factories, the reverse is not true.

The designing, analysis, and interpretation of all the experiments conducted by the aforesaid sections of the Shahjehanpur main Station at the sub-stations and zonal centres are done by the Statistical Section. The section also carries out studies on the sampling technique for different types of investigations and long-term fertility studies on a permanent uniform trial plot. It helps, too, in planning and analysis of soil, yield and disease surveys. Short courses are conducted in the methods of cane cultivation and control of diseases and pests, besides training the staff of the Cane Development Department, extension workers of National Extension Service Blocks, etc. Moreover, the section undertakes advisory work for cane growers and factories on the better methods of cane cultivation, as well as control of diseases and pests. It participates in exhibitions and shows of agricultural importance. The results of research work are published in the standard journals.

RISE IN PRODUCTION COSTS OF COAL

PLEA FOR HIGHER SELLING PRICES JUSTIFIED

BOTH the producers and the consumers of coal are eagerly awaiting the report of the Coal Prices Revision Committee (Chairman: Mr. S. Boothalingam, I.C.S.) which is expected to be submitted to the Government of India shortly. When the Committee was appointed early last month, it was asked to submit its report within two months. The Committee has already visited the producing areas and met the representatives of colliery owners. It must have, therefore, collected sufficient data by now. But no indications are so far available as to whether the Committee has completed its enquiry. It is, therefore, not possible to say anything about the recommendations which this Committee will make. Nevertheless, it may be hoped that the coal industry's case for a reasonable upward revision in prices will be sympathetically considered by the Committee. Looked at from any angle, the plea for higher coal prices is fully justified.

That there is no exaggeration whatever in this statement is amply evident from the brief but pointed reference made by Mr. D. F. Macmillan, Chairman of one of India's leading coal-producing companies, namely, the Bengal Coal Company Ltd., in the course of his speech at the Company's annual meeting held at Calcutta on Thursday last week. A perusal of his speech will clearly reveal that, for a considerable time now, the coal industry has been called upon to bear increased costs of production from out of the selling prices statutorily fixed. Apart from the enhanced labour cost—the largest single element of cost in the coal industry—pressures on production costs have been exercised in an increasing degree by various other factors, such as increased prices of steel, cement, machinery and timber, and the implementation of new rules governing the operation of mines. According to Mr. Macmillan, between 1950 and 1956, the price of pig iron rose by over 100 per cent., of steel by 90 per cent. and of cement by 50 per cent., while the price of coal went up by only 18 per cent.

Finance for Development

This is certainly unfortunate, considering that the financial reserves of several coal companies are too inadequate to finance the implementation of development schemes. Incidentally, it may be noted that the target of additional output for the private sector under the second Five-year Plan is 10 million tons. out of a total of 22 million tons. This increase in output cannot be achieved unless the industry is accorded facilities for building up developmental reserves and paying reasonable dividends without which fresh capital cannot be found. In fixing the price of commodity like coal, the price of which is officially controlled, due consideration must be paid to the need for a special element for covering, partially at least, the cost of development. When the Government has accepted this principle in the case of steel and cement, there is no reason why it should not apply it to coal prices. The Boothalingam Committee will, therefore, do well to put forward this viewpoint in its report.

Apart from the consideration of finance for development, there is the no less vital consideration that must be borne in mind in fixing coal prices, namely, that the industry is not a perennial or continuous industry. It is common knowledge that coal mines are not inexhaustible. It is but natural that the original capital invested in the enterprise should be returned to the owners before the mining operations cease to be profitable.

New Element of Doubt

To revert to Mr. Macmillan's speech. He drew special attention to the new element of doubt regarding the field within which the private sector of coal industry can work, as a result of the newly enacted Coal Bearing Areas (Acquisition and Development) Act. The Act, it will be recalled, empowers the Government to acquire rights of private lessees over unworked coal-bearing areas found surplus to the requirements of the private sector. Expressing his disappointment at this legislation, Mr. Macmillan observed:

"The protection offered to private producers would seem to exclude coal-bearing lands contiguous to working collieries in which no work is being carried on at present, that is to say, land constituting a reserve area for subsequent development. This might considerably restrict the capacity of private collieries to expand into con-

(*Continued on page* 1305)

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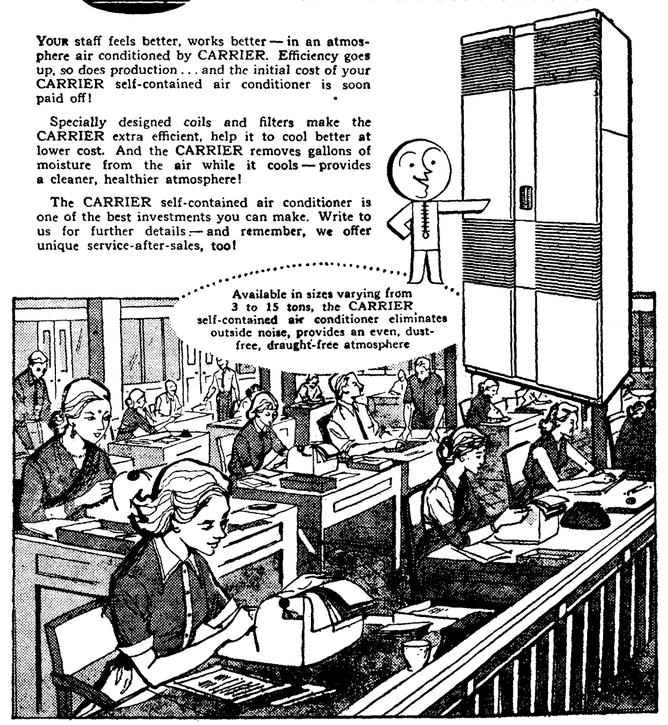

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THE MODERN ECONOMIC SYSTEM AND THE MARXIAN MODEL

KARL MARX DISPROVED BY EVENTS

By W. S. Woytinsky

ABOUT a century ago Karl Marx gave a sonorous, truly apocalyptic picture of the approaching end of the capitalistic world. Marx believed in the 1860's that he saw the beginning of the end of the capitalistic system in England, then the most developed country, the image of the future of the rest of the world.

Nearly two decades later, in his preface to the English edition of *Capital*, Friedrich Engels corrected the error of his illustrious friend. Marx's mistake, Engels explained, was only in timing; the collapse of capitalism in England had been delayed for some reason but was now decidedly in sight.

When today's Marxians herald the approaching collapse of the existing economic system, they are following faithfully the steps of Marx. They have changed only a minor detail in his prophecies. He was most concerned about the fate of England as the main stronghold of capitalism. Today's Marxians are most eager to discover signs of the imminent economic collapse in the United States.

Two questions arise: (1) Why was Marx so sure that the capitalist system was bound to collapse in the country where it appeared to be particularly strong, and later in the rest of the world? (2) Why did this system survive?

Both Marx and Engels studied the capitalist economy in an abstract form, in a model that was supposed to portray the natural laws of capitalist production but actually denounced the evils of capitalism. Having established their model of capitalism, they studied its behaviour until they persuaded themselves that it was bound to break down very soon.

Where They Went Wrong

To some extent they were right: if their model had been correct, the economic system it represented would have disintegrated long ago.

The Marxian model of capitalism is developed in *Capital*, mainly in the first volume, which describes production of surplus-value, its conversion into capital and its accumulation. Starting from the assumption that the only source of value is human labour, Marx defines surplus-value as the difference between the *value* created by a worker and the value of *maintaining* his labour power.

Actually, the concept of surplus-value is heavily loaded with definite emotional and moral value judgments. The clue to this concept is the notion that the individual worker has a right to the whole product and the surplus-value is *extracted* from him.

The rate of surplus-value, writes Marx, is "an exact expression for the degree of exploitation of... the labourer by the capitalist," and he compares the capitalist to the vampire which "will not lose its hold on the labourer so long as there is a muscle, a nerve, a drop of blood to be exploited."

This is an excusable outburst of indignation, if one assumes that the capitalist, who has no right to the product, is cheating and robbing his workers. Denouncing rather than describing the capitalist system, Marx declares that machinery is only a means for extracting more surplus-value from the workers.

Marx was right when he wrote that machinery became "in the hands of capital the most powerful means, in the industries first invaded by it, for lengthening the working day." But he did not foresee that this trend soon would be reversed. However, this new tendency began to develop before the middle of the nineteenth century, largely under the pressure of the rising labour movement.

Adam Smith

The eighteenth century Scottish economist Adam Smith had foreseen the role of labour unions in the capitalist system. He saw that, even in his time, wage rates and the length of the working day were determined by a contest between employers and workers, just as commodity prices were determined by a contest between sellers and buyers. He emphasised that such a contest conforms to the supply-and-demand mechanism of the market.

Marx, however, misunderstood the role of the contests between labour and capital. His revolutionary temperament overpowered his scientific judgment when he described the normal process of the determination of the working day as a protracted civil war. He made his picture of the capitalist system even gloomier by stressing the impact of industrial crisis and continuously rising unemployment on wages.

The final result of capitalism, wrote Marx, is "the misery of constantly extending strata of the active army of labour and pauperism."

If this statement were true, there would be more paupers in England than in the Balkans and, of course, more paupers in the United States than in India or China.

Middle Class

The oversimplified and subjective character of Marxian theory is illustrated by its handling of the middle classes. Marx was aware, of course, of the existence of the middle classes in capitalist society. He himself was a middle-class man and so were almost all his friends at the top of the International Workingmen's Association. In his writings, he occasionally mentions the middle classes, but they are conspicuous by their absence in his model of the capitalist system.

It recognises only two groups: capitalists and workers. The first group diminishes steadily as a result of the concentration of capital, each capitalist "killing" many other capitalists. The second group grows steadily as a result of the accumulation of capital and expansion of capitalist production, and it becomes better organised by the process of capitalist exploitation.

Granted these Marxian assumptions, sooner or later a point must be reached where a handful of vampire-like exploiters who hold the world in misery will be overpowered by their rebellious slaves.

What have been the actual trends in the modern economy?

More than a century has elapsed since Marx developed his theory. In the interim, the world has been swept repeatedly by revolutions. Empires have crumbled, dictators have risen and fallen. Workers have played a conspicuous role in these upheavals.

But not a single revolution has followed the Marxian blueprint—a revolt of the majority of working people against the handful of capitalists! The two great revolutions of modern time, whose leaders pretended to follow Marx's theory, took place in regions where capitalism was not fully developed—Russia and China—and were effected by armies: in Russia, by a distintegrating army that refused to support or obey a weak democratic government; in China, by an army raised in the course of a protracted civil war. In countries where capitalism has advanced, it proved to be unexpectedly flexible and developed along lines strikingly different from the Marxian model.

Fallacy Proved

The fallacy of the theory of progressive concentration of capital in the hands of a steadily diminishing group of capitalists is proved by the experience of the United States. The number of factories and other industrial and commercial establishments has been steadily increasing since the days of Marx and is still rising—from 3,029,000 in 1929 to 4,252,000 in January 1956.

True, the relative weight of big business has been increasing steadily, but most of the modern firms are corporations, and their stock shares were distributed among some 10 million stockholders at the end of 1955. In addition, many unincorporated enterprises are owned by several partners. The total number of employers and self-employed persons, including farmers, family workers, part owners and stockholders in the United States may range up to 20 million. Moreover, the big corporations usually are operated by an hierarchy of managers and directors with a large technical staff—people who have taken over the functions of capitalists of older times and are as stout supporters of the existing system as the capitalists themselves. Thus, the basis of modern capitalism not only does not narrow, but becomes broader.

Not Two But Many Layers

History has proved also that contradictions and strains of the modern economic system cannot be reduced to a contest for power between two—and only two—classes: the workers and their exploiters. Steadily increasing complexity is a characteristic of the modern economic system. It consists of many layers and their role in production becomes increasingly intricate.

In the United States, for example, the employed civilian labour force in October 1956 included 66.2 million men and women. Roughly, there were among them 16.5 million proprietors and more or less independent producers or technical employees; 17.6 million white-collar (office) employees, craftsmen and foremen; 22.2 million operatives, manual labourers and farm hands (including unpaid family workers), and 9.8 million sales and service workers, whom Marx treated as parasites.

The number of unskilled and service workers comprised only 20 per cent. of the labour force in 1956, as compared with 36 per cent. in 1910, while the group of professional workers had increased from 4 per cent. to 10 per cent. of the total during the same period. Highly developed capitalism demands more and more engineers, chemists, designers, lawyers, managers, public relations men, and employees with a general education.

Thus the trend is not toward the polarisation of society divided between two antagonistic classes but toward the development of a long social ladder with many intermediary steps between the top and the bottom.

History has vindicated Adam Smith's theory that "workmen combinations" are a natural and legitimate means of self-defence for workers and strikes are a normal phase in wage determination.

Role of Labour Unions

In modern, free-enterprise countries, labour unions have become a part of the economic system. They represent the workers not only in bargaining but also in supervising the execution of contracts. They have their stewards in almost every workshop, handle the grievances of workers, and represent labour before legislatures and administrative bodies. In many countries—for example, the United States, Canada, United Kingdom, Sweden, Norway, Denmark, Australia and New Zealand—all workers in leading industries must be union members.

In his passionate plea against the capitalist system, Marx accused it of *four* basic crimes: an intolerably long *working day*; insufficient *wages*; *unhygienic* labour conditions; and ruthless exploitation of *women and children*.

By the time *Capital* was published, some of these evils in England had been checked by the Factory Acts, but these did not go far enough and public opinion demanded more radical measures. Marx did not realise, however, that the early Factory Acts were the modest beginning of a process that would transform the whole economic system without breaking it.

The progress of the modern economic system has been characterised by increasing productivity of labour that has made possible gradual shortening of the working day and a rise in wages. At the same time, hygienic and safety standards in places of work have been improved, child labour has practically disappeared, and employment of women in heavy and dangerous occupations has been limited.

Working Hours Reduced

The trend in the working day illustrates the general tendency. Beginning in 1889, the international labour movement for years sought a 48-hour standard work week. Now a 40-hour standard work week is firmly established in the United States, Canada, Australia and New Zealand; a 44-hour work week prevails in Great Britain, France and the Scandinavian countries. U.S. factory workers, on the average, work 40.2 hours a week, but receive higher overtime pay for hours worked in excess of 37.6 hours. U.S. labour is now seeking a 35-hour standard work week, with higher pay rates for overtime work.

People have learned that smooth operation of the capitalist system does not depend on a reserve army of labour, and that mass unemployment is an indefensible waste of human resources. Unemployment insurance spread in industrialised countries after World War I. Since the depression of the 1930's and its tragic conse-

(*Continued on page* 1319)

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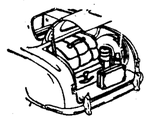

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ESTIMATES COMMITTEE ON PROBLEMS OF MOTOR TRANSPORT

REDUCTION IN TAX BURDEN ON VEHICLES URGED

EMPHASISING that all means of transport—the railways, shipping and motor transport—should be allowed to develop as rapidly as possible, the Estimates Committee, in its report entitled "Ministry of Transport—Motor Transport and Miscellaneous" has dealt comprehensively with the problems of motor transport in the country. Notable among the various suggestions and recommendations made by the Committee, all of which are designed to expand and improve the motor transport service and also to place it on a firm footing, is the one relating to the need for reducing the heavy incidence of taxation on motor vehicles. There is no doubt that taxation of motor vehicles is an important aspect of the problem of the motor industry and motor transport service. And, unless the incidence of the present unconscionably heavy burden of tax on motor vehicles and motor transport is brought down, there can be no real or permanent improvement in motor transport in this country. Or to put the matter in another way, the reduction in taxes on motor transport and the adoption of a realistic policy towards it by the Government will pave the way for the expansion of the automobile industry and motor transport service, lead to wider employment and also bring in, in the long run, a larger revenue to the Government.

The Committee has stressed that all means of transport in India are now inadequate to meet the rapidly increasing requirements of the country, thanks to the rising tempo of agricultural and industrial production. It points out that the railways have "overshadowed" the other means of transport as a result of encouragement given to the former by official policies adopted over a hundred years. It adds: "The revival of interest in other means of transport has still to acquire momentum. There is, therefore, an urgent need for enunciating a national transportation policy." In enunciating such a policy, the Committee urges that the principles for inland transport co-ordination recommended by the International Chamber of Commerce might be adopted by the Government with as few modifications as are absolutely necessary. These principles, it may be mentioned here, are:

(1) Production and distribution are dependent upon efficient and economical transport, and transport in turn depends upon flourishing production and distribution. The problem is thus twofold and should not be considered only from the standpoint of transport. (2) To ensure the application of this principle there should be arrangements in each country for consultation of the various forms of transport with their users (agriculture, industry, trade) on rates, charges, services, conditions of carriage and all other economic aspects of the problem. (3) The user should enjoy unrestricted freedom of choice among the means of transport. (4) Transport "for own account" should be unrestricted. (5) The user should enjoy unrestricted freedom of choice, with a view to determining all the elements of the cost of each form of transport in each country. (6) Whether the different forms of transport are either separately administered or centrally controlled by a statutory body, they should be free to compete. Healthy but not wasteful competition should be encouraged and for this purpose, the different forms of "professional transport" should be placed on a comparable competitive basis by revising and easing statutory obligations, keeping also in view the interests of transport for "own account." Structure of charges should reflect the cost of providing the services and should be framed so as to obtain the maximum economic efficiency of each form of transport. (7) Nothing should be done which would hinder the development of any particular form of transport or disguise the advantages it could offer or which would discourage its use in order to provide artificial support for any alternative form of transport. The basis of co-ordination must be dynamic, not static. (8) In the interests of defence or the general national welfare, it may be necessary, in very exceptional cases, to maintain certain forms of transport at a minimum level. The losses on such operations should not throw additional charges on transport users as such; they should be nationally borne.

The Automobile

Among the means of inland transport, the automobile, the Committee rightly points out, has considerable economic advantages. Motor transport is very flexible in that a more individual type of service can be given than with any other type of transport. It can provide "door-to-door" service. Further, there are no terminal and transhipment delays as in the case of railways. Again, coastal shipping and inland river navigation are limited by geographical factors and rail transport is suited generally for bulk cargo and long hauls. On the other hand, motor transport can render valuable assistance to the country, especially if its 550,000 villages are inter-connected by roads.

Motor Transport

The problems facing the motor transport industry have been examined by a number of committees in the past few years. The salient features of the conclusion of these committees are: (1) The taxation rates are generally very high; (2) there are too many restrictions on the movement of vehicles both within the States and on inter-State routes; (3) the pace of nationalisation should be slow; (4) the automobile industry should be properly organised and placed on a sound footing. The Estimates Committee has quoted statistics to show that the level of taxation in India is much higher than in other countries. The rate works out to Rs. 1,232 per vehicle in India (1948-49), as compared with Rs. 417 in the U.K. (1948-49), Rs. 377 in France (1947), Rs. 289 in South Africa (1947) and Rs. 398 in the U.S. (1948). Broadly speaking, in India, there are three types of taxes on motor vehicles: (1) Central tax which consists of customs and excise duties on motor vehicles, tyres, tubes and accessories and on motor spirit. (2) State taxes such as vehicle tax, tax on passengers and goods, permit fees, sales tax on vehicles and parts thereof, and (3) local taxes such as wheel tax, tolls and terminal taxes. The general level of all the taxes is said to amount to 20 per cent. of the cost of operation and is as high as 35 per cent. in one or two States. The Committee, therefore, recommends that "efforts should be made to impart uniformity in taxes levied by the States and to bring down the incidence of taxation on motor vehicles.

The operation of motor transport in India is regulated chiefly by the Motor Vehicles Act and also by the "Code of principles and practices in the regulation of motor transport" which has been evolved by the Central Government after a series of discussions with the States. In connection with the regulation of motor transport in India, the Committee has done well to recall the recommendations made by the Study Group (Transport Planning) in 1955 for relaxation of certain restrictions imposed by the Code. The Group pointed out, for instance, that private carriers should be given far greater freedom of movement and public carriers operating in areas not served by railways should be free from restrictions relating to "compact area" imposed under the Code. The Group's suggestions have been accepted by the Transport Advisory Council. At its meeting held last year, the Council agreed that relaxations of the Code should be considered in relation to specified routes or areas and recommended that the States should send proposals for such relaxation. It would, however, appear that no such proposal has been received so far from any State Government. Commenting on the general nature of the problem of regulation of motor transport, the Committee observes that a certain amount of such regulation is necessary in the interests of ensuring "safe, reliable and efficient service." But it has stressed that care should be exercised, in order to see that "such regulation and control does not become so excessive as to hamper the growth of the industry itself."

Nationalisation

As regards nationalisation of motor transport, the Committee notes that complaints have been voiced that the fear of nationalisation has had a restrictive effect on the rapid and substantial growth of road transport in India. The present position is that while 22 States have already nationalised passenger transport services, freight transport has been nationalised by only six States. Except for Himachal Pradesh, Kutch and Bombay, where nationalisation of passenger transport is practically complete, and in Uttar Pradesh and Hyderabad, where the progress of nationalisation has been substantial, in all other States nationalised services represent only a small part of the road transport services as a whole. Freight transport is left more or less completely to private operators in all States except Himachal Pradesh, where complete nationalisation has been achieved. However, in view of the increasing trend to nationalise road transport, the motor transport interests in the country asked for a clear statement of policy by the Central and the State Governments on this issue. The outlines of such policy were decided upon by the Planning Commission, in consultation with the Ministry of Transport, and communicated to the State Government in September, 1954. The main features of the policy decided upon are:

Goods Transport.—(i) The schemes for nationalisation of road freight services will not be considered for inclusion in the Plan until 1961, i.e., the end of the second Five-year Plan. (ii) Permits should be granted freely for periods of not less than three years in accordance with the provisions of the Motor Vehicles Act 1939. (iii) Special incentive should be given to viable units by granting them permits for a maximum period of five years under the provisions of the Motor Vehicles Act.

Passenger Services.—(i) State Governments desiring to nationalise road passenger services should be required to prepare phased programmes of their schemes upto 1960-61, i.e., the end of the second Five-year Plan for consideration by the Planning Commission for inclusion in the Plan provided (ii) and (iii) below are accepted by the State Governments. (ii) In the areas that would be left outside the approved nationalised schemes, permits would be granted freely for periods of not less than three years in accordance with the provisions of the Motor Vehicles Act, 1939. (iii) Within the areas which are included in the approved nationalisation schemes permits would be granted for the longest period permissible under the expansion schedule, but within the maximum limit set by the Motor Vehicles Act. (iv) Where Government participation is contemplated, a tripartite organisation in which State Governments, railways and private operators will participate should be set up under the Road Transport Corporation Act, 1950. In areas to be left entirely to private operators, special encouragement should be given to the formation of viable units.

Clear Indication of Policy

The Committee very much appreciates the enunciation of the policy by the Planning Commission regarding the nationalisation of road transport. It, however, wonders if it could not be carried a step further. The progress of the setting up of the Transport Corporations has been extremely slow. Considerable ground has yet to be covered regarding the nationalisation of a passenger transport. It is, therefore, doubtful, according to the Committee, whether the States will be in a position to take the added responsibility of nationalising goods transport in the third Plan period also. It adds: "If, therefore, after consultation with the State Governments, the policy in regard to the nationalisation of goods transport is chalked out up to the end of the third Plan period, it will act as a great fillip to private enterprise." After pointing out that the life of a goods vehicle is about 8 to 10 years, the Committee says: "If, therefore, private enterprise is given a clear indication of the policy till 1965-66, considerable expansion of goods transport can take place in the private sector. This will materially assist in relieving the transport bottleneck in the country."

Commercial Vehicles

The development of motor transport is dependent upon adequate availability of commercial vehicles. The present demand for commercial vehicles in India is estimated at about 13,000 a year. The demand for all types of commercial vehicles is expected to go up to 40,000 vehicles per year towards the close of the second Five-year Plan. The Government has permitted certain firms to undertake the manufacture of commercial vehicles and chassis in progressive stages. The present installed capacities of these firms are: *Heavy vehicles*—Premier Automobiles (petrol vehicles) 5,000; Hindusthan Motors (petrol vehicles) 9,000; Tata Locomotive (diesel vehicles) 6,000. *Light vehicles*—Ashoka Leyland (diesel vehicles) 3,000. The Transport Ministry informed the Committee that 75 per cent. of the demand for commercial vehicles is for the diesel type. The representative of the Ministry also stated that, by the end of the second Plan, it was expected that India's requirements would be met by domestic production. The Committee, after recounting the recommendations of the Tariff Commission which examined the automobile industry's case for protection and the Government's decisions thereon, has expressed the hope that the implementation of the Government's decisions "will put the automobile industry in the country on a sound footing."

A specific issue pertaining to motor transport, to which the Committee has drawn pointed attention, is the case of trailers. The use of trailers, though a recent development, has become an established practice in many countries. The Committee says that employment of such multiple-unit vehicles as articulated vehicles, truck-trailer and tractor-trailer combinations has, however, not caught the imagination either of the Government or the trading community to any appreciable extent. It adds: "With the use of trailers, it is possible to carry with the same motive power larger loads than is possible on one chassis making transportation by tracks more economical and comparable to railway freights." The Committee has suggested that, in view of the economy inherent in the use of trailers, the Ministry of Transport should "encourage the manufacture and use of trailers both by the private and public sectors."

Bullock Cart

Although motor transport is bound to play an increasingly important role in India's transport economy, it must be admitted that, at least in the immediate future, the bullock cart, as a means of transport, cannot be eliminated altogether. The Committee has, therefore, done well to devote a section of its report to the consideration of bullock cart transport. It is estimated that there are about 10 million bullock carts in India, of which about 700,000 to one million ply in, or near, cities. It is further estimated that the number of bullock carts has been increasing at a rate of about 200,000 a year. In urban areas, the net cost of transportation by these carts has been placed at 120 pies per ton-mile, as against the general level of 40 to 48 pies per ton-mile in the case of lorries.

The Committee has thought it fit to emphasise the importance of improving bullock carts. It points out that the narrow iron tyres of bullock carts do considerable damage to roads. After conducting a large number of experiments, the Indian Roads Congress has evolved a new type of wheel in which the width of the iron tyre is about 3½", as against the present average width of about 2"; the saving in wear and tear of road surfaces through the use of the new wheel has been estimated at 35 per cent. The Central Road Research Institute is also carrying out research on improvement of bullock cart wheels and experiments in the use of rubber fixtures in the hub assembly of the wheels. The use of pneumatic tyres for bullock carts has been ruled out for three reasons: (1) if kept unused for a considerable part of the year, the tyres and tubes would rapidly deteriorate, leading to heavy loss; (2) service facilities cannot be provided in all rural centres and (3) on rough rural tracks, the pneumatic tyre would require greater tractive effort. The Committee has rightly emphasised the importance of research in this sphere. Thus, it has expressed the view that expert examination of the problem of improving the bullock carts and positive steps towards that end are urgently called for, separately for rural and urban areas.

IRON PLANT IN SALEM

Although iron ores are found in South India, particularly in Salem district in Madras State, there has been no development of iron and steel industry in this part of the country, because the ores are of the low-grade variety. It would, however, appear that, by the use of certain modern processes, it is possible to utilise such ores also. A Press note issued by the Government of Madras states that the Government of India has granted a licence to a private industrialist for the installation of a small pig iron plant in Salem, pending a decision to set up a large plant to be worked with low-grade coal or even lignite. The note says that some industrialists had come forward to set up small pig iron plants in the Salem area with a capacity not exceeding 15,000 tons per year; the capital outlay on such projects would be about Rs. 40 lakhs. With the concurrence of the State Government, the Union Government had granted a licence to one of them running a textile machinery industry in Coimbatore.

The official Press note stated that the Company's proposal was to crush and concentrate by magnetic separation at site the iron ore found in Salem and to reduce the concentrated ore in its factory at Coimbatore. More such small pig iron plants would be feasible, the Press note said, and added that Government would welcome proposal in this regard from industrialists. Though the iron ore deposits in Salem were "fairly extensive," they were, "on the whole, of low grade," and it would not be an economic proposition to convert the low-grade ores into iron by the conventional blast furnace method. However, since it had been known that in Germany and other countries a method had been found for turning even the low-grade ore to account by reducing them in what is called "a low-shaft furnace," the Government of India had recently sanctioned the installation of a pilot plant for the manufacture of iron from low-grade ores in the National Metallurgical Laboratory, Jamshedpur. Bulk samples of Salem ores had been sent to the laboratory for preliminary tests on sintering and reduction. The pilot plant would take some time, and it was hoped, the Press note said, that by then lignite from the Neyveli mines would be available, making it possible to take a final decision on the installation of full-scale iron manufacturing plant in the Salem district.

NEW PRODUCTS AND PROCESSES

Preserving Timber

A SUCCESSFUL commercial method of preserving timber under high pressure has been developed at the Forest Products Laboratory of the Commonwealth Scientific and Industrial Research Organisation, Australia. Test results of treated timbers, mainly railway sleepers, show that impregnation at high pressure is economically desirable. In Australia few, if any, species of hardwood eucalypt timbers can be preserved by conventional methods because the density of the timber fibres is such as to resist the penetration of the preservative at the usual pressures employed overseas. Investigations by the Division of Forest Products of the C.S.I.R.O. have conclusively demonstrated, however, that at high pressure preservatives penetrate them satisfactorily. The success of these laboratory experiments led to the design of a pilot high-pressure preservation cylinder, large enough to demonstrate its commercial practicability. Equipment to treat appreciable quantities of timber in the form of sleepers, cross-arms and poles is necessarily heavy, complex and relatively costly, and thus the costs of treating a unit are appreciably influenced by the time taken to do so. Comprehensive tests have shown that the duration of treatment may be only 60 minutes, or even less, according to the species of timber and its cross-section. A pressure cylinder with an internal diameter of 25 in. and 10 ft. long was designed for a working pressure of 1,000 pounds a square inch. Its most important characteristic is a quick-opening door with a hydraulic seal. After the cylinder is loaded the door is closed, and for five minutes a vacuum is applied to remove the air from the timber. Liquid creosote preservative is then applied at approximately 160 degrees Fahrenheit for about 30 minutes. A final short vacuum treatment is applied to remove free creosote from the sleeper surfaces.

Machine for Brick Making

Nearly all the bricks produced in India are made by hand-moulding at present. The resulting product is not uniform in size and shape due to high drying shrinkage and defective moulds. A hand-operated brick and block making machine has been developed, at the Central Building Research Institute, Roorkee, which overcomes these defects by moulding bricks in a well shaped steel mould, and at a lesser moulding moisture, thereby reducing shrinkage and other defects. The machine is most useful for the production of stabilised bricks, where hand-moulding is slow due to the semi-plastic nature of the soil. It works on a continuous cycle of operations by means of hand levers fixed on either side of the machine and a set of cams. It is an improvement over existing machines which work on an interrupted cycle of operations involving application of pressure and its subsequent release by working the screw or the lever forward and backward thereby resulting in a loss of output. The new machine has been fabricated with simple structural mild steel and is sturdy in performance. The tips of the roller, etc., which take the greatest wear are heat treated. The machine presses two bricks at a time, with four men working on the machine, two for turning the lever, one for filling the mould and one for removing and stacking the bricks. The output per man/hour is about 62 which means an output of about 2,000 bricks per day.

The machine has been tried on a pilot plant scale at the Institute. Trials by independent parties are in progress and reports so far have been satisfactory. The machine allows bricks to be produced on a cottage industry basis and is likely to find considerable use in community project areas.

Parties interested in undertaking the commercial development of the process may contact the Secretary, Natural Research Development Corporation of India, New Delhi.

Copying Machine

A machine described as "the world's fastest completely dry copying machine" has been announced by Minnesota Mining and Manufacturing Company of the U.S. Called the "Secretary" brand copying machine, it is small enough to be used on an office desk. It makes error-proof, dry copies of originals in about four seconds from printed, written or drawn originals—transparent or opaque and printed on one side or both—regardless of the colour of paper on which the original is printed. The copying machine is recommended for use in any business or department where extra copies of existing originals may be needed, whether they be copies of correspondence, records, cross-file references, sketches, diagrams, newspaper clippings, administrative forms or other papers. The "Secretary" is 17 inches wide by 17 inches long by nine inches high. It operates from any 110-volt A.C. outlet employing a special light in the machine and a special copying paper—there are no liquids, negatives or master copies involved. It copies in one step direct from the original in the open office or plant—regardless of lighting conditions—and can be operated after only a few minutes' instruction. The machine results in office economy by eliminating two-thirds of the cost of copying. Four pages of solid typing—about 2,000 words—can be copied in less than one minute with the "Secretary"; a typist capable of 60 words per minute would require more than 33 minutes if she typed without error. The new desk-top unit is sold internationally through authorised distributors.

Anti-Malaria Drug

Ordinary table salt combined with two tested anti-malaria drugs may be the most effective means yet developed to rid the world of malaria on a permanent basis. The medicated salt was developed by the United States Public Health Service and has already proved its effectiveness in extensive tests. It consists of ordinary table salt fortified with Daraprim and Chloroquine, two drugs which widespread experience has shown to be virtually 100 per cent. effective in eradicating malaria and, when used continuously, in keeping patients free from a recurrence of the disease.

The World Health Organisation of the United Nations may test the anti-malarial salt on a world-wide scale in all malaria-ridden areas. The tests conducted by the U.S. Public Health Service have shown that human volunteers, purposely exposed to multiple bitings by malaria-bearing mosquitoes, escaped malaria sickness as long as they used the medicated salt, and for a comfortably safe period after they stopped using the salt. The amount of the medicated salt needed to control malaria is no more than the average amount of regular salt which a person uses daily in preparing and eating his food. When used by inhabitants of malarial areas, the medicated salt would simply be substituted for plain table salt. Its daily use in this manner, the testing programme has demonstrated, should keep the users permanently free of malaria sickness, no matter how many times in the past they have been bitten by malaria-carrying mosquitoes or how many times they may again be bitten.

New Loom

The U.S. Agriculture Department recently announced the development of a new loom device which will produce wind- and water-resistant cotton fabric. The resistance will last for the life of the fabric.

The new development is termed a boon to cotton growers and textile manufacturers since it has opened a whole field of new uses for cotton textiles. The new process will make possible the manufacture of a cotton fabric which will keep a wearer dry in the hardest rain while, at the same time, he will remain comfortably cool since the fabric is porous enough to permit cooling air to circulate through it.

Water resistance in the cotton fabric, according to the Department, cannot wear off because the resistance is due to the cloth's tight weave and not to external treatments which clog fabric pores and make the cloth uncomfortable in humid weather. An industrial use of the fabric has been demonstrated over a five-year period by the use of the specially-loomed material as a tarpaulin covering for a sports field. The field, in New Orleans, remained dry during the heaviest rains when covered by the tarpaulin. The Agriculture Department said the new device can be attached inexpensively to standard cotton textile looms.

Cooling Pack

A product recently introduced on the Australian market, Pack-Ice, preserves food, drinks and other perishables in the hot weather. It is a boon to travellers and picnickers. Pack-Ice is a sterile material enclosed in a compact cylindrical container with a plastic skin. When frozen or semi-frozen in an ice chest or refrigerator it stays cold for a long time. Pack-Ice is used by health authorities, who describe it as hygienic, non-toxic and odourless, and may be safely used as a cold pack in the sick-room. As the material cannot melt, there is no danger of wetting the food with which it is packed. Pack-Ice is manufactured by E.P. Keogh Laboratories, of 402 Swanston Street, Melbourne, and 105 Elizabeth Street, Sydney.

Insulating Material From Waste Products

A new process to make insulating material from waste products like groundnut or paddy husk, banana stem, coir or bagasse has been evolved at the Central Food and Technological Research Institute, Mysore. This insulating material has been found to possess properties similar to cork at present being imported. The Institute is now engaged in standardising conditions for the production of this insulating material. It is also conducting tests to study performance of the product. This experiment was undertaken at the Institute with a view to manufacturing heat insulation boards, cushion pads and sound-proof boards from waste material.

Fastest Thermometer

A thermometer that registers temperature changes a billion times faster than the ordinary thermometer has been developed by Cornell Aeronautical Laboratories, U.S., to measure temperatures on aircraft and missile models undergoing tests in their 10,000-mile-an-hour hypersonic shock tunnel. A test run in the shock tunnel takes about one-thousandth of a second, and standard thermometers are useless for such short periods of time. The new thermometer's sensing agent is a film of platinum, only four-millionths of an inch thick, imprinted on a glass base. The platinum film picks up or loses heat instantly as surrounding temperatures vary.

Instant Battery

A new battery which remains inert in storage, but which can be activated almost instantly, has been developed by the Eastman Kodak Company. The battery can provide up to 6,000 volts and can be sized and shaped for almost any use from flash-light to autos, says the firm. It is activated by ammonial vapour released under pressure in a hermetically-sealed container and consists of a cathode and anode joined by a blotter-like "bridge" plus an ammonia-vapour triggering device.

Spirometer

A simple new instrument for detection of chronic diseases of the lungs was described before a recent meeting of the American College of Physicians. The instrument, called the "Spirometer", measures the breath to detect lung irregularities. A Philadelphia doctor said the spirometer will soon be as standard as the stethoscope or the blood pressure cuff in every physician's office and will revolutionise the detection and treatment of asthma.

A RATIONAL WAGE POLICY FOR THE PLAN

LABOUR CONFERENCE TO STUDY QUESTION

THE fifteenth session of the Indian Labour Conference, scheduled to meet at New Delhi in the second week of July, is expected to undertake a comprehensive examination of the wage policy laid down in the Plan, with a view to determining the principles on which the proposed tripartite wage boards for various industries should fix the wages for workers. Also figuring prominently on the agenda is a Model Agreement, which we commented upon last week, to guide employers in regard to rationalisation. This model has been drawn up by the Government of India for the consideration of the Conference. In view of the great emphasis laid in the Plan on stepping up industrial production, these questions which have a direct bearing on the pace and pattern of industrial development in India, are of vital importance.

It may be recalled that at the time of the formulation of the second Plan, the I.N.T.U.C. had put forward a plea for a 25 per cent. increase in the wages of workers to keep pace with the increase in productivity. Several other organisations of labour also supported this plea. The entire question of wage policy and the machinery for determining wages had been under the consideration of the Planning Commission, the Government of India and the Labour Conference. The second Plan, as is well known, envisages the establishment of wage boards representing the interest of employers, workers and consumers. The setting up of a Wage Commission has been demanded by the workers but the Government of India would appear to have been of the view that this could await the results of a proposed wage census. Meanwhile, an official Study Group was appointed to examine the question. The group has now submitted some notes to the Conference in order to enable it to reach conclusions on the subject which will then be forwarded to the wage boards for their guidance in the fixation of wages.

Tripartite Wage Boards

The Study Group's suggestion is that the wage policy should be so designed as to secure a continuous improvement in the living standards of workers and reasonable returns for the employers. It must also be in conformity with the social and economic objectives of the country. These considerations are, of course, interdependent and in theory at least there is no conflict between them. A realistic wage policy should strike a balance between these factors. But, according to the Group, experience has shown that, in this delicate balance, the workers were often left behind, due mainly to their weak, bargaining position. It, therefore, maintains that a balance between the three elements could best be achieved by tripartite wage boards in which all the three interests could be represented.

None would question the justness of a demand for a fair wage for workers; but, at the same time, it should not be forgotten that no industry can afford to pay a wage rate which is beyond its capacity. The Study Group rightly recognises this aspect. It questions the suggested antithesis between higher wages and greater employment and is of the view that, as long as wage increases are reasonable, there is no reason to suppose that higher wages and greater employment could not go together. Although, in the context of widespread unemployment, there is an urgent need for enlarging employment opportunities, it is held that there could be no real gain in multiplying the number of discontented employees. Each employed person should therefore be assured of, and paid, a fair wage. If the experience of industrially advanced countries is any guide, observes the Group, pressure of unions for wage increases has always been a powerful factor in bringing about improvements in technological efficiency.

The capacity of industry to pay, it is common knowledge, depends upon its output which in turn is determined by productivity. The group claims that a study of the net factory output and the wages of factory workers undertaken by it has revealed that, during the period 1948-53, while the absolute figures of the earnings of workers have increased, the rise has not been proportionate to the increase in net productivity. The share of wages in net factory output rose significantly between 1948 and 1950, but there was a decline over the subsequent three years. Another conclusion that emerged was that, industry-wise, the percentage of wages to net output in 1953 was highest in the textile industry (62.42) and lowest in cement (23.31).

According to the Study Group, in industries in which the rate of increase in wages has not kept pace with the improvement in productivity, there is a *prima facie* case for a wage boost. But it concedes that workers could not expect to be compensated fully for the increase in productivity, because in a country where the demands for capital formation are heavy and would continue to be so for a long time to come, workers would have to be content with wage increases smaller than is warranted by increases in productivity. At a time when all-round austerity is called for, it is only fair, it rightly maintains, to expect workers also to contribute their share to the collective sacrifice.

Consumers' Interest

An important aspect that has not unfortunately received the attention it should in this country in formulating labour and pricing policies is the consumers' interest. The latter goes usually unrepresented. Since consumers lack organisaton, their case is not generally championed in forums where matters vitally affecting them are discussed. It is true that, in a world where aggressive sales propaganda and competitive advertising designed to create demand have become the order of the day, it may not be correct to say that the consumer is the king as he was supposed to be in olden days. Nevertheless, no economic enterprise can run smoothly, unless the interests of those who, in the ultimate analysis, keep the productive machinery, moving is also taken into account in policy-making. It is, therefore, imperative to see that a part of the benefits accruing out of higher productivity be passed on to consumers also in the form of lower prices and better servicing of goods. It is to be hoped that this point of view will be borne in mind by those who participate in the Conference.

Wage Differentials

The capacity to pay a given wage should be judged, it is suggested, on a region-*cum*-industry basis. In other words, it should not be based on a single unit, or on industries as a whole in the country. A scientific wage policy should also provide for wage differentials which is a necessary concomitant of wage system in modern industrial organisations. It may be noted, in this connection, that the I.L.O. productivity team which visited India in 1952 had reported that the *ad hoc* differentials established by the various awards were unscientific and had produced many anomalies distorting the relationship between the work put in and the reward obtained, thereby affecting incentives adversely. To remedy this defect, it had recommended the establishment of wage differentials on the basis of proper job evaluation as in Western countries. Referring to this, the Group says that, as there is always a tendency on the part of workers to insist on the maintenance of current differentials, a pragmatic approach to the question will have to be adopted with the active participation and co-operation of the workers and employers.

The Study Group has some pertinent observations to make on the much wider issue of the economic and social consequences of a wage policy. It emphasises that, from the purely economic point of view, a wage policy should avoid exerting inflationary pressures or pressures on the balance of payments, promote productivity and help to create a favourable climate for savings and capital formation. On the social side, it must move in the direction of reducing inequalities of income and wealth and a more even distribution of the national product. The method of achieving the social objective is levelling up and not levelling down. In other words, inequality should be minimised not by reducing wages from the top, but by increasing it from the bottom. While the economic and social objectives might clash in wage determination, says the Group, it should be borne in mind that economic efficiency is both a resultant of and an essential condition for the satisfaction of legitimate social aspirations.

INDUSTRIAL DISPUTES IN MARCH

The climate of industrial relations in India, judged by the number of man-days lost due to industrial disputes, showed a slight deterioration in March last for the time-loss increased during the month as compared with the previous month. The total time-loss during March was 268,945 man-days, as against 240,702 during February. The index of industrial relations for the manufacturing industry group (Base 1939=100) for the month was 426.7 as compared with 471.1 (revised) for the preceding month and 101.1 for the corresponding month of the previous year. Total time-loss during the month was, however, lower than the monthly average time-loss of 594,709 man-days during 1956 by 54.8 per cent. One hundred and ten disputes were current at any time during the month, involving 40,488 workers. In the previous month the number of disputes was 132 involving 110,198 workers. The average duration of disputes current at any time during the month was 6.6 days as against 2.4 days during the previous month.

Thirteen of the disputes resulted in lockouts. West Bengal accounted for six lockouts, Madras three, Bombay two, and Bihar and Kerala one each. Eighty-one disputes terminated during the month of March. Of these 59 lasted for not more than five days and only eight lasted for more than 30 days each. The workers achieved complete or partial success in 35 cases, and failure in 27 cases. The main reasons for disputes were wages and allowance, bonus and personnel.

Among the industry groups, the time-loss increased in "Manufacturing" from 133,686 in the previous month to 147,621 in the month under review; in "Electricity, gas, water and sanitary services" from 1,464 to 48,068 and in "Services" from 26,431 to 27,820. In the remaining group, the time-loss declined. State-wise, Bihar recorded a time-loss of 101,185 man-days during the month which was the highest among all States. Next in order came Bombay, West Bengal and Mysore with a time loss of 60,871, 42,657 and 32,500 man-days, respectively. As compared with the previous month, the time-loss increased in Bihar, Bombay, Kerala, Mysore and Delhi, while it decreased in others.

EMPLOYMENT ACT

It is proposed to amend the Industrial Employment (Standing Orders) Act, 1946, in its application to Bombay State. The amending Bill, which has been published in the *Bombay Government Gazette* of 15th June seeks to extend the provisions of the Act to a larger number of workers by bringing under its purview all establishments employing more than 50 persons and enlarging the definition of "employer" to include owners of establishments employing labour through contractors or on contract basis. It also provides for penalty for contravention of the provisions of the Act and authorises the court to require an employer to pay adequate compensation to workmen who are directly or adversely affected by contravention or illegal modification of the Standing Orders for which the employer may have been convicted. The amendment further seeks to provide for the age of retirement or superannuation of workmen and expedite the process of certification of standing orders. It also seeks to extend the application of amendments to the whole of the new Bombay State.



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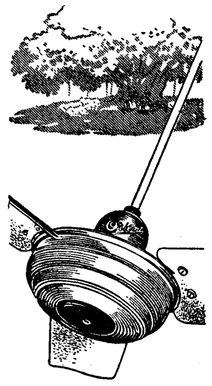

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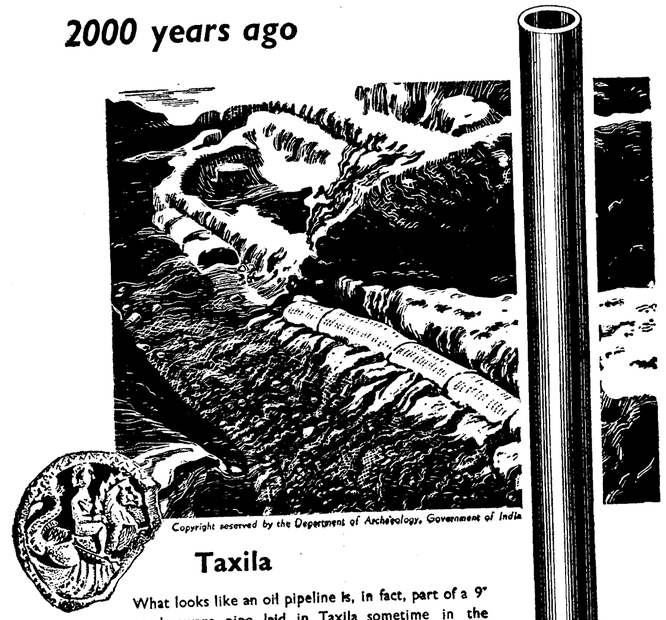

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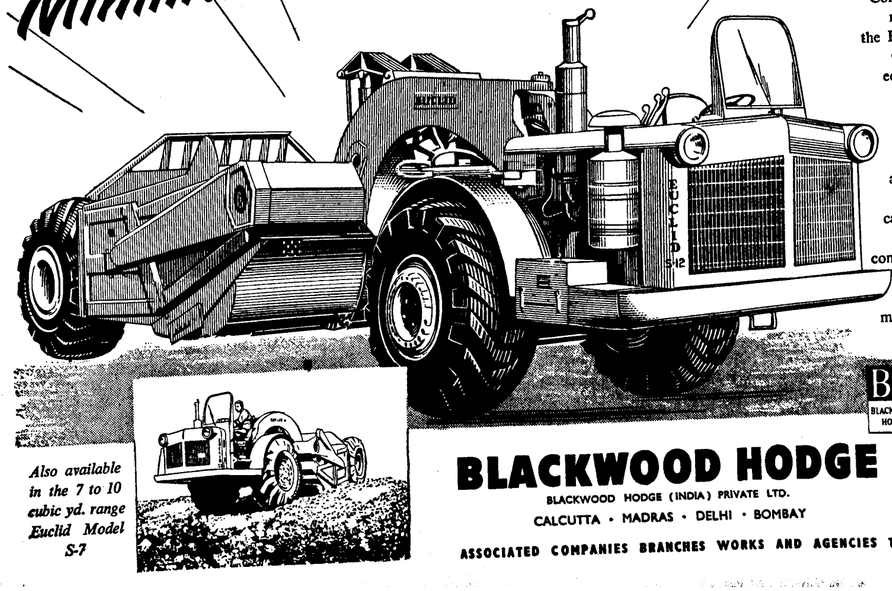

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NEW SYSTEM OF DIRECT TAXATION X-RAYED—II

EXPENDITURE TAX DESERVES TO BE DROPPED

By Russi Jal Taraporevala, B.Com., M.B.A. (California), M.Sc. (Econ.) (London)

THE expenditure tax was introduced by the Finance Minister in the recent budget. The case for this novel tax, as put forward by economists and notably by Mr. Kaldor, will be examined in this article. The entire case for the expenditure tax is made out on the basis of its being a substitute for the income-tax. Since the budget proposals have not reduced the rates of income-tax and super-tax sufficiently to offset the levy of the expenditure tax, they cannot be defended even by the case normally made out for the introduction of an expenditure tax.

The case for a personal expenditure tax as a substitute for the income-tax has been argued recently by Mr. Nicholas Kaldor in his book, *An Expenditure Tax*. The arguments in favour of the introduction of this tax will be outlined and their criticism by leading economists will then be discussed.

Equity Considerations

The first argument in favour of the introduction of the expenditure tax is based on considerations of equity. It is argued that income as defined for income-tax purposes, is a defective index of the taxable capacity of individuals, because it excludes accruals like capital gains, bequests and gambling winnings and may include exceptional accruals like royalties from a best-selling book or exceptionally high dividends which are not likely to continue. Thus, "with progressive taxation, the recipients of temporary or fluctuating incomes are more heavily taxed (in relation to their taxable capacity) than those who receive their income evenly spread over time." It is therefore, claimed that the actual expenditure or spending of individuals is a better index of their long-run taxable capacity than is provided by their income. Further, "during a period when the general price level is changing comparisons between individuals may legitimately be made in money terms in respect of their relative spending. . . . But, when income is chosen as the base for taxation, there is the additional problem that the relationship between the real savings of different individuals is not measured by their savings in terms of money value in times of changing prices." Mr. Kaldor, therefore, claims that "no definition of income, which is a plausible one for purposes of tax assessment, can measure taxable capacity. Accruals from the various sources cannot be reduced to a common unit of spending power on any objective criteria." An expenditure tax is superior to income-tax, because "a tax based on actual spending, rates each individual's capacity according to the yardstick which he applies to himself"—that is, his actual expenditure.

The argument on equity considerations can be criticised on many grounds. "Kaldor's treatment suffers considerably from a tendency to compare an idealised expenditure tax with the income-tax as it exists, which is inappropriate"; a perfected expenditure tax should be compared only with a comprehensive and perfect income-tax, as has been pointed out by Professor William Vickrey. A comprehensive income-tax could be made to include various accruals like capital gains and gambling winnings. By introducing a system of 'spreading' or averaging the tax burden over the years, an income-tax can take into account properly the taxable capacity of individuals over a period of time. Indeed, as pointed out by the famous British economist, Mrs. Ursula K. Hicks:

> "In order to make his expenditure tax more palatable, Mr. Kaldor introduces 'spreading' of the tax burden. . . . It is obvious that an expenditure tax discriminates against fluctuating expenditure (just as an income-tax discriminates against fluctuating income. . .). But fluctuations in expenditure are likely to be much more widely and fortuitously spread than fluctuations in income; they will always arise with the purchase of consumers' durables and are likely to arise whenever a family emergency occurs. Mr. Kaldor proposes to deal with the first type of fluctuation by spreading liability over a number of years, and the second by making insurance easy. If these concessions are to be assumed practical for an expenditure tax, they must also be assumed practical for an income-tax."

Against Mr. Kaldor's claim that, "once actual spending is taken as the criterion, all the problems created by the non-comparability of work-incomes and property-incomes, of temporary and permanent sources of wealth, of genuine and fictitious capital gains resolve themselves," it should be pointed out, as has been done by the famous American economist, Professor Richard A. Musgrave, that, under the expenditure tax, "we are saddled with a new problem, not encountered in the income-tax, of having to distinguish between consumption and saving. . . . The conceptual difficulties and the need for arbitrary demarcation . . . are about as great" as under the income-tax.

The argument that, in an inflationary period, expenditure is a better tax base than income rests on the assumption made by Mr. Kaldor that "whether prices are rising or not, it may be assumed that equal expenditure in terms of money value in any given period represents claims of equal real value on goods and services." This is a very rash assumption. Moreover, this argument ceases to be applicable in a period of price stability.

It can be concluded that questions of equity, which are essentially matters of taste, involve social value judgments, so that there can be no single choice which can be claimed as *the* right choice in these matters.

Incentive to Save

The second, and perhaps the most potent, argument in favour of the expenditure tax is that income-tax (at high rates) "differentiates against saving and in favour of spending", whereas an expenditure tax would promote savings and curb personal spending. It is claimed by Mr. Kaldor that the very high taxation of income has encouraged the wealthy classes to cease saving and has made them dis-save or spend out of their capital, because the sacrifice of future net income (after paying income-tax) in relation to the capital consumed is negligible. On the other hand, an expenditure tax, it is further argued, would stimulate saving by exempting the amounts saved from taxation until they are consumed. This argument seems to have impressed the Finance Minister considerably. In his budget speech, he mentioned that the expenditure tax is "a tax which, given effective administrative arrangements, can be a potent instrument for restraining ostentatious expenditure and for promoting savings."

The defects of this argument are many. First, although Mr. Kaldor has claimed that "the wealthy classes in Britain have ceased to save, and dis-save on a considerable scale" and the recommendations of the Kaldor Report imply the existence of a similar state of affairs in India, Mr. Kaldor has been unable to prove this statistically. The internationally renowned British economist and management expert, Professor Sir Arnold Plant, pointed out that "Mr. Kaldor admits that there are absolutely no data on which to base even an intelligent guess as to the extent of dis-saving" by the wealthy classes in the British economy. The Kaldor Report noted that "there are unfortunately no statistics available in India, even on a sample survey basis, of the consumption expenditure of the top income groups." Yet, the Report mentioned that "some observers put the expenditure of the upper classes in India at over Rs. 500 crores a year—an amount which is considerably in excess of the total of net incomes after tax of all income recipients with incomes of over Rs. 10,000." The Kaldor Report shows the number of income-tax assessees with income in excess of Rs. 10,000 per year at 114,000, having a total income of about Rs. 263 crores, which, after deduction of income-tax, can be taken as Rs. 200 crores net. This would imply an annual dis-saving of Rs. 300 crores by the wealthy classes in India. According to the estimates in the Wealth Tax Bill (1957), the Finance Minister has mentioned that there are probably 26,000 individuals in India with net wealth in excess of Rs. 2,00,000 each and 4,000 Hindu undivided families having net wealth in excess of Rs. 3,00,000 each—giving a total of 30,000 assessees who presumably constitute the wealthy classes in India. Assuming that it is these assessees who are in a position to consume amounts out of their capital, the estimate of "some observers" contained in the Kaldor Report would imply an average dis-saving per year of Rs. 1,00,000 per assessee! If the wealthy classes are taken as those assessees whose incomes exceed Rs. 41,000 per year, the annual dis-saving per assessee would be an average of Rs. 2,36,500 approximately (the number of such assessees as per the Kaldor Report being 12,684). Persons familiar with India will certainly realise that these figures appear to be a gross exaggeration of the alleged dis-saving of the richer classes in India. Indeed, it can be claimed that, in the absence of any evidence or statistics, there is little justification for assuming that the wealthy classes in India are consuming their capital.

Second, Mr. Kaldor's contention that an expenditure tax would be superior to the income-tax for promoting savings can be challenged, as has been done by many leading economists. If the same total revenue is collected, the substitution of an expenditure tax for the income-tax is unlikely to stimulate savings to any appreciable extent. Mr. Kaldor is prepared "to believe that the savings of non-property owners who save up for emergencies, or to have a minimum security for old age, are relatively unaffected" by the income-tax. He has claimed that the expenditure tax would be superior to the income-tax for promoting savings among the wealthy classes, i.e., it would promote savings which are made with the desire to accumulate indefinitely, with no expectation of spending, unless by one's heirs. But the incidence of death duties has considerably weakened the urge for mere accumulation of wealth. Inflation provides a further disincentive even for the very wealthy to save. Professor Plant has pointed out that "the rich are not alone if they prefer more goods for their money today to fewer goods for the same money next year, and still fewer as far ahead as they can see." Then, the expectation, especially in India at the moment, that, once an expenditure tax is introduced, its rates of tax will probably be raised over the years will provide a powerful incentive for the rich to dis-save. It is, therefore, doubtful if the substitution of an expenditure tax for an income-tax would act as a powerful spur to personal saving.

Incentive to Entrepreneurship

The third argument in favour of the expenditure tax is that it will encourage greater risk-bearing than is done by the income-tax. The taxation of income at very high rates reduces the net rewards of risk-bearing and, therefore, discriminates against the assumption of risks by the investing classes. On the other hand, "an expenditure tax may be . . . said to discriminate not against the assumption of risks, but against the spending of income obtained through the assumption of risk."

This argument is defective, since it compares the existing income-tax with the perfect expenditure tax. It has been shown by such leading economists as Professors Rolph, Musgrave, Domar and Vickrey that a true or perfect income-tax which includes all gains and losses in the tax base and which has a provision for 'spreading' of the tax burden over a sufficiently long period would not discourage risk-bearing since the rate of return on the capital risked remains constant as the tax rate rises or falls.

Incentive to Work

Mr. Kaldor admits in his book that on *a priori* grounds it cannot be claimed that an expenditure tax is superior to an income-tax for providing the incentive to work. However, he gives some plausible reasons why the expenditure tax may provide greater incentive to work: "under the expenditure tax, a man can *save* on more favourable terms than under the income-tax" and "the advantages of possessing saved-up resources" will promote greater work, since, "if a man can set aside the *whole* of his earnings from additional work, he will, therefore, regard that as more valuable than if he can only set aside his earnings less the marginal tax on it."

But the effects of an income-tax on the incentive to work will vary between different persons, depending upon relative personal preferences for work as against leisure. The effects of an expenditure tax on the incentive to work will depend upon personal preferences between work, saving, spending and leisure. Mr. Kaldor's "general conclusion, therefore . . . that a progressive expenditure tax would be less of a disincentive to work than a progressive income-tax" has no 'general' applicability. Indeed, it is possible to arrive at exactly the opposite general conclusion as Mrs. Hicks has claimed for Great Britain: "on balance, an expenditure tax . . . is less work incentive than British income-tax; and, secondly, . . . British income-tax is not seriously disincentive. . . ."

Taxation and Economic Growth

There is the 'functional' argument for the expenditure tax which claims that the very purpose of taxation is to check spending, promote saving and spur economic progress. Mr. Kaldor writes that "taxes on income as such discriminate against savings, and are, therefore, likely to have a lesser restraining effect on spending than equivalent taxes on expenditure"—hence the expenditure tax is a more efficient tax than the income-tax. Also, the expenditure tax on account of its likely direct short-run effects on spending may be a superior instrument of fiscal policy for controlling cyclical fluctuations than the income-tax. "Even budgetary deficits and surpluses are unnecessary for the stabilisation of the economy, since the investment-saving relationship could, in principle, be always stabilised by a suitable combination of saving taxes and investment subsidies."

The criticism by Mrs. Hicks of Mr. Kaldor's 'functional' claims in favour of the expenditure tax may be noted. Says she:

> "Mr. Kaldor and the 'functional' financiers' define the primary objective of taxation as the avoidance of inflation. In a developing country, this consideration is of prime importance for growth, since inflationary pressure is likely to be very high where the development programme is large relatively to the size of economy, and voluntary saving negligible. As Professor Lewis has shown, the prime necessity in such an economy is that the tax structure should be geared so that the marginal rates of tax are always higher than average. . . In principle, the simplest type of tax which satisfies this condition is a general progressive income-tax, but, in primitive conditions, this is not easy to achieve, and recourse must be had to outlay taxes which have some of the same effects. Thus expenditure taxes have an important part to play in curbing inflation in primitive conditions, but to be effective they must be assessed on things of which people buy more as they get richer, and must cover the purchases of as large section of the population as possible. This is, of course, far from Mr. Kaldor's expenditure tax."

The most potent argument against the introduction of the expenditure tax is its administrative impracticability which is discussed later.

It can be concluded that the case made out by Mr. Kaldor in favour of the introduction of the expenditure tax *as a substitute for the income-tax* is far from overwhelming or even convincing. It has failed to convince most of the leading economists and Mr. Kaldor failed to convince the economist members of the British Royal Commission on the Taxation of Profits and Income of the merits of the expenditure tax. Unfortunately, this novel tax appears to have appealed to the Finance Minister as an interesting device for extracting greater revenues in his heroic efforts to finance the second Five-year Plan of India.

Computation of the Tax

Mr. Kaldor has pointed out that "comprehensive records of personal expenditure are in fact unnecessary for the administration of the tax, since expenditure could, in principle, be computed as the difference between certain money incomings and outgoings." His formula is:

> Expenditure=cash and bank balances at the beginning of the year PLUS all receipts including gifts, bequests, winnings, etc. + borrowings + sales proceeds of investments MINUS loans made + investments purchased + cash and bank balances at the end of the year.

The rules for computing the gross expenditure for the purposes of the Expenditure Tax Bill (1957) have not yet been framed but it appears from the various provisions contained in the Bill that the Finance Minister will probably adopt Mr. Kaldor's formula for computing gross expenditure.

Regressive Tax on Larger Families

The budget proposals for the expenditure tax involve the levy of the tax on the family as a unit. They propose an exemption allowance of Rs. 24,000 for the assessee and his wife and an allowance of Rs. 5,000 per dependent child per year (or Rs. 2,000 for a dependent who is a coparcener in a Hindu undivided family). Beyond the exemption limits, the expenditure tax has to be paid on the excess expenditure incurred by the assessee *irrespective of the size of his family*. The tax, therefore, discriminates against larger families, without any justification whatsoever, and is a regressive tax in this respect. Further, the Expenditure Tax Bill does not make any allowance for dependants other than the children of the assessee. This is most inequitable, especially under Indian conditions, where many rich assessees have a number of poor relations who are economically dependent upon them. The expenditure tax should take into account the greater needs of assessees who support a number of poor dependants like their aged parents, uncles, and other relatives. In these matters, the Expenditure Tax Bill runs counter to the recommendations of the Kaldor Report. In his book Mr. Kaldor had stressed that "the burden of an expenditure tax should vary with the standard of living, and that the standard of living is more a matter of expenditure *per head* than of expenditure *per household*." The Kaldor Report had recommended the adoption of the "quotient system" under which the expenditure "of all members of the family is first aggregated and then divided into a number of parts, depending on the number of persons in each family, and the tax is charged separately on each part. Children may count as one-half unit each. . . . Apart from wife and children, it may be permitted to add other family members living in a joint household to the conception of the 'family.'" The Expenditure Tax Bill should be modified to incorporate these recommendations of the Kaldor Report.

Exemptions

Under the Expenditure Tax Bill, expenditure tax is not payable in respect of certain exempted items. First, business expenses and capital outlays (like expenditure for constructing buildings, financing industries and investments) are exempted from liability to the expenditure tax, since these items do not constitute personal consumption. Second, savings are exempted from the tax. The Bill provides for the exemption of "any expenditure incurred for paying premiums in respect of any policies of insurance on the life of the assessee" and "any expenditure incurred by way of contributions to a provident, thrift or superannuation fund."

The Expenditure Tax Bill makes some provision for 'necessitous' expenditure, which has been described by Mr. Kaldor as including those "kinds of expenditures [which] ought to be specially exempted on the grounds that they arise out of misfortune or unavoidable obligations of some kind and are not part of a person's 'voluntary' expenditure on which his standard of living depends." The Bill provides for the exclusion of "any expenditure incurred by the assessee in respect of the marriage of any of his dependants, to the extent of Rs. 5,000 in respect of each such dependant" from the computation of taxable expenditure. It is difficult to understand the reason for not including within this exemption expenses which the assessee may incur in respect of his own marriage—unless the Finance Minister expects assessees to control their urge to get married in the interests of saving the expenditure tax or controlling the rapidly increasing population of this country!

The Bill makes provision for expenses due to illness, accident or disability by exempting from the tax premiums paid in respect of health, accident and disability insurance polices of the assessee and his dependants. This is, indeed, a minor concession. All benefits or payments received by the assessee in respect of such insurance policies and all expenditure incurred by him therefrom should be exempted from the expenditure tax. Moreover, the scope for fully insuring against illness, accident and disability is limited in India. Many assessees may prefer not to insure against such contingencies. They should be given exemption in respect of actual expenditure incurred by them on account of illness, disability and accident. The Bill does not provide for funeral and birth expenses, the costs of education and fines imposed on the assessee by courts of law. These 'necessitous' expenditures should certainly be exempted from the tax.

"Spreading" the Tax Burden

The Expenditure Tax Bill provides for the 'spreading' of "any expenditure incurred . . . on the purchase of jewellery, ornaments, works of art, furniture and other household goods, motor cars and other conveyances or any other article for the personal use of the assessee or any of his dependants" of a capital nature over a period of five years for the purpose of computing the taxable expenditure. It can be argued that articles like furniture, household goods of the durable variety, motor cars and other conveyances, constitute consumer goods from which benefits are enjoyed by the assessee and his dependants over a period of time. Therefore, the provision for 'spreading' the expenditures on such items for the purpose of computing the taxable expenditure can be justified as accounting for the disparity between the expenditure and the consumption of such goods. But jewellery, ornaments and works of art are not "consumed" over a short period (like the five years provided in the Bill)—the life of such assets may extend to centuries. Therefore, outlays on such articles should be treated as capital outlays and entirely excluded from the computation of taxable expenditure, more especially as the value of such articles is included in net wealth for the purposes of the annual tax on wealth.

The rates of expenditure tax proposed in the budget refer to the expenditure in excess of the exemption limit. For such excess expenditure the rates of tax are: Upto Rs. 10,000 expenditure, 10 per cent.; between Rs. 10,000 and Rs. 20,000, 20 per cent.; between Rs. 20,000 and Rs. 30,000, 40 per cent.; between Rs. 30,000 and Rs. 40,000, 60 per cent.; between Rs. 40,000 and Rs. 50,000, 80 per cent. and for expenditure above Rs. 50,000, 100 per cent. These rates, however, are calculated on the net annual expenditure, after deducting the expenditure tax—a method of calculation which cleverly disguises the rates and makes them appear politically acceptable. The real burden of the tax can be gauged only by converting these rates of tax to rates calculated on the gross expenditure (i.e., taxable expenditure before deducting the expenditure tax). The rates proposed by the budget are equivalent to 9.09 per cent., 16.66 per cent., 28.57 per cent., 37.5 per cent., 44.44 per cent. and 50 per cent., respectively, of the gross expenditure (before tax). [An example to show how the same tax burden can be expressed by different percentage rates when calculated on the net expenditure and the gross expenditure may be given. Let us assume that the gross expenditure amounts to Rs. 100 and the tax amounts to Rs. 75. Then the rate of tax on the gross expenditure is 75 per cent. But the rate of tax on the net expenditure (after tax), i.e., on Rs. 100 minus Rs. 75 or Rs. 25 is 300 per cent.]

The Kaldor Report had suggested that "there should be an exemption limit of Rs. 10,000 per adult and expenditure in excess of this amount should be charged according to the slab system of graduation, starting from 25 per cent. on the lowest slab (i.e., on expenditure between Rs. 10,000 and Rs. 12,500) and rising gradually up to a maximum of 300 per cent. on expenditures in excess of Rs. 50,000 per head." The exemption limit is thus similar to that proposed in the budget, but Mr. Kaldor's tax rates are to be applied on the basis of the "quotient system" whereas the Expenditure Tax Bill introduces the assessment of the family as a unit irrespective of the number of dependants. The scale of progression for the rate of tax which Mr. Kaldor had in mind for India can be inferred from the suggestions given in his book. The rates of tax on net expenditure *per head* would be: on expenditure between Rs. 10,000 and Rs. 12,500, 25 per cent.; between Rs. 12,500 and Rs. 20,000, 50 per cent.; between Rs. 20,000 and Rs. 25,000, 75 per cent.; between Rs. 25,000 and Rs. 40,000, 100 per cent.; between Rs. 40,000 and Rs. 50,000, 200 per cent. and on expenditure in excess of Rs. 50,000, 300 per cent. These rates appear indeed very high. But Mr. Kaldor has also used the convenient device of calculating the rates on net expenditure (after tax) for making the rates politically acceptable. His rates would be equivalent to 20 per cent., 33.33 per cent., 42.85 per cent., 50 per cent., 66.66 per cent. and 75 per cent. on the gross expenditure (before tax).

The Tax Burden

The burden of taxation imposed by the Finance Minister can be compared with that recommended by Mr. Kaldor. The rates of expenditure tax proposed by the Finance Minister vary from 9.09 per cent. to 50 per cent. of gross expenditure whilst the rates envisaged by Mr. Kaldor vary from 20 per cent. to 75 per cent. of gross expenditure—giving a maximum difference in the rates of the budget and those envisaged by Mr. Kaldor of about 25 per cent. of gross expenditure. On the other hand, it must be remembered that the heavier rates of the expenditure tax recommended by the Kaldor Report are on the basis of "the replacement of the higher ranges of super-tax on personal income with a super-tax on personal expenditure" and the reduction of the income-tax and super-tax, so that the maximum rate of such taxes would be 45 per cent., whereas the budget proposals provide for the maximum rate of income-tax and super-tax of 84 per cent.! Thus, the expenditure tax, as proposed by the Finance Minister, is not a substitute for the higher brackets of super-tax on personal income. The imposition of the expenditure tax at rates ranging from 9.09 per cent. to 50 per cent. of gross expenditure can hardly be called a substitute for the reduction of the taxes on income by a mere 7 per cent. There can be absolutely no justification for the imposition of the expenditure tax on top of the income-tax and super-tax as proposed by the budget.

Administrative Difficulties

The administrative difficulties likely to be encountered in the working of the expenditure tax may now be discussed. Mr. Kaldor has explained that "an expenditure tax assessment would necessarily depend on *full* information

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BENGAL COAL COMPANY, LIMITED

RED FLAGS AND RED-TAPE HANDICAP PRODUCTIVE EFFORTS

MR. D. F. MACMILLAN ON PROBLEMS OF COAL INDUSTRY

ADDRESSING the Annual General Meeting of the shareholders of the Bengal Coal Company, Limited, held at Calcutta on 20th June 1957, Mr. D. F. Macmillan, Chairman of the Company, observed as follows:

"GENTLEMEN,

"It is over a year and a half since members were addressed from this chair, when my predecessor reviewed the Company's affairs for the half-year ended April 1955. With the introduction of the new Companies Act, the accounts before you are for the year ended 31st October 1956 and my review today will cover that period. You will see that the accounts have been compiled in the form prescribed by the new Companies Act. It is for shareholders to judge whether the new form gives them a clearer picture than the form to which they have been accustomed in the past, and perhaps this will be revealed by any questions which may be put by shareholders on these accounts and my ability to explain.

"The year under review was a difficult one for the coal industry and your Company had also to bear its share of the troubles. These have been referred to in the Directors' report and I shall develop on them this morning. The trading results of the Company for the year consequently compare somewhat unfavourably with those for the previous year, and it is an indication of the inherent strength of your Company that your Board, after careful consideration, have been able to recommend final dividends which make the distribution for the year the same as that for the year ended October 1955. Since the end of the accounting period, the ordinary shares of the Company, which stood at Rs. 200 nominal, have been divided into twice that number of shares of Rs. 100 nominal. Consequently, while the interim dividend was declared on the two-hundred rupee shares, the final dividend will be paid on the one-hundred rupee shares and I hope it is clear to shareholders that the total distribution for the year on the ordinary shares is at the rate of 17½ per cent. As there appears to be a good deal of confusion of thought in otherwise well-informed quarters about dividends expressed as a percentage of nominal capital, it may be well for me to point out that shareholders have received a return of exactly 6 per cent. on the capital employed in this Company's business.

"Raisings during the year ended 31st October 1956 totalled 2.32 million tons which fell short of production in the previous year by 189,000 tons. I have no doubt, however, that we would have been able to outstrip the preceding year's figure had not the Company's collieries in West Bengal been affected by a strike which lasted for a period of about four weeks from the middle of September 1956.

Labour

"The All-India Industrial Tribunal (Colliery Disputes), which had been set up as long ago as 1954 and had been reconstituted a year later, after protracted deliberations and detailed examination of all the issues involved, finally published its Award on the 26th May 1956 and its terms became operative as from that date. Whilst the employers in the coal industry did not agree with all the conclusions arrived at in the Award, to promote general stability in the industry, they decided not to go on appeal and their decision was shared by a large section of the labour organisations operating in the coalfields. Some of the smaller trade unions, however, decided to appeal and, once they had done this, the other unions also thought it advisable to join in. Consequently, they also participated in the proceedings before the Appellate Tribunal.

"Whilst the appeals were being heard and the entire subject was being argued afresh, production in a vital section of the Raneegunge field was brought to a standstill by a strike which was totally unwarranted and unnecessary. In addition to your Company's collieries other large pits were affected, and it is estimated that, as a result, the loss in output amounted to 300,000 tons at a time when every ton was needed to meet the growing industrial requirements of the country. Some of the repercussions of this ill-conceived strike are still in evidence about eight months after its termination. During the strike, for instance, heavy rain caused the water level to rise rapidly in one of your collieries, and efforts to rush additional pumping machinery to the pit were largely frustrated by the heat and passions of the prevailing situation. As a result, the colliery workings were completely inundated. The process of rehabilitation which is now going on is a slow and laborious task, and it will still take some time before normal production levels can be attained again at that colliery.

"I wish to pay a well deserved tribute to the Company's staff who, from the most senior to the most junior, bore the strain of this strike, often under conditions of personal danger, with cheerfulness and absolute loyalty—may I say very simply that they served the Company and the country well under most trying conditions.

Red Flags and Red-tape

"It is unfortunate that at a time when the efforts of all should have been concentrated on increasing production, the emotions of labour were exploited in such a reckless manner. The Communist elements took full advantage of the situation and tried to utilise it for their avowed purpose of infiltrating into an area which, with its collieries, steel works, other industries and the growing industrial complex at Durgapur, is one of the most important industrial regions in the whole country. In view of this, it is particularly important that the responsible elements in the Trade Union movement should rise above their factional struggles for power, which have been such a marked feature in this area for many years, so that industrial stability can be achieved in this vital sector of the nation's economy.

"The first year of the current Plan did not witness any dramatic spurt in raisings from the country as a whole, and against 38.2 million tons produced in 1955, the total output in 1956 amounted to 39.4 million tons. This was not due to any lethargy on the part of the producers. The strike which seriously dislocated production in the Raneegunge field was a contributory factor, but an important reason was the fact that many valuable months were allowed to drift by before a clear indication of Government's policy was made known to individual producers who had been most urgently asked to submit their plans for increased raisings as early as January 1956. Only in the second half of the year was it known that Government did not contemplate according specific approval to individual plans, and that the producers could take all such plans as having general approval, except when specific approval was required under law as, for instance, in the case of opening of new mines. Your Company's productive efforts during 1956 thus got enmeshed in a tangle of red flags on one side and red-tape on the other.

New Uncertainty

"Just when the uncertainties had been resolved, a new element of doubt appears to have crept in regarding the field within which the private sector can work. Parliament has recently passed the Coal Bearing Areas (Acquisition and Development) Bill. In the Statement of Objects and Reasons attached to the Bill, it was explained that, since the use of the Land Acquisition Act, 1894, was no longer appropriate, this Bill was necessary for the acquisition of the rights of private lessees over unworked coal-bearing areas which were found surplus to the requirements of the private sector. The statement went on to explain, in this connection, that, out of the additional production of 22 million tons per year envisaged in the Plan, the public sector was required to produce 12 million tons, the balance being allocated to private industry for production from existing collieries and immediately contiguous areas.

"This Statement of Objects and Reasons does not, however, appear to have been reflected in the operative part of the Bill which empowers the Government, should it so desire, to take over any land falling within the scope of the Bill except land in which coal mining operations or any process ancillary thereto are actually being carried on. The protection offered to private producers would, therefore, seem to exclude coal-bearing lands contiguous to working collieries in which no work is being carried on at present, that is to say, land constituting a reserve area for subsequent development. This might considerably restrict the capacity of private collieries to expand into contiguous areas.

"It was after prolonged discussions throughout 1955 and the early months of 1956 that the private sector was given a definite place in the Plan, and it was clear that the success of the Plan would depend on full facilities being given to both the sectors so that each could attain its allotted target. It is unfortunate, therefore, that this new legislative measure should appear to restrict further the scope of collieries under private ownership which have such a responsible role to perform, and I hope an early opportunity will be taken to clarify the position.

"It is vital that the mutually complementary roles of the two sectors should be fully accepted not only at the top where policy is formulated, but by Government representatives at all levels. The success of a policy is ultimately measured by its application in ordinary day-to-day decisions which have to be taken in such mundane matters as allotment of wagons as between State and private collieries, or in the allocation of steel and cement which are both in short supply. We are assured from time to time that no discrimination is made in such matters against the private collieries, but this is not always apparent. I have always understood that one of the fundamental tenets of the administration of justice is that not only should justice be done, but that it should appear to be done. I would suggest, therefore, that full facts on matters of importance to the coal industry should be made known to all sections of it periodically, so that the corroding effects of doubts and hesitations may not be allowed to detract in any way from the combined efforts of all to attain a new momentum in production.

Life of Existing Workings

"Your Company has for over a century been engaged in a continuous process of development—development to increase production and development to replace the wasting asset. It has today, as it has had in the past, the technical management, the experienced administration, and the resources to continue this tradition and to accelerate the process. The plans for increased production which we submitted to Government in January 1956 included the opening up of four new collieries in our reserve coal-bearing areas to produce new production of some half a million tons per annum from 1960, as well as increased production of just under one million tons from more intensive development of areas already being worked. Government have refused permission to the Company to open up the proposed four new collieries, because the areas to be developed do not conform with Government's interpretation of contiguous areas. They are, however, agreeable that we should accelerate exhaustion of our existing working areas by increasing production from them by nearly one million tons a year and this we shall do. Bearing in mind that the entire private sector is limited to an additional production ceiling of 10 million tons a year by the end of the present Plan, this Company's plans to raise output by one million tons without breaking new ground bear testimony to our eagerness to participate at least as much as we are permitted in the industrial growth of the country. Shareholders of this Company need not be concerned at the prospect of early exhaustion of existing workings, as I am able to tell you that the Company's most recent developments alone—the new Girimint and Chinakuri collieries—are designed and equipped to raise between them 100,000 tons per month for at least the next fifty years.

Availability of Materials

"The past year has seen almost a continuous state of anxiety regarding availability of materials which are essential for coal production. On the basis of figures obtained from 125 of its members, the Indian Mining Association has calculated that in 1956, against 41,000 tons of cement applied for, only about 6 per cent. were actually received at the collieries. The situation has improved somewhat this year, but there is still a dangerous gap between requirements and supplies. The position regarding iron and steel is very similar and items like rails for tram lines are hardly available at all. In this connection, the setting up of the Progress Review Committee a few months ago has been a move in the right direction. This Committee can render valuable service by keeping under constant scrutiny these and other allied matters such as the problems connected with Government's licensing policy. In a basic industry like coal, there exists a strong case for relaxing the provisions governing imports, particularly in respect of essential items required for normal production. As regards additional items made necessary by new mining regulations, Government should consider postponing the implementation of such of these regulations as involve the use of foreign exchange.

Transport

"Among your Company's records there is a telegram sent to Calcutta by its representative at Raneegunge which reads: 'You say send coal I say send wagons—only seventeen arrived.' This telegram, gentlemen, was sent on the 18th of June 1857—almost exactly 100 years ago today! The fact that I have to refer now to the transport question bears a special testimony to the tenacity of a problem with which the coal industry has had to contend throughout its history in India.

"Speaking the other day in the Lok Sabha, when introducing the Railway Budget, the Railway Minister said that there was general recognition of the fact that transport capacity could not lag behind other developments envisaged in the Plan, and that the very success of the Plan would depend on the timely creation of the additional capacity required.

"When the current Plan was drawn up, it was estimated that, by 1960-61, goods traffic would increase by about 61 million tons to a total of 180.8 million tons. To cope with this, as well as with the anticipated growth in passenger services, it was thought that an outlay of Rs. 1,480 crores would be needed. Provision could, however, only be made for Rs. 1,125 crores which was sufficient for an additional 42 million tons of traffic only. Of these 42 million tons, 25 million tons would be absorbed by the movement of coal and other raw materials for the new steel plants, 6 million tons by coal for all other purposes and 4 million tons for cement, leaving only 7 million tons for the general industrial and agricultural production of the country.

"The first year of the current Plan has seen a significant increase in traffic and it is clear that the impact of the Plan has already made itself felt. The view is widely held that transport and communications should have been the prime objective of this Plan and that the allocation of finance to transport in the Plan is inadequate. Even given the full finance required, there is another limiting factor, namely, Time. In this view, there is a real danger that a steadily deteriorating transport situation will develop, which will assume serious proportions after 1958, when traffic arising from the new steel plants is expected to increase rapidly. Such a contingency will naturally react adversely on the Plan as a whole, and, in particular, on its coal segment which hinges so precariously on transport availability.

Railways Praised

"Within these overall limitations, however, the railways are making commendable efforts to tackle the problems confronting them. Amongst these, I would mention the remodelling of the Moghalsarai yard which, over the years, had assumed a special notoriety as an embodiment of frustrated hopes in coal transportation; the electrification of 800 route miles, including the Calcutta suburban area and the main line section from Burdwan to Gomoh; the possibility of further extending electrification from Gomoh to Moghalsarai and from Asansol to Rourkela; and the doubling of lines on many difficult sections including about 370 miles on the South Eastern Railway. The completion of these and other projects will materially assist in the movement of coal, but, in the meantime, many urgent transport problems remain with us.

"The proceedings before the Tribunals to which I have referred earlier were closely concerned with the cost of labour since it constitutes the largest single element of cost in the coal industry. This naturally raises the general question of the industry's total cost of production in relation to its selling prices which are statutorily fixed.

"For a considerable time now, this industry has been called upon to bear increased costs of production from within these fixed prices. As regards the labour element in cost, a price increase of Rs. 3 per ton was allowed in the case of the West Bengal and Bihar collieries following the Award of the All India Industrial Tribunal (Colliery Disputes) in May, 1956. The price increase did not, however, become effective until the first week in July, and for a period of about five weeks the full impact of the Award had to be shouldered by the industry without any adjustment in prices. Since then, the Appellate Tribunal has further increased the amounts payable to workers, and the issues are now pending before the Supreme Court. When these issues are finally resolved, the price structure will have to be examined a fresh to ascertain the extent to which it corresponds to the labour costs ultimately fixed.

"Apart from labour, however, pressures on production costs have been exercised in an increasing degree by various other factors such as enhanced prices of steel, cement, machinery and timber and the implementation of new rules governing the operation of mines. As a result, the longstanding problem of prices in relation to costs has now attained new proportions of gravity and urgency.

Industrial Costs

"Any mention of the need to increase coal prices gives rise in certain circles to a somewhat undefined apprehension that it will have violent effects on industrial economy by distorting the structure of industrial costs. Similar apprehensions do not seem to be voiced when prices of steel and cement go up, although they are of as basic importance as coal. Between 1950 and 1956, the price of pig iron has increased by over 100 per cent., of steel by over 90 per cent., and of cement by over 50 per cent., whilst the price of coal has gone up by only about 18 per cent. Indian coal is said to be the cheapest in the world and a revision of Government's price policy is urgently called for, so that the coal industry can receive a fair return on its enterprise and be able to revitalise its financial reserves. These reserves have to play a most important part in financing new developments not only to attain the target of 60 million tons under the Second Plan, but to pave the way for the more exacting demands of the Third Plan which some consider will call for substantially over 100 million tons. I am glad to see that this question is now under examination by the Coal Prices Revision Committee recently constituted to report on this particular problem. Its findings will be awaited with the utmost interest.

"I have already paid a well merited tribute to your staff during the period of the strike. This crisis came upon the Company at a time when your Chief Mining Engineer, Mr. Rosser, was on leave, and the top responsibility in the coalfields devolved upon Mr. Massmann, the Deputy Chief Mining Engineer, who worked tirelessly to overcome the special problems which the strike brought in its wake. Mr. Rosser is with us today and I would like to congratulate him and his staff on the speed with which production was brought back to normal after the problems immediately following the strike had been dealt with. Apart from the technical efficiency apparent in the working of the collieries themselves, I was impressed, on a recent visit, with the further advance in promotion of the measures for the education, training, housing, hygiene, health and general welfare of the workers to which the Company has always attached great importance. In Mr. Rosser and his senior staff, you have very able administrators and most capable technicians and our thanks are due to them for their sterling work on behalf of the Company."



NEW PUBLICATIONS

Germany's Comeback in the World Market. By Professor Ludwig Erhard. Published by George Allen & Unwin Ltd., Ruskin House, Museum Street, London.

THIS is the story of the West German economy in the post-war era in its relations with the outside world. The internal development of the economy—a story by itself—is not given except incidentally in relation to the book's theme; but, what is given in the book is sufficient to bring into focus the recuperative power of the German economy.

Germany emerged from the war facing, besides war ravage and inflation common to all nations, problems special to itself—division of its territory, first into four and then into two zones, and allied occupation. In the earlier stages, allied policy regarding West German economic development was not clear, and the acknowledgement that Germany could survive economically only as an industrial nation was tardy and grudging. Even when the fact was recognised, obstacles were placed by the occupying powers in the way of West Germany's attempts to regain its original exporting status. As regards this policy, Prof. Erhard does not fail to draw parallels with the post-First-World-War policy of the allies in order to drive home the point. By 1948, inflation had so progressed that cigarettes were more commonly used as money than currency.

Once currency reform was carried out and currency given its value, and the right to determine economic policy passed into German hands, German recovery was rapid and large. Production recovered rapidly, and with it, trade. Even the initial deficit in foreign trade, owing to West Germany's need to build up stocks of raw materials, was rapidly changed to surplus, creating towards the end of the period covered by this study a Deutschemark gap.

To what would one attribute this remarkable recovery of production and trade? Prof. Erhard attributes it to economic conditions prevailing during the period and to economic policies followed by the West German Government—predominantly to the latter. West Germany is a producer and supplier of capital goods, for which the demand has been the largest in the post-war era. Its main market is Europe, which, thanks to the Marshall Plan, could make its demand effective. The enterprising and hard-working Germans made full use of this opportunity.

Prof. Erhard argues that the West German Government's economic policy was so framed as to encourage enterprise and hard work. The basic Government policy was to reduce controls on production and trade to the minimum, setting the people to produce and trade as they liked. Economic control was exercised purely through the market mechanism and, a fact only passingly referred to by Prof. Erhard, a tight control on credit. The policy worked so effectively as to yield results beyond any originally conceived. Nothing succeeds like success, and Prof. Erhard does not hesitate to read lessons to others from the West German experience.

This thesis tends to break out at every point in the book—that *laissez faire* and freedom of trade are absolutely necessary for maximum production and trade. He emphasises these values with the eloquence of Adam Smith. To this extent, the book is a testament of faith—faith in values which can only slowly be regained. Prof. Erhard is prepared to bear all the consequences, however adverse, of such policy. Thus, he argues that a common market plan for Europe should not exclude particular commodities from its scope, nor should it be used as a pretext to raise duties against imports from outside. He also agrees that underdeveloped areas should be enabled to industrialise even though this may cut off the markets for the products of the advanced countries.

Prof. Erhard's enthusiasm springs from the success of the German economy, though conjuncture has played a greater part in this success than Prof. Erhard would allow for. Prof. Erhard's panacea is not universally applicable—it is not certain that the U.K. problem would yield to the Erhard solution. The U.K. is more reliant on export of consumer goods than West Germany, and its labour is more keen on getting value for its work. Throughout, Prof. Erhard avoids referring to the distributive efficacy of the system he advocates, and this today is a major consideration in determining economic policy.

Prof. Erhard's is a challenging book. He expounds a philosophy, and has results to show to its credit. The book is a comprehensive treatise on the post-war economic history of West Germany in its relations with the world. It should be equally useful to the scholar who wants basic data and to the administrator who wants policy criteria.

American Industries. By Dr. Stanley Vance. Published by Prentice-Hall Inc., Englewood Cliffs, N.J. Pages: 626.

This is an introductory book on American industries written perhaps for the undergraduates—as the problems and questions at the Chapter-ends indicate—by a Professor of Business Administration. The author believes, and rightly so, that it is necessary for a modern citizen to have some knowledge of the economic system in which he participates whether as a producer, labourer, trader or consumer. This book seeks to give its readers such knowledge. Twenty-five industries have been encompassed by the book. This is a sufficient coverage to include every important industry of the U.S. The book starts with the coal industry which occupies a naturally important place in a highly industrialised country like the U.S. The significant difference between the coal industry of the U.S. and that of India is that the coal resources in the former are spread over a number of States covering 14 per cent. of the country's area. They are also found in thousands of privately owned parcels of land—a fact that facilitates competition and incidentally explains, as it brings about, the fluctuations in the number of enterprises with the fluctuations in the general business conditions. The threat to the coal industry is not so much due to any internal factor like monopoly or increase in costs as due to extraneous causes such as decline in demand. This decline is supposed to originate in the fact of substitution of coal by other fuels, especially in the railways.

This threat, however, need not materialise. For, in the first place, even in this atomic era, if coal is replaced by other materials as a source of fuel, it will continue to be used, as British industrial scientists have opined, as a source of chemicals. That perhaps ensures for coal a place of even greater importance.

Even otherwise, the demand for coal is not likely to taper off as the American steel industry, like its counterpart in many other countries, is poised for expansion. Unlike the coal industry, the American steel industry is localised in comparatively narrower areas and is dominated by comparatively few producers—giving rise to the "Pittsburgh Plus." However, the old label "feast or famine industry" applied to steel seems today inept because in the first place the steel industry has tended to even out its profits and losses in the post-war years and, secondly, the net return in the steel industry was about half the profit rate in all manufacturing industries. In the post-war era, in particular, earnings in steel have been lower than those in some other industries such as automobile, chemicals, and tobacco.

The automobile industry has in fact come to occupy the most important place in the American economy and its production is a significant indicator of the level of economic activity. No wonder, therefore, that there is a tremendous effort to sustain and to increase the production of automobiles by stimulating, even artificially, the demand for automobiles. There is, for instance, the fact of expenditure of millions of dollars on research and it has been estimated that the adoption of a significantly changed model involves retooling cost up to $100 million. This is regarded as wasteful competition. But it is argued that without such periodic changes in models it is not possible to maintain and increase the demand for automobiles and, therefore, to sustain the automobile industry.

Prof. Vance then goes on to describe chemicals, petroleum, paper, cotton textiles, sugar and other industries in more or less uniform manner which makes the book give good information but not a reader's pleasure. One cannot blame the author for having discussed the subject in a rather summary fashion—he has to treat 25 industries in about 600 pages. He has, as he explains in the preface, tried to achieve a blending of microscopic and macroscopic methods of analysis. He has given at the end of each chapter a significant incident in the industry which either brings out the peculiarity of that industry or highlights a particular problem. It is a descriptive book, essentially meant for undergraduate students of Commerce—a good book for that matter, if one does not expect much of economic analysis.

Statistical Statements Relating to the Co-operative Movement in India, 1955-56. Published by Agricultural Credit Department, Reserve Bank of India. Pages : 124. Price : Rs. 3.

The publication under review provides a statistical assessment of the co-operative movement in its various aspects in the country. The statistical data are presented, as in the case of earlier publications, in three sets of tables, namely, the general statements giving detailed statistics relating to the operations of different types of co-operative societies, the abstract tables summarising salient data taken from the general statements, and the appendices giving comparative data for earlier years. An important feature of the publication is that it is enriched with the inclusion of a number of illustrations, graphs and diagrams to illustrate the data.

The publication reveals that during 1955-56, the co-operative movement has made considerable headway in various directions. At the end of 1955-56, the total number of all types of societies were as many as 240,395, as against 219,288 in the preceding year, representing an increase of 9.6 per cent. Of these, primary credit societies alone numbered 159,939—or 67.6 per cent.—as on 30th June 1956, as compared with 143,320 in the preceding year. The working capital of all types of societies went up steeply from Rs. 390.52 crores to Rs. 468.82 crores or 20.1 per cent., during the year under review. This was nearly twice the rate of increase witnessed in the previous year. Furthermore, the membership of primary societies increased from 16.02 million as on 30th June 1955 to 17.62 million a year later, or nearly 10 per cent. Assuming that an average family consists of five members, it may be estimated that 88.1 million or 22.8 per cent. of the population, as compared with 80.1 million or 21 per cent. of the population at the end of the preceding year—have been brought into the co-operative fold. Yet another striking feature is that the total advances of primaries rose by 27 per cent., that is, from Rs. 111.15 crores in 1954-55 to Rs. 140.78 crores in 1955-56. The percentage of overdues dropped from 17 to 15.1 per cent.

Similar phenomenal expansion was also witnessed in the activities of the State and Central co-operative banks. An important feature of this growth was the strengthening of the share capital structure of these institutions by Government contribution. Such contribution to the share capital of apex banks amounted to Rs. 188.04 lakhs as at the end of June 1956, as compared with Rs. 126.04 lakhs at the close of the previous year. The working capital of apex banks, numbering 24, rose from Rs. 47.63 crores to Rs. 63.34 crores, during the year under review. Loans from the Reserve Bank to the apex co-operatives also increased during the period, the outstandings in respect of such loans having risen from Rs. 8.44 crores to Rs. 14.07 crores. The total advances of these banks rose from Rs. 50.24 crores in 1954-55 to Rs. 67.86 crores in 1955-56.

The year witnessed a process of rationalisation in central banks and banking unions. The working capital of these banks which numbered 478 rose from Rs. 73.69 crores to Rs. 92.67 crores during the period under review. At the same time, the membership and working capital of agricultural credit societies alone went up from 6,565,416 to 7,790,850 and Rs. 62.93 crores to Rs. 79.10 crores, respectively, during the year 1955-56.

Significant expansion was recorded by non-credit and other societies. The publication, however, sounds a note of warning in regard to two important features. First, the increase in the funds and deposits of all types of institutions has not been commensurate with their borrowings other than deposits; secondly, the increase in the absolute figure of their overdues at the end of the year shows the need for making advances after due scrutiny of each case.

Law Relating to Estate Duty. By Messrs. M. M. Thakore and K. D. Jhala. Published by C. Jamnadas & Co., 132, Princess Street, Bombay 2. Pages : 584. Price : Rs. 15.

An important measure of taxation adopted by the Indian Parliament in recent years is the Estate Duty Act 1953. The Act, it is generally agreed, is one of the most complicated pieces of legislation. Appropriately enough, the authors of the book under review have attempted to deal with the law relating to Estate Duty in a way that is calculated to make the law intelligible to the layman and also useful to the professional lawyer. Each section of the Act is stated, its finer points elucidated and the relevant judgments cited. All the forms prescribed and the rules framed under the Act have been reproduced. Copious extracts from the United Kingdom Finance Acts and the Indian Acts with a bearing upon the Estate Duty Act, like the Married Women's Property Act and the Insurance Act, have been included in the book. An exhaustive index further enhances its value.



THE CENTRAL WAREHOUSING CORPORATION

(ESTABLISHED UNDER SECTION 17(1) OF THE AGRICULTURAL PRODUCE (DEVELOPMENT AND WAREHOUSING) CORPORATIONS ACT, 1956)

ANNOUNCEMENT

The Central Warehousing Corporation has decided to issue 100,000 shares of the value of Rs. 1,000 each as its first issue out of the total authorised capital of Rs. 20 crores. Ten percent of the face-value of the shares will be received with share applications and another ten percent on allotment. The share list will open on the 27th June, 1957 and will close on the 18th July 1957. The Central Government have guaranteed repayment of the principal (i.e., shares of the Corporation) and the payment of annual dividend at the rate of 3½ percent.

2. The shares of the Corporation can be subscribed by (i) the National Cooperative Development and Warehousing Board; (ii) the State Bank of India; (iii) Cooperative Societies; (iv) Scheduled banks; (v) Insurance Companies, investment trusts and other classes of financial institutions, and (vi) Recognised associations and joint stock companies dealing in agricultural produce.

3. Applications for share capital and other details may be obtained from the Vice-Chairman, Central Warehousing Corporation, C/o Ministry of Food and Agriculture (Department of Agriculture), New Delhi.

4. This supersedes the announcement that appeared in this paper on the 30th March, 1957.

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DUNLOP RUBBER COMPANY'S RESULTS GRATIFYING

OVERSEAS ACTIVITIES HELP SUSTAIN PROFITS

LORD BAILLIEU'S SPEECH

THE Fifty-eighth Annual General Meeting of the Dunlop Rubber Company, Ltd., was held on 17th June in London.

The Rt. Hon. Lord Baillieu, K.B.E., C.M.G., Chairman, in the course of his speech said:

"The results for the full year 1956 reveal the gratifying recovery which occurred in the second half of the year. The difficulties in the first half-year were clearly indicated by the Directors in the statement which they issued on 4th October 1956 and the reasons for the considerable reduction in profit were stated at that time.

Fluctuations in Rubber Prices

"The principal reason was the steep rise immediately followed by a steep fall in the price of rubber, the latter occurring between September 1955 and June 1956. During this period, the price fell from 43d. per lb. to 24d. per lb. Also, throughout this time, industry, in general, was being exhorted to hold selling prices despite increasing costs. In the past, we have experienced the serious effect of the fluctuations in the price of rubber on our working capital position, but the combination of this with the other major difficulties all at the same time was unusual and unfortunate.

"I would like to emphasise that our general buying policy, not only for rubber but for other raw materials, is based on the minimum quantities required to operate our factories. In other words, there has been no element of speculation in our rubber buying; but, because of the drastic and unexpected cut back in the requirements of the British motor industry in the early part of last year, our normal inventory and forward cover position inevitably became extended.

"These excessive fluctuations in the price of natural rubber affect producers, the rubber manufacturers and the consuming public alike. However desirable it might be to try to formulate a scheme to prevent these fluctuations, there seems little prospect of doing so. On the other hand, the increasing need for synthetic rubber, to meet the world demand in total for rubber, considerably helps in stabilising and averaging the cost. With our increasing use of synthetic rubber, we are benefiting from this.

Why Net Profit Lower

"In our report, we have illustrated the extent to which our fortunes improved in the second half of the year, and you will see that the Group trading balance for July-December 1956 was higher than for either of the two half-years in 1955. The net profit, after all charges except taxation for this period in 1956 at 5 per cent., was slightly lower than in 1955. This arises from the fact that, in 1956, our depreciation provision was higher and we also had to meet the interest charge for a full year on the £12 million 4½ per cent. debenture-stock of the parent Company and the interest on a new issue of debentures in a subsidiary overseas. Thus, although there was a considerable improvement in the trading profit of the last six months of the year, we did not quite recover our 1955 net profit position.

"I have already referred to the effect of the recession in the British motor industry on our rubber inventory and forward cover, but, in addition, the loss of sales volume adversely influenced our production costs and profit margin. This position continued for much of the year and affected not only tyres but also wheels, Dunlopillo, and other accessories which we supply to the motor industry.

"For the reasons which I have already mentioned, our trading results in the United Kingdom were not satisfactory and the resultant profit was extremely low. In fact, had it not been for our widespread overseas activities resulting from the policy of your Board in building up this geographical diversification over the last 30 years, the picture I would have presented to you today would have been very different and far less satisfactory.

Expansion Overseas

"Our overseas trading has continued to expand and a great contribution to the Group results has been made both from our United Kingdom exports and from our manufacturing units overseas. Yet competition has not been any less severe in the overseas markets. In fact, it is becoming intensified as our competitors both in this country and abroad seek more and more export business and set up more and more local manufacturing subsidiaries.

"Despite this increasing competition, the value of turnover was again higher, although the effect of competition and higher costs resulted in slightly reduced margins. Economies were, however, effected and the return to the parent Company compared not unfavourably with the return in recent years. The contribution to the total Group profit from our overseas operations was the highest yet recorded for the Group.

Taxation Burden

"I must again refer to taxation, the charge for which in 1956 was considerably lower than in the previous year because of the lower level of profit. Nevertheless, it again represented 56 per cent. of the profit before tax. In my speech last year I referred to the increase in profits tax which had then recently been announced, and the figures quoted in our report this year very clearly indicate the unfair burden which this tax in general, and the increased rates in particular, have imposed. You will see that despite the fact that the ordinary shareholders will receive £444,000 less in the form of dividends, the gross amount of distributed profits tax payable by the Group is actually higher than in the previous year.

"This cannot be regarded as just under any circumstances, particularly as the burden of this tax falls eventually on the ordinary shareholders, whereas preference shareholders and recipients of interest bear none of it. The Chancellor of the Exchequer has many demands for taxation relief, but such unfair discrimination and considerable burden clearly call for the abolition of profits tax, or if this is not possible, then for a flat rate on all profits in order to avoid the present discrimination. The Chancellor's recent proposals for the extension of earned income relief and for raising the level at which surtax commences in certain cases are welcome, and this will in some small measure help to restore the incentive to executives whose efforts and desire to stay in this country are absolutely vital to the nation's economic welfare.

Need for Further Relief

"You will remember that, in a prevous year's review, I expressed the view that the point had been reached in taxation where the law of diminishing returns was applying; I hope this recent Budget is the forerunner of further relief and reductions which will remove that fault from our fiscal policy. The restoration of investment allowances is also necessary to industry, or, alternatively, a more forward-looking attitude towards wear and tear allowances. Some contribution towards the replacement cost of fixed assets is acknowledged in other industrial countries, and this country still requires encouragement for the modernisation and re-equipment of factories. With the increasing tempo of world competition and of technological developments, it is imperative that the industries of this country should be maintained in the most efficient and modern condition and that our factories should install the most-up-to-date equipment available.

"You will expect me to make reference to the change announced by the Chancellor as regards the introduction of overseas trade corporations. The legislation which was recently published requires most careful study before all its implications can be assessed, but, as it stands at present, it does not appear that any great advantage will accrue to our Group. In the past, we have established overseas control for most of our overseas companies, and, accordingly, the profits of these companies already are not subject to United Kingdom taxation, unless and until dividends are declared. Certain minor changes in our overseas management arrangements may be desirable to enable us to benefit from the new legislation.

"As a final point on our published accounts I suggest that the figures which show that over 70 per cent. of stockholders, that is, some 41,000, hold less than £250 worth of stock are particularly interesting and indicative of the place your Company holds as an investment medium today.

"The Company has continued to carry out a vigorous research policy during the last 12 months on new processes, products and raw materials.

Tribute to Employees

"It is customary for me to ask you if I might send to all Dunlop employees a message of thanks for their work throughout the year. This is no mere formality. They are to be congratulated upon their achievements towards the past year's results which placed an unusually heavy burden on all concerned. May I, on your behalf, thank them? Your message will encourage them for their efforts in the year to come.

"You will have appreciated that the year under review was a very difficult one for the Group—perhaps the most difficult one in the home market it has had for very many years. I am pleased to say, however, that the improvement already reported in the last half year of 1956, particularly in our overseas affairs, has been well maintained."

The report and accounts were adopted.

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Operating with luxurious four-engined Douglas DC 6B airliners, the Bombay service leaves every Wednesday evening on its Eastbound run passing through Bangkok and Manila on its way to Tokyo. The Eastbound service through Calcutta will leave the airport there every Saturday evening, stopping at Bangkok and Hongkong before terminating at Tokyo on Sunday evening. On its Westbound flight, Swissair will leave Calcutta every Tuesday afternoon, arriving in Geneva and Zurich on Wednesday morning, while the Bombay service leaves every Saturday evening, arriving in Geneva and Zurich on Sunday morning.





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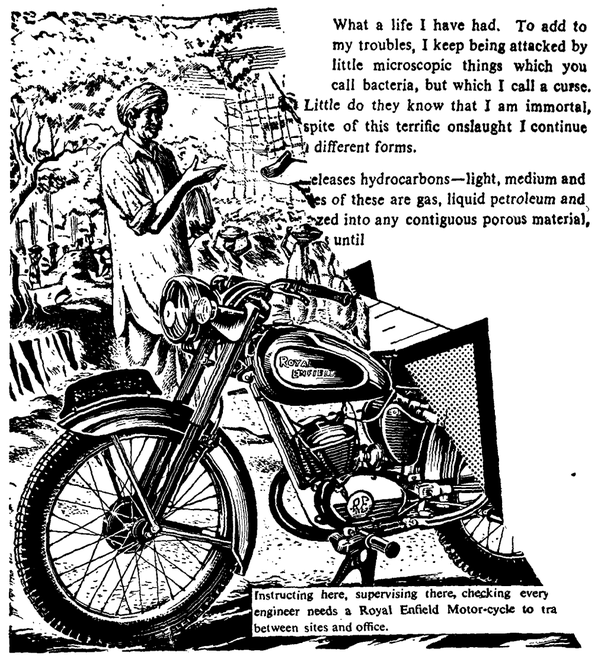

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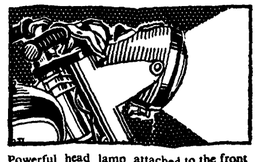

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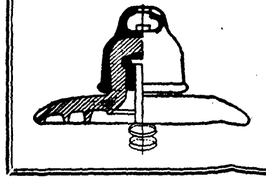

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DUNLOP RUBBER CO[illegible]E WITH —II

OVERSEAS ACTIVIT[illegible] MIDDLE EAST SUSTAIN PR[illegible]XPORTS

LORD BAILLIEU[illegible]

THE Fifty-eighth Annual General Meeting of the Dunlop Rubber Company, Ltd., was held on 17th June in London.

The Rt. Hon. Lord Baillieu, K.B.E., C.M.G., Chairman, in the course of his speech said:

"The results for the full year 1956 reveal that gratifying recovery which occurred in the second half of the year. The difficulties in the first half that year were clearly indicated by the Directors in the statement which they issued on 4th October 1956 and the reasons for the considerable reduction in profit were stated at that time, for which [illegible]cated, mention[illegible]

Fluctuations in Rubber Prices

"The principal reason was [illegible] fats, cashew [illegible] light electrical products. [illegible] immediately followed by a steep [illegible] of rubber, the latter occurring [illegible] ber 1955 and June 1956. Dur[illegible]hed above, the most price fell from 43d. per lb. [illegible]. German industrial throughout this time, ind[illegible]ak level in 1956. Its being exhorted to hold the third place in the increasing costs. In th[illegible] attained the level of enced the serious effec[illegible] resulting in a large trade price of rubber on o[illegible]M. 2,400 million, nearly twice but the combination[illegible]. Against this background, difficulties all at t[illegible]e, too, expanded stupendously. unfortunate[illegible]ny, however, that, whereas Ger[illegible]

"I would [illegible]from India declined from DM. 268.2 buying polic[illegible]55 to DM. 177.6 million for the first raw materia[illegible]ths of 1956, its exports to India went ties requir[illegible] DM. 598.8 million to DM. 747.7 million words, th[illegible]ame period. Consequently, the balance in our [illegible]e deficit for India widened from DM. 321.6 and u[illegible]n to DM. 570.1 million between 1955 and the [illegible]first eleven months of 1956. Thus, West las[illegible]rmany alone was responsible for the greater [illegible]art of India's total adverse trade balance in [illegible]he past year or two.

Rising Imports

This increasing deficit with Germany was due to the progressively rising imports of capital goods, machinery and other industrial raw materials for economic development. It will be interesting to note that India was the only country, besides Burma, which had an adverse balance of trade with Germany in 1955 and 1956, while other Indian Ocean countries had substantial surpluses.

An important feature of India's export trade with Germany is that a large proportion of it takes place through indirect channels, principally through the U.K. and the Netherlands. Only about 45 per cent. of Indian goods reach Germany direct. This is regarded as a matter for utmost concern; and it is emphasised that every effort should be made to cultivate direct contacts with German business men. Absence of such contacts is stated to be the principal reason for the slow progress of India's export trade with that country. Further, the establishment of a Chamber of Trade has also been suggested for studying the market conditions in Germany, to canvass business and procure trade. By this means, it is emphasised that much demand can be found for various Indian goods, including tea, coffee, mill-made textiles, jute manufactures, spices, tobacco, mineral ores, and handicrafts. The desire of German industrialists to stockpile raw materials is also stated to be very helpful for promoting Indian exports.

Trade with France

France is another country on the European sea-board which had a substantial surplus in its trade with India. Exports to India were valued at Frs. 12,825 million in the first nine months of 1956, as against Frs. 15,425 million in 1955. Imports from India for the corresponding periods were Frs. 6,959 million and Frs. 8,202 million, respectively. France's favourable balance of trade with India was thus Frs. 5,866 million for the first three quarters of 1956, as against Frs. 7,223 million for the whole of 1955. An important feature of Indian imports from France was that, in 1956, iron and steel alone constituted 50 per cent. of their total value. Synthetic and artificial yarn was another notable item. Other prominent items were machinery, chemicals and aircraft material.

[illegible]rench imports of manganese ore from [illegible]a, which has been the principal supplier of [illegible]s item for long, have been increasing fast [illegible]during the last few years. Despite the competition from the U.S.S.R. and South Africa, the demand for manganese ore is expected to be high in the current year, in view of the plans for expansion of steel production taken in hand. Prospects are also considered to be better for the imports of cashew-nuts, low grade tobacco, carpets, scarves, small ivory goods and other ornamental articles manufactured by artisans in India.

With Italy, too, India had substantial adverse balance of trade in 1956. Its imports from India rose only from 7,397 million lire in the first three quarters of 1955 to 11,902 million lire for the corresponding period of 1956. During the same period, however, its exports to India steeply rose from 13,700 million lire to 29,296 million lire. Consequently, Italy's favourable balance of trade with India increased from 6,303 million lire to 17,395 million lire between the two periods.

A significant feature of this trade is that though Italy's imports from India constituted only 4.7 per cent. of its total imports from Asian countries (as against 3.4 per cent. in the corresponding period of 1955), India was the principal market for Italian goods in Asia. One of the items of Indian exports to Italy which witnessed considerable expansion in 1956 was cashew kernels. This was due to unfavourable crops of almonds in Italy. With the scarcity of almonds continuing, and with the ban on the use of cashew kernels for certain purposes removed, prospects for marketing this item are stated to be bright. In this connection, the need for adequate publicity is underlined. Another notable item is raw hemp. Its demand in Italy is expected to rise in the future as a result of the reduction in the area under its cultivation. The Italian Association of Hemp Industrialists are reported to have urged the Government to abolish the customs duty on imported hemp in order to enable them to import hemp at cheaper prices. In the case of coir fibres, however, though the demand for them increased in Italy, the benefit of such increase went to Ceylon, because of its cheaper prices. As regards coir yarn India had a virtual monopoly of exports to Italy.

High Price of Coffee

Another item, the high price of which has led to lower imports from India into Italy, was coffee. It is hoped, however, that competition for markets among coffee-producing countries in the world will be less in the current year as a result of the expected fall in the production of coffee, especially in Brazil. Nevertheless, the need for adopting more competitive prices is stressed. Similarly, more effective and sustained publicity on the part of Indian tea exporters is suggested for raising the imports of tea into Italy. India is also a principal exporter of manganese ore to Italy. The favourable trend of the Italian iron and steel industry is expected to afford good prospects for increased Indian exports of iron and manganese ores. The scope for the imports of seed oils into Italy is also found to be encouraging.

Prospects of trade with certain North European countries also seem to be fairly good. For example, India's exports to Sweden of textiles, nuts, fruits, and spices showed a great spurt in 1956. Though the demand for textile fibres and minerals is found to indicate a slight setback, beverages are likely to maintain their position. India's exports to Denmark of ready-made clothes, tobacco and beverages also improved in 1956. Moreover, the demand for beverages, hides and skins, coir yarn and jute cloth and vegetable oils is stated to be encouraging in Finland.

The report from Iran states that Iran is a potential market for many of India's other than traditional manufactures, such as chemicals, machinery and vegetable oils. Iran's recent embarkation on an ambitious developmental programme is expected to increase its imports of machinery, cement, railway stores, iron and steel goods, all of which can be supplied from India. In this connection, there is said to be great need for establishing contacts with business houses in Iran and for publicity. Greater attention is also called for maintaining exports of tea to Iran. In addition, Indian electric goods, engineering stores and mechanical equipment, vegetable oils, motor accessories, etc., are stated to be in good demand in Iraq. Delivery terms and packing, besides competitive prices and quality, are considered to be the governing factors in determining these imports into Iraq.

In West Asia, generally, there is stated to be a growing market, in varying degrees, for equipment for development purposes, especially to improve and extend agriculture, building, transport and communications, irrigation, water storage and distribution, and industries designed to supply cheap consumer requirements. There is also increasing demand for consumer goods. The report from Aden, in particular, calls for greater promptness on the part of Indian exporters in executing orders and more attention to the complaints and suggestions received from that country.

ESSENTIAL OIL INDUSTRY IN INDIA

The essential oil industry in India was once at its peak and Indian perfumers were renowned for their skill in the art of extraction and blending of perfumes. The position has changed in recent years, the industry in India having received a setback. Indian aromatic oils are known for their sweet and delicate aroma. Sandalwood oil, lemongrass oil and palmarosa oil are among the important essential oils produced in the country. Nearly 100 tons of sandalwood oil are annually produced in Mysore, about 750 tons of lemongrass oil in Kerala State; and 85 tons of palmarosa oil in Khandesh, Hyderabad and Madhya Pradesh.

There are, however, many oils which have to be imported. India imports annually essential oils worth Rs. 75 lakhs, important among them being peppermint oil, bergamot oil, lavender oil, camphor oil and citrus oil. In addition, synthetic aromatics to the value of about Rs. 40 lakhs are imported every year.

Researches have been carried out in many laboratories for the development of essential oil industry in India. One such laboratory is the Drug Research Laboratory, Jammu, where systematic studies have been carried out for the introduction of indigenous and exotic plants in the selected areas of the Jammu and Kashmir State. Successful cultivation of Japanese mint, wormseed oil plant, camphor basil, lavender, sage, parsley and a number of other useful plants has been achieved there. The essential oil contents of exotic plants cultivated in its drug farms have developed to the same extent as in their country of origin. Details about this plant are given in the supplement to the May issue of the *Journal of Scientific and Industrial Research*. The different aspects of the aromatic plant resources of Kashmir State are also reviewed in it.

LEATHER INDUSTRY

At the E.C.A.F.E. meeting on small-scale industries, held recently at Madras, considerable attention was paid to the problems of marketing leather and leather products produced in Asia and the Far East. The consensus of opinion among the delegates was in favour of establishing some kind of standards for leather exports. It was emphasised at the meeting that the trade and the Governments should exercise vigilance in order to ensure that sound reputation for the products was established from the start.

The U.N. Session also considered the question of introducing better techniques at the places where first flaying and curing of the hide took place. In this connection, it was emphasised by certain delegates that technical groups visiting villages to demonstrate new techniques should camp at the village sites for a sufficient number of days in order to enable the villagers to acquire the new techniques. It was also pointed out that the villagers should be convinced of the superior technique demonstrated to them.

An important feature of the session was the "market clinic" at which a committee of leather experts gave prescriptions for specific problems which are being encountered in leather production by tanners and merchants. The committee of experts also examined some specimen leather products from various countries. Leather products from Burma, for instance, are found to be damaged by improper flaying and curing. Indian glazed kid is said to be of the highest quality; so also is East Asian tannage. The use of buffalo leather for soles of foot-wear, however, is regarded as a problem.

INDO-TIBETAN TRADE

The traditional trade taking place between India and Tibet through the six passes near Garhwal and Almora is stated to have remained unaffected after the China's occupation of Tibet. This reflects the smooth working of the agreement India entered into with China in April 1954 on trade and intercourse between Tibet and India. Among India's imports from Tibet, that of wool is reported to have fallen. Exports to Tibet, however, are found to have risen significantly. The value of total exports in 1956-57 is placed at Rs. 3.17 crores, as against Rs. 2.71 crores in 1955-56 which was the same as the level in 1954-55. Tibet is in need of, among other items, stationery, salt, kerosene oil, mustard oil, cement and hats.



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S. T. SADASIVAN

Acting Manager, Bombay Branch : S. J. UTAMSING

DHOLE & CO.
RINGWORM and ECZEMA OINTMENT
PANAGAR CALCUTTA

My life *by Adipocere*

Pronounced 'adi-po-saire'

What a life I have had. To add to my troubles, I keep being attacked by little microscopic things which you call bacteria, but which I call a curse. Little do they know that I am immortal, as in spite of this terrific onslaught I continue to live, albeit in different forms.

When the bacteria attack me, my body releases hydrocarbons—light, medium and heavy. The corresponding physical states of these are gas, liquid petroleum and wax. The petroleum part of me is squeezed into any contiguous porous material, usually sand or limestone, where it remains until some crazy geologist from an oil company decides to look for me.



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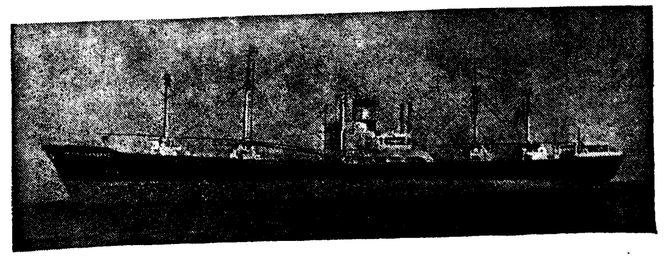

INDIA STEAMSHIP CO., LTD.

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LIONEL EDWARDS (PRIVATE) LIMITED

TRAVANCORE RAYON REPORTS RECORD PROFIT

DIVIDEND LEVEL RAISED AGAIN

HIGHLY encouraging results are disclosed by Travancore Rayons Ltd. (Managing Agents: Messrs. Emcete and Sons (Travancore) Private Ltd., Rayonpuram, Kerala State) for the year ended 31st December 1956. Indeed, the results are so very satisfactory that they have helped set up a new record in earnings. The production of rayon yarn and cellulose film, in terms of weight, rose by 1,301,000 lbs. to a new peak of 7,070,000 lbs. To express it differently, the production of rayon during the year registered a rise of about 30 per cent. over 1955 and that of cellulose film about 8 per cent. While the sale proceeds at Rs. 193.60 lakhs are a little short of the previous year's record of Rs. 195.43 lakhs by Rs. 1.83 lakhs, they are not by any means discouraging, in view of the fact that the supply and demand position had, according to the Directors, corrected itself by the end of the year by an improvement on the supply side. Expenses have also gone up by Rs. 23.73 lakhs to a new high of Rs. 159.42 lakhs. The gross profit has made a strident advance of Rs. 15.43 lakhs to Rs. 70.36 lakhs. The net profit at Rs. 32.50 lakhs is a fresh record and represents an increase of Rs. 7.10 lakhs over that for 1955.

In conformity with the encouraging progress, as aforesaid, in the working of the Company, the Directors have stepped up the dividend on the ordinary shares for the third year in succession to 10 per cent. from the maiden distribution of 5 per cent. for 1953. It is noteworthy that the increase in the dividend for the year under review has been made only after setting aside as much as Rs. 20 lakhs to general reserve. This represents the maiden credit to this fund. No amount has been credited to deferred taxation reserve account which had received Rs. 14 lakhs a year ago and Rs. 12.75 lakhs two years ago.

The following comparative table will give some idea of the salient features of the Company's results for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds	1,93.60	1,95.43	1,61.65	1,52.97
Closing stocks	61.22	25.76	31.00	40.71
Expenses	1,59.42	1,35.69	1,04.02	96.93
Gross profit	70.36	54.93	47.98	40.68
Managing Agents' remuneration	3.57	2.45	2.07	1.81
Provision for depreciation ..	34.29	27.08	23.59	23.31
Net profit	32.50	25.40	22.31	15.56
To deferred taxation reserve ..	14.00	12.75	..	..
,, general reserve	20.00	..	..	..
Dividends—				
5% preference (tax-free) ..	2.50	2.50	2.50	12.50*
Ordinary	10.00	7.50	6.24	5.00
	(10%)	(7½%)	(6¼%)	(5%)
Carry forward	2.64	2.64	1.23	0.41

* For the five years 1949 to 1953.

During the first half of the year of review, both the cellulose film machines were in operation. Slackness in demand for the film was, however, felt in the second half, due to a glut in the market created by the Company's increased production. The market was saturated further by imports. Hence, the Company was constrained to shut down one of its cellulose film plants from July onwards. The end of the year, however, brought about an improvement in the position. The full complement of the rayon yarn spinning machines were in operation almost up to the end of the year. But, during December, accumulation of stocks necessitated production being slowed down again. The Directors report that the market is now improving. One chief contributory factor for the very satisfactory results for the year under review was the fair measure of stability in the prices of raw material. The Company's dependence on imports for rayon-grade caustic soda was reduced, thanks to a neighbouring factory which was in a position to supply a part of its requirements. The Government of India is paying serious attention to the problem of producing pulp in the country. The Directors of the Company say that "a rayon grade chemical pulp plant is likely to come into being in South India."

On the expansion side, the Directors expect to put into operation six more new Butterworth rayon spinning machines by the end of the current year, which will raise the total installed capacity for rayon to 8.6 tons a day. Attention is being paid to further expansion on the rayon side. On the cellulose film side, an event of importance is the Company's success in producing moisture-proof heatsealing anchored film of standard quality. Looking to the present trend, the Directors hope that further expansion in the line also may not be far off. The Chairman of the Company says that this moisture-proof film has become popular with tobacco manufacturers who use it to wrap their cigarette packets and tins. Since all the above schemes of expansion have had to be financed out of the Company's current resources and accumulations of some of its finished stocks, it met with a certain amount of strain in regard to working capital.

The Company's balance-sheet as at 31st December 1956 reflects the position of a concern, belonging to a nascent industry, still in a period of vigorous growth. Thus, its reserves are small and its liabilities are high, most of which are secured loans. Against a paid-up capital of Rs. 150 lakhs (in 500,000 five per cent. cumulative preference shares of Rs. 10 each and 1,000,000 ordinary shares of Rs. 10 each) the reserves and surplus aggregate only Rs. 52.79 lakhs. Of this, the share of the general reserve is only Rs. 20 lakhs, while Rs. 30 lakhs are on account of deferred taxation reserve. The current liabilities aggregate Rs. 126.32 lakhs, of which loans (secured and unsecured) from the State Government and banks account for Rs. 81.46 lakhs. Besides this, there is a debenture liability. The gross block of Rs. 385.56 lakhs includes additions during the year of Rs. 3.83 lakhs. This stands written down to Rs. 223.13 lakhs. The current assets aggregate Rs. 127.47 lakhs and are just sufficient to cover the current liabilities.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 12.70 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 8.5 per cent. per annum.

NATIONAL RAYON CORPORATION LTD.

The shareholders of the National Rayon Corporation Ltd. have reason to feel gratified at the speech of Mr. Kasturbhai Lalbhai, the Chairman, at the tenth annual meeting of the Company held in the city a few days ago. For, in the course of his encouraging speech, the Chairman revealed that the Company had embarked on a scheme for manufacturing machinery and a wide range of raw materials required for the factory. The Company, we are told, has obtained a licence from the Government for the manufacture of machinery for rayon, sulphuric acid, carbon-disulphide and caustic soda, as well as water filtration and softening plants and auxiliary equipment. It has already made a beginning with the sulphuric acid plant and is in a position to offer a complete contact process unit on a turn-key-job basis. Mr. Kasturbhai also referred to the proposed installation of the rayon tyre cord plant with an annual capacity of 4 million lbs. One of the Directors of the Company, we are told, is already in the U.S., exploring the possibilities of obtaining credit within the framework of the Government's new policy of deferred payments and acquiring know-how; his negotiations both in the U.S. and on the Continent indicate that it is difficult to obtain credit for a period of seven years. Mr. Kasturbhai alluded, too, to the special designing and engineering department in the factory. The department, according to him, has been responsible for the entire designing and engineering of the new expansions, so much so that the Company has been able to get quite a few items locally fabricated, thereby effecting "considerable" saving on the total equipment, using the Company's own materials, training its own engineers in the process, and, lastly, conserving some valuable foreign exchange.

The N.R.C. Chairman touched briefly on the rayon yarn supply position. He put the total supply of rayon yarn available during the financial year ended March 1957 at 93 million lbs.—30 million lbs. indigenous and 63 million lbs. imported—which "is considerably in excess of the normal requirements of the weaving industry in the country, now estimated at around 45.50 million lbs." He also revealed that the landed cost of 150 deniers on the basis of the present quotations of foreign manufacturers comes to Rs. 3-11 per lb., as against Rs. 3-6 for the yarn produced by National Rayons. Indeed, Mr. Kasturbhai claimed that the Indian units have been concentrating on the production of the most popular deniers of 150 and 120, and were in a position to meet the entire demand in these deniers which accounted for over 50 per cent. of the total requirements of the weaving industry.

On the basis of the aforesaid figures, the total stocks currently lying unsold with the mills and the traders may be estimated at 30—40 million lbs. In view of the comfortable supply position thus, it is not surprising that the rayon yarn market has not been affected by the persistent rumours of a cut in the import quota for the ensuing half-year.

(*Concluded from next column*)

start writing direct business in these territories within a short time. If this hope materialises, the Company's foreign portfolio is bound to be an increasingly important source of premium income.

RESULTS OF BOMBAY FIRE AND GENERAL

OVERSEAS PORTFOLIO TO BE EXPANDED

A SIZABLE increase of Rs. 3.10 lakhs in net premium income is revealed by the Bombay Fire and General Insurance Company, Ltd. (General Manager: Mr. K. K. Dastur, Bombay), for the year ended 31st December 1956. The premium income advanced from Rs. 12.37 lakhs in 1955 to Rs. 15.47 lakhs in the year under review, all the three departments, namely, fire, marine and accident, having participated in the increase in premium income. The return to shareholders has been maintained at Rs. 3 per share on the Rs. 40 paid-up shares and As. 12 per share on the Rs. 10 paid-up shares.

The net premium income in the fire department increased from Rs. 8.38 lakhs in 1955 to Rs. 9.52 lakhs in the following year, while that in the marine and the accident department, which stood at Rs. 2.16 lakhs and Rs. 1.83 lakhs in 1955, improved to Rs. 3.43 lakhs and Rs. 2.52 lakhs, respectively, in the year under review. The following table gives the progress of the Company during the three years ended 31st December 1956:

(In rupees)

	For the year ended		
	1956	1955	1954
Fire			
Net premium	9,52,092	8,38,302	8,30,630
Claims	2,77,337	1,68,416	1,89,907
Commission and expenses ..	5,17,985	4,62,719	4,64,501
Fire fund	4,92,046	4,35,151	4,56,315
Marine			
Net premium	3,42,540	2,15,863	2,57,352
Claims	1,75,291	1,25,000	1,26,074
Commission and expenses ..	1,51,080	1,13,252	97,729
Marine fund	3,42,540	2,15,863	2,57,352
Accident			
Net premium	2,51,950	1,82,627	1,84,647
Claims	1,14,399	71,976	69,071
Commission and expenses ..	1,30,648	93,763	95,672
Accident fund	1,27,475	92,814	93,824

Claims ratio in the fire department moved up from 20.09 per cent. in 1955 to 29.12 per cent. in 1956. But it is gratifying to note that the expenses ratio was somewhat lower at 54.40 per cent. The fire fund has been maintained at 50 per cent. level. The underwriting profit in the department was Rs. 1.10 lakhs, as against Rs. 2.07 lakhs in 1955. Some cautious underwriting has obviously taken place in the marine department which shows a welcome reduction in both claims and expenses ratio which at 51.46 per cent. and 37.60 per cent. in 1956 are lower than in the previous year when they were 57.90 per cent. and 52.46 per cent. respectively. In order to maintain the marine fund at 100 per cent. level, the Directors have had to transfer Rs. 1.05 lakhs from the profit and loss account, whereas the department yielded an underwriting profit of Rs. 15,815 in 1955. Experience in the matter of claims and expenses, as in the case of several insurers in this country, has been unfavourable in the accident department. Thus, claims ratio was higher at 45.40 per cent. as against 39.41 per cent. and expenses ratio was similarly higher at 51.85 per cent. as compared with 51.34 per cent. In order to maintain the accident fund at 50 per cent. level, the Directors have transferred Rs. 25,653 from the profit and loss account; in 1955, the department showed a small profit of Rs. 9,875.

After closing the departmental accounts, the profit and loss account showed a credit balance of Rs. 14,186 which, together with Rs. 3.39 lakhs brought forward from the previous year's account, make in all Rs. 3.53 lakhs. The provision for taxation absorbs Rs. 83,924 and payment of 7½ per cent. dividend Rs. 31,467, leaving a balance of Rs. 2.38 lakhs to be carried forward. The financial position of the Company is strong. Besides a capital of Rs. 4.20 lakhs, it has reserves and surplus aggregating Rs. 17.49 lakhs, including fire fund of Rs. 4.92 lakhs, accident fund of Rs. 1.27 lakhs and marine fund of Rs. 3.43 lakhs.

The Company derives a substantial part of its premium income from its overseas portfolio. Thus, in 1956, out of its total premium income of Rs. 15.47 lakhs, the foreign business accounted for Rs. 6.35 lakhs, the respective figures for the previous year being Rs. 12.37 lakhs and Rs. 4.0 lakhs, respectively. It would now appear that the management has decided to extend further the Company's operations in overseas countries. In this connection, the Chairman of the Company, Mr. Maoobhai Doongursee, revealed, at the recent annual meeting of the Company, that registration formalities have already been completed for entering Indonesia, Ceylon, East Africa and Holland, for insurance business. The management, he stated, is engaged in appointing suitable representatives in foregn countries. He also expressed the hope that the Company would

(*Continued in previous column*)

SHREE NIWAS MILLS' EARNINGS LOWER

DIVIDEND, HOWEVER, MAINTAINED

A SPECIAL feature noticeable in the annual reports of all textile mills for the year 1956 is the general complaint about the imposition of additional excise duty on cloth, with effect from September of that year and the resultant decline in earnings. This is not surprising for, in these days of shortage of capital and the necessity for modernisation and expansion of capacity, which company would like to have a large part of its liquid resources locked up in unsold stocks of finished goods? That has been the experience, unfortunately, of the several units, the working of which has already been reviewed in these columns. One more example of this nature is provided by the working of the Shree Niwas Cotton Mills Ltd. (Managing Agents: The Marwar Textiles Agency Private Ltd., Bombay) during the year ended 31st December 1956.

The gross profit of the Company for the year at Rs. 31.96 lakhs shows a decline of Rs. 2.26 lakhs from Rs. 34.22 lakhs for the previous year, the highest earned during the past four years.

The net profit at Rs. 15.22 lakhs is, however, substantially higher than the Rs. 9.73 lakhs recorded in the preceding year. This is due to the fall in the managing agents' remuneration from Rs. 4.25 lakhs to Rs. 2.73 lakhs as well as in the provision for taxation from Rs. 14 lakhs to Rs. 6 lakhs. The provision for depreciation, however, stands raised from Rs. 6.24 lakhs to Rs. 8.01 lakhs. The dividend on ordinary shares has been maintained at the previous year's rate of 12 per cent. to which level it had been cut from 14 per cent. for 1954. It must, however, be noted that the dividend of 12 per cent. proposed for the year of review and paid in the past year is on the increased capital of Rs. 80 lakhs raised during the latter year by the capitalisation of Rs. 20 lakhs from the reserve fund, so that it represents a distribution of 16 per cent. on the old capital. No allocation to the reserves has been made this year also. Instead, the Directors have been content with transferring a sum of Rs. 10 lakhs from the contingency reserve and Rs. 7 lakhs from renewal and replacement reserve to general reserve. It is not clear why the Directors have thought it necessary to carry forward a large sum of Rs. 6.91 lakhs as surplus, as against only Rs. 1.47 lakhs a year ago. One possible explanation for this is that the Company has not assessed, nor has it made any provision for, its liability on account of service gratuity to mill operatives which the Industrial Court gave in its award of November 1956, with retrospective effect from 22nd January 1954.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1956	1955	1954	1953
Sale proceeds of cloth, yarn and waste	3,64.07	3,90.75	†	†
Stocks	89.12	49.55	†	†
Other income	6.07	4.14	5.58	2.12
Expenses	3,77.75	3,38.82	3,43.91*	3,07.47*
Gross profit	31.96	34.22	30.83	32.77
Managing Agents' remuneration	2.73	4.25	3.19	3.59
Provision for—				
Depreciation	8.01	6.24	6.84	7.98
Taxation	6.00	14.00	7.00	8.50
Net profit	15.22	9.73	13.81	12.70
To reserves	..	..	2.00	2.00
Dividends—				
4 per cent. Preference ..	0.19	0.19	0.19	0.19
Ordinary	9.60	9.60	8.40	8.40
	(12%)	(12%)	(14%)	(14%)
Carry forward	6.91	1.47	1.54	2.70

* Only approximate.
† Comparative figures not available.

As mentioned at the outset, the working of the Company during the year under review was adversely affected by the heavy increase in excise duty. There was a sharp decline in the sale proceeds of cloth, yarn and waste, accompanied by a marked accumulation of unsold stocks of cloth. This will be clear from the table above which reveals that sale proceeds for the year declined by Rs. 26.68 lakhs, while the value of stocks mounted up by no less than Rs. 39.57 lakhs. The position was aggravated further by the steep rise in expenses from Rs. 338.82 lakhs to Rs. 377.75 lakhs. The main items which contributed to this increase are the cost of raw materials consumed which rose from Rs. 171.71 lakhs to Rs. 193.52 lakhs and the wage bill from Rs. 117.70 lakhs to Rs. 126.87 lakhs.

The Directors state that the working of the Shree Madhusudan Mills, a subsidiary of the Company, was also adversely affected for the self-same reasons. During the year under report, the Directors took charge of a small textile unit at Kotah, known as Shree Gopal Industries Ltd., which is now a subsidiary of this Company. This unit is a very old and uneconomic one, consisting of 7,596 spindles and 160 looms. Efforts are being made to renovate and modernise the unit and also expand its spinning capacity so as to make it economic. The Directors hope that this unit will prove a beneficial addition to the Company in due course.

The Company's paid-up capital of Rs. 84.80 lakhs, of which ordinary shares of Rs. 100 each account for Rs. 80 lakhs and 4 per cent. tax-free redeemable cumulative preference shares of Rs. 100 each for Rs. 4.80 lakhs, is strengthened by reserves and surplus aggregating Rs. 55.11 lakhs. Of these reserves, the amount standing to the credit of reserve fund is Rs. 38.70 lakhs. Secured loans from banks amount to Rs. 95.32 lakhs. The provision for taxation, after making advance payments for 1957-58, stands at Rs. 4.57 lakhs. Other current liabilities aggregate Rs. 51.11 lakhs. The gross block of Rs. 112.06 lakhs, including additions during the year of Rs. 23.16 lakhs, has been depreciated to a book value of Rs. 50.58 lakhs. Investments in Government securities, shares and debentures of joint-stock companies and other subsidiary companies amount to Rs. 20.35 lakhs. The other current assets aggregate Rs. 219.99 lakhs. The latter cover the current liabilities and the provision for taxation by a margin of Rs. 68.99 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are currently quoted at Rs. 173.50 *cum-div.* On an *ex-div.* basis and assuming that the dividend would be repeated unchanged next year, the shares give a yield of 7.43 per cent. per annum, free of income-tax.

COMPANY MEETINGS AND DIVIDENDS

CHEVIOT JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th July 1957. Dividend: Rs. 2.00 per share. Transfer books remain closed from 25th June to 8th July 1957, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th July 1957. Dividend: Rs. 2.00 per share. Transfer books remain closed from 25th June to 8th July 1957, both days inclusive.

DELTA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th July 1957. Dividend: Rs. 5.00 per share. Transfer books remain closed from 25th June to 8th July 1957, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th July 1957. Dividend: *Nil*. Transfer books remain closed from 25th June to 8th July 1957, both days inclusive.

BENGAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th July 1957. Transfer books will remain closed from 1st to 8th July 1957, both days inclusive.

RAJNAGAR TEA CO., LTD. Annual General Meeting, Calcutta, 10th July 1957. Dividend: Re. 1.00 per share. Transfer books will remain closed from 3rd to 10th July 1957, both days inclusive.

SASSOON AND ALLIANCE SILK MILLS CO., LTD. Annual General Meeting, Bombay, 19th July 1957. Transfer books will remain closed from 10th to 22nd July 1957, both days inclusive.

CALCUTTA STEAM NAVIGATION CO., LTD. Annual General Meeting, Calcutta, 23rd July 1957. Dividend: Re. 0.65 per share (6½ per cent.). Transfer books will remain closed from 10th to 23rd July 1957, both days inclusive.

ALEMBIC CHEMICAL WORKS CO., LTD. Annual General Meeting, Baroda, 25th July 1957. Dividend: Rs. 10.00 per share, payable on or after 1st August 1957. Transfer books will remain closed from 5th to 25th July 1957, both days inclusive.

SHREE SHUBHLAXMI MILLS LTD. Annual General Meeting, Cambay, 29th July 1957. Transfer books will remain closed from 20th to 29th July 1957, both days inclusive.

TRAVANCORE CHEMICAL AND MANUFACTURING CO., LTD. Dividend of Re. 1.00 per ordinary share, for the year ended 31st March 1957. Transfer books will remain closed from 4th to 10th July 1957, both days inclusive.

KALASA TEA AND PRODUCE CO., LTD. Dividend of 15 per cent. for the year ended 31st March 1957.

KADRI MILLS (CBE) LTD. Dividend of Rs. 15.00 (15 per cent.) per share, free of tax, for the year ended 31st December 1956. Transfer books remain closed from 28th June to 12th July 1957, both days inclusive.

INDIA UNITED MILLS LTD. Final dividend of Re. 0.12 per deferred share and Re. 0.30 per ordinary share, for the year ended 31st December 1956.

SIMPLEX MILLS CO., LTD. Dividend of Rs. 8.50 per share, for the year ended 31st March 1957, payable on or after 24th July 1957. Transfer books remain closed from 24th June to 8th July 1957, both days inclusive.

LARSEN AND TOUBRO LTD. Dividend of Re. 1.00 per ordinary share, for the year ended 31st March 1957, payable on 2nd August 1957. Transfer books remain closed from 21st June to 15th July 1957, both days inclusive.

TEXTILE MACHINERY CORPORATION LTD. Dividend of Re. 1.25 per ordinary share, for the year ended 31st December 1956. Transfer books will remain closed from 1st to 16th July 1957, both days inclusive.

Points From The Chair

Experience Ignored

"YOUR Company has for over a century been engaged in a continuous process of development—development to increase production and development to replace the wasting asset. It has today, as it has had in the past, the technical management, the experienced administration, and the resources to continue this tradition and to accelerate the process. The plans for increased production which we submitted to Government in January 1956, included the opening up of four new collieries in our reserve coal-bearing areas to produce new production of some half a million tons per annum from 1960, as well as increased production of just under one million tons from more intensive development of areas already being worked. Government have refused permission to the Company to open up the proposed four new collieries because, the areas to be developed do not conform with Government's interpretation of contiguous areas. They are, however, agreeable that we should accelerate exhaustion of our existing working areas by increasing production from them by nearly one million tons a year and this we shall do. Bearing in mind that the entire private sector is limited to an additional production ceiling of 10 million tons a year by the end of the present Plan, this Company's plans to raise output by one million tons without breaking new ground, bear testimony to our eagerness to participate, at least as much as we are permitted, in the industrial growth of the country. Shareholders of this Company need not be concerned at the prospect of early exhaustion of existing workings, as I am able to tell you that the Company's most recent developments alone—the new Girimint and Chinakuri collieries—are designed and equipped to raise between them 100,000 tons per month for at least the next 50 years."

D. F. MACMILLAN,
Bengal Coal Co., Ltd.

Oils for Atom

"As from 1st January 1956, this principal subsidiary Company became responsible for the marketing of the Group's industrial, marine and electrical oils in the United Kingdom, and I am pleased to report that the integration of these trading activities has been an unqualified success in the beneficial interests of the Group. Stockholders will be interested to learn that Wakefield-Dick Industrial Oils Limited will supply the lubricants for the turbine being installed at the Chapel Cross Atomic Power Station which is due to commence operations early next year, and has also been accepted as the sole supplier of the lubricating oil requirements of the Berkeley Nuclear Power Station in Gloucestershire. In addition, this subsidiary retains its position as the foremost supplier of transformer and switch-gear oil to the electrical industry in the United Kingdom and its Ilo transformer oil is already in service at Calder Hall. In the marine field the recent development of the Group's international servicing facilities is proving a material benefit."

L. W. FARROW,
C. C. Wakefield & Co., Ltd., London.

African Tea

"The year under review has been a profitable one for tea, more particularly those in the front rank of producers, such as ourselves, but the same does not apply to many estates with poor mid or low country gardens, and the effect on others is far from happy where the high cost of production, coupled with an extremely heavy export duty, allows but a slender margin and such teas are doing little more than cover the cost of production. The sudden closure of the Suez Canal has not proved the difficulty then anticipated and Ceylon has been fortunate in being able to dispose of its crop during 1956, but there are many factors that can well give rise to anxiety as to the future. One of these is the fact that tea production in Africa is now becoming a very serious menace to Ceylon, and in season 1956 crops from Africa amounted to some 71 million lbs., with the certainty that production of tea there is likely to increase very rapidly in the next few years, with a fairly large quantity of land being planted up year by year."

G. H. MASEFIELD,
Ceylon Tea Plantations Co., Ltd., London.

Role of Newspapers

"We believe that it is our first duty to make each of our papers prosperous, for if any paper is not able to pay its way, although it may be subsidised for a time, it will ultimately die. No newspaper can assume that society owes it an existence—especially if it is unprofitable. We are conscious that there is apparently no common denominator for success in our kind of publishing; papers can prosper or fail irrespective of their circulation, their selling price, their seriousness or their frivolity. Newspapers are a reflection of the public they serve and they must, without any lowering of standards, change as public interest and public taste change. The *Daily Mail* of Lord Northcliffe, brilliant as it was, would not be accepted by the *Daily Mail's* public of today and I am sure, too, that the *Daily Mail's* readers in 20 years' time would not for one moment accept this morning's paper which will be eagerly read by more than five million people. For ourselves, therefore, we will endeavour to sense the public taste and interest and to rely in the future as we have in the past on the greatest possible degree of journalistic enterprise and good management."

LORD ROTHERMERE,
Associated Newspapers, Ltd., London.

BARAREE COKE PRUNES DIVIDEND

RESULTS OF ANDREW YULE GROUP JUTE COMPANIES

Bararee Coke Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1956.

The profit and loss account shows, after charging depreciation of Rs. 18,000 (Rs. 39,864), a balance of profit of Rs. 1,50,738 (Rs. 2,22,869) to which has to be added the balance brought forward from the previous half-year, viz., Rs. 45,399 (Rs. 12,449), transfer from provision for doubtful debts Rs. 20,136 (Rs. 6,746) and adjustment in respect of material in process as at 31st March 1956 Rs. 14,963 (*nil*) making a total of Rs. 2,31,236 (Rs. 2,43,454 including Rs. 1,390 being dividends forfeited). Out of this sum there has been written off for claims considered irrecoverable Rs. 866 (Rs. 6,746) and provision for taxation Rs. 80,000 (Rs. 1,05,000) leaving a balance available for disposal of Rs. 1,50,370 (Rs. 1,31,708) out of which the directors recommend there should be paid a dividend on the share capital of 5 (7) per cent. without any deduction for income-tax payable by the Company, absorbing Rs. 60,000 (Rs. 84,000) leaving a balance of Rs. 90,370 (Rs. 22,708 after placing Rs. 25,000 to general reserve) to be carried forward to the next account.

For the purpose of these accounts provision has been made for remuneration payable to the managing agents calculated on the basis which is intended to be applicable under a new managing agency agreement. The revised remuneration is in conformity with the provisions of Sections 198 and 348 of the Companies Act, 1956, and has been sanctioned by the Central Government. The proposed agreement will be submitted to the Company for approval at a general meeting to be held in July 1957, and of which due notice will be given.

Manufacture and despatches during the half-year were as follows:—

	Manufactured Tons	*Despatched* Tons
Coke	29,481 (28,071)	30,058 (28,584)
Tar and pitch	1,365 (1,242)	1,338 (1,169)
Sulphate of ammonia	164 (238)	325 (152)
	Gallons	Gallons
Benzol	3,045 (4,271)	6,995 (6,132)

Reference was made in the last previous report of the directors to the failure up to the date of that report to reach an agreement with the Company's workers regarding an increase in wages which became necessary consequent on the Award of the All-India Industrial Tribunal (Colliery Disputes). Despite the further efforts which were made to reach an amicable settlement, it was eventually found necessary to make a joint application to have the matter referred to an Industrial Tribunal, the relevant notification for which has now been issued by the Government of Bihar.

Efforts to increase Hard Coke production, based on plans referred to in the last previous report, have not so far been successful, and it is now evident that increased output will only be obtained on the completion of very extensive repairs to the Company's coke ovens. These ovens are now very old and their maintenance in working condition imposes a heavy strain on the personnel at the Works. Unfortunately, the necessary repairs cannot be immediately effected as their timing is dependent upon both the availability of fire bricks from indigenous sources and the import of a substantial quantity of silica bricks from abroad. The estimated cost of these extensive repairs will absorb a large part of the Company's cash resources, and it is evident from the estimated results for the subsequent half-year ended 31st March 1957, that a substantial fall in manufacturing profits is unavoidable. In the circumstances, the directors have felt obliged once again to recommend a reduced dividend. The Company's ability to maintain the dividend at the reduced rate proposed will largely depend upon the extent to which production is interfered with by the coke oven repair programme and on the cost thereof when it is finally ascertained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	2,38,493
Reserves ...	8,49,890	Stock-in-trade	3,28,820
Provision for taxation ...	1,02,547	Stores & spare parts ...	6,98,010
Liabilities ...	8,18,398	Other assets	2,938
Profit and loss account ...	90,370	Debts, deposits and advances ...	12,59,253
		Investments	5,652
		Cash ...	5,28,039
Rs.	30,61,205	Rs.	30,61,205

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November 1956.

The accounts, after charging all expenses, providing for sales-tax and writing back provisions for anticipated loss on jute made during the previous half-year and excess provision for taxation, show a profit of Rs. 54,252 (Rs. 11,796). The balance brought forward from the last half-year was Rs. 1,328 (Rs. 74,452) making a total available for distribution of Rs. 55,580 (Rs. 86,428). The directors recommend payment of a dividend on preference shares at Rs. 3.50 (Rs. 3.50) per share absorbing Rs. 35,000 (Rs. 35,000), leaving a balance to be carried forward of Rs. 20,580 (Rs. 6,248 after paying dividend on ordinary shares at Rs. 2.50 per share absorbing Rs. 45,000).

In accordance with the working time agreement of the Indian Jute Mills Association the mill worked 48 hours per week with 5 per cent. of the total looms sealed until 15th July 1956. But in view of the highly unsatisfactory stock position an additional 2½ per cent. of the total looms were sealed with effect from 16th July 1956 and a further 5 per cent. from the 17th September 1956. Trading during the period continued to be very difficult owing to the disparity between the prices of raw jute and those of manufactured goods.

Hitherto half-yearly accounts have been issued by this Company to its Shareholders, but in the opinion of the Board of Directors this is no longer practicable in view of the provisions of the Companies Act, 1956, regarding annual general meetings and the accounts to be presented at such meetings. Accordingly yearly accounts will be issued in future, commencing with those for the year ending 30th November 1957. This will not preclude the payment of half-yearly dividends, subject to the Company's results permitting, as the Company's Articles authorise the payment of interim dividends. It is therefore the Board's intention to consider the payment of interim dividends in the light of the Company's results upto 31st May each year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Block ...	42,39,940
Reserves ...	26,46,234	Stock ...	20,76,123
Liabilities ...	23,52,978	Stores & loose tools ...	7,58,301
Profit and loss account ...	20,580	Work-in-progress ...	2,03,042
		Debts, deposits and advances ...	4,94,766
		Investments	46,888
		Cash ...	732
Rs.	78,19,792	Rs.	78,19,792

Cheviot Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November 1956.

The accounts, after charging all expenses, making certain adjustments in provisions for anticipated loss on jute, providing for sales-tax and writing back tax overprovided in previous periods, show a profit of Rs. 24,078 (loss of Rs. 48,959). The directors have transferred from dividend equalisation reserve Rs. 50,000 (Rs. 1,00,000). The balance brought forward from the last half-year was Rs. 1,387 (Rs. 54,374) making a total available for distribution of Rs. 75,465 (Rs. 1,01,415). The directors recommend payment of dividends on preference shares at Rs. 3.50 (Rs. 3.50) per share absorbing Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 2.00 (Rs. 4.00) per share absorbing Rs. 31,900 (Rs. 63,800) leaving a balance to be carried forward of Rs. 8,565 (Rs. 2,615).

The directors point out that it has been possible for them to recommend an ordinary dividend at this time only because they have drawn on general reserve during the last two accounting periods to the extent of Rs. 5,00,000 in order to equalise the losses of those periods. They have decided therefore that part of those drawings on general reserve should be replaced and have therefore transferred thereto Rs. 2,50,000 from dividend equalisation reserve. At the same time they have transferred the marine insurance fund, no longer required as such, to general reserve.

In accordance with the working time agreement of the Indian Jute Mills Association the mill worked 48 hours per week with 5 per cent. of the total looms sealed until 15th July 1956. But in view of the highly unsatisfactory stock position an additional 2½ per cent. of the total looms were sealed with effect from 16th July 1956, and a further 5 per cent. from the 17th September 1956. Trading during the period continued to be very difficult owing to the disparity between the prices of raw jute and those of manufactured goods.

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PROPERTY OF THE ENGLISH & SCOTTISH JOINT COOPERATIVE WHOLESALE SOCIETY LTD.

A Group of Estates in North Wynaad, totalling 6,389.61 acres gross and 2,667.90 acres under consisting of Cherakara, Jessie, Talapoya (including Thavanjal Division) and Tatamala. A comprehensive medical service. All estates linked by private telephone system. Protected water supplies and adequate labourers' accommodation of a high standard. All well found estates with good roads. For further details apply KING & PARTRIDGE, Solicitors, Regal House, McLean Street, Madras 1.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,95,000	Block ...	25,03,591
Reserves ...	23,29,282	Stock ...	20,95,322
Provision for taxation ...	55,359	Stores and loose tools	10,19,313
Liabilities ...	12,54,011	Work-in-progress ...	1,69,731
Profit and loss account ...	8,565	Debts, deposits and advances ...	3,85,569
		Investments	67,626
		Cash ...	1,065
Rs.	62,42,217	Rs.	62,42,217

Delta Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November 1956.

The accounts, after charging all expenses, providing for sales-tax and writing back provisions for anticipated loss on jute made during the previous half-year, show a profit of Rs. 1,34,493 (Rs. 73,808). The directors have transferred from dividend equalisation reserve Rs. 20,000 (*nil*). The balance brought forward from the last half-year was Rs. 2,564 (Rs. 94,604) making a total available for distribution of Rs. 1,57,047 (Rs. 1,68,412). The directors recommend payment of dividends on preference shares at Rs. 2.50 (Rs. 2.50) per share absorbing Rs. 12,500 (Rs. 12,500) and on ordinary shares at Rs. 5.00 (Rs. 5.00) per share absorbing Rs. 1,40,000 (Rs. 1,40,000) leaving a balance to be carried forward of Rs. 4,547 (Rs. 15,912).

The directors point out that it has been possible for them to recommend an ordinary dividend at this time only because they have drawn on general reserve during the last accounting period to the extent of Rs. 3,90,000 in order to euqalise the losses of that period. They have decided therefore that this drawing on general reserve should be replaced and have therefore transferred thereto Rs. 3,90,000 from dividend equalisation reserve. At the same time they have transferred the marine insurance fund, no longer required as such, to general reserve.

In accordance with the working time agreement of the Indian Jute Mills Association the mill worked 48 hours per week with 5 per cent. of the total looms sealed until 15th July 1956. But in view of the highly unsatisfactory stock position an additional 2½ per cent. of the total looms were sealed with effect from 16th July 1956, and a further 5 per cent. from the 17th September 1956. Trading during the period continued to be very difficult owing to the disparity between the prices of manufactured goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	29,69,432
Reserves ...	40,51,679	Stock ...	30,76,335
Provision for taxation ...	1,04,718	Stores and loose tools	10,52,424
Liabilities ...	18,36,534	Work-in-progress ...	1,93,170
Profit and loss account ...	4,547	Debts, deposits and advances ...	4,75,702
		Investments	15,28,368
		Cash ...	2,047
Rs.	92,97,478	Rs.	92,97,478

Punjab Minerals Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. Private Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th September, 1956.

The profit and loss account after providing for all charges and writing off Rs. 60,740 (*nil*) on account of properties and land acquisition shows a loss of Rs. 57,521 to which is added the debit balance brought forward from the previous year of Rs. 77,310 leaving a total debit balance of Rs. 1,34,831 to be carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	1,62,267
Liabilities ...	19,247	Stock-in-trade	221
		Debts, deposits and advances ...	12,380
		Investments	89
		Cash ...	844
		Preliminary expenses ...	8,615
		Profit and loss account ...	1,34,831
Rs.	3,19,247	Rs.	3,19,247

Churulia Coal Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December, 1956. This is the first annual closing of the Company's accounts. These accounts have been drawn up in conformity with the Company's Act, 1956.

The profit and loss account after providing for all charges shows a profit of Rs. 11,111 (loss of Rs. 4,326) to which is added the balance brought forward from the previous year Rs. 2,129 (Rs. 13,654) leaving a balance available of Rs. 13,240 (Rs. 11,105 including Rs. 2,177, being refund of income-tax). The directors propose to dispose of this amount by payment of a dividend of 6 nP (one anna) per share without any deduction for income-tax payable by the Company Rs. 9,000 (Rs. 9,376) and to carry forward a sum of Rs. 4,240 (Rs. 2,129).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Investments	7,30,051
Reserves ...	1,43,986	Debts, deposits and advances ...	25,407
Liabilities ...	14,919	Cash ...	7,687
Profit and loss account ...	4,240		
Rs.	7,63,145	Rs.	7,63,145

Ondal Coal Co., Ltd.

The directors of the above Company, [Managing Agents Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December, 1956. This is the first annual closing of the Company's accounts. These accounts have been drawn up in conformity with the Companies Act, 1956.

The profit and loss account after providing for all charges and making provision of Rs. 55,064 (Rs. 60,818) for taxation shows a profit of Rs. 49,848 (Rs. 28,996) to which is added the balance brought forward from the previous year of Rs. 56,646 (Rs. 1,15,650) making a total of Rs. 1,06,494 (Rs. 1,44,646). The directors propose to dispose of this amount by payment of a dividend on the preference shares of 6½ per cent. per annum without any deduction for income-tax payable by the Company Rs. 13,000 (Rs. 13,000), by payment of a dividend on the ordinary shares of 7½ (10) per cent. per annum without any deduction for income-tax payable by the Company Rs. 56,250 (Rs. 75,000) and by carrying forward Rs. 37,244 (Rs. 56,646).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,50,000	Block ...	1,20,600
Reserves ...	15,69,447	Investments	22,61,276
Provision for taxation ...	43,905	Debts, deposits and advances ...	2,97,970
Liabilities ...	1,15,550	Cash ...	36,900
Profit and loss account ...	37,244		
Rs.	27,16,146	Rs.	27,16,146

Sendra Coal Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December, 1956. This is the first annual closing of the Company's accounts. These accounts have been drawn up in conformity with the Companies Act, 1956.

Karanpura Mining Syndicate.—During the year ended 31st December, 1956, 1,55,692 tons of coal were raised and 1,55,830 tons despatched. The secretaries report that during the year under review the coal was downgraded in quality by the Coal Board and it was therefore felt that it was in the best interest of the proprietors that the raising and selling of the coal be placed in the hands of a managing contractor. This arrangement was completed towards the close of the year and at the time of writing the arrangement is working satisfactorily.

The profit and loss account after providing for all charges shows a loss of Rs. 7,337 (Rs. 40,940). From this amount is deducted the balance brought forward from the previous year of Rs. 7,503 (Rs. 38,443) leaving a balance of Rs. 166 (debit of Rs. 2,497). To this is added the amount transferred from general reserve of Rs. 25,000 (Rs. 30,000) making a total of Rs. 25,166 (Rs. 27,503). The directors propose to dispose of this amount by payment of a dividend at the rate of 2½ (2½) per cent. per annum without any deduction for income-tax payable by the Company Rs. 20,000 (Rs. 20,000) and by carrying forward Rs. 5,166 (Rs. 7,503).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	23,624
Reserves ...	5,09,216	Investments	7,26,216
Liabilities ...	3,52,885	Debts, deposits and advances ...	7,03,007
Profit and loss account ...	5,166	Cash ...	2,14,420
Rs.	16,67,267	Rs.	16,67,267

Jagatjit Cotton Textile Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Karam Chand Thapar & Bros., Private Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st January 1957.

Working: During the period under review efficiency in production was maintained. Production of hosiery yarn on a mass scale was also started. The quality of this yarn is well appreciated by the Hosiery Trade.

During the first half of the year, production usually remained sold much in advance. However, with the announcement of an increase in the excise duty on *cloth* as from 1st September 1956, the cloth and yarn markets began to be depressed with the result that the off-take was poor and the Mills had to reduce their prices to attract the buyers. Since April, however, there has been a revival of demand in cloth. Stocks have started moving and the prices also in certain cases have shown somewhat upward trend.

Cotton Purchases: Cotton production in the country at one time was expected to exceed the previous year, but as a consequence of floods in some of the cotton growing areas, the estimates of the crop were revised downwards which pushed up the cotton rates as the season advanced despite various measures adopted by the Government towards checking the rise of the market. The directors however, were fortunate to have covered a major portion of their requirements for the year at comparatively favourable rates from different Punjab cotton markets.

Machinery: The cheese dyeing and beam dyeing plant of which mention was made in the last report, has since been erected. So also a major portion of the second instalment of spinning machinery consisting of about 10,000 spindles, has since been erected and is also working. The erection of the balance is likely to be completed during the course of the next couple of months.

Some of the humidification plant units have since arrived at the Mills and a part of it is likely to go into operation in the current season subject to power being made available. Sprinkler installation as well as hydrant service have also been installed to the extended areas. To meet the additional demand of steam of the various production departments, a Lancashire boiler has been added. Four cloth inspection machines, two automatic dyeing jiggers, one creasing machine, several power reels, as well as a new hydraulic yarn bundling press have been added.

The directors report that licence has been granted for 432 automatic looms. Orders for the same together with the required preparatory machinery have also since been placed. The directors also report that a licence for a second unit of this Mill consisting of 25,000 spindles at Rajpura has been granted to the Company. The initial planning of the orders etc., is ready. Steps to implement the project will be taken in hand immediately after sanction of the Rehabilitation Ministry for loan applied by the Company.

During the year under review, the Company made a gross profit of Rs. 48,87,766, as against Rs. 40,80,615 in the previous year. After providing for interest on debentures and other interest, managing agents' and directors' remuneration, Rs. 24,68,539 (Rs. 19,92,184) for depreciation and Rs. 2,40,470 (Rs. 5,08,182) by way of development rebate, the accounts show a net profit of Rs. 14,11,012 (Rs. 7,72,933). After setting aside Rs. 8,25,000 for taxation, there remains Rs. 6,52,964 including last year's carry forward which, the directors propose to distribute as follows:—

To dividend on preference shares for the years ended 31st January 1952 to 31st January 1957 at 5 per cent. per annum free of income-tax Rs. 4,54,194, to Dividend on equity shares at 5 per cent. per annum free of income-tax for the year ended 31st January 1957 Rs. 1,92,457 and to carry forward Rs. 6,313.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,57,215	Block ...	74,75,665
Debentures	30,00,000	Stock-in-trade ...	20,93,001
Development rebate fund ...	9,23,652	Stock-in-process ...	4,29,345
Provision for taxation ...	8,25,000	Stores and spares ...	71,47,217
Liabilities ...	1,05,08,045	Debts, deposits and advances ...	16,88,485
Profit and loss account ...	6,313	Investments	17,74,201
		Cash ...	3,12,311
Rs.	2,09,20,225	Rs.	2,09,20,225

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

COAL

(*Concluded from page 1284*)

tiguous areas. It was after prolonged discussions throughout 1955 and the early months of 1956 that the private sector was given a definite place in the Plan, and it was clear that the success of the Plan would depend on full facilities being given to both the sectors, so that each could attain its allotted target. It is unfortunate, therefore, that this new legislative measure should appear to restrict further the scope of collieries under private ownership which have such a responsible role to perform, and I hope an early opportunity will be taken to clarify the position."

There is considerable force in this statement of Mr. Macmillan, as also in his remark that it is vital that the mutually complementary roles of the public and private sectors in the coal industry should be fully accepted not only at the top where policy is formulated but also by Government representatives at all levels. After all, the success of a policy, as he rightly emphasised, is ultimately measured by its application in ordinary day-to-day decisions which have to be taken in such mundane matters as allotment of wagons between State and private collieries, or in the allocation of steel and cement, both of which are in short supply. Referring, in particular, to the latter aspect, Mr. Macmillan revealed that, as against 41,000 tons of cement applied for during 1956 by 125 member-firms of the Indian Mining Association, only about 6 per cent. was actually received at the collieries. Although this situation has improved somewhat in the current year, there is still said to be "a dangerous gap" between requirements and supplies. The position regarding iron and steel is also said to be similar and items like rails for tram lines are hardly available at all. In this connection, the Bengal Coal Company Chairman commended the setting up of the Progress Review Committee as a move in the right direction.

COTTON

(*Concluded from page 1282*)

Notwithstanding anything to the contrary contained in by-laws 36 and 37, if the same bales are tendered again against the hedge contract, the buyer shall be bound to weigh over the same without any rearbitration, subject, however, to an allowance of 1 per cent. payable by the seller to the buyer on the invoice value for August delivery only in respect of Vijay, Ankleshwar and Surti descriptions; provided, however, they bear the press marks, press running numbers, the controller's marks and any other marks, which shall tally with the particulars mentioned in the certificate. In the case of upcountry delivery, the cotton certified as above shall be tenderable in Bombay. The controller's fee shall be fixed by the Board from time to time and shall be borne by the parties equally.

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REPRESENTED IN

INDIA, BURMA AND PAKISTAN

NEW INDIA ASSURANCE COMPANY LTD.

CODE OF CONDUCT SUPPORTED

ADDRESSING the shareholders at the Thirty-eighth Annual General Meeting of the New India Assurance Company, Limited, held at Bombay on 26th June 1957, Mr. Ambalal Sarabhai said that 1956 had been a very difficult year for the Indian general insurance business. Nationalisation of life assurance gave a rude jolt to the base of every composite company, leading to a severe dislocation of the entire organisational set-up. A complete reshuffle of the organisation and realignment of the administrative patterns was an uphill task for all the units, but particularly so far those with a large life portfolio—like the New India.

Mr. Ambalal Sarabhai observed that, in order to explore and utilise the vast potential which existed in the field of general insurance in India, it was absolutely imperative to have a well-organised and integrated general insurance market, composed of strong indigenous units, having high administrative standards and capable of rendering efficient service. The procuration cost had also to be brought down, so that premium rates could be made more attractive. The industry had made vigorous efforts, through self-discipline and self-denial, to eliminate wasteful competition. Till now, reliance was mainly placed on publicity and fear of public criticism but without satisfactory results.

The Executive Committee of the General Insurance Council, therefore, introduced a revised Code of Conduct, earlier this year. Mr. Ambalal Sarabhai thought that, if the Code were properly supported by the members and enforced by the Executive Committee, it should put the general insurance industry in India on a sound and healthy basis.

"The basic idea behind the Code," said the Chairman, "is that rebates should stop, and procuration and administrative costs should be reasonable and within legal limits."

Reviewing the working of the Company, Mr. Ambalal Sarabhai expressed his satisfaction that the premium income of the Company touched a new high at Rs. 5.64 crores in 1956, representing a marked improvement of about Rs. 66 lakhs over the previous year. This, he felt, was particularly commendable, in view of the fact that operations of the Company were adversely affected by the nationalisation of life business, which completely disrupted its organisational set-up, and other factors like the reduction in premium rates for two consecutive years, and loss of more and more business to the pool and syndicates. The miscellaneous department played an outstanding part in stepping up the premium income of the Company in 1956. Its premium income, at Rs. 1.44 crores, showed a marked rise of Rs. 35 lakhs, as compared with a rise of about Rs. 15 lakhs recorded by both the fire and the marine departments.

On the disbursement side, claims increased by 1.7 per cent. to 50.6 per cent., while commission, expenses and tax ratio remained constant at 38.0 per cent. The profits, inclusive of interest earnings of the departmental funds, amounted to Rs. 43.9 lakhs, maintaining the level reached in 1955. As a result of the year's operations, the departmental funds stood at Rs. 4.45 crores as against Rs. 4.11 crores in the preceding year.

The overall result of the operations in 1956 led to a further strengthening of the financial resources by Rs. 52.9 lakhs. The capital and reserves stood at Rs. 7.60 crores.

Referring to the compensation available to the Company under the Life Insurance Corporation Act (Rs. 48,72,443) and under the Life Insurance (Emergency Provisions) Act (Rs. 1,50,983), Mr. Ambalal Sarabhai said that the Company had referred the compensation under the Life Insurance Corporation Act to the Tribunal constituted under the said Act. He felt that the Company was also entitled to higher compensation under the Life Insurance (Emergency Provisions) Act. Regarding the issue of one fully paid-up bonus share of Rs. 15 for every three shares held, he informed the shareholders that the Directors were pursuing the matter with Government.

Note:—This does not purport to be a record of the proceedings of the annual general meeting.

Notices

THE BENGAL PAPER MILL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday, the Fifteenth day of July, 1957, at 11 o'clock in the forenoon, to consider and, if thought fit, to pass the following resolutions, namely:—

1. (*As a Special Resolution*)—"That the requirements of Article 124 of the Articles of Association of the Company be not complied with in respect of the half-year ended 30th June, 1956."
2. (*As a Special Resolution*)—"That the Articles of Association of the Company be altered in the manner following:—
   (*a*) That Articles 54 and 55 shall be deleted and the following new Article 54 substituted therefor:

   'In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956, and subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Board of Directors. Such general meetings shall be styled "Annual General Meetings" and shall be specified as such in the notices convening these meetings. All other meetings of the Company shall be styled Extraordinary General Meetings.'

   (*b*) That Article 62 shall be deleted and the following new Article 62 substituted therefor:

   'The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Board of Directors and of the Auditors, to appoint Directors in place of those retiring by rotation, to appoint Auditors and determine the manner in which they shall be remunerated, and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business.'

   (*c*) That Article 124 shall be deleted and the following new Article 124 substituted therefor:

   'At every Annual General Meeting the Board of Directors shall lay before the Company a Profit and Loss Account made up to the 31st December in the preceding year and a Balance Sheet as at that date and such Profit and Loss Account and Balance Sheet shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Companies Act, 1956, so far as they are applicable to the Company, but save as aforesaid, the Board of Directors shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than they may deem expedient.'

   (*d*) That Article 128 shall be deleted and the following new Article 128 substituted therefor:

   'The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Companies Act, 1956.'"

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary.

CALCUTTA, 15*th June*, 1957.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

GOVERNMENT OF INDIA MINISTRY OF RAILWAYS

NO. 57/987/1/MI

ESTABLISHMENT OF STEEL FOUNDRY AT CHITTARANJAN

THE MINISTRY OF RAILWAYS (RAILWAY Board) have extended the date of submission of tenders for the Establishment of Steel Foundry at Chittaranjan from 15th June 1957 to 15th July 1957. The tenders will be opened in Public at 11 a.m. on 17th July 1957 at Railway Board's Office, State Entry Road, New Delhi.

J. F. MUNCHERJEE,
Director, Mechanical Engineering, Railway Board.

NEW DELHI, 17*th June* 1957.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED AN Interim Dividend of 3 per cent., less Income Tax, on the Company's Preference Shares in respect of the year 1957, payable to Members whose names appear in the Preference Share Register on the 15th July 1957. Warrants will be posted on or after that date to the addresses or in accordance with the instructions, recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 8th to the 15th July 1957, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY LIMITED,
D. A. HOUGHTON,
Secretary.

4, BANKSHALL STREET,
CALCUTTA, 19*th June*, 1957.

TRITON INSURANCE COMPANY LIMITED

WITH WHICH IS INCORPORATED
THE EASTERN INSURANCE COMPANY

NOTICE TO SHAREHOLDERS

THE BOARD OF DIRECTORS OF THE Triton Insurance Company Limited hereby give notice that the ANNUAL GENERAL MEETING OF SHAREHOLDERS will be held at the Company's Head Office, 4, Clive Row, in the City of Calcutta, on WEDNESDAY the 24th day of July, 1957, at 11-30 a.m., to receive and adopt the Directors' Report and audited Accounts for the year ended 31st December, 1956, and the Balance Sheet as at that date, to declare a Dividend, to elect Directors, and to appoint Auditors and to fix their remuneration. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy in his stead and such proxy need not be a member of the Company.

The Share Transfer books of the Company will be closed from 8th to 24th July, 1957, both days inclusive.

By Order of the Board,
(Sd.) J. D. K. BROWN,
Managing Director.

4, CLIVE ROW,
CALCUTTA, 17*th June*, 1957.

THE BANK OF INDIA LIMITED

BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books and Register of Members of the Bank of India Limited will be closed from Friday the 12th July, 1957, to Saturday the 27th July, 1957 (both days inclusive).

The Dividend will be payable on and after Saturday the 3rd August, 1957.

By Order of the Board of Directors,
D. R. THOM,
General Manager.

BOMBAY, 25*th June*, 1957.

SUPPLY OF FUNDS BETTER

(From Our Own Correspondent)

BOMBAY, 26*th June*

There has been no significant change in the trend of the short-term money market, except that the supply of funds has improved further. The repayment of seasonal advances by traders has received further momentum. It is stated that loans and advances given to the sugar, cotton, piecegoods, hardware, and foodgrain trades have been steadily going down and that the banks are conserving these repayments for subscribing to the proposed new loans of the Government of India.

Despite the improvement in the floating stocks of funds, there has been no material change in interest rates. Inter-bank call money continues to be quoted at 3½ per cent. and so also house money at the self-same rate of 4 to 4½ per cent. This means that the increase in supply has not yet been so large as to affect the rates. Some banks, especially the exchange banks, are still keen borrowers.

There has been a perceptible fall of Rs. 21.32 crores in notes in circulation during the week ended 21st June 1957. The total notes issued by the Reserve Bank, however, have fallen by Rs. 8.84 crores only, as notes held in the Banking Department have gone up by Rs. 12.84 crores. There has been an influx of Rs. 1.16 crores in the rupee coin held by the Bank. This, coupled with the fall in total notes issued, has enabled the Bank to reduce its rupee securities in the Issue Department by Rs. 10 crores.

There has been no change in foreign securities held in the Issue Department, but balances held abroad in the Banking Department have shrunk again by Rs. 9.33 crores, thereby bringing down India's total foreign exchange reserves to Rs. 464.38 crores.

Reflective of the improvement in the supply of funds in the money market is the fact that the deposits of banks with the Reserve Bank have, during the week ended 21st June 1957, gone up by Rs. 6.69 crores and that the loans and advances taken by them from the Bank have been reduced by Rs. 4.60 crores. Only a small increase of about a crore is reflected in the deposits of the Central Government and of Rs. 1.11 crore in those of other Governments. The Bank's investment in the Banking Department have gone up by Rs. 8.81 crores, while its loans and advances to Governments have gone down by Rs. 2.03 crores.

The Scheduled Banks' statement for the week ended 14th June 1957—the latest available at the time of writing—discloses, as compared with that for the previous week, a small increase of Rs. 1.65 crore in demand deposits and a modest rise of Rs. 5.18 crores in time deposits. Inter-bank borrowings of demand nature are lower by Rs. 77 lakhs, while those of time nature are higher by Rs. 84 lakhs. Borrowings from the Reserve Bank are down by Rs. 12.25 crores, as also those from the State Bank by Rs. 2.81 crores. Both advances and inland bills purchased and discounted have shrunk, the former by Rs. 2.68 crores and the latter by Rs. 3.05 crores. Foreign bills purchased and discounted, however, have recorded a slight rise of Rs. 60 lakhs. Investments have declined by Rs. 5.34 crores. Money at call and short notice is practically unchanged. The total cash position of the banks is down by Rs. 2.75 crores at a little above Rs. 100 crores.

The Gilt-edged market has become a dull and drab affair, pending the announcement of the Central Government's new loan. The tone of the market, however, is slightly better, in that the vast majority of the loans are steady at the previous week's levels. In fact, the Conversion Loan, which was quoted at Rs. 72.95 last week, has come up to the Reserve Bank's support level of Rs. 73. There has also been a rise of 5 nP in 3½ per cent. 1965 and 3½ per cent. 1974. There has, however, been a perceptible fall of 40 nP in 3 per cent. 1970-75 which finished at Rs. 85.65. Among the State loans, the Madras 4 per cent. 1968 has dropped further, albeit 5 nP to Rs. 96.10. 4 per cent. 1970 Bombay loan has also gone down by 10 nP to Rs. 99.30. There has not been much change in other State loans.

Following the weakness of sterling in the New York market, where spot sterling has gone down by quarter of a cent, the rupee dollar rate has moved against India. Thus, the banks' selling rate in T.T. and O.D. has gone up from Rs. 479.25 to Rs. 479.50 and the banks' buying rate for T.T. from Rs. 475.75 to Rs. 476.25. The rate for Canadian dollars has also moved to a higher level. Thus, the banks' selling and buying rates for this currency have risen by 25 nP to Rs. 504.75 and Rs. 498.00, respectively.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 24*th June*

The hides and skins market ruled steady during the week under review. Supply and demand were evenly matched. Demand for high grade goat was particularly strong. The main purchasers of the main categories of wet buff or cow were the local tanners. The Madras dealers were not keen buyers during the week.

The latest available quotations are: Wet salted cow, 1st grade Rs. 240, 2nd grade Rs. 210 and 3rd grade Rs. 110 to Rs. 130 per score; wet salted buff, 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat, 1st grade Rs. 300 and 2nd grade Rs. 325 per 100 pieces; sheep, 1st grade Rs. 350 and 2nd grade Rs. 250 per 100 pieces.

BULLION SLACK

(From Our Own Correspondent)

BOMBAY, 26*th June*

This has been a dull week for the Bullion Exchange. The trend of prices has been irregularly downward. The premium for spot has narrowed down considerably in both the metals but more perceptibly in silver. This has been due to smaller offtake and larger arrivals and the resultant increase in floating stocks. Speculative activity is at a low ebb and the turnover in the spot section is very much down. The undertone at the time of writing is distinctly quiet, reflecting the fact that, with the arrival of the rains, the traditional slack season for bullion has set in.

There was a spurt in speculative activity from Thursday the 20th to Monday the 24th inst. Most of it was in silver, and gold simply followed suit, albeit reluctantly. Speculation in silver was based mainly on the actual arrival or prospects of arrivals of Chinese silver coins. On the first day, forward silver went up by As. 10 to As. 11 on account of short-covering. Gold, too, rose by As. 3. On the next day (Friday), there was a drop of As. 11 on profit-taking by bulls, induced by heavy arrivals and light offtake. Spot silver lost over a rupee on that day. Gold receded by As. 7 in forward and As. 9 in spot. On Saturday and Monday, silver was firm again and went up by nearly Re. 1-8, though spot appreciated by only a rupee. Only a minor rise of As. 4 to As. 5 took place in gold during these two days. On Tuesday, the market was a shade quiet, and today it was easy, due to continued excess of arrivals over the offtake.

Over the week, the premium for ready silver over the first settlement has come down from Rs. 2-12 to only a rupee and that for gold from Re. 1-9 to Re. 1-2.

Arrivals of silver averaged 20 bars a day and offtake 9 bars. In gold, arrivals were 5,800 tolas per day, as against which offtake was only 3,000 tolas.

Among the foreign bullion markets, silver in New York remained unchanged at the previous week's closing rate of 90½c per fine ounce. There was no change in the London silver market either, where spot silver stood at 78¼*d.* and forward at 78*d.* There was a minor rise in the price of gold in London. Thus, spot gold gradually improved from 250*s.* 6¼*d.* to 250*s.* 8¼*d.* Later, after declining to 250*s.* 8*d.* on the 25th inst., it spurted again to finish at 250*s.* 9¼*d.*

The South African gold mining industry had a record output in May last when 1,450,668 ounces were mined, as against the previous record of 1,405,422 ounces in March 1957 and the April output of 1,398,667 ounces. The value of production in May was £18,115,217.

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

	26-6-1957	Highest	Lowest	19-6-1957
	Rs. a	Rs. a.	Rs. a	Rs. a.
GOLD				
Ready (.99 fine Mint)	105 14	106 12	104 9	106 7
Forward*	104 12	105 2½	104 9	104 14
Sovereign	70 0	70 0	69 12	70 4
SILVER				
Ready (.999 fine Mint)	181 6	182 11	181 8	182 5
Forward†	180 6	181 2	179 5	179 11
London Silver Ready	78¼*d*	—	—	78¼*d*
London Forward	78*d*			78*d*
London Gold	250*s.* 9¼*d.*	250*s.* 9¼*d.*	250*s.* 6¼*d.*	250*s.* 8¼*d.*
New York Silver	90½c.	—	—	90½c

* 11th July settlement.
† 12th July settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

BASE METALS RECEDE

(From Our Own Correspondent)

CALCUTTA, 25*th June*

A fractionally downward trend was in evidence in the prices of base metals during the week under review. The market paid no credence to rumours which envisaged the possibility of some base metals being removed from the open general licence and coming under the quota system. Nevertheless, the import policy was keenly awaited. It was realised that the foreign exchange position was causing anxiety, but, in view of the metal industry's dependence on imports for its raw materials and its important role in the country's development, market circles hoped that the Union Commerce Ministry's axe on imports would not fall on non-ferrous metals.

Reports of a strike in the Roan Antelope copper mines in Rhodesia did not affect market sentiment, inasmuch as world supplies were greater than demand. In fact, the voluntary cut in production by Rhodesian and American producers would reduce output by 72,000 tons a year. Locally, there was increased activity, as consumers covered their requirements against Government orders. Electrolytic copper was steady at Rs. 178. Virgin lead changed hands at Rs. 72.50. A fair quantity changed hands and, as in the London Metal Exchange, the cut in the selling price of lead from 15 cents to 14 cents a pound by an American smelting firm did not have any effect here. Tin was unchanged at Rs. 523. Stocks were increased by fresh arrivals, but there was no abatement in demand. Following poor advices from London and substantial fresh arrivals, electrolytic zinc was hammered down by Rs. 6 to Rs. 72.

NEW CROP FUTURES TRADING COMMENCED

(From Our Own Correspondent)

BOMBAY, 26*th June*

The long-awaited permission of the Forward Markets Commission to begin transactions in new crop contracts was at last given and the *moorat* trading took place on Sunday the 23rd June, that day having been declared a trading day with hours of business limited to an hour commencing from 10.15 a.m. The opening quotation for the new contract, I.C.C. Jarilla, basis Fine Moglai 25/32", in the *moorat* session was Rs. 690 and after advancing to Rs. 691 the contract closed fractionally lower at Rs. 690½. After showing a slight improvement the following day, it eased yesterday. This trend persisted today also. Although the volume of business on the first day amounted to about 10,000 bales, in subsequent sessions it declined to an average of about six to seven thousand bales. The general feeling is that until a clearer picture of the new crop emerges the volume of business and the price trend are unlikely to show much change.

The Forward Markets Commission notified the East India Cotton Association on the 24th inst. that the Vijay June contract would be declared as expired on 24th June, at that day's closing rate, although the normal maturity date was 25th inst. Explaining the reason for such a step, the Commission, in a Press note, said that it had decided, on the 17th April 1957, that no trading should be permitted in the Jarilla July 1957 and Vijay August 1957 deliveries and that trading in the Jarilla May 1957 and Vijay June 1957 contract should be brought to an orderly close, as the By-laws under which the hedge contracts were then functioning had become unworkable since the expectations of a larger cotton crop this year had failed to materialise. "As one of the measures taken to bring the running contracts to an orderly close," said the Press note "maximum prices of Rs. 754 and Rs. 878 were fixed for the Jarilla May 1957 and Vijay June 1957 contracts, respectively, under By-law 52. Since it was inexpedient to allow the maximum price fixed to become infructuous on the due date, the Commission has notified the E.I.C.A. that the Vijay June 1957 contract would be closed out at the close of business on 24th June 1957, at the last closing rate of the day." Accordingly, the contract went off the Board on the 24th inst., the closing quotation for it being Rs. 873. The Commission wisely ordered the closure late in the night of 24th June. It thus avoided the uncertainty and controversy regarding the closing rate which, in the case of the expired Jarilla May contract, had been an unsettled issue for about a month.

Vijay June contract depicted a distinctly bullish trend during the four days of the week preceding the day of closing. This was due to frantic covering of outstanding sales by shorts in view of the proximity of the settlement. No tenders were issued on the 20th inst., the seventh tender day. This further fanned the buying spree and the contract shot up from Rs. 830 on the 22nd inst. to Rs. 872 the following day, despite the operation of the rigorous margin at the rate of Rs. 200 per bale. The trend persisted till the close on the 24th and the contract was last quoted at Rs. 873.

I.C.C. Jarilla opened on the 23rd inst. at Rs. 690 and after having advanced to Rs. 694 the next day, eased to Rs. 687¾ at close today. Vijay June opened the week at Rs. 822 and on frantic bear covering flared up to Rs. 873 on 24th and expired at that rate. The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	26-6-57	*High*	*Low*	19-6-57
M.G. Vijay (June) ...	*873	873	822	822
I.C.C. Jarilla Moglai (March 1958) ...	687¾	694	686	†690

*Closing rate on 24-6-57.

†Opening rate on 23-6-57.

In the spot section there was a slackening of mill demand. It appeared that the persistent demand which was a distinguishing feature of the spot market in recent months had tapered off, temporarily at least. Most of the varieties were quoted a shade lower.

The Government of India notified, on Friday last, the import procedure and staple length of 160,000 bales of American cotton (100,000 bales under the International Co-operation Administration Agreement and 60,000 under Indo-U.S. Trade Agreement (U.S.P.L. 480)) to be imported as per the announcement made on 22nd May. U.S. growths of staple length 1-1/16" and above can be imported. The liability of the importers is to pay for the cotton at the fixed rate of Rs. 480.25 per 100 U.S. dollars. The contracting and shipping periods are also specified. Following the notification, inquiries were noted for U.S. styles especially from Ahmedabad and Bombay mills. In the export section interest was mainly confined to Bengals, Dholleras and *Deshi* varieties. The latest available spot quotations—in rupees per candy of 784 lbs.—are given below, the figures in brackets being last week's closing rates:

Bengal *Deshi* 750 (730); Berar Jarilla 810 (820); Khandesh 860 (870); Oomra *Deshi* 770 (780); Vijay 1,020 (1,025); Hubli Laxmi 1,000 (1,020); Jayadhar 925 (950).

The firm trend noted in the Karachi cotton futures market gathered fresh momentum during the week under review. There was an extension of mill demand and better overseas inquiries. The firmness was further aided by speculative buying in nearby July prompted by the upward trend in futures prices in New York. N.T.R.G. July which had closed at Rs. 73-5 spurted to Rs. 75, while the January contract improved over the week by As. 3

to Rs. 77. Spot values also made handsome gains. *Deshi* styles were, however, not much in demand. Nevertheless, their prices were maintained. The following are the latest available quotations—in Pakistani rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 84-12; Punjab *Deshi* 80-8; 4F Punjab R.G. 75; S.G. 78; L.S.S. Punjab R.G. 78-8; S.G. 82; N.T.R.G. 79; S.G. 86; 289F Punjab R.G. 83-8; S.G. 88.

According to the latest estimate, production of cotton in Pakistan in the current (1956-57) season is estimated at 1,708,000 bales (of 400 lbs.), as against the final estimate of 1,738,000 bales in the previous season. Production of American seed cotton is estimated at 1,476,000 bales and that of *Deshi* varieties at 232,000 bales.

A firm trend was depicted by the Alexandria cotton futures market during the week. Better export inquiries were in evidence. The medium-staple Ashmouni contracts, in particular, attracted a fair volume of speculative buying and firmed up as a consequence. This was based on the expectation that Japan would take larger volume of Egyptian cotton following the reported offer of larger discounts to that country by Egypt. Although Japan has determined to cut imports of cotton by 200,000 bales during the first six months of the current fiscal year, it was thought that if Egyptian prices were sufficiently attractive it would help prevent any marked reduction in the Japanese off-take of Egyptian cotton. The continuous upward trend of New York cotton prices was another encouraging factor. The following are the latest available rates—in tallaris per lb.—from Alexandria:

Karnak: July 108.90; November 100.00. *Ashmouni*: June 76.60; August 74.40; October 72.55.

Cotton futures in Liverpool recorded handsome gains during the week under review. Trade buying in nearby positions led to an improvement in their quotations, while the distant crop months continued to rule firm under persistent speculative support. This was mainly influenced by the bullish interpretation of U.S. crop news. The comparatively lower acreage planted to cotton this season, coupled with the Soil Bank programme, was expected to make the supply position of U.S. cotton tight. This, it was thought, would affect Liverpool prices. Firm New York advices were another helpful factor. Better tone in the yarn and apparel fabrics market assisted sentiment further. Both the American cotton and the mixed growth contracts moved up. The Sudan contract also advanced due to the firmer trend of prices at the Sudan Gezira Board auction; at its latest auction sales, the Board was able to realise its reserve price. The following are the latest available rates—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July-August 26.30; October-November 26.30; December-January 26.46; March-April 26.57. *American cotton mixed growth contract*: July-August 26.73; October-November 26.75; December-January 26.90; March-April 26.98. *Sudan*: July-August 39.25; September-October 38.25; November-December 38.25.

Last week's firm trend picked up further strength in the New York cotton futures market during the week. The anticipation of higher loan rate for the new crop and the expectation that there would be no major change in cotton policy in the immediate future (as it was decided to extend the Soil Bank programme to cover the 1958 crop also) served to impart strength to the market. Distant positions were particularly strong. The spot quotation, **however, showed a slight** fall.

As regards crop condition, it is reported that in California, Arizona and New Mexico warmer weather is beneficial, cotton making rapid growth. In southern parts of Texas districts of the western belt, crop progress has been good; but in some States in the north reports are not satisfactory. Continuation of showers and wet fields in Missouri and Arkansas **of the central** belt may result in some acreage abandonment. In the eastern belt plants are generally in good condition; showers favour weevil infestation and hamper insect control measures.

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

(In cents per lb.)

	25-6-57	18-6-57	11-6-57
Spot	35.40	35.45	34.45
July	35.47	35.33	35.31
October	34.99	34.65	34.52
December	34.89	34.63	34.50

YARNS STEADY

(From Our Own Correspondent)

BOMBAY, 26*th June*

A steady trend was in evidence in the yarn market during the week under review. Rayon yarns elicited good buying support induced by renewed fears of a cut in import quotas for the July-December **period. There would,** indeed, have been a marked rise in prices but for discouraging reports from the rayon piecegoods markets. Staple fibre yarns were strong on expectations of a fall in indigenous production and hopes of export business with overseas countries. Conditions in the cotton yarn section, however, were listless. Advices from consuming centres were not quite helpful. Nor were operators inclined to be optimistic about the possibility of foreign countries purchasing Indian cotton yarns up to 78 counts now allowed to be exported subject to a ceiling **of 5,000 bales,** thanks to competition from other countries, particularly Pakistan.

Snia rayon yarns (120 dull cones) for June delivery advanced by Rs. 3 to Rs. 807. August position improved from Rs. 821 to Rs. 826. In the spot section, National Rayons 150 Bright Cones first grade spurted by 14 nP to Rs. 3.62. 120 Bright Cones first grade was better by 2 nP at Rs. 4. Among foreign yarns, 150 Japan was firm at Rs. 4.19, as also 150 Italy at Rs. 3.75. But 120 Italy lost 4 nP to Rs. 4.12. 120 Japan was a shade easy at Rs. 4.22.

Staple fibre yarn (40×2) for June delivery met with good buying enquiries and rallied Rs. 6 to Rs. 596. August delivery hardened by a similar amount to Rs. 600. Spot New Greats and Kohinoors gathered 2 nP each to Rs. 3.14 and Rs. 3.30, respectively. Centurys put on one naya paisa to Rs. 3.15. Citys were firm at Rs. 3.17. Among foreign yarns (80×2), Fujis gained 2 nP to Rs. 5.17. Paramounts were fully maintained at Rs. 5.38.

In the cotton yarn section, ten counts Moderns were dull at Rs. 14.75. Podars, however, advanced by 13 nP to Rs. 14.75. Twenty counts Maduras were quiet at Rs. 19.12, as also Moderns at Rs. 18.75 and Gokaks at Rs. 18.37. Among thirty counts, Indus rose by 12 nP to Rs. 21.87. Edwards were dull at Rs. 21. Forty counts Moderns declined by 25 nP to Rs. 27.75. Among sixty counts, Finlays receded by 50 nP to Rs. 64.50, but Raghuvamshis increased by 50 nP to Rs. 57.75. Eighty counts Moderns slipped back by 25 nP to Rs. 75.75. Mahendras were neglected at Rs. 71. Finlays, however, elicited special support and picked up 50 nP to Rs. 82.50.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week before:

	26-6-1957	19-6-1957
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 dull Cones Snia June	807·00	804·00
.. .. August	826·00	821·00
120 Japan (per lb.)	4·22	4·23
150 Japan (per lb.)	4·19	4·19
120 Italy (per lb.)	4·12	4·16
150 Italy (per lb.)	3·75	3·75
Staple fibre yarn (per case of 200 lbs.)—		
40×2 June	596·00	590·00
40×2 August	600·00	594·00
40×2 New Great (per lb.)	3·14	3·12
40×2 Century (per lb.)	3·15	3·14
40×2 City (per lb.)	3·17	3·17
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14·75	14·62
20s Gokak	18·37	18·37
30s Edward	21·00	21·00
40s Minaxi	27·44	26·75
60s Raghuvamshi	57·75	57·25
80s Modern	75·75	76·00

CASTORS EASY

(From Our Own Correspondent)

BOMBAY, 26*th June*

The local oilseeds market displayed divergent trends during the week under review. A distinctive feature of the market, however, was the easy tendency witnessed in the castors section, due to the expectations of favourable monsoon. The groundnut section was subject to narrow fluctuations, but was well maintained over the week as a result of the demand from upcountry houses. The linseed section remained featureless, despite the notification regarding the free export of linseed oil issued last week. Cottonseed lacked support.

According to a notification, cottonseed oil will be licensed freely for export up to the end of December 1957. Licensing will be done on shipping bills supported by evidence of valid firm sale contracts.

Trading in groundnut August contract commenced at Rs. 176.62. On the same day, prices touched the high of the week at Rs. 179.25 on good support. During the rest of the week, however, the contract fluctuated between that level and Rs. 173.75, before finishing today at Rs. 176.12, which represented an improvement of Rs. 1.12 over the week. Spot Bold, too, was 87 nP higher at Rs. 36.87. Groundnut oil ex-mill was maintained at Rs. 20.75.

Castorseed September contract opened the week at Rs. 166.50 and crept up the same day to Rs. 169.50. On the following days, it reflected an almost steady decline, having touched today the low of Rs. 159.25, before closing slightly higher at Rs. 160.50. Over the week the contract lost no less than Rs. 4.25. Spot Madras quality shed 75 nP to Rs. 31.75. Oil B.S.S. was quoted at Rs. 20.37, as against Rs. 20.87 last week.

Linseed September commenced the week at Rs. 30.37, and moved between Rs. 30.75 and Rs. 30.06, during the week, before finishing at Rs. 30.12. Over the week it lost 25 nP. Spot Bold, however, was nominally higher at Rs. 29.62. Linseed oil ready, again, declined by 25 nP to Rs. 16.25.

Cottonseed September contract displayed, once again, irregular movements; yet the trend was downward **during the week.** Having opened the week at Rs. 110, it rose the same day to Rs. 111. The easy trend that set in soon after persisted, and **the contract closed today at Rs. 108** which is only 25 nP higher than the lowest touched during the week. Over the week, it was Re. 1.25.

Among others, Kardi Bold was 25 nP higher at Rs. 22.50. Nigerseed Madras, however, was 25 nP lower at Rs. 28.25.

The following table shows the closing prices of oilseeds and oils **today as compared with those at** the close of **the previous two weeks:**

	26-6-1957	19-6-1957	12-6-1957
	Rs.	Rs.	Rs.
Groundnut—			
September, 1957	176.12	175.00	176.62
Bold ready (per cwt.)	36.87	36.00	36.25
Coromandel	37.25	37.25	37.50
Linseed—			
September, 1957	30.12	30.37	30.44
Bold ready (per cwt.)	29.62	29.50	29.50
June-July	—	—	—
Castorseed—			
September, 1957	160.50	164.75	169.50
Madras (per cwt.)	31.75	32.50	33.87
Cottonseed—			
September, 1957	108.00	109.25	111.50
Groundnut oil—			
Ex-mill Ready (per quarter) ..	20.75	20.75	20.75
Castor oil—			
Commercial (per quarter) ..	19.25	19.75	20.25
Linseed oil—			
Ready	16.25	16.50	16.87

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 26*th June*

Despite expectations of a further release of sugar for sale in free market being announced before the month is out and downward revision of As. 6 per maund in the ex-mill quotations for despatches after 1st July next, the sugar market continued to rule distinctly firm. Stock position in the City was so very small that even the increase in arrivals of sugar into the market during the week was considered to be inadequate; arrivals aggregated 9,500 bags, as against 7,300 bags in the previous week. Traders felt that the supplies of sugar in the City would be appreciably lower in the coming weeks, thanks to slow movement of sugar on account of rains. Buying support was, therefore, sustained and sugar prices tended to move up further.

Spot small grain sugar rose by As. 8 to Rs. 103½-Rs. 104 per bag, inclusive of sales tax. Large grain put on a like amount to Rs. 108-Rs. 110. Medium grain was fully maintained at Rs. 105-Rs. 107, same as last week.

The ex-mill quotations for despatches of sugar from 1st July next onwards, as already stated, will be lower by about As. 6 per maund as compared with those now quoted for ready despatches or delivery. The fall in price is due to the enforcement of the inter-State sales tax imposed by the Union Government.

• • • •

(From Our Own Correspondent)

HAPUR, 24*th June*

Although demand from consuming centres was not encouraging, rumours of further exports to the extent of 300,000 tons imparted firmness to the sugar market during the week under review. Even reports that sugar production during the current season had already touched 2.05 million tons and, with 530,000 tons being carried over from the previous year, the total availability of sugar worked out to 2.58 million tons, had no effect.

The *khandsari* market also ruled firm. Owing to good demand **for the** marriage season, prices recorded fractional gains during the week, to be quoted at Rs. 26 to Rs. 31 per maund.

Ready *gur* advanced slightly during the week, as arrivals were put at about 75 maunds daily. Dry quality was lifted by exporters, while wet quality was purchased for *khandsari* manufacture. Local stock, mostly of *kotha* quality, was put at 70,000 maunds, as against 29,000 maunds a year before.

The standing cane crop in west U.P. is in need of rains. It has been adversely affected by the Salai pest. The prevailing prices are: Dry arrivals Rs. 11.62, wet Rs. 10.50, *kotha* quality mixed dry and wet Rs. 10.50, selected dry *kotha* Rs. 11.25 per maund.

After moving both ways in heavy speculative turnover, *gur* futures declined towards the week-end. *Gur asar* was done at Rs. 10.50 and *fagun* at Rs. 11.45.

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 25*th June*

Malabar black pepper experienced one more quiet week, with prices in both Asta and delivery tending downward, in view of poor demand from New York and in sympathy with Singapore where both Lampong and Sarawak were easier. Singapore is quoting Sarawak black at $72 (Singapore dollars). Arrivals of Sarawak pepper in Singapore are on an increase and, with the passing of time, more pressure is likely to be felt. Lampong is underquoting both Malabar and Sarawak, as catch crop of about 500 tons has already arrived during June. Main Lampong crop will start coming in next month. Singapore importers of Lampong black are anxious to liquidate, as the Indonesian Government has recently introduced a new inducement certificate system for encouraging foreign export.

Alleppey was quiet at Rs. 587½ sellers, while garbled at Cochin in hedge market was quoted at Rs. 105 sellers for July-August, as against Rs. 110 last week.

Under pressure of liquidation by tired bulls and selling by shorts, Asta July-August-September was done at $0.26 to $0.25½ sellers. Bulls were unwilling to give support, as the market once again became uncertain, in view of selling pressure of Lampong.

In the delivery section, there was pressure of liquidation by bulls and selling by shorts. July delivery came down to Rs. 552, as against Rs. 594 last week.

Today's nominal quotations are: Ready Rs. 82 per Bengal maund and July Rs. 553-Rs. 558 and August Rs. 563-Rs. 568 per candy of 5¼ cwts.

EXPORT TEA WELL SUPPORTED

(From Our Own Correspondent)

CALCUTTA, 25*th June*

There was improved demand during export sales yesterday. The lower output figure for the month of May was a factor which made buyers active. Reports of steadier trend in Mincing Lane auctions also had a favourable effect. In the London sales held on Wednesday last, best quality teas attracted considerable attention on strong demand. Tea stocks in Great Britain for the week ended the 14th inst. were 153 million lbs. or higher by about 1 million lbs., as compared with the previous week.

During last week's sales for domestic consumption, demand was good. Dusts on offer aggregated 5,070 chests which included 755 chests of the old seasons tea. C.T.C. Assams were a strong feature as were flavoury Darjeelings. Leafy orthodox teas were quiet. Medium Dooars were nominally quoted at Re. 1.45 to Re. 1.50. Leaf on offer was a meagre quantity of 116 chests.

Offerings during yesterday's export sale amounted to 17,362 packages, the quality of which was more satisfactory than the last sale. As stated, there was good demand and prices of all descriptions advanced. The brighter liquoring C.T.Cs and medium Assams in strong support gained by 40 nP per lb. On the other hand, C.T.Cs possessing green first flush liquors were quiet. Medium B.Ps rose by 5 to 10 nP. Fair attention was paid to stylish whole leaf grades and flavoury Darjeelings. The quotations were: Best Assam C.T.C. fannings Rs. 3.40 to Rs. 3.80, best Assam C.T.C. B.P. Rs. 3.20 to Rs. 3.50 (nominal), medium fannings Rs. 2.10 to Rs. 2.30 (nominal), medium B.P. Rs. 2.00 to Rs. 2.20, clean black pekoe Rs. 2.40 to Rs. 2.50, plain B.P. Rs. 1.85, and plain fannings Re. 1.65.

JUTE MOVES UP

(From Our Own Correspondent)

CALCUTTA, 25*th June*

Both jute goods and raw jute evoked fair support during the week under review. Business in raw jute was done for old as well as new crops. Apart from slight rains here and there, there were sufficient signs of the setting in of the monsoon in the Gangetic West Bengal. It was expected that, by about the end of this month, heavy rains would have fallen and reports of rains would be originating. There were reports of satisfactory sowings from the jute districts. Sowings are almost completed and are as large as last year's. It can, therefore, be assumed that the crop would be almost the same as that of 1956-57, provided no unusual floods occur. These considerations led to a slightly downward trend in raw jute prices towards the end **of the week under review.**

The upward trend in jute goods was arrested, as buyers withdrew support. Even then, the loss in prices of jute goods was only fractional. On the other hand, report from New York that burlap consumption in the United States during May at 71.90 million yards was higher by 3.90 million yards as compared with April, was noted with satisfaction. In hessian, there was good demand from shippers. Encouragement was also derived from shipment figures. Up to 15th June, hessian shipped was 19,100 tons, as against 13,800 tons between 1st and 15th May. On the other hand, sacking shipped was only 14,300 tons, as against 16,500 tons.

Early in the week, rates firmed up on bullish pressure, ready B. twills being priced at Rs. 117.90 and hessian 40″ 10 oz. at Rs. 44.60. Despite profit-taking, the higher levels were maintained. The feature on Wednesday was liquidation by bulls in the *fatka* market. This affected the rates, and shippers continued to evince interest, with B. twills realising Rs. 117.70 and hessian 40″ 10 oz. Rs. 44.36. Prices continued to give way on speculative manœuvrings, and by Friday B. twills had sagged to Rs. 116.80 and hessian 40″ 10 oz. to Rs. 43.90. At lower levels, shippers and speculators lent support, and this resulted in the recovery of B. twills to Rs. 117.00 and hessian 40″ 10 oz. to Rs. 44.10. Yesterday, the trend was reversed when B. twills fell to Rs. 116.75 and hessian 40″ 10 oz. to Rs. 44.

The feature in the raw jute market was the commencement of forward selling in the new crop. The new crop was freely offered at Rs. 32 for August-September delivery. The new crop was anticipated to begin arriving towards the end of August. Arrivals of the 1956-57 crop continued to be satisfactory. Prices were unchanged. The latest quotations of the latter for June-July delivery are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	40.50	37.50
Northern	40.00	37.00
Indian:		
Northern	34.50	32.00
Assam Upper	34.50	32.00
Assam Lower	34.50	32.00
Orissa	37.00	34.50
Western	34.00	31.50
Murshidabad	32.50	30.00
Jungli	32.00	29.50
Daissee	36.00	33.50
Uttar Pradesh	32.00	29.50
Daissee mesta	32.50	30.00
Bimli f.a.q.		Rs. 28.50

Pucca bales 1st marks ready: Rs. 200 per bale.

TRADING IN LINSEED LIMITED

(Messrs. A. Bradley and Co.)

CALCUTTA, 24*th June*

There was no material change in the linseed market during the week and the general undertone was quietly steady. Trading was very limited, with buyers and sellers equally reserved. Supplies of seeds from upcountry were barely sufficient to cover a much diminished local demand. Prospects were not favourable, owing to possible restriction on movements in the coming months. Turnover in the oil market was negligible, but, with the prevailing scarcity of stocks, prices were maintained.

The latest available quotations are: Ready Rs. 22-10, July-August Rs. 22-12 and August-September Rs. 23 per maund.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 24*th June*

Foodgrains prices continued to rule steady during the week. Despite formation of wheat zones, with restriction on inter-zonal movement except under permits, and U.P. being formed a separate zone, wheat continued to flow out of the State on Government account. The Bihar Government purchased about 20,000 maunds of farm quality wheat at Hapur during the last fortnight for seed purposes. The U.P. Government is very much worried over the delay in the arrivals of imported wheat from ports, as demand on Government reserves is increasing, with the addition in the number of fair-price shops in east U.P. As against the monthly quota of 40,000 tons of wheat promised to this State by the Centre, actual arrivals during the current month have scarcely exceeded 15,000 tons.

Wheat at Hapur continued to rule steady at Rs. 14.75 per maund for *dara* average quality, while farm quality was transacted at Rs. 17 per maund. The State Government's requirements for seed purposes were also purchased upto Rs. 17.25 per maund for farm produce. Local arrivals were at an average of 1,200 maunds and stocks were estimated at 42 *khaties*, the corresponding figure last year being 83 *khaties*. Rice continued to rule steady. *Basmati* was quoted at Rs. 27 to Rs. 30, *sela Mainpuri* at Rs. 24 and *Etawah* at Rs. 23 per maund.

The U.P. Government purchased about 250,000 maunds of gram from the local market. The purchase imparted steadiness to gram prices. Most of the quantity was brought here by traders from the Punjab for Government delivery and local stock of gram at 40 *khaties* was mostly owned by the State Government. As the State Government also purchased barley and *bejhar* here, prices of these grains were also held steady. *Jowar* and *guwar* ruled mostly unchanged and the week-end prices (in rupees nP per maund) were: Gram 11.75 to 12; barley 11; *bejhar* 10.75; *jowar* 13 to 15.25; *guwar* 13.12.

Peas ruled quiet, as demand even from Bihar subsided and the heavy quantity of peas already purchased for Bihar was awaiting despatch from here for want of loading facilities. Arrivals of peas were lower, the average being 750 maunds daily, and local stock was put at 51 *khaties* of about 800 maunds each, the corresponding figure last year being 58 *khaties*. Demand for *arhar* was dormant and stock position swelled to 100 *khaties* and prices ruled quiet. Other pulses were listless, the latest quotations being: Peas *dara* green Rs. 10.87 and white Rs. 12; *arhar* Rs. 11.44; *urd* Rs. 19.75 to Rs. 21.75; *moong* Rs. 15 to Rs. 16.50; *masoor* Rs. 15 to Rs. 16 per maund.

Pulses futures eased slightly during the week on bear pressure influenced by depressed conditions in the ready section. The latest quotations were: Peas *bhadon* Rs. 11.15 and *arhar bhadon* Rs. 11.72.

BRITANNIA AIRLINER

Britannia 310 turbo-prop airliners, which are operating on the London-Australia air route three times a week with halts at Karachi and Calcutta, are in great demand the world over. Two have been ordered for late 1958 by a Cuban airline, Compania Cubana de Aviacion. The airline already operates Viscounts on its Caribbean routes, and has chosen the Britannias for the longer stages. "The choice of the Britannias for the longer stages emphasises the tremendous popularity of the turbo-prop-powered airliner with the travelling public," the Managing Director of Bristol Aircraft, Mr. Peter Masefield, pointed out. There are now 68 Britannias on order. This brings the total of turbo-prop aircraft on order in the world to 602, of which 395 (66 per cent.) are British—well over 200 of them delivered already. The first of five Britannias ordered by Northeast Airlines (of the U.S.A.) has made its first flight at Belfast. Short Bros. and Harland, who built this aircraft, have orders for 25 Britannias. Today, 10 Britannias are in an advanced stage of construction in Belfast. The next Britannia from Shorts is expected to fly within a few weeks.

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STERLING AREA DOLLAR EARNINGS

BRITAIN'S SHARE

By Robert Collin

A SURPRISING but important point about the pattern of sterling area trade last year is that, in general, Britain did rather better than her partners. In 1956, Britain managed to keep imports down, while those of other sterling area countries tended to rise. She managed to increase the value of her exports sharply, while those of several other sterling area countries were affected by the weakening of commodity prices in the first half of the year. The United Kingdom balance improved: that of several other sterling countries worsened.

The outlines of this picture are, however, familiar enough. It is the details—particularly where trade with the dollar area is concerned—which are rather surprising. Britain normally imports more from the dollar area than she can pay for with visible exports. She meets the gap partly by earning a sizable surplus on invisible dollar trade, partly by bringing into the accounts her trade surplus with the rest of the sterling area. But Britain's exports to the dollar area last year were greater than those of all other sterling area countries put together. The deficit in her own balance of payments current account with the dollar area was only some £20,000,000.

One is drawn to this conclusion by the latest balance-of-payments statistics, which suggest that, while dollar exports by other sterling countries remained fairly constant last year, Britain's dollar exports jumped up sharply. These payments figures, of course, are only estimates, and estimates on a different basis from the trade statistics.

Trade Statistics

But the trade statistics—the latest ones now make it possible to compare the whole year 1956 with the year 1955—have the same story to tell. Over this period, the value of British exports to the dollar area rose by 24* per cent., while those of other sterling area countries rose hardly at all. In money terms, Britain's dollar exports rose from £417,000,000 to £519,000,000*; those of other sterling countries showed little change. Thus Britain took the lead.

The relatively disappointing performance of exports from the other sterling area countries to the dollar area was due partly to price-falls in copper, rubber and cocoa. Thus, cocoa earnings only rose slightly, although the quantity sold to the dollar countries increased by 19 per cent. Again, rubber and copper earnings fell proportionately more than the quantity sold. Despite a reduction in earnings from wool sales to the dollar area, total earnings from wool increased, as did also the total earnings from exports of copper, lead, dairy products, wheat, tea and coffee. But only in the relatively unimportant case of lead was this general improvement noticeable in the sphere of dollar trade.

Increase Widely Spread

On the other hand, Britain was able to increase its dollar exports very considerably, in terms both of value and quantity. The increase —except for whisky, which is classified as a food —was almost entirely concentrated on exports of manufactured goods, which rose during 1956 by £104,000,000.

The increase was very widely spread: even textiles (mainly woollen textiles) did well, with a rise of nearly £3,000,000. The bulk of it, of course, consisted of engineering products. Shipments of all kinds of machinery rose strongly, and there was a sharp jump in deliveries of aircraft to the United States market and of ships to Canada, and to the dollar countries—Liberia and Panama—which brandish flags of convenience. On top of this, there was a good increase in the export of steel manufactures to Canada, a general improvement in the export of non-ferrous metal goods, and a widespread increase (amounting to £36,000,000 over the year) in exports of miscellaneous manufactured goods.

In short, Britain's dollar exports are still booming, and the United States is once again Britain's largest single export market—a position which it last held in 1895.

*The figures in this article exclude repayments of silver bullion by Britain to the U.S.A., amounting to £22,500,000 in 1956, against a war-time Lend-Lease borrowing.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	20th Sept., 1950	6	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	3½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	18th May, 1948	7	10
Egypt	16th Nov., 1952	3½	4
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	11th April, 1957	3	4
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	5
Japan	8th May, 1957	7.665	8.304
Mexico	4th June, 1948	4	4½
Netherlands	Oct., 1956	3½	4½
New Zealand	19th Oct., 1955	4	5
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Mar., 1954	5	6
Philippines	Mar., 1954	3	4
Portugal	13th Jan., 1944	3	3½
South Africa	20th Sept., 1956	4½	5
Spain	Sept., 1956	3½	4
Sweden	22nd Nov., 1956	3½	4
Switzerland	15th May, 1957	1½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	8th Feb., 1951	2	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug. 1956	3½	4
West Germany	11th Jan., 1957	5	4½

CLEARING HOUSE RETURNS

Centre	Week ended 21st June, 1957		Week ended 14th June, 1957	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,10,229	76,82,59,000	2,50,886	50,77,71,000
Calcutta	1,69,711	75,00,13939	1,64,297	55,77,99,663
Madras	80,842	9,07,21,783	77,913	8,68,24,849
All Centres—				
1955-56*	..	..	3,100,000	6,630,200,000
1956-57*	..	..	3,331,000	7,359,000,000
Mar., 1957	..	..	3,508,000	8,33,05,00,000
April, ,,	..	..	3,331,000	7,93,90,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 21st June, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		53,45,39,000
(2) Other Governments		2,20,00,000
(b) Banks		71,51,23,000
(c) Others		121,63,00,000
Bills Payable		14,57,00,000
Other Liabilities		121,59,32,000
	Rupees	411,16,14,000

ASSETS	Rs.
Notes	36,40,74,000
Rupee Coin	7,59,000
Subsidiary Coin	6,19,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,67,32,000
Balances held abroad*	51,56,38,000
Loans and Advances to Governments	23,95,46,000
Other Loans and Advances	93,45,62,000
Investments	187,47,36,000
Other Assets	13,13,36,000
Rupees	411,16,14,000

* Includes Cash and Short-term Securities.
The item "Other Loans and Advances" includes Rs. 82,07,84,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	36,40,74,000	
Notes in circulation	1559,24,29,000	
Total Notes issued		1595,65,03,000
Total Liabilities	....	1595,65,03,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,08,000	
(b) Held outside India	....	
Foreign Securities	412,51,91,000	
Total of A		530,27,94,000
B. Rupee Coin		125,56,03,000
Government of India Rupee Securities		939,81,06,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1595,65,03,000

Scheduled Banks*

Statement of Affairs for the week ended 14th June, 1957

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	9,87,90,000
(ii) Other demand liabilities	702,79,00,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,44,00,000
(ii) Other time liabilities	540,09,06,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	6,06,19,000
(ii) Time liabilities	....
Borrowing in India from the Reserve Bank of India	70,62,56,000 (54,75,21,000)
Cash in India	40,83,95,000
Balances with the Reserve Bank in India	59,78,35,000
Balances with other banks in current account in India	10,14,55,000
Money at call and short notice in India	19,70,99,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	334,87,57,000
Advances in India	743,32,21,000
Inland Bills purchased and discounted in India	129,37,67,000
Foreign Bills purchased and discounted in India	57,65,06,000

* Provisional.
† Excludes borrowings from the Reserve Bank also.
Figures within bracket represent borrowings against usance bills.

EXCHANGE RATES

		25th June, 1957	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	£.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	£.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	£.	1-6 1/32	1-6 1/32
Bombay on New York—			
Sellers T.T. D.D.	Rs.	470.50	480
Buyers T.T.	Rs.	473.75	473.75
London on New York	$	2.79 3/4-2.79 3/4	2.79 1/2-2.79 1/2
London on Paris	Fcs.	983 1/4	987
London on Berne Sw.	Fcs.	12.21 1/4-12.21 1/2	12.21 1/4-12.21 1/2
New York on London	$	2.79 1/2-2.79 1/2	2.79 1/2-2.79 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	372.07	..	10,170	269
Pakistan	'55-'56	79.22	..	1,921	243
Burma	1954	19.34	Kyats 2,905	890	304
Ceylon	1954	8.28	..	470	560
Japan	1955	88.90	Y. 6,975,000	8,698	978
Philippines	1955	21.55	Pes. 7,800	1,857	850
New Zealand	1955	2.12	£(N.Z.) 846	1,128	5,296
Australia	1954	8.99	£(A) 2,957	3,920	4,594
U.K.	1955	50.97	£ 10,554	23,175	4,551
U.S.A.	1955	165.27	$ 324,000	155,520	9,410
Canada	1955	15.69	$ 20,728	10,156	6,516
France	1955	43.37	Fr. 13,440,000	17,075	3,981
W. Germany	1955	49.99	Dm. 182,200	14,560	3,090
Italy	1954	47.80	Lr. 9,718,000	7,480	1,560
Norway	1955	3.48	Kr. 19,764	1,820	5,086
Sweden	1954	7.31	Kr. 33,630	5,544	4,913
Netherlands	1955	10.75	Grs. 22,500	2,850	2,650
Denmark	1954	4.41	Kr. 14,376	1,610	3,654
Switzerland	1954	4.98	Sw. Fr. 22,619	2,410	4,885

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation's Monthly Bulletin of Statistics, September, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 14th June, 1957

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	61,98,34,000
(b) Provincial Governments	3,23,20,000
(c) Banks	15,19,30,000
(d) Others	9,46,68,000
Bills Payable	1,14,48,000
Other Liabilities	12,81,73,000
Rupees	109,83,99,000

ASSETS	Rs.
Notes	12,42,90,000
Rupee Coin	19,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	13,16,000
Loans and Advances to Governments	26,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	8,79,10,000
Investments	76,76,50,000
Other Assets	11,45,98,000
Rupees	109,83,99,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,42,90,000	
Notes in circulation	326,06,79,000	
Total Notes issued	....	338,49,69,000
Total Liabilities	....	338,49,69,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,38,41,000	
Silver Bullion	....	
Approved Foreign Exchange	93,14,58,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,26,70,000	147,50,29,000
Government of Pakistan Securities	179,82,64,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		185,09,34,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,83,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		338,49,69,000

Ratio of Gold Coin and Bullion, Balances, and approved Foreign Exchange to total notes issued 45.23 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	14th June, 1957	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1580.56	1587.94	1590.23	1,504.31
Notes held in Banking Department	25.05	23.93	16.30	15.17	20.75
Foreign Securities	59.50	412.52	412.52	412.52	666.54
Rupee Securities	87.39	949.81	949.81	949.87	104.84
Banking Department					
Deposits of:					
Government of India	14.89	52.46	54.65	49.87	55.80
Other Governments	..	1.19	1.41	3.08	5.28
Balances held abroad	10.68	61.19	33.95	65.07	28.55
SCHEDULED BANKS					
Demand Liabilities	134.36	712.67	711.69	716.90	635.32
		(9.88)†	(10.65)†	(11.37)†	(8.88)†
Time Liabilities	102.24	544.13	538.11	517.04	446.73
		(3.44)†	(2.60)†	(3.01)†	(2.32)†
Borrowings from Reserve Bank	..	70.03	82.28	95.28	58.37
		(54.75)‡	(58.42)‡	(63.25)‡	(41.44)‡
Borrowings from State Bank	..	6.96	9.77	11.95	7.53
Cash in India	6.70	40.94	39.74	40.27	37.65
Balances with Reserve Bank	25.17	59.78	63.73	58.65	49.25
Excess over statutory limits	15.52	13.26	17.39	12.47	8.55
Balances with other banks in current account in India	..	10.15	9.93	10.15	10.09
Money at call and short notice in India	..	19.71	19.66	18.52	11.14
Investments (at book value)	..	334.88	340.22	344.99	348.86
Advances and bills	105.09	930.35	935.48	936.72	764.01
STATE BANK					
Deposits	87.76	306.53	306.39	301.58	223.92
Investments	51.99	105.52	106.51	105.63	100.76
Advances	20.35	186.39	188.12	190.91	137.77
Cash	14.69	28.29	27.63	22.72	16.66

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	March,		Twelve months, April to Mar.,	
	1956	1957	1955-56	1956-57
Import Duties:				
Revenue	13.27	14.42	120.17	130.49
Protective	0.94	1.06	10.39	12.55
On surplus disposals	..	0.02	0.09	0.14
Total import duties	14.21	15.50	130.65	143.18
Export Duties	3.03	1.69	37.49	30.07
Land Customs	0.05	0.39	1.29	2.99
Miscellaneous	0.67	0.09	0.70	1.13
Gross total customs	17.96	17.67	170.13	177.04
Refunds and drawbacks	0.19	0.30	2.63	3.13
Net Customs	17.17	17.28	167.50	173.91
Gross excise	12.47	17.65	148.83	188.56
Refunds	0.39	0.23	4.08	2.24
Net Excise	12.08	17.42	144.75	186.32
Net total of customs and excise†	29.25	34.70	312.25	360.25

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 14th June, 1957

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,37,50,000
Borrowings from Other Banking Companies, Agents, etc.		306,53,05,000
Bills Payable		....
Bills for Collection being Bills Receivable as per contra		5,43,55,000
Acceptances, Endorsements and Other Obligations per contra		78,28,000
Other Liabilities (including Inter-Office Adjustments)		25,79,000
Total .. Rs.		4,34,18,000
		329,34,80,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,01,04,000
Balances with other Banks		3,37,60,000
Money at Call and Short Notice		1,40,00,000
INVESTMENTS:		
Government and other Trustee Securities	94,09,71,000	
Other Authorised Investments	11,41,94,000	
ADVANCES:		105,51,65,000
Loans, Cash Credits, Overdrafts, etc.	157,60,98,000	
Bills Discounted and Purchased	28,77,79,000	
Bills Receivable being Bills for Collection as per contra		186,38,77,000
Contingents, Liabilities for Acceptances, Endorsements and Other Obligations per contra		78,28,000
Premises less Depreciation		25,79,000
Furniture and Fixtures less Depreciation		1,31,02,000
Other Assets (including Inter-Office Adjustments)		66,89,000
Total .. Rs.		7,83,31,000
		329,34,80,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ●	2½% Ten-year Treasury Savings Deposit Certificates	10-Year National Plan Certificates‡		15-Year Annuity Certificates‡	
	5-Year		7-Year		12-Year									
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.82	65	3.26	22.66	84.17	1,13.35	92.82	— 21.07	7.55	25.64	..	..	..	..	..
1953-54	3.76	1.86	5.43	27.10	1,44.26	1,58.15	1,67.86	— 23.87	4.79	41.25	9.86	16.37	45	..	95
1954-55	3.00	2.89	6.04	31.54	1,63.66	1,70.95	1,93.90	— 40.00	3.91	44.53	10.07	25.35	43	1.32	1.32
1955-56*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
March 1956	2.76	33	5.48	2.33	1,44.26	29.64	1,67.86	— 23.87	26	41.25	88	16.37	2	66	66
April ,,	3.89	34	5.54	3.19	1,46.55	14.54	1,71.03	— 38.96	24	41.51	82	16.81	2	68	68
May ,,	3.61	31	5.54	3.49	1,47.53	14.77	1,73.05	— 39.05	24	41.82	85	17.18	3	71	71
June ,,	3.54	28	5.54	3.76	1,49.43	15.34	1,76.09	— 39.15	28	42.11	85	17.91	2	1.06	1.06
July ,,	3.48	43	5.51	3.78	1,51.53	14.61	1,80.05	— 39.24	28	42.41	92	18.75	4	1.04	1.04
August ,,	3.40	29	5.52	3.55	1,53.14	14.16	1,84.31	— 39.35	26	42.72	1.01	19.65	4	1.07	1.07
September ,,	3.34	17	5.71	3.45	1,55.14	13.97	1,84.83	— 39.17	26	42.72	93	20.56	3	1.11	1.11
October ,,	3.28	16	5.69	3.35	1,56.51	13.00	1,85.90	— 39.26	25	43.00	95	21.54	3	1.19	1.19
November ,,	3.23	15	5.66	2.80	1,57.62	12.70	1,86.59	— 39.35	25	43.39	82	22.06	4	1.17	1.17
December ,,	3.17	23	5.76	2.47	1,58.90	14.77	1,87.96	— 39.43	26	43.58	77	22.72	3	1.19	1.19
January 1957	3.12	21	5.80	2.76	1,59.92	15.46	1,88.10	— 39.84	26	43.89	86	24.07	6	1.27	1.27
February ,,	3.07	17	5.82	2.54	1,61.00	12.96	1,88.88	— 39.91	30	44.14	73	24.70	4	1.20	1.20
March ,,	3.07	37	6.04	3.95	1,63.66	17.53	1,93.90	— 40.00	22	44.28	76	25.35	3	1.23	1.23
April ,,	..	..	..	..	..	..	..	..	24	44.39	..	..	..	..	..

* At the end of period.
† Issued from 10th May, 1954.
‡‡ Relating to nine months from July, 1954.
‖ From July, 1954.
‖‖ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
E-Relating to eleven months from May, 1954.
● Progressive net repayments at the end of period from 15th August 1947.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 1st June, 1957	25th May, 1957	4th May, 1957	2nd June 1957
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.7	89.6	90.0	91.2
1. Government of India	89.4	89.4	89.7	91.1
2. Indian States	96.4	96.4	96.4	96.7
3. Municipal Port Trust, etc.	90.4	90.4	90.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	99.0	99.0	99.1	100.6
1. Electricity	98.8	98.9	99.0	101.7
2. Jute	97.0	96.9	97.0	97.5
3. Plantations	98.4	98.4	98.7	99.2
4. Sugar	98.5	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.0	100.0	100.9
7. Shipping	101.8	101.8	101.8	102.3
8. Others	100.6	100.6	100.6	101.0
PREFERENCE SHARES	77.8	78.0	78.6	85.1
1. Electricity	86.6	86.4	86.7	90.7
2. Jute	78.4	78.5	78.1	80.9
3. Cotton	70.8	70.8	70.8	81.8
4. Coal	81.7	81.8	81.8	86.1
5. Iron and Steel	83.0	82.6	82.2	87.9
6. Sugar	77.7	77.7	78.0	84.7
7. Paper	78.0	78.0	78.8	82.1
8. Plantations	95.1	94.9	96.8	102.5
9. Miscellaneous	71.0	72.5	75.2	81.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	103.4	103.2	105.7	124.3
(a) Financial	90.3	90.1	89.7	90.1
1. Banks	91.2	91.0	91.6	90.5
2. Insurance	84.9	84.5	82.4	86.8
3. Investment Trust	74.6	74.7	75.4	92.6
(b) Public Utilities	105.4	104.9	106.3	112.4
1. Electricity	106.0	105.9	106.8	113.1
2. Shipping and other Transport	112.1	110.4	113.6	117.5
3. Railways	76.4	77.0	76.4	87.4
(c) Manufacturing industries	108.0	107.5	111.6	134.0
1. Cotton, Woollen and Silk	112.8	132.2	117.1	131.9
2. Jute	54.4	54.7	54.4	77.5
3. Iron and Steel	113.9	110.8	122.1	138.8
4. Paper	226.7	226.9	227.3	286.9
5. Cement	143.8	141.7	148.5	179.7
6. General Engineering	157.5	157.3	160.6	195.6
7. Sugar and Breweries	92.3	92.4	94.7	104.3
8. Chemicals	135.8	135.0	133.9	143.8
(d) Non-Manufacturing industries	125.0	125.7	127.1	166.3
1. Coal	69.4	69.4	69.7	78.9
2. Mining and Oil	176.0	175.4	178.5	259.1
3. Plantations	137.2	138.9	140.3	180.5
(e) Miscellaneous	81.1	80.9	83.1	101.9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.1	89.1	89.3	90.7
2. Calcutta	89.6	89.5	89.8	91.2
3. Madras	89.9	89.8	90.2	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.0	99.0	99.0	100.0
2. Calcutta	98.6	98.6	98.8	101.1
3. Madras	99.7	99.7	99.8	100.2
PREFERENCE SHARES:				
1. Bombay	84.4	84.1	83.7	88.8
2. Calcutta	70.6	71.3	72.5	79.9
3. Madras	91.6	91.6	92.6	97.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	112.8	111.6	116.8	131.1
2. Calcutta	91.2	91.2	91.9	111.4
3. Madras	116.7	117.5	117.5	132.7
4. Delhi	109.8	108.4	115.9	133.3

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	2,818,938
1952	1,056	800,242	3,336,961
1953	772	466,607	2,382,608
1954	848	477,122	2,372,930
1955	1,166	527,767	5,697,848
1956	1,258	722,384	7,095,960
April 1955	105	32,432	332,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	832,599
September ,,	251	92,619	580,031
October ,,	184	47,609	214,814
November ,,	99	48,509	178,113
December ,,	129	45,377	229,550
January 1956	107	61,755	362,000
February ,,	122	70,156	781,706
March ,,	146	133,158	673,716
April ,,	140	53,284	549,583
May ,,	137	56,037	484,439
June ,,	153	71,047	484,439
July ,,	150	100,235	529,151
August ,,	138	64,767	492,172
Sept. ,,	184	130,657	922,585
Oct. ,,	140	113,404	819,619
November ,,	150	59,451	499,036
December ,,	138	55,851	407,166
January 1957†	150	126,995	890,852
February ,,	114	82,320(a)	205,196(b)

† Figures are provisional. (a) Not known in 3 cases.
(b) Not known in 5 cases. ‡ current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,124.2
1953-54	648	6,576.8	5,572.7
1954-55	668	7,760.9	6,319.2
1955-56	715	8,805.8	7,184.8
Jan., to Dec., 1955	724	8,494.6	6,926.3
Jan., to Dec., 1956	757	9,380.7	7,892.0
December 1955	724	785.7	648.0
January 1956	731	757.2	622.0
February ,,	739	749.9	651.0
March ,,	715	800.0	648.8
April ,,	701	780.3	669.1
May ,,	701	795.8	658.5
June ,,	710	796.5	656.3
July ,,	726	798.0	650.0
August ,,	725	797.7	666.4
September ,,	737	812.7	670.1
October ,,	753	824.1	668.1
November ,,	766	810.5	715.0
December ,,	767	881.5	..
January 1957	765	868.7	711.7

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	8th June, 1957	1st June, 1957	9th June, 1956	April, 1957	April, 1956	Percentage of Increase (+) or decrease (—) in April, 1957 as compared with April, 1956	Financial Year Average 1956-57	Financial Year Average 1955-56
Food Articles	(21)	435.7	438.0	356.3	408.3	360.9	+13.1	388.5	313.2
Cereals	59	561*	566*	468	536*	461	+16.3	499	373
Pulses	8	401	402	360	418	357	+17.1	397	289
Others	33	280*	283	220	249	234	+ 6.4	247	235
Industrial Raw Materials	(18)	539.9	541.4	476.0	514.7	472.8	+ 8.9	501.6	419.8
Fibres	55	534	533	458	508	459	+10.7	482	429
Oil seeds	20	580	581	546	555	529	+ 4.9	558	398
Minerals	10	579	586	414	512	446	+14.8	508	427
Others	7	400	401	429	416	394*	+ 5.6	421	431
Semi-Manufactures	(17)	414.5	413.3	386.0	400.0	377.4	+ 6.0	402.3	338.2
Leather	8	414	414	406	398	400	— 2.7	409	378
Mineral oils	12	230	230	208	211	208	+ 1.4	209	207
Vegetable oils	16	602	599	558	587	528	+ 7.4	582	389
Cotton yarn	35	480	480	477	483	457	+ 5.7	487	422
Metals	10	347	278	328	328	282	+16.3	318	264
Oil cakes	5	437	428*	431	409	419	— 2.4	447	335
Others	6	373	374	361	375	362	+ 3.6	366	336
Manufactured Articles	(20)	390.6	390.7	378.5	384.3	375.8	+ 2.3	384.6	372.9
Textiles	64	411	412	402	410*	409	+ 0.2	416	408
Jute	11	431	433	392	416	398	+ 4.5	416	418
Cotton	45	412*	412*	410*	412*	408*	+ 1.0	420*	403*
Rayon and Silk	6	424*	424*	478*	442	502*	+12.0	455*	485*
Woollen	2	281	281	264	266	264	+ 0.8	265	254
Metal products	17	407	407	371	392	371	+ 5.7	386	359
Others	19	316	316	286	305	286	+ 6.6	294	285
Miscellaneous	(9)	570.7*	570.7	509.0*	567.1R	496.7	+14.2	559.3	546.4
All Commodities	(100)	439.2	440.0	393.0	422.1R	391.3	+ 7.9	414.6	360.4R

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. * Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

| Average of weeks | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugar† | Gur | Tobacco | Ra

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	Acreage (In thousand acres)			Production (In thousand tons)		
Cereals—							
Rice	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wheat	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jowar	1st	[illegible]	[illegible]	[illegible]	6,305.6	6,310	
Bajra	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Barley	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Maize	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Ragi	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Small millets	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Total cereals	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	61,364
Pulses—							
Gram	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Tur	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Other Kharif pulses §	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Rabi pulses‡	final	[illegible]	[illegible]	10,5 0	[illegible]	[illegible]	
Total pulses	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Oilseeds—							
Groundnut	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Rapeseed	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Sesamum	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Rape and Mustard	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Linseed	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Total oilseeds	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Fibres—							
Cotton*	3rd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Jute A	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Mesta A	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Other crops—							
Potato	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Sugarcane	2nd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Ginger (Dry)	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Pepper (Black)	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Chillies (Dry)	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Tobacco	final	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

Source: Ministry of Food and Agriculture. § Including Urd and Tur.
* In thousand bales of 392 lbs. each. ‡Including Gram and Tur.
A. In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In '000 tons)
Production	During May, 1957	[illegible]
	Corresponding month, 1956	[illegible]
	11 months ended May, 1957	[illegible]
	Corresponding period, 1956	[illegible]
Stocks	At the end of May, 1957	[illegible]
	Corresponding month, 1956	[illegible]
		(In '000 bags)
Exports (Jute Bags)	Week ended 5th April, 1957	N.A.
	Corresponding week, 1956	N.A.
	From 1st Jan. to 5th April, 1957	N.A.
	Corresponding period, 1956	
		(In '000 yds)
Exports* (Jute Cloth)	Week ended 5th April, 1957	N.A.
	Corresponding week, 1956	N.A.
	From 1st Jan. to 5th April, 1957	N.A.
	Corresponding period, 1956	
	RAW JUTE	(In lakh bales)
Consumption by Mills†	May, 1957	[illegible]
	Corresponding month, 1956	[illegible]
	11 months ended May, 1957	[illegible]
	Corresponding period, 1956	[illegible]

* From Calcutta. † Estimated. N.A.—Not Available.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1954	11,54,000	10,70,200	7,86,000
Do. 31st March, 1955	11,84,400	10,47,900	7,71,200
Do. 31st March, 1956	11,58,900	10,62,110	7,97,900
Do. 31st March, 1957	11,59,700	10,57,000	7,97,000
January 1956	1,03,900	98,400	71,500
February	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
January 1957	97,400	96,800	71,500
February	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,28,710	4,81,480	3,12,940
Do. 31st March, 1954	6,80,080	5,49,950	3,92,440
Do. 31st March, 1955	7,16,940	5,28,940	4,59,000
Do. 31st March, 1956	7,06,980	5,81,500	4,50,607
Three months ended June, 1954	1,88,770	1,17,870	1,07,480
" " " Sept., 1954	1,80,018	1,30,751	1,18,981
" " " Dec., 1954	1,84,063	1,36,801	1,30,618
" " " Mar., 1955	1,66,108	1,48,858	1,18,130
" " " June, 1955	1,48,606	1,36,388	1,16,841
" " " Sept., 1955	1,76,181	1,33,680	1,08,714
" " " Dec., 1955	1,80,750	1,36,698	1,06,762
" " " Mar., 1956	1,84,450	1,41,848	1,19,660
" " " June, 1956	1,48,808	1,17,710	98,609
" " " Sept., 1956	1,74,447	1,34,324	1,18,953
" " " Dec., 1956	1,68,548	1,41,452	1,14,703

FOREIGN TRADE OF INDIA

Particulars	December, 1955 (Rs lakhs)	December, 1956 (Rs lakhs)	Nine months April to Dec. 1955 (Rs lakhs)	Nine months April to Dec. 1956 (Rs lakhs)
Imports :				
By sea and air—				
Foodstuffs	8.92	3.72	49.47	27.11
Raw materials	15.0[illegible]	[illegible]	[illegible]	[illegible]
Manufactures	40.49	43.96	401.12	429.50
Other items	2.6	2.2	22.3	25.0
total*	54.07	67.80	4[illegible].26	507.55
By land	9.17	1.99	79.45	14.62
Tota. Imports	63.1	69.34	[illegible]	[illegible]
Exports :				
By sea and air—				
Foodstuffs	14.79	[illegible]	117.64	[illegible]
Raw materials	[illegible]	28.02	[illegible]	89.01
Manufactures	27.1	29.27	192.86	175.70
Other items	.05	.02	.75	3.53
Tota	[illegible]	74.41	[illegible]	426.70
By land	.02	.1	4.71	4.40
Total Exports	52.03	55.05	44.7[illegible]	431.10
Total Re-exports	4.1	.6	3.[illegible]	[illegible]
Balance of trade on merchandise	— 6.07	— 13.84	— 57.13	— 172.16
Balance of transactions in private treasure	— 2	— 1	.6	— 15
Total visible balance of trade	— 6.9	— 13.[illegible]	— 57.[illegible]	— 172.[illegible]
Imports :				
Total C'wealth countries	21.67	24.[illegible]	[illegible].47	211.79
Total Foreign countries	32.[illegible]	41.04	[illegible]	3[illegible].[illegible]
Exports :				
Total C'wealth countries	25.19	27.54	21[illegible]	223.31
Total Foreign countries	26.[illegible]	27.43	2[illegible].[illegible]	208.17

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available
‡ Excludes Tanda by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955	11,613	2,656	940	171	108	61	148	21	149	197	25	290	46	186
1956	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	165
1957	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	260
February	11,[illegible]	2,5[illegible]	8[illegible]	19[illegible]	8[illegible]	62	13[illegible]	27	4[illegible]	374	8[illegible]	297	46	186
March	[illegible]	2,[illegible]	9[illegible]	21[illegible]	[illegible]	67	[illegible]	29	[illegible]	412	41	32[illegible]	48	168
April	[illegible]	[illegible]	937	82	28	12	8	13	3	66	34	2	31	3	10
May	[illegible]	2,2[illegible]	879	166	44	25	11	25	3	115	70	5	60	8	21
June	[illegible]	2,2[illegible]	708	156	69	35	15	33	5	144	104	[illegible]	[illegible]	9	35
July	[illegible]	4,810	959	344	71	34	19	44	6	168	139	10	114	16	80
August	[illegible]	5,440	1,252	438	87	48	38	55	8	164	178	13	130	18	65
September	[illegible]	5,423	1,440	543	97	46	35	70	10	198	207	15	178	26	81
October	[illegible]	4,994	[illegible]	570	110	60	33	68	12	218	242	14	222	33	94
November	[illegible]	[illegible]	[illegible]	609	120	59	37	121	15	257	276	20	248	34	116
December	[illegible]	[illegible]	[illegible]	[illegible]	152	71	42	147	25	347	314	[illegible]	347	49	129
January 1957	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	67	[illegible]	[illegible]	8	432	351	[illegible]	377	50	144
February	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	169
March	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	180

Note.—The figures relate to 1st and ninete enlwes of Class I Railways. The weekly figures are progressive from April, equated to M. G. Wagons (1 M.G. = 2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1956. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept. 1956 to [illegible] June 1957 (Bales)	From 1st Sept. 1955 to [illegible] June 1956 (Bales)
Bombay Island			**From Bombay**		
Cotton Receipts	Week ended [illegible] 1957	[illegible]	**Cotton Shipments to—**		
	Corresponding week, 1956	[illegible]	United Kingdom	[illegible]	[illegible]
	1st Sept. 1956 to [illegible] 1957	[illegible]	Continent	[illegible]	[illegible]
	Corresponding period, 1955-56	[illegible]	Hongkong	[illegible]	[illegible]
Cotton Exports	Week ended [illegible] June 1957	[illegible]	China	[illegible]	[illegible]
	Corresponding week, 1956	[illegible]	Japan	[illegible]	[illegible]
	1st Sept. 1956 to [illegible] June 1957	[illegible]	U.S.A.	[illegible]	[illegible]
	Corresp. ding period, 1955-56	[illegible]	Other Countries	[illegible]	[illegible]
MDI Consumption (Estimated)	1st Sept. 1956 to [illegible] June 1957	[illegible]	Total to all foreign countries	[illegible]	[illegible]
	Corresponding period, 1955-56	[illegible]	Coastal Ports	[illegible]	[illegible]
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On [illegible] 1957	[illegible]	Total	[illegible]	[illegible]
	Corresponding date, 1956	[illegible]		Period	Quantity (Bale of 400 lbs.)
Cotton Exports from Bombay (by sea)	During March, 1957	[illegible]	**Consumption of Cotton—**		
	During March, 1956	[illegible]	Indian	[illegible] 1957	[illegible]
	1st Sept., 1956 to 30th Mar., 1957	[illegible]	Foreign	[illegible] months ended [illegible] 1957	[illegible]
	1st Sept., 1955 to 30th Mar., 1956	[illegible]	Indian	Same Period 1956	[illegible]
Karachi (Pakistan)—			Foreign		[illegible]
Receipts	1st Sept. 1956 to [illegible] May, 1957	[illegible]	**Stocks (Mills and Elsewhere)—**		
	Corresponding period, 1955-56	[illegible]	Indian	As on [illegible] April, 1957	[illegible]
Exports	1st Sept. 1956 to [illegible] April 1957	[illegible]	Foreign	As on [illegible] 1956	[illegible]
	Corresponding period, 1955-56	[illegible]	Indian	Week ended [illegible] June, 1957	[illegible]
			Foreign	Corresponding week, 1956	[illegible]
			Cotton Pressed in India* (In running bales)	1st Sept., 1956 to [illegible] June, 1957	[illegible]
				Corresponding period, 1955-56	[illegible]

‡ By Railand Sea. † Incomplete. * By Rail Sea and Road. ‡ Including Zeds and Yellow Pickings, etc. § Inclides Zeds and Yellow Pickings, etc

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-35	64,30,26,000	1960-70	[illegible]
3 % Loan	1938-39	1,16,17,46,300	1965-85	[illegible]
3 % Loan	1939	1,00,00,000	1964	[illegible]
2½ Loan	1945	1,10,11,75,300	1948-70	[illegible]
3 % V. Loan	1944	35,94,40,000	1970	[illegible]
2½ Loan	1945	1,00,05,30,000	1970-75	[illegible]
3 % Def'd Loan	1945	13,66,64,000	[illegible]	[illegible]
3 % Loan	1941	50,38,61,000	[illegible]	[illegible]
2½ Loan	1946	66,00,00,000	1960	[illegible]
2½ Loan	1946	57,00,94,000	1961	[illegible]
2½ Loan	1946	14,77,48,900	1972	[illegible]
2½ Loan	1947	72,38,72,000	1952-57	[illegible]
3½ Loan (N.P. Bonds)	1955	73,29,00,000	[illegible]	[illegible]
3½ % N.P. Loan	1954	1,54,45,000	1964	[illegible]
3½ % N.P. Bonds	1956	1,63,71,92,000	1965	[illegible]
3½ % N.P. Bonds	1956	67,27,00,000	1972	[illegible]
3½ % N.P. Bonds	1956	33,82,00,000	1977	[illegible]
	1956	66,44,70,000	1974	[illegible]
NON-TERMINABLE LOANS				
3 % Loan	1400-07	6,03,35,000	At option of Government after three months notice in the Gazette, 1946 or later at option of Government after three months notice	[illegible]
REPATRIATE STERLING LOANS				
3½% Loan	1898	5,85,73,000	1954-55***	[illegible]
STATE LOANS				
4 % Andhra	1955	6,00,00,000	1st Sept. 1957	[illegible]
4 % Andhra	1956	6,00,00,000	3rd Sept. 1956	[illegible]
4 % Bombay	1946	3,66,66,000	15th Aug. 1958	[illegible]
4 % Bombay	1949	4,33,16,000	15th Aug. 1959	[illegible]
4 % Bombay	1950	2,87,92,000	15th Sept. 1960	[illegible]
3½% Bombay	1951	2,95,35,000	17th Sept. 1962	[illegible]
3½% Bombay	1952	4,45,38,000	15th July 1962	[illegible]
4 % Bombay	1952	3,65,87,000	1st Aug. 1964	[illegible]
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	[illegible]
4 % Bombay	1956	7,50,00,000	3rd Sept. 1956	[illegible]
4 % Bihar	1946	1,50,00,000	1st Sept. 1957	[illegible]
4 % Bihar	1946	2,00,00,000	3rd Sept. 1956	[illegible]
4 % Kerala	1956	3,00,00,000	15th Dec. 1955	[illegible]
3½% Madhya Pradesh	1956	7,00,00,000	3rd Sept. 1956	[illegible]
4 % Hyderabad	1955	2,12,48,000	1st Sept. 1967	[illegible]
4 % Hyderabad	1956	3,00,00,000	3rd Sept. 1956	[illegible]
4 % Madras	1945	1,25,35,000	21st June 1955	[illegible]
4 % Madras	1946	1,07,95,000	16th Aug. 1955	[illegible]
4 % Madras	1946	2,78,44,000	14th Sept. 1956	[illegible]
4 % Madras	1947	3,81,77,000	1st Sept. 1951	[illegible]
4 % Madras	1948	4,38,56,000	31st July 1956	[illegible]
3½% Madras	1951	8,01,49,000	17th Sept. 1962	[illegible]
3½% Madras	1952	10,33,66,000	15th July 1962	[illegible]
4 % Madras	1952	5,34,81,000	1st Aug. 1964	[illegible]
4 % Madras	1956	7,00,00,000	1st Sept. 1967	[illegible]
4 % Madras	1956	12,50,00,000	3rd Sept. 1956	[illegible]
4 % Mysore(J)	1945	2,00,05,000	1st Dec. 1954-61	[illegible]
4 % Mysore	1946	6,00,72,000	30th Apr. 1956-61	[illegible]
4 % Mysore	1947	3,00,00,700	15th Jan. 1956	[illegible]
4 % Mysore	1953	5,00,00,000	15th July 1958	[illegible]
4 % Mysore	1954	5,34,94,000	1st Sept. 1961	[illegible]
4 % Mysore	1956	4,00,00,000	3rd Sept. 1956	[illegible]
4 % M.P.	1946	1,01,44,700	31st July 1956	[illegible]
4 % M.P.	1947	2,98,12,000	17th Sept. 1962	[illegible]
4 % M.P.	1948	1,10,18,000	15th July 1958	[illegible]
4 % M.P.	1948	1,68,12,000	1st Sept. 1967	[illegible]
4 % M.P.	1956	3,00,00,000	3rd Sept. 1956	[illegible]
4 % Saurashtra	1956	3,01,56,000	1st Sept. 1967	[illegible]
4 % Saurashtra	1956	3,00,00,000	3rd Sept. 1956	[illegible]
4 % Tamil Nadu	1946	2,00,00,000	15th July 1958	[illegible]
4½% Travancore	1956	7,00,00,000	3rd Sept. 1956	[illegible]
3½% U.P.Z.A.	1952	40,60,98,5457		[illegible]
4 % U.P.	1946	1,87,14,000	15th Sept. 1961-66	[illegible]
3½% U.P.	1946	2,87,11,000	15th Aug. 1958	[illegible]
4 % U.P.	1946	2,17,69,700	14th Sept. 1960	[illegible]
4 % U.P.	1946	1,00,25,500	3rd Sept. 1951	[illegible]
3½% U.P.	1951	1,91,08,000	17th Sept. 1962	[illegible]
4 % U.P.	1952	3,11,46,300	1st Aug. 1964	[illegible]
4 % U.P.	1953	3,68,15,500	15th July 1963	[illegible]
4 % U.P.	1956	5,84,84,000	1st Sept. 1967	[illegible]
4 % U.P.	1956	5,00,00,000	3rd Sept. 1956	[illegible]
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1956	[illegible]
4 % Orissa	1956	3,00,00,000	3rd Sept. 1956	[illegible]
4 % M. Bharat	1953	1,00,00,000	15th July 1963	[illegible]
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1956	[illegible]

PORT TRUST LOANS

Amount	Interest (at present)	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
[illegible]	4	[illegible]	[illegible]	
[illegible]	4	1905	1945	
[illegible]	4	1906	1947	
[illegible]	4	1907	1947	
[illegible]	4	1908	1948	
[illegible]	4	1909	1949	97 00 B
[illegible]	4	1910	1950	
[illegible]	4	1910	1951	
[illegible]	4	1911	1952	
[illegible]	4	1912	1952	
[illegible]	4	1913	1953	
[illegible]	4	1913*	1953	D
[illegible]	4	1914	1954	97 00 N
[illegible]	4	1914	1954	
[illegible]	4	1915*	1949	
[illegible]	4	1915*	1949	
[illegible]	4	1916*	1956	
[illegible]	4	1916*	1956	
[illegible]	4	1916*	1956	
[illegible]	4	1916*	1956	
[illegible]	4	1917*	1957	
[illegible]	4	1917*	1957	
[illegible]	4	1917*	1957

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.= Preferred Ordinary shares. Y= Accounts published yearly. H.= Accounts published half-yearly. F.= Company has Preference shares. T.= Company has Debentures. N.= Nominal quotations. x.d.= Ex. Dividend. c.d.= Cum. Dividend. i= Interim Dividend. f= Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts Closed	Reference
30,00,000	5,63,725	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,468	998	Apollo Mills	2.54	2	0.12(c)	0.19			12	Y.
40,00,000	24,90,000	1,25,52,007	72,25,855	—6,97,129	M.	51,864	1,021	B. B. Cotton Mills	36.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.F.
2,50,00,000	3,12,85,051	5,98,23,046	3,51,00,992	2,41,366	Nowrosjee Wadia & Sons, Ltd.	2,22,552	3,984	Bombay Dyeing & Mfg.	553.00	250	20.00	25.00*	25.00		12	Y.
15,00,000	23,74,893	58,51,856	52,57,481	91,712	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	197.00	50	75.00†	12.50	20.00		3	Y.
1,00,42,800	2,35,31,209	6,05,65,976	2,32,91,693	7,61,781	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	428.00	100	22.00	22.00	22.00		12	
40,00,000	25,43,326	1,19,99,766	65,07,065	—33,08,997	V. J. Pilani (Chairman and Managing Director)	49,048	696	Colaba Land & Mill	60.00	100	*Nil*	*Nil*			12	Y.
20,00,000	13,88,330	99,15,997	57,30,041	17,916	Cowasjee Jehangir & Co., Ltd.	24,848	..	Cocoia Spg. & Wvg.	183.75	100	7.50	7.50	12.50*		6	Y.
10,00,000	24,56,296	99,19,861	54,49,941	2,17,076	Ramnarain Sons Private Ltd.	49,992	660	Dawn Mills	97.50	50	6.00	15.00	..		12	Y.
24,00,000	48,96,418	76,75,267	54,21,782	2,55,643	Pyaramal Bubna Sons	45,716	988	Edward Textiles	255.00	200	15.00	18.00	..		12	Y.
29,98,050	16,71,283	1,20,97,050	78,22,600	95,787	M.	42,124	886	Hiphlatsena Spg. & Wvg.	54.00	50	3.00	5.00	5.00		12	Y.
50,00,000	67,54,875	1,41,78,009	82,92,207	79,257	James Finlay & Co., Ltd.	49,528	784	Finlay Mills	276.00	100	16.00	20.00	20.00		12	Y.
50,00,000	45,98,052	90,85,648	59,17,287	1,57,789	James Finlay & Co., Ltd.	40,540	1,020	Geld Mohur Mills Ltd.	179.00	100	12.50	15.00	15.00		12	Y.
11,34,000	75,14,589	1,52,54,659	1,07,26,500	698	M.	45,080	1,122	Hindoostan Spg. & Wvg. Mills	1,525.00	1,000	225.00	300.00	325.00		3	Y.P.
16,000									992.50	250	56.25	75.00	81.00			
5,00,00,000	82,50,399	4,65,16,553	3,39,00,000	1,93,112	Agarwal & Co.	2,44,300	6,278	India United Mills	10.95	0 100	*Nil*	0.94	0.621		12	Y.
5,00,000									1.74	0 100	*Nil*	0.19	0.061			
8,65,000	72,74,043	1,41,26,890	1,00,89,000	4,356	M.	47,984	1,122	Indian Mfg.	5,215.00	1,000	225.00	300.00	300.00		3	Y.P.
35,000										500	112.50	150.00	150.00			
29,25,000	55,07,861	2,73,73,670	2,06,22,122	2,62,852	Khatau Makanji & Co.,	92,852	1,489	Khatau Makanji Spg. & Wvg.	176.25	50	8.00	12.00	14.25		6	Y.P.
1,00,00,000	1,23,00,000	5,59,04,591	2,78,94,101	1,65,802	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	285.50	100	18.00	18.00	18.00		6	Y.
22,13,050	43,05,750	1,22,06,423	64,68,440	68,109	M. Sirur & Co., Private Ltd.	49,000	644	Modern Mills	70.00XR	50	5.00	8.00*	8.00*		10	Y.
51,75,000	37,05,298	2,35,58,597	1,76,19,556	1,41,489	Piramal Sons Private Ltd.	71,852	1,952	Morarjee Goculdas Spg. & Wvg.	215.00	100	14.00	14.00	15.00		3	Y.
1,50,74,400	1,19,16,319	9,46,21,101	3,65,00,000	5,52,084	Chiraj & Co. Private Ltd.			National Rayon Corporation	224.50	100	10.00	12.00	14.00*		6	Y.P.
24,99,990	22,50,456	78,05,743	48,76,877	58,192	W. H. Brady & Co., Ltd.	45,944	123	New City of Bombay Mfg.	125.00	100	10.00	10.00	10.00		12	Y.
39,00,000	22,01,492	95,52,254	63,37,035	245	W. H. Brady & Co.,Ltd.	49,012	1,012	New Great Spg. & Wvg.	225.00	100	7.50	10.00	10.00		12	Y.P.
48,00,000	30,10,989	1,34,29,585	84,72,355	2,40,253	Ramnarain Sons Private Ltd.	69,208	1,190	Phoenix Mills	137.50	100	8.00	10.00			12	Y.P.
40,00,000	45,54,554	45,59,967	24,25,000	4,72,653	Podar Sons Private Ltd.	32,600	936	Podar Mills	160.00	100	10.00	12.00*	12.00*		12	Y.
5,09,900	8,16,999	21,21,521	19,91,540	—1,73,154	David Sassoon & Co., Ltd.			Sassoon & Alliance Silk Mill	9.00	10	0.50	0.50			12	Y.
27,70,000	1,20,21,000	1,98,85,000	1,20,20,000	11,568	M. G. Investment Corporation, Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	36.50	10	1.75	2.00	2.00		12	Y.
80,00,000	48,20,061	1,12,05,790	51,47,202	6,90,705	Marwar Textiles (Bombay) Ltd.	69,070	1,546	Shree Niwas Cotton Mills	180.00	100	14.00	12.00	12.00		12	Y.
42,50,000	33,92,179	96,72,329	72,65,753	96,017	Forbes, Forbes Campbell & Co., Ltd.	49,240	1,276	Simplex Mills	198.00	50	11.00	10.00	12.00		3	Y.
37,50,000	2,50,85,705	2,77,82,979	1,62,08,915	2,93,089	Mafatlal Gagalbhai & Sons			Standard Mills	415.00	100	20.00	20.00	22.50*		3	Y.P.
1,00,00,000	98,08,495	2,81,02,081	1,83,02,725	33,124	Tata Industries Private Ltd.	77,236	2,060	Svadeshi Mills	189.00	100	8.00	12.00	14.00*		12	Y.P.
24,00,000	66,13,465	1,37,20,469	82,02,715	1,01,175	James Finlay & Co., Ltd.	39,528	552	Swan Mills	382.50	100	20.00	25.00	25.00		12	Y.
55,57,575	56,74,500	2,01,67,223	80,31,256	17,925	Tata Industries Private Ltd.	65,448	1,960	Tata Mills	43.75	25	2.50	4.00	5.50*			
12,00,000	61,06,709	—27,41,228	90,39,060	4,934	M.	45,508	1,296	Western India Spg. & Mfg.	4,520.00	1,000	225.00	300.00	300.00		3	Y.

AHMEDABAD

40,00,000	21,59,000	1,43,76,525	69,76,544	17,089	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	142.50	100	5.00	7.00	12 00		6	Y.P.
16,00,000	24,55,068	94,37,898	74,10,184	87,288	P. M. Kuthieeing & Co., Ltd.	45,758	912	Aruna Mills	630.00	100	20.00	30.00			12	Y.P.
40,00,000	2,97,25,561	1,04,58,170	97,79,205	15,274	Marwar Lalbhai & Co.	1,12,216	2,400	Arvindra Mills	1,175.00	100	25.00	35.00*	35.00*		12	Y.P.
20,00,000	81,75,000	96,34,284	72,25,000	2,46,389	Mangaldas & Bros. Ltd.	45,284	892	Aryodaya Ginning & Mfg.	477.50	100	15.00	25.00*			12	Y.P.
12,00,000	1,43,05,508	98,70,782	63,81,729	17,287	Lalbhai Dalpatbhai & Co.	37,366	914	Asoka Mills	955.00	100	22.00	30.00	30.00		12	Y.P.
1,87,50,000	20,51,450	4,01,25,543	2,35,66,000	25,767	Ambalal Sarabhai Enterprises Ltd.	1,39,120	2,372	Calico	591.00	125	18.00	..	30.00		12	Y.P.
62,37,000	24,58,000	1,31,06,843	89,25,000	2,760	Triumphal Bhoglal & Co., Ltd.	45,288	866	New Commercial Mills	1,615.00	100	70.00	80.00	30.00‡		3	Y.P.
30,00,000	72,52,426	1,32,09,222	90,26,962	19,321	Mafatlal Chandulal & Co., Ltd.	51,100	997	New Shorrock Spg. & Wvg.	857.00	125	35.00	35.00	..		12	Y.P.
15,00,000	67 78,770	57,78,441	32,49,012	21,803	Jagadbhai Bhailalbhai Manavaty & Co., Ltd.											
20,00,000	1,10,62,006	99,61,103	62,25,955	1,77,078	Lalbhai Dalpatbhai & Co.	52,825	572	Nutan Mills	378.75xd	100	30.00*	20.00	20.00		12	Y.P.
22,50,000	1,74,72,057	1,29,01,469	71,45,808	17,24,749	Lalbhai Kasturbhai & Ltd.	53,154	648	Rajpur Mfg.	845.00	100	25.00	35.00*	35.00*		12	Y.P.
27,95,800	2,75,84,105	1,92,47,853	1,05,24,569	2,63,324	Harivallabhdas Kalidas & Co.	94,128	1,752	Shri Ambica Mills	1,565.00	50	20.00	27.00*	30.00*		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	16,593	Mafatlal Chandulal & Co. (Ahmedabad) (Agts.)	38,648	728	Shorrock Spg. & Mfg.	550.00	100	*Nil*	*Nil*	*Nil*			
38,00,000	90,34,191	1,09,66,008	78,25,291	34,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	570.00	400	35.00*	35.00*	..		12	Y.P.

WEST BENGAL

15,00,000	2,62,800	35,56,093	22,69,703	60,522	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills	5.31	10	0.50	0.50	0.60			
7,98,000	9,10,617	72,14,045	52,69,011	59,190	Bengal Textile Agency, Ltd.	31,522	925	Bengal Luxmi Cotton Mills	40.00N	40	4.00	4.00	4.00		12	Y.P.F.
8,0,000	23,75,414	89,06,145	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,960	841	Kettlewell Cotton Mills	105.00	100	*Nil*	*Nil*			6,12	Y.P.F.
19,00,000	26,17,451	1,15,16,740	74,67,879	2,50,325	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	151.00xd	100	*Nil*	2.50	6.00		12	Y.P.
50,08,000	..	69,08,197	15,03,197	2,552	Birla Brothers Private Ltd.	4,852	208	Jay Shree Textiles Ltd.	5.31	10	*Nil*	*Nil*	0.37		12	Y.
1,50,00,000	2,85,45,320	3,76,19,583	1,31,56,583	1,52,873	Birla Brothers Private Ltd.	74,672	1,992	Keshoram Cotton Mills	13.50	10	0.87	0.87	1.00		12	Y.
19,47,7500	7,45,000	47,06,298	*58,352	1,094	Hazaramull Heeralal	23,036	795	Rampoorial Cotton Mills	16.00N	1D	0.62	1.00	1.00		3	Y.
5,00,000D									2·75N	1D	*Nil*	0.34	0.201		6	Y.

SOUTH INDIA AND OTHER CENTRES

11,98,660	5,87,506	31,36,764	15,54,242	2,566	Setan & Co.	24,290	..	Asher Textiles Ltd	217.00	100	*Nil*	12.50	15.00		6	Y.
71,94,900	25,91,284	1,54,91,536	50,78,542	1,26,043	Industrial Trust Fund	96,136	716	Azam Jahi Mills	79.00	100	*Nil*	*Nil*			3	Y.
40,50,000	2,50,15,667	3,39,77,494	2,60,70,421	2,82,947	Binny & Co. (Madras) Ltd.	48,068	1,157	Bangalore Woollen, Cotton and Silk Mills	165.00	100	30.00	30.00	30.00		12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	7.37	10	*Nil*				6,12	H.P.F.
35,00,000	88,48,588	1,25,01,101	96,69,901	2,76,926	Birla Brothers Private Ltd.	29,896	1,088	Birla Cotton Spg. & Wvg., Delhi	33.00N	10	3.00	3.00	1.50			
1,78,47,800	2,77,73,213	6,69,41,316	3,97,01,313	3,55,220	Binny & Co. (Madras) Ltd.	1,20,256	2,762	Buckingham & Carnatic	163.00	100	10.00	10.00	10.00		3	Y.
20,00,000	32,00,000	42,33,535	23,09,012	53,534	Peirce, Leslie & Co., Ltd.	37,536	..	Cambodia Mills	11.55	10	*Nil*	*Nil*	*Nil*		12	Y.P.
15,00,000	5,11,800	48,38,920	24,63,361	8,994	K. Damodaran, Esq.	29,400	752	Cannanore Spg. & Wvg.	166.00	10	*Nil*	0.50	0.50		12	Y.P.
30,00,000	20,51,450	69,40,839	51,71,756	25,767	Sarabhai Chandulal & Co. Private Ltd.	36,000	..	Cawapore Textiles	5.44	5	0.50	*Nil*	*Nil*		12	Y.
2,17,470	2,00,000	50,87,526	18,02,163	58,798	C. K. Srinivasan, Esq. (Chairman)	24,300	..	Cauvery Spg. & Wvg. Mills Ltd.	15.00	10	*Nil*	*Nil*	0.25			
12,00,000	19,01,064	41,97,434	20,45,709	10,589	R. Bhesma Naidu & Co.	22,564	..	Coimbatore Cotton Mills	160.00	10	*Nil*	0.62	0.75			
30,00,000	19,95,025	84,59,430	54,55,981	14,382	C. R. M. Naidu & Co.	29,700	..	Coimbatore Pioneer Mills	272.00	100	25.00	25.00	25.00			
20,75,900	5,076	1,19,09,855	85,68,242	21,990	R. G. S. Naidu & Co.	72,185	407	Coimbatore Spg. & Wvg.	57.00	50	6.00	8.00	20.00			
46,87,500	46,13,623	2,50,83,371	1,62,61,554	19,315	Tata Industries Private Ltd.	67,228	1,620	Central India	114.00	100	8.00	8.00	..		12	Y.P.
2,25,00,000	3,06,82,110	11,16,21,472	5,81,67,227	1,98,712	B. S. Charat Ram & Co. Private Ltd.	1,41,180	2,252	Delhi Cloth & General Mills	35.50	25	2.25	3.00	2.50		12	Y.
1,00,563										24	0.23	0.22	0.25			
24,54,800	22,25,000	66,71,845	46,12,545	..	M. N. Chettiar & Sons	38,052	201	Dhanalakshmi Mills	290.00	100	30.00	30.00	25.00			
66,00,000	98 47,586	1,54,97,566	1,12,57,642	78,754	Begg, Sutherland & Co. Private Ltd.	45,452	1,198	Elgin Mills	17.75	10	1.00	1.00	1.25			
45,81,000	37,89,771	1,06,45,341	73,45,988	3,155	Forbes, Forbes Campbell & Co., Ltd.	73,964	5	Gokak Mills	133.00	100	13.00	15.00	18.00		12	Y.P.
2,50,00,000	2,25,000	5,41,37,131	..	1,06,74,796	Birla Gwalior Private Ltd.			Gwalior Rayon	224.50	100	10.00	12.00	14.00*		6	Y.P.
50,00,000	21,37,574	1,45,10,139	1,16,30,184	6,716	K. L. Kshatrie, Esq. (Chairman)	45,944	123	New City of Bombay Mfg.	125.00	100	10.00	10.00	10.00		12	Y.
5,00,000	10,55,583	31,40,455	19,97,477	..	G. V. Naidu & Co., Ltd.	49,012	1,012	New Great Spg. & Wvg.	225.00	100	7.50	10.00	10.00		12	Y.P.
18,54,000	16,24,783	45,33,234	33,38,995	7,913	Mr. Bhairuratan Damani (Mg. Director)	32,600	936	Podar Mills	160.00	100	10.00	12.00*	12.00*		12	Y.
82,42,525	19,25,000	92,32,498	53,49,160	41,492	Ketharl & Sons	41,040	896	Sassoon & Alliance Silk Mill	9.00	10	0.50	0.50			12	Y.
82,60,000	67,91,510	1,69,61,585	1,26,19,465	29,976	M.	50,452	1,219	Lakshmi Cotton Mfg.	36.50	10	1.75	2.00	2.00		12	Y.
35,54,100						600.00			38.75	25	2.50	3.00	1.00			
17,32,650	66,55,000	1,01,18,000	95,51,437	6,51,654	G. K. Naidu & Co.	93,160	901	Lakshmi Mills	142.50xd	50	10.00	12.50	42.50		3	Y.
1,75,02,480	4,24,40,278	5,83,51,924	2,77,47,982	32,44,126	A. & F. Harvey Ltd.	4,53,900	2,127	Madura Mills	70.00cd	25	5.00	6.25	12.50			
12,00,000	3,67,353	29,03,352	18,76,700	215	V. K. Sradi (Chairman).	40,256	1,046	Malabar Spg. & Wvg.	40.25	10	3.00	3.00	6.25			
60,00,000	69,14,000	65,94,131	45,89,145	5,157	W. A. Beardsell & Co. (Private) Ltd.	52,656	992	Meitar Industries Ltd.	101.00xd	200	15.00	15.00	2.62			
29,80,554	19,58,081	92,42,458	53,37,735	19,662	M. Sirur & Co. Private Ltd.	38,896	784	Minerva Mills	320.00xd	100	22.50*	35.00	8.00			
24,91,256	21,54,146	1,71,54,769	72,81,558	1,84,966	M.	52,468	952	Model Mills (Nagpur)	80.00	100	5.00(c)	6.00	42.50	20.00		
24,33,560	50,54,025	1,10,97,743	67,14,187	19,541	V. Sirur & Co. Private Ltd.	56,450	580	Mysore Spg. & Mfg.	176.25	100	2.00(c)	6.00	6.00			
12,61,750	6,000	29,25,252	15,12,761	—1,56,653	R. Suryanarayana Rao, Esq. Manager	100.00	56		100.00	50	8.00*	6.00(c)	7.50			
37,19,608	55,48,220	1,69,99,089	61,91,361	74,722	Mysore Spun Silk Mills	7.70	10	*Nil*	*Nil*	*Nil*			9.00*			
4,00,000A	13,00,000	65,46,779	25,86,447	8,530	Industrial Trust Fund	67.00	10	*Nil*	2.50(c)							
6,00,000B					Bhagbyalakshmi & Co.	147.00cd	50A	12.50	12.50	15.00						
15,00,000	1,65,000	84,16,017	17,49,676	—14,86,897	C. S. R. Mudaliar & Sons	27,320	..	Palani Andavar Mills	212.00cd	50B	18.00	18.00	22.50			
12,51,200A	32,75,000	83,06,150	49,86,177	4,862	Paankaja Mills Ltd.	65.00	100	*Nil*	6.00							
5,46,000B					A. G. Gurusamy Naidu & Co.	55,564	960	Radhakrishna Mills	375.00	100A	16.00	20.00				
15,00,000	36,08,000	48,74,196	25,94,337	11,861	B. R. Naidu & Sons	33,296	..	Rajalakshmi Mills	185.00	50B	8.00	10.00				
16,14,300	12,00,000	33,02,216	17,41,434	10,510	Rameo Agencies Ltd.	24,596	..	Rajapalayam Mills	113.50cd	50	10.00	10.00				
22,51,750	12 40,000	49,64,422	21,20,815	32,012	Rayalaseema Development Co.	14,500	..	Ramakrishna Mills	140.00	100	6.00	10.00	10.00			
15,00,000									128.00	100	9.00	10.00	10.00			
1,00,000	1,06,35,917	3,15,49,861	2,06,07,237	—1,65,20,788	Mccarka & Co.	95,232	2,224	Sholapoor Spg. & Wvg.	1,225·00	1,000	*Nil*	*Nil*	*Nil*			
36,00,780	17,19,000	81,44,573	65,62,316	1,99,148	H. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills		500	*Nil*	*Nil*	*Nil*			
15,00,000	3,43,80,155	99,02,152	79,52,780	30,80,553	Birla Brothers Private Ltd.	96,212	1,244	Sutlej Cotton Mills	90.00N	10	5.00	5.00	7.00			
17,40,000D									90.00N	10	5.00	6.00	6.00			
1,50,000FO	2,50,00,000	4,84,40,847	1,70,62,199	1,09,082	Jalpuria Brothers	1,12,216	2,061	Swadeshi Cotton (Kanpur)	11·50N	100	0.75	0.75				
1,00,00,000	50,06,584	3,35,56,288	1,62,42,715	2,63,690	Kmsetu & Sons (Travancore), Ltd.			Travancore Rayons	11·00N	10F.O.	1.15	1.15				
12,82,470	3,50,000	17,49,891	12,41,858	62,337	Moolji Ranjee & Sons	18,000	..	Trichinopoly Mills	13·00cd	10	0.62	0.75	1.00			
21,00,000	33,50,000	80,72,634	47,22,519	44,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	12.50	10	0.89	0.89	1.12			
33,00,000	31,89,009	1,74,27,020	1,17,94,860	16,922	M.	47,240	1,355	Vishnu Cotton	225.00	100	15.00	20.00	20.00			
									113.75	100	4.00	8.00	8.00			

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserved.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1954.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						BREWERIES AND DISTILLERIES								
19,92,000	25,48,500	1,12,48,027	57,89,029	1,23,240	Parry & Co., Ltd.	Deccan Sugar & Abkhari	7.95	5	*Nil*	*Nil*	0 8	0 12	5	Y.P.
16,20,630	26,75,014	29,38,961	16,23,422	8,736	Mr. K. G. Khanna	Dyer Meakin Breweries	5.94	5	0 8	0 8	0 8	0 8	3	Y.
							26.50	A. 16ah.	Sh. 1 8/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 2	9	Y.P
$549,950	$1 149,466	$1,757,923	$341,807	$59,449	Parry's Holdings Private]Ltd.	East India Distilleries and Sugar	—	B. 21	Sh. 4	Sh. 5	Sh. 4			
							166.00	75	15 0	15 0	15 0	15 0	3	Y.
6,00,000	9/60,000	15,96636	15,96,629	4,679	Vital Mallya, Esq., (Chairman)	United Breweries								
						CEMENT								
51,37,660	13,06,123	83,25,520	44,19,760	1,23,240	Andhra Engineering Co., Ltd.	Andhra Cement Co.	12.60	B. 10	1 0*	1 0	1 0*		12	Y.P.F.
43,14,600D							5.25	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.F.
4,70,976D	13,13,132	1,44,65,792	53,49,079	4,50,343	Eastern Corporation Ltd.	Assam]Bengal Cement	1.00	D. 1	0 8	0 8	0 8	0 8	7	Y.F.
12,71,67,255				2,93,968	Cement Agencies (Private) Ltd.	Associated Cement Companies	159.00	100	9 8	8 8	10 0	10 0		
60,00,000D	8,46,99,450	27,75,38,613	9,84,43,675		Hari Brothers Ltd.		11.50	O. 10	1 0	1 0	1 4		12	Y.P.
25,50,000O				2,87,995		Dalmia Cement (Bharat)	2.75	O. 2½	0 4	0 4	0 5			
5,00,000D	60,02,261	96,09,338	34,70,089				3.00	D. 1	0-1 3/5	0-1 3/5	0 2			
62,45,750O				2,97,122	Hasan Private Ltd.		25.00	O. 25	*Nil*	1 4	1 14	8 1	3	Y.P.
1,50,00000D	19,00,000	1,61,41,804	54,02,378				5.10	D. 5	*Nil*	1 4	1 4			
97,86,500				6,03,315	Dalmia Agencies Private Ltd.	India Cements]Ltd.	146.00	100	6 0	8 8	8 8	9 0	12	Y.P.
1,09,87,500	31,41,985	1,83,18,049	99,73,404	3,37,111	Shree Laxmi Agents Private Ltd.	Orissa Cement Ltd.	6.00	5	0 8	0 8	0 8	0-4 4/5	12	Y.
75,00,000	43,70,330	3,18,39,387	41,941	M.	Mael (Private) Ltd.	Shree Digvijay Cement	8.30	10	0 8	0 10	0 10	0 9 3/5	12	Y.
60,00,000	32,45,000	1,91,73,327	1,45,48,476	7,08,101		Sone Valley Portland Cement								
	....	1,04,40,357	43,91,959			Travancore Cements]Ltd.								
						CERAMIC; MINING AND QUARRYING								
31,70,655	2,35,000	63,15,902	33,03,683	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3.37	2½	0 2½	0 4	0 4		12	Y.
10,00,000		30,07,645	33,93,577	20,179	Bird & Co., Private Ltd.	Indian Copper Corporation	31.00N	10	1 6	1 6	0 12	0 14‡	3, 9	H.
2,14,200	27,53,243	$1,455,500	$2,152,083	$117,083	Gillanders Arbuthnot & Co., Ltd.		3.42	Sh. 2	2.44.	2.44.	64.*	10.84.*	12	Y.
9,11,15,000	$1,455,500				Bird]& Co.,]Private Ltd.	Karanpura Development	11.93	10	*Nil*	*Nil*	1 0		6, 12	H.
1,25,00,000	34,32,396	43,31,247	12,21,311	17,889	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	11.44

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Remarks
						PAPER								
65,00,000	26,71,841	2,08,57,919	1,49,28,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	75.00N	25	1 9	3 2	4 11	6,12	H.P.	
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	20.00	10	12 0	14 0	1 6 0 A	11 1/5[	3,0	H.
25,00,000	30,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	15.00	10	1 0*	0 12*	1 0*	3		
1,25,22,560	2,16,71,721	4,58,61,778	1,07,78,682	2,12,435	Birla Brothers Private Ltd. ..	Orient Paper	25.05	10	2 0	0 15	1 2	0 10	3,0	H.P.
1,35,49,070	56,40,423	1,56,40,302	1,00,79,701	3,18,038	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	14.25	10	1 8	1 8	1 4	1 4	6,12	H.P.
20,00,000														
10,00 000'A.'	6,50,000	95,33,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	9.37	10	0 12	0 12	1 4		3,0	H.P.
							9.37	A. 10	0 12	0 12	1 4			
2,18,55,240	49,18 060	3,75,66,264	57,92,879	17,813	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	8.31	Nil	Nil	5 0‡	0 8	6	Y.E.	
56,00,000A.							33.12	A. 10	2 0*	1 8	2 0*	1 2*		
56,04,800B.	3,41,28,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heligers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	33.12	B. 10	2 0*	1 8	2 0*	1 2*	3,0	H.
4,87,500P.O.							4.00	P.O. 2½	0 4	0 4	0 4	0 2*		
						PRESSING								
4,00,000	3,26,572	13,912	11,912	20,984	Andrew Yule & Co.	Calcutta Hydraulic	90.00N	100	3 0	4 0	Nil	1½	6	
5,00,000	2,47,182	10,91,806	9,80,274	26,289	Andrew Yule & Co.	Central Hydraulic	110.00	100	4 0	5 0	5 0	6 0	6	
						PROPERTY AND LAND								
10,00,780O.	6,98,883	43,53,570	22,68,279	95,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	18·50N	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.E.
2,80,000D.							2·75N	D. 1	0 4/5	Nil	0 9 3/5			
80,00,000	14,00,051	83,91,859	15,91,500	....	M.	Port Canning Land	4.34	100	1 8	1 8	Nil	Nil	4	Y.
94,00 000	26,70,109	92,05,154	95,892	—11,43,855	Andrew Yule & Co.	Midnapore Zamindary	21.00	100	1 8	4 0	3 0	Nil	4	Y.
						SAW MILLS AND TIMBER								
12,99,998	22,83,489	32,33,742	11,96,081	....	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.25	3	Nil	Nil	Nil	Nil	9	Y.
80,00,000	4,19,54,388	3,98,54,871	1,71,92,141	39,548	Wallace & Co.	Bombay-Burmah Trading Corps.	573.00	Old125	15 0	20 0	27 8	40 0	5	Y.
45,00,000							210.00	New50	6 0	8 0	15 0	16 0		
6,00,000	....	7,28,569	7,26,267	—4,59,907	Jardine Henderson Ltd.	Bengal Timber Trading	25.00N	100	Nil	Nil	Nil	Nil	6	Y.
80,00,000	21,15 487	19,00,895	14,35,560	2,76-619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	38.25	10	2 8	2 12	3 0	1 0[	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	12,32,302	42,04,482	29,87,602	—48,871	Begg, Sutherland & Co. Private Ltd.	Balrampur Sugar	5·50	5	Nil	0 12	0 1	Nil	6	Y.
12,00,000A.	29,80,250	55,40,831	36,32,485	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	128.00N	A. 100	10 0	10 0	10 0	10 0	6	Y.
3,00,000B.							14·00N	B. 10	1 0	1 0	1 0	1 0	4	Y.E.
19,49,950	8 25,000	38,76,107	25,31,569	73,488	Bangur Bros., Ltd.	Belsund Sugar	10·31	7½	0 12	0 12	1 0	1 0		Y.
15,00,000	13,51,513	18,12,168	12,47,841	2,330	Cotton Agents Private Ltd. ..	Bharat Sugar	17.00N	10	1 8	1 8	1 8	1 8	9	Y.
35,00,000	27,44,459	1,40,84,881	98,71,756	20,716	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7.00	10	Nil	0 12	0 4	Nil	6	Y.E.
30,00,000	65 63,722	1,63,27,398	86,27,382	91,991	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	15.00	10	2 0	0 12	0 12	Nil	6	Y.E.
18,00,000	89,72,880	81,58,068	56,46,244	29,503	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	22.12	10	1 0	1 0	1 0	0 12	10	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd. ..	Deoria Sugar	10.00N	10	1 0	0 12	0 8	0 8	8	Y.E.
50,00,000A.	44,95,000	1,02,71,005	67,56,074	33,123	Bachhraj & Co. Private Ltd. ..	Hindustan Sugar Mills	275·00	A. 100	15 0*	15 0*	15 0*	15 0	6	Y.
10,00,0000C.							100·00	O. 100	15 0*	15 0*	15 0*	15 0		
12 00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	65.00	80	Nil	Nil	4 8		7	Y.P.
							46.25	40	Nil	Nil	2 8			
7,89,100	22,35,852	44,42,878	22,21,722	3,730	Cotton Agents Private Ltd. ..	New India Sugar Mills	28.00N	10	2 8	2 8	2 8	2 8	6	Y.P.E.
11,00,000	4,45,000	46,39,038	27,41,282	10,798	K. C. Thapar & Bros. Private Ltd. ..	New Savan	10·00	10	0 4	0 4	0 4	0 6	6	Y.
13,98,000	45,01,854	71,25,062	24,33,864	9,709	Cotton Agents Private Ltd. ..	New Swadeshi SugarMill	225·00N	100	20 0	20 0	20 0	20 0	6	
61,275							60.00	25	5 0	5 0	5 0	5 0		Y.
77,45,250	58,05,699	2,04,73,468	1,05,56,900	20,563	Cotton Agents Private Ltd. ..	Oudh Sugar	140.00	100	11 0	11 0	11 0	11 0	7	Y.P.
12,00,000	12,59,374	21,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	100.00	100	10 0	10 0	10 0		7	Y.P.
9,00,000	19,64,817	43,99,385	21,54,228	20,705	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	15.50	10	1 0	0 12	0 12	0 12	10	Y.E.
9,00,000	3,10,793	25,74,023	22,66,790	12,204	M.	Ryam Sugar	20.00	10	1 0	0 8	Nil	1 12	6	Y.E.
11,99,000	19,38,520	45,20,102	24,12,139	3,554	Begg, Sutherland & Co. Private Ltd.	Samastipur Central Sugar ..	10.50	10	0 8	0 8	Nil	1 12	6	Y.E.
59,70,525	22,68,860	1,40,84,561	66,85,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.00	10	1 8	1 8	Nil	1 0	8	Y.E.
9,99,950	26,825	25,26,774	13,51,547	—4,25,477	H. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4.75	10	Nil	Nil	Nil	Nil	6	Y.E.
15,89,962	13,10,901	33,44,287	18,97,088	88,761	M.	Shri Sitaram Sugar	15.06	10	2 0*	1 8*	1 0	1 0	6	Y.
9,15,000O.							1·00N	O. 10	Nil	Nil	Nil			
4,40,000D.	46,462	29,66,350	11,46,770	—16,37,907	M.	South Behar Sugar	0·25N	D. 2½	Nil	Nil	Nil		10	Y.P.E.
5,00,000	29,24,348	1,15,70,815	65,03,754	22,329	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	68.00N	10	2 8	2 8	2 8	3 0	6	Y.P.
16,00,000	7,66,589	32,69,951	26,63,926	20,564	M.	United Provinces Sugar ..	13.50	10	0 8	1 4	1 8		6	Y.
						Other Centres								
80,00,000	8,00,000	45,07,80•	14,63,325	1,90,827	Rangarao & Co.	Andhra Sugars Ltd.	18.75	10	Nil	Nil	0 9 3/5	1 0	9	Y.
70,49,650	26,62,087	1,48,40,894	1,05,91,570	52,911	W. H. Brady & Co., Ltd. ..	Belapur Company	240.00	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9,52,385	15,54,398	12,79,490	12,609	H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	18.25	10	0 10	1 0	1 0	1 0	9	Y.E.
15,00,000	37,08,165	33,89,814	3,34,398	33,344	A. H. Bhiwandiwalla & Co. ..	Shree Changoor Sugar	25.00	12 8	2 0	0 12	1 0	1 8	9	Y.E.
15,98,900	12,63,972	40,71,911	23,64,596	14,799	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	70.00xd	100	Nil	Nil	5 0‡	6	9	Y.
14,94,925	14,59,827	31,70,027	19,25,045	6,76,986	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13.50xd	10	2 8	4 12	1 6 2/5	1 2	9	Y.E.
20,02,558	13,18,785	46,34,173	11,11,566	32,559	R. B. Ind. Corpn. Private Ltd.	Jeypore Sugar	13.75	10	1 0	1 0	1 0	1 0	9	Y.E.
33,57,620	45 51,080	42,51,227	21,95,827	18,645	Govan Bros.(Rampur), Ltd. ..	Buland Sugar	14.50N	10	1 0	1 0	1 0	0 9-3/5	6	Y.E.
10,52,200D.	79,50,000	1,79,03,447	35,20,265	26,868	V. Ramakrishna, Sons (Private) Ltd.	K. C. P. Ltd.	135.00	Q.100	7 8	7 8	7 8	7 8	6	Y.E.
2,57,190D.							145.00	D. 10	10 0	10 0	10 0	10 0		
21,79,380	36,24,818	1,20,89,143	82,31,728	2,62,107	S. Muninarajappa, Esq. (Mg. Director)	Mysore Sugar	87.50	10	2 0	2 0	3 0	3 0	6	Y.
50,00,000	34,50,000	1,20,70,521	61,35,454	2,80,931	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	45.00	50	3 0	3 0	3 0	3 0	6	Y.
16,59,320	41,20,000	58,54,984	31,76,980	1,25,739	Anderson Wright Ltd.	Rasmuggur, Cane and Sugar	25.87	10	2 8	1 8	2 0	2 0	9	Y.E.
80,00,6000.	35,02,395	95,61,317	56,00,976	67,511	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	125·00N	O. 50	Nil	2 8	3 0	2 0	9	Y.P.E.
4,00,000D.							7·00N	D. 10	Nil	Nil	Nil	Nil		
19,99,000	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	15·50N	10	1 0	0 12	1 0	0 1 1/5	7½	9	Y.
80,00,000	9,10,000	59,87,263	22,10,844	45,998	Parry Co., Ltd.	Travancore Sugars	10.00	10	Nil	Nil	0 12	1 0	10	Y.
1,81,00,000	1,06,46,263	2,28,80,658	99,17,710	1,75,780	Walchand & Co.Private Ltd.	Walchandnagar Industries‡	260.00	100	14 0	16 0	18 0	21 0	7	Y.P.E.
						TRANSPORT								
20,00,000	1,00,59,622	1,24,09,186	18,29,251	1,10,020	Andrew Yule & Co.	Bengal-Assam Steamship Co ..	118.00	100	10 0	7 8	7 8	7 8	10	Y.
1,00,00,000	15,37,619	4,41,65,864	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	80.00N	100	5 0	5 0	5 0	7 8	10	Y.
60,00,000	31,80,011	2,31,00,904	59,55,708	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	19.70	10	1 0	1 0	Nil	1 0	6	Y.
4655,580	61,066,192	45,614,160	42,207,581	622,063	Kilburn & Co., Private Ltd. ..	India General Navigation & Rly. Co.	65.00	510	Nil	8h. 1 0	8h. 10	1 0	6	Y.
2,25,00,000	80,99,223	9,54,47,544	2,33,99,146	25,250	Lions' Edwards Ltd.	Indian Steamship Co.	10.37	10	0 8	Nil	Nil		12	Y.
9,99,98,060	9,00,12,101	22,54,99,394	4,85,66,202	5,62,020	M.	Scindia Steam Navigation Co	19.05	10	0 12	0 8	0 6	1 0	5	Y.
8,40,8000.	18,26,615	12,00,284	7,86,760	1,66,818	R. B. Aiyer, Esq., (Manager) ..	Walford Transport Ltd. ..	1·81xd	O. 1	as 1 3/25	1 22/2	as 2 6/25	2 6/25	12	Y.
2,10,200P.O.							1·17½	P.O. 1½	as 10/25	1 19/25	as 122/25	„ 1 23/25		
						UNCLASSIFIED (Bombay)								
2,40,000	71,000	5,66,321	4,22,868	339	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	530·00	200	32 0	32 0	32 0	30 0	9	
15,98,886	2,04,173	2,26,474	90,000	1,99,251	M.	Bombay-Uganda	60·00N	80	5 0	4 8	Nil		9	
25,00,000	1,00,000	22,27,214§§		1,225	M.	New Egerton Investment Co.	11·50	25	0 12	0 12	Nil		6	
5,57,00,000	1,03,93,754	4,55,59,017	1,03,65,562	94,16,783	A. J. C. Hoskyns-Abrahall (Chairman).	Hindustan Lever	19.00	10			0 12	0 13	3	
20,17,900	13,65,886	26,39,283	59,24,587	23,562	Birla Brothers Private Ltd. ..	Hind Cycles	115.00	100	8 0	10 0	10 0	1 4	12	
14,98,540	3,48,555	23,50,000	17,75,000	4,110	Choonilal Manilal Ltd.	Hotels Ratterick	37.75	50	Nil	3 0	2 0		12	
99,99,250	20,12,980	1,22,50,062§§		3,23,875	Premshand Roychand & Sons	Industrial Investment Trust	99.00	100	Nil	8 0	8 0		12	
99,99,975	38,08,351	35,47,326	8,04,331	4,559	K. G. Milne, Esq. (Mg. Director)	Kilnick Industries	155.50	100	10 0	11 0	4 8	5 0	12	
2,26,12,775 A.O.	89,14,255	3,06,59,581	1,49,06,236	6,04,448	Aero-Auto Private Ltd.	Premier Automobiles	89.50	100	Nil	Nil	Nil	11 0	6	
10,21,200	5,05,419	8,09,102	5,79,914	7,256	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	28.00	20	2 8	2 0	2 0	2 0	6	
2,75,00,000	1,35,45,829	3,14,34,161	1,59,08,376	5,02,238	Mr. A. Spdari & Mr. S. Gothberg	Western India Match Co., Ltd.	157.00	100	11 0*	11 0*	11 0*	11 0*	12	
48,80,000	62,52,590	7,44 904	5,09,715	60,677	Sir Joseph Kay, K.B.E. (Mg.Direc tor).	W. H. Brady & Co., Ltd. ..	350·00	150	20 0	20 0	20 0	22 8	12	
						Other Centres								
47,50,000	94,82,556	3 73,51,606	72,16,869	1,16,199	J. K. Industries(Private)Ltd., ..	Aluminium Corporation of India Ltd.	8·75	O. 10						
2,50,000							8·50N	D. 2½	Nil	Nil	Nil	0 8	3	Y.P.E.
46,00,000	22,20,000	56,26,845	21,56,600	64,527	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd. ..	12·50	10	1 4	1 4	1 4	1 4	3	
20,00,000	26,18,873	24,21,252	22,94,852	2,25,874	Turner Morrison & Co. Private Ltd.	Angele Bros., Ltd.	20.25	10	1 4	1 4	1 4	1 4	3	
35,00,000	15,70,000	33,93,782	31,20,441	1,72,878	Mr. A. Bydari & Mr. S. Gothberg	Assam Match Co., Ltd.	15.25	10	1 4	1 4	2 0*	2 0*	3	
20,00,000	22,47,883	1,02,58,021	56,57,380	2,48,132	Associated Hotels of India ..	Associated Hotels of India ..	7·50N	10	0 3 1/5	0 3 1/5	0 6 2/5	1 8-1/5	12	
26,01,400	1,16,88,000	67,47,111	33,97,111	5 82,120	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	141.00	100	20 0*	12 0‡	12 8		12	
12,80,000	12,56,000	23,20,898	25,71,886	90,879	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd.	25.12	10	2 0	2 0	2 0		12	
90,00,000	8,05,715	62,23,492 §§		37,013	Lovelock & Lewis	Birds Investment Ltd.	13.87	10	1 4	1 4	1 4	2 8	12	
46,97,080	20,11,814	1,10,56,424	33,87,839	1,79,377	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	1·00	1	0 8	1 0	1 0	1 0	9	
2,25,00,000	1,55,55,571	3,06,98,577	2,33,80,121	1,22,521	W. H. J. Christie, Esq. (Mg. Director)	British India Corporation Ltd.	6·80	5	0 8	1 0	1 0	1 0	3	
1,58,80,000	17,84,264	2,03,27,282§§		12,75,982	Andrew Yule & Co., Ltd. ..	Clive Row Investment	0·81	10	0 4 1/5	0 3 1/5	0 9	2%	12	
1,60,00,000	3,40,86,174	5,55,01,698	2,48,71,167	13,24,595	John Lusknam, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	20.44	10	1 8	1 8	1 8	1 6	12	
81,28,000	54,10,811	1,72,17,367§§		2,27,916	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	105.00	100	9 0	9 0	9 0	9 0	12	
14,00,000	10,02,000	33,81,773	18,89,772	37,194	MacNeill & Barry Ltd.	Ganges Rope Co. Ltd.	109.00	100	20 0	15 0	15 0	9 0	12	
65,00,000	58,17,200	19,78,012	9,18,963	89,541	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11.37	10	1 8	1 8	1 8		3	
30,90,000	14,67,354	81,29,620	33,68,932	7,456	B. P. R. Syndicate	Great Eastern Hotel	226·00N	250	7 8	7 8	1 6 2/5	1 9 3/5	3	
4,98,85,700	....	3,94,18,142	1,31,38,541	6,15,962	Birla Brothers Private Ltd. ..	Hindustan Motors	7.00	10	1 0	1 0	1 0	1 0	3	
2,01,10,000	56,56,543	4,80,45,268	1,96,84,142	7,87,416	E. S. Greenwood (Mg. Director)	Indian Aluminium Co. Ltd. ..	13.00	10	Nil	Nil	Nil	Nil	9	
1,58,39,320	1,87,00,000	1,09,28,789	71,50,911	82,94,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	22.75	10	Nil	Nil	0 0	1 0	12	
5,27,770	9,50,000	16,74,908	9,50,308	12,728	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	26.00	10	1 0*	1 0	1 0*	1 8*	3	
15,16,00,000	7,89,02,092	4,15,59,461	1,63,38,877	24,94,374	Mr. G. H. T. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	26.00	10	0 12	0 8	0 10	1 0	3	
2,00,80,000	57,29,566	37,46,656	11,08,843	5,11,886	G.M. Mackinlay, Esq.	Jardine Henderson	75.00	100	7 8	7 8	0 12 4/5	0 12 4/5	3	
40,00,0000.	80,86,906	26,18,922	8,78,670	2,57,324	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	210·00	0.100	10 0	17 0	2 4 5	7 8	3	
5,00,0000D.							2·00N	D.0.10	0 8	1 3 1/5	1 12		12	
1 42,96,500	81,62,796	24,06,298	13,24,790	2,70,307	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23.56	10	1 4*	1 0	1 12	2 2*	9	
1,18,00,900	55,50,000	1,88,37,975	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman).	Metal Box Co. of India, Ltd. ..	25.00	10	1 0	1 0	1 12		9	
2,35,585	1,55,256	7,82,598	5,60,987	—2,54,477	Shanker & Co., Private Ltd. ..	Mysore Glass and Enamel Works	8·75	10	Nil	Nil	Nil	1 10	9	
4,54,250	9,18,696	11,18,541	5,51,038	446	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15·00	10	1 0	1 0	0 12		9	
10,00,000	2,18,500	15,54,005	9,41,427	44,512	M. H. Parthasarathy Esq. (Chairman).	Mysore Tobacco	14·10	10	1 0	1 0	0 14	0 14 2/5	3	
2,00,00,000	78,15,505	1,50,38,092	50,60,695	21,19,762	J. R. Galloway, Esq. (Mg. Director).	National Carbon Co. (India) Ltd.	24.12	10	3 8	4 0	3 4	1 8	12	
40,00,000	74,71,172	63,80,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd. ..	National Insulated Cable Co. ..	20.25	10	1 0	1 0	1 8*	2 0*	3	
40,00,000	15,00,000	92,19,295	21,17,403	75,786	M.	National Rolling & Steel Ropes	9.37	10	0 9	0 9	0 9	0 9	3	
79,97,000		1,17,52,757	57,19,268	8,99,582	B. N. Elliss & Co., Ltd.	National Tobacco Co.	9.37	10	0 9	0 9‡	0 9‡	0 9‡	3	
2,25,00,000	8,71,248	1,45,28,415	44,28,274	—44,12,928	M. P. A. Paspatti, Esq.	Rallis (India) Ltd.	32.00	100	Nil	Nil	0 12 4/5	Nil	12	
1,73,24,400	1,81,20,208	7,56,34,689	3,47,94,970	4,91,024	Sahu Jain Ltd.	Rohtas Industries	17.44	10	1 4	1 8	1 8	Nil	12	
40,00,000	87,06,558	1,21,67,804	72,90,327	2,22,213	G. W. Stephenson, Esq.	Spencer & Co., Ltd.	15·90	10	1 8	1 8	1 8	1 8	6	
75,00,000	54,13,650	17,49,815§	5,53,635	2,56,290	S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co., Ltd. ..	11.31	10	1 0	1 4	Nil	1 8	6	
9,98,280	....	14,51,909	4,53,782	—47,988	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	3·30	10	Nil	Nil	Nil	Nil	12	

M.—Managed by Board of Directors. §§ Investments at cost. • Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,62,000 which represent shares in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each which subsequently were divided into shares of Rs. 10 each.

Σ—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Remarks
							ASSAM								
4,48,700	3,79,619	11,34,864	5,86,169	....	McLeod & Co., Ltd.	825	Amlabile	25.00xd	10	25 0	75 0	19 0	3 0[	12	Y.P.
3,50,000	8,43,250	10,69,902	2,45,083	77,477	R. K. Kanoria, Esq.	439	Ananda (Assam) Tea	34.00	10	1 4	7 8[			12	Y.
3,50,000	3,93,350	11,31,676	3,83,926	50,536	Gillanders Arbuthnot & Co., Ltd.	427	Ananda Bag	20.00	10	2 8	3 0*	1 0		12	Y.
5,50,000	11,21,541	17,56,465	7,06,427	56,951	McLeod & Co., Ltd.	513	Baghmari	19.00	10	Nil	1 8	2 8		12	Y.
5,50,000	14,19,026	19,68,571	6,99,309	66,735	Andrew Yule & Co., Ltd. ..	678	Baramatia	24.12	5	2 0	4 0	2 8		12	Y.
2,50,000	9,10,000	12,28,582	4,89,309	50,288	National Tea Corporation ..	570	Batell	25.00	10	2 0	2 8	3 0*		12	Y.
2,50,000	4,65,000	7,65,000	7,13,759	46,351	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	21.25	10	1 8	2 8	2 8		12	Y.
3,38,000	9,40,000	10,27,062	3,05,925	1,49,359	Williamson Magor & Co., Ltd.	4,002	Bishnauth	16.00	10	Nil	1

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed
					PLANTING : PRODUCE AND RUBBER								
3,00,000	1,60,000	2,92,380	31,236	22,236	Planting Agencies Ltd.	Balmadies Plantations	2·35	2	0 4	0 4	0 4 4/5	0 3 1/5	5
17,04,186	24,50,000	52,61,463	5,60,575	71,795	Peirce, Leslie & Co., Ltd. ..	Coshin Malabar	7·25cd	3	0 12	0 12	0 7 1/5	0 12	3
18,00,000	21,60,000	36,13,155	7,15,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	27·25	10	0 4/5	2 8	1 12 4/5	2 8	6
71,55,060	48,57,750	1,16,66,380	25,12,535	1,12,212	R. C. Paterson, Esq.	Consolidated Coffee	22·50	10	1 8¼	1 12	2 4	2 0	6
4,00,000	6,47,666	7,58,759	40,278	1,000	Associated Planters Ltd.	Cetlanad Plantations	17·25	10	1 8	1 8	1 12*	1 8	3
18,00,000	9,95,543	25,86,790	5,31,442	57,165	A. V. Thomas & Co., Ltd.	Highland Produce	13·50cd	10	1 4	2 8	2 0	2 0	12
4,00,000	10,22,899	13,32,835	2,21,241	4,859	A. V. Thomas & Co., Ltd.	Kalpetta Estates	24·00	10	2 0	2 0	2 12	2 0	4
9,00,000	8,17,955	5,86,920	2,50,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	27·00	10	5 8	2 4	2 4	2 4	3
27,00,000	29,11,062	77,71,161	8,54,890	1,07,840	A. V. Thomas & Co., Ltd.	Midland Rubber	14·75	10	1 8	1 12*	2 8	2 0	3
3,25,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Nenmeny Rubber	20·25cd	10	0 12	1 8	1 8	....	12
2,00,000	2,68,500	7,81,436	59,277	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	16·25	10	1 0	1 8	1 8	....	12
19,45,980	21,29,615	43,87,395	14,23,983	*Nil	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4·75	2	0 3½	0 9 3/5	0 6 2/5	0 3 1/5	10
12,50,000	9,99,000	42,16,515	8,48,137	5,082	A. V. Thomas & Co., Ltd.	Kalagiri Rubber	15·50	10	1 12*	1 12*	2 0	2 8	6
3,66,780	3,50,000	7,77,412	78,475	71,242	Peirce, Leslie & Co., Ltd.	Savannasi Estates Ltd.	19·25	10	2 0	1 8	1 0	1 8	11
10,00,000	3,09,600	22,34,273	1,40,071	8,472	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	8·06	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	3
2,50,000	2,37,500	5,37,767	90,994	14,587	A. V. George & Co., Ltd.	Thamarapally Rubber	24·00	10	3 0	3 0	3 0	3 0	12
9,15,300	4,00,000	20,99,924	96,217	27,665	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd. ..	1·55	1	0 4½	0 1 3/5	0 2	0 2	9
9,00,000	75,491	9,79,479	2,23,617	5,746	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	15·00	10	2 0	2 0	3 0	....	12
41,90,000	13,61,221	81,07,222	12,54,245	3,49,533	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	8·00	10	1 0	1 8	1 4	0 12	12
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	27·00	25	2 8	2 8	4 0	....	12
6,23,686	5,40,070	8,51,483	16,123	40,780	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	29·40cd	10	2 0	2 4	2 8	1 8½	12
6,74,010	97,250*	13,54,566	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	9·50	10	1 0	1 8	2 0	1 4	3

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed
66,00,000	47,00,000	1,08,27,544	56,27,664	29,990	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	7.00	10	1 0	1 10	0 10	0 4	3,9
5,00,000	10,25,000	53,46,060	37,72,105	2,45,707	McLeod & Co., Ltd.	445	Alexandra	135.00	100	3 8	7 8	10 0	5 0‡	6,12
20,00,000	5,25,000	1,17,61,827	94,41,089	34,402	McLeod & Co., Ltd.	1,254	Alliance	70.00	100	5 8	12 0	6 0	N 0	6,12
49,20,000	69,00,000	2,95,90,282	1,93,15,000	2,30,102	Duncan Bros. & Co., Private Ltd.	2,561	Anglo-India	132.00	100	12 8	7 8	8 8	2 8	3,9
46,00,000	43,17,951	1,76,37,255	11,27,777	1,27,867	Bird & Co. Private Ltd.	810	Auckland	75.00	100	4 0	2 8	10 0	1 0‡	3,9
20,00,000	12,80,918	99,91,416	65,46,084	45,262	Jardine Henderson Ltd.	959	Bally	137.00	100	4 0	Nil	3 8	Nil‡	3,9
5275,000	£667,408	£1,477,488	£937,176	....	Sir John H. Burder (Chairman)	1,889	Barnagore	76.00	£5	£1 0	sh. 15	sh. 15	Nil	3
23,00,000	26,56,123	94,67,700	51,49,231	1,330	Andrew Yule & Co., Ltd.	820	Belvedere	72.00	100	15 0	10 0	7 8	Nil	12
46,00,000	85,45,000	57,08,172	31,28,574	2,65,100	Seeralmull Nagarmull	600	Bengal	71.81	10	1 0	1 0	1 0	....	6
91,26,000	2,17,45,382	2,34,10,402	1,45,32,681	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla	12.87	10	3 0	1 0	1 0	1 0	3
2,50,000	21,09,026	1,17,00,903	72,35,310	4,164	Andrew Yule & Co., Ltd.	991	Budge-Budge	90.00	100	10 0	9 0	7 8	Nil	10
7,47,386	3,09,640	42,18,704	31,02,683	—2,31,479	Dayaram & Sons	502	Calcutta Jute Mfg.	8.50	10	Nil	0 12	Nil	....	6,12
18,00,000	26,46,234	87,43,998	45,04,058	20,580	Andrew Yule & Co., Ltd.	616	Caledonian	102.00	100	12 0	9 0	6 8	Nil	11
66,16,400	88,49,238	2,33,06,729	1,11,69,803	19,010	James Finlay & Co., Ltd.	600	Champdany	96.00	100	6 0	8 0	10 0	2 0‡	3,9
15,95,000	23,29,282	82,73,766	57,70,175	1,555	Andrew Yule & Co., Ltd.	530	Cheviot	116.50	100	12 0	14 0	10 0	2 0	11
20,15,000	32,00,000	66,65,782	48,43,666	1,01,027	McLeod & Co., Ltd.	500	Chitavalsah	11.50	10	1 12	1 2	1 6	0 10‡	6,12
24,00,000	9,00,000	81,98,325	57,13,357	25,925	Shree Krishna Investment Co., Ltd.	968	Clive	13.75	10	Nil	Nil	1 4‡	0 8	3
31,49,220	46,65,252	1,17,38,484	46,94,775	—2,50,544	Bird & Co. Private Ltd.	765	Dalhousie	78.00	100	4 0	2 8	4 0	Nil	3,9
28,00,000	40,51,679	77,35,542	47,56,110	4,547	Andrew Yule & Co., Ltd.	779	Delta	100.00xd	100	20 0	12 0	10 0	5 0	11
15,00,000	24,50,000	83,93,104	40,85,660	76,491	McLeod & Co., Ltd.	500	Empire	12.44	10	1 0	1 4	1 4	0 8‡	6,12
21,00,000	66,60,960	2,70,39,054	1,39,16,158	1,85,415	Kettlewell Bullen & Co., Ltd. ..	1,854	Fort Gloster	260.00 N	100	Nil	6 0	15 0	7½	3,9
21,00,000	13,00,000	97,55,074	54,45,592	1,84,823	Bangur Bros., Ltd.	1,014	Fort William	16·25	10	5 0	20 0	20 0	0 12½	3,9
54,53,100	....	2,11,07,224	1,33,48,825	—2,67,452	M.	1,709	Ganges Mfg.	47.00	100	Nil	0 8	2 8	Nil‡	3,9
16,80,000	25,00,000	71,65,962	48,45,995	—74,961	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	700.00	500	15 0	10 0	....	....	3,9
24,00,000	29,82,827	2,10,00,613	1,61,36,422	25,195	Mamull & Barry Ltd.	1,594	Gourepore	288.00	100	8 12	10 0	15	2 8‡	3,9
46,00,000	64,68,253	1,14,80,548	54,72,186	2,40,248	Bangur Bros., Ltd.	1,078	Hastings	109.00 N	100	10 0	10 0	11 8	5 0	3
16,80,000	18,61,969	66,47,721	47,79,916	—2,55,244	Rajpuna Bajoria	720	Hooghly	15.00	10	1 4	1 8	1 4	Nil	3
65,62,500	49,84,372	1,82,66,485	1,16,52,768	57,084	Jardine Henderson Ltd.	1,940	Howrah	14.50	10	1 6	1 8	0 14	0 4‡	3,9,3
58,50,000	27,85,185	2,86,51,559	1,58,51,559	1,18,935	Ramdutt Ramkissendas	2,372	Hukumchand	18.00	7½	3 0	2 0	2 0	2 0	3
50,000	17,30,656	1,27,01,698	80,28,979	2,57,287	M.	1,076	India	127.00 O.	125	8 0	8 0	4 11	4 11‡	3
24,00,000								D.	1	0 4/5	0 2/5	0 3/5	0 3% ‡	3,9
19,20,000 B	18,75,346	1,85,39,772	1,15,01,808	....	Jardine Henderson Ltd.	1,797	Kamarhatty	67.50	100	9 0	8 0	2 8	Nil‡	6,12
30,00,000								'B'	100	9 0	8 0	2 8		
24,00,000 B	9,81,472	1,74,14,302	87,61,781	—9,24,216	Jardine Henderson Ltd.	1,537	Kankinarah	62.00	100	7 8	6 8	1 0	Nil	6,12
								'B'	100	7 8	6 8	1 0		
21,00,000	53,00,000	1,35,18,975	86,26,121	91,282	McLeod & Co., Ltd.	768	Kelvin	50.00	100	7 8	6 8	1 0	Nil	6,12
44,00,000	23,83,275	1,72,56,982	1,18,00,127	56,923	Anderson Wright Ltd.	1,530	Khardah	117.00	100	15 0	20 0	17 8	5 0‡	6,12
46,00,000	1,95,90,890	2,44,37,944	1,15,66,122	41,487	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	135.00	100	17 8	12 8	11 8	4 8‡	3,9
23,46,000	29,61,564	1,11,33,345	47,99,245	—2,31,778	Bird & Co. Private Ltd.	931	Lansdowne	69.00	100	9 0	7 0	7 0	6 0‡	3,9
30,00,000	36,75,102	1,16,29,280	64,57,397	3,782	Bird & Co. Private Ltd.	840	Lawrence	79.50	100	5 0	5 0	7 0	Nil‡	3,9
21,46,200	26,36,045	2,84,18,249	1,38,97,399	1,94,942	M.	1,383	Magna	65.50	100	5 0	5 8	6 0	Nil‡	3,9
27,36,980	38,40,147	1,54,91,466	1,01,87,573	—9,06,407	F. W. Heilgers & Co. Private Ltd.	816	Mahalti	50.00	100	Nil	Nil	Nil	3 12‡	3,9
20,00,000	15,55,000	29,01,562	18,21,709	17,216	Mowrah Trading Co., Ltd.	425	Naskarpara	18.75	10	0 6	1 0	1 0	Nil‡	3
35,00,000	41,29,126	21,71,346	10,66,470	17,339	Andrew Yule & Co., Ltd.	352	National	19.50	10	2 0	2 0	1 12	....	4,10
26,25,000	27,00,000	25,31,475	20,72,256	1,39,411	McLeod & Co., Ltd.	316	Nellimarla Jute	11.25	10	1 12	1 8	1 0	0 12	10
25,50,000	2,71,44,543	4,39,15,637	2,66,28,548	5,71,208	Sahu Jain Ltd.	1,765	New Central†	11.12	10	1 8	1 8	1 0	0 12‡	6,12
16,79,250	49,70,184	1,18,56,587	51,43,018	70,116	Bird & Co. Private Ltd.	1,107	Northbrook	18.62	10	1 2	1 4	1 8	1 8‡	12
14,79,520	22,54,981	2 18,56,164	1,39,46,311	11,988	Mamull & Barry Ltd.	1,092	Reddea	31.00	20	1 8	2 0	2 4	2 4	3,9
24,91,000	28,76,049	75,85,619	51,45,530	11,098	Andrew Yule & Co., Ltd.	661	Orient	92.00	100	12 0	8 0	1 0	Nil‡	3,9
21,00,000	4,29,490	80,56,427	65,32,166	51,585	McLeod & Co., Ltd.	1,000	Premiadanga	3.50	10	0 2	0 3	0 3	2 0	11
30,00,000	2,49,720	36,97,878	8,58,139	—9,18,216	Birla Brothers Private Ltd. ..	805	Rameshwarm	4.50	10	Nil	Nil	Nil	Nil‡	6,12
40,32,000	5,82,485	1,22,85,629	59,15,596	—11,72,541	Jardine Henderson Ltd.	1,276	Reliance	6.37	10	Nil	Nil	Nil	Nil‡	3
2,50,00,000	61,993,713	41,846,244	....	256,782	Thomas Duff & Co. (India) Ltd. ..	2,018	Ramangury	9.12	61	10%	10%	5%‡	....	3,9
30,00,000	19,14,910	1,16,50,877	79,96,145	97,978	Bagaria Moro & Co., Ltd.	911	Shree Ambica	14.00	10	0 8	1 0	0 8	....	12
12,00,000	11,25,000	66,11,794	55,79,294	2,156	Hindustan Investment Corporation	401	Seorah	14.00	10	0 8	1 0	0 8	....	3,9
15,15,000	45,72,118	1,27,33,248	59,33,459	—4,87,157	Bird & Co. Private Ltd.	886	Standard	59.00	100	8 0	8 0	8 0	....	12
2562,500	2925,119	47,127,660	....	628,545	Thomas Duff & Co. (India), Ltd.	1,764	Titaghur	9.12	61	10%	10%	5%‡	Nil	3,9
30,00,000	52,00,782	2,00,00,000	84,32,950	18,284	Bird & Co. Private Ltd.	1,226	Union	101.00	100	8 0	8 0	8 0	....	12
2400,000	6452,035	41,164,203	....	600,567	Thomas Duff & Co. (India) Ltd. ..	1,221	Victoria	9.12	61	10%	10%	5%‡	1 0‡	3,9
4,50,000	6,85,000	56,01,662	40,75,991	11,327	McLeod & Co., Ltd.	457	Waverley	8.12	1	0 1	0 8	0 3	Nil	6,12

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed
25,50,000	25,05,000	91,54,011	54,41,911	25,610	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	16.00	10	1 0	1 5	1 0	0 9‡	3,9
11,00,000	8,49,890	37,37,034	25,08,182	90,370	Jardine Henderson Ltd.	Bararee Coke	16.00	10	1 4 2/5	1 7 1/5	1 0	1 3/5	3,9
2,40,000	1,05,000	9,25,911	6,54,878	4,078	Kalyanji Mavji & Co.	Bengal-Bhaidoo	5.50 N	10	1 4	1 10	0 10	0 10‡	6,12
1,00,00,000	1,60,28,785	9,10,16,949	4,19,72,935	9,44,657	Andrew Yule & Co., Ltd.	Bengal Coal	210.00	100	33 8*	30 0*	35 0*‡	17 8	6,12
1,25,000	5,80,653	24,81,782	23,33,584	1,07,984	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14.00	10	Nil	Nil	Nil	....	10
1,87,500	4,78,148	41,39,255	32,35,102	—2,45,192	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	6.75	10	Nil	Nil	Nil	....	12
40,00,000	8,00,000	1,39,86,668	71,95,183	1,57,448	Sahu Jain Ltd.	Bharat Collieries	6.37	10	0 12	0 10	0 10	....	9
7,15,000	16,11,080	52,62,582	37,32,586	—1,57,448	F. W. Heilgers & Co. Private Ltd.	Bhandaboraw	12.50 N	10	Nil	Nil	Nil	....	3
7,50,000	24,39,028	42,29,660	22,35,102	84,987	F. W. Heilgers & Co. Private Ltd.	Borree	16.81	10	2 12	2 0	2 0	....	6,12
26,25,125	1,79,05,963	4,52,86,647	1,90,16,284	30,162	Bird & Co. Private Ltd.	Burrakur	21.37	10	0 12	2 0	2 0	....	6,12
10,97,752	....	42,33,480	7,80,000	9,987	Hindustan Investment Corpn., Ltd.	Central India	6.06	10	0 12	0 8	0 10	0 8‡	6,12
2,50,000	18,39,590	49,11,357	33,03,469	69,009	M.	Central Kurkend	11.00 N	10	0 4	0 4	0 4	0 8	3
3,00,000	1,43,986	7,30,051(k)	....	4,240	F. W. Heilgers & Co. Private Ltd.	Charlia	1.87	10	0 12	0 4	....	....	12
15,00,000	....	65,81,704	39,21,876	—1,86,218	Mamull & Barry Ltd.	Dhemo Main	4·62	4	0 2	0 2	0 1	0 1	12
2,00,000	£250,653	£970,695	£721,578	£44,982	Jardine Henderson, Ltd.	East Indian	22.37	16	2 8	2 8	2 8	2 8	6,12
12,00,000	23,55,049	4,04,51,377	2,69,25,665	88,279	Mamull & Barry Ltd.	Equitable	21.62	61	1 8	2 0	2 0	2 0	6
12,00,000	1,60,999	13,81,144	4,88,557	26,253	Bhatter's Agency Ltd.	Garsisk and Mussia	18.50 N	10	1 8	1 8	1 8	....	6,12
2,00,000	1,25,000	41,35,547	33,48,143	1,144	KMiek Industries Ltd.	Hingir-Rampur	10.75	10	0 8	0 8	0 4	0 2	3
80,50,000	7,25,000	23,07,181	18,09,251	46,984	Mamull & Barry Ltd.	Hurriladih	21.00	10	0 8	Nil	2 4	2 4	6
2,45,000	1,12,000	24,74,412	6,19,546	—5,57,280	Rajpuri Trust Ltd.	Jootia Coal	1.50	10	1 8	1 12	2 0	....	6,12
20,00,000	9,45,179	19,54,557	7,25,556	....	Andrew Yule & Co., Ltd.	Kalapahari	20.00	10	Nil	Nil	....	....	12
5,00,000	1,77,175	52,59,023	4,05,140	5,965	Bird & Co. Private Ltd.	Karanpura Collieries	90.00	100	Nil	Nil	Nil	....	3,9
1,53,400	16,60,000	46,77,533	36,47,965	1,35,474	Andrew Yule & Co., Ltd.	Katras Jhariah	55.75	16	4 0	4 0	2 8	2 8	3
11,26,240	6,72,966	15,35,941	5,73,966	—2,66,286	Beriwala & Co.	Khas Kajora	2.60 N	10	Nil	Nil	5 8	5 8	1,7
9,00,000	11'11,926	16,80,329	10,68,990	10,511	H. V. Low & Co. (Private) Ltd.	Kusdi	2.50 N	10	Nil	Nil	....	....	6,12
7,45,240	2,80,000	12,13,230	9,66,219	4,708	H. V. Low & Co. (Private) Ltd.	Lakurka	7.50 N	10	Nil	Nil	0 2	0 2	6
7,00,000	28,617	10,53,740	5,58,288	41,281	Textile Brothers Ltd.	Nantra	8.75	10	0 8	0 4	0 2	....	4
17,76,220	19,51,814	1,24,49,315	91,72,491	53,598	Amritlal Ojha & Co., Ltd.	New Bansdeopur	9.00 N	10	0 8	0 8	0 8	....	12
6,00,000	78,000	83,80,471	21,89,197	70,223	Andrew Yule & Co., Ltd.	New Beerbhoom	18.56xd	10	0 12	1 2	1 0	....	3,6
1,15,000						New Manbhoom	9.00	10	1 0	1 2	1 0	12	10
1,57,500	2,55,193	15,07,219	8,64,731	15,960	Andrew Yule & Co., Ltd.				Nil	Nil	Nil	Nil	3,9
7,50,000	15659,447	3,07,666	2,77,066	37,244	F. W. Heilgers & Co. Private Ltd.	North West	19.25	10	0 4	Nil	1 8	0 12‡	3,9
10,00,000	1,10,000	61,24,513	19,79,571	25,428	K. C. Thapar & Bros. Private Ltd.	Ondal	16.50	7½	0 8	Nil	1 0½	0 8‡	3
8,24,000	10,060	19,58,766	8,69,957	61,987	Deepchand Khemchand	Oriental Coal	8.00 N	10	0 6	1 0	1 0	0 12	12
15,75,000	16,80,000	49,91,252	29,01,252	23,784	Shaw Wallace & Co., Ltd.	Parasick and Khas	18.00 N	10	0 4	0 8	0 8	....	6,12
62,97,900	20,17,108	1,34,27,548	97,94,764	23,188	B. N. Elias & Co. Private Ltd.	Pench Valley	14.50	10	0 6	0 12	1 0	....	6,12
18,50,000	10,45,116	28,56,265	29,71,364	15,614	Shaw Wallace & Co., Ltd.	Ranegunge	10.25	10	1 10	1 10	1 8	0 11 1/8‡	6
20,00,000	3,90,000	44,28,585	18,79,118	2,39,175	Jaipuria Sons Ltd.	Rewa	10.50	10	Nil	0 8	0 10	0 6‡	3,6
1,50,000	1,93,078	13,79,490	11,21,327	21,276	....	Samla Collieries	11.00 N	10	0 8	0 12	0 14	0 12‡	12
2,80,000	8,36,598	23,90,490	19,07,296	49,299	Andrew Yule & Co., Ltd.	Searsole	5.00 N	2½	0 12	1 0	1 0	....	12
8,00,000	5,09,216	52,491	28,867	5,166	F. W. Heilgers & Co. Private Ltd.	Seebpore	26.50	10	0 12	1 0	0 12	....	3,6
66,21,850	22,77,474	4,72,97,817	3,17,80,356	7,816	Industrial Trust Fund (Govern- ment of Hyderabad)	Sendra	7.50 N	10	Nil	0 2	0 4	0 4	6,12
						Singareni	10.50	10	Nil	Nil	Nil	Nil	3
17,50,000	10,89,696	58,95,664	16,16,434	10,407	Bird & Co. Private Ltd.	South Karanpura	9.25	10	0 11 1/8	0 12	0 12	....	12
8,00,000	14 01,085	1,89,57,570	27,510	17,411	F. W. Heilgers & Co. Private Ltd.	Standard	18.75	10	0 8	0 8	0 8	0 5 3/5	12
10,00,000	12,960	31,00,415	15,43,526	—270,421	Villiers (Private) Ltd.	Talcher	1·56	2½	Nil	Nil	Nil	Nil	3
2,50,000	2,80,000	28,47,944	15,85,944	—9,559	Williamson Magor & Co., Ltd. ..	Union	23.50	10	1 12	2 0	2 0	....	6,12
49,96,000	67,084	55,66,550	22,00,008	7,282	Hindustan Investment Corpn., Ltd.	Western Bengal	5.56	10	0 8	0 12	Nil	....	3
7,00,000	11,549	84,46,571	23,81,698	—1,46,550	Mamull & Barry Ltd.	West Jamuria	7.50	10	Nil	0 6	0 8	0 8	6,12

M—Managed by the Board of Directors. ‡ Less income-tax. s) Clive Mills have paid dividend at Rs. 10½ on bonus shares, for the year, 1955. * Including bonus.
(k) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares at which 1,20,000 shares are bonus shares. (c) For seven months ended 31st March 1957.
† New Central Jute Mfg.—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
‡—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Re. 10 each. Dividend for 1956 is on shares of Re. 10 each. P.—Bengal Coal Co. Dividend from 1953 to 1956 are on shares of Rs. 100 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 500 were split into shares of Rs. 100 each.

NEW SYSTEM OF DIRECT TAXATION X-RAYED—II

(*Concluded from page 1293*)

concerning the totality of affairs of a particular taxpayer." In addition to the information now required for assessing the income-tax and super-tax, a correct declaration of the following items would be necessary for the assessment of the expenditure tax: "(1) The purchase and sale of capital assets during the year; (2) money borrowed or lent, or loans repaid or borrowings returned in the course of the year; (3) the state of bank balances at the beginning and the end of the year; (4) bequests, gifts, capital payments received from life insurance, gambling and betting winnings," and (5) cash balances at the beginning and end of the year. It has been pointed out that "the present methods of registration and control over ownership of property" are so irregular and defective that even the initial discovery of the true ownership of many capital assets or property (for the purposes of the wealth tax assessment) may be difficult or even impossible. It will, therefore, be even more difficult, if not impossible, to trace the purchase and sale of property and all capital assets. Mr. Kaldor suggested the adoption of a cumbersome administrative process for enabling the tax authorities to keep track of all transfers of property or assets but this reform has not been introduced. Thus, the t

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000	1,08,00,000	12,42,652	Allahabad Bank	364.00 / 180.00	100 / 50	18 0‡	18 0‡	18 0	9 0‡	12	Y.P.
83,86,500	15,63,000	11,996	Andhra Bank	116.75	100	8 7	8 8	8 8	8 0	6,12	H.
1,00,00,000	1,28,00,000	4,75,752	Bank of Baroda	99.00	70	3 4	3 12	4 8‡	5 9 3/5		
50,00,000	23,50,000	2,796	Bank of Bikaner	102.50	50	6 0‡	6 0‡	6 0	7 0	12	Y.
2,50,00,000				23.00	25	0 12	0 12	0 14	1 2	12	Y.
50,00,000 'A'	3,10,00,000	15,54,924	Bank of India	139.00	50	7 0	7 0	8 0	8 0	6,12	R.L.Y.
14,80,375	27,00,000	67,486	Bank of Indore	138.00 50'A' / 52.00N	25	3 0	3 0	2 8	4 0	12	Y.
50,00,000	22,25,000	25,734	Bank of Jaipur	37.50	10	1 6‡	2 0	2 0	2 8	12	Y.
50,00,000	84,00,000	5,91,911	Bank of Mysore	246.50	100	2 8	16 0‡	16 0‡	16 0‡	12	Y.
61,21,700	68,78,013	10,059	Bombay State Co-operative Bank	57.00N	50	4 8	2 8	2 0		6	Y.T.
15,00,000	22,00,000	38,502	Canara Bank Ltd.	86.00	50	5 0‡	4 8	5 0	5 0	12	P.Y.
7,50,000	12,75,000	8,992	Canara Banking Corporation Ltd.	80.00	50	3 0	5 0	5 8‡	5 0‡	12	Y.P.
5,73,220 'A'	18,00,000	16,676	Canara Ind. & Bkg. Syndicate Ltd.	177.50	100 'A'	9 0	12 8	12 8	15 0	12	Y.
23,787 'C'				1.86	1 'C'	9%	12½%	12½%	15%		
2,02,11,875	4,02,77,123	18,23,043	Central Bank of India Ltd.	53.50	25	2 0	3 0	3 0	3 8	12	R.L.Y.
50,00,000	56,00,000			56.00	25	2 0	4 0	3 0	3 8		
50,00,000	24,50,000	8,13,141	Devkaran Nanjee Banking Co.	38.50	50	4 0	2 0	2 8	3 0	12	Y.
20,00,000	7,50,000	1,45,211	Habib Bank (P)	78.00N	20	1 8	4 0	4 0	2 0	12	Y.
50,00,000	29,75,000	1,01,946	Hind Bank	32.00	50	5 0	3 0	3 0	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9.25	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	1,87,00,000	2,771	Hindustan Mercantile Bank	12.00	50	5 0	*Nil*	*Nil*		12	Y.
44,00,000 / 21,00,000	90,50,200	8,13,491	Indian Bank	187.00 / 147.00	100 / 95	10 8½ / 7 3¾	12 0‡ / 10 3‡	12 0 / 10 12½	13 0 / 9 12	6,12	R.L.H.
49,20,875	36,00,000	2,52,286	Indian Overseas Bank	186.00	100	*Nil*	6 0	7 8	10 0	12	Y.
10,00,000	10,35,000	92,284	Pandyan Bank Ltd.	38.18	25	1 4	1 0	1 14	1 14	12	Y.
87,50,000	1,25,00,000	6,30,372	Punjab National Bank	54.50	25	0 10	1 0	1 8	1 0	12	Y.
1,00,00,000	26,30,000	45,060	Travancore Bank	15.15	25	0 5‡	0 12	1 0	1 0	12	Y.
40,00,000	37,50,000	1,80,787	Union Bank of India	7.30	5	2 0	0 5‡	0 6	0 7	12	Y.
2,00,00,000	1,15,00,000	29,420	United Commercial Bank	54.50	50	2 0	2 8	2 12	3 8	12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3,500,000	£5,000,000	£409,808	Chartered Bank	£1-16-7½	£1	14†	15†	15†	15†	12	R.L.Y
£1,000,000	£1,250,000	£60,917	Eastern Bank	£8½	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $11,039,578	Hongkong and Shanghai Banking Corporation	$95½	H.K. $125	5*	5*	5*	5*	12	Y.
£13,568,070	£17,500,000	£712,060	Lloyds Bank	£2-5-0	£5 A	14†	15†	12†	13†	12	R.L.Y.
£375,000 'A'	£3,000,000	£324,521	Mercantile Bank of India	£5-10-0 A £2½	A £2½	14†	14†	14†	14†		
£750,000 'C'				£5-10-0 B £2½	B £2½	14†	14†	14†	14†	12	R.L.Y.
£3,581,563	£3,104,667	£354,046	National Bank of India	— C £1	C £1	14†	14†	14†	14†		
				£1-0-6	sh. 12½	16†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	97.00	1st June .. 1963
4,00,000	5½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	92.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00	27th December .. 1958-62
16,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October	Bharat Collieries	1944	92.00	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	88.00	30th June .. 1967 (e)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	86.00	14th December .. 1968 (e)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	90.00	15th November .. 1956 (b)
75,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100.50	1st March .. 1972 (e)
18,71,000	5½		Jaykaree Textiles	1949	90.00N	1st January .. 1955-59
39,90,000	5	1st June	Tata Mills	1951	98.00	15th November .. 1966
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	94.00	31st March .. 1965 (e)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		99.00	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.		96.75	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co. Ltd.	1949	94.00	31st December .. 1964 (e)
2,22,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.25	31st January .. 1970 (e)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.50	31st December .. 1959-64
13,80,000	5	1st January and 1st July	Sijua (Jharsiah) Electric Supply Co., Ltd.	1951	96.00	30th June .. 1976 (d)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97.50	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94.00	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94.50	30th September .. 1955-63
47,73,000	6	1st April and 1st October	Tata Power	1940	101.00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		88.50	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	97.50	31st December .. 1969
2,00,000	5	20th June and 31st December	Bridge and Roof (India), Ltd.	1938	99.00	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100.00	1st July .. 1957-62
10,00,000	5	31st May and 30th November	Kirkaldhi Engineering Works Ltd.	1946	95.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	97.50	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99.00	31st December .. 1960 (e)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	96.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	95.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	80.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90.00	31st July .. 1969
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	93.00	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1944	93.00	31st March .. 1960 (e)
6,86,000	5	15th January and 15th July	Empire	1951	93.50	15th July .. 1960 (e)
25,00,000	5½	1st January and 1st July	Hastmahand	1947	92.50	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1945	96.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Khanison Jute Mills Co., Ltd.	1949	95.00	31st December .. 1964 (e)
50,00,000	5½	30th June and 31st December	Kelhati	1952	92.00	31st March .. 1967 (e)
5,00,000	4½	14th November and 14th May	Kellimarie Jute Mills Co., Ltd.	1939	90.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86.00	31st December .. 1969
8,00,000	5	30th June and 31st December	Prasidepaty	1948	90.00	30th June .. 1958
25,00,000	5	31st March and 30th September	Ralhanee Jute Mills Co., Ltd.	1950	88.00	5th September .. 1966 (e)
5,00,000	4½	14th March and 14th September	Soorah Jute	1937	92.00	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	90.00	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1945	86.00	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	80.00N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.25N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,863	5	1st April and 1st October		1933	£77.10N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90.50	31st December .. 1959 (e)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£35.62N	Any time on six months' notice (e)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st September .. 1963
PLANTING						
10,00,000		30th June and 31st December	Consolidated Coffee	1932	102.50	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		90.50	1st April .. 1958-68
£1,56,500	5½	31st March and 30th September	Teakoy	1944	100.00	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd	1948	94.00	31st December .. 1965
26,30,000	4½	1st January and 1st July	Associated Hotels of India	1948	86.00	31st December .. 1962
4,00,000	4	30th June and 31st December	Bengal Paper Mills	1927	93.00	30th June .. 1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	98.00	1st September .. 1964-69(e)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.50	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	88.00	1st February .. 1964
19,50,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1926	80.00	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86.00	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	87.00	
1,80,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	99.00	1st January .. 1971(e)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.00	30th June .. 1969 (e)‡
18,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95.00	
12,07,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	£50.00	30th September .. 1976 (e)
48,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470.00 (per note)	31st December .. 1972 (e)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	88.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Bayora	1955	99.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	90.00	31st March .. 1961 (e)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	90.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	99.75	1st May .. 1968(e)‡‡

(e) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeemed at Rs 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,80,00,000 debentures be redeemed at par annually by drawing from 1-6-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡‡ Rs. 80 lakhs be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 par cent. on 1st May 1963, on six months' notice. ††Option to repay at par on 6 months' notice after 1st January 1961.

WEEK'S STOCK EXCHANGE TREN

THE following quotations indicate the trend transactions on the Bombay Stock Exchan during the week ended 27th June, 1957.

	Closing quotations 20-6-1957	High	Low	Closing quotations 27-6-19
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	145.00	146.25	142.50	146.
Apollo (2)	2.40	2.54	2.38	2.
Bombay Dyeing (250)	535.00	560.00	531.50	550.
Bradbury (50)	195.50	200.00	195.50	199.
Central India (100)	102.50	115.00	103.00	112.
Century Mills (100)	407.00	434.00	406.00	426.
Colaba (100)	60.00	—	—	60.
Edward Textile (200)	255.00	290.00	255.00	290.
Elphinstone (50)	50.00xd	56.50	50.00	54.
Finlay (100)	273.00	278.00	271.00	274.
Gokak (100)	175.00	185.00	176.50	182.
Ind. Untd. Deld. (1)	1.64	1.76	1.64	1.
Ind. Untd. Ord. (10)	9.40	11.00	9.35	10.
Indore Malwa (100)	135.00xd	140.25	134.00	138.
Khatau (100)	167.50	177.50	170.00	176.
Kohinoor (100)	283.50	290.50	282.50	286.
Lakshmi (250)	630.00	630.00	595.00	598.
Minerva Mills (100)	84.00	84.00	80.00	80.
Model Nagpur (250)	180.00	176.25	175.00	176.
Morarji (100)	210.00	215.00	210.00	215.
Mysore (50)	100.00	—	—	100.
National Rayons (100)	211.50xd	228.00	214.75	224.
New City (100)	132.50	135.00	132.50	135.
New Great (100)	220.00	235.00	220.00	235.
Phoenix (100)	127.50	137.50	127.50	137.
Podar Mills (100)	165.00	165.00	160.00	160.
Sassoon Silk (10)	8.50	9.00	8.50	9.
Sassoon Spg. (50)	180.00	—	—	35.
Sholapur (1,000)	1,225.00	—	—	1,225.
Shrinivas (100)	174.00	180.50	172.50	178.
Simplex (100)	160.00	169.00	160.50	166.
Standard (100)	401.00	417.00	400.00	414.
Svadeshi (100)	183.50	192.00	183.00	187.
Swan (100)	355.00	362.50	353.75	361.
Tata Mill (25)	42.00	44.50	42.75	34.
Vishnu (100)	113.75	115.75	113.75	115.
Western India (1,000)	4,520.00	—	—	4,520.
BANKS				
Bank of India (50)	137.75	139.00	137.75	139.
Do. (New) (50)	138.00	—	—	138.
Bank of Baroda (50)	102.00	102.50	101.50	102.
Central (28)	52.75	54.00	52.75	53.
Central 'A' (25)	53.75	56.00	54.00	56.
Dena Bank (50)	38.50	—	—	38.
Punjab National (25)	54.00	—	—	54.
Union Bank (5)	7.00	7.30	7.00	7.
United Com. (50)	54.00	54.50	54.00	54.
ELECTRIC COS.				
Ahmedabad (100)	93.75	94.00	93.25	93.
Amalgamated (10)	10.25	—	—	10.
Andhra Valley (1,000)	1,190.00	1,195.00	1,185.00	1,195.
Bom. Sub-El. (100)	103.50	104.75	103.50	104.
Surat (100)	107.25	109.00	107.50	109.
Tata Hydro (100)	120.00	122.50	119.75	123.
Tata Power (1,000)	1,205.00	1,222.50	1,202.50	1,216.
INSURANCE COS.				
British India (10)	13.30	—	—	13.
Empire of India (100)	350.00	—	—	350.
Ind. Mercantile (20)	41.25	—	—	41.
Jupiter (15)	7.25	—	—	7.
New India (15)	42.75	43.75	42.50	43.
Oriental (30)	3,775.00	3,775.00	3,625.00	3,625.
Universal (10)	13.00	—	—	13.
Vulcan (10)	15.75	15.75	15.65	15.
STEEL COS.				
Ind. Iron (10)	19.65	20.50	19.35	20.
Tata Steel Ord. (75)	163.75	174.75	163.25	170.
SUGAR COS.				
Belapur (50)	221.00	242.00	219.00	238.
Bhopal (10)	17.70	18.25	17.70	18.
Dhulian (50)	135.00	146.50	133.00	143.
Walchand Ind. (100)	244.50	265.00	244.00	258.
CEMENT COS.				
Associated Cts. (100)	158.25	160.75	154.25	158.
Digvijay (100)	145.00	146.25	144.50	146.
MISCELLANEOUS				
Alcock Ashdown (100)	272.50	280.00	271.25	276.
Bom. Burmah (125)	556.50	582.00	549.50	570.
Do. (New) (50)	204.00	210.00	204.00	210.
Bx. B. Petrol (4 sh.)	2.48	2.64	2.48	2.
Br. I. Corpn. (5)	6.05	7.00	5.90	6.
C. P. Rly. (100)	69.50	—	—	69.
Indian Copper (2 sh.)	3.60	3.80	3.36	3.
Ind. Inv. Tr. (100)	69.90	—	—	69.
Kamp (200)	176.25	—	—	17
Killick (100)	158.00	156.00	155.00	159.
Polson (100)	157.50	—	—	157.
Port Canning (100)	4.34	4.34	4.25	4.
Pre. Automobiles (100)	86.50	90.00	86.50	89.
Premier Cons. (30)	151.50	163.00	150.50	161.
Scindia (20)	18.50	19.45	18.30	19.
G. E. Shipping (10)	19.35	19.70	19.35	19.
Shirvanjee (100)	79.50	84.00	79.50	82.
Tata Chemicals (10)	17.35	17.85	17.20	17.
Tata Locomotive (100)	147.00	155.00	144.25	152.
Tata Oil (165)	43.75	43.75	42.50	43.
W. I. Match (100)	153.00	158.00	152.50	157.

GOVERNMENT SECURITIES	21-6-1957	Earlier Redemption	Later Redemption	27-6-1957
	Rs.	Gross Yield		Rs.
2½% 1961	93.50	—	4.17	93.
2½% 1960	96.45	—	4.02	96.
2½% 1962	93.80	—	4.02	93.
2½% 1963	88.10	—	4.02	88.
3 % 1957	99.75	—	4.03	99.
3 % 1958	99.60	—	4.36	99.
3 % 1959-61	97.75	4.10	4.39	97.
3 % 1964	94.00	—	4.03	93.
3 % 1965-85	93.70	4.20	4.03	93.
3 % 1966-68	91.65	4.12	4.03	91.
3 % 1970-75	85.90	4.44	4.14	85.
3 % 1986 Con. Loan	72.95	—	4.11*	73.
4 % 1960-70	100.75	3.75	3.92	100.
4½% 1988-89**	101.75	2.71	4.30	101.
2½% 1961 N.P. Bonds	99.40	—	3.60	99.
2½% 1964 N.P. Loan	97.75	—	3.88	97.
2½% 1965 N.P. Loan	97.75	—	3.82	97.
2½% 1962	97.50	—	3.83	97.
2½% 1967 N.P. Bonds	98.05	—	3.73	98.
2½% 1974	98.30	—	3.90	98.

BRITISH GOVERNMENT SECURITIES	Closing quotations 17-6-1957 £			Closing quotations 25-6-1957 £
2½% Brit. Consols	51‡xd	—	—	50
3 % Savings Bonds 1965–75	73	—	—	73
3% War Loan 1955-59	96‡	—	—	96
3½% War Loan	70½	—	—	69
4% Victory Bonds 1976	93	—	—	93
4% Funding 1960-90	88½	—	—	87

* Current Income x.d.—Ex-dividend. ** Rupee Counterp
x.r.— Ex-Right.

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